

Meeting Minutes | Retirement Policy Committee

Wednesday, June 6, 2018 | 1:00 p.m.
200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

Minutes Approved September 5, 2018

Board Members Present: Chairman Steve Heisler, Mr. Rocky Pearce, Mr. Audie Penn, and Mr. Ed Walton

Board Members Present Via Telephone: Sheriff Leon Lott

Others Present for All or a Portion of the Meeting: Peggy Boykin, Ashley Brindle, Phyllis Buie, Sarah Corbett, Joe Greene, Heather Muller, Tammy Nichols, Sheila Pinckney, Travis Turner, Stephen Van Camp, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Sam Griswold, Wayne Bell, and Wayne Pruitt from the State Retirees Association of South Carolina; Nancy Ornduff from Empower Retirement; Mike Wright and Joe Ferguson from Segal Marco Advisors; Joanie Lawson from the South Carolina Education Association; Davis Latham from the South Carolina Office of the State Treasurer; Billy Peebles with VALIC; and David Johnson with MetLife.

I. Call to Order

Chairman Steve Heisler called the PEBA Retirement Policy Committee (Committee) meeting to order at 1:00 p.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

II. Approval of Meeting Minutes- March 7, 2018

Sheriff Leon Lott made a motion, which was seconded by Mr. Ed Walton, and passed unanimously, to adopt the March 7, 2018, meeting minutes as presented.

III. Defined Contribution Quarterly Reports

Mr. Mike Wright from Segal Marco Advisors presented the South Carolina Defined Contribution Plan (SCDCP) report, for the quarter ending March 31, 2018, and reviewed the asset class performance for the quarter. Mr. Wright stated that due to rising interest rates, the S&P 500 had a negative return for the first quarter of 2018.

Mr. Wright reported that the AllianceBernstein Small Cap Growth fund has been removed from the SCDCP investment performance watch list due to recent strong performance, and the revised SCDCP Investment Policy Statement (IPS) guidelines.

Mr. Wright concluded his presentation by reviewing the SCDCP asset allocation, fund monitor, and fund line-up performance for the quarter.

Mr. Joe Ferguson from Segal Marco Advisors discussed the State Optional Retirement Program (State ORP) investment performance for the first quarter of 2018, and reported that the Mass Mutual INVESCO Small Cap Discovery fund fell below its index for both the three and five year periods, but performed well compared to its peer group universe. Mr. Ferguson reminded the Committee that this fund was on the watch list under the previous State ORP IPS guidelines, and Segal will continue to monitor performance returns.

Mr. Ferguson advised that the Mass Mutual Oppenheimer International Growth fund has outperformed the benchmark and peer group universe for both the three and five year periods, and has been removed from the watch list in accordance with the revised State ORP IPS.

Mr. Ferguson stated that the Mass Mutual Thornburg Developing World fund has underperformed over the three and five year periods compared to its benchmark and peer group universe, and Segal Marco recommends that this fund be on the watch list for formal review in accordance with the State ORP IPS.

Mr. Ferguson reported that the Mass Mutual Ivy Science and Technology fund fell below its index and peer group median for both the three and five year periods, and Segal Marco will continue to monitor this fund on an informal basis.

Mr. Ferguson also noted that the TIAA CREF Inflation Linked Bond fund fell below its index and peer group median for both the three and five year periods, and Segal Marco will continue to monitor this fund on an informal basis as well.

IV. Deferred Compensation Program Plan Summary

Ms. Nancy Ornduff, from Empower Retirement, presented the first quarter plan activity summary to the Committee. Ms. Ornduff stated that the South Carolina Deferred Compensation Program was awarded a Hermes Creative Award- Gold Category for the 2017 roll-in campaign. The Program also won two Communicator Awards of Distinction for the roll-in campaign and participant enrollment campaign.

Ms. Ornduff concluded by reviewing a summary on local office activity.

V. Old Business/Director's Report

Ms. Peggy Boykin, Executive Director, stated that she would provide the Director's report at the full Board meeting.

Chairman Heisler stated that he would like to recognize Mr. David Tigges for his outstanding service to the PEBA Board and the Retirement Policy Committee. His counsel and advice during the last six years is greatly appreciated.

Chairman Heisler advised that the next Committee meeting will be held on July 25, 2018, at 1:00 p.m.

VI. Adjournment

There being no further business, and upon motion by Sheriff Lott, which was seconded by Mr. Walton, and approved unanimously, the Committee meeting adjourned at 1:55 p.m.