



Meeting Minutes | Retirement Policy Committee

Wednesday, March 2, 2022, | 1:00 p.m.

202 Arbor Lake Dr., Columbia, SC 29223 | First Floor Conference Room | Via Zoom Teleconference

Minutes Approved June 15, 2022

Board Members Present for All or a Portion of the Meeting: Mr. Steve Heisler, Chairman Paige Lewis, Sheriff Steve Mueller, and Mr. Ed Walton.

Others Present for All or a Portion of the Meeting: Peggy Boykin, Robby Brown, Ashley Brindle, Sarah Corbett, Heather Muller, Stephen Van Camp, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Mike Wright from Segal Marco Advisors; and Nancy Ornduff from Empower Retirement.

Others Present for All or a Portion of the Meeting Via Virtual Means: Amber Carter, Jessica Moak, Tammy Nichols, Travis Turner, Angie Warren, and Justin Werner from PEBA.

I. Call to Order

Chairman Paige Lewis 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- November 30, 2021

Mr. Steve Heisler made a motion, which was seconded by Sheriff Steve Mueller, and passed unanimously, to approve the minutes from the November 30, 2021, Committee meeting.

III. Defined Contribution Plans Quarterly Investment Performance Report

Mr. Mike Wright from Segal Marco Advisors presented the South Carolina Defined Contribution Plans report for the quarter ending December 31, 2021. Mr. Wright provided a market overview and stated that inflation rates remain very high at seven percent, and the Gross Domestic Product also increased seven percent for the fourth quarter.

Mr. Wright reviewed the South Carolina Deferred Compensation Program (Deferred Comp) investment performance for the fourth quarter of 2021 and reported that the book to market value for the Plan's stable value fund was 101.2 percent at the end of the fourth quarter.

Mr. Wright advised that T. Rowe Price recently announced that the portfolio manager for the T. Rowe Price Mid-Cap Value I fund will be retiring on June 1, 2022. A new portfolio manager has been named, and Segal Marco will continue to monitor this investment option on an informal basis.

Mr. Wright reported that the T. Rowe Price Growth Stock fund placed below its index for the three and five-year periods. Segal Marco will continue to monitor this investment option on an informal basis.

Mr. Wright stated that the Hartford Mid Cap fund placed below its index for the three and five-year periods and is in the bottom half of its peer group universe. Segal Marco will continue to monitor this investment option on an informal basis.

Mr. Wright turned the discussion to the State Optional Retirement Program (State ORP) investment performance for the fourth quarter of 2021, and advised that under the AIG investment lineup, the Fidelity Emerging Markets Index placed below its index for the three and five-year periods. Segal Marco is reviewing the performance and tracking error of this fund and has placed it on an informal review.

Mr. Wright reported that the MassMutual Select Blue Chip Growth I fund in the Empower Retirement (formerly MassMutual) investment lineup, placed below its index for the three and five-year periods and is in the bottom half of its peer group universe. Segal Marco will continue to monitor this investment option on an informal basis.

Mr. Wright stated that the Fidelity Total International Index fund, also on the Empower Retirement investment lineup, placed below its index for the three and five-year periods, and Segal Marco is reviewing the performance and tracking error of the fund and has placed it on an informal review.

Mr. Wright advised that the CREF Inflation Linked Bond fund, on the TIAA investment lineup, placed below its index for the three and five-year periods and is in the bottom half of its peer group universe. Segal Marco will continue to monitor this investment option on an informal basis.

Mr. Wright reported that the TIAA Target Date fund series outperformed the S&P Target Date series over the three and five-year periods, but underperformed the asset weighted composite index over the same time periods. Segal Marco is reviewing target date funds across all four service providers.

Mr. Wright stated that none of the investment options in the current Voya lineup are under informal review.

IV. Deferred Compensation Program Quarterly Plan Summary

Ms. Nancy Ornduff, from Empower Retirement, presented the fourth quarter of 2021 Deferred Compensation Program quarterly plan summary to the Committee. Ms. Ornduff reviewed the plan statistics for the fourth quarter, including participant accounts; assets; contributions and distributions; rollovers; and participating employers.

Ms. Ornduff concluded her presentation by reviewing retirement plan advisory activity; outreach to participants and employers during the fourth quarter; and call center statistics.

V. Old Business/Director's Report

Ms. Peggy Boykin, Executive Director, stated that the House Ways and Means Committee have completed their version of the budget which will go to the House floor in a couple of weeks. Ms.

Boykin noted that the House Ways and Means Committee version of the budget included funding an additional 115 million dollars in one-time non-recurring money equivalent to the one percent contribution increase that was suspended in 2020.

VI. Adjournment

There being no further business, and upon motion by Mr. Heisler, which was seconded by Sheriff Mueller, and approved unanimously, the Committee meeting adjourned at 2:00 p.m.