



Meeting Minutes | Retirement Policy Committee

Wednesday, March 4, 2020 | 1:00 p.m.

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

Minutes Approved October 1, 2020

Board Members Present: Chairman Steve Heisler, Ms. Paige Lewis, and Mr. Ed Walton

Board Members Via Telephone: Sheriff Leon Lott

Others Present for All or a Portion of the Meeting: Peggy Boykin, Ashley Brindle, Sarah Corbett, Joe Greene, Jessica Moak, Heather Muller, Sheila Pinckney, Travis Turner, Stephen Van Camp, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Marilyn Collister, Marybeth Daubenspeck, Nancy Ornduff from Empower Retirement; Joe Newton and Danny White from Gabriel, Roeder, Smith & Company (GRS); Mike Wright and Joe Ferguson from Segal Marco Advisors; Sam Griswold and Wayne Pruitt from the State Retirees Association of South Carolina; Jamie Robinson from AIG; 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-December 4, 2019

Ms. Paige Lewis made a motion, which was seconded by Mr. Ed Walton, and passed unanimously, to approve the minutes from the December 4, 2019, Committee meeting.

III. Defined Contribution Quarterly Reports

Mr. Mike Wright and Mr. Joe Ferguson from Segal Marco Advisors presented the South Carolina Defined Contribution Plans report for the quarter ending December 31, 2019. Mr. Wright provided a market overview, and stated that U.S. equity was strongly positive with a one-year return of 31 percent, and U.S. fixed income was also positive with a one-year return of 8.7 percent.

Mr. Ferguson reviewed the South Carolina Deferred Compensation Program (Deferred Comp) asset allocation and fund line-up performance for the fourth quarter, and advised that there are no investment options in Deferred Comp that require further review at this time.

Mr. Ferguson turned the discussion to the State Optional Retirement Program (State ORP) investment performance for the fourth quarter of 2019, and reported that the INVESCO Small Cap Discovery Fund within the Mass Mutual lineup will be merged into the INVESCO Small Cap Growth Fund on May 15, 2020.

Mr. Ferguson stated that the Ivy Science and Technology Fund within the Mass Mutual lineup has consistently underperformed for the three, five, and 10-year returns, and Segal Marco recommends moving this fund from the investment lineup and mapping the assets to the Vanguard Small Cap Index Fund.

Chairman Heisler made a motion, which was seconded by Ms. Lewis, and passed unanimously, to recommend that the PEBA Board remove the Ivy Science and Technology Fund from the MassMutual State ORP investment lineup and map the plan assets from that fund to the Vanguard Small Cap Index Fund.

IV. Deferred Compensation Program Plan Summary

Ms. Nancy Ornduff, from Empower Retirement, presented the fourth quarter Deferred Comp plan activity summary to the Committee. Ms. Ornduff also reviewed a plan statistics summary, historical trends analysis, a review of completed communications projects, fourth quarter website statistics, and educational campaigns.

V. Administrative Fee Reduction for the Deferred Compensation Program

Mr. Travis Turner, Chief Financial Officer, stated that in February 2012, the Deferred Compensation Commission adopted an account-based plan administration fee of \$1 per quarter per account, effective January 1, 2013, to replace the prior use of accumulated revenue sharing reserves to pay the administrative costs of the Program. Staff has determined that the accumulated cash balances held in each plan for administrative costs are at a level that warrants a reduction in the plan administration fee at this time. Staff recommends a reduction to \$1 per year per plan account.

Chairman Heisler made a motion, which was seconded by Ms. Lewis, and passed unanimously, to recommend that the PEBA Board reduce the plan administration fee charged by the South Carolina Deferred Compensation Program from the current fee of \$1 per quarter per account, to a fee of \$1 per year per account, effective January 1, 2020.

VI. Old Business/Director's Report

Ms. Peggy Boykin, Executive Director, reminded the Committee that the full Board will meet at 2:00pm today to allow for educational training on ethics and fiduciary responsibilities, and the experience study review of the Retirement Systems.

VII. Adjournment

There being no further business, and upon motion by Ms. Lewis, which was seconded by Mr. Ed Walton, and approved unanimously, the Committee meeting adjourned at 1:40 p.m.