

**MINUTES
SCHOLARSHARE INVESTMENT BOARD**

DECEMBER 10, 2020

In light of the COVID-19 pandemic and in accordance with the requirements of Executive Order N-25-20 to provide social distancing at state body meetings, the ScholarShare Investment Board provided its members, participants, and members of the public the opportunity to participate in this meeting via teleconference.

Chair Fiona Ma called the meeting to order at 1:02 PM.

Present:

Members: Fiona Ma, State Treasurer, Chair
Jennifer Whitaker for Keely Martin Bosler, Director, Department of Finance
Rigel Massaro for Brooks Allen, Executive Director, State Board of Education
(via teleconference)
Angela Acosta-Salazar, Senate Rules Committee Appointee (via teleconference)
Hal Geiogue, Governor Appointee, California Student Aid Commission
(via teleconference)
David Lizarraga, Speaker Appointee (via teleconference)
Paul Martin, Governor Appointee – Member at Large (via teleconference)

Present:

Staff: Julio Martinez, Executive Director, ScholarShare Investment Board
(SIB or Board) (via teleconference)
Stanley Zeto, Deputy Executive Director, SIB
Noah Lightman, Manager, CSA Initiatives, SIB (via teleconference)
James Millward, SIB
Audrey Noda, Deputy Treasurer, State Treasurer's Office (via teleconference)
Jennifer Baldwin, Senior Attorney, State Treasurer's Office (via teleconference)

Consultants: Eric White, Principal, Meketa Investment Group, Inc. (Meketa) (via teleconference)
Andrea Feirstein, Managing Director, AKF Consulting Group (AKF)
(via teleconference)
Soohyang Lee, Vice President, AKF (via teleconference)

TFI: Chris Lynch, President, TIAA-CREF Tuition Financing, Inc. (TFI)
(via teleconference)
Vivian Tsai, Senior Director, Head of Relationship Management,
TIAA-CREF Tuition Financing, Inc. (TFI) (via teleconference)
Linda English, Senior Director, TFI (via teleconference)
Doug Harrison, Senior Director, Marketing, TFI (via teleconference)
Jeremy Thiessen, Senior Director, Investment Strategies of Education Savings,
(TFI) (via teleconference)
Glenn Friedman, Director, TFI (via teleconference)
Gloria Yvette Haring, Team Manager, TFI (via teleconference)

Chair Ma declared a quorum present.

Board Agenda Item Number One
Approval of Minutes from September 17, 2020 ScholarShare Investment Board Meeting

The minutes for the September 17, 2020 ScholarShare Investment Board meeting were presented to the Board.

Chair Ma asked for public comment. There was none.

Board Action

Motion to approve the minutes for the September 17, 2020 SIB meeting.

MOTION:	Member Geiogue	SECONDED:	Member Lizarraga
AYES:	Members Whitaker, Acosta-Salazar, Geiogue, Lizarraga, Martin, Ma		
NOES:	None		
ABSTAIN:	Member Massaro		
RECUSE:	None		

MOTION APPROVED

Board Agenda Item Number Two
Executive Director's Report

Mr. Stan Zeto, SIB, provided updates on accounts, contributions, and assets for ScholarShare 529 (Plan), contracts and request for proposals, and tentative 2021 Board meeting dates. Mr. Julio Martinez, SIB, provided general program updates, including the Morningstar annual rating for 2020, staff changes, state legislation, and marketing and outreach initiatives. Mr. Martinez and Ms. Andrea Feirstein, AKF, responded to Chair Ma's inquiry regarding this year's account and asset growth and this year's Morningstar rating for ScholarShare 529. Additionally, Member Geiogue expressed interest in exploring the possibility of including information about the new College Countdown online resource to the California Student Aid Commission website.

Chair Ma asked for public comment. There was none.

Board Agenda Item Number Three
Resolution to Approve Issuance of Request for Proposals for Program Management Services for ScholarShare 529

Mr. Stan Zeto presented SIB staff's recommendation for the Board to adopt Resolution No. 2020-07 approving the issuance of a request for proposals (RFP) for program management services for ScholarShare 529. SIB staff outlined its contract components, scope of work, proposal evaluation and anticipated timeline to develop and issue the RFP.

Chair Ma asked for public comment. There was none.

Board Agenda Item Number Six
Resolution to Approve Changes to ScholarShare Statement of Investment Policy

Mr. Martinez presented SIB staff's recommendation for the Board to adopt Resolution No. 2020-09 to approve changes to the ScholarShare Statement of Investment Policy. Mr. White presented Meketa's recommended changes to the Investment Policy, which included a change to remove references to the SIB-administered Governor's Scholarship Programs, which concluded in December 2019.

Chair Ma asked for public comment. There was none.

Board Action

Motion to approve Resolution No. 2020-09 to approve changes to ScholarShare Statement of Investment Policy

MOTION:	Member Geiogoue	SECONDED:	Member Whitaker
AYES:	Members Whitaker, Massaro, Acosta-Salazar, Geiogoue, Lizarraga, Martin, Ma		
NOES:	None		
ABSTAIN:	None		
RECUSE:	None		

MOTION APPROVED

Board Agenda Item Number Seven
Review of ScholarShare Monitoring Procedures and Criteria

Mr. White presented Meketa's review of the ScholarShare Monitoring Procedures and Criteria and determined that no changes were necessary at that time. Mr. Martinez stated that SIB staff concurred with Meketa's recommendation for no changes. Member Geiogoue proposed a review of the Procedures, as well as other documents, for changes to reflect gender-neutral word usage to which SIB staff confirmed they would address.

Chair Ma asked for public comment. There was none.

Board Agenda Item Number Eight
Review of 2021 Asset Allocation Recommendation for ScholarShare 529

Mr. Glenn Friedman, TFI, presented TFI's 2021 Asset Allocation Recommendation for the Plan, providing an overview of its full analysis and ultimately its recommendation for no changes to the existing asset allocation strategy for the portfolios in the Plan for 2021. Mr. White presented Meketa's analysis of TFI's recommendation and stated that Meketa and SIB staff concur with TFI recommendation for no changes in 2020.

Chair Ma asked for public comment. There was none.

**Board Agenda Item Number Nine
Resolution to Approve Placement of the DFA Emerging Markets Core Equity Portfolio (I),
TIAA-CREF High-Yield Fund, and TIAA-CREF Quant Small-Cap Equity Fund on Watch
Status; Review and Analysis of Investment Performance for ScholarShare 529**

Mr. Martinez presented SIB staff's recommendation for the Board to adopt Resolution No. 2020-10 to approve placement of the DFA Emerging Markets Core Equity Portfolio (I), TIAA-CREF High-Yield Fund, and TIAA-CREF Quant Small-Cap Equity Fund on watch status.

Mr. Jeremy Thiessen, TFI, and Mr. Friedman presented TFI's Investment Performance Report for the Plan for third quarter 2020 comparing each underlying fund allocated to the portfolios in the Plan to applicable benchmark. Mr. Friedman responded to Chair Ma's inquiry regarding the performance for the TIAA-CREF Social Choice Portfolio.

Mr. White presented Meketa's Investment Performance Status Report for the Plan for third quarter 2020 and its watch memo that outlined Meketa's recommendation to place the DFA Emerging Markets Core Equity Portfolio (I), TIAA-CREF High-Yield Fund, and TIAA-CREF Quant Small-Cap Equity Fund on watch status. Mr. White responded to Member Whitaker's inquiry regarding the timing for the funds being placed on watch status.

Chair Ma asked for public comment. There was none.

Board Action

Motion to approve Resolution No. 2020-10 to approve placement of the DFA Emerging Markets Core Equity Portfolio (I), TIAA-CREF High-Yield Fund, and TIAA-CREF Quant Small-Cap Equity Fund on watch status.

MOTION:	Member Whitaker	SECONDED: Member Martin
AYES:	Members Whitaker, Massaro, Acosta-Salazar, Geiogoue, Lizarraga, Martin, Ma	
NOES:	None	
ABSTAIN:	None	
RECUSE:	None	

MOTION APPROVED

**Board Agenda Item Number Ten
2021 Marketing Plan and 2020 Marketing Update for Scholarshare 529**

Mr. Doug Harrison, TFI, presented TFI's Q3 2020 Marketing Results for the Plan, highlighting marketing results for the third quarter of 2020 and outlining the marketing activities planned for the remainder of the year. Ms. Yvette Haring, TFI, provided an update on recent employer outreach efforts. Mr. Harrison also presented TFI's 2021 Marketing Plan for Plan outlining the objectives, strategies, activities, and budget for 2021.

Chair Ma asked for public comment. There was none.

Board Agenda Item Number Eleven
Review of Administrative Performance for ScholarShare 529

Ms. Linda English, TFI, presented TFI's Administrative Performance Report for the Plan for third quarter 2020 relative to pre-established performance criteria and reported that TFI did not underperform in any of the performance areas.

Chair Ma asked for public comment. There was none.

Public Comment

Chair Ma called for public comment. There was none.

There being no further business before the Board, the Chair adjourned the meeting at 2:59 PM.