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College Savings Program Board Investment Advisory Committee Meeting

State Treasurer's Conference Room
1 S. Pinckney Street, Third Floor
Madison, Wisconsin

February 14, 2011
12:30 p.m.

Minutes

- I. **Call to Order and Roll Call** at 1:05 p.m. (Ken Johnson, Chair)
Present: Ken Johnson, Bill Oemichen, Kurt Schuller, Michael Wolff, Linda Schlissel (Evaluation Associates), Sarah Henriksen and Shane Martwick (Wells Fargo), and Jim DiUlio.
- II. **Agenda Approval and Public Posting Report** (Chair, staff)
Approved by unanimous voice vote
- III. Minutes of the November 7, 2011 meeting and this meeting will be submitted for approval at the next meeting, May 9, 2011
- IV. **Public Presentations** (if requested in advance) None.
- V. **Old Business**
 - A. Review of the Wells Fargo Proposed Enhancements to the EdVest plan *Chair Johnson* began the meeting with a brief summary of last week's discussion for the benefit of those absent. *Henriksen* reported that SSgA had withdrawn their part of the proposal during the last week, leaving the Vanguard choices in place for the committee to consider. Their withdrawal was based in part on fee arrangements and asset sizes. *Schlissel* reported on the anticipated breakpoint tiers with each of the suggested Vanguard funds.
 - B. Review of existing portfolios affected by the proposal. The group clarified some points left from last week's discussion, including keeping the credit union CD statutes in place, in the event the market recovers enough to justify reopening the portfolio. Also discussed was the value of keeping the discontinued funds open for various times rather than migrating the assets to the replacement choices. Timelines of notices and related materials will be developed, working with the operations team at Wells Fargo. Both Baird and Legg Mason have been notified by Wells Fargo of the possible action; although being disappointed, they understood the feelings of the committee and Board.



- C. Recommendations to Board. *Johnson* summarized the previous meetings leading to today's conversations with the committee, asking for clarification. The emerging markets concern has been addressed, with the addition of a separate fund to the balanced, moderate, and aggressive portfolios, but not offered as a standalone choice. The allocations will be reviewed and adjusted as needed.

Motion by Oemichen, second by Wolff to recommend to the College Savings Program Board that the following investment portfolio changes take place to the EdVest plan: Add three Vanguard Index Funds—Total Bond Market, Small Cap Equity, and Total International Stock—to the plan, by renaming the Baird Bond and Legg Mason portfolios and changing the underlying investments; to close the Credit Union CD portfolio and move the participants to the Bank CD portfolio, but keeping the framework in place to reopen if needed, and accepting Wells Fargo's recommendation to add an emerging market fund allocation to the set portfolios. Unanimous voice vote. Carried.

VI. New Business

None

VII. Future Committee Agenda Discussion Items

None

VIII. Announcements

NEXT MEETING: The committee will meet next on Monday, May 9, 2011.

IX. Adjournment

Motion by Oemichen, second by Wolff to adjourn. Unanimous voice vote. Meeting adjourned at 12:57 p.m.

NOTE: *The Committee may recess into closed session, pursuant to the exemptions contained in s. 19.85, Wis. Stats. for deliberation of investment of public funds or other business where competitive reasons are an issue.*