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## Wisconsin College Savings Program Board

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### **DRAFT College Savings Program Board Investment Advisory Committee Meeting**

State of Wisconsin Department of Administration Building  
101 E Wilson Street; Madison, Wisconsin

**February 20, 2015 -- 10:00 a.m.**

#### **Minutes**

- I. Call to Order and Roll Call** at 10:00 a.m. (Ken Johnson, Chair)  
Present: Ken Johnson, Rob Kieckhefer, Michael Wolff, Annoesjka West, Shirley Yang, Jim DiUlio, and on the phone Jeremy Thiessen.
- II. Agenda Approval and Public Posting Report** (Chair, staff) Meeting has been posted properly. Motion by Oemichen, second by Kieckhefer to approve agenda. Approved by voice vote.

Shirley Yang, the new TFI relationship manager, briefly described her background. She has been the 529 program director for Illinois, and has experience in corporate finance and mutual fund business. Her responsibilities with TFI also include the Minnesota direct plan.

**III. Approval of Committee Meeting Minutes.** Not ready for review.

**IV. Public Presentations:** None requested, no one present.

Since *West* was delayed in traffic, the agenda then moved to VI, New Business

#### **VI. New Business**

**Bank CD Portfolio** *DiUlio* reported that the CD portion is still less than half of the Edvest Bank CD Portfolio's assets. However, we were able to insert an article in this month's Wisconsin Bankers Association newsletter as a reminder to banks. Both WBA and Bankers Bank will monitor results.

**ABLE legislation** These disability accounts are now federal law, passed in December 2014. They are covered in a new separate section 529A, alongside 529 college savings. While there are varying levels of interest among the states to create plans, the US Treasury is not expected to issue rules until June at the earliest. A handful of states have made definite plans to host these accounts through the state treasurer's office or a health agency. About half of the states are in some stage of preparation. Since early ABLE proposals were once linked with college savings plans, the national CSPN group has assembled a large body of information for the states to use. CSPN has organized

two working committees for members to share information and documents—one for implementation process and the other for operations and investments. The volume of details required to start these plans will likely delay implementation until 2016 or later.

The meeting returned to V. Old Business

## V. Old Business

A. **Fourth Quarter 2014 Investment Review** [Callan Associates] *Annoesjka West* reviewed the quarter's market events and performance. [See the Callan Executive 4Q Summary]. Discussion of the broad markets followed. *Johnson* asked if any of these events had direct impact on 529 plan portfolios. *Thiessen* replied that nothing specifically links to 529 investments. As mostly 1940 act funds, there is little exposure to the highly alternative products. She then reviewed the portfolios and underlying funds in both plans, noting exceptions in performance or tracking.

B. **Watch List, Recommendations** PIMCO Total Return Fund remains on formal watch, even though it is scheduled for replacement in early April as an underlying fund in the Edvest plan. The Tomorrow's Scholar liquidation of the fund has taken place.

No other action is recommended by Callan at this point, and the committee agreed.

## VI. Discussion Items for Future Committee Meetings

Reviewing the number of investment choices, are there too many? Materials will be prepared for the next meeting to start the discussion before year-end reviews. Ask Voya about the Columbia managers

VII. **Announcements** The next meeting will be May 18.

VIII. **Adjournment** Motion by Oemichen, second by Wolff to adjourn at 11:40 a.m. Carried.