



**NC ALE**  
National ALE Alliance Member



*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

## **MINUTES NC ALE PROGRAM BOARD OF TRUSTEES**

The regular quarterly meeting of the NC ALE Program Board of Trustees was called to order at 9:30 a.m., May 12, 2021, by the Chair, State Treasurer Dale R. Folwell, CPA. The meeting was held in a hybrid format, with most people attending via internet and some staff attending in person in the Dogwood Conference Room of the Longleaf Building at 3200 Atlantic Avenue, Raleigh, NC, 27604. The Chair indicated there would be a public comment period for organizations and individuals to address the Board later in the agenda.

### **Members Present**

Board members present were: Treasurer Dale R. Folwell, CPA, Chris Egan (via internet), Commissioner Ray Grace (via internet), Melinda Plue (via internet), Marquita Robertson (via internet), and Ben Wright (via internet).

### **Members Absent**

No members were absent.

### **Guests Present**

Guests attending (all via internet) were: Katherine Bosken from the Office of the Commissioner of Banks, Rich DeSilva, Molly Peterson, Dawn Roach, and Paul Souppa from Ascensus, and Cheryl Walfall-Flagg, member of the public.

### **Department of State Treasurer Staff Present**

The staff members present were: Mary Buonfiglio, Tom Causey, Reid Chisholm, Chris Farr (via internet), Christy Farrelly, Joan Fontes (via internet), Patti Hall, Jeff Hancock (via internet), Alan Jaquith (via internet), Rekha Krishnan (via internet), Fran Lawrence (via internet), Loren de Mey (via internet), and Laura Rowe (via internet).

The Chair called the meeting to order and reminded members that, since this meeting is being held in a hybrid format, members must announce their names when they arrive, when they depart, and when speaking. He explained that all votes will be taken by roll call and that making a motion will be assumed to be a vote for the proposal. He also shared that today's meeting is being recorded under the Department of State Treasurer's policy to record official public meetings as part of an initiative to increase government transparency.

The Chair reminded the Board that Ms. Mary Buonfiglio is retiring. He shared that the North Carolina Supplemental Retirement Plans have grown to become among the largest in the country and many major initiatives and transitions have been completed under her leadership. He said that Jeff Hancock has been hired to replace her as the new Director of Supplemental Retirement Plans and that we are very happy to have him on board, later commenting that Mr. Hancock will be officially starting May 17.

He also stated that Commissioner Ray Grace has also announced his retirement, and shared that Ben Wright's term will conclude June 30. He personally thanked Mr. Wright for his many contributions to this board and his ongoing support of those with disabilities.

Mr. Wright thanked the Chair for his kind words. Commissioner Grace commented that he is leaving state government after serving for 47 years and that it has been a great honor to serve on this Board.

#### **Ethics Awareness and Identification of Conflicts or Potential Conflicts of Interest**

The Chair asked, pursuant to the ethics rules, about board member conflicts of interest. No conflicts of interest were identified by the Board.

#### **Approval of Minutes**

The Chair entertained a motion to approve the minutes of the February 10, 2021, NC ABLE Program Board of Trustees meeting, and Ms. Plue so moved. Commissioner Grace seconded the motion. The motion passed by a unanimous roll call vote of 6-0.

#### **National ABLE Alliance Program Manager Search**

The Chair recognized Ms. Mary Buonfiglio to provide an update on the National ABLE Alliance's program manager search. Ms. Buonfiglio reminded the Board that the current manager is Ascensus and their contract expires December 6, 2021. Ms. Buonfiglio said that the National ABLE Alliance issued an RFP December 1, 2020, received bids by January 25, 2021, and reviewed all bids, as well as all best and final offers. The team that reviewed the bids submitted their recommendation to Illinois, the lead state in the Alliance. Illinois will make the final decision and will be reaching out to all 18 members of the Alliance. She shared that once the manager is selected, the Board must decide if it is willing to accept the selection and remain in the National ABLE Alliance. She commented that there is a great benefit in being part of the consortium and more details would be coming.

#### **Communication and Marketing Update**

The Chair recognized Ms. Christy Farrelly to provide an update on communication and marketing efforts for the NC ABLE Program (included the Board's materials). Ms. Farrelly said that NC ABLE will be hosting an upcoming transition fair and training sessions. She shared that visits to the [NCsavewithABLE.com](https://www.ncsavewithABLE.com) webpage are growing, with most visitors being women, and that the new [ncable.org](https://www.ncable.org) webpage will be launching soon. She pointed out that we continue to see growth in the number of accounts and in assets.

#### **Administrative Update**

The Chair recognized Rich DeSilva from Ascensus to provide an administrative update (included in the Board's materials). Mr. DeSilva informed the Board that Ascensus will undergo an ownership change in the third quarter of 2021. Stone Point Capital (a private equity firm that specializes in the financial services industry) and GIC, Singapore's sovereign wealth fund, agreed to acquire Ascensus from its current private equity ownership group. Mr. DeSilva commented that the theme for the first quarter was growth, which he attributed to positive stock market returns and stimulus payments. He said that 106 additional accounts were opened and funded during the first quarter.

He reminded the Board that the National ABLE Alliance assets are now over \$150 Million, passing a contract breakpoint, which reduced annual administrative expenses from 0.32% to 0.30% of assets. Mr. DeSilva added that the NC ABLE program remains fifth in size within the National ABLE Alliance and represents 7% of the National ABLE Alliance assets.

The Chair recognized Paul Souppa to report on investments and portfolio performance (included in the Board's materials). He noted that recently a higher percentage of contributions have been invested into the more aggressive options and that he hopes these will prove to be long-term investments.

Mr. Souppa remarked that large growth stocks had previously been the strongest performing sector, and now US small- and mid-cap stocks have rebounded strongly as evidenced by the Vanguard Extended Market Index, which returned 97% over the past 12 months. He mentioned that international markets also performed well, with both developed markets and emerging markets posting strong returns. He commented that real estate had been struggling, but more recently has been showing stronger returns.

He said that in this very-low interest rate environment, they prefer to focus on shorter term US bonds and to keep duration relatively short to limit exposure to rising interest rates. He mentioned that they are using international bonds as a diversifier.

Mr. Wright commented that he appreciated their attention to diversifying the program's fixed income investments and are not investing everything in the Total Bond Market Index Fund. He asked if Ascensus intended to invest in any commodity ETFs. Mr. Souppa said that they review, analyze, and discuss various investment options and that they have not yet seen a need to add commodities to the portfolio.

#### **Public Comments**

No public comments were offered.

#### **Board of Trustees Comments**

The Chair commented that the Department of State Treasurer is in the check delivery business and that the NC ABLE Program is no different. He said that we would adjourn today in honor of Ms. Buonfiglio, Commissioner Grace, and Mr. Wright.

Ms. Plue said thanks to all of you and noted that she intends to continue serving on the Board.

The Chair announced the next Board meeting will be Wednesday, August 11, 2021, at 9:30 a.m.

#### **Adjournment**

The Chair commented that in honor of the service of Ms. Buonfiglio, Commissioner Grace, and Mr. Wright, and with no further business before the Board, he would entertain a motion to adjourn. The Chair also asked everyone to keep in mind the families of the two Watauga County sheriff deputies, Chris Ward and Logan Fox, who were killed in the line of duty while conducting a welfare check April 28, 2021. Mr. Wright moved to adjourn, and his motion was seconded by Commissioner Grace. The motion passed by a unanimous roll call vote of 6-0. The meeting adjourned at approximately 10:13 a.m.

Christy Farr, Chief of Staff      8/11/21  
Chair for Dale R. Folwell      Date  
[Signature]      8/11/21  
Secretary      Date

