

**MINUTES
SCHOLARSHARE INVESTMENT BOARD**

December 14, 2017

Chair Vince Brown called the meeting to order at 1:04 PM.

Present:

Members: Vince Brown for John Chiang, State Treasurer
Eraina Ortega for Michael Cohen, Finance Director, Department of Finance
David Sapp for Karen Stapf Walters, Executive Director, State Board of
Education
Hal Geiogue, Governor Appointee, California Student Aid Commission
Christopher Jennings, Speaker Appointee
Absent: Paul Martin, Governor Appointee – Member at Large

Present:

Staff: Julio Martinez, Executive Director, ScholarShare Investment Board
(SIB or Board)
Diana Sanchez, SIB
Carolina Hernandez, SIB
Deborah Yang, Legal Counsel, STO
Consultants: Eric White, Principal, Pension Consulting Alliance, LLC (PCA)
Andrea Feirstein, Managing Director, AKF Consulting Group (AKF)
via teleconference
TFI: Vivian Tsai, Senior Director, Education Savings, TIAA-CREF Tuition
Financing, Inc. (TFI)
Jeremy Thiessen, Senior Director, TFI
Linda English, Senior Director, TFI
Doug Harrison, Senior Director, Marketing and Sales, TFI
Yvette Haring, Team Manager, TFI
via teleconference

Chair Brown declared a quorum present.

Board Agenda Item Number One
Approval of Minutes from October 4, 2017 ScholarShare Investment Board Meeting

The minutes for the October 4, 2017 SIB meeting were presented to the Board.

Chair Brown asked for public comment. There was none.

Board Action

Motion to approve the minutes for the October 4, 2017 ScholarShare Investment Board meeting.

MOTION: Member Geiogue SECONDED: Member Ortega
AYES: Members Ortega, Sapp, Geiogue, Jennings, Brown
NOES: None
ABSTAIN: None
RECUSE: None

MOTION APPROVED

Board Agenda Item Number Two
Executive Director’s Report

Mr. Julio Martinez, SIB, provided updates on the accounts and assets for the ScholarShare 529 College Savings Plan (Plan), SIB staff changes, Savingforcollege.com 529 performance rankings, ScholarShare’s recent marketing and outreach efforts, contracts recently signed, and the Governor’s Scholarship Program (GSP). Mr. Martinez also provided updates on state and federal legislation.

Chair Brown asked for public comment. There was none.

Board Agenda Item Number Three
Review of ScholarShare Statement of Investment Policy

Mr. Eric White, PCA, presented PCA’s review of the Investment Policy Statement for the Plan and stated that no changes are being recommended at this time.

Chair Brown asked for public comment. There was none.

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

Mr. Eric White, PCA, presented PCA's review of the Monitoring Procedures and Criteria for the Plan and stated that no changes are being recommended at this time.

Chair Brown asked for public comment. There was none.

Board Agenda Item Number Five
Review of 2018 Asset Allocation Recommendation for the ScholarShare 529 College Savings Plan

Mr. Jeremy Thiessen, TFI, presented TFI's 2017 Asset Allocation Recommendation for the Plan, providing an overview of the analysis completed for their recommendation, which includes the possibility of introducing a new asset class to the Plan's investment line-up. The analysis also included a review of the current market environment and the Plan's underlying funds.

Mr. Eric White, PCA, presented PCA's analysis of TFI's recommendation and stated that PCA and SIB staff agreed that a general overview of the new asset class be presented to the Board first quarter 2018. Chair Brown recommended that a more in-depth analysis from PCA of the proposed asset class be presented to the Board over the next two SIB meetings in order to better educate the Board on the changes prior further Board action.

Chair Brown asked for public comment. There was none.

Board Agenda Item Number Six
Review and Analysis of Investment Performance for the ScholarShare 529 College Savings Plan for Third Quarter 2017

Mr. Jeremy Thiessen, TFI, presented TFI's Investment Performance Report for the Plan for third quarter 2017 comparing each underlying fund allocated to the portfolios in the Plan to applicable benchmark.

Mr. White presented PCA's Investment Performance Status Report for the Plan for third quarter 2017 and outlined PCA's recommendation that the fund currently on "watch" status, TIAA-CREF Social Choice Equity Fund, remain on "watch" status.

Chair Brown asked for public comment. There was none.

Board Agenda Item Number Seven
2018 Marketing Plan and 2017 Marketing Update for the ScholarShare 529 College Savings Plan

Mr. Doug Harrison, TFI, presented TFI's Marketing Update for the Plan outlining marketing results through the third quarter of 2017, including an overview of the account and asset results, 2017 budget, and marketing activities. Mr. Harrison also provided TFI's 2018 Marketing Plan Recommendation for the Plan outlining marketing activities for the upcoming year. Mr. Harrison responded to questions from Board members about the marketing strategies and promotions and the budget.

Ms. Yvette Haring, TFI, presented an update on employer outreach.

Chair Brown asked for public comment. There was none.

Board Agenda Item Number Eight
Review of Administrative Performance for the ScholarShare 529 College Savings Plan for Third Quarter 2017

Ms. Linda English, TFI, presented TFI's Administrative Performance Report for the Plan for third quarter 2017 relative to pre-established performance criteria and reported that TFI did not underperform (by more than two percent) in any performance areas.

Public Comment

Chair Brown called for public comment. There were none.

There being no further business before the Board, the Chair adjourned the meeting at 3:02 PM.