



## CONNECTICUT RETIREMENT SECURITY PROGRAM PROGRAM DESIGN AND INVESTMENT SUBCOMMITTEE

MONDAY, MARCH 27, 2023

**DRAFT**

**Board Members in Attendance:** Manisha Srivastava; Jon Wu; Tom Sennett; Sherry Coelho;

**Others in Attendance:** Jessica Muirhead, OSC; Lily Smith, OSC; Erin Whitman, Vestwell; Matthew Golden, Vestwell; Matthew Forester, Lockwood Advisors; Nick Procyk, Lockwood Advisors;

1. CALL TO ORDER
  - a. The meeting was called to order at 2:32 PM.
  
2. PUBLIC COMMENT
  - a. There was no public comment.
  
3. DISCUSSION OF INVESTMENT PROPOSED CHANGES
  - a. Jessica Muirhead introduced Nick Procyk and Matt Forester from Lockwood Advisors to review the proposed fund changes.
  - b. Mr. Procyk introduced the recommended three changes to the underlying funds for the program.
  - c. Sherry Coelho inquired whether the first two changes were to reduce fees but are similar funds. Mr. Procyk confirmed that the funds were similar, but the fees were reduced by one basis point each. Mr. Procyk shared the proposed MyCT Savings portfolio expense changes comparing the fund expenses.
  - d. Mr. Procyk reviewed the proposal to change the emerging market fund from Vanguard Emerging Markets Government Bond Index Fund Admiral Shares to Vanguard Emerging Markets Bond Fund Admiral Shares which would be an actively managed fund. Manisha Srivastava asked what had been the historical performance for the actively managed fund. Mr. Forester

responded that due to the risk of emerging market funds and ongoing global events, the passive funds have struggled to respond quickly. The proposed actively managed funds had outperformed over time even with heightened risk. He noted that all the current funds are passive with the exception of the money market fund.

- e. Ms. Coelho asked if changing from a passive fund to an active fund is acceptable by the program's investment policy statement (IPS). Ms. Muirhead confirmed that there is no conflict in the current IPS.
- f. Jon Wu asked about the country concentration for the active fund. Mr. Procyk explained that the proposed fund is well diversified.
- g. Thomas Sennett inquired if there are any operational implications for participants during the change of funds. Matthew Golden of Vestwell confirmed there would be no blackout periods and that the changes would be made overnight.
- h. Mr. Sennett made a motion to recommend Lockwood Advisors' investment change proposal to be adopted to the full board, seconded by Ms. Srivastava. Mr. Wu asked a follow up question concerning an additional fund on watch. Mr. Forester explained that Lockwood Advisors put the fund on watch to observe how the new portfolio managers handle the account. Lockwood Advisors did not foresee any concerns about the performance but are watching the fund closely. There was no further discussion. The motion passed by unanimous voice vote.

#### 4. ADJOURNMENT

- a. Mr. Sennett made a motion to adjourn, seconded by Ms. Srivastava. There was no further discussion. The meeting adjourned at 3:37 PM.