



**MINUTES FROM MEETING OF
THE COLLEGE INVESTMENT COMMITTEE
JANUARY 10, 2017**

A meeting of the College Investment Committee was held on January 10, 2017
At 10:00 AM in the Conference Room of the Office of the State Treasurer (OST)
Located at 820 Silver Lake Blvd., Suite 100, Dover, DE 19904

Committee Members Represented or in Attendance:

Mr. José Echeverri, Chair, Plans Management Board
Mr. Stephen Saville, Chair, College Investment Committee (telephonically)
The Honorable Ken Simpler, State Treasurer
Ms. Karen Field Rogers (on behalf of Secretary Godowsky, Department of Education)
Ms. Valerie Watson, (on behalf of Secretary Thomas J. Cook, Department of Finance)

Committee Members Not Represented or in Attendance:

Mr. Donald Shandler, Public Member, College Investment Committee

Others in Attendance:

Ms. Nora Gonzalez, Deputy State Treasurer, Office of the State Treasurer
Mr. John Meyer, Director of Contributions and Plan Management, Office of the State Treasurer
Mr. Mike Green, Financial Investment Program Manager, Office of the State Treasurer
Mr. Dan Kimmel, Financial Investment Program Manager, Office of the State Treasurer
Mr. Omar Masood, Policy Advisor, Office of the State Treasurer
Ms. Tiffany Bellmyer, Office of the State Treasurer

CALLED TO ORDER

Mr. Saville called the meeting to order at 10:05 AM and introductions were made around the table.

APPROVAL OF THE MINUTES

A MOTION was made by Mr. Echeverri and seconded by Mr. Simpler to approve the College Investment Committee (Committee) minutes from the September 26, 2016 and October 11, 2016 meetings.
MOTION ADOPTED UNANIMOUSLY.

REPORT FROM DIRECTOR

Mr. Meyer circulated the report for January 2017. The highlights included the Morningstar 529 Plan upgrade to the bronze category, the reduction of index fund prices for the multi-firm portfolios, the challenges experience with new account acquisition initiatives, the concentration of assets in accounts approaching college age, and Fidelity trends on digital marketing spend.

The Committee entered into a discussion regarding digital marketing. Ms. Watson inquired if Fidelity is open to new ideas regarding marketing or strategy. Mr. Meyer discussed that Fidelity is open to committee opinions.

Mr. Meyer indicated that Fidelity will present the business metrics and investment performance of the 529 Plan to the Plans Management Board (Board) at the meeting scheduled on January 24, 2017.

Update on Delaware Children's Museum Matter

Mr. Saville indicated that the Delaware Children's Museum (DCM) has not submitted the information requested by Board members at the October meeting. Mr. Simpler inquired if the Office of the State Treasurer should reach out to representatives from DCM. There was consensus among members that the request to furnish financial information was clearly communicated and no outreach was necessary at this time.

529 Plan Audit

Mr. Meyer indicated that the Office of the State Auditor of Accounts selected BDO USA, LLP (BDO) to complete the CY2016 Plan Audit and preliminary activities of the engagement are underway. He anticipated BDO would present the audit results at the Board meeting in April. He added that BDO would like to provide an overview of the process at an upcoming Board meeting and members requested to make time in the agenda for the presentation.

Research Initiative

Mr. Meyer indicated that over the next month OST's team from the Division of Contributions and Plans Management (CPM) will undertake a review of the 529 Industry and the state's 529 Plan to understand characteristics, key trends, regulatory developments, and market events. Findings would be documented in a "white-paper" for discussion at the Committee meeting in April.

Mr. Meyer reminded the Committee that the current contract with Fidelity is set to expire on December 2018. Mr. Simpler added that it would be beneficial to enhance the existing market acumen to identify opportunities for and avoid risks to both the 529 Plan and participants before a Request for Proposal (RFP) needs to be issued.

Mr. Saville suggested the development of a strategic plan to ensure a clear focus going forward. Mr. Simpler agreed that it would be beneficial to complete the strategic planning to have a mission statement and measurable goals. The Committee entered into a discussion regarding the path forward. Members viewed the two initiatives as complementary endeavors and directed OST to complete and initiate the review.

OLD BUSINESS

There was no old business for consideration.

NEW BUSINESS

There was no new business for consideration.

NEXT MEETING

Mr. Meyer announced that the next Committee meeting is scheduled for April 11, 2017. He also indicated that OST will coordinate a meeting in March to present the initial "white-paper" findings.

PUBLIC COMMENTS

No members of the public present for comment.

ADJOURNMENT

A MOTION was made by Mr. Saville and seconded by Mr. Echeverri to adjourn the meeting at 11:34 PM.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,

Stephen Saville
Chair, College Investment Committee