



NC ALE
National ALE Alliance Member



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

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

A special meeting of the NC ALE Program Board of Trustees was called to order at 3:00 p.m., April 2, 2020, by the Chair, Chris Farr, Chief of Staff of the Department of State Treasurer, as the delegee of State Treasurer Dale R. Folwell, CPA.

The meeting was held via teleconference. The Chair indicated there would be a public comment period for organizations and individuals to address the Board later in the agenda.

Members Present

The board members present were: Ray Grace, Ben Wright, Melinda Plue, Marquita Robertson, Chris Egan, and Chris Farr (as delegee of Treasurer Folwell).

Members Absent

No members were absent.

Guests Present

The guests attending were: Jubril Durojaiye, the Deputy Director of Investment Analysis and Due Diligence at the Illinois State Treasurer's Office.

Department of State Treasurer Staff Present

The staff members present were: Mary Buonfiglio, Tom Causey, Reid Chisholm, Chris Farr, Christy Farrelly, Patti Hall, Brian Jackson, Alan Jaquith, Rekha Krishnan, Fran Lawrence, Loren de Mey.

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 members.

Investment Policy Statement (IPS)

The Chair asked Mary Buonfiglio, Director, Supplemental Retirement Plans, to present the Investment Policy Statement for review. Mary Buonfiglio presented the IPS for review and adoption. She apologized for the timing and explained that the Alliance set the voting window to end April 9, 2020. She also pointed out that the IPS establishes a subcommittee of states to review changes and make recommendations to the entire Alliance. She stated that the staff recommends that the IPS be adopted.

The Chair recognized Mr. Ben Wright who questioned why the IPS does not provide for any allocation to commodities and mentioned that this is a non-correlated asset class and that he thought it should be considered with an allocation of maybe less than five percent. He also

commented that the ETF exists that offers a basket of commodities and recognized that the expense ratio is higher than what it typically offered.

Mr. Durojaiye responded that commodities as an asset class have not been included due to the extreme volatility and that no mutual fund vehicle is currently available. The risk / return profile of commodities is not conducive to a stable offering. He stated that the goal is to offer a simple investment product. Adding an allocation to commodities is not currently under consideration but could be considered in the future.

Approval of Motion

The Acting Chair entertained a motion to approve the Investment Policy Statement as presented, and Ms. Plue so moved. Ms. Robertson seconded, and the motion passed unanimously.

Board of Trustees Comments

No board member comments were offered.

Public comments

No public comments were offered.

Adjournment

There being no further business before the Board, Mr. Grace moved to adjourn, which was seconded by Ms. Plue, and the meeting was unanimously adjourned at 3:20 p.m.

Chair

Date

Secretary

Date