



**MINUTES  
SUPPLEMENTAL RETIREMENT BOARD OF TRUSTEES**

The regular quarterly meeting of the Supplemental Retirement Board of Trustees (Board) was called to order at approximately 9:00 a.m. on August 21, 2025, by the Chair, State Treasurer Brad Briner. The meeting was held in a hybrid format, with people attending virtually or 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 attending in person: Treasurer Brad Briner, Lorraine Johnson, James Richardson and Bob Shea.

Board members attending virtually: Steve Beam, Charlie Perusse and Lanier McRee.

**Members Absent:** Robert Hillman and Rajinder (Raj) Singh.

Guests attending in person: Rob Luciano, Mike McCann and Jodie Musselwhite from Empower, and Elizabeth Hood and Weston Lewis from Callan.

Guests attending virtually: None

**Department of State Treasurer Staff Present**

Staff members attending in person: Shanta Bowley, Kris Byrd, Reid Chisholm, Patti Hall, Jeff Hancock, Kristin Merrick, Chris Morris, Eric Naisbitt and Kevin SigRist.

Staff members attending virtually: Christy Farrelly, Derek Gee, Elizabeth Hawley, Paul Palermo, April Parker, Colin Russell, Michael Wagner, Brandon Watson and Sam Watts.

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. In addition, he explained that making a motion will be assumed to be a vote for the proposal, unless there is an objection, and all votes will be taken by roll call. He stated that today's meeting is being recorded as part of the Department of State Treasurer's (DST) initiative to increase government transparency.

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

Pursuant to the ethics rules, the Chair asked about Board members' potential, actual or appearance of a conflict of interest. No conflicts of interest were identified by the Board members.

**Reappointment of James Richardson and Bob Shea**

The reappointment letters for Mr. Richardson and Mr. Shea were received by the Board.

### **Adoption of Consent Agenda**

The Chair presented a consent agenda with the following items: approval of the minutes for the May 22, 2025, Board of Trustees meeting and the July 10, 2025, Audit Subcommittee Board meeting and the Plan document amendments.

There was no request from the Board to move any of the consent agenda items to a discussion item and the consent agenda was adopted.

### **NAGDCA Award-National Retirement Security Month Award**

The Chair announced that the North Carolina Retirement Systems has been recognized with a Leadership Award from the National Association of Government Defined Contribution Administrators, Inc (NAGDCA) for the National Retirement Security Month campaign (included in the Board's materials). He said the award recognized the brightest ideas and the most innovative solutions in the promotion and awareness of retirement readiness, planning and administration.

### **Administrative Matters**

#### **Update on Administrative Fee Reserve Investment and the Annual Audit Update**

The Chair recognized Mr. Jeff Hancock, Supplemental Retirement Plans (SRP) Director, to give an update on the Administrative Fee Reserve Investment and the Annual Audit (included in the Board's materials).

Mr. Hancock said the balance in the fee reserve which was held in the Stable Value Fund has been transferred to the BNY EB Temporary Investment Fund as of July 10, 2025. The BNY EB Temporary Investment Fund currently has a higher yield than the Stable Value Fund.

He added that UHY presented a clean and unmodified report on the year-end financial statement audit and there were no material findings. Twenty-five employers were included in the audit to check for their compliance with plan documents. There were a few minor errors where employers included ineligible pay codes in the compensation. Staff is currently working with these employers to determine the extent of the errors and to correct the errors.

Mr. Hancock thanked the Financial Operations Division for their hard work in getting the financial statements ready for the audit.

### **Legal Matters**

The Chair recognized Mr. Reid Chisholm, Assistant General Counsel, to present the renewal of the Auditor's Contract and a Review of Governance Policies (included in the Board's materials).

Mr. Chisholm said UHY's contract has a three-year term and two, one-year renewal options. The first renewal year is 2026, covering the 2025 financial statements.

The Chair entertained a motion to approve the Auditor's Contract. Mr. Shea so moved, and Ms. Johnson seconded. The motion passed by roll call vote of 7-0

Mr. Chisholm presented the Proxy Voting Policy and the Investment Transaction Disclosure Policy for revision.

He said the policies have been revised to include recent revisions to the same policies for the North Carolina Retirement Systems.

The Chair entertained a motion to approve the Governance Policies. Mr. Beam so moved, and Ms. Johnson seconded. The motion passed by roll call vote of 7-0.

#### **Administrative Update: Second Quarter Administrative Report**

The Chair recognized Mr. Robert Luciani, Vice President, Government Markets, Mr. Michael McCann, Client Relations and Business Development Vice President, and Ms. Jodie Musselwhite, Director of Participant Engagement from Empower to discuss the Second Quarter 2025 Administrative Report (included in the Board's materials).

Mr. McCann provided an update for the second quarter. He said that the total combined assets for the Plans as of June 30, 2025, is \$18.83 billion which represents an annual increase of 11.2%, with more than 321,000 participants, which represents an annual increase of 1.6%. The average monthly contribution rate is approximately \$303.00 per month, which is an annual increase of 4.32%.

He added that the total value of distributions was reduced by 13.98% annually, while the number of disbursements increased. In addition, hardship withdrawals and loans also increased.

Ms. Johnson asked about the average age of the participants and is the average age increasing or decreasing. Mr. McCann responded that the average age is in the early forties. Mr. Luciani added that the goal is to retain participants who have separated from employment. Mr. Hancock added that one-third of the plan balances belong to participants who are age 65 and older.

The Chair asked about the average fee structure of the institutions where rollovers are going. Mr. McCann said the fees probably average around 100 basis points or a tiered structure at some institutions.

Mr. McCann added that Empower does have an Investment Advisory Service that could be used when participants are rolling over their funds, however this service is currently not being used with NC Plans.

Ms. Musselwhite said there were approximately 620 group meetings, 5,615 individual meetings, 944 employer meetings and 477 on-site meetings, with a total of 23,261 attendees for the second quarter. The year-to-date attendees is 43,500, which represents an annual increase of 4%. She added that approximately 70% of the meetings were held virtually.

There were approximately 6,200 new enrollments for the second quarter and approximately 13,000 year-to-date. This represents the most enrollment in a year since the plan began.

#### **Investment Update**

##### **Second Quarter 2025 Investment Performance Report**

The Chair recognized Ms. Elizabeth Hood, CFA, Senior Vice President and Manager, and Mr. Weston Lewis, CFA, CAIA, Senior Vice President, at Callan, to present the Second Quarter 2025 Investment Performance Report (included in the Board's materials).

Mr. Lewis recapped the U.S. and Global equities markets and the U.S. fixed income market.

He said that Sands Capital outperformed the index in the second quarter and all the investment managers outperformed their index in the International Equity Fund.

### **Macquarie Termination Memo and the Large Cap Value Manager Recommendation**

The Chair recognized Mr. Chris Morris, DST's Chief Risk and Operating Officer, and Kristopher Byrd, SRP Portfolio Manager, to present the Macquarie Termination Memo and the Large Cap Value Manager Recommendation (included in the Board's materials).

Ms. McRee left at 10:06 am.

Mr. Morris said that Macquarie manages 18% of the NC Large Cap White Label Fund and has been on the watchlist since Q1 2024 due to investment team changes, strategy outflows, and performance. Macquarie continued to struggle since 2021 and assets under management decreased by 15.5 billion dollars from 2021 to 2025.

Ms. Johnson asked about the procedure to determine how long an investment manager stays on the watchlist. Mr. Morris said that each situation is different, and each investment manager is given enough time to improve. He added that a search began in February 2025 to find a replacement.

Mr. Byrd said the recommendation to select Boston Partners was based on their disciplined investment process, experienced team, a strong long-term track record, strong risk oversight and institutional alignment. He added that their Large Cap Value Strategy is grounded in attractive valuation, strong business fundamentals and positive business momentum.

Mr. Morris added that Boston Partners offered a discounted, tiered fee schedule.

The Chair entertained a motion to approve the Large Cap Value Manager Recommendation. Ms. Johnson so moved, and Mr. Shea seconded. The motion passed by roll call vote of 6-0.

Ms. McRee was not present for the vote.

### **GoalMaker Glidepath Recommendation**

The Chair recognized Ms. Elizabeth Hood, CFA, Senior Vice President and Manager, and Mr. Weston Lewis, CFA, CAIA, Senior Vice President, at Callan, to present the recommendation for GoalMaker Glidepath (included in the Board's materials).

Ms. Hood said approximately 70% of participants are currently using GoalMaker and Callan recommends improving the glidepath to offer the optimal investment strategy and participants' experience. She added that there are three areas of focus: consolidating to a single glidepath, the integration of additional nodes to improve outcomes for participants, and re-evaluating the US vs International Equity Funds, Active vs Passive Funds, the inflation component and the Stable Value Fund.

Mr. Beam added that if financial literacy is high then the current glidepath is a good choice and if financial literacy is not as good then fewer choices would be more beneficial to the participants.

Ms. Johnson asked whether the need is for financial literacy or less choices or both.

The Chair added participants will still have a choice of whether to use GoalMaker or not.

Ms. Johnson added that from a risk tolerance perspective it makes sense for participants to have the conservative, moderate and aggressive options.

Mr. Lewis said that GoalMaker provides the opportunity for participants to choose a retirement date, and this could help to determine the risk tolerance.

Mr. Beam added that simplification will help the participants, and they will not feel overwhelmed with many choices.

Ms. McRee re-joined the meeting at 10:43 am.

Mr. Hancock provided the cost to engage Callan in phase 2 of this process, and said this cost was included in the budget that was already approved by the Board.

The Chair entertained a motion to approve the GoalMaker Glidepath Recommendation. Mr. Beam so moved, and Ms. Johnson seconded. The motion passed by roll call vote of 7-0.

Mr. Beam asked if the Board should consider reducing the allocation to an investment manager who have significantly underperform for at least a year.

Mr. Morris said that within the white label fund structure, each investment manager is rebalanced quarterly.

The Chair said systematic rebalancing may be the best statistical approach.

Mr. SigRist added rebalancing of glidepath could be time-based or cash-flow based and consideration should be given to how the record keeper can support this.

The Chair entertained a motion to approve the GoalMaker Glidepath Recommendation. Mr. Beam so moved, and Ms. Johnson seconded. The motion passed by roll call vote of 7-0.

#### **NC 401(k) and NC 457 Plans Investment Updates Second Quarter Investment Compliance Summary Report**

The Chair recognized Kristopher Byrd, SRP Portfolio Manager, to present the Second Quarter 2025 Investment Compliance Summary Report (included in the Board's materials).

There were no material issues during the quarter.

The Chair added that there are some executive orders that pertain to defined contribution plans and alternative investments and there will be discussions in future Board meetings.

#### **Investment Consultant Contract**

The Chair recognized Mr. Jeff Hancock, SRP Director, to present the Investment Consultant Contract (included in the Board's materials).

Mr. Hancock said the current Callan contract will expire on March 31, 2026. There are two options: do an RFP process or extend the contract. He added that staff requested quotes from 5 other qualified Investment Consultant Firms and the quotes are in line with Callan's proposed fee.

The Chair entertained a motion to approve the Investment Consultant Contract. Mr. Shea so moved, and Mr. Beam seconded. The motion passed by roll call vote of 7-0.

**Public Comments**

None


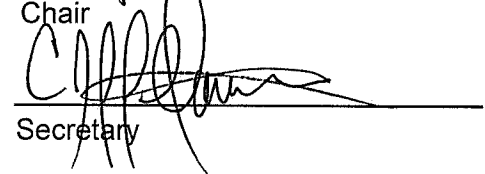
**Board of Trustees Comments**

Ms. McRee asked about the creation of multiple subaccounts when an employee moves from one SRP employer to another Mr. McCann responded that SRP is designed to allow employees to participate through more than one employer at the same time.

**Adjournment**

The Chair entertained a motion to adjourn the meeting. Mr. Shea so moved, and Ms. Johnson seconded, and the motion passed by a roll call vote of 7-0 .

The meeting adjourned at approximately 11:02 a.m.

  
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Chair  
  
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Secretary



Office of the Speaker  
North Carolina House of Representatives

DESTIN HALL  
SPEAKER OF THE HOUSE

July 1, 2025

Captain Robert J. Shea U.S. Navy (Ret)

Dear Mr. Shea:

Pursuant to the authority granted me in the North Carolina General Statute 135-96(b)(2), I am pleased to reappoint you to serve on the North Carolina Supplemental Retirement Board of Trustees. In accordance with General Statute 138A-22, your appointment is subject to the State Ethics Commission evaluating your Statement of Economic Interest. Pending this evaluation, your appointment will become effective immediately and will expire on June 30, 2028.

Enclosed is a copy of Senate Bill 770 which was recently ratified by the North Carolina General Assembly. This bill contains your appointment.

As a reminder, you have received an email from my office that you complete and submit the Statement of Economic Interest. The State Ethics Commission will review this information for any potential conflicts of interest. You will be informed by the SEC when the evaluation has been completed. You are required to re-file a statement annually. The SEC will notify you and provide the necessary information at that time.

Thank you for your willingness to serve in this capacity. I am confident you will have much to offer the Supplemental Retirement Board of Trustees and will be effective and diligent in your service to our State.

Best Regards,

A handwritten signature in black ink that reads "Destin Hall". The signature is written in a cursive, flowing style.

Destin Hall  
Speaker of the House

DH/jg  
Enclosure—SB770

CC: Governor Josh Stein  
Lieutenant Governor Rachel Hunt  
The Honorable Phil Berger  
The Honorable Elaine Marshall  
James White, House Principal Clerk  
Sarah Holland, Senate Principal Clerk

Paul Y. Coble, Legislative Services Officer  
Kara McCraw, Legislative Analysis  
Office of the State Controller  
State Library  
Legislative Library  
State Ethics Commission



NORTH CAROLINA GENERAL ASSEMBLY  
SENATOR PHILIP E. BERGER  
PRESIDENT PRO TEMPORE  
NORTH CAROLINA SENATE

June 30, 2025

James M. Richardson



Dear James:

Pursuant to the authority granted to me in North Carolina General Statute §135-96(b)(3) and by the General Assembly, I am pleased to reappoint you to serve on the Supplemental Retirement Board of Trustees. Your term is effective July 1, 2025, pending evaluation of your Statement of Economic Interest, and will continue until June 30, 2028.

In order to provide fuller disclosure of information about my appointees to boards and commissions, I ask that you complete a Statement of Economic Interest in accordance with North Carolina Statute §138A-22. The North Carolina State Ethics Commission will review this information for any potential conflicts of interest. Your appointment will become final after their review is complete. Directions can be found at [Ethics.NC.gov](http://Ethics.NC.gov).

I appreciate your willingness to serve in this capacity, and I am confident that you will contribute greatly to the Supplemental Retirement Board of Trustees.

Sincerely,

A handwritten signature in black ink, appearing to read "Phil Berger".

Phil Berger

PEB:mc

Honorable Josh Stein  
Honorable Rachel Hunt  
Honorable Elaine F. Marshall  
Honorable Destin Hall  
Sarah Holland, Senate Principal Clerk  
James White, House Principal Clerk  
Legislative Library  
State Library  
State Board of Elections