



To: SVIA Board of Directors

Re: Meeting on April 20, 2021

Date: April 26, 2021

SVIA's Board of Directors met virtually on April 20 from 11:30 to 1:00 p.m. EST. The following SVIA members were in attendance. Board members are in *Italics* in the list below. One Board member, Keith Watson, Textron was unable to attend.

Andy Apostol, Invesco Advisers, Inc.  
Bradie Barr, Transamerica Stable Value Solutions Inc.  
Douglas Barry, Mellon Investments Corporation  
*David Berg, PIMCO*  
LeAnn Bickel, Invesco Advisers, Inc.  
Kappie Bogart, Transamerica Stable Value Solutions Inc.  
*Tom Borghard, Raytheon Technologies*  
*Tony Camp, Voya Financial*  
Karen Chong-Wulf, CMA Retirement Corporation  
Jessica Cole, Invesco Advisers, Inc.  
*Cindy Cristello, New York Life*  
Stephen Curry, RGA  
Angela Demling, Invesco Advisers, Inc.  
Joe Dionne, JPMorgan Asset Management  
Mark Dorfler, The Vanguard Group  
Todd Egger, Invesco Advisers, Inc.  
Tashil Fakir, JPMorgan Chase Bank, N.A.  
Marty Fleischman, OneAmerica  
Alice Flynn, Columbia Threadneedle Investments  
*Nick Gage, Galliard Capital Management, Inc.*  
Bill Gardner, Morley Capital Management, Inc.  
Matt Gleason, GSAM Stable Value, LLC  
Justin Goldstein, JPMorgan Asset Management  
Jeff Graham, MassMutual Financial Group  
Shalonda Green, Transamerica Stable Value Solutions Inc.  
Paul Grigely, MassMutual Financial Group  
Warren Howe, Metropolitan Life Insurance Company  
John Hubenschmidt, RGA  
*Shane Johnston, Morley Capital Management*  
*Steve Kolocotronis, AIG*  
Ayisha Lee, TIAA  
*Michael Leonberger, Invesco Advisers, Inc.*  
Holly Litrenta, Transamerica Stable Value Solutions Inc.  
*Lacey Lockward, Prudential Financial*

*Tony Luna, T. Rowe Price Associates, Inc.*  
 Tom Manente, Great-West Investments  
 James McKay, Columbia Threadneedle Investments  
 Paul Miller, Ohio Deferred Compensation  
*Gina Mitchell, SVIA*  
 John Moroney, Voya Financial  
 Paul Notte, Metropolitan Life Insurance Company  
 Gregory Pereiro, Invesco Advisers, Inc.  
*Laura Pugliese, Virginia Retirement System*  
 Dan Riley, NISA Investment Advisors, LLC  
*Luke Robustelli, MetLife*  
 Steven Schaefer, PFM Asset Management  
 Jared Scholten, Mutual of Omaha  
*Patricia Selim, The Vanguard Group*  
 Michael Sipper, New York Life  
 Marci Slovin, New York Life  
 Chris Solimine, Voya Financial  
*Kostas Sophias, JPMorgan Chase Bank, N.A.*  
 Fred Sreen, New York Life  
 Nick Volkmann, Securian Financial Group  
 Xin Zhou, ICMA Retirement Corporation

SVIA Board and Officers. SVIA’s Board of Directors and officers were introduced. Officers are listed below. The Board addressed leadership issues by electing Nick Gage from Galliard Capital Management to serve a two-year term, 2022-2023 as Chair and extended Steve Kolocotronis from AIG as an ex-officio member for 2021. Shane Johnston from Morley Capital and Mike Leonberger from Invesco were elected to serve a two-year term, 2022-2023 as Co-Chairs of the Government Relations Committee since Bradie Barr from Transamerica Stable Value Solutions will be stepping off the Board at the end of this year. This gives Johnston, Leonberger and Barr the remainder of 2021 to transition the leadership of Government Relations.

Bradie Barr, Transamerica	Chair, Government Relations
David Berg, PIMCO	Chair, Data and Research
Cindy Cristello, New York Life	Treasurer & Chair, Finance Committee
Nick Gage, Galliard Capital Management	Chair, Board of Directors
Shane Johnston, Morley Capital	Incoming Co-Chair, Government Relations
Mike Leonberger, Invesco	Incoming Co—Chair, Government Relations
Steve Kolocotronis, AIG	Past Chair, Board of Directors and Ex-Officio
Gina Mitchell, SVIA	Chair, Events
Patricia Selim, The Vanguard Group	Chair, Communications and Education

Nominations and Elections for 2022-2025 Term. Members were reminded that two Board seats will be open at the end of 2021. They are:

- Bradie Barr, Transamerica & Chair, Government Relations who is finishing her second three-year term and cannot run for another term on the Board. Barr announced that Transamerica’s Andrew Erman was interested in running for the Board.

- Patricia Selim, The Vanguard Group & Chair, Communications & Education is finishing her first term and announced that she would be running for a second term on the Board.

All those interested in running for the Board must be nominated by voting members to become a candidate for the Board. Nominations by voting members are solicited after Labor Day. To become a candidate for the Board, a candidate must receive the greater of at least three nominations or 10% of voting members making nominations. All candidates are asked to speak at the October Board of Directors' meeting as to why they wish to serve on the Board. The Board election follows the Fall Forum and National Membership Meeting for a week. Whomever receives the most votes are elected to the Board for a three-year term (2022-2024).

Communications and Education Committee. Vanguard's Patricia Selim, who chairs the Communications and Education Committee reported that SVIA released *Who Invests in Stable Value and Why*, which covered data from 2010-2019 from 108,000 to 135,000 plans that represented \$1,930 billion to \$4,473 billion in defined contribution assets from ten recordkeepers.

The paper and SVIA data were used for press outreach that generated:

- ["The Benefits of Stable Value Funds for Plan Participants"](#) in Plan Sponsor on April 16, 2021.
- ["Get Ultra Low-Risk Growth with A Stable Value Fund"](#) in Forbes on March 12, 2021.
- ["Stable value funds retain edge over Money Markets"](#) in P&I on March 11, 2021.

Selim shared that the Committee had a draft paper explaining how stable value funds were impacted by the low interest rate environment under consideration. The paper was drafted by Columbia Thread Needle's Alice Flynn, Transamerica's Andrew Erman and Selim.

Selim asked members to share white papers and write articles for *Stable Times*. Selim reported that Randy Myers will be covering *Moving Forward*, SVIA's virtual Spring Seminar on April 21 and 22. She noted that articles may be released singularly and then combined and archived in *Stable Times*.

SVIA's Zach Gieske reported that the website redesign, which included updating the website to WordPress would be completed by the end of April. Gieske said the redesign will improve discoverability as well as security. He noted that Members Only information would no longer need an ID and password. This section would permit login by email and require authentication to make this data more secure. Gieske announced that the second phase of the redesign is to update the content on the website. Selim volunteered the Communications and Education Committee to review, prioritize and update outdated content.

Selim concluded her report by noting that the Committee's priorities are to refresh articles on the website, especially those that address the value proposition of stable value, and to write articles that address the use of stable value in deaccumulation.

Diversity Working Group. JP Morgan Chase's Tashil Fakir reported that the Working Group would be hosting newcomer sessions at the Spring Seminar. The newcomer sessions are building off the networking sessions held at SVIA's in person meetings. The Working Group's goal is to increase diversity and inclusion within the Association.

Data and Research Committee. PIMCO's David Berg who chairs the Data and Research Committee reported that at the 4Q2020 Stable Value Quarterly Characteristics Survey found stable value assets were \$902 billion and represented 9% of the total defined contribution market, which ICI's US Retirement Market as of 4Q2020 put at \$9.637 trillion.

Berg announced that the Annual Stable Value Investment and Policy Survey for 2020 for individually managed and pooled fund data was released in the middle of April. The 110-page report provides a deep dive into this market segment. Berg noted that two more reports would be released shortly. They included a report that focused on the insurance segment covering general and separate account data as well as an aggregate report that covers all four stable value segments.

Berg reported that a working group of the Committee was focusing on the development of a stable value composite for individually managed and pooled funds. The Work Group was looking for monthly data to accelerate the timeliness of the composite. Berg described the composite as like EVest since the composite's validity would be tracked by the number of responses each month. Berg stressed that the working group and the Committee were looking to move from quarterly to monthly reporting.

Berg concluded by discussing a standard disclosure for data use that can clarify and encourage SVIA's members use of data.

Government Relations. Transamerica's Bradie Barr noted that the Biden Administration's legislative and regulatory actions as well as Congressional actions would be discussed in the Spring Seminar. She asked Morley's Shane Johnston to overview the recent *Rozo vs. Principal* decision.

Johnston reviewed the case by highlighting that the District Court of Iowa ruled that Principal was not a fiduciary under ERISA. However, the plaintiff's appeal to the 8<sup>th</sup> Circuit, which ruled that Principal was a fiduciary. He noted that the 8<sup>th</sup> Circuit Court's decision was appealed to the Supreme Court last summer, but the Supreme Court did not take up the appeal. Johnston said the 45-page judgement as positive. He highlighted that the Court supported Principal's consideration of other characteristics to evaluate and set the crediting rate. He noted that the plaintiff could appeal this decision.

Finance. SVIA's Treasurer and Chair of the Finance Committee, NYL's Cindy Cristello reported that SVIA has collected 86% or \$581,765.10 in dues. Dues are impacted by remote work, which has complicated and delayed payment for some members.

Cristello reported that the audited 2020 financial statements received an unqualified opinion. The audited financial statements are attached. SVIA will file for an extension since Rubino staff had been impacted by COVID19. The extension is not impactful to SVIA since there are no late fees or taxes dues.

Cristello reported that on April 14, SVIA's 7-month CD of \$172,976.51 was put into a money market fund since the money market fund earned the same as most 7-month CDs (2%) and a year CD earned 1%.

SVIA Working Groups for Issues Outside of Committees. SVIA has formed two working groups to address issues that fall outside of the scope of Association Committees. One working group is on education and promotion of stable value's role within decumulation and lifetime income options. Its membership includes:

- David Berg, PIMCO
- Cindy Cristello, NYL
- Patricia Selim, The Vanguard Group
- Nick Gage, Galliard Capital
- Luke Robustelli, MetLife
- Kostas Sophias, JPMorgan Chase
- Mike Leonberger, Invesco
- Tom Borghard, Raytheon Technologies

A second working group looks at outreach to consultants, which focuses on the mechanics of how to engage and dialogue with the consultant community so they may better understand stable value funds. Its membership includes:

- Shane Johnston, Morley
- Lacey Lockward, Prudential
- Mike Montanez, The Vanguard Group
- Patricia Selim, The Vanguard Group
- Tony Luna, TRowePrice
- Nick Gage, Galliard
- Paul Langanki, Galliard
- Tom Manente, Great West

Events. SVIA's Gina Mitchell reported that the Spring Seminar had over 350 people registered, which is comparable to last year's Fall Forum. The Spring Seminar had a happy hour sponsored by Prudential Financial and a networking session featuring games sponsored by NYL as well as newcomer breakouts sponsored by the Diversity Working Group.

Mitchell said that SVIA had begun planning the Fall Forum, which is scheduled to be held October 11-13 at the Fairmont Hotel in Washington, D.C. Because of the fluidity of the pandemic, SVIA is anticipating an in-person but preparing for hybrid or virtual. Mitchell noted that SVIA will be surveying voting members on their travel policies and ability to participate in an in-person or hybrid meeting. Further, she reported that CDC recommendations will be followed for an in-person meeting.

Office. After 16 years at the Blake Building and the pandemic, SVIA gave notice on February 18<sup>th</sup> that it would not renew its lease. May 30<sup>th</sup> is the last day of SVIA's Lease. Mitchell shared that SVIA is in process of moving required paper files to digital and shredding files after conversion as well as selling or giving away four file cabinets that have no book value and are too fragile to move.