

King County Employees Deferred Compensation Plan
Board Meeting Minutes

June 10, 2020

Board Members: Krista Camenzind, Thomas Friedman, Doug Hodson, Nigel Lewis, Lisa Parriott, Pat Sainsbury, and Mary Beth Short

Staff: O.C. Collier-Brown

Guest: Jayson Davidson, Guen Toste of T. Rowe Price

Participant / Employee Comments

None

2021-2022 Budget

The Board voted and approved the 2021-2022 budget.

Quarterly Report – Independent Financial Advisor

Jayson Davidson reviewed the First Quarter 2020 Performance Report and discussed the severe economic and market disruptions being caused by the Coronavirus pandemic. Equity markets sold-off significantly during the quarter and fixed income markets have struggled to operate normally. Lawmakers and the Federal Reserve have taken action to alleviate disruptions and markets have staged a large recovery since the end of the quarter. As of quarter-end, the Plan had five funds in violation of performance related investment policy parameters. Two of them, the Hotchkis & Wiley High Yield Fund and the Templeton Global Bond Fund, are already on watch and will continue to remain with that status. Additionally, the T. Rowe Price Equity Income Fund, the DFA US Targeted Value Fund and the Oakmark International Fund posted numbers that were well off their benchmarks for the quarter and thus pushed them into policy violation. The Board voted to place the T Rowe Price Equity Income Fund, the DFA US Targeted Value Fund and the Oakmark International Fund on watch for performance in violation of investment policy parameters. The Board will continue to monitor each of the watch status funds and will provide updates as warranted.

T. Rowe Price has now added a 2065 Fund to their Target Retirement Date Fund series. The Board will take up the addition of this Fund as a formal action at the next meeting.

Quarterly Report – T. Rowe Price

First quarter 2020 information was circulated prior to the meeting.

The following Plan highlights were noted as of March 31, 2019:

- Plan assets were \$911,907,881 representing a 2.8% decrease since 3/31/2019. This was largely due to market fluctuation (COVID pandemic);
- There were 9,700 participants in the Plan which is an 9.7.% increase from 3/31/2019;
- The average Participant account balance was \$94,011; and
- Notably, there were 304 participants with a balance of \$500,000 and above.

Guen Toste, the Relationship Manager from T. Rowe Price, provided information regarding participant fund transfer activity as well as phone and internet usage volumes during the market

volatility of the pandemic. It was noted that fund activity has been relatively muted, and most participants continue to maintain savings and investment goals. Ms. Toste also provided information on the number of participants that have taken Corona Related Distributions. To date, the Plan has had \$4.1 million distributed with an average of about \$19,000 per distribution. The Board asked that the distribution numbers continue to be monitored and reported.

Report of the Chair

None

Report of the Plan Administrator

None