



Wyoming Retirement System

Partnering to Build Financial Security for Members and their Families

Mark Gordon
Governor

David Swindell
Executive Director

MINUTES OF THE AUGUST 28th & 29th 2024 BOARD MEETING

The Wyoming Retirement System (WRS) Board met on August 28 & 29, 2024 at the Sublette County Library, Lovatt Room, 155 S. Tyler Avenue, Pinedale, WY 82941

Board Members present: Mr. Tom Chapman (Chair), Mr. Tim Sullivan, Mr. John Lummis, Mr. Paul O'Brien, Ms. E. Jayne Mockler, Dr. Lesley Travers, Mr. Jeremy Smith and Treasurer Curt Meier.

Board Members present via Zoom: Mr. Robert Leibrich & Mr. Eric Nelson.

Wyoming Retirement System Staff present: Mr. David Swindell, Ms. Rachel Meeker, Ms. Samantha Mills, Mr. Sam Masoudi, Mr. Ben Brandes, Ms. Rachel Kelley, Mr. John Kreiter, Mr. Andrew Mayer, Mr. Ben Bowman, Mr. Dan Paradis, Mr. Casey Rogstad, Mr. Ben Wisdorf, Mr. Adam Waddell, Mr. Randy Krafft, Ms. Laura Haskell, Ms. Tory Munoz and Mr. Dale Meyer.

Wyoming Retirement System Staff present via Zoom: Mr. Ben Wisdorf, Mr. Liam McGehee, Mr. Augustus Mahieu, Ms. Shuyeh Wang Liu, Mr. Kyle Meyers, Ms. Angela Hendricks, Mr. Scott Sheppard and Ms. Brianna Porterfield.

Others in Attendance: Ms. Tabettha Wolf from the Wyoming Attorney General's Office, Ms. Mika Malone & Mr. Nick Erickson from Meketa Investment Group (Meketa), Mr. Beau Burggraff and Mr. Eric Painting from RVK, Inc. (RVK), Mr. Paul Wood, Mr. Thomas Lyle & Ms. Karli Fehrman from Gabriel, Roeder & Smith & Company (GRS) and Mr. Gary Trautwein.

Others in Attendance virtually: Mr. Ron Sniffin & Ms. Judy Trohkimoinen from Wyoming Education Association and Mr. Dillion Edwards & Mr. Jeff Shields from JP Morgan.

Legislative Liaisons absent: Senator Dan Furphy, Senator Mike Gierau and Representative Jared Olsen.

Legislative Liaisons present via Zoom: Representative Bill Henderson.

WRS Board Chair, Mr. Tom Chapman called the meeting to order at 8:38 a.m. at the Sublette County Library in Pinedale, Wyoming. Mr. Chapman welcomed everyone to the Board Meeting. Mr. Chapman commended Ms. Mills on her recent promotion to WRS Chief Benefits Officer. Mr. Swindell welcomed Mr. Ron Sniffin online on behalf of the WEA and Mr. Gary Trautwein who was present in Pinedale. Ms. Tabettha Wolf from the Attorney General's Office is now serving as the new WRS attorney from the Attorney General's Office. Mr. Swindell voiced his appreciation for Ms. Munoz efforts as the interim Benefits Supervisor, which was soon coming to an end now that a new Pension Benefits Manager position had been hired.

LEGISLATIVE & BENEFITS COMMITTEE

Legislative & Benefits Committee Members present: Mr. Jeremy Smith (Chair), Mr. Tim Sullivan and Dr. Lesley Travers.

Legislative & Benefits Committee Members present remotely: Mr. Bob Leibrich.

Legislative & Benefits Committee Members absent: Mr. Eric Nelson.

Non-Committee Board Members present: Mr. Tom Chapman, Mr. John Lummis, Mr. Paul O'Brien and Ms. E. Jayne Mockler.

Non-Committee Board Members absent: Treasurer Curt Meier.

The Legislative & Benefits Committee commenced at 8:40 a.m. Mr. Smith, the Legislative & Benefits Committee Chair, went over the planned agenda. Mr. Swindell discussed the supplemental budget document featured in the Legislative & Benefits packet and highlighted changes. One of the potential request changes is to fund a cybersecurity position within ETS with WRS funds. Mr. Swindell stated that the Deferred Compensation Specialist conversion from Empower will be put on the back burner for the time being. The Investment Risk Officer position has been hired and will be starting with the Investment Team in the next few weeks. The third position investment administrative position request may be deferred until the two approved positions are fully hired and trained. WRS is currently exploring the possibility of a Quality Assurance position instead of a Policy and Procedure Coordinator. Mr. Swindell commented on a potential request to remove the financial footnote that prevents flexibility with hiring and promotions within the Investment Team. Mr. Swindell would like to enact pay band flexibility within the for the junior staff roles within the Investment Team. The ability to promote investment employees would then potentially fall to the WRS Board for approval. Mr. Chapman commented on the coming changes to the Wyoming State Legislature with the recent election and how impactful that will be on the current supplemental budget request. Mr. Chapman stated he is in support of submitting all of the requests that Mr. Swindell needs at this time. Mr. Smith commented that he is in agreement and supports requesting what supports the fiduciary needs of the agency.

The potential impacts of the primary election results was the next Legislative & Benefits agenda item. Mr. Smith commented that the future make-up of the Legislature will have much more junior level experience. Mr. Smith stated that the Legislative & Benefits Committee will launch a communication initiative with the new incoming legislators. Mr. Brandes stated that the goal was to open lines of communication with new legislators and to provide updated informative materials to current and future legislators. It was noted that the decision on the next Speaker of the House will impact the future chairmanship makeup of State of Wyoming Legislature. The House of Representatives will have a 40% turnover rate this election cycle. Ms. Mockler recommended personalizing the messaging to legislators and highlighting the positive impacts that WRS has on individual counties.

Mr. Smith initiated a Cost of Living Adjustment (COLA) discussion and then handed it over to Mr. Brandes to provide his comments. Mr. Brandes asked if the Board would like to solidify more of a position on a COLA for WRS Membership. Mr. Swindell noted that the Fire B and Judges Plans will be fully funded in the near future. Mr. Smith commented that he would like to be assertive as a Board about the need for a COLA. Mr. Swindell that there has been a COLA proposal presented to the State Legislature every year for the last 10 years, but none have ever been able to take hold. Mr. Swindell stated that a COLA proposal for the retirees who are hurting the most may be the best approach. Mr. Swindell asked for the Board's preferred COLA design. Mr. Leibrich stated that he believes an ad hoc COLA plan should be a priority for the November 2024 meeting discussion versus a permanent COLA. Mr. Lummis stated that a systematic COLA plan design should be the goal long term, but ad hoc and achievable is a reasonable goal for the upcoming supplemental budget. Mr. Masoudi commented that 3/4s of existing pension funds have COLAs already in place. Ms. Mockler recommended focusing on community messages to the Legislature including highlights how many people throughout the state are impacted by the lack of a COLA. Mr. Chapman commented that it could make sense to set-up a working group to discuss a COLA, with members from different committees. Mr. Smith stated this could be moved forward

with the assistance of the Governance Committee, because that committee has representatives from every WRS committee.

Mr. Wood from GRS presented updates on the legislatively enacted Actuarial Defined Contribution Plan and the rate increases effective July 1, 2024. According to Mr. Wood, required contribution rates will change from fixed rates to a rate based on the Actuarially Determined Contribution (ADC) calculated as of January 1 of each odd-numbered year. The Public Employee Plan is now expected to be fully funded by 2047. GRS went over the mechanics of the funding rate changes. According to GRS, it may take multiple two-year valuation cycles to reach the ADC. The rates will not go down until the PE Plan is 99% funded. Mr. Smith thanked the team from GRS for their presentation. GRS suggested that the ADC approach applied to the Public Employee Plan could be effective with other WRS Pension Plans in need of a rate increase.

The Legislative & Benefits Committee adjourned at 10:39 a.m.

GOVERNANCE

Governance Committee Members present: Dr. Lesley Travers (Chair), Mr. Tom Chapman, Mr. Jeremy Smith and Mr. Paul O'Brien.

Governance Committee Members present remotely: Mr. Eric Nelson and Mr. Bob Leibrich.

Non-Committee Board Members present: Mr. Tim Sullivan, Mr. John Lummis, Ms. E. Jayne Mockler and Treasurer Meier.

Dr. Lesley Travers, Governance Committee Chair, convened Governance Committee at 11:06 a.m. Mr. Swindell commented on the trip to Idaho that the WRS Staff took on July 17th to connect with the Public Employee Retirement System of Idaho (PERSI). The WRS team met with PERSI to discuss their plan design and employer relations system. PERSI has an estimated payment module that is much more streamlined than the current WRS' system. The WRS staff also discussed the PERSI Quality Assurance department and its benefits. Ms. Meeker talked about her takeaways from the trip, including the WRS months of service cleanup project. PERSI has done a great deal of data cleanup on their end. Currently, Ms. Munoz has been working on creating more staggered deadlines for the WRS Benefits department to avoid intense crunch periods for the team. PERSI has estimated final contributions to assist in quicker initial payments to retirees. PERSI has had similar changes and impacts to their agency like WRS; such as the retirement cliff.

The next agenda item was the Strategic Plan Matrix discussion lead by Ms. Kelley. Moving forward Ms. Kelley requested that the Board determine their preferred method of documenting strategic plan successes and movement. Ms. Kelley stated that at times there is not always quantitative data to provide regarding successes, more of a moving target. Ms. Kelley presented a one page Strategic Plan Matrix to the Board that will be maintained by the staff and presented to the Board on a regular basis.

The next Governance Agenda item was the results of the Board Meeting Structure Questionnaire. Ms. Kelley received a full participation from the WRS Board on the questionnaire. According to Ms. Kelley, many board members do have to travel to all meetings in a given year. Locations can be a time commitment depending on where board members are coming from. It was noted that the public doesn't always attend the away meetings. Ms. Lummis commented on the travel commitment for the current board meeting structure. Travel can be two days in itself for some board members. Mr. Smith commented that he does not necessarily mind the travel required for board meetings and sometimes he gets the opportunity to travel to locations he would not normally travel to. Mr. Nelson noted the value of the in-person meetings and the subsequent discussion that are held. The Board commented on the lack of interaction with communities and the public at away board meetings. Discussion ensued about ways to improve community interaction including town halls. The questionnaire also highlighted the need to be

more strategic during board meetings and potentially lean more on committee work outside of the main board meetings. Mr. Chapman stated that there is tremendous value in board meetings that encourage interaction and team building with the Board and the staff. Ms. Kelley commented on the potential to connect board meeting timing with the Education team travel and include town hall meetings and other educational events at board meeting locations.

The WRS Board broke for a lunch break at 12:00 p.m.

The Governance Committee reconvened at 1:00 p.m. for WRS Board Elections. Dr. Travers commented on the amount of time required to serve in the Chair and Vice Chair roles.

MOTION: Mr. Jeremy Smith motioned to appoint Mr. Tom Chapman as Chair of the WRS Board. Mr. Tim Sullivan seconded the motion. Motion carried

MOTION: Mr. Tim Sullivan motioned to appoint Mr. Eric Nelson as Vice Chair of the WRS Board. Mr. Tom Chapman seconded. Motion carried.

Mr. Chapman stated that he will be working more with the Committee Chairs during the coming year, as he does intend to step away from the Chairmanship in the future.

The Governance Committee adjourned at 1:09 p.m.

DEFERRED COMPENSATION COMMITTEE

Deferred Compensation Committee Members present: Dr. Lesley Travers, Ms. E. Jayne Mockler and Mr. Jeremy Smith.

Deferred Compensation Committee Members present remotely: Mr. Bob Leibrich (Chair).

Non-Committee Board Members present: Mr. Tim Sullivan, Treasurer Meier, Mr. Tom Chapman, Mr. John Lummis and Mr. Paul O'Brien.

Non-Committee Board Members present remotely: Mr. Eric Nelson.

Deferred Compensation Committee Chair, Mr. Bob Leibrich convened the meeting at 1:12 p.m. and turned the meeting over to Mr. Beau Burggraff and Mr. Eric Painting from RVK for the Quarterly Report. According to Mr. Painting, tech and AI companies are leading the way in investment performance in 2024. Mr. Painting went over the current RVK Watchlist, which includes the T Rowe Price New Horizons fund. According to Mr. Painting, the fund is still outperforming and beating the benchmark by 2% on a long term basis. Diamond Hill Small Mid Fund is also on the RVK Watchlist, although RVK maintains confidence in the fund's long-term strategy, which has historically demonstrated strong downside protection and a capacity for rapid rebounds. Given the fund's recent inconsistency, RVK is looking for improvement in the remainder of 2024. Mr. Painting highlighted the BlackRock LifePath Investment Asset Allocation Strategy. The BlackRock strategy is to de-risk as retirement age approaches, meaning shifting from capital appreciation to capital preservation. RVK continues to believe this strategy makes sense. BlackRock allocates for more risk early in the members employment with a de-risking strategy over time as they get closer to retirement. According to Mr. Painting, BlackRock' early-career vintages have generated strong, competitive performance during the balance accumulation phase, compared to peers

Mr. Burggraff initiated the Fixed Structure Income Analysis presentation. RVK periodically reviews the white label fund structures to ensure they are performing in line with expectations and if any changes would offer positive benefits. According to Mr. Burggraff, fund performance has exceeded the benchmark due to strong performance by all three underlying managers – Dodge & Cox, DoubleLine, and JP

Morgan. This is the first review since the inception of the white label fund in 2016. RVK does not recommend any changes to the structure at this time. The current managers continue to be highly rated.

RVK then went over the Legislative and Regulatory Update including Secure 2.0 updates. According to RVK, the Department of Labor has been working on a new Retirement Security Rule which revises the definition of fiduciary investment advice under ERISA. There has been an emergence of litigation against environmental, social and governance (ESG) allocation. According to Mr. Burggraff, the various lawsuits highlight the importance of having a strong fiduciary process and appropriate documentation of key decisions. Periodic reviews of the investment menu, contracts and related fees, and plan governance documents, among other items, remain prudent.

Mr. Burggraff went over the existing Work Plan between WRS and RVK, Inc. The Work Plan is intended to set a structure that can be used as a guide to direct the work efforts of the Wyoming Retirement System Deferred Compensation Plan and RVK through 2024. Mr. Swindell noted that 457 Plan participant fees were down 17 basis points. Mr. Lummis asked about current member communication regarding the 457 Plan. Ms. Mills stated that quite often members call or come in in person. Mr. Smith commented on his direct WRS & 457 Plan experiences with the school district including the options available to new employees and how the WRS Education Team is an asset to employers. Treasurer Meier asked if there was an opportunity to survey the groups that have been recently onboarded and get their feedback.

Ms. Mills went over the 457 Operations Report. The 457 Team is continuing to move more employers towards ACH. Ms. Mills thanked her team of three for all their work while she served in her recent interim position. A current goal for the 457 Team is to focus on plan administration as it pertains to timely contributions and electronic submission of required items. Ms. Mills reported a new auto enrollment set-up of a school district in Converse County. Mr. Sullivan asked why more employers aren't moving toward ACH. Ms. Mill stated that she suspects some employers may need to update their bylaws with their governing counsel or are currently requiring 2 signatures on checks. Staff continue to work on updating the 457 Plan Document, which will be shared with the Board at a later date. Mr. Chapman asked for the current participation rate with state employees and auto enrollment. Ms. Mill stated that it is about 95% participation. Mr. Swindell commented on the potential ability of the state to increase the match amount for employee benefit and retention.

The Deferred Compensation Committee adjourned at 2:22 p.m.

AUDIT & RISK COMMITTEE

Audit & Risk Committee Members present: Mr. Paul O'Brien (Chair), Mr. John Lummis, Ms. E. Jayne Mockler (1 vacancy).

Non-Committee Board Members present remotely: Mr. Eric Nelson and Mr. Bob Leibrich.

Non-Committee Board Members present: Mr. Tim Sullivan, Mr. Jeremy Smith, Treasurer Meier, Dr. Lesley Travers and Mr. Tom Chapman.

The Audit & Risk Committee convened at 2:49 p.m. led by Committee Chair, Mr. Paul O'Brien. Mr. O'Brien asked for the Board to accept the Eide Bailly Report as presented to the Board. Eide Bailly issued a clean audit opinion. Mr. O'Brien thanked the WRS staff for their participation and assistance with the audit.

MOTION: Dr. Lesley Travers motioned to accept the Eide Bailly Audit Report as presented to the WRS Board. Seconded by Treasurer Curt Meier. Motion carried.

Mr. O'Brien passed the meeting on to Mr. Adam Waddell for his Internal Audit Report. Mr. Waddell commented on the Vol Fire, EMT and Search & Rescue Audit results for January through December

2023. The Internal Audit Department (IAD) examined all active Volunteer Plan members from ten (10) departments of the 102 active volunteer fire departments in Wyoming. Three members were recommended for service credit adjustment. All members who did not attend a meeting in 2023 will have their accounts and service credit adjusted to reflect the last month of service they were last active with the department. Ms. Munoz thanked the WRS Senior Team for their support as she served in the interim as the Benefits Supervisor. Ms. Munoz is looking forward to getting back to her Principal Auditor role. Mr. Waddell talked about the future upgrades that are coming to the WRS database RAIN including RAIN Task Viewer (TV). Currently staff has to have multiple screens open over multiple desktops; the new RAIN TV seeks to eliminate that. The WRS Systems Process Group has also been effective in helping to procure, test and implement new programming to benefit staff and members. The roadmap of future development that the Systems Process Group has identified will include an upgraded internal task viewer (RAIN TV), Employer Portal, improved user interface throughout RAIN, and other identified pain points. Mr. Swindell commented on the improvements that RAIN TV will bring to the staff and for WRS members. He noted that many pensions are still dealing with manual functionality and that WRS is in the top third of administration. According to Mr. Waddell, the next big future project is the revamping of the WRS Employer Portal.

Mr. Meyer provided the IT update starting with the RAIN contract process update. Mr. Meyer has also been reviewing different options for connection so that WRS isn't as impacted by outages. The agency currently has more uptime than they have ever had before. According to Mr. Meyer, Office 365 is about to be rolled out to employees, as is an Adobe upgrade. Mr. Meyer discussed the security incident reporting process within WRS. There has been a lot of movement over the last year for staff to practice more awareness and due diligence with potential security incidents. There were significantly more security incidents a year ago and that has greatly improved. Mr. Meyer commented on the recent worldwide CrowdStrike Incident. About a 1/3 of WRS machines were impacted and required an onsite fix from ETS. Mr. Meyer commented on the Request for Proposal timeline for a cybersecurity vendor, which could potentially roll out in the first quarter of 2025. Mr. Meyer stated that ETS has a new Executive Director, and that could impact the timeline.

Mr. Waddell discussed the pending 2024 Committee Risk Assessment. The evaluation will be sent to Board Members in the near future for their consideration and comment. Mr. O'Brien stated that he feels that cybersecurity and staffing risks are moving in the right direction away from previously known risks. Mr. O'Brien asked for each committee to take the risk survey seriously.

The Audit & Risk Committee adjourned at 3:27 p.m.

CONFERENCE UPDATES: Mr. Swindell commented on the conferences he attended during the summer including the National Conference on Teacher Retirement at the end of June. Mr. Swindell, Ms. Meeker and Mr. Leibrich were at the NASRA conference in early August. Ms. Meeker commented that AI and QR options were a big piece of the discussion. Mr. Leibrich noted that WRS is on the right path with other peer pensions. The Treasurer's Conference was held the week prior in Jackson Hole, Wyoming. Mr. O'Brien recently attended the BlockChain Conference in Jackson.

EXECUTIVE DIRECTORS REPORT:

Mr. Swindell gave a summary of the 10 page report included in the Board packet. The report provides highlights of his activities, including organizational changes that have occurred, along with statistics regarding all of the work accomplished by staff over the past three months.

Mr. Chapman asked for board comments or edits to the May 2024 minutes.

MOTION: Mr. Jeremy Smith motioned to approve the May 2024 Board Meeting Minutes. Seconded by Mr. Bob Leibrich. Motion passed.

The WRS Board adjourned for the day at 4:10 p.m.

Thursday August 29, 2024

Mr. Chapman called the meeting to order at 8:30 a.m. Mr. Chapman thanked Ms. Kelley for setting up the dinner the night before at the Lakeside Lodge.

INVESTMENT

Investment Committee Members present: Mr. Tim Sullivan, Mr. Paul O'Brien, Mr. Tom Chapman and Treasurer Curt Meier.

Investment Committee Members present remotely: Mr. Eric Nelson (Chair) and Mr. Bob Leibrich.

Non-Committee Board Members present: Mr. John Lummis, Mr. Jeremy Smith, Dr. Lesley Travers and Ms. E. Jayne Mockler.

The Investment Committee commenced at 8:30 a.m. Mr. Chapman passed the meeting to Mr. Masoudi to introduce Mr. Jeff Shields and Mr. Dillon Edwards from JP Morgan to talk about AI. Mr. Edward stated that AI is data-centric thus resulting in the further adoption of cloud computing and amplifying data center needs. The emergence of language models like ChatGPT has expanded AI exponentially and firms are striving to integrate these capabilities into their products and processes. Mr. Masoudi thanked the team from JP Morgan for their presentation. The Board discussed governance considerations as it relates to Zoom, AI and the WRS Board Meetings. Mr. Chapman requested Mr. Swindell and staff continue considering security measures as they pertain to the WRS Board meetings and AI utilization.

Mr. Masoudi provided the Executive Summary to the Board. Mr. Masoudi stated over this last year the Investment Team beat the benchmark by 0.31% and were in the top 10 percentile. The benchmark relative performance in the second quarter of 2024 was disappointing due to several unrelated tilts all working against the portfolio, and not the product of one poorly performing large tilt or reflective of correlations between several smaller tilts. Detractors included a few Marketable Alternatives managers, uranium, and an underweighting to the Magnificent Seven, US equity, and Taiwan Semiconductor. Mr. Kreiter discussed the Public Equities performance. The unhedged EAFE portfolio slightly underperformed the benchmark (-26 bps), while the EM portfolio suffered a difficult quarter due to Taiwan Semiconductor dominating the EM IMI benchmark. Mr. Mayer went over Marketable Alternatives, stating that underperformance during the quarter by a few of the larger positions resulted in a short-term drag on the portfolio, though longer-term relative performance for the asset class remains strong. Mr. Mayer noted that since gold is benchmarked against itself it doesn't necessarily add value to the relative performance, despite the strong absolute performance of the investment. Mr. Masoudi commented that not many funds have allocations to gold and that the investment has paid off. Mr. Lummis voiced his concerns about potential stagflation and its impacts. Mr. Paradis spoke on Private Markets. Private Credit had a strong quarter, both on an absolute and relative basis. Energy and mineral related funds were strong contributors during the quarter, but this was also largely a reversal of losses experienced during the prior quarter.

Mr. Masoudi went over risk assets and allocation. Risk assets have been slightly below target for the past three years. Real Assets have had a continued overweight position for the last two years in part due to strong absolute and relative performance versus other asset classes. The team elected to maintain the weight to Marketable Alternatives instead of decreasing the weight following the cut to the strategic target. This decision combined with relative outperformance vs. other asset classes has resulted in an overweight position for the last two years.

The next discussion was the tactical tilt discussion. Fixed income was discussed by Mr. Bowman. The portfolio has exposure to AAA CLO debt, which is not an index eligible security, and therefore has been referenced as a tilt. High quality CLO debt offers higher yields than IG corporate credit without the accompanying interest rate or credit risk. Mr. Kreiter went over the tactical tilts within Public Equities. The underweight position versus the strategic target reflects public equity's role as a liquid surrogate for overweight positions to equity risk within Private Real Assets and Marketable Alternatives. Mr. Mayer commented on Marketable Alternatives and noted a preference to hold some hedged equity along with long only equity given the difficult market environment and higher potential for a recession and earnings compression.

The team from Meketa went over the performance for the second quarter of 2024. Declining inflation, resilient growth, and strong corporate earnings supported most asset classes in the second quarter. Ms. Malone commented on WRS' results being quite strong, noting that the 10 year portfolio performance exceeded the benchmark return by an annualized 71 bps, aiding the fund's growth from \$7 billion to now \$11 billion in assets. Mr. Erickson went over total fund attribution. Private Debt was the strongest positive performance on a relative to benchmark basis. Key detractors were Marketable Equity w/Overlay & FX, which earned positive absolute returns, though underperformed relative to benchmark. Marketable Alternatives also had poor performance on both absolute and relative to benchmark basis during the quarter. The Investment Committee will potentially discuss the blended benchmark at a future meeting.

The next agenda item was Performance Compensation. Mr. Swindell provided the Board with the history and structure for approving performance compensation for the year 2023-24. Mr. Swindell requested that the Board approve the payout based on the initial estimate, subject to the Investment Committee's final review. The Investment Team will distribute the final approval memo to the Investment Committee within the next week and anticipate that they will complete their final review and approval in early September. If any material differences are discovered, the Investment Committee will notify the Board and request further guidance. At this time they do not anticipate any material changes. The Investment Team has outperformed the portfolio benchmark by 1.21% annualized for the trailing three-year period ending June 30, 2024.

MOTION: Dr. Lesley Travers motioned to approve performance compensation for the WRS Investment team for the three-year trailing period ending June 30, 2024, subject to Investment Committee approval. Seconded by Treasurer Curt Meier. Motion carried.

Mr. O'Brien commented that he is in support of Performance Compensation. Treasurer Meier stated that he would like to see the wages be more in alignment with the market salaries. The Board discussed the existing Performance Compensation Audit being performed by the State. Mr. Swindell stated he was hopeful the review could provide some constructive feedback to the program. Mr. Nelson stated that it could be helpful to take the results from the Performance Compensation Audit and discuss it as a group.

Mr. Wisdorf and Mr. Kreiter spoke about AI in Investments and impacts to the WRS portfolio. WRS' public equity exposure to AI is estimated to be underweight relative to the benchmark. It was noted that the Magnificent 7 have driven most of the market gains in recent years, and that the ultimate impact of AI on corporate profits or various industries is still being worked out and will evolve in unexpected ways.

The Investment Team engaged in a brief market discussion.

The Investment Committee adjourned at 12:20 p.m.

PUBLIC COMMENT

Mr. Chapman asked for any public comment at 12:20 p.m. Mr. Ron Sniffin from the WEA provided comments to the WRS Board as a representative of the Wyoming Coalition for a Healthy Retirement. Mr. Sniffin stated his appreciation of the Board considering a COLA proposal for retirees. Mr. Sniffin suggested that the Coalition supports that effort as a partner. Mr. Sniffin also commented on the upcoming changes within the State Legislature makeup. Mr. Chapman and Mr. Swindell thanked Mr. Sniffin for his comments.

Mr. Chapman thanked the Committee Chairs and Staff for the work that they are doing.

The WRS Board Meeting adjourned at 12:28 p.m.