

## LTSS Trust Commission Investment Strategy Subcommittee

Meeting Minutes			
<b>Meeting Date</b>	6/14/2021	<b>Time</b>	3:30 to 4:30

Attendees			
Investment Strategy Subcommittee Members			
✓	Senator Karen Keiser	✓	Representative Paul Harris
✓	Representative Frank Chopp		Representative Nicole Macri
✓	Senator Curtis King	✓	Representative Drew MacEwen (Chair)
	Kelly Lindseth LTSS Manager, ESD		TBD, Person considered experienced and qualified in the field of investment, #1
	TBD, Person considered experienced and qualified in the field of investment, #3		TBD, Person considered experienced and qualified in the field of investment, #4
✓	Senator Judy Warnick	✓	Senator Steve Conway
		✓	Bill Moss Assistant Secretary, AL TSA, DSHS
			TBD, Person considered experienced and qualified in the field of investment, #2
Guest Speakers			
✓	Ben Veghte, Director, LTSS Trust, AL TSA	✓	Chris Hanak, Washington State Investment Board

Topic	Minutes
Meeting goals	<ul style="list-style-type: none"> <li>• Rep. MacEwen reviewed the goals for today's meeting.</li> </ul>
Consent agenda	<ul style="list-style-type: none"> <li>• Senator King made a motion to approve the minutes from the November Investment Strategy Subcommittee meeting. A voice vote was taken and the motion passed.</li> </ul>



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Topic	Minutes
<p>Old Business</p> <ul style="list-style-type: none"> <li>• <b>Investment and Implementation Plan Update</b></li> </ul>	<p>Chris Hanak, Senior Investment Officer at the Washington State Investment Board (WSIB) provided an update on the investment and implementation plan for the new WA Cares Fund (LTSS Trust) program.</p> <ul style="list-style-type: none"> <li>• WSIB has an onboarding process for new stakeholders and they will initiate the required steps in the second half of this year to ensure they are ready to receive and invest funds once they become available. This includes: <ul style="list-style-type: none"> <li>○ Establishment of accounts;</li> <li>○ Defining working relationships for asset transfers and instructions; and</li> <li>○ Creation of a performance reporting process and cadence.</li> </ul> </li> <li>• WSIB determines how assets are invested.</li> <li>• The initial strategic asset allocation process assumed passage of the constitutional amendment, Engrossed Senate Joint Resolution (ESJR) 8212 in the November 2020 election. <ul style="list-style-type: none"> <li>○ The constitutional amendment would have allowed the WA Cares Fund (LTSS Trust) be invested in a mix of internally managed fixed income and externally managed equity assets.</li> </ul> </li> <li>• Since ESJR 8212 did not pass, the investment options for WA Cares Fund are limited.</li> <li>• Typically funds with this constitutional limitation are smaller in scope and more temporary in nature.</li> <li>• WA Cares Fund has a longer-term investment need and may require a distinct investment solution.</li> <li>• WSIB will do research and explore options that enable more effective long-term investment of the assets within the constitutional limitations and report back their findings.</li> <li>• There is a clear list of acceptable investments that are permitted under the state constitution.</li> </ul>
<p>Old Business</p> <ul style="list-style-type: none"> <li>• <b>Investment Strategy Subcommittee Charter</b></li> </ul>	<ul style="list-style-type: none"> <li>• Ben provided an overview of the updates to the Investment Strategy Subcommittee charter. <ul style="list-style-type: none"> <li>○ Changed LTSS Trust program to WA Cares Fund</li> <li>○ Added the LTSS Trust Foundational Principles approved by the Commission.</li> <li>○ Replaced the term asset allocation study with investment and implementation plan because WSIB will not be doing an asset allocation study</li> </ul> </li> <li>• Senator King made a motion to accept the proposed charter as revised and updated. A voice vote was taken and the motion passed.</li> </ul>
<p>Old Business</p> <ul style="list-style-type: none"> <li>• <b>Timeline for reviews and approval of the Investment Plan recommendations</b></li> </ul>	<ul style="list-style-type: none"> <li>• Chris Hanak provided an update on the timeline.</li> <li>• WSIB will do their research and provide an update at the next meeting in the fall.</li> </ul>



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Topic	Minutes
Next Steps <ul style="list-style-type: none"> <li>• <b>Set agenda for fall 2021 meeting</b></li> </ul>	Suggested agenda items for the fall meeting include: <ul style="list-style-type: none"> <li>• Review the WA Cares Fund investment plan</li> <li>• Discussion about WSIB report on the WA Cares Fund investment performance, including                             <ul style="list-style-type: none"> <li>○ What is the report frequency</li> <li>○ Who does the report go to?                                     <ul style="list-style-type: none"> <li>▪ Investment Strategy Subcommittee</li> <li>▪ LTSS Trust Commission</li> <li>▪ LTSS Trust Council that annually adjusts the benefit unit amount</li> <li>▪ Pension Funding Council that sets the premium rate</li> </ul> </li> </ul> </li> </ul>
Wrap up <ul style="list-style-type: none"> <li>• <b>Action Items</b></li> <li>• <b>Adjourn</b></li> </ul>	<ul style="list-style-type: none"> <li>• There were no action items from the meeting today.</li> <li>• Meeting adjourned at 4:01 pm.</li> </ul>

**Action Items – none**

ID	Meeting Date	Action Item	Owner	Due Date	Comments/Updates	Status	Completion Date

