



Meeting Minutes of the
Retirement Investment Committee
February 15, 2023 – 2:00 p.m. CT
Meeting Via Zoom

Plan Administrator/Facilitator: Thomas M. Kelly, Senior Vice President for Administration	Committee Members Present: Teresa Krafcsin, Sr. Associate VP and Controller
Transamerica Partners Present: Keith Beall Cara Cantrell	Michael Budzynski, Vice Dean Administration SSOM Wayne Magdziarz, Sr. VP, Chief Financial Officer and Chief Business Officer Katharine Wyatt, Chief Investment Officer Committee Members Absent: Swasti Gupta-Mukherjee, PhD, Associate Professor Quinlan School of Business

Call to Order

Tom Kelly called the meeting to order, which began at 2:02 p.m.

1. Review and approval of meeting minutes

Tom opened the meeting and asked Cara Cantrell from Transamerica to introduce herself to the committee. Then Tom requested a review of the meeting minutes from the November 16, 2022 meeting. Theresa Krafcsin made a motion to approve the meeting minutes dated November 16, 2022. Wayne Magdziarz seconded the motion. All approved. The motion was carried.

2. Keith Beall, Vice President of Investment Solutions at Transamerica presented the Investment Performance Review of the plan for 4th quarter 2022.

Keith Beall reviewed the Defined Contribution plan assets and investment line-up and explained we had a solid portfolio, well diversified across, and within the major asset classes.

The entire ERISA and Non-ERISA account balances as of December 31, 2022 was \$1,160,381,525 which is higher than the balance reported as of September 30, 2022 which was \$1,109,953,086. This balance reported includes currently active, closed ERISA legacy, and Non-ERISA legacy assets. As of December 31, 2022, under the current active plan there is \$518,501,121 in assets, which is 44.7% of the total plan assets. Transamerica holds 38.8% of total assets under investment management, and TIAA (four funds) holds 5.9% of total assets under investment management in the current active plan. There currently is 41.1% of the ERISA plan assets in closed ERISA legacy accounts with TIAA, Fidelity and AIG/Corebridge Financial. The remaining 14.2% of total account balance are closed Non-ERISA accounts.

Keith then reviewed each investment against benchmarks that we have set up, and the overall fund lineup is performing in-line with expectations with the following noted trends:

- **Funds on Watch List – None**
- In general, overall fund lineup performed in-line with expectations with the following noted trends:
 - Funds performing in top quartile of peers over trailing 3 and 5 year periods
 - DFA US Targeted Value Fund
 - Actively managed funds performing below peer median over trailing 3 and 5 year periods
 - **Metropolitan West Total Return Bond Fund**
 - Adjusting for 50 bps revenue sharing, fund outperforms peer median over trailing 5 and 10 year periods and index over the trailing 3, 5, and 10 years
 - **T. Rowe Price Growth Stock**
 - Performed in 91st, and 91st percentiles over the quarter and 1 year periods
 - Underperformance in 2nd half of 2021 and 2022 brought down trailing averages
 - Greater exposure to consumer discretionary and more aggressive growth holdings distracted from results
 - **TIAA Real Estate Fund**

- Katie Wyatt had questions about the performance of the TIAA Real Estate Fund Account. Keith Beall agreed to provide a deeper analysis of this fund as a follow-up to Katie.
- **Committee then reviewed and evaluated the Fund Share Class Review**
 - Last time this exercise was completed was 11/2019.
 - Moving forward the committee will do a Fund Share Class Review annually, during the February meeting of each year.
 - Greater than 2 basis point change is a threshold test for us to change the share class.
 - Only one fund that we are currently using has a share class that was greater than the 2 basis points threshold from another available share class.
 - **Tom Kelly requested a motion from the group to move to the regular T. Rowe Price Growth share class from the T. Rowe Price Growth Stock 1 share class.** Wayne Magdziarz made a motion to approve. Katie Wyatt seconded the motion. All approved. The motion was carried.
 - Vanguard Target Retirement Funds
 - 2070 Fund was recently created and is available
 - **Tom Kelly requested a motion from the group to add the 2070 TRF to the plan when administratively convenient.** Wayne Magdziarz made a motion to approve. Michael Budzynski seconded the motion. All approved. The motion was carried.

3. **Cara Cantrell, Client Executive at Transamerica provided an update on plan operations and plan participant statistics as of December 31, 2022.**

Cara Cantrell reviewed the Plan-level Dashboard Report noting that total participant account assets were \$449M as of the end of 2022 (this was a -\$77M change from the end of 2021). Participants had an average account balance of \$79,763 at Transamerica and an 8.4% average deferral rate. 3,397 participants are actively contributing to the plan and 5,638 participants have accounts with balances. The outstanding loan balance total as of the 4th quarter was \$3.8M, with 489 loans which is about 5% of participants with a loan and an average loan balance of \$7,957.

Cara Cantrell also reviewed the Plan-level Dashboard Report for the 457(b) plan.

4. **Other Business**

Danielle Hanson and Cara Cantrell provided the committee with information regarding the recent passing of the Secure 2.0 Act.

- a. Effective 01/01/2024 catch-up contributions must be made as Roth contributions for participants whose wages exceed \$145,000.

- b. Required minimum distribution age changes from 72 to 73. This change is immediate in 2023.

5. Closing

The next Retirement Investment Committee meeting is scheduled for May 24, 2023 at 2:00 p.m. CT. Tom Kelly adjourned the meeting at 3:46 p.m.