



Meeting Minutes of the
Retirement Investment Committee
August 21, 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
Legacy Professionals LLP Present: Peter Jurich	Katharine Wyatt, Chief Investment Officer
	Hae Mi Choi, PhD, Associate Professor Quinlan School of Business
	Wayne Magdziarz, Sr. VP, Chief Financial Officer and Chief Business Officer

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 requested a review of the meeting minutes from the May 24, 2023 meeting. Katie Wyatt made a motion to approve the meeting minutes dated May 24, 2023. Theresa Krafcsin seconded the motion. All approved. The motion was carried.

2. Peter Jurich from Legacy Professionals LLP presented a draft review of the 2022 DCRP Plan Audit and 2022 Financial Statements for the DCRP plan.

Peter Jurich confirmed that Legacy completed an audit of the financial statements of the Loyola University of Chicago Defined Contribution Retirement Plan (the Plan) for the year ending December 31, 2022, in accordance with ERISA Section 103(a)(3)(C). Peter explained that no transactions reviewed during the year were significant or unusual, which has been recorded in the financial statements. The disclosures in the financial statements are clear, neutral, and concise. Peter informed the Committee that there were no unusual findings to advise to the Committee. Peter noted that the Plan has a revenue sharing arrangement that provides for certain amounts from investment servicing fees to be returned to the Plan by Transamerica and TIAA. During the years ended December 31, 2022 and 2021, allocations of \$503,170 and \$366,933 respectively, were made to participants. Total Net assets for benefits as of 12/31/2022 were \$998,663,620, which is down from \$1,170,700,742 as of 12/31/2020. The net decrease total in 2022 was \$172,036,852. The 2022 5500 will be prepared and filed by October 15, 2023.

Tom Kelly asked the committee for a motion to approve the draft 2022 audited financial statements, so that they can be finalized. Teresa Krafcisin made a motion to approve. Wayne Magdziarz seconded the motion. All approved. The motion was carried.

Tom Kelly requested that it be noted in the meeting minutes that the audited financial statements speak to the ERISA assets only in the plan.

3. Keith Beall, Portfolio Strategist at Transamerica presented the Investment Performance Review of the plan for Q2 2023.

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 June 30, 2023 was \$1,253,075,260 which is higher than the balance reported as of March 31, 2023 which was \$1,206,875,405. This balance reported includes currently active, closed ERISA legacy, and Non-ERISA legacy assets. As of June 30, 2023, under the current active plan there is \$579,968,111 in assets, which is 46.3% of the total plan assets. Transamerica holds 40.2% of total assets under investment management, and TIAA (four funds) holds 6.1% of total assets under investment management in the current active plan. There currently is 40.1% of the ERISA plan assets in closed ERISA legacy accounts with TIAA, Fidelity and AIG/Corebridge Financial. The remaining 13.6% 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:

- In general, overall fund lineup performed in-line with expectations with the following noted trends:
 - **Funds on Watch List – None**
 - Passively managed (index) funds performed in line with underlying indexes (as designed)
 - Actively managed funds performing in 30th percentile of peers over trailing 3 and 5 year periods
 - BlackRock High Yield Bond Fund
 - DFA US Targeted Value Fund
 - DFA Emerging Markets 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 Fund
 - Performed in 19th, 17th, and 41st percentile over the quarter, YTD, and 1 year periods
 - Underperformance in 2nd half of 2021 and 2022 brought down trailing averages
 - Greater exposure to technology,
- The following fund changes were effective 4/19/23
 - Fund Share Class Changes
 - T. Rowe Price Growth Stock Fund
 - Moved from “I” share class
 - Lowered cost on “after revenue sharing” basis by 3 bps
- Fund Additions
 - Vanguard Target Retirement 2070 Fund
- Haemi Choi asked Keith for additional information regarding the underperformance of T. Rowe Price Growth Stock fund. The decision was made to revisit this fund at the next meeting to determine if the fund should be moved to the watch list.

4. Cara Cantrell, Client Executive at Transamerica provided an update on plan operations and plan participant statistics as of June 30, 2023.

Cara Cantrell reviewed the Plan-level Dashboard Report noting that total participant account assets were \$503.3M as of the end of Q2 2023 (this was a +\$66M change from the end of 2022). Participants had an average account balance of \$87,963 at Transamerica and an 8.4% average deferral rate. 3,424 participants are actively contributing to the plan and 5,722 participants have accounts with balances. The outstanding loan balance total as of the

quarter was \$3.8M, with 462 loans which is about 5% of participants with a loan and an average loan balance of \$8,257.

Cara Cantrell provided an update to the committee about the Secure 2.0 Act, specifically regarding regulatory and legislative updates. Employers / Plans should continue to move forward with implementing Secure 2.0 Act for 01.01.2024.

Cara Cantrell also confirmed for the committee that the Plan's annual fee disclosure notice was emailed and mailed out to participants on August 21, 2023.

Cara Cantrell then reviewed the Plan-level Dashboard Report for the 457(b) plan. The plan has 18 participants with a balance and the plan has \$1.258M in assets. Tom Kelly reminded the group that this is a top hat / non-qualified plan offered to a small group of executives and the fund lineup of the 457(b) mirrors that of the 403(b) fund lineup that this group monitors and selects.

5. Committee Executive Session & Other Business

- a. Update to the committee regarding adding the Roth Option & Secure 2.0 Act to the plan for 2024.
- b. Update to the committee regarding the MOVEit data breach - TIAA's third-party vendor, Pension Benefit Information (PBI). In June Loyola was notified by TIAA that there were about 2,500 Loyola / TIAA plan participants impacted by TIAA's third party, PBI, data breach. PBI sent letters to impacted individuals in July and folks are offered two years of credit monitoring services.
- c. Katie Wyatt asked Tom Kelly if Keith / Transamerica can do a refresher for the committee regarding the process, selection and monitoring capability of TRS's fund selections.
- d. Wayne Magdziarz asked that TRS provide some replacement options for the T. Rowe Price Growth fund for the committee to consider at the next meeting.

6. Closing

The next Retirement Investment Committee meeting is scheduled for November 14, 2023 at 2:00 p.m. CT. Tom Kelly adjourned the meeting at 3:32 p.m.