Meeting Minutes of the

Retirement Investment Committee

November 20, 2024 – 2:00 p.m. CT

Meeting Via Zoom

Plan Administrator/Facilitator:	Committee Members Present:
Janice Parks, Vice President, and Chief Human Resources Officer **Transamerica Partners Present:** Keith Beall Cara Cantrell	Michael Budzynski, Vice Dean Administration SSOM Hae Mi Choi, PhD, Associate Professor Quinlan School of Business Thomas M. Kelly, Senior Vice President for Administration Teresa Krafcisin, Sr. Associate VP and Controller Katharine Wyatt, Chief Investment Officer Wayne Magdziarz, Sr. VP, Chief Financial Officer and Chief Business Officer

1. **Call to Order**
   Janice Parks called the meeting to order, which began at 2:05 p.m.

2. **Review and approval of meeting minutes**
   Janice Parks requested a review of the meeting minutes of the August 21, 2024, meeting. Tom Kelly made a motion to approve the meeting minutes dated August 21, 2024. Wayne Magdziarz 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 September 30, 2024.**
   Cara Cantrell reviewed the Plan-level Dashboard Report noting that total participant account assets were $620,643,567 and this was a +$133M change from 2023. Participants had an average account balance of $104,679 at Transamerica and an 8.3%

average deferral rate. 3,500 participants are actively contributing to the plan and 5,929 participants have accounts with balances. The outstanding loan balance total as of the quarter was $4.8M, which is about 5.4% of participants with a loan and an average loan balance of $9,970.

Cara Cantrell then reviewed the Plan-level Dashboard Report for the 457(b) plan. The plan has 20 participants with a balance and the plan has $1.7M in assets.

4. **Keith Beall, Portfolio Strategist at Transamerica presented the Investment Performance Review of the plan for Q2 2024.**
Keith then 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 September 30, 2024, was $1,416,747,294 which is higher than the balance reported as of June 30, 2024, which was $1,367,784,200. This balance reported includes currently active, closed ERISA legacy, and non-ERISA legacy assets. As of September 30, 2024, under the current active plan there is $713,597,573 in assets, which is 50.4% of the total plan assets. Transamerica holds 49% of total assets under investment management, and TIAA (four funds) holds 6.4% of total assets under investment management in the current active plan. There currently is 38.1% of the ERISA plan assets in closed ERISA legacy accounts with TIAA, Fidelity and AIG/Corebridge Financial. The remaining 12.6% 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:

Current Investment Lineup has representation across the major asset classes:

- 17 Core Funds (6 Index Funds), Target Date Funds (Index), 2 Allocation Services.
    - Fidelity Large Cap Value Index and Fidelity Large Cap Growth Index added, effective 10/23/24
    - 4 TIAA-CREF Annuities (including stable/declared rate fund)

In general, the fund lineup performed in line with expectations with the following noted trends and exceptions:

- **Funds on Watch List:**
    - **T. Rowe Price Growth Stock Fund, ClearBridge Small Cap Growth Fund**
- Passively managed (index) funds performed in line with underlying indexes (as designed)

- Actively managed funds performing in top 34th percentile of peers over trailing 3 and 5 years
    - 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 years

- **Metropolitan West Total Return Bond Fund**
    - Performed in 10th, 77th, and 57th percentile over quarter, YTD, and trailing year
    - Most recent quarter performance has improved and has been mixed to average over the intermediate term
        - Continued longer duration and more conservative credit positioning has weighed on results
    - Considerable organizational changes in 2023 and 2024
- **MFS Value Fund**
    - Performed in 44th, 61st, and 63rd percentiles over quarter YTD, and trailing year
    - Underperformed peer median 2021-2023
    - Underweight technology/communications and overweight financials detracted from recent results
    - Performed generally in line with the index over the intermediate/long term
    - Strategy focuses on undervalued companies, durable businesses, strong cash flows and balance sheets
- **Nuveen Large Cap Responsible Equity Fund**
    - Performed in 30th, 67th, and 55th percentiles over quarter YTD, and trailing year
    - Fund name changed in May 2024 to reflect on-going rebranding of TIAA funds and refocus of fund's objective from all-cap to large cap
    - Fund's index changed from Russell 3000 to S&P 500 in Spring 2024
    - YTD 2024 and 2023 underperformance weighed on intermediate-term averages
        - Mid and small cap companies materially underperformed large cap, in general
        - Fund's ESG screens excludes some companies and overweight others as managers attempt to recreate the performance and risk attributes of the underlying index

Actively managed funds performing below peer median over trailing 3 and 5 years

- **T. Rowe Price Growth Stock Fund**
  - Performed in 79th, 50th, and 66th percentiles over quarter YTD, and trailing year
  - Fund on Watch Status; 2Q24 for performance
  - Outperformed in YTD 2024 and 2023 as growth stocks rebounded and led markets higher
  - Underperformance in 2022, 2021 and 2019 brought down trailing averages
    - 2022 had largest impact as greater tech, consumer discretionary, and more aggressive growth holdings detracted
- **ClearBridge Small Cap Growth Fund**
  - Performed in 86th, 96th, and 96th percentiles over quarter YTD, and trailing year
  - Fund on Watch Status; 2Q24 for performance
  - Material underperformance in YTD 2024 and 2023 brought down trailing averages
    - Lack of exposure to biotech stocks and security selection detracted from 2023 results
    - Not holding 3 stocks (Super Micro Computer, MicroStrategy, and Viking Therapeutics) resulted in the majority of relative underperformance vs. index during first quarter 2024
    - Individual stock selection detracted from results during second quarter 2024

The index funds in the plans performed in line with their underlying indexes as designed.
Three actively managed funds performed especially well over the trailing 3- and 5-year periods:
BlackRock High Yield Bond Fund, DFA US Targeted Value Fund, and DFA Emerging Markets Fund
Six funds were performing below their peer medians over the trialing 3- and 5-year periods:

Metropolitan West Total Return Bond Fund, MFS Value Fund, Nuveen Large Cap Responsible Fund, T. Rowe Price Growth Stock, and ClearBridge Small Cap Growth. Each was reviewed in detail.

5. **Committee Executive Session & Other Business**

- Round table, no further items discussed other than setting up a meeting to explore different options from TIAA.

6. **Closing**

The next Retirement Investment Committee meeting will be scheduled for February 2025. Janice Parks adjourned the meeting at 3:50 p.m.