



Meeting Minutes of the
Retirement Investment Committee
May 20, 2021 – 2:00 p.m. CST
Meeting Via Zoom

<p>Plan Administrator/Facilitator: Winifred L. Williams, VP Human Resources, CHRO and Chief Diversity and Inclusion Officer</p> <p>Transamerica Partners Present: Keith Beall Robert Fox</p> <p>Wills Towers Watson Partners Present: Chad Fix Bridget McCabe Alec Dike Melissa Olson</p>	<p>Committee Members Present: Karen Bertucci, Department Mgr. of Continuing Medical Education, Stritch School of Medicine</p> <p>Timothy Classen, Associate Professor & Associate Dean in the Quinlan School of Business</p> <p>Thomas M. Kelly, Senior Vice President for Administration</p> <p>Teresa Krafcisin, Sr. Associate VP and Controller</p> <p>Katharine Wyatt, Chief Investment Officer</p> <p>Committee Members Absent: Wayne Magdziarz, Sr. VP, Chief Financial Officer and Chief Business Officer</p>
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Call to Order

Winifred Williams called the meeting to order, which began at 2:01 p.m.

1. Review and approval of meeting minutes

Winifred opened the meeting and requested a review of the meeting minutes from the February 10, 2021 meeting. The Committee members reviewed the meeting minutes. No changes were presented. Tom Kelly made a motion to approve the meeting minutes dated February 10, 2021. Tim Classen seconded the motion. All approved. The motion was carried.

2. Willis Towers Watson Team - Review of the Loyola Fee Benchmarking Report

The Willis Towers Watson (WTW) team reviewed the Loyola Fee Benchmarking Report with the committee. This report focused on the Transamerica service fees only.

For background, in early 2021 the RIC committee, as part of its governance responsibilities and in light of the final regulations on fee disclosure and other guidance on fiduciary best practices, Loyola engaged Willis Towers Watson to compare Transamerica's service fees to the market. The report reviewed provides Willis Towers Watson's findings, observations, and recommendations to the committee.

Transamerica's fees were reduced by \$7, to \$73 per participant per year, effective 4/1/2021 for an approximate annual savings of \$30,000. Although Transamerica's fees are \$73 per participant per year, WTW used the \$88 all-in per participant figure in the benchmarking. The finding by WTW is that the service fees are above the median of fees for comparable sized plans that have recently renegotiated fees. The finding is subject to further adjustment given the peer group does not reflect the unique work performed by Transamerica. Transamerica is acting as the master administrator for funds at TIAA & Fidelity. The unique services Transamerica provides, especially the master administrator role, may be reason for fees to be somewhat above median.

Additional risk management areas for consideration are:

- Scale opportunities through consolidation of investments
- Decide approach in negotiating with Transamerica
- Review transaction fees with Transamerica. Consider limiting the number of loans a participant can have from unlimited to 1 or 2.

A motion was taken for Willis Towers Watson to further negotiate the fees with Transamerica. Teresa Krafcisin moved the motion to approve and Tim Classen seconded the motion. All approved. The motion was carried.

3. Keith Beall, Vice President of Investment Solutions at Transamerica presented the Investment Performance Review of the plan for 1st quarter 2021

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. Keith 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 performing in top quartile of peers over trailing 3 and 5 year periods
 - Vanguard Short-Term Investment-Grade Bond Fund
 - BlackRock High Yield Bond Fund
 - Fidelity US domestic equity index funds
 - TIAA-CREF Social Choice Equity Fund
- Funds exhibiting degree of mixed performance over trailing 3 and 5 year periods
 - Oakmark International Fund
 - Outperformed during quarter (1st percentile)
 - Underperformed peer median during 2020, 2018, and 2015
 - Long-term strategy, value oriented and benchmark agnostic
 - DFA Emerging Markets Fund
 - Outperformed during quarter (35th percentile)
 - Underperformed peer median during 2020, 2019, and 2015
 - Long-term strategy, tilts towards smaller capitalization and value holdings; previous caps on country weightings created material underweight to Chinese stocks, which is being adjusted over time
- **Funds on Watch List Status**
 - **Oakmark International Fund** (Placed on watch status in June 2020, during 1Q20 Review).
 - Committee might consider an eventual replacement with a fund that has exhibited less volatility, tracking error, and style drift.
 - Alternate international equity funds are available and being discussed among the sub-committee of Katie Wyatt, Teresa Krafcisin & Keith Beall. See page 56 of the investment review report presentation for alternative international equity finds.

The plan balance as of March 31, 2021 was \$1,268,725,572, which is higher than the balance reported as of December 31, 2020 - \$1,254,167,603. The balance reported includes legacy and non-ERISA legacy funds. Under the current active plan, Transamerica has 36.9% of total funds under investment management, and TIAA (four funds) has 4.9% and there currently are 42.8% of the funds in ERISA legacy funds with TIAA, Fidelity and AIG.

4. Rob Fox, Client Executive at Transamerica provided an update on plan operations and plan participant statistics as of March 31, 2021

Rob Fox reviewed the Plan-level Dashboard Report noting that total participant account assets were \$468,143,373 as of the 1st quarter of 2021 (this was a + \$78.1M change from 4th quarter 2020). Participants had an average account balance of \$89,170 at Transamerica and an 8.7% average deferral rate. 3,152 participants are actively contributing to the plan and 5,250 participants have accounts with balances. The outstanding loan balance total as of the 1st quarter was

\$4,002,838, with 548 outstanding loans which is about 5.7% of participants with a loan and an average loan balance of \$7,304.

5. Other Business

Danielle Hanson provided a status update on a number of items since our last meeting. The discussion included the following items:

- TIAA legacy mutual funds merger to Transamerica was completed on February 25, 2021. On 2/23/21 Transamerica received the assets from TIAA in the amount of \$66,522,632.95. There were approximately 2,084 participants that came over to Transamerica from TIAA with balances. Of the 2,084 participants, 1,083 did not previously have a Transamerica account.
- Effective 04/01/2021, Transamerica's annual administrative fees decreased from \$80.00 per participant account to \$73.00 per participant account.
- The Fidelity legacy mutual fund lineup changes project is TBD. Fidelity requires a signed LUC Recordkeeping Agreement before a date can be established for this change. The recordkeeping agreement presented by Fidelity is not to LUC's benefit.
- Reminder that Loyola re-instated both the employer non-contributory and match contributions for the DCRP in March of 2021.
- Legacy Professionals, LLP will begin the annual DCRP audit for 2020 the end of May.

6. Closing

The next Retirement Investment Committee meeting is scheduled August 16, 2021 at 2:00 p.m. Winifred Williams adjourned the meeting at 4:00 p.m.