



Meeting Minutes of the
Retirement Investment Committee
November 16, 2022 – 2:00 p.m. CT
Meeting Via Zoom

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| <p>Plan Administrator/Facilitator: Thomas M. Kelly, Senior Vice President for Administration</p> <p>Transamerica Partners Present: Keith Beall Robert Fox</p> | <p>Committee Members Present: Teresa Krafcisin, Sr. Associate VP and Controller</p> <p>Michael Budzynski, Vice Dean Administration SSOM</p> <p>Wayne Magdziarz, Sr. VP, Chief Financial Officer and Chief Business Officer</p> <p>Katharine Wyatt, Chief Investment Officer</p> <p>Committee Members Absent: Swasti Gupta-Mukherjee, PhD, Associate Professor Quinlan School of Business</p> |
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Call to Order

Tom Kelly called the meeting to order, which began at 2:04 p.m.

1. Review and approval of meeting minutes

Tom opened the meeting and requested a review of the meeting minutes from the August 16, 2022 meeting. Wayne Magdziarz made a motion to approve the meeting minutes dated August 16, 2022. Theresa Krafcisin seconded the motion. All approved. The motion was carried.

2. Motion to approve the finalized 2021 audited financial statements

Tom Kelly asked the committee if there is a motion to approve the finalized 2021 audited financial statements which was reviewed by Legacy Professionals during the August RIC meeting. Teresa Krafcisin made a motion to approve. Wayne Magdziarz 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 3rd 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 September 30, 2022 was \$1,109,953,086 which is lower than the balance reported as of June 30, 2022 which was \$1,160,931,887. The balance reported includes currently active, closed ERISA legacy and Non-ERISA legacy assets. As of September 30, 2022, under the current active plan there is \$481,314,658 in assets, which is 43.4% of the total plan assets. Transamerica holds 37.5% 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 42% of the ERISA plan assets in closed ERISA legacy accounts with TIAA, Fidelity and AIG/Corebridge Financial. The remaining 14.6% 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:

- **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
 - Fidelity 500 Index Fund
 - 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
 - **MFS Value Fund**

- Performed in 22nd, 60th, and 61st percentiles over the quarter, YTD, and 1 year periods
 - Underperformance in first half of 2021 and first quarter of 2022 brought down trailing averages
 - Overweight to financials and underweight to energy sectors distracted
 - Strong performance of deeper value strategies were a headwind during some of the volatile quarter rotations over the last two years
- **T. Rowe Price Growth Stock**
 - Performed in 27th, 89th, and 85th percentiles over the quarter, YTD, and 1 year periods
 - Underperformance in 2nd half of 2021 and 1st half of 2022 brought down trailing averages
 - Greater exposure to consumer discretionary and more aggressive growth holdings distracted from results
- **Vanguard Target Retirement Funds**
 - 2070 Fund was recently created and is available
 - Consider adding 2070 TRF to the plan when administratively convenient. Recommend that this be added after next fund share class review in case there are any fund share class changes to be made, so we can group all of the changes together.
- Committee to evaluate Fund Share Class Review during the February 2023 meeting.
 - 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.

4. Rob Fox, Client Executive at Transamerica provided an update on plan operations and plan participant statistics as of September 30, 2022.

Rob Fox reviewed the Plan-level Dashboard Report noting that total participant account assets were \$416M as of the 3rd quarter of 2022 (this was a -\$21 M change from 2nd quarter 2022). Participants had an average account balance of \$75,719 at Transamerica and an 8.2% average deferral rate. 3,416 participants are actively contributing to the plan and 5,497 participants have accounts with balances. The outstanding loan balance total as of the 3rd quarter was \$3.9M, with 488 loans which is about 5.2% of participants with a loan and an average loan balance of \$8,146. Rob noted that we have a positive cash flow for the 3rd quarter. \$11M in total contributions and (\$8.8M) in withdrawals, leaving the plan with a \$2.2M positive net cash flow.

5. Other Business

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

- Effective 1/1/2023, the plan amendment to limit plan loans to two loans per participant will be in place.
- Fall/Winter of 2022, Transamerica will conduct another account consolidation outreach effort.
- LUC is working with each vendor to contact terminated employees to encourage rolling monies out of the Loyola plan and into an IRA. Each of these activities will assist in further reducing plan risk.
- Adding the Roth option to the plan is a work in progress. Hopeful for a 01/01/2024 implementation.

6. Closing

The next Retirement Investment Committee meeting is scheduled for February 15, 2023 at 2:00 p.m. CT. Tom Kelly adjourned the meeting at 3:12 p.m.