



Meeting Minutes of the
Retirement Investment Committee
November 10, 2021 – 10:00 a.m. CT
Meeting Via Zoom

<p>Plan Administrator/Facilitator: Winifred L. Williams, Vice President, Chief Human Resources Officer</p> <p>Transamerica Partners Present: Keith Beall Robert Fox</p>	<p>Committee Members Present:</p> <p>Thomas M. Kelly, Senior Vice President for Administration</p> <p>Katharine Wyatt, Chief Investment Officer</p> <p>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 10:05 a.m.

1. Review and approval of meeting minutes

Winifred opened the meeting and requested a review of the meeting minutes from the August 16, 2021 meeting. The Committee members reviewed the meeting minutes. No changes were presented. Tom Kelly made a motion to approve the meeting minutes dated August 16, 2021. 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 3rd 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.

The plan balance as of September 30, 2021 was \$1,314,816,570, which is lower than the balance reported as of March 31, 2021 - \$1,331,661,186. The balance reported includes legacy and non-ERISA legacy funds. Under the current active plan, Transamerica has 38% of total funds under investment management, and TIAA (four funds) has 5.2% and there currently are 42.1% of the funds in ERISA legacy funds with TIAA, Fidelity and AIG.

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:

- Recent Committee Actions
 - Oakmark International Fund was replaced with MFS International Diversification Fund, effective 10/21/21
- 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
 - Vanguard Short-Term Investment-Grade Bond Fund
 - BlackRock High Yield Bond Fund
 - Fidelity 500 Index Fund
 - TIAA-CREF Social Choice Equity Fund
 - Funds performing below peer median over trailing 3 and 5 year periods
 - DFA Emerging Markets Fund
 - Performed in 41st percentile in 3Q21, 35th and 29th over trailing YTD and 1 year periods
 - 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; caps have been revised and allocations have been adjusted in recent periods
- Vanguard Target Date Funds
 - Vanguard recently announced the merger of the two mutual fund share classes of their target date funds
 - Vanguard Target Retirement Fund Investor Share Class

- Surviving share class – no action necessary for clients using this share class
- Expected lower expense ratio of 0.08% (8 basis points)
- February 11, 2022 anticipated date of expense reduction
- Vanguard Target Retirement Fund Institutional Share Class
 - Share class held in the LUC 403b Plan
 - Share class will be merged into Investor Share Class
 - February 11, 2022 anticipated date of merger
 - Notice regarding the fund merger will be created by Transamerica in early/mid December and be available for mailing to all participants thereafter
 - Clients do not need to take action other than coordinating the communication to participants

3. Rob Fox, Client Executive at Transamerica provided an update on plan operations and plan participant statistics as September 30, 2021

Rob Fox reviewed the Plan-level Dashboard Report noting that total participant account assets were \$500.1M as of the 3rd quarter of 2021 (this was a -\$1.1M change from 2nd quarter 2021). Participants had an average account balance of \$95,984 at Transamerica and an 8.5% average deferral rate. 3,255 participants are actively contributing to the plan and 5,211 participants have accounts with balances. The outstanding loan balance total as of the 3rd quarter was \$4M, with 505 loans which is about 5.6% of participants with a loan and an average loan balance of \$8,019.

Then Rob Fox reviewed plan loan information with committee regarding how our plan compares to other similar plans with regards to loan balances and counts. Given the information reviewed, there was a discussion amongst the group about taking a motion about limiting the number of participant loans from unlimited to less than three. Additionally, moving in this direction would be a risk management mitigation action the committee could take with regards to participant fees. Tom Kelly made a motion to approve limiting the number of participant loans to less than three. Wayne Magdziarz seconded the motion. All approved. The motion was carried.

After the motion was approved there was a question about if it would make sense to consider adding the hardship loan provision into our plan document, so that participants that cannot afford to take a loan still could. Danielle Hanson will follow-up with the committee on the hardship loan question and the plan amendment needed to implement limiting the number of loans a participant can take.

Then lastly, based on the plan balance of over \$1.3 billion dollars (including legacy vendors) there was a conversation about connecting with each legacy vendor to see

if terminated participants can be contacted and encouraged to roll their monies out of the plan into an IRA. Doing this would be a risk management mitigation action the committee could take with regards to lowering the plan balance and assets the plan is responsible for overseeing. Loyola will need to contact each vendor to determine a plan to contact terminated participants and provide information about rolling monies into an IRA with the respective vendor.

4. Other Business

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

- It is possible for Loyola to implement a Roth within the two payroll system LUC/Lawson and Trinity(LUMCP)/Workday.
- Vacancies on Retirement Investment Committee – will appoint replacements for Tim Classen and Karen Bertucci by the next meeting.
- Loyola fund change from Oakmark International to MFS International Diversification R3 was effective 10/21/2021. Participants were notified of this fund change on 9/21/2021.
- DC Plan Fee Benchmarking follow-up: On September 29, Transamerica agreed to a per participant fee reduction from \$73 pp to \$64 pp. This reduction will save the plan just under \$40,000 a year. The reduction will be effective 01/01/2022. As a reminder, the fee was \$80 pp until 4/1/21, when it was first reduced to \$73 pp.

5. Closing

The next Retirement Investment Committee meeting is scheduled for February 17, 2022 at 2:00 p.m. Winifred Williams adjourned the meeting at 11:58 a.m.