



Meeting Minutes of the  
**Retirement Investment Committee**  
February 17, 2022 – 2:00 p.m. CT  
Meeting Via Zoom

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| <p><b>Plan Administrator/Facilitator:</b><br/>Winifred L. Williams, Vice President, Chief Human Resources Officer</p> <p><b>Transamerica Partners Present:</b><br/>Keith Beall<br/>Robert Fox</p> | <p><b>Committee Members Present:</b><br/>Thomas M. Kelly, Senior Vice President for Administration</p> <p>Katharine Wyatt, Chief Investment Officer</p> <p>Teresa Krafcisin, Sr. Associate VP and Controller</p> <p>Michael Budzynski, Vice Dean Administration SSOM</p> <p>Swasti Gupta-Mukherjee, PhD, Associate Professor Quinlan School of Business</p> <p><b>Committee Members Absent:</b><br/>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 2:02 p.m.

Winifred Williams introduced and welcomed the two new RIC members:

- Michael Budzynski, Vice Dean Administration SSOM
- Swasti Gupta-Mukherjee, PhD, Associate Professor Quinlan School of Business

**1. Review and approval of meeting minutes**

Winifred opened the meeting and requested a review of the meeting minutes from the November 10, 2021 meeting. The Committee members reviewed the meeting minutes.

Danielle Hanson put forward one change, and that was to note the update provided in the November meeting regarding the feasibility of implementing a Roth option within the two payroll systems. Tom Kelly made a motion to approve the meeting minutes dated November 10, 2021. Katie Wyatt 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 4th 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 December 31, 2021 was \$1,363,911,442, which is higher than the balance reported as of September 30, 2021 - \$1,314,816,570. The balance reported includes legacy and non-ERISA legacy funds. Under the current active plan, Transamerica has 38.6% of total funds under investment management, and TIAA (four funds) has 5.3% and there currently are 41.7% 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:

- Funds on Watch List
  - None.
    - Keith did mention the current 4 TIAA-CREF Annuity Funds under the current plan and confirmed the 4 TIAA funds are performing at an acceptable level. If at some point one of the funds has performance issues we may have to consider replacing all four TIAA funds and freeze the TIAA funds/current program.
- 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
  - Funds performing below peer median over trailing 3 and 5 year periods
    - Metropolitan West Total Return Bond Admin Fund
      - Performed in 58th percentile in 4Q21, 79th over trailing 1 year
      - Admin fund share class provides 45 bps revenue sharing, which is credited to participants
        - When adjusted for revenue sharing, fund outperformed peer group median over the trailing 3, 5, and 10 years

- Underperformed peer median during 2021, 2019, and 2017, including on a “revenue sharing adjusted” basis
- Investment management strategy became more conservative in 2021 as the team's process centers on reducing credit risk as market cycles age and credit spreads tighten. Fund has typically outperformed during credit market dislocations such as 2020.

### **3. Rob Fox, Client Executive at Transamerica provided an update on plan operations and plan participant statistics as of December 31, 2021**

Rob Fox reviewed the Plan-level Dashboard Report noting that total participant account assets were \$526.9M as of the 4th quarter of 2021 (this was a +\$26.7M change from 3<sup>rd</sup> quarter 2021). Participants had an average account balance of \$98,701 at Transamerica and an 8.6% average deferral rate. 3,222 participants are actively contributing to the plan and 5,339 participants have accounts with balances. The outstanding loan balance total as of the 4<sup>th</sup> quarter was \$3.9M, with 496 loans which is about 5.4% of participants with a loan and an average loan balance of \$8,007.

There was a question from Teresa Krafcisin about the committee’s decision to limit plan loans to less than three loans per participant from the November meeting. Danielle confirmed the limit will be two loans per participant and this number (two) will be the language used in the plan amendment for this change.

### **4. Other Business**

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

- Confirmation that it is possible for Loyola to implement a Roth within the two payroll system LUC/Lawson and Trinity(LUMCP)/Workday. We can work to implement a Roth option in 2022.
- In 2022 we will finalize the plan amendment to limit plan loans to two loans per participant, per the committee vote in the November 2021 meeting. Additionally, there will be a report back to the committee regarding the feasibility of adding a hardship loan provision to the plan, so participants that cannot afford a loan, could still take a hardship loan.
- In 2022 we will contact each vendor to determine a communication plan to contact terminated participants and provide information about rolling monies out of the plan and into an IRA. This action was an outcome of a November 2021 committee meeting.

## **5. Closing**

The next Retirement Investment Committee meeting is scheduled for May 18, 2022 at 2:00 p.m. Winifred Williams adjourned the meeting at 3:20 p.m.