

# **Massachusetts Defined Contribution CORE Plan**

## **Minutes of the Commonwealth of Massachusetts CORE Oversight Committee April 1, 2024**

The Commonwealth of Massachusetts CORE Oversight Committee (Committee), the fiduciary committee for the Massachusetts Defined Contribution CORE Plan (Plan), met, pursuant to notice, via video conference on April 1, 2024. Attending were James Antoine, Henry Clay, and the Chair David Lynch, being all the voting members of the Committee.

Also attending the meeting by invitation, and via video conference, were Sandra Desantis Lynch from the Office of General Counsel for the Office of the Treasurer of the Commonwealth of Massachusetts; Karen Guida, Kathleen McNamara, Esaba Mortuza, and Laura Rooney from the Office of the Treasurer of the Commonwealth of Massachusetts; Chris Behrns and Beth Halberstadt of Aon Investments USA Inc. (Aon Investments); Teresa Kruse of Aon Consulting, Inc. (Aon Consulting); and Rachel Mahmood and Cassandra Tarash of CliftonLarsonAllen LLP (CLA).

The meeting was open to the public.

With a quorum present, Mr. Lynch called the meeting to order at 1:00 p.m. Eastern Time.

The following materials, used throughout the meeting, were distributed in advance of the meeting, and displayed during the meeting as noted:

1. Meeting Agenda, Massachusetts CORE Plan Defined Contribution Oversight Committee, April 1, 2024 (Agenda);
2. Massachusetts Defined Contribution CORE Plan, Minutes of the Commonwealth of Massachusetts CORE Oversight Committee, December 7, 2023 (Minutes);
3. Massachusetts Defined Contribution CORE Plan, Audit 2022 Results and 2023 Planning Presentation (hereinafter, Document 1);
4. Quarterly Investment Review, Commonwealth of Massachusetts, Fourth Quarter 2023 (hereinafter, Document 2); and
5. Status Report to State Treasurer and Receiver General of the Commonwealth of Massachusetts (hereinafter, Document 3).

Mr. Lynch advised attendees that the meeting was being conducted via video conference in accordance with the Acts of 2023 signed into law on March 29, 2023. He then noted the recording parameters under the Open Meeting Law M.G.L. c.30A, §§18-25 as amended. He inquired if anyone present was recording the session and no one identified themselves as making a recording. He advised all parties that should they be unable to hear during the meeting, they should bring that to his attention.

On a motion by Mr. Clay and seconded by Mr. Antoine, the Committee approved the minutes from the December 7, 2023 meeting. Roll call in favor of approval: Mr. Clay, Mr. Antoine, and Mr. Lynch.

Referring to Document 1, Ms. Mahmood described the scope of the 2022 Plan audit and summarized the financial information reported. She confirmed that no prohibited transactions were discovered, nor were any material weaknesses in internal control uncovered. She noted one reportable transaction associated with late deposits was addressed.

Ms. Mahmood reviewed the 2023 quarterly compliance testing scope, noting documented findings were provided to management. She also reviewed the 2023 audit plan, including the audit team and overview of the audit. Ms. Mahmood highlighted the roles and responsibilities of all parties involved in the audit, including the Committee, management, and CLA, noting CLA is required to communicate this information to the Committee.

Ms. Tarash informed the Committee the key areas of focus for the 2023 audit would include changes in internal control processes and procedures, Service Organization Control 1 Reports, a review of meeting minutes, and reports provided by Empower, the Plan's recordkeeping provider, among other items.

Ms. Mahmood and Ms. Tarash left the meeting.

Referring to Document 2, Mr. Behrns reviewed the information and reported on the following, among other matters, considering the Plan's Investment Policy Statement:

- The state of the capital markets and economy;
- Asset allocation in the Plan;
- Performance of the funds over various periods as compared to benchmarks, the impact of economic and market activity on the fund managers' strategies, and other developments with the current investments in the Plan; and
- Investment management fees for the funds offered in the Plan as compared to those for each specific asset class.

Following discussion, based on the contents of the document and the best interest of the participants and beneficiaries in the Plan, Aon, in its role as the discretionary investment manager, addressed no changes to be made to the investments in the Plan at this time.

As a follow-up from the prior meeting, Mr. Lynch informed the Committee the Plan will offer the Schwab self-directed brokerage window. He also confirmed the transition of the target date fund glidepath manager from Aon to AllianceBernstein is scheduled to take place at the end of May 2024.

Referring to Document 3, Ms. Kruse reviewed the material contained in the document, and the Committee approved the report. Mr. Lynch agreed to deliver it to the State Treasurer and Receiver General.

Ms. Halberstadt updated the Committee on Aon-involved litigation matters.

There being no further business to come before the Committee, the meeting was adjourned by unanimous vote of the Committee at 2:00 p.m. Eastern Time on a motion by Mr. Clay and seconded by Mr. Antoine. Roll Call: Mr. Clay, Mr. Antoine, and Mr. Lynch.



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Committee Member

6/4/24

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Date signed