

Massachusetts Defined Contribution CORE Plan
Minutes
of the
Commonwealth of Massachusetts CORE Oversight Committee
June 13, 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 webcast on June 13, 2024. Attending were Chair David Lynch, James Antoine, and Henry Clay, being all the voting members of the Committee.

Also attending the meeting by invitation were Sandra DeSantis Lynch from the Office of General Counsel for the Office of the Treasurer of the Commonwealth of Massachusetts; Jessica Ashe and Laura Rooney from the Office of the Treasurer of the Commonwealth of Massachusetts; Chris Behrns and Austin Tallent of Aon Investments USA Inc. (Aon Investments); Tamara Langham of Aon Consulting, Inc. (Aon Consulting); and Lisa Cardinal and Karl Kroner of Empower.

The meeting was open to the public. Present was Nissi Cantu of The Center for Retirement Initiatives.

The following materials were distributed in advance of the meeting and displayed during the meeting as noted. Copies of these materials are attachments 1 – 5, respectively, to these minutes:

1. Massachusetts Defined Contribution CORE Plan, Minutes of the Commonwealth of Massachusetts CORE Oversight Committee, April 1, 2024 (the "Minutes");
2. Quarterly Investment Review, Commonwealth of Massachusetts, First Quarter 2024 (the "Document 2");
3. DC Investment Program Review, Commonwealth of Massachusetts CORE Plan, June 2024 (the "Document 3");
4. Investment Policy Statement for the Massachusetts Defined Contribution CORE Plan, June 13, 2024 (the "Document 4"); and
5. Massachusetts Defined Contribution CORE Plan, Q1 2024 Oversight Committee Meeting, June 13, 2024 (the "Document 5").

With a quorum present, Mr. Lynch called the meeting to order at 11:00 a.m. ET.

Mr. Lynch noted that the meeting is being conducted via video- and teleconference call in accordance with Chapter 2 of the Acts of 2023 signed into law by Governor Healy on March 29, 2023. He advised attendees of the recording parameters under the Open Meeting Law M.G.L. c. 30A, §§ 18-25 and applicable regulations. Mr. Lynch instructed the Committee and guests to notify the meeting members if any part of the meeting was not audible via video- and teleconference call. Attendees confirmed that no one is recording the meeting.

On a motion by Mr. Clay and seconded by Mr. Antoine, the Committee approved the Minutes and then confirmed via roll call: Mr. Clay, Mr. Antoine, and Mr. Lynch.

As a follow-up from the prior meeting, Mr. Behrns confirmed that the Schwab self-directed brokerage window will be available in the Plan effective August 1, 2024. He also confirmed that the transition of the target date fund glidepath manager from Aon Investments to AllianceBernstein was completed on June 1, 2024.

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

- 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 of the applicable peer groups; and
- Aon Investments' due diligence process in the selection and monitoring of the investments in the Plan.

Referring to Document 3, Mr. Behrns led the Committee in a discussion of the asset classes, types, and number of funds currently offered in the Plan, and recommended that no changes be made to the Plan's investment structure at this time.

Mr. Behrns led a discussion of stable value versus money market funds, noting that Aon Investments still prefers stable value as the capital preservation option in defined contribution plans. He also reviewed key characteristics of the Godman Sachs Stable Value Fund offered in the Plan, including the market-to-book ratio and crediting rate, and compared them to those of other stable value collective trust funds.

Referring to Document 4, Mr. Behrns informed the Committee that Aon Investments has performed a review of the IPS and is recommending several changes. He reviewed the recommendations and after discussion, and on a motion by Mr. Clay and seconded by Mr. Antoine, the Committee agreed to recommend that the State Treasurer approve the IPS and then confirmed via roll call: Mr. Clay, Mr. Antoine, and Mr. Lynch. Mr. Behrns agreed to provide a copy of the updated IPS to the Committee following the meeting.

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

Ms. Cardinal and Mr. Kroner joined the meeting.

Referring to Document 5, Mr. Kroner reviewed the contents of the report, outlining the Plan's asset growth, participation rates, transaction activity, and utilization of Plan services and features. He reviewed activity related to new plan orientations and existing plan account reviews.

Ms. Cardinal reviewed the "Sales Update" section of Document 5 and reported that six employers adopted the Plan in the first quarter of 2024. She discussed factors that led to the wins, and where feedback was available, noted why other prospects decided not to adopt the Plan. She also highlighted education and rollover activity for the Plan.

Ms. Cardinal and Mr. Kroner left the meeting.

There being no further business to come before the Committee, the meeting was adjourned by unanimous vote of the Committee at 12:45 p.m. ET on a motion by Mr. Clay and seconded by Mr. Antoine and then confirmed via roll Call: Mr. Clay, Mr. Antoine, and Mr. Lynch.



Committee Member

9-17-24
Date signed