

Massachusetts Defined Contribution CORE Plan

Minutes of the Commonwealth of Massachusetts CORE Investment Committee October 19, 2021

The Commonwealth of Massachusetts CORE Investment Committee (the “Committee”), the fiduciary committee for the Massachusetts Defined Contribution CORE Plan (the “Plan”), met, pursuant to notice, via videoconference on October 19, 2021. Henry Clay, David Lynch, and the Chair Nicola Favorito, being all the voting members of the Committee, were in attendance.

Also attending via videoconference by invitation were Sarah Kim of the Commonwealth of Massachusetts Office of the Treasurer and Receiver General and Chris Behrns, Beth Halberstadt, Ryan Murphy, John Flagel, and Sue Sinclair of Aon Investments USA Inc. (“Aon”).

With a quorum present, Mr. Favorito called the meeting to order at 10:05 a.m. Eastern Time. Roll call: Mr. Lynch, Mr. Clay, Mr. Favorito.

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

1. Agenda for the October 19, 2021 CORE Investment Committee Meeting (“Agenda”);
2. Minutes of the June 22, 2021 CORE Investment Committee Meeting (“Minutes”);
3. Commonwealth of Massachusetts, Second Quarter 2021, Quarterly Investment Review, (hereinafter, “Document 1”);
4. Commonwealth of Massachusetts CORE Plan, Annual Fund Allocation Review, Commonwealth of Massachusetts CORE Plan, October 19, 2021 (hereinafter, “Document 2”); and
5. Aon Quarterly Update, Second Quarter 2021 (hereinafter “Document 3”).

Mr. Favorito advised attendees of the recording parameters under Open Meeting regulations 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, they should bring that to his attention.

On a motion by Mr. Lynch and seconded by Mr. Clay, the Committee reviewed and approved the minutes from the June 22, 2021 meeting. Roll call in favor of approval: Mr. Lynch, Mr. Clay, Mr. Favorito.

Mr. Behrns presented Document 1 to the Committee. He reviewed the section titled “Market Highlights” and provided details of the state of the overall economy, the domestic and international equity markets, the bond markets and other capital markets as of June 30, 2021, and September 30, 2021, respectively. Mr. Murphy reported on the Plan’s asset

allocation and performance of the investments as compared to benchmarks, the impact of economic and market activity on the fund managers' strategies, and other developments with the Plan's investments and other relevant aspects of the funds offered, considering the Plan's Investment Policy Statement, for the periods ending June 30, 2021 and August 31, 2021. Mr. Behrns reviewed the management fees for the investments in the Plan, noting that the fees for all the investments are at or below the medians of the applicable peer groups.

Mr. Behrns directed the Committee to Document 2 and noted that with respect to the Plan's Target Date Funds ("TDFs") and Objective-Based Funds ("OBFs"), Aon completed its annual evaluation of the strategies utilized in the Plan's TDFs and OBFs. He indicated that Aon will not be changing the allocations to the OBFs at this time but will make allocation changes to the TDFs in early 2022 consistent with what was communicated to the Committee at the December 18, 2020 meeting. He explained the factors influencing Aon's allocation analysis including regulatory requirements, Aon's house views, the Plan's total asset value, and investment fees. The Committee explained potential legislative relief may become available to the Plan that would impact its headcount and cashflow. Mr. Behrns, Ms. Halberstadt, and the Committee discussed several possible scenarios that may result from the relief and Aon's processes for adapting to material changes to the Plan's asset allocation over time.

Following thorough discussion, based on the contents of the documents and the best interests 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.

Ms. Halberstadt informed the Committee that the court recently delivered a decision in Aon's favor in *Reetz v. Lowes* related to Aon's investment management of the Lowes 401(k) Retirement Plan. The Committee asked her to keep them apprised of any further details related to the court's decision as it becomes available.

Ms. Sinclair directed the Committee to Document 3, presented the information and led a discussion of the matters noted and the effect they may have on the Plan and the Committee. Mr. Lynch updated the Committee as to the status of proposed legislation in the Commonwealth of Massachusetts Legislature.

There being no further business to come before the Committee, and with a comment by Mr. Favorito that future meeting dates would be circulated, the meeting was adjourned by unanimous vote of the Committee at 11:35 a.m. Eastern Time on a motion by Mr. Lynch and seconded by Mr. Clay. Roll Call: Mr. Clay, Mr. Lynch, Mr. Favorito.

Committee Member

Date signed