

Massachusetts Defined Contribution CORE Plan
Minutes
of the
Commonwealth of Massachusetts CORE Oversight Committee
February 2, 2023

The Commonwealth of Massachusetts CORE Oversight Committee (Committee), the fiduciary committee for the Massachusetts Defined Contribution CORE Plan (Plan), met, pursuant to notice, via videoconference on February 2, 2023. Attending were James Antoine, Henry Clay, and the Chair David Lynch, being all the voting members of the Committee.

Also attending via videoconference by invitation were Sarah Kim and Sandra Desantis Lynch from the Office of General Counsel for the Office of the Treasurer of the Commonwealth of Massachusetts; Caitlin Marksteiner and Laura Rooney from the Office of the Treasurer of the Commonwealth of Massachusetts; and Chris Behrns, Beth Halberstadt, Ryan Murphy, and Sue Sinclair of Aon Investments USA Inc. (Aon).

With a quorum present, Mr. Lynch called the meeting to order at 10:00 a.m. Eastern Time. Roll call: Mr. Clay, Mr. Antoine, and Mr. Lynch.

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 February 2, 2023 CORE Oversight Committee Meeting (Agenda);
2. Minutes of the November 3, 2022 CORE Oversight Committee Meeting (Minutes);
3. Status Report to State Treasurer and Receive General of the Commonwealth of Massachusetts (hereinafter, Document 1);
4. ERISA Fiduciary and Governance Best Practices, Presentation to CORE Plan Oversight Committee (hereinafter, Document 2);
5. Quarterly Investment Review, Commonwealth of Massachusetts, Fourth Quarter 2022 (hereinafter, Document 3);
6. Draft Investment Policy Statement for the Massachusetts Defined Contribution CORE Plan (hereinafter, Document 4)
7. Internal Guidance on the Massachusetts 401K CORE Plan Remittance Window (hereinafter, Document 5) and
8. SECURE 2.0 Improving Retirement Outcomes (hereinafter, Document 6).

Mr. Lynch advised attendees that the meeting was being conducted via videoconference in accordance with the Commonwealth's Open Meeting Law, M.G.L. c.30A, §§18-25 as amended. He then noted the recording parameters under the Open Meeting Law. 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.

Mr. Lynch advised that Mr. Favorito has resigned from the Committee and noted that Mr. Antoine has been appointed as a voting member of the Committee. He further advised that he has been appointed Committee Chair. Mr. Lynch thanked Mr. Favorito for his Committee leadership and the expertise that he brought to the Committee.

On a motion by Mr. Clay and seconded by Mr. Antoine, they approved the minutes from the November 3, 2022 meeting. Roll call in favor of approval: Mr. Clay, Mr. Antoine and Mr. Lynch.

Ms. Sinclair referred the Committee to Document 2 and led the Committee in a discussion of fiduciary obligations under the Employee Retirement Income Security Act and fiduciary best practices. There was extensive discussion among all present on the importance of the Committee's role and its responsibilities.

Mr. Behrns and Mr. Murphy directed the Committee to Document 3 and reviewed the information and reported on the following, among other matters, considering the Plan's Investment Policy Statement (IPS):

- The state of the capital markets and economy, as of December 31, 2022;
- 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 for the quarter ending December 31, 2022; and
- Investment management fees for the funds offered in the Plan as compared to medians for each specific asset class.

At the Committee's prompting, Mr. Behrns discussed the peer group rankings of the CORE Retirement Target Date Funds. Mr. Behrns explained the participant demographic and asset allocation considerations, among other factors, used when developing the glidepath of the CORE Retirement Target Date Funds. Ms. Halberstadt discussed options available to the Committee in lieu of offering target date funds with a glidepath customized to the Plan. Mr. Behrns noted that during the annual target date fund evaluation later in the year, Aon can take the Committee's risk tolerance into consideration.

Mr. Behrns informed the Committee that Ms. Desantis Lynch completed her review of the IPS as cited in Document 4 and discussed the changes with the Committee. After discussion, the Committee approved the IPS on a motion from Mr. Clay and seconded by Mr. Antoine. Roll call: Mr. Clay, Mr. Antoine, Mr. Lynch.

The Committee asked Mr. Behrns to update the document to reflect the appropriate effective date and send to the Committee to secure the Treasurer's signature. Mr. Behrns agreed to do so prior to the next Committee meeting.

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.

Mr. Lynch directed the Committee to Document 5 and discussed the document and the proposed changes to the administration of the Plan. After considerable discussion, the

Committee agreed to adopt the changes proposed on a motion from Mr. Clay and seconded by Mr. Antoine. Roll call: Mr. Clay, Mr. Antoine, Mr. Lynch.

Ms. Halberstadt updated the Committee on Aon litigation matters noting:

- In December 2022, Aon agreed to a preliminary settlement in the FirstGroup America case noting that Aon continues to claim the allegations are without merit and the settlement agreement is not an admission of wrongdoing. The settlement continues to be negotiated and she will update the Committee as the negotiation continues.
- A Boston court dismissed the plaintiff's claims against Aon in the Schneider Electric case.

Mr. Lynch informed the Committee the discussion related to the provisions of SECURE 2.0 Act of 2023 passed as a part of the Consolidated Appropriation Act, 2023 would be deferred to the next meeting.

There being no further business to come before the Committee, the meeting was adjourned by unanimous vote of the Committee at 12:10 p.m. Eastern Time on a motion by Mr. Clay and seconded by Mr. Antoine. Roll Call: Mr. Clay, Mr. Antoine, and Mr. Lynch.

Committee Member

Date signed