

Massachusetts Defined Contribution CORE Plan

Minutes of the Not-for-Profit Defined Contribution Committee April 4, 2019

The Not-for-Profit Defined Contribution Committee (the “Statutory Committee”) for the Massachusetts Defined Contribution CORE Plan (the “Plan”), met, pursuant to notice, at the offices of the John W. McCormack State Office Building in Boston, Massachusetts, on April 4, 2019. Present were Committee members Treasurer Deborah B. Goldberg, Chair, Donna Bonaparte, Jim Klocke, and James “Chet” Riley. Committee member Valerie Basset was absent.

Also present by invitation were Giuseppe Caruso, Henry Clay, Nicola Favorito, Emily Kowtoniuk, David Lynch, Emily Robbins, Laura Rooney, and Emma Sands of the Commonwealth of Massachusetts Office of the Treasurer and Receiver General; Lisa Cardinal, John Fellin, Karl Kroner and Liz West of Empower Retirement Services (Empower); and, Chris Behrns, Beth Halberstadt, Sue Sinclair, and Kevin Vandolder of Aon Hewitt Investment Consulting, Inc. (AHIC). Ms. Sinclair and Mr. Vandolder attended via teleconference.

A week in advance of the meeting, the following documents had been distributed to the Committee members:

- 1) Meeting Agenda;
- 2) Draft Minutes from November 19, 2018 Meeting;
- 3) Investment Review, Fourth Quarter 2018 Quarterly Investment Review Presentation (AHIC);
- 4) Plan Update with Year End Statistics and Sales Update (Empower Retirement) and
- 5) Social Media, Marketing and Outreach Strategy Development (Empower Retirement)

Paper copies of these same documents were again distributed at the meeting.

With a quorum present, Treasurer Goldberg called the meeting to order at 1:41 p.m. Eastern Time.

Treasurer Goldberg advised attendees of the recording parameters under Open Meeting regulations M.G.L. c. 30A, §§ 18-25. Treasurer Goldberg inquired if anyone present was recording the session, and no one identified themselves as making a recording. Treasurer Goldberg then noted that Mr. Vandolder and Ms. Sinclair of AHIC were participating in the meeting remotely.

The Committee reviewed and approved the minutes from the November 19, 2018 meeting.

Mr. Lynch informed the Committee that Northeast Professional Services Group has been selected as a named fiduciary for administration for the Plan under ERISA §3(16).

Mr. Behrns directed the Statutory Committee to the 4th Quarter Investment Review. He reported on the Plan's asset allocation and performance of investments held in the Plan as compared to benchmarks and other relevant aspects of the funds offered considering the Plan's Investment Policy Statement. Mr. Behrns and the Statutory Committee discussed the derivation of the performance benchmarks in the reports.

Mr. Behrns informed the Statutory Committee that AHIC, as the Plan's 3(38) fiduciary to the investment options in the Plan, adjusted the glide path for the Target Date Funds on February 14, 2019 based on an in-depth analysis of the Plan by AHIC's Qualified Default Investment Alternative team.

Mr. Fellin introduced Empower's team and identified their respective roles and responsibilities related to the Plan. He directed the Committee to the Year End Statistics and Sales Update. Mr. Kroner and Ms. Cardinal summarized the following activity related to the Plan for the 2018 calendar year:

- Plan assets and total participants;
- Activity related to the Automatic Enrollment feature offered in the Plan; and
- Total number of not-for-profit organizations adopting the Plan.

Ms. Cardinal shared her most recent experiences engaging with prospective organizations and the discussions that led to their adoption of the Plan. She noted that these organizations initially contacted Empower to learn about the Plan as a result of emails explaining the framework of fiduciary oversight as well as webinars explaining the benefits of the Plan and the Treasury's fiduciary oversight of the Plan.

The Statutory Committee and Empower discussed additional strategies for engaging prospective organizations. Proposed strategies included showcasing the Plan's benefits and opportunities at state and regional conferences for not-for-profits and coordinating marketing outreach campaigns to align with the fiscal year end of the organizations. Ms. Cardinal and Ms. West agreed to coordinate with Mr. Klocke to develop an implementation plan for these strategies and report back to the Statutory Committee.

Ms. West referred the Committee to Social Media, Marketing and Outreach Strategy Development materials. She reviewed the calendar of prospecting emails, and quarterly webinars hosted by Empower regarding the Plan, as well as Empower's past and future 2019 attendance at not-for-profit conferences. In her discussion, she explained the recent promotions of the Plan through LinkedIn and the impact in terms of total impressions, clicks and engagements. The Statutory Committee suggested including promotions that focus on the unique role women play in the not-for-profit sector and their specific needs in retirement planning. Treasurer Goldberg specifically mentioned twitter as a platform to be explored. Ms. West agreed to broaden the current focus of social media promotion and will report back to the Committee. She also recommended continued social media promotions under the current LinkedIn campaign during the second and third calendar quarters of 2019. The Committee approved the recommendation.

There being no further business to come before the Committee, the meeting was adjourned at 2:40 p.m.