

Massachusetts Defined Contribution CORE Plan

Minutes of the Not-for-Profit Defined Contribution Committee August 29, 2022

The Not-for-Profit Defined Contribution Committee (the “Statutory Committee”) for the Massachusetts Defined Contribution CORE Plan (the “Plan”), met, pursuant to notice, via video- and teleconference, on August 29, 2022. Present were Statutory Committee Chair Treasurer Deborah B. Goldberg, and Statutory Committee members Donna Bonaparte, Jim Klocke, Noreen McMahon, and James “Chet” Riley, being all the voting members of the Statutory Committee.

Also present were Al Anzola, Henry Clay, Nicola Favorito, Emily Kowtoniuk, David Lynch, Caitlin Marksteiner, Alexa Michon, and Laura Rooney from the Commonwealth of Massachusetts Office of the Treasurer and Receiver General (“Treasurer’s Office”); Greg Bowen, Lisa Cardinal, Shelby Dobson, John Fellin, Randy Hadden, Karl Kroner, Tony Lippizzi, Heather Sciacca, and Sandee Vargas of Empower Retirement Services (“Empower”); Chris Behrns, Beth Halberstadt, and Sue Sinclair of Aon Investments USA Inc. (“Aon”).

The following materials were distributed via email to the members of the Statutory Committee in advance of the meeting:

- 1) Agenda for the August 29, 2022 Meeting;
- 2) Minutes from the June 14, 2022 Not-for-Profit Defined Contribution Committee Meeting (the “Minutes”);
- 3) Commonwealth of Massachusetts, Second Quarter 2022, Quarterly Investment Review (the “Investment Report,” prepared by Aon); and
- 4) Massachusetts Defined Contribution CORE Plan, August 29, 2022 Committee Meeting, Q2 2022 Plan Review (the “Empower Report,” prepared by Empower).

With a quorum present, Treasurer Goldberg called the meeting to order at 12:00 p.m. Eastern Time.

Treasurer Goldberg noted that the meeting is being conducted via video- and teleconference call in accordance with An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency signed into law by Governor Baker on June 16, 2021 and extended on July 16, 2022 with “An Act Relative to Extending Certain State of Emergency Accommodations,” Treasurer Goldberg advised attendees of the recording parameters under Open Meeting Law M.G.L. c. 30A, §§ 18-25 as amended. Treasurer Goldberg inquired if anyone present was recording the session, and no one identified themselves as making a recording. Treasurer Goldberg advised all parties that should they be unable to hear during the meeting, they should bring that to her attention.

On a motion by Ms. McMahon, seconded by Ms. Bonaparte, the Statutory Committee approved the meeting minutes from the June 14, 2022 meeting and then confirmed via roll call: Ms. McMahon, Ms. Bonaparte, Mr. Klocke, and Treasurer Goldberg.

Mr. Riley joined the meeting.

Mr. Behrns directed the Statutory Committee to the Investment Report and reviewed the state of the overall economy, the domestic and international equity markets, the bond markets, and other capital markets through June 30, 2022. The Statutory Committee and Mr. Behrns discussed the Plan's performance and the factors influencing the performance across asset classes. He informed the Statutory Committee that Aon recently began utilizing active management for the core bond exposure in the CORE Plan Retirement Funds ("CORE TDFs") and CORE Income Fund and summarized the asset allocation for the CORE TDFs and CORE Income Fund, differences between active and passive management for fixed income funds, and performance contrasts between actively and passively managed funds across multiple asset classes.

Mr. Fellin presented the "Executive Overview" of the Empower Report, noting the increase in participating employers and Plan participants in the second quarter of 2022. Mr. Kroner reviewed the Plan's asset growth, contribution history, participation, and metrics related to automatic enrollment, benefit payment distributions, and website usage. He updated the Statutory Committee as to the participant count and assets under management for the Plan's managed account service and trends in participant engagement with respect to the personalization of the managed accounts.

Ms. Cardinal reviewed the "Sales Update" section of the Empower Report, noting thirteen new employers adopting the Plan during the second quarter of 2022. She discussed the factors attributing to those wins and the plan design adopted by the new employers. She reported the sales opportunities lost during this same period and explained the possible reasons why the prospective employers did not adopt the Plan. Ms. Cardinal reported the foundational and targeted marketing activity deployed during the second quarter to expand awareness of the Plan to eligible organizations.

Ms. Dobson summarized the "Q2 Marketing Plan Results" section of the Empower Report, reporting on the monthly campaign results and social media promotion of the Plan for the second quarter of 2022. Ms. Dobson updated the Statutory Committee on Empower's continued work related to search engine optimization for the Plan's website.

Treasurer Goldberg shared concluding remarks to the Statutory Committee, noting the ongoing increase in Plan participants and success of the partnership with the Massachusetts Nonprofit Network even though legislation prohibits nonprofits with 20 or more employees from joining the Plan. She stated the next Statutory Committee meeting will be held on December 6, 2022 at 2:00 p.m. ET.

There being no further business to come before the Statutory Committee, the meeting was adjourned at 12:44 p.m. Eastern Time on a motion from Mr. Klocke, seconded by Ms. Bonaparte. Roll Call: Mr. Riley, Ms. Bonaparte, Mr. Klocke, Ms. McMahon, and Treasurer Goldberg.