

Massachusetts Defined Contribution CORE Plan

Minutes of the Not-for-Profit Defined Contribution Committee June 8, 2023

The Not-for-Profit Defined Contribution Committee (the "Statutory Committee") for the Massachusetts Defined Contribution CORE Plan (the "Plan"), met, pursuant to notice, via videoconference, on June 8, 2023. 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, Emily Kowtoniuk, David Lynch, Sandra Desantis Lynch, Caitlin Marksteiner, Joel Massa, Brendan McGough, Natasha Ralph, Laura Rooney, and Alex Turco from the Commonwealth of Massachusetts Office of the Treasurer and Receiver General ("Treasurer's Office"); Lisa Cardinal, John Fellin, Karl Kroner, and Diane Lewis of Empower Retirement Services ("Empower"); Chris Behrns, Beth Halberstadt, and Sue Sinclair of Aon Investments USA Inc. ("Aon") and Jack Krone of the Georgetown Center of Retirement Initiatives.

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

- 1) Agenda for the June 8, 2023 Meeting;
- 2) Minutes from the March 14, 2023 Not-for-Profit Defined Contribution Committee Meeting (the "Minutes");
- 3) Quarterly Investment Review, Commonwealth of Massachusetts, First Quarter 2023 (the "Quarterly Investment Review," prepared by Aon); and
- 4) Massachusetts Defined Contribution CORE Plan, June 8, 2023 Committee Meeting (the "Empower Report," prepared by Empower).

With a quorum present, Treasurer Goldberg called the meeting to order at 11:00 a.m. Eastern Time.

Treasurer Goldberg noted that the meeting is being conducted via video- and teleconference call in accordance with the Acts of 2023 signed into law on March 29, 2023. She noted the recording parameters under the 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 Mr. Riley, seconded by Ms. Bonaparte, the Statutory Committee approved the meeting minutes from the March 14, 2023 meeting and then confirmed via roll call: Mr. Riley, Ms. Bonaparte, Mr. Klocke, Ms. McMahon, and Treasurer Goldberg.

Mr. Behrns directed the Statutory Committee to the Quarterly Investment Report and reviewed the state of the overall economy, the domestic and international equity markets, the bond markets, and other capital markets on March 31, 2023. He reviewed the Plan's performance and the factors influencing the performance across asset classes. During his review, Mr. Behrns reviewed the Plan's asset allocation through March 31, 2023 and the Plan's investment management fees for the funds as compared to medians for each specific asset class.

Mr. Fellin presented the "Executive Overview" of the Empower Report. Mr. Kroner reviewed the Plan's asset growth, contribution history, participation, automatic enrollment details, website usage, and the number of participants adopting and personalizing managed accounts. The Statutory Committee, Mr. Fellin and Mr. Kroner discussed the Plan's managed account personalization rates as compared to other comparable plans.

Ms. Cardinal reviewed the "Sales Update" section of the Empower Report and reported nine employers adopted the Plan in the first quarter of 2023. She discussed factors that led the "wins," explained the opportunities the Plan did not win, and where feedback was available, the reasoning behind the prospects' decision. She also noted the type of employer contribution selected by the new employers adopting the Plan.

Ms. Lewis reviewed the topics included in the "Communication and Social Media Update" section of the Empower Report, including the engagement rates of webinars, presentations, prospect emails, social media ads, and the Plan's microsite throughout the first quarter of 2023. The Statutory Committee, Ms. Rooney, and Ms. Lewis discussed how marketing campaign contact lists are developed and maintained for different campaigns.

Treasurer Goldberg commented on the completion of the Federal debt ceiling negotiations and the impact the reports of the negotiation process had on markets leading up to the final negotiations. She informed the Statutory Committee that the next meeting is scheduled for August 28, 2023 at 12:30 p.m. Eastern Time.

There being no further business to come before the Statutory Committee, the meeting was adjourned at 11:55 a.m. Eastern Time on a motion from Ms. Bonaparte, seconded by Mr. Riley. Roll Call: Mr. Riley, Ms. Bonaparte, Mr. Klocke, Ms. McMahon, and Treasurer Goldberg.