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Commonwealth of Massachusetts Employees Deferred Compensation Plan

Minutes of the Deferred Compensation Committee November 18, 2025

The Deferred Compensation Committee (the “Committee”), the oversight committee for the Commonwealth of Massachusetts Employees Deferred Compensation Plan (the “Plan” or the “SMART Plan”), met, pursuant to notice, via video- and teleconference on November 18, 2025. Attending were John Curran, Tom Magno, and Robert Sheridan, being all the voting members of the Committee.

Also present by invitation were Adrien Denis, Bridget Hickey, David Lynch, Joel Massa, Ellie Morrocco, Natasha Ralph, and Laura Rooney of the Treasurer’s Office; Chris Behrns, John Flagel, Beth Halberstadt, and Austin Tallent of Aon Investments USA Inc. (“Aon Investments”); Tamara Langham of Aon Consulting, Inc. (“Aon Consulting”); and Michael Ferraro, Aaron Montano, and Andrew Stumacher of AllianceBernstein (AB).

The meeting was open to the public.

With a quorum present, Mr. Sheridan called the meeting to order at 10:00 a.m. ET.

The below materials were distributed in advance of the meeting and displayed during the meeting as noted. Copies of these materials are attachments 1 – 5, respectively, to these minutes:

1. Minutes of the September 17, 2025 Deferred Compensation Committee Meeting (“Minutes”)
2. Executive Director’s Quarterly Update – 457 Defined Contribution Plan – Q3 2025, (“Executive Director Update”)
3. Highlights Report, Commonwealth of Massachusetts Deferred Compensation Plan, 3Q 2025 (“Highlights Report”)
4. AB Lifetime Income Solutions, Prepared for the, Commonwealth of Massachusetts Defined Contribution Plan (“Lifetime Income Report”)
5. Quarterly Investment Review, Cmlth of Massachusetts Deferred Compensation Plan, Third Quarter 2025 (for reference only)

Mr. Sheridan noted that the meeting is being conducted via video- and teleconference call in accordance with Chapter 2 of the Acts of 2025 signed into law by Governor Healy on March 28, 2025. He advised attendees of the recording parameters under the Open Meeting Law M.G.L. c. 30A, §§ 18-25 and applicable regulations. Mr. Sheridan instructed the Committee and guests to notify the meeting members if any part of the meeting was not audible via video- and teleconference call. Attendees confirmed that no one is recording the meeting.

The Committee reviewed and, on a motion by Mr. Magno and seconded by Mr. Curran, approved the Minutes. The approval was unanimously confirmed via roll call: Mr. Curran, Mr. Magno, and Mr. Sheridan.

Referencing the Executive Director Update, Mr. Lynch provided the following updates:

- Plan assets, participants, and Roth accounts increased in the third quarter of 2025;
- Quarterly contributions increased in the third quarter of 2025, although there was an extra pay period in August which contributed to the increase;
- Rollover distributions, both in terms of assets and quantity, increased in the third quarter of 2025;
- The transition from Northern Trust to State Street as the Plan's new custodian is scheduled to occur in December 2025;
- Requests for Response (RFRs) were issued to pre-qualify one or more firms to build the bench of qualified managers to provide Large Cap Blend, Small Cap Equity, Large Cap Growth, Large Cap Value, High Yield, Core Plus Fixed Income, and Unconstrained Fixed Income investment manager services; and
- SECURE 2.0 optional provisions are under review and will be discussed in future meetings.

The Committee reviewed rollover survey data provided by Empower, the Plan's recordkeeper, to gain insight into the motivation for the rollover distribution increase.

The Committee discussed reported challenges with the participant experience provided by Empower. Mr. Lynch agreed to review the Committee's feedback and discuss potential service level agreements with Empower. He further agreed to provide updates to the Committee at a future meeting.

Mr. Lynch provided an overview of exchange-traded funds (ETFs) and the potential benefits of allowing ETFs through the Plan's self-directed brokerage window (SDBW), in addition to the current mutual fund offerings. After thorough discussion, on a motion by Mr. Magno and seconded by Mr. Curran, the Committee approved moving forward with a formal recommendation to the Treasurer to add ETFs within the SDBW via roll call: Mr. Magno, Mr. Curran, and Mr. Sheridan. Mr. Lynch agreed to work with Empower, the Plan's recordkeeper, and Charles Schwab, the Plan's SDBW provider, to implement the change.

Mr. Behrns directed the Committee to the Highlights Report and provided an overview of the topics to be addressed during upcoming meetings. Mr. Behrns reviewed the contents of the report, highlighting the status of current projects including the completed and active RFRs, and summarizing year-to-date and upcoming fund manager due diligence meetings between Aon Investments and Treasurer's Office staff.

Mr. Flagel reviewed the current state of the overall economy, the domestic and international equity markets, and the bond markets.

Mr. Lynch left the meeting during the above discussion.

Mr. Behrns led a discussion of the investments offered in the Plan, noting situations in which there are exceptions to, or comments on, the targeted performance, company structure or other relevant aspects of the funds offered against the Plan's Investment Policy Statement. He led a discussion of the investment lineup's ratings report card, which reflects funds on the "closely monitored list" for the quarter. He reviewed the funds on the list and noted that Aon Investments recommends no changes at this time.

Mr. Behrns reviewed the management fees for the investments in the Plan, comparing them to those of the applicable peer groups.

Following discussion, based on the contents of the Highlights Report and in the best interest of the participants and beneficiaries in the Plan, the Committee made no recommendations for changes to the Plan's investment lineup at this time.

Mr. Ferraro, Mr. Montano, and Mr. Stumacher from AB, the Plan's custom target date fund manager, joined the meeting to review their Secure Income Portfolio strategy.

Mr. Montano provided an overview of AB's retirement income business, philosophy, and range of services. Mr. Stumacher reviewed AB's lifetime income strategy, the range of implementation options available to defined contribution plans, and how the strategy works in various, and potentially volatile, markets. He further discussed the insurer selection and monitoring process.

Mr. Lynch rejoined during the above discussion.

There being no further business to come before the Committee, on a motion by Mr. Curran and seconded by Mr. Sheridan, the motion to adjourn was unanimously confirmed at 11:55 a.m. ET via roll call: Mr. Curran, Mr. Magno, and Mr. Sheridan.