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Commonwealth of Massachusetts Employees Deferred Compensation Plan

Minutes of the Deferred Compensation Committee September 17, 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, on September 17, 2025, at the offices of the Commonwealth of Massachusetts Office of the State Treasurer and Receiver General (“Treasurer’s Office”) in Boston, Massachusetts. Attending were Robert Sheridan and via video- and teleconference, John Curran and Tom Magno, being all the voting members of the Committee.

Also present by invitation were Adrien Denis, Bridget Hickey, David Lynch, Sandra DeSantis Lynch, Joel Massa, Natasha Ralph, and Laura Rooney of the Treasurer’s Office; Chris Behrns and Beth Halberstadt of Aon Investments USA Inc. (“Aon Investments”); and via video- and teleconference, Henry Clay of the Treasurer’s office; John Flagel and Austin Tallent of Aon Investments; and Tamara Langham of Aon Consulting, Inc. (“Aon Consulting”).

The meeting was open to the public. Present were Michael Koch and Brock Macelli of Capital Group American Funds.

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 June 10, 2025 Deferred Compensation Committee Meeting (“Minutes”)
2. Executive Director’s Quarterly Update – 457 Defined Contribution Plan – Q2 2025, (“Executive Director Update”)
3. Highlights Report, Commonwealth of Massachusetts Deferred Compensation Plan, 2Q 2025 (“Highlights Report”)
4. Retirement Income, Commonwealth of Massachusetts (“Retirement Income Report”)
5. Quarterly Investment Review, Cmlth of Massachusetts Deferred Compensation Plan, Second 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 second quarter of 2025;
- Quarterly contributions decreased in the second quarter of 2025;
- Rollover distributions, both in terms of assets and quantity, decreased in the second quarter of 2025 as compared to the prior quarter as well as the second quarter of 2024;
- Empower was retained as the Plan's recordkeeper with a 52% reduction in recordkeeping fees and a restructured fee schedule for managed accounts, both of which will be effective October 1, 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;
- The RFRs referenced above also included extended equity strategies for consideration; and
- SECURE 2.0 optional provisions are under review and will be discussed in future meetings.

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, highlighted the status of current projects, provided fund manager updates, and summarized the fund manager due diligence meetings Aon Investments and Treasurer's Office staff have completed to date in 2025.

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

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.

Referring to the Retirement Income Report, Mr. Behrns and Mr. Flagel led an educational discussion of the potential role of retirement income solutions in defined contribution plans, noting that fiduciary concerns and structural complexities have previously limited the use of these options. Mr. Flagel described how these issues may be addressed and reviewed new solutions which are now available. Mr. Behrns reviewed several factors which are crucial to determining an appropriate fit, including the role of the defined contribution plan, the role of the plan sponsor, and the plan sponsor's comfort with innovation, comfort with fiduciary risk, view of population, importance of guaranteed income, and commitment to benefits administrator. The Committee engaged in a detailed discussion and requested that AllianceBernstein, the Plan's custom target date fund manager, join the next meeting to review their Secure Income Portfolio strategy. Mr. Lynch agreed to coordinate their participation.

Mr. Macelli joined and left the meeting during the above retirement income discussion.

Mr. Magno left the meeting.

Referring to the Highlights Report, Mr. Behrns discussed a recent Executive Order regarding alternative investments in defined contribution plans and its potential impact on the Plan.

Mr. Behrns led a discussion on the investment vehicle options available in the Self-Directed Brokerage Window (SDBW) offered by Charles Schwab, and the ability to offer ETFs in addition to mutual funds. The Committee requested that Aon Investments provide additional information regarding the SDBW's administration and fees at the next meeting.

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 12:05 p.m. ET via roll call: Mr. Curran and Mr. Sheridan.