



Meeting Minutes of the
Retirement Investment Committee
August 16, 2021 – 2:00 p.m. CST
Meeting Via Zoom

<p>Plan Administrator/Facilitator: Winifred L. Williams, VP Human Resources, CHRO and Chief Diversity and Inclusion Officer</p> <p>Transamerica Partners Present: Keith Beall Robert Fox</p> <p>Legacy Professionals LLP Pete Jurich, CPA</p>	<p>Committee Members Present: Karen Bertucci, Department Mgr. of Continuing Medical Education, Stritch School of Medicine</p> <p>Thomas M. Kelly, Senior Vice President for Administration</p> <p>Teresa Krafcisin, Sr. Associate VP and Controller</p> <p>Katharine Wyatt, Chief Investment Officer</p> <p>Wayne Magdziarz, Sr. VP, Chief Financial Officer and Chief Business Officer</p>
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Call to Order

Winifred Williams called the meeting to order, which began at 2:03 p.m.

1. Review and approval of meeting minutes

Winifred opened the meeting and requested a review of the meeting minutes from the May 20, 2021 meeting. The Committee members reviewed the meeting minutes. No changes were presented. Tom Kelly made a motion to approve the meeting minutes dated May 20, 2021. Teresa Krafcisin seconded the motion. All approved. The motion was carried.

2. Pete Jurich, CPA, Legacy Professionals LLP presented a draft review of the 2020 DCRP Plan Audit and 2020 Financial Statements for the DCRP plan.

Pete Jurich confirmed that Legacy completed a DOL limited- scope audit of the financial statements of the Loyola University of Chicago Defined Contribution Retirement Plan for the year ending December 31, 2020. Pete explained that no transactions reviewed during the year were significant or unusual, which has been recorded in the financial statements. The disclosures in the financial statements are clear, neutral, and concise. Pete informed the Committee that there were no unusual findings to advise to the Committee. Pete noted that the Plan has a revenue sharing arrangement that provides for certain amounts from investment servicing fees to be returned to the Plan by TRS and TIAA. During the years ended December 31 2020 and 2019, allocations of \$292,133 and \$398,881 respectively, were made to participants. Total Net assets for benefits as of 12/31/2020 were \$1,062,217,166, which is up from \$974,765,279 as of 12/31/2019. The net increase total in 2020 was \$87,451,887. The 2020 5500 will be prepared and filed by October 15, 2021. Winifred Williams asked the committee if there is a motion to approve the 2020 financial statements reviewed by Pete. Tom Kelly made a motion to approve. Teresa Krafcisin seconded the motion. All approved. The motion was carried.

3. Keith Beall, Vice President of Investment Solutions at Transamerica presented the Investment Performance Review of the plan for 2nd quarter 2021

Keith Beall reviewed the Defined Contribution plan assets and investment line-up and explained we had a solid portfolio, well diversified across, and within the major asset classes.

The plan balance as of June 30, 2021 was \$1,331,661,186, which is higher than the balance reported as of March 31, 2021 - \$1,268,725,572. The balance reported includes legacy and non-ERISA legacy funds. Under the current active plan, Transamerica has 37.6% of total funds under investment management, and TIAA (four funds) has 5.1% and there currently are 42.3% of the funds in ERISA legacy funds with TIAA, Fidelity and AIG.

Keith then reviewed each investment against benchmarks that we have set up, and the overall fund lineup is performing in-line with expectations with the following noted trends:

- Funds on Watch List Status
 - Oakmark International Fund
 - Placed on watch status in June 2020, during 1Q20 Review
 - Committee has previously discussed an eventual replacement with a fund that has exhibited less volatility, tracking error, and style drift
- In general, overall fund lineup performed in-line with expectations with the following noted trends:

- Funds performing in top quartile of peers over trailing 3 and 5 year periods
 - Vanguard Short-Term Investment-Grade Bond Fund
 - BlackRock High Yield Bond Fund
 - Fidelity US domestic equity index funds
 - TIAA-CREF Social Choice Equity Fund
- Funds exhibiting degree of mixed performance over trailing 3 and 5 year periods
 - Oakmark International Fund
 - Morningstar moved fund into Foreign Large Value category in first quarter 2021
 - Underperformed Foreign Blend in 2Q21, outperformed during trailing YTD and 1 year periods
 - Underperformed Foreign Large Blend peer median during 2020, 2018, and 2015
 - Long-term strategy, value oriented and benchmark agnostic
 - DFA Emerging Markets Fund
 - Performed in 53rd percentile in 2Q21, 30th and 37th over trailing YTD and 1 year periods
 - Underperformed peer median during 2020, 2019, and 2015
 - Long-term strategy, tilts towards smaller capitalization and value holdings; previous caps on country weightings created material underweight to Chinese stocks; caps have been revised and allocations have been adjusted in recent periods

Katie Wyatt then started a conversation with the committee about the committee moving to replace Oakmark International Fund with an alternative international equity fund. There was a performance summary and review of each of the three potential replacement funds, which included JPMorgan International, MFS International and T.Rowe Price Spectrum. After the discussion of the performance summary and review of each of the replacement funds, the consensus was that the MFS International Diversification Fund would be the best replacement fund.

Winifred Williams asked the committee if there is a motion to replace the Oakmark International Fund with the MFS International Diversification Fund. Tom Kelly made a motion to approve. Wayne Magdziarz seconded the motion. All approved. The motion was carried.

Additionally, Keith Beall followed up with the committee on Tuesday, August 17 via email and provided the fund share class review for the MFS International Diversification Fund. The fund share class with the lowest “after revenue sharing” cost is as follows:

Name	Ticker	Fund Desc
MFS International Diversification R3	MDIHX	Z014

Per our Fund Share Class Policy to use the fund share class with the lowest cost on an “after revenue sharing basis” (as revenue sharing is credited to participant accounts). The R3 share class as highlighted above as it has an “after revenue sharing cost” of 60 bps, which is 10 bps cheaper than any of the other available share classes.

4. Rob Fox, Client Executive at Transamerica provided an update on plan operations and plan participant statistics as June 30, 2021

Rob Fox reviewed the Plan-level Dashboard Report noting that total participant account assets were \$501.3M as of the 2nd quarter of 2021 (this was a + \$33.1M change from 1st quarter 2021). Participants had an average account balance of \$96,567 at Transamerica and an 8.7% average deferral rate. 3,158 participants are actively contributing to the plan and 5,191 participants have accounts with balances. The outstanding loan balance total as of the 2nd quarter was \$3.9M, with 540 outstanding loans which is about 5.6% of participants with a loan and an average loan balance of \$7,317.

There was a discussion amongst the group about taking a motion at the next meeting about limiting the number of participant loans from unlimited to 1 or 2. The committee is interested in moving in this direction and would be an additional risk management mitigation the committee could take with regards to participant fees. Rob Fox will provide additional loan information to the committee at the next meeting for the committee to review and consider.

5. Other Business

Danielle Hanson provided a status update on a number of items since our last meeting. The discussion included the following items:

- a) Faculty serving on Retirement Investment Committee – replacement for Tim Classen.
- b) The July 13, 2021 email from Tim Classen asked the committee to revisit the Roth 403b option. As a reminder to the group, the committee reviewed this option in a June 2020 meeting with Rob Fox. Winifred Williams asked the committee if there is a motion to do some research regarding the feasibility for a Roth implementation within the payroll systems (LUC/Lawson & Trinity/Workday). Wayne Magdziarz made a motion to approve. Katie Wyatt seconded the motion. All approved. The motion was carried.

6. Closing

The next Retirement Investment Committee meeting is scheduled November 10, 2021 at 10:00 a.m. Winifred Williams adjourned the meeting at 3:58 p.m.