

## BOARD OF ADVISORS

CSD RETIREMENT TRUST  
305 ST. LOUIS AVENUE, BOX 254  
ST. LOUIS MO 63088

### CALL TO ORDER

Members of the Board of Advisors of the CSD Retirement Trust met on Wednesday, September 2, 2020, at 10:15 a.m. via Zoom. The meeting was called to order at 10:15 a.m. A copy of the list of attendees is attached to and incorporated into these minutes as Exhibit A.

### APPROVAL OF AGENDA

The Board was requested to approve the agenda for the September 2, 2020, Board of Advisors meeting. Mr. Keyser stated that the topic of Trustee election should be added under item 4.0, Update Items. Whereupon, on motion duly made and seconded, the agenda as amended was approved.

### MINUTES

Minutes from the May 20, 2020, meeting of the Board of Advisors were presented for approval. There being no corrections or amendments to the minutes, upon motion made by Dr. Vogelaar and seconded by Mrs. Gruber, the said minutes were approved as presented.

### TRUSTEE ELECTION

The Board of Advisors was reminded that a Trustee election would be held at the November meeting. Dr. Vogelaar's term expires on December 31, 2020, and he has expressed a willingness to continue serving as a Trustee for three more years (another term). If other members of the Board would like to serve as a Trustee, they should let one of the Trustees or Mr. Keyser know of their interest prior to the November meeting.

### INVESTMENT COMMITTEE MEMBERSHIP

It was announced that there is an opening on the Investment Committee due to the departure of Brendan McMahon from Washington School District. Volunteers or nominations to fill the position are being sought, and names should be brought forward to Steve Keyser, a member of the Investment Committee, or one of the Trustees. The candidate's name will be brought forward for approval at the November 18 meeting.

### INVESTMENT COMMITTEE REPORT AND ACTION

The Board received a report on the Investment Committee meeting that just ended. Ron Orr, Chairman of the Investment Committee, stated that the Investment Committee received its quarterly market summary and investment review. The Board also received an in-depth analysis of the Trust's investment line-up. The analysis included an examination of returns, performance relative to peer group, risk-reward, calendar year performance, and risk-operations for index, target date, foreign bond, large cap value and environmentally social governance (ESG) funds. A summary of findings and recommendations was presented to the Investment Committee. The Investment Committee was presented recommendations by

CBIZ as they relate to the investment line-up, and those recommendations were approved. The Investment Committee recommended that the Board of Advisors approve the following:

1. That the Board of Advisors approve adding the Fidelity Total Bond Index Fund, replacing the Vanguard Total Bond Index Fund
2. That the Board of Advisors approve adding the Fidelity 500 Index Fund, replacing the Vanguard Institutional Index Fund
3. That the Board of Advisors approve adding the Prudential Global Bond Fund

Whereupon, on motion duly made and seconded, the recommended changes to the investment line-up as a result of the comprehensive analysis of the Trust's investments and approved by the Investment Committee were unanimously approved by the Board of Advisors.

#### GOVERNANCE TASK FORCE UPDATE

The Board of Advisors received a report on the progress of the Governance Task Force. Paul Northington reported that the committee has met two times. At the first meeting, the Task Force received and discussed sections of the Declaration of Trust; and duties and responsibilities of Trustees, Board of Advisors, and Investment Committee members. The Task Force also discussed governance issues related to future expansion of the Trust, both in size and geography. The Task Force requested additional information to be reviewed and discussed at its next meeting.

At the second meeting, Task Force members received a report on Trust membership by type (school district, charter, educational association) and location. The Task Force also received the Declaration of Trust with proposed changes resulting from the first meeting's discussion, and those changes were discussed at length. It was proposed that a model be developed that forms an "Executive" committee using the Investment Committee as a basis, with expanded duties and responsibilities, as well as officers that would serve similarly to the current Trustees. The Task Force agreed to explore and discuss this model further at its next meeting. Issues that remain to be resolved are the size of the "Executive" committee, geographic representation, and frequency of meetings.

#### WEBSITE UPDATE

The CSD Retirement Trust website was launched, and it continues to be updated and tweaked. Testimonials are still needed from current members, and those should be sent to Steve Keyser.

#### FINANCIAL STATEMENT

The Board received the Trust's Second Quarter Financial Statement. As of yesterday (September 1, 2020), total Plan Assets were at \$180 million. Plan assets have recovered from the economic downturn and are back to the December 2019 Fourth Quarter level.

The Board received a report on plan asset distributions, with larger amounts and percentages highlighted. An analysis of the report reveals that most funds are being transferred to PSRS/PEERS to purchase service credit, which is a good use of the funds. Some are being transferred to other financial investment firms after retirement, and it will be important for the Trust and its financial advisors to incorporate educational programs about rolling out funds to other providers, i.e., questions participants should ask to be certain they are making informed decisions about their retirement savings.

## AIG SETTLEMENT

Eric Levy reported on the recent SEC settlement with AIG. He stated that two cases arose over time related to practices in the 403b and K-12 market. He went on to explain that one case centered around investments in the retail market and the other in a multi-vendor environment. Both have been settled and do not directly impact the Trust or its participants.

## ANNOUNCEMENTS

Mr. Levy reported that Richard Counts, former Vice President of Business Development, made a career decision to leave AIG and pursue his desire to do consulting and wealth management. AIG will be reorganizing to better support marketing to new districts and bringing someone in to support the Trust. That person will be introduced once identified.

The CSD Retirement Trust was featured in Plan Sponsor magazine; it was a great article and provided good social media exposure.

Mr. Keyser reported that the Trust is purchasing an ad for the MARE program and the MASA directory.

## AIG ENGAGEMENT STRATEGY

Mr. Dickson announced that AIG rolled out its communication strategy calendar at the last Board of Advisors meeting. The campaign's strategy is to provide an overall consistent strategy of monthly email communications to participants and non-participants focused on a person's financial wellness.

Mr. Anderson announced AIG's participant engagement strategy. The goal is to increase employee awareness and plan engagement. AIG has developed a multi-channel approach to appeal to all employee education preferences. An on-line appointment scheduling feature has been added that allows participants to meet with their financial advisors remotely.

## GotZoom UPDATE

Elaine Morgan and Ed Hinders reported on progress with implementation of GotZoom at the Kansas City Public School District. COVID-19 presented complications with implementation and it was placed on the back burner. However, in recent weeks efforts to communicate information about GotZoom have been stepped up, and ways to better reach out to staff members are being explored.

## SAVI

AIG announced that as part of its FutureFit program, it has partnered with Savi to address student debt solutions. A reduced fee of \$60 has been negotiated for AIG clients. AIG is not promoting the program to the Trust in an effort to avoid confusion between Savi and GotZoom.

Michael Dickson, AIG, and Ed Hinders, CBIZ, will be working to provide appropriate communications and comparison information about the products to the Board.

## AIG REPORT

Michael Dickson reported on participant metrics. He stated there are 6,228 participants in the Trust. There were 762 new enrollments in the last year, up 14 percent. There has been \$26.3 million in contributions, and \$1.7 million in rollovers for the year.

He also reported on CARES Act distributions through June 30. There were 36 members who partook in distributions. Distributions from the 403b plan totaled \$280,000, with distributions to two people coming to \$170,000. The remaining distributions from the 403b plan were all under \$11,000. There were 11 people who took distributions from the 457b plan, and those totaled \$137,000.

There are 771 participants in the Guided Portfolio Services for the 403b Plan, and 580 participants in the Guided Portfolio Services for the 457b Plan.

Retirement Manager implementation is on the hold due to COVID-19.

#### CBIZ REPORT

Mr. Hinders provided a report on CBIZ activities. He stated that the Investment Committee received a report that two funds are currently on the Watch List. Those funds are T. Rowe Price Equity Income, which just came on, and Vanguard Mid Cap Growth Inv, which was added in December 2019. American Funds Growth Funds of America R6 was removed from the Watch List.

Mr. Hinders also highlighted long-term performance of funds in the Trust. He stated that 28 out of 32 funds have outperformed their primary benchmarks over the last 10 years, which is an impressive record.

#### NEXT MEETING

It was announced that the next meeting of the CSD Retirement Trust is Wednesday, November 18, 2020.

#### ADJOURNMENT

The purpose of the meeting having been accomplished, the meeting adjourned at 12:05 p.m.