

Investment Committee Meeting Minutes
February 14, 2018 – 10:00 a.m.
EducationPlus – 1460 Craig Rd. St. Louis, MO 63146

Attendees:

CSD-RT IC: Dwight Lindhorst (Ritenour), Robert Vogelaar (Liberty), Kathy Wood (Lindbergh), Steve Keyser (EdPlus).

CBIZ RPS: Ed Hinders (Advisor & Relationship Manager), Alex Saywell (Investment Analyst)

The meeting was brought to order and meeting minutes from the 11/15/17 meeting were approved. CBIZ RPS then led a discussion based on the predetermined agenda. Ed Hinders introduced Alex Saywell, who is the primary investment analyst for the Trust.

Fiduciary Governance Solution

The meeting began with a review of the Success Tracker™ which is a calendar time-line summary on what activities have been performed in the past, what activities are being reviewed at this meeting and what activities are planned for the future. The Success Tracker™ is used to produce an Annual Summary of Activities, which is a summary report of significant items accomplished by the Trust in 2017. This document is shared with the Investment Committee as well as the Board of Advisors. As part of the review, CBIZ provided a copy of their Annual Consultant Review that documents the qualifications, certifications and credentials of CBIZ RPS as the consultant and fiduciary investment advisor for the CSD-RT. This document helps the committee document the qualifications of their Registered Investment Advisor. One of the highlights is the CEFEX Registration that allows for an independent review and certification that CBIZ RPS is meeting a global standard of care for its advisory services on an annual basis. CBIZ has received and renewed this registration since December of 2009.

The 3(21) Investment Advisory Solution

CBIZ led a review of the fund line-up on both the 403(b) and 457(b) plans. Some key comments:

- Markets: The investment report is as of 12/31/17. Growth stocks outperformed value and blend stocks for the full year. Small cap growth outperformed small cap value in the 4th quarter. From now until June 30th what will be some of the major decisions the government be making? Will the Feds increase interest rates? They are expected to increase. Will Immigration impact stocks? Interesting to see how compromise is done. Proposed Infrastructure funding seems to be different than the past as the Federal government will put in 20% and States will put in 80% depending on public and private funding. How will that that effect the economy?
- The committee was reminded that the mutual funds on the platform are purchased and placed in an institutional manner with no commissions, sales loads, 12(b)(1) fees (advertising) or revenue sharing to other service providers.
- The Vanguard small cap index fund in the Trust has recently hit \$5 million in assets which allows CBIZ to negotiate for a lower share class resulting in a lower investment management fee for our investors.
- The fixed income markets were reviewed with the US Aggregate showing a +3.45% return in 2017. Global Aggregate Ex US fixed income returns were up +10.51 for 2017.
- The domestic equity market returns were strong in 2017 ranging from a high of +31.21% (large growth) to a low of +7.84% (small value)

- International returns were generally up big in 2017. The All County World Index was up +23.97% in USD currency for 2017. The EAFE index was up +25.03% and Emerging Markets were up +37.28% for the year.
- Looking at our plan, there were no new funds added to our watch list nor any funds dropped from the watch list. The Vanguard Mid-Cap Growth INV and the T .Rowe Price Equity Income I fund are still on a Watch status. CBIZ led a discussion on the factors involved in both of these funds and recommends that these fund continue to be held on the platform under Watch. We expect to see continued improvement until such time that these funds are removed from Watch. Dwight suggested to wait and not change any funds. Kathy suggested we look at this again next quarter. We've only replaced 2 funds since the plan went live in 2010... The Perkins and PIMCO funds.
- Quarter over quarter, the 403(b) plan has grown from \$93.7M to \$98.3M with the 457(b) growing from \$18.5M to \$19.9M as of 12/31/17.
- CBIZ RPS provided a "Target Date Evaluator" to further explain the construction, glide-path and expense of the series. Nothing has changed from the last review.
- Steve suggested, next quarter getting an orientation on the investment option sheets that are part of the deliverable.
- The Comdex report for VALIC remains unchanged at 81 which is considered good. This rating is an aggregation of financial strength and rating agencies.
- There was to be delivered a further Stable Value fund analysis... but CBIZ RPS had not received enough data from VALIC to present this today and it will be moved to the next IC meeting in May 2018.

The Participant Solution

- VALIC will review the Annual Education Plan at the Board of Advisors meeting.

The Plan Administration Solution

- VALIC will be presenting the Annual Plan Report at the Board of Advisors meeting

Meeting adjourned at 11:00