INVESTMENT COMMITTEE
CSD RETIREMENT TRUST
EDUCATIONPLUS RESOURCES INC.
1460 CRAIG ROAD
ST. LOUIS, MISSOURI 63146

CALL TO ORDER

Members of the Investment Committee of the CSD Retirement Trust met on Wednesday, May 16, 2018, at 10:00 a.m. at EducationPlus, 1460 Craig Road, St. Louis, Missouri. The meeting was called to order with the following members in attendance: Ron Orr (Pattonville), Mary Jo Gruber (Clayton), John Stewart (Brentwood), Brendan Mahon (Washington), Dwight Lindhorst (Ritenour), Kathy Wood (Lindbergh) and Bob Vogelaar (Liberty). Also in attendance were: Ed Hinders (CBIZ) and Alex Saywell (CBIZ – via phone), Richard Counts (VALIC), Stephen Keyser (CSD Retirement Trust) and Sara Walker (EducationPlus).

There were two guests in attendance: Elise Reineck (Retirement Trust) and Laura Finn (Financial Finesse).

Minutes from the February 14, 2018 meeting were presented for approval by Ron Orr. Dwight Lindhorst made the motion for approval, and a second was made by Kathy Wood, all in favor and the minutes were approved.

THE FIDICUARY GOVERNANCE SOLUTION

Ed Hinders introduced Alex Saywell, an investment analyst for CBIZ of whom would be leading the meeting via phone. She reviewed the purpose of the Success Tracker and how it serves as a plan/fiduciary checklist, and reviewed past and present performances, as well as gave future recommendations.

INVESTMENT REVIEW

Alex gave an overview of the first quarter, sharing with the committee some of the reasons for such volatility. Over the first quarter, the Russell 1000 Index of large capitalization stocks generated a -0.7% total return. Within the large cap segment, growth stocks once again outperformed value stocks. Small cap stocks, as represented by the Russell 2000 Index, slightly outperformed large caps, and finished the quarter with a total return of -0.1%. Small cap growth outperformed small cap value.

Fixed income securities generated mostly negative total returns across the various market segments. The ten primary economic sectors delivered generally negative performance during the quarter. Information Technology, Consumer Discretionary, and Financials were the strongest performers on a relative basis, generating returns of 3.5%, 3.1%, and -1.0%, respectively. The Telecommunications Services, Consumer Staples, and Energy sectors were the poorest relative performers, posting returns of -7.5%, -7.1%, and -5.9%, respectively. International stocks performed reasonably well on a relative basis, generally outpacing US equities. Markets should remain strong and tax cuts should help with keeping a strong market. She reported that the overall market trends are positive and we should see continued growth although volatility will remain.

There are currently two funds on the watch list as of 3/31/18 and they are: T. Rowe Price Equity Income I for performance issues and manager tenure, and Vanguard Mid Cap Growth INV for one-, three-, and five-year performance as well as down capture ratio. It was brought to the committee's attention that T. Rowe Price Equity Income's numbers were trending down in the past, and are now on the upward trend this quarter. These have made the watch list with minimal violations of CBIZ criteria and will continue to be monitored by the CBIZ team and the RT committee. She also shared the Comdex Rating for VALIC was an 81 (3/31/18) for the annual update which is considered good.

Richard Counts (VALIC) led a discussion and gave a recommendation about the fixed accounts and the purchasing of service credits. The recommendation is to keep the fund that the committee currently has, and participants can have full liquidity of buying service credits. If a participant is changing funds there will be a 20% limitation. There would not be the limitation of 20% when purchasing service credits. Dwight Lindhorst motioned to follow this recommendation by VALIC, and take this recommendation to the BOA, John Stewart seconded the motion. All were in favor.

ADJOURNMENT

The purpose of the meeting having been accomplished, the meeting adjourned at 10:59 a.m.