

Lane County
Deferred Compensation Committee Meeting

February 24, 2022

- I. Steve Mokrohisky called the meeting to order at 3:00 pm. Members present were: Steve Mokrohisky, Kara Joers, Christine Moody, Cline Riley, Robert Tintle, and Krystal Tullar. Also present were Audrey White from Hyas Group and Delana Hansen, Patti Harte and Peter Hoerber from MissionSquare. JoAnn Miller was absent.
- II. The minutes of the November 15, 2021 meeting were presented. Robert moved to approve the minutes. Krystal seconded the motion. The minutes were approved unanimously.
- III. Hyas Group provided the Fourth Quarter 2021 Performance Report which included the following items:
 - Market Commentary – 2022 is off to a rocky start for markets. Inflationary pressures, geopolitical turmoil, Omicron persistence, and continued supply chain weakness are some of the factors weighing down financial markets. Will this be the year equity markets finally go negative and break the decade long bull market streak? Will value stocks finally outpace growth stocks? Will International stocks finally outperform US stocks? How many times will the Federal Reserve raise rates? With so many key factors unknown, 2022 could shape up to be the year of new financial trends, important policy transitions, and answers to so many of these questions. Bottom line, Defined Contribution Plan Participants should continue to think long-term, focus on their retirement goals and try to ignore the short-term loud noises currently impacting markets.
 - Legal and Regulatory Updates
 - Current Fund Lineup Overview –
 - Allspring Special Mid Cap Value Fund was placed on watch 1Q21 due to qualitative reasons, specifically Wells Fargo Bank’s announcement to sell 90% of Wells Fargo Asset Management to two private equity firms. Hyas Group has no concerns after the sale of Wells Fargo as performance continues to be strong, therefore Hyas Group recommended to remove the Fund from watch. The Committee voted and approved to remove the Fund from watch status.
 - Hartford MidCap R6 successfully mapped to JP Morgan Mid Growth Fund effective January 28, 2022.
 - MissionSquare PLUS Fund R10 – Hyas Group made a recommendation to place the MissionSquare PLUS Fund R10 on watch due to qualitative factors. Co-manager Xin Zhou recently resigned to pursue another opportunity. Oliver Meng, who has worked on the strategy since 2014, will assume the bulk of these responsibilities. Karen Chong-Wulff, who has served as lead portfolio manager since 2007, will remain in place and the fund's structure and investment philosophy remain unchanged. Hyas Group noted that Xin Zhou had been described as a person of importance in prior meetings and finds the abruptness of this departure undesirable in terms of succession planning. The Committee voted and approved placing the MissionSquare PLUS Fund R10 on watch status due to qualitative factors. Hyas Group will provide an update at the next meeting.

- The American Funds EuroPacific Growth Fund was out of compliance at quarter-end; however, Hyas Group does not recommend putting this fund back on watch yet. The fund had some choppy prior years and is investment policy compliant quarter-to-date.
- The Vanguard Target Date 2015 Fund now represents the same or similar asset allocation as the Vanguard Target Retirement Income Fund. Therefore, the 2015 Fund will be merging with the Retirement Income Fund. This will occur in February 2022. No action is needed by the Committee.
- Hyas Group mentioned again that the Vanguard Target Date Institutional share class is being merged into the Vanguard Target Date Investor share class in February 2022. As a result, there will be a fee reduction from 9 basis points to 8 basis points. No action is needed by the Committee.
- Plan Data Review – As of December 31, 2021, total assets were approximately \$158 million, an increase of approximately \$7.2 million from last quarter.
- Fee and Revenue Analysis

IV. MissionSquare provided a 4Q 2021 Plan Review which included the following statistics for 2021:

- There were 233 RPS consultations, 10 RPS webinars, 29 CFP consultations, and 33 CFP webinars.
- There were 95 457(b) enrollments totaling \$6.7 million and 66 401(a) enrollments totaling \$1.3 million.
- There were \$4.2 million in roll-outs; this is a focus for MissionSquare, to bring that number down. Roll-ins for the year was \$3.2 million; Patty commented that this number is on the high side for roll-ins.
- MissionSquare presented their communication plan and timeline for their enhanced website and plan sponsor resource center.

V. The Committee discussed the Financial Wellness Fair. This is scheduled for March 8 from 5:00 p.m. to 8:00 p.m. The same vendors will participate again this year: PERS, DevNW, and MissionSquare.

VI. Future Agenda Item: 2022 NAGDCA Conference

Our next meeting is scheduled for Wednesday, May 18 at 11:00 a.m.