

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
INVESTMENT COMMITTEE MEETING

MINUTES

March 27, 2023

3:30-5:00pm

ZOOM Meeting ID: 815 5442 3349

MEMBERS PRESENT: Kacie Flynn
C.D Hoyle
Jeff Kane
Jason Ramos

MEMBERS ABSENT:

OTHERS PRESENT: Sam Caudill, SPF
Kelly Dickey, SPF
Vince Learned, NFP
Heidi Molen, Future Plan (fka QBI)
Kevin Alarid,

I. Call to Order

Kacie Flynn called the meeting to order at 3:31 p.m. Vince Learned, Senior Plan Advisor, introduced Heidi Molen, Plan Consultant.

**II. Review 403(b) DC Plan – Participant Highlights
(Attachment A)**

Heidi gave a brief overview of the roles and responsibilities of the parties present and summarized their agenda for today. She reviewed the roles and responsibilities of Future Plan which encompass plan testing, reporting, and tracking legislative and regulatory updates.

Kevin Alarid, Principal Relationship Manager, reviewed the Retirement Plan Executive Summary. There are 154 current active participants. Assets of the Plan as of 12/31/22 were \$3,596,271. The number of active participants making voluntary contributions to their plan, represent 5.2% of all eligible participants as outlined in Attachment B - Retirement Plan Executive Summary. Part of Kevin's role is to

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provide information to eligible participants to encourage additional enrollment. Active participation is down from 15.9% in 2020.

Vince Learned readdressed an outstanding question to Principal from last committee meeting in regards to outreach for participants who still have investments with TIAA. Additional follow up is needed with SPF Management to strategize the most effective outreach schedule with Principal.

III. Review Investment Portfolio with Vince Learned, NFP Senior Plan Consultant (Attachment B)

Vince Learned discussed Key Provisions of the new Federal regulations, Secure 2.0. He reviewed the current investment market statistics for SPF's portfolio and the Scorecard Methodology with the Committee in Attachment A - Humboldt Fiduciary Investment Review. Due to four consecutive quarters of low performance, Mass Mutual Blue Chip is being removed from the investment portfolio and will be replaced. This will be the only fund change.

IV. Other

V. Adjournment

The meeting adjourned at 4:41 p.m.

Respectfully Submitted,

DocuSigned by:
Kacie Flynn
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Kacie Flynn



**Q4 2022
Meeting Minutes**

**Humboldt State University Foundation
403(b) DC PLAN**

Meeting Date: 03/27/2023

Attendees		
Committee Members	C.D. Hoyle Jeff Kane	Jason Ramos Kacie Flynn
Non-Committee Attendees	Kelly Dickey	Sam Caudill
NFP	Vince Learned, CFA, CFP®, CRPS®	
Other	Kevin Alarid, Principal	Heidi Molen, FuturePlan

Administrative Review

Reviewed Prior Meeting Notes

Reviewed Service Plan

Investment Due Diligence

Investment Analysis Summary

- NFP provided an economic and market commentary for Q4 2022.
- NFP reviewed the investment scoring methodology and criteria for monitoring, watchlisting and removing investments from the fund menu.
- NFP reviewed plan asset balances across all investment options.
 - Assets of the Plan as of 12/31/22 were \$3,596,271.57
 - 90.14% in Asset Allocation
 - 0.28% in Cash Alternatives
 - 0.26% in Fixed Income
 - 0.09% in International/Global Equity
 - 1.73% in Specialty
 - 7.50% in U.S. Equity
- NFP reviewed the Plan's investment scorecard covering available funds as well as their current scores and performance metrics, scoring history, asset class coverage, as well as other key metrics.
 - All funds were reviewed from a quantitative and qualitative perspective.
 - 12 funds are acceptable:
 - Vanguard Target Retirement Series Inv (8)
 - Baird Aggregate Bond Inst, BAGIX (10)
 - iShares MSCI EAFE Intl Idx K, BTMKX (9)
 - JPMorgan Equity Income R6, OIEJX (10)
 - Parnassus Core Equity Institutional, PRILX (10)
 - Vanguard Total Bond Market Index Adm, VBTLX (10)
 - Vanguard Total Stock Mkt Idx Adm, VTSAX (10)
 - American Century Small Cap Value R6, ASVDX (10)
 - Loans
 - AB Small Cap Growth Z, QUAZX (10)
 - Transamerica International Equity R6, TAINX (9)
 - Fixed Income Guaranteed Option
 - 0 funds are on watchlist:
 - Potential Replacements:
 - MassMutual Blue Chip Growth I, MBCZX (6)

Market Summary

U.S. equity markets rallied in the fourth quarter, rising 7.2% (Russell 3000) on moderating inflation. The Consumer Price Index (CPI) peaked in June and has seen steady improvement since. International equities rose to a greater extent, posting a 14.3% gain over the quarter (MSCI ACWI ex U.S.). The broad U.S. fixed income market showed some improvement, up 1.9% (Bloomberg Barclays Aggregate). Despite cooling economic growth, the U.S. labor market remained tight during the quarter with unemployment at 3.5% in December. Large cap value stocks had a strong quarter, with the Russell 1000 Value up 12.4% and outperformed the Russell 1000 Growth by over 10 percentage points. The



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Federal Reserve raised interest rates 125 basis points during the fourth quarter. Additionally, the Fed expects further rate hikes in 2023 to combat inflation. ACR# 5407488 01/23

Scorecard Methodology

The Scorecard Methodology supports upholding the impartial conduct standards as the scores and analytics do not include any adviser compensation components and are calculated incorporating all investment fees and revenue sharing. Any and all compensation earned by the adviser (if any) is explicitly disclosed and reasonable given services provided. All information to any investment consideration has been disclosed and no misleading information has been provided to fiduciaries in their determination of action.

Fund Review

Large Cap Growth

Eliminate MassMutual Blue Chip Growth I (MBCZX) (Recent Scores: 6,6,6,6)
Map to American Century Ultra R6 (AULDX) (Recent Scores: 10,10,10,10)
Asset Value: \$82,027.85

Notes

Kevin Alarid provided the following information on the Principal Fixed Income Guaranteed Option:

- Current crediting rate of 4.05%
- AA issuer credit rating
- 5% surrender charge or 12-month put at the plan level

Fiduciary Governance

Legislative Update Given

NFP provided an update on developments in the legal and regulatory landscape, including an overview of "SECURE Act 2.0" that was finalized at the end of 2022. Most of the provisions are effective after 12/31/2023 and there are several provisions in the Act that encourage higher savings or provide greater flexibility for both participants and plan sponsors, notably:

- Increases the age for RMD's (one of few items effective in 2023)
- Increases catch-up contributions to \$10,000 for ages 60-63
- Allows plans to provide matching contributions for student loans
- Long-term part time employee eligibility accelerated to 2 consecutive years with over 500 hours worked
- Elimination of some notice requirements for non-participating employees
- Increases the small balance cash-out limit to \$7,000

ACR# 5439596 01/23

NFPR-2023-38

Notes

Heidi Molen provided a compliance/admin update.

Kevin Alarid is the new Relationship Manager from Principal. He presented a Principal retirement plan executive summary and overview of participant outreach resources. Further conversation to take place regarding potential deployment of resources.

A copy of NFP's advisory agreement was included in the NFP report for the Committee's reference.

Disclosures

This material contains an assessment of the market and economic environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. Forward-looking statements are subject to certain risks and uncertainties. Actual results, performance, or achievements may differ materially from those expressed or implied. Information is based on data gathered from what we believe are reliable sources.



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It is not guaranteed as to accuracy, does not purport to be complete and is not intended to be used as a primary basis for investment decisions. It should also not be construed as advice meeting the particular investment needs of any investor. The indices mentioned are unmanaged and cannot be directly invested into. Past performance does not guarantee future results.

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