

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
INVESTMENT COMMITTEE MEETING

MINUTES

March 29, 2022

10:00-12:00pm

ZOOM Meeting ID: 323 606 3798

MEMBERS PRESENT: Kacie Flynn
Carly Marino
Jeff Kane
Jason Ramos

MEMBERS ABSENT:

OTHERS PRESENT: Binta Wright, SPF
Vince Learned, NFP
Heidi Molen, QBI/Ascensus
Beth Granum, Principal

I. Call to Order

Kacie Flynn called the meeting to order at 10:11 a.m. Vince Learned gave a brief overview of the roles and responsibilities of the committee and summarized their agenda for today.

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

Heidi Molen reviewed a brief summary of the features of the Sponsored Programs Foundation 403(b) DC Plan, including the roles and responsibilities of QBI/Ascensus which encompass plan testing and tracking legislative and regulatory updates.

Beth Granum, Principal relationship manager, reviewed the Retirement Plan Executive Summary. There are 133 participants with a total account value as of 12/31/2021 totaled \$2,487,888.

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

Vince Learned reviewed the current investment market and discussed NFP's Scorecard Methodology with the Committee. See attached *Fiduciary Investment Review Executive Summary*. Some changes will be made to the core lineup.

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IV. Other

Discussion ensued around potentially adding another balanced fund option. Vince to send additional information to the committee following the meeting.

V. Adjournment

The meeting adjourned at 11:33 a.m.

Respectfully Submitted,

DocuSigned by:
Kacie Flynn
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Kacie Flynn



Fiduciary Investment and Plan Review™ Executive Summary

Humboldt State University Sponsored Programs
Foundation

Meeting Date: 3/29/2022

Attendees

	Name	Title
Committee Members	Kacie Flynn (non-voting)	SPF Executive Director (Chair)
	Carly Marino	Treasurer
	Jeff Kane	Chair, Finance Committee
	Jason Ramos	Community Director
	Binta Wright (non-voting)	Guest
	NFP	Vince Learned, CFA, CFP®, CRPS®
Principal	Beth Granum	Relationship Manager
FuturePlan	Heidi Molen	Plan Consultant

Administrative Review

Prior Meeting Minutes :

Service Plan :

Signed Investment Policy Statement on file with NFP: Yes No

Market Review

U.S. equity markets rallied to record highs in the fourth quarter, rising 9.3% (Russell 3000) on strong corporate profit growth. International equities rose to a lesser extent, posting a 1.8% gain over the quarter (MSCI ACWI ex U.S.). The broad U.S. fixed income market was flat for the fourth quarter (Bloomberg Barclays Aggregate) as longer-term interest rates stabilized. The U.S. labor market continued to improve during the fourth quarter with unemployment dropping to 3.9% in December. For the third quarter in a row, large-cap growth stocks led the market with the Russell 1000 Growth outperforming the Russell 1000 Value by almost 4 percentage points this quarter. The Federal Reserve kept rates at nearly zero during the quarter but began tapering their asset purchase program. Additionally, the Fed now expects multiple rate hikes in 2022 due to rising inflation and tightening labor markets. (All data from MPI)

Methodology

A review of the Scorecard Methodology was discussed. The scoring system includes pass/fail criteria on a scale of 0 to 10 (10 being best). Eighty percent of the fund's score is quantitative, incorporating Modern Portfolio Theory statistics and peer group rankings. The other 20 percent of the score is qualitative. Primary considerations are given to manager tenure, fund expenses and strength of statistics, however, other significant factors may be considered in the qualitative review. Active and asset allocation strategies are evaluated over a five year time period and passive strategies are evaluated over a three year time period. The Scorecard Point System is as follows: Good: 9-10 points | Acceptable: 7-8 points | Watch List: 5-6 points | Poor: 0-4 points. 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. In addition, any and all compensation earned by the adviser (if any) is explicitly disclosed and reasonable given services provided. All information material to any investment recommendations has been disclosed and no misleading information has been provided to fiduciaries in their determination of action.

Scorecard as of 12/31/2021

Assets of the Plan as of 12/31/2021 were \$2,993,826. Results of the analysis showed that many funds received Good and Acceptable scores (7-10). All other funds not specifically listed in this executive summary were reviewed and met qualitative reviews and/or are scoring acceptable to good.

Fund Review

Fund Action Items

The Federated Hermes MDT Small Cap Growth fund is scoring a 7. Although it is scoring Acceptably, there is a better option available and the fund will proactively be removed and replaced.



Fiduciary Investment and Plan Review™ Executive Summary

This fund [QLSGX] will be removed and assets will be mapped to the new AB Small Cap Growth fund [QUAZX].
This fund scores a 10 and features a lower expense ratio.

Other Investment Discussion Items

- Overview of Scorecard System Methodology
- Reviewed Principal's Fixed Income Guaranteed Option (Beth Granum)

Discussion of Fiduciary Topics

Review of ERISA 3(21) vs 3(38), along with the roles and responsibilities of the various parties to the plan.

Heidi Molen (QBI) provided a compliance update; no issues to report.

Beth Granum (Principal) provided plan review information. She also provided an overview of Principal's cybersecurity program, along with participant guarantees.

NFP previously sent a data security questionnaire to Principal and has compiled their responses.

Legislative, regulatory, and industry updates were provided via Q1 Legal Briefing and Q1 Fiduciary Hot Topics.

Other Items

Expanded use of ESG investment options to be considered at a future meeting.

Pending Action Items

Scheduler | **Employee Education** | **Fund Changes** initiated by **NFP Support** **NFP Consultant** **Recordkeeper**

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. It is not guaranteed by Kestra IS 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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