The March 15, 2022, meeting of the Kansas Board of Regents Retirement Plan Committee was called to order at 12:30 p.m.

Members Participating in person:
Regent Harrison-Lee, Chair    Debbie Amershek, PSU
Jeff Dewitt, KU        Dipak Ghosh, ESU
President Steve Scott, PSU    Stacey Snakenberg, KUMC
Madi Vannaman, KBOR

Doug Ball, Pittsburg State University joined the call, and Rick Lecompte and Jay Stephens were not able to participate. Participating from Advanced Capital Group were consultants Brad Tollander and Justin Dorsey. Also participating, from Brock Noel, Managing Director, and Blake Earl, Senior Relationship Manager; and from Voya, John O’Brien, Regional Vice President, and Cindy Delfelder, Relationship Manager; and from the Board Office: Natalie Yoza, Associate General Counsel and Elaine Frisbie, Vice President for Finance and Administration.

Minutes
President Scott moved to approve the minutes from the February 8, 2022, meeting. Following Dipak Ghosh’s second, the motion carried.

Introductions
Blake Earl introduced himself as TIAA’s Relationship Manager for KBOR.

Natalie Yoza provided information about the recommendation from the Council of Business Officers (COBO) that Doug Ball fill the position previously held by Mike Barnett, FHSU. His nomination will be considered at the Board of Regents’ consent agenda tomorrow.

Natalie Yoza reviewed the current RPC membership and the upcoming four openings that will occur with the goal of having other representatives from universities so they can gain experience with the RPC.

ACG semi-annual report for the Mandatory and Voluntary Plans
Brad Tollander provided an overview of the markets and the Plans. He noted that Plan sponsors are quite concerned about the Russian exposure within their Plan lineups. ACG used Morningstar to review the exposure to both Russian fixed income and equities for each of the funds in the Plan. The chart below shows the Russian exposure by fund. ACG’s takeaway is that most of the funds in the Mandatory and Voluntary Plans have little if any exposure (<1%) to Russian securities. The two emerging market equity funds in the Plan had more. The DFA Emerging Market Fund had a 1.09% position which is not concerning. The Invesco Developing Market Fund had a 9% Russian equity exposure at the end of 2021. By February 28, 2022, they had reduced the position to 2.4% of assets which was slightly ahead of the benchmark index at the time. Given the tremendous upheaval with the Russian invasion of Ukraine, it was a good decision by the Portfolio Management team to unwind most of their positions.
Russian Exposure (source: Morningstar)

<table>
<thead>
<tr>
<th>TIAA Lineup</th>
<th>% Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>DFA Emerging Market</td>
<td>1.09%</td>
</tr>
<tr>
<td>American Funds EuroPacific Growth</td>
<td>0.91%</td>
</tr>
<tr>
<td>Dodge &amp; Cox Intl Stock</td>
<td>0.54%</td>
</tr>
<tr>
<td>CREF Global Equities</td>
<td>0.34%</td>
</tr>
<tr>
<td>CREF Stock</td>
<td>0.26%</td>
</tr>
<tr>
<td>TIAA-CREF TDF’s</td>
<td>0.08% - 0.23%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Voya Lineup</th>
<th>% of Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invesco Developing Markets</td>
<td>9.00%*</td>
</tr>
<tr>
<td>American Funds EuroPacific Growth</td>
<td>0.91%</td>
</tr>
<tr>
<td>Vanguard Total International Stock Index</td>
<td>0.74%</td>
</tr>
<tr>
<td>Vanguard Total International Bond Index</td>
<td>0.40%</td>
</tr>
<tr>
<td>American Funds Fundamental Investor</td>
<td>0.28%</td>
</tr>
<tr>
<td>Vanguard TDF’s</td>
<td>0.09% - 0.28%</td>
</tr>
</tbody>
</table>

*12/31/2021 = 9.0%, 2/28/2022 = 2.4%, 3/2/2022 Fair Value Pricing instituted pricing all Russian holdings to $0.

The **TIAA-CREF Large-Cap Value Institutional** (Large Cap Value Option) was placed on Watch at the Spring 2019 RPC meeting because of concerns about underperformance, and manager and investment process changes. ACG Recommendation: Remove TIAA-CREF Large-Cap Value Institutional from Watch for both the Mandatory and Voluntary Plans. Performance has improved since Charles Carr took over the portfolio management responsibilities in November 2018. Mr. Carr’s pragmatic value process has generated above benchmark and median peer group returns in each of his first three calendar years managing the fund. The strong results are having a positive impact on the five- and ten-year performance results as well.

The **TIAA Royce Opportunity Institutional** (Small Cap Value Option) fund was placed on Watch at the Fall 2021 RPC meeting because of management change. A subsequent management change was announced at the end of September 2021. ACG Recommendation: Remain on Watch. The short tenure of the current management team warrants monitoring to ensure the team can execute the strategy successfully over time. Review at the Fall 2022 RPC meeting.

The **Voya American Beacon Small Cap Value R5** (Small Cap Value Option) is recommended to be placed on Watch because of management changes to the subadvisor mix and underlying allocations from January to March 2022. ACG Recommendation: Place on Watch for both the Mandatory and Voluntary Plans and review at the Fall 2022 RPC Meeting.

Jeff Dewitt moved to remove the TIAA-CREF Large-Cap Value Institutional fund from Watch and to place the Voya American Beacon Small Cap Value R5 on Watch. After a second from Dipak Ghosh, the motion carried.

Other notes for the following funds:
- TIAA CREF Stock R3 will have a new benchmark in addition to the previous benchmark, and ACG will amend the Investment Policy Statement Appendix and bring it to the Fall RPC meeting for approval;
- Amana Participation Institutional will have a new benchmark, and ACG will amend the Investment Policy Statement Appendix and bring it to the Fall RPC meeting for approval; and
Voya’s Vanguard Target Date Series. Effective July 8, 2022, the 2015 vintage will be retired and mapped into the income vintage of the series. Vanguard is launching a 2070 vintage of the fund series that will be available in late July. ACG Recommendation: Add the Vanguard 2070 Target Date Fund to the Mandatory Plan when it becomes available in late June 2022. (In the March 2021 meeting, the RPC voted that lifecycle suite funds can be automatically added to the Plans.)

Jeff Dewitt asked why index funds are not used more throughout the lineup. Brad Tollander responded that because index funds are great in bull markets but generally do not hold up in bear markets, historically, there has been a mix in the lineup. But, he noted, that this could be a philosophical discussion for the RPC to consider. ACG’s approach is to try to hit four categories (domestic and foreign equities and core bond and foreign bond index funds) so that if a participant wanted to invest strictly in index funds, those broad categories would be covered. The fund lineup mix that is used by the KBOR Plans is common for other ACG clients. John O’Brien stated that he agreed that how the KBOR plan lineup is set up is what they see for the other Voya clients.

Mandatory and Voluntary Retirement Plan Documents
Natalie Yoza shared that Ice Miller, legal counsel, has reviewed the Mandatory and Voluntary Retirement Plan documents and noted that all required changes were reflected. Ice Miller had some suggestions for clarity and other amendments that would make the documents better. The IRS is working on making changes to required minimum distribution rules that will require document changes. Once those rules are finalized, the Plan documents will be brought to the RPC for consideration and approval.

Request for Proposal for Third-Party Administrative Services
Board staff recommend that the RPC approve issuance of an RFP to ensue due diligence with third-party administration of disbursement of assets from the Board’s Mandatory and Voluntary Retirement Plans. Multivendor coordination services are required because aggregate data from all vendors and all employer data, from the seven campuses and Board Office, is required. Planwitthease.com has been providing third-party administrative services since 2009.

Distribution requests for the past few calendar years:
The RPC would need to establish a subcommittee to serve as the Procurement Negotiating Committee (PNC). All PNC members will need to sign a non-disclosure agreement. Board staff will submit the Request for Proposal (RFP) specifications and a list of potential vendors.

The State Procurement Officer would post the RFP and coordinate responses to questions from vendors. The PNC would make a recommendation to the RPC and the contract can be negotiated. Once the final selection is made, the Procurement Office finalizes the contract for signature.

Jeff DeWitt, Doug Ball and Stacey Snakenberg volunteered to be on the RPC subcommittee.

**Good of the Order**
President Scott was recognized for his upcoming retirement. Words of thanks and appreciation were shared for his contributions to the RPC and well wishes conveyed for the next chapters of his life’s journey!

**Next RPC meeting:**
The next regular RPC meeting is scheduled for September 2022, date to be announced, beginning at 12:30 p.m.