

November 2, 2020

To: SVIA Board of Directors

Re: Action Items from October 13th Board of Directors Meeting and Election Results

From: Gina Mitchell

SVIA's Board of Directors held a virtual meeting with Zoom from 11:30 a.m. to 1:30 p.m. EST on October 13.

The following Board members participated in the call: LeAnn Bickel, Bradie Barr, David Berg, Cindy Cristello, Nick Gage, Shane Johnston, Bob Madore, Luke Robustelli, Patricia Selim, Russell Smith, Kostas Sophias, Gary Ward and Keith Watson. Steve Kolocotronis was unable to participate. JPMorgan Chase's Tashil Fakir and SVIA's Zach Gieske and Gina Mitchell also participated in the meeting. A list of all members who registered for the Board meeting is attached.

Three plan sponsors nominated. SVIA's Gina Mitchell announced that three plan sponsors were nominated and had volunteered to serve on SVIA's Board of Directors beginning in 2021-2023. They are:

- o Tom Borghard, Raytheon Technologies
- o Paul Miller, Ohio Deferred Compensation
- o Laura Pugliese, Virginia Retirement System

Voting members will be asked to affirm the three plan sponsors in the October election. With the affirmation of the voting members, they will join Textron's Keith Watson as plan sponsors. For the first time, SVIA will have four plan sponsors serving at the same time as well as having both public and private plan sponsor representation.

Eight candidates for six service firm seats. Mitchell announced that the following eight candidates were running for the six service firm seats. They are:

- o David Berg, PIMCO running for a second term
- o Shane Johnston, Morley Capital Management running for a second term
- o Michael Leonberger, Invesco
- o Lacey Lockward, Prudential
- o Tony Luna, T. Rowe Price
- o Chris Solimine, Voya
- o Kostas Sophias, JP Morgan running for a second term
- o Sean Walker, Fidelity

All eight of the candidates kicked off their campaign for the Board seat by addressing the Board and membership as to why they were running for the Board.

Board election. The Board election will take place electronically on October 15 and close on October 30. All voting members are encouraged to affirm the three plan sponsors and to elect service firm members to fill the six open seats.

Results of election. 75% of voting members narrowed the field of eleven accomplished candidates to nine individuals to serve on the Board of Directors. The following individuals were elected to the Board.

Plan Sponsors (Three Seats):

Tom Borghard, Raytheon Technologies Corp.

Paul Miller, Ohio Deferred Compensation

Laura Pugliese, Virginia Retirement System

Service Firms (Six Seats):

David Berg, PIMCO

Shane Johnston, Morley

Michael Leonberger, Invesco

Lacey Lockward, Prudential

Tony Luna, TRowePrice

Kostas Sophias, JPMorgan Chase Bank

Recognition of Board members. The Board of Directors recognized five members who were stepping down from the Board. They have provided their leadership and insights for almost six years. They are:

- LeAnn Bickel, Invesco
- Robert Madore, T. Rowe Price Associates, Inc.
- Russell Smith, CVS- Aetna
- Sara Smithson, Raytheon
- Gary Ward, Prudential

The Association and Board expressed their gratitude and appreciation for their service.

Bylaws and Articles of Incorporation. Mitchell updated the Board on the bylaws and articles of incorporation. She reported that the initiative began in 2017. Steve Kolocotronis, SVIA's Past Chairman and Ex-Officio member, the Board, and Association Counsel Venable worked on this initiative. The group balanced the bylaws and articles of incorporation to provide flexibility to evolve with changing circumstances while providing clarity. The revised bylaws add diversity and inclusion as a core purpose of the association, recognize the new reality of virtual meetings as well as using the metro area of the District of Columbia for SVIA's offices. Further, the revisions eliminate ambiguity and simplify the Association's governing documents. The revised bylaws and amendment to the articles of incorporation were adopted unanimously by the more than 30 voting members participating in the meeting.

Communications and Education. Vanguard's Patricia Selim who chairs the Committee on Committee and Education reported that the Committee had published an educational piece promoting the value proposition of stable value, as well as data to support the proposition. Selim also noted that press outreach, highlighting the \$49.7 billion invested in stable value during the first quarter of 2020, had been successful. Selim announced that Randy Myers would be covering the Association's fall forum, Necessary Evolution, which will provide rich content for Stable Times.

The committee's next project is a white paper promoting the role of stable value as part of a retirement income solution. Selim noted that this project will highlight stable value investor demographics, including age cohorts, plan assets, plan size and active versus inactive employees. The data was provided by SVIA members with recordkeeping responsibilities.

Data and Communication. PIMCO's David Berg who chairs the Committee on Data and Research reported on the committee's work. He noted as of the 2Q2020 stable value assets were over \$868 billion, which includes \$10 billion added in 2Q2020 and \$50 billion in 1Q2020. He reported that Alight Solutions 401(k) Index also demonstrated the flight to safety with 49% of 1Q inflows going to stable value and for 2Q 13% of inflows going to stable value. Berg highlighted stable value crediting rates, market to contract value ratios, and annual gross yield by product type.

Diversity and Inclusion. JPMorgan Chase's Tashil Fakir encouraged all to participate in Necessary Evolution, SVIA's virtual fall forum. He highlighted that Thursday's program had a keynote speaker and authority on diversity and inclusion, Doctor Tony Byers as well as a panel that highlighted diversity and inclusion programs from member firms. He noted that both should provide insights as to how the Association as well as members can advance diversity and inclusion in their various roles and activities.

Government Relations. Transamerica's Bradie Barr, who chairs the Committee on Government Relations reported that legislation permitting collectively managed investment trusts (CIT) in 403(b) plans enjoys strong support in Congress. However, it was unlikely in this election year that this legislation will be advanced. She thanked ICMA for their leadership on the CIT initiative. Barr also reported that the U.S. Supreme Court did not take up Principal's appeal of the Rozo decision. SVIA had filed its first amicus brief in support of the Principal appeal. She stressed that SVIA's brief provided a good foundation for a legislative solution.

Finance. Invesco's LeAnn Bickel who chairs the Committee on Finance reported that the pandemic had challenged the Association. SVIA was forced to cancel three meetings. She noted that SVIA had exercised its force majeure clause that permitted SVIA to cancel if 25% of attendees were unable to attend without penalty and required the return of any deposits. She stressed that SVIA had adopted flexibility for members who had registered for the Spring Seminar by offering immediate refunds, rolling over registration to the fall forum as well as following events. Further, for the virtual fall forum, SVIA had tried to develop registration fees that not only encouraged attendance but encouraged broader or more attendance from our member firms.

Bickel reviewed the revised pandemic budget for 2020. With the cancellation of the March meeting and the move to virtual meetings for 2020, SVIA's registration revenues would decline. However, expenses will also decrease since a virtual meeting does not incur food and beverage costs like a physical meeting.

Events. SVIA's Gina Mitchell who chairs the Committee on Events thanked the Committees on Events and Finance for their good work on the fall forum: Necessary Evolution: Creating Opportunities in Times of Extreme Economic, Social and Political Change. She reported that attendance for Necessary Evolution was 346 people, which excluded speakers and staff.

Mitchell reported that the Board had adopted a policy to maximize flexibility for 2021 and 2022. As such, all meetings for 2021 will be virtual including the Spring Seminar. She noted that SVIA had contracted for physical meetings in 2021 and 2022 for the October Fall Forums with the Georgetown

Fairmont. She reported that SVIA will evaluate physical meetings based on the pandemic and its aftermath as well as corporate travel policies and individuals' willingness to travel.

The Board approved the following meeting dates.

- January 26, 2021 (Tuesday) Virtual – Board of Directors
- March 22, 2021 (Monday) Virtual – Board of Directors
- March 23-24, 2021 (Tuesday-Wednesday) Virtual – Spring Seminar
- June 21-22, 2011 (Monday-Tuesday if physical/Tuesday if virtual) – Board of Directors
- October 11-13, 2021 Board and Fall Forum, The Fairmont, Washington, DC at \$334/night
- January 24-25, 2022 (Monday-Tuesday if physical/Tuesday if virtual))
- March 29, 2022 (Tuesday) – Board of Directors
- March 30-31, 2022 (Wednesday-Thursday) – Spring Seminar
- June 20-21, 2022 (Monday-Tuesday if physical/Tuesday if virtual) - Board of Directors Meeting
- October 10-12, 2022 Board and Fall Forum, The Fairmont Hotel, Washington DC at \$339/night

Attachments: Revised Bylaws
Amendment to Articles of Incorporation
Registration List for Board Meeting