

Littleton Public Schools
Investment Committee Meeting Minutes
June 3, 2020

Present from Littleton Public Schools:

Mike Jones, Battsetseg Stinson, Elizabeth Traister, Donna Villamor and Janet Walworth

Present from Innovest:

Peter Mustian and Kyli Hanson

Peter Mustian began the meeting announcing changes to the Innovest team that manages the investment portfolio for Littleton Public Schools retirement plans. He announced that Elizabeth Stemper retired and Troy Jensen and Kyli Hanson are joining the team.

Peter Mustian and Kyli Hanson presented the first quarter portfolio report for all three plans. The presentation focused on the impact the coronavirus pandemic has had on the market and included:

1. Topics and Trends Considerations During Recession
 - Plan Sponsor Tool Kit
 - CARES Act and Regulatory Relief
 - Additional Resources
 - Reminders for Your Plan Participants
2. Plan Summary For All Three Plans
3. Annual Fee Review
4. The Markets
5. 1st Quarter 2020: Blindsided
6. 2020: The Fastest 30% Drop in U.S. Stocks From an All-Time High
7. U.S. Economic Forecast: A Strong Second-Half After a Severe Downturn
8. Monetary Stimulus: The Federal Reserve's Balance Sheet to the Rescue
9. Fiscal Stimulus: The U.S. \$2.2 Trillion Coronavirus Relief Package
10. Bull and Bear Markets in U.S. Stocks since 1950
11. Widening Credit Spreads Provide Opportunities for Bond Managers
12. Manager Score Card
13. Table of Returns
14. Asset Allocation For All Three Plans

Quarterly Portfolio Reports are on the Littleton Public Schools website (www.littletonpublicschools.net), click on For Staff, Retirement Options.

Peter Mustian and Kyli Jensen recommended replacing the Voya Small Cap Opportunities Fund (ISOZX) with either the Brown Advisory Small Cap Group Fund (BAFSX) or the JPMorgan Small Cap Growth Fund (JGSMX). After discussing the recommendation the committee unanimously voted to replace the Voya Small Cap Opportunities Fund with the JPMorgan Small Cap Growth Fund (JGSMX). Innovest's Product Analysis Search Small Cap Growth presentation is on the Littleton Public Schools website (www.littetonpublicschools.net).

Peter Mustian and Kyli Jensen also presented a Share Class Review and recommended changing the share class on the American Beacon International Equity Fund from AAIEX to AAERX. After discussing the recommendation the committee unanimously voted to change the share class for the American Beacon International Equity Fund. Innovest's Share Class Review document is on the Littleton Public Schools website (www.littetonpublicschools.net).

Funds highlighted on the manager score card include:

- Vanguard Selected Value Fund (VASVX) is of minor concern for the people criteria.
- DFA U.S. Small Cap Value Fund (DFSVX) is of minor concern for the performance criteria.
- American Beacon International Equity Fund (AAIEX) is of minor concern for the people criteria.
- American Funds EuroPacific Growth Fund (RERGX) is of minor concern for the people criteria
- TIAA-Traditional is of minor concern for the expenses criteria.
- Voya Small Cap Opportunities Fund (ISOZX) is of minor concern for people and overall and major concern for asset base and performance. The committee unanimously voted to replace the Voya Small Cap Opportunities Fund with the JPMorgan Small Cap Growth Fund.