Louisiana Deferred Compensation Commission
Meeting Minutes
February 24, 2026

The monthly meeting of the LA Deferred Compensation Commission was held on Tuesday, February 24, 2026, at 9:00 a.m. in the office of the Service Provider, 9100 Bluebonnet Centre Blvd, Suite 203, Baton Rouge, LA 70809.

Members Present
Doug Buras, Designee of Commissioner of Financial Institutions
Beverly Hodges, Chairperson and Participant Member
Andrea Hubbard, Vice Chairperson, Co-Designee of the Commissioner of Administration
Julius Roberson, Co-Designee of the LA State Treasurer
Cindy Rougeou, Participant Member
Thomas Travis, Designee of the Commissioner of Insurance

Members Not Present
Representative Tony Bacala, Designee of the Speaker of the LA House of Representatives
Senator Valarie Hodges, Designee of the President of the Louisiana State Senate
Laney Sanders, Secretary, Participant Member

Others Present
Joseph McDougall, CFA – Equity Inst. Portfolio Manager, MFS, Boston-*via video conference*
Christopher Rooney, CFA – Relationship Director Inst. Relationships, MFS, Boston – *via video conference*
Stephen DiGirolamo, CFA – Managing Director, Wilshire Associates
Justin Lester, State of Louisiana Attorney General's Office, Baton Rouge
Jason Decker, State of Louisiana Attorney General's Office, Baton Rouge
Marybeth Daubenspeck, Vice President, Government Markets, Empower, Denver-*via video conference*
Karen Monaghan, Sr Client Services Manager, Empower, Denver – *via video conference*
Michela Palmer, Communications Strategist Participant Mktg Comm Gov, Empower, Denver-*via video conference*
Shannon Dyse, Relationship Manager, Empower, Baton Rouge
Rich Massingill, Manager, Participant Engagement, Empower, Baton Rouge
Jo Ann Carrigan, Sr. Field Administrator, Baton Rouge

Call to Order: Ms. Hodges called the meeting to order at 9:01 AM.

Roll Call of Commission Members: Mr. Carrigan conducted roll call of members. A quorum was confirmed.

Public Comments: Ms. Hodges reported that there were no public comments.

Approval of Commission Meeting Minutes – December 16, 2025: Mr. Buras noted a correction to the minutes under the Service Provider's Report – Plan Update, December, 2025. Ms. Rougeou motioned to approve the December 16, 2025 minutes as amended. Mr. Roberson seconded the motion. The motion passed unanimously.

MFS Fund Manager Update:

Joseph McDougall, CFA and Christopher Rooney, CFA, of MFS presented an overview of the MFS Core Equity Fund. MFS provided an update on the MFS Core Equity strategy, including market conditions, portfolio positioning, and performance drivers. Discussion included market concentration trends, technology sector positioning, semiconductor exposure, and portfolio adjustments made during 2025.

Following discussion of MFS performance and structure, the Commission discussed relative underperformance, peer ranking, concentration risk, and the structure of the U.S. equity lineup. Mr. Roberson motioned to direct Wilshire to conduct a search and present alternative U.S. active equity manager options for Commission consideration. Ms. Rougeou seconded the motion. The motion carried unanimously.

Wilshire 4Q2025 Performance Report: Mr. DiGirolamo presented the 4Q2025 Performance Report including U.S. equity market concentration, growth versus value dynamics, international equity performance, fixed income returns, real assets and infrastructure exposure, stable value crediting rate changes, target date fund performance, and core bond structure and fee improvements.

Custom Stable Value Update: Mr. Dyse presented the 4Q2025 Stable Value Fund provided by William Thornton, Senior Manager, Client Portfolio Svcs, AAG, noting a crediting rate increase in 2025, ending the year at approximately 3.2%. The market-to-book ratio remained strong. It was noted that the crediting rate may not be easily visible on participant-facing materials, and Mr. Dyse agreed to explore improved visibility.

Service Provider's Report

- **Plan Update as of December 31, 2025**: $2,557.96M; YTD asset gain: $201.85M. Contributions: $122.96M; Distributions: $236.19M. Net appreciation: $315.08M.
- **Plan Update as of January 31, 2026**: Assets: $2,599.44M; YTD asset gain: $41.48. Contributions: $10.79M; Distributions: $19.56M; Net appreciation: $50.25M.
- **Unallocated Plan Account (UPA)** ending balance as of **December 31, 2025**: $2,637,632.60.
- **Unallocated Plan Account (UPA)** ending balance as of **January 31, 2026**: $3,062,858.62.
- **UEW/Hardships**
  December 2025: Twenty requests; Sixteen approved; Four declined; $47,396.00 disbursed.
  January 2026: Twenty requests; Nineteen approved; One declined; $100,311.58 disbursed.

4Q2025 Case Reconciliation: Mr. Dyse reviewed the 4Q2025 Case Reconciliation Report with the Commission.

Attorney General Update

Foreign Notary and Nonresident Alien Beneficiary Issue: Ms. Carrigan presented an issue involving acceptance of a foreign (Swedish) notary with apostille and whether a nonresident alien beneficiary may maintain the account in the beneficiary's name. Mr. Decker confirmed that an apostille satisfies notary authentication requirements and that no statutory prohibition was identified preventing a nonresident alien beneficiary from maintaining an account. Ms. Rougeou motioned to accept the foreign notary and to allow the beneficiary to establish a non-resident alien account. Mr. Travis approved the motion. The motion carried unanimously.

City Park Conservancy Rollover Process: Ms. Monaghan presented the City Park Conservancy (501c3) request to allow their participants to roll balances into the agency's 403b Plan with another carrier. All participants are considered contractors of the State of LA as the City Park Conservancy is working for the New Orleans City Park Agency. A deconversion is not possible because 457b funds cannot move directly into a 403b Plan. Approval is needed to allow the City Park Conservancy to add a termination-from-service date to each account which will enable participants to roll their funds to the 403b Plan as a distributable event. The agency is giving participants the option to stay in the 457b Plan but if they stay, those participants will not receive the agency's 403b match. Participants that have outstanding loans in the 457b Plan may choose to stay so that their loan remittance payments can be continued by the participant via ACH payment (not through payroll deduction). Once loans are paid off, another termination date will be added. Loans cannot transfer over to a 403b Plan. Mr. Lester stated that the Plan Document does not address this type of scenario where the employer is the State contractor and this may need to be reviewed in the future. Ms. Rougeou motioned to allow participants to transfer balances from the 457b Plan to the City Park Conservancy 403b Plan once a "Transfer Election" form is signed/received from each participant. A termination-from-service date of February 24, 2026, will be added to participant files. Employees with loans will go to self-payment from payroll deduction. Mr. Buras seconded the motion. The motion passed unanimously.

Plan Document: In Lieu of Social Security (Loans and Hardships): Mr. Dyse reviewed a Hardship request that was approved and processed for a participant who is contributing in lieu of Social Security. The agency payroll representative contacted the Baton Rouge office in response to an Empower report instructing the agency to stop contributions for a six-month period, a Plan Document requirement of the hardship provision. The participant was contacted and advised not to cash the check received as she was not eligible for hardship distribution based on her participation in the Plan in lieu of Social Security. Two issues: The participant cashed the check received. Empower does not have the ability to track in lieu of participants in the Plan. Mr. Dyse requested a team be established to determine the steps necessary to identify 3121 participants within the Plan and how to administer the accounts appropriately within the Plan. The members of the team will include Mr. Dyse, Ms. Monaghan, Ms. Carrigan, Ms. Hubbard, and Mr. Lester. Mr. Lester reported that the Plan Document does not address recovery of improperly distributed funds. Mr. Lester requested the Commission's approval to meet with Tarcza and Associates to determine what the Commission's due diligence is in relation to the funds being improperly distributed to the participant. Ms. Rougeou motioned to allow Mr. Lester to consult with Tarcza and Associates and take whatever action is recommended. Mr. Travis seconded the motion. The motion passed unanimously. Mr. Lester shared that the Plan Document currently requires that contributions be suspended for six months after a hardship withdrawal. Mr. Dyse stated that 2019-2020 legislation eliminated the required six-month suspension. It is at the Commission's discretion to amend and repeal the six-month suspension requirement. The Commission will revisit this topic at a later date. In the case of the 3121 employee who received the hardship distribution in error, the agency must continue to send in lieu of contributions to the Plan.

Audit Update

Mr. Bradley LeJeune of Daigrepont & Brian, Certified Public Accountants, has submitted a letter outlining the scope and objectives of the 2025 Plan audit. Ms. Hodges signed the letter acknowledging receipt. Empower has ordered a comprehensive audit package to be distributed to Mr. LeJeune for use in completing the audit report.

2026 Commission Election Update

A review of action taken in preparation for the upcoming Commission election was presented. The Nominating Committee met on January 6, 2026, and unanimously endorsed Ms. Sanders for the position. Drew Heaphy and Jesse Deroche have qualified to run for the position. Mr. Travis motioned to include postage page return envelopes for use in submitting ballots. Mr. Buras seconded the motion. The motion carried unanimously. An electronic drawing was conducted on February 18, 2026, to determine the order in which the candidate names would appear on the ballot: Laney Sanders, Drew Heaphy and Jesse Deroche. Ms. Rougeou motioned to accept the proposal from Duplantier Hrapmann Hogan & Mahan LLP as the accounting firm that will be responsible for counting the ballots. Mr. Travis seconded the motion. The motion carried unanimously.

Other Business

Participant Request - Make Options Trading Available: A request was received from participant, Roland Derouen Jr., that the self-directed brokerage portion of the LA Deferred Comp Plan includes the ability to trade options. Mr. Dyse advised that the Commission can determine the investment vehicle/types within in the self-directed Schwab account. The Commission decided to research this issue and discuss it further at the next meeting.

Enhanced Missing Participant Service: "Lost" participants are those accounts that have a mail "hold" on accounts. The enhanced service will allow Empower to reach out to the participants in a more comprehensive way in an effort to find the individuals so that they may have access to funds within the account. The cost associated with this service would be charged directly to the participants. Additional information is forthcoming.

Executive Order on Alternatives Allowed in the Plan: There are more and more opportunities related to products available to plans like LA Deferred Comp. Mr. Di Girolamo stated that this is very new and is something that can be discussed further as more information becomes available.

Legislation Prohibiting Investments in China: Ms. Hodges reported that there is potential for a new bill that would prohibit investments in China.

Adjournment

With there being no further items of business to come before the Commission, Chairperson Hodges declared the meeting adjourned at 11:34 a.m.

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Laney Sanders, Secretary