



2023 Investment Committee Annual Report

LES Administration Board | April 19, 2024

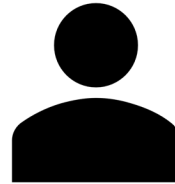
Bryan Willnerd | Lincoln Electric System
Manager, Treasury & Risk Management

LES's Investment Committee provides oversight of the retirement plans in accordance with LES policies



LES Administrative Board

- Designates Investment Committee members
- Adopt amendments to the Plan documents
- Authorize execution of provider agreements



Investment Committee

- Chief Executive Officer
- VP Financial Services and Chief Financial Officer
 - VP Corporate Operations
- VP Communications & Corporate Records and General Counsel
- Manager, Human Resources



Internal Audit

- Performs an audit of the plans every four years

External parties administer the retirement plans in accordance with LES policies



Third-Party Administrator & Recordkeeping Services

- Vanguard
- Began relationship in 2013
- Renewed the Vanguard agreement in 2023 via a Request for Proposal



Third-Party Investment Consultant

- CapTrust
- Began relationship in 2016
- Renewed contract in 2022



External Legal Counsel

- Cline Williams
- Ongoing relationship



Third-Party Audit Consultant

- The Angell Pension Group
- Specializes in Retirement Plan Audits
- Performed every four years

LES Retirement plan data as of December 31, 2023

	401k Plan	457b Plan
Plan Asset Size	\$189M	\$15M
# Available Funds To Participants ¹	14 Funds + Target Date Funds	
Plan Participation Rate % / VG Benchmark	98% / 78%	12%
Participant Match	Yes	No
Auto-Escalation	Yes	No
LES vs Peer Fund Expense Ratio ^{1,2}	0.20% / 0.35%	0.29% / 0.47%

¹ Calculated on a "Weighted Average" basis

LES offers diverse investment options to participants

Tier 1: Target Date / Hybrid

Target Date Funds:

Vanguard Target Retirement Funds

Hybrid Fund:

Vanguard Wellington

Tier 2: Passively Managed

Domestic Equity:

Vanguard Total Stock Market Index Institutional (*Large Cap Blend*)

International Equity:

Vanguard Total International Stock Index Admiral (*Large Cap Blend*)

Bond Fund:

Vanguard Total Bond Market Index Institutional (*Investment Grade Intermediate*)

Tier 3: Actively Managed Funds

Domestic Equity:

Vanguard Equity Income Admiral (*Large Cap Value*)

Victory Sycamore Established Value Fund (*Mid Cap Value*)

Fidelity Contrafund (*Large Cap Growth*)

MFS Mid Cap Growth Fund CT (*Mid Cap Growth*)

DFA U.S. Small Cap Institutional (*Small Cap Blend*)

International Equity:

Dodge & Cox International Stock (*Large Cap Value*)

Bond Fund:

Vanguard Retirement Savings Trust III (*Investment Grade Short*)

Vanguard Inflation-Protected Securities Admiral (*Investment Grade Intermediate*)

Allspring Core Bond Fund (*Investment Grade Intermediate*)

Other Funds:

DFA Emerging Markets Core Equity Institutional (*Diversified Emerging Markets*)

The Investment Committee discusses routine and specific items at quarterly meetings

Routine items:

- Investment performance benchmarking
- Market trends and asset class performance
- Policy compliance and Plan amendments
- Fund management changes *(As needed)*
- Participant inquiries *(As needed)*
- Participant communications & education
- Uncashed participant checks

2023 specific items:

- Changes to the Secure 2.0 Act
- Self-Directed Brokerage Option for LES participants
- Vanguard Cyber questionnaire
- Activity within the GIA Fund and eventual closure of the Fund
- Recordkeeper Request for Proposal
- Replacement of the Hartford MidCap Fund
- Investment Committee Fiduciary Training

Questions

