Creighton University
Retirement Plan Committee
Meeting Minutes
March 9, 2015

Present: Jeff Branstetter, John Jess, Christina Murcek and Jessica Graner
Absent: Randy Jorgensen

Invited Guests: Brad Balkin, Chris Godwin - TIAA-CREF Representatives

Consultants: Tom Scalici and Jeff Sharp

Mr. Scalici called the meeting to order at 8:00 a.m. Mr. Branstetter introduced Jessica Graner as a new member of the Retirement Committee. Mr. Branstetter then turned the meeting over to Mr. Scalici to introduce Brad Balkin and Chris Godwin, representatives of TIAA-CREF to update the committee on operations at TIAA-CREF as well as new initiatives.

Brad Balkin briefed the committee on services that TIAA-CREF is performing for Creighton University as well as additional services that they could be providing. Mr. Balkin provided a recap of plan activity including 106 individual consultations and approximately 1,200 plus phone calls to their service center. Also, they had over 18,000 logins to the website. TIAA-CREF has 1,639 total participants with balances in the Creighton 403(b) plan. Almost 1,100 are age 55 and older. Mr. Balkin also reviewed data on age demographics of participants that have elected an annuity income payout, some of whom are in their 90's.

Mr. Godwin from TIAA-CREF then reviewed incurred costs by Creighton participants who have assets with TIAA-CREF. The average weighted fund expense ratio is 49.6 basis points while the expense realallowance total is 20.4 basis points. Mr. Godwin reviewed a history of the fund flows into and out of the plan since 2009. In 2014 plan contributions to TIAA-CREF totaled approximately $4.1m. At year end there were 281 active participants. Of these, 185 are age 55 and older. By way of comparison, active participants were at 479 at year end 2009 and contributions were approximately $6.4m.

Mr. Scalici asked specific questions relative to the expense realallowance charged by TIAA-CREF. He also summarized previous conversations with TIAA over the last few years wherein TIAA was asked to reconsider its fees structure. The ensuing discussion focused on the reasonableness of plan fees relative to the volume and value of the services provided. Despite distributions exceeding contributions, plan assets have grown by more than $40 million since 2009 and therefore TIAA’s revenue from the plan has increased. In contrast, Principal has reduced its recordkeeping fees twice since 2009 in recognition of the growth in plan assets. TIAA’s position is that over the next 10-15 years, plan assets are likely to decrease given the demographics of the plan. While that may materialize, in the meantime, TIAA will continue to earn its existing recordkeeping fees on the higher asset total. Therefore, Mr. Scalici reiterated the committee’s position that a pricing adjustment is warranted. The TIAA-CREF representatives indicated that they will go back to see if the expense allowance collected by TIAA-CREF can be reduced and report back to the committee. The TIAA-CREF consultants were excused after 70 minutes of discussion.
Market and Economic Overview
Mr. Scalici provided an overview of the Fourth Quarter Market and Economic Commentary. He reviewed the Asset Class Index Performance report reflecting performance through December 31, 2014, along with selected charts and graphs related to economic performance and markets.

Principal Platform Review
Mr. Scalici reviewed the changes to the assets in the Principal Core Fund lineup. The assets began the quarter at $226,568,317 and ended the quarter at $230,758,555. During the quarter, contributions were $3,485,993, withdrawals were $5,570,922 and changes in investment values were $6,275,167.

As of December 31, 2014, 79% of plan assets in the Principal platform were in equities, and 21% were in fixed income, guaranteed income and cash. The committee agreed that ongoing education on asset allocation is important to plan participants since, in general, the overall risk profile is increasing slightly over time.

For the quarter, the plan’s net investment return was 2.77% versus the Blended benchmark return of 3.08%. The index funds have done well relative to actively managed funds. Mr. Scalici reviewed the relative rankings of each fund, including the Beta, Sharpe ratio and Fund Expense ratio.

Mr. Scalici reviewed the plan level costs and related fund-revenue sharing from Principal as contained on page 10 of the report. The average revenue sharing for the quarter was 17.81 basis points. Principal continues to charge 15 basis points to administer the plan. The remaining 2.81 basis points of revenue sharing are used to pay the consultant fees. The balance of any plan-related fees is paid directly by Creighton University.

The committee briefly discussed the changes to the Diamond Hill fund and related impact on revenue sharing to individual participants. Mr. Scalici is waiting for Principal to provide a resolution of the matter and will report to the Retirement Committee at the next meeting.

Mr. Branstetter asked that for the next Retirement Committee meeting representatives from Principal Financial be invited to share their recent advice activities/feedback, education plan, and Retirement Readiness initiatives for the next 2 years.

TIAA-CREF Platform Review
The TIAA-CREF Core fund activity was reviewed. The TIAA-CREF assets were $232,946,190 as of October 1, 2014 and finished the fourth quarter at $231,249,776. Contributions totaled $857,783, withdrawals were $6,887,330 and changes in investment values were $4,586,984.

The updated rolling asset allocation page of the review book shows that the overall allocation to equities has remained stable and ended at 52% for the quarter ended December 31, 2014. The weighted return for the quarter was 1.97%, compared to the weighted benchmark return of 1.56%. Generally, the TIAA-CREF funds performed well during the quarter and for the 12 months ended December 31, 2014.
Total Investment Platform Overview
The aggregate total plan assets as of the end of the quarter were $462,008,321. Contributions during the quarter totaled $4,343,776, withdrawals were $12,458,252 and changes in investment values were $10,862,151.

The overall total plan allocation reflects:
- Domestic Equities 26.9%
- International Equities 3.8%
- Global Equities 17.8%
- Asset Allocation 23.0%
- Fixed Income 4.3%
- Alternatives 3.9%
- Cash and Equivalents 19.4%
- Other 0.8%

Fiduciary Training
Prior to the next meeting, Jessica Graner will sit down with Mr. Scalici to go through some formal fiduciary training on the plan, as well as be provided with a brief history of events over the last few years.

Seeing no further business, the meeting adjourned at 9:45 a.m.