Creighton University
Retirement Plan Committee
Meeting Minutes
June 8, 2015

Present: Jeff Branstetter, John Jesse, Christina Murcek, and Jessica Graner, Randy Jorgensen
Absent: None

Invited Guests: Bill Jordan and Denyce Wingert – Principal Financial Representatives, Tammy Biggs and Angie Mills - Creighton University Human Resources

Consultants: Tom Scalici and Jeff Sharp

Mr. Branstetter called the meeting to order at 8:00 a.m.

Principal Financial
Denyce Wingert from Principal Financial reviewed various tools and strategies The Principal Financial is making available to Creighton participants. This included a review of the Principal participant website, the Retirement Wellness Planner, as well as statistics related to onsite participant education meetings held at Creighton. Ms. Wingert also reviewed the Retirement Transition Guide. Additionally, a video was shown to the committee that will also be shown to participants over the coming weeks. It is designed as an "interactive conversation" that will help participants potentially achieve Retirement Readiness. Principal will be introducing new calculators on the website that will help participants plan for retirement. Since inception, Principal has spent 171 days on campus, met with 1,676 participants, increased participation 11% and increased participant deferrals by 50%.

Bill Jordan reviewed specific data on the Creighton retirement plan including assets held both at TIAA-CREF and Principal. Overall, 37% (up from 27% a year ago) of participants have a 70% or greater income replacement ratio. The goal is 85% replacement ratio. Overall, the current average replacement ratio for all participants is 60.2%. This is based only on data in Principal’s recordkeeping system and does not include any outside assets or sources of income participants may have. According to Bill these are above average numbers relative to their recordkeeping client base. Data was also reviewed by participant salary and service.

Overview of Tibble v Edison Case

Mr. Scalici reviewed the case with the committee. The case relates to the fiduciary duties to continually monitor the core fund menu and highlights the trend toward using institutionally priced funds with little to no revenue sharing or utilizing fee equalization strategies so all funds provide the same amount of revenue. Mr. Scalici indicated that the committee will continue to be briefed on the conclusions from the case in terms of best practices. The committee asked the consultants to put together various cost options that would move the plan to more of a levelized revenue sharing arrangement and institutionally priced funds.
Update on TIAA Pricing

Mr. Scalici updated the committee on the discussions with TIAA-CREF relating to fees and custody pricing. The discussion with TIAA-CREF is ongoing and the committee will be briefed again at the next regularly scheduled meeting. TIAA has steadfastly refused to lower the pricing of the plan despite numerous meetings and conversations over the last 6 years. The Committee will continue to monitor TIAA-CREF fees and pricing.

Market and Economic Overview

Mr. Scalici provided an overview of the First Quarter Market and Economic Commentary. He reviewed the Asset Class Index Performance report reflecting performance through March 31, 2015, 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 $230,758,555 and ended the quarter at $236,280,525. During the quarter, contributions were $4,113,533, withdrawals were $5,327,055 and changes in investment values were $6,735,492.

As of March 31, 2015, 75% of plan assets in the Principal platform were in equities and 25% were in fixed income, guaranteed income and cash.

For the quarter, the plan’s net investment return was 2.92% versus the Blended benchmark return of 2.38%. 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. He noted the poor relative rankings for the Royce Total Return Fund on the IPS Criteria Dashboard and stated that, given these rankings and the 1.18% expense ratio, the consultants may make a recommendation at the next committee meeting to replace the fund.

Mr. Scalici reviewed cash flow in the plan for the quarter. 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 17.35 basis points. Principal continues to charge 15 basis points to administer the plan. The remaining 2.35 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.

TIAA-CREF Platform Review

The TIAA-CREF Core fund activity was reviewed. The TIAA-CREF assets were $231,249,776 as of January 1, 2015 and finished the first quarter at $234,036,218. Contributions totaled $991,077, withdrawals were $2,810,765 and changes in investment values were $4,806,095.

The updated rolling asset allocation page of the review book shows that the overall allocation to equities ended the quarter at 50%. The weighted return for the March 31, 2015 was 2.08%, compared to the weighted benchmark return of 1.91%. TIAA-CREF charges 18 basis points to administer the TIAA-CREF plan.
Total Investment Platform Overview

The aggregate total plan assets as of the end of the first quarter were $470,423,744. Contributions during the quarter totaled $5,104,611, withdrawals were $8,137,820 and changes in investment values were $11,544,539.

The overall total plan allocation reflects:

- Domestic Equities 26.7%
- International Equities 3.9%
- Global Equities 17.5%
- Asset Allocation 23.5%
- Fixed Income 4.2%
- Alternatives 3.9%
- Cash and Equivalents 19.4%
- Other 0.9%

Seeing no further business, the meeting adjourned at 9:30 a.m.