Present: Jeff Branstetter, John Jesse, Jessica Graner, Christina Murcek, Molly Billings and Randy Jorgensen

Absent: None

Consultants: Tom Scalici and Jeff Sharp

Mr. Branstetter called the meeting to order at 12:04 pm.

Market and Economic Overview
Mr. Scalici provided an overview of the Fourth Quarter Market and Economic Commentary. He commented on recent volatility in the market. He then reviewed the Asset Class Index Performance report reflecting performance through December 31, 2015, along with selected charts and graphs related to economic performance and markets.

Principal Platform Review
Mr. Scalici reviewed the assets in the Principal Core fund lineup. The assets began the quarter at $222,395,257 and ended the quarter at $232,079,122. During the quarter, contributions were $4,357,476, withdrawals were $2,349,912 and changes in investment values were $7,676,301.

As of December 31, 2015, approximately 79% assets in the Principal platform were in equities and 21% were in fixed income, guaranteed income and cash.

For the quarter, the plan’s net investment return was 3.45%, and the Blended Benchmark return was 3.85%. Through the 12 months ending December 31, the overall plan performance increased .03%, and the benchmark decreased .25%. 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 shown on page 11 of the report. The average revenue sharing for the quarter was 17.38 basis points. Principal continues to charge 15 basis points to administer the plan. The remaining 2.38 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.

Mr. Scalici reviewed the history of the recordkeeping costs for both the Principal platform and TIAA-CREF. He also reviewed the history of the advisory fee charged by consultants to the plan. Effective January 1, 2016, both Principal and Cornerstone reduced their recordkeeping and advisory fees. Since the plan transitioned to Principal in November 2009, the recordkeeping and advisory fees, as a percentage of assets, have declined 26% and 30% respectively for a total pricing decrease of 28% over that time. TIAA-CREF’s recordkeeping expenses have declined 14% over the same period.
Next, the consultants raised the issue of fee leveling, which is quickly becoming an emerging best practice in the industry. Historically, it has been a common practice for the revenue-sharing portion of the fund expense to pay for the expenses of the plan. If the revenue sharing exceeds the plan expenses, the excess is credited back to participants. If there is a shortfall, the balance is either billed to participants or paid by the employer. However, in most plans, the revenue-sharing portion of each fund differs, which is the case with Creighton University’s plan.

Under fee leveling, on a quarterly basis, any revenue sharing generated by a fund would be credited back to the participants who paid it, and then a level percentage fee would be charged against the value of each participant account so that all participants pay the same “level” percentage amount. Most participants would realize no change in fees paid under the proposed change. After examining the concept, the Committee agreed that they wanted to move to a level revenue model and asked the consultants to put together some alternatives as to how this can be implemented at Creighton University. The consultants also recommended some potential fund changes that could be implemented at the same time. The Committee asked if the consultants could formalize both recommendations and provide them in advance of the next committee meeting so that they can be approved at that time. It is likely both changes will go into effect October 1, 2016.

Mr. Branstetter asked the consultants to provide data at the next meeting on participant use of the Retirement Readiness planning tool in the Principal platform, as well as analyze the trends from last year to this year.

TIAA-CREF Platform Review
The TIAA-CREF Core fund activity was reviewed. The TIAA-CREF assets were $221,548,043 as of October 1, 2015 and finished the fourth quarter at $223,582,267. Contributions totaled $825,358, withdrawals were $5,125,554 and changes in investment values were $6,584,304.

The updated rolling asset allocation page of the review book shows that the overall allocation to equities ended the quarter at 51%. The weighted return for the quarter ending December 31, 2015 was 2.97%, and the weighted benchmark return was 3.30%. Year to date, the total return is 1.60% and the blended benchmark is 1.00%. There were no recommended fund changes on the TIAA-CREF platform.

The overall total plan allocation reflects:
- Domestic Equities: 26.8%
- International Equities: 3.9%
- Global Equities: 16.6%
- Asset Allocation: 23.8%
- Fixed Income: 4.4%
- Alternatives: 3.8%
- Cash and Equivalents: 20.0%
- Other: 0.8%

Total Investment Platform Overview
The aggregate total plan assets as of the end of the fourth quarter were $455,756,111. Contributions during the quarter totaled $5,182,834, withdrawals were $7,475,466 and changes in investment values were $14,264,944.
Money Market Legislation Update
Mr. Scalici discussed new legislation related to the money market funds. Changes in our fund will be required and will be replaced with the Vanguard Federal Money Market fund. TIAA-CREF will convert their money market account into a Federal Money Market Account. The options will be reviewed at the next meeting as described above. TIAA-CREF will also be removing their fee waiver effective April 2017. If interest rates do not rise, it is possible the fund will have a negative yield because the management fee is .36%. The consultants said they would explore alternatives on the TIAA-CREF platform.

403(b) Plan Design Update
Mr. Branstetter provided a brief overview of some of the plan design changes that are being considered for January 1, 2017. These include clarifying the definition of compensation and adding a Roth contribution source.

457(b) Plan
Mr. Scalici reviewed the 457(b) core fund lineup composition. The consultants are working with Principal to make changes so the lineups are identical to the main 403(b) plan. Currently, there are two funds that are different and need to be changed. The last time this plan was formally communicated to participants was several years ago. Creighton University will be rolling out a campaign to eligible participants later this year on the benefits of this program.

2016 Education Plan
The Committee discussed the education plan for the next year. Principal will provide an update to the retirement committee in the third quarter of 2016. The Committee also discussed doing a survey for participants to get their feedback on the Principal platform, the tools that they make available and the ease of use. A game plan for surveying participants will be presented at the next meeting.

With no further business, the meeting adjourned at 1:25 pm.