Creighton University  
Retirement Plan Committee  
Meeting Minutes  

August 30, 2016  

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

Absent: None  

Consultants: Jeff Sharp and Tom Scalici  

Mr. Branstetter called the meeting to order at 7:30 am.  

**Fee Lawsuits against Higher Education Institutions Discussion**  
The Retirement Plan Committee (Committee) reviewed a presentation on the recently filed fee lawsuits against large colleges and universities. The document included an overview of the allegations, the plan demographics and the providers involved. Interestingly, other than the amount of assets, the profile looked very similar to Creighton's plans in 2007. The Committee then reviewed a document showing a history of Creighton's action steps since 2007 that proactively address many of the issues raised in these lawsuits. The Committee has a long history of making decisions in the best interest of plan participants, including:  
- A formal governance process  
- Negotiating seven fee decreases in the last seven years (resulting in a 30% cost reduction, as a percentage of assets)  
- Conducting fee benchmarking studies  
- Reducing the number of fund options  
- Monitoring funds on a quarterly basis  
- Conducting heightened qualified default investment alternative due diligence  
- Monitoring the education program  

**Fee Leveling**  
The committee reviewed a recap of the existing Principal revenue sharing and billed fees. Principal has two ways of fee leveling. One option includes maintaining the existing fund menu, crediting any revenue sharing built into each fund back to the participant accounts that created it and replacing it with a level fee that is applied to all fund options. The other option includes using institutional-only fees so that no fund provides any revenue sharing and then adding a level fee to pay for plan expenses. Both options have the same net effect on participants. The committee is considering implementing fee leveling effective January 1, 2017 and will make a final decision on the process prior to the next committee meeting.   

There is currently no way to implement fee leveling on the existing TIAA-CREF platform because they are all individual accounts.  

The committee discussed performing a fee benchmarking of the platforms, funds and consultants. The consultants agreed to update the plan fee benchmarking study and provide a TIAA-CREF and Principal due diligence and capabilities analysis.
David Howard (TIAA-CREF) Discussions Update
Mr. Scalici updated the committee on conversations held with Mr. David Howard at TIAA-CREF. Mr. Scalici continues to press TIAA-CREF to reduce platform fees from the current 18 basis points. TIAA-CREF indicated they will re-evaluate the situation then report back to the consultants. The consultants will push TIAA-CREF for a decision prior to the next retirement committee meeting. At some point, without TIAA-CREF fee reductions, the committee may decide to preclude any new deposits of participant deferrals into the TIAA-CREF platform.

Market and Economic Overview
Mr. Scalici provided an overview of the second 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 June 30, 2016, 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 $234,158,518 and ended the quarter at $239,987,242. During the quarter, contributions were $4,108,547, withdrawals were $2,331,344 and changes in investment values were $4,051,521.

As of June 30, 2016, 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 1.73% and the blended benchmark return was 1.89%. The difference was primarily attributable to indices doing well and the funds not doing poorly since the overwhelming majority of funds outperformed their peer groups for the quarter.

TIAA-CREF Platform Review
The Committee reviewed the TIAA-CREF core fund activity. The TIAA-CREF assets were $223,946,595 as of April 1, 2016 and finished the second quarter at $225,106,262. Contributions were $1,633,943, withdrawals were $3,488,384 and changes in investment values were $2,977,773.

The updated rolling asset allocation page of the review book shows the overall allocation to equities ended the quarter at 50%. The weighted return for the quarter ending June 30, 2016 was 1.33% and the weighted benchmark return was 1.58%.

The overall total plan allocation reflects:
- Domestic equities: 27.2%
- International equities: 3.8%
- Global equities: 15.8%
- Asset allocation: 24.0%
- Fixed income: 5.1%
- Alternatives: 3.7%
- Cash and equivalents: 19.6%
- Other: 0.8%
Total Investment Platform Overview
The aggregate total plan assets as of the end of the first quarter were $465,186,644. Contributions during the quarter were $5,742,490, withdrawals were $5,819,727 and changes in investment values were $7,030,661.

Fund Performance Review
Diamond Hill and Principal target date funds performed in the third quartile of their respective peer groups for the quarter. Longer term performance has met the criteria in the investment policy statement. The domestic equity funds and managers have all done well over the last year. While international markets are still down more than 10% in the last year, our international equity funds have held up well on a relative performance basis.

The committee reviewed the RetireView portfolios, which have done well on a risk-adjusted basis.

The TIAA-CREF target date funds also performed in the third quartile of the peer group for the quarter, largely because of their international exposure. Longer term performance has met the criteria in the investment policy statement.

Investment Policy Statement
The Committee reviewed an updated investment policy statement reflecting plan demographics through June 30, 2016. Both Mr. Branstetter and Mr. Scalici signed the document.

Plan Demographic Data
The Committee reviewed the plan demographic report. Participant usage of the internet and customer support services at Principal is pretty consistent with last year with no major deviations to report.

Retirement Readiness/Participant Experience
Principal developed a “Move to Green” challenge in order to increase participant contributions. There will also be more education and communication provided on the benefit of Roth deferrals.

Principal also developed a new dashboard that allows the Committee to analyze participant demographics as a way to enable a more targeted education and communication campaign. This will help the Committee assess “retirement readiness” of plan participants. The Committee spent time reviewing the various demographic categories as it relates to participation, deferrals and retirement readiness.

With no further business, the meeting adjourned at 9:30 am.