

**Creighton University
Retirement Plan Committee
Meeting Minutes
Meeting Held Via Conference Call**

November 18, 2020

Present: John Jesse, Angie Mills, Dr. Edward Horwitz, Molly Billings, Randy Jorgensen, Beth Thomas

Absent:

Consultants: Jeff Sharp, SilverStone Asset Management, a HUB International company; Tom Scalici, Cornerstone Advisors Asset Management, LLC, Katie Skorupski and Jeff Hughes, TIAA.

Angie called the meeting to order at 8:30 am.

Plan Outcome Assessment and Plan Efficiency Profile Reports

Jeff reviewed the Plan Efficiency Profile. This report measures overall plan efficiency, automation and use of technology. The plan's overall score is 73.8 versus peer institutions at 70.4. This compares to a score of 59.5 a year ago and shows significant improvement. The plan received above average or perfect scores in six of the seven categories. The only exception was use of Special Policy Language. Jeff was going to review this since several revisions were made this year. Ultimately, this has a positive impact on plan pricing.

Katie Skorupski reviewed the Plan Outcome Assessment with the committee. A variety of data points were examined including an average total savings rate of 15.5%, a 95% participation rate, and a 93.5% average retirement income replacement ratio. She commented that, on a relative basis to other plans handled by TIAA, Creighton has a very attractive overall plan success profile. Targeted education to participants who have all their money in the TIAA Traditional account was one suggested area of focus.

TIAA Advice Delivery Correction

Katie briefed the committee on the TIAA advice delivery correction. Some of the assumptions made with the advice program were calculating incorrectly. TIAA uses Morningstar for this purpose. The correction related to the amount of risk taken based upon the analysis. TIAA asked the three Creighton participants

impacted to re-take the analysis and made restoration payments in the event the participant missed out on market gains, if applicable. These impacted approximately 4,000 participants of the six million handled by TIAA nationally.

Katie's review lasted thirty minutes.

Market and Economic Overview

Mr. Scalici provided an overview of the third quarter market and economic commentary as well as YTD returns. He then reviewed the asset class index performance report, reflecting performance through September 30, 2020, 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 \$332,981,324 and ended the quarter at \$348,902,656. During the quarter, contributions were \$4,274,240, withdrawals were (\$9,750,742) and changes in investment values were \$21,509,341. As of September 30, 2020, approximately 72% of assets in the Principal Platform were in equities and 28% were in fixed income, guaranteed income and cash. Asset allocation portfolios hold approximately 41% of assets on the Principal Platform.

Principal Platform Fund Performance Review

The weighted performance of assets for the quarter was 6.46%. This compares to the blended benchmark of 6.46%. Year-to-date, at the platform level, the performance was 5.02% compared to the blended benchmark of 4.48%. The committee reviewed each of the individual fund choices and compared them to the appropriate benchmark. Historical plan performance has annually averaged 10.56% versus the blended benchmark return of 10.36% since the beginning of 2010. The committee also reviewed the Investment Policy Statement (IPS) Performance Criteria Dashboard, the participant activity in the plan as well as internet and voice response usage.

All three large cap growth funds performed in the bottom quartile over the last twelve months, primarily because they have diversified away from some of the large tech names that have been leading the market. All three have shown fairly significant improvement in the third quarter as the large tech rally is slowing down, with Growth Fund of America and the Fidelity Contrafund both being in the top half of the peer group over the last twelve months through September 1. As a result, no fund changes were recommended in the meeting.

TIAA-CREF Platform Fund Performance Review

The committee reviewed the TIAA-CREF Core Fund activity. The TIAA-CREF assets were \$226,596,122 as of July 1, 2020 and finished the third quarter at \$234,482,738. Contributions were \$480,323, withdrawals were (\$3,363,520) and changes in investment values were \$10,927,956.

The overall allocation to equities for the quarter was approximately 50%. The weighted return for the quarter ending September 30, 2020 was 4.82% and the weighted benchmark return was 4.39%. Year-to-date, the performance was 3.65% compared to the blended benchmark of 2.14%. Since 2010, annualized performance has been 7.29% versus the index of 6.71%. The committee reviewed the individual fund performance relative to the appropriate asset class benchmark.

During the quarter, several fund changes were implemented including the switch from the TIAA to American Funds target date funds. As a result, except for the TIAA annuities, the fund lineups on both platforms are virtually identical.

Total Investment Platform Overview

The aggregate total plan assets as of the end of the third quarter were \$589,136,392. Contributions during the quarter were \$4,754,563, withdrawals were (\$13,114,262) and changes in investment values were \$32,800,415. Through September 30, 2020, there were more than \$25 million in gains for the year.

The overall total plan allocation reflects:

- Domestic equities 29.4%
- International equities 4.3%
- Global equities 11.7%
- Asset allocation 27.5%
- Fixed income 5.7%
- Alternatives 3.2%
- Cash and equivalents 17.8%
- Other 0.4%

Mr. Scalici reviewed plan costs. The overall cost of the Principal platform is 0.43% while the overall cost of the TIAA platform is 0.41%.

Other Topics Discussed

Mr. Scalici reviewed with the committee the TIAA Real Estate fund profile due to the dynamics that exist in different sectors of the real estate market. In 2009, this fund implemented liquidity restrictions for up to 12 months. This prevented participants from transferring out of this fund during that period. No such restrictions presently exist nor can the fund be removed from the annuity contract. The consultants merely wanted to educate the Committee of that contract provision in case TIAA ever elected it again. Also reviewed was the performance recap of the fund relative to the REIT index over the last 20 years.

A discussion was had regarding restoring the employer contribution to the plan. The consultants shared that a few schools had elected to partially or fully restore their contribution effective January 1, 2021, but that most were still evaluating

whether this was financially feasible. They also reminded the Committee that they do not have decision-making authority over this. They can make a recommendation to the University, but University leadership must approve any contribution changes. This continues to be a topic of conversation between both parties and modeling has been conducted to show the economic impact to the institution under various scenarios.

With no further business, the meeting adjourned at 10:00 am