

**Creighton University**  
**Retirement Plan Committee**  
**Meeting Minutes**  
**Meeting Held Via Conference Call/In Person**  
*September 21, 2021*

**Present:** John Jesse, Angie Mills (via Zoom), Dr. Edward Horwitz, Molly Billings, Randy Jorgensen, Sarah Richardson, Judi Szatko.

**Absent:** None

**Consultants:** Jeff Sharp, HUB Investment Advisors, Inc.  
Tom Scalici, Cornerstone Advisors Asset Management, LLC  
Katie Skorupski, TIAA-CREF

Angie called the meeting to order at 9:00 am.

**TIAA – Plan Outcome and Plan Efficiency Reports** – Katie reviewed the Plan Efficiency Profile for assets at TIAA. The total score was 71.6 versus peers at 71.4. Two items focused on were the plan census file and the plan document. We believe Creighton is now sending termination dates and that was the biggest piece of missing data. Since Principal maintains the document, the plan document score at TIAA was 0 out of 15. This was the only anomaly in the report. She also discussed the importance of registering for the website, creating a password. and selecting a beneficiary. This is something that will be communicated during the course of the year.

Next, she covered the Plan Outcome Assessment. Based on data on TIAA's system, the overall retirement readiness score was 86.9%, down 6.2% from last year. Part of this is attributed to the lower company contribution, part is due to the census in that only 142 of the 1,153 accounts belong to active participants. The primary driver of retirement readiness is contribution rate.

**Market and Economic Overview**

Mr. Scalici provided an overview of the second quarter market and economic commentary and returns. He then reviewed the asset class index performance report, reflecting performance through June 30, 2021, 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 \$385,597,776 and ended the quarter at \$406,989,780. During the quarter, contributions were \$5,042,727, withdrawals were (\$7,088,484) and changes in investment values were \$23,438,215. As of

June 30, 2021, approximately 75% of assets in the Principal Platform were in equities and 25% were in fixed income, guaranteed income, and cash. Asset allocation portfolios hold approximately 40% of assets on the Principal Platform.

### **Principal Platform Fund Performance Review**

The weighted performance of assets for the quarter was 6.08%. This compares to the blended benchmark of 6.20%. The committee reviewed each of the individual fund choices and compared them to the appropriate benchmark. Historical plan performance has annually averaged 11.66% versus the blended benchmark return of 11.47% since July of 2009. 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.

There were several funds that performed in the bottom quartile over the last 12 months for various reasons. The Baird Core Plus Bond fund and the Vanguard Total Bond Market Index Fund both closely track the Bloomberg Aggregate Bond Index which performed in the 99<sup>th</sup> percentile of the peer group over this time. The MFS Value Fund is a low beta manager, taking about 90% of the risk of the index. Risk-adjusted returns remain in the top quartile of the peer group. Finally, the more aggressive American Funds Target Date funds lagged their benchmark for two primary reasons: one, their below average risk profile and two, their allocation towards large growth stocks. Over the last three and five years, performance of these funds has been in the top quartile. Over 5 years there were no funds performing in the bottom quartile of its respective peer group. There were no fund changes recommended in this meeting.

### **TIAA-CREF Platform Fund Performance Review**

The committee reviewed the TIAA-CREF Core Fund activity. The TIAA-CREF assets as of April 1, 2021, were \$251,337,796, and ended the second quarter at \$260,768,302. Contributions were \$1,275,139, withdrawals were (\$3,906,417) and changes in investment values were \$12,049,350.

The overall allocation to equities for the quarter was approximately 56%. The weighted return for the quarter ending June 30, 2021, was 7.78% and the weighted benchmark return was 8.06%. Since 2010, annualized performance has been 8.29% versus the index of 7.79%. The committee reviewed the individual fund performance relative to the appropriate asset class benchmark.

Over the last 1, 3 and 5 years, the TIAA RASRA-CREF Inflation Linked Bond Fund and the TIAA RASRA-CREF Real Estate performed in the bottom quartile of their respective peer groups. Cornerstone has initiated additional due diligence on the Real Estate Portfolio since it underperformed by more than 3,000 basis points over the last year.

## **Total Investment Platform Overview**

The aggregate total plan assets as of the end of the second quarter were \$667,758,082. Contributions during the quarter were \$6,317,865, withdrawals were (\$10,994,901) and changes in investment values were \$35,487,565.

The overall total plan allocation reflects:

- Domestic equities 31.7%
- International equities 4.5%
- Global equities 12.9%
- Asset allocation 27.7%
- Fixed income 4.6%
- Alternatives 2.8%
- Cash and equivalents 15.3%
- Other 0.4%

The combined performance of overall 403(b) plan was 9.04% vs the blended benchmark returns of 9.03%. Since July 2009, annualized returns are 10.79% versus the blended benchmark at 10.26%.

The 457(b) and (f) plans were also reviewed.

## **Other Topics Discuss**

- Strategic Action Summary – Major action items for the year were reviewed
- Secure 2.0 Act – highlights of the proposed legislation were presented and briefly discussed
- SECURE Act Amendment - The Committee agreed to adopt the language allowing withdrawals for birth or adoption expenses
- DOL e-Delivery Guidelines – The Committee is working with the recordkeepers to promote electronic distribution of plan disclosures and statements
- Cornerstone Enhanced Services – Cornerstone provided a high-level overview of their capabilities to create custom target date models on both platforms. The Committee asked if we could provide some industry trends at our next meeting as well as review the solutions in greater detail.
- Pricing – During the next meeting we will review pricing of all vendors to determine the new wrap fee for 2022.

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

