

Creighton University
Retirement Plan Committee
Meeting Minutes
Meeting Held Via Conference Call/In Person
November 30, 2021

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

Absent: None

Consultants: Tom Scalici, Cornerstone Advisors Asset Management, LLC
Jeff Sharp, HUB Investment Advisors, Inc.

Angie called the meeting to order at 11:00 am.

Principal Update

Bill Jordan provided an update in terms of educational tools available through Principal. He highlighted Principal's Target My Retirement strategy. He also reviewed with the committee the education timeline for the upcoming year. If offered, this service would complement the one-on-one service Shawn is providing. He also reviewed plan demographics as well as provided a Cybersecurity update.

Fiduciary Training

Mr. Scalici provided a recap of ERISA Fiduciary responsibility and roles of the committee members. He highlighted the differences between a 3(38) Fiduciary Advisor and a 3(21) Fiduciary Advisor. Cornerstone acts on behalf of the plan as a 3(21) Advisor.

Mr. Scalici highlighted recent litigation involving higher education institutions including specific recent cases. The Tibble v. Edison International case was highlighted along with recent rulings related to excessive fees. Finally, pending legislation was reviewed with the committee.

The committee reviewed the Callan Best Practices Study and compared industry trends to how the Creighton plan is currently administered. Also reviewed were best practices as it relates to the Creighton Investment Policy Statement and activities related to managing the plan investments. Mr. Scalici reviewed the Creighton Fee Policy Statement as well. The Fee Policy Statement was executed in 2018. An updated document will be presented during the next review meeting.

Plan Fee Pricing Review

Mr. Scalici reviewed plan expenses by provider as well as the TIAA Revenue Credit Account. As a result of the growth in plan assets, Cornerstone proposed a 16.7% reduction in their fees from 3.6 to 3.0 basis points effective January 1, 2022. Additionally, Principal agreed to reduce their recordkeeping fee from 9.0 basis points to 6.0 basis points effective April 1, 2022. The Committee accepted both reductions. Cornerstone will coordinate the execution of amendments to the appropriate service agreements to implement these changes. As a result, the wrap fee on the Principal platform will decline from 13.0 basis points to 10.0 basis points effective April 1, 2022. Principal will coordinate the appropriate participant disclosures and distribute in February.

Mr. Scalici also shared the details of a conversation he had with TIAA regarding potential pricing reductions if all assets were consolidated on TIAA's platform. This led to a discussion about using this as an opportunity to run a formal RFP, since the last one was conducted in 2008. After much discussion, a motion was made, and the committee voted to begin the process of running a formal RFP in Q1 2022 with a goal of making a final decision by June 30, 2022. Running a formal RFP every decade or so is an industry best practice and one that has been strongly encouraged as a byproduct of the higher education lawsuits that have been resolved over the last 4 years. The consultants will put together a list of the top 6 or 7 providers and draft a sample RFP for the Committee's review. A sub-committee of the Retirement Plan Committee will be formed to provide oversight of this project.

Approval of Meeting Minutes

The minutes of the September 21, 2021, meeting were approved.

Market and Economic Overview

Mr. Scalici provided an overview of the third quarter market and economic commentary and returns. He then reviewed the asset class index performance report, reflecting performance through September 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 \$406,989,780 and ended the quarter at \$403,206,511. During the quarter, contributions were \$6,225,792, withdrawals were (\$8,291,166) and changes in investment values were (\$1,710,120). As of September 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 41% of assets on the Principal Platform.

Principal Platform Fund Performance Review

The weighted performance of assets for the quarter was -.42%. This compares to the blended benchmark of -.45%. The committee reviewed each of the individual fund choices and compared them to the appropriate benchmark. Historical plan performance has annually averaged 11.38% versus the blended benchmark return of 11.19% 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.

Over a 5-year period, there were no funds who performed in the bottom quartile of the peer group. Over a 3-year period, only the Fidelity Contrafund performed in the bottom quartile. Over the last year both bond funds, and the more aggressive American Funds Target date funds were in the bottom quartile. The bond funds track the Bloomberg Aggregate Index that performed in the 93rd percentile of the peer group and that explains their performance. With the target dates, long term performance remains in the top 5% of peers. There were no fund replacements recommended during the meeting, but enhanced due diligence is being initiated on the Fidelity Contrafund. This will be reviewed during the next meeting.

TIAA-CREF Platform Fund Performance Review

The committee reviewed the TIAA-CREF Core Fund activity. The TIAA-CREF assets as of July 1, 2021, were \$260,768,302, and ended the third quarter at \$258,106,728. Contributions were \$1,740,604, withdrawals were (\$4,057,788) and changes in investment values were (\$397,196).

The overall allocation to equities for the quarter was approximately 55%. The weighted return for the quarter ending September 30, 2021, was 7.62% and the weighted benchmark return was 8.10%. Since 2010, annualized performance has been 8.08% versus the index of 7.61%. The committee reviewed the individual fund performance relative to the appropriate asset class benchmark.

Over the last 3 and 5 years, the TIAA RASRA-CREF Real Estate performed in the bottom quartile of its respective peer groups. The index of the fund was changed to the NCREIF Total Index to reflect the management style of the fund more accurately. One-year performance is in the top half of the peer group.

Total Investment Platform Overview

The aggregate total plan assets as of the end of the third quarter were \$661,313,239. Contributions during the quarter were \$7,966,396, withdrawals were (\$12,348,954) and changes in investment values were (\$2,107,316).

The overall total plan allocation reflects:

- Domestic equities 31.7%
- International equities 4.4%
- Global equities 12.6%
- Asset allocation 28.1%
- Fixed income 4.6%
- Alternatives 3.0%
- Cash and equivalents 15.2%
- Other 0.4%

The combined performance of overall 403(b) plan was 8.69% versus the blended benchmark returns of 8.74%. Since July 2009, annualized returns are 10.54% versus the blended benchmark at 10.03%.

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

Other Topics

- Strategic Action Summary
- Plan Pricing Review
- Cornerstone Enhanced Services
- Cornerstone 457(b) Consulting Agreement Amendment
- Cornerstone 403(b) Consulting Agreement Amendment

With no further business, the meeting adjourned at 12:00 pm.