

Creighton University
Retirement Plan Committee
Meeting Minutes
Meeting Held In-Person
June 12, 2023

Present: John Jesse, Angie Mills, Dr. Edward Horwitz, and Judi Szatko,

Absent: Randy Jorgensen, Sarah Richardson and
Jeff Sharp, HUB Investment Advisors, Inc.

Consultants: Tom Scalici, Cornerstone Advisors Asset Management, LLC

Angie Mills called the meeting to order at 9:30 am.

Approval of Meeting Minutes

The minutes of the March 13, 2023, meeting were approved.

Market and Economic Overview

Mr. Scalici provided a brief overview of the first quarter market and economic commentary and returns. He then reviewed the asset class index performance report, reflecting performance through March 31, 2023, along with selected charts and graphs related to economic performance and markets. Interest rate policy, inflation and geopolitical events continue to drive market volatility.

Total Investment Platform Overview

The aggregate total plan assets as of the end of the first quarter were \$591,455,230. Contributions during the quarter were \$7,266,692, withdrawals were (\$15,229,800) and changes in investment values \$28,183,115.

The overall total plan allocation reflects:

- Domestic equities 30.2%
- International equities 4.1%
- Global equities 11.6%
- Asset allocation 30.4%
- Fixed income 4.2%
- Alternatives 3.2%
- Cash and equivalents 15.7%
- Other 0.5%

The combined performance of overall 403(b) plan for March 31, 2023, was 4.93% versus the blended benchmark returns of 5.49%. Since July 2009, annualized returns are 8.90% versus the blended benchmark at 8.53%. Since

that time, more than \$498 million in benefit payments have been made to terminated and retired plan participants. During the same period, the plan has had \$457 million in earnings.

Principal Platform Review

Mr. Scalici reviewed the assets in The Principal core fund lineup. The assets began the quarter at \$348,746,796 and ended the quarter at \$368,839,034. During the quarter, contributions were \$6,761,064, withdrawals were (\$5,466,045) and changes in investment values were \$18,729,073. As of March 31, 2023, approximately 73% of assets in the Principal Platform were in equities and 27% were in fixed income, guaranteed income, and cash. Asset allocation portfolios hold approximately 43.5% of assets on the Principal Platform.

The weighted performance of assets for the quarter was 5.37% versus the blended benchmark of 6.16%. The committee reviewed each of the individual fund choices and compared them to the appropriate benchmark. Historical plan performance has annually averaged 9.48% versus the blended benchmark return of 9.40% since July of 2009. The committee also reviewed the Investment Policy Statement (IPS) Performance Criteria Dashboard.

On May 3rd, the conversion from TIAA to Principal was completed with \$31.6 million in assets moved for 263 account balances. Of this amount, \$19.5 million moved in kind with \$12.2 million being liquidated and mapped into different like-kind funds per the mapping schedule.

The money in the TIAA Plan Expense Reimbursement Account was also transferred. Remaining at TIAA is \$188 million in 1,053 participant accounts. About \$3.8 million of those assets are in the TIAA Traditional and in the TIAA Stable Value Fund, which will transfer over the course of the next few years.

TIAA-CREF Platform Fund Performance Review

The committee reviewed the TIAA-CREF Core Fund activity. The TIAA-CREF assets as of January 1, 2023, were \$222,391,459, and ended the first quarter at \$222,616,197. Contributions were \$505,628, withdrawals were (\$9,763,755) and changes in investment values were \$9,454,042.

The overall allocation to equities for the quarter was approximately 52%. The weighted return for the quarter ending March 31, 2023, was 4.25% versus the weighted benchmark at 4.43%. Since 2010, annualized performance has been 6.82% versus the index of 6.48%. The committee reviewed the individual fund performance relative to the appropriate asset class benchmark.

The same information was reviewed for the 457(b) and (f) plans. At the end of March 31, 2023, total plan assets for the 457(b) were \$5,757,081, with overall equity exposure at 73%. Assets in the 457(f) plan were \$173,402 with equity exposure at 100%.

Fund Performance

Over a one-year and five-year period, there were no funds in the bottom quartile of their respective peer groups. Over three years, the most aggressive American Funds Target Date Funds were in the bottom quartile due to their overweight towards large growth stocks. With growth rebounding in 2023, more recent performance is improving significantly. The MFS Value Fund was also in the bottom quartile due to its exposure towards financial stocks.

Additional Topics of Discussion

Principal's Retirement Plan Executive Summary

The retirement wellness scores for Creighton's plan participants are markedly above Principal's average plan. Participation rate has remained steady at about 48.4%. Those who are contributing to the plan are adding about 10.9% of pay and almost 30% of participants are utilizing the Roth.

The committee discussed doing more detailed Roth communications in the future, once all the Roth provisions of SECURE 2.0 are finalized.

Fee Benchmarking

Annually, plan fees are benchmarked against peers. The 25th percentile of the peer group is 34 basis points, the median is 51 basis points and the 75th percentile is 68 basis points. The Principal plan fees are currently at 36 basis points, and the TIAA fees are at 38 basis points, both are just above the 25th percentile.

RetireView/Core Fund Menu

Mr. Scalici reviewed the proposed RetireView changes in the small- and mid-cap space as well as the glidepaths for the portfolios. Approximately 1% of plan assets are in the RetireView accounts as of March 31st. After reviewing, the Committee agreed to the below changes, which will be effective 9/5/2023:

1. The Vanguard Mid Cap Index Fund will change from the Admiral share class to the Institutional share class
2. The American Beacon Small Cap Value R6 Fund will be added as a new investment
3. The Brown Advisory Small Cap Growth Institutional Fund will be added as a new investment

These changes will also impact the core fund menu. A participant notice will be provided outlining the investment changes.

Committee Charter

The committee reviewed a first draft of the Charter. The document more clearly defines the purpose and responsibilities as well as the composition of the group.

This document will be worked on between meetings and a final version will be presented at the September meeting.

With no further business, the meeting adjourned at 11:00 am.