Present: Jim Almond, Denny Darrow, Brian Edelman, Scott Seidle, David Cooper, Fred Ford, Blair Webb, Steven Turner (via teleconference), Susan Morgan Davis, David Janes, Mark Evans, John Frigo, and Pat Romano. Attending also were representatives from Vanguard Investments: Anthony DeCesaris, Jim Caine, Walter Lehnard and Kevin Megargel.

This was the regularly scheduled meeting of the Retirement Plan Committee for the Defined Contribution Plans of Purdue University.

Mr. Almond welcomed all to the meeting and reviewed the stated goals of the Committee.

Mr. Almond reviewed the meeting agenda and introduced the representatives from Vanguard.

Vanguard reviewed the company’s relationship with Purdue, which amounts to over $1 billion. The Target Retirement 2010 Fund will be dissolved in July and folded into the Target Retirement Income Fund. Vanguard also is rolling out a 2065 Fund. The macro topic of providing income for retirees is a topic of conversation across the industry though, according to Vanguard, few sponsors are implementing strategies. The use of annuities was discussed and recent data indicated only a very small number of participants choose to annuitize their funds. Vanguard then spoke about its indexing capabilities. The firm manages $2 trillion of indexed product. Investors are moving towards wanting relative performance certainty. Conversation then shifted to target date funds and, further, how Vanguard constructs their target date funds. The concept of human capital (the number of years a participant works) was introduced. Their research shows most retirees will not tap into their savings until around age 72.

Mr. Almond began the general portion of the meeting. Minutes from the November 4, 2016, meeting were approved as presented.

Ms. Davis of Benefits informed the Committee of the status of the Faculty Retirement Incentive Program. Regarding the Fidelity relationship, the Committee was informed that one of the representatives has left and will not be replaced. In lieu of professional staff, an administrative person will be hired. The reduced cost will be passed along to participants in the form of a lower annual per capita fee.

Mr. Romano presented performance. The S&P 500 returned +5.94 % year-to-date and +24.94 % over the past twelve months. Interest rates continue to decline causing bonds as measured by the Barclays Aggregate Index to return + 0.87 % year-to-date. Discussion ensued regarding returns of several funds.

Mr. Romano continued with agenda items, reviewing due diligence performed by the Office of Investments since the November, 2016, meeting. There are no items on the Watchlist.
Also reviewed were the expense ratios of the fund offerings as of December 31, 2016. All but two were at or below their respective category averages. Mr. Almond reminded the Committee of its charge to provide low cost funds, and requiring the platform funds to have expenses below those of their peers is a measure approved by the Committee.

The Committee reviewed plan balances by fund. On February 28, 2017, there were $1.3 billion of participant assets invested in the platform funds. Vanguard Target Date Funds represent 63% of the platform assets. Additionally, Vanguard Index Funds represent 15% of assets.

Conversation ensued regarding the Vanguard Target Retirement Funds and the expense ratios of the underlying funds.

**Future Meetings:**
Will be scheduling the next meeting in the October/November 2017 timeframe.