In January 2011, a new investment platform was implemented and Fidelity Investments became the record keeper for the University's defined contribution and voluntary savings retirement plans.

- Background
  - Retirement Plan Review
  - Opportunities for Improvement
- Retirement Plan Changes
  - Plan Structure
  - Investment Structure
  - Retirement Plan Committee
RETIREMENT REVIEW TASK FORCE

• Co-Chairs:
  – Jim Almond – Business Services
  – Mike Atallah – Computer Science*

• Faculty/Staff:
  – David Denis – Management*
  – Julie Mariga – Computer and Information Technology/Faculty Compensation and Benefits*
  – Julio Martinez – Civil Engineering*
  – John McConnell – Management*
  – Joe Hornett – PRF/Related Foundations
  – Scott Seidle – Investments

• Regional Campuses
  – Steve Turner – North Central/Staff
  – Dolores Rinke – Calumet*
  – Robert Barrett – Ft. Wayne*
  – Carol Sternberger – Ft. Wayne*

• Employee Groups/Retirees
  – Dan Schuster - APSAC
  – Cynthia Dalton - CSSAC
  – Martha Chiscon – Purdue Retirees Association*

* Faculty representatives
The Task Force Review spanned 18 months, and included:

- Engagement of external investment consultant
- Review of incumbent service providers, fees and investments
- Formal RFP and vendor presentations
- Recommendations to the Board of Trustees
- Conversion to new record keeper and investment platform

*Task Force communications occurred throughout the review process, including formal campus presentations.*
Opportunities to make positive changes

• Investment options complex and redundant
• Fees higher than desired for Total Plan Assets
• Independent investment advice
• Opportunities exist to improve investment platform
• Ongoing monitoring necessary to produce the best outcome for participants
NEW PLAN STRUCTURE

• Single service provider

• Transparent fee structure

• Lower administrative and investment fees, including a flat administrative fee

• Open architecture and investment choices to meet a range of investment styles and approaches

• Standing Retirement Plan committee
## INVESTMENT STRUCTURE

<table>
<thead>
<tr>
<th>Tier</th>
<th>Participant Type</th>
<th>Option Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>Inactive Investor DOL Qualified Default Investment Alternative</td>
<td>Target Date Retirement Funds</td>
</tr>
<tr>
<td>Tier 2</td>
<td>Knowledgeable and Cost Aware</td>
<td>Index Funds</td>
</tr>
<tr>
<td>Tier 3</td>
<td>Active Investor</td>
<td>Diversified Actively Managed Funds</td>
</tr>
<tr>
<td>Tier 4</td>
<td>Investment Savvy</td>
<td>Self-Directed Brokerage Window</td>
</tr>
</tbody>
</table>
# Participant and Institution Benefits

<table>
<thead>
<tr>
<th>Participant</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Architecture Investment Platform, with low cost index funds and Self-Directed Window</td>
<td>Single provider reduces data flows, facilitates self-service, compliance</td>
</tr>
<tr>
<td>Objective investment guidance</td>
<td>Flexibility to change investments</td>
</tr>
<tr>
<td>Transparent fees</td>
<td>Unbundling recordkeeping and investment services to provide best-in-class services</td>
</tr>
<tr>
<td>• Institutional class investment fees</td>
<td></td>
</tr>
<tr>
<td>• Flat administrative fees</td>
<td></td>
</tr>
<tr>
<td>State of the art technology tools</td>
<td>Targeted communications</td>
</tr>
<tr>
<td>More $ working for participant</td>
<td>Retirement readiness</td>
</tr>
</tbody>
</table>
Established as part of the Defined Contribution Retirement Plan Investment Policy approved by the Board of Trustees

- Committee membership
  - Includes representatives from APSAC, CSSAC and the Faculty Senate
- Review performance of investment options
- Review and monitor plan costs
- Discussion of future opportunities and any operational issues
<table>
<thead>
<tr>
<th>Tier</th>
<th>Option Type</th>
<th>Total Assets</th>
<th>% of Plan Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>Target Date Retirement Funds</td>
<td>$196,360,000</td>
<td>62%</td>
</tr>
<tr>
<td>Tier 2</td>
<td>Index Funds</td>
<td>$37,845,000</td>
<td>12%</td>
</tr>
<tr>
<td>Tier 3</td>
<td>Diversified Actively Managed Funds</td>
<td>$70,150,000</td>
<td>22%</td>
</tr>
<tr>
<td>Tier 4</td>
<td>Self-Directed Brokerage Window</td>
<td>$12,275,000</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$316,630,000</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**No forced mapping of existing balances** - Approximately 2,200 participants have transferred balances of $221M+ to the new plan structure
MAKING A GOOD PLAN BETTER

• Fidelity has been a good partner
  – Local office and campus presentations
  – Participant communications

• Separation of recordkeeping from investments

• Simplified investment platform

• Enrollment easier for University and voluntary contributions

• Access to institutional class investment fees

• Participants have more of their $’s working for them