



Retirement Plan Committee Minutes

November 6, 2015

10:00 a.m. to 12:00 p.m.

FREH 2-2

Present: Jim Almond, Sue Davis, Brian Edelman, Trent Klingerman, Eva Nodine, Pat Romano and Scott Seidle. David Cooper and Steve Turner attended via teleconference. Also in attendance were representatives from Fidelity Investments: Scott Dillman, Tom Hughes and David Martin.

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, reviewed the agenda, and introduced the representatives from Fidelity.

Mr. Dillman, Fidelity relationship manager, began by distributing a handout and reviewing the agenda for their presentation. Mr. Hughes, Fidelity senior vice president, then discussed regulatory issues in which Fidelity has an interest that could affect the Purdue programs. Mr. Martin, Fidelity client analytics specialist, discussed plan and participant data, including the number of active participants, allocations by age, and satisfaction with Fidelity customer service. Mr. Hughes talked about the use of annuities by Fidelity clients, reporting that less than one percent of clients use the annuity service. Some communication ideas were introduced including targeting participants invested too aggressively or conservatively for their age.

Mr. Almond began the general portion of the meeting. Minutes from the April 29, 2015 meeting were approved as presented.

Mr. Romano presented Performance through the third quarter, 2015. The S&P 500 returned -5.95% year-to-date. October saw a rebound with the market up 8.44%. Interest rates fell throughout the quarter, causing bond prices as measured by the Barclays Aggregate Index to rise 1.24%.

Mr. Romano continued with agenda items, reviewing due diligence performed by the Office of Investments since the April 2015 meeting. There are no funds on Watchlist. The expense ratios of the fund offerings as of September 30, 2015 were also reviewed; all were at or below their respective category averages. Mr. Almond reminded the Committee of its charge to provide low cost funds on the platform that have expense ratios below those of their peers.

The Committee reviewed plan balances by fund. On September 30, 2015, there were \$982 million of participant assets invested in the platform funds. Vanguard Target Date Funds represent 63% of the platform assets. Additionally, Vanguard Index Funds represent 14% of assets. Specific mention was made of the "Frozen Money Market Fund" which is not offered to participants. This fund has a constant

net asset value. It was added to accept balances moving between the brokerage link and platform funds. This ensures no excessive trading issues to participants.

Ms. Nodine and Ms. Davis of Benefits updated the Committee on Retirement Plan Administrative and Engagement Activities from Human Resource since the last meeting. Materials used to welcome new employees and encourage participation in the plans were presented. The Committee was given a comparison chart showing details of the various plans at Purdue.

Mr. Romano presented and discussed information regarding the Stable Value Fund offered to retirement Plan participants. The Committee was provided an update on the rate setting formula that has been in use since the product was introduced in 2011.

Mr. Romano reviewed the Vanguard Target Date Funds offered to Retirement Plan participants. Return data of the Vanguard products over various time periods were presented and compared to several competing fund families.

Mr. Edelman suggested a future topic for discussion by the Committee could be cybersecurity.

Future Meeting:

May 2, 2016

3:00 – 5:00 p.m. EST

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