



Retirement Plan Committee Minutes

November 16, 2020

1-3 p.m.

via Webex

Present: Jim Almond, Bill Bell, Janine Gulbranson, Ryan Kay, Dean Lingley, Becky Beeler
Scott Seidle, Candace Shaffer, Steve Turner, Blair Webb

Unable to attend: David Janes, Fred Ford

Guests: Vanguard Institutional Investor Group:
Anthony De Cesaris - Relationship Executive,
Terry Hoard - Senior Director,
Michael Palazzi - Senior DC Investment Strategists

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

Mr. Almond welcomed committee members to the meeting and all introduced themselves. Mr. Almond then briefly reviewed the agenda.

Targeted date funds are the retirement plan platform's default option for participant enrollment for those individuals that do not actively elect investment options. The default option is consistent with guidance from the Department of Labor.

Vanguard provided a firm overview and outlined their relationship with Purdue and its affiliated entities. Vanguard is a market leader in the area of Target-date funds. The representatives reviewed with the Committee the background, growth, and utilization of Target-date funds. The firm has a rigorous quantitative approach for constructing target date portfolios and associated glide paths that adjust overtime, taking into consideration, the participant's time to retirement. Vanguard offers one of the most cost effective target date options in the industry using index funds in the construction of the underlying portfolios, diversifying with equity and fixed income index funds both domestically and internationally. Investment performance information was also included in the presentation shared with Committee members. For contrast and comparison, the glide paths were also shared for other major firms.

Vanguard also reviewed and provided performance and background information for the five individual index funds options available to participant in the retirement plan platform.

The Committee reviewed and approved the April 13, 2020, minutes with a minor edit to a mistyped word.

Ms. Gulbranson provided the HR update on outreach and communication efforts, which included articles and news shared through Purdue Today and the Healthy Boiler Newsletter. Fidelity provided virtual workshops in the spring. The local Fidelity office relocation and renovation project in PMU is scheduled to be completed 12/31. The Healthy Boiler 'Road to Retirement' event in September moved from a 1-day in-person to a 3-day virtual event that was extended to all campuses and had 503 participants. October workshops focused on health savings accounts, investing, and saving for retirement. Effective July 28, the Harbor High Yield Bond Fund Retirement Class was made available at a lower expense ratio and availability was discontinued for the Harbor High-Yield Bond Fund Institutional Class. The CARES Act coronavirus in-service withdrawal option was implemented within the 403b base, 401a mandatory, 403b & 457 voluntary plans, while the CARES Act increased loan limit and deferment options were implemented within the 403b voluntary plan.

Mr. Webb reviewed three active managers with the committee: Dodge & Cox International, American Funds EuroPacific, and Lazard EM. The reviews included a review of firm background, investment philosophy, investment process and performance. As a result of the review process, a motion was made and endorsed by the Committee to begin the process to look for an alternative emerging market manager. Primary considerations for seeking a new emerging market option included Lazard's higher than market tracking error, historical performance, management fee and fund outflows.

Mr. Webb reviewed the retirement plan dashboard as of September 30, 2020, noting \$2.2 billion was invested within the retirement platform's four-tier structure. Approximately 64% of participants invest in Tier 1 target date funds; 15% in Tier 2 passive index funds; 16% in Tier 3 actively managed funds, including the MetLife Stable Value Option'; and 5% in Tier 4 through the brokerage window. The dashboard provided included expense ratios, share class, calendar year-to-date, 1, 3 and 5-year performance for the Tier 1, 2 and 3 investment funds.

The next meeting will be scheduled for April 2021. Members with special topics for future meetings should forward the suggested items to Mr. Almond.