



Retirement Plan Committee Minutes

April 20, 2021

1-3 p.m.

via MS Teams

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

Unable to attend: Fred Ford, Candace Shaffer

Guests: PRF: DeAndra Ballard

Fidelity: Anthony Frongillo, Vice President, Managing Director
Elizabeth Heffernan, Investment Strategies Consultant
Eddie Postel, Sr. Vice President, Client Consulting

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

Mr. Almond welcomed committee members, reviewed the agenda and introduced the Fidelity participants.

Fidelity representatives (see 'guests' above for names) shared a presentation focusing on new retirement income planning services being implemented in 2021 to assist employees transitioning to retirement. Currently, participants may receive a specific dollar amount for each payment or receive an entire account balance in variable payments over a fixed period. The new distribution options will enable income distribution based account balance, age, IRS life and expectancy tables for participants comfortable with variable payments over time or, alternatively, variable income distributions based on a fixed percentage (payout rate) of account balances over an agreed time schedule. The investment products and Net Benefits planning tools supporting the new options were reviewed and discussed. Committee members received a copy of the presentation prior to the meeting.

The Committee reviewed and approved the November 16, 2020, minutes.

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. HR extended invitations to this year's virtual Road to Retirement program to Purdue Alumni Association, Purdue Global and Purdue Research Foundation employees. There were over 300 additional participants compared to last Fall, and 22 live presentations (up from 16 last Fall). The Fidelity PMU office relocation/renovation is complete, and they are now at PMU 164 (across from PFCU and Amazon). Service model modification to the local Fidelity office resulted in recordkeeping fee reduction from \$68 per participant to \$61 per participant effective January 1, 2021. Work is underway to establish Fidelity accounts under PRF for transitioning Purdue Alumni Association employees reorganized as Purdue for Life.

Mr. Webb reviewed the process to replace Lazard as the active emerging markets fund manager and noted that BlackRock and Schroders were the two finalists advanced for further review. Following video conferences, BlackRock was recommended to replace Lazard as the platform's Tier 3 emerging markets manager. A summary of BlackRock as a firm and the emerging market fund is contained in the committee materials and was shared with committee participants before the meeting. The Committee endorsed the recommendation of BlackRock Emerging Markets Fund (MADCX). Chris Ruhl, Treasurer and CFO, has approved the fund for inclusion in the retirement plan platform. Mr. Webb has notified all companies involved in the search process and Ms. Gulbranson will follow-up with Fidelity on the transitions and communications for current participants investing funds with Lazard on the platform.

Mr. Webb reviewed the retirement plan dashboard as of March 31, 2021, noting \$2.5 billion was invested within the retirement platform's four-tier structure. Approximately 63% of participants invest in Tier 1 target date funds; 16% 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.

Mr. Webb reviewed three active managers with the committee: Wells Fargo Discovery Fund, American Funds New Perspective, and Cohen and Steers Reality Shares. All three managers were in the first or second peer rank quartile for the 1, 3, and 5 year periods ending March 31, 2021. All Tier 3 active managers have now been reviewed with this Committee and, beginning with the November meeting, the process will start over. Mr. Webb noted that the Office of Investments is continually evaluating all managers, but the reviews with the Committee provide the opportunity to dig a little deeper and review a selected group of manager in greater detail.

The next meeting (still virtual) is on November 16, 2021, from 1-3 p.m. ET. Members with special topics for future meetings should forward the suggested items to Mr. Almond.