



Meeting Minutes of the
Retirement Investment Committee
November 21, 2019
*Conference Room, 1704
Lewis Towers, WTC*

<p>Plan Administrator/Facilitator: Winifred L. Williams, VP Human Resources, CHRO and Chief Diversity and Inclusion Officer</p>	<p>Committee Members Present: Timothy Classen, Associate Professor & Associate Dean in the Quinlan School of Business Thomas M. Kelly, Senior Vice President for Administration Teresa Krafcisin, Sr. Associate VP and Controller Katharine Wyatt, Chief Investment Officer</p> <p>Absent: Wayne Magdziarz, Sr. VP, Chief Financial Officer and Chief Business Officer Karen Bertucci, Department Mgr. of Continuing Medical Education, Stritch School of Medicine</p>
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Call to Order

Winifred Williams called the meeting to order, which began at 10:02 a.m.

1. Review and approval of meeting minutes

Winifred opened the meeting and requested a review of the meeting minutes from the August 15, 2019 meeting. The Committee members reviewed the meeting

minutes. Katharine Wyatt requested that the TIAA mutual funds mapping document be included as an exhibit to the August 15, 2019 meeting minutes. Additionally, Tom Kelly asked that for a future meeting that Transamerica review loan activity, loan amounts and benchmarking data for a comparison to peers. No other changes were presented. Tom Kelly made a motion to approve the meeting minutes dated August 15, 2019. Tim Classen seconded the motion. All approved. The motion was carried.

2. A finalized copy of the 2018 Defined Contribution Retirement Plan Financial Statements was provided to each committee member

A finalized copy of the 2018 Defined Contribution Retirement Plan Financial Statements was distributed to each committee member during the November 21, 2019 committee meeting. As a reminder, during the August 15, 2019 committee meeting Pete Jurich from Legacy Professionals LLP presented a review of the draft 2018 Plan Financial Statements. There were no changes made to the draft 2018 Financial Statements presented to the committee on August 15, 2019. Teresa Krafcsin noted that the 2018 Financial Statements had been shared with the Audit Committee of the Board of Trustees. Winifred Williams asked the committee if there is a motion to approve and finalize the 2018 financial statements. Tom Kelly made a motion to approve. Katharine Wyatt seconded the motion. All approved. The motion was carried.

3. Keith Beall – Vice President of Investment Solutions, Transamerica discussion on options on 403(b) Plan Legacy Accounts and fund mapping

Keith Beall provided an update from the August 15, 2019 committee meeting regarding Loyola consolidating and mapping investments to limit the number of investment choices in legacy (closed) plans. The discussion included the following items:

- As a reminder, at the August 15, 2019 meeting, the committee approved the mapping of the TIAA mutual fund assets as outlined in the illustrated fund mapping exhibit (attached).
- Transamerica will work with LUC to implement the TIAA mutual funds being mapped to Transamerica with a goal target completion date of April 1, 2020. A Transamerica Transition team will be assigned in December of 2020.
- Given the number of upcoming changes, the committee discussed the need to have an “umbrella” communication proactively sent from LUC to all retirement plan participants in January of 2020. The goal of the communication is to alert participants of upcoming fund/fees changes and inform participants to be on the lookout for more information in the mail if their retirement account is impacted by the changes. Transamerica agreed that they would assist LUC with this communication.
- Mutual funds at Fidelity are individual contracts and cannot be mapped to Transamerica. Given this, the Fidelity mutual funds offering will be restructured into a streamlined and consolidated index only fund lineup. Mapping will be done “like by like” by asset class within Fidelity. If this type of mapping option does not

exist for some funds then we will map to a target date fund by date of birth. Keith to provide an illustrative mapping for review and approval by the committee later. Winifred Williams asked the committee if there is a motion to approve moving forward with restructuring the Fidelity mutual funds into a streamlined and consolidated index only fund lineup. Tom Kelly made a motion to approve. Tim Classen seconded the motion. All approved. The motion was carried.

- Additionally, the Fidelity plan is currently in a bundled pricing arrangement. With such a change to the Fidelity lineup and zero revenue, the plan would need to move to a fixed basis point or fixed dollar per head fee. For fixed dollar, the same amount is deducted for all participants. This means that Fidelity would charge \$83 to each person in the plan and each participant would have to pay the same amount regardless of account balance. For fixed basis point, if the revenue sharing of the funds does not meet the minimum required revenue, the plan is charged the difference and can decide whether to pay it or charge it to participants. This means that Fidelity needs at least 7.5 bps as a fee. This fee can come from revenue sharing of funds in the plan (not going to get as much if you move to zero revenue fees) so the plan will be invoiced for the difference and it can be paid by the plan or participants. If paid by participants, it can be charged at the same amount for each person or pro rata based on account balance. Winifred Williams asked the committee if there is a motion to approve moving to a fixed dollar per head pricing structure within the Fidelity plan. Katharine Wyatt made a motion to approve. Tom Kelly seconded the motion. All approved. The motion was carried.
- Transamerica will work with LUC staff to gather more information on the VALIC annuities and provide a summary to the committee to facilitate further discussion. To revisit what to do with VALIC annuities at a future meeting and after the mutual funds at TIAA and Fidelity are dealt with.

4. Keith Beall, Vice President of Investment Solutions at Transamerica presented the Investment Performance Review of the plan for 3rd quarter 2019

Keith Beall reviewed the Defined Contribution plan assets and investment line-up and explained we had a solid portfolio, well diversified across all asset types. He reviewed each investment against benchmarks that we have set up, funds are performing as expected, and most funds are out performing intermediate-term (3-5 yrs.). The plan balance as of September 30, 2019 was \$1,111, 924,159, which is slightly less than the balance reported as of June 30, 2019. The balance reported includes legacy and non-ERISA legacy funds. Under the current active plan, Transamerica has 28.6% of total funds under investment management, and TIAA (four funds) has 4.2% and there currently are 50.6% of the funds in ERISA legacy funds with TIAA, Fidelity and Valic.

5. Keith Beall, Vice President of Investment Solutions at Transamerica presented the LUC 403b Plan – Fund Share Class Review – November 2019

Keith presented the fund share class review to the committee (exhibit attached). Keith reminded the committee that periodically, which has been at about every two years, the committee does a fund share class review. As a reminder, the retirement plan committee established a “fund share class policy” which serves as a guide in

choosing the share class of a given fund. Essentially, that policy is that the plan will credit all revenue sharing back to the participants invested in a given fund and will use the fund share class with the lowest cost on an “after revenue sharing basis”. If there is more than one fund with the lowest cost on an “after revenue sharing basis”, then the fund share class (of those with equal cost on an “after revenue sharing basis”) with the lowest net expense ratio will be used.

While reviewing the fund share class document and index funds in the plan with the committee, Katharine Wyatt asked that the committee hold on making any changes to the Vanguard Real Estate Index Institutional fund on the platform. Katharine Wyatt would like to look at other fund options than the Fidelity Real Estate Index before moving forward with a fund change.

Winifred Williams asked the committee if there is a motion to approve no longer offering the below funds (“Current Fund” as indicated in the chart below) under the Plan. The balance in these funds and ongoing investment allocations will be mapped to the replacement funds as indicated below. Tom Kelly made a motion to approve the two Vanguard and ClearBridge fund share class changes below and the Vanguard Institutional Index fund change to the Fidelity 500 Index fund. Tim Classen seconded the motion. All approved. The motion was carried. Additionally, Tim Classen made a motion to approve the Vanguard Total International Stock Index Institutional fund change to the Fidelity Total International Index fund. Tom Kelly seconded the motion. All approved. The motion was carried

CURRENT FUND:	MAPPED TO:
Vanguard Short Term Investment-Grade	Vanguard Short-Term Investment Grade Ins
ClearBridge Small Cap Growth I	ClearBridge Small Cap Growth A
Vanguard Institutional Index	Fidelity 500 Index
Vanguard Total International Stock Index Ins	Fidelity Total International Index

6. Rob Fox, Client Executive at Transamerica provided an update on plan operations and plan participant statistics as of September 30, 2019

Rob Fox the reviewed the Plan-level Dashboard Report noting that total participant account assets were \$317,890,452 as of the 3rd quarter of 2019. This includes 4,026 participants with an average account balance of \$78,959 at Transamerica. The total number of employees eligible to participate totaled 7,785, which included 3,271 participants actively contributing and 4,514 that were not contributing. Rob reminded the group that large portions of those who are not contributing are either

student workers or non-benefit eligible part-time faculty and staff members. There were 109 new enrollments in the 3rd quarter and 461 participants were eligible for auto enrollment. The participation rates broken down by age group and division were reviewed. It was reported that the average quarterly employee contribution was \$1,500 in the 3rd quarter, which was an average deferral rate of 7.96%. The outstanding loan balance total as of the 3rd quarter was \$4,373,566 from 280 employees with a total of 534 outstanding loans. 52 new loans were processed during 3rd quarter of 2019.

7. Other Business

Winifred Williams again shared with the committee that as we move into 2020 we will need to undertake a RFI/RFP process. It is recommended that plan sponsors conduct an RFP/RFI at least every five years as an industry best practice. Winifred informed the committee that we would be looking for a vendor to manage the RFP/RFI process for the plan. Goals, objectives and timeline for RFP/RFI process is TBD and to be discussed at a later committee meeting.

8. Closing

The next Retirement Investment Committee meeting is scheduled for February 12, 2020. Winifred Williams adjourned the meeting at 12:13 pm.