PRESENT: Committee Members: Chair Chris Kuwitzky, Terry Crain, Ken Evans, Michael Ferguson, Terry Henson, Scott Moses and Kanthasamy Muraleetharan

Others: Charlie Waibel of R. V. Kuhns, Glenn Pirkston of Cameron University, Chip Burniga and Steve McDonald of TIAA-CREF, Bill Freudenrich of McAfee & Taft, Nick Kelly and Renda Passek - OUHR-Staff

These minutes attempt to convey the significant issues discussed in the meeting.

Chris Kuwitzky, Chair, opened the December 9, 2011 Retirement Plans Management Committee Meeting at 1:08 PM

Approval of Minutes

The August, 2011 Retirement Plans Management Committee meeting minutes were approved with one correction by a motion from Evans and seconded by Ferguson.

Quarterly Review of Fund Line-up

Waibel presented a detailed investment performance analysis of the fund line-up including a Capital Markets Review, Annual Asset Class Performance, Comparative Performance, Investment Policy and Manager Review, Funds Fees Peer Group Analysis and Mutual Fund Fee Sub-Categories of the fund line-up for the third quarter of 2011.

Discussion of Quarterly Review

- Waibel advised now that there are assets invested in the plans the Committee should implement a thoughtful, deliberate process to monitor performance. Waibel will include a proposed compliance report in the next quarterly report.
- Waibel stated the third quarter of 2011 was not a good quarter with bonds having the best performance and emerging markets the worst. He reviewed fund performance of the Growth Fund of America and the PIMCO Bond Fund.
- Evans commented there are critics of the funds because there is red ink. We have many employees who pay close attention to fund performance.
- Muraleetharan suggested the Committee release fund performance data.

Discussion of Post Transition

- Muraleetharan asked for the total dollar amount moved from TIAA-CREF to the plan.
- Evans suggested we provide fund performance data and compare our funds against the best in each category.
- Kuwitzky asked what is Purdue University doing as far as surveying the results of their transition.
- Muraleetharan stated he has not heard many complaints about the transition.
• Waibel suggested the appropriate times for comparing fund performance is looking back at 3, 5 and 7 year windows.
• Waibel explained that the reasons to delete a fund from the line-up could include the loss of key personnel, significant structural changes and chronic under-performance of a fund manager.
• Waibel stated the Fidelity Freedom Index Funds have only two years of performance history. Both higher revenue sharing and market volatility have contributed to the under-performance of the actively managed Fidelity Freedom Funds. He also commented that the actively managed Fidelity Freedom Funds have a different asset allocation than the Freedom Index Funds.
• Moses asked if the Committee can have data to compare the performance of the actively managed Fidelity Freedom Funds versus the Fidelity Freedom Index Funds. Waibel will prepare a comparison for the February Retirement Plans Management Meeting.

• Evans requested a fee comparison, performance and revenue analysis of the fund lineup.

TIAA-Traditional Fund Manager

Chip Burciaga, Managing Consultant and Stephen Mac Donald, Director and Client Portfolio Manager of TIAA-CREF met with the Committee to present information about the TIAA-CREF (Retirement Choice Contracts) offered in the fund lineup. They presented answers to a fund information request and a detailed analysis of the financial strength of the fund. Stephen Mac Donald stated the financial strength of this fund is $201.9 billion in total assets and TIAA-CREF maintains five times the required capital. He explained the S&P downgraded the fund rating to AA and this credit rating is directly tied to United States sovereign credit rating. The TIAA-Traditional Fund is invested in less liquid assets such as real estate, agriculture and timber.

Discussion of the TIAA-Traditional Fund

• Muraleetharan asked if the real estate investments in this fund were independent of the TIAA-CREF Real Estate Fund and they are.
• Mac Donald mentioned the CIO of TIAA-CREF is retiring and they are currently searching for his replacement and Dave Brown will become the TIAA-Traditional Fund portfolio manager.

457 Roth Plan Rollout

Crain asked what action is needed by the Committee to add a Roth 457 to the Plan at the February Meeting with a rollout by March, 2012. Freudenrich explained Dudley Hyde will prepare an amendment to the plan. Moses motioned to recommend the amendment to add a Roth 457 to the plan and Evans seconded. The motion was unanimously approved by a voice vote.

Transition Summary

Kelly reported the Transition to Fidelity was a tremendous success and better than any Fidelity has ever implemented. Fidelity provided the manpower to have meetings in every department that requested one and the best idea was to enlist the department representatives to assist with coordinating meetings. One half of the Vanguard participants took advantage of the opportunity to move their funds in kind through the Brokerage Link. An estimated two thirds of employees looked at their accounts and made a decision during the transition.

Muraleetharan commented he had a good experience transferring funds from TIAA-CREF to Fidelity and moving money to the Brokerage Link. Moses commented the 95% limit on the amount a participant could have in the Brokerage Link was not documented. He said it is easy to transfer to the Brokerage Link but not as easy to transfer back to the plan.
Waibel recommended that at the next meeting representatives from Fidelity operations should attend to address operational issues and provide a detailed report on both transfer and where current money is being invested.

Schedule of Meetings

Kelly advised the Committee of the need to file an annual schedule of meetings and Waibel suggested meetings during the months of February, May, August and November. Waibel will also prepare a schedule for investment manager presentations for 2012.

The Retirement Plans Management Committee meeting was adjourned at 2:57 with a motion from Henson, seconded by Ferguson.