Committee members in attendance: Meredith Weiss, Cathleen Burke, Timothy Graf, Carl Gattuso, Edward Ishac, Heidi Jack, and Brent Smith.
Committee members absent: None
Other attendees: Barry Schmitt, Daniel Jason, Tom Callahan, and Jeff Overweg

I. Approval of Minutes – the minutes of the October 19, 2016 meeting were approved with no revisions.

II. TIAA Review

Investment Review
Tom Callahan, Director of Client Portfolio Management, provided the committee with a brief update on the economy and the various capital markets along with TIAA’s outlook. Mr. Callahan highlighted several items including:

- TIAA-CREF will be changing the name of their asset management division to Nuveen Global Asset Management. TIAA-CREF Asset Management will be an arm of Nuveen. The division represents over $900 billion in assets under management.
- TIAA General account along with its current ratings
- TIAA recently won their 4th Lipper award for best performance from the largest investment management firms.
- TIAA’s view of capital markets- projected GDP of 2.5% (growth but not robust), job and wage growth strong, high consumer confidence, continued volatility, stabilization in China, and continued issues in Japan.
- Tax reform debate will be coming
- Anticipate 2 to 3 Fed rate increases in 2017.

Mr. Callahan discussed several funds in the plan:
- CREF Stock and its structure (multi-cap Core)
- Recent changes to the TIAA-CREF Lifecycle Funds:
  - Addition of direct real estate between 2.5% to 5%
  - Replacement of underperforming managers:
    - Emerging Markets equity
    - Global Natural Resources
    - Enhanced Large Cap Value index

TIAA Administrative Review
Jeff Overweg, Senior Relationship Manager, provided the Committee with a recap of the past year highlighting the following:
- The team members assigned to VCU
- Key stats:
  - 88% average income replacement ratio
  - Total plan assets of $603.8 million
  - $33 million in contributions (9% increase over 2015)
  - ($31 million) in distributions (4.9% increase over 2015)
  - 7,096 participants with balances (3,431 active, 3,396 terminated, and 269 other)
  - 1,084 increased their contribution in 2016
  - 500 participants received advice from TIAA in 2016 (average age of 58)
- Target date funds are now receiving the most contributions of any asset class
- Participant and plan sponsor website ranked first based on a recent Dalbar survey
  - A listing of all services currently being provided
  - The recent addition of other financial services including Everbank and TIAA Charitable
• The Fiduciary rule and the effect on participant engagement (very little impact)

III. Investment Review

Industry update/overview
Barry Schmitt, Senior Vice President of CAPTRUST, delivered a review of recent industry trends.

Mr. Schmitt discussed several topical items including:
• Morningstar’s decision to add ETF’s to peer groups
• The new fiduciary rule and the impact to participants and the plan along with its anticipated delay.
• Increased usage of non-qualified plans if tax reform becomes a reality
• Litigation on the rise.
• Cyber security- the Committee would like to see Fidelity’s and TIAA’s stated cyber security policy.
• Lifetime income

Economic/Market Update
Mr. Schmitt delivered CAPTRUST’s review of the economy and market along with CAPTRUST’s outlook. Mr. Schmitt’s review included key themes on the improving economic environment and the effect on benefits, future policy direction in regards to tax reform, populist themes across the globe and what that could mean for the global markets, rising interest rates, U.S. Growth, surging business and consumer confidence, relative calm in the global economy, and overall high expectations and the effect if those expectations aren’t met.

Major indices performed as follows for the 4th quarter:
• U.S. Stocks- 3.8%
• U.S. Bonds- (3.0%)
• International Stocks- (0.7%)
• Emerging Markets- (4.1%)
• Real Estate- (3.1%)
• Commodities- 2.7%

Plan Level Review
Plan assets for the Optional Retirement Plan and Cash Match Plan totaled $495 million as of December 31, 2016:
• Optional Retirement Plan assets with Fidelity totaled $131.8 million
• Cash Match Plan assets with Fidelity totaled $9.4 million
• Optional Retirement Plan assets with TIAA-CREF totaled $340.5 million (including $13.2 million in non-approved investments)
• Cash Match Plan assets with TIAA-CREF totaled $13.3 million (including $573,000 in non-approved investments)

Performance Review
Mr. Schmitt discussed the review of plan investments consistent with the standards and approach defined in the Investment Policy Statement.

Fidelity Lineup:
Of the 15 approved funds (with Freedom Funds counted as one), all funds are meeting policy guidelines.

TIAA-CREF Lineup:
Of the 14 approved funds (with LifeCycle Funds counted as one), there are two funds marked for review:

Marked for Review

• TIAA-CREF Lifecycle Series (Score of 76) – This series of funds are marked for review due to a number of manager changes in underlying strategies along with the addition of direct real estate within the portfolio. This is not a performance issue (see above comments under TIAA Investment review).

• Mainstay Large Cap Growth Inv (score of 74) – CAPTRUST is placing the strategy on watch, but not removing it from their recommended list. While 2016 was a difficult year for large cap growth managers, we are concerned with the magnitude of the strategy’s underperformance. The strategy
faced stylistic headwinds in 2016, but also did not execute well in key areas such as technology which is by far the largest sector at roughly 36%. This is not the typical result during Justin’s tenure as PM, so we will monitor performance in the coming quarters for signs of improvement.

Other fund items

- **CREF Money Market**: on March 10, 2017 future contributions will be re-directed to the Vanguard Federal money market fund that will be added as an additional fund option on the TIAA platform.

**Fund Review request**

The committee reviewed a participant request to consider the addition of an S&P500 index fund to the ORP and Cash Match Plans fund options on the TIAA platform as an alternative to the CREF Equity Index Fund. As per the by-laws, CAPTRUST and the committee reviewed this request.

The Committee considered:
- The current fund options available
- The current expense ratio of CREF Money Market Fund vs. the S&P500 index fund
- Performance of the funds for 1 year, 3 year, five year, and 10 year periods.
- The objectives of each fund
- Access to an S&P500 fund within the TDA plans today along with access to an S&P500 Index Fund on the Fidelity ORP and Cash Match Plans investment options.
- Overlap issues with these funds

While the CREF Equity Index Fund is a more expensive fund option, this particular fund offers exposure to small, mid, and large cap U.S Equities, thereby having a much broader scope than an S&P500 index fund. In addition, performance of these funds are similar but the CREF Equity Index offers a more diversified portfolio of U.S. securities.

Given all these factors, the Committee re-affirmed its commitment to the CREF Equity Index Fund and, therefore, denied the request to add an S&P500 index fund.

All other funds are meeting policy guidelines.

**Having no other agenda** items, the meeting was adjourned at 3:30 p.m.