Committee members in attendance: Cathleen Burke, Kevin Davenport, William Decatur, John Wiencek

Committee members absent: Carl Gattuso, Edward Ishac, Brent Smith

I. Approval of Minutes
The minutes of the meeting of February 12, 2013 were approved with no revisions.

II. Economic/Market Update
Andre Daigneault of Fidelity Investments delivered a review of the economy and market along with Fidelity's outlook.

III. Plan Review

Plan Level Review

Assets as of June 30, 2013 totaled $412.7M broken down as follows:
- VCU ORP Plan – Fidelity- $88.4M (including $19M assets in non-approved funds)
- VCU ORP Plan – TIAA-CREF - $270.6M (including $18.5M assets in non-approved funds)
- VCU Cash Match Plan – Fidelity - $7.1M (including $1.3M assets in non-approved funds)
- VCU Cash Match Plan – TIAA-CREF - $8.6M (including $726K assets in non-approved funds)

Patrick Warner of Fidelity reviewed plan statistics. There are currently 1,401 Fidelity ORP participants with a balance and 1,627 Fidelity Cash Match participants with a balance. Plan asset growth from July 1, 2012 through June 30, 2013 was about $17M. There are 285 participants who are holding their assets in a single fund (not including participants solely invested in Freed Fund target date funds). Mr. Warner also reviewed median account balance by age band, contributions and next exchanges by fund, and participant engagement statistics.

Fidelity Performance Review

Mr. Daigneault focused on the Fidelity Freedom funds, which are target date funds offering a well-diversified portfolio of investments based on participants’ estimated retirement age. Fidelity has traditionally created the glide path for these funds based on views of savings, inflation, longevity, withdrawal rates and certain other factors. Recently, Fidelity has made several meaningful changes to the forward path of these funds and assumptions. Mr. Daigneault focused on the following three areas:

- **Capital market assumptions:** How Fidelity, going forward, will view capital markets in a 20-year forward-looking manner
- **Participant behavior:** Fidelity is making glide path adjustments based on observations of what participants are actually doing and the increasing longevity of participants
- **Risk capacity:** Given increased participant longevity, Fidelity is likely to slightly increase the risk parameters surrounding the Freedom Funds

Fidelity will revisit the Freedom Fund allocations annually.

Mr. Daigneault provided a brief commentary on the current market drivers, and reviewed highlighted investments in the Fidelity core lineup.
IV. CAPTRUST Performance Review

Barry Schmitt of CAPTRUST Financial Advisors reviewed plan investments with the committee in accordance with the Investment Policy Statement.

Fidelity Investments

Of the fifteen funds in the approved lineup (all Freedom Funds are counted as one), there is one fund marked for review:

- **PIMCO Total Return is marked review.** This fund has been discussed in previous committee meetings and continues to be closely monitored by CAPTRUST. In addition to this fund’s appetite for riskier asset classes, the index to which CAPTRUST compares this fund now holds over 47% in US Government backed debt (which is a significant increase over pre-recessionary periods). This fund holds 20% or less in US Government backed debt, which has caused the fund to fail policy due to its low correlation to the index (“R-Squared”). While recent performance has been average, long term performance remains strong and continues to exceed peer group averages over three- and five-year periods.

TIAA-CREF Investments:

Of the fourteen funds in the approved lineup (all LifeCycle funds are counted as one), there is one fund considered for termination and one fund marked for review:

- **Columbia Small Cap Value is considered for termination.** This fund has a CAPTRUST score of 61. The fund is a well-diversified portfolio but has underperformed its benchmark and its peers. There have been lingering performance issues with this fund largely driven by stock selection. Going forward, CAPTRUST does not see anything in the fund’s strategy that provides a compelling reason to keep this fund in the approved lineup. CAPTRUST recommends replacing the fund with American Beacon Small Cap Value, which is currently in the approved lineup for Fidelity participants and is available on the TIAA-CREF platform. The American Beacon fund has done well.

- **CREF Stock Fund is marked for review.** This account has a CAPTRUST score of 77. The fund is compared to a benchmark comprised of domestic large cap blend funds, but is actually constructed using a 70% US/30% international model, with 5% of international in emerging markets. Considering that the US market has significantly outperformed the international markets over the last several years, it is not surprising that CREF Stock has underperformed. CAPTRUST is not recommending any action be taken at this time.

The committee members present supported the proposal to replace the Columbia fund with the American Beacon fund. Absent committee members will be polled to obtain a final consensus before proceeding.

The committee requested that CAPTRUST explore a benchmark for CREF Stock that is more reflective of the fund’s actual management.

All other funds in the Fidelity and TIAA-CREF lineups are meeting policy guidelines.

V. Administration

Cathleen Burke suggested that discussion of excess revenue credits and their possible uses be held at the next meeting. The committee members present concurred.

The meeting was adjourned at 11:30 a.m.