

MEMORANDUM

To: Faculty Senate President Deb DeLaet
From: Matthew Doré, Chair, University Benefits Committee
Subject: Report of Activities and Response to Inquiries
Date: April 30, 2014

This Report is in two parts. Part I is the general University Benefits Committee (UBC) report of activities for the 2013-14 academic year. Part II responds to specific inquiries that you made to the UBC last November. I plan to attend the May 7, 2014 Faculty Senate Meeting, along with Human Resources Director Venessa Macro, to respond to questions from the Senate concerning this Report.

I. UBC Membership and Activities 2013-14

The members of the UBC, each of whom serves a two-year term, are as follows:

Cheryl Clarke, Assistant Professor of Pharmacy Practice
John Rovers, Professor of Pharmacy Practice
Marc Busch, Assistant Professor of Biology
John Stacy, Transport Lead Person, Maintenance
Gretchen Beckley, Director of Drake International Programs
Chrystal Stanley, Prof'l and Career Development Services/Academic Achievement Coordinator
Tricia Atterberg, Administrative Asst., Dean of Arts & Sciences
Jana Peterson, Director of Drake Wellness Programs
Patricia Ahrenholtz, Controller
Matthew Doré, Richard and Anita Calkins Distinguished Professor of Law (Chair)

The Chair works with Venessa Macro, Assistant Vice President, Business & Finance, Director of Human Resources, to plan the timing and agenda for UBC meetings. In addition to Director Macro, the Associate Director of Human Resources, Marlene Heuertz, attends UBC meetings and takes minutes of our meetings.

The UBC met twice during Fall semester 2013 to provide input as Human Resources reviewed bid proposals to replace First Administrators as the coordinator of Drake's health insurance programs. The UBC unanimously concurred with Human Resources' recommendation that the Wellmark proposal was the best fit for Drake. Wellmark's plan substantially preserved existing Drake health insurance coverages and offered favorable pricing as compared to competing bids. The UBC also provided input to Human Resources as minor modifications were made to Drake's health insurance coverage terms to comply with requirements of the Affordable Care Act.

II. Spring Meeting to Review Benefits Inquiries from Faculty Senate

At the request of Faculty Senate President Deb DeLaet, the UBC met again in Spring 2014 to consider three inquiries from the Faculty Senate:

- 1) How often does Drake review its benefits policies?
- 2) What are Drake's early retirement options, and are they adequate?
- 3) Should Drake add more index investment fund options to the University's retirement plans?

The UBC met on Monday, Feb. 24 to consider these matters. A response to each question is set forth below. As a preliminary matter, it is important to appreciate the UBC's role in University benefits matters. The UBC has no power to make or implement particular benefits decisions for the University. Rather, the UBC acts in an advisory capacity regarding employee benefits issues for Director Macro and Human Resources, and, more generally, for the University Administration.

1) Benefits Review Schedule

The UBC considers specific benefits issues as Director Macro and Human Resources propose changes to existing benefit programs. In most years, the primary changes the UBC considers relate to the University's health / dental / and life insurance benefit plans (plan design and premium / co-payment changes).

In addition, members of the campus community sometimes contact the UBC with a request that a particular employee benefits issue be addressed or considered. When that occurs, the UBC Chair and Director Macro will typically add that topic to one of the UBC's Fall or Spring meeting agendas so that the UBC can provide an appropriate response to the inquiry.

The general "benefits review" function for the University rests with Director Macro and her staff in Human Resources. Exhibit A to this report (provided by Director Macro) summarizes Human Resources' current employee benefit analysis and review schedule.

Benefits review also occurs outside of this formal schedule. As Director Macro described in a Memorandum she recently prepared for the UBC:

While a review of an institution's total benefit package every three or four years may have been considered best practice a decade ago, the current environment requires constant monitoring and assessment to meet the demands of changing conditions and employee expectations. Accordingly, Human Resources is continually reviewing benefit design and delivery models. We monitor trends in the marketplace, the practices of our peers in higher education and the costs and contracting arrangements of our current benefits.

Director Macro further reports that:

Drake reviews the entire benefit bi-annually to ensure an understanding of market competitiveness. To determine whether employee benefits are competitive when compared to other employers and, in particular, institutions of higher education, Human Resources routinely participates in formal benefit surveys. The CUPA-HR Benefits survey ... and the David P. Lind & Associates Benchmark Benefits Survey ... provide[] comprehensive information about benefits available to other institutions of higher education for comparative purposes. A memorandum is developed for the campus community and shared with the University Benefits Committee. The next benchmarking results will come out in the summer of 2014 and will be shared with the UBC thereafter.

As Exhibit A also reflects, the University retains a number of outside experts to assist Director Macro, Human Resources and the UBC in the ongoing benefits review processes. These experts include Dick Shafer, of Well & Good, LLC. Mr. Shafer is an independent fiduciary consultant with respect to Drake's retirement plan options and investments. He advises Drake's Retirement Plan Investment Review Committee on these matters. This Committee is comprised of the Drake University Associate Treasurer, the Director of Human Resources, the Associate Director of Human Resources, and the University Benefits Director.¹

¹ The Board of Trustees approved Investment Policy Statement sets forth the governance of the retirement plans and reads as follows: Those responsible for the management and administration of the Plans' investments include, but are not limited to:

1. The Drake University Board of Trustees

The Drake University Board of Trustees is responsible for adopting the Plans by its resolution and duly appointing, in writing, the Plan Administrator, who serves as plan fiduciary. By adopting this Policy, the Business, Finance and Investments Committee of the Board of Trustees hereby delegates certain responsibilities to the Vice President, Business and Finance who, along with a committee titled the "Drake University Retirement Plan Review Group" (Plan Committee or Committee) implement, review and update the Plans as set forth in Paragraph 2 below.

2. The Committee

The Plan Committee's members include the Drake University Associate Treasurer, the Director, Human Resources, the Associate Director, Human Resources and the University Benefits Director. Additional members may be appointed by the Vice President, Business & Finance.

The Committee implements, reviews and updates the Plans by:

- Engaging independent consultants, advisors or experts as may be needed by the Committee to carry out its responsibilities with respect to:
 - compliance and administration
 - fiduciary training, investment selection and monitoring
 - legal forms and documents
- Establishing and maintaining an Investment Policy Statement and/or other policy statements;

Although the Retirement Plan Investment Review Committee is charged with administration of the Retirement Plan, the UBC does provides input when the Committee proposes changes to the Drake retirement plans. This happened most recently during the 2012-13 academic year.

Drake's expert consultants also include Mark Becker & Associates. Mr. Becker and his staff assist Director Macro and the UBC on an annual basis as the UBC makes its recommendations to the University administration concerning necessary or desirable plan design changes relating to Drake's health, dental and life insurance benefits. The UBC considers plan design and costs associated with the University's health insurance plan each fall, as premiums and coverages are established for the next plan year.

2) Retirement Benefits and Early Retirement Incentives

Drake's retiree benefits programs and eligibility requirements are summarized on Exhibit B to this Report.

As reflected on Exhibit B, a Drake employee's eligibility for retirement benefits depends on when the employee was hired. For employees hired after 1981 (the majority of current Drake employees), retirement eligibility begins when the employee has reached age 60 and has completed 15 or more years of service.

Drake has no formal "early" retirement options or incentives, aside from the Senior Status Faculty program. This program, the details of which are available on the University's web page (see link below), allows faculty with at least 10 years of continuous service and who have attained age 60 to teach a 2/3 teaching load for a two-year period with no reduction in employee benefits.

<http://www.drake.edu/media/departmentsoffices/academicsdivision/migratedassets/policies/pdf/srfacultystatus.pdf>

Generally speaking, to avoid age discrimination issues, the University cannot offer early retirement incentives to specific individuals, but must offer such incentives to a defined group of employees who share common characteristics. Individual units within the University sometimes offer such incentives, but there are no overarching guidelines or policies in this regard. Early incentive offerings can require a significant up-front investment which impacts the feasibility of offering such an incentive program.

Two other points should be noted with respect to retiree benefits. First, as Exhibit B explains in more detail, while any Drake retiree may participate in the University's retiree health benefit

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- Choosing an investment funding vehicle and selecting investment accounts;
 - Periodically evaluating investment performance and recommending investment account changes, if appropriate;
 - Annually reporting to the Board of Trustees with respect to the plan, the plan administrator and plan investment performance.

program, the University makes a financial contribution towards the retiree's health insurance premiums only for employees hired before September 1, 1994.

Second, employees who leave Drake prior to meeting retirement age and service requirements will often have funds invested in Drake's Defined Contribution Retirement Plan (the "Retirement Plan."). The employee may leave those funds in the Retirement Plan without penalty and then withdraw those funds once the employee reaches retirement age. Alternatively, the employee may, without penalty, roll the employee's Retirement Plan account funds into an IRA or other retirement investment vehicle following the employee's departure from Drake. If an employee withdraws funds directly from the Drake Retirement Plan (or other retirement investment vehicle) before age 59 ½, tax penalties may apply.

3) Index Investment Options in the Drake Retirement Plan

The UBC does not establish the investment options for the Retirement Plan. The Drake Retirement Plan Investment Review Committee (see (1) above) determines these matters. The current investment options for the Retirement Plan are summarized on Exhibit C to this Report. These options include the following "index" type investment options, which typically carry lower investment costs than managed fund options:

Vanguard 500 Index Signal Fund²

TIAA-CREF Index Small Cap Blend Fund

TIAA-CREF International Equity Index Fund

In addition, all of the TIAA-CREF "Lifecycle" investment fund offerings in the Retirement Plan are index funds.

Acting in an advisory capacity only, the UBC consulted with Dick Shafer, of Well & Good, LLC, at its February 2014 meeting to consider whether it would be advisable to add additional index fund investment options to the Retirement Plan.

Mr. Shafer explained the background of the decision to add the current index investment options to the Retirement Plan and expressed the view that these options should be adequate for most participants in the Retirement Plan. Summarizing broadly, Shafer expressed concerns that adding additional index options could add complexity to the Retirement Plan from a user perspective.

Specifically, Shafer cautioned that adding "too many" investment options to the Retirement Plan may raise questions about whether such additions are consistent with Drake's fiduciary responsibilities as administrator of the Retirement Plan. The question to be resolved is the appropriate level of complexity for Retirement Plan investment options. Issues include whether

² The Vanguard 500 Index Signal Fund replaced a previous Retirement Plan investment option, the CREF Equity Index, in 2013. Funds in the Retirement Plan that were invested in the CREF Equity Index *prior* to its replacement by the Vanguard 500 Index Signal Fund may continue to be invested in the CREF Equity Index.

new investment options would duplicate or overlap with existing categories and how frequently the investment option line up should change. Any changes trigger responsibilities to communicate appropriate information to plan participants about available new options.

Despite these concerns, at least some members of the UBC, including the Chair, expressed the view that additional index investment option categories might be desirable. Indeed, Shafer conceded that an index bond fund investment option might be advisable to complement the existing bond investment options in the Retirement Plan.

After consulting with Mr. Shafer and subsequent discussion, the majority of UBC members were persuaded that existing index investment options in the Retirement Plan are adequate for the present. The UBC generally agreed that, given that most of the existing index investment options in the Retirement Plan are very new (with the latest added in 2013), it might be advisable to monitor experience under the Retirement Plan with the new index investment options, and then later make determinations about whether additional index investment options are appropriate.

As indicated above, Director Macro and I will attend the May 7 Senate meeting. We will be happy to respond to questions concerning this report.

Exhibit A (2 pages)

**Employee Benefit Analysis and Review Schedule
Drake University Human Resources**

Type of Benefit	Review Schedule	Internal Review Resources	External Review Resources
Drake University Retirement Plan	<ul style="list-style-type: none"> Quarterly Reviews of Investment Performance. Annual review of plan performance and performance of third-party vendor (TIAA-CREF). Periodic report to the Drake University Board of Trustees. 	Retirement Plan Investment Review Committee Board of Trustees Internal Audit	Independent fiduciary consultant, Dick Shafer, Well & Good LLC. Relationship Consultant, TIAA-CREF CUPA-HR Benefits Survey Benchmarking External Audit Firm – Audited annually
Drake University Medical Plan	<ul style="list-style-type: none"> Quarterly meetings with Wellmark. Bi-annual meetings with Mark Becker & Associates to discuss plan design, plan performance and key budget assumptions. Annual review of plan provisions. Compare plan provisions to benchmark plans and discuss with the University Benefits Committee. 	Vice President Finance & Administration University Benefits Committee	Mark Becker and Associates, independent benefits consultant. CUPA-HR Benefits Survey Benchmarking Vendor benchmarking and reports.
Drake University Dental Plan	<ul style="list-style-type: none"> Bi-annual meetings with Mark Becker & Associates to discuss plan design, plan performance and key budget assumptions. Annual review of plan provisions. Compare plan provisions to benchmark plans and discuss with the University Benefits 	Vice President Finance & Administration University Benefits	Mark Becker and Associates, independent benefits consultant. CUPA-HR Benefits Survey Benchmarking

	Committee.	Committee	Vendor benchmarking and reports
Life and Disability Benefits	<ul style="list-style-type: none"> Annual review with Mark Becker & Associates to discuss plan design, cost and whether plan changes are desirable. 	<p>Vice President Finance & Administration</p> <p>University Benefits Committee</p>	<p>Mark Becker and Associates, independent benefits consultant.</p> <p>CUPA-HR Benefits Survey Benchmarking</p> <p>Vendor benchmarking and reports</p>
All Other Benefit Provisions including eligibility, wellness offerings, vacation as well as new and emerging benefits	<ul style="list-style-type: none"> Every other year upon receipt of the CUPA-HR benchmarking report, which allows us to assess benefits by peer group, geography, budget size and other data factors. 	<p>Vice President Finance & Administration</p> <p>University Benefits Committee</p>	<p>CUPA-HR Benefits Survey Benchmarking</p> <p>Vendor benchmarking and reports</p> <p>Mark Becker & Associates, independent benefits consultant.</p>

SUMMARY OF DRAKE RETIREE BENEFITS PROGRAMS

Following is a brief description of university retiree eligibility, insurance benefits, programs and services.

In order to retire from Drake University, full-time employees must meet the length of service and age requirements listed below:

Age/Service Requirements for Retirement Eligibility

Hire Date	Length of Service	Age
Hired prior to 1/1/1982	Employed for 10 or more years	Age 55
Hired on/after 1/1/1982	Employed for 15 or more years	Age 60

Once an employee meets retirement eligibility, his/her level of benefits may be determined. There are two levels of retiree benefits. The first level is for full-time employees who were hired before September 15, 1994. These retirees are eligible to participate in, and receive a Drake contribution toward medical insurance costs.

Level I – Benefit for eligible faculty and staff hired before September 15, 1994

Hire Date	Eligible Retiree Medical Benefit
Hired prior to 9/15/1994	Eligible for participation <u>and</u> Drake contribution

The second level is for full-time employees who were hired on or after September 15, 1994. While age and years of service allow them to participate in pre age-65 retiree benefits, they will not receive a Drake contribution toward medical insurance costs.

Level II – Benefit for eligible faculty and staff hired on/after September 15, 1994

Hire Date	Eligible Retiree Medical Benefit
Hired on/after 9/15/1994	Eligible for participation only

A note about post-age 65 medical benefit participation: Drake may allow participation in any fully insured benefit option available to Drake retirees age 65 or over at the full cost, so long as such participation is feasible. Human Resources can answer questions about whether such product is available, at group rates, to those who may not otherwise qualify for retiree benefits described above.

Following is a list of retiree benefits, programs and services:

INSURANCE BENEFITS

Medical Insurance

Medical Insurance for
Spouse/Partner and Covered
Dependents

Life Insurance

Retirement Annuity Plans

PROGRAMS AND SERVICES

Additional Benefits for Retiree's
Spouse/Partner

Automobile Registration Sticker

Bell Center

Drake Identification Card

Library Privileges

Mailings

Emeriti/Retiree Directory

Tickets

Tuition Exchange Program

Tuition Rebate Program

PROGRAMS AND SERVICES

Additional Benefits for Retiree's Spouse/Partner

In addition to eligibility for continued medical insurance and tuition benefits, the following benefits will continue for a spouse or partner of a deceased retiree: Cowles and Law Library privileges, campus mailings, and special ticket prices to athletic and fine art events.

Automobile Registration

A permanent hang tag for parking in University commuter lots is available to eligible Drake retirees at no cost.

Bell Center

Bell Center services are available for eligible Drake retirees with presentation of a Drake identification card.

Drake Identification Card

You may retain your university identification card at retirement. A new photo identification card may be obtained at the Student Life Office.

DART

Des Moines Area Regional Transit Authority (DART) provides FREE transportation upon presentation of a Drake ID Card. For route information, call 515.283.8100, or visit the DART Web site at <http://www.dmmta.com/arearoutemap.html>

Library Privileges

You continue to have Cowles and Law Library privileges during retirement.

Mailings

You will continue to receive university mailings during retirement.

Emeriti/Retiree Directory

A list of emeriti/retiree contact information will be provided to those who choose to provide such information. Contact Human Resources to update your contact information.

Tickets

Special prices for athletic and fine art events are available with presentation of your Drake identification card.

Tuition Exchange Program

Drake participates in the Tuition Exchange Network, a coalition of over 550 colleges and universities nationwide. Based upon availability and application approval, dependents of eligible retirees may attend participating institutions and receive tuition benefits. The Office of Student Financial Planning coordinates the administration of the tuition exchange plan.

Tuition Rebate Program

You, your eligible dependents, spouse and partner may continue to participate in Drake's tuition rebate program. For Drake retirees who remain eligible for tuition rebate, there is no tuition cost. Eligible retirees may enroll in eight (8) hours of on-campus undergraduate or graduate level courses per semester, and eight (8) hours for the summer and January terms combined. Dependent, spouse and partner tuition benefits vary by retiree's length of university service.

This benefits summary has been compiled by Drake Human Resources and may be modified or discontinued by the University at any time. While the information contained in this summary is believed to be accurate, it is not the controlling determination of your benefit entitlements and amounts. Your actual benefits will be determined in accordance with the governing benefit plan provisions.

Revised December 2013

Exhibit C (3 Pages)

Drake University
 Defined Contribution Retirement Plan
 Grouped by: Morningstar Category
 4th Quarter/End of 2013
 Investment Performance



Well and Good LLC comment

"Watch" list	Group/Investment	Ticker (Mutual Fund)	Prospectus Net Expense Ratio	Based upon Investment Policy Statement criteria					Well and Good LLC		
				1/1/2013	1/1/2011	1/1/2009	1/1/2004	* lowest	* highest		
				12/31/2013	12/31/2013	12/31/2013	12/31/2013	****	*****		
		Return (Cumulative)	Return (Annualized)	Morningstar category decile	Std Dev (Annualized)	Sharpe Ratio (Annualized)	Return (Annualized)	Return (Annualized)	Morningstar Rating Overall		
Peer group ranking (decile) based upon Benchmark 1. Morningstar Category Top two West four decal											
*	US OE Retirement Income										
	TIAA-CREF Lifecycle Index Ret Inc Prem	TLIPX	0.31	8.35	7.31	3	5.40	1.32		****	
	Benchmark 1: US OE Retirement Income		0.96	7.19	5.83		5.39	1.07	8.94	4.52	***
	Benchmark 2: Morningstar Lifetime Moderate Income			6.45	6.44		5.25	1.20	8.91	6.32	
Benchmark 2 is assigned by Morningstar analyst.											
*	US OE Target Date 2000-2010										
	TIAA-CREF Lifecycle Index 2010 Premier	TLIPX	0.31	10.71	8.00	2	6.45	1.22		*****	
	Benchmark 1: US OE Target Date 2000-2010		0.95	8.28	6.15		6.25	0.98	10.05	4.79	***
	Benchmark 2: Morningstar Lifetime Moderate 2010			8.76	7.62		6.42	1.17	10.67	7.16	
*	US OE Target Date 2011-2015										
	TIAA-CREF Lifecycle Index 2015 Premier	TLIPX	0.32	12.74	8.63	1	7.31	1.16		*****	
	Benchmark 1: US OE Target Date 2011-2015		0.97	9.62	6.67		7.32	0.91	10.78	4.90	***
	Benchmark 2: Morningstar Lifetime Moderate 2015			10.50	8.23		7.22	1.12	11.65	7.52	
*	US OE Target Date 2016-2020										
	TIAA-CREF Lifecycle Index 2020 Premier	TLIPX	0.31	15.39	9.46	2	8.40	1.11		*****	
	Benchmark 1: US OE Target Date 2016-2020		1.03	11.59	7.48		8.11	0.92	11.64	5.45	***
	Benchmark 2: Morningstar Lifetime Moderate 2020			12.98	8.96		8.37	1.06	12.86	7.85	
*	US OE Target Date 2021-2025										
	TIAA-CREF Lifecycle Index 2025 Premier	TLIPX	0.31	18.07	10.28	2	9.39	1.08		*****	
	Benchmark 1: US OE Target Date 2021-2025		1.00	15.26	8.56		9.64	0.89	13.21	5.78	***
	Benchmark 2: Morningstar Lifetime Moderate 2025			16.28	9.83		9.79	1.00	14.17	8.16	
*	US OE Target Date 2026-2030										
	TIAA-CREF Lifecycle Index 2030 Premier	TLIPX	0.32	20.77	11.12	1	10.49	1.05		*****	
	Benchmark 1: US OE Target Date 2026-2030		1.07	16.62	8.91		10.29	0.88	13.52	5.77	***
	Benchmark 2: Morningstar Lifetime Moderate 2030			19.64	10.66		11.13	0.96	15.31	8.41	
*	US OE Target Date 2031-2035										
	TIAA-CREF Lifecycle Index 2035 Premier	TLIPX	0.31	23.34	11.91	1	11.61	1.02		*****	
	Benchmark 1: US OE Target Date 2031-2035		1.03	19.97	9.98		11.50	0.88	14.62	6.22	***
	Benchmark 2: Morningstar Lifetime Moderate 2035			22.03	11.22		12.03	0.94	16.01	8.60	
*	US OE Target Date 2036-2040										
	TIAA-CREF Lifecycle Index 2040 Premier	TLIPX	0.31	25.01	12.44	1	11.99	1.04		*****	
	Benchmark 1: US OE Target Date 2036-2040		1.09	19.92	9.79		11.68	0.85	14.59	6.14	***
	Benchmark 2: Morningstar Lifetime Moderate 2040			23.05	11.42		12.45	0.93	16.30	8.73	
*	US OE Target Date 2041-2045										
	TIAA-CREF Lifecycle Index 2045 Premier	TLIPX	0.31	24.97	12.43	1	11.98	1.04		*****	
	Benchmark 1: US OE Target Date 2041-2045		1.04	22.01	10.57		12.41	0.87	15.24	6.73	***
	Benchmark 2: Morningstar Lifetime Moderate 2045			23.07	11.34		12.63	0.91	16.35	8.79	
*	US OE Target Date 2046-2050										
	TIAA-CREF Lifecycle Index 2050 Premier	TLIPX	0.31	25.00	12.45	1	11.96	1.04		*****	
	Benchmark 1: US OE Target Date 2046-2050		1.10	20.98	10.11		12.08	0.85	15.06	6.53	***
	Benchmark 2: Morningstar Lifetime Moderate 2050			22.83	11.19		12.74	0.89	16.34	8.83	
*	US OE Target Date 2051+										
	TIAA-CREF Lifecycle Index 2055 Premier	TLIPX	0.31	25.04							
	Benchmark 1: US OE Target Date 2051+		1.04	23.34	10.89		12.47	0.89	15.52	6.73	***
	Benchmark 2: Morningstar Lifetime Moderate 2050			22.83	11.19		12.74	0.89	16.34	8.83	
	US VA Sub Moderate Allocation										
	TIAA-RSRA-CREF Social Choice		0.45	16.67	9.65	3	7.66	1.24	12.56	6.21	***
	Benchmark 1: US VA Sub Moderate Allocation			15.78	8.07		8.66	0.93	11.33	4.61	***
	Benchmark 2: Morningstar Moderately Aggr Target Risk			20.18	10.45		10.97	0.96	14.58	7.95	
	US OE Large Value										
	TIAA-CREF Large-Cap Value Premier	TRIPX	0.61	34.22	14.73	5	14.17	1.04	18.43	7.92	***
	Benchmark 1: US OE Large Value		1.18	31.15	14.21		12.66	1.11	16.04	6.53	***
	Benchmark 2: Russell 1000 Value TR USD			32.53	16.06		12.88	1.22	16.67	7.58	

* — = Index Fund
 Investment Option

"Watch" list

Group/Investment	Ticker (Mutual Fund)	Prospectus Net Expense Ratio	1/1/2013	1/1/2011			1/1/2009	1/1/2004	* lowest * * * * * highest Morningstar Rating Overall	
			12/31/2013	Return (Cumulative)	Return (Annualized)	Morningstar category decile	Std Dev (Annualized)	Sharpe Ratio (Annualized)		Return (Annualized)
US OE Large Blend										
Vanguard 500 Index Signal	VIFSX	0.05	32.33	16.14	3	12.10	1.30	17.94	7.37	****
Benchmark 1: US OE Large Blend		1.17	31.32	14.14		12.78	1.10	16.82	6.65	***
Benchmark 2: Russell 1000 TR USD			33.11	16.30		12.43	1.28	18.59	7.78	
US VA Sub Large Blend										
TIAA RSRA-CREF Stock		0.49	27.83	12.53	7	13.81	0.92	16.84	7.28	***
Benchmark 1: US VA Sub Large Blend			30.28	12.77		12.74	1.00	15.65	5.35	***
Benchmark 2: Russell 1000 TR USD			33.11	16.30		12.43	1.28	18.59	7.78	
US VA Sub Large Growth										
TIAA RSRA-CREF Growth		0.46	35.00	16.54	1	13.01	1.24	19.97	7.52	****
Benchmark 1: US VA Sub Large Growth			33.24	13.48		13.85	0.98	17.78	5.87	***
Benchmark 2: Russell 1000 Growth TR USD			33.48	16.45		12.35	1.30	20.39	7.83	
US OE Mid-Cap Value										
TIAA-CREF Mid-Cap Value Premier	TRVFX	0.61	32.35	14.62	6	13.61	1.07	20.10	10.22	***
Benchmark 1: US OE Mid-Cap Value		1.31	34.93	14.75		14.27	1.03	19.82	8.84	***
Benchmark 2: Russell Mid Cap Value TR USD			33.46	15.97		13.89	1.14	21.16	10.25	
US OE Mid-Cap Growth										
TIAA-CREF Mid-Cap Growth Premier	TRGFX	0.63	36.50	15.05	4	16.06	0.95	23.43	9.51	***
Benchmark 1: US OE Mid-Cap Growth		1.36	34.80	13.77		14.96	0.94	20.61	8.31	***
Benchmark 2: Russell Mid Cap Growth TR USD			35.74	15.63		14.83	1.05	23.37	9.77	
US OE Small Blend										
TIAA-CREF Small-Cap Blend Idx Retire	TRBFX	0.40	38.69	15.54	5	16.65	0.95	19.79	8.81	***
TIAA-CREF Small-Cap Equity Premier	TSRFX	0.63	39.85	15.18	6	17.26	0.90	19.78	8.55	***
Benchmark 1: US OE Small Blend		1.32	37.55	14.93		16.44	0.93	20.30	8.67	***
Benchmark 2: Russell 2000 TR USD			38.82	15.67		16.68	0.95	20.08	9.07	
US VA Sub World Stock										
TIAA RSRA-CREF Global Equities		0.53	27.27	11.62	3	14.05	0.85	15.72	6.92	***
Benchmark 1: US VA Sub World Stock			24.99	9.41		14.84	0.68	14.52	6.04	***
Benchmark 2: MSCI ACWI NR USD			22.80	9.73		14.14	0.72	14.92	7.17	
US OE Foreign Large Blend										
TIAA-CREF International Eq Idx Premier	TRIFX	0.23	21.75	8.31	3	16.48	0.56	12.07	6.84	****
TIAA-CREF International Eq Premier	TREPX	0.67	23.78	7.41	4	19.52	0.46	14.37	7.37	***
Benchmark 1: US OE Foreign Large Blend		1.34	19.29	6.71		16.07	0.48	11.89	6.41	***
Benchmark 2: MSCI ACWI Ex USA NR USD			15.29	5.14		16.46	0.38	12.81	7.57	
US OE Diversified Emerging Mkts										
DFA Emerging Markets I	DFEMX	0.61	-3.12	-1.58	5	18.80	0.00	14.81	11.63	****
Benchmark 1: US OE Diversified Emerging Mkts		1.61	-0.69	-1.94		18.27	-0.02	14.17	9.92	***
Benchmark 2: MSCI EM NR USD			-2.60	-2.06		19.31	-0.02	14.79	11.17	
Unclassified										
TIAA RSRA-FIX(ED)			Morningstar does not rate or report on insurance company "fixed" products.							
US VA Sub Money Market-Taxable										
TIAA RSRA-CREF Money Market		0.41	0.00	0.00	1	0.01	-6.34	0.02	1.59	
Benchmark 1: US VA Sub Money Market Taxable			-1.37	-1.36		0.02	-82.04	-1.32	0.15	
Benchmark 2: BofAML USD LIBOR 3 Mon CM			0.29	0.36		0.04	7.69	0.48	2.12	
Money Market fund providers and SEC have not agreed how to protect retirement plan participants invested in money market accounts										
US OE Short-Term Bond										
TIAA-CREF Short-Term Bond Premier	TSSTFX	0.44	0.20	2.07	5	1.32	1.51	3.28		***
Benchmark 1: US OE Short-Term Bond		0.85	0.43	1.85		1.19	1.49	3.67	2.48	***
Benchmark 2: Barclays Govt/Credit 1-5 Yr TR USD			0.28	1.88		1.19	1.52	2.86	3.41	
US VA Sub Intermediate-Term Bond										
TIAA RSRA-CREF Bond Market		0.44	-2.01	3.34	2	2.80	1.16	4.73	4.13	***
Benchmark 1: US VA Sub Intermediate-Term Bond			-2.98	2.22		2.85	0.76	5.02	2.99	***
Benchmark 2: Barclays US Agg Bond TR USD			-2.02	3.26		2.75	1.16	4.44	4.55	
US VA Sub Inflation-Protected Bond										
TIAA RSRA-CREF Inflation-Linked Bond		0.44	-9.02	3.09	1	5.32	0.58	4.92	4.38	***
Benchmark 1: US VA Sub Inflation-Protected Bond			-9.76	1.69		5.30	0.33	4.43	3.03	***
Benchmark 2: Barclays US Treasury US TIPS TR USD			-8.61	3.55		5.43	0.66	5.63	4.85	

Group/Investment	Ticker (Mutual Fund)	Prospectus Net Expense Ratio	1/1/2013	1/1/2011	1/1/2009	1/1/2004	★ lowest ***** highest Morningstar Rating Overall			
			12/31/2013	12/31/2013	12/31/2013	12/31/2013				
			Return (Cumulative)	Return (Annualized)	Morningstar category decile	Std Dev (Annualized)	Sharpe Ratio (Annualized)	Return (Annualized)	Return (Annualized)	
US VA Sub Miscellaneous Sector										
TIAA RSRA-TIAA Real Estate Account		0.90	9.65	10.89		1.65	6.24	2.25	1.80	
A unique TIAA liquidity guarantee makes difficult any meaningful comparison of its Real Estate Account with peer group or benchmark. Morningstar does not rate this account.										

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Accounts identified as "US VA" and/or "TIAA RSRA" are annuities.
 Accounts identified as "US OE" are mutual funds.
 Rates of return include the effect of net expenses as set out in a prospectus.
 Rates of return do not reflect plan-level ("wrap") fees, if any.
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