

Juniata College

403(b) Plan Update

April 1st and 3rd, 2019



CORNERSTONE

Independent Asset Management

Cornerstone Advisors Asset Management, LLC
74 W. Broad Street, Suite 340, Bethlehem, PA 18018

Background

In 2009, the Department of Labor (“DOL”) passed and began enforcing a new set of rules for 403(b) plans:

- Juniata College to serve as the **plan fiduciary** – this means that Juniata has financial and compliance responsibility for the Plan
- Requires the Plan to have a written document, formal fund review and monitoring, an annual audit of administrative procedures, and fee monitoring

Since then, quarterly meetings have been held to manage the Plans:

- Retirement Plan Committee formed to **formalize the governance process**
- Review books and meeting minutes provided for every meeting
- Current Committee Members:
 - Karla Wiser
 - Susan Sieber
 - Cady Kyle
 - Brad Williams
 - Brad Andrew
 - Don Braxton

Committee Responsibilities

The **Retirement Plan Committee** is responsible for **overall plan governance, to formally review plan investments and provisions, and monitor service providers.**

General Responsibilities:

- Determine investment objectives and policies as outlined in this statement.
- Establish a list of acceptable investments and portfolio guidelines.
- Provide information to plan participants regarding the investment option menu and performance against established objectives and policies.
- Review and approve all Plan service agreements.
- Negotiate compensation arrangements for investment service providers.
- Monitor the performance of all service providers including money managers, investment managers, and record keepers.
- Establish acceptable peer group performance for each investment manager.
- Provide guidance to service providers on educational and communication programs.
- Evaluate any administrative issues.
- Amend and update the Investment Policy Statement as appropriate based on the future needs of the plan.

Fiduciary Process

- Cornerstone is an **independent investment advisory firm** that is a fiduciary to the Juniata College Retirement Plan.
 - Hired by the College because of their expertise in the Collegiate 403(b) market
- Emphasis on **meeting the highest fiduciary standards**, responsibly managing risk, controlling cost, and driving performance.
- Juniata studied ways to **improve the plan's overall effectiveness**.
 - Included an analysis of the plan design, contracts, investments, fees, and education program

As a result of these efforts, the Plan will be transitioning to the TIAA Retirement Choice Platform effective April 18, 2019

TIAA's Retirement Choice Platform (RC)

- TIAA-CREF's Retirement Choice contract is a **group contract**, not an individual contract.
- More than **15,000 funds** available, giving Juniata **significant flexibility** to offer non-proprietary funds.
 - Enables Committee to fulfill fiduciary responsibility for investment selection, monitoring, and replacement
- Offers **more flexible provisions** including:
 - Reduction of TIAA Traditional withdrawal restriction from 9 years and 1 Day to 84 months
 - A generally higher TIAA Traditional crediting rate than the current contracts
 - Greater compliance oversight and automated services

More than 1,800 other plans around the country have already migrated to this platform

- This represents more than 25% of Plans with TIAA
- More than 1,100 Plans have moved in the last 2-3 years

Investments, Transfers and Expenses

- A **new list of investment options** is available for all contributions after April 18, 2019
 - After that date, no new money can be contributed to current contracts.
- You can keep your annuity assets in the current contracts **OR** transfer them to the new platform
 - There are **numerous benefits to consolidation**, but the choice is ultimately yours
 - All new contributions will go to the Juniata College Retirement Plan **Number 104577**
- The new investment options will have **lower costs** and **no hidden administrative expenses**
 - There will be a **0.17%** administrative fee to cover plan costs – **these are not new fees**; fees have always been built into the plan's expense ratio.
 - Currently, the fees built into most funds to pay these costs is between 0.20% and 0.25%
 - This provides **lower plan expenses** and **greater fee transparency**
- **Impact on plan expenses:**
 - Average plan administrative expense **reduced by about 15%**

What Happens Next?

- Series of educational meetings introducing the program occurring this month
- Any time after enrollment on **April 18, 2019**, you may transfer your assets from individual annuity contracts into the group contract
- If no investment election made by **April 29, 2019**, all current mutual fund assets and new contributions will **automatically be invested in** the appropriate **TIAA-CREF Lifecycle Funds Target Date Fund** based on date of birth.
 - Industry best practice supported by the DOL
 - Fiduciary insulation for making this decision.
 - Designed to put you in an **age-appropriate mix of investments**.

New Core Fund Menu



Asset Allocation Funds	TIAA-CREF Target Date Funds											
	Retirement Income	2010	2015	2020	2025	2030	2035	2040	2045	2050	2055	2060
Passive Core Options	Cash & Equivalents		Core Bond		Large Cap Core		Int'l Core Plus		Mid Cap Core		Small Cap Core	
	TIAA Traditional (RC) TIAA Stable Value		iShares US Aggregate Bond Index		Vanguard 500 Index		Vanguard Total Intl Stock Index		Vanguard Mid Cap Index		Vanguard Small Cap Index	
Active Core Options												
	Core Bond	Unconstrained	Large Cap Value	Large Cap Core	Large Cap Growth	Real Estate	GTAA	Int'l Core Plus	Small Cap Value	Small Cap Growth	Emerging Markets	
	Federated Total Return Bond	JPMorgan Strategic Income Opportunity F	American Beacon Large Cap Value	TIAA-CREF Social Choice Equity Instl	American Funds Growth Fund of Amer	TIAA-CREF Real Estate Sec	Goldman Sachs Satellite Strategies	American Funds Europacific Growth	Victory Sycamore Small Company Opp	PGIM Jennison Small Company	Causeway Emerging Markets	
			American Funds Washington Mutual		T. Rowe Price Growth Stock							

TIAA-CREF Lifecycle Funds









Qualified Default Mapping

Birth Year	Portfolio
1994 or later	TIAA-CREF Lifecycle 2060 Institutional Fund
1989-1993	TIAA-CREF Lifecycle 2055 Institutional Fund
1984-1988	TIAA-CREF Lifecycle 2050 Institutional Fund
1979-1983	TIAA-CREF Lifecycle 2045 Institutional Fund
1974-1978	TIAA-CREF Lifecycle 2040 Institutional Fund
1969-1973	TIAA-CREF Lifecycle 2035 Institutional Fund
1964-1968	TIAA-CREF Lifecycle 2030 Institutional Fund
1959-1963	TIAA-CREF Lifecycle 2025 Institutional Fund
1954-1958	TIAA-CREF Lifecycle 2020 Institutional Fund
1949-1953	TIAA-CREF Lifecycle 2015 Institutional Fund
1944-1948	TIAA-CREF Lifecycle 2010 Institutional Fund
1943 or earlier	TIAA-CREF Lifecycle Retirement Income Institutional Fund

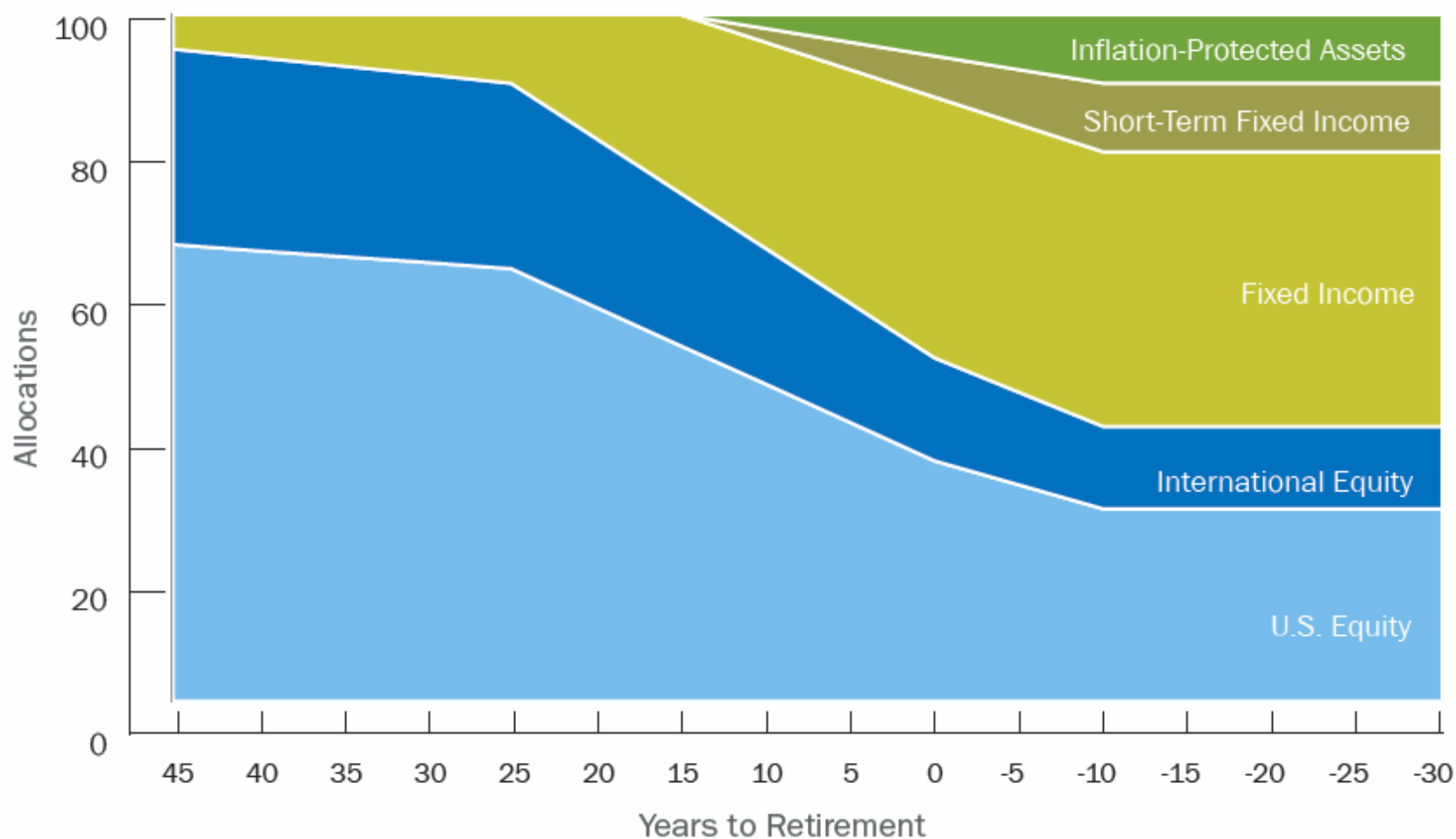
Fund to Fund Comparison Guide

Asset Category	Current Fund	TO	New Fund Options	Reason
Large Cap Value	TIAA-CREF Large-Cap Value Idx Ret TIAA-CREF Large-Cap Value Ret	➡	American Beacon Large Cap Value Instl OR American Funds Washington Mutual R6	New New
Large Cap Core	TIAA RASRA-CREF:Eq Idx R2 TIAA-CREF Equity Index R TIAA-CREF Growth & Income Ret TIAA-CREF S&P 500 Index Ret TIAA-CREF Social Choice Eq Ret	➡	Vanguard 500 Index Adm	New
Large Cap Growth	TIAA RASRA-CREF:Growth R2 TIAA-CREF Large-Cap Gr Idx Ret TIAA-CREF Large-Cap Growth R	➡	TIAA-CREF Social Choice Eq Instl American Funds Growth Fund of Amer R6 OR T. Rowe Price Growth Stock	Share Class Change New New
Mid Cap Value	TIAA-CREF Mid-Cap Value Ret	➡	Vanguard Mid Cap Index Adm	New
Mid Cap Growth	TIAA-CREF Mid-Cap Growth Ret	➡		
Small Cap Value	Victory Sycamore Small Company Opp A		Victory Sycamore Small Company Opp I	Share Class Change
Small Cap Broad	TIAA-CREF Quant Small-Cap Equity Ret TIAA-CREF Small-Cap Blend Idx Ret	➡	Vanguard Small Cap Index Adm	New
Small Cap Growth	PGIM Jennison Small Company Z		PGIM Jennison Small Company R6	Share Class Change
Intl Large Cap Core	TIAA-CREF International Eq Idx Ret TIAA-CREF International Eq Ret	➡	Vanguard Total Intl Stock Index Adm	New
Intl Large Cap Growth	American Funds Europacific Growth R4		American Funds Europacific Growth R6	Share Class Change
Emerging Markets	Vanguard Emerging Mkts Stock Idx Adm	➡	Causeway Emerging Markets Instl	New
Global Equities	TIAA RASRA-CREF:Gbl Eq R2 TIAA RASRA-CREF:Stock R2		60% Vanguard 500; 40% Vanguard Total Intl 70% Vanguard 500; 30% Vanguard Total Intl	
Balanced Allocation	TIAA RASRA-CREF:Social Choice R2 TIAA-CREF Managed Allc R		60% TIAA-CREF Soc. Choice Eq; 40% Vanguard Total Bond 60% Vanguard 500; 40% Vanguard Total Bond	
Target Dates	TIAA-CREF Lifecycle 2060 Ret TIAA-CREF Lifecycle 2055 Ret TIAA-CREF Lifecycle 2050 Ret TIAA-CREF Lifecycle 2045 Ret TIAA-CREF Lifecycle 2040 Ret TIAA-CREF Lifecycle 2035 Ret TIAA-CREF Lifecycle 2030 Ret TIAA-CREF Lifecycle 2025 Ret		TIAA-CREF Lifecycle 2060 Instl TIAA-CREF Lifecycle 2055 Instl TIAA-CREF Lifecycle 2050 Instl TIAA-CREF Lifecycle 2045 Instl TIAA-CREF Lifecycle 2040 Instl TIAA-CREF Lifecycle 2035 Instl TIAA-CREF Lifecycle 2030 Instl TIAA-CREF Lifecycle 2025 Instl	Share Class Change

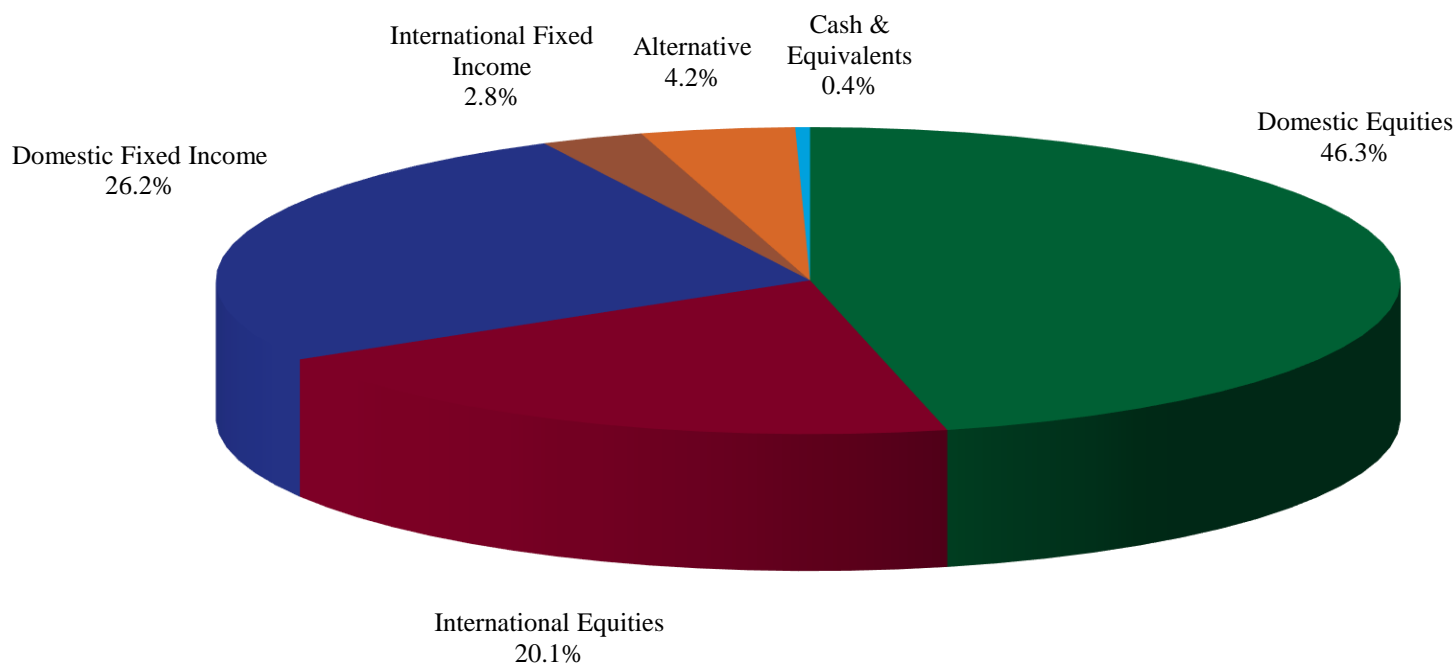
Fund to Fund Comparison Guide

Asset Category	Current Fund	TO	New Fund Options	New Fund?
Target Dates	TIAA-CREF Lifecycle 2020 Ret TIAA-CREF Lifecycle 2015 Ret TIAA-CREF Lifecycle 2010 Ret TIAA-CREF Lifecycle Ret Income Ret		TIAA-CREF Lifecycle 2020 Instl TIAA-CREF Lifecycle 2015 Instl TIAA-CREF Lifecycle 2010 Instl TIAA-CREF Lifecycle Retire Income Instl	Share Class Change
High Yield Bond	TIAA-CREF High-Yield R		JPMorgan Strategic Income Opports R6	New
Core Plus Bond	TIAA-CREF Bond Plus R		Baird Core Plus Bond Inst	New
Core Bond	TIAA RASRA-CREF:Bond Mkt R2 TIAA-CREF Bond R		Vanguard Total Bond Market Index Adm	New
Intl Bond	T. Rowe Price Emerging Markets Bond			
Short Term Bond	TIAA-CREF Short-Term Bond R			
TIPS	TIAA RASRA-CREF:Infl-Lkd Bond R2 TIAA-CREF Inflation Link Bd R			
Real Estate	TIAA RASRA-CREF:Real Estate Acct TIAA-CREF Real Estate Sec Ret		TIAA-CREF Real Estate Sec Instl	Share Class Change
GTAA	PIMCO All Asset A		Goldman Sachs Satellite Strategies R6	New
Cash & Equivalents	TIAA Traditional Account (GSRA) TIAA Traditional Account (RA) TIAA Traditional Account (SRA)		TIAA Traditional Account (RC)	Share Class Change
Cash & Equivalents	TIAA RASRA-CREF:Money Mkt R2 TIAA-CREF Money Market R		TIAA Stable Value	New

TIAA-CREF Lifecycle Funds Glidepath



TIAA-CREF Lifecycle 2030



Asset Category	% of Portfolio
Domestic Equities	46.3%
International Equities	20.1%
Domestic Fixed Income	26.2%
International Fixed Income	2.8%
Alternative	4.2%
Cash & Equivalents	0.4%
Total	100.0%

2019 Key Dates

Date	Milestone
March 18	Participant Communication mailed
April 1 & 3	Information sessions for Faculty & Staff presented by Cornerstone and TIAA
April 15	Final payroll contribution directed to existing contracts
April 18	New Retirement Choice contract established and enrollment for all existing participants
April 18	Participants can make investment changes and assets in former contracts are eligible for transfer to the new Retirement Choice contract
April 22	TIAA to be available for on-site one-on-one meetings
April 29	First payroll contribution directed to updated investment lineup in Retirement Choice contract



Plan Highlights

Plan Highlights

Eligibility

- Employee Elective Deferral Contribution - No age or service requirement
- Employee Mandatory Contributions - 1 year of service
- Employer Contribution - Age 21 and 1 year of service
- Plan Entry immediate upon meeting eligibility

Plan Highlights

Contribution Types

- 2% Mandatory Employee Contribution
- 10% Employer Contribution
- Employee Elective Deferral - **\$19,000 maximum for 2019**
 - Pre-Tax Elective Deferrals
 - Roth Elective Deferrals
- Age 50 Catch-up Contribution - **\$6,000 maximum for 2019**
- Rollovers

Plan Highlights

In-Service Distribution Options

- Hardship
- Age 59 ½
- Disability
- Qualified Reservist
- Rollovers
- Loans

Roth Contribution FAQs

What is the **basic difference** between pre-tax and Roth contributions?

- With pre-tax contributions, tax is paid on your contributions and the earnings **when you withdraw them**.
- With Roth contributions, you pay the tax on the contributions now but the **earnings can be withdrawn tax-free** if certain conditions are met.

Who does this **strategy benefit**?

- **Younger savers** hopeful to **capitalize on many years of tax-deferred growth**, potentially resulting in tax-free income.
- **Mature employees** interested in **tax diversification** in retirement.

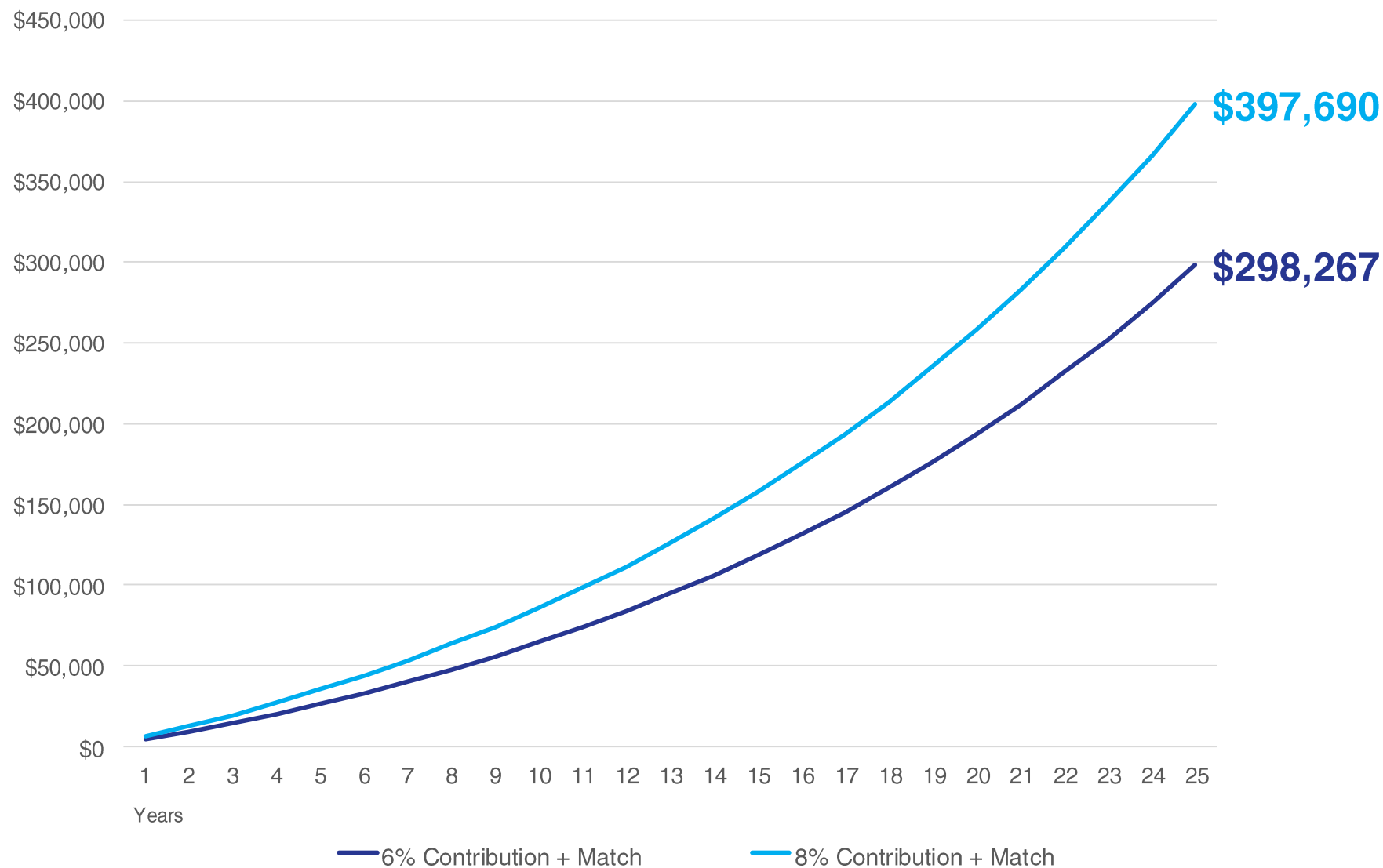
Can I **defer into both** the Pre-Tax and Roth portions of my retirement plan?

- Yes, **you may contribute into any combination of the two sources** as long as the dollar amount does not exceed IRS limits.
- Employee Mandatory contribution is Pre-Tax only and not eligible for Roth



Investment Concepts

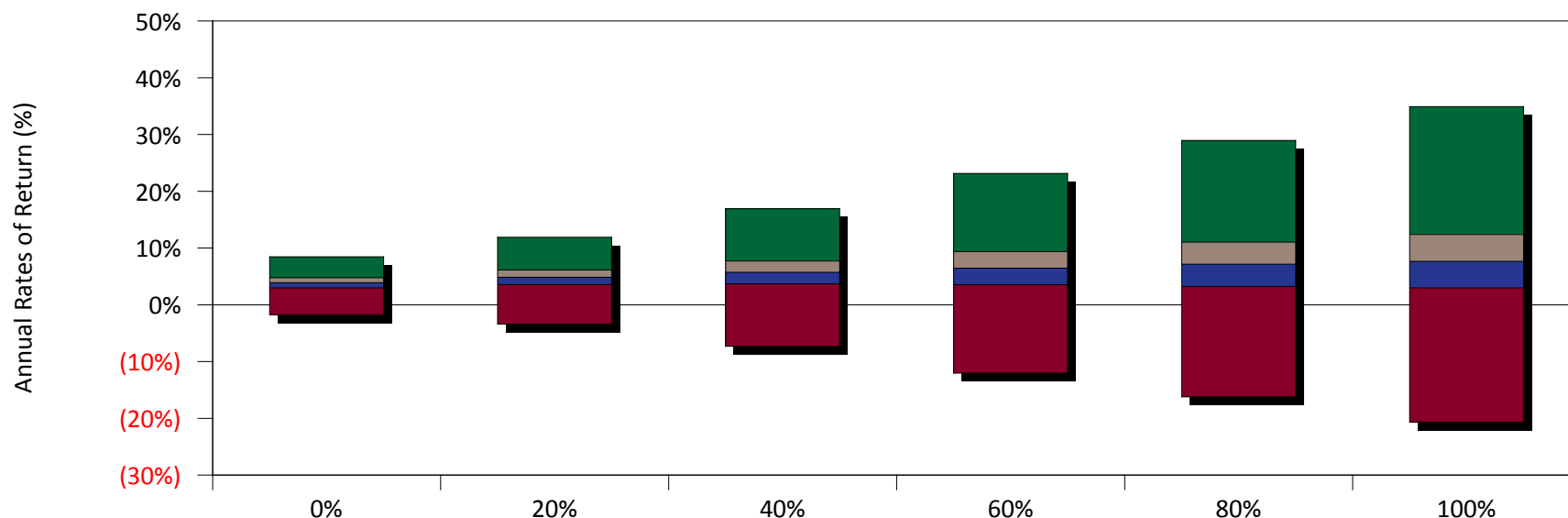
Impact of Contribution Increase



Assumes \$50k base salary with 2% salary growth per year, 6% annual rate of return, and 50% match on contributions.

Range of Outcomes

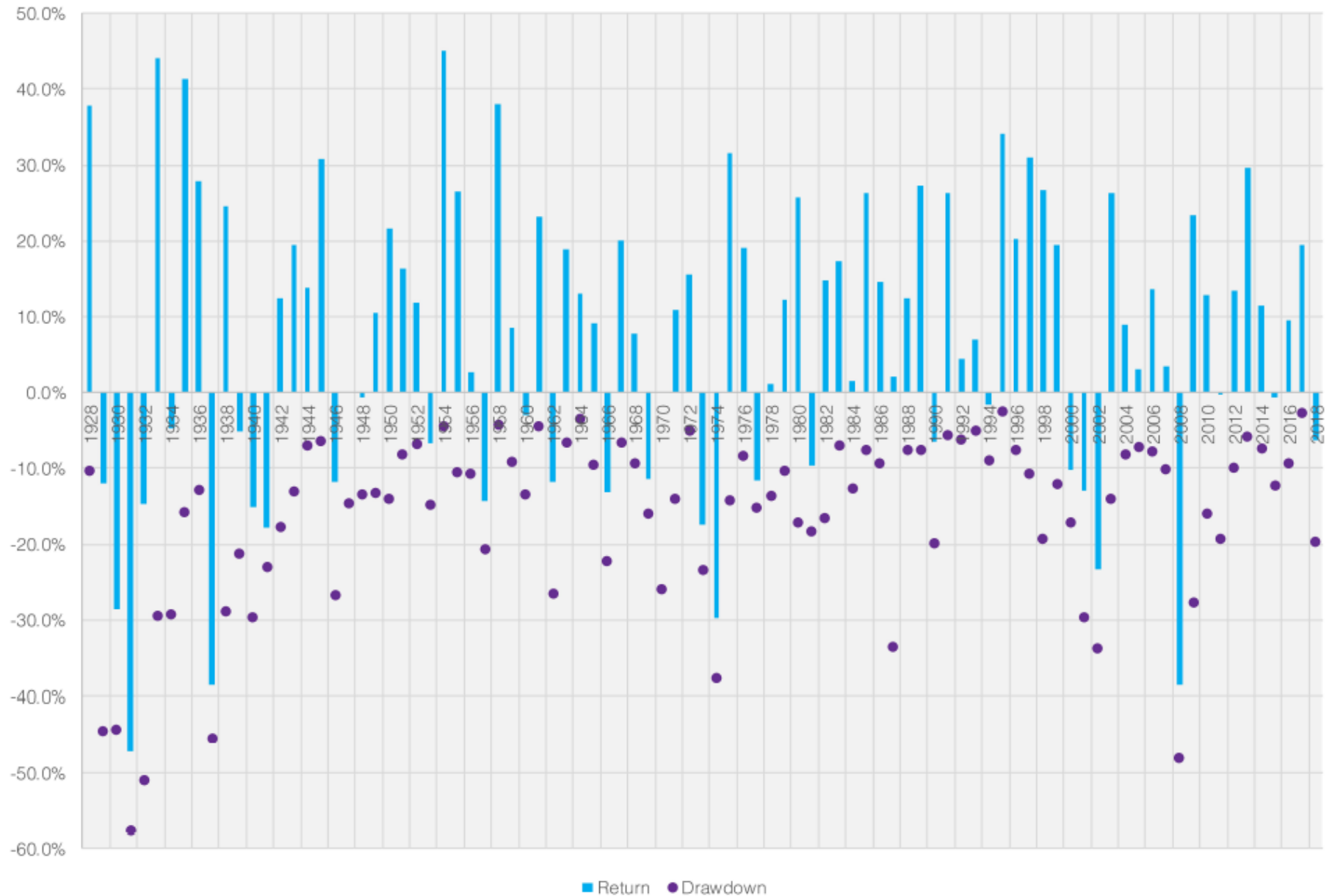
Range of Projected Rates of Return
Optimization Set: 2019 Callan



10th Percentile	8.5%	11.9%	16.9%	23.2%	29.0%	34.9%
40th Percentile	4.7%	6.1%	7.7%	9.4%	11.0%	12.4%
Median	3.9%	4.8%	5.7%	6.4%	7.1%	7.6%
60th Percentile	3.0%	3.6%	3.7%	3.5%	3.2%	3.0%
95th Percentile	(1.7%)	(3.4%)	(7.3%)	(12.0%)	(16.2%)	(20.6%)
Prob > 7.5%	15.4%	30.9%	41.1%	46.3%	48.9%	50.3%

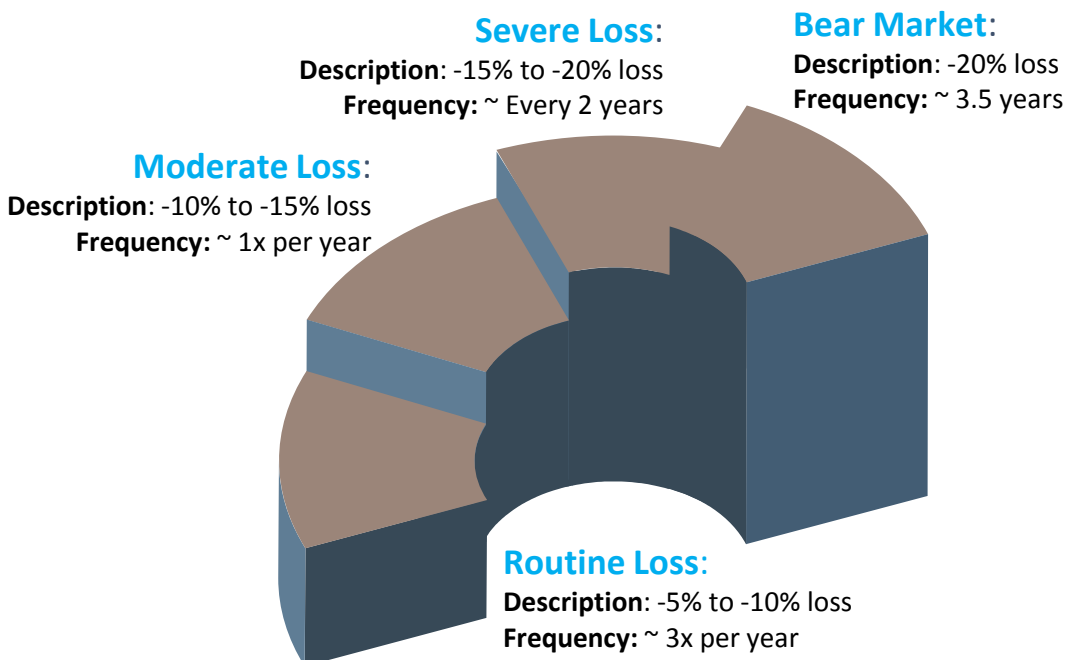


S&P 500 Intra-Year Drawdowns



A History of Declines

Six Big Bear Markets				
Bear Market	When	How Long It Lasted	Maximum Decline	Time to Get Your Money Back
The Great Crash	Sept 1929 – July 1932	34 months	-89%	16 years
The Arab Oil Embargo	Jan 1973 – Dec 1974	23 months	-45%	3 years
Black Monday	Aug 1987 – Oct 1987	2 months	-36%	23 months
The Persian Gulf War	July 1990 – Oct 1990	3 months	-21%	8 months
The Tech Bubble	Jan 2000 – Sept 2002	33 months	-37%	4 years
The Credit Crisis	Oct 2007 – Mar 2009	18 months	-52%	4 years

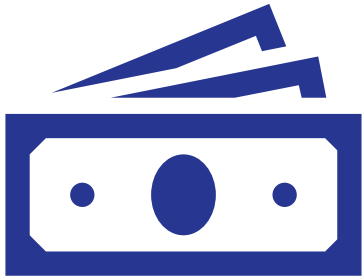


S&P 500 Facts

- Annualized Performance** **+9.8%**
- Positive returns** **78%** of years
- Positive **14 of last 16** years
- 2018 broke **9 year** positive streak
- Last Bear Market ended March 2009

**Last 50 years (1969 – 2018)

Fundamentals of Retirement Planning



- **Start saving** as early as you can
- **Pay yourself first** when you get a raise
- **Increase your contributions** annually
- **Maximize** your employer contribution

- Select the appropriate **risk profile**
- **Rebalance** on a regular basis
- **Monitor performance**



Contact Information

TIAA



TIAA.org/juniata



1-800-842-2252

Cornerstone



www.cornerstone-companies.com



1-800-923-0900



Participant Services Representatives:

Michael Zambelli: mzambelli@cornerstone-companies.com

Evan Cowen: ecowen@cornerstone-companies.com

TIAA Instructions

TIAA.org/juniata

- Log in to the secure website
- Learn more about your plan
- Update your retirement portfolio
- Change the direction of future contributions
- Update your beneficiary election
- **Transfer assets from legacy contracts to the Retirement Choice contract**

[1-800-842-2252](tel:1-800-842-2252)

- Call TIAA weekdays from 8am to 10pm and Saturday 9am to 6pm
- Learn more about your plan
- Update your retirement portfolio
- Change the direction of future contributions
- Review your beneficiary election
- **Transfer assets from legacy contracts to the Retirement Choice contract**



Evan J. Cowen, AIF®

Participant Services Specialist

EXPERTISE

- Business Development
- Private Wealth
- Life and Long Term Care Insurance
- Retirement Planning

Experience

Evan joined Cornerstone in 2017 after working as a financial planner for Guardian in Wall, New Jersey. As a consultant, Evan works on the firms Retirement Planning and Private Wealth teams as well as in client service and business development roles. Evan enjoys meeting with clients and assisting them by navigating them through the financial planning and risk management process.

Since Evan's start in financial services, he has worked extensively with business owners and private wealth clients. His client-first approach makes the process of financial planning and risk management enjoyable and educational.

Education

BA Business Management, Monmouth University, 2016

Accreditations

- FINRA Series 7, 6, 63 and 65 Licenses
- Life, Accident and Health Insurance License
- AIF® (Accredited Investment Fiduciary), The Center for Fiduciary Studies, University of Pittsburgh, 2014



Erik T. Lentz, AIF®

Client Account Manager

EXPERTISE

- Client Service
- Retirement Planning

Experience

Erik started with Cornerstone in 2016 and has nearly 10 years of experience in the financial services industry. Prior to joining Cornerstone, Erik worked for a privately held company in the annuity and retirement divisions. Currently, Erik is a member of the Retirement Planning Team, where his primary responsibilities include service of, and communication with, our institutional retirement plan clients and vendors, as well as the conversion and implementation of new plans.

Education

BS, Finance, University of Utah, 2002

Accreditations

- FINRA Series 7, 6, 66 Licenses
- AIF® (Accredited Investment Fiduciary), The Center for Fiduciary Studies, University of Pittsburgh, 2018



Thomas J. Scalici, CFP®, CEBS, AIF®

Chief Executive Officer

EXPERTISE

- Strategic Contribution Planning
 - Defined Plans
 - 401(k) Plans
 - 403(b) Plans
- Industry Best Practices
- Fee Benchmarking
- Defined Benefit Plans
 - Traditional
 - Cash Balance

Experience

A co-founder of Cornerstone Advisors Asset Management, LLC and Cornerstone Institutional Investors, LLC, Tom began his career in financial services in 1986.

He has specialized in the qualified retirement plan business since 1992 and has advised more than 150 corporate clients during that time. Tom became CEO of the Cornerstone companies in 2002. As such, his primary responsibilities include strategic planning, business development, and employee selection and mentoring. He has a strong belief that the identification and development of each individual's unique abilities and leadership style are critical to building an organization with a high achievement culture.

Education

BA, Business Administration, Gettysburg College, 1986

Accreditations

- CFP®, College for Financial Planning, Denver, CO, 1991
- CEBS, International Society of Certified Employee Benefits Specialists, The Wharton School, 2003
- AIF® (Accredited Investment Fiduciary), The Center for Fiduciary Studies, University of Pittsburgh, 2007
- General Securities Principal, FINRA Series 24
- FINRA Series 7, 63, 65 Licenses
- Life, Accident and Health Insurance License
- Member of AALU and ISCEBS



Michael J. Zambelli Jr., AIF®, CFP®

Senior Consultant & Director of Participant Services

EXPERTISE

- Educational Workshops
- Private Wealth Solutions
- Financial Wellness Programs
- Estate Planning
- Defined Benefit Plans
 - Traditional
 - Cash Balance
- Defined Contribution Plans
 - 401(k) Plans
 - 403(b) Plans
- Executive Reward and Retention Strategies

Experience

Mike has been in the financial services industry for more than 15 years, working in a variety of roles with both corporate and individual clients. As the Director of Participant Services, Mike is responsible for ensuring participants are comfortable with all aspects of their retirement plan. As a Senior Consultant, his responsibilities include strategic planning and creating best-fit solutions for individual and institutional clients, in areas of retirement planning, executive benefits, insurance analysis, charitable giving programs, and personal and institutional wealth management.

Mike effectively works through a prudent investment process to ensure that the highest level of fiduciary standards and insulation is met. He has a well-informed process to ensure positive outcomes and his client-centric approach allows him to create sound solutions for highly complex financial situations.

Education

BS, Business Administration, Kutztown University 2001

Accreditations

- CFP®, Kaplan University, CFP® Board of Standards
- AIF®, (Accredited Investment Fiduciary), The Center for Fiduciary Studies, University of Pittsburgh, 2015
- FINRA Series 7, 66 Licenses
- Life and Fixed Annuities, Variable Life/Variable Annuity

Disclosures

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