

EXCESSIVE FEE QUESTIONNAIRE

1. Is a periodic review process (including benchmarking) to determine the reasonableness and competitiveness of fees of service providers (in particular for record keepers) conducted? If so:
 - How often? ***Fees paid to investment managers are compared quarterly to a peer group of similarly managed investments. Recordkeeping costs are reviewed on a regular basis with the last review occurring June 2019 and evaluating costs against plans with similar asset levels and participant population. A full recordkeeper RFP is scheduled for 2021.***
 - Describe the sources of such review (RFP, data from third party vendors, etc.) ***Analyses are put together by independent consultant, Aon. Recordkeeper fee review utilizes a database of 350+ Aon clients while the RFP process uses data solicited directly from competing recordkeepers.***
 - Is such review performed by an independent third party? ***Yes***
 - How many record keepers are there for the Plan? ***1***
 - Are fees on a per-capita basis or percentage of plan assets? ***Per-capita***
 - Is the process documented? ***Yes, each review is documented in Committee meeting minutes.***

2. Is a periodic review process (including benchmarking) to determine the reasonableness and competitiveness of investment returns for all funds conducted? If so:
 - How often? ***Yes, quarterly.***
 - Is such review performed by an independent third party? ***Yes.***
 - Do you evaluate performance net of expenses? ***Yes.***
 - Is the process documented? ***Yes.***

3. Is there a revenue-sharing arrangement with any such third party service provider (including, but not limited to, record-keepers and investment advisors)? If so:
 - Please describe. ***Yes, there are several funds in the Plan lineup that have revenue sharing arrangements with Fidelity. However, Fidelity rebates all revenue received through these agreements back to the participant accounts that paid it.***
 - Is there a process in place to recoup excess compensation for the benefit of participants? If so, describe. ***Revenue sharing is rebated.***
 - If there is surplus revenue, how is it remedied (passed back to participant accounts, offsetting other plan expenses, etc.) ***Revenue sharing is rebated to the participant accounts that paid it. Fidelity's revenue is per-capita.***

4. Please provide a copy of the 408 (b) fee disclosures made to the plans and the 404 fee disclosures made to participants. <https://hr.vanderbilt.edu/benefits/fee-disclosure.php>

5. Have you received any inquiries from any law firm regarding the reasonableness of fees for to service providers, adequacy of investment returns, or revenue sharing arrangements? If so, please describe the inquiries and any communications with the firm(s). ***On August 10, 2016, eight current and former Vanderbilt employees filed suit in the Middle District of Tennessee alleging, among other claims, unreasonable investment management fees and improper revenue sharing arrangements in the administration and operation of the Vanderbilt University Retirement Plan and the Vanderbilt University New Faculty Plan (the Retirement Plan) under the Employee Retirement Income Security Act of 1974 (ERISA). Plaintiffs seek certification as a class action on behalf of those participants and beneficiaries of the Retirement Plan commencing August 10, 2010.***

The University filed an Answer to the Complaint on February 2, 2018. Discovery and related proceedings commenced after which settlement mediation was conducted before an independent mediator on February 1, 2019. Shortly after the mediation concluded, the parties negotiated a gross global settlement amount of \$14.5 million. The formal Settlement Agreement was submitted to the Court on April 22, 2019, and, after a “fairness hearing” on October 22, 2019, the Court entered its final Order approving the settlement.