



Capital Cities

INSTITUTIONAL INVESTING MADE PERSONAL



Rhode Island State Investment Commission
401(a) Defined Contribution and 457(b) Deferred Compensation Plans
Annual Program Review

December 6, 2023

401(a) and 457(b) Annual Program Review

Summary of Findings

Investment Menus

- Each Plan's investment menu structure follows best practices by utilizing a proper default option (an age-appropriate Target Date Fund) and offering a broad range of diversified investment alternatives.

Manager Due Diligence

- Most of the Plans' investment options are in good standing per the Investment Policy Statements' qualitative and quantitative investment manager guidelines.
- Capital Cities will continue closely monitoring Voya Large Cap Growth's personnel and performance on Watchlist status.

Fees

- Investment management fees are competitively priced, and appropriate share classes/vehicles are utilized.
- Equitable and negotiated fee structures are in place for the recordkeeper/administrative fee charges.
- **Voya 457(b) Plan Recommendations: Approve Voya's proposal to maintain assets within the current 3% Fixed Account, while all other assets and new contributions will move to a new contract at Voya with a lower recordkeeper expense. Conduct a share class exchange for PIMCO Real Return (moving from the Institutional to A share class) to reduce expenses. Conduct a share class exchange for American Funds EuroPacific Growth (transitioning from the R4 to R6 share class) to provide a cleaner share class (no revenue-sharing) for participants.**

Note: Bolded recommendations require SIC votes.

401(a) and 457(b) Annual Program Review

Summary of Findings

Defined Contribution Trends

- Capital Cities provided information regarding SECURE 2.0, retirement income, advisory services, investment menus, capital preservation options, and self-directed brokerage accounts, all of which are reviewed on an ongoing basis with the State of Rhode Island.

Investment Policy Statements






- The Plans' Investment Policy Statements were reviewed.
- No amendments are required; however, updates were made to the Appendices.
- **Recommendation: Approve the Investment Policy Statements.**

Note: Bolded recommendations require SIC votes.

Investment Structure Framework

Confirming the Current Investment Structure

Is the Plan's investment menu:

-  Designed to meet ERISA 404(c) and Qualified Default Investment Alternative (QDIA) regulations?*
-  Providing an investment solution for each type of participant?
-  Offering an appropriate number of investments that provides sufficient diversification opportunity while minimizing participant confusion?
-  Appropriate in light of the current industry trends, regulations and Department of Labor guidance?
-  Meeting the SIC's unique objectives?

*While Rhode Island is not subject to ERISA, Capital Cities utilizes ERISA guidelines as a framework for best practices.

401(a) and 457(b) Annual Review

Investment Menus Overview

Plan	<u>TIAA 401(a)</u>	<u>TIAA 457(b)</u>	<u>Voya 457(b)</u>	<u>Fidelity 457(b)</u>
September 30, 2023 Market Value	\$1,702,489,400	\$56,327,437	\$219,709,066	\$190,864,426
Target Date Suite (Default Option)	88% of Plan Assets TIAA RetirePlus Select	22% of Plan Assets TIAA RetirePlus Select	4% of Plan Assets Voya Solution	28% of Plan Assets Fidelity Freedom
Core & Additional Options	12% of Plan Assets <ul style="list-style-type: none"> • 9 options • Primarily low-cost passive options 	78% of Plan Assets <ul style="list-style-type: none"> • 11 options • Mix of passive (7) and active (4) options 	96% of Plan Assets <ul style="list-style-type: none"> • 16 options • Active and passive track offered in major asset classes 	62% of Plan Assets <ul style="list-style-type: none"> • 12 options • Active and passive track offered in major asset classes
Self-Directed Brokerage	N/A	0.1% of Plan Assets	0% of Plan Assets	10% of Plan Assets

Note: TIAA's investment menus reflect changes that occurred in late November and December 2023.

Defined Contribution Program TIAA 401 (a) Plan



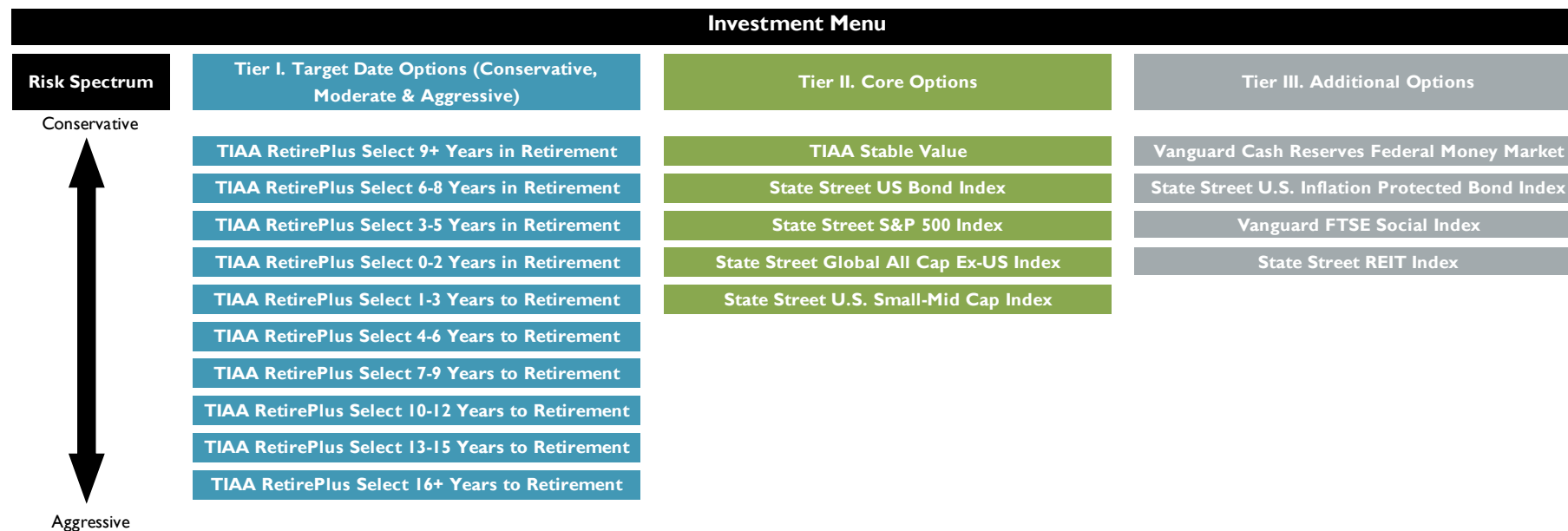
TIAA 401(a) Plan

Asset Breakdown as of September 30, 2023

Investment Option	Style	Market Value	% of Plan Assets	# of Participants
Vanguard Target Retirement 2070	Target Date	\$186,353	0.0%	71
Vanguard Target Retirement 2065	Target Date	\$5,195,971	0.3%	1,304
Vanguard Target Retirement 2060	Target Date	\$27,828,560	1.6%	3,049
Vanguard Target Retirement 2055	Target Date	\$67,128,999	3.9%	3,898
Vanguard Target Retirement 2050	Target Date	\$125,782,529	7.4%	4,361
Vanguard Target Retirement 2045	Target Date	\$190,176,430	11.2%	4,777
Vanguard Target Retirement 2040	Target Date	\$237,699,955	14.0%	5,014
Vanguard Target Retirement 2035	Target Date	\$281,963,696	16.6%	5,963
Vanguard Target Retirement 2030	Target Date	\$231,732,690	13.6%	6,137
Vanguard Target Retirement 2025	Target Date	\$182,605,697	10.7%	5,336
Vanguard Target Retirement 2020	Target Date	\$105,412,019	6.2%	3,408
Vanguard Target Retirement Income	Target Date	\$43,637,640	2.6%	1,948
		\$1,499,350,537	88.1%	
State Street S&P 500 Index	US Large Cap Index Equity	\$69,839,430	4.1%	2,839
Vanguard FTSE Social Index	Large Blend	\$12,786,259	0.8%	717
State Street Russell Small-Mid Index	SMID	\$41,142,919	2.4%	2,559
State Street Global All Cap ex-US Index	Foreign Large Blend	\$25,906,993	1.5%	2,084
PIMCO Real Return	Inflation-Protected Bond	\$10,305,976	0.6%	1,308
State Street US Bond Index	Intermediate Core Bond	\$11,724,441	0.7%	1,314
TIAA Stable Value	Stable Value	\$31,432,843	1.8%	1,625
		\$203,138,863	11.9%	
		\$1,702,489,400	100.0%	

TIAA 401(a) Plan Investment Menu

Investment Menu Structure Overview



The TIAA 401(a) Plan's investment menu structure follows best practices by utilizing a proper default option (an age-appropriate Target Date Model Portfolio) and offering a broad range of diversified investment alternatives.

Note: The investment menu reflects changes that occurred in late November 2023.

Tier I: Target Date Funds

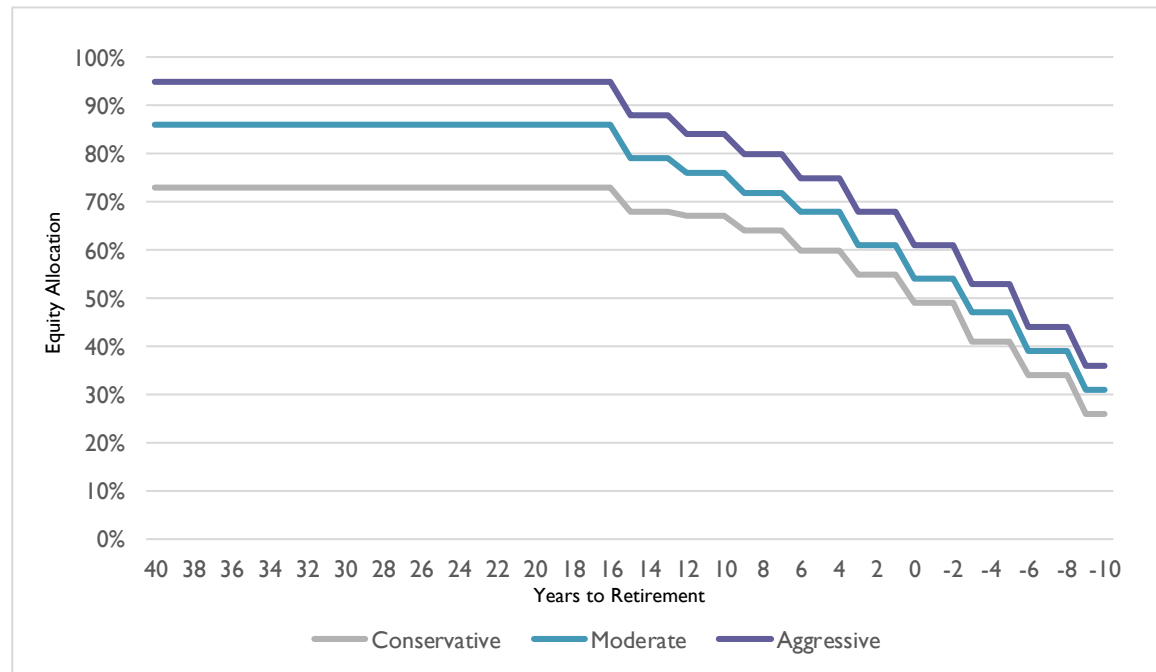
TIAA RetirePlus Select Model Portfolios



TIAA RetirePlus Select:

- Provides 30 diversified model portfolios that are built from the Plan's stand-alone options (except TIAA Traditional RCP).
- Are professionally managed and automatically rebalanced.
- Creates a guaranteed "paycheck" in retirement *if* a participant elects to annuitize the TIAA Traditional RCP component.
- Can reflect a participant's time horizon, risk tolerance (conservative, moderate or aggressive), and other investments.

TIAA RetirePlus Select Glide Paths:



The 401(a) Plan transitioned from the Vanguard Target Retirement Trust Plus series to the TIAA RetirePlus Select program in late November based on the recordkeeper search and evaluation due diligence completed this year.

Note: Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability.

Tier II Core and Tier III Additional Options

Core and Additional Options' Review

	Style:	TIAA 401(a) Investment Option(s):	% of Assets:
Fixed Income	Capital Preservation	TIAA Stable Value	1.8%
	Capital Preservation	Vanguard Cash Reserves Federal Money Market	0.0%
	Core Fixed Income	State Street US Bond Index	0.7%
	Real Return/TIPS	State Street U.S. Inflation Protected Bond Index	0.6%
Equity	Large Cap Equity	State Street S&P 500 Index	4.1%
	Socially Responsible Equity	Vanguard FTSE Social Index	0.8%
	International Equity	State Street Global All Cap ex-US Index	1.5%
	Small/Mid Cap Equity	State Street U.S. Small-Mid Cap Index	2.4%
	REITs	State Street REIT Index	0.0%

Legend:

Tier II Core Options

Tier III Additional Options

- The 401(a) Plan's Tiers II and III Options offer exposure to each major asset class, allowing participants to build their own broadly diversified portfolios.
- Recent changes occurred given the new TIAA RetirePlus Select program, including the addition of State Street REIT Index, State Street U.S. Inflation Protected Bond Index, and Vanguard Cash Reserves Federal Money Market.
- PIMCO Real Return was replaced with the lower-cost State Street U.S. Inflation Protected Bond Index.
- The Tiers II and III Options represent a small portion (12%) of the Plan assets, as most assets (88%) reside in the Plan's default Target Date Model Portfolios.

Note: The investment menu assumes changes/mapping that occurred in late November 2023.

TIAA 401(a) Plan's Manager Due Diligence

Stoplight Grid Summary

Criteria	TIAA RetirePlus Select	State Street S&P 500 Index	Vanguard FTSE Social Index	State Street U.S. Small-Mid Cap Index	State Street REIT Index	State Street Global All Cap ex-US Index	State Street U.S. Inflation Protected Bond Index	State Street US Bond Index	Vanguard Cash Res Federal Money Mkt	TIAA Stable Value
Qualitative Review	●	●	●	●	●	●	●	●	●	●
Long Term Performance (5-Yr)	●	●	●	●	●	●	●	●	●	●
Short-Term Performance (3-Yr)	●	●	●	●	●	●	●	●	●	●

Legend	
●	Everything is good to excellent in this area
●	Caution is warranted but action is not required at this time
WL	Watchlist Status
●	Action is required or is being taken
	White background indicates a Change in Status

The 401(a) Plan's investment options are in good standing per the Investment Policy Statement's qualitative and quantitative investment manager guidelines.

Note: The investment menu reflects changes that occurred in late November 2023.

TIAA 401(a) Plan Fee Analysis

Monitoring of Investment Management Fees

Investment Option	Peer Group	Expense Ratio	Morningstar Fee Level
SSgA S&P 500 Index	US Large Cap Equity Index	0.01%	Low
Vanguard FTSE Social Index	Large Blend	0.12%	Low
SSgA U.S. Small-Mid Cap Index	SMID	0.02%	Low
SSgA REIT Index	REITs	0.05%	Low
SSgA Global All Cap ex-US Index	Foreign Large Blend	0.045%	Low
TIAA RetirePlus Select Model Portfolios	Target Date	~0.025%	Low
SSgA U.S. Inflation Protected Bond Index	Inflation-Protected Bond	0.04%	Low
SSgA US Bond Index	Intermediate Core Bond	0.02%	Low
Vanguard Cash Res Federal Money Mkt	Money Market	0.11%	Low
TIAA Stable Value	Stable Value	0.24%	N/A

- The TIAA 401(a) Plan's investment management fees are competitively priced relative to peers.
- The upcoming transition from the Vanguard Target Retirement Trust Plus series to the TIAA RetirePlus Select program allows the Plan to materially reduce investment management expenses within the default option (from 0.055% to estimated average of ~0.025%).
- The Plan offers the least expensive share class/vehicle of each investment option (based on investment minimums).

Note: The investment menu reflects changes that occurred in late November 2023.

TIAA 401(a) Plan Fee Analysis

Monitoring of Investment Management and Recordkeeper Fees

Manager	Style	6/30/2023	Inv Mgmt Fees	Inv Mgmt Fees	Revenue-Sharing	Revenue-Sharing
		Market Value	(%)	(\$)	(%)	(\$)
SSgA S&P 500 Index	Large Cap Core	\$70,487,554	0.01%	\$7,049	0.00%	\$0
Vanguard FTSE Social Index	Large Cap Broad	\$13,043,345	0.12%	\$15,652	0.00%	\$0
SSgA Russell Small-Mid Cap Index	SMID Broad	\$42,202,131	0.02%	\$8,440	0.00%	\$0
SSgA Global All Cap ex-US Index	Non-US Equity	\$26,037,920	0.045%	\$11,717	0.00%	\$0
Vanguard Target Retirement 2070	Target Date	\$157,963	0.055%	\$87	0.00%	\$0
Vanguard Target Retirement 2065	Target Date	\$4,866,385	0.055%	\$2,677	0.00%	\$0
Vanguard Target Retirement 2060	Target Date	\$27,365,272	0.055%	\$15,051	0.00%	\$0
Vanguard Target Retirement 2055	Target Date	\$67,724,553	0.055%	\$37,249	0.00%	\$0
Vanguard Target Retirement 2050	Target Date	\$127,906,331	0.055%	\$70,348	0.00%	\$0
Vanguard Target Retirement 2045	Target Date	\$194,163,758	0.055%	\$106,790	0.00%	\$0
Vanguard Target Retirement 2040	Target Date	\$242,416,110	0.055%	\$133,329	0.00%	\$0
Vanguard Target Retirement 2035	Target Date	\$288,460,222	0.055%	\$158,653	0.00%	\$0
Vanguard Target Retirement 2030	Target Date	\$237,871,622	0.055%	\$130,829	0.00%	\$0
Vanguard Target Retirement 2025	Target Date	\$189,598,479	0.055%	\$104,279	0.00%	\$0
Vanguard Target Retirement 2020	Target Date	\$110,651,832	0.055%	\$60,859	0.00%	\$0
Vanguard Target Retirement Income	Target Date	\$45,579,419	0.055%	\$25,069	0.00%	\$0
PIMCO Real Return	TIPS	\$10,406,752	0.67%	\$69,725	0.00%	\$0
SSgA US Bond Index	Core Bond	\$11,929,556	0.02%	\$2,386	0.00%	\$0
TIAA Stable Value	Stable Value	\$31,153,987	0.24%	\$74,770	0.00%	\$0
		\$1,742,023,191	0.06%	\$1,034,958	0.00%	\$0

- The TIAA 401(a) Plan's annual administrative fee of \$40 is charged to participants with salaries greater than \$35,000/year.*
- The annual administrative fee equates to ~\$1,400,081/year, of which TIAA collects ~\$1,221,242, while Rhode Island retains ~\$178,839 to pay for Plan-related expenses.**
- The total average fee per participant (avg. investment mgmt expense + administrative fee) is ~14 basis points.
- The total annual administrative fee was reduced to \$36 in October based on the negotiations that occurred during the recordkeeper Request for Proposal process earlier this year.

* Salary is indexed.

** TIAA's revenue of ~\$1,221,242 includes an annual fee of \$24/participant (~\$93,816/year) for those participants (3,909 participants) with salaries less than \$35,000/year.

Notes: Total participants: 42,049. June 30, 2023 data is utilized given the available fee disclosure reports from TIAA.

Deferred Compensation Program TIAA 457(b) Plan



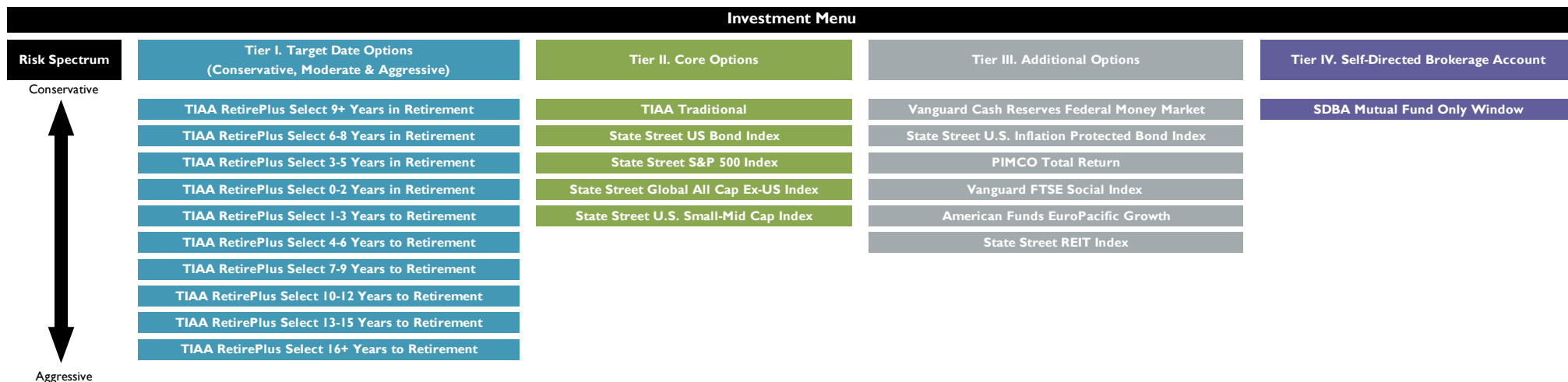
TIAA 457(b) Plan

Asset Breakdown as of September 30, 2023

Investment Option	Style	Market Value	% of Plan Assets	# of Participants
Vanguard Target Retirement 2070	Target Date	\$293	0.0%	1
Vanguard Target Retirement 2065	Target Date	\$54,051	0.1%	17
Vanguard Target Retirement 2060	Target Date	\$353,769	0.6%	56
Vanguard Target Retirement 2055	Target Date	\$637,240	1.1%	84
Vanguard Target Retirement 2050	Target Date	\$829,395	1.5%	86
Vanguard Target Retirement 2045	Target Date	\$1,039,433	1.8%	85
Vanguard Target Retirement 2040	Target Date	\$749,750	1.3%	79
Vanguard Target Retirement 2035	Target Date	\$1,614,426	2.9%	104
Vanguard Target Retirement 2030	Target Date	\$3,420,264	6.1%	143
Vanguard Target Retirement 2025	Target Date	\$1,935,419	3.4%	86
Vanguard Target Retirement 2020	Target Date	\$817,268	1.5%	34
Vanguard Target Retirement Income	Target Date	\$804,808	1.4%	22
		\$12,256,116	21.8%	
State Street S&P 500 Index	US Large Cap Index Equity	\$13,738,258	24.4%	465
Vanguard FTSE Social Index	Large Blend	\$1,480,591	2.6%	90
Vanguard Mid Cap Index	Mid-Cap Blend	\$6,205,164	11.0%	387
Vanguard Small Cap Index	Small Blend	\$3,556,807	6.3%	300
State Street Global All Cap ex-US Index	Foreign Large Blend	\$773,106	1.4%	98
American Funds EuroPacific Growth	Foreign Large Blend	\$2,170,611	3.9%	244
American Century Inflation Adjusted	Inflation-Protected Bond	\$739,459	1.3%	168
PIMCO Total Return	Intermediate Core-Plus Bond	\$739,340	1.3%	98
State Street US Bond Index	Intermediate Core Bond	\$831,974	1.5%	83
TIAA Traditional	Capital Preservation	\$13,781,512	24.5%	492
Self Directed	Brokerage	\$54,498	0.1%	2
		\$44,071,321	78.2%	
		\$56,327,437	100.0%	

TIAA 457(b) Plan Investment Menu

Investment Menu Structure Overview



The TIAA 457(b) Plan's upcoming investment menu structure follows best practices by utilizing a proper default option (an age-appropriate Target Date Model Portfolio) and offering a broad range of diversified investment alternatives.

Note: The investment menu reflects changes occurring in December 2023.

Tier I: Target Date Funds

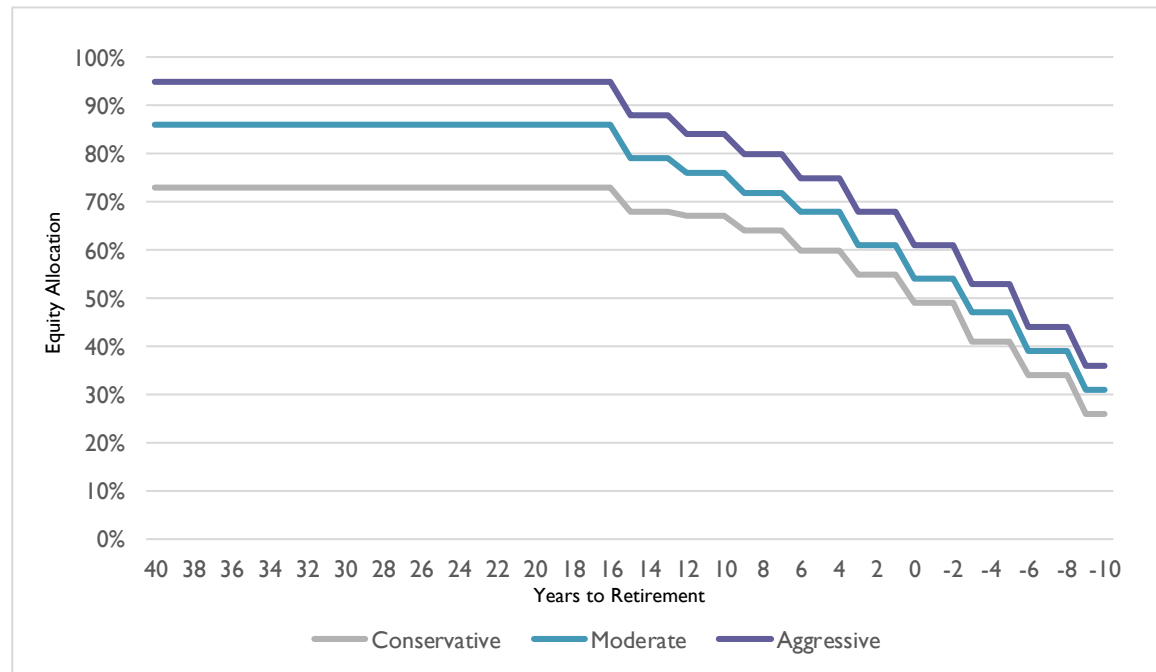
TIAA RetirePlus Select Model Portfolios



TIAA RetirePlus Select:

- Provides 30 diversified model portfolios that are built from the Plan's stand-alone options.
- Are professionally managed and automatically rebalanced.
- Creates a guaranteed "paycheck" in retirement *if* a participant elects to annuitize the TIAA Traditional RCP component.
- Can reflect a participant's time horizon, risk tolerance (conservative, moderate or aggressive), and other investments.

TIAA RetirePlus Select Glide Paths:



The 457(b) Plan will transition from the Vanguard Target Retirement Trust Plus series to the TIAA RetirePlus Select program in December based on the recordkeeper search and evaluation due diligence completed this year.

Note: Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability.

Tier II Core and Tier III Additional Options

Core and Additional Options' Review

	Style:	TIAA 457(b) Investment Option(s):	% of Plan Assets:
Fixed Income	Capital Preservation	TIAA Traditional	24.5%
	Capital Preservation	Vanguard Cash Reserves Federal Money Market	0.0%
	Core Fixed Income	State Street US Bond Index	1.5%
	Core Plus Fixed Income	PIMCO Total Return	1.3%
	Real Return/TIPS	State Street U.S. Inflation Protected Bond Index	1.3%
Equity	Large Cap Equity	State Street S&P 500 Index	24.4%
	Socially Responsible Equity	Vanguard FTSE Social Index	2.6%
	International Equity	State Street Global All Cap Eq ex-US Index	1.4%
		American Funds EuroPacific Growth	3.9%
	Small/Mid Cap Equity	State Street U.S. Small-Mid Cap Index	17.3%
	REITs	State Street REIT Index	0.0%

Legend:

Tier II Core Options

Tier III Additional Options

- The TIAA 457(b) Plan's Tiers II and III Options (78% of Plan assets) offer exposure to each major asset class, allowing participants to build their own diversified portfolios.
- Upcoming changes are occurring given the new TIAA RetirePlus Select program, including the addition of State Street U.S. Small-Mid Cap Index, State Street REIT Index, State Street U.S. Inflation Protected Bond Index, and Vanguard Cash Reserves Federal Money Market.
- American Century Inflation Adjusted Bond is also being replaced with the lower-cost State Street U.S. Inflation Protected Bond Index, while Vanguard Small Cap Index and Vanguard Mid Cap Index will be eliminated with assets mapped to State Street U.S. Small-Mid Cap Index.

Note: The investment menu assumes changes/mapping that will occur in December 2023.

Tier IV: Self-Directed Brokerage

Self-Directed Brokerage Accounts (SDBA) Considerations

Evaluating Factors for Plan Sponsors:

- Is the proposed provider qualified to offer the brokerage window service?
- What is the quality of the provider's service?
- Are the fees reasonable?

TIAA Mutual Fund Only Window:

- Transaction Fee Funds: \$35. Recurring contributions do not get charged (minimum transaction is \$100).
- No Transaction Fee Funds: \$0 for buys and sells if held for more than six months. \$50 fee if sold within six months of buying.

- The TIAA SDBA allows participants to invest in mutual funds outside of the 457(b) Plan's investment menu.
- There are currently only two participants, representing \$54,498 (0.1%) in assets, utilizing TIAA's SDBA option.

Note: Not inclusive of all SDBA fees that can be charged.

TIAA 457(b) Plan's Manager Due Diligence

Stoplight Grid Summary

Criteria	TIAA RetirePlus Select	State Street S&P 500 Index	Vanguard FTSE Social Index	State Street U.S. Small-Mid Cap Index	State Street REIT Index	State Street Global All Cap ex-US Index	American Funds EuroPacific Growth	State Street U.S. Infl Protected Bond Index	PIMCO Total Return	State Street U.S. Bond Index	Vanguard Cash Res Federal Money Mkt	TIAA Traditional
Qualitative Review	●	●	●	●	●	●	●	●	●	●	●	●
Long Term Performance (5-Yr)	●	●	●	●	●	●	●	●	●	●	●	●
Short-Term Performance (3-Yr)	●	●	●	●	●	●	●	●	●	●	●	●

Legend

●	Everything is good to excellent in this area
●	Caution is warranted but action is not required at this time
WL	Watchlist Status
●	Action is required or is being taken
	White background indicates a Change in Status

The TIAA 457(b) Plan's investment options are in good standing per the Investment Policy Statement's qualitative and quantitative investment manager guidelines.

Note: The investment menu reflects changes occurring in December 2023.

TIAA 457(b) Plan Fee Analysis

Monitoring of Investment Management Fees

Investment Option	Peer Group	Expense Ratio	Morningstar Fee Level
State Street S&P 500 Index	US Large Cap Index Equity	0.01%	Low
Vanguard FTSE Social Index	Large Blend	0.12%	Low
SSgA U.S. Small-Mid Cap Index	SMID	0.02%	Low
SSgA REIT Index	REITs	0.05%	Low
American Funds EuroPacific Growth	Foreign Large Blend	0.47%	Low
State Street Global All Cap ex-US Index	Foreign Large Blend	0.045%	Low
TIAA RetirePlus Select Model Portfolios	Target Date	~0.025%	Low
SSgA U.S. Inflation Protected Bond Index	Inflation-Protected Bond	0.04%	Low
PIMCO Total Return	Intermediate Core-Plus Bond	0.46%	Average
State Street US Bond Index	Intermediate Core Bond	0.02%	Low
Vanguard Cash Res Federal Money Mkt	Money Market	0.11%	Low
TIAA Traditional	Stable Value	0.00% (0.15% rev-share)	N/A

- The TIAA 457(b) Plan's investment management fees are competitively priced relative to peers.
- The Plan offers the least expensive share class/vehicle of each investment option (based on investment minimums) (see Appendix for more information regarding PIMCO Total Return).

Note: The investment menu reflects changes occurring in December 2023.

TIAA 457(b) Plan Fee Analysis

Monitoring of Investment Management and Recordkeeper Fees

Manager	Style	6/30/2023 Market Value	Inv Mgmt Fees (%)	Est. Inv Mgmt Fees (\$)	Revenue-Sharing (%)	Revenue-Sharing (\$)
SSgA S&P 500 Index	Large Cap Core	\$14,340,936	0.01%	\$1,434	0.00%	\$0
Vanguard FTSE Social Index	Large Cap Broad	\$1,507,183	0.12%	\$1,809	0.00%	\$0
Vanguard Mid Cap Index	Mid Cap Core	\$6,579,436	0.04%	\$2,632	0.00%	\$0
Vanguard Small Cap Index	Small Cap Core	\$3,760,578	0.04%	\$1,504	0.00%	\$0
SSgA Global All Cap ex-US Index	Non-US Equity	\$755,730	0.045%	\$340	0.00%	\$0
American Funds EuroPacific Growth	Non-US Equity	\$2,279,000	0.47%	\$10,711	0.00%	\$0
Vanguard Target Retirement 2070	Target Date	\$0	0.055%	\$0	0.00%	\$0
Vanguard Target Retirement 2065	Target Date	\$47,557	0.055%	\$26	0.00%	\$0
Vanguard Target Retirement 2060	Target Date	\$339,134	0.055%	\$187	0.00%	\$0
Vanguard Target Retirement 2055	Target Date	\$623,202	0.055%	\$343	0.00%	\$0
Vanguard Target Retirement 2050	Target Date	\$788,858	0.055%	\$434	0.00%	\$0
Vanguard Target Retirement 2045	Target Date	\$982,042	0.055%	\$540	0.00%	\$0
Vanguard Target Retirement 2040	Target Date	\$740,706	0.055%	\$407	0.00%	\$0
Vanguard Target Retirement 2035	Target Date	\$1,627,973	0.055%	\$895	0.00%	\$0
Vanguard Target Retirement 2030	Target Date	\$3,575,584	0.055%	\$1,967	0.00%	\$0
Vanguard Target Retirement 2025	Target Date	\$1,941,895	0.055%	\$1,068	0.00%	\$0
Vanguard Target Retirement 2020	Target Date	\$885,271	0.055%	\$487	0.00%	\$0
Vanguard Target Retirement Income	Target Date	\$846,771	0.055%	\$466	0.00%	\$0
American Century Inflation Adjusted	TIPS	\$778,415	0.26%	\$2,024	0.00%	\$0
PIMCO Total Return	Core Plus	\$767,466	0.46%	\$3,530	0.00%	\$0
SSgA US Bond Index	Core Bond	\$910,733	0.02%	\$182	0.00%	\$0
TIAA Traditional	Stable Value	\$14,074,214	0.00%	\$0	0.15%	\$21,111
Self-Directed	Brokerage	\$52,770	0.00%	\$0	0.00%	\$0
		\$58,205,454	0.05%	\$30,986	0.04%	\$21,111

- No administrative fee is charged to TIAA 457(b) Plan participants with an annual salary greater than \$35,000 (given the 401(a) fee that is already assessed), while participants with salaries less than \$35,000 are charged a fee of \$32/year (given their 401(a) fee is waived).*
- The total administrative fee equates to ~\$10,312 annually.**
- The total average fee per participant (avg. investment management expense + administrative fee) is ~3 basis points.

*Salary is indexed.

**Based on TIAA's quarterly fee disclosures.

Note: June 30, 2023 data is utilized given the available fee disclosure reports from TIAA.

Voya 457(b) Plan



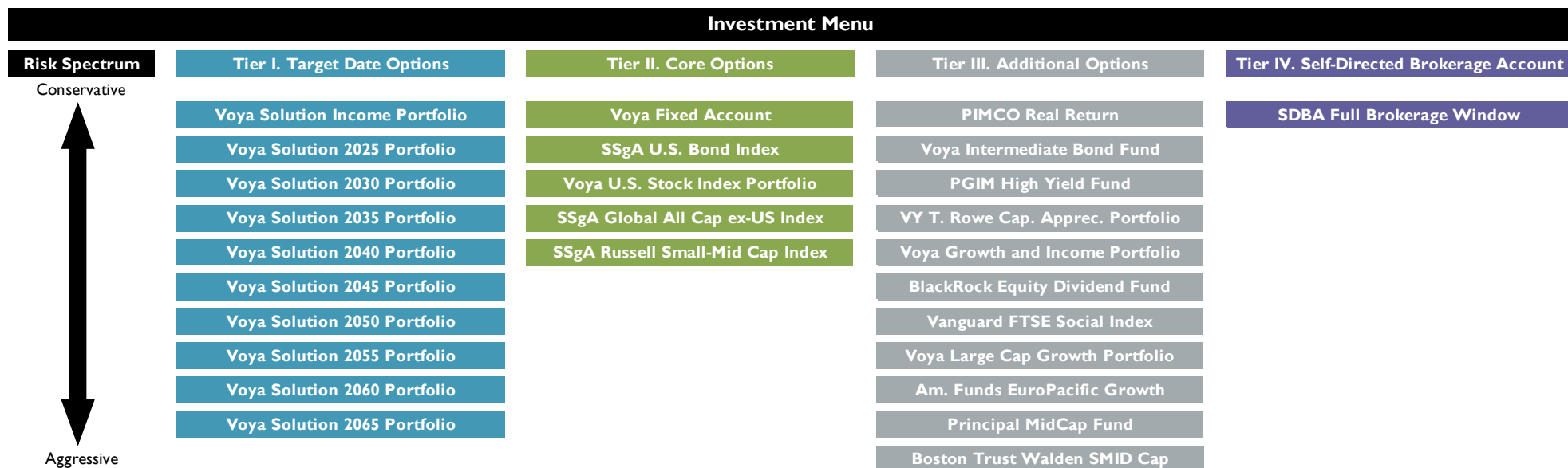
Voya 457(b) Plan

Asset Breakdown as of September 30, 2023

Fund	Style	Market Value	% of Plan Assets	# of Participants
Voya Solution 2065 Portfolio	Target Date	\$95,589	0.0%	22
Voya Solution 2060 Portfolio	Target Date	\$383,866	0.2%	86
Voya Solution 2055 Portfolio	Target Date	\$1,239,818	0.6%	168
Voya Solution 2050 Portfolio	Target Date	\$344,753	0.2%	84
Voya Solution 2045 Portfolio	Target Date	\$2,396,973	1.1%	182
Voya Solution 2040 Portfolio	Target Date	\$236,609	0.1%	55
Voya Solution 2035 Portfolio	Target Date	\$2,377,513	1.1%	160
Voya Solution 2030 Portfolio	Target Date	\$552,463	0.3%	41
Voya Solution 2025 Portfolio	Target Date	\$1,815,459	0.8%	57
Voya Solution Income Portfolio	Target Date	\$219,232	0.1%	13
		\$9,662,274	4.4%	
Voya U.S. Stock Index	Large Blend	\$19,162,491	8.7%	1,962
Vanguard FTSE Social Index	Large Blend	\$814,205	0.4%	115
Voya Growth and Income	Large Blend	\$34,464,405	15.7%	1,776
BlackRock Equity Dividend	Large Value	\$5,029,764	2.3%	881
Voya Large Cap Growth	Large Growth	\$15,771,630	7.2%	1,711
Principal Mid Cap Fund	Mid-Cap Blend	\$12,537,909	5.7%	1,311
SSgA Russell Small-Mid Cap Index	SMID Blend	\$4,030,397	1.8%	700
Boston Trust Walden SMID Cap	SMID Blend	\$7,977,478	3.6%	1,170
SSgA Global All Cap ex-US Index	Foreign Large Blend	\$4,760,042	2.2%	1,696
American Funds EuroPacific Growth	Foreign Large Blend	\$6,793,741	3.1%	1,726
VY T Rowe Price Capital Appreciation	Balanced	\$14,980,633	6.8%	353
PGIM High Yield Fund	High Yield Bond	\$622,672	0.3%	94
PIMCO Real Return	Inflation-Protected Bond	\$752,970	0.3%	140
Voya Intermediate Bond	Intermediate Core-Plus Bond	\$7,870,853	3.6%	1,545
SSgA US Bond Index	Intermediate Core Bond	\$839,494	0.4%	141
Voya Fixed Account	Guaranteed	\$54,345,658	24.7%	2,214
Voya Fixed Account - 457/ 401 II A	Guaranteed	\$19,269,939	8.8%	1,782
Voya Long-Term Accumulation	Guaranteed	\$22,511	0.0%	6
		\$210,046,793	95.6%	
		\$219,709,066	100.0%	

Voya 457(b) Plan Investment Menu

Investment Menu Structure Overview



The Voya 457(b) Plan's investment menu structure follows best practices by utilizing a proper default option (an age-appropriate Target Date Fund) and offering a broad range of diversified investment alternatives.

Tier I: Target Date Funds

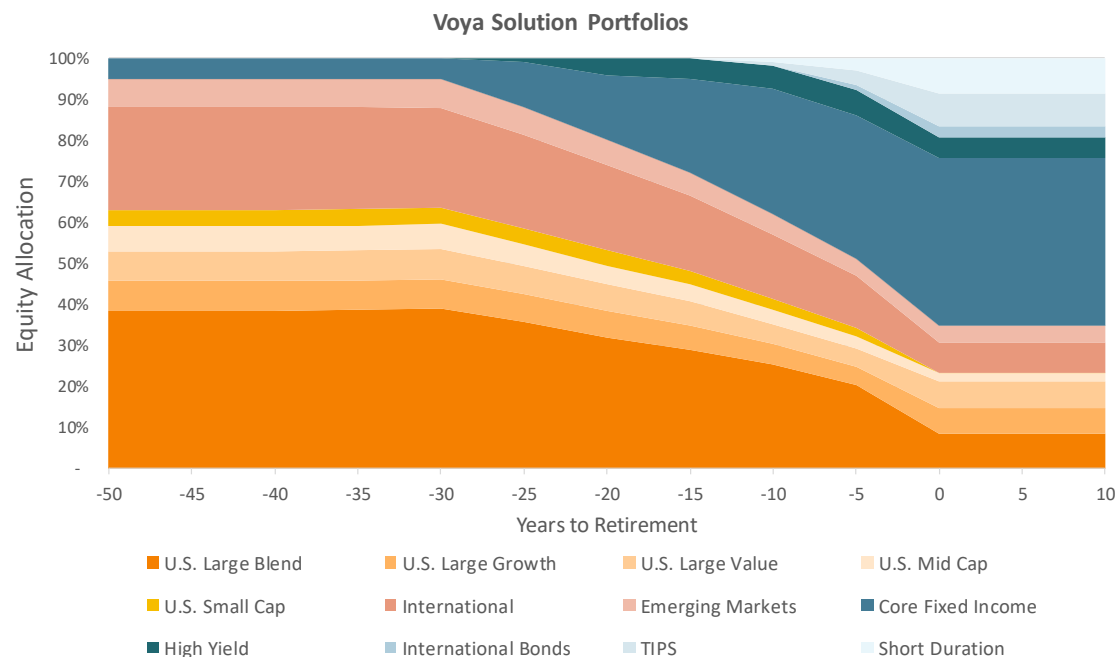
Voya Solution Portfolios' Review



Voya Solution Portfolios:

- Blended approach with active (~60%) and passive (~40%) broad market exposure to major asset classes
- Flexible asset allocation within reasonable guardrails
- Multi-manager construction (~50% proprietary and ~50% non-proprietary funds)
- Automatically becomes more conservative over time until landing at a static asset allocation at retirement
- Asset allocation is more aggressive than peers in the longer dated Funds, while more conservative closer to retirement
- Performance can deviate relative to the Funds' strategic indexes

Glide Path & Portfolio Construction:



The utilization and monitoring of the Voya Solution Portfolios, as the Voya 457(b) Plan's default option, position the Plan well.

Glide Path Source: Voya Investment Management as of 9/30/23.

Tier II Core and Tier III Additional Options

Core and Additional Options' Review

	Passive:	% of Plan Assets:	Active:	% of Plan Assets:	
Fixed Income	Capital Preservation		Voya Fixed Accounts	33.5%	
	Core/Core Plus Fixed Income	SSgA US Bond Index	Voya Intermediate Bond	3.6%	
	Real Return/TIPS		PIMCO Real Return	0.3%	
	High Yield		PGIM High Yield	0.3%	
Equity	Large Cap Equity	Voya U.S. Stock Index	Voya Growth & Income	15.7%	
	Balanced		BlackRock Equity Dividend	2.3%	
	Socially Responsible Equity	Vanguard FTSE Social Index	Voya Large Cap Growth	7.2%	
	International Equity	SSgA Global All Cap ex-US Index	VY T Rowe Price Capital Appr	6.8%	
	Small/Mid Cap Equity	SSgA Small-Mid Cap Index	1.8%	American Funds EuroPacific Gr	3.1%
				Principal Mid Cap	5.7%
			Boston Trust Walden SMID Cap	3.6%	

Legend:
Tier II Core Options
Tier III Additional Options

- The Voya 457(b) Plan's Tiers II and III Options offer exposure to each major asset class, allowing participants to build their own broadly diversified portfolios or express a particular bias within their portfolios.
 - An active and passive track is offered in appropriate asset classes, which provides a greater opportunity to meet participants' needs.
- The majority of the Plan's assets (96%) are within the Tiers II and III Options.

Tier IV: Self-Directed Brokerage

Self-Directed Brokerage Accounts (SDBA) Considerations

Evaluating Factors for Plan Sponsors:



Is the proposed provider qualified to offer the brokerage window service?



What is the quality of the provider's service?



Are the fees reasonable?

Voya SDBA Overview:

- Full Brokerage Window (Mutual Funds, Common Stock and Bonds)
- Annual Fee: \$50
- Trade fees vary depending on type. Examples: No-Transaction Fee Mutual Funds, no transaction fee for online/mobile Equity and ETF trades, \$5.00 fee for Interactive Voice Response trades, and \$24.99 for Broker-Assisted trades.

- The Voya SDBA option offers a full brokerage window (mutual funds, common stock and bonds), in which participants are allowed to invest outside of the Plan's investment menu.
- There are currently no participants enrolled in Voya's SDBA.

Note: Not inclusive of all SDBA fees that can be charged.

Voya 457(b) Plan's Manager Due Diligence

Stoplight Grid Summary

Criteria	Voya Solution Portfolios	Voya U.S. Stock Index	Vanguard FTSE Social Index	Voya Growth and Income	BlackRock Equity Dividend	Voya Large Cap Growth	Principal Mid Cap Fund	State Street Russell Small/Mid Cap Index	Boston Trust Walden SMID Cap
Qualitative Review	●	●	●	●	●	WL	●	●	●
Long Term Performance (5-Yr)	●	●	●	●	●	WL	●	●	●
Short Term Performance (3-Yr)	●	●	●	●	●	WL	●	●	●

Criteria	State Street Global All Cap ex-US Index	American Funds EuroPacific Growth	VY T Rowe Price Capital Appreciation	PGIM High Yield	PIMCO Real Return	Voya Intermediate Bond	State Street US Bond Index	Voya Fixed Account
Qualitative Review	●	●	●	●	●	●	●	●
Long Term Performance (5-Yr)	●	●	●	●	●	●	●	●
Short Term Performance (3-Yr)	●	●	●	●	●	●	●	●

Legend	
●	Everything is good to excellent in this area
●	Caution is warranted but action is not required at this time
WL	Watchlist Status
●	Action is required or is being taken
	White background indicates a Change in Status

- Most of the Voya 457(b) Plan's investment options are in good standing per the Investment Policy Statement's qualitative and quantitative investment manager guidelines.
 - Capital Cities is currently monitoring Voya Large Cap Growth on Watchlist status (see following page).
 - Short-term performance (last three-year time period) is also being monitored for Principal Mid Cap and American Funds EuroPacific Growth; however, relative underperformance is within expectations given the market environment and the Funds' philosophy/process.

Voya Large Cap Growth

Watchlist Update Summary

Voya Large Cap Growth was placed on Watchlist status in February 2023 given personnel changes and underperformance. Capital Cities conducted our last due diligence call with Co-Portfolio Manager Leigh Todd on October 23rd.

Personnel:

- Longtime co-managers Jeff Bianchi and Michael Pytosh of the Voya Large Cap Growth Portfolio retired from Voya Investment Management effective December 31, 2022.
- Kristy Finnegan and Leigh Todd remain as co-managers of the portfolio.
- Additional analyst support has been dedicated to the team.

Short- and Long-Term Performance (Last Three- and Five-Year Time Periods):

- The Voya Large Cap Growth Strategy has displayed short- and long-term underperformance relative to its benchmarks and peers.
- The Strategy's previous stock selections, particularly in mega-caps and the tech sector, have been the primary detractors from performance.
- Short- and long-term performance continues to be monitored but has improved to the 57th and 66th percentiles of peers, respectively.

Capital Cities will continue closely monitoring Voya Large Cap Growth's personnel and performance on Watchlist status.

Voya 457(b) Plan Fee Analysis

Monitoring of Investment Management Fees

Investment Option	Peer Group	Expense Ratio	Morningstar Fee Level
Voya U.S. Stock Index	Large Blend	0.27% (0.28% rev share*)	Low
Vanguard FTSE Social Index	Large Blend	0.14%	Low
Voya Growth and Income	Large Blend	0.67% (0.30% rev share)	Average
BlackRock Equity Dividend	Large Value	0.69% (0.25% rev share)	Average
Voya Large Cap Growth	Large Growth	0.67% (0.30% rev share)	Average
Principal Mid Cap Fund	Mid Cap Blend	0.59%	Low
SSgA Russell Small-Mid Index	SMID Blend	0.02%	Low
Boston Trust Walden SMID	SMID Blend	0.60%	Below Average
SSgA Global All Cap ex-US Index	Foreign Large Blend	0.045%	Low

Investment Option	Peer Group	Expense Ratio	Morningstar Fee Level
American Funds EuroPacific Growth	Foreign Large Blend	0.82% (0.35% rev share)	Low
VY T Rowe Price Capital Appreciation	Balanced	0.64% (0.28% rev share)	Below Average
Voya Solutions Portfolios	Target Date	0.68%-0.79% (0.32% rev share)	High
PGIM High Yield Fund	High Yield Bond	0.51% (0.25% rev share)	Low
PIMCO Real Return	Inflation-Protected Bond	0.45%	Average
Voya Intermediate Bond	Intermediate Core-Plus Bond	0.36% (0.17% rev share)	Low
SSgA U.S. Bond Index	Core Bond	0.02%	Low
Voya Fixed Account/ 457/401a Account	Guaranteed	0.00%	NA

Legend:

Fund exhibits higher fee than peer group

- The Voya 457(b) Plan's investment management fees are competitively priced relative to peers.
 - Voya Solutions Portfolio's "high" fee rating is due to the revenue-sharing arrangement not being reflected in the peer group.
- The Plan offers the least expensive share class/vehicle of each investment option (based on investment minimums and revenue-sharing arrangements).

* Provides a revenue-sharing amount higher than the stated expense ratio based on the selling agreement with Voya Investment Management.

Note: A CIT version of PIMCO Real Return is available; however, the CIT's allowable investments are materially different than the mutual fund version.

Voya 457(b) Plan Fee Analysis

Monitoring of Investment Management and Recordkeeper Fees

Manager	Style	9/30/2023	Inv Mgmt Fees		Revenue-Sharing		Voya		Total Expense	
			(%)	(\$)	(%)	(\$)	Admin/Service Fee (%)	Admin/Service Fee (\$)	(%)	(\$)
Voya U.S. Stock Index	Large Cap Core	\$19,162,491	0.27%	\$51,739	0.28%	\$53,655	0.16%	\$30,660	0.43%	\$82,399
Vanguard FTSE Social Index	Large Cap Broad	\$814,205	0.14%	\$1,140	0.00%	\$0	0.44%	\$3,583	0.58%	\$4,722
Voya Growth and Income	Large Cap Broad	\$34,464,405	0.67%	\$230,912	0.30%	\$103,393	0.14%	\$48,250	0.81%	\$279,162
BlackRock Equity Dividend	Large Cap Value	\$5,029,764	0.69%	\$34,705	0.25%	\$12,574	0.19%	\$9,557	0.88%	\$44,262
Voya Large Cap Growth	Large Cap Growth	\$15,771,630	0.67%	\$105,670	0.30%	\$47,315	0.14%	\$22,080	0.81%	\$127,750
Principal Mid Cap Fund	Mid Cap Broad	\$12,537,909	0.59%	\$73,974	0.00%	\$0	0.44%	\$55,167	1.03%	\$129,140
State Street Russell Small-Mid Index	SMID Broad	\$4,030,397	0.02%	\$806	0.00%	\$0	0.44%	\$17,734	0.46%	\$18,540
Boston Trust Walden SMID Cap	Small Cap Broad	\$7,977,478	0.60%	\$47,865	0.30%	\$23,932	0.14%	\$11,168	0.74%	\$59,033
State Street Global All Cap ex-US Index	International	\$4,760,042	0.045%	\$2,142	0.00%	\$0	0.44%	\$20,944	0.49%	\$23,086
American Funds EuroPacific Growth	Non-US Equity	\$6,793,741	0.82%	\$55,709	0.35%	\$23,778	0.09%	\$6,114	0.91%	\$61,823
VY T Rowe Price Capital Appreciation	Balanced	\$14,980,633	0.64%	\$95,876	0.28%	\$41,946	0.16%	\$23,969	0.80%	\$119,845
Voya Solution 2065 Portfolio	Target Date	\$95,589	0.79%	\$755	0.32%	\$306	0.12%	\$115	0.91%	\$870
Voya Solution 2060 Portfolio	Target Date	\$383,866	0.78%	\$2,994	0.32%	\$1,228	0.12%	\$461	0.90%	\$3,455
Voya Solution 2055 Portfolio	Target Date	\$1,239,818	0.78%	\$9,671	0.32%	\$3,967	0.12%	\$1,488	0.90%	\$11,158
Voya Solution 2050 Portfolio	Target Date	\$344,753	0.76%	\$2,620	0.32%	\$1,103	0.12%	\$414	0.88%	\$3,034
Voya Solution 2045 Portfolio	Target Date	\$2,396,973	0.75%	\$17,977	0.32%	\$7,670	0.12%	\$2,876	0.87%	\$20,854
Voya Solution 2040 Portfolio	Target Date	\$236,609	0.73%	\$1,727	0.32%	\$757	0.12%	\$284	0.85%	\$2,011
Voya Solution 2035 Portfolio	Target Date	\$2,377,513	0.73%	\$17,356	0.32%	\$7,608	0.12%	\$2,853	0.85%	\$20,209
Voya Solution 2030 Portfolio	Target Date	\$552,463	0.72%	\$3,978	0.32%	\$1,768	0.12%	\$663	0.84%	\$4,641
Voya Solution 2025 Portfolio	Target Date	\$1,815,459	0.72%	\$13,071	0.32%	\$5,809	0.12%	\$2,179	0.84%	\$15,250
Voya Solution Income Portfolio	Target Date	\$219,232	0.68%	\$1,491	0.32%	\$702	0.12%	\$263	0.80%	\$1,754
PGIM High Yield Fund	High Yield	\$622,672	0.51%	\$3,176	0.25%	\$1,557	0.19%	\$1,183	0.70%	\$4,359
PIMCO Real Return	TIPS	\$752,970	0.45%	\$3,388	0.00%	\$0	0.44%	\$3,313	0.89%	\$6,701
Voya Intermediate Bond	Core Plus Bond	\$7,870,853	0.36%	\$28,335	0.17%	\$13,380	0.27%	\$21,251	0.63%	\$49,586
State Street US Bond Index	Core Bond	\$839,494	0.02%	\$168	0.00%	\$0	0.44%	\$3,694	0.46%	\$3,862
Voya Fixed Account	Guaranteed	\$54,345,658	0.00%	\$0	0.00%	\$0	0.34%	\$184,775	0.34%	\$184,775
Voya Fixed Account 457/401 II A	Guaranteed	\$19,269,939	0.00%	\$0	0.00%	\$0	0.34%	\$65,518	0.34%	\$65,518
Voya Long-Term Guaranteed Accumulation	Guaranteed	\$22,511	0.00%	\$0	0.00%	\$0	0.34%	\$77	0.34%	\$77
		\$219,709,066	0.37%	\$807,244	0.16%	\$352,450	0.25%	\$540,632	0.61%	\$1,347,876

- Voya's compensation requirement is 0.44% (excluding Fixed Account assets), which includes a custom combination of the administration fee and revenue-sharing.
- The total average fee per participant (avg. investment management expense + administrative fee) is ~61 basis points (~50 bps if Fixed Account assets are excluded).*

Notes: 4,160 total participants. The Voya Fixed Account's service fee is not an explicit fee.

Voya 457(b) Plan Fee Analysis

Voya's Proposal

- As highlighted to the SIC at the April meeting, the State of Rhode Island and Capital Cities have been pursuing contract negotiations as part of the recordkeeper search and evaluation project conducted earlier this year.
- Voya proposed transitioning Rhode Island's 457(b) Plan to a new contract that allows for greater investment flexibility, a more transparent fee structure, and a reduced recordkeeper expense.
- Assets within the current 3% Fixed Account will remain in the current contract (BG VK0450), while all other assets and new contributions will move to a new contract at Voya.
- The new contract will charge an explicit recordkeeper expense of 31 bps relative to the current revenue requirement of 44 bps, reducing the total recordkeeper expenses for participants by 13 bps (or ~\$223k annually).
- Participants within the 1% minimum Fixed Account will receive a minimum crediting rate of 2% for the first three years and then the prevailing market rate thereafter; thus, increasing those participants' crediting rate (9/30/23 rate: 1.55%).
- All investment options in the current contract (except the 3% Fixed Account) are available in the new contract; however, revenue-sharing will be rebated to those participants who generated it rather than being used to compensate Voya ("fee-leveling").
- There are two investment options that will have more efficient share classes within the new contract (see following page for further details).

Recommendation: Approve Voya's proposal to maintain assets within the current 3% Fixed Account, while all other assets and new contributions will move to a new contract at Voya with a lower recordkeeper expense.

Voya 457(b) Plan Fee Analysis

Voya's Proposal

Investment Option	Share Class/Vehicle	Expense Ratio	Revenue-Sharing	Net Cost
PIMCO Real Return	Instl	0.45%	0.00%	0.45%
PIMCO Real Return	A	0.85%	0.45%	0.40%
American Funds EuroPacific Growth	R4	0.82%	0.35%	0.47%
American Funds EuroPacific Growth	R6	0.47%	0.00%	0.47%

Legend
Current
Alternative

Recommendations: Conduct a share class exchange for PIMCO Real Return (moving from the Institutional to A share class) to reduce expenses. Conduct a share class exchange for American Funds EuroPacific Growth (transitioning from the R4 to R6 share class) to provide a cleaner share class (no revenue-sharing) for participants.

Fidelity 457(b) Plan



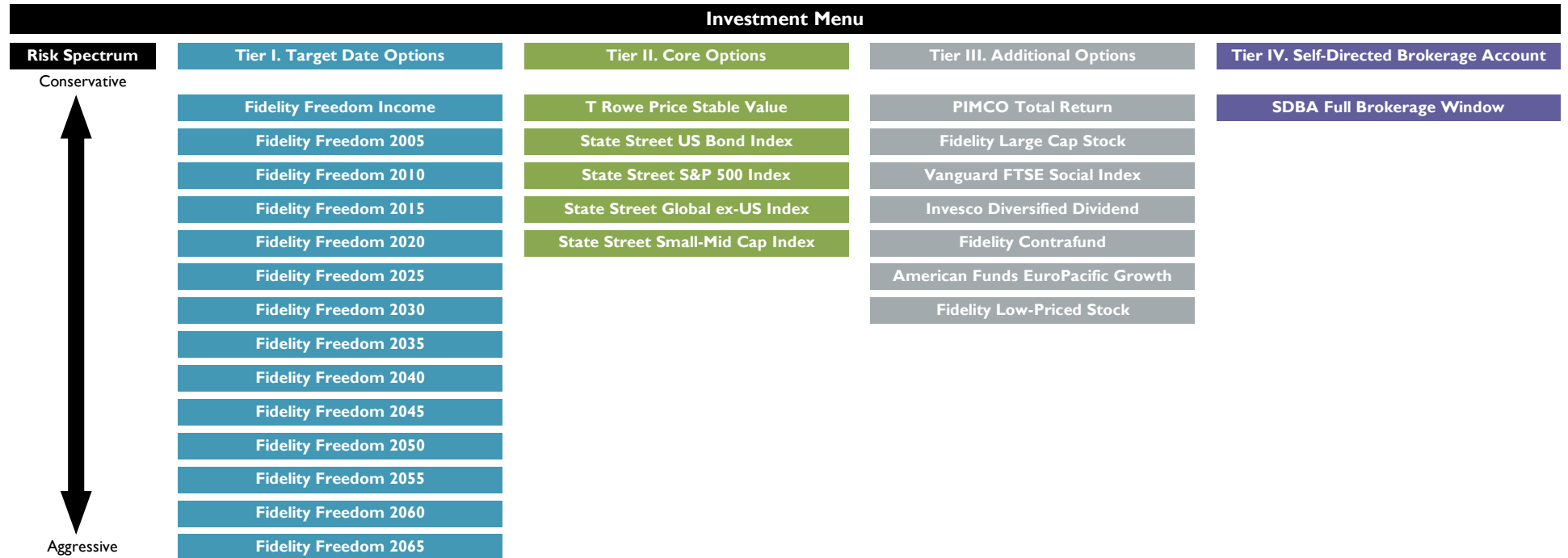
Fidelity 457(b) Plan

Asset Breakdown as of September 30, 2023

Investment Option	Style	Market Value	% of Plan Assets	# of Participants
Fidelity Freedom 2065	Target Date	\$43,388	0.0%	17
Fidelity Freedom 2060	Target Date	\$470,076	0.2%	65
Fidelity Freedom 2055	Target Date	\$1,962,176	1.0%	99
Fidelity Freedom 2050	Target Date	\$976,864	0.5%	105
Fidelity Freedom 2045	Target Date	\$2,418,069	1.3%	88
Fidelity Freedom 2040	Target Date	\$2,853,165	1.5%	96
Fidelity Freedom 2035	Target Date	\$4,604,363	2.4%	123
Fidelity Freedom 2030	Target Date	\$17,043,068	8.9%	266
Fidelity Freedom 2025	Target Date	\$5,908,656	3.1%	110
Fidelity Freedom 2020	Target Date	\$12,103,602	6.3%	164
Fidelity Freedom 2015	Target Date	\$1,363,899	0.7%	38
Fidelity Freedom 2010	Target Date	\$2,008,337	1.1%	59
Fidelity Freedom 2005	Target Date	\$725,402	0.4%	10
Fidelity Freedom Income	Target Date	\$960,830	0.5%	40
		\$53,441,894	28.0%	
State Street S&P 500 Index	US Large Cap Index Equity	\$18,784,201	9.8%	550
Fidelity Large Cap Stock	Large Cap	\$11,165,988	5.9%	449
Vanguard FTSE Social Index	Large Blend	\$1,707,019	0.9%	93
Invesco Diversified Dividend	Large Value	\$2,533,776	1.3%	103
Fidelity Contrafund	Large Growth	\$43,527,850	22.8%	762
State Street Russell Small-Mid Index	SMID	\$4,225,704	2.2%	365
Fidelity Low-Priced Stock	All Cap Blend	\$10,271,368	5.4%	343
State Street GI All Cap Eq ex-US Index	Foreign Large Blend	\$2,864,104	1.5%	303
American Funds EuroPacific Gr	Foreign Large Blend	\$4,391,431	2.3%	412
PIMCO Total Return	Intermediate Core-Plus Bond	\$5,466,163	2.9%	369
State Street US Bond Index	Intermediate Core Bond	\$3,894,727	2.0%	296
T Rowe Price Stable Value	Stable Value	\$9,125,441	4.8%	437
Brokerage Link		\$19,464,759	10.2%	129
		\$137,422,532	72.0%	
		\$190,864,426	100.0%	

Fidelity 457(b) Plan Investment Menu

Investment Menu Structure Overview



The Fidelity 457(b) Plan's investment menu structure follows best practices by utilizing a proper default option (an age-appropriate Target Date Fund) and offering a broad range of diversified investment alternatives.

Tier I: Target Date Funds

Fidelity Freedom Funds' Review

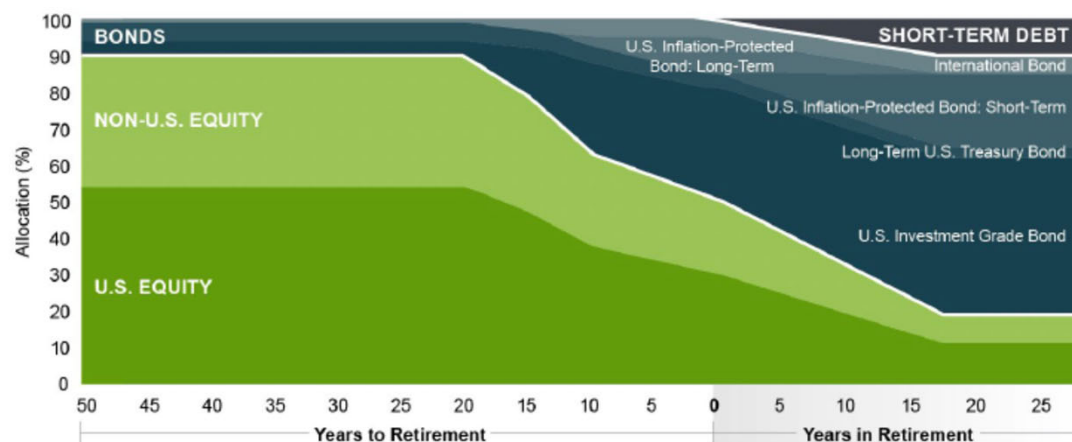


Fidelity Freedom Funds:

- Active approach with broad market exposure to major asset classes
- Flexible asset allocation within reasonable guardrails
- Automatically becomes more conservative over time until landing at a static asset allocation 19 years post-retirement
- Asset allocation is generally overweight to equities starting 25 years from retirement through five years into retirement
- Performance can deviate relative to the Funds' strategic indexes

Glide Path & Portfolio Construction:

FIDELITY'S STRATEGIC ASSET ALLOCATION



The utilization and monitoring of the Fidelity Freedom Funds, as the Fidelity 457(b) Plan's default option, position the Plan well.

Glide Path Source: Fidelity as of 9/30/23.

Tier II Core and Tier III Additional Options

Core and Additional Options' Review

		Fidelity 457(b) Investment Option(s):				
		Style:	Passive:	% of Plan Assets:	Active:	% of Plan Assets:
Fixed Income	Capital Preservation				T. Rowe Price Stable Value	4.8%
	Core/Core Plus Fixed Income	State Street US Bond Index	2.0%		PIMCO Total Return	2.9%
Equity	Large Cap Equity	State Street S&P 500 Index	9.8%		Fidelity Large Cap Stock Invesco Diversified Dividend Fidelity Contrafund	5.9% 1.3% 22.8%
	Socially Responsible Equity	Vanguard FTSE Social Index	0.9%			
	International Equity	State Street Global ex-US Index	1.5%		American Funds EuroPacific	2.3%
	Small/Mid Cap Equity	State Street Small-Mid Index	2.2%		Fidelity Low-Priced Stock	5.4%

Legend:

Tier II Core Options

Tier III Additional Options

- The Fidelity 457(b) Plan's Tiers II and III Options offer exposure to each major asset class, allowing participants to build their own broadly diversified portfolios or express a particular bias within their portfolios.
 - An active and passive track is offered in appropriate asset classes, which provides a greater opportunity to meet participants' needs.
- 62% of the Plan's assets are within the Tiers II and III Options.

Tier IV: Self-Directed Brokerage

Self-Directed Brokerage Accounts (SDBA) Considerations

Evaluating Factors for Plan Sponsors:



Is the proposed provider qualified to offer the brokerage window service?



What is the quality of the provider's service?



Are the fees reasonable?

Fidelity SDBA Overview:

- Full Brokerage Window (Mutual Funds, Common Stock and Bonds)
- Fidelity Funds: No transaction fees
- FundsNetwork Funds: Fees vary based on investment type. Examples: Transaction Fee Funds: \$49.95 or \$75/online purchase; Stocks/ETFs: \$0/trade (online), etc.

- The Fidelity SDBA option offers a full brokerage window (mutual funds, common stock and bonds), in which participants are allowed to invest outside of the Plan's investment menu.
- There are 129 participants, representing \$19.5 million (10.2%) in assets, utilizing Fidelity's SDBA option.

Note: Not inclusive of all SDBA fees that can be charged.

Fidelity 457(b) Plan's Manager Due Diligence

Stoplight Grid Summary

Criteria	Fidelity Freedom Funds	State Street S&P 500 Index	Fidelity Large Cap Stock	Vanguard FTSE Social Index	Invesco Diversified Dividend	Fidelity Contrafund	State Street Russell Small-Mid Cap Index
Qualitative Review	●	●	●	●	●	●	●
Long Term Performance (5-Yr)	●	●	●	●	●	●	●
Short-Term Performance (3-Yr)	●	●	●	●	●	●	●

Criteria	Fidelity Low-Priced Stock	State Street Global All Cap ex-US Index	American Funds EuroPacific Growth	PIMCO Total Return	State Street US Bond Index	T Rowe Price Stable Value
Qualitative Review	●	●	●	●	●	●
Long Term Performance (5-Yr)	●	●	●	●	●	●
Short-Term Performance (3-Yr)	●	●	●	●	●	●

Legend	
●	Everything is good to excellent in this area
●	Caution is warranted but action is not required at this time
WL	Watchlist Status
●	Action is required or is being taken
	White background indicates a Change in Status

- Most of the Fidelity 457(b) Plan's investment options are in good standing per the Investment Policy Statement's qualitative and quantitative investment manager guidelines.
 - Short-term performance (last three-year time period) is currently being monitored for American Funds EuroPacific Growth but is within expectations given the Fund's philosophy/process.
 - Short- and long-term performance (last three- and five-year time periods) continues to be monitored for Invesco Diversified Dividend.

Fidelity 457(b) Plan Fee Analysis

Monitoring of Investment Management Fees

- The Fidelity 457(b) Plan's investment management fees are competitively priced relative to peers.
 - Revenue-sharing arrangements are not reflected in the peer groups for Fidelity Freedom Funds and PIMCO Total Return.
- Less expensive share classes currently exist for Fidelity Low-Priced Stock and Fidelity Contrafund; however, maintaining the current share classes is still appropriate given the fluctuating expense ratios and relatively low annual savings (see Appendix for further details).
- Fidelity will be sunsetting the Fidelity Freedom Retail share class, which will require the Rhode Island 457(b) Plan to transition to a new share class/vehicle in late 2024.
- Further analysis will be completed regarding the Fidelity Freedom Funds, Fidelity Low-Priced Stock, and Fidelity Contrafund, once a fee proposal has been received from Fidelity.

Investment Option	Peer Group	Expense Ratio	Morningstar Fee Level
State Street S&P 500 Index	US Large Cap Index Equity	0.01%	Low
Fidelity Large Cap Stock	Large Cap	0.76% (0.35% rev share)	Average
Vanguard FTSE Social Index	Large Blend	0.14%	Low
Invesco Diversified Dividend	Large Value	0.53% (0.35% rev share)	Below Average
Fidelity Contrafund	Large Growth	0.45%	Low
State Street Small-Mid Cap Index	SMID	0.02%	Low
Fidelity Low-Priced Stock	All Cap Blend	0.84% (0.20% rev share)	Below Average
State Street Global ex-US Index	Foreign Large Blend	0.045%	Low
American Funds EuroPacific Growth	Foreign Large Blend	0.47%	Low
Fidelity Freedom Funds	Target Date	0.47%-0.75% (0.35% rev share)	Range From High to Average
PIMCO Total Return	Intermediate Core-Plus Bond	0.80% (0.45% rev share)	Above Average
State Street US Bond Index	Intermediate Core Bond	0.02%	Low
T Rowe Price Stable Value	Stable Value	0.30%	N/A

Legend:
Fund exhibits higher fee than peer group

Note: Revenue-sharing arrangements are not reflected in the peer group data.

Fidelity 457(b) Plan Fee Analysis

Monitoring of Investment Management and Recordkeeper Fees

Manager	Style	9/30/2023 Market Value	Inv Mgmt Fees		Revenue-Sharing		Fidelity	Fidelity	Total Expense	Total Expense
			(%)	(\$)	(%)	(\$)	Administration Fee (%)	Administration Fee (\$)	(%)	(\$)
SSgA S&P 500 Index	Large Cap Core	\$18,784,201	0.01%	\$1,878	0.00%	\$0	0.095%	\$17,845	0.11%	\$19,723
Fidelity Large Cap Stock	Large Cap Broad	\$11,165,988	0.76%	\$84,862	0.35%	\$39,081	0.095%	\$10,608	0.51%	\$56,388
Vanguard FTSE Social Index	Large Cap Broad	\$1,707,019	0.14%	\$2,390	0.00%	\$0	0.095%	\$1,622	0.24%	\$4,011
Invesco Diversified Dividend	Large Cap Value	\$2,533,776	0.53%	\$13,429	0.35%	\$8,868	0.095%	\$2,407	0.28%	\$6,968
Fidelity Contrafund	Large Cap Growth	\$43,527,850	0.45%	\$195,875	0.00%	\$0	0.095%	\$41,351	0.55%	\$237,227
SSgA Russell Small-Mid Index	SMID Broad	\$4,225,704	0.02%	\$845	0.00%	\$0	0.095%	\$4,014	0.12%	\$4,860
Fidelity Low Priced Stock	Total Equity	\$10,271,368	0.84%	\$86,279	0.20%	\$20,543	0.095%	\$9,758	0.74%	\$75,495
SSgA Global ex-US Index	International	\$2,864,104	0.045%	\$1,289	0.00%	\$0	0.095%	\$2,721	0.14%	\$4,010
American Funds EuroPac	International	\$4,391,431	0.47%	\$20,640	0.00%	\$0	0.095%	\$4,172	0.57%	\$24,812
Fidelity Freedom 2065	Target Date	\$43,388	0.75%	\$325	0.35%	\$152	0.095%	\$41	0.50%	\$215
Fidelity Freedom 2060	Target Date	\$470,076	0.75%	\$3,526	0.35%	\$1,645	0.095%	\$447	0.50%	\$2,327
Fidelity Freedom 2055	Target Date	\$1,962,176	0.75%	\$14,716	0.35%	\$6,868	0.095%	\$1,864	0.50%	\$9,713
Fidelity Freedom 2050	Target Date	\$976,864	0.75%	\$7,326	0.35%	\$3,419	0.095%	\$928	0.50%	\$4,835
Fidelity Freedom 2045	Target Date	\$2,418,069	0.75%	\$18,136	0.35%	\$8,463	0.095%	\$2,297	0.50%	\$11,969
Fidelity Freedom 2040	Target Date	\$2,853,165	0.74%	\$21,113	0.35%	\$9,986	0.095%	\$2,711	0.49%	\$13,838
Fidelity Freedom 2035	Target Date	\$4,604,363	0.70%	\$32,231	0.35%	\$16,115	0.095%	\$4,374	0.45%	\$20,489
Fidelity Freedom 2030	Target Date	\$17,043,068	0.66%	\$112,484	0.35%	\$59,651	0.095%	\$16,191	0.41%	\$69,024
Fidelity Freedom 2025	Target Date	\$5,908,656	0.61%	\$36,043	0.35%	\$20,680	0.095%	\$5,613	0.36%	\$20,976
Fidelity Freedom 2020	Target Date	\$12,103,602	0.57%	\$68,991	0.35%	\$42,363	0.095%	\$11,498	0.32%	\$38,126
Fidelity Freedom 2015	Target Date	\$1,363,899	0.53%	\$7,229	0.35%	\$4,774	0.095%	\$1,296	0.28%	\$3,751
Fidelity Freedom 2010	Target Date	\$2,008,337	0.48%	\$9,640	0.35%	\$7,029	0.095%	\$1,908	0.23%	\$4,519
Fidelity Freedom 2005	Target Date	\$725,402	0.47%	\$3,409	0.35%	\$2,539	0.095%	\$689	0.22%	\$1,560
Fidelity Freedom Income	Target Date	\$960,830	0.47%	\$4,516	0.35%	\$3,363	0.095%	\$913	0.22%	\$2,066
PIMCO Total Return	Core Plus Bond	\$5,466,163	0.80%	\$43,729	0.45%	\$24,598	0.095%	\$5,193	0.45%	\$24,324
SSgA US Bond Index	Core Bond	\$3,894,727	0.02%	\$779	0.00%	\$0	0.095%	\$3,700	0.12%	\$4,479
T Rowe Price Stable Value	Stable Value	\$9,125,441	0.30%	\$27,376	0.00%	\$0	0.095%	\$8,669	0.40%	\$36,045
Brokerage Link	NA	\$19,464,759	0.00%	\$0	0.00%	\$0	0.095%	\$18,492	0.10%	\$18,492
		\$190,864,426	0.43%	\$819,057	0.15%	\$280,136	0.095%	\$181,321	0.38%	\$720,242

- Fidelity's administrative fee was lowered from 10 bps to 9.5 bps as part of Rhode Island's recordkeeper search and evaluation project completed early this year.
- Revenue sharing is being rebated to individual participants who generate it ("fee leveling") to align with best practices.
- The total average fee per participant (avg. investment management expense + administrative fee) is ~38 bps.

Note: 1,966 total participants



Defined Contribution Trends



Defined Contribution Plan Trends

Exploring Defined Contribution Trends/Topics

SECURE 2.0

- SECURE 2.0 provisions continue to be evaluated and implemented by recordkeepers and plan sponsors.

Retirement Income

- Finding a solution for decumulation remains a focus within the DC industry.

Advisory Services

- Most Plans (95%) offer guidance (e.g., general education).*
- 71% of Plans provide advice (e.g., specific participant allocations).*
- 63% of Plans offer Managed Accounts (discretionary).*

Investment Menu

- 28% of Plans are now offering an active/passive mirror in their Core menu.*
- Over the past decade, the use of collective investment trusts (84%) rose by more than 30 percentage points.*

Capital Preservation

- Capital preservation options are being reexamined by many plan sponsors, particularly as Money Market funds have recently outperformed Stable Value.

Self-Directed Brokerage Accounts (SDBA)

- 39% of Plans offer a full SDBA window, while 15% offer only mutual funds within the SDBA.*
- SDBAs remain a small portion (2%) of overall DC assets.**

*Source: Callan Associates 2023 Defined Contribution Trends Survey.

**Source: Callan DC Index as of June 30, 2023.

APPENDIX



Managed Account Services

Fee Comparison

	TIAA 457(b)	Voya 457(b)	Fidelity 457(b)
9/30/2023 Market Value	\$804,831	\$2,456,749	\$7,500,522
9/30/2023 Participants	24	63	186
Managed Accounts Fee	30 basis points	50 basis points	50 basis points on first \$100,000; 45 basis points on next \$150,000; 30 basis points \$250,000+

- Managed Account Services are a discretionary solution for participants, including ongoing management, monitoring and rebalancing of their portfolios, based on their unique situation and retirement needs (e.g., risk tolerance, outside assets, etc.).
- Managed Account Services are only charged to participants in the 457(b) Plans who elect to utilize the product.
- Fees appear reasonable based on Capital Cities' due diligence.
- Managed Account Services continue to represent minimal revenue to the Rhode Island recordkeepers, given the low utilization among participants.
- Capital Cities will continue to closely monitor the Managed Account Services' utilization and fees.

TIAA 401(a) and 457(b) Plans

TIAA RetirePlus Select Model Portfolio Construction

Asset Class	Underlying Components
Large Cap Blend	SSgA S&P 500 Index
SMID Cap Blend	State Street U.S. Small-Mid Cap Index
International	SSgA Global All Cap Equity Ex-U.S. Index
Real Estate	State Street REIT Index
Bond	SSgA U.S. Bond Index
TIPS	State Street U.S. Inflation Protected Bond Index
Guaranteed	TIAA Traditional Retirement Choice Plus (RCP)
Cash	Vanguard Cash Reserves Federal Money Market

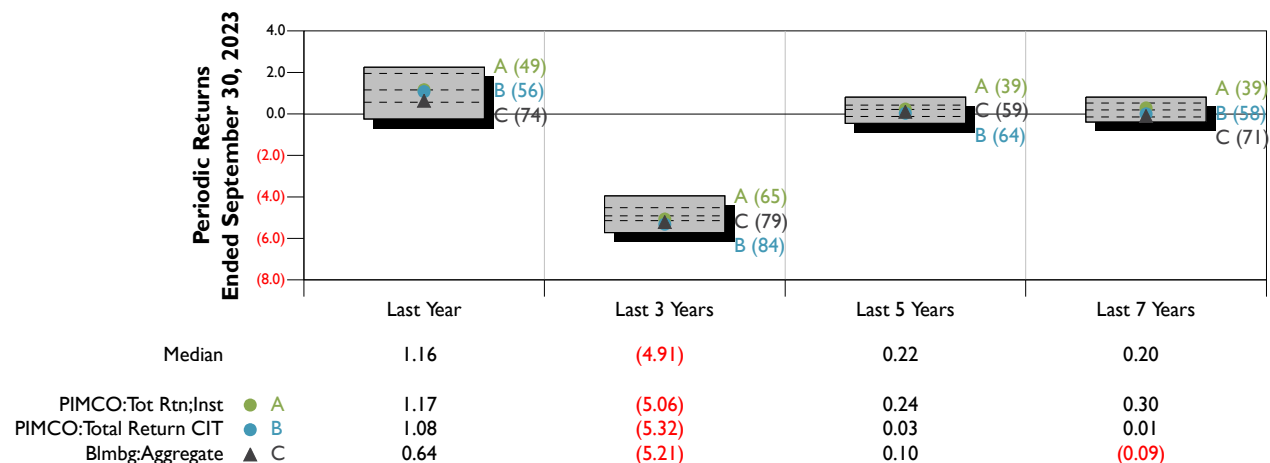
TIAA 457(b) Plan Fee Analysis

PIMCO Total Return—Share Class & Vehicle Comparison

- The Plan currently offers the Institutional share class of the PIMCO Total Return mutual fund.
- The Plan is eligible for a less expensive (on a net cost basis) A share class, but the annual estimated savings is relatively small (~\$444), and the fees for these share classes can fluctuate.
- The Plan is also eligible for the collective investment trust vehicle of the Fund (annual savings: ~\$74); however, the Institutional share class has historically outperformed the collective investment trust vehicle (net of fees) over most time periods.
- Maintaining the current Institutional share class, within the TIAA 457(b) Plan, is appropriate based on current considerations.

Investment Option	Share		Revenue-	
	Class/Vehicle	Expense Ratio	Sharing	Net Cost
PIMCO Total Return (PTTRX)	Instl	0.46%	0.00%	0.46%
PIMCO Total Return (PTTAX)	A	0.80%	0.40%	0.40%
PIMCO Total Return	CIT	0.45%	0.00%	0.45%

Legend
Current
Alternative



Fidelity 457(b) Plan Fee Analysis

Fidelity Low-Priced Stock—Share Class Comparison

Fidelity Low-Priced Stock			
Historical	K Net Expense	Retail Net Expense	K6 Net Expense
2017	0.38%	0.33%	0.50%
2018	0.33%	0.27%	0.50%
2019	0.23%	0.17%	0.50%
2020	0.49%	0.43%	0.50%
2021	0.36%	0.30%	0.50%
2022	0.36%	0.30%	0.50%
Current	0.64%	0.57%	0.50%
Average	0.40%	0.34%	0.50%

Legend
Current
Alternative

- Fidelity Low-Priced Stock offers alternative share classes that could potentially reduce participants' net investment management expense, while still providing the same strategy.
- Fluctuations are expected in the K and Retail share classes, given the performance-based fee component.
- Capital Cities will continue monitoring the fee differences; however, maintaining the current share class is still appropriate given the fluctuating expense ratios and relatively low average annual savings (~\$6k).

Notes: Year-end expense is used for 2017-2023. June 30, 2023 fee data is used for the current expense. Net expense = investment management fee minus revenue-sharing.

Fidelity 457(b) Plan Fee Analysis

Fidelity Contrafund—Share Class Comparison

Fidelity Contrafund			
Historical	K6 Net Expense	Retail Net Expense	K Net Expense
2017	0.45%	0.33%	0.38%
2018	0.45%	0.39%	0.45%
2019	0.45%	0.47%	0.53%
2020	0.45%	0.50%	0.57%
2021	0.45%	0.51%	0.58%
2022	0.45%	0.46%	0.54%
Current	0.45%	0.20%	0.27%
Average	0.45%	0.41%	0.47%

Legend
Current
Alternative

- Fidelity Contrafund offers alternative share classes that could potentially reduce participants' net investment management expense, while still providing the same strategy.
- Fluctuations are expected in the K and Retail share classes, given the performance-based fee component.
- Capital Cities will continue monitoring the fee differences; however, maintaining the current share class is still appropriate given the fluctuating expense ratios and relatively low average annual savings (~\$17k).

Notes: Year-end expense is used for 2017-2023. June 30, 2023 fee data is used for the current expense. Net expense = investment management fee minus revenue-sharing.