



Memorandum

To: Rhode Island State Investment Commission

From: Capital Cities, L.L.C.

Date: December 6, 2023

Re: Annual Defined Contribution & Deferred Compensation Program Review

Capital Cities prepared an independent review of the Rhode Island Defined Contribution and Deferred Compensation Program. As part of the analysis, an investment structure review was conducted, evaluating the 401(a) and 457(b) Plans' menus and investment options. In addition, Capital Cities analyzed the Plans' fees, documenting and evaluating the investment management and recordkeeper fees. Lastly, the Plans' Investment Policy Statements were reviewed. No amendments were required, but updates were made to the Appendix section of the Investment Policy Statements.

The following recommendations were made and require the State Investment Commission's votes during the December 6, 2023 meeting:

- 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.
- Investment Policy Statements Recommendation:
 - Approve the Investment Policy Statements.