



Memorandum

To: Rhode Island State Investment Commission

From: Capital Cities, L.L.C.

Date: June 26, 2024

Re: Fidelity 457(b) Plan Fee Analysis and FICA Alternative Retirement Plan IPS

Fidelity will be sunsetting the Fidelity Freedom Funds' Retail share class for institutional plans, which will require the Rhode Island 457(b) Plan to transition to a new share class/vehicle in late 2024. Capital Cities completed a Fee Analysis for the Fidelity 457(b) Plan, evaluating investment management and recordkeeper expenses, including analyzing Fidelity's proposals to address the Fidelity Freedom Funds. Capital Cities is seeking the State Investment Commission's votes during the June 26, 2024 meeting to:

- **Transition from Fidelity Contrafund K6 share class to the Retail share class to reduce the investment management expense.**
- **Transition from Fidelity Low-Priced Stock K share class to the Retail share class to reduce the investment management expense.**
- **Transition from the Fidelity Freedom Funds' Retail share class to the K share class, given Fidelity's upcoming elimination of the Retail share class for institutional plans.**

Additionally, an Investment Policy Statement for the Rhode Island FICA Alternative Retirement Plan was prepared. Capital Cities is requesting the State Investment Commission's vote to:

- **Adopt the FICA Alternative Retirement Plan's Investment Policy Statement.**