



## Memorandum

To: Rhode Island State Investment Commission

From: Capital Cities, L.L.C.

Date: October 14, 2022

Re: Annual Defined Contribution & Deferred Compensation Program Review

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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 November 21, 2022 meeting:

- Voya 457(b) Plan Recommendation: Eliminate Voya Small Company given qualitative concerns and map assets to Boston Trust Walden SMID Cap (pending the Fund being added to Voya's platform).
- Fidelity 457(b) Recommendation: Remove Invesco Diversified Dividend from Watchlist; however, continue monitoring short- and long-term performance (last three- and five-year time periods).
- Recommendation: Approve the Investment Policy Statements.