



Memorandum

To: Rhode Island State Investment Commission

From: Capital Cities, L.L.C.

Date: August 27, 2019

Re: Voya 457(b) Plan: Voya Oppenheimer Global Fund Recommendation

Capital Cities presented an Investment Structure Review of the Voya 457(b) Plan, during the July 24th State Investment Commission (SIC) meeting. As part of the analysis, Capital Cities provided a qualitative and quantitative evaluation of each investment option. The Voya Oppenheimer Global Fund, which represented \$7,226,972 (3.9% of Plan assets) and 1,792 participants (as of March 31, 2019), was specifically noted. The Voya Oppenheimer Global Fund had experienced a recent personnel change. In particular, long-time lead portfolio manager, Rajeev Bhaman, retired effective March 31st. John Delano, who previously served as an analyst and then co-portfolio manager (March 2017), took over as sole portfolio manager. While Bhaman's retirement was announced well in-advance, Delano's limited track record raised concern.

As a result of the material personnel change, Capital Cities recommended that the SIC eliminate the Voya Oppenheimer Global Fund and map the existing participant assets and future participant elections to the Voya U.S. Stock Index Fund (a domestic fund) given no "like" global equity fund is currently offered in the Plan. The SIC requested for Capital Cities to investigate with Voya whether the Voya Oppenheimer Global Fund assets and participant elections could instead be split between the Voya U.S. Stock Index Fund and an international equity fund.

Subsequent to the meeting, Voya indicated that the Voya Oppenheimer Global Fund assets and participant elections can be transferred to two funds: 50% Voya U.S. Stock Index Fund/50% SSGA Global All Cap ex U.S. Equity. Therefore, the following recommendation is now being made and requires the SIC's vote during the October 2nd meeting:

- Eliminate the Voya Oppenheimer Global Fund from the Voya 457(b) Plan investment menu. Map existing participant assets and future participant elections to 50% Voya U.S. Stock Index Fund/50% SSGA Global All Cap ex U.S. Equity, for those participants who do not make an investment election change and move their existing balance prior to the Fund's elimination. In the event of an odd participant election amount, the Voya U.S. Stock Index Fund will receive the higher split.

It is also important to note that participants will receive a communication piece, regarding the change, before the Voya Oppenheimer Global Fund is eliminated from the Plan.