



## Memorandum

To: Rhode Island State Investment Commission

From: Capital Cities, L.L.C.

Date: July 26, 2023

Re: TIAA RetirePlus Select Glide Path & Manager Recommendations

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The Rhode Island 401(a) and 457(b) Plans' recordkeepers were recently evaluated through a Request for Proposal (RFP) process. The State Investment Commission elected to maintain the Plans' current recordkeepers, including TIAA, Voya and Fidelity, as a result of the RFP findings. The State Investment Commission also approved TIAA's proposal to transition the 401(a) Plan's Target Date Funds (default option) to TIAA RetirePlus Select. The TIAA RetirePlus Select's default glide path (Conservative, Moderate or Aggressive) and eight underlying components must be chosen before implementation.

Capital Cities prepared a presentation highlighting the decisions for TIAA RetirePlus Select, including the following recommendations that require the State Investment Commission's votes during the July 26, 2023 meeting:

### **TIAA 401(a) Plan:**

- Choose the Moderate glide path as the default for TIAA RetirePlus Select.
- Add the State Street REIT Index Fund to the investment menu and as an underlying fund within TIAA RetirePlus Select.
- Add the State Street U.S. Inflation Protected Bond Index Fund to the investment menu and as an underlying fund within TIAA RetirePlus Select.
- Eliminate PIMCO Real Return and map assets to State Street U.S. Inflation Protected Bond Index given overlap, low participant utilization (0.6% of Plan assets), and fees (41 bps reduction).
- Add the Vanguard Cash Reserves Federal Money Market Fund to the investment menu and as an underlying fund within TIAA RetirePlus Select.

### **TIAA 457(b) Plan:**

- Consider transitioning the TIAA 457(b) Plan's Target Date Funds (Vanguard Target Retirement Funds) to TIAA RetirePlus Select.
- Implement the same glide path (Moderate) and underlying fund/investment menu recommendations (State Street REIT Index, State Street U.S. Inflation Protected Bond Index and Vanguard Cash Reserves Federal Money Market) in the 457(b) Plan as recommended for the 401(a) Plan.
- Add State Street Russell Small/Mid Cap Index to the 457(b) Plan investment menu and as an underlying fund within TIAA RetirePlus Select.
- Eliminate Vanguard Small Cap Index and Vanguard Mid Cap Index and map assets to State Street Russell Small/Mid Cap Index given overlap.
- Eliminate American Century Inflation Adjusted Bond and map assets to State Street U.S. Inflation Protected Bond Index given overlap, low participant utilization (1.4% of Plan assets), and fees (17 bps reduction).