



## Memorandum

To: Rhode Island State Investment Commission

From: Capital Cities, L.L.C.

Date: June 11, 2020

Re: Defined Contribution & Deferred Compensation Annual 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. Investment management and recordkeeper fees were also documented and benchmarked. In addition, the Plans' Investment Policy Statements were reviewed and updates were made to the Appendices.

The following recommendations were made, within the presentation, and require the State Investment Commission's vote, during the June 24, 2020 meeting:

- TIAA 401(a) and 457(b) Plans' Recommendation: Transition, from Vanguard Target Retirement Trust I to Vanguard Target Retirement Trust Plus, to reduce investment management expenses.
- Fidelity 457(b) Plan's Recommendations: Conduct a share class exchange of the Invesco Diversified Dividend Fund (R6 to R5), Fidelity Contrafund (K to K6), PIMCO Total Return Fund (Instl to A) and Fidelity Freedom Funds (K to Retail), to reduce investment management expenses.