

Meeting Agenda

**| Health Care Policy Committee | Finance, Administration, Audit and Compliance Committee
| Retirement Policy Committee | Board of Directors**

Wednesday, March 4, 2026 | 202 Arbor Lake Drive., Columbia, SC 29223 | 1st Floor Conference Room

Board of Directors | 3 p.m.

- I. Call to order
- II. Approval of meeting minutes- December 4, 2025
- III. Fiduciary training
- IV. Committee reports
 - i. Health Care Policy Committee
 - ii. Finance, Administration, Audit and Compliance Committee
 - iii. Retirement Policy Committee
 - a) State ORP RFP provider investment lineup recommendation
- V. Old business
 - i. Director's report
 - ii. RoundTable discussion
- VI. Adjournment

Notice of public meeting

This notice is given to meet the requirements of the S.C. Freedom of Information Act and the Americans with Disabilities Act. Furthermore, this facility is accessible to individuals with disabilities, and special accommodations will be provided if requested in advance.

**PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM
BOARD MEETING**

Meeting Date: March 4, 2026

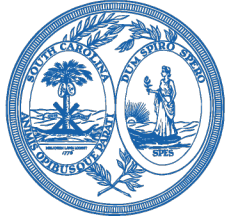
1. Subject: Fiduciary Training

2. Summary: Amber Carter, Deputy General Counsel, will conduct the annual Board Fiduciary Training.

3. What is the Board asked to do? Receive as information

4. Supporting Documents:

(a) Attached: 2026 Fiduciary Training



PEBASM
SC Retirement Systems
and State Health Plan

Fiduciary training

Board of Directors

March 4, 2026

Serving those who serve South Carolina

Why are we here today?

PEBA Board *Education Policy*

“The required fiduciary education shall include, but not be limited to, the following topics: the **duty of loyalty**, the **duty of impartiality**, the **duty of care**, the **duty of prudence**, the **exclusive benefit rule**, and the rule concerning **prohibited transactions**.”

Today's topics

- The fundamentals.
- How it can all go wrong.
- But why you don't need to panic.

The fundamentals

Fiduciary duties, an overview

Where do they come from?

- State law.
- Federal law.
 - Internal Revenue Code.
 - Employee Retirement Income Security Act.
- Common law.
- Plan documents.



Loyalty



Prudence



Follow the Plan document

The duties, generally

Loyalty

- The “exclusive benefit” rule – IRC section 401(a)(2) and SC Code Ann 9-4-10(K).
- The “two hats” analogy.
- Owed to all participants and beneficiaries.
- No self-dealing, prohibited transactions, personal use or benefit.
- Independent (cannot represent the interests of the party who put you on this Board).

Prudence

- The “prudent person” standard.
- Exercise of reasonable care, skill and caution.
- Delegation sometimes falls under this broad duty.

Follow the Plan document

- Know what it requires and do that thing.

State law | Sources of fiduciary duties

S.C. Code Ann. § 9-4-10(K) Members of the board and the executive director, and other employees or agents designated by the board, are fiduciaries of the authority and in discharging their duties as fiduciaries shall act:

1. Only in the interest of the participants and beneficiaries of the employee benefit plans administered by the authority;
2. For the exclusive purpose of providing retirement and insurance benefits to participants and beneficiaries of the employee benefit plans administered by the authority and paying reasonable expenses of administering those employee benefit plans;
3. With the care, skill and caution under the circumstances then prevailing which a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an activity of like character and purpose;
4. Impartially, taking into account any differing interests of participants and beneficiaries;
5. Incurring only costs that are appropriate and reasonable; and
6. In accordance with a good faith interpretation of this chapter and other applicable provisions of law.

Substantially the same language as in S.C. Code Ann. § 9-16-40.

State law | Sources of fiduciary duties

S.C. Code Ann. § 9-16-10(4) "Fiduciary" means a person who:

1. Exercises any authority to invest or manage assets of a system;
2. Provides investment advice for a fee or other direct or indirect compensation with respect to assets of a system or has any authority or responsibility to do so; . . .

State law | The duties

Loyalty

- No self-dealing – 9-4-10(K)(1) and 9-16-40(1): “only in the interest of the participants and beneficiaries of the employee benefit plans administered by the authority.”
- Exclusive benefit – 9-4-10(K)(2) and 9-16-40(2): “for the exclusive purpose of providing retirement and insurance benefits to participants and beneficiaries of the employee benefit plans administered by the authority and paying reasonable expenses of administering those employee benefit plans.”
- Impartial – 9-4-10(K)(4) and 9-16-40(4): “impartially, taking into account any differing interests of participants and beneficiaries;” must balance interests of all participants and beneficiaries without bias.
- Plan expenses – only reasonable *plan* expenses to be paid from the trusts; 9-4-10(K)(5) and 9-16-40(5): “incurring only costs that are appropriate and reasonable.”

State law | The duties

Prudence

- 9-4-10(K)(3) and 9-16-40(3): “with the care, skill and caution under the circumstances then prevailing which a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an activity of like character and purpose.”

Follow the plan document

- 9-4-10(K)(6) and 9-16-40(6): “in accordance with a good faith interpretation of this chapter and other applicable provisions of law.”

State law | Compliance with fiduciary duties

- **9-16-60.** Evaluation of fiduciary's compliance with law not to be hindsight; decision-making evaluated in context of whole portfolio.
 - (A) Compliance by the trustee, commission or other fiduciary with Sections 9-16-30, 9-16-40 and 9-16-50 must be determined in light of the facts and circumstances existing at the time of the trustee's, commission's or fiduciary's decision or action and not by hindsight.
 - (B) The commission's investment and management decisions must be evaluated not in isolation but in the context of the trust portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the retirement system.

Federal law | Sources of fiduciary duties

Internal Revenue Code

- IRC § 401(a)(2): “A trust created or organized in the United States and forming part of a stock bonus, pension or profit-sharing plan of an employer **for the exclusive benefit** of his employees or their beneficiaries shall constitute a qualified trust under this section....”

ERISA, 29 U.S. Code § 1104:

- Loyalty.
- Prudence.
- Diversification.
- Follow the Plan documents.

ERISA, 29 U.S.C. 1106 : prohibited transactions

- Transactions between the Plan and a party in interest.
- Transactions between the Plan and fiduciary.
- Transactions of real or personal property to the Plan by a party in interest.

PEBA’s plans are governmental, non-ERISA plans.

ERISA remains the gold standard; behavior deemed acceptable under ERISA is often used as a benchmark for behavior under non-ERISA plans.

Common law | Sources of fiduciary duties

From the Restatement (Third) of Trusts

- Duty to administer the trust in accordance with its terms.
 - State statutes.
 - Plan documents.
- Duty of prudence.
- Duty of loyalty.
- Duty of Impartiality.
- Duty with respect to delegation.
- Duty with respect to co-trustees.
 - Duty to use reasonable care to prevent a co-trustee from committing a breach, and, if one occurs, to obtain redress.
- Duty to furnish information to beneficiaries (we'll touch on this more later).
- Duty to keep records and provide reports.
- Duty to segregate and identify trust property.

Who is a fiduciary and how to identify

Designation

- PEBA's Directors are designated fiduciaries under state law.
 - S.C. Code Ann. § 9-4-10(K), 9-16-40.

Function

- An entity can be a fiduciary by performing certain functions.

PEBA's Directors are both designated fiduciaries (S.C. Code Ann. §§ 9-4-10(K), 9-16-40) and fiduciaries by function (functions described in S.C. Code Ann. § 9-16-10(4)).

Who is a fiduciary | Federal law

- Internal Revenue Code § 4975(e)(3):

- (3) Fiduciary

- For purposes of this section, the term “fiduciary” means any person who:

- (A) Exercises any discretionary authority or discretionary control respecting management of such plan or exercises any authority or control respecting management or disposition of its assets;

- (B) Renders investment advice for a fee or other compensation, direct or indirect, with respect to any moneys or other property of such plan, or has any authority or responsibility to do so; or

- (C) Has any discretionary authority or discretionary responsibility in the administration of such plan.

- Such term includes any person designated under section 405(c)(1)(B) of the Employee Retirement Income Security Act of 1974.

- ERISA definition is substantially the same.

Who is a fiduciary | State law

Pension: S.C. Code § 9-4-10, 9-16-10 9-16-40 and 9-16-50

- S.C. Code Ann. § 9-16-10(9): "Trustee" means the Board of Directors of the South Carolina Public Employee Benefit Authority.
 - Also cotrustees with RSIC, § 9-1-1310(A): The Public Employee Benefit Authority shall hold the assets of the Retirement System in a group trust as provided in Section 9-16-20. The Retirement System Investment Commission shall invest and reinvest the assets of the Retirement System.

Insurance

- PEBA Board (S.C. Code Ann. § 1-11-705(B), -707(B), -710(A)).
- State Treasurer (custodian and investor of OPEB funds (S.C. Code Ann. § 1-11-705(B), -707(B), (G))).

Who is a fiduciary | State law

Defined contribution plans

- State ORP (S.C. Code Ann. § 9-20-20 and 9-20-30).
- Deferred Comp (S.C. Code Ann. § 8-23-320).
- Plan documents – defined as Trustee.

State Ethics Act, S.C. Code Title 8, Chapter 13, § 8-13-700 et seq

- Another check on using the office of Board member/trustee for personal gain or allow another person or entity to sway their decision (loyalty!).

PEBA Board *Ethics and Conflicts of Interest Policy*

Who is NOT a fiduciary

- Generally, vendors and third party administrators are not fiduciaries.
- Most vendors and TPAs will want language in their contracts to specify they are not fiduciaries.
- A few exceptions:
 - Providing rollover advice to participants.
 - Providing investment advice to participants.
- But...

Who is a fiduciary – *Tiara Yachts*

Tiara Yachts, Inc. v BCBS of Michigan, 138 F.4th 457 (6th Cir. 2025) – still on pleadings; a dismissal was reversed, finding “anyone who exercises discretion or control over plan assets is a fiduciary under ERISA.”

- This goes back to the “function.”
- BCBS of Michigan was TPA for Tiara Yachts’ self-funded health care plan (ERISA).
- The court found “BCBSM was responsible for interpreting the plan’s terms, calculating benefits, deciding whether to grant or deny claims on Tiara Yacht’s behalf, and ultimately paying providers” out of plan assets, pursuant to an administrative services contract.
- Tiara Yachts alleged BCBSM systematically overpaid claims for out-of-state claims.
 - BCBSM was supposed to reimburse an out-of-state medical provider at the rate the “Host Blue” plan would pay.
 - BCBSM was actually “flipping” the status of an out-of-state provider that was not in the Host Blue’s network and paying whatever rate the provider charged. This was intentional programming that was not shared with BCBSM’s customers.
 - Then BCBSM would hire third parties to audit and claw back overpayments, charging the TY plan 30% of the recouped overpayments (the Shared Savings Program).
 - TY sued under ERISA, claiming BCBSM breached its fiduciary duty by self-dealing (this would be loyalty) and engaging in prohibited transaction; BCBSM moved to dismiss for failure to state a claim; the court granted the motion saying TY failed to plausibly allege BCBSM acted as a fiduciary.

Tiara Yachts

- On appeal, the court considered whether BCBSM was acting as a fiduciary when it took the actions subject to the complaint.
 - Relevant here are exercising any authority or control over a plan asset and exercising discretionary authority over plan management or administration.
- The “any” in “exercising any authority or control” was important for the court, which relied on prior case law and found it does not have to be solely discretionary authority or control.
- BCBSM had the authority to make payments from plan assets and exercised control over where plan assets were deposited and how and when they were disbursed, writing checks to providers based on its own claims processing procedures.
- In overruling the lower court, the Sixth Circuit found contractual duties and ERISA duties are not mutually exclusive (defendants can’t avoid ERISA liability by hiding behind a contract, and often a breach of contractual duties will inform the ERISA analysis).
- TY plausibly pled breach. By overpaying in the first instance, BCBSM squandered plan assets; by controlling how much was overpaid, BCBSM controlled how much it received under the SSP.

How it can all go wrong

Loyalty and prudence | Spence v. American Airlines

- Proxy voting and oversight – *Spence v. American Airlines*, 775 F.Supp.3d 963 (N.D. Tex 2025).
- Plaintiffs alleged American Airlines' plan fiduciaries violated their **duty of loyalty** by failing to keep AA's corporate interests separate from its fiduciary responsibility, and their **duty of prudence** by not properly monitoring the plan's investment managers.
- BlackRock was **both a plan investment manager and a major investor** in American Airlines, and both companies supported ESG efforts. Plaintiffs alleged BlackRock used its proxy votes to further AA's corporate goals rather than what was best for the plan.

Spence v. American Airlines

- A single individual at AA was responsible for both the daily management of the plan's investment managers and the corporate relationship with BlackRock as an investor in the company.
 - He allowed BlackRock to miss quarterly reporting, and while aware of BlackRock's use of proxy votes, he did not address the issue with BlackRock or bring it to the attention of the other plan fiduciaries.
 - The court found this individual's failure to keep his roles separate and assert the interest of the plan participants over the interest of AA was evidence of not operating exclusively for the benefit of the plan and its participants.
- Court found fiduciaries failed to act solely in the plan's best interest by allowing BlackRock (an investor in AA and a plan investment manager) and its focus on ESG efforts to influence the plan.
- Court also found that AA followed industry standard practices and thus the fiduciaries were not imprudent; the fiduciaries' lack was not a failure of prudence, was merely "turning a blind eye." Still, not great.

Prudence and communication | Watson v EMC Corp.

- This case is about a plan's **duty to communicate**, which the court treats under the **duty of prudence**.
- Plaintiff (surviving spouse) alleged EMC breached its fiduciary duty to Watson, her late husband, by providing incomplete and inaccurate information in response to his email inquiring about his life insurance benefits.

The facts:

- EMC was acquired by Dell, and Watson entered into a voluntary separation agreement that included continued participation in the EMC's group life insurance plans during the Pay Continuation Period, he and would be eligible to continue group health benefits at the employee rate following expiration of that period.
- November 9, 2016: Watson enrolls in Dell's employee benefit plans, including group life insurance.
- November 24, 2016: the Pay Continuation Period ends.
- November 29, 2016: Watson emails EMC to ask about how to pay for his benefits at the employee rate after his upcoming separation on December 31, 2016.
- Watson died in September 2017.

Watson v EMC Corp.

Plaintiff argued:

- As a prudent fiduciary, EMC should have informed Watson he needed to convert his life insurance coverage and provide instructions.
- At a minimum, EMC should have been clear on what benefits were covered by the ADP bills and that the life insurance would be billed separately.

Defendant argued:

- It could not have reasonably known Watson's question also pertained to life insurance benefits because he had been notified in multiple ways that life insurance coverage would terminate on the last date of his employment and had in fact already terminated by the time he emailed EMC to ask about how to pay for future benefits.
 - Was notified in the separation agreement;
 - Was notified in the *Certificate of Insurance*; and
 - Was notified in the November 29, 2016, *Notice of Group Life Conversion Privilege* sent to Watson by MetLife.

Watson v EMC Corp.

- **The Court asked** whether, under these circumstances, EMC acted as a prudent fiduciary in its response to Watson's inquiry.
 - Court emphasized the fiduciary's actions should be judged under the circumstances of the moment, not in hindsight.
 - Court was persuaded by the weight of authority in other Circuits that a fiduciary under ERISA must provide complete and accurate information in response to an inquiry like Watson's.
 - Court found EMC breached that duty and must respond with full and accurate information, **even when not specifically asked**.
 - Court was unpersuaded by EMC's argument that, at the time of the email, EMC could not have reasonably known Watson was asking about his expired life insurance policy, and that any misunderstanding was due to Watson's lack of clarity.
 - Court found EMC was aware of Watson's status and his need to convert; importantly, he was still within his eligibility window for conversion when he inquired.
 - Court found the fact Watson was in possession of the information (documents) did not relieve EMC of its obligation – should have pointed him back to the documents at a minimum.
- **Remedy:** Court found EMC's breach resulted in actual harm to plaintiff and ordered EMC to pay the lost benefits of \$633,000.

Prudence, loyalty, prohibited transactions, monitor | *Khan v. Bd. of Directors of Pentegra DC Plan*

- The Board (a named fiduciary and comprised of representatives from participating employers) delegated its day-to-day fiduciary duties to Pentegra Services, Inc., including Plan administration and monitoring the reasonableness of PSI's own fees. Plaintiffs allege PSI acted as a "functional fiduciary."
- Duty of prudence allegations:
 - Excessive investment fees.
 - Failed to ensure PSI's fees were reasonable, and that PSI's rates far exceed rates of comparable plans.
 - Retained PSI as recordkeeper without competition or arm's length negotiation.
 - Board "automatically" renewed PSI's contract without competition.
 - Failed to ensure PSI's administration fees were reasonable.
 - Court finds this cause of action is sufficiently pled and may proceed.

Khan v. Bd. of Directors of Pentegra DC Plan

- Duty of loyalty allegations:
 - A Board member was PSI's President and CEO; PSI monitored its own fees; plaintiffs claimed he was wearing his "non-fiduciary" hat when he executed the services agreements with PSI and was acting in PSI's interests, not the Plan's.
 - Court finds plaintiffs allege the Board member's relationship with PSI caused him to take or fail to take actions detrimental to the Plan while wearing his fiduciary hat, thus have not alleged breach of loyalty.
 - Plaintiff also alleges some hotel charges support a breach of the duty of loyalty, but Court says if anything those might be imprudence.
 - Court says their theories for loyalty are already part of their claims for prudence; dismisses loyalty cause of action.

Khan v. Bd. of Directors of Pentegra DC Plan

- Prohibited transactions allegations:
 - PSI's provision of administrative services to the Plan violates ERISA's prohibited transaction rules, which prohibit transactions between a plan and a "party in interest," and between a plan and a fiduciary.
 - PSI is a party in interest.
 - Reasonable payments for necessary services can be exempted, but not excessive, unreasonable fees.
 - Plaintiffs allege Board/PSI dealt with Plan assets in their own interest, in a transaction with a party whose interests were adverse to those of the Plan and participants and received consideration in connection with those transaction.
- Breach of duty to monitor allegations:
 - Court found plaintiffs properly pled failure: to monitor appointees and delegees; to evaluate their performance or have a system for doing so; to evaluate administrative fees; to competitively solicit; to identify all sources of PSI's income; and to remove appointees whose performance was inadequate.
 - Duty to monitor is not explicit in the text of ERISA, but courts have found ERISA imposes a duty on plan fiduciaries to monitor appointed fiduciaries.

Khan v. Bd. of Directors of Pentegra DC Plan

- Plaintiffs alleged harm in form of lost investment opportunity due to excessive recordkeeping and administrative fees.
 - By causing the Plans to include investment options with higher fees to compensate PSI, Plaintiffs say they lost \$37M in their retirement savings.
- Defendants said PSI is not a fiduciary; Court says that's a factual inquiry and this is a motion to dismiss.
- Has since been a jury verdict for \$38.8 million, and a settlement of remaining aspects for another \$9.7 million.

Prudence, Monitor, Loyalty, Prohibited Transactions | *Snyder v. UnitedHealth Group, Inc.*

- A 2021 class action filed in the U.S. District Court for the District of Minnesota, settled for \$69 million after years of litigation and discovery.
- The complaint alleged UH put the company's business interests above those of the plan participants.
 - Duty of prudence and duty to monitor.
 - Added duty of loyalty and prohibited transactions later when discovery showed recorded decision-making based on Wells Fargo's (and other candidates') business relationship with UH, and the need for Wells Fargo to retain UH's business to bolster its flagging target date platform.

Snyder v. UnitedHealth Group, Inc.

- The fiduciary committee received independent advice and recommended removal of a continually underperforming Wells Fargo target-date fund.
- The CFO intervened to keep the fund in place. He:
 - Directed an evaluation of Wells Fargo and other candidate firms and determined Wells Fargo was a more significant business partner for United Health (UH was the primary healthcare provider for WF);
 - Disbanded the fiduciary committee, placing himself and another executive on the committee;
 - Changed the selection process;
 - Sidelined the investment consultant;
 - Stopped documenting the selection process; and
 - Ultimately retained Wells Fargo.

But why you don't need to panic

Bringing a claim

- *Cunningham v. Cornell University* (S.Ct. 4.17.25)
 - Supreme Court made it easier for plaintiffs to bring litigation on prohibited transactions.
 - There are prohibited transaction exemptions, but these will not be resolved at the motion to dismiss stage and will need to start litigation to establish an exemption applies; they're affirmative defenses.
 - ERISA's definition of PT is broad, including some transactions that fiduciaries engage in as normal business operations (plan recordkeeping, paying a plan service provider with plan assets is a PT).
- On November 18, 2025, Rep. Randy Fine (R-FL) introduced a bill that would override *Cunningham*.
 - H.R. 6084 would place the burden on the plaintiff to "plausibly" allege and prove the prohibited transaction.

Who has the burden to prove a loss?

Pizarro v. Home Depot (11th Cir. Aug 2, 2024)

- The case was about excessive fees.
- Lower court found plaintiffs hadn't shown violations caused them financial loss, granted HD's summary judgment motion even though it found question of fact on duty of prudence.
- Burden shifting:
 - Plaintiffs said the common law of trusts shifts the burden to the fiduciaries to prove their actions didn't cause a loss.
 - Court said ERISA doesn't have that burden-shifting provision, and the default rule is the plaintiff bears the burden of proof and persuasion.
- Proof that will satisfy the burden.
 - Must show losses are caused by the fiduciary's actions rather than by "usual vagaries of the market."
 - Plaintiffs must show investments were objectively imprudent.
- Court found Plaintiff did not meet this burden and affirmed the grant of summary judgment.

Burden to prove a loss

Tatum v RJR Pension Investment Committee (4th Cir. Aug 4, 2014)

- Fourth Circuit acknowledges the default rule, but comes to a different conclusion, relying on the common law of trusts: “[I]n matters of causation, when a beneficiary has succeeded in proving that the trustee has committed a breach of trust and that a related loss has occurred, the burden shifts to the trustee to prove that the loss would have occurred in the absence of the breach.” *Restatement (Third) of Trusts § 100*, cmt. f (2012).
- The Fourth Circuit is our Circuit, which controls, and because we’re not an ERISA plan, courts would likely look to the common law of trusts anyway.

DON'T PANIC

What you are doing right

- ✓ Independent consultants.
- ✓ Competitive procurements.
- ✓ Conduct a governance review.
- ✓ Benchmarks.
- ✓ Communication with participants.

“...fiduciaries ‘are entitled to rely on the advice they obtain from independent experts.’” *Spence case* (also cited 4th Circuit authority)

- **But not blindly.** Must investigate their qualifications, provide complete and accurate information, and make certain reliance is reasonably justified under the circumstances.

“...a prudent fiduciary may—and often does—retain investments through a period of underperformance as part of a long-range investment strategy.” *Lockett v. Wintrust Financial Corp.* (ND. Ill. 2024).

Remember...

- Your decisions don't have to be perfect.
- They must be reasoned, informed and prudent.
- We don't look at the decision in hindsight but rather consider the circumstances at the time the decision is made.
- You don't have to be clairvoyant. S.C. Code Ann. § 9-16-60.

Disclaimer

This presentation does not constitute a comprehensive or binding representation of the employee benefit programs PEBA administers. The terms and conditions of the employee benefit programs PEBA administers are set out in the applicable statutes and plan documents and are subject to change. Benefits administrators and others chosen by your employer to assist you with your participation in these employee benefit programs are not agents or employees of PEBA and are not authorized to bind PEBA or make representations on behalf of PEBA. Please contact PEBA for the most current information. The language used in this presentation does not create any contractual rights or entitlements for any person.

**PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM
BOARD MEETING**

Meeting Date: March 4, 2026

1. Subject: Approval of State ORP Investment Lineup Changes

2. Summary: Each State ORP service provider included a proposed investment lineup in its response to the Request for Proposal to provide Third Party Recordkeeping, Administration and Associated Services for the State Optional Retirement Program. Investment lineups proposed by the four service providers awarded contracts effective January 1, 2026, were evaluated by CAPTRUST to ensure compliance with the State ORP Investment Policy Statement, suitability for plan type and structure, and selection of the most advantageous share class available. In addition, each lineup should include different risk investment options: low, medium and high. An investment option should be diversified compared to other options and across different sectors within its own portfolio. The investment options available to participants should not have overlapping goals and risk profiles.

3. What is the Board asked to do? Approve the investment line-up changes for the State ORP, as presented by CAPTRUST, to be effective July 1, 2026, or as soon as administratively practicable thereafter.

4. Supporting Documents:

- (a) Attached: State ORP Provider RFP Investment Recommendations

STATE OF SOUTH CAROLINA
PUBLIC EMPLOYEE BENEFIT AUTHORITY
STATE ORP REQUEST FOR PROPOSAL

PROVIDER INVESTMENT LINEUP RECOMMENDATIONS

CAPTRUST

Our mission is to enrich the lives of our clients, colleagues and communities through sound financial advice, integrity, and commitment to service beyond expectation.



TODAY'S AGENDA



Page 3. ORP Recordkeeper RFP Investment Menu Proposal Review

Page 4. The Five Pillars of a Successful Defined Contribution Plan

Page 5. Tiering - Approach to Plan Design

Page 6. Why Active & Passive?

Page 7. Keeping Diversification While Reducing Volatility

Pages 8-11. Corebridge Plan Recommendations

Pages 12-15. TIAA Plan Recommendations

Pages 16-19. Empower Plan Recommendations

Pages 20-23. Voya Plan Recommendations

Summary and Purpose

- Evaluate State ORP recordkeeper RFP investment menu proposals to provide recommendations and mapping, if required, by recordkeeper platform.
- Follow DOL Guidelines and Fiduciary Best Practices
- Comply with ORP Investment Policy Statement
- Ensure a broad, peer-competitive, Tiered Investment Menu with Best-In-Class options for diversification and retirement purposes
- Favor non-proprietary investment options over proprietary investment options
- Confirm lowest cost share classes as registered mutual funds or Collective Investment Trusts (CITs), but only if completely portable and not requiring proprietary platform restrictions
- Fees are competitive with peers and benchmarks
- Consolidate asset classes where appropriate based on peer benchmarks and utilization
- Add investment asset classes where appropriate based on peer benchmarks and utilization

THE FIVE PILLARS OF A SUCCESSFUL DEFINED CONTRIBUTION PLAN

	PLAN DESIGN	PARTICIPANT ENGAGEMENT	INVESTMENT MANAGEMENT	FIDUCIARY PROCESS	PLAN ADMINISTRATION
KEY OBJECTIVES	<ul style="list-style-type: none"> • Ensure that retirement programs are aligned with corporate policies and business goals • Ensure that plan features and strategies are aligned with the needs or participant demographics • Ensure that the plan remains competitive with other companies that may compete for our employees 	<ul style="list-style-type: none"> • Provide the information, resources and advice to help our employees effectively plan, save and invest for their retirement • Viewed as very attractive and highly competitive benefit plan by our employees 	<ul style="list-style-type: none"> • Providing an attractive menu of investment options and account management programs to enable our employees to prudently invest their retirement savings • To allow for the diverse financial needs and sophistication of our employees • Maintain diverse but reasonable number of core menu options 	<ul style="list-style-type: none"> • Develop, follow and document a consistent series of prudent processes to satisfy our fiduciary obligations to our employees • Ensure that our retirement committee remains informed of prevailing regulatory considerations and market trends • Ensure that prudent policies are established and followed to allow for the inclusion of company stock in the plan 	<ul style="list-style-type: none"> • Timely and accurate account reporting and processing • Ensure that we retain effective and user friendly resources for the management of our plans • Maintain compliance with prevailing regulatory requirements • Ensure that the plan is paying fair and reasonable fees for the services provided
BEST PRACTICES	<ul style="list-style-type: none"> • Peer review key plan features: eligibility, matching, and vesting policies • Evaluate automatic features for enrollment and deferral increases • Evaluate re-enrollment • Evaluate optional testing methods • Evaluate Roth feature 	<ul style="list-style-type: none"> • Allow multiple options for personalized advice • Conduct targeted outreach campaigns • Conduct demographic analysis • Conduct participant satisfaction surveys • Provide multiple forms of participant communications 	<ul style="list-style-type: none"> • Evaluate risk versus age based asset allocation strategies • Evaluate model portfolios versus managed accounts • QDIA selection • Evaluate active and passive investing strategies 	<ul style="list-style-type: none"> • Formal investment policy statement • Evaluate investment oversight advisory services - 3(21) or 3(38) • Formal fee payment policy • Fiduciary Training 	<ul style="list-style-type: none"> • Fee benchmarking for service providers • 404(c) compliance • 408(b)(2) compliance

TIERING – APPROACH TO PLAN DESIGN

A tiered approach is used to solve for different types of plan participants – from the disengaged to the highly engaged. By including both active and passive management engaged participants have multiple ways to build diversified portfolios.

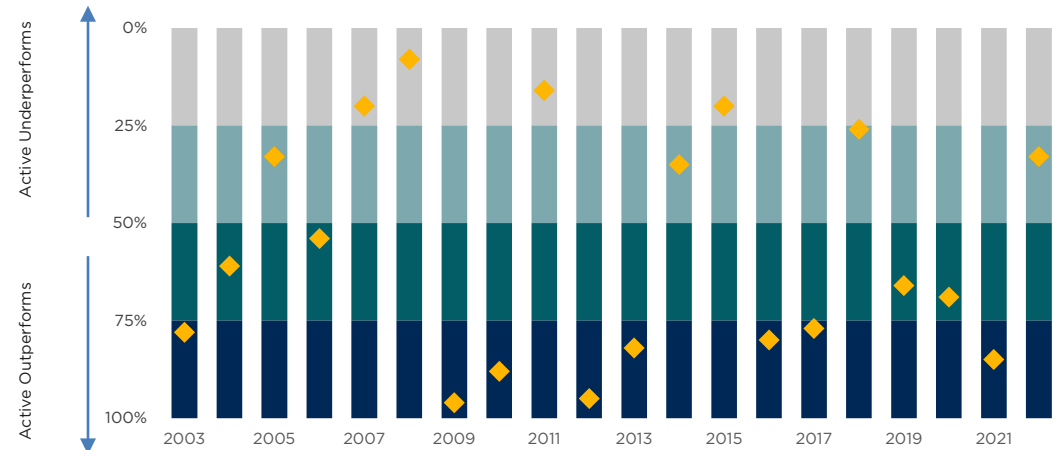
	ALLOCATION TIER (1 OPTION)	PASSIVE TIER (4 OPTIONS)	ACTIVE TIER (9 OPTIONS)	OTHER
ASSET CLASSES	<ul style="list-style-type: none"> • Target Date fund <u>or</u> • Risk-based series 	<ul style="list-style-type: none"> • Intermediate Term Bond • Domestic Large Cap • Domestic Mid and Small Cap • International 	<ul style="list-style-type: none"> • Capital Preservation • Intermediate Term Bond • Large Cap Value • Large Cap Growth • Mid Cap Value • Mid Cap Growth • International Large Cap • Small Cap Value • Small Cap Growth 	<ul style="list-style-type: none"> • Self-Directed Brokerage Account • Mutual Fund Window • Loan
RATIONALE	<ul style="list-style-type: none"> • For disengaged participants that desire a pre-made diversified portfolio (Do-It-For-Me) • Can qualify as a Qualified Default Investment Alternative (QDIA) for auto-enrolled participants 	<ul style="list-style-type: none"> • For investors that do not wish to take on active management risk in addition to market risk • For investors who only want low-cost market exposure • All major asset classes are represented (same as active) 	<ul style="list-style-type: none"> • Gives investors the opportunity to outperform passive index options • All major asset classes are represented so engaged participants can create diversified portfolios (Do-It-Yourself) 	<ul style="list-style-type: none"> • <u>Optional tier</u> • May not be appropriate for all defined contribution plans • Satisfies highly engaged investors without adding unnecessary investment options to the core lineup

WHY ACTIVE AND PASSIVE?

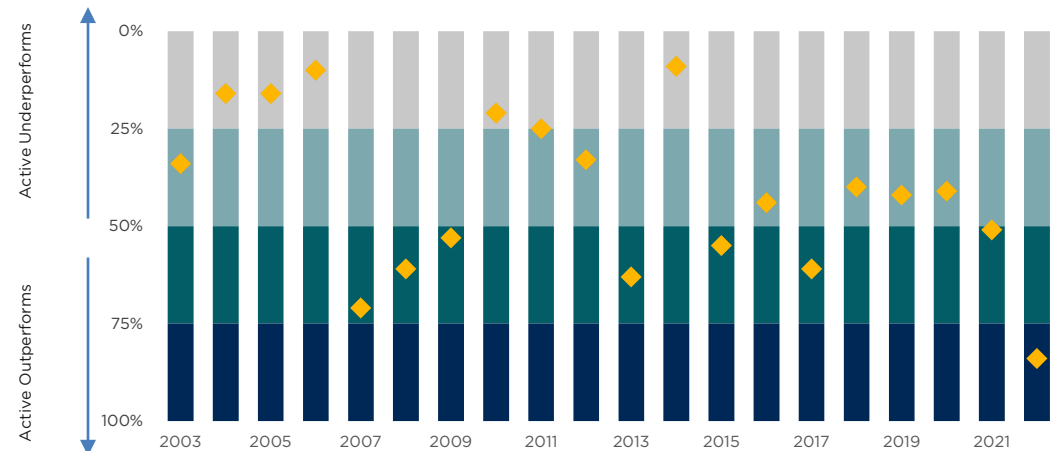
- Active strategies are designed to have the potential to generate above-market returns and reduce volatility.
- Active management can go through cycles of both under- and out-performance as various styles and market factors come in and out of favor.
- On the flip side, passive management is designed to provide consistency of returns relative to a benchmark, at relatively low costs.
- Through our tiering approach, participants can build a well-diversified portfolio using either actively managed or passively managed investment options, or a combination of both.
- The charts to the right demonstrate that on a year-by-year basis active managers may experience volatility relative to the index.

Source: Morningstar, data as of 12.31.2022

Barclays Aggregate Bond vs. Intermediate Core Plus Bond Universe



Russell Mid Cap Value vs. Mid Cap Value Universe

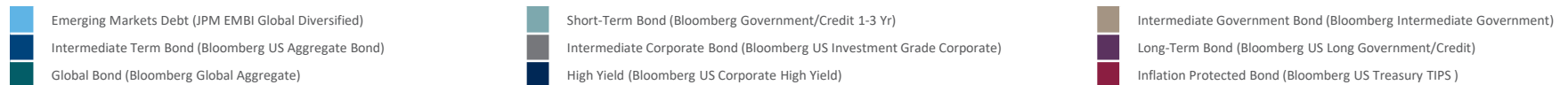


◆ Index 1-Year Performance Ranking Relative to Peer Group

KEEPING DIVERSIFICATION WHILE REDUCING VOLATILITY

Most intermediate term bond managers will invest in all areas of the fixed income market on a tactical basis. This allows fixed income investors to have exposure to all sectors, without the volatility associated with sector specific options.

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Emerging Market Debt 17.44%	High Yield Bond 7.44%	Long-Term Bond 19.31%	Emerging Market Debt 1.18%	High Yield Bond 17.13%	Long-Term Bond 10.71%	Short-Term Bond 1.60%	Long-Term Bond 19.59%	Long-Term Bond 16.12%	Inflation-Protected Bond 5.96%	Short-Term Bond -3.69%	High Yield Bond 13.45%	High Yield Bond 8.19%
High Yield Bond 15.81%	Short-Term Bond 0.64%	Interm Corp. Bond 7.46%	Interm Govt Bond 1.18%	Emerging Market Debt 10.15%	Emerging Market Debt 10.26%	Interm Govt Bond 1.43%	Emerging Market Debt 15.04%	Inflation-Protected Bond 10.99%	High Yield Bond 5.28%	Interm Govt Bond -7.73%	Emerging Market Debt 11.09%	Emerging Market Debt 6.54%
Interm Corp. Bond 9.82%	Interm Govt Bond -1.25%	Emerging Market Debt 7.43%	Short-Term Bond 0.65%	Long-Term Bond 6.67%	High Yield Bond 7.50%	Interm Term Bond 0.71%	Interm Corp. Bond 14.54%	Interm Corp. Bond 9.89%	Short-Term Bond -0.47%	High Yield Bond -11.19%	Interm Corp Bond 8.52%	Short-Term Bond 4.36%
Long-Term Bond 8.78%	Interm Corp. Bond -1.53%	Interm Term Bond 5.97%	Interm Term Bond 0.55%	Interm Corp. Bond 6.11%	Global Bond 7.39%	Global Bond -1.20%	High Yield Bond 14.32%	Global Bond 9.20%	Interm Corp Bond -1.04%	Inflation-Protected Bond -11.85%	Long-Term Bond 7.13%	Interm Govt Bond 2.44%
Inflation-Protected Bond 6.98%	Interm Term Bond -2.02%	Inflation-Protected Bond 3.64%	Interm Corp Bond -0.68%	Inflation-Protected Bond 4.68%	Interm Corp. Bond 6.42%	Inflation-Protected Bond -1.26%	Interm Term Bond 8.72%	Interm Term Bond 7.51%	Interm Term Bond -1.54%	Interm Term Bond -13.08%	Global Bond 5.72%	Interm Corp Bond 2.13%
Global Bond 4.32%	Global Bond -2.60%	Interm Govt Bond 2.52%	Inflation-Protected Bond -1.44%	Interm Term Bond 2.65%	Interm Term Bond 3.54%	High Yield Bond -2.08%	Inflation-Protected Bond 8.43%	High Yield Bond 7.11%	Interm Govt Bond -1.69%	Interm Corp Bond -15.76%	Interm Term Bond 5.53%	Inflation-Protected Bond 1.84%
Interm Term Bond 4.21%	Emerging Market Debt -5.25%	High Yield Bond 2.45%	Global Bond -3.15%	Global Bond 2.09%	Inflation-Protected Bond 3.01%	Interm Corp. Bond -2.51%	Global Bond 6.84%	Interm Govt Bond 5.73%	Emerging Market Debt -1.80%	Global Bond -16.25%	Short-Term Bond 4.61%	Interm Term Bond 1.25%
Interm Govt Bond 1.73%	Inflation-Protected Bond -8.61%	Short-Term Bond 0.77%	Long-Term Bond -3.30%	Short-Term Bond 1.28%	Interm Govt Bond 1.14%	Emerging Market Debt -4.26%	Interm Govt Bond 5.20%	Emerging Market Debt 5.26%	Long-Term Bond -2.52%	Emerging Market Debt -17.78%	Interm Govt Bond 4.30%	Global Bond -1.69%
Short-Term Bond 1.26%	Long-Term Bond -8.83%	Global Bond 0.59%	High Yield Bond -4.47%	Interm Govt Bond 1.05%	Short-Term Bond 0.84%	Long-Term Bond -4.68%	Short-Term Bond 4.03%	Short-Term Bond 3.33%	Global Bond -4.71%	Long-Term Bond -27.09%	Inflation-Protected Bond 3.90%	Long-Term Bond -4.15%



COREBRIDGE

COREBRIDGE “ORP” – CURRENT & PROPOSED LINEUPS

		Proposed Lineups	
Asset Class	Current Lineup (12 Options)	Corebridge Proposed Lineup (16 Options)	Recommended Lineup (16 Options)
Allocation Tier			
Target-Date Fund	State St Target Retirement SL Class V	State St Target Retirement SL Class V	State St Target Retirement SL Class V
Passive Tier			
Intermediate Bond	Vanguard Total Bond Mkt Index I	Vanguard Total Bond Mkt Index I	Vanguard Total Bond Mkt Index I
Large Value	Vanguard Value Index I	Vanguard Value Index I	Vanguard Value Index I
Large Blend	Fidelity 500 Index	Fidelity 500 Index	Fidelity 500 Index
Mid-Cap Blend	Vanguard Mid-Cap Index Instl Plus	Vanguard Mid-Cap Index Instl Plus	Vanguard Mid-Cap Index Instl Plus
Small-Cap Blend	Vanguard Small Cap Index I	Vanguard Small Cap Index I	Vanguard Small Cap Index I
Foreign Large Blend	Fidelity Intl Index	Fidelity Intl Index	Fidelity Intl Index
Emerging Mkts	Fidelity Emerging Mkts Index	-	-
Active Tier			
Stable Value	Corebridge Fixed Interest Option	Corebridge Fixed Interest Option	Corebridge Fixed Interest Option
Inflation Prot Bond	DFA Inflation Prot Secs I	-	-
Interm Core-Plus Bond	-	Allspring Core Plus Bond R6	Allspring Core Plus Bond R6
Large Value	-	-	-
Large Growth	Vanguard US Growth Admiral	JPMorgan Large Cap Growth R6	JPMCB Large Cap Growth Fund CF- E
Mid-Cap Value	-	DFA US Vector Equity I	DFA US Vector Equity I
Mid-Cap Growth	-	JPMorgan Mid Cap Growth R6	JPMorgan Mid Cap Growth R6
Foreign Large Value	-	Dodge & Cox Intl Stock X	Dodge & Cox Intl Stock X
Foreign Large Growth	American Funds EUPAC R6	DFA Intl Large Cap Growth	DFA Intl Large Cap Growth
Small Value	-	DFA US Targeted Value I	DFA US Targeted Value I
Small Growth	-	Vanguard Explorer Admiral	Vanguard Explorer Admiral

*Blue highlighting in the recommended lineup indicates a change from the RK proposed lineup



PROPOSED LINEUP - OBSERVATIONS/RECOMMENDATIONS

COREBRIDGE "ORP" PROPOSED LINEUP						
Active Management	CAPTRUST Score	Fund Name	Ticker	Fund Status	Observations & Recommendations	CAPTRUST Asset Class Plan Utilization
Intermediate Core Plus Bond	98	Allspring Core Plus Bond R6	STYJX	Proposed	No issues or concerns	82%
Large Value	-	-	-	-	Not proposed	86%
Large Growth	96	JPMorgan Large Cap Growth R6	JLGMX	Proposed	No issues or concerns. CAPTRUST would recommend considering the lower-fee CIT vehicle of this strategy given there is an approved participation agreement already in place	81%
Mid-Cap Value	100	DFA US Vector Equity I	DFVEX	Proposed	No issues or concerns	73%
Mid-Cap Growth	88	JPMorgan Mid Cap Growth R6	JMGMX	Proposed	No issues or concerns	77%
Small Value	100	DFA US Targeted Value I	DFFVX	Proposed	No issues or concerns	43%
Small Growth	92	Vanguard Explorer Adm	VEXRX	Proposed	No issues or concerns	62%
Foreign Large Value	88	Dodge & Cox Intl Stock X	DOAFX	Proposed	No issues or concerns	14%
Foreign Large Growth	97	DFA International Large Cap Growth	DILRX	Proposed	No issues or concerns	42%

Actionable Mappings & New Fund Additions:

Passive - Mapping

Asset Class	Current Investment	Ticker/ CUSIP/SecId	Investment for Consideration	Ticker/ CUSIP/SecId
Emerging Markets	Fidelity Emerging Markets Idx	FPADX	Map by age to the St Street Target Retirement TDF	-

Active - Mapping

Asset Class	Current Investment	Ticker/ CUSIP/SecId	Investment for Consideration	Ticker/ CUSIP/SecId
Inflation-Protected Bond	DFA Inflation-Protected Securities I	DIPSX	Allspring Core Plus Bond R6	STYJX
Large Growth	Vanguard US Growth Admiral™	VWUAX	JPMCB Large Cap Growth CF-E	20261K701
Foreign Large Growth	American Funds EUPAC R6	REGX	DFA International Large Cap Growth	DILRX

New Fund Additions - No Assets Mapping

Asset Class	Investment for Consideration	Ticker/ CUSIP/SecId
Mid-Cap Value	DFA US Vector Equity I	DFVEX
Mid-Cap Growth	JPMorgan Mid Cap Growth R6	JMGMX
Foreign Large Value	Dodge & Cox International Stock X	DOAFX
Small Value	DFA US Targeted Value I	DFFVX
Small Growth	Vanguard Explorer Adm	VEXRX

Recommended for replacement/consolidation

Recommended for asset class removal

Share class change recommended

Recommended for addition

Recommended for new addition (no assets mapping)

TIAA

TIAA “ORP” – CURRENT & PROPOSED LINEUPS

		Proposed Lineups	
Asset Class	Current Lineup (14 Options)	TIAA Proposed Lineup (14 Options)	Recommended Lineup (16 Options)
Allocation Tier			
Gbl Moderately Cons Allocation	Nuveen Lifecycle Ret Income R6	-	-
Target-Date Fund	Nuveen Lifecycle Target Date Series	Nuveen Lifecycle Income Index TDF Series (CIT)	Nuveen Lifecycle Index TDF Series (MF)
Passive Tier			
Intermediate Bond	Nuveen Bond Index R6	Nuveen Bond Index Fund – Founders Class	Nuveen Bond Index Fund R6
Large Blend	Nuveen Equity Index R6	Nuveen Equity Index – Founders Class	Nuveen Equity Index R6
Mid-Cap Blend	Vanguard Mid-Cap Index Instl Plus	Vanguard Mid-Cap Index Instl Plus	Vanguard Mid-Cap Index Instl Plus
Small-Cap Blend	Nuveen Small-Cap Blend Index R6	Nuveen Small-Cap Blend Index – Founders CI	Nuveen Small-Cap Blend Index R6
Foreign Large Blend	Vanguard Total Intl Stk Index I	Vanguard Total Intl Stk Index Instl	Vanguard Total Intl Stk Index Instl
Active Tier			
Stable Value	TIAA Traditional	TIAA Traditional	TIAA Traditional
Money Market	Nuveen Money Mkt R6	Nuveen Money Mkt R6	Nuveen Money Mkt R6
Inflation Prot Bond	CREF Inflation-Linked Bond R4	CREF Inflation-Linked Bond R4	CREF Inflation-Linked Bond R4
Interm Core-Plus Bond	-	-	Dodge & Cox Income X
Large Value	T. Rowe Price Large Cap Value I	-	Columbia Dividend Income Fund
Large Growth	-	JPMorgan Large Cap Growth R6	JPMorgan Large Cap Growth Fund CF-E
Mid-Cap Value	-	MFS Mid Cap Value R6	MFS Mid Cap Value R6
Mid-Cap Growth	-	-	-
Gbl Large Stk Blend	CREF Stock R4	CREF Stock R4	CREF Stock R4
Foreign Large Growth	American Funds EUPAC R6	American Funds EUPAC R6	American Funds EUPAC R6
Small Value	-	-	-
Small Growth	-	-	-
Emerging Markets	American Funds New World R6	American Funds New World R6	American Funds New World R6

*Blue highlighting in the recommended lineup indicates a change from the RK proposed lineup

PROPOSED LINEUP - OBSERVATIONS/RECOMMENDATIONS

TIAA "ORP" PROPOSED LINEUP						
Allocation Solutions	CAPTRUST Score	Fund Name	Ticker	Fund Status	Observations & Recommendations	CAPTRUST Asset Class Plan Utilization
Global Moderately Cons Alloc	94	Nuveen Lifecycle Retire Income R6	TLIRX	Current	Recommend mapping to TDF	5%
Target-Date Series	-	Nuveen Lifecycle Income Index (CIT)	-	Proposed	Recommend using the Nuveen Lifecycle Index TDF (Mutual Fund Series)	73%
Passive Management	CAPTRUST Score	Fund Name	Ticker	Fund Status	Observations & Recommendations	CAPTRUST Asset Class Plan Utilization
Intermediate Core Bond	Green	Nuveen Bond Index - Founders CI	-	Proposed	CAPTRUST would recommend using the lowest cost mutual fund share class of this strategy as the proposed CIT option has portability limitations.	100%
Large Blend	Green	Nuveen Equity Index - Founders CL	-	Proposed	CAPTRUST would recommend using the lowest cost mutual fund share class of this strategy as the proposed CIT option has portability limitations.	95%
Small Blend	Green	Nuveen Small Cap Blend Index-Founders CI	-	Proposed	CAPTRUST would recommend using the lowest cost mutual fund share class of this strategy as the proposed CIT option has portability limitations.	64%
Active Management	CAPTRUST Score	Fund Name	Ticker	Fund Status	Observations & Recommendations	CAPTRUST Asset Class Plan Utilization
Intermediate Core Plus Bond	-	-	-	-	Not proposed	82%
Large Value	-	-	-	-	CAPTRUST recommends keeping the core Large Cap Value (LCV) asset class. However, the incumbent LCV, T. Rowe Price LCV has been on the watchlist and is already a candidate for replacement. CAPTRUST recommends the Columbia Dividend Income Fund, as noted on page 13 & 15.	86%
Large Growth	96	JPMorgan Large Cap Growth R6	JLGMX	Proposed	No issues or concerns. CAPTRUST would recommend considering the lower-fee CIT vehicle of this strategy given there is an approved participation agreement already in place	87%
Mid-Cap Value	90	MFS Mid Cap Value R6	MVCKX	Proposed	No issues or concerns	73%
Mid-Cap Growth	-	-	-	-	Not proposed	77%
Small Value	-	-	-	-	Not proposed	50%
Small Growth	-	-	-	-	Not proposed	64%

Actionable Mappings & New Fund Additions:

Allocation - Mapping				
Asset Class	Current Investment	Ticker/ CUSIP/SecId	Investment for Consideration	Ticker/ CUSIP/SecId
Global Moderately Conservative Allocation	Nuveen Lifecycle Retire Income R6	TLRIX	Map by age to TDF	-
Target-Date 2000-2010	Nuveen Lifecycle 2010 R6	TCTIX	Nuveen Lifecycle Index 2010 R6	TLTIX
Target-Date 2015	Nuveen Lifecycle 2015 R6	TCNIX	Nuveen Lifecycle Index 2015 R6	TLFIX
Target-Date 2020	Nuveen Lifecycle 2020 R6	TCWIX	Nuveen Lifecycle Index 2020 R6	TLWIX
Target-Date 2025	Nuveen Lifecycle 2025 R6	TCYIX	Nuveen Lifecycle Index 2025 R6	TLQIX
Target-Date 2030	Nuveen Lifecycle 2030 R6	TCRIX	Nuveen Lifecycle Index 2030 R6	TLHIX
Target-Date 2035	Nuveen Lifecycle 2035 R6	TCIIX	Nuveen Lifecycle Index 2035 R6	TLYIX
Target-Date 2040	Nuveen Lifecycle 2040 R6	TCOIX	Nuveen Lifecycle Index 2040 R6	TLZIX
Target-Date 2045	Nuveen Lifecycle 2045 R6	TTFIX	Nuveen Lifecycle Index 2045 R6	TLXIX
Target-Date 2050	Nuveen Lifecycle 2050 R6	TFTIX	Nuveen Lifecycle Index 2050 R6	TLLIX
Target-Date 2055	Nuveen Lifecycle 2055 R6	TTRIX	Nuveen Lifecycle Index 2055 R6	TTIIX
Target-Date 2060	Nuveen Lifecycle 2060 R6	TLXNX	Nuveen Lifecycle Index 2060 R6	TVIIX
Target-Date 2065+	Nuveen Lifecycle 2065 R6	TSFTX	Nuveen Lifecycle Index 2065 R6	TFITX

Active - Mapping				
Asset Class	Current Investment	Ticker/ CUSIP/SecId	Investment for Consideration	Ticker/ CUSIP/SecId
Large Value	T. Rowe Price Lrg Cp Va I	TILCX	Columbia Dividend Income Inst3	CDDYX

New Fund Additions - No Assets Mapping				
Asset Class	Investment for Consideration	Ticker/ CUSIP/SecId		
Intermediate Core-Plus Bond	Dodge & Cox Income X	DOXIX	Recommended for replacement/consolidation	
Large Growth	JPMCB Large Cap Growth CF-E	20261K701	Recommended for asset class removal	
Mid-Cap Value	MFS Mid Cap Value R6	MVCKX	Share class change recommended	
			Recommended for addition	
			Recommended for new addition (no assets mapping)	

EMPOWER

EMPOWER “ORP” – CURRENT & PROPOSED LINEUPS

		Proposed Lineups	
Asset Class	Current Lineup (14 Options)	Empower Proposed Lineup (17 Options)	Recommended Lineup (16 Options)
Allocation Tier			
Gibl Moderately Cons Allocation	-	T. Rowe Price Retirement BalancedTrust-F	-
Target-Date Fund	T. Rowe Price Retirement Trust F	T. Rowe Price Retirement Trust F	T. Rowe Price Retirement Trust F
Passive Tier			
Intermediate Bond	-	-	-
Large Blend	Vanguard Instl Index Instl Plus	St Street S&P 500 Index SL CL I	Vanguard Instl Index Instl Plus
Mid-Cap Blend	Vanguard Mid-Cap Index Instl Plus	Vanguard Mid-Cap Index Instl Plus	Vanguard Mid-Cap Index Instl Plus
Small-Cap Blend	Vanguard Small Cap Index I	Vanguard Small Cap Index I	Vanguard Small Cap Index I
Foreign Large Blend	Fidelity Total Intl Index	Fidelity Total Intl Index	Fidelity Total Intl Index
Active Tier			
Stable Value	Mass Mutual Fixed Interest Account	Empower Guaranteed Long-Term Fund	Empower Guaranteed Long-Term Fund
Inflation Prot Bond	Vanguard Inflation Protected Secs I	Vanguard Inflation Protected Secs I	Vanguard Inflation Protected Secs I
Interm Core Bond	JPMorgan Core Bond R6	-	-
Interm Core-Plus Bond	-	PGIM Total Return Bond ISA	PGIM Total Return Bond Fund
Large Value	MFS Value R6	Dodge & Cox Stock X	Dodge & Cox Stock X
Large Growth	Mass Mutual BlueChip Growth I	JPMCB Large Cap Growth Fund CF-A	JPMCB Large Cap Growth Fund CF-E
Mid-Cap Value	-	John Hancock Disciplined Value MidCap ISA	John Hancock Disciplined Value MidCap Fund
Mid-Cap Growth	-	Touchstone MCG ISA	Touchstone Mid Cap Growth Fund
Foreign Large Blend	-	MFS Blended Research Intl Eq R6	MFS Blended Research Intl Eq R6
Foreign Large Growth	MFS International Growth	-	-
Small Value	American Beacon Small Cap Value R6	DFA US Targeted Value I	DFA US Targeted Value I
Small Growth	Fidelity Small Cap Growth K6	Fidelity Small Cap Growth K6	Fidelity Small Cap Growth K6
Emerging Markets	Driehaus EM Mkts Growth Instl	Driehaus EM Mkts Growth Instl	Driehaus EM Mkts Growth Instl

*Blue highlighting in the recommended lineup indicates a change from the RK proposed lineup



PROPOSED LINEUP - OBSERVATIONS/RECOMMENDATIONS

EMPOWER "ORP" PROPOSED LINEUP						
Allocation Solutions	CAPTRUST Score	Fund Name	Ticker	Fund Status	Observations & Recommendations	CAPTRUST Asset Class Plan Utilization
Global Moderately Cons Alloc	-	T. Rowe Price Retirement Balanced Trust - F	-	Proposed	CAPTRUST recommends not adding an additional allocation tier option. CAPTRUST believes a series of risk-based allocation funds or a target-date fund series, with a general preference for the TDF series should be utilized.	5%
Passive Management	CAPTRUST Score	Fund Name	Ticker	Fund Status	Observations & Recommendations	CAPTRUST Asset Class Plan Utilization
Intermediate Bond	-	-	-	-	Not proposed	83%
Large Blend	Green	St Street S&P 500 Index SL CI I	-	Proposed	No issues or concerns. However, CAPTRUST would recommend remaining with incumbent fund which has a lower expense ratio	100%
Active Management	CAPTRUST Score	Fund Name	Ticker	Fund Status	Observations & Recommendations	CAPTRUST Asset Class Plan Utilization
Stable Value	-	Empower Guaranteed Long-Term Fund	-	Proposed	No issues or concerns	92%
Intermediate Core Plus Bond	-	PGIM Total Return Bond ISA	-	Proposed	CAPTRUST would recommend using the lowest cost mutual fund share class of this strategy as the proposed ISA option has portability limitations.	79%
Large Value	100	Dodge & Cox Stock	DOXGX	Proposed	No issues or concerns	75%
Large Growth	-	JPMCB Large Cap Growth Fund CF-A	-	Proposed	No issues or concerns. CAPTRUST would recommend considering the CL CF-E CIT vehicle of this strategy given there is an approved participation agreement already in place	92%
Mid-Cap Value	-	John Hancock Disciplined Value MidCap ISA	-	Proposed	CAPTRUST would recommend using the lowest cost mutual fund share class of this strategy as the proposed ISA option has portability limitations.	71%
Mid-Cap Growth	-	Touchstone MCG ISA	-	Proposed	CAPTRUST would recommend using the lowest cost mutual fund share class of this strategy as the proposed ISA option has portability limitations.	67%
Small Value	100	DFA US Targeted Value I	DFFVX	Proposed	No issues or concerns	67%
Foreign Large Blend	-	MFS Blended Research Intl Eq R6	-	Proposed	No issues or concerns	25%

Actionable Mappings & New Fund Additions:

Active - Mapping				
Asset Class	Current Investment	Ticker/ CUSIP/SecId	Investment for Consideration	Ticker/ CUSIP/SecId
Stable Value	MassMutual Fixed Interest Account	-	Empower Guaranteed Long-Term Fund	-
Intermediate Core Bond	JPMorgan Core Bond R6	JCBUX	PGIM Total Return Bond R6	PTRQX
Large Value	MFS Value R6	MEIKX	Dodge & Cox Stock X	DOXGX
Large Growth	MassMutual Blue Chip Growth I	MBCZX	JPMCB Large Cap Growth CF-E	20261K701
Foreign Large Growth	MFS International Growth R6	MGRDX	Map by age to TDF	-
Small Value	American Beacon Small Cap Value R6	AASRX	DFA US Targeted Value I	DFFVX

New Fund Additions - No Assets Mapping		
Asset Class	Investment for Consideration	Ticker/ CUSIP/SecId
Mid Value	JHancock Disciplined Value Mid Cap R6	JVMRX
Mid Growth	Touchstone Mid Cap Growth R6	TFGRX
Foreign Large Blend	MFS Blended Research Intl Eq R6	BRXVX

Recommended for replacement/consolidation

Recommended for asset class removal

Share class change recommended

Recommended for addition

Recommended for new addition (no assets mapping)

VOYA

VOYA "ORP" – CURRENT & PROPOSED LINEUPS

		Proposed Lineups	
Asset Class	Current Lineup (14 Options)	VOYA Proposed Lineup (15 Options)	Recommended Lineup (15 Options)
Allocation Tier			
Target-Date Fund	Voya Index Solution Portfolio Z	Voya Index Solution Portfolio Z	Voya Index Solution Portfolio Z
Passive Tier			
Intermediate Bond	-	State St US Bnd Indx SL CI XIV	State St Aggregate Bond Index Fund
Large Blend	Fidelity 500 Index	Fidelity 500 Index	Fidelity 500 Index
Mid-Cap Blend	Fidelity Mid Cap Index	Fidelity Mid Cap Index	Fidelity Mid Cap Index
Small-Cap Blend	Fidelity Small Cap Index	Fidelity Small Cap Index	Fidelity Small Cap Index
Foreign Large Blend	Vanguard Total Intl Stock Index I	Vanguard Total Intl Stock Index I	Vanguard Total Intl Stock Index I
Active Tier			
Stable Value	Voya Fixed Account	Voya Fixed Account	Voya Fixed Account
Inflation Prot Bond	DFA Inflation Protected Secs I	DFA Inflation Protected Secs I	DFA Inflation Protected Secs I
Interm Core-Plus Bond	Voya Intermediate Term Bond R6	Voya Intermediate Term Bond R6	Voya Intermediate Term Bond R6
Large Value	Vanguard Equity-Income Admiral	Vanguard Equity-Income Admiral	Vanguard Equity-Income Admiral
Large Growth	Harbor Capital Appreciation Retirement	Harbor Capital Appreciation Retirement	Harbor Capital Appreciation Retirement
Mid-Cap Value	-	-	-
Mid-Cap Growth	-	-	-
Foreign Large Growth	American Funds EUPAC R6	American Funds EUPAC R6	American Funds EUPAC R6
Small Value	Fidelity Advisor Small Cap Value Z	Fidelity Advisor Small Cap Value Z	Fidelity Advisor Small Cap Value Z
Small Growth	Vanguard Explorer Admiral	Vanguard Explorer Admiral	Vanguard Explorer Admiral
Emerging Markets	American Funds New World R6	American Funds New World R6	American Funds New World R6

*Blue highlighting in the recommended lineup indicates a change from the RK proposed lineup

PROPOSED LINEUP - OBSERVATIONS/RECOMMENDATIONS

VOYA "ORP" PROPOSED LINEUP						
Passive Management	CAPTRUST Score	Fund Name	Ticker	Fund Status	Observations & Recommendations	CAPTRUST Asset Class Plan Utilization
Intermediate Core Bond	Green	State St US Bnd Indx SL CI XIV	-	Proposed	No issues or concerns. However, CAPTRUST would recommend using the lowest cost mutual fund share class of this strategy	83%
Active Management	CAPTRUST Score	Fund Name	Ticker	Fund Status	Observations & Recommendations	CAPTRUST Asset Class Plan Utilization
Mid-Cap Value	-	-	-	-	Not proposed	71%
Mid-Cap Growth	-	-	-	-	Not proposed	67%

Actionable Mappings & New Fund Additions:

New Fund Additions - No Assets Mapping

Asset Class	Investment for Consideration	Ticker/ CUSIP/SecId
Intermediate Core Bond	State Street Aggregate Bond Idx	SSAFX

Recommended for new addition (no assets mapping)