

DC Consultant RFP Q&A

1. Does the plan currently offer managed accounts?
 - *No.*
2. If so, who is the managed accounts provider?
 - *N/A.*
3. Can you provide the assets held in managed accounts?
 - *N/A.*
4. Can you provide the managed accounts fee schedule?
 - *N/A.*
5. When is the last time ISBI has conducted a recordkeeper search?
 - *ISBI issued an RFP for recordkeeping services in 2021.*
6. Can you provide the investment manager fee schedule?
 - *Vanguard Target Retirement Funds: 0.045%*
 - *BlackRock Equity Index: 0.01%*
 - *BlackRock Russell 2500 Index: 0.01%*
 - *BlackRock MSCI ACWI ex US IM Index: 0.05%*
 - *BlackRock US Debt Index: 0.02%*
 - *Invesco Stable Return Fund: 0.116% + wrap fees*
7. Is there any form of auto-enrollment allowed for the participants of the plan?
 - *Yes, Auto-Enrollment was implemented in July 2020.*
<https://www.ilga.gov/legislation/ilcs/fulltext.asp?DocName=004000050K24-105.2>
8. It appears most of the managers are coded with a “CF”. Does that mean collective fund?
 - *Yes, this refers to a collective fund vehicle.*
9. Which asset/investment is Northern Trust the separate account custodian?
 - *The Invesco Stable Value Fund is custodied at Northern Trust.*

10. Your current fund line-up is primarily index funds. Has this always been the case, or have you previously offered more actively managed funds?

- *The State of Illinois Deferred Compensation Plan undertook an investment menu restructuring in 2017; several actively managed equity and fixed income products were removed from the Plan lineup.*

11. What fund or manager changes have you experienced in the last 5 years in the Deferred Compensation Plan?

- *In 2020, previous passive investment options were replaced with the current Blackrock options. Also in 2020, the Money Market Fund was removed and assets were mapped to the current Invesco Stable Value Fund.*

12. What investment topics are you currently interested in considering? Retirement Income products? Self-Directed Brokerage Option? Advice and Managed Account Services? Other?

- *Investment topics of interest include Retirement Income, active Fixed Income, and active vs. passive investments generally.*

13. To what degree do you collaborate with your consultant to oversee and manage your relationship with your Recordkeeper and Custodian?

- *We collaborate extensively with our consultant and view the relationship as an extension of staff. The consultant is involved with managing our relationships with vendors of the DC Plan.*

14. Please describe your monthly interactions with your current consultant.

- *We have a regular monthly call between the consulting team and ISBI staff. In addition, we have a standing bi-weekly strategy call with our Recordkeeper and Plan Administrator, which the consultant joins and actively participates on. Ad hoc meetings with other DC Plan interested parties and vendors will typically include our consultant.*

15. How many ISBI Staff members have time allocations dedicated to the DC Plan? Are any staff members full-time DC-only?

- *For FY2024, 6 ISBI staff members have time allocations to the DC Plan. None of the staff members are fully allocated to the DC Plan.*

16. When was the last time ISBI conducted a target date fund review and/or investment menu review?

- *The last Investment Menu Review was completed in March 2022 and the last Target Date Fund Review was completed in December 2022.*

17. What are the top three priorities and challenges for the plan?

- *Top three priorities/challenges include: understanding retirement income needs and potential solutions, engaging and supporting participants and eligible participants to utilize the Plan, and ensuring that the Plan be cost-effective and well-run.*

18. What is the current QDIA for the plan?

- *Vanguard Target Retirement Funds.*

19. Does the plan currently (or at any point) offer Managed Accounts?

- *The Plan does not currently offer Managed Accounts and has not in the past.*

20. Are the required Board, committee, staff, and other meetings noted typically held “in-person” or virtually through video conferencing?

- *Board and Defined Contribution Committee meetings are required in-person. Meetings with staff are generally virtual.*

21. Are meetings scheduled on a certain day every quarter? If so, what is the schedule for upcoming meetings?

- *Please see ISBI’s website for the tentative upcoming meeting schedule for 2024.*

22. Please indicate the amount you are currently paying the current incumbent consultant on an annual basis.

- *The fee arrangement with the current consultant can be found on the ISBI website at: <https://www.isbinvestment.com/wp-content/uploads/2019/07/Description-of-Contract-for-Investment-Services-for-RVK-2019.03.28.pdf>*

23. Please provide a copy of the current Investment Policy Statement (IPS) and the current plan(s) investment line-up.

- *The investment line-up is shared in the original RFP Form. Our Investment Policy Statement can be found on ISBI’s website at: <https://www.isbinvestment.com/wp-content/uploads/2023/06/ISBI-DC-Investment-Policy-2023.06.22.pdf>*

24. Will ISBI consider a response that includes delegation of the implementation decisions to the Consultant if it can be shown that delegation would be expected to save the Plan significant costs? The Plan in this case would retain its most important asset allocation and policy decisions.

- *Yes, it may be considered.*

25. Regarding Exhibit A 1. Political Contribution Disclosure stating that written disclosures of all political contributions made during the preceding five years to a Board Member or a Board Member's Campaign Committee and any other political contribution expressly prohibited by SEC Rule 206(4)-5 (17 CFR 275.206(4)-5, will ISBI provide the names of the individuals for the investment consultant to confirm that political contributions were made?

- *The members of the Board can be found on the ISBI website at:
<https://www.isbinvestment.com/board/>*