MUNICIPAL WATER DISTRICT
OF ORANGE COUNTY

# 457(b) & 401a PLAN UPDATE REVIEW

May 2025

Presenter:
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Agenda:
Project Overview and Preview of Plan Updates

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|---|---|
| 1 | Project Overview |
| 2 | Preview of Plan Updates |
| 3 | Overview of Fee and Investment Updates |
| 4 | Looking Ahead |

# 1 Project Overview

# GOALS & OBJECTIVES OF PLAN UPDATES

**Administrative Fees**: Renegotiate and Reduce Plan Administrative fees.

**Investments**: Update Investment Offerings to Non-proprietary and institutional offerings.

**Liquidity**: Eliminate or minimize liquidity limitations.

**Oversight**: Improve plan compliance, governance practices, and oversight

* For Discussion Purposes Only.

# PROJECT STAGES:

Project Initiation

Initial Planning and Authorization

Gather Data from Empower and Voya

Investment and Contract Review

Finalize Investment Review Report

Present Analysis and Recommendation to the Committee

Negotiate with Vendors for improved fees and access to investments

Receive proposals from Vendors and discuss with MWDOC

We are Here.

Contract Negotiations and Approval

Employee Meetings and Communication

Investment Updates and Plan Changes

Project Completion



* For Discussion Purposes Only. The views expressed are those of Hyas Group and are not intended to be exhaustive.

# 2 Preview of Plan Updates

# PREVIEW OF UPDATES

- Updated Contracts with Current Providers
- Reduced Administrative Plan Fees
- Updated Investment Offerings
- Enhance participant education
- Update and modernize plan

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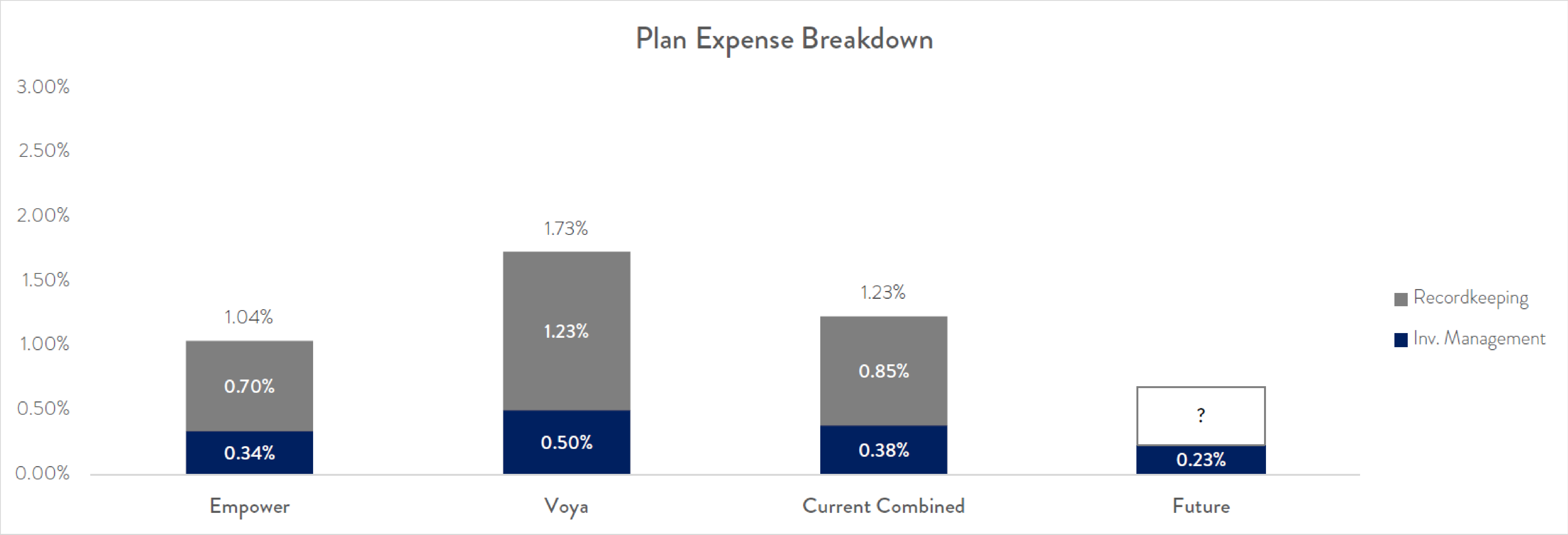
## Overview of Fee and Investment Updates

# REDUCTION OF PLAN FEES






* For Illustrative Purposes Only. Other fees may apply that are not listed here like transaction fees, such as distribution or loan fees. The information displayed in "Investment Management Fees" and "Recordkeeping fees" is for discussion purposes only and is intended to demonstrate administrative and average investment fees. Actual fees and annual savings may vary per plan participant. Other fees may be incorporated that are not listed here. Source: "Investment Lineup and Fee Review", March 2025 provided by Hyas Group to MWDOC.

# OVERVIEW OF THE INVESTMENT CHANGES

## Current Offerings

- Multiple proprietary offerings (Voya)
- Liquidity limitations in fixed account
- Higher investment costs
- Embedded fees and revenue sharing
- Legacy contracts

## Looking Ahead

- One proprietary fund
- Transparent and institutional offerings
- Reduced investment costs
- Broad investment coverage
- Continuous monitoring

The views expressed are those of Hyas Group and based upon information provided as of May 2025.

# SAMPLE INVESTMENT LINEUP

| Asset Class | Fund Name | Ticker | Expense Ratio | Combined Assets |
|---|---|---|---|---|
| **Cap. Pres.** | Empower General Account/Voya Fixed Account | - | 0.40% | $1,062,001 |
| **Int.-Term (index)** | Fidelity US Bond Index | FXNAX | 0.03% | $117,408 |
| **Int.-Term (active)** | Hartford Total Return Bond R6 | ITBVX | 0.32% | $387,192 |
| **Large Value** | Vanguard Equity Income Adm | VEIRX | 0.18% | $507,960 |
| **Large Blend** | Fidelity S&P 500 Index | FXAIX | 0.02% | $1,696,460 |
| **Large Growth** | JPMorgan Large Cap Growth R6 | JLGMX | 0.44% | $1,029,839 |
| **Mid Value** | Wells Fargo Special Mid Cap Value R6 | WFPRX | 0.72% | $61,486 |
| **Mid Blend** | Fidelity Mid Cap Index | FSMDX | 0.03% | $405,346 |
| **Mid Growth** | AMG TimesSquare Mid Cap Growth Z | TMDIX | 0.89% | $35,335 |
| **Small Blend (index)** | Fidelity Small Cap Index | FSSNX | 0.03% | $173,692 |
| **Small Blend (active)** | DFA US Small Cap I | DFSTX | 0.27% | $727,554 |
| **Int'l Blend (index)** | Fidelity Total International Index | FTIHX | 0.06% | $77,972 |
| **Int'l Blend (active)** | MFS International Diversification R6 | MDIZX | 0.75% | $327,013 |
| **Target Date** | Vanguard Target Retirement Inc. to 2070 | Varies | 0.08% | $1,125,687 |
| | | | **TOTAL** | **$7,734,946** |



For Illustrative Purposes Only. The investment options listed above are currently not part of the MWDOC retirement plans, but are sample investment options that may be added to the plan. If approved, the investment options listed above will be available through your plan with either Voya or Empower. Specific investments and investment costs may vary. Interests in Mutual Funds and the fixed accounts are offered pursuant to the terms of a prospectus and distributed by each plan provider through your plan. All data and investment expense ratio's as of 12/31/2024. Please review the appropriate documents before investing. Information regarding the prospectus can be requested from your plan provider.

# SAMPLE INVESTMENT MAPPING

| Name | | Expense | Rev Share | Value | Asset Class | Fund | Expense | Rev Share |
|---|---|---|---|---|---|---|---|---|
| Voya Growth and Income Port I | IIVGX | 0.67% | 0.09% | $738,964 | Large Blend | Fidelity S&P 500 Index | 0.02% | 0.00% |
| Voya Fixed Account* | - | 0.40% | 0.00% | $357,405 | Cap. Pres. | Voya Fixed Account | 0.40% | 0.00% |
| VY TRowePrice Grwth Eqty Port I | ITGIX | 0.71% | 0.11% | $150,669 | Large Growth | JPMorgan Large Cap Growth R6 | 0.44% | 0.00% |
| Voya Solution 2030 Portfolio Srv | ISNHX | 0.97% | 0.75% | $146,998 | 2030 | Vanguard Target Retirement 2030 Inv | 0.08% | 0.00% |
| Voya Large Cap Growth Port Inst | IEOHX | 0.67% | 0.06% | $117,392 | Large Growth | JPMorgan Large Cap Growth R6 | 0.44% | 0.00% |
| Fidelity VIP Contrafund Port I | - | 0.56% | 0.00% | $94,703 | Large Blend | Fidelity S&P 500 Index | 0.02% | 0.00% |
| Voya Intermediate Bond Port I | IPIIX | 0.55% | 0.11% | $79,500 | Int.-Term (active) | Hartford Total Return Bond R6 | 0.32% | 0.00% |
| Voya Fixed Account A* | - | 0.40% | 0.00% | $76,515 | Cap. Pres. | Voya Fixed Account | 0.40% | 0.00% |
| Franklin Small Cap Value VIP Fd 2 | - | 0.91% | 0.26% | $76,416 | Small Cap (active) | DFA US Small Cap I | 0.27% | 0.00% |
| Voya Glob Insights Port Init | IGMIX | 0.75% | 0.16% | $68,427 | Int'l Blend (active) | MFS International Diversification R6 | 0.75% | 0.00% |
| Voya Solution 2055 Portfolio Srv | ISSPX | 1.03% | 0.75% | $54,490 | 2055 | Vanguard Target Retirement 2055 Inv | 0.08% | 0.00% |
| Voya Solution 2025 Portfolio Srv | ISZSX | 0.97% | 0.75% | $50,066 | 2025 | Vanguard Target Retirement 2025 Inv | 0.08% | 0.00% |
| Fidelity VIP Eqty-Income Port I | - | 0.47% | 0.00% | $33,740 | Large Value | Vanguard Equity Income Adm | 0.18% | 0.00% |
| Wanger Acorn | WUSAX | 0.95% | 0.25% | $27,324 | Small Cap (active) | DFA US Small Cap I | 0.27% | 0.00% |
| Voya Index Plus SmallCap Portfolio I | IPSIX | 0.60% | 0.20% | $23,974 | Small Cap (active) | DFA US Small Cap I | 0.27% | 0.00% |
| Fidelity VIP Overseas Portfolio I | - | 0.73% | 0.01% | $15,916 | Int'l Blend (active) | MFS International Diversification R6 | 0.75% | 0.00% |
| Voya Index Plus LargeCap Portfolio I | IPLIX | 0.55% | 0.10% | $11,979 | Large Blend | Fidelity S&P 500 Index | 0.02% | 0.00% |
| Franklin Mut U.S. MC Val Fd A | FRBSX | 0.90% | 0.25% | $11,927 | Mid Value | Wells Fargo Special Mid Cap Value R6 | 0.72% | 0.00% |
| Fidelity VIP Mid Cap Portfolio I | - | 0.57% | 0.00% | $8,081 | Mid Blend | Fidelity Mid Cap Index | 0.03% | 0.00% |
| Voya Govt Money Market Portfolio I | IVMXX | 0.43% | 0.13% | $2,158 | Cap. Pres. | Voya Fixed Account | 0.40% | 0.00% |
| Voya Balanced Income Port Ins | IIFIX | 0.61% | 0.10% | $1,874 | Income | Vanguard Target Retirement Income Inv | 0.08% | 0.00% |
| **Total Expense:** | | **0.66%** | **0.16%** | **$2,148,518** | | | **0.22%** | **0.00%** |



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## Looking Ahead

# LOOKING AHEAD

- Review Finalized Proposals with MWDOC
- Update Contracts with Vendors
- Initiate Transition:
  - Establish timeline and confirm investment line-ups
  - Plan document review of provisions
  - Participant communication
- Finalize Transition and Confirm Accurate Mapping
- Establish Ongoing Reporting and Governance
  - Regular meetings, IPS, Committee Charter, Minutes, etc.

# THANK YOU.

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