

Agenda Item II

Quarterly Meeting Minutes –
August 22, 2025

**CITY AND COUNTY OF HONOLULU
DEFERRED COMPENSATION PLAN COMMITTEE MEETING**

MINUTES OF THE QUARTERLY MEETING OF THE COMMITTEE

The Quarterly meeting of the City and County of Honolulu Deferred Compensation Plan Committee (“Committee”) was held on **Friday, August 22, 2025**, in the Mayor’s Conference Room, 530 South King Street, 3rd Floor, City Hall, Honolulu, Hawai‘i.

Present: Andrew Kawano (Department of Budget and Fiscal Services (BFS) Director & Committee Chair)
Reid Yamashiro (Deputy Corporation Counsel & Committee Member designee for Corporation Counsel Dana Viola)
Nola Miyasaki (Department of Human Resources (DHR) Director & Committee Member) (arrived at 10:30 a.m.)
Michael Golojuch (Committee Member-Retiree)
John Hashimoto (Committee Member-Active)
Connie Kaneshiro (Committee Member-Active)

Excused: Chamara Silva (Administrative Services Officer & Committee Member designee for Managing Director Michael Formby)

Staff: Jennifer Bishop (BFS Administrative Services Officer & Deferred Compensation Plan Administrator)
Carrie Castle (BFS Deputy Director & Alternate for Committee Chair Andrew Kawano)
Lynn Wakatsuki (Deputy Corporation Counsel)
Leslie Chinn (DHR Compliance Manager)

Guests: Vince Learned (NFP – Vice President – Advisory Services)
Matt Dickey (NFP – Managing Director of Government Plans)
Jeff Scott (NFP – Senior Vice President – Retirement)
Gavin Gruenberg (Voya – Head of Sales – Government Market, Large Market & Stable Value)
Sharra Querner (Voya – Assistant Vice President, Strategic Relationship Manager) (via Webex)
Jared Nakamoto (Voya – Financial Advisor and Hawaii Case Manager)
Stacey Laxton (Voya – Communications Consultant) (via Webex)
Brent Yonemoto (Voya – Investment Advisor Representative)

I. CALL TO ORDER

With quorum present, Andrew Kawano (Chair) called the meeting to order at 10:04 a.m. and presided as chair of the meeting. Jennifer Bishop (Jennifer) acted as secretary.

II. MINUTES OF PREVIOUS MEETING – Action

Committee members reviewed the May 16, 2025, Quarterly Meeting minutes and the June 16, 2025, Special Meeting minutes and Chair asked for discussion.

On a motion duly made by Michael Golojuch, seconded by John Hashimoto, and unanimously carried, the Committee approved the Quarterly Meeting minutes from May 16, 2025, and the Special Meeting minutes from June 16, 2025.

III. PUBLIC COMMENTS – Information

Chair asked if there was any public input. There was none.

IV. VOYA REPORT – Information/Action

- A. Quarterly Report – Gavin Gruenberg (Gavin) provided the following highlights for the period ending June 30, 2025.
1. Plan Statement – At the end of the period, Assets were at \$1.1 billion. As of the Wednesday prior to this meeting, Assets were up to \$1.124 billion. The first half of 2024 saw about \$75 million in gains, whereas in 2025 gains were about \$51 million. There has been an upward trend in total plan assets over the past few years, growing by about 20% in the last 4 years.
 2. Participation – The year started with 8,981 accounts for both active and terminated employees. There were 251 new enrollments, which is a better pace than last year. The period ended with 9,057 accounts. There are 2,905 accounts for terminated employees, of which 208 have balances less than \$7,000.
 3. Deferral Summary – As of July 24, 2025, there were 1,270 participants contributing on a percentage basis. The average deferral rate for these participants is 9.4%, which is higher than the industry benchmark of 7.4% and other Voya plans at 6.5%.
 4. Participant Engagement – Mobile app usage continues to grow. Website usage drifted downward, though the website is more commonly used to take action on accounts. 186 participants took action after being engaged. Those that engage also contribute at a higher rate than those that do not.
 5. Transaction Activity Detail – There was \$21.1 million in contributions for the period, which is favorable compared to the same period last year by about \$3 million. \$42 million in assets left the plan during the period. The number of participants who received distributions is about half of what it was at the same time last year because of the Force Out/Cash Out that was completed during the first half of 2024. The Plan continues to be in a net negative cash flow position. \$14 million in contributions were on a pre-tax basis, which is 7.8% higher than from the same period last year, and about \$6.6 million on a Roth basis, which is about 27% higher. There are 206 more participants contributing on a Roth basis than this same time last year. There was \$1.7 million distributed in death claims and about \$150,000 in hardship withdrawals amongst 15 participants. Required minimum distributions grew by 31 participants and totaled \$1.3 million. \$37.7 million was withdrawn in lump sum, which includes cash distributions, roll over to a new employer, or roll over to an IRA. \$15 million of that were rolled over to other providers, with Charles Schwab receiving about \$2.6 million, Ameriprise \$2.1 million, and LPL \$1.6 million. There was also \$2.9 million rolled into the plan.
 6. Current Participation and Enrollment Statistics – The period ended with 9,057 participant accounts. There were 242 new enrollments during the period, with 81 deferring at a rate of 10.1% and 81 deferring an average of \$140 per pay period. The City has a 58% participation rate, which is based on those actively contributing every pay period. When considering accounts for participants that are employed and may or may not be actively contributing, the participation rate is 64%.
 7. Diversification – Average number of investment options per participant remains at 3.3 with asset allocation funds and 4.9 without asset allocation funds, which is the same as last year.
 8. Managed Accounts – There were 472 participants using managed accounts with about \$69 million in assets.
- B. Stabilizer Update
1. Fixed Income Market Review – US 10-Year Treasury yield at the end of June was 4.23%.
 2. Performance Analysis – Investment Grade Corporate had a muted impact on the portfolio, neither positive or a detractor. High Yield Corporate was a positive impact to the current quarter. Agency Residential Mortgage-Backed Securities was neutral. Non-Agency Residential Mortgage-Backed Securities was positive. Asset Backed Securities

- was neutral. Commercial Mortgage-Backed Securities was a small positive. Duration didn't have much impact.
3. Performance Summary – The portfolio manager outperformed the benchmark by 26 basis points for the quarter and by 32 basis points for the year. The team has exceeded the benchmark for each of the measured time periods.
 4. Portfolio Characteristics – Duration is at 4.23% and is right on the benchmark. Yield to Maturity is at 4.77%, which has drifted down in the past six months. For performance attribution, Duration did not have an impact with 1 basis point for year-to-date, Asset Allocation was 12 basis points, and the primary driver was Security Selection with 18 basis points.

Committee Member Nola Miyasaki arrived at 10:30 a.m.

5. Market Value to Book Value Report – At the quarter end, Market Value was \$164,708,048 with Book Value at \$175,348,866, resulting in a 93.93% ratio.
- C. Participation Communication & Education Update – Stacey Laxton provided the following highlights:
1. Save More Results – 33 more individuals are saving more from last quarter, with 180 participants saving an average of 2.6% more per pay period and 449 saving an average of \$53 more per pay period.
 2. Beneficiary Results – 2 more individuals added a beneficiary to their account.
 3. Restart Results – 15 participants resumed contributions after opening the email.
 4. Max Out Results – 71 participants took action after opening the email.
 5. Overall Personal Messaging – 76% take action and engage, which is favorable to the industry benchmark of 51%.
 6. Participant Engagement – E-delivery has stayed the same at 49% and Web Registration grew by 1% and is now 62%.
 7. MyOrangeMoney – 19% take action after using MyOrangeMoney, with 32 changing their deferral rate, 19 changing a fund allocation, 4 enrolling into managed accounts, and 2 rolling money into the plan.
 8. Voya Learn – 24 individuals attended the webinars in the first half the year. This only includes individuals who used their honolulu.gov email address when registering for the webinar.
 9. Consolidation – 20 individuals rolled assets into the plan.
- D. Other Issues – None.

On a motion duly made by Reid Yamashiro, seconded by Connie Kaneshiro, and unanimously carried, the Committee approved and accepted the Voya Report.

V. NFP CONSULTING REPORT – Information/Action

- A. Semi-Annual Fund Review – Vince Learned (Vince) provided the following highlights.
1. Market Review – For Q2, US Equity was at 11% for the quarter and close to 6% for the year. International was 12% for the quarter, close to 18% for the year, and Fixed Income at 1.2% for the quarter, 4% for the year. The July jobs report shows that 73,000 jobs were added, a bit lighter than expected. May and June were revised down 258,000 combined, which may give the Federal Reserve further reason to cut rates in September.
 - a. US Equity – Large Cap Growth up 17.8% and Large Cap Value, the laggard, up 3.8%. Growth outperformed Value on a rolling one-year basis, with the outperformance on the decline. Technology was at 23.5% leading all sectors.
 - b. International Equity – Large Cap Growth was up 13% and Large Cap Value, the laggard, was up 9%. Developed International Markets are slightly outperforming Emerging Markets on a rolling one-year basis. International is now outperforming Domestic Equity.

- c. Fixed Income – High Yield Corporate Bonds up 3.5% and TIPS at 0.5%.
- d. Chart of the Quarter – Vince explained the Tariff Turbulence chart stating that in past decades weighted tariffs had been below 5%. On April 8, 2025, the average weighted tariff amount peaked at 30%, and then 3 months later on June 30th, it was at 15%, contributing to market volatility. Despite short-term news that may show cause for concern, it's important to stay the course. While the markets dipped a bit earlier in the year, it has been doing very well year-to-date.
- 2. Scorecard - Vince reviewed the scores of each of the funds noting each of the missed points and highlighted the following:
 - a. Vanguard Mid Cap Index Institute scored an 8 in the two most recent quarters, but is recommended to remain on the watch list due scoring a 6 in 2024 Q4.
 - b. The plan consists of close to 47% in U.S. Equity, 31% in Asset Allocation funds, which include the target date funds and the risk-based funds, about 14% in Cash, 4% in International Equity and 4% in Bonds.
- B. Watch List Update – NFP recommends to keep Vanguard Mid Cap Index on the watchlist.

On a motion duly made by John Hashimoto, seconded by Michael Golojuch, and unanimously carried, the Committee approved keeping Vanguard Mid Cap Index on the Watch List.

- C. Legislative and Regulatory Update – Matt Dickey (Matt) provided an update and information on the following:
 - 1. National Retirement Security Month (NSRM) – To have a successful NRSRM in October to generate more interest and participation, planning should start in August.
 - 2. Cryptocurrency – Updated Department of Labor guidance on cryptocurrency and fiduciary. The Genius Act requires and compels the SEC to put together the framework of how they could recommend the inclusion of cryptocurrency and other alternate assets.
 - 3. Public Sector Workers Need Help – Voya's MyOrangeMoney, which is available to plan participants, has great tools to help walk participants through the saving and draw down processed and to also educate participants on the potential tax ramifications.
 - 4. NAGDCA Conference will be held September 28 – October 1. NFP will be hosting a client appreciation dinner that Sunday and can invoice attendees the cost for the dinner.
- D. Other Issues – None.

VI. OTHER BUSINESS – Information/Action

- A. Advisor Managed Account Update – Chair thanked Jeff Scott (Jeff) for his presentation during the 457 University regarding the Advisor Managed Accounts. Jeff stated that should the Committee decide to take action, there is a three to four month set up process to make the transition. Carrie Castle asked if there is a more ideal time to make the transition. Jeff responded there is not necessarily a trend on which quarter makes the most sense.
- B. Fund Change Update – Jennifer Bishop (Jennifer) stated that the fund change for the two CITs are scheduled for September 15th and that the participation agreements are being reviewed to ensure we can comply with the requirements. The effective date may need to be pushed back or deferred if the documents are not able to be executed within the next week or two. Gavin stated that one of the questionable provisions in the agreements is that Plan documents must allow usage of CITs, and that while the Adoption Agreement and Plan Document do not explicitly say CITs may be used, the documents imply you may use whatever product or solution from an investment perspective is available and deemed appropriate by the fiduciaries. Gavin checked with Voya's technical team and their position was that the existing documents are flexible enough to include CITs as one of the available vehicles, but ultimately it is up to Lynn Wakatsuki (Lynn) as the Committee's counsel. Lynn stated that comments and questions regarding the agreements were sent to both CIT entities and feedback was received from only one of the entities. Lynn stated that she

would feel more comfortable with the agreements if representation and warranty provisions were removed. Chair also stated that we have not received a response from MFS regarding our comments and questions, and that the MFS participation agreement also requires the Committee or the Plan reimburse for the cost of not processing the transaction in time, and asked what specific conditions would this occur. Gavin responded that the likelihood is slim to none because transactions are processed on a daily basis. If there were a mistake that Voya made, then Voya would be liable.

- C. Force Out/Cash Out Update – Jennifer reported that DHR completed their review of the records and sent the file back to Voya and that the file was reviewed for terminated employees with accounts of \$5,000 or less, not that \$7,000 that the Secure 2.0 Act allows. Sharra Querner reported that Voya is finishing up the review and should be sending out the letter to the identified participants soon.
- D. 2026 Committee Member Elections Update – Jennifer stated that there are three elected members on the Committee, two active employees and one retired and that all three elected members' terms end on June 30, 2026. Jennifer referred to the two handouts provided to Committee members—the Timetable and the Scope of Work. Both the Timetable and the Request for Quote and Scope of Work is being brought to the Committee today for approval. On November 14th, the Committee will be asked to select a vendor based on the quotes received. On February 2nd, the Vendor will send out the initial mailing that will include the Notice of Election, the Candidate Application, and FAQs. The last day for candidates to submit applications would be February 25th. The Committee staff would then review the applications to ensure they are eligible, and then send the names to the Mayor for approval. By April 1st, we should know whether or not an election is needed. If only two candidates for the active seats and one for the retiree seat then an election would not be needed. Jennifer also stated that the last election only had two candidates for the active and three candidates for the retiree, so an election was held for the retiree seat only. If there are not enough candidates to fill both the active seats or the one retiree seat then a retiree can fill an active seat or an active can fill a retiree seat. If we don't have enough candidates to fill all the seats, then the seats are considered vacant and would be appointed by the Mayor. On April 13th, if there is an election, the Vendor would send out a postcard informing participants of the upcoming election. The election would close on May 15th, and by May 29th, the Vendor would certify the results. The results would be announced in June. Jennifer then reviewed the Scope of Work, stating it is the same document used in the prior election.

On a motion duly made by Nola Miyasaki, seconded by Connie Kaneshiro, and unanimously carried, the Committee approved the 2026 Committee Member Election Timetable and Scope of Work as proposed.

- E. Gift Policy Review – Lynn referred to the Gift Policy handouts that were provided to Committee Members—a redlined version of the existing policy and a copy of the Revised Ordinance of Honolulu 1-19.7. The proposed changes to the Committee's Gift Policy are in alignment with the City's ordinance which reduced the definition of gift from \$250 to \$50. Anything \$50 and above would be prohibited. The City's ordinance also changed the description of a group meal and the same revision has been included in the proposed revised Gift Policy. Lynn also explained that the Committee had a Vice Chair in the past, but the Bylaws do not specifically have a Vice Chair position, and so we are suggesting that the Managing Director or Managing Director's designee make the determination should there be a situation involving the Chair. Reid Yamashiro asked if NFP's client appreciation dinner being held during the NAGDCA Conference would be exempt under the revised group meal provision of the proposed Gift Policy. Lynn explained that such meal would not be exempt since the meal is not for the whole conference but limited to NFP clients. The exemption provided for in the proposed policy is for when the situation is open to the all-conference attendees. John Hashimoto

asked how the value of a meal is determined. Gavin explained that the way Voya determines the amount to invoice attendees is by taking the gross cost for the event divided by the number of attendees and that the gross cost includes any entertainment, food and beverage, costs associated to the site, transportation, etc.

On a motion duly made by Connie Kaneshiro, seconded by John Hashimoto and unanimously carried, the Committee approved the proposed revisions to the Gift Policy.

F. Reserve Policy Review – deferred to the November 14, 2025, meeting.

G. Third-Party Administrator Services Agreement Update – Matt reported that the Request for Disclosure with Voya has been completed and the next step is to take the feedback received from Voya to create the baseline in terms of level of services rendered and setting goals, and then NFP will draft a custom RFP document. Matt asked if NFP will need to work with the City's Procurement Department or if the Committee would like NFP to handle the complete process. Jennifer responded that the Committee would like NFP to handle the complete process and the City's Purchasing Division would not be involved. Matt stated that NFP has an internal portal that allows the RFP to be sent to every single recordkeeper that's widely available and that would be qualified. RFPs are also typically posted in NAGDCA, NAPA and other areas to help generate interest from potential bidders.

VII. REPORT ON ADMINISTRATIVE EXPENSES – Information/Action

Jennifer reported the period started on May 16, 2025, with a balance of \$391,223.44. A \$30,000 quarterly reimbursement check was received. Expenses totaled \$14,625.00 including NFP's quarterly consulting fee of \$12,735.00 and registration fees for three members to attend the NAGDCA 2025 Conference totaling \$2,250.00. The period ended on August 21, 2025, with a balance of \$406,598.44. Jennifer reminded the Committee that reserves are being built up for the upcoming 2026 expenses.

On a motion duly made by Michael Golojuch, seconded by Nola Miyasaki, and unanimously carried, the Committee approved and accepted the Committee's administrative expense report as presented.

VIII. EXECUTIVE SESSION (as required)

The Committee did not go into Executive Session.

IX. ANNOUNCEMENTS

A. NAGDCA 2025 Annual Conference: September 28 – October 1, Hilton San Diego Bayfront
Gavin announced that Voya will be hosting a client appreciation dinner during the NAGDCA Conference on Monday night at the Birch Aquarium at UC San Diego.

X. NEXT MEETING DATES – Information (subject to change)

Fourth Quarter – Mayor's Conference Room

Friday, November 14, 2025, 10:00 a.m. – 12:30 p.m.

XI. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:33 a.m.

Respectfully submitted,

Jennifer Bishop
Secretary

Agenda Item IV.A.

Wealthspire Retirement Advisory Announcement

Bishop, Jennifer

From: Vince Learned <vince.learned@nfp.com>
Sent: Wednesday, October 29, 2025 12:35 PM
To: Kawano, Andy
Cc: Bishop, Jennifer; Wakatsuki, Lynn Y; Matt Dickey
Subject: RE: Announcement

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Hi Andy,

Just based on an AI overview from a google search, looks like it may be \$31 billion.

Thanks,

Vince Learned, CFA, CFP®, CPFA, CRPS®

Vice President, Advisory Services
Retirement
NFP, an Aon company
120 Vantis | Suite 400 | Aliso Viejo, CA 92656
P: 949.460.9898 x54721 | C: 714-797-5168
vince.learned@nfp.com | nfp.com/retirement



Investment advisory services offered through NFP Retirement, Inc., a registered investment adviser.

From: Kawano, Andy <andy.kawano@honolulu.gov>
Sent: Wednesday, October 29, 2025 3:05 PM
To: Vince Learned <vince.learned@nfp.com>
Cc: Bishop, Jennifer <jennifer.bishop@honolulu.gov>; Wakatsuki, Lynn Y <lwakatsuki@honolulu.gov>; Matt Dickey <matt.dickey@nfp.com>
Subject: RE: Announcement

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Hi Vince,

Thank you! I have a better grasp of NFP's NKA Wealthspire's restructuring and ownership structure.

Is MDP's book capital currently at about \$28 Billion?

Thanks,

Andy

From: Vince Learned <vince.learned@nfp.com>
Sent: Wednesday, October 29, 2025 11:03 AM
To: Kawano, Andy <andy.kawano@honolulu.gov>
Cc: Bishop, Jennifer <jennifer.bishop@honolulu.gov>; Wakatsuki, Lynn Y <lwakatsuki@honolulu.gov>; Matt Dickey <matt.dickey@nfp.com>
Subject: RE: Announcement

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Hi Andy,

The AI overview is pretty accurate. I would just add that the spinoff includes both NFP retirement and other retirement advisory and wealth management businesses. Also, Aon has historically been focused primarily on human capital and corporate insurance consulting, so the rationale behind the sale was primarily to continue the focus on its core competencies.

Wealthspire will have no ongoing relationship with Aon.

Madison Dearborn Partners (MDP) will own 100% of Wealthspire (note that MDP owned the majority interest in NFP for nearly a decade before the sale to Aon, so it's an arrangement with which we're familiar and that worked very well).

Yes, Wealthspire is a private entity.

As noted in my message, there will be NO change to our service team, service model, agreement, etc. We are excited to return to our roots of exclusive retirement advisory services.

I'm happy to answer any other questions you may have and/or to speak to this at our upcoming Committee meeting.

Thanks,

Vince Learned, CFA, CFP®, CPFA, CRPS®

Vice President, Advisory Services

Retirement

NFP, an Aon company

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Investment advisory services offered through NFP Retirement, Inc., a registered investment adviser.

From: Kawano, Andy <andy.kawano@honolulu.gov>
Sent: Wednesday, October 29, 2025 12:57 PM
To: Vince Learned <vince.learned@nfp.com>
Cc: Bishop, Jennifer <jennifer.bishop@honolulu.gov>; Wakatsuki, Lynn Y <lwakatsuki@honolulu.gov>
Subject: RE: Announcement

ATTENTION - EXTERNAL EMAIL - The sender of this email is EXTERNAL to our email system. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Vince,

Here's the AI Overview on NFP's restructuring news?

AI Overview

AON + NFP refers to the acquisition of NFP, a global provider of risk, benefits, wealth, and retirement solutions, by Aon, a leading professional services firm, which was completed in April 2024. Aon has since sold a majority of NFP's wealth management business to Madison Dearborn Partners in September 2025. NFP now operates as an "independent and connected" company within the Aon structure, continuing to provide its services under the Aon umbrella.

Acquisition timeline and details

Acquisition Announced:

Aon announced its intent to acquire NFP in December 2023 for \$13.4 billion.

Acquisition Completed:

The acquisition officially closed in April 2024, with regulatory approvals secured.

Post-Acquisition Structure:

NFP will continue to operate independently but as a connected part of Aon's platform.

NFP's Leadership:

NFP's CEO, Doug Hammond, will report to Aon president Eric Andersen.

Wealth Business Sale:

In September 2025, Aon sold a majority of NFP's wealth management business to Madison Dearborn Partners for approximately \$2.7 billion.

What is Wealthspire's continuing relationship to AON, if any?

What portion of NFP's business did Madison Dearborn Partners retain?

Is the newly formed Wealthspire a private entity?

Interesting.

Andy



Andrew T. Kawano

Director of Budget and Fiscal Services

City & County of Honolulu

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Honolulu, HI 96813

Direct: (808) 768-3901 | Cell: (808) 439-2536

andy.kawano@honolulu.gov

From: Vince Learned <vince.learned@nfp.com>

Sent: Wednesday, October 29, 2025 1:52 AM

To: Vince Learned <vince.learned@nfp.com>

Subject: Announcement

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Good morning,

I'm sending this email to provide an update on a previous announcement. We're pleased to share that next week, NFP's Retirement division (both plan advisory and plan administration) will officially become a newly formed, independent firm — **Wealthspire** — which brings together several leading investment advisory, retirement plan administration and wealth management businesses under one name.

This new organization integrates the capabilities of NFP Retirement, Wealthspire Advisors, Fiducient Advisors, Newport Private Wealth, and Ground Control Business Management to create one of the most comprehensive platforms in North America — serving the evolving needs of individuals, institutions, and businesses.

As part of this transition, our team will now operate as **Wealthspire Retirement Advisory**. While our name is changing, our commitment to serving you remains the same.

What You Should Know

- Your **service team** and points of contact remain the same.
- Your **plan, services, and fees** remain unchanged.
- Your **third-party vendors and systems** remain the same.
- Our **commitment to your success** continues to guide everything we do.

Looking Ahead

In the months ahead, you'll begin to see the Wealthspire name reflected in communications and materials. This unified brand allows us to expand the depth of resources and expertise available to you while preserving the personal relationships and trusted service you rely on today.

We're deeply grateful for your continued partnership and trust. With the strength of this new organization, we are even better positioned to support your goals — today and for the long term.

Please let me know if you have any questions.

With gratitude,

Vince Learned, CFA, CFP®, CPFA, CRPS®

Vice President, Advisory Services

Retirement

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Agenda Item VII.A.

Advisor Managed Accounts (AMA)

1. Email from Jeff Scott
2. FAQs
3. Cost Comparison
4. AMA 10-Year Savings Projection
5. Investment Advisory Services Agreement
6. Voya- Plan Sponsor Participant Investment
Advisory Services Access and
Recordkeeping Agreement

Bishop, Jennifer

From: Jeff Scott <jeff.scott@nfp.com>
Sent: Friday, October 3, 2025 8:27 AM
To: Kawano, Andy; Chinn, Leslie P; Bishop, Jennifer; Wakatsuki, Lynn Y
Cc: Vince Learned; Matt Dickey; Gruenberg, G. (Gavin); Querner, S. (Sharra)
Subject: RE: RE: City and County of Honolulu Managed Accounts opportunities

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Andy,

Thank you for your email, updates and follow-up questions. Below are the answers to your questions:

- **NFP's existing agreement** - The managed account changes do not impact any existing fiduciary investment advisory services provided by NFP. With this change, NFP Retirement, Inc(NFPR) – our RIA, replaces Voya Retirement Advisor (VRA) as the RIA fiduciary for managed accounts. NFPR becomes the fiduciary of the underlying non-core passive investments used exclusively in the managed account models and, Morningstar as the asset allocation provider. (Please see the slide below that explains this)
- **Existing core investment menu** – The existing investment menu does not change as a result of the new managed account services. As a reminder, the non-core passive funds used in the managed account models with NFP are only available within managed accounts.
- **Voya's participant level services** - Gavin confirmed in the last meetings that Voya's local worksite and national call center team will continue to be able to educate and guide participants in enrolling and/or answering questions about the managed account services with this change.

Supporting the Participant Every Step of the Way

NFP(replaces VRA)

- Provides thought leadership & investment expertise
- Creates plan-level portfolios
- Serves as fiduciary for participant portfolios

Morningstar Retirement(no change)

- Provides the technology platform and handles the portfolio assignment for the participants in the plan
- Serves in a fiduciary capacity for their portfolio assignment role

Voya(no change)

- Completes plan and participant data exchanges with Morningstar Investment Management LLC
- Implements participant portfolio assignment & rebalance transactions



Please let me know if you have more questions.

Jeffrey Scott

SVP Retirement

NFP, an Aon Company

P: 385.352.9403 | C: 801.891.5239 Please do not text I jeff.scott@nfp.com | NFP.com

489 W South Jordan Pkwy | 310 | South Jordan, Utah 84095

Insurance services provided through NFP Corporate Services (UT), Inc, a subsidiary of NFP Corp. (NFP). Securities offered through Kestra Investment Services, LLC (Kestra IS), member FINRA/SIPC. Investment Advisory Services offered through Kestra Advisory Services, LLC (Kestra AS), an affiliate of Kestra IS. Kestra IS and Kestra AS are not affiliated with NFP Corporate Services (UT), Inc. or NFP. Investor [Disclosures](#)

From: Kawano, Andy <andy.kawano@honolulu.gov>
Sent: Thursday, October 2, 2025 2:06 PM
To: Jeff Scott <jeff.scott@nfp.com>; Chinn, Leslie P <leslie.chinn@honolulu.gov>; Bishop, Jennifer <jennifer.bishop@honolulu.gov>; Wakatsuki, Lynn Y <lwakatsuki@honolulu.gov>
Cc: Vince Learned <vince.learned@nfp.com>; Matt Dickey <matt.dickey@nfp.com>; Gruenberg, G. (Gavin) <gavin.gruenberg@voya.com>; Querner, S. (Sharra) <sharra.querner@voya.com>
Subject: RE: RE: City and County of Honolulu Managed Accounts opportunities

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Hi Jeff,

We need to post the NFP's New Advisory Service Program and VOYA's Access and Recordkeeping Agreement and supporting documents (all attached) for Committee review, discussion and vote for action.

Please confirm that NFP's current investment offerings to participants and fiduciary investment review service will continue under NFP's New Advisory Service Program and the VOYA - Plan Sponsor Participant Investment Advisory Services Access and Recordkeeping Agreement.

Adding Lynn Wakatsuki, Deputy Corporation Counsel, for her awareness and review of the attached.

Thanks,

Andy

From: Jeff Scott <jeff.scott@nfp.com>
Sent: Monday, September 29, 2025 7:31 AM
To: Kawano, Andy <andy.kawano@honolulu.gov>; Chinn, Leslie P <leslie.chinn@honolulu.gov>; Bishop, Jennifer <jennifer.bishop@honolulu.gov>
Cc: Vince Learned <vince.learned@nfp.com>; Matt Dickey <matt.dickey@nfp.com>; Gruenberg, G. (Gavin) <gavin.gruenberg@voya.com>; Querner, S. (Sharra) <sharra.querner@voya.com>
Subject: FW: RE: City and County of Honolulu Managed Accounts opportunities

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

Andy, Jennifer and Leslie,

Good morning. I wanted to follow up on my email from 9/15 to see if you had questions?

Also, in addition to the agreements I sent on 9/15/25, I now have (thank you Sharra and Gavin) the agreements/forms that Voya needs. I've reattached the items I sent on 9/15 along with Voya's agreements for your review. Please note a summary of these items:

- **Voya Access Agreement** to add NFP AMA
- **MA Change form** to remove VRA powered by Morningstar and move to NFP AMA
 - Reflects 4/1/2026 effective date.
- **Primary Plus Investment Option form** to add NFP non-core Primary Plus funds
 - Voya will complete once details are finalized before signing.

With this email, you have all of the agreements/forms needed to execute the changes.

Jeffrey Scott

SVP Retirement

NFP, an Aon Company

P: 385.352.9403 | C: 801.891.5239 Please do not text | jeff.scott@nfp.com | NFP.com

489 W South Jordan Pkwy | 310 | South Jordan, Utah 84095

Insurance services provided through NFP Corporate Services (UT), Inc, a subsidiary of NFP Corp. (NFP). Securities offered through Kestra Investment Services, LLC (Kestra IS), member FINRA/SIPC. Investment Advisory Services offered through Kestra Advisory Services, LLC (Kestra AS), an affiliate of Kestra IS. Kestra IS and Kestra AS are not affiliated with NFP Corporate Services (UT), Inc. or NFP. Investor [Disclosures](#)

From: Scott, Jeff

Sent: Monday, September 15, 2025 7:28 PM

To: 'andy.kawano@honolulu.gov' <andy.kawano@honolulu.gov>; 'leslie.chinn@honolulu.gov' <leslie.chinn@honolulu.gov>; 'jennifer.bishop@honolulu.gov' <jennifer.bishop@honolulu.gov>

Cc: Learned, Vince <vince.learned@nfp.com>; Dickey, Matt <matt.dickey@nfp.com>; Gruenberg, G. (Gavin) <gavin.gruenberg@voya.com>

Subject: RE: City and County of Honolulu Managed Accounts opportunities

Andy, Jennifer and Leslie,

Hello! It was great to be with you all last month to discuss opportunities on how your voluntary Managed Accounts (MA) offering can be improved. Attached are the following:

- **FAQ** from recent meetings and mutual fund versus CIT differences for NFP's two versions of Managed Accounts.
- **Cost Comparison Summary** - VRA to NFP PP (**47- 48%** cost savings to employees realized with change from VRA to NFP PP)
 - **10-year total cost savings projection** worksheet
- **Sample NFP IA agreement** needed to initiate the process at NFP. Voya will provide their LOI/agreement once you approve the change.

In committee meeting, you mentioned that this topic would be discussed further internally. I see two potential paths from here:

1. **You are ready to move forward** – If this is true, 4/1/26 is likely the first available date to make the change based on Voya's current 1/1/26 transition pipeline)
2. **Pending decision** - If the change decision is still pending, would you like to schedule a special call/Teams meeting to discuss?

Please let me know which option above aligns with where you are. We'll look forward to hearing back from you and assisting in any way that is needed.

Talk soon,

Jeffrey Scott

SVP Retirement

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This e-mail may contain information that is privileged, confidential or protected under state or federal law. If you are not an intended recipient of this email, please delete it, notify the sender immediately, and do not copy, use or disseminate any information in the e-mail. Any tax advice in this email may not be used to avoid any penalties imposed under U.S. tax laws. E-mail sent to or from this e-mail address may be monitored, reviewed and archived.

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FAQ from recent CCH meetings

Q: Why did NFP co-manufacture Advisor Managed Accounts (AMA) with Voya and Morningstar?

A: To improve managed account outcomes by reducing cost, introducing limited exposure to additional asset classes that add value but would typically not be appropriate as individual core options for self-direction by participants, help plan sponsors with elevated fiduciary oversight, and create a more efficient managed account service.

Q: How is the .35% Advisory Managed Account fee broken out and payable to the three service providers for NFP Personalized Portfolios?

A: The total .35% fee is subdivided and payable as follows:

NFP:	.08%
Voya:	.13%
Morningstar	<u>.14%</u>
Total:	.35%

Q: What are the cost savings of changing from MA to AMA based on current participation?

A: The overall weighted costs reduction is 48% for the avg balance of \$146,932 when changing from MA to AMA. Total year 1 savings are approximately **\$258,145** (\$547/ppt balance). The total **cumulative savings** over 10 years are approximately **\$3.4M (\$7,209/ppt balance)**. Please see the attached for details and feel free to change the assumed portfolio return rate(I used 6%) up or down to see the impact.

Q: What added 3(38) Investment Manager services are available in AMA not currently found in MA?

A: Under MA, the CC of Honolulu is the fiduciary responsible for monitoring the portfolio asset allocation and assignment being performed by Morningstar and VRA. With NFP, that responsibility is shifted to NFP contractually. NFP also monitors the non-core; passive menu used in the models as part of our fiduciary oversight like we do on the core investment menu today.

Q: What do existing MA participants have to do to register or enroll into AMA?

A: Nothing. This transition happens at a plan level and existing MA participants do not have to do anything. Their balances will be automatically mapped to AMA at the beginning of the quarter it takes effect (i.e. 1/1/26)

Q: What communication is provided to existing MA participants about the change?

A: Participants will receive notification of the change from Voya no later than 30 days before the change, a process similar to when fund changes are made at the plan level and assets mapped to replacement funds.

Q: Does this change how employees' opt-in to the service now? Is it still a voluntary service?

A: Yes, this is still a voluntary service with AMA. Employees must register for the service like they do today and can cancel at any time.

Q: Does NFP's AMA use CIT's?

A: NFP has two versions of AMA for clients to choose from:

1. **Mutual Fund/CIT** - Uses mostly mutual funds and few CIT's with avg. underlying weighted cost of 3 basis points or .03% or
2. **Mutual fund only** version with an underlying fund expense of 4 basis point or .04%

Advisor Managed Accounts NFP Personalized Portfolios options:

1. Mutual Fund Lineup:

Fidelity® 500 Index Fund	FXAIX	0.0150%
State Street Small/Mid Cap Equity Index Class K	SSMKX	0.0450%
Fidelity Total International Index	FTIHX	0.0600%
iShares Developed Real Estate Idx K	BKRDY	0.1400%
Fidelity® Inflation-Prot Bd Index	FIPDX	0.0500%
Fidelity Short-Term Bond Index	FNSOX	0.0300%
State Street Aggregate Bond Index K	SSFEX	0.0300%

Franklin Long Duration Credit R6	FLDBX	0.0900%
Fidelity Long-Term Treasury Bond Index	FNBGX	0.0300%
Weighted avg		0.04%

2. Mutual Fund + CIT Lineup:

BlackRock Equity Index Fund Class 1	97183J632	0.0150%
State Street Small/Mid Cap Equity Index Class K	SSMKX	0.0450%
Fidelity Total International Index	FTIHX	0.0600%
BlackRock Developed Real Estate Index Fund Fee Class 1	97181N189	0.0900%
BlackRock U.S. TIPs Index Fund Fee Class 1	97181N197	0.0400%
Fidelity Short-Term Bond Index	FNSOX	0.0300%
State Street Aggregate Bond Index K	SSFEX	0.0250%
BlackRock Long Credit CIT	390935575	0.0600%
Fidelity Long-Term Treasury Bond Index	FNBGX	0.0300%
Weighted avg		0.03%

Each of the strategies below invest in the corresponding CIT at BlackRock. These are simply Great Gray share classes of the pre-existing BR CITs. Fact sheets are below. Great Gray is indicated as Trustee throughout the fact sheets.

- [BlackRock Developed Real Estate CL R](#)
- [BlackRock Equity Index Fund CL R](#)
- [BlackRock Long Term Credit Index Fd CL 6](#)
- [BlackRock U.S. TIPs Index Fd CL R](#)

Managed Account (NFP Personalized Portfolios)

City and County of Honolulu



Total Account Balance Cost Annually (as a % of Balance)		NFP			VRA*** (CURRENT)	Cost Savings Opportunity
Participant account balance	Assets	Asset-based IA fee*	Weighted fund cost**	Total Cost	Total Cost	
AMA (with Mutual Funds+CIT's)	\$>0	.35%	.03%	.38%	.73%	-48%
AMA (Mutual Funds only)	\$>0	.35%	.04%	.39%	.73%	-47%

*.35% fee includes .08% to NFP, .13% to Voya and .14% to Morningstar

**NFP PP's non-core, passive investment menu instead of designated core investment menu

***VRA allocates to core or designated investment menu as underlying investments. Weighted investment management cost based on MA participation and asset allocation as of March 19, 2025.

Personalized Portfolios are part of the services/solutions offered by NFP Retirement, Inc. through Empower Advisory Group, LLC (EAG), a registered investment adviser. NFP Retirement, Inc. is not affiliated with EAG. EAG uses Morningstar Investment Management LLC to provide subadvisory services. Morningstar Investment Management is a registered investment adviser and is not affiliated with EAG, NFP Retirement, Inc., or any other affiliated companies and/or subsidiaries. NFP Retirement, Inc. may pay some or the entire participant service fees to EAG as subadviser for NFP Retirement, Inc. Past performance is not indicative of future returns. NFP Retirement Inc. is a Registered Investment Adviser. This document is for informational purposes only and is not an offer to buy any security or instrument. Opinions expressed in this presentation are subject to change without notice. Any data has come from sources believed to be reliable but are not guaranteed to be complete or accurate. Advisory services are offered to clients or prospective clients where NFP Retirement, Inc. and its representatives are properly licensed or exempt from licensure. No advice may be rendered by NFP Retirement Inc. unless an investment adviser agreement is in place. NFPR-2024-306

CC of Honolulu

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Plan Assets	\$ 69,351,752	\$ 73,512,857	\$ 77,923,629	\$ 82,599,047	\$ 87,554,989	\$ 92,808,289	\$ 98,376,786	\$ 104,279,393	\$ 110,536,157	\$ 117,168,326	\$ 124,198,426
Plan Assets (with AMA Change)		\$ 73,755,589	\$ 78,180,924	\$ 82,871,779	\$ 87,844,086	\$ 93,114,731	\$ 98,701,615	\$ 104,623,712	\$ 110,901,135	\$ 117,555,203	\$ 124,608,515
Plan PPT's	472										
Avg. Balance	\$ 146,932	\$ 155,748	\$ 165,092	\$ 174,998	\$ 185,498	\$ 196,628	\$ 208,425	\$ 220,931	\$ 234,187	\$ 248,238	\$ 263,132
Annual Investment Gain(EXAMPLE)	6%										
Managed Accounts (VRS)	0.73%										
Managed Accounts (NFP)	0.38%										
Total AMA Savings		\$ 258,145	\$ 273,633	\$ 290,051	\$ 307,454	\$ 325,902	\$ 345,456	\$ 366,183	\$ 388,154	\$ 411,443	\$ 436,130
Total AMA Savings (CUMMULATIVE)		\$ 258,145	\$ 531,778	\$ 821,829	\$ 1,129,283	\$ 1,455,185	\$ 1,800,641	\$ 2,166,824	\$ 2,554,977	\$ 2,966,421	\$ 3,402,551
Savings/ppt		\$ 547	\$ 580	\$ 615	\$ 651	\$ 690	\$ 732	\$ 776	\$ 822	\$ 872	\$ 924
Cummulative Savings/ppt		\$ 547	\$ 1,127	\$ 1,741	\$ 2,393	\$ 3,083	\$ 3,815	\$ 4,591	\$ 5,413	\$ 6,285	\$ 7,209

INVESTMENT ADVISORY SERVICES AGREEMENT

*This Investment Advisory Services Agreement (“**Agreement**”) is made and entered into as of September 9, 2025 (“**Execution Date**”), by and between Morningstar Investment Management LLC, a Delaware limited liability company (“**Morningstar**”), NFP Retirement, Inc., a California corporation (“**RIA**”), and City and County of Honolulu 457(b) Deferred Compensation Plan (“**Plan Sponsor**”) the named fiduciary and Sponsor of the Plan identified on Exhibit A (the “**Plan**”).*

BACKGROUND

The Plan Sponsor is a named fiduciary with respect to the Plan with the authority under the Plan to obtain certain investment advisory services. Plan Sponsor has elected to offer Advisor Managed Account Services (as further described in Exhibit A) to Plan participants. Plan Sponsor has entered into a separate written agreement with its service provider (“**Service Provider**”) to provide daily valuation, recordkeeping and other administrative services to the Plan, including access to Morningstar’s and RIA’s investment advisory services, if Plan Sponsor so elects.

The Plan Sponsor has determined that it is in the best interests of the Plan and the Participants (as defined in Exhibit A) and their beneficiaries to retain Morningstar and RIA to provide the Advisor Managed Account Services (as defined in Exhibit A), including but not limited to providing investment advisory services by and through proprietary software and technology that processes demographic and financial information about Participants and identifies model portfolios comprised of various asset classes in weights that correspond to various risk profiles of individuals (“**Model Portfolios**”). Use of Advisor Managed Account Services shall be effective on or about _____, or such other date as mutually designated by Plan Sponsor, Morningstar and RIA (the “**Effective Date**”). Morningstar and RIA are willing to perform such investment advisory services as a fiduciary to the

Plan as provided under the terms of this Agreement.

Based on the foregoing, Plan Sponsor, on behalf of the Plan, Morningstar, and RIA agree as follows:

AGREEMENT

1. SERVICES AND PAYMENT

1.1 Description of Services. Morningstar and RIA agree to provide the Plan with the Advisor Managed Account Services (as defined in Exhibit A). Morningstar and RIA acknowledge that they are “investment managers” to the Plan, as such term is defined by Section 3(38) of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), but only for their respective duties and obligations described herein. Morningstar and RIA each also acknowledge that they are a “fiduciary” as such term is defined by Section 3(21)(A)(i) of ERISA of the Plan, and shall perform their respective duties hereunder with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise with a like character and with like aims.

1.2 Fees. In consideration for the Advisor Managed Account Services, the Plan will pay to Morningstar and RIA the applicable portion of the aggregate fees set forth on Exhibit B. All costs and expenses that Morningstar and RIA may incur in connection with this Agreement are included in the foregoing fees.

1.3 Invoicing and Payment. Plan Sponsor agrees to direct the Service Provider to collect all applicable fees from each Participant’s Plan account and to remit such fees to Morningstar and RIA. The parties agree and acknowledge that Service Provider shall collect and remit the applicable fees in quarterly installments in arrears beginning at the end of the calendar quarter in which the fees were earned by Morningstar and RIA, as further set forth in Exhibit B.

2. TERM AND TERMINATION

2.1 Term. Subject to Section 2.2, the Agreement shall commence on the Effective Date and continue in effect for a term of one (1) year from the Effective Date. The Agreement shall automatically be renewed for additional one (1) year periods, unless a party delivers to the other parties a written notice of non-renewal at least thirty (30) days prior to the date such renewal would take effect.

2.2 Termination by Plan Sponsor, Morningstar, or RIA. Plan Sponsor, Morningstar or RIA may terminate this Agreement upon thirty (30) days prior written notice to the other parties for any reason or no reason; provided however, that Plan Sponsor shall continue to pay fees in accordance with Exhibit B for Advisor Managed Account Services rendered, prior to termination.

2.3 Effect of Termination. Upon expiration or termination of this Agreement for any reason, all rights granted to Plan Sponsor hereunder shall terminate immediately and all Participants shall no longer have access to the Advisor Managed Account Services. Expiration or termination of this Agreement for any reason shall not affect the Plan's obligation to pay any and all fees and other amounts due and payable under this Agreement or relieve the Plan or Plan Sponsor of any liability for breach of this Agreement.

3. USE OF DATA AND CONFIDENTIALITY

3.1 Plan Data. All information communicated to Morningstar and RIA, whether before or after the Effective Date, by the Plan, Plan Sponsor, or the Service Provider, in connection with this Agreement, that relates to the Plan, the Plan's investments, or Plan Sponsor, Plan Sponsor's employees, former employees, Participants or beneficiaries ("**Plan Data**"), will be held by Morningstar and RIA in confidence and used only for purposes of performing their

Services under this Agreement in accordance with this Agreement or as disclosed in Morningstar or RIA's privacy policies. Plan Sponsor agrees to provide or cause Service Provider to provide accurate and timely Plan Data to Morningstar and RIA and understands that Morningstar and RIA will rely on such Plan Data to provide the advisory services. Morningstar and RIA will maintain physical, electronic and procedural safeguards to avoid disclosing Plan Data to third parties, to at least the same degree as it employs to avoid unauthorized disclosure or publication of its own information or information of other customers, and in no event less than industry-standard safeguards.

3.2 Exceptions. Notwithstanding Section 3.1, Morningstar and RIA may disclose Plan Data to those of their employees involved in providing the Advisor Managed Account Services, but only to the extent reasonably necessary to perform their Advisor Managed Account Services under this Agreement or as disclosed in Morningstar or RIA's privacy policy. Morningstar or RIA may disclose Plan Data to the extent required to satisfy any valid subpoena, court order, litigation or regulatory request, or other legal requirement of competent governmental authority, provided that immediately following receipt of such request or making a determination that disclosure is legally required.

3.3 Ownership. Notwithstanding the rights granted under this Agreement, Plan Sponsor acknowledges and agrees that Morningstar or its affiliates retain sole and exclusive ownership over all data, analyses, opinions, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information or other information provided by Morningstar ("**Morningstar Intellectual Property**"). Nothing contained herein transfers to Plan Sponsor or the Plan any ownership interest in the Morningstar Intellectual Property and any software, pictures, images, materials, changes, or other works of authorship provided contained in

the Morningstar Intellectual Property. Plan Sponsor and the Plan have no right to make derivative works of the Morningstar Intellectual Property in any form for use in any medium currently in existence or under development, now or in the future.

Notwithstanding the rights granted under this Agreement, Plan Sponsor acknowledges and agrees that RIA or its affiliates retain sole and exclusive ownership over all data, analyses, opinions, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information or other information provided by RIA (“**RIA Intellectual Property**”). Nothing contained herein transfers to Plan Sponsor or the Plan any ownership interest in the RIA Intellectual Property and any software, pictures, images, materials, changes, or other works of authorship provided contained in the RIA Intellectual Property. Plan Sponsor and the Plan have no right to make derivative works of the RIA Intellectual Property in any form for use in any medium currently in existence or under development, now or in the future.

3.4 Use and Promotion. Plan Sponsor agrees that the Advisor Managed Account Services shall be made available only to retirement plans duly established under the laws of the United States of America and to Participants that are citizens and/or legal residents of United States of America or its territories.

The Advisor Managed Account Services, or any portion thereof, may be used by Plan Sponsor and its Participants only for effecting retirement planning for Participants that (i) elect to receive the Advisor Managed Account Services, or (2) has had the opportunity to direct the investment of his or her account but who has not provided such investment directions. Any other use by the Plan Sponsor or the Plan, including commercial use for the benefit of another person, is prohibited under this Agreement and shall be a material breach of this Agreement. Plan Sponsor agrees

to cooperate and provide reasonable assistance to Morningstar and RIA in connection with preventing and stopping any unauthorized use, of the data, analyses, opinions and other information contained in the Advisor Managed Account Services.

Approval of Promotion. Plan Sponsor may not mention or refer to Morningstar, the RIA or the Advisor Managed Account Services in any correspondence, public announcements, advertising, marketing or promotional materials, or events (collectively, the “**Promotion Material**”) without the RIA’s and Morningstar’s prior written approval. Plan Sponsor shall incorporate appropriate notice, attribution and disclaimer language into the Promotion Material, as Morningstar and/or RIA may specify in its review of the Promotion Material. Plan Sponsor shall have a limited license to use the Morningstar name, trademarks, service marks (the “**Morningstar Marks**”) identified herein but, in each instance, only in the manner and format specified by Morningstar in writing in advance. The Morningstar Marks include:

Morningstar®



Any Promotion Material using the Morningstar name or the Morningstar Marks shall include the following disclosure, plus any additional disclosures as indicated by Morningstar during its review:

“The Morningstar name and trademarks are used, under license, from Morningstar Investment Management LLC. Morningstar Investment Management LLC is a registered investment adviser and subsidiary of Morningstar, Inc. Morningstar Investment Management LLC is not affiliated with Plan Sponsor or RIA.”

Morningstar and RIA have the authority to communicate to Participants the features of the

Advisor Managed Account Services through direct mail and email, may utilize Plan Data for this purpose and may require the Plan Sponsor to provide Plan Data (as defined in Exhibit A) necessary to make these communications.

3.5 Confidentiality. The parties acknowledge that in the course of their dealings hereunder, each may acquire information about the other, its business activities and operations, its technical information and its trade secrets, all of which are proprietary and confidential, but not including Plan Data (the treatment of which is governed by Sections 3.1–3.2 above) (the “**Confidential Information**”). Each party hereby agrees that: (a) all Confidential Information (including, but not limited to the terms of this Agreement) remains the exclusive property of the disclosing party; (b) it shall maintain, and shall use prudent methods to cause its employees and agents to maintain (and not to otherwise copy, publish, disclose or use other than as contemplated under this Agreement), the confidentiality and secrecy of the disclosing party’s Confidential Information; and (c) subject to any regulatory or internal document retention policies, it shall return or destroy all copies of the disclosing party’s Confidential Information upon request of the disclosing party. Notwithstanding the foregoing, Confidential Information shall not include any information to the extent it: (i) is or becomes a part of the public domain through no act or omission on the part of the receiving party; (ii) is disclosed to third parties by the disclosing party without restriction on such third parties; (iii) is in the receiving party’s possession, without actual or constructive knowledge of an obligation of confidentiality with respect thereto, at or prior to the time of disclosure under this Agreement; (iv) is independently developed by the receiving party without reference to the disclosing party’s Confidential Information; (v) is released from confidential treatment by written consent of the disclosing party; or (vi) is required to be disclosed by a court of competent jurisdiction.

4. REPRESENTATIONS AND WARRANTIES.

4.1 Representations of Morningstar and RIA. Morningstar represents and warrants to Plan Sponsor that it is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended and, to Morningstar’s knowledge (a) it has all rights in and to all the Morningstar Intellectual Property necessary to market, distribute the Advisor Managed Account Services in accordance with the terms of this Agreement; (b) this Agreement is binding on Morningstar; and (c) Morningstar’s entry into this Agreement does not violate any prior obligation or agreement of Morningstar.

Morningstar and RIA represent and warrant to Plan Sponsor that the Advisor Managed Account Services will (a) apply generally accepted investment theories; (b) be diversified to minimize risk of large losses due to asset class concentration; (c) be designed to provide varying degrees of long-term appreciation and capital preservation through a mix of equity and fixed income based on Participant’s age, retirement date or life expectancy; and (d) change the asset allocation and associated risk levels over time to become more conservative with increasing age.

RIA represents and warrants to Plan Sponsor that it is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended and, to RIA’s knowledge (a) it has all rights in and to all the RIA Intellectual Property necessary to market, distribute the Advisor Managed Account Services in accordance with the terms of this Agreement; (b) this Agreement is binding on RIA; and (c) RIA’s entry into this Agreement does not violate any prior obligation or agreement of Morningstar.

4.3. Representations of Plan Sponsor. Plan Sponsor represents and warrants to Morningstar and RIA that (a) Plan Sponsor has the authority and power to enter into and comply with its

obligations under this Agreement and the rights and licenses necessary to enter into and perform its obligations under this Agreement; (b) this Agreement is binding on Plan Sponsor and the Plan; (c) Plan Sponsor's entry into this Agreement does not violate any prior obligation or agreement of Plan Sponsor or the Plan; (d) the individual signing this Agreement and any Exhibits thereto on behalf of Plan Sponsor is a named fiduciary of Plan or is authorized to sign on behalf of the Plan Sponsor in its capacity as a named fiduciary of Plan and is authorized to sign on behalf of the Plan Sponsor in its corporate capacity; (e) consistent with the terms and conditions contained in all governing documents of Plan Sponsor's Plan with respect to the voting of proxies, Plan Sponsor or the Plan's trustee will vote proxies for securities held in any investment account for which Morningstar and RIA may provide advice hereunder, (f) Plan Sponsor has reviewed the fees and expenses that will be paid to Morningstar and RIA, described in Exhibit B, and have determined that such fees and expenses are reasonable under section 408(b)(2) of ERISA and the regulations thereunder, and (g) the instruments under which the Plan is maintained authorize the Plan to pay any fees for which the Plan is responsible as provided in this Agreement.

5. DISCLAIMERS:

5.1 Data Disclaimer. Morningstar and RIA will use commercially reasonable efforts to ensure that the data, analysis, opinion, and other information contained in the Advisor Managed Account Services performed by each of them are correct. Although gathered from sources believed to be reliable, Plan Sponsor acknowledges that Morningstar and RIA cannot guarantee the accuracy of the data or information used to provide the Advisor Managed Account Services. The completeness and timeliness of all data and information used to provide the Advisor Managed Account Services is dependent upon the

sources of such data and information, which are outside of Morningstar's and RIA's control.

5.2 Disclaimer of Warranties. EXCEPT AS EXPRESSLY SET FORTH HEREIN, MORNINGSTAR AND RIA PROVIDE NO WARRANTIES, EITHER EXPRESS, IMPLIED OR OTHERWISE WITH RESPECT TO THE ADVISOR MANAGED ACCOUNT SERVICES DELIVERED PURSUANT TO THIS AGREEMENT, OR THE SOFTWARE COMPRISING THE ADVISOR MANAGED ACCOUNT SERVICES, AND TO THE EXTENT PERMITTED BY LAW, INCLUDING ERISA, MORNINGSTAR AND RIA DISCLAIM THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE AND MERCHANTABILITY WITH RESPECT TO SUCH SERVICES. MORNINGSTAR AND RIA DO NOT GUARANTEE THAT THE ADVISOR MANAGED ACCOUNT SERVICES WILL BE DELIVERED WITHOUT INTERRUPTION, TIMELY, ERROR-FREE, OR SECURE. ERRORS MAY OCCUR IN SOFTWARE-BASED SERVICES AS A RESULT OF PROGRAMMING ERRORS, DATABASE ERRORS, OR OTHER CAUSES.

5.3 Acknowledgement of Limitations on Recommendations. Plan Sponsor acknowledges and agrees that in providing investment advisory services through the Advisor Managed Account Services, Morningstar and RIA will only consider the Designated Investment Alternatives (as defined in Exhibit A) offered by the Plan, and that Morningstar and RIA shall have no obligation to consider or recommend investment options that are not Designated Investment Alternatives of the Plan.

6. LIMITATION OF LIABILITY. The following Limitations of Liability shall be applicable:

6.1 Limitation of Damages. IN NO EVENT SHALL ANY PARTY BE LIABLE TO THE OTHER PARTY/PARTIES OR ANY THIRD

PARTY FOR LOST PROFITS, CONSEQUENTIAL, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES, HOWSOEVER ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF THE BASIS OF THE CLAIM. THE FEDERAL SECURITIES LAWS IMPOSE LIABILITIES UNDER CERTAIN CIRCUMSTANCES ON PERSONS WHO ACT IN GOOD FAITH, AND THEREFORE NOTHING HEREIN SHALL IN ANY WAY CONSTITUTE A WAIVER OR LIMITATION OF ANY RIGHTS WHICH THE UNDERSIGNED MAY HAVE UNDER ANY FEDERAL SECURITIES LAWS.

6.2 Plan Sponsor's Rights Under Securities Laws and ERISA. Nothing in this Agreement is intended to or shall waive any rights to which Plan Sponsor is specifically entitled under the securities laws of the United States and ERISA.

7. INDEMNIFICATION

7.1 Indemnification by Morningstar. Morningstar agrees to indemnify, defend and hold harmless the Plan Sponsor and its successors and assigns, directors, officers and employees, from and against any and all third party claims, demands, suits, actions, and any and all damages, losses, liabilities, taxes, penalties, fines, charges costs and expenses, including reasonable attorneys' fees, (individually a "**Loss**" and collectively "**Losses**") arising from Morningstar's breach of the fiduciary duty imposed pursuant to this Agreement. Morningstar's indemnification obligation shall not apply to any Loss or Losses arising out of or relating to a Loss due to any of the following: (i) the financial performance of any Designated Investment Alternatives included in the Plan-Level Portfolios in the Plan unless such Loss or Losses constitutes a breach of fiduciary duty imposed pursuant to this Agreement; (ii) any violation of applicable law, rules, or regulations, or the terms of the Plan by a party other than Morningstar in connection with such investment

option; (iii) the fault or negligence of, or violation of applicable law, rules or regulations, or the terms of the Plan, by Plan Sponsor or (iv) the delivery or transmission by the Service Provider, the Plan Sponsor or the Participant of incorrect, inaccurate, or incomplete Plan Data. Plan Sponsor shall provide prompt written notice of any claim, action, or proceeding giving rise to such obligation, shall reasonably cooperate with its defense and/or settlement efforts and shall grant Morningstar at Morningstar's option, sole control of the defense and/or settlement of such claim, action, or proceeding.

7.2 Indemnification by RIA. RIA agrees to severally indemnify, defend and hold harmless the Plan Sponsor and its successors and assigns, directors, officers and employees, from and against any Loss or Losses arising from RIA's breach of the fiduciary duty imposed pursuant to this Agreement. RIA's indemnification obligation shall not apply to any Loss or Losses arising out of or relating to a Loss due to any of the following: (i) the financial performance of any Designated Investment Alternatives included in the Plan-Level Portfolios in the Plan unless such Loss or Losses constitutes a breach of fiduciary duty imposed pursuant to this Agreement; (ii) any violation of applicable law, rules, or regulations, or the terms of the Plan by a party other than RIA in connection with such investment option; (iii) the fault or negligence of, or violation of applicable law, rules or regulations, or the terms of the Plan, by Plan Sponsor or (iv) the delivery or transmission by the Service Provider, the Plan Sponsor or the Participant of incorrect, inaccurate, or incomplete Plan Data. Plan Sponsor shall provide prompt written notice of any claim, action, or proceeding giving rise to such obligation, shall reasonably cooperate with its defense and/or settlement efforts and shall grant RIA at RIA's option, sole control of the defense and/or settlement of such claim, action, or proceeding.

7.3 Indemnification by Plan Sponsor. Plan Sponsor agrees to indemnify, defend and hold harmless Morningstar and RIA, and their

respective successors and assigns, and its and their directors, officers and employees, from and against any Loss or Losses arising from Morningstar and RIA's performance of services to the Plan. Plan Sponsor's indemnification obligation shall not apply to any Loss or Losses arising out of or relating to a Loss due to any of the following: (i) Morningstar or RIA's fraud or willful misconduct; or (ii) any act or omission for which Morningstar or RIA would be required to indemnify the Plan Sponsor, pursuant to Sections 7.1 or 7.2 above (as the case may be). Morningstar or RIA shall provide prompt written notice of any claim, action, or proceeding giving rise to such obligation, shall reasonably cooperate with its defense and/or settlement efforts and shall grant Plan Sponsor at Plan Sponsor's option, sole control of the defense and/or settlement of such claim, action, or proceeding.

8. ENHANCEMENTS AND MODIFICATIONS. Morningstar and RIA reserve the right in their respective discretion to enhance, modify, or provide upgrades (collectively "**Changes**") of the Advisor Managed Account Services from time to time. Morningstar or RIA shall notify Service Provider of any Changes, who shall notify Plan Sponsor.

9. GENERAL

9.1 Form ADV. Morningstar and RIA are registered as investment advisers under applicable federal or state law, or are otherwise exempt, and will promptly advise Plan Sponsor if at any time it is not so registered. Part 2A and 2B of Morningstar's Form ADV, Morningstar's registration document, contains additional information regarding Morningstar and its services. Part 2A and 2B of RIA's Form ADV, RIA's registration document, contains additional information regarding RIA and its services. Plan Sponsor acknowledges that it has received a copy of Morningstar's and RIA's Form ADV Part 2A and 2B.

9.2 Captions Not Determinative. Titles and paragraph headings herein are for convenient reference only and are not part of this Agreement.

9.3 No Partnership. Nothing in this Agreement shall be construed to create a partnership, joint venture or agency relationship between the parties to this Agreement.

9.4 Force Majeure. No party shall be in default or otherwise liable for any delay in or failure of its performance under this Agreement where such delay or failure arises by reason of any act of God, or any government or any governmental body, acts of the common enemy, the elements, strikes or labor disputes, or other similar or dissimilar cause beyond the control of such party. If a party is prevented from, or delayed in, performing any of its obligations under this Agreement, it will promptly notify the other parties, describing in reasonable detail circumstances causing the force majeure event, and the obligations which are thereby delayed or prevented, and will continue to use commercially reasonable efforts to recommence performance as soon as reasonably practicable.

9.5 Arbitration. Any dispute under this Agreement shall be settled by binding arbitration in Chicago, Illinois before a panel of three impartial arbitrators under the rules of the American Arbitration Association. Such panel shall consist of an actuary, an attorney and an employee benefit consultant, each of whom shall have had at least ten (10) years of professional experience in the administration of participant-directed defined contribution plans similar to the Plan. In any such arbitration, each party shall bear its own costs, expenses and attorneys' fees. The arbitration award may be enforced in any court having jurisdiction over the parties and the subject matter of the arbitration, and the parties irrevocably submit to the nonexclusive jurisdiction of the Superior Court of the State of Illinois, and the United States District Court for the Northern District of Illinois, in any action to enforce an arbitration award.

9.6 Equal Employment Policy.

Morningstar and RIA agree that they will maintain a policy prohibiting discrimination against any employee or applicant for employment on account of race, color, religion, age, sex, disability or national origin.

9.7 Notice. All notices, including notices of address changes, required to be sent hereunder shall be in writing and shall be deemed to have been given when delivered by nationally recognized overnight courier or registered or certified mail, postage prepaid to the appropriate address below:

If to Morningstar:

Morningstar Investment Management LLC

22 W. Washington Street
Chicago, Illinois 60602
Attn: General Counsel

If to RIA:

NFP Retirement, Inc.

120 Vantis | Suite 400 |
Aliso Viejo, CA 92656
Attn: President
With copy to: generalcounsel@nfp.com

If to Plan Sponsor:

To the address and individual identified in Exhibit A, or their successors.

9.8 No Third Party Beneficiaries. Nothing contained in this Agreement is intended or will be construed to confer upon any person not a party to this Agreement (other than the Plan, a person entitled to indemnification pursuant to the terms of the Agreement, and Participants or beneficiaries, to the extent of rights expressly extended to them under this Agreement) any rights, benefits or remedies of any kind or

character whatsoever, and no such person will be deemed a third-party beneficiary under or by reason of this Agreement.

9.9 Severability. In the event that any provision of this Agreement is held invalid by a court with jurisdiction over the parties, such provision shall be deemed to be restated to be enforceable, in a manner which reflects, as nearly as possible, the intent and economic effect of the invalid provision in accordance with applicable law. The remainder of this Agreement shall remain in full force and effect.

9.10 Waiver. The waiver by any party of any default or breach of this Agreement shall not constitute a waiver of any other or subsequent default or breach.

9.11 Modification. No representation or promise hereafter made, nor any modification or amendment of this Agreement shall be binding unless in writing.

9.12 Counterparts. This Agreement and any written modification hereof may be (a) executed in one or more counterparts, each of which shall be deemed an original, but which together shall constitute one and the same document; and (b) executed by facsimile signature by any party hereto and such signature shall be deemed binding for all purposes hereof, without delivery of an original signature being thereafter required.

9.13 Assignment. None of the parties may assign this Agreement or any of the rights or obligations granted hereunder without the other parties' prior consent.

9.14 Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, to the extent not preempted by ERISA, and the Investment Advisers Act of 1940 or any rule, regulation or order promulgated thereunder, without reference to its conflicts of law principles.

9.15 Survival. The terms of Sections 3, 4, 7, and 9 shall survive the expiration or termination of this Agreement.

9.16 Authority. The person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement.

9.17 Entire Agreement. This Agreement and the Exhibit(s) constitute the complete agreement between the parties and supersede all previous or contemporaneous agreements, proposals, understandings, and representations, written or oral, with respect to the subject matter addressed herein, other than the disclosures made in Morningstar's Form ADV Part 2A and 2B and RIA's Form ADV Part 2A and 2B. Recitals included at the beginning of this Agreement are hereby incorporated into this Agreement by this reference thereto.

IN WITNESS WHEREOF, the parties have entered into this Agreement, and intend to be legally bound by it, as of the Execution Date.

Plan Sponsor

By: _____

Name: _____

Title: _____

Date: _____

Morningstar Investment Management LLC



By: _____

Name: Brock Johnson _____

Title: President, Morningstar Retirement Services

Date: _____

NFP Retirement, Inc.

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A TO INVESTMENT ADVISORY SERVICES AGREEMENT

Description of Services and Responsibilities

Name of Plan: City & County of Honolulu 457(b) Deferred Compensation Plan

Name of Plan Sponsor: City and County of Honolulu

Address of Plan Sponsor: 530 S. King Street, Room 208, Honolulu, HI, 96813

Contact Person(s):

I. DEFINITIONS The following definitions shall apply to this Agreement and to any Exhibit attached hereto:

- **Advisor Managed Account Services** means a discretionary investment advisory service offered to the Plan and its Participants by Morningstar and RIA, as further described herein.
- **Designated Investment Alternatives** means any investment alternative designated by the Plan Sponsor into which Participants may direct the investments of assets held in, or contributed to, their individual accounts. Designated Investment Alternatives shall exclude self-directed brokerage accounts, mutual fund windows, or other similar investment vehicles.
- **Model Portfolios** are portfolios comprised of Designated Investment Alternatives that are constructed from the Plan-Level Portfolios.
- **Participant** means an individual who is enrolled or is eligible to enroll in the Plan and whose Plan Sponsor elected to offer the Advisor Managed Account Services.
- **Plan-Level Portfolios** mean six (6) portfolios constructed from the Designated Investment Alternatives based on predetermined equity targets, complying with Qualified Default Investment Alternative regulations set forth under 29 C.F.R. § 2550.404c-5 (“**QDIA**”).
- **Reallocate** means the process whereby Morningstar will send transactional instructions to Service Provider for buying and selling Designated Investment Alternatives in order to assign a Model Portfolio to a Participant based on the ongoing consideration of Plan Data.

II. DESCRIPTION OF ADVISOR MANAGED ACCOUNT SERVICES. Morningstar and RIA will make the Advisor Managed Account Services available to Participants in the Plan through Morningstar’s proprietary platform. In offering the Advisor Managed Account Services, Morningstar and the RIA each undertake to perform certain obligations to the Plan and its Participants. Plan Sponsor, Morningstar, and RIA each agree and acknowledge that Morningstar and the RIA are individually responsible for performance of their respective obligations, and that a breach of duty or non-performance of an obligation of Morningstar or RIA shall not cause the non-breaching party to be deemed to be in breach of its obligations under this Agreement.

III. MORNINGSTAR OBLIGATIONS

Morningstar shall:

- i) Act as fiduciary, within the meaning of section 3(21)(A)(i) of ERISA, and investment manager, within the meaning of section 3(38) of ERISA, to the Plan and its Participants, but only with respect to its duties and obligations set forth in this Agreement;
- ii) Establish or confirm connectivity with Service Provider necessary to receive and deliver Plan Data and implement Participant transactions in connection with the Advisor Managed Account Services;
- iii) Collect and process Plan Data;
- iv) Collect and process data and information on the Designated Investment Alternatives;
- v) Assign Participants to Model Portfolios based upon Plan Data and instruct the Service Provider to make necessary trades in accordance with the assigned Model Portfolios;
- vi) Reallocate Participants who enroll in the Advisor Managed Account Service on an ongoing basis, but no less frequently than quarterly; and
- vii) Communicating with Plan Sponsor with respect to any matters arising its duties or obligations.

IV. RIA OBLIGATIONS

RIA shall:

- i) Act as fiduciary, within the meaning of 3(21)(A)(i) of ERISA, and investment manager, within the meaning of section 3(38) of ERISA, to the Plan and its Participants, but only with respect to its duties and obligations set forth in this Agreement;
- ii) Construct and monitor the Plan-Level Portfolios;
- iii) Review and approve Morningstar's blending methodology for creating the Model Portfolios;
- iv) Collect and process applicable Plan Data;
- v) Determine the appropriate Designated Investment Alternatives to be used in constructing the Plan-Level Portfolios; and
- vi) Communicating with Plan Sponsor with respect to any matters arising its duties or obligations.

V. PLAN SPONSOR OBLIGATIONS AND ACKNOWLEDGEMENTS

- i) Plan Sponsor, in its capacity as named fiduciary of the Plan, hereby appoints Morningstar and RIA as "investment managers" to the Plan, as defined by section 3(38) of ERISA,

with respect to any Participant who has an account within the Plan, and has either (1) elected to enroll in the Advisor Managed Account Services, or (2) has had the opportunity to direct the investment of his or her account but who has not provided such investment directions. Plan Sponsor agrees and acknowledges that the powers of Morningstar and RIA to manage, acquire or dispose of any Plan asset shall pertain only to their respective duties and obligations described herein. Plan Sponsor agrees and acknowledges that the obligations and liabilities of Morningstar and RIA shall not be joint and several and that each of Morningstar and RIA shall be liable for its own default of its obligations under this Agreement, provided, however, that this limitation shall not apply to any liability which by law cannot be excluded or limited.

- ii) Plan Sponsor agrees to provide or cause Service Provider to provide accurate and timely Plan Data and understands that Morningstar and RIA will rely on such data to provide the Advisor Managed Account Services. Morningstar and RIA shall not have any liability for Service Provider's or Plan Sponsor's failure to timely inform Morningstar, RIA or Service Provider, as applicable, of any changes to the Plan Data. Therefore:
 - a. Plan Sponsor shall or shall cause Service Provider to provide all necessary Participant census data and updates as requested by Morningstar, RIA, or Service Provider in order for Morningstar and RIA to provide the Advisor Managed Account Services described in this Agreement;
 - b. Plan Sponsor shall or shall cause Service Provider to provide Plan information and rules to Morningstar, RIA, or Service Provider that are necessary for set-up services and promptly notify Morningstar, RIA, or Service Provider with any updates to this information if changes are made; and
 - c. Plan Sponsor or its authorized designee shall select the Plan's Designated Investment Alternatives, and promptly notify Service Provider of any changes to Plan's Designated Investment Alternatives or transaction rules.
- iii) The initial list of Designated Investment Alternatives must be provided (or have previously been provided) to Morningstar and RIA, either by the Service Provider or Plan Sponsor, no later than eight (8) weeks prior to the launch of the Advisor Managed Account Services ("**Initial Delivery Date**") so that Morningstar and RIA may analyze the Designated Investment Alternatives. Plan Sponsor agrees and acknowledges that any funds not included in the list of Designated Investment Alternatives shall not be included in the Advisor Managed Account Services.

If, after the Initial Delivery Date, Plan Sponsor intends to add funds to the list of Designated Investment Alternatives, it shall cause Service Provider to give Morningstar and RIA no less than thirty (30) days advance notice of such added funds, which notice shall include the name of the fund, the fund type (i.e. open-end fund or custom fund) and the fund identifier, such as the ticker symbol, cusip, or external fund identification number, as may be applicable.

Plan Sponsor acknowledges that all funds within the list of Designated Investment Alternatives must be covered in Morningstar Inc.'s database in order for such Plan's Participants to receive the Advisor Managed Account Services.

- iv) If the Plan Sponsor chooses to use both a target-date fund and Advisor Managed Account Services as the QDIA (“**Dynamic QDIA**”), Plan Sponsor shall be responsible for designating the transition date or age for Participants to the Advisor Managed Account Service and shall communicate that decision with the Plan Provider.

VI. RULE 408(b)(2) DISCLOSURE

- a. Services Morningstar and RIA agree to provide the Advisor Managed Account Services described in this Agreement.
- b. Morningstar’s Status Morningstar is an investment adviser registered with the United States Securities and Exchange Commission. In performing the Advisor Managed Account Services, Morningstar agrees to act as a fiduciary, as more particularly described in Section III.
- c. RIA’s Status RIA is an investment adviser registered with the United States Securities and Exchange Commission. In performing the Advisor Managed Account Services, RIA agrees to act as a fiduciary, as more particularly described in Section IV.
- d. Compensation
 - i) As direct compensation for the Advisor Managed Account Services, Morningstar and RIA receive the fees described in Exhibit B.
 - ii) Morningstar and RIA do not receive any other indirect compensation, such as 12b-1 or shareholder servicing fees from the underlying investment options included in the Advisor Managed Account Services.

VII. TREATMENT OF COMPANY STOCK

Morningstar and RIA shall have no duty to provide Advisor Managed Account Services with respect to securities issued by a Plan Sponsor (“**Company Stock**”). Company Stock shall not be included within a Model Portfolio and Morningstar and RIA shall have no liability for any loss or unrealized gain arising from such Company Stock.

If the Participant’s account includes securities issued by the Plan Sponsor that are freely marketable without restrictions (“**Non-Restricted Company Stock**”), a Participant may retain some or all of the Participant’s Non-Restricted Company Stock, or the Participant may direct Morningstar to sell the Non-Restricted Company Stock according to a methodology determined by Morningstar. If a Participant directs Morningstar to sell Non-Restricted Company Stock, Morningstar will send a transaction instructing the Provider to sell 25% the Participant’s Non-Restricted Company Stock upon the Participant completing a web session or upon Morningstar’s quarterly review of the Participant’s account. All of the Participant’s Non-Restricted Company Stock will be sold if the Non-Restricted Company Stock balance reaches \$3,000 or 3% of the Participant’s account balance, or if directed to do so by the Participant. Morningstar’s methodology will also result in the sale of any future contributions of Non-Restricted Company Stock that are allocated automatically to the Participant’s account(s). Participant has the ability to instead restrict the sale of their Non-Restricted Company Stock. RIA and Morningstar shall have no duty to provide Advisor Managed Account Services with respect to Non-Restricted Company Stock.

EXHIBIT B TO INVESTMENT ADVISORY SERVICES AGREEMENT
Fees

The Plan shall pay Morningstar an annual fee of an amount equal to 14 basis points* on the net assets under management (“**AUM**”) in the Plan account of each Participant enrolled in the Advisor Managed Account Services (the “**Morningstar Investment Management Fee**”). The AUM shall exclude Company Stock, self-directed brokerage account balances, and outstanding loan amounts. The Plan shall pay RIA an annual fee of an amount equal to 8 basis points* on the AUM in the Plan account of each Participant enrolled in the Advisor Managed Account Services (the “**RIA Investment Management Fee**”). The Service Provider shall deduct the Morningstar Investment Management Fee and the RIA Investment Management Fee from the enrolled Participant’s Plan account and remit the fees to the appropriate party.

* Service Provider may charge additional basis points for administration of the service.

Collection Authorization and Payment Terms

The parties hereby agree that Service Provider shall collect all applicable fees from each Participant’s Plan account and is hereby authorized to remit such fees to Morningstar and RIA. The parties agree and acknowledge that Service Provider shall collect and remit the applicable Morningstar Investment Management Fee and RIA Investment Management Fee in quarterly installments in arrears beginning at the end of the calendar quarter in which the Morningstar Investment Management Fees and RIA Investment Management Fees were earned by Morningstar and the RIA.

Voya - Plan Sponsor
Participant Investment Advisory Services
Access and Recordkeeping Agreement

This Agreement (“Agreement”) is between Voya Retirement Insurance and Annuity Company and its affiliates (hereinafter referred to as "Voya") and **City and County of Honolulu** (“Sponsor”), the plan sponsor of the **ING Natl Trst FBO City & Co Honolulu DC Plan** and **ING Natl Trst FBO Honolulu Water Board DC Plan** (the “Plan(s)”), located at **Honolulu, Hawaii**.

Effective Date: **September 16, 2025**

BACKGROUND

- A. Sponsor maintains the Plan, and has entered into a separate written agreement with Voya to provide recordkeeping and/or other administrative service to the Plan (the “Plan Services Agreement”); and
- B. **NFP Retirement Inc.** (“RIA Firm”) has entered into an Advisor Managed Account Agreement with Morningstar Investment Management, LLC (“Morningstar”) for the purpose of accessing Morningstar’s managed account technology platform to provide investment advisory services (“Advisory Services”) to the Plan and its participants.; and
- C. Voya has entered into agreements with Morningstar and RIA Firm to allow Voya to provide access to Advisory Services for participants of plans in which Voya acts as recordkeeper; and
- D. Sponsor desires to make available Advisory Services to participants in connection with the Plan; and
- E. Sponsor, Morningstar, and RIA Firm have entered into a separate agreement, the Plan Sponsor Investment Advisory Services Agreement, to provide Advisory Services to the Plan (the “Advisory Services Agreement”); and

Sponsor and Voya, in consideration of their mutual promises and covenants contained herein, and of other good consideration duly received, hereby agree as follows:

1. VOYA SERVICES

1.1 Set-up and Maintenance

- (a) Establish Plan level indicators in accordance with Exhibit A and set-up fee structure for Advisory Services.
- (b) Transmit Plan and Plan participant information to Morningstar initially as part of establishing Advisory Services for the Plan.
- (c) Configure Plan participant website and customer service center to support Advisory Services.
- (d) Transfer any previous managed account service enrollments when converting to Advisory Services as directed by the Sponsor.
- (e) Provide Sponsor access to Advisory Services activity through standard plan reporting.
- (f) Perform ongoing maintenance and updates of data configuration based on Advisory Services enhancements.

- 1.2 Advisory Services Access.** Voya hereby agrees to facilitate Plan participants’ access to Advisory Services provided by Morningstar and RIA Firm. Only participants for whom Voya maintains account records shall be entitled to access Advisory Services. Voya will provide single sign-on access to the Advisory Services website through the Voya Plan website. Additionally, Voya will provide education messaging about Advisory Services to participants. Voya will also provide access to phone support for Advisory Services as established in accordance with the RIA Firm.

1.3 Ongoing Operational Support

- (a) Exchange Plan data, Plan participant data, and transaction files on a recurring basis with Morningstar and update files to reflect the most recent Plan participant data or Plan data.
- (b) Process Plan participants’ enrollments into or cancellations from Advisory Services initiated by Plan participant actions or Sponsor direction.
- (c) Support notice and operational processes to enable Advisory Services to be designated as the Plan’s Qualified Default Investment Alternative.

- (d) Execute participant transactions as received by Morningstar.
- (e) Monitor and reconcile all transactions received from Morningstar.
- (f) Maintain Plan and participant status and activity data for Advisory Services.
- (g) Calculate, debit, and remit fees associated with Advisory Services pursuant to this Agreement.
- (h) Validate and reconcile Advisory Services fee billing based on Plan participant enrollment and/or cancellation dates.

1.4 Reconciliation and Maintenance. Voya will reconcile all transactions received from Morningstar and compare system enrollment records to confirm and maintain accuracy. Additionally, Voya will conduct routine maintenance on the data and file transfer process used between Morningstar and Voya to provide stability and efficiency for Advisory Services.

1.5 Limited Duties. Voya's duties under this Agreement are limited to facilitating access to Advisory Services and providing related administration and recordkeeping services. Sponsor agrees and acknowledges that Voya is not providing any investment advice under this Agreement, and that Voya is not responsible for any losses or claims arising or alleged to have arisen from the provision of investment advice by Morningstar or RIA Firm.

2. SPONSOR RESPONSIBILITIES

2.1 Provision of Data. Sponsor agrees to provide accurate and timely data and understands that Voya will transmit such data to Morningstar. Voya shall not have any liability for Sponsor's failure to timely inform Voya of any changes to the Plan or participant data. Specifically, Sponsor shall:

- (a) Provide Plan information and rules to Voya that are necessary for set-up and promptly update this information if changes are made; and
- (b) Promptly provide to Voya any changes to Plan investment options or transaction rules.

2.2 Independent Decision. Sponsor has made its own determination to enter into this Agreement and to utilize Advisory Services from Morningstar and RIA Firm. Sponsor is solely responsible for choosing to make Advisory Services available to its participants and has not relied upon Voya or any of its affiliates or its or their employees or representatives in making that decision.

2.3 Provision of Data to Morningstar. In connection with making Advisory Services available to participants, Sponsor acknowledges and agrees that:

- (a) Voya will provide all required Participant and Plan data (including electronic addresses) to Morningstar for its use in offering Advisory Services. Morningstar is not required to continue to provide Advisory Services if Voya terminates its relationship with Morningstar. Voya shall notify Sponsor with sixty (60) days advanced written notice if it plans to terminate its relationship with Morningstar. Upon termination, Voya will confirm that Morningstar has destroyed all Sponsor and participant information shared with Morningstar in connection with the Advisory Services if such services will no longer be provided.

2.4 Sponsor Representations and Acknowledgments. In connection with making Advisory Services available to participants, Sponsor hereby represents that it has entered into an Advisory Services Agreement directly with Morningstar and RIA Firm, pursuant to which Sponsor acknowledged and, where necessary, consented to the following:

- (a) The data and advice provided under Advisory Services are produced solely from the Plan and participant data provided to Morningstar by Voya and participants.
- (b) Advisory Services and the analysis, opinions and other information produced by Morningstar and RIA Firm may only be used for purposes of assisting participants in making their retirement planning decisions and not for any other purposes.
- (c) If the Sponsor wishes to make a change to the investment options available for Advisory Services, it shall provide Voya with forty five (45) days' prior written notice thereof. If custom data collection is required, an additional ten (10) weeks prior notice is required to provide data collection and maintenance of such funds.

3. FEES

Fees listed below are applicable to only those Plan participants who elect to enroll and remain enrolled in Advisory Services.

Fee Category	Basis Points (bps)
Voya Administrative and Recordkeeping Fee	13
Morningstar Investment Management Fee (Morningstar Managed Account Fee)*	14
RIA Firm Fee (Managed Account RIA Fee)*	8
Total Combined Advisor Managed Account Services Fee	35

*Fees listed are subject to change. Please refer to the Advisory Services Agreement for more information.

The RIA Investment Management fee will be calculated on total Plan assets, which will be deducted by Voya as part of the Plan's overall recordkeeping fees and Advisor Managed Account Services Fee. For purposes of the calculation, balance amounts representing outstanding loans, investments in restricted funds, company stock or self-directed brokerage are not included.

Advisory Services participant balances subject to fees do not include any outstanding loans, any balance in a restricted investment, company stock, or any balance in a self-directed brokerage account. The total fee is deducted from participant accounts on a calendar quarter basis. Such fee is prorated based on the number of days of enrollment in Advisory Services for the quarterly period. If the participant decides to leave Advisory Services, the final fee deduction will also be prorated based on the number of days enrolled in Advisory Services for the quarterly period.

4. **TEMPORARY INVESTMENT INSTRUCTION* (applicable only to Voya Corporate Market Plans who elect to integrate Advisory Services election during Plan enrollment):**

The Voya Fixed Account will be the Plan's temporary investment instruction unless the Sponsor directs Voya to use an alternative investment option. The temporary investment is used to hold any participant balances or contributions awaiting investment allocation instructions from Morningstar. that may be applied to participant accounts To choose an alternative option, enter the alternative Fund Name and Number below.

Fund Name and Number*	Allocation %
	100%

** Temporary Investment Option must be a currently available investment option under the Plan, other than a Voya Solution Portfolio, Solution Index Portfolio or Lifestyle Portfolio.*

5. **TERM AND TERMINATION**

5.1 Term. Except as otherwise provided herein, the term of this Agreement shall begin on the effective date and continue for an initial term of one (1) year unless terminated as forth in this Section. Upon expiration of the initial term, the Agreement will automatically renew for successive one (1) year periods unless otherwise terminated by either party pursuant to this Section, or unless one party notifies the other party in writing of their intent not to renew this Agreement within 90 days of the end of a period.

(a) Termination for Convenience This Agreement may be terminated by the Sponsor at any time by providing (30) days' written notice to Voya.

5.2 Breach. If either party materially breaches in the performance of any provision of this Agreement or the Plan Services Agreement, or is otherwise in noncompliance with any provision of this Agreement, and such breach is not cured within thirty (30) days of written notice of breach to the breaching party, the party giving such notice may terminate this Agreement by providing the breaching party with written notice of such termination.

5.3 Automatic Termination. The Agreement will automatically terminate upon written notice if (a) either party files a petition in bankruptcy, is adjudged bankrupt, or ceases to do business in the ordinary course; (b) Morningstar's registration as an investment adviser terminates, or is terminated, suspended, withdrawn or restricted so as to substantially impede performance of Advisory Services hereunder; (c) this Agreement is assigned in violation of

Section 8.7; (d) the Agreement between Voya and Morningstar expires or is terminated for any reason or (e) Sponsor no longer engages RIA Firm to provide the Advisory Services described herein.

5.4 Termination of Advisor Managed Account Agreements or Plan Services Agreement. In addition to any other termination, this Agreement will terminate automatically upon the termination of the Advisor Managed Account Agreements or the Plan Services Agreement between Voya and Sponsor, or the full withdrawal surrender of all amounts invested with Voya under the Plan.

5.5 Effect of Termination. Upon termination of this Agreement for any reason, Sponsor and participants shall no longer have to access to Advisory Services. The Plan and Plan participants' obligations to pay any fees accruing under this agreement before the effective date of termination, if applicable, will survive termination of this Agreement. Sections 6 and 7 hereof also shall survive the termination of this Agreement.

6. DISCLAIMER OF CERTAIN DAMAGES

NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, REGARDLESS OF THE FORM OF ACTION, WHICH MAY ARISE FROM THE PERFORMANCE, NONPERFORMANCE, BREACH OF WARRANTY, DEFAULT OR OTHER BREACH OF THIS AGREEMENT.

7. INDEMNIFICATION

(a) Voya Indemnification. Voya agrees to hold harmless and indemnify Sponsor, Sponsor's agents, officers and employees when acting on Sponsor's behalf, from every claim and demand to the proportionate extent that it results from Voya's negligence or wrongdoing or the negligence or wrongdoing of its representatives acting in that capacity in connection with this Agreement.

(b) Sponsor Indemnification. Sponsor agrees to hold harmless and indemnify Voya, Voya's agents, officers and employees when acting on Voya's behalf, from every claim and demand to the proportionate extent that it results from Sponsor's negligence or wrongdoing or the negligence or wrongdoing of its representatives acting in that capacity in connection with this Agreement.

8. MISCELLANEOUS

8.1 Disclaimer. Sponsor agrees that Voya makes no warranties or guaranties of any kind regarding Advisory Services, including access to Morningstar's web site. Sponsor shall not make any warranties or guarantees to participants with respect to Advisory Services.

8.2 Notice. Each party will promptly provide the other with notice and copy of any litigation of which it becomes aware of involving the terms or Advisory Services under this Agreement and/or any other notices or demands to be given under this Agreement. All such notices, demands or other communications hereunder shall be in writing and duly provided if sent certified mail, return receipt requested, addressed to the party to be notified or upon whom a demand is being made, at the addresses set forth in this Agreement or such other place as either party shall from time to time designate in writing. The date of service of a notice or demand shall be the receipt date on any certified mail receipt.

Notices to Voya shall be sent to:

Voya
One Orange Way
Attention Legal Department - C1S
Windsor, CT 06095

Notices to Sponsor shall be sent to:

Name: _____

Title: _____

Address: _____

City, State, Zip: _____

8.3 Governing Law; Jurisdiction. This Agreement shall be governed by the laws of the State of Connecticut, without regard to its conflicts of law provisions. The parties agree that any and all actions relating to this Agreement will be brought exclusively in the state and/or federal courts located in Hartford County, Connecticut, and that each party is subject to the personal jurisdiction of those courts.

- 8.4 Force Majeure.** Neither party shall be liable to the other for any delays or damage or any failure to act due, occasioned, or caused by reason of restrictions imposed by any government or government agency, acts of God, strikes, labor disputes, action of the elements, or causes beyond the reasonable control of the party affected thereby.
- 8.5 Severability.** If any provision of this Agreement shall be found to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Agreement and the remainder of the Agreement shall be construed and enforced as if said illegal or invalid provision had never been inserted herein. No party shall be required to perform any services under this Agreement that would violate any law, regulation or ruling.
- 8.6 Waiver; Amendment.** A waiver or amendment of any provision of this Agreement or of a party's rights or remedies under this Agreement must be in writing and signed by an authorized representative of both parties to be effective. Any waiver of the terms of this Agreement shall be effective only in the specific instance and for the specific purpose.
- 8.7 Assignment.** This Agreement may not be assigned by either party without the prior written consent of the other party; provided that Voya may assign the agreement to an affiliate. Any assignment or attempted assignment of this Agreement in violation of this section is void. This Agreement shall be binding upon and inure to the benefit of the parties' permitted successors and assigns.

WHEREFORE, the Parties have signed below to indicate their acceptance of the terms and conditions of this Agreement.

PLAN SPONSOR

Signature: _____	 Signature: _____
Name: _____	Name: <u>Melissa M. McAuliffe</u>
Title: _____	Title: <u>Vice President, Administration</u>
Date: _____	Date: <u>9/16/25</u>

Exhibit A

Participant Investment Advisory Services Setup

1. **PLAN NAME** **ING Natl Trst FBO City & Co Honolulu DC Plan**
ING Natl Trst FBO Honolulu Water Board DC Plan

2. **AMA Service** **NFP**

3. **Plan Type SELECT ONE**

- ☐ New plan (takeover or startup)
☐ Existing plan with Voya adding advisory/managed account services
☒ Existing plan with Voya replacing a current advisory/managed account service (NOTE: this requires a Program Change Form)

4. **Managed Account Free Look:**

Promotional special offer for period of free services will be coordinated with participant communications and/or onsite meetings. This will allow participants who choose to enroll in the managed account program during the promotional period the ability to pay no program fees for a specific period of time.

- ☐ No, I do not want my plan to participate in the Annual special offer.

5. **Managed Accounts Program Default SELECT ONE**

- ☒ No
☐ Yes for all – QDIA
☐ Yes for all – non-QDIA
☐ Yes for Near Retiree/Retiree Only – QDIA
☐ Yes for Near Retiree/Retiree Only – non-QDIA

6. **Managed Accounts Program Adoption Type SELECT ONE**

- ☐ Active enrollment w/ mapping - takeover
☐ Active enrollment w/ mapping – existing plan
☐ Active enrollment - takeover
☒ Active enrollment – existing plan
☐ Passive enrollment - takeover
☐ Passive enrollment – existing plan

Number of Employees and Assets (for mapping) _____

Mapping: The term “mapping” refers to the process where participants that are enrolled in your plan’s current managed account program will be automatically enrolled or reenrolled in the plan’s newly selected managed account program at Voya.

Agenda Item VII.C.

2026 Committee Member Election Update

1. Vendor Proposal – Ward Research
2. Draft Notice of Election – Request for Candidates
3. Draft Questions and Answers
4. Draft Candidate Application



WARD RESEARCH I N C O R P O R A T E D

TO: Jennifer Bishop, City and County of Honolulu
FR: Denise Charles
DATE: October 24, 2025
SUBJ: Deferred Compensation Plan Committee Election

Thank you for considering Ward Research for your employee election for the Deferred Compensation Plan Committee. We thoroughly enjoyed working with you and your team in 2013, 2017 and 2021 and look forward to assisting you once again!

Our costs are based on the details you provided in your email dated October 3, 2025, as follows:

Phase I: Print and Mail Notice and Application to 9500 Individuals

- Ward Research will handle the printing and mailing of 9500 packets. The packet will comprise: (1) a 1-page Notice; (2) a 2-page Application Form; and (3) a 2-page FAQ. All documents will include the City & County of Honolulu's logo printed in color and inserted into a #10 white envelope. The envelope will be printed with the Deferred Compensation Plan Committee Office as the return address, postage permit indicia, and postal endorsement "Forward Service Requested." Notice will be printed on 8½ x 11 white paper with color logo and black lettering, single-sided. Application form and FAQs will be printed on (2) 8½ x 11 white paper with color logo and black lettering, double-sided. Ward Research will be responsible for the printing of this packet in its entirety, including the three forms and outbound envelope.
- The database of names and addresses for this mailing will be provided by Voya in CSV format. The database will be uploaded to a secure folder maintained by Ward Research, where the file is encrypted and password-protected once it is uploaded, for secure transmission to our office. Conversely, Ward Research can also pick up the database (on USB drive) from the Deferred Compensation Plan Committee Office.
- The contents of the database will be kept highly confidential and will be saved to a secure drive on our network, accessible only by the Company's Security and Privacy Officers. Access will be given to our Production Manager and mailing vendor so that the mailing can be completed. Upon completion of the project, Ward Research and our mailing vendor will securely destroy the database, removing it completely from our drives and will inform DCC in writing when the file has been deleted/destroyed.

- The database of employee names and addresses will be NCOA-verified prior to the mailing. Should all three mail-outs (Notice/Application, alert postcard, Ballot) be completed within 6 months of this verification, only one NCOA check will be needed.
- Ward Research will handle the mailing of the Notice and Application packets. Pre-sorted Standard postage rates will be used for Oahu addresses. Letters to the neighbor islands and mainland will be mailed using First Class postage rates. Foreign addresses, if any, will require additional postage and will be sent First Class. Based on our experience with the 2021 mailing, we have estimated that 96% of the addresses will be on Oahu and 4% will be neighbor island/mainland/foreign addresses.

Phase II: Mail Ballot to 9500 Individuals and Data Tabulation

- Phase II will only be done if there are a sufficient number of candidates to warrant an election. If commissioned, a second database will be provided for this mailing. This database will be very similar to the database of 9500 individuals provided in Phase I, with some minor changes/updates.
- An alert postcard will be printed and mailed via First Class Mail one week prior to the ballot mailing.
- The ballot packet will comprise a Letter and Ballot, printed on one 8½ x 11 white paper with black ink, double-sided. Ward Research will be responsible for the printing of this packet in its entirety, including the form and outbound envelope. Also included in this packet will be a #9 postage-paid return envelope, addressed to Ward Research, for return of the completed paper ballot.
- Respondents will be given the option to complete the ballot via mail or online. Each letter will be printed with the link/URL and unique password for access to the online ballot. Each individual will be assigned a unique password and care will be taken to ensure the password is matched to the correct person on the envelope. The total number of passwords created will match the total outbound mailing, and only one letter will be printed per password, so that participants receive only one ballot each. The password will also allow us to track response by respondent, in the event a respondent votes via both mail and online; the ballot received first will be included in the tabulation and the second (duplicate) ballot will be discarded.

- The ballots will be mailed via Presorted Standard postage rates for Oahu addresses and Presorted First Class postage rates for neighbor island and mainland addresses. Foreign addresses, if any, will require additional postage and will be sent First Class.
- Ward Research will program and host the online ballot on a dedicated secure server with SSL 128-bit encryption to ensure secure data collection. The online ballot will be programmed to allow 0-2 votes for Active Employee Candidates and 0-1 vote for Retiree Candidates.
- Upon receipt of the completed paper ballots, Ward Research will data enter all ballots with 100% verification. To accomplish this, mail ballots will be data entered twice by two different data entry personnel. Any discrepancies between the two files will be verified. The online ballots will be verified during tabulation. Two different data processing personnel will tabulate the online data and compare counts and percents. Any discrepancies between the two files will be verified. All data will be certified, in writing, that results are 100% accurate.
- Our costs are based on the anticipated number of returns provided, as follows:

Total outbound mailing	9,500
Number of completed returns (15% response rate)	1,425
75% via mail	1,068
25% via online	357

- Final deliverables will include a restatement of the methodology and the election results presented in raw counts and percent vote for each name on the ballot.
- All completed ballots (electronic and paper) will be stored at Ward Research for up to six (6) months following completion of this project. No additional costs apply for the 6-month storage. (Note: Longer periods of time are possible and will need to be discussed.) At the end of this term, the client must arrange for delivery of the ballots or they will be destroyed in a confidential manner.
- All ballot materials are owned by The City and County of Honolulu Deferred Compensation Plan.

Timing and Costs

Ward Research is able to complete both phases per the timeline included in the RFQ. Our cost for each phase is as follows. All costs shown are plus 4.712% Hawaii State Tax.

<i>PHASE I: Print and Mail Notice and Application Packets</i>	
Professional Fees	\$2,235.00
Plus Printing & Mailing Services	\$6,985.00
Plus Postage	\$4,315.00
Subtotal	\$13,535.00
4.712% Hawaii State Tax	\$637.77
TOTAL	\$14,172.77

<i>PHASE II: Print and Mail Ballot Packets; Data Tabulation</i>	
Professional Fees (<i>inc. tabulation of 1,425 returns</i>)	\$7,215.00
Plus Printing, Postage, Mailing	\$16,250.00
Subtotal	\$23,465.00
4.712% Hawaii State Tax	\$1,105.67
TOTAL	\$24,570.67

Should we receive more than 1,425 completed ballots, the cost to include additional ballots in the tabulation will be:

<i>Description</i>	<i>Cost PLUS 4.712% tax</i>
Cost for Each Additional Mail Ballot Tabulated	\$3.75
Cost for Each Additional Online Ballot Tabulated	\$2.35

By the same token, should we receive fewer than 1,425 completions, we will rebate the cost for each fewer ballot at the same cost per ballot rate shown above.

Jennifer Bishop
October 24, 2025
Page Five

As per standard policy, Ward Research requires prepayment of out-of-pocket printing and postage plus 50% of the remaining project cost for each phase of the mailing upon notification to proceed, with the balance due upon submittal of the final deliverables.

*

*

*

Mahalo for considering Ward Research! Please email or call me at (808) 585-2300 if you have any questions regarding our proposal. We look forward to assisting you once again with your election!

(WR8697)



Deferred Compensation Plan Committee

530 South King Street, Room 208

Honolulu, Hawaii 96813

<https://honolulu.beready2retire.com>

Notice of Elections—Request for Candidates

From April 21, 2026, to May 15, 2026, the City and County of Honolulu's Deferred Compensation Plan Committee will hold its election to select three Committee members:

- Two members who are eligible active employees, and
- One member who is an eligible retiree.

Accordingly, from February 2, 2026, to 4:00 p.m. on February 25, 2026 the City and County of Honolulu's Deferred Compensation Plan will accept candidate applications from eligible active employees and retirees who are interested in serving on the City's Deferred Compensation Committee. The application is enclosed and is also available on the Deferred Compensation Plan's website at: <https://honolulu.beready2retire.com/>

The application must be **received** at the City and County of Honolulu's Deferred Compensation Committee Office by 4:00 p.m. on February 25, 2026. Applications received after the deadline will be returned without action.

Deferred Compensation Plan Committee Office
c/o Department of Budget and Fiscal Services
530 S. King Street, Room 208
Honolulu, HI 96813
Attn: Jennifer Bishop

The Deferred Compensation Plan Committee consists of seven members. Three of the members are elected and four serve by virtue of their position: 1) Director of Budget and Fiscal Services (or a designee); 2) Director of Human Resources (or a designee); 3) Corporation Counsel (or a designee); and 4) Managing Director (or a designee).

The purposes of the Committee are to: 1) oversee the City and County of Honolulu's 457 Deferred Compensation Plan ("the Plan"); 2) represent the Plan participants and their beneficiaries; 3) provide diversification of investment options pursuant to the Plan's Investment Policies and Procedures Statement; 4) administer the Plan in accordance with policies, and 5) comply with applicable federal and state laws.

Additional information is provided in the Questions and Answers document and on the above website.

Note: You are receiving this notice because you had funds in the plan as of December 15, 2025. However, receipt of this Notice **does not** establish that you are eligible to be a Candidate or are eligible to vote. Candidate eligibility requirements are provided in the attached questions and answers. Voter eligibility is based on both having funds in the plan on January 31, 2026, and meeting the requirements contained in the By-Laws. The Committee intends to mail out ballots only to those who are eligible to vote. There will be no need for an election, and ballots will not be sent out if the number of candidates does not exceed the number of elected member seats.



Elected Committee Members Questions and Answers

Who is eligible to become a candidate?

For Active Employee Member, the individual must meet the eligibility requirements to participate in the City and County of Honolulu's Deferred Compensation Plan (the Plan) as of January 31, 2026, and during the elected term.

For Retiree Member, the individual must have been participating in the Plan at the time of retirement.

Additionally, the individual must:

- Have funds in the Plan of January 31, 2026;
- Be able to demonstrate basic financial knowledge;
- Be willing to accept the role and responsibility of a fiduciary; and
- Be able to certify that he/she possesses the following attributes:
 - Possess commitment to fiduciary responsibility
 - Possess interpersonal and communication skills and the ability to work collaboratively
 - Ability to analyze facts and exercise independent judgment in interpreting and applying rules, regulations, and policy.
 - Knowledge or the ability to learn the principles and practices of 457(b) deferred compensation plans
 - Ability to comprehend and implement short-term and long-term strategic objectives

What is the term of an elected member?

Each elected member (active or retired) shall serve a four-year term which will begin on July 1, 2026, and expire on June 30, 2030.

What happens if I am elected as an active employee member and I retire or separate from City service?

You will no longer qualify as an active employee member, and your seat will be vacated immediately upon your retirement or separation.

What is the time commitment?

Committee members are expected to attend all Committee meetings. Meeting attendance, review of meeting materials, and participation in conference or training.

- Regular Meetings—the following are the meetings normally scheduled each year:
 - Quarterly Meetings (approximately two to two and a half hours each)
 - Annual Meeting (approximately two hours)
 - Materials are forwarded to Committee Members prior to the meeting and Members are expected to review the materials in advance of the meeting.
- Special Meetings—Special meetings may be scheduled at various times during the year.
 - The number of special meetings is unpredictable and materials may need to be reviewed prior to the meetings.
 - Special Meetings associated with a Request for Proposal may be long and Committee Members will be required to devote a considerable amount of time prior to these meetings in reviewing various documents.
- Training Session
 - New Committee Members are required to attend special Training Sessions designed for New Committee Members
 - All Committee Members are expected to attend one all day Training Session each year
 - Committee Members may be expected to attend other Training Sessions or educational conferences scheduled during the year
- Committee Member Absences
 - Committee Members are expected to attend all meetings.
 - If a Committee Member is absent from a Committee Meeting, the Committee Member is responsible for learning about the content of the meeting that was missed.
 - The Committee may take action to declare the office of an Elected Committee Member vacant if an Elected Committee Member is absent from three consecutive regular meetings of the Committee.

Are Committee Members compensated for their service?

No. Committee Members serve without compensation from the Plan. In addition, transportation to the meeting and training sites in Honolulu is the Committee Member's responsibility.

City and County of Honolulu
Deferred Compensation Plan Committee
Candidate Application



Due Date: This form must be received at the office below no later than **4:00 p.m. on Wednesday, February 25, 2026.**

Deferred Compensation Plan Committee Office
c/o Department of Budget and Fiscal Services
530 S. King Street, Room 208
Honolulu, HI 96813
Attn: Jennifer Bishop

Name:			
Mailing Address:			
City, State:		ZIP Code:	
Phone:		Email:	
City Department (for Retirees, the department from which you retired):			

I am submitting this application to be a Candidate for an elected Committee Member of the City and County of Honolulu’s Deferred Compensation Plan Committee. The office I am seeking is (check only one):

- ☐ Active Employee Committee Member
- ☐ Retired Employee Committee Member

By signing below, I certify I meet the applicable requirements for the office I am seeking:

- For an Active Employee Member Candidate, I meet the eligibility requirements to participate in the City and County of Honolulu’s Deferred Compensation Plan (the Plan) as of January 31, 2026.
- For a Retiree Member Candidate, I was participating in the Plan at the time of retirement.
- Additionally, I certify that I:
 - Had funds in the Plan as of January 31, 2026
 - Am able to demonstrate basic financial knowledge
 - Am willing to accept the role and responsibility of a fiduciary*
 - Possess the following attributes:
 - Commitment to fiduciary responsibility
 - Interpersonal and communication skills and the ability to work collaboratively
 - Ability to analyze facts and exercise independent judgment in interpreting and applying rules, regulations, and policy.
 - Knowledge or the ability to learn the principles and practices of 457(b) deferred compensation plans
 - Ability to comprehend and implement short-term and long-term strategic objectives

*Fiduciary – a person who makes decisions in the best interest of plan participants and beneficiaries.

I also certify I have read the Committee Plan documents, By-Laws and Investment Policy Statement (which are available on the website at <https://honolulu.beready2retire.com/> as well as the questions and answers regarding elected committee members that were attached to the Notice of Elections—Request for Candidates.

Finally, I certify I am willing and able to devote the time and effort necessary to fulfill my obligations and fiduciary duties as a Committee Member.

Signature

Date

You may submit a statement regarding your candidacy that will be made available to those employees and retirees who are eligible to vote for the Committee Member vacancies. Please include with your statement your name and department (or the department from which you retired). The statement may be handwritten, typewritten or printed on one 8-1/2” x 11” page, and is limited to no more than 200 words (exclusive of your name and department). The statement will be provided, unedited, except as provided below:

- If the statement is more than 200 words, all words after the 200th word will be deleted or masked.
- If the statement includes remarks deemed by the Committee Chair in his sole discretion to be obscene or offensive, the statement will not be published.

Agenda Item VII.D

Reserve Policy Review

Proposed November 2025

**DEFERRED COMPENSATION FUND
RESERVE POLICY
February 20, 2019**

The City and County of Honolulu Deferred Compensation Committee will maintain reserves in the Deferred Compensation Fund for the following purposes and in the following amounts:

Reserve	2019 Amount	Proposed
Contingency/Stabilization Reserve	At least 30% of the budget year's budgeted expenditures.	No change
Reserve for Major Plan Changes & Requests for Proposals	\$95,000 This amount will be expended when appropriate, and then replenished in time for the next planned expenditure.	No change
Reserve for Committee member elections (2030, 2034, 2038, 2042...)	\$30,000 The By-laws require Committee member elections for two active employees and one retiree every four years.	\$60,000
Reserve for Audit	\$20,000 This amount will allow the Committee to request a "mock" IRS compliance audit, when necessary, then replenish in time for the next planned expenditure.	No change.

Commented [BJ1]: 2026 proposal totals \$40.8K, a 35% increase from the 2021 proposal.

Extremely limited # of vendors offer this service to small organizations. Only 1 of 5 vendors solicited submitted a quote.

Commented [BJ2]: \$20K is currently included in contract with NFP

No change for now, but should anticipate to increase in 2029 review.

In addition to an annual review in the context of the annual budget, there will be a dedicated review of the Deferred Compensation Committee's Reserve Policy at least once every four (4) years. **The next review shall be scheduled for Calendar Year 2029.**