



August, 2019

RE: Smith College Defined Contribution Retirement Plan

Dear Plan Participants and Employees,

As fiduciaries to the plan, the members of the Retirement Plan Investment Committee and the plan's advisory firm have an obligation to act solely in the best interests of the plan's participants. The committee's duties include monitoring the plan's investment options, ensuring that all services provided are performed prudently, and determining whether any fees charged are reasonable. As a result of the fiduciaries' efforts, Voya Financial will be implementing several improvements to the plan that will automatically go into effect on **October 1, 2019**.

As a result of these changes, most participants will pay less in fees overall, because of a reduction to the **Expense Ratios** for many of the plan's investment options. In fact, the total average participant cost will be reduced.

What is changing?

1. Five fund options that no longer meet the college's established criteria will be replaced

After careful monitoring over time, the funds being replaced (below) no longer meet one or more of the college's criteria established for investment options in the plan. These funds will be replaced by funds in the same asset class that do meet the established criteria.

Fund Number Expense Ratio	Discontinued Investment Options Will be discontinued from the Plan at the close of the New York Stock Exchange (generally 4:00 p.m. Eastern Time) on Tuesday, October 1, 2019	MAP TO	Fund Number Expense Ratio	New Investment Options Will be added to the Plan at the close of the New York Stock Exchange (generally 4:00 p.m. Eastern Time) on Tuesday, October 1, 2019
1822 0.20%	Columbia Mid Cap Index Fund - Institutional Class	→	D113 0.05%	Fidelity® Extended Market Index Fund
118 0.60%	Janus Henderson Flexible Bond Portfolio - Inst Shares	→	8315 0.39%	John Hancock Bond Fund - Class R6
3196 0.68%	Principal High Yield I Fund - Institutional Class	→	6589 0.42%	PGIM High Yield Fund - Class R6
9889 0.11%	Vanguard® Total International Stock Index Fund-Adm™ Shares	→	3553 0.06%	iShares MSCI EAFE International Index Fund - Class K Shares
2224 0.98%	Voya MidCap Opportunities Fund - Class I	→	8133 0.77%	MFS® Mid Cap Growth Fund - Class R6

2. Changes to the plan fee structure will reduce participant costs on average

How do the plan's fees currently work?

Expense Ratio (i.e., Investment Fees)

Fees pay for the costs for investment management, recordkeeping, legal, audit, and other plan and participant services. Each of the plan's investment options has a fee for investment management and expenses. Expense ratios are displayed as a percentage of assets in your account. For example, an expense ratio of 0.50% means you pay \$5 annually for every \$1,000 in assets. Taking the expense ratio into consideration helps you to compare investment fees.

These fees depend on which investment options are chosen. Please refer to the individual fund prospectuses for fund fee information, which are available when you log into your Voya account, and select "Regulatory Documents" under "Statements & Documents."

Asset-based fee

Participants pay an annual asset-based fee of 0.11%, which will be deducted quarterly from your Voya account prorata from all investment options, which you are invested, except the Voya Fixed Plus Account III.

Revenue Sharing

In some cases, investment providers (e.g., BlackRock, Columbia, Janus, etc.) share in the cost of plan administration. This practice is called "revenue sharing." An investment company would return a portion of an investment option's expense ratio to Voya, the recordkeeper. Voya would then allocate any excess revenue (over and above Voya's fee to service the plan) for the plan's use to pay plan administration costs. In this way, under the plan's current fee structure, administrative plan fees have been paid out of excess revenue sharing.

2.1 Lower expense ratios will be available for many funds in the plan.

As illustrated below, all assets and future contributions allocated to discontinued investment options will be transferred to new versions of those investment options with lower expense ratios (fees). The transfers will be effective at the close of the New York Stock Exchange (generally, 4:00 pm Eastern Time) on **Tuesday, October 1, 2019**

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1795 0.39%	BlackRock Inflation Protected Bond Pt - Institutional Shares	→	6909 0.34%	BlackRock Inflation Protected Bond Pt - Class K Shares
3195 0.87%	MFS® International Diversification Fund - Class I	→	C380 0.77%	MFS® International Diversification Fund - Class R6

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7069 0.67%	Neuberger Berman Sustainable Equity Fund - Inst Class	→	3835 0.57%	Neuberger Berman Sustainable Equity Fund - Class R6 Shares
3194 0.83%	Nuveen Dividend Value Fund - Class I	→	3988 0.72%	Nuveen Dividend Value Fund - Class R6
1954 1.05%	Invesco Oppenheimer Developing Markets Fund - Class Y	→	3502 0.87%	Invesco Oppenheimer Developing Markets Fund - Class R6
3170 0.93%	PGIM Global Real Estate Fund - Class Z	→	6588 0.80%	PGIM Global Real Estate Fund - Class R6
9082 0.54%	T. Rowe Price Retirement 2005 Fund	→	9981 0.40%	T. Rowe Price Retirement I 2005 Fund - I Class
1684 0.54%	T. Rowe Price Retirement 2010 Fund	→	9982 0.39%	T. Rowe Price Retirement I 2010 Fund - I Class
1685 0.57%	T. Rowe Price Retirement 2015 Fund	→	9983 0.43%	T. Rowe Price Retirement I 2015 Fund - I Class
1686 0.61%	T. Rowe Price Retirement 2020 Fund	→	9984 0.47%	T. Rowe Price Retirement I 2020 Fund - I Class
1687 0.64%	T. Rowe Price Retirement 2025 Fund	→	9985 0.50%	T. Rowe Price Retirement I 2025 Fund - I Class
1688 0.67%	T. Rowe Price Retirement 2030 Fund	→	9986 0.53%	T. Rowe Price Retirement I 2030 Fund - I Class
1689 0.70%	T. Rowe Price Retirement 2035 Fund	→	9987 0.56%	T. Rowe Price Retirement I 2035 Fund - I Class
1690 0.72%	T. Rowe Price Retirement 2040 Fund	→	9988 0.58%	T. Rowe Price Retirement I 2040 Fund - I Class
1691 0.72%	T. Rowe Price Retirement 2045 Fund	→	9989 0.59%	T. Rowe Price Retirement I 2045 Fund - I Class
1692 0.72%	T. Rowe Price Retirement 2050 Fund	→	9990 0.59%	T. Rowe Price Retirement I 2050 Fund - I Class
1693 0.72%	T. Rowe Price Retirement 2055 Fund	→	9991 0.59%	T. Rowe Price Retirement I 2055 Fund - I Class
6980 0.72%	T. Rowe Price Retirement 2060 Fund	→	9992 0.59%	T. Rowe Price Retirement I 2060 Fund - I Class
5050 0.71%	Templeton Global Bond Fund - Advisor Class	→	6457 0.56%	Templeton Global Bond Fund - Class R6
2290 1.01%	Virtus Ceredex Mid-Cap Value Equity Fund - Class I	→	6975 0.79%	Virtus Ceredex Mid-Cap Value Equity Fund - Class R6

*The principal value of the Retirement Funds is not guaranteed at any time, including at or after the target date, which is the approximate date when investors turn age 65. The funds invest in a broad range of underlying mutual funds that include stocks, bonds, and short-term investments and are subject to the risks of different areas of the market. The funds maintain a substantial allocation to equities both prior to and after the target date, which can result in greater volatility.

** Expense ratio is as of 09/01/2019.

2.2 As a result of these changes, the asset-based fee will also change.

Due to the trend toward lower expense ratios, fewer investment providers will offer revenue sharing. For years, Smith College has used an account funded by revenue sharing to pay the plan's administrative costs. Therefore, to cover administrative expenses going forward, an additional 0.04% will be added to the current asset-based fee of 0.11% that Voya charges to service the plan. The asset-based fee will increase to 0.15% (\$0.15 per \$1,000 invested).

2.3 Lastly, the plan will adopt a new method for returning any excess revenue sharing.

Historically, once the plan's administrative expenses were paid, any excess revenue sharing was distributed to all participants equal to their pro rata balance of the total plan assets. However, to be more equitable to the participants paying (often higher) fees for funds that offer revenue sharing, the plan will move to Voya's new "fee levelization service." This service will return any excess revenue sharing to the accounts of those participants who were invested in the funds from which the revenue was generated.

Frequently Asked Questions

What do I have to do?

There's nothing that you need to do. These changes will go into effect automatically as of October 1, 2019.

What will this look like on my statement?

Here's a look at how fee levelization will provide a breakdown of plan administrative recordkeeping fees and any applicable revenue sharing credits. In the Transaction Amount column, your statement will show the **Asset-based fee** that is deducted from each investment option for plan administrative recordkeeping services, and the credited amount as the **Revenue credit** that is applied back to each investment option.

In the example below for this participant, a total of \$4.43 in fees is charged to the participant, and a total revenue credit of \$2.47 is applied back to their account.

Fee type	Process date	Money source	Investment	Number of units/shares	Unit/share price	Transaction amount
Asset-based fee	7/20/2019	Employee Pre-Tax	Fund A	-0.0590	\$38.47	-\$2.27
			Fund B	-0.0245	\$54.71	-\$1.34
			Fund C	-0.0432	\$18.98	-\$0.82
			Total			-\$4.43
Revenue credit	7/20/2019	Employee Pre-Tax	Fund A	0.0073	\$38.47	\$1.31
			Fund B	0.0185	\$54.71	\$0.71
			Fund C	0.0135	\$18.98	\$0.45
			Total			\$2.47

Is there time for me to change my investments?

If you wish to be invested differently before these changes go into effect, you must make a fund transfer and/or change your investment elections for future contributions to any of the other investment options available under the plan by October 1st, 2019 before the close of the NYSE, generally 4:00pm EST. **There is no black-out period associated with these plan improvements.**

Can I still invest in one or more discontinued investment options through the plan?

Yes. However, we recommend that you discuss your options with Mary Ellen Gordon, who is the financial advisor provided through the plan at no additional cost to you. If you wish to keep your assets in discontinued investment options, you may do so through the brokerage window (additional fees apply).

How do I make changes to my retirement account?

You may log into your Voya account through <https://smithcollege.beready2retire.com> or by calling Voya at 1-800-584-6001. Just follow the necessary prompts.

Where can I find more information on Smith's Retirement Plan Investment Committee?

Information on the college's Retirement Plan Investment Committee can be found under the "Retirement" heading on the Office of Human Resources' benefits webpage, found here - <https://www.smith.edu/about-smith/hr/benefits>.

What if I have questions?

Please call Voya at 1-800-584-6001

or

Email Maryellen.gordon@voyafa.com

Investment adviser representative and registered representative of, and securities and investment advisory services offered through, Voya Financial Advisors, Inc. (member SIPC)

Not FDIC/NCUA/NCUSIF Insured I Not a Deposit of a Bank/Credit Union I May Lose Value I Not Bank/Credit Union Guaranteed I Not Insured by Any Federal Government Agency

You should consider the investment objectives, risks, and charges and expenses of the mutual funds offered through a retirement plan, carefully before investing. The fund prospectuses and information booklet containing this and other information can be obtained by contacting your local representative. Please read the information carefully before investing.

Mutual funds under a custodial or trust account agreement are intended as long-term investments designed for retirement purposes. Money distributed from a 403(b) plan, 401(a) plan, or a 457 plan will be taxed as ordinary income in the year the money is distributed. Early withdrawals from a 403(b) plan or 401(a) plan, if taken prior to age 59½, will be subject to the IRS 10% premature distribution penalty tax. This IRS premature distribution penalty tax does not apply to 457 plans. Account values fluctuate with market conditions, and when surrendered the principal may be worth more or less than the original amount invested.

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