

# FEE REVIEW

## NEPC 2025 DC PLAN FEE REVIEW

### METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY 457 PLAN

NOVEMBER 21, 2025

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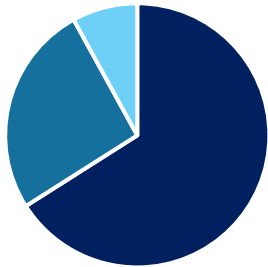
# ANNUAL DC PLAN TRENDS & FEES SURVEY

## ABOUT OUR SURVEY



NEPC conducted its annual Defined Contribution Plan Trends & Fees Survey which examines current plan investment trends, features, and innovations across major sectors, and how these plans have evolved over the years.

**276** DC Plans across **148** Clients  
**248** Qualified Plans and **28** NQ Plans



**66% Corporate**  
**26% Healthcare**  
**8% Public, Not-For-Profit, Taft Hartley**

**\$448 BILLION** in aggregate assets

**3.2 MILLION** participants

**14** recordkeepers responded to survey

### AVERAGE PLAN

**\$1.6 BILLION** in assets

**11,520** participants

### MEDIAN PLAN

**\$343 MILLION** in assets

**3,265** participants



Data as of December 31, 2024, unless otherwise noted.

# LOOKING BACK TWO DECADES

## DC PLANS OVER TIME

### Survey Growth Statistics



**Plan Assets** have grown 27x

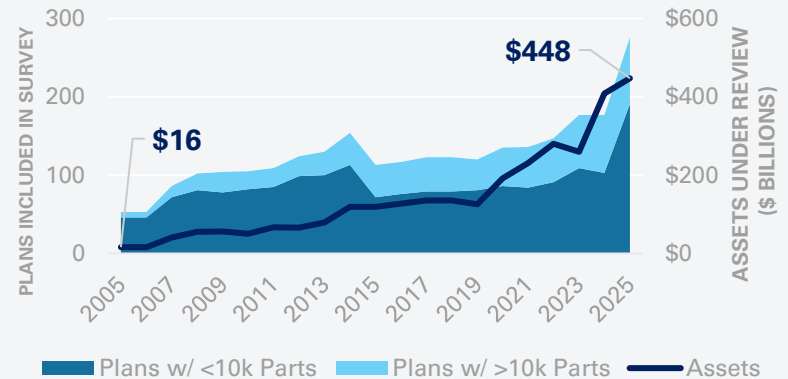


**Participant Count** has grown 8x

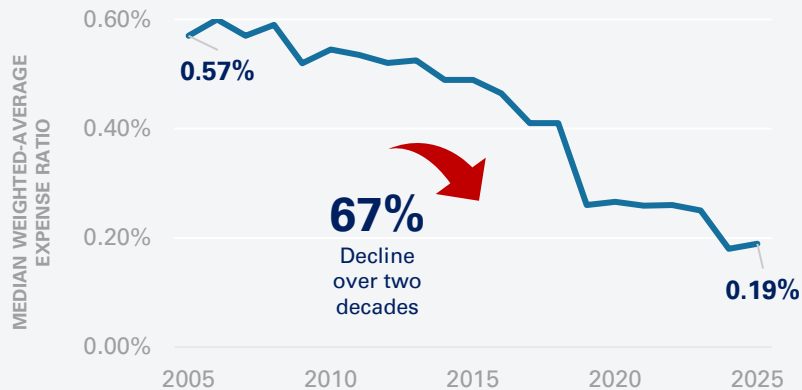


**Participating Plans** have grown 5x

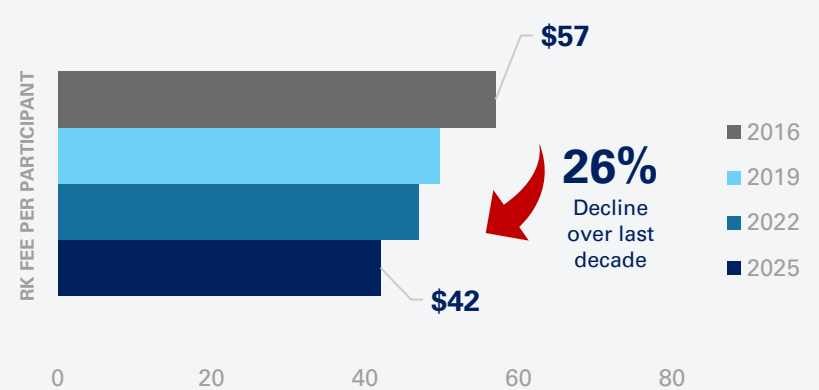
### Change in Survey Participants



### Change in Investment Management Fees



### Change in Recordkeeping Fees



# LOOKING FORWARD

## ENHANCEMENTS TO THE SURVEY

### 20<sup>th</sup> Anniversary Enhancements to the Survey

- New **custom recordkeeping fee peer groups** to provide deeper context and more meaningful benchmarking
- A more detailed report of **additional revenue sources for recordkeepers**, including ancillary fees, project fees, float income, revenue sharing arrangements, proprietary products, and other services
- Enhancements to the **annual lowest-fee share class and vehicle analysis** for improved transparency and actionable insights

### Fee Trends Signal Competitive Pressures in DC Plan Market

- **Recordkeeping Fees:**
  - Recordkeeping fees continue to decline as providers expand services and face market overcapacity
  - Base recordkeeping fees have dropped approximately **26% over the last decade** for survey participants
  - More recordkeepers are returning **float income** to clients following litigation and rising interest rates— we encourage all clients to review how your provider handles float
- **Managed Accounts**
  - Median **managed account fees decreased** from 0.39% (YE 2023) to 0.38%<sup>1</sup> (YE 2024)
  - If offering managed accounts, we encourage clients to negotiate fees with the provider to ensure competitiveness
- **Investment Management Fees**
  - Weighted-average expense ratios have fallen by roughly **67% over the last two decades**



<sup>1</sup>Removes legacy 0 bps managed account pricing models not currently available to prospective clients.

# FEE SURVEY RESULTS

## EXECUTIVE SUMMARY

		Status	Key Takeaways
1	Recordkeeping Fee Review	 <b>GOOD STANDING</b>	<p>Plan base recordkeeping fees are below the peer group median.</p> <p>Fees were recently reduced due to the recent RFI/RFP completed in September 2025. Fee reductions went into effect on 10/1/2025</p> <p>As a best practice, we recommend issuing an RFI or RFP every 3-5 or 5-7 years, respectively, to document the due diligence process.</p>
2	Investment Fee Review	 <b>ATTENTION RECOMMENDED</b>	<p>Total plan investment fees are modestly higher relative to peers due to allocation to active management. All fees for the plan's investment options are below their median for similar institutional products.</p> <p>All investment options are invested in the lowest cost share class/vehicle available to the plan currently.</p> <p>There are opportunities to remove revenue sharing for two plan investments.</p>

# RECORDKEEPING FEE REVIEW

## FEE DETAILS

### Nashville and Davidson County

Plan Name	Nashville and Davidson County 457 DC Plan
Total Plan Assets	\$505,458,771
Total Participants	8,096

Total Administrative Fees	\$355,621
Total Admin Fee / Participant	\$44

Total 2024 Recordkeeping Fees	\$353,821
Recordkeeping Fee Model	Fixed %
Contracted Recordkeeping Fee (%)	0.07% <sup>1</sup>
Contracted Recordkeeping Fee (%) (Post 10/01/2025)	0.05% <sup>2</sup>
Contracted Recordkeeping Fee / Participant	\$44
Contracted Recordkeeping Fee / Participant (post 10/01/2025)	\$31
Total Estimated Other Fees	\$1,800
Trust/Custody	\$0
Ancillary Fees	\$1,800
Projects	\$0
Other Fees*	\$0
Float Revenue (retained by provider)	\$0
Revenue Sharing (retained by provider)	\$0
Annual PERA/RK Admin Allowance	\$0.00
Managed Account Fees	\$0
Estimated Other Fees / Participant	\$0

\*Other is defined as Student Debt, HSA, DB, NQP and Stock Fund Administration, as applicable.

<sup>1</sup>0.11% is the fixed% deducted from participant accounts. 0.07% represents the portion received by Voya, 0.04% represents other plan expenses not paid to Voya.

<sup>2</sup>As of 10/01/2025, the fixed% deducted from participant accounts is 0.075%. 0.05% represents the portion received by Voya. 0.025% is other plan expenses not paid to Voya.



### Key Takeaways:

- Trust/custody fees are included in the peer group analysis as part of the base recordkeeping fees. Trust/custody fees of \$0 indicate this service is included within the base recordkeeping fees. Trust/custody fees greater than \$0 indicate this service is an additional charge to the plan.
- Ancillary fees, project costs, float income, revenue sharing, and managed accounts may serve as additional sources of revenue for recordkeepers that should be considered when evaluating the base recordkeeping fees.

### Other Services Provided by Recordkeeper

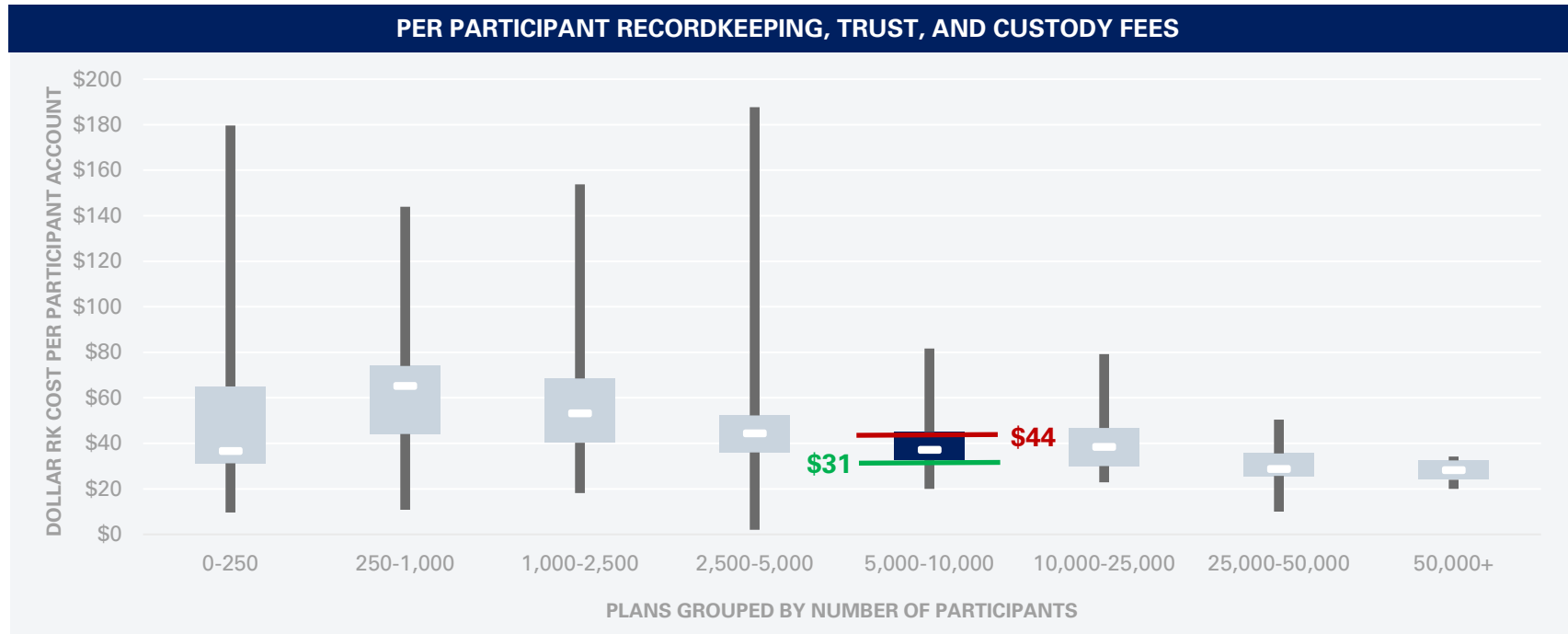
Percentage of Total Plan Assets Invested in Proprietary Investments	20%
HSA Administration	No
DB Administration	No
NQP Administration	No
Stock Fund Administration	No

	Service Providers	Contract Expiration	Last RFI/RFP
Recordkeeper	Voya	9/30/2030	9/8/2025
Custodian	Voya	9/30/2030	9/8/2025
Managed Account Provider	N/A	N/A	N/A

# RECORDKEEPING FEE REVIEW

## BENCHMARKING BASE FEES

— 2024  
— Post 10/1/2025



### Key Takeaways:

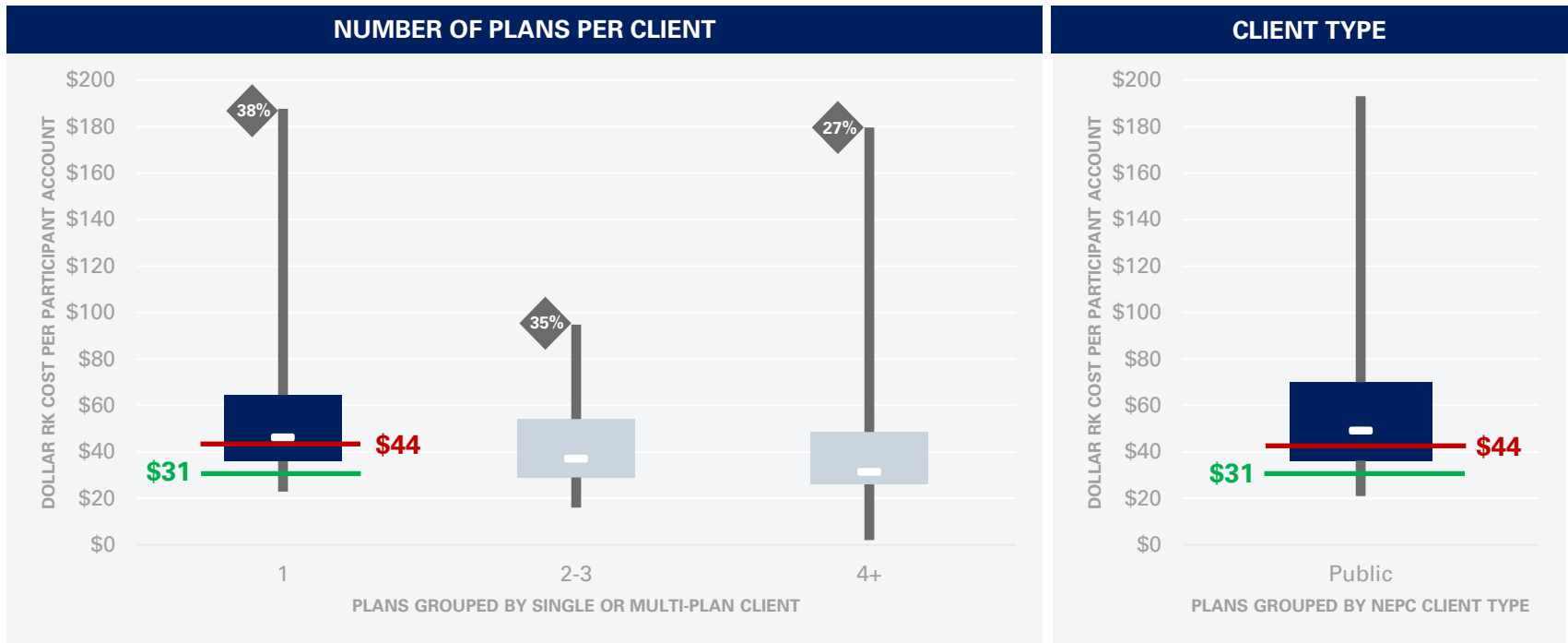
- As plans increase in size, base recordkeeping fees decrease. Plans with 0-250 participants included in this survey generally benefit from broader relationship pricing when associated with larger plans.
- Base recordkeeping fees were slightly above peer group median prior to the recent RFI/RFP but has dropped below median as a result of that work.

Each box plot provides a visual display of recordkeeping, trust, and custody costs by plan size, according to NEPC's 2025 Defined Contribution Plan & Fee Survey, which included 226 qualified defined contribution plans. The constructed peer groups do not contain non-qualified and Puerto Rico plans, unless otherwise stated. Fees were gathered from participating plans' service providers and recast in a uniform format. The fees represented above do not include ancillary fees, project fees, float revenue, revenue sharing, managed account fees, or other fees associated with administering the plan. The data is designed to represent what plans pay for the base recordkeeping services, and trust and custody services. The box of the plot represents half of the sample (the 25th to 75th percentiles). The whiskers extend to the minimum and maximum observations in the dataset.

# RECORDKEEPING FEE REVIEW

## BENCHMARKING BASE FEES – CUSTOM PEER GROUPS

— 2024  
— Post 10/1/2025



### Key Takeaways:

- The number of plans a client has may influence base recordkeeping fees and result in more favorable terms for the client.
- Relative to Public peers included in the survey, your base recordkeeping fees are below the peer group median.

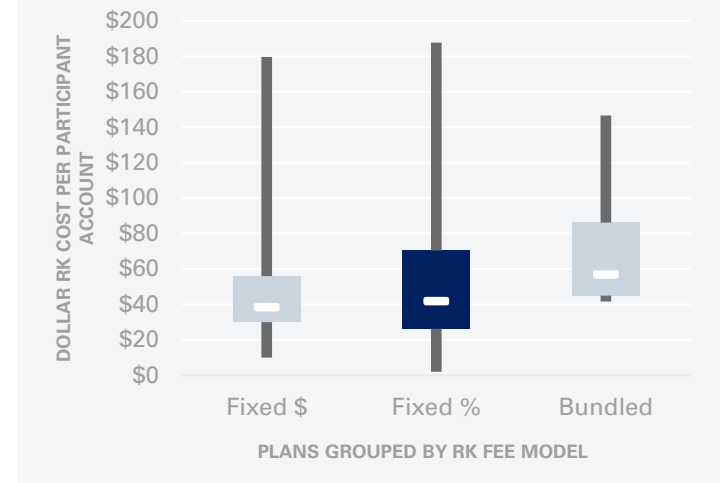
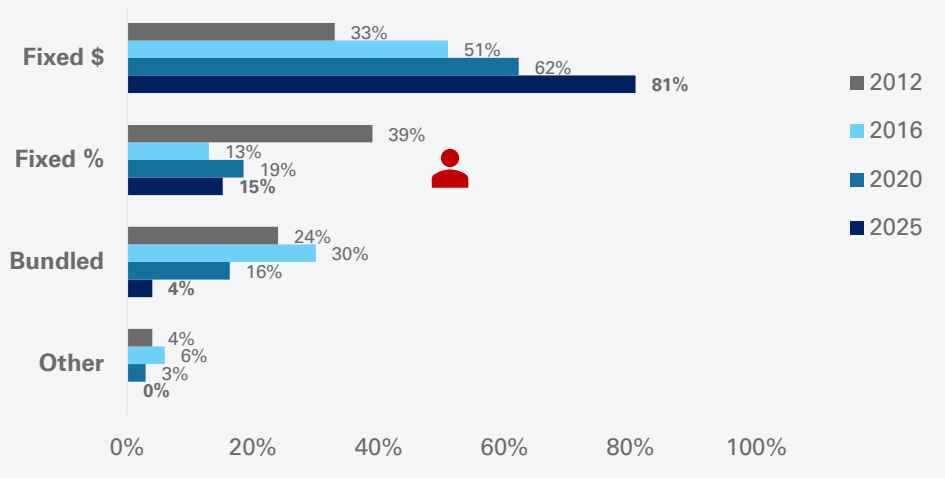
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◆ = % of plans in respective peer group out of 226 qualified US DC plans

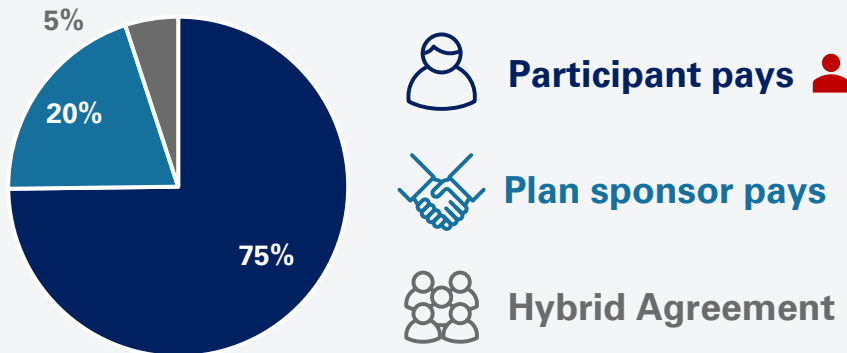


# RECORDKEEPING FEE STRUCTURE

## How Fees are Assessed



## How Fees are Paid



### Key Takeaways:

- Plans are trending towards fixed dollar fee models for assessment of base recordkeeping fees
- Plans with fixed dollar fee models tend to have lower recordkeeping costs relative to peers
- Plans with bundled fee models tend to have higher recordkeeping costs relative to peers
- Fee models that generate revenue based on assets (fixed % and bundled) often eclipse the cost of a fixed dollar model during periods of market growth

Fixed \$ fees are assessed based on participants in the plan. Fixed % fees are assessed based on a fixed percentage of account assets. Bundled fees may be assessed via multiple different sources/structures and will fluctuate.

Hybrid represents some combination of plan sponsor and participants paying the plan fees.

# RECORDKEEPING FEE REVIEW

## TRANSACTION FEE DETAILS

### Nashville and Davidson County

Plan Name **Nashville and Davidson County 457 DC Plan**

#### Ancillary Transaction Fees

#### Benchmarking

Service	Contracted Fee	Low	Mode	High
New loans	n/a	\$15	\$50	\$125
Annual loan maintenance	n/a	\$15	\$0	\$50
In-service withdrawals	n/a	\$15	\$0	\$150
Other distributions	See Below*	\$10	\$0	\$50
Brokerage account establishment	\$0	\$50	\$0	\$100
Annual brokerage account maintenance	\$50	\$35	\$0	\$100

\*Other Distributions:

- Participant-initiated wire, per occurrence: \$50.00 Deducted from participant account
- Overnight mail, per occurrence: \$50.00 Deducted from participant account
- Stop Payment, per occurrence: \$50.00 Deducted from participant account



#### Key Takeaway:

- Transaction fees shown above are reasonable relative to peers.

The transaction fees listed above are not intended to be comprehensive but rather identify the most frequently assessed transaction fees. These fees are charged in addition to the base recordkeeping fee. Your service agreement may include additional fees assessed for services such as hardship approvals, QDROs, brokerage trading fees, etc. Benchmarking is sourced from NEPC's survey responses. Low benchmark pricing represents the lowest, non-zero fee for the represented service. Mode represents the most common fee.

# INVESTMENT FEE REVIEW

## AS OF SEPTEMBER 30, 2025

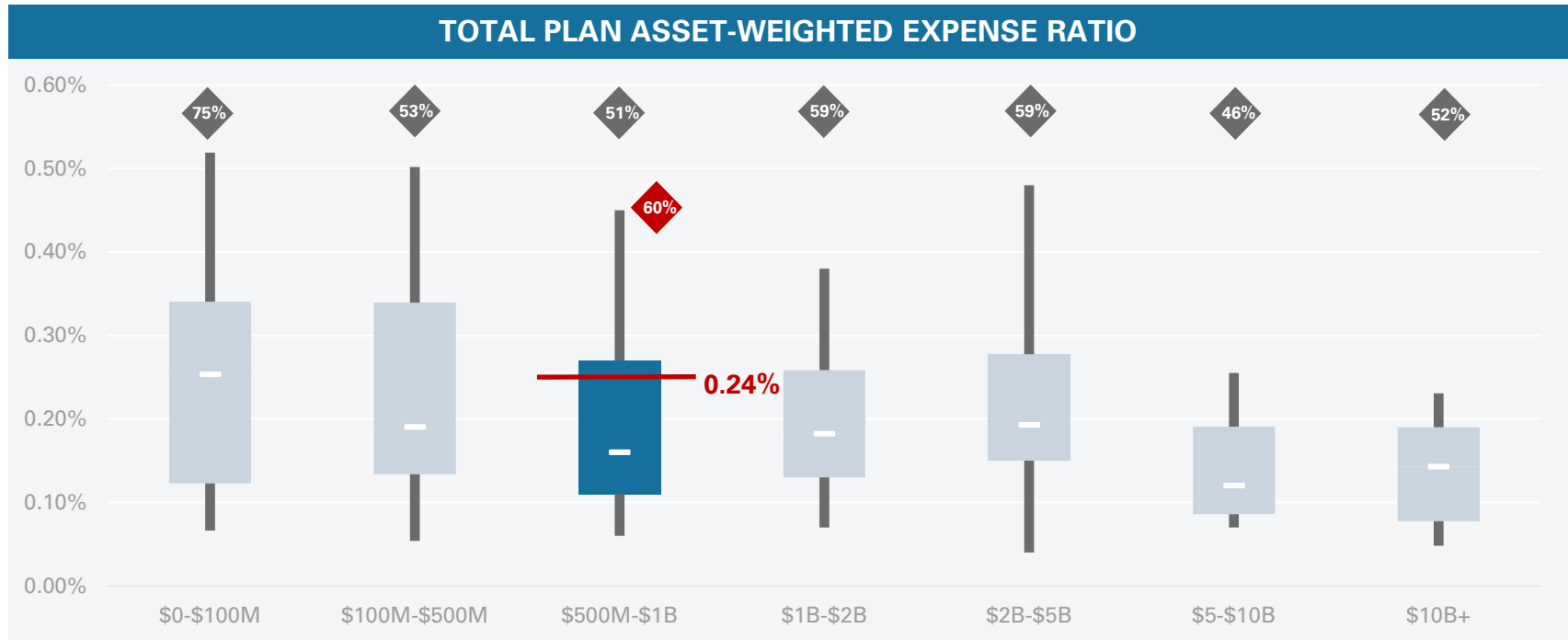
Plan Investment Options	Morningstar Universe	Asset Balances (\$)	(%)	Expense Ratio (%)	Revenue Sharing (%)	Net Expense Ratio (%)	Voya Wrap Fee (%)	Total Fee (%)	Universe Median (%)	Difference (%)	Difference (\$)	Peer Median ✓ !
<b>Target Date Funds</b>												
Vanguard Target Retirement Funds	Target Date Maturity (Passive)	\$79,550,755	15.7%	0.08%	0.00%	0.08%	0.11%	0.19%	0.21%	-0.13%	(\$101,031)	✓
<b>Core Options</b>												
Voya Fixed Plus Account III	Stable Value	\$103,049,770	20.4%	0.29%	0.00%	0.29%	0.11%	0.40%	0.52%	-0.23%	(\$237,118)	✓
PIMCO Total Return Instl	Intermediate Core-Plus Bond	\$8,535,313	1.7%	0.46%	0.00%	0.46%	0.11%	0.57%	0.50%	-0.04%	(\$3,414)	✓
PIMCO Dynamic Bond Instl	Nontraditional Bond	\$2,283,866	0.5%	0.91%	0.00%	0.91%	0.11%	1.02%	0.95%	-0.04%	(\$914)	✓
Principal Diversified Real Asset Instl	Global Allocation	\$945,083	0.2%	0.84%	0.10%	0.74%	0.11%	0.85%	0.89%	-0.15%	(\$1,370)	✓
Dodge & Cox Stock I	Large Value	\$22,552,256	4.5%	0.51%	0.10%	0.41%	0.11%	0.52%	0.71%	-0.30%	(\$67,657)	✓
Vanguard Institutional Index I	Large Blend Index	\$62,812,580	12.4%	0.03%	0.00%	0.03%	0.11%	0.14%	0.20%	-0.17%	(\$106,781)	✓
Vanguard PRIMECAP Adm	Large Blend	\$120,348,490	23.8%	0.31%	0.00%	0.31%	0.11%	0.42%	0.70%	-0.39%	(\$469,359)	✓
Vanguard Mid Cap Index Institutional	Mid-Cap Blend Index	\$57,370,019	11.4%	0.04%	0.00%	0.04%	0.11%	0.15%	0.20%	-0.16%	(\$91,792)	✓
Segall Bryant & Hamill Small Cap Core I	Small Blend	\$13,401,399	2.7%	0.99%	0.10%	0.89%	0.11%	1.00%	0.93%	-0.04%	(\$5,361)	✓
Dodge & Cox International Stock I	Foreign Large Value	\$3,718,801	0.7%	0.62%	0.10%	0.52%	0.11%	0.63%	0.86%	-0.34%	(\$12,458)	✓
Vanguard Total Intl Stock Index Admiral	Foreign Large Blend Index	\$4,699,098	0.9%	0.12%	0.00%	0.12%	0.11%	0.23%	0.20%	-0.08%	(\$3,759)	✓
American Funds Capital World Gr&Inc R6	Global Large-Stock Blend	\$20,687,074	4.1%	0.41%	0.00%	0.41%	0.11%	0.52%	0.88%	-0.47%	(\$97,229)	✓
Nuveen Real Estate Securities R6	Real Estate	\$4,530,725	0.9%	0.84%	0.00%	0.84%	0.11%	0.95%	0.89%	-0.05%	(\$2,039)	✓
Charles Schwab - Brokerage	Brokerage	\$973,544	0.2%	0.00%	0.00%	0.00%	0.11%	0.11%	0.00%	0.00%	\$0	✓
<b>Subtotal</b>		<b>\$505,458,771</b>	<b>100%</b>	<b>0.25%</b>	<b>0.01%</b>	<b>0.24%</b>	<b>0.11%</b>	<b>0.35%</b>	<b>0.48%</b>	<b>-0.24%</b>	<b>(\$1,200,282)</b>	<b>✓</b>

Morningstar universe median fees are as of 9/30/2025 and are updated on an annual basis. Morningstar universe includes both institutional and retirement shares and excludes any funds with 12b-1 fees.



# INVESTMENT FEE REVIEW

## BENCHMARKING ASSET-WEIGHTED EXPENSE RATIO



### Key Takeaways:

- Plan size generally has a greater impact on the weighted-average expense ratio than asset allocation across active and passive investment options. However, investment structure and asset allocation remain highly influential to the total plan weighted average expense ratio.
- Above median investment fees relative to peers are largely due to greater use of active management.

Each box plot provides a visual display of total plan asset-weighted expense ratios by plan size, according to NEPC's 2025 Defined Contribution Plan & Fee Survey, which included 226 qualified defined contribution plans. The constructed peer groups do not contain non-qualified and Puerto Rico plans, unless otherwise stated. Fees were gathered from participating plans' service providers and recast in a uniform format. The box of the plot represents half of the sample (the 25th to 75th percentiles). The whiskers extend to the minimum and maximum observations in the dataset.



= % of total surveyed assets in active funds within the respective peer group (includes blended target date funds, brokerage, and company stock)



= % of total 457 Plan assets in active funds (includes blended target date funds, brokerage, and company stock)

# INVESTMENT FEE REVIEW

## LOWEST FEE SHARE CLASS/VEHICLE ANALYSIS SUMMARY

- **On an annual basis, NEPC performs a lowest fee share class/vehicle analysis to determine if your plan is invested in the least expensive share class/vehicle available based on current circumstances.**
- **As part of this analysis, the following vehicles were evaluated:**
  - Mutual Funds (MF)
  - Collective Investment Trusts (CIT)
  - Separate Accounts (SA)
- **NEPC's recommendations are summarized below:**
  - Transition from the I share class (0.41% + 0.10% rev sharing rebated) to the X share class (0.41%) of the Dodge & Cox Stock Fund.
  - Transition from the I share class (0.52% + 0.10% rev sharing rebated) to the X share class (0.52%) of the Dodge & Cox International Stock Fund.
- **Although these transitions do not result in a fee reduction for participant, they will eliminate revenue sharing and improve efficiency in plan administration. Project costs should be considered before approving these transitions.**

# INVESTMENT FEE REVIEW

## LOWEST FEE SHARE CLASS/VEHICLE ANALYSIS DETAILS

Strategy Name	Plan Assets (\$)	Plan Assets (%)	Vehicle	Share Class	Expense Ratio	Lowest Fee Share Class?	Recommendation
<b>Target Date Funds</b>							
Vanguard Target Retirement Funds	\$79,550,755	15.7%	MF	Flex	0.08%	✓	
<b>Core Options</b>							
Voya Fixed Plus Account	\$103,049,770	20.4%	SA	III	0.29%	✓	
PIMCO Total Return	\$8,535,313	1.7%	MF	Instl	0.46%	✓	
PIMCO Dynamic Bond	\$2,283,866	0.5%	MF	Instl	0.91%	✓	
Principal Diversified Real Asset	\$945,083	0.2%	MF	Instl	0.84%	✓	
Dodge & Cox Stock	\$22,552,256	4.5%	MF	I	0.41% + 0.10% Rev Sharing	✓	Recommend moving to 0-revenue sharing share class
Vanguard Institutional Index	\$62,812,580	12.4%	MF	I	0.03%	✓	
Vanguard PRIMECAP	\$120,348,490	23.8%	MF	Adm	0.29%	✓	
Vanguard Mid Cap Index	\$57,370,019	11.4%	MF	Instl	0.04%	✓	
Segall Bryant & Hamill Small Cap Core	\$13,401,399	2.7%	MF	I	0.99%	✓	
Dodge & Cox International Stock	\$3,718,801	0.7%	MF	I	0.52% + 0.10% Rev Sharing	✓	Recommend moving to 0-revenue sharing share class
Vanguard Total Intl Stock Index	\$4,699,098	0.9%	MF	Adm	0.09%	✓	
American Funds Capital World Gr&Inc	\$20,687,074	4.1%	MF	R6	0.41%	✓	
Nuveen Real Estate Securities	\$4,530,725	0.9%	MF	R6	0.84%	✓	
<b>Lower Fee Alternatives Evaluated</b>							
	Vehicle	Share Class	Expense Ratio	Minimum	Potential Savings	Notes/Considerations	
Principal Diversified Real Asset	MF	P	0.55%	\$500M	--	Minimum not met	
Dodge & Cox Stock	MF	X	0.41%	\$2.5K	\$0	Functionally same fee as current share class, but without revenue sharing	
Vanguard Institutional Index	MF	Instl Plus	0.02%	\$100M	--	Minimum not met	
Vanguard Mid Cap Index	MF	Instl Plus	0.03%	\$100M	--	Minimum not met	
Dodge & Cox International Stock	MF	X	0.52%	\$2.5K	\$0	Functionally same fee as current share class, but without revenue sharing	
Vanguard Total Intl Stock Index	MF	Instl	0.06%	\$5M	--	Minimum not met, but closely approxing	

# PROCESS METHODOLOGY & DISCLOSURES

## NEPC DEFINED CONTRIBUTION PLAN TRENDS & FEES SURVEY

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The U.S. Department of Labor has advised that fees and expenses are only one of the factors to consider in choosing investments or service arrangements.

The overall NEPC universe, like any compilation of data, will show some plans having fees above the median and some below. Having fees above a median is not indicative of imprudence. There are many reasons why a certain plan's recordkeeping, managed account, investment fees, etc. might exceed peer group medians, and any individual plan's fees should be assessed based on the services rendered and the plan's needs.

The data provided in this report reflect the experience of the respondents to our survey during a given period of time. These data may or may not be indicative of the experience of the defined contribution plan market as a whole, during that period or any other period.

This report is not a substitute for, if and when appropriate, a full record keeper vendor search, request for information, or other market testing. This report may indicate whether or not a given plan offers the lowest-cost share class and/or most appropriate investment vehicle. However, even the lowest cost share class/vehicle available may not result in an optimal arrangement for any given plan, or even the lowest overall cost to a plan; each plan's individual circumstances might counsel for a different arrangement.

Some of the information presented herein has been obtained from external sources NEPC believes to be reliable. While NEPC has exercised reasonable professional care in preparing this content, we cannot guarantee the accuracy of all source information contained within.

The opinions presented herein represent the good faith views of NEPC as of the publication date and are subject to change at any time.

# PROCESS METHODOLOGY & DISCLOSURES

## RECORDKEEPING FEE REVIEW

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Plan recordkeeping & administration services are contracted for in multi-year agreements, typically owned by the employer. All plans are not created equal. Higher (or lower) recordkeeping fees are a function of plan size, complexity, and the package of services the plan sponsor has contracted for.

Changing recordkeeping & administrative service providers is a resource-intensive project. Charging plan participants and beneficiaries the cost of these services and not putting them out to bid on a periodic basis has been a common allegation of fiduciary breach in class action lawsuits filed against plan sponsors and fiduciaries.

NEPC's benchmarking of plan recordkeeping fees may reference the service provider, contract date, and key terms of the agreement where available. Importantly, we believe best practice is to conduct recordkeeper vendor searches, request for information, or other market testing on a regular basis.

NEPC uses as a data source the recordkeeper's 408(b)(2) disclosure, the 404(a)(5) participant fee disclosure, and requests for information issued to recordkeepers. We do not use IRS Form 5500 annual reporting. Where trust/custody fees were not included in the recordkeeping agreement, this information was requested.

Data as of December 31, 2024, unless otherwise noted.