

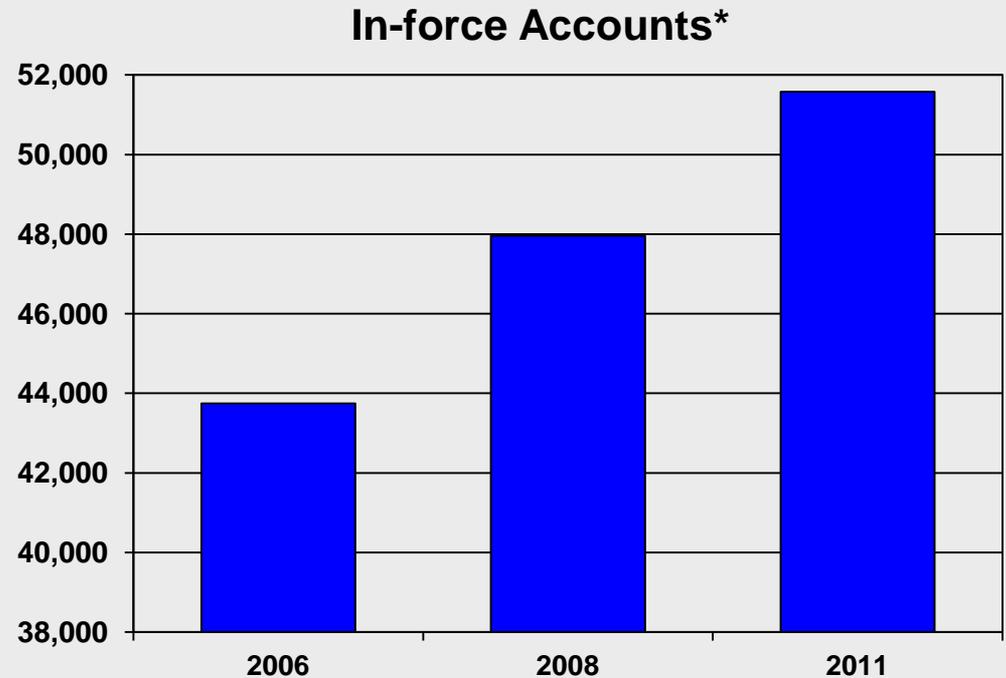
WISCONSIN DEFERRED COMPENSATION PROGRAM



WDC History

Legislation

- ✓ Federal legislation established Internal Revenue Code section 457 deferred compensation plans in 1978.
- ✓ WDC was established in 1982 – began with 5 participant enrollments.

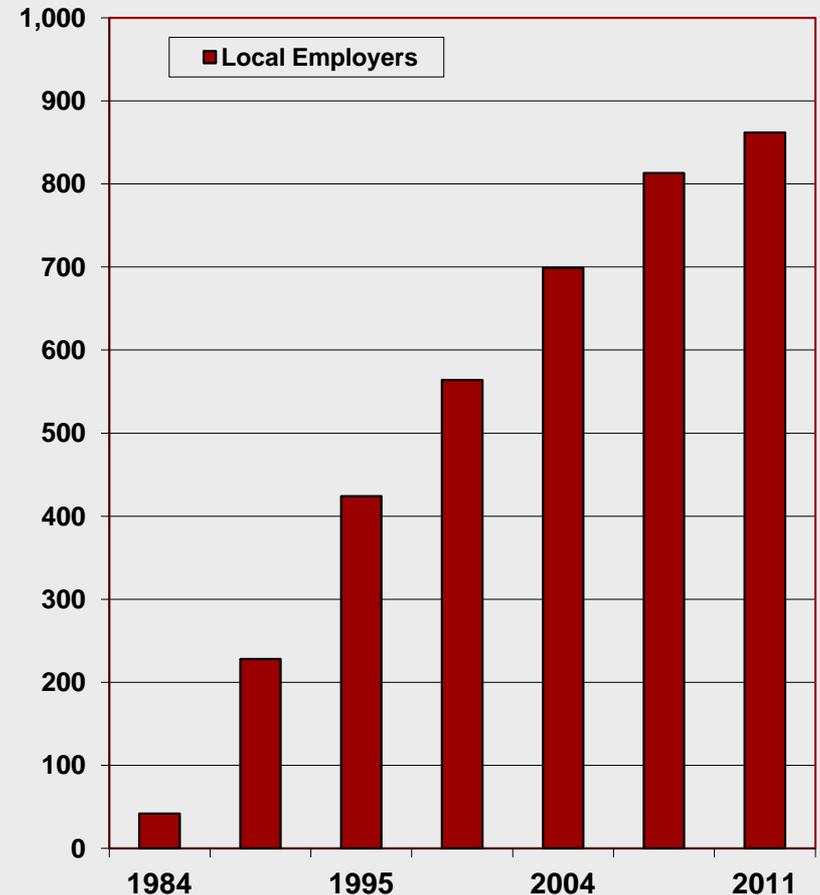


*Prior to 2005, enrollments were counted by enrollment. Since 2006, the number of in-force accounts have been counted.

WDC History

Legislation

- ✓ In 1984, State statutes were amended to allow local public employees to participate in the WDC.
- ✓ Local employers began enrolling in July of 1984. A total of 42 local employers began offering the WDC to their employees that year.



- ✓ Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA)
 - Expanded deferral limits
 - Created Older worker bonus contribution
 - Repealed coordination with other plans
 - Increased distribution flexibility
 - Created portability

- ✓ Effective July 1, 2011, WDC contributions can also be made on an after-tax basis (“Roth”) and grow tax-free

- ✓ The State of Wisconsin contracted with Public Employee's Benefits Services Corporation (PEBSCo) to administer the Plan beginning in 1982 as a result of a Request for Proposal (RFP).
- ✓ PEBSCo was chosen based on cost and available features.
- ✓ PEBSCo opened a local office in Madison in 1983 with:
 - State President
 - 22 Field Representatives
 - Office Manager/Administrative Assistant
- ✓ In 1989, the WDC Board was established as a result of legislation to create a second deferred compensation plan.

WDC History

Transition to NDC

- ✓ In February 1991, the State of Wisconsin released a request for proposal (RFP) for the administrative contract to which 5 companies responded.
- ✓ PEBSCo and National Deferred Compensation, Inc. (NDC) were selected to present at the finalist presentation to the Board.
- ✓ In July 1991, NDC was awarded a three year contract. The deciding factor was NDC's focus on service and education from enrollment through retirement, as well as its low cost.
- ✓ In October 1991, NDC management hired:
 - 1 State Manager
 - 2 In-House Service Representatives (local WI call center)
 - 4 Field Staff Members

WDC History

Contract Transition

- ✓ In 1998, Nationwide Retirement Solutions (NRS) purchased National Deferred Compensation (NDC) and took over as plan administrator
- ✓ Contract with NDC/NRS extended twice: 2002-2005
- ✓ Board issued administrative services contract RFP in early 2005, to which 3 companies responded
- ✓ Great-West Retirement Services (GWRS) was awarded a three year contract. GWRS assumed administrative responsibilities on December 1, 2005.
- ✓ Contract with GWRS extended through November 30, 2015.

WDC History

Contract Requirements

- ✓ Local WI office – dedicated field staff are responsible for providing service to:
 - State agencies
 - Local employers
 - Current plan participants

- ✓ Call center/Website/IVR
 - Change Deferral Amounts
 - Change Investment Allocations

- ✓ GWRS is restricted from offering any other products or services to eligible public employees.



- ✓ Plan Status as of January 1991 (PEBSCo)
 - \$220.44 million in assets
 - 15,795 participant accounts

- ✓ Plan Status as of January 1992 (NDC)
 - \$251.51 million in assets
 - 18,399 participant accounts

- ✓ Plan Status as of January 1999 (NRS)
 - \$1.188 billion in assets
 - 33,395 participant accounts

- ✓ Plan Status as of January 2005 (NRS)
 - \$1.768 billion in assets
 - 42,113 participant accounts

- ✓ Plan Status as of January 2012 (GWRS)
 - \$2.688 billion in assets
 - 51,578 participant accounts

WDC Statistics

Annual Participant Fees

Size of Participant Account		\$5,000	\$25,000	\$50,000	\$100,000	\$150,000
1980s	Admin. Fee	\$12	\$12	\$12	\$12	\$12
	Asset Fee	\$47.50	\$237.50	\$475.00	\$950.00	\$1,425.00
	Total (+ 5% surrender charge)	\$59.5	\$249.50	\$487.00	\$962.00	\$1,437.00
1990	Admin. Fee	\$12	\$12	\$12	\$12	\$12
	Asset Fee	\$39.50	\$197.50	\$395.00	\$790.00	\$1,185.00
	Total (+ 5% surrender charge)	\$51.50	\$209.50	\$407.00	\$802.00	\$1,197.00
1993	Admin. Fee	\$10	\$10	\$10	\$10	\$10
	Asset Fee	\$22.50	\$112.50	\$225.00	\$450.00	\$675.00
	Total (no surrender charge)	\$32.50	\$122.50	\$235.00	\$460.00	\$685.00
1994	Admin. Fee	\$10	\$10	\$10	\$10	\$10
	Asset Fee	\$19.00	\$95.00	\$190.00	\$380.00	\$570.00
	Total (no surrender charge)	\$29.00	\$105.00	\$200.00	\$390.00	\$580.00
1995	Admin. Fee Asset Fee/Total	\$21	\$89	\$159	\$279	\$379
2000-2007	Asset Fee/Total (no surrender charge)	\$6	\$18	\$36	\$72	\$100 \$120 for \$150,001 & up
Current (began Jan. 2008)	Asset Fee/Total (no surrender charge)	\$0	\$12	\$24	\$48	\$66 (for \$100,001 & up)

WDC Statistics

General Plan Statistics

	1992	1995	2000	2005	2009	2011
Number of Participants	15,795	25,105	33,395	42,831	49,518	51,578
Average Monthly Deferral	179.26	164.96	194.83	216.92	353.58	279.00
Number of Exchanges	2,916	9,774	14,250	45,561 ^{***}	8,195	8,751 ^{****}
Number Inc/Dec	4,481	12,228 [*]	20,960 ^{**}	N/A	6,678 ^{****}	7,051 ^{****}

* Elimination of \$10 minimum deferral

** Transactional portion of website introduced in 1999

*** Janus and T. Rowe Price International Funds were removed 12/31/2005

**** Transactions made via KeyTalk and website

Investment Options

<i>Seligman Income Fund, Inc.</i>	<i>Started with Deferred Comp. 1983</i>	<i>Closed 1992</i>	
<i>Seligman Capital Fund, Inc.</i>	<i>Started with Deferred Comp. 1983</i>	<i>Closed 1999</i>	
<i>20th Century Select Inv.</i>	<i>Started with Deferred Comp. 1983</i>	<i>Closed 1997</i>	
<i>20th Century Growth Inv.</i>	<i>Started with Deferred Comp. 1983</i>	<i>Closed 1998</i>	
<i>North Shore Savings</i>	<i>Started with Deferred Comp. 1983</i>	<i>Closed 1988</i>	
<i>Seligman Cash Management Fund Prime Portfolio</i>	<i>Added 1984</i>	<i>Closed 1992</i>	
<i>Seligman Cash Management Fund Gov't Portfolio</i>	<i>Added 1984</i>	<i>Closed 1992</i>	
<i>20th Century U.S. Gov't</i>	<i>Added 1984</i>	<i>Closed 1992</i>	
Great West Growth Guarantee	Added 1984	Renamed Great West Life 1994	Renamed Stable Value Fund 1998
Great Western Savings Bank	Added 1988 to replace North Shore Savings	Renamed FDIC 1994	M&I Bank took over as FDIC 2000
<i>Strong Total Return</i>	<i>Added 1988</i>	<i>Closed 1992</i>	
<i>Dreyfus Third Century Fund</i>	<i>Added 1988</i>	<i>Renamed Dreyfus Premier Third Cent.</i>	<i>Closed 2004</i>
Fed. Inter. Govt' Bond Fund	Added 1992	Renamed Fed. U.S. Gov't Sec.: 2-5 yrs	
Vang. U.S. Treasury Money Market	Added 1992		
Vang. Fixed Income Inv. Grade Bond	Added 1992	Renamed Vang. Long-Term Corp. Bond	
Vang. Wellington	Added 1992		
Vanguard Index – 500	Added 1992	Renamed Institutional Index 1994	Renamed Inst. Index Plus 1999
T.Rowe Price Int'l	Added 1992	<i>Closed 2005</i>	
Janus Fund	Added 1994	<i>Closed 2005</i>	
Fidelity Contrafund	Added 1994		
DFA 9-10 Small Company Fund	Added 1997	Renamed DFA U.S. MicroCap Port. 2001	
T. Rowe Price Mid Cap Growth	Added 1998		
Self-Directed Brokerage Account (Schwab PCRA)	Added 2000		
Small Cap Equity Index Fund	Added 2001		

EAFE Equity Index Fund	Added 2001	EAFE Equity Index Fund	Added 2001
U.S. Debt Index Fund	Added 2001	U.S. Debt Index Fund	Added 2001
MidCap Equity Index Fund	Added 2001	MidCap Equity Index Fund	Added 2001
Small Cap Equity Index Fund	Added 2001	Small Cap Equity Index Fund	Added 2001
Calvert Social Inv. Equity Fund	Added 2003 to replace Dreyfus Third Century		
Vanguard Target Retirement Funds (Income Fund-2015-2025-2035-2045)	Added 2005		
American EuroPacific Growth Fund	Added 2005	Changed from class R5 to R6 in 2012	
Vanguard Target Retirement 2055 Fund	Added 2011		

The WDC allows participants to:

- ✓ Change the amount of their deferrals at any time
- ✓ Redirect deferrals to other investment options offered by the WDC without restriction (subject to Stable Value Fund equity wash)
- ✓ Exchange existing account balances from one option to another on a daily basis (subject to Excessive Trading Policy)

- ✓ What is it?

The WDC Asset Allocation Rebalancer automatically rebalances participants' assets each quarter to match a model investment portfolio established by the participants based on their financial objectives.
- ✓ The service has proven to be effective in helping participants:
 - Determine their investment goals, time horizon and risk tolerance level
 - Select an Asset Allocation model that's right for them
 - Maintain their Asset Allocation model through quarterly rebalancing
- ✓ Additional Asset Allocation Service features are:
 - No additional fees
 - Sample models
 - Quarterly rebalancing
 - Ability to change models as often as necessary
 - Graphically illustrate balances on quarterly statements
 - As of 12/31/11, 1,948 participants were set up for ongoing rebalancing on a regular basis (monthly, quarterly, semi-annually or annually)

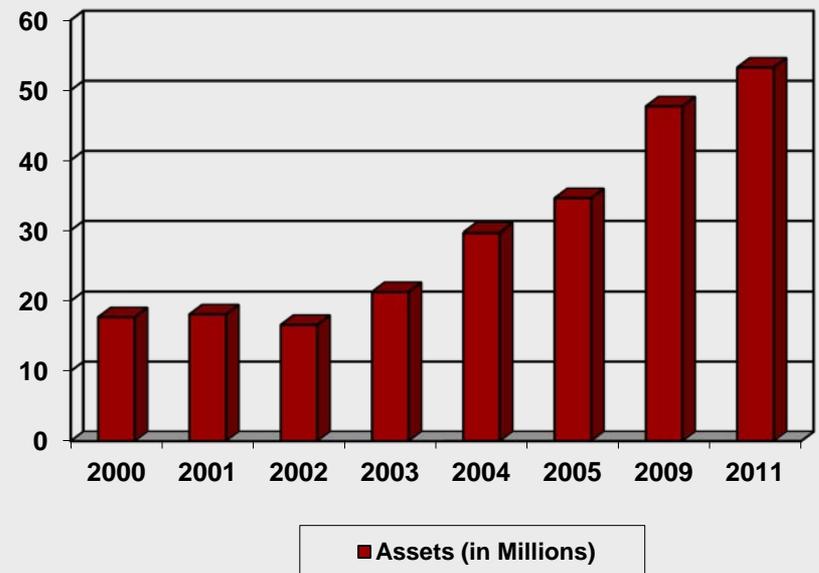
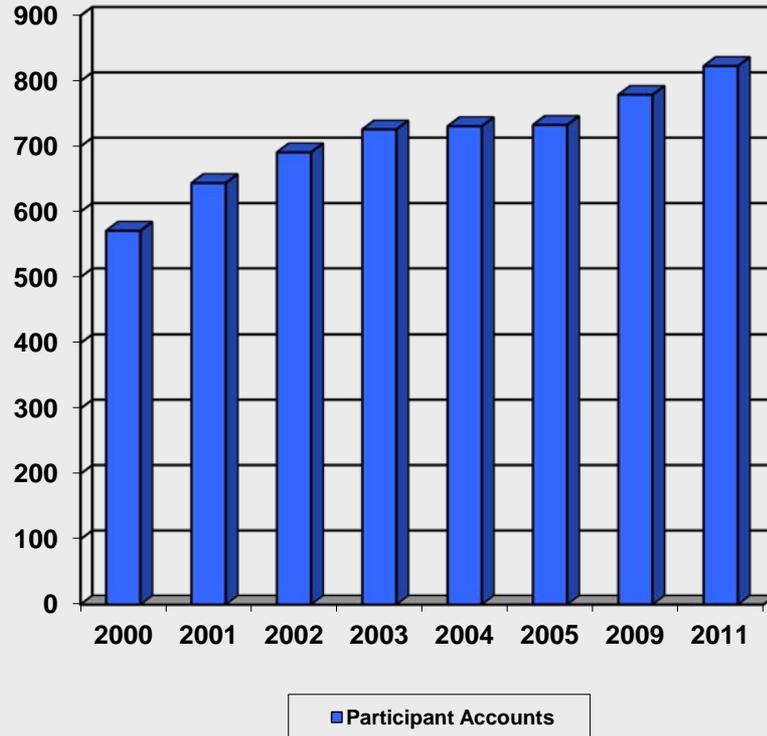
In February 2000, the WDC introduced the Personal Choice Retirement Account (PCRA) or Self-Directed Brokerage Option through Charles Schwab & Co.

- ✓ Over 3,000 additional mutual funds
 - 2,000 of which are no load, no transaction fee funds
 - No additional cost
- ✓ The PCRA is intended for those participants who:
 - Feel the WDC spectrum does not provide sufficient investment choices to meet their retirement savings objectives
 - Have the interest and time to spend researching and monitoring a large listing of mutual fund options
 - Are able to compare and evaluate mutual fund options
 - Plan to invest for the long term
- ✓ 823 participants enrolled in the PCRA as of December 2011

WDC Features

PCRA

Participant Accounts and Plan Assets in the PCRA since 2000



WDC Features

Participant Services

- ✓ Call center representatives located in Glendale, Wisconsin are available to assist participants between 7:00 a.m. and 7:00 p.m. Toll free telephone number 1-877-457-9327 (WDCP)

[A toll-free telephone number is also available at 1-800-695-4952 for employers.]

- ✓ An automated voice response telephone system is available for participants to obtain account information and execute transactions at 1-877-457-9327.
- ✓ An Internet Web site, www.wdc457.org, is available to obtain program information, to access daily personal account data and to execute transactions on-line. Email the WDC at wdcprogram@gwrs.com.
- ✓ Distribution of an itemized participant statement and newsletter occurs within 15 days of the end of each quarter.

WDC Features

Advisory Services

- ✓ In August 2008, the Plan began offering advisory services through Advised Assets Group, LLC (AAG) and its *Reality Investing* suite of services.

Online Investment Guidance

- ✓ AAG recommends generic asset allocation strategy

Online Investment Advice

- ✓ AAG recommends specific investment options within the WDC

Managed Accounts

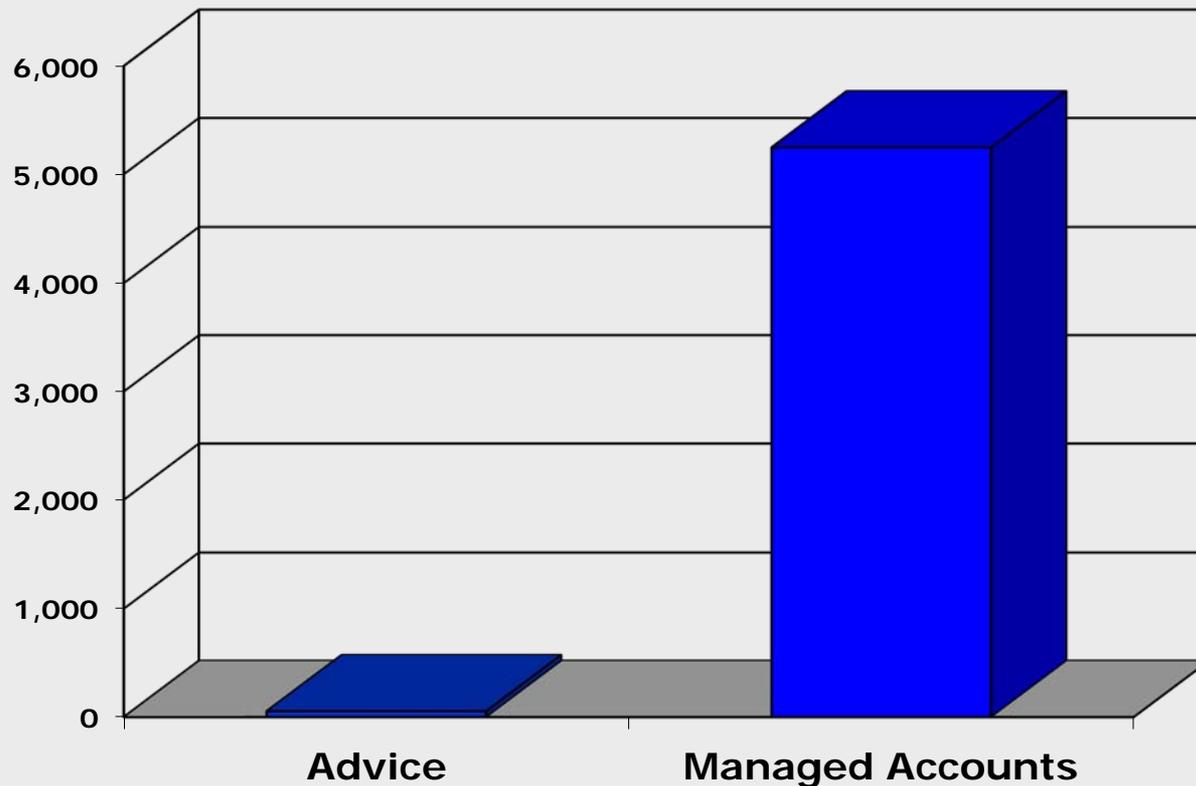
- ✓ AAG adjusts, reallocates, and rebalances the account to the assigned model portfolio, if necessary.
- ✓ Participant receives transaction confirmation on changes made to his/her account.

Fees	Online Investment Guidance	Online Investment Advice	Managed Account
Quarterly Cost	No Charge	\$6.25	Less than \$100,000 = 0.15% Next \$150,000 = 0.125% Next \$150,000 = 0.10% Over \$400,000 = 0.075%

WDC Features

Advisory Services

Number of participants using advisory services as of 12/31/11



WDC Features

Plan Costs

- ✓ Participant fees and reimbursements from investment providers provide funding
- ✓ State funds are not used for the administration of the WDC
- ✓ The WDC Board annually reviews administrative revenues and expenses and adjusts participant fees as necessary.
- ✓ The Board reduced participant fees every year between 1991 and 2000.
- ✓ From 2000-2007, annual participant fees remained constant while participant services increased.
- ✓ Annual participant fees have remained constant since 2008.
- ✓ As of January 1, 2008, annual participant fees are:

If participant balance is between:	Fee per month/year is:
\$0 to \$5,000	\$0.00 month/ \$0.00 year
\$5,001 to \$25,000	\$1.00 / \$12.00
\$25,001 to \$50,000	\$2.00 / \$24.00
\$50,001 to \$100,000	\$4.00 / \$48.00
\$100,001 and up	\$5.50/ \$66.00

WDC Features

Investment Options

- ✓ The WDC offers 6 target date funds and 16 options in the core investment spectrum.
- ✓ Participants also have access to thousands of mutual fund choices through the Schwab Personal Choice Retirement Account (PCRA), the WDC's self-directed brokerage option.

WDC STATISTICS as of December 31, 2011:

	<i># of Participant Accounts *</i>	<i>Total Assets</i>
VANGUARD TARGET RETIREMENT 2055	153	\$787,448
VANGUARD TARGET RETIREMENT 2045	3,208	\$18,751,809
VANGUARD TARGET RETIREMENT 2035	4,098	\$35,061,051
VANGUARD TARGET RETIREMENT 2025	4,513	\$55,031,687
VANGUARD TARGET RETIREMENT 2015	2,944	\$60,787,062
VANGUARD TARGET RETIREMENT INCOME	1,062	\$22,798,998
FDIC INSURED BANK OPTION	5,871	\$92,644,142
STABLE VALUE FUND	15,835	\$550,754,468
VANGUARD ADMIRAL -U.S. MONEY MARKET	8,830	\$41,733,871
FEDERATED U.S. GOVT BOND 2-5 YRS	6,071	\$36,008,739
VANGUARD LONG-TERM INV. GRADE BOND (Admiral Shares)	12,020	\$108,994,743
US DEBT INDEX FUND	7,538	\$47,079,547
VANGUARD WELLINGTON (Admiral Shares)	20,417	\$284,815,033
VANGUARD INSTITUTIONAL INDEX - S&P 500	19,343	\$213,529,501
CALVERT SOCIAL INVESTMENT EQUITY FUND	6,035	\$27,063,654
FIDELITY CONTRAFUND	22,065	\$363,704,844
MIDCAP EQUITY INDEX FUND	12,951	\$93,459,446
T ROWE PRICE MID CAP GROWTH	19,116	\$239,236,598
DFA U.S. MICRO CAP FUND	19,887	\$144,805,101
RUSSELL 2000 INDEX FUND	7,361	\$31,781,566
AMERICAN FUNDS EUROPACIFIC GROWTH	15,022	\$105,290,115
EAFE EQUITY INDEX FUND	11,281	\$63,462,260
SCHWAB PCRA	755	\$53,277,714
TOTAL	*	\$2,690,859,397

*Participants may have an account with one or more of the available options.