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CORRESPONDENCE MEMORANDUM

DATE: April 21, 2008
TO: Wisconsin Deferred Compensation Board
FROM: Shelly Schueller, Director
Wisconsin Deferred Compensation Program
SUBJECT: Managed Accounts -- Reality Investing

The Investment Committee recommends that the Board consider approving the addition of Reality Investing services to the Wisconsin Deferred Compensation Program (WDC). Staff concurs with this recommendation.

Throughout 2007 and in early 2008, the Board discussed a new type of service available to participants called "managed accounts." Managed account services provide interested individuals with additional financial management services. The WDC's administrative service provider, Great-West Retirement Services (GWRS), has a division known as Advised Assets Group (AAG). AAG has worked with Ibbotson Associates (a subsidiary of Morningstar as of 2006) to develop "Reality Investing," which is their version of managed accounts services.

The Board directed the Investment Committee to conduct additional analysis regarding the merits of providing a managed accounts service to WDC participants and recently, the Board directed the Investment Committee to review the draft Reality Investing agreement and the proposed implementation timeline and education materials. On March 25, 2008, the Investment Committee discussed these documents and agreed that the Board should consider adding a managed account service to the WDC.

If the Board decides to add Reality Investing, staff recommends that the Board amend its contract with GWRS to include the managed account services provided by GWRS' sister company, AAG. Department staff has been negotiating contract amendment language. Draft copies of the proposed documents are included as attachments to this memo.

Department staff will be available at the meeting to discuss the information in this memo.

attachments

Reviewed and approved by Robert J. Conlin, Deputy Secretary.

Signature

Date

Board	Mtg Date	Item #
DC	05/06/2008	8