

MINUTES OF DECEMBER 15, 2010, MEETING

DRAFT

**STATE OF WISCONSIN
DEFERRED COMPENSATION BOARD**

801 West Badger Road
Room 140
Madison, WI

BOARD PRESENT:

Ed Main, Chair	
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BOARD PRESENT VIA CONFERENCE CALL:

John Nelson, Vice-Chair Michael Drury Gail Hanson	
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BOARD ABSENT:

Martin Beil, Secretary	
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PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Dave Stella, Secretary Bob Conlin, Deputy Secretary Jean Gilding, Division of Retirement Services	Shelly Schueller, Division of Retirement Services Sharon Walk, Board Liaison
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OTHERS PRESENT:

ETF Division of Retirement Services: Anne Boudreau Advised Assets Group: John Gamble	Great-West Retirement Services: Sue Oelke
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OTHERS PRESENT VIA CONFERENCE CALL:

Advised Assets Group: Steve Conkin, Al Cunningham	Dimensional Fund Advisors: Larry Spieth Galliard: Mike Norman and Paul Wick
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Edward Main, Chair, called the meeting of the Deferred Compensation Board (Board) to order at 3:05 p.m.

Board	Mtg Date	Item #
DC	03.01.11	3

STABLE VALUE FUND

Correction to Investment Guidelines

Shelly Schueller, Director, Wisconsin Deferred Compensation (WDC) Program, noted the WDC Investment Committee met prior to this meeting to discuss a proposed correction to the *Stable Value Fund Investment Advisory Agreement* with Galliard Capital Management. The correction would be made via a contract amendment. She referred the Board members to her memo dated December 10, 2010, which outlined the reason for the change. Specifically, the maximum weighting to the managed synthetics portion of the fund needed to be increased from 85% to 95%, to reflect the previously-approved change in the cash equivalents and buffer fund portion minimum weighting to five percent. The total between the two components should always equal one hundred percent, which, if the cash equivalent portion is at five percent, is not possible without the correction ($85 + 5 = 90$). Ms. Schueller noted that the Investment Committee discussed this matter and agreed that the Board should approve the change.

MOTION: Ms. Hanson moved to approve the change recommended for the Stable Value Fund Investment Advisory Agreement with Galliard Capital Management, increasing the maximum weighting for managed synthetics to 95%, and to authorize the Board Chair to sign the revised document. Mr. Drury seconded the motion, which passed without objection on a voice vote.

Pending Collective Fund Manager Change

Ms. Schueller advised the Board members that the Investment Committee discussed a proposed change in Galliard's Stable Value Fund sub-advisors from Aberdeen Asset Management to Dodge & Cox Funds effective January 3, 2011. The Investment Committee recommends that the Board approve this change.

MOTION: Mr. Drury moved to approve the pending change in Stable Value Fund sub-advisors from Aberdeen Asset Management to Dodge & Cox Funds. Ms. Hanson seconded the motion, which passed without objection on a voice vote.

ANNOUNCEMENTS

Ms. Schueller announced that Michael Drury will resign from the Board after the first meeting of 2011.

Ms. Schueller also advised the Board that Galliard would be adding ING as a new wrap provider for the Stable Value Fund.

ADJOURNMENT

MOTION: Mr. Nelson moved to adjourn. Ms. Hanson seconded the motion, which passed without objection on a voice vote.

The meeting was adjourned at 3:21 p.m.

Date Approved: _____

Signed: _____

Martin Beil, Secretary
Deferred Compensation Board