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Correspondence Memorandum

Date: February 10, 2020

To: Wisconsin Deferred Compensation Board

From: Shelly Schueller, Director
 Wisconsin Deferred Compensation Program

Subject: Board Watch List Recommendation: American Beacon Bridgeway Large Cap Value

ETF recommends the Board consider placing the American Beacon Bridgeway Large Cap Value option “on watch” due to poor investment performance.

The Board and the Investment Committee have discussed the performance of the American Beacon Bridgeway Large Cap Value option at the last several meetings because its performance has lagged peers. The option’s total return for 10 years outperformed both benchmarks but has lagged when comparing returns for 1-year, 3-year and 5-year total returns. As shown in the table below from page 7 of the Investment Performance and Expense Ratio Review, as of December 31, 2019, the American Beacon Bridgeway Large Cap Value option has been in the lowest quartile for 3-year rolling percentile ranks since the end of 2018.

3-Year Percentile Ranks										12/31/2019
	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Group/Investment	% of Peer Group Beaten	% of Peer Group Beaten	% of Peer Group Beaten	% of Peer Group Beaten	% of Peer Group Beaten	% of Peer Group Beaten	% of Peer Group Beaten	% of Peer Group Beaten	% of Peer Group Beaten	% of Peer Group Beaten
American Beacon Bridgeway Lg Cp Val Inst	15	16	21	15	21	62	68	78	84	74

If the Board were to place the American Beacon Bridgeway Large Cap Value option on watch status, the WDC record keeper would ensure that this information is communicated to participants via the WDC web site and participant statements.

Representatives for American Beacon Bridgeway will be at the March 2020 meeting to provide the Board with additional information on the fund and its recent performance.

Staff will be available at the meeting to answer any questions.

Reviewed and approved by Matt Stohr, Administrator, Division of Retirement Services

Matt Stohr Electronically Signed 2/17/20

Board	Mtg Date	Item #
DC	3.12.20	5B