

DRAFT

# MINUTES

May 6, 2020

## Deferred Compensation Board Investment Committee

State of Wisconsin



### Location:

### IMPORTANT NOTICE

This is a virtual meeting. All Board members will be attending this meeting via teleconference. Members of the public may also access the meeting via teleconference. No physical access will be available.

Call: (608) 316-9000      Conference ID: 92279150#

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### Committee Members Present:

Ed Main, Chair

Jason Rothenberg, Secretary

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### Participants:

Shelly Schueller, Director, Wisconsin  
Deferred Compensation Program

Mike Norman, Galliard Capital Mgmt.  
Bill Thornton, Great-West Financial

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### Others Present:

#### Deferred Compensation Board Member

Art Zimmerman

#### Empower Retirement

Emily Lockwood

#### ETF

John Voelker, Deputy Secretary

Lisa Gurley, Matt Stohr,

Kathryn Young

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Mr. Main, Chair, called the meeting of the Deferred Compensation Board Investment Committee (Committee) to order at 2:00 p.m.

### MINUTES

***MOTION: Mr. Rothenberg moved to approve the August 29, 2019, Open Session minutes, as submitted by the Board Liaison. Mr. Main seconded the motion, which passed unanimously on a voice vote.***

### INVESTMENT PERFORMANCE REVIEW AS OF MARCH 31, 2020

The Committee reviewed the performance of the investment options as of March 31, 2020, as presented in the "Investment Performance and Expense Ratio Review" report by Mr. Thornton of Great-West Investments (Ref. DCIC | 5.6.20 | 2).

Board	Mtg Date	Item #
DC	6.11.20	2B

Mr. Thornton stated the financial markets over the past 8-10 weeks have been unprecedented due to the rapid descent into a bear market. He stated the financial markets maintained a consistent 2% expansion for all of 2019 and the advanced estimate for 1Q20 is -4.8%.

Mr. Thornton stated Great-West Financial has been monitoring participants funds for any movement or withdrawals from funds, but not much movement has taken place; there doesn't seem to have been wide-spread participant reaction with the volatile markets due to COVID-19.

Mr. Thornton reviewed the overall performance of the WDC's investment options as compared to their respective benchmarks and provided insights regarding the performance of certain funds:

- American Funds EuroPacific is trailing its benchmarks due to holding more emerging market exposure.
- American Beacon Bridgeway is still struggling in the 1Q20 market benchmarks, but its underperformance is explainable in the financial market. He mentioned American Beacon Bridgeway has been in the top decile for the last 4-5 weeks.
- Dodge & Cox had a rough first quarter 2020; however, they are still ahead of the average.
- Federated Fund had a good first quarter 2020 due to holding federal funds.

Mr. Thornton recommends leaving American Beacon Bridgeway on "watch" to continue monitoring the fund.

## **FUTURE ITEMS FOR DISCUSSION**

The committee requests ETF invite American Beacon, and possibly Dodge and Cox if their under-performance against benchmarks in the financial markets continue, to come back before the board or investment committee at a future meeting to discuss performance.

## **ADJOURNMENT**

***MOTION: Mr. Rothenberg moved to adjourn the meeting. Mr. Main seconded the motion, which passed unanimously on a voice vote.***

The Committee adjourned at 2:48 p.m.

Date Approved: \_\_\_\_\_

Signed: \_\_\_\_\_

Jason Rothenberg, Secretary  
Deferred Compensation Board Investment Committee