



STATE OF WISCONSIN
Department of Employee Trust Funds
A. John Voelker
SECRETARY

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Correspondence Memorandum

Date: October 28, 2021
To: Deferred Compensation Board
From: Kimberly Schnurr, Board Liaison
Office of the Secretary
Subject: Deferred Compensation Board Correspondence

This memo is for informational purposes only. No Deferred Compensation Board (Board) action is required.

The Department of Employee Trust Funds (ETF) occasionally receives correspondence on behalf of the Board regarding the Wisconsin Deferred Compensation (WDC) Program.

Since the September 8, 2021 Board meeting, the following communication was submitted for the Board's consideration:

1. September 29, 2021 – Mail Correspondence – Large Cap Value Fund Finalists - Buckner

Correspondence for Board consideration is welcome via email to BoardFeedback@etf.wi.gov or U.S. postal mail to Department of Employee Trust Funds, c/o DC Board Liaison, P.O. Box 7931, Madison, WI 53707-7931.

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

Reviewed and approved by Pamela Henning, Assistant Deputy Secretary
Signed 11/02/2021

Pamela L Henning

Board	Mtg Date	Item #
DC	11.04.21	9G

Cord Buckner
515 Grand Avenue
Wausau WI 54403

September 29, 2021

Deferred Compensation Board
c/o Board Liaison
Department of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931

RE: Large Cap Value Fund Finalists

Dear Deferred Compensation Board,

I am a participant in both WI ETF and the WDC. I am writing after review of information from your meeting of September 8, 2021 related to large cap value investment funds.

Thank you for your consideration of a replacement Large Cap Value Fund for inclusion in the core investment options. In addition to the three finalists, will the board also be considering a large cap value index fund as a potential candidate for inclusion, either now or in the future? Based on review of the presentation materials of each of the finalists related both to performance and fees compared to the index, it seemed an index fund would be an attractive alternative option.

In addition to my question, I would like to thank the Board for their involvement and oversight role in helping to ensure quality investment choices for WDC participants.

Sincerely,

Cord Buckner



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October 27, 2021

Mr. Cord Buckner
515 Grand Avenue
Wausau, WI 54403
[REDACTED]

Dear Mr. Buckner:

Thank you for your interest in the investment lineup offered by the Wisconsin Deferred Compensation (WDC) Program. I am responding on behalf of the Deferred Compensation Board (Board) to your letter of September 29, 2021, in which you asked if the Board would add a large cap value index fund to the core investment options offered by the WDC. Unfortunately, I do not know the answer to your question at this point but will include your letter and this response with the materials for the next Board meeting.

One of the Board's main goals is to provide a low-cost supplemental retirement savings program that offers a broad range of investment choices with varying degrees of investment risk. In a program with over 66,000 participants, one of the most difficult tasks the Board has is tailoring the WDC to address the needs of many different types of participants without overwhelming them with too many investment choices in the core lineup.

The Board carefully selects and monitors all investment options offered in the core lineup. They primarily seek to offer an actively managed option and an index option in most major asset classes. In 2017, after recognizing there was a gap in the large cap value space, the Board added a large cap value option. The addition of a large cap value option was intended to complement the existing large cap core and large cap growth options already offered. The initial large cap value fund selected by the Board (American Beacon Bridgeway Large Cap Value or ABB LCV) did not meet performance goals, resulting in the Board opting to remove and replace that fund. Following the steps required by state law, the ABB LCV fund will be replaced in early 2022 by the JP Morgan US Value fund.

In recognition of participant interest in access to more mutual fund options than available in the core lineup, the Board added the Schwab Personal Choice Retirement Account (PCRA) option to the WDC investment spectrum in 2000. The Schwab PCRA provides additional mutual fund options to participants who desire alternatives for their WDC account (e.g., emerging market, sector funds, and specialty funds). This may be an option for you to consider, should you wish to invest your WDC assets in a large cap value index fund. I have included the PCRA informational flier as an attachment to this letter for you.

Thank you again for your interest in the investment lineup offered by the WDC. Please contact me at (608) 266-6611 or shelly.schueller@etf.wi.gov if you have additional comments or concerns regarding the WDC that you would like to discuss.

Sincerely,

Shelly Schueller
Deferred Compensation Director

Enclosure: [WDC Charles Schwab PCRA flier](#)