



STATE OF WISCONSIN
Department of Employee Trust Funds
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Correspondence Memorandum

Date: August 7, 2023

To: Deferred Compensation Board

From: Shelly Schueller, Director
 Wisconsin Deferred Compensation Program

Subject: Proposed Investment Policy Statement Revisions

The Department of Employee Trust Funds (ETF) recommends the Board revise the Investment Policy Statement as shown in the attached draft.

One of the Board’s fiduciary responsibilities is to ensure the Investment Policy Statement (IPS) is current and accurate. After the dissolution of the Board’s advisory-only Investment Committee in March of 2021, ETF and certain staff from the plan’s record keeper assumed responsibility for review of the Board’s Investment Policy Statement (IPS). This memo summarizes the suggested changes to the IPS.

No revisions are necessary for the IPS or Attachment 1. The benchmarks listed in Attachment 2 of the IPS were verified as appropriate for use as the Board’s benchmarks and/or still in use by the investment providers for their options. However, staff recommend small revisions to Attachment 2: Benchmarks for Evaluating Investment Options as follows:

1. Add “FDIC” in front of “Insurance Option” on page 6.
2. Correct the name of an investment option on page 9, as the proper name for BlackRock Small Cap Equity Index Fund is the BlackRock Russell 2000 Equity Index Fund.
3. Correct the name of a benchmark on page 9, as the Calvert U.S. Large Cap Core Responsible Index Fund tracks the Morningstar Large Cap Growth Blend, not the Morningstar Large Cap Growth Average.
4. Add “of funds with the same specialty objective” to the last footnote on page 9 to help differentiate from the Morningstar peer groups used for all other categories.

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

Attachment A: [Investment Policy Statement \(with proposed revisions\)](#)

Reviewed and approved by Matt Stohr, Administrator, Division of Retirement Services
 Electronically Signed 08/15/2023

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