

# Welcome to the Deferred Compensation Board

December 7, 2023

Meeting will begin at: 1:00 p.m.



WIFI

**WI-GUEST**

No Password is needed



**Please Sign In**

- Who? All meeting attendees
- Sheet available at the door



**Meeting Materials**

- Available at [etf.wi.gov](http://etf.wi.gov)



**Please Silence your  
Cell Phone and Mute  
your Microphone**

# Announcements

## Item 1 – No Memo

Shelly Schueller, Director

Wisconsin Deferred Compensation Program



# Consideration of Open Minutes of September 7, 2023, Meeting

 Item 2 – Memo Only



The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

**Questions?**



# Action Needed

- Motion needed to accept the Open Minutes of the September 7, 2023, Meeting as presented by the Board Liaison.

# 2024 Board Meeting Dates

Item 3 – Memo Only

Kimberly Schnurr, Board Liaison

Office of the Secretary



# Informational Item Only

- No Board action is required.

The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

**Questions?**



# Participant Administrative Fee Analysis

 Item 4 – Deferred Compensation Board

Amelia Slaney, Director, Financial Compliance Bureau

Division of Trust Finance





# Action Needed

- The Department of Employee Trust Funds (ETF) recommends the Deferred Compensation Board (Board) approve a decrease to the administrative fees paid by Wisconsin Deferred Compensation Program (WDC) plan participants, effective January 1, 2024.

# Program Expenses



**Administrative services  
contract**



**ETF administrative  
expenses**

# Revenues to Fund Program Expenses



Tiered participant fees



Investment income

# Participant Administrative Fee Analysis Overview

- Obtain updated administrative account balance for most recent quarter
- Consider Board's policy of account balance target between 50-75% of projected annual expenses
- Estimate future expenses and revenues impacting the administrative account

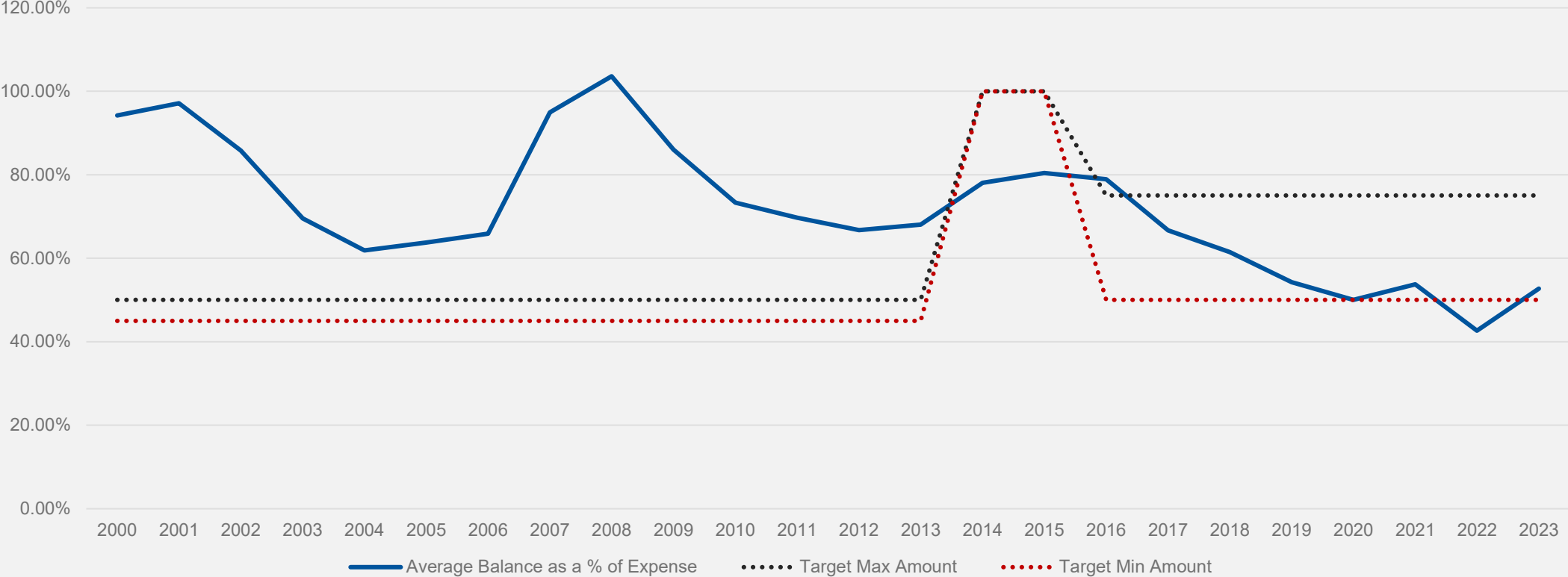
# Estimating Future Expenses and Revenues

- Administrative expenses are expected to be relatively stable
- Participant administrative fees are tiered by account balance and therefore, sensitive to any changes to participant balances (market conditions causing increases or decreases, contributions and withdrawals)
- Key inputs in forecasting participant account balances:
  - forecasted investment rate of return and average asset allocation
  - moving averages of deposits, investment fees, and withdrawals
  - moving average of account balance change and apply that same percentage to participant administrative fees

# Administrative Account Target Balance History

- Administrative Expense Account Investment and Target Balance Policy established in 1996, as 45-50% of expenses
- In 2014, changed to 100% of expenses
- In 2015, changed to 50-75% of expenses
- Administrative Account Balance as a Percentage of Projected Annual Expenses
  - Highest quarter since 2000 was 106.9% in 2008
  - Lowest quarter since 2000 was 33.6% in 2022

# Average Annual Administrative Account Balance as % of Expenses



Note the annual administrative account balance as a percentage of expenses for 2023 is based on data through September 30, 2023.





# Change in Participant Counts by Tier

Participant Account Balance	Number of Participants as of 9/30/2023	Number of Participants as of 9/30/2022	Increase (Decrease)
\$0.01 – \$5,000	13,538	14,935	(1,397)
\$5,001 - \$25,000	18,245	18,801	(556)
\$25,001 - \$50,000	9,945	9,536	409
\$50,001 - \$100,000	9,665	9,354	311
\$100,001 - \$150,000	5,227	4,842	385
\$150,001 - \$250,000	5,461	4,974	487
\$250,001 and above	7,187	6,055	1,132
Total	69,268	68,497	771

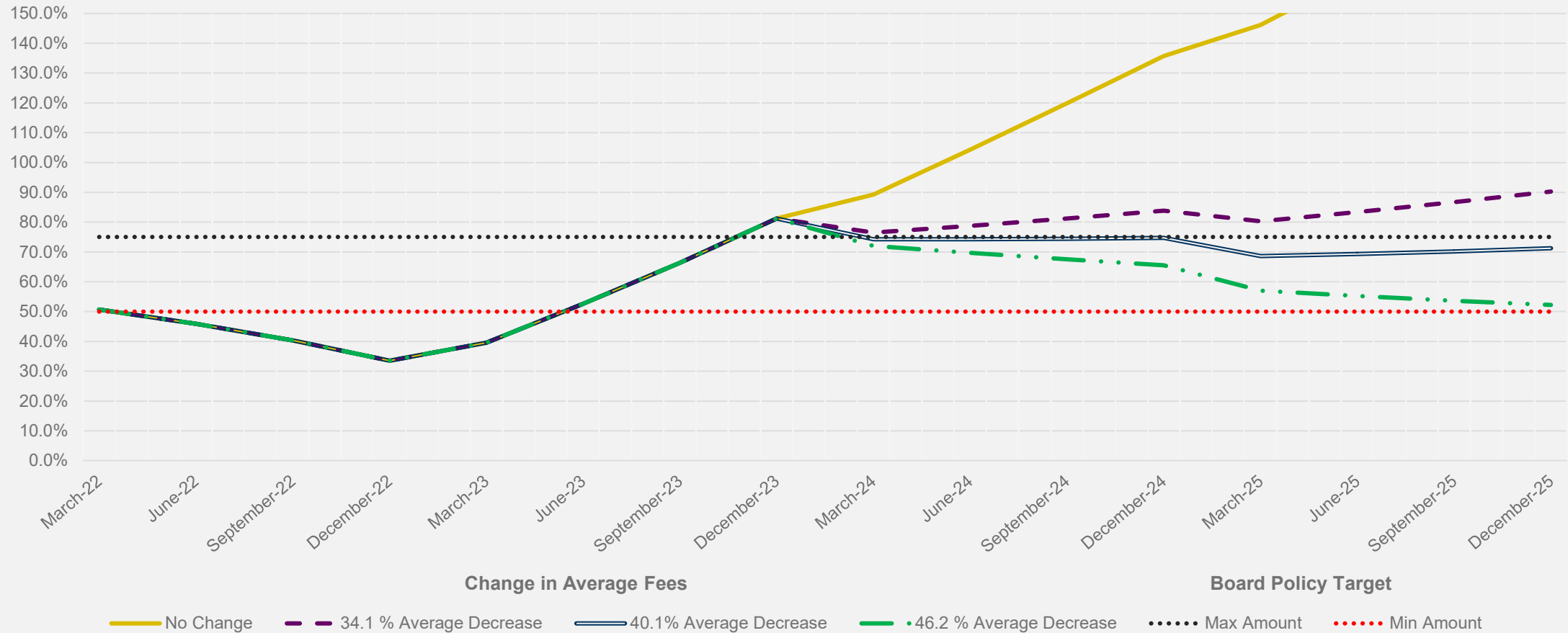
# Administrative Account Balance (in Thousands)

	2022	2023	2024 No change	2024 Avg 34.1% Decrease	2024 Avg 40.1% Decrease	2024 Avg 46.2% Decrease
<b>January 1 Account Balance</b>	\$2,370	\$955	\$2,281	\$2,281	\$2,281	\$2,281
<b>Revenues</b>						
Participant Fees	2,634	4,115	4,289	2,831	2,574	2,316
Investment Earnings & Other	47	57	98	82	79	76
<b>Total Revenues</b>	<b>2,681</b>	<b>4,172</b>	<b>4,387</b>	<b>2,913</b>	<b>2,653</b>	<b>2,392</b>
<b>Expenses</b>						
Administrative Service Contract	3,874	2,624	2,624	2,624	2,624	2,624
Qualified Domestic Relation Order Fees <sup>(1)</sup>	10	14	0	0	0	0
ETF Administration & Miscellaneous	212	208	185	185	185	185
<b>Total Expenses</b>	<b>4,096</b>	<b>2,846</b>	<b>2,809</b>	<b>2,809</b>	<b>2,809</b>	<b>2,809</b>
<b>December 31 Account Balance</b>	<b>\$955</b>	<b>\$2,281</b>	<b>\$3,859</b>	<b>\$2,385</b>	<b>\$2,125</b>	<b>\$1,864</b>
<b>Account Balance as % of Projected Annual Expenses for following year</b>	<b>34%</b>	<b>81%</b>	<b>136%</b>	<b>84%</b>	<b>75%</b>	<b>66%</b>

<sup>(1)</sup> Costs related to qualified domestic relations orders will be equally borne by the participant and the alternative payee, effective January 1, 2024. 2022 and 2023 Q1 through Q3 figures are actual. 2023 Q4 through 2024 figures are projected based on assumed investment earnings of 5.91% annually

# Projection of Fee Options

Maintain administrative account balance equal to 50-75% of projected annual plan expenses



# Projected Fee Schedule

## Average 34.1% Decrease

Participant Account Balance	Number of Participants	Current 2023 Monthly Fees	Monthly Fee	% Increase (Decrease)	Annual Fee Basis Points
\$0.01-5,000	13,538	\$0.00	\$0.00	0.0%	0.0
\$5,001-25,000	18,245	\$1.25	\$0.75	(40.0%)	6.0
\$25,001-50,000	9,945	\$3.00	\$2.00	(33.3%)	6.4
\$50,001-100,000	9,665	\$6.50	\$4.25	(34.6%)	6.8
\$100,001-150,000	5,227	\$8.25	\$5.50	(33.3%)	5.3
\$150,001-250,000	5,461	\$11.75	\$7.75	(34.0%)	4.7
Over \$250,000	7,187	\$17.25	\$11.50	(33.3%)	4.6
<i>Average Increase (Decrease)</i>			(\$3.30)	(34.1%)	4.3

# Projected Fee Schedule

## Average 40.1% Decrease

Participant Account Balance	Number of Participants	Current 2023 Monthly Fees	Monthly Fee	% Increase (Decrease)	Annual Fee Basis Points
\$0.01-5,000	13,538	\$0.00	\$0.00	0.0%	0.0
\$5,001-25,000	18,245	\$1.25	\$0.75	(40.0%)	6.0
\$25,001-50,000	9,945	\$3.00	\$1.75	(41.7%)	5.6
\$50,001-100,000	9,665	\$6.50	\$4.00	(38.5%)	6.4
\$100,001-150,000	5,227	\$8.25	\$5.00	(39.4%)	4.8
\$150,001-250,000	5,461	\$11.75	\$7.00	(40.4%)	4.2
Over \$250,000	7,187	\$17.25	\$10.25	(40.6%)	4.1
<i>Average Increase (Decrease)</i>			(\$3.00)	(40.1%)	3.9

# Projected Fee Schedule

## Average 46.2% Decrease

Participant Account Balance	Number of Participants	Current 2023 Monthly Fees	Monthly Fee	% Increase (Decrease)	Annual Fee Basis Points
\$0.01-5,000	13,538	\$0.00	\$0.00	0.0%	0.0
\$5,001-25,000	18,245	\$1.25	\$0.75	(40.0%)	6.0
\$25,001-50,000	9,945	\$3.00	\$1.50	(50.0%)	4.8
\$50,001-100,000	9,665	\$6.50	\$3.50	(46.2%)	5.6
\$100,001-150,000	5,227	\$8.25	\$4.50	(45.5%)	4.3
\$150,001-250,000	5,461	\$11.75	\$6.25	(46.8%)	3.8
Over \$250,000	7,187	\$17.25	\$9.25	(46.4%)	3.7
<i>Average Increase (Decrease)</i>			(\$2.69)	(46.2%)	3.5

# Fee History (2015 – 2019)

Participant Account Balance	2015 Monthly Fee <sup>(1)</sup>	% Increase (Decrease)	2016 Monthly Fee	% Increase (Decrease)	2017 Monthly Fee	% Increase (Decrease)	2018 Monthly Fee	% Increase (Decrease)	2019 Monthly Fee	% Increase (Decrease)
\$0.01 – 5,000	\$0.00	0%	\$0.00	0%	\$0.00	0%	\$0.00	0%	\$0.00	0%
\$5,001 – 25,000	\$1.00	0%	\$1.00	0%	\$1.00	0%	\$1.00	0%	\$1.00	0%
\$25,001 – 50,000	\$2.00	0%	\$2.50	25%	\$3.00	20%	\$3.00	0%	\$3.00	0%
\$50,001 – 100,000	\$4.00	0%	\$5.00	25%	\$6.00	20%	\$6.00	0%	\$6.00	0%
\$100,001 – 150,000	\$5.50	0%	\$7.00	27%	\$8.00	14%	\$8.00	0%	\$8.00	0%
\$150,001 – 250,000	\$5.50	0%	\$10.00	82%	\$11.00	10%	\$11.00	0%	\$11.00	0%
Over \$250,000	\$5.50	0%	\$15.00	173%	\$16.50	10%	\$16.50	0%	\$16.50	0%
Average Increase (Decrease)		0%		56%		13%		0%		0%

(1) Fee schedule from 2008-2015

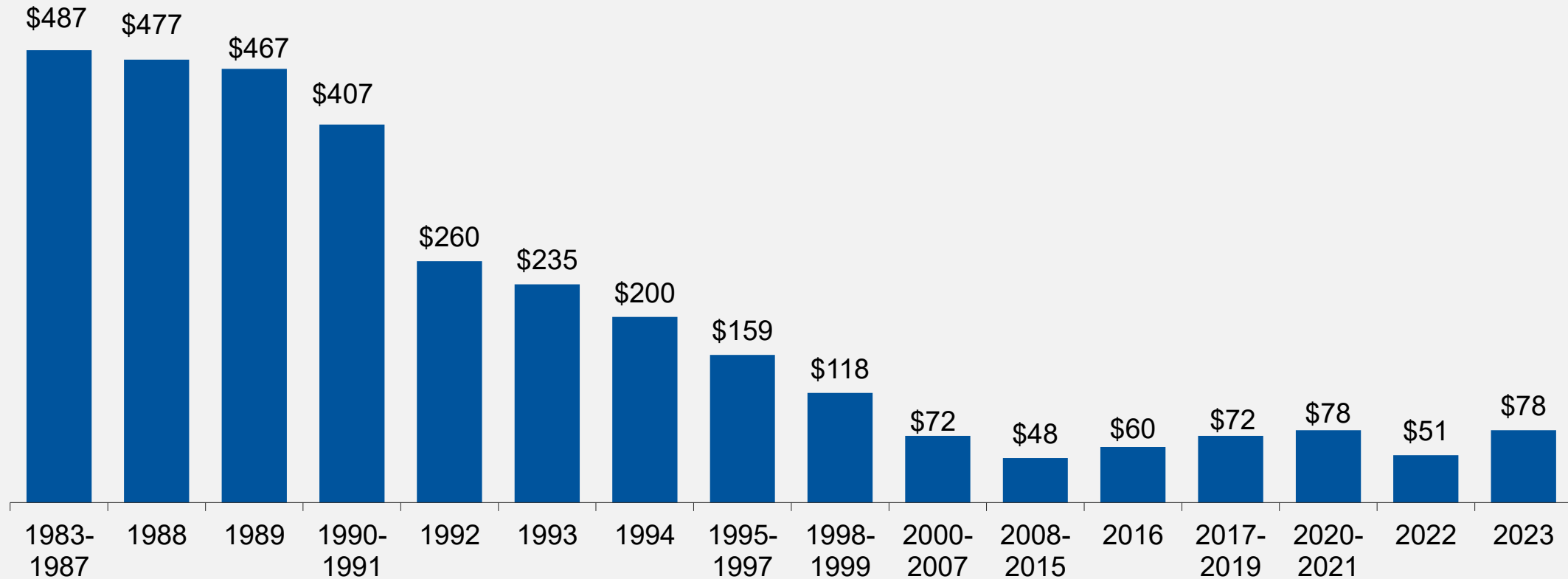
# Fee History (2020 - 2023)

Participant Account Balance	2020 Monthly Fee	% Increase (Decrease)	2021 Monthly Fee	% Increase (Decrease)	2022 Monthly Fee	% Increase (Decrease)	2023 Monthly Fee	% Increase (Decrease)
\$0.01 – 5,000	\$0.00	0%	\$0.00	0%	\$0.00	0%	\$0.00	0%
\$5,001 – 25,000	\$1.00	0%	\$1.00	0%	\$0.75	(25%)	\$1.25	67%
\$25,001 – 50,000	\$3.25	8%	\$3.25	0%	\$2.00	(38%)	\$3.00	50%
\$50,001 – 100,000	\$6.50	8%	\$6.50	0%	\$4.25	(35%)	\$6.50	53%
\$100,001 – 150,000	\$8.50	6%	\$8.50	0%	\$5.50	(35%)	\$8.25	50%
\$150,001 – 250,000	\$11.75	7%	\$11.75	0%	\$7.75	(34%)	\$11.75	52%
Over \$250,000	\$17.50	6%	\$17.50	0%	\$11.50	(34%)	\$17.25	50%
Average Increase (Decrease)		6.5%		0.0%		(34%)		52%



# Participant Annual Fee History

(based on \$50,001 account balance)



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**Questions?**



# Action Needed

- The Department of Employee Trust Funds (ETF) recommends the Deferred Compensation Board (Board) approve a decrease to the administrative fees paid by Wisconsin Deferred Compensation Program (WDC) plan participants, effective January 1, 2024.

# Investment Performance and Expense Ratio Review as of September 30, 2023

Item 5 – Deferred Compensation Board

Bill Thornton, Investment Director  
Empower Investments



# Informational Item Only

- No Board action is required.

# Investment Performance and Expense Ratio Review

Performance as of September 30, 2023

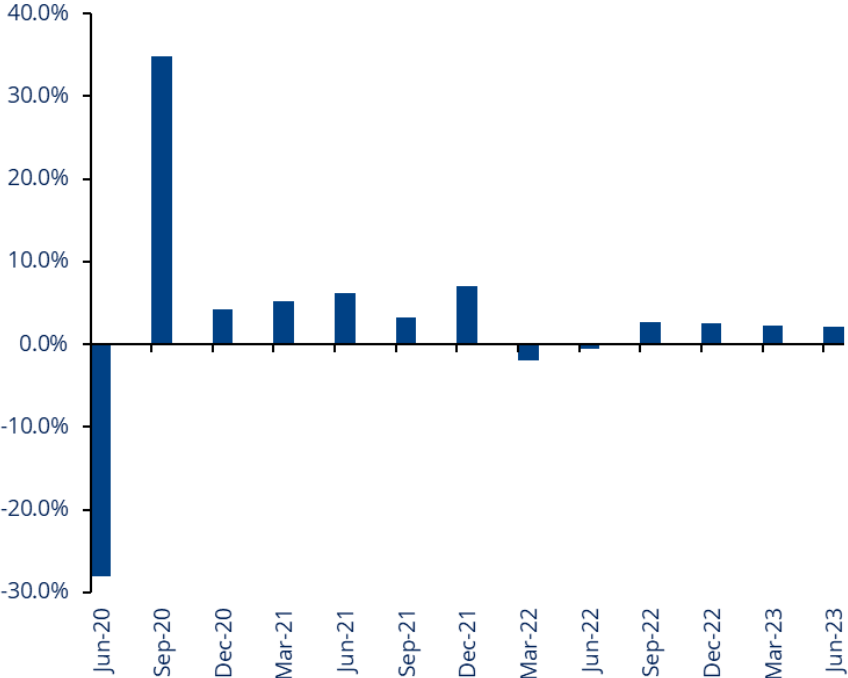
**Bill Thornton, CIMA®**  
Investment Director, Empower Investments



# State of the U.S. Economy

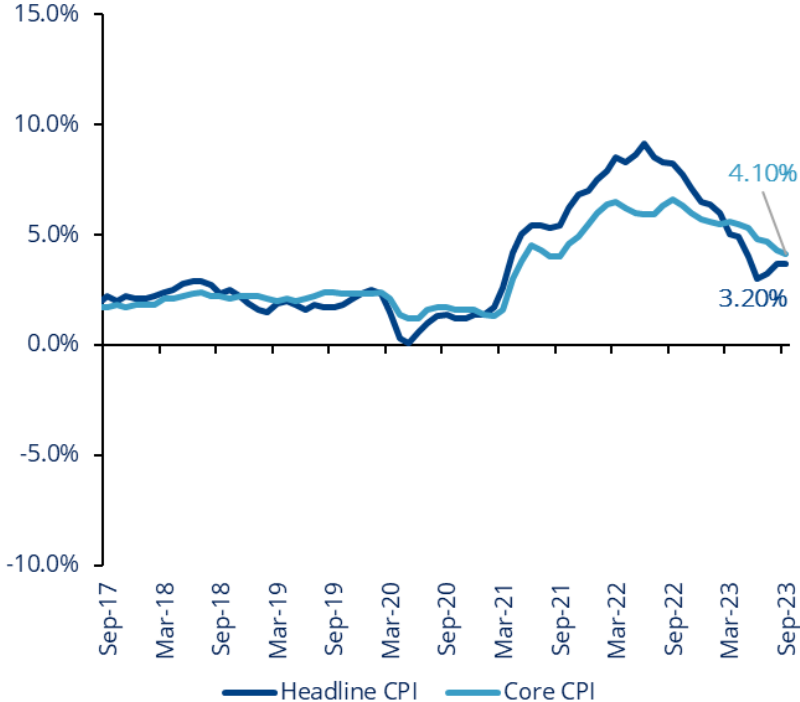
## Real GDP Growth

quarter over quarter annualized, through June 2023



## US Consumer Price Index

annual percent change, through September 2023

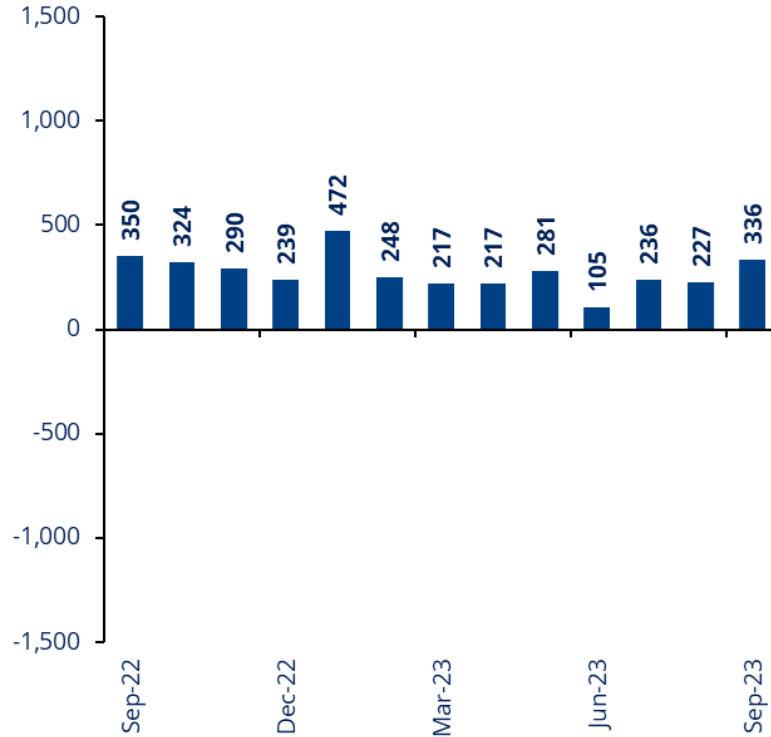


Source: Bloomberg; ECM Analysis  
 The core measure of inflation excludes food and energy prices while the headline measure of inflation does not  
 GDP estimates presented reflect the median estimate provided by Bloomberg

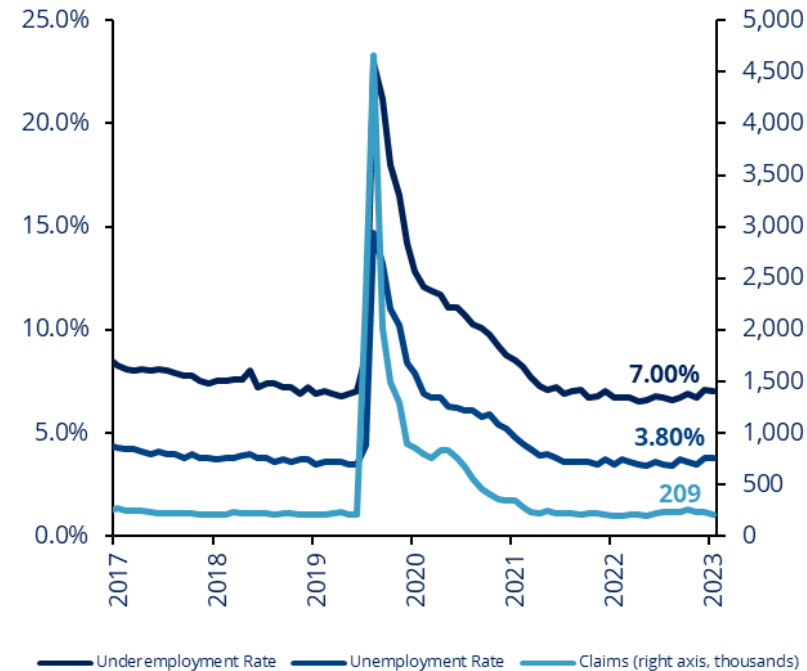


# U.S. Labor Market Trends

Number of Jobs Created Per Month  
thousands, through September 2023



Unemployment and Underemployment Rates and Claims  
through September 2023



Source: Bloomberg; Bureau of Labor Statistics; ECM Analysis

The Unemployment Rate represents total unemployed, as a percent of the civilian labor force

The Underemployment Rate represents total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers



# Equity Market Returns

(as of September 30, 2023)

		QTD	YTD	1 Year Trailing	3 Year Trailing	5 Year Trailing	10 Year Trailing	2022	2021	2020	2019	2018	2017	2016
<b>Domestic Equity</b>														
Large Cap	S&P 500	-3.3%	13.1%	21.6%	10.2%	9.9%	11.9%	-18.1%	28.7%	18.4%	31.5%	-4.4%	21.8%	12.0%
	Russell 1000 Value	-3.2%	1.8%	14.4%	11.1%	6.2%	8.4%	-7.5%	25.2%	2.8%	26.5%	-8.3%	13.7%	17.3%
	Russell 1000 Growth	-3.1%	25.0%	27.7%	8.0%	12.4%	14.5%	-29.1%	27.6%	38.5%	36.4%	-1.5%	30.2%	7.1%
Mid Cap	Russell Mid Cap	-4.7%	3.9%	13.4%	8.1%	6.4%	9.0%	-17.3%	22.6%	17.1%	30.5%	-9.1%	18.5%	13.8%
	Russell Mid Cap Value	-4.5%	0.5%	11.0%	11.0%	5.2%	7.9%	-12.0%	28.3%	5.0%	27.1%	-12.3%	13.3%	20.0%
	Russell Mid Cap Growth	-5.2%	9.9%	17.5%	2.6%	7.0%	9.9%	-26.7%	12.7%	35.6%	35.5%	-4.8%	25.3%	7.3%
Small Cap	Russell 2000	-5.1%	2.5%	8.9%	7.2%	2.4%	6.6%	-20.4%	14.8%	20.0%	25.5%	-11.0%	14.6%	21.3%
	Russell 2000 Value	-3.0%	-0.5%	7.8%	13.3%	2.6%	6.2%	-14.5%	28.3%	4.6%	22.4%	-12.9%	7.8%	31.7%
	Russell 2000 Growth	-7.3%	5.2%	9.6%	1.1%	1.6%	6.7%	-26.4%	2.8%	34.6%	28.5%	-9.3%	22.2%	11.3%
<b>International Equity</b>														
Developed Markets	MSCI EAFE	-4.1%	7.1%	25.6%	5.8%	3.2%	3.8%	-14.5%	11.3%	7.8%	22.0%	-13.8%	25.0%	1.0%
	Australia	-3.3%	-0.4%	15.2%	8.3%	4.4%	3.4%	-5.3%	9.4%	8.7%	22.9%	-12.0%	19.9%	11.4%
	Canada	-4.0%	3.8%	11.5%	9.1%	5.3%	3.9%	-12.9%	26.0%	5.3%	27.5%	-17.2%	16.1%	24.6%
	France	-7.0%	10.1%	34.5%	11.1%	4.8%	5.3%	-13.3%	19.5%	4.1%	25.7%	-12.8%	28.7%	4.9%
	Germany	-7.7%	8.8%	35.5%	-0.3%	0.3%	2.0%	-22.3%	5.3%	11.5%	20.8%	-22.2%	27.7%	2.8%
	Japan	-1.6%	11.2%	25.9%	2.8%	2.1%	4.4%	-16.6%	1.7%	14.5%	19.6%	-12.9%	24.0%	2.4%
	Switzerland	-5.4%	5.1%	16.0%	3.5%	6.6%	5.3%	-18.3%	19.3%	11.6%	32.3%	-9.1%	22.5%	-4.9%
	UK	-1.5%	6.8%	24.9%	12.1%	2.9%	2.5%	-4.8%	18.5%	-10.5%	21.0%	-14.2%	22.3%	-0.1%
Emerging Markets	MSCI Emerging Markets	-2.9%	1.8%	11.7%	-1.7%	0.6%	2.1%	-20.1%	-2.5%	18.3%	18.4%	-14.6%	37.3%	11.2%
	Brazil	-3.6%	12.6%	15.2%	13.3%	4.3%	0.6%	14.2%	-17.4%	-19.0%	26.3%	-0.5%	24.1%	66.2%
	China	-1.9%	-7.3%	5.2%	-14.3%	-4.2%	1.7%	-21.9%	-21.7%	29.5%	23.5%	-18.9%	54.1%	0.9%
	India	2.7%	8.0%	10.1%	14.9%	9.8%	9.8%	-8.0%	26.2%	15.6%	7.6%	-7.3%	38.8%	-1.4%
	Indonesia	-3.4%	5.3%	1.5%	13.6%	4.1%	3.6%	3.6%	2.1%	-8.1%	9.1%	-9.2%	24.2%	17.0%
	Korea	-6.6%	6.9%	26.2%	-1.5%	-0.5%	2.1%	-29.4%	-8.4%	44.6%	12.5%	-20.9%	47.3%	8.7%
	Mexico	-6.5%	18.8%	33.6%	23.2%	4.8%	1.5%	-2.0%	22.5%	-1.9%	11.4%	-15.5%	16.0%	-9.2%
	Russia	0.0%	-100.0%	-100.0%	-99.0%	-93.0%	-73.8%	-100.0%	19.0%	-12.5%	50.9%	-0.4%	5.2%	54.8%

Source: Morningstar Direct; Empower Investments Analysis Individual country returns are represented by MSCI indices and shown as USD returns

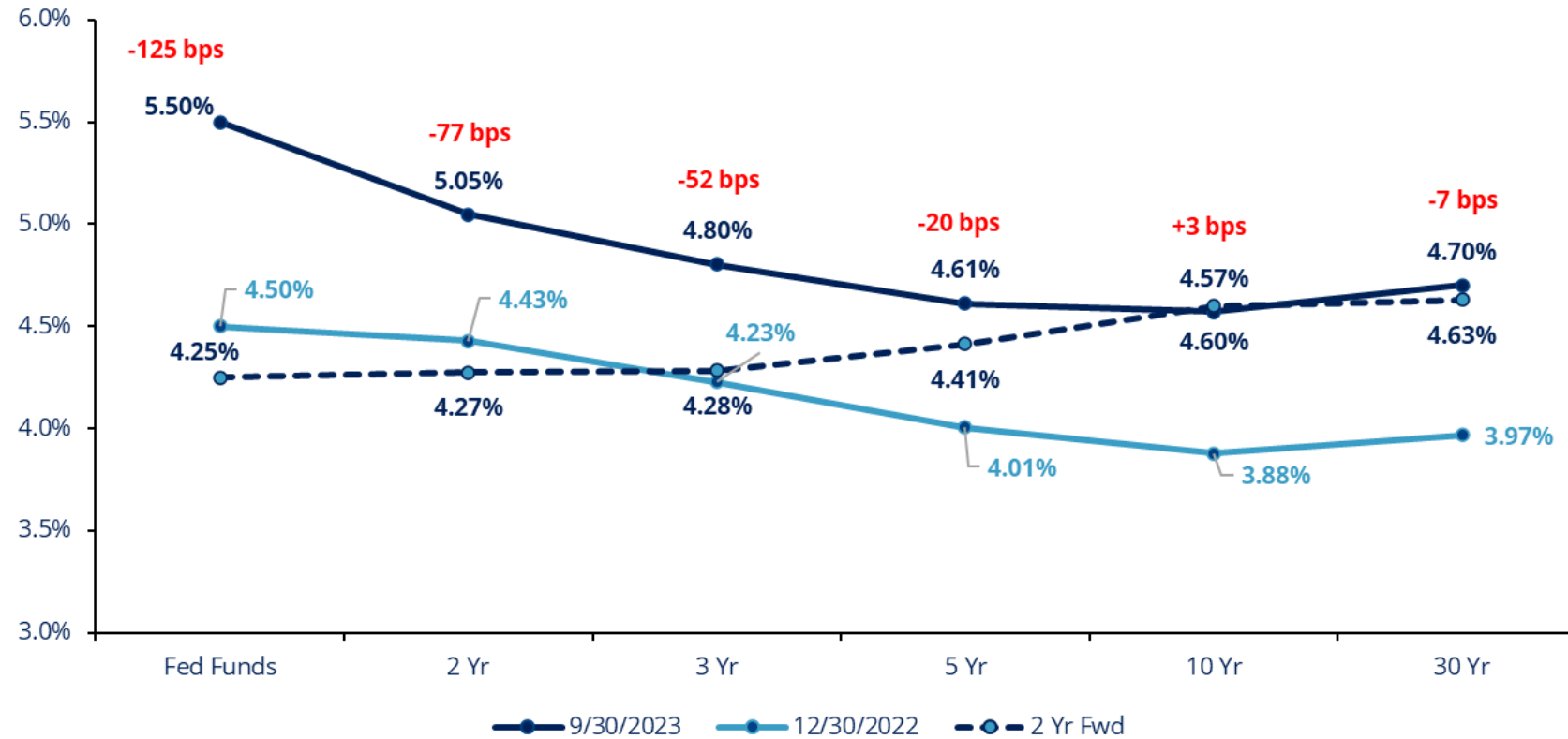
\*Canada is not part of the EAFE Index

Past performance is not a guarantee or prediction of future results.

# Historical, Current and Forward Rates

## U.S. Yield Curve

red represents projected change from current to two years forward



Source: Bloomberg; ECM Analysis

# Fixed Income and Specialty Returns

(as of September 30, 2023)

	QTD	YTD	1 Year Trailing	3 Year Trailing	5 Year Trailing	10 Year Trailing	2022	2021	2020	2019	2018	2017	2016
<b>Fixed Income</b>													
Bloomberg Barclays US Aggregate	-3.2%	-1.2%	0.6%	-5.2%	0.1%	1.1%	-13.0%	-1.5%	7.5%	8.7%	0.0%	3.5%	2.6%
Bloomberg Barclays US Treasury	-3.1%	-1.5%	-0.8%	-5.8%	-0.1%	0.6%	-12.5%	-2.3%	8.0%	6.9%	0.9%	2.3%	1.0%
Bloomberg Barclays US Govt/ Credit Intermediate	-0.8%	0.7%	2.2%	-2.9%	1.0%	1.3%	-8.2%	-1.4%	6.4%	6.8%	0.9%	2.1%	2.1%
Bloomberg Barclays US Govt/ Credit Long	-9.4%	-5.4%	-2.9%	-11.9%	-1.2%	1.9%	-27.1%	-2.5%	16.1%	19.6%	-4.7%	10.7%	6.7%
Bloomberg Barclays US TIPS	-2.6%	-0.8%	1.2%	-2.0%	2.1%	1.7%	-11.8%	6.0%	11.0%	8.4%	-1.3%	3.0%	4.7%
Bloomberg Barclays US Corporate High Yield	0.5%	5.9%	10.3%	1.8%	3.0%	4.2%	-11.2%	5.3%	7.1%	14.3%	-2.1%	7.5%	17.1%
FTSE WGBI	-4.3%	-2.7%	1.0%	-8.7%	-2.6%	-1.2%	-18.3%	-7.0%	10.1%	5.9%	-0.8%	7.5%	1.6%
JPM EMBI Global Diversified	-2.7%	1.2%	9.3%	-4.4%	-0.3%	0.0%	-16.9%	-1.8%	5.3%	14.9%	0.0%	0.0%	0.0%
FTSE Treasury Bill 3 Month	4.7%	-3.4%	-1.3%	16.2%	6.1%	-0.7%	16.1%	27.1%	-3.1%	7.7%	-11.2%	1.7%	11.8%
<b>Specialty</b>													
Bloomberg Commodity	-7.4%	-2.1%	2.6%	6.1%	1.6%	5.3%	-26.0%	45.9%	-11.2%	23.1%	-4.2%	3.8%	6.7%
DJUS Select REIT	-2.8%	-6.9%	2.8%	-4.2%	-3.5%	0.1%	-23.8%	8.8%	-6.5%	21.8%	-5.8%	20.8%	2.0%
FTSE EPRA/ NAREIT Developed Ex US	-2.8%	-4.3%	-8.7%	-2.0%	-3.2%	1.2%	-23.8%	8.8%	-6.5%	21.8%	-5.8%	20.8%	2.0%

Source: Morningstar Direct; Empower Investments Analysis

Name	Total Ret	Total Ret	Total Ret	Total Ret	Total Ret	Total Net Assets \$M	Expense Ratio
	3 Mth	1 Yr	3 Yr	5 Yr	10 Yr		
American Funds EuroPacific Gr R6	-6.33	19.64	0.08	3.11	4.64	120,856	0.47
Morningstar Foreign Large Growth Avg	-7.81	18.15	-1.45	2.86	4.39	-	1.04
MSCI EAFE Index	-4.11	25.65	5.75	3.24	3.82	-	-
MSCI ACWI ex U.S.	-3.77	20.39	3.74	2.58	3.35	-	-
Blackrock EAFE Equity Index Coll F	-4.71	26.49	6.04	3.56	4.16	-	0.06
MSCI EAFE Index	-4.11	25.65	5.75	3.24	3.82	-	-
DFA US Micro Cap I	-3.41	13.24	16.27	4.22	7.75	5,970	0.40
Morningstar Small Cap Blend Avg	-4.18	12.46	11.01	3.70	6.84	-	0.99
Russell 2000 Index	-5.13	8.93	7.16	2.40	6.65	-	-
Blackrock Russell 2000 Index Coll M	-5.18	9.04	7.25	2.47	6.79	-	0.03
Russell 2000 Index	-5.13	8.93	7.16	2.40	6.65	-	-
T. Rowe Price Instl Mid-Cap Equity Gr	-4.76	16.94	3.86	6.36	10.58	4,583	0.61
Morningstar Mid Cap Growth Avg	-5.32	13.25	1.64	5.79	8.98	-	1.08
Russell Mid Cap Growth Index	-5.22	17.47	2.61	6.97	9.94	-	-
S&P Midcap 400 Index	-4.20	15.51	12.05	6.06	8.94	-	-
Blackrock Midcap Equity Index Coll F	-4.19	15.46	12.01	6.09	8.99	-	0.03
S&P MidCap 400 Index	-4.20	15.51	12.05	6.06	8.94	-	-
Calvert US Large Cap Core Rspnb Idx R6	-3.99	20.46	8.10	9.96	11.87	4,264	0.19
S&P 500 Index	-3.27	21.62	10.15	9.92	11.91	-	-
Morningstar Socially Resp Large Cap Avg**	-3.80	18.45	7.66	8.95	10.44	-	0.89
Morningstar Large Cap Blend Avg	-3.24	19.13	9.31	8.60	10.42	-	0.79
Fidelity Contrafund Commingled Pool CI 3	-0.26	29.28	6.63	10.14	-	-	0.35
Morningstar Large Cap Growth Avg	-3.59	23.46	4.26	9.04	11.63	-	0.96
Russell 1000 Growth Index	-3.13	27.72	7.97	12.42	14.48	-	-
S&P 500 Index	-3.27	21.62	10.15	9.92	11.91	-	-

\*\*This index is a compilation of all Large Cap Socially Conscious Funds in the Morningstar Database

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# Performance Benchmarking

9/29/2023

	Total Ret 3 Mth	Total Ret 1 Yr	Total Ret 3 Yr	Total Ret 5 Yr	Total Ret 10 Yr	Total Net Assets \$M	Expense Ratio
JP Morgan US Value R6	-2.82	13.89	13.45	8.34	10.19	4,626	0.44
Morningstar Large Cap Value Avg	-3.16	14.44	11.05	6.23	8.45	-	-
Russell 1000 Value Index	-2.52	14.87	11.84	6.45	8.39	-	-
Vanguard Institutional 500 Index Trust**	-3.28	21.60	10.14	9.91	<i>11.90</i>		0.01
S&P 500 Index	-3.27	21.62	10.15	9.92	11.91	-	-
Vanguard Wellington Adm	-3.06	12.10	4.86	6.16	7.63	100,469	0.17
Morningstar Moderate Allocation Avg	-2.67	10.58	3.65	4.41	5.74	-	1.04
Composite 65% S&P 500 / 35% Bloomberg Aggregate	-3.26	14.28	4.78	6.48	8.14	-	-
Composite 65% S&P 500 / 35% Bloomberg US Credit A or Better Idx	-3.27	15.04	4.71	6.69	8.45	-	-
Vanguard Long-Term Investment-Grade Adm	-7.86	0.58	-10.13	-0.42	2.71	14,468	0.12
Bloomberg US Long Credit A	-3.26	2.83	-5.38	0.68	2.00	-	-
Morningstar Long Term Bond	-7.07	0.80	-9.06	-0.29	2.50	-	0.64
Dodge & Cox Income X	-2.67	3.18	-3.10	1.35	2.20	64,615	0.33
Morningstar Interim Core-Plus Bond Avg	-2.85	1.28	-4.48	0.26	1.32	-	-
Bloomberg US Aggregate Bond Index	-3.23	0.64	-5.21	0.10	1.13	-	-
Blackrock US Debt Index Fund Coll W	-3.21	0.69	-5.16	0.16	1.21	-	0.03
Bloomberg US Aggregate Bond Index	-3.23	0.64	-5.21	0.10	1.13	-	-
Vanguard Admiral Treasury Money Mkt Inv	1.30	4.55	1.72	1.66	1.06	60,290	0.09
Morningstar Taxable Money Mkt Avg	1.23	4.25	1.58	1.46	0.89	-	0.40
U.S. Treasury 90-Day T-Bill	1.30	4.76	1.92	1.75	1.14	-	-
iMoney Net Average Treasury MM	1.24	4.17	1.54	1.39	0.82	-	-
Stable Value Fund	0.67	2.41	1.97	2.17	2.03	-	0.27
5 Yr. Constant Maturity Treasury Yield	1.08	3.95	2.30	2.00	1.88	-	-

\*\* Italicized returns are taken from mutual fund share class..

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# Target Date Performance

9/29/2023

Name	Total Ret 3 Mth	Total Ret 1 Yr	Total Ret 3 Yr	Total Ret 5 Yr	Total Ret 10 Yr	Total Net Assets \$M	Expense Ratio	% Short- Term	% US Stocks	% Non US Stocks	% Inv Grade Bond	% High Yield Bond
<b>Vanguard Target RetireTrust Plus Income</b>	<b>-2.39</b>	<b>7.09</b>	<b>-0.10</b>	<b>2.73</b>	<b>3.67</b>	<b>21,879</b>	<b>0.06</b>	<b>3</b>	<b>17</b>	<b>12</b>	<b>68</b>	<b>0</b>
S&P Target Date Retirement Income TR USD	-2.61	7.38	0.22	2.59	3.48	-	-	-	-	-	-	-
Composite Returns*	-3.27	6.83	-1.45	1.78	2.85	-	-	-	-	-	-	-
<b>Vanguard Target RetireTrust Plus 2020</b>	<b>-2.63</b>	<b>9.43</b>	<b>1.48</b>	<b>3.65</b>	<b>5.33</b>	<b>30,512</b>	<b>0.06</b>	<b>3</b>	<b>25</b>	<b>16</b>	<b>56</b>	<b>0</b>
S&P Target Date Retirement Income TR USD	-2.73	9.96	1.91	3.44	4.95	-	-	-	-	-	-	-
Composite Returns*	-3.34	9.28	0.04	2.49	3.62	-	-	-	-	-	-	-
<b>Vanguard Target RetireTrust Plus 2025</b>	<b>-2.98</b>	<b>11.61</b>	<b>2.28</b>	<b>4.16</b>	<b>5.91</b>	<b>67,617</b>	<b>0.06</b>	<b>3</b>	<b>32</b>	<b>22</b>	<b>43</b>	<b>0</b>
S&P Target Date 2025 TR USD	-2.80	10.97	3.03	4.02	5.56	-	-	-	-	-	-	-
Composite Returns*	-3.42	12.04	1.61	3.19	4.36	-	-	-	-	-	-	-
<b>Vanguard Target RetireTrust Plus 2030</b>	<b>-3.21</b>	<b>13.18</b>	<b>3.07</b>	<b>4.57</b>	<b>6.39</b>	<b>85,837</b>	<b>0.06</b>	<b>3</b>	<b>37</b>	<b>25</b>	<b>35</b>	<b>0</b>
S&P Target Date Retirement Income TR USD	-2.98	12.96	4.08	4.51	6.14	-	-	-	-	-	-	-
Composite Returns*	-3.47	13.69	2.60	3.65	4.85	-	-	-	-	-	-	-
<b>Vanguard Target RetireTrust Plus 2035</b>	<b>-3.28</b>	<b>14.68</b>	<b>4.00</b>	<b>5.04</b>	<b>6.90</b>	<b>87,959</b>	<b>0.06</b>	<b>3</b>	<b>41</b>	<b>28</b>	<b>28</b>	<b>0</b>
S&P Target Date 2035 TR USD	-3.14	15.18	5.24	5.07	6.72	-	-	-	-	-	-	-
Composite Returns*	-3.51	15.17	3.45	4.04	5.26	-	-	-	-	-	-	-
<b>Vanguard Target RetireTrust Plus 2040</b>	<b>-3.34</b>	<b>16.23</b>	<b>4.90</b>	<b>5.48</b>	<b>7.36</b>	<b>80,003</b>	<b>0.06</b>	<b>3</b>	<b>46</b>	<b>31</b>	<b>20</b>	<b>0</b>
S&P Target Date Retirement Income TR USD	-3.23	17.06	6.16	5.53	7.15	-	-	-	-	-	-	-
Composite Returns*	-3.56	16.82	4.44	4.50	5.75	-	-	-	-	-	-	-

\*Composite benchmark consists of the following indices weighted to match the allocation of the specific target date fund:  
MSCI Broad Market, MSCI EAFE, Barclays Aggregate Bond, and Barclays US Treasury 1-3 Month

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# Target Date Performance

9/29/2023

Name	Total Ret 3 Mth	Total Ret 1 Yr	Total Ret 3 Yr	Total Ret 5 Yr	Total Ret 10 Yr	Total Net Assets \$M	Expense Ratio	% Short- Term	% US Stocks	% Non US Stocks	% Inv Grade Bond	% High Yield Bond
<b>Vanguard Target RetireTrust Plus 2045</b>	<b>-3.43</b>	<b>17.75</b>	<b>5.81</b>	<b>5.95</b>	<b>7.71</b>	<b>77,666</b>	<b>0.06</b>	<b>3</b>	<b>50</b>	<b>34</b>	<b>13</b>	<b>0</b>
S&P Target Date 2045 TR USD	-3.33	18.32	6.72	5.81	7.41	-	-	-	-	-	-	-
Composite Returns*	-3.60	18.29	5.29	4.89	6.16	-	-	-	-	-	-	-
<b>Vanguard Target RetireTrust Plus 2050</b>	<b>-3.47</b>	<b>18.55</b>	<b>6.00</b>	<b>6.08</b>	<b>7.77</b>	<b>68,414</b>	<b>0.06</b>	<b>3</b>	<b>53</b>	<b>35</b>	<b>9</b>	<b>0</b>
S&P Target Date Retirement Income TR USD	-3.36	18.84	7.01	5.93	7.60	-	-	-	-	-	-	-
Composite Returns*	-3.62	19.08	5.80	5.14	6.44	-	-	-	-	-	-	-
<b>Vanguard Target RetireTrust Plus 2055</b>	<b>-3.48</b>	<b>18.55</b>	<b>6.00</b>	<b>6.07</b>	<b>7.76</b>	<b>47,952</b>	<b>0.06</b>	<b>3</b>	<b>53</b>	<b>35</b>	<b>9</b>	<b>0</b>
S&P Target Date 2055 TR USD	-3.36	18.97	7.12	5.98	7.68	-	-	-	-	-	-	-
Composite Returns*	-3.62	19.08	5.80	5.14	6.44	-	-	-	-	-	-	-
<b>Vanguard Target RetireTrust Plus 2060</b>	<b>-3.47</b>	<b>18.59</b>	<b>6.01</b>	<b>6.09</b>	<b>7.77</b>	<b>25,214</b>	<b>0.06</b>	<b>3</b>	<b>53</b>	<b>35</b>	<b>9</b>	<b>0</b>
S&P Target Date Retirement Income TR USD	-3.37	19.09	7.10	6.00	7.74	-	-	-	-	-	-	-
Composite Returns*	-3.62	19.08	5.80	5.14	6.44	-	-	-	-	-	-	-
<b>Vanguard Target RetireTrust Plus 2065</b>	<b>-3.46</b>	<b>18.58</b>	<b>6.00</b>	<b>6.10</b>	<b>-</b>	<b>7,201</b>	<b>0.06</b>	<b>3</b>	<b>53</b>	<b>35</b>	<b>9</b>	<b>0</b>
S&P Target Date Retirement Income TR USD	-3.37	19.00	7.16	6.04	-	-	-	-	-	-	-	-
Composite Returns*	-3.62	19.08	5.80	5.14	6.44	-	-	-	-	-	-	-

\*Composite benchmark consists of the following indices weighted to match the allocation of the specific target date fund:  
MSCI Broad Market, MSCI EAFE, Barclays Aggregate Bond, and Barclays US Treasury 1-3 Month

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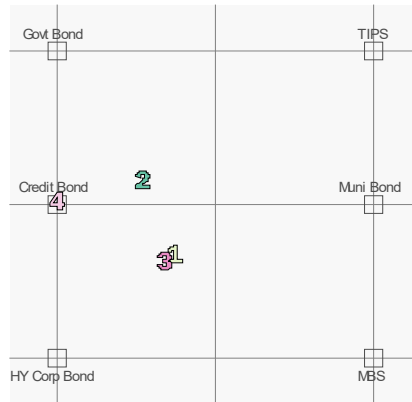


# Style Analysis (5Yr)

9/29/2023

Asset Class: Fixed Income

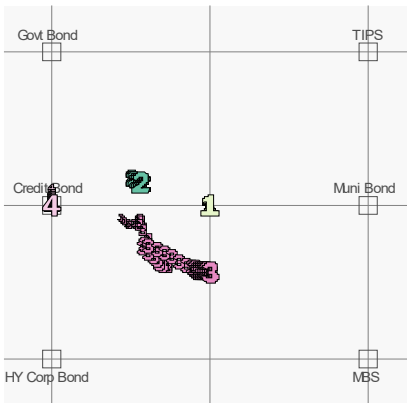
## AVERAGE STYLE (5-Year)



## Fixed Income

	Style Drift	Cash	Credit Bond	Govt Bond	HY Corp Bond	MBS	Muni Bond	TIPS	Style Exposure
<b>1 Vanguard Treasury Money Market Investor</b> FTSE Treasury Bill 3 Mbn	0.77	99.26	0.03	0.00	0.43	0.01	0.06	0.20	
<b>2 BlackRock US Debt Index Fund M</b> BBgBarc US Aggregate Bond Index	2.13	0.22	28.61	43.36	0.83	26.62	0.36	0.00	
<b>3 Dodge &amp; Cox Income X</b> BBgBarc US Aggregate Bond Index	19.07	17.74	41.81	3.63	8.87	25.77	1.69	0.48	
<b>4 Vanguard Long-Term Investment-Grade Adm</b> BBgBarc US Credit A+ Long TR USD	5.56	0.00	98.09	1.91	0.00	0.00	0.00	0.00	

## STYLE DRIFT (5-Year)



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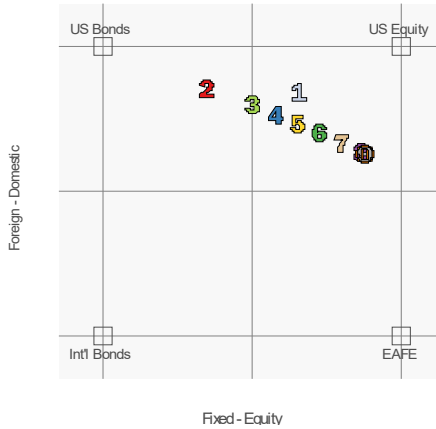


# Style Analysis (5Yr)

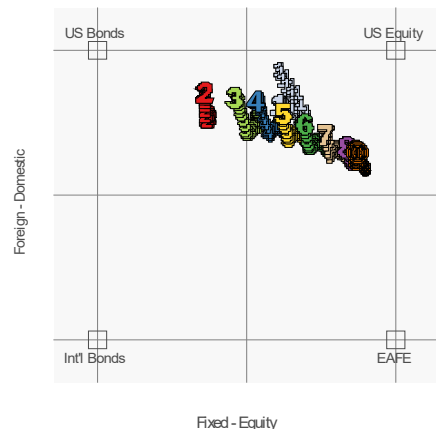
9/29/2023

Asset Class: **Balanced**

## AVERAGE STYLE (5-Year)



## STYLE DRIFT (5-Year)



## Balanced

	Style Drift	Cash	US Bonds	Int'l Bonds	EAFE	US Equity	Style Exposure
<b>1</b> Vanguard Wellington Admiral	14.79	8.14	26.26	4.97	9.57	51.06	
S&P 500 Index	3.30	2.24	0.22	0.96	0.49	96.09	
<b>2</b> The Vanguard Target Retire Inc Trust I	6.60	13.26	53.19	3.72	8.71	21.12	
S&P Target Date Retirement Income	6.20	21.23	44.71	2.39	9.92	21.76	
<b>3</b> The Vanguard Target Retire 2020 Trust I	9.74	6.68	42.55	3.92	14.88	31.97	
S&P Target Date 2020	7.25	15.66	34.30	2.38	15.00	32.66	
<b>4</b> The Vanguard Target Retire 2025 Trust I	9.31	1.64	37.00	4.60	18.39	38.37	
S&P Target Date 2025	9.09	14.37	26.85	3.08	18.19	37.51	
<b>5</b> The Vanguard Target Retire 2030 Trust I	9.08	1.01	29.44	4.95	21.53	43.07	
S&P Target Date 2030	10.74	11.63	19.22	3.63	21.94	43.58	
<b>6</b> The Vanguard Target Retire 2035 Trust I	9.83	0.99	21.60	5.50	24.25	47.67	
S&P Target Date 2035	11.55	8.64	11.16	4.34	26.10	49.76	
<b>7</b> The Vanguard Target Retire 2040 Trust I	10.49	0.90	13.88	6.00	27.07	52.16	
S&P Target Date 2040	9.73	6.09	6.64	4.13	29.36	53.78	
<b>8</b> The Vanguard Target Retire 2045 Trust I	10.15	0.73	6.74	6.33	29.77	56.43	
S&P Target Date 2045	7.99	4.56	3.82	3.96	31.47	56.19	
<b>9</b> The Vanguard Target Retire 2050 Trust I	9.01	0.70	5.31	6.40	30.49	57.10	
S&P Target Date 2050	7.17	4.10	2.51	3.49	32.58	57.32	
<b>10</b> The Vanguard Target Retire 2055 Trust I	9.05	0.73	5.29	6.42	30.54	57.02	
S&P Target Date 2055	6.93	3.82	2.01	3.45	33.18	57.54	

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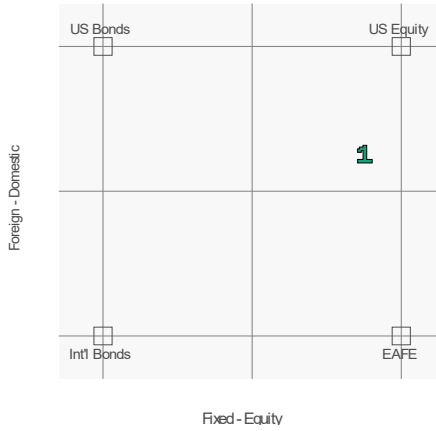
# Style Analysis (5Yr)

9/29/2023

Asset Class: **Balanced**

Style Drift    Cash    US Bonds    Int'l Bonds    EAFE    US Equity    Style Exposure

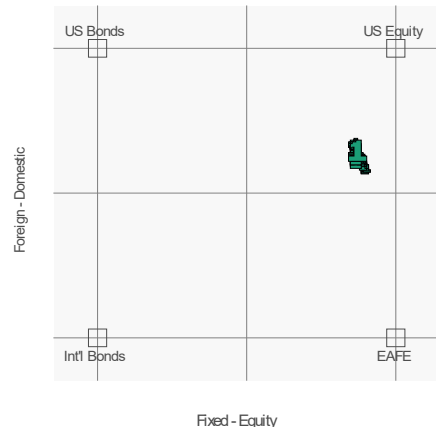
## AVERAGE STYLE (5-Year)



## Balanced

	Style Drift	Cash	US Bonds	Int'l Bonds	EAFE	US Equity	Style Exposure
<b>1 The Vanguard Target Retire 2060 Trust I</b>	9.02	0.81	5.23	6.38	30.49	57.11	
S&P Target Date 2060	7.06	3.73	1.94	3.35	33.12	57.86	

## STYLE DRIFT (5-Year)



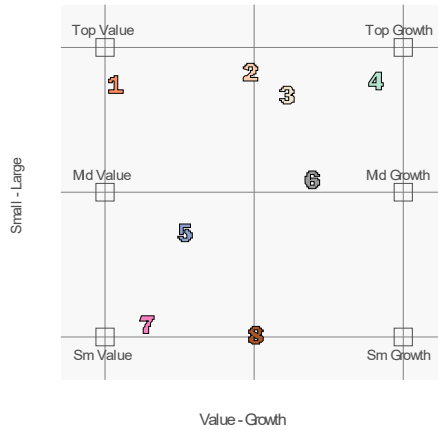
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# Style Analysis (5Yr)

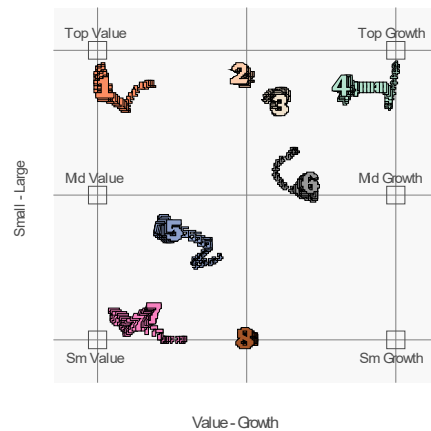
9/29/2023

Asset Class: Equity

## AVERAGE STYLE (5-Year)



## STYLE DRIFT (5-Year)



## Equity

	Style Drift	Cash	Top Value	Top Growth	Mid Value	Mid Growth	Sm Value	Sm Growth	Style Exposure
<b>1 JPMorgan US Value R6</b> Russell 1000 Value Index	15.47 0.99	1.66 0.03	74.07 66.30	3.46 0.01	16.56 33.56	0.00 0.01	4.13 0.07	0.12 0.02	
<b>2 Vanguard Institutional Index Instl PI</b> S&P 500 Index	4.56 4.54	0.93 0.94	36.75 36.76	46.29 46.26	13.72 13.72	2.28 2.28	0.03 0.03	0.00 0.00	
<b>3 Calvert US Large Cap Core Rsprib ldx R6</b> S&P 500 Index	13.87 4.54	1.35 0.94	26.68 36.76	42.34 46.26	11.11 13.72	15.92 2.28	0.91 0.03	1.70 0.00	
<b>4 Fidelity Contrafund Commingled Pool CI 2</b> Russell 1000 Growth Index	11.85 2.44	5.94 0.03	4.45 0.02	69.80 81.04	3.92 0.03	14.87 18.49	0.00 0.09	1.02 0.31	
<b>5 BlackRock Mid-Cap Equity Index F</b> Russell Md-Cap Index	22.27 3.95	0.15 0.04	0.99 0.17	0.10 0.16	51.90 62.45	17.24 36.69	20.05 0.21	9.58 0.28	
<b>6 T. Rowe Price Instl Mid-Cap Equity Gr</b> Russell Md-Cap Growth Index	13.37 0.00	4.16 0.00	3.87 0.00	5.88 0.00	25.25 0.00	59.37 100.00	0.00 0.00	1.48 0.00	
<b>7 DFA US Micro Cap I</b> Russell 2000 Index	11.94 1.69	3.13 0.01	0.13 0.01	0.15 0.07	3.12 0.32	3.64 0.01	80.21 49.07	9.62 50.51	
<b>8 BlackRock Russell 2000 Index-T</b> Russell 2000 Index	1.54 1.69	0.00 0.01	0.00 0.01	0.08 0.07	0.35 0.32	0.01 0.01	49.04 49.07	50.52 50.51	

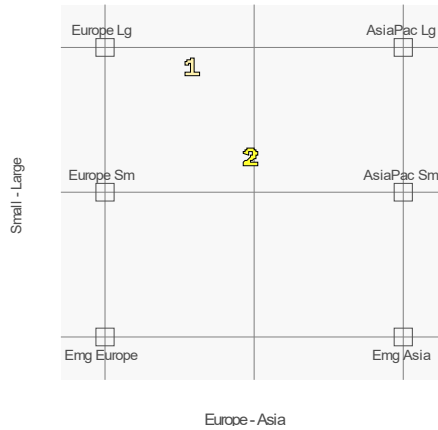
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# Style Analysis (5Yr)

9/29/2023

Asset Class: International

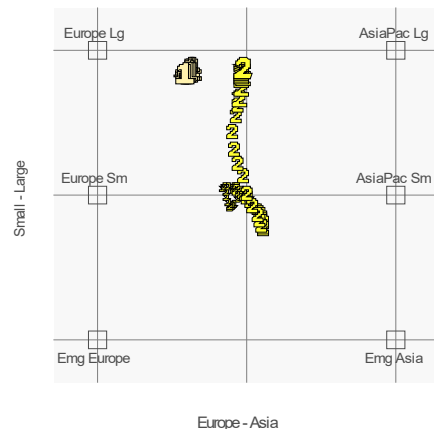
## AVERAGE STYLE (5-Year)



## International

	Style Drift	Cash	Europe Lg	Europe Sm	AsiaPac Lg	AsiaPac Sm	Emg Europe	Emg Asia	Style Exposure
<b>1 BlackRock EAFE Equity Index-T</b> MSCI EAFE	10.08	3.29	62.73	4.79	25.19	0.63	0.84	2.54	
<b>2 American Funds Europacific Growth R6</b> MSCI ACWI ex USA GDP NR USD	4.97	2.63	62.96	1.39	31.21	0.93	0.47	0.43	
	31.73	0.65	27.70	20.15	20.10	7.93	2.99	20.48	
	14.16	0.02	32.76	5.31	5.51	0.00	8.81	47.58	

## STYLE DRIFT (5-Year)



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# 3-Year Percentile Ranks – Actively Managed Funds

9/29/2023

Group/Investment	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	2023	2023	2023	2022	2022	2022	2022	2021	2021	2021	2021	2020
	% 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	% of Peer Group Beaten	% of Peer Group Beaten
American Funds Europacific Grth R6	59	57	69	42	45	41	30	30	63	58	46	57
DFA US Micro Cap I	94	93	88	83	86	83	68	45	28	32	40	25
Dodge & Cox Income	88	89	87	92	88	90	80	69	74	79	82	83
Fidelity Contrafund Commingled PI 3	64	55	50	58	62	48	55	35	9	7	11	9
JP Morgan US Value R6	73	78	71	87	89	87	81	78	84	81	77	78
T. Rowe Price Instl Mid-Cap Equity Gr	64	59	58	34	25	33	20	24	39	34	37	38
Vanguard Long-Term Inv-Grade Adm	28	28	31	58	49	50	46	42	50	49	54	47
Vanguard Target Retire Trust Plus 2020	52	48	51	35	36	41	34	47	55	58	61	65
Vanguard Target Retire Trust Plus 2025	72	69	65	61	60	64	68	69	72	73	77	79
Vanguard Target Retire Trust Plus 2030	64	60	55	33	36	41	46	50	62	64	62	67
Vanguard Target Retire Trust Plus 2035	53	47	47	52	57	58	55	54	63	67	60	70
Vanguard Target Retire Trust Plus 2040	42	39	43	40	44	48	38	42	54	62	56	67
Vanguard Target Retire Trust Plus 2045	62	58	58	66	70	76	68	57	66	67	70	73
Vanguard Target Retire Trust Plus 2050	60	56	56	53	53	53	49	42	49	59	52	60
Vanguard Target Retire Trust Plus 2055	55	52	46	68	69	75	65	41	63	64	59	68
Vanguard Target Retire Trust Plus 2060	46	49	42	50	48	48	41	28	45	49	41	55
Vanguard Target Retire Trust Plus 2065	48	45	37	50	43	45	32	26	90	90	52	80
Vanguard Target Retire Trust Plus Income	55	52	50	69	75	73	60	56	69	66	71	78
Vanguard Wellington™ Adm	77	81	70	77	69	81	79	82	87	84	77	73

1<sup>st</sup> Quartile
  2<sup>nd</sup> Quartile
  3<sup>rd</sup> Quartile
  4<sup>th</sup> Quartile

Past performance is no guarantee of future results. Rankings provided based on total returns. Performance quoted for mutual funds may include performance of a predecessor fund/share class prior to the share class commencement of operations.



# 3-Year Percentile Ranks – Passively Managed Funds

9/29/2023

	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	2023	2023	2023	2022	2022	2022	2022	2021	2021	2021	2021	2020
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	% of Peer Group Beaten	% of Peer Group Beaten
BlackRock EAFE® Equity Index F	80	79	69	54	56	61	58	57	53	56	57	56
Blackrock Mid Cap Eq Idx Fund CF	83	79	83	75	72	68	60	60	60	62	60	61
BlackRock Russell 2000® Index F	16	17	18	41	27	39	54	69	80	84	88	82
Blackrock US Debt Idx Fund CF	56	51	33	59	65	60	55	59	59	63	70	76
Calvert US Lrg Cap Core Rspnb Idx I	24	37	48	84	81	92	94	94	97	97	99	97
Vanguard Instl 500 Index Trust	69	74	71	78	80	82	77	73	74	76	78	82

■ 1<sup>st</sup> Quartile   
 ■ 2<sup>nd</sup> Quartile   
 ■ 3<sup>rd</sup> Quartile   
 ■ 4<sup>th</sup> Quartile

\* Percentile ranks shown for Calvert US Large Cap Responsible Index are taken from oldest share class of the respective mutual fund.

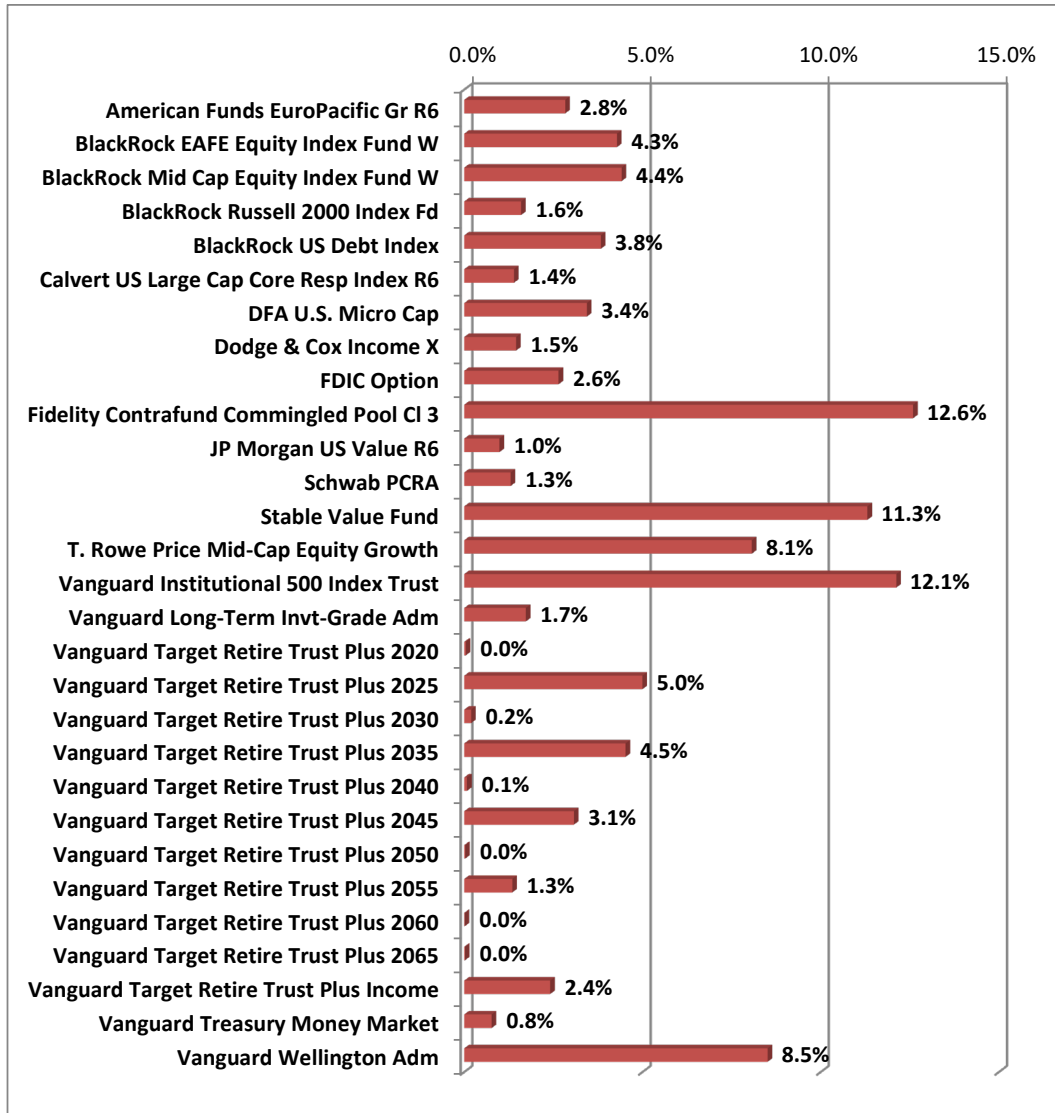
Past performance is no guarantee of future results. Rankings provided based on total returns. Performance quoted for mutual funds may include performance of a predecessor fund/share class prior to the share class commencement of operations.



# Asset Summary

9/29/2023

	Plan Inception Date	Fund Net Assets	WDC Assets in Fund	WDC as a Percentage of Fund Assets	Fund as a Percentage of WDC Assets	Number of Participants	Percentage of WDC Participants Utilizing Fund
American Funds EuroPacific Gr R6	1/28/2005	\$120,856,295,724	\$180,465,771	0.15%	2.83%	28,551	41.23%
BlackRock EAFE Equity Index Fund F	2/1/2001	\$55,647,249,805	\$272,674,794	0.49%	4.28%	25,984	37.52%
BlackRock Mid Cap Equity Index Fund F	2/1/2001	\$6,093,614,878	\$281,185,285	4.61%	4.41%	27,342	39.48%
BlackRock Russell 2000 Index Fd M	2/20/2004	\$6,659,833,527	\$101,672,146	1.53%	1.60%	21,850	31.55%
BlackRock US Debt Index M	2/1/2001	\$28,468,212,670	\$243,956,387	0.86%	3.83%	24,144	34.86%
Calvert US Large Cap Core Rspnb Idx R6	4/18/2003	\$6,509,417,127	\$88,893,632	1.37%	1.40%	3,483	5.03%
DFA U.S. Micro Cap	2/1/1997	\$5,970,472,381	\$219,015,554	3.67%	3.44%	25,189	36.37%
Dodge & Cox Income X	9/20/2019	\$64,615,125,605	\$92,715,646	0.14%	1.46%	16,532	23.87%
FDIC Option	12/31/1996	N/A	\$168,510,253	N/A	2.65%	13,271	19.16%
Fidelity Contrafund Commingled Pool CI 3	1/31/1994	\$106,388,543,327	\$802,040,413	0.75%	12.59%	29,842	43.09%
JP Morgan US Value R6	1/6/2022	\$4,625,688,173	\$62,980,860	1.36%	0.99%	22,223	32.09%
Schwab PCRA	2/17/2000	N/A	\$82,882,943	N/A	1.30%	1,193	1.72%
Stable Value Fund	9/1/1996	N/A	\$720,487,899	N/A	11.31%	29,425	42.49%
T. Rowe Price Instl Mid-Cap Equity Gr	2/1/1998	\$4,583,052,258	\$513,774,310	11.21%	8.07%	33,962	49.04%
Vanguard Institutional 500 Index Trust	9/9/1990	\$130,332,446,760	\$771,942,584	0.59%	12.12%	33,365	48.18%
Vanguard Long-Term Invt-Grade Adm	10/26/2001	\$14,467,512,084	\$110,077,940	0.76%	1.73%	19,814	28.61%
Vanguard Target Retire Trust Plus 2020	1/6/2023	\$30,512,009,879	\$2,794,086	0.01%	0.04%	44	0.06%
Vanguard Target Retire Trust Plus 2025	7/29/2005	\$67,616,815,253	\$318,378,084	0.47%	5.00%	5,774	8.34%
Vanguard Target Retire Trust Plus 2030	1/6/2023	\$85,836,500,281	\$12,262,937	0.01%	0.19%	212	0.31%
Vanguard Target Retire Trust Plus 2035	7/29/2005	\$87,959,090,782	\$288,234,337	0.33%	4.53%	7,120	10.28%
Vanguard Target Retire Trust Plus 2040	1/6/2023	\$80,002,971,782	\$4,962,540	0.01%	0.08%	227	0.33%
Vanguard Target Retire Trust Plus 2045	7/29/2005	\$77,665,692,545	\$195,861,456	0.25%	3.07%	7,095	10.25%
Vanguard Target Retire Trust Plus 2050	1/6/2023	\$68,413,756,087	\$1,700,974	0.00%	0.03%	223	0.32%
Vanguard Target Retire Trust Plus 2055	8/18/2010	\$47,951,955,788	\$85,717,373	0.18%	1.35%	5,373	7.76%
Vanguard Target Retire Trust Plus 2060	1/6/2023	\$25,214,012,863	\$584,610	0.00%	0.01%	190	0.27%
Vanguard Target Retire Trust Plus 2065	1/6/2023	\$7,201,361,953	\$1,318,153	0.02%	0.02%	80	0.12%
Vanguard Target Retire Trust Plus Income	7/29/2005	\$21,878,931,770	\$153,517,852	0.70%	2.41%	3,821	5.52%
Vanguard Treasury Money Market	10/1/1993	\$60,290,256,806	\$49,009,364	0.08%	0.77%	5,877	8.49%
Vanguard Wellington Adm	10/26/2001	\$100,468,541,770	\$542,062,730	0.54%	8.51%	28,477	41.12%



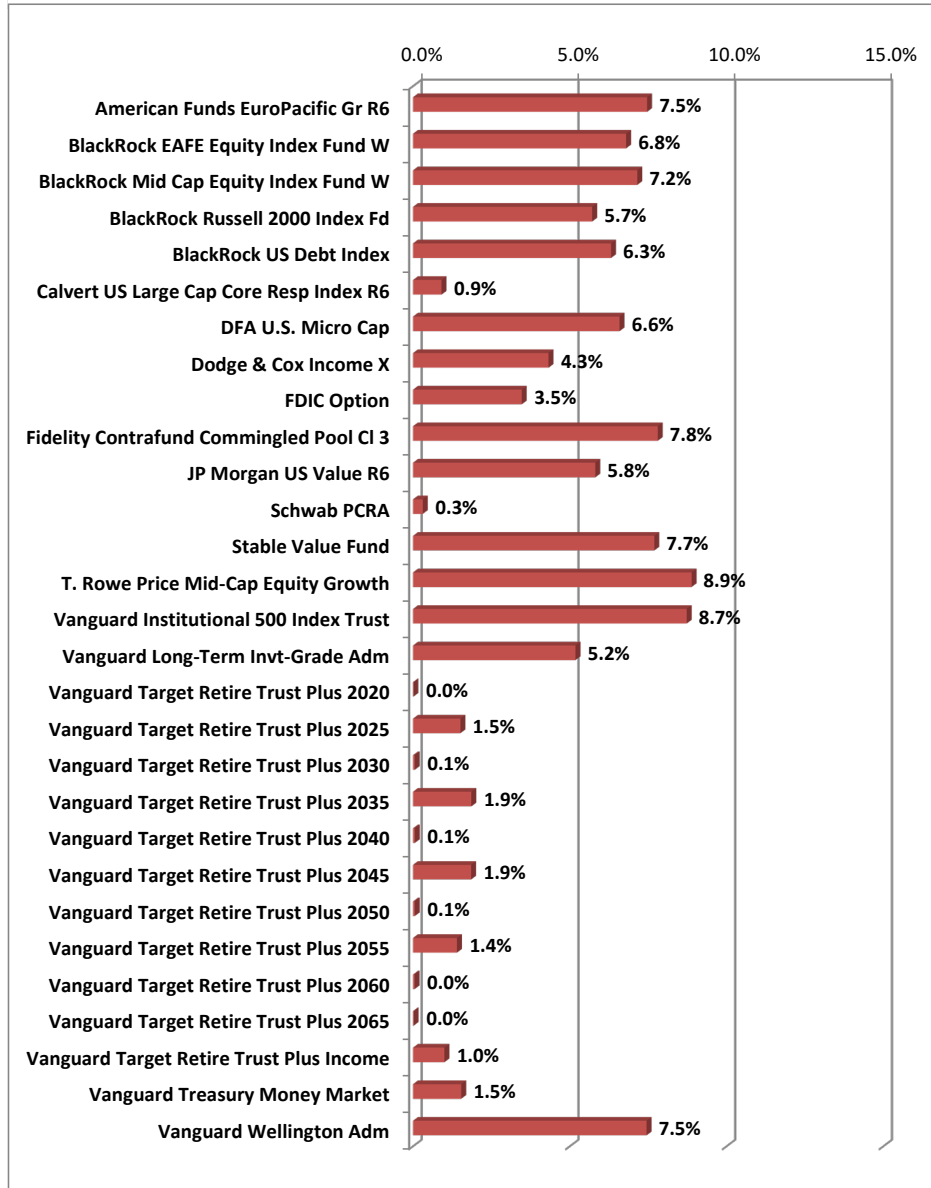
Total WDC Assets

**\$6,369,680,912**

Domestic Equity	\$2,841,504,783	45%
Intl Equity	\$453,140,565	7%
Balanced Funds	\$542,062,730	9%
Target Date Funds	\$1,065,332,403	17%
Fixed Income	\$446,749,974	7%
Cash Equiv.	\$938,007,516	15%
Self-Directed Brok.	\$82,882,943	1%







Total WDC Participants  
69,252

# Expense Summary

9/29/2023

Name	Expense Ratio	Annual Expense per \$1000
American Funds EuroPacific Gr R6	0.47%	\$4.70
Cat: Foreign Large Growth	1.04%	
Blackrock EAFE Equity Index Fund W	0.06%	\$0.60
Cat: Foreign Large Blend Index	0.37%	
DFA U.S. Micro Cap	0.40%	\$4.00
Cat: Small Blend	0.99%	
Blackrock Russell 2000 Index Fd	0.03%	\$0.30
Cat: Small Cap Blend Index	0.37%	
T. Rowe Price Instl Mid-Cap Equity Gr	0.61%	\$6.10
Cat: Mid Growth	1.08%	
Blackrock Mid Cap Equity Index Fund W	0.03%	\$0.30
Cat: Mid Cap Blend Index	0.40%	
Calvert US Large Cap Core Rspnb Idx R6	0.19%	\$1.90
Cat: Socially Resp Large Cap	0.89%	
Fidelity Contrafund Commingled Pool CI 3	0.35%	\$3.50
Cat: Large Growth	0.96%	
Vanguard Institutional 500 Index Trust	0.01%	\$0.10
Cat: Large Cap Blend Index	0.41%	
JP Morgan US Value R6	0.44%	\$4.40
Cat: Large Value	0.90%	
Vanguard Wellington Adm	0.17%	\$1.70
Cat: Moderate Allocation	1.04%	
Vanguard Long-Term Invmt-Grade Adm	0.12%	\$1.20
Cat: Long Term Bond	0.64%	
Dodge & Cox Income X	0.33%	\$3.30
Cat: Interm. Core-Plus Bond	0.74%	
Stable Value Fund	0.27%	\$2.70
Cat: Interm. Stable Value	0.60%	

Name	Expense Ratio	Annual Expense per \$1000
Blackrock US Debt Index	0.03%	\$0.30
Cat: Intermediate Bond Index	0.27%	
Vanguard Adm Money Market	0.09%	\$0.90
Average US Taxable Money Market Fund	0.40%	
Vanguard Target Retire Trust Plus Income	0.06%	\$0.60
Cat: Retirement Income	0.66%	
Vanguard Target Retire Trust Plus 2020	0.06%	\$0.60
Cat: Target Date 2020	0.61%	
Vanguard Target Retire Trust Plus 2025	0.06%	\$0.60
Cat: Target Date 2025	0.66%	
Vanguard Target Retire Trust Plus 2030	0.06%	\$0.60
Cat: Target Date 2030	0.67%	
Vanguard Target Retire Trust Plus 2035	0.06%	\$0.60
Cat: Target Date 2035	0.68%	
Vanguard Target Retire Trust Plus 2040	0.06%	\$0.60
Cat: Target Date 2040	0.70%	
Vanguard Target Retire Trust Plus 2045	0.06%	\$0.60
Cat: Target Date 2045	0.70%	
Vanguard Target Retire Trust Plus 2050	0.06%	\$0.60
Cat: Target Date 2050	0.71%	
Vanguard Target Retire Trust Plus 2055	0.06%	\$0.60
Cat: Target Date 2055	0.70%	
Vanguard Target Retire Trust Plus 2060	0.06%	\$0.60
Cat: Target Date 2060	0.71%	
Vanguard Target Retire Trust Plus 2065	0.06%	\$0.60
Cat: Target Date 2065+	0.70%	

**Asset-Weighted Average Expense Ratio: 0.20%**





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The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

**Questions?**

# Investment Option Benchmarking Analysis

Item 6 – Deferred Compensation Board

Bill Thornton, Investment Director  
Empower Investments



# Informational Item Only

- No Board action is required.

# State of Wisconsin Deferred Compensation Plan

## Investment Option Benchmarking Analysis

September 30, 2023

**Bill Thornton, CIMA®**  
Investment Director, Empower Investments



# Data Summary

The following slides were created from an extensive study of data collected from Empower Retirement's largest government recordkeeping clients, using data as of September 30, 2023. The study leverages Empower Retirement's position as the largest recordkeeper for government retirement plans in the country. This study encompasses data from a variety of government entities, including state, city, and county retirement plans.

All plans included in this report have total plan assets of \$1 billion or more and include the following statistics:

State Plans	28	Largest Plan	\$16.3 billion
County Plans	4	Smallest Plan	\$1.04 billion
Municipal Plans	2	Average	\$3.8 billion
Other Entities	3		

The Wisconsin Deferred Compensation Plan was not included in the above universe of plans.



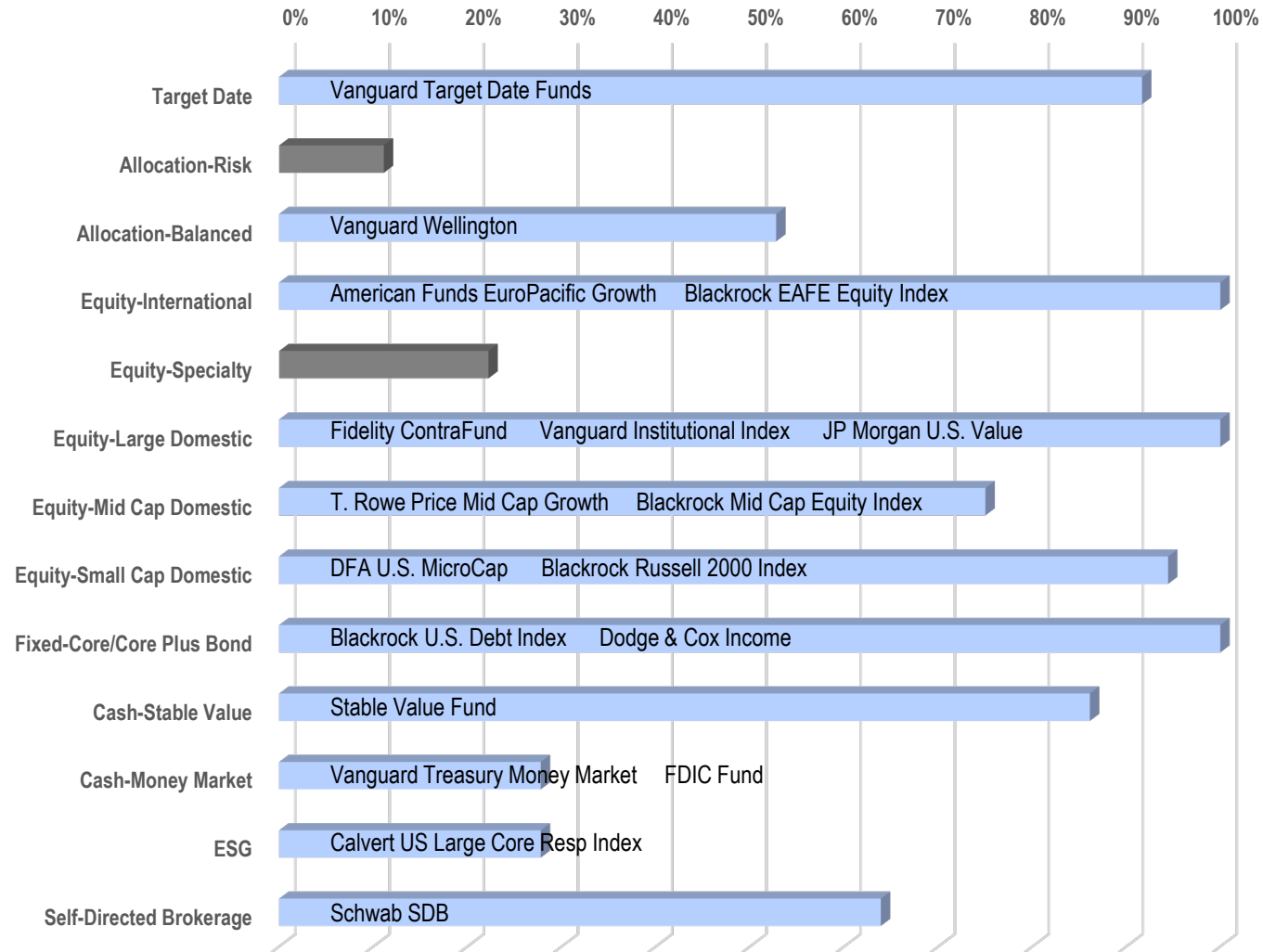
# Expense Summary

<b>PLAN SIZE</b>	<b>WEIGHTED AVG EXPENSE RATIO</b>
All Plans (36)	0.24%
Plans Between \$1 billion & \$2.99 billion (21)	0.26%
Plans Between \$3 billion & \$4.99 Billion (8)	0.17%
Plans Over \$5 Billion (7)	0.27%
<b>State of Wisconsin</b>	<b>0.20%</b>

Although somewhat counterintuitive, weighted average expense doesn't necessarily decrease as asset size increases. The inclusion, and participant use, of passively-managed investment options is a driving force of average expenses.

*\* Note: The chart excludes funds that typically do not have explicit expense ratios. Assets held in self-directed brokerage, FDIC-insured cash savings funds, and general account products were not included.*

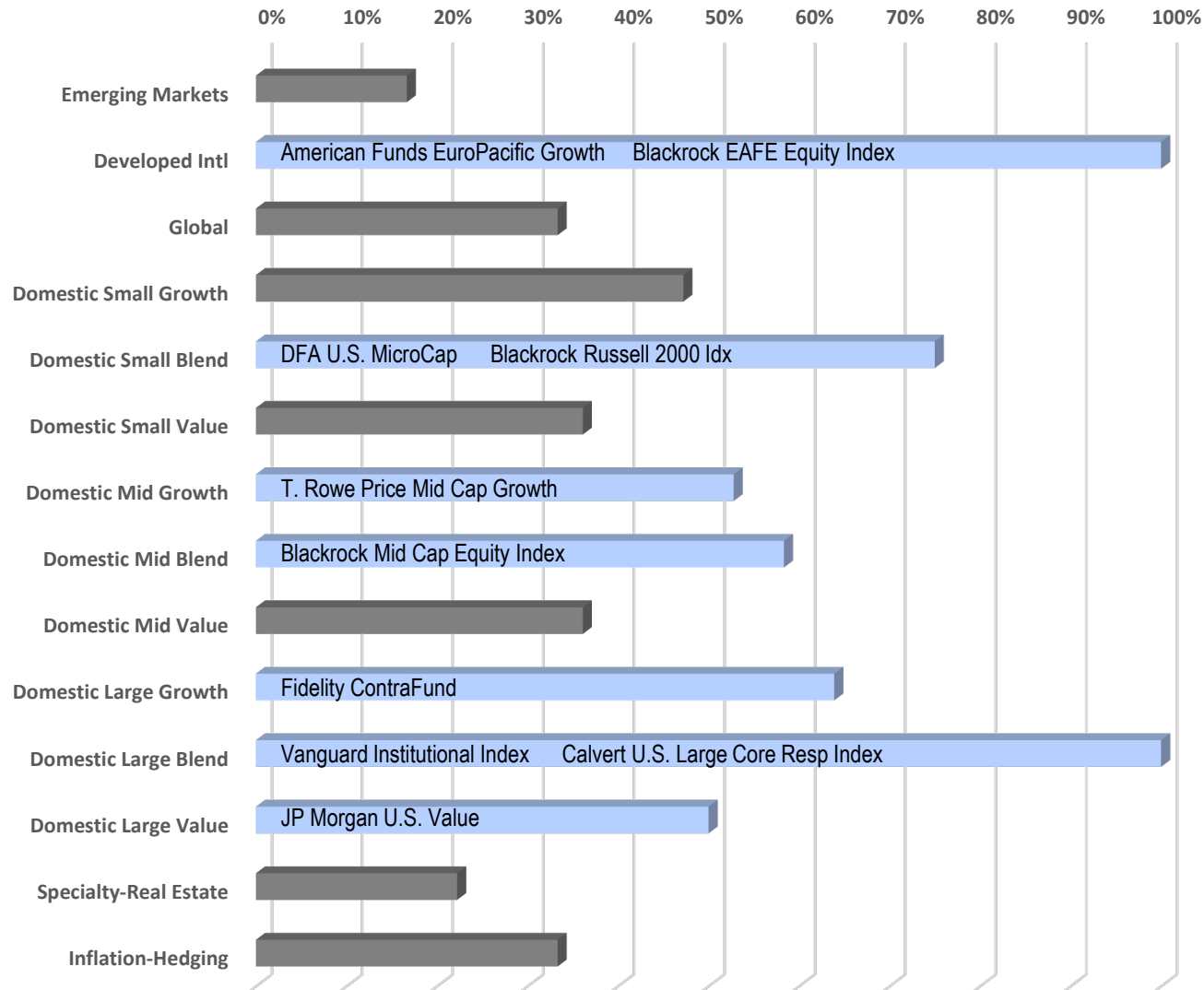
# Broad Asset Class Usage



Looking at the broader asset classes, the WDC provides exposure to all of the major categories.

■ Indicates fund type available in Wisconsin Deferred Compensation Program

# Equity Style Usage



■ Indicates style used by the Wisconsin Deferred Compensation Program

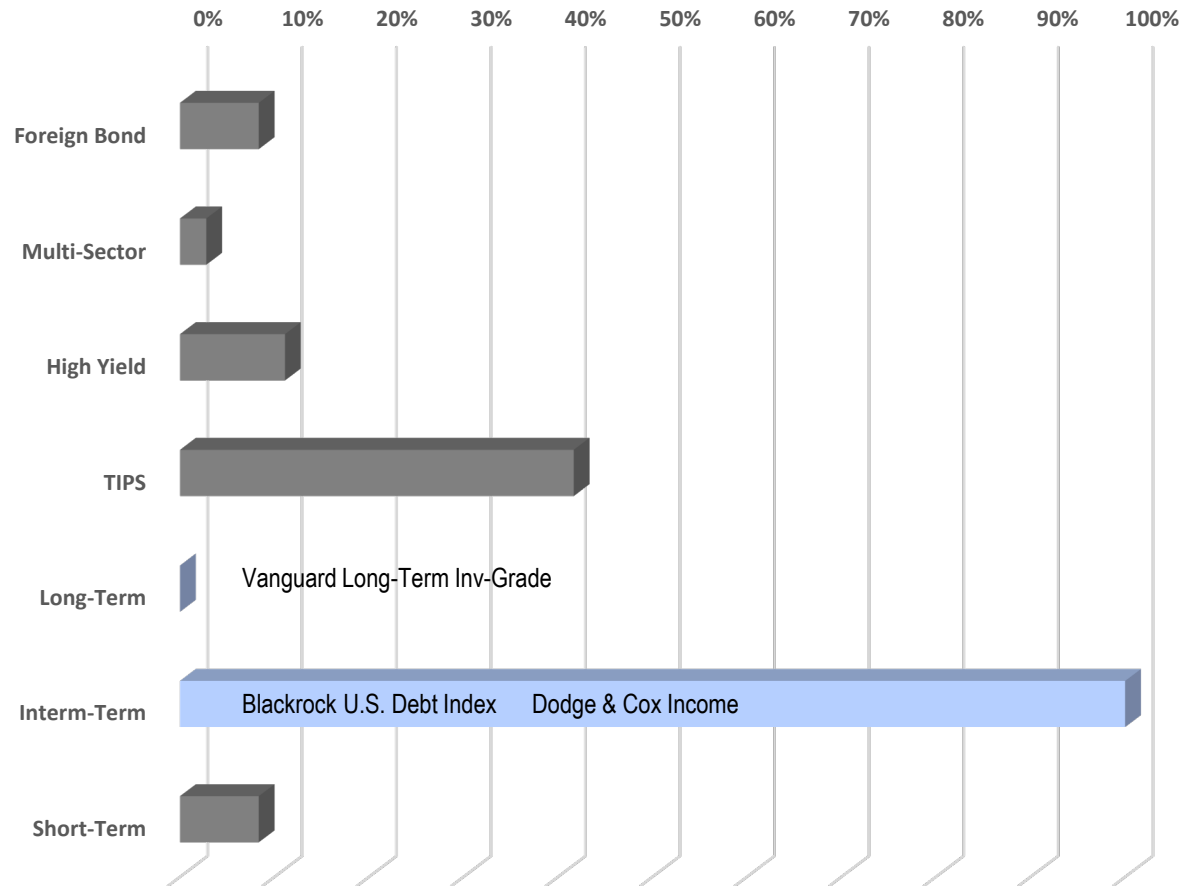
Investments in the different equity styles are classified according to their Morningstar category.

While most major equity styles have a fund specifically targeted to that style in the WDC, there are a few categories not represented. However, this seems to be in line with most of the plans in the universe.

Passive exposure makes up the majority of “blend” fund options:

- Large Cap 94%
- Mid Cap 90%
- Small Cap 81%

# Fixed Income Style Usage



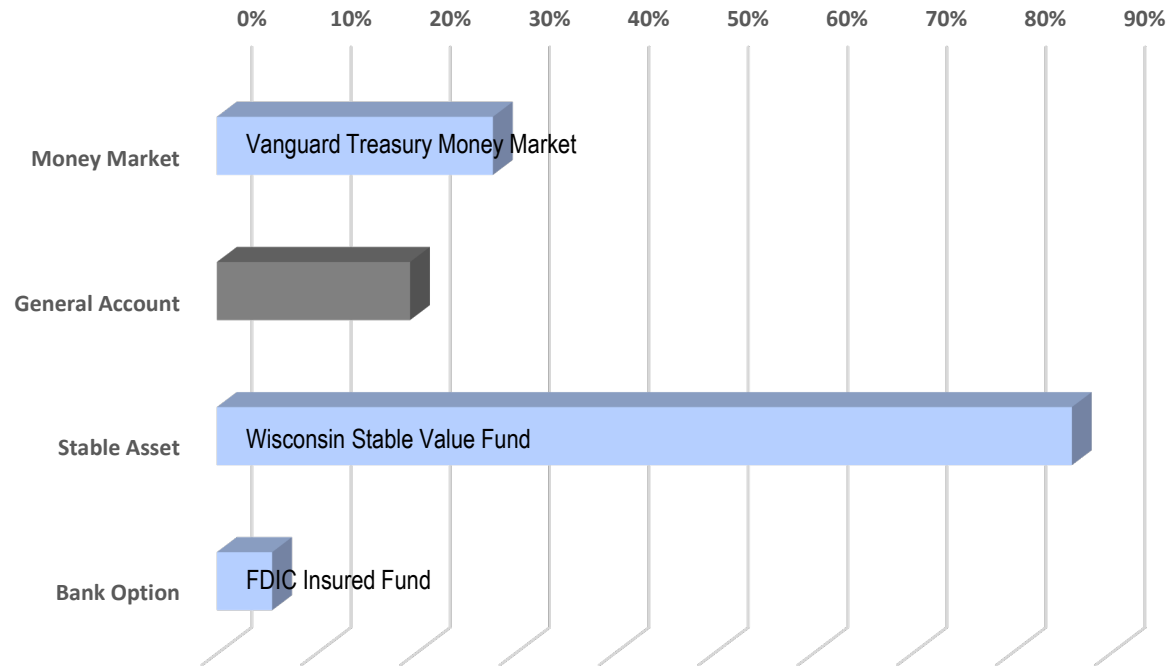
■ Indicates style or asset class used by the Wisconsin Deferred Compensation Program

Of the 36 plans in the survey, 19 offer 1-2 bond funds, while 16 plans offer 3-4 choices. One plan offers 5 bond choices.

The Intermediate-term bond category is represented in every plan. This category is comprised mainly of Core and Core-Plus bond funds. Of the 36 plans in the survey, 30 offer a passive core fixed income option.

The WDC is the only plan to offer a long-term bond option.

# Capital Preservation Usage



■ Indicates style or asset class used by the Wisconsin Deferred Compensation Program

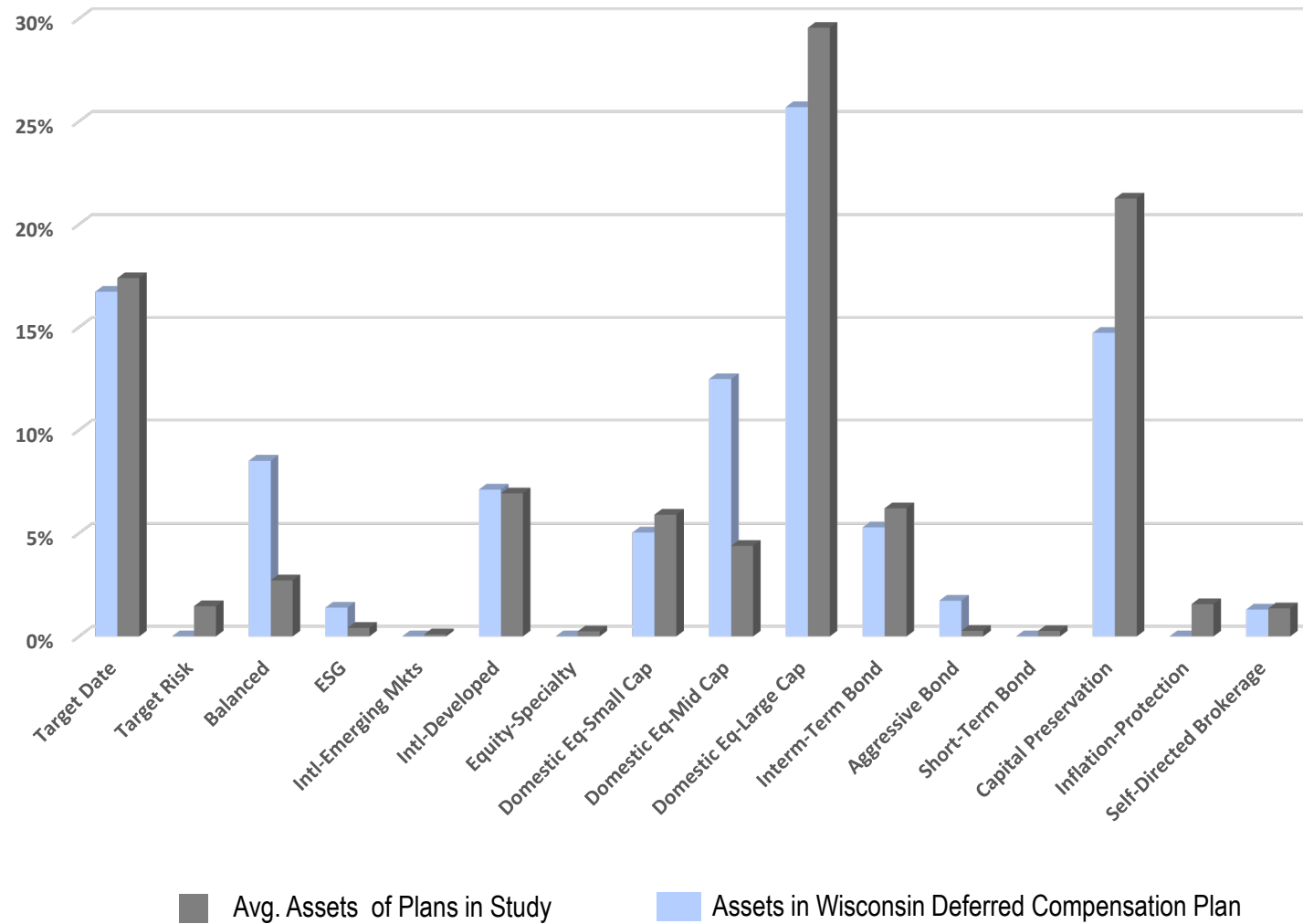
Stable Value funds have the largest presence in the Empower state retirement plans by a 3 to1 margin over Money Market funds.

Of the 36 plans in the survey, 16 offer 2 capital preservation options, most typically a stable value fund and a money market. The other 20 plans offer a single capital preservation option.

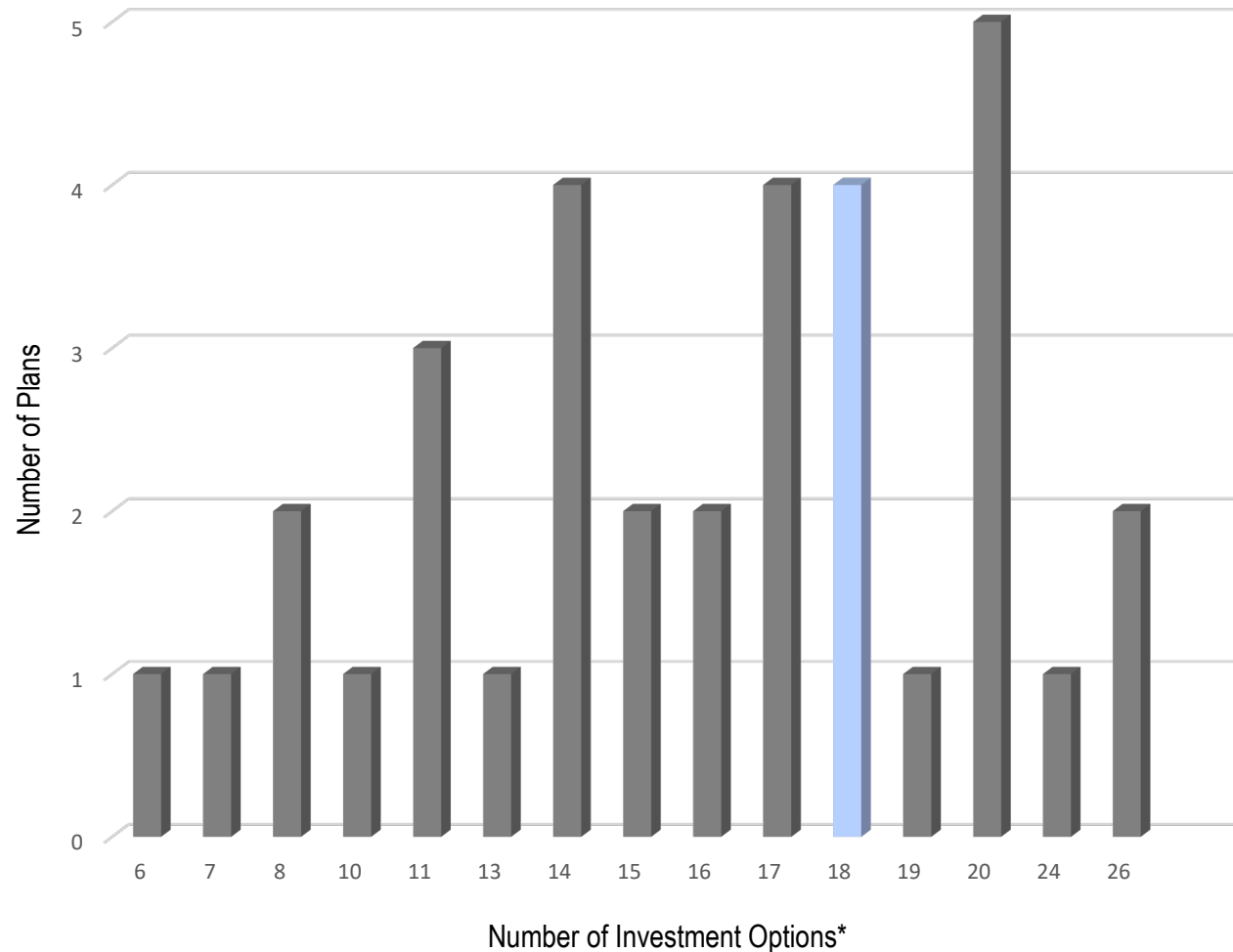
At 3 options, the WDC offers the most of any plan.

One other plan offers an FDIC-insured savings option.

# Participant Asset Class Utilization



# Distribution of Investment Options



Within the survey, the average number of core investment options offered per plan was 16 when the asset allocation funds are considered as one option. The minimum and maximum number of funds offered were 6 and 26, respectively.

This distribution includes only the core options in each plan. Options such as self-directed brokerage, life insurance, or annuities were not included.

The Wisconsin plan currently offers 18 options, which is highlighted in blue.

*\* Target Date Funds, when offered, are counted as a single option.*

# Additional Information

## Investment Vehicles

Of the 36 plans in the survey, only 7 use an investment lineup comprised solely of mutual funds. (excluding a pooled stable value fund or the self-directed brokerage options) All of the other plans employ a commingled investment trust (CIT) for at least one option in the lineup. In addition, 6 plans currently use at least 1 institutional separate account (ISA) as an option in their lineup.

## White-Labeling

There are 12 plans that currently white-label their entire investment lineup. Of these, 1 plan uses single manager white-label options, 10 plans use white-label funds with multiple managers, and 1 plan utilizes a mix of single and multiple manager options.





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**Questions?**

# SECURE 2.0 Update on Remaining Mandatory and Optional Sections

Item 7 – Memo Only

Shelly Schueller, Director, Wisconsin Deferred Compensation Program

Dan Hayes, Attorney, Office of Legal Services



# Informational Item Only

- No Board action is required.

The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

**Questions?**

# Proposed Plan and Trust Revisions: Implementation of Section 325 of SECURE 2.0, Updates to Articles 2.04 and 2.06, and the Definition of “Participant”



Item 8 – Memo Only

Shelly Schueller, Director, Wisconsin Deferred Compensation Program

Dan Hayes, Attorney, Office of Legal Services

Kyle Kundert, Policy Analyst, Division of Retirement Services



The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

**Questions?**



# Action Needed

- Motion needed to revise the Plan and Trust to implement Section 325 of SECURE 2.0, update Articles 2.04 and 2.06, and the definition of “participant” as recommended by ETF.



# 2023 Strategic Partnership Plan Update

## Item 9A – Deferred Compensation Board

Shelly Schueller, Director, Wisconsin Deferred Compensation Program

Emily Lockwood, Managing State Director, Empower



# Informational Item Only

- No Board action is required.



# 2023 Strategic Partnership Plan – Update

September 30, 2023



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# 2023 Strategic Partnership Plan (SPP)

Q1

## Benefit Summit Campaign

**Goal:** Educate participants on how Social Security, the WRS pension and WDC Program fit together in their retirement picture

**Audience:** New hires, mid-career and pre-retiree participants

**Tactics:**

- Email
- Web banner
- Social media post
- Webinar

**Communication updates:**

- Add Auto Increase language post-login in Things To Know (TTK) Box
- How to read an Empower statement flier posted pre or post login
- ETF newsletter articles
- News and Updates article – survey results
- 2023 social posts
- Promote Vanguard TDFs (web postings)

Q2

## At-Risk Retiree Campaign

**Goal:** Meet with your RPA for no cost/promote advice, Stay in the plan, Attend a webinar

**Audience:** At-risk termed over 58 (retirees)

**Tactics:**

- Webinars
- Email
- Social media post
- ETF newsletter article

**Communication updates:**

- ETF newsletter articles
- 2023 Annual Participant Satisfaction Survey
- Brand CFP presentations in WDC look and feel

Q3

## Investment Campaign

**Goal:** Promote investment options available, including expanded target date funds; meet with an RPA

**Audience:** At-risk active, all ages

**Tactics:**

- Email
- Mailer
- ETF newsletter article
- Web messaging
- Social media post

**Communication updates:**

- ETF newsletter articles
- Enrollment mailing to all non-participating employees

- Ongoing Employer communications
  - Newsletter
  - Non-participating employer outreach
  - Benefits fairs and conventions
  - Employer plan reviews as needed/requested
  - Survey
  - Survey email
  - Webinar

Q4

## National Retirement Security Month

**Goal:** Aggregate accounts, Meet with a RPA, engage with the new website

**Audience:** All participants

**Tactics:**

- Emails – 2 to 4
- Social media posts – 2 to 4
- Web banner
- ETF newsletter article
- Webinars

**Communication updates:**

- ETF newsletter articles

Automated Campaigns

## Empower Communications Engine (ECEs)

**Goal:** Deliver personalized automated messaging to participants

**Audience:** Based on various participant criteria and/or triggers

**Topics:**

- Benefits of using the personalized website
- Welcome to your retirement plan
- Update your beneficiary and profile
- Save More
- Invest Wisely
- Get help with financial wellness (CFP)
- RPA Investment Advice
- RPA Near-retiree/retiree
- Key milestones ages (RSG)
- Do you need help investing?
- Welcome to professionally managed accounts
- Engage with your professionally managed account
- Your retirement savings options (RSG)
- Ongoing guidance for stay-in-plan terminated ppts

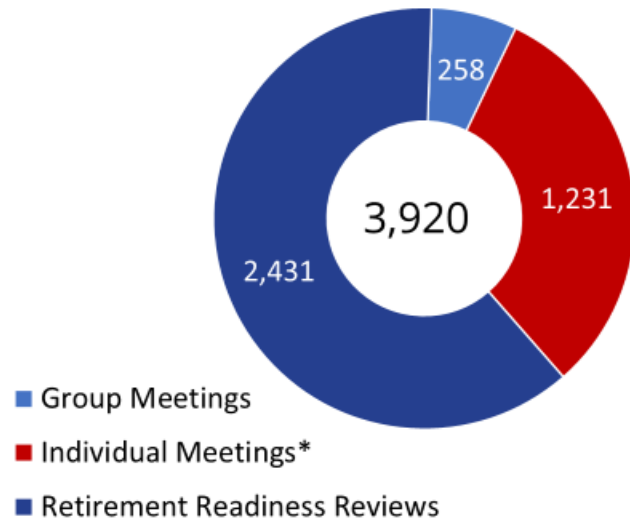
- Retirement Readiness Reviews with Retirement Plan Advisors – ONGOING
- Monthly Retirement Solutions Group terminated participants mailer
- Library of material updates

# Field Activity as of 9/30/2023

Annual Goals:

400 Group Meetings

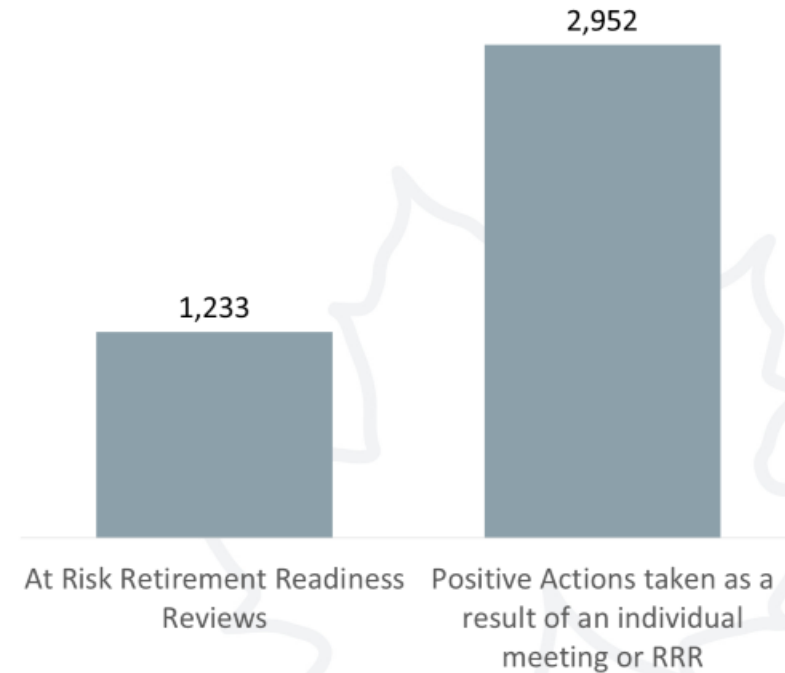
2,700 Retirement Readiness Reviews (RRRs)



\*Individual Meetings are generally not investment-related; enrollments, beneficiary changes, distribution requests are examples of individual meetings. All existing participants are offered an RRR.



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At-risk population = 50+ >75% equities; 50+ <10% equities; all ages <25% equities and twice average plan balance; At Risk RRRs are a subset of all RRRs.

Positive actions include actions like enrollments, rollovers, deferral increases, diversification (moving 100% to TDF or enroll in managed accounts), and personalization for those in managed accounts.

# Webinars\* through 9/30/2023

- 80 webinars
- 938 total registrants; average registration 12
- 525 total attendees; average attendance 7
- 56% attendance rate
- Most popular topic by registrants: Your Journey to Retirement (Enrollment)
- Highest attendance rate: January, 73%
- Lowest attendance rate: July, 30%

Topic	# Webinars	# Registered	# Attended	Attendance Rate	Ave Attended	Ave Registered	Views of eLearning (inception to date)
Your Journey to Retirement	43	580	334	58%	8	13	700
Retirement Planning with the WDC	24	251	145	58%	6	10	348
Maximizing Your Retirement	6	62	27	44%	5	10	70
Financial Wellness Education	5	36	13	36%	3	7	55
Participant Experience	2	10	6	63%	3	5	N/A
<b>Total</b>	<b>80</b>	<b>938</b>	<b>525</b>	<b>56%</b>	<b>7</b>	<b>12</b>	<b>1,173**</b>

\*not including Steppingstones to Retirement or Financial Planning spring webinars

\*\*not including 111 views of Women and Investing



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# Q3 Communications Summary

- Employer Communications
  - Survey email
  - Newsletter
  - Newsletter and webinar email
- Investment Options Campaign
  - Email
  - Postcard
  - Social post
  - Newsletter article
- New Catch-up flier
- Statement Narrative – Fidelity Contrafund
- CESA 7 Transition Letter
- News and Updates Blurbs
  - Fidelity Contrafund
  - Enhanced Communication blurb
  - W-4P and W-4R Changes
- Newsletter articles
- RSG Term mailer

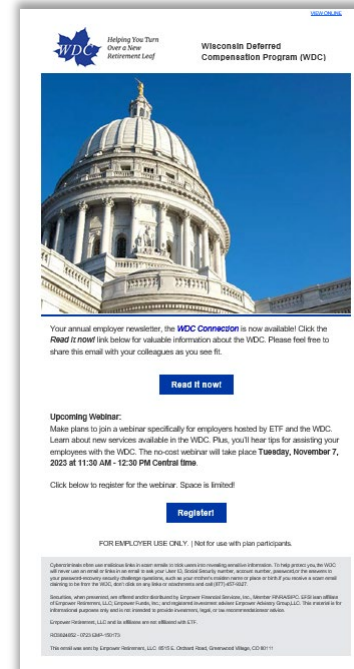


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# Employer Newsletter

- Audience:
  - All participating employers
- Tactics:
  - Email sent 8/1
- Email Metrics:
  - Email sent to 1,601 employer contacts
  - Open rate: 43%
  - Click rate: 15%
- Results:
  - 32 RPA meetings
  - 66 Employer webinar registrations
  - 3 Steppingstones registrations



Wisconsin Deferred Compensation Program (WDC)  
**WDC Connection** 

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### SECURE 2.0 AND THE WDC

SECURE 2.0 is a 4,000-page federal law enacted December 29, 2022. The law made multiple changes to retirement savings plans that are intended to increase savings, simplify and clarify plan rules, and improve access to retirement funds. Stay tuned for developments from the WDC as we implement applicable provisions.

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### A MESSAGE FROM THE DEPARTMENT OF EMPLOYEE TRUST FUNDS (ETF)

In tandem with national legislation and in keeping with industry trends, the Deferred Compensation Board has consistently kept the Wisconsin Deferred Compensation Program moving forward. Examples include adding a Roth contribution for participants and the option to allow participants to save using payroll percent contributions.

The passage of SECURE 2.0 in late 2022 will also bring changes to the WDC. We are analyzing the law's required and optional provisions to ensure the Board continues to make sound decisions for the WDC that are in support of and consistent with the Board's fiduciary responsibilities to both employers and participants.

Some of these changes may require revisions to Wisconsin laws and/or Administrative Code, and many may lead to Plan and Trust Document updates. As a WDC participating employer, you will need to abide by any new or revised provisions. If your payroll system has not been updated to allow Roth and/or percentage contributions, for example, it is important that you take steps now to update it ahead of anticipated SECURE 2.0 changes.

Employers adopting the WDC abide by a resolution that states the employer has "agreed to be bound by the terms and conditions of the contracts between the State, its investment providers and its plan administrator, and the **Plan and Trust Document and Employer Guide** as amended from time to time."

These documents can be found on the WDC's website, [wdc457.org](http://wdc457.org), on the Employer page.

The benefits of participating in the WDC for employers include the Deferred Compensation Board selecting and reviewing investment options, determining and collecting participant fees, maintaining the Plan and Trust Document as well as the Investment Policy Statement, and more.

Thank you for your partnership and cooperation. If you have any questions or need additional information, please contact Shelly Schueller, Deferred Compensation Director, at [shelly.schueller@etf.wi.gov](mailto:shelly.schueller@etf.wi.gov) or 608-266-6611.

### NEW RMD AGE

SECURE 2.0 raised the required minimum distribution (RMD) age to 73 starting this year. This change has already been implemented; participants of age will be notified later this year.

The big change we have all been waiting for regarding deferrals — elimination of the first day of the month rule — is coming later this year. Before this can be implemented, the Board needs to amend the Plan and Trust Document and Empower, the WDC's recordkeeper, must update its programming. We will notify you when we are able to begin processing deferral changes before the first of the following month.

AUGUST 2023 FOR PLAN SPONSOR USE ONLY | 1



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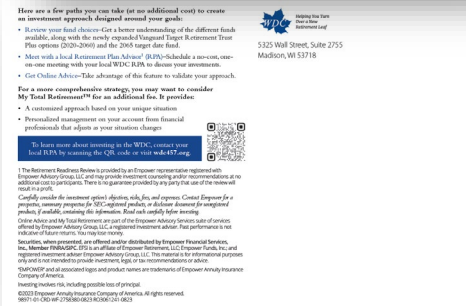


# Investment Campaign

- Audience:
  - Active, at-risk participants
- Tactics:
  - Email sent 8/31
  - Mailer sent 8/31 to 1,235 active, at-risk participants without an email address on file
  - Social post
  - ETF newsletter article
- Email Metrics:
  - Email sent to 7,916 active, at-risk participants with an email address on file
  - Open rate: 50%
  - Click rate: 3%
  - 77 direct clicks on the scheduling link
- Results:
  - 82 meetings scheduled 8/31-9/7



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## Are you on the right path with your investments?

The Wisconsin Deferred Compensation Program (WDC) offers a variety of services to help with your investment strategy, no matter the level—and you can choose based on your personal situation. Even if you think you are correctly allocated, it's a good idea to review your investments and talk about ways to help protect your retirement savings.

Here are a few paths you can take (at no additional cost) to create an investment approach designed around your goals:

1. **Meet with a local Retirement Plan Advisor (RPA)**—Schedule a no-cost, one-on-one meeting with your local plan RPA to discuss your investments.
2. **Get Online Advice**—Take advantage of this feature to validate your approach.
3. **Review your fund choices**—Get a better understanding of the different funds available, along with the newly expanded Vanguard Target Retirement Trust Plus options (2020-2060) and the 2065.

For a more comprehensive strategy, you may want to consider **My Total Retirement™** for an **additional fee**. It provides:

- A customized approach based on your unique situation
- Personalized management on your account from financial professionals that adjust as your situation changes

**My Total Retirement**

To learn more about investing in the WDC,  
contact your local RPA or visit [wdc457.org](http://wdc457.org).

# Employer Survey

- Audience:
  - All participating employers
- Tactics:
  - Email sent 8/10
  - Employer newsletter
- Survey Response:
  - 79, 5%
- Email metrics:
  - Sent to 1,601 employer contacts
  - Open rate: 34%
  - Click rate: 7%
- Results:
  - See following slides



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## Take the WDC employer satisfaction survey

As an employer who offers the Wisconsin Deferred Compensation Program (WDC), we value your feedback. This online satisfaction survey takes about two minutes to complete and is available now through <DATE>. Click the button below to take the survey now.

You can also cut and paste this link into your browser to take the survey:  
<https://www.surveymonkey.com/r/WDCemployersurvey2023>

Thank you for providing your feedback. We appreciate your time and will use your feedback to improve services to employers and participants.

[Take me to the survey](#)

Cybercriminals often use malicious links in scam emails to trick users into revealing sensitive information. To help protect you, the WDC will never use an email or links in an email to ask your User ID, Social Security number, account number, password, or the answers to your password-recovery security challenge questions, such as your mother's maiden name or place of birth. If you receive a scam email claiming to be from the WDC, don't click on any links or attachments and call (877) 457-9327.

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# 2023 Employer Survey Results

Question	Satisfied or Very Satisfied
Overall, how satisfied are you with the Wisconsin Deferred Compensation (WDC) Program?	95%
Have you hosted/promoted your local WDC Retirement Plan Advisor for group or individual meetings virtually with your employees in the last 12 months?	34% Yes; 57% No
How satisfied were you and your employees with the group/or individual meetings with your local WDC Retirement Plan Advisor?	100%
How likely are you to offer virtual meetings (by phone and/or videoconference) for your employees in the future?	72%
Have you worked with the WDC's Madison office in the last 12 months?	23% Yes; 77% No
How satisfied were you with the WDC's Madison office?	100%
Have you contacted Plan Technical Support for assistance with the Plan Service Center (PSC) employer website in the last 12 months?	25% Yes; 75% No
How satisfied were you with your Plan Technical Support experience?	85%
Have you had payroll errors that needed to be corrected in the last 12 months?	15% Yes; 85% No
How satisfied were you with the help you received from the WDC regarding the payroll error?	67%
Beginning January 1, 2024, the SECURE 2.0 Act of 2022 requires catch-up contributions for individuals aged 50+ who have FICA earnings greater than \$145K to be made on a Roth basis. The WDC currently offers Roth contributions. Are you allowing Roth contributions now?	87% Yes; 13% No
How likely are you to recommend the WDC to a friend or colleague?	94%



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# 2023 Employer Survey Results

Question	Answer
How do you promote the WDC to your employees? Select all the apply.	63% Email; 67% In-person; 23% Intranet; 13% Webinars
The SECURE 2.0 Act of 2022 is packed with many provisions aimed to help American workers achieve financial freedom. What optional withdrawal provisions would you like to see the WDC add? Please select all that apply.	55.84% Don't know yet; 45.45% Terminal illness; 32.47% Qualified emergency expenses; 29.87% Qualified federally declared disasters; 19.48% Domestic abuse; 19.48% Birth or adoption
Beginning January 1, 2024, the SECURE 2.0 Act of 2022 requires catch-up contributions for individuals aged 50+ who have FICA earnings greater than \$145K to be made on a Roth basis. The WDC currently offers Roth contributions. Are you allowing Roth contributions now?	87% Yes; 13% No
How likely are you to recommend the WDC to a friend or colleague?	94%



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# Open Enrollment/Benefits Fair Webinars 9/25-10/20/2023

- Most popular webinar topic by registrants and attendees: Maximizing Your Retirement (Retiree)
- Highest attendance rate: Social Security
- Lowest attendance rate: Medicare

Topic	# Webinars	# Registered	# Attended	Attendance Rate	Ave Registered	Ave Attended
Your Journey to Retirement (Enrollment/Overview)	10	409	241	59%	41	24
Retirement Planning with the WDC	7	271	186	69%	39	27
Maximizing Your Retirement (Retiree)	3	151	102	68%	50	34
Financial Wellness Education	6	101	53	52%	17	9
Participant Experience	1	16	10	63%	16	10
Social Security	1	13	10	77%	13	10
Healthcare Costs in Retirement (Medicare)	1	41	18	44%	41	18
Introduction to Taxes	1	34	23	68%	34	23
LGBTQ+ Estate Planning	1	5	3	60%	5	3
Planning for the Unexpected (Estate Planning)	1	40	22	55%	40	22
<b>Total</b>	<b>33</b>	<b>1,102</b>	<b>683</b>	<b>62%</b>	<b>33</b>	<b>21</b>



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**Questions?**

# 2024 SPP Proposal



## Item 9B – Deferred Compensation Board

Shelly Schueller, Director, Wisconsin Deferred Compensation Program

Emily Lockwood, Managing State Director, Empower







# Action Needed

- Motion needed to approve the 2024 Strategic Partnership Plan (SPP) proposal as outlined in the materials provided to the Board.



# Proposed 2024 STRATEGIC PARTNERSHIP PLAN (SPP)



October 30, 2023

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# We serve our customers

## Our culture

Customer obsessed

Accountable

Growth mindset

Constantly improving

Inclusive

## Our values

We do the right thing

We own it

We lead

We simplify

We collaborate



# Executive summary

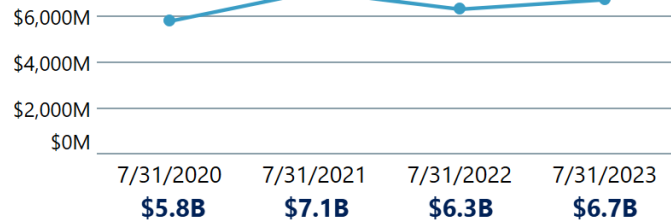
As of 7/31/2023

## Participant assets



# \$6,738,240,918

### Trending



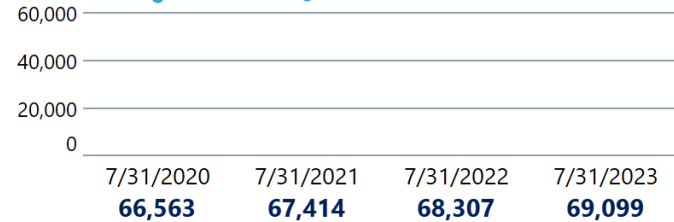
Plan assets	<b>\$1,611,320</b>
Total assets	<b>\$6,739,852,238</b>

## Participants with a balance



# 69,099

### Trending



Active participants with a balance	<b>41,312</b>
Separated from service participants with a balance	<b>27,786</b>

## Overview

The assets and participant counts presented are effective as of period end. The assets do not reflect any adjustments, dividends, corrections, or similar that are processed after period end.

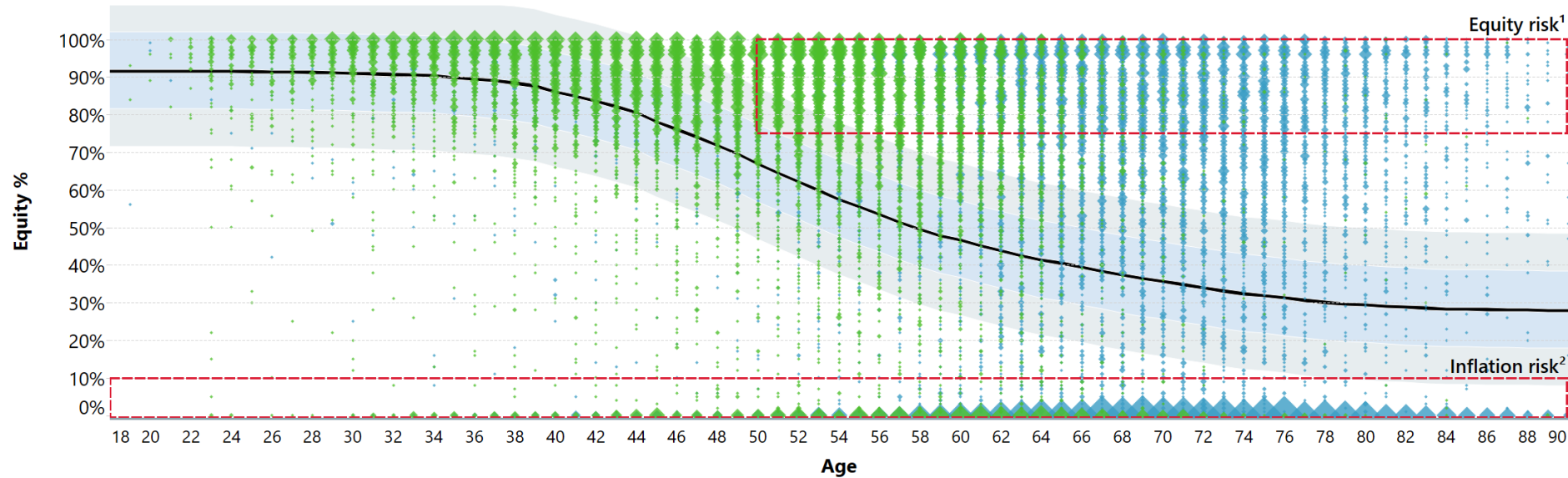


# Do-it-yourself strategy equity exposure

As of 7/31/2023

## Participant total equity exposure compared to the equity allocation of a representative target date glide path

↳ Do-it-yourself strategy participants with a balance, by employment status



### Overview

Each shape on the graph represents participants of a certain age that are at a certain level of total equity exposure from all of their funds. The size of the shape indicates the number of participants.

The black line displays the equity exposure, by age, for a representative target date glide path. The glide path was derived in conjunction with Morningstar Investment Management LLC and is for illustrative purposes only.

Any participants within the red outlined areas might be at-risk.

<sup>1</sup>Participants with equity risk are age 50 or older with 75% or more of their balance allocated to equities

<sup>2</sup>Participants with inflation risk have 10% or less of their balance allocated to equities, regardless of their age

### Equity exposure insights

	Active participants 	Separated from service participants 	All participants
 Within 10% of glide path	28.9%	11.8%	19.5%
 Within 20% of glide path	50.4%	23.6%	35.7%
Participants with equity risk	4,506	6,831	11,337
Participants with inflation risk	936	3,217	4,153

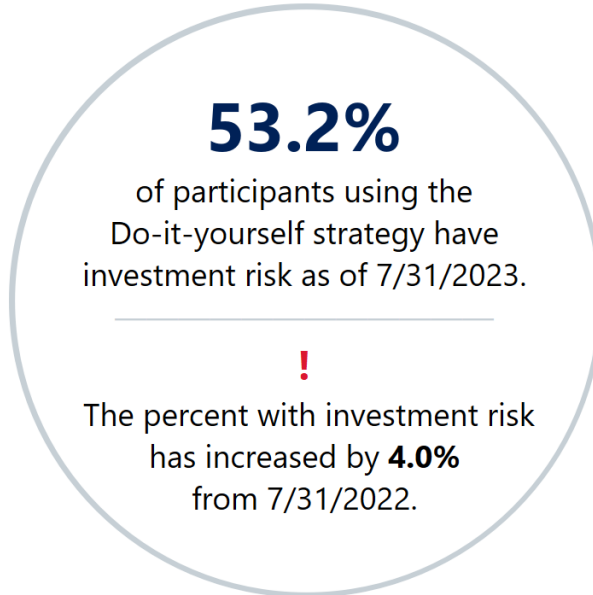
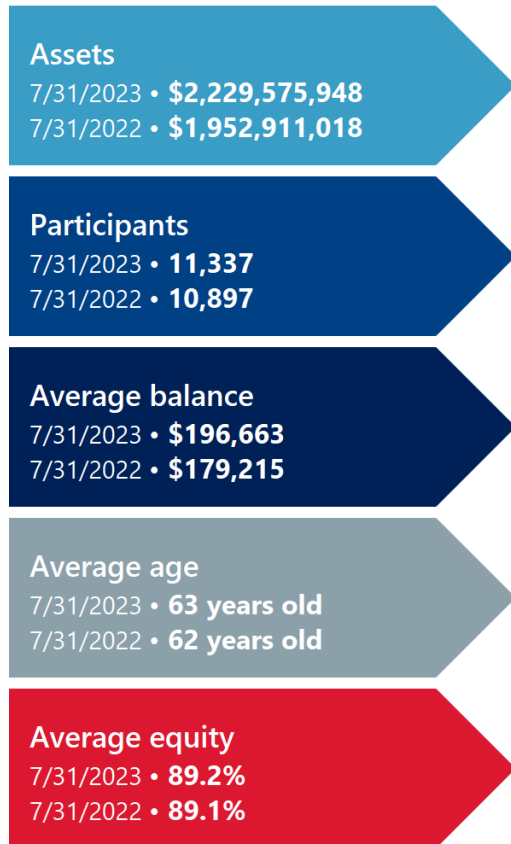


# Investment risk

As of 7/31/2023

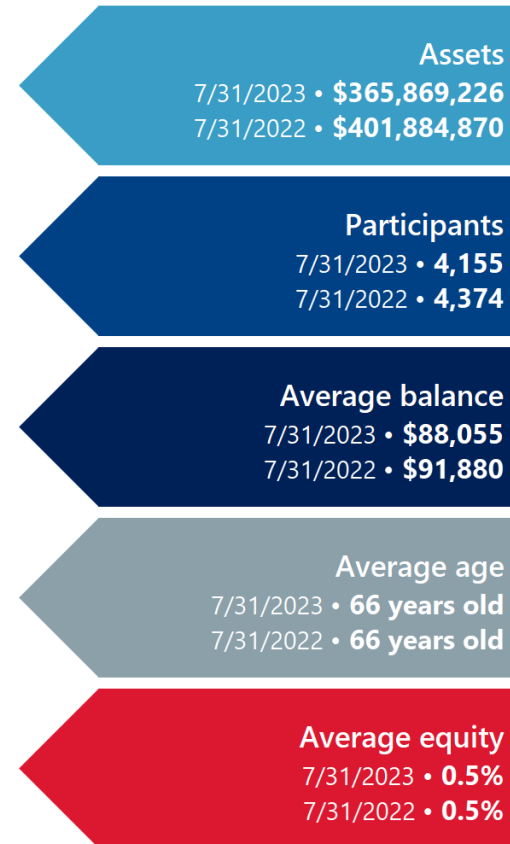
## Equity risk participants

Participants that are 50 or older and that have 75% or more of their balance exposed to equities



## Inflation risk participants

Participants that have 10% or less of their balance exposed to equities, regardless of their age



## Overview

Participants using the Do-it-yourself investment strategy may gravitate toward market exposure extremes while being unaware of the risks associated with being over-exposed or under-exposed to equities. Here we showcase the populations of Do-it-yourself participants that are subject to either equity risk or inflation risk based on their total equity exposure across all of their fund balances.

The participant populations include both actively employed and separated from service plan participants.

# Proposed WDC 2024 Strategic Partnership Plan (SPP)



# 2024 WDC Communication Proposal



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## Steppingstones Campaign (Winter and Fall)

**Goal:** Educate participants on how Social Security, the WRS pension and WDC Program fit together in their retirement picture

**Audience:** New hires, mid-career and pre-retiree participants

**Tactics:**

- Email
- Web banner
- Social media post
- Webinar

## Fraud Prevention/Email Capture Campaign

**Goal:** Educate participants with tips and best practices to help them stay ahead of cybersecurity threats and other types of fraudulent communications/activities

**Audience:** Active and terminated participants with a balance

**Tactics:**

- Webinars
- Email
- Pre-login pop-ups
- Self-send email
- Social media post
- ETF newsletter article

## At Risk Campaign

**Goal:** Encourage participants to meet with their local WDC rep for a complimentary RRR and provide a free trial of MTR along with the campaign.

**Audience:** At-risk ppts, active and terminated, with a balance

**Tactics:**

- Email
- ETF newsletter article
- Web messaging
- Social media post
- Video

## Enrollment Campaign/ National Retirement Security Month

**Goal:** Enroll, attend a webinar and/or meet with an RPA

**Audience:** Non-participating employees (via WDC employers) and all participants

**Tactics:**

- Self-send email for WDC employers to share with employees (from ETF)
- Email promoting webinars & RPAs
- Social media posts – 2 to 4
- Web banner
- ETF newsletter article
- Webinars

## Empower Communications Engine (ECEs)

**Goal:** Deliver personalized automated messaging to participants

**Audience:** Targeted by topic/interaction

**Topics:**

- Benefits of using the personalized website
- Welcome to your retirement plan
- Update your beneficiary and profile
- Save More
- Invest Wisely
- Get help with financial wellness (CFP)
- RPA Investment Advice
- RPA Near-retiree/retiree
- Key milestones ages (RSG)
- Do you need help investing?
- Welcome to professionally managed accounts
- Engage with your professionally managed account
- Your retirement savings options (RSG)
- Ongoing guidance for stay-in-plan terminated ppts
- **Terminated participants mailer**

## Q1 Communication updates:

- ETF newsletter articles
- 2024 social posts (if applicable for ETF)
- Enrollment mailing to all non-participating employees (per ETF)

## Q2 Communication updates:

- ETF newsletter articles
- 2024 Annual Participant Satisfaction Survey
  - Targeted Emails (x2)
  - Web messaging

## Q3 Communication updates:

- ETF newsletter articles

Employer communications:

- Newsletter
- Non-participating employer outreach including webinar
- Benefits fairs and conventions
- Employer plan reviews as needed/requested
- Survey
- Survey email
- Webinar(s)

## Q4 Communication updates:

- ETF newsletter articles

## Ongoing activities:

1. Retirement Readiness Reviews with Retirement Plan Advisors (RPAs) including Best Interest Profile advice experience
2. Bi-weekly "NEO" webinars hosted by RPAs for non-participating employees

3. Promote Empower's *The Currency* to non-participating employees and participants
4. Secure 2.0 / Limit Updates
5. Ongoing Library of Material review
6. News & Updates articles (4-5)



# Operational Updates Proposed

- Online RMDs ✓
- Forced out RMDs in 2025
- Plan Document enhancements
- SECURE 2.0 implementation
- Partner with ETF on employer data initiative



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# Proposed Measurement of 2024 SPP Success



# SPP Progress Report



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Dimension	Activity	Objective	Audience	Results as of XX/XX/24
All	NRSM/Open Enrollment Campaign	Enroll, attend a webinar and/or meet with an RPA	All participants	TBD - #'s
All	ECEs	Various	Various	Results attached
All	2024 social media posts (if applicable)	Increase WDC awareness via ETF's Twitter and LinkedIn profiles	ETF followers	Complete/In progress
All	Group meetings	Conduct 400 group meetings for employers and participants	Participating employers/participants	TBD - #'s
All	Employer newsletter Employer webinars Employer survey	Quarterly outreach to employers	Participating Employers	Complete/In progress
Asset Allocation	At-Risk Campaign	Increase Retirement Readiness Reviews, promote advice and staying in the plan	At-risk participants, active and terminated with a balance	TBD - #'s
Asset Allocation	Retirement Readiness Reviews (RRRs)	Conduct 2,700 Retirement Readiness Reviews with participants	All participants	TBD - #'s
Education	Steppingstones to Retirement benefit summit	Educate participants on how SSA, WRS and WDC fit together	New hires, mid-career and pre-retiree participants	TBD - #'s
Education	Fraud Prevention/Email Capture Campaign	Educate participants about cybersecurity and protecting their accounts	Active and terminated participants with a balance	TBD - #'s

# SPP Progress Report cont'd



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Dimension	Activity	Objective	Audience	Results as of XX/XX/24
Education	News & Updates articles	Keep participants up-to-date with changes in the WDC (ex. SECURE 2.0 and plan document updates)	All participants and employers	Ongoing
Education	Offer Empower's <i>The Currency</i>	Promote financial wellness to all employees whether enrolled in WDC or not	Everyone	TBD - # of subscribers
Education & Enrollment	Conventions	Attend at least one convention	Local associations of public employees (ex. WMCA)	Convention summary
Education & Enrollment	Open Enrollment/Benefits fairs	Host 25+ webinars/events during the annual Open Enrollment period	All eligible employees	Q4
Education & Retention	ETF newsletter articles (if applicable)	Various	Active and retired WRS members	Complete/In progress
Enrollment	Eligible employee outreach	Increase enrollment in WDC	WRS-eligible employees not enrolled in WDC	March/April Complete/In progress
Enrollment	Enrollment Campaign during open enrollment and NRSM	Increase participation in WDC	Eligible employees	TBD - #'s

# SPP Progress Report cont'd



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Dimension	Activity	Objective	Audience	Results as of XX/XX/24
Enrollment	Bi-weekly webinars	Provide a New Employee Orientation (NEO) opportunity for all new hires	New hires	TBD
Enrollment	In-force growth	Enroll eligible employees and retain participants to grow the WDC by 1.5%	Eligible employees and participants	TBD - #'s
Enrollment	Non-participating employer outreach	Add new employers to the WDC	Non-participating employers	TBD - #'s
Enrollment	New employers	Add 12 new employers to the WDC	Eligible employers	TBD - #'s
Retention	Call center and RPA surveys (NPS)	Measure participant satisfaction with customer care center and field staff	Participants who call and/or meet with their Retirement Plan Advisor	-Call Center Sat. Score -RPA NPS
Retention	2024 custom annual participant satisfaction survey	Obtain feedback from participants	All participants	TBD
Operational	SECURE 2.0 Implementation	Implement SECURE 2.0 provisions as adopted by the WDC	All applicable	TBD
Operational	Execution of Plan and Trust Document	Ensure changes to plan document are executed by service team	As applicable	TBD



Thank you

The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

**Questions?**



# Action Needed

- Motion needed to approve the 2024 Strategic Partnership Plan (SPP) proposal as outlined in the materials provided to the Board.



# Operational Updates

Items 10A–10F – Memos Only



# Tentative March 2024 Agenda Items

## Item 11 – Memo Only

Shelly Schueller, Director

Wisconsin Deferred Compensation Program



# Informational Item Only

- No Board action is required.

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**Questions?**

# CLOSED SESSION

The Board may meet in closed session pursuant to the exemption contained in Wis. Stats. § 19.85 (1) (d) to consider strategy for crime detection or prevention. If a closed session is held, the Board may vote to reconvene into open session following the closed session.



Item 12 – No Memo



# Announcement of Business Deliberated During Closed Session Discussion

Item 15 – No Memo

Jason Rothenberg, Chair

Deferred Compensation Board



# Adjournment



Item 16 – No Memo



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# Thank you

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