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 SECRETARY

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## *Correspondence Memorandum*

**Date:** July 30, 2024

**To:** Deferred Compensation Board

**From:** Shelly Schueller, Director  
 Wisconsin Deferred Compensation Program

**Subject:** Investment Policy Statement (IPS) Review

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

One of the Board’s fiduciary responsibilities is to ensure the 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 the annual review of the IPS.

The 2024 analysis indicates that no major IPS changes are necessary. However, ETF recommends the Board approve the following revisions:

1. Correcting a minor grammatical issue in Attachment 1 in the monitoring criteria, as shown here:

For specialty funds selected for reasons other than performance (e.g., ESG funds or target date funds), performance will only be evaluated based on a comparison to the fund’s peer group of funds with a ~~same~~ similar specialty objective.

2. Updating the formal names of certain WDC investment product options in Attachment 2 (see below), and
3. Removing one benchmark for the WDC’s actively managed mid-cap fund in Attachment 2 (see below)

Investment Product	Benchmarks
Dodge & Cox Income <u>X</u>	<ul style="list-style-type: none"> <li>• Morningstar Intermediate Core-Plus Bond Average</li> <li>• Bloomberg U.S. Aggregate Bond Index*</li> </ul>

*Patti Epstein*

Reviewed and approved by Patti Epstein, Chief Benefits Officer, Division of Benefits Administration  
 Electronically Signed 08/20/2024

Board	Mtg Date	Item #
DC	09.12.24	7

Investment Product	Benchmarks
Fidelity Contrafund <del>CF</del> <u>Collective Trust</u>	<ul style="list-style-type: none"> <li>• Morningstar Large Cap Growth Average</li> <li>• Russell 1000 Growth Index</li> <li>• S&amp;P 500 Index</li> </ul>
<del>T. Rowe Price Mid-Cap</del> T. Rowe Price Instl Mid-Cap Equity <u>Growth</u>	<ul style="list-style-type: none"> <li>• Morningstar Mid Cap Growth Average</li> <li>• Russell Mid Cap Growth Index*</li> <li>• <del>S&amp;P MidCap 400 Index</del></li> </ul>
Vanguard Long-Term Investment Grade Fund - <u>Admiral</u>	<ul style="list-style-type: none"> <li>• Morningstar Long Term Bond Average</li> <li>• Bloomberg US Long Credit A Index</li> </ul>

### Index Funds

Blackrock EAFE Equity Index Fund <del>Collective Trust</del>	<ul style="list-style-type: none"> <li>• MSCI EAFE</li> </ul>
Blackrock MidCap Equity Index Fund <del>Collective Trust</del>	<ul style="list-style-type: none"> <li>• S&amp;P MidCap 400 Index</li> </ul>
Blackrock Russell 2000 Equity Index Fund <del>Collective Trust</del>	<ul style="list-style-type: none"> <li>• Russell 2000 Index</li> </ul>
Blackrock U.S. Debt Index <del>Fund</del> <u>Collective Trust</u>	<ul style="list-style-type: none"> <li>• Bloomberg US Aggregate Bond Index</li> </ul>
Vanguard Institutional 500 Index <del>Fund</del> <u>Collective Trust</u>	<ul style="list-style-type: none"> <li>• S&amp;P 500 Index</li> </ul>

### Specialty Funds

Calvert U.S. Large Cap Core Responsible Index Fund <u>R6</u>	<ul style="list-style-type: none"> <li>• S&amp;P 500 Index</li> <li>• Morningstar Socially Responsible Large Cap Average**</li> <li>• Morningstar Large Cap Growth Blend</li> </ul>
Vanguard Target Date <del>Funds</del> <u>Collective Trusts</u>	<ul style="list-style-type: none"> <li>• S&amp;P Target Date Indexes**</li> <li>• Composite benchmarks based on asset allocation of funds</li> </ul>

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

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