



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

Wisconsin Department  
of Employee Trust Funds  
PO Box 7931  
Madison WI 53707-7931  
1-877-533-5020 (toll free)  
Fax 608-267-4549  
etf.wi.gov

## Correspondence Memorandum

**Date:** May 22, 2025  
**To:** Deferred Compensation Board  
**From:** Shelly Schueller, Director  
Wisconsin Deferred Compensation Program  
**Subject:** Large Blend and Small Growth Fund Searches

**This memo is for informational purposes only. No Board action is required.**

This memo summarizes work done thus far regarding potential additions to the investment options offered in the Wisconsin Deferred Compensation Program (WDC). Any additional investment options would be added with the intent of complementing the options currently in the WDC lineup.

Previously, the Deferred Compensation Board (Board) discussed the idea of adding both a large cap fund and a small cap fund option to the WDC lineup. At the Board's direction, Bill Thornton of Empower Financial created fund searches that yielded eight funds meeting the criteria for a large growth fund and six funds meeting the criteria for a small cap fund. Mr. Thornton developed these searches using the Board's Investment Policy Statement and additional screening criteria, which included data such as manager tenure, prospectus benchmark, three- and ten-year total return, a specified Sortino ratio<sup>1</sup> for each category and above peer annual performance for eight of the last ten years.

The Board reviewed the attributes of the funds that met the criteria for inclusion in the WDC on March 13, 2025. ([Ref. DC | 03.13.25 | 6](#)). The Board considered the fund options Mr. Thornton presented, then asked Mr. Thornton to provide additional information and continue to explore additional funds in the large cap space, perhaps including more core or blend funds that would complement Fidelity Contrafund.

The attached Large Blend and Small Growth Fund Searches provide a summary of the results of Mr. Thornton's subsequent review and will be discussed at the Board meeting.

<sup>1</sup> The Sortino Ratio is a risk-adjusted measure of portfolio performance that only considers the standard deviation of the downside risk. Will Kenton, *Investopedia* (April, 2024)

*Patti Epstein*

Reviewed and approved by Patti Epstein, Chief Benefits Officer, Division of Benefits Administration  
Electronically Signed 05/15/2025

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Mr. Thornton and ETF staff will be available at the meeting to answer any questions.

Attachment A: [Large Blend and Small Growth Fund Searches \(Empower Financial, First Quarter 2025\)](#)