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Correspondence Memorandum

Date: August 27, 2025

To: Deferred Compensation Board

From: Kyle Kundert, Policy Advisor (Interim Director)
 Wisconsin Deferred Compensation Program

Subject: Large Blend Fund Search

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 in the current WDC lineup.

At the March 13 and June 5, 2025, Wisconsin Deferred Compensation Board meetings, the Board discussed the idea of adding a large cap fund to the WDC lineup. At the Board's direction, Bill Thornton of Empower Financial created fund searches that yielded several options for a large blend 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 ratio¹ for each category and above peer annual performance.

The Board reviewed the attributes of the funds that met the criteria for inclusion in the WDC on June 5, 2025 ([Ref. DC | 06.05.25 | 4](#)). The Board considered the fund options Mr. Thornton presented, then asked Mr. Thornton to provide additional information and requested that he continue to explore additional funds in the large cap space.

In July 2025, Mr. Thornton provided the Board with the requested additional information for their review. The Board will use this information to continue its discussion of the Large Blend Fund search at the September Board meeting.

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

¹ 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 08/27/2025

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Attachment A: [Large Blend Fund Data Spreadsheet \(Empower Financial\)](#)

Attachment B: [Large Blend Fund Search \(Empower Financial, Second Quarter 2025\)](#)