



Self-Directed Brokerage Option: Grandfathering of “Legacy Funds”

*Approved by the Deferred Compensation Board on
September 1, 2022*

The Deferred Compensation Board's Policy on legacy funds in the self-directed brokerage (SDB) option is that legacy funds may remain in the WDC's SDB option as grandfathered assets. No additional shares of legacy funds may be purchased. Participants with assets in legacy funds may only sell their existing shares.

BACKGROUND

A self-directed brokerage (SDB) option was opened to Wisconsin Deferred Compensation Program (WDC) participants in February 2000, in response to requests from WDC participants for more mutual fund options beyond the core lineup. The SDB option allows participants to invest in over 3,500 additional mutual funds beyond the WDC's core investment options while staying within the plan. The SDB option also provides an optional investment path for participants who want to remain in a mutual fund that the Deferred Compensation Board has closed or removed by enabling participants to access it via the SDB option.

Occasionally, a mutual fund in the SDB option is converted by the fund provider to a different investment vehicle, such as a closed-end mutual fund or an exchange traded fund. The converted fund becomes known a legacy fund.