



Inter Office Memo

DEPARTMENT OF
PERSONNEL SERVICES

DATE: January 23, 2013

TO: Deferred Compensation Management Council

FROM: Paul Nerland, Personnel Services Manager

SUBJECT: Proposed Fund Lineup Changes

Background

As you know, at the October 5, 2012 meeting the DCMC approved a number of changes to the current fund lineup. These changes included deleting underperforming or redundant funds, as well as adding index funds and investments that were previously not in the Deferred Compensation Plan (the "Plan").

Issue

Subsequent to the October 5, 2012 meeting, it came to the attention of staff that some of the funds in our current lineup have share classes with lower expense ratios and that these share classes were now available. These funds are: the **County of Fresno Stable Value Fund**, the **BlackRock U.S. Debt Index**, and the **Great-West Lifetime Target-Date Trusts** (formerly the "Maxim Lifetime Target-Date Portfolios").

Recommended Action

Staff is recommending that the higher-fee share classes of the County of Fresno Stable Value Fund, the BlackRock U.S. Debt Index, and the Great-West Lifetime Target-Date Trusts be replaced with the lower-fee share class.

Making these changes will reduce the total fees charged to Plan participants by approximately \$8,000 per year. While the changes to the Stable Value Fund and the BlackRock U.S. Debt Index require no further action, making the change to the Great-West Lifetime Target-Date Trusts requires execution of a Participation Agreement. County Counsel is currently reviewing these documents and will opine whether the DCMC has the authority to execute this agreement or whether it must be approved by the Board of Supervisors. Pending DCMC approval today, the recommended changes of the October 5, 2012 meeting and today will be implemented within 45 days of approval by the Board of Supervisors, should their approval be required.