

Deferred Compensation Plan BOARD REPORT 10-13

*Board of Deferred
Compensation Administration
Eugene, Canzano, Chairperson
Richard Kraus, Vice- Chairperson
Sangeeta Bhatia
Cliff Cannon
Sally Choi
John R. Mumma
Michael Perez
Maggie Whelan*

Date: May 4, 2010
To: Board of Deferred Compensation Administration
From: Staff
Subject: Investment Menu Consolidation

Recommendation:

That the Board of Deferred Compensation Administration (a) adopt composition structures for the following three Deferred Compensation Plan core menu asset classes: Mid-Cap Stocks, Small-Cap Stocks, and International Stocks; and (b) refer to the Investments Committee development of an implementation plan for approved core menu changes.

Discussion:

At the Board's April 20, 1010 meeting, staff and the consultant presented a report and related information regarding work of the Investments Committee in recommending changes to the Deferred Compensation Plan core investment menu. The Board adopted composition structures for the Plan's Large-Cap Stock Fund and Bond Fund. Discussion of the remaining asset classes (Mid-Cap, Small-Cap, and International Funds) was deferred to the following month due to the length of the meeting.

Attached to this report are the consultant's report regarding these three asset classes as well as, for reference, Board Report 10-09. As indicated in that report, the Investments Committee believed it would be most useful to have the debate regarding these options at the full Board rather than Committee level so that all members could examine the issues and data relevant to making decisions.

As discussed at the prior Board meeting, following decisions regarding the composition of the core options, the next focus will be on developing an implementation plan for the Board's review. That plan should address issues including communication to Plan participants, procurement, and timing of transition of any eliminated funds. Staff recommends that the Board refer this project to the Investments Committee.

Submitted by: _____
Steven Montagna

Approved by: _____
Alejandrina Basquez