



MEMO

DATE: July 20, 2018
TO: Members of the City of Madison 457 Deferred Compensation Plan
RE: Enhancement to our Plan's fund menu and lower cost to Plan Members

Following a recent review of the investments offered in our Plan, we will be making some fund changes to enhance the fund line up and decrease cost to Plan Members.

First, as the result of our review we have decided to remove and replace one fund in accord with criteria, standards and processes in our Plan's Investment Policy Statement. Franklin Small Cap Growth R6 (FSMLX) will be removed and replaced by a new small cap growth fund – Janus Henderson Venture N (JVTNX).

Fund Being Removed:		Assets Will be Transferred to this new fund:
Franklin Small Cap Growth R6 - FSMLX	→	Janus Henderson Venture N - JVTNX

Second, further changes are being made to lower funds' internal expenses. Some mutual funds have alternative share classes which offer a lower expense ratio (internal expense). We have authorized a number of fund changes to lower the expense ratios to pass along the cost savings to Plan Members. The overall Total Plan Cost will be reduced by 4 basis points.

Please note: The style, management and objective of the funds will not change. Only the funds' internal expenses and the ticker symbol will change.

It is our intent to use the lowest cost edition of each of the investments offered in our plan. Some of the mutual funds make a payment to the plan - called "revenue sharing" - to offset costs and some do not.

As was implemented last year, to avoid the possibility of some Members' investment choices subsidizing the fund costs of others, any "revenue sharing" payments received will be allocated to the accounts of Members whose investments generated the "revenue sharing" payment.

You have full access to your account and may make any changes you wish up to **2:00 p.m. Friday, August 24th** via www.abglogin.com.

You **will** have the ability to view your account balance information at all times. However, for a brief period of time, after August 24th, while transfers and fund changes are taking place, you will not be able to make any changes to your asset allocation. After August 24th, balances remaining in the funds being removed, will automatically begin to be mapped during the week of August 27th in accord with the chart below. You will be alerted when the transition is complete and full access is restored.