



**NYS DEFERRED  
COMPENSATION  
BOARD**  
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DIANA JONES RITTER  
EDWARD M. CUPOLI  
ROBERT F. MUJICA

June 26, 2013

**Memorandum To:** Files

Minutes of the June 26, 2013  
Public Meeting of the  
New York State Deferred Compensation Board

A public meeting of the New York State Deferred Compensation Board (the “**Board**”) was held on June 26, 2013, in Room 124 of the Empire State Plaza Concourse in Albany, NY. The meeting began at approximately 2:07 pm and adjourned at approximately 2:12 pm. A separate memorandum to the files, also dated June 26, 2013, lists the materials prepared for and referred to during the meeting.

**In attendance:**

Board Members: Edward M. Cupoli, Robert F. Mujica  
Staff Members (“**Staff**”): Edward Lilly, David Fischer, Sharon Lukacs, Peter Drao  
Shearman & Sterling LLP (“**Counsel**”)<sup>1</sup>: Kenneth Laverriere, Jennifer Stadler  
Callan Associates Inc. (“**Callan**”)<sup>2</sup>: Mark Kline, Karen McKechnie  
Nationwide Retirement Solutions (“**NRS**”)<sup>3</sup>: Patrick Ray, Jill O’Callaghan

Edward M. Cupoli acted as Chairperson and Sharon Lukacs acted as Secretary of the meeting. Mr. Cupoli called the meeting to order.

**I. APPROVAL OF MINUTES**

The Board reviewed the minutes of the public meeting held on May 17, 2013. Robert Mujica moved to approve the minutes. Mr. Cupoli seconded the motion, and the Board unanimously approved the minutes.

<sup>1</sup> Representatives from Shearman & Sterling attended via teleconference.

<sup>2</sup> Representatives from Callan attended via teleconference.

<sup>3</sup> Representatives from NRS attended via teleconference.

## **II. PURPOSE OF MEETING**

### **A. Discussion of Class Share Change for Vanguard Small and Mid Cap Index Funds**

Edward Lilly began the discussion by announcing that Vanguard informed the Plan that the assets in the Vanguard Small Cap and Vanguard Mid Cap Index Funds qualify for a change from Investor Class shares to Plus shares. This would result in a reduction in the expense ratio from 8 basis points to 6 basis points in both instances. This reduction in expense ratio would result in a similar increase in fund performance. There would be no change in the investment portfolios.

NRS has informed Board Staff that a conversion to the Plus share class could be accomplished on July 16, 2013.

Mr. Cupoli made a motion that the Plan convert the Vanguard Small Cap Index Fund and the Vanguard Mid Cap Index Fund from the Investor Class share to the Plus share class thereby reducing the expense ratio from 8 basis points to 6 basis points effective July 16, 2013. Mr. Mujica seconded the motion and the Board unanimously approved the motion.

Mr. Cupoli asked counsel about including a clause in future contracts that if the Plan qualifies for a change in investment share class that will result in a reduction in the expense ratio, that this change be effective automatically without Board action. Mr. Laverriere agreed that such a clause could be included in future contracts.

## **III. ADJOURNMENT**

Mr. Lilly stated that the next Board meeting is scheduled for August 23, 2013. There being no further matters for discussion, Mr. Cupoli moved to conclude the meeting. Mr. Mujica seconded the motion, and the Board unanimously approved the motion. The Board meeting was adjourned at approximately 2:12 pm.

\* \* \* \* \*

Sharon Lukacs  
Secretary of the Meeting