

## What is SWIB?

*SWIB is a unique and valuable partner to more than 620,000 individuals and 1,500 Wisconsin employers helping to provide for retirement.*

### **OUR AGENCY** Helps to Protect and Grow the WRS

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The State of Wisconsin Investment Board (SWIB) is an independent state agency responsible for managing more than \$102 billion in Wisconsin Retirement System (WRS) assets and over \$110 billion in total assets. SWIB shares WRS responsibilities with the Department of Employee Trust Funds (ETF), which administers individual benefits. SWIB is recognized as a strong premier investment organization because of its management of the trust funds of the retirement system. By bringing a disciplined, prudent and innovative approach to market opportunities, SWIB has been successful in generating respectable returns and maintaining the trust of beneficiaries and stakeholders.

### **THE WISCONSIN RETIREMENT SYSTEM** Ranks Among the Best

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- Among the country's best-funded public employee retirement systems
- Investment performance generally accounts for over 75 percent of WRS income (compared to 64 percent national average); 25 percent comes from employer and employee contributions
- 9<sup>th</sup> largest public pension fund in the US; 25<sup>th</sup> largest public or private pension fund in the world
- Over 620,000 participants: current and former employees of Wisconsin's state agencies and most local governments other than the City of Milwaukee and Milwaukee County; 1535 state and local government employers
- Two retirement funds

**Core Fund:** fully diversified, balanced fund invested for the long-term needs of the retirement system that includes global stocks, bonds, real estate and private equity

**Variable Fund:** optional all stock fund with an objective to achieve returns equal to or above that of similar stock portfolios over a market cycle

## OUR INVESTMENT STRATEGY Is Disciplined, Balanced and Long-term

SWIB invests first to protect the pension plan from the impact of another major market downturn and then to earn reasonable returns. Our investment strategy takes into account the unique design of the WRS among public pension plans. Because our members share in the investment risk and annuitants do not have automatic cost of living adjustments, we have implemented a strategy that is designed to weather a variety of economic environments to help keep annuities and contribution rates stable. It relies on professional investment management, diversification of investments and a long-term investment strategy to achieve its goal. Providing a strong, steady economic pillar for the people – and state – we serve, our forward-thinking culture has helped us fuel one of the best-funded pension funds in the country, protecting and growing the funds our members rely on to be a part of a more confident financial future.

### Fiduciary Duty

By law, one of the "standards of responsibility" applied to the Board when it manages money and property is:

"To diversify investments in order to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so ..."

## SWIB's COST of Management Is Low Compared to Peers

By reducing costs through its asset allocation, managing more funds internally and passively, and negotiating lower fees for external managers it hires, SWIB generates millions of dollars in savings compared to its peers. One important reason costs are lower is because SWIB can attract and retain qualified professionals to manage assets in-house.



**64%**

SWIB uses its own staff to invest approximately 64% of assets for multiples less than what it would pay external managers to do the same work.



**\$344 MILLION**

Over the past 10 years, SWIB saved \$344 million when compared to similar funds mainly due to the use of internal investment staff.



**\$75 MILLION**

Because of a greater reliance on internal management, SWIB saves \$75 million per year compared to what similar funds would pay to manage the same assets.



**\$1.2 BILLION**

By combining investment returns with cost optimization efforts, SWIB has earned \$1.2 billion above market returns over the past five years.

**LEARN MORE ABOUT SWIB: Visit [www.swib.state.wi.us](http://www.swib.state.wi.us). Call 608-267-9057 or toll free 800-424-7942.**