

**SWIB Announces 2017 WRS Preliminary Returns; Earns \$745 Million over Market Returns**

**Madison, WI (January 17, 2018)** – The State of Wisconsin Investment Board (SWIB) today announced preliminary returns for the Wisconsin Retirement System (WRS), the state’s public employee retirement plan. The Core Fund, the larger of the two WRS trust funds, ended the year with a preliminary return of 16.2 percent and a preliminary five-year return of 8.6 percent, both above their benchmarks. The Variable Fund, an optional stock fund, ended the year with a preliminary return of 23.2 percent and a five-year preliminary return of 13.3 percent also exceeding their benchmarks. Over the last five years, SWIB staff earned \$745 million over market returns after costs.

“SWIB’s investment strategy delivered a strong performance in 2017. Designed to weather a variety of economic environments, our strategy continues to deliver the returns needed to keep the retirement system strong over the long-term,” Michael Williamson, SWIB executive director, said.

The Core Fund, with diversified holdings in global stocks, bonds, loans, real estate and private equity, ended the year ahead of its benchmark of 15.7 percent. The Core Fund’s benchmarks reflect the Board of Trustees’ asset allocation plan designed to generate favorable returns over the long-term in different market environments while minimizing risk and volatility of those returns. The preliminary market value of the Core Fund on December 31, 2017, was \$100.6 billion.

The Variable Fund, with an allocation of 70 percent domestic stocks and 30 percent international stocks, finished ahead of its benchmark of 23.1 percent. The Variable Fund’s benchmark reflects the asset allocation chosen to best meet the statutory requirement of the fund. The Variable Fund’s preliminary market value was \$8.2 billion on December 31, 2017.

SWIB has generated reasonable long-term returns by implementing a disciplined, prudent and innovative investment strategy designed to ensure the WRS is able to meet its obligations today and in the future. Investment earnings generated by SWIB account for 75 percent of WRS benefits paid.

“Because our members share in the investment risk, we invest first to protect them from another downturn and then to earn reasonable returns. That strategy is working,” Williamson said. “We do not believe the recent combination of strong equity returns and low volatility is sustainable and the protection of our members and the system is our foremost concern.”

The Department of Employee Trust Funds will determine annuity adjustments for the Core Fund and the Variable Fund in March after an actuarial analysis is completed. Investment performance also affects contribution rates for public employees and employers; rates for 2019 will be set in June.

Total assets under management at SWIB were \$117.3 billion as of December 31, 2017. This includes, along with other state and local government investments, approximately \$108.8 billion in WRS trust funds, which provides benefits for current and former employees of state agencies, the university system, school districts and most local governments. The WRS is the 9<sup>th</sup> largest U.S. public pension fund and 25<sup>th</sup> largest public or private pension fund in the world.