



# The SWIB Report

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August 2007

## 2007 Board Meeting Schedule\*

September 18/19  
October 17/18  
November 14  
December 12

Meetings are held at SWIB. The October meeting is held at an off-site location.

\*Tentative, subject to business pending

### Board of Trustees

#### PUBLIC MEMBERS:

James A. Senty, Chair  
Thomas J. Boldt, Vice Chair  
William H. Levit, Jr.  
Deloris Sims  
David Kruger

#### LOCAL GOVERNMENT MEMBER:

David Geertsens

#### WISC. RETIREMENT BOARD APPOINTEE:

Eric O. Stanchfield, Secretary

#### TEACHER RETIREMENT BOARD APPOINTEE:

Wayne McCaffery

#### SECRETARY, DEPT. OF ADMINISTRATION:

Michael Morgan

### Executive Director

Keith Bozarth

### Deputy Executive Director

Gail Hanson

### Chief Investment Officer

David Villa

### Contact SWIB

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## Joining SWIB's journey is welcomed opportunity

By Keith Bozarth

SWIB Executive Director

Anyone beginning a stint as executive director for the Investment Board should be grateful for the opportunity. I am. We at SWIB are fortunate, in my opinion, to have intellectually demanding work that serves a highly desirable end. Helping to provide a fair and reliable retirement for those who have invested a career in public service is a privilege. Helping to do so at a reasonable cost to taxpayers and members is an honorable mission.



Keith Bozarth

The investment world is an extremely dynamic environment. SWIB needs to adjust today and build for the next set of investment changes. Over the past few years SWIB has been doing just that. The Board and retired executive director, Dave Mills, undertook several significant initiatives. We plan to bring those to fruition in the months ahead.

- We are revising our approach to stock investing to better address globalized markets and an evolving business environment.

**Opportunity** continued on page 2

## Performance update

The stock markets fluctuated wildly in July and into the first part of August. The Dow Jones Industrial Average did reach a high of 14,000 on July 19 before falling to 13,212 less than two weeks later and continued with similar volatility through mid-August. Even so, overall returns for the WRS remain positive. The preliminary calendar year-to-date return for the Core Fund was 5.8% as of July 31, ahead of the 5.5% return for the benchmark. The Variable Fund return was 4.8% compared to 5.1% for the benchmark.

## Biennial program audit issued

The Legislative Audit Bureau (LAB) has issued its biennial program audit of SWIB. Highlights and the full report (07-10) are posted on the LAB website at [www.legis.wisconsin.gov/lab](http://www.legis.wisconsin.gov/lab). The report includes a response letter from Keith Bozarth, SWIB executive director, located at the end of the 59-page report. Call the LAB at 608-266-2818 for a copy.

State statutes require the LAB to perform the audit, which includes a review of SWIB's performance in managing Wisconsin Retirement System assets. If you have questions about the audit, contact Vicki Hearing at 608-328-1050 or email SWIB at [info@swib.state.wi.us](mailto:info@swib.state.wi.us).

## Renowned geographer to speak in September

Harm de Blij, author, professor and geography analyst will speak at SWIB's annual reception. His presentation will begin at 4 p.m. Tuesday, September 18 at the Monona Terrace Community and Convention Center auditorium, 1 John Nolen Drive.

The regular Board meeting will be Wednesday, September 19 at the SWIB offices, 121 E. Wilson St. Both events are open to the public. Contact Meredith Hauge at 608-267-0962 to register to attend the reception.

Dr. de Blij has written over twenty books. He earned his PhD in geography in 1959 from Northwestern University and was the geography editor for the ABC television program "Good Morning America" from 1990 to 1996.

## Opportunity continued from page 1

- We are preparing for managing more assets at SWIB, rather than through outside money managers.
- We are requesting resources to handle the greater internal asset management and to enable SWIB to compete for the skilled staff needed for that task.
- We are reviewing and requesting revisions to the laws governing SWIB in order to permit us to address the radically changing investment world.

The support of our participant groups is important in accomplishing these initiatives. I am grateful for the opportunities to meet with some participant representatives already and look forward to additional meetings. One such opportunity will be at our reception in September. (See details at bottom of page.)

I have spent my career helping to invest and manage pension funds. At SWIB I hope to work with you to continue and enhance SWIB's history of doing those jobs well. What better statement than, "Forward."

## Dave Mills recognized for service

Dave Mills, recently retired executive director, was praised by legislators in a joint resolution highlighting his service and dedication to the citizens of Wisconsin. "We have been fortunate to have a public servant of David's caliber serving us for the last 35 years," said Sen. Judy Robson, (D-Beloit).

Several Senators also spoke about his leadership roles at the University of Wisconsin-Madison, the Department of Health and Social Services, and the Department of Employee Trust Funds.

Staff from SWIB joined with other friends and associates - many from the Department of Employee Trust Funds - to say farewell at a retirement party held August 7. He was honored by proclamations from the Governor and the Board of Trustees, presented by SWIB Board Chair Jim Senty.



*Above: Dave Mills greets guests during his retirement party.*

*Below: (Left to right) Sen. Judy Robson and Dave Mills.*

