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New Online Newsletter Coming Soon

In January we are splitting the *WRS News* into two separate newsletters, one for active employees and one for retirees. This will allow us to provide you with even more relevant, timely information and news about your retirement, insurance and other benefits.

Active employees will receive a new web-based newsletter, which will be distributed through their employers. The newsletter will contain quick-to-read articles, web links to even more content, and colorful graphics—all of which can be easily viewed from a

computer or other mobile device.

Retirees will continue to receive a printed copy of *WRS News*. The newsletter will keep the same design as the current newsletter, but we'll orient the content specifically for retirees.

Content of both newsletters will be accessible on our website. Articles will address the diverse needs and interests of those who are just starting their public service careers, at mid-career, near retirement or retired. In addition to learning how to fully understand

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Strengthening the WRS for the Future

— Michael Williamson, SWIB Executive Director

Being ranked among the best public pension investors in the country is something members of the Wisconsin Retirement System have come to expect from the State of Wisconsin Investment Board.

SWIB keeps costs low—less than the peer average—while providing consistent, long-term performance and increasing WRS funds by earning more than market returns.

To maintain that success in the future, SWIB is working hard to stay at the forefront of institutional investment practices that are continually evolving. We understand to be successful, we need to do more than simply keep pace with the market. From time to time, it is critical for us to step back, assess our strengths as well as our opportunities

to improve and then chart a course for the future.

Last year, SWIB embarked on a process to generate a three-year strategic plan. The initial work produced new mission and vision statements that guide how we operate as an organization.

SWIB's mission statement reads, "To be a trusted and skilled global investment organization contributing to a strong financial future for the

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Calendar Year-to-Date Preliminary Returns as of 7/31/2014

Core Fund	5.4%
Benchmark	5.4%
Variable Fund	4.6%
Benchmark	4.8%

For Active Employees

Contribution Rates to Decrease in 2015

Contribution rates for Wisconsin Retirement System employers and employees will decrease slightly next year, primarily due to trust fund investment gains experienced from 2009-2013. The table at right shows contribution rates effective January 1, 2015.

WRS Contribution Rates (expressed as a percentage of WRS earnings)				
Employment Category	Total Rate 2014	Total Rate 2015	2015 Employee Contribution	2015 Employer Contribution
General/Teacher	14.0%	13.6%	6.8%	6.8%
Elected/Executive	15.5%	15.4%	7.7%	7.7%
Protective w/SS	17.1%	16.3%	6.8%	9.5%
Protective w/o SS	20.7%	19.9%	6.8%	13.1%

Why do contribution rates change every year?

Contribution rates are based on an actuarial analysis of the funding needed to pay **future** retirement benefits accrued during the year by **current** employees. In general, when investment earnings are greater than expected, the rates the following year can be lowered. When earnings are lower than expected, the rates may have to be increased to make up for

**Note: For some employees, the exact employee and employer portion may depend on collective bargaining agreements.*

the shortfall.

Your WRS retirement benefit is pre-funded with contributions made by you and your employer, plus investment earnings, during your working years. The biggest portion of funding for your benefit comes from investment earnings.

Future Rates, Adjustments: Watch for Announcements

At this time of year members often ask about upcoming effective rates and annuity adjustments. Keep in mind the rate calculation process includes final investment returns for 2014 and the results of an actuarial analysis. Watch for a series of announcements, as follows:

- 1. January:** Preliminary investment returns announced by the State of Wisconsin Investment Board for the Core and Variable Trust Funds.
- 2. February:** Core and Variable effective rates for non-retired members, announced by the Department of Employee Trust Funds. Effective rates are applied to active employee retirement account balances and shown on the annual *Statement of Benefits*, which is distributed in April.
- 3. March:** Core and Variable annuity adjustments for retirees, announced by ETF. These adjustments are applied to retirees' monthly payments, beginning May 1.



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your benefits, you will be connected to other helpful online resources and tools.

“Overall, the focus is on improving the customer experience and supporting our members as their needs change,” said Mark Lamkins, director of communications at the Department of Employee Trust Funds. ETF and the State of Wisconsin Investment Board will co-publish the newsletters. The agencies have been co-publishing the *WRS News* since January 2011.

Secretary Conlin Appoints Executive Team

Department of Employee Trust Funds Secretary Bob Conlin appointed two long-time public servants to the ETF's executive team: Deputy Secretary John Voelker and Assistant Deputy Secretary Pam Henning. Voelker, a resident of McFarland, Wis., and a 27-year veteran of state service, has served as director and chief executive officer of Wisconsin State Courts since 2003. Voelker is responsible for overseeing the day-to-day operations of ETF's major program areas.



John Voelker



Pam Henning

Conlin also promoted Pam Henning, long-time head of ETF's Division of Management Services, to assistant deputy secretary. Henning will oversee communications, legislative relations, policy

development and organizational development. A resident of Marshall, Wis., Henning has been with ETF since 1998 and in state service since 1991.

Effect of Federal Court Marriage Ruling on the WRS

The Department of Employee Trust Funds administers a number of benefit programs, including the Wisconsin Retirement System, health insurance and other insurance programs. Whether a WRS member is considered to have a valid marriage under state or federal law, or has entered into a Chapter 40 domestic partnership, may have an effect on those benefits. As a result, ETF closely monitors any legislation or relevant court cases that may affect who is considered married for purposes of state or federal law.

On June 13, 2014 a federal district court issued a stay of its previous ruling, which held that Wisconsin's 2006 constitutional amendment prohibiting same-sex marriage violated the equal protection clause and the due process clause of the U.S. Constitution. A stay means the ruling will not be enforced, pending further appeals.

Please note: This is not to be confused with the July 31, 2014 Wisconsin Supreme Court ruling that upheld a state law regarding the constitutionality of Wisconsin's Chapter 770 domestic partnership registry for same-sex couples. Until the federal courts reach a final decision on Wisconsin's constitutional amendment barring same-sex marriage, Chapter 40 of the Wisconsin Statutes will continue to provide for domestic partnerships. Registering as a Chapter 40 domestic

partner provides some, but not all, of the rights of marriage—such as the right to include a domestic partner as a dependent on one's health insurance coverage. For more information on the WRS benefits available to Chapter 40 domestic partners, review our *Domestic Partner Benefits* brochure.

In addition, federal law requires ETF to remain in compliance with Internal Revenue Service regulations when administering benefit programs. See our frequently asked questions document, *Federal Tax Compliance for Same-Sex Marriages*. Here, you will find information on the specific WRS-related rights already available to same-sex spouses whose marriages are recognized by the federal government, as well as the similarities and differences between those rights and the rights of Wisconsin Chapter 40 domestic partners.

ETF will continue to convey any new information to members as soon as it becomes available.

For More Information

ETF's Domestic Partner Benefits website page, which includes the following:

- *Domestic Partner Benefits* brochure (ET-2166)
- *Federal Tax Compliance for Same-Sex Marriages*
- *ETF Affidavits*

http://etf.wi.gov/publications/domestic_partners.htm

When Should I Retire?

Wisconsin Retirement System members contemplating retirement often ask our specialists this question: Is it better to retire at the end of the year or at the beginning of the new year? Whether a late December or post-December 31 annuity effective date provides the higher annuity amount depends on your individual account history. Here are some key factors that may affect which “annuity begin date” provides you the optimal WRS benefit:

1. Whether your annuity is higher under the Formula calculation or the Money Purchase calculation.
2. The Core Fund effective rate of interest for the current year.
3. Your participation in the Variable Fund, whether current or in the past.
4. Other WRS benefits you may be entitled to—such as health insurance and life insurance—and how a specific termination date might affect those benefits.

How do I find out which calculation method—Formula or Money Purchase—would determine my benefit amount? Short of an official retirement estimate from the Department of Employee Trust Funds, one of the best ways to find out is to calculate your own retirement benefit projections, using any of these online resources:

- **ETF online calculators:** We offer a retirement benefits calculator and a calculator for updating your Variable excess/deficiency (if you participate in this optional fund). Find both at <http://etf.wi.gov/calculator.htm>.



- **ETF worksheets:** Our brochure, *Calculating Your Retirement Benefits* (ET-4107), contains helpful information and worksheets. Go to <http://etf.wi.gov/publications/et4107.pdf>.

In addition, see section 10 of your most recent annual *Statement of Benefits*. When you retire, you are entitled to the benefit that provides the higher of the two calculation methods. This section of your *Statement* identifies the factors that affect the two calculation methods and includes a projection of your earliest possible retirement age and the age when you can receive an unreduced benefit (no reduction because of age).

Here are a few more ideas for helping you make this important decision:

1. Participate in **ETF's webinar**, *Choosing When to Retire*. Sessions are scheduled, beginning in September.
2. Watch ETF's **video**, *When Should I Retire?* The video provides a detailed explanation of how to determine the best time to retire.

Look for webinar registration information and all of our video titles on the Member Education menu of our website at <http://etf.wi.gov>.

CONTINUE TO GIVE IN RETIREMENT



Even in retirement you have the choice to participate in the State Employees Combined Campaign.

Our campaigns provide aid to over 500 local, state, national, and international organizations and causes that welcome your support.

To learn more about how you can participate in our giving campaign in retirement, visit www.giving.wi.gov.

Nominations Sought for Board Seats

The process to elect members to the Employee Trust Funds Board and the Teachers Retirement Board has begun. Details are as follows, along with the current seat holders:

Board	Seat
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ETF Board	Educational Support Personnel Member (Kimberly Hall)
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ETF Board	Annuitant Member (William Ford)
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TR Board	Active Teacher Member-Milwaukee Public Schools (Michael Langyel)
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ETF Board

Any actively employed Wisconsin Retirement System covered **educational support employee** of a technical college district or school district may compete for the ETF Board-Educational Support Personnel Member seat. The four-year term begins May 1, 2015.

Any **retired WRS member** may compete for the ETF Board-WRS Annuitant Member seat. The four-year term begins May 1, 2015.

TR Board

Any **active teacher** employed by the **Milwaukee Public School District** may compete for the TR Board-Active Teacher Member seat. The five-year term begins May 1, 2015.

If you are interested in running for one of the seats, you may request nomination materials by writing to: ETF, Retirement Board Liaison, P.O.

Box 7931, Madison, WI 53707-7931; or send an e-mail to BoardElections@etf.wi.gov. You may also download materials from the ETF website, <http://etf.wi.gov>.

If you contact us in writing, please specify the seat you are interested in to ensure the correct nomination packet is sent to you. **Completed nomination materials must be received by ETF by 4:30 p.m. on Monday, November 3, 2014.**

New in 2015: ETF will conduct board elections electronically, via telephone and/or the Internet. This change will not affect the nomination process. Watch for candidate information and specific voting instructions for these elections in January.

Where to Find Your Member ID Number

Do you know your Member ID? The Department of Employee Trust Funds utilizes a best practice by assigning Member ID numbers to new members as they are enrolled for benefits. This practice protects you and your WRS information.

Active Employees: Your Member ID number can be found on your annual *Statement of Benefits*, which you receive each April. It also can be found on your Navitus pharmacy benefits card (if applicable). It is not the member ID number found on your health insurance provider card.

Retirees: Your member ID number can be found on any “annuity mailer” you have received from ETF in the past few years and—if applicable—on your Navitus pharmacy benefits card. It is not the member ID number found on your health insurance provider card.

Although you should use your Member ID number whenever you contact ETF, keep in mind that your Social Security number and other personal information will still be a part of the verification process when you contact us by phone or e-mail.

What's New on ETF's Website?

We have improved a section of our website to make it easier to find and learn about Wisconsin Retirement System educational opportunities and resources. Our new Member Education menu, located on our website at http://etf.wi.gov/member_education.htm, conveniently lists in one place all available videos, face-to-face presentations scheduled statewide and interactive webinars. Other enhancements include:

- A new **Video** tab. No matter where you are in your Wisconsin Retirement System "career status" (new employee, mid-career, nearing retirement or retired), you can quickly find those that pertain to you.
- A new **Face-to-Face** tab, featuring our interactive map of Wisconsin. Use the map to quickly and easily find benefit presentations scheduled near you or in any of the nine regions of the state.



- A new **Webinars** tab that is updated on a monthly basis with session dates and times and complete descriptions of all ETF webinar topics (see article below).

Be sure to check the Member Education menu frequently, as we schedule events throughout the year and post new videos. You may also receive immediate notification of new videos, presentations and webinars by signing up for *ETF E-mail Updates*. Look for the red envelope icon on our website at <http://etf.wi.gov>.

ETF Webinars: 2014 Fall Schedule Set

Would you like to better understand and know more about your Wisconsin Retirement System benefits? Participate in a live, interactive webinar offered by the Department of Employee Trust Funds. Each 30-minute webinar is conducted online by an ETF specialist and focuses on a single topic of interest. Upcoming webinar topics include:

- An overview of the WRS
- How to enhance your benefit by making additional contributions
- Why it's important to keep your beneficiary designation up to date
- WRS employer and employee contribution rates
- Choosing an annuity option
- How to use ETF's online retirement benefit calculator
- Choosing a retirement date (for example: December vs. January)

What participants are saying about ETF's webinars:

"Great webinar! Glad ETF offers these, they are very informative and helpful."

"It was very helpful to be able to ask questions specific to my situation."

"The presenter did an excellent job at answering questions about a very confusing subject, especially since every employee's situation is different."

- How divorce can affect your WRS benefits and how to properly complete the required paperwork
- Health insurance changes for 2015 under the state's group health insurance program

For webinar dates, times and registration information, see our Member Education menu at http://etf.wi.gov/member_education.htm.

Receive immediate notification of scheduled webinars by signing up for *ETF E-mail Updates*. Look for the red envelope icon on our website at <http://etf.wi.gov>.

WRS Benefit Presentations for Employees Statewide Set

Each spring and fall the Department of Employee Trust Funds hosts presentations for employees throughout the state on Wisconsin Retirement System and other benefit programs. ETF offers two different benefit presentations, one for those within five years of retirement and one for new and mid-career employees. The fall 2014 presentation schedules are listed below.

For specific locations, see the Face-to-Face tab on our Member Education website page at http://etf.wi.gov/member_education.htm, or call ETF at 1-877-533-5020. Presentations start at 6:30 p.m., unless otherwise indicated. In the event of severe weather, listen to local radio stations for possible cancellations.

For New and Mid-Career Employees

These *one-hour*, evening presentations are designed for WRS members who are **more than five years** from retirement. ETF provides accurate information about WRS benefits early in a member's career so that they can make sound, strategic decisions over the course of their careers. Topics covered at each presentation include vesting requirements, various ways to enhance a WRS retirement benefit, purchasing service, military service credit, the Core and Variable Trust Funds, contribution rates, the importance of a beneficiary form and how to complete one, and how "life event" changes affect retirement benefits.

Presentations for New and Mid-Career Employees			
Appleton	November 6	Madison	October 23
Superior	October 8	Marinette	November 6
Eau Claire	September 25	Milwaukee	November 13
Janesville	October 29	Wausau	October 16
La Crosse	October 28		

For Employees Nearing Retirement

These *two-hour*, evening presentations are designed for WRS members who are **within five years** of retirement. Attendees will receive the information they need to make important decisions at retirement. Topics covered at each presentation include WRS annuity options, return-to-work rules, post-retirement annuity adjustments, the Core and Variable Trust Funds, the importance of keeping a beneficiary form up to date, purchasing service before retirement, the difference between a joint survivor and a beneficiary, and how "life event" changes affect retirement benefits.

Presentations for Employees Nearing Retirement			
Ashland	October 9	River Falls	October 23
Fond du Lac	October 2	Superior	October 7
Green Bay	September 15	Verona	October 28
Milwaukee	October 15	Whitewater	November 12
Platteville	October 1	Wisconsin Rapids	September 23
Rhineland	September 17		

A Look at WRS 2013 Financials

The Wisconsin Retirement System paid more than \$4.2 billion in benefits in 2013. Sound funding and plan design principles keep the WRS financially strong. It is the responsibility of the Department of Employee Trust Funds to report to you, the legislature and Wisconsinites about how the WRS is doing. ETF's 2013 *Comprehensive Annual Financial Report* will be available on our website later this year.

WRS Assets and Reserves

As of the end of 2013 the WRS had net assets of almost \$90 billion, an increase of \$8.9 billion over 2012. These assets are invested in a balanced portfolio of stock, bonds and other investments managed by the State of Wisconsin Investment Board.

\$48.5 billion of reserves are set aside to pay monthly benefits to our current 180,000 retirees. The average annual benefit is \$22,911. The annuity reserve, increased by 5% annual interest, will be sufficient to pay lifetime benefits without any additional contributions.

The employer and employee reserves include contributions made by and on behalf of non-retired members. While the employee reserve is made up of more than 400,000 individual accounts, the employer reserve is a single comingled account with no separation of individual employer contributions. At the time a member retires, the present value of their annuity is transferred to the annuity reserve from the employer and employee reserves. These reserves are also used to pay separation and death benefits.

The Market Recognition Account is used to smooth the effects of investment gains and losses on the WRS. The excess or deficiency of investment returns are spread over five years. As a result, the WRS has \$4.6 billion in past investment gains that will be used to supplement current income or offset investment losses over the next four years.

WRS Revenues and Expenses

Investment income is the largest source of revenue for the WRS. While 2013's 13.6% investment return resulted in investment income representing over 86% of all revenues, over the long-term investment income is expected to be

Wisconsin Retirement System Statement of Net Assets (millions \$)		
	2013	2012
Assets		
Stocks	\$48,961	\$43,097
Bonds	26,372	24,984
Other Investments	10,843	9,471
Other Assets	3,749	3,520
Total Assets	<u>\$89,925</u>	<u>\$81,072</u>
Reserves		
Annuity Reserve	\$48,461	\$44,053
Employer Reserve	21,279	20,164
Employee Reserve	15,559	14,396
Market Recognition Account	4,570	2,392
Other Reserves	56	67
Total Reserves	<u>\$89,925</u>	<u>\$81,072</u>

Wisconsin Retirement System Statement of Changes in Net Assets (millions \$)		
	2013	2012
Revenues		
Investment Income	\$11,343	\$9,859
Employer Contributions	915	799
Employee Contributions	871	757
Other Income	4	5
Total Revenues	<u>\$13,133</u>	<u>\$11,420</u>
Expenses		
Annuities	\$4,225	\$4,208
Separation Benefits	33	27
Administration	22	21
Total Expenses	<u>\$4,280</u>	<u>\$4,256</u>
Addition to Net Assets	<u>\$8,853</u>	<u>\$7,164</u>

closer to 75% of total WRS revenues.

Employer contributions are paid by WRS employers and are held in the employer reserve until needed for a transfer to the annuity reserve to fund new annuities. Employee contributions are primarily paid by WRS members and are held in individual accounts for the member until retirement or paid as a separation benefit.

When you compare total WRS benefits and expenses of \$4.3 billion to combined employee and employer contributions of \$1.8 billion, the importance of a strong investment program to make up the difference is clear.

High Frequency Trading and SWIB

It happens quicker than the blink of an eye, employing powerful computers that use complex algorithms that analyze market conditions to execute stock orders at the most opportune time. The faster the speed to execute the trade, the more money that might be made.

That is the theory behind high frequency trading (HFT). Firms that practice HFT use sophisticated technology and physical locations close to stock exchanges in order to trade securities at higher speeds than brokers. The transactions occur so fast that a HFT trading firm may only hold the stock for a fraction of a second and potentially make profits on high-volume trades and small price changes.

Since author and financial journalist Michael Lewis released his book, *Flash Boys: A Wall Street Revolt*, the subject of HFT has been grabbing national headlines—not only in the financial press but in the main stream media as well. Politicians have also taken notice. In June, the U.S. Senate's banking committee's Securities, Insurance and Investment subcommittee looked at what can be done to monitor the practice.

But what effect, if any, does HFT have on the Wisconsin Retirement System and the investments made by the State of Wisconsin Investment Board? Dave Meyer, SWIB's head trader, said SWIB's traders and knowledgeable market participants have known about HFT for several years.

"HFT is a result of the electrification of trading. Rules designed to improve fairness in price execution as well as access to market data passed by the Securities and Exchange Commission, along with stock exchange competition, contributed to the creation of HFTs to fulfill the role of traditional market makers," Meyer said. "Some high frequency trading

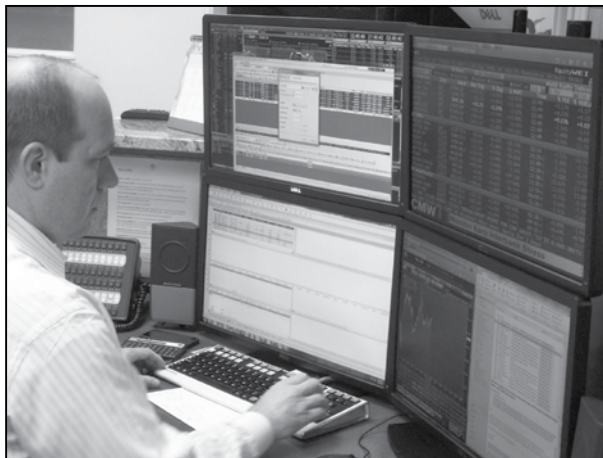
provides a legitimate market-making function. However, other HFT firms try to profit by taking advantage of current market structure."

Over the past several years, SWIB has taken actions to minimize the possibility of its trades being impacted by predatory high frequency trading practices.

"We use specific order types to ensure we transact trades within our price preferences," Meyer said. "We also use algorithms to take advantage of trading at the midpoint of the bid/ask price. Lastly, we partner with brokers that perform what is known as 'exchange and venue analysis' to ensure our orders are filled according to reasonable expectations."

In addition, SWIB's trading desk performs detailed transaction cost analysis on a quarterly basis. The results are discussed with the head of equities and members of the investment staff. The result: SWIB is well within the bounds of expected trading costs.

"The bottom line is that SWIB has a long-term investment horizon with relatively low amounts of trading and we have taken steps to protect our trades from some of the impacts that are being associated with predatory HFT," Meyer said.



SWIB

Our Mission

To be a trusted and skilled global investment organization contributing to a strong financial future for the beneficiaries of the funds entrusted to us.

Our Vision

SWIB will be an innovative, agile, integrated organization that optimizes investment returns while managing risk and cost over the long term.

SWIB Works to Protect WRS Investments

Over the past several years, the State of Wisconsin Investment Board has worked to reduce the Core Trust Fund's exposure to stocks as a way to diversify Wisconsin Retirement System investments and protect the system from dramatic market downturns.

Although reduced greatly, the Core Fund is still 50% invested in stocks, both foreign and domestic. The Variable Fund, by law, is completely invested in stocks.

Totally divesting of stocks is not realistic for any investor, which means to help protect its investment returns, SWIB has implemented a corporate governance program.

Corporate governance is significant to investing in public companies through the board of directors. As shareholders invest in companies, the duty to oversee the interaction of the board of directors and management is critical. SWIB is one the largest public pension funds in the world and strives to protect its investments by being proactive in this area.

"As a long-term global investor, SWIB is committed to governance activities that enhance the returns of the trust funds and improve the long-term performance," TerriJo Saarela, SWIB's corporate governance manager, said.

SWIB's corporate governance program was implemented in 1986 to protect SWIB's long-term investment earning by exercising its rights as a shareholder. All public companies allow their shareholders the opportunity to vote on key decisions affecting how the company is governed or managed. These votes are known as proxy votes. SWIB has a fiduciary responsibility to manage the proxy votes of corporate stock and does so through a robust and thoughtful process of developing guidelines that help decide how to vote on various issues. SWIB's goal is to vote on each issue solely in support of the economic interest of fund participants.

"Another way SWIB actively carries out its fiduciary obligation to the trust fund beneficiaries, is to engage with company management teams and their board of directors to share our concerns

and governance best practices to minimize risk," Saarela said. "The depth of dialogue allows for better understanding by both sides of any given situation and provides opportunity for change."

SWIB believes direct communication with companies is the most effective way to implement improvements in how a company is managed. The two most-discussed issues are directors and executive compensation. Election of directors, in particular, is the most important vote, given the fact the board of directors oversee company management approving all major decisions, including hiring the chief executive officer. For this reason, SWIB has developed criteria based on long-standing practices to determine the independence of every director.

Executive compensation is set by a company's compensation committee within the board of directors, typically with the help of outside consultants. SWIB works closely with companies to understand the structure of their compensation plan to make certain there is an appropriate alignment between pay and performance. Disclosure

Protect, continued on page 11

Corporate Governance by the Numbers

30,500

SWIB voted more than 30,500 proposals in over 52 countries in 2013, supporting management about 80% of the time.

300

During calendar year 2013, SWIB conducted dialogues with over 300 companies in 29 different countries. The countries with the most engagement are the U.S. and Japan.

1986

The year SWIB implemented its corporate governance program.

Protect, continued from page 10

and transparency of reasonable performance targets and metrics are key drivers in compensation plans.

“The trend is showing that companies are more open to engagement regarding all ballot items and are more willing to make relevant improvements to their governance structures,” Saarela said. “Another trend we see is companies paying more attention to shareholder proposals regarding the environment and traditional social concerns. The corporate governance team is spending more time researching how this will affect SWIB investments.”

To remain abreast of industry activities and governance issues, SWIB participates in various

governance organizations, attends trainings and conferences, and communicates with other public pension funds. SWIB is an active member of the Council of Institutional Investors (CII), a non-profit association of pension funds, other employee benefit funds, endowments and foundations that is the leading voice for effective corporate governance and strong shareholder rights. Jane Hamblen, SWIB’s chief legal counsel, is a CII board member and Saarela chairs CII’s International Committee. SWIB is also actively involved with the International Corporate Governance Network, Institutional Shareholders Advisory Board, Broadridge Institutional Investors Committee, and several industry working groups.

Strengthening the WRS, continued from page 1

Michael Williamson

beneficiaries of the funds entrusted to us.”

The vision statement reads, “SWIB will be an innovative, agile, integrated organization that optimizes investment returns while managing risk and cost over the long term.”

As part of the plan’s work going forward, SWIB is implementing a number of new investment initiatives that will better position the agency to continue to provide solid returns while limiting risk in the marketplace. With SWIB’s help, the WRS is one of the best-funded systems in the country. On average, investment returns account for more than 75% of the income of the WRS. That is why it is important we continue to seek new opportunities that will help us fulfill our fiduciary duties to the trusts we manage and contribute to strong financial futures for the beneficiaries of those trusts, including the participants in the WRS.

SWIB is also upgrading its portfolio management technology systems and business processes to improve access to and management of financial data. This is a critical component to SWIB’s competitive edge and ability to make informed investment decisions as we manage increasing amounts of assets internally. SWIB manages approximately 56% of all assets internally for a quarter of what it would cost for external management. By doing so, SWIB saves \$50 million annually with its internal management initiative based on what it would cost to hire outside money managers.

Finally, SWIB is examining the internal organization and developing improvements in how it supports its people and builds a strong culture based on its values, to ensure optimal alignment of resources with the agency’s strategic direction.

Combined, these initiatives will allow us to be more innovative, proactive and agile in the rapidly changing economic and financial marketplace while focusing on productive and positive results.

More information about the three-year strategic plan is available on our website at www.swib.state.wi.us.

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ET-7402

WRS NEWS



Published in January, May and September by the Department of Employee Trust Funds and the State of Wisconsin Investment Board to inform Wisconsin Retirement System members about benefit programs and trust fund investment news and information.

ETF

Contact ETF to make an appointment and ask questions regarding WRS retirement, health and life insurance benefits.

Call us toll free at 1-877-533-5020 or (608) 266-3285
Benefit specialists are available 7:00 a.m. to 5:00 p.m. (CST), Monday through Friday.

ETF Self-Service:

Request forms and brochures, report address changes, tax withholding changes (retirees only).

E-mail ETF: Send a secure e-mail via the "Contact ETF" page on our website, <http://etf.wi.gov>.

Wisconsin Relay Service (for speech and hearing impaired)

7-1-1 or
1-800-947-3529 (English)
1-800-833-7813 (Spanish)

ETF E-Mail Updates

To register for this free e-mail notification service, look for the red envelope icon at <http://etf.wi.gov>.

SWIB

Contact SWIB for information about WRS investments.

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