



March 19, 2020

Honorable Alberta Darling, Co-Chair  
Joint Committee on Finance  
317 East, State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882

Honorable John Nygren, Co-Chair  
Joint Committee on Finance  
309 East, State Capitol  
P.O. Box 8953  
Madison, WI 53708

Honorable Robert Cowles, Co-Chair  
Joint Committee on Audit  
118 South, State Capitol  
P.O. Box 7882  
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Honorable Samantha Kerkman, Co-Chair  
Joint Committee on Audit  
315 North, State Capitol  
P.O. Box 8952  
Madison WI 53708

Mr. Jeffrey Renk  
Senate Chief Clerk  
P.O. Box 7882  
Madison WI 53708-7882

Mr. Patrick Fuller  
Assembly Chief Clerk  
Room 401, 17 West Main Street  
Madison WI 53703

**Subject: Investment Policies, Objectives and Guidelines**

Members of the Legislature:

Pursuant to Section 25.17(14r) of the Wisconsin Statutes, I want to advise you that since our last report on January 10, 2020 there were some revisions to the Board of Trustees Wisconsin Retirement System (WRS) Investment Policy and the SWIB Investment Committee WRS Investment Guidelines.

The amendments included:

- Changes to the approval groups for rebalancing, exposure management and overage transactions to reflect organizational changes;
- Adjusting the risk limitations on the Government/Credit portfolio to allow for more active risk in line with the mandate from the Executive Director/Chief Investment Officer and the Investment Committee but within SWIB's active risk budget;
- Deletion of the SWIB Alpha portfolio guidelines, which has been merged into a surviving portfolio;
- Addition of portfolio guidelines for a new mortgage-backed securities portfolio;

- Reauthorizing the Managing Director of private markets to approve private markets transactions to reflect that the position is no longer vacant due to the onboarding of a new managing director after a retirement earlier in 2019;
- Modification of the consultant recommendation requirement for private markets investments;
- Expansion of the Management Council to include additional members from investment management; and
- Expansion of the Investment Committee to include three non-voting positions.

At its March 18, 2020 meeting, the Board of Trustees reviewed and approved these amendments, which were recommended by SWIB's Investment Committee.

If you have questions on any of the changes, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Rochelle Klaskin".

Rochelle Klaskin  
Deputy Executive Director/Chief Administrative Officer

cc: Jay Risch, SWIB Government Relations Liaison  
Members, Joint Committee on Audit  
Members, Joint Committee on Finance  
Joe Chrisman, Legislative Audit Bureau  
Robert Lang, Legislative Fiscal Bureau