

## 2005 SENATE BILL 463

December 1, 2005 – Introduced by Senators DARLING and PLALE, cosponsored by Representatives FIELDS, HAHN, RICHARDS, SINICKI, TOWNS, TOWNSEND, YOUNG, CULLEN and GRIGSBY. Referred to Committee on Housing and Financial Institutions.

1 **AN ACT** *to amend* 62.63 (3) of the statutes; **relating to:** investment of funds by  
2 the City of Milwaukee Employes' Retirement System.

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### *Analysis by the Legislative Reference Bureau*

Current law restricts the manner in which the City of Milwaukee Employes' Retirement System (CMERS) may invest its funds. This bill authorizes CMERS to invest funds of the system in the manner provided under the Uniform Prudent Investor Act, which took effect in Wisconsin on April 30, 2004.

Generally, under the Uniform Prudent Investor Act, a fiduciary must do all of the following:

1. Invest and manage assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the estate, trust, conservatorship, or guardianship.

2. Evaluate investment and management decisions about individual assets, not in isolation but in the context of the portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the estate, trust, conservatorship, or guardianship.

3. Consider a number of specific circumstances relevant to the estate, trust, conservatorship, or guardianship or its beneficiaries.

4. Make a reasonable effort to verify facts relevant to the investment and management of assets.

