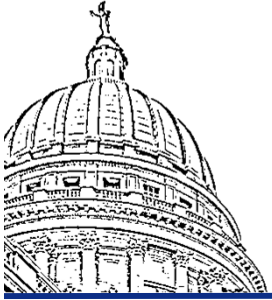


November 13, 2014



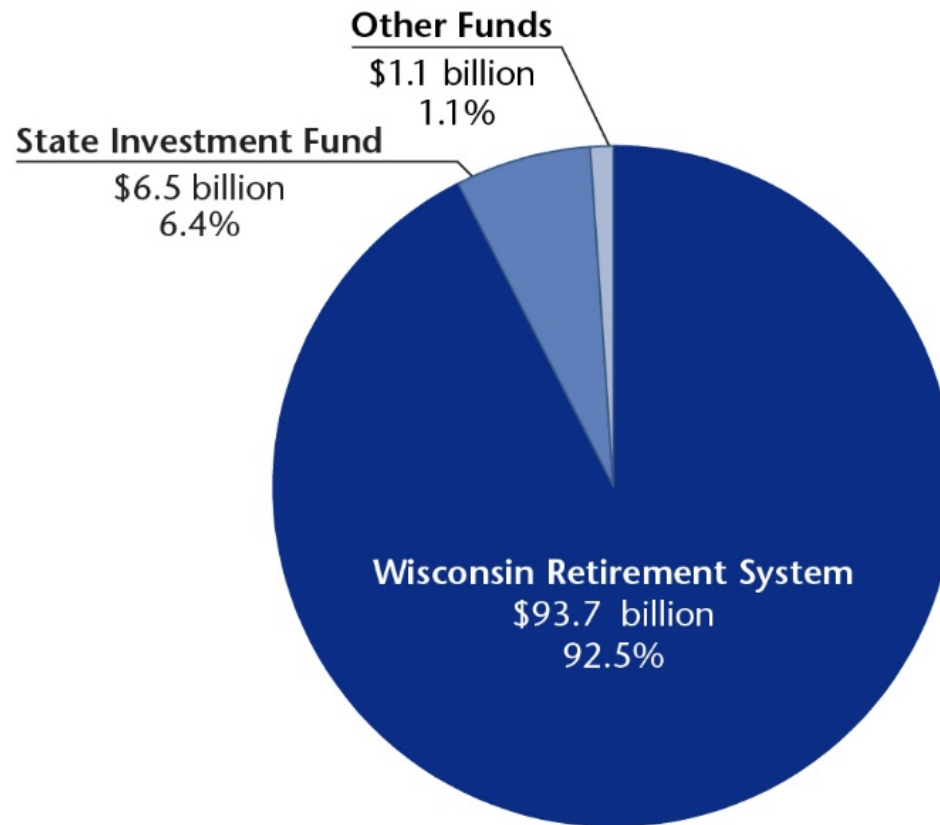
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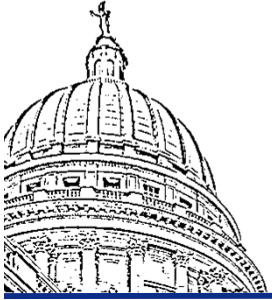
Report 14-9



Overview

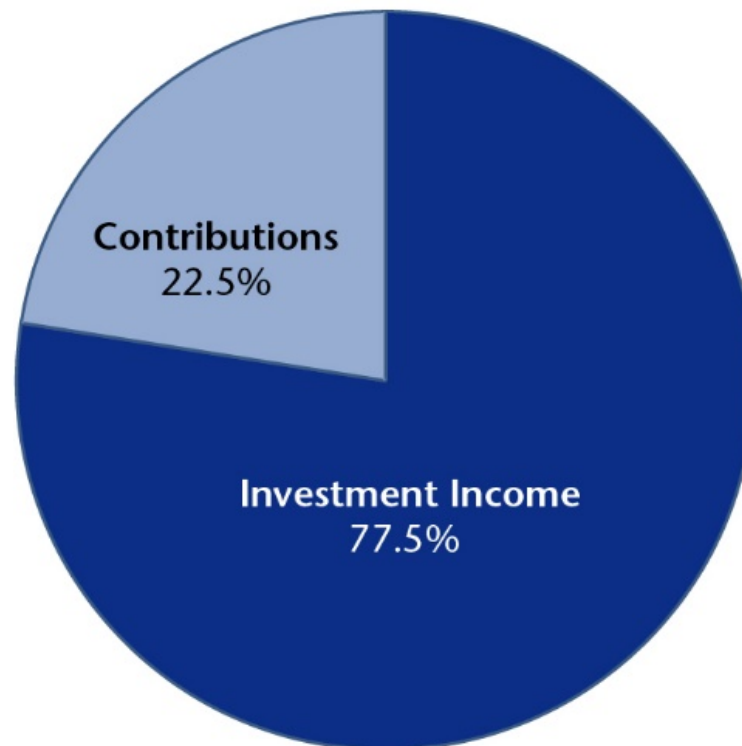
Assets Under Management December 31, 2013

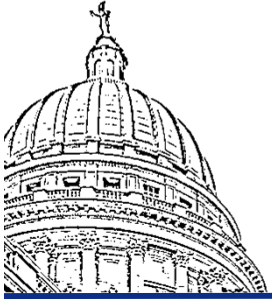




Wisconsin Retirement System

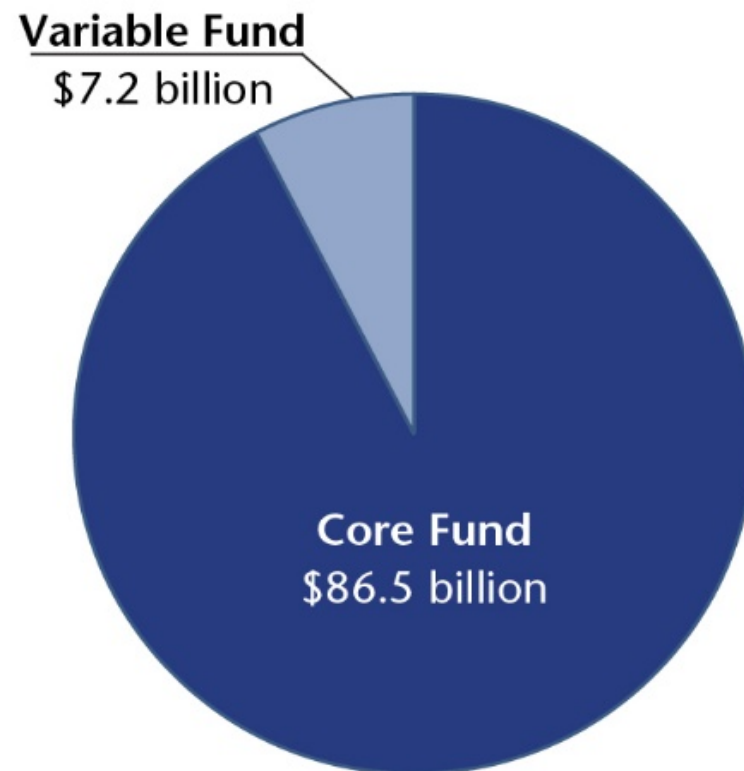
WRS Funding Sources 2003 through 2012

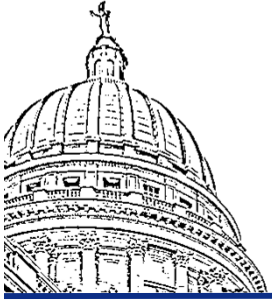




Investment Performance

Wisconsin Retirement System As of December 2013

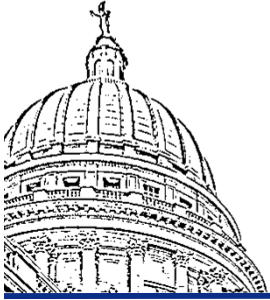




Investment Performance

The investment performance of the Core Fund and Variable Fund has frequently met or exceeded benchmarks.

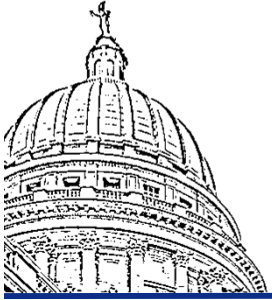
The Core Fund five-year investment return in 2013 ranked fourth among nine other public pension plans.



Investment Performance

Investment Return Ranking of the Core Fund 2009 and 2013

Period	2009 Comparison	2013 Comparison
One-Year	1	7
Three-Year	2	7
Five-Year	4	4
Ten-Year	2	5

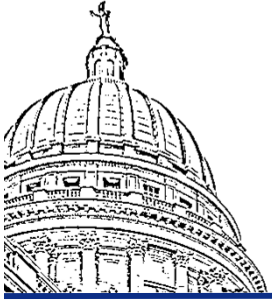


Core Fund Investment Strategies

2007 Wisconsin Act 212 increased SWIB's authority to invest assets of the Core Fund.

Initial results of the 2010 asset allocation plan are mixed, yet more time is needed to evaluate the plan.

We recommend that SWIB report on investment results of the 2010 asset allocation plan and the status of its new IT system in its annual report to the Legislature in March 2015.

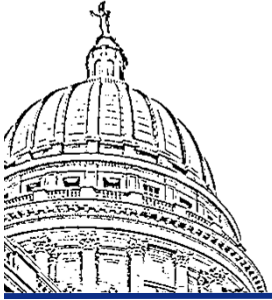


Wisconsin Investments

As of June 2013, SWIB held \$682.6 million in investments in companies headquartered or with a significant presence in Wisconsin.

As of December 2013, the \$190.7 million SWIB invested in the Wisconsin private equity portfolio included \$58.5 million in venture capital investments in Wisconsin companies.

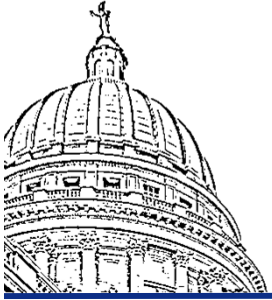
We recommended that SWIB increase its reporting of Wisconsin venture capital investments.



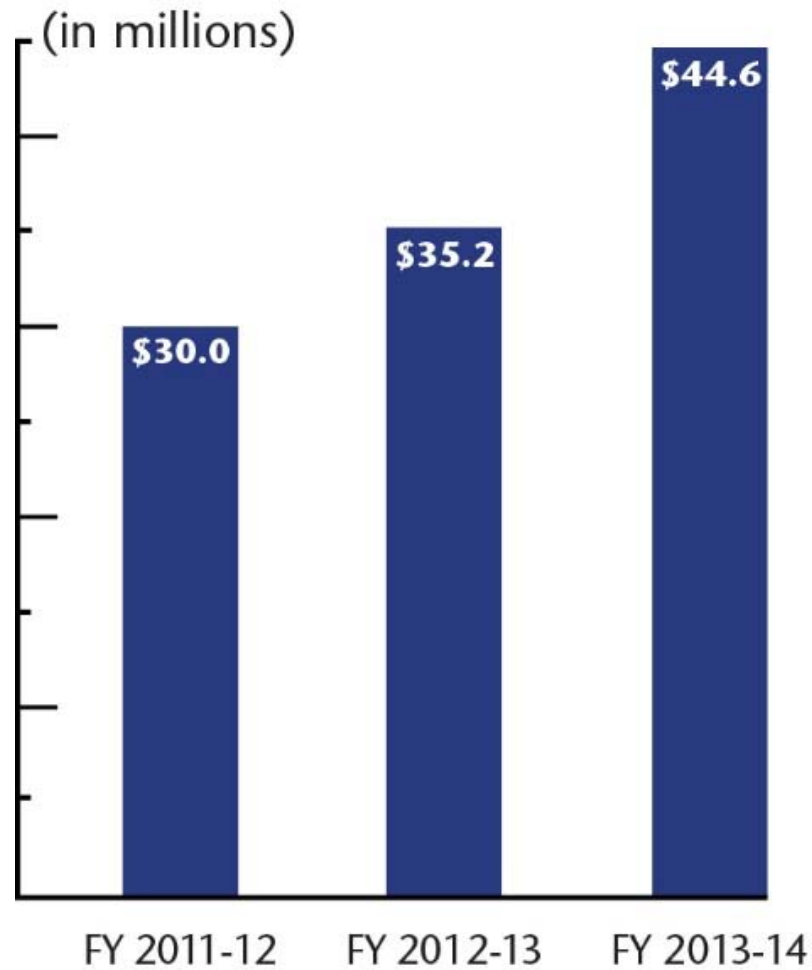
Investment Expenses

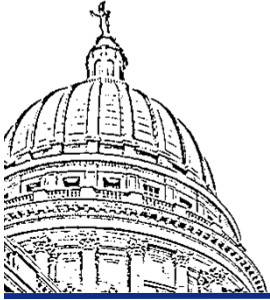
The average cost of investing each \$100 of assets increased from \$0.29 in July 2011 to \$0.36 in December 2013.

2011 Wisconsin Act 32 authorized SWIB to establish its own operating budget and positions.

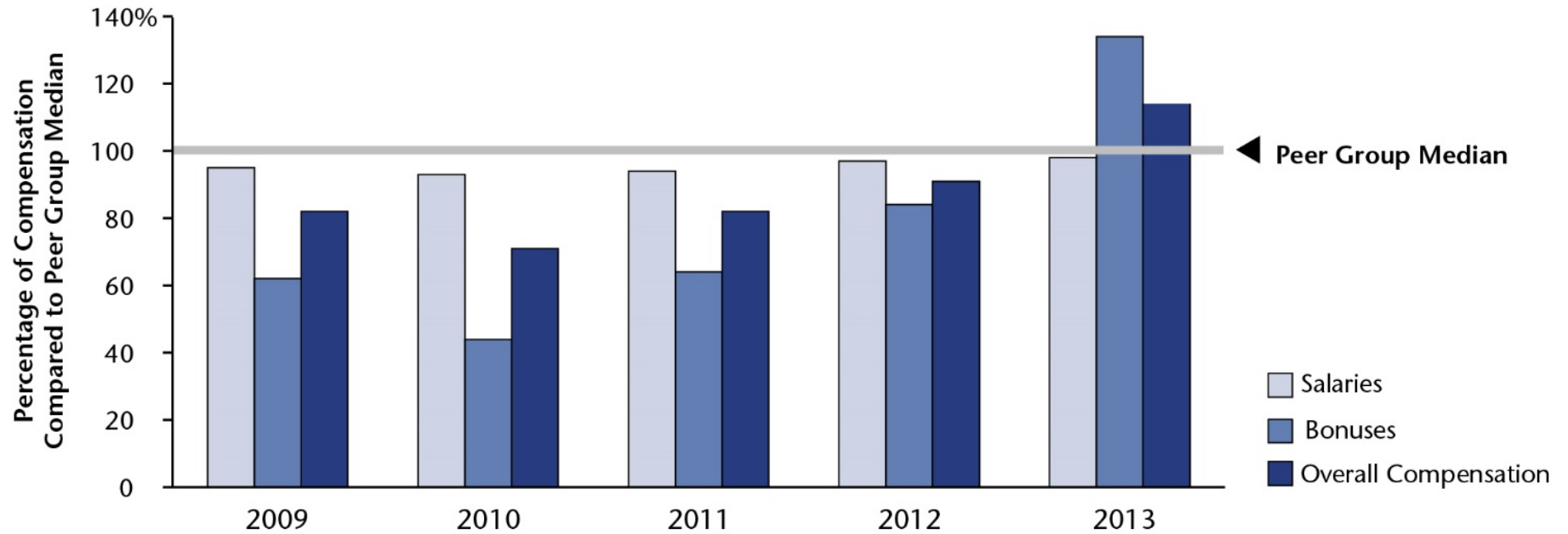


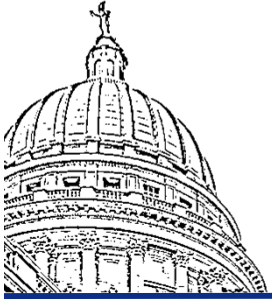
Operating Budgets





Compensation (Investment Staff)





Recommendations

We recommend that SWIB's Board of Trustees:

- clarify its target for overall compensation,
- evaluate overall compensation in comparison to the established target prior to approving proposed bonuses,
- revise, when necessary, the method for determining the maximum incentive opportunity for investment staff, and
- report to the Joint Legislative Audit Committee by December 31, 2014.

November 13, 2014



State of Wisconsin Investment Board

Report 14-9