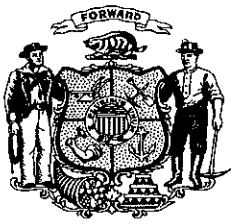
STATE OF WISCONSIN

SENATE CHAIR
Alberta Darling

317 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-5830



ASSEMBLY CHAIR
John Nygren

309 East, State Capitol
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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: January 12, 2015

Re: SWIB Report to JFC

Attached is an annual report regarding credits ("soft dollars") it generates with securities brokerage firms and describes how those credits are used to acquire investment research services from the State Wisconsin Investment Board, pursuant to s. 25.17(17), Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:JN:jm

SWIB State of Wisconsin Investment Board

RECEIVED
JAN 12 2015
BY: JF. Finance

January 9, 2015

Honorable Alberta Darling, Co-Chair
Joint Committee on Finance
317 East, State Capitol
Madison WI 53702

Honorable John Nygren, Co-Chair
Joint Committee on Finance
309 East, State Capitol
Madison WI 53702

Dear Senator Darling and Representative Nygren:

Section 25.17 (17), Wis. Stats., directs SWIB to provide an annual report regarding credits ("soft dollars") it generates with securities brokerage firms and describe how those credits are used to acquire investment research services. SWIB generated no soft dollar credits in 2014.

Soft dollars are credits earned from trading with certain brokers. Soft dollar credits can be used to purchase investment research services. Federal law and Securities and Exchange Commission regulations define allowable uses of soft dollars.

Beginning in 2005, the Board of Trustees and staff recognized that eliminating the use soft dollars would increase the transparency of trading commissions and was in the best interests of the funds we invest. All credits that had accumulated in previous years were fully expended in 2006.

Please feel free to contact me with any questions you may have about this report or other Investment Board matters.

Sincerely,

Michael Williamson
Executive Director

cc: Members, Joint Committee on Finance
Robert Lang, Legislative Fiscal Bureau
Joe Malkasian, Clerk of Joint Finance Committee

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