

# STATE OF WISCONSIN

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## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Alberta Darling  
Representative John Nygren

Date: January 23, 2018

Re: SWIB Report to JFC

Attached is an annual report regarding credits "soft dollars" from the State of 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



STATE OF WISCONSIN  
INVESTMENT BOARD

JAN 23 2018

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January 23, 2018

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 2017. All credits that had accumulated in previous years were fully expended in 2006.

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.

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

Sincerely,

Rick Smirl  
Executive Director

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