



April 3, 2024

Sen. Howard Marklein, Co-Chair
Joint Committee on Finance
316 East, State Capitol
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Madison, WI 53707

Rep. Mark Born, Co-Chair
Joint Committee on Finance
308 East, State Capitol
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Sen. Eric Wimberger, Co-Chair
Joint Committee on Audit
104 South, State Capitol
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Rep. Robert Wittke
Joint Committee on Audit
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Ms. Lindsay Hale
Acting Senate Chief Clerk
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Madison, WI 53707

Mr. Ted Blazel
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 April 5, 2023 there were some revisions to the SWIB Investment Committee (IC) Wisconsin Retirement System (WRS) Investment Guidelines.

At its May 23, 2023 and December 21, 2023 meetings, the Investment Committee approved amendments to the SWIB IC WRS Investment Guidelines, which included:

- Modifying the small cap portfolio's guidelines and soft risk parameters for consistency across equity portfolios;
- Adding a gross notional exposure limit for the global equity portfolio;
- Clarifying existing passive portfolio guidelines;
- Adding guidelines for the Asset and Risk Allocation (ARA) division related to passive external managers;
- Modifying the ex ante tracking error limit guidelines for the investment grade credit portfolio;
- Removing guidelines for the discontinued stand-alone currency overlay;

- Adding exposure limits on special or alternative opportunity financing; and
- Updating the guidelines for the Private Markets & Funds Alpha (PMFA) division to conform certain notification requirements, increase the shorting limit in the beta one equity portfolio, and permit shorting of cash bonds in the beta one fixed income portfolio.

These amendments were reported to the Board of Trustees at its June 14, 2023 and March 20, 2024 meetings.

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 Operating 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