
PRESS RELEASE

Report: Use of SWIB Staff to Manage Retirement Funds Saves Money

Madison, WI (November 10, 2010) - The State of Wisconsin Investment Board (SWIB) paid \$22 million less to manage the state's retirement funds in 2009 than its peers spent for similar services, according to an independent report from CEM Benchmarking, Inc.

CEM compared SWIB's costs to those of a peer group that includes 14 other large U.S. public pension funds. In its report to SWIB today, CEM attributed SWIB's lower costs primarily to:

- Greater reliance on SWIB's own staff to manage investments and less use of outside firms.
- Paying lower rates for the outside investment services SWIB does use than its peers pay.

Since December of 2007, the share of retirement fund assets managed by SWIB staff has increased from 21% to over 46%. In 2011, the internal management share is expected to rise to over 50%, which will be nearly double the average for SWIB's peers.

"With the support of the Governor and Legislature we have been able to build a stronger internal management program that is providing a significant financial benefit to the retirement system," said Executive Director Keith Bozarth. He acknowledged the considerable accomplishment of SWIB staff to expand internal management during some of the most difficult market conditions in decades.

"Pension funds with more internal management have lower costs and as a result perform better," observed Bruce Hopkins of CEM, "and SWIB's favorable results are consistent with its peers and other large funds globally that rely more on internal management."

Assets under management at SWIB are about \$76 billion. This includes more than \$71.2 billion in trust funds of the Wisconsin Retirement System (WRS), which provides benefits to over 560,000 current or former employees of state agencies, the university system, school districts and most local governments. The WRS is the 9th largest US public pension fund and the 30th largest public or private pension fund in the world.

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