

# **WRS Fixed Trust Fund Dividend Projections**

- ***Based on final 2003 Fixed Trust Fund investment returns and dividend***
- ***Incorporates 2003 WI Act 153***
  - ***Effective with April 2004 dividend***
    - ***Dividends paid if 0.5% or more***
    - ***Dividends reduced if loss is -0.5% or greater***

# ***If 0% Return in 2004. . .***

<b>Wisconsin Retirement System</b>							
<b>Fixed Effective Rate / Dividend Projections</b>							
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>SWIB Total Investment Return</b>	24.2%	0.0%	7.8%	7.8%	7.8%	7.8%	7.8%
<b>Fixed Trust Fund Effective Rate</b>	7.4%	5.8%	3.7%	5.6%	8.6%	6.4%	7.8%
<b>Fixed Trust Fund Dividend</b>	1.7%	0.2%	-1.8%	0.0%	2.9%	0.8%	2.1%
<b>Dividend Paid (with Thresholds and Carryovers)</b>	1.4%	0.0%	-1.6%	0.0%	2.9%	0.8%	2.1%

# ***If 7.8% Return in 2004. . .***

<b>Wisconsin Retirement System</b>							
<b>Fixed Effective Rate / Dividend Projections</b>							
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>SWIB Total Investment Return</b>	24.2%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%
<b>Fixed Trust Fund Effective Rate</b>	7.4%	7.4%	5.4%	7.3%	10.2%	8.0%	8.1%
<b>Fixed Trust Fund Dividend</b>	1.7%	1.7%	-0.2%	1.6%	4.4%	2.3%	2.4%
<b>Dividend Paid (with Thresholds and Carryovers)</b>	1.4%	1.7%	0.0%	1.4%	4.4%	2.3%	2.4%

# ***If 15% Return in 2004. . .***

<b>Wisconsin Retirement System</b>							
<b>Fixed Effective Rate / Dividend Projections</b>							
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>SWIB Total Investment Return</b>	24.2%	15.0%	7.8%	7.8%	7.8%	7.8%	7.8%
<b>Fixed Trust Fund Effective Rate</b>	7.4%	8.8%	6.9%	8.8%	11.5%	9.4%	8.2%
<b>Fixed Trust Fund Dividend</b>	1.7%	3.1%	1.3%	3.1%	5.6%	3.6%	2.5%
<b>Dividend Paid (with Thresholds and Carryovers)</b>	1.4%	3.1%	1.3%	3.1%	5.6%	3.6%	2.5%

# ***At Least a 1.4% Return is Needed in 2004 to Pay a Dividend***

<b>Wisconsin Retirement System</b>							
<b>Fixed Effective Rate / Dividend Projections</b>							
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>SWIB Total Investment Return</b>	24.2%	1.4%	7.8%	7.8%	7.8%	7.8%	7.8%
<b>Fixed Trust Fund Effective Rate</b>	7.4%	6.1%	4.0%	5.9%	8.9%	6.7%	7.9%
<b>Fixed Trust Fund Dividend</b>	1.7%	0.5%	-1.5%	0.3%	3.2%	1.1%	2.2%
<b>Dividend Paid (with Thresholds and Carryovers)</b>	1.4%	0.5%	-1.5%	0.0%	3.5%	1.1%	2.2%

# ***A -3.2% Return or Lower in 2004 Could Result in a Negative Dividend***

<b>Wisconsin Retirement System</b>							
<b>Fixed Effective Rate / Dividend Projections</b>							
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>SWIB Total Investment Return</b>	24.2%	-3.2%	7.8%	7.8%	7.8%	7.8%	7.8%
<b>Fixed Trust Fund Effective Rate</b>	7.4%	5.1%	3.0%	4.8%	7.9%	5.6%	7.7%
<b>Fixed Trust Fund Dividend</b>	1.7%	-0.5%	-2.5%	-0.7%	2.2%	0.0%	2.0%
<b>Dividend Paid (with Thresholds and Carryovers)</b>	1.4%	-0.5%	-2.5%	-0.7%	2.2%	0.0%	2.0%



***Looking ahead to 2005...***

***If 0% Return in 2004. . .  
At least an 18.8% return will be needed  
in 2005 to pay a dividend***

<b>Wisconsin Retirement System</b>							
<b>Fixed Effective Rate / Dividend Projections</b>							
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>SWIB Total Investment Return</b>	24.2%	0.0%	18.8%	7.8%	7.8%	7.8%	7.8%
<b>Fixed Trust Fund Effective Rate</b>	7.4%	5.8%	5.9%	7.8%	10.7%	8.6%	9.9%
<b>Fixed Trust Fund Dividend</b>	1.7%	0.2%	0.3%	2.1%	4.9%	2.9%	4.1%
<b>Dividend Paid (with Thresholds and Carryovers)</b>	1.4%	0.0%	0.5%	2.1%	4.9%	2.9%	4.1%

***If 0% Return in 2004. . .  
A 13.5% return or lower in 2005 could  
result in a negative dividend***

<b>Wisconsin Retirement System</b>							
<b>Fixed Effective Rate / Dividend Projections</b>							
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>SWIB Total Investment Return</b>	24.2%	0.0%	13.5%	7.8%	7.8%	7.8%	7.8%
<b>Fixed Trust Fund Effective Rate</b>	7.4%	5.8%	4.8%	6.7%	9.7%	7.6%	8.9%
<b>Fixed Trust Fund Dividend</b>	1.7%	0.2%	-0.7%	1.1%	3.9%	1.9%	3.2%
<b>Dividend Paid (with Thresholds and Carryovers)</b>	1.4%	0.0%	-0.5%	1.1%	3.9%	1.9%	3.2%

***If 7.8% Return in 2004. . .  
At least an 11.0% return is needed in  
2005 to pay a dividend***

<b>Wisconsin Retirement System</b>							
<b>Fixed Effective Rate / Dividend Projections</b>							
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>SWIB Total Investment Return</b>	24.2%	7.8%	11.0%	7.8%	7.8%	7.8%	7.8%
<b>Fixed Trust Fund Effective Rate</b>	7.4%	7.4%	6.1%	8.0%	10.8%	8.7%	8.7%
<b>Fixed Trust Fund Dividend</b>	1.7%	1.7%	0.5%	2.3%	5.0%	3.0%	3.0%
<b>Dividend Paid (with Thresholds and Carryovers)</b>	1.4%	1.7%	0.5%	2.3%	5.0%	3.0%	3.0%

***If 7.8% Return in 2004. . .  
A 6.5% return or less in 2005 could  
result in a negative dividend***

<b>Wisconsin Retirement System</b>							
<b>Fixed Effective Rate / Dividend Projections</b>							
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>SWIB Total Investment Return</b>	24.2%	7.8%	6.5%	7.8%	7.8%	7.8%	7.8%
<b>Fixed Trust Fund Effective Rate</b>	7.4%	7.4%	5.1%	7.0%	9.9%	7.8%	7.8%
<b>Fixed Trust Fund Dividend</b>	1.7%	1.7%	-0.5%	1.4%	4.1%	2.1%	2.1%
<b>Dividend Paid (with Thresholds and Carryovers)</b>	1.4%	1.7%	-0.5%	1.4%	4.1%	2.1%	2.1%

***If 15% Return in 2004. . .  
At least a 3.8% return is needed in  
2005 to pay a dividend***

<b>Wisconsin Retirement System</b>							
<b>Fixed Effective Rate / Dividend Projections</b>							
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>SWIB Total Investment Return</b>	24.2%	15.0%	3.8%	7.8%	7.8%	7.8%	7.8%
<b>Fixed Trust Fund Effective Rate</b>	7.4%	8.8%	6.1%	7.9%	10.7%	8.6%	7.4%
<b>Fixed Trust Fund Dividend</b>	1.7%	3.1%	0.5%	2.2%	4.9%	2.9%	1.7%
<b>Dividend Paid (with Thresholds and Carryovers)</b>	1.4%	3.1%	0.5%	2.2%	4.9%	2.9%	1.7%

***If 15% Return in 2004. . .  
A -0.4% return or lower in 2005  
could result in a negative dividend***

<b>Wisconsin Retirement System</b>							
<b>Fixed Effective Rate / Dividend Projections</b>							
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>SWIB Total Investment Return</b>	24.2%	15.0%	-0.4%	7.8%	7.8%	7.8%	7.8%
<b>Fixed Trust Fund Effective Rate</b>	7.4%	8.8%	5.1%	7.0%	9.8%	7.7%	6.5%
<b>Fixed Trust Fund Dividend</b>	1.7%	3.1%	-0.5%	1.4%	4.0%	2.0%	0.9%
<b>Dividend Paid (with Thresholds and Carryovers)</b>	1.4%	3.1%	-0.5%	1.4%	4.0%	2.0%	0.9%

