

From: [Frank Wolff](#)
To: info@swib.state.wi.us; [ETF SMB Board Feedback](#)
Subject: WRS Pension Fund
Date: Monday, April 7, 2025 10:41:33 AM
Attachments: [WRS 2023.pdf](#)

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Dear Chairmans Tinnnen and Ford and Boards of Directors of the SWIB and the ETF:

Key Takeaways for 2023:

WRS largest of 52 funds with fiscal year ending on December 31.

WRS 7th largest of all public pensions in our database

WRS investment expense significantly higher than average

WRS Investment Returns for 1, 5 and 10 year timeframes lower than generic passive portfolio of 60% US Equities and 40% US Bonds

Introduction to Basis Point LLC

My name is Frank Wolff and I am the founder of Basis Point LLC, a pension fund board adviser. The mission statement of Basis Point LLC is to provide fact based and unbiased information and advice to public pension funds with a focus on investment activities and performance, for the benefit of the pension annuitants and participants.

I hope that over time that we will be able to help give pension fund boards the information and tools to better manage their investment asset allocation and ensure they are getting the best possible results for their investment management expense.

To that end, we have created and we are refining and data-checking a comprehensive database comprised of the financial data from more than 215 US Public Pension Funds with total assets of over \$4.7 trillion.

I have more than 25 years of financial services experience with world-class financial entities including Citicorp, DeanWitter (fka Sears Mortgage), and the FDIC. I designed and managed the pipeline risk management system for the multi-billion Sears Mortgage Group, developed the portfolio management system and managed the portfolio for Sears Savings Bank(a \$6 billion institution), designed and managed the Master Servicing System for the first private MBS conduit (Sears Mortgage Securities). At the FDIC, I built a database and helped resolve 49 receiverships with \$17 billion in inception assets. I have a BA from Vassar College with a major in Political Science, an MBA from SIU-Carbondale with an emphasis upon finance, and following continuing education in accounting from Washington University in St. Louis, St. Louis University, and IIT-Chicago, I was issued a CPA Certificate by the Missouri State Board of Accountancy. More recently, I received the Series 65 exam qualification from the SEC.

I have attached a top-level benchmarking report for your fund with key metrics including 1,5,10, and 20 year RORs, investment expenses, and performance against market benchmarks for 1,5, 10 and 20 year timeframes. This is based on fiscal year 2023. Data is still being collected for fiscal 2024 as some 50 funds have a fiscal year that ends in December and has not been updated yet.

Please take a few minutes to review this report and let me know if you feel any of the data is incorrect or if you have any questions. It looks complicated at first, but I would be glad to walk you through it.

I'm looking forward to hearing from you and hope to get the opportunity to work with you in the future and provide actionable metrics that can lead to better outcomes for your fund.

Please call me at 847 471 0443 or via email at frank@basispointllc.net.

Thank you.

Sincerely,

Frank Wolff
Founder
Basis Point LLC

Wisconsin Retirement System					12/31/2023 Total Assets: \$132,132,800 Size Rank 1 of 52								
1 Year Performance v Peers					Rank	31 of 52	PerCentile	60%					
1 Year ROR		Peer Avg Reported		Better/(Worse)		1 Year ROR		Benchmark	Better/(Worse)				
11.40%		11.07%		0.33%		11.40%		17.99%	-6.59%				
5 Year Performance v Peers					Rank	12 of 52	PerCentile	23%					
5 Year ROR		Peer Avg Reported		Better/(Worse)		5 Year ROR		Benchmark	Better/(Worse)				
9.29%		8.39%		0.90%		9.29%		9.85%	-0.56%				
10 Year Performance v Peers					Rank	18 of 52	PerCentile	35%					
10 Year ROR		Peer Avg Reported		Better/(Worse)		10 Year ROR		Benchmark	Better/(Worse)				
7.09%		6.40%		0.69%		7.09%		7.94%	-0.85%				
Wisconsin Retirement S		Peer Average		Global Passive		US Passive		Wisconsin RS		Peer Average	Global Passive	US Passive	
11.40%		11.07%		15.53%		17.99%		7.09%		6.40%	5.48%	7.94%	
		B(W)		B/(W)		B/(W)				B(W)	B/(W)	B/(W)	
		0.33%		-4.13%		-6.59%				0.69%	1.61%	-0.85%	
Internal BM %		11		Impact on Pension Plan for Fiscal Year (000s)				Growth of Hypothetical \$100 Invested 10 Years					
Funded Ratio		100.0%		v Peer Avg		v Global Pass		v US Passive		\$198	\$186	\$171	\$215
FYE Ending		12/31/2023		\$438,833		(\$5,459,727)		(\$8,702,266)		Impact on Pension Plan	\$16,302,658	\$36,802,676	(\$21,616,727)

LT Return Assumption

6.80%

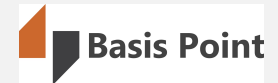
Size Rank

7

of

215

Total Plans 2023



Gross ROR 1YR

12.68%

Investment Exp

1.28%

Net ROR

11.40%

Inv Exp % of ROR

10.12%

Wisconsin Retirement System

Asset Allocation

Wisconsin RS		Peer Average	Difference
Equity	36%	50%	-14%
Fixed Income	38%	22%	16%
PE + Other	26%	28%	-2%

Rate of Return

Wisconsin RS		Peer Average	B/(W) v Peers
Equity	21.70%	20.72%	0.98%
Fixed Income	6.69%	6.30%	0.39%
PE + Other	4.07%	-2.23%	6.30%

Rate of Return by Term

1 Year	3 Year	5 Year	10 Year	15 Year	20 Year	Investment Expense -(000s)	% of Assets (BP	(Lower)/Higher v Avg	Cost v Benefit (000s)
11.40%	4.28	9.29%	7.09%	8.967	7.12%	(\$1,696,455)	128	84	(\$1,115,634)

Benchmarks and Notes

Market Indexes reflect the timeframes reported by fiscal month and year ending period. The Passive Generic 6040 Benchmark is comprised 60% SP 500 Index and 40% Bloomberg US Aggregate Bond Index. The Global Passive Index is comprised of 60% ACWI and 40% Bloomberg US Aggregate Bond Index. Peer averages based upon reported returns with the same month-ending fiscal year.

US Equities		Global Equities		US Bonds		Global Passive 6040		US Passive 6040	
SP 500 1YR	26.29	ACWI 1YR	22.20	BBI 1 YR	5.53	1 Year	15.53	1 Year	17.99
SP 500 5YR	15.69	ACWI 5 YR	11.72	BBI 5 YR	1.10	5 Year	7.47	5 Year	9.85
SP 500 10YR	12.03	ACWI 10Y	7.93	BBI 10YR	1.81	10 Year	5.48	10 Year	7.94

Wisconsin Retirement System

