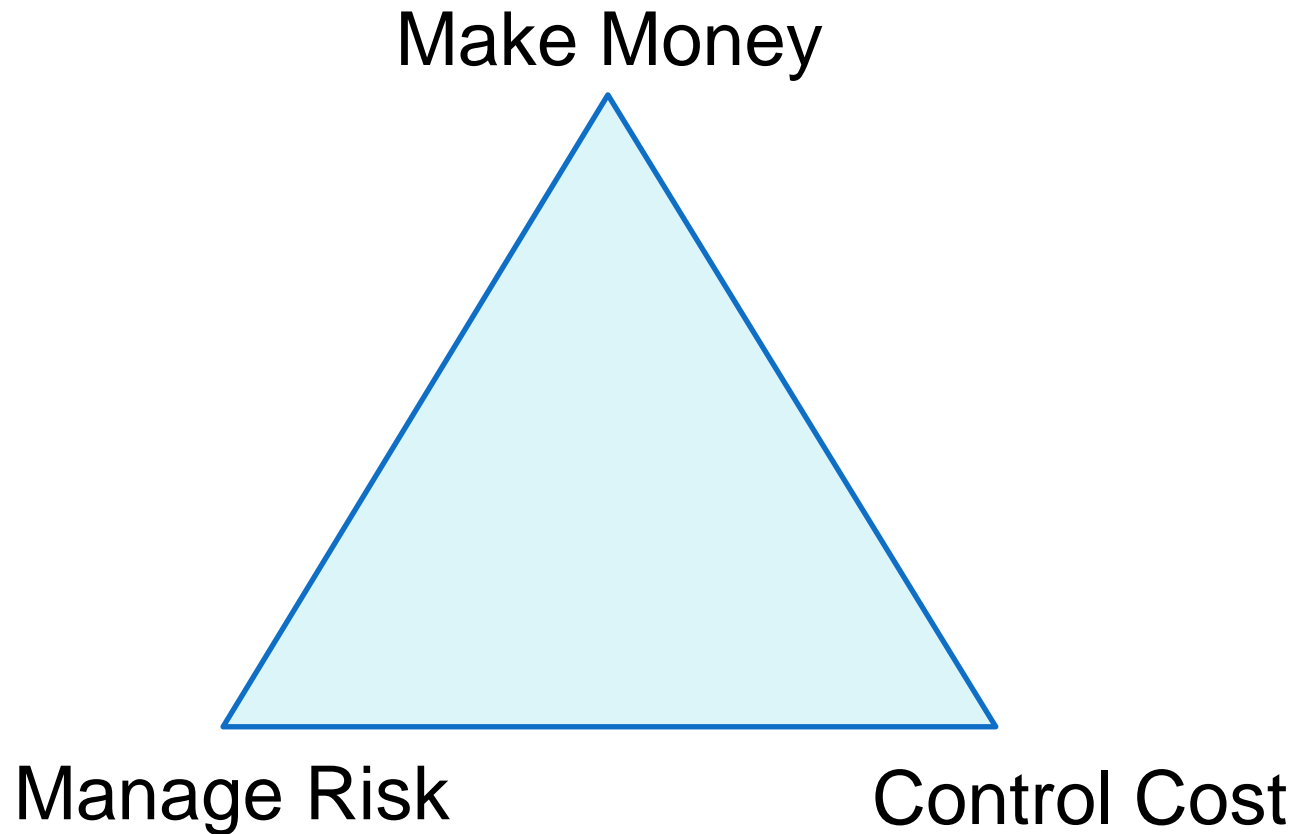


ETF Joint Informational Meeting

Michael Williamson, Executive Director

March 8, 2013

SWIB's Job



2012 Investment Performance

	YTD	Five Years	Ten Years
Core Fund	13.7%	3.2%	8.4%
Benchmark	12.8%	2.8%	8.1%
Variable Fund	16.9%	1.3%	8.0%
Benchmark	16.7%	0.9%	7.9%

Performance by Asset Class

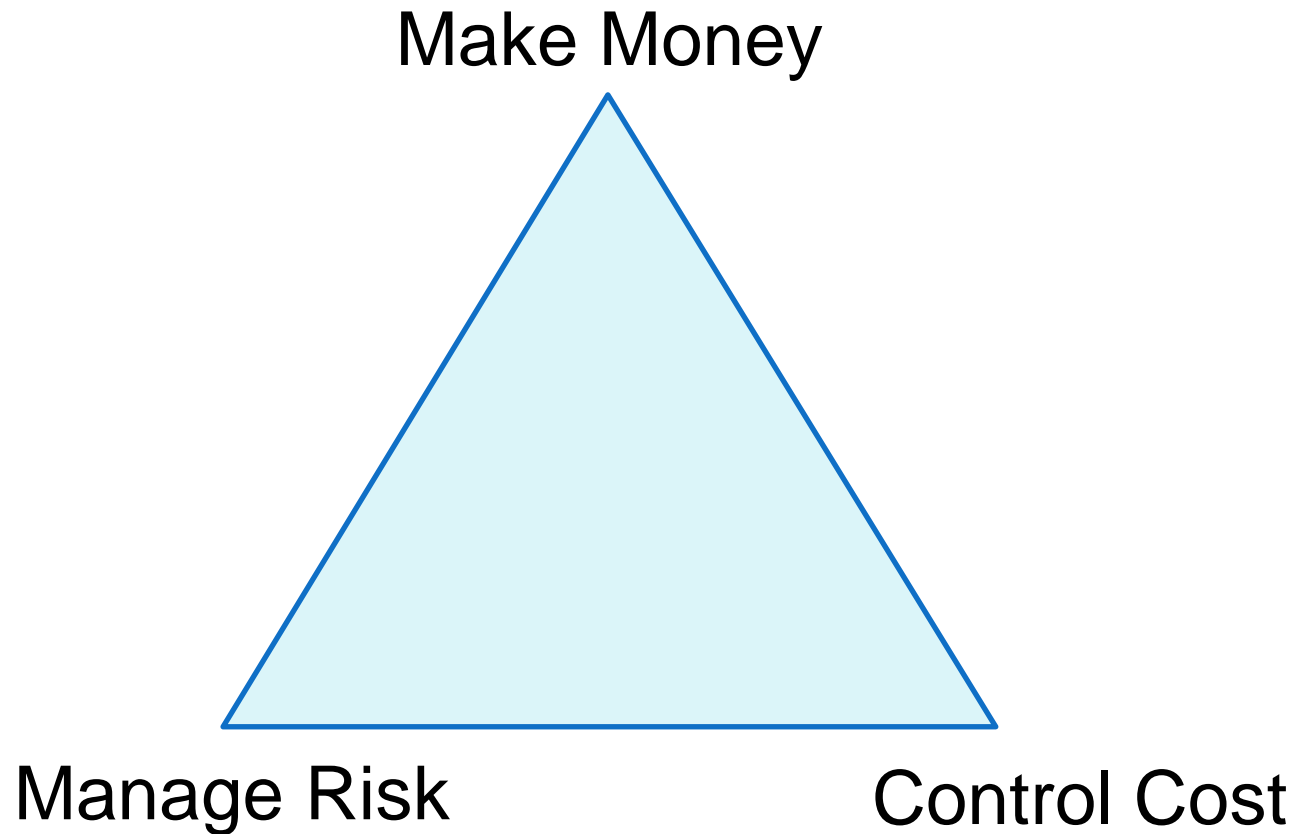
	Benchmark	Actual Returns
Total Core Fund	12.8%	13.7%
Public Equities	16.8%	17.4%
Public Fixed Income	5.3%	6.8%
Inflation Protection	7.0%	7.2%
Real Estate	11.5%	15.2%
Private Equity	14.1%	14.0%
Multi-Asset Strategies	12.0%	12.2%

Performance Compared to Peers

- Core Fund performance is above average*
 - Performance is above peer median for all periods over the last five years
 - Fund has a favorable risk/reward tradeoff
- Core Fund has exceeded its benchmark for the one-, three-, five- and ten-year periods

*Callan report based on Core Fund cumulative performance during five-year period ending Sept. 30, 2012.

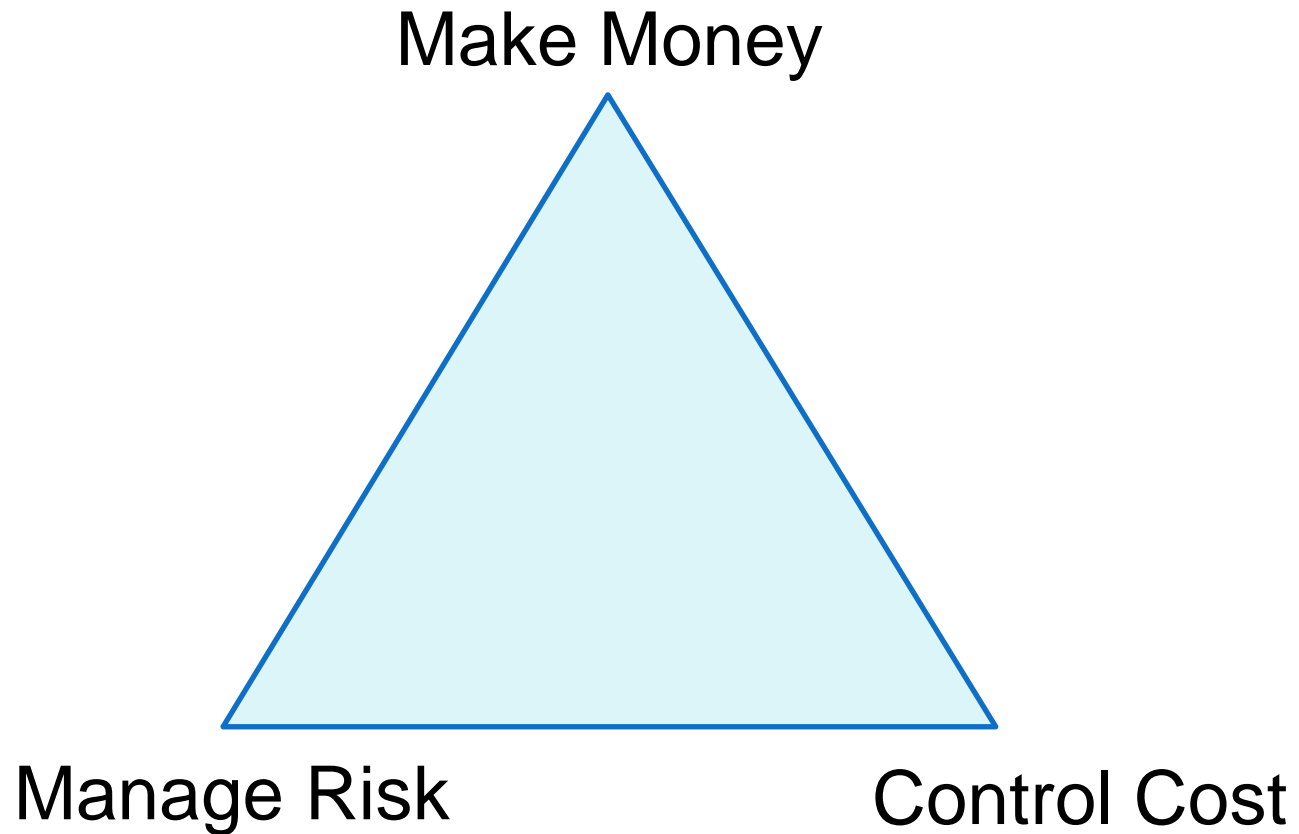
SWIB's Job



Managing Risk

- Key to reducing risk is diversification of assets
- 85% of our risk comes from the stock market
- Have reduced allocation from 55% to 50% in equities
- Half has gone into bond like investments; half into private equity
- Also use hedge funds to reduce risk

SWIB's Job

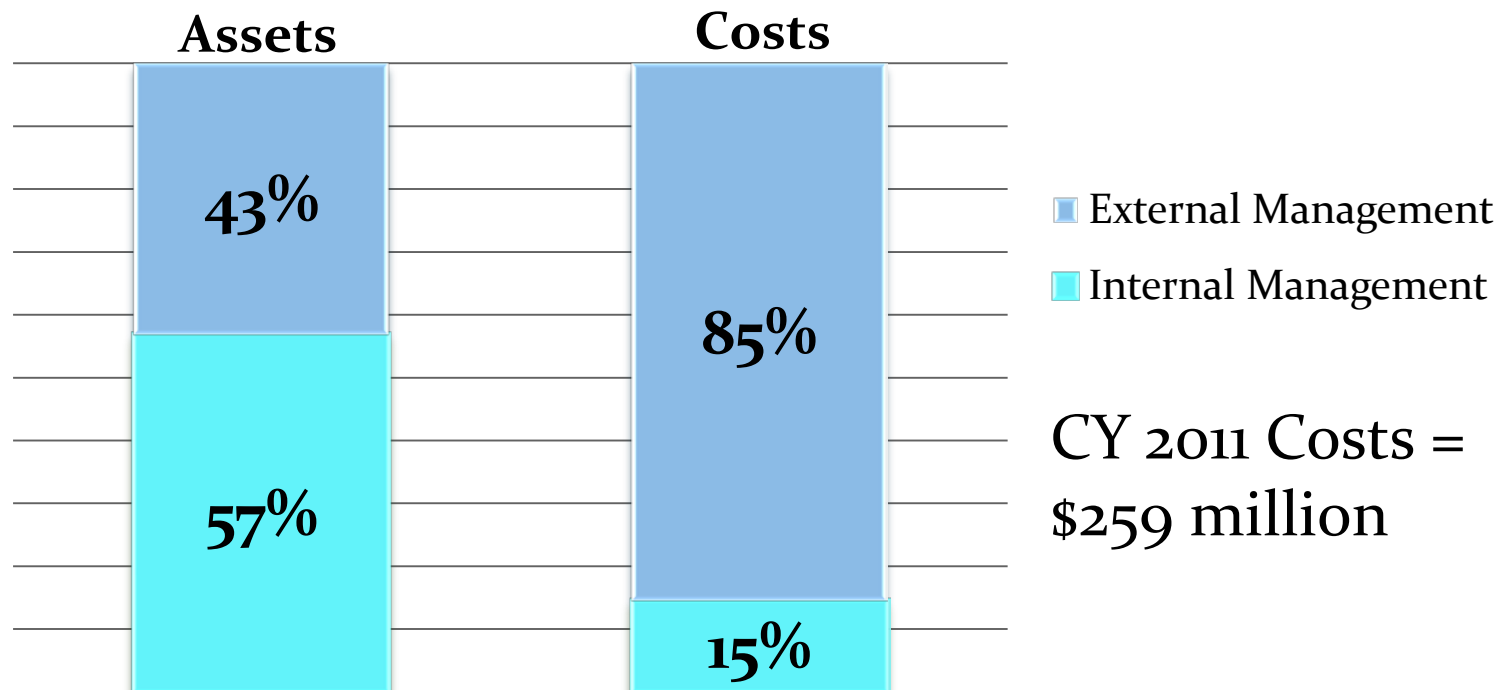


How Costs Compare with Peers*

- SWIB is a low-cost fund compared to other large U.S. public pension funds.
 - Greater use of internal management lowers cost
 - Without internal management, costs would increase by \$22 million annually
 - SWIB uses less and pays less for external management services
- Over the long-term, low-cost pension funds realize greater net returns

*Core Fund investment benchmarking results for five-year period ending Dec. 31, 2011.

Internal/External Assets & Costs



Cost to externally manage 43% of assets under management represents 85% of SWIB's total costs. Internal management is less expensive.

Highly Qualified Staff

- Qualified SWIB staff allow for lower-cost, in-house investing and strong performance to the benefit of taxpayers & WRS participants
- About 70% of SWIB staff hold advanced degrees or professional certifications.
- Compensation program incorporates a pay-for-performance element.
- Staff compensation is at the industry median.
- In 2012, SWIB generated \$583 million extra.

Wisconsin Private Debt Portfolio

- \$1.8 billion invested since 1983
- Senior & subordinated loans to Wisconsin companies
- Provide financing not available through other financial institutions
- Loans used to expand production, acquisition financing, ownership recapitalizations or bank refinancing

Venture Capital Portfolio

- Core strategy launched in 1999/2000
- \$305 million committed to date
 - 8 Funds & 19 companies
 - 12 Active companies
- Catalyst Portfolio launched in 2010/2011

Looking Forward

- Another year of benefit reductions for about half our members
- Last year of smoothing 2008 losses
- Depending on investment results in 2013 it is possible we could see positive dividend in 2014

- Last 5 years of returns:

• 2008:	-26.2%
• 2009:	22.4%
• 2010:	12.4%
• 2011:	1.4%
• 2012:	13.7%
• 2013:	???

Forecast for the Future

- Steady improvement in U.S. employment
- Eurozone still a concern
- Oil is high but not spiking
- Inflation is modest
- U.S. deficit has narrowed
- Housing appears to have turned the corner
- Corporate profits & cash flow are high
- Biggest issue: Will Washington deal with fiscal situation responsibly?
- The bottom line: Is the glass half empty or half full?

Half Full or Half Empty?



Thank You

Questions?