



SWIB Update

Rochelle Klaskin, Deputy ED/Chief Administrative Officer

Anne-Marie Fink, Private Markets & Funds Alpha Managing Director

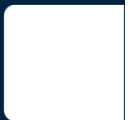
March 25, 2021



Agenda

- Leadership
- Performance
- Cost Effectiveness
- Asset Allocation & Peer Performance Comparison
- Private Markets & Funds Alpha
- Questions

Leadership



David Villa's Legacy: Building a Strong Team



Edwin Denson
Interim Co-Chief Investment Officer
Managing Director
Asset & Risk Allocation



Management Council



Mike Jacobs
Agency Business Director



Brian Hellmer
Interim Co-Chief Investment Officer
Managing Director
Global Public Market Strategies



Rochelle Klaskin
Interim Executive Director



Anne-Marie Fink
Interim Co-Chief Investment Officer
Managing Director
Private Markets & Funds Alpha

David Villa's Legacy: Building a Strong Team

152 Years of Collective Leadership and Investment Industry Experience

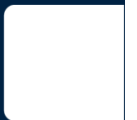
- Rochelle Klaskin, Acting Executive Director
 - SWIB Deputy Executive Director/Chief Administrative Officer
 - SWIB Chief Legal Counsel
 - Godfrey & Kahn, Corporate Attorney/Madison Office Managing Partner
- Mike Jacobs, Agency Business Director
 - Brinson Partners, Partner/General Counsel/Chief Compliance Officer
 - Adams Street Partners, Partner/General Counsel/Chief Compliance Officer
 - Singer Partners, Managing Partner/General Counsel/Chief Compliance Officer
 - William Blair & Company, Senior Legal Advisor/Operating Manager

David Villa's Legacy: Building a Strong Team

152 Years of Collective Leadership and Investment Industry Experience

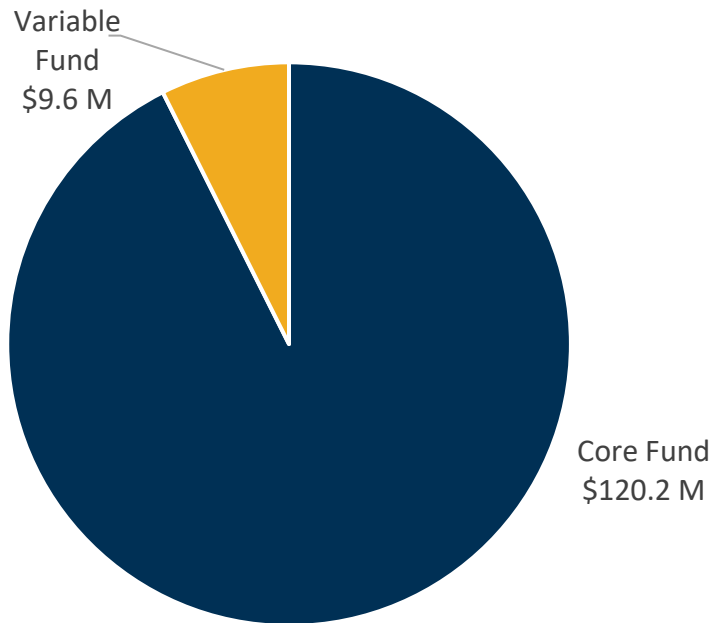
- **Brian Hellmer, Acting Chief Investment Officer**
 - SWIB Managing Director, Global Public Market Strategies
 - UW-Madison, Hawk Center for Applied Investment Research/Center Director
 - Northern Capital Management, Principal/Owner/Portfolio Manager
 - Bank of America, Equity Analyst & Investment Analyst
- **Edwin Denson, Acting Chief Investment Officer**
 - SWIB Managing Director, Asset and Risk Allocation
 - Canada Pension Plan Investment Board, Managing Director/Head of Strategic Tilting
 - UBS Global Asset Management, Managing Director/Head of Asset Allocation
- **Anne-Marie Fink, Acting Chief Investment Officer**
 - SWIB Managing Director, Private Markets & Funds Alpha
 - State Street Global Advisors, Managing Director
 - State of Rhode Island, Chief Investment Officer
 - JP Morgan Private Bank, Managing Director

Performance



WRS Assets Under Management (AUM)

As of Dec. 31, 2020



Fund	12/31/2019 AUM (in millions)	12/31/2020 AUM (in millions)	1-Year AUM Change (in millions)
Total WRS	\$116.5	\$129.8	\$13.2
Core Fund	\$107.8	\$120.2	\$12.4
Variable Fund	\$8.7	\$9.6	\$882

AUM is the gross market value of assets that an investment company or financial institution manages on behalf of investors.

2020 Investment Returns

As of Dec. 31, 2020

SWIB's investment management has added more than **\$1.9 billion** above benchmark returns over the last five years to the WRS.

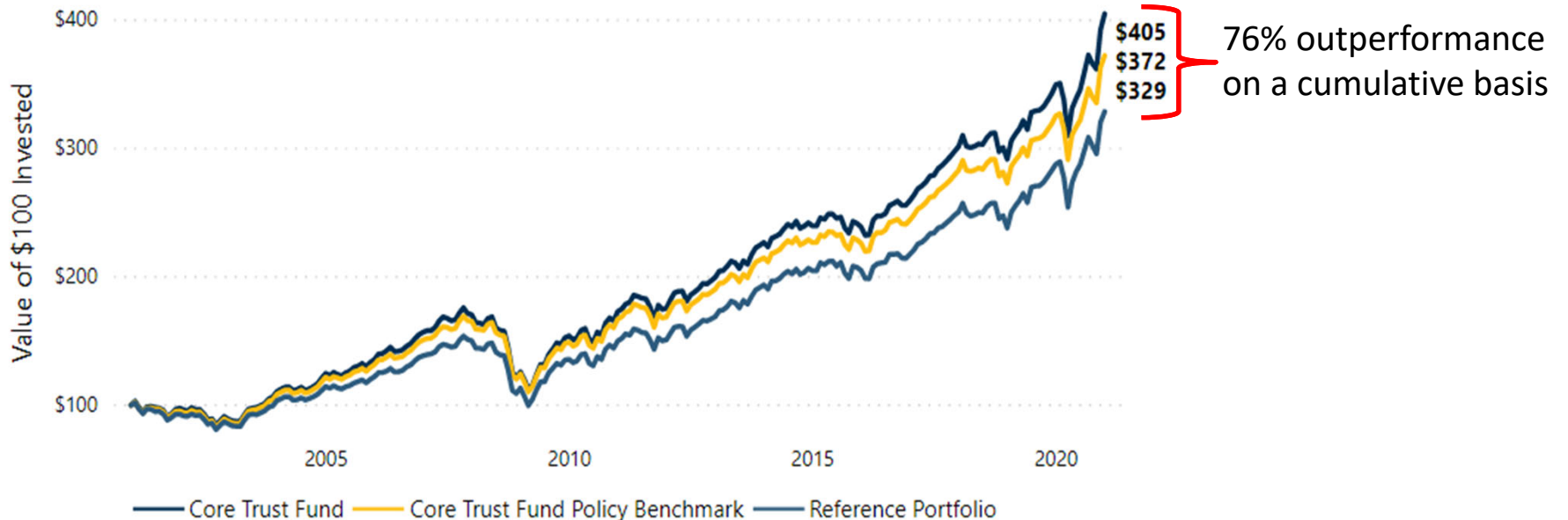
Core Fund	1-Year	5-Year	10-Year	20-Year	30-Year
Performance	15.21%	10.74%	8.51%	6.94%	8.83%
Benchmark	14.15%	10.27%	8.10%	6.62%	8.51%
	1.06%	0.47%	0.41%	0.32%	0.32%
Variable Fund					
Performance	17.51%	13.65%	11.35%	7.08%	9.78%
Benchmark	17.90%	13.62%	11.22%	6.94%	9.61%
	(0.39%)	0.03%	0.13%	0.14%	0.17%

One-year returns are net of all fees. Five-, 10-, 20-, and 30-year returns are net of external manager fees. Thirty-year benchmark returns are presented gross of fees.

CTF Performance vs. 60/40 Reference Portfolio*

January 2001 to December 2020

Benefit of SWIB's Asset Allocation & Active Management Over Time



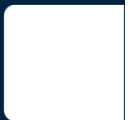
\$34.4bn total

Reference Portfolio Ending Value	Additional Policy Portfolio Return Above Reference*	Additional Active Portfolio Return	CTF Ending Value**
\$85.7bn	+\$20.9bn	+\$13.5bn	=\$120.2bn

*The reference portfolio is 60% MSCI World and 40% Bloomberg Barclays Gov't/Credit (domestic)(rebalanced monthly). Core Trust Fund outperformance is calculated using gross returns.

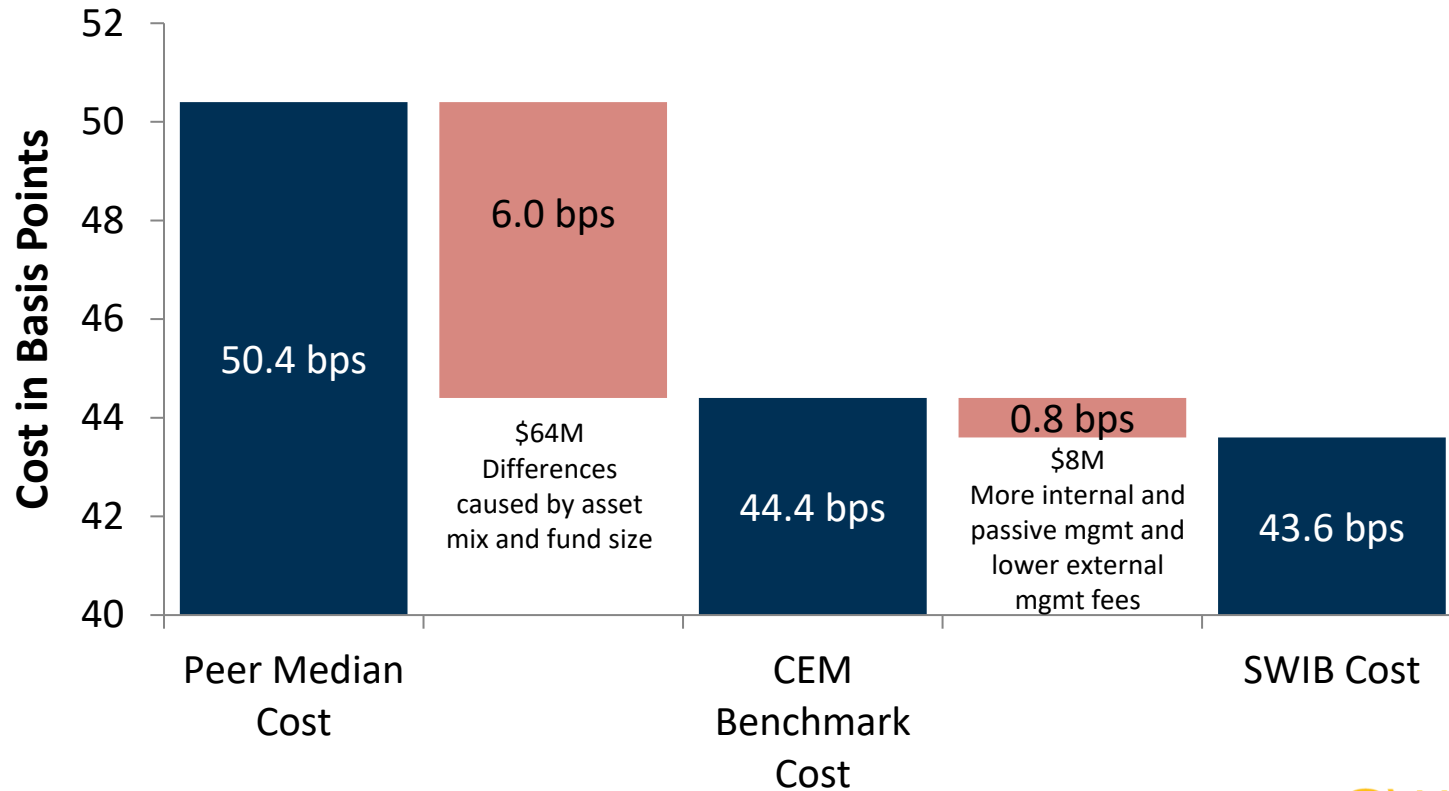
**CTF beginning market value, as of January 1, 2001, was \$54.8 billion.

Cost Effectiveness



SWIB Saved Approximately \$72 Million In 2019 Compared to Its Peers

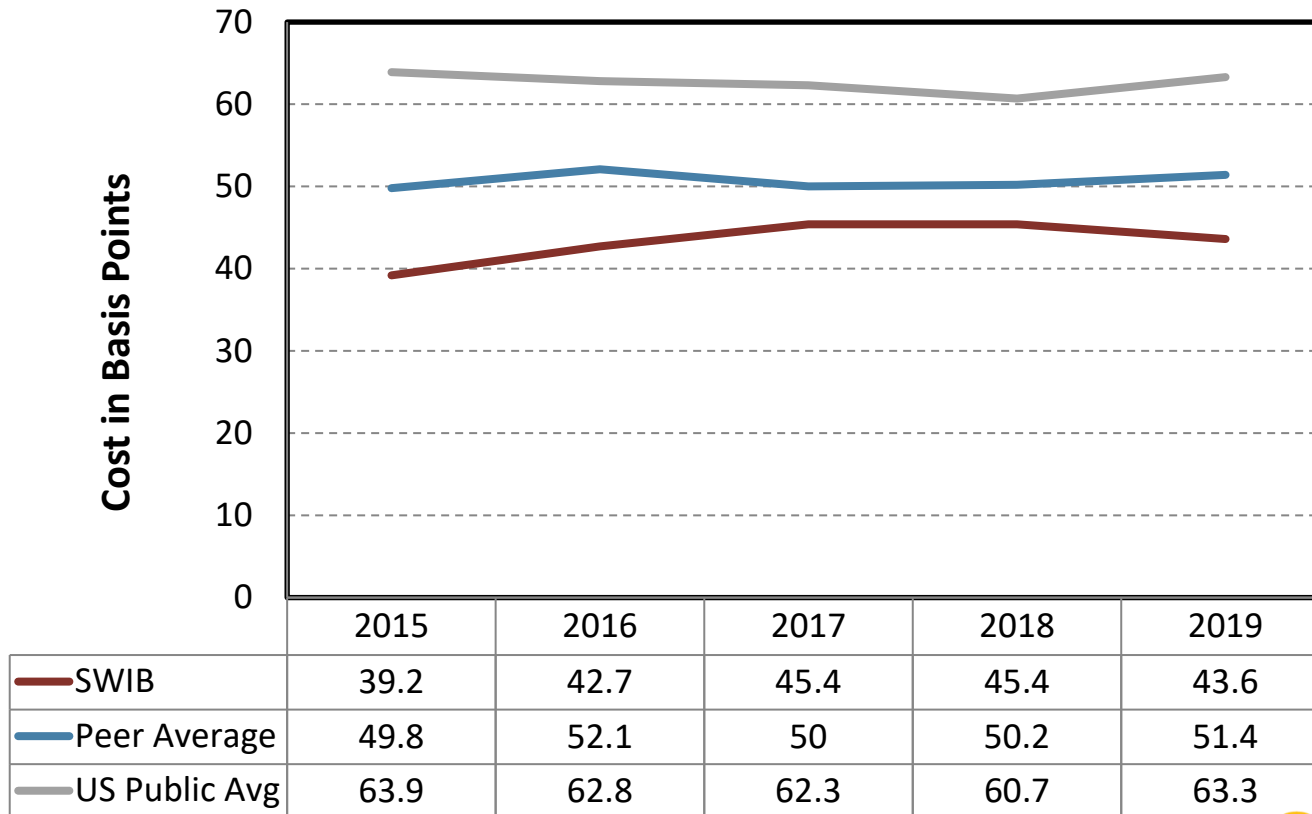
SWIB's costs are 13.5% lower than its peers



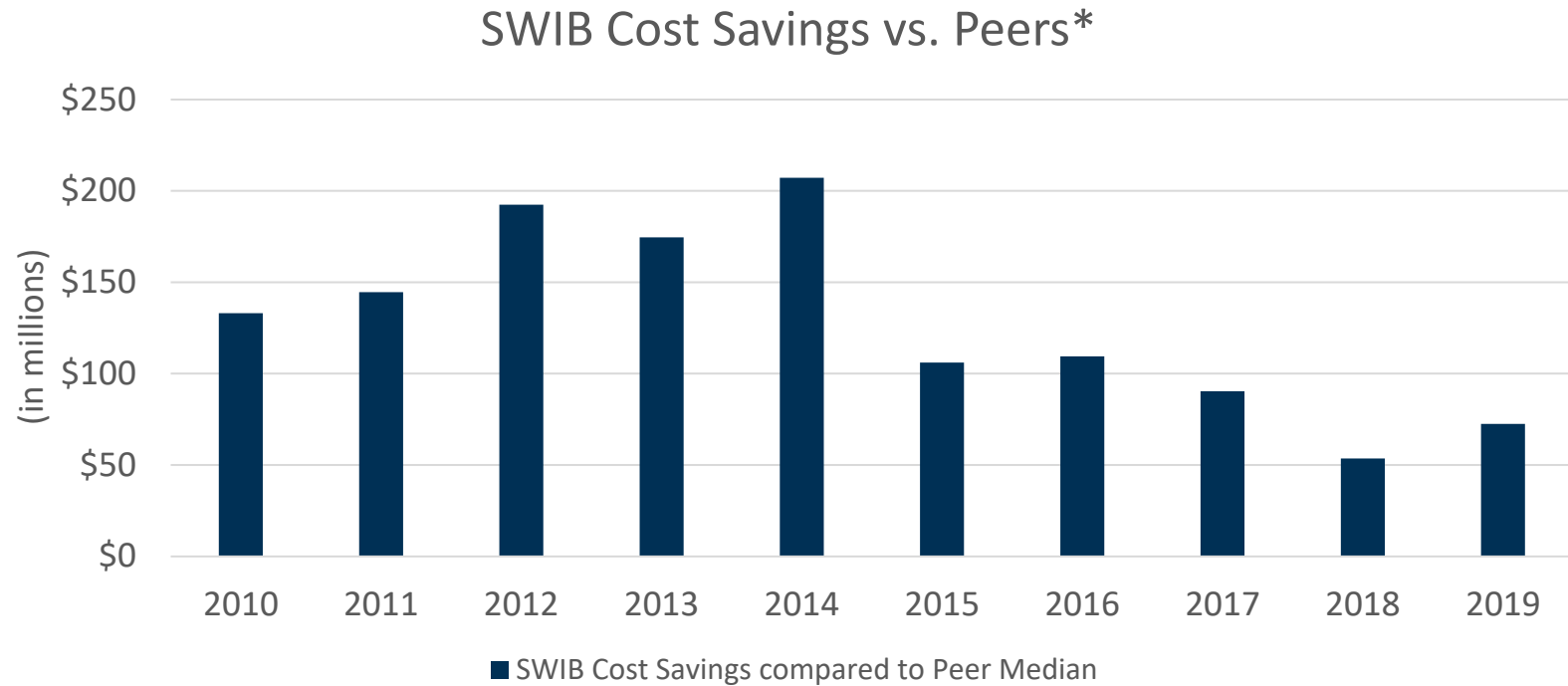
Data source: CEM Benchmarking, Inc. 2019 Report

SWIB Continues To Remain Lower Cost Compared To Peers & US Public Funds

SWIB's total costs have remained materially lower than peers due in part to levels of internal management.



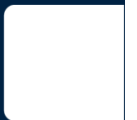
SWIB Saved \$1.3 Billion vs. Peers From 2010-19



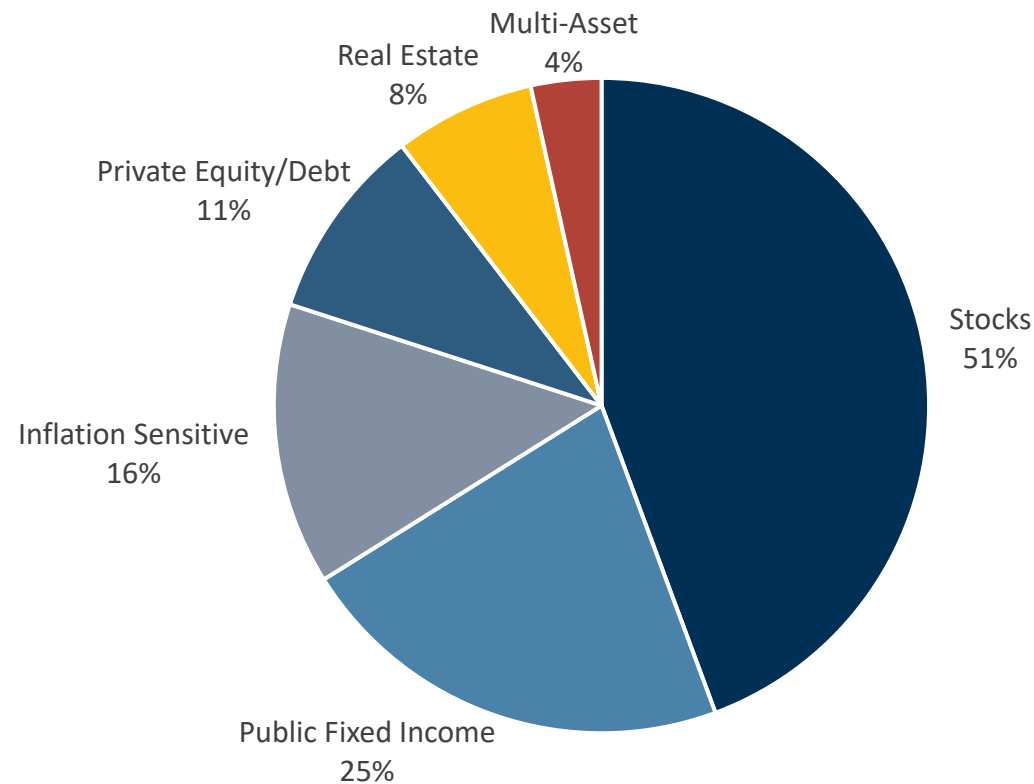
*This analysis compares SWIB's savings vs. the peer group median costs for every \$100 under management and multiplies that average savings by SWIB's median assets under management.

Data source: CEM Benchmarking, Inc. 2019 Report

Asset Allocation & Peer Performance Comparison



Core Trust Fund Asset Allocation Targets

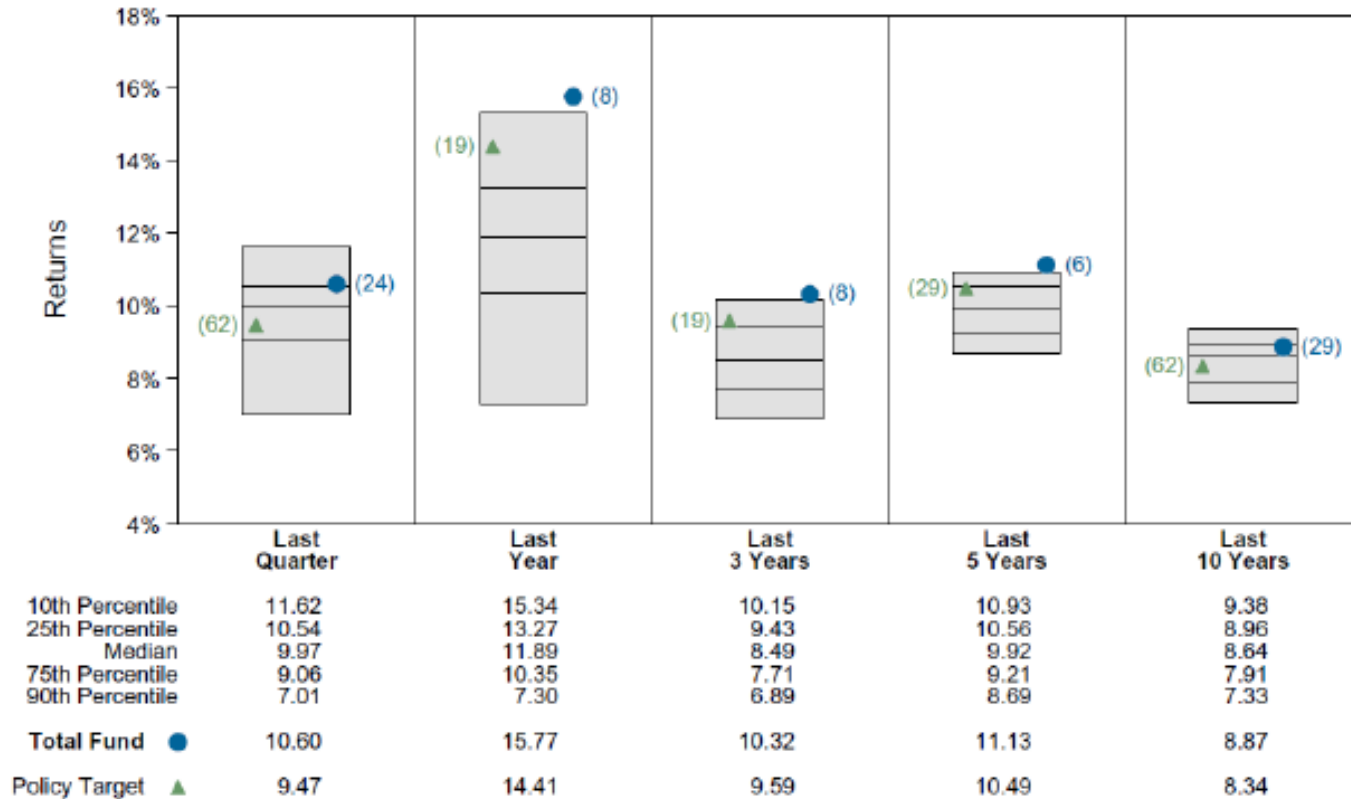


Totals exceed 100% due to SWIB's overall leverage of Core Fund assets. SWIB's actual asset allocation may vary up to +/- 6% from the targets listed.

Total Fund Ranking-Unadjusted Ranking

Gross of Fees as of Dec. 31, 2020

Callan Public Fund Spons- V Lg DB (>10B)



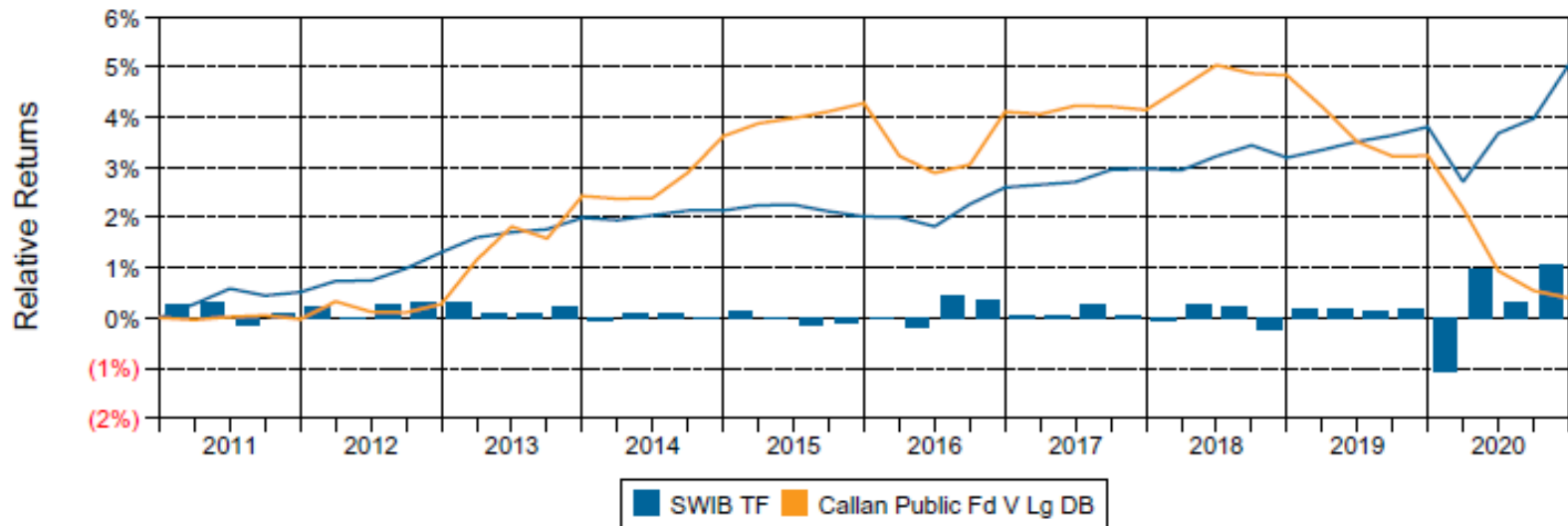
- Total fund unadjusted rankings are in the top quartile of peers for Q4, the top decile of peers for the 1-, 3-, and 5-year periods, and the top half of peers for the 10-year period.
- Recent market volatility benefitted SWIB's risk-balance approach vs. peers.

Source: Callan Investment Measurement Service Quarterly Review, December 2020

10 Year Return Consistency vs. Target

2011 to 2020 (Gross, 12/31/20)

Cumulative and Quarterly Relative Return vs Target

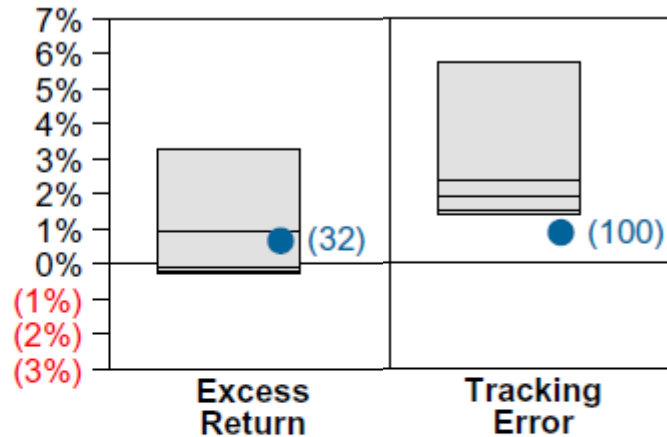


SWIB's risk control and consistency led to a relatively smooth ride over the last 10 years.

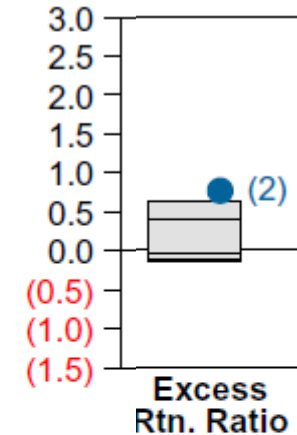
Relative Risk/Reward Tradeoff vs. Target & Peers

Positive excess return without taking as much active risk as peers

Rankings Against Callan Public Fund Sponsor Database (Gross); 5 years ending 12/31/2020



10th Percentile	3.26	5.69
25th Percentile	0.91	2.33
Median	(0.10)	1.90
75th Percentile	(0.21)	1.51
90th Percentile	(0.30)	1.35
SWIB TF	0.65	0.85



10th Percentile	0.63
25th Percentile	0.40
Median	(0.06)
75th Percentile	(0.12)
90th Percentile	(0.16)
SWIB TF	0.76

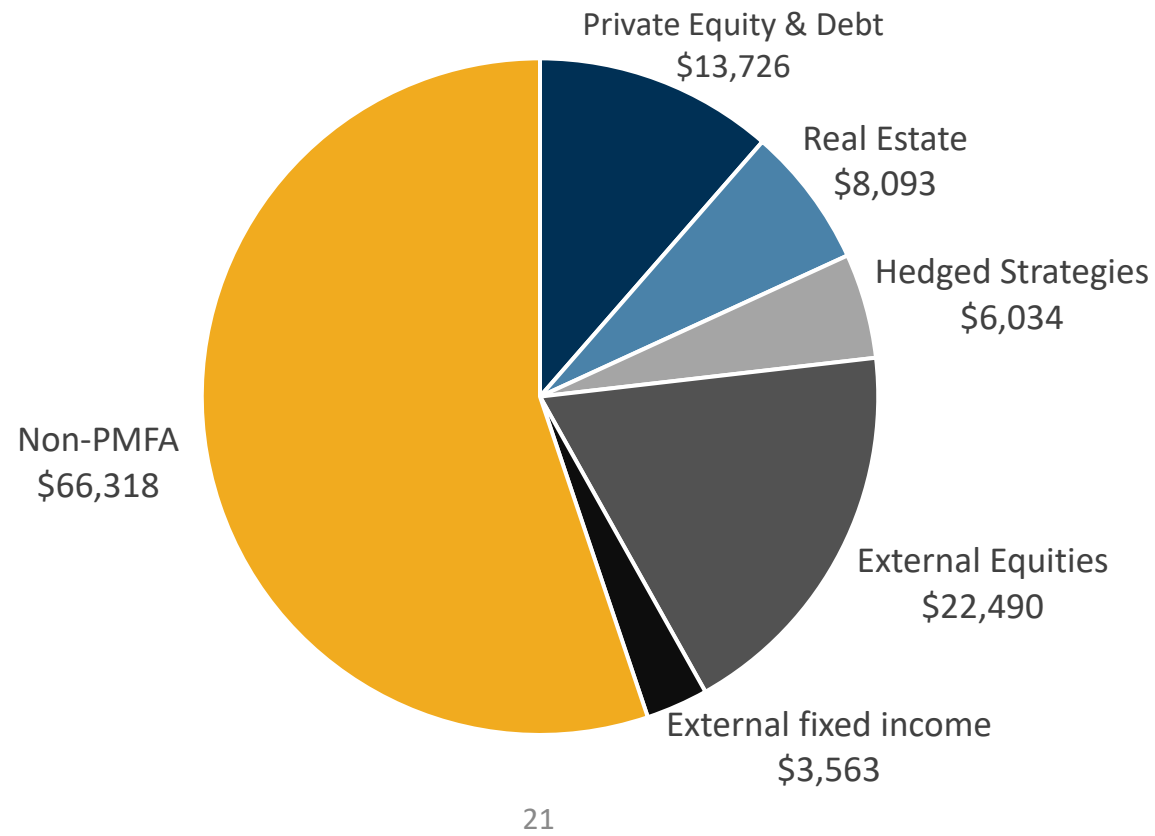
Source: Callan Investment Measurement Service Quarterly Review, December 2020

Private Markets & Funds Alpha (PMFA) Division



What Is Private Markets & Funds Alpha?

- Investments with external active managers
 - Approximately \$54 billion in assets or 45% of CTF, as of Dec. 31, 2020



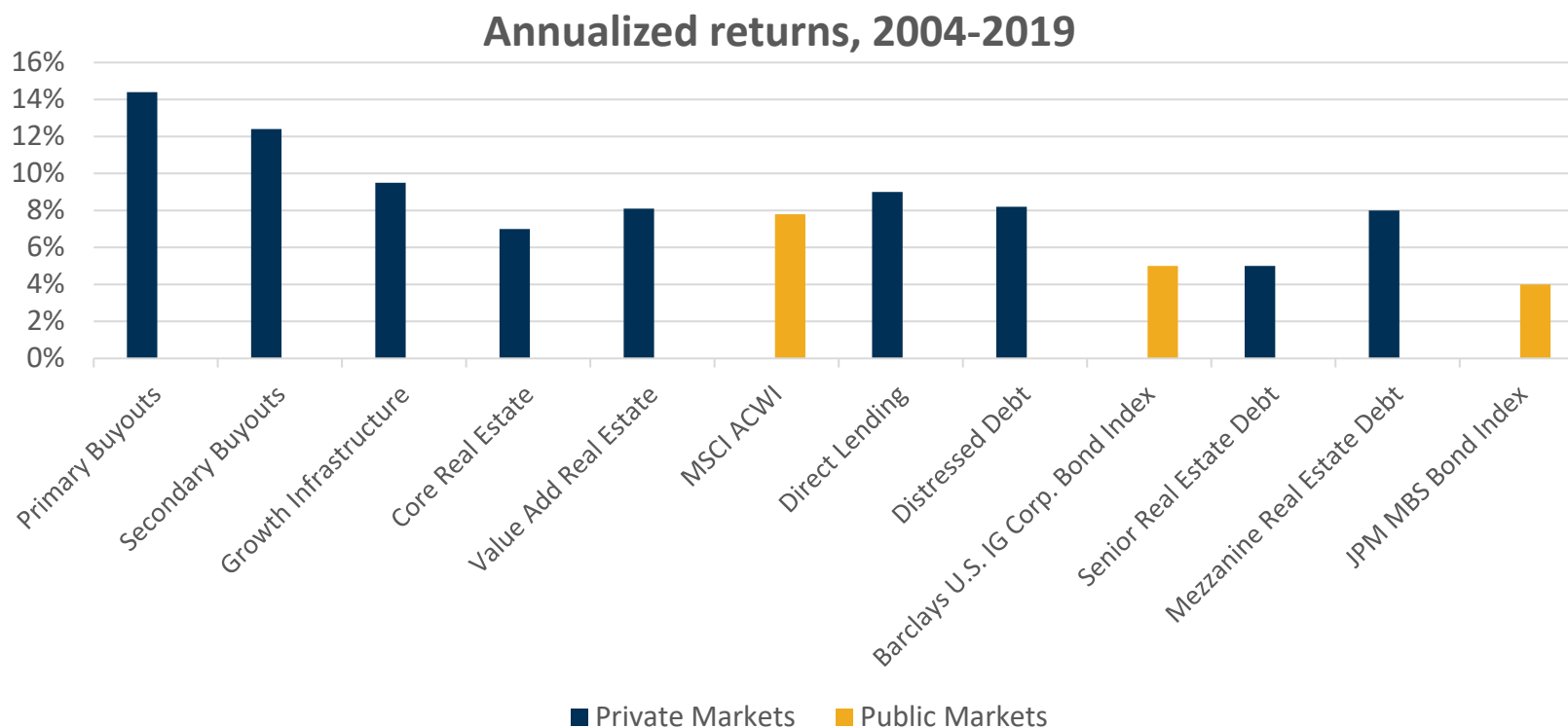
2021 Asset Allocation Changes

Increase target allocation to Private Equity/Debt from 9% to 11%

- Continue gradual pacing increase in line with precedent
- Target expected to be reached by the end of 2021, but could be earlier or later depending on market movements

Why Private Markets?

- Access to strategies not widely available
- Outperformance over the long run
 - Offset by less liquidity than public markets offer



Source: Company Reports, derived from Burgiss Private IQ.



Questions?