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### Calendar Year-to-Date Investment Returns WRS Trust Funds as of 7/31/2019

<b>Core Fund</b>	<b>12.87%</b>
Benchmark	12.45%
<b>Variable Fund</b>	<b>18.09%</b>
Benchmark	18.06%

*Figures are gross of fees*

## How Will Market Performance Affect Core Annuity Adjustments?

Three times a year *WRS News* informs readers of calendar year-to-date investment returns for the Core Trust Fund and the Variable Trust Fund (see information box in the lower left corner). Investment returns as of July 31 were 12.87% for the Core and 18.09% for the Variable.

How will investment performance affect retirees' monthly payments next year? ETF will not have definitive information until 2019 calendar year returns have been finalized and an actuarial analysis of Wisconsin Retirement System funding requirements completed. Watch for this news in March.

Core Fund investment returns are spread over a five-year period to help

cushion the effects of market volatility on retirees' incomes. The 2019 Core annuity adjustment was 0.0% (no change), largely due to the effects of investment performance in 2015 and 2018, which fell short of actuarial assumptions. Approximately 40,000 retirees also participate in the optional Variable Fund; that portion of their annuities was adjusted by -10%, due to investment losses incurred in 2018.

The 2020 Core annuity adjustment will incorporate investment performance from 2015-2019. This means the effects of Core Fund losses from 2015 and 2018 will still be incorporated into the calculation, and thus serve to put

*Projections, continued on page 2*

## SWIB Invests in Technology and People

It is no surprise to hear that over the course of a year, SWIB makes thousands of investments. When thinking about SWIB's investment strategy—to grow and protect the trust funds of the Wisconsin Retirement System—investments in stocks, real estate, and private equity are probably what come to mind first. But for SWIB to continue to be a premier public pension asset manager, SWIB also needs to invest in itself.

In an ever-changing and increasingly more complex financial world, SWIB is investing in the technology and people needed to manage over \$108 billion in WRS trust funds. It is an investment

that helps SWIB optimize its costs which has a significant positive impact on the WRS trust funds.

According to CEM Benchmarking, an independent cost benchmarking consultant, SWIB, when compared to the median costs of its peers, saved approximately \$90 million in 2017 and \$1.3 billion from 2008 to 2017 for managing the same amount in assets, all due to more internal management and having few high cost assets. SWIB uses its own staff to manage more than half of the WRS assets internally.

"We have implemented a complex

*SWIB Invests, continued on page 11*

*Projections, continued from page 1*

downward pressure on annuity adjustments in 2020. Based on projections ETF conducted earlier this year, it will take a Core Fund return in excess of 7.0% in 2019 in order for ETF to pay a positive annuity adjustment in 2020. Returns below 7.0% in the Core Fund may result in no, or even negative, Core Fund annuity adjustments in 2020. While year-to-date performance is encouraging, there are four months to go in 2019 and no one can predict market performance to come.

By design, investment risks and costs of the WRS are shared among employees, employers and retirees. In general, this means that investment shortfalls in the fund put downward pressure on annuity adjustment rates for retirees (in the form of low or negative dividends) and put pressure to increase contribution rates for employees and employers. Conversely, when there are surplus funds, annuity increases can be provided and contribution rates decreased.

In this way, sharing risk among all members assists in keeping the WRS, which is consistently one of the best funded public employee pension systems in the country, solidly funded and able to fulfill benefit promises into the future.

To learn more, find the following on the WRS Performance page on our new website, <https://etf.wi.gov/wrs-performance>:

- monthly updates to Core and Variable Trust Fund returns
- how investment performance affects your annuity
- actual Core and Variable returns, effective rates, and annuity adjustments since 1986

Stay connected to ETF! Sign up for email notifications via *ETF E-mail Updates* or follow news and announcements on Twitter. See the **Stay Connected** feature on our website at <http://etf.wi.gov> for details.

## Video Explains Shared Risk in Public Pension Systems

We have said many times that the risk-sharing design features of the Wisconsin Retirement System contribute to the continually strong financial position of the system. Other public employee retirement systems have risk-sharing arrangements, too—but one type of risk does not fit all. If you would like to learn more about the topic of shared risk in general, watch this four-minute online video, *Introduction to Shared Risk*

*in Public Pensions*, published by the National Association of State Retirement Administrators. The video reviews topics such as the definition of risk, how various public employee pension plans share risk, differences in how defined benefit and defined contribution plans assign risk, and recent trends in plans nationwide. Find the video online at <http://bit.ly/2TCWHCV>.

## Media Story Spotlights WRS Design and Development

A recent *MarketWatch* article was highly complimentary of the Wisconsin Retirement System, pointing out its consistent 100% funding levels and “trail-blazing” shared risk-reward design. The piece begins with a focus on the first

Secretary of the Department of Employee Trust Funds, Gary Gates, and how he and other legislative and policymakers worked to design the system. To read the *MarketWatch* article, go to <https://on.mktw.net/2J5BYCP>.

## ETF Launches New Website

The Department of Employee Trust Funds has launched a new, member-centric website for the more than 632,000 Wisconsin Retirement System members, employers, and other site users. The site provides quick, easy access to retirement, health and other benefits information, decision-making tools, and educational resources. Enhancements include:

- mobile-friendly design
- intuitive navigation to complete an action
- upgraded search filters
- information about the ETF-administered benefits offered by any WRS employer
- educational events and health plans by location
- improved accessibility
- share content via email and social media

The overall project goal was to improve the ETF website experience for all who use it. To do this, we identified common "pain points" and conducted extensive testing with members. Complex benefits information was revised into plain language.

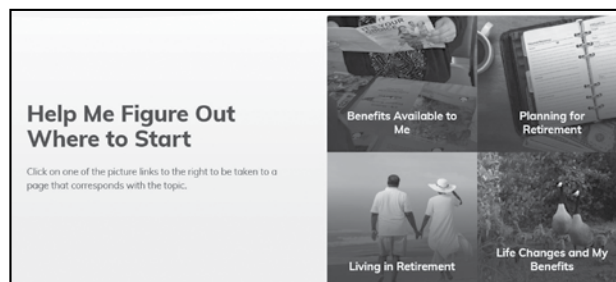
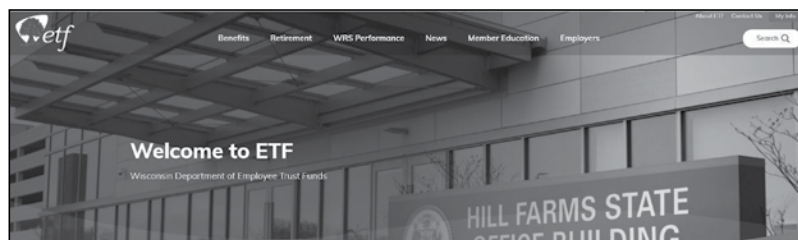
In the future, changes to our site will be based on member feedback as well as analytics. So, tell us how we're doing. When you visit our website, complete the *Was This Page Helpful?* survey at the bottom of most pages.

Note: While website pages from the previous site have been redirected to new locations, you should update any bookmarked pages. The new website will work in any browser, but Chrome is preferred.

### New Feature: Living in Retirement

Enjoy the comfortable retirement you've planned and deserve! The Living in Retirement section of our new site contains information about how your benefits work during retirement. You can also take a deeper look at these and other topics:

- monthly annuities and annual adjustments
- your Core annuity "floor"
- the Variable Fund and investment risk



- health benefits in retirement
- accessing your WDC account
- life changes and how they affect benefits
- taxes and your WRS benefits
- returning to work after retirement

### New Feature: My Info

It is important to keep your personal information up to date so that ETF can keep you informed of any updates or changes to your WRS benefits. Use the convenient My Info page to learn how to change your address or direct deposit instructions, update tax withholding, report the death of a WRS member, and more.

### New Feature: Benefits Available to Me

Want to quickly find your options for ETF-provided benefits, including health insurance options and open enrollment information? Use the Benefits Available to Me page. Enter the name of your last WRS employer into the search bar and results will list all of the benefit programs offered by that employer, including links to more information and resources.

### New Feature: WRS Performance

On this page you can monitor the investment performance of WRS Trust Funds, learn about the difference between the Core and Variable Funds, access reports and studies about ETF's programs, finances and administration, and connect with the State of Wisconsin Investment Board.

## Legislative Update

—Tarna Hunter, ETF Government Relations Director

Wisconsin's biennial budget bill (2019 Wisconsin Act 9) became law on July 3. The budget funds state government operations and local spending commitments, such as school aids and other funds for local governments. The approved budget provides the Department of Employee Trust Funds the necessary resources to effectively administer the Wisconsin Retirement System and other benefit programs. 2019 Wisconsin Act 9 did not make any changes to WRS benefit programs.

**Other current legislative proposals related to ETF and/or WRS benefit programs include:**

- **2019 Senate Bill 149 and 2019 AB 157**, which allow an annuitant who was a law enforcement officer or firefighter to return to work with a WRS employer and elect to not participate in the WRS and, instead, continue to receive his or her annuity.
- **2019 Senate Bill 5 and 2019 Assembly Bill 5**, which classify county jailers as Protective category participants under the WRS without a requirement that their principal duties involve active law enforcement. The bills would require county jailers who are currently employed by a county that does not classify county jailers as Protective participants and who become Protective participants under this bill to pay the employer share on the higher WRS contribution and the duty disability premium, which is currently an employer cost. The proposed legislation also provides that county employers who currently classify their jailers as Protective category participants

can continue to pay the employer cost for current and future employees.

- **2019 Senate Bill 154 and 2019 AB 164**, which allow WRS participants, who worked at the Department of Corrections for at least five years and who terminate on or after the effective date of the bill, to receive military service credits for any military service. Current law requires that the service must have been performed prior to 1974.
- **2019 AB 257 and 2019 SB 233**, which authorize ETF to withhold money from a member's WRS annuity or lump-sum payment if a court has issued a restitution order for a crime that is both felony theft and misconduct in public office, the crime resulted in a loss to the defendant's employer and the defendant's employer participates in the WRS.



Tarna Hunter

### New Website Feature: Government Relations

The Department of Employee Trust Funds monitors legislation that may affect the Wisconsin Retirement System and its retirement, insurance and other benefit programs. Look to our new Government Relations webpage for news, information, and resources. Go to <https://etf.wi.gov/about-etf/government-relations>.

## Call Center Software Enhancements = Service Improvements for Members

Software upgrades to a call routing system in the Department of Employee Trust Funds customer service call center will translate into better service the next time you contact us by phone. Enhancements include:

**We'll call you back:** During peak call periods, in lieu of waiting on hold you will be present-

ed the option to have ETF return your call—all the while maintaining your place in the queue.

**Faster ID validation process:** You spend less time on confirming your information and more time on the reason you called ETF in the first place. New: Use your Member ID instead of your Social Security number to start the process.

*Improvements, continued on page 5*



## ETF Surveys Members to Improve Services

Wisconsin Retirement System retirees feel more confident than retirees of other public pension systems that they will have enough money to live comfortably through retirement, reports CEM Benchmarking, an independent research organization.

The Department of Employee Trust Funds participates in a CEM-led consortium of peer public pension systems to measure levels of customer satisfaction and identify ways to improve services and to help members to be better prepared for retirement.

As a part of this effort, ETF surveyed members in 2018. Approximately 22% of the 92,550 emailed WRS employees and retirees completed the survey.

Other highlights of the survey results include:

- 90% of members are satisfied with ETF
- 92% of members feel that ETF operates in their best interest
- 87% of members feel that ETF acts ethically

In response to members' feedback, we have simplified WRS benefits information on our website. We also plan to create an onboarding program for new public employees to learn about ETF-administered benefits and the importance of planning for retirement.

If you would like to complete the 2019 WRS Member Engagement Survey this fall, please send us a secure email via the Contact Us page on our website, <http://etf.wi.gov>.

## It's Your Choice Open Enrollment Set

The annual It's Your Choice open enrollment period is set for September 30 to October 25. This is when you can make changes for next year, including switching health plans, coverage levels, or adding/deleting certain dependents, for an effective date of January 1, 2020. Watch for your It's Your Choice materials, which the Department of Employee Trust Funds will distribute in a few weeks. Additional information will also be available on our website.

In the meantime, consider attending a benefits fair—we've scheduled more than 40 in locations statewide from mid-September to the end of the open enrollment period. At a benefits fair, you can pick up literature and ask questions of ETF specialists, health plan and dental plan representatives, wellness program coordinators, and



others associated with the group health insurance program. To find a benefits fair near you, see the Events listing on our website or call us at 1-877-533-5020.

### *Improvements, continued from page 4*

We are here to help you with your Wisconsin Retirement System and other ETF-administered benefits. You can talk with a benefits specialist by phone from 7:00 a.m. to

5:00 p.m. (CST), Monday-Friday. Call 1-877-533-5020. Wisconsin Relay: 711. Send a secure email via the Contact Us page of our website. Go to <https://etf.wi.gov/contact-us>.

## Deadline for Canceling Variable Fund Participation

The May edition of *WRS News* included an article answering frequently-asked questions about Wisconsin Retirement System retirees' options for canceling participation in the Variable Trust Fund. Approximately 41,000 retirees currently participate in the fund.

Members elect to be in the fund as active employees and remain in it—even into retirement—unless they elect to cancel participation. If you want to get out of the Variable Fund with an effective date of January 1, 2020, complete and send to ETF a *Canceling Variable Participation* (ET-2313) form. It must be received at ETF prior to the close of business on January 2, 2020.

Why the January 2, 2020 deadline for Variable Fund cancellation? The cancellation is normally

the last day of the year. However, when a deadline falls on a weekend or holiday, it is extended to the first working day after the deadline, per Wis. Stat. §990.001(4).

### For More Information

*Election to Cancel Variable Participation* (ET-2313)

*How Participation in the Variable Trust Fund Affects Your WRS Benefits* (ET-4930)

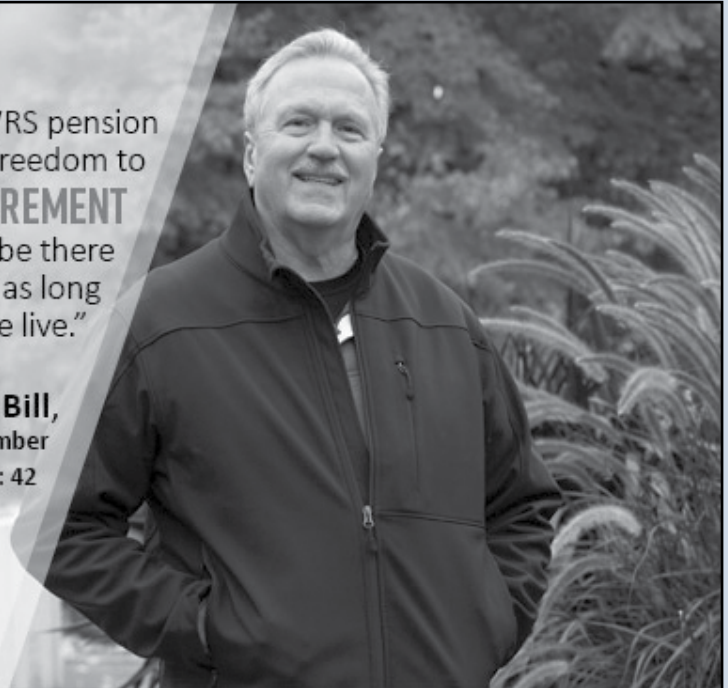
Find these brochures on the Publications page of our website, <https://etf.wi.gov/publications>.

## WDC Members: Schedule a Retirement Check-Up Appointment

If you have an account with the Wisconsin Deferred Compensation Program, when was the last time you looked at your investments or thought about your spending plan? One-on-one appointments with a WDC representative are available to discuss these and other aspects of your account. To set one up with a representative in your area, look for the Schedule a Meeting link on the WDC website at <https://wdc457.org> or call the WDC toll free at 1-877-457-9327.

"I value my WRS pension because it gives me the freedom to  
**ENJOY LIFE IN RETIREMENT**  
and because it will be there  
for me and my wife for as long  
as we live."

- **Bill**,  
Retired State Attorney & WRS Member  
Years of Service: 42



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## Group Health Insurance Program Update

What's new for 2020 in the health insurance program? The Group Insurance Board was set to meet August 21 to approve the 2020 premium rates for health and life insurance and supplemental benefits. Look for details in the It's Your Choice materials, which the Department of Employee Trust Funds will distribute in a few weeks. On our website, review the "Benefits Available to Me" page. Here are some highlights for 2020:

### Security Health Plan No Longer Available

Security Health Plan will not participate in the group health insurance program after December 31, 2019. Members currently covered by Security must choose a new health plan for 2020. There will be several options available—review the *Decision Guide* when it arrives in the mail. You can get started the week of September 16, when open enrollment materials are available and information is updated on our website. Visit [etf.wi.gov/benefits-by-employer](http://etf.wi.gov/benefits-by-employer) and follow the prompts.

### New Medicare "Life Change Event"

Life change events (marriage, divorce, adding a dependent, etc.) allow members to make certain changes to health insurance coverage outside of the It's Your Choice Open Enrollment Period. A new life change event has been added: Retirees

will be able to change health plans within 30 days of enrolling or disenrolling from Medicare Part A and/or Part B.

### New Enrollment Option: Families with Medicare & Non-Medicare Members

Retirees will be allowed to have one or more dependents enrolled in either the Medicare Plus Plan or Medicare Advantage Plan and one or more dependents enrolled in a non-Medicare plan. Previously, all members of a family plan were required to enroll in the same health plan.

### New Preventive Dental Plan Available

Delta Dental of Wisconsin will offer a standalone preventive plan that will mirror the Uniform Dental Benefits. Currently, this benefit is available only to participants enrolled in the group health insurance program. Effective January 1, anyone may choose the new preventive plan (and pay the full premium costs). The coverage is for preventive services, fillings and child orthodontics. Participants will pay the full premium costs.

### Well Wisconsin Program

Did your retirement plan include struggling with preventable health problems? We hope not! Keep a happy, healthy retirement going by making your

*Update, continued on page 8*

## ALEX: Online Tool Helps Evaluate Options and Costs

Retired state employees: If you need help navigating health insurance plan designs and supplemental benefits, or if you have questions about how your insurance works, try using ALEX, an online tool offered by the Department of Employee Trust Funds—it's like having your own personal benefits counselor!

### Key aspects of ALEX:

- **New for 2020:** Now available to retirees with Medicare!
- Personalized—discover the plan that makes the most sense for you and your family.

- ALEX provides easy-to-understand explanations in a conversational style.
- Confidential—Get the guidance you need without revealing any personally identifiable information or personal health information.
- It's useful. You can use ALEX to review and compare plan options and cost factors such as deductibles and tax implications.
- It can walk you through your dental options to help you determine if you should think about a supplemental plan.

Give ALEX a try. Look for the link to this online tool on our website at <http://etf.wi.gov>.

## Survey: Health Insurance Participants Struggle with Out-of-Pocket Health Care Costs

A recent survey on how participants in the State of Wisconsin Group Health Insurance Program are managing out-of-pocket costs points to the need for more help navigating their health care benefits and expenses. The Department of Employee Trust Funds partnered with the Center for Financial Security at the University of Wisconsin-Madison's La Follette School of Public Affairs to survey participants about how perceptions of costs influence their health care decisions.

The survey, conducted earlier this year, was sent to participants enrolled in high deductible health plans as well as those in non-HDHPs. High-level findings include:

- Overestimation of the costs of health care services;
- Confusion about deductibles and out-of-pocket limits;
- Lack of direction on where to find health care cost information;
- More information is needed on how high deductible plans work;



- Individuals struggle to come up with \$2,000 to pay for an unexpected expense—regardless of whether it is health care related;
- Decision-making tools, like ALEX, tend to be used by women, and information is retained better by those enrolled in a high deductible plan; and
- Overall, there were few differences between the HDHP and non-HDHP groups

The survey results are presented in a brief, *Managing Out-of-Pocket Medical Expenses: How Well are Families Prepared for a World of High Deductibles?* Find it online at <http://bit.ly/2wPVg6R>.

### *Update, continued from page 7*

health a priority. The Well Wisconsin Program can help get you there. Subscribers and spouses in the group health insurance program can take these steps:

1. Schedule a health screening at a screening event or submit a health care provider form with results from your most recent doctor appointment. In addition, You may take the 10-minute health assessment online or call StayWell to request a paper copy. Screenings are set for the following cities and dates—details at [wellwisconsin.staywell.com](http://wellwisconsin.staywell.com) or call StayWell at 1-800-821-6591: September 18, Eau Claire; September 24, Green Bay; September 26, Oshkosh; October 1, Oak Creek; October 3, Madison
2. Complete at least one of StayWell's well-being activities, like health coaching, 21-Day

Meditation Experience, and Daily Dash.

**The deadline to earn your \$150 gift card for payment in 2019 is October 11.** Schedule your screening or complete the other activities by logging into your account at [wellwisconsin.staywell.com](http://wellwisconsin.staywell.com) or call StayWell.

**New for 2020:** A mobile-first app and new website! What does this mean for participants?

- Those who currently have an online account must create a new one for the updated site.
- Access to new resources, such as fitness videos, chat sessions with a coach, questions-and-answers with a doctor, and more.

Watch for the 2020 Well Wisconsin program brochure with more detailed information. All wellness incentives are considered taxable wages. All health information is protected by law.



## Private Debt Portfolio is Unique in the World of Public Pensions

Since the 1960s, the State of Wisconsin Investment Board has partnered with hundreds of Wisconsin companies to invest and grow their businesses. These range from small companies with just a handful of employees to large, multi-billion-dollar corporations.

SWIB's Wisconsin Private Debt Portfolio has provided more than \$2 billion in financing for companies headquartered, with operations in Wisconsin, or that intend to invest the proceeds in our state. While maintaining its fiduciary duty to the Wisconsin Retirement System, SWIB has found ways to invest meaningful capital directly into Wisconsin companies that not only provide market rate returns, but also lead to enhanced economic activity throughout the State. The portfolio is unique in the world of public pensions.

"There is no other public pension plan that is doing what we do," SWIB Portfolio Manager Chris Prestigiaco said. "We have always said that the Wisconsin Private Debt Portfolio is the portfolio that touches Wisconsin closest because

we are working directly with state businesses and banks."

Approximately 80% of SWIB's private debt investments are in Wisconsin opportunities. The Wisconsin Private Debt Portfolio's mandate is to make long-term senior debt and subordinated debt investments in companies through private transactions. It allows SWIB to fill a specific need by making this type of direct financing available, especially to companies unable to get the attention of large investors. SWIB often collaborates with the company's banks and other institutional investors, providing financing that complements and is addition to the bank's financing.

"We can provide some differentiated sources of capital that can be difficult to find elsewhere in terms of the dollar amounts or time horizon we are willing to lend," Prestigiaco said. "I think that is extremely important."

Businesses that have benefitted from investments by the Wisconsin Private Debt Portfolio range from the healthcare sector to the agriculture/food sector and includes companies such as Kohl's, Jockey, Harley-Davidson, and National Guardian.

Organic Valley, the nation's largest farmer-owned organic cooperative, is just one of the many examples that Prestigiaco refers to when discussing the success of SWIB's Wisconsin Private Debt Portfolio. SWIB partnered with Organic Valley and its existing bank relationships to help the La Farge-based cooperative build a new storage and distribution center in Cashton.

For Prestigiaco, a Wisconsin native, he uses his long-term relationship and knowledge of the Wisconsin market to investigate a potential investment. "Wisconsin is a smaller market and as a result, we have been able to develop our



Here are just a few of the hundreds of Wisconsin-based companies SWIB has provided loans through the Private Debt Portfolio.

*Private Debt, continued on page 10*

## Drummond Recognized for Driving Asset Management Innovation

*Chief Investment Officer* magazine named SWIB Funds Alpha Manager Derek Drummond to its Class of 2019 NextGens list. Each year, *Chief Investment Officer* seeks nominations for money management professionals seen as rising leaders in the investment industry. The 2019 NextGen list brings together 30 of those talented and inspiring asset allocators who show a strong ability to become potential industry game changers.

Drummond, who joined SWIB in 2010, heads SWIB's funds alpha team. The funds alpha team manages SWIB's hedge fund portfolio and its portfolio of external public market managers. Alpha refers to an investment strategy's ability to beat the market or generate excess returns above market returns. Drummond and his team manage portfolios worth more than \$20 billion.

"Derek has an unrivaled talent for building a wealth of key relationships and maintain-

ing them over decades," SWIB Executive Director/Chief Investment Officer David Villa told the magazine.

Drummond said he is proud of the team he works with at SWIB. "We have a top-tier team with bright people who are all working together to generate returns that will benefit the Wisconsin Retirement System."

Drummond continues to be recognized for his work. Last year he was part of Institutional Investor magazine's Next CIO competition. In 2012, he was named a Rising Star of Public Fund Management by Investment Management Network. *Institutional Investor* named him a Rising Star in 2014, and he was named to *Chief Investment Officer* magazine's list of "40 Under 40."



Derek Drummond

## 2020 SWIB Board of Trustees Meetings Set

The State of Wisconsin Investment Board is the Wisconsin state agency that manages the investments of the Wisconsin Retirement System. SWIB's Board of Trustees meets quarterly in Madison, in addition to its annual off-site Trustee workshop. Meetings are held at SWIB, 121 E. Wilson St., Madison, unless otherwise

stated. Agendas and Board materials are posted online in advance at [www.swib.state.wi.us](http://www.swib.state.wi.us).

2020 SWIB Board of Trustees meeting dates are as follows: March 17-18, June 9-10 (June Investment Forum on June 10), September 8-9, October 20-21 (off-site Trustee workshop), and December 15-16.

### *Private Debt, continued from page 9*

network of relationships that over time have provided us with more opportunities," he explained."

The success of the Wisconsin Private Debt Portfolio and the partnerships created have caught the attention of other public pension funds. "We have had other state pension plans contact us and inquire about learning more about what we do," Prestigiacomo said. As other public pension funds across the country struggle with underfunding, SWIB's

Wisconsin Private Debt Portfolio continues to generate reasonable returns and build lasting relationships that benefit the WRS (which more than 632,000 current and former public employees rely on for a more secure retirement), and the entire state.

To learn more about the Private Debt Portfolio, as well as SWIB's other Wisconsin investments, visit <https://www.swib.state.wi.us/investments-in-wisconsin>.

## Ancel Appointed to SWIB Board of Trustees

Esther Ancel, an emeritus professor of finance in the Lubar School of Business Administration at the University of Wisconsin-Milwaukee, has been appointed to serve on the SWIB Board of Trustees as a public member.

The members of the SWIB Board of Trustees are set by state statutes. Ancel brings 25 years of experience in finance and corporate finance to the Board. In addition to serving on the SWIB Board of Trustees, Ancel is also the Secretary of the Teachers Retirement Board of the Wisconsin Retirement System, serving as the retired teacher member of the board. Ancel also serves as treasurer of the Milwaukee Jewish Foundation, serving on its finance and investment boards. Previously, she also served on the UW System Insurance Board.

Ancel earned a bachelor's and master's degrees in mathematics from the University of Wisconsin-Madison and holds a PhD in finance

from the University of Texas-Austin.

In addition to the announcement of Ancel's new role, Trustee Norman Cummings, who served as the local government member on the Board, announced he would



Esther Ancel

be retiring from his position as director of administration for Waukesha County at the end of June 2019; therefore, his tenure as a Trustee would also end. Cummings, who was Board vice chair, was originally appointed as a Trustee in 2011.

For more information about SWIB's Board of Trustees, visit [www.swib.state.wi.us/board-of-trustees](http://www.swib.state.wi.us/board-of-trustees).

### *SWIB Invests, continued from page 1*

and sophisticated investment strategy designed to meet the challenges of the financial market head on, while helping grow and protect the WRS assets," SWIB Executive Director/Chief Investment Officer David Villa said. "Because a majority of our total cost of management comes from fees paid to external managers, our strategy includes increasing internal management when possible, which is a better value for the trust funds."

To successfully implement its strategy, SWIB actively recruits top talent to hire the best qualified candidates to support the investment strategy and increase the amount of assets managed overall and internally. SWIB continues to add staff across the organization including investment management, administration, agency business, and operations and technology.

To adequately and efficiently process trades, measure risk, and management investments, SWIB also is continually enhancing its systems and processes. The investments in technology provide staff better access to high

quality and timely data and improve SWIB's ability to monitor and manage risk.

"Thanks in part to the legislature granting SWIB's independent Board of Trustees budget and staffing authority, we have been able to adapt to changing market conditions and to keep the WRS well positioned to meet its promised retirement benefits today and in the future," Villa said. "This flexibility has helped us make a commitment to investing in the staff and technology and systems needed to support our work and to continuously improve. We are also able to attract and retain talented professionals with the skills needed to support the investment strategies we have implemented."

"As important as it is to have a strong investment strategy," Villa continued, "it is equally important to optimize costs. We will continue to invest in people, processes, and technology because those investments provide the greatest edge in achieving our long-term goals and delivering added returns."

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Madison, WI 53707-7931

ET-7402

**WRS NEWS**



**SWIB** STATE OF WISCONSIN  
INVESTMENT BOARD

Published in January, May, and September by the Department of Employee Trust Funds and the State of Wisconsin Investment Board to inform Wisconsin Retirement System retirees about WRS benefit programs and trust fund investment news.

**ETF**

Contact ETF for information about WRS benefits.

**Toll free:** 1-877-533-5020  
Hours: 7:00 a.m. to 5:00 p.m. (CT),  
Monday-Friday.

<http://etf.wi.gov>

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**Wisconsin Relay Service** (for speech and hearing impaired)  
Dial 7-1-1

**Email ETF**  
Send ETF a secure email via the “Contact ETF” page on our website, <http://etf.wi.gov>.

**ETF E-Mail Updates**  
To register for this free e-mail notification service, look for the red envelope icon at <http://etf.wi.gov>.

**Follow ETF On Twitter**  
 @WI ETF  
<https://twitter.com/WI ETF>

**SWIB**

Contact SWIB for information about WRS investments.

**Address for correspondence:**  
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