



WISCONSIN STATE LEGISLATURE

Joint Audit Committee

Committee Co-Chairs:

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NEWS RELEASE
FOR IMMEDIATE RELEASE
August 29, 2018

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Retirement Investment Funds Show Strong Returns in 2017

MADISON- Today, the nonpartisan Legislative Audit Bureau (LAB) released Report 18-9, a financial audit of the Core Retirement Investment Trust Fund (Core Fund) and the Variable Retirement Investment Trust Fund (Variable Fund) managed by the State of Wisconsin Investment Board (SWIB) for the year of 2017. SWIB invests the assets of the Wisconsin Retirement System through the Core Fund and Variable Fund, and together these funds are known as the Retirement Funds. The State Auditor offered an unmodified opinion on the financial statements of the *Retirement Funds Annual Report*.

Both Funds had significant gains in net position and very strong one-year investment returns. The net investment position of the Core Fund increased from \$89.4 billion as of December 31, 2016, to \$100.3 billion as of December 31, 2017. The one-year investment return for the Core Fund increased from 8.6 percent in 2016 to 16.2 percent in 2017. The Core Fund investment return in 2017 is primarily attributed to strong investment returns from public equity, private equity, and real estate investments. The net investment position of the Variable Fund increased from \$7.0 billion as of December 31, 2016, to \$8.2 billion as of December 31, 2017. Meanwhile, the one-year investment return for the Variable Fund increased from 10.6 percent in 2016 to 23.2 percent in 2017.

The Co-Chairs of the Joint Legislative Audit Committee, Senator Robert Cowles (R-Green Bay) and Representative Samantha Kerkman (R-Salem Lakes), released the following statement regarding this strong report on the financial condition of Wisconsin's Retirement Funds:

“The Annual Report demonstrates the strong health in the performance of the funds managed by SWIB as they maintained prudent financial management of the pension investments benefits for over half of a million Wisconsinites. With one-year investment returns exceeding 16% in the Core Fund and 23% in the Variable Fund, our state pension program continues to be well-managed. While other states have suffered the financial mismanagement which results in significant state pension liabilities, Wisconsin stands apart with a fully-funded pension program. We are pleased with the recent robust performance and welcome the continued sound management Wisconsin expects for its WRS Retirement Funds.”

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