

Wisconsin Coalition of Annuitants

www.wicoa.org

Minutes of Meeting November 15, 2021

The meeting was held by Zoom and was called to order by the Chair Bob Schaefer at 9:30 a.m.

DIRECTORS & ALTERNATES PRESENT: W. Backes, AFSCME 32; R. Beglinger, WFT-R; B. Bird, DOT; B. Brooks, CWCR; S. Drew, SWIB; J. Grosklaus, West Allis; S. Haase, UWRA; B. Holmes, ESP; R. Klemme, ESP/WREA; A. Knop, WEAC-R; R. Kratz, DOC; J. Lawton, ACE; J. Maydak, West Allis; G. Mitchell, AFSCME 52; F. Nepple, OCI; E. Reiter, KM-R; B. Schaefer, SEA; J. Thiel, ACE; J. Vreeland, Wauwatosa; C. Wren, WSAA.

GUESTS: S. Chandler, T. Hunter, R. Klaskin, C. Preisler, J. Risch, R. Wojciak.

EXCUSED: J. Blank, J. Egan, J. Stangl.

MINUTES of the October meeting were approved as mailed.

GUEST: Chris Preisler, Communications Specialist, SWIB.

Chris introduced Rochelle Klaskin who will provide a SWIB quarterly update.

GUEST: Rochelle Klaskin, Deputy Executive Director, Chief Administrative Officer, SWIB.

Performance - \$140.9 billion under management with 93% in the core fund and 7% in the variable. On 9/30/21 the core return was 11.22% over a benchmark of 10.63%. The variable was at 12.04% below a benchmark at 12.32%. The five-year and 10 year returns all exceeded benchmarks. The 10/31/21 preliminary core fund was 14.3% and the variable was 18.03%.

A twenty year 60/40 \$100 reference portfolio has an increase to \$398. The core trust fund \$100 with SWIB management is at \$496 or \$36.8 billion more. The reference portfolio over 20 years is 6.88% and SWIB performance over 20 years is 8.7%. Active managed assets are at 68.3%

Stress Testing - Every two years SWIB conducts stress testing with an independent actuary. Using rates of return, risk, standard deviations and contribution rates several scenarios are developed to identify vulnerability. The results are then used in developing asset allocation targets.

Results are available at: www.swib.state.wi.us/stresstesting.

Asset Allocation - Private equity will be increased to 12% from 11% and real estate will be decreased from 8% to 7%. Removal of 4% multi-asset with increase of public equity from 51% to 52%, and inflation sensitive assets increasing from 16% to 19%. The Board will consider the asset allocations change at the December meeting.

SWIB News- The Risk Management Division has a new Director and two of the three new positions have been filled. Madison Yards continues building with SWIB occupancy aimed at January 2023. Recruitment continues for the head of asset and risk allocation replacing Mr. Denson who became the ED/CIO. "Team of The Year" and "Partnership of the Year" were awards recently received from Institutional Investor Magazine .

SWIB does not invest in any political activities, all employees have a fiduciary responsibility.

The only inflation sensitive assets in SWIB portfolios is TIPS, treasury inflation protection bonds. Rochelle's responded her Division has been focused on recruitment and retention along with maintaining a positive working environment and culture.

The latest podcast has the history of SWIB.

GUEST: Tarna Hunter, Director of Strategic Engagement and Government Relations, ETF.

ETF has begun returning to the office calling it a soft opening to assist employees in orienting to the hybrid operation within the office. There is an emphasis and goal to keep employees in a healthy and productive employment/home atmosphere. The call-center had a 7.9% increase in number of calls over last year and used IT staff to assist in the call-center. The Call Center reduced their response time by 45 seconds per call. A satisfying improvement.

A legislative bill was introduced permitting teachers to return to work with a smaller break in employment and annuity continues. No legislative action has occurred.

ETF has 11 vacancies one of which is the general counsel which will be filled shortly.

ETF meetings will all be virtual until notified differently.

The modernization continues with participant data storage and insurance administration starting this month.

CORRESPONDENCE - none

OLD BUSINESS - Annual Conference committee met and agreed the conference should be held by Zoom and have 2 days rather than all in one day. Speakers and topics were discussed.

- Roberts Rules Committee met and requested the following.

MSC -The WiCOA authorize the Roberts Rules committee to prepare a revision of the bylaws.

Chris had purchased Roberts Rules hand books for the officers as requested.

MSC - The WiCOA reimburse Chris Wren for the expense of the Robert's Rules books.

ETF has received the positions requested in the budget. They were removed by the Joint Finance Committee and then reinserted by the Joint Finance Committee.

NEW BUSINESS - None

TREASURER'S REPORT - Check book balance \$9,544.11. Eighteen organizations have paid.

NEXT MEETING: December 20, 2021 at 9:30 a.m. Zoom.

The meeting adjourned by 10:32 a.m.

Annual Conference May ??, 2022

Respectfully submitted – Dick Kratz

Upcoming meetings: ETF Board - 12/9/21, 3/24/22. SWIB Board - 12/14-15/21 GIB 2/16/22,