

October 11, 2008

SEA RETIREMENT AND HEALTH INSURANCE ANNUAL REPORT

1. SWIB 2008 down markets started the year – December 31, 2007:  

Core Fund	+8.8%
Variable Fund	+5.6%

(Note current newsletter)
2. SWIB now has new Portfolio Manager for index funds and moved \$1-2 billion internally, and will increase it to \$9 to 10 billion by 2009; reducing the contracting out for index fund management, reducing costs.
3. ETF provided the retirement dividend for calendar year 2007 at the March 18, 2008 Retirement Board Meeting.

Core Fund Dividend 2007	+6.6%	(starting May 1, 2008)
Variable Fund Dividend 2007	0.0%	
(Require +2.0% minimum for dividend)		
(Variable reserve at +1.3%)		(year end 2008)

  

Core Fund	25 year average dividend	+5.4%
CPI	25 year average dividend	+3.1%
Variable Fund	25 year average dividend	+5.9%
4. In March 2008, Dan Joyce joined Mel Sensenbrenner to help and learn the health and retirement watchdog activities that SEA has developed since 1980 with encouragement from Blair Testin, the Retirement Research Director for the Wisconsin Legislature, and SEA's Bob Schaefer.
5. The WRS has survived the down markets of the past in 1983, 1986, 1991, 1995 & 2001, and now in 2008, SWIB is being challenged again.

SWIB was underweighted in financial stocks, and they have moved \$3.4 billion from external to internal management provided by the Investment Modernization (Act 212), which reduces their overhead.
6. ETF Group Insurance Board set the Dual Choice Health Care selection period of October 6<sup>th</sup> to the 24<sup>th</sup>, 2008 for 2009 health insurance plans. You still have 13 days to change plans.
7. Will have a verbal report for the Investment Board as of September 30, 2008.

Melvin B. Sensenbrenner and Dan Joyce