WISCONSIN LEGISLATIVE COUNCIL
ACT MEMO

2007 Wisconsin Act 212 **[2007 Assembly Bill 623]**	**Investment Standards for Assets of Wisconsin Retirement System**

2007 Wisconsin Act 212 provides that the State of Wisconsin Investment Board (SWIB) may manage and invest the assets of the Wisconsin Retirement System (WRS) in any manner that is consistent with the provisions of the prudent investor standard under s. 25.15 (2), Stats. The prudent investor standard requires SWIB to:

1. Manage the assets of the WRS with the care, skill, prudence, and diligence under the circumstances then prevailing that a person acting in a similar capacity, with the same resources, and familiar with like matters, exercises in the conduct of an enterprise of a like character with like aims.

2. Diversify investments in order to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, considering each trust's or fund's portfolio as a whole at any point in time.

3. Administer the assets of the WRS solely for the purpose of ensuring the fulfillment of the purpose of each trust or fund at a reasonable cost, and not for any other purpose.

The Act provides that the prudent investor standard, with respect to the assets of the WRS, overrides any other statutory restrictions or limitations that apply to other funds administered by SWIB.

The Act also clarifies that the prudent investor standard does not apply to SWIB in certain instances in which it invests funds at the direction of another entity, and provides explicit statutory authority for SWIB to manage moneys under the direction of the Building Commission that result from certain public debt.

Effective Date: Act 212 becomes effective on April 22, 2008.

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