

2007 Annual Report

Tax-Sheltered Annuity 403(b) Program
University of Wisconsin
April 10, 2008



Human Resources
University of Wisconsin System Administration
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UNIVERSITY OF WISCONSIN TAX-SHELTERED ANNUITY PROGRAM

2007 ANNUAL REPORT

EXECUTIVE SUMMARY

In 2007, total contributions to the UW TSA 403(b) plan increased considerably, continuing a pattern from past years. University employees contributed over \$77 million to investments available under the Program, a more than 3.3% percent increase from 2006. Accumulated assets increased by more than 5.6% from the previous year, to \$1.6 billion from \$1.51 billion in 2006.

The UW TSA Program offers a wide array of investment options. This variety ensures that employees are able to select the type of investment they want. However, most contributions go to a relatively small number of funds. In 2007, the top ten funds accounted for more than 41% of all contributions, and the top 50 funds for 67.5% of contributions. One hundred seventy-six funds each attracted less than \$10,000 in contributions.

In 2007 mutual fund companies attracted almost 43% of contributions, slightly outpacing contributions to TIAA-CREF at not quite 42% of contributions. Other insurance companies received 13% – slightly less than last year and the WRS almost 2% – slightly more than last year.

This past year the TSA Review Committee and staff continued their efforts to enhance the TSA program design and administration. The committee recommended several steps to enhance the program. Changes to the Plan document or Criteria were approved by the University President.

- Minimum service level standards for the participating investment companies were established with an implementation date of January 1, 2008. These service level requirements provide written expectations for service from our TSA investment companies in education, reporting, retaining and recruiting participants, and fees. Most notably, our insurance contracts issued after 1-1-2008 no longer have surrender charges.
- Non-spouse beneficiaries may now rollover distributable amounts to their own IRAs. This provision of the Pension Protection Act was approved by the TSA Review Committee in their fall 2007 meeting. The Plan Document will be revised before 1-1-2009 to include this.
- A new communication plan, designed to improve employee investment education and encourage employees to participate in the program and save for retirement, was implemented.

During the fall, added emphasis was placed on educational initiatives. Program staff, company representatives, and TSARC members participated in campus presentations, as well as many benefits fairs. Earning statement messages to all employees, including most student hourlies, have been increased from once to three times per year

TSA Review Committee members Kevin Bahr and Kate Kelley volunteered their time to participate in campus workshops. Benefits staff at the campuses made numerous presentations and facilitated appearances by guests.

Our authorized TSA investment companies, in particular TIAA-CREF, continued to offer very popular individual counseling sessions. In 2007 a total of over 150 days of counseling were provided at all the UW institutions including some of the two-year campuses, reaching more than 2,500 employees – 500 more than in 2006.

Education and communication will be a major concentration for Program staff and the TSARC in the coming year. In addition, the TSA Review Committee and staff will be focused on implementing the Final 403(b) Regulations, which were issued in July of 2007.

Participation

In 2007, the UW 403(b) Program saw a slight drop in the total number of contributors. Total participation decreased from 11,432 in 2006 to 11,420 in 2007. The number of TSA participants who are also WRS eligible declined as well from 11,236 in 2006 to 11,211 in 2007.

Lower participation appears to be due to several factors: a continued fairly high number of retirements and other terminations in 2006 (680 in 2006 and 776 in 2005, compared with 621 in 2003 – figures are not available for 2004), not quite as many employees joining the program in 2007 (896 in 2006 versus 1,038 in 2004) and considerably fewer TSA participants continuing from 2006 (11,275 in 2006 and 11,385 in 2005 opposed to 11,794 in 2004).

Actions taken to improve the plan may have temporarily contributed to a decline in participation. American United Life and Scudder were discontinued as offerings in the 403(b) plan in 2006. Participants were notified of this in two letters, and the transition was a smooth one; however, the 266 participants who contributed to these companies in 2006 may not have found a home with another investment company. This may explain the smaller number of TSA contributors continuing in the program from 2006 to 2007.

Contribution Patterns

Slightly more than 34% of all permanent employees, and over 42% of those between age 50 and 69, participated in the Program. On average, participants contributed 10.72% of salary an increase over last year's 10.64%. However, there were marked differences among groups of contributors. Although the average TSA contribution was \$6,766, 13.5% of participants contributed \$1,000 or less, and over 55% – well over half of our participants – contributed \$5,000 or less. Over 29% of participants contributed more than \$9,000 and over 24% contributed more than \$11,000. Over half (52%) of all our 2007 contributions came from the 20.1% of contributors who deferred over \$13,000 in the year.

Asset Allocation

In 2007 TSA participants continued the pattern of slightly decreased exposure to Large-cap funds, with somewhat increased contributions to Mid-Cap and Foreign funds. Large-cap stock funds attracted 34.44% of current contributions, compared to 34.71% in 2006 and 38.36% in 2005 and 41.21% in 2004; they now make up 37.41% of plan assets, down from 38.57% in 2006, 39.18% in 2005, and 40.89% in 2004.

Investments in fixed annuities continued to decline a bit while money market funds saw a very slight increase. Fixed annuities now make up slightly over 12% of contributions; contributions to money market funds constitute 3.6%. Together these very conservative investments attract almost 16% of current contributions and represent 23.6% of assets.

Balanced funds, which include many lifecycle or target date funds, increased to 15.37% of all contributions. Bond funds continued to be somewhat more popular than in the past, accounting for 6.64% of contributions.

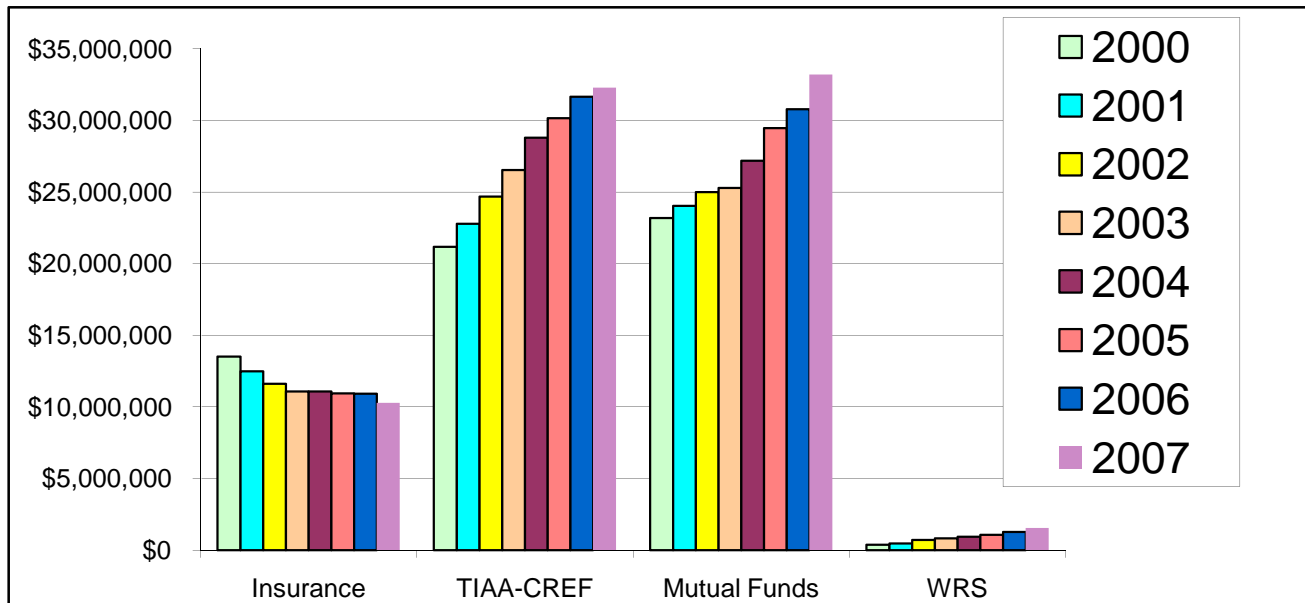
In 2007, contributions to specialty or sector funds declined slightly. Although Real Estate funds continue to be the most popular specialty fund by far, contributions to them dropped last year by 10% compared to 2006 levels. Still, again in 2007, as in 2005 and 2006, there were more contributions to Real Estate funds than there were to Small-Cap funds.

2004-2007 PLAN ASSETS AND ANNUAL CONTRIBUTIONS BY INVESTMENT COMPANY

	TOTAL ASSETS (Company Reported)				ANNUAL CONTRIBUTIONS (UW Payroll Records)				
	2007	2006	2005	2004	2007	2007 - Vendor Reported	2006	2005	2004
INSURANCE									
AULIC		\$ 12,573,419.69	\$ 20,015,176.90	\$ 18,944,113.41			\$ 639,776.56	\$ 719,029.66	\$ 746,910.85
IDS	\$ 99,957,048.45	\$ 85,311,252.54	\$ 76,581,038.10	\$ 71,183,261.41	\$ 5,752,049.88	\$ 5,564,066.52	\$ 5,637,908.95	\$ 5,496,467.79	\$ 5,526,498.26
LINCOLN	\$ 174,179,605.88	\$ 175,030,364.11	\$ 166,830,562.22	\$ 161,141,665.00	\$ 4,525,824.06	\$ 5,499,802.88	\$ 4,648,096.98	\$ 4,730,585.23	\$ 4,807,742.96
TIAA-CREF	\$ 713,086,061.00	\$ 691,216,469.74	\$ 621,392,428.00	\$ 573,485,586.00	\$ 32,268,885.56	\$ 32,378,300.00	\$ 31,641,246.46	\$ 30,148,167.03	\$ 28,782,327.79
Sub-Total	\$ 987,222,715.33	\$ 964,131,506.08	\$ 884,819,205.22	\$ 824,754,625.82	\$ 42,546,759.50	\$ 43,442,169.40	\$ 42,567,028.95	\$ 41,094,249.71	\$ 39,863,479.86
WRS CORE	\$ 21,575,885.62	\$ 19,460,478.74	\$ 17,825,003.00	\$ 16,215,632.00	\$ 1,469,068.39	\$ 1,362,444.41	\$ 1,235,741.73	\$ 1,046,181.25	\$ 898,231.76
WRS VARIABLE	\$ 6,852,375.50	\$ 8,624,286.04	\$ 8,472,210.00	\$ 6,856,367.00	\$ 65,998.60	\$ 155,882.58	\$ 40,090.04	\$ 20,800.69	\$ 44,568.00
Sub-Total	\$ 28,428,261.12	\$ 28,084,764.78	\$ 26,297,213.00	\$ 23,071,999.00	\$ 1,535,066.99	\$ 1,518,326.99	\$ 1,275,831.77	\$ 1,066,981.94	\$ 942,799.76
MUTUAL FUNDS									
DREYFUS	\$ 7,055,779.21	\$ 6,924,079.04	\$ 6,264,716.23	\$ 6,022,179.71	\$ 459,917.98	\$ 580,153.08	\$ 439,926.91	\$ 395,649.26	\$ 496,158.55
FIDELITY	\$ 437,267,896.51	\$ 384,974,986.50	\$ 366,661,243.80	\$ 318,093,560.19	\$ 23,494,671.28	\$ 23,427,783.50	\$ 21,839,800.17	\$ 20,024,395.50	\$ 18,300,712.60
SCUDDER		\$ 7,239,947.34	\$ 8,337,619.47	\$ 8,275,412.99			\$ 375,150.00	\$ 477,081.66	\$ 502,279.70
STRONG/WELLS FARGO			\$ 12,468,361.90	\$ 15,385,730.02				\$ 1,348,592.41	\$ 1,648,870.62
T ROWE PRICE	\$ 142,716,142.95	\$ 125,036,187.88	\$ 105,425,450.11	\$ 81,716,657.20	\$ 9,235,084.96	\$ 9,519,567.74	\$ 8,112,694.84	\$ 7,225,086.10	\$ 6,237,431.01
Sub-Total	\$ 587,039,818.67	\$ 524,175,200.76	\$ 499,157,391.51	\$ 429,493,540.11	\$ 33,189,674.22	\$ 33,527,504.32	\$ 30,767,571.92	\$ 29,470,804.93	\$ 27,185,452.48
TOTAL	\$ 1,602,690,795.12	\$ 1,516,391,471.62	\$ 1,410,273,809.73	\$ 1,277,320,164.93	\$ 77,271,500.71	\$ 78,488,000.71	\$ 74,610,432.64	\$ 71,632,036.58	\$ 67,991,732.10

Note: American United Life, Scudder, and Wells Fargo are no longer investment options, but past records have been retained for comparison.

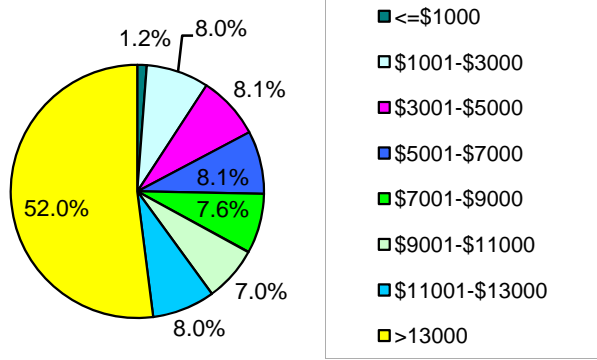
Annual Contributions by Investment Company Type - 2000-2007



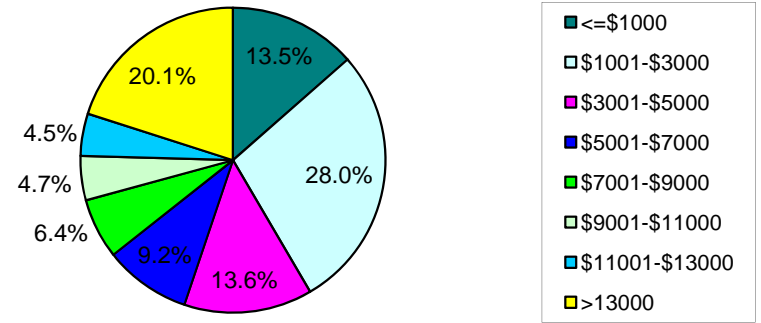
	2000	2001	2002	2003	2004	2005	2006	2007
Insurance	\$ 13,514,690.14	\$ 12,477,205.64	\$ 11,607,894.95	\$ 11,070,814.35	\$ 11,081,152.07	\$ 10,946,082.68	\$ 10,925,782.49	\$ 10,277,873.94
TIAA-CREF	\$ 21,177,054.09	\$ 22,791,623.74	\$ 24,671,510.50	\$ 26,535,832.23	\$ 28,782,327.79	\$ 30,148,167.03	\$ 31,641,246.46	\$ 32,268,885.56
Mutual Funds	\$ 23,179,324.42	\$ 24,035,932.66	\$ 24,998,862.98	\$ 25,293,909.16	\$ 27,185,452.48	\$ 29,470,804.93	\$ 30,767,571.92	\$ 33,189,674.22
WRS	\$ 372,437.88	\$ 471,940.02	\$ 715,325.60	\$ 827,864.82	\$ 942,799.76	\$ 1,066,981.94	\$ 1,275,831.77	\$ 1,535,066.99
	\$ 58,243,506.53	\$ 59,776,702.06	\$ 61,993,594.03	\$ 63,728,420.56	\$ 67,991,732.10	\$ 71,632,036.58	\$ 74,610,432.64	\$ 77,271,500.71

Source: UW Payroll records

2007 Contributions by Size of Deferral



2007 Participants by Size of Deferral



Contributions

	2002	2003	2004	2005	2006	2007
<=\$1000	\$ 949,317	\$ 937,293	\$ 938,220	\$ 952,084	\$ 853,911	\$ 911,336
\$1001-\$3000	\$ 7,043,496	\$ 6,723,708	\$ 6,597,321	\$ 6,619,715	\$ 6,456,818	\$ 6,183,314
\$3001-\$5000	\$ 7,119,702	\$ 6,842,978	\$ 6,648,217	\$ 6,584,332	\$ 6,310,600	\$ 6,245,585
\$5001-\$7000	\$ 6,644,102	\$ 6,263,919	\$ 5,955,554	\$ 6,104,231	\$ 6,067,615	\$ 6,224,667
\$7001-\$9000	\$ 7,118,276	\$ 6,547,580	\$ 6,618,616	\$ 6,297,185	\$ 5,828,533	\$ 5,896,138
\$9001-\$11000	\$ 16,442,694	\$ 10,429,985	\$ 8,433,796	\$ 7,120,324	\$ 6,214,060	\$ 5,433,385
\$11001-\$13000	\$ 10,687,609	\$ 11,190,369	\$ 12,801,966	\$ 8,281,707	\$ 6,745,273	\$ 6,203,835
>13000	\$ 5,820,818	\$ 14,648,479	\$ 19,913,941	\$ 29,739,821	\$ 36,133,623	\$ 40,173,242
Total	\$ 61,826,014	\$ 63,584,311	\$ 67,907,631	\$ 71,699,399	\$ 74,610,433	\$ 77,271,501
Average	\$ 5,166	\$ 5,471	\$ 5,824	\$ 6,115	\$ 6,526	\$ 6,766
Median	\$ 3,612	\$ 3,900	\$ 3,900	\$ 3,986	\$ 4,200	\$ 4,200

Number of Contributors

	2002	2003	2004	2005	2006	2007
<=\$1000	1,604	1,580	1,606	1,621	1,495	1,545
\$1001-\$3000	3,698	3,509	3,436	3,444	3,367	3,202
\$3001-\$5000	1,764	1,695	1,642	1,624	1,548	1,553
\$5001-\$7000	1,120	1,058	1,013	1,032	1,022	1,049
\$7001-\$9000	890	817	825	785	725	731
\$9001-\$11000	1,594	1,022	831	704	615	537
\$11001-\$13000	889	930	1,035	679	555	512
>13000	408	1,012	1,275	1,835	2,105	2,291
Total	11,967	11,623	11,663	11,724	11,432	11,420

In 2007, 920 participants contributed \$19,000 or more.

PARTICIPANT CHARACTERISTICS 2000-2007

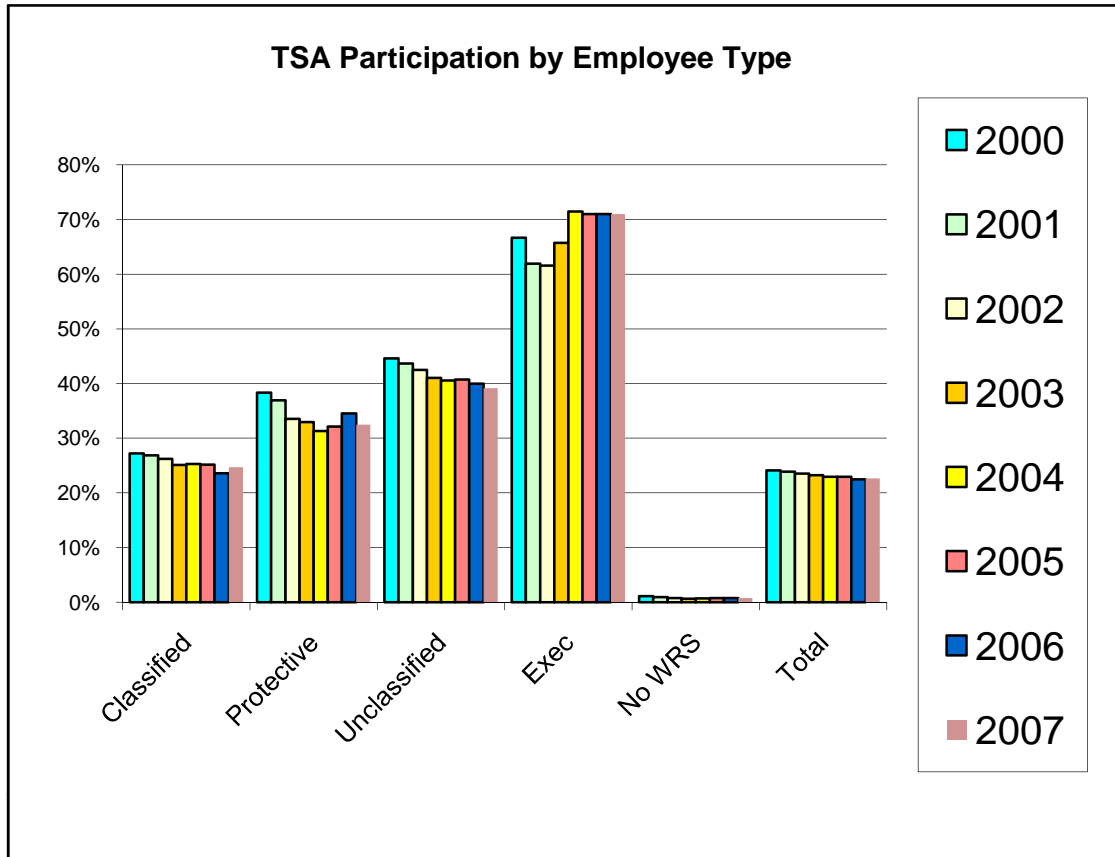
NUMBER

	Unclassified		Executives		Classified		Protectives		No WRS		Total	
	TSA Part.	All Emp.	TSA Part.	All Emp.	TSA Part.	All Emp.	TSA Part.	All Emp.	TSA Part.	All Emp.	TSA Part.	All Emp.
2000	8,523	19,104	24	36	3,372	12,392	64	167	212	18,896	12,195	50,595
2001	8,580	19,658	26	42	3,348	12,472	62	168	179	18,807	12,195	51,147
2002	8,496	19,996	24	39	3,267	12,454	59	176	137	18,224	11,983	50,889
2003	8,317	20,283	24	36	3,120	12,431	60	182	112	17,201	11,633	50,133
2004	8,309	20,496	25	35	3,158	12,495	57	182	122	17,642	11,671	50,850
2005	8,407	20,636	22	31	3,102	12,337	62	193	131	17,861	11,724	51,058
2006	8,308	20,772	22	31	2,904	12,325	66	191	132	17,504	11,432	50,823
2007	8,213	20,986	22	31	2,998	12,153	62	191	125	17,023	11,420	50,384

AVERAGE SALARY

	Unclassified		Executives		Classified		Protectives		No WRS		Total	
	TSA Part.	All Emp.	TSA Part.	All Emp.	TSA Part.	All Emp.	TSA Part.	All Emp.	TSA Part.	All Emp.	TSA Part.	All Emp.
2000	\$ 59,351	\$ 46,998	\$ 137,453	\$ 135,344	\$ 32,424	\$ 24,743	\$ 45,349	\$ 39,538	\$ 19,268	\$ 4,458	\$ 51,299	\$ 26,995
2001	\$ 62,266	\$ 49,086	\$ 127,818	\$ 129,209	\$ 34,598	\$ 26,233	\$ 50,931	\$ 43,099	\$ 20,339	\$ 4,125	\$ 54,170	\$ 29,176
2002	\$ 64,219	\$ 50,594	\$ 149,742	\$ 143,768	\$ 35,189	\$ 26,815	\$ 51,013	\$ 43,551	\$ 19,611	\$ 4,276	\$ 55,949	\$ 30,545
2003	\$ 66,468	\$ 51,774	\$ 161,895	\$ 160,550	\$ 38,351	\$ 29,050	\$ 54,691	\$ 46,652	\$ 19,786	\$ 4,589	\$ 58,838	\$ 32,313
2004	\$ 66,835	\$ 52,121	\$ 163,099	\$ 161,202	\$ 38,932	\$ 29,067	\$ 54,625	\$ 45,829	\$ 16,271	\$ 4,602	\$ 59,009	\$ 29,617
2005	\$ 67,454	\$ 52,914	\$ 174,528	\$ 168,629	\$ 39,079	\$ 30,141	\$ 56,195	\$ 44,175	\$ 19,511	\$ 4,785	\$ 59,501	\$ 32,956
2006	\$ 69,053	\$ 53,879	\$ 174,919	\$ 178,377	\$ 41,735	\$ 31,743	\$ 60,699	\$ 47,862	\$ 20,292	\$ 4,174	\$ 61,520	\$ 32,517
2007	\$ 70,820	\$ 55,359	\$ 191,384	\$ 188,095	\$ 42,977	\$ 33,093	\$ 64,527	\$ 50,621	\$ 18,936	\$ 4,418	\$ 63,120	\$ 33,775

NOTE: 2000 salaries are understated because 1999 unclassified staff salary increases were delayed until March, 2000.



	Classified	Protective	Unclassified	Exec	No WRS	Total	N
2000	27.21%	38.32%	44.61%	66.67%	1.12%	24.10%	50,595
2001	26.84%	36.90%	43.66%	61.90%	0.95%	23.85%	51,147
2002	26.23%	33.52%	42.49%	61.54%	0.76%	23.55%	50,889
2003	25.10%	32.97%	41.02%	65.70%	0.65%	23.21%	50,133
2004	25.27%	31.32%	40.54%	71.43%	0.69%	22.95%	50,850
2005	25.14%	32.12%	40.74%	70.97%	0.73%	22.96%	51,058
2006	23.56%	34.55%	40.00%	70.97%	0.75%	22.49%	50,823
2007	24.67%	32.46%	39.14%	70.97%	0.73%	22.67%	50,384

Source: UW Payroll records

2007 UW TSA Program Participation by Unit and Age

WRS-Covered Employees Only														All WRS Employees	2007 Percent	2006 Percent	2005 Percent	2004 Percent
<20	20-29	30-39	40-49	50-59	60-69	70-79	80+	2007 Total	2006 Total	2005 Total	2004 Total							
Madison	112.	771.	1,459.	2,116.	908.	73.	2.	5,441	5,466	5,631	5,673	15,699	34.66%	34.31%	35.45%	35.41%		
Milwaukee	21.	167.	277.	448.	232.	11.		1,156	1,157	1,166	1,148	3,577	32.32%	32.80%	33.28%	32.59%		
Eau Claire	11.	50.	123.	235.	104.	2.		525	521	519	531	1,323	39.68%	39.86%	40.05%	39.89%		
Green Bay	14.	37.	63.	97.	35.	2.		248	253	261	257	655	37.86%	37.82%	38.21%	37.03%		
La Crosse	6.	46.	102.	163.	84.			401	410	426	441	1,063	37.72%	38.75%	41.12%	40.05%		
Oshkosh	8.	59.	117.	181.	105.	2.		472	477	495	490	1,536	30.73%	31.65%	32.80%	32.05%		
Parkside	4.	25.	56.	69.	41.	3.		198	190	199	203	629	31.48%	29.50%	31.54%	31.82%		
Platteville	10.	43.	53.	112.	46.	4.		268	265	269	267	920	29.13%	29.22%	30.19%	30.10%		
River Falls	4.	37.	51.	120.	48.		1.	261	250	259	266	811	32.18%	32.09%	33.72%	35.23%		
Stevens Point	7.	47.	96.	186.	92.	2.		430	439	451	463	1,202	35.77%	36.74%	37.99%	38.87%		
Stout	2.	34.	78.	128.	71.	1.		314	329	345	356	1,162	27.02%	28.76%	30.64%	30.82%		
Superior	4.	12.	37.	50.	31.	2.		136	139	142	142	425	32.00%	32.63%	32.79%	31.98%		
Whitewater	8.	70.	91.	164.	86.	4.		423	412	414	397	1,163	36.37%	35.61%	35.11%	34.19%		
Colleges	5.	45.	78.	109.	79.	6.		322	305	299	294	1,210	26.61%	25.25%	24.31%	25.19%		
Extension	7.	65.	136.	216.	63.	3.		490	494	496	502	1,365	35.90%	35.11%	36.96%	36.62%		
System	5.	10.	20.	30.	7.	1.		73	67	71	80	122	59.84%	58.26%	57.72%	51.28%		
System-wide		5.	15.	23.	10.			53	62	69	39	103	51.46%	45.93%	45.10%	46.43%		
	-	228.	1,523.	2,852.	4,447.	2,042.	116.	3.	11,211	11,236	11,512	11,549	32,965	34.01%	33.93%	34.91%	34.78%	

2005 TSA Participation including those without WRS - 11,724

2006 TSA Participation including those without WRS - 11,432

2007 TSA Participation including those without WRS - 11,420

Participation by Age

Age	<20	20-29	30-39	40-49	50-59	60-69	70-79	80+	Unknown	2007 Total	2006 Total	2005 Total	2004 Total	2003 Total	2002 Total
TSA Participants	-	219	1,480	2,911	4,557	1,949	118	2	-	11,211	11,236	11,512	11,549	11,518	11,845
All WRS Employees	4	2354	6381	8600	10728	4583	296	19		32,965	33,117	32,974	33,208	32,932	32,665
Percent	0.00%	9.30%	23.19%	33.85%	42.48%	42.53%	39.86%	10.53%	0.00%	34.01%	33.93%	34.91%	34.78%	34.98%	36.26%

Source: UW Payroll records

2007 Investment Company Selection - Employees Joining or Leaving the Program or Company

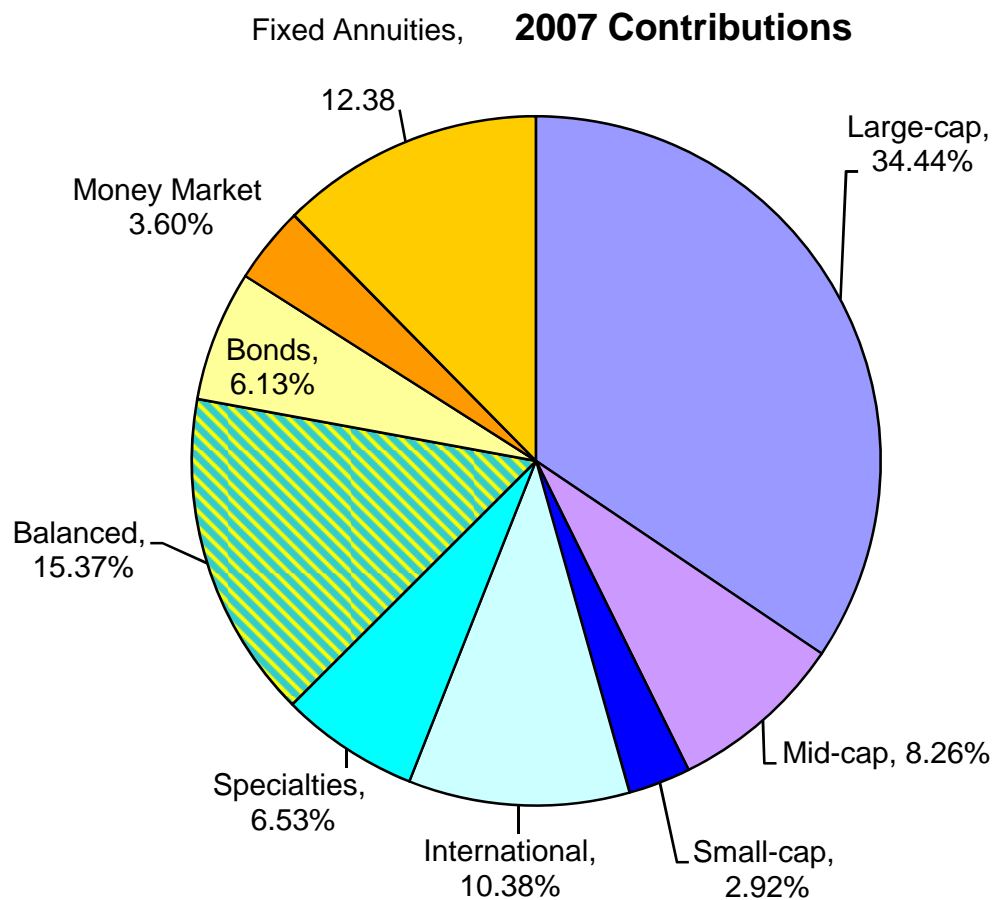
Authorized Vendors	On-Going		New Customers			On-Going		All TSA Deferrals* (2007)	
	All TSA Deferrals* (2006)	TSA Deferrals continuing in 2007	New Hires, joined Program in 2007	Current Employees, joined or rejoined Program in 2007	TSA Participants, added new vendor in 2007	Terminated Employment in 2006	Discontinued All TSA Deferrals in 2006		TSA Participants, dropped vendor in 2006
AUL	132					12	39	81	0
IDS	1225	1,097	1	39	17	67	41	20	1154
Lincoln	992	898	3	29	26	51	30	13	956
Dreyfus	110	90	3	16	4	3	7	10	113
Fidelity	3344	3,020	69	262	66	186	104	34	3415
Scudder	134	129				7	17	110	0
T Rowe Price	1295	1,174	35	132	62	64	41	16	1400
TIAA-CREF SRA	5041	4,564	116	321	43	276	140	61	5043
TIAA-CREF RA	55	49	1		5	2	1	3	55
WRS - fixed	273	235	13	55	25	12	19	7	328
WRS - variable	20	19	2	2	3		1		26
Total*	12,621	11,275	243	856	251	680	440	355	12,490

*some participants have more than one vendor selection

Source: UW Payroll Records

Note: totals are not exact due to discrepancies in the data.

Allocation of Contributions and Assets



	<u>2007 Contr.</u>	<u>2006 Contr.</u>	<u>2007 Assets</u>	<u>2006 Assets</u>
Large-cap Value	\$ 3,222,191.31	\$ 3,055,524.14	\$ 59,491,504.58	\$ 60,616,975.16
Large-cap Blend	\$ 14,654,392.45	\$ 17,843,843.60	\$ 345,728,272.62	\$ 429,679,837.41
Large-cap Growth	\$ 9,155,579.94	\$ 6,684,262.30	\$ 194,419,896.98	\$ 94,500,288.98
	34.44%	34.71%	37.41%	38.57%
Mid-cap Value	\$ 2,183,891.26	\$ 1,618,625.08	\$ 37,628,022.89	\$ 24,046,829.05
Mid-cap Blend	\$ 2,081,833.51	\$ 2,272,008.86	\$ 37,544,206.80	\$ 46,456,480.72
Mid-cap Growth	\$ 2,218,161.75	\$ 2,367,781.91	\$ 31,916,686.12	\$ 33,339,633.27
	8.26%	7.88%	6.68%	6.85%
Small-cap Value	\$ 708,960.27	\$ 1,050,799.30	\$ 10,475,042.75	\$ 14,987,715.86
Small-cap Blend	\$ 723,642.56	\$ 363,518.45	\$ 7,509,055.90	\$ 3,547,449.59
Small-cap Growth	\$ 855,456.88	\$ 1,240,816.93	\$ 16,768,639.53	\$ 19,497,184.75
	2.92%	3.34%	2.17%	2.51%
Europe Stock	\$ 273,913.25	\$ 241,867.28	\$ 4,734,260.47	\$ 4,864,458.50
Latin Amer. Stock	\$ 258,671.42	\$ 139,770.54	\$ 6,901,364.60	\$ 4,351,197.86
Divers. EmERGE. Mkts	\$ 439,234.70	\$ 339,768.92	\$ 8,028,356.68	\$ 4,833,258.48
Divers. Pacific Stock	\$ 57,769.46	\$ 61,707.90	\$ 1,964,755.50	\$ 989,051.46
Pacific ex-Japan Stock	\$ 227,334.10	\$ 119,651.90	\$ 6,654,017.11	\$ 3,644,976.93
Japan Stock	\$ 48,191.99	\$ 97,160.62	\$ 1,277,446.75	\$ 1,538,521.43
Foreign Stock	\$ 4,292,420.49	\$ 3,742,016.35	\$ 80,338,516.16	\$ 62,014,370.88
World Stock	\$ 2,547,233.26	\$ 2,676,869.47	\$ 49,621,836.62	\$ 44,744,510.35
	10.38%	9.34%	9.95%	8.37%

Allocation of Contributions and Assets, cont.

	<u>2007 Contr.</u>	<u>2006 Contr.</u>	<u>2007 Assets</u>	<u>2006 Assets</u>
Conservative Allocation	\$ 102,900.46	\$ 114,928.51	\$ 1,748,601.57	\$ 1,385,541.53
Moderate Allocation	\$ 7,070,447.03	\$ 7,114,033.04	\$ 109,655,205.98	\$ 108,443,694.29
Target Retirement Date	\$ 4,790,045.16	\$ 3,300,571.01	\$ 31,524,575.49	\$ 16,539,737.47
Convertible Bond	\$ 61,218.22	\$ 48,204.05	\$ 2,190,971.91	\$ 1,600,465.66
World Allocation	\$ 37,467.79	\$ 42,137.10	\$ 212,019.49	\$ 80,510.93
	15.37%	13.36%	9.07%	8.44%
Long Government	\$ 32,369.75	\$ 29,341.88	\$ 512,338.64	\$ 434,781.76
Intermediate Govt	\$ 287,392.27	\$ 319,182.99	\$ 5,509,538.80	\$ 4,894,970.88
Short Government	\$ 23,837.61	\$ 31,562.99	\$ 574,278.60	\$ 546,832.66
Long-Term Bond	\$ 10,379.44	\$ 173,401.83	\$ 123,737.32	\$ 2,324,268.53
Intermediate-Term Bond	\$ 2,361,182.28	\$ 2,611,565.19	\$ 40,228,017.09	\$ 29,616,764.78
Short-Term Bond	\$ 208,644.36	\$ 232,448.33	\$ 3,952,545.34	\$ 4,876,777.13
Ultrashort Bond	\$ 19,743.89	\$ 29,801.11	\$ 262,003.31	\$ 479,400.44
Inflation Protected Bo	\$ 849,122.38	\$ 1,040,825.30	\$ 13,967,648.34	\$ 10,698,756.97
High-Yield Bond	\$ 324,904.21	\$ 303,291.87	\$ 5,810,533.11	\$ 5,343,957.49
Multisector Bond	\$ 459,821.08	\$ 312,507.10	\$ 9,549,492.23	\$ 5,849,175.52
International Bond	\$ 49,579.57	\$ 56,721.18	\$ 1,313,573.87	\$ 868,966.07
Emerging Mkt Bond	\$ 92,246.87	\$ 111,519.18	\$ 1,346,812.61	\$ 1,392,158.42
World Bond	\$ 27,048.36	\$ 23,001.74	\$ 698,652.52	\$ 528,423.37
Bank Loan	\$ 63,813.63	\$ -	\$ 1,033,867.09	\$ -
	6.13%	6.64%	5.30%	4.47%
Special.-Communications	\$ 144,767.66	\$ 136,335.35	\$ 3,050,479.31	\$ 2,645,910.02
Special.-Financial	\$ 135,039.92	\$ 116,728.44	\$ 1,929,725.06	\$ 2,918,961.82
Special.-Health	\$ 516,249.12	\$ 585,586.93	\$ 8,125,477.87	\$ 8,138,433.99
Special.-Nat. Resources	\$ 585,897.79	\$ 480,872.97	\$ 17,730,425.38	\$ 11,498,078.11
Special.-Prec. Metals	\$ 69,124.10	\$ 124,622.95	\$ 1,759,439.36	\$ 2,017,735.45
Special.-Real Estate	\$ 2,915,135.50	\$ 3,239,653.38	\$ 43,567,293.99	\$ 39,288,785.44
Special.-Technology	\$ 552,137.52	\$ 640,915.15	\$ 12,091,995.12	\$ 11,371,682.25
Special.-Utilities	\$ 204,187.81	\$ 155,452.55	\$ 5,085,978.71	\$ 3,112,552.92
	6.53%	6.90%	5.82%	5.34%
Money Market	\$ 2,829,131.84	\$ 2,733,314.33	\$ 46,823,276.01	\$ 36,003,850.41
	3.60%	3.44%	2.92%	2.37%
Fixed Annuities	\$ 9,715,286.49	\$ 11,434,102.15	\$ 331,310,407.94	\$ 349,043,440.33
	12.38%	14.39%	20.67%	23.02%
Grandfathered variable	\$ -	\$ 2,520.00	\$ -	\$ 794,116.29
	0.00%	0.00%	0.00%	0.05%
Total	\$ 78,488,000.71	\$ 79,461,142.15	\$ 1,602,690,794.12	\$ 1,516,391,471.62

Source: Investment company reporting

50 Most-Used Funds Based on 2007 Contributions

	Company	Fund Name	Ticker	Fund Type	2007 Contributions	2007 Assets
1	TIAA-CREF	TIAA Traditional Annuity		Fixed	\$ 8,594,823.00	\$ 271,604,913.00
2	TIAA-CREF	CREF Stock		Large Blend	\$ 7,282,932.00	\$ 211,670,002.00
3	TIAA-CREF	CREF Social Choice		Moderate Allocation	\$ 2,579,734.00	\$ 34,998,547.00
4	TIAA-CREF	CREF Global Equities		World Stock	\$ 2,353,208.00	\$ 44,925,976.00
5	Fidelity	Fidelity <i>Contrafund</i> [®]	FCNTX	Large Growth	\$ 2,349,246.50	\$ 55,364,467.81
6	TIAA-CREF	TIAA Real Estate		Specialty-Real Estate	\$ 2,251,348.00	\$ 35,635,744.00
7	TIAA-CREF	CREF Growth		Large Growth	\$ 2,179,405.00	\$ 33,796,148.00
8	TIAA-CREF	CREF Equity Index		Large Blend	\$ 1,890,760.00	\$ 30,032,452.00
9	WRS	WRS Core (Fixed)		Moderate Allocation	\$ 1,469,068.39	\$ 21,575,885.62
10	TIAA-CREF	CREF Bond		Intermediate-Term Bond	\$ 1,022,698.00	\$ 13,377,866.00
11	Fidelity	Fidelity Low-Priced Stock Fund (Closed)	FLPSX	Mid-Cap Blend	\$ 1,017,338.62	\$ 18,778,157.82
12	Fidelity	Fidelity Balanced Fund	FBALX	Moderate Allocation	\$ 925,440.00	\$ 11,257,390.05
13	Lincoln	Lincoln Fixed		Fixed	\$ 831,283.35	\$ 52,105,886.60
14	T. Rowe Price	T. Rowe Price Capital Appreciation	PRWCX	Moderate Allocation	\$ 791,885.67	\$ 8,836,384.47
15	T. Rowe Price	T. Rowe Price Equity Income	PRFDX	Large Value	\$ 757,510.00	\$ 12,532,635.08
16	Fidelity	Fidelity Diversified International Fund	FDIVX	Foreign Large Growth	\$ 741,677.84	\$ 14,924,131.58
17	Fidelity	Fidelity <i>Magellan</i> [®] Fund	FMAGX	Large Growth	\$ 732,447.21	\$ 27,855,814.62
18	TIAA-CREF	CREF Inflation-linked Bond		Inflation Protected Bond	\$ 690,820.00	\$ 9,570,701.00
19	TIAA-CREF	CREF Money Market		Money Market	\$ 641,878.00	\$ 9,674,011.00
20	Fidelity	Fidelity Blue Chip Growth Fund	FBGRX	Large Growth	\$ 608,664.96	\$ 9,786,919.62
21	T. Rowe Price	T. Rowe Price Mid-Cap Growth	RPMGX	Mid-Cap Growth	\$ 587,569.85	\$ 8,179,920.93
22	Fidelity	Fidelity Cash Reserves	FDRXX	Money Market	\$ 585,423.24	\$ 10,172,459.23
23	Fidelity Spartan	Spartan [®] 500 Index Fund - Investor Class	FSMKX	Large Blend	\$ 575,390.08	\$ 6,654,837.81
24	Fidelity	Fidelity Equity-Income Fund	FEQIX	Large Value	\$ 530,839.15	\$ 14,221,455.96
25	Fidelity	Fidelity Freedom 2020 Fund [®]	FFFDX	Target Date 2015-2029	\$ 530,545.27	\$ 4,989,436.62
26	Fidelity	Fidelity Growth & Income Portfolio	FGRIX	Large Blend	\$ 505,948.05	\$ 12,395,766.07
27	TIAA-CREF	International Equity Index	TRIEX	Foreign Large Blend	\$ 488,337.00	\$ 4,772,260.00
28	Fidelity	Fidelity Value Fund	FDVLX	Mid-Cap Value	\$ 480,807.78	\$ 11,072,277.10
29	Fidelity	Fidelity <i>Puritan</i> [®] Fund	FPURX	Moderate Allocation	\$ 465,011.05	\$ 13,468,657.41
30	Fidelity	Fidelity Mid-Cap Stock Fund	FMCSX	Mid-Cap Growth	\$ 444,926.12	\$ 5,971,810.78
31	Fidelity	Fidelity Growth Company Fund	FDGRX	Large Growth	\$ 434,073.47	\$ 10,069,161.05
32	Lincoln	American Funds Growth		Large Growth	\$ 431,460.00	\$ 9,884,559.96
33	Ameriprise	<i>RiverSource</i> [®] VP - Diversified Equity Income		Large Value	\$ 406,112.99	\$ 7,441,870.40
34	T. Rowe Price	T. Rowe Price Mid-Cap Value	TRMCX	Mid-Cap Value	\$ 404,873.39	\$ 4,101,435.50
35	Ameriprise	<i>RiverSource</i> [®] VP - Large Cap Equity Fund		Large Blend	\$ 404,061.91	\$ 6,863,566.87
36	T. Rowe Price	T. Rowe Price Retirement 2020	TRRBX	Target Date 2015-2029	\$ 395,506.72	\$ 2,036,259.60
37	T. Rowe Price	T. Rowe Price Small-Cap Value	PRSVX	Small Value	\$ 393,005.18	\$ 5,421,033.47
38	Fidelity	Fidelity Dividend Growth Fund	FDGFX	Large Blend	\$ 392,795.69	\$ 5,333,466.78
39	Lincoln	LVIP Delaware Social Awareness		Large Blend	\$ 367,979.05	\$ 11,139,024.43
40	T. Rowe Price	T. Rowe Price Blue Chip Growth	TRBCX	Large Growth	\$ 365,242.85	\$ 5,516,554.32
41	Fidelity	Fidelity Retirement Government Money Market	FGMXX	Money Market	\$ 359,829.60	\$ 2,184,857.51
42	Fidelity	Fidelity <i>New Millennium Fund</i> [®]	FMILX	Mid-Cap Growth	\$ 353,343.02	\$ 6,095,234.16
43	T. Rowe Price	T. Rowe Price Prime Reserve	PRRXX	Money Market	\$ 335,538.95	\$ 4,479,226.29
44	T. Rowe Price	T. Rowe Price Equity Index 500	PREIX	Large Blend	\$ 329,542.86	\$ 4,751,550.64
45	Fidelity Spartan	Spartan [®] U.S. Equity Index Fund	FUSEX	Large Blend	\$ 329,362.46	\$ 7,227,957.96
46	Fidelity Spartan	Spartan [®] Total Market Index Fund	FSTMX	Large Blend	\$ 311,716.19	\$ 6,622,894.97
47	Fidelity	Fidelity Freedom 2015 Fund [®]	FFVFX	Target Date 2015-2029	\$ 302,408.53	\$ 2,700,240.35
48	Fidelity	Fidelity International Discovery Fund	FIGRX	Foreign Large Blend	\$ 301,530.92	\$ 5,309,763.88
49	Fidelity	Fidelity Capital Appreciation Fund	FDCAX	Large Growth	\$ 299,078.74	\$ 4,846,017.46
50	Lincoln	American Funds International		Foreign Large Blend	\$ 289,246.03	\$ 7,628,335.43
Total of Top 50 Funds					\$ 52,113,674.68	\$ 1,139,855,926.21

50 Most-Used Funds Based on 2006 Contributions

For Comparison

	Company	Fund Name	Ticker	Fund Type	2006 Contributions	2006 Assets
1	TIAA-CREF	TIAA Traditional Annuity		Fixed	\$ 10,344,190.67	\$ 278,944,853.94
2	TIAA-CREF	CREF Stock		Large Blend	\$ 6,170,639.62	\$ 213,901,850.96
3	TIAA-CREF	TIAA Real Estate		Specialty-Real Estate	\$ 2,563,974.10	\$ 29,583,938.96
4	TIAA-CREF	CREF Social Choice		Moderate Allocation	\$ 2,551,460.41	\$ 33,446,764.16
5	Fidelity	Fidelity <i>Contrafund</i> [®]	FCNTX	Large Blend	\$ 2,517,499.15	\$ 47,684,568.66
6	TIAA-CREF	CREF Growth		Large Growth	\$ 2,495,909.49	\$ 29,704,857.43
7	TIAA-CREF	CREF Global Equities		World Stock	\$ 2,463,108.36	\$ 40,965,226.31
8	TIAA-CREF	CREF Equity Index		Large Blend	\$ 2,200,855.59	\$ 29,878,449.01
9	Fidelity	Fidelity Low-Priced Stock Fund	FLPSX	Mid-Cap Blend	\$ 1,134,032.34	\$ 20,723,848.27
10	WRS	WRS Core (Fixed)		Moderate Allocation	\$ 1,132,789.71	\$ 19,460,478.74
11	TIAA-CREF	CREF Bond		Intermediate-Term Bond	\$ 1,097,892.37	\$ 11,542,763.37
12	Fidelity	Fidelity <i>Magellan</i> [®] Fund	FMAGX	Large Blend	\$ 926,198.15	\$ 27,490,644.88
13	TIAA-CREF	CREF Inflation-linked Bond		Inflation Protected Bond	\$ 880,036.41	\$ 7,635,128.80
14	Fidelity	Fidelity Balanced Fund	FBALX	Moderate Allocation	\$ 853,042.26	\$ 8,863,691.63
15	TRPrice	T. Rowe Price Capital Appreciation	PRWCX	Moderate Allocation	\$ 763,922.73	\$ 7,939,385.46
16	Fidelity	Fidelity Diversified International Fund	FDIVX	Foreign Large Growth	\$ 743,016.48	\$ 13,342,297.19
17	Fidelity	Fidelity Blue Chip Growth Fund	FBGRX	Large Growth	\$ 734,963.70	\$ 9,685,374.00
18	Fidelity	Fidelity Growth & Income Portfolio	FGRIX	Large Blend	\$ 676,652.31	\$ 14,293,577.96
19	TIAA-CREF	CREF Money Market		Money Market	\$ 672,050.63	\$ 8,073,395.24
20	Lincoln	Fixed Account		Fixed	\$ 627,536.01	\$ 55,751,359.21
21	TRPrice	T. Rowe Price Equity Income	PRFDX	Large Value	\$ 619,550.41	\$ 12,845,470.25
22	Lincoln	American Funds Growth		Large Growth	\$ 553,461.91	\$ 9,796,140.44
23	Fidelity	Fidelity Freedom 2015 Fund [®]	FFVFX	Target Date 2015-2029	\$ 544,728.40	\$ 1,583,652.06
24	Fidelity	Fidelity Value Fund	FDVLX	Mid-Cap Blend	\$ 542,477.26	\$ 12,154,282.45
25	TRPrice	T. Rowe Price Mid-Cap Growth	RPMGX	Mid-Cap Growth	\$ 536,687.40	\$ 6,984,528.22
26	Lincoln	Lincoln VIP Growth & Income		Large Blend	\$ 535,571.66	\$ 15,566,199.13
27	Ameriprise	RiverSource [®] VP - Balanced Fund		Moderate Allocation	\$ 528,799.35	\$ 10,308,532.13
28	Fidelity	Spartan [®] 500 Index Fund - Investor Class	FSMKX	Large Blend	\$ 524,221.29	\$ 6,088,436.27
29	Ameriprise	RiverSource [®] VP - Large Cap Equity Fund		Large Blend	\$ 523,938.66	\$ 9,677,128.65
30	Fidelity	Fidelity <i>Puritan</i> [®] Fund	FPURX	Moderate Allocation	\$ 518,547.17	\$ 12,834,349.73
31	Fidelity	Fidelity Cash Reserves	FDRXX	Money Market	\$ 517,724.90	\$ 8,726,167.22
32	Fidelity	Fidelity Growth Company Fund	FDGRX	Large Growth	\$ 487,410.83	\$ 8,659,173.13
33	Fidelity	Fidelity Equity-Income Fund	FEQIX	Large Value	\$ 487,185.47	\$ 16,007,397.92
34	Lincoln	Lincoln VIP Social Awareness		Large Blend	\$ 466,259.36	\$ 12,510,108.46
35	Fidelity	Fidelity Freedom 2020 Fund [®]	FFFDX	Target Date 2015-2029	\$ 460,393.87	\$ 3,132,449.98
36	Fidelity	Fidelity Mid-Cap Stock Fund	FMCSX	Mid-Cap Growth	\$ 451,661.27	\$ 5,782,279.37
37	Lincoln	Lincoln VIP Special Opportunities		Mid-Cap Value	\$ 438,075.29	\$ 9,489,185.35
38	Fidelity	Fidelity Dividend Growth Fund	FDGFX	Large Blend	\$ 433,737.00	\$ 6,075,787.83
39	Fidelity	Spartan [®] U.S. Equity Index Fund	FUSEX	Large Blend	\$ 397,466.97	\$ 7,176,967.10
40	Fidelity	Fidelity <i>New Millennium Fund</i> [®]	FMILX	Mid-Cap Growth	\$ 393,008.73	\$ 5,722,066.70
41	TRPrice	T. Rowe Price Prime Reserve	PRRXX	Money Market	\$ 382,624.70	\$ 3,620,624.64
42	TRPrice	T. Rowe Price Small-Cap Value	PRSVX	Small Value	\$ 375,379.13	\$ 5,752,950.32
43	Lincoln	American Funds International		Foreign Large Blend	\$ 350,192.86	\$ 6,397,685.98
44	Ameriprise	RiverSource [®] VP - Diversified Equity Income		Large Value	\$ 340,616.20	\$ 5,810,631.08
45	TRPrice	T. Rowe Price Equity Index 500	PREIX	Large Blend	\$ 334,787.06	\$ 4,351,095.78
46	Lincoln	Delaware Small Cap Value		Small Value	\$ 333,179.56	\$ 5,249,967.82
47	TRPrice	T. Rowe Price Mid-Cap Value	TRMCX	Mid-Cap Value	\$ 326,976.79	\$ 4,214,746.84
48	TRPrice	T. Rowe Price Blue Chip Growth	TRBCX	Large Growth	\$ 321,018.88	\$ 4,903,362.57
49	Fidelity	Fidelity Retirement Government Money Market	FGMXX	Money Market	\$ 319,154.22	\$ 1,701,021.34
50	Ameriprise	Fixed Account		Fixed	\$ 317,239.58	\$ 7,611,769.17
Total of Top 50 Funds					\$ 54,911,846.67	\$ 1,139,646,612.12

Educational Initiatives

In 2007 TSA Program staff continued to promote education efforts by providing support and resources for campus benefits staff, working with our investment companies, updating our written informational pieces, making more information available to employees on our web site, and emphasizing services to campuses where TSA participation is below average.

Achievements include the following:

- Encouraging investment company participation in educational efforts. Individual counseling sessions continued to be popular. In 2007 TIAA-CREF counseled 755 employees at all the campuses; Fidelity held 458 consultations in person and in telephone sessions; Lincoln met with 662 employees; Ameriprise met with 535 employees; Dreyfus counseled 166 employees at one-on-one sessions and held 11 workshops; and T. Rowe Price counseled 69 employees.
In 2007 a total of over 150 days of counseling were provided reaching almost 2,500 employees.
- Facilitating TSA investment companies participation in campus benefit fairs. TSA companies reached out to additional employees during benefits fairs at Green Bay, La Crosse, Madison, Milwaukee, Oshkosh, River Falls, Stevens Point, and Whitewater. All companies attended at least one benefits fair; most attended more.
- Coordinating TSA messages on earning statements for student hourlies, classified, and unclassified employees. Employees that receive their statements electronically can click on the link taking them directly to the TSA website.
- Coordinating campus mail delivery of the TSA *Investor*, so that all employees can receive it.
- Updating the TSA Program Powerpoint presentation designed for employees not familiar with the Program or not yet participating to include new income tax tables and contribution limits.
- Communicating directly with new employees. A packet of materials was sent to new employees encouraging them to sign up for the TSA Program. The materials were sent by email or campus inter-departmental mail.
- Presenting workshops for UW employees and families at UW institutions. UW Extension and UW Colleges staff in the area were also invited to attend.

Date	Location	Number of Sessions	Attendance
January 10	Madison	1	48
January 16	Colleges - Richland	1	10
January 31	Parkside	1	11
February 12	Colleges - Washington	1	6
February 14	Platteville	1	17
March 8	Madison	1	20
March 20	Milwaukee	1	18
March 29	Colleges - Baraboo	1	18
April 17	Madison (Athletic Dept.)	1	10
April 20	Colleges - Marshfield	1	14
September 26	River Falls	2	26
October 18	LaCrosse Benefits Fair	1	5
October 23	Madison	1	20
October 30	Green Bay	1	8
November 6	Eau Claire	2	26
November 7	Stout	2	48
November 12	Oshkosh	1	29
December 3	Madison	1	15
Total		21 sessions	349

- Revised and updated the *UW TSA 403(b) Question and Answer Guide*.
- Resources available on our website include present and past issues of the *TSA Investor*, current contributions limits, fund returns, updating the *How to Enroll in the TSA Program* page, the *Schedule of Individual Counseling Sessions*, the revised *Selected Returns* and *Quick Guide to the TSA Programs*, TSA Review Committee Meeting minutes, and the *Annual Report*.

The campus TSA coordinators also made presentations, organized TSA events, and made the arrangements for the presentations by investment companies and System staff. The Program is greatly enhanced by their work.