



Retirement Security for Illinois Educators

News

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Teachers' Retirement System of the State of Illinois

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TWO FIRMS “GRADUATE” FROM TRS EMERGING MANAGERS PROGRAM

SPRINGFIELD, IL – The Board of Trustees of the Teachers' Retirement System today approved the “graduation” of two outside money managers from the TRS Emerging Managers Program, which will allow them to administer a greater share of TRS investment assets in the Domestic Equity Portfolio.

Fiduciary Management Associates of Chicago and Lombardia Capital Partners, of Pasadena, California, currently administer assets in the “Small Value” sector of the TRS Portfolio. Lombardia currently manages \$39 million and FMA manages \$44 million. With the graduations, each firm will oversee approximately \$180 million in TRS assets.

The Emerging Managers Program creates and fosters long-term relationships between TRS and new or growing investment management firms, with a focus on minority and female-owned companies and Illinois-based organizations.

In other action during the Board's August meeting, the Trustees:

- Approved a tactical investment plan for the \$3.2 billion TRS Real Estate Portfolio that increased investment allocations to four property management firms:
 - An additional \$100 million to Invesco Real Estate of Dallas, Texas, which currently manages \$262 million in TRS property investments
 - An additional \$100 million to Cornerstone Real Estate Advisors, of Boston, Massachusetts, which currently administers \$332 million in TRS property investments

(MORE)

- An additional \$72.6 million to KBS Realty Advisors of Newport Beach, California, which currently manages \$299 million in TRS property investments
- An additional \$50 million to Lincoln Property Company of Dallas, Texas, which currently manages \$262 million in TRS real estate investments
- Approved a tactical investment plan for the \$1.2 billion Absolute Return Portfolio that calls for the selection of as many as 12 outside money managers during the next two to three years. The goal is increase the size of the Absolute Return Portfolio from 2.5 percent of TRS assets to 5 percent. The present portfolio is managed by three outside firms that will continue to administer funds for TRS.
- Approved a \$30 million investment in the JMI Equity Fund VII, sponsored by JMI Equity of San Diego, California. The fund will focus venture capital investments in firms involving software and Internet products, health care information technology and business services.
- Approved hiring two outside money managers for the System's International Equity Portfolio. Aberdeen Asset Management of Edinburgh, Scotland will manage \$357 million in TRS assets and Northern Trust Global Investments of Chicago will manage \$360 million in TRS assets. The companies replace two previous money management firms for the "Large Core" sector of the portfolio that were terminated over the last 18 months for underperformance. Aberdeen already manages \$306 million under the "Emerging Markets" sector of the portfolio. At the end of fiscal year 2010 in June, the TRS International Equity Portfolio held \$6.8 billion in assets.

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About Teachers' Retirement System

The Teachers' Retirement System of the State of Illinois is the 68th largest pension system in the world, and provides retirement, disability and survivor benefits to teachers, administrators and other public school personnel employed outside of Chicago. The System serves 365,188 members and had assets of \$33.7 billion as of March 31, 2010.