



## Teachers' Retirement System of the State of Illinois

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# News

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### **TRS REPORTS INVESTMENT RETURNS OF 24 PERCENT FOR FY 2011**

SPRINGFIELD, IL – Teachers' Retirement System reported preliminary investment returns of 24 percent for fiscal year 2011, continuing a strong recovery from the difficult years of 2008-2009.

Total TRS assets on June 30, 2011 were \$37.1 billion, an 18.5 percent increase over the 2010 total of \$31.3 billion, according to preliminary, unaudited year-end statistics released by the TRS Board of Trustees.

“Investment income gains like this are very good news for our members,” said TRS Executive Director Dick Ingram. “Strong growth in assets increases the security of TRS for the 372,000 women and men who depend on us to provide them with the retirement they have earned. Our investment staff has done an excellent job in an uncertain economy of reducing risk and maximizing the potential of our investment opportunities.”

The 24 percent rate of return follows a 13.5 percent investment return at the end of FY 2010. Over the last 30 years, the TRS investment rate of return is 9.3 percent, which exceeds the current target rate of 8.5 percent.

The two years of positive returns follow two years of negative investment returns caused by the worldwide financial crisis of 2008 and 2009. During that period, total TRS assets bottomed at \$28.5 billion at the end of FY 2009, but since have rebounded in a positive direction by 30.2 percent.

Final investment return totals will be released later this year once the System's annual external audit is completed and approved by the Board.

(MORE)

In other action during its August meeting, the Board of Trustees:

- Hired two new money management firms to administer assets within the \$6.2 billion TRS Fixed Income portfolio. The Board granted **MacKay Shields LLC of New York, New York** a 10 percent allocation of the portfolio, or approximately \$618 million; and **Manulife Asset Management of Boston, Massachusetts** a 6 percent allocation, or approximately \$371 million. The selections ended a six-month search process.
  - Funding for the two new mandates will be generated by lowering the portfolio allocations to several existing fixed income money managers and transferring all \$869.2 million in portfolio assets currently assigned to **Goldman Sachs Asset Management of New York, New York**.
- Committed \$100 million from the TRS Private Equity portfolio to **Vista Equity Partners, of San Francisco, California**, for investments in firms that develop technology and software products.
- Committed \$50 million from the \$1.5 billion TRS Absolute Return portfolio to **Carlson Capital, of Dallas, Texas**, for investment in a variety of opportunities to be determined by the firm.
- Committed \$45 million from the TRS Private Equity portfolio to **Siris Capital Group, of New York, New York** for investments in mid-sized companies throughout North America. This initial commitment to Siris is part of the TRS Emerging Managers Program, which is designed to identify and develop growing investment management firms.
- Committed up to \$25 million from the TRS Private Equity portfolio to **LiveOak Management Services, of Austin, Texas**, for investments in firms active in a variety of businesses including materials processing, component construction and software development. The initial allocation to LiveOak will be \$10 million. The overall commitment is part of the TRS Emerging Managers Program.
- Approved a tactical investment plan for the System's \$3.7 billion Real Estate Portfolio that will increase allocations during fiscal year 2012 to two property account managers. **Heitman, LLC, of Chicago, Illinois**, which currently administers \$837.6 million in assets, will receive \$200 million in new capital for investment. **Lincoln Property Company of Dallas, Texas**, which administers \$417.7 million in assets, will receive \$150 million in new capital for investment.

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### **About Teachers' Retirement System**

The Teachers' Retirement System of the State of Illinois is the 86<sup>th</sup> 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 372,000 members and had assets of \$37.1 billion as of June 30, 2011.