



Teachers' Retirement System of the State of Illinois

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News

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TRS LAUNCHES SEARCH FOR FIXED INCOME INVESTMENT MANAGER

SPRINGFIELD, IL – Teachers' Retirement System will launch a nationwide search for a money management firm to oversee System investments in the Core Plus category of the TRS Fixed Income portfolio, the TRS Board of Trustees decided this week during a regularly scheduled meeting.

A timetable for the search has yet to be determined. The TRS Fixed Income portfolio holds \$5.2 billion in assets.

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

- Committed a Private Equity portfolio investment of \$67.5 million (€50 million) to **Oaktree Capital Management** of Los Angeles, California to invest in middle-market distressed debt opportunities, primarily in Europe. TRS has invested a total of \$620 million in similar opportunities over the last three years.
- Committed a Private Equity portfolio investment of up to \$30 million with **Sofinnova Venture Partners** of Menlo Park, California to make investments in the biotechnology and pharmaceutical industries.
- Committed an Absolute Return portfolio investment of \$50 million with **BlueMountain Capital Management**, of New York, New York, for various credit alternative opportunities.

(MORE)

- Committed an Absolute Return portfolio investment of \$50 million with **Claren Road Asset Management**, of New York, New York, for various credit alternative opportunities.
- Committed a total of \$50 million with two new money management firms as part of the TRS Emerging Managers Program, which is designed to identify developing, high-quality firms often owned by minorities, women and disabled persons:
 - A \$25 million allocation to the Domestic Equity Large Cap portfolio of **Herndon Capital Management**, of Atlanta, Georgia.
 - A \$25 million allocation to the International Equity All Cap portfolio of **Strategic Global Advisors**, of Newport Beach, California.
- Made changes to the TRS “Watch List” of investment firms administering System assets that are being monitored for performance and/or operational reasons:
 - Voted to remove **Emerald Advisors**, of Lancaster, Pennsylvania from the Watch List because of improved performance during fiscal year 2010. Emerald manages \$253 million in the TRS Domestic Equity portfolio. The firm had been on the Watch List since 2009.
 - Voted to add **Taplin, Canida & Habacht** of Miami, Florida to the Watch List due to organizational changes. TCH currently manages \$266.3 million in TRS Fixed Income assets.
- As approved by the TRS Board, the current Watch List is composed of:
 - **Brandes Investment Partners, of San Diego, California**, which manages \$1.02 billion of the International Equity – Active Core Value portfolio
 - **Grantham, Mayo, Van Otterloo & Company, of Boston, Massachusetts**, which manages \$884 million of the International Equity – Emerging Markets portfolio
 - **Mazama Capital Management, of Portland, Oregon**, which manages \$ 251.4 million of the Domestic Equity – Small Growth and Domestic Equity – Active Small / Mid Growth portfolios
 - **McKinley Capital Management, of Anchorage, Alaska**, which manages \$1.06 billion of the International Equity – Active Core Growth portfolio
 - **Taplin, Canida & Habacht, of Miami, Florida**, which manages \$266.3 million in Fixed Income – Active Core Plus – Credit Tilt assets.
 - **Turner Investment Partners of Berwyn, Pennsylvania**, which manages \$507.3 million in Domestic Equity – Active Large Cap Growth assets.

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About Teachers’ Retirement System

The Teachers’ Retirement System of the State of Illinois is the 86th 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 \$34.6 billion as of December 31, 2010.