



## Teachers' Retirement System of the State of Illinois

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# News

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### **TRS INVESTMENT ASSETS RISE 23 PERCENT SINCE 2009 TO \$37.3 BILLION**

SPRINGFIELD, IL – The Teachers’ Retirement System Board of Trustees reported total assets of \$37.3 billion at the end of March 2011, a 23 percent increase over the assets held by TRS in 2009 during the depths of the world financial crisis. During the first nine months of fiscal year 2011, the investment rate of return for TRS was 21.38 percent, besting the current target investment rate of 8.5 percent.

“While the short-term results are impressive, it is more significant that our long-term investment strategy is working well. This is good news for our 372,000 members,” said TRS Executive Director Dick Ingram. “Steady long-term returns mean greater retirement security for Illinois teachers.”

Ingram noted that over the last 30 years the TRS investment rate of return is 8.8 percent, which also exceeds the target rate.

At the end of fiscal year 2009, TRS investments totaled \$28.5 billion, the lowest level in eight years. The worldwide financial crisis during 2008 and 2009 caused TRS to lose 32 percent of its assets over those two years, ending six straight years of asset growth. By the end of FY 2010, TRS assets climbed to \$31.3 billion, the result of a 13.5 percent rate of return during the year.

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In other action at its May meeting, the Board of Trustees:

- Confirmed the selection of **Hartford Investment Management Company** of Hartford, Connecticut, to manage a growing area within the TRS Fixed Income portfolio – U.S. Treasury Inflation Protected Securities, or “TIPS.” Hartford was allocated \$265 million in TRS assets to invest, or 5 percent of the System’s total \$5.2 billion Fixed Income portfolio. The TRS Board decided in December 2010 to increase its allocation to TIPS as a safeguard against possible inflation in the future. The new 5 percent allocation to TIPS will be funded by the slight rebalancing of other allocations within the Fixed Income portfolio.
- Updated the TRS “Watch List” of investment firms administering System assets by:
  - Voting to remove **Grantham, Mayo and Van Otterloo and Company**, of Boston, Massachusetts, from the Watch List because of improved performance during fiscal year 2010. GMO manages \$917 million in the TRS International Equity – Emerging Markets portfolio. The firm had been on the Watch List since 2009.
  - Voting to remove **Taplin, Canida & Habacht** of Miami, Florida from the Watch List following a successful corporate reorganization. TCH currently manages \$435 million in TRS Fixed Income assets. TCH had been on the Watch List since December 2010.
  - Voting to terminate the services of **Mazama Capitol Management**, of Portland, Oregon, in the management of \$246 million in TRS Domestic Equity assets. Mazama had been on the Watch List since 2007.
- 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
  - **McKinley Capital Management, of Anchorage, Alaska**, which manages \$1.06 billion of the International Equity – Active Core Growth portfolio
  - **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 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 \$37.3 billion as of March 31, 2011.