



Teachers' Retirement System of the State of Illinois

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News

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TRS POSTS STRONG INVESTMENT RESULTS FOR CALENDAR YEAR 2012

SPRINGFIELD, IL – Teachers' Retirement System investments earned a positive 13.92 percent for its 366,000 members during 2012, recording strong gains in all asset classes.

Altogether, TRS investment assets at the end of December totaled \$38.16 billion, an increase of \$1.86 billion in the market value of the portfolio in the six months since the end of fiscal year 2012 on June 30.

The System's rate of return for calendar year 2012 is net of all investment fees.

"We're very proud of these returns for our members. But the ups-and-downs we saw in our investment returns during 2012 are a perfect example of why TRS always places more emphasis on long-term investment results," said TRS Executive Director Dick Ingram. "Our members are counting on us to deliver for them for decades and that is the true measure of our success."

The System's 30-year investment return at the end of fiscal year 2012 was 9.6 percent against the 8.5 percent long-term rate-of-return target in place at the end of June. The TRS Board of Trustees re-set its long-term target at 8 percent in September, 2012.

TRS recorded strong returns in all seven of its major investment classes in the 12 months ending on December 31, 2012, led by a 17.02 percent return in international stocks. Investments in U. S. stocks posted a 16.3 percent return and private equity investments returned 16.22 percent.

(MORE)

Investments in fixed income recorded a return of 13.67 percent while real return investments returned 9.92 percent; real estate investments saw an 8.4 percent return; and absolute return investments posted an 8.15 percent gain.

The volatility of the world economy and investment markets can be tracked through TRS investment returns. Investment income lagged during the last three months of fiscal year 2012, resulting in the 0.76 percent rate of return for the 12 months in that fiscal year. However, the portfolio demonstrated its ability to participate in a rebounding market during the second half of 2012.

Here are the 12-month investment returns for calendar year 2012 by asset class:

<u>Investment Category</u>	<u>Assets Allocated</u>	<u>12-month Return Rate on 12/31/12</u>
International Equity	\$ 7.94 billion	+17.02%
Domestic Equity	\$ 8.54 billion	+16.34%
Private Equity	\$ 4.35 billion	+16.22%
Fixed Income	\$ 6.42 billion	+13.67%
Real Return	\$ 3.76 billion	+ 9.92%
Real Estate	\$ 4.66 billion	+ 8.40%
Absolute Return	\$ 2.02 billion	+ 8.15%
Short Term Investments	\$ 0.46 billion	+ 4.68%
TOTAL	\$38.16 billion	+13.92%

NOTE: All returns are calculated net of investment fees. Total rate of return is based on the System's asset allocation and performance of the underlying asset classes.

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About Teachers' Retirement System

The Teachers' Retirement System of the State of Illinois is the 39th largest pension system in the United States, and provides retirement, disability and survivor benefits to teachers, administrators and other public school personnel employed outside of Chicago. The System serves 366,000 members and had assets of \$38.16 billion as of December 31, 2012.