



News

For Immediate Release

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TRS Reports Highest Investment Returns Since 1980s

SPRINGFIELD, IL-The Teachers' Retirement System of the State of Illinois (TRS) earned 19.6 percent on its investments during the fiscal year ended June 30, 2007, a level not seen since the 1980s and among the highest in TRS history. TRS earned annualized returns of 14.3 percent for the three years ended June 30, 2007, 12.9 percent for the five-year period, and 9.5 percent over the 10-year period. TRS assets rose to a record high of \$41.8 billion, up from \$36.5 billion a year ago. For the seventh consecutive year, TRS's investment performance ranked in the desirable upper quartile of national public and private pension performance databases. The TRS Total Fund also substantially outperformed its performance benchmark of 17.9 percent for the one-year period ending June 30, 2007.

All asset classes posted positive returns during fiscal year 2007, including:

- Private equity led all asset classes with a 31.3 percent return.
- International equity earned a 30.0 percent return.
- Real estate posted a 26.2 percent return.
- Domestic equity earned a 19.6 percent return.
- Fixed income posted a 6.0 percent return.

"The TRS Trust Fund is structured in a way that enables it to effectively weather changing market conditions and to continue to achieve outstanding investment returns," said TRS Investment Committee Vice-Chair Cynthia O'Neill. "TRS employs sound investment principles and rigorous oversight by a Board of Trustees and professional staff dedicated to safeguarding the retirement nest eggs of our members," said O'Neill, a Carlyle resident who is serving her third term as an elected annuitant on the TRS Board of Trustees.

At fiscal year end, the System held 40 percent of its assets in domestic equities, 22 percent in international equities, 19 percent in fixed income, 11 percent in real estate, 5 percent in private equity, 2 percent in real return, and 1 percent in absolute return.

"The Board of Trustees and TRS staff are committed to the comprehensive research and knowledge that's required to ensure the portfolio is invested in the most effective and prudent manner," said TRS Board of Trustees Vice-President Molly Phalen. "TRS does its homework and, as a result, the System is poised for continued success," said Phalen, a Rockford educator who is serving her third term as an elected member of the TRS Board of Trustees.

The Teachers' Retirement System has been the top performing Illinois state pension fund for six of the past seven years. TRS provides retirement, disability, and death benefits to teachers and administrators at Illinois public schools outside the city of Chicago. The System serves 325,000 members and annuitants.

Note: All performance data is reported gross, or before, investment fees.

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