



# News

For Immediate Release

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## **TRS Approves Tactical Plan for Private Equity Investments**

\$38 billion system hires emerging managers, launches investment manager searches

SPRINGFIELD, IL-The Teachers' Retirement System of the State of Illinois (TRS) will make commitments of between \$800 million and \$1.2 billion to private equity investments during the fiscal year that begins July 1, under a tactical plan approved by the TRS Board of Trustees on Thursday. The private equity road map will help TRS to reach its long-term asset allocation goal of 8 percent, a destination that could be reached as soon as next year. TRS committed \$1.37 billion to private equity during the current fiscal year.

The tactical plan maintains existing exposure ranges to the buy-out (60 percent to 80 percent), venture capital (10 percent to 25 percent), and special situations (5 percent to 20 percent) sub-sectors of private equity. As of March 31, 2008, TRS had invested \$2.2 billion in private equity or 5.8 percent of the total portfolio. Private equity remains one of TRS's top performing asset classes, producing 23 percent returns over the one-year and three-year reporting periods ending March 31, 2008 and yielding a nearly 20 percent return over the past 10 years.

In other business, the TRS Board of Trustees approved the addition of two managers to participate in the Emerging Managers Program. **Ranger Investment Management** was selected to manage a \$50 million small cap growth domestic equities mandate. Additionally, the Board hired **Fiduciary Management Associates** to manage a \$50 million small cap value domestic equities mandate. The Emerging Managers Program provides support and oversight to investment firms to enable them to grow and ultimately manage larger mandates from within TRS's main trust fund. The \$500 million program was expanded in May to formally include private market investments.

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Separately, the Board approved **Boston Company Asset Management** to manage a \$240 million small to mid cap value domestic equities mandate. Further, searches were approved for a Global Tactical Asset Allocation (GTAA) manager within the real return asset class and for one or more absolute return managers. Documents for both searches will be available on the TRS Web site ([www.trs.illinois.gov](http://www.trs.illinois.gov)) by July 15, 2008. Interested candidates should contact the System's general investment consultant, R.V. Kuhns & Associates. TRS policy and the Illinois Ethics Act limit communication with TRS staff during the search process.

TRS provides retirement, disability, and survivor benefits to teachers and administrators employed at Illinois public elementary and secondary schools outside the city of Chicago. The System serves 344,432 members and had assets valued at \$38.7 billion as of March 31, 2008.

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