



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Richard W. Ingram, Executive Director
2815 West Washington Street, P.O. Box 19253
Springfield, Illinois 62794-9253

News

For Immediate Release

October 26, 2017

Contact: Dave Urbanek Public Information Officer

Office: 217-814-2177

Cell: 217-891-0140

durbanek@trsil.org

TRS EARNS A 12.6% RATE OF INVESTMENT RETURN FOR FISCAL YEAR 2017

SPRINGFIELD, IL – Teachers' Retirement System investments generated a positive 12.6 percent rate of return, net of fees, during fiscal year 2017 – a return that exceeded the System's custom investment benchmark of 11.4 percent.

TRS ended FY 2017 on June 30 with \$49.4 billion in assets. Gross of fees, the TRS return for FY 2017 was 13.3 percent. Total investment income, net of fees, was \$5.5 billion. The 30-year investment return for TRS currently is 8.1 percent, net of fees, which exceeds the System's long-term investment goal of 7 percent.

"TRS investments performed well during FY 2017 and that's always good news," said TRS Executive Director Dick Ingram. "Even better is the fact that our portfolio is structured to deliver these returns while taking on less investment risk than most of our peers. Risk management is critical because we know we can't invest our way out of our funding shortfall. The TRS unfunded liability was created by seven decades of inadequate funding by state government and our future sustainability relies on consistent state funding to pay down this debt."

While the System's funded status improved modestly during FY 2017 from 39.8 percent to 40.2 percent, the unfunded liability increased. At the end of the fiscal year the unfunded liability was \$73.4 billion, compared to \$71.4 billion at the end of FY 2016.

The System's three-year return at the end of FY 2017 came in at 6.1 percent, matching the System's custom benchmark. The TRS five-year average of 9.9 percent at the end of the last fiscal year exceeded the benchmark of 9.3 percent. The 10-year average for FY 2017 of 5.4 percent barely topped the custom benchmark of 5.3 percent. All statistics are gross of fees.

(MORE)

Ingram stressed that the net-of-fees 30-year rate-of-return of 8.1 percent is the most important number in the FY 2017 investment data. The 30-year timeframe not only reflects the long-term relationship that TRS has with its members but indicates a successful investment program that values steady growth and strong risk management over several generations.

In the last 10 years, TRS investments have recorded positive returns in eight years, with the two years of negative returns realized during the worldwide financial crisis of 2008 and 2009. All returns in this chart are net of fees.

<u>Fiscal Year</u>	<u>TRS Return</u>
2017	+12.6%
2016	+ 0.01%
2015	+ 4.0%
2014	+17.4%
2013	+12.8%
2012	+0.76%
2011	+23.6%
2010	+12.8%
2009	- 22.7%
2008	- 5.0%

###

About Teachers' Retirement System

The Teachers' Retirement System of the State of Illinois is the 27th largest public 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 412,500 members and had assets of \$49.4 billion as of June 30, 2017.