



Teachers' Retirement System of the State of Illinois

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News

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TRS SEEKS BROKERS FOR ITS COMMISSION RECAPTURE PROGRAM

SPRINGFIELD, IL – Teachers' Retirement System is seeking brokers to assist the System with its existing program to “recapture” a portion of the commissions paid to its external money managers for investment activities.

The TRS Board of Trustees approved the issuance of a formal “request for proposals” with the goal of selecting one or more brokers to advise TRS and administer its program. TRS has had a commission recapture program in place since 1986 and last conducted a search for brokers in 2006.

A final recommendation for one or more commission recapture brokers is expected to be considered by the Board in May or June.

In other action by the TRS Board during its regularly scheduled February meeting, the trustees:

- Increased allocations within the System's \$5.1 billion Real Estate portfolio to three of the System's external property managers by a total of \$350 million. The goal is to increase the System's long-term real estate allocation to 14 percent of the entire investment portfolio from the current 11.7 percent. **Capri Capital Partners, of Chicago**, which currently manages \$1 billion in TRS assets, will receive an additional \$125 million. **Invesco Real Estate, of Dallas, Texas**, which currently manages \$456.6 million in TRS assets, will receive an additional \$125 million. **Heitman, LLC, of Chicago**, which currently manages \$1.2 billion in TRS assets, will receive an additional \$100 million.
- Allocated a total of \$300 million to **Vista Equity Partners of San Francisco, California** from the System's \$4.6 billion Private Equity portfolio for primary and co-investment opportunities in computer software companies. Vista currently administers \$127.8 million in TRS assets.

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- Allocated \$500 million to **Apollo Global Management of New York, New York** within the Private Equity and Fixed Income portfolios for various credit opportunities. Currently, Apollo administers \$369 million in TRS assets.
- Committed \$100 million from the System's \$7 billion Global Fixed Income portfolio to **Oaktree Capital Management of Los Angeles, California** for various investment opportunities. Currently, Oaktree administers \$520.6 million in TRS assets.
- Committed \$100 million from the System's Private Equity portfolio to **Union Grove Venture Partners of North Carolina** for various investment opportunities.
- Committed up to \$30 million from the System's Private Equity portfolio to **Lightspeed Venture Partners of Menlo Park, California** for investment opportunities in technology companies. Lightspeed currently administers \$17.5 million in TRS assets.
- Increased the System's allocation from the \$2.26 billion Absolute Return portfolio to **Carlson Black Diamond Thematic** by \$100 million for a total potential commitment of \$150 million. Currently, in two funds, **Carlson Capital, of Dallas, Texas**, administers a total of \$198.7 million in TRS assets.
- Approved changes to the TRS Watch List:
 - Added the Global Multi-Asset Strategy of **Pacific Investment Management Company of Newport Beach, California** to the Watch List. PIMCO administers \$501 million of TRS assets in this strategy. Overall, PIMCO administers \$2.39 billion in TRS assets in several strategies.
- As approved by the TRS Board, the current Watch List is composed of:
 - **Levin Capital Management of New York, New York**, which manages \$463.9 million in the Domestic Equity portfolio.
 - The Global Multi-Asset Strategy of **Pacific Investment Management Company of Newport Beach, California**, which manages \$501 million in the System's \$3.9 billion Real Return portfolio.

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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 389,800 members and had assets of \$42.75 billion as of December 31, 2013.