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Teachers' Retirement System of the State of Illinois

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Retirement Security for Illinois Educators

News

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TRS Hires New Real Estate Managers;

Additional commitments made to private equity, emerging managers program

OAK BROOK, IL-The Teachers' Retirement System of the State of Illinois (TRS) is expanding its stable of separate account real estate managers. Cornerstone Real Estate Advisers and INVESCO Real Estate were hired by the TRS Board of Trustees to each manage \$475.6 million mandates. The managers will invest in all property types within the real estate portfolio, which stood at \$4.6 billion or 11 percent of the total fund as of December 31, 2007. Real estate has been among the top performing asset classes for TRS, drawing an annual return of nearly 23 percent at the end of calendar year 2007, 22 percent for the three-year period, and nearly 18 percent over the past five years.

The Board also hired Denali Advisors to manage \$50 million in large cap value equities. Denali joins TRS's roster of emerging managers, investment firms that have developing track records and smaller asset bases. TRS has earmarked \$500 million to its Emerging Managers Program with the intent of establishing long-term relationships with the firms and helping them to grow into managing full mandates from the TRS investment portfolio.

In other business, the TRS Board of Trustees approved a \$150 million commitment to TPG Partners VI, L.P., a private equity buyout fund. Separately, the Board voted to terminate Epoch Investment Partners for organizational reasons. The firm had managed \$100 million in international small capitalization equities for TRS.

TRS provides retirement, disability, and death benefits to teachers and administrators at Illinois public elementary and secondary schools outside the city of Chicago. The System serves 344,432 members. As of December 31, 2007, the System's assets totaled \$41.7 billion.

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