



Teachers' Retirement System of the State of Illinois

2815 West Washington Street | P.O. Box 19253 | Springfield, Illinois 62794-9253

Richard W. Ingram, Executive Director

<http://trs.illinois.gov>

(800) 877-7896 | for the hearing impaired: (866) 326-0087

News

For Immediate Release

May 25, 2012

**Contact: Dave Urbanek
Public Information Officer**

Office: 217-753-0968

Cell: 217-720-3961

durbanek@trs.illinois.gov

TRS APPROVES FIVE FOR TRANSITION MANAGEMENT SERVICES

SPRINGFIELD, IL – The Teachers' Retirement System has selected five firms to provide transition management services for the System.

During its regularly scheduled May meeting, the Board of Trustees approved the hiring of **State Street Global Markets, of Boston, Massachusetts; J.P. Morgan, of New York, New York; Credit Suisse, of Zurich, Switzerland; Citi Group, of New York, New York; and Loop Capitol, of Chicago.**

Transition management is the day-to-day administration of trading stocks and bonds during the rebalancing of portfolios or other changes. The TRS Investment Policy calls on the System to reevaluate the transition management program periodically. The last formal selection of a roster of firms for transition management was done in 2008. Of the six firms selected in 2008, only State Street Global Markets and J.P. Morgan will continue to serve the needs of TRS. Following the issuance of a formal Request for Proposal in November of 2011, the System received proposals from a total of 13 firms.

In other action during its May meeting, the Trustees:

- Approved the following commitments within the System's \$3.8 billion Private Equity portfolio:
 - \$250 million to **Riverstone Holdings of New York, New York** for investments in energy companies around the world. TRS already has \$280 million invested with Riverstone.

(MORE)

- \$200 million to **Providence Equity Partners, of Providence, Rhode Island** for investments in various companies that deal in telecommunications, software and internet services development. TRS has \$116 million currently invested with Providence.
- \$100 million to **Oaktree Capital Management, of Los Angeles, California** for investments in companies that need financial help to remain viable. TRS has \$294 million currently invested with Oaktree.
- Approved the following commitments within the System's \$5.8 billion Fixed Income portfolio:
 - \$75 million to **Westwood Management Corporation of Dallas, Texas** for an investment in the firm's fixed income opportunities strategy.
 - \$40 million in additional funds to **Pacific Investment Management Company, of New Port Beach, California**, for investments in undervalued credit securities. TRS already has \$75 million invested within the strategy.
- Approved an allocation of \$107 million from the System's \$9.4 billion Domestic Equity portfolio to **Cortina Asset Management of Milwaukee, Wisconsin**.
- Approved a \$75 million commitment from the System's \$4.4 billion Real Estate portfolio to **LaSalle Investment Management Asia**, a member of **The LaSalle Group, of Irving, Texas**. The firm invests in office, retail, residential and commercial properties in China, Japan, Australia, Singapore, Korea and Hong Kong.
- Approved a previously-discussed shift in the structure of the System's \$3.5 billion Real Return portfolio that better reflects conditions in the world economy. Due to the volatility within commodity investments, the changes focus on a shift of approximately \$800 million to strategies that better protect TRS assets from inflation.
 - Approximately \$400 million was allocated to **Standard Life Investments of Edinburgh, Scotland** and approximately \$300 million to **AQR Investment Management of Greenwich, Connecticut**. The Board removed \$813.7 million in assets from **Wellington Management of Boston, Massachusetts**, **Schroder Investment Management, of London, England** and **Gresham Investment Management, of New York, New York**.

(MORE)

- Approved the issuance of a formal “Request for Proposal” for outside firms to provide TRS with an enhanced performance reporting system. Over the last decade, the growth of TRS investments, both in volume and value, has pushed the capabilities of the current reporting system to its limits. The RFP is expected to be issued in June, with a final recommendation scheduled for December.
- Approved the issuance of a formal “Request for Proposal” for outside firms to provide TRS with general investment consulting services. TRS policies require the System to re-bid all investment consulting relationships at a minimum of every five years. The current investment consulting contract with **R. V. Kuhns & Associates of Portland, Oregon**, expires at the end of 2012. Kuhns will be invited to bid for the assignment. A final selection is expected in late 2012.

###

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 362,000 members and had assets of \$37 billion as of March 31, 2012.