



Investments



INTRODUCTION

Global financial markets contributed to strong investment returns through the fiscal year ended June 30, 2013. Following the uncertainty and concerns of the prior fiscal year, diminished market volatility and improved fundamentals drove investment performance, led by double-digit gains in global equity markets. All TRS asset classes produced positive returns within this environment. Net of fees, the retirement system's U.S. and international equity portfolios returned 23.3 percent and 13.2 percent, respectively. TRS also enjoyed double-digit investment returns within its private equity, real estate and absolute return portfolios. The TRS investment portfolio posted a positive result, returning 12.8 percent, net of fees, for the fiscal year ended June 30, 2013.

The TRS portfolio remains fully diversified across different asset classes. A number of investment managers are utilized within each asset class to ensure the appropriate mixture across the various investment styles, allowing the portfolio to achieve broad exposure to the market while minimizing overall risk. This broad diversification serves as the best defense against the uncertainty of volatile global markets.

The TRS trust fund is invested by authority of the Illinois Pension Code under the "prudent person rule," requiring investments to be managed solely in the interest of fund participants and beneficiaries. The TRS Investment Policy guides TRS's investments. Investment principles include preserving the long-term principal of the trust fund, maximizing total return within prudent risk parameters, and acting in the exclusive interest of TRS members.

As master trustee, State Street Bank and Trust has provided to TRS, unless otherwise noted, detailed financial reports of all investments, receipts, disbursements, purchases and sales of securities, and other transactions pertinent to the fund for the period July 1, 2012 through June 30, 2013. A statement of detailed assets, along with their fair market value, was also provided as of June 30, 2013.

Investment performance is calculated using a time-weighted rate of return. Returns are calculated by State Street Bank and Trust using industry best practices. Additionally, State Street Bank and Trust calculated performance rates of return by portfolio, composite, and for all respective indices used throughout this section. TRS staff, in collaboration with the staff of its custodian, prepared the Investments section.

A complete listing of investment holdings is available on request.

Summary Data June 30, 2013

Total fund fair value	\$39.7 billion
1-year return (net of fees)	12.8%
3-year return (net of fees)	12.0%
5-year return (net of fees)	4.2%
10-year return (net of fees)	7.2%
Percent externally managed	100.0%
Number of external managers	148
Custodian	State Street Bank and Trust
General consultant	R. V. Kuhns and Associates, Inc.

TRS is ranked 41 out of the top 1,000 U.S. pension funds/plan sponsors according to *Pensions & Investments*. Rankings are based on market value of total assets at September 30, 2012.

FUND PERFORMANCE VS. BENCHMARKS AND FAIR VALUES

As of June 30, 2013, the fair value of TRS's investments as reported on the Statements of Net Position was \$39.7 billion, an increase of \$2.9 billion from the prior year.

A summary of holdings and assets is discussed throughout the Investment Section. The totals represent the actual assets (gross of any liabilities, amounts due to brokers, and expenses). The liabilities of the fund are included in the Statements of Net Position located within the Financial Statements.

TRS had a total fund annualized return of 13.5 percent, gross of fees, and 12.8 percent, net of fees, for the one-year period ended June 30, 2013. The Performance Summary table shows the performance of the total investment portfolio versus comparative benchmarks.

As illustrated in the Performance Summary table, TRS total fund performance outperformed the policy index by 30 basis points for the year ended June 30, 2013. The policy index represents a weighted average of each asset class benchmark, based on the total fund's interim target asset allocation. The total return also exceeded the 8.0 percent actuarial return assumption and the real rate of return expectation, which is to exceed the rate of inflation, as measured by the Consumer Price Index, by 4.75 percentage points.

Performance Summary (net of fees)

Asset Class / Index	Years ended June 30					Annualized at 6/30/13		
	2013	2012	2011	2010	2009	3 Years	5 Years	10 Years
TRS Total Fund	12.8%	0.8%	23.6%	12.9%	(22.7%)	12.0%	4.2%	7.2%
TRS Weighted Policy Index	12.5	2.4	21.5	10.9	(18.6)	11.9	4.8	7.4
CPI (Inflation)	1.8	1.7	3.6	1.1	(1.4)	2.3	1.3	2.4
TRS Equity - U.S.	23.3	1.0	32.9	17.0	(27.3)	18.3	7.1	7.5
Russell 3000 Index	21.5	3.8	32.4	15.7	(26.6)	18.6	7.3	7.8
TRS Equity - International	13.2	(11.7)	30.3	11.3	(31.9)	9.2	(0.3)	8.9
Non-U.S. Equity Index	13.9	(14.8)	30.3	11.5	(30.5)	8.1	(0.4)	9.1
TRS Fixed Income	6.5	5.7	8.9	16.8	4.9	7.0	8.5	6.1
Barclays Capital U.S. Aggregate Index	(0.7)	7.5	3.9	9.5	6.1	3.5	5.2	4.5
TRS Real Return	0.1	2.5	23.4	13.5	(26.2)	8.2	1.2	-
CPI (Inflation) + 5.0%*	6.8	6.7	8.7	6.1	3.5	7.4	6.4	-
TRS Real Estate	12.6	9.9	17.8	(5.6)	(30.0)	13.4	(0.7)	7.4
NCREIF Property Index	10.7	12.0	16.7	(1.5)	(19.6)	13.1	2.8	8.6
TRS Private Equity	15.2	3.8	22.3	16.5	(17.9)	13.5	6.9	11.8
Russell 3000 Index + 3.0%*	25.1	6.9	36.2	19.2	(24.3)	22.1	10.5	11.1
TRS Absolute Return	10.5	2.6	12.4	9.6	(13.9)	8.4	3.8	-
90-day Treasury Bill +4.0%*	4.1	4.1	4.2	4.2	5.0	4.1	4.3	-

* Index compounded monthly.

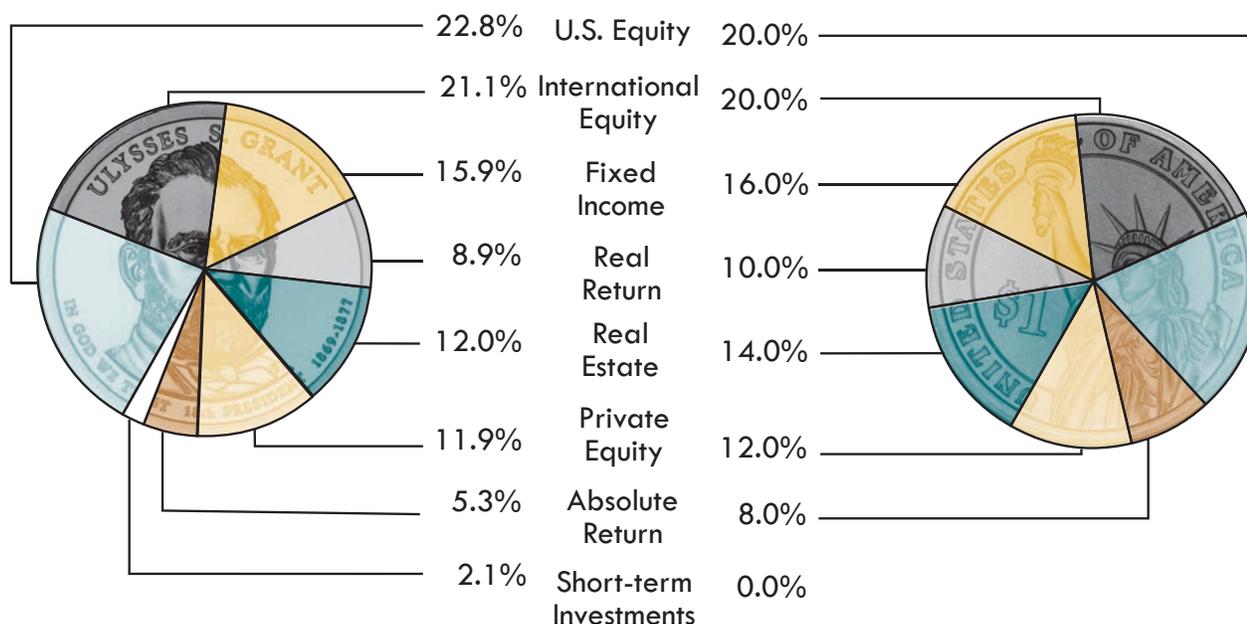
Note: Performance calculations provided by State Street Bank and Trust use net-of-fee time-weighted rates of return.

ASSET ALLOCATION VS. TARGETS

A pension fund's most important investment policy decision is the selection of its asset allocation. Similar to other large institutional funds, TRS maintains a well-diversified portfolio to manage risk effectively.

FY13 Asset Allocation

Long-term Target Allocation



Through the fiscal year, TRS continued implementation of the asset allocation structure adopted in April 2011. That study focused primarily on controlling the overall volatility of the investment portfolio given an uncertain global economic landscape. To accomplish that goal, the new targets called for continued evolution of the fund's diversification into the absolute return and private equity asset classes, with a gradual reduction in exposure to publicly traded equity securities. In fiscal year 2013, TRS continued reallocating assets according to this plan by recognizing gains within a very strong public equity market environment.

The asset mix is periodically compared to the policy targets to determine when rebalancing of the fund or changes to the interim policy targets are necessary. The following Strategic Investment Listing table shows the asset allocation targets, as adopted by the Board of Trustees, compared to the total assets assigned to each particular asset class at June 30, 2013.

Strategic Investment Listing Allocation Targets vs. Total Assets

	6/30/2013 Total Fund \$ Million	As of June 30, 2013			As of June 30, 2012	
		Actual Percent	Interim Target	Policy Target	Actual Percent	Policy Target
U.S. equities	\$9,008	22.8%	23.0%	20.0%	23.7%	20.0%
International equities	8,323	21.1	20.0	20.0	20.2	20.0
Fixed income	6,279	15.9	16.0	16.0	16.4	16.0
Real return	3,510	8.9	10.0	10.0	9.4	10.0
Real estate	4,738	12.0	13.0	14.0	12.5	14.0
Private equity	4,690	11.9	11.0	12.0	11.5	12.0
Absolute return	2,110	5.3	6.0	8.0	5.5	8.0
Short-term investments	821	2.1	1.0	0.0	0.8	0.0
Pending settlements/expenses*	203	NA	NA	NA	NA	NA
Total fund	\$39,682	100.0%	100.0%	100.0%	100.0%	100.0%

* This amount is included within the liability section in the Statements of Net Position.

PORTFOLIO SECURITIES SUMMARY

The Portfolio Securities Summary table contains a detailed list of security types. The amounts in this table differ from the allocation percentages shown in the previous Strategic Investment Listing table. The strategic investment listing represents assets assigned to managers within each asset class, whereas the portfolio securities summary represents specific types of financial instruments. The principal differences can be explained by the types of investments a manager is allowed to hold within its portfolio. For example, cash and currency held within a manager's portfolio is categorized in the same way as the manager's primary assignment on the Strategic Investment Listing. However, in the portfolio securities summary, these investments are categorized as short-term investments and foreign currency.

Portfolio Securities Summary

	2013		2012	
	Fair Value	% of Total	Fair Value	% of Total
U.S. treasuries & agencies	\$1,266,248,184	3.2%	\$908,732,373	2.5%
U.S. government-backed mortgages	545,611,651	1.4	801,736,346	2.2
U.S. government special situations	2,122,118	-	47,480,226	0.1
Municipals	58,776,219	0.1	56,047,855	0.2
Asset-backed securities	163,658,569	0.4	171,507,017	0.5
Commercial & collateralized mortgages	349,793,376	0.9	390,348,243	1.0
Commingled funds (U.S. & international)	1,357,813,108	3.4	1,102,978,257	3.0
Domestic corporate obligations	1,497,383,563	3.8	1,553,491,044	4.2
Foreign debt/corporate obligations	1,631,025,723	4.1	1,793,973,365	4.9
Total Bonds, Corporate Notes, and Government Obligations	6,872,432,511	17.3	6,826,294,726	18.6
U.S. equities	8,754,689,111	22.0	8,404,570,096	22.8
International equities	8,361,383,273	21.1	7,360,287,886	20.0
Total Equities	17,116,072,384	43.1	15,764,857,982	42.8
Absolute return	2,110,246,003	5.3	1,978,268,562	5.4
Private equity	4,687,146,815	11.8	4,175,728,282	11.4
Real estate	4,680,490,237	11.8	4,480,390,766	12.2
Real return strategies	2,661,472,243	6.7	2,582,307,633	7.0
Derivatives - Options, Futures and Swaps	(9,415,670)	-	7,297,522	-
Cash and cash equivalents	1,448,944,819	3.7	885,036,978	2.4
Foreign currency	114,363,611	0.3	81,921,602	0.2
TRS Total Portfolio	\$39,681,752,953	100.0%	\$36,782,104,053	100.0%

SECURITIES HOLDINGS (HISTORICAL)

Historically, TRS has adopted various asset allocation strategies. The Asset Allocation table shows the actual asset allocation based on asset types for the last five-year period.

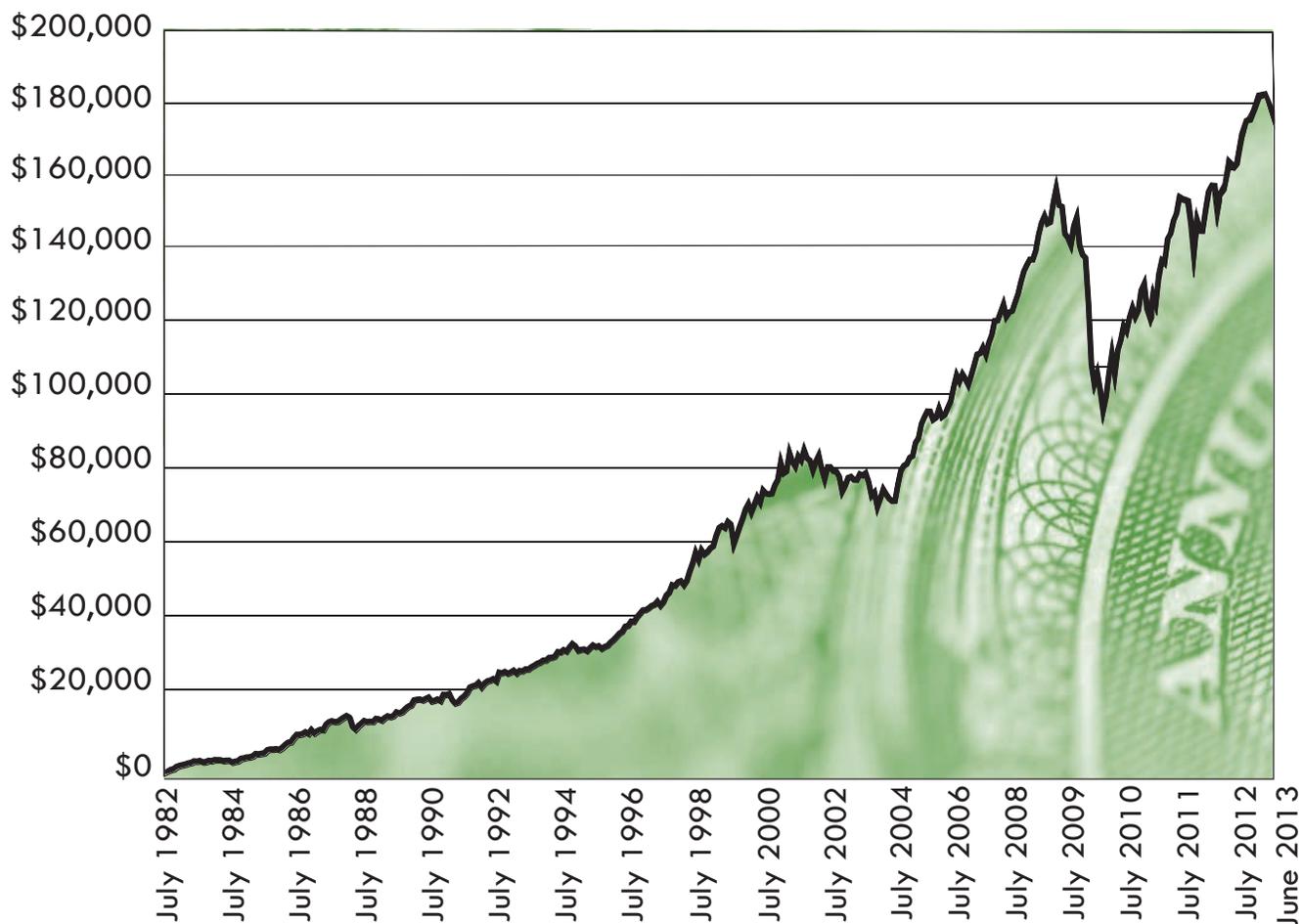
Securities Holdings For Years Ended June 30

Asset Type	2013	2012	2011	2010	2009
Bonds, corporate notes, and government obligations	17.3%	18.6%	18.8%	20.8%	22.0%
Equities - U.S.	22.0	22.8	26.4	25.8	27.8
Equities - international	21.1	20.0	19.7	20.0	18.9
Real return	6.7	7.0	7.3	7.3	5.3
Short-term investments/currency	4.0	2.6	3.7	2.4	3.8
Absolute return	5.3	5.4	3.9	3.9	2.5
Private equity	11.8	11.4	9.6	9.5	8.1
Real estate	11.8	12.2	10.6	10.3	11.6
Totals	100.0%	100.0%	100.0%	100.0%	100.0%

Source: TRS

TRS's asset allocation has provided consistent overall returns over the years, as represented by the following chart showing the growth of \$10,000 since 1982.

Growth of \$10,000



Source: TRS

The following sections provide a brief and informative overview of the various asset classes utilized by TRS for the period ended June 30, 2013.

U.S. EQUITY

U.S. equity, or common stock, represents shares or units of ownership in public corporations domiciled within the United States. TRS invests in equities because the asset class offers the opportunity to participate in the success of the U.S. economy and specific corporations within it. Stockholders share in the growth of a company through an increase in stock price, as well as through the distribution of corporate profits in the form of dividends.

For the year ended June 30, 2013, the U.S. equity asset class earned 23.3 percent return on a net of fee basis, compared to the Russell 3000 Index gain of 21.5 percent. One-, three-, five-, and 10-year comparisons to this benchmark follow.

	FY13	3-Year	5-Year	10-Year
TRS, net of fees	23.3%	18.3%	7.1%	7.5%
Russell 3000 Index	21.5	18.6	7.3	7.8

The top 10 U.S. equity holdings as of June 30, 2013 follow and represent 12.7 percent of the total U.S. equity holdings. These investments represent sector diversification and include companies that are dominant within their industry.

Top 10 U.S. Equity Holdings at June 30, 2013

Firm	Industry	Fair Value (USD)
Exxon Mobil Corp.	Energy	\$151,189,883
Apple, Inc.	Information Technology	143,678,812
Google, Inc.	Information Technology	127,630,760
Pfizer, Inc.	Health Care	123,041,572
Wells Fargo & Co.	Financials	107,975,815
Citigroup, Inc.	Financials	102,445,691
JP Morgan Chase & Co.	Financials	99,634,262
Microsoft Corp.	Information Technology	94,554,466
Chevron Corp.	Energy	82,598,953
Johnson & Johnson	Health Care	82,183,046
Total		<u>\$1,114,933,260</u>

At June 30, 2013, 22.8 percent of the TRS investment portfolio was assigned to U.S. equity managers. TRS employed the following U.S. equity managers during fiscal year 2013.

U.S. Equity Managers and Assets Under Management (inception date of account)

Large Cap Core

Herndon Capital Management, L.L.C. (3/11)	\$190,554,199
J.P. Morgan Investment Management, Inc. (12/07)	583,863,271
Levin Capital Strategies, L.P. (10/10)	463,918,371
MFS Institutional Advisors, Inc. (10/10)	516,208,779
Oakbrook Investments, L.L.C. (11/09)	343,509,523
Rhumblin Advisors, L.P. (8/06)	1,931,462,932
T. Rowe Price Associates, Inc. (6/05)	729,366,788

Large Cap Value

Loomis, Sayles & Company, L.P. (3/10)	346,711,269
Robeco Boston Partners Asset Management, L.P. (3/10)	671,368,424

Large Cap Growth

J.P. Morgan Investment Management, Inc. (10/12)	439,019,405
T. Rowe Price Associates, Inc. (11/06)	632,819,091

Small/Mid Cap Core

Rhumblin Advisors, L.P. (5/07)	25,854,994
--------------------------------	------------

Small/Mid Cap Value

Cramer Rosenthal McGlynn, L.L.C. (3/09)	330,666,299
Fiduciary Management Associates, L.L.C. (7/08)	161,114,340
Lombardia Capital Partners, L.L.C. (11/08)	264,089,619
LSV Asset Management (12/02)	311,165,277

Small/Mid Cap Growth

Boston Company Asset Management, L.L.C. (3/09)	190,074,922
Cortina Asset Management, L.L.C. (6/12)	129,286,471
Emerald Advisors, Inc. (11/04)	280,431,989
State Street Global Markets (5/13)	97,293,322

Emerging Manager

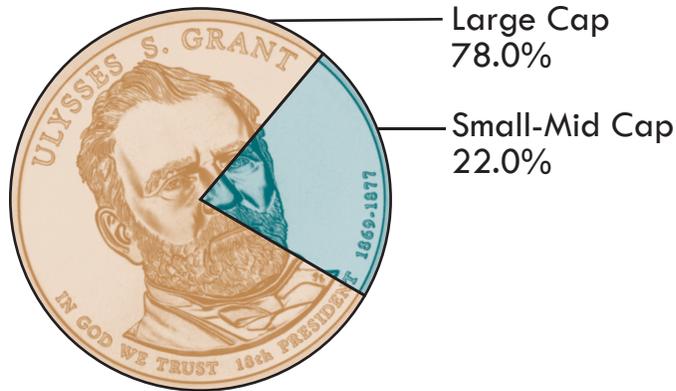
Channing Capital Management, L.L.C. (12/11)	36,720,478
Rhumblin Advisors, L.P. (5/06)	331,859,768

Note: The list does not include managers terminated prior to June 30, 2013 with residual assets in the account.

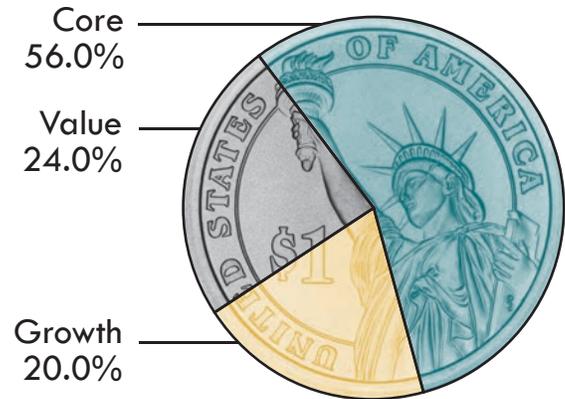
Discussion of U.S. Equity

Investment managers are chosen to diversify the portfolio on both a capitalization and style basis. This diversification is important for controlling the risk of the portfolio, as well as balancing the portfolio against the broad benchmark and economy.

Capitalization



Market Style



Source: TRS Investment Policy

The broad U.S. equity market (Russell 3000 index) rose 21.5 percent in fiscal year 2013. This followed a modest 3.8 percent gain in fiscal year 2012. Accommodative monetary policy and solid corporate fundamentals were among factors that drove investor assets back into equities. Market volatility dropped sharply as the prior year's negative macroeconomic events (e.g. European debt crisis) diminished. The plan's domestic equity portfolio outperformed the Russell 3000 benchmark by 1.8 percent in fiscal year 2013 as the retirement system's active investment managers benefited from lower market volatility. A modest overweight to outperforming small cap stocks was also a contributor.

Statistical Data

The following tables convey various statistics, including attribution and sector analysis, of the U.S. equity portfolio as compared to TRS's domestic equity benchmark, the Russell 3000 Index. The Russell 3000 Index is a broad market benchmark representing 98 percent of the investible U.S. equity market.

TRS Domestic Equity as of June 30, 2013

Characteristic	TRS Domestic Equity	Russell 3000 Index
Weighted average market cap (\$ billions)	\$74.3	\$85.8
Price/earnings ratio	19.1x	19.2x
Dividend yield	1.8%	2.1%
Beta	1.1	1.0
5-year EPS growth	13.2%	11.7%
Price/book ratio	3.8x	3.7x

Source: State Street Bank and Trust

U.S. Equity – Diversification by Industry Sector for Year Ended June 30, 2013

Sector	TRS Domestic Equity Weighting	Russell 3000 Index Weighting
Consumer discretionary	14.6%	13.5%
Consumer staples	7.0	8.6
Energy	8.9	9.4
Financial services	16.6	17.5
Health care	14.7	12.6
Industrials	11.6	11.4
Materials	4.3	3.8
Technology	18.6	17.8
Telecommunication services	1.6	2.2
Utilities	2.1	3.2
Total	<u>100.0%</u>	<u>100.0%</u>

Source: State Street Bank and Trust and TRS

INTERNATIONAL EQUITY

International equity, or common stock, represents shares or units of ownership in public corporations domiciled outside the United States. International investing provides important diversification benefits to the TRS portfolio. While the international economy has increasingly become more global in nature, not all economies move in tandem. TRS's international equity managers are able to participate in the strength of individual markets, thus enhancing the TRS total portfolio. Additionally, corporations worldwide have expanded their global reach. The international equity portfolio is able to seek out superior companies operating multi-nationally, or companies that are particularly strong in their own markets or industries.

For the year ended June 30, 2013, the international equity asset class earned 13.2 percent on a net of fee basis compared to the Morgan Stanley Capital International (MSCI) All Country Excluding U.S. Investable Market Index (identified as Non-U.S. Equity Index in the following references) gain of 13.9 percent. One-, three-, five-, and 10-year comparisons to this benchmark are in the following table.

	FY13	3-Year	5-Year	10-Year
TRS, net of fees	13.2%	9.2%	(0.3%)	8.9%
Non-U.S. Equity Index	13.9	8.1	(0.4)	9.1

The top 10 international equity holdings as of June 30, 2013 follow and represent 8.9 percent of the total international equity holdings. These investments are diversified geographically and include companies that are dominant within their industry and familiar to the U.S. economy.

Top 10 International Holdings at June 30, 2013

Firm	Country	Fair Value (USD)
Novartis AG	Switzerland	\$88,950,140
Roche Holding AG	Switzerland	88,149,030
Vodafone Group PLC	United Kingdom	86,746,729
Sanofi	France	84,823,471
Nestle SA	Switzerland	80,134,288
Taiwan Semiconductor LTD	Taiwan	73,584,534
HSBC Holdings PLC	United Kingdom	67,181,881
British American Tobacco PLC	United Kingdom	59,413,167
BP PLC	United Kingdom	59,280,921
Samsung Electronics LTD	Korea	55,880,751
Total		<u>\$744,144,912</u>

At June 30, 2013, 21.1 percent of the TRS investment portfolio was assigned to international equity managers. TRS employed the following international equity managers during fiscal year 2013

International Equity Managers and Assets Under Management (inception date of account)

Large Cap Core

Aberdeen Asset Management, Inc. (7/10)	\$580,297,792
Northern Trust Investments, Inc. (8/10)	1,969,536,641

Large Cap Growth

Jarislowsky, Fraser Limited (8/05)	427,821,313
McKinley Capital Management, Inc. (8/05)	786,989,683
State Street Global Markets (5/13)	388,136,972

Large Cap Value

LSV Asset Management (10/12)	762,649,490
Mondrian Investment Partners Limited (4/93)	864,800,418

Small/Mid Cap

American Century Global Investment Management, Inc. (6/08)	262,460,903
DFA Investment Dimensions Group Inc. (6/11)	203,001,272
Dimensional Fund Advisors, L.P. (6/08)	262,765,965
Mondrian Investment Partners Limited (11/12)	248,556,448

Emerging Markets

Aberdeen Asset Management, Inc. (3/08)	559,907,348
Northern Trust Investments, Inc. (4/13)	409,619,522

Emerging Manager

Ativo Capital Management (3/13)	24,969,183
Sky Investment Council (12/12)	24,888,767
Strategic Global Advisors (3/11)	53,631,103

Note: The list does not include managers terminated prior to June 30, 2013 with residual assets in the account.

Discussion of International Equity

The International Equity Manager Structure table provides a further breakdown of the styles within the international equity portfolio.

International Equity Manager Structure

International Equity Classification	Target	Actual
Large cap core	32.5%	31.0%
Large cap growth	20.0	19.5
Large cap value	20.0	19.9
Small/mid cap	11.0	11.9
Emerging markets	16.5	17.7
Total	<u>100.0%</u>	<u>100.0%</u>

International equity markets produced solid returns for the year ended June 30, 2013. Markets appreciated strongly during the first half of the fiscal year, advancing over 13.0 percent as investor fears over weakening global economic conditions and concerns regarding the Euro-based sovereign debt crisis abated. Further supporting the rally was the continued accommodative monetary policies employed by central bankers throughout the developed world (U.S., Europe and Japan). Economically sensitive sectors such as materials, energy, industrials and financials led equity markets higher during the second half of 2012. During the last quarter of the fiscal year, markets weakened as investors speculated the U.S. Federal Reserve would begin “tapering” its bond purchases, thus causing a spike in U.S. interest rates and dampening equity market expectations.

The biggest story to emerge during the past year was the significant underperformance of emerging market equities relative to U.S. and Non-US developed equity markets. Emerging equity markets returned 3.6 percent during the fiscal year, lagging the U.S. equity market by 17.8 percent and non-US equity markets by 13.5 percent. Emerging equity markets were hampered by fears of a hard landing in China as it transitions its economy from a direct investment economy to a more service-oriented, domestic-based economy. A slow-down in China has a rippling effect throughout the developed and emerging world economy, but especially impacts natural resource sensitive emerging economies in Brazil and Russia.

The TRS international equity portfolio modestly underperformed the benchmark return during the fiscal year. Negative excess returns were driven by the portfolio's defensive sector positioning relative to the index and the portfolio's modest overweight to emerging market equities. TRS managers have continued to position the portfolio by over-weighting specific sectors including telecom, consumer staples and healthcare at the expense of more economically sensitive sectors such as materials, energy and industrials.

Portfolio Characteristics

The next two charts convey the fundamental characteristics and the regional exposure of the international equity portfolio as of June 30, 2013.

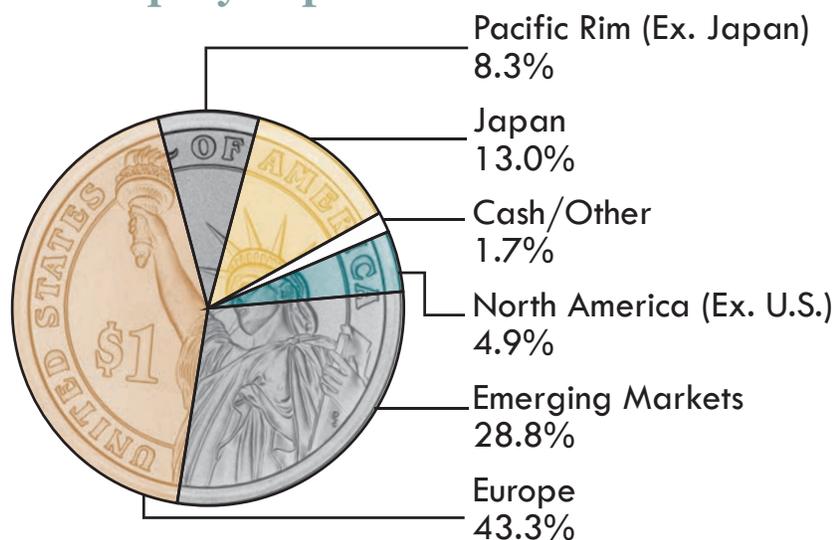
International Equity Fundamental Characteristics

Characteristic	TRS International Equity	Non-U.S. Equity Index
Weighted average market cap (\$ billions)	\$41.1	\$48.2
Price/earnings ratio	15.1x	15.7x
Dividend yield	3.2%	3.2%
Price/book ratio	2.7x	2.6x

Source: State Street Bank and Trust

Regional Allocation Comparison at June 30, 2013

TRS International Equity Exposure



Source: TRS

GLOBAL FIXED INCOME

Global fixed income is a financial obligation of an entity including, but not limited to, U.S. and foreign corporations, governments, agencies, indices, or municipalities. These entities promise to pay a specified sum of money at a future date, while paying specified interest during the term of the issue. A fixed or floating income security

represents a contractual obligation of a debt or a loan, with the issuer of debt as the borrower of capital, and the purchaser, or holder of bonds, as the creditor or lender.

Global fixed income is an important asset class in a well-diversified portfolio. Fixed income investments can reduce volatility, offer low or negative correlation to other asset classes and provide income streams, or coupons, essential to the growth of the overall portfolio.

For the year ended June 30, 2013, the TRS fixed income portfolio returned 6.5 percent, net of fees, compared to the loss of 0.7 percent of the benchmark, the Barclays Capital U.S. Aggregate Index. One-, three-, five-, and 10-year comparisons to the relative benchmark follow.

	FY13	3-Year	5-Year	10-Year
TRS, net of fees	6.5%	7.0%	8.5%	6.1%
Barclays Capital U.S. Aggregate Index	(0.7)	3.5	5.2	4.5

The following table lists the top 10 global fixed income investments or funds held by TRS as of June 30, 2013. A complete listing of investment holdings is available as a separate report.

Top 10 Global Fixed Income Holdings at June 30, 2013

Security/Position	Fair Value
Franklin Templeton Emerging Market Debt Fund	\$421,026,471
Loomis Sayles Strategic Alpha Fund	322,335,858
U.S. Treasury Note	147,635,228
Oaktree Enhanced Income Fund, L.P.	129,425,191
PIMCO Distressed Senior Credit Opportunities Fund II	122,589,652
PIMCO Bank Recapitalization and Value Opportunities Fund	103,814,900
PIMCO Global Advantage Strategy Bond Fund	95,078,405
Federal Home Loan Mortgage Note	57,318,910
MacKay Shields Defensive Bond Arbitrage Fund	53,090,964
U.S. Treasury Inflation Linked Note	48,077,712
Total	<u>\$1,500,393,291</u>

Source: State Street Bank and Trust and TRS

At June 30, 2013, 15.9 percent of the TRS investment portfolio was assigned to global fixed income. TRS employed the following fixed income managers during fiscal year 2013. This excludes fixed income-type assets overseen by managers in other asset classes containing fixed income securities as a small part of their overall strategies.

Global Fixed Income Managers and Assets Under Management (inception date of account)

AQR Risk Balanced Reinsurance Fund Ltd. (12/12)	\$40,442,612
Dolan McEniry Capital Management, L.L.C. (5/06)	327,857,688
Franklin Advisers, Inc. (2/08)	760,079,349
Franklin Templeton Investment Management Limited (12/10)	421,026,471
Garcia Hamilton & Associates, L.P. (6/10)	26,541,207
Hartford Investment Management Company (3/11)	291,010,833
LM Capital Group, L.L.C. (12/09)	33,765,382
Loomis Sayles & Company, L.P. (6/08)	443,503,279
Loomis Sayles Trust Company L.L.C. (3/11)	322,335,860
MacKay Shields L.L.C. (8/11)	797,262,690

(continued)

(continued)

Global Fixed Income Managers and Assets Under Management (inception date of account)

Manulife Asset Management, L.L.C. (8/11)	\$416,541,441
Maranon Senior Credit Fund II-B, L.P. (6/13)	16,332,420
Oaktree Enhanced Income Fund, L.P. (9/12)	129,425,191
Pacific Investment Management Company, L.L.C. (7/82)	985,998,619
Pacific Investment Management Company - Bank Recapitalization and Value Opportunities Bravo Fund, L.P. (1/11)	103,814,900
Pacific Investment Management Company - Bank Recapitalization and Value Opportunities Bravo Fund II, L.P. (3/13)	12,430,407
Pacific Investment Management Company - Distressed Senior Credit Opportunities Fund II, L.P. (11/11)	122,589,654
Pacific Investment Management Company - Global Advantage Strategy Bond Fund (3/11)	95,078,405
Prudential Investment Management, Inc. (12/08)	509,588,301
Taplin, Canida & Habacht (3/04)	251,315,194
Westwood Management Corp. (6/12)	73,985,955

Note: This list does not include certain managers terminated prior to June 30, 2013 with residual assets in the account.

Discussion of Global Fixed Income

TRS's global fixed income portfolio significantly outperformed the Barclays Capital U.S. Aggregate Index by 7.2 percent, net of fees, during the fiscal year. The global fixed income portfolio maintained low exposure to global developed market nominal positions with low yields and high debt levels. TRS continues the bias away from U.S. and global fixed income indices as benchmark investments tend to reward governments and corporations with the highest debt levels. TRS has increased floating rate exposures and maintained below market weight duration in anticipation of higher interest rates. Further, the System has worked to create structural flexibility within the portfolio to opportunistically address potential market dislocations.

Statistical Data

The following data provides statistical information on TRS's global fixed income portfolio.

Global Fixed Income Profile

Characteristic	TRS Fixed Income Portfolio 6/30/13	Barclays Capital Aggregate Index 6/30/13	TRS Fixed Income Portfolio 6/30/12	Barclays Capital Aggregate Index 6/30/12
Average maturity	5.8 years	7.5 years	6.0 years	6.7 years
Effective duration	3.8 years	5.5 years	4.2 years	5.1 years
Average coupon	3.6%	3.4%	4.5%	3.9%
Average quality rating	Baa1	Aa2	A3	Aa2

Source: State Street Bank and Trust and TRS

Diversification by Quality Rating for Individual Bonds

Moody's Quality Rating	2013	2012
Aaa*	42.1%	46.2%
Aa1 through Aa3	8.8	4.1
A1 through A3	7.2	7.0
Baa1 through Baa3	19.5	20.9
Ba1 through Ba3	10.5	9.8
B1 through B3	6.5	6.5
Under B3	1.7	2.0
Other**	3.7	3.5
Total	100.0%	100.0%

* U.S. treasury securities are included

** Other includes unrated securities

Source: State Street Bank and Trust and TRS

REAL RETURN

The real return asset class was established during 2007 in recognition of the significant impact inflation has on an investment portfolio and its return objectives. Traditional asset classes, such as equities and fixed income, tend to perform well in periods of stable or falling inflation yet face meaningful challenges in periods of rising inflation.

The objective of the real return asset class is to exceed the Consumer Price Index (CPI) by 5.0 percentage points over a five- to 10-year period of time. Real return strategies are generally less correlated with traditional stock and bond portfolios and provide inflation protection and excess returns during periods of rising inflation while reducing overall risk to the total fund. It should be noted that the CPI is not an investible benchmark, but is utilized as a benchmark given the inflation focus of the asset class. For the year ended June 30, 2013, TRS's real return asset class earned 0.1 percent, net of fees, compared to the 6.8 percent return of the benchmark.

	FY13	3-Year	5-Year
TRS, net of fees	0.1%	8.2%	1.2%
Consumer Price Index + 5%	6.8	7.4	6.4

At June 30, 2013, 8.9 percent of TRS's investment portfolio was assigned to real return managers. As of June 30, 2013, TRS employed the following managers and/or funds including their respective assets under management.

Real Return Managers and Assets Under Management (inception date of account)

Global Inflation-linked Bonds

New Century Advisors, L.L.C. (2/08)	\$218,639,764
Pacific Investment Management Company, L.L.C. (5/07)	487,602,592

Global Macro/ Risk Parity Strategies

AQR Global Risk Premium Tactical Fund II, Ltd. (7/07)	678,512,264
Bridgewater All Weather Portfolio Limited (7/07)	665,632,619
PIMCO Global Multi-Asset Strategy Fund (12/09)	496,816,983
PIMCO Multi-Asset Volatility Fund LLC (5/13)	58,914,960
Standard Life Investments Global Absolute Return Strategies Fund Ltd. (6/12)	542,394,327

Targeted Real Return

AQR Real Return Fund, L.P. (6/12)	357,984,885
Black River Agriculture Fund 2 LP (6/13)	3,961,408

Discussion of Real Return

The real return asset class serves as a portfolio diversifier and protects against unanticipated and actual inflation within the total fund. The real return portfolio is expected to maintain a risk/return profile between global equities and fixed income. The real return portfolio generated a 0.1 percent return, net of fees, for the fiscal year ended June 30, 2013. The global macro/risk parity strategies returned 2.3 percent, however inflation linked bonds and targeted real return posted returns of (3.0) percent and (8.4) percent, respectively. The majority of the underperformance occurred in the fourth quarter of the fiscal year when commodities, inflation-linked and nominal bonds were negatively impacted by the inaction of the Federal Reserve. As a result, most inflationary assets experienced increased correlation. However, TRS modestly underweighted most real return sectors during the second half of the fiscal year while primarily overweighting equities. The policy target for real return remains 10.0 percent of total fund.

Real Return Targets and Actual Allocation as of June 30, 2013

Real Return Subclasses	Target	Actual
Global inflation-linked bonds	21.0%	20.1%
Global macro/risk parity strategies	66.0	69.6
Targeted real return	13.0	10.3
Total	<u>100.0%</u>	<u>100.0%</u>

Source: TRS

PRIVATE EQUITY

Private equity includes investments that are placed and traded outside of the stock exchanges and other public markets. Over the long term, they are an attractive investment for pension funds, endowments, insurance companies, and other sophisticated investors. The investment class benefits the economy by providing needed capital to start-up companies and for continued growth in privately held companies and firms that are restructuring to better compete. Investing in private equity carries additional risk, but with skillful selection of managers, returns can be significantly higher than public equity investments.

The asset class is commonly referred to as private equity, even though it includes privately placed debt instruments as well. Often, the debt includes a control position that is similar to equity because it allows the debt holder to influence the operations and management of the company. TRS is widely diversified across all subsectors within private equity, including buyout, growth equity, venture capital, subordinated debt, and distressed debt.

TRS measures private equity performance against the Russell 3000 stock index plus 300 basis points (3 percentage points). This benchmark does not specifically compare performance to the private equity industry, but rather to the TRS long-term expectation that private equity produce returns superior to the public markets. For the one-year period ended June 30, 2013, private equity earned 15.2 percent on a net of fee basis, compared to the benchmark gain of 25.1 percent.

In general, an investor must look at a longer-term investment horizon to measure the success of a private equity program. TRS's investments in private equity maintain a very strong long-term return. One-, three-, five-, and 10-year comparisons to the benchmark are noted in the following table.

	FY13	3-Year	5-Year	10-Year
TRS, net of fees	15.2%	13.5%	6.9%	11.8%
Russell 3000 Index + 3.0%	25.1	22.1	10.5	11.1

At June 30, 2013, 11.9 percent of the TRS investment portfolio was assigned to the private equity asset class. The FY13 policy target for private equity is 12 percent of the total fund. The following chart lists the private equity partnerships/funds (and the respective assets under management) that TRS has investments with as of June 30, 2013.

Private Equity Partnerships and Assets Under Management (inception date of account)

Buyout

Advent International GPE VI, L.P. (7/08)	\$71,340,394
Advent International GPE VII, L.P. (12/12)	20,400,438
Apollo Investment Fund V, L.P. (5/01)	23,284,007
Apollo Investment Fund VI, L.P. (5/06)	129,554,292
Apollo Investment Fund VII, L.P. (1/08)	235,202,376
Apollo Investment Fund VII Annex A (5/12)	34,431,646
Banc Fund VI, L.P. (6/02)	30,214,468
Banc Fund VII, L.P. (5/05)	33,042,110
Baring Asia Private Equity Fund V, L.P. (3/11)	30,809,763
Black River Capital Partners Fund (Food), L.P. (8/11)	34,515,223
Blackstone Capital Partners VI, L.P. (8/11)	42,093,133
Blackstone Capital Partners VI Annex A (10/11)	19,577,724
Carlyle Partners IV, L.P. (4/05)	62,853,027
Carlyle Partners V, L.P. (7/07)	171,236,878
Carlyle Partners VI, L.P. (6/13)	1,466,726
Carlyle/Riverstone Global Energy and Power Fund II, L.P. (1/03)	43,151,059
Carlyle/Riverstone Global Energy and Power Fund III, L.P. (4/06)	57,317,303
Castle Harlan Partners IV, L.P. (5/03)	10,787,596
Code Hennessy & Simmons V, L.P. (2/05)	16,550,638
DLJ Merchant Banking Partners II, L.P. (3/97)	2,061,231
DLJ Merchant Banking Partners III, L.P. (9/00)	29,659,919
Edgewater Growth Capital Partners, L.P. (11/03)	2,824,942
Edgewater Growth Capital Partners II, L.P. (2/06)	13,018,845
Edgewater Growth Capital Partners III, L.P. (9/11)	25,839,923
EIF United States Power Fund IV, L.P. (11/11)	12,389,192
Elevation Partners, L.P. (4/05)	6,880,008
Energy Capital Partners I, L.P. (4/06)	29,570,541
Energy Capital Partners II-A, L.P. (9/09)	47,763,704
Energy Capital Partners II Annex A (10/11)	46,198,431
EnerVest Energy Institutional Fund XII-A, L.P. (12/10)	46,301,141
EQT VI, L.P. (9/11)	29,016,847
Evercore Capital Partners II, L.P. (4/03)	16,568,557
GI Partners Fund III, L.P. (1/09)	51,844,360
Glencoe Capital Partners III, L.P. (1/04)	12,408,236
Glencoe Capital Institutional Partners III, L.P. (6/04)	4,280,487
Green Equity Investors V, L.P. (8/07)	82,809,943

(continued)

(continued)

Private Equity Partnerships and Assets Under Management (inception date of account)

Green Equity Investors VI, L.P. (11/12)	\$17,667,626
GTCR Fund VII/VIIIA, L.P. (3/00)	212,664
GTCR Fund VIII, L.P. (7/03)	12,045,179
ICV Partners II, L.P. (1/06)	11,701,954
J.C. Flowers II, L.P. (2/07)	14,221,823
Littlejohn Fund IV, L.P. (7/10)	62,861,521
Madison Dearborn V, L.P. (7/06)	87,571,179
Madison Dearborn Partners V Annex A (4/13)	25,780,269
MBK Partners Fund II, L.P. (5/09)	28,387,682
MBK Partners Fund III, L.P. (4/13)	11,816,552
Mesirow Capital Partners VII, L.P. (6/97)	37,069
Morgan Creek Partners Asia, L.P. (1/11)	59,534,934
NGP Natural Resources X, L.P. (5/12)	40,889,128
NGP Natural Resources Annex A (11/12)	21,738,788
New Mountain Partners III, L.P. (8/07)	89,189,318
Onex Partners III, L.P. (04/09)	42,082,358
PAI Europe V, L.P. (4/08)	33,668,564
Parthenon Investors IV, L.P. (4/12)	5,350,859
Pine Brook Capital Partners, L.P. (1/08)	37,704,458
Providence Equity Partners VI, L.P. (3/07)	106,276,517
Providence Equity Partners VI Annex A (8/12)	46,983,135
Providence Equity Partners VII, L.P. (6/12)	10,814,434
Rhone Partners IV, L.P. (1/12)	17,824,112
Riverstone/Carlyle Global Energy and Power Fund IV, L.P. (3/08)	77,145,166
Riverstone Global Energy and Power Fund V, L.P. (6/12)	90,073,197
Silver Lake Partners III, L.P. (8/07)	61,275,498
Silver Lake Partners III Annex A (12/11)	59,663,631
Siris Partners II, L.P. (1/12)	7,629,461
Stone Point Capital Annex A (10/11)	33,693,735
Stone Point Capital Trident V, L.P. (12/10)	39,431,307
TCW/Latin America Private Equity Partners, L.P. (5/97)	15,667
Thayer Equity Investors V, L.P. (5/03)	79,180,361
TPG Partners IV, L.P. (12/03)	23,032,884
TPG Partners VI, L.P. (4/08)	103,790,485
Trilantic Capital Partners III, L.P. (4/05)	3,017,391
Trilantic Capital Partners IV, L.P. (10/07)	28,698,151
Trustbridge Partners IV, L.P. (12/11)	14,669,702
Veritas Capital Fund IV, L.P. (11/10)	56,030,098
Veritas Capital Fund IV Annex A (2/11)	10,862,910
Vicente Capital Partners Growth Equity Fund, L.P. (4/08)	12,592,876
Vista Equity Partners Fund III, L.P. (11/07)	48,307,448
Vista Equity Partners Fund IV, L.P. (10/11)	47,312,564

(continued)

(continued)

Private Equity Partnerships and Assets Under Management (inception date of account)

VS&A Communications Partners II, L.P. (8/95)	\$106,972
VSS Communications Partners IV, L.P. (3/05)	28,149,962
Warburg Pincus International Partners, L.P. (9/00)	38,278,922
Warburg Pincus Private Equity IX, L.P. (9/05)	63,560,237
Warburg Pincus Private Equity X, L.P. (10/07)	238,378,300
Welsh, Carson, Anderson & Stowe Capital Partners X, L.P. (8/05)	56,731,502
Windpoint Partners VI, L.P. (2/06)	18,504,990
WPG Corporate Development Associates V, L.P. (11/97)	771,373
Venture Capital	
21st Century Communications T-E Partners, L.P. (2/95)	318,991
Apex Investment Fund V, L.P. (8/03)	3,742,311
Carlyle U.S. Growth Fund III, L.P. (6/07)	27,558,689
Carlyle Venture Partners II, L.P. (10/02)	31,114,152
Evergreen Partners IV, L.P. (12/02)	16,476,222
Evergreen Partners V, L.P. (6/07)	13,090,281
Granite Ventures II, L.P. (5/05)	16,112,544
HealthpointCapital Partners, L.P. (6/04)	19,796,713
Hopewell Ventures, L.P. (6/04)	2,534,107
Illinois Emerging Technologies Fund, L.P. (6/04)	1,211,476
JMI Equity Fund VII, L.P. (2/11)	13,040,220
Lightspeed Venture Partners IX, L.P. (3/12)	12,936,345
LiveOak Venture Partners I, L.P. (2/13)	388,924
Longitude Venture Partners, L.P. (3/08)	27,009,713
Longitude Venture Partners II, L.P. (4/13)	1,072,625
Morgan Creek Partners Venture Access Fund, L.P. (1/12)	32,404,411
SCP Private Equity Partners, L.P. (5/97)	66,219
SCP Private Equity Partners II, L.P. (6/00)	39,742,847
Shasta Ventures, L.P. (1/05)	24,192,109
Sofinnova Venture Partners VIII, L.P. (8/11)	8,166,565
Starvest Partners, L.P. (1/09)	8,612,730
Technology Crossover Ventures VII, L.P. (10/08)	33,986,996
VantagePoint Venture Partners IV, L.P. (6/00)	32,966,129
VantagePoint Venture Partners 2006 (Q), L.P. (12/06)	38,575,578
WPG Enterprise Fund II, L.P. (8/94)	1,794,370
WPG Enterprise Fund III, L.P. (3/97)	2,913,311
Special Situations	
Avenue Europe Special Situations Fund, L.P. (5/08)	884,095
Avenue Special Situations Fund V, L.P. (10/07)	2,814,218
Blackstone/GSO Capital Solutions Fund, L.P. (9/09)	139,731,080
Carlyle Strategic Partners, L.P. (10/04)	1,360,167
Clearlake Capital Partners II, L.P. (7/09)	22,595,420
Clearlake Capital Partners III, L.P. (10/12)	10,863,081

(continued)

(continued)

Private Equity Partnerships and Assets Under Management (inception date of account)

Maranon Mezzanine Fund, L.P. (8/09)	\$24,745,122
MatlinPatterson Global Opportunities Partners II, L.P. (1/04)	2,404,051
MatlinPatterson Global Opportunities Partners III, L.P. (6/07)	67,577,498
MP II Preferred Partners (3/09)	6,209,096
Merit Mezzanine Fund IV, L.P. (1/05)	29,033,232
Oaktree Annex A (11/10)	39,385,426
Oaktree Opportunities Fund VIII, L.P. (3/10)	100,161,595
Oaktree Opportunities Fund VIIIb, L.P. (8/11)	49,489,958
OCM Opportunities Fund V, L.P. (6/04)	2,906,319
OCM Opportunities Fund VIIb, L.P. (6/08)	28,988,670
Oaktree Opportunities Fund IX, L.P. (3/13)	9,863,009
Oaktree Opportunities Fund IX Annex A (3/13)	6,995,981
OCM European Principal Opportunities Fund II, L.P. (8/08)	56,357,929
Oaktree European Principal Fund III, L.P. (11/11)	27,875,564
Oaktree Real Estate Opportunities Fund VI, L.P. (6/13)	51,763,223
Prism Mezzanine Fund, L.P. (12/04)	6,584,188
SW Pelham Fund II, L.P. (9/03)	73,300
Welsh, Carson, Anderson & Stowe Capital Partners IV, L.P. (2/05)	33,149,517
William Blair Mezzanine Capital Fund II, L.P. (5/97)	92,244
William Blair Mezzanine Capital Fund III, L.P. (1/00)	2,888,231

Discussion of Private Equity

TRS's private equity portfolio earned 15.2 percent, net of fees, during the fiscal year. While under its one-year benchmark, private equity has outperformed on a long-term basis. The long-term performance strength of the private equity program and the asset class's diversification both benefit the overall portfolio. TRS continues to prudently increase its exposure to private equity. In April 2011, the Board of Trustees adopted a new asset allocation study that increased the private equity allocation target to 12 percent. Successful implementation of this target is subject to many factors, including public market performance and sufficient availability of high quality private equity opportunities in the market.

The following chart provides exposure percentage by investment type including breakdown of TRS's targeted style allocation as compared to the actual allocation at June 30, 2013.

Private Equity Target and Actual Allocation as of June 30, 2013

Investment Type	Target	Actual
Buyout	60-80%	76.0%
Venture capital	5-20	9.0
Special situations/distressed debt/subordinated debt	10-25	15.0
Total		100.0%
North America	NA	67.0%
International	NA	33.0
Total		100.0%

Source: TorreyCove Capital Partners LLC

TRS made new commitments to eight separate private equity funds totaling nearly \$850 million and four co-investments totaling \$110 million during the fiscal year. Included in this total were funds designed to broaden the program's geographic diversification in Europe and Asia and specifically target growth opportunities within the technology sector. TRS remains opportunistic with its private equity investment approach and received Board approval to establish a private equity secondary market program which will allow acquisition and divestment of private equity funds in the secondary market.

ABSOLUTE RETURN

The absolute return asset class includes mandates designed to provide attractive return and risk attributes while exhibiting low correlation to traditional public equity and fixed income investments. The absolute return class was established as a result of an asset allocation study adopted in FY07.

The fiscal year policy target for absolute return is 8.0 percent of the overall TRS investment portfolio. The asset class is measured against a relative risk-free index of 90-Day Treasury Bills + 4.0 percent. While this is not an investible index, the benchmark represents the intended risk reduction characteristic of the asset class.

For the year ended June 30, 2013, TRS's absolute return investment asset class earned 10.5 percent, net of fees, compared to the 4.1 percent return of the benchmark.

	FY13	3-Year	5-Year
TRS, net of fees	10.5%	8.4%	3.8%
Treasury Bill + 4%	4.1	4.1	4.3

Investments in absolute return are administered via both direct investment manager relationships and diversified fund of funds. At June 30, 2013, 5.3 percent of TRS's investment portfolio was assigned to absolute return managers and TRS employed the following managers including their respective assets under management.

Absolute Return Managers and Assets Under Management (inception date of account)

Diversified Funds	
Bridgewater Pure Alpha Fund I (1/09)	\$302,312,412
Diversified Fund of Funds	
Grosvenor Monarch Fund, L.L.C. (6/07)	446,097,128
K2 Bluegill Fund, L.L.C. (6/07)	525,144,129
Direct Investment Funds	
Grosvenor Monarch Fund, L.L.C. (Monarch Series B) (3/11)	425,649,720
K2 Bluegill Fund, L.L.C. (Bluegill Series B) (3/11)	409,850,454
Emerging Manager	
Lasair Capital L.L.C. (8/09)	1,192,160

The following chart provides a further breakdown of TRS's targeted style allocation as compared to the actual allocation at June 30, 2013. The absolute return portfolio has continued to reduce exposure to fund of funds and implement direct fund investments through fiscal year end.

Absolute Return Target and Actual Allocation as of June 30, 2013

Subclasses	Target	Range	Actual
Fund of Funds	50.0%	+/- 15%	46.1%
Equity Focus	10.0	+/- 10%	2.4
Credit Focus	20.0	+/- 10%	21.5
Event/Macro/Other	20.0	+/- 10%	30.0
Total	<u>100.0%</u>		<u>100.0%</u>

Source: TRS

Discussion of Absolute Return

The absolute return investment portfolio performed well for the fiscal year, outperforming the non-investable benchmark by more than 6 percent. The three-year outperformance versus the benchmark continues to be strong, and the program narrowed the gap on the five-year performance metric. A core component of returns over the fiscal year was investment in credit strategies that rewarded expertise in complexity and structuring. These investments overcame the drag on performance from hedging downside risks. Consistent with the long term plan, staff continues to reduce the allocation to fund of funds in order to lower total fees paid, while maintaining relatively low risk – compared with equities – and a stable return profile.

REAL ESTATE

Real estate investments are direct investments or ownership in land and buildings including apartments, offices, warehouses, shopping centers, and hotels. TRS also holds partnership interests in entities that purchase and manage property and pass rent and sale income back to TRS. Investment in real estate is intended to increase the TRS total portfolio long-term rate of return and reduce year-to-year volatility.

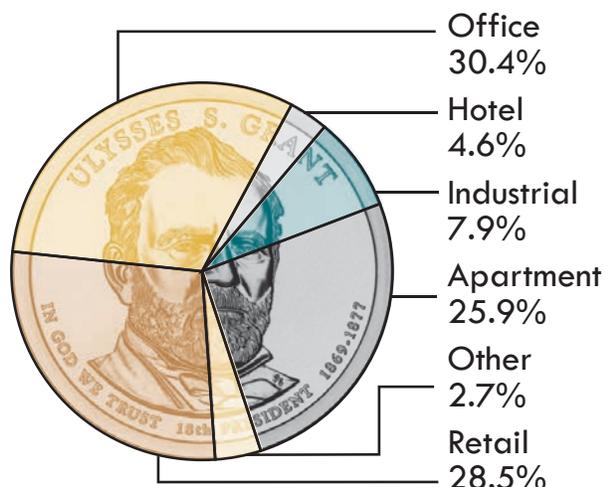
The real estate asset class offers competitive returns, provides diversification benefits to portfolios of stocks and bonds, and also serves as a hedge against inflation. Additionally, real estate offers a strong income component to pay TRS benefits.

As of June 30, 2013, TRS held \$4.7 billion in real estate assets, or 12.0 percent of the total fund portfolio. For the fiscal year, TRS's real estate investments earned 12.6 percent, net of fees. Real estate performance and benchmark comparisons are noted in the following table.

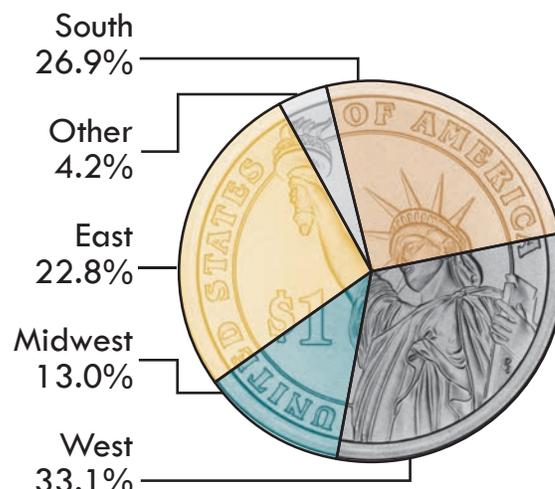
	FY13	3-Year	5-Year	10-Year
TRS, net of fees	12.6%	13.4%	(0.7%)	7.4%
NCREIF Property Index	10.7	13.1	2.8	8.6

To enhance returns and reduce risk, TRS acquires high quality properties diversified geographically and by property type. TRS's real estate holdings by type and geography are exhibited in the following charts.

Real Estate Holdings by Type as of June 30, 2013



Geographic Diversification of Real Estate Holdings as of June 30, 2013



Source: Callan Associates Inc.

Professional real estate advisors manage real estate owned by TRS. Separate account managers administer TRS's direct investments in real estate assets. Closed-end and open-end accounts represent partnership interests in real estate funds including TRS's international real estate accounts. As of June 30, 2013, TRS employed the following managers including their respective assets under management.

Real Estate Managers and Assets Under Management (inception date of account)

Separate Accounts

Capri/Capital Advisors, L.L.C. (12/91)	\$724,698,010
Cornerstone Real Estate Advisors, L.L.C. (7/08)	306,638,734
Cornerstone II S/A (7/09)	12,217,500
Cornerstone III S/A (8/09)	55,551,405
Heitman Capital Management, L.L.C. (7/09)	1,082,262,054
Invesco Institutional (N.A.), Inc. (7/08)	483,753,134
LPC Realty Advisors I, Ltd. (7/92)	670,030,836
LPC Realty Advisors Core, Ltd. (4/07)	103,769,648

Closed-End Accounts

Beacon Capital Strategic Partners V, L.P. (8/07)	35,433,488
Blackstone Real Estate Partners VI, L.P. (9/07)	62,221,733
Blackstone Real Estate Partners VII, L.P. (1/12)	119,166,089
Capri Capital Advisors Apartment Fund III, L.P. (11/02)	126,831,888
Capri Select Income Fund II, L.L.C. (12/05)	3,730,290
Carlyle Realty Partners IV, L.P. (6/05)	54,702,551
Cornerstone Hotel Income & Equity Fund II, L.P. (7/08)	41,890,244
JBC Opportunity Fund II, L.P. (5/03)	1,552,310
JER Real Estate Qualified Partners III, L.P. (1/05)	22,958,008
Southwest Multifamily Partners, L.P. (8/12)	3,316,180
Starwood Distressed Opportunity Fund IX, L.P. (3/13)	36,930,427
Thayer Hotel Investors IV, L.P. (5/04)	7,452,112
Walton Street Real Estate Fund IV, L.P. (7/03)	45,837,687

(continued)

(continued)

Real Estate Managers and Assets Under Management (inception date of account)

Walton Street Real Estate Fund VI, L.P. (4/09)	\$86,235,537
Walton Street Real Estate Fund VII, L.P. (6/13)	9,843,152
Open-End Accounts	
Hines U.S. Core Office Fund, L.P. (12/05)	182,760,503
Lion Industrial Trust (4/05)	199,604,134
International Real Estate Accounts	
Carlyle Europe Real Estate Partners III, L.P. (9/07)	52,510,049
CB Richard Ellis Strategic Partners Europe Fund III, L.P. (4/07)	25,039,650
CB Richard Ellis Strategic Partners UK Fund III, L.P. (5/07)	9,483,928
LaSalle Asia Opportunity Fund III, L.P. (11/07)	32,762,322
MGPA Asia Fund III, L.P. (12/07)	71,919,178
Niam Nordic V, L.P. (4/12)	9,387,456
Real Estate Investment Trust	
Cornerstone Real Estate Advisors, L.L.C. (9/11)	57,203,655

Discussion of Real Estate

TRS's real estate portfolio earned 12.6 percent during the fiscal year, outpacing the National Council of Real Estate Investment Fiduciaries ("NCREIF") Index by 190 basis points. TRS's portfolio outperformed the NCREIF Index by 30 basis points for three years, while lagging 350 basis points and 120 basis points for the respective five- and 10-year periods. The commercial real estate market has continued to experience a recovery in asset prices, transactions, and capital availability. Asset prices are nearing 2007 peak levels in the major metropolitan markets and transaction activity has increased in secondary markets. TRS's managers maintain their focus on upgrading the portfolio through selective acquisitions of desirable assets while selling assets that are not considered long-term strategic holds. The TRS investment portfolio maintains a long-term target allocation of 14.0 percent to real estate.

SECURITIES LENDING

As of June 30, 2013, Citibank, N.A. was the lending agent for the TRS securities lending program including fixed income, domestic equities and international equities. TRS transitioned the lending program to Citibank, N.A. from the master trustee, State Street Bank and Trust Company, during the fiscal year. The Board of Trustees' policies permit TRS to use investments to enter into securities lending transactions, which are loans of securities to broker-dealers or other entities. Additional information regarding securities lending activity is included in the Notes to Financial Statements under "D. Investments."

For the year ended June 30, 2013, TRS earned net income of \$13.9 million through its securities lending program. The decrease from prior year was driven primarily by a weaker securities lending market. The global equity rally, combined with the uncertainty of regulatory changes, resulted in the market producing fewer short positions required to be covered by broker/dealers. The securities lending market experienced significant spread compression, or decrease in lending fees, creating a reduction in hard to borrow "specials" resulting in lower return to lendable. The TRS lending agent transition during the fiscal year also contributed to lower income levels as State Street Bank and Trust Company recalled all securities on loan in January 2013 while Citibank, N.A. started gradually putting out loans during the months of February 2013 and March 2013.

The Securities Lending Summary table outlines the net income from securities lending activity, the securities on loan, the amount of collateral for these securities, and the average utilization rate information.

Securities Lending Summary

	FY13	FY12
Net securities lending income	\$13,896,564	\$19,617,303
Values as of fiscal year-end (June 30):		
Total fair value of collateral	1,836,179,323	2,760,697,851
Total fair value of securities on loan	1,781,796,752	2,682,477,139
Total collateralized percentage	103%	103%
Fiscal year 12 month averages:		
Average lendable	\$18,353,448,742	\$17,370,240,196
Average on loan	1,937,213,348	2,852,601,356
Average utilization	10.6%	16.4%

Source: State Street Bank and Trust and Citibank, N.A.

Note: Securities lending collateral reflected on the Statements of Net Position reflects the securities purchased with cash collateral.

BROKERAGE ACTIVITY

The following table shows the top 50 listed brokers used by TRS external equity managers for the years ended June 30, 2013 and June 30, 2012. TRS also manages a commission recapture program as part of its trading strategies. For the year ended June 30, 2013, TRS recaptured \$0.4 million in cash that was reinvested in the fund. In addition, TRS uses a portion of these commission recapture refunds to pay for Investment Department expenses. During fiscal year 2013, TRS used \$0.2 million of recaptured funds to offset expenses.

Top 50 Brokers Used by TRS Managers

Broker	FY13 Commission	FY12 Commission
Merrill Lynch & Co., Inc. and all Subsidiaries (Worldwide)	\$1,667,540	\$1,461,814
Citigroup, Inc. and all Subsidiaries (Worldwide)	1,503,975	622,384
J.P. Morgan Securities, Inc. (Worldwide)	1,132,338	1,245,559
State Street Brokerage Services (Worldwide)	1,003,250	754,647
Credit Suisse (Worldwide)	901,362	710,279
Goldman Sachs & Co. (Worldwide)	651,135	827,365
Morgan Stanley & Co., Inc. and Subsidiaries (Worldwide)	609,961	526,303
UBS Warburg Securities and all Subsidiaries (Worldwide)	558,236	858,265
Deutsche Bank & Securities (Worldwide)	524,919	510,806
Macquarie Bank & Securities, Ltd. (Worldwide)	437,567	317,683
Barclays (Worldwide)	327,618	472,478
Cabrera Capital Markets, Inc.	323,754	264,639
G-Trade Services, L.L.C.	303,345	212,269
Loop Capital Markets, L.L.C.	242,361	342,758
Sanford Bernstein (Worldwide)	205,938	139,774
Instinet, L.L.C. (Worldwide)	184,332	174,106
Liquidnet, Inc.	169,479	216,491
Bank of New York Mellon (Worldwide)	162,915	451,521
Investment Technology Group, Inc. (Worldwide)	160,406	197,845
HSBC (Worldwide)	152,985	54,624
Jefferies & Company	152,709	158,038
Island Trader Securities, Inc.	151,620	58,429
Stifel Nicolaus & Company (Worldwide)	151,313	193,218
Williams Capital Group, L.P.	151,302	289,671
Credit Lyonnais Securities (Worldwide)	148,168	121,162

(continued)

(continued)

Broker	FY13 Commission	FY12 Commission
Cantor Fitzgerald	\$140,757	\$191,300
CL King & Associates, Inc.	125,766	69,953
Raymond James (Worldwide)	123,006	135,532
Mischler Financial Group	122,008	78,283
RBC Dain Rauscher (Worldwide)	121,418	175,018
Guzman & Company	113,953	62,632
Baird, Robert W., & Company, Incorporated	107,594	153,853
Bloomberg Tradebook, L.L.C.	106,299	150,523
M. Ramsey King Securities	96,293	203,661
CLSA Securities	94,095	112,332
Kim Eng Securities	91,769	34,252
Nomura International (Worldwide)	89,141	210,213
Abel Noser Corporation (Worldwide)	83,050	50,624
SG Cowen & Company (Worldwide)	80,980	108,772
Piper Jaffray, Inc.	78,331	73,844
ISI Group Inc.	74,165	81,405
Credit Agricole	72,699	150,187
Citation Group	72,696	62,472
Weeden & Co.	66,418	83,885
S.J. Levinson & Sons, L.L.C.	65,984	7,637
Exane, Inc.	62,045	63,116
Jones Trading Institutional Services, L.L.C.	61,554	5,269
Suntrust Capital Markets, Inc.	61,427	41,121
Cheevers & Co., Inc.	60,532	151,246
Keybank Capital Markets	57,380	79,566
All Others - (251 Brokers in FY13, 249 Brokers in FY12)	2,300,005	2,766,002
Total	<u>\$16,507,893</u>	<u>\$16,484,826</u>

Source: State Street Bank and Trust and TRS

EXTERNAL MANAGER FEE PAYMENTS

For the year ended June 30, 2013, fee payments to external investment managers totaled \$236.8 million, compared to \$199.5 million from the year ended June 30, 2012. The rise is attributable to the asset class mix within the portfolio that continues to shift toward long-term asset allocation targets.

Schedule of Investment Manager Fees

Investment Manager/Account	FY13	FY12
Aberdeen Asset Management, Inc.	\$7,664,054	\$8,230,664
Advent International GPE VI, L.P.	664,588	946,167
Advent International GPE VII-C, L.P.	1,352,232	-
American Century Global Investment Management, Inc.	1,803,774	1,538,686
Apex Investment Fund V, L.P.	-	4,683
Apollo Investment Fund VII, L.P.	2,249,774	2,757,225
AQR Capital Management, L.L.C.	3,572,014	3,623,173
AQR Real Return Offshore Fund, L.P.	2,254,465	94,126

(continued)

(continued)

Investment Manager/Account	FY13	FY12
AQR Risk Balanced Reinsurance Fund LTD.	\$181,383	\$ -
Ativo Capital Management	40,390	-
Avenue Europe Special Situations Fund, L.P.	-	161,194
Avenue Special Situations Fund V, L.P.	-	-
Banc Fund VI, L.P.	375,000	750,937
Banc Fund VII, L.P.	901,200	901,200
Baring Asia Private Equity Fund V	1,600,000	1,600,000
Beacon Capital Strategic Partners V, L.P.	357,863	239,798
Black River Agriculture Fund 2, L.P.	159,349	-
Black River Asset Management L.L.C.	1,123,450	2,140,591
Blackstone Capital Partners VI, L.P.	1,444,149	1,411,180
Blackstone Real Estate Partners VI, L.P.	611,324	657,245
Blackstone Real Estate Partners VII, L.P.	2,977,772	2,521,699
Blackstone/GSO Capital Solutions Fund, L.P.	1,858,849	525,869
Boston Company Asset Management, L.L.C.	2,238,982	2,981,459
Brandes Investment Partners, L.P.	683,913	2,613,890
Bridgewater All Weather Portfolio Offshore Limited	2,275,516	2,325,150
Bridgewater Pure Alpha Fund I	8,842,252	10,487,996
Capri Capital Advisors Apartment Fund III, L.P.	1,486,453	1,496,984
Capri Select Income II, L.L.C.	14,360	11,483
Capri/Capital Advisors, L.L.C.	2,616,952	2,822,115
Carlyle Europe Real Estate Partners III, L.P.	818,394	716,692
Carlyle Europe Real Estate Partners, L.P.	-	85,387
Carlyle Partners IV, L.P.	300,376	284,421
Carlyle Partners V, L.P.	2,129,213	1,531,938
Carlyle Partners VI, L.P.	254,795	-
Carlyle Realty Partners IV, L.P.	890,346	890,346
Carlyle Strategic Partners, L.P.	-	-
Carlyle U.S. Growth Fund III, L.P.	533,698	694,399
Carlyle Ventures Capital II, L.P.	158,958	738,593
Carlyle/Riverstone Global Energy Fund II, L.P.	543,011	438,345
Carlyle/Riverstone Global Energy Fund III, L.P.	491,480	581,214
CB Richard Ellis Strategic Partners Europe Fund III, L.P.	384,709	402,461
CB Richard Ellis Strategic Partners UK Fund III, L.P.	233,939	330,680
Channing Capital Management, L.L.C.	252,044	124,200
Clearlake Capital Partners II, L.P.	276,065	425,457
Clearlake Capital Partners III, L.P.	448,294	-
Code Hennessy & Simmons V, L.P.	-	15,827
Cornerstone Hotel Income & Equity Fund II, L.P.	435,035	299,725
Cornerstone Real Estate Advisors, L.L.C.	1,828,404	1,443,717
Cortina Asset Management, L.L.C.	522,504	26,104
Cramer Rosenthal McGlynn, L.L.C.	1,287,375	1,038,359
Credo Capital Management, L.L.C.	30,263	210,428
Denali Advisors, L.L.C.	54,354	583,912
Dimensional Fund Advisors, L.P.	2,751,256	1,930,026

(continued)

(continued)

Investment Manager/Account	FY13	FY12
DLJ Merchant Banking Partners III, L.P.	\$87,975	\$170,843
Dolan McEniry Capital Management, L.L.C.	737,944	735,140
EARNEST Partners, L.L.C.	-	190,915
Edgewater Growth Capital Partners II, L.P.	148,612	262,442
Edgewater Growth Capital Partners III, L.P.	232,990	988,656
Edgewater Growth Capital Partners, L.P.	-	133,682
EIF United States Power Fund IV, L.P.	3,670,995	-
Elevation Partners, L.P.	87,400	112,596
Emerald Advisers, Inc.	1,514,434	1,262,112
Energy Capital Partners Fund II-A, L.P.	491,969	360,439
Energy Capital Partners I, L.P.	430,822	321,407
Energy Capital Partners II, L.P.	32,298	23,485
Enervest Energy Institutional Fund XII-A, L.P.	848,935	1,000,000
EQT VI	1,284,021	1,349,692
Evercore Capital Partners II, L.P.	26,563	136,659
Evergreen Partners IV, L.P.	124,254	199,790
Evergreen Partners V, L.P.	560,754	591,742
Fiduciary Management Associates, L.L.C.	1,055,856	1,047,809
Flintlock Commodity Opportunities Master Fund, L.P.	79,084	170,025
Franklin Advisers, Inc.	2,284,426	2,086,454
Franklin Templeton Investment Management Limited	1,797,702	1,695,398
Fred Alger Management, Inc.	-	548,311
Frontier Capital Management, L.L.C.	1,363,351	1,068,216
Garcia Hamilton & Associates, L.P.	67,879	69,353
GI Partners	556,204	718,370
Glencoe Capital Partners III, L.P.	68,436	14,077
Goldman Sachs Asset Management, L.P.	-	108,998
Granite Ventures II, L.P.	258,926	276,839
Grantham, Mayo, Van Otterloo & Co., L.L.C.	5,063,946	5,777,304
Green Equity Investors V, L.P.	603,271	-
Green Equity Investors VI, L.P.	759,854	-
Gresham Investment Management Company, L.L.C.	-	426,490
Grosvenor Monarch Fund, L.L.C.	3,121,806	2,913,621
Grosvenor Monarch Fund, L.L.C. (Monarch Series B)	14,245,203	2,353,059
GTCR Fund VII/VIIA, L.P.	-	29,467
GTCR Fund VIII, L.P.	174,642	337,426
Hartford Investment Management Company	281,524	324,245
HealthPoint Partners, L.P.	350,000	908,982
Heitman Capital Management, L.L.C.	4,643,818	4,440,952
Herndon Capital Management, L.L.C.	335,181	158,319
Hines U.S. Core Office Fund, L.P.	850,000	850,000
Hispania Private Equity, L.P.	-	114,302
Hopewell Ventures, L.P.	306,723	313,200
ICV Partners II, L.P.	-	119,016
Illinois Emerging Technologies Fund, L.P.	12,910	12,623

(continued)

(continued)

Investment Manager/Account	FY13	FY12
Invesco Institutional (N.A.), Inc.	\$1,810,286	\$1,550,884
J.C. Flowers II, L.P.	283,487	311,745
Jarislowsky, Fraser Limited	866,835	809,278
JBC Opportunity Fund II, L.P.	-	70,289
JER Real Estate Qualified Partners III, L.P.	134,341	187,843
JMI Equity Fund VII, L.P.	393,765	387,718
JP Morgan Investment Management, Inc.	138,855	35,213
JP Morgan Management Associates, L.L.C.	3,338,325	3,862,176
K2 Bluegill Fund, L.L.C.	4,317,724	4,487,033
K2 Bluegill Fund, L.L.C. (Bluegill Series B)	9,979,215	3,351,698
KKR 1996 Fund, L.P.	-	2,015
Koll Bren Schreiber Realty Advisors	366,842	1,147,736
Lasair Capital L.L.C.	90,708	274,520
LaSalle Asia Opportunity Fund III, L.P.	512,088	536,202
Levin Capital Strategies, L.P.	922,468	926,360
Lightspeed Venture Partners IX, L.P.	654,044	311,174
Lion Industrial Trust	1,876,089	1,729,904
Littlejohn Fund IV, L.P.	922,053	718,668
LiveOak Venture Partners I, L.P.	168,750	-
LM Capital Group, L.L.C.	120,656	74,398
Lombardia Capital Partners, L.L.C.	1,468,703	1,370,040
Longitude Ventures Partners, L.P.	714,088	562,500
Loomis, Sayles & Company, L.P.	3,657,116	3,793,642
LPC Realty Advisors I, Ltd.	3,288,982	2,189,086
LSV Asset Management	2,120,802	1,335,057
MacKay Shields, L.L.C.	2,283,554	1,197,756
Madison Dearborn V, L.P.	462,773	520,136
Manulife Asset Management, L.L.C.	935,050	742,134
Maranon Credit Fund II-B, L.P.	671	-
Maranon Mezzanine Fund, L.P.	260,233	326,112
MatlinPatterson Global Opportunities Fund III, L.P.	764,472	1,244,890
MBK Partners Fund II, L.P.	253,473	439,646
MBK Partners Fund III, L.P.	590,355	-
McKinley Capital Management, Inc.	2,002,555	3,058,545
Merit Mezzanine Fund IV, L.P.	368,984	365,555
MFS Institutional Advisors, Inc.	948,742	808,955
MGPA Asia Fund III. L.P.	704,499	640,360
Mondrian Investment Partners Limited	3,763,992	978,428
Morgan Creek Partners Asia, L.P.	863,555	686,917
Morgan Creek Partners Venture Access Fund, L.P.	1,000,000	534,247
New Century Advisors, L.L.C.	451,026	470,835
New Mountain Investments III, L.P.	1,051,686	1,139,078
NGP Natural Resources X, L.P.	1,427,118	684,426
Niam Nordic V, L.P.	389,385	548,997
Northern Trust Investments, N.A.	548,089	453,702

(continued)

(continued)

Investment Manager/Account	FY13	FY12
OakBrook Investments, L.L.C.	\$401,513	\$177,090
Oaktree Enhanced Income Fund, L.P.	752,572	-
Oaktree Opportunities Fund VIIIb, L.P.	728,584	625,537
Oaktree PPIP Private Fund, L.P.	203,878	186,309
Oaktree Real Estate Opportunities Fund VI, L.P.	877,378	-
OCM European Principal Fund III, L.P.	679,431	732,857
OCM European Principal Opportunities Fund II, L.P.	801,528	1,063,202
OCM Opportunities Fund V, L.P.	73,711	103,624
OCM Opportunities Fund VIIIb, L.P.	725,769	1,125,035
OCM Opportunities Fund VIII, L.P.	1,314,106	1,314,105
OCM Opportunities Fund IX	31,835	-
Onex Partners III, L.P.	827,995	856,986
Pacific Investment Management Company, L.L.C.	8,045,956	5,572,649
PAI Europe V, L.P.	470,533	408,913
Parthenon Investors IV, L.P.	674,026	350,000
PIMCO BRAVO Fund, L.P.	960,140	431,981
PIMCO BRAVO Fund II, L.P.	36,490	-
PIMCO Distressed Senior Credit Opportunities Fund II, L.P.	9,290,231	561,686
Pine Brook Capital Partners, L.P.	924,631	851,546
Prism Mezzanine Fund, L.P.	350,256	449,953
Providence Equity Partners VI, L.P.	698,071	770,297
Providence Equity Partners VII, L.P.	1,030,231	-
Prudential Investment Management, Inc.	796,962	885,600
Putnam Advisory Company, L.L.C.	381,959	1,240,873
Rhone Partners IV, L.P.	998,743	666,498
RhumbLine Advisers, L.P.	175,886	180,200
Riverstone/Carlyle Global Energy and Power Fund IV, L.P.	(55,948)	1,372,759
Riverstone/Carlyle Global Energy and Power Fund V, L.P.	2,589,667	1,375,000
Robeco Boston Partners Asset Management, L.P.	1,191,546	1,003,509
Schroder Commodity Offshore Portfolio, L.L.P.	-	1,798,007
SCP Private Equity Partners II, L.P.	418,920	527,282
Shasta Ventures, L.P.	468,750	531,250
Silver Lake Partners III, L.P.	964,639	927,799
Siris Partners II, L.P.	(139,770)	411,397
Sky Investment Council	63,707	-
Sofinnova Ventures Partners VIII, L.P.	902,041	926,706
Southwest Multifamily Partners, L.P.	312,500	19,746
Standard Life Investment Global Absolute Return Strategies Master Fund Ltd.	3,747,270	163,015
StarVest Partners, L.P.	275,000	300,000
Starwood Distressed Opportunity Fund IX Global, L.P.	1,972,541	-
State Street Bank and Trust Company (Custody)	908,333	200,000
Stone Point Capital Trident V, L.P.	1,125,000	1,042,116
Strategic Global Advisors	254,254	149,556
SW Pelham Fund II, L.P.	3,939	27,434
T. Rowe Price Associates, Inc.	3,910,190	3,639,067

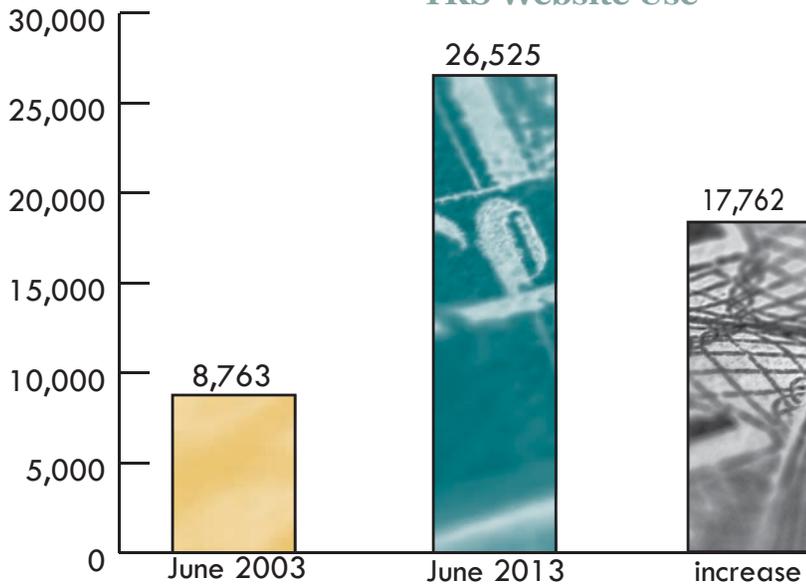
(continued)

(continued)

Investment Manager/Account	FY13	FY12
Taplin, Canida & Habacht	\$192,380	\$260,809
Technology Crossover Ventures VII, L.P.	779,671	702,195
Thayer Equity Investors V, L.P.	122,478	268,156
Thayer Hotel Investors IV, L.P.	167,108	121,073
TPG Partners VI, L.P.	1,197,912	1,128,853
Trilantic Capital Partners III, L.P.	89,924	107,650
Trilantic Capital Partners IV, L.P.	242,002	571,080
Trilogy Global Advisors, L.L.C.	1,141,056	1,236,606
Trustbridge Partners IV, L.P.	600,000	695,342
Turner Investment, L.P.	340,223	1,535,764
VantagePoint Venture Partners 2006, L.P.	1,036,561	1,166,194
Veritas Capital Fund IV, L.P.	429,574	1,146,154
Vicente Capital Partners Growth Equity Fund, L.P.	229,393	276,573
Vista Equity Partners Fund IV, L.P.	1,173,081	1,357,451
Vista Equity Partners III, L.P.	339,658	462,644
VSS Communications Partners IV, L.P.	327,059	363,997
Walton Street Real Estate Fund IV, L.P.	626,937	626,007
Walton Street Real Estate Fund VI, L.P.	1,222,345	1,092,935
Walton Street Real Estate Fund VII, L.P.	13,027	-
Warburg Pincus International Partners, L.P.	250,592	289,682
Warburg Pincus Private Equity IX, L.P.	540,502	690,163
Warburg Pincus Private Equity X, L.P.	3,706,612	3,722,750
Wellington Management Company - Diversified Inflation Hedges Portfolio, L.L.C.	-	3,897,718
Wellington Management Company, L.P.	-	647,357
Welsh, Carson, Anderson & Stowe Capital Partners IV, L.P.	379,975	398,634
Welsh, Carson, Anderson & Stowe Capital Partners X, L.P.	170,286	221,212
Westwood Management Corp	500,141	40,546
William Blair Mezzanine Capital Fund III, L.P.	-	71,470
WPG Corporate Development Associates V, L.P.	6,119	7,628
WPG Enterprise Fund II, L.P.	9,542	21,372
WPG Enterprise Fund III, L.P.	37,505	133,647
Total Fees Paid by TRS	<u>\$236,788,370</u>	<u>\$199,455,345</u>

Note: This schedule captures investment manager fees applicable to the fiscal year(s) reported and differs from investment fees reported within the Financial Section.

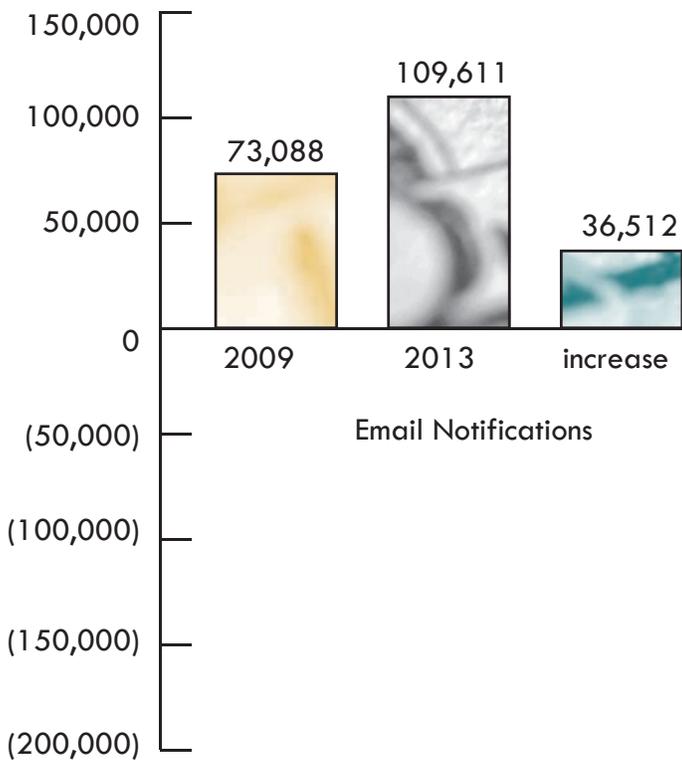
TRS Website Use



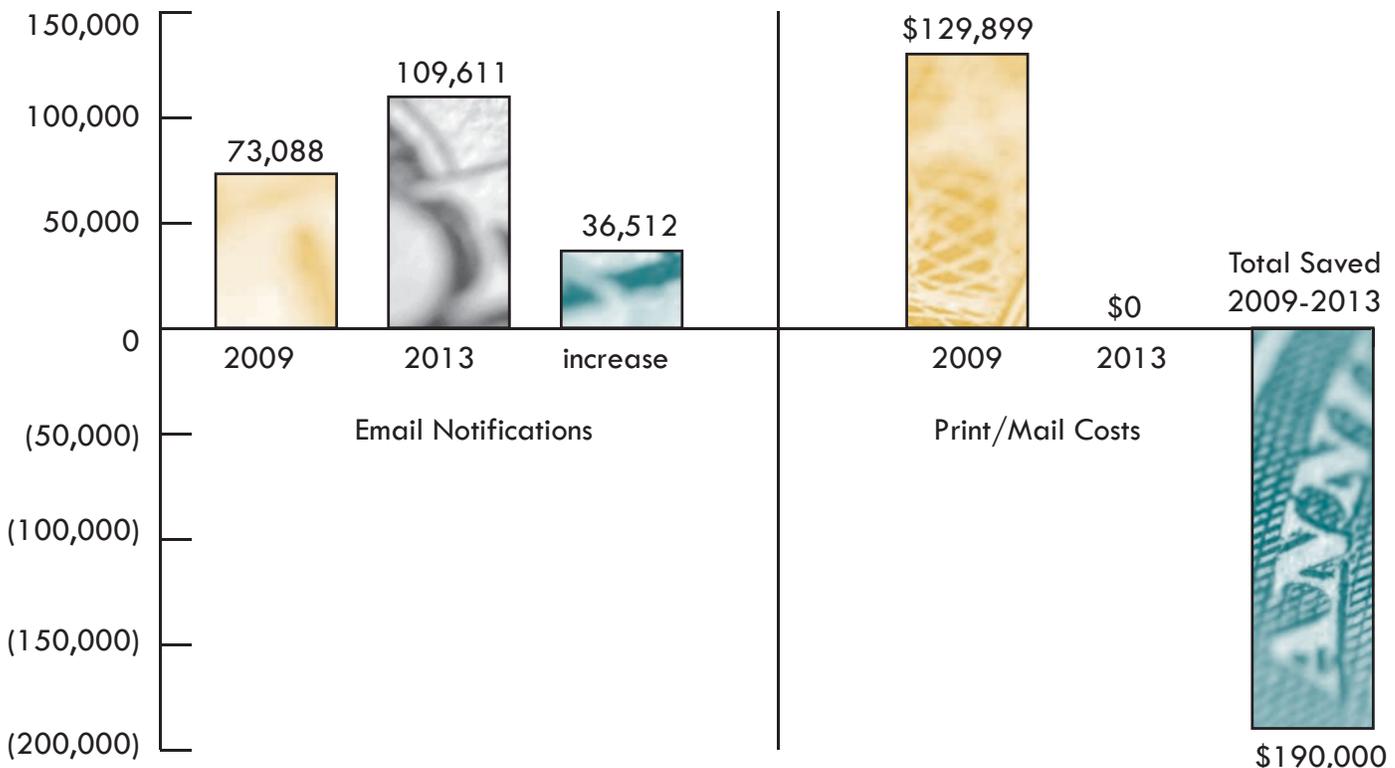
Visitors Increase

In the month of June 2003, our website had 8,763 visits. All visitors used desktops. In June 2013, TRS's website had 26,525 visitors. Of those visitors, 21,498 were on desktops, 2,779 were on tablets, and 2,248 were on mobile devices. This was before our website was mobile accessible.

Member Account Access



Benefits Report Print/Mail Costs



Member Account Access Use Increases

As of June 30, 2009, 73,088 members were signed up for Member Account Access. As of June 30, 2013, 109,611 members were signed up. This is an increase of 36,523 accounts.

Benefits Report Cost Decreases

In 2009, it cost \$129,899 to print and mail your Benefits Report. TRS began emailing Benefits Reports in 2012, but half of the reports were still printed. In calendar year 2013, the Benefits Report became fully electronic and the cost of printing and mailing was \$0, for a total saving of \$190,000 from 2012 through 2013.