



TEACHERS' RETIREMENT SYSTEM of the State of Kentucky

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TEACHERS' PENSION FUND GAINS 5.8%

FRANKFORT, Ky. – Kentucky teachers' pension investments posted a 5.8% gain (gross) for the recently concluded fiscal year. That is among the top 5% of large pension plans.

Year Ended June 30, 2020	TRS Return	Ranking
1-year	5.8%	Top 5%
3-year	7.5%	Top 4%
5-year	7.2%	Top 7%
10-year	9.6%	Top 3%

Returns for the Teachers' Retirement System of the State of Kentucky (TRS) over the last 30 years are 8% compounded, which is in line with the 7.5% long-term assumed rate of return. TRS staff presented the pension system's investment results for the year ended June 30 to the Investment Committee at its Aug. 20 meeting. The net return after fees and expenses is 5.5%.

Along with the top 5% performance for the most recent year, TRS's investments were in the top 3% for the 10-year period. The returns were in the top 4% for the three-year period and the top 7% for the five-year period. All rankings are according to Aon Investments USA's analysis of large domestic pension plans with more than \$1 billion in assets.

During the year, TRS benefitted from another year of full funding from the 2018-20 biennial budget. This helped TRS invest when the markets bottomed and as they rebounded from the pandemic-related market declines seen in March.

"Amid market volatility the likes of which we haven't seen that was driven by COVID-19's impact on the economy, TRS's disciplined approach established by the Board of Trustees and implemented by TRS's investment team has shown to be beneficial in all markets," TRS Executive Secretary Gary Harbin said. "Since the great recession, TRS has earned \$14.5 billion from investments compared to the average pension plan's \$10.9 billion, an outperformance of about \$3.6 billion to the benefit of Kentucky's teachers."

TRS, regulated under state and federal law, manages \$22 billion in assets to provide for the retirement income and health insurance of more than 140,000 teachers and other education professionals who are members. The teachers' fund pays about \$2.6 billion a year in retirement and health care benefits to its members, 88% of whom live in Kentucky across all 120 counties.