

Teachers' Retirement System of the State of Kentucky
Retirement Annuity Trust
Quarterly Investment Information Update
December 31, 2022

TRS invests the members' funds in several diverse classes of assets, including equities, bonds, real estate, and alternative investments. This diversification helps us earn the highest possible long-term rate of return within appropriate risk levels. In turn, this enables us to pay guaranteed benefits to members and their beneficiaries at the lowest possible cost to participating employers and the taxpayers that fund them.

Generally, our liabilities will not be paid for as many as 30-40 years. Therefore, as a long-term investor, our holdings can withstand some short-term volatility. The System's long-term investment objective is to achieve an annualized rate of return of 7.1%. For the 20-year period ended December 31, 2022, TRS's annualized return was 7.38%.

The TRS Board of Trustees regularly reviews asset allocations and adjusts them as necessary. The System's current asset allocation as of December 31, 2022 is reflected in the following schedule:

Asset Class	Percent of Assets in Category
Domestic and International Equities	57.6
Fixed Income	14.6
Additional Categories	10.9
Real Estate	8.2
Alternative Investments	8.1
Cash Equivalents	0.6

TRS updates this information regularly after the end of each quarter.