

# Teachers' Retirement System

of the State of Kentucky



**Gary L. Harbin, CPA**  
*Executive Secretary*

## Public Pension Oversight Board

**Nov. 26, 2018**

**Presented by Beau Barnes,  
Deputy Executive Secretary  
& General Counsel**



# Actuarial Valuation

Pension – Actuarial	Assets	Liabilities	Unfunded	Ratio
June 30, 2017	\$18.515B	\$32.820B	\$14.305B	56.4%
June 30, 2018	\$19.496B	\$33.796B	\$14.300B	57.7%

Pension – GASB 67	Assets	Liabilities	Unfunded	Ratio
June 30, 2017	\$18.708B	\$46.967B	\$28.259B	39.83%
June 30, 2018	\$19.982B	\$33.709B	\$13.727B	59.28%

Medical – Actuarial	Assets	Liabilities	Unfunded	Ratio
June 30, 2017	\$986M	\$3.692B	\$2.706B	26.7%
June 30, 2018	\$1.214B	\$3.341B	\$2.127B	36.3%

Medical – GASB 74	Assets	Liabilities	Unfunded	Ratio
June 30, 2017	\$958M	\$4.524B	\$3.566B	21.2%
June 30, 2018	\$1.190B	\$4.660B	\$3.470B	25.5%

# INVESTMENT PERFORMANCE

## TRS PENSION RETURNS

PRELIMINARY

AS OF SEPT. 30, 2018

	Quarter	1-year	3-year	5-year	10-year	20-year
Gross	3%	9.19%	11.38%	8.97%	9.02%	6.61%
<i>Benchmarks</i>	3.75%	9.1%	11.54%	8.77%	8.65%	N/A
Net	3%	8.89%	11.08%	8.75%	8.79%	6.48%

30-year compounded gross return

8.45%

# Cash Flow Update

## First Quarter

Pension Fund	FY 2019	FY 2018
<b>Cash Inflows</b>		
Member Contributions	61,856,000	54,691,000
State/Employer Matching Contributions	115,973,000	107,121,000
Additional Budget Funding toward ADEC	138,399,000	118,681,000
Investment Income (Net of Investment Expense)	<u>444,952,000</u>	<u>251,749,000</u>
<b>Total Cash Inflows</b>	761,180,000	532,242,000
<b>Cash Outflows</b>		
Benefit Payments/Refunds	535,107,000	508,697,000
Administrative Expense	2,801,000	2,667,000
Other	<u>-</u>	<u>-</u>
<b>Total Outflows</b>	537,908,000	511,364,000
Net Cash Flow Before Asset Gain/(Losses)	223,272,000	20,878,000
Realized Investment Gains (or Losses)	359,464,000	127,847,000
Unrealized Investment Gains (or Losses)	<u>134,640,000</u>	<u>578,639,000</u>
	494,104,000	706,486,000
Net Plan Assets (Beginning of Period)	19,981,633,000	18,707,699,000
Market Value of Investment Assets (End of Period)	20,220,951,000	19,182,222,000

*Preliminary and unaudited*





# Teachers' Retirement System of the State of Kentucky

*Our Members  
Come First!*

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800-618-1687

502-848-8500

<https://trs.ky.gov>

*Protecting & Preserving Teachers' Retirement Benefits*