



Teachers' Retirement System of the State of Kentucky

Public Pension Oversight Board

Feb. 22, 2020

Gary L. Harbin, CPA
Executive Secretary

Investment Performance

Retirement Annuity Trust Returns as of Dec. 31, 2019 (unaudited)

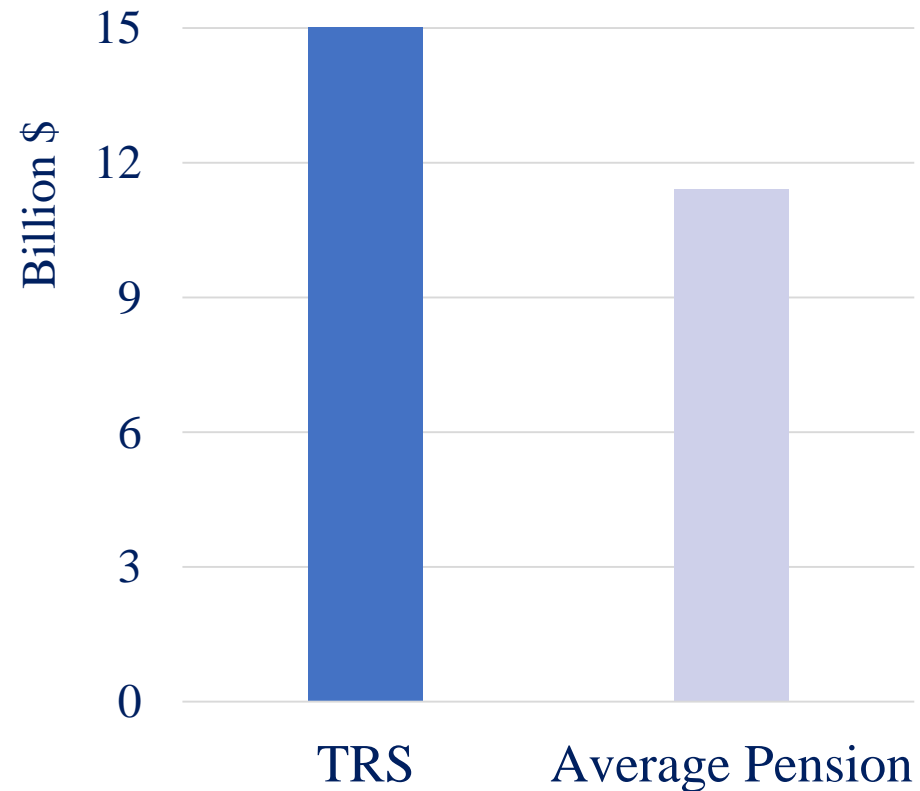
	Quarter	FYTD	1-year	3-year	5-year	10-year	20-year
Gross	6.92%	7.69%	21.92%	11.27%	8.25%	9.51%	6.26%
<i>Benchmark</i>	6.06%	7.11%	21.02%	10.76%	8.22%	9.3%	N/A
<i>Aon Index</i>	5%	N/A	17.1%	9.6%	7.2%	8.5%	N/A
<i>TRS Aon Rank</i>	Top 2%	N/A	Top 4%	Top 3%	Top 5%	Top 5%	N/A
Net	6.84%	7.62%	21.57%	10.96%	7.98%	9.27%	6.06%

30-year compounded gross return
8.15%

Investment Performance

Retirement Annuity Trust Since Great Recession

TRS's investment performance above the average pension plan from 2008 to 2019 resulted in an additional \$3.6 billion.



Cash Flow Update

Retirement Annuity Trust – Preliminary and Unaudited

	FYTD 2020 (Q2)	FYTD 2019 (Q2)
Cash Inflows		
Member contributions	\$ 143,705,000	\$ 134,873,000
Employer contributions/appropriations	536,281,000	517,481,000
Investment income (Net of any asset gains/losses)	<u>199,954,000</u>	<u>263,358,000</u>
Total Cash Inflows	879,940,000	915,712,000
Cash Outflows		
Benefit payments/refunds	1,101,093,000	1,066,350,000
Administrative expense	<u>6,381,000</u>	<u>5,253,000</u>
Total Outflows	1,107,474,000	1,071,603,000
Net cash flow before asset gain/(losses)*	(227,534,000)	(155,891,000)
Investment gains or losses (realized and unrealized)	1,316,628,000	(1,554,571,000)
Net plan assets		
Beginning of fiscal year	\$ 20,371,910,000	\$ 19,981,633,000
At end of period	\$ 21,461,004,000	\$ 18,271,171,000

*Appreciation/depreciation in fair value does not generate cash inflows or outflows.

Cash Flow Update

Health Insurance Trust – Preliminary and Unaudited

	FYTD 2020 (Q2)	FY 2019 (Q2)
Cash Inflows		
Member contributions	\$ 88,221,000	\$ 84,323,000
Employer contributions/appropriations	128,105,000	83,170,000
Recovery income	41,353,000	37,934,000
Investment income (net of any asset gains/losses)	<u>6,410,000</u>	<u>3,864,000</u>
Total Cash Inflows	264,089,000	209,291,000
Cash Outflows		
Benefit payments/refunds	154,146,000	160,640,000
Administrative expense	<u>0</u>	<u>0</u>
Total Outflows	154,146,000	160,640,000
Net cash flow before asset gain/(losses)*	109,943,000	48,651,000
Investment gains or losses (realized and unrealized)	85,951,000	(55,504,000)
Net plan assets		
Beginning of fiscal year	\$ 1,414,020,000	\$ 1,190,281,000
At end of period	\$ 1,609,913,000	\$ 1,183,428,000

*Appreciation/depreciation in Fair Value does not generate cash inflows or outflows.



***Our Members
Come First!***

800-618-1687

**8 a.m. – 5 p.m. ET
Monday – Friday**

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Protecting & Preserving Teachers' Retirement Benefits