

Minnesota Teachers Retirement Association — Investment Return and Inflation Analysis

Fiscal Year 2019 – Year-To-Date – As of June 2019

Source: Monthly and Quarterly Investment Reports (State Board of Investment)

Note: Investment performance results are subject to audit by SBI staff, investment consultants and SBI's external auditor.

Investment Return: Monthly (dollars in billions)

TRA Fund	July 2018	Aug 2018	Sept 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	March 2019	April 2019	May 2019	June 2019
Monthly Return	1.80%	1.71%	-0.03%	-5.04%	1.50%	-4.23%	5.24%	1.78%	1.21%	2.13%	2.94%	4.50%
Actual FY-to-Date	1.80%	3.54%	3.51%	-1.71%	-0.24%	-4.45%	0.55%	2.34%	3.59%	5.79%	2.68%	7.30%
Est. Fair Market Value	\$22.62	\$22.84	\$22.79	\$21.57	\$21.83	\$20.82	\$21.85	\$22.10	\$22.28	\$22.67	\$21.92	\$22.84

Investment Return: Quarterly

TRA Fund	July-Sept	Oct-Dec	Jan-Mar	April-June	FY (All)
Total Quarterly Return	3.51%	-7.69%	8.41%	3.59%	7.30%
Asset Class:					
Domestic Stock: Broad Market (Passive)	7.13%	-14.31%	14.08%	4.09%	9.00%
Domestic Stock: Large Cap (Active)	7.35%	-15.51%	15.68%	4.85%	10.00%
Domestic Stock: Large Cap (Passive)	7.42%	-13.84%	14.01%	4.24%	10.00%
Domestic Stock: Small Cap (Active)	3.92%	-20.29%	14.37%	1.78%	4.23%
International Stocks	0.50%	-11.83%	10.52%	3.22%	1.07%
Bonds/Fixed Income	-0.50%	1.13%	3.45%	3.16%	8.17%
Private Markets	4.16%	3.69%	-0.59%	2.85%	10.42%

Historical Fiscal Year Annualized Returns

	Combined Funds
1 Year (July 2017 – June 2018)	10.3%
3 Years (July 2015 – June 2018)	8.3%
5 Years (July 2013 – June 2018)	9.5%
10 Years (July 2008 – June 2018)	7.8%
20 Years (July 1998 – June 2018)	6.8%
30 Years (July 1988 – June 2018)	9.1%

Asset Allocation

	Policy Target	Actual Mix (6/30/19)
Public equity	49.0%	62.00%
Fixed income	16.0%	10.17%
Private markets*	25.0%	14.50%
Treasuries	8.0%	10.11%
Cash	2.0%	3.22%

*Any uninvested allocation is held in bonds and public equity.

Inflation Update (Source: Bureau of Labor Statistics, www.bls.gov)

	2018							2019					
	June 2018	July 2018	Aug 2018	Sept 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	March 2019	April 2019	May 2019	June 2019
Inflation (CPI-W)	246.196	246.155	246.336	246.565	247.038	245.933	244.786	245.133	246.218	247.768	249.332	249.871	249.747
Actual Inflation since June 2018		-0.02%	0.06%	0.14%	0.34%	-0.11%	-0.57%	-0.43%	0.01%	0.64%	1.27%	1.47%	1.44%
CPI-W – Inflation Projected Through June 30, 2019		-0.20%	0.34%	0.58%	1.03%	-0.25%	-1.15%	-0.74%	0.01%	0.85%	1.53%	1.60%	1.44%