

Minnesota Teachers Retirement Association — Investment Return and Inflation Analysis

Fiscal Year 2020 – Year-To-Date – As of June 2020

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 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	March 2020	April 2020	May 2020	June 2020
Monthly Return	0.45%	-0.55%	1.08%	1.70%	1.93%	2.08%	-0.02%	-4.35%	-8.19%	7.03%	1.68%	2.06%
Actual FY-to-Date	0.45%	-0.10%	0.98%	2.70%	4.69%	6.87%	6.85%	2.20%	-6.17%	0.42%	2.11%	4.21%
Est. Fair Market Value	\$22.84	\$22.60	\$22.74	\$23.07	\$23.42	\$23.83	\$23.73	\$22.61	\$20.68	\$22.03	\$22.31	\$22.70

Investment Return: Quarterly

TRA Fund	July-Sept	Oct-Dec	Jan-Mar	April-June	FY (All)
Total Quarterly Return	0.98%	5.83%	-12.20%	11.06%	4.21%
Asset Class:					
Domestic Stock: Broad Market (Passive)	1.19%	9.07%	-20.81%	22.12%	6.75%
Domestic Stock: Large Cap (Active)	-0.59%	9.40%	-19.52%	25.65%	9.98%
Domestic Stock: Large Cap (Passive)	1.47%	9.00%	-20.20%	21.75%	7.45%
Domestic Stock: Small Cap (Active)	-2.54%	8.93%	-33.59%	26.96%	-10.49%
International Stocks	-1.50%	8.97%	-23.57%	16.73%	-4.24%
Bonds/Fixed Income	2.33%	0.46%	0.78%	5.45%	9.25%
Private Markets	1.83%	2.37%	2.71%	-9.04%	-2.60%

Historical Fiscal Year Annualized Returns

	SBI Combined Funds
1 Year (July 2019 – June 2020)	4.2%
3 Years (July 2017 – June 2020)	7.25%
5 Years (July 2015 – June 2020)	7.25%
10 Years (July 2010 – June 2020)	9.7%
20 Years (July 2000 – June 2020)	6.3%
30 Years (July 1990 – June 2020)	8.6%

Asset Allocation

	Policy Target	Actual Mix (6/30/2020)
Public equity	49.0%	59.45%
Fixed income	16.0%	10.21%
Private markets*	25.0%	15.59%
Treasuries	8.0%	10.09%
Cash	2.0%	4.66%

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

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

	2019							2020					
	June 2019	July 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	March 2020	April 2020	May 2020	June 2020
Inflation (CPI-W)	249.747	250.236	250.112	250.251	250.894	250.644	250.452	251.361	251.935	251.375	249.515	249.521	251.054
Actual Inflation since June 2019		0.20%	0.15%	0.20%	0.46%	0.36%	0.28%	0.64%	0.88%	0.65%	-0.09%	-0.09%	0.52%
CPI-W – Inflation Projected Through June 30, 2020		2.35%	0.88%	0.81%	1.38%	0.86%	0.56%	1.11%	1.31%	0.98%	-0.11%	-0.10%	0.52%