



NEWS RELEASE

Teacher Retirement System of Texas - 1000 Red River Street - Austin, Texas 78701-2698 - (800) 223-8778
Contact: Howard Goldman, Director of Communications, Teacher Retirement System of Texas, (512) 542-6508

FOR IMMEDIATE RELEASE: June 17, 2010

TEACHER RETIREMENT SYSTEM OF TEXAS REPORTING STRONG RECOVERY

AUSTIN – The Teacher Retirement System of Texas (TRS) Pension Fund ended the first quarter with a market value of \$96.7 billion after producing an investment gain of 35% -- or \$25 billion -- over the previous 12 months. This advance erased most of the decline produced during the previous severe financial downturn. Both the 35% return and the investment gain were all-time TRS records for the period.

Global equity markets rallied strongly after bottoming in March 2009, just ahead of a global economic acceleration that began in mid-summer. Despite the previously difficult environment, the TRS fund entered the recent advance well positioned for the strong rally that followed. During the period, the fund's global equity portfolio advanced by more than 53%. Overall, the fund outperformed general market returns by approximately 2.5%, or approximately \$2 billion.

TRS Chief Investment Officer Britt Harris reported the verified figures to trustees at their June 17-18 board meeting. Harris attributed the success to several factors. "The period just prior to the recent gains tested the resolve of the TRS investment team, our board and that of our members," he stated. "While the recent gains are very encouraging, we all know that this entire period has been exceptionally volatile and virtually unprecedented. While the fund has performed well, we still have much work to do."

Harris also attributed TRS' success to its world-class investment organization and noted that the fund now has a more highly developed capability to manage long-term risks and capture unique investment opportunities when they arise. He also highlighted how the past few years have demonstrated that effective long-term investing requires discipline, prudent diversification, emotional stability, and hard work.

"While we have made up a lot of the ground lost during the financial downturn, our goal is to continue meeting our long-term obligations to every member - both now and for decades to come," stressed Harris. "This will require cooperation, patience and persistence. This year has certainly been beneficial and is a positive start in that direction.

TRS delivers retirement and related benefits authorized by the Texas Legislature, and manages the \$96.7 billion trust fund established to finance member benefits. Nearly 1.3 million public education and higher education employees and retirees participate in the system.

#