

**State Universities Retirement System
of Illinois (SURS)**

Investment Update



February 2017

Volume 27, Issue 8

Current Searches in Progress and Quiet Period Guidelines

Listed below are searches in progress with the scheduled target dates for Board decision.

Investment Committee - Active Searches

- **Private Equity Fund of Funds**
Search approved April 21, 2016
Target Board decision in December 2016

SURS Quiet Period Policy provides guidelines by which Board Members and Staff will communicate with potential service providers during the search process. Policy objectives are to ensure that prospective service providers competing to become employed by SURS have equal access to information regarding the search parameters; communications related to the selection are consistent and accurate; and the process of selecting service providers is efficient, diligent, and fair.

	February <u>2017</u>	Quarter <u>Ended</u>	Fiscal <u>Y-T-D</u>	1 Year <u>Ended¹</u>	3 Years <u>Ended¹</u>	5 Years <u>Ended¹</u>	10 Years <u>Ended¹</u>
SURS TOTAL FUND	1.9%	5.3%	7.7%	15.0%	5.1%	7.9%	5.5%
Market Goal / Policy Portfolio	1.8%	5.2%	7.3%	15.3%	5.4%	8.2%	5.6%
Public Funds Index	2.2%	5.5%	8.3%	15.6%	5.2%	7.8%	5.3%

Policy Portfolio Benchmark consists of 25% of U.S. Equities (Dow Jones U.S. Total Stock Market), 19% Non-U.S. Equities (MSCI ACWI ex-US), 8% Global Equities (MSCI ACWI), 6% Private Equity (Dow Jones U.S. Total Stock Market + 3%), 19% Fixed Income (Barclays Capital Aggregate), 4% TIPS (Barclays Capital U.S. TIPS), 3% Emerging Market Debt (Blended Benchmark), 6% Direct Real Estate (NCREIF ODCE Index), 4% REITs (Blended Benchmark), 2% Commodities (Bloomberg Commodity Index), 3% Hedge Funds (LIBOR + 5%) and 1% Opportunity Fund (Blended Benchmark).

Asset Allocation and Target %'s	Total Fund \$'s (millions)	Cash Overlay Adjustment	Adjusted Asset Alloc	Passive*	Structured Active	Active	Adjusted Asset Alloc %	Interim Policy %	Strategic Policy %
U.S. Equity	\$ 4,551	\$ (8)	\$ 4,543	13.6%	5.2%	7.0%	25.8%	25.0%	23.0%
Private Equity	906		906	0.0%	0.0%	5.1%	5.1%	6.0%	6.0%
Non-U.S. Equity	3,337	(6)	3,330	8.0%	5.3%	5.6%	18.9%	19.0%	19.0%
Global Equity	1,447	(37)	1,409	-0.2%	0.0%	8.2%	8.0%	8.0%	8.0%
Fixed Income	3,496	53	3,549	4.1%	0.0%	16.0%	20.1%	19.0%	19.0%
TIPS	684		684	0.0%	0.0%	3.9%	3.9%	4.0%	4.0%
Emerging Market Debt	547		547	0.0%	0.0%	3.1%	3.1%	3.0%	3.0%
Real Estate	1,715		1,714	2.7%	0.0%	7.1%	9.7%	10.0%	10.0%
Hedged Strategies	487		487	0.0%	0.0%	2.8%	2.8%	3.0%	5.0%
Commodities	353	(2)	351	0.0%	0.0%	2.0%	2.0%	2.0%	2.0%
Opportunity Fund	112		112	0.0%	0.0%	0.6%	0.6%	1.0%	1.0%
Total Fund	\$ 17,633	\$ 0	\$ 17,633	28.1%	10.5%	61.4%	100.0%	100.0%	100.0%

*Implementation of the cash overlay program is reflected in Passive investments.

Total Fund Summary

SURS total fund returned 1.9% for February, exceeding the Market Goal by 0.1% and trailing the estimated Public Funds Index by 0.3%.

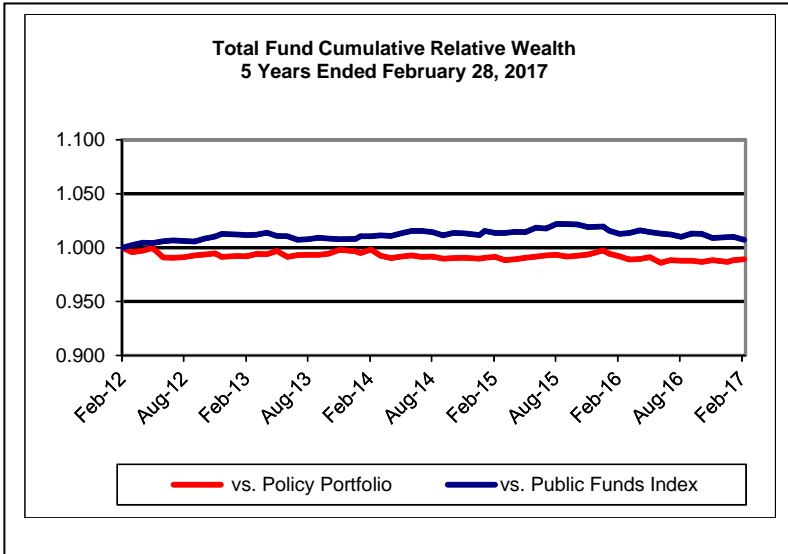
The above benchmark return relative to the Market Goal during February was due primarily to:

- Above benchmark performance in the Non-U.S. Equity, Core/Core Plus/Absolute Return Fixed Income, TIPS, Emerging Market Debt, REITs, Hedged Strategies and Commodities asset classes which was partially offset by
- Below benchmark performance in the U.S. Equity, Global Equity and Opportunity Fund asset classes. In addition, the portfolio was positively impacted by
- An above target allocation to U.S. Equity, one of the better absolute performing asset classes as measured against the Market Goal, and
- A below target allocation to Non-U.S. Equity, TIPS, Hedged Strategies and the Opportunity Fund, four of the poorer absolute performing asset classes as measured against the Market Goal.

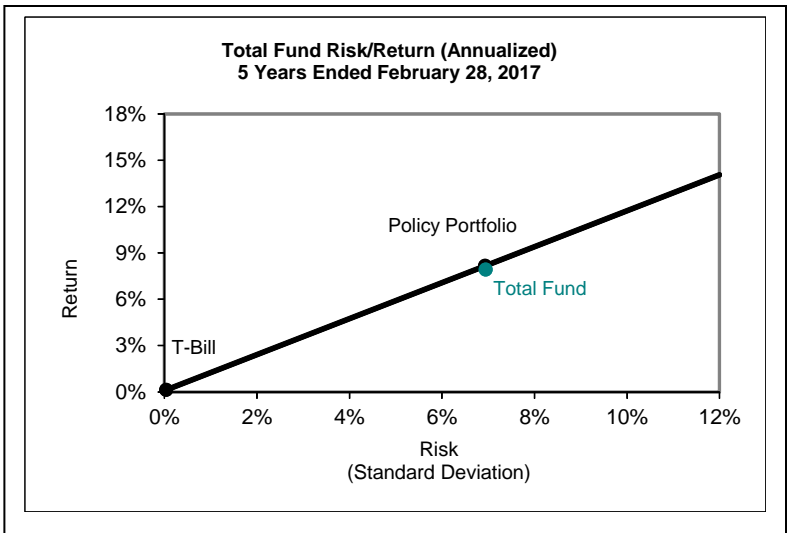
SURS Statistics as of February 2017	
Standard Deviation of Plan (5 Year Time Period)	6.95%
Actuarially Assumed Rate of Investment Return *	7.25%
Five Year Actual Investment Return	7.93%
* On June 13, 2014, the SURS Board of Trustees approved lowering the System's assumed rate of investment return from 7.75% to 7.25%. The rate is effective as of June 30, 2014.	

Longer-Term Results

The longer-term results, as indicated in the two graphs below, reflect how SURS compares on both an absolute and a risk-adjusted basis.



As the chart on the left indicates, SURS has performed in line with the Policy Portfolio for the past several years. The ending values indicate that over the past five years, SURS has trailed the Policy Portfolio by approximately 1.1%. The chart also indicates that during the same time period, SURS portfolio has outpaced the median Public Funds Index return by approximately 0.7%.



The chart to the left indicates that SURS total fund return has measured approximately the same level of volatility as the policy portfolio during the past five years. In addition, the chart also indicates that SURS has achieved approximately the same return with a similar level of volatility. This can be determined by the teal marker, indicating SURS total fund, being located on the line with the policy portfolio marker.

On a risk-adjusted basis, SURS has lagged its benchmark for the five-year period by 25 basis points on an annualized basis (7.93% versus required return of 8.18%).

SURS Total Fund Investment Performance			
As of February 2017			
	SURS Fund	CPI-U *	SURS Real Return
1 Year Ended	15.0%	2.7%	12.3%
5 Years Ended	7.9%	1.4%	6.6%
10 Years Ended	5.5%	1.8%	3.7%
20 Years Ended	7.1%	2.1%	5.0%
25 Years Ended	8.0%	2.3%	5.7%
30 Years Ended	8.3%	2.6%	5.6%
Since October 1981	9.9%	2.7%	7.1%

* CPI-U includes food and energy prices.

** SURS inflation assumption is 2.75%.

The returns and commentary for the twelve major asset portfolios follow.

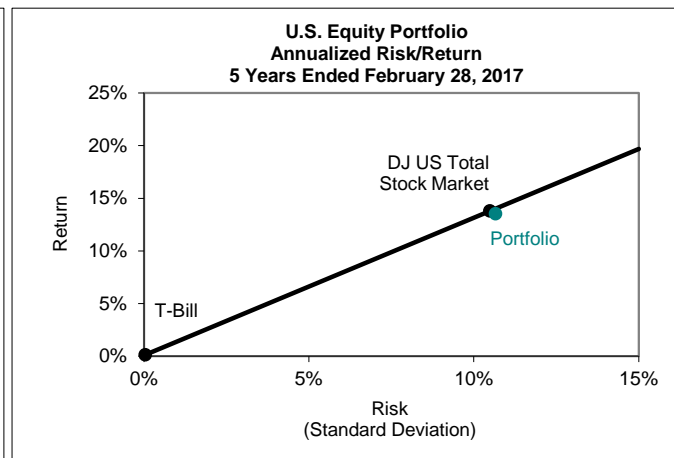
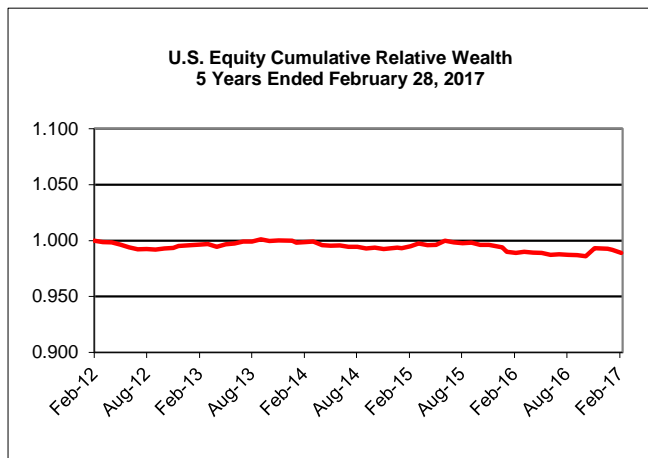
U.S. Equities

U.S. Equities experienced positive returns for the month of February. The broad market, as measured by the Dow Jones U.S. Total Stock Market (TSM) Index, posted a return of 3.7% for the month. During February, large cap outperformed small cap stocks, and results were mixed between growth and value stocks. SURS portfolio trailed the benchmark for the month by 0.3%, returning 3.4%.

	February 2017	FYTD	1 YR	3 YR	5 YR	10 YR
SURS	3.4%	15.2%	26.3%	9.5%	13.5%	7.6%
Performance Benchmark	3.7%	15.0%	26.3%	9.8%	13.8%	7.7%
DJ U.S. Total Stock Market	3.7%	15.0%	26.3%	9.8%	13.8%	7.7%
DJ U.S. Large Cap TSM	3.9%	14.5%	25.4%	10.3%	13.9%	7.7%
DJ U.S. Lrg Cap Growth TSM	4.2%	18.7%	27.5%	10.6%	14.3%	8.9%
DJ U.S. Lrg Cap Value TSM	3.6%	13.7%	26.8%	10.2%	13.7%	6.3%
DJ U.S. Small Cap TSM	1.7%	19.5%	34.9%	7.5%	13.7%	8.7%
DJ U.S. Sm Cap Growth TSM	1.6%	21.3%	34.2%	4.7%	12.5%	8.8%
DJ U.S. Sm Cap Value TSM	1.8%	17.8%	35.7%	10.1%	14.8%	8.5%
S&P 500	4.0%	14.2%	25.0%	10.6%	14.0%	7.6%
Russell 3000	3.7%	15.0%	26.3%	9.9%	13.9%	7.6%
Russell 2000	1.9%	21.4%	36.1%	6.9%	12.9%	7.2%

Longer-Term Results

The five-year cumulative relative wealth chart, below (left) indicates that SURS U.S. Equity portfolio has lagged its benchmark return by approximately 1.1%. On a risk-adjusted basis, SURS U.S. Equity portfolio return trailed its benchmark by 48 basis points while incurring slightly greater risk than the benchmark. SURS portfolio has returned 13.53%, while the risk-adjusted benchmark return is 14.01%.



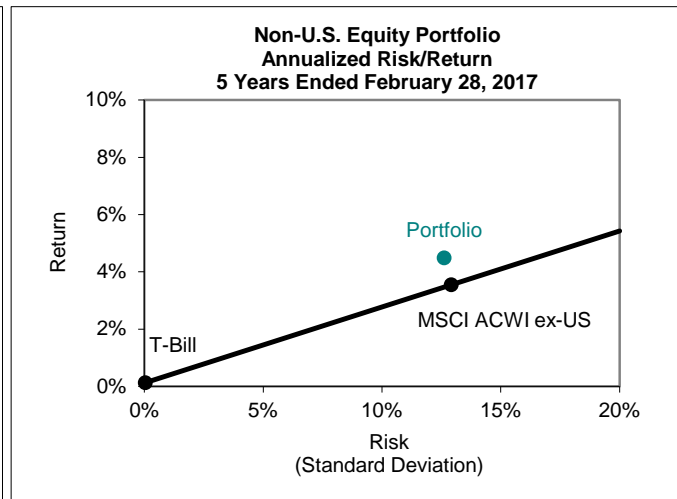
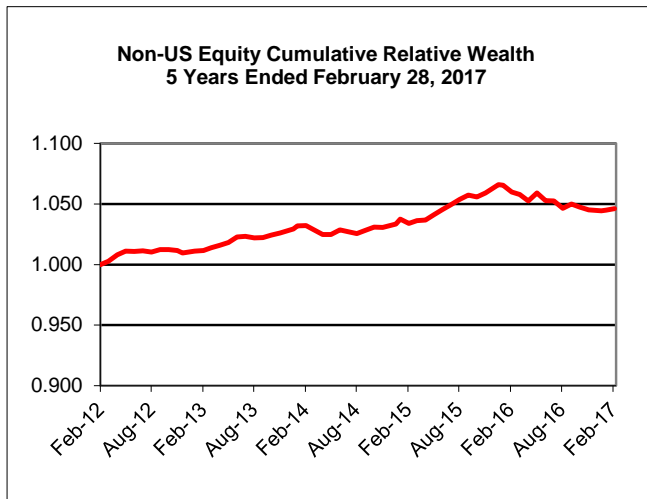
Non-U.S. Equities

Non-U.S. Equities posted positive returns for the month of February. The broad international markets, as represented by the MSCI All Country World Ex-US Index, returned 1.6%. SURS portfolio performance outpaced the benchmark for the period by 0.1%, returning 1.7%. Growth outperformed value stocks for the month. Comparative performance of the emerging markets has been a detractor to relative performance for the five-year period.

	February 2017	FYTD	1 YR	3 YR	5 YR	10YR
SURS	1.7%	10.4%	17.8%	0.3%	4.5%	1.4%
Performance Benchmark	1.6%	11.1%	19.3%	-0.2%	3.5%	1.4%
MSCI All Country World Ex-US	1.6%	11.1%	19.3%	-0.2%	3.5%	1.4%
MSCI All Country World Ex-US Growth	2.0%	6.1%	14.7%	0.6%	4.1%	2.0%
MSCI All Country World Ex-US Value	1.2%	16.2%	24.1%	-1.1%	2.9%	0.7%
MSCI EAFE	1.4%	10.3%	15.8%	-0.6%	5.2%	1.0%
MSCI EAFE Growth	2.2%	4.8%	11.3%	0.4%	5.5%	2.0%
MSCI EAFE Value	0.7%	16.1%	20.3%	-1.7%	4.7%	-0.1%
MSCI EAFE Small Cap	2.3%	11.8%	18.0%	3.1%	9.1%	3.5%
MSCI Emerging Markets	3.1%	13.6%	29.5%	1.4%	-0.4%	2.9%

Longer-Term Results

The five-year cumulative relative wealth chart, below (left) indicates that SURS Non-U.S. Equity portfolio has exceeded its benchmark return by approximately 4.6%. On a risk-adjusted basis, SURS Non-U.S. Equity portfolio has outpaced its benchmark by 102 basis points, generating a slightly higher return although with slightly less volatility than the benchmark. SURS portfolio has returned 4.49%, while the risk-adjusted benchmark return is 3.47%.



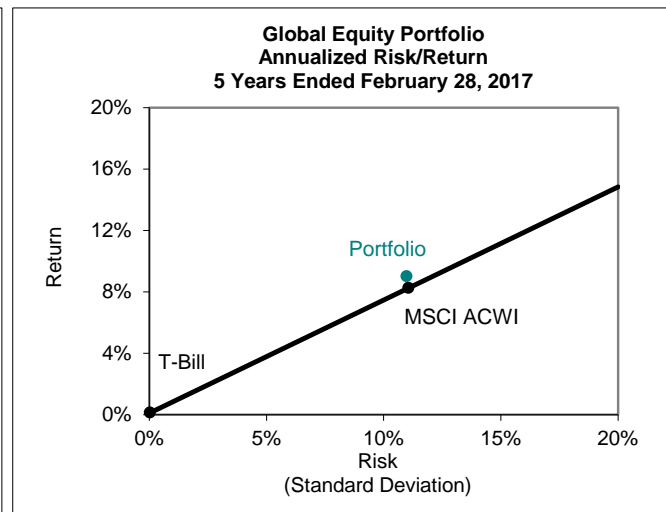
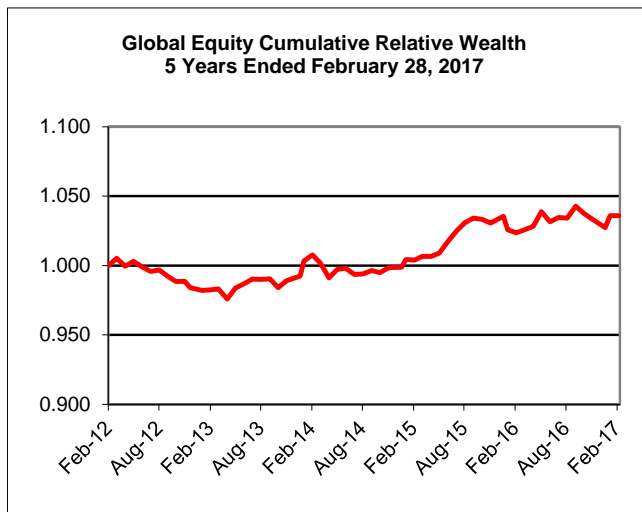
Global Equities

Global Equities posted positive returns for the month of February. The broad market as measured by the MSCI All Country World Index (ACWI) returned 2.8% during the month. SURS portfolio performance matched the benchmark return during February, returning 2.8%.

	February 2017	FYTD	1 YR	3 YR	5 YR	10 YR
SURS	2.8%	13.0%	23.6%	5.8%	9.0%	4.6%
Performance Benchmark	2.8%	12.5%	22.1%	4.8%	8.3%	4.0%
MSCI All Country World	2.8%	12.5%	22.1%	4.8%	8.3%	4.1%
MSCI World	2.8%	12.4%	21.3%	5.2%	9.4%	4.3%
Dow Jones U.S. Total Stock Mkt	3.7%	15.0%	26.3%	9.8%	13.8%	7.7%
MSCI All Country World Ex-US	1.6%	11.1%	19.3%	-0.2%	3.5%	1.4%

Longer-Term Results

The five-year cumulative relative wealth chart, below (left) indicates that SURS Global Equities portfolio has exceeded its benchmark return by approximately 3.6%. The portfolio is generating slightly higher returns than, and with slightly less volatility than, the benchmark. On a risk-adjusted basis, the portfolio surpassed its benchmark by 83 basis points on an annualized basis of 9.02% versus a required return of 8.19%.



Private Equities

Private Equities posted positive returns for the quarter ended December. The returns from this asset class lag one quarter due to the time frame associated with data collection for both accounting and performance reporting purposes. The one-year return through December 31, 2016 was 5.8% as compared to its benchmark return of 17.9%.

	December 2016	FYTD	1 YR	3 YR	5 YR	10 YR
SURS	2.5%	2.5%	5.8%	8.6%	10.6%	9.1%
Performance Benchmark	5.2%	5.2%	17.9%	13.4%	19.3%	10.5%

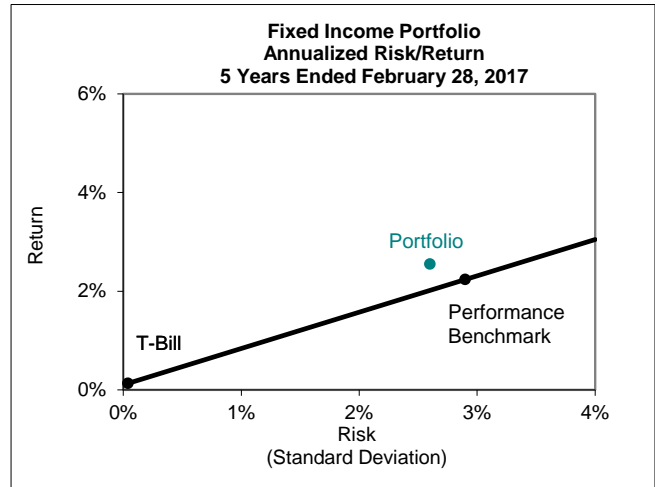
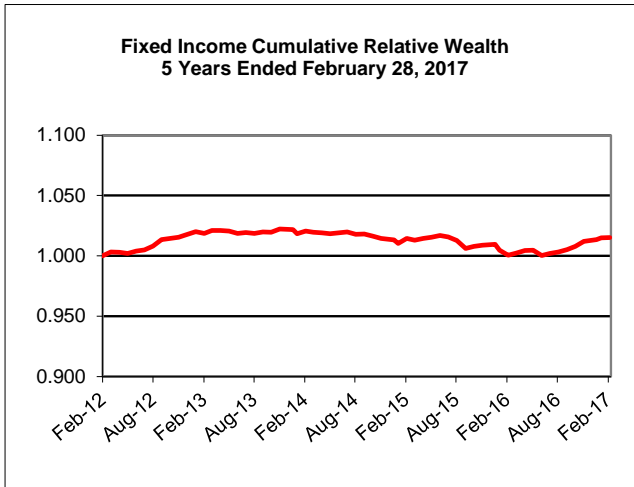
Fixed Income

The U.S. fixed income markets experienced positive returns for the month of February. The broad market, as measured by the Bloomberg Barclays Aggregate Index, posted a return of 0.7% for the month. SURS core/core plus/absolute return fixed income portfolio returned 0.7%, matching the benchmark return during February. The Long Term Corporate and Long Term Government sectors experienced the strongest performance for the period.

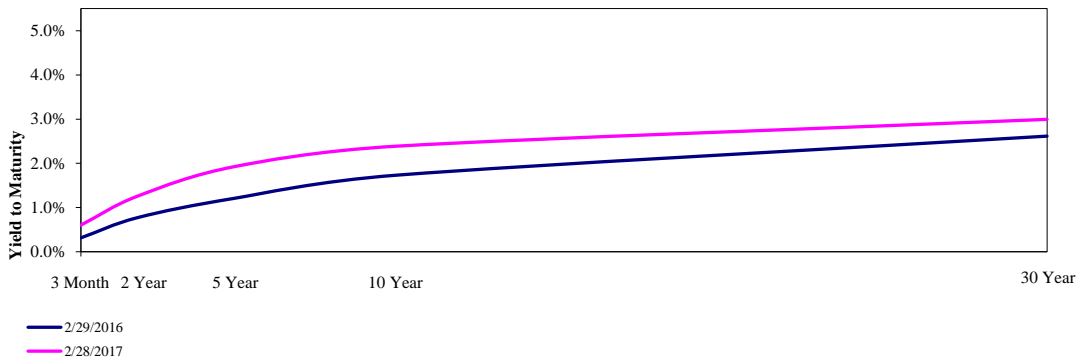
	February 2017	FYTD	1 YR	3 YR	5 YR	10 YR
SURS	0.7%	-0.2%	2.9%	2.5%	2.5%	4.9%
Performance Benchmark	0.7%	-1.7%	1.4%	2.6%	2.2%	4.3%
Bloomberg Barclays Aggregate	0.7%	-1.7%	1.4%	2.6%	2.2%	4.3%
Bloomberg Barclays Universal	0.8%	-0.6%	3.2%	3.0%	2.7%	4.5%
Long Term Government	1.6%	-10.0%	-4.3%	6.2%	3.4%	6.6%
Intermediate Government	0.3%	-1.9%	-0.5%	1.4%	1.1%	3.3%
Long Term Corporate	2.0%	-0.5%	11.6%	5.9%	5.1%	6.8%
Intermediate Corporate	0.8%	0.2%	4.2%	2.9%	3.3%	4.9%
Mortgage Backed	0.5%	-1.0%	0.4%	2.6%	2.0%	4.2%
90-day Treasury Bills	0.0%	0.3%	0.4%	0.2%	0.1%	0.6%
3-month LIBOR	0.1%	0.5%	0.7%	0.4%	0.4%	1.4%

Longer-Term Results

The five-year cumulative relative wealth chart, below (left) indicates that SURS fixed income portfolio has exceeded its benchmark return by approximately 1.5%. On a risk-adjusted basis, the portfolio is producing a slightly higher return with slightly less volatility than the benchmark. The portfolio has exceeded its risk-adjusted benchmark by 53 basis points on an annualized basis of 2.55% versus a required return of 2.02%.



US Treasury Yield Curve



	Years to Maturity				
2/29/2016	0.32%	0.77%	1.21%	1.73%	2.62%
2/28/2017	0.60%	1.26%	1.93%	2.39%	3.00%

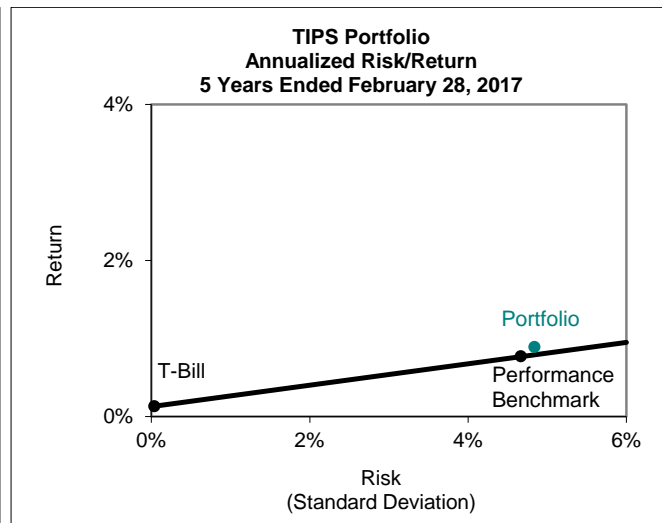
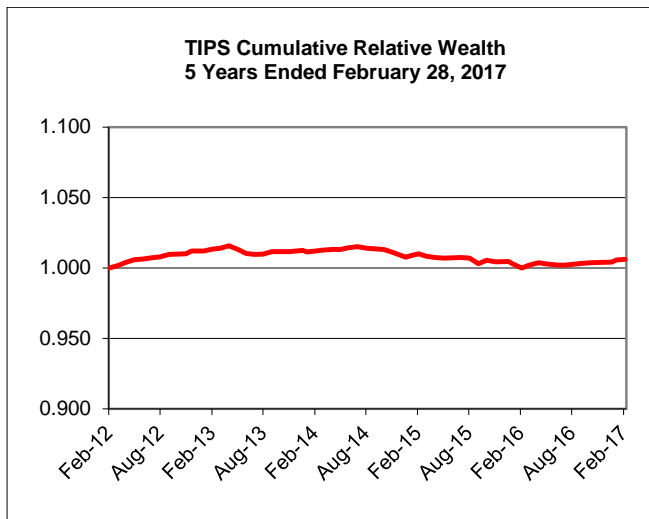
Treasury Inflation-Protected Securities (TIPS)

The TIPS markets experienced positive results during February, returning 0.5% for the month. SURS portfolio performance matched the benchmark for the period, returning 0.5%.

	February 2017	FYTD	1 YR	3 YR	5 YR	10 YR
SURS	0.5%	0.2%	4.0%	1.7%	0.9%	4.7%
Custom Benchmark	0.5%	-0.2%	3.4%	1.9%	0.8%	4.3%
Bloomberg Barclays U.S. TIPS Index	0.5%	-0.2%	3.4%	1.9%	0.8%	4.3%
Bloomberg Barclays 1-10 year TIPS Index	0.2%	0.1%	2.8%	1.2%	0.5%	3.7%
90-day Treasury Bills	0.0%	0.3%	0.4%	0.2%	0.1%	0.6%

Longer-Term Results

The five-year cumulative relative wealth chart, below (left) indicates that SURS TIPS portfolio has added approximately 0.6% in value above its benchmark. On a risk-adjusted basis, the portfolio has experienced a slightly higher return with slightly greater volatility than its benchmark. The portfolio has surpassed its risk-adjusted benchmark by 10 basis points on an annualized basis of 0.89% versus required return of 0.79%.



Emerging Market Debt (EMD)

The emerging market debt markets experienced positive results during February, returning 1.8% for the month. SURS portfolio performance surpassed the benchmark for the period by 0.3%, returning 2.1%. For the month, dollar-denominated outperformed local-currency and corporate securities.

	February 2017	FYTD	1 YR	3 YR	5 YR	10 YR
SURS	2.1%	2.7%	14.5%	2.5%	2.5%	2.5%
Custom Benchmark	1.8%	2.3%	12.6%	3.7%	3.7%	3.7%
JPM CEMBI Broad	1.5%	4.9%	13.0%	6.3%	6.3%	6.3%
JPM EMBI Global Diversf	2.0%	3.3%	12.1%	6.6%	6.6%	6.6%
JPM GBI-EM Global Diversf	1.8%	0.4%	12.4%	0.7%	0.7%	0.7%

Real Estate

Real Estate Investment Trust Securities (REITs)

The global REIT markets experienced positive investment performance for February. SURS total REIT portfolio matched its benchmark, returning 3.1% for the month.

	February 2017	FYTD	1 YR	3 YR	5 YR	10 YR
SURS	3.1%	-1.5%	11.4%	7.7%	9.1%	2.9%
Custom Benchmark	3.1%	-0.9%	12.2%	7.9%	9.1%	2.4%
FTSE EPRA /NAREIT Developed Index	3.1%	-0.9%	12.2%	5.9%	7.9%	1.3%
FTSE EPRA /NAREIT Developed Ex-U.S	2.6%	0.5%	10.0%	2.0%	5.5%	-0.3%

Direct Real Estate

SURS began funding its direct real estate portfolio in June 2005 and reports performance one quarter in arrears. The one-year return through December 31, 2016 was 9.0% as compared to its benchmark return of 9.1%.

	December 2016	FYTD	1 YR	3 YR	5 YR	10 YR
SURS	2.0%	2.0%	9.0%	11.7%	11.0%	6.9%
SURS Core Real Estate	1.7%	1.7%	8.7%	10.6%	10.2%	6.6%
SURS Non-Core Real Estate	2.8%	2.8%	9.9%	14.8%	13.5%	8.6%
NCREIF ODCE Index	1.8%	1.8%	9.1%	11.4%	11.3%	5.1%
Consumer Price Index	0.0%	0.2%	2.1%	1.2%	1.4%	1.9%

Hedged Strategies

Hedged strategies became a component of SURS portfolio in March 2016. The asset class experienced positive results during February, returning 0.5% for the month. SURS portfolio performance exceeded the benchmark for the period by 0.1%, returning 0.6%.

	February 2017	FYTD	1 YR	3 YR	5 YR	Since Inception
SURS	0.6%	4.3%	3.3%	3.3%	3.3%	3.3%
Custom Benchmark	0.5%	3.8%	5.8%	5.8%	5.8%	5.8%
HFRI Fund of Funds Composite	0.9%	5.1%	4.6%	4.6%	4.6%	4.6%
HFRI Fund Weighted Composite	1.0%	6.6%	7.0%	7.0%	7.0%	7.0%

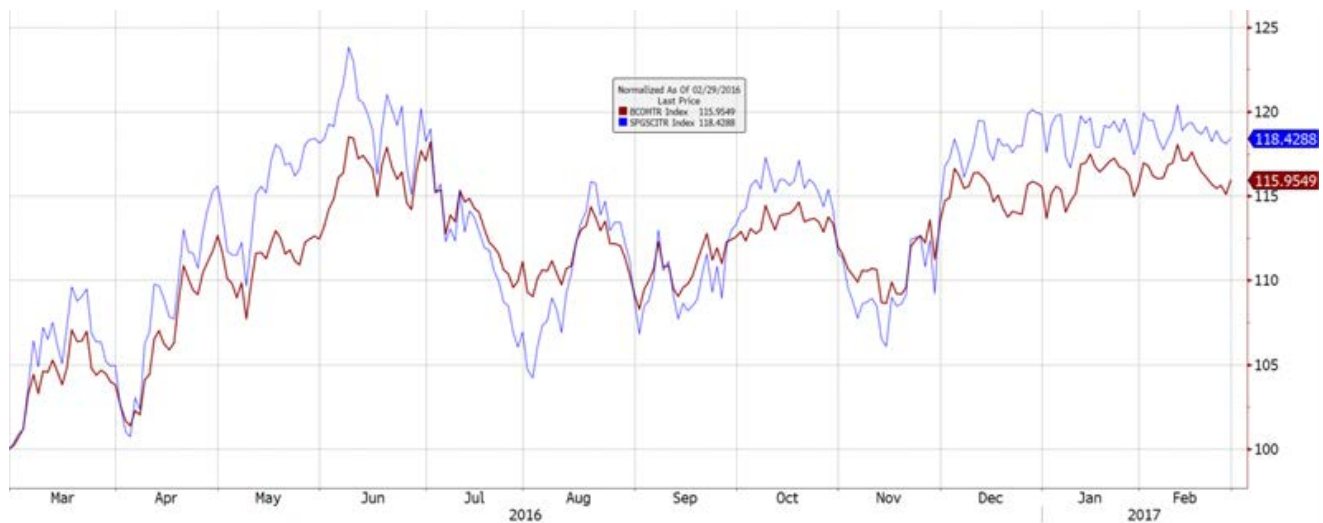
Commodities

SURS began investing in commodities in May 2016. Commodities experienced positive results during February, returning 0.2% for the month. SURS portfolio performance surpassed the benchmark for the period by 0.3%, returning 0.5%.

	February 2017	FYTD	1 YR	3 YR	5 YR	Since Inception
SURS	0.5%	4.1%	6.5%	6.5%	6.5%	6.5%
Custom Benchmark	0.2%	-1.0%	3.1%	3.1%	3.1%	3.1%

Commodities

Standard & Poor's Goldman Sachs Commodity Index (blue line) and Bloomberg Commodity Index (red line)



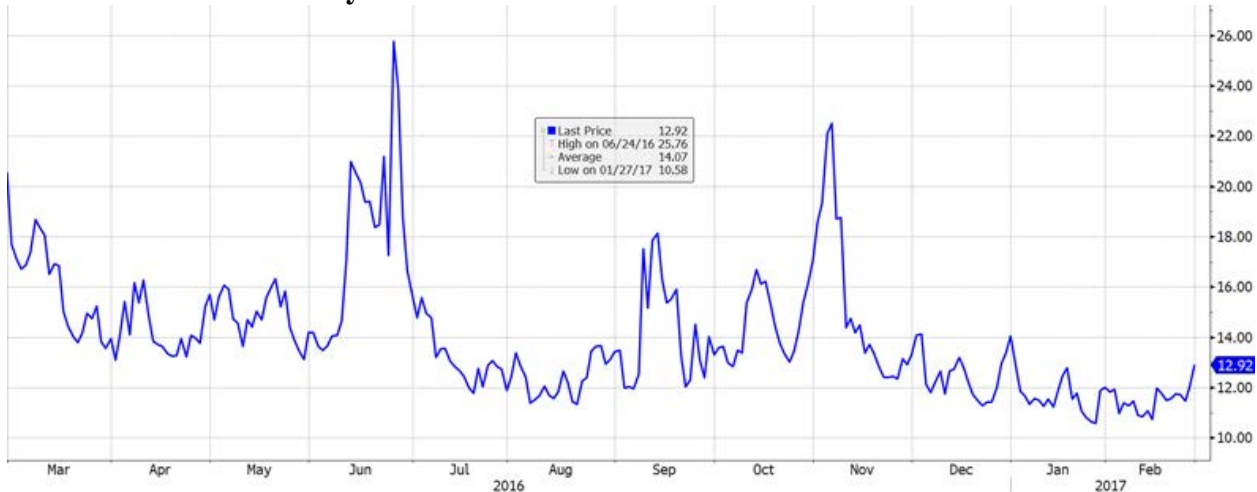
Source: Bloomberg. Calculations are as of the last monthly trading day. All data is as of February 28, 2017.

Opportunity Fund

The Opportunity Fund currently is comprised of an infrastructure portfolio that reports performance one quarter in arrears. The one-year return through December 31, 2016 was 5.7% versus its benchmark return of 6.6%.

	December 2016	FYTD	1 YR	3 YR	5 YR	10 YR
SURS	0.0%	1.8%	5.7%	6.7%	12.4%	9.8%
Custom Benchmark	0.7%	3.9%	6.6%	6.2%	7.3%	3.7%

CBOE S&P 500 Volatility Index

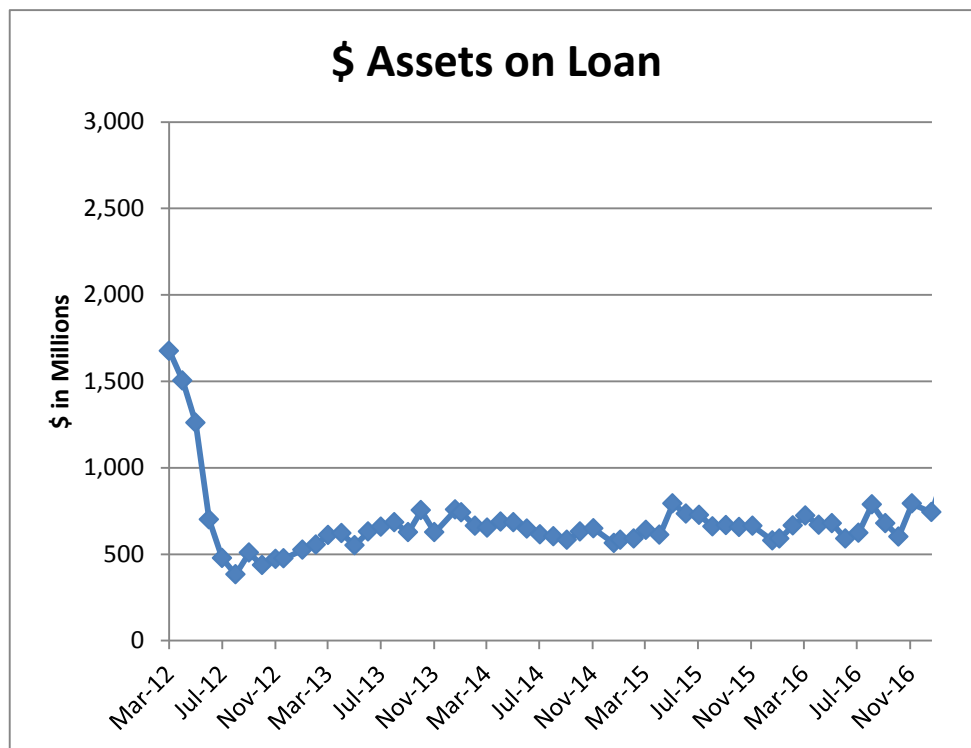


Source: Bloomberg. Calculations are as of the last monthly trading day. All data is as of February 28, 2017.

Securities Lending

At its April 2012 meeting, SURS Board of Trustees approved a risk-averse securities lending strategy that was implemented in July 2012 with third-party services provider Deutsche Bank. Program statistics for the month of February and the 2017 fiscal year are as listed, below:

Securities Lending Income as of February 28, 2017	
Total for the Month	\$374,649
Fiscal Year to Date	\$3,761,358
Fiscal Year to Date Monthly Average	\$470,170



**Schedule of Self-Managed Plan Investment Allocation
as of February 28, 2017**

	<u>U.S. Equity</u>	<u>Non-U.S. Equity</u>	<u>Fixed Income</u>	<u>Balanced</u>	<u>Real Estate</u>	<u>Total</u>
Fidelity Investment Options						
Actively Managed						
Fidelity Managed Income Portfolio Class 2			40,295,539			40,295,539
PIMCO Total Return Institutional			37,688,403			37,688,403
Fidelity Puritan Class K				197,907,610		197,907,610
Ariel Fund Institutional	35,270,029					35,270,029
American Beacon Large Cap Value Inst.	13,055,443					13,055,443
Wells Fargo Small Company Growth R6	16,039,341					16,039,341
Fidelity Growth Company Commingled Pool	96,048,006					96,048,006
Fidelity Contrafund Commingled Pool	93,354,580					93,354,580
Fidelity Low-Priced Stock Class K	45,098,694					45,098,694
Fidelity Diversified International Class K		39,764,137				39,764,137
Fidelity Real Estate Investment					20,167,074	20,167,074
Passively Managed						
Fidelity U.S. Bond Index Institutional ⁽⁴⁾			36,700,083			36,700,083
Fidelity Freedom Index Funds ⁽¹⁾				230,521,133		230,521,133
Fidelity Extended Mkt Index Advantage ⁽⁴⁾	43,430,427					43,430,427
Fidelity 500 Index Institutional ⁽⁴⁾	198,961,352					198,961,352
Fidelity Global ex-U.S. Index Institutional ⁽⁴⁾		23,637,409				23,637,409
Fidelity Total	541,257,872	63,401,546	114,684,024	428,428,743	20,167,074	1,167,939,258 59.9%
TIAA-CREF Investment Options						
Actively Managed						
CREF Money Market Account R3			19,137,761			19,137,761
TIAA Traditional Annuity			108,136,659			108,136,659
CREF Bond Market Account R3			49,172,015			49,172,015
CREF Inflation-Linked Bond Account R3			24,865,824			24,865,824
CREF Social Choice Account R3				52,191,989		52,191,989
CREF Growth Account R3 ⁽²⁾	548,469					548,469
CREF Stock Account R3	161,135,090					161,135,090
CREF Global Equities Account R3		54,890,013				54,890,013
TIAA Real Estate Account					17,762,386	17,762,386
Passively Managed						
CREF Equity Index Account R3	84,919,894					84,919,894
TIAA-CREF Large-Cap Growth Index - Institutional	106,769,777					106,769,777
TIAA-CREF Lifecycle Index Funds - Institutional Class				100,860,449		100,860,449
TIAA-CREF Total	353,373,230	54,890,013	201,312,259	153,052,438	17,762,386	780,390,326 40.1%
GRAND TOTALS	<u>\$894,631,101</u> 45.9%	<u>\$118,291,558</u> 6.1%	<u>\$315,996,283</u> 16.2%	<u>\$581,481,181</u> 29.8%	<u>\$37,929,460</u> 1.9%	<u>\$1,948,329,584</u> 100.0%
SMP Forfeiture Reserve ⁽³⁾						14,845,613
SMP Disability Reserve ⁽³⁾						87,795,042
Total SMP Investments						<u>2,050,970,239</u>

1. As of February 28, 2017, the Fidelity Freedom Index Fund (lifecycle) series is the default fund for members who have selected the Self-Managed Plan, but have not yet selected individual mutual/variable annuity funds.

2. CREF Growth Account is no longer an approved option for the Self-Managed Plan. Assets remaining in the Account were invested prior to termination of this option.

3. These assets are commingled with the SURS defined benefit plan investments and accrue interest equal to the overall annual rate of return of the fund, net of fees. The reserve totals are preliminary and unaudited.

4. The fund was renamed from "Spartan" to "Fidelity", effective June 14, 2016.

SURS Private Equity Program Returns
Investment Values for Month Ended February 28, 2017
Investment Performance for Quarter Ended December 31, 2016 ⁽¹⁾

Manager	Incep	Benchmark	Assets (\$mil)	Quarter Mgr	Quarter Bmark	FYTD Mgr	FYTD Bmark	1 YR Mgr	1 YR Bmark	3 YR Mgr	3 YR Bmark	5 YR ⁽²⁾ Mgr	5 YR ⁽²⁾ Bmark	10 YR ⁽²⁾ Mgr	10 YR ⁽²⁾ Bmark	Incep ⁽²⁾ Mgr	Incep ⁽²⁾ Bmark
Adams Street Venture Partnerships (SEP)	Jan-91	DJ US Ttl Stk Mkt + 3%	79	1.63%	5.18%	1.63%	5.18%	6.50%	17.93%	5.86%	13.39%	11.13%	19.30%	8.77%	10.49%	28.18%	13.08%
Adams Street 2016 Global Fund (FOF)	Dec-16	DJ US Ttl Stk Mkt + 3%	4	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
Adams Street 2015 Global Fund (FOF)	Jun-15	DJ US Ttl Stk Mkt + 3%	21	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
Adams Street 2014 Global Fund (FOF)	May-14	DJ US Ttl Stk Mkt + 3%	46	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
Adams Street 2013 Global Fund (FOF)	Mar-13	DJ US Ttl Stk Mkt + 3%	60	3.24%	5.18%	3.24%	5.18%	4.78%	17.93%	6.07%	13.39%	5.55%	15.51%	5.55%	15.51%	5.55%	15.51%
Adams Street 2012 Global Fund (FOF)	Apr-12	DJ US Ttl Stk Mkt + 3%	54	2.49%	5.18%	2.49%	5.18%	4.74%	17.93%	8.03%	13.39%	6.96%	15.23%	6.96%	15.23%	6.96%	15.23%
Adams Street 2009 Global Offering (FOF)	Jan-09	DJ US Ttl Stk Mkt + 3%	79	2.95%	5.18%	2.95%	5.18%	8.34%	17.93%	13.77%	13.39%	12.63%	19.30%	12.57%	17.71%	12.57%	17.71%
Adams Street 2008 Global Offering (FOF)	Jan-08	DJ US Ttl Stk Mkt + 3%	75	3.82%	5.18%	3.82%	5.18%	12.20%	17.93%	17.72%	13.39%	14.83%	19.30%	13.74%	10.07%	13.74%	10.07%
Adams Street Global Opportunities Secondary Fund - 2004 (FOF)	Mar-04	DJ US Ttl Stk Mkt + 3%	5	4.21%	5.18%	4.21%	5.18%	9.69%	17.93%	9.76%	13.39%	7.56%	19.30%	9.33%	10.49%	11.17%	10.78%
Adams Street 2007 Global Opportunities Portfolio (FOF)	Jun-07	DJ US Ttl Stk Mkt + 3%	47	3.63%	5.18%	3.63%	5.18%	4.89%	17.93%	8.41%	13.39%	10.88%	19.30%	8.20%	9.23%	8.20%	9.23%
Adams Street Global Secondary Fund 5 - 2012 (FOF)	Oct-12	DJ US Ttl Stk Mkt + 3%	11	7.26%	5.18%	7.26%	5.18%	8.25%	17.93%	2.47%	13.39%	2.45%	16.05%	2.45%	16.05%	2.45%	16.05%
Adams Street 2004 Non-U.S. Fund (FOF)	Jul-98	DJ US Ttl Stk Mkt + 3%	14	2.02%	5.18%	2.02%	5.18%	2.84%	17.93%	4.24%	13.39%	5.31%	19.30%	7.31%	10.49%	11.77%	9.02%
Total Adams Street Partners	Jan-91		494														
Lincoln Fund I (FOF)	Apr-14	DJ US Ttl Stk Mkt + 3%	27	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
Total Fairview Capital Partners	Apr-14		27														
Illinois Private Equity Fund of Funds (FOF)	Dec-04	DJ US Ttl Stk Mkt + 3%	3	2.16%	5.18%	2.16%	5.18%	1.96%	17.93%	2.82%	13.39%	1.34%	19.30%	0.75%	10.49%	-0.10%	10.87%
M ² Private Equity Fund of Funds (FOF)	Mar-08	DJ US Ttl Stk Mkt + 3%	9	-0.38%	5.18%	-0.38%	5.18%	3.83%	17.93%	15.39%	13.39%	12.64%	19.30%	9.04%	11.39%	9.04%	11.39%
Total Muller and Monroe	Dec-04		12														
Pantheon Ventures, Inc. (SEP)	Mar-02	DJ US Ttl Stk Mkt + 3%	129	3.20%	5.18%	3.20%	5.18%	1.91%	17.93%	7.16%	13.39%	11.07%	19.30%	9.81%	10.49%	10.59%	10.49%
Pantheon Europe Fund III - 2003 (FOF)	Jan-03	DJ US Ttl Stk Mkt + 3%	11	-7.28%	5.18%	-7.28%	5.18%	-4.40%	17.93%	3.71%	13.39%	9.52%	19.30%	12.25%	10.49%	14.49%	12.55%
Pantheon Europe Fund VI - 2008 (FOF)	Sep-08	DJ US Ttl Stk Mkt + 3%	24	-7.81%	5.18%	-7.81%	5.18%	-1.56%	17.93%	5.07%	13.39%	7.35%	19.30%	6.13%	12.14%	6.13%	12.14%
Pantheon Europe Fund VII - 2013 (FOF)	Jan-13	DJ US Ttl Stk Mkt + 3%	25	-7.97%	5.18%	-7.97%	5.18%	-1.73%	17.93%	0.45%	13.39%	0.93%	16.93%	0.93%	16.93%	0.93%	16.93%
Pantheon Global Secondary Fund II - 2004 (FOF)	Mar-04	DJ US Ttl Stk Mkt + 3%	5	3.21%	5.18%	3.21%	5.18%	6.70%	17.93%	3.58%	13.39%	0.78%	19.30%	0.53%	10.49%	4.26%	10.78%
Pantheon Multi-Strategy Program 2014 (US), L.P.	Feb-15	DJ US Ttl Stk Mkt + 3%	28	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
Pantheon USA Fund VIII - 2008 (FOF)	Jan-08	DJ US Ttl Stk Mkt + 3%	84	3.18%	5.18%	3.18%	5.18%	7.67%	17.93%	12.09%	13.39%	12.95%	19.30%	10.82%	10.07%	10.82%	10.07%
Pantheon USA Fund IX - 2013 (FOF)	Jan-13	DJ US Ttl Stk Mkt + 3%	69	2.54%	5.18%	2.54%	5.18%	7.39%	17.93%	10.14%	13.39%	10.25%	16.93%	10.25%	16.93%	10.25%	16.93%
Total Pantheon Ventures, Inc.	Mar-02		373														
Total Private Equities	Jan-91	DJ US Ttl Stk Mkt + 3%	906	2.52%	5.18%	2.52%	5.18%	5.77%	17.93%	8.56%	13.39%	10.55%	19.30%	9.14%	10.49%	20.54%	13.08%

(1) reports quarterly in arrears
(2) or since inception, whichever is less
(FOF) fund of funds

**Progress Investment Manager of Managers Program
Investment Performance for Month Ended February 28, 2017**

Manager	Incep (1)	Benchmark	Assets (\$mil)	% Fund	Month Mgr	Month Bmark	FYTD Mgr	FYTD Bmark	1 YR (2) Mgr	1 YR (2) Bmark	3 YR (2) Mgr	3 YR (2) Bmark	5 YR (2) Mgr	5 YR (2) Bmark	Incep (2) Mgr	Incep (2) Bmark
PROGRESS TOTAL FUND	May-08		406	100.0%	1.4%		4.9%		10.8%		1.9%		6.7%		5.3%	
Non-U.S. Equity																
Affinity Investment Advisors	Jun-15	MSCI EAFE	45	11.0%	0.9%	1.4%	9.3%	10.3%	15.4%	15.8%	-1.6%	-0.6%	-1.6%	-0.6%	-1.6%	-0.6%
Arga Investment Management	Sep-16	MSCI EAFE	18	4.5%	0.8%	1.4%	4.6%	3.6%	4.6%	3.6%	4.6%	3.6%	4.6%	3.6%	4.6%	3.6%
Brown Capital Management	May-08	MSCI EAFE	30	7.3%	2.0%	1.4%	4.4%	10.3%	7.9%	15.8%	1.1%	-0.6%	8.7%	5.2%	4.0%	0.6%
Glovista Investments	Jan-16	MSCI EAFE	19	4.7%	0.6%	1.4%	8.6%	10.3%	11.8%	15.8%	5.4%	12.5%	5.4%	12.5%	5.4%	12.5%
Lombardia Capital Partners	Aug-14	MSCI EAFE	23	5.7%	5.0%	1.4%	24.6%	10.3%	44.7%	15.8%	5.3%	-1.2%	5.3%	-1.2%	5.3%	-1.2%
Strategic Global Advisors	May-08	MSCI EAFE	52	12.9%	2.0%	1.4%	12.3%	10.3%	15.9%	15.8%	2.8%	-0.6%	9.6%	5.2%	4.2%	0.6%
TOTAL NON-U.S. EQUITY	May-08	MSCI EAFE	187	46.1%	1.8%	1.4%	10.8%	10.3%	16.8%	15.8%	-0.5%	-0.6%	5.3%	5.2%	2.0%	0.6%
Core Fixed Income																
Garcia Hamilton & Associates	Oct-09	Barclays Capital Aggregate	15	3.6%	0.7%	0.7%	-1.6%	-1.7%	0.6%	1.4%	3.0%	2.6%	3.6%	2.2%	4.6%	3.5%
GIA Partners	Jul-14	Barclays Capital Aggregate	32	7.9%	0.8%	0.7%	0.8%	-1.7%	5.4%	1.4%	2.9%	2.4%	2.9%	2.4%	2.9%	2.4%
LM Capital Group	May-08	Barclays Capital Aggregate	31	7.7%	0.7%	0.7%	-0.8%	-1.7%	2.6%	1.4%	2.7%	2.6%	2.6%	2.2%	4.4%	4.0%
New Century Advisors	May-08	Barclays Capital Aggregate	31	7.7%	0.7%	0.7%	-1.5%	-1.7%	1.4%	1.4%	2.2%	2.6%	2.3%	2.2%	4.3%	4.0%
Piedmont Investment Advisors	May-08	Barclays Capital Aggregate	18	4.4%	0.6%	0.7%	-1.0%	-1.7%	3.5%	1.4%	2.6%	2.6%	2.4%	2.2%	4.1%	4.0%
Ramirez Asset Management	May-13	Barclays Capital Aggregate	17	4.1%	0.7%	0.7%	-0.5%	-1.7%	2.9%	1.4%	2.9%	2.6%	2.6%	2.3%	2.6%	2.3%
TOTAL Core Fixed Income	May-08	Barclays Capital Aggregate	144	35.4%	0.7%	0.7%	-0.7%	-1.7%	2.9%	1.4%	2.7%	2.6%	2.7%	2.2%	4.5%	4.0%
Emerging Market Debt																
GIA Partners	Apr-15	JPM CEMBI Broad	35	8.6%	2.0%	1.5%	6.7%	4.9%	16.7%	13.0%	5.6%	5.5%	5.6%	5.5%	5.6%	5.5%
LM Capital Group	Apr-15	JPM CEMBI Broad	40	9.9%	1.6%	1.5%	4.4%	4.9%	13.2%	13.0%	4.3%	5.5%	4.3%	5.5%	4.3%	5.5%
TOTAL Emerging Market Debt	Apr-15	JPM CEMBI Broad	75	18.5%	1.8%	1.5%	5.4%	4.9%	14.8%	13.0%	4.9%	5.5%	4.9%	5.5%	4.9%	5.5%

(1) inception date of account or (2) since inception, whichever is less

SURS Manager Diversity Program Returns
Investment Performance for Month Ended February 28, 2017

Manager	Incep	Benchmark	Assets (\$mil)	Month Mgr	Month Bmark	Quarter Mgr	Quarter Bmark	FYTD Mgr	FYTD Bmark	1 YR Mgr	1YR Bmark	3 YR Mgr	3 YR Bmark	5 YR Mgr	5 YR Bmark	Incep Mgr	Incep Bmark
TOTAL MDP	Jan-05	Policy Portfolio	3,032	2.1%	1.8%	5.1%	5.1%	7.8%	8.3%	14.0%	15.1%	4.5%	3.8%	6.8%	6.9%	5.9%	5.8%
U.S. Equity: Active																	
Channing Capital Management	Apr-05	Russell Midcap Value	181	2.3%	2.8%	5.3%	6.4%	15.5%	15.2%	25.7%	31.8%	8.4%	9.8%	14.6%	14.7%	8.7%	9.4%
EARNEST Partners	Jun-11	Russell Midcap	132	3.5%	2.8%	8.4%	6.5%	18.8%	13.6%	33.1%	26.8%	10.2%	8.4%	13.4%	13.6%	12.6%	12.1%
Holland Capital Management	Apr-05	Custom/Russell Midcap Growth	114	2.4%	2.9%	5.6%	6.7%	9.4%	11.7%	20.3%	21.5%	5.6%	7.0%	11.1%	12.3%	8.5%	9.5%
Lombardia Capital Partners	Apr-05	Russell 2000 Value	116	1.6%	1.4%	5.0%	4.9%	19.7%	25.1%	30.4%	41.3%	4.3%	8.4%	10.2%	13.4%	8.6%	8.0%
Piedmont Investment Advisors	Jul-14	S&P 500	530	4.0%	4.0%	7.2%	8.0%	15.0%	14.2%	25.8%	25.0%	10.2%	9.6%	10.2%	9.6%	10.2%	9.6%
Composite, Active U.S. Equity		Blended	1,074	3.2%	3.1%	6.6%	6.9%	15.4%	16.1%	26.6%	28.8%	8.6%	7.6%	12.7%	13.1%	9.1%	8.8%
TOTAL U.S. Equity	Jan-05	Blended	1,074	3.2%	3.1%	6.6%	6.9%	15.4%	16.1%	26.6%	28.8%	8.6%	7.6%	12.7%	13.1%	8.5%	8.5%
Non-U.S. Equity																	
Ativo Capital Management	Jul-08	MSCI ACWI Ex-U.S.	244	2.6%	1.6%	6.1%	7.9%	3.8%	11.1%	9.6%	19.3%	-0.2%	-0.2%	5.7%	3.5%	3.0%	1.6%
GlobeFlex Capital	Jul-14	MSCI ACWI Ex-U.S.	269	2.4%	1.6%	9.9%	7.9%	13.3%	11.1%	18.6%	19.3%	-0.3%	-2.1%	-0.3%	-2.1%	-0.3%	-2.1%
Strategic Global Advisors	Aug-08	MSCI EAFE	285	1.8%	1.4%	7.8%	7.9%	9.0%	10.3%	13.3%	15.8%	2.2%	-0.6%	9.1%	5.2%	5.8%	2.4%
TOTAL Non-U.S. Equity	Aug-06	Blended	798	2.3%	1.5%	7.9%	7.9%	8.7%	10.8%	13.8%	18.0%	0.2%	-0.5%	5.7%	4.7%	3.3%	1.9%
Private Equity																	
Fairview Lincoln Fund I	Apr-14	DJ U.S. Total Stk Mkt + 3% (1)	27	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
Muller and Monroe ILPEFF	Dec-04	DJ U.S. Total Stk Mkt + 3% (1)	3	2.2%	5.2%	2.2%	5.2%	2.2%	5.2%	2.0%	17.9%	2.8%	13.4%	1.3%	19.3%	-0.1%	11.3%
Muller and Monroe MPEFF	Mar-08	DJ U.S. Total Stk Mkt + 3% (1)	9	-0.4%	5.2%	-0.4%	5.2%	-0.4%	5.2%	3.8%	17.9%	15.4%	13.4%	12.6%	19.3%	9.0%	11.4%
TOTAL Private Equity	Dec-04	DJ U.S. Total Stk Mkt + 3% (1)	39	0.7%	5.2%	0.7%	5.2%	0.7%	5.2%	3.1%	17.9%	10.1%	13.4%	7.9%	19.3%	4.5%	11.3%
Fixed Income: Core																	
Garcia Hamilton	Feb-09	Barclays Capital Aggregate	307	0.8%	0.7%	1.2%	1.0%	-1.2%	-1.7%	1.1%	1.4%	3.4%	2.6%	3.9%	2.2%	6.0%	4.2%
LM Capital Group	Dec-10	Barclays Capital Aggregate	160	0.7%	0.7%	1.3%	1.0%	-0.9%	-1.7%	2.4%	1.4%	3.0%	2.6%	2.6%	2.2%	3.6%	3.2%
Pugh Capital Management	Apr-06	Barclays Capital Aggregate	160	0.7%	0.7%	1.0%	1.0%	-1.7%	-1.7%	1.4%	1.4%	2.7%	2.6%	2.4%	2.2%	5.0%	4.5%
Smith Graham & Company	Apr-06	Barclays Capital Aggregate	103	0.7%	0.7%	0.9%	1.0%	-1.5%	-1.7%	1.5%	1.4%	2.7%	2.6%	2.5%	2.2%	4.6%	4.5%
Composite, Core Fixed Inc		Barclays Capital Aggregate	731	0.8%	0.7%	1.1%	1.0%	-1.3%	-1.7%	1.7%	1.4%	3.0%	2.6%	2.7%	2.2%	4.8%	4.5%
Fixed Income: TIPS																	
Longfellow Investment Mgmt	Apr-10	Barclays Capital U.S. TIPS	171	0.4%	0.5%	1.2%	1.2%	-0.1%	-0.2%	3.2%	3.4%	1.6%	1.9%	0.8%	0.8%	3.0%	3.2%
New Century Advisors	Apr-10	Barclays Capital U.S. TIPS	170	0.5%	0.5%	1.3%	1.2%	-0.2%	-0.2%	3.2%	3.4%	2.0%	1.9%	0.8%	0.8%	3.3%	3.2%
Composite, TIPS		Barclays Capital U.S. TIPS	341	0.5%	0.5%	1.2%	1.2%	-0.2%	-0.2%	3.2%	3.4%	1.8%	1.9%	0.8%	0.8%	3.2%	3.2%
TOTAL Fixed Income	Apr-06	Blended	1,072	0.7%	0.6%	1.2%	1.1%	-0.9%	-1.1%	2.3%	2.1%	2.5%	2.4%	1.9%	1.6%	4.6%	4.5%
Real Estate																	
Franklin Templeton EMREFF	Aug-11	NCREIF ODCE Index + 1.5% (1)	39	11.4%	2.2%	11.4%	2.2%	11.4%	2.2%	19.9%	10.6%	18.0%	12.9%	10.5%	13.2%	15.9%	13.2%
Frnkln Templeton MDP RE 2015	Sep-15	NCREIF ODCE Index + 1.5% (1)	10	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
TOTAL Real Estate	Aug-11	NCREIF ODCE Index + 1.5% (1)	49	11.4%	2.2%	11.4%	2.2%	11.4%	2.2%	19.9%	10.6%	18.0%	12.9%	10.5%	13.2%	15.9%	13.2%

Custom Benchmark Composition

MDP Policy Portfolio	35% Russell 2500 Index, 23% S&P 500, 7% MSCI EAFE and 35% Barclays Capital Aggregate through January 2008; value weighted as of February 2008
Holland Custom	Russell Midcap through March 2007, Russell Midcap Growth as of April 2007

(1) reports quarterly in arrears

Asset Class	\$'s (millions)	Actual %
U.S. Equity	\$ 1,074	35.4%
Private Equity	39	1.3%
Non-U.S. Equity	798	26.3%
Global Equity	-	0.0%
Fixed Income	731	24.1%
TIPS	341	11.3%
Real Estate	49	1.6%
Total Fund	\$ 3,032	100.0%

**SURS Defined Benefit Portfolio
Investment Performance**

February-17	Incep (1)	Benchmark	\$ millions	% Fund	2/2017 Mgr	2/2017 Bmark	FYTD Mgr	FYTD Bmark	1 YR (2) Mgr	1 YR (2) Bmark	3 YR (2) Mgr	3 YR (2) Bmark	5 YR (2) Mgr	5 YR (2) Bmark	10 YR (2) Mgr	10 YR (2) Bmark
U.S. Equities																
CastleArk Management	Sep-12	Russell 2000 Growth	160	0.9%	1.37%	2.45%	14.37%	17.78%	25.11%	30.91%	1.58%	5.42%	13.33%	13.81%	13.33%	13.81%
Lombardia Capital Partners	Apr-05	Russell 2000 Value	116	0.7%	1.60%	1.45%	19.72%	25.08%	30.43%	41.29%	4.30%	8.37%	10.16%	13.43%	7.45%	6.31%
Mesirow Financial Investment Mgmt	May-11	Russell 2000	166	0.9%	2.25%	1.93%	16.86%	21.45%	27.89%	36.11%	7.08%	6.93%	11.97%	12.89%	9.64%	10.46%
EARNEST Partners	Jun-11	Russell Midcap	132	0.8%	3.46%	2.83%	18.84%	13.60%	33.07%	26.81%	10.15%	8.44%	13.42%	13.63%	12.55%	12.05%
Holland Capital Management	Apr-05	Custom / Russell Midcap Growth	114	0.6%	2.41%	2.88%	9.44%	11.69%	20.28%	21.54%	5.62%	7.01%	11.11%	12.32%	8.39%	8.16%
Channing Capital Management	Apr-05	Russell Midcap Value	181	1.0%	2.34%	2.79%	15.48%	15.20%	25.72%	31.84%	8.42%	9.77%	14.59%	14.75%	7.88%	7.67%
Gladius	Dec-16	Russell 3000	366	2.1%	2.97%	3.72%	4.90%	5.67%	4.90%	5.67%	4.90%	5.67%	4.90%	5.67%	4.90%	5.67%
<i>Active U.S. Equities</i>	Oct-81	Blended	1,235	7.0%	2.44%	1.69%	16.20%	16.08%	26.71%	29.04%	6.45%	8.22%	11.68%	13.26%	5.92%	7.07%
Piedmont Investment Advisors	Jan-08	S&P 500	530	3.0%	3.97%	3.97%	14.97%	14.23%	25.85%	24.98%	11.39%	10.63%	14.52%	14.01%	7.55%	7.65%
T. Rowe Price	Mar-08	S&P 500	385	2.2%	4.00%	3.97%	14.57%	14.23%	25.16%	24.98%	10.61%	10.63%	14.01%	14.01%	9.43%	9.08%
<i>Structured Active U.S. *</i>	Oct-87	Blended	916	5.2%	3.98%	3.97%	14.83%	14.23%	25.66%	25.11%	10.49%	10.17%	14.18%	13.87%	8.14%	7.75%
Northern Trust Asset Management	Feb-99	Dow Jones U.S. Total Stock Market	1,543	8.7%	3.69%	3.69%	15.17%	14.96%	26.51%	26.26%	9.89%	9.84%	13.80%	13.78%	7.82%	7.74%
RhumbLine Advisers	Feb-05	Custom / Wilshire 5000	857	4.9%	3.72%	3.72%	15.04%	15.11%	26.30%	26.67%	10.37%	10.26%	13.95%	13.92%	7.84%	7.75%
<i>Passive U.S. Equities</i>	Jul-86	Blended	2,400	13.6%	3.70%	3.70%	15.13%	15.02%	26.45%	26.41%	10.08%	10.01%	13.86%	13.83%	7.81%	7.74%
Total U.S. Equities	Oct-81	Dow Jones U.S. Total Stock Market	4,551	25.8%	3.41%	3.69%	15.18%	14.96%	26.27%	26.26%	9.49%	9.84%	13.53%	13.78%	7.59%	7.74%
Non-U.S. Equities																
Ativo Capital Management	Jul-08	MSCI ACWI Ex-US	244	1.4%	2.62%	1.59%	3.79%	11.05%	9.57%	19.31%	-0.20%	-0.19%	5.73%	3.55%	2.98%	1.60%
GlobeFlex Capital	Dec-11	MSCI ACWI Ex-US	269	1.5%	2.42%	1.59%	13.25%	11.05%	18.57%	19.31%	1.88%	-0.19%	6.80%	3.55%	8.62%	5.55%
Progress Investment	May-08	MSCI EAFE	187	1.1%	1.84%	1.43%	10.85%	10.30%	16.82%	15.75%	-0.54%	-0.62%	5.34%	5.16%	1.96%	0.59%
Strategic Global Advisors	Aug-08	MSCI EAFE	285	1.6%	1.85%	1.43%	8.96%	10.30%	13.29%	15.75%	2.17%	-0.62%	9.12%	5.16%	5.82%	2.40%
<i>Active Non U.S. Equities</i>	Jul-92	Blended	986	5.6%	2.19%	1.52%	9.09%	10.69%	14.38%	17.59%	0.20%	-0.62%	5.18%	4.13%	1.64%	1.54%
BTC International Alpha Tilts	Nov-03	MSCI EAFE	444	2.5%	0.56%	1.43%	11.01%	10.30%	16.09%	15.75%	0.38%	-0.62%	7.19%	5.16%	1.84%	1.03%
Fidelity Institutional Asset Mgmt	Dec-11	MSCI ACWI Ex-US	497	2.8%	1.43%	1.59%	8.89%	11.05%	16.65%	19.31%	-0.11%	-0.19%	4.16%	3.55%	6.11%	5.55%
<i>Structured Active Non U.S. *</i>	Nov-03	Blended	941	5.3%	1.02%	1.52%	9.90%	10.68%	16.37%	17.58%	0.12%	-0.40%	5.56%	4.28%	1.19%	0.67%
BTC Emerging Markets	Oct-09	MSCI Emerging Markets	202	1.1%	3.03%	3.06%	13.36%	13.58%	29.12%	29.46%	1.17%	1.35%	-0.56%	-0.37%	2.50%	2.72%
BTC International	Jul-86	MSCI ACWI Ex-US	1,208	6.9%	1.69%	1.59%	11.28%	11.05%	19.76%	19.31%	0.32%	-0.19%	4.02%	3.55%	1.85%	1.38%
<i>Passive Non U.S. Equities</i>	Jul-86	Blended / MSCI ACWI Ex-US	1,410	8.0%	1.86%	1.79%	11.55%	11.36%	20.82%	20.44%	0.31%	-0.03%	3.45%	3.13%	1.65%	1.29%
Total Non U.S. Equities	Jul-86	MSCI ACWI Ex-US	3,337	18.9%	1.72%	1.59%	10.37%	11.05%	17.78%	19.31%	0.26%	-0.19%	4.49%	3.55%	1.39%	1.38%
Global Equities																
Mondrian Investment Partners	Dec-11	MSCI ACWI	480	2.7%	3.50%	2.81%	10.80%	12.54%	20.80%	22.07%	4.56%	4.81%	7.60%	8.25%	8.84%	9.99%
T. Rowe Price Global Focused Growth	Oct-08	MSCI ACWI	487	2.8%	1.98%	2.81%	15.90%	12.54%	26.60%	22.07%	8.52%	4.81%	12.30%	8.25%	12.83%	10.21%
Wellington Management	Jun-02	Custom / MSCI ACWI	480	2.7%	2.94%	2.81%	13.36%	12.54%	23.43%	22.07%	5.94%	4.81%	10.09%	8.25%	5.20%	4.11%
Total Global Equities	Jan-04	Blended / MSCI ACWI	1,447	8.2%	2.80%	2.81%	13.01%	12.54%	23.55%	22.07%	5.77%	4.81%	9.02%	8.25%	4.60%	4.04%

* Structured Active strategies, also known as Enhanced Index strategies, attempt to add modest amounts of excess return over time within a risk controlled framework.

**SURS Defined Benefit Portfolio
Investment Performance**

February-17	Incep (1)	Benchmark	\$ millions	% Fund	2/2017 Mgr	2/2017 Bmark	FYTD Mgr	FYTD Bmark	1 YR (2) Mgr	1 YR (2) Bmark	3 YR (2) Mgr	3 YR (2) Bmark	5 YR (2) Mgr	5 YR (2) Bmark	10 YR (2) Mgr	10 YR (2) Bmark
Private Equities																
Adams Street Partners	Jan-91	DJ U.S. Total Stock Market + 3% (3)	494	2.8%	3.49%	5.18%	3.49%	5.18%	7.99%	17.93%	9.49%	13.39%	10.94%	19.30%	9.09%	10.49%
Fairview Capital Partners	Apr-14	DJ U.S. Total Stock Market + 3% (3)	27	0.2%	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
Muller and Monroe	Dec-04	DJ U.S. Total Stock Market + 3% (3)	12	0.1%	0.66%	5.18%	0.66%	5.18%	3.06%	17.93%	10.09%	13.39%	7.86%	19.30%	5.12%	10.49%
Pantheon Ventures, Inc.	Mar-02	DJ U.S. Total Stock Market + 3% (3)	373	2.1%	1.45%	5.18%	1.45%	5.18%	3.51%	17.93%	7.68%	13.39%	10.44%	19.30%	9.47%	10.49%
Total Private Equities	Jan-91	DJ U.S. Total Stock Market + 3% (3)	906	5.1%	2.52%	5.18%	2.52%	5.18%	5.77%	17.93%	8.56%	13.39%	10.55%	19.30%	9.14%	10.49%
TOTAL EQUITIES																
TOTAL EQUITIES	Oct-81	Blended	10,240	58.1%	2.43%	2.50%	12.41%	12.75%	21.14%	22.54%	5.84%	6.48%	9.72%	10.62%	5.45%	5.93%
Fixed Income																
Cash Flow	Oct-81	90-day T-bills	231	1.3%	0.07%	0.04%	0.46%	0.27%	0.63%	0.37%	0.31%	0.17%	0.24%	0.13%	0.92%	0.63%
<i>Core Fixed Income Managers</i>																
Garcia Hamilton & Associates	Feb-09	Barclays Capital Aggregate	307	1.7%	0.82%	0.67%	-1.23%	-1.68%	1.10%	1.42%	3.44%	2.64%	3.94%	2.24%	5.95%	4.19%
Progress Investment	May-08	Barclays Capital Aggregate	144	0.8%	0.72%	0.67%	-0.69%	-1.68%	2.86%	1.42%	2.72%	2.64%	2.65%	2.24%	4.49%	4.01%
Pugh Capital Management	Apr-06	Barclays Capital Aggregate	160	0.9%	0.70%	0.67%	-1.73%	-1.68%	1.43%	1.42%	2.68%	2.64%	2.40%	2.24%	4.80%	4.28%
Smith Graham & Company	Apr-06	Barclays Capital Aggregate	103	0.6%	0.70%	0.67%	-1.52%	-1.68%	1.50%	1.42%	2.74%	2.64%	2.46%	2.24%	4.36%	4.28%
<i>Core Plus Fixed Income Managers</i>																
LM Capital Group	Dec-10	Barclays Capital Aggregate	160	0.9%	0.73%	0.67%	-0.93%	-1.68%	2.36%	1.42%	2.96%	2.64%	2.62%	2.24%	3.63%	3.21%
Neuberger Berman	Dec-10	Barclays Capital Aggregate	340	1.9%	0.86%	0.67%	0.76%	-1.68%	5.08%	1.42%	3.14%	2.64%	3.18%	2.24%	4.05%	3.21%
PIMCO Total Return	Oct-81	Barclays Capital Aggregate	386	2.2%	0.64%	0.67%	-0.37%	-1.68%	3.20%	1.42%	2.28%	2.64%	2.85%	2.24%	5.66%	4.28%
TCW MetWest	Nov-01	Barclays Capital Aggregate	535	3.0%	0.65%	0.67%	-0.75%	-1.68%	1.98%	1.42%	2.80%	2.64%	3.55%	2.24%	5.99%	4.28%
<i>Active Fixed Income</i>	Oct-81	Barclays Capital Aggregate	2,366	13.4%	0.68%	0.67%	-0.88%	-1.68%	2.09%	1.42%	2.49%	2.64%	2.70%	2.24%	5.10%	4.28%
State Street Global Advisors	Sep-10	Barclays Capital Aggregate	601	3.4%	0.68%	0.67%	-1.69%	-1.68%	1.42%	1.42%	2.65%	2.64%	2.26%	2.24%	2.88%	2.87%
<i>Passive Fixed Income</i>	Oct-86	Blended / Barclays Capital Aggregate	601	3.4%	0.68%	0.67%	-1.69%	-1.68%	1.42%	1.42%	2.65%	2.64%	2.26%	2.24%	3.45%	3.46%
PIMCO Unconstrained	May-13	LIBOR + 3%	462	2.6%	1.02%	0.33%	5.24%	2.51%	9.06%	3.72%	2.18%	3.42%	1.64%	3.39%	1.64%	3.39%
<i>Absolute Return Fixed Income</i>	May-13	LIBOR + 3%	462	2.6%	1.02%	0.33%	5.24%	2.51%	9.06%	3.72%	2.18%	3.42%	1.64%	3.39%	1.64%	3.39%
Total Core Fixed Income	Oct-81	Barclays Capital Aggregate	3,429	19.4%	0.71%	0.67%	-0.20%	-1.68%	2.90%	1.42%	2.47%	2.64%	2.55%	2.24%	4.88%	4.28%
TIPS																
Longfellow Investment Management	Apr-10	Barclays Capital U.S. TIPS	171	1.0%	0.41%	0.47%	-0.10%	-0.17%	3.20%	3.36%	1.60%	1.89%	0.75%	0.77%	3.03%	3.22%
New Century Advisors	Apr-10	Barclays Capital U.S. TIPS	170	1.0%	0.55%	0.47%	-0.23%	-0.17%	3.23%	3.36%	2.05%	1.89%	0.84%	0.77%	3.31%	3.22%
PIMCO US TIPS	May-99	Barclays Capital U.S. TIPS	343	1.9%	0.54%	0.47%	0.61%	-0.17%	4.75%	3.36%	1.54%	1.89%	0.89%	0.77%	4.62%	4.27%
Total TIPS	Jul-04	Barclays Capital U.S. TIPS (4)	684	3.9%	0.51%	0.47%	0.22%	-0.17%	3.98%	3.36%	1.68%	1.89%	0.89%	0.77%	4.74%	4.27%
Emerging Market Debt																
BlueBay Emerging Mkts Select Debt	Mar-15	Custom	177	1.0%	1.65%	1.90%	1.39%	1.86%	10.99%	12.35%	0.63%	3.71%	0.63%	3.71%	0.63%	3.71%
Colchester Local Markets Debt Fund	Apr-15	JPM GBI-EM Global Diversif unhedged	104	0.6%	2.39%	1.80%	1.63%	0.37%	20.08%	12.42%	-0.64%	-0.81%	-0.64%	-0.81%	-0.64%	-0.81%
Progress Investment	Apr-15	JPM Corp Em Mkts Bond Index-Broad	75	0.4%	1.78%	1.48%	5.45%	4.86%	14.80%	12.99%	4.88%	5.48%	4.88%	5.48%	4.88%	5.48%
Prudential Emerging Mkts Debt Blend	Jun-15	Custom	191	1.1%	2.64%	1.90%	3.50%	1.86%	14.86%	12.35%	6.33%	4.68%	6.33%	4.68%	6.33%	4.68%
Total Emerging Market Debt	Mar-15	Custom	547	3.1%	2.15%	1.77%	2.71%	2.25%	14.50%	12.61%	2.47%	3.65%	2.47%	3.65%	2.47%	3.65%
TOTAL FIXED INCOME																
TOTAL FIXED INCOME	Oct-81	Custom	4,660	26.4%	0.85%	0.74%	0.20%	-0.57%	4.34%	3.28%	2.40%	2.75%	2.30%	2.17%	4.91%	4.30%

**SURS Defined Benefit Portfolio
Investment Performance**

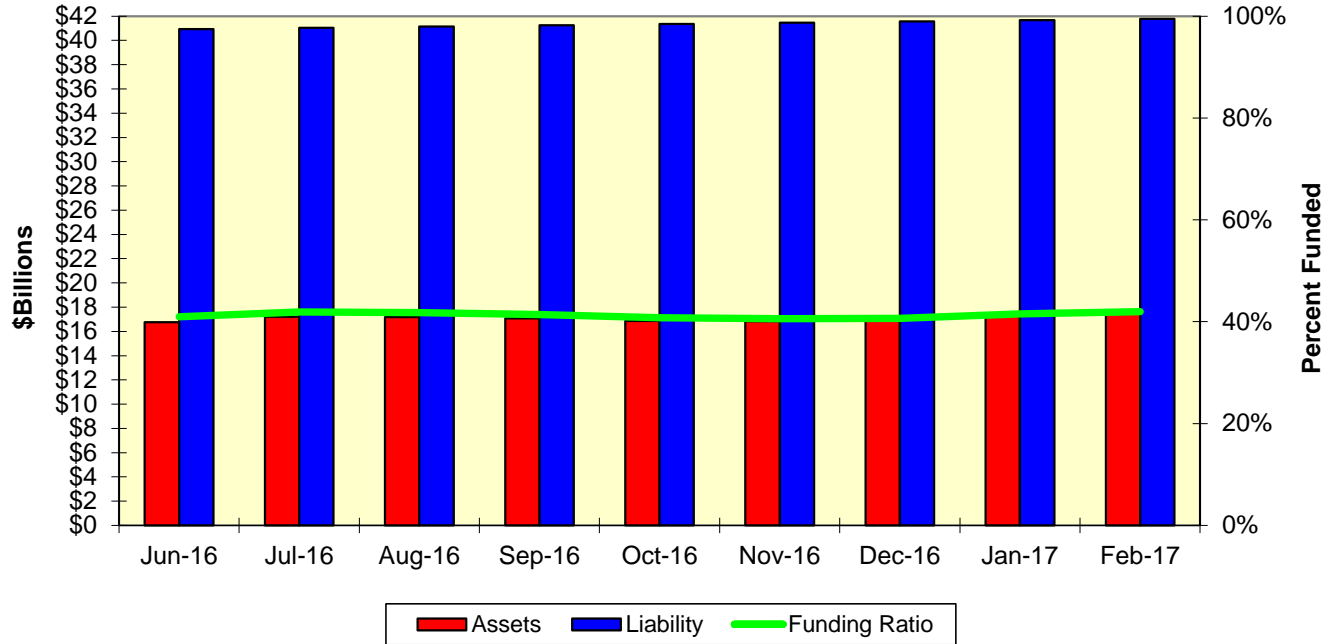
February-17	Incep (1)	Benchmark	\$ millions	% Fund	2/2017 Mgr	2/2017 Bmark	FYTD Mgr	FYTD Bmark	1 YR (2) Mgr	1 YR (2) Bmark	3 YR (2) Mgr	3 YR (2) Bmark	5 YR (2) Mgr	5 YR (2) Bmark	10 YR (2) Mgr	10 YR (2) Bmark
Real Estate																
<i>Core Direct Real Estate Managers</i>																
Heitman America Real Estate Trust	Jul-14	NCREIF ODCE Index (3)	194	1.1%	2.14%	1.83%	2.14%	1.83%	10.50%	9.09%	11.98%	11.14%	11.98%	11.14%	11.98%	11.14%
JPMCB Strategic Property Fund	Jun-14	NCREIF ODCE Index (3)	197	1.1%	1.84%	1.83%	1.84%	1.83%	8.69%	9.09%	11.19%	11.95%	11.19%	11.95%	11.19%	11.95%
UBS Trumbull Property Fund	Jun-06	NCREIF ODCE Index (3)	368	2.1%	1.46%	1.83%	1.46%	1.83%	7.81%	9.09%	9.83%	11.42%	9.58%	11.34%	7.09%	5.59%
<i>Non-Core Direct Real Estate Managers</i>																
Blue Vista Real Estate Partners IV	Apr-16	NCREIF ODCE Index + 1.5% (3)	15	0.1%	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
Brookfield Strategic RE Partners II	Feb-16	NCREIF ODCE Index + 1.5% (3)	14	0.1%	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
Crow Holdings Realty Partners VII	Jan-16	NCREIF ODCE Index + 1.5% (3)	22	0.1%	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
Dune Real Estate Parallel Fund II	Apr-09	NCREIF ODCE Index + 1.5% (3)	28	0.2%	-0.39%	2.21%	-0.39%	2.21%	4.08%	10.59%	12.79%	12.92%	18.28%	12.84%	16.32%	9.43%
Dune Real Estate Fund III	Jul-13	NCREIF ODCE Index + 1.5% (3)	80	0.5%	0.37%	2.21%	0.37%	2.21%	9.61%	10.59%	12.31%	12.82%	11.34%	12.82%	11.34%	12.82%
Franklin Templeton EMREFF	Aug-11	NCREIF ODCE Index + 1.5% (3)	39	0.2%	11.39%	2.21%	11.39%	2.21%	19.90%	10.59%	18.01%	12.92%	10.48%	12.96%	15.92%	12.96%
Franklin Templeton FTPREF	Jun-12	NCREIF ODCE Index + 1.5% (3)	16	0.1%	1.37%	2.21%	1.37%	2.21%	13.81%	10.59%	26.83%	12.92%	22.11%	13.12%	22.11%	13.12%
Franklin Templeton MDP RE 2015	Sep-15	NCREIF ODCE Index + 1.5% (3)	10	0.1%	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
Courtland/Pru RE Global Ptrnshp II	Apr-12	NCREIF ODCE Index + 1.5% (3)	42	0.2%	2.57%	2.21%	2.57%	2.21%	10.14%	10.59%	11.09%	12.92%	10.32%	12.67%	10.32%	12.67%
Total Direct Real Estate	Jun-05	NCREIF ODCE Index (3)	1,023	5.8%	2.01%	1.83%	2.01%	1.83%	9.01%	9.09%	11.67%	11.42%	10.99%	11.34%	6.93%	5.08%
Global REITs																
BTC Global REIT Fund	Mar-13	FTSE EPRA/NAREIT Developed Index	691	3.9%	3.16%	3.11%	-0.51%	-0.90%	13.14%	12.24%	6.53%	5.86%	5.94%	5.29%	5.94%	5.29%
Total GLOBAL REITs	Apr-07	Blended / FTSE EPRA/NAREIT Dev In	691	3.9%	3.12%	3.11%	-1.45%	-0.90%	11.35%	12.24%	6.39%	5.86%	8.31%	7.96%	1.66%	1.04%
TOTAL REAL ESTATE INVESTMENT TRUSTS																
TOTAL REITs	Mar-00	Custom	691	3.9%	3.12%	3.11%	-1.45%	-0.90%	11.35%	12.24%	7.70%	7.89%	9.06%	9.07%	2.92%	2.38%
Hedge Fund																
KKR Prisma Codlin Fund	Mar-16	LIBOR + 5%	280	1.6%	0.61%	0.49%	3.73%	3.83%	1.91%	5.76%	1.91%	5.76%	1.91%	5.76%	1.91%	5.76%
PAAMCO Newport Monarch	Apr-16	LIBOR + 5%	206	1.2%	0.70%	0.49%	5.20%	3.83%	5.79%	5.27%	5.79%	5.27%	5.79%	5.27%	5.79%	5.27%
Total Hedge Funds	Mar-16	LIBOR + 5%	487	2.8%	0.65%	0.49%	4.34%	3.83%	3.28%	5.76%	3.28%	5.76%	3.28%	5.76%	3.28%	5.76%
Commodities																
Invesco Balanced Risk Commodity Trust	Jun-16	Bloomberg Commodity Index	257	1.5%	0.76%	0.21%	0.47%	-0.97%	0.47%	-0.97%	0.47%	-0.97%	0.47%	-0.97%	0.47%	-0.97%
PIMCO Commodity Alpha Fund	May-16	Bloomberg Commodity Index	96	0.5%	-0.15%	0.21%	15.45%	-0.97%	16.45%	3.12%	16.45%	3.12%	16.45%	3.12%	16.45%	3.12%
Total Commodities	May-16	Bloomberg Commodity Index	353	2.0%	0.51%	0.21%	4.14%	-0.97%	6.50%	3.12%	6.50%	3.12%	6.50%	3.12%	6.50%	3.12%
Opportunity Fund																
Alinda Capital Partners	Dec-09	CPI + 5% (3)	42	0.2%	-1.44%	1.42%	-1.44%	1.42%	1.97%	6.46%	10.97%	6.03%	7.02%	6.25%	6.72%	6.62%
Macquarie Infrastructure Partners II	Apr-10	CPI + 5% (3)	33	0.2%	2.38%	1.42%	2.38%	1.42%	10.99%	6.46%	3.02%	6.03%	8.22%	6.25%	8.83%	6.61%
Macquarie Infrastructure Partners III	Oct-14	CPI + 5% (3)	37	0.2%	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
<i>Infrastructure</i>	Dec-09	CPI + 5% (3)	112	0.6%	0.20%	1.42%	0.20%	1.42%	5.90%	6.46%	6.81%	6.03%	7.32%	6.25%	7.58%	6.62%
TOTAL OPPORTUNITY FUND	Jul-99	Custom	112	0.6%	-0.97%	0.26%	-0.75%	4.77%	0.58%	6.89%	6.13%	6.34%	10.74%	7.12%	9.36%	3.62%
TOTAL FUND																
TOTAL FUND ex-Overlay	Sep-14	Policy Portfolio	17,566	99.6%	1.85%	1.80%	7.56%	7.35%	14.55%	15.30%	5.13%	5.43%	7.93%	8.16%	5.52%	5.56%
Parametric Clifton Cash Overlay	Sep-14		67	0.4%	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
TOTAL FUND	Oct-81	Policy Portfolio	17,633	100.0%	1.88%	1.80%	7.69%	7.35%	14.99%	15.30%	5.12%	5.43%	7.93%	8.16%	5.52%	5.56%

Policy Portfolio Benchmark consists of 25% U.S. Equities (Dow Jones U.S. Total Stock Market), 19% Non-U.S. Equities (MSCI ACWI ex-US), 8% Global Equities (MSCI ACWI), 6% Private Equity (Dow Jones U.S. Total Stock Market + 3%), 19% Fixed Income (Barclays Capital Aggregate), 4% TIPS (Barclays Capital U.S. TIPS), 3% Emerging Market Debt (Blended Benchmark), 6% Direct Real Estate (NCREIF ODCE Index), 4% REITs (Blended Benchmark), 2% Commodities (Bloomberg Commodity Index), 3% Hedge Funds (LIBOR + 5%) and 1% Opportunity Fund (Blended Benchmark)

(1) inception date of account (2) or since inception, whichever is less (3) reports quarterly in arrears (4) TIPS benchmark used beginning April 2006 (NMF) not meaningful (FOF) fund of funds

STATE UNIVERSITIES RETIREMENT SYSTEM

**SURS Projected Funding Status
2017 Fiscal Year-to-Date Results**



	<u>Assets</u>	<u>Estimated Liabilities</u>	<u>Unfunded Liabilities</u>	<u>Market Value Funding Ratio</u>	<u>Rate of Return</u>	
					<u>Month</u>	<u>FYTD</u>
Jun-16 \$	16.77	\$ 40.92	\$ 24.16	41.0%		
Jul-16	17.20	41.03	23.83	41.9%	2.83%	2.8%
Aug-16	17.19	41.14	23.95	41.8%	0.02%	2.9%
Sep-16	17.08	41.25	24.17	41.4%	0.73%	3.6%
Oct-16	16.87	41.36	24.49	40.8%	-1.47%	2.1%
Nov-16	16.84	41.46	24.62	40.6%	0.17%	2.3%
Dec-16	16.91	41.57	24.66	40.7%	1.62%	3.9%
Jan-17	17.31	41.68	24.37	41.5%	1.73%	5.7%
Feb-17	17.53	41.79	24.26	41.9%	1.94%	7.8%

Note: Assets and liabilities are estimated and unaudited through February 28, 2017. The fund has an actuarial value funding ratio of 43.3% at the end of Fiscal Year 2016, utilizing a 7.25% assumed rate of return.