

State Universities Retirement System of Illinois (SURS)

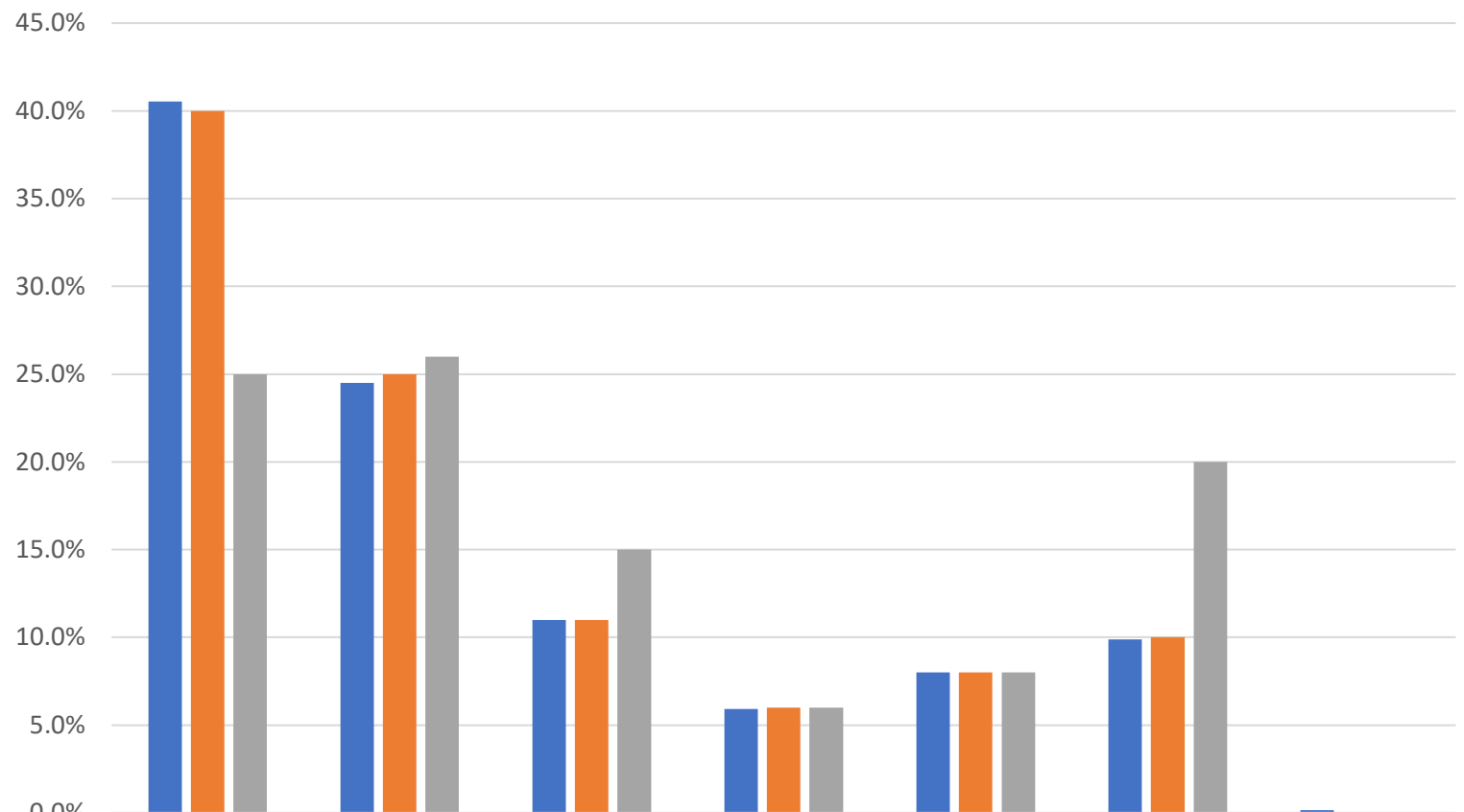
Investment Update



July 2020



**Asset Allocation vs. Policy Target
as of July 31, 2020**



	Traditional Growth	Stabilized Growth	Non-Traditional Growth	Inflation Sensitive	Principal Protection	Crisis Risk Offset	Cash
■ 7/31/2020 - Asset Allocation (Including Overlay)	40.5%	24.5%	11.0%	5.9%	8.0%	9.9%	0.2%
■ 7/31/2020 - Interim Strategic Policy Target	40.0%	25.0%	11.0%	6.0%	8.0%	10.0%	0.0%
■ Long-Term Strategic Policy Target	25.0%	26.0%	15.0%	6.0%	8.0%	20.0%	0.0%

The functional asset class framework above was approved by the SURS Board of Trustees in September 2018, and was implemented starting with the fourth quarter of 2019 (second fiscal quarter of FY 2020).

Current asset class descriptions are as follows:

The Traditional Growth asset class includes investments in US Equity, Non-US Equity, and Global Equity.

The Stabilized Growth asset class includes investments in Credit Fixed Income, Core Real Assets, and Options Strategies.

The Non-Traditional Growth asset class includes investments Non-Core Real Assets and Private Equity.

The Inflation Sensitive asset class is comprised of a US Treasury Inflation-Protected Securities (TIPS) strategy.

The Principal Protection asset class is made up of investments in Core Fixed Income strategies.

The Crisis Risk Offset asset class is invested in Long Duration US Treasury Bonds, Systematic Trend Following Strategies, and Alternative Risk Premia Strategies.



Performance Summary as of July 31, 2020

	Inception Date	Market Value (Millions)	Trailing Returns ⁽¹⁾						Since Inception ⁽²⁾
			One Month	FYTD	12 Months	3 Years	5 Years	10 Years	
SURS Total Fund	12/31/1974	\$ 20,027	3.1%	3.1%	5.6%	6.1%	6.3%	8.2%	---
SURS Policy Benchmark (3)			4.1%	4.1%	5.9%	6.4%	6.5%	8.4%	---
Traditional Growth									
US Equity	09/30/1980	\$ 1,820	5.4%	5.4%	8.3%	9.9%	9.8%	13.1%	---
<i>DJ US Total Stock Market TR</i>			5.6%	5.6%	10.8%	11.3%	10.8%	13.5%	---
Non-US Equity	04/30/1986	\$ 2,188	1.7%	1.7%	-2.1%	0.2%	2.6%	4.9%	---
<i>ACWI ex USA IMI / Blend</i>			4.5%	4.5%	0.7%	1.4%	3.2%	4.5%	---
Global Equity	05/31/2002	\$ 4,065	3.9%	3.9%	12.2%	10.3%	10.0%	10.5%	---
<i>MSCI ACWI IMI / Blend</i>			5.2%	5.2%	6.3%	6.7%	7.2%	8.8%	---
Total Traditional Growth	06/30/2013	\$ 8,068	4.9%	4.9%	6.6%	6.9%	7.5%	---	9.0%
<i>MSCI ACWI IMI / Blend</i>			5.2%	5.2%	6.4%	6.8%	7.4%	---	8.7%
Stabilized Growth									
Option Strategies	04/30/2018	\$ 1,202	3.7%	3.7%	4.5%	---	---	---	4.5%
<i>SURS Option Strategies Blend</i>			3.6%	3.6%	-3.8%	---	---	---	0.0%
Core Real Assets (4)	05/31/2005	\$ 839	---	---	1.2%	4.4%	6.4%	8.9%	---
<i>NCREIF ODCE (Qtr Lag)</i>			---	---	3.9%	5.9%	7.5%	10.4%	---
Credit Fixed Income	09/30/2019	\$ 2,850	3.2%	3.2%	---	---	---	---	2.3%
<i>Blended Index</i>			3.6%	3.6%	---	---	---	---	3.7%
Total Stabilized Growth	09/30/2019	\$ 4,907	2.8%	2.8%	---	---	---	---	2.1%
<i>Blended Index</i>			2.9%	2.9%	---	---	---	---	2.3%
Non-Traditional Growth									
Non-Core Real Assets									
Non-Core Real Estate (4)	03/31/2006	\$ 423	---	---	-0.6%	7.2%	9.3%	12.3%	---
<i>NCREIF ODCE + 1.5% Qtr Lag</i>			---	---	5.5%	7.4%	9.0%	11.9%	---
Infrastructure (4)	12/31/2009	\$ 145	---	---	7.8%	5.0%	5.1%	6.3%	---
<i>CPI U + 500 bps (Qtr Lag)</i>			---	---	6.6%	7.0%	6.9%	6.8%	---
Real Estate Debt (4)	12/31/2017	\$ 34	---	---	-6.4%	---	---	---	0.5%
<i>NCREIF ODCE + 1.5% Qtr Lag</i>			---	---	5.5%	---	---	---	6.0%
Total Non-Core Real Assets		\$ 603							
Private Equity (4)	06/30/1990	\$ 1,600	---	---	0.6%	10.0%	9.1%	11.1%	---
<i>MSCI ACWI IMI + 2% / Blend Qtr Lag</i>			---	---	-8.6%	6.2%	8.4%	13.2%	---
Total Non-Traditional Growth	06/30/2013	\$ 2,203	-0.4%	-0.4%	0.9%	8.5%	8.3%	---	9.5%
<i>Blended Index</i>			8.1%	8.1%	-0.1%	9.1%	10.3%	---	12.6%
Inflation Sensitive									
TIPS	03/31/1999	\$ 1,188	2.4%	2.4%	10.0%	5.6%	4.1%	3.7%	---
<i>BB Barclays US TIPS</i>			2.3%	2.3%	10.4%	5.7%	4.2%	3.7%	---
Total Inflation Sensitive	06/30/2013	\$ 1,188	2.4%	2.4%	9.6%	5.1%	3.8%	---	3.1%
<i>Inflation Sensitive Blend</i>			2.3%	2.3%	9.3%	4.2%	3.0%	---	2.5%
Principal Protection									
Total Principal Protection Fixed Income	06/30/2013	\$ 1,408	0.4%	0.4%	6.6%	4.6%	3.7%	---	3.6%
<i>Principal Protection Blend</i>			0.3%	0.3%	7.5%	4.9%	4.0%	---	3.8%
Crisis Risk Offset									
Systematic Trend Following	11/30/2019	\$ 694	1.9%	1.9%	---	---	---	---	-2.6%
<i>CS Mngd Fut Liq 15% Volatility</i>			2.7%	2.7%	---	---	---	---	-7.0%
Long Duration	12/03/2019	\$ 702	3.4%	3.4%	---	---	---	---	20.5%
<i>BBG Barclays US Long Govt</i>			4.2%	4.2%	---	---	---	---	21.6%
Alternative Risk Premia	11/30/2019	\$ 586	0.7%	0.7%	---	---	---	---	-2.3%
<i>90 Day T-Bills + 2%</i>			0.2%	0.2%	---	---	---	---	1.8%
Total Crisis Risk Offset	11/30/2019	\$ 1,982	2.1%	2.1%	---	---	---	---	5.2%
<i>Blended Index</i>			2.5%	2.5%	---	---	---	---	5.5%
Cash									
Cash Account		\$ 197	---	---	---	---	---	---	---
Cash Overlay									
Parametric	09/30/2014	\$ 74	---	---	---	---	---	---	---

(1) Returns are time weighted and net of management fees unless otherwise noted. Returns for periods longer than 12 months are annualized.

(2) Inception returns shown for categories with less than 10 years of return history.

(3) Policy Benchmark as of 7/31/2020 consists of 40% Traditional Growth (ACWI IMI), 25% Stabilized Growth (Blended Benchmark), 11% Non-Traditional Growth (Blended Benchmark), 6% Inflation Sensitive (BB US TIPS), 8% Principal Protection (BB US Int Agg ex-Credit), and 10% Crisis Risk Offset (Blended Benchmark).

(4) Internal Rate of Return (IRR) as of 6/30/2020, reported one quarter in arrears.