

# Investment





# Report on Investment Activity

May 9, 2019

Board of Trustees  
Texas Municipal Retirement System  
c/o Mr. David Gavia  
Executive Director  
P.O. Box 149153  
Austin, Texas 78714-9153



Dear Trustees:

This letter serves to provide an overview of the capital markets and the Texas Municipal Retirement System (the "System") portfolio's positioning for the fiscal year ended December 31, 2018.

The 2018 fiscal year was characterized by a continued U.S. equity rally through the first three quarters of 2018, followed by a sharp selloff in the fourth quarter. U.S. equity markets were driven by expectations of continued, but slowing, economic growth coupled with generally accommodative central bank policy. While markets remained stable for most of the year, a spike in market volatility was experienced late in the year as investors reacted negatively to the expected path of monetary policy and potential global trade conflicts.

The U.S. equity markets, as measured by the S&P 500 Index, returned -4.4% in 2018 amidst generally weakening U.S. economic data, rising interest rates, and heightened fears of trade war escalations between the U.S. and China. International equity markets significantly lagged their U.S. counterparts as future growth expectations weakened across most emerging and developed economies.

A stronger U.S. dollar and geopolitical risks including newly imposed trade tariffs, and uncertainty over the U.K.'s decision to leave the EU, were also cited as factors contributing to the slowdown. Developed non-U.S. equity markets, as measured by the MSCI EAFE Index, declined 13.8% in 2018, while emerging markets, as measured by the MSCI EM Index, declined 14.6%.

Jerome Powell assumed the role of Chairman of the Federal Open Market Committee ("FOMC") in February 2018, sharing a favorable assessment of the economy with the prior Chair. Through the first three quarters of the year, continued improvement in U.S. economic fundamentals resulted in the FOMC raising the federal funds rate three times, from a range of 1.25%-1.50% to 2.00%-2.25%. Despite economic and corporate earnings data suggesting a slowdown in U.S. growth, the FOMC voted to raise U.S. interest rates for a fourth time in 2018 at the December meeting, bringing the target range to 2.25%-2.50% by year-end.

The European Central Bank ("ECB") projected slowing economic growth from 2.5% in 2017 to 1.7% by 2020. Despite signs of slowing growth in Europe, the ECB maintained guidance that it would continue to reduce the pace of asset purchases and likely end its quantitative easing program by 2019. Collectively, global central banks continue to pivot away from the use of

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extraordinary measures to stimulate economic activity.

Higher interest rates provided strong headwinds for the U.S. bond market during the fiscal year as the Bloomberg U.S. Aggregate Bond Index returned 0.0%. Internationally, the strengthening of the U.S. dollar, turmoil in Turkey and Argentina, and escalating trade wars in the final months of the year negatively impacted international markets, as the Bloomberg Global Aggregate Index lost 1.2%. The price of oil plummeted from \$73 a barrel to \$45 a barrel during the fourth quarter, leading the Bloomberg Commodity Index to return -11.2%. While private real estate assets measured by the NCREIF ODCE Index (Gross) returned 8.3% in 2018, public US REITs as measured by the Wilshire U.S. REIT Index returned -4.8%, driven by a sharp selloff in the fourth quarter.

The market value of the System's investments decreased from \$28.43 billion to \$27.59 billion in the year ended December 31, 2018. The System's current actuarial assumed rate of return is 6.75%, which represents the System's long-term return goal. The System's overall gross of fees investment return over the past year was -2.1% while the System's three-year annualized return was 6.3%. The five-year annualized return for the System was 5.0% and the System's ten-year annualized return was 6.6%.

At the end of the fiscal year 2018, all asset classes were within their target ranges.

During the fiscal year, Staff, the Board, and RVK, Inc. ("RVK") conducted an asset allocation study and made several changes to the current and proposed manager lineup. Staff, the Board, and RVK will continue to monitor the portfolio, recommending enhancements that can improve potential return and/or diversification as deemed necessary.

The System's investment policies, goals, and objectives, as well as the performance of its assets and transaction costs are regularly monitored by Staff, the Board, and by RVK. These evaluations include analysis of the investment management firms and the custodial bank that serve the System.

The System's publicly traded assets managed through separate accounts are held in custody at State Street Bank, with the majority of equity investments held at Northern Trust through commingled vehicles. Absolute return, private real estate, and private equity fund assets are held by their respective general partners. Market values and returns referenced above are based upon statements prepared by State Street Bank. Their statements are, to the best of our knowledge, reliable and accurate. Investment performance is calculated using a time-weighted rate of return methodology (gross of fees) based upon market values and cash flows.

We look forward to continuing to work with Staff and the Board to monitor, review, and best position the System's portfolio to meet its long-term goals and objective.

Sincerely,

Rebecca Gratsinger  
Chief Executive Officer  
RVK, Inc.



# Outline of Investment Policies

**T**he TMRS Board of Trustees approves the Investment Policy Statement (IPS), which governs the investment of assets for TMRS and is established to provide a framework for the management of those assets. It sets forth the Board's investment objectives and tolerance for investment risk. The IPS outlines objectives, benchmarks, restrictions, and responsibilities so that members of the Board, TMRS staff, investment managers, consultants, and TMRS stakeholders clearly understand the policies, goals and objectives, and risks connected with the TMRS investment program.

## Investment Objectives

The overall objective of TMRS' investment program is to ensure that members, retirees, and beneficiaries are provided with the benefits they have been promised by their employers at a reasonable and predictable cost to the employers. Assets will be invested for total return with appropriate consideration for portfolio volatility (risk) and liquidity. Emphasis is on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS. Total return includes dividends, interest, and realized and unrealized capital appreciation.

## General Investment Policies

- A. Standard of Prudence Applicable.** All participants in the investment process will act responsibly. The standard of prudence to be applied by the Board and investment staff is as follows:
1. In satisfying this standard, the Board and staff shall exercise the degree of judgment and care, under the circumstances that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, considering the probable income from the securities and probable safety of their capital and in consideration of the purposes, terms, distribution requirements, and other circumstances of the trust.
  2. Investment and management decisions respecting individual assets will be evaluated not in isolation but in the context of the trust portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the trust.
- B. Conflict of Interest Prohibited.** Members of the Board of Trustees, investment staff, investment managers, and consultants involved in the investment of TMRS assets will refrain from personal business activity that could conflict with the proper execution and management of the TMRS investment program, or that could impair their ability to make impartial recommendations and decisions. These parties are required to reveal all relationships that could create or appear to create a conflict of interest in their unbiased involvement in the investment process.

## Portfolio Management

The Board of Trustees recognizes that the most important determinant of long-term return and risk is the asset allocation decision. The Board's strategic target allocation is intended to reflect, and be consistent with, the return objective and risk tolerance expressed in the IPS. It is designed to meet or exceed the Board's objectives at a controlled level of risk and liquidity that is acceptable to the Board. In establishing its risk tolerance, the Board considers its ability to withstand short and intermediate-term volatility in investment performance and fluctuations in the financial condition of the fund.

The strategic target allocation and acceptable ranges as determined by the Board to facilitate the achievement of long-term investment objectives within acceptable risk parameters are as follows:

**Asset Allocation Table • Strategic Targets**

Asset Class	Minimum %	Target %	Maximum %
U.S Equities	12.5%	17.5%	22.5%
International Equities	12.5%	17.5%	22.5%
Core Fixed Income	5.0%	10.0%	15.0%
Non-Core Fixed Income	15.0%	20.0%	25.0%
Real Estate	5.0%	10.0%	15.0%
Real Return	5.0%	10.0%	15.0%
Absolute Return	5.0%	10.0%	15.0%
Private Equity	0.0%	5.0%	10.0%
Cash Equivalents	0.0%	0.0%	10.0%

To ensure that the risk tolerance remains appropriate, the strategic target allocation will be reviewed at least annually for reasonableness relative to significant economic and market changes or to changes in the Board's long-term goals and objectives. A formal asset allocation study will be conducted at least every three years to verify or amend the targets, and a formal pension financial (asset-liability) study will be conducted at least every five years.

The Board has chosen to adopt a rebalancing policy that is governed by allocation ranges rather than time periods. The ranges, specified in the table above, are a function of the volatility of each asset class and the proportion of the total fund allocated to the asset class. The goal of the rebalancing policy is to ensure that the integrity of the Strategic Target Allocation is preserved through a disciplined process that allows investment staff the flexibility to rebalance the portfolio between managers within an asset class and between asset classes, within the Board-approved ranges, to adjust for market movements and consider current market conditions, or valuations, in portfolio allocations.

Performance measurement will be based on total rate of return and will be monitored over a sufficient time period to reflect the investment expertise of the manager(s) over one full market cycle, or five years, whichever is less. Performance results and evaluation relative to objectives will be reported to the Board on a quarterly basis. Specific total portfolio performance objectives include, but may not be limited to, the following:

- Achieve a total rate of return over rolling 5-year periods meeting or exceeding the Actuarial Return Assumption.
- Exceed an appropriate benchmark reflective of asset class participation over rolling 5-year periods (i.e., actual allocation index during the implementation period and policy index once fully implemented).

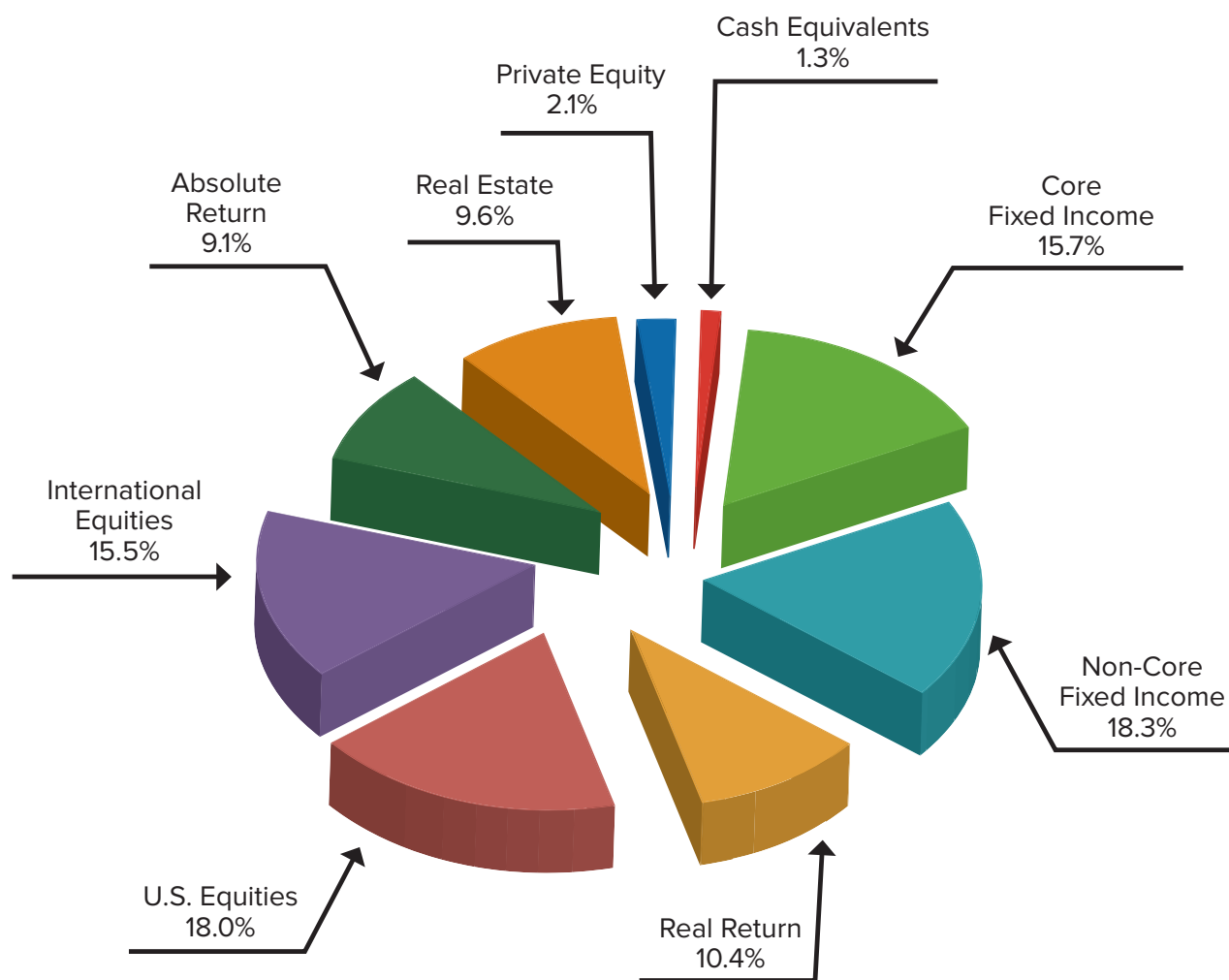
# Outline of Investment Policies

Continued

The Board selected the following Policy Benchmark and Policy Index, by asset class:

Asset Class	Policy Benchmark	Asset Class Goal	Policy Index
U.S. Equities	Russell 3000 Index	Benchmark	17.5%
International Equities	MSCI ACW-ex US IMI (USD), net	Benchmark	17.5%
Core Fixed Income	Bloomberg Barclays US Aggregate Bond Index	Benchmark	10.0%
Non-Core Fixed Income	Rollup of Underlying Manager Benchmarks	50% Bank of America Merrill Lynch US High Yield Constrained Index; 50% Credit Suisse Levered Loan Index	20.0%
Real Estate	NCREIF- ODCE Index	CPI + 5%	10.0%
Real Return	Rollup of Underlying Manager Benchmarks	CPI + 4%	10.0%
Absolute Return	HFRI Fund of Funds: Diversified Index	Cash (3-month Libor) + 5%	10.0%
Private Equity	Rollup of Underlying Manager Benchmarks	Russell 3000 + 3%	5.0%
Cash Equivalents	30 Day T-Bill	Benchmark	0.0%

## December 31, 2018 Asset Allocation



# Summary of Investments

As of December 31, 2018		
	Fair Value	Percent of Total Fair Value
<b>Cash Equivalents</b>		
Short-term investment funds	\$ 367,097,340	1.3 %
Total cash equivalents	367,097,340	1.3
<b>Core Fixed Income</b>		
Short-term investments:		
Short-term investment funds	27,606,182	0.1
Repurchase agreements	417,600,000	1.5
Broker collateral	(4,528,662)	—
Fixed-income securities:		
U.S. Treasury bonds/notes	772,008,280	2.7
U.S. Treasury inflation-protected	107,338,218	0.4
U.S. government agency	21,847,836	0.1
Municipal	114,530,445	0.4
Corporate	1,538,024,380	5.5
Residential mortgage-backed	1,241,406,900	4.4
Commercial mortgage-backed	62,956,331	0.2
Other asset-backed	17,917,464	0.1
Foreign government	79,091,299	0.3
Total core fixed income	4,395,798,673	15.7
<b>Non-Core Fixed Income</b>		
Short-term investment funds	38,222,102	0.1
Fixed-income securities:		
Corporate	292,597,534	1.1
Residential mortgage-backed	46,256,466	0.2
Commercial mortgage-backed	656,898,938	2.3
Other asset-backed	166,710,013	0.6
Non-core fixed income funds	3,906,852,163	14.0
Total non-core fixed income	5,107,537,216	18.3



# Summary of Investments

<b>Real Return</b>			
Short-term investment funds	38,222,463	0.1	
Fixed-income securities:			
U.S. Treasury inflation-protected	205,007,125	0.7	
Corporate	282,843,285	1.0	
Foreign government	10,740,932	—	
Foreign government inflation-linked	451,457,961	1.6	
Equity securities	679,968,760	2.5	
Real return funds	1,264,028,867	4.5	
<b>Total real return</b>	<b>2,932,269,393</b>	<b>10.4</b>	
<b>U.S. Equities</b>			
Short-term investment funds	4,941,435	—	
Equity securities	607,076,327	2.2	
Domestic commingled funds	4,421,410,040	15.8	
<b>Total U.S. equities</b>	<b>5,033,427,802</b>	<b>18.0</b>	
<b>International Equities</b>			
Short-term investment funds	34,674,212	0.1	
Equity securities	1,305,503,577	4.7	
International commingled funds	2,987,065,766	10.7	
<b>Total international equities</b>	<b>4,327,243,555</b>	<b>15.5</b>	
<b>Absolute Return</b>			
Direct hedge funds	2,411,608,549	8.6	
Hedge fund-of-funds	126,745,294	0.5	
<b>Total absolute return</b>	<b>2,538,353,843</b>	<b>9.1</b>	
<b>Private Equity</b>			
Private equity funds	573,494,754	2.1	
<b>Total private equity</b>	<b>573,494,754</b>	<b>2.1</b>	
<b>Real Estate</b>			
Real estate funds	2,698,398,235	9.6	
Total real estate	2,698,398,235	9.6	
<b>TOTAL INVESTMENTS</b>	<b>\$ 27,973,620,811</b>	<b>100.0 %</b>	

## Largest Holdings (by Fair Value)

Fixed Income Securities • As of December 31, 2018		
Par Value	Description	Fair Value
\$ 116,870,197	FNMA TBA 30 YR: 3.0%, due 01/49	\$ 113,923,005
101,733,000	US Treasury N/B: 2.625%, due 07/21	102,110,525
56,684,867	Treasury Inflation Linked GILT: 1.875%, due 11/22	84,336,117
69,090,000	US Treasury N/B: 3.125%, due 11/28	71,676,827
69,703,500	GNMA II TBA 30 YR: 4.0%, due 01/49	71,375,295
78,369,873	US Treasury Inflation Index: 0.75%, due 02/42	71,276,787
41,271,512	Treasury Inflation Linked GILT: 1.25%; due 11/27	69,312,450
43,315,712	US Treasury Inflation Index: 3.875%, due 04/29	55,182,412
40,630,000	US Treasury N/B: 4.625%; due 02/40	51,515,190
51,703,355	FHLMC TBA 30 YR: 3.0%, due 01/49	50,386,949

Equities • As of December 31, 2018		
Shares/Units	Description	Fair Value
85,570,889.630	NTGI - QM Collective Daily Russell 3000 Index Fund - Non Lending	\$ 3,168,091,047
17,536,383.970	NTGI - QM Collective Daily All Country World Ex US IMI Index Fund - Non Lending	2,441,888,859
4,365,833.090	UBS U.S. Equity Minimum Volatility Index Collective Fund	894,629,490
19,973,800.180	SSGA Russell Fundamental US Index Fund	358,689,504
1,996,607.750	UBS World (Ex-U.S.) Equity Minimum Volatility Index Collective Fund	296,311,165
19,973,173.530	SSGA Russell Fundamental Global Ex-US Index Fund	248,865,742
2,866,251.770	Lazard Emerging Markets Equity	46,032,003
2,028,760.000	Energy Transfer LP	26,799,920
902,156.000	Enterprise Products Partners	22,184,016
623,256.000	Samsung Electronics Co. Ltd.	21,616,784

Note: Space and cost restrictions make it impractical to print a detailed listing of the investment portfolio in this report; however, a portfolio listing is available and will be mailed upon request.

# 2018 Investment Results

	1 Year	3 Years	5 Years	10 Years
<b>TMRS Total Fund Return</b>	-2.11%	6.31%	5.03%	6.63%
Total Fund Active Weighted Benchmark	-2.46%	5.69%	4.43%	5.65%
<b>TMRS Core Fixed Income Return</b>	0.11%	2.33%	2.70%	3.73%
Fixed Income Benchmark	0.01%	2.06%	2.52%	2.91%
<b>TMRS Non-Core Fixed Income Return (1)</b>	2.55%	6.16%	—	—
Non-Core Fixed Income Benchmark (1)	2.65%	5.09%	—	—
<b>TMRS Real Return (2)</b>	-4.04%	3.61%	1.87%	—
Barclay's World Government Inflation-Linked Bond Index (2)	-3.81%	4.36%	2.43%	—
<b>TMRS Domestic Equity Return</b>	-6.22%	8.61%	7.54%	12.95%
Russell 3000 Daily Index	-5.24%	8.97%	7.91%	13.18%
<b>TMRS International Equity Return</b>	-14.54%	4.68%	1.45%	6.16%
International Equity Active Weighted Daily Index	-14.76%	4.39%	0.85%	5.71%
<b>TMRS Absolute Return (3)</b>	1.51%	5.01%	—	—
HFRI Fund of Funds Diversified Index (Month Lag) (3)	-0.99%	1.52%	—	—
<b>TMRS Real Estate Return (4)</b>	10.59%	12.41%	14.53%	—
NCREIF-ODCE 1 Quarter Lag (4)	8.67%	8.76%	10.71%	—
<b>TMRS Private Equity (5)</b>	39.18%	19.2%	—	—
Private Equity Benchmark (5)	39.18%	19.2%	—	—

(1) The inception date of this portfolio is 10/1/2014; therefore, five-year and ten-year returns are not provided. As of 12/31/2018, inception-to-date returns were 4.77% and 3.53% for TMRS' return and the benchmark, respectively.

(2) The inception date of this portfolio is 2/1/2011; therefore, ten-year returns are not provided. As of 12/31/2018, inception-to-date returns were 2.85% and 2.98% for TMRS' Real Return and the Barclays World Government Inflation-Linked Index, respectively. The policy benchmark for the Real Return asset class is the CPI + 4%; however, until further diversification within the asset class occurs, the portfolio benchmark for global inflation-linked bonds is used.

(3) The inception date of this portfolio is 8/1/2014; therefore, five-year and ten-year returns are not provided. As of 12/31/2018, inception-to-date returns were 4.43% and 1.47% for TMRS' return and the benchmark, respectively. Absolute return fund returns are one-month lagged.

(4) The inception date of this portfolio is 11/1/2011; therefore, ten-year returns are not provided. As of 12/31/2018, inception-to-date returns were 12.66% and 11.43% for TMRS' return and the benchmark, respectively. Privately held real estate fund returns are one-quarter lagged.

(5) The inception date of this portfolio is 12/1/2015; therefore, five-year and ten-year returns are not provided. As of 12/31/2018, inception-to-date returns were 18.63% for TMRS' return and the benchmark. Private equity fund returns are one-quarter lagged.

Note: Rates of return presented are calculated using a time-weighted rate of return methodology based upon market values, and are presented gross of investment management fees to the extent such information is available. Therefore, in some instances, a combination of gross and net returns is presented.

# 2018 Investment Results

Continued

**Barclays Capital U.S. Aggregate Bond Index** – This index covers the U.S. investment-grade fixed rate bond market, including government and corporate securities, agency mortgage pass-through securities, and asset-backed securities. To be included in the index, these securities must meet certain criteria. Major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

**Barclays Capital U.S. Long Government/Credit Index** – This index measures the investment return of all medium and larger public issues of U.S. Treasury, agency, investment-grade corporate, and investment-grade international dollar-denominated bonds with maturities longer than 10 years.

**Barclay's World Government Inflation-Linked Bond Index** – This index includes only government issuers of inflation-linked bonds in the following major markets: Australia, Canada, France, Germany, Italy, Japan, Sweden, U.K., and the U.S.

**CPI** – The Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. The CPI is calculated by taking price changes for each item in the predetermined basket of goods and averaging them; the goods are weighted according to their importance. Changes in CPI are used to assess price changes associated with the cost of living.

**Fixed Income Benchmark** – The Fixed Income Benchmark is weighted by the average balance of fixed income funds and comprises 100% Barclays Capital U.S. Aggregate Bond Index beginning July 1, 2009, and 100% Barclays Capital Long Government/Credit Index prior to July 1, 2009.

**HFRI Fund of Funds Diversified Index** – The HFRI Monthly Indices ("HFRI") are a series of benchmarks designed to reflect hedge fund industry performance by constructing equally weighted composites of constituent funds, as reported by the hedge fund managers listed within the HFR Database. The Diversified Fund of Funds Composite Index is composed of Fund of Funds which exhibit one or more of the following characteristics: invests in a variety of strategies among multiple managers; historical annual return and/or a standard deviation generally similar to the HFRI Fund of Fund Composite index; and demonstrates generally close performance and returns distribution correlation to the HFRI Fund of Fund Composite Index.

**International Equity Active Weighted Index** – The International Equity Active Weighted Index is weighted by the average balance of international equity funds applied to each corresponding benchmark (MSCI EAFE and MSCI All Country World - ex U.S. Investable market Index) return.

**MSCI EAFE Index** – This is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

**MSCI All Country World – ex U.S. Investable Market Index** – This is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the U.S.

**NCREIF-ODCE** – The National Council of Real Estate Fiduciaries - Open End Diversified Core Equity (NCREIF-ODCE) is a capitalization-weighted index of investment returns reporting on both a historical and current basis the results of 28 open-end commingled funds pursuing a core investment strategy, some of which have performance histories dating back to the 1970s.

**Non-Core Fixed Income Benchmark** – This index is comprised of 50% Barclays Corporate High Yield Index, 25% JPM GBI-EM Global Diversified Index, and 25% JPM CEMBI Broad Diversified Index.

**Private Equity Benchmark** – This index is a weighted-average rollup of the underlying Manager benchmarks. For periods less than five years, or a full market cycle, the underlying Manager benchmark is equal to the actual return, net of all investment management fees. For periods five years and greater, the underlying Manager benchmark is the Russell 3000 + 300 basis points, net of all investment management fees.

**Russell 3000 Index** – This index measures the performance of 3,000 publicly held U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. market.

**Total Fund Active Weighted Benchmark** – The Total Fund Active Weighted Benchmark is weighted by the average balance of all funds and comprises asset class composite benchmarks associated with each fund.

Presented below is the 5-Year Risk-Adjusted Return of the TMRS Total Return in comparison to that of the Total Fund Active Weighted Benchmark. The Sharpe Ratio is used, which measures excess return per unit of total risk. It is calculated by taking the excess return over the risk-free rate, divided by the standard deviation of the excess return; the higher the value, the better the historical risk-adjusted performance.

As of December 31, 2018	TMRS	Total Fund Active Weighted Benchmark
5-Year Risk-Adjusted Return	0.96	0.87



# Schedule of Investment Expenses

Schedule of Investment Expenses Year ended December 31, 2018	
<b>Internal operating expenses</b>	
Staff salaries	\$ 2,877,834
Payroll taxes	172,289
Employee benefits	746,245
Electronic investment services	1,402,395
Travel	169,350
Dues	5,915
Subscriptions/publications	28,500
Training	19,284
Other administrative expenses	6,526
<b>Total</b>	<b>5,428,338</b>
<b>Investment management and other external expenses</b>	
Investment management	38,219,365
Custodial services	1,953,797
Consulting	1,752,280
Legal	632,573
<b>Total</b>	<b>42,558,015</b>
<b>Total investment expenses</b>	<b>\$ 47,986,353</b>

Schedule of External Investment Fees For the Year Ended December 31, 2018					
Asset Class	Management Fees Paid From Trust	Management Fees Netted from NAV	Incentive Fees Netted from NAV	Total Fees	Fair Value at Dec. 31, 2018
<b>Cash Equivalents</b>	\$ —	\$ —	\$ —	\$ —	\$ 367,097,340
<b>Core Fixed Income</b>	3,945,017	—	—	3,945,017	4,395,798,673
<b>Non-Core Fixed Income</b>	4,074,220	22,832,404	13,293,151	40,199,775	5,107,537,216
<b>Real Return</b>	7,927,679	17,428,551	3,782,438	29,138,668	2,932,269,393
<b>U.S. Equities</b>	11,018,903	—	—	11,018,903	5,033,427,802
<b>International Equities</b>	11,253,546	—	—	11,253,546	4,327,243,555
<b>Absolute Return</b>	—	38,417,625	14,424,864	52,842,489	2,538,353,843
<b>Private Equity</b>	—	15,692,521	10,812,556	26,505,077	573,494,754
<b>Real Estate</b>	—	32,140,242	19,739,594	51,879,836	2,698,398,235
<b>Totals</b>	\$ 38,219,365	\$ 126,511,343	\$ 62,052,603	\$ 226,783,311	\$ 27,973,620,811

Note: Fees for private investments are not reflected in the System's financial statements, but are instead netted from the assets' fair values.

