

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

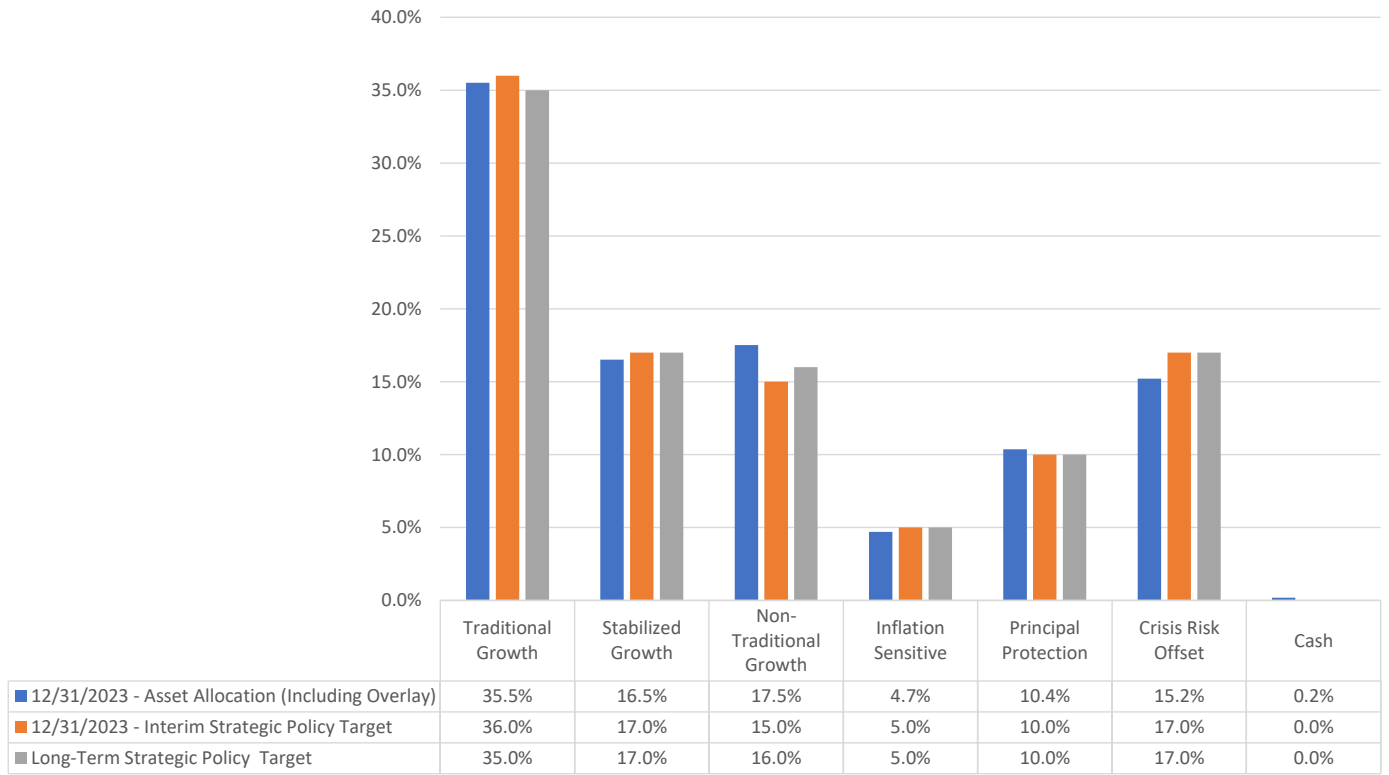
## **Investment Update**



**December 2023**



# **Asset Allocation vs. Policy Target as of December 31, 2023**



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 Public Credit Fixed Income, Private Credit, 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, Alternative Risk Premia, Long Volatility, and Tail Risk Strategies.



# Performance Summary as of December 31, 2023

	Inception Date	Market Value (Millions)	Trailing Returns <sup>(1)</sup>							Since Inception <sup>(2)</sup>
			Three Months	FYTD	12 Months	3 Years	5 Years	10 Years		
<b>SURS Total Fund</b>	<b>12/31/1974</b>	<b>\$ 23,446</b>	<b>4.4%</b>	<b>3.1%</b>	<b>8.6%</b>	<b>5.3%</b>	<b>8.7%</b>	<b>6.7%</b>		<b>---</b>
<b>SURS Policy Benchmark (3)</b>			<b>4.9%</b>	<b>3.1%</b>	<b>9.7%</b>	<b>4.0%</b>	<b>8.0%</b>	<b>6.5%</b>		<b>---</b>
<b>Traditional Growth</b>										
<b>Total Traditional Growth</b>	<b>06/30/2013</b>	<b>\$ 8,326</b>	<b>11.2%</b>	<b>7.7%</b>	<b>22.0%</b>	<b>6.5%</b>	<b>12.2%</b>	<b>8.6%</b>		<b>---</b>
<b>MSCI ACWI IMI / Blend</b>			<b>11.1%</b>	<b>7.4%</b>	<b>21.6%</b>	<b>5.5%</b>	<b>11.6%</b>	<b>8.1%</b>		<b>---</b>
<b>Stabilized Growth</b>										
Core Real Assets										
Core Real Estate (4)	05/31/2005	\$ 946	-2.4%	---	-13.4%	6.3%	4.2%	6.7%		---
NCREIF ODCE Qtr Lag			-2.1%	---	-12.9%	6.2%	4.7%	7.2%		---
Core Plus Real Estate (4)	09/30/2018	\$ 566	-0.2%	---	-7.2%	7.6%	6.3%	---		6.3%
NCREIF ODCE Qtr Lag			-2.1%	---	-12.9%	6.2%	4.7%	---		5.0%
Core Infrastructure	01/31/2021	\$ 187	---	---	---	---	---	---		---
FTSE Dev Core Infra 50/50			---	---	---	---	---	---		---
Total Core Real Assets		\$ 1,699								
Public Credit Fixed Income	09/30/2019	\$ 1,426	7.5%	7.1%	11.4%	0.2%	---	---		2.0%
Blended Index			6.5%	6.4%	10.9%	-0.9%	---	---		1.5%
Private Credit (4)	06/30/2020	\$ 744	2.8%	---	10.3%	9.2%	---	---		9.5%
Private Credit Blend			5.0%	---	14.3%	4.4%	---	---		6.7%
<b>Total Stabilized Growth</b>	<b>09/30/2019</b>	<b>\$ 3,871</b>	<b>1.8%</b>	<b>1.6%</b>	<b>1.5%</b>	<b>2.0%</b>	<b>---</b>	<b>---</b>		<b>3.2%</b>
<b>Blended Index</b>			<b>2.8%</b>	<b>1.5%</b>	<b>0.5%</b>	<b>1.3%</b>	<b>---</b>	<b>---</b>		<b>2.7%</b>
<b>Non-Traditional Growth</b>										
Non-Core Real Assets										
Non-Core Real Estate (4)	03/31/2006	\$ 660	-0.4%	---	1.2%	11.7%	6.3%	9.7%		---
NCREIF ODCE + 1.5% Qtr Lag			-1.7%	---	-11.6%	7.8%	6.3%	8.8%		---
Non-Core Infrastructure (4)	12/31/2009	\$ 192	1.8%	---	15.0%	16.1%	13.9%	9.1%		---
CPI U + 500 bps (Qtr Lag)			2.1%	---	8.9%	11.0%	9.2%	7.9%		---
Real Estate Debt (4)	12/31/2017	\$ 89	0.5%	---	2.8%	5.2%	5.4%	---		5.9%
NCREIF ODCE + 1.5% Qtr Lag			-1.7%	---	-11.6%	7.8%	6.3%	---		6.8%
Non-Core Farmland (4)	11/30/2020	\$ 67	---	---	---	---	---	---		---
NCREIF Farmland Index			---	---	---	---	---	---		---
Total Non-Core Real Assets		\$ 1,008								
Private Equity (4)	06/30/1990	\$ 3,099	-0.1%	---	3.8%	16.8%	15.9%	13.5%		---
MSCI ACWI IMI + 2% / Blend Qtr Lag			-2.9%	---	21.7%	8.8%	8.8%	12.7%		---
<b>Total Non-Traditional Growth</b>	<b>06/30/2013</b>	<b>\$ 4,106</b>	<b>0.2%</b>	<b>1.8%</b>	<b>3.9%</b>	<b>16.4%</b>	<b>13.6%</b>	<b>12.2%</b>		<b>---</b>
<b>Blended Index</b>			<b>-2.3%</b>	<b>1.7%</b>	<b>14.5%</b>	<b>8.5%</b>	<b>8.3%</b>	<b>11.7%</b>		<b>---</b>
<b>Inflation Sensitive</b>										
TIPS	03/31/1999	\$ 1,103	4.7%	2.0%	3.9%	-1.0%	3.1%	2.3%		---
BB Barclays US TIPS			4.7%	2.0%	3.9%	-1.0%	3.2%	2.4%		---
<b>Total Inflation Sensitive</b>	<b>06/30/2013</b>	<b>\$ 1,103</b>	<b>4.7%</b>	<b>2.0%</b>	<b>3.9%</b>	<b>-1.0%</b>	<b>2.8%</b>	<b>2.2%</b>		<b>---</b>
<b>Inflation Sensitive Blend</b>			<b>4.7%</b>	<b>2.0%</b>	<b>3.9%</b>	<b>-1.0%</b>	<b>2.8%</b>	<b>1.9%</b>		<b>---</b>
<b>Principal Protection</b>										
<b>Total Principal Protection Fixed Income</b>	<b>06/30/2013</b>	<b>\$ 2,273</b>	<b>5.8%</b>	<b>3.1%</b>	<b>4.8%</b>	<b>-1.9%</b>	<b>1.4%</b>	<b>2.0%</b>		<b>---</b>
<b>Principal Protection Blend</b>			<b>5.5%</b>	<b>3.2%</b>	<b>4.7%</b>	<b>-2.3%</b>	<b>1.3%</b>	<b>1.9%</b>		<b>---</b>
<b>Crisis Risk Offset ex Tail Risk</b>										
Systematic Trend Following	11/30/2019	\$ 1,999	-8.0%	-8.1%	-6.7%	8.8%	---	---		6.4%
CS Mngd Fut Liq 15% Volatility			-3.5%	-7.5%	-10.7%	10.0%	---	---		7.5%
Long Duration	12/03/2019	\$ 430	12.7%	-0.5%	3.1%	-11.2%	---	---		-5.7%
BBG Barclays US Long Govt			12.7%	-0.6%	3.1%	-11.3%	---	---		-5.6%
Alternative Risk Premia	11/30/2019	\$ 754	1.2%	8.0%	11.8%	6.5%	---	---		3.2%
90 Day T-Bills + 2%			1.9%	3.8%	7.4%	4.5%	---	---		4.0%
Long Volatility	07/31/2022	\$ 363	-0.8%	-0.8%	-2.1%	---	---	---		-2.7%
CBOE Eureka Long Vol Hdg Fd			-3.7%	-1.4%	-7.2%	---	---	---		-4.9%
<b>Total Crisis Risk Offset ex Tail Risk</b>	<b>11/30/2019</b>	<b>\$ 3,546</b>	<b>-3.3%</b>	<b>-3.4%</b>	<b>-1.4%</b>	<b>3.2%</b>	<b>---</b>	<b>---</b>		<b>2.9%</b>
<b>Blended Index</b>			<b>-0.5%</b>	<b>-3.7%</b>	<b>-4.8%</b>	<b>2.9%</b>	<b>---</b>	<b>---</b>		<b>3.7%</b>
<b>Transition</b>										
Transition		\$ 0								
<b>Tail Risk</b>										
Tail Risk	07/31/2022	\$ 20	---	---	---	---	---	---		---
<b>Cash</b>										
Cash		\$ 137	---	---	---	---	---	---		---
<b>Cash Overlay</b>										
Parametric	09/30/2014	\$ 64	---	---	---	---	---	---		---

(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 12/31/2023 consists of 36% Traditional Growth (ACWI IMI), 17% Stabilized Growth (Blended Benchmark), 15% Non-Traditional Growth (Blended Benchmark), 5% Inflation Sensitive (BB US TIPS), 10% Principal Protection (BB US Int Agg ex-Credit), and 17% Crisis Risk Offset (Blended Benchmark).

(4) Internal Rate of Return (IRR) as of 12/31/2023, reported one quarter in arrears. Performance not shown for private market asset classes with less than 36 months of return data.