

# INVESTMENT

56	LETTER OF CERTIFICATION
57	REPORT OF INVESTMENT ACTIVITY
59	INVESTMENT SUMMARY
60	INVESTMENT RESULTS
69	INVESTMENT ALLOCATION
72	SUPPORTING SCHEDULES

## INVESTING RESPONSIBLY

*Ensuring retirement security for members today and tomorrow*

# LETTER OF CERTIFICATION

The Northern Trust Company  
50 South La Salle Street  
Chicago, Illinois 60603  
312-630-6000



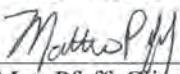
To the Board of Trustees and the Executive Director:

The Northern Trust Company as Master Trustee has provided annual Statements of Account for the State Universities Retirement System Master Trust ("Trust") which, to the best of its knowledge, provide a complete and accurate reflection of The Northern Trust Company's record of the investments, receipts, disbursements, purchases and sales of securities and other transactions pertinent to the Trust for the period July 1, 2017 through June 30, 2018.

In addition to the custody of assets, pursuant to and in accordance with the terms of the agreement establishing the Trust, The Northern Trust Company provided and continues to provide the following services as Master Trustee:

1. Receive and hold all amounts paid to the Trust Fund by the Board of Trustees.
2. Accept and deliver securities in connection with investment transactions in accordance with the instructions of appointed Investment Managers.
3. Collect dividends and registered interest payments.
4. Collect matured or called securities and coupons to the extent provided in the operating guidelines of The Northern Trust Company in effect from time to time.
5. Transfer securities to a lending agent appointed by the Board of Trustees pursuant to directions from such lending agent.
6. Begin, maintain or defend any litigation necessary in connection with the investment, reinvestment of the Trust Fund and the administration of the Trust.
7. Invest cash balances held from time to time in the individual investment management accounts in short term-cash equivalent securities.
8. Exercise rights of ownership with respect to securities held in the trust fund, including but not limited to, proxy voting in accordance with the instructions of appointed Investment Managers; respond to stock subscriptions, conversion rights, and other capital changes pursuant to procedures set forth in the operating guidelines of The Northern Trust Company in effect from time to time.
9. Hold securities in the name of the Trust or nominee form or other means as provided in the agreement establishing the Trust.
10. Use the Federal Book Entry Account System for deposit of Treasury securities, and clearing corporations as defined in Article 8 of the Illinois Uniform Commercial Code for the deposit of other securities.
11. Employ agents with the consent of the Board of Trustees to the extent provided in the agreement establishing the Trust.
12. Provide disbursement services.
13. Provide security fail float income to the extent provided in the operating guidelines of The Northern Trust Company in effect from time to time.

**THE NORTHERN TRUST COMPANY**

By:   
Matt Pfaff, Client Service Manager

# REPORT OF INVESTMENT ACTIVITY



1901 Fox Drive, Champaign, IL 61820-7333  
800-275-7877 • 217-378-8800 • (Fax) 217-378-9800  
www.surs.org

December 14, 2018

Board of Trustees  
State Universities Retirement System  
1901 Fox Drive  
Champaign, IL 61820

Dear Board of Trustees:

I am pleased to present the Investment Section of the SURS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018, including this report on Investment Activity. SURS maintains both a defined benefit and a defined contribution plan, known as the Self-Managed Plan (SMP). As of June 30, 2018, the defined benefit plan is valued at approximately \$19.3 billion while the SMP is valued at approximately \$2.5 billion.

Investment performance is calculated using a time-weighted rate of return. Returns are calculated by Northern Trust using industry best practices. Northern Trust calculated performance rates of return by portfolio and all composites used throughout this section. The SURS portfolio returned 8.25% during fiscal year 2018, net of fees, exceeding the policy portfolio return of 7.86%. Fiscal year 2018 represents the ninth consecutive year of positive portfolio performance.

The Total Fund's excess return relative to the policy portfolio for fiscal year 2018 was due primarily to strong performance of SURS' active managers relative to the benchmark. Ten of twelve asset classes either matched or outperformed the benchmark over the fiscal year. The two underperforming asset classes were hedge fund-of-funds and infrastructure, which combined represent 6% of the portfolio's asset allocation. The best absolute performance was delivered by the private equity portfolio and U.S. equity portfolio, returning 17.5% and 14.9%, respectively. The commodities portfolio was the best relative performing asset class, outpacing the benchmark by 4.2%. Global equity also delivered strong relative returns, exceeding the benchmark by 2.9%.

From a long-term perspective, the SURS portfolio has performed well, earning an 8.5% annualized rate of return over the past 30 years, well in excess of both the 8.1% policy portfolio return and the 6.75% assumed rate of return. When compared to a universe of other large public funds, the SURS return ranks slightly below median for the one- and three-year periods and above median for the five- and ten-year periods ending June 30, 2018.

Key accomplishments during fiscal year 2018 were the completion of searches for a general investment consultant and a defined contribution consultant for the SMP. The first of these searches resulted in the February 2018 selection of PCA as SURS general investment consultant. PCA initiated an asset-liability study after being hired. The asset-liability study will ultimately lead to a review and adoption of asset allocation targets. The second search, completed in March 2018, resulted in the retention of Cammack Retirement as the SMP consultant. These firms will partner with SURS to provide oversight to the existing portfolio, and to formulate and implement strategies designed to efficiently achieve portfolio objectives during fiscal year 2019 and beyond.

## REPORT OF INVESTMENT ACTIVITY

SURS continues to display a strong commitment to diversity as investments with firms owned by minorities, females, and persons with a disability (MWDBE), are approximately \$5.8 billion or 30.1% of the Total Fund. Investments with diverse firms increased approximately \$686 million during fiscal year 2018.

Sincerely,

A handwritten signature in black ink that reads "Douglas C. Wesley". The signature is written in a cursive style with a large initial 'D'.

Douglas C. Wesley, CFA  
Chief Investment Officer

## INVESTMENT SUMMARY

The SURS Board of Trustees is charged with the responsibility of investing the assets entrusted to them solely for the benefit of the System's participants and beneficiaries. The Trustees, in carrying out their responsibilities, adhere to applicable Illinois statutes and the prudent expert rule, which states that the Trustees must act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character with like aims. In carrying out their fiduciary duties, the Trustees have set forth clearly defined investment policy, objectives, and strategies.

### Investment Policy

The Board approves the *Statement of Investment Policy*, which outlines the investment philosophy and practices of SURS. The policy describes the organization and division of responsibilities necessary to implement the Board's philosophy and objectives prudently; establishes a framework for making investment decisions, and monitoring investment activity; and promotes effective communication between the Board, Staff, and other involved parties.

### Investment Objectives

The investment objective of the total portfolio is to produce annualized investment returns, net of all management fees, which exceed the return of a composite market benchmark or policy portfolio. The policy portfolio is comprised of market indices, which are consistent with the overall asset allocation. The policy portfolio reflects a passive implementation of the investment policy. The strategic policy portfolio is comprised of the benchmarks shown below. Comparisons of total fund performance are also made with a universe of public pension funds implementing generally comparable investment policies. The public pension fund index used for comparative purposes is the BNY Mellon Public Funds > \$1 Billion Index.

### Investment Strategies

#### ■ Asset Allocation

Asset allocation studies are completed to provide an efficient allocation of assets to achieve overall risk and return objectives. An asset/liability study will be finalized in fiscal year 2019. The prior study completed in June 2014 resulted in slight modifications to SURS' asset allocation targets and incorporated three additional asset classes: emerging market debt, hedged equities, and commodities. The long-term strategic asset allocation targets approved in 2014 are:

Asset Class	Benchmark	Strategic Policy Portfolio
U.S. Equity	Dow Jones U.S. Total Stock Market Index	23.0%
Non-U.S. Equity	Morgan Stanley All Country World Ex-U.S. Index	19.0
Global Equity	Morgan Stanley All Country World Index	8.0
Private Equity	Dow Jones U.S. Total Stock Market Index + 3.0%	6.0
Fixed Income	Bloomberg Barclays U.S. Aggregate Bond Index	19.0
TIPS	Bloomberg Barclays U.S. TIPS Index	4.0
Emerging Market Debt	Blend of JP Morgan GBI-EM Global Diversified, JP Morgan EMBI Global Diversified and JP Morgan EMBI Broad	3.0
Direct Real Estate	NCREIF Open End Diversified Core Equity Index	6.0
REITs	FTSE EPRA/NAREIT Developed Index	4.0
Commodities	Bloomberg Commodity Index	2.0
Hedged Strategies	Custom benchmark of the combined investments	5.0
Opportunity Fund	Custom benchmark of the combined investments	1.0
		100.0%

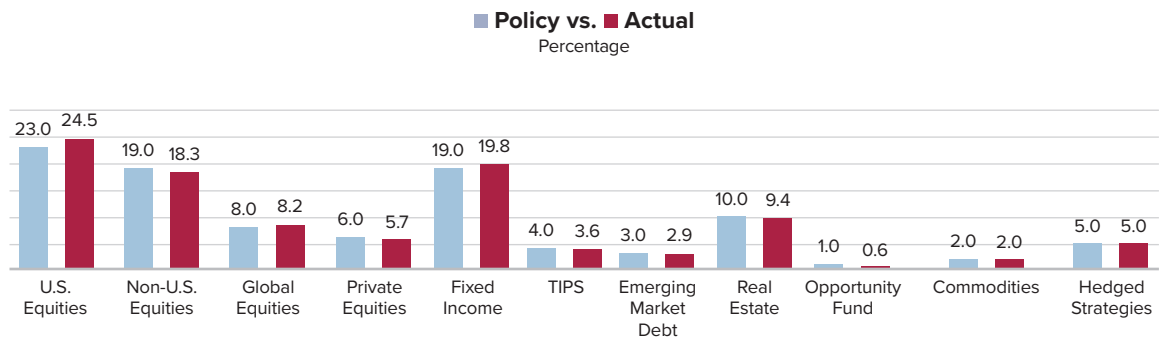
#### ■ Diversification

SURS invests in multiple asset classes utilizing various investment managers and strategies as a method to ensure overall fund diversification. As of June 30, 2018, the System had retained the services of 55 investment management firms, several of which manage multiple mandates, and an additional 14 managers through the Progress Emerging Manager of Managers program, of which five also have a direct relationship with SURS. Each investment management firm is afforded full discretion to diversify its portfolio(s) in a manner deemed appropriate. The Trustees have developed guidelines to direct the investment managers in their execution of the overall investment policy. The guidelines are specific to the asset class and strategy managed.

# INVESTMENT RESULTS

## ■ Rebalancing

Proper implementation of the investment policy requires that a periodic adjustment, or rebalancing, of assets be conducted as needed to ensure conformance with policy target levels. Such rebalancing is necessary to reflect cash flows and performance imbalances among investment managers who are hired to manage assets with a specified strategy. Although a strategy may be within a specified asset class, the manager may be authorized to utilize other instruments in another asset class. SURS' rebalancing policy calls for rebalancing, as soon as practical, if an asset class exceeds or falls below its target allocation by 3%. Ongoing rebalancing of the investment portfolio occurred as needed during the year with the assistance of a cash overlay strategy and System cash flows.



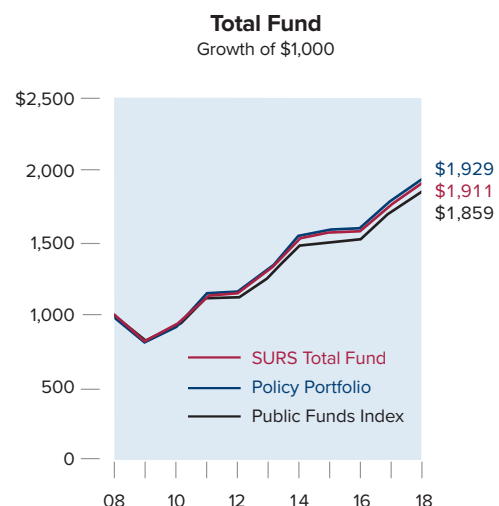
## Long-Term Investment Results

For the 10-year period ended June 30, 2018, SURS total fund earned an annualized total return, net of all investment management expenses, of 6.7%. This trailed the policy portfolio benchmark by 0.1% annualized, but exceeded the return of the median public funds index by an annualized 0.2%.

This performance is best illustrated by the growth of \$1,000 invested in SURS total fund, the policy portfolio and median public funds index during the past 10 years. The ending points indicate that \$1,000 invested in SURS total fund would have grown to \$1,911, while the same \$1,000 invested in the policy portfolio and median public funds index would have grown to \$1,929 and \$1,859, respectively.

## Fiscal Year 2018 Results

For the fiscal year ended June 30, 2018, SURS total fund returned 8.2%, surpassing the market goal, or policy portfolio, by 0.3%. SURS' one-year return lagged that of the median public pension fund return, as measured by the BNY Mellon Public Funds > \$1 Billion Index, by 0.4%. For the period, 10 of the 12 asset class portfolios – U.S. equity, non-U.S. equity, global equity, private equity, fixed income, TIPS, emerging market debt, direct real estate, REITs, and commodities – met or exceeded the returns of their respective benchmarks. Strong absolute returns were experienced in U.S. equity, global equity, private equity, direct real estate, and commodities.



## INVESTMENT RESULTS

	Fiscal Year Ended June 30					Annualized		
	2014	2015	2016	2017	2018	3 YR	5 YR	10 YR
<b>Total Fund</b>								
SURS	18.2%	2.9%	0.2%	12.2%	8.2%	6.8%	8.1%	6.7%
Policy Portfolio	18.0	2.9	0.8	11.7	7.9	6.7	8.1	6.8
Public Funds Index	17.6	2.6	0.8	12.3	8.6	7.1	8.2	6.5
CPI-U	2.1	0.1	1.0	1.6	2.9	1.8	1.5	1.4
<b>U.S. Equity</b>								
SURS	24.8	7.6	0.8	18.9	14.9	11.2	13.1	10.3
Performance Benchmark	25.0	7.2	2.0	18.5	14.8	11.6	13.2	10.3
<b>Non-U.S. Equity</b>								
SURS	22.4	(3.7)	(9.6)	20.9	7.4	5.5	6.7	2.8
Performance Benchmark	21.8	(5.3)	(10.2)	20.5	7.3	5.1	6.0	2.5
<b>Global Equity (2)</b>								
SURS	24.3	2.7	(2.4)	21.6	13.6	10.5	11.5	6.8
Performance Benchmark	22.9	0.7	(3.7)	18.8	10.7	8.2	9.4	6.0
<b>Private Equity (1)</b>								
SURS	18.7	6.2	4.4	12.9	17.5	10.9	11.8	7.5
Performance Benchmark	25.6	15.2	2.6	21.1	16.8	13.2	16.0	12.7
<b>Fixed Income</b>								
SURS	4.4	1.7	4.3	1.2	0.6	2.0	2.4	4.4
Performance Benchmark	4.4	1.9	6.0	(0.3)	(0.4)	1.7	2.3	3.7
<b>TIPS</b>								
SURS	4.9	(2.4)	3.8	(0.1)	2.1	1.9	1.6	3.4
Performance Benchmark	4.4	(1.7)	4.4	(0.6)	2.1	1.9	1.7	3.0
<b>Emerging Market Debt</b>								
SURS	-	-	3.9	7.4	(1.4)	3.2	-	-
Performance Benchmark	-	-	4.9	6.5	(1.5)	3.3	-	-
<b>Direct Real Estate (1)</b>								
SURS	14.6	12.2	12.2	7.4	8.1	9.4	10.6	6.1
Performance Benchmark	13.5	11.1	12.6	7.4	7.1	9.0	10.4	4.2
<b>Real Estate (REITs)</b>								
SURS	14.1	1.7	15.4	-	6.6	7.2	7.4	6.7
Performance Benchmark	13.4	1.7	15.5	0.2	5.6	6.9	7.1	6.3
<b>Hedged Strategies</b>								
SURS	-	-	-	6.1	4.1	-	-	-
Performance Benchmark	-	-	-	5.9	6.8	-	-	-
<b>Commodities</b>								
SURS	-	-	-	(2.7)	11.5	-	-	-
Performance Benchmark	-	-	-	(6.5)	7.3	-	-	-
<b>Opportunity Fund</b>								
SURS	8.1	5.4	8.7	0.2	3.6	4.1	5.1	8.0
Performance Benchmark	1.5	5.0	6.0	7.6	7.6	7.1	6.6	4.9

Return calculations (except for private equities and direct real estate) were prepared using a time-weighted rate of return methodology in accordance with the Performance Presentation Standards of the CFA Institute.

- (1) Private equity returns and direct real estate returns were prepared using an Internal Rate of Return (IRR) methodology which is consistent with industry standards. Additionally, the returns for both the portfolio and the benchmark are reported one quarter in arrears due to the length of the performance reporting cycle.
- (2) MSCI World Index through July 2008; asset-weighted benchmark of MSCI World Index and MSCI All Country World Index (ACWI) from August 2008 through November 2008; MSCI ACWI since December 2008.

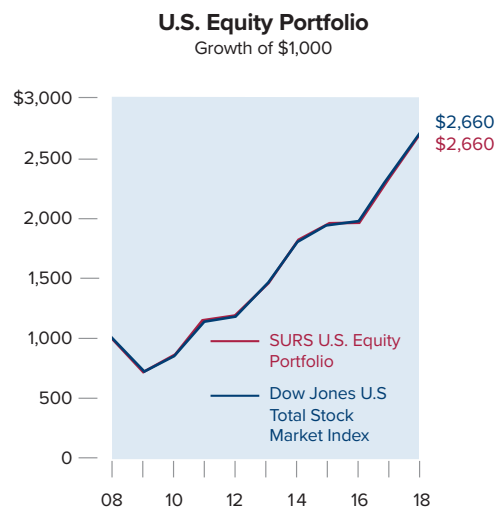
## INVESTMENT RESULTS

### U.S. Equities

For the fiscal year 2018, SURS U.S. equity portfolio returned 14.9%. SURS portfolio surpassed its market benchmark, the Dow Jones U.S. Total Stock Market (DJ U.S. TSM) Index, by 0.1%. As the table indicates, the Dow Jones U.S. Total Stock Market Index returned 14.8% over the past year, growth outperformed value stocks, and small cap outpaced large cap stocks. The SURS U.S. equity portfolio is by design, style neutral relative to the Dow Jones U.S. Total Stock Market Index. The returns from this portfolio are expected to track consistently with the broad market.

The accompanying chart indicates the growth of \$1,000 invested in the U.S. equity market during the past 10 years. The ending points indicate that \$1,000 invested in SURS U.S. equity portfolio would have increased to \$2,660 (net of investment management expenses). This growth matched the result of the same \$1,000 invested in the Dow Jones U.S. Total Stock Market Index.

	FY 2018	3 YR	5 YR	10 YR
<b>SURS</b>	<b>14.9%</b>	<b>11.2%</b>	<b>13.1%</b>	<b>10.3%</b>
Dow Jones U.S. Total Stock Market	14.8	11.6	13.2	10.3
Dow Jones U.S. Large Cap	14.6	11.8	13.4	10.1
Dow Jones U.S. Large Cap Growth	19.7	13.5	16.2	11.3
Dow Jones U.S. Large Cap Value	8.6	10.2	10.8	8.8
Dow Jones U.S. Small Cap	16.9	10.8	12.6	11.7
Dow Jones U.S. Small Cap Growth	19.9	10.2	12.8	11.6
Dow Jones U.S. Small Cap Value	13.7	11.1	12.2	11.7
S&P 500	14.4	11.9	13.4	10.2
Russell 3000	14.8	11.6	13.3	10.2
Russell 2000	17.6	11.0	12.5	10.6



### TEN LARGEST U.S. EQUITY HOLDINGS (excludes commingled funds)

	Shares	Carrying Value
Microsoft Corp	1,481,922	\$146,132,328
Amazon.com Inc	82,361	139,997,228
Apple Inc	756,032	139,949,084
Facebook Inc Class A	550,759	107,023,489
Alphabet Inc Class A	61,906	69,903,636
Visa Inc	454,381	60,182,763
Exxon Mobil Corp	706,969	58,487,545
JPMorgan Chase & Co	547,500	57,049,500
Alphabet Inc Class C	47,474	52,964,368
Unitedhealth Group Inc	211,200	51,815,808

Note: A complete list of the portfolio holdings is available upon request.



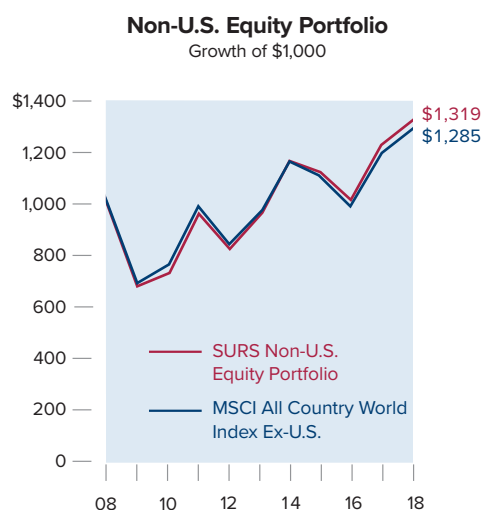
## INVESTMENT RESULTS

### Non-U.S. Equities

For fiscal year 2018, SURS non-U.S. equity portfolio returned 7.4%, exceeding its benchmark return by 0.1%. The non-U.S. equity portfolio performance benchmark, the Morgan Stanley All Country World Ex-US Index, rose 7.3% during the fiscal year. The benchmark represents a mixture of both developed and emerging markets, which varies over time depending on market performance. This mix accurately portrays the manner in which SURS non-U.S. equity investments are allocated.

The accompanying chart indicates the growth of \$1,000 invested in the non-U.S. equity markets during the past 10 years. The ending points indicate that \$1,000 invested in SURS non-U.S. equity portfolio would have grown to \$1,319 (net of investment management expenses), while the same \$1,000 invested in the performance benchmark would have grown to \$1,285.

	FY 2018	3 YR	5 YR	10 YR
<b>SURS</b>	<b>7.4%</b>	<b>5.5%</b>	<b>6.7%</b>	<b>2.8%</b>
MSCI ACWI Ex-US	7.3	5.1	6.0	2.5
MSCI EAFE	6.8	4.9	6.4	2.8
MSCI Emerging Markets	8.2	5.6	5.0	2.3



TEN LARGEST NON-U.S. EQUITY HOLDINGS (excludes commingled funds)	Shares	Carrying Value
Total SA (France)	463,041	\$28,225,956
Allergan PLC (Ireland)	165,721	27,629,005
Sanofi SA (France)	327,151	26,221,910
Nestle SA (Switzerland)	296,349	22,951,043
Alibaba Group Holding Ltd (China)	120,327	22,324,268
Tencent Holdings Ltd (China)	414,410	20,801,185
SAP SE (Germany)	176,754	20,420,227
Accenture PLC (Ireland)	117,724	19,258,469
Lloyds Banking Group PLC (United Kingdom)	23,017,904	19,160,509
GlaxoSmithKline PLC (United Kingdom)	849,893	17,165,446

Note: A complete list of the portfolio holdings is available upon request.

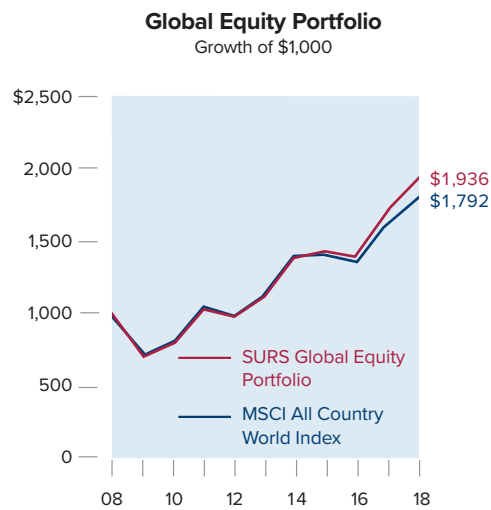
## INVESTMENT RESULTS

### Global Equities

SURS global equity portfolio surpassed its benchmark by 2.9% for the fiscal year, returning 13.6%. The benchmark for this portfolio was modified in November of 2008 from the MSCI World Index to the MSCI All Country World Index (ACWI), to include emerging markets as well as developed markets in the benchmark.

The accompanying chart indicates the growth of \$1,000 invested in the global equity markets during the past 10 years. The ending points indicate that \$1,000 invested in SURS global equity portfolio would have grown to \$1,936 (net of investment management expenses), while the same \$1,000 invested in the performance benchmark would have grown to \$1,792.

	FY 2018	3 YR	5 YR	10 YR
<b>SURS</b>	<b>13.6%</b>	<b>10.5%</b>	<b>11.5%</b>	<b>6.8%</b>
MSCI ACWI	10.7	8.2	9.4	5.8
MSCI World	11.1	8.5	9.9	6.3
Dow Jones U.S. Total Stock Market	14.8	11.6	13.2	10.3
MSCI EAFE	6.8	4.9	6.4	2.8
MSCI ACWI Ex-US	7.3	5.1	6.0	2.5



### Private Equities

SURS private equity portfolio posted a positive return of 17.5% during fiscal year 2018. The portfolio's benchmark, the Dow Jones U.S. Total Stock Market Index + 3%, returned 16.8%. As of June 30, 2018, the valuation of SURS private equity portfolio was \$1.2 billion, representing 5.7% of total plan assets. Since inception, the asset class has added significant value to the SURS investment program.

SURS private equity portfolio is well diversified. Since its inception in 1990, the SURS private equity portfolio has made commitments to numerous partnership funds. The private equity portfolio is diversified by vintage year, general partner groups and sub-asset class types. This diversification effort has benefited the portfolio as different sub-classes perform better under different economic and market conditions.

Since its inception, a total of approximately \$3.7 billion has been committed to the asset class, and of this amount approximately \$2.7 billion has been invested. In addition, during this same period, SURS has received approximately \$3.4 billion in distributions, which, when combined with the current value of the portfolio, indicates that the portfolio has generated a significant return over the approximately 28-year period. The table below indicates that since inception SURS private equity portfolio has significantly exceeded its benchmark return. 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.

	FY 2018	3 YR	5 YR	10 YR	Since Inception
<b>SURS</b>	<b>17.5%</b>	<b>10.9%</b>	<b>11.8%</b>	<b>7.5%</b>	<b>20.4%</b>
Dow Jones U.S. Total Stock Market Index +3%	16.8	13.2	16.0	12.7	13.4

## INVESTMENT RESULTS

### Fixed Income

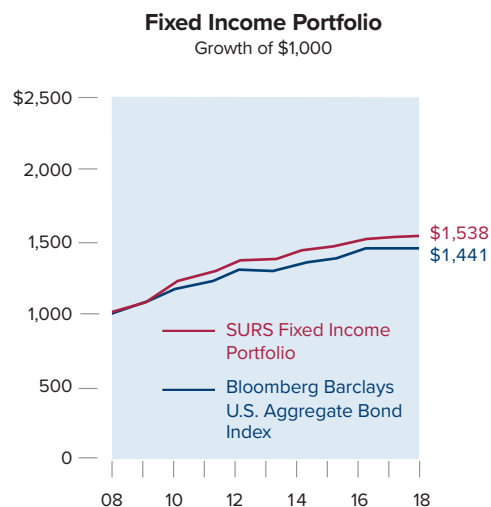
The SURS fixed income portfolio returned 0.6% for fiscal year 2018, exceeding the (0.4)% return of the portfolio's benchmark by 1.0%. The fixed income portfolio's benchmark is the Bloomberg Barclays U.S. Aggregate Bond Index, which reflects the manner in which the assets are invested. SURS investment managers typically employ a Core / Core Plus approach that utilizes securities which include government, corporate, mortgage, high yield, and non-U.S. sectors. This asset class has proven to be the most consistent asset of all the portfolios, generating above benchmark returns in 25 of the past 30 fiscal years.

During fiscal year 2013, an unconstrained fixed income investment strategy was introduced into the portfolio. The addition of the unconstrained strategy provided further diversification and downside protection within the overall fixed income portfolio by introducing a strategy that has a low correlation with SURS other fixed income strategies. The unconstrained portfolio employs both a top-down and a bottom-up approach to the global fixed income universe with the opportunity to add exposure to securities outside of those included in the Bloomberg Barclays U.S. Aggregate Index.

SURS fixed income portfolio is structured to capture the return of the broad market over the long term. Consequently, the returns from this portfolio will tend to track that of the broad fixed income market (Bloomberg Barclays U.S. Aggregate Bond Index) over longer periods of time.

The accompanying chart indicates the growth of \$1,000 invested in the U.S. fixed income market during the past 10 years. The ending points show that \$1,000 invested in SURS U.S. fixed income portfolio would have grown to \$1,538 (net of investment management expenses), while the same \$1,000 invested in the portfolio's benchmark would have grown to \$1,441.

	FY 2018	3 YR	5 YR	10 YR
<b>SURS</b>	<b>0.6%</b>	<b>2.0%</b>	<b>2.4%</b>	<b>4.4%</b>
Bloomberg Barclays U.S. Aggregate	(0.4)	1.7	2.3	3.7
Bloomberg Barclays Universal	(0.3)	2.1	2.6	4.1
Long Term Government	(0.1)	3.4	4.6	6.0
Intermediate Government	(0.7)	0.6	1.0	2.4
Long Term Corporate	(1.7)	5.1	5.5	7.4
Intermediate Corporate	(0.4)	2.2	2.7	4.7
Mortgage-Backed	0.1	1.5	2.3	3.5



### TEN LARGEST FIXED INCOME HOLDINGS (excludes commingled funds)

Asset Description	S & P Rating	Interest Rate	Maturity Date	Par Value	Carrying Value
Fannie Mae Mortgage-Backed Bonds	AA+	3.500%	August 15, 2040	80,100,000	79,623,085
Fannie Mae Mortgage-Backed Bonds	AA+	3.500%	July 15, 2041	46,750,000	46,530,088
U.S. Treasury Bonds	AA+	3.125%	May 15, 2048	39,155,000	40,242,452
U.S. Treasury Notes	AA+	2.750%	April 30, 2023	36,140,000	36,175,309
U.S. Treasury Inflation-Indexed Notes	AA+	0.250%	January 15, 2025	34,117,000	35,105,293
U.S. Treasury Inflation-Indexed Notes	AA+	0.125%	April 15, 2021	32,934,000	34,278,106
Fannie Mae Mortgage-Backed Bonds	AA+	4.000%	August 15, 2046	33,100,000	33,697,654
U.S. Treasury Inflation-Indexed Notes	AA+	0.125%	July 15, 2024	32,791,000	33,637,572
U.S. Treasury Notes	AA+	2.000%	October 31, 2022	34,640,000	33,634,643
U.S. Treasury Bonds	AA+	2.875%	August 15, 2045	34,315,000	33,630,038

Note: A complete list of the portfolio holdings is available upon request.

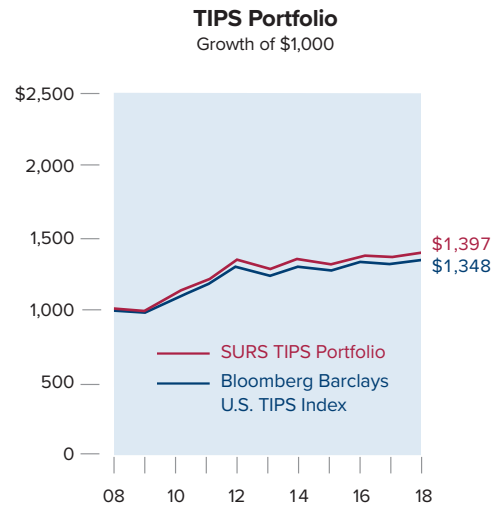
## INVESTMENT RESULTS

### Treasury Inflation-Protected Securities (TIPS)

At June 30, 2018, TIPS accounted for a 3.6% allocation of the total fund. During FY 2018 the TIPS portfolio was transitioned from active to passive management. The TIPS portfolio returned 2.1% for fiscal year 2018, matching its Bloomberg Barclays U.S. TIPS benchmark. The portfolio's 10-year return outpaced the annualized benchmark return by 0.4%.

The accompanying chart indicates the growth of \$1,000 invested in the U.S. TIPS market during the past 10 years. The ending points indicate that \$1,000 invested in SURS U.S. TIPS portfolio would have grown to \$1,397 (net of investment management expenses), while the same \$1,000 invested in the portfolio's benchmark would have grown to \$1,348.

	FY 2018	3 YR	5 YR	10 YR
<b>SURS</b>	<b>2.1%</b>	<b>1.9%</b>	<b>1.6%</b>	<b>3.4%</b>
Bloomberg Barclays U.S. TIPS	2.1	1.9	1.7	3.0



### Emerging Market Debt

SURS emerging market debt portfolio employs a combination of strategies including local currency, corporate, and blended strategies. The combination of strategies provides diversification within the asset class and gives SURS exposure to government and corporate emerging market debt denominated in U.S. Dollar or local currency. Emerging market debt became a new asset class in FY 2015 with a target allocation of 3% of the overall SURS portfolio. The emerging market debt portfolio returned (1.4)% for fiscal year 2018, exceeding the annualized custom benchmark return by 0.1%.

	FY 2018	Since Inception
<b>SURS</b>	<b>(1.4)%</b>	<b>3.2%</b>
Custom Benchmark	(1.5)	3.3
JPM CEMBI Broad	0.1	4.2
JPM EMBI Global Diversified	(1.6)	4.6
JPM GBI-EM Global Diversified	(2.3)	2.0

## INVESTMENT RESULTS

### Real Estate

The real estate asset class target allocation of 10%, comprised of 4% global REIT and 6% direct real estate, was achieved during FY 2017. As of June 30, 2018, actual allocations were 3.9% and 5.5%, respectively.

Since its inception, a total of approximately \$1.7 billion has been committed to direct real estate funds, and of this amount approximately \$1.1 billion has been invested. The direct real estate portfolio returned 8.1% for the fiscal year, exceeding its benchmark by 1.0%. The National Council of Real Estate Investment Fiduciaries (NCREIF) Open End Diversified Core Equity (ODCE) Index benchmark returned 7.1% for the same period. 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.

During FY 2017 the REIT portfolio was transitioned from active to passive management. SURS REIT portfolio returned 6.6% during the fiscal year, exceeding its benchmark, the FTSE EPRA/NAREIT Developed Index, by 1.0%. The portfolio's five- and ten-year returns exceeded the benchmark returns by 0.3% and 0.4% on an annualized basis.

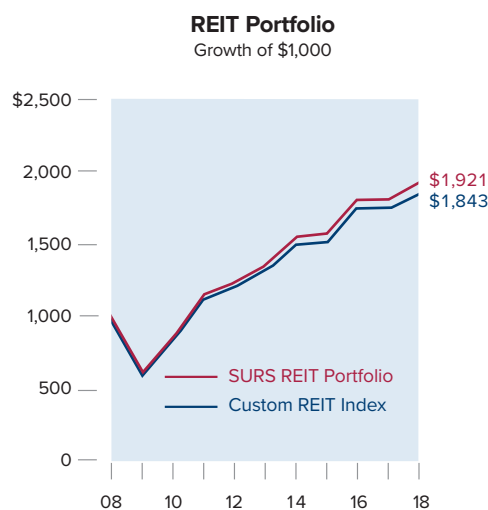
The accompanying chart indicates the growth of \$1,000 invested in the REIT market during the past 10 years. The ending points indicate that \$1,000 invested in SURS REIT portfolio would have increased to \$1,921 (net of investment management expenses), while the same \$1,000 invested in the performance benchmark would have grown to \$1,843.

#### Direct Real Estate

	FY 2018	3 YR	5 YR	10 YR
<b>SURS</b>	<b>8.1%</b>	<b>9.4%</b>	<b>10.6%</b>	<b>6.1%</b>
NCREIF ODCE Index	7.1	9.0	10.4	4.2

#### REIT

	FY 2018	3 YR	5 YR	10 YR
<b>SURS</b>	<b>6.6%</b>	<b>7.2%</b>	<b>7.4%</b>	<b>6.7%</b>
Performance Benchmark	5.6	6.9	7.1	6.3
FTSE EPRA /NAREIT Developed	5.6	5.7	6.0	4.9
FTSE EPRA /NAREIT Developed Ex-US	9.0	5.0	5.1	3.8



## INVESTMENT RESULTS

### Opportunity Fund

The SURS Board of Trustees created the Opportunity Fund during fiscal year 2000 to provide an arena for investments in new opportunities, which might otherwise not be included in the total investment portfolio. Each of the investment portfolios is evaluated on an annual basis to determine whether or not they continue to merit inclusion in the Fund. This unique portfolio has been designed in such a manner that no more than approximately 5% of the total fund assets can be invested in the Fund. As of June 30, 2018, an infrastructure portfolio is the only type of investment in the Opportunity Fund. SURS has committed \$180 million to the infrastructure portfolio.

In order to accurately monitor these investments, a custom benchmark has been established. The benchmark reflects a passive implementation of the various portfolios included in the Fund. The Opportunity Fund returned 3.6% during the fiscal year, trailing its custom benchmark return by 4.0%.

	FY 2018	3 YR	5 YR	10 YR
<b>SURS</b>	<b>3.6%</b>	<b>4.1%</b>	<b>5.1%</b>	<b>8.0%</b>
Performance Benchmark	7.6	7.1	6.6	4.9

### Commodities

The commodities asset class has a target allocation of 2% of the overall SURS portfolio. In December 2015, the Board of Trustees selected two active commodities managers to fulfill the 2% targeted mandate. These two managers were funded in June 2016. The second full fiscal year performance for commodities resulted in the portfolio returning 11.5%, outpacing the benchmark return by 4.2%.

	FY 2018
<b>SURS</b>	<b>11.5%</b>
Bloomberg Commodity Index	7.3

### Hedged Strategies

As a result of the 2014 asset/liability study, hedged strategies became a new asset class with a target allocation of 5% of the overall SURS portfolio. A search was initiated in December 2014 to identify diversified, multi-strategy Fund of Hedge Fund providers. In October 2015, two firms were selected by the Board to manage a total of 3% of the SURS portfolio and begin the initial implementation of the hedged strategies allocation. During fiscal year 2018, the Fund of Hedge Fund allocation was complemented with a 2% allocation to options writing strategies. The hedged strategies portfolio returned 4.1% for fiscal year 2018, trailing its benchmark return by 2.7%.

	FY 2018
<b>SURS</b>	<b>4.1%</b>
Performance Benchmark	6.8

### Self-Managed Plan

Fiscal year 2018 marks the twentieth complete year of the Self-Managed Plan (SMP). As of June 30, 2018, the SMP had accumulated plan assets of approximately \$2.5 billion. This represents an increase of approximately \$330 million since the end of fiscal year 2017. Contributing to the growth in plan assets was a market-related increase of \$259 million. During the past several years, SMP participants have continued to maintain a balanced exposure to equities. In aggregate, the total funds invested by SMP participants have an allocation of 75% equity, 23% fixed income, and 2% real estate. This was a 5% increase in the equity allocation as compared to last year's position.

A detailed schedule of the funds available in this plan, along with the investment totals for each fund, can be found in the accompanying table.

## INVESTMENT ALLOCATION

Self-Managed Plan Investment Allocation  
June 30, 2018

	U.S. Equity	Non-U.S. Equity	Fixed Income	Balanced	Real Estate	Total
<b>Fidelity Funds</b>						
Fidelity Managed Income Portfolio Class 2	\$ -	\$ -	\$ 50,412,505	\$ -	\$ -	\$ 50,412,505
Fidelity U.S. Bond Index Institutional	-	-	39,171,103	-	-	39,171,103
PIMCO Total Return Institutional	-	-	43,082,334	-	-	43,082,334
Fidelity Puritan Class K	-	-	-	221,722,951	-	221,722,951
Ariel Fund Institutional	37,783,485	-	-	-	-	37,783,485
American Beacon Large Cap Value Institutional	13,476,532	-	-	-	-	13,476,532
Wells Fargo Small Company Growth R6	23,853,751	-	-	-	-	23,853,751
Fidelity Growth Company Commingled Pool	148,522,982	-	-	-	-	148,522,982
Fidelity Extended Market Index Premium	52,995,016	-	-	-	-	52,995,016
Fidelity Contrafund Commingled Pool	127,380,925	-	-	-	-	127,380,925
Fidelity Low Priced Stock Class K	51,156,059	-	-	-	-	51,156,059
Fidelity 500 Index Institutional	236,526,215	-	-	-	-	236,526,215
Fidelity Diversified International Class K	-	49,843,105	-	-	-	49,843,105
Fidelity Global Ex-U.S. Index Institutional	-	32,714,023	-	-	-	32,714,023
Fidelity Real Estate Investment	-	-	-	-	18,970,921	18,970,921
Fidelity Freedom Index 2005 (1)	-	-	-	428,234	-	428,234
Fidelity Freedom Index 2010 (1)	-	-	-	2,422,146	-	2,422,146
Fidelity Freedom Index 2015 (1)	-	-	-	9,691,836	-	9,691,836
Fidelity Freedom Index 2020 (1)	-	-	-	31,753,454	-	31,753,454
Fidelity Freedom Index 2025 (1)	-	-	-	46,944,574	-	46,944,574
Fidelity Freedom Index 2030 (1)	-	-	-	54,730,091	-	54,730,091
Fidelity Freedom Index 2035 (1)	-	-	-	51,361,795	-	51,361,795
Fidelity Freedom Index 2040 (1)	-	-	-	47,832,597	-	47,832,597
Fidelity Freedom Index 2045 (1)	-	-	-	28,247,700	-	28,247,700
Fidelity Freedom Index 2050 (1)	-	-	-	21,519,708	-	21,519,708
Fidelity Freedom Index 2055 (1)	-	-	-	7,606,221	-	7,606,221
Fidelity Freedom Index 2060 (1)	-	-	-	1,321,723	-	1,321,723
Fidelity Freedom Index Income	-	-	-	2,834,788	-	2,834,788
<b>Fidelity Total</b>	<b>691,694,965</b>	<b>82,557,128</b>	<b>132,665,942</b>	<b>528,417,818</b>	<b>18,970,921</b>	<b>1,454,306,774</b>
						<b>61.4%</b>
<b>TIAA-CREF Funds</b>						
CREF Money Market Account R3	-	-	5,833,598	-	-	5,833,598
Vanguard Federal Money Market Fund	-	-	14,327,673	-	-	14,327,673
TIAA Traditional Annuity	-	-	125,547,741	-	-	125,547,741
CREF Bond Market Account R3	-	-	51,268,925	-	-	51,268,925
CREF Inflation-Linked Bond Account R3	-	-	26,238,368	-	-	26,238,368
CREF Social Choice Account R3	-	-	-	55,412,732	-	55,412,732
CREF Equity Index Account R3	95,229,403	-	-	-	-	95,229,403
CREF Growth Account R3 <sup>(2)</sup>	639,435	-	-	-	-	639,435
CREF Stock Account R3	184,967,470	-	-	-	-	184,967,470
CREF Global Equities Account R3	-	63,964,504	-	-	-	63,964,504
TIAA Real Estate Account	-	-	-	-	20,079,121	20,079,121
TIAA-CREF Large-Cap Growth Index - Inst	135,106,857	-	-	-	-	135,106,857
TIAA-CREF Lifecycle Index Fund 2010 - Inst	-	-	-	969,039	-	969,039
TIAA-CREF Lifecycle Index Fund 2015 - Inst	-	-	-	2,764,651	-	2,764,651
TIAA-CREF Lifecycle Index Fund 2020 - Inst	-	-	-	11,613,115	-	11,613,115
TIAA-CREF Lifecycle Index Fund 2025 - Inst	-	-	-	16,427,464	-	16,427,464
TIAA-CREF Lifecycle Index Fund 2030 - Inst	-	-	-	21,844,155	-	21,844,155
TIAA-CREF Lifecycle Index Fund 2035 - Inst	-	-	-	22,641,087	-	22,641,087
TIAA-CREF Lifecycle Index Fund 2040 - Inst	-	-	-	28,948,483	-	28,948,483
TIAA-CREF Lifecycle Index Fund 2045 - Inst	-	-	-	17,777,006	-	17,777,006
TIAA-CREF Lifecycle Index Fund 2050 - Inst	-	-	-	8,786,137	-	8,786,137
TIAA-CREF Lifecycle Index Fund 2055 - Inst	-	-	-	3,117,981	-	3,117,981
TIAA-CREF Lifecycle Index Fund 2060 - Inst	-	-	-	525,041	-	525,041
TIAA-CREF Lifecycle Retirement Inc - Inst	-	-	-	1,680,562	-	1,680,562
<b>TIAA-CREF Total</b>	<b>415,943,165</b>	<b>63,964,504</b>	<b>223,216,305</b>	<b>192,507,453</b>	<b>20,079,121</b>	<b>915,710,548</b>
						<b>38.6%</b>
<b>GRAND TOTALS</b>	<b>\$1,107,638,130</b>	<b>\$146,521,632</b>	<b>\$355,882,247</b>	<b>\$720,925,271</b>	<b>\$39,050,042</b>	<b>\$2,370,017,322</b>
	<b>46.7%</b>	<b>6.2%</b>	<b>15.0%</b>	<b>30.4%</b>	<b>1.6%</b>	<b>100.0%</b>
<b>SMP Forfeiture Reserve (3)</b>						<b>16,020,388</b>
<b>SMP Disability Reserve (3)</b>						<b>107,983,112</b>
<b>Total SMP Investments</b>						<b>\$2,494,020,822</b>

- As of June 30, 2018, the Fidelity Freedom 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.
- 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.
- 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.

# INVESTMENT ALLOCATION

## Defined Benefit Plan Investment Allocation June 30, 2018 (\$ in thousands)

	Fair Value
<b>U.S. Equity Managers</b>	
Northern Trust Asset Management	\$ 1,584,474
RhumbLine Advisers	997,806
CastleArk Management	107,057
Channing Capital Management	96,502
Denali Advisors	48,307
EARNEST Partners	157,939
Gladius Capital Management	439,606
Mesirow Financial Investment Management	188,371
Matarin Capital Management	102,567
Piedmont Investment Advisors	643,066
T. Rowe Price	415,117
Subtotal	<u>4,780,812</u>
<b>Non-U.S. Equity Managers</b>	
BlackRock Custom International Fund	1,038,716
BlackRock Emerging Markets	237,419
Ativo Capital Management	284,584
BlackRock International Alpha Tilts	536,996
Fidelity Institutional Asset Management	578,597
GlobeFlex Capital	326,662
Progress Emerging Managers	222,744
Strategic Global Advisors	333,082
Subtotal	<u>3,558,800</u>
<b>Global Equity Managers</b>	
Mondrian Investment Partners	542,548
T. Rowe Price	657,682
Wellington Management	576,007
Subtotal	<u>1,776,237</u>
<b>Private Equity Managers</b>	
Adams Street Partners	47,197
Adams Street 2018 Global Fund	10,475
Adams Street 2017 Global Fund	11,570
Adams Street 2016 Global Fund	44,992
Adams Street 2015 Global Fund	63,864
Adams Street 2014 Global Fund	80,750
Adams Street 2013 Global Fund	87,429
Adams Street 2012 Global Fund	72,149
Adams Street 2009 Global Offering	92,498
Adams Street 2008 Global Offering	82,973
Adams Street 2007 Global Opportunities Portfolio	38,399
Adams Street Global Opportunities Secondary Fund	5,082
Adams Street Global Secondary Fund 5	13,782
Adams Street 2004 Non-U.S. Fund	9,178
Fairview Lincoln Fund I	47,022
Mesirow Private Equity Fund VII-B	6,551
Mesirow Private Equity Special Fund B	3,657
Muller & Monroe Emerging Private Equity Fund-of-Funds	27,952
Muller & Monroe Private Equity Fund-of-Funds	7,391
Pantheon Europe Fund III	8,073
Pantheon Europe Fund VI	24,501
Pantheon Europe Fund VII	32,287
Pantheon Multi-Strategy Program 2014	53,302
Pantheon Multi-Strategy Program 2017	11,624
Pantheon Global Secondary Fund II	2,864
Pantheon USA Fund IX	85,513
Pantheon USA Fund VIII	88,301
Pantheon Ventures	87,409
Subtotal	<u>\$ 1,146,785</u>



# INVESTMENT ALLOCATION

## Defined Benefit Plan Investment Allocation June 30, 2018 (\$ in thousands)

	Fair Value
<b>Fixed Income Managers</b>	
Cash	\$ 276,549
State Street Global Advisors	607,351
Garcia Hamilton & Associates	315,308
LM Capital Group	161,872
Neuberger Berman	344,682
Pacific Investment Management Co - Total Return	395,768
Pacific Investment Management Co - Unconstrained	521,283
Progress Emerging Managers	146,125
Pugh Capital Management	162,068
Smith Graham & Company	104,097
TCW / Metropolitan West Asset Management	<u>544,727</u>
Subtotal	3,579,830
<b>Treasury Inflation-Protected Securities</b>	
RhumbLine Advisers	<u>694,533</u>
Subtotal	694,533
<b>Emerging Market Debt</b>	
Colchester Local Markets Debt Fund	136,458
Progress Emerging Managers	126,094
Prudential Emerging Markets Debt Blend	<u>301,722</u>
Subtotal	564,274
<b>Direct Real Estate</b>	
Basis Investment Group Real Estate Fund I	9,348
Blue Vista Real Estate Partners IV	26,629
Brookfield Strategic Real Estate Partners II	27,035
Courtland/Pru RE Global Partnership II	39,541
Crow Holdings Realty Partners VII	29,108
Dune Real Estate Parallel Fund II	24,291
Dune Real Estate Fund III	113,743
Franklin Templeton Emrg Mgr REFF	30,354
Franklin Templeton Private Real Estate Fund	13,906
Franklin Templeton MDP RE 2015	36,118
Heitman America Real Estate Trust	210,170
JPMCB Strategic Property Fund	215,821
Oaktree Real Estate Debt Fund II	2,952
UBS Trumbull Property Fund	<u>279,752</u>
Subtotal	1,058,768
<b>Real Estate Investment Securities</b>	
BlackRock Developed Real Estate Index	<u>748,395</u>
Subtotal	748,395
<b>Cash Overlay</b>	
Parametric Clifton	<u>72,917</u>
Subtotal	72,917
<b>Hedged Strategies</b>	
AQR Global Risk-Managed BuyWrite Fund	94,736
Gladius Capital Management	95,128
KKR Prisma Codlin Fund	357,116
Neuberger Berman US Equity Index PutWrite Fund	193,524
PAAMCO Newport Monarch Fund	<u>215,146</u>
Subtotal	955,650
<b>Commodities</b>	
Invesco Balanced Risk Commodity Trust	260,170
PIMCO Commodity Alpha Fund	<u>107,447</u>
Subtotal	367,617
<b>Infrastructure Managers</b>	
Alinda Capital Partners	25,628
Macquarie Infrastructure Partners II	36,479
Macquarie Infrastructure Partners III	45,424
Macquarie Infrastructure Partners IV	<u>1,924</u>
Subtotal	109,455
<b>SMP Forfeiture/Disability Reserves</b>	
	(124,004) (B)
<b>Total Fund</b>	<b><u>\$ 19,290,069 (A)</u></b>

(A) Amount includes net pending transactions of (\$313,252) and accrued investment income receivable of \$47,303.

(B) These assets are commingled with the SURS defined benefit plan investments.

## SUPPORTING SCHEDULES

### Top 50 Brokers and Total Domestic Equity Investment Commissions For the Year Ended June 30, 2018

Investment Brokerage Firm	2018		
	Commission	Shares Traded	Commission per Share
Loop Capital Markets	\$ 158,327	7,531,787	\$ 0.02
Williams Capital Group	82,971	5,910,948	0.01
Robert W. Baird & Company	71,353	2,216,490	0.03
Credit Suisse	62,745	2,187,841	0.03
Stifel, Nicolaus & Company	53,199	1,878,880	0.03
Cheevers & Company	50,645	2,025,785	0.03
JP Morgan Chase & Company	48,060	1,800,463	0.03
Penserra Securities	42,331	2,637,311	0.02
Incapital Securities	40,267	1,342,229	0.03
ITG (Investment Technology Group)	40,050	1,495,056	0.03
Barclays	39,124	1,283,125	0.03
CastleOak Securities	36,090	2,622,221	0.01
William Blair & Company	24,459	802,962	0.03
CAPIS (Capital Institutional Services)	24,444	1,244,534	0.02
Stephens	23,605	754,659	0.03
Goldman Sachs	22,732	921,653	0.02
Interstate Group	22,567	752,218	0.03
CL King & Associates	21,568	814,199	0.03
Jefferies & Company	21,186	822,106	0.03
Raymond James & Associates	20,653	628,907	0.03
KeyBanc Capital Markets	20,631	630,759	0.03
Craig-Hallum	20,000	660,494	0.03
JonesTrading Institutional Services	19,734	1,022,220	0.02
Cabrera Capital Markets	16,338	634,781	0.03
Keefe, Bruyette & Woods	16,093	551,969	0.03
BNY Mellon	14,918	497,266	0.03
Piper Jaffray & Company	14,090	458,349	0.03
Telsey Advisory Group	13,540	473,456	0.03
Morgan Stanley	11,490	478,145	0.02
ISI Group	9,013	257,980	0.03
Needham & Company	8,667	288,045	0.03
Cowen & Company	8,538	432,932	0.02
Seaport Group	8,410	280,318	0.03
SunTrust Robinson Humphrey	8,251	259,448	0.03
Andes Capital Group	7,343	312,036	0.02
Liquidnet	7,124	285,007	0.02
Citigroup Global Markets	7,000	385,509	0.02
RBC Capital Markets	6,802	394,356	0.02
Johnson Rice & Company	6,614	330,702	0.02
Northland Securities	6,497	216,568	0.03
Wells Fargo Advisors	6,038	201,209	0.03
ROTH Capital Partners	5,049	217,076	0.02
Leerink Swann & Company	4,637	154,560	0.03
B Riley & Company	4,077	135,695	0.03
O'Neil Securities, Inc.	3,956	132,090	0.03
DA Davidson & Company	3,773	125,759	0.03
Canaccord Adams	3,713	123,770	0.03
Evercore Partners	3,564	196,172	0.02
Weeden & Company	3,463	308,725	0.01
Strategas Research Partners	3,296	164,795	0.02
All Other Brokers	51,226	2,699,067	0.02
<b>Grand Totals, All Brokers</b>	<b>\$ 1,230,261</b>	<b>52,982,632</b>	<b>\$ 0.02</b>

## SUPPORTING SCHEDULES

**Top 50 Brokers and Total International Equity Investment Commissions  
For the Year Ended June 30, 2018**

Investment Brokerage Firm	2018		
	Commission	Shares Traded	Commission per Share
Loop Capital Markets	\$ 200,521	24,170,535	\$ 0.01
Penserra Securities	180,858	21,720,271	0.01
ITG (Investment Technology Group)	156,940	12,879,917	0.01
Instinet	124,861	8,726,052	0.01
Fig Group LLC	120,795	44,428,852	0.00
UBS	111,616	27,126,238	0.00
North South Capital	92,833	3,815,114	0.02
Credit Suisse	62,432	10,187,106	0.01
Bank of New York ConvergEx Execution	59,684	5,882,824	0.01
Goldman Sachs	59,617	9,472,053	0.01
Morgan Stanley	53,810	7,622,720	0.01
Citigroup Global Markets	49,371	4,860,568	0.01
JP Morgan Chase & Company	44,918	1,917,062	0.02
Deutsche Bank	44,484	2,010,937	0.02
Cowen & Company	42,249	2,025,415	0.02
Exane	37,619	1,838,957	0.02
CLSA	31,315	17,872,367	0.00
Liquidnet	27,399	2,284,009	0.01
Cabrera Capital Markets	26,550	8,515,164	0.00
Merrill Lynch	23,409	5,118,914	0.00
Jefferies & Company	23,190	2,382,168	0.01
HSBC	20,703	6,679,019	0.00
Barclays	16,316	810,850	0.02
Macquarie Securities	15,509	1,081,037	0.01
BTIG (Bass Trading International Group)	15,355	935,301	0.02
Mischler Financial Group	12,514	1,962,556	0.01
Weeden & Company	9,379	516,358	0.02
Royal Bank of Canada	9,090	698,451	0.01
Northern Trust Securities	7,975	679,985	0.01
Pavilion Global Markets	7,600	302,000	0.03
Sanford C. Bernstein	6,104	471,035	0.01
CastleOak Securities	5,674	192,270	0.03
BMO Capital Markets	5,125	365,600	0.01
Divine Capital Markets	5,037	201,460	0.03
Daiwa Securities Group	4,261	174,800	0.02
Societe Generale Securities	4,000	316,422	0.01
Scotia Capital	3,723	260,200	0.01
GMP Securities	3,529	176,200	0.02
FIG Partners	3,013	149,060	0.02
TD Securities	2,932	106,700	0.03
CIBC (Canadian Imperial Bank of Commerce)	2,888	132,400	0.02
Mizuho Securities	2,263	118,000	0.02
Peters & Company	1,797	93,200	0.02
Sumitomo Mitsui Banking Corporation	1,694	110,600	0.02
Raymond James & Associates	1,447	165,446	0.01
KCG Holdings	1,286	46,884	0.03
Joh. Berenberg, Gossler & Company	1,095	42,286	0.03
Wallachbeth Capital	1,050	209,950	0.01
JonesTrading Institutional Services	1,024	203,310	0.01
NH Investment & Securities Company	950	1,947	0.49
All Other Brokers	9,250	804,816	0.01
<b>Grand Totals, All Brokers</b>	<b>\$1,757,054</b>	<b>242,865,386</b>	<b>\$ 0.01</b>

## SUPPORTING SCHEDULES

### Top 50 Brokers and Total Global Equity Investment Commissions For the Year Ended June 30, 2018

Investment Brokerage Firm	2018		
	Commission	Shares Traded	Commission per Share
UBS	\$ 71,690	8,907,165	\$ 0.01
Goldman Sachs	59,509	3,345,832	0.02
Morgan Stanley	59,375	8,100,317	0.01
JP Morgan Chase & Company	57,528	6,939,903	0.01
Citigroup Global Markets	53,827	7,324,319	0.01
Cabrera Capital Markets	42,439	2,091,900	0.02
Deutsche Bank	40,995	3,270,085	0.01
Telsey Advisory Group	39,761	1,438,214	0.03
Penserra Securities	36,849	939,267	0.04
Sanford C. Bernstein	36,343	4,857,730	0.01
Loop Capital Markets	36,193	6,349,944	0.01
CLSA	31,634	6,903,925	0.00
Bank of America	30,138	3,063,744	0.01
Credit Suisse	29,720	2,308,170	0.01
Instinet	26,680	3,449,656	0.01
Macquarie Securities	23,542	3,365,258	0.01
Jefferies & Company	23,223	2,398,236	0.01
Barclays	21,002	846,480	0.02
Liquidnet	20,979	4,192,506	0.01
RBC Capital Markets	20,057	1,687,054	0.01
Bank of America Securities	17,995	985,584	0.02
Mischler Financial Group	17,164	1,091,877	0.02
ITG (Investment Technology Group)	15,542	3,181,454	0.00
Nomura	13,882	3,679,007	0.00
HSBC	13,637	8,857,461	0.00
Academy Securities	13,001	640,589	0.02
Redburn Partners	12,667	406,971	0.03
Exane	12,326	1,648,439	0.01
Cowen & Company	11,945	905,442	0.01
Joh. Berenberg, Gossler & Company	8,633	102,955	0.08
Drexel Hamilton	7,671	223,441	0.03
CL King & Associates	7,009	249,027	0.03
Stifel, Nicolaus & Company	6,984	277,880	0.03
Societe Generale Securities	6,182	90,766	0.07
ISI Group	5,692	259,870	0.02
Robert W. Baird & Company	5,614	171,685	0.03
BTIG (Bass Trading International Group)	5,043	140,313	0.04
BMO Capital Markets	4,983	157,550	0.03
Daiwa Securities Group	4,727	189,389	0.02
BTG Pactual	4,367	215,707	0.02
Raymond James & Associates	4,275	115,295	0.04
Evercore Partners	4,204	344,008	0.01
Mizuho Securities	3,878	117,178	0.03
Danske Bank	3,418	540,256	0.01
Merrill Lynch	3,287	872,449	0.00
Banco Itau	3,253	69,928	0.05
Weeden & Company	2,866	76,449	0.04
Canaccord Genuity Canada	2,711	431,489	0.01
Sumitomo Mitsui Banking Corporation	2,697	304,400	0.01
Autonomous Research	2,587	507,907	0.01
All Other Brokers	51,696	7,429,417	0.01
<b>Grand Totals, All Brokers</b>	<b>\$1,041,420</b>	<b>116,063,888</b>	<b>\$ 0.01</b>

## SUPPORTING SCHEDULES

**Top 50 Brokers and Total Fixed Income Investment Brokerage  
For the Year Ended June 30, 2018**

	2018
Investment Brokerage Firm	Fair Value Traded
CastleOak Securities	\$ 1,231,256,293
Goldman Sachs	923,358,241
JP Morgan Chase & Company	823,745,480
Credit Suisse	729,343,216
Loop Capital Markets	700,014,776
Citigroup Global Markets	682,921,327
Nomura	636,979,447
Barclays	578,274,999
Merrill Lynch	474,726,282
Morgan Stanley	276,507,339
BNP Paribas	257,030,761
Wells Fargo Advisors	182,760,981
Cabrera Capital Markets	164,476,373
RBS Securities	155,524,157
Williams Capital Group	141,121,765
Deutsche Bank	136,633,358
RBC Dain Rauscher	118,442,323
HSBC	114,276,855
Northern Trust Securities	71,303,299
Academy Securities	64,712,026
Mizuho Securities	63,057,999
BMO Capital Markets	60,488,694
Ramirez & Company	60,465,941
Bank of America Securities	50,945,791
Bank of America	49,790,740
Citadel Securities	49,166,846
UBS	46,703,178
Drexel Hamilton	46,267,838
Mischler Financial Group	40,289,130
Jefferies & Company	39,505,068
RBC Capital Markets	35,876,010
TD Securities	35,392,833
Societe Generale Securities	34,903,071
Royal Bank of Canada	25,982,164
BNY Mellon	21,361,972
First Tennessee	16,342,697
State Street Bank & Trust	15,971,820
Amherst Securities Group	15,119,524
Robert W. Baird & Company	14,122,281
MFR Securities	13,039,503
Citibank	10,327,873
US Bancorp	10,125,005
Credit Agricole	9,154,579
Bank of Nova Scotia	8,962,579
CAPIS (Capital Institutional Services)	8,114,637
Great Pacific Securities	7,687,403
Stifel, Nicolaus & Company	7,354,357
Mitsubishi UFJ Securities	7,180,755
Cantella & Co.	6,932,036
SunTrust Robinson Humphrey	6,261,285
All Other Brokers	120,054,267
<b>Grand Totals, All Brokers</b>	<b>\$ 9,400,357,174</b>

