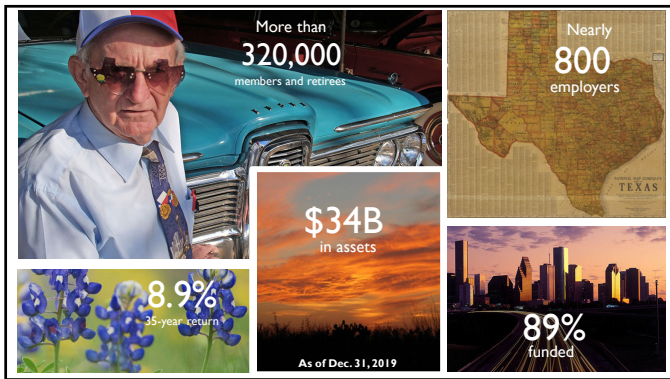




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Providing a Secure Retirement



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Set Up for Success

- ★ Created in **1967** by the Texas Legislature
- ★ Managed independently by a **nine-member** board of trustees
- ★ Manage nearly **\$34 billion** in assets as of Dec. 31, 2019
- ★ Operating costs average **0.23%** of assets
- ★ Receive **no funding** from the State of Texas

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Benefits Texas

- ★ **\$1.6 billion** in benefits paid in 2019
 - **96%** stays in Texas
- ★ Supports:
 - **\$2.4 billion** in additional economic activity
 - **17,706** jobs created
 - **\$1.4 billion** added to Texas GDP

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TCDRS Does Retirement Right

- ★ Savings-based benefits
- ★ Responsible plan funding
- ★ Flexibility and local control

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TCDRS Does Retirement Right

- ★ Savings-based benefits
 - Members save over their careers for retirement
 - Savings earn 7%, set by statute
 - At retirement, the **lifetime benefit** is based on savings account balance and employer matching

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Texans Earn Reasonable Benefits

Averages as of Dec. 31, 2019

Age at Retirement	Years of TCDRS Service at Retirement	Current Annual Benefit
61	18	\$24,468

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TCDRS Does Retirement Right

- ★ Responsible plan funding
 - Employers pay **100%** of required contributions
 - More than **35%** of employers make additional contributions
 - 2021 estimated weighted-average required employer contribution rate is **11.88%**

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Investment Income Funds Benefits



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Diversified Portfolio Reduces Risk

As of June 2020



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Investment Returns (Net of All Fees)								
<small>As of Dec. 31, 2019</small>								
Annualized Returns	2019 Return	5 Year	10 Year	15 Year	20 Year	25 Year	30 Year	35 Year
Total Fund	16.6%	7.0%	8.1%	6.6%	7.2%	7.7%	8.0%	8.9%
Benchmark	15.9%	6.2%	7.1%	5.8%	6.2%	6.8%	6.9%	7.7%

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TCDRS Does Retirement Right
<p>★ Flexibility and local control</p> <ul style="list-style-type: none"> – Employers choose benefit levels based on their local needs and budgets – Employers may increase or reduce benefits by adjusting the employee deposit rate or employer matching

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Stabilize Rates
<p>★ Elected Rate:</p> <ul style="list-style-type: none"> – Helps with budgeting from year to year – Creates a buffer against adverse plan experience such as a down investment year or payroll that doesn't grow as expected. – Stays in effect until you rescind it or until your required rate becomes higher than your elected rate. <p>★ Additional Contributions:</p> <ul style="list-style-type: none"> – Prefund future benefit increases, such as a COLA, or pay down liabilities faster than required

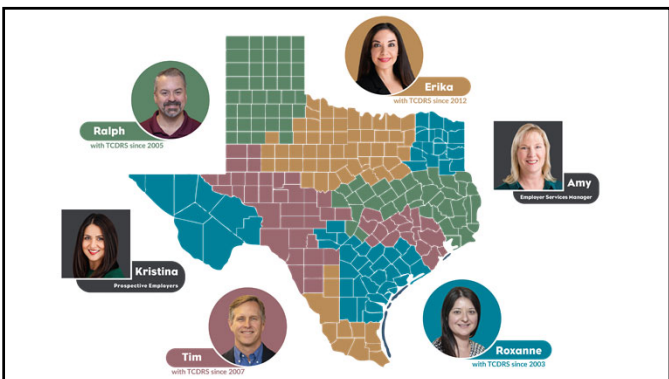
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