

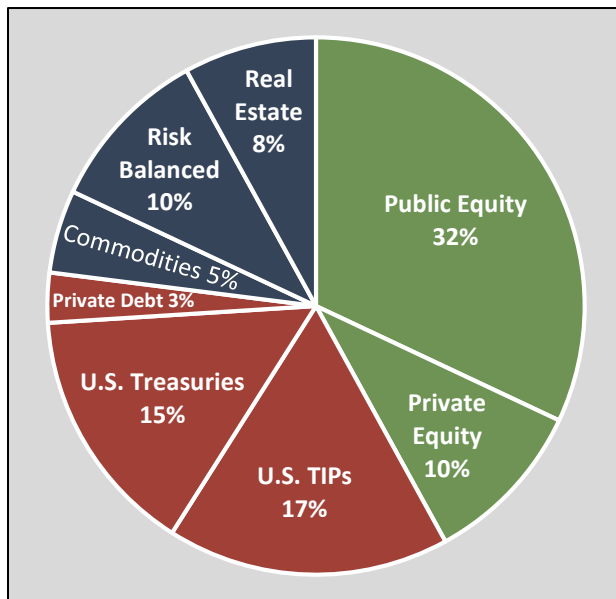


INVESTMENT PERFORMANCE, Net of Fees and Expenses

Period Ended December 31, 2018

1 Year	3 Years	5 Years	7 Years	10 Years
-1.9%	6.7%	4.6%	7.0%	8.1%

INVESTMENT POLICY TARGETS



PLAN MEMBERSHIP

	2018	2017
Active Members	18,135	18,233
Inactive Vested	4,659	4,215
Pensioners / Beneficiaries	9,763	9,242
Total Members	32,557	31,690

PLAN FUNDED STATUS

	2018	2017
Trust Assets	\$3,683,000,000	\$3,486,000,000
Plan Liabilities	\$4,414,000,000	\$4,008,000,000
Net Unfunded Liability	(\$731,000,000)	(\$522,000,000)
Funded Status	83.0%	87.0%

Source: Audited Financial Statements – June 30, 2018

INTRODUCTION

The University's Retirement, Disability and Death Benefit Plan, commonly referred to as the Retirement Plan, is a defined benefit pension plan established to provide retirement income and other stipulated benefits to qualified employees. A Trust was established in 1958 and is funded to provide the financial security of those benefits.

RETIREMENT PLAN OBJECTIVE

The Retirement Plan is to provide for the full and timely payment of retirement benefits to qualified employees. In order to fulfill this objective, the University must maintain a prudent, actuarially sound funding of the Plan's liabilities. This funding requirement is derived from two principal sources; the total investment return on Trust assets and the amount of University and employee contributions.

INVESTMENTS

The Retirement Trust is invested for long-term growth, with broadly diversified investments to reduce risk. The Trust employs a total return approach, with an emphasis on balanced growth. The Trust is invested in equities, fixed income, hedge funds, real estate, and private equities to diversify the investment portfolio.

QUESTIONS

For questions about the investment of the Retirement Trust, please contact the Office of the Treasurer at (573) 882-2612 or via e-mail at umtreasurerendow@umsystem.edu. For questions about Retirement Plan benefits, please contact UM retirement specialists at (573) 882-2146 or (800) 488-5288 or via email at HRServiceCenter@umsystem.edu.