Press Release

Maryland State Retirement and Pension System
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Maryland State Retirement Agency reports returns in FY 2016

Baltimore, MD (August 12, 2016) — The Board of Trustees of the Maryland State Retirement and Pension System (MSRPS) has been informed that net earnings after fees on the $45.5 billion investment portfolio were 1.16 percent for the fiscal year ending June 30, 2016. While performing better than several other major funds, this year's return was significantly below the plan's long-term actuarial target of 7.55%.

"FY 2016 was a second difficult year for investors," said Andrew C. Palmer, CFA, Chief Investment Officer of the Maryland State Retirement Agency (MSRA). "Unlike FY 2015 where asset returns were broadly low, FY 2016 had returns that were low on average but displayed much larger variability among asset classes. MSRA's balanced asset allocation helped us earn modest positive returns."

FY 2016 Performance by Asset Class

Asset Class	Allocation	Return
Public Equity	37.4%	-4.31%
Private Equity	9.2%	9.94%
Rate Sensitive	22.7%	9.34%
Credit/Debt	9.4%	2.23%
Real Assets	12.7%	-1.66%
Absolute Return	8.6%	-3.01%
Total	100%	1.16%

"While this is a very disappointing one-year return," noted State Treasurer Nancy K. Kopp, Chair of the MSRPS Board of Trustees, "it's important to remember that we are long-term investors, meaning we should not be distracted by a single-year's performance, whether the earnings are high or low. Over the last 30 years, including both good years and bad, the fund has earned an average return of eight percent."

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The Maryland State Retirement and Pension System is charged with the fiduciary responsibility for properly administering the retirement and pension allowances of more than 148,000 retirees and beneficiaries as well as the future benefits for more than 246,000 active and former members. These groups include State government employees, teachers, law enforcement personnel, legislators, judges and local government employees and fire fighters whose employers have elected to participate in the system.