

**Minnesota Teachers Retirement Association — Investment Return and Inflation Analysis**

Fiscal Year 2016 – Year-To-Date – As of June 2016

Source: Monthly and Quarterly Investment Reports (State Board of Investment)

*NOTE: Investment performance results are subject to audit by SBI staff, investment consultants and SBI's external auditor.*

**Investment Return: Monthly** (dollars in billions)

TRA Fund	July 2015	Aug 2015	Sept 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	March 2016	April 2016	May 2016	June 2016
Monthly Return	1.06%	-3.90%	-1.90%	4.55%	-0.25%	-1.30%	-3.70%	-0.11%	4.46%	0.69%	0.69%	-0.01%
Actual FY-to-Date	1.06%	-2.87%	-4.72%	-0.38%	-0.63%	-1.92%	-5.55%	-5.65%	-1.44%	-0.77%	-0.08%	-0.09%
Est. Fair Market Value	\$20.44	\$19.63	\$19.18	\$19.99	\$19.85	\$19.52	\$18.71	\$18.61	\$19.35	\$19.40	\$19.45	\$19.39

**Investment Return: Quarterly**

TRA Fund	July-Sept	Oct-Dec	Jan-Mar	April-June	FY (All)
Total Quarterly Return	-4.72%	2.93%	0.49%	1.37%	-0.09%
Domestic Stocks (Index)	-7.22%	6.29%	0.99%	2.62%	2.20%
Domestic Stocks (Active)	-7.61%	5.77%	-0.53%	1.72%	-1.13%
Bonds/Fixed Income	0.81%	-0.34%	2.95%	2.40%	5.92%
International Stocks	-11.07%	3.84%	-1.38%	-0.83%	-9.69%
Alternative Investments	2.83%	-1.92%	-0.36%	-0.30%	0.19%

**Historical Fiscal Year Annualized Returns**

	Combined Funds
1 Year (July 2014 – June 2015)	4.4%
3 Years (July 2012 – June 2015)	12.2%
5 Years (July 2010 – June 2015)	12.3%
10 Years (July 2005 – June 2015)	7.8%
20 Years (July 1995 – June 2015)	8.4%
30 Years (July 1985 – June 2015)	9.5%

**Asset Allocation**

	Policy Target	Actual Mix 6/30/16
Domestic Stocks	45.0%	46.38%
International Stocks	15.0%	14.00%
Bonds	18.0%	24.70%
Alternative Assets*	20.0%	12.80%
Unallocated Cash	2.0%	2.12%

\*Any uninvested allocation is held in domestic bonds.

**Inflation Update** (Source: Bureau of Labor Statistics, www.bls.gov)

	2015							2016					
	June 2015	July 2015	Aug 2015	Sept 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	March 2016	April 2016	May 2016	June 2016
Inflation (CPI-W)	233.804	233.806	233.366	232.661	232.373	231.721	230.791	231.061	230.972	232.209	233.438	234.444	235.308
Actual Inflation since June 2015		0.00%	-0.19%	-0.49%	-0.61%	-0.89%	-1.29%	-1.17%	-1.21%	-0.68%	-0.16%	0.27%	0.64%
CPI-W – Inflation Projected Through June 30, 2016		0.00%	-1.12%	-1.96%	-2.04%	-2.14%	-2.58%	-2.01%	-1.82%	-0.91%	-0.19%	0.30%	0.64%