

FOR IMMEDIATE RELEASE  
April 25, 2011

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HIGH TOTAL RETURNS ON STATE RETIREMENT FUNDS

HELENA— High total returns on some retirement funds for Montana city, county and state pensioners were reported recently to the board of directors of the Montana Public Employees' Retirement Administration (MPERA).

At its regular monthly meeting in Helena, the board was told by Clifford Sheets, chief investment officer of the Montana Board of Investments that the retirement fund covering the state's largest group of retirees, the Public Employees' Retirement System, had a return of 19.8% for the fiscal year through March 31, driven mostly by strong returns from publicly traded stocks. It was 4.4% for the first quarter of this year, he added, and both rates appear to indicate a strong fiscal year for investment earnings. He cautioned, however, that we were in a similar position a year ago, and the last quarter of the fiscal year suffered from a sharp correction in stocks that pulled down final results for the full fiscal year.

The Board of Investments handles investing of worker payroll deductions and employer contributions to retirement funds collected and disbursed by MPERA.

"We are headed in the right direction" thanks to the developing national and international economic recovery, Sheets said. "Corporate earnings have really bounced back," nearly to pre-recession levels, he added, although unemployment remains high and the housing market remains weak.

Stock investment returns may experience some moderation in the near-term, said Sheets, and any setbacks are likely to be minor, but overall pension plan returns from the total investments are likely to continue to improve from the depressed historical returns of the last three years. The actuarial assumption for returns is 7.75%.

Ten retirement funds are supervised by MPERA, covering workers employed by cities and counties across Montana, plus state government workers. Roxanne Minnehan is MPERA executive director. Board members are John Nielsen, Glendive, president; Terrence Smith, Bozeman, vice president; Darcy Halpin, Belgrade; Patrick McKittrick, Great Falls; Scott Moore, Miles City; Dianna Porter, Butte, and Timm Twardoski, Helena.

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