

THE COMMONWEALTH OF MASSACHUSETTS
Public Employee Retirement Administration Commission
John W. McCormack Building, Room 1101
One Ashburton Place, Boston, MA 02108
(617) 727-9380

MEMORANDUM

TO: All Retirement Boards
FROM: Joseph I. Martin, Deputy Executive Director
RE: Target Rate of Return
DATE: February 27, 1998

The Public Employee Retirement Administration Commission (PERAC) is conducting a survey of all Massachusetts Contributory Retirement Systems with regard to the board's target rate of return on investment and the actuarial rate of return assumption.

The target rate of return on investment, which is a different calculation from the actuarial rate of return assumption, is calculated in conjunction with the board's asset allocation and expected return of each asset class. The target rate of return is typically calculated by reviewing the historical rate of return attributed to each class in conjunction with the expected allocation to each asset class. In this regard, please complete the following section:

Retirement System _____
System Actuarial Rate of Return Assumption _____
Target Rate of Return As Expected From Your
Most Recent Board Approved Asset Allocation _____

Please mail the completed form to this office or fax it to (617) 227-2320.

If you have any questions, please call Robert Shaw, Director of the Pension Investment Advisory Unit at (617) 727-9380 ext. 637.