

News Release



Colorado Public Employees' Retirement Association
1300 Logan Street, Denver, CO 80203-2386
303-832-9550 • 303-863-3819 Fax • 1-800-759-7372
www.copera.org

For Immediate Release: June 16, 2006

For more information contact:
Katie Kaufmanis
Director of Communications
303-863-3814
kkaufmanis@copera.org

Colorado PERA Investment Returns Surpass Benchmarks

State's largest public employee pension fund announces 9.8 percent return in 2005

DENVER—The Colorado Public Employees' Retirement Association's investment returns for 2005 exceeded actuarial assumptions and its own investment policy benchmarks for the year, PERA announced today.

The state's largest pension plan for public employees earned a 9.8 percent return on investments for the calendar year 2005.

PERA has almost 380,000 members and retirees and covers most of the state's teachers as well as other employees of public school districts and state and local governments. The fund, which is in its 75th year, ended 2005 with over \$34 billion in assets.

Legislation that was signed by Governor Bill Owens on May 25 increased contribution levels to PERA to put the plan back on solid financial footing. The new law will return the plan to fully funded status, based on the actuarial assumption that investment returns will average annual returns of 8.5 percent, along with other demographic assumptions.

"It is our opinion that the current funding is sufficient to pay benefit payments through the projected actuarial period of 30 years," said David Slishinsky, Principal and Consulting Actuary for Buck Consultants.

"We were pleased that our investment returns in 2005 outpaced even our own expectations," said Meredith Williams, Colorado PERA's Executive Director. "PERA remains committed to managing a healthy pension fund that will meet the financial needs of Colorado's public employees for generations to come."

-more-

PERA also outperformed the 7.8 percent return of its total fund investment policy benchmark, a comparative group of market indices that is used to measure investment performance. In addition, its investment portfolio beat the median return of 62 public pension funds in the Russell/Mellon Median Public Fund Universe.

PERA's investment returns have averaged more than 10.9 percent annually over the last 25 years. That average includes investment losses from 2000 through 2002—three of the worst years in the stock market's history.

With modest increases in contributions funded by PERA members that resulted from the 2006 legislation, PERA's ratio of assets to liabilities will begin to improve over time and return the plan to fully funded status.

PERA's individual asset classes also produced positive returns. Real estate returned 28.2 percent; alternative investments returned 18.9 percent; international stocks returned 16.6 percent; and domestic stocks returned 7 percent. Bonds returned 2.8 percent.

Colorado PERA provides retirement and other benefits to 380,000 current and former employees of over 400 government and public entities in the state of Colorado. Colorado PERA is the 25th largest public pension plan in the U.S. with assets of \$34.9 billion.

###