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**SURS Releases Fiscal Year 2011 Investment Return  
August 1, 2011**

The State Universities Retirement System (SURS) announced today that the Fund's investment portfolio experienced its highest rate of return in 25 years for the fiscal year ending June 30, 2011. The exceptional 23.8% return, net of investment management fees, increased assets to \$14.3 billion and assisted in increasing the Fund's asset valuation by nearly \$2.1 billion. This follows last year's above average 15.0% investment return.

In addition to boasting its highest return since 1986, the portfolio also outperformed its composite market benchmark, the policy portfolio return of 23.4%, by approximately 40 basis points.

It is noteworthy that SURS has historically demonstrated solid investment performance over longer time periods, earning an 8.8% annualized rate of return over the past 25 years, well in excess of both the policy portfolio return and the 7.75% assumed rate of return. "SURS has always maintained a long-term investment philosophy," stated SURS Board Chairwoman Carrie Hightman, "and the System's favorable investment performance reflects the Board of Trustees' commitment to achieving stable long-term investment returns while maintaining a manageable level of risk."

According to Chief Investment Officer Daniel Allen, "This year's strong return was due primarily to the portfolio's asset allocation strategy. It is also further validation that the investment program, with its diverse asset allocation, continues to operate effectively and efficiently during these volatile and challenging market conditions." The current strategy is the result of ongoing monitoring driven by a Board approved asset/liability study that was prepared by SURS investment consultant with the assistance of SURS staff.

The Fund also continues to increase diversity among its investment management firms. During the year, SURS enhanced its Manager Diversity Program (MDP), designed to identify opportunities for deserving minority, female, or persons with a disability-owned investment management firms. Approximately 19.0% of the assets in the investment program are managed by minority, female, and persons with a disability majority owned firms.

Fiscal Year 2011 was marked by continued recovery of the financial markets after the 2008-09 market crisis, and equity markets were the primary drivers of performance during the past year. Both U.S. and non-U.S. equity markets advanced sharply, and fixed income markets provided modest returns. The program also experienced successful investment performance in the real estate asset class, especially in the Real Estate Investment Trust Securities (REITS) allocation.

The continuing challenge to SURS remains the funding status of the Plan. Despite the 23.8% return for Fiscal Year 2011, SURS remains substantially underfunded. SURS is approximately 45.0% funded as of June 30, 2011. "The Plan continues to be significantly underfunded due to a long history of the state's failure to pay annually required state contributions," said SURS Executive Director William Mabe, "and we simply cannot expect investment performance alone to address the shortfall."