



# Pension Reserves Investment Management Board

84 State Street, Suite 250  
Boston, Massachusetts 02109

Deborah B. Goldberg, Treasurer and Receiver General, Chair  
Michael G. Troitsky, CFA, Executive Director

## Town of Wayland State Retirees Benefits Trust Fund July 01, 2016 to July 31, 2016

	Month To Date	Fiscal Year To Date	Calendar Year To Date
<b>Your beginning net asset value for the period was:</b>			
Your change in investment value for the period was:	13,173,713.60	13,173,713.60	0.00
Your exchanges from (to) the Cash Fund for the period were:	361,273.96	361,273.96	479,646.54
<b>Your ending net asset value for the period was:</b>	<u>3,727.37</u>	<u>3,727.37</u>	<u>13,059,068.39</u>
	<b>13,538,714.93</b>	<b>13,538,714.93</b>	<b>13,538,714.93</b>

**Net Change in Investment Value represents the net change through investment activities as follows:**

Gross Investment Income:	24,303.34	24,303.34	101,572.18
Less Management Fees:	(2,338.29)	(2,338.29)	(18,450.58)
Net Investment Income:	21,965.05	21,965.05	83,121.60
Net Fund Unrealized Gains/Losses:	286,406.88	286,406.88	284,109.39
Net Fund Realized Gains/Losses:	52,902.03	52,902.03	112,415.55
<b>Net Change in Investment Value as Above:</b>	<u>361,273.96</u>	<u>361,273.96</u>	<u>479,646.54</u>

As of July 31, 2016 the net asset value of your investment in the SRBT Fund was: \$13,538,714.93

If you have any questions regarding your statement, please contact your Senior Client Services Officer Paul T. Odisco (617) 946-8423. A detailed statement of your account is attached to this summary sheet.



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**Town of Wayland**  
Cash Investment  
July 01, 2016 to July 31, 2016

	Month To Date	Fiscal Year To Date	Calendar Year To Date
<b>Your beginning net asset value for the period was:</b>			
Your investment income for the period was:	3,728.11	3,728.11	0.00
Your total contributions for the period were:	0.00	0.00	931.57
Your total redemptions for the period were:	0.00	0.00	13,058,137.56
Your total exchanges for the period were:	0.00	0.00	0.00
Your state appropriations for the period were:	(3,727.37)	(3,727.37)	(13,059,068.39)
<b>Your ending net asset value for the period was:</b>	0.00	0.00	0.00
	<b>0.74</b>	<b>0.74</b>	<b>0.74</b>

As of July 31, 2016 the net asset value of your investment in the Cash Fund was: **\$0.74**

If you have any questions regarding your statement, please contact your Senior Client Services Officer Paul Todisco (617) 946-8423.  
A detailed statement of your account is attached to this summary sheet.



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PHTF90520002  
Commonwealth Of Massachusetts  
SRBT-WAYLAND

Town of Wayland  
Investment Detail  
7/31/2016

Investments	Units Of Participation	Cost	Price	Market Value	Unrealized Gain/Loss	
88,229,988	HCST OPEB MASTER TRUST	13,254,605.54	153.4480	13,538,714.93	284,109.39	
0.740	SRBT SWEEP VEHICLE	0.74	1.0000	0.74	0.00	
<b>Total Investment:</b>				<b>13,254,606.28</b>	<b>13,538,715.67</b>	<b>284,109.39</b>



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PHTF90520002  
Commonwealth Of Massachusetts  
SRBT-WAYLAND

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## Town of Wayland Statement of Change In Net Assets 07/31/2016

	Current Period 7/1/2016 - 7/31/2016	Fiscal Year 7/1/2016 - 7/31/2016	Year To Date 1/1/2016 - 7/31/2016
NET ASSETS - BEGINNING OF PERIOD	13,177,441.71	13,177,441.71	0.00
DISBURSEMENTS:			
CASH FUND EXCHANGES	3,727.37	3,727.37	13,059,068.39
RECEIPTS:			
CONTRIBUTIONS:			
PARTICIPANTS	0.00	0.00	13,058,137.56
INVESTMENT INCOME:			
INTEREST	0.00	0.00	931.57
UNREALIZED GAIN/LOSS-INVESTMENT	286,406.88	286,406.88	284,109.39
MASTER TRUST ALLOCATED EXPENSES	-820.24	-820.24	-3,113.40
MASTER TRUST CHANGE IN REALIZED G/L	52,902.03	52,902.03	112,415.55
MASTER TRUST INVESTMENT INCOME	24,303.34	24,303.34	101,572.18
MT ALL INVESTMENT MANAGER FEES	-1,518.05	-1,518.05	-15,337.18
UNIT EXCHANGES	3,727.37	3,727.37	13,059,068.39
<b>Total Receipts</b>	<b>365,001.33</b>	<b>365,001.33</b>	<b>26,597,784.06</b>
<b>Total Disbursements:</b>	<b>3,727.37</b>	<b>3,727.37</b>	<b>13,059,068.39</b>
<b>Net Assets - End of Period:</b>	<b>13,538,715.67</b>	<b>13,538,715.67</b>	<b>13,538,715.67</b>

## STATEMENT EXPLANATION

Below you will find a description of each item posted to your statement.

### CAPITAL ACCOUNT

#### Summary of Account Activity:

A summary statement produced for your investment in the State Retiree Benefits Trust Fund (SRBTF) includes both month-to-date and fiscal year-to-date information. This statement is also furnished to the Public Employee Retirement Administration Commission (PERAC).

#### Your beginning net asset value for the period:

The total balance of your investment as of the opening date of the statement period.

#### Your change in investment value for the period:

The total increase or decrease in your investment includes net investment income, realized gains or losses, and unrealized gains or losses.

#### Your total exchanges from (to) cash fund:

Movement of funds occurring on the first business day of each month between your Cash Fund and Capital Account (SRBTF).

#### Your ending net asset value for the period:

The total balance of your investment as of the closing date of the statement period.

Represents your allocable share of the SRBTF's income associated with securities and other investments (i.e. real estate), except for realized and unrealized gains or losses. It is principally interest, dividends, real estate income, and private equity income.

#### Gross investment income:

Represents your allocable share of the SRBTF's expenses related to PRIM's investment advisors, consultants, custodian and operations expenses.

#### Management fees:

Represents your allocable share of the SRBTF's gross investment income, less Management Fees.

#### Net investment income:

Represents your allocable share of the SRBTF's increase or decrease in value, attributed to a change in value of securities or other investments held in the PRIT Fund, relative to original cost. These gains or losses are "unrealized" because the investments have not yet been sold.

#### Net fund unrealized gains/losses:

Represents your allocable share of the SRBTF's increase or decrease in value attributed to the PRIT Fund's sale of securities or other investments (i.e. real estate property). Whether you "realize" a gain or loss depends upon the price at which the investment was sold in relation to its original purchase price.

### CASH FUND

#### Your beginning net asset value for the period:

The total balance of your investment as of the opening date of the statement period.

#### Your investment income for the period:

Interest earned for the period.

#### Your total contributions for the period:

Sum of all funds (i.e. wires and/or checks) sent into your SRBTF account during the statement period. Cash contributed any day during the month except the first business day will remain in your Cash Fund until the first business day of the following month, when it will then be exchanged into the General Allocation Account (SRBTF).

#### Your total redemptions for the period:

Sum of all funds sent by wire from the PRIT Fund's custodian bank to your government entity during the statement period. A redemption made be made at any time throughout the month as long as your Cash Fund balance equals or exceeds the amount you wish to redeem.

#### Your ending net asset value for the period:

The total balance of your investment as of the closing date of the statement period.

If you have any questions about this statement, please call your Senior Client Service Officer, Paul Todisco (617) 946-8423.

July 2016

# PRIM Board Update



PENSION RESERVES  
INVESTMENT  
MANAGEMENT BOARD

Massachusetts Pension Reserves Investment Management Board

## July PRIT Performance

The PRIT Fund began the new fiscal year strong with a 2.7% return, lifting the Fund's calendar year-to-date ("CYTD") return to 6.7%. A composite portfolio consisting of 60% global equities and 40% U.S. core bonds would have returned 5.8% CYTD. *Please see the chart accompanying this piece showing the PRIT Fund vs. one month, fiscal 2016, CYTD, one-year, three-year, five-year and 10-year benchmarks.*

## Market Snapshot for July 2016

U.S. Gross Domestic Product ("GDP") expanded less than forecast in 2Q16 at a 1.2% annualized rate after a 1.1% advance the prior quarter, according to the Commerce Department. The Federal Reserve (the "Fed") had estimated that GDP would rise 2.6% in 2Q16. In July, unemployment remained unchanged from the prior month at 4.9%, as the total nonfarm payroll employment rose by 255,000, according to the Bureau of Labor Statistics ("BLS"). The U.S. Institute for Supply Management ("ISM") Purchasing Manufacturing Index ("PMI") was 52.6 in July, down from a reading of 53.2 in June. The July reading was weaker than the forecasted 53.0. A reading above 50 indicates the manufacturing sector of the economy is growing. The Fed left interest rates unchanged at July's Federal Open Market Committee ("FOMC") meeting. The Fed noted a stronger labor market, but stated that inflation is "expected to remain low in the near term." The U.S. Dollar Index depreciated 0.5%, while both the Yen and the Euro rose 0.1% and 0.7%, respectively. Oil prices continued to fall, with July prices closing at \$41.60 a barrel, a 14% decline from June's \$48.30 a barrel. Oversupply continues to be a concern.

U.S. equities rose post-Brexit on the expectation central banks will continue their easing policies. Domestic small cap stocks gained 6.0%, outperforming large caps, which returned 3.7%.

Developed international equities rose 5.1% in July. European equity markets rallied post-Brexit on stimulus hopes and mixed economic data, gaining

4.2% for the month. Japanese equities rose 6.5% for the month after monetary and fiscal stimulus measures were promised by Prime Minister Shinzo Abe and the Bank of Japan ("BOJ").

Emerging equities rose 5.0% in July on reduced bets of a U.S. rate hike and increased demand for higher yielding assets (risk on). Brazilian equities soared 10%, as expectations for a U.S. rate hike were delayed. Chinese shares gained 3.5% in July. Frontier markets rose 1.2%.

In fixed income markets, the 20+ Year STRIPS Index rose 3.9% in July, and was up 26.7% CYTD. The 20+ Year STRIPS Index returned 27.4% on a trailing 12-month basis ending July 31, 2016. The Barclays Capital U.S. Aggregate Bond Index returned 0.6% in July. U.S. High Yield bonds rose 2.5% in July, as spreads tightened by 60 bps. Emerging markets debt U.S. dollar denominated ("EMD\$") was up 1.6%, as spreads tightened by 15 bps. EMD Local rose 0.6% for the month. EMD Local returns were led by South Africa, Indonesia, and Hungary.

**PRIT FUND ASSETS: \$62,543,660,000**

## **PRIT Fund Recap – July 31, 2016**

Portfolio	Month	CYTD	1-Year
<b>PRIT Core Total</b>	<b>2.7%</b>	<b>6.7%</b>	<b>4.6%</b>
U.S. Equity	4.1%	7.6%	4.2%
International Equity	5.4%	2.4%	-4.1%
Emerging Markets Equity	5.4%	11.2%	1.4%
Core Fixed Income	2.1%	14.3%	13.9%
Public Value Added FI	1.5%	10.9%	5.5%
Total Value Added FI	1.1%	7.3%	2.7%
Private Equity	-0.1%	5.1%	12.6%
Core Real Estate	1.6%	7.1%	12.9%
Timberland	0.8%	3.3%	1.7%
Hedge Funds (net of fees)	1.3%	0.2%	-4.6%
Portfolio Completion Strategies	-0.8%	3.1%	4.3%

Returns are gross of fees unless otherwise noted.

**Market Recap July 31, 2016**

**Global Equity Markets**

*U.S. Equities:*

Index	Month	CYTD	1-Year
S&P 500	3.8%	7.8%	5.7%
Russell 2000 Growth	6.6%	4.9%	-5.3%
Russell 2000 Value	5.4%	11.8%	5.6%
Russell 2500 Growth	6.0%	5.9%	-3.4%
Russell 2500	5.2%	9.4%	1.6%

*International Equities:*

Index	Month	CYTD	1-Year
Custom World IMI Ex-US	5.2%	2.1%	-5.8%
MSCI Emerging Mkts. IMI	5.1%	10.9%	-0.6%

**Fixed Income**

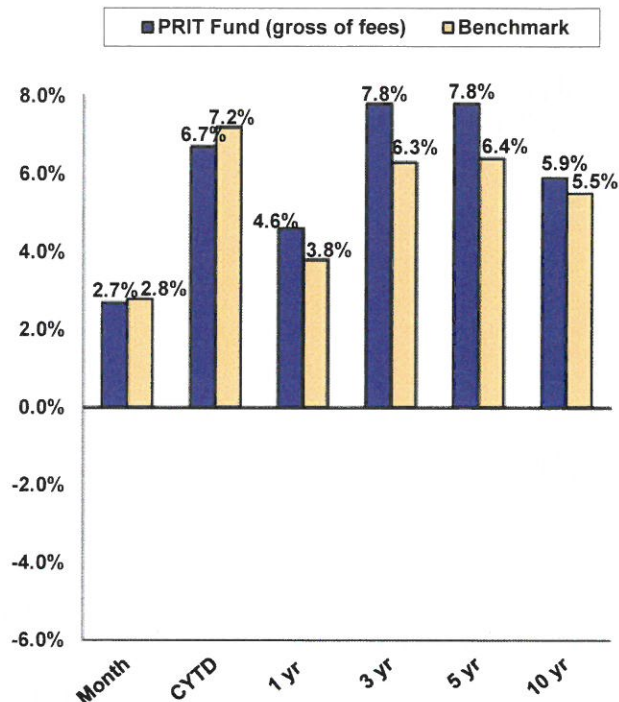
Index	Month	CYTD	1-Year
Barclays Capital Aggregate	0.6%	6.0%	5.9%
BC US Treas 20+Yr STRIPS	3.9%	26.7%	27.5%
ML High Yield Master II	2.5%	12.1%	5.0%
JPM EMBI Global	1.6%	12.6%	11.6%
JPM GBI EM Global Div.	0.6%	14.7%	5.3%

**Real Estate**

Index	Month	CYTD	1-Year
NCREIF 1-Qtr Lag Private	0.0%	5.2%	11.8%
FTSE EPRA NAREIT Global	5.1%	14.8%	14.1%

**Hedge Funds**

Index	Month	CYTD	1-Year
HFRI Fund of Funds	1.5%	-1.2%	-4.3%



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Please note: As of 7/1/2016, all equity indices shown above are customized to exclude legislatively prohibited tobacco, Sudan, and Iran securities.