



Private Education Retirement Annuity Association

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Office of the President

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TO : ALL PARTICIPATING INSTITUTIONS
SUBJECT : RETURN ON INVESTMENT (ROI)
Fiscal Year 2016-2017

We are pleased to inform you that the PERAA Board of Trustees has declared a **7.01%** Return on Investments (ROI) for fiscal year ending April 30, 2017. This brings the Total Assets of PERAA to P6.6 billion with an average ROI for the past 45 years (1972-2017) of 12.32% and 5.02% for the past 5 years, net of expenses.

The fiscal year in review was one of solid progress for PERAA. The prudent administration and firm determination of your Board of Trustees and the committed efforts of our Participating Institutions to consistently fund their employees' retirement ensured that Fiscal year 2016-2017 achieved strong return on investment.

PERAA's fund performance was backed up by the different measures PERAA has embarked to stabilize the fund like diversification to different asset classes which included real estate and offshore investments; engagement of two foreign asset managers and introduction of the MPL Plus. It was further reinforced by our country's solid macroeconomic fundamentals making the Philippines a strong performer in the Asia Pacific region¹. Our economy grew with an average full-year growth of 6.8 percent in 2016. This brings the seven-year moving average of real GDP growth rate to 6.3 percent - the highest since 1978². We are all in anticipation that the robust expansion in investments will continue under the present Administration.

Indeed, PERAA closed another financial year with flying colors laying the foundation for more sustained growth in the decades ahead. Though challenged with the volatility of the financial conditions, PERAA will continue to stand undaunted. While finding ways and seizing opportunities for growth, your Board will remain faithful to its commitment of preserving all of our members' resources.

As we begin with a new fiscal year, we are enclosing your copy of the Statement of Fund as of April 30, 2017. Please note that this report includes all contributions received from May 2016 to April 2017 plus your 7.01% earnings for 2016-2017 fiscal year.

Thank you for your continuous confidence in PERAA. Thank you for your unwavering commitment to your employees. I hope to see you all in October for our Annual Meeting here in Manila.

Bernadette M. Nepomuceno
BERNADETTE M. NEPOMUCENO
President

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Circular ROI 2016-17

¹ Philippine Economic Update - April 2016

² BusinessWorld/NEDA Statement on Philippines' Q4 2016 GDP growth