

All data provided by Investments is as of:

6/30/2017

INVESTMENT RETURNS AND ASSUMPTIONS REPORT

PRB-1000

Actual Rate of Return

(Most Recent 10 Fiscal Year)

Fiscal Year End (MM/DD/YYYY)	Net Return (Percent)	Gross Return (Percent)	Gross Return Methodology	
			Not Net of Admin Expenses	Net of Admin Expenses
6/30/2006	14.02%	14.48%	●	○
6/30/2007	16.56%	17.00%	●	○
6/30/2008	3.58%	3.96%	●	○
6/30/2009	-20.24%	-20.01%	●	○
6/30/2010	16.98%	17.30%	●	○
6/30/2011	20.29%	20.60%	●	○
6/30/2012	1.89%	2.13%	●	○
6/30/2013	11.24%	11.51%	●	○
6/30/2014	17.53%	17.82%	●	○
6/30/2015	1.29%	1.53%	●	○
6/30/2016	-1.23%	-1.01%	●	○
6/30/2017	11.88%	12.00%	●	○

Gross Return Methodology - In the last column, please indicate the methodology used to calculate each gross return presented as either: The Gross Return is not net of administrative expenses or the Gross Return is net of administrative expenses.

Actuarial Assumed Rate of Return

(Most Recent 10 Fiscal Year)

Valuation Date (MM/DD/YYYY)	Assumed Return (Percent)	Assumed Return Methodology		
		Net All Expenses	Not Net of Admin Expenses	Net of Admin Expenses
7/1/1992	8.50%	●	○	○
7/1/1993	8.50%	●	○	○
7/1/1995	8.50%	●	○	○
7/1/2002	8.50%	●	○	○
7/1/2003	8.50%	●	○	○
7/1/2004	8.50%	●	○	○
7/1/2007	8.50%	●	○	○
7/1/2010	8.50%	●	○	○
7/1/2013	8.50%	●	○	○
7/1/2014	8.50%	●	○	○
7/1/2015	8.50%	●	○	○
7/1/2016	Not provided by investments			

Assumed Return Methodology - In the last column, please indicate the methodology underlying each assumed rate of return as either: The return is net of all expenses; the return is net of investment fees; or, "Other". If "Other", please describe methodology used in **Additional Comments** section.

LONG-TERM RATES OF RETURN

PRB-1000

Annualized Rolling Rate of Return Information

Please check the appropriate box for the methodology used to calculate the rates of return requested in the following section:

Arithmetic Mean Geometric Mean (Time-Weighted Return) Internal Rate of Return

Most Recent	1-Year Period	3-Year Period	10-Year Period	30-Year or Since Inception Period
Rolling Gross	12.00%	4.02%	5.92%	9.05
Rolling Net	11.88%	3.83%	5.65%	N/A

*If the system's inception date is less than 30 years from the report date, please enter the inception date:

Date of Inception (MM/DD/YYYY) **6/30/1937**

Note: The "30-Year or Since Inception Period" column shows 30-year returns

RETURNS AND ASSUMPTIONS - ADDITIONAL COMMENTS

Please use this text box to provide any additional information or commentary that may help clarify information provided in the previous form

Investment Team Comments

HFRRF's Investment Performance Disclaimers:

The Returns reported in this FORM PRB 1000 are as of June 30, 2017.

The Returns reported in the this FORM PRB 1000 were calculated by the Global Risk Solutions team at BNY Mellon, the Fund's custodian, using a time-weighted rate of return based on the Modified Dietz Method.

HFRRF's Gross Return Disclaimers: HFRRF's commingled funds and partnerships whose fair value is reported as net asset values are net of investment management fees. Otherwise, HFRRF's Gross Returns are reported gross of investment management fees. As of 6/30/2017 approximately 67% of HFRRF's investment portfolio was made up of these commingled funds and partnerships whose fair value is reported as net asset values. As such, HFRRF's Gross returns are understated. HFRRF's Gross Returns regardless of asset are reported gross of Fund expenses.

HFRRF's Net Return Disclaimers: Net Returns are reported net of investment management fees, but gross of other Fund expenses.

RETURNS AND ASSUMPTIONS - UNAVAILABLE INFORMATION PRB-1000

Please list any unavailable information requested in this form in the text box below, including an explanation of why the information is unavailable. Completion of this form fulfills the requirements stated in Section 802.108 (c) of Texas Government Code.

Investment Team Comments

Notes Related to Annualized Rolling Rate of Return Information: HFRRF began recording returns net of investment management fees in 1999. Thus, the response to the "30-Year Rolling Net" return has been provided as N/A