

# 2007 summary report to members

for the fiscal year ended June 30, 2007

## Our Mission:

The Public School Retirement System of Missouri and the Public Education Employee Retirement System of Missouri (PSRS and PEERS) work in partnership with the member school districts of this state to provide eligible employees and their beneficiaries with a significant source of income based on the employee's length of service and compensation in order to enhance retirement, disability and death benefits received from other sources.



## Snapshot of PSRS and PEERS Members

### PSRS Active Member Profile

	2007	2006	2005	2004	2003
Average Age	42.3	42.4	42.5	42.5	42.4
Average Years of Service	11.1	11.2	11.4	11.4	11.3
Average Annual Salary	\$51,616	\$49,983	\$47,944	\$46,184	\$45,369

### PEERS Active Member Profile

	2007	2006	2005	2004	2003
Average Age	46.6	46.4	46.6	46.2	45.3
Average Years of Service	7.2	7.1	7.1	7.0	6.6
Average Annual Salary	\$25,876	\$24,716	\$22,645	\$21,466	\$20,724

### PSRS Total Membership

	2007	2006	2005	2004	2003
Active	77,121	75,539	73,850	73,797	74,347
Inactive	11,607	11,753	11,692	11,674	10,331
Retired	36,257	34,631	33,001	31,052	29,423
Disabled	683	671	664	630	604
Survivors	2,888	2,808	2,656	2,548	2,222
Total Membership	128,556	125,402	121,863	119,701	116,927

### PEERS Total Membership

	2007	2006	2005	2004	2003
Active	49,281	48,188	46,598	45,880	46,863
Inactive	17,414	17,924	18,371	18,837	17,651
Retired	16,009	15,322	14,770	14,159	13,619
Disabled	489	478	448	431	405
Survivors	1,041	960	924	855	813
Total Membership	84,234	82,272	81,111	80,162	79,351

PSRS/PEERS is pleased to present the **2007 Summary Report to Members** for the fiscal year ended June 30, 2007. This report highlights information from our most recent **Comprehensive Annual Financial Report**. Printed copies of the comprehensive report are available upon request, or may be viewed online at [www.psrs-peers.org](http://www.psrs-peers.org).

# snapshot of members, continued from page 1

## PSRS Members Retiring by Year

	2007	2006	2005	2004	2003
Number of Retirements	2,376	2,433	2,360	2,451	2,057
Average Age	57.4	57.4	57.0	56.8	56.8
Average Years of Service	25.4	25.3	25.7	26.2	26.0
Average Option 1 Monthly Benefit	\$3,259	\$3,164	\$3,108	\$3,108	\$2,962

## PEERS Members Retiring by Year

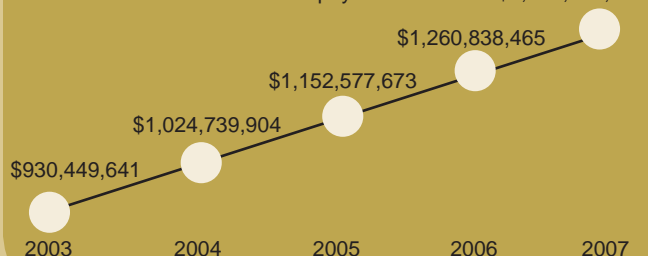
	2007	2006	2005	2004	2003
Number of Retirements	1,220	1,069	1,092	1,075	966
Average Age	62.4	62.4	62.6	62.5	62.1
Average Years of Service	16.6	16.9	16.7	16.8	17.6
Average Option 1 Monthly Benefit	\$638	\$609	\$582	\$572	\$561



The Public School Retirement System covers certificated employees of most Missouri public school districts. The Public Education Employee Retirement System covers most non-certificated employees of most Missouri public school districts. In addition, the Systems also cover employees of several statewide educational organizations.

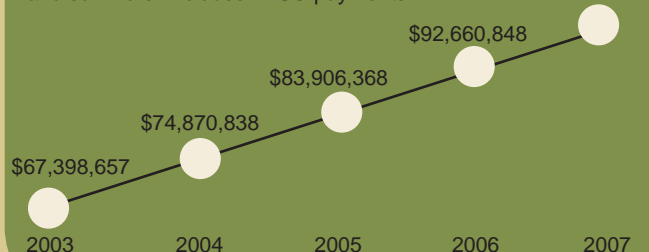
## Total PSRS Benefits Paid Over Time

Benefits paid to retirees, disability retirees and survivors. Includes PLSO payments.



## Total PEERS Benefits Paid Over Time

Benefits paid to retirees, disability retirees and survivors. Includes PLSO payments.



### Profile: PSRS 2006-2007 School Year Retirees

Years of Service Credit at Retirement	Number of Retirements	Average Service Credit	Average Option 1 Benefit
5-9.99	162	7.1	\$614
10-14.9	160	12.3	\$1,010
15-19.9	159	17.2	\$1,772
20-24.9	338	22.5	\$2,748
25-30.9	798	27.5	\$3,360
31 and over	759	32.6	\$4,722



### Profile: PEERS 2006-2007 School Year Retirees

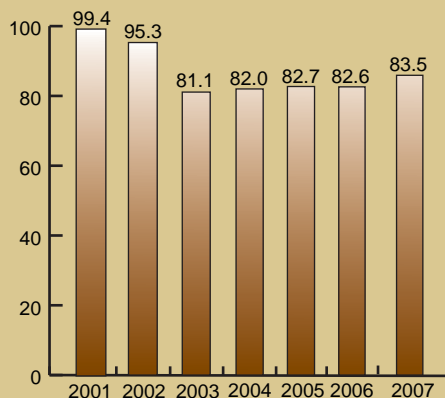
Years of Service Credit at Retirement	Number of Retirements	Average Service Credit	Average Option 1 Benefit
5-9.99	370	7.0	\$174
10-14.9	214	12.1	\$363
15-19.9	166	17.3	\$637
20-24.9	224	22.1	\$861
25-30.9	189	27.7	\$1,262
31 and over	57	34.5	\$1,694

The largest percentage of the Systems' benefit recipients are service retirees. Service retirement benefits are payable to members who have met age and service requirements. Disability benefits are paid to members who are unable to earn a livelihood due to permanent disability and who have met eligibility criteria. Beneficiary payments are also available to survivors if the retiree elects this option at retirement.

## funding status

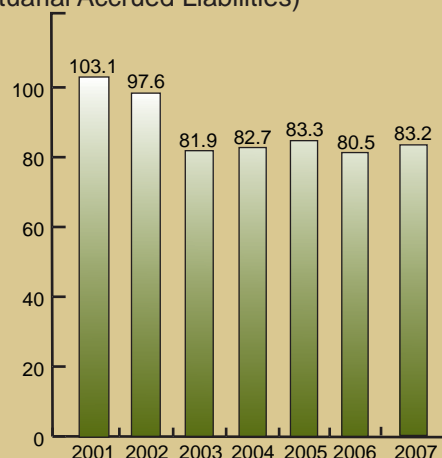
### PSRS Funding Ratio

(Actuarial Value of Assets as a Percentage of Actuarial Accrued Liabilities)



### PEERS Funding Ratio

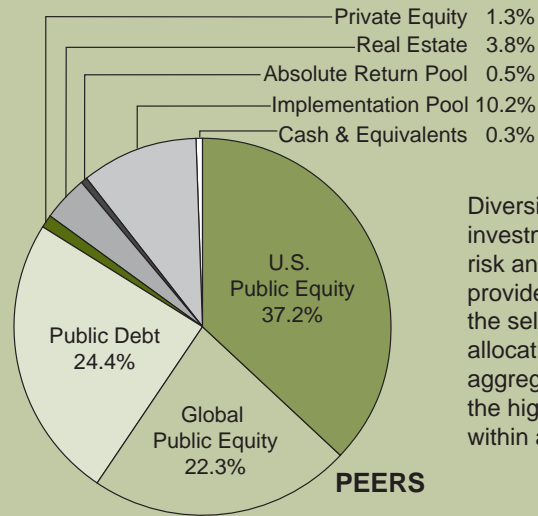
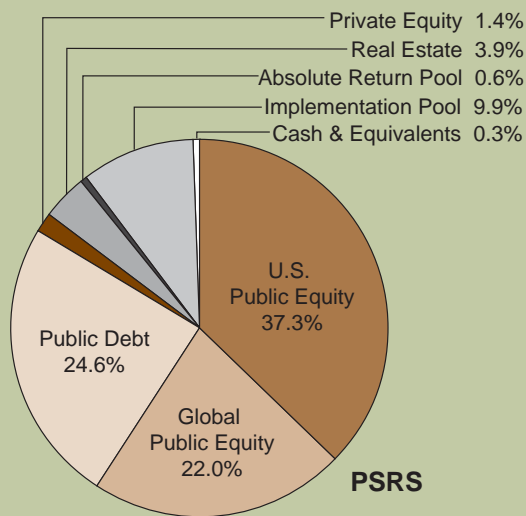
(Actuarial Value of Assets as a Percentage of Actuarial Accrued Liabilities)



Comparing the actuarial value of assets to the actuarial accrued liability determines the funded percentage of the Systems. The funded percentage shows the plan's ability to pay projected benefits with today's dollars. PSRS is 83.5% pre-funded on an actuarial basis, and PEERS is 83.2% pre-funded.

# investment performance

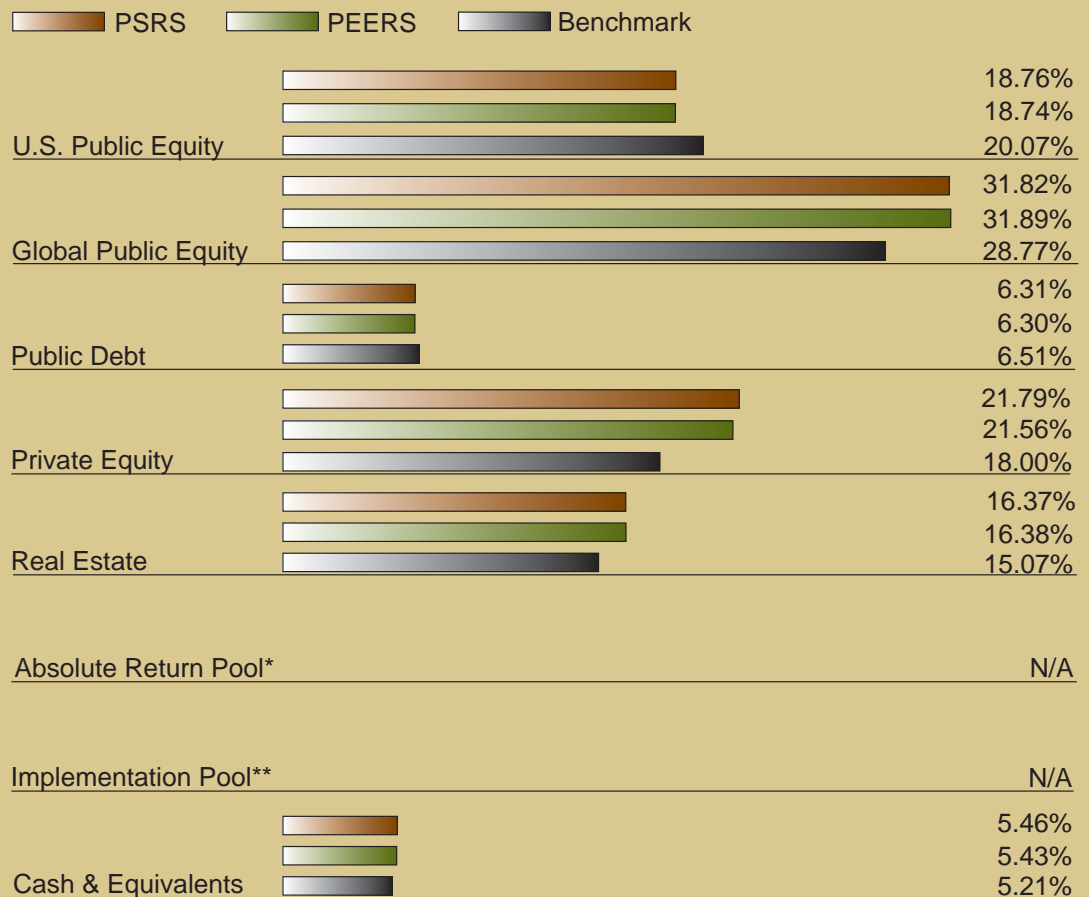
## Diversification of Portfolio as of June 30, 2007



Diversification among investments that display unique risk and return characteristics provides the framework for the selection of an asset allocation that is expected, in the aggregate, to give the Systems the highest long-term return within a prudent risk level.

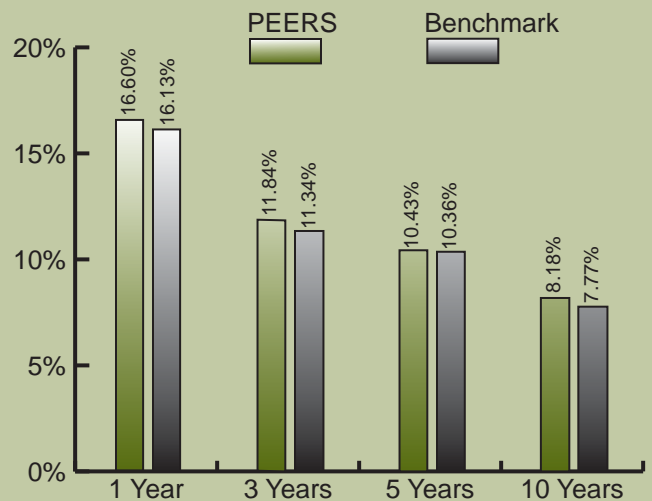
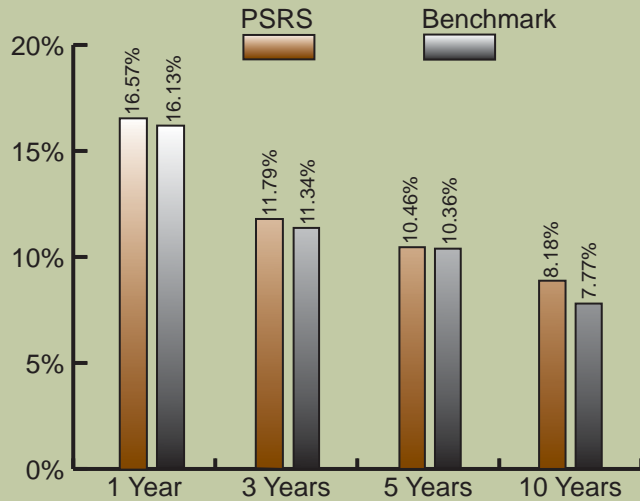
## Investment Performance: One-Year Returns

Investment returns were prepared using a time-weighted rate of return based on market values.



\* Absolute Return Pool Inception date was January 1, 2007  
 \*\* Implementation Pool inception date was May 1, 2007

## Total Portfolio Returns Compared to Benchmark as of June 30, 2007



## Growth In Assets

Both Systems Combined\*

1993	\$9,807,603,258
1994	\$9,808,959,844
1995	\$11,579,589,709
1996	\$13,162,667,991
1997	\$15,851,885,580
1998	\$18,742,901,380
1999	\$20,704,928,457
2000	\$22,233,023,577
2001	\$21,659,200,634
2002	\$20,850,936,094
2003	\$21,585,656,371
2004	\$23,897,002,979
2005	\$25,650,878,213
2006	\$27,732,865,778
2007	\$31,782,820,580

\* Market value of investments as of June 30th of each year



# stock holdings

## Top Ten Stock Holdings and Their Market Values

As of June 30, 2007

PSRS/PEERS' solid investment performance in fiscal year 2007 was the result of a well-diversified asset mix for the Systems. Because of that diversification, even our largest holding of any one stock represents only a small percentage of the total portfolio. For example, as of June 30, 2007, Exxon Mobil Corporation stock represented only 1.1% of our total U.S. and Global Public Equity allocation.

### PSRS Top Ten Stock Holdings

Number	Company	Market Value
1	EXXON MOBIL CORP	\$ 166,090,117
2	JPMORGAN CHASE	\$ 132,314,915
3	CITIGROUP INC	\$ 126,912,643
4	MICROSOFT CORP	\$ 116,775,081
5	GOOGLE INC	\$ 115,473,853
6	PFIZER INC	\$ 108,662,170
7	VODAFONE GROUP	\$ 95,943,376
8	CHEVRON CORP	\$ 92,525,678
9	AT & T INC	\$ 90,722,000
10	GENERAL ELEC CO	\$ 84,989,639

### PEERS Top Ten Stock Holdings

Number	Company	Market Value
1	EXXON MOBIL CORP	\$ 15,330,915
2	JPMORGAN CHASE	\$ 12,051,356
3	CITIGROUP INC	\$ 11,587,437
4	MICROSOFT CORP	\$ 10,919,961
5	GOOGLE INC	\$ 10,780,058
6	PFIZER INC	\$ 9,638,202
7	VODAFONE GROUP	\$ 8,832,634
8	AT & T INC	\$ 8,262,987
9	GENERAL ELEC CO	\$ 8,167,076
10	CHEVRON CORP	\$ 8,165,636



# financial statements

## Statements of Plan Net Assets

As of June 30, 2007 with comparative totals for June 30, 2006

	PSRS	PEERS	Combined Totals	
			June 30, 2007	June 30, 2006
<b>ASSETS</b>				
Cash	\$ 106,005,463	\$ 11,155,973	\$ 117,161,436	\$ 51,254,178
Receivables	4,916,198,561	428,630,282	5,344,828,843	3,321,710,870
Investments, at fair value	29,375,554,653	2,662,052,474	32,037,607,127	28,146,010,560
Invested securities lending collateral	4,049,583,334	426,285,529	4,475,868,863	4,291,587,830
Prepaid expenses	128,640	-	128,640	157,716
Capital assets, Net of accumulated depreciation	12,764,715	-	12,764,715	11,850,530
<b>TOTAL ASSETS</b>	<b>38,460,235,366</b>	<b>3,528,124,258</b>	<b>41,988,359,624</b>	<b>35,822,571,684</b>
<b>LIABILITIES</b>	<b>9,176,568,545</b>	<b>846,947,962</b>	<b>10,023,516,507</b>	<b>7,932,063,195</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>				
	<u>\$ 29,283,666,821</u>	<u>\$ 2,681,176,296</u>	<u>\$ 31,964,843,117</u>	<u>\$ 27,890,508,489</u>

## Statements of Changes in Plan Net Assets

For the year ended June 30, 2007 with comparative totals for the year ended June 30, 2006

	PSRS	PEERS	Combined Totals	
			June 30, 2007	June 30, 2006
<b>ADDITIONS</b>				
Member Contributions	\$ 514,163,373	\$ 73,070,572	\$ 587,233,945	\$ 570,997,722
Employer Contributions	472,216,630	69,235,160	541,451,790	491,324,416
Net investment income	4,125,163,798	373,197,729	4,498,361,527	2,433,465,231
Other income	280,555	32	280,587	267,303
Total additions	5,111,824,356	515,503,493	5,627,327,849	3,496,054,672
<b>DEDUCTIONS</b>				
	1,431,686,186	121,307,035	1,552,993,221	1,413,049,645
<b>NET INCREASE</b>	<b>3,680,138,170</b>	<b>394,196,458</b>	<b>4,074,334,628</b>	<b>2,083,005,027</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>				
Beginning of year	25,603,528,651	2,286,979,838	27,890,508,489	25,807,503,462
End of year	<u>\$ 29,283,666,821</u>	<u>\$ 2,681,176,296</u>	<u>\$ 31,964,843,117</u>	<u>\$ 27,890,508,489</u>



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