



# 2009 SUMMARY REPORT TO MEMBERS

for the fiscal year ended June 30, 2009

IN FACING ADVERSITY,  
WE GAIN STRENGTH  
AND KNOWLEDGE FOR THE  
JOURNEY AHEAD.

## 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

	2009	2008	2007	2006	2005
Average Age	42.2	42.2	42.3	42.4	42.5
Average Years of Service	11.1	11.1	11.1	11.2	11.4
Average Annual Salary	\$55,957	\$53,667	\$51,616	\$49,983	\$47,944

### PSRS TOTAL MEMBERSHIP

	2009	2008	2007	2006	2005
Active	79,335	78,436	77,121	75,539	73,850
Inactive	11,570	11,580	11,607	11,753	11,692
Retired	39,897	38,045	36,257	34,631	33,001
Disabled	696	691	683	671	664
Survivors	3,153	3,002	2,888	2,808	2,656
Total Membership	134,651	131,754	128,556	125,402	121,863

### PEERS ACTIVE MEMBER PROFILE

	2009	2008	2007	2006	2005
Average Age	47.1	46.8	46.6	46.4	46.6
Average Years of Service	7.7	7.3	7.2	7.1	7.1
Average Annual Salary	\$27,667	\$27,082	\$25,876	\$24,716	\$22,645

### PEERS TOTAL MEMBERSHIP

	2009	2008	2007	2006	2005
Active	50,978	50,865	49,281	48,188	46,598
Inactive	16,538	16,623	17,414	17,924	18,371
Retired	17,461	16,696	16,009	15,322	14,770
Disabled	540	514	489	478	448
Survivors	1,150	1,078	1,041	960	924
Total Membership	86,667	85,776	84,234	82,872	81,111

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

### PSRS Members Retiring by Year

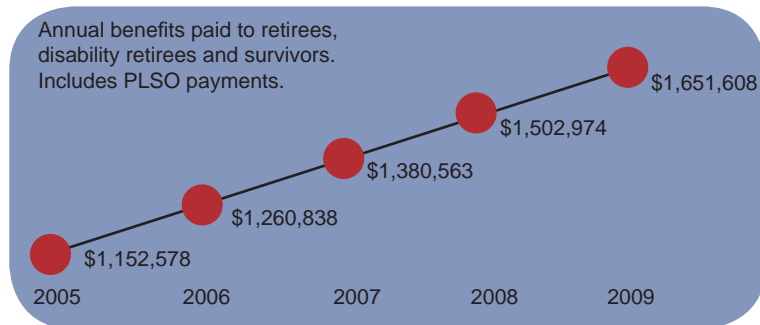
	2009	2008	2007	2006	2005
Number of Retirements	2,629	2,590	2,376	2,433	2,360
Average Age	58.0	57.9	57.4	57.4	57.0
Average Years of Service	25.1	24.5	25.4	25.3	25.7
Average Option 1 Monthly Benefit	\$3,424	\$3,214	\$3,259	\$3,164	\$3,108

### PEERS Members Retiring by Year

	2009	2008	2007	2006	2005
Number of Retirements	1,325	1,245	1,220	1,069	1,092
Average Age	62.9	62.5	62.4	62.4	62.6
Average Years of Service	16.5	16.5	16.6	16.9	16.7
Average Option 1 Monthly Benefit	\$694	\$667	\$638	\$609	\$582

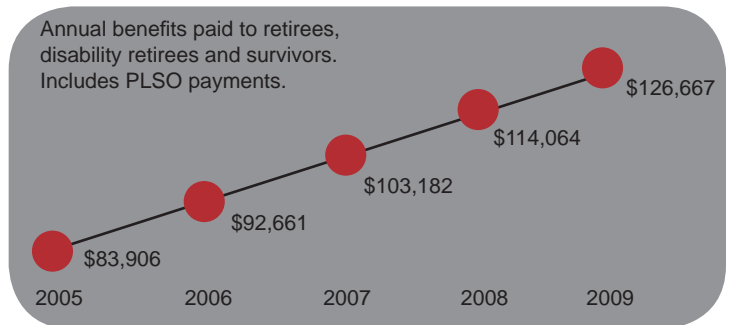
### Total PSRS Benefits Paid Over Time

(Dollar amounts in thousands)



### Total PEERS Benefits Paid Over Time

(Dollar amounts in thousands)



### Profile: PSRS 2008-2009 School Year Retirees

Years of Service Credit at Retirement	Number of Retirees	Average Service Credit	Average Option 1 Benefit
5-9.9	198	6.9	\$627
10-14.9	186	12.2	\$1,178
15-19.9	198	17.4	\$2,035
20-24.9	411	22.4	\$2,861
25-29.9	617	27.2	\$3,590
30+	1,019	32.4	\$4,774

### Profile: PEERS 2008-2009 School Year Retirees

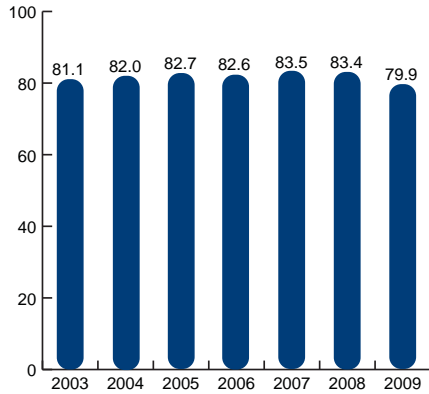
Years of Service Credit at Retirement	Number of Retirees	Average Service Credit	Average Option 1 Benefit
5-9.9	417	7.1	\$206
10-14.9	264	12.2	\$374
15-19.9	152	17.4	\$637
20-24.9	216	22.3	\$1,021
25-29.9	164	27.3	\$1,365
30+	112	33.1	\$1,727

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

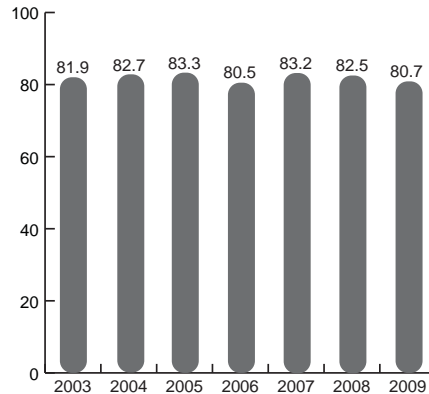
## PSRS Funding Ratio

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



## PEERS Funding Ratio

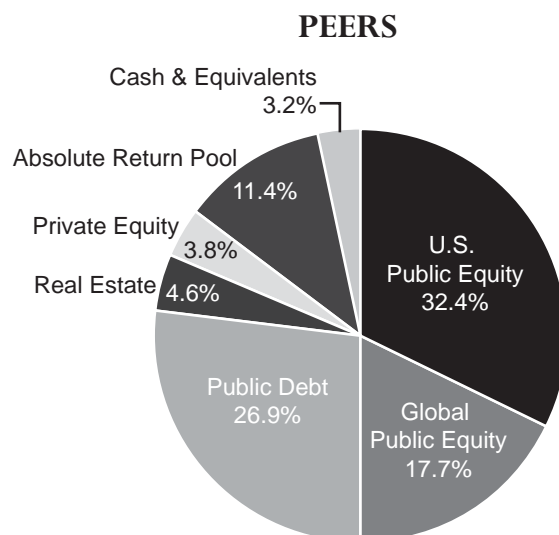
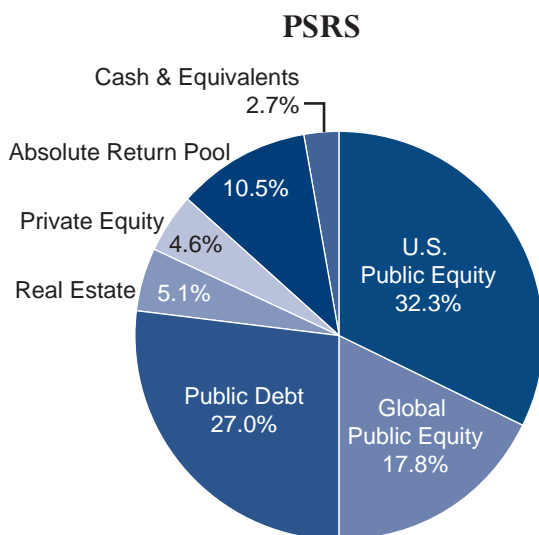
(Actuarial Value of Assets as a Percentage of Actuarial Accrued Liabilities)



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 79.9% pre-funded on an actuarial basis, and PEERS is 80.7% pre-funded.

# INVESTMENT ASSET ALLOCATION

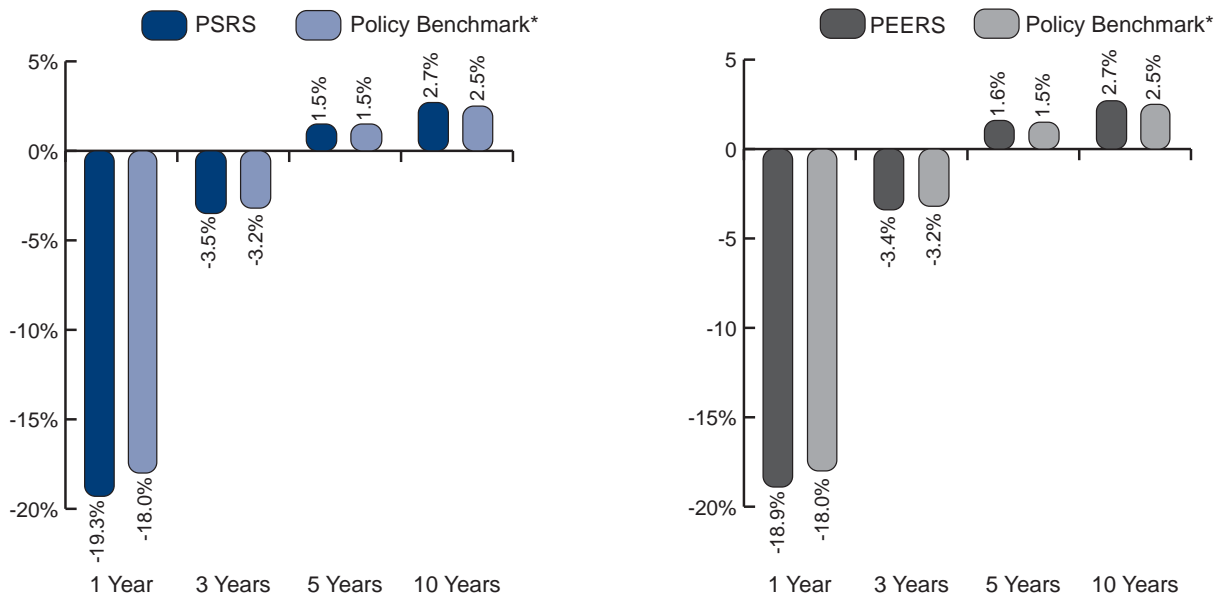
## Diversification of Portfolio as of June 30, 2009



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:**

**Total Portfolio Returns Compared to Policy Benchmark\* as of June 30, 2009**



\*See page 60 in the Comprehensive Annual Financial Report for Benchmark Information.

**Growth in Assets**

Both Systems Combined\*

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
2008	\$29,827,180,438
2009	\$23,606,404,555

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

## Top 10 Stock Holdings and Their Market Values

As of June 30, 2009

### PSRS Top 10 Stock Holdings

Number	Company	Market Value
1	APPLE INC	\$ 78,798,685
2	EXXON MOBIL CORP	\$ 77,236,987
3	GOOGLE INC	\$ 69,056,864
4	QUALCOMM INC	\$ 63,904,348
5	GILEAD SCIENCES INC	\$ 60,744,595
6	CHEVRON CORP	\$ 53,847,073
7	JP MORGAN CHASE AND CO	\$ 49,968,251
8	NESTLE SA	\$ 49,605,515
9	AT&T INC	\$ 46,758,915
10	CISCO SYSTEMS INC	\$ 40,591,060

### PEERS Top 10 Stock Holdings

Number	Company	Market Value
1	APPLE INC	\$ 7,976,223
2	EXXON MOBIL CORP	\$ 7,246,801
3	GOOGLE INC	\$ 6,999,237
4	QUALCOMM INC	\$ 6,363,075
5	GILEAD SCIENCES INC	\$ 6,032,757
6	JP MORGAN CHASE AND CO	\$ 5,100,911
7	CHEVRON CORP	\$ 5,093,366
8	NESTLE SA	\$ 4,815,997
9	AT&T INC	\$ 4,483,201
10	CISCO SYSTEMS INC	\$ 3,980,572

PSRS/PEERS' has constructed 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.



### Statements of Plan Net Assets

As of June 30, 2009 with comparative totals for June 30, 2008

	PSRS	PEERS	Combined Totals	
			June 30, 2009	June 30, 2008
<b>ASSETS</b>				
Cash	\$ 29,732,574	\$ 8,492,059	\$ 38,224,633	\$ 61,479,347
Receivables	2,640,432,221	253,461,998	2,893,894,219	3,594,680,639
Investments, at fair value	21,323,595,497	2,095,636,750	23,419,232,247	29,833,308,655
Invested securities lending collateral	1,211,220,105	126,943,576	1,338,163,681	7,436,680,227
Prepaid expenses	138,328	-	138,328	586,502
Capital assets, net of accumulated depreciation	12,303,602	-	12,303,602	13,706,076
<b>TOTAL ASSETS</b>	<b>25,217,422,327</b>	<b>2,484,534,383</b>	<b>27,701,956,710</b>	<b>40,940,441,446</b>
<b>LIABILITIES</b>				
	<b>3,628,244,924</b>	<b>370,860,752</b>	<b>3,999,105,676</b>	<b>10,929,740,391</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>				
	<b>\$ 21,589,177,403</b>	<b>\$ 2,113,673,631</b>	<b>\$ 23,702,851,034</b>	<b>\$ 30,010,701,055</b>

### Statements of Changes in Plan Net Assets

For the year ended June 30, 2009 with comparative totals for the year ended June 30, 2008

	PSRS	PEERS	Combined Totals	
			June 30, 2009	June 30, 2008
<b>ADDITIONS</b>				
Employer contributions	\$ 563,454,487	\$ 85,915,562	\$ 649,370,049	\$ 599,230,340
Member contributions	599,582,276	89,427,259	689,009,535	654,180,552
Net investment (loss) income	(5,301,374,222)	(489,552,307)	(5,790,926,529)	(1,516,319,990)
Other income	627,284	757	628,041	370,449
<b>Total (deductions) additions</b>	<b>(4,137,710,175)</b>	<b>(314,208,729)</b>	<b>(4,451,918,904)</b>	<b>(262,538,649)</b>
<b>DEDUCTIONS</b>				
Monthly benefits	\$ 1,651,607,588	\$ 126,666,805	\$ 1,778,274,393	\$ 1,617,037,841
Refunds of contributions	46,408,252	15,673,105	62,081,357	61,810,427
Administrative expenses	10,121,964	5,431,199	15,553,163	12,722,585
Other expenses	13,240	8,964	22,204	32,560
<b>Total deductions</b>	<b>1,708,151,044</b>	<b>147,780,073</b>	<b>1,855,931,117</b>	<b>1,691,603,413</b>
<b>NET (DECREASE) INCREASE</b>	<b>(5,845,861,219)</b>	<b>(461,988,802)</b>	<b>(6,307,850,021)</b>	<b>(1,954,142,062)</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>				
Beginning of year	27,435,038,622	2,575,662,433	30,010,701,055	31,964,843,117
End of year	<b>\$ 21,589,177,403</b>	<b>\$ 2,113,673,631</b>	<b>\$ 23,702,851,034</b>	<b>\$ 30,010,701,055</b>

# 2009 SUMMARY REPORT TO MEMBERS

for the fiscal year ended June 30, 2009

PSRS/PEERS is pleased to present the *2009 Summary Report to Members* for the fiscal year ended June 30, 2009. 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.psr-peers.org](http://www.psr-peers.org)



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