

A Look at MS PERS



- **Mississippi's only state sponsored retirement system**
- **MS PERS profile**
 - **Covered employers – 886**
 - **Approximately 164,000 active members**
 - **74,000 retirees**
 - **Net assets of \$23 billion**
 - **Total 2008 administrative budget of \$11 million**

The Executive Summary – Informing the Legislators

- **Comprehensive Annual Financial Report**
 - **138 pages**
 - **Too detailed / complex**
 - **Lacks reader appeal**
 - **Costly to produce**

The Executive Summary – Informing the Legislators

- **Initiated in the year 2000**
- **Why produce an Executive Summary?**
 - **Communicate information regarding MS PERS operations to covered employers.**
 - **Provide a concise, easy to read format for communicating information.**
 - **Supply key information for Legislators who approve our annual budget :**
 - **Financial** ➤ **Actuarial**
 - **Investments** ➤ **Statistical**

How Do We Reach the Members?

- **Can we enhance communications with our target audience?**
- **Can we expand our delivery methods to include members and retirees?**
- **The answer is ... the GFOA PAFR program fits our needs:**
 - **Reader appeal**
 - **Understandability**
 - **Distribution**

Producing a Cost Effective Popular Report

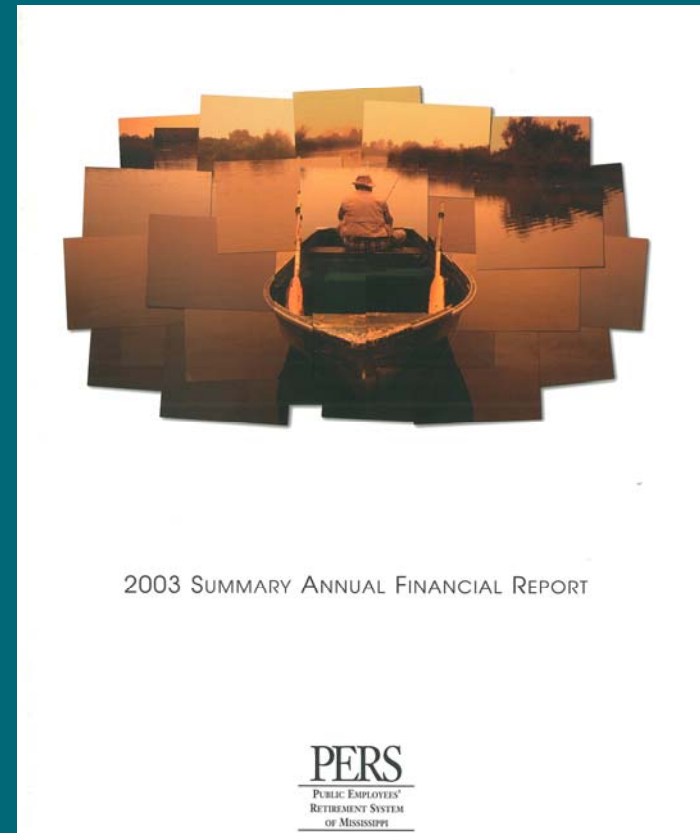
- **Action plan**
 - **Create PAFR using GFOA guidelines**
 - **Stay within budget parameters**
 - **Increase distribution if economically feasible**
- **Current Executive Summary**
 - **Quantity of 1,000**
 - **21 pages per book**
 - **Total cost of \$3,000**

Producing a Cost Effective Popular Report

- **How did we change?**
 - **Combine data to condense presentation**
 - **Convert most data tables to graphs**
 - **Add text for understandability**

Producing a Cost Effective Popular Report

- **CAFR concept repeated**
- **Used Excel and Word**
- **Typeset by local printer**
- **Distribution limited due to budget constraints**



2003 PAFR

Good Results – But How Can We Improve?



- **Our first review comments and suggestions addressing the 2003 PAFR ...**
 - **Increase the size of print and graphs**
 - **Use additional charts to display comparative financial results**
 - **Increase distribution**
 - **Email to participants**
 - **Include PAFR on our website**



Good Results – But How Can We Improve?

- **Implemented most reviewer suggestions in the 2004 PAFR**
- **Reviewer's scores and comments reflected our improvements**
 - **Strengths in reader appeal and understandability**
 - **Distribution remains an area for development**
 - **Identified goal of including PAFR in our newsletters**

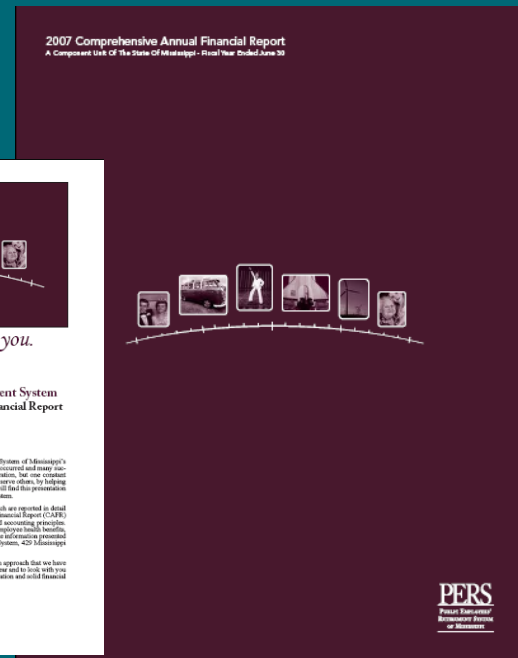
Good Results – But How Can We Improve?

- **Enhancements to 2005 PAFR**
 - **Displayed on MS PERS website**
 - **Expanded narratives**
 - **Unable to reach goal of 100% distribution in newsletters due to budget constraints**

Reaching Our Goal – 100 % Distribution

- **Significant changes to the 2006 PAFR**
 - **Mailed to all agencies, members and retirees**
 - **Changed PAFR size**
 - **Published in-house using Microsoft Publisher 2006**
 - **Printed by web press**
 - **Highest possible distribution score**
 - **Slight difficulties with printed pictures**

Reaching Our Goal – 100 % Distribution



2006 CAFR & PAFR

2007 CAFR & PAFR

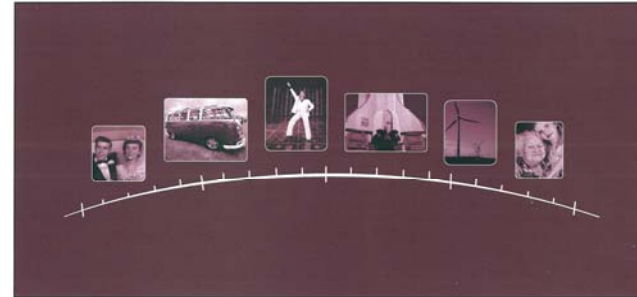
Producing a Popular Report

- **Required statements in the PAFR**
 - **Refer to availability of CAFR**
 - **PAFR information derived from CAFR**
 - **PAFR presentation conforms to GAAP**
 - **Note exceptions to GAAP**

Producing a Popular Report

➤ Introductory Section

2007 PAFR



You serve others, we serve you.

Public Employees' Retirement System 2007 Summary Annual Financial Report



December 18, 2007

Dear Members:

I am pleased to present the Public Employees' Retirement System of Mississippi's 2007 Summary Annual Financial Report. Many changes have occurred and many successes have been achieved over the past 55 years of our operation, but one constant remains. We continue our commitment to serve members, who serve others, by helping to provide them with a strong financial future. I trust that you will find this presentation helpful in understanding your public employees' retirement system.

This report is a summary of our services, organization, funding and investments which are reported in detail in the Public Employees' Retirement System of Mississippi's Comprehensive Annual Financial Report (CAFR) for 2007. All financial information is presented in conformity with generally accepted accounting principles. However, the Flexible Benefits Cafeteria Plan, an agency fund related to the System's employee health benefits, has been omitted from this report due to materiality. For questions concerning any of the information presented in this report or to request a 2007 CAFR, contact the Public Employees' Retirement System, 429 Mississippi Street, Jackson, Mississippi 39201-1005 or visit our website at www.pers.state.ms.us.

It is our business to nurture and protect your retirement savings, a philosophy and an approach that we have embraced since our beginnings in 1952. I am privileged to report on our progress this year and to look with you toward our future, confident that the System will continue to experience successful operation and solid financial performance.

Sincerely,

Pat Robertson
Executive Director

Producing a Popular Report

➤ Membership Section

Membership
The System administers four defined benefit retirement plans including the Public Employees' Retirement System (PERS), the Mississippi Highway Safety Patrol Retirement System (MHSPRS), the Municipal Retirement Systems and Fire and Police Disability and Relief Funds (MRS) and the Supplemental Legislative Retirement Plan (SLRP). These plans serve members from state and local government, public schools, community and junior colleges, universities and other governmental units across the state. Total active members have risen over the past five years from 151,064 to 163,619 with a total of 886 participating employers.

The System is constantly seeking improvements for serving its members and receives high marks for its efforts to provide quality assistance to each member and employer.

We are proud of our contribution to helping create a secure financial future for our retirees. Over the past five years, total inactive and retired members have grown from 170,481 to 196,959 with a total retirement benefit payroll of \$1.25 billion. A combination of advances in technology, staff training enhancements and improved vehicles of communication enable the System to assure that its participants are well informed and well served. These charts illustrate active members and retirees, beneficiaries and inactive members participating in the plans. Total membership in the System is 340,578, an 11.4 percent increase over the past five years.

ACTIVE MEMBERS BY PLAN
JUNE 30, 2007

| | | |
|--------------|--------|----------------|
| PERS | 99.50% | 162,804 |
| MHSPRS | 0.30% | 591 |
| MRS* | 0.03% | 49 |
| SLRP | 0.11% | 175 |
| Total | | 163,619 |

*As of September 30, 2006

RETIRED AND INACTIVE MEMBERS BY PLAN
JUNE 30, 2007

| | | |
|--------------|--------|----------------|
| PERS | 98.44% | 193,886 |
| MHSPRS | 0.35% | 685 |
| MRS* | 1.12% | 2,203 |
| SLRP | 0.09% | 185 |
| Total | | 196,959 |

*As of September 30, 2006

PARTICIPATING EMPLOYERS FOR FISCAL YEARS ENDED JUNE 30

| | |
|------|-----|
| 2003 | 857 |
| 2004 | 864 |
| 2005 | 873 |
| 2006 | 875 |
| 2007 | 886 |

1950's and

SUMMARY OF PARTICIPATING MEMBERS FOR FISCAL YEARS ENDING JUNE 30

| | 2003 | 2004 | 2005 | 2006 | 2007 |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| PERS Members | | | | | |
| Active vested | 103,892 | 105,875 | 111,603 | 112,092 | 108,744 |
| Active nonvested | 51,180 | 50,478 | 45,498 | 45,999 | 54,060 |
| Sub-total | 154,872 | 156,353 | 157,101 | 158,091 | 162,804 |
| Retirees and beneficiaries | 59,447 | 62,407 | 63,039 | 66,757 | 70,796 |
| Inactive members | 112,612 | 114,910 | 124,248 | 117,711 | 123,130 |
| Sub-total | 172,059 | 177,317 | 188,187 | 184,468 | 193,886 |
| Total PERS members | 326,931 | 333,670 | 345,288 | 342,559 | 356,690 |
| MHSPRS Members | | | | | |
| Active vested | 433 | 436 | 490 | 473 | 453 |
| Active nonvested | 110 | 123 | 30 | 31 | 138 |
| Sub-total | 543 | 559 | 520 | 504 | 591 |
| Retirees and beneficiaries | 599 | 606 | 621 | 625 | 638 |
| Inactive members | 33 | 38 | 66 | 46 | 47 |
| Sub-total | 632 | 643 | 687 | 675 | 685 |
| Total MHSPRS members | 1,175 | 1,202 | 1,207 | 1,235 | 1,276 |

SUMMARY OF PARTICIPATING MEMBERS
Continued

| | 2002 | 2003 | 2004 | 2005 | 2006 |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| MRS Members | | | | | |
| Active vested | 117 | 93 | 74 | 60 | 49 |
| Active nonvested | 28 | 17 | 10 | 5 | - |
| Sub-total | 145 | 110 | 84 | 65 | 49 |
| Retirees and beneficiaries | 2,246 | 2,246 | 2,242 | 2,225 | 2,200 |
| Inactive members | 4 | 4 | 4 | 4 | 3 |
| Sub-total | 2,250 | 2,250 | 2,246 | 2,229 | 2,203 |
| Total MRS members | 2,395 | 2,360 | 2,330 | 2,294 | 2,252 |
| SLRP Members | | | | | |
| Active vested | 144 | 135 | 133 | 129 | 127 |
| Active nonvested | 31 | 40 | 42 | 44 | 48 |
| Sub-total | 175 | 175 | 175 | 173 | 175 |
| Retirees and beneficiaries | 85 | 106 | 114 | 122 | 126 |
| Inactive members | 53 | 70 | 68 | 57 | 59 |
| Sub-total | 136 | 176 | 182 | 179 | 185 |
| Total SLRP members | 313 | 351 | 357 | 352 | 360 |

1960's

Membership in the System is a condition of employment for PERS and MHSPRS. Membership in MRS was closed as of July 1, 1976. Two fire and police plans elected to extend the eligibility period for membership to July 1, 1987. Employees hired after these periods automatically become members of PERS. The SLRP plan is a supplement to the provisions of PERS. Those elected after July 1, 1989 automatically become members.

RETIREE GROWTH

| Plan | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------|-------|-------|-------|-------|-------|
| PERS | 59.4 | 62.4 | 63.9 | 66.8 | 70.8 |
| MHSPRS | 599 | 605 | 621 | 625 | 638 |
| MRS* | 2,246 | 2,246 | 2,242 | 2,225 | 2,200 |
| SLRP | 85 | 106 | 114 | 122 | 126 |

*As of September 30

2007 PAFR

Producing a Popular Report

➤ Financial Section

Public Employees' Retirement System of Mississippi
Statement of Fiduciary Net Assets - June 30, 2007
(In Thousands)

| Assets | PERs | | MHPES | | MRS | | SELP | | Eliminations | | Plans | | Trust Funds | | Total | | |
|-------------------------------------|--------------|-----------|-----------|----------|------|--------------|----------|--------------|--------------|--------------|-------|------|-------------|------|-------|------|--|
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | |
| Cash and cash equivalents (note 5) | 127,888 | \$ 3,488 | \$ 2,656 | \$ 153 | \$ - | \$ 246,205 | \$ 2,173 | \$ 246,578 | \$ 133 | \$ 246,303 | | | | | | | |
| Receivables: | | | | | | | | | | | | | | | | | |
| Employee | 45,723 | - | 271 | - | - | 43,994 | - | 43,994 | - | 43,994 | | | | | | | |
| Investment proceeds | 26,352 | 3,395 | 2,646 | 113 | - | 342,456 | - | 342,456 | - | 342,456 | | | | | | | |
| Interest and dividends | 95,243 | 1,369 | 1,847 | 42 | - | 92,741 | - | 92,741 | - | 92,741 | | | | | | | |
| Other receivables | 463 | 1,449 | - | - | - | 2,567 | - | 2,567 | - | 2,567 | | | | | | | |
| Total receivables | 467,228 | 6,413 | 4,065 | 215 | - | 472,209 | - | 472,209 | - | 472,209 | | | | | | | |
| Investments, at fair value (note 5) | | | | | | | | | | | | | | | | | |
| Short term securities | 284,939 | 3,866 | 3,812 | 175 | - | 275,990 | - | 275,990 | - | 275,990 | | | | | | | |
| Long term debt securities | 4,189,076 | 41,886 | 40,343 | 2,898 | - | 4,364,619 | - | 4,364,619 | - | 4,364,619 | | | | | | | |
| Equity securities | 15,714,411 | 125,943 | 126,510 | 16,143 | - | 16,126,429 | - | 16,126,429 | - | 16,126,429 | | | | | | | |
| Real estate investments | 837,207 | 12,835 | 9,379 | 342 | - | 859,353 | - | 859,353 | - | 859,353 | | | | | | | |
| Asset allocation fund | - | - | - | - | - | - | - | - | - | - | | | | | | | |
| Fiduciary and variable | - | - | - | - | - | - | - | - | - | - | | | | | | | |
| Life insurance contracts | - | - | - | - | - | - | - | - | - | - | | | | | | | |
| Total investments before | 21,218,276 | 304,832 | 295,546 | 13,717 | - | 21,564,391 | - | 21,564,391 | - | 21,564,391 | | | | | | | |
| Securities lending | | | | | | | | | | | | | | | | | |
| Short term securities | 1,499,889 | 19,480 | 13,182 | 816 | - | 1,486,387 | - | 1,486,387 | - | 1,486,387 | | | | | | | |
| Long term debt securities | 6,883,893 | 66,443 | 33,779 | 3,990 | - | 6,725,312 | - | 6,725,312 | - | 6,725,312 | | | | | | | |
| Total securities lending | 8,383,782 | 85,923 | 46,961 | 4,806 | - | 8,211,700 | - | 8,211,700 | - | 8,211,700 | | | | | | | |
| Total investments | 22,344,413 | 396,752 | 342,507 | 17,523 | - | 22,786,091 | - | 22,786,091 | - | 22,786,091 | | | | | | | |
| Due from (to) other funds (note 5) | 14 | - | - | 11 | - | 14 | - | 14 | - | 14 | | | | | | | |
| Capital assets, at cost, net of | | | | | | | | | | | | | | | | | |
| accumulated depreciation (note 6) | 36,747 | - | - | - | - | 36,747 | - | 36,747 | - | 36,747 | | | | | | | |
| Total assets | 22,825,995 | 406,573 | 311,584 | 17,991 | 13 | 26,555,762 | 1 | 26,555,762 | 1 | 26,555,762 | | | | | | | |
| Liabilities | | | | | | | | | | | | | | | | | |
| Accounts payable and | | | | | | | | | | | | | | | | | |
| accrued expenses | 588,797 | 7,361 | 5,895 | 331 | - | 523,284 | - | 523,284 | - | 523,284 | | | | | | | |
| Obligations under | | | | | | | | | | | | | | | | | |
| securities lending | 3,962,022 | 86,041 | 67,034 | 1,872 | - | 6,118,908 | - | 6,118,908 | - | 6,118,908 | | | | | | | |
| Due to other funds (note 5) | 22 | - | 9 | 13 | - | 22 | - | 22 | - | 22 | | | | | | | |
| Funds held for others | 1,138 | - | - | - | - | 1,138 | - | 1,138 | - | 1,138 | | | | | | | |
| Total liabilities | 6,472,879 | 93,421 | 72,734 | 4,203 | 13 | 6,643,332 | 1 | 6,643,332 | 1 | 6,643,332 | | | | | | | |
| Net assets held in trust | | | | | | | | | | | | | | | | | |
| for pension benefits | \$21,918,816 | \$307,152 | \$238,850 | \$13,788 | \$1 | \$21,912,430 | \$1 | \$21,912,430 | \$1 | \$21,912,430 | | | | | | | |

The accompanying notes are an integral part of these financial statements.

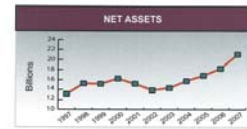
Public Employees' Retirement System of Mississippi
Statement of Changes in Fiduciary Net Assets - For the Year Ended June 30, 2007
(In Thousands)

| Assets | PERs | | MHPES | | MRS | | SELP | | Eliminations | | Plans | | Trust Funds | | Total | |
|-------------------|--------------|-----------|-----------|----------|------|--------------|---------|--------------|--------------|--------------|-------|------|-------------|------|-------|------|
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| Beginning of year | 18,221,062 | 264,637 | 228,077 | 11,620 | - | 18,619,197 | 107,723 | 18,726,920 | - | 18,726,920 | | | | | | |
| End of year | \$21,918,816 | \$307,152 | \$238,854 | \$13,788 | \$1 | \$21,912,430 | \$1 | \$21,912,430 | \$1 | \$21,912,430 | | | | | | |

The accompanying notes are an integral part of these financial statements.

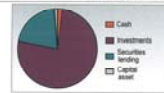
Net Assets
The summary of assets and liabilities show how much the System holds in resources and how much is owed. Investments make up the largest portion of net assets held in trust for pension benefits. Net assets for 2007 totaled \$21.9 billion while 2006 net assets totaled \$18.8 billion.

The chart to the right, illustrates overall growth in investment assets over the long term.



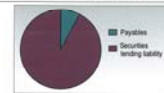
ASSETS
FOR FISCAL YEARS ENDED JUNE 30, 2007 AND 2006
(In Thousands)

| | 2007 | 2006 |
|--------------------------------------|---------------|---------------|
| Cash, cash equivalents & receivables | \$ 662,075 | \$ 670,824 |
| Investments, fair value | 21,766,391 | 18,742,131 |
| Securities lending | 6,110,489 | 5,110,068 |
| Capital assets | 16,747 | 17,150 |
| Total | \$ 28,555,702 | \$ 24,540,223 |



LIABILITIES
FOR FISCAL YEARS ENDED JUNE 30, 2007 AND 2006
(In Thousands)

| | 2007 | 2006 |
|------------------------------|--------------|--------------|
| Payables | \$ 524,364 | \$ 602,081 |
| Securities lending liability | 6,118,988 | 5,118,905 |
| Total | \$ 6,643,352 | \$ 5,721,026 |

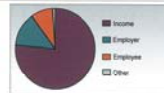


Revenues
There are three primary sources of funding for the System which include employer contributions, member contributions and net investment income. Employer contributions totaled \$634.6 million for fiscal year 2007, an increase of \$53.0 million over fiscal year 2006. Member contributions totaled \$394.4 million which amounted to an increase of \$16.8 million from fiscal year 2006. This increase in total contributions was due to an increase in the employer contribution rate for PERs, as well as a rise in the number of active members.

Net investment income increased from \$1.8 billion in fiscal year 2006 to \$3.5 billion in fiscal year 2007, a gain of approximately \$1.7 billion. Investment performance was primarily responsible for current year overall growth in the System's net assets.

REVENUES
FOR FISCAL YEARS ENDED JUNE 30, 2007 AND 2006
(In Thousands)

| | 2007 | 2006 |
|------------------------|--------------|--------------|
| Net investment income | \$ 3,492,144 | \$ 1,826,487 |
| Employer contributions | 634,645 | 585,739 |
| Employee contributions | 394,444 | 377,659 |
| Other additions | 2,351 | 2,632 |
| Total | \$ 4,523,584 | \$ 2,787,517 |



Expenses
The System's primary expenses include payments of benefits to retirees and beneficiaries, refunds of contributions to former members and the cost of administering the System. As shown in the following table, the majority of expenses from 2007 are benefit payments to retirees and beneficiaries. These payments totaled more than \$1.3 billion for fiscal year 2007, an increase in payments of \$100 million.

Refunds to former members were \$72.6 million for fiscal year 2007 compared to \$73.5 million for fiscal year 2006. The cost to administer the System for fiscal year 2007, which includes actuarial expenses, was \$10.3 million, an increase of \$500 thousand from fiscal year 2006. This increase was primarily due to increases in contractual service and commodity costs during the year. Expenses for the administration of the System are funded from investment earnings.

EXPENSES
FOR FISCAL YEARS ENDED JUNE 30, 2007 AND 2006
(In Thousands)

| | 2007 | 2006 |
|----------------|--------------|--------------|
| Benefits | \$ 1,347,473 | \$ 1,253,386 |
| Refunds | 72,617 | 73,450 |
| Administrative | 10,341 | 9,774 |
| Total | \$ 1,430,431 | \$ 1,336,610 |



2007 CAFR

2007 PAFR

Producing a Popular Report

➤ Actuarial Section

2007 PAFR

Funding

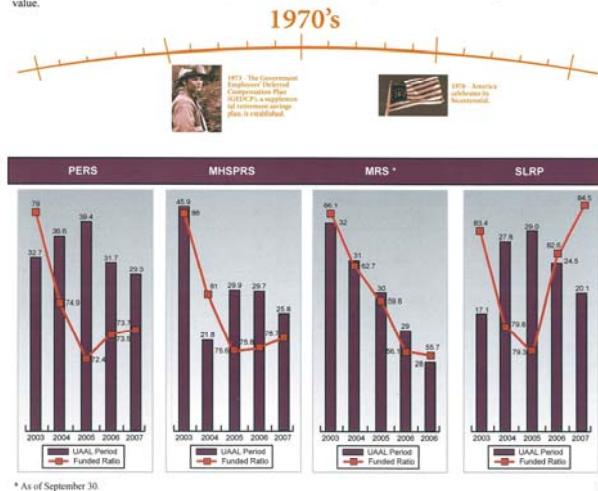
Actuarial valuations are performed on an annual basis for all retirement plans administered by the System. Valuations are based on information as of June 30, 2007, with the exception of MRS which is based on data as of September 30, 2006.

Funds are accumulated to meet future benefit payments to retirees and beneficiaries. This accumulated balance is referred to as the "net assets held in trust for pension benefits." The UAAL period graphs shown below, depict the anticipated unfunded actuarial accrued liability period for each plan within the System. In general terms, the unfunded actuarial accrued liability is the difference between benefit payments owed to retirees and beneficiaries, present and future, and the amount of net assets held by the System. The unfunded actuarial accrued liability period is the number of years it would take to completely pay the System's benefit obligation. The funded ratio represents the amount of the System's actuarial accrued liability that is covered by the actuarial value of assets, expressed as a percentage.

Accounting standards require a maximum amortization period for the total unfunded actuarial accrued liability of not more than 30 years beginning with fiscal year 2007. In 2005, our consulting actuary recommended a revision to the employer contribution rate from 10.75 percent to 12.50 percent, as a measure to achieve this funding objective. To mitigate the financial impact to the State of Mississippi, the Board of Trustees agreed to transition the employer contribution rate increase in .55 percent increments until the funding level was reached to maintain the liability payment period within 30 years. As a result, the employer contribution rate was increased to 11.30 percent effective July 1, 2006, and 11.85 percent effective July 1, 2007. Favorable investment performance, coupled with prior year increases in employer contribution rates, have enabled our consulting actuary to decrease the recommended employer contribution rate to 11.85 percent as of the June 30, 2007 actuarial valuation report. Employer contribution rates for MHSPRS and SLRP are 30.30 percent and 6.65 percent, respectively, with both rates effective on July 1, 2006. Employee contribution rates remain constant at 7.25 percent for PERS, 6.50 percent for MHSPRS and 3.00 percent for SLRP.

| | EMPLOYER CONTRIBUTION RATES | | | | |
|--------|-----------------------------|--------|--------|--------|--------|
| | 2004 | 2005 | 2006 | 2007 | 2008 |
| PERS | 9.75% | 9.75% | 10.75% | 11.30% | 11.85% |
| MHSPRS | 26.16% | 28.16% | 28.16% | 30.30% | 30.30% |
| SLRP | 6.33% | 6.33% | 6.33% | 6.65% | 6.65% |

Employee and employer contribution rates vary among the individual municipalities of MRS. During this fiscal year, a temporary actuarial method change was adopted. Actuarial assets were set equal to the market value of net assets, recognizing the actuarial losses and gains to date. MRS will once again use a 5-year smoothing calculation for investment gains and losses with an additional constraint that the actuarial value of assets cannot be less than 80 percent nor more than 120 percent of asset market value.



* As of September 30.

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Producing a Popular Report

➤ Investment Section

2007 PAFR

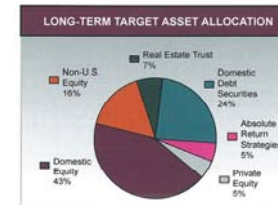
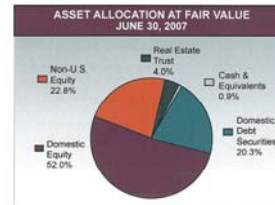
Investments

The System manages investments with prudent care, constant attention, specialized expertise and a concern for the financial security of its membership. By maintaining a broadly diversified portfolio designed to minimize risk and maximize return over the long term, the System's investment program works to ensure that adequate funding for all current and future pension obligations is available.

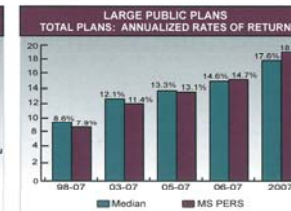
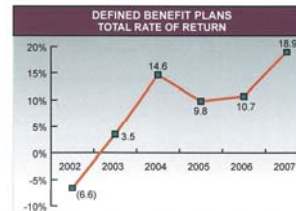
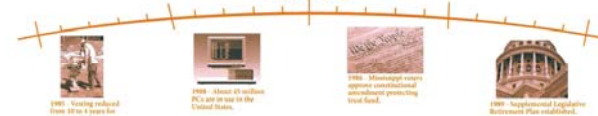
Total investments for fiscal year 2007 were \$21.8 billion, an increase of \$3.1 billion from fiscal year 2006. Income from investments totaled \$3.5 billion as of June 30, 2007, compared to \$1.8 billion at fiscal year end 2006. In the past ten years, the market value of the System's investments grew from \$13.3 billion in 1997 to \$27.9 billion in 2007, an increase of \$14.6 billion.

| FAIR VALUE LAST TEN FISCAL YEARS | | | |
|-------------------------------------|--------------|------|------------|
| (in thousands) | | | |
| 1998 | \$15,565,062 | 2003 | 16,688,465 |
| 1999 | 17,473,613 | 2004 | 18,192,281 |
| 2000 | 18,445,976 | 2005 | 19,928,584 |
| 2001 | 17,240,581 | 2006 | 23,852,219 |
| 2002 | 16,144,889 | 2007 | 27,876,800 |

One of the most critical decisions made by the System is that of the long-term asset allocation policy for the investment portfolio. In fiscal year 2006, target asset allocation was established as 43 percent domestic equities, 16 percent international equities, 24 percent core domestic debt securities, 7 percent real estate investments, 5 percent private equity and 5 percent absolute return strategies. The System's asset allocation decisions are generally based on specific liability requirements and guidelines established by Section 25-11-121 of the Mississippi Code of 1972. At year end, 27 investment advisors were managing 32 different portfolios for defined benefit pension plans. Portfolio performance is carefully monitored by the Board of Trustees with the assistance of an investment management consulting firm.



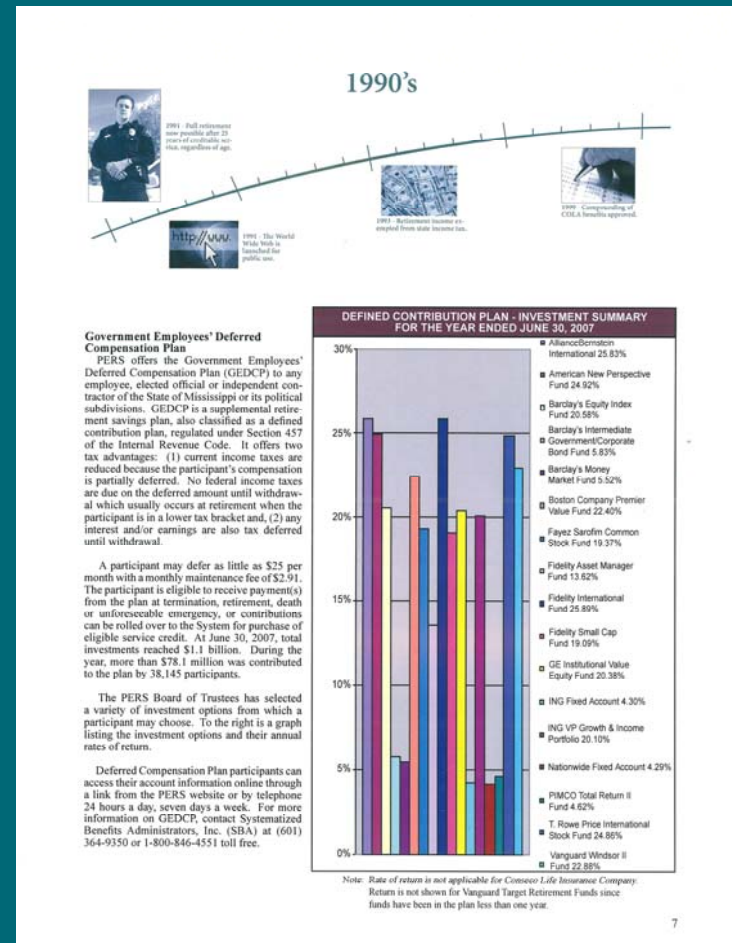
1980's



Producing a Popular Report

➤ Government Employees' Deferred Compensation (IRS 457)

2007 PAFR



Producing a Popular Report

➤ MS PERS Highlights

2007 PAFR

2000's

2000 - The world celebrates a new millennium, and the global population reaches 6.1 billion.
 2001 - PERS celebrates 50th anniversary.
 2004 - Remodeling and expansion of PERS building complete.
 2006 - PERS assets exceed \$10 billion.
 2007 - AFRS of assets \$1 billion in total investments.

Retirement Education Seminars
 Retirement education seminars are full-day seminars held throughout the state that assist members with planning for retirement. Presenters include representatives from estate planning, Social Security, the Government Employees' Deferred Compensation Plan and PERS. Schedules and registration are available on our website.

PERS After Hours
 Evening sessions provide members with information about PERS and the Government Employees' Deferred Compensation Plan. The sessions are scheduled after regular business hours and are available throughout the state. Upcoming sessions are posted on our website.

Focus Sessions
 Small group presentations offer assistance to members planning for retirement. Each member receives an estimate of benefits and detailed information on retirement options. Schedules and registration are available on our website.

Agency Training
 Seminars are held annually to provide information to agency personnel who are responsible for PERS benefits administration and reporting. Schedules, topics, and registration are posted on our website.

Retiree Seminars
 Seminars are held periodically to inform retirees of legislative updates and other important issues. Schedules are posted on our website.

Member Statements
 We provide active and inactive members with a statement which includes account balance, years of service, designated beneficiaries and estimates of benefits. These statements are mailed annually to provide members individual account information.

Newsletters
 Our member newsletter, *Looking Forward*, and our newsletter for retirees, *Forward*, are excellent resources for information about PERS and retirement living. Newsletters on tape are available upon request.

Member Handbooks
 Our Member Handbook includes information about PERS, its administered programs, retirement benefits, retirement options and important contact information. Handbooks are available by request or can be downloaded from our website.

Customer Service Center
 PERS' Customer Service Center analysts assist callers with questions and concerns in a prompt, courteous manner during normal business hours Monday through Friday, excluding holidays.

PERS Website
 Our website, available at www.pers.state.ms.us, provides an array of information and services to members, retirees and the public.

GFOA Award for Popular Annual Financial Reporting
 The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Public Employees' Retirement System of Mississippi for its Popular Annual Financial Report for the fiscal year ended June 30, 2006. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report with contents that conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The Public Employees' Retirement System of Mississippi has received a Popular Award for the last four consecutive fiscal years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

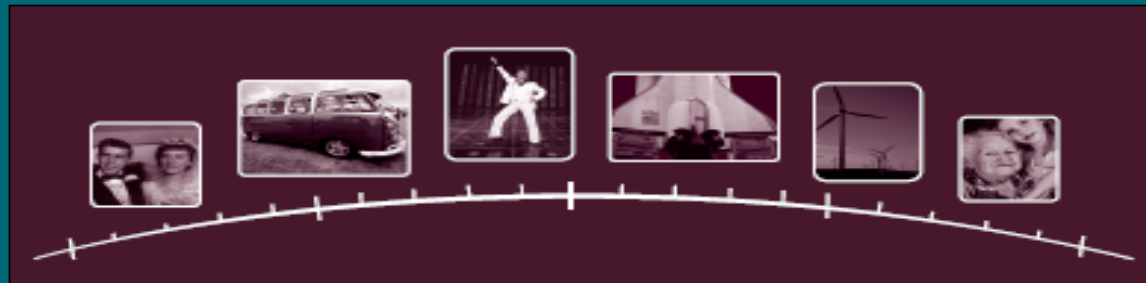
Public Employees' Retirement System of Mississippi

for the Fiscal Year Ended
June 30, 2006

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Keeping Our Standards High

- **Continue to produce PAFR as a companion report to CAFR**
- **Look for opportunities to contain costs of production**
- **Continue to use reviewer comments and suggestions as a measurement tool**
- **Awaiting 2007 PAFR reviewer comments**



Closing Remarks / Questions

Questions ?