

90 Years



1921-2011

## Comprehensive Annual Financial Report



Fiscal Year Ended  
June 30, 2011

This report is dedicated to the memory of former Board Member Michael Corn, who always put the members first.

# TABLE OF CONTENTS

## Introduction

Organizational Information	
- Board of Trustees	7
- Executive Staff	8
- Organizational Structure	9
Letter of Transmittal	10
President's Message	15
Summary of Benefits	16

## Financial

Independent Auditors' Report	23
Management's Discussion and Analysis	24
Basic Financial Statements	
- Statements of Plan Net Assets	29
- Statements of Changes in Plan Net Assets	30
- Notes to Financial Statements	31
Required Supplementary Information	45
Other Supplemental Schedules	47

## Investments

Report on Investment Activity	51
Diversification of Investments	56
Asset Allocation	57
Annual Performance History	57
Investment Performance Results	58
Manager Investment Performance Results	59
Domestic Equity Distribution	62
Domestic Equity Externally Managed Style Distribution	62
Domestic Equity Holdings by Industry Distribution	63
Ten Largest Domestic Equity Holdings	63
Domestic Fixed Income Sector Distribution	64
Ten Largest Domestic Fixed Income Holdings	64
Domestic Fixed Income Quality Distribution	65
Domestic Fixed Income Average Maturity	65
Short-Term Sector Distribution	65
International Equity Style Distribution	66
International Equity Exposure Distribution	66
Real Estate as a Percentage of NYSTRS Total Net Assets	67
Breakdown of Real Estate Equity Portfolio	67
Breakdown of Mortgage Portfolio	67
Geographic Distribution of the Real Estate Portfolio	68
Geographic Distribution of the Mortgage Portfolio	68
Corporate Governance	69
Securities Lending Program	69
Schedule of Investment Fees and Expenses	70
Investment Advisory Committee	71
External Investment Managers	71
Real Estate Advisory Committee	73
Real Estate Advisors	74
Investment Consultants	74

## Actuarial

Actuarial Certification Letter	77
Summary of Actuarial Methods and Assumptions	79
Actuarial Present Value of Future Benefits	80
Funding Progress	
- Analysis of Funding Progress	81
- Percent Funded	81
- Solvency Test	82
Analysis of Financial Experience	82
History of Member Payroll and the Employer Contribution Rate	83
Schedule of Retired Members and Beneficiaries Added to and Removed from the Benefit Payroll	83
Independent Actuarial Review	84

## Statistical

### 2011 Demographic & Economic Information

Number of Active and Retired Members	87
Distribution of Active Members by Age and Years of Service	88
Active Members and Annuitants 1922-2011	90
Number of Active Members by Tier	91
Retirement Statistics	92
Retirement Benefit Options and Percent of Election	94
Retired Members' Characteristics	94
Distribution of Benefits Paid by County	95
Distribution of Retired Members and Beneficiaries by Tier	96
Retired Members - Remaining Purchasing Power Through 2011	96
Retired Members and Beneficiaries with Monthly Benefits by Decade of Retirement	97
Distribution of the Annual Benefit of All Retired Members	97
Distribution of Monthly COLA Increase Commencing September 2011	98
Distribution of Cumulative Monthly COLA Commencing September 2011	98

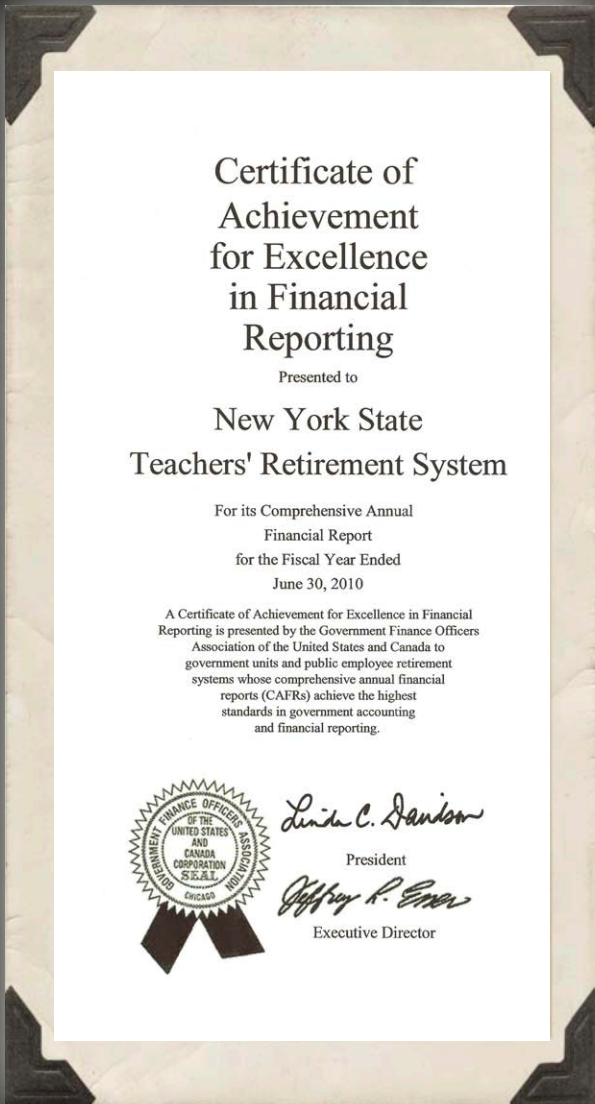
### 2011 Financial Trends Information

Changes in Plan Net Assets	100
Breakdown of Income Sources	101
Benefits and Return of Contributions by Type	102

### 2011 Operating Information

Average Benefit Payments	105
Retired Members by Type of Benefit	106
Principal Participating Employers	108
Participating Employers	110

**GFOA Award**



**PPCC Award**



## *A Look Back Through the Years* *Morra Foote — 60 Years of Service*

Our success as an organization is the direct result of our extraordinary employees, many of whom have 30 years or more of service to our members. The longevity of one employee, however, will likely be unmatched.

Morra Foote joined NYSTRS in 1951, opening mail and sorting correspondence by topic. Now in her 60th year with NYSTRS, she has been the voice of the System for more than 40 years, serving as switchboard operator and receptionist.

“Never in my wildest dreams did I think I’d work 60 years,” Morrea said. “It honestly doesn’t feel like it has been that long.”

Her commitment to customer service has set the tone for the entire organization. The hugs she receives from many regular visitors is a testament to their appreciation for her caring and compassion.

In addition to ensuring visitors are promptly and well cared for, Morrea is a wealth of information for wayward souls in need of directions.

“It really is all about helping people,” she said. “If they stop to ask where the doctor’s office is [within the Corporate Woods complex], I tell them. I take pride in knowing the answer and helping them however I can.”

When asked why she has worked so long, Morrea’s response is immediate: “The people. I enjoy seeing the same people every day, every year, and building relationships with them.”

Through the years, Morrea has pitched in wherever needed. She has filed, inputted data (by hand, using a key punch machine, typing or computer keyboarding, depending on the decade), and served as a courier, among her many tasks. She worked in the Estimates Unit in 1967 when they asked her to “fill in” at the switchboard for someone who retired.

Her advice to those searching for the key to success in the workplace is simple and succinct: “Keep smiling!”



### **Morra by the Numbers**

*Here is some context to the changes Morrea has seen in her 60 years at NYSTRS.*

	<b>Total</b>	<b>1951</b>	<b>2011</b>
Executive Directors	4		
Board Presidents	10		
Total Membership		69,000	427,000
Total Assets		\$213 million	\$89 billion