

Source

Sheila Salenger Re-elected to Retirement Board

Delegates Educated, Entertained at Annual Meeting

Delegates unanimously re-elected Sheila J. Salenger of Malta as a teacher member of the NYSTRS Retirement Board at the 2007 Annual Delegates Meeting, held Nov. 5-6 at the Saratoga Springs City Center. This marks the beginning of her seventh three-year term.

More than 700 delegates, alternates and visitors representing school districts and other NYSTRS participating employers across the state attended. While only registered delegates were eligible to vote in the election, seminars intended to keep members apprised of benefit and retirement-related resources offered by the Retirement System were available to all in attendance.

First elected to the Board in November 1989, Salenger chairs the Board's Legislation Committee. She also serves on its Executive, Disability Review, Finance, Proxy, and Rules and Regulations committees.

She is one of three teacher members on the Board, which sets policy and oversees System operations. Board President Joseph P. McLaughlin of Harrison and Michael R. Corn of Barneveld are the other teacher members.

The following seminars were offered during the two-day meeting: How You Can Make a Huge Difference in a Member's Life; When You Absolutely, Positively Need it Now — Use Our Web Site; Why Your *Benefit Profile* Holds the Key to a Successful Retirement; and, Social

continued on page 2



Delegates at the 2007 Annual Meeting review materials prior to convention kickoff. More than 700 delegates, alternates and visitors attended the November 2007 event in Saratoga Springs.

George Philip Retires as Executive Director; Thomas Lee Named to Fill Post



George Philip & Thomas Lee

After 37 years of dedicated service to NYSTRS — the last 12 as its executive director and chief investment officer (CIO) — George M. Philip recently retired as executive director. Deputy Executive Director Thomas K. Lee was promoted to the top position by the Board of Trustees.

"We respect George's decision to retire from NYSTRS and we wish him all the best in his future endeavors," Board President Joseph P. McLaughlin said. "During his tenure, George fostered a

culture of excellence, accountability, and teamwork, which is an incredible legacy. We know Tom supports this culture and are confident his leadership qualities will serve us well for years to come.

"Tom has been our deputy executive director for more than a year and in that time has gained extensive knowledge of our organi-

zation," McLaughlin added. "Coupled with his previous experience as executive director of the Maryland State Retirement and Pension System, as well as his knowledge of education, finance, investments, and benefits administration, Tom possesses the managerial and leadership qualities to keep NYSTRS moving forward."

Lee becomes only NYSTRS' fifth chief executive officer since the System was established in 1921.

"I thank the Board for this opportunity and their confidence in me, and I am honored to work with such outstanding people," Lee said. "Working closely with the Board, George Philip, and the staff of NYSTRS for the past year has been a tremendous experience, and I have learned firsthand why NYSTRS has earned its reputation as a first-class organization."

During Philip's tenure, the System grew to be one of the 10 largest public pension funds in the United States and one of the 25 largest in the world. NYSTRS, which is fully funded, has assets exceeding \$100 billion.

Philip, who recently was named interim president of the State University of New York at Albany, joined the Retirement System as a

continued on page 6



NYS Teachers' Retirement System
10 Corporate Woods Drive
Albany, New York 12211-2395

OFFICE HOURS

Monday-Friday: 8:30 a.m.-4:15 p.m.
Summer Hours: Mon.-Thurs.: 8 a.m.-4:15 p.m.
Friday: 8 a.m.-12:30 p.m.

TELEPHONE

(800) 348-7298

(Albany-Area Calls: 447-2900)

General Information	Ext. 6250
Retirement Estimates	Ext. 6020
Prior Service	Ext. 6030
Transfer-In	Ext. 6040
Transfer-Out	Ext. 6050
Military Service	Ext. 6060
Reinstated/Retroactive Membership	Ext. 6070
Member Service Credit	Ext. 6075
Automated Loan Information	Ext. 2881
Loans	Ext. 6080
Membership Withdrawals	Ext. 6090
Appointments in Albany	Ext. 6100
Video Consultations	Ext. 6100
In-Service Death Benefit Information	Ext. 6110
Income Tax Information	Ext. 6120
Beneficiary Information	Ext. 6130

(800) 356-3128

(Albany-Area Calls: 447-2900)

Preretirement Planning Seminars	Ext. 6180
Legislation	Ext. 6200
Earnings After Retirement	Ext. 6150
Direct Deposit	Ext. 6230

HOTLINE

(800) 782-0289

Form and Publication Requests
Latest News 24/7

WEB SITE

www.nystrs.org

RETIREMENT BOARD

Joseph P. McLaughlin, *President*
Iris Wolfson, *Vice President*

Michael R. Corn	Michael A. Glover
Daniel J. Hogarty Jr.	Rosemary F. Jones
David P. Keefe	R. Michael Kraus
Sheila J. Salenger	Nicholas Smirensky
Thomas K. Lee, <i>Executive Director</i>	

Benefit Profiles Mailed



With few exceptions, active Retirement System members with a date of membership prior to July 1, 2007 should have received their personalized *Benefit Profile* in January or

February. If you have not received your *Profile* by mid-March, please contact us at (800) 348-7298, Ext. 6250.

A common reason members do not receive their *Profile* is because they have not updated their mailing address with NYSTRS. If you moved in the past year and failed to notify the System, complete and mail a *Name/Address Change* form (GRE-

50), which you can print from the Forms page of our Web site at www.nystrs.org.

This year's *Profile*, as well as last year's, can be viewed within the Secure Area of our Web site. You must be a registered member to use the Secure Area. You can establish an account by selecting the Secure Area near the top left of our Home page and following the instructions.

The *Profile* is an annual statement of salary, service credit and benefit information specific to you. It is an essential retirement-planning tool that should be reviewed annually for accuracy. If you notice an error, ask your **employer** to correct the records and to submit the revision to NYSTRS.

Remember: *Profiles* were generated only for members active as of June 30, 2007. ■

Did You Know...

For the 10-year period 1997-2006, an average of 7,218 NYSTRS members retired annually? The three highest years were 2003 (10,173), 2001 (7,946) and 2002 (7,344). There were 6,900 retirement applications submitted to NYSTRS in 2007.

NYSTRS pays about \$5 billion annually in retirement benefits. ■



Salenger Re-Elected (from page 1)

Security Information. The PowerPoint presentations from these seminars are available for viewing and printing from the Delegates page of the NYSTRS Web site at www.nystrs.org.

Delegates were entertained during the *Benefit Profile* seminar. A scripted performance by System information representatives emphasized the importance of reviewing and understanding the information contained in this personalized document. *Profiles* are mailed to all active members the first quarter of each calendar year, providing members with vital salary, service credit and benefit information needed for retirement planning.

A question-and-answer session with the System's Board and staff was also held, giving delegates the opportunity to hear firsthand from those who administer the pension fund. Delegates also had the opportunity to discuss general membership and benefit information with System staff in the Information Center.

The dates for the 2008 meeting are Nov. 9-10. The meeting will again be held at the Saratoga Springs City Center. ■



Sheila Salenger of Malta was re-elected to a Retirement Board seat during the 2007 Annual Meeting of Delegates.

Preparing Properly for Retirement



The school year is winding to a close and, for many, teaching careers may be as well. If you are among those contemplating or counting down to retirement at the end of the year, following are items to consider during the final marking period.

APRIL

Visit our Web site at www.nystrs.org and view the *Retirement Countdown* video, found at the bottom right of the Home page. It outlines the steps to take during your last year of work to prepare for retirement and emphasizes key points to remember during the process. The NYSTRS brochure *Countdown to Retirement* is a complement to the video. Print a copy from the Publications page or obtain a copy by calling (800) 782-0289.

The filing period for a July 1 retirement begins April 2. You can file your service retirement application (RET-54) up to 90 days prior to your effective date of retirement, or as late as the date of retirement, which must be at least one day after your last day on payroll. Waiting until your retirement date nears allows you time to track pending legislation that could affect your final benefit. Conversely, knowing the paperwork is done and submitted for processing may be your preference.

Whenever you decide to file, submit your application by registered or certified mail. This will provide proof of mailing and establish the postmark date as the official date of receipt by NYSTRS. If your application is submitted any other way, it will be considered received the day it arrives at NYSTRS' headquarters in Albany.

MAY

Track any pending legislation by visiting the Legislation page of our Web site or calling our Hotline at (800) 782-0289. If important legislation is pending and you are concerned about benefiting from it, you may want to consider withdrawing your application and re-filing at a later date. You can withdraw your application up to 14 days after your date of retirement.

This is an important consideration because, by law, any legislation affecting benefits provided by NYSTRS will take effect no later than June 30 of the year in which the legislation is enacted — unless the law specifically states otherwise. Since benefit legislation typically affects only active members, if you retire:

📅 **July 1 or later** and a law improving System benefits is passed anytime before Dec. 31, you would be eligible for the improvement. Although the law may be enacted as late as Dec. 31, it will be considered “in effect” as of June 30 — or the last day of your active member status.

📅 **On or before June 30**, you would not be considered an active member as of June 30. As a result, you would not qualify for the benefit improvement.

Members nearing retirement are urged to obtain retirement estimates and review other pertinent matters in a benefits consultation with a NYSTRS information representative. You can schedule a personal or video consultation with a System representative through the Secure Area of our Web site or by calling (800) 348-7298, Ext. 6100. There are 17 video consultation sites statewide and in-person appointments are available at a dozen locations across the state. Visit the Consultations page of our Web site for more information.

If traveling is an issue, call the System at (800) 348-7298, Ext. 6250 to speak with a representative. Our regular office hours are 8:30 a.m. to 4:15 p.m. Monday through Friday. During the summer, our office hours are 8 a.m. to 4:15 p.m. Monday through Thursday, and 8 a.m. to 12:30 p.m. Friday.

When contemplating a retirement application withdrawal, determine your employer's policy for retracting your resignation or changing the date of retirement. For example, some employers may consider a letter of resignation or retirement irrevocable. Consult with your employer's Human Resources or Business office, or with a representative of your union, to determine local policy.

continued on page 6

Added Considerations

Following are additional retirement considerations:

Usable Earnings. Your tier of membership — and, in the case of Tier 1, your date of membership — is a key factor in determining what earnings you can include in a pension calculation. For an overview, review the Benefits chapter of the NYSTRS publication *Active Members' Handbook*. Also visit the Employer page of our Web site and select Administrative Bulletins. Read all bulletins that reference salary, compensation, benefit calculations and related topics.

Health Insurance. Health insurance is *not* provided or administered by the Retirement System. The System acts only as an authorized deduction agent for the New York State Health Insurance Program. Any questions regarding your coverage in retirement should be directed to your employer.

Outstanding Loans. A NYSTRS-issued loan may only be repaid within 30 days of your retirement date. After that, any outstanding balance will reduce your pension, resulting in a lower monthly benefit for life. In addition, most unpaid loans will result in taxable income. Contact the Retirement System prior to retirement if further clarification is needed.

Payment Timeline. As outlined in the publication *Path to Retirement*, you will receive your first benefit payment within weeks of your retirement date. For most members, this monthly payment amount will be within percentage points of your final payment amount* and will remain unchanged pending verification of the salary and service you earned throughout your career — particularly your final average salary years.

Once your retirement is finalized — a process that typically takes 12 months — you will receive a retroactive payment of money owed over-and-above the payments you already received. As a result, the payment you receive immediately following the finalization of your retirement will be your new monthly payment *plus* a lump-sum adjustment representing the difference between the interim monthly payment amount and the recalculated monthly payment amount, multiplied by the number of months you received the interim amount.

** Examples of those whose final benefit could be substantially larger than these initial payments include Tier 1 members eligible for a 5-year FAS; Tier 1 members retiring with 35 years of service before age 55; and, Tier 2, 3 or 4 members who will reach a key service milestone — such as 30 years of credit — in their final year.*

Highlights from Comprehensive Annual Financial Report — Fiscal Year Ended June 30, 2007

PRESIDENT'S MESSAGE



This is my second message as president of the NYSTRS Board and I am already running out of adjectives to describe the extraordinary job my fellow Board members, the System's management team and their capable staffs do on behalf of New York's educators. How do you describe a group that has — for the first time — grown System net assets to more than \$100 billion? Or one which, in a somewhat volatile marketplace, posted double-digit investment returns for the fourth consecutive year?

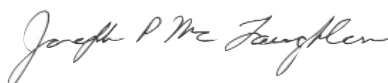
These are just two of the feats this incredible group of people accomplished in this fiscal year. Benefiting from these achievements are the over 400,000 active and retired NYSTRS members who can rest assured the resources exist to pay their pensions (and, when applicable, those of their beneficiaries) for as long as they live.

During the fiscal year ended June 30, 2007, the System's assets grew by more than \$13 billion and our investment portfolio returned an extraordinary 19.3%. By way of comparison, the world's 300 largest pension funds grew an average of 11.5%, according to a recent Watson Wyatt Worldwide survey.

Just as importantly, we are fully funded at a time when many funds would be pleased to have a funding level of 90%. This also is a testament to the exemplary work of all those associated with the System. Thanks to long-term planning and investing, a highly diversified portfolio and a commitment to the philosophy of advanced funding, NYSTRS remains one of the most secure retirement funds in the nation.

However, it is not all about the numbers here. Staff also takes great pride in providing exceptional customer service. I interact with our members often and I have lost count of the number of compliments I have heard about NYSTRS staff. Knowledgeable, helpful, pleasant, and efficient are among the most common adjectives I have heard — and I could not agree more. On behalf of the Retirement Board, I applaud System staff for their consistent first-class efforts.

I cannot predict the future and I cannot guarantee continued double-digit performance figures, but I can assure our members the financial and ethical foundations built here are solid. With such a strong base, I fully expect NYSTRS will continue to grow and prosper. I am proud to be associated with these individuals and I thank them for all they do for this state's public educators.



Joseph P. McLaughlin
President

ANNUAL INVESTMENT PERFORMANCE HISTORY



ASSET ALLOCATION — JUNE 30, 2007

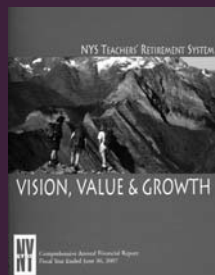
The most significant contributor to a fund's long-term investment performance is the allocation decision among the various asset classes, including equities, fixed income and real estate. The allocation process helps control risk and sets the guidelines to diversify the System's portfolio. The asset allocation policy adopted by the Board allows ranges around an optimal target allocation. The Retirement Board, with the assistance of an external consultant, reviews the asset allocation policy on an annual basis to analyze recent and historical investment experience. Since this is a long-term plan, adjustments to the allocation are usually made on an annual basis when necessary. The current targets, ranges and actual allocations are detailed below:

	<u>Target</u>	<u>Range</u>	<u>Actual</u>
Domestic Equity	51%	41-61%	54.5%
International Equity	10%	6-14%	13.2%
Real Estate	8%	5-11%	9.0%
Private Equity	5%	2- 8%	4.2%
<i>Total Equities</i>	<u>74%</u>		<u>80.9%</u>
Domestic Fixed Income	18%	11-25%	12.0%
Mortgages	8%	5-11%	4.8%
Cash Equivalents	0%	0- 5%	2.3%
<i>Total Fixed Income</i>	<u>26%</u>		<u>19.1%</u>

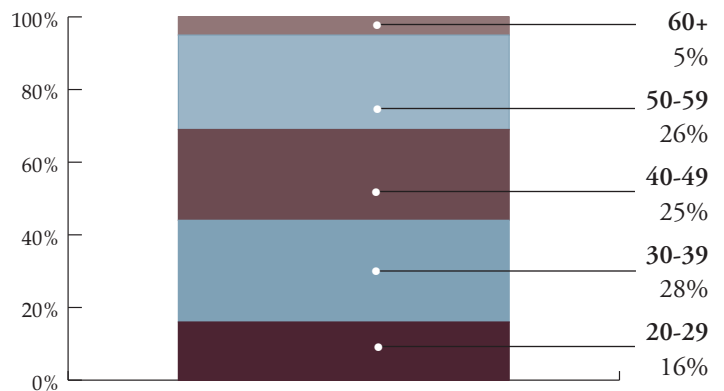
RETIREMENT SYSTEM HIGHLIGHTS

- ◆ Investments continued to show significant appreciation: \$14.7 billion in 2007, up from \$7.9 billion in fiscal 2006.
- ◆ The System's net assets, which represent funds available to pay current and future benefits, were \$104.9 billion as of the end of the current fiscal year.
- ◆ Net assets increased from the prior year by \$13.4 billion, or 14.7%.
- ◆ Contributions from employers increased from \$997.0 million in fiscal year 2006 to \$1,104.0 million in fiscal year 2007, consistent with the increase in the employer contribution rate.
- ◆ Benefits paid to retirees and members grew, rising from \$4.4 billion in fiscal year 2006 to \$4.7 in fiscal year 2007.
- ◆ The System's funded ratio, a comparison of the actuarial value of assets to the accrued pension benefit liability, changed from 98.8% as of the June 30, 2005 actuarial valuation to 102.6% as of the June 30, 2006 valuation.

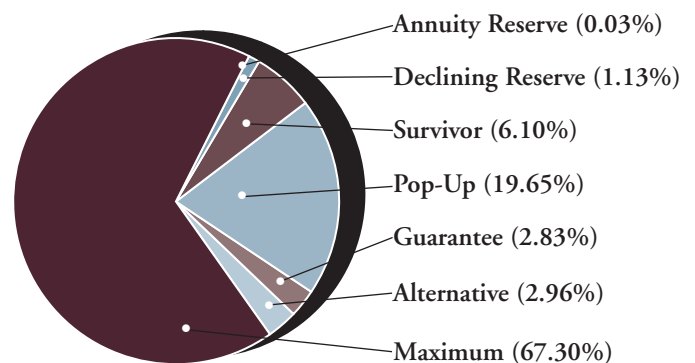
The System's Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2007, can be found in its entirety on the Publications page of our Web site at www.nystrs.org. You may request a hard copy by calling (800) 782-0289. ■



DISTRIBUTION OF ACTIVE MEMBERS BY AGE — June 30, 2006

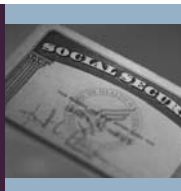


RETIREMENT BENEFIT OPTIONS AND PERCENT OF ELECTION — 2003-2007 Retirees



Take Care When Sharing Your Social Security Number

Know Your EmplID When Contacting NYSTRS



Consumer fraud disguises itself in many different — and often clever — ways, but the results can be devastating.

Identity theft is the most-common and fastest-growing consumer fraud complaint, affecting approximately 10 million Americans and costing over \$50 billion annually. New York has the eighth-highest per-capita incidence of identity theft in the country, according to the New York State Consumer Protection Board. The state organization offers many tips for avoiding scams and preventing identity theft.

A common theme appearing in its publications and fact sheets is to protect your banking and Social Security information at all costs. Provide your Social Security number only when absolutely necessary, the Consumer Protection Board advises, and don't write it on checks or include it in e-mails — even those to NYSTRS. Even giving only your last four digits is considered unsafe. Instead, use another type of identifying number.

As a member of this Retirement System, you have a unique, NYSTRS-specific identification number known as your Employee Identification Number, abbreviated as “EmplID.” This seven-digit number can be found on your *Benefit Profile* (mailed in the first quarter of each calendar year) and in most correspondence you receive from the Retirement System.

NYSTRS urges you to know your EmplID when requesting information about, or changes to, your System account. You should commit this number to memory or keep it in a safe but easily accessible location so you can retrieve it when calling NYSTRS. Doing so will limit the release of your Social Security number while adding another layer of security to your retirement benefit information.

If you find yourself the victim of identity theft, report it immediately to the authorities, the Social Security Administration, banks, creditors and credit bureaus. The following are some additional resources to use if you believe you have been scammed or your identity has been stolen:

- ❖ FTC ID Theft Clearinghouse – 877-IDTHEFT (877-438-4338)
- ❖ Social Security Administration Fraud Hotline – (800) 269-0271

Fraud and financial exploitation are very real threats. Do your part to ensure you do not become a victim. ■

George Philip Retires... (from page 1)

benefit information representative in 1971. He received numerous promotions at the management/executive staff level, gaining extensive knowledge and experience in investments, pension fund administration, actuarial concepts, member services and benefits.

From 1986 to 1995, he held several executive staff positions, including director of budget and investor relations; chief real estate investment officer; and, assistant executive director/chief investment officer. Raised in Kingston, N.Y. with teaching experience at the former Linton High School in Schenectady, N.Y., Philip was named executive director in February 1995, while retaining the title of chief investment officer.

Lee's public service includes over 13 years with the state of Maryland in various capacities. Lee previously served as executive director of the State Retirement and Pension System, deputy budget secretary for the Department of Budget and Management, assistant state superintendent of education for the State Department of Education, and legislative committee staff and budget analyst for the General Assembly's Department of Fiscal Services.

Lee received his Master of Business Administration from The George Washington University, his master's degree in political science from Temple University, and his bachelor's degree in political science and sociology from Dickinson College. He also received a Harvard University Certificate for the completion of the Senior Executives in State and Local Government Program at the John F. Kennedy School of Government. ■

Preparing Properly for Retirement (from page 3)

JUNE

If you are planning a July 1 date of retirement and your goal is to receive your first benefit payment that same month, file your retirement application with NYSTRS by June 14. You can obtain a service retirement application (RET-54) from the Forms page at www.nystrs.org, by calling our Hotline at (800) 782-0289, or by requesting one from your employer.

On the application, indicate your choice of the Maximum benefit or an option. An option provides coverage for a beneficiary and essentially is a form of life insurance. Refer to the NYSTRS publication *Maximum or an Option: Choosing a Benefit Payment Right for You* to learn about the various benefit payment choices. If you are still unsure or have questions, schedule a consultation with a System information representative.

A *Direct Deposit Authorization Agreement* (GRE-54) is included with the retirement application. This form must be completed and submitted in order for payment to begin and to ensure it is deposited in the proper account. A *W-4P Withholding Election and Certificate* (FIN-149), on which you must indicate whether or not you want federal income tax withheld from your payments, is also included with the application.

Remember to sign your application **in the presence of a notary** before submitting it to NYSTRS.

Once NYSTRS receives your retirement application, we will send you an acknowledgement letter and the brochure *The Path to Retirement: Understanding the Retirement Process*. This guide for new retirees explains the many steps needed to finalize a benefit. It's also available on our Web site or by calling (800) 782-0289.

JULY AND BEYOND

Don't kid yourself; as much as you have looked forward to retirement, there are emotional and lifestyle adjustments you will need to make. To help, we provide the publication *Discovering Retirement*. A copy is mailed to all new retirees early in retirement, but if you would like a copy sooner call (800) 782-0289. An online version is also available on the Publications page of our Web site.

Enjoy retirement! ■

Board Meeting Highlights (from page 8)

◆ **Accepted** the report of KPMG LLC expressing an unqualified opinion of the System's financial statements as of June 30, 2007, and for the 2006-2007 plan year ended on that date.

◆ **Authorized** the establishment of a NYSTRS Retired Employee Health Benefits Trust, in accordance with Governmental Accounting Standards Board (GASB) Statements 43 and 45 requirements.

◆ **Approved** the System's 2008 legislative program.

January 31, 2008

◆ **Re-elected** Joseph P. McLaughlin president and Iris Wolfson vice president of the Board.

◆ **Considered** a real estate investment in Carbon Capital Fund III Inc., and authorized the System to invest up to \$75 million, or an amount not to exceed 20% of the fund's capital commitments in that fund, subject to the satisfactory completion of due diligence.

◆ **Considered** a real estate investment in Lehman Brothers Real Estate Mezzanine Partners II L.P., and authorized the System to invest up to \$100 million, or an amount not to exceed 20% of the fund's capital commitments, in that fund, subject to the satisfactory completion of due diligence.

◆ **Considered** a private equity investment in CVC European Equity Partners V L.P., and authorized the System to invest up to €100 million in that fund, subject to the satisfactory completion of due diligence.

◆ **Considered** a private equity investment in CS/NYSTRS Cleantech Fund L.P., and authorized the System to invest up to \$100 million in that fund, subject to the satisfactory completion of due diligence.

◆ **Authorized** an expansion of services performed for NYSTRS by Callan Associates Inc. to include monitoring the performance of the System's external real estate securities managers.

◆ **Authorized** an agreement with StepStone Group LLC to serve as the System's private equity consultant, for one year, effective February 1, 2008.

◆ **Ratified** the following actions taken by the Retirement Board's Finance Committee since the previous Board meeting:

- An investment of \$31.7 million (a 32.5% share) in a revised development at Towson Town Center in Baltimore as part of a joint venture with General Growth Properties and JP Morgan's Strategic Property Fund, subject to the satisfactory completion of due diligence.
- A \$160 million first mortgage for The Galleria at Sunset Mall in Henderson, NV, subject to the satisfactory completion of due diligence.
- A plan to market the CarrAmerica Suburban Office portfolio for prospective sale, subject to the satisfactory completion of due diligence.

◆ **Ratified** the following actions taken by the Executive Director since the previous Board meeting:

- An investment of up to €50 million, or an amount not to exceed 20% of the fund's capital commitments, in Perella Weinberg Real Estate Fund I L.P., subject to the satisfactory completion of due diligence.
- An investment of \$50 million, or an amount not to exceed 20% of the fund's capital commitments, in Cerberus Institutional Real Estate Partners

L.P.—Series Two, subject to the satisfactory completion of due diligence.

- An increase in equity capital and mezzanine financing of up to a combined total of \$55.4 million for the development of a condominium resort at Honua Kai, Maui, HI, in partnership with Intrawest, subject to the satisfactory completion of due diligence.

- An investment of up to \$50 million, or an amount not to exceed 20% of the fund's capital commitments, in PLA Residential Fund III L.P., subject to the satisfactory completion of due diligence.

◆ **Renewed** the agreement with Black Rock Financial Management Inc. to manage a portion of the System's assets in Commercial Mortgage Backed Securities (CMBS), for one year, effective April 3, 2008.

◆ **Renewed** the agreement with ING Clarion Capital to manage a portion of the System's assets in Commercial Mortgage Backed Securities (CMBS), for one year, effective March 30, 2008.

◆ **Renewed** the agreement with Iridian Asset Management LLC to manage a portion of the System's portfolio as an active domestic large capitalization manager, for one year, effective April 1, 2008.

◆ **Renewed** the agreement with JP Morgan Fleming Asset Management to manage a portion of the System's portfolio as a core international equity manager, for one year, effective March 14, 2008.

◆ **Renewed** the agreement with Pyramis (Fidelity) Management Trust Company to manage a portion of the System's portfolio as a core international equity manager, for one year, effective February 28, 2008.

◆ **Renewed** the agreement with Wellington Management Company LLP to manage a portion of the System's portfolio as a benchmark agnostic international equity manager, for one year, effective March 1, 2008.

◆ **Renewed** the agreement with Capital Guardian Trust Co. to manage a portion of the System's portfolio as an active international equity manager, for one year, effective May 1, 2008.

◆ **Authorized** the Executive Director to renew the System's membership in the National Coalition on Health Care for the year ending Dec. 31, 2008.

◆ **Authorized** the Executive Director to renew the System's membership in the Council of Institutional Investors for the year ending Dec. 31, 2008.

◆ **Authorized** the Executive Director to establish an off-site location to maintain business continuity in the event of an emergency preventing the System from performing duties from its offices.

◆ **Accepted** changes to the Investment Policy Manual, reflecting updates approved by the Retirement Board through the July 2007 Board Meeting.

◆ **Ratified** the action of the Retirement Board by mail vote approving modifications to System Program Bill 08-05, which seeks to amend Retirement and Social Security Law §177(5) by increasing from 5% to 10% the percentage of assets a public retirement system may invest in real estate under that provision.

◆ **Approved** the recommendation of the System's Actuary to modify the System's asset valuation method when determining the annual employer contribution rate, beginning with the actuarial valuation as of June 30, 2007.

◆ **Honored** Beth Herbst as NYSTRS' 2007 Employee of the Year. ■

Plan to Work This Summer?

If you plan to work this summer for a New York State public employer that is **not** a participating NYSTRS employer, you should

join the retirement system associated with that employer. You can have memberships in more than one New York State public retirement system and, if membership is ever transferred from one system to the other, salaries reportable to both systems may be usable in the calculation of your final average salary at retirement. Service also is

eligible for transfer, but you cannot earn more than one year of credit in each July 1 – June 30 school year. ■



Board Meeting Highlights — November 2, 2007 & January 31, 2008

November 2, 2007

◆ **Approved** a resolution acknowledging retiring NYSTRS Executive Director George M. Philip for his 37 years of service to the Retirement System.

◆ **Ratified** the action taken by the Retirement Board via mail vote to appoint Cohen & Steers to manage a portion of the System's portfolio by investing in preferred securities issued by real estate investment trusts (REITs) and real estate operating companies (REOCs), and to allocate up to \$100 million to this manager for this purpose.

◆ **Ratified** the following actions taken by the Retirement Board's Finance Committee since the previous Board meeting:

- An investment of \$175 million (a 50% share) in a first mortgage of Financial Square, 32 Old Slip, New York, N.Y.
- A commitment of up to \$100 million to Technology Crossover Ventures VII L.P., subject to the satisfactory completion of due diligence.
- A withdrawal of up to \$150 million from the UBS Real Estate Separate Account (RESA), subject to the completion of due diligence.
- A withdrawal of up to \$75 million from the Prudential Property Investment Separate Account (PRISA I), subject to the completion of due diligence.
- A \$35 million increase in the System's mortgage loan for 225-233 Park Avenue South, New York, N.Y.

◆ **Ratified** the following actions taken by the Executive Director since the previous meeting:

- An investment of \$75 million, or an amount not to exceed 20% of the fund's capital commitments, in Walton Street Capital Real Estate Fund VI L.P., subject to the satisfactory completion of due diligence.
- An investment of \$75 million, or an amount not



to exceed 20% of the fund's capital commitments, in DLJ Real Estate Capital Partners IV L.P., subject to the satisfactory completion of due diligence.

- An investment of \$75 million, or an amount not to exceed 20% of the fund's capital commitments, in Guggenheim Structured Real Estate III L.P., subject to the satisfactory completion of due diligence.
 - An investment of \$50 million, or an amount not to exceed 20% of the fund's capital commitments, in CB Richard Ellis Strategic Partners U.S. Opportunity 5 L.P., subject to the satisfactory completion of due diligence.
 - An investment of \$50 million, or an amount not to exceed 20% of the fund's capital commitments, in CB Richard Ellis Strategic Partners U.S. Value 5 L.P., subject to the satisfactory completion of due diligence.
 - An investment of \$50 million, or an amount not to exceed 20% of the fund's capital commitments, in LaSalle Asia Opportunity Fund III, subject to the satisfactory completion of due diligence.
- ◆ **Renewed** the agreement with Citigroup Alternative Investments LLC to manage a portion of the System's portfolio as an international (non-U.S.) real estate investment manager, for one year,

effective Dec. 1, 2007.

◆ **Renewed** the agreement with EII Realty Securities Inc. to manage a portion of the System's portfolio as an international (non-U.S.) real estate investment manager, for one year, effective Dec. 7, 2007.

◆ **Renewed** the agreement with LaSalle Investment Management (Securities) L.P. to manage a portion of the System's portfolio as an international (non-U.S.) real estate investment manager, for one year, effective Dec. 1, 2007.

◆ **Renewed** the agreement with RREEF America L.L.C. to manage a portion of the System's portfolio as an international (non-U.S.) real estate investment manager, for one year, effective Dec. 1, 2007.

◆ **Renewed** the agreement with State Street Global Advisors to manage a portion of the System's portfolio as a passive international equity manager, for one year, effective Feb. 18, 2008.

◆ **Renewed** the agreement with Callan Associates Inc. to act as a general investment, real estate and private equity consultant, for one year, effective Feb. 1, 2008.

◆ **Reappointed** David L. Brigham to a three-year term on the Investment Advisory Committee, effective Jan. 1, 2008.

◆ **Reappointed** Carol A. Zipkin to a three-year term on the Investment Advisory Committee, effective Jan. 1, 2008.

◆ **Reappointed** Herman E. Bulls to a three-year term on the Real Estate Advisory Committee, effective Jan. 1, 2008.

◆ **Reappointed** Glen E. Coverdale to a three-year term on the Real Estate Advisory Committee, effective Jan. 1, 2008.

◆ **Appointed** James W. O'Keefe to the Real Estate Advisory Committee for the remainder of Brian Reed's unexpired term ending Dec. 31, 2009.

continued on page 7

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
10 CORPORATE WOODS DRIVE
ALBANY, NY 12211-2395

U.S. POSTAGE
PAID
PERMIT NO. 702
ALBANY, N.Y.

What's Inside

Salenger Re-elected
to Retirement Board

Benefit Profiles Mailed

Preparing Property
for Retirement

2007 Annual Report
Highlights

Take Care With Your
Social Security Number

1

2

3

4

6



Source

Winter 2008

Your