New York State and Local Retirement Systems

2001 Annual Report

H. Carl McCall
State Comptroller

Contents

This report is accompanied by a Supplement which contains the Systems' Financial Statements, detailed statistical and actuarial data, investment listings and related information. It is available from the Systems on request.

The Annual Report and Supplement are also available on the Internet at www.osc.state.ny.us.

To reduce the costs of printing, if you wish your name to be deleted from our mailing list or if your present address has changed, call the Retirement Systems at (518) 474-1386, write to the New York State and Local Retirement Systems, Retirement Communications Office, Gov. Smith State Office Building, Albany, New York 12244 or e-mail us at comnews@nyslrs.osc.state.ny.us.

Introduction

Comptroller's Message
Comptroller and the Retirement System Advisory Committee

A Message from State Comptroller H. Carl McCall

As sole trustee of the New York State Common Retirement Fund for the last eight years, I have been fortunate to preside over the Retirement Systems during a time of unprecedented growth and of national prosperity. This year's report, however, is issued at a time of great challenge for all of our country.

I am proud that, even as we mourn those who died on September 11, 2001, America's government and America's economy continue to function. The way we are handling the aftermath of the World Trade Center tragedy demonstrates the incredible strength and determination of Americans and New Yorkers.

As the administrative head of the New York State and Local Retirement Systems, my first responsibility is to protect the pension funds of nearly one million members and retirees.

I have developed a strategic investment approach that balances our members' need for retirement security with the demand for growth in our Fund in both good times and difficult times. As a long-term investor, I remain firmly committed to continuing our investments in the market. Investing in the market is the right thing to do both as a New Yorker and as an American. By balancing the risks of the market with the security of other investments such as bonds and real estate, we guarantee that our retirees can count on their pension being there when they need it.

Our members can rest assured that their pensions are protected. The attempt to strike down American business at its symbolic center has failed. New York will rebuild and come back better than ever, and American business and our economy will continue to grow and to prosper.

Sincerely,

Carl McCall

H. Carl McCall
State Comptroller

The State Comptroller and the Retirement Systems

The State Comptroller is administrative head and sole trustee of the Retirement Systems. As fiduciary, the Comptroller has the duty to act in the best interests of the members and the pensioners of the Systems. In meeting these responsibilities, the Comptroller is supported by two deputy comptrollers and their professional staffs. As a statewide elected official, the Comptroller is directly accountable to the public for his stewardship of the Systems.

Under the Comptroller's guidance, the Systems function within a comprehensive legal framework based on the State Constitution and federal and state statutes designed to protect the interests of the members and the public. There are also formal policies and procedures that guide both the investment and administrative processes. In addition, a series of official New York State Rules and Regulations, promulgated by the Comptroller, govern many of the Systems' actions and procedures.

Every aspect of the Retirement Systems is subject to audit. The internal auditor of the Office of the State Comptroller examines Systems' policies and practices and reports to the Comptroller as to their adequacy and any possible improvements. The Systems also retain independent outside auditors who review from an asset/liability perspective and issue a statement as to the Systems' financial status.

Similarly, the State's independent auditor reviews the Systems' Financial Statements as part of the annual audit of State finances and every five years the State Insurance Department conducts an on-site examination of the actuarial valuations, accounting procedures and reports for the preceding five years.

The Comptroller meets regularly with hundreds of well-informed and deeply involved individuals including business leaders, government officials, leaders and members of employee and retiree organizations. The Comptroller also receives and acts upon advice on the management of the Systems and the Common Retirement Fund from numerous committees of experts and lay advisors, whose members are listed on pages 3–4.

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Teachers Insurance and Annuity Association
- College Retirement Equities Fund

Stan Talbi
Chief Actuary
Metropolitan Life Insurance Company

Organization

Division of Retirement

The Division of Retirement

Recent years have seen a growth in the number of members and retirees of the Systems. In addition, there have been far reaching legislative changes that have affected the Systems' entire population and our participating employers. It is quite a challenge, but our mission encompasses a commitment to providing the best service possible and we hold to that mission. We have undertaken a number of efforts to help meet the resulting demands for accurate and timely information and processing, in particular through increased use of electronic media.

The Internet makes it possible for us to disseminate information with unprecedented speed and ease to all our employers and many members and retirees. The site, found at www.osc.state.ny.us, allows members, retirees, employers and other interested parties to view and download a variety of summary plan booklets, Retirement Systems forms, our Annual Report and Supplement, legislative data and employer information.

Major Initiatives

Call Center

Now housed in a new location in downtown Albany, the Call Center is handling over 225,000 phone calls per year. Increased staffing and extensive training for Call Center agents has also improved the volume and speed of completed phone calls. Different points of contact have been consolidated in one main phone number and members and retirees are no longer given multiple numbers to call depending on their inquiry. They can now call the main phone number and select from a menu of services/programs or speak to an agent.

E-mail has been incorporated into the Call Center's function to provide our members with a second point of contact with the Retirement Systems. Additional staff, with in-depth knowledge of benefit structures, has been trained to respond to members' written inquiries.

Consultation Sites

To provide better services to members and retirees, several of our consultation sites have moved to more attractive and accommodating offices.

Our main consultation site in Albany will be moving further downtown in December. The new location will allow us to offer park-

Photo: © Corbis Corporation/Ronnie Kaufman, 2001 ing for our members and retirees. The Goshen site, formerly housed in cramped quarters, moved to Middletown and now offers ample parking, privacy and handicapped accessibility. Our White Plains office moved one block to the Clarence D. Rappelyea Building where the more spacious office affords more privacy. The Poughkeepsie consultation date changed to the second Friday of every month.

Annual Statements

Both the Retiree's Annual Statement and the Annual Member's Statement were totally redesigned to enhance readability and to speed up processing and mailing. We've received positive feedback from members and retirees alike. The statements incorporated many elements of their audience's newsletter and included a change of address coupon to be completed and returned to the Retirement Systems. They also helped advertise the Retirement Systems' web site address to encourage the audience to keep themselves informed.

Retirement Internet Reporting

Since the Retirement Systems pay benefits based on service and salary data, gathering this information is an essential part of our operation. Providing us with biweekly, monthly, quarterly, semiannual or annual data is the demanding responsibility of our participating employers. In the past year, we successfully initiated a project enabling employers to transmit service and salary data via the Internet. A number of employers have already begun Internet reporting. We've also established a procedure for employers to use a system of electronic fund transfers to improve the efficiency of operations for local employers and for the Retirement Systems.

Major Benefit Improvements

The benefits below were enacted in the 2000 Legislative Session and have impacted our members favorably.

COLA

The Retirement Systems now offer a permanent cost-of-living adjustment to retirees. COLA legislation provided for two types of adjustments. First, a "catch-up" adjustment for those who retired prior to 1997, meant to offset the ravages of past inflation, was paid to over 212,000 retirees. The second part, "annual" COLA, provides eligible retirees with a permanent adjustment based on the cost-of-living index. The September 2001 check reflects the first payment of annual COLA for 216,000 retirees, and future retirees will also begin receiving COLA as they become eligible.

Contributions Eliminated/Extra Credit Granted

When Article 19 became effective on July 11, 2000, over 200,000 Tier 3 and 4 members almost immediately stopped contributing toward their retirement benefits. Tier 3 and 4 members with 10 years of membership or service credit no longer have to make their three percent contributions. As their mandatory contributions end, these members are encouraged to contribute that three percent to a deferred compensation plan or to the New York's College Savings Program.

Article 19 also granted 100,000 Employees' Retirement System Tier 1 and 2 members with one additional month, up to 24, of service credit for each year of service they accrue at retirement.

Military Service Credit

Signed into law on October 19, 2000, Article 20 allows up to 25,000 members and retirees to receive credit for military service. This was New York State's better answer to Section 244-a of the Military Law, enacted in 1998. Section 244-a had required that the total cost of purchasing military service be borne by the member and, in most cases, that cost was so prohibitive, it overshadowed the benefit it provided. Instead, Article 20 provides up to three years of retirement credit, at a modest cost to the member.

The cost to members is three percent of the last 12 months of earnings, multiplied by the number of years purchased. Members may purchase this credit anytime up until retirement; eligible retirees must apply to purchase the credit by October 19, 2001. Any member who purchased credit under Section 244-a would receive a refund of the difference in cost of that benefit and that of Article 20.

Equity Among the Tiers

Chapter 553 (Laws of 2000) was signed into law on October 31, 2000. This legislation allows Tier 3 and 4 members covered by Article 15 of the Retirement and Social Security Law, between the ages of 55 and 62, with less than 30 years of service, to retire and not have their benefit reduced as much as it had been previously.

During the 1970s and early 80s, with rampant inflation and employer costs rising, legislation created Tiers 2, 3 and then 4 to help reduce the cost of retirement benefits for New York State and its municipalities. Tiers 2 and 3 allowed for retirement prior to age 62 but each set penalties for retiring between ages 55 and 62, Tier 3 reductions being greater than those of Tier 2. Tier 4 did not allow for retirement before age 62 until it was amended in 1994. But with the good news came the bad news — it imposed even greater penalties for early retirement than Tier 3.

Now, early retirement under Article 15 imposes the same penalties as those of Tier 2. At age 55, the reduction is 27 percent instead of 38.33 percent; at 57, 21 percent reduction rather than 28.33 percent, etc.

Death Benefits Improved

When joining the Retirement System, Tier 2, 3 and 4 members were required to select one of two death benefits. Death benefit one provides one month's salary for each year of service, to a maximum of three years' salary. Death benefit two offers one year's salary for each year of service, to a maximum of three years' salary. Plus, death benefit two also provides for a post-retirement death benefit.

For example, if a member with 10 years of credit and a salary of $24,000 died while in active service, his or her beneficiary would receive $20,000 under death benefit one or $72,000 under death benefit two. If the member died within one year after retirement, under death benefit one, the beneficiary would receive nothing but, under death benefit two, could receive $36,000.

Beginning January 1, 2001, Chapter 554 (Laws of 2000) mandates that all new members be covered automatically by death benefit two. Chapter 554 also provided that the beneficiaries of members who chose death benefit one would receive the more generous of the two benefits.

Chapter 551 (Laws of 2000), effective October 31, 2000, granted an increased lump sum death benefit to certain beneficiaries of Tier 2 police officers and firefighters by equaling the pension reserve established had the member retired on the date of his or her death. The benefit would be paid to the beneficiary of a member who completed the service requirement under a special 20 or 25-year plan or if the member reached age 55 and earned five years of service credit at the time of death.

Previous Service Credit

Chapter 552 (Laws of 2000) gives Tier 2, 3 and 4 members the opportunity to get credit for public service they performed before they became members of the Retirement System. Previously, there was a "continuous service" requirement meaning that the credit they were claiming was earned with the same employer as when they joined. Now, this requirement has been eliminated and the law reduces, from five years to two, the amount of service they must earn in their current membership before they receive credit for previous service. This potentially affected 100,000 members.

Pending Legislation

This has been a quiet year for Retirement System-related legislation. Those that have been enacted or are waiting to be sent to the Governor are mostly bills affecting one or several individuals, or municipalities looking to re-open special plans for new employees.

Instead, we're working on the implications and implementation of HR 1836, the federally enacted Economic Growth and Tax Relief Reconciliation Act (EGTRRA) of 2001. This law affects contribution limits for IRAs and deferred compensation plans and provides for more pension portability for members. Directly affected are:

- Section 415 (I.R.C.)—This section applies to members who joined on or after January 1, 1990 or who are covered by a plan enacted or amended on or after October 14, 1987. It restricts the amount of a retiree's annual pension depending on his or her age at retirement. The annual limits, effective January 1, 2002, will increase to $160,000 from $140,000. Since we have an Excess Plan Trust that allows us to pay affected retirees the difference between the Section 415 limits and the benefit due them, none of our retirees will see a change in their total benefit paid.
- Section 401(a)(17) (I.R.C.)—This section restricts the amount of salary that can be used in determining benefits for a member who joins on or after April 1, 1996. That member's employer would report days worked, salary earned and any member contributions. When the member's salary reaches the mandated limit within New York State's fiscal year, the employer ceases taking contributions and reporting salary until the new fiscal year begins. Effective April 1, 2002, the limit will increase to $200,000 from $170,000.
- We're also studying the tax implications of this Act that now allows members who wish to purchase retirement service credit to use money set aside in deferred compensation (457) plans, 401(k) plans, 403(b) plans and rollover IRAs.

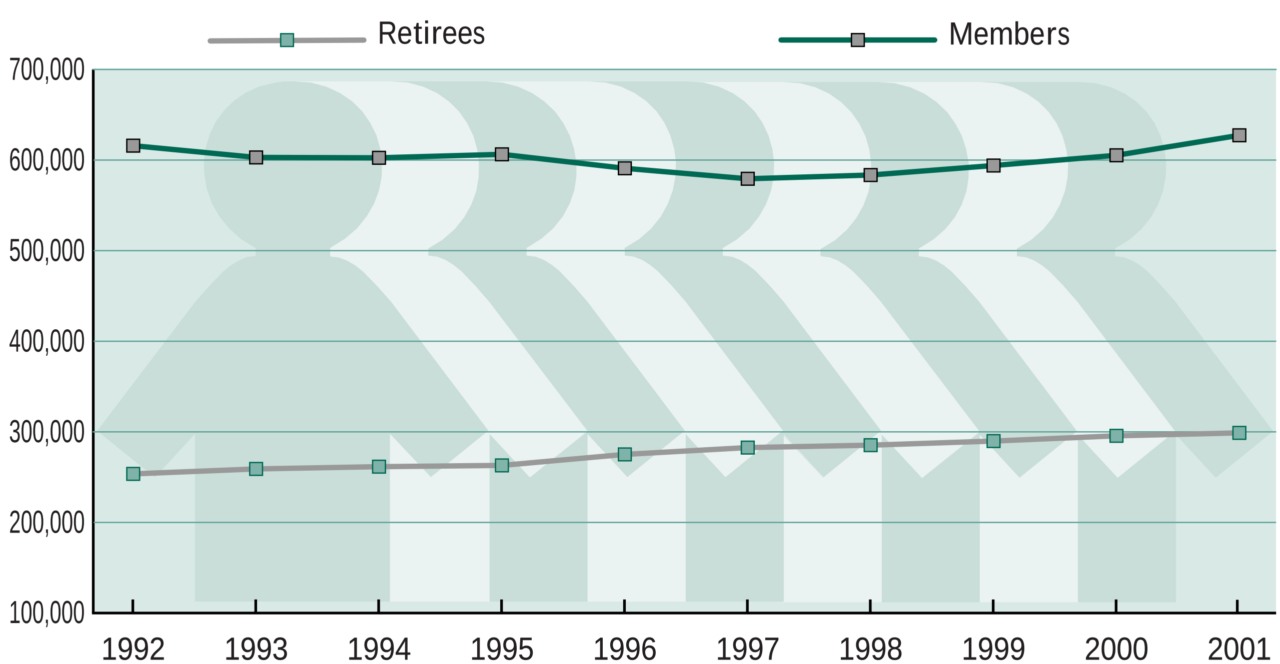
Members and Retirees

As the second largest public pension plan in the country in terms of membership and assets, we find ourselves in the midst of rapid environmental change. We face ever higher customer expectations for services and products to meet the needs of an extremely diverse membership. The maturing service economy has created new standards for customer service; the world of e-commerce challenges government to join the competition for greater service, 24 hours a day, 365 days a year. An aging, diverse and increasingly autonomous and economically savvy membership is shaping a new and challenging administrative environment.

NYSLRS consists of the Employees' Retirement System and the Police and Fire Retirement System. Overall participation exceeds 924,000, with approximately 627,000 members currently employed or vested and 298,000 retirees and beneficiaries.

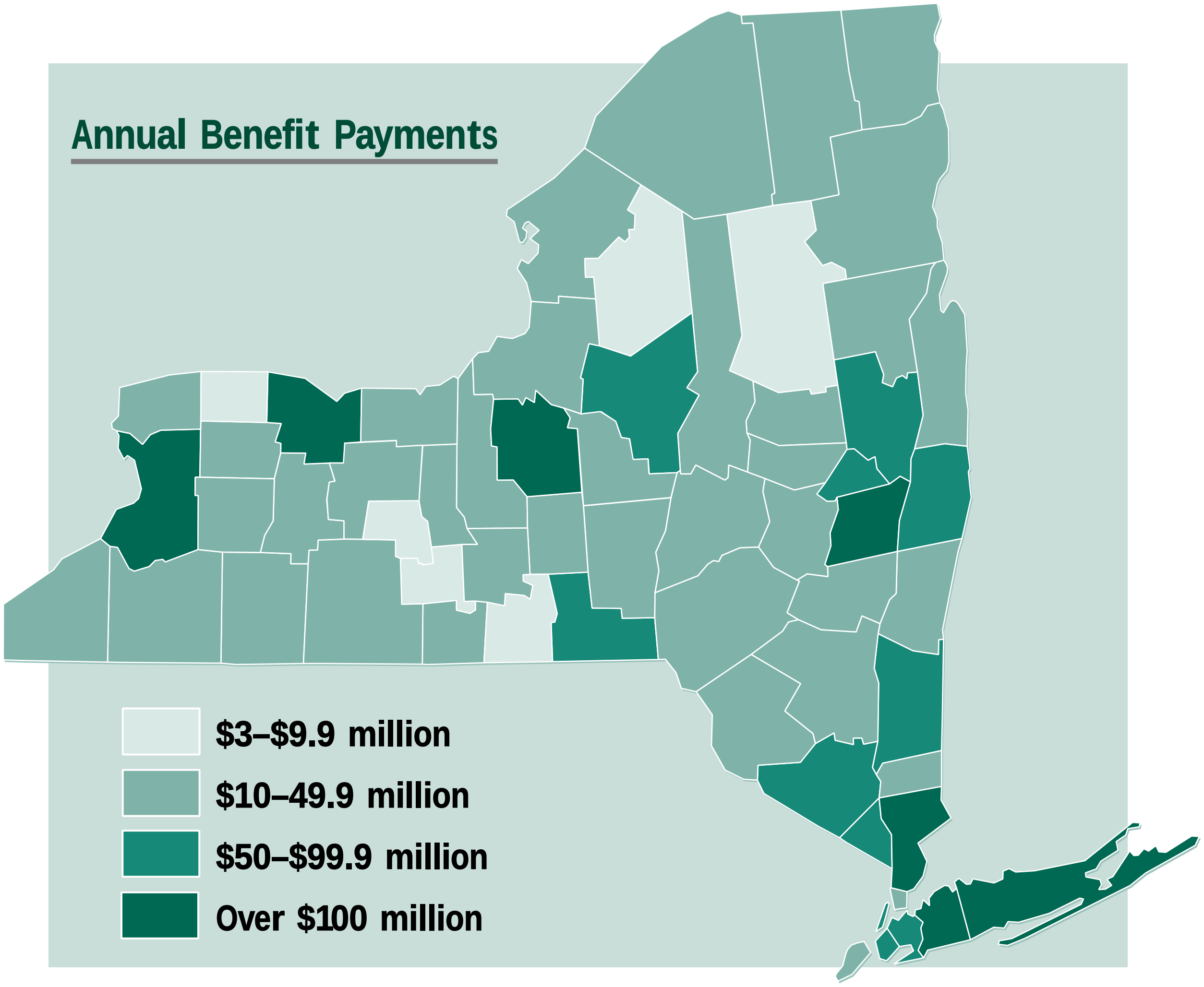
Today, although we find our currently employed member population rising, the percentage of our retiree population is increasing more quickly. In 1990, retirees represented 26% of the total participants. In 2001, our retirees represent 32% of the total number of participants.

As the number of retirees continues to increase, benefit payments continue to rise. This increase also reflects improvements in final average salaries over the past decade. Total payout in 1981, for example, was $695.5 million. By 1991, that figure had risen to $1.8 billion and exceeded $4.1 billion in 2001. The average annual pension benefit for all retirees and beneficiaries in the Employees' System has risen from $7,139 ten years ago to $12,299 this year; new retirees this year are receiving an average annual pension of $15,968. In the Police and Fire System, the average annual pension was $17,449 in 1992 and $27,745 this year, with new retirees during the fiscal year averaging $47,744 in benefits.



Retirees in New York State

Of the 298,078 retirees and beneficiaries in the two Systems, 230,857 (77%) remain New York State residents. As such, benefit payments approaching $3.2 billion this year alone course through the State's communities and businesses, an influx of money that represents the Systems' greatest impact on the State's economy.



County	Recipients	Annual Payments
Albany	12,678	191,134,836
Allegany	1,178	12,121,968
Bronx	2,567	40,756,200
Broome	5,226	56,220,492
Cattaraugus	2,398	25,822,332
Cayuga	1,885	23,311,488
Chautauqua	3,079	32,744,064
Chemung	2,249	28,054,560
Chenango	1,207	12,757,320
Clinton	2,270	31,969,788
Columbia	1,773	23,587,644
Cortland	1,062	11,433,264

County	Recipients	Annual Payments	County	Recipients	Annual Payments
Delaware	1,687	19,835,328	Oswego	2,373	25,937,952
Dutchess	6,061	89,026,584	Otsego	1,482	15,824,256
Erie	20,046	263,692,212	Putnam	1,278	20,671,332
Essex	1,258	14,528,304	Queens	4,805	81,848,796
Franklin	1,543	17,651,352	Rensselaer	5,107	73,295,292
Fulton	1,285	13,762,188	Richmond	1,748	29,138,952
Genesee	1,318	14,736,408	Rockland	4,505	67,391,904
Greene	1,403	18,326,016	Saratoga	4,681	68,831,148
Hamilton	366	4,397,076	Schenectady	5,061	69,639,588
Herkimer	1,514	14,292,036	Schoharie	930	10,942,380
Jefferson	1,939	22,979,424	Schuyler	505	5,490,552
Kings	3,977	63,455,352	Seneca	1,198	14,622,264
Lewis	677	6,306,936	St. Lawrence	3,145	36,851,976
Livingston	1,938	22,257,864	Steuben	2,103	23,824,332
Madison	1,513	17,017,548	Suffolk	22,297	370,024,416
Monroe	10,488	128,665,128	Sullivan	1,625	21,352,044
Montgomery	1,515	17,183,568	Tioga	930	8,742,168
Nassau	17,082	291,244,992	Tompkins	2,018	28,400,580
New York	3,215	61,018,632	Ulster	3,126	37,604,928
Niagara	3,930	46,512,384	Warren	1,138	13,619,148
Oneida	6,768	80,933,952	Washington	1,638	19,578,456
Onondaga	8,734	101,838,228	Wayne	2,148	22,179,408
Ontario	1,879	20,989,980	Westchester	11,558	187,644,396
Orange	5,119	69,320,916	Wyoming	1,159	14,848,284
Orleans	918	9,514,536	Yates	548	5,513,640
			Total	**230,857**	**$3,193,219,092**

The Division of Investments

After many years of impressive growth, significant declines in the world's equity markets impacted large institutional investors and small individual investors alike. Like other public pension funds, the New York State Common Retirement Fund experienced negative growth and performance for the current fiscal year. This year, the Fund experienced an annual return of –8.65 percent and ended the year with more than $112 billion in assets.

While the impact of the domestic and global equity markets erased a portion of the Fund's more recent gains, the Fund continues to have strong long-term growth rates. The five- and ten-year rates of return are 11.09 percent and 11.62 percent respectively, and, even with this year's decline, the Fund's assets have doubled over the last eight years.

...each asset class performed favorably compared to standard indexes.

By pursuing a strategy of diversification of assets, the Fund overall withstood some of the more dramatic losses experienced in some sectors, and each asset class performed favorably compared to standard indexes. Furthermore, some losses in the equity portion of the portfolio were offset by gains in other portions of the portfolio, including the fixed income portfolio, real estate, and private equity.

However, few investors escaped the overall trends of the market and the impact of slowing economies worldwide. Investors became concerned with the extremely high valuations attained by certain businesses and industrial sectors. The newly formed technology and communications companies that performed so well the previous year fell out of favor with investors and lost much, and in some cases all of their share values. The Fund's exposure to these companies was minimal, which protected it against larger declines.

The traditional industries which underperformed last year posted modest gains and the Federal Reserve attempted to stimulate a slowing economy by cutting interest rates three times for a total of 1.5 percent late in the Fund's fiscal year. However, the stimulus failed to quickly reverse the slow growth economy.

Overall, the Fund's strategy of diversification and focusing investments on strong companies helped guard against the full force of the market's declines. While the Fund's growth companies experienced losses across asset class, the Fund's investments in companies with value strategies enjoyed positive results. The Domestic equity portfolio's overall return of –18.93 percent compares favorably to the –22.26% achieved by the Russell 3000 Index, which is a broad measure of the stocks available for investment in the United States.

The international equity markets also suffered negative returns for the year. The Morgan Stanley All Country World, less the United States, Index, a broad measure of established and emerging countries' stock performance, experienced a return of -26.86% for the year. The Fund achieved a slightly better -26.21% due to the various strategies it uses in international investing. Mirroring the performance patterns in the United States, international strategies that invested in growth companies greatly under performed strategies that invested in value companies.

One area of positive returns for the Fund during the year was the fixed income portfolio. As the economy slowed throughout the year, the fixed income markets rallied from the previous year's weak returns. The Federal Reserve's rate cutting activity late in the Fund's fiscal year also helped it achieve positive results for the year. The domestic bond market, as measured by the Lehman Aggregate Bond Index, returned 12.53% for the year, while the Fund achieved a return of 14.13%, owing largely to its longer dated securities relative to the Aggregate Index.

Two other asset classes that comprise less than 10% of the Fund's total assets also experienced positive results for the year. Private equity, which includes the Fund's investments in venture capital and long-term corporate finance, enjoyed a positive return of 6.93% for the year. Real Estate investments, which include the Fund's holdings in office buildings and retail shopping properties for example, returned an impressive 21.65% for the year.

Following last year's completion of a new asset allocation study, the Fund began a thorough reexamination of three major asset categories' strategies. The results of the study provided a framework that provides for optimal asset growth, while reducing risk and providing a secure cash flow that meets the funding requirements of the pension payroll. By shifting the focus to each major asset class, the Fund seeks to insure that all of the assets are structured to deliver the most return for the least amount of risk as intended by the study.

The domestic equity structure review was completed last year. It determined that the most efficient strategy for the overall domestic equity portfolio was to maintain the same capitalization and style structure of the Russell 3000 Index, a broad market index. Where possible, the Fund will seek to add value and minimize risk relative to the Russell Index by using a variety of passive, active and enhanced passive strategies. Similar structure reviews are ongoing for the Fund's international equity and fixed income portfolios.

The Fund constantly strives to improve the way it manages assets and find more efficient methods to conduct its investment operation. This year, the Fund made the following changes:

- Began investing in US treasury inflation indexed bonds (TIPs) as recommended by last year's asset allocation study.
- Formed an asset/liability management group that reviews the Fund's asset allocation monthly and reports to senior management quarterly if the there is a need to rebalance to the asset allocation targets.
- Improved the creditworthiness of the fixed income portfolio by selling corporate bonds that are subject to lead paint litigation.
- Expanded the number of borrowers in the securities lending program, which helped increase the fees earned on our assets to more than $35 million, the most this program has earned in one year.
- Improved the actively managed domestic equity portfolio by eliminating or reducing strategies that were not performing as expected and redeploying the assets to those strategies that were meeting expectations.
- Permitted several managers to use exchange-traded funds in the management of the Fund's assets, thereby reducing trading costs.
- Increased investments with existing real estate joint venture partners with a proven track record of delivering enhanced yields to the Fund, while continuing to pursue new opportunities that help to diversify real estate holdings.
- Reduced the costs, thereby enhancing the returns, of the private equity investment program by forming two new co-investment relationships with two general partners. The co-investment program is designed to provide the Fund with a full spectrum of investment opportunities, ranging from venture capital to corporate finance.

Domestic Equities

During the past year, the Fund's staff conducted a best practices study of the domestic equity structure. As a result of that review, the following recommendations were adopted:

- Formally use the Russell 3000 Index as the total domestic equity benchmark.
- Total domestic equities should resemble the Russell 3000 Index in terms of capitalization structure.
- Total domestic equities should be style neutral relative to the Russell 3000 Index.
- Continue to manage the majority of the domestic equities in-house and passively.
- Establish formal target ranges for passive, enhanced and active management.

The Fund continued its commitment to structured index strategies. Within domestic equities, 73% is managed in passive indexes, 9% is managed in enhanced index strategies and 18% is actively managed.

The internally managed S&P 500 and S&P 400 Index Funds continue to provide low cost and efficient exposure to the domestic equity markets for the Fund. The Fund continued to lower trading costs through the use of crossing networks and alternative trading systems.

The Fund continued to utilize minority and women-owned brokerages when trading for the internally managed funds. For the fiscal year, these brokers accounted for approximately 30% of the total commissions. The Fund's external equity managers also used minority and women-owned brokers, and such brokers accounted for over 18% of total manager commissions.

International/Global Strategies

The Fund continues to pursue an international equity strategy for the risk reduction and diversification it provides. The Fund's investments in the international and global markets have proven to be an integral part of the portfolio because they provide a full range of investment possibilities and many unique opportunities overseas. As of March 31, 2001, investments in developed non-U.S. markets totaled 9.0%, emerging markets exposure totaled 1.7% and global strategies totaled 1.1%.

During the past year, the international markets were impacted by a rapid slowdown in global growth. The effects of this slowdown resulted in the numerous earnings downgrades for companies worldwide. In particular, technology and capital goods companies suffered from declining earnings resulting from the lack of growth in the global economy. By sector, generally defensive industries did well with value-oriented strategies outperforming growth-oriented strategies.

Given the uncertainty of the current investment environment, the Fund's broadly diversified portfolio structure continues to be the appropriate strategy. The active core non-U.S. component of the Fund outperformed the benchmark mainly through stock selection capabilities throughout the regions. In addition, the Fund's expanded exposure to the enhanced index and global strategies helped to provide additional return on an aggregate portfolio level. Viewed against a broad index, the aggregate international portfolio outperformed in a very difficult environment.

Fixed Income

The Fund's long term fixed income portfolio is managed internally, with the assistance of a fixed income advisor, to broadly meet the cash flow requirements of the system's pension liabilities and to offset the volatility of the Fund's equity holdings. The short-term portfolio is used as a source of liquidity for monthly pension payments and as a funding source for investments in other asset classes.

The past year saw significant developments in the US Government Securities market. The growing federal budget surplus resulted in a continuation of the decline in Treasury issuance begun in 1998. Each of the two, ten and thirty year auctions was reduced, contributing to the $184 billion decline in issuance over the last three years. Additionally, a buy-back program targeting long maturity Treasuries, reduced outstanding debt by $39 billion. Rates vacillated throughout the period as the Fed moved from a tightening mode early in the year, with the Federal Funds rate peaking at 6.50% on May 16th. Growing concern over the economy led to a series of rate cuts, including a surprise .5% inter-meeting cut on January 3, 2001. The Federal funds rate stood at 5.0% at fiscal year end. The rate cuts led to strong performance by Treasuries contributing significantly to the Fund's 14.13% fixed income return for the year.

The Fund made its first commitment to Treasury Inflation Protected Securities (TIPS) this past year, purchasing over $2 billion. The purchases were a direct result of the recently completed Asset/Liability Study, which suggested a long-term TIPS target of five percent of the total Fund.

Qualified women and minority-owned enterprises continued to play a meaningful role in providing the Common Retirement Fund with fixed income brokerage coverage. In the 2000-2001 fiscal year, 34% of all long-term, and 10% of all short-term trades were executed with such firms.

Over $35 million was earned by the Fund's securities lending program in fiscal year 2000-2001, an increase of over $3 million versus the previous year. Although both fixed income securities and equities are available for loan, the majority of income, $21 million, was derived from bond loans. The increased return is attributable to growth in domestic and international equity loans along with a more favorable earnings split negotiated with the Fund's custodial bank.

Real Estate

The overall real estate equity portfolio represents 3.1% of total assets and consists of $3.48 billion in directly owned real estate, joint ventures, public securities and commingled funds. The real estate equity portfolio enhances overall investment returns while offering a modest level of asset allocation diversification.

The pace of real estate investment leveled off during the fiscal year in response to marked changes in economic conditions. Notwithstanding the dramatic decline in the technology and telecommunications sectors that negatively affected real estate markets, the Fund's real estate equity program and joint venture relationships performed well. The real estate strategy provided the Fund with investment opportunities in diverse market segments including office, retail, industrial and multifamily as well as geographic diversification. New real estate investments and capital fundings totaled $511 million in the past fiscal year. To date $1.9 billion has been invested in the acquisition and development of real estate properties through the joint venture program. The Fund continued to increase its investment with joint venture partners who demonstrated a proven track record of delivering enhanced core yields to the Fund.

The mortgage portfolio consists of $1.76 billion secured by commercial real estate. New investments through existing advisory and co-lending relationships resulted in new mortgages of $283 million in the last year. Real estate mortgage investments contribute to enhancing the long-term investment return of the Fund's fixed income portfolio.

Private Equity Investments

The Fund's private equity portfolio is designed to provide returns that exceed those of public equities. The added return is accompanied by increased risk and illiquidity; as a result, private equity makes up a relatively small portion of the Fund's total investments.

Private equity generally involves investments in companies that are not publicly traded. Strategies include investments in new companies, which are categorized as venture capital; established companies seeking capital for expansion, which are categorized as corporate finance; real estate opportunity funds that invest in real estate with an objective of capital gains; special situations funds that invest in specific industries, such as telecommunications, or follow other unique strategies; finally, the Fund's international portfolio includes both venture capital and corporate finance strategies in companies located outside of the United States.

The Fund also invests in funds-of-funds, which are pooled investments in a portfolio of private equity funds. The fund-of-funds strategy had two primary objectives, each of which helps the Fund overcome limited staff resources: to expand the broad diversification objective and to supplement the core private equity portfolio with small funds.

The Fund employs a broadly diversified strategy for its private equity portfolio to reduce risk. Investments are made in a variety of strategies, with a number of different private equity managers and in funds that were initiated at different points in time. This approach reduces the risk to the Fund when a given strategy underperforms; the Fund, for example, had relatively little exposure to recent venture capital funds that performed poorly following the decline in technology stocks.

Investor Affairs

The Common Retirement Fund is the second largest public pension fund in the nation. As sole Trustee of the Fund, the Comptroller is a major investor in corporate America. The Comptroller has developed a program of investor responsibility that is designed to balance his fiduciary responsibility with his social responsibility to the citizens of New York State. The Comptroller's activities promote good corporate governance and corporate citizenship through regular communication with portfolio companies, proxy voting strategies and institutional liaisons with other pension funds.

In the past year, Comptroller McCall's efforts in this area have continued to benefit the Fund and its members.

- Comptroller McCall's semi-annual Corporate Performance Review identifies the long-term underperformers within the Fund's portfolio. Since 1993, the Comptroller has communicated with 170 different companies and conducted a comprehensive review of their financial performance and governance structure. As a result of these reviews, the Comptroller has voted to withhold support from the boards of 26 companies at their annual meetings.
- The Comptroller organized a coalition of institutional investors concerned about AT&T's performance. Following the company's announcement of its restructuring plans, the Comptroller organized a meeting of the coalition and AT&T's senior executives. The meeting initiated an ongoing dialogue that has led to modifications in the restructuring plans.
- The Comptroller sponsored a shareholder resolution at Sprint, calling for the company to obtain shareholder approval before repricing outstanding stock options. The resolution was supported by 46 percent of shareholders at Sprint's 2001 annual meeting.
- The Comptroller joined with other public pension funds and human rights activists to co-sponsor a shareholder resolution at Exxon Mobil, asking the company to include sexual orientation in its anti-discrimination policy.
- The Comptroller wrote to the SEC and others to express his concerns about outstanding issues of corporate finance and market regulation. As a long-term investor, the Comptroller is committed to making certain that rules are designed to protect the integrity of the marketplace and investors.
- Comptroller McCall continues to serve on the Executive Monitoring Committee that works to resolve the issues of restitution of bank accounts and financial assets taken from Jews during the Holocaust. The Committee has been instrumental in bringing about financial settlements in Switzerland, Germany and France.

The Common Retirement Fund

So that the cost is not passed on to future generations, the Retirement Systems require that the funds needed to pay future benefits should be gathered and held in trust while those benefits are being earned. Thus, along with the salary paid to a member for his or her efforts, employers — and most ERS employees — have contributed to the Systems during the member's working years.

The prudent investment of these contributions, and their earnings over the years, give the Fund stability and ensure that the benefits will be there when needed. More importantly, they greatly reduce cost. Dollars earned through investment are dollars that need not be paid by employers or taxpayers.

The continuing beneficial effects of accumulated assets and a successful investment program can be seen in the estimated contribution rates employers are expected to pay over the coming decade. These rates are significantly lower than the national average for public plans. As the chart shows, these low rates are expected to continue for the upcoming year with relatively minor changes.

Annual Employer Payments as a Percentage of Salary

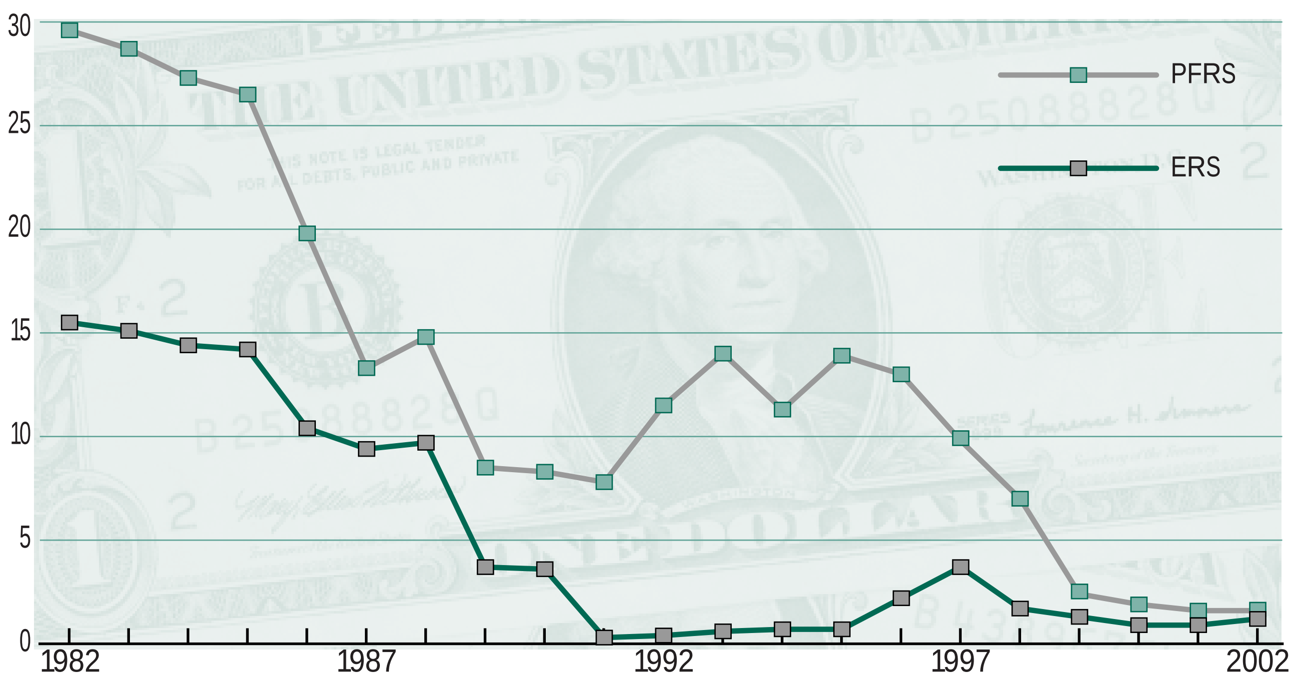


Photo: © Corbis Corporation/Rob Lewine, 2001

Rate of Return

The portfolio of the New York State Common Retirement Fund, along with most other investors, declined during the 2000-2001 fiscal year with an annualized return of -8.65%.

This year's investment performance reflected a slowdown in the world's economy and an end to extreme valuations in the technology and telecommunications sectors. It also marked the first year of negative equity returns since the Fund's 1988 fiscal year. This extended period of positive returns is reflected in the Fund's 3-year, 5-year and 10-year performance of 5.40%, 11.09% and 11.62% respectively. When compared to inflation, as measured by the Consumer Price Index, these returns have provided considerable real asset growth over the long term.

Ten Years at a Glance:

2001 Return = -8.65%

Average returns:

3 Year: 5.4%

5 Year: 11.09%

10 Year: 11.62%

The world's publicly traded equity markets had a very difficult time during the period, as economic growth began to weaken. The domestic equity portfolio, which represents approximately 45% of the total Fund, declined -18.93%. Investments in the international and emerging market economies, which represent approximately 12% of the Fund's total assets, returned -26.21%.

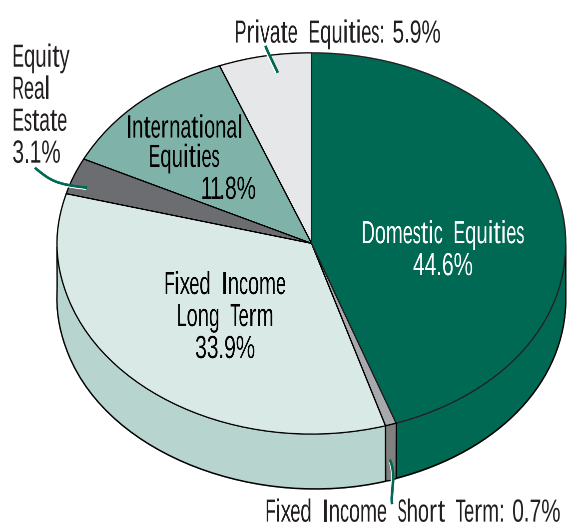
Offsetting some of the poor performance of the Fund's equity portfolios was the strong year enjoyed by the fixed income portfolio. Because of the Federal Reserve's efforts to revive the economy by cutting interest rates, the Fund's fixed income portfolio, which represents approximately 34% of the total assets, returned 14.13%.

Two other areas that registered positive returns were the private equity and real estate portfolios. The private equity portfolio, which represents approximately 6% of the Fund, returned 6.93% for the year, while the real estate portfolio returned 21.65%.

Asset Allocation

The most important decision in setting investment policy is asset allocation. Investment studies indicate that market timing and security selection play a minor role in explaining an investor's overall performance, while more than 90% of the return is attributable to the asset allocation decision.

During the 2000-01 fiscal year, the Fund began implementing the newly established asset allocation policy that was adopted in the previous year. With an overall allocation of 70% equity and 30% fixed income, the new policy addresses the long-term growth needs of the Fund's liabilities while controlling risk and providing a reliable cash flow to meet the



benefit obligations. In addition, the new asset allocation policy introduced inflation indexed Treasury bonds as an efficient means of counteracting the inflation sensitive elements of the Fund's liabilities.

The new asset allocation policy also permits some flexibility in meeting the overall asset allocation targets. Ranges have been established for the overall equity and fixed income allocation to minimize unnecessary security turnover, thereby reducing the Fund's trading costs.

The chart on page 18 and table in the next column display the actual asset allocation as of March 31, 2001.

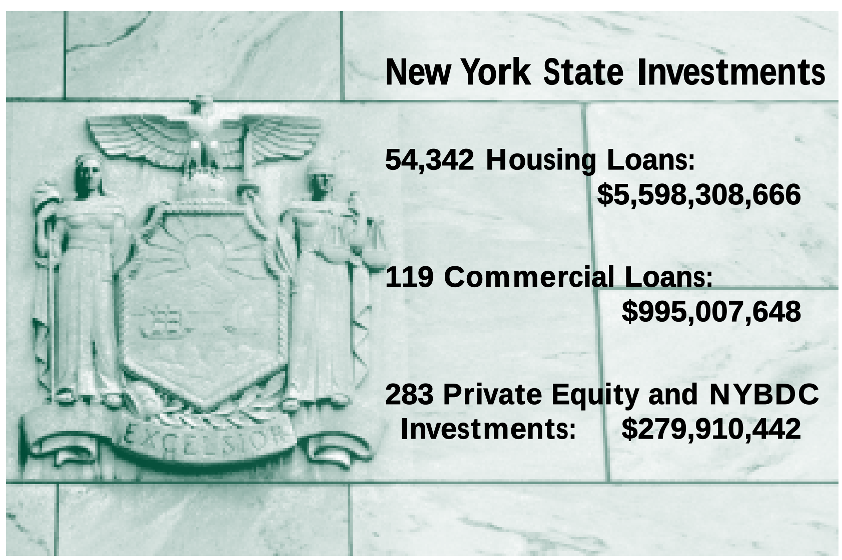
Asset Allocation

Asset Category	Dollars (in millions)	Percent of Assets
Equities:		
Domestic	$50,178	44.6%
International	13,280	11.8%
Private Equity	6,669	5.9%
Real Estate	3,483	3.1%
Fixed Income:		
Long-Term	38,191	33.9%
Short-Term	734	0.7%
	$112,535	100.0%

Helping New York State's Economy

Investments in New York State have helped further the Retirement Systems' goal of getting the maximum return on investments and providing pension payments and benefits at the lowest possible cost to employers, employees and taxpayers. For many years, the Common Retirement Fund has made sound investments throughout the State and has continued that investment policy this year.

The sole requirement for such investments is that they have return and risk characteristics at least as good as those of any comparable investments. As this chart shows, almost $7 billion in direct investments have been made across New York State.



This total is supplemented by the billions of dollars in stocks and bonds of New York State companies in which the Fund invests.

Investing in New York

The Systems' investments in New York State are made through a number of housing and economic development programs, several of which are described below.

New York State Mortgage Pass-Through Program

The Common Retirement Fund continued its commitment to provide home ownership opportunities for New York State residents through the NYS Mortgage Pass-Through Program. Market rate loans, originated by traditional mortgage lenders within New York State, are pooled and insured by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation for sale to the Fund. The program, established in 1981, has financed single-family mortgage loans for more than 54,300 New York State residents for a total commitment of $5.6 billion. In the 2000-2001 fiscal year the Fund purchased 1,753 loans totaling $234 million.

Affordable Housing Permanent Loan Program

For ten years the Common Retirement Fund has made it possible for moderate and low income families across New York State to own or rent affordable housing through its agreements with the Community Preservation Corporation, Chase Manhattan Bank, The Bank of New York, Carver Federal Savings Bank and Allied Irish Bank. By purchasing permanent mortgages at a market rate, the Fund finances the production of affordable, new multifamily housing units and the revitalization of existing deteriorated and abandoned housing. Special housing for the State's senior citizens is part of this program. Since the beginning of this program, 4,445 units have been completed and 2,164 are in the pipeline. To date, the Fund has invested $122.3 million in mortgages and has committed an additional $82.1 million. In fiscal 2000-2001, the Fund invested in affordable housing throughout the State, including Albany, Westchester County, Orange County, Dutchess County and Onondaga County. These mortgages provided needed financing for the construction or rehabilitation of affordable housing for 204 low and moderate income families throughout New York State.

Co-Lending Program with Union Labor Life Insurance (ULLICO)

To invest in opportunities that encourage economic growth in New York State, the Fund has established a co-lending program with The Union Labor Life Insurance Company (ULLICO) to invest in permanent fixed rate long-term first mortgages for construction projects of various types in New York State.

This program was expanded to a maximum total investment of $1 billion. The Fund and ULLICO are each authorized to invest up to $500 million. To date, the Fund and ULLICO have invested $160 million and have additional commitments to be funded. This successful program has helped to create more than 3,600 jobs.

New York Business Development Corporation (NYBDC) Program

The Common Retirement Fund provides NYBDC with funds to make loans to small businesses for working capital, equipment, or real property. NYBDC has a goal of making at least one-third of its loans to woman or minority owned businesses. With its focus on small-business lending, NYBDC can frequently offer more favorable terms than other lenders.

During 1998, the Common Retirement Fund renewed its relationship with NYBDC by committing to provide an additional $100 million in capital. Since the program began in 1987, NYBDC has made 445 loans totaling $123 million to businesses that employ over 10,000 New Yorkers. During the 2000-2001 fiscal year, NYBDC made 63 loans totaling $19 million.

Financing for Emerging Businesses

The Common Retirement Fund's private equity portfolio includes investments in 45 New York businesses with a value of $205.5 million held by 18 different private equity funds. This figure reflects only the Fund's share of these investments; the total value of New York companies held by the Fund's partnerships was $3.2 billion as of March 31, 2001. Companies in the private equity portfolio include GlobalSpec in Troy, Pathlight Technologies in Ithaca, and Key Components in Tarrytown.

In 2000, the Comptroller initiated the New York Venture Capital Investment Program. The program is designed to provide investment returns consistent with the risk of private equity investing while also expanding the availability of funding for New York businesses. To date, CRF has made three commitments under the program totaling $95 million. The three funds currently in the program are: Summer Street Capital Partners, a growth equity investment fund located in Buffalo; FA Technology Ventures, a venture capital fund focusing on information and energy technology located in Albany; and Ascend Ventures, a technology venture fund located in New York City.

Twenty Year Summary

Combined Systems unless noted. $ in millions. Data as of March 31 fiscal year end.

	2001	2000	1999	1998	1997	1996	1995	1994
TOTAL PARTICIPANTS	924,643	899,314	882,234	867,204	860,429	864,460	867,731	862,498
NUMBER OF MEMBERS	626,565	604,479	593,188	582,689	578,566	590,130	605,544	601,710
EMPLOYEES' SYSTEM (a)	**590,959**	**569,369**	**558,236**	**547,805**	**543,663**	**553,649**	**569,298**	**566,320**
State	222,343	216,347	216,380	214,628	216,084	225,771	238,760	239,412
Counties	119,638	115,576	113,856	112,792	115,904	118,055	120,517	120,186
Cities	19,551	19,148	18,966	18,907	18,909	19,410	20,283	20,699
Towns	37,121	35,882	35,056	34,764	33,949	33,997	34,349	34,316
Villages	11,969	11,509	11,279	11,087	10,942	10,939	11,057	11,067
Misc.	69,968	67,212	64,218	62,176	58,128	58,582	59,080	58,057
Schools	110,369	103,695	98,481	93,451	89,747	86,895	85,252	82,583
POLICE AND FIRE SYSTEM (a)	**35,606**	**35,110**	**34,952**	**34,884**	**34,903**	**36,481**	**36,246**	**35,390**
State	5,534	5,279	5,232	5,195	5,230	5,793	5,866	5,692
Counties	6,176	6,267	6,338	6,332	6,277	6,542	6,278	5,904
Cities	12,781	12,660	12,552	12,579	12,538	12,923	12,919	12,761
Towns	4,180	4,163	4,149	4,139	4,095	4,170	4,077	4,050
Villages	4,805	4,727	4,699	4,683	4,743	4,967	4,967	4,862
Misc.	2,130	2,014	1,982	1,956	2,020	2,086	2,139	2,121
MEMBERS BY TIER								
Employees' System Tier 1	60,736	57,657	64,173	69,942	75,166	84,015	96,299	101,254
Employees' System Tier 2	32,914	32,641	34,296	36,061	37,739	41,631	45,716	47,778
Employees' System Tier 3	111,728	109,641	112,248	115,187	117,723	121,535	126,817	130,001
Employees' System Tier 4	385,581	369,430	347,519	326,615	313,035	306,468	300,466	287,287
Police & Fire System Tier 1	3,927	4,469	4,997	5,537	6,087	6,872	7,439	8,005
Police & Fire System Tier 2	31,679	30,641	29,955	29,347	28,816	29,609	28,807	27,385
PENSIONERS AND BENEFICIARIES	**298,078**	**294,835**	**289,046**	**284,515**	**281,863**	**274,330**	**262,187**	**260,788**
Employees' System	273,147	270,333	264,899	260,751	258,413	251,442	239,727	238,729
Police & Fire System	24,931	24,502	24,147	23,764	23,450	22,888	22,460	22,059
EMPLOYERS	**2,897**	**2,860**	**2,843**	**2,809**	**2,786**	**2,779**	**2,765**	**2,752**
Employees' System	2,890	2,853	2,836	2,813	2,782	2,773	2,760	2,748
Police & Fire System	678	678	679	678	676	675	674	672
BENEFIT PAYMENTS (b)	**$4,180.9**	**$3,720.2**	**$3,482.0**	**$3,305.0**	**$3,122.0**	**$2,877.9**	**$2,527.9**	**$2,393.7**
Retirement Allowances	3,691.9	3,415.1	3,217.1	3,071.6	2,885.3	2,639.8	2,357.8	2,216.6
Death Benefits (Lump Sum)	152.9	142.8	123.0	125.7	118.5	140.0	107.3	112.0
Supplemental Pension Payments	336.1	162.3	141.9	107.7	118.2	98.1	62.8	65.1
Number of Service Retirements during Year	11,640	14,470	12,675	11,932	15,324	19,578	9,613	9,651
Number of Death Benefits Paid during Year	1,005	1,026	956	974	965	1,092	1,068	1,062
Number of Disability Retirements during Year	1,079	1,189	1,356	938	1,016	1,235	1,183	1,413
EMPLOYER CONTRIBUTIONS	**$214.8**	**$164.5**	**$291.7**	**$462.6**	**$903.5**	**$776.9**	**$315.1**	**$530.1**
Employees' System	131.0	83.0	193.2	280.1	668.8	521.8	47.2	337.2
Police & Fire System	49.0	62.0	50.1	125.1	177.9	219.3	237.8	158.2
Group Life Insurance Plan	34.8	19.5	48.4	57.4	56.8	35.9	30.1	34.7
RATE (as a % of Salary) (c)								
Employees' System	0.9%	0.9%	1.3%	1.7%	3.7%	2.2%	0.7%	0.7%
Police & Fire System	1.6%	1.9%	2.4%	7.0%	9.8%	13.0%	13.9%	11.3%
EMPLOYEE CONTRIBUTIONS	**$319.1**	**$422.7**	**$399.8**	**$369.4**	**$348.2**	**$341.9**	**$334.0**	**$307.5**
Employees' System	317.4	422.0	398.7	368.8	347.7	338.5	331.6	306.0
Police & Fire System	1.7	0.7	1.1	0.6	0.5	3.5	2.4	1.5
INVESTMENTS (d)	**$112,432.9**	**$127,138.9**	**$111,008.7**	**$104,921.8**	**$82,333.8**	**$74,827.9**	**$63,406.6**	**$58,416.8**
Equities	63,661.7	82,733.6	66,397.8	63,348.7	45,827.4	42,818.4	34,775.2	31,357.7
Fixed Income	35,305.7	31,764.3	34,307.9	32,451.7	27,373.5	25,709.5	22,771.6	21,279.0
Commercial Mortgages	1,835.8	1,318.6	1,509.5	1,635.0	1,506.3	1,736.3	1,836.6	1,932.3
Short-term Investments	992.0	2,238.3	2,541.8	1,927.0	3,011.2	1,092.8	983.8	1,036.5
Alternative Investments	5,941.6	5,385.9	3,159.8	2,671.7	2,122.9	2,067.3	1,937.0	1,664.0
Equity Real Estate	4,696.0	3,698.1	3,091.8	2,887.7	2,492.5	1,403.6	1,102.4	1,147.3
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RATE OF RETURN	**-8.65%**	**17.8%**	**8.8%**	**30.4%**	**10.9%**	**21.8%**	**8.8%**	**6.9%**
Fixed Income Investments	14.1%	1.3%	6.6%	15.6%	4.3%	12.9%	4.8%	9.0%
Equity Investments	-20.3%	25.3%	10.1%	47.2%	15.0%	29.7%	12.4%	5.1%
ADMINISTRATIVE COST	**$57.8**	**$50.7**	**$52.6**	**$49.1**	**$47.6**	**$46.6**	**$43.8**	**$39.7**
FINANCIAL STATEMENT ASSETS	**$114,043.5**	**$128,889.4**	**$112,723.1**	**$106,319.2**	**$83,947.5**	**$77,452.8**	**$65,413.3**	**$60,121.7**

1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982
860,427	867,927	877,884	882,410	859,729	829,243	796,177	787,860	771,693	759,605	761,988	771,580
602,133	615,114	638,049	649,847	633,468	607,649	580,474	578,174	569,729	563,660	577,443	595,174
567,223	**580,158**	**602,433**	**614,392**	**598,381**	**573,152**	**546,772**	**545,851**	**537,567**	**531,400**	**545,353**	**562,965**
241,538	247,209	260,156	268,947	262,648	253,836	244,250	233,851	233,401	229,821	240,709	250,645
120,819	125,168	129,158	130,614	126,729	119,679	112,838	107,375	106,044	107,599	109,502	112,737
20,792	21,890	22,982	23,530	23,109	22,648	21,814	21,018	21,386	22,119	22,734	23,488
34,474	35,413	36,251	36,615	35,472	33,714	32,055	30,795	30,656	30,991	31,254	32,065
11,137	11,388	11,671	11,867	11,636	11,174	10,634	10,078	10,124	10,312	10,708	11,042
56,906	56,456	57,292	57,420	54,657	50,824	47,288	43,513	41,151	40,757	41,087	40,969
81,557	82,634	84,923	85,399	84,130	81,277	77,893	74,301	75,324	76,779	80,064	83,920
34,910	**34,956**	**35,616**	**35,455**	**35,087**	**34,497**	**33,702**	**32,323**	**32,162**	**32,260**	**32,090**	**32,209**
5,787	5,603	5,689	5,586	5,424	5,229	4,966	4,367	4,243	4,286	4,027	4,096
5,565	5,715	6,089	6,211	6,486	6,459	6,441	6,010	6,201	6,277	6,339	6,349
12,682	12,808	12,992	12,999	12,855	12,721	12,585	12,447	12,488	12,592	12,629	12,863
3,987	3,989	3,965	3,862	3,725	3,604	3,440	3,297	3,222	3,173	3,170	3,147
4,922	4,874	4,853	4,747	4,540	4,444	4,250	4,026	3,959	3,928	3,934	3,847
1,967	1,967	2,028	2,050	2,057	2,040	2,020	1,820	1,730	1,697	1,724	1,729
107,383	115,086	129,525	139,420	149,243	158,387	167,478	179,104	193,131	206,974	227,864	246,254
49,846	52,871	56,040	58,958	60,798	62,421	63,942	67,956	73,879	81,278	91,422	104,074
133,949	139,851	147,658	155,921	167,600	171,674	176,500	199,055	210,658	243,148	226,067	212,637
276,045	272,350	269,210	260,093	220,740	180,670	138,852	99,736	59,899	—	—	—
9,009	10,204	11,601	12,734	13,908	15,201	16,375	17,588	18,962	19,879	20,882	22,082
25,901	24,752	24,015	22,721	21,179	19,296	17,327	14,735	13,200	12,381	11,208	10,127
258,294	**252,813**	**239,835**	**232,563**	**226,261**	**221,594**	**215,703**	**209,686**	**201,964**	**195,945**	**184,545**	**176,406**
237,059	232,484	220,579	214,206	208,791	205,051	200,175	195,175	188,470	183,025	172,216	164,851
21,235	20,329	19,256	18,357	17,470	16,543	15,528	14,511	13,494	12,920	12,329	11,555
2,731	**2,724**	**2,743**	**2,715**	**2,670**	**2,630**	**2,647**	**2,633**	**2,636**	**2,628**	**2,624**	**2,622**
2,727	2,720	2,708	2,687	2,638	2,617	2,610	2,600	2,595	2,587	2,580	2,578
672	669	666	658	656	653	654	627	650	647	646	645
$2,267.9	**$2,067.7**	**$1,834.2**	**$1,670.4**	**$1,579.1**	**$1,381.9**	**$1,275.8**	**$1,157.0**	**$1,063.4**	**$940.5**	**$840.3**	**$755.8**
2,082.5	1,884.8	1,647.5	1,485.2	1,359.3	1,234.2	1,130.0	1,012.5	929.3	840.9	704.1	634.5
115.1	105.2	103.9	99.0	101.2	96.5	92.1	87.0	84.3	62.4	96.9	84.8
70.3	77.7	82.8	86.2	118.6	51.2	53.7	57.5	49.8	37.2	39.3	36.5
11,409	19,573	12,703	12,201	11,255	11,063	12,036	13,109	11,323	16,864	12,248	14,422
1,033	1,162	1,306	1,155	1,266	1,357	1,161	1,284	1,305	1,248	1,337	1,261
1,367	1,445	1,647	1,328	1,190	1,075	978	905	813	808	892	1,067
$369.8	**$356.8**	**($72.4)**	**$412.2**	**$759.4**	**$1,321.3**	**$1,174.1**	**$1,276.9**	**$1,610.5**	**$1,496.1**	**$1,481.3**	**$1,364.0**
140.9	181.2	(188.2)	284.5	573.7	1,102.6	978.4	1,026.6	1,289.4	1,196.2	1,192.0	1,094.4
198.9	175.6	91.8	82.6	139.2	180.3	150.0	206.5	260.8	251.8	243.8	233.1
30.0	0.0	24.0	45.1	46.5	38.4	45.6	43.8	60.3	48.1	45.5	36.5
0.6%	0.4%	0.3%	3.6%	3.7%	9.7%	9.4%	10.4%	14.2%	14.4%	15.1%	15.5%
14.0%	11.5%	7.8%	8.3%	8.5%	14.8%	13.3%	19.8%	26.5%	27.3%	28.7%	29.6%
$284.1	**$287.0**	**$255.3**	**$229.9**	**$194.7**	**$188.5**	**$151.2**	**$132.3**	**$116.0**	**$97.6**	**$83.9**	**$62.9**
282.8	284.2	254.3	228.6	193.2	187.0	151.0	132.0	115.7	97.0	83.4	62.2
1.3	2.8	1.0	1.3	1.5	1.5	0.2	0.3	0.3	0.6	0.5	0.7
$56,428.9	**$51,925.8**	**$48,945.5**	**$45,189.3**	**$40,280.6**	**$35,812.5**	**$35,621.8**	**$29,781.6**	**$23,953.8**	**$20,540.4**	**$18,549.4**	**$15,032.6**
29,953.5	25,480.2	23,751.5	21,120.3	18,478.6	16,333.9	18,297.2	14,217.1	9,008.5	6,772.1	5,982.7	3,646.2
20,788.5	20,452.4	19,192.6	18,383.1	16,445.4	14,600.4	12,729.5	11,892.5	11,095.2	10,116.3	9,364.9	8,514.5
2,120.7	2,314.8	2,612.9	2,460.4	2,595.2	2,647.9	2,660.6	2,614.0	2,589.1	2,300.9	2,181.2	2,093.0
937.5	1,128.0	1,049.6	1,472.3	1,506.8	1,577.5	1,278.0	679.9	1,127.1	1,242.0	967.8	724.8
1,554.7	1,343.6	1,263.7	786.6	631.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1,074.0	1,206.7	1,075.2	966.6	623.0	216.4	38.4	34.4	33.4	48.6	48.7	48.9
0.0	0.0	0.0	0.0	0.0	436.4	618.1	343.6	100.4	60.6	4.2	5.2
12.5%	**10.7%**	**11.7%**	**13.9%**	**13.4%**	**1.6%**	**17.8%**	**24.0%**	**13.7%**	**7.9%**	**21.4%**	**3.3%**
9.2%	9.0%	9.3%	9.2%	10.2%	9.6%	10.2%	10.4%	10.3%	9.7%	9.8%	9.4%
15.3%	11.5%	14.0%	17.7%	18.0%	-8.6%	24.9%	39.2%	19.4%	4.5%	46.4%	-16.6%
$36.9	**$36.6**	**$36.7**	**$34.0**	**$30.7**	**$31.8**	**$34.4**	**29.3**	**$24.4**	**$16.8**	**$17.3**	**$13.9**
$58,049.7	**$53,711.2**	**$50,538.7**	**$47,147.0**	**$42,867.5**	**$38,508.2**	**$38,239.9**	**$33,068.0**	**$27,386.1**	**$23,904.9**	**$21,732.2**	**$18,018.4**

See notes on next page

Twenty Year Summary Notes

(a) Includes active members and inactive members identified with their last employer.

(b) Total does not include Employee Contributions Refunded or Other Benefits found in the Financial Statements.

(c) All rates assume a December 15 payment date prior to the close of the fiscal year. While the State pays on March 1 prior to fiscal year end, the December date is used for comparability. Contributions include Retirement Incentives and other costs.

(d) Investments for 1995 and later years are shown at (and rate of return is calculated on) market value as required by GASB 25 which the Systems adopted that year. Pre-1995 fixed income investments are shown at book value, all others at market. Pre-1995 rates of return also reflect this valuation.

VO 1717A

New York State and Local Retirement Systems

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