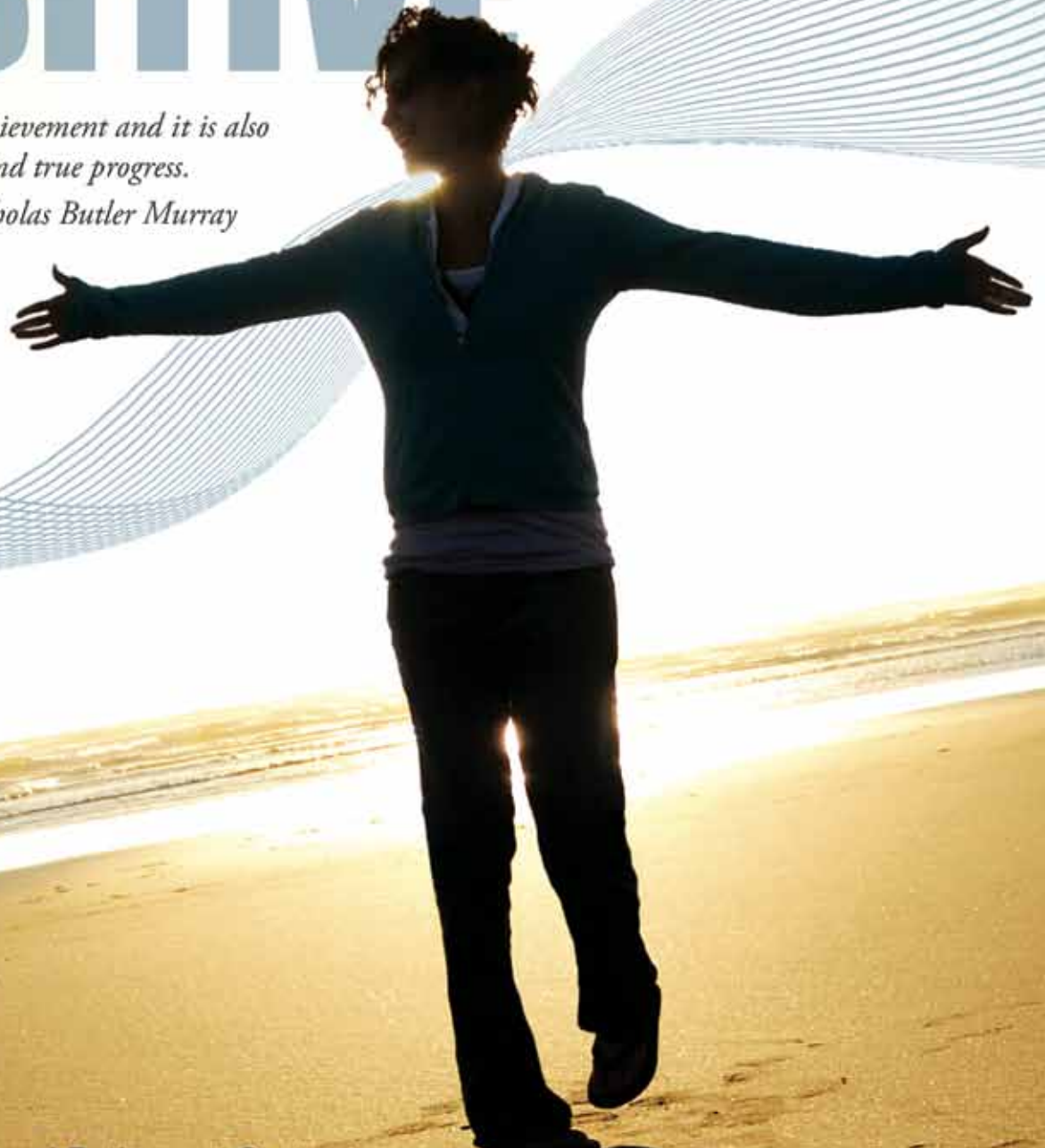


PENSION POSITIVE

*Optimism is essential to achievement and it is also
the foundation of courage and true progress.*

- Nicholas Butler Murray



Missouri State Employees' Retirement System
A Component Unit of the State of Missouri

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2011

PENSION POSITIVE



Missouri State Employees' Retirement System
A Component Unit of the State of Missouri

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2011

Gary Findlay
Executive Director

Gary Irwin
Chief Finance Officer

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* *Missouri State Employees' Plan*



Our Mission & Core Values

To exceed customer expectations by providing outstanding benefit services through professional plan administration and sound investment practices.

Quality

Strive to exceed the expectations of internal and external customers through innovation, competence, and teamwork. Seek to “do it right” the first time.

Respect

Be sensitive to the needs of others, both within and outside the organization. Be courteous, considerate, responsive, and professional.

Integrity

In all endeavors, act in an ethical, honest, and professional manner.

Openness

Be willing to listen to, and share information with, others.
Be receptive to new ideas. Be trusting of others.

Accountability

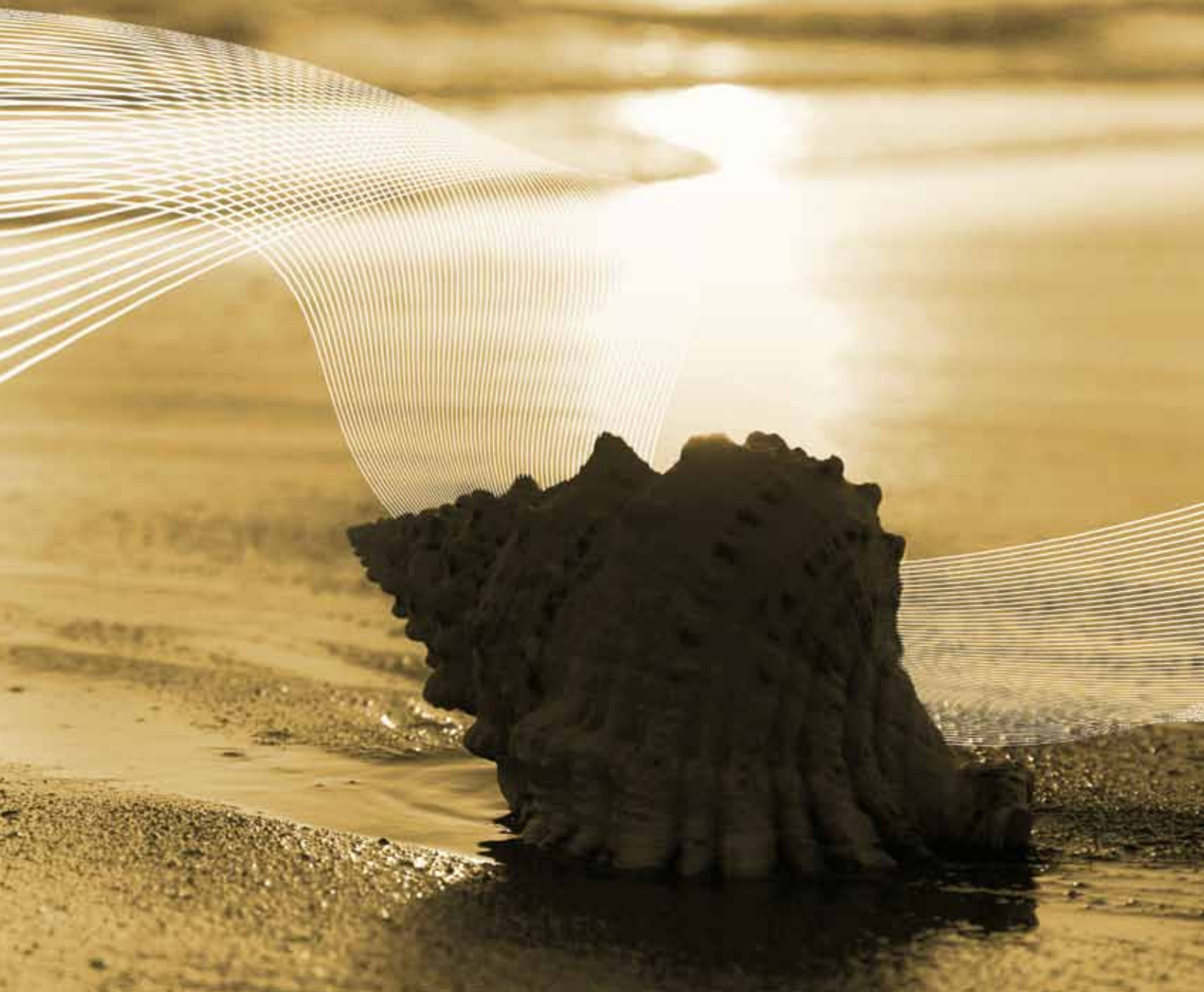
Take ownership of and responsibility for actions and their results. Learn from mistakes. Control system risks and act to protect the security of member information and system assets.

POSITIVE ATTITUDES

Excellence. Always. That's our attitude at MOSERS. We are genuine in our commitment to exceptional customer service and our promise to deliver secure retirement benefits to our members. We strive to make every experience you have with MOSERS a positive one. Why? Because when you're happy, we're happy. It's just that simple.

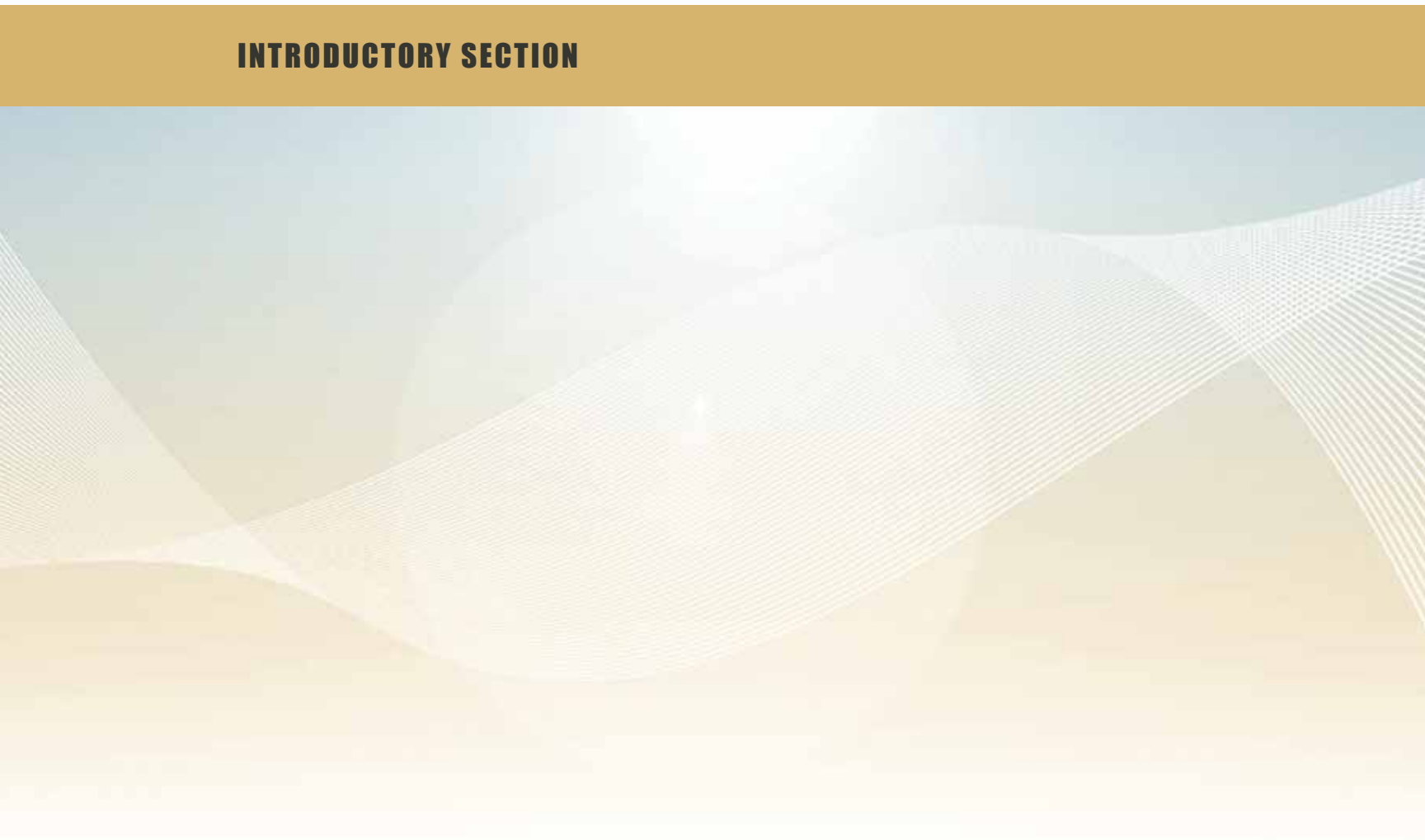
Attitude is a little thing that makes a big difference.

- Winston Churchill



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INTRODUCTORY SECTION





Professional Awards

Certificate of Achievement for Excellence in Financial Reporting

MOSERS' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010, was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). This was the 22nd consecutive year that MOSERS has received this prestigious award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR). The CAFR must satisfy generally accepted accounting principles, applicable legal requirements and GFOA reporting standards.

Public Pension Standards Award

MOSERS also received the Public Pension Coordinating Council (PPCC), Public Pension Standards Award in 2010, in recognition of meeting the professional standards for plan design and administration as set forth in the Public Pension Standards. This award is presented by the PPCC, a confederation of the National Association of State Retirement Administrators (NASRA), the National Conference on Public Employee Retirement Systems (NCPERS), and the National Council on Teacher Retirement (NCTR).

Letter of Transmittal



Missouri State Employees' Retirement System

Mailing Address

PO Box 209 • Jefferson City, MO 65102-0209

Building Location

907 Wildwood Drive • Jefferson City, MO

October 17, 2011

The Board of Trustees
Missouri State Employees' Retirement System
907 Wildwood Drive
Jefferson City, MO 65109

Dear Board Members:

It is my pleasure to submit the 2011 Comprehensive Annual Financial Report (CAFR) of the Missouri State Employees' Retirement System (MOSERS). To quote Charles Dickens from the opening paragraph of *A Tale of Two Cities*, "It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us, . . ." His fictional account of the late eighteenth century can be applied to a variety of situations currently where the end result will largely depend on our outlook in assessing circumstances and the choices we make. We all have choices in how we elect to face challenges — in our leadership roles, those who are looking to us for guidance will be greatly influenced by our attitudes. If we are defeatists in our outlook and attitude, failure is a certainty.

At MOSERS, failure is not an option. It's not that we are too big to fail — rather, it is that we are too important to others to fail as there are tens of thousands of people who are relying on us for significant aspects of their financial security and they deserve our very best. Throughout this report, you will find results with respect to our activities during the past fiscal year providing evidence that, at MOSERS, we are doing our very best to accomplish our mission of exceeding customer expectations by providing outstanding benefit services through professional plan administration and sound investment practices. As the market conditions improved during FY10 and FY11, MOSERS recovered substantially from the unprecedented market conditions of two years ago, providing evidence that the operational and investment policies established by you, and your predecessors on the board, continue to provide exceptional guidance for achieving our goal of providing financial security to our members and cost efficiencies to our taxpayers.

Phone: (573) 632-6100 • (800) 827-1063
MO Relay: 7-1-1 (Voice) • (800) 735-2966 (TTY)
Email: mosers@mosers.org • Website: www.mosers.org

Report Contents and Structure

This CAFR is designed to satisfy the reporting requirements of state law as stipulated in Sections 104.480, 104.1006, and 105.661 of the Revised Statutes of Missouri (RSMo), as amended. Management has prepared the basic financial statements of MOSERS and is responsible for the integrity and fairness of the information presented. Some amounts included in the financial statements and elsewhere may be based on estimates and judgments. These estimates and judgments were products of the best business practices available. The accounting policies followed in preparing the basic financial statements conform with U.S. generally accepted accounting principles. Financial information presented throughout the CAFR is consistent with that which is displayed in the basic audited financial statements.

Ultimate responsibility for the CAFR and the basic financial statements rests with the board of trustees. The executive director and the rest of MOSERS' staff assist the board members in fulfilling their responsibilities. Systems of internal controls and supporting procedures are maintained to provide assurances that transactions are authorized, assets are safeguarded, and proper records are maintained. These controls include standards in the hiring and training of employees, the establishment of an organizational structure, and the communication of policies and guidelines throughout the organization. Internal controls are reviewed through internal audit programs and all internal audit reports are submitted to the board of trustees.

The system's external auditor, Williams-Keepers LLC, conducted an independent audit of the basic financial statements in accordance with U.S. generally accepted auditing standards. This audit is described in the *Independent Auditor's Report* on page 21 of the *Financial Section*. Management has provided the external auditors with full and unrestricted access to MOSERS' staff to discuss their audit and related findings, to facilitate independent validation of the integrity of the plan's financial reporting and the adequacy of internal controls.

The Financial Section also contains Management's Discussion and Analysis that serves as an introduction to and overview of the financial statements. MOSERS is considered a component unit of the state of Missouri for financial reporting purposes and, as such, the financial statements in this report are also included in the *State of Missouri's Comprehensive Annual Financial Report*.

Profile of MOSERS

MOSERS is an instrumentality of the state of Missouri that was established in 1957 by state law for the purpose of providing retirement benefits to most state employees. MOSERS provides for those retirement benefits through pension trust funds, in keeping with the fiduciary responsibilities of the board members and staff.

Subsequent to its creation, MOSERS was further assigned the task of providing most members of the retirement system with life and long-term disability insurance. MOSERS operates an internal service fund for the state of Missouri and contracts with insurance companies to provide those benefits through insured defined benefit plans. MOSERS maintains membership information on those eligible for the insurance coverage and collects and remits the premiums to the insurance company. Currently, the life and long-term disability insurance plans are insured through The Standard insurance company.

Effective September 1, 2007, a law change transferred responsibility for the administration of the Missouri State Employees' Deferred Compensation Program from the Missouri Deferred Compensation Commission to the MOSERS Board of Trustees. MOSERS makes investment options available to participants who retain responsibility for the investment of their individual accounts. Currently, the Missouri State Employees' Deferred Compensation Program is administered by ING. MOSERS accounts for the deferred compensation program as an internal service fund. Beginning November 1, 2011, the plan administrator role will be transferred to ICMA-RC (the International City/County Management Association Retirement Corporation).

On July 19, 2010, Governor Jay Nixon signed into law House Bill No. 1 that created a new tier defined benefit plan (MSEP 2011) for state employees first hired on or after January 1, 2011. The MSEP 2011 defined benefit plan does not impact members of MOSERS who had service with the state prior to January 1, 2011. Highlights of these changes can be found on page 31 in the *Notes to the Financial Statements*, and on page 124 of the *Actuarial Section*.

Budgeting

The MOSERS Board of Trustees annually approves the administrative expense budgets for MOSERS' operations and investments sections. MOSERS' governance policy requires an exception report to the board of trustees by the executive director if expenses are expected to exceed budgeted amounts by 10% or if there are any unscheduled salary increases or staff expansions not included in the budget approved by the board before the beginning of the fiscal year. There were no budget exceptions to report for the year.

Succession Planning

Succession planning strategies were continued in FY11 with an emphasis on employee development and retention as well as ways in which institutional knowledge could be captured and passed on. The operations section's succession planning program was initially implemented in July 2009. This program includes a selection process for high potential employees who are interested in preparing for higher level positions at MOSERS. The program is designed to capitalize on the experience our current staff already possesses and prepare them to move into higher level positions. The second group of succession planning participants has completed the program. We believe the program has been a success and for FY12 we opened up the program to include the investments and executive sections' staff. The importance of this type of program can be seen in the facts that we presently have thirteen employees who are eligible to retire and an additional twelve who will become eligible to retire between now and September 1, 2016. In combination, these employees represent one-third of our workforce.

Staff Compensation and Benefits

Achievement of the MOSERS Performance Objectives (MPOs) is a critical part of the performance management process for the operations section. Staff members are provided with quarterly updates that chart progress towards achieving these goals. This process includes departmental meetings during which employees can discuss progress and offer alternatives for improvements. It also serves as a reminder to staff of their individual responsibility in achieving the organizational goals of MOSERS.

In FY11, MOSERS participated in the NASRA/McLagen salary survey and the Human Resources Management Association of Greater Kansas City salary survey. These surveys help us monitor the adequacy of staff pay.

Risk Management Enhancements

Risk management is a critical component of our investment management program. A report from Charlesworth & Associates, MOSERS' risk management consultant, shows that our insurance "has been designed around the risks to which the system is exposed and the philosophy regarding funding of potential loss." Additionally, it is our consultant's opinion that "MOSERS continues to excel in risk management." Our risk management consultant helps us ensure that our coverage is consistent with industry standards and that we are receiving the best rates available. There are no asset protection exceptions to report for the year.

Last year, our information technology (IT) personnel began testing existing equipment, commercial applications and internal applications for Windows 7 capability, which offers enhanced system security features. IT has completed Windows 7 testing on the desktops (staff work-stations) and is currently implementing the system and replacing Windows XP throughout the organization.

The investments section retained Measurisk in January 2010 to provide a comprehensive risk measurement and reporting system, as was communicated in last year's report. The Office of Internal Audit conducted a review of the controls at MOSERS related to that system during this past fiscal year. One of the recommendations contained in that report was for the investment staff to conduct a due diligence review of Measurisk, which was conducted by three investment staff and the chief auditor in June 2011. While no issues or concerns were noted as the result of that review, the visit to Measurisk provided staff with more insight into the system, which will enhance the risk management functions.

The Office of Internal Audit, in cooperation with IT personnel at MOSERS, launched a fraud reporting tool on the MOSERS website. This allows individuals, who may become aware of actual or potential fraudulent situations, a mechanism to report their suspicions to MOSERS' internal auditors. An individual who uses the reporting tool may maintain anonymity.

Business Continuity Plan Implementation

While MOSERS has had a sound business continuity plan in place since 2006, our goal is to continually make improvements. Last year, a business continuity steering committee was established to further refine and test the plan. The committee is developing multiple step-by-step action plans called MAPs (MOSERS Action Plans) that will outline the actions required to maintain and/or restore critical business functions in the event of an interruption of normal business operations. Ongoing, the business continuity plan is expected to be a "living, breathing document" that requires constant review, revision, training, and testing.

Deferred Compensation and College and University Retirement Plans

As mentioned earlier, MOSERS is responsible for oversight of the State of Missouri Deferred Compensation Plan. This includes, but is not limited to, contracting with the record-keeper and communications service provider and the investment managers as well as ensuring that the plan is in compliance with federal and state law.

Plan participation is voluntary for eligible members including college and university employees. As of June 30, 2011, there were 55,075 participants (37,147 active and 17,928 terminated/retired). Of those employees eligible, nearly 56% participate in the plan. Participant account assets total \$1,530,489,399. The plan consists of 13 custom-designed target date investment options, a stable income fund, a brokerage window option, and 30 closed legacy mutual fund options (consisting of a variety of domestic equity, international equity, fixed income, and lifestyle/balanced mutual funds).

As of June 30, 2011, plan participation was down 3% from June 30, 2010. Total participants decreased by 2,166 during the fiscal year. This decline continues as a result of lower enrollments and ceased contributions in response to suspension of the plan incentive matching program in March 2010.

During the 2011 session of the Missouri Legislature, a bill was passed that allows for the automatic enrollment of new employees into the State of Missouri Deferred Compensation Plan, beginning July 1, 2012, at 1% of pay. This provision is intended to make saving for retirement easier for state employees. Employees will have the choice to opt out of the plan and receive a refund of any contributions within 30 days of hire.

Deferred Compensation staff at MOSERS completed a search for record keeping services for the State of Missouri Deferred Compensation Plan. The current five-year contract with ING was nearing expiration, and it is common practice to conduct a review of the current provider and initiate a bid process. Following an extensive review of responses to the request for proposal, the decision was made to transition plan record keeping services to ICMA-RC.

The board also has responsibility for oversight of the College and University Retirement Plan (CURP). CURP is a 401(a) defined contribution plan for education employees hired after June 30, 2002, by the regional colleges and universities that participate in MOSERS. The employer contribution rate is 1% of payroll less than the normal cost of the defined benefit plan for general state employees. TIAA-CREF is responsible for third-party administration and for providing investment products and education to members of the plan. Current plan assets total \$31,249,651 with 1,723 participants.

Web Enhancements

Two years after launching the new MOSERS website, the website design and development team focused on enhancing the online user experience by launching features like Document Express, webinars and additional informational videos. The MOSERS website continues to be the place where members can access all of their MOSERS information in one place; a one-stop shop where members can get the latest news, view benefit information, and chat online with a benefit counselor.

Technology Updates

In FY11, the main production IBM System I (iSeries) server which houses our custom-built pension administration system was replaced. The server that was replaced became the backup server and it was installed at another secure location. The two servers are running concurrently which provides for instantaneous backup.

A long standing project to convert our old microfiche records to our imaging system was completed during the year. This allows us to more quickly identify former state service and to more accurately reflect member records if those members return to state employment. A project was also initiated to place all of our personnel files into electronic form. This will protect our personnel files in the case of a disaster and allows for quick desktop retrieval of personnel file data.

An electronic walk-in distribution system was implemented which alerts benefit counselors when there are members waiting, so there is less wait time for walk-ins and other guests in the building. Another benefit of this system is that many fields requiring member information for a counseling session to be successful are pre-populated at the front desk, freeing up more of the counselors' time.

Members on disability or a leave of absence had been asking for the ability to have reoccurring insurance premiums withheld from their checking accounts so they don't have to mail checks to MOSERS on a monthly basis. MOSERS now has the ability to accept online web payments for insurance premiums or automatically withdraw the monthly premiums from members' bank accounts, saving the member check and postage costs.

The 1099-R form was amended to include medical deductions as a service to retired members. The member also has the ability to reprint their form electronically through the secure member portion of the website.

Cost Effectiveness Measurement (CEM)

CEM measures the cost of service on an annual per participant basis (including active members and benefit recipients). MOSERS has 87,000 participants while the median number within our peer group is 93,000 and the peer average is 99,900. Our cost of \$72 per active member and annuitant was below the peer median of \$76 and well below the peer average of \$103. In addition, our overall complexity score remains below the peer average.

To keep costs down and enhance our processing time, measures were initiated to simplify processes, eliminate programs, and/or provide enhanced security. These measures include:

- **Missouri Quality Award** - The MQA program is another tool to help identify opportunities for improvement at MOSERS and to help identify MOSERS as a leader in pension plan management using the Baldrige Criteria for Performance Excellence. A three-tiered approach was implemented called "Spot On. Excellence. Always." as a pillar around which all staff can gather as we complete an employee engagement survey, the MQA Show-Me-Challenge analysis, and implement a strategic planning process that will prepare MOSERS to best handle our members needs well into the future.
- **New Day/Document Express** - The Document Express project is an online, secure document repository for members that was successfully implemented in January. We continue to transition communications to this format.
- **Member contributions** - Over the past year, a significant portion of our IT resources have been focused on implementing legislation that established a new plan tier for state employees first hired on or after January 1, 2011. Extensive modifications have been made to the existing pension administration system to accept, manage and refund member contributions, along with administering new vesting and eligibility requirements.
- **Streamlined fax process** - We consolidated most of our fax numbers so that when we receive a fax from a member or agency it goes to a central destination and is queued, similar to incoming telephone calls. From here, any staff can view the queue to identify recently received faxes, allowing staff to quickly process the information and place the document in a member's folder rather than deal with a paper document via scanning.
- **Electronic communications** - Over the last year, significant progress was made on our transition to electronic communication. All of our major mass mailings, which consist primarily of newsletters and benefit statements, are distributed electronically, to the extent possible, rather than via traditional hardcopy and U.S. mail. The savings in postage and printing costs from this initiative has been material.

Summary of Financial Information

The following schedule is a comparative summary of the pension trust funds' additions and deductions for the years ended June 30, 2011, and June 30, 2010.

	Pension Trust Funds	
	Year Ended June 30, 2011	Year Ended June 30, 2010
Additions	\$1,708,542,321	\$1,152,297,853
Deductions	(647,802,147)	(575,126,868)
Net change	\$1,060,740,174	\$ 577,170,985

The following schedule is a comparative summary of the revenues and expenses of the Internal Service Funds (insurance and deferred compensation activity) for the years ended June 30, 2011, and June 30, 2010.

	Internal Service Funds	
	Year Ended June 30, 2011	Year Ended June 30, 2010
Operating revenues	\$ 84,032,268	\$ 99,281,435
Operating expenses	(83,877,672)	(99,039,086)
Nonoperating revenue	11,071	9,816
Net change	\$ 165,667	\$ 252,165

Additional financial information can be found in the *Management Discussion and Analysis Report*, the financial statements, and schedules included in the *Financial Section* of this report.

Investments

MOSERS' investments generated a return of 21.0% (net of fees) for FY11. This return was 0.7% under the current 1-year policy benchmark of 21.7% but significantly outperformed the actuarial investment return assumption by 12.5%. This year's return generated \$1.4 billion of additional retirement security for our members and savings to the taxpayers.

The largest asset class, public equities, returned 28.4% for the year. Within the alternative investments asset class, real assets and private investments posted strong absolute returns of 20.6% and 22.4%, respectively. The table on page 72 illustrates each sub-asset classes' contribution to the total return. Additional information regarding the investments of the pension trust funds can be found in the *Investment Section* of this report.

Plan's Financial Condition

The funding objective of MOSERS' pension trust funds is to meet long-term benefit promises through contributions that remain approximately level as a percent of member payroll over decades of time. Historical information relating to progress in meeting this objective is presented on pages 47-52. During the year ended June 30, 2011, the funded ratio of the Missouri State Employees' Plan, which covers 104,687 participants, decreased from 80.4% to 79.2%, primarily the result of the unfavorable investment market experience in previous years. Funding of the Judicial Plan, which covers 930 participants, began on July 1, 1998. During the year ended June 30, 2011 the funded ratio of the Judicial Plan increased from 23.3% to 25.0%, which is in keeping with the expectation that the funded ratio will increase 2-3% per year under normal circumstances. Additional information regarding the financial condition of the pension trust funds can be found in the *Actuarial Section* of this report.

Awards

MOSERS has again received the Certificate of Achievement for Excellence in Financial Reporting from GFOA as well as the PPCC, Public Pension Standards Award for 2010. These prestigious awards recognize MOSERS for financial and professional standards of excellence. Presentation of these notable awards can be found on page 5.

Also this fiscal year, MOSERS received a First Place Award from the National Association of Government Communicators (NAGC) for the FY10 CAFR. The MOSERS CAFR was one of fifteen entries considered for the annual Blue Pencil & Gold Screen Award, which salutes superior communications efforts of government agencies and recognizes the people who create them. In addition, the communications team also received a "Best Overall Issue" Ranly Award from the Missouri Association of Publications for the *PensionsPlus* newsletter, summer 2010 edition.

These awards are gratifying to MOSERS' staff and increase MOSERS' stature as a leader among our peers.

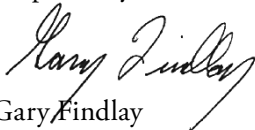
Conclusion

This report is a product of the combined efforts of MOSERS' staff and advisors functioning under your leadership. It is intended to provide complete and reliable information that facilitates the management decision making process, serves as a means for determining compliance with legal requirements, and allows for the evaluation of responsible stewardship of the system funds. As in the past, MOSERS received an unqualified opinion from our independent auditor on the financial statements included in this report. The opinion of the independent auditor is on page 21.

Copies of this report are provided to the Governor, State Auditor, the Joint Committee on Public Employee Retirement of the General Assembly, and all state agencies that form the link between MOSERS and its members. Their cooperation contributes significantly to the success of MOSERS. We hope all recipients of this report find it informative and useful.

I would like to take this opportunity to express my gratitude to you, the staff, the advisors, and other people who have worked so diligently to assure the continued successful operation of the system.

Respectfully submitted,



Gary Findlay
Executive Director

Letter from the Board Chair



Missouri State Employees' Retirement System

Mailing Address

PO Box 209 • Jefferson City, MO 65102-0209

Building Location

907 Wildwood Drive • Jefferson City, MO

October 17, 2011

Dear Members:

On behalf of the board of trustees, I am pleased to present the MOSERS *Comprehensive Annual Financial Report* for the fiscal year ended June 30, 2011. This report provides information on the financial status of your retirement system while also highlighting changes that occurred during the year. The *Financial Section* of this report is prepared following all appropriate accounting principles and is appropriately attested to by the system's Certified Public Accountants.

The board is pleased to report that MOSERS' investments generated a return of 21% (net of fees) this fiscal year. This one year return significantly exceeded the actuarial economic assumption return of 8.5% by 12.5% and generated a total of \$1.4 billion on behalf of members and Missouri taxpayers.

Long-term performance is the best indicator of success. For the past 15-year period ended June 30, 2011, MOSERS' total fund return outperformed 95% of the public pension funds in the Rogerscasey universe of public pension plans with assets in excess of \$1 billion. In addition, the MOSERS 15-year investment return exceeded the policy benchmark by 1.3%.

Your retirement system continues to achieve high marks in the delivery of customer service to our members. One of the ways operational performance is measured is through CEM Benchmarking Inc.'s Pension Administration Benchmarking Analysis. This year CEM evaluated 88 leading pension systems, including systems in the U.S., Canada, Australia, the Netherlands and Denmark, and identified 12 U.S. public pension plans as the most relevant peer group based upon membership size and system assets. The CEM survey rated MOSERS' service delivery as the highest in our peer group with lower than average costs – the sixth time the system has received such a rating during an eleven-year period. The system is continually working on improvements in service delivery.

The board experienced some turnover this past year due to term endings and reappointments. On behalf of the board, staff, and members, I would like to thank Wayne Bill, Bob Patterson, Representative Bill Deeken, and David Steelman for their hard work and individual contributions to the system. Trustees serve many hours and it is truly a personal service with no remuneration. The board also welcomed Laura Davis, Marty Drewel, Representative Mike Leara, and Lori Neidel this year, and we look forward to serving and working with them.

I wish to thank all of the other MOSERS board members for their hard work and contributions to the system this year. The wide diversity and exceptional knowledge that the board of trustees brings to each board meeting is one reason for our system's continued success. Additionally, the board thanks the MOSERS staff for maintaining a high level of expertise and professionalism required for excellence in our retirement system. Staff continues to focus on our members and maintain a pension plan that serves our membership well. The board and the staff look forward to continuing to meet your future needs. If you have any questions regarding this report or any other aspect of MOSERS, please contact us at MOSERS, P.O. Box 209, Jefferson City, MO 65102 or call 1-800-827-1063. You may also visit our website at www.mosers.org.

Sincerely,

Donald Martin, Chair
Board of Trustees

Phone: (573) 632-6100 • (800) 827-1063
MO Relay: 7-1-1 (Voice) • (800) 735-2966 (TTY)
Email: mosers@mosers.org • Website: www.mosers.org

Board of Trustees



Donald Martin - Chair
Elected Retired Member



Lori Neidel - Vice Chair
Governor Appointed Member



Senator Jason Crowell
Senate Appointed Member



Laura Davis
Elected Active Member



Marty Drewel
Elected Active Member



Representative Ward Franz
House Appointed Member



Senator Timothy Green
Senate Appointed Member



Representative Mike Leara
House Appointed Member



Travis Morrison
Governor Appointed Member



Commissioner of Administration
Kelvin Simmons
Ex-Officio Member



State Treasurer
Clint Zweifel
Ex-Officio Member

Administrative Organization



Gary Findlay - *Executive Director*

Greg Beck - *Chief Auditor*

Judy Delaney - *Legislative & Policy Coordinator*

Jake McMahon - *Chief Counsel*

Lisa Verslues - *Human Resources Coordinator*



Karen Stohlgren - *Deputy Executive Director
Chief Operations Officer (COO)*

Stacy Gillmore - *Manager of Information Technology*

Gary Irwin - *Chief Finance Officer*

Lori Leeper - *Operations Project Coordinator/Board Secretary*

JoAnn Looten - *Manager of Records & Facility*

Krista Myer - *Manager of Communications*

Scott Simon - *Manager of Benefit Services*



Rick Dahl - *Deputy Executive Director
Chief Investment Officer (CIO)*

Shannon Davidson - *Manager of Investment Risk & Performance*

Seth Kelly - *Manager of Investment Research & Strategy*

Jim Mullen - *Manager of Public Debt*

Pat Neylon - *Manager of Public Equity*

Scott Peppard - *Manager of Alternative Investments*

Christine Rackers - *Manager of Investment Policy & Communications*

Cindy Rehmeier - *Manager of Deferred Compensation*

Tricia Scrivner - *Manager of Hedge Fund Investments*

About MOSERS

Purpose

MOSERS was established September 1, 1957, and is governed by laws of the state of Missouri.

MOSERS provides retirement, survivor, and disability benefits, as well as life insurance and deferred compensation plan management to its members.

MOSERS administers retirement benefits for most state employees, including members of the Missouri General Assembly, elected state officials, and judges. MOSERS is responsible for administering the law in accordance with the expressed intent of the Missouri General Assembly and bears a fiduciary obligation to the state employees who are its members and beneficiaries.

Administration

State law provides that responsibility for the administration of MOSERS is vested in an 11-member board of trustees. The board is comprised of:

- Two members of the Senate appointed by the President Pro Tem of the Senate.
- Two members of the House of Representatives appointed by the Speaker of the House.
- Two members appointed by the Governor.
- The State Treasurer.
- The Commissioner of Administration.
- Three other system members: two active members elected by the active and terminated-vested members, and one retiree elected by the retired members.



The day-to-day management of MOSERS is delegated to the executive director who is appointed by the board and serves at its pleasure. The executive director acts as advisor to the board on all matters pertaining to the system, contracts for professional services, and employs the remaining staff needed to manage the system.

Organization

The executive director, COO, and CIO are responsible for planning, organizing, and administering the operations of the system under the broad policy guidance and direction of the board. MOSERS' office is divided into seven administrative sections that perform specific functions for the system.

Executive Services

The executive services team provides administrative support by assisting the executive director, COO, and CIO in the major legal, operational, and oversight functions of the retirement, benefit, and communication programs.

Accounting

Accounting is responsible for all financial records of the programs administered by MOSERS, including the preparation of financial and statistical reports. Accounting performs the purchasing functions for MOSERS and interfaces with the investment custodian, Office of Administration accounting, various payroll and personnel departments, life insurance companies, actuaries, banks, and the IRS on all accounting-related issues.

Benefit Services

Benefit services is responsible for contact with the members regarding the benefit programs directly administered by MOSERS, which include retirement, life insurance, and long-term disability.

Communications

Communications is responsible for providing clearly written and attractively designed publications, and conducting educational seminars to inform members about benefit programs administered by MOSERS. Communications and the information technology section are jointly responsible for MOSERS' website.

Information Technology

Information technology is responsible for establishing and maintaining the automated systems that support MOSERS' daily operations. MOSERS takes full advantage of technology to automate and integrate almost every aspect of the business. Key technologies include a document imaging system, a custom-built benefits management system and a computer-based telephone system.

Investments

The primary function of the investment department is to provide internal investment management and consulting services to the board and the executive director. Other functions include hiring and terminating external investment managers, making strategic allocation decisions, analyzing the overall asset allocation, rebalancing the portfolio, and informing and advising the board and executive director on financial and economic developments which may affect the system. The investment staff also works with the general asset consultant, the hedge fund asset consultant and the executive director in selecting and monitoring external money managers. Information regarding the investment professional service providers can be found in the *Investment Section*.

Records and Facility Management

Records and facility management is responsible for establishing and maintaining all membership records including maintenance of the data on the electronic imaging system, balancing payroll deductions for insurance, and entering the payroll, service, and leave data into the system's retirement database. This section is also responsible for mail services and general building maintenance.

Outside Professional Services

Actuary

- Gabriel, Roeder, Smith & Co.

Auditor

- Williams-Keepers, LLC

Governmental Consultant

- Gamble & Schlemeier, LTD

Legal Counsel

- Thompson Coburn, LLP

Master Custodian

- Bank of New York Mellon

Investment Management Consultants

- Blackstone Alternative Asset Management, LP
Hedge Fund Asset Consultant
- Summit Strategies Group
General Asset Consultant
- TimberLink, LLC
Timberland Consultant

Risk Management Consultant

- Charlesworth & Associates, LC

Third-Party Administrators

- ING
Deferred Compensation Plan
- The Standard Insurance Company
Disability and Life Insurance
- TIAA-CREF
College & University Retirement Plan

Securities Lending Advisor

- Deutsche Bank AG,
New York Branch

Investment Advisors

- Actis Capital, LLP
- Alinda Capital Partners, LLC
- Alliance Bernstein Defined Contribution Investments
- AQR Capital Management, LLC
- Ashmore Investment Management, Ltd.
- Axiom Asia Private Capital
- Axxon Management, Ltda.
- Baillie Gifford International, LLC
- Bayview Asset Management, LLC
- BlackRock Financial Management, Inc.
- Blackstone Alternative Asset Management, LP
- Blackstone Distressed Securities Advisors, LP
- Blackstone Real Estate Advisors
- Blakeney Management
- Brevan Howard Capital Management, Ltd.
- Bridgepoint Capital, Ltd.
- Bridgewater Associates, LP
- CarVal Investors, LLC

- Catalyst Capital Group, Inc.
- Catterton Partners
- Claren Road Asset Management, LLC
- COMAC Capital, LLP
- Davidson Kempner Capital Management, LLC
- DDJ Capital Management, LLC
- Development Partners International
- DG Capital Management
- Diamondback Capital Management, LLC
- DRI Capital, Inc.
- EIG Global Energy Partners, LLC
- Elliott International Capital Advisors, Inc.
- Eminence Capital
- Empyrean Capital Partners, LP
- Eton Park Capital Management, LP
- Farallon Capital Management, LLC
- Fortress Investment Group, LLC
- GFI Energy Ventures, LLC
- Glenview Capital Management, LLC
- Global Forest Partners, LP
- Grantham, Mayo, Van Otterloo & Co., LLC

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Outside Professional Services

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- Harvest Fund Advisors, LLC
- HBK Investments, LP
- JLL Partners
- King Street Capital Management, LP
- Legg Mason Capital Management, Inc.
- Leuthold Weeden Capital Management
- Linden Capital Partners, LLC
- Mastholm Asset Management, LLC
- Merit Energy Company
- MHR Fund Management, LLC
- Millennium Technology Ventures, LP
- Moon Capital Management, LP
- Morant Wright Management, Ltd.
- New Mountain Capital, LLC
- Nippon Value Investors
- NISA Investment Advisors, LLC
- Oaktree Capital Management, LP
- Pacific Alternative Asset Management Company, LLC
- Parish Capital Advisors, LLP
- Perry Corp.
- Pershing Square Capital Management, LP
- Pharo Global Advisors Ltd.
- Resource Management Service, LLC
- Silchester International Investors
- Silver Creek Capital Management, LLC
- Silver Lake Partners
- State Street Global Advisors
- Silver Point Capital, LP
- Stone Harbor Investment Partners, LP
- The Campbell Group, LLC
- TPG Credit Management, LP
- TPG-Axon Capital Management, LP
- Veritas Capital Fund Management, LLC
- Viking Global Investors, LP
- Visium Asset Management, LP
- Wellington Management Company, LLP