ASRS Board Meeting February 20th 2009

Agenda item #3 <u>Financial Audit</u>

The Board heard from an external auditor who issued an unqualified report for the fiscal year ending June 30, 2008, on the ASRS financial statements. An unqualified report means that the ASRS financial statements present fairly the net assets of the ASRS in conformity with accounting principles generally accepted in the United States. The ASRS anticipates that they will once again receive a Certificate of Achievement for Excellence in Financial Reporting for its June 30, 2008 report.

Agenda item #4 <u>Legislative Report</u>

Because the Legislature is focusing on the budget cuts there has been a record low 1,098 bills introduced this session. The House is moving some ASRS legislation along but the Senate continues to hold up all but budget bills for now. There currently are no groups lining up to oppose any of the ASRS Plan changes, however there is some opposition to the Return To Work legislation. AEA continues to remain officially silent on both.

Agenda item # 5 <u>Fourth Quarter Fund Review</u>

The stock market lost 21.9% in the Fourth Quarter. The slight gains we saw at the end of November and early December have evaporated. It was the worst period in all areas of the market since the 1930's. We are seeing the worst 10-year returns since the depression.

According to our ASRS financial advisor, "when things do turn around in the equities market, the majority of the ground is made up in the first 100 days". "You need to continue to be invested in equities so when this happens you don't miss out on the biggest gains".

The fund currently contains:

- 47.7% in Domestic Equity
- 31.1% in Fixed Income
- 15.8% in International Equity
- 3% in Real Estate
- 2.4% in other funds.

The ASRS Total Fund Performance is off 14.1% for the Quarter, -26.8% for the year. **The Fund as of January 31, 2009 is worth $18,922,439,655.**

In December 2003, $100 invested in the ASRS fund is still worth about $106 today.

Agenda item #11 <u>Directors Report</u>

<u>Delinquent Contributions to ASRS:</u>

- Mexicayotl Academy Charter School
- Westwind Academy
- Park View Middle School
- Esperanza Comm Collegial Academy
- EAGLE Academy
- Visions Unlimited Academy
- CASY Country Day School
- Stepping Stones Academy
- Great Expectations Charter School
- Humanities & Science Institute Charter School
- International Commerce Charter School
- Children Reaching for the Sky
- Elfira Fire District
- Lake Havasu Charter School

Steve Ramos
AEA-Retired,
ASRS Committee Chair