

## **PERS' Investments Secure**

Understandably, we have had a number of inquiries regarding the impact of the financial crisis on PERS' investment program and our ability to pay benefits now and in the future. PERS continues to be fiscally sound, and the current markets do not pose a threat to PERS' ability to pay benefits.

Since PERS has a very long term investment horizon we have the ability to ride out, and profit from, volatile markets. PERS holds over 5,000 securities in over 20 countries. Due to the fund's broad diversification strategy, notably our holdings in bonds and real estate, the fund experiences less volatility than the broad stock markets.

It has been said that investing is simple, but it is not easy. Successful investors follow a few simple rules. Diversify, keep costs low, develop a sound long-term strategy and consistently implement it regardless of the market environment. It is the last part that is increasingly difficult in bear markets. It can be very hard to buy stocks when a financial crisis dominates the landscape. However, this is exactly when successful investors position themselves to make money – by buying assets when they are undervalued. Based on a number of metrics, U.S. stocks are trading at some of their cheapest levels in the last 30 years.

PERS has consistently implemented its conservative, long term investment strategy for over 24 years. During that period of time, the U.S. has experienced three separate bear markets and three recessions. Through all of that volatility, PERS' long term total return is still over 10% per year, net of fees. PERS' unwavering commitment to the long term will enable the fund to continue to generate competitive results for the next 24 years.

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