



Office of the New York State Comptroller  
**Thomas P. DiNapoli**  
New York State and Local Retirement System  
Employees' Retirement System  
Police and Fire Retirement System  
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October 2008

Dear Members and Pensioners:

As State Comptroller and sole trustee of your pension fund, I know there is concern about the impact of the struggling economy on pension benefits. In light of that concern, I'd like to provide you with an update on the pension fund. Despite recent developments in the financial markets, the New York State Common Retirement Fund remains strong, and your benefits are secure. Relative to its size, the Fund has small investment exposure in many of the financial institutions that have made recent headlines. We, along with many other investors, will experience losses, but those losses must be put in the context of the overall Fund. Our investment in Lehman Brothers is a fraction of one percent of the total Fund. Our investment in AIG is also a small fraction of the Fund.

We don't place all of our investment eggs in one basket. The Fund is well-diversified across multiple asset classes, investment types, markets and industries. This diversification has served us well. Although the Fund lost \$31 billion in value during the market downturn from 2000 – 2003, our diversified approach enabled us to recover in less than two years, and retirement benefits were never in jeopardy. **Unlike many other pension funds across the country, our Fund continues to be fully funded. We can meet our obligations to our members, retirees and beneficiaries today, tomorrow and well into the future.**

The trouble on Wall Street is obviously very disturbing. But the members and retirees of the New York State Common Retirement Fund can rest assured. Your pension fund is safe, and your benefits are secure and guaranteed by the State Constitution.

The New York State Common Retirement Fund realized a positive return of 2.56 percent for the year ending March 31, 2008. The Fund out-performed market indices, and our performance ranks as one of the best among all U.S. public pension funds. While there will always be up years and down years in the market, the diversification of the Fund helps us weather the economic downturns and protects your benefits. **Again, this all means that your benefits are secure.**

As we move forward, I will continue my commitment to safeguard the pension fund and provide the best possible retirement services for every member and retiree. It's your pension fund, and I will never stop working to make sure your benefits are there when you need them. As always, the Retirement System staff is available at our toll free number (1-866-805-0990) to assist you.

Sincerely,

Thomas P. DiNapoli  
New York State Comptroller