



## ALL-TIME HIGHS ARE A CALL FOR CONTINUED VIGILANCE

-- a message from PERSI's Executive Director --

It isn't quite spring as I sit down to write this -- but let me tell you, so far in 2014, your retirement system has experienced some fairly impressive milestones.

For the first time ever, more than 40,000 members are drawing PERSI retirement benefits. The number of retirees in the system has steadily increased since its inception in 1965, and thanks to the "Baby Boom", we expect that number to continue to increase more rapidly than ever over the next 30 years.

For the first time ever, in 2013, PERSI paid out more than \$700 million in benefits. Due to the expected growth in PERSI retiree population outlined above, we also anticipate total annual benefit payments will continue to rapidly grow in the coming years as well.

And I'm proud to report that, **for the first time ever**, the PERSI fund eclipsed the 14-billion dollar mark. It happened on February 27th and here's what Chief Investment Officer, Bob Maynard had to say in his daily investment report:

*"This is our first foray above \$14 billion. It is our experience that we cross through these levels a number of times (both directions, of course) before they stick, but the first time is always fun!"*

It seems like just yesterday when I took the helm at PERSI (It was actually 2008 right before the stock market crashed, setting the stage for the "Great Recession"). In six short months, PERSI's fund plummeted from \$11.7 billion to \$7.7 billion. I remember wondering what I had gotten myself into, and incredulously asking Bob, "What do you think we should we do?". He calmly answered "Nothing. We're going to keep doing what we always do. The market will come back."

Bob was right. The market did rebound, and PERSI is again on solid footing. We use the same investing approach today that we have been using since the 1990s. When investing over the long term, market ups and downs are expected. We also know that winning can sometimes mean losing less; so PERSI's goal is to lose less when the market goes down and gain or hold on when the market goes up. Because the PERSI fund is valued daily, at any given time we know in real terms where it stands.



Don Drum  
PERSI Executive Director

\$14-billion -- we didn't get here by accident. From the very beginning, Idaho's Legislature based PERSI's framework on two simple principles by which it stands today -- PERSI will meet its obligations to retirees, and it will not promise or provide benefits that are not paid for.

I, Bob Maynard and the PERSI Retirement Board carefully monitor the value of assets as well as current and projected benefits on a daily basis. To keep the fund healthy and stable we must carefully balance contribution rates and COLA's against the value, market performance and funded status of the assets.

Together, we have weathered the storm known as "The Great Recession". We are in a position to continue to be able to provide a secure retirement benefit to our retirees as well as a secure retirement future for active members. But we must remain vigilant. The next "Great Recession" may never come -- or it could

be right around the corner. Either way, PERSI will be ready.

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# Insights

## CHOOSING THE RIGHT FINANCIAL ADVISOR

As a Training Specialist with PERSI I travel the state talking about the value and benefit the Public Employee Retirement System of Idaho offers. In the process of providing PERSI's regularly scheduled workshops, which discuss money and investing, we are frequently asked "How do I find a financial advisor?" Making sure you're getting the right financial advice is just as important for retirees and those nearing retirement as it is for younger people. PERSI does not and cannot 'approve' or 'recommend' financial advisors, however I'm happy to share some ideas for finding the right one for you.

We are commonly asked 'Where do I begin?' 'Who should I trust?' or 'How do I know if they are right for me?'

First of all, a 'financial advisor' can be a banker, insurance agent, stockbroker, CPA, or attorney, virtually anyone who deals with money or provides financial services of any kind. FINRA, the Financial Industry Regulatory Authority, is the largest regulator of securities firms doing business in the U.S. and is charged with protecting investors by making sure the U.S. securities industry operates fairly and honestly. While there are specific FINRA-licensed 'Financial Advisors', a category of people who have passed rigorous examinations, have met certain qualifications, and are held to strict business standards and responsibilities to their clients, there are no governmental restrictions as to who may refer to themselves as financial advisor.

We are commonly asked 'Where do I begin?', 'Who should I trust?', or 'How do I know if they are right for me?' Let's see if we can provide you some help.



*Mike Mitchell has more than 18 years of experience in financial education. He has been a PERSI Training Specialist since 2006.*

### WHERE DO I BEGIN?

Start your search with friends and family. Most of us know people who are savvy when it comes to money matters. Maybe they discuss it frequently, talk about things they've read or seen, or perhaps their lifestyle leads you to believe that financial matters are interesting to them. Ask them if they are working with someone in financial services. If they are, discuss their thoughts regarding the value they receive. While they generally won't share the details of their personal situation, it is very likely they will offer their opinion.

### WHO SHOULD I TRUST?

Once you have the name of someone you may wish to consider, make an appointment to meet with them. Most financial professionals will provide you with a complimentary meeting to determine the services you are looking for, and whether they help in your situation. Use this time to determine if you feel comfortable with them, and understand how they work with their clients. Remember, this is your money and your future, so ask questions throughout this process.

### HOW DO I KNOW IF THEY'RE RIGHT FOR ME?

During your initial meeting, they should freely disclose how they are compensated, what they will expect of you as client, and how you will measure their performance. If you decide they are not the right fit for you, explain that you would like to continue your search and would appreciate referrals to someone who might be a better fit. Remember they will be evaluating you as well, so do not be concerned that you may hurt their feelings.

Once everything appears positive, ask if they are familiar with PERSI benefits and how they work. Then would they be willing to provide you with a client or two with whom you may discuss their services.

### CHECK OUT THE FINRA WEBSITE

Since individuals working in financial services operate within very strict rules and guidelines, this will alert you to any negative facts that should be considered before deciding to work with them. Go to [www.finra.org](http://www.finra.org); click on Broker Check; enter their name, firm name, and zip code to learn more about them and to see if they have any regulatory issues.

### CONCLUSION

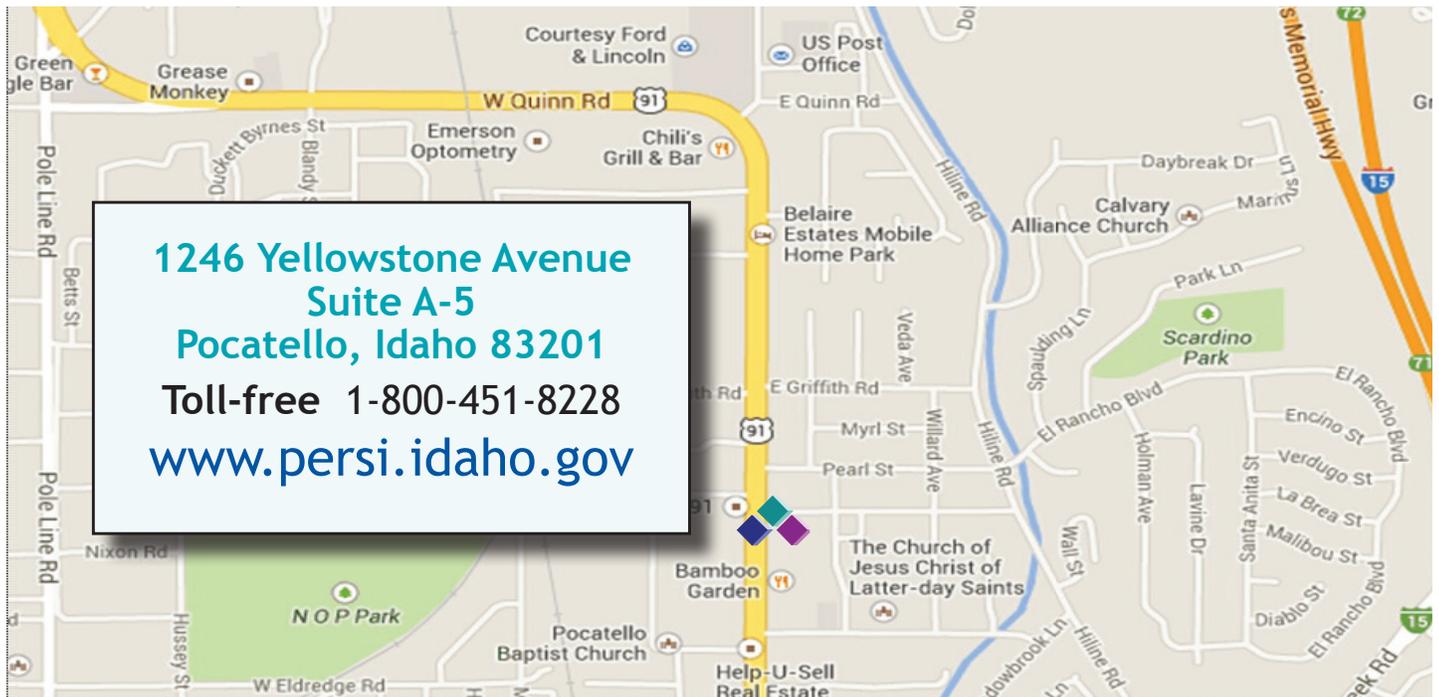
Once you have determined that this person seems right for you, give them a try. While there are certainly no guarantees, you're the best judge of what works for you. Should their services prove unsatisfactory, you can make a change whenever you like. Remember, it's your money, your future. Best of luck working toward your financial success.

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## POCATELLO OFFICE MOVES TO NEW LOCATION

To provide the best possible customer service in Eastern Idaho, PERSI has moved its Pocatello office to a more convenient and accessible space.

The new address is 1246 Yellowstone Avenue, Suite A5, Pocatello, ID 83201. Located in the Oakwood Plaza Office Complex (North of Office Max), the new space is easily accessible and provides enough space for group PERSI training as well as private areas for PERSI specialists to assist retirees and active members, on an individual basis. PERSI has offices in Pocatello, Coeur d'Alene and Boise, Idaho. Public hours are Monday through Friday, 8 a.m. until 5 p.m., except on State holidays.





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## **PERSI INVESTMENT NEWS**

*for Base Plan as of March 11, 2014*

**Value of the Fund:**

**\$14,016,575,965**

**Fiscal Year Change in Market Value:**

**\$ 1,260,050,049**

**Fiscal Year-to-Date Returns:**

**11.1%**

**Month-to-Date Returns:**

**-0.1%**

\*Posted monthly on PERSI website: [www.persi.idaho.gov](http://www.persi.idaho.gov)  
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