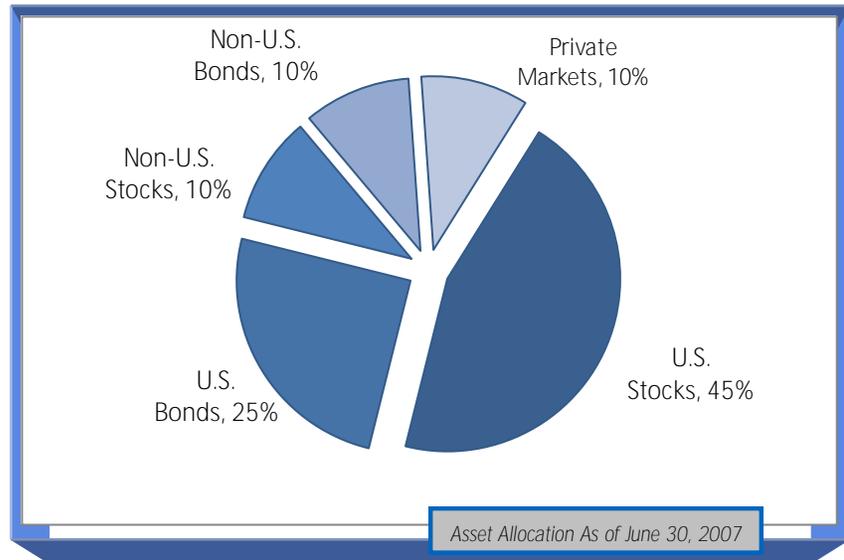




Positive Impact For Nevada

The Public Employees' Retirement System Of Nevada: Strength in Fiscal Responsibility

As a financial institution dedicated to those who serve all Nevadans, NVPERS must act with the highest integrity when managing the investments and operations of the System. This brochure highlights the value of NVPERS to our members, retirees and the citizens of Nevada.



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Nevada Investments

By the Nevada Constitution, the \$23 billion PERS' trust must be invested for the exclusive benefit of the members and beneficiaries of the fund. Within this very high standard for investment, NVPERS' has \$938 million invested in assets that support the Nevada economy through real estate, publicly traded stocks, and private businesses. The System's real estate holdings are primarily held within the Real Estate Investment Trust portfolio and include an ownership interest in 200 properties within the State.

NVPERS maintains positions in 18 publicly traded companies that make an important contribution to the Nevada economy. These firms include: IGT, Las Vegas Sands, Newmont Mining, Harley Davidson, Wal-Mart, and Amazon.com. The System also maintains positions in 19 privately held companies such as ClubCorp, DTPI Holdings, and Emergency Medical Services that also make an important business contribution to the State.

Please refer to page 7 for more information on NVPERS' investment program and the important role it plays in financing the benefits for our retirees.



PERS' Facts:

Active Members:
103,693

Retirees:
35,687

PERS' BENEFITS ARE REASONABLE

Members of PERS do not participate in Social Security. Often their PERS benefit is their only income in their senior years.

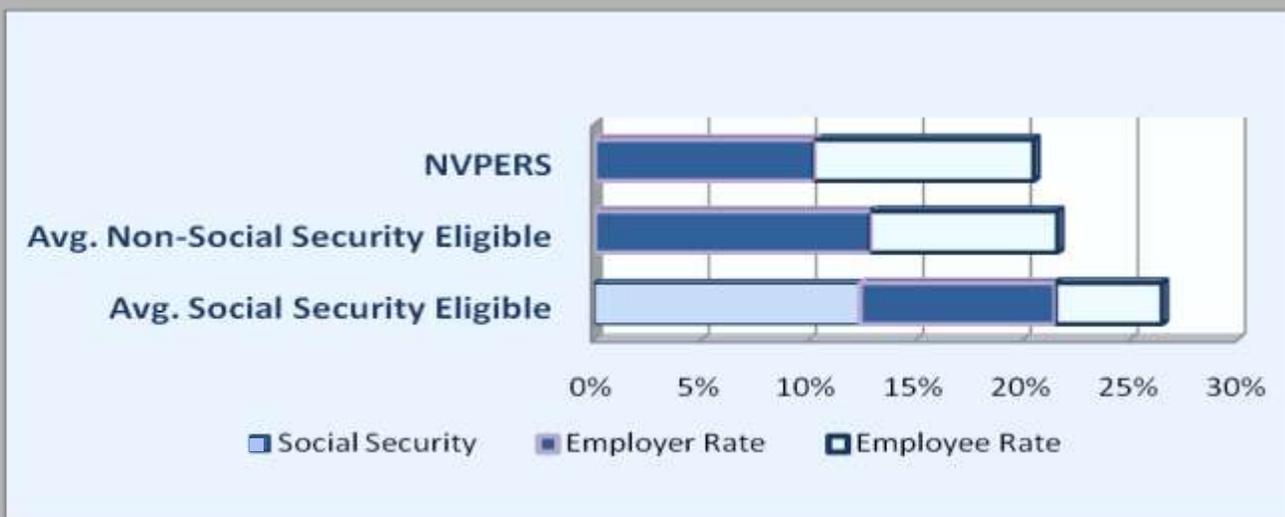
The table to the right shows the average benefit from the System over the last 10 years.

Year	Regular	Police/Fire
1998	\$1,466	\$2,229
1999	\$1,540	\$2,333
2000	\$1,626	\$2,445
2001	\$1,719	\$2,583
2002	\$1,799	\$2,664
2003	\$1,879	\$2,862
2004	\$1,961	\$3,014
2005	\$2,062	\$3,184
2006	\$2,136	\$3,387
2007	\$2,216	\$3,549

PERS is Competitive in Contribution Costs

PERS' contributions come from both employers and employees. In fact, NVPERS is quite unique because exactly one-half the contributions paid to the System to fund benefits come from the members themselves.

Members pay their portion of the contributions through direct salary reduction, or by giving up pay raises promised to them by their employers.



The System's contribution rate is very competitive when compared with other states. Employers and employees pay just over 10% of salary each to fund the retirement benefit.

Nevada PERS Provides Retirement Services at a Very Low Cost

—when compared to other public retirement plans in the United States and internationally

PERS' staffing ratio reflects the operational efficiency of the agency



PERS' cost per member is well below peer median

PERS' cost is well below expected cost for similar pension funds



Statistics provided by CEM Benchmarking Services, Toronto, Canada

Summary Statistics

There are 170 public employers participating in Nevada PERS. From the Moapa Valley Water District, to Battle Mountain General Hospital, to the Clark County School District, the benefits available from NVPERS attract and retain qualified, capable, dedicated employees to serve the citizens of the State. The newest public employers to join the System are Nevada's charter schools.

The agency operates from three locations, two in the greater Las Vegas metropolitan area and one in Carson City. Below are a few summary statistics of agency workload for fiscal year 2007

- ◆ Fielded 117,952 telephone inquiries
- ◆ Assisted 9500 members and retirees with retirement counseling and other requests
- ◆ Spoke to 240 groups providing information about the benefits and structure of the Retirement System
- ◆ Processed 98,000 workflow items, with 92% completed within service benchmarks

NVPERS annually receives the Government Finance Officers Award for excellence in financial reporting for the Comprehensive Annual Financial Report and the Popular Annual Financial Report

&

The Public Pension Coordinating Council Award in recognition of the professional standards in plan design and administration

NEVADA PERS CONTRIBUTES TO THE NEVADA ECONOMY



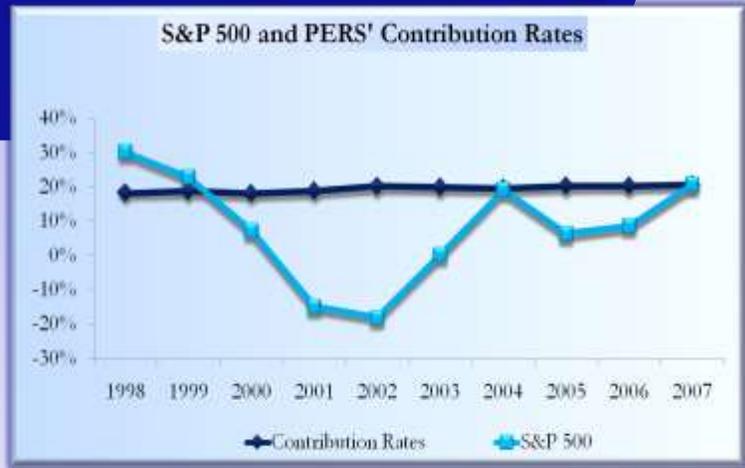
This map shows the distribution of benefit payments made by Nevada PERS to our beneficiaries. Retirees are taxpayers, consumers and contributing residents of all 17 counties in our State.

Benefits Stay in Nevada and Stimulate the Economy

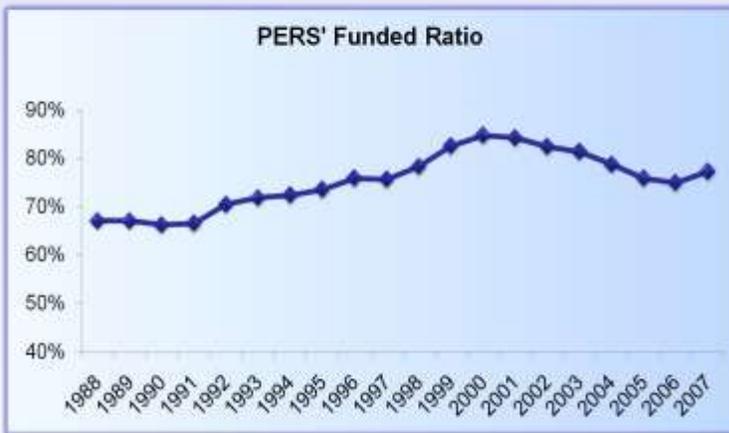
- ◆ Over 80% of the approximately \$1 Billion paid out this year will stay in Nevada

Figures annualized from the February 2008 payroll

Keeping contribution rates stable while moving through market cycles is key to the long-term stability of the PERS' Trust. It provides predictability to members in their take-home pay and in the employer budgeting process. This chart plots the regular PERS' fund contribution rate for the last ten years overlaid on the returns of the Standard & Poor's 500 Index for the same period, as a measure of market volatility.



*RESPONSIBLE FISCAL
MANAGEMENT FOR
MEMBERS, RETIREES
AND THE PUBLIC*



The funded ratio of NVPERS has been relatively stable during the volatile market cycle. While the ratio has eroded slightly, the conservative nature of NVPERS investment strategy metered the impact investment losses had on the overall funded ratio of the

System. This chart is a 20-year history of the funding of NVPERS. In the most recent actuarial valuation the funded ratio increased. The Retirement Board adopted a financing plan to retire the unfunded liability in keeping with the well-financed, fiscally conservative investment structure and benefit design of the System. The amortization period is currently just a little over 27 years.

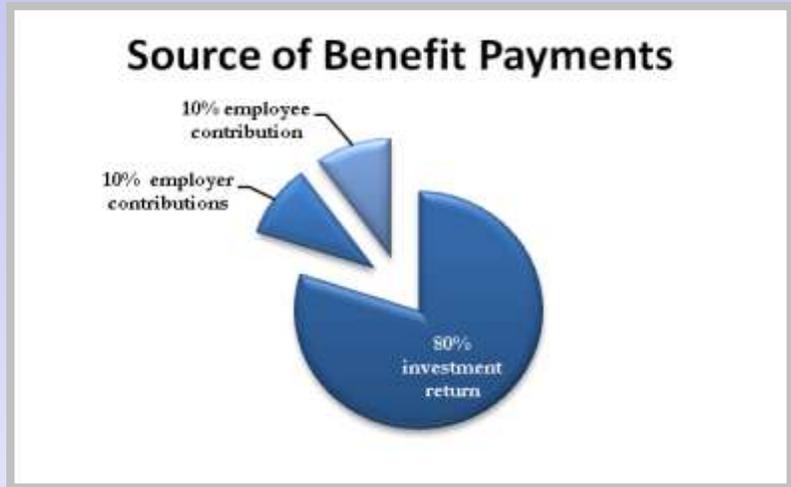
PERS' INVESTMENTS: THE ENGINE THAT FUNDS THE BENEFITS

PERS' cost structure is exceedingly efficient for delivery of retirement benefits. On an individual basis, fully 80% of the benefits paid to our members are paid from the investments of the System.

The System's fees are more than 50% below the industry average. **Nevada's all inclusive investment costs are 0.12%** while the average large public fund pays 0.29% (for comparison, the average individual investor typically pays between 0.50% to 2.0% for investment management).

The result is PERS saves over \$39 million per year in fees compared to the average large pension fund. This savings, compounded over a ten year period, results in over \$700 million in added value to PERS' members.

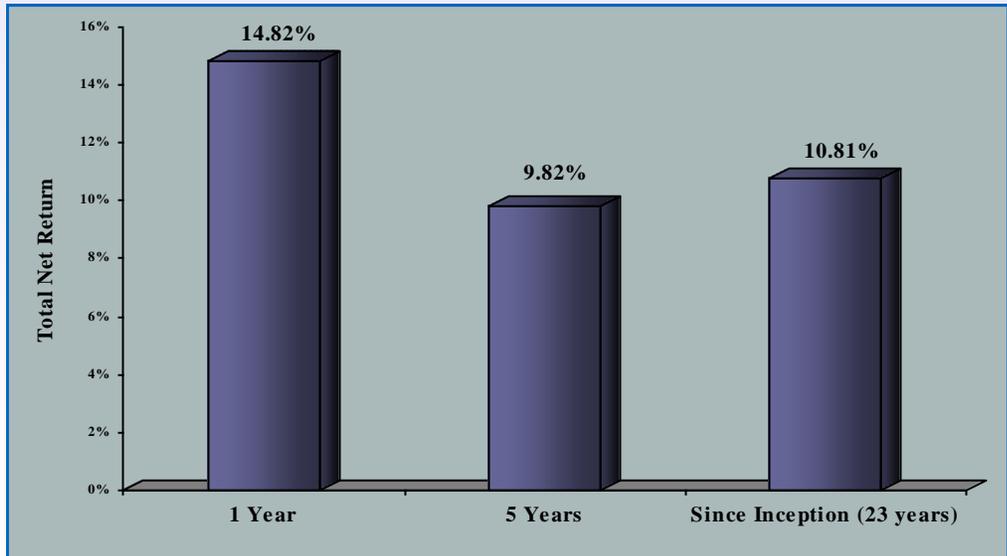
In the last year, the Board took additional steps to reduce investment costs. The Board negotiated **lower fees with PERS' international stock, securities lending and private real estate managers, as well as with the fund's investment consultant.** In addition, the **Board modified the fund's asset rebalancing process to reduce transaction costs by 35%** while adding approximately \$100 million in total return to the portfolio.



The goal of the investment program is to achieve an 8% return over the long-term funding horizon of the plan with the least possible risk. The chart to the right shows **NVPERS' fund performance for the last 23 years.** The chart demonstrates the long-term achievement of this goal.

The System is also well-compensated for the investment risk taken. NVPERS is consistently in the top quartile of public pension plans in the country for receiving the most return for each unit of risk taken.

PERS supplies patient capital to the market and is rewarded for our long-term investment horizon



*PERS Fund—Performance as of June 30, 2007
Net of fees*

It is the mission of Nevada PERS to provide our

- ◆ *Employers with the ability to attract and retain quality public employees*
- ◆ *Members with reasonable benefits at retirement or disability*
- ◆ *The People of Nevada with the full benefit of well-trained public servants*

NVPERS accomplishes this mission at a reasonable, predictable cost to members, employers and taxpayers over multiple planning cycles.

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