

## **FSMSSA Board of Trustees Attains Annual Investment Review**

On the 8th of February 2010, the FSMSSA Board had conducted an annual review of its investments portfolio which included the money manager and investment consultant. Present at the meeting were Chairman of the Board and Chuuk State Representative Garrison Irons; Vice Chairman of the Board and Pohnpei State Rep. Rose N. Nakanaga; National Rep. Nahoy G. Selifis, Yap State Rep. Charles L. Chieng, Kosrae State Rep. Jefferson Timothy, Administrator Alexander Narruhn, as ex-officio member, and Deputy Administrator Dernista Capelle.

After Roll Call, Briefings on Current Activities were presented by the Chairman, with no comments from other members.

Given that it was a long meeting (lasted two days), the board started off with annual reports from the program's financial consultants, and a run -through on all the implemented components of the FSM Social Security Program.

The Board then moved to discuss at first hand the classification of the program's budgeting accounts, recent Communication and Incidental reports from the SS Administrator, and update on the program's branch operation under Information and Management, and conclusion in entertaining an appeal case. The Board proceeded on to inspecting the program's financial statements, cash flows and projections, which were presented by Deputy Administrator Capelle. In general, the Social Security Program is still experiencing difficulties in tax collection. Minimal Payments are being collected and under Number of Audits & Payment Agreement Per 2009, the FSMSSA auditors had given a quotation of 65 audits, and established 72 formal payment agreements with audited employers with delinquent accounts. A presentation from the FSMSSA's Investment Consultant followed, analyzing Investment Returns and Asset Growth, Asset Allocations, etc., and as a prerogative, the Investment Consultant also reported to the board the Investment Related Expenses (IRE) as of December 31, 2009.

The Board moved on to discussing matters at hand, such as fees, funding options and public educational projects, and updates on administrative contracts and the Prior Service Program. Board concluded the day by scheduling another board meeting the following month. On the second day, February 09, 2010,

the Board of Trustees continued their meeting, beginning with a Review from Payden & Rygel, the Program's Money Manager, and a reflective overview on the US Economy. Views were exchanged based on what had been presented, and the board proceeded on further clarifications regarding communications between the custodian consultants. Further Discussions were then applied on Capital management. After the presentation on Capital Management, the board discussed more on the aftermath of the delayed laws, and on management conformity options. Closing remarks were addressed among members, and the meeting was adjourned.

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