

The PACT Board met August 19, 2009. The following action was taken by the Board.

- Callan performed an asset liability study and reviewed the results with the Board. The Board discussed asset allocation. No changes were made to the current asset allocation of 28% fixed income and 72% equities.
- The following major assumptions were adopted for use in the 2009 Trust Fund Valuation that will occur after the fiscal year end of September 30. The 2009 Actuarial Report will most likely be discussed at the November board meeting.
 - Interest Rate Forecast (in accordance with the asset allocation): 8.55%
 - Tuition Inflation: 7.45%
- The 2009 Rules and the Disclosure Statement were approved. The Rules will be amended to reflect enrollment will not be opened in the Fall. Additionally, reinstatement will no longer be allowed.
- The 2009 Disclosure Statement was amended to include two additional risks: Litigation and Program Dissolution. The 2009 Rules and Disclosure Statement will be posted on the PACT website under Program Documents.

Callan reported the value of the Trust Fund as of July 31, 2009 was \$503,451,157. However, during the discussion of the Asset/Liability study, Callan stated the following:

“In our judgment, the Plan can only be expected to return to fully funded status in the future under certain circumstances, namely (1)

reduce the level of promised benefits to all current contract holders, and/or (2) receive supplemental funds from the State of Alabama .”

For information discussed at the board meeting, [click here](#).