

# Quarterly Financial Report

For the period ending June 30, 2025

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## Statement of Net Position

As of June 30, 2025 and December 31, 2024

	6/30/2025 (u)	12/31/2024
<b>Assets</b>		
<b>Cash &amp; short-term investments:</b>		
Cash & short-term investments	\$ 72,907,591	\$ 62,204,580
Security lending collateral	184,740,410	35,894,038
<b>Total cash &amp; short-term investments</b>	<b>257,648,001</b>	<b>98,098,618</b>
<b>Receivable:</b>		
Investment income	2,295,358	9,517,042
Unsettled securities sold	781,246	-
Contributions	9,730,236	2,427,236
Leases receivable	23,600	23,600
<b>Total receivable</b>	<b>12,830,440</b>	<b>11,967,878</b>
<b>Investments, at fair value:</b>		
U.S. government obligations	384,550,847	366,985,990
Domestic corporate and other fixed income	254,536,216	258,334,342
Domestic equity	730,942,886	655,895,630
International equity	591,598,764	551,791,715
Real estate	195,615,411	172,691,150
Alternative investments	340,862,502	360,516,146
Absolute return	189,449,883	184,709,380
Infrastructure	92,219,291	79,542,308
<b>Total investments</b>	<b>2,779,775,800</b>	<b>2,630,466,661</b>
<b>Prepaid items</b>	-	1,944,906
<b>Capital assets:</b>		
Property and equipment, net of accumulated depreciation	1,213,093	1,213,094
<b>Total assets</b>	<b>3,051,467,334</b>	<b>2,743,691,157</b>
<b>Liabilities</b>		
Unsettled securities purchased	864,778	605,000
Securities lending obligations	184,740,410	35,894,038
Lease payable	59,729	59,729
Accounts payable	825,401	1,868,181
<b>Total liabilities</b>	<b>186,490,318</b>	<b>38,426,948</b>
<b>Deferred inflow of resources</b>	23,600	23,600
<b>Net position restricted for benefits</b>	<b>\$ 2,864,953,416</b>	<b>\$ 2,705,240,609</b>
Net position restricted for benefits	2,817,477,243	2,655,654,878
Net position restricted for DROP benefits	47,476,173	49,585,731
<b>Net position restricted for benefits</b>	<b>\$ 2,864,953,416</b>	<b>\$ 2,705,240,609</b>

(u) Unaudited

## Statement of Change in Net Position

For the six-month period ended June 30, 2025 and for the year ended December 31, 2024

	6/30/2025 (u)	12/31/2024
<b>Additions:</b>		
<b>Contributions:</b>		
Employer	\$ 87,980,152	\$ 172,012,862
Plan members	41,653,755	80,309,044
<b>Total contributions</b>	<b>129,633,907</b>	<b>252,321,906</b>
<b>Investments income:</b>		
Net appreciation/(depreciation)		
in fair value of investments	165,105,700	157,093,210
Earning on investment	23,371,431	50,752,795
Investment expenses	(7,436,962)	(17,565,127)
<b>Net investment income from investing activities</b>	<b>181,040,169</b>	<b>190,280,878</b>
Securities lending income	1,212,138	3,607,196
Securities lending borrower rebates	(983,336)	(3,224,991)
Securities lending agent fees	(57,191)	(95,526)
<b>Net income from securities lending</b>	<b>171,611</b>	<b>286,679</b>
<b>Net investment income</b>	<b>181,211,780</b>	<b>190,567,557</b>
<b>Total additions</b>	<b>310,845,687</b>	<b>442,889,463</b>
<b>Deductions:</b>		
Retired member benefits	141,829,778	278,042,801
DROP benefits	2,348,984	10,150,946
Refund of contributions	4,321,392	7,437,726
Administrative expenses	2,632,726	5,897,462
<b>Total deductions</b>	<b>151,132,880</b>	<b>301,528,935</b>
<b>Net Change</b>	<b>159,712,807</b>	<b>141,360,528</b>
<b>Net position held in trust for benefits</b>		
Beginning of period	2,705,240,609	2,563,880,081
<b>End of period</b>	<b>2,864,953,416</b>	<b>2,705,240,609</b>

Net Position Available for Benefits		
Cost value	Market value	Unrealized
6/30/2025	6/30/2025	gain/(loss)
<b>\$ 2,194,242,823</b>	<b>\$ 2,864,953,416</b>	<b>\$ 670,710,593</b>

(u) Unaudited

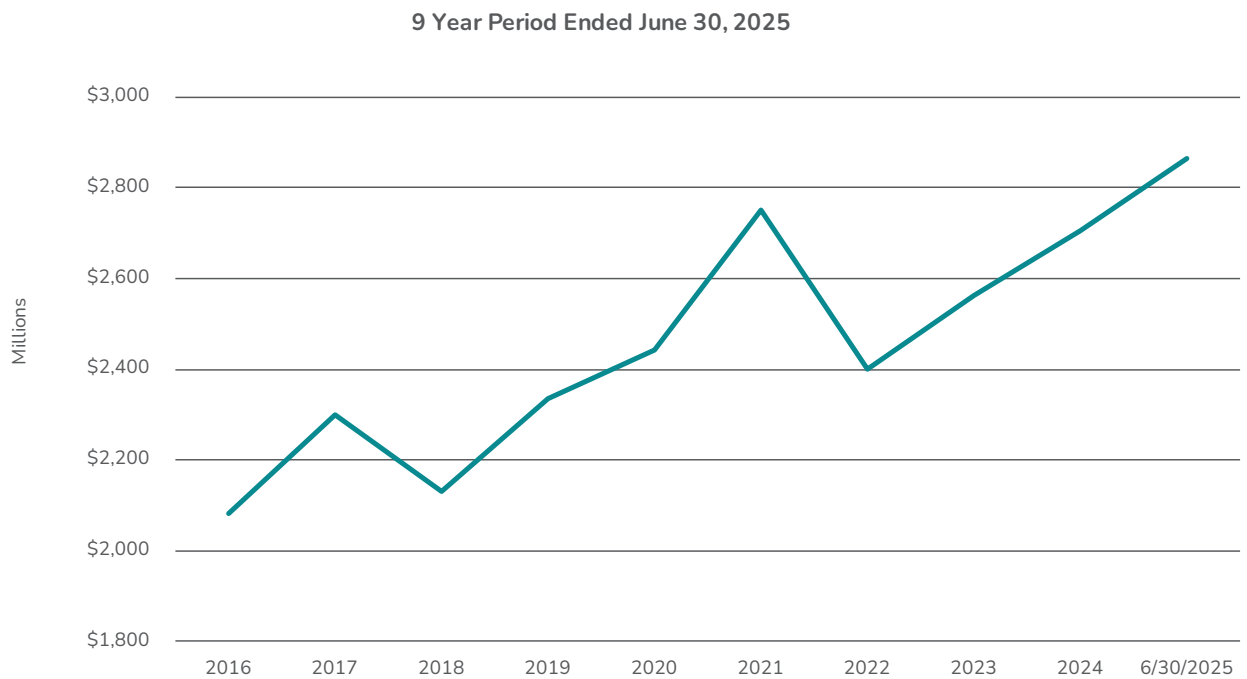
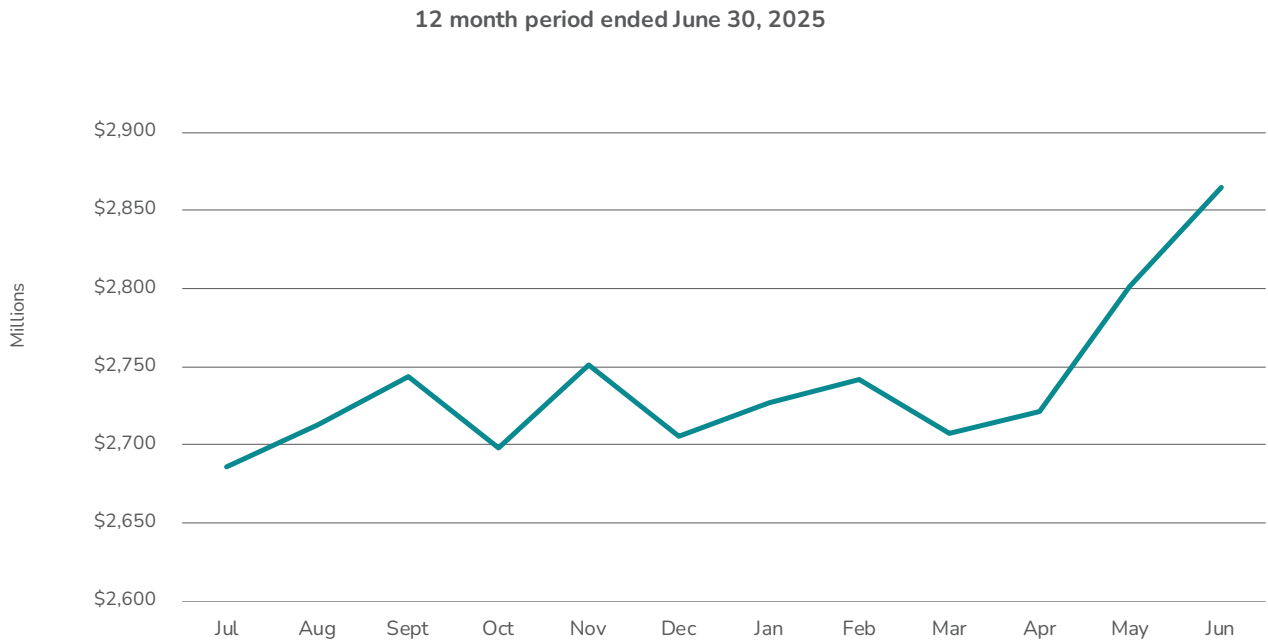
## Estimated Funded and Unfunded Actuarial Liability

Actuarial value of assets		Funded Ratio
Pension benefits	\$ 2,711,277,918	61.8%
Health benefits	83,238,354	53.0%
<b>Total actuarial value of assets 1/1/2025</b>	<b>\$ 2,794,516,272</b>	<b>61.5%</b>
Unfunded actuarial liability		
Pension benefits	\$ 1,677,424,000	
Health benefits	73,811,000	
<b>Total unfunded actuarial liability 1/1/2025</b>	<b>\$ 1,751,235,000</b>	

## Total Returns from Investments (Net of Fees)

For the quarter ended 6/30/2025	6.1%
For the year to date ended 6/30/2025	6.3%
For the 1 year period ended 6/30/2025 (annualized)	9.5%
For the 3 year period ended 6/30/2025 (annualized)	7.7%
For the 5 year period ended 6/30/2025 (annualized)	9.4%
For the 10 year period ended 6/30/2025 (annualized)	6.6%
For the 25 year period ended 6/30/2025 (annualized)	5.9%
For the period beginning 1/1/1986 (annualized)	8.3%

# Market Value of Net Position



## Analysis of Recent Investment Returns

### Second Quarter 2025

The following discussion presents comparative data for our investment returns for the most recent quarterly, 12-month, 5-year, and 10-year periods. Analysis and highlights of portfolio performance are presented below. All figures are net of fees.

The second quarter of 2025 was a good one, with all major asset classes posting gains. Equity returns around the world were particularly strong, as investors came to terms with tariff concerns. Trade deals were announced for some markets while deadlines were extended for others. The U.S. dollar weakened considerably, U.S. employment showed some signs of potential worries but remained solid for the moment, GDP rebounded, and the Federal Reserve took no action on interest rates.

Our portfolio returned 6.1% for the quarter on the strength of domestic and international equity. These results exceeded our blended benchmark return of 5.5% and the median large pension plan return of 5.9%.

For the trailing 12 months our return was 9.5%, which was behind the policy benchmark return of 9.9% and the 10.3% earned by our large peers. For the trailing 5-year period, the portfolio produced an annualized rate of 9.4%, ahead of both the benchmark return of 9.0% and the median plan return of 8.6%. For the trailing 10-year period, returns were 6.6%, which trailed the benchmark of 7.2% and peers of 6.7% respectively.

### Quarterly Portfolio Analysis

Domestic equities were the second largest contributor to results for the quarter, despite trailing the overall market slightly. Our domestic equities rose 10.5% compared to the broad market return of 11.0%. Large stocks did better than small, and growth stocks did better than value. Active management in the small cap segment led to the small underperformance.

The international equity portfolio was the strongest driver of quarterly returns. The portfolio gained 13.3%, beating the benchmark return of 11.9% due to the stock selection of our active managers. Currency effects were also large, as the dollar continued to weaken.

Fixed income delivered 1.5% from interest yield.

Real estate also generated 1.5% for the quarter, about half derived from rent income and half from modest property price improvements.

Natural resources were up 1.2%, driven by recovering energy prices. Timber was flat for the quarter.

Private equity was up 1.8% in the quarter. Although there is an indication of increasing merger and acquisition activity, monetization of investment remains muted.

Infrastructure advanced 2.5% as income and associated investment values rose.

Finally, hedge funds provided a gain of 2.0%, providing steady if unexciting, gains.

Sentiment in the second quarter turned markedly positive, and risk assets were rewarded. The worries around stretched valuations in U.S. equities and concentration in a few tech names have returned. While the global economy appears to be on solid footing despite recent shocks, the risk of a downturn is always present. We're disciplined about harvesting appreciated assets and reinvesting in cheaper ones, and we maintain a solid defensive component within our overall allocation.



## Investment Returns (Net of Fees)

for Periods Ended June 30, 2025

	Quarter	1 Year	5 Years <sup>1</sup>	10 Years <sup>1</sup>
<b>Total Fund</b>	<b>6.1%</b>	<b>9.5%</b>	<b>9.4%</b>	<b>6.6%</b>
Total Fund Policy Index	5.5%	9.9%	9.0%	7.2%
InvMetrics Median Public Fund <sup>2</sup>	5.9%	10.3%	8.6%	6.7%
<b>Domestic Equity</b>	<b>10.5%</b>	<b>12.6%</b>	<b>14.5%</b>	<b>12.6%</b>
Russell 3000 Index	11.0%	15.3%	16.0%	13.0%
<b>International Equity</b>	<b>13.3%</b>	<b>19.1%</b>	<b>13.0%</b>	<b>6.5%</b>
64% MSCI EAFE Index / 36% MSCI EM Index	11.9%	17.2%	9.8%	6.2%
<b>Fixed Income</b>	<b>1.4%</b>	<b>7.4%</b>	<b>2.0%</b>	<b>3.3%</b>
67% Core FI Policy Index / 33% Non-Core FI Policy Index <sup>3</sup>	0.9%	5.9%	1.7%	2.9%
<b>Real Estate</b>	<b>1.5%</b>	<b>2.0%</b>	<b>0.5%</b>	<b>3.1%</b>
NCREIF-ODCE + 0.2%	0.9%	3.3%	3.5%	5.4%
<b>Natural Resources</b>	<b>1.2%</b>	<b>(7.9%)</b>	<b>10.1%</b>	<b>2.0%</b>
CPI + 3% since October 2019, composite index prior	2.1%	5.5%	7.4%	5.8%
<b>Private Equity</b>	<b>1.8%</b>	<b>4.1%</b>	<b>13.2%</b>	<b>11.8%</b>
Burgiss Global Private Equity Index (since October 2019)	1.8%	6.1%	16.6%	13.8%
<b>Infrastructure</b>	<b>2.5%</b>	<b>8.4%</b>	<b>N/A</b>	<b>N/A</b>
CPI +3%	2.1%	5.5%	N/A	N/A
<b>Absolute Return Hedge Funds</b>	<b>2.0%</b>	<b>5.6%</b>	<b>7.8%</b>	<b>3.9%</b>
HFRI FOF Conservative Index	2.0%	5.6%	6.2%	3.8%

<sup>1</sup> Annualized return

<sup>2</sup> InvMetrics Public Fund > \$1 Billion database

<sup>3</sup> Core Fixed Income Policy Index = 47% Bloomberg US Gov TR/ 53% Bloomberg US Govt/Credit 1-3Yr TR  
Non-Core Fixed Income Policy Index = 77% CS Leveraged Loans / 23% JP Morgan GBI EM Global Diversified TR USD

