

Quarterly Financial Report

For the period ending March 31, 2025



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Statement of Net Position

As of March 31, 2025 and December 31, 2024

	3/31/2025 (u)	12/31/2024
Assets		
Cash & short-term investments:		
Cash & short-term investments	\$ 48,738,541	\$ 62,204,580
Security lending collateral	202,971,476	35,894,038
Total cash & short-term investments	251,710,017	98,098,618
Receivable:		
Investment income	2,107,809	9,517,042
Unsettled securities sold	344,226	-
Contributions	170,022	2,427,236
Leases receivable	23,600	23,600
Total receivable	2,645,657	11,967,878
Investments, at fair value:		
U.S. government obligations	390,918,758	366,985,990
Domestic corporate and other fixed income	263,118,765	258,334,342
Domestic equity	620,917,200	655,895,630
International equity	567,503,754	551,791,715
Real estate	194,255,291	172,691,150
Alternative investments	353,640,621	360,516,146
Absolute return	185,891,789	184,709,380
Infrastructure	80,030,376	79,542,308
Total investments	2,656,276,554	2,630,466,661
Prepaid items	-	1,944,906
Capital assets:		
Property and equipment, net of accumulated depreciation	1,213,094	1,213,094
Total assets	2,911,845,322	2,743,691,157
Liabilities		
Unsettled securities purchased	93,357	605,000
Securities lending obligations	202,971,476	35,894,038
Lease payable	59,729	59,729
Accounts payable	1,028,824	1,868,181
Total liabilities	204,153,386	38,426,948
Deferred inflow of resources	23,600	23,600
Net position restricted for benefits	\$ 2,707,668,336	\$ 2,705,240,609
Net position restricted for benefits	2,659,277,537	2,655,654,878
Net position restricted for DROP benefits	48,390,799	49,585,731
Net position restricted for benefits	\$ 2,707,668,336	\$ 2,705,240,609

(u) Unaudited

Statement of Change in Net Position

For the three-month period ended March 31, 2025 and for the year ended December 31, 2024

	3/31/2025 (u)	12/31/2024
Additions:		
Contributions:		
Employer	\$ 40,967,237	\$ 172,012,862
Plan members	19,458,036	80,309,044
Total contributions	60,425,273	252,321,906
Investments income:		
Net appreciation/(depreciation) in fair value of investments	10,503,712	157,093,210
Earning on investment	9,406,200	50,752,795
Investment expenses	(2,789,226)	(17,565,127)
Net investment income from investing activities	17,120,686	190,280,878
Securities lending income	575,165	3,607,196
Securities lending borrower rebates	(451,265)	(3,224,991)
Securities lending agent fees	(30,971)	(95,526)
Net income from securities lending	92,929	286,679
Net investment income from investing activities	17,213,615	190,567,557
Total additions	77,638,888	442,889,463
Deductions:		
Retired member benefits	70,587,424	278,042,801
DROP benefits	1,316,791	10,150,946
Refund of contributions	1,980,314	7,437,726
Administrative expenses	1,326,632	5,897,462
Total deductions	75,211,161	301,528,935
Net Change	2,427,727	141,360,528
Net position held in trust for benefits		
Beginning of period	2,705,240,609	2,563,880,081
End of period	2,707,668,336	2,705,240,609

Net Position Available for Benefits		
Cost value	Market value	Unrealized
3/31/2025	3/31/2025	gain/(loss)
<u>\$ 2,171,535,893</u>	<u>\$ 2,707,668,336</u>	<u>\$ 536,132,443</u>

(u) Unaudited

Estimated Funded and Unfunded Actuarial Liability

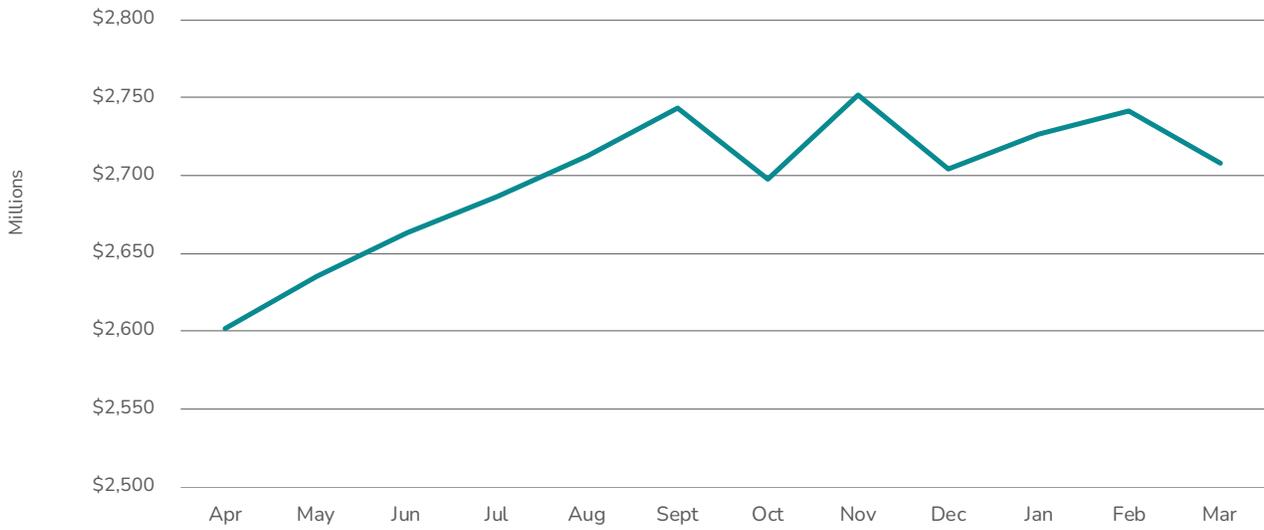
Actuarial value of assets		<u>Funded Ratio</u>
Pension benefits	\$ 2,711,277,918	61.8%
Health benefits	83,238,354	53.0%
Total actuarial value of assets 1/1/2025	\$ 2,794,516,272	61.5%
Unfunded actuarial liability		
Pension benefits	\$ 1,677,424,000	
Health benefits	73,811,000	
Total unfunded actuarial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

Total Returns from Investments (Net of Fees)

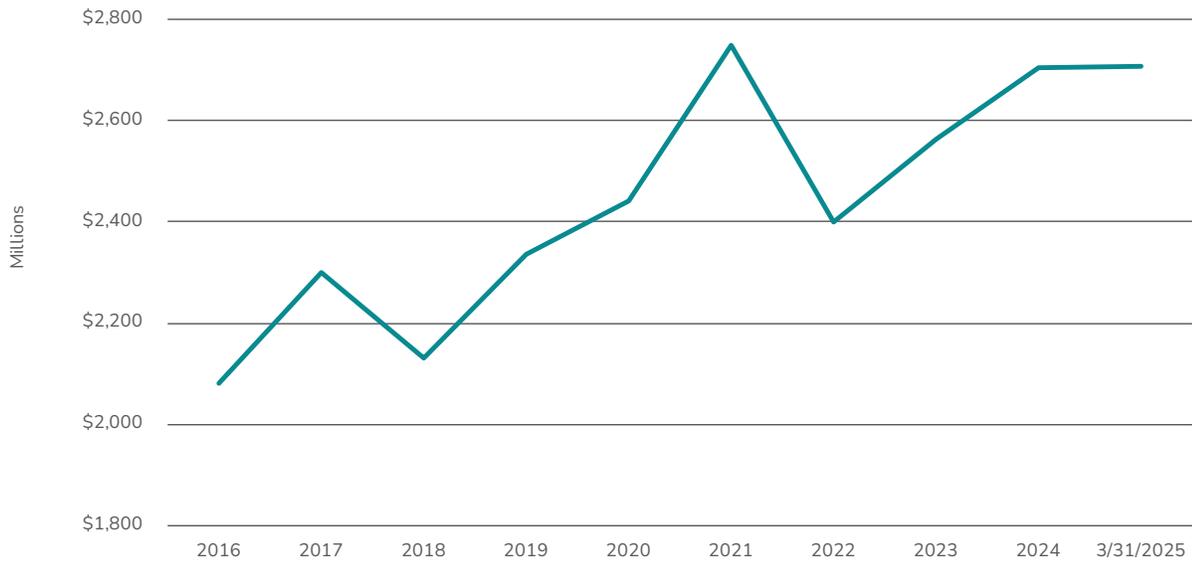
For the quarter ended 3/31/2025	0.2%
For the year to date ended 3/31/2025	0.2%
For the 1 year period ended 3/31/2025 (annualized)	4.4%
For the 3 year period ended 3/31/2025 (annualized)	3.5%
For the 5 year period ended 3/31/2025 (annualized)	9.3%
For the 10 year period ended 3/31/2025 (annualized)	6.1%
For the 25 year period ended 3/31/2025 (annualized)	5.7%
For the period beginning 1/1/1986 (annualized)	8.2%

Market Value of Net Position

12 month period ended March 31, 2025



9 Year Period Ended March 31, 2025



Analysis of Recent Investment Returns

First Quarter 2025

The following discussion presents comparative data for DERP's 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.

In the first quarter of 2025, the DERP portfolio was nearly flat, advancing by just 0.2%. Tariff uncertainty weighed heavily on the markets. Our positions in U.S. equity and natural resources fell, offset by gains in international equities and private debt. These results were behind our fund policy index of 0.9% and the median large pension plan of 0.5%.

DERP's return for the trailing 12 months was 4.4%, lagging the 5.8% of the policy benchmark and the 5.5% earned by our large peers. For the trailing 5-year period, the portfolio grew at an annualized rate of 9.3% which trailed the benchmark returns of 9.7% and large plans of 9.9%. For the trailing 10-year period, returns were 6.1% and lagged the benchmark and peers by 60 and 50 basis points, respectively.

Quarterly Portfolio Analysis

Domestic equities were the largest detractor during the quarter. Our portfolio of U.S. equities fell by 5.3% while investors deliberated a new tariff regime.

The international equity portfolio was up 6.1% as announced or anticipated policy responses began to get priced into stock valuations and a weakening dollar provided a tailwind.

Fixed income advanced 2.4% as both core and non-core investments moved higher despite interest rate volatility.

Real estate was flat for the quarter. Core properties generated results mostly from income, while non-core properties moved modestly lower in value.

Natural resources declined 9.4%, driven primarily by declining energy prices and a weaker outlook.

Private equity was up 0.3% in the quarter, without much movement on valuations. The timing of exits remains uncertain.

Infrastructure rose 0.7% as income held steady.

Finally, hedge funds provided a gain of 1.5%.

Despite increasing uncertainty and rising risks, the overall portfolio held steady. The widely diversified allocation allowed pockets of weakness to be offset by other areas of strength.

Investment Returns (Net of Fees)

for Periods Ended March 31, 2025

	Quarter	1 Year	5 Years ¹	10 Years
Total Fund	0.2%	4.4%	9.3%	6.1%
Total Fund Policy Index	0.9%	5.8%	9.7%	6.6%
InvMetrics Median Public Fund ²	0.5%	5.5%	9.9%	6.6%
Domestic Equity	(5.3%)	4.5%	17.1%	11.6%
Russell 3000 Index	(4.7%)	7.2%	18.2%	11.8%
International Equity	6.1%	6.9%	13.5%	5.4%
64% MSCI EAFE Index / 36% MSCI EM Index	5.7%	6.4%	10.6%	5.2%
Fixed Income	2.4%	7.4%	2.1%	3.1%
67% Core FI Policy Index / 33% Non-Core FI Policy Index ³	2.2%	5.9%	1.1%	2.7%
Real Estate	0.0%	(1.4%)	(0.1%)	3.2%
NCREIF-ODCE + 0.2%	0.9%	2.0%	3.0%	5.7%
Natural Resources	(9.4%)	(6.9%)	2.5%	1.6%
CPI + 3% since October 2019, composite index prior	0.8%	6.0%	7.1%	5.4%
Private Equity	0.3%	2.3%	11.0%	11.8%
Burgiss Global Private Equity Index (since October 2019)	0.7%	5.5%	14.4%	13.8%
Infrastructure	0.7%	7.6%	N/A	N/A
CPI +3%	0.8%	6.0%	N/A	N/A
Absolute Return Hedge Funds	1.5%	2.4%	8.6%	3.8%
HFRI FOF Conservative Index	0.8%	4.5%	6.9%	3.6%

¹ Annualized return

² InvMetrics Public Fund > \$1 Billion database

³ 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

