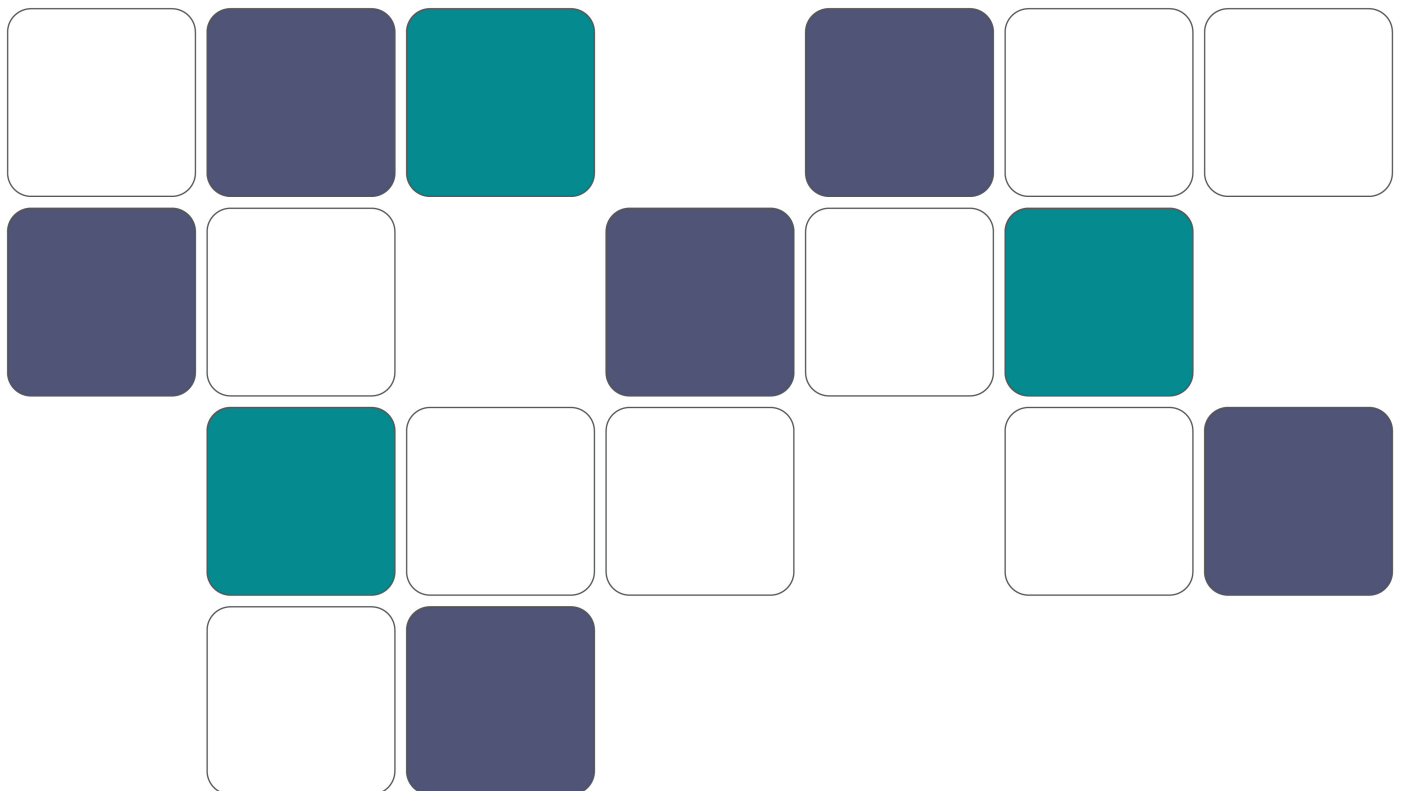


Quarterly Financial Report

For the period ending September 30, 2024



Statement of Net Position

as of September 30, 2024 and December 31, 2023

	9/30/2024 (u)	12/31/2023
Assets		
Cash and short-term investments		
Cash and short-term investments	\$ 86,533,619	\$ 54,754,251
Security lending collateral	166,484,439	61,700,970
Total cash and short-term investments	253,018,058	116,455,221
Receivables:		
Investment income	1,821,585	1,934,082
Unsettled securities sold	70,412,200	2,478,656
Contributions	174,586	9,159,813
Leases receivable	56,475	56,475
Total receivables	72,464,846	13,629,026
Investments, at fair value:		
U.S. government obligations	341,551,689	295,916,409
Domestic corporate and other fixed income	277,350,138	302,940,355
Domestic equity	617,580,459	510,492,429
International equity	609,373,031	533,909,954
Real estate	175,029,052	191,834,900
Alternative investments	386,683,592	417,790,675
Absolute return	184,707,172	171,236,709
Infrastructure	74,031,557	72,096,192
Total investments	2,666,306,690	2,496,217,623
Capital assets		
Property and equipment, net of accumulated depreciation	1,529,228	1,529,228
Total assets	2,993,318,822	2,627,831,098
Liabilities		
Unsettled securities purchased	84,113,437	14,742
Securities lending obligations	166,484,439	61,700,970
Lease payable	34,650	34,650
Accounts payable	976,141	2,144,180
Total liabilities	251,608,667	63,894,542
Deferred inflow of resources	56,475	56,475
Net position restricted for benefits	\$ 2,741,653,680	\$ 2,563,880,081
Net position restricted for pension benefits	2,689,767,847	2,505,149,356
Net position restricted for DROP benefits	51,885,833	58,730,725
Net position restricted for benefits	\$ 2,741,653,680	\$ 2,563,880,081

(u) Unaudited

Statement of Change in Net Position

for the nine month period ended September 30, 2024 and for the year ended December 31, 2023

	For the period 9/30/2024 (u)	For the year 12/31/2023
Additions:		
Contributions:		
Employer	\$ 125,919,879	\$ 159,584,423
Plan members	58,773,824	75,788,120
Total contributions	184,693,703	235,372,543
Investments income:		
Net appreciation/(depreciation) in fair value of investments	187,203,452	194,982,293
Earnings on investments	42,058,636	46,893,824
Investment expenses	(11,203,265)	(16,217,030)
Net investment income from investing activities	218,058,823	225,659,087
Securities lending income	2,921,840	3,627,850
Securities lending borrower rebates	(2,632,389)	(3,318,983)
Securities lending agent fees	(72,341)	(77,189)
Net income from securities lending	217,110	231,678
Net investment income	218,275,933	225,890,765
Total additions	402,969,636	461,263,308
Deductions:		
Retired members benefits	207,796,980	269,116,655
DROP benefits	7,724,533	15,612,129
Refunds of contributions	5,317,271	6,595,035
Administrative expenses	4,357,253	5,303,549
Total deductions	225,196,037	296,627,368
Net change	177,773,599	164,635,940
Net position held in trust for benefits		
Beginning of period	2,563,880,081	2,399,244,141
End of period	\$ 2,741,653,680	\$ 2,563,880,081

Net Position Available for Benefits		
Cost value 9/30/2024	Market value 9/30/2024	Unrealized gain/(loss)
\$ 2,145,919,178	\$ 2,741,653,680	\$ 595,734,502

(u) Unaudited

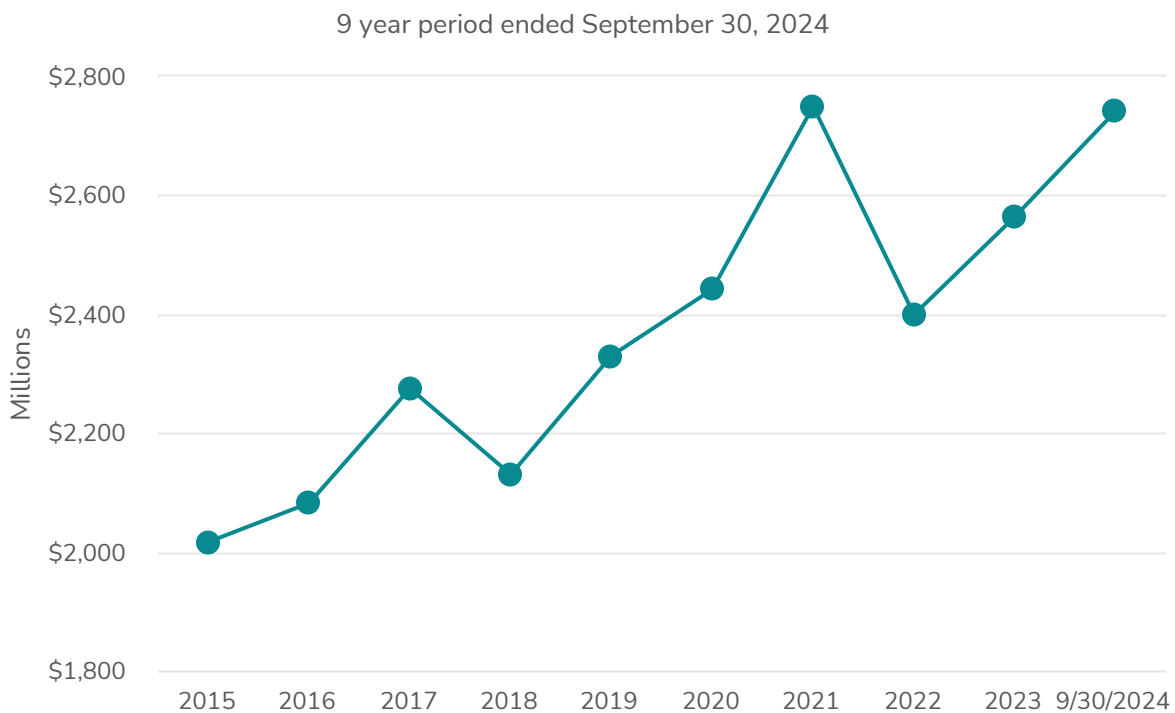
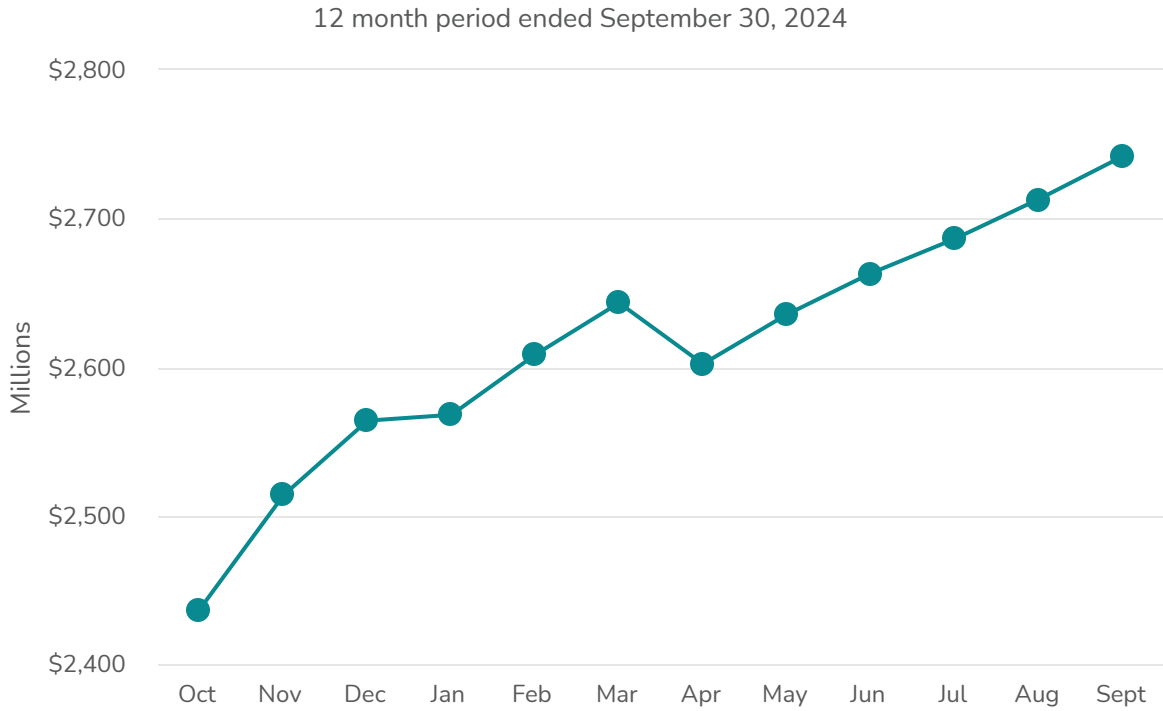
Estimated Funded and Unfunded Actuarial Liability

		Funded Ratio
Actuarial value of assets		
Pension benefits	\$ 2,612,204,774	60.9 %
Health benefits	81,782,169	52.1 %
Total actuarial value of assets 1/1/2024	\$ 2,693,986,943	60.6 %
Unfunded actuarial liability		
Pension benefits	\$ 1,677,037,000	
Health benefits	75,099,000	
Total unfunded actuarial liability 1/1/2024	\$ 1,752,136,000	

Total Returns from Investment (net of fees)

For the quarter ended 9/30/2024	3.8 %
For the year to date ended 9/30/2024	8.8 %
For the 1 year period ended 9/30/2024 (annualized)	14.2 %
For the 3 year period ended 9/30/2024 (annualized)	4.5 %
For the 5 year period ended 9/30/2024 (annualized)	7.4 %
For the 10 year period ended 9/30/2024 (annualized)	6.4 %
For the 25 year period ended 9/30/2024 (annualized)	6.1 %
For the period beginning 1/1/1986 (annualized)	8.3 %

Market Value of Net Position



Analysis of Recent Investment Returns

Third Quarter 2024

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.

The DERP portfolio advanced 3.8% for the third quarter. Non-US equities were the best performing asset class with a return of 7.0%. China undertook significant measures to stimulate its economy and many global equity markets rose. Domestic equities also had strong performance, up 5.6%. In the US, inflation moderated to an annualized 2.4%. The Federal Reserve cut its short-term target by 0.50%, matching consensus expectations, and consumer spending and business investment drove solid GDP growth.

For the trailing 12 months the portfolio return was 14.2%, ahead of our 7.0% assumed rate of return, but continuing to trail benchmark and peers, which posted returns of 15.6% and 17.3%, respectively. The trailing 5-Year return of 7.4% lags the benchmark and peer returns of 8% by 60 bps. For the 10-year trailing period, the average annual return was 6.4%, lagging the benchmark return of 6.8% and peer group returns of 6.9%.

Quarterly Portfolio Analysis

For the quarter, our portfolio of US equities gained 5.6%. Returns were more broadly distributed among names, size, and style than earlier in the year when just a few stocks accounted for most gains.

International equities advanced 7.0% for the quarter. The China stimulus, falling interest rates, and some large currency moves all contributed to results.

Fixed income rose 3.4% on favorable interest rate movements.

Our total real estate portfolio declined .05%. Core real estate positions with full occupancies and rent growth posted a small gain, but non-core holdings offset those gains with further write-downs of problematic office and retail properties. Real estate valuations are for the most part now below replacement cost which should provide support for prices.

Natural resources continued to advance, adding 2.5% for the period. Our holdings in oil and gas had strong cash flows resulting in considerable distributions back to us.

Private equity lost 0.7% in the quarter. Portfolio companies' fundamentals remain solid and are performing well, but investments won't be monetized until merger and acquisition or IPO activity accelerates.

Infrastructure gained 2.1% as consolidations and improved scale resulted in greater efficiencies.

Hedge funds rose 2.0%, as interest rates, commodity futures, and equity long/short strategies were all accretive to returns.

Year to date returns have been encouraging. Going forward, elevated public equity valuations are likely to be a headwind, but overall economic signs are positive, and other asset classes can drive returns as well.

Investment Returns (Net of Fees)

for Periods Ended September 30, 2023

	Quarter	1 Year	5 Years ¹	10 Years ¹
Total Fund	3.8 %	14.2 %	7.4 %	6.4 %
Fund Policy Index	4.2 %	15.6 %	8.0 %	6.8 %
InvMetrics Median Public Fund ²	4.8 %	17.3 %	8.0 %	6.9 %
Domestic Equity	5.6 %	33.7 %	14.8 %	12.8 %
Russell 3000 Index	6.2 %	35.2 %	15.3 %	12.8 %
International Equity	7.0 %	27.4 %	9.1 %	5.4 %
64% MSCI EAFE Index / 36% MSCI EM Index	7.8 %	25.4 %	7.5 %	5.5 %
Fixed Income	3.4 %	8.5 %	1.9 %	2.9 %
67% Core FI Policy Index / 33% Non-Core FI Policy	3.7 %	9.5 %	1.9 %	2.7 %
Real Estate	(0.5)%	(12.4)%	(0.1)%	3.8 %
NCREIF-ODCE + 0.2%	0.3 %	(7.1)%	3.1 %	6.2 %
Natural Resources	2.5 %	14.7 %	2.4 %	2.1 %
CPI + 3% since October 2019, composite index prior	1.3 %	6.1 %	7.1 %	4.4 %
Private Equity	(0.7)%	(2.8)%	11.3 %	12.5 %
Burgiss Global Private Equity Index (since October 2019)	0.6 %	4.2 %	15.1 %	14.4 %
Infrastructure	2.1 %	9.6 %	N/A	N/A
CPI +3%	1.3 %	6.1 %	N/A	N/A
Absolute Return Hedge Funds	2.0 %	4.7 %	6.8 %	4.1 %
HFRI FOF Conservative Index	1.4 %	6.8 %	5.2 %	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

