Prilago. · PDF p.6 Excerpt

Active and Passive - Approximately 81% of the investments are actively managed. The actively managed assets are primarily fixed income assets managed internally by the Board's own investment staff at a lower cost than possible by an external manager with a passive mandate.

PENSION FUNDS

Managing Pension Investments requires a skillful balance of:

- Maximizing long-term returns
- Analyzing plan liquidity needs
- Managing risks
- Controlling costs

The Board manages the Pension Funds' investments for nine separate retirement plans that provide retirement benefits for public employees of state and local government entities. The two largest funds are the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS). The retirement system assets are invested within the Short-Term Investment Pool (STIP) and the Consolidated Asset Pension Pool (CAPP), discussed in further detail in the Investment Pools' section of this report.

Pensions
Fiduciary Net Position Held in Trust for Participants (In Millions)

Fund Name	STIP	CAPP	Grand Total
Public Employees' Retirement	$ 76.7	$ 7,542.4	$ 7,619.1
Teachers' Retirement	56.9	5,325.5	5,382.4
Firefighters' Retirement	7.5	751.7	759.2
Police Retirement	6.7	661.4	668.1
Sheriffs' Retirement	6.0	603.4	609.4
Game Wardens' Retirement	3.7	378.9	382.6
Highway Patrol Retirement	2.3	235.4	237.7
Judges' Retirement	1.5	145.6	147.1
Vol. Firefighters' Retirement	0.3	60.0	60.3
6/30/2025	**$ 161.6**	**$ 15,704.3**	**$ 15,865.9**

Table Comments: The amounts presented include receivable and payable accruals.

Pension funds are, by nature, long-term funds and require a long-term view when making investment decisions. Prudence, patience, and professional discipline are the hallmarks of the Board's investment process.

Factors considered in managing pension investments include long-term growth (expected rates of return), liquidity needs (how readily convertible to cash), risk (multi-dimensional), and cost. The Board addresses these factors through a strong governance model that requires the Board to engage in the review and confirmation of asset allocation.

The Board examines historical market performance, trends, and long-term economic forecasts during the asset allocation review. It also carefully studies more specific considerations related to individual asset classes, including costs, risks, potential returns, and the correlations between asset classes.