

Annual Comprehensive Financial Report

for the fiscal year ended June 30, 2025

Adapt

Evolve

Innovate

*Smart innovation leads to
great results.*



PUBLIC SCHOOL & EDUCATION EMPLOYEE
RETIREMENT SYSTEMS OF MISSOURI

Annual Comprehensive Financial Report

for the fiscal year ended June 30, 2025

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Evolve
Innovate

*Smart innovation leads to
great results.*

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Prepared by PSRS/PEERS' accounting department in
coordination with staff from other departments.



PUBLIC SCHOOL & EDUCATION EMPLOYEE
RETIREMENT SYSTEMS OF MISSOURI



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Innovate

“Innovation is the ability to see change as an opportunity – not a threat.”

— Steve Jobs

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Mission Statement, Goals, Focus Areas

MISSION STATEMENT

To provide financial security and peace of mind for Missouri's public education community.

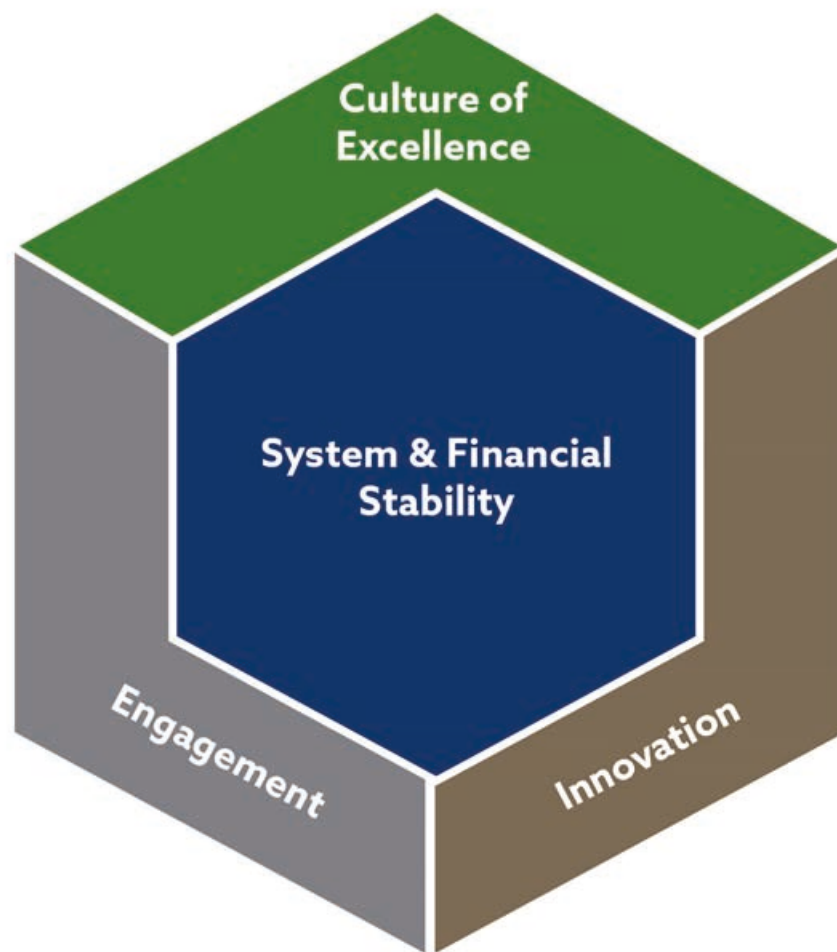
GOALS

To provide retirement security to Missouri's educators and education employees after a full career of service.

To help school districts attract and retain the best and brightest educators and employees for Missouri's school children.

To manage the Systems in a prudent and cost-efficient manner while continuing to provide exceptional service to our members.

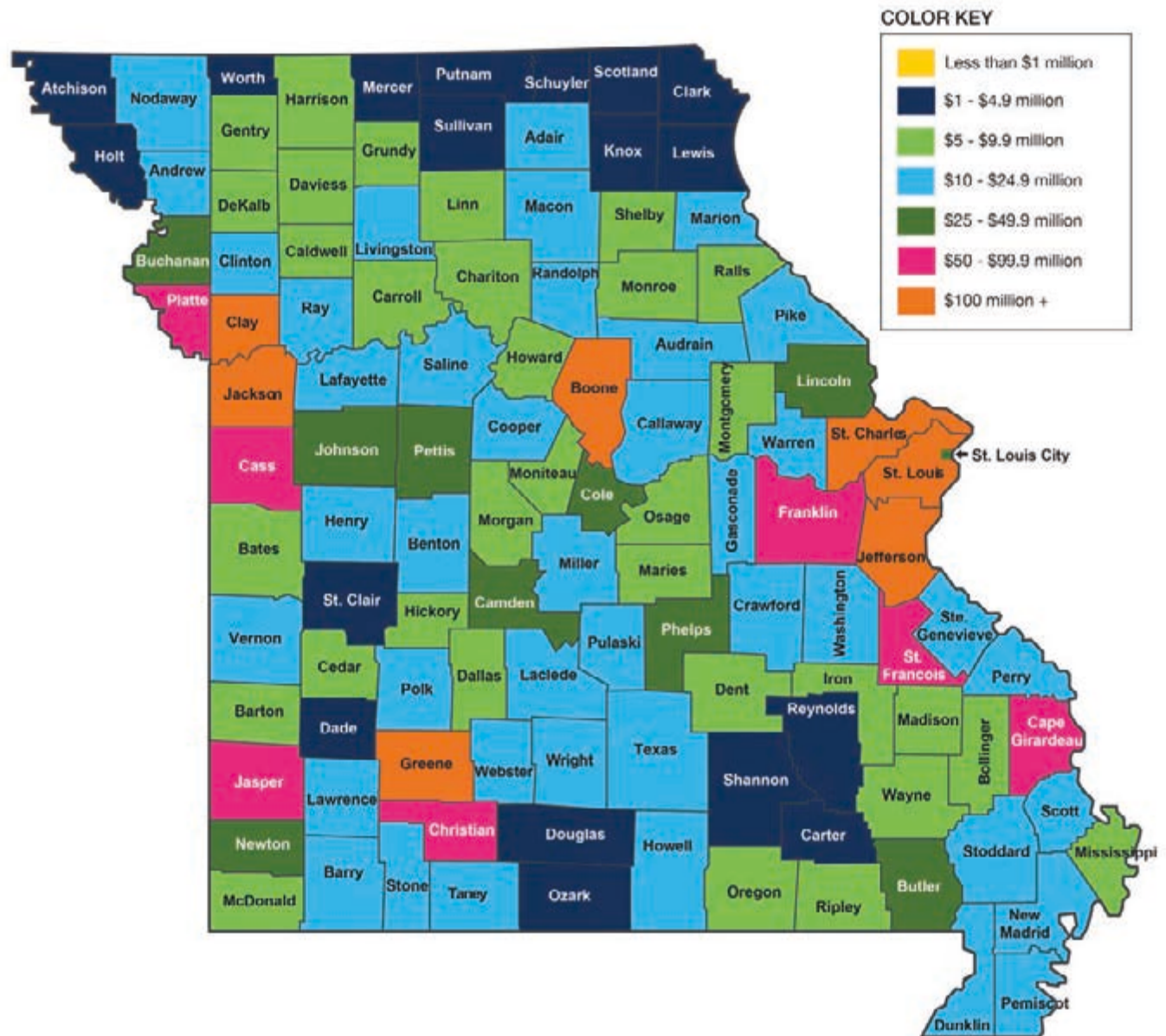
FOCUS AREAS



Economic Impact

The benefits distributed by PSRS/PEERS make a sizable contribution to Missouri's economy and help Missouri public schools attract and retain quality teachers and education employees.

As of June 30, 2025, approximately 113,000 individuals received benefits from PSRS/PEERS. Total annual benefits paid for the one-year period ended June 30, 2025, were nearly \$4 billion. Of this amount, over \$3.5 billion, or 88%, was distributed among Missouri's 114 counties, positively impacting the state's economy.





Driven by Innovation: A Year of Progress at PSRS/PEERS

At the Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS), we define innovation as the pursuit of smarter, more effective ways to serve our mission. Innovation is more than new technology — it's a mindset. It's how we approach service, leadership, investment, and culture. This year's *Annual Comprehensive Financial Report (ACFR)* celebrates how innovation has helped us better serve our members and employers, support our staff, and strengthen the Systems for the future.

Developing an Innovative Workforce

Innovation at PSRS/PEERS starts with enabling our employees to perform at their best and encouraging them to be innovative. This year, we invested in our people through:

- The Supervisor Training Program, a year-long program that helps current supervisors enhance their leadership skills.
- The Leadership, Exploration, and Development (LEAD) Program, which develops future leaders and focuses on leadership communication, resilience, and positive workplace culture.
- A redesigned internal HR site that enhances the employee experience by allowing employees to review and manage all aspects of their career at PSRS/PEERS, from performance goals to compensation and benefits.
- A robust investment internship program, which provides real-world insight into the work we do and the values we uphold. PSRS/PEERS interns gain hands-on experience; take site visits to the St. Louis Federal Reserve and NISA Investment Advisors; and earn certifications in Bloomberg and Wall Street Prep.

We also continued our rollout of AI tools that help us enhance collaboration, improve productivity as our membership increases, and free up time and resources to focus on how we can further adapt, evolve, and innovate as we deliver on our mission.

Enhanced Service Through Smart Solutions

By first engaging with our stakeholders and understanding their needs, we introduced several innovations this year to improve service.

One key improvement made it easier for members to file for retirement online. Instead of mailing bulky retirement packets, we now send a one-page flyer with a QR code that links directly to the online *Retirement Planning Guide*. This change simplifies and modernizes the retirement process and is expected to save 800,000 printed pages annually. Combined with virtual access to our team, online retirement filing allows us to meet our members where they are and improve their retirement experience.

We also expanded the capabilities of our AI-powered recording and evaluation tool. This technology transcribes our conversations with members and employers. During each interaction, it provides useful information to our service team based on recognized words and phrases. Our team also uses this tool to identify topical trends across conversations. The immediate feedback helps our service teams continually improve and ensures every interaction is consistent, high-quality, and responsive to caller needs.



Enabling a Sophisticated Investment Strategy

Successfully executing a sophisticated investment strategy — one that accesses a broad range of opportunities and markets to prudently grow the Systems' assets — requires both the right team and the right tools.

INTRODUCTORY SECTION

This year, we expanded our investments and operations teams to meet these objectives and to reduce reliance on external consultants. To further empower these teams, we enhanced our internal investment platform that modernizes how we manage investments across all asset classes. We also began using an AI-based tool that automatically gathers and summarizes information from our investment managers and partners.

These innovations have contributed directly to strengthening our financial position. Both PSRS and PEERS saw increases in their pre-funded status — even as we provided a cost-of-living adjustment for the fifth consecutive year and maintained stable contribution rates.

Award-Winning Performance, Recognized Again

Our innovation is earning recognition. For the eighth consecutive year, PSRS/PEERS earned top marks in the CEM Benchmarking study, with a service score of 89 out of 100 — well above the global average — all while keeping administrative costs below the benchmark.

We were also honored with:

- The GFOA Certificate of Achievement for Excellence in Financial Reporting (30th consecutive year)
- Recognition from the Public Pension Coordinating Council for meeting the highest standards in funding and administration
- A spot on Pensions & Investments' Best Places to Work in Money Management list for the second year in a row, ranking #3 in the Large Employer category

Innovation with Purpose

Innovation isn't just about what's new — it's about what's better. Every innovation this year — from digital tools to leadership development — has made PSRS/PEERS more responsive, more efficient, and more prepared for the future.





Board of Trustees

As of June 30, 2025

The PSRS/PEERS Board of Trustees is charged by law with the administration of PSRS/PEERS. Trustees are committed to providing services to the members and beneficiaries professionally, promptly, courteously, and efficiently. The Board meets regularly six times a year, with special meetings called as necessary.

It is the fiduciary responsibility of those charged with the administration of PSRS and PEERS to:

- Effectively collect contributions,
- Prudently invest the assets to obtain optimum returns,
- Equitably provide benefits,
- Impartially and in accordance with applicable law administer the benefit programs, and
- Set contribution rates that are adequate to fund promised benefits.

The seven-member Board consists of three elected PSRS members; one elected PEERS member; and three governor-appointed trustees, one of whom must be a PSRS or PEERS retiree. Trustees serve four-year terms and serve without compensation.



Beth Knes, Chair
Appointed Retired Trustee



Dr. Eric Park, Vice Chair
Appointed Trustee



Allie Gassmann
Elected PEERS Trustee



Katie Webb
Elected PSRS Trustee



Chuck Bryant
Appointed Trustee



Dr. Nate Moore
Elected PSRS Trustee



Amanda Perschall
Elected PSRS Trustee

Administrative Organization

As of June 30, 2025





Transmittal Letter



December 5, 2025

To the Board of Trustees and Members of the Retirement Systems:

On behalf of all management and staff, it is our pleasure to present the *Annual Comprehensive Financial Report (ACFR)* of the Public School Retirement System of Missouri (PSRS) and the Public Education Employee Retirement System of Missouri (PEERS) for the fiscal year ended June 30, 2025. Our mission to provide financial security and peace of mind to Missouri's public education community remains steadfast. This report reflects not only the financial strength of the Systems, but also the many initiatives undertaken by our management team and staff to fulfill that mission today and to ensure we are well positioned to continue doing so for generations to come.

Fiscal year 2025 marks the third year of our “Adapt, Evolve, Innovate” strategy, with the focus for this year on *innovation*. Our membership continues to grow and includes five generations of Americans born over the past century, from the Silent Generation to Baby Boomers to Generation X to Millennials to Generation Z, and we will no doubt soon welcome Generation Alpha. Delivering on our mission in the most cost-efficient manner and to such a diverse group requires that we be *innovative*. That includes constantly reevaluating the skills we need and the tools we utilize in our daily operations, service delivery, and investing.

At the heart of our *innovation* strategy is a deliberate focus on educating and empowering our employees. We recognize that sustainable progress is not driven solely by technology, but by the people who imagine, implement, and refine it. We support and encourage continuous learning and development through technical and leadership training, and by taking an active role in public pension trade organizations and networking with peers. Our teams are then empowered to be curious and creative in developing a better experience for our members and advancing the goals of the Systems.

This culture has laid the foundation for thoughtful, strategic decisions about technology. Rather than adopting tools for their novelty, we evaluate them through the lens of member service, operational efficiency, and long-term value. During fiscal year 2025, like most organizations, we advanced our use of artificial intelligence (AI) to enhance our operations. Our AI journey is in its early stages, but we are actively investigating use cases that could streamline administrative processes, improve data analysis, and support more personalized member engagement. We are approaching this work with the same care and diligence that define our fiduciary responsibilities — ensuring that *innovation* serves our mission, not the other way around.

Woven into the pages of this fiscal year 2025 *ACFR* are many examples of the innovations that have served the members of the Systems well and contributed to our financial position. As of June 30, 2025, PSRS was 89.1% pre-funded, while PEERS was 89.9% pre-funded. Based upon the June 30, 2025, actuarial valuations and financial projections, the Board of Trustees set the fiscal year 2027 contribution rates equivalent to the fiscal year 2026 contribution rates for both members and employers. This was the 16th year for the actuary to recommend, and the Board of Trustees to approve, the contribution rates to be 29.0% for PSRS and 13.72% for PEERS. The consistency of contribution rates for this long duration illustrates significant financial stability, strong, and persistent governance, and our ability to adapt, evolve, and *innovate*. Our members can rest assured that their Retirement Systems remain financially stable and well-funded.

This letter provides a brief overview of the contents of the *ACFR*. We encourage you to read the Management's Discussion and Analysis on pages 21 to 27 for a more detailed analysis of our financial position for the fiscal year.

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Transmittal Letter, continued

In addition to providing information to our Board of Trustees and members concerning the financial condition of the Systems, this report also meets our reporting requirements under Sections 169.020.(4).16 and 169.450.(4).11 of the Revised Statutes of Missouri (RSMo). Printed copies are available to the public upon request, and the complete report is also posted on our website, www.psr-peers.org.

Report Contents and Structure

Responsibility for the preparation, accuracy, and completeness of this report, including all disclosures, rests with the management staff of PSRS/PEERS. The Systems' financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP) within the guidelines established by the Governmental Accounting Standards Board (GASB). To the best of our knowledge, the enclosed data is accurate in all material respects and fairly presents our financial position and operating results.

The management of the Systems is responsible for internal accounting controls, which are designed to provide reasonable but not absolute assurance that the financial statements are free of any material misstatements and assets are safeguarded. The cost of internal controls should not exceed the benefits to be derived. The Systems employ two internal auditors, who perform operational reviews to ensure that the internal controls are functioning effectively. We believe the internal controls in place are adequate to meet the purpose for which they were intended.

Our independent external auditors, selected by the Board of Trustees, have conducted an audit of the basic financial statements in accordance with U.S. generally accepted auditing standards. This audit and the financial statements and related footnotes are presented on pages 19 to 60 of this report.

Overview of the Retirement Systems

The Public School Retirement System of Missouri (PSRS), a cost-sharing, multiple-employer retirement system, was established in 1945 (and became operative on July 1, 1946) by the Missouri Legislature to provide certificated public school employees and their families with a significant and stable source of retirement income and disability and survivor benefits. The majority of PSRS members do not contribute to Social Security.

The Non-Teacher School Employee Retirement System of Missouri (NTRS), also a cost-sharing, multiple-employer retirement system, was established in 1965 by the Missouri Legislature to build a plan similar to PSRS, but for non-certificated public school personnel and to reflect that members generally participate in Social Security. The name of the non-teacher system was changed to the Public Education Employee Retirement System of Missouri (PEERS) in August 2005 to represent the members of the System more positively.

PSRS and PEERS are governed jointly by a seven-member Board of Trustees, composed of three elected PSRS members, one elected PEERS member, and three members appointed by the governor, one of whom must be a retired member of PSRS or PEERS.

Unlike most public pension systems, the members of PSRS and PEERS and their employers share equally in funding the contributions to the Retirement Systems. The contribution rates in total approximate the contribution rates of similar public plans. However, this funding mechanism has kept the employer contributions lower and the employee contributions higher than many similar public plans.

The combined Systems serve over 323,000 total members in 535 school districts and other employers. As of June 30, 2025, approximately 113,000 individuals received retirement benefits from the Systems. Total annual benefits paid were nearly \$4.0 billion for the year ended June 30, 2025. At June 30, 2025, PSRS/PEERS had a net position of approximately \$63.1 billion, making it larger than all other public retirement systems in the State of Missouri combined.

Funding Status and Valuation Results

The Board of Trustees funding goals include:

1. Provide for the security and financial stability of the Systems, including maintaining at least an 80% pre-funded ratio, continuing to amortize the unfunded liability until PSRS and PEERS are 100% pre-funded, and allowing for a reasonable assumed rate of return given capital market estimates,

2. Maintain the contribution rates of both Systems at or below current levels, and
3. Provide a consistent cost-of-living adjustment (COLA) for PSRS and PEERS benefit recipients to maintain their purchasing power, noting COLAs should be dependable and meaningful without harming the financial stability of the Systems.

For this purpose, funded ratio is defined as the actuarial value of assets divided by the actuarial accrued liability. As noted above, PSRS was 89.1% pre-funded and PEERS was 89.9% pre-funded, as of June 30, 2025. The funding status of PSRS increased from the June 30, 2024, funded percentage of 87.2%, and PEERS increased from the June 30, 2024, funded percentage of 88.1%. The increases are due to investment returns being greater than assumed, resulting in an increase in the actuarial value of assets of more than 7.3% (the actuarially assumed return), along with actuarial gains on the actuarial accrued liabilities due to mortality experience. These gains were partially offset by losses (increases) in the actuarial accrued liabilities from individual member salaries increasing more than assumed; a 2.00% COLA on January 1, 2026, for retired members compared to an assumed COLA of 1.35%; and the net effect of retirement and new entrant experience. Over time, we expect the annual gains/losses to be offsetting. Additional information on actuarial assumptions and funding can be found in the Actuarial Section of this report.

The Board of Trustees evaluates a large amount of information each year in addition to the annual actuarial valuations prepared by the Systems' external actuaries, PwC US. Evaluated information includes capital market expectations relating to investment returns and inflation, sensitivity of the annual actuarial valuation results and related forecasts of funded status and contribution rates to changes in the expected return on assets and COLA assumptions, and analysis of other financial risks faced by the Systems. Based on the results of the actuarial valuations, related projections, sensitivities, and risk analysis, the Board of Trustees voted to maintain the current contribution rates of 29.00% for PSRS and 13.72% for PEERS for fiscal 2027 and did not make any amendments to the Actuarial Funding Policies during the current year.

The purpose of the Actuarial Funding Policies is to record the Board's funding goals noted above and related policies aimed at achieving those goals. The Board established the Policies to ensure the systematic funding of future benefit payments for the Systems' current and future members. The Policies also state the actuarial assumptions and methods used by the actuarial consultants in performing the actuarial valuations.

The actuarial assumptions and methods reflected in the Policies are based on comprehensive experience studies completed in May 2021. All economic and demographic assumptions were reviewed and certain assumptions were updated, where appropriate, based on the results of the studies and effective with the June 30, 2021, valuations. The PSRS Actuarial Funding Policy was subsequently amended at the October 30, 2023, Board meeting for the June 30, 2023, valuation, to update selected retirement rate assumptions pursuant to the passage of Senate Bill 75, which modified the benefit formula factor for PSRS members who retire with 32 or more years of service. The PEERS Actuarial Funding Policy has remained unchanged since 2021.

The long-term inflation and COLA assumptions have been re-evaluated each year since the 2021 experience study due to overall elevated inflation, short- and long-term inflation assumptions reflected in the capital market forecasts from various investment advisors and analysts, and the efforts by the Federal Reserve Open Market Committee to reduce inflation. Based on this information, the current long-term inflation assumption and the related COLA assumption were not adjusted. The next experience study is scheduled to be completed prior to the June 30, 2026, valuations.

As an independent review of the actuarial assumptions and methods developed by the actuarial consultants and selected by the Board, as well as the results of the actuarial valuations, the Systems are statutorily required to have an actuarial audit at least every 10 years. Due to the significance of the actuarial relationship and for strong governance, the Systems conduct an actuarial audit every five years. The Systems completed an actuarial audit in fiscal year 2024 that included a full replication of the June 30, 2023, valuations and a review of the 2021 experience studies performed by the Systems' retained actuary, PwC US. The audit concluded that the June 30, 2023, actuarial valuations were reasonable, the underlying actuarial assumptions and methods derived from the 2021 experience studies were reasonable, and the actuarial valuation reports prepared by PwC US complied with the Actuarial Standards of Practice.

Transmittal Letter, continued

Investment Activities

Overall investment backdrop was marked by solid economic growth, sticky inflation, and a presidential election. U.S. stock markets hit all-time highs throughout fiscal year 2025. The Systems' investments in global stocks was a significant driver of performance, while diversification into other asset classes was largely supportive to overall performance. U.S. stocks returned 15.3% for the fiscal year ended June 30, 2025 (as measured by the Russell 3000 Index), non-U.S. developed stocks moved 17.7% higher (as measured by the MSCI EAFE Index), and emerging market stocks increased 15.3% (as measured by the MSCI Emerging Markets Index). Interest rates declined as the yield on the 10-year U.S. Treasury note fell from 4.36% at the beginning of the fiscal year to 4.24% on June 30, 2025. This decline in yield augmented total returns for bonds as the Bloomberg U.S. Treasury Index increased 5.3% in fiscal year 2025. The Systems' non-traditional asset classes (private equity, private credit, private real estate, and hedged assets) enhanced the overall investment return in fiscal year 2025 and, more importantly, continues to deliver excellent long-term results and diversification. The Systems' diversified portfolio resulted in fiscal year 2025 total fund performance of 10.9% (10.7% net of all investment expenses and fees). The total fund return was above the long-term investment goal (actuarially assumed return) of 7.3%.

The total plan return, net of all investment expenses and fees, was below the policy benchmark return for the fiscal year. Over long periods of time, the Systems continue to produce investment returns that meet or exceed the Systems' objectives. For the 10-year time period ended June 30, 2025, the total plan return exceeded the policy benchmark return by 100 basis points. The Systems' internal investment staff and external investment managers added value above the policy benchmark of over \$5.8 billion net of all fees and expenses over the last 10 years. The annualized investment return for the Systems is 8.0% (7.8% net of all investment expenses and fees) over the last 30 years. Additional detailed information regarding the Systems' investments, including asset allocation, policies, and strategies, can be found in the Investment Section of this report.

Legislative Changes

During fiscal year 2025, the General Assembly passed three pieces of legislation relevant to the Systems. CCS/HCS/SS/SCS SB 68 (referred to as Senate Bill 68) was signed by Governor Michael "Mike" Kehoe on July 9, 2025. Governor Kehoe also signed HCS HBs 296 & 438 (referred to as House Bill 296) on July 9, 2025. Both pieces of legislation extend the current waiver of post-retirement work limits for substitute teachers from June 30, 2025, to June 30, 2030. The waiver applies to PSRS and PEERS retirees working as substitute teachers. It includes those working for covered employers or through third-party providers. Additionally, SS#2/SCS HB 147 (referred to as House Bill 147) was signed by Governor Kehoe on July 14, 2025. House Bill 147 put into law fiduciary duty and proxy voting requirements all public pension systems in Missouri must follow. The bill also lays out certain requirements for divestment if investments are made in nations considered foreign adversaries to the United States, as determined by federal law.

Other Key Initiatives During Fiscal Year 2025

The Systems remained focused on major, multiyear information technology initiatives. These included the continued modernization and enhancement of our internal pension administration system, as well as the development of an internal application to manage the investment process across all asset classes. We also advanced our commitment to customer service and operational efficiency by integrating artificial intelligence tools within the Information Center and Investment Operations departments and by improving the process for our members to file for service retirement online. Additionally, the Systems continued to invest in staff development through leadership training programs and the ongoing growth of our Investment Internship Program, reinforcing our commitment to both current and future talent.

Awards

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to PSRS and PEERS for the *Annual Comprehensive Financial*

Report for the fiscal year ended June 30, 2024. The Certificate of Achievement is a prestigious national award recognizing excellence in the preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles, applicable legal requirements, and GFOA standards. A Certificate of Achievement is valid for a period of one year only. We believe our current **Annual Comprehensive Financial Report** continues to meet the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine eligibility for another certificate.

Public Pension Coordinating Council (PPCC), Public Pension Standards Award

PSRS and PEERS each received the Public Pension Standards Awards in 2025 in recognition of meeting professional standards for plan administration and plan funding as set forth in the Public Pension Standards of the PPCC. These awards are presented by the PPCC, a confederation of the National Association of State Retirement Administrators (NASRA), the National Conference on Public Employee Retirement Systems (NCPERS), and the National Council on Teacher Retirement (NCTR).

Best Places to Work in Money Management

PSRS/PEERS was again recognized by Pension & Investments (P&I) magazine as one of the “Best Places to Work in Money Management” for 2025. Winners of the annual award were selected based on the results of employee surveys conducted by P&I and Best Companies Group, a research firm specializing in identifying great places to work. P&I’s annual survey and recognition program are dedicated to honoring the best employers in the money management industry. PSRS/PEERS are among a small group of public pension funds to have received the award.

Professional Services

Certain professional services are provided to the Systems by retained consultants. The required opinion letters from two of those consultants, PwC US, actuaries, and Williams Keepers LLC, independent certified public accountants, appear on pages 19 and 109 of this report.

General investment consulting services have been provided by Russell Investments.

Acknowledgments

Each fiscal year we welcome a new group of young professionals to our membership and congratulate a new group of retirees as they begin their next chapter. Being *innovative* means we are always searching for ways to improve our technology, service, communications, and investment strategies to best serve our members’ current and future needs. We are grateful to have the opportunity to serve each and every member. We would like to express our thanks and gratitude to the Board of Trustees, staff, and consultants who have worked diligently to produce this report and to ensure the continued successful operation of the Systems.

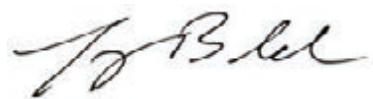
Respectfully submitted,



Dearld Snider
Executive Director



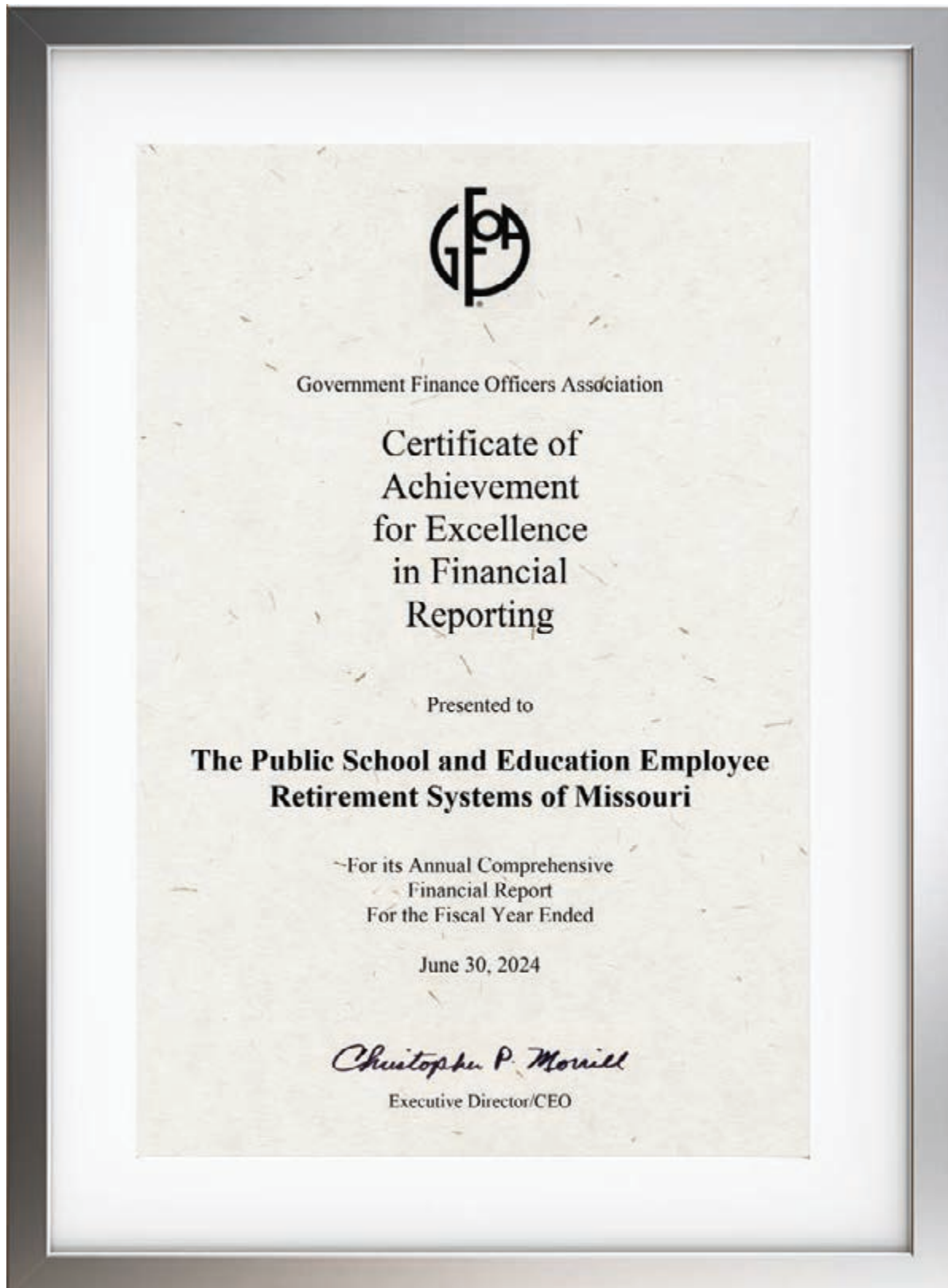
Brandon Robertson, ASA, EA, MAAA
Chief Financial Officer



Tory Brondel, CPA
Deputy Chief Financial Officer

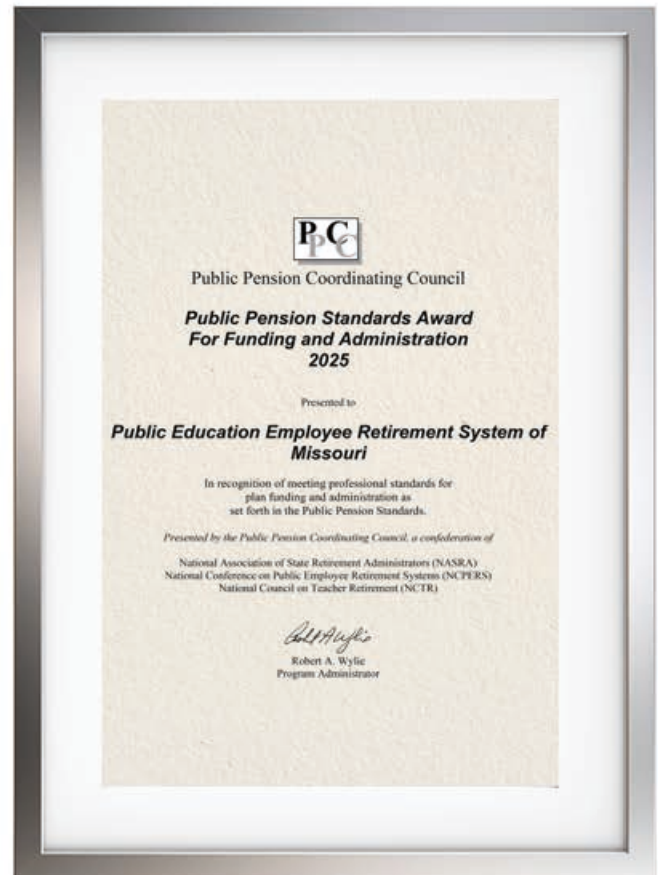
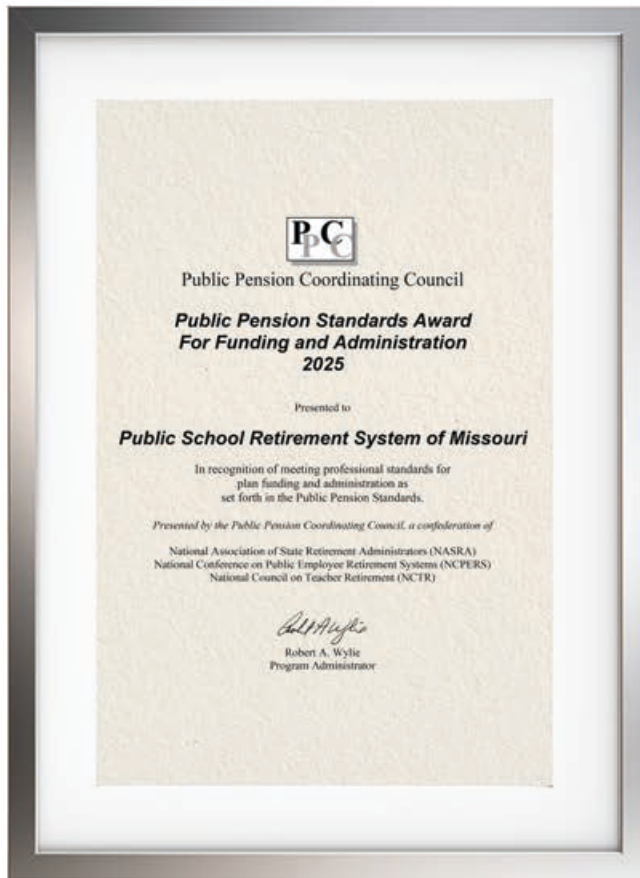


Certificate of Achievement for Excellence in Financial Reporting





Public Pension Coordinating Council Public Pension Standards Awards



Professional Services

As of June 30, 2025

Actuary

PwC US
Chicago, IL
New York, NY

Auditor

Williams Keepers, LLC
Columbia, MO

Compensation Consultant

CBIZ, Inc.
Kansas City, MO

Insurance Consultants

Charlesworth & Associates
Overland Park, KS

The Insurance Group
Columbia, MO

Legal Counsel

Chapman and Cutler, LLP
Chicago, IL

Groom Law Group
Washington, D.C.

**Pillsbury, Winthrop, Shaw,
Pittman, LLP**
Los Angeles, CA

Thompson Coburn, LLP
St. Louis, MO

Legislative Consultant

Clarkston Nelson, LLC
Jefferson City, MO

Technology Consultants

Arctic Wolf Networks
Eden Prairie, MN

CherryRoad Technologies
Parsippany, NJ

DAS
Palm Beach Gardens, FL

Dell EMC
Jefferson City, MO

The Entertainer
Jefferson City, MO

Gartner, Inc.
Stamford, CT

IANS Research
Boston, MA

Microsoft Unified Support
Microsoft Corporation
Redmond, WA

Network Technology Partners
Ellisville, MO

Origina Inc.
Wilmington, DE

Palo Alto Networks
Santa Clara, CA

Securitas Technology
St. Louis, MO

Secure Data Technologies
O'Fallon, IL

SHI International
Somerset, NJ

Medical Advisor

**Managed Medical Review
Organization**
Novi, MI

Investment fees can be found in the schedule of investment expenses on page 107. Schedules of broker commissions can be found on page 105. Additional information on Investment Managers can also be found in the Investment Section of this report.

Innovate

*“Without change there is no innovation,
creativity, or incentive for improvement.”*

— William Pollard

Financial Section

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Independent Auditor's Report



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The Board of Trustees of the
Public School and Public Education Employee
Retirement Systems of Missouri

Opinion

We have audited the statements of fiduciary net position of the Public School and Public Education Employee Retirement Systems of Missouri (the Systems), as of June 30, 2025, and the related statements of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, which collectively comprise the Systems' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the fiduciary net position of the Public School and Public Education Employee Retirement Systems of Missouri as of June 30, 2025, and the changes in fiduciary net position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Systems and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Systems' ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

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Independent Auditor's Report, continued

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Systems' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Systems' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 21-27, schedules related to the defined benefit plans (schedules of changes in the employers' net pension liability, employers' net pension liability, employer contributions, investment returns, and notes to schedules) on pages 52-57, and schedules related to the defined benefit OPEB plan (schedule of changes in the net OPEB liability and related ratios) on page 58 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Systems' basic financial statements. The schedules of administrative expenses, schedules of professional services, and schedules of investment expenses presented on pages 59 through 60 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedules of administrative expenses, schedules of professional services, and schedules of investment expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises of the introductory, investment, actuarial and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Williams - Keepers LLC

Columbia, Missouri
December 5, 2025



Management's Discussion and Analysis

Introduction

This discussion and analysis of the financial position of the Public School Retirement System of Missouri (PSRS) and the Public Education Employee Retirement System of Missouri (PEERS), collectively referred to as the Systems, provides an overview of the Systems' financial activities for the fiscal year ended June 30, 2025. We encourage you to consider the information presented here in conjunction with the *Transmittal Letter* included in the Introductory Section and the financial statements and other information presented in the Financial Section of this *Annual Comprehensive Financial Report (ACFR)*.

Fiscal Year Highlights

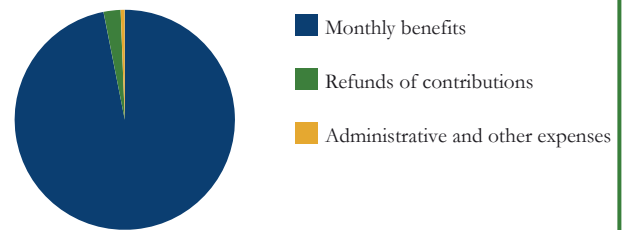
The following highlights summarize key outcomes from each section of this *ACFR*. Financial highlights are explained in more detail for each System later in this discussion.

Financial

- The combined net position of the Systems increased by \$4.1 billion. The net position of PSRS increased by \$3.5 billion, while the net position of PEERS increased by \$604.2 million. These increases were driven primarily by investment returns, resulting in total revenues exceeding total expenses for the year.
- As of June 30, 2025, PSRS' fiduciary net position as a percentage of the total pension liability increased to 90.9% from 88.3% for the prior year. PSRS' net pension liability was approximately \$5.6 billion as of June 30, 2025. As of June 30, 2025, PEERS' fiduciary net position as a percentage of the total pension liability increased to 91.5% from 89.0% for the prior year. PEERS' net pension liability was approximately \$697.9 million as of June 30, 2025. The net pension liability is calculated utilizing the fair value of assets in accordance with Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*, as amended, for accounting presentation purposes.
- Total revenues for fiscal year 2025 were comprised of investment gains of \$6.15 billion and contribution revenue of \$2.09 billion. This compares to investment gains of \$5.69 billion and contribution

revenue of \$2.01 billion for fiscal year 2024. Total expenses of the Systems were \$4.1 billion, compared to \$3.9 billion for the prior fiscal year, an increase of 4.4%. Retirement benefits represent the largest expense of the Systems and increased by \$166.3 million from \$3.82 billion to \$3.99 billion. Member refunds also increased by \$7.4 million over the prior year. Finally, administrative expenses increased by \$1.4 million from the prior year.

**Deductions from Plan Fiduciary Net Position
Fiscal Year 2025**



Investment

- During fiscal year 2025, the investment market backdrop was marked by solid economic growth, sticky inflation, and a presidential election. The Systems' diversified portfolio resulted in fiscal year 2025 total fund performance of 10.9% (10.7% net of all investment expenses and fees), led by returns on global public equity returns. U.S. stock markets also contributed, reaching all-time highs throughout fiscal year 2025. The total fund return was significantly above the long-term investment goal (actuarially assumed return) of 7.3%. However, the total plan return, net of all investment expenses and fees, was below the policy benchmark return for the fiscal year.
- Over long periods of time, the Systems continue to produce investment returns that meet or exceed the Systems' objectives. For the 10-year time period ended June 30, 2025, the annualized total plan return exceeded the policy benchmark return by 100 basis points. This equates to added value by the Systems' internal investment staff and external investment managers of over \$5.8 billion above the policy benchmark, net of all fees and expenses, over the last 10 years. The Systems' investment returns for the last 10-year time period exceeded 70% of its peer group as defined by the Wilshire TUCS universe of public pension plans with assets in excess of \$1 billion.

FINANCIAL SECTION

- The annualized investment return for the Systems is 8.0% (7.8% net of all investment expenses and fees) over the last 30 years.
- Additionally, the Systems generated consistently higher returns while taking substantially less risk than the policy benchmark (as measured by standard deviation) and less risk than most comparable public funds over all time periods.

Actuarial

- From an actuarial funding perspective, the pre-funded status of the Systems is measured as the ratio of the actuarial accrued liability (AAL) computed in accordance with assumptions and methods approved by the Board of Trustees, to the actuarial value of assets (AVA), a smoothed asset value that recognizes 20% of the total investment gain or loss on the AVA, relative to the assumed 7.3% return, for each of the preceding five years. The use of a smoothed value of assets is the primary difference between accounting measurements in accordance with GASB Statement No. 67 and funding calculations that are prepared to aid in setting the contribution rates.
- As of June 30, 2025, the pre-funded ratios for funding purposes were 89.1% for PSRS and 89.9% for PEERS. The funded ratio of PSRS increased from the June 30, 2024 funded ratio of 87.2%, and PEERS increased from the June 30, 2024, funded ratio of 88.1%. The increases are due to investment returns being greater than assumed, resulting in an increase in the actuarial value of assets of more than 7.3% (the actuarially assumed return), along with actuarial gains on the actuarial accrued liabilities due to mortality experience. These gains were partially offset by losses (increases) in the actuarial accrued liabilities from individual member salaries increasing more than assumed; a 2.00% COLA on January 1, 2026, for retired members compared to an assumed COLA of 1.35%; and the net effect of retirement and new entrant experience.
- Based on the results of the actuarial valuations, forecasts, and other analysis, the Board of Trustees voted to maintain the current contribution rates of 29.00% for PSRS and 13.72% for PEERS for fiscal year 2027.
- Pension benefits are funded through a combination of member and employer contributions and investment income. Approximately 63% of every dollar used to pay retirees is generated from investment earnings (based on a 25-year average for fiscal years 2001-2025).



Note: The 19¢ includes member contributions and service purchases.

Statistical

- Membership in the Systems continues to grow. As of June 30, 2025, total membership was 323,064, compared to 315,616 as of June 30, 2024, an increase of 7,448 members or 2.4%. Reviewing overall growth in membership by status shows an increase of 1,145 active members; an increase of 3,609 inactive and former members; and an increase of 2,694 service retirees, disabled retirees, and beneficiaries in receipt of monthly benefits. The increase in active membership is entirely due to growth in active PEERS membership, as active PSRS membership decreased slightly during fiscal year 2025.
- Growth in the number of members receiving retirement benefits, along with growth in the amount of retirement benefit allowances due to consistent cost-of-living adjustments, has resulted in retired members and beneficiaries representing a larger percentage of the actuarial accrued liability of each System. This has also resulted in growth of the actuarial accrued liabilities that has outpaced the growth of covered payroll for active members. These trends are typical of maturing pension systems. However, they introduce financial considerations, including negative cash flow and a leveraged effect on the actuarially determined contribution rates when investment or liability gains and losses are experienced, because contributions are set as a percentage of active member pay. The Board of Trustees analyzes these trends and considerations in setting contributions rates.



Overview of the Financial Statements

The *ACFR* reflects the activities of the Systems as reported in *Statements of Fiduciary Net Position* and the *Statements of Changes in Fiduciary Net Position* (the Systems' financial statements). The Systems' financial statements, notes to the financial statements, and required supplementary information were prepared in conformity with GASB Statement No. 67, *Financial Reporting for Pension Plans*, as amended. This discussion and analysis are intended to serve as an introduction to the Financial Section of the *ACFR*, which consists of these items.

The *Statements of Fiduciary Net Position* present information on the Systems' assets, deferred outflows, liabilities, deferred inflows, and resulting net position, where assets plus deferred outflows, less liabilities plus deferred inflows, is reported as net position. The net position of the Systems reflects the resources available to pay benefits to members when due.

The *Statements of Changes in Fiduciary Net Position* present information detailing the changes in net position that occurred during the current fiscal year. All changes in net position are reported on an accrual basis. This means that the revenue or expense is recognized as soon as the underlying event giving rise to the change occurs, regardless of when the actual cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods. For example, contributions due from an employer, even though not yet paid by year end, will be reflected as revenue. Earned vacation accruals will be reflected as an expense, even though they have not been paid to employees.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes can be found on pages 30 through 51.

The report also contains required supplementary information in addition to the basic financial statements themselves. The required supplementary information consists of the following schedules and related notes:

- The *Schedules of Employers' Net Pension Liability* include historical trend information about whether each System's net position is increasing or decreasing over time relative to the total pension liability. The schedules provide a long-term, ongoing perspective of the accumulation of assets to pay benefits when due.
- The *Schedules of Employer Contributions* present historical trend information about the actuarially determined contributions of employers and the actual contributions made by employers.
- The *Schedules of Investment Returns* present historical annual money-weighted rate of returns.
- The *Schedules of Changes in the OPEB Liability and Related Ratios* include historical trend information about the defined benefit other post-employment benefit (OPEB) plan from a long-term, ongoing perspective.
- The *Notes to the Schedules of Required Supplementary Information* provide additional information that is essential to a full understanding of the data provided in the schedules.

Other supplementary schedules are also included. The *Schedules of Administrative Expenses* present the overall cost of administering the Systems. The *Schedules of Professional Services* further detail this category of administrative expense. The *Schedules of Investment Expenses* show the costs associated with investing the assets of the Systems. These expenses are shown as a reduction of revenue on the *Statements of Changes in Fiduciary Net Position*.

Financial Analysis of the Public School Retirement System of Missouri (PSRS)

PSRS is a mandatory, cost-sharing, multiple-employer retirement system for full-time certificated employees and certain part-time employees of participating employers. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2025. The employer was required to match that amount. Most PSRS members do not contribute to Social Security, except for employees hired after 1986 who contribute to Medicare only. In some instances, positions may be determined not to be exempt from Social Security contributions. PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate, and their employer is required to match the contribution.

The members' benefits are further calculated at two-thirds the normal benefit amount.

Public School Retirement System of Missouri Fiduciary Net Position (000's)			
	2025	2024	Change
Cash & investments	\$ 58,165,116	\$ 52,430,601	\$ 5,734,515
Receivables	2,133,503	1,510,490	623,013
Other	29,776	31,194	(1,418)
Total assets	60,328,395	53,972,285	6,356,110
Deferred outflows of resources	736	569	167
Total liabilities	4,756,690	1,923,826	2,832,864
Deferred inflows of resources	690	670	20
Fiduciary net position	\$ 55,571,751	\$ 52,048,358	\$ 3,523,393

Assets

Total assets of PSRS as of June 30, 2025, were \$60.3 billion and were mostly comprised of cash, investments, investment sales receivables, accrued interest and dividends, and contributions due from employers. Total assets increased by \$6.4 billion or 11.8% from the prior year due to investment earnings.

Liabilities

Total liabilities as of June 30, 2025, were \$4.8 billion and were mostly comprised of payables from the purchase of investments and obligations under reverse repurchase agreements. Total liabilities increased by \$2.8 billion from the prior year. The increase was primarily due to the addition of obligations related to reverse repurchase agreements, a new type of investment undertaken in fiscal year 2025.

Deferred Outflows and Inflows of Resources

Deferred inflows and outflows are a result of the System's Post-Employment Healthcare Plan and are presented in accordance with GASB Statement No. 75.

Net Position

PSRS assets and deferred outflows exceeded liabilities and deferred inflows on June 30, 2025, by \$55.6 billion. This was an increase of \$3.5 billion from the 2024 net position. The increase was due to current year investment earnings previously discussed. Investment gains totaled \$5.4 billion for the year. In addition, benefit payments and other expenses exceeded contribution

revenue by \$1.9 billion, as expected in a mature defined benefit plan.

Public School Retirement System of Missouri Changes in Fiduciary Net Position (000's)			
	2025	2024	Change
Additions			
Member contributions	\$ 886,853	\$ 858,834	\$ 28,019
Employer contributions	848,105	819,926	28,179
Investment income	5,420,366	5,020,947	399,419
Other	21	22	(1)
Total additions	7,155,345	6,699,729	455,616
Deductions			
Monthly benefits	3,543,993	3,401,298	142,695
Refunds of contributions	74,020	69,849	4,171
Administrative expenses	13,917	13,327	590
Other	22	5	17
Total deductions	3,631,952	3,484,479	147,473
Net increase	3,523,393	3,215,250	308,143
Fiduciary net position - beginning of year	52,048,358	48,833,108	3,215,250
Fiduciary net position - end of year	\$ 55,571,751	\$ 52,048,358	\$ 3,523,393

Revenues – Additions to Fiduciary Net Position

The reserves needed to finance retirement benefits are accumulated through the collection of employer and employee contributions and through investment earnings. Total contribution revenue for the year increased by \$56.2 million to \$1.7 billion. This was a 3.3% increase over the prior year. Retirement contributions were calculated at 14.5% of retirement salary for each member during fiscal year 2025. The employer matched this amount. Contribution rates were unchanged from the prior year. An increased retirement salary base resulted in the increase in contributions.

The net investment gain was \$5.4 billion as compared to a net investment gain of \$5.0 billion in 2024. The current year gains are reflective of a 10.7% net return on the Systems' diversified investment portfolio, compared to a net investment return of 10.6% in the prior year. All investment related expenses, such as fees paid to investment managers and internal staff expenses, are reflected as a reduction in investment income and are accounted for in this net figure. The Investment Section of this report contains additional information regarding the investment portfolio and related activity.



Expenses – Deductions from Fiduciary Net Position

The primary expenses of PSRS include the payment of pension benefits to members and beneficiaries, refunds of contributions to former members, and the cost of administering the System. Total expenses for fiscal year 2025 were \$3.6 billion, an increase of 4.2% over fiscal year 2024. The increase in member benefits and refunds represented 99.6% of the overall increase in expenses.

Monthly benefit expenses increased by \$142.7 million to \$3.5 billion. This was a result of an overall increase of 1,399 monthly benefit recipients from the prior year-end and eligible benefit recipients receiving a 2.0% cost-of-living increase on January 1, 2025. There were no changes to the benefit formula for payments during 2025. Refunds of contributions increased by \$4.1 million during the current year to a total of \$74.0 million.

Administrative expenses increased by \$0.6 million to \$13.9 million. This marginal increase was primarily due to the addition of staff and merit allocations to existing staff. The cost of administrative items was charged 58% to PSRS and 42% to PEERS for fiscal years 2025 and 2024, unless the expense was determined to be of direct benefit to only one System. In such instance, the allocation of expense was 100% to the benefited System. As always, we seek ways to streamline administrative costs when prudent.

Financial Analysis of the Public Education Employee Retirement System of Missouri (PEERS)

PEERS is a mandatory, cost-sharing, multiple-employer retirement system for non-certificated employees and certain part-time certificated employees of participating employers. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2025. The employer was required to match that amount. PEERS members also contribute to Social Security.

Public Education Employee Retirement System of Missouri Fiduciary Net Position (000's)			
	2025	2024	Change
Cash & investments	\$ 7,909,538	\$ 7,004,988	\$ 904,550
Receivables	291,954	202,839	89,115
Total assets	8,201,492	7,207,827	993,665
Deferred outflows of resources	533	412	121
Total liabilities	649,187	259,607	389,580
Deferred inflows of resources	500	485	15
Fiduciary net position	\$ 7,552,338	\$ 6,948,147	\$ 604,191

Assets

Total assets of PEERS as of June 30, 2025, were \$8.2 billion and were mostly comprised of cash, investments, investment sales receivables, accrued interest and dividends, and contributions due from employers. Total assets increased by \$1.0 billion or 13.8% from the prior year due to investment earnings.

Liabilities

Total liabilities as of June 30, 2025, were \$649.2 million and were mostly comprised of payables from the purchase of investments and obligations under reverse repurchase agreements. Total liabilities increased by \$389.6 million. The increase was primarily due to the addition of obligations related to reverse repurchase agreements, a new type of investment undertaken in fiscal year 2025.

Deferred Outflows and Inflows of Resources

Deferred inflows and outflows are a result of the System's Post-Employment Healthcare Plan and are presented in accordance with GASB Statement No. 75.

Net Position

PEERS assets and deferred outflows exceeded liabilities and deferred inflows on June 30, 2025, by \$7.6 billion. This was an increase of \$604.2 million from the 2024 net position. The increase was due to current year investment earnings previously discussed. Investment income totaled \$730.7 million for the year offset by benefit payments and other expenses, which exceeded contribution revenue by \$126.5 million, as expected in a mature defined benefit plan.

Public Education Employee Retirement System of Missouri Changes in Fiduciary Net Position (000's)			
	2025	2024	Change
Additions			
Member contributions	\$ 181,343	\$ 169,864	\$ 11,479
Employer contributions	173,979	162,778	11,201
Investment income	730,737	667,097	63,640
Other	8	—	8
Total additions	1,086,067	999,739	86,328
Deductions			
Monthly benefits	444,306	420,719	23,587
Refunds of contributions	27,437	24,234	3,203
Administrative expenses	10,133	9,328	805
Other	—	44	(44)
Total deductions	481,876	454,325	27,551
Net increase	604,191	545,414	58,777
Fiduciary net position - beginning of year	6,948,147	6,402,733	545,414
Fiduciary net position - end of year	\$ 7,552,338	\$ 6,948,147	\$ 604,191

Revenues – Additions to Fiduciary Net Position

The reserves needed to finance retirement benefits are accumulated through the collection of employer and employee contributions and through investment earnings. Total contribution revenue for the year increased by \$22.7 million to \$355.3 million. This was a 6.8% increase over the prior year. Retirement contributions were calculated at 6.86% of retirement salary for each member during fiscal year 2025. The employer matched this amount. Contribution rates were unchanged from the prior year. An increased retirement salary base resulted in the increase in contributions.

The net investment gain was \$730.7 million, as compared to a net investment gain of \$667.1 million in 2024. The current year gains are reflective of a 10.7% net return on the Systems' diversified investment portfolio, as compared to a net return of 10.6% in the prior year. All investment related expenses, such as fees paid to investment managers and internal staff expenses, are reflected as a reduction in investment income and are accounted for in this net figure. The Investment Section of this report contains additional information regarding the investment portfolio and related activity.

Expenses – Deductions from Fiduciary Net Position

The primary expenses of PEERS include the payment of pension benefits to members and beneficiaries, refunds of contributions to former members, and the cost of administering the System. Total expenses for fiscal year 2025 were \$481.9 million, an increase of 6.1% over fiscal year 2024. The increase in member benefits and refunds represented 97.2% of the overall increase in expenses.

Monthly benefit expenses increased by \$23.6 million to \$444.3 million. This was a result of an overall increase of 1,295 monthly benefit recipients from the prior year-end and eligible benefit recipients receiving a 2.0% cost-of-living increase on January 1, 2025. There were no changes to the benefit formula during 2025. Refunds of contributions increased by \$3.2 million from the prior year.

Administrative expenses increased by \$0.8 million. This marginal increase was primarily due to the addition of staff and merit allocations to existing staff. The cost of administrative items was charged 58% to PSRS and 42% to PEERS for fiscal years 2025 and 2024, unless the

expense was determined to be of direct benefit to only one System. In such instance, the allocation of expense was 100% to the benefited System. As always, we seek ways to streamline administrative costs when prudent.

Summary

The Board of Trustees, management, and staff are dedicated to keeping the Systems strong today and into the future and continually strive to improve the financial position of the Systems through sound governance processes, comprehensive funding policies, a prudent investment program, and long-term strategic planning. The positive impacts of the Systems' dedication and overall implementation of each of these programs is represented in the strong fiscal year 2025 financial, investment, and actuarial results, as well as the years leading up to fiscal year 2025.

Key financial results for fiscal year 2025, as detailed above, include:

- A fiduciary net position as of June 30, 2025, of approximately \$63.1 billion, making PSRS/PEERS larger than all other public retirement systems in the state of Missouri combined
- A 10.9% investment return (10.7% net of all investment expenses and fees) during fiscal year 2025, which added \$6.2 billion to the combined fiduciary net position of both Systems
- A net increase in combined fiduciary net position across both Systems of \$4.1 billion, considering all income and expenses
- Ratios of fiduciary net position to total pension liability as of June 30, 2025, of 90.9% for PSRS and 91.5% for PEERS, both improvements from the prior year
- Pre-funded ratios on an actuarial funding basis, reflecting a smoothed value of assets as of June 30, 2025, of 89.1% for PSRS and 89.9% for PEERS, both improvement from the prior year
- Total membership as of June 30, 2025, of over 323,000, an increase of 2.4% and reflecting membership growth in all status categories other than active PSRS membership
- Approximately 113,000 members receiving retirement benefits as of June 30, 2025, which totaled nearly \$4.0 billion during fiscal year 2025



Economic factors of primary significance to the Systems are global capital markets inclusive of the various influences affecting investment returns; the impact of inflation and cost-of-living adjustments for retired members, membership demographic changes and behaviors, increasing leverage on contribution rate calculations; and legislative changes. Based on the financial performance of the Systems during fiscal year 2025, the resulting financial positions at June 30, 2025, other projections, and analyses of these economic factors, the Board of Trustees set the fiscal year 2027 contribution rates the same as fiscal year 2026 rates at their November 3, 2025, meeting. The fiscal year 2027 contribution rates are in compliance with the Board of Trustees' Funding Policies. Fiscal year 2027 will be the 16th consecutive year for the contribution rates of 29.0% for PSRS and 13.72% for PEERS. This consistency in contribution rates illustrates significant financial stability, strong governance, and long-term planning.

Requests for Information

This financial report is designed to provide the Board of Trustees, our members, and other users of our financial report with a general overview of the Systems' finances and to demonstrate the Systems' accountability for the money it receives. If you have any questions about this report or need additional financial information, contact PSRS/PEERS, P.O. Box 268, Jefferson City, MO 65102.



Public School Retirement System of Missouri
Public Education Employee Retirement System of Missouri
Statements of Fiduciary Net Position

as of June 30, 2025
with comparative totals as of June 30, 2024

	Combined Totals			
	PSRS	PEERS	June 30, 2025	June 30, 2024
ASSETS				
Cash - operating	\$ 649,502,227	\$ 98,024,876	\$ 747,527,103	\$ 837,459,471
Receivables				
Contributions	214,080,361	31,608,160	245,688,521	243,286,077
Accrued interest and dividends	125,472,145	17,038,353	142,510,498	121,318,964
Investment sales	1,792,992,162	243,307,782	2,036,299,944	1,347,243,098
Receivable from PEERS for allocated expenses	955,033	—	955,033	1,156,176
Other	3,677	2	3,679	324,762
Total receivables	2,133,503,378	291,954,297	2,425,457,675	1,713,329,077
Investments, at fair value				
Cash and short-term investments	825,936,811	113,442,554	939,379,365	1,238,404,384
U.S. Treasuries and TIPS	9,434,421,743	1,281,233,227	10,715,654,970	8,066,581,297
U.S. public equities	15,419,247,623	2,093,409,113	17,512,656,736	15,688,467,465
Non-U.S. public equities	9,760,668,078	1,325,535,561	11,086,203,639	10,297,191,139
Private equity	9,359,841,924	1,271,104,981	10,630,946,905	10,212,516,371
Private credit	2,783,417,069	377,999,472	3,161,416,541	3,150,783,465
Private real estate	5,569,167,576	756,315,834	6,325,483,410	5,611,740,726
Hedged assets	4,362,913,060	592,472,273	4,955,385,333	4,332,445,106
Total investments	57,515,613,884	7,811,513,015	65,327,126,899	58,598,129,953
Prepaid expenses	236,111	—	236,111	253,865
Capital assets, net of accumulated depreciation and amortization	29,539,891	—	29,539,891	30,940,266
Total assets	60,328,395,491	8,201,492,188	68,529,887,679	61,180,112,632
DEFERRED OUTFLOW OF RESOURCES				
Outflows related to other post-employment benefit obligations	736,167	533,086	1,269,253	981,250
LIABILITIES				
Accounts payable and other liabilities	19,664,182	2,720,065	22,384,247	27,665,061
Interest payable	1,217,148	165,075	1,382,223	2,016,013
Investment purchases	1,978,208,188	268,391,781	2,246,599,969	2,142,772,390
Obligation under reverse repurchase agreements	2,750,742,670	373,562,154	3,124,304,824	—
Payable to PSRS for allocated expenses	—	955,033	955,033	1,156,176
Lease liability	746,051	—	746,051	856,805
Accrued medical claims	234,900	170,100	405,000	292,000
OPEB liability	2,582,106	1,869,801	4,451,907	4,193,207
Compensated absences	3,294,648	1,353,097	4,647,745	4,481,443
Total liabilities	4,756,689,893	649,187,106	5,405,876,999	2,183,433,095
DEFERRED INFLOW OF RESOURCES				
Inflows related to other post-employment benefit obligations	690,140	499,757	1,189,897	1,154,913
NET POSITION - RESTRICTED FOR PENSIONS	\$ 55,571,751,625	\$ 7,552,338,411	\$ 63,124,090,036	\$ 58,996,505,874

See accompanying Notes to the Financial Statements.



Public School Retirement System of Missouri
Public Education Employee Retirement System of Missouri
Statements of Changes in Fiduciary Net Position

for the year ended June 30, 2025
with comparative totals for the year ended June 30, 2024

	Combined Totals			
	PSRS	PEERS	June 30, 2025	June 30, 2024
ADDITIONS				
Contributions				
Employer	\$ 848,104,682	\$ 173,979,445	\$ 1,022,084,127	\$ 982,703,643
Member	886,853,150	181,343,103	1,068,196,253	1,028,697,717
Total contributions	1,734,957,832	355,322,548	2,090,280,380	2,011,401,360
Investment income				
From investing activities:				
Net appreciation in fair value of investments	5,524,325,125	745,622,080	6,269,947,205	5,682,719,340
Interest from investments	313,901,931	42,415,619	356,317,550	305,534,189
Interest from bank deposits	959,548	142,155	1,101,703	1,069,630
Dividends	244,025,520	32,879,929	276,905,449	261,024,169
Total investment income	6,083,212,124	821,059,783	6,904,271,907	6,250,347,328
Less investment expenses	616,156,501	84,008,577	700,165,078	562,313,949
Less interest expense from reverse repurchase agreements	46,689,273	6,313,944	53,003,217	—
Net income from investing activities	5,420,366,350	730,737,262	6,151,103,612	5,688,033,379
From security lending activities:				
Security lending gross income	—	—	—	3,962
Less security lending activity expenses:				
Agent fees	—	—	—	2,629
Broker rebates (received)	—	—	—	(9,143)
Total security lending expenses	—	—	—	(6,514)
Net income from security lending activities	—	—	—	10,476
Total net investment income	5,420,366,350	730,737,262	6,151,103,612	5,688,043,855
Other income				
Miscellaneous income	20,836	7,487	28,323	22,993
Total other income	20,836	7,487	28,323	22,993
Total additions	7,155,345,018	1,086,067,297	8,241,412,315	7,699,468,208
DEDUCTIONS				
Monthly benefits	3,543,992,648	444,306,529	3,988,299,177	3,822,016,985
Refunds of contributions	74,019,763	27,437,111	101,456,874	94,083,308
Administrative expenses	13,916,918	10,132,625	24,049,543	22,654,664
Other expenses	22,559	—	22,559	48,651
Total deductions	3,631,951,888	481,876,265	4,113,828,153	3,938,803,608
Net increase in net position	3,523,393,130	604,191,032	4,127,584,162	3,760,664,600
NET POSITION - RESTRICTED FOR PENSIONS				
Beginning of year	52,048,358,495	6,948,147,379	58,996,505,874	55,235,841,274
End of year	\$ 55,571,751,625	\$ 7,552,338,411	\$ 63,124,090,036	\$ 58,996,505,874

See accompanying Notes to the Financial Statements.

Notes to the Financial Statements

Note 1 – Plan Descriptions

The Board of Trustees of the Public School Retirement System of Missouri administers two separate retirement systems, the Public School Retirement System of Missouri (PSRS) and the Public Education Employee Retirement System of Missouri (PEERS). The Board of Trustees consists of seven members, three of whom are elected PSRS members, one elected PEERS member, and three persons appointed by the governor, one of whom must be a retired member of either PSRS or PEERS.

The funds of the two Systems are managed simultaneously. Investments of the Systems are combined in a commingled investment pool as allowed by state statute. Each System owns an equity position in the pool and receives proportionate investment income from the pool in accordance with their respective ownership percentage. Each System's allocated share of each type of investment in the pool is shown on the *Statements of Fiduciary Net Position*. Investment gains and losses are reported in the *Statements of Changes in Fiduciary Net Position*. Each System's assets may be used only for the payment of benefits to the members of the separate System in accordance with the statutes governing that System, as well as expenses required to administer the System.

The Public School Retirement System of Missouri (PSRS)

PSRS is a mandatory, cost-sharing, multiple-employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City), and all public community colleges. The System also includes certificated employees of PSRS/PEERS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the State of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987, and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "two-thirds statute." PSRS members

required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate, and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount.

PSRS was established as an independent trust fund by the Missouri General Assembly effective August 1, 1945. Statutes governing the System are found in Sections 169.010-169.141 and Sections 169.560-169.595 RSMo.

PSRS is a defined benefit plan providing service retirement, death, and disability benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Between July 1, 2001, and July 1, 2014, PSRS members could retire with a 2.55% benefit factor with 31 or more years of service. Beginning August 28, 2023 members can again retire with a 2.55% benefit factor with 32 or more years of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55 or with 25 years of service (if not yet age 55). Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members who are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. Annual cost-of-living adjustments (COLAs) are provided for eligible service and disability retirees and for surviving beneficiaries receiving payments under optional benefit plans, up to a lifetime maximum of 80% of the original benefit amount.

For a more detailed summary of benefits for the members of PSRS, refer to the Summary Plan Description in the Actuarial Section of this report.

Contributions – PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2025. Employers were required to match the contributions made by employees. The contribution rate is set each year by the Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo.



The annual statutory increase in the total contribution rate may not exceed 1% of pay. Administrative costs are financed through investment earnings. Contributions for employees of the State of Missouri were made by the state in accordance with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

Members – The number of PSRS members and benefit recipients served by the System at June 30, 2025:

Retirees and beneficiaries receiving benefits	72,615
Inactive members entitled to, but not yet receiving, benefits	11,417
Active members:	
Vested	59,307
Non-vested	18,516
Total active members	77,823
Other inactive members and terminated accounts	10,347
Total	172,202

Employers – PSRS had 534 contributing employers during fiscal year 2025.

The Public Education Employee Retirement System of Missouri (PEERS)

PEERS is a mandatory, cost-sharing, multiple-employer retirement system for all public school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and public community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of the Public School Retirement System of Missouri (PSRS) must contribute to PEERS. Employees of PSRS/PEERS who do not hold Missouri educator certificates also contribute to PEERS.

PEERS was established as a trust fund by the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600-169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of the Public School Retirement System of Missouri.

PEERS is a defined benefit plan providing service retirement, death and disability benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits

under the “Rule of 80” (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for Rule of 80 or 30-and-out are entitled to an additional temporary 0.8% multiplier benefit until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five years of service at age 55. Members who are younger than age 55 and who do not qualify under the “Rule of 80” but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members who are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. Annual cost-of-living adjustments (COLAs) up to a lifetime maximum of 80% of the original benefit amount are provided for eligible service and disability retirees and for surviving beneficiaries receiving payments under optional benefit plans.

For a more detailed summary of benefits for the members of PEERS, refer to the Summary Plan Description in the Actuarial Section of this report.

Contributions – PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2025. Employers were required to match the contributions made by their employees. The contribution rate is set each year by the Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions in Section 169.620 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay. Administrative costs proportional to its membership size are reimbursed by PEERS to PSRS and are financed through investment earnings.

Members – The number of PEERS members and benefit recipients served by the System at June 30, 2025:

Retirees and beneficiaries receiving benefits	40,280
Inactive members entitled to, but not yet receiving, benefits	8,637
Active members:	
Vested	25,773
Non-vested	29,122
Total active members	54,895
Other inactive members and terminated accounts	47,050
Total	150,862

Employers – PEERS had 531 contributing employers during fiscal year 2025.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

For financial reporting purposes, the Systems adhere to accounting principles generally accepted in the United States of America. The Systems apply all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

The Systems' financial statements, notes to the financial statements, and required supplementary information were prepared in conformity with GASB Statement No. 67, *Financial Reporting for Pension Plans*, as amended. GASB Statement No. 67 addresses accounting and financial reporting requirements for pension plans. Significant requirements include an actuarial calculation of total and net pension liability. It also includes comprehensive footnote disclosures regarding the pension liability, the sensitivity of the net pension liability to the discount rate, and extensive investment activity disclosures. The total pension liability, determined in accordance with GASB Statement No. 67 is presented in Note 6 - *Net Pension Liability of Employers*.

The financial statements of both Systems were prepared using the accrual basis of accounting. For both Systems, member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds are recognized when due and payable in accordance with the statutes governing the Systems. Expenses are recognized when the liability is incurred, regardless of when payment is made. Administrative expenses are funded through investment earnings.

Cash and Short-term Investments

Cash and short-term investments include deposits held for operational purposes at a commercial depository bank and cash and short-term investments with the master custodian.

Receivables

Receivables consist primarily of contributions owed and yet to be remitted by employers, pending investment trades and interest and dividends payable to the Systems as of the end of each fiscal year.

Method Used to Value Investments

Investments are reported at fair value. The fair value of investments is based on published market prices and quotations from major investment brokers at current

exchange rates, as available. Many factors are considered in arriving at fair value. Fixed income securities not traded on a national or international exchange are based on equivalent values of comparable securities with similar yield and risk.

The value of private equity, private credit, and private real estate investments, that do not have an established market, is determined based upon the most current net asset values and activities through fiscal year end. When values are not readily available, alternative investments are valued based on a good faith determination by the General Partner. The estimated fair value of these investments may differ significantly from values that would have been updated had a ready market existed. The estimated fair values can be significantly affected by uncertainty and volatility in financial markets. Consequently, fair value estimates in such instances may be subject to wide variations.

GASB Statement No. 72, *Fair Value Measurement and Application*, addresses accounting and reporting issues related to fair value measurements. The Statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Comprehensive footnote disclosure regarding this Statement is presented in Note 4 - *Deposits, Investments, and Securities Lending Program*.

Capital Assets

Capital assets include tangible capital assets and intangible right-to-use assets. Capital assets are owned by PSRS. PSRS allocates depreciation and amortization expense to PEERS for the use of capital assets. PSRS has adopted capitalization thresholds to identify whether assets are classified as capital assets or operating expenses. Intangible assets are reported with capital assets on the *Statements of Fiduciary Net Position*. Capital assets are depreciated and amortized on a straight-line basis over their estimated useful lives. Additional information is presented in Note 5 - *Capital Assets*.

Adoption of New Accounting Pronouncements

The Systems review the requirements of all new GASB pronouncements and their impact on the financial statements. For the fiscal year ended June 30, 2025, there was no material impact to the Systems' financial statements resulting from the implementation of new accounting pronouncements.



Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of net position restricted for pension benefits at June 30, 2025. Actual results could differ from those estimates.

Total Columns

The financial statements include total column information for the prior year. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with both Systems' financial statements for the year ended June 30, 2024, from which the information was derived.

Note 3 – Designations of Net Position – Restricted for Pensions

The Systems designate the net position – restricted for pensions for the following specific purposes:

Public School Retirement System of Missouri

	2025
<i>Designated for Members' Contributions (Member Reserves)</i> – Accumulation of active and terminated member contributions plus interest.	\$ 7,247,807,175
<i>Designated for the Payment of Benefits to Present Retirees</i> – Transfers from Member Reserves at retirement and an actuarially determined transfer from Operating Reserves to fund the System's obligation for benefit payments and cost-of-living adjustments to current retirees and beneficiary recipients.	37,936,137,582
<i>Designated for Operating Expenses/Benefits to Future Retirees (Operating Reserves)</i> – Accumulation of employer contributions and investment income used to fund future benefit payments, interest on member accounts, and administration and maintenance expenses of the System.	10,387,806,868
Net Position – Restricted For Pensions	<u>\$ 55,571,751,625</u>

Public Education Employee Retirement System of Missouri

	2025
<i>Designated for Members' Contributions (Member Reserves)</i> – Accumulation of active and terminated member contributions plus interest.	\$ 889,224,715
<i>Designated for the Payment of Benefits to Present Retirees</i> – Transfers from Member Reserves at retirement and an actuarially determined transfer from Operating Reserves to fund the System's obligation for benefit payments and cost-of-living adjustments to current retirees and beneficiary recipients.	4,440,506,554
<i>Designated for Operating Expenses/Benefits to Future Retirees (Operating Reserves)</i> – Accumulation of employer contributions and investment income used to fund future benefit payments, interest on member accounts, and administration and maintenance expenses of the System.	2,222,607,142
Net Position – Restricted For Pensions	<u>\$ 7,552,338,411</u>

Note 4 – Deposits, Investments, and Securities Lending Program

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Systems will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Systems would not be able to recover the value of investment or collateral securities that are in the possession of an outside party. To mitigate custodial credit risk, the Systems require that all cash deposits that exceed the Federal Deposit Insurance Corporation (FDIC) insurance amounts, be 100% collateralized with securities held in the Systems' name and held by a third-party agent.

Deposits

At June 30, 2025, the PSRS carrying amount of deposits at the depository bank was \$38,911,743 and the bank balance was \$20,987,105. Of the bank balance, \$500,000 was covered by federal depository insurance. In addition, the deposits were collateralized with U.S. agency securities held by a third-party institution in the System's name, totaling \$22,197,261.

At June 30, 2025, the PEERS carrying amount of deposits at the depository bank was \$5,752,861 and the bank balance was \$3,447,785. Of the bank balance, \$250,000 was covered by federal depository insurance. In addition, the deposits were collateralized with U.S. agency securities held by a third-party institution in the System's name, totaling \$4,616,812.

Investment Policy and Asset Allocation

Funds for both Systems that are in excess of needed operating balances are invested under policies and procedures established by the PSRS/PEERS Board of Trustees. Chapter 169.040 RSMo. authorizes any investment which a prudent person acting in a like capacity and familiar with similar matters would use in the conduct of an enterprise of a like character and with like aims. Any person with fiduciary responsibility with respect to the Systems is covered by this prudent person rule.

The Board of Trustees approved the commingling of assets for purposes of investment as allowed by state statute. In order to implement this change, PSRS and PEERS adopted the Missouri Education Pension Trust

Agreement. The Missouri Education Pension Trust (MEPT) is managed by the PSRS/PEERS Board of Trustees and investment staff. Effective July 1, 2013, the invested assets of the Systems were pooled and invested in MEPT. All assets held by MEPT are for the exclusive benefit of PSRS and PEERS. Each of the Systems has equity in MEPT based on funds contributed and earnings allocated. Earnings of MEPT are allocated based on the average daily balances of each of the respective Systems. Individual investments in MEPT are not specifically identified to the respective Systems. For financial statement presentation, MEPT assets, liabilities, revenues, and expenses have been allocated to and presented in each respective system in the basic financial statements as required by investment pools. Due to the fact all invested assets are invested in MEPT, the rate of return for each of the Systems is approximately the same.

The Systems' policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees. System assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided by the Systems. The Board of Trustees approved the use of total plan leverage in fiscal year 2020. Leverage may be utilized (through futures, swaps, or other derivative instruments) to efficiently implement portfolio rebalancing and/or to apply modest leverage to total plan assets. The total direct leverage at the fund level shall not exceed 10% of the portfolio.

Based on the results of the fiscal year 2022 Asset Allocation/Liability Study, the Board of Trustees amended the following long-term asset allocation targets: Safe Assets decreased 5% and Private Risk Assets increased 5%. Within Private Risk Assets, Private Equity increased from 16% to 21%, while within Safe Assets, U.S. Treasuries decreased from 20% to 15%.



Implementation of the amended long-term targets will be achieved over time through a disciplined investment approach. The policy benchmarks will change over time as the Systems make meaningful progress towards the long-term targets. The following table illustrates the Board's approved asset allocation as of June 30, 2025.

Investment Type	Long-term Target	Policy Ranges
<i>Public Risk Asset Programs</i>		
U.S. Public Equity	23.0%	15% - 45%
Public Credit	0.0%	0% - 10%
Hedged Assets	6.0%	0% - 25%
Non-U.S. Public Equity	16.0%	8% - 28%
Total Public Risk Assets	45.0%	35% - 70%
<i>Safe Assets</i>		
U.S. Treasuries	15.0%	0% - 40%
U.S. TIPS	0.0%	0% - 30%
Cash & Cash Equivalents	0.0%	0% - 10%
Total Safe Assets	15.0%	10% - 40%
<i>Private Risk Asset Programs</i>		
Private Equity	21.0%	4% - 28%
Private Real Estate	11.0%	4% - 15%
Private Credit	8.0%	0% - 12%
Total Private Risk Assets	40.0%	10% - 50%
Total Fund	100.0%	

The Systems categorize their fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The Systems have classified the fair value measurements on the following page based on the type of investment security. The classifications will not directly reconcile to total investments per the *Statements of Fiduciary Net Position* due to the considerations of cash holdings, other liabilities, and accruals.

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Systems' assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. The tables on the following page show the fair value leveling of the investments for the Systems.

Short-term securities generally include investments in money market-type securities and cash equivalents reported at cost, which approximates fair value.

Public equities that are classified in Level 1 are valued using prices quoted in active markets for those securities. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

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Fixed income securities, commodities, and derivatives that are classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. Such securities include U.S. Treasuries, corporate and agency bonds, bank loans, and mortgage-backed securities. Level 2 fixed income securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

Investments and Derivatives Measured at Fair Value

Investments by fair value level	Total at June 30, 2025	Fair Value Measurements		
		Level 1	Level 2	Level 3
<i>U.S. Treasuries and TIPS</i>				
U.S. Treasuries	\$ 7,583,882,194	\$ —	\$ 7,583,882,194	\$ —
U.S. Treasuries - TIPS	606,759,967	—	606,759,967	—
Total U.S. Treasuries and TIPS	8,190,642,161	—	8,190,642,161	—
<i>Public equities</i>				
U.S. public equities	8,509,197,009	8,509,197,009	—	—
Non-U.S. public equities	5,868,271,514	5,868,796,271	—	(524,757)
Exchange traded funds	1,674,855,617	1,674,855,617	—	—
Depository receipts	399,527,616	399,527,616	—	—
Total Public equities	16,451,851,756	16,452,376,513	—	(524,757)
<i>Short-term investments</i>				
Short-term investment	1,576,017,267	1,576,017,267	—	—
Total Short-term investments	1,576,017,267	1,576,017,267	—	—
Total Commodities	1,219,737,800	—	1,219,737,800	—
Total Investments by fair value level	\$ 27,438,248,984	\$ 18,028,393,780	\$ 9,410,379,961	\$ (524,757)
Total Investments measured at the NAV (See detailed schedule on the following page)	37,761,986,578			
Total Investments measured at fair value	\$ 65,200,235,562			
Investment derivative instruments	June 30, 2025	Level 1	Level 2	Level 3
Swaps	\$ 4,532,508	\$ —	\$ 4,532,508	\$ —
Foreign currency forwards	(8,332,938)	—	(8,332,938)	—
Total Investment derivative instruments	\$ (3,800,430)	\$ —	\$ (3,800,430)	\$ —
Obligations under reverse repurchase agreements	(3,124,304,824)			
Total Investments, net of obligations under reverse repurchase obligations and investment derivative instruments	\$ 62,072,130,308			

Investments Measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Public Equity Investments				
Passive U.S. Equity Funds	\$ 6,521,539,335	\$ —	Daily	1 day
Active U.S. Equity Funds	636,178,998	—	Quarterly	45 days
Passive Non-U.S. Equity Funds	1,416,220,724	—	Daily	2 days
Active Non-U.S. Equity Funds	2,657,094,159	—	Monthly	15 - 60 days
Total Public Equity Investments	11,231,033,216	—		
Hedged Assets Investments				
Asset Allocation/Global Macro	697,751,447	—	Monthly	5 days
Distressed Debt/Credit	1,122,543,873	—	Quarterly, semi-annual, annual	65 - 90 days
Diversified Beta	387,716,491	—	Monthly, quarterly	4 - 30 days
Equity Focused	1,352,445,219	—	Monthly, quarterly	35 - 60 days
Multi-Strategy	2,854,251,690	—	Monthly, quarterly	30 - 90 days
Total Hedged Assets Investments	6,414,708,720	—		
Private Risk Investments				
Private Equity	10,629,344,691	4,294,108,571	Not eligible	N/A
Private Credit	3,161,416,541	2,245,906,388	Not eligible	N/A
Private Real Estate - closed end funds	2,715,288,093	2,208,940,495	Not eligible	N/A
Private Real Estate - open end funds	3,610,195,317	38,140,868	Quarterly	15 - 180 days
Total Private Risk Investments	20,116,244,642	8,787,096,322		
Total Investments measured at the NAV	\$ 37,761,986,578	\$ 8,787,096,322		

The fair values of investments in certain public equity, hedged assets, and private risk assets are based on the investments' net asset value (NAV) per share (or its equivalent) and are presented in the above table. Investments that are measured at fair value using the net asset value (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

Public Equity Investments

The public equity investments include two passive U.S. equity funds, one active U.S. equity fund, three passive non-U.S. equity funds, and four active non-U.S. equity funds. The passive equity funds provide for basic market exposure with daily liquidity. The active U.S. equity fund provides an active industry-specific strategy within U.S. markets, while the active non-U.S. equity funds provide active investment strategies in the global equity, international equity, and emerging markets.

Hedged Assets Investments

The hedged assets investment strategy provides diversification and reduced volatility to the total portfolio. The purpose of this program is to enhance the overall risk/return profile through the inclusion of specialized investment strategies that typically generate returns in a different fashion (i.e., absent a high correlation to equities or bonds).

Asset Allocation/Global Macro includes an investment in a fund with the strategy of taking long and short positions based on top-down macroeconomic analysis (i.e., interest rates, foreign exchange rates, and commodity prices). Global strategies involve long and short positions in securities of diverse geographical regions such as developed and emerging markets.

Distressed Debt/Credit includes investments in four funds that seek returns by capitalizing on opportunities in financially distressed companies' debt and credit securities.

Diversified Beta includes investments in three funds with a risk parity approach that focuses on the allocation of risk across the portfolio.

Equity Focused includes investments in six funds with the strategy of taking long positions in attractive equity securities and potentially short positions in unattractive equity securities.

Multi-Strategy includes investments in six funds that represent a broad style of investing that seeks diverse sources of alpha generation and positive absolute returns by employing a variety of investment strategies. Strategies utilized may include, but are not limited to, convertible bond arbitrage, equity long/short, statistical arbitrage, and merger arbitrage.

Private Risk Investments

Private risk investments are typically very long-term in nature, not publicly traded, and relatively illiquid. Investments are made in limited partnerships where redemptions are restricted over the life of the partnership. During the life of the partnerships, distributions are received as underlying portfolio investments are realized.

Private Equity investments provide financing for start-up companies, private middle market companies, firms in financial distress, and public and non-public firms seeking buyout financing. Private equity investments can be classified into three basic sub-asset class categories: Venture Capital, Buyouts, and Debt-Related.

Private Credit investments are comprised primarily of debt-related investments that provide a current yield along with equity participation (usually warrants). Primary strategies are distressed debt, bankruptcy restructurings, mezzanine debt, bank loans, and other credit-driven or debt-related strategies.

Real Estate investments are intended to provide exposure to a diversified portfolio of institutional quality private real estate investments that will provide meaningful, consistent returns, act as a hedge against inflation, and a diversifier to the overall investment portfolio.

The real estate portfolio includes closed-end funds where distributions from each investment will be received as the underlying investments are liquidated and open-end funds that offer redemption options.

Rate of Return

For the year ended June 30, 2025, the money-weighted rate of return, net of all investment expenses and fees, was 10.7%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Time-weighted returns (geometric return) for the year ended June 30, 2025, net of all investment expenses and fees, was 10.7%.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Systems' investment in a single issue. To mitigate this risk, the Systems' investment policy prohibits investing more than 5% of the total investment portfolio into any single financial institution or issuer, excluding U.S. government securities. At June 30, 2025, the Systems did not have more than 5% of total investments in a single issue except for U.S. government securities.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Systems' investment policy restricts duration as a means of managing its exposure to fair value losses arising from increased interest rates. In addition, each manager must follow guidelines established relative to the duration of its benchmark. The portfolios are continually monitored to ensure compliance with these guidelines. The maturities of all debt securities are presented below:

Security Type	Fair Value as of June 30, 2025	<1 year to maturity	1 to 5 years to maturity	6 to 10 years to maturity	Over 10 years to maturity
U.S. Treasuries	\$ 8,190,642,161	\$ 86,811,057	\$ 4,111,029,129	\$ 1,891,425,747	\$ 2,101,376,228
Bank Deposits	1,576,017,267	1,576,017,267	—	—	—
Commingled Funds (see note)					
Blackrock Fed Fund	2,651	2,651	—	—	—
Bridgewater STIF II	17,122,553	17,122,553	—	—	—
Bridgewater US IL Bond Fund	4,261,370	—	—	4,261,370	—
Bridgewater International Bond Fund	4,210,642	—	—	—	4,210,642
Currency	24,784,927	24,784,927	—	—	—
Total	\$ 9,817,041,571	\$ 1,704,738,455	\$ 4,111,029,129	\$ 1,895,687,117	\$ 2,105,586,870
Percentage of Total Fixed Income	100%	17%	42%	19%	22%

Note: Commingled Funds are presented at the weighted average maturity. These funds do not have a single maturity date; however, the underlying securities have maturity dates. To more accurately reflect the interest rate risk of the Systems, these weighted averages are displayed.



The following table includes the debt maturities for the Systems' operating deposits and repurchase agreements collateral.

Security Type	Fair Value as of June 30, 2025	<1 year to maturity	1 to 5 years to maturity	6 to 10 years to maturity	Over 10 years to maturity
PSRS - Agencies	\$ 22,197,261	\$ —	\$ 22,197,261	\$ —	\$ —
PEERS - Agencies	\$ 4,616,812	\$ —	\$ 4,217,349	\$ 399,463	\$ —

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Systems do not have a single investment policy designating the minimum allowable credit rating; however, each manager must follow guidelines established specifically for its managed portfolio. The portfolios are continually monitored to ensure compliance with these guidelines. The Systems' debt investments by credit rating category as of June 30, 2025, are presented in the following table.

Security Type	Fair Value as of June 30, 2025	%	FDIC Insured	AA+	A-1+	Not Rated
U.S. Treasuries	\$ 8,190,642,161	84%	\$ —	\$8,190,642,161	\$ —	\$ —
Bank Deposits	1,576,017,267	16%	1,576,017,267	—	—	—
Commingled Funds (see note)						
Blackrock Fed Fund	2,651	0%	—	—	2,651	—
Bridgewater STIF II	17,122,553	0%	—	—	17,122,553	—
Bridgewater US IL Bond Fund	4,261,370	0%	—	4,261,370	—	—
Bridgewater International Bond Fund	4,210,642	0%	—	4,210,642	—	—
Currency	24,784,927	0%	—	—	—	24,784,927
Total	\$ 9,817,041,571	100%	\$1,576,017,267	\$8,199,114,173	\$ 17,125,204	\$ 24,784,927
Percentage of Total Fixed Income	100%		16%	84%	0%	0%

Note: Commingled Funds are presented at the weighted average credit quality. These funds do not carry a rating in and of themselves; however, the underlying securities are all rated. To more accurately reflect the credit risk of the Systems, these weighted averages are displayed. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not required to be disclosed; however, we feel it shows a more true picture of our fixed income holdings.

All collateral pledged in support of the Systems' operating deposits and repurchase agreements was held in agency securities with a quality rating of AAA.

Reverse Repurchase Agreements

In accordance with the policies set by the Board of Trustees, the Systems utilize reverse repurchase agreements in order to temporarily convert securities into cash. U.S. Treasury securities are used as collateral and exchanged with a counterparty for cash. The Systems promise to repay cash plus interest in exchange for the return of the securities. The cash proceeds from the reverse repurchase agreements are reinvested in yield enhancement strategies in an effort to generate excess returns over passive bond exposures. The terms of the reverse repurchase agreements are typically one day to one month, and the annualized yield earned by the counterparties is approximately 4.5%. The fair value of securities underlying reverse repurchase agreements normally exceeds the cash received, providing the counterparties with a margin against a decline in fair value of the securities. The Systems may be subject to credit risk if the counterparty fails to return the securities. As of June 30, 2025, the fair value of the reverse repurchase agreement securities is \$3.149 billion, while the cash and interest due to the counterparties is \$3.124 billion resulting in a net credit risk exposure of \$25 million.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Systems do not have a single investment policy designating the allowable exposure to foreign currency; however, each manager must follow guidelines established specifically for its managed portfolio. The portfolios are continually monitored to ensure compliance with these guidelines. The Systems' exposure to foreign currency risk as of June 30, 2025, is presented in the following table.

Currency	Equity	Currency/ Short Term	Total
Australian Dollar	\$ 93,878,133	\$ 1,293,449	\$ 95,171,582
Brazilian Real	67,746,526	542,079	68,288,605
Canadian Dollar	211,317,226	227,513	211,544,739
Chilean Peso	4,318,021	136,970	4,454,991
Colombian Peso	2,909,875	44,949	2,954,824
Czech Koruna	2,377,143	59,746	2,436,889
Danish Krone	110,670,401	204,970	110,875,371
Egyptian Pound	4,434,986	114,696	4,549,682
Euro Currency	2,506,298,103	21,996,240	2,528,294,343
Hong Kong Dollar	410,424,401	5,578,103	416,002,504
Hungarian Forint	9,729,310	16,362	9,745,672
Indian Rupee	221,219,568	353,124	221,572,692
Indonesian Rupiah	37,652,005	787,170	38,439,175
Israeli Shekel	31,325,484	991,753	32,317,237
Japanese Yen	757,467,610	184,980	757,652,590
Malaysian Ringgit	22,529,190	308,447	22,837,637
Mexican Peso	11,761,623	45,650	11,807,273
New Taiwan Dollar	274,773,353	368,149	275,141,502
New Turkish Lira	14,473,802	36,277	14,510,079
New Zealand Dollar	—	43,343	43,343
Norwegian Krone	10,478,316	320,751	10,799,067
Pakistan Rupee	4,802,699	93,165	4,895,864
Peruvian Nuevo Sol	383,978	19,590	403,568
Philippine Peso	15,139,075	192,331	15,331,406
Polish Zloty	11,618,076	18,801	11,636,877
Pound Sterling	749,261,867	(3,280,475)	745,981,392
Qatari Rial	18,547,506	35,943	18,583,449
Russian Ruble	—	987,992	987,992
Singapore Dollar	92,458,121	531,862	92,989,983
South African Rand	18,661,678	17,001	18,678,679
South Korean Won	190,202,528	412,439	190,614,967
Swedish Krona	50,248,853	525,556	50,774,409
Swiss Franc	457,620,194	(1,297,058)	456,323,136
Thailand Baht	28,977,566	24,383	29,001,949
UAE Dirham	33,417,308	98,677	33,515,985
Yuan Renminbi	151,775,464	75,852	151,851,316
Total	\$ 6,628,899,989	\$ 32,110,780	\$ 6,661,010,769



Derivatives

Derivatives are generally defined as investment instruments whose cash flows or fair values are derived from the value of some other asset or index. The Systems are parties to derivatives that have off-balance sheet risk. These derivative instruments are used in the normal course of business to generate earnings and reduce exposure to fluctuations in market conditions. The Systems are exposed to various types of credit, market, and legal risk related to these investments. Investment staff monitors these types of investments with extreme care and is not aware of any undue risks at this time. All derivatives are considered investments. Derivatives are reported at fair value on the *Statements of Fiduciary Net Position* based on quoted market prices when available. In the instances that quoted market prices are unavailable, pricing is obtained via independent pricing sources.

The fair value balances and notional amounts of derivative instruments outstanding as of June 30, 2025, classified by type are as follows:

Investment Derivatives	Fair Value at June 30, 2025		Notional
	Classification	Amount	
Swaps			
Total return swaps - equity	Investments, at fair value	\$ 4,416,008	\$ 3,715,216,730
Variance swaps	Investments, at fair value	116,500	8,750,000
Total swaps		4,532,508	3,723,966,730
Futures			
Equity futures long	Investments, at fair value	—	156,442,355
Equity futures short	Investments, at fair value	—	133,300,028
Interest rate futures short	Investments, at fair value	—	178,718,313
Interest rate futures long	Investments, at fair value	—	439,853,906
Commodity futures long	Investments, at fair value	—	1,218,229,990
Total futures		—	2,126,544,592
Foreign currency forwards net receivable/payable	Investment sales and purchases	(8,332,938)	1,118,056,033
Total Investment Derivatives		\$ (3,800,430)	\$ 6,968,567,355

Swaps - The Systems' investment managers may enter into various swaps including interest rate swaps, credit default swaps, variance swaps, currency swaps, and equity and total return swaps. Swaps represent an agreement between two parties to exchange sequences of cash flows over a period in the future. In the most common type of interest rate swap arrangement, one party agrees to pay fixed interest payments on designated dates to a counterparty who, in turn, agrees to make return interest payments that float with some reference rate. A credit default swap is a contract whereby the credit risk associated with an investment is transferred by entering into an agreement with another party, who in exchange for periodic fees, agrees to make payments in the event of a default or other predetermined credit event. A variance swap is a contract in which two parties exchange a fixed variance amount based on the future realized variance of an underlying index. A currency swap is a foreign exchange transaction that involves trading principal and interest in one currency for the same in another currency. A total return swap is a contract in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of the underlying asset. The underlying asset is typically an index, bond, etc. Gains and losses on swaps are determined based on fair values and are recorded in net appreciation in fair value of investments on the Systems' *Statements of Changes in Fiduciary Net Position*. Net gains on swaps of \$158.9 million were recognized for the fiscal year ended June 30, 2025.

Futures - Futures represent commitments to purchase (asset) or sell (liability) securities at a future date and at a specified price. Futures contracts are traded on organized exchanges (exchange traded), thereby minimizing the Systems' credit risk. The net change in the value of futures contracts is settled daily in cash with the exchanges. Net gains or losses resulting from the daily settlements are included in net appreciation in fair value of investments on the Systems' *Statements of Changes in Fiduciary Net Position*. The Systems recognized net losses on futures contracts of \$104.1 million during the fiscal year ended June 30, 2025.

Options - Options represent or give buyers the right, but not the obligation, to buy (call) or sell (put) an asset at a preset price over a specified period. The option's price is usually a small percentage of the underlying asset's value. As a writer of financial options, the Systems' investment managers receive a premium at the outset of the agreement and bear the risk of an unfavorable change in the price of the financial instrument underlying the option. As a purchaser of financial options, the Systems' investment managers pay a premium at the outset of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option. Net gains or losses resulting from such obligations are included in net appreciation in fair value of investments on the Systems' *Statements of Changes in Fiduciary Net Position*. The Systems had no option activity during the fiscal year ended June 30, 2025.

Currency forwards - Currency forwards represent forward foreign exchange contracts that are entered into in order to hedge the exposure to changes in foreign currency rates on the foreign currency dominated portfolio holdings. A forward foreign exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts is included in net appreciation in fair value of investments on the Systems' *Statements of Changes in Fiduciary Net Position*. The Systems recognized net losses on such contracts of \$9.5 million during the fiscal year ended June 30, 2025.

Derivative Risk - Derivatives that are exchange traded are not subject to credit risk. No derivatives held are subject to custodial credit risk.

The Systems are exposed to interest rate risk on their interest rate swaps. As the variable portion of the swaps move in the market, the Systems' exposure increases and decreases. The Systems are exposed to termination risk. The Systems' investment managers or their counterparties may terminate a derivative if either party fails to perform under the terms of the contract.

The Systems' derivatives are governed by ISDA Master Agreements between the Systems and the Counterparties. These agreements set forth collateral requirements and applicable netting arrangements. Foreign currency risks are reflected on page 40.

The Systems could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. The Systems' investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. The Systems anticipate that the counterparties will be able to satisfy their obligations under the contracts.

The derivative financial instruments discussed involve, to varying degrees, elements of market risk to the extent of future market movements in excess of the amounts recognized in the *Statements of Fiduciary Net Position*. Market risk arises from the potential unfavorable change in the value of the underlying instruments. The contract or notional amounts of these instruments reflect the extent of the Systems' involvement in each class of financial instrument; however, these amounts do not represent the exposure to market loss. Additional derivatives may be held in limited partnerships and commingled funds that are not reflected below.

At June 30, 2025, the counterparties' credit ratings for currency forwards and swaps are subject to credit risk as shown below:

Derivative Counterparty Credit Ratings			
Quality Rating	Swaps	Forwards	Total
A	\$ 4,532,508	\$ (8,332,938)	\$ (3,800,430)
Total subject to credit risk	\$ 4,532,508	\$ (8,332,938)	\$ (3,800,430)

Security Lending Activity

Under the "prudent person" authority of the governing statutes and in accordance with the policies set by the Board of Trustees, the Systems can lend securities to broker-dealers and banks pursuant to a form of loan agreement. The Systems' custodial bank is authorized to act as the Systems' agent to lend available securities to approved broker-dealers and banks subject to the receipt of acceptable collateral.



The Systems made a strategic decision to cease securities lending activity during fiscal year 2023. All material activity in the program was completed by June 30, 2023. No loans were made during fiscal year 2025 and 2024.

The Systems retain the ability to engage in securities lending activity in the future.

Note 5 – Capital Assets

Capital assets include tangible capital assets and intangible right-to-use assets. Capital assets are owned by PSRS. PSRS allocates depreciation and amortization expense to PEERS for the use of capital assets. PSRS has adopted capitalization thresholds used to identify whether assets are classified as capital assets or operating expenses.

Tangible capital assets are recorded at cost less depreciation accumulated since acquisition. The stated value does not purport to represent replacement or realized value. Costs of major additions and improvements are capitalized. Expenditures for maintenance and repairs are charged to operations as incurred. Depreciation for tangible capital assets is calculated using the straight-line method, with estimated lives ranging from three to 40 years in the following major categories: computers and software, three years; vehicles, five years; equipment, five years; furniture and fixtures, seven years; building and land improvements, 15 years; pension administration system, 20 years; building, 40 years.

Intangible capital assets are recorded under GASB Statement No. 87 *Leases*, and GASB Statement No 96, *SBITAs*. The Systems have a building lease for office space in St. Louis that is recorded as an intangible capital asset. The Systems reviewed all possible SBITAs and determined no SBITAs existed that met the required capitalization threshold.

The intangible right-to-use assets and the related lease liabilities are recorded at the commencement date of the related contract. The lease liability, included on the *Statements of Fiduciary Net Position*, is measured at the present value of expected payments over the contract term. The intangible right-to-use assets are based on the initial measurement of the liability, plus any payments made to the vendor at or before the commencement of the contract term. Intangible right-to-use assets are amortized over the shorter of the term of the contract or the useful life of the underlying asset. Interest expense is recognized ratably over the contract term.

The table below is a schedule of the capital assets account balances of June 30, 2024 and 2025, with changes to those account balances during the year ended June 30, 2025. Depreciation and amortization expense are allocated to investment or administrative expenses depending on the primary use of the capital asset. The right-to-use asset is an Investment Department capital asset.

	Land & Land Improvements	Building & Building Improvements	Furniture, Fixtures, & Equipment	Hardware, Software, & Pension Administration System	Vehicles	CIP - Office Space	Right-to-use Assets, inclusive of Leasehold Improvements	Total Capital Assets
Cost								
Balances June 30, 2024	\$ 1,685,074	\$ 22,303,111	\$ 1,291,201	\$ 21,392,469	\$ 276,350	\$ —	\$ 1,052,956	\$ 48,001,161
Additions	176,750	—	594,883	32,851	53,247	1,643	—	859,374
Deletions	—	—	—	(831,895)	(39,782)	—	—	(871,677)
Balances June 30, 2025	\$ 1,861,824	\$ 22,303,111	\$ 1,886,084	\$ 20,593,425	\$ 289,815	\$ 1,643	\$ 1,052,956	\$ 47,988,858
Accumulated Depreciation and Amortization								
Balances June 30, 2024	\$ —	\$ 5,567,742	\$ 514,202	\$ 10,691,393	\$ 108,054	\$ —	\$ 179,504	\$ 17,060,895
Depreciation and Amortization expense	2,946	551,540	240,182	1,256,951	52,763	—	146,550	2,250,932
Deletions	—	—	—	(831,895)	(30,965)	—	—	(862,860)
Balances June 30, 2025	\$ 2,946	\$ 6,119,282	\$ 754,384	\$ 11,116,449	\$ 129,852	\$ —	\$ 326,054	\$ 18,448,967
Net Capital Assets, June 30, 2025	\$ 1,858,878	\$ 16,183,829	\$ 1,131,700	\$ 9,476,976	\$ 159,963	\$ 1,643	\$ 726,902	\$ 29,539,891

The lease liability associated with the right-to-use assets results in the following future minimum lease commitments:

Year Ending June 30	Principal	Interest	Total
2026	\$117,912	\$26,324	\$144,236
2027	\$125,408	\$21,714	\$147,122
2028	\$133,255	\$16,813	\$150,068
2029	\$141,460	\$11,608	\$153,068
2030	\$150,044	\$6,084	\$156,128
2031	\$77,972	\$866	\$78,838

Note 6 – Net Pension Liability of Employers

The components of the net pension liability of the Systems' employers at June 30, 2025, are as follows:

	Total Pension Liability (TPL) (a)	Plan Fiduciary Net Position-Restricted for Pensions (b)	Net Pension Liability (NPL) (a - b)	Plan Fiduciary Net Position as a % of TPL (b/a)	Covered Payroll (c)	Employers' NPL as a % of Covered Payroll ((a-b)/c)
PSRS	\$ 61,144,572,694	\$ 55,571,751,625	\$ 5,572,821,069	90.9%	\$ 5,694,896,188	97.9%
PEERS	\$ 8,250,244,440	\$ 7,552,338,411	\$ 697,906,029	91.5%	\$ 2,399,221,313	29.1%

Actuarial Assumptions – Actuarial valuations of the Systems involve estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Board of Trustees adopts actuarial assumptions, each of which individually represents a reasonable long-term estimate of anticipated experience for the Systems, derived from experience studies conducted every fifth year. The most recent comprehensive experience studies were completed in May 2021. All economic and demographic assumptions were reviewed and updated, where appropriate, based on the results of the studies and were effective with the June 30, 2021, valuations. Due to the passage of Senate Bill 75, selected PSRS retirement rate assumptions were amended at the October 30, 2023, Board meeting effective with the June 30, 2023 PSRS, valuation. There have been no other assumption changes for PSRS and no assumption changes for PEERS since the 2021 experience studies. The next experience studies are scheduled to be completed prior to the June 30, 2026, valuations.

The *Schedules of Employer's Net Pension Liability* presents multi-year trend information about whether the plan net positions are increasing or decreasing over time relative to the total pension liability. These schedules are presented in the required supplementary information following the notes to the financial statements. The total pension liability was determined by an actuarial valuation as of June 30, 2025. A summary of the significant actuarial assumptions as of June 30, 2025, are shown on the following pages.

Sensitivity of Net Pension Liability

The sensitivity of the net pension liability of employers to changes in the discount rate is presented below. The net pension liability of employers calculated using the discount rate of 7.3% is presented, as well as what the employers' net pension liability (asset) would be using a discount rate 1.0% lower (6.3%) or 1.0% higher (8.3%) than the current rate.

		1% Decrease (6.3%)	Current Rate (7.3%)	1% Increase (8.3%)
PSRS	Net Pension Liability	\$ 13,278,006,260	\$ 5,572,821,069	\$ (806,393,721)
PEERS	Net Pension Liability	\$ 1,709,123,828	\$ 697,906,029	\$ (144,048,927)



Measurement Date	June 30, 2025									
Valuation Date	June 30, 2025									
Actuarial Cost Method	Entry Age Normal									
Investment Rate of Return	7.30%									
Inflation	2.00%									
Total Payroll Growth										
PSRS	2.25% per annum, consisting of 2.00% inflation, 0.125% additional inflation due to the inclusion of health care costs in pension earnings, and 0.125% of real wage growth.									
PEERS	2.50% per annum, consisting of 2.00% inflation, 0.25% additional inflation due to the inclusion of health care costs in pension earnings, and 0.25% of real wage growth.									
Individual Salary Growth										
PSRS	2.625% - 8.875%, depending on service and including 2.00% inflation, 0.125% additional inflation due to the inclusion of health care costs in pension earnings, 0.125% of real wage growth for productivity, and real wage growth for merit.									
PEERS	3.25% - 9.75%, depending on service and including 2.00% inflation, 0.25% additional inflation due to the inclusion of health care costs in pension earnings, 0.25% of real wage growth for productivity, and real wage growth for merit.									
Cost-of-Living Increases	Given that the actual increase in the CPI-U index from June 2024 to June 2025 was 2.67%, the Board approved an actual cost-of-living adjustment (COLA) as of January 1, 2026 of 2.00%, in accordance with the Board’s funding policy and Missouri statutes, compared to an assumed COLA of 1.35%. Future COLAs assumed in the valuation are 1.35%. This COLA assumption is based on the 20-year stochastic analysis of inflation performed in the 2021 experience study, short-term expectation of COLA at the time of the experience study, and application of the Board’s funding policy to those expectations. The assumption was reviewed for continued reasonableness at each valuation date in light of the prevailing inflationary environment, short- and long-term inflation assumptions reflected in the capital market forecasts from various investment advisors and analysts, and volatility of capital market assumptions in recent years. No changes have been made since the assumption continues to be within a reasonable range and will be reviewed in detail during the next experience study in 2026. The COLA is compounded annually, beginning on the second January after retirement for PSRS and capped at an 80% lifetime increase. The COLA is compounded annually, beginning on the fourth January after retirement for PEERS and capped at an 80% lifetime increase.									
Retirement Rates	Detailed PSRS and PEERS retirement rate assumptions are included in the Actuary Section of this report.									
Mortality Assumption										
Actives:										
PSRS	Experience-adjusted PubT-2010 Teachers Amount-Weighted Employees mortality table with generational projection using the MP-2020 improvement scale.									
PEERS	Experience-adjusted PubG-2010(B) General Employees Below-Median Income Amount-Weighted Employee mortality table with generational projection using the MP-2020 improvement scale.									
Non-Disabled Retirees, Beneficiaries and Survivors:										
PSRS	Prior to the member’s death, mortality rates for non-disabled retirees and beneficiaries are based on the experience-adjusted PubT-2010 Teachers Amount-Weighted Healthy Retiree mortality table with generational projection using the MP-2020 improvement scale. After the member’s death, mortality rates for non-disabled beneficiaries are based on the experience-adjusted Pub-2010 Amount-Weighted Contingent Survivor mortality table with generational projection using the MP-2020 improvement scale. The tables are multiplied by the experience-based adjustment factors shown in the tables below at all ages for both males and females. <table><tr><td></td><td>Males</td><td>Females</td></tr><tr><td>Non-Disabled</td><td>1.10</td><td>1.04</td></tr><tr><td>Contingent Survivor</td><td>1.18</td><td>1.07</td></tr></table>		Males	Females	Non-Disabled	1.10	1.04	Contingent Survivor	1.18	1.07
	Males	Females								
Non-Disabled	1.10	1.04								
Contingent Survivor	1.18	1.07								

Measurement Date June 30, 2025
Valuation Date June 30, 2025

Mortality Assumption - continued

PEERS Prior to the member's death, mortality rates for non-disabled retirees and beneficiaries are based on the experience-adjusted PubG-2010(B) General Employees Below-Median Income Amount-Weighted Healthy Retiree mortality table with generational projection using the MP-2020 improvement scale. After the member's death, mortality rates for non-disabled beneficiaries are based on the experience-adjusted Pub-2010(B) Below-Median Income Amount-Weighted Contingent Survivor mortality tables with generational projection using the MP-2020 improvement scale. The tables are multiplied by the experience-based adjustment factors shown in the tables below at all ages for both males and females.

	Males	Females
Non-Disabled	1.13	0.94
Contingent Survivor	1.01	1.07

Disabled Retirees:

PSRS Experience-adjusted Pub-2010 Teachers Amount-Weighted Disabled Retiree mortality table with generational projection using the MP-2020 improvement scale.

PEERS Experience-adjusted Pub-2010 General Employees Amount-Weighted Disabled Retiree mortality table with generational projection using the MP-2020 improvement scale.

Long-Term Expected Rate of Return

The long-term expected rate of return on investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on the Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return and the assumed asset allocation for each major asset class as of June 30, 2025, are summarized below.

Asset Class	Target Asset Allocation	Long-Term Expected Real Return Arithmetic Basis
U.S. Public Equity	23.0 %	4.81 %
Public Credit	0.0 %	0.80 %
Hedged Assets	6.0 %	2.39 %
Non-U.S. Public Equity	16.0 %	6.88 %
U.S. Treasuries	15.0 %	-0.02 %
U.S. TIPS	0.0 %	0.29 %
Private Credit	8.0 %	5.61 %
Private Equity	21.0 %	10.90 %
Private Real Estate	11.0 %	7.47 %

The long-term expected rate of return used to measure the total pension liability was 7.3% as of June 30, 2025, and is consistent with the long-term expected geometric return on plan investments. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.



Note 7 – Retirement Plans

Section 401(a) Defined Benefit Plan

All full-time System employees holding valid Missouri educator certificates are covered by PSRS. All other eligible employees are members of PEERS. Both Systems provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Chapter 169 RSMo contains the statutory provisions of both Systems.

PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2025, 2024, and 2023. PSRS/PEERS, as the employer, was required to match that amount. The contribution rate is set each year by the Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. Employer contributions to PSRS totaled \$159,539 for the 2025 fiscal year; \$132,543 for the 2024 fiscal year; and \$146,545 for the 2023 fiscal year. The amounts for these years are equal to the required contributions.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2025, 2024, and 2023. PSRS/PEERS, as the employer, was required to match that amount. The contribution rate is set each year by the Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions contained in Section 169.620 RSMo. Employer contributions to PEERS totaled \$1,357,506 for the 2025 fiscal year; \$1,216,716 for the 2024 fiscal year; and \$1,058,176 for the 2023 fiscal year. The amounts for these years are equal to the required contributions.

PSRS/PEERS, as the administrators for the defined benefit pension plans, are also a participating employer of the Systems. The administrative expenses of the Systems are included in the deductions to the Systems' fiduciary net position. While the employer contributions of the other participating employers are funded from outside revenue sources, the employer contributions of PSRS/PEERS are funded from sources already recognized as revenues, i.e. earnings on plan investments. Attempting to allocate a portion of the net pension liability to PSRS/PEERS would result in an allocation of the net pension liability to the other participating employers.

Accordingly, PSRS/PEERS will exclude its contributions from the employer proportionate share

calculation for the reporting of a net pension liability, by assigning itself a proportionate share of 0%.

Deferred Compensation Plans

A voluntary Section 457(b) deferred compensation plan is administered to allow additional retirement savings for employees. The 457(b) plan is a tax qualified single-employer defined contribution plan with individual accounts maintained for participating employees. Total contributions are subject to the limitations established in IRC Section 457(b). Effective January 1, 2024, no employer contributions are provided in the 457(b) plan.

The Systems have also established a 401(a) deferred compensation plan. The 401(a) plan is a tax qualified single-employer defined contribution plan with individual accounts maintained for participating employees. For most employees, the Systems provide an employer-matching contribution, up to \$75 plus 0.52% of salary per month, to the employee's account within the 401(a) plan. Prior to January 1, 2024, these matching contributions were made to the 457(b) plan. The Board of Trustees has authority to establish the employer contribution levels to the 401(a) plan.

For certain employees, the Systems provide a higher level of employer-paid nonelective contribution to the employee's account within the 401(a) plan, as stipulated in individual employment contracts.

All employees immediately vest in the employer-matching and employer-paid contributions. Employer-matching contributions totaled \$212,604 and employer-paid contributions totaled \$206,826 for the 2025 fiscal year. Employee contributions totaled \$978,265 for the 2025 fiscal year. Employer-matching contributions totaled \$194,485 and employer-paid contributions totaled \$193,347 for the 2024 fiscal year. Employee contributions totaled \$803,697 for the 2024 fiscal year.

Maintenance of individual member accounts and custody of assets have been contracted to a third-party administrator and investment custodian. Total contributions are sent directly to the third-party administrator by the employer. Employees can self-direct investments of their contributions and their respective share of matching contributions in a number of investment options. Because the System does not hold the plan's assets and does not have significant administrative responsibilities, the plan's assets and changes in net position are not reported in the Systems' financial statements.

The Systems established an unfunded Section 457(f) non-qualified deferred compensation plan for certain employees. The plan is subject to Internal Revenue Code section 457(f), and to the extent applicable, Internal Revenue Code section 409A. Employees approved for participation in the plan by the Systems' Board of Trustees may acquire a vested interest in a deferred compensation award, which is credited to the account of the member under terms approved by the Board of Trustees. The value of the member's account shall be subject to a risk of forfeiture based on the applicable vesting schedule determined for the member. As of June 30, 2025, employees had a vested interest under the plan of \$1,077,199 and disbursements of \$116,666 were made from the plan for the year then ended.

Note 8 – Other Post-Employment Benefit Plans

Post-Employment Staff Retiree Healthcare Plan

Plan Description, Funding Policy, and Benefits

Provided – The Public School Retirement System of Missouri Staff Retiree Healthcare Program (SRHP) is a single-employer defined benefit other post-employment benefit (OPEB) plan administered by PSRS/PEERS. The SRHP is administered as required by RSMo 169.590. The SRHP provides a healthcare premium implicit rate subsidy to eligible staff retirees and their dependents provided they pay 100% of the blended healthcare premium. The blended healthcare premium is based on all active and retired employees. Retiree healthcare benefits are funded on a pay-as-you-go basis, with premiums determined annually. Therefore, no formal trust has been established for the SRHP. The PSRS/PEERS Board of Trustees determines the funding of benefits and any benefit amendments. There is no continuing obligation to provide benefits beyond each calendar year. The SRHP does not issue a stand-alone public financial report.

Employees covered by benefit terms:

Retirees and spouses of retirees receiving benefits	18
Active employees	166
Total	<u>184</u>

OPEB Liability – The components of the net OPEB Liability of the SRHP as of June 30, 2025, are as follows:

Total OPEB Liability - Beginning of year	\$ 4,193,207
Service costs	158,101
Interest costs	164,883
Experience (gains) losses	518,800
Assumption changes	(311,776)
Plan amendments	—
Benefit payments	(271,308)
Total OPEB Liability - End of year	\$ 4,451,907
OPEB Plan Fiduciary Net Position	\$ —
Net OPEB Liability	<u>\$ 4,451,907</u>

OPEB Expense – The components of the OPEB expense for the year ended June 30, 2025, are as follows:

Service costs	\$ 158,101
Plan amendments	—
Interest costs	164,883
Recognition of deferred (inflows) outflows of resources related to:	
Liability experience (gains) losses	156,817
Assumption changes (gains) losses	(202,812)
Total recognition of deferred (inflows) outflows of resources	(45,995)
Total collective OPEB expense recognized	<u>\$ 276,989</u>

Actuarial Method and Assumptions – The total OPEB liability was determined by an actuarial valuation as of June 30, 2025. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial assumptions and methods used in the valuation are based on prior plan experience and industry trends. The nature of the plan design and overall plan size do not allow for full-scale periodic experience studies; therefore, such a study has not been conducted. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the total OPEB liability and expense are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.



In the June 30, 2025, actuarial valuation, the following actuarial assumptions and methods were used:

Post-Employment Health Plan

Measurement date	June 30, 2025
Valuation date	June 30, 2025
Actuarial cost method	Entry Age Normal
Actuarial value of assets	No Assets (pay-as-you-go)
Amortization method	Not applicable for funding purposes (pay-as-you-go). For accounting, gains and losses occurring from experience different than assumed and assumption changes are amortized into expense over the average expected remaining service lives of all plan participants.
Discount rate	4.57% per year effective June 30, 2025 3.91% per year effective June 30, 2024
Wage inflation	2.50% per year
Healthcare trend rate	7.50% for fiscal year 2026, decreasing by one-half percentage point per year down to 5.50% in 2030, decreasing by one-quarter percentage point per year down to 4.50% in 2034 and thereafter.
Mortality	
Active members	Based on Experience-adjusted Pub-2010 Mortality Tables with generational projections using the MP-2020 Improvement Scale.
Disabled and Non-disabled retirees and beneficiaries	Based on Experience-adjusted Pub-2010 Mortality Tables with generational projections using the MP-2020 Improvement Scale.

Discount Rate - GASB Statement No. 75 requires plans not administered through a trust to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The Systems utilized the U.S. General Obligation AA Municipal Bond Yield Curve for 20 years for the June 30, 2025, and 2024 valuations. The June 30, 2025, rate was 4.57% and the June 30, 2024, rate utilized was 3.91%. The movement in the yield on the 20 Year U.S. General Obligation AA Municipal Bond is considered an assumption change for reporting purposes.

Deferred Inflows and Outflows of Resources - As of June 30, 2025, the Systems reported deferred outflows of resources and deferred inflows of resources from the following sources related to the SRHP:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of Deferred Outflows and Inflows Due to:		
Differences between expected and actual experience	\$ 977,987	\$ 76,348
Changes of assumptions	291,266	1,113,549
Total	<u>\$ 1,269,253</u>	<u>\$ 1,189,897</u>

Amounts reported as collective deferred (inflows) /outflows of resources are to be recognized in pension expense as follows:

Year Ending June 30:	
2026	\$ 45,994
2027	34,268
2028	28,891
2029	40,750
2030	(72,650)
Thereafter	(156,609)
	<u>\$ (79,356)</u>

Sensitivity of the net OPEB liability to changes in the discount rate and health care cost trend rate – The following table presents the sensitivity of the net OPEB liability to changes in the discount rate. The net OPEB liability calculated using the discount rate of 4.57% is presented, as well as what the net OPEB liability would be using a discount rate that is 1.0% lower (3.57%) or 1.0% higher (5.57%) than the current rate.

Discount Rate Sensitivity			
	1% Decrease (3.57%)	Current Rate (4.57%)	1% Increase (5.57%)
Net OPEB Liability	\$ 4,933,418	\$ 4,451,907	\$ 4,022,019

The following table presents the sensitivity of the net OPEB liability to changes in the healthcare trend rate. The net OPEB liability calculated using the healthcare trend rate of 7.5% is presented as well as what the net OPEB liability would be using a healthcare trend rate that is 1.0% lower (6.5%) or 1.0% higher (8.5%) than the current rate.

Trend Rate Sensitivity			
	1% Decrease (6.5%)	Current Rate (7.5%)	1% Increase (8.5%)
Net OPEB Liability	\$ 3,945,815	\$ 4,451,907	\$ 5,046,209

PSRS maintains a Post-Employment Health Plan (“PEHP”) for employees. Upon termination, an employee will receive payment at the rate of one day of pay for each two days of accrued sick leave up to 100 days of accrued sick leave (50 days paid). Any days above 100 will be forfeited. All payments under the PEHP in excess of \$5,000 (\$1,000 prior to December 12, 2024) were transferred into a PEHP account, which can be used to pay health insurance premiums (and other qualified expenses defined by Internal Revenue Code Section 213(d) and 106(f) as of December 12, 2024) for the employee or dependent at any time in the future. If an employee is retiring, the payments can be transferred back to PSRS on a monthly basis to cover the cost of health insurance for the retiree. The amount paid into the PEHP was \$172,783 for seven employees during fiscal year 2025.

Note 9 – Risk Management

The Systems are exposed to various risks of loss related to natural disasters, errors and omissions, loss of assets, torts, etc. The Systems have chosen to cover such losses through the purchase of commercial insurance. There have been no material insurance claims filed or paid during the past three years.

The Systems have a disaster recovery plan that provides for continued computer operations at a remote location should the retirement office be unavailable for normal operations.

Note 10 – Commitments and Contingencies

Commitments to the future purchase of investments at June 30, 2025, totaled \$2,246,599,969.

Total unfunded capital commitments to private real estate, private equity, and other alternative investments totaled approximately \$8.8 billion as of June 30, 2025. The unfunded commitments are not recorded in the *Statements of Fiduciary Net Position*.

Certain legal proceedings are pending with PSRS and PEERS arising from normal activities. Although unable to predict the outcome of these matters, the Systems believe the final outcome of these actions will not have a material adverse effect on the Systems’ financial statements.



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**Public School Retirement System of Missouri and
Public Education Employee Retirement System of Missouri
Required Supplementary Information
Schedules of Changes in the Employers' Net Pension Liability**

Public School Retirement System of Missouri

	Year Ended:	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022
Total pension liability					
Service cost	\$	922,814,302	\$ 899,291,188	\$ 876,845,775	\$ 859,683,772
Interest cost		4,244,078,244	4,117,832,084	3,992,075,378	3,811,621,348
Difference between actual and expected experience		624,207,066	231,878,102	454,043,517	958,073,983
Assumption changes		—	—	—	—
Plan amendments		—	—	(242,283,947)	—
Benefit payments		(3,618,012,411)	(3,471,146,953)	(3,292,309,407)	(3,058,416,178)
Net change in total pension liability		2,173,087,201	1,777,854,421	1,788,371,316	2,570,962,925
Total pension liability - beginning of year	\$	58,971,485,493	\$ 57,193,631,072	\$ 55,405,259,756	\$ 52,834,296,831
Total pension liability - end of year (a)	\$	61,144,572,694	\$ 58,971,485,493	\$ 57,193,631,072	\$ 55,405,259,756

Plan Fiduciary Net Position

Employer contributions	\$	848,104,682	\$ 819,926,016	\$ 792,646,705	\$ 764,348,407
Member contributions		886,853,150	858,833,585	832,155,051	807,545,968
Net investment return		5,420,387,186	5,020,969,711	2,842,522,443	(1,451,263,667)
Benefit payments, including refunds of member contributions		(3,618,012,411)	(3,471,146,953)	(3,292,309,407)	(3,058,416,178)
Administrative and other expenses		(13,939,477)	(13,331,978)	(12,961,170)	(11,679,122)
Net change in plan fiduciary net position		3,523,393,130	3,215,250,381	1,162,053,622	(2,949,464,592)
Plan fiduciary net position - beginning of year	\$	52,048,358,495	\$ 48,833,108,114	\$ 47,671,054,492	\$ 50,620,519,084
Plan fiduciary net position - end of year (b)	\$	55,571,751,625	\$ 52,048,358,495	\$ 48,833,108,114	\$ 47,671,054,492
Net pension liability - end of year (a-b)	\$	5,572,821,069	\$ 6,923,126,998	\$ 8,360,522,958	\$ 7,734,205,264

Public Education Employee Retirement System of Missouri

	Year Ended:	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022
Total pension liability					
Service cost	\$	225,291,979	\$ 207,757,197	\$ 191,021,192	\$ 181,174,916
Interest cost		570,027,631	539,856,048	510,188,505	478,838,864
Difference between actual and expected experience		116,480,455	105,890,938	120,990,656	159,800,719
Assumption changes		—	—	—	—
Plan amendments		—	—	—	—
Benefit payments		(471,743,640)	(444,953,340)	(419,271,522)	(381,960,501)
Net change in total pension liability		440,056,425	408,550,843	402,928,831	437,853,998
Total pension liability - beginning of year	\$	7,810,188,015	\$ 7,401,637,172	\$ 6,998,708,341	\$ 6,560,854,343
Total pension liability - end of year (a)	\$	8,250,244,440	\$ 7,810,188,015	\$ 7,401,637,172	\$ 6,998,708,341

Plan Fiduciary Net Position

Employer contributions	\$	173,979,445	\$ 162,777,627	\$ 147,463,789	\$ 135,180,782
Member contributions		181,343,103	169,864,132	156,401,863	144,214,603
Net investment return		730,744,749	667,097,137	373,201,647	(189,300,233)
Benefit payments, including refunds of member contributions		(471,743,640)	(444,953,340)	(419,271,522)	(381,960,501)
Administrative and other expenses		(10,132,625)	(9,371,337)	(8,653,148)	(7,706,071)
Net change in plan fiduciary net position		604,191,032	545,414,219	249,142,629	(299,571,420)
Plan fiduciary net position - beginning of year	\$	6,948,147,379	\$ 6,402,733,160	\$ 6,153,590,531	\$ 6,453,161,951
Plan fiduciary net position - end of year (b)	\$	7,552,338,411	\$ 6,948,147,379	\$ 6,402,733,160	\$ 6,153,590,531
Net pension liability - end of year (a-b)	\$	697,906,029	\$ 862,040,636	\$ 998,904,012	\$ 845,117,810



June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
\$ 859,537,572	\$ 845,283,640	\$ 830,084,321	\$ 792,276,388	\$ 740,176,751	\$ 842,548,463
3,682,226,376	3,559,151,521	3,466,455,926	3,346,220,624	3,198,060,384	3,263,288,365
957,100,081	75,988,120	(314,439,382)	137,516,335	60,942,067	(641,098,601)
590,572,160	—	—	531,202,248	1,279,805,826	100,247,551
—	—	—	—	—	—
(2,896,159,765)	(2,813,232,110)	(2,710,273,502)	(2,606,985,013)	(2,521,832,399)	(2,430,906,732)
3,193,276,424	1,667,191,171	1,271,827,363	2,200,230,582	2,757,152,629	1,134,079,046
\$ 49,641,020,407	\$ 47,973,829,236	\$ 46,702,001,873	\$ 44,501,771,291	\$ 41,744,618,662	\$ 40,610,539,616
\$ 52,834,296,831	\$ 49,641,020,407	\$ 47,973,829,236	\$ 46,702,001,873	\$ 44,501,771,291	\$ 41,744,618,662
\$ 745,638,245	\$ 724,995,473	\$ 712,545,096	\$ 696,970,398	\$ 684,857,718	\$ 670,794,045
779,834,058	757,916,937	747,402,726	726,996,161	719,625,373	704,785,734
11,291,720,999	1,457,518,290	2,595,865,535	3,173,735,918	4,104,123,251	533,180,245
(2,896,159,765)	(2,813,232,110)	(2,710,273,502)	(2,606,985,013)	(2,521,832,399)	(2,430,906,732)
(10,818,620)	(10,653,288)	(11,326,398)	(11,418,119)	(10,497,712)	(11,562,965)
9,910,214,917	116,545,302	1,334,213,457	1,979,299,345	2,976,276,231	(533,709,673)
\$ 40,710,304,167	\$ 40,593,758,865	\$ 39,259,545,408	\$ 37,280,246,063	\$ 34,303,969,832	\$ 34,837,679,505
\$ 50,620,519,084	\$ 40,710,304,167	\$ 40,593,758,865	\$ 39,259,545,408	\$ 37,280,246,063	\$ 34,303,969,832
\$ 2,213,777,747	\$ 8,930,716,240	\$ 7,380,070,371	\$ 7,442,456,465	\$ 7,221,525,228	\$ 7,440,648,830
June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
\$ 181,297,752	\$ 173,676,697	\$ 170,543,513	\$ 161,028,014	\$ 150,975,958	\$ 161,391,660
457,694,318	436,863,559	417,341,777	397,675,858	374,497,203	372,184,628
98,736,815	(286,057)	(10,635,802)	117,686	3,076,923	(51,257,557)
84,245,144	—	—	61,921,295	140,420,925	65,420,724
—	—	—	—	—	—
(350,520,890)	(330,337,694)	(310,242,399)	(287,634,108)	(269,268,101)	(250,390,477)
471,453,139	279,916,505	267,007,089	333,108,745	399,702,908	297,348,978
\$ 6,089,401,204	\$ 5,809,484,699	\$ 5,542,477,610	\$ 5,209,368,865	\$ 4,809,665,957	\$ 4,512,316,979
\$ 6,560,854,343	\$ 6,089,401,204	\$ 5,809,484,699	\$ 5,542,477,610	\$ 5,209,368,865	\$ 4,809,665,957
\$ 126,877,255	\$ 124,544,728	\$ 120,042,046	\$ 115,103,143	\$ 111,239,585	\$ 106,717,021
134,324,324	131,335,977	126,609,105	121,467,850	118,446,790	114,257,497
1,431,016,967	181,855,037	319,773,260	381,523,965	485,046,867	60,317,387
(350,520,890)	(330,337,694)	(310,242,399)	(287,634,108)	(269,268,101)	(250,390,478)
(7,379,579)	(7,077,789)	(7,423,689)	(7,113,566)	(6,377,808)	(6,981,573)
1,334,318,077	100,320,259	248,758,323	323,347,284	439,087,333	23,919,854
\$ 5,118,843,874	\$ 5,018,523,615	\$ 4,769,765,292	\$ 4,446,418,008	\$ 4,007,330,675	\$ 3,983,410,821
\$ 6,453,161,951	\$ 5,118,843,874	\$ 5,018,523,615	\$ 4,769,765,292	\$ 4,446,418,008	\$ 4,007,330,675
\$ 107,692,392	\$ 970,557,330	\$ 790,961,084	\$ 772,712,318	\$ 762,950,857	\$ 802,335,282

**Public School Retirement System of Missouri and
Public Education Employee Retirement System of Missouri**

Required Supplementary Information

Schedules of Employers' Net Pension Liability

Public School Retirement System of Missouri

Year Ended	Total Pension Liability (TPL) (a)	Plan Fiduciary Net Position - Restricted for Pensions (b)	Net Pension Liability (NPL) (a - b)	Plan Fiduciary Net Position as a % of TPL (b/a)	Covered Payroll (c)	Employers' NPL as a % of Covered Payroll ((a-b)/c)
6/30/16	\$ 41,744,618,662	\$ 34,303,969,832	\$ 7,440,648,830	82.2%	\$ 4,556,137,282	163.3%
6/30/17	44,501,771,291	37,280,246,063	7,221,525,228	83.8%	4,655,169,121	155.1%
6/30/18	46,702,001,873	39,259,545,408	7,442,456,465	84.1%	4,759,665,456	156.4%
6/30/19	47,973,829,236	40,593,758,865	7,380,070,371	84.6%	4,844,248,703	152.3%
6/30/20	49,641,020,407	40,710,304,167	8,930,716,240	82.0%	4,919,286,103	181.5%
6/30/21	52,834,296,831	50,620,519,084	2,213,777,747	95.8%	5,039,838,429	43.9%
6/30/22	55,405,259,756	47,671,054,492	7,734,205,264	86.0%	5,140,286,466	150.5%
6/30/23	57,193,631,072	48,833,108,114	8,360,522,958	85.4%	5,327,050,097	156.9%
6/30/24	58,971,485,493	52,048,358,495	6,923,126,998	88.3%	5,518,376,776	125.5%
6/30/25	61,144,572,694	55,571,751,625	5,572,821,069	90.9%	5,694,896,188	97.9%

Public Education Employee Retirement System of Missouri

Year Ended	Total Pension Liability (TPL) (a)	Plan Fiduciary Net Position - Restricted for Pensions (b)	Net Pension Liability (NPL) (a - b)	Plan Fiduciary Net Position as a % of TPL (b/a)	Covered Payroll (c)	Employers' NPL as a % of Covered Payroll ((a-b)/c)
6/30/16	\$ 4,809,665,957	\$ 4,007,330,675	\$ 802,335,282	83.3%	\$ 1,519,081,146	52.8%
6/30/17	5,209,368,865	4,446,418,008	762,950,857	85.4%	1,558,183,433	49.0%
6/30/18	5,542,477,610	4,769,765,292	772,712,318	86.1%	1,636,007,948	47.2%
6/30/19	5,809,484,699	5,018,523,615	790,961,084	86.4%	1,665,654,047	47.5%
6/30/20	6,089,401,204	5,118,843,874	970,557,330	84.1%	1,732,243,294	56.0%
6/30/21	6,560,854,343	6,453,161,951	107,692,392	98.4%	1,758,535,339	6.1%
6/30/22	6,998,708,341	6,153,590,531	845,117,810	87.9%	1,864,704,185	45.3%
6/30/23	7,401,637,172	6,402,733,160	998,904,012	86.5%	2,037,530,583	49.0%
6/30/24	7,810,188,015	6,948,147,379	862,040,636	89.0%	2,247,554,088	38.4%
6/30/25	8,250,244,440	7,552,338,411	697,906,029	91.5%	2,399,221,313	29.1%



**Public School Retirement System of Missouri and
Public Education Employee Retirement System of Missouri**

Required Supplementary Information

Schedules of Employer Contributions

Public School Retirement System of Missouri

Year Ended June 30	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 643,155,536	\$ 669,953,683	\$ 26,798,147	\$ 4,620,370,228	14.50%
2017	642,821,624	684,857,718	42,036,094	4,723,156,676	14.50%
2018	533,062,186	696,970,397	163,908,211	4,806,692,393	14.50%
2019	628,513,916	712,545,096	84,031,180	4,914,104,110	14.50%
2020	679,495,757	724,995,473	45,499,716	4,999,968,779	14.50%
2021	702,442,650	745,638,245	43,195,595	5,142,332,724	14.50%
2022	756,968,491	764,348,407	7,379,916	5,271,368,324	14.50%
2023	771,873,895	792,646,705	20,772,810	5,466,529,000	14.50%
2024	832,366,273	819,926,016	(12,440,257)	5,654,662,179	14.50%
2025	835,236,887	848,104,682	12,867,795	5,848,997,807	14.50%

Public Education Employee Retirement System of Missouri

Year Ended June 30	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 104,011,593	\$ 106,654,638	\$ 2,643,045	\$ 1,554,732,332	6.86%
2017	108,807,233	111,239,585	2,432,352	1,621,568,294	6.86%
2018	97,653,104	115,103,143	17,450,039	1,677,888,382	6.86%
2019	113,567,475	120,042,046	6,474,571	1,749,884,052	6.86%
2020	119,461,270	124,544,728	5,083,458	1,815,520,816	6.86%
2021	123,733,066	126,877,255	3,144,189	1,849,522,668	6.86%
2022	134,786,669	135,180,782	394,113	1,970,565,335	6.86%
2023	145,744,095	147,463,789	1,719,694	2,149,617,915	6.86%
2024	163,252,197	162,777,627	(474,570)	2,372,851,706	6.86%
2025	172,711,373	173,979,445	1,268,072	2,536,143,513	6.86%

**Public School Retirement System of Missouri and
Public Education Employee Retirement System of Missouri**

Required Supplementary Information

Schedules of Investment Returns

<i>Year ended June 30:</i>	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of all investment fees and expenses	10.7%	10.6%	6.1%	-3.0%	28.4%	3.7%	6.9%	8.7%	12.3%	1.6%
Time-weighted rate of return, net of all investment fees and expenses	10.7%	10.6%	6.2%	-3.1%	28.5%	3.7%	6.9%	8.7%	12.3%	1.6%

**Public School Retirement System of Missouri and
Public Education Employee Retirement System of Missouri**

Notes to the Schedules of Required Supplementary Information

The information presented in the required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows.

<i>Changes of assumptions</i>	During fiscal year 2021, comprehensive experience studies were conducted. All economic and demographic assumptions were reviewed and updated where appropriate based on the results of the studies and were effective with the June 30, 2021 valuations. As part of the studies, the payroll growth, salary increases and mortality rates were adjusted to more closely reflect actual experience. The investment rate of return was reduced from 7.5% to 7.3% and the inflation rate was adjusted to 2.0% from 2.25%. The adjustment in inflation also resulted in an adjustment to the COLA assumptions. Due to the passage of Senate Bill 75, selected PSRS retirement rates were amended at the October 30, 2023 Board meeting effective with the June 30, 2023 valuation. There were no other assumption changes for PSRS and no assumption changes for PEERS. Additional information is included in the <i>Actuarial Section</i> of this report.
<i>Actuarial Methods and Assumptions:</i>	The actuarially determined contribution rates in the schedule of employers' contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedule.
Actuarial Cost Method	Entry Age Normal Level Percent of Payroll
Amortization Method	Closed, level percent for 30 years
Remaining amortization period	
PSRS	15.8 years
PEERS	17.1 years
Asset valuation method	5-year smoothing of actual returns above or below expected returns
Measurement Date	June 30, 2025
Valuation Date	June 30, 2025
Investment Rate of Return	7.30%
Inflation	2.00%
Total Payroll Growth	
PSRS	2.25% per annum, consisting of 2.00% inflation, 0.125% additional inflation due to the inclusion of health care costs in pension earnings, and 0.125% of real wage growth.
PEERS	2.50% per annum, consisting of 2.00% inflation, 0.25% additional inflation due to the inclusion of health care costs in pension earnings, and 0.25% of real wage growth.
Individual Salary Growth	
PSRS	2.625% - 8.875%, depending on service and including 2.00% inflation, 0.125% additional inflation due to the inclusion of health care costs in pension earnings, 0.125% of real wage growth for productivity, and real wage growth for merit.
PEERS	3.25% - 9.75%, depending on service and including 2.00% inflation, 0.25% additional inflation due to the inclusion of health care costs in pension earnings, 0.25% of real wage growth for productivity, and real wage growth for merit.
Cost-of-Living Increases	Given that the actual increase in the CPI-U index from June 2024 to June 2025 was 2.67%, the Board approved an actual cost-of-living adjustment (COLA) as of January 1, 2026 of 2.00%, in accordance with the Board's funding policy and Missouri statutes, compared to an assumed COLA of 1.35%. Future COLAs assumed in the valuation are 1.35%. This COLA assumption is based on the 20-year stochastic analysis of inflation performed in the 2021 experience study, short-term expectation of COLA at the time of the experience study, and application of the Board's funding policy to those expectations. The assumption was reviewed for continued reasonableness at each valuation date in light of the prevailing inflationary environment, short- and long-term inflation assumptions reflected in the capital market forecasts from various investment advisors and analysts, and volatility of capital market assumptions in recent years. No changes have been made since the assumption continues to be within a reasonable range and will be reviewed in detail during the next experience study in 2026. The COLA is compounded annually, beginning on the second January after retirement for PSRS and capped at an 80% lifetime increase. The COLA is compounded annually, beginning on the fourth January after retirement for PEERS and capped at an 80% lifetime increase.

**Public School Retirement System of Missouri and
Public Education Employee Retirement System of Missouri**

Notes to the Schedules of Required Supplementary Information - Continued

Measurement Date June 30, 2025

Valuation Date June 30, 2025

Retirement Rates Detailed PSRS and PEERS retirement rate assumptions are included in the Actuary Section of this report.

Mortality Assumption

Actives:

PSRS Experience-adjusted PubT-2010 Teachers Amount-Weighted Employees mortality table with generational projection using the MP-2020 improvement scale.

PEERS Experience-adjusted PubG-2010(B) General Employees Below-Median Income Amount-Weighted Employee mortality table with generational projection using the MP-2020 improvement scale.

***Non-Disabled Retirees,
Beneficiaries and Survivors:***

PSRS Prior to the member's death, mortality rates for non-disabled retirees and beneficiaries are based on the experience-adjusted PubT-2010 Teachers Amount-Weighted Healthy Retiree mortality table with generational projection using the MP-2020 improvement scale. After the member's death, mortality rates for non-disabled beneficiaries are based on the experience-adjusted Pub-2010 Amount-Weighted Contingent Survivor mortality table with generational projection using the MP-2020 improvement scale. The tables are multiplied by the experience-based adjustment factors shown in the tables below at all ages for both males and females.

	Males	Females
Non-Disabled	1.10	1.04
Contingent	1.18	1.07

PEERS Prior to the member's death, mortality rates for non-disabled retirees and beneficiaries are based on the experience-adjusted PubG-2010(B) General Employees Below-Median Income Amount-Weighted Healthy Retiree mortality table with generational projection using the MP-2020 improvement scale. After the member's death, mortality rates for non-disabled beneficiaries are based on the experience-adjusted Pub-2010(B) Below-Median Income Amount-Weighted Contingent Survivor mortality tables with generational projection using the MP-2020 improvement scale. The tables are multiplied by the experience-based adjustment factors shown in the tables below at all ages for both males and females.

	Males	Females
Non-Disabled	1.13	0.94
Contingent	1.01	1.07

Disabled Retirees:

PSRS Experience-adjusted Pub-2010 Teachers Amount-Weighted Disabled Retiree mortality table with generational projection using the MP-2020 improvement scale.

PEERS Experience-adjusted Pub-2010 General Employees Amount-Weighted Disabled Retiree mortality table with generational projection using the MP-2020 improvement scale.

**Public School Retirement System of Missouri and
Public Education Employee Retirement System of Missouri**

Required Supplementary Information

Staff Retiree Health Plan – Defined Benefit OPEB Plan

Schedule of Changes in the Net OPEB Liability and Related Ratios

Year ended June 30:	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability - beginning of the year	\$4,193,207	\$3,256,097	\$ 2,996,971	\$ 4,394,228	\$ 4,129,740	\$ 3,885,983	\$ 3,788,863	\$ 2,050,100
Remeasurement of June 30, 2017 OPEB liability	—	—	—	—	—	—	—	1,479,740
Service cost	158,101	125,469	120,275	195,978	185,640	163,813	151,794	152,625
Interest cost	164,883	120,094	115,648	71,403	77,125	98,507	132,375	116,484
Experience (gains) losses	518,800	601,545	37,982	(145,912)	45,526	12,551	74,147	110,476
Assumption changes	(311,776)	328,423	2,229	(1,492,405)	65,334	60,354	(259,346)	(104,653)
Plan amendments	—	—	—	—	—	—	—	—
Benefit payments	(271,308)	(238,421)	(17,008)	(26,321)	(109,137)	(91,468)	(1,850)	(15,909)
Net change in total OPEB liability	\$4,451,907	\$4,193,207	\$ 3,256,097	\$ 2,996,971	\$ 4,394,228	\$ 4,129,740	\$ 3,885,983	\$ 3,788,863
OPEB Plan Fiduciary Net Position	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
OPEB Liability - end of the year	\$4,451,907	\$4,193,207	\$ 3,256,097	\$ 2,996,971	\$ 4,394,228	\$ 4,129,740	\$ 3,885,983	\$ 3,788,863
Covered-Employee Payroll	\$22,057,498	\$20,305,965	\$17,637,507	\$15,447,108	\$12,938,669	\$12,645,475	\$12,025,626	\$10,742,062
Employer's Net OPEB Liability as a Percentage of Covered-Employee Payroll	20.2%	20.7%	18.5%	19.4%	34.0%	32.7%	32.3%	35.3%

Notes to the Schedule of Required Supplementary Information

The plan is funded on a pay-as-you-go basis and is not administered by a formal trust. There were no plan assets as of the date of the most recent valuation. Since there is no invested plan assets held in trust to finance the OPEB obligation, the discount rate is the long-term expected rate of return on the U.S. General Obligation AA Municipal Bond Yield Curve.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.



**Public School Retirement System of Missouri and
Public Education Employee Retirement System of Missouri**

**Schedules of Administrative Expenses
for the year ended June 30, 2025**

	PSRS	PEERS	Combined Totals
Personnel services	\$ 9,956,025	\$ 7,250,503	\$ 17,206,528
Professional services			
Actuarial services	288,851	171,208	460,059
Legal services	168,630	25,043	193,673
Financial audit services	56,318	40,782	97,100
Other consulting	67,119	48,603	115,722
Technology consulting	284,577	206,073	490,650
Legislative consulting	50,460	36,540	87,000
Insurance consulting	7,369	5,336	12,705
Total professional services	<u>923,324</u>	<u>533,585</u>	<u>1,456,909</u>
Communications			
Information and publicity	246,519	206,985	453,504
Postage	311,536	262,363	573,899
Member education	11,083	8,026	19,109
Telephone and internet	51,926	37,614	89,540
Total communications	<u>621,064</u>	<u>514,988</u>	<u>1,136,052</u>
Miscellaneous			
Building and utilities	173,936	125,952	299,888
Insurance	110,285	79,861	190,146
Office	426,370	412,973	839,343
Staff development	193,937	136,814	330,751
Miscellaneous	305,162	204,048	509,210
Total miscellaneous	<u>1,209,690</u>	<u>959,648</u>	<u>2,169,338</u>
Depreciation expense	<u>1,206,815</u>	<u>873,901</u>	<u>2,080,716</u>
Total administrative expenses	<u><u>\$ 13,916,918</u></u>	<u><u>\$ 10,132,625</u></u>	<u><u>\$ 24,049,543</u></u>

**Public School Retirement System of Missouri and
Public Education Employee Retirement System of Missouri**

**Schedules of Professional Services
for the year ended June 30, 2025**

	PSRS	PEERS	Combined Totals
Actuarial services	\$ 288,851	\$ 171,208	\$ 460,059
Legal expenses	168,630	25,043	193,673
Financial audit services	56,318	40,782	97,100
Other consulting	67,119	48,603	115,722
Technology consulting	284,577	206,073	490,650
Legislative consulting	50,460	36,540	87,000
Insurance consulting	7,369	5,336	12,705
Total professional services	<u>\$ 923,324</u>	<u>\$ 533,585</u>	<u>\$ 1,456,909</u>

**Public School Retirement System of Missouri and
Public Education Employee Retirement System of Missouri**

**Schedules of Investment Expenses
for the year ended June 30, 2025**

	PSRS	PEERS	Combined Totals
Investment management expenses			
U.S. Treasuries and TIPS	\$ 5,095,049	\$ 694,779	\$ 5,789,828
U.S. public equities	72,639,773	9,905,424	82,545,197
Non-U.S. public equities	41,599,454	5,672,652	47,272,106
Private equity	268,459,783	36,608,153	305,067,936
Private credit	40,287,661	5,493,772	45,781,433
Private real estate	57,640,238	7,860,033	65,500,271
Hedged assets	111,277,624	15,174,221	126,451,845
Total investment management expenses	<u>596,999,582</u>	<u>81,409,034</u>	<u>678,408,616</u>
Investment consultant fees	5,355,132	730,245	6,085,377
Custodial bank fees	1,477,205	201,435	1,678,640
Investment staff expenses	12,349,882	1,671,261	14,021,143
Commission recapture income	<u>(25,300)</u>	<u>(3,398)</u>	<u>(28,698)</u>
Total investment expenses	<u>\$ 616,156,501</u>	<u>\$ 84,008,577</u>	<u>\$ 700,165,078</u>

Innovate

“The heart and soul of the company is creativity and innovation.”

— Bob Iger

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Letter from Russell Investments



November 19, 2025

To the Members of the Board:

For fiscal year 2025, uncertainty about central bank policy pivots, geopolitical risk, and debt issuance shaped the capital markets. U.S. interest rates remained elevated, but the Federal Reserve shifted toward easing — beginning cuts in late 2024 after maintaining restrictive policy through most of the year. Domestic equities posted solid gains of 15.3% over the year for the R3000 index amid resilient earnings, though they lagged global equity markets. Non-U.S. equity returned 17.7%, which broadly outperformed on surging optimism and loosening monetary conditions. The U.S. dollar had the worst first half of the year in over 50 years, and inflation, though down from earlier peaks, remained sticky — core inflation ran near 2.7 % over the 12 months to June 2025.

As interest rates have remained more in line with the actuarial assumed rate of return, we continue to view this environment as favorable for the plan as a whole.

For fiscal year (FY) ended June 30, 2025, the Systems achieved an investment return of 10.7% (nearly the same as 10.6% from FY24), net of all fees and expenses, ranking in the top third (31st percentile¹) for U.S. Public Plan peers with assets greater than \$1 billion. The FY25 investment return underperformed the policy benchmark return of 12.2%. Continuing down the path from FY24, the timing lag for private versus public market assets from FY 21/22 further waned, though the investment return from alternative asset classes for the fiscal year of 6.7% again slightly detracted from the one-year number. Peer relative return, as well as risk, ranked exceedingly well, with returns near top quartile and bottom quartile for risk over 1-, 5-, and 10-year periods. The Systems' strategic allocation again benefitted from its broad diversification.

As we highlighted last year, the Systems' strong governance structure, a continued focus on risk management, and a strategic asset allocation designed for the long term continue to serve the Systems' members well; meeting this time of ever-increasing complexity in the capital markets with resilience.

Finally, we at Russell have valued our continued partnership with Missouri PSRS/PEERS and look forward to another productive year and the opportunities ahead in the capital markets.

Sincerely,

Michael Hall
Managing Director

¹Public Plans greater than \$1 billion in the InvMetrics universe.

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Letter from the Chief Investment Officer



November 14, 2025

To the Members of the Systems:

On behalf of the PSRS and PEERS Board of Trustees and the internal investment staff, I present the following report on the Systems' investments for the fiscal year ending June 30, 2025. The theme for this year's *ACFR* is **Innovate**, which is an essential concept in managing an investment portfolio in an ever-changing market landscape. Specifically, innovation in conjunction with persistence and prudence are required to achieve long-term investment success. The investment strategy for PSRS/PEERS has remained consistent for over two decades. However, through innovation, we established a program several years ago to utilize our internal staff to make direct investments to drive investment fees lower. We have recently initiated several technological projects (including the use of AI) that will provide our staff with the opportunity to monitor and evaluate a growing portfolio more intensely and efficiently. The technology will result in better investment decision-making but will also improve operational efficiency. The **Innovation** outcome will be better investment results, net of all fees and expenses, over the long term.

The investment backdrop for fiscal year 2025 was marked by solid economic growth, sticky inflation, a presidential election, and a U.S. stock market that hit new highs throughout the year. The Systems' investment in global stocks was the primary driver for strong fiscal year 2025 total fund performance, while diversification into other asset classes contributed positively to performance. The PSRS and PEERS investment return was 10.9% (or 10.7% net of all fees and expenses) for fiscal year 2025.

Key Points within This Year's Financial Report

As you review the financial information in this report for the fiscal year ending June 30, 2025, it is important to be aware of the following points:

- The PSRS and PEERS investment returns for the last 10 years exceeded 70% of the peer group as defined by the Wilshire TUCS universe of public pension plans with assets in excess of \$1 billion.
- The Systems have generated these investment returns while taking less risk (as measured by standard deviation) than the policy benchmark¹ and less risk than two-thirds of comparable public funds over all time periods.
- The PSRS and PEERS internal investment staff and external investment managers added value above the policy benchmark of over \$5.8 billion net of all fees and expenses over the last 10 years. This outperformance was due to portfolio construction by internal investment staff as well as active management on the part of external managers.

¹The plan policy benchmark is a standard to measure investment performance and indicates the return of the PSRS/PEERS asset allocation if passive market rates of return were achieved.

- The PSRS and PEERS investment returns for the last 10-year time period exceeded the return of a passive portfolio of 60% global stocks and 40% bonds by 1.7% per year, resulting in added value above a traditional portfolio of \$10.0 billion,
- The investment returns reported throughout this publication are mostly net of investment fees and expenses. The investment return net of all fees and expenses was 10.7% for PSRS and PEERS,
- Investment performance throughout this report is calculated using a time-weighted rate of return based on fair values, and
- The total market value of invested assets of both PSRS and PEERS was \$62.8 billion on June 30, 2025, making the combined entity larger than all other public retirement plans in the State of Missouri combined, and the 44th largest defined benefit plan in the United States.

Fiscal Year 2025 Year in Review

The internal investment staff, under the direction of the PSRS/PEERS Board of Trustees, has adopted a disciplined and diversified investment portfolio that includes allocations to multiple asset classes. Over time, each specific asset class within the PSRS and PEERS' investment portfolio performs a valuable function.

Investments in publicly traded stocks produced substantial returns in fiscal year 2025. U.S. stocks returned 15.3% for the fiscal year ended June 30, 2025 (as measured by the Russell 3000 Index), non-U.S. developed stocks rose 17.7% (as measured by the MSCI EAFE Index), and emerging market stocks increased 15.3% (as measured by the MSCI Emerging Markets Index). Interest rates declined as the yield on the 10-year U.S. Treasury note fell from 4.36% at the beginning of the fiscal year to 4.25% on June 30, 2025. This decline in yield augmented total returns for bonds as the Bloomberg U.S. Treasury Index increased 5.3% in fiscal year 2025.

The PSRS and PEERS non-traditional asset classes (private equity, private credit, private real estate, and hedged assets) enhanced the overall investment return in fiscal year 2025. The Private Equity portfolio returned 8.6% for the year, but more importantly, has delivered a 16.4% annualized return over the five years ending June 30, 2025. The Hedged Asset program increased 11.8% in fiscal year 2025, offering both excellent returns and substantial diversification benefits to the overall portfolio. The Private Credit portfolio continued to produce very consistent returns in a variety of market environments, producing an absolute return of 9.2% for the year. Finally, the Real Estate portfolio increased 2.2% in fiscal year 2025 and continues to provide long-term performance and diversification benefits with a 10-year return of 6.7%.

From a tactical standpoint, the internal investment staff maintained an overweight to both U.S. and non-U.S. equity throughout the year. The overweight to stocks was additive to total portfolio performance for the year.

Asset/Liability Study in 2026

The Systems' external investment consultant (Russell Investments) typically conducts an Asset/Liability Study every two to five years for the Systems. Russell conducted the most recent Study in early 2022. The objective of the Study is to determine the appropriate asset allocation for PSRS and PEERS given the specific liabilities of the Systems. The Study also provides a range of investment returns that the allocation is expected to generate over a 10-year timeframe. This supports the investment rate of return assumption that the Systems' Actuary (PwC US) utilizes in calculating long-term PSRS and PEERS liabilities. The current assumed rate of return for PSRS and PEERS is 7.3%.

Russell, in concert with the PSRS and PEERS investment staff, will conduct another Asset/Liability Study for presentation to the Board in February 2026. In preparation for that Study, the Board, senior internal investment staff and the executive team will re-underwrite the Systems *Investment Beliefs* this fall. The *Investment Beliefs* were originally codified by the Board in 2015. The *Beliefs* are essentially a series of high-level principles and opinions that guide decision making and supersede the personal views of individuals. Once codified, they allow the Board to



Letter from the Chief Investment Officer, continued

focus more on strategic issues, such as asset allocation. Additionally, the *Beliefs* clarify direction to the investment staff on what (and why) to focus their activities.

Russell and internal staff will develop a limited number of potential asset allocation scenarios to present to the Board of Trustees in February. No significant changes to the current asset allocation are expected. However, as discussed above, the Asset/Liability Study is an important exercise to ensure the Systems' asset allocation is aligned with PSRS/PEER's liabilities.

A substantial advantage for participants in defined benefit pension plans is the long-term investment horizon. The Systems embrace this philosophy and have a substantial allocation to longer-dated (private) risk assets. Investors who accept the illiquidity risk associated with private assets receive both a return premium and a diversification benefit. To that end, Russell and internal staff will continue to present asset allocation options to the Board with a substantial allocation to private assets.

The most effective way to compound wealth is to limit overall volatility, especially large drawdowns (risk of loss), in a portfolio. As such, both internal staff and Russell are comfortable with the current level of risk in the Systems' portfolio and thus will most likely recommend asset allocation scenarios with similar levels of total portfolio risk. Any changes to the asset allocation in 2026 will be reported to membership through this annual letter and through quarterly newsletters.

Fiscal Year 2026 Macro

As I write this annual letter in late November 2025, we are five months into fiscal year 2026. The investment markets remain strong with the S&P 500 currently on pace for another solid calendar year return. The Federal Reserve has lowered rates on two occasions in 2025 (so far) with expected decreases (at an unknown pace) in 2026. Broad stock market performance will most likely moderate in the future following much higher-than-expected returns in the last three years. The PSRS/PEERS' asset allocation will always be balanced with a significant investment in return-seeking assets such as stocks but also diversification into private assets and more defensive investments such as U.S. Treasury securities, cash, and hedged assets. We would expect asset classes other than stocks to contribute more to the Systems' total investment return in fiscal year 2026.

Conclusion

Under the support and guidance of the Board of Trustees, we continue to **plan** for the long term, **persevere** through market cycles, and **innovate** as needed to meet the complexities of an ever-changing investment landscape. As always, we will work to produce long-term investment returns that provide our 323,000 retirees, active teachers, and school employees with the financial security they have earned and deserve.

Respectfully,

Craig A. Husting, CFA
Chief Investment Officer



Investment Policy Summary

The Board of Trustees of the Public School Retirement System of Missouri and Public Education Employee Retirement System of Missouri (PSRS and PEERS, also referred to as the Systems) is charged with the responsibility of investing the assets of the Systems in a manner consistent with the fiduciary standards set forth in the “prudent person” rule. To that end, the Board has adopted the following principles to guide all investment-related decisions:

1. Act in the exclusive economic interest of the members of the Systems,
2. Maximize total return within prudent risk parameters, and
3. Preserve the long-term purchasing power of the Systems.

The investment portfolios of PSRS and PEERS represent all contributions to the plans, from members and their employers, as well as all net earnings on these assets. These funds are held in support of both current and future liabilities. In total, approximately 63% of every dollar used to pay retirees is generated from investment earnings¹.

The Board of Trustees of PSRS and PEERS approved the commingling of assets for purposes of investment as allowed by state statute in January 2013. In order to implement this change, PSRS/PEERS adopted the Missouri Education Pension Trust Agreement (MEPT), which is managed by the PSRS/PEERS Board of Trustees and investment staff. Effective July 1, 2013, the invested assets of the Systems were pooled and invested in MEPT. All assets held by MEPT are for the exclusive benefit of PSRS and PEERS. Each of the Systems has equity in MEPT based on funds contributed and earnings allocated. Earnings of MEPT are allocated based on the average daily balances of each of the respective Systems. Individual investments in MEPT are not specifically identified to the respective Systems. Due to the fact all invested assets are invested in MEPT, the rate of return for each of the Systems is approximately the same. Therefore, the following discussions focus on MEPT in total and not the individual Systems.

Roles and Responsibilities

Board of Trustees

It is the responsibility of the Board of Trustees to establish and maintain policies and objectives for all aspects of the Systems’ investment program, including the determination of long-term policies for risk tolerance and asset allocation.

In keeping with its obligation to serve as the governing fiduciary, any changes to the investment policy or investment implementation manuals require the Board’s approval.

As one of the largest public pension funds in the United States, the Systems’ operational requirements are complex. In order to properly administer the Systems and carry out investment strategies, the Board relies heavily on both internal staff and external service providers. Due to the number of parties involved, their roles as fiduciaries are clearly identified to ensure distinct lines of responsibility and proper controls exist, while providing increased operational efficiency and elimination of duplication of effort.

Executive Director

The Executive Director (Director) is appointed by, and serves at the pleasure of, the Board. The Director is responsible for planning, organizing, and administering all operations of the Systems under the broad policy guidance and direction of the Board. The Director, with the assistance of the investment staff, monitors the performance of the investment portfolio; ensures that funds are invested in accordance with Board policies; and ensures that proper internal controls are developed to safeguard the assets of the Systems. In fulfilling these responsibilities, the Director relies heavily on the Chief Investment Officer and external asset consultants.

Chief Investment Officer

The Chief Investment Officer (CIO) serves at the pleasure of the Director yet has a direct link to the Board on investment-related issues. The CIO’s primary access to the Board includes, but is not limited to, submission of investment reports, information, or communications required by the investment policy and any other information or opinions specifically requested by the Board with regard to the investment program. The CIO is the individual primarily responsible for providing direction for the investment program. It is the CIO’s responsibility to work with the Director, the general

¹ Based on a twenty-five year average for fiscal years 2001-2025.

consultant, specialty consultants, and other external service providers, with the assistance of the internal staff, in advising the Board on policies related to the investment program. The CIO has responsibilities related to hiring and terminating service providers.

Critical functions of the CIO include recommendations for implementation decisions related to the investment plan and for the strategic allocation of the portfolio within broad ranges approved by the Board.

External Asset Consultants

The Systems employ Russell Investments (Russell) as a general consultant and Albourne America, LLC (Albourne); Pathway Capital Management (Pathway); and The Townsend Group (Townsend) as specialty consultants. Russell is an independent resource available to collaborate with the Board and staff on the investment process. This typically includes regular meetings with the Board to provide an independent perspective on the Systems' goals, structure, performance, and external service providers. Additionally, Russell may be involved with the strategic allocation shifts for the portfolio.

The specialty consultants work on specific programs within the overall investment program. Albourne is utilized for the Private Credit, Private Equity, Hedged Assets, and Alpha Overlay programs. Pathway is a consultant for the Private Equity and Private Credit programs, and Townsend consults on the Private Real Estate program.

External Investment Managers

The Systems employ external investment managers. The external money managers may be structured as public or private entities in the form of a partnership, limited liability company, trust, separately managed account, commingled account, or some other form of operational structure in which assets may be held by an external custodian selected and monitored by the external manager.

Managers are given explicit written directions detailing their particular assignments, or they follow the investment program outlined in their offering documents or Limited Partnership Agreements, and will construct and manage investment portfolios that are consistent with the investment philosophy and

disciplines for which they were hired. Discretion is delegated to the managers to carry out investment actions as directed by the Systems.

Master Custodian

JP Morgan Chase Bank, NA (JP Morgan) serves as the master custodian for the Systems. The master custodian holds most cash and securities for the Systems, except in cases where investment in a partnership, commingled account, or unique asset class makes it impossible to do so. The Systems thoroughly evaluate the structure of all investments and their custody arrangements. JP Morgan is responsible for providing the official book of record for investment performance reporting and accounting, and serves as an additional layer of risk control in safekeeping the Systems' assets.

Investment Objective

Based on the long-term investment returns available from a well-diversified, prudently invested portfolio, the Board has adopted an objective to achieve a **total nominal investment return of 7.3% with a real rate of return of at least 5.3% per annum over time.**² The long-term investment return objective of 7.3% became effective for fiscal year 2022 investment performance. The investment objective was previously 8.0%, effective from 1980 through fiscal year 2016; 7.75% effective for fiscal year 2017; 7.6% effective for fiscal year 2018; and 7.5% effective for fiscal year 2019 through fiscal year 2021.

In order to achieve the investment objective, the Systems have developed a portfolio that is prudently invested across a broad array of assets that reflects the long-term nature of the Systems' pension obligations. The principles of diversification, risk control, and competitive rates of return provide the framework for selecting an asset allocation that is expected, over longer periods of time and in the aggregate, to give the Systems the most competitive long-term return within a prudent level of risk.

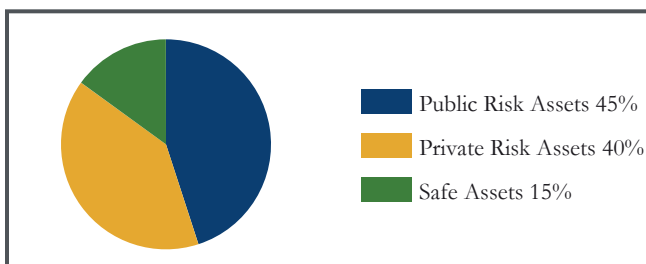
² The real rate of return is the rate by which the long-term total return exceeds the long-term inflation rate. The Board of Trustees shall employ an actuarial consultant for purposes of determining the inflation rate to be used in calculating the pension obligations. The assumed inflation rate as of June 30, 2025 was 2.0% per annum.

Understanding Risk

Selection of an appropriate asset allocation is one of the most important decisions made by a retirement plan. Within that asset allocation, it is important to not only consider the expected investment return, but also to understand the risks. The importance of risk consideration for institutional investors is critical to long-term success. To that end, the Systems employ an effective and intuitive risk-based approach to setting and reporting the asset allocation decision. The Systems developed a risk-based asset allocation to clearly define the prudent risks taken within its investment portfolios. The Systems consider a variety of risks including, but not limited to, liquidity risk, volatility, tail risk (the possibility that an investment will move much more than expected), and the ability to meet the Systems' assumed rate of return when structuring the portfolio.

This analysis results in an asset allocation to Public Risk Assets, Safe Assets, and Private Risk Assets. The target risk-based asset allocation is illustrated in the pie chart below. During fiscal year 2022, the Board of Trustees increased the Private Risk Assets target by 5% to 40% and proportionately decreased the Safe Assets target to 15%. These changes are discussed further in the following Asset Allocation section. Within each risk allocation, the Systems' investment portfolio includes long-term commitments to specific asset programs.

Target Risk-Based Asset Allocation



Asset Allocation

The asset allocation decision is generally regarded as the most important decision in the investment management process because it is crucial to achieving the long-term objectives established by the Board. In that light, it is the Board's responsibility to determine the appropriate policy asset allocation based upon several criteria with input and guidance from internal staff and Russell.

These criteria are as follows:

1. The expected rate of return for each asset classification;
2. The expected risk of each asset classification (expressed as the standard deviation of the rate of return);
3. The correlation of returns between asset types;
4. The investment objectives and risk constraints of the Systems (including, but not limited to, liquidity needs and the expected time horizon);
5. The funded ratio and cash flow requirements for PSRS and PEERS; and
6. The impact of the Systems' return volatility on the contribution rate.

The Board of Trustees most recently amended the long-term target asset allocation during fiscal year 2022 as a result of the 2022 asset allocation/liability study. The allocation to each investment program considers both the risk tolerance of the Systems and the long-term return objective. The new long-term target asset allocation is expected to maintain similar levels of total portfolio risk while allowing for more efficient investment returns. However, given the nature of investing in Private Risk Assets, it is expected to take several years to implement through a disciplined investment approach. The policy benchmarks will change over time as the Systems make meaningful progress to the new long-term targets. The changes to the asset allocation were as follows: Private Risk Assets increased by 5% to 40%, and Safe Assets decreased by 5% to 15%. Within Safe Assets, U.S. Treasuries decreased from 20% to 15%, and within Private Risk Assets, Private Equity increased from 16% to 21%.

The following chart details the long-term target and interim target asset allocations for fiscal year 2025. The interim policy allocations have been established to reflect the continued funding of Private Risk Assets and the progress towards the Systems' long-term asset allocation objective. For performance measurement purposes, the interim policy will serve as the basis for establishing the total plan policy benchmark until the ongoing process of funding Private Risk investments is meaningfully complete.

Target Asset Allocation and Policy Ranges			
	Fiscal Year 2025	As Amended in 2022	
Investment Type	Interim Target	Long-Term Target	Policy Ranges
Public Risk Asset Programs			
U.S. Public Equity	24.0%	23.0%	15% - 45%
Public Credit	0.0%	0.0%	0% - 10%
Hedged Assets	6.0%	6.0%	0% - 25%
Non-U.S. Public Equity	16.0%	16.0%	8% - 28%
Total Public Risk Assets	46.0%	45.0%	35% - 70%
Safe Assets Programs			
U.S. Treasuries	18.0%	15.0%	0% - 40%
U.S. TIPS	0.0%	0.0%	0% - 30%
Cash & Cash Equivalents	0.0%	0.0%	0% - 10%
Total Safe Assets	18.0%	15.0%	10% - 40%
Private Risk Asset Programs			
Private Equity	19.0%	21.0%	4% - 28%
Private Real Estate	11.0%	11.0%	4% - 15%
Private Credit	6.0%	8.0%	0% - 12%
Total Private Risk Assets	36.0%	40.0%	10% - 50%
Total Fund	100.0%	100.0%	

The Board recognizes the cyclical nature of the investment markets and it has allowed the internal staff to capitalize upon opportunities by changing the allocation of each asset class or sub-asset class within broad strategic bands or policy ranges (as indicated in the previous table). The flexibility given to the internal staff in establishing the strategic mix provides opportunities for the Systems to take advantage of changing market conditions. To ensure appropriate controls, the Director, CIO, and Russell must unanimously agree upon all material strategic changes prior to implementation.

Total Plan Leverage

The Board of Trustees approved the use of total plan leverage in fiscal year 2020. Leverage may be utilized (through futures, swaps, or other derivative instruments) to efficiently implement portfolio rebalancing and/or to apply modest leverage to total plan assets. The total direct leverage at the fund level shall not exceed 10% of the portfolio.

Performance Objectives and Monitoring Process

Generating a total nominal rate of return net of expenses of at least 7.3% and a real rate of return net of expenses of at least 5.3% per annum is an important consideration in the asset allocation decision and the primary performance objective for the Systems over long periods of time. The need for a long-term focus is necessary to preclude the temptation to overreact to events in the financial markets that have no relevance to long-term asset/liability management of the Systems. The resulting dilemma is the conflicting requirement to evaluate investment policy implementation over shorter time periods while maintaining a long-term focus on meeting the return objectives. In order to determine if the Systems' short-term and long-term objectives are being achieved, the Board evaluates performance relative to policy and strategic benchmarks. The policy benchmarks allow the Systems to be judged by performance relative to a defined set of broad market indices (i.e., the Systems' long-term asset allocation objective). The strategic benchmarks allow the Board to consider the

additional value generated from the latitude given to the internal staff to alter the asset class or sub-asset class allocations.

Policy Decisions

The value added through policy decisions is measured by the difference between the policy benchmark return and the actuarial required rate of return objective (defined as Real Return Objective + Inflation). A policy benchmark return greater than the actuarial required rate of return reflects value added. A policy benchmark return less than the actuarial required rate of return reflects losses or shortfalls in performance in funding the liabilities of the Systems. These policy decisions are measured over long periods of time.

Strategy Decisions

Strategy decisions are asset class or sub-asset class allocation choices made by the internal staff to deviate from the policy benchmark weights, with approval from the Director, CIO, and Russell that the proposed material deviation is in compliance with the Board's investment policy. The value added through the decisions to overweight and/or underweight these sub-asset classes is measured by the difference between the strategic benchmark return and the policy benchmark return. This difference captures the value added by internal staff through asset class or sub-asset class strategic decisions relative to the Board's broad policy allocation decisions. A strategic benchmark return greater than the policy benchmark return reflects value added through the allocation decisions. A strategic benchmark return less than the policy benchmark return reflects losses to the fund's performance based upon strategy decisions.

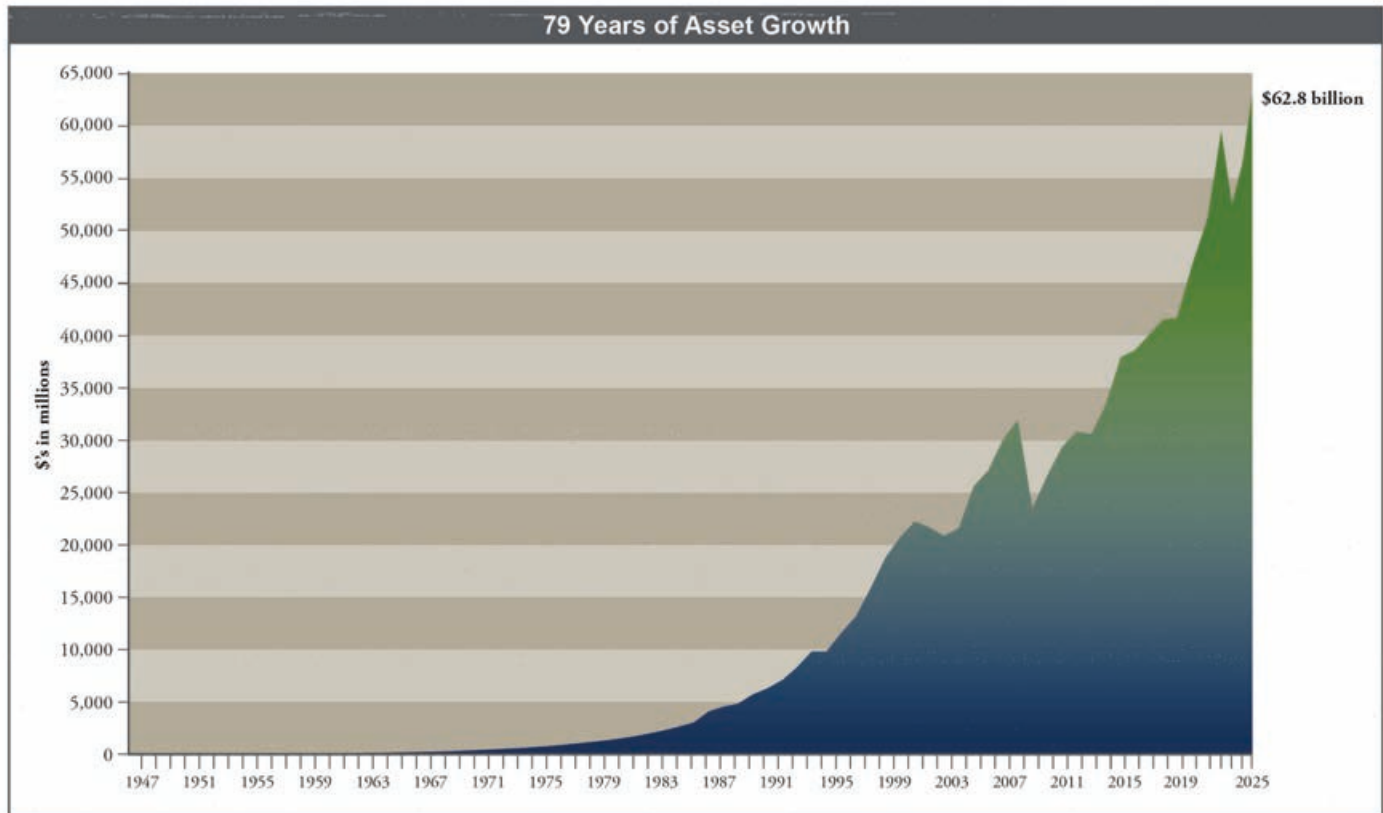
Implementation Decisions

Implementation decisions are manager selection choices made by the internal staff with the approval of the Director, CIO, Managing Director, and a consultant(s). The value added through these manager selection decisions is measured by the difference between the actual portfolio return and the strategic benchmark return. An actual portfolio return greater than the strategic benchmark return reflects value added through these manager selection decisions. An actual portfolio return less than the strategic benchmark return reflects losses to the fund's performance based upon implementation decisions.

Risk Controls

The Board recognizes that even though the Systems' investments are subject to short-term volatility, it is critical that a long-term investment focus be maintained. Given the importance of the broad asset allocation decision to the Systems' long-term investment success, internal staff is required to conduct an asset allocation/liability study at least every five years to examine the appropriate long-term investment strategies for the Systems. As previously discussed in the Asset Allocation section, an asset/liability study was most recently conducted in fiscal year 2022. In addition, the CIO must annually evaluate the asset allocation mix and any strategic allocation of the portfolio and provide a report to the Board on the results of that evaluation. This ongoing review of the asset allocation process helps to ensure the asset allocation is being monitored and modified as needed to meet the financial obligations of the Systems.

Total Fund Review



The Systems' total invested assets were \$62.8 billion as of June 30, 2025. The graph above illustrates the long-term growth in assets since the inception of PSRS in 1946 and PEERS in 1965.

Investment Performance³

The Systems earned an investment return of 10.9% for fiscal year 2025 (10.7% net of all investment expenses and fees) with an ending fair value of invested assets of \$62.8 billion. The Systems' well-structured investment portfolio added approximately \$6.2 billion in investment earnings to the growth of assets during the year.

As illustrated in the following table, the Systems' performance for the year was robust with all investment programs producing positive returns. Public Risk Assets performed especially well, with all three investment programs producing double-digit returns. Private Risk Assets also performed well, with the Private Credit portfolio producing a 9.2% return and the Private Equity program returning 8.6% for the year. Each of these asset classes strongly contributed to the total return of the Systems.

Total Fund Performance		
Investment Program	Total Return	Weighted Contribution
U.S. Public Equity	15.4%	4.1%
Hedged Assets	11.8%	1.0%
Non-U.S. Public Equity	16.6%	3.0%
Public Risk Assets	15.3%	8.1%
U.S. Treasuries	5.1%	0.6%
U.S. TIPS	6.9%	0.0%
Cash & Cash Equivalents	5.0%	0.1%
Safe Assets	5.1%	0.7%
Private Equity	8.6%	1.4%
Private Real Estate	2.2%	0.2%
Private Credit	9.2%	0.5%
Private Risk Assets	6.7%	2.1%
TOTAL RETURN	10.9%	10.9%

³ Investment returns were prepared using a time-weighted rate of return based on fair values.



Investment Performance Relative to Benchmarks*				
	Fiscal Year	3-Year	5-Year	10-Year
Public Risk Assets Program				
U.S. Public Equity	15.4%	18.7%	15.5%	12.0%
Russell 3000 Index	15.3%	19.1%	16.0%	13.0%
Hedged Assets	11.8%	8.6%	8.8%	5.9%
Hedged Assets Benchmark	12.2%	10.8%	7.3%	6.4%
Benchmark consists of:				
50.0 %	Bloomberg U.S. Intermediate Credit Index			
25.0 %	MSCI ACWI ex-USA net Index			
25.0 %	Russell 3000 Index			
Non-U.S. Public Equity	16.6%	16.9%	13.6%	9.1%
MSCI ACWI ex-USA net Index	17.7%	14.0%	10.1%	6.1%
Total Public Risk Assets	15.3%	16.4%	13.4%	9.8%
Public Risk Assets Policy Benchmark	15.9%	16.4%	12.1%	9.3%
Benchmark consists of:				
55.4 %	Russell 3000 Index			
38.1 %	MSCI ACWI ex-USA net Index			
6.5 %	Bloomberg U.S. Intermediate Credit Index			
Safe Assets Program				
Total Safe Assets	5.1%	1.6%	-1.2%	1.2%
Bloomberg U.S. Treasury Index	5.3%	1.5%	-1.6%	1.1%
Private Risk Assets Program				
Private Equity	8.6%	4.3%	16.4%	15.2%
Private Equity Benchmark	16.1%	17.9%	14.6%	12.1%
Benchmark consists of:				
75.0 %	Russell 3000 Index			
25.0 %	MSCI ACWI ex-USA net Index			
Private Real Estate	2.2%	-3.0%	6.1%	6.7%
NFI-ODCE net Index	2.7%	-6.2%	2.5%	4.4%
Private Credit	9.2%	9.4%	11.5%	9.0%
ICE BofA U.S. High Yield Index	10.2%	9.9%	6.0%	5.3%
Total Private Risk Assets	6.7%	2.7%	12.8%	11.7%
Private Risk Assets Policy Benchmark	11.0%	9.0%	9.8%	9.0%
Benchmark consists of:				
39.6 %	Russell 3000 Index			
30.5 %	NFI-ODCE net Index			
16.7 %	ICE BofA U.S. High Yield Index			
13.2 %	MSCI ACWI ex-USA net Index			
TOTAL FUND				
Total Fund	10.9%	9.4%	10.3%	8.5%
Total Fund Policy Benchmark	12.2%	11.0%	8.6%	7.5%
Benchmark consists of:				
39.75%	Russell 3000 Index			
22.25%	MSCI ACWI ex-USA net Index			
18.0%	Bloomberg U.S. Treasury Index			
11.0%	NFI-ODCE net Index			
6.0%	ICE BofA U.S. High Yield Index			
3.0%	Bloomberg U.S. Intermediate Credit Index			
Actuarial Required Rate of Return **	7.3%	7.3%	7.3%	7.5%
TUCS Universe Median	10.5%	9.8%	9.9%	8.2%

* Investment returns were prepared using a time-weighted rate of return based on fair values.

** The extended time periods reflect the blended returns of the historical actuarial required rates of return, as previously discussed in the Investment Objective section.



Investment Performance Relative to Benchmarks

The Board has established a long-term objective (actuarial required rate of return) to achieve a total investment return of at least 7.3% per year and a real rate of return of at least 5.3% per year. The fiscal year 2025 total plan return of 10.9% exceeded the long-term objective of 7.3%. Over long periods of time, PSRS and PEERS continue to produce investment returns that meet or exceed the Systems' objective. The annualized investment return for the Systems is 8.0% (7.8% net of all investment expenses and fees) over the last 30 years.

In order to determine if the Systems' short-term and long-term objectives are being achieved, the Board utilizes three benchmarks by which the Systems' progress may be judged: (1) performance relative to a **policy benchmark** (defined set of broad market indices that reflects the Systems' long-term asset allocation, or market beta), (2) performance relative to a **strategic benchmark** that indicates value added by the internal staff, and, to a lesser extent, (3) performance relative to other public pension systems and their investment managers as a reference point of oversight.

The internal staff presents to the Board a detailed attribution of the total fund performance at the end of each fiscal year. Value is added over and above expected market returns if the strategic benchmark exceeds the policy benchmark (i.e., the internal staff made positive strategic decisions) and/or if the actual total fund return exceeds the strategic benchmark (i.e., positive implementation decisions). The Statistical Performance section on the following page shows that the total fund return exceeded the strategic benchmark, and the strategic benchmark exceeded the policy benchmark for the five- and 10-year time periods. These excess returns demonstrate the significant added value by internal staff through both strategic asset allocation decisions and implementation decisions over time.

The fiscal year 2025 return of 10.9% (10.7% net of all investment expenses and fees) underperformed the policy benchmark return of 12.2% by 130 basis points. However, the Systems have outperformed the policy benchmark by 170 basis points over the five-year time period and by 100 basis points over the 10-year time period. Performing well over time, during periods of both strong and weak markets, signifies the Systems' well-structured and diversified investment portfolio's ability to deliver higher returns and lower risk than the policy benchmark. The excess return over the 10-year time period of 100 basis points, on an annualized basis, has resulted in over \$5.8 billion in excess performance (net of all investment expenses and fees) to the Systems, indicating that internal staff and active investment management have added value to the Systems.

The Systems utilize the Trust Universe Comparison Services (TUCS) to compare the total return and risk levels of the Systems relative to other public pension funds with assets in excess of \$1 billion. As the chart on page 71 indicates, the total fund return has exceeded the median return of other large public funds over the extended time periods. The Systems have taken substantially less risk than comparable funds during all time periods yet have consistently provided higher long-term investment returns.

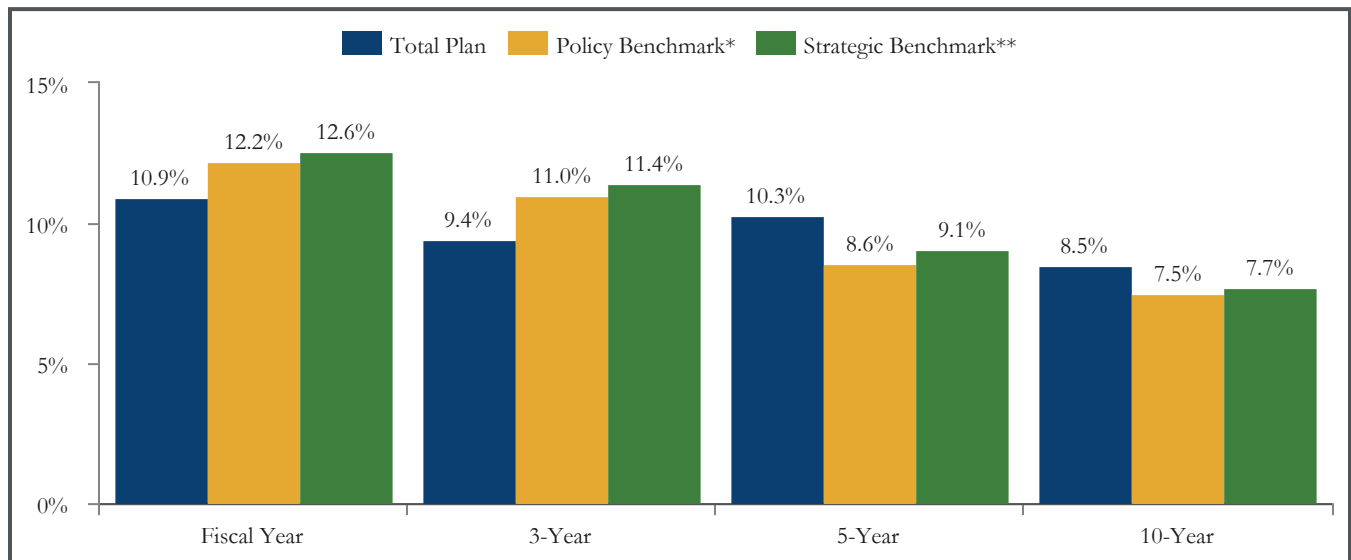


Statistical Performance

One of the primary investment objectives of the Systems is to achieve returns similar to the market but at lower risk or volatility levels. To that end, internal staff monitors a number of quantitative risk statistics related to the total investment portfolio, as well as individual composites. The following table indicates that the Systems have taken less risk than the policy benchmark (as measured by standard deviation) over all time periods while achieving higher long-term returns, thereby indicating strong risk-adjusted performance.

Beta measures the volatility, or systematic risk, of a security or portfolio in comparison to the market as a whole. If a portfolio has a beta of 1.0, it indicates that the portfolio moves in unison with the market. The Systems' portfolio has a beta of less than 1.0 relative to the policy benchmark, indicating less market volatility. The Systems' beta relative to the MSCI All Country World Index (MSCI ACWI net Index) is less than 0.50. This signifies that the Systems' portfolio moves up or down approximately less than half as much as the world stock index.

Total Plan Performance



Total Plan Statistical Performance

Portfolio Characteristics	Fiscal Year	3-Year	5-Year	10-Year
Annualized Total Plan Return	10.9%	9.4%	10.3%	8.5%
Annualized Policy Benchmark Return*	12.2%	11.0%	8.6%	7.5%
Annualized Strategic Benchmark Return**	12.6%	11.4%	9.1%	7.7%
Excess Return	-1.3%	-1.6%	1.7%	1.0%
Annualized Standard Deviation of Composite	5.2%	6.8%	7.3%	7.0%
Annualized Standard Deviation of Policy Benchmark*	7.1%	10.5%	10.4%	9.4%
Beta to Policy Benchmark*	0.73	0.64	0.69	0.73
Beta to MSCI ACWI net Index	0.49	0.45	0.47	0.46

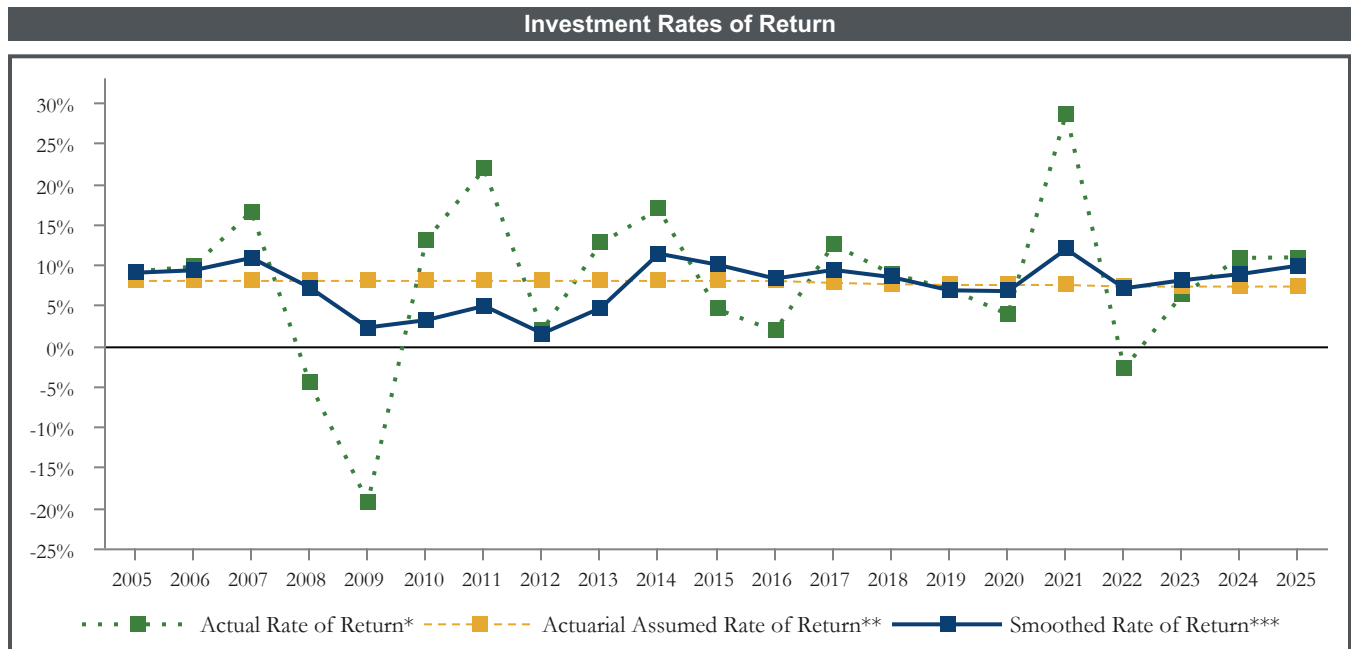
* As of June 30, 2025: 39.75% Russell 3000 Index, 22.25% MSCI ACWI ex-USA net Index, 18% Bloomberg U.S. Treasury Index, 11% NFI-ODCE net Index, 6% ICE BofA U.S. High Yield Index, and 3% Bloomberg U.S. Intermediate Credit Index.

** As of June 30, 2025: 41.3% Russell 3000 Index, 24.3% MSCI ACWI ex-USA net Index, 13.0% Bloomberg U.S. Treasury Index, 10.2% NFI-ODCE net Index, 5.2% ML High Yield Master II, 4.2% Bloomberg U.S. Intermediate Credit Index, and 1.8% ICE BofA 3-Month U.S. Treasury Note Index. The Total Plan Strategic Benchmark changes monthly based on the actual asset allocation at the end of the previous month.



INVESTMENT SECTION

The following chart shows the relationship between fair value returns (actual rate of return), the actuarially assumed rate of return, and the utilization of an actuarial asset valuation method of smoothed assets. To reduce volatility in employer and employee contribution rates, a common actuarial practice of “asset smoothing” is utilized. The application of this practice results in full recognition of returns at the actuarial assumed rate and recognizes any annual excess or deficiency relative to the assumed rate over a period of five years.



* The Actual Rate of Return (fair value return) consists of all investment gains and losses (net of investment expenses) on the fair value of assets each year.

** The Actuarial Assumed Rate of Return is the assumed rate of return on the actuarial value of assets and is used in establishing contribution rates and funding obligations.

*** Investment earnings in excess or deficient of the assumed rate of return are smoothed over a 5-year period for actuarial funding purposes. Twenty percent of the excess or deficiency is recognized annually for a 5-year period. This calculation results in the Smoothed Rate of Return.

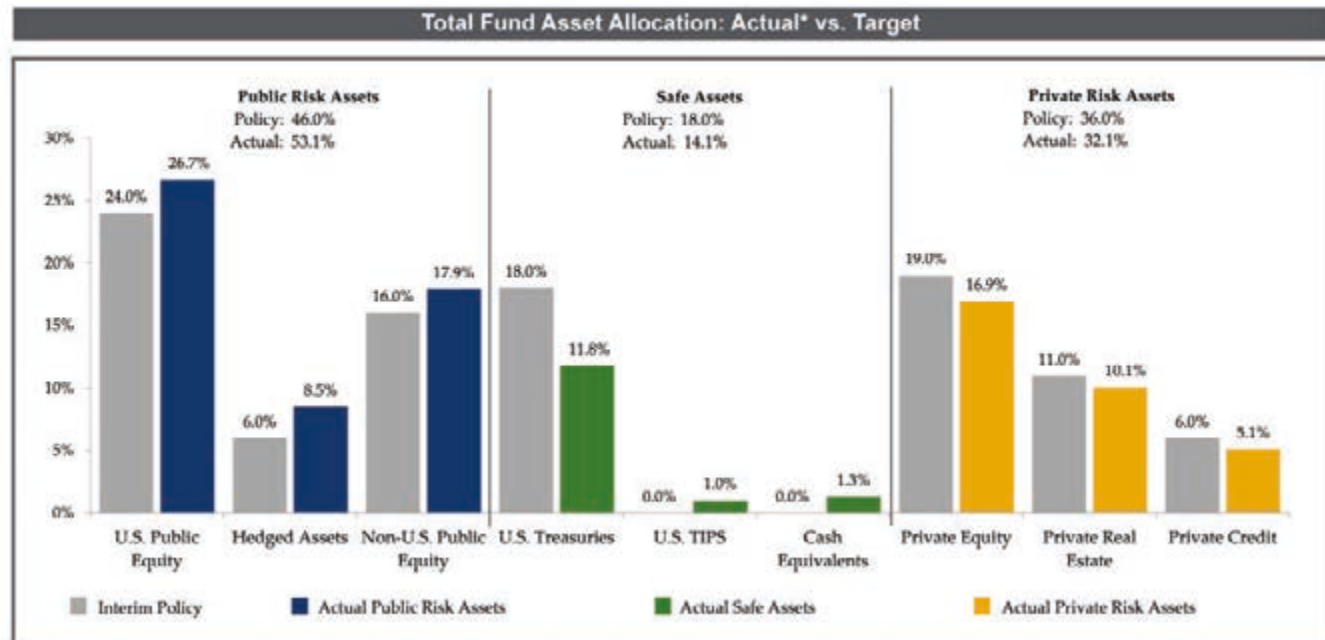
Asset Allocation: Actual Versus Target

The long-term target asset allocation is expected to take several years to implement given the nature of investing in Private Risk Assets. As discussed in the Investment Policy Summary: Asset Allocation section, the interim policy allocations have been established to reflect meaningful progress towards the new long-term targets and for policy benchmark weights.

The June 30, 2025, interim policy allocation was 46% Public Risk Assets, 18% Safe Assets, and 36% Private Risk Assets. During fiscal year 2025, there were no changes to the interim policy allocations.

As illustrated in the chart below, internal staff utilized the flexibility built into the investment policy to strategically overweight or underweight certain asset classes throughout the year. Strategic decisions included an overweight to U.S. Equities and Non-U.S. Equities within the Public Risk Assets program and an underweight to the Safe Assets program, all of which provided meaningful returns to the Systems in fiscal year 2025.

As discussed in the Investment Policy Summary: Asset Allocation section, the use of total plan leverage is allowed to efficiently implement portfolio rebalancing. The Systems did not utilize total plan leverage during fiscal year 2025.



*Total Plan assets include 0.7% invested in an operating cash account that is not reflected in the chart above.

Public Risk Assets Summary

As of June 30, 2025, Public Risk Assets had a fair value of approximately \$33.4 billion, representing 53.1% of total plan assets.

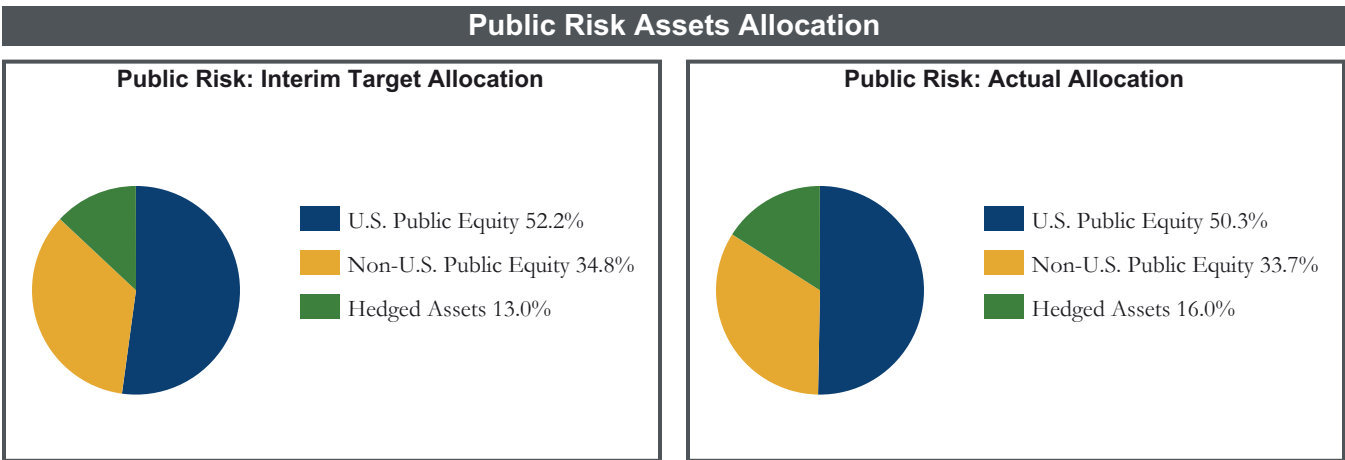
Investment Program Description

The Board of Trustees has adopted an asset allocation policy that includes a significant allocation to Public Risk Assets. The four programs within the Public Risk Assets composite are U.S. Public Equity, Public Credit, Hedged Assets, and Non-U.S. Public Equity. The Public Credit allocation was decreased to zero as part of the 2020 Asset/Liability Study. Each program within the Public Risk allocation is a separate multi-manager composite that is treated generally as a single portfolio. Each program serves a specific and distinct role within the overall Public Risk composite and also within the overall total plan allocation. Over time, the Public Risk composite and its sub-components serve as an effective and efficient vehicle to supply the underlying beta exposure to a portfolio of global risk assets required by the Systems’ asset allocation policy, while providing the opportunity to achieve excess returns above that of a passive benchmark through the prudent combination of passive investment vehicles and a wide range of active investment strategies.

Structure

The Systems’ allocation to Public Risk Assets at the end the fiscal year 2025 was 53.1% compared to the interim target allocation of 46%. The internal staff strategically increased the total plan’s allocation to Public Risk Assets throughout the year from an allocation of 52.4% at the beginning of the year.

As of June 30, 2025, the Systems’ Public Risk actual allocation was 50.3% in the U.S. Public Equity program, 33.7% in the Non-U.S. Public Equity program, and 16.0% in the Hedged Assets program. Each of these programs is discussed in more detail on the following pages.



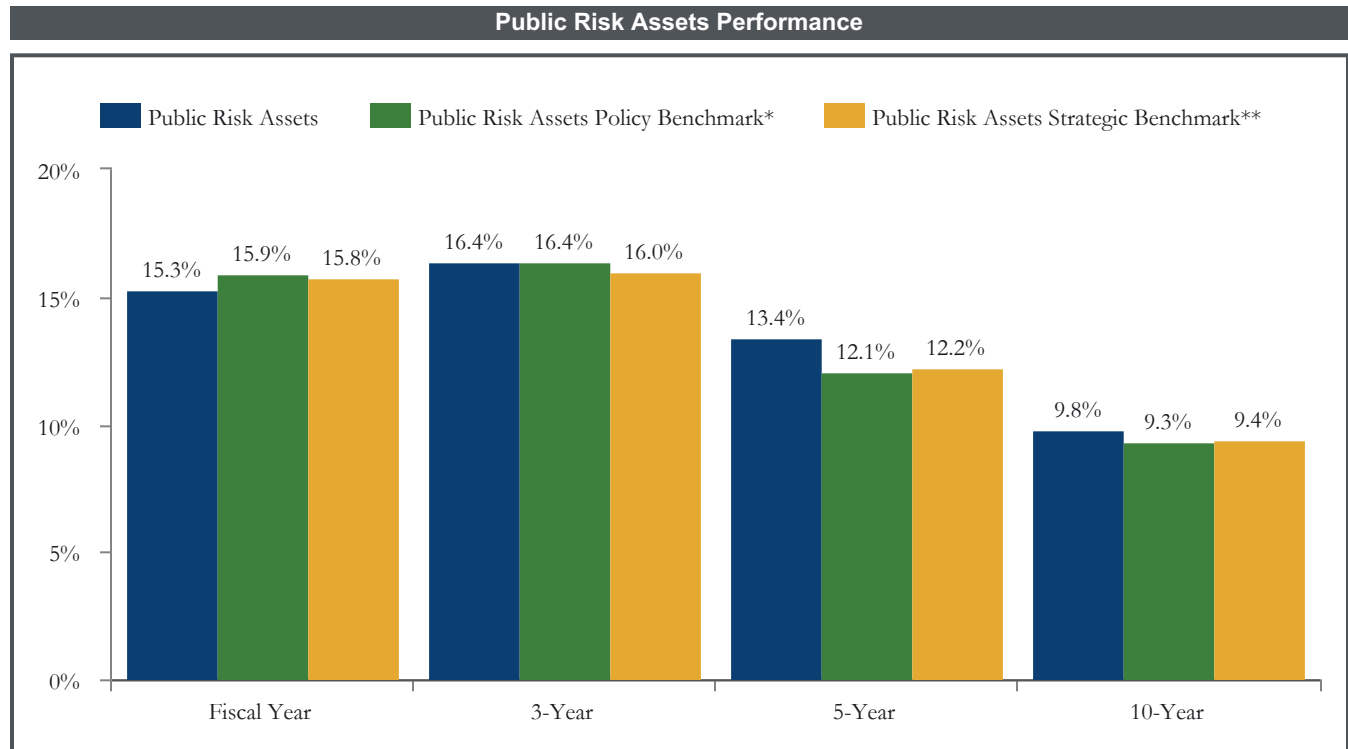
Market Overview

Fiscal year 2025 reflected a complex yet resilient environment for financial markets, which was shaped by persistent inflation, evolving global trade dynamics, and heightened geopolitical tensions. Despite these challenges, investor sentiment remained broadly optimistic and driven by strong performance in the technology sector, which helped propel major indices like the S&P 500 and NASDAQ to all-time highs by mid-2025. The Russell 3000 Index (a broad measure of the U.S. stock market) returned 15.3% for the year. Non-U.S. equity markets also delivered strong results, outperforming U.S. markets, with the MSCI ACWI ex-USA Index (a measure of international stock markets) rising 17.7%. Bond markets remained sensitive to macroeconomic developments, as the Federal Reserve maintained steady interest rates in response to ongoing inflationary pressures. Corporate credit markets provided stable returns, with the Bloomberg U.S. Intermediate Credit Index gaining 7.6% for the year.



Performance

The Systems' Public Risk portfolio produced very strong absolute returns for fiscal year 2025 with a total return of 15.3%, underperforming the policy benchmark return by 60 basis points. As shown in the table and graph below, the Systems' Public Risk composite has performed very well over all time periods, providing meaningful absolute returns and 50 basis points of annualized excess return over the last 10 years. The positive performance of the portfolio relative to the policy benchmark indicates value added by the internal staff through both strategic asset allocation decisions and manager selection decisions.



Public Risk Assets Statistical Performance					
Portfolio Characteristics	Fiscal Year	3-Year	5-Year	10-Year	
Annualized Return	15.3%	16.4%	13.4%	9.8%	
Annualized Policy Benchmark Return*	15.9%	16.4%	12.1%	9.3%	
Annualized Strategic Benchmark Return**	15.8%	16.0%	12.2%	9.4%	
Excess Return	-0.6%	—%	1.3%	0.5%	
Annualized Standard Deviation of Composite	9.3%	11.9%	12.3%	12.0%	
Annualized Standard Deviation of Policy Benchmark*	9.8%	14.0%	13.9%	12.8%	
Beta to Policy Benchmark*	0.94	0.84	0.88	0.93	
Beta to MSCI ACWI net Index	0.88	0.80	0.79	0.80	

* The Public Risk Assets Policy Benchmark is composed as follows: 55.4% Russell 3000 Index, 38.1% MSCI ACWI ex-USA net Index and 6.5% Bloomberg U.S. Intermediate Credit Index.

** The Public Risk Assets Strategic Benchmark changes monthly based on the actual asset allocation at the end of the previous month.

U.S. Public Equity Program Summary

As of June 30, 2025, the U.S. Public Equity program had a fair value of approximately \$16.8 billion, representing 26.7% of total plan assets.

Investment Program Description

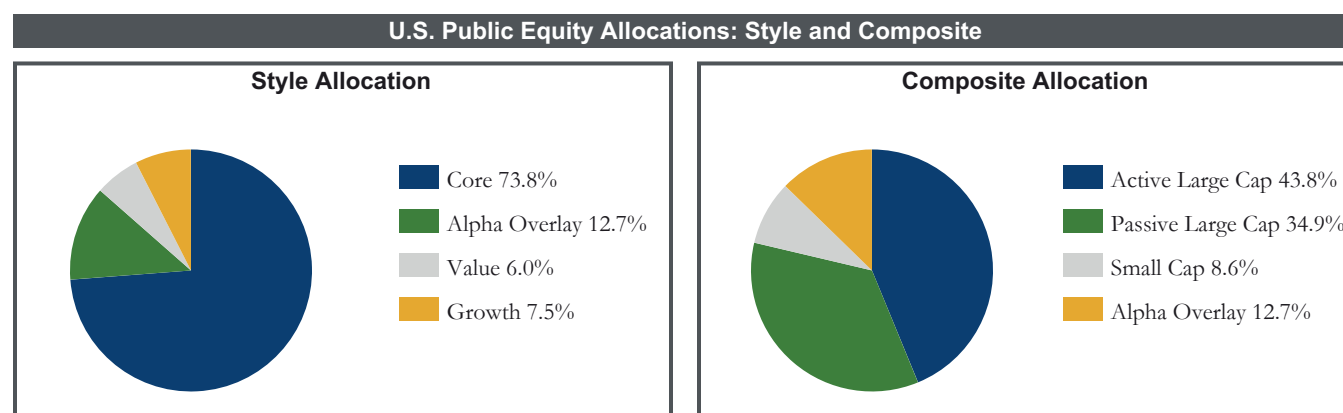
U.S. Public Equity is comprised of the Large-Cap, Small-Cap, and Alpha Overlay programs, which seek to provide long-term capital appreciation and dividend income in excess of inflation through the investment in domestic equity securities. Returns above a purely passive investment benchmark are targeted through the use of a wide variety of active investment strategies that may employ exposure to both equity securities and other types of investments. The primary **beta** exposure is achieved through investments in passive investment vehicles (including derivatives), traditional long-only active domestic equity management, and active long/short approaches. **Alpha** (or, excess returns above a passive alternative) is expected to be achieved through traditional long-only active domestic equity management, active long/short approaches, and alpha overlay strategies (described in greater detail at the end of this section).

Structure

As of June 30, 2025, 39.5% of the U.S. Public Equity program was passively managed. Of this passive exposure, 34.9% was in the U.S. Public Equity Large Cap program, while an additional 4.6% of passively managed equity was in the Small-Cap and the Alpha Overlay programs. The remainder of the portfolio was actively managed and diversified across a broad array of capitalization ranges and investment styles, including the Small-Cap and the Alpha Overlay programs. Both programs represent multi-manager pools of assets managed within the overall U.S. Public Equity structure. The Small-Cap program encompasses small capitalization assets. The Alpha Overlay composite focuses on the separation of returns into alpha and beta, and encompasses alternative equity mandates including hedge fund portfolios.

Exposure to the various segments of the domestic equity market (i.e., growth-oriented, value-oriented, and core) and to the approved investment strategy types are achieved through the identification, selection, and ongoing management of investment advisors qualified to serve as fiduciaries to the Systems.

The pie charts below depict the U.S. Public Equity portfolio by presenting the style structure of the portfolio, as well as the composite allocation as of June 30, 2025.



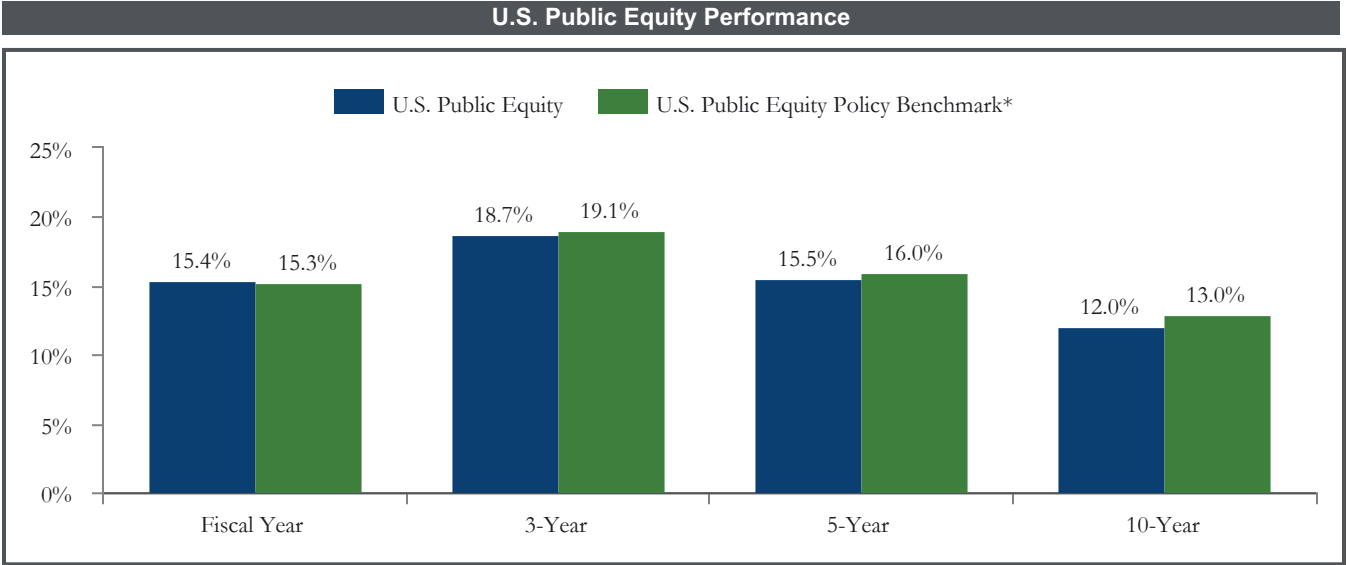
Market Overview

Among the heightened volatility, the U.S. equity markets continued to perform well for fiscal year 2025, closing at record highs and building on a notable year in 2024. Throughout the year, large-cap stocks outpaced small-cap stocks, while growth investment strategies outperformed value strategies. The comprehensive measure of the U.S. stock market (Russell 3000 Index) increased 15.3%, while large-cap stocks (Russell 1000 Index) increased 15.7% and small-cap stocks (Russell 2000 Index) increased 7.7% for the year. Large-cap growth stocks (Russell 1000 Growth Index) outperformed large-cap value stocks (Russell 1000 Value Index) with a return of 17.2% compared to 13.7%, while small-cap growth stocks (Russell 2000 Growth Index) outperformed small-cap value stocks (Russell 2000 Value Index) with a return of 9.7% compared to 5.5%.

Performance

The total return for the U.S. Public Equity program was 15.4% compared to the benchmark return of 15.3% for the fiscal year ended June 30, 2025. Within the U.S. Public Equity program, the Large-Cap program returned 15.3%, Alpha Overlay returned 20.6%, and the Small-Cap program returned 9.2% for the year. The Small-Cap program exceeded its policy benchmark (Russell 2000 Index) return by 150 basis points.

As indicated in the table and graph, the U.S. Public Equity portfolio has consistently produced significant absolute returns. The U.S. Public Equity portfolio has underperformed relative to the policy benchmark due to a lower risk profile than the market from a tactical allocation to low volatility equity strategies for enhanced downside protection. Over long periods of time, the Systems’ U.S. Public Equity portfolio is designed to deliver approximately 50-100 basis points of excess return through a combination of active and passive investment strategies.



U.S. Public Equity Statistical Performance				
Portfolio Characteristics	Fiscal Year	3-Year	5-Year	10-Year
U.S. Public Equity Return	15.4%	18.7%	15.5%	12.0%
Annualized Policy Benchmark Return*	15.3%	19.1%	16.0%	13.0%
Excess Return	0.1%	-0.4%	-0.5%	-1.0%

* The U.S. Public Equity Policy Benchmark is the Russell 3000 Index.

Statistics

The following table displays the statistical characteristics of the Systems' U.S. Public Equity program as of June 30, 2025, with comparisons to the portfolio's policy benchmark. In addition, the top 10 U.S. Public Equity holdings as of June 30, 2025, are shown in the table following the characteristics.

U.S. Public Equity Characteristics		
Characteristics	June 30, 2025	June 30, 2025
	Systems' U.S. Public Equity Program*	Russell 3000 Index
Number of Securities	1,834	3,004
Dividend Yield	1.3%	1.2%
Price-to-Earnings Ratio	24.5	26.2
Avg. Market Capitalization	\$698.5 bil	\$998.9 bil
Price-to-Book Ratio	4.6	4.7

U.S. Public Equity - Top 10 Holdings		
Top 10 Largest Holdings*		% of Total
June 30, 2025	Fair Value	U.S. Public Equity
Microsoft Corp.	\$ 262,893,620	1.6%
Nvidia Corp.	185,175,497	1.1%
Amazon.com Inc.	175,506,735	1.1%
Meta Platforms Inc.	167,798,857	1.0%
Apple Inc.	158,436,788	0.9%
Alphabet Inc.	130,273,836	0.8%
Visa Inc.	82,335,030	0.5%
United Health Group Inc.	73,882,919	0.4%
Johnson & Johnson	72,991,893	0.4%
Abbott Laboratories	72,044,905	0.4%
Total	\$ 1,381,340,080	8.2%

* Includes only actively managed separate accounts.

A complete list of portfolio holdings is available upon request.



Investment Advisors

As of June 30, 2025, the Systems had contracts with 15 external investment advisors who managed 19 portfolios that comprised 87.3% of the U.S. Public Equity portfolio. The remaining 12.7% of the portfolio was in the Alpha Overlay program described in the next section. The Systems repositioned the U.S. Public Equity program during the year by terminating a mandate with Allspring Global Investments, Coho Partners, and RK Capital Management while adding a new mandate with Russell Investments, Algert Global, and Fuller & Thaler Asset Management.

U.S. Public Equity Investment Advisors			
Investment Advisor	Investment Style	Fair Value As of June 30, 2025	% of Total Plan Fair Value
AQR Capital Management	Quantitative 140/40 Core	\$ 1,388,675,263	2.2%
BlackRock	Passive Russell 1000 Index	5,860,537,465	9.3%
Coatue Long Only Partners	Concentrated Technology	636,178,998	1.0%
Eagle Capital Management	Concentrated Core	476,883,966	0.8%
GQG Partners	Concentrated High Quality	583,248,704	1.0%
Grantham, Mayo, Van Otterloo & Co.	Concentrated High Quality	1,185,728,301	1.9%
Jacobs Levy	Quantitative 130/30 Core	413,133,685	0.6%
Martingale Asset Management	Quantitative Low Volatility	718,895,797	1.1%
Russell Investments	Completion Portfolio	230,296,814	0.4%
Russell Investments	Low Volatility	649,143,242	1.0%
Westwood Management	Concentrated Value	620,180,874	1.0%
Zevenbergen Capital	Concentrated All-Cap Growth	467,672,439	0.7%
Large-Cap Subtotal		13,230,575,548	21.0%
Algert Global	Quantitative Core	162,717,325	0.3%
AQR Capital Management	Quantitative Core	195,008,128	0.3%
BlackRock	Passive Russell 2000 Index	349,630,530	0.6%
Fuller & Thaler Asset Management	Behavioral Growth	157,190,262	0.2%
Greenhouse Funds	Concentrated Core	189,612,719	0.3%
Martingale Asset Management	Quantitative Low Volatility	186,743,944	0.3%
Systematic Financial Management	Diversified Value	199,817,893	0.3%
Small-Cap Subtotal		1,440,720,801	2.3%
Total		\$ 14,671,296,349	23.3%

Alpha Overlay Program Summary

As of June 30, 2025, the Alpha Overlay program had a fair value of approximately \$2.1 billion, representing 3.4% of total plan assets.

Investment Program Description

The Alpha Overlay portfolio resides within the U.S. Large-Cap Equity program. The Alpha Overlay portfolio has been constructed to assist in meeting the long-term goals established for the overall U.S. Large-Cap Equity allocation. Specifically, Alpha Overlay provides broad exposure to large-cap U.S. stocks using S&P 500 total return swaps, while the returns of a select portfolio of hedge fund strategies provide the opportunity to earn excess returns above the passive S&P 500 Index. By combining the market exposure obtained through the S&P 500 total return swaps with the diversified exposures to investment strategies focused on alpha generation, the combined portfolio is constructed and managed to produce a return stream with volatility and beta characteristics similar to the passive S&P 500 Index, while generating excess returns (or alpha) of approximately 200-250 basis points over longer periods of time.

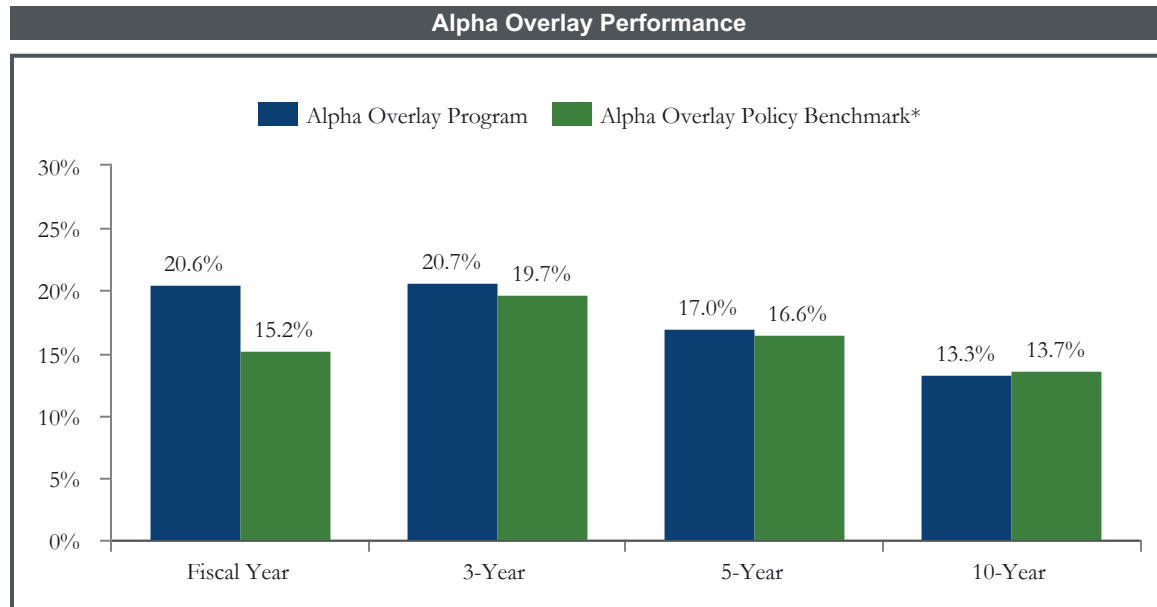
Structure

As of June 30, 2025, 20.2% of the Alpha Overlay composite assets were passively managed by NISA Investment Advisors using S&P 500 total return swaps to attain equitization. An additional 72.7% of the portfolio was actively managed across a diversified range of multi-strategy and market neutral hedge fund mandates. The remaining 7.1% of the portfolio was actively managed by Zevenbergen Capital in a long-only mandate. The chart below displays the specific investment advisor exposure within the composite as of June 30, 2025.

Alpha Overlay Investment Advisors			
Investment Advisor	Investment Style	Fair Value As of June 30, 2025	% of Total Plan Fair Value
AQR Absolute Return Fund	Relative Value	\$ 162,024,143	0.3%
Bridgewater Pure Alpha II	Global Macro/Global Allocation	168,039,220	0.3%
Davidson Kempner Institutional Partners	Multi-Strategy Event-Driven	287,882,064	0.5%
HBK Capital Management	Relative Value	154,587,846	0.2%
NISA Investment Advisors	S&P 500 Exposure	430,124,028	0.7%
One William Street Capital Partners	Credit/Distressed	78,727,026	0.1%
Renaissance Institutional Equities Fund	Low Volatility Equity	255,613,213	0.4%
Sculptor Domestic Partners	Multi-Strategy Event-Driven	268,139,311	0.4%
Stark Investments Limited Partners	Equity Long/Short	106,214	0.0%
Tenor Opportunities Fund	Relative Value	175,778,282	0.3%
Zevenbergen Capital	Active All-Cap Growth	151,733,829	0.2%
Total		\$ 2,132,755,176	3.4%

Performance

The fiscal year 2025 return for the Alpha Overlay program was 20.6%, outperforming the benchmark return of 15.2% by 540 basis points. As shown in the table and graph below, the Alpha Overlay composite has produced significant long-term absolute returns while maintaining a risk profile (standard deviation and beta) lower than the benchmark.



Alpha Overlay Statistical Performance				
Portfolio Characteristics	Fiscal Year	3-Year	5-Year	10-Year
Annualized Alpha Overlay Return	20.6%	20.7%	17.0%	13.3%
Annualized Policy Benchmark Return*	15.2%	19.7%	16.6%	13.7%
Excess Return	5.4%	1.0%	0.4%	-0.4%
Annualized Standard Deviation of Composite	10.9%	12.6%	14.0%	14.0%
Annualized Standard Deviation of Policy Benchmark*	12.4%	15.8%	16.3%	15.5%
Beta to Benchmark*	0.85	0.78	0.83	0.88

* The Alpha Overlay Policy Benchmark is the S&P 500 Index.

Non-U.S. Public Equity Program Summary

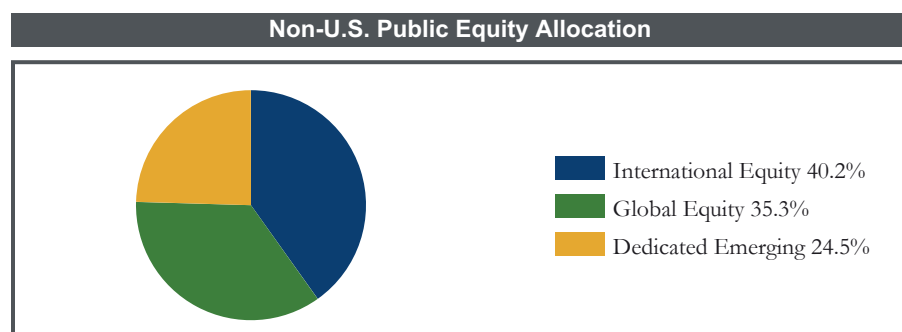
As of June 30, 2025, the Non-U.S. Public Equity program had a fair value of approximately \$11.3 billion, representing 17.9% of total plan assets.

Investment Program Description

The Non-U.S. Public Equity program provides long-term capital appreciation and dividend income in excess of inflation through exposure to public equity securities on a global basis. Specific investment strategies approved for the Non-U.S. Public Equity program include passive investment vehicles, traditional long-only active equity management, and active long/short approaches. Exposure to the various segments of the global equity market (i.e., U.S., developed non-U.S., emerging, growth-oriented, value-oriented, and core) and to the approved investment strategy types are achieved through the identification, selection, and ongoing management of investment advisors qualified to serve as fiduciaries to the Systems. The Non-U.S. Public Equity portfolios provide an element of diversification relative to the domestic equity portfolios. Currency is an aspect of international investing that can impact the performance and volatility of the asset class over the short-term. However, over the long-term, the effect from currency is expected to be neutral.

Structure

As of June 30, 2025, 12.6% of the Non-U.S. Public Equity composite was passively managed. The remainder of the portfolio was actively managed and diversified across capitalization ranges, styles, and a number of developed and emerging market countries. The pie chart below indicates broad exposure by investment mandate within the composite.



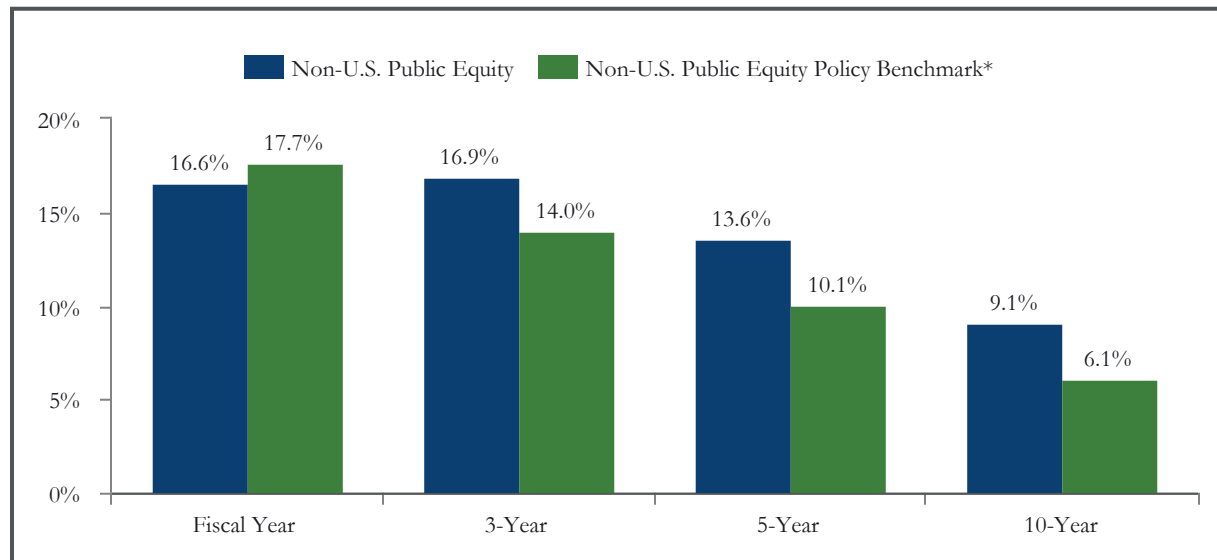
Market Overview

In fiscal year 2025, non-U.S. equities outperformed U.S. markets for the first time in 10 years, as investors rotated capital toward international opportunities. This shift was driven by several factors including a weaker U.S. dollar, attractive foreign valuations, lower interest rates in many foreign economies, and concerns over U.S. tariff and fiscal policies. In fiscal year 2025, the MSCI World net Index, which includes all developed markets, recorded a return of 16.3% while the MSCI World Ex-USA net Index returned 18.7%. Emerging markets, as represented by the MSCI EM net Index returned 15.3% underperforming international stocks (MSCI EAFE net Index), which rose by 17.7%, while the broad measure of the non-U.S. equity markets (MSCI ACWI ex-USA net Index) also increased by 17.7%.

Performance

The Non-U.S. Public Equity program has consistently produced very strong absolute returns over all reported time periods, including a total return of 16.6% for fiscal year 2025. As shown in the table and graph below, the Systems' Non-U.S. Public Equity composite underperformed relative to the policy benchmark for the fiscal year but has substantially outperformed the benchmark for all of the extended time periods. Over long periods of time, the Systems' Non-U.S. Public Equity program is designed to deliver approximately 150-175 basis points of excess returns through a combination of active and passive investment strategies. The Non-U.S. Public Equity program's returns have exceeded these expectations.

Non-U.S. Public Equity Performance



Non-U.S. Public Equity Statistical Performance

Portfolio Characteristics	Fiscal Year	3-Year	5-Year	10-Year
Annualized Non-U.S. Public Equity Return	16.6%	16.9%	13.6%	9.1%
Annualized Policy Benchmark Return*	17.7%	14.0%	10.1%	6.1%
Excess Return	-1.1%	2.9%	3.5%	3.0%

* The Non-U.S. Public Equity Benchmark is the MSCI ACWI ex-USA net Index.

Statistics

The following table displays the top 10 Non-U.S. Public Equity holdings as of June 30, 2025.

Non-U.S. Public Equity - Top 10 Holdings		
Top 10 Largest Holdings* June 30, 2025	Fair Value	% of Total Non-U.S. Public Equity
SAP SE	\$ 137,364,732	1.2%
Taiwan Semiconductor Mfg Co.	122,498,001	1.0%
Compass Group PLC	103,820,646	1.0%
Roche Holding AG	93,499,248	0.8%
Schneider Electric SE	89,698,965	0.8%
ASML Holding NV	83,089,154	0.7%
Air Liquide SA	77,357,247	0.7%
Amadeus IT Group SA	73,979,365	0.7%
Experian PLC	71,346,352	0.6%
Microsoft Corp.	63,804,273	0.6%
Total	\$ 916,457,983	8.1%

* Includes only actively managed separate accounts.

A complete list of portfolio holdings is available upon request.

Investment Advisors

As of June 30, 2025, the Systems had contracts with 13 external investment advisors who managed 18 portfolios within the Non-U.S. Public Equity portfolio. During the fiscal year the Systems repositioned the program by terminating a mandate with Allspring Global Investments.

Non-U.S. Public Equity Investment Advisors			
Investment Advisor	Investment Style	Fair Value As of June 30, 2025	% of Total Plan Fair Value
ABS Investment Management	Local Emerging Markets	\$ 527,864,582	0.8%
Acadian Asset Management	Quantitative Emerging Markets Low Volatility	620,623,616	1.0%
Acadian Asset Management	Quantitative International Small Cap	281,507,967	0.4%
AllianceBernstein L.P.	Global Low Volatility	917,543,730	1.5%
AQR Capital Management	Quantitative International Core	919,465,326	1.5%
Arrowstreet Capital	Quantitative Emerging Markets	717,412,672	1.1%
Arrowstreet Capital	Quantitative Global Long/Short	2,123,092,931	3.4%
BlackRock	Passive EAFE Index	476,313,782	0.8%
BlackRock	Passive Emerging Markets Index	552,628,988	0.9%
BlackRock	Passive World Index	387,277,954	0.6%
Coronation Asset Management Limited	Global Emerging Markets	337,869,574	0.5%
GQG Partners	Global Core	550,418,471	0.9%
Invesco Advisers	Quantitative International Low Volatility	332,803,606	0.5%
MFS Investment Management	Diversified International Core	1,416,895,529	2.2%
MFS Investment Management	Concentrated International Core	564,663,123	0.9%
Neon Capital Management	Emerging Markets Small Cap	664,699	0.0%
Rock Creek Group	Local Emerging Markets	5,471,947	0.0%
Walter Scott & Partners	International Core	531,516,651	0.9%
Total		\$ 11,264,035,148	17.9%

Hedged Assets Program Summary

As of June 30, 2025, the Hedged Assets program had a fair value of approximately \$5.3 billion, representing 8.5% of total plan assets.

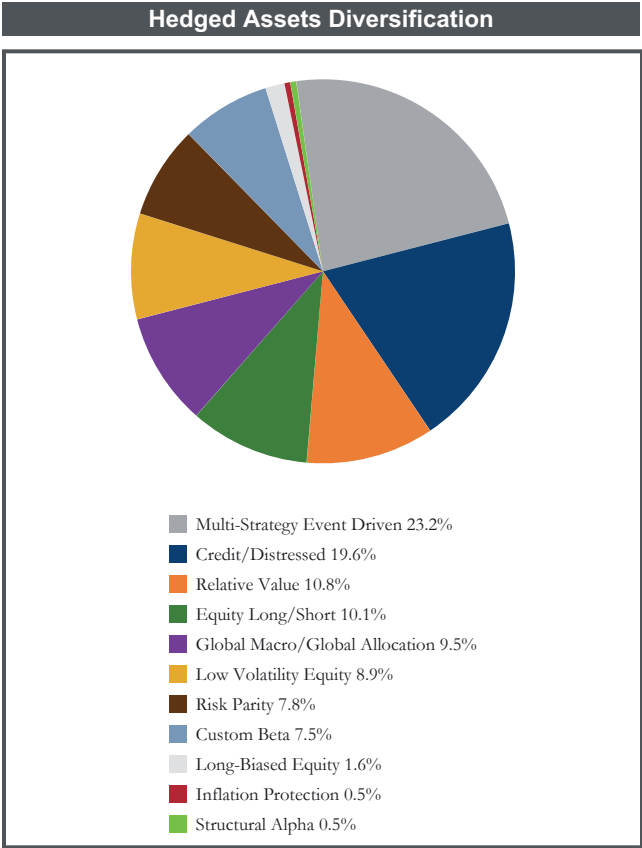
Investment Program Description

The Hedged Assets program’s objective is to provide diversification to the total portfolio and reduce volatility within the Public Risk composite. The purpose of this program is to enhance the overall risk/return profile of the Public Risk composite through the inclusion of specialized investment strategies that typically generate returns in a different fashion (i.e., absent a high correlation to equities or bonds). These strategies may utilize leverage as allowed within their governing documents. The returns from these strategies have historically had a low-to-moderate correlation with the traditional equity markets, thus providing diversification benefits in addition to portfolio return enhancement. These strategies seek to control risks and maintain a focus on absolute returns. The inherent nature of these vehicles to serve as a “hedge” provides for the expectation that the program will lag the equity market during times when equities are performing above the long-term averages. However, when equities are performing below the long-term averages, the program would be expected to outperform the equity market. In addition, managers within this asset class have historically possessed significantly lower volatility relative to traditional equity managers.

Structure

The Systems have retained Albourne America, LLC (Albourne) as its hedged asset consultant. Albourne is an independent global advisory firm with a significant focus on hedge funds. The Systems utilize direct investments into hedge funds as opposed to incorporating fund-of-funds. The Systems’ internal staff believes the benefits of direct investments, including lower fees, customized portfolio exposures, direct access to manager knowledge, and higher levels of transparency outweighed the benefit of quicker implementation offered by fund-of-funds.

The following chart indicates the strategy diversification of the Hedged Assets program as of June 30, 2025. The Systems manage the Hedged Assets portfolio to a blended benchmark of 25% Russell 3000 Index, 25% MSCI ACWI ex-USA net Index, and 50% Bloomberg U.S. Intermediate Credit Index.

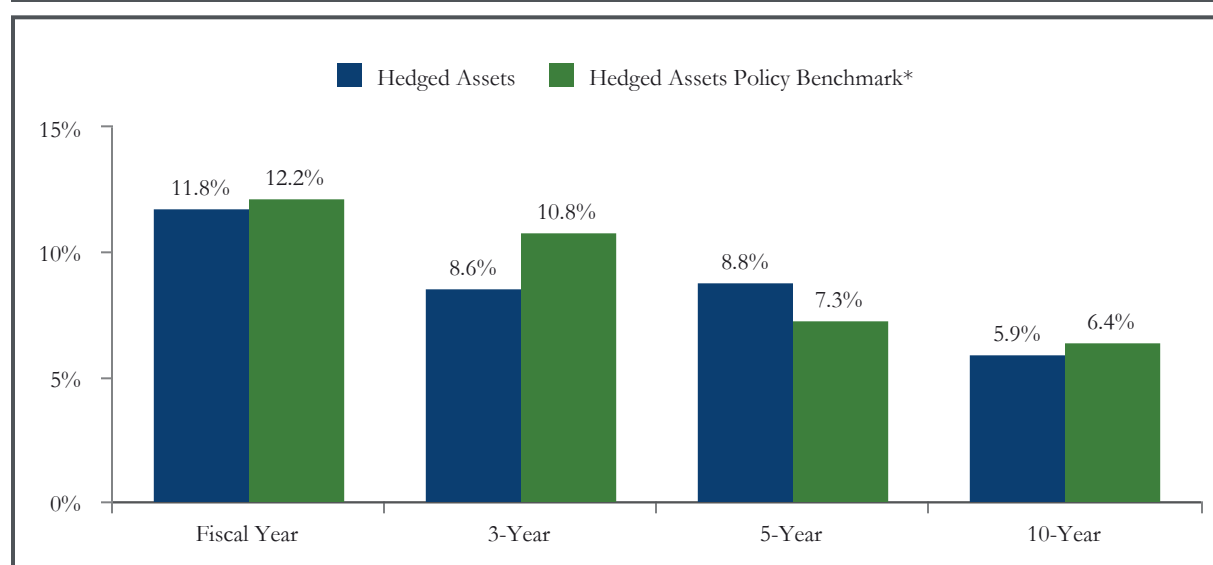


Performance

The total return on the Systems' Hedged Assets portfolio was 11.8%, compared to the benchmark return of 12.2% for the fiscal year ended June 30, 2025.

Over the past 10 years, the Hedged Assets program has underperformed its policy benchmark by 50 basis points. The performance relative to the policy benchmark is reasonable, however, given the significant performance of equities over this time period. The Russell 3000 Index was up an annualized 13.0% over the past 10 years, and the MSCI ACWI net Index was up an annualized 10.0%. As discussed previously, the hedging characteristics of the Hedged Assets program provide for the expectation that its performance will lag equity markets and/or its policy benchmark during periods of higher-than-normal equity returns. The Hedged Assets program is expected to outperform in more normal and down markets. As the table indicates, the longer-term performance was accomplished by assuming less than one-half of the volatility of the MSCI ACWI net Index and achieving a beta of less than 0.30 to the index, signifying that the Systems' portfolio moves up or down less than half as much as the world stock index.

Hedged Assets Performance



Hedged Assets Statistical Performance

Portfolio Characteristics	Fiscal Year	3-Year	5-Year	10-Year
Annualized Hedged Assets Return	11.8%	8.6%	8.8%	5.9%
Annualized Policy Benchmark Return*	12.2%	10.8%	7.3%	6.4%
Excess Return	-0.4%	-2.2%	1.5%	-0.5%
Annualized Standard Deviation of Composite	3.1%	3.3%	4.5%	5.5%
Annualized Standard Deviation of Policy Benchmark*	6.1%	9.5%	9.5%	8.9%
Annualized Standard Deviation of MSCI ACWI net Index	10.5%	14.8%	15.4%	14.9%
Beta to Policy Benchmark*	0.26	0.17	0.30	0.46
Beta to MSCI ACWI net Index	0.17	0.11	0.20	0.28

* The Hedged Assets Policy Benchmark is composed as follows: 50% Bloomberg U.S. Intermediate Credit Index, 25% MSCI ACWI ex-USA net Index and 25% Russell 3000 Index.



Investment Advisors

As of June 30, 2025, the Systems had contracts with 17 external investment advisors who managed 23 portfolios. During the fiscal year, three investment mandates were terminated while investment mandates with Coatue Qualified Partners, NISA Investment Advisors, and Silver Point Capital were added to the program.

Hedged Assets Investment Advisors			
Investment Advisor	Investment Style	Fair Value As of June 30, 2025	% of Total Plan Fair Value
AQR Absolute Return Fund	Relative Value	\$ 300,901,980	0.5%
AQR Adaptive Multi-Strategy	Risk Parity	232,118,645	0.4%
AQR Global Risk Premium	Risk Parity	52,030,732	0.1%
Bridgewater All Weather	Risk Parity	131,525,281	0.2%
Bridgewater Inflation Pool	Inflation Protection	28,160,697	0.0%
Bridgewater Pure Alpha II	Global Macro/Global Allocation	504,117,662	0.8%
Coatue Qualified Partners	Equity Long/Short	164,726,285	0.3%
Davidson Kempner Distressed Opportunities Fund	Credit/Distressed	98,426,787	0.2%
Davidson Kempner Institutional Partners	Multi-Strategy Event Driven	431,823,096	0.7%
Empyrean Capital Fund	Multi-Strategy Event Driven	303,368,595	0.5%
GoldenTree Partners	Credit/Distressed	624,911,875	1.0%
HBK Capital Management	Relative Value	154,587,846	0.2%
Hillhouse China Value Fund	Long-Biased Equity	85,688,675	0.1%
NISA Investment Advisors	Custom Dynamic Beta	397,549,712	0.6%
NISA Investment Advisors	Structural Alpha	27,880,413	0.0%
One William Street Capital Partners	Credit/Distressed	118,090,540	0.2%
Renaissance Institutional Equities Fund	Low Volatility Equity	474,710,253	0.8%
Sculptor Domestic Partners	Multi-Strategy Event Driven	497,973,006	0.8%
Silver Point Capital Fund	Credit/Distressed	202,387,645	0.3%
Southpoint Capital Advisors	Equity Long/Short	187,257,338	0.3%
Stark Investments Limited Partners	Equity Long/Short	197,255	0.0%
Tenor Opportunities Fund	Relative Value	117,185,521	0.2%
Viking Global Equities	Equity Long/Short	184,145,986	0.3%
Total		\$ 5,319,765,825	8.5%



Safe Assets Summary

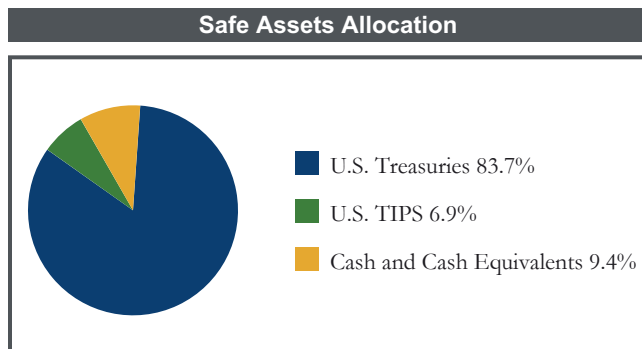
As of June 30, 2025, Safe Assets had a fair value of approximately \$8.9 billion, representing 14.1% of total plan assets.

Investment Program Description

The Safe Assets program is intended to act as a source of liquidity and income for the Systems. The program is designed to create substantial diversification and reduce total fund volatility through low correlation to other asset classes. Specifically, the Safe Assets portfolio is intended to provide asset protection at the total fund level in periods of economic stress.

Structure

As of June 30, 2025, NISA Investment Advisors was the only external investment manager within the Safe Assets program. Additionally, the Safe Assets program includes an FDIC-insured interest-bearing account with a competitive yield at J.P. Morgan. The assets held within the program exhibit high liquidity and safety. The Systems' allocation to Safe Assets decreased from 15.1% as of June 30, 2024, to 14.1% as of June 30, 2025. The pie chart below depicts the Safe Assets program by showing the composite allocations as of June 30, 2025.



Market Overview

Treasury yields declined in fiscal year 2025, driven by further anticipated rate cuts from the Federal Reserve and a slowing economic outlook, leading to the Safe Assets program's first total return above 2.0% since fiscal year 2020. The yield on the 10-year Treasury fell from 4.36% in June 2024 to 4.24% in June 2025, reaching a low of 3.63% and a high of 4.79% throughout the year. The comprehensive measure of the U.S. Treasuries market (Bloomberg U.S. Treasuries Index) increased by 5.3%, while the TIPS market (Bloomberg U.S. TIPS 1-10 Year Index) saw a rise of 6.9% for the year. Treasuries underperformed other fixed income markets during the year. High yield, or lower quality bonds (ICE BofA U.S. High Yield Index), increased 10.2%, investment grade credit corporate bonds (Bloomberg U.S. Intermediate Credit Index) increased 7.6%, and a broader measure of the U.S. bond market (Bloomberg U.S. Aggregate Index) increased by 6.1% for the year.

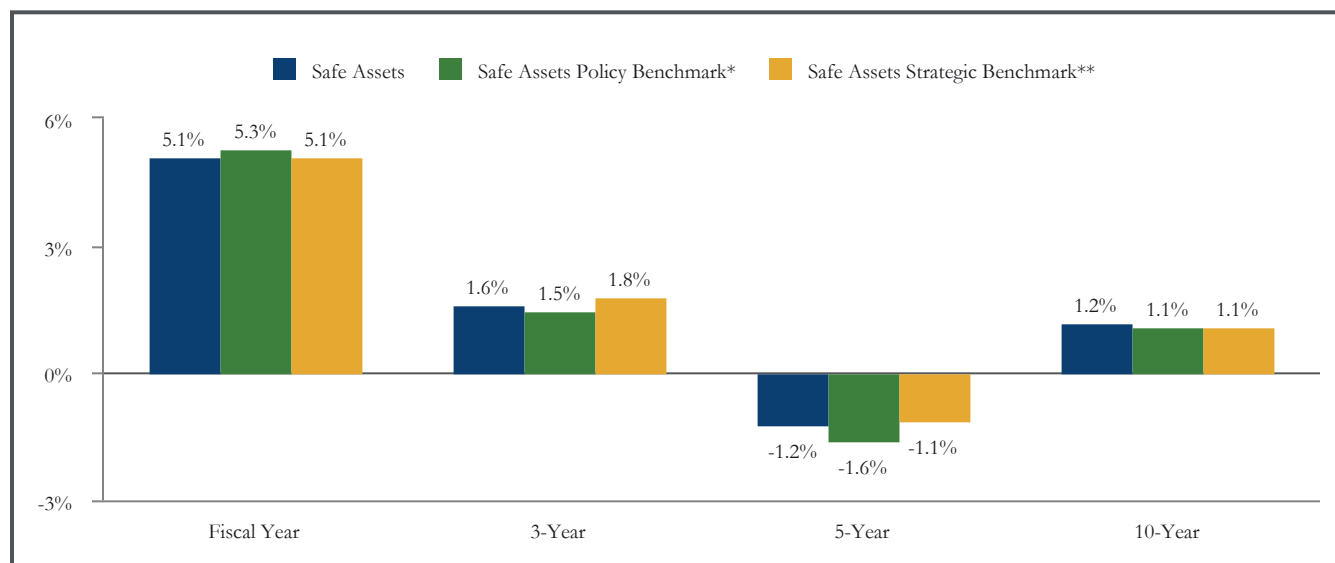
Performance

The total return for the Safe Assets portfolio was 5.1%, producing a strong absolute return for the fiscal year ended June 30, 2025. The portfolio underperformed the Safe Assets benchmark for the year by 20 basis points as a result of the lower duration allocations to cash and cash equivalents within the portfolio.

The absolute return of the Safe Assets portfolio is relatively modest over longer time periods. However, the Safe Assets portfolio is designed to provide asset protection at the total fund level in periods of economic stress and ultimate liquidity to the Systems. An allocation to Safe Assets allows the Systems to accept market risk in other portions of the total fund portfolio.



Safe Assets Performance



Safe Assets Statistical Performance

Portfolio Characteristics	Fiscal Year	3-Year	5-Year	10-Year
Annualized Safe Assets Return	5.1%	1.6%	-1.2%	1.2%
Annualized Policy Benchmark Return*	5.3%	1.5%	-1.6%	1.1%
Annualized Strategic Benchmark Return**	5.1%	1.8%	-1.1%	1.1%
Excess Return	-0.2%	0.1%	0.4%	0.1%
Annualized Standard Deviation of Composite	4.9%	6.2%	5.5%	4.5%
Annualized Standard Deviation of Policy Benchmark*	4.9%	6.3%	5.6%	4.7%
Beta to Policy Benchmark*	0.98	0.98	0.98	0.97
Beta to MSCI ACWI net Index	0.14	0.29	0.20	0.07

* Effective July 1, 2020 the Safe Assets Policy Benchmark is the Bloomberg U.S. Treasury Index. The 80.0% Bloomberg U.S. Treasury Index and 20.0% Bloomberg TIPS 1-10 Yrs. Index is used in prior periods.

** The Safe Assets Strategic Benchmark changes monthly based on the actual asset allocation at the end of the previous month.

The Systems have specifically taken less risk compared to the policy benchmark due to the inclusion of the cash and cash equivalents portfolios. Additionally, the Safe Assets program had a beta slightly less than 1.0 relative to the policy benchmark indicating less market volatility. Most importantly, the Safe Assets portfolio exhibits a beta of approximately zero relative to the MSCI ACWI net Index over the 10-year time period, indicating no correlation to risk assets. These statistics support one of the primary objectives of Safe Assets: diversification from other risk assets in the total fund.

Statistics

The following table displays the statistical characteristics of the Systems' Safe Assets program as of June 30, 2025, with comparisons shown to the Bloomberg U.S. Treasury Index. Additionally, the top 10 Safe Assets holdings as of June 30, 2025, are shown in the table below the characteristics.

Safe Assets Characteristics		
Characteristics	June 30, 2025 Systems' Safe Assets Program	June 30, 2025 Bloomberg U.S. Treasury Index
Number of Securities	202	294
Average Coupon	3.4%	3.2%
Yield to Maturity	4.0%	4.0%
Average Maturity (Years)	10.2	8.4
Duration (Years)	6.1	5.9

Safe Assets - Top 10 Holdings		
Top 10 Largest Holdings* June 30, 2025	Fair Value	% of Total Safe Assets
United States Treasury Note, 3.875%, 03/31/2027	\$ 199,120,641	2.2%
United States Treasury Note, 4.50%, 05/15/2027	187,247,916	2.1%
United States Treasury Note, 4.25%, 01/15/2028	163,805,925	1.8%
United States Treasury Bond, 1.625%, 11/15/2050	159,099,186	1.8%
United States Treasury Note, 4.00%, 02/15/2034	147,792,326	1.7%
United States Treasury Note, 3.75%, 04/15/2028	137,581,763	1.6%
United States Treasury Bond, 4.25%, 08/15/2054	134,510,254	1.5%
United States Treasury Note, 4.125%, 10/31/2026	130,541,046	1.5%
United States Treasury Bond, 3.00%, 02/15/2048	127,760,193	1.4%
United States Treasury Note, 4.375%, 12/31/2029	126,537,759	1.4%
Total	\$ 1,513,997,009	17.0%

* A complete list of portfolio holdings is available upon request.

Investment Advisors

NISA Investment Advisors was the only external investment advisor within the Safe Assets program, managing four portfolios as of June 30, 2025. During the year, a Treasury Enhancement mandate with NISA Investment Advisors was added to the program. The Safe Assets program also includes an interest-bearing cash account with the Systems' master custodian J.P. Morgan.

Safe Assets Investment Advisors			
Investment Advisor	Investment Style	Fair Value As of June 30, 2025	% of Total Plan Fair Value
NISA Investment Advisors	U.S. Treasuries	\$ 4,640,271,230	7.4%
NISA Investment Advisors	U.S. Treasury Enhancement	2,801,779,910	4.4%
NISA Investment Advisors	U.S. TIPS	609,216,727	1.0%
NISA Investment Advisors	Cash Equivalents	211,075,904	0.3%
J.P. Morgan	Interest Bearing Cash Account	627,264,814	1.0%
Total		\$ 8,889,608,585	14.1%

Private Risk Assets

Summary

As of June 30, 2025, Private Risk Assets had a fair value of approximately \$20.1 billion, representing 32.1% of total plan assets.

Investment Program Description

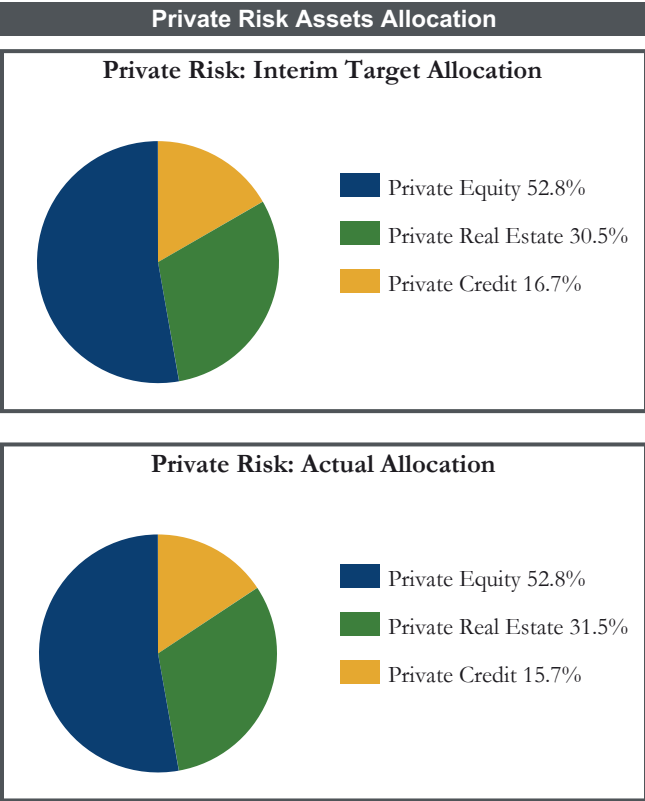
The allocation to Private Risk investments is viewed as a separate asset class for inclusion in the Systems’ overall investment portfolios. The process of building the Systems’ Private Risk program occurred over the past two decades and continuously evolved over that time. The program continues to evolve and grow as discussed on the following pages. Fully funding the most recent target allocation is expected to occur over a period of several years. Additional new investments will be necessary beyond the funding period in order to maintain the long-term target allocation. The three programs within the Private Risk Assets composite are Private Equity, Private Real Estate, and Private Credit. Each program within the Private Risk allocation is a separate multi-manager composite that is treated generally as a single portfolio. Each program serves a specific and distinct role within the overall Private Risk composite and also within the overall total plan allocation. Over time, the Private Risk composite serves as a long-term vehicle to supply the underlying beta exposure to a portfolio of private assets.

Investments in Private Risk Assets differ substantially from the Systems’ public markets asset classes (Public Risk Assets and Safe Assets) in part because they are typically very long-term in nature, not publicly traded, relatively illiquid, and offer the potential for substantially higher returns (along with a commensurate level of risk). The illiquid nature of Private Risk Assets can result from the form of the asset or security itself, or it can be a function of the investment structure being utilized (e.g., a limited partnership).

Due to the fact that Private Risk Assets are not publicly traded, pricing and performance measurements prior to the realization of gains are less reliable than in the traditional publicly traded asset classes. The Systems continually monitor the valuation policies and procedures utilized for such investments.

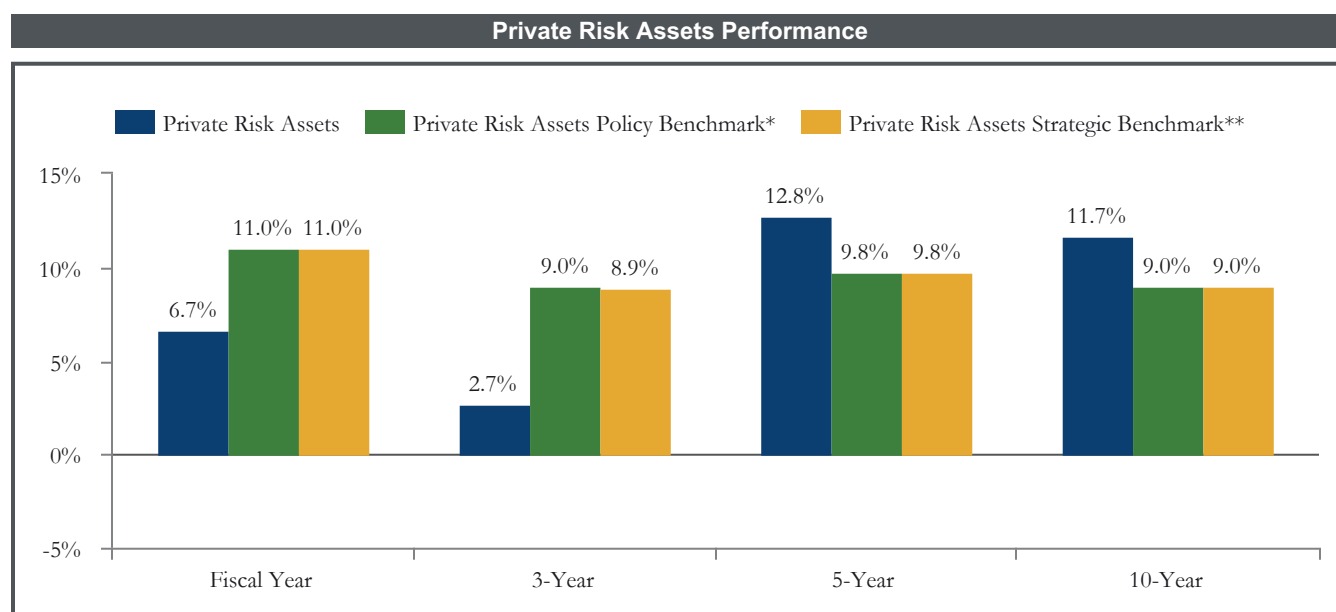
Structure

As of June 30, 2025, 52.8% of Private Risk Assets were invested in the Private Equity program, 31.5% in the Private Real Estate program, and 15.7% in the Private Credit program. Each of these programs is discussed in more detail on the following pages.



Performance

The total return for the Private Risk portfolio was 6.7% compared to the policy benchmark return of 11.0% for the fiscal year ended June 30, 2025. The pricing and performance methodology utilized for private assets can provide for significant performance variances over short time periods. For instance, the Systems utilize liquid benchmarks (e.g., Russell 3000 Index) to measure an illiquid (Private Equity) asset class. Thus, there will be significant performance differences over short time periods in volatile markets. Due to the long-term nature of Private Risk assets, the performance can be more appropriately judged over a longer timeframe. As the table below indicates, the Private Risk portfolio has produced very strong absolute and relative returns over the extended time periods. The 10-year return exceeded the benchmark by 270 basis points. These excess returns are net of fees and expenses.



Private Risk Assets Statistical Performance				
Portfolio Characteristics	Fiscal Year	3-Year	5-Year	10-Year
Annualized Private Risk Assets Return	6.7%	2.7%	12.8%	11.7%
Annualized Policy Benchmark Return*	11.0%	9.0%	9.8%	9.0%
Annualized Strategic Benchmark Return**	11.0%	8.9%	9.8%	9.0%
Excess Return	-4.3%	-6.3%	3.0%	2.7%

* The Private Risk Assets Policy Benchmark is composed as follows: 39.6% Russell 3000 Index, 30.5% NFI-ODCE net Index, 13.2% MSCI ACWI ex-USA net Index and 16.7% ICE BofA U.S. High Yield Index.

** The Private Risk Assets Strategic Benchmark changes monthly based on the actual asset allocation at the end of the previous month.



Private Equity Program Summary

As of June 30, 2025, the Private Equity program had a fair value of approximately \$10.6 billion, representing 16.9% of total plan assets.

Investment Program Description

The Private Equity asset class is comprised of investment opportunities not typically included within the public equity and fixed income markets. Private Equity investments provide financing for start-up companies, private middle-market companies, firms in financial distress, and public and non-public firms seeking buyout financing. Private Equity investments can be classified into three basic sub-asset class categories:

- Venture Capital,
- Buyouts, and
- Debt-Related.

Investments in the sub-asset classes can be made in the U.S. or foreign countries. In total, the allocation to non-U.S. Private Equity investments will not exceed 50% of the overall Private Equity target allocation. The risks associated with Private Equity will be viewed both in isolation and within the context of the entire fund.

In January 2014, the Board of Trustees approved the development and implementation of a Private Equity Co-Investment program. The full implementation of the Co-Investment program has advanced the goals and objectives of the overall Private Equity program by obtaining additional exposure to underlying portfolio company investments through direct equity investments made on a side-by-side basis with private equity funds where the Systems have an existing relationship. In certain instances, exposure to the desired investments may be achieved through transactions executed in secondary markets. Co-Investments serve to increase exposure to the Private Equity asset class with little or no additional fees and/or performance carry paid to the underlying private equity partnerships. The objective of the Co-Investment program is to leverage existing, high-quality relationships with private equity managers in order to increase commitments to the asset class in a format that does not materially increase overall risk, while simultaneously helping to lower fees and performance carry.

Structure

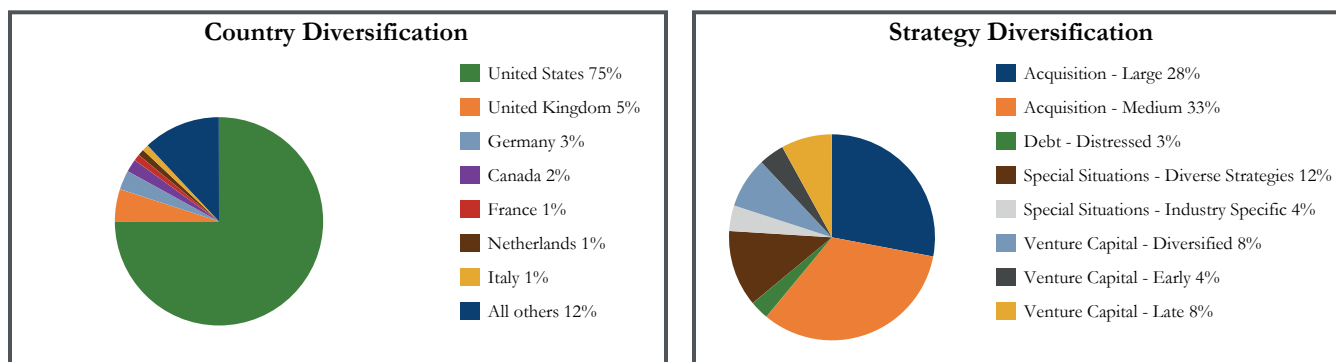
As of June 30, 2025, Private Equity assets committed* for investment were \$16.9 billion. The fair value of funds that had been drawn down and actually invested as of June 30, 2025, was approximately \$10.6 billion, representing 16.9% of total plan assets. The Systems' private equity investment commitments that have not yet been funded were approximately \$4.3 billion as of June 30, 2025.

The objective of the Systems' allocation to Private Equity is to achieve returns that are higher than those attainable in the public equity markets with the added benefit of diversification. The long-term and illiquid nature of the Private Equity asset class dictates that capital must be invested at a measured pace. Pathway Capital Management has been retained by the Systems to provide private equity investment management services through three structures: a discretionary fund-of-funds relationship, an advisory relationship, and a co-investment program. Additionally, the Systems have invested in private equity secondary funds and also utilize Albourne America, LLC to provide private equity advisory services.

The pie charts on the following page show the diversification (utilizing the fair value of invested assets) of the Systems' Private Equity holdings as of June 30, 2025, from both strategy and country perspectives.

** Committed capital reflects the total amount of capital that the Systems are legally obligated to supply to the partnerships and funds as the capital is needed to invest in underlying holdings. Fair value reflects capital that has actually been drawn and invested by the partnerships and funds.*

Private Equity Country and Strategy Diversification



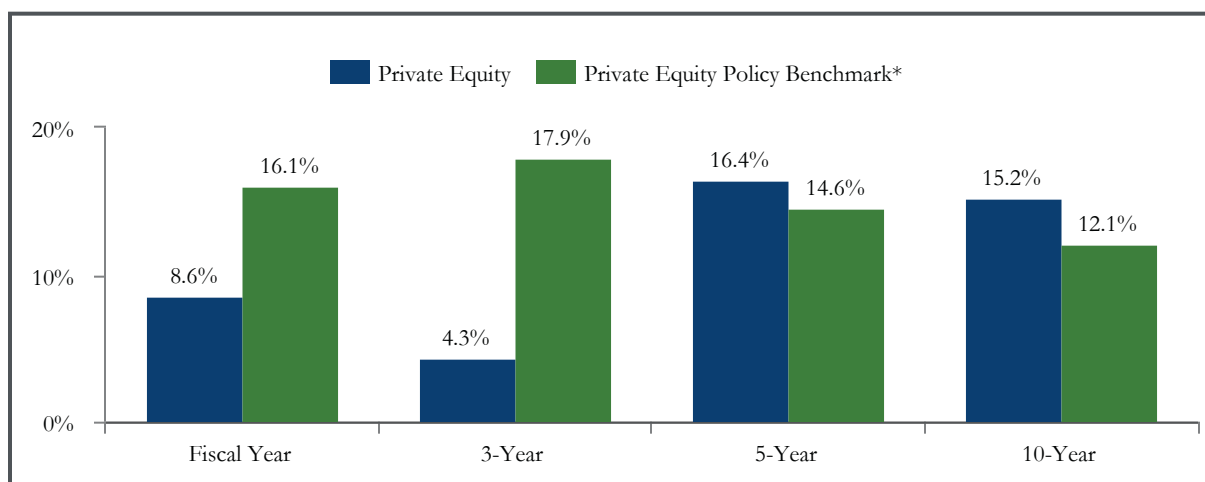
Market Overview

Private equity markets continued to trail behind public equities in fiscal year 2025, as elevated interest rates and persistent economic uncertainty constrained transaction activity, resulting in a more selective investment environment. Despite the overall slowdown, the Systems' Private Equity program delivered stable returns, with distributions remaining strong as managers continued to capitalize on exit opportunities where possible.

Performance

The total return for the Private Equity program was 8.6%, compared to the benchmark return of 16.1% for the fiscal year ended June 30, 2025. The Private Equity benchmark utilizes a blend of liquid public equity indices (e.g., Russell 3000 Index) to measure an illiquid (Private Equity) asset class. As such, there could be significant performance differences over short time periods in volatile markets. Due to the long-term nature of the asset class, the performance of a Private Equity portfolio can be more appropriately judged over a longer timeframe. As the table below indicates, the Private Equity portfolio has produced excellent absolute and relative returns over the extended time periods. The 10-year return exceeded the benchmark by 310 basis points. These excess returns are net of fees and expenses.

Private Equity Performance



Private Equity Statistical Performance

Portfolio Characteristics	Fiscal Year	3-Year	5-Year	10-Year
Annualized Private Equity Return	8.6%	4.3%	16.4%	15.2%
Annualized Policy Benchmark Return*	16.1%	17.9%	14.6%	12.1%
Excess Return	-7.5%	-13.6%	1.8%	3.1%

* Effective October 1, 2019 the Private Equity Policy Benchmark is 75% Russell 3000 Index and 25% MSCI ACWI ex-USA net Index. The Russell 3000 Index is used for prior periods.



Private Equity Partnerships

As of June 30, 2025, the Systems were invested in 278 separate partnerships with 91 firms within the Private Equity asset class. In fiscal year 2025, the Systems committed to 12 new partnerships for \$378 million. Additionally, the Systems received total distributions from the private equity partnerships of approximately \$1.5 billion in fiscal year 2025.

Private Equity Partnerships				
Partnerships	Investment Strategy	Fair Value* As of June 30, 2025	% of Total Plan Fair Value	
Advent International GPE VII, VIII, IX, X, Xplor CV, Lat Am	Acquisition - Medium	\$ 92,365,974	0.1%	
Alchemy Special Opportunities Fund IV	Debt - Distressed	23,203,262	0.0%	
Baring Asia Private Equity Fund VI	Acquisition - Medium	11,459,295	0.0%	
Battery Ventures XII, XII Side, XIII, XIII Side, XIV, Select II	Venture Capital	50,537,806	0.1%	
BC European Capital IX	Acquisition - Large	12,235,867	0.0%	
Berkshire Fund X, XI	Special Situations - Diverse Strategies	21,163,896	0.0%	
Blackstone Capital Partners V, VI	Acquisition - Large	6,929,079	0.0%	
Bregal Sagemount IV	Special Situations - Diverse Strategies	14,712,196	0.0%	
Canaan Equity IX, X, XI, XII, XIII	Special Situations - Diverse Strategies	108,911,534	0.2%	
Carlyle Europe Partners III	Acquisition - Medium	157,772	0.0%	
Carlyle Partners V, VI	Acquisition - Large	9,434,300	0.0%	
Centerbridge Capital Partners II, III, IV, V	Special Situations - Diverse Strategies	59,179,776	0.1%	
Centerbridge Special Credit Partners II, III, III-Flex	Debt - Distressed	47,549,220	0.1%	
Charlesbank Fund IX, IX Overage Allocation Program, X	Acquisition - Medium	43,602,248	0.1%	
Chequers Capital XVII	Acquisition - Medium	6,360,363	0.0%	
Clayton, Dubilier & Rice Fund X	Acquisition - Medium	30,543,631	0.1%	
Clearlake Capital Partners V, VI, VII, VIII	Special Situations - Diverse Strategies	73,541,353	0.1%	
Clearlake Opportunities Partners II, III	Debt - Opportunistic	12,934,562	0.0%	
Coller International Partners VII, VIII	Secondary Fund	171,661,549	0.3%	
CVC Capital Partners VI, VII, VIII, IX, Pachelbel (A)	Acquisition - Large	116,828,179	0.2%	
CVC European Equity Partners IV, V	Acquisition - Large	688,056	0.0%	
DEFY Partners I, II	Venture Capital	32,708,964	0.1%	
EnCap Energy Capital Fund IX, X, XI, XII, VIII Co-Investors	Special Situations - Industry Specific	75,426,451	0.1%	
EnCap Flatrock Midstream III, IV	Special Situations - Industry Specific	13,057,432	0.0%	
Energy Spectrum Partners VIII	Acquisition - Medium	46,637,462	0.1%	
EQT VIII, IX, X	Acquisition - Medium	121,282,408	0.2%	
Exponent Private Equity Partners II	Acquisition - Medium	473,815	0.0%	
First Reserve Fund XII	Special Situations - Industry Specific	15,690	0.0%	
Five Elms VI	Special Situations - Industry Specific	3,557,707	0.0%	
Francisco Partners VII	Special Situations - Industry Specific	13,331,681	0.0%	
General Catalyst Group IX, X, XI, XII	Venture Capital	152,731,265	0.2%	
Genstar Capital Partners VIII, IX, X, XI	Acquisition - Medium	76,139,335	0.1%	
Glendon Opportunities Fund I, II	Debt - Distressed	14,706,559	0.0%	
Great Hill Equity Partners VII, VIII	Special Situations - Diverse Strategies	51,470,926	0.1%	
GTCR Fund XI, XII, XIII, XIV	Acquisition - Medium	88,222,883	0.1%	
H.I.G. Capital Partners VI, VII	Acquisition - Large	24,479,022	0.0%	
H.I.G. Growth Buyouts & Equity Fund III, Mid Mkt LBO IV	Acquisition - Large	48,704,100	0.1%	
Harvest Partners VIII, IX	Acquisition - Large	38,562,241	0.1%	
Hellman & Friedman Capital Partners Spock 1, VII, VIII, IX, X	Acquisition - Large	158,224,663	0.3%	
Hercules CV	Special Situations - Industry Specific	11,759,441	0.0%	
Hillhouse Fund IV, V	Acquisition - Large	115,780,269	0.2%	
Huron Fund V	Acquisition - Medium	13,359,332	0.0%	
Icon Partners III, IV, V	Acquisition - Large	6,989,701	0.0%	
Icon Software Partners	Special Situations - Diverse Strategies	7,334,420	0.0%	
Incline Elevate Fund II	Acquisition - Small	6,172,325	0.0%	
Incline Equity Partners V	Acquisition - Medium	6,503,493	0.0%	
Insight Partners XII Buyout Annex Fund	Acquisition - Medium	6,764,115	0.0%	
Insight Partners IX, X, XI, XII, XIII, XIII GBO	Special Situations - Diverse Strategies	185,113,897	0.3%	
Institutional Venture Partners XV, XVI, XVII, XVIII	Venture Capital	93,039,019	0.2%	
Kelso Investment Associates VIII	Acquisition - Medium	110,795	0.0%	
Kinderhook Capital VIII	Acquisition - Medium	1,726,956	0.0%	
KPS Special Situations VI	Special Situations - Industry Specific	3,549,642	0.0%	
KRG Capital Fund IV	Acquisition - Medium	1,030,492	0.0%	
Lexington Capital Partners VI, VII, VIII, IX	Secondary Fund	404,855,357	0.6%	
Lone Star Fund X	Debt - Distressed	66,597,181	0.1%	
Madison Dearborn VI, VII, VII Auxiliary SPV, VIII	Acquisition - Medium	108,474,571	0.2%	
Marlin Equity V, Heritage II, Europe Heritage II	Acquisition - Medium	61,472,352	0.1%	
Mayfair Equity Partners II, II Sidecar	Acquisition - Medium	40,062,523	0.1%	
Montagu IV	Acquisition - Medium	1,272,858	0.0%	

Private Equity Partnerships			
Partnerships	Investment Strategy	Fair Value* As of June 30, 2025	% of Total Plan Fair Value
Nautic Partners IX, X, XI	Acquisition - Medium	38,284,832	0.1%
New Enterprise Associates 13, 14, 15, 16, 17, 18, VGE 18, Sec Opp	Venture Capital	188,435,948	0.3%
New Horizon: Advantech Capital II, Redview Capital II	Special Situations - Diverse Strategies	6,250,559	0.0%
New Mountain Partners V, VI, VI	Acquisition - Medium	93,130,287	0.1%
Nordic Capital CV1 Alpha, VIII, IX, X, XI	Acquisition - Medium	103,316,796	0.2%
NorthEdge Capital SME Fund I	Acquisition - Medium	10,430,932	0.0%
Oak Investment Partners XIII	Venture Capital	69,955,603	0.1%
Oaktree Opportunities Fund IX, Xb	Debt - Distressed	32,975,027	0.0%
Odyssey Investment Partners Fund IV, V	Acquisition - Medium	10,165,559	0.0%
Onex Partners II, III, IV, V, ONCAP IV	Acquisition - Medium	61,007,680	0.1%
Pamlico Capital IV, V	Acquisition - Medium	52,545,670	0.1%
Pantheon Global Secondary Fund III, IV	Secondary Fund	2,280,273	0.0%
Pathway Capital Management	Fund-of-Funds	5,290,945,743	8.4%
Paul Capital Partners IX	Secondary Fund	1,286,882	0.0%
Permira Europe V, VI	Acquisition - Medium	80,916,826	0.1%
Permira VII, VIII	Acquisition - Large	34,723,264	0.1%
Platte River Equity V	Acquisition - Large	2,765,839	0.0%
Providence Equity Partners VI, Strategic Growth IV, V, VI	Special Situations - Industry Specific	78,193,135	0.1%
Quad-C Partners IX, X	Acquisition - Medium	55,480,898	0.1%
Quantum Energy Partners V, V-C, VI, VI-C, VII, VII-C, VIII, VIII-C	Special Situations - Industry Specific	49,164,232	0.1%
Ridgemont Equity Partners III, IV	Acquisition - Medium	56,102,157	0.1%
Riverside Micro-Cap Fund V, VI	Acquisition - Small	47,088,833	0.1%
Sentinel Capital Partners VI, VII	Acquisition - Small	21,444,796	0.0%
Sentinel Junior Capital I, II	Debt - Mezzanine	2,469,568	0.0%
Silver Lake Partners III, III SL SPV-2	Special Situations - Industry Specific	6,383,883	0.0%
Siris Partners IV	Acquisition - Medium	55,762,274	0.1%
Spark Capital VIII, Growth Fund V	Venture Capital	6,852,342	0.0%
Spectrum Equity Investors VI, VII, VIII, IX, X	Special Situations - Diverse Strategies	76,056,340	0.1%
Summit Partners Growth Equity Fund X, XI	Special Situations - Diverse Strategies	33,485,369	0.1%
Summit Partners Venture Capital Fund V-A	Special Situations - Diverse Strategies	16,260,032	0.0%
TA XI, XII, XIII, XIV, XV	Special Situations - Diverse Strategies	100,302,511	0.2%
TCV VII, VIII, IX, X, XI, XII	Venture Capital	166,472,567	0.3%
The Resolute Fund IV, V, VI, II Cont., III Cont., IV Cont.	Acquisition - Medium	130,372,342	0.2%
The Cinven Fund Seventh, Eight	Acquisition - Medium	58,251,499	0.1%
The Veritas Capital Fund VII, VIII, IX	Acquisition - Medium	117,924,335	0.2%
Thoma Bravo Discover Fund I, II, III, IV	Acquisition - Medium	70,543,073	0.1%
Thoma Bravo Fund XII, XIII, XIV, XV	Acquisition - Large	92,613,811	0.2%
Thoma Bravo Special Opportunities Fund II	Acquisition - Medium	22,655,866	0.1%
TPG Partners VI	Acquisition - Large	265,234	0.0%
Trident Capital Fund VII, IX	Acquisition - Medium	93,200,767	0.2%
Trive Capital V	Acquisition - Medium	4,666,253	0.0%
Vista Equity Partners Fund V, VI, VII, Foundation III, IV	Acquisition - Medium	152,524,731	0.2%
Wayzata Opportunities Fund III	Debt - Distressed	219,057	0.0%
Wind Point Partners CV1, VII	Acquisition - Medium	1,201,573	0.0%
Wynnchurch Capital Partners V, VI	Acquisition - Medium	18,268,232	0.0%
Stock distribution account	Public Stocks	1,602,253	0.0%
Cash and Equivalents	Cash and Equivalents	1,755,747	0.0%
Total		\$ 10,632,702,691	16.9%

* Fair values are reported by the Systems' Private Equity advisors. Fair values reflect the most current net asset values. In instances where the most current net asset values were not as of June 30, 2025, the net asset values utilized were cash flow adjusted through June 30, 2025.



Private Credit Program Summary

As of June 30, 2025, the Private Credit program had a fair value of approximately \$3.2 billion, representing 5.1% of total plan assets.

Investment Program Description

Investments in Private Credit are similar to Private Equity investments in that they are typically very long-term in nature, not publicly traded, relatively illiquid, and offer the potential for substantially higher returns (along with a commensurate level of risk). The Private Credit portfolio also differs from the Private Equity portfolio and is a separate and distinct composite within Private Risk Assets. The Private Credit asset class is comprised primarily of credit and credit-oriented investments that often provide a current yield, but also includes a wide range of investments and security types including various forms of equity exposure. Primary strategies are distressed debt, direct lending, bankruptcy restructurings, mezzanine debt, bank loans, and other credit-driven, income-focused and debt-oriented investment strategies. Investments can be made in the U.S. or foreign countries. In total, the allocation to non-U.S. Private Credit investments will not exceed 50% of the overall Private Credit target allocation. The risks associated with Private Credit will be viewed both in isolation and within the context of the entire fund.

In October 2019, the Board of Trustees approved the development and implementation of a Private Credit Direct Investment program. The Direct Investment program is expected to further advance the goals and objectives of the overall Private Credit program by obtaining additional exposure to underlying credit and credit-related investments. Investment exposure can be obtained either through primary issuance or through secondary market transactions. Exposure to direct private credit or credit-related investments may be obtained through co-investments made on a side-by-side basis with private credit funds, real estate funds, and credit-oriented and real estate-oriented fund managers where the Systems are an investor or by investing in debt-oriented securities associated with private equity portfolio companies where the original equity investment occurred through private equity funds that the Systems have an existing relationship with. The Direct Investments serve to increase exposure to the

Private Credit asset class with little or no additional fees and/or performance carry paid to the underlying private equity or private credit partnerships. The objective of the Direct Investment Program is to leverage existing, high-quality relationships with private credit, credit-oriented, real estate, and private equity managers in order to increase commitments to the asset class in a format that does not materially increase overall risk, while simultaneously helping to lower fees and performance carry.

Structure

As of June 30, 2025, Private Credit assets committed* for investment were \$7.1 billion. The fair value of funds that have been drawn down and actually invested as of June 30, 2025, was approximately \$3.2 billion, representing 5.1% of total assets. The Systems' private credit investment commitments that have not yet been funded were approximately \$2.2 billion as of June 30, 2025.

The objective for the Systems' allocation to Private Credit is to achieve returns that are higher than those attainable in the public markets with the added benefit of diversification. The long-term and illiquid nature of the Private Credit asset class dictates that capital must be invested at a measured pace. Pathway Capital Management has been retained by the Systems to provide private credit investment management services through three structures: a discretionary fund-of-funds relationship, an advisory relationship, and a direct investment program. Albourne America, LLC has also been retained to provide private credit advisory services.

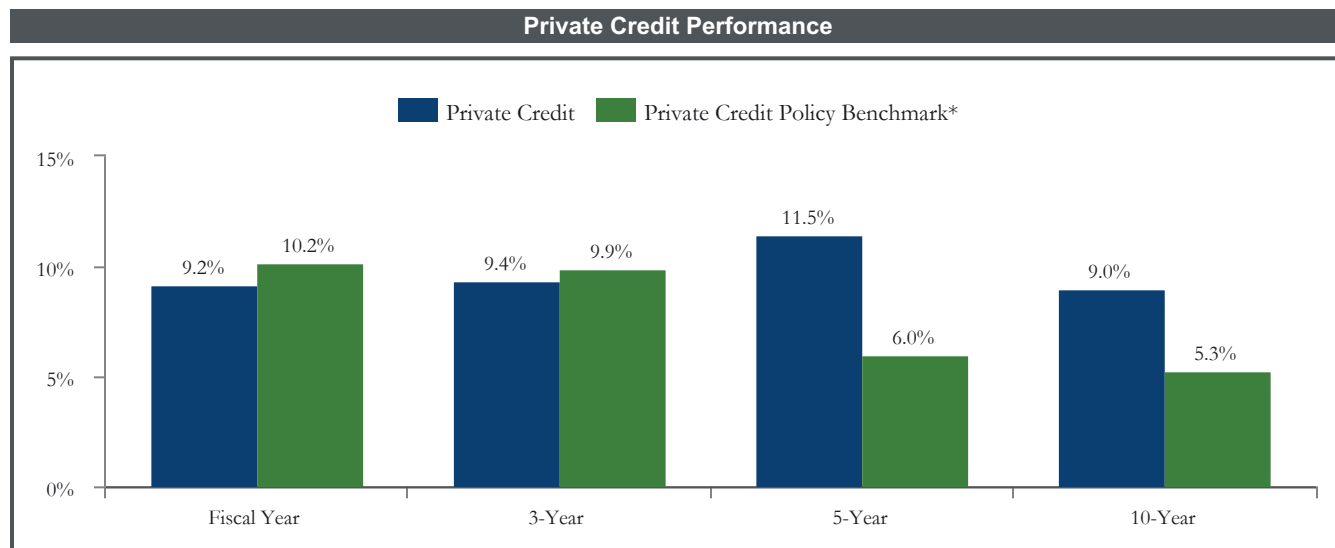
Market Overview

Private credit funds experienced strong fundraising during the year and significant growth in new opportunities due to an ongoing pullback from traditional lenders. Credit markets produced substantial gains again in fiscal year 2025, driven by steady investor demand, attractive yields relative to public debt, and low default rates. The high-yield market as measured by the private credit benchmark, ICE BofA U.S. High Yield Index, returned 10.2% for the year, closely matching the 10.5% gain recorded in fiscal year 2024.

* Committed capital reflects the total amount of capital that the Systems are legally obligated to supply to the partnerships and funds as the capital is needed to invest in underlying holdings. Fair value reflects capital that has actually been drawn and invested by the partnerships and funds.

Performance

The total return for the Private Credit program was 9.2% compared to the benchmark return of 10.2% for the fiscal year ended June 30, 2025. Short-term returns can be volatile for the Private Credit program in comparison to a public benchmark, as discussed previously; private assets are more appropriately evaluated over longer time frames. As the table below indicates, the Private Credit portfolio has produced consistent absolute returns and significant relative returns over time. The 10-year return exceeded the benchmark by 370 basis points. These excess returns are net of fees and expenses.



Private Credit Statistical Performance				
Portfolio Characteristics	Fiscal Year	3-Year	5-Year	10-Year
Annualized Private Credit Return	9.2%	9.4%	11.5%	9.0%
Annualized Policy Benchmark Return*	10.2%	9.9%	6.0%	5.3%
Excess Return	-1.0%	-0.5%	5.5%	3.7%

* The Private Credit Policy Benchmark is the ICE BofA U.S. High Yield Index.



Private Credit Partnerships

As of June 30, 2025, the Systems were invested in 48 separate partnerships with 24 firms within the Private Credit asset class. Six new commitments were made to the Private Credit asset class during fiscal year 2025 for \$598 million. The Systems received total distributions from the private credit partnerships of approximately \$985 million in fiscal year 2025.

Private Credit Partnerships				
Partnerships	Investment Strategy	Fair Value* As of June 30, 2025	% of Total Plan Fair Value	
Bayview Opportunity Domestic V, VI	Debt - Distressed	\$ 23,272,875	0.0%	
Benefit Street Partners Debt Fund IV, V	Debt - Lending	102,460,029	0.2%	
Blackstone Green Private Credit Fund III	Debt - Multi Strategy	22,779,545	0.0%	
Caltius IV	Debt - Mezzanine	536,865	0.0%	
Centerbridge Special Credit Partners IV	Debt - Multi Strategy	115,233,404	0.2%	
Clearlake Flagship Plus Partners	Special Situations - Industry Specific	41,637,996	0.1%	
Davidson Kempner Opportunities Fund VI	Debt - Distressed	72,977,577	0.1%	
EIG Energy Fund XVI	Debt - Energy	38,882,928	0.1%	
EnCap Fund VIII	Special Situations - Industry Specific	14,548,689	0.0%	
GSO Capital Solutions Fund III	Debt - Distressed	7,369,300	0.0%	
GSO Energy Select Opportunities Fund II	Debt - Distressed	5,176,226	0.0%	
GSO European Senior Debt Fund II	Debt - Distressed	41,983,093	0.1%	
H.I.G. Capital Bayside IV	Debt - Distressed	11,134,831	0.0%	
H.I.G. Capital Bayside V	Debt - Distressed	49,919,036	0.1%	
H.I.G. Capital Bayside VI	Debt - Distressed	50,104,703	0.1%	
H.I.G. Capital Bayside VII	Debt - Distressed	27,693,871	0.0%	
H.I.G. Capital Whitehorse	Debt - Distressed	7,094,799	0.0%	
H.I.G. Capital Whitehorse 2020	Debt - Lending	108,113,963	0.2%	
HPS Mezzanine Partners 2019	Debt - Mezzanine	59,161,840	0.1%	
HPS Specialty Loan Fund 2016	Debt - Mezzanine	14,764,831	0.0%	
HPS Specialty Loan Fund V	Debt - Mezzanine	85,371,871	0.1%	
HPS Specialty Loan Fund VI	Debt - Mezzanine	64,197,405	0.1%	
HPS Strategic Investment Partners V	Debt - Lending	71,730,336	0.1%	
Hayfin Direct Lending Fund III, IV	Debt - Lending	117,601,991	0.2%	
Hayfin Special Opportunities Fund III SCSp	Debt - Lending	40,526,601	0.1%	
HealthCare Royalty Partners IV	Debt - Lending	47,523,650	0.1%	
Lone Star Real Estate Fund II	Debt - Distressed	68,925	0.0%	
Oberland Capital Healthcare Fund II, III	Debt - Distressed	31,215,960	0.1%	
OCM Opportunities Fund VIII, VIIIb	Debt - Distressed	1,153,930	0.0%	
Pathway Capital Management	Fund-of-Funds	1,607,608,970	2.6%	
Private Credit Co-Investments	Co-Investments	14,773,811	0.0%	
Quantum Credit Opportunities	Special Situations - Industry Specific	13,455,634	0.0%	
Sentinel Junior Capital II	Debt - Mezzanine	13,635,769	0.0%	
Silver Point Distressed Opportunities II	Debt - Distressed	15,592,874	0.0%	
Sixth Street Growth Partners II	Debt - Multi Strategy	25,344,965	0.0%	
Sixth Street Opportunities Partners V	Debt - Multi Strategy	33,321,346	0.1%	
Summit Partners Credit Fund III	Debt - Lending	3,630,363	0.0%	
TA Subordinated Debt Fund V	Debt - Mezzanine	46,450,286	0.1%	
TA Subordinated Debt Fund III	Debt - Mezzanine	474,837	0.0%	
TA Subordinated Debt Fund IV	Debt - Mezzanine	28,772,130	0.1%	
TSSP Adjacent Opportunities Partners	Debt - Multi Strategy	66,101,422	0.1%	
TSSP Opportunities Partners IV	Debt - Multi Strategy	18,017,064	0.0%	
Cash and Equivalents	Cash and Equivalents	1,817,448	0.0%	
Total		\$ 3,163,233,989	5.1%	

* Fair values are reported by the Systems' Private Credit advisors. Fair values reflect the most current net asset values. In instances where the most current net asset values were not as of June 30, 2025, the net asset values utilized were cash flow adjusted through June 30, 2025.

Private Real Estate Program Summary

As of June 30, 2025, the Private Real Estate program had a fair value of approximately \$6.3 billion, representing 10.1% of total plan assets.

Investment Program Description

The Private Real Estate allocation is intended to provide exposure to a diversified portfolio of institutional-quality private real estate investments that will provide meaningful, consistent returns and act as a hedge against inflation and as a diversifier to the overall investment portfolio. The specific objectives of the real estate allocation will be to optimize yield and return, preserve capital, and enhance portfolio value across market cycles. The risks associated with Private Real Estate will be viewed both in isolation and within the context of the entire fund.

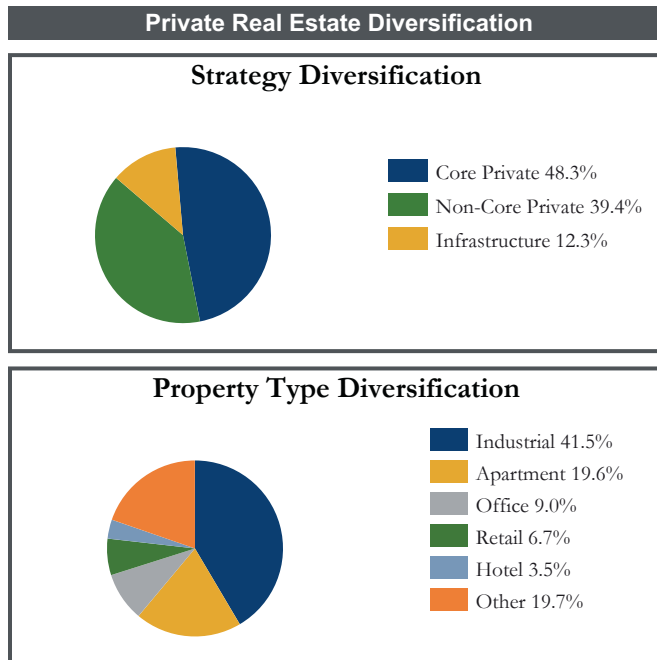
Structure

As of June 30, 2025, the Systems' Private Real Estate assets committed* for investment were \$9.1 billion. The fair value of funds that had been drawn down and actually invested as of June 30, 2025, was approximately \$6.3 billion, representing 10.1% of total assets. The Systems' private real estate investment commitments that had not yet been funded were approximately \$2.2 billion as of June 30, 2025.

Within the overall Real Estate allocation, the Systems have established a 45% target allocation to non-core real estate, a 45% allocation to core private real estate, and a 10% allocation to infrastructure. Non-core investments represent those properties and/or investment strategies that require specialized acquisition and management expertise or skill to mitigate the business and leasing risk that may be associated with individual investments. Non-core investments have greater associated risk compared to core investments. Core investments include existing, substantially leased income-producing properties located mainly in metropolitan areas that exhibit reasonable economic diversification and growth. Infrastructure investments include essential physical assets such as transportation, energy, utilities, and digital infrastructure.

* Committed capital reflects the total amount of capital that the Systems are legally obligated to supply to the partnerships and funds as the capital is needed to invest in underlying holdings. Fair value reflects capital that has actually been drawn and invested by the partnerships and funds.

The following pie charts indicate the diversification (utilizing the fair value of invested assets) of the Systems' Real Estate holdings as of June 30, 2025, from both the strategy and property type perspectives.



Market Overview

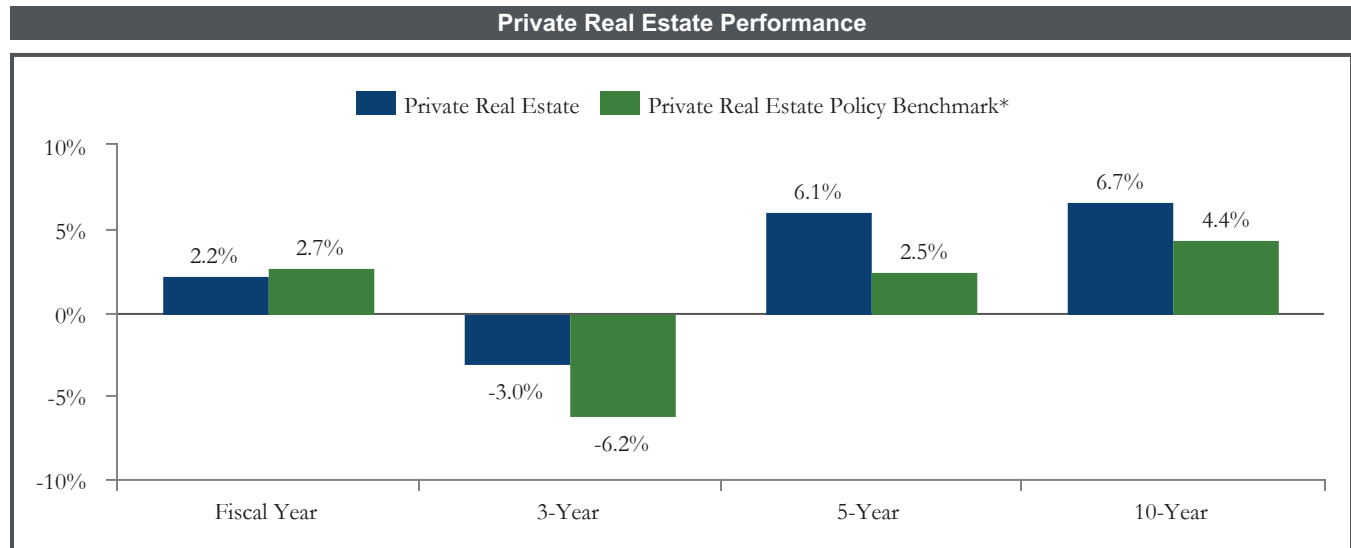
Over the past fiscal year, the private real estate market has shown signs of stabilization, rebounding modestly as the NCREIF Fund Index – Open Diversified Core Equity (NFI-ODCE) returned 2.7%. This is a notable improvement from the -10.0% return for fiscal year 2024, but headwinds remain as core returns were modest, capital-raising remained muted, and distributions were constrained. While some property sectors, like industrial and apartments, saw transaction volume growth, broader valuations remained flat to slightly negative, and many managers held assets rather than hunting exits amid the cautious market sentiment. The private infrastructure market saw steady investor demand supported by long-term themes such as energy transition, digital connectivity, and essential transport assets.

The Systems maintain a sizable allocation to high-quality, stabilized real estate assets (core) due to the secure income return. Additionally, the Systems have an allocation to non-core and infrastructure assets to enhance return to the overall real estate portfolio. The Systems will continue to focus real estate efforts on investments that complement the existing portfolio.



Performance

The total return for the Private Real Estate program was 2.2% compared to the benchmark return of 2.7% for the fiscal year ended June 30, 2025. Despite the modest return for the year, the Systems' Private Real Estate program has produced meaningful absolute returns and very strong relative returns over the 10-year time period as noted below. These excess returns are net of fees and expenses.



Private Real Estate Statistical Performance					
Portfolio Characteristics	Fiscal Year	3-Year	5-Year	10-Year	
Annualized Private Real Estate Return	2.2%	-3.0%	6.1%	6.7%	
Annualized Policy Benchmark Return*	2.7%	-6.2%	2.5%	4.4%	
Excess Return	-0.5%	3.2%	3.6%	2.3%	

* Effective January 1, 2016, the Real Estate Policy Benchmark is the NCREIF Open End Diversified Core Equity net Index (NFI-ODCE). The NCREIF Property Index is used for prior periods.

Private Real Estate Partnerships

As of June 30, 2025, the Systems were invested in 84 separate partnerships with 39 firms within the Private Real Estate asset class. In fiscal year 2025, the Systems committed to five new partnerships totaling \$505 million. The Systems received total distributions from the real estate partnerships of approximately \$403 million during the year.

Private Real Estate Partnerships				
Partnerships	Investment Strategy	Fair Value* As of June 30, 2025	% of Total Plan Fair Value	
AEW Core Property Fund	Core - Private	\$ 100,862,838	0.2%	
AEW Partners Real Estate Fund IX, X	Non-Core - Private	100,814,519	0.2%	
Almanac Realty Securities VIII, IX	Non-Core - Private	110,428,153	0.2%	
Alterna Core Capital Assets Fund II	Infrastructure	27,816,813	0.0%	
Alterra IOS Venture III	Non-Core - Private	35,351,822	0.1%	
Angelo Gordon Realty Value Fund X, XI	Non-Core - Private	94,564,261	0.2%	
Ares Industrial Real Estate Fund	Core - Private	278,185,590	0.4%	
Asana Partners Fund I, II, III	Non-Core - Private	199,960,662	0.3%	
Bain Capital Real Estate Fund II-A	Non-Core - Private	67,409,341	0.1%	
BlackRock Global Energy & Power Infrastructure III & IV D	Infrastructure	137,403,684	0.2%	
Blackstone BioMed Life Science Real Estate	Core - Private	77,028,226	0.1%	
Blackstone R.E. Partners V, VI, VII, VIII, IX, X	Non-Core - Private	234,374,852	0.4%	
Blackstone Real Estate Partners Europe VI & VII (Cayman)	Non-Core - Private	110,994,982	0.2%	
Blackstone Real Estate Partners Asia I, II, III	Non-Core - Private	139,575,280	0.2%	
Blue Owl Digital Infrastructure Fund II and III	Non-Core - Private	160,048,268	0.3%	
Carlyle Property Investors	Core - Private	387,473,528	0.6%	
Carlyle Realty VI, VII, VIII, IX, Europe III	Non-Core - Private	118,835,249	0.2%	
CIM Fund III, VIII	Non-Core - Private	26,706,963	0.0%	
Cortland Growth and Income	Core - Private	126,169,008	0.2%	
CPI Capital Partners Europe	Non-Core - Private	336,540	0.0%	
Dune Real Estate Fund I	Non-Core - Private	32,876	0.0%	
Exeter Industrial Value Fund IV, V, VI, Europe Logistics	Non-Core - Private	217,654,169	0.3%	
Fairfield U.S. Multifamily Value Add Fund IV	Non-Core - Private	16,928,526	0.0%	
Heitman Value Partners IV, V	Non-Core - Private	115,983,244	0.2%	
iCON Infrastructure Partners VI	Infrastructure	63,333,290	0.1%	
IFM Global Infrastructure (US) L.P. Class A Interests	Infrastructure	151,577,659	0.2%	
Jadian Real Estate Fund II	Non-Core - Private	12,832,701	0.0%	
JPMorgan Special Situation Property Fund	Non-Core - Private	124,808,145	0.2%	
JPMorgan Strategic Property Fund	Core - Private	201,916,255	0.3%	
KKR Diversified Core Infrastructure Fund	Infrastructure	112,546,619	0.2%	
KKR R.E. Fund I, II, III SCS& Sec. Disloc. Oppt. Co-Inv.	Non-Core - Private	111,995,935	0.2%	
LaSalle Property Fund	Core - Private	378,695,986	0.6%	
Lone Star Real Estate Fund V, VI	Non-Core - Private	158,199	0.0%	
Macquarie Infrastructure Partners IV, V, VI	Infrastructure	288,587,881	0.5%	
MetLife Core Property Fund	Core - Private	150,573,990	0.2%	
Morgan Stanley Prime Property Fund	Core - Private	425,409,659	0.7%	
Noble Hospitality III, IV-Income, IV-Value Added, V	Non-Core - Private	120,926,465	0.2%	
Principal Enhanced Property Fund	Core - Private	151,777,239	0.2%	
Prologis Targeted U.S. Logistics Holdings	Core - Private	464,082,690	0.7%	
Prudential PRISA Fund	Core - Private	186,408,356	0.3%	
Prudential PRISA III	Non-Core - Private	168,161,239	0.3%	
Standard Life European Real Estate Fund III	Non-Core - Private	890,444	0.0%	
Starwood Hospitality Fund	Non-Core - Private	2,214,092	0.0%	
TPG Real Estate Partners IV	Non-Core - Private	44,723,624	0.1%	
UBS Trumbull Property Fund	Core - Private	124,518,290	0.2%	
WCP NewCold III	Non-Core - Private	57,389,618	0.1%	
Westbrook R.E. Fund VII, VIII, IX, X, XI	Non-Core - Private	97,015,641	0.2%	
Cash and Equivalents	Cash and Equivalents	18,257,824	0.0%	
Total		\$ 6,343,741,235	10.1%	

* Fair values are reported by the Systems' Private Real Estate advisors. Fair values reflect the most current net asset values. In instances where the most current net asset values were not as of June 30, 2025, the net asset values utilized were cash flow adjusted through June 30, 2025.



U.S. Public Equity Broker Commissions Report

Brokerage Firm	Shares Traded	Dollars Traded	Commissions Paid	Cost Per Share
Goldman Sachs & Co.	54,741,125	\$ 3,170,820,941	\$ 273,682	\$ —
Morgan Stanley & Co.	52,754,628	3,033,387,588	260,506	—
Bank of America	39,096,423	1,847,136,141	234,621	0.01
National Financial Services Corp.	7,525,659	897,040,943	176,101	0.02
Pershing LLC	7,334,119	391,517,217	138,832	0.02
Piper Jaffray & Co.	17,034,517	1,177,137,098	115,371	0.01
JP Morgan Chase	27,450,185	1,084,682,473	106,535	—
Citigroup Global Markets, Inc.	20,978,849	1,072,999,973	105,006	0.01
Baypoint Trading, LLC	6,947,856	2,865,224,025	103,287	0.01
Jefferies & Co.	8,746,504	763,970,428	67,016	0.01
Other (<\$67,000)	124,433,952	6,358,848,161	721,105	0.01
Total	367,043,817	\$ 22,662,764,988	\$ 2,302,062	\$ 0.01

Non-U.S. Public Equity Broker Commissions Report

Brokerage Firm	Shares Traded	Dollars Traded	Commissions Paid	Cost (Basis Points)
JP Morgan Chase	166,799,032	\$ 727,306,175	\$ 220,759	3.0
Merrill Lynch	72,817,704	559,303,370	155,559	2.8
Instinet, LLC	166,437,516	600,106,879	151,554	2.5
Citigroup Global Markets, Inc.	88,149,786	328,035,401	146,392	4.5
Goldman Sachs & Co.	82,296,060	573,020,184	134,372	2.3
Jefferies & Co.	63,862,895	327,257,815	133,751	4.1
Morgan Stanley & Co.	112,234,423	591,399,672	133,420	2.3
UBS Securities, LLC	96,469,128	481,544,200	133,003	2.8
CLSA Ltd.	73,468,570	175,271,089	80,659	4.6
BNP Paribas Securities	27,547,655	297,039,455	67,137	2.3
Other (<\$65,000)	295,685,753	1,202,782,331	453,468	3.8
Total	1,245,768,522	\$ 5,863,066,571	\$ 1,810,074	3.1

Investment Summary as of June 30, 2025

	Percent of Total Fair Value				Percent of Market Exposure		
Asset Type	Fair Value	FY 2025	FY 2024	Market Exposure***	FY 2025	FY 2024	
Public Risk Assets							
U.S. Public Equity	\$ 16,804,051,525	26.7%	26.7%	\$ 16,804,051,525	26.7%	26.7%	
Non-U.S. Public Equity	11,264,035,148	17.9%	17.7%	11,264,035,148	17.9%	17.7%	
Public Credit	5,062	0.0%	0.0%	5,062	0.0%	0.0%	
Hedged Assets	5,319,765,825	8.5%	8.0%	5,319,765,825	8.5%	8.0%	
Total Public Risk Assets	33,387,857,560	53.1%	52.4%	33,387,857,560	53.1%	52.4%	
Safe Assets							
U.S. Treasuries	7,442,051,140	11.8%	11.9%	7,442,051,140	11.8%	11.9%	
U.S. TIPS	609,216,727	1.0%	0.6%	609,216,727	1.0%	0.6%	
Cash & Cash Equivalents	838,340,718	1.3%	2.6%	838,340,718	1.3%	2.6%	
Total Safe Assets	8,889,608,585	14.1%	15.1%	8,889,608,585	14.1%	15.1%	
Private Risk Assets							
Private Real Estate	6,343,741,235	10.1%	9.6%	6,343,741,235	10.1%	9.6%	
Private Equity	10,632,702,691	16.9%	17.4%	10,632,702,691	16.9%	17.4%	
Private Credit	3,163,233,989	5.1%	5.4%	3,163,233,989	5.1%	5.4%	
Total Private Risk Assets	20,139,677,915	32.1%	32.4%	20,139,677,915	32.1%	32.4%	
Cash & Equivalents*	418,932,490	0.7%	0.1%	418,932,490	0.7%	0.1%	
Total Investments**	\$ 62,836,076,550	100.0%	100.0%	\$ 62,836,076,550	100.0%	100.0%	
Reconciliation with Financial Statements							
Total from above	\$ 62,836,076,550						
Accrued payable for investments purchased	2,246,599,969						
Obligation under reverse repurchase agreements	3,124,304,824						
Accrued income payable	1,382,223						
Accrued receivable for investments sold	(2,036,299,944)						
Accrued income receivable	(142,510,498)						
Short-term investments designated for benefits	(702,426,225)						
Statements of Fiduciary Net Position	\$ 65,327,126,899						

* Managers may hold cash or cash equivalents as part of an active management strategy. Cash or cash equivalents held as part of an active management strategy are not separately listed.

** Total Investments includes accrued income as of June 30, 2025.

***The Systems have the ability to utilize total plan leverage, however, no total plan leverage was utilized during fiscal year 2025 or fiscal year 2024.



Investment Expenses for the Fiscal Year Ended June 30, 2025

Investment Managers	
Investment Management Fees	
NISA Investment Advisors - Core	\$ 5,489,812
NISA Investment Advisors - TIPS	300,016
Safe Assets Fees	5,789,828
Allspring Global Investments, LLC	661,231
AQR Capital Management	2,497,906
BlackRock Investment Management	313,701
Coatue Long Only Partners	14,144,625
Eagle Capital Management	2,225,395
GQG Partners, LLC	1,867,768
Grantham, Mayo, Van Otterloo & Co.	560,938
Jacobs Levy Equity Management, Inc.	1,226,225
Martingale Asset Management	1,454,448
NISA Investment Advisors	36,733
Russell Investments	197,202
Westwood Management	1,564,926
Zevenbergen Capital	1,145,360
U.S. Public Equity Large-Cap Fees	27,896,458
ABS Investment Management	1,449,314
Acadian Asset Management	7,523,655
Alliance Bernstein L.P.	796,727
Allspring Global Investments, LLC	421,238
AQR Capital Management	2,209,061
Arrowstreet Capital	21,804,851
BlackRock Investment Management	552,383
Coronation Asset Management (Proprietary) Limited	1,033,904
GQG Partners, LLC	2,170,432
Invesco Advisers, Inc.	833,362
MFS Institutional Advisors	5,570,508
The Rock Creek Group	311,683
Walter Scott & Partners Limited	2,594,988
Non-U.S. Public Equity Fees	47,272,106
Algert Global, LLC	131,300
AQR Capital Management	1,681,155
BlackRock Investment Management	138,513
Fuller & Thaler Asset Management, Inc.	99,671
Greenhouse Funds	2,770,295
Martingale Asset Management	922,579
RK Capital Management	139,236
Systematic Financial Management	1,396,043
U.S. Public Equity Small-Cap Fees	7,278,792
Alpha Overlay Fees	47,369,947
Hedged Assets Fees	126,451,845
Private Real Estate Fees	65,500,271
Private Credit Fees	45,781,433
Private Equity Fees	305,067,936
Commission Recapture Income	(28,698)
Investment Management Expense	678,379,918
Custodial Services	
JP Morgan Chase, NA	1,574,140
Institutional Shareholder Services, Inc.	104,500
Custodial Fees	1,678,640
Investment Consultants	
Albourne America, LLC	879,800
Glass Lewis	80,098
Pathway Consulting	4,277,573
Russell Investments Capital, LLC	477,906
RVK, Inc.	20,000
Townsend	350,000
Investment Consultant Fees	6,085,377
Legal Expenses	1,127,753
Staff Investment Expenses	12,893,390
Total Investment Expenses	\$ 700,165,078



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Innovate

*“Innovation is seeing what everybody has seen
and thinking what nobody has thought.”*

— Dr. Albert Szent-Györgyi

Actuarial Section

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Certification of Actuarial Results



November 12, 2025

Board of Trustees
Public School Retirement System of Missouri
Public Education Employee Retirement System of Missouri
3210 West Truman Boulevard
Jefferson City, MO 65109

Re: Certification of Actuarial Results as of June 30, 2025

Dear Members of the Board:

At your request, we have performed actuarial valuations of the Public School Retirement System (“PSRS”) and the Public Education Employee Retirement System (“PEERS”) of Missouri (collectively, “PSRS and PEERS of Missouri”, or the “Systems”) as of June 30, 2025. An actuarial valuation of each system is performed annually for purposes of preparing the required accounting information under Governmental Accounting Standards and for purposes of determining the Actuarially Determined Contribution under the Board’s funding policy. Our June 30, 2025 actuarial valuation reports have been prepared pursuant to an engagement letter between PSRS and PEERS of Missouri and PwC US Tax LLP (together with its other U.S.-based affiliated entities is referred to herein as “PwC US”), dated April 25, 2024, and are intended solely for the use and benefits of PSRS and PEERS of Missouri and not for reliance by any other person.

The actuarial valuations are based upon:

- a. *Benefit Provisions* – Our understanding of the benefit provisions in effect on the valuation date under Missouri Revised Statutes Chapter 169. House Bill 296 and Senate Bill 68 were passed during 2025 to extend the waiver on limitations for members working after retirement in substitute teaching positions (if certain criteria are met) through June 30, 2030. These working after retirement provisions are not expected to impact the Actuarial Accrued Liability since the waiver on working after retirement limitations is only provided for a temporary period and therefore is not assumed to impact long-term retirement patterns.
- b. *Data Relative to the Members of the Systems* – Data for all members of each System as of June 30, 2025, was provided by PSRS and PEERS of Missouri staff. PwC US relied on the data provided. PwC US reviewed the data for reasonableness relative to the prior year data, but the data was not audited.
- c. *Assets of the Fund* – The values of the trust fund assets as of June 30, 2025, for each System were also provided by PSRS and PEERS of Missouri staff. An actuarial value of assets, with investment gains and losses relative to the assumed return recognized over five years, is used in the development of the Actuarially Determined Contribution Rates.
- d. *Actuarial Cost Method* – The actuarial cost method utilized for accounting purposes is the Entry Age Normal, Level Percent method, as required by GASB Statement No. 67. The Board has elected in its funding policy to use the same cost method in the determination of the Actuarially Determined Contribution Rates. The objective of this method is to allocate the cost of benefits as a level percentage of pay over the entire career of each member. On a funding basis, any Unfunded Actuarial Accrued Liability (“UAAL”) is separately financed as a level percentage of payroll over a fixed 30-year period, where a new 30-year amortization base is established for the gain or loss that occurred during the year prior to the valuation date. Increases in the

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Certification of Actuarial Results, continued

Actuarial Accrued Liability caused by changes in the benefit provisions are amortized over a fixed 20-year period. As noted above, the passage of House Bill 296 and Senate Bill 68 did not impact the valuation of the Actuarial Accrued Liability for PSRS or PEERS.

- e. *Actuarial Assumptions* – The actuarial assumptions used for the June 30, 2025 valuations were based on an experience study that was completed for each System in May 2021. All economic and demographic assumptions were reviewed, and certain assumptions were updated for the June 30, 2021 valuations, where appropriate, based on the results of the 2021 experience study. The retirement rates assumption was updated for the June 30, 2023 PSRS valuation due to the passage of Senate Bill 75 (HCS/SS/SB 75), which amended the PSRS benefit formula multiplier from 2.50% to 2.55% for members who retire with 32 or more years of service. Otherwise, the assumptions remain consistent with the June 30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024 valuations that have been completed since the 2021 experience study. The next experience study is scheduled to be completed prior to the 2026 valuation.

For accounting purposes, the actuarial assumptions and methods used in this valuation were selected and approved by the Board and are in accordance with our understanding of GASB Statement No. 67.

For funding purposes, the actuarial assumptions and methods were selected and approved by the Board and are consistent with the funding policy adopted by the Board and summarized below. In general, the methods provide orderly funding of all benefits being accrued, as well as funding of the Unfunded Actuarial Accrued Liability over a period of 30 years. The five-year smoothing method elected by the Board in determining the Actuarial Value of Assets may accelerate or lengthen the effective funding period, depending on whether investment gains or losses are experienced.

In our opinion, the actuarial assumptions and methods are reasonable for purposes of the actuarial valuations and meet the parameters set by the Actuarial Standards of Practice.

To establish long-term, consistent methods for pre-funding the benefits of each System, the Board of Trustees has adopted a funding policy. The objective is to achieve a funded ratio of 100% over a closed 30-year period. For this purpose, the funded ratio is defined as the Actuarial Value of Assets divided by the Actuarial Accrued Liability determined under the Entry Age Normal Level Percent cost method and the actuarial assumptions adopted by the Board.

The Board has identified the following principles to guide its funding policy:

1. Maintain adequate assets so that current plan assets plus future contributions and investment earnings should be sufficient to fund all benefits expected to be paid to members and their beneficiaries.
2. Maintain stability of contribution rates, consistent with other funding objectives.
3. Maintain public policy goals of accountability and transparency. Each policy element is clear in intent and effect, and each should allow an assessment of whether, how, and when the funding requirements of the plan will be met.
4. Promote intergenerational equity. Each generation of members and employers should incur the cost of benefits for the employees who provide services to them, rather than deferring those costs to future members and employers.
5. Provide a reasonable margin for adverse experience to help offset risks.
6. Review the investment earnings assumption in conjunction with the periodic asset/liability study and in consideration of the Board's risk profile.
7. Review demographic and economic assumptions in conjunction with the periodic experience study performed by an actuary.
8. Continue progress of systematic reduction of the Unfunded Actuarial Accrued Liabilities ("UAAL") while keeping the member and employer contribution rates at or near 14.5% of pay for PSRS and 6.86% of pay for PEERS, the contribution rates first paid during 2011-2012.

The Actuarially Determined Contribution Rates developed from the June 30, 2025 valuations reflect these principles.

We provided the following information that was used by PSRS and PEERS of Missouri staff to prepare the required schedules and other data in the Actuarial Section:



- Schedules of Funding Progress
- Required Contribution Rates and Amortizations of Unfunded Liability
- Reconciliation of Unfunded Actuarial Accrued Liability
- Solvency Tests
- Schedules of Active Member Valuation Data
- Schedules of Retirees and Beneficiaries Added to and Removed from Retirement Rolls

We also provided the information that was used by PSRS and PEERS of Missouri staff to prepare the following schedules and other data in the Financial Section:

- Sensitivity of the Net Pension Liabilities to Changes in the Discount Rate
- Schedules of Changes in the Employers' Net Pension Liability
- Schedules of Employers' Net Pension Liability
- Schedules of Employer Contributions

In preparing the results presented herein, we have used and evaluated actuarial models in accordance with Actuarial Standards of Practice ("ASOP") No. 56. PwC US uses the ProVal valuation system developed by Winklevoss Technologies, LLC in performing valuations of pension and postretirement benefit plans. We have utilized the ProVal software to prepare the valuation results presented herein. ProVal is used to value participant data through projecting retirement benefits and applying plan specific assumptions, methods, and plan provisions under applicable accounting and funding standards. PwC US is not aware of any material limitations or known weaknesses in the ProVal software.

A range of results, different from those presented in this report could be considered reasonable. Future actuarial measurements may differ significantly from the current measurement presented in this report due to a number of factors including but not limited to: plan experience differing from that anticipated by the economic and demographic assumptions; increases or decreases expected as part of the natural operation of the methods used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); rounding conventions; and changes in plan provisions or applicable law. Due to the limited scope of this report, an analysis of the potential range of such future measurements has not been performed.

To the best of our knowledge, our actuarial reports are complete and accurate and have been prepared in accordance with generally accepted actuarial principles and practices and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. Our calculations also reflect our understanding of the requirements of Missouri state law. The undersigned actuaries are members of the Society of Actuaries and other professional organizations, including the American Academy of Actuaries, and meet the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States relating to pension plans. There is no relationship between the PwC US practitioners involved in this engagement and PSRS and PEERS of Missouri that may impair our objectivity.

We certify that the information presented herein, and in our June 30, 2025 actuarial valuation reports, is accurate and fairly portrays the actuarial position of the Plans administered by PSRS and PEERS of Missouri as of June 30, 2025, based on the underlying census data, asset information, and selected assumptions and methods.

Sincerely,

Cindy Fraterrigo, FSA, EA, MAAA
Principal, PwC US Tax LLP

Gina Uhrich, FSA, EA, MAAA
Director, PwC US Consulting LLP

Rebecca Stanton (Brenza), ASA, MAAA
Senior Manager, PwC US Consulting LLP

Schedule of Funding Progress

Public School Retirement System of Missouri

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
6/30/16	\$ 35,419,278	\$ 41,744,619 ²	\$ 6,325,341	84.8%	\$ 4,556,137	138.8%
6/30/17	37,373,740	44,501,771 ²	7,128,031	84.0%	4,655,169	153.1%
6/30/18	39,211,452	46,702,002 ²	7,490,550	84.0%	4,759,665	157.4%
6/30/19	40,498,479	47,973,829 ¹	7,475,350	84.4%	4,844,249	154.3%
6/30/20	41,705,059	49,641,020 ¹	7,935,961	84.0%	4,919,286	161.3%
6/30/21	45,033,548	52,834,297 ²	7,800,749	85.2%	5,039,838	154.8%
6/30/22	47,185,300	55,405,260 ¹	8,219,960	85.2%	5,140,286	159.9%
6/30/23	49,122,410	57,193,631 ³	8,071,221	85.9%	5,327,050	151.5%
6/30/24	51,430,822	58,971,485 ¹	7,540,663	87.2%	5,518,377	136.6%
6/30/25	54,466,041	61,144,573 ¹	6,678,532	89.1%	5,694,896	117.3%

¹ There were no significant legislative changes in fiscal years 2019, 2020, 2022, 2024 and 2025 impacting the valuation.

² There were no significant legislative changes in fiscal years 2016, 2017, 2018 and 2021, however actuarial assumptions were revised.

³ The reinstatement of the 2.55% provision for 32 or more years of service is included in the AAL for 2023.

Schedule of Funding Progress

Public Education Employee Retirement System of Missouri

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
6/30/16	\$ 4,157,427	\$ 4,809,666 ²	\$ 652,239	86.4%	\$ 1,519,081	42.9%
6/30/17	4,470,270	5,209,369 ²	739,099	85.8%	1,558,183	47.4%
6/30/18	4,774,781	5,542,478 ²	767,697	86.1%	1,636,008	46.9%
6/30/19	5,019,868	5,809,485 ¹	789,617	86.4%	1,665,654	47.4%
6/30/20	5,257,847	6,089,401 ¹	831,554	86.3%	1,732,243	48.0%
6/30/21	5,756,526	6,560,854 ²	804,328	87.7%	1,758,535	45.7%
6/30/22	6,113,154	6,998,708 ¹	885,554	87.3%	1,864,704	47.5%
6/30/23	6,459,684	7,401,637 ¹	941,953	87.3%	2,037,531	46.2%
6/30/24	6,881,439	7,810,188 ¹	928,749	88.1%	2,247,554	41.3%
6/30/25	7,414,008	8,250,244 ¹	836,236	89.9%	2,399,221	34.9%

¹ There were no significant legislative changes in fiscal years 2019, 2020, 2022, 2023, 2024 and 2025 impacting the valuation.

² There were no significant legislative changes in fiscal years 2016, 2017, 2018 and 2021, however actuarial assumptions were revised.



Required Contribution Rate & Amortization of Unfunded Liability

Public School Retirement System of Missouri

For the fiscal year ended June 30, 2025

	Percentage of Payroll
Normal cost rate	16.78 %
Rate needed to fund the UAAL	10.35 %
Benchmark contribution rate - normal cost plus a rate to fund the UAAL over 15.8 years	27.13%
Additional amount towards funding the UAAL	1.87%
Recommended rate for Fiscal Year 2027	29.00 %

Required Contribution Rate & Amortization of Unfunded Liability

Public Education Employee Retirement System of Missouri

For the fiscal year ended June 30, 2025

	Percentage of Payroll
Normal cost rate	10.06%
Rate needed to fund the UAAL	2.87%
Benchmark contribution rate - normal cost plus a rate to fund the UAAL over 17.1 years	12.93%
Additional amount towards funding the UAAL	0.79%
Recommended rate for Fiscal Year 2027	13.72%

Reconciliation of Unfunded Actuarial Accrued Liability

Public School Retirement System of Missouri

As of June 30, 2025 (Dollar amounts in thousands)

(1)	Unfunded actuarial liability as of July 1, 2024	\$	7,540,663
(2)	Changes in Unfunded Actuarial Accrued Liability		
a.	Impact of Plan Changes		—
b.	Actuarial (Gains)/Losses		
i.	From investment	(1,327,519)	
ii.	From actuarial liabilities due to assumption changes	—	
iii.	From actuarial liabilities due to actual vs. expected COLA	199,825	
iv.	From actuarial liabilities due to actual vs. expected salary changes	269,704	
v.	From actuarial liabilities due to other demographic experience	112,122	
vi.	Total Unfunded Actuarial Accrued Liability (Gain)/Loss		(745,868)
c.	Total New Amortization Bases: (2)(a) + (2)(b)(vi)		(745,868)
d.	Net Change in Existing Bases Due to Prior Year Contributions, Net of Interest		(116,264)
e.	Total changes in Unfunded Actuarial Accrued Liability		(862,132)
(3)	Unfunded Actuarial Accrued Liability as of June 30, 2025	\$	6,678,531

Reconciliation of Unfunded Actuarial Accrued Liability

Public Education Employee Retirement System of Missouri

As of June 30, 2025 (Dollar amounts in thousands)

(1)	Unfunded actuarial liability as of July 1, 2024	\$	928,749
(2)	Changes in Unfunded Actuarial Accrued Liability		
a.	Impact of Plan Changes		—
b.	Actuarial (Gains)/Losses		
i.	From investment	(189,695)	
ii.	From actuarial liabilities due to assumption changes	—	
iii.	From actuarial liabilities due to actual vs. expected COLA	21,809	
iv.	From actuarial liabilities due to actual vs. expected salary changes	58,050	
v.	From actuarial liabilities due to other demographic experience	26,778	
vi.	Total Unfunded Actuarial Accrued Liability (Gain)/Loss		(83,058)
c.	Total New Amortization Bases: (2)(a) + (2)(b)(vi)		(83,058)
d.	Net Change in Existing Bases Due to Prior Year Contributions, Net of Interest		(9,454)
e.	Total changes in Unfunded Actuarial Accrued Liability		(92,512)
(3)	Unfunded Actuarial Accrued Liability as of June 30, 2025	\$	836,237



Schedule of Active Member Valuation Data

Public School Retirement System of Missouri

Actuarial Valuation Date	Number of Employers	Number of Members	Covered Annual Payroll (000's)	Average Annual Salary	% Increase in Average Salary	Average Attained Age	Average Years of Service
6/30/16	534	78,129	\$ 4,556,137	\$ 59,005	0.7%	42.0	11.6
6/30/17	534	78,274	4,655,169	60,643	2.8%	42.0	11.7
6/30/18	533	78,700	4,759,665	61,634	1.6%	42.1	11.8
6/30/19	533	78,863	4,844,249	62,764	1.8%	42.2	12.0
6/30/20	533	78,848	4,919,286	63,688	1.5%	42.3	12.2
6/30/21	533	78,944	5,039,838	65,639	3.1%	42.3	12.3
6/30/22	533	78,973	5,140,286	67,225	2.4%	42.4	12.4
6/30/23	534	78,437	5,327,050	69,995	4.1%	42.5	12.4
6/30/24	534	78,001	5,518,377	72,936	4.2%	42.6	12.5
6/30/25	534	77,823	5,694,896	75,590	3.6%	42.8	12.6

Schedule of Active Member Valuation Data

Public Education Employee Retirement System of Missouri

Actuarial Valuation Date	Number of Employers	Number of Members	Covered Annual Payroll (000's)	Average Annual Salary	% Increase in Average Salary	Average Attained Age	Average Years of Service
6/30/16	530	47,851	\$ 1,519,081	\$ 32,887	2.1%	48.3	8.6
6/30/17	530	47,953	1,558,183	33,643	2.3%	48.3	8.5
6/30/18	530	48,549	1,636,008	34,361	2.1%	48.2	8.4
6/30/19	530	49,345	1,665,654	35,111	2.2%	48.1	8.3
6/30/20	530	50,179	1,732,243	35,800	2.0%	48.0	8.2
6/30/21	530	49,572	1,758,535	37,257	4.1%	47.9	8.2
6/30/22	530	50,179	1,864,704	39,112	5.0%	47.5	7.9
6/30/23	531	51,787	2,037,531	41,326	5.7%	47.2	7.6
6/30/24	531	53,572	2,247,554	44,048	6.6%	46.8	7.3
6/30/25	531	54,895	2,399,221	45,876	4.2%	46.6	7.2

Solvency Test
Public School Retirement System of Missouri
(Dollar amounts in thousands)
Actuarial Accrued Liability for:

Actuarial Valuation Date	Member Contributions (1)	Current Retirees & Beneficiaries (2)	Active & Inactive Members Employer Financed Portion (3)	Actuarial Value of Assets	Percentage of Actuarial Liabilities Covered by Actuarial Value of Assets for:		
					(1)	(2)	(3)
6/30/16	\$ 6,994,370	\$ 25,895,012	\$ 8,855,237	\$ 35,419,278	100.0%	100.0%	28.6%
6/30/17	7,267,682	27,544,082	9,690,007	37,373,740	100.0%	100.0%	26.4%
6/30/18	7,593,869	28,811,151	10,296,982	39,211,452	100.0%	100.0%	27.3%
6/30/19	7,928,036	29,429,993	10,615,800	40,498,479	100.0%	100.0%	29.6%
6/30/20	8,268,226	30,515,563	10,857,231	41,705,059	100.0%	100.0%	26.9%
6/30/21	8,502,510	32,740,719	11,591,068	45,033,548	100.0%	100.0%	32.7%
6/30/22	8,674,301	34,541,914	12,189,045	47,185,300	100.0%	100.0%	32.6%
6/30/23	8,993,273	35,759,519	12,440,839	49,122,410	100.0%	100.0%	35.1%
6/30/24	9,485,870	36,785,307	12,700,308	51,430,822	100.0%	100.0%	40.6%
6/30/25	9,981,302	37,936,138	13,227,133	54,466,041	100.0%	100.0%	49.5%

Solvency Test
Public Education Employee Retirement System of Missouri
(Dollar amounts in thousands)
Actuarial Accrued Liability for:

Actuarial Valuation Date	Member Contributions (1)	Current Retirees & Beneficiaries (2)	Active & Inactive Members Employer Financed Portion (3)	Actuarial Value of Assets	Percentage of Actuarial Liabilities Covered by Actuarial Value of Assets for:		
					(1)	(2)	(3)
6/30/16	\$ 926,274	\$ 2,205,328	\$ 1,678,064	\$ 4,157,427	100.0%	100.0%	61.1%
6/30/17	962,156	2,453,877	1,793,336	4,470,270	100.0%	100.0%	58.8%
6/30/18	1,004,383	2,678,124	1,859,971	4,774,781	100.0%	100.0%	58.7%
6/30/19	1,050,907	2,861,160	1,897,418	5,019,868	100.0%	100.0%	58.4%
6/30/20	1,097,457	3,071,099	1,920,845	5,257,847	100.0%	100.0%	56.7%
6/30/21	1,122,129	3,430,561	2,008,164	5,756,526	100.0%	100.0%	59.9%
6/30/22	1,147,612	3,755,741	2,095,355	6,113,154	100.0%	100.0%	57.7%
6/30/23	1,204,718	4,005,833	2,191,086	6,459,684	100.0%	100.0%	57.0%
6/30/24	1,301,326	4,201,230	2,307,632	6,881,439	100.0%	100.0%	59.8%
6/30/25	1,404,260	4,440,507	2,405,477	7,414,008	100.0%	100.0%	65.2%



PSRS Schedule of Retirees and Beneficiaries Added to and Removed from Retirement Rolls

	Added to Rolls		Removed from Rolls		Rolls End of Year		% Increase		
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances	Average Annual Allowances	in Annual Allowance	in Average Annual Allowance
2024-2025									
Service Retirees	2,755	\$ 124,756,083	1,484	\$ 69,921,282	66,080	\$ 3,266,989,153	\$ 49,440	3.67 %	1.68 %
Disability Retirees	22	674,780	42	1,258,118	997	32,995,383	33,095	(0.35)	1.85
Beneficiaries	469	20,045,741	333	11,714,945	5,538	213,237,409	38,504	5.67	2.81
<i>Note: Other adjustments to 2 disability retirees and 14 beneficiaries occurred during the current year.</i>									
2023-2024									
Service Retirees	2,826	\$ 124,486,777	1,279	\$ 57,332,016	64,809	\$ 3,151,291,544	\$ 48,624	4.16 %	1.67 %
Disability Retirees	24	728,935	26	724,433	1,019	33,111,820	32,494	1.54	2.24
Beneficiaries	458	18,738,782	289	9,576,511	5,388	201,795,941	37,453	6.16	2.83
<i>Note: Other adjustments to 5 disability retirees occurred during the 2023-2024 fiscal year.</i>									
2022-2023									
Service Retirees	2,977	\$ 130,518,580	1,319	\$ 56,975,835	63,262	\$ 3,025,472,608	\$ 47,824	7.40 %	4.58 %
Disability Retirees	32	975,193	35	990,121	1,026	32,609,569	31,783	4.22	4.83
Beneficiaries	447	17,006,956	265	8,634,721	5,219	190,086,982	36,422	8.08	4.37
<i>Note: Other adjustments to 3 disability retirees and 3 beneficiaries occurred during the 2022-2023 fiscal year.</i>									
2021-2022									
Service Retirees	2,731	\$ 112,503,098	1,249	\$ 50,727,803	61,604	\$ 2,817,136,851	\$ 45,730	7.18 %	4.60 %
Disability Retirees	26	830,363	32	857,886	1,032	31,289,041	30,319	3.85	4.96
Beneficiaries	431	16,682,043	308	9,278,481	5,040	175,874,217	34,896	8.11	5.43
<i>Note: Other adjustments to 5 disability retirees and 2 beneficiaries occurred during the 2021-2022 fiscal year.</i>									
2020-2021									
Service Retirees	2,587	\$ 102,668,779	1,320	\$ 51,809,696	60,122	\$ 2,628,405,650	\$ 43,718	3.94 %	1.75 %
Disability Retirees	44	1,224,478	31	539,059	1,043	30,129,625	28,887	3.03	1.94
Beneficiaries	430	16,073,547	273	8,114,216	4,915	162,677,085	33,098	7.86	3.32
<i>Note: Other adjustments to 2 disability retirees and 50 beneficiaries occurred during the 2020-2021 fiscal year.</i>									
2019-2020									
Service Retirees	2,472	\$ 101,028,068	1,120	\$ 41,405,854	58,855	\$ 2,528,800,920	\$ 42,967	2.39 %	0.04 %
Disability Retirees	56	1,554,789	43	795,175	1,032	29,243,125	28,336	1.46	0.28
Beneficiaries	370	12,637,095	238	7,157,255	4,708	150,820,748	32,035	4.24	0.74
<i>Note: Other adjustments to 1 service retiree, 1 disability retiree, and 26 beneficiaries occurred during the 2019-2020 fiscal year.</i>									
2018-2019									
Service Retirees	2,502	\$ 98,082,129	935	\$ 36,759,920	57,502	\$ 2,469,681,559	\$ 42,949	4.55 %	1.69 %
Disability Retirees	44	1,297,197	22	559,767	1,020	28,822,119	28,257	5.17	2.18
Beneficiaries	359	13,443,600	183	5,334,802	4,550	144,685,986	31,799	7.46	3.30
<i>Note: Other adjustments to 5 service retirees and 7 disability retirees occurred during the 2018-2019 fiscal year.</i>									
2017-2018									
Service Retirees	2,406	\$ 90,851,701	1,105	\$ 41,389,599	55,930	\$ 2,362,271,747	\$ 42,236	3.78 %	1.36 %
Disability Retirees	50	1,448,148	38	952,179	991	27,406,384	27,655	3.09	2.05
Beneficiaries	405	13,902,271	202	5,519,407	4,374	134,644,480	30,783	7.72	2.50
<i>Note: Other adjustments to 2 disability retirees and 9 beneficiaries occurred during the 2017-2018 fiscal year.</i>									
2016-2017									
Service Retirees	2,601	\$ 97,816,017	1,042	\$ 36,450,990	54,629	\$ 2,276,325,975	\$ 41,669	2.73 %	(0.21)%
Disability Retirees	56	1,525,607	30	585,716	981	26,584,277	27,099	2.83	0.31
Beneficiaries	345	12,304,287	203	5,520,642	4,162	124,990,237	30,031	6.00	1.72
<i>Note: Other adjustments to 1 service retiree, 2 disability retirees and 26 beneficiaries occurred during the 2016-2017 fiscal year.</i>									
2015-2016									
Service Retirees	2,603	\$ 94,495,423	883	\$ 30,442,764	53,069	\$ 2,215,921,481	\$ 41,755	5.03 %	1.62 %
Disability Retirees	83	2,292,574	23	524,458	957	25,852,085	27,014	9.35	1.92
Beneficiaries	311	9,947,411	190	4,077,020	3,994	117,916,972	29,524	6.53	3.60
<i>Note: Other adjustments to 4 service retirees, 5 disability retirees and 11 beneficiaries occurred during the 2015-2016 fiscal year.</i>									

PEERS Schedule of Retirees and Beneficiaries Added to and Removed from Retirement Rolls

	Added to Rolls		Removed from Rolls		Rolls End of Year		% Increase		
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances	Average Annual Allowances	in Annual Allowance	in Average Annual Allowance
2024-2025									
Service Retirees	2,196	\$ 29,997,677	1,017	\$ 9,097,629	36,639	\$ 411,009,865	\$ 11,218	5.79 %	2.38 %
Disability Retirees	15	127,535	34	180,477	717	4,969,498	6,931	0.66	3.32
Beneficiaries	249	1,991,481	121	843,118	2,924	22,454,645	7,679	7.23	2.30
<i>Note: Other adjustments to 1 service retiree and 6 beneficiaries occurred during the current year.</i>									
2023-2024									
Service Retirees	2,158	\$ 28,387,796	982	\$ 8,244,923	35,459	\$ 388,518,572	\$ 10,957	5.84 %	2.33 %
Disability Retirees	11	114,862	40	256,286	736	4,936,747	6,708	(1.25)	2.92
Beneficiaries	236	1,812,035	145	1,004,733	2,790	20,941,465	7,506	5.31	1.50
<i>Note: Other adjustments to 2 service retirees, 2 disability retirees, and 10 beneficiaries occurred during 2023-2024 fiscal year.</i>									
2022-2023									
Service Retirees	2,428	\$ 31,209,929	1,038	\$ 8,188,087	34,281	\$ 367,068,390	\$ 10,708	9.54 %	5.10 %
Disability Retirees	23	191,120	31	190,221	767	4,999,360	6,518	4.30	5.52
Beneficiaries	277	2,324,726	125	829,990	2,689	19,884,893	7,395	12.58	5.96
<i>Note: Other adjustments to 1 disability retiree and 6 beneficiaries occurred during the 2022-2023 fiscal year.</i>									
2021-2022									
Service Retirees	2,492	\$ 31,119,074	1,064	\$ 8,071,339	32,891	\$ 335,105,022	\$ 10,188	10.27 %	5.48 %
Disability Retirees	10	54,098	42	266,546	776	4,793,204	6,177	(0.40)	3.83
Beneficiaries	276	1,975,900	151	1,038,394	2,531	17,662,965	6,979	9.80	4.07
<i>Note: Other adjustments to 1 disability retiree and 7 beneficiaries occurred during the 2021-2022 fiscal year.</i>									
2020-2021									
Service Retirees	2,326	\$ 26,665,088	1,029	\$ 6,928,991	31,463	\$ 303,890,231	\$ 9,659	7.20 %	2.79 %
Disability Retirees	19	180,395	41	149,600	809	4,812,612	5,949	0.60	3.34
Beneficiaries	257	1,900,419	138	851,511	2,399	16,086,917	6,706	11.05	3.46
<i>Note: Other adjustments to 45 beneficiaries occurred during the 2020-2021 fiscal year.</i>									
2019-2020									
Service Retirees	2,132	\$ 24,672,435	914	\$ 6,646,821	30,166	\$ 283,475,672	\$ 9,397	5.34 %	1.09 %
Disability Retirees	32	206,913	32	140,024	831	4,783,679	5,757	0.80	0.93
Beneficiaries	248	1,873,479	106	614,372	2,235	14,486,379	6,482	9.74	1.69
<i>Note: Other adjustments to 1 service retiree, 1 disability retiree, and 22 beneficiaries occurred during the 2019-2020 fiscal year.</i>									
2018-2019									
Service Retirees	2,104	\$ 25,207,998	732	\$ 5,118,903	28,947	\$ 269,094,108	\$ 9,296	8.20 %	3.07 %
Disability Retirees	45	337,905	25	148,841	832	4,745,905	5,704	5.82	3.41
Beneficiaries	179	1,332,732	94	440,834	2,071	13,200,310	6,374	9.18	3.96
<i>Note: Other adjustments to 1 disability retiree and 14 beneficiaries occurred during the 2018-2019 fiscal year.</i>									
2017-2018									
Service Retirees	2,025	\$ 23,443,109	788	\$ 5,183,020	27,575	\$ 248,707,170	\$ 9,019	7.93 %	3.07 %
Disability Retirees	36	219,230	27	179,121	813	4,484,799	5,516	2.19	1.06
Beneficiaries	206	1,426,667	92	482,533	1,972	12,090,177	6,131	10.00	3.92
<i>Note: Other adjustments to 3 service retirees and 5 beneficiaries occurred during the 2017-2018 fiscal year.</i>									
2016-2017									
Service Retirees	2,023	\$ 23,078,805	752	\$ 4,631,306	26,335	\$ 230,438,067	\$ 8,750	7.36 %	2.16 %
Disability Retirees	46	313,598	23	109,268	804	4,388,588	5,458	4.54	1.68
Beneficiaries	207	1,335,560	88	451,434	1,863	10,991,043	5,900	8.14	1.01
<i>Note: Other adjustments to 3 service retirees, 1 disability retiree and 4 beneficiaries occurred during the 2016-2017 year.</i>									
2015-2016									
Service Retirees	1,903	\$ 20,486,168	746	\$ 4,299,969	25,061	\$ 214,643,511	\$ 8,565	8.59 %	3.57 %
Disability Retirees	53	333,484	31	149,572	782	4,198,147	5,368	5.38	3.35
Beneficiaries	192	1,254,525	90	413,164	1,740	10,163,757	5,841	11.60	4.60
<i>Note: Other adjustments to 4 service retirees, 7 disability retirees and 7 beneficiaries occurred during the 2015-2016 fiscal year.</i>									



PSRS Summary Plan Description

The Public School Retirement System of Missouri (PSRS) became operative July 1, 1946. It was established by an Act of the Missouri Legislature and is governed by Chapter 169 of the Revised Statutes of Missouri. Its purpose is to provide benefits to members and their dependents at retirement or in the event of death or disability prior to retirement.

PSRS is a defined benefit plan funded on an actuarial reserve basis, which establishes the availability of funds to pay benefits as prescribed by law. The System is established as an independent trust fund and is not subject to direction by any state agency. Administrative expenses are paid entirely out of investment earnings.

Administration – The administration of PSRS is vested in a seven-member Board of Trustees, composed of three elected PSRS members, one elected Public Education Employee Retirement System of Missouri (PEERS) member, and three appointed trustees. The four elected trustees are selected by vote of the members and retirees of both Systems. Two are elected each even-numbered calendar year to serve four-year terms. The three appointed trustees, one of whom must be a PSRS or a PEERS retiree, are named by the governor to serve four-year terms. The appointed trustees must be residents of school districts included in the System but may not be employees of such districts nor state employees nor state elected officials.

The Board appoints an executive director who is responsible for employment of the retirement office staff, routine operation of the System, and acts as an advisor to the Board on all matters pertaining to the System.

Member Participation – PSRS membership is automatic for certificated, full-time employees of public school districts in Missouri (except the St. Louis city and the Kansas City school districts), public two-year colleges in Missouri, PSRS/PEERS, and certain statewide non-profit educational associations that have previously elected to join. Non-profit educational associations are no longer allowed to join the System. Certificated, part-time employees whose services would qualify them for membership in PEERS are contributing members of PSRS unless PEERS membership is elected. The vast majority of PSRS members are not covered by Social Security. However, there are a few exceptions due to specific guidance from the Social Security

Administration. Those members who are also covered by Social Security contribute to PSRS at two-thirds the rate of other members and receive two-thirds benefits.

Members working in covered employment are considered active members. Such members contribute 14.5% of total retirement salary to PSRS. The contributions are deducted and remitted by the employer and are credited by PSRS to individual member accounts. Since July 1, 1989, member contributions have been tax-deferred for federal and state income tax purposes under IRC 414(h)(2). Contributions are not considered income for such purposes until they are paid as a lump-sum refund or monthly benefits.

Interest at a rate set each year by the Board of Trustees is credited to individual member accounts each June 30 on the previous June 30 balance. The interest rate, set annually by the Board, was 4.0% on June 30, 2025. Because PSRS is a defined benefit plan, benefits are based upon the member's final average salary and years of service. The amount of interest credited to a member's account has no bearing on the monthly benefit amount payable at retirement.

In addition to service earned for covered employment, members may purchase service in various categories including several types of leave, out-of-state school service, other public and private employment, active U.S. military duty, and service under the federal Uniformed Services Employment and Re-Employment Rights Act of 1994 (USERRA).

Members who have contributions on deposit with PSRS but are not working in covered employment are considered inactive members.

Employer Participation – The employers served by PSRS withhold members' contributions from salary payments and contribute an amount equal to those contributions at a current rate of 14.5% of payroll. Employer contributions and investment earnings on those funds are placed by PSRS in a general reserve account to pay monthly benefits to retirees and to beneficiaries of deceased members. Employers are responsible for remitting contributions promptly and for furnishing contribution information and new membership information to PSRS. Employers also provide needed data when members apply for monthly benefits or for refunds upon termination of employment.



ACTUARIAL SECTION

Survivor Benefits – The designated beneficiary of a member who dies before retirement is eligible for a lump-sum refund of the member's contributions and interest. If the beneficiary is an eligible dependent and the member dies while in covered employment with at least two years of service, or while eligible for disability retirement benefits, monthly survivor benefits based on a percentage of the member's salary for the last full year of covered service can be elected instead of a lump-sum refund. Monthly survivor benefits may also be payable to qualified dependents of an inactive member who has at least five years of service.

In lieu of a lump-sum refund or monthly survivor benefits, survivors with an insurable interest and beneficiaries of disability retirees may elect to receive monthly benefits under the Joint-and-Survivor 100% benefit plan. Such benefits are payable when the member would have been eligible for early or normal service retirement.

Refund of Contributions – Member contributions and interest are fully refundable upon termination of covered employment or death. All service and benefit rights are forfeited upon voluntary refund or automatic termination of membership.

A member may, upon returning to covered employment, reinstate the service forfeited through termination of a previous membership by repaying the money refunded plus interest.

Membership Termination – Membership is terminated by death, retirement, refund of contributions, or absence from covered employment by a non-vested member for five consecutive school years.

Disability Retirement Benefits – Disability retirement benefits are payable to eligible members who have met service and eligibility requirements and who, because of permanent disability, are unable to earn a livelihood in any occupation. In most instances, the disability retirement benefit is calculated at 50% of the member's salary for the last full year of service.

Service Retirement Benefits – Service retirement benefits are payable to members who have terminated covered employment and have met certain eligibility requirements.

Benefit Formula – All service retirement benefits are based on a formula that multiplies final average salary by the applicable benefit factor, by the years of service and, in the case of early retirement, by an age-reduction

factor. Final average salary is obtained by dividing the total salaries for the three highest consecutive years of service by 36 months to arrive at a monthly average; the applicable factor is determined by the type of retirement eligibility; total service is the amount accumulated at retirement for covered employment and purchased service; and the age-reduction factor, when applicable, is determined by the age at retirement.

Normal Retirement – A member may retire with benefits calculated under the standard (2.5%) benefit factor at age 60 with five years of service; at any age with 30 years of service; or when a combination of age and service equals 80 or more (Rule of 80). Effective August 28, 2023, members with 32 years or more of service may retire under a 2.55% benefit factor.

Early Retirement – A member may retire with benefits calculated under the standard (2.5%) benefit factor with an age-reduction factor applied, at age 55 with five years of service or at any age with 25 years of service, as long as they do not qualify for Rule of 80.

A special provision allows members under age 55 with 25.0 to 29.9 years of service to retire with benefits calculated under a modified benefit factor ranging from 2.2% to 2.4% with no age-reduction factor applied.

Payment Options – A retiring member may choose to receive the maximum benefits payable under the Single Life benefit plan, or may elect to receive a reduced benefit under one of three Joint-and-Survivor benefit plans or under one of two Term-Certain benefit plans, to provide survivor benefit coverage in varying degrees after the retiree's death.

Certain benefit minimums apply to normal or early retirement with 15 or more years of service. The minimums for 15 but fewer than 25 years of service are reduced if a Joint-and-Survivor or a Term-Certain benefit plan is elected and/or if an age-reduction factor is applicable because of early retirement. The minimums for 25 or more years of service are reduced only if a Joint-and-Survivor or a Term-Certain benefit plan is selected.

The Partial Lump Sum Option (PLSO) is available to qualified members. This option allows qualified members to choose to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time, lump-sum payment at retirement.



Cost-of-Living Adjustments – Cost-of-living adjustments (COLAs) are provided beginning the second January after retirement to service and disability retirees, and to Joint-and-Survivor and Term-Certain beneficiaries of deceased retirees. Lifetime COLAs are limited to 80% of the original retirement benefit.

The Department of Labor Consumer Price Index for Urban Consumers (CPI-U) for the previous fiscal year is used as a guideline for the annual COLA, which is set by the Board. By law, if the change in CPI-U is 2% or more, the COLA must be at least 2%, but no more than 5%. If the change in CPI-U is between 0% and 2%, the Board may grant a COLA of 0% to 5%. If the change in CPI-U is less than 0%, no increase can be given. If it is 5% or more, the Board is required to give a 5% increase. Under the funding policies adopted by the Board, the following applies:

- If the June to June change in the CPI-U is less than 2% for consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.
- If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.
- If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.

Member Handbook – A *Member Handbook* containing detailed information concerning the retirement program is available on our website or can be obtained from the retirement office upon request.

PEERS Summary Plan Description

The Public Education Employee Retirement System of Missouri (PEERS) was established by an Act of the Missouri Legislature to begin operations on November 1, 1965, and is governed by Chapter 169 of the Revised Statutes of Missouri. Its purpose is to provide benefits to members and their dependents at retirement or in the event of death or disability prior to retirement.

PEERS is a defined benefit plan funded on an actuarial reserve basis, which establishes the availability of funds to pay benefits as prescribed by law. The System is established as an independent trust fund and is not subject to direction by any state agency. Administrative expenses are paid entirely out of investment earnings.

Administration – The law provides that the responsibility for the operation and administration of the retirement system is vested in the Public School Retirement System of Missouri (PSRS) Board of Trustees sitting as the Board of Trustees for PEERS. The Board is comprised of three elected PSRS members, one elected PEERS member, and three appointed trustees. The four elected trustees are selected by vote of the members and retirees of both Systems. Two are elected each even-numbered calendar year to serve four-year terms. The three appointed trustees, one of whom must be a PSRS or a PEERS retiree, are named by the governor to serve four-year terms. The appointed trustees must be residents of school districts included in the System but may not be employees of such districts nor state employees nor state elected officials.

The Board appoints an executive director who is responsible for employment of the retirement office staff, routine operation of the System, and acts as an advisor to the Board on all matters pertaining to the System.

Member Participation – PEERS membership is automatic, regardless of position, for all persons not covered by PSRS who are employed for 20 or more hours a week on a regular basis in a position that normally requires at least 600 hours during the school term by the public school districts in Missouri (except the St. Louis city and the Kansas City school districts), public two-year colleges in Missouri (except St. Louis Community College), PSRS/PEERS, and statewide non-profit educational associations that have elected to join.



ACTUARIAL SECTION

Members working in covered employment are considered active members. Such members contribute 6.86% of their total retirement salary to PEERS. The contributions are deducted by the employer and are credited by PEERS to individual member accounts. PEERS members are also covered by Social Security.

PEERS membership can be elected by employees with Missouri educator certificates who work in any position for 17 or more hours weekly but less than full time; however, PSRS membership is automatic if a PEERS election is not made. The election to join PEERS must be filed with the Board within 90 days after entering first-time, part-time employment.

Since July 1, 1989, member contributions have been tax-deferred for federal and state income tax purposes under IRC 414(h)(2). Contributions are not considered as income for federal or state income tax purposes until they are paid in a lump-sum refund or in monthly benefits.

Individual accounts are maintained for all PEERS members. Interest is credited each June 30 on the previous June 30 balance. The interest rate, set annually by the Board, was 4.0% on June 30, 2025. Because PEERS is a defined benefit plan, benefits are based upon the member's final average salary and years of service. The amount of interest credited to a member's account has no bearing on the monthly benefit amount payable at retirement.

In addition to service earned for covered employment, members may purchase service in various categories including several types of leave, out-of-state school service, other public and private employment, active U.S. military duty, and service under the federal Uniformed Services Employment and Re-employment Rights Act of 1994 (USERRA).

Members who have contributions on deposit with PEERS but are not currently working in covered employment are considered inactive members.

Employer Participation – The employers served by PEERS withhold members' contributions from salary payments and contribute an amount equal to employee contributions at a current rate of 6.86% of payroll. Employer contributions and investment earnings on those funds are placed in a general reserve account to pay monthly benefits to retirees and to beneficiaries of deceased members. It is the responsibility of the employers to remit contributions promptly and

for furnishing contribution information and new membership information to PEERS. Employers also provide needed data when members apply for benefits or refund of contributions upon termination of employment.

Survivor Benefits – When a member dies before retirement, the designated beneficiary becomes eligible for a lump-sum refund of the employee's contributions and interest. In lieu of a lump-sum refund, survivors with an insurable interest and beneficiaries of disability retirees may elect to receive monthly benefits under the Joint-and-Survivor 100% benefit plan. Such benefits are payable when the member would have been eligible for early or normal service retirement.

Refund of Contributions – Member contributions and interest are fully refundable upon termination of covered employment or death. All service and benefit rights are forfeited upon voluntary refund or automatic termination of membership.

A member may, upon returning to covered employment, reinstate the service forfeited through termination of a previous membership by repaying the money refunded plus interest.

Membership Termination – Membership is terminated by death, retirement, refund of contributions, or absence from covered employment by a non-vested member for five consecutive school years.

Disability Retirement Benefits – Disability retirement benefits are payable to members who have met service and eligibility requirements and who, because of permanent disability, are unable to earn a livelihood in any occupation. The disability retirement benefit is calculated at 90% of the normal service retirement benefit.

Service Retirement Benefits – Service retirement benefits are payable to members who have terminated covered employment and who have met certain eligibility requirements.

Benefit Formula – All service retirement benefits are based on a formula that multiplies final average salary by the applicable benefit factor, by the years of service and, in the case of early retirement, by an age-reduction factor. Final average salary is obtained by dividing the total salaries for the three highest consecutive years of service by 36 months to arrive at a monthly average; the applicable factor is determined by the type of retirement eligibility; total service is the amount accumulated at



retirement for covered employment and purchased service; and the age-reduction factor, when applicable, is determined by the age at retirement.

Because of the conversion of the System from a formula integrated with Social Security to the present basis, a special “frozen benefit” is in effect for certain members for service prior to July 1, 1973.

Normal Retirement – A member may retire with benefits calculated under the standard (1.61%) benefit factor at age 60 with five years of service; at any age with at least 30 years of service; or when a combination of age and service equals 80 or more (Rule of 80). A member may retire under the standard (1.61%) benefit factor when the member qualifies for Rule of 80 or 30-and-Out and will receive an additional 0.8% multiplier until reaching minimum eligibility age for Social Security benefits (currently age 62).

Early Retirement – A member may retire with benefits calculated under the standard (1.61%) benefit factor with an age-reduction factor applied at age 55 with five years of service, or at any age with 25 years of service, as long as they do not qualify for Rule of 80.

A special provision allows members under age 55 with 25.0 to 29.9 years of service to retire with benefits calculated under a modified benefit factor ranging from 1.51% to 1.59% with no age-reduction factor applied.

Payment Options – A retiring member may choose to receive the maximum benefits payable under the Single Life benefit plan, or may choose to receive a reduced benefit under one of three Joint-and-Survivor benefit plans or under one of two Term-Certain benefit plans, to provide survivor benefit coverage in varying degrees after the retiree’s death.

Another option, the Accelerated Payment Plan (APP), allows members to receive a higher PEERS benefit prior to minimum Social Security eligibility age (currently age 62). When the minimum Social Security eligibility age is attained, the member’s PEERS benefit is reduced and remains at a reduced level for the remainder of their retirement.

The Partial Lump Sum Option (PLSO) is available to qualified members. This option allows qualified members to choose to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time, lump-sum payment at retirement.

Cost-of-Living Adjustments – Cost-of-living adjustments (COLAs) are provided starting the fourth January after retirement to service and disability retirees, and to Joint-and-Survivor and Term-Certain beneficiaries of deceased retirees. Lifetime COLAs are limited to 80% of the original retirement benefit.

The Department of Labor Consumer Price Index for Urban Consumers (CPI-U) for the previous fiscal year is used as a guideline for the annual COLA, which is set by the Board of Trustees. By law, if the change in CPI-U is 2% or more, the COLA must be at least 2%, but no more than 5%. If the change in CPI-U is between 0% and 2%, the Board may grant a COLA of 0% to 5%. If the change in CPI-U is less than 0%, no increase can be given. If it is 5% or more, the Board is required to give a 5% increase. Under the funding policies adopted by the Board, the following applies:

- If the June to June change in the CPI-U is less than 2% for consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.
- If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.
- If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.

Member Handbook – A *Member Handbook* containing detailed information concerning the retirement program is available on our website or can be obtained from the retirement office upon request.

PSRS and PEERS Summary of Actuarial Assumptions and Methods

The Board is responsible for the adoption of the Systems' Funding Policies and assumptions. A summary of the current Funding Policies is included in the Certification of Actuarial Results.

The actuarial assumptions and methods utilized for funding and financial reporting purposes differ slightly. The primary difference between the two methods is the fact that financial reporting requires the recognition of investment gains at market with no smoothing.

Inflation

Inflation is assumed to be 2.00% per annum. (effective 6/30/21)

Payroll Growth

Total payroll growth for PSRS is assumed to be 2.25% per annum, consisting of 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pension earnings, and 0.125% of real wage growth due to productivity. (effective 6/30/21)

Total payroll growth for PEERS is assumed to be 2.50% per annum, consisting of 2.00% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pension earnings, and 0.25% of real wage growth due to productivity. (effective 6/30/21)

Individual Salary Growth

PSRS

Individual salaries are assumed to increase each year with inflation of 2.00%, real wage growth generated by the cost of active health care of 0.125% (because health care costs are included in pension earnings), real wage growth due to productivity of 0.125%, and additional real salary growth for merit, promotion, and seniority. (effective 6/30/21)

PSRS – Salary Growth					
Years of Service	Inflation	Health Care Cost	Productivity	Merit, Promotion, Seniority	Total Individual Salary Growth
0	2.00%	0.125%	0.125%	6.625%	8.875%
1	2.00%	0.125%	0.125%	3.325%	5.575%
2	2.00%	0.125%	0.125%	2.775%	5.025%
3	2.00%	0.125%	0.125%	2.666%	4.916%
4	2.00%	0.125%	0.125%	2.557%	4.807%
5	2.00%	0.125%	0.125%	2.447%	4.697%
6	2.00%	0.125%	0.125%	2.338%	4.588%
7	2.00%	0.125%	0.125%	2.229%	4.479%
8	2.00%	0.125%	0.125%	2.120%	4.370%
9	2.00%	0.125%	0.125%	2.010%	4.260%
10	2.00%	0.125%	0.125%	1.901%	4.151%
11	2.00%	0.125%	0.125%	1.792%	4.042%
12	2.00%	0.125%	0.125%	1.683%	3.933%
13	2.00%	0.125%	0.125%	1.573%	3.823%
14	2.00%	0.125%	0.125%	1.464%	3.714%
15	2.00%	0.125%	0.125%	1.355%	3.605%
16	2.00%	0.125%	0.125%	1.285%	3.535%
17	2.00%	0.125%	0.125%	1.215%	3.465%
18	2.00%	0.125%	0.125%	1.145%	3.395%
19	2.00%	0.125%	0.125%	1.075%	3.325%
20	2.00%	0.125%	0.125%	1.005%	3.255%
21	2.00%	0.125%	0.125%	0.935%	3.185%
22	2.00%	0.125%	0.125%	0.865%	3.115%
23	2.00%	0.125%	0.125%	0.795%	3.045%
24	2.00%	0.125%	0.125%	0.725%	2.975%
25	2.00%	0.125%	0.125%	0.655%	2.905%
26	2.00%	0.125%	0.125%	0.585%	2.835%
27	2.00%	0.125%	0.125%	0.515%	2.765%
28	2.00%	0.125%	0.125%	0.445%	2.695%
29	2.00%	0.125%	0.125%	0.375%	2.625%
30+	2.00%	0.125%	0.125%	0.375%	2.625%



PEERS

Individual salaries are assumed to increase each year with inflation of 2.00%, real wage growth generated by the cost of active health care of 0.25% (because health care costs are included in pension earnings), real wage growth due to productivity of 0.25%, and additional real salary growth for merit, promotion, and seniority. (effective 6/30/21)

PEERS – Salary Growth					
Years of Service	Inflation	Health Care Cost	Productivity	Merit, Promotion, Seniority	Total Individual Salary Growth
0	2.00%	0.25%	0.25%	7.25%	9.75%
1	2.00%	0.25%	0.25%	3.25%	5.75%
2	2.00%	0.25%	0.25%	2.75%	5.25%
3	2.00%	0.25%	0.25%	2.55%	5.05%
4	2.00%	0.25%	0.25%	2.35%	4.85%
5	2.00%	0.25%	0.25%	2.15%	4.65%
6	2.00%	0.25%	0.25%	2.00%	4.50%
7	2.00%	0.25%	0.25%	1.85%	4.35%
8	2.00%	0.25%	0.25%	1.75%	4.25%
9	2.00%	0.25%	0.25%	1.65%	4.15%
10	2.00%	0.25%	0.25%	1.55%	4.05%
11	2.00%	0.25%	0.25%	1.45%	3.95%
12	2.00%	0.25%	0.25%	1.35%	3.85%
13	2.00%	0.25%	0.25%	1.25%	3.75%
14	2.00%	0.25%	0.25%	1.20%	3.70%
15	2.00%	0.25%	0.25%	1.15%	3.65%
16	2.00%	0.25%	0.25%	1.10%	3.60%
17	2.00%	0.25%	0.25%	1.05%	3.55%
18	2.00%	0.25%	0.25%	1.00%	3.50%
19	2.00%	0.25%	0.25%	0.95%	3.45%
20	2.00%	0.25%	0.25%	0.90%	3.40%
21	2.00%	0.25%	0.25%	0.85%	3.35%
22	2.00%	0.25%	0.25%	0.80%	3.30%
23+	2.00%	0.25%	0.25%	0.75%	3.25%

Investment Return

It is assumed that investments of the Systems will return a yield of 7.30% per annum, net of system expenses (investment and administrative). (effective 6/30/21)

Cost-of-Living Adjustments

The Board's cost-of-living adjustment policy is as follows:

- If the June to June change in the CPI-U is less than 2.00% for consecutive one-year periods, a cost-of-living increase of 2.00% will be granted when the cumulative increase is equal to or greater than 2.00%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2.00% cost-of-living increase is granted.
- If the June to June change in the CPI-U is greater than or equal to 2.00%, but less than 5.00%, a cost-of-living increase of 2.00% will be granted.
- If the June to June change in the CPI-U is greater than or equal to 5.00%, a cost-of-living increase of 5.00% will be granted.

Assumed COLAs were 2.0% for January 1, 2023; January 1, 2024; and January 1, 2025; and then 1.35% for all years thereafter.

The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. Future COLAs for current benefit recipients reflect actual cumulative adjustments granted at the time of valuation. (effective 6/30/21)

Mortality Rates

Active Member Mortality

PSRS

Mortality rates for PSRS active members are based on the PubT-2010 (Teachers) amount-weighted base mortality tables for employees with generational projection using the MP-2020 improvement scale, multiplied by an experience-based adjustment factor of 1.10 at all ages for males and 1.04 at all ages for females. The Plan-specific experience adjustments are equivalent to the experience adjustment factors used for the retiree mortality rates. Illustrative rates per 1,000 members at various ages are as follows (effective 6/30/21):

PSRS Active Member Mortality		
Age	Male	Female
20	0.380	0.144
30	0.314	0.186
40	0.543	0.356
50	1.150	0.729
60	3.031	1.758
70	7.345	4.608

PEERS

Mortality rates for PEERS active members are based on the PubG-2010(B) (General Employees, Below-Median Income) amount-weighted base mortality tables for employees with generational projection using the MP-2020 improvement scale, multiplied by an experience-based adjustment factor of 1.13 at all ages for males and 0.94 at all ages for females. The Plan-specific experience adjustments are equivalent to the experience adjustment factors used for the retiree mortality rates. Illustrative rates per 1,000 members at various ages are as follows (effective 6/30/21):

PEERS Active Member Mortality		
Age	Male	Female
20	0.470	0.130
30	0.760	0.228
40	1.277	0.488
50	2.319	0.965
60	5.494	2.348
70	10.908	5.384

Service Retiree Mortality

PSRS

Mortality rates for PSRS non-disabled retirees, and for beneficiaries and survivors prior to the member's death, are based on the PubT-2010 (Teachers) amount-weighted base mortality tables for healthy retirees with generational projection using the MP-2020 improvement scale, multiplied by an experience-based adjustment factor of 1.10 at all ages for males and 1.04 at all ages for females. Illustrative rates per 1,000 members at various ages are as follows (effective 6/30/21):

PSRS Non-Disabled Retiree Mortality		
Age	Male	Female
40	0.543	0.356
50	1.150	0.729
60	4.098	3.134
70	11.085	7.316
80	39.441	27.929
90	139.533	101.816
100	346.404	285.220
110	543.543	491.628

PEERS

Mortality rates for PEERS non-disabled retirees, and for beneficiaries and survivors prior to the member's death, are based on the PubG-2010(B) (General Employees, Below-Median Income) amount-weighted base mortality tables for healthy retirees with generational projection using the MP-2020 improvement scale, multiplied by an experience-based adjustment factor of 1.13 at all ages for males and 0.94 at all ages for females. Illustrative rates per 1,000 members at various ages are as follows (effective 6/30/21):

PEERS Non-Disabled Retiree Mortality		
Age	Male	Female
40	1.277	0.488
50	7.670	3.790
60	12.769	5.259
70	22.199	10.211
80	62.227	32.768
90	175.692	110.953
100	355.852	257.795
110	558.367	444.356



Beneficiary and Survivor Mortality

PSRS

Mortality rates for PSRS beneficiaries and survivors after the member's death are based on the Pub-2010 amount-weighted base mortality table for contingent survivors with generational projection using the MP-2020 improvement scale, multiplied by an experience-based adjustment factor of 1.18 at all ages for males and 1.07 at all ages for females. Illustrative rates per 1,000 members at various ages are as follows (effective 6/30/21):

PSRS Beneficiary and Survivor Mortality		
Age	Male	Female
40	0.583	0.366
50	7.788	3.287
60	12.460	6.987
70	23.659	13.226
80	58.963	36.434
90	162.753	117.627
100	371.597	293.448
110	583.073	505.809

PEERS

Mortality rates for PEERS beneficiaries and survivors after the member's death are based on the Pub-2010(B) (Below-Median Income) amount-weighted base mortality tables for contingent survivors with generational projection using the MP-2020 improvement scale, multiplied by an experience-based adjustment factor of 1.01 at all ages for males and 1.07 at all ages for females. Illustrative rates per 1,000 members at various ages are as follows (effective 6/30/21):

PEERS Beneficiary and Survivor Mortality		
Age	Male	Female
40	1.141	0.555
50	8.663	5.516
60	13.099	10.345
70	23.551	17.440
80	55.798	43.418
90	146.001	125.260
100	318.062	293.448
110	499.071	505.809

Disability Retiree Mortality

PSRS

Mortality rates for PSRS disabled retirees are based on the PubT-2010 (Teachers) amount-weighted base mortality tables for disabled retirees with generational projection using the MP-2020 improvement scale, multiplied by an experience-based adjustment factor of 1.10 at all ages for males and 1.04 at all ages for females. Illustrative rates per 1,000 members at various ages are as follows (effective 6/30/21):

PSRS Disability Retiree Mortality		
Age	Male	Female
40	8.348	7.221
50	16.622	14.806
60	28.728	21.355
70	40.412	27.194
80	75.352	59.536
90	171.028	137.904
100	346.404	285.220
110	543.543	491.628

PEERS

Mortality rates for PEERS disabled retirees are based on the PubG-2010 (General Employees) amount-weighted base mortality tables for disabled retirees with generational projection using the MP-2020 improvement scale, multiplied by an experience-based adjustment factor of 1.13 at all ages for males and 0.94 at all ages for females. Illustrative rates per 1,000 members at various ages are as follows (effective 6/30/21):

PEERS Disability Retiree Mortality		
Age	Male	Female
40	8.576	6.526
50	17.075	13.383
60	29.511	19.302
70	41.514	24.579
80	77.407	53.811
90	175.692	124.644
100	355.852	257.795
110	558.367	444.356

Retirement Rates

Retirement is assumed in accordance with the following rates per 1,000 eligible members (rates were effective 6/30/23 for PSRS and 6/30/21 for PEERS):

PSRS Active Member Retirement													
Years of Service													
Age	<=20	21	22	23	24	25	26	27	28	29	30	31	>=32
<=50	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	5.00 %	3.00 %	3.00 %	3.00 %	3.00 %	30.00 %	15.00 %	40.00 %
51	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	5.00 %	3.00 %	3.00 %	3.00 %	15.00 %	30.00 %	15.00 %	40.00 %
52	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	5.00 %	3.00 %	3.00 %	16.00 %	15.00 %	30.00 %	15.00 %	40.00 %
53	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	5.00 %	3.00 %	27.00 %	16.00 %	15.00 %	30.00 %	15.00 %	40.00 %
54	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	5.00 %	28.00 %	17.00 %	16.00 %	15.00 %	30.00 %	15.00 %	40.00 %
55	5.00 %	3.00 %	3.00 %	3.00 %	3.00 %	39.00 %	18.00 %	17.00 %	16.00 %	15.00 %	30.00 %	15.00 %	40.00 %
56	5.00 %	3.00 %	3.00 %	3.00 %	40.00 %	19.00 %	18.00 %	17.00 %	16.00 %	15.00 %	30.00 %	15.00 %	40.00 %
57	5.00 %	3.00 %	3.00 %	40.00 %	20.00 %	19.00 %	18.00 %	17.00 %	16.00 %	15.00 %	30.00 %	15.00 %	40.00 %
58	5.00 %	3.00 %	40.00 %	20.00 %	20.00 %	19.00 %	18.00 %	17.00 %	16.00 %	15.00 %	30.00 %	15.00 %	40.00 %
59	5.00 %	40.00 %	20.00 %	20.00 %	20.00 %	19.00 %	18.00 %	17.00 %	16.00 %	15.00 %	30.00 %	15.00 %	40.00 %
60	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	30.00 %	15.00 %	40.00 %
61	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	30.00 %	15.00 %	40.00 %
62	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	30.00 %	15.00 %	40.00 %
63	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	30.00 %	15.00 %	40.00 %
64	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	30.00 %	15.00 %	40.00 %
65	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	45.00 %	45.00 %	45.00 %	45.00 %	45.00 %	30.00 %	15.00 %	40.00 %
66	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	15.00 %	40.00 %
67	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	15.00 %	40.00 %
68	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	15.00 %	40.00 %
69	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	15.00 %	40.00 %
>=70	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

PEERS Active Member Retirement												
Years of Service												
Age	<=20	21	22	23	24	25	26	27	28	29	>=30	
<50	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	5.00 %	5.00 %	5.00 %	5.00 %	5.00 %	5.00 %	30.00 %
50	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	5.00 %	5.00 %	5.00 %	5.00 %	5.00 %	5.00 %	20.00 %
51	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	5.00 %	5.00 %	5.00 %	5.00 %	5.00 %	30.00 %	20.00 %
52	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	5.00 %	5.00 %	5.00 %	30.00 %	20.00 %	20.00 %	20.00 %
53	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	5.00 %	5.00 %	30.00 %	20.00 %	20.00 %	20.00 %	20.00 %
54	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	5.00 %	30.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %
55	5.00 %	5.00 %	5.00 %	5.00 %	5.00 %	30.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %
56	5.00 %	5.00 %	5.00 %	5.00 %	30.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %
57	5.00 %	5.00 %	5.00 %	30.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %
58	5.00 %	5.00 %	30.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %
59	5.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %
60	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %
61	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %
62	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %
63	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %
64	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %
65	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %
66	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %	30.00 %
67	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %
68	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %
69	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %
70	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %
71	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %	25.00 %
72	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %
73	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %
74	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %	20.00 %
>=75	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %



Withdrawal Rates

Termination of membership prior to eligibility for retirement from all causes other than death, disability, or retirement is assumed in accordance with the following illustrative rates per 1,000 members (effective 6/30/16):

PSRS Active Member Withdrawal		PEERS Active Member Withdrawal	
Years of Service	Rates	Years of Service	Rates
0	240.0	0	350.0
1	115.0	1	230.0
2	100.0	2	180.0
3	80.0	3	150.0
4	70.0	4	125.0
5	60.0	5	100.0
10	28.0	10	55.0
15	15.0	15	33.0
20	10.0	20	18.0
25+	0.0	25+	0.0

Refund of Contributions

Active members who terminate employment with less than five years of service and inactive members with less than five years of service are assumed to take an immediate refund of their contributions. (effective 6/30/16)

Active members who terminate employment with five or more years of service, but prior to satisfying the age and service requirements for service retirement, and inactive members with five or more years of service are assumed to select the option that has the greater present value between an immediate refund of their contributions and a life annuity deferred to their earliest retirement age. (effective 6/30/16)

Active members who terminate employment with five or more years of service and satisfy the age and service requirements for service retirement upon termination, and inactive members with five or more years of service and currently eligible for service retirement are assumed to select an immediate life annuity. (effective 6/30/16)

Disability Rates

Retirement for disability prior to age 60 is assumed in accordance with the following illustrative rates per 1,000 eligible members (rates were effective 6/30/21 for PSRS and 6/30/16 for PEERS):

PSRS Active Member Disability		PEERS Active Member Disability	
Age	Rates	Age	Rates
25	0.0017%	25	0.0017%
30	0.0080%	30	0.0080%
35	0.0220%	35	0.0160%
40	0.0480%	40	0.0320%
45	0.0880%	45	0.0640%
50	0.1290%	50	0.1220%
55	0.1660%	55	0.2100%

Interest on Member Accounts

1.00% per annum (effective 6/30/21)

Service Purchases

A 0.75% load for PSRS (effective 6/30/21) and a 1.50% load for PEERS (effective 6/30/16) is added to the Normal Cost to account for anticipated losses resulting from service purchases and reinstatements.

Provisions for Expenses

There is no specific provision for expenses. The implicit assumption is that investment and administrative expenses are paid from investment income in excess of 7.3% per annum. (effective 6/30/21)

Dependent Assumptions

(effective 6/30/16)

- **Marriage Assumptions (Pre-retirement)** 70% of male and female members are assumed to be married. Beneficiaries are assumed to be of the opposite sex from the member. Male spouses are assumed to be two years older than female spouses.
- **Beneficiary Assumptions (Post-retirement)** Retired members, regardless of gender, are assumed to be three years older than their joint annuitant.

Survivor Benefits (Pre-retirement PSRS Only)

All active members under age 50 are assumed to have two dependent children. Each child is assumed to receive payments of \$860 per month for 18 years if the member is under age 32 and grading down to zero years if the member is age 50. (effective 6/30/16)

Return of Unused Member Account Balance

A cash refund feature is included in the valuation of annuity benefits to reflect that cumulative annuity payments to members may not be less than the amount of contributions paid by the member. (effective 6/30/16)

Actuarial Cost Method

The actuarial cost method is Entry Age Normal - Level Percent of Payroll.

The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date. (1947)

Asset Valuation Method

The Actuarial Value of Assets is a smoothed value of assets. The actuarial value at June 30 of the prior year is projected by increasing the amount by 7.3% interest, adding contributions with 7.3% interest for half the year, and subtracting benefit payments with 7.3% interest for half the year. Twenty percent of the difference between the actual returns at fair value for the year and expected return from the projection of the prior year actuarial value, along with corresponding amounts from each of the prior four years is added to the actuarial value. The Actuarial Value of Assets was reset to fair value at June 30, 2003. The methodology remains unchanged. (1994)

Amortization of Unfunded Actuarial Accrued Liability

Gains and losses occurring from census experience different than assumed and assumption changes are amortized over a 30-year period as a level percent of payroll. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new 30-year period. The purpose of the method is to give a smooth progression of the costs from year to year and, at the same time, provide for an orderly funding of the unfunded liabilities. Increases in the Actuarial Accrued Liability caused by changes in the benefit provisions are amortized over 20 years.

The method for amortizing the unfunded Actuarial Accrued Liability was changed from a rolling 30-year method to the closed 30-year method described above effective June 30, 2011.

For accounting, gains and losses occurring from census experience different than assumed and assumption changes are amortized into expense over the average expected future service of all plan participants (active and inactive). Gains and losses occurring from investment experience different than assumed are amortized into expense over a five-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.

***NOTE:** Dates reflect the effective date as adopted by the Board of Trustees.*



Innovate

“Innovation is taking two things that already exist and putting them together in a new way.”

— Tom Freston

Statistical Section

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Statistical Summary

Benefit Recipients

The largest percentage of the Systems' benefit recipients are service retirees. Service retirement benefits are payable to members who have met age and service requirements. The number of PSRS service retirees on the payment rolls increased by 1,271 from 64,809 at June 30, 2024, to 66,080 at June 30, 2025. The number of PEERS service retirees on the payment rolls increased by 1,180 from 35,459 at June 30, 2024, to 36,639 at June 30, 2025.

Disability benefits in PSRS and PEERS are paid to members who are unable to earn a livelihood due to permanent disability and who have met certain eligibility requirements. The number of PSRS disability retirees on the payment rolls decreased by 22 from 1,019 at June 30, 2024, to 997 at June 30, 2025. The number of PEERS disability retirees on the payment rolls decreased by 19 from 736 at June 30, 2024, to 717 at June 30, 2025.

In both PSRS and PEERS, beneficiary payments are available to survivors if the retiree elected this option. Three Joint-and-Survivor benefit plans and two Term-Certain benefit plans are available. In PSRS, survivor benefits are also available to designated beneficiaries of members who die before retirement.

The charts on the following page detail the number of benefit recipients by type and monthly benefit amount for each System.

Pension Funding

An unfunded actuarial accrued liability (UAAL) for pension benefits generally represents the difference between the present value of all benefits estimated to be payable to plan members as a result of their age, salary, and service through the valuation date and the actuarial value of plan assets available to pay those benefits. This amount changes over time as a result of changes in accrued benefits, pay levels, rates of return on investments, changes in actuarial assumptions, and changes in the demographics of the employee base. Each year an external actuary performs a valuation to determine the present value of the benefits payable (actuarial accrued liability) and compares this to the assets available to arrive at the funded status of the Systems.

The charts on page 140 show a comparison of the assets and liabilities of the Systems over time. At June 30, 2025, PSRS was 89.1% pre-funded and PEERS was 89.9% pre-funded. At June 30, 2024, PSRS was 87.2% pre-funded and PEERS was 88.1% pre-funded. Detailed information on actuarial results and assumptions can be found in the *Actuarial Section* of this report.

Changes in Net Position

The charts on page 133 detail a 10-year history of the additions (revenue) and deductions (expenses) of the Systems.

Other charts in this section detail demographic information concerning our members and employers.

The data in this section was derived from internal sources and the annual actuarial valuation reports.

PSRS Summary of Benefit Recipients by Type as of June 30, 2025

Amount of Monthly Benefit	Service Retirement	Disability Retirement	Beneficiary Recipients				Total
			Disability	Survivors	Beneficiary	Term-Certain	
<\$1,000	5,240	9	250	361	307	2	6,169
\$1,000 - \$1,999	6,398	155	160	165	600	8	7,486
\$2,000 - \$2,999	8,097	504	53	80	845	5	9,584
\$3,000 - \$3,999	12,441	233	9	76	835	7	13,601
\$4,000 - \$4,999	12,820	80	3	51	666	2	13,622
\$5,000 - \$5,999	9,606	13	1	27	474	4	10,125
\$6,000 - \$6,999	5,996	2	—	14	256	1	6,269
\$7,000+	5,482	1	—	21	255	—	5,759
Total	66,080	997	476	795	4,238	29	72,615

PEERS Summary of Benefit Recipients by Type as of June 30, 2025

Amount of Monthly Benefit	Service Retirement	Disability Retirement	Beneficiary Recipients				Total
			Disability	Survivors*	Beneficiary	Term-Certain	
<\$250	6,774	135	168	—	624	11	7,712
\$250 - \$499	8,140	241	136	—	676	6	9,199
\$500 - \$999	9,393	238	84	—	663	5	10,383
\$1,000 - \$1,999	8,636	99	16	—	409	9	9,169
\$2,000 - \$2,999	2,452	4	—	—	89	1	2,546
\$3,000+	1,244	—	—	—	27	—	1,271
Total	36,639	717	404	—	2,488	32	40,280

* Benefit not available in PEERS.



PSRS Schedule of Changes in Fiduciary Net Position, Last 10 Fiscal Years

(Dollar Amounts in Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Additions by source										
Member contributions	\$ 704,786	\$ 719,625	\$ 726,996	\$ 747,403	\$ 757,917	\$ 779,834	\$ 807,546	\$ 832,155	\$ 858,834	\$ 886,853
Employer contributions	670,794	684,858	696,970	712,545	724,995	745,638	764,348	792,647	819,926	848,105
Investment income	533,174	4,104,110	3,173,732	2,595,859	1,457,327	11,291,593	(1,451,317)	2,842,458	5,020,947	5,420,366
Other income	6	13	4	6	192	128	54	64	22	21
Total additions by source	1,908,760	5,508,606	4,597,702	4,055,813	2,940,431	12,817,193	120,631	4,467,324	6,699,729	7,155,345
Deductions by type										
<i>Monthly benefits</i>										
Service retirement	2,203,773	2,288,945	2,360,945	2,460,422	2,542,672	2,620,432	2,768,923	2,976,669	3,140,702	3,261,899
Service retirement -PLSO	32,365	34,721	37,754	33,751	39,628	38,966	35,448	39,882	33,192	43,897
Disability	25,309	26,379	27,235	27,826	29,373	30,020	30,676	31,982	33,122	33,060
Beneficiary	114,829	121,170	129,722	138,978	147,053	155,194	167,794	181,167	194,282	205,137
<i>Lump-sum refunds</i>										
Death	9,078	8,504	8,879	9,471	10,351	10,566	12,879	12,820	11,179	13,649
Withdrawal/transfers	45,553	42,114	42,450	39,825	44,155	40,982	42,696	49,790	58,670	60,371
<i>Administrative expenses/ other</i>	11,563	10,497	11,418	11,326	10,653	10,818	11,680	12,961	13,332	13,939
Total deductions by type	2,442,470	2,532,330	2,618,403	2,721,599	2,823,885	2,906,978	3,070,096	3,305,271	3,484,479	3,631,952
Changes in plan net position	\$ (533,710)	\$ 2,976,276	\$ 1,979,299	\$ 1,334,214	\$ 116,546	\$ 9,910,215	\$ (2,949,465)	\$ 1,162,053	\$ 3,215,250	\$ 3,523,393

PEERS Schedule of Changes in Fiduciary Net Position, Last 10 Fiscal Years

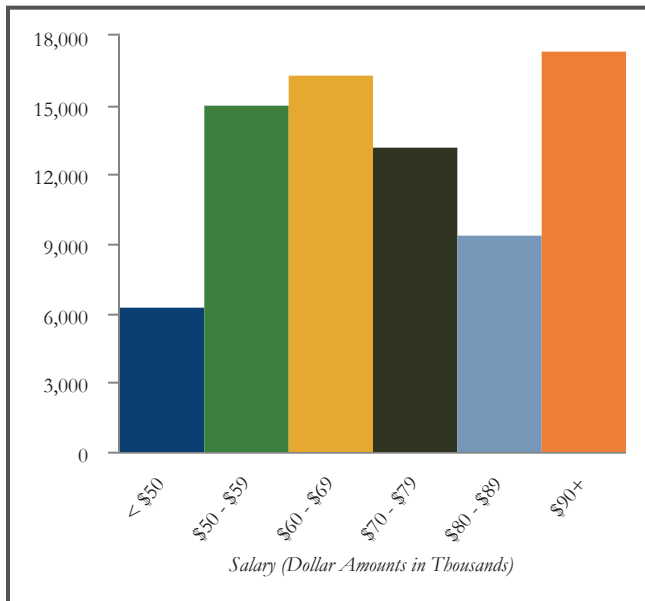
(Dollar Amounts in Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Additions by source										
Member contributions	\$ 114,258	\$ 118,447	\$ 121,468	\$ 126,609	\$ 131,336	\$ 134,324	\$ 144,215	\$ 156,402	\$ 169,864	\$ 181,343
Employer contributions	106,717	111,240	115,103	120,042	124,545	126,877	135,181	147,464	162,778	173,979
Investment income	60,317	485,047	381,524	319,773	181,855	1,431,017	(189,301)	373,198	667,097	730,737
Other income	—	—	—	—	—	—	—	4	—	8
Total additions by source	281,292	714,734	618,095	566,424	437,736	1,692,218	90,095	677,068	999,739	1,086,067
Deductions by type										
<i>Monthly benefits</i>										
Service retirement	212,327	229,599	246,062	266,172	283,100	300,571	327,469	359,941	385,151	407,210
Service retirement -PLSO	4,410	6,585	7,274	8,138	7,849	8,870	9,722	10,548	10,323	10,655
Disability	4,158	4,313	4,453	4,621	4,817	4,817	4,769	4,901	4,953	4,943
Beneficiary	9,791	10,581	11,575	12,637	13,892	15,164	16,667	18,519	20,292	21,498
<i>Lump-sum refunds</i>										
Death	1,159	1,266	1,075	1,123	1,763	1,998	2,279	1,830	2,121	2,010
Withdrawal/transfers	18,546	16,925	17,195	17,551	18,917	19,101	21,055	23,533	22,113	25,427
<i>Administrative expenses/ other</i>	6,981	6,377	7,113	7,424	7,078	7,379	7,706	8,653	9,372	10,133
Total deductions by type	257,372	275,646	294,747	317,666	337,416	357,900	389,667	427,925	454,325	481,876
Changes in plan net position	\$ 23,920	\$ 439,088	\$ 323,348	\$ 248,758	\$ 100,320	\$ 1,334,318	\$ (299,572)	\$ 249,143	\$ 545,414	\$ 604,191

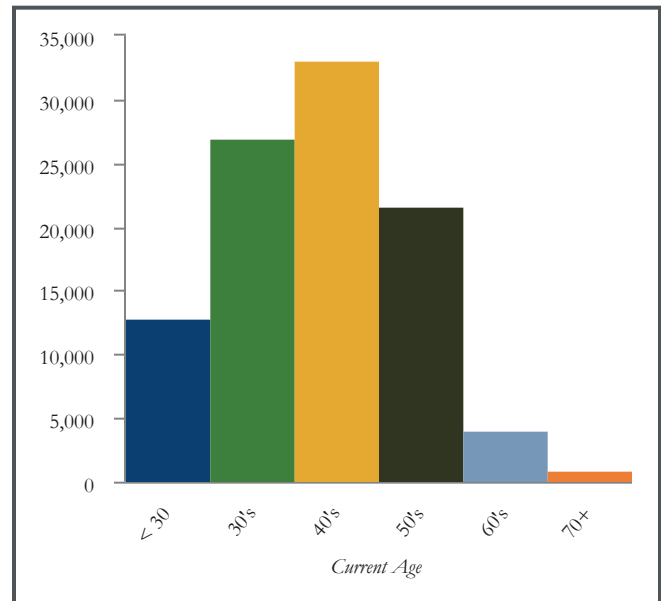
PSRS Summary of Changes in Membership During 2024 2025

	Male	Female	Total
Membership July 1, 2024	21,941	77,468	99,409
New members added	1,177	3,834	5,011
Less: Service retirements	682	2,073	2,755
Disability retirements	4	18	22
Withdrawals	481	1,459	1,940
Deaths	29	51	80
	1,196	3,601	4,797
Other	(9)	(27)	(36)
Net change in membership 2024-2025	(28)	206	178
Membership June 30, 2025	21,913	77,674	99,587

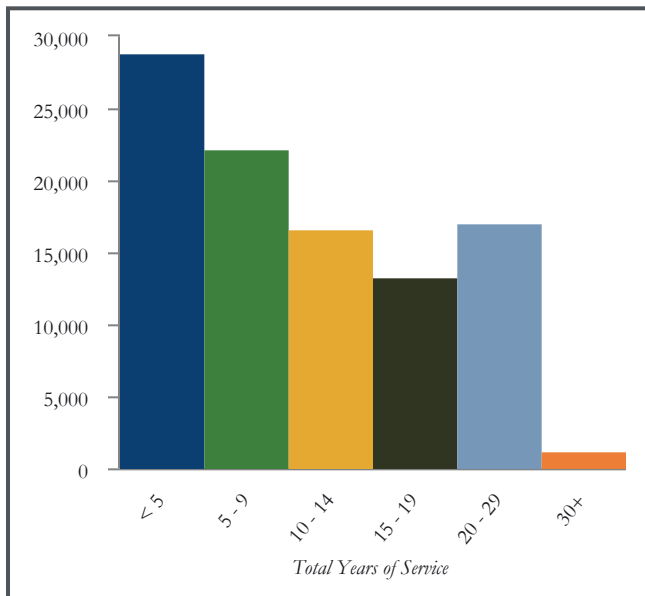
2024 2025 PSRS Members by Annual Salary



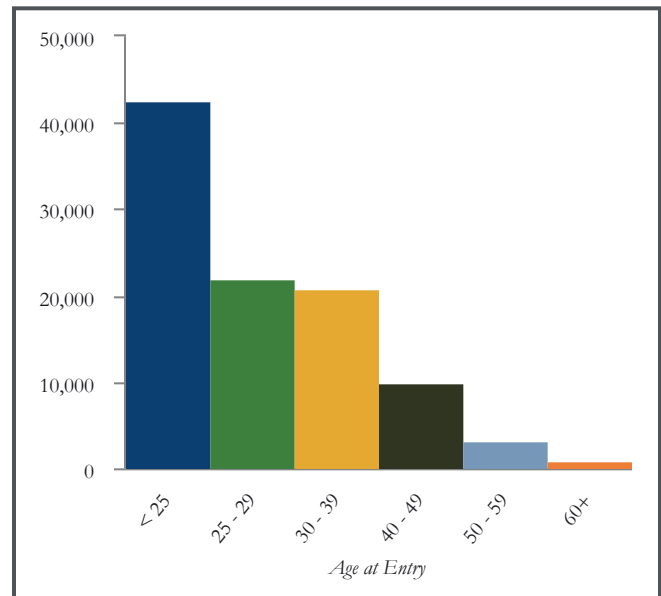
2024 2025 PSRS Members by Current Age



2024 2025 PSRS Members by Total Years of Service



2024 2025 PSRS Member Age at Entry Into System

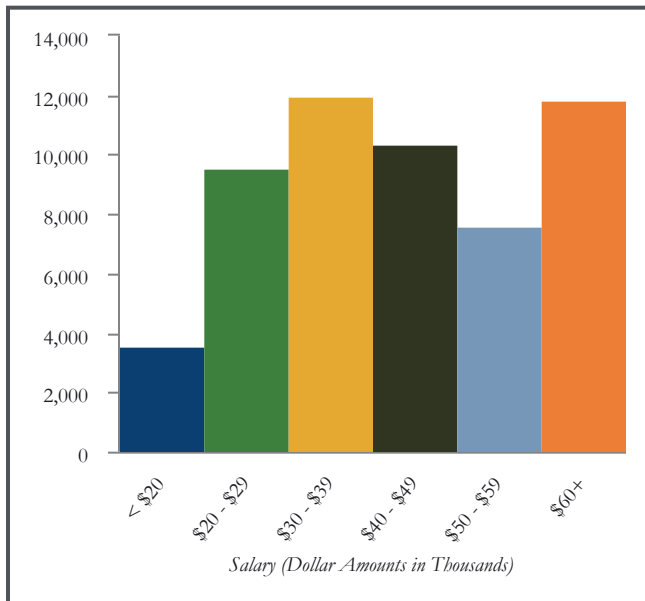




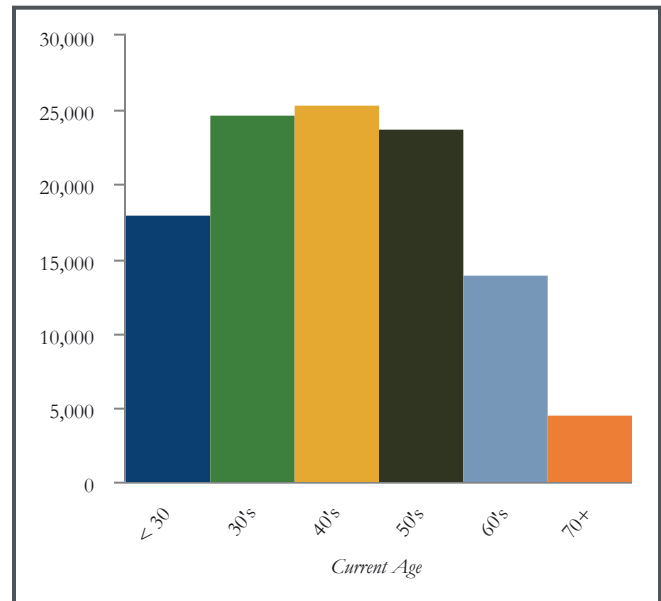
PEERS Summary of Changes in Membership During 2024 2025

	Male	Female	Total
Membership July 1, 2024	28,749	77,257	106,006
New members added	3,163	8,310	11,473
Less: Service retirements	508	1,688	2,196
Disability retirements	6	9	15
Withdrawals	1,287	3,192	4,479
Deaths	67	79	146
	1,868	4,968	6,836
Other	(11)	(50)	(61)
Net change in membership 2024-2025	1,284	3,292	4,576
Membership June 30, 2025	30,033	80,549	110,582

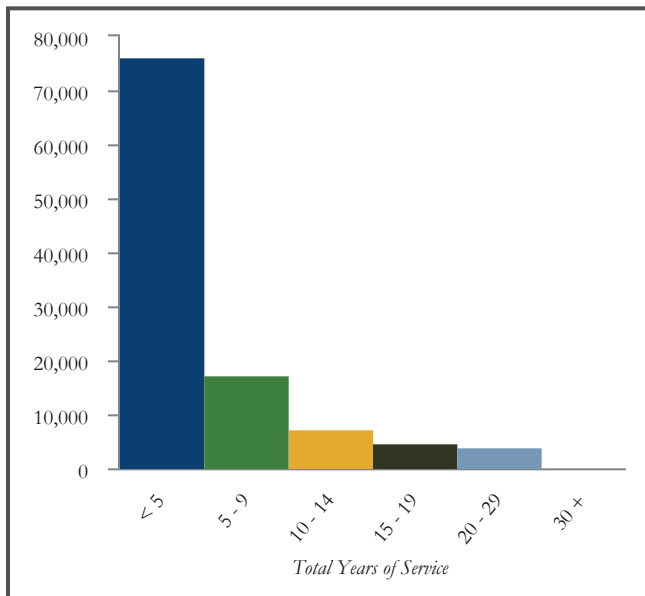
2024 2025 PEERS Members by Annual Salary



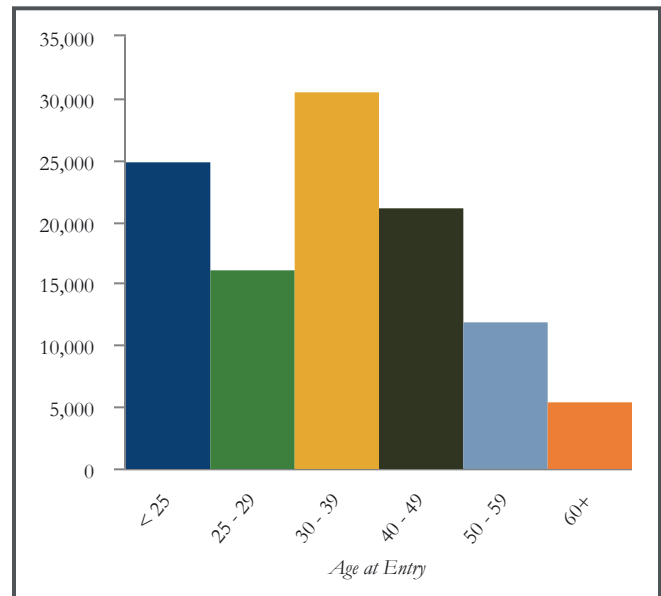
2024 2025 PEERS Members by Current Age



2024 2025 PEERS Members by Total Years of Service



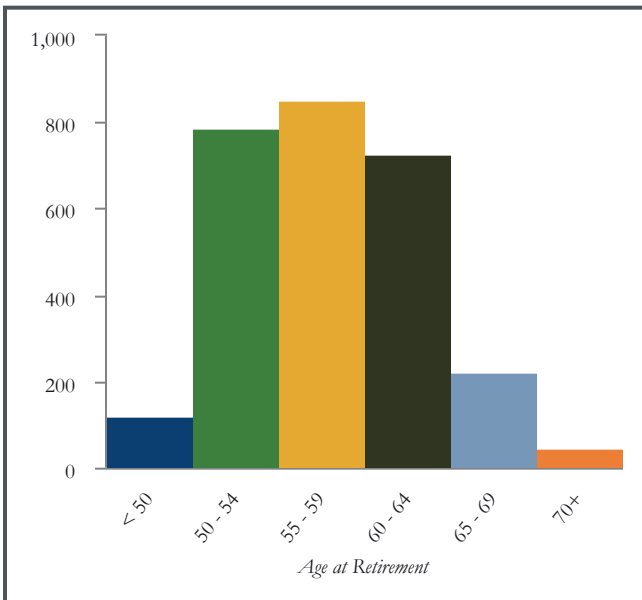
2024 2025 PEERS Member Age at Entry Into System



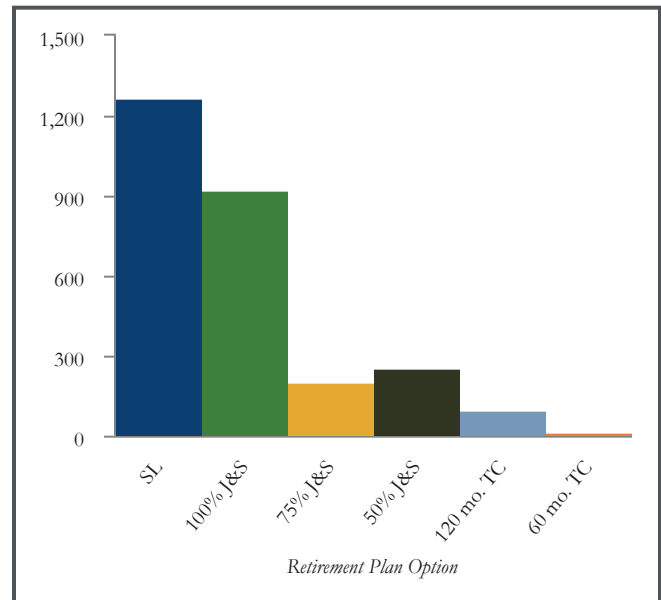
PSRS 2024 2025 New Service Retirees

	Service Retirees	Disability Retirees	Beneficiaries
Retirees July 1, 2024	64,809	1,019	5,388
Added During the Year	2,755	22	469
Died During the Year	(1,484)	(42)	(311)
Other	0	(2)	(8)
Retirees June 30, 2025	66,080	997	5,538

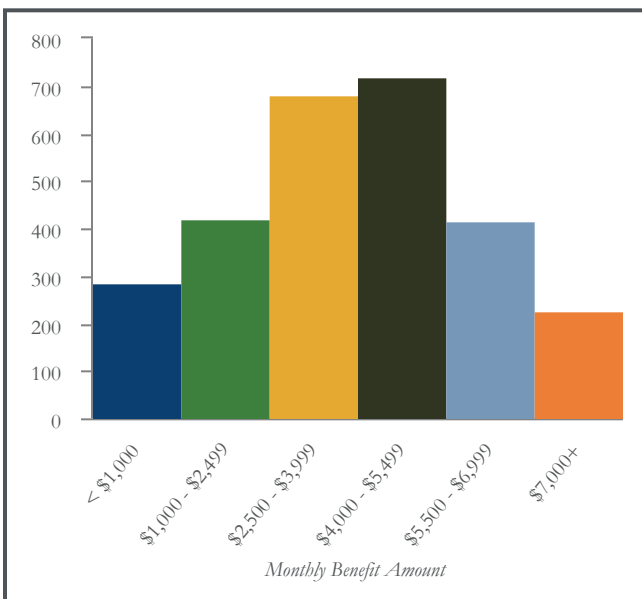
2024 2025 PSRS New Service Retirees by Age at Retirement



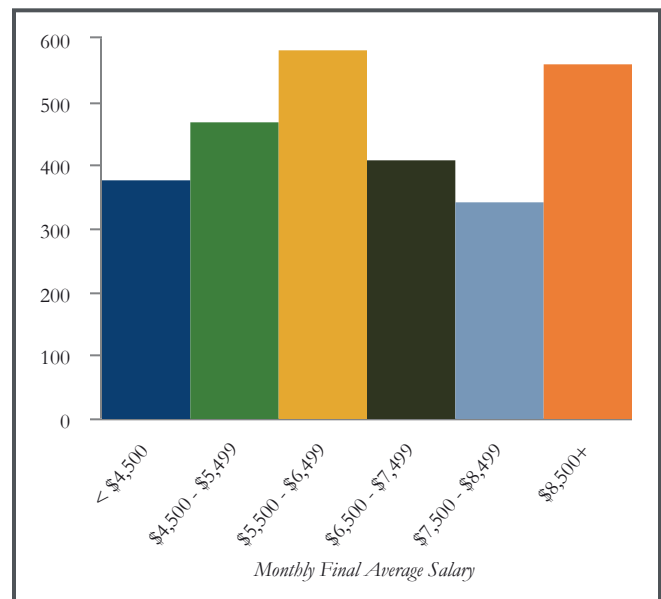
2024 2025 PSRS New Service Retirees by Retirement Plan Option⁴



2024 2025 PSRS New Service Retirees by Single Life Monthly Benefit Amount



2024 2025 PSRS New Service Retirees by Monthly Final Average Salary



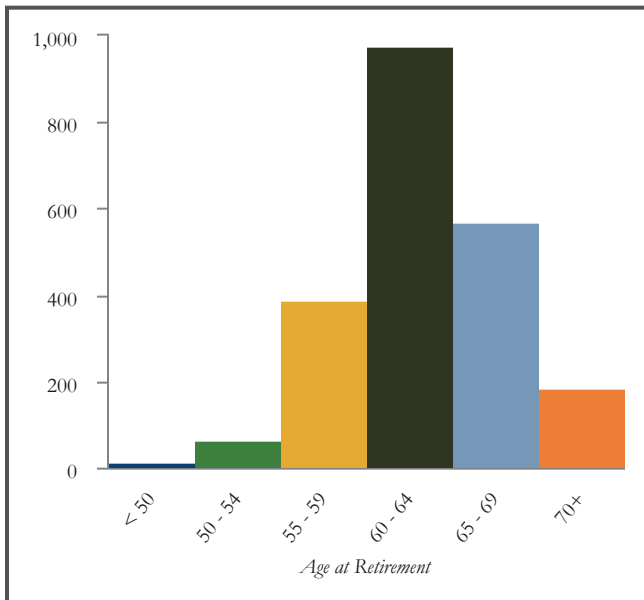
⁴ SL = Single Life; J&S = Joint & Survivor; TC = Term-Certain



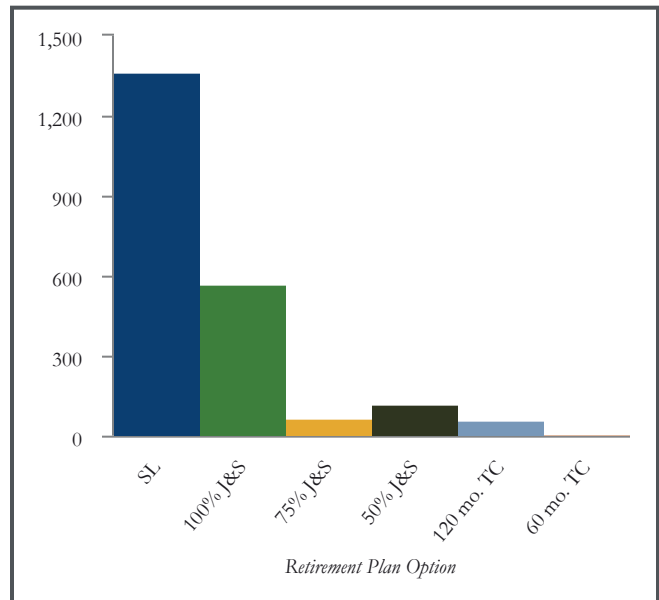
PEERS 2024 2025 New Service Retirees

	Service Retirees	Disability Retirees	Beneficiaries
Retirees July 1, 2024	35,459	736	2,790
Added During the Year	2,196	15	249
Died During the Year	(1,017)	(34)	(112)
Other	1	0	(3)
Retirees June 30, 2025	36,639	717	2,924

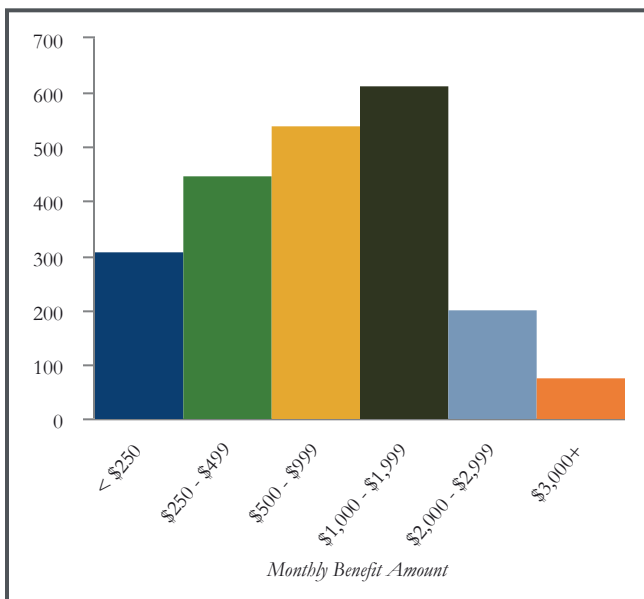
2024 2025 PEERS New Service Retirees by Age at Retirement



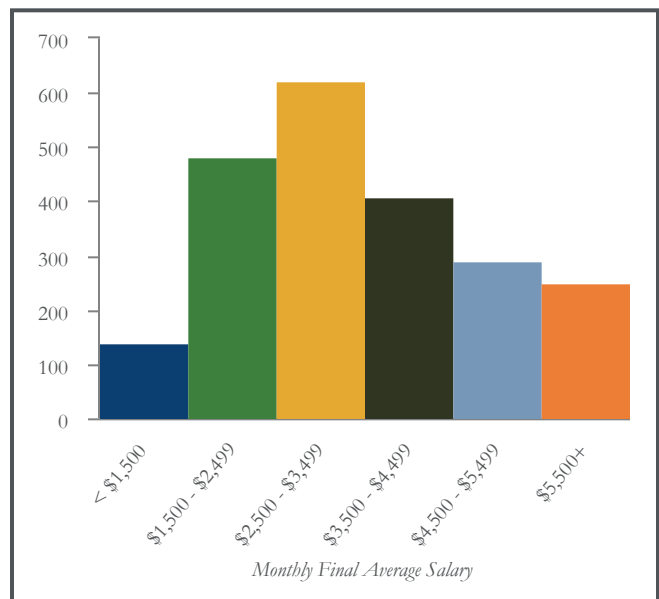
2024 2025 PEERS New Service Retirees by Retirement Plan Option⁵



2024 2025 PEERS New Service Retirees by Single Life Monthly Benefit Amount



2024 2025 PEERS New Service Retirees by Monthly Final Average Salary



⁵ SL = Single Life; J&S = Joint & Survivor; TC = Term-Certain

PSRS Schedule of Average Benefit Payments to New Service Retirees

	Years of Service							
	5 - 9.9	10 - 14.9	15 - 19.9	20 - 24.9	25 - 29.9	30 - 34.9	35 - 39.9	40+
2024-2025								
Average monthly benefit	\$ 746	\$ 1,439	\$ 2,411	\$ 3,684	\$ 5,001	\$ 6,303	\$ 7,141	\$ 6,734
Average final average salary	\$ 4,700	\$ 5,014	\$ 5,786	\$ 6,591	\$ 7,454	\$ 7,944	\$ 7,951	\$ 6,734
Number of retirees	290	215	257	476	1,111	382	22	2
2023-2024								
Average monthly benefit	\$ 720	\$ 1,445	\$ 2,399	\$ 3,608	\$ 4,827	\$ 5,991	\$ 7,053	\$ 7,218
Average final average salary	\$ 4,590	\$ 5,091	\$ 5,755	\$ 6,367	\$ 7,205	\$ 7,693	\$ 7,947	\$ 7,691
Number of retirees	303	216	266	488	1,133	388	22	10
2022-2023								
Average monthly benefit	\$ 688	\$ 1,410	\$ 2,285	\$ 3,592	\$ 4,708	\$ 6,115	\$ 6,881	\$ 7,236
Average final average salary	\$ 4,304	\$ 4,967	\$ 5,536	\$ 6,407	\$ 7,025	\$ 7,835	\$ 7,682	\$ 7,236
Number of retirees	296	229	269	553	1,169	399	49	13
2021-2022								
Average monthly benefit	\$ 713	\$ 1,465	\$ 2,284	\$ 3,506	\$ 4,550	\$ 5,776	\$ 7,037	\$ 8,161
Average final average salary	\$ 4,523	\$ 4,963	\$ 5,571	\$ 6,251	\$ 6,786	\$ 7,387	\$ 7,915	\$ 8,161
Number of retirees	276	236	324	538	914	396	39	8
2020-2021								
Average monthly benefit	\$ 684	\$ 1,381	\$ 2,339	\$ 3,423	\$ 4,396	\$ 5,558	\$ 6,093	\$ 7,218
Average final average salary	\$ 4,380	\$ 4,694	\$ 5,519	\$ 6,096	\$ 6,609	\$ 7,133	\$ 6,791	\$ 7,218
Number of retirees	267	239	289	518	825	397	40	12
2019-2020								
Average monthly benefit	\$ 651	\$ 1,419	\$ 2,258	\$ 3,412	\$ 4,476	\$ 5,766	\$ 6,717	\$ 8,435
Average final average salary	\$ 3,940	\$ 4,836	\$ 5,345	\$ 6,098	\$ 6,673	\$ 7,357	\$ 7,428	\$ 8,435
Number of retirees	220	235	299	482	785	390	53	8
2018-2019								
Average monthly benefit	\$ 657	\$ 1,323	\$ 2,260	\$ 3,273	\$ 4,364	\$ 5,480	\$ 7,506	\$ 8,813
Average final average salary	\$ 4,117	\$ 4,597	\$ 5,375	\$ 5,848	\$ 6,541	\$ 7,024	\$ 8,156	\$ 8,813
Number of retirees	249	267	267	494	766	408	38	13
2017-2018								
Average monthly benefit	\$ 708	\$ 1,361	\$ 2,161	\$ 3,124	\$ 4,357	\$ 5,374	\$ 6,871	\$ 7,111
Average final average salary	\$ 4,394	\$ 4,641	\$ 5,144	\$ 5,632	\$ 6,453	\$ 6,912	\$ 7,410	\$ 7,111
Number of retirees	228	263	301	486	712	371	35	10
2016-2017								
Average monthly benefit	\$ 639	\$ 1,296	\$ 2,228	\$ 3,213	\$ 4,289	\$ 5,135	\$ 6,427	\$ 6,881
Average final average salary	\$ 3,806	\$ 4,476	\$ 5,320	\$ 5,737	\$ 6,395	\$ 6,574	\$ 7,056	\$ 6,881
Number of retirees	249	243	339	531	756	427	44	12
2015-2016								
Average monthly benefit	\$ 671	\$ 1,322	\$ 2,179	\$ 3,127	\$ 4,152	\$ 4,942	\$ 5,627	\$ 6,686
Average final average salary	\$ 4,141	\$ 4,515	\$ 5,192	\$ 5,628	\$ 6,193	\$ 6,389	\$ 6,195	\$ 6,686
Number of retirees	251	265	328	530	745	430	37	17



PEERS Schedule of Average Benefit Payments to New Service Retirees							
	Years of Service						
	5 - 9.9	10 - 14.9	15 - 19.9	20 - 24.9	25 - 29.9	30+	
2024-2025							
Average monthly benefit	\$ 309	\$ 615	\$ 1,027	\$ 1,419	\$ 2,015	\$ 2,925	
Average final average salary	\$ 2,818	\$ 3,203	\$ 3,707	\$ 3,919	\$ 4,647	\$ 5,389	
Number of retirees	666	361	362	405	284	118	
2023-2024							
Average monthly benefit	\$ 285	\$ 608	\$ 926	\$ 1,394	\$ 1,949	\$ 2,881	
Average final average salary	\$ 2,614	\$ 3,096	\$ 3,374	\$ 3,857	\$ 4,483	\$ 5,360	
Number of retirees	619	389	367	409	267	107	
2022-2023							
Average monthly benefit	\$ 277	\$ 559	\$ 900	\$ 1,295	\$ 1,845	\$ 2,554	
Average final average salary	\$ 2,490	\$ 2,891	\$ 3,284	\$ 3,609	\$ 4,241	\$ 4,660	
Number of retirees	657	443	375	508	306	139	
2021-2022							
Average monthly benefit	\$ 266	\$ 562	\$ 888	\$ 1,338	\$ 1,846	\$ 2,564	
Average final average salary	\$ 2,428	\$ 2,872	\$ 3,237	\$ 3,731	\$ 4,278	\$ 4,783	
Number of retirees	709	478	374	497	310	124	
2020-2021							
Average monthly benefit	\$ 257	\$ 557	\$ 860	\$ 1,195	\$ 1,617	\$ 2,579	
Average final average salary	\$ 2,290	\$ 2,849	\$ 3,137	\$ 3,353	\$ 3,740	\$ 4,755	
Number of retirees	636	477	377	467	226	143	
2019-2020							
Average monthly benefit	\$ 261	\$ 519	\$ 849	\$ 1,224	\$ 1,708	\$ 2,286	
Average final average salary	\$ 2,339	\$ 2,684	\$ 3,098	\$ 3,418	\$ 3,924	\$ 4,228	
Number of retirees	555	467	347	407	229	127	
2018-2019							
Average monthly benefit	\$ 253	\$ 521	\$ 828	\$ 1,206	\$ 1,691	\$ 2,530	
Average final average salary	\$ 2,259	\$ 2,680	\$ 3,021	\$ 3,363	\$ 3,906	\$ 4,629	
Number of retirees	544	396	374	424	231	135	
2017-2018							
Average monthly benefit	\$ 244	\$ 510	\$ 830	\$ 1,171	\$ 1,787	\$ 2,365	
Average final average salary	\$ 2,167	\$ 2,686	\$ 3,009	\$ 3,303	\$ 4,075	\$ 4,367	
Number of retirees	557	389	348	410	196	125	
2016-2017							
Average monthly benefit	\$ 255	\$ 483	\$ 802	\$ 1,157	\$ 1,690	\$ 2,441	
Average final average salary	\$ 2,209	\$ 2,523	\$ 2,919	\$ 3,225	\$ 3,874	\$ 4,505	
Number of retirees	558	425	339	363	209	129	
2015-2016							
Average monthly benefit	\$ 238	\$ 493	\$ 785	\$ 1,160	\$ 1,630	\$ 2,235	
Average final average salary	\$ 2,078	\$ 2,520	\$ 2,807	\$ 3,231	\$ 3,703	\$ 4,128	
Number of retirees	520	410	328	289	235	121	



Comparisons of Actuarial Assets and Total Actuarial Liabilities

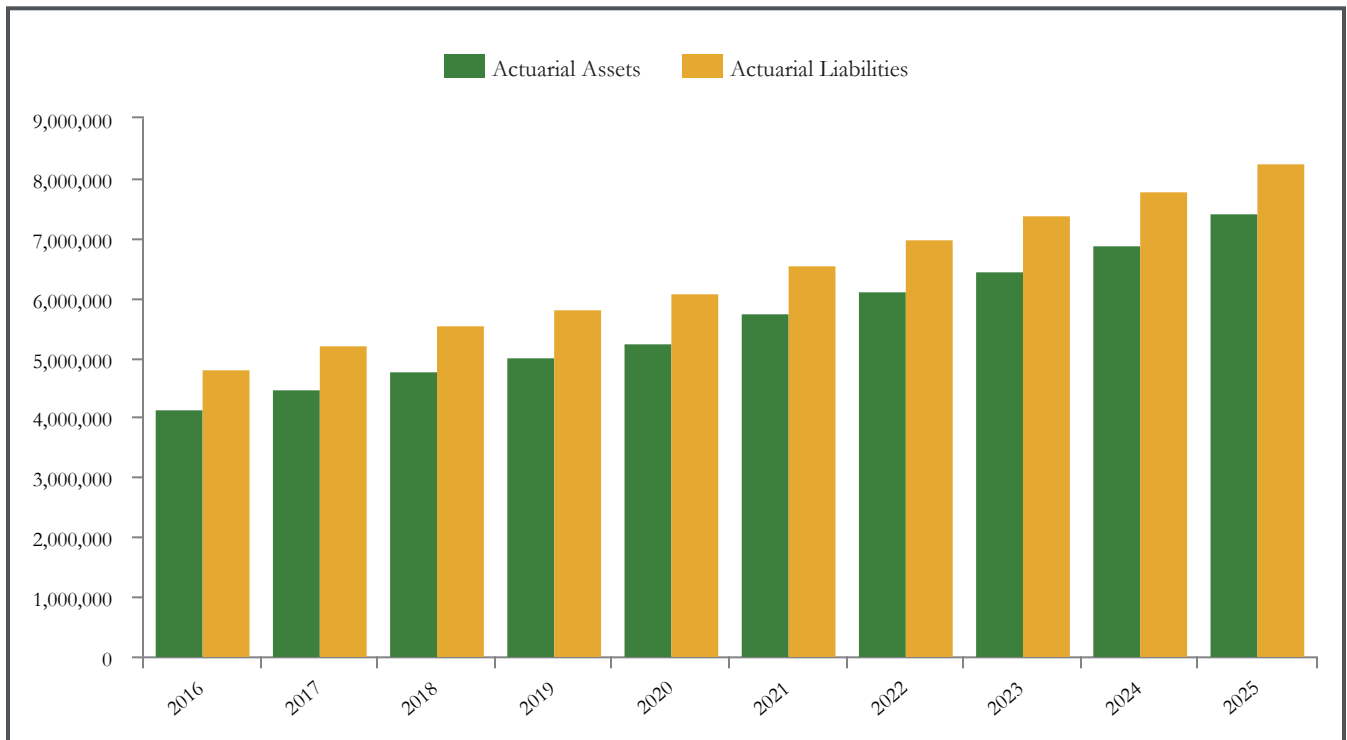
Public School Retirement System of Missouri

Dollar Amounts in Thousands



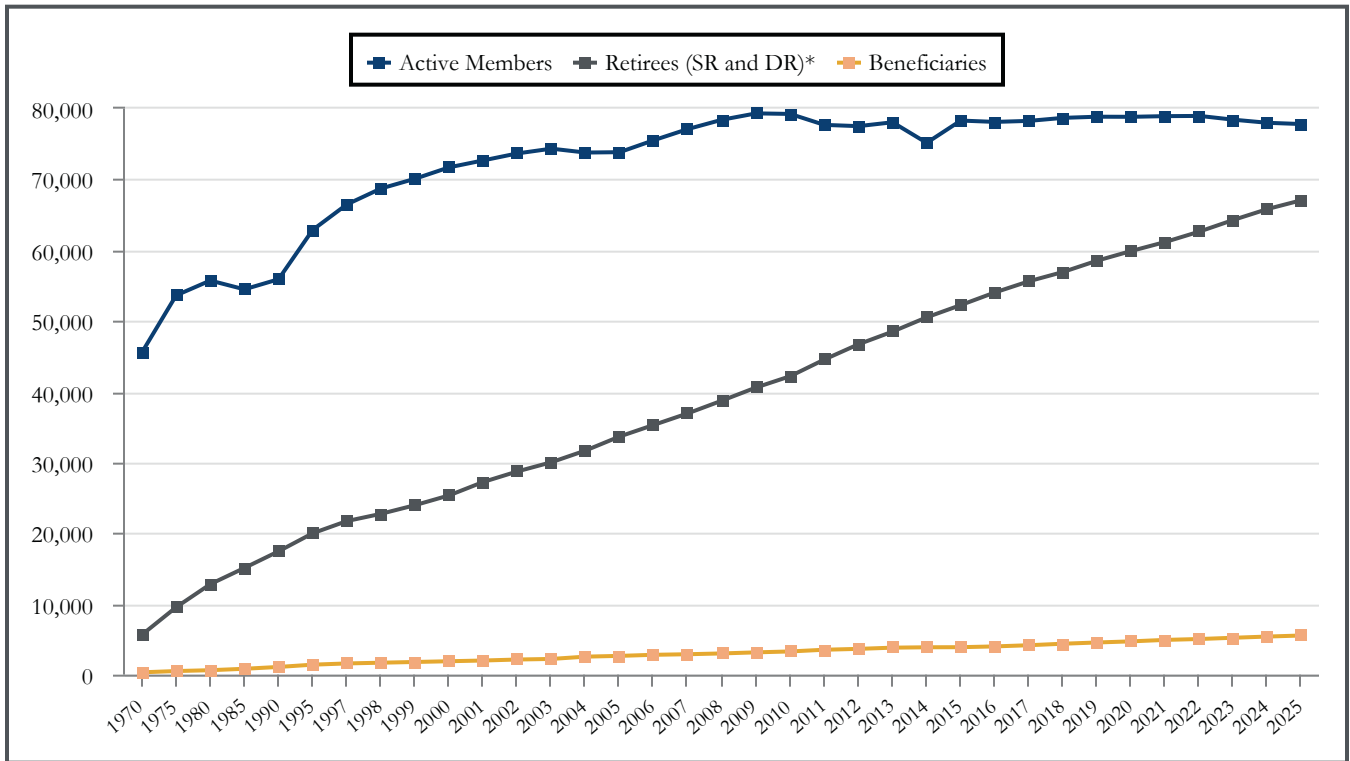
Public Education Employee Retirement System of Missouri

Dollar Amounts in Thousands

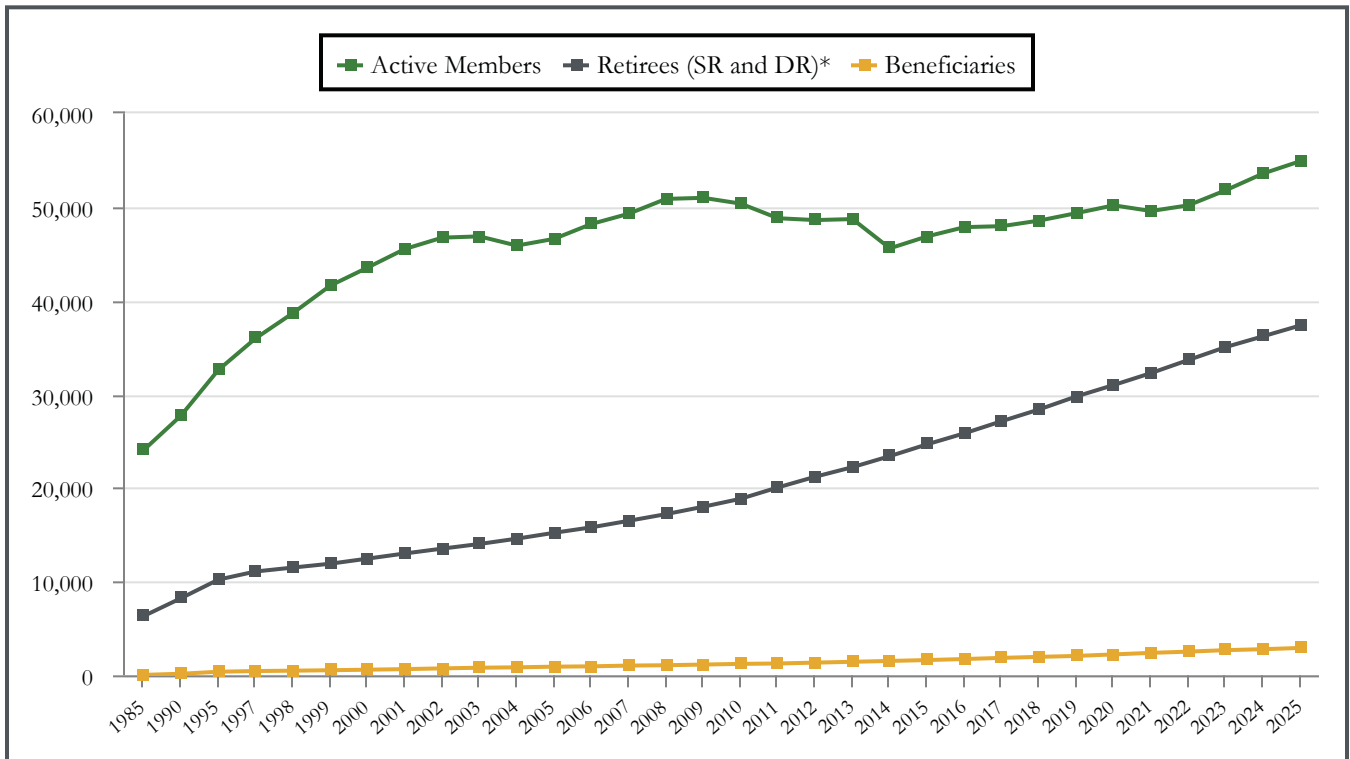


Growth in Membership

Public School Retirement System of Missouri



Public Education Employee Retirement System of Missouri



*SR = Service Retirement; DR = Disability Retirement

Schedule of Covered Employees in the Top 10 Employers

Public School Retirement System of Missouri								
Employer	2025		2024		2023		2022	
	Covered	%	Covered	%	Covered	%	Covered	%
	Employees	of Total	Employees	of Total	Employees	of Total	Employees	of Total
Special School District - St. Louis	2,690	3.3 %	2,709	3.3 %	2,790	3.4 %	2,850	3.4 %
Springfield R-XII Schools	2,485	3.0 %	2,593	3.2 %	2,597	3.1 %	2,585	3.1 %
North Kansas City Schools	1,909	2.3 %	1,862	2.3 %	1,845	2.2 %	1,848	2.2 %
Columbia Public Schools	1,846	2.3 %	1,806	2.2 %	1,801	2.2 %	1,838	2.2 %
Rockwood R-VI Schools	1,838	2.3 %	1,867	2.3 %	1,884	2.3 %	1,887	2.3 %
Parkway C-2 Schools	1,657	2.0 %	1,641	2.0 %	1,647	2.0 %	1,679	2.0 %
Ft. Zumwalt R-II Schools	1,654	2.0 %	1,684	2.1 %	1,720	2.1 %	1,732	2.1 %
Wentzville R-IV Schools	1,563	1.9 %	1,545	1.9 %	1,548	1.9 %	1,534	1.8 %
Lee's Summit R-VII Schools	1,528	1.9 %	1,534	1.9 %	1,517	1.8 %	1,502	1.8 %
Francis Howell R-III Schools	1,436	1.8 %	1,438	1.8 %	1,447	1.8 %	—	— %
Hazelwood R-I Schools	—	— %	—	— %	—	— %	1,526	1.8 %
All Others	63,029	77.2 %	63,067	77.0 %	63,868	77.2 %	64,313	77.3 %
	81,635	100.0 %	81,746	100.0 %	82,664	100.0 %	83,294	100.0 %
Total Employers	534		534		534		533	

Public Education Employee Retirement System of Missouri								
Employer	2025		2024		2023		2022	
	Covered	%	Covered	%	Covered	%	Covered	%
	Employees	of Total	Employees	of Total	Employees	of Total	Employees	of Total
Special School District - St. Louis	3,054	4.9 %	2,919	4.7 %	2,855	4.7 %	2,704	4.6 %
Springfield R-XII Schools	1,788	2.8 %	1,818	2.9 %	1,738	2.9 %	1,609	2.7 %
North Kansas City Schools	1,663	2.6 %	1,579	2.6 %	1,583	2.6 %	1,526	2.6 %
Ft. Zumwalt R-II Schools	1,442	2.3 %	1,398	2.3 %	1,350	2.2 %	1,431	2.4 %
Lee's Summit R-VII Schools	1,393	2.2 %	1,362	2.2 %	1,369	2.3 %	1,356	2.3 %
Columbia Public Schools	1,370	2.2 %	1,372	2.2 %	1,266	2.1 %	1,257	2.1 %
Rockwood R-VI Schools	1,281	2.0 %	1,245	2.0 %	1,257	2.1 %	1,293	2.2 %
Wentzville R-IV Schools	1,171	1.9 %	1,165	1.9 %	1,184	2.0 %	1,200	2.0 %
Independence Public Schools	1,122	1.8 %	1,114	1.8 %	1,101	1.8 %	1,078	1.8 %
Francis Howell R-III Schools	1,088	1.7 %	1,066	1.7 %	1,098	1.8 %	1,104	1.9 %
Parkway C-2 Schools	—	— %	—	— %	—	— %	—	— %
All Others	47,540	75.6 %	46,736	75.7 %	45,575	75.5 %	44,160	75.4 %
	62,912	100.0 %	61,774	100.0 %	60,376	100.0 %	58,718	100.0 %
Total Employers	531		531		531		530	

Note: Schedules reflect total members reported at any time during the fiscal year. If an employer was not in the Top 10 for a year, their covered employees are included in "All Others".



2021		2020		2019		2018		2017		2016	
Covered	%	Covered	%	Covered	%	Covered	%	Covered	%	Covered	%
Employees	of Total	Employees	of Total	Employees	of Total	Employees	of Total	Employees	of Total	Employees	of Total
2,880	3.5 %	2,873	3.5 %	2,932	3.6 %	2,922	3.5 %	2,914	3.5 %	2,956	3.5 %
3,015	3.6 %	2,759	3.3 %	2,302	2.8 %	2,205	2.7 %	2,208	2.7 %	2,208	2.6 %
1,811	2.2 %	1,807	2.2 %	1,797	2.2 %	1,758	2.1 %	1,735	2.1 %	1,723	2.1 %
1,810	2.2 %	1,774	2.1 %	1,745	2.1 %	1,737	2.1 %	1,726	2.1 %	1,844	2.2 %
1,934	2.3 %	1,911	2.3 %	1,915	2.3 %	1,916	2.3 %	1,926	2.3 %	2,036	2.4 %
1,649	2.0 %	1,685	2.0 %	1,728	2.1 %	1,733	2.1 %	1,703	2.1 %	1,804	2.2 %
1,725	2.1 %	1,727	2.1 %	1,750	2.1 %	1,736	2.1 %	1,670	2.0 %	1,611	1.9 %
1,517	1.8 %	—	— %	—	— %	—	— %	—	— %	—	— %
1,499	1.8 %	1,480	1.8 %	1,476	1.8 %	1,471	1.8 %	1,459	1.8 %	1,443	1.7 %
1,529	1.8 %	1,522	1.8 %	1,523	1.8 %	1,522	1.8 %	1,510	1.8 %	1,549	1.9 %
—	— %	1,456	1.8 %	1,449	1.8 %	1,435	1.7 %	1,488	1.8 %	1,559	1.9 %
63,596	76.7 %	63,667	77.1 %	63,951	77.4 %	64,078	77.8 %	63,886	77.8 %	64,842	77.6 %
82,965	100.0 %	82,661	100.0 %	82,568	100.0 %	82,513	100.0 %	82,225	100.0 %	83,575	100.0 %
533		533		533		533		534		534	

2021		2020		2019		2018		2017		2016	
Covered	%	Covered	%	Covered	%	Covered	%	Covered	%	Covered	%
Employees	of Total	Employees	of Total	Employees	of Total	Employees	of Total	Employees	of Total	Employees	of Total
2,622	4.6 %	2,616	4.6 %	2,573	4.6 %	2,500	4.5 %	2,504	4.6 %	2,501	4.6 %
1,607	2.8 %	1,588	2.8 %	1,505	2.7 %	1,510	2.7 %	1,503	2.8 %	1,540	2.9 %
1,478	2.6 %	1,463	2.6 %	1,479	2.6 %	1,406	2.6 %	1,406	2.6 %	1,397	2.6 %
1,404	2.5 %	1,431	2.5 %	1,388	2.5 %	—	— %	959	1.8 %	964	1.8 %
1,333	2.4 %	1,330	2.4 %	1,355	2.4 %	1,340	2.4 %	1,278	2.4 %	1,294	2.4 %
1,187	2.1 %	1,186	2.1 %	1,182	2.1 %	1,183	2.1 %	1,160	2.1 %	1,126	2.1 %
1,399	2.5 %	1,480	2.6 %	1,515	2.7 %	1,523	2.8 %	1,499	2.8 %	1,319	2.4 %
1,181	2.1 %	1,141	2.0 %	1,107	2.0 %	1,099	2.0 %	—	— %	—	— %
1,033	1.8 %	1,100	1.9 %	1,094	2.0 %	1,083	2.0 %	1,083	2.0 %	1,111	2.1 %
1,118	2.0 %	1,137	2.0 %	—	— %	1,352	2.5 %	1,291	2.4 %	1,228	2.3 %
—	— %	—	— %	1,038	1.9 %	1,034	1.9 %	1,054	2.0 %	1,060	2.0 %
42,208	74.6 %	42,097	74.5 %	41,776	74.5 %	41,029	74.5 %	40,305	74.5 %	40,351	74.8 %
56,570	100.0 %	56,569	100.0 %	56,012	100.0 %	55,059	100.0 %	54,042	100.0 %	53,891	100.0 %
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