

Summary Annual 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

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

— Steve Jobs



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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.

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.



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

— Tom Freston

A Snapshot of PSRS/PEERS Members

PSRS/PEERS has helped approximately 170,000 members and their families achieve financial security during retirement. We are dedicated to helping our current and future members achieve the financially secure retirement they deserve after a full career of service to Missouri's public schools and students.

The average age, years of service, and salaries among PSRS working members has increased while the active membership population has decreased over the past five years. For PEERS working members, the average age and years of service has decreased while salaries and active membership has increased.

Overall, our total membership and benefit recipient numbers continue to grow, and we remain dedicated to maintaining our financial strength and providing the highest level of service and retirement security to all our members, now and in the future.

PSRS Active Member Profile					
	2025	2024	2023	2022	2021
Average Age	42.8	42.6	42.5	42.4	42.3
Average Years of Service	12.6	12.5	12.4	12.4	12.3
Average Annual Salary	\$75,590	\$72,936	\$69,995	\$67,225	\$65,639

PEERS Active Member Profile					
	2025	2024	2023	2022	2021
Average Age	46.6	46.8	47.2	47.5	47.9
Average Years of Service	7.2	7.3	7.6	7.9	8.2
Average Annual Salary	\$45,876	\$44,048	\$41,326	\$39,112	\$37,257

PSRS Total Membership					
	2025	2024	2023	2022	2021
Active	77,823	78,001	78,437	78,973	78,944
Inactive*	21,764	21,408	20,695	19,420	18,552
Retired	66,080	64,809	63,262	61,604	60,122
Disabled	997	1,019	1,026	1,032	1,043
Survivors	5,538	5,388	5,219	5,040	4,915
Total Membership	172,202	170,625	168,639	166,069	163,576

PEERS Total Membership					
	2025	2024	2023	2022	2021
Active	54,895	53,572	51,787	50,179	49,572
Inactive*	55,687	52,434	48,931	45,120	41,248
Retired	36,639	35,459	34,281	32,891	31,463
Disabled	717	736	767	776	809
Survivors	2,924	2,790	2,689	2,531	2,399
Total Membership	150,862	144,991	138,455	131,497	125,491

*Inactive members includes vested and non-vested memberships, as well as terminated memberships.

About Our Retirees

The Systems' mission of providing retirement security to Missouri's educators in the most efficient and cost-effective manner possible is unwavering. Defined benefit plans such as PSRS and PEERS must thrive on innovation to fuel their longevity. By integrating fresh ideas with careful planning and resilience, we meet the evolving demands of our members across generations, providing secure and well-funded benefits with the highest level of service now and into the future.

Most PSRS/PEERS benefit recipients are service retirees. Lifetime service retirement benefits are payable to members who have met age and service requirements. Disability benefits are provided for members who are unable to earn a livelihood due to permanent disability and who have met other eligibility criteria. The Systems also provide death benefits to qualified beneficiaries of deceased members.

PSRS 2024-2025 School Year* Retirees

Years of Service at Retirement	Number of Retirees	Average Years of Service	Average Single Life Monthly Benefit	Average Age at Retirement
5 - 9.9	290	6.8	\$746	61.8
10 - 14.9	215	12.2	\$1,439	61.6
15 - 19.9	257	17.3	\$2,411	61.7
20 - 24.9	476	22.5	\$3,684	59.9
25 - 29.9	1,111	27.3	\$5,001	54.4
30 - 34.9	382	31.5	\$6,303	56.3
35 - 39.9	22	36.8	\$7,141	61.9
40+	2	42.7	\$6,734	66.4
Overall Total/Average	2,755	22.9	\$4,005	57.7

PEERS 2024-2025 School Year* Retirees

Years of Service at Retirement	Number of Retirees	Average Years of Service	Average Single Life Monthly Benefit	Average Age at Retirement
5 - 9.9	666	6.9	\$309	64.3
10 - 14.9	361	12.2	\$615	63.2
15 - 19.9	362	17.5	\$1,027	63.7
20 - 24.9	405	22.4	\$1,419	62.3
25 - 29.9	284	26.9	\$2,015	60.5
30+	118	33.6	\$2,925	63.4
Overall Total/Average	2,196	16.4	\$1,044	63.1

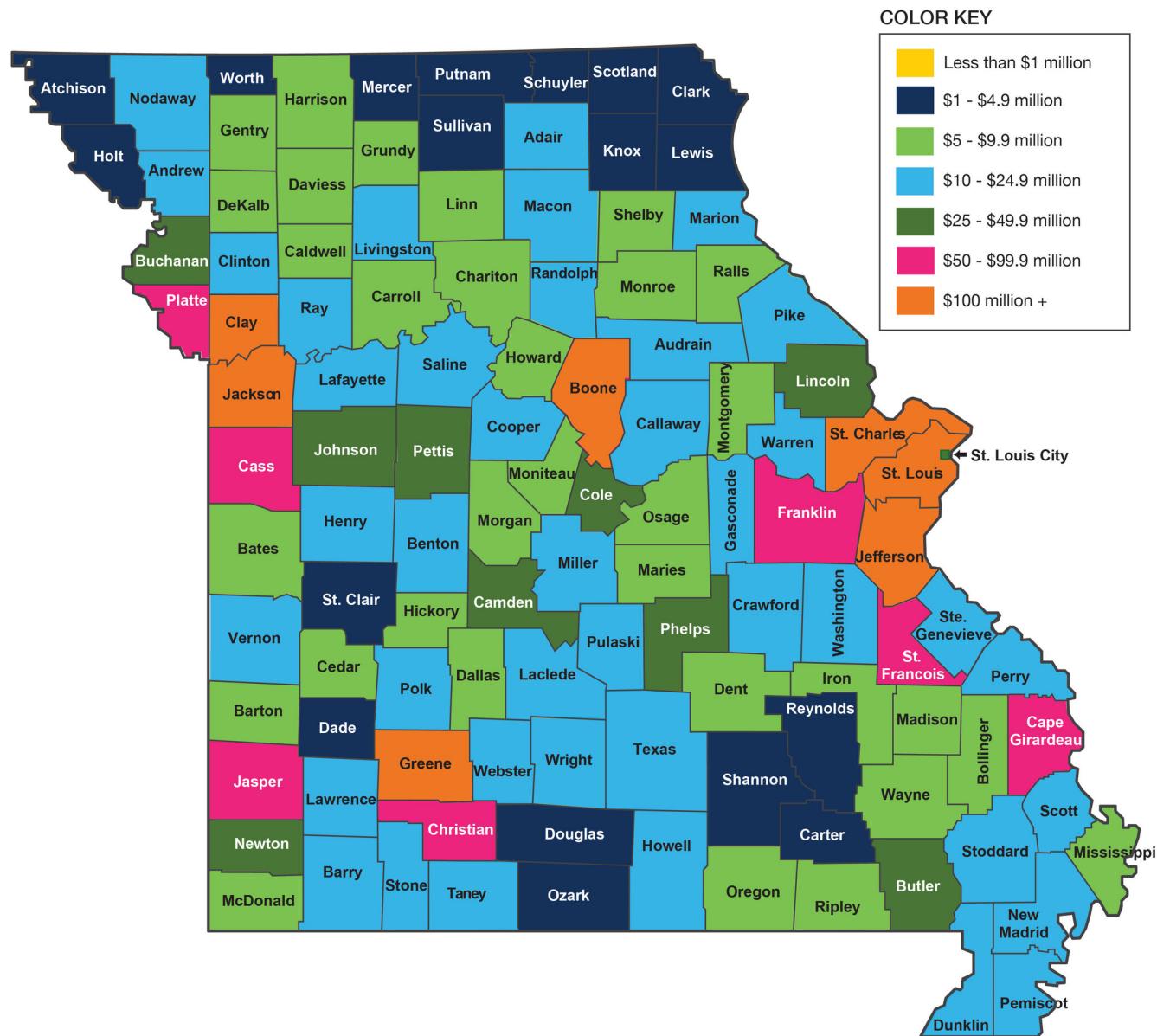
*A school year runs July 1 to June 30.

PSRS/PEERS members can estimate their future monthly service retirement benefits using our online Benefit Estimator located in Web Member Services at www.psrs-peers.org.

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.



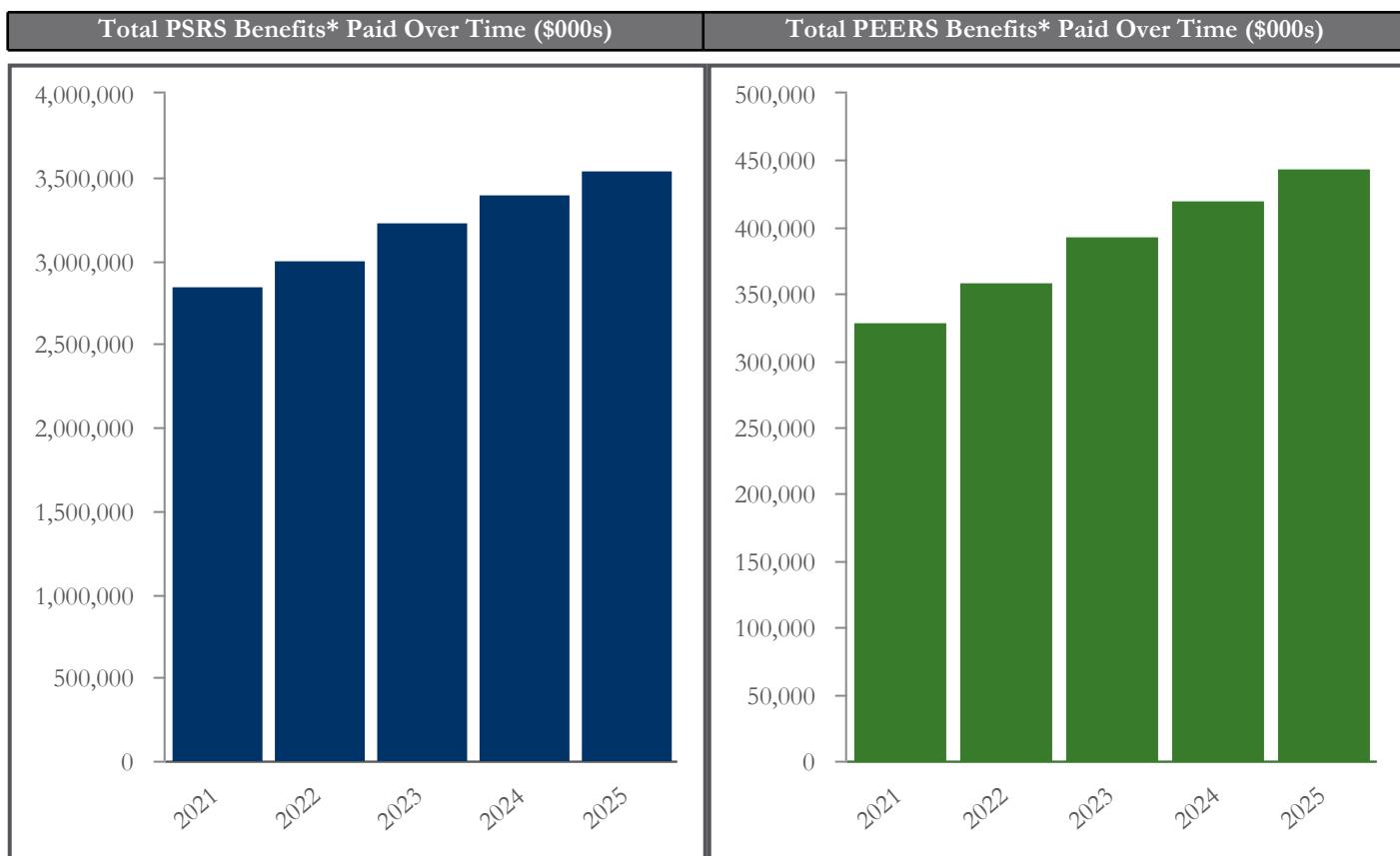


Retirement Trends

The total number of PSRS/PEERS retirees and amount of benefits paid each year continue to grow. In fiscal year 2025 (July 1, 2024, to June 30, 2025), we helped 4,951 new service retirees begin their next chapter by providing them lifetime monthly benefits.

PSRS Members Retiring by Year				
	2025	2024	2023	2022
Number of Retirements	2,755	2,826	2,977	2,731
Average Age	57.7	57.6	57.9	58.5
Average Years of Service	22.9	22.8	23.1	22.5
Average Monthly Benefit	\$4,005	\$3,875	\$3,864	\$3,645

PEERS Members Retiring by Year				
	2025	2024	2023	2022
Number of Retirements	2,196	2,158	2,428	2,492
Average Age	63.1	63.0	62.8	63.0
Average Years of Service	16.4	16.4	16.8	16.4
Average Monthly Benefit	\$1,044	\$997	\$966	\$941



*Annual benefits paid to service retirees, disability retirees, and survivors. Includes PLSO payments.

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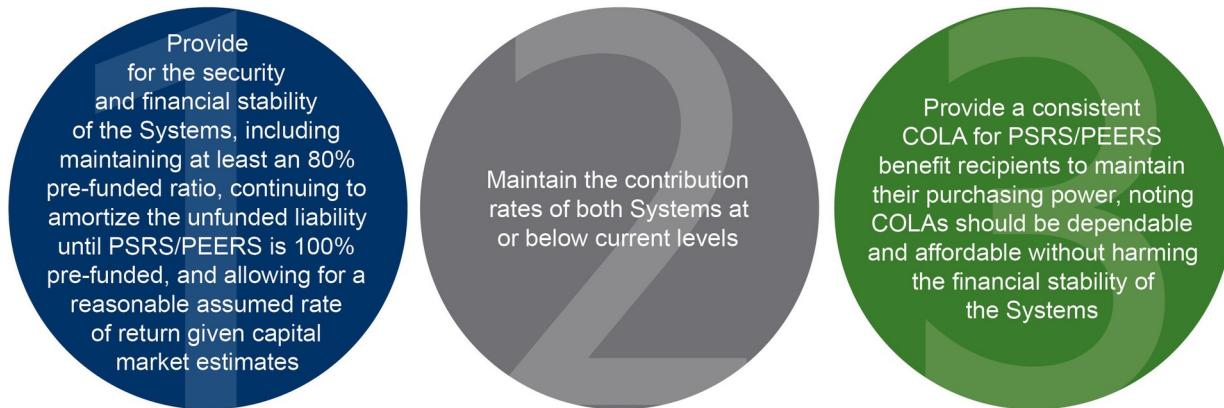
*“Innovation is seeing what everybody has seen
and thinking what nobody has thought.”*

— Dr. Albert Szent-Györgyi

Funding Status and Valuation Results

The PSRS/PEERS Board of Trustees and staff take great pride in serving Missouri's public school educators and staff by helping to provide them with a secure financial future. As part of that service, the Board evaluates a large amount of information each year including, but not limited to, the annual actuarial valuations prepared by the Systems' external actuary, PwC US, in order to prudently fund the Systems.

The Board of Trustees' funding goals include:

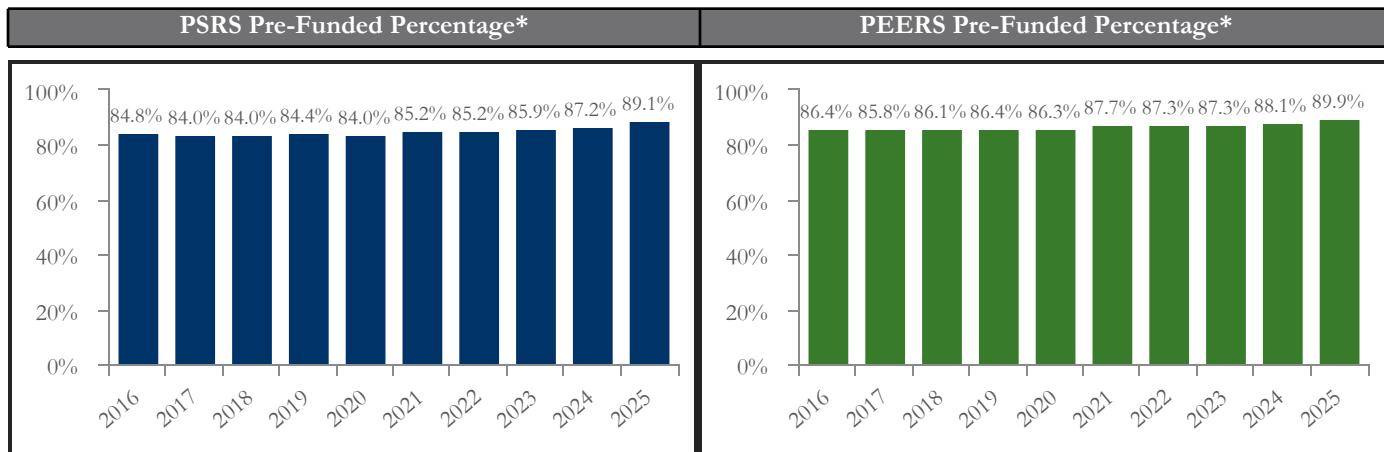


PSRS/PEERS' continued innovation has served the members of the Retirement Systems well and contributed to our financial position. Based upon the June 30, 2025, valuations and overall financial projections, the Board of Trustees set the fiscal year 2027 contribution rates equivalent to the fiscal year 2026 contribution rates for both members and employers. This was the 16th consecutive year for the contribution rates to be 29.0% for PSRS and 13.72% for PEERS. The consistency of contribution rates for a long duration illustrates significant stability, persistent governance, and our ability to adapt, evolve, and innovate.

As of June 30, 2025, PSRS was 89.1% pre-funded, while PEERS was 89.9% pre-funded. 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 Jan. 1, 2026, for retired members compared to an assumed COLA of 1.35%; and the net effect of retirement and new entrant experience. As noted above, the Board of Trustees maintains the goal of achieving a pre-funded ratio of 100%.

Actuarial valuations of the Systems' liabilities are performed annually and are based on economic and demographic assumptions. Comprehensive studies of the assumptions are performed every five years. The most recent study was completed in 2021. Each year since the 2021 experience study, the Board of Trustees has reviewed the sensitivities to changes in COLA assumptions, inflation projections, and investment returns. In fiscal year 2025, the Board closely reviewed the long-term inflation assumption. This review was needed given overall elevated inflation; short- and long-term inflation assumptions reflected in the capital market forecasts from various investment advisors and analysts; and the volatility of capital market assumptions in recent years. Based on the results of the actuarial valuations, inflation analysis, and sensitivity analysis, the Board of Trustees did not make any amendments to the Systems' Actuarial Funding Policies during the current year. The next experience study is scheduled to be completed prior to the June 30, 2026, valuations.

Additional information on actuarial assumptions and funding can be found in the actuarial section of the *Annual Comprehensive Financial Report*.



*Actuarial value of assets as a percentage of actuarial accrued liabilities

The pre-funded status of both systems has gradually increased in recent years and has remained relatively stable over the last 10 years.

Funding Sources

MEMBERS

While working, members contribute a percentage of their salary to PSRS or PEERS to help fund benefits. The PSRS/PEERS Board of Trustees sets the contribution rates each year, based on the recommendation of the Systems' actuary after the annual actuarial valuation is complete. Members are guaranteed at least a return of their contributions (with interest) from the Systems.

EMPLOYERS

Employers contribute an equal amount as members. All employer contributions are used solely to fund benefits for retirees and beneficiaries of deceased members.

INVESTMENTS

Investment earnings account for the majority of the assets needed to fund benefits. 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 current and future liabilities.

Over the last 25 years, approximately 63¢ of every dollar used to pay retirees is generated from investment earnings.



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

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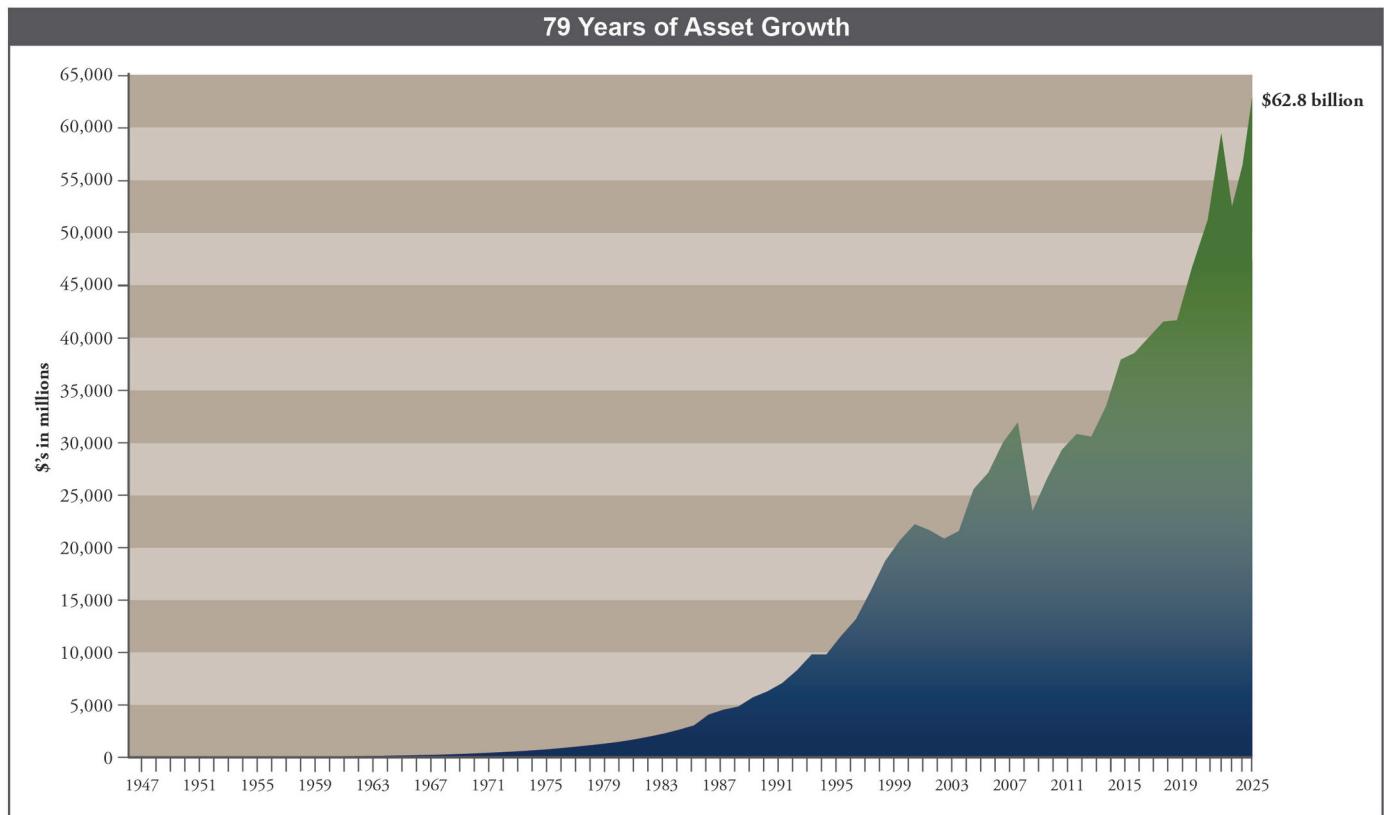
“The heart and soul of the company is creativity and innovation.”

— Bob Iger

Growth in Assets

Innovation 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 outcome of this innovation will be better investment results, net of all fees and expenses, over the long term.

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



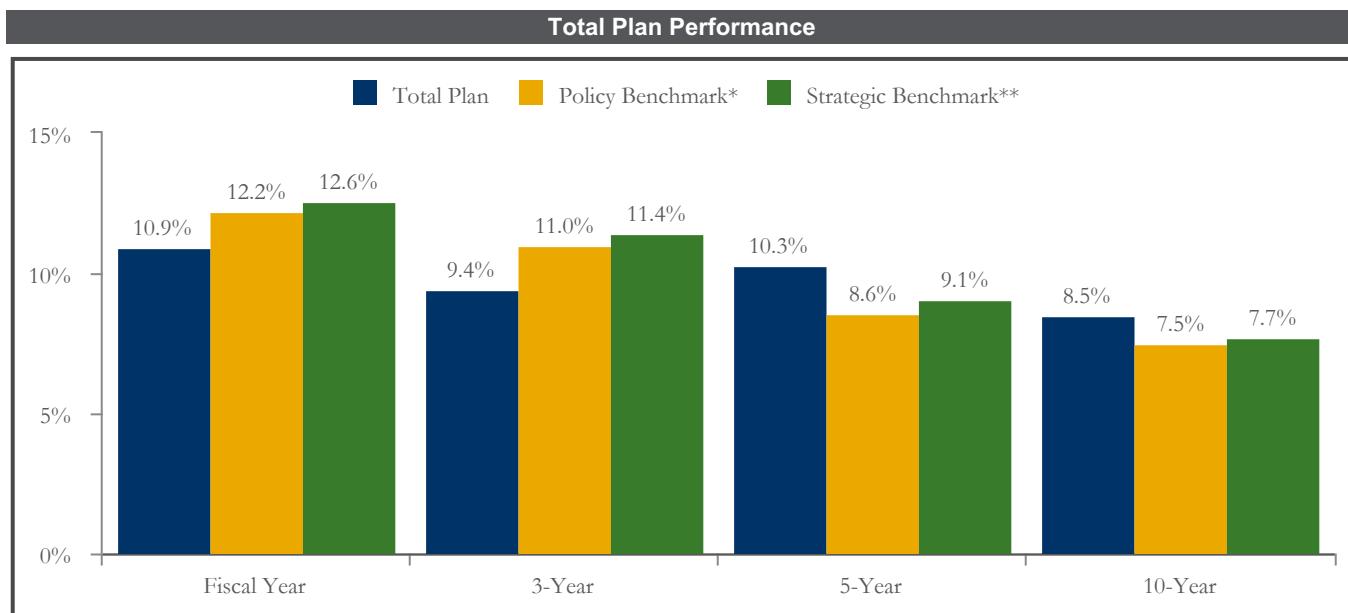
Plan Performance

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

PSRS and PEERS continue to produce investment returns that meet or exceed the Systems' long-term objective of 7.3%. The annualized investment return for the Systems is 8.0% (7.8% net of all investment expenses and fees) over the last 30 years.

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. The total fund return has exceeded the median return of other large public funds over all 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.



* 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.

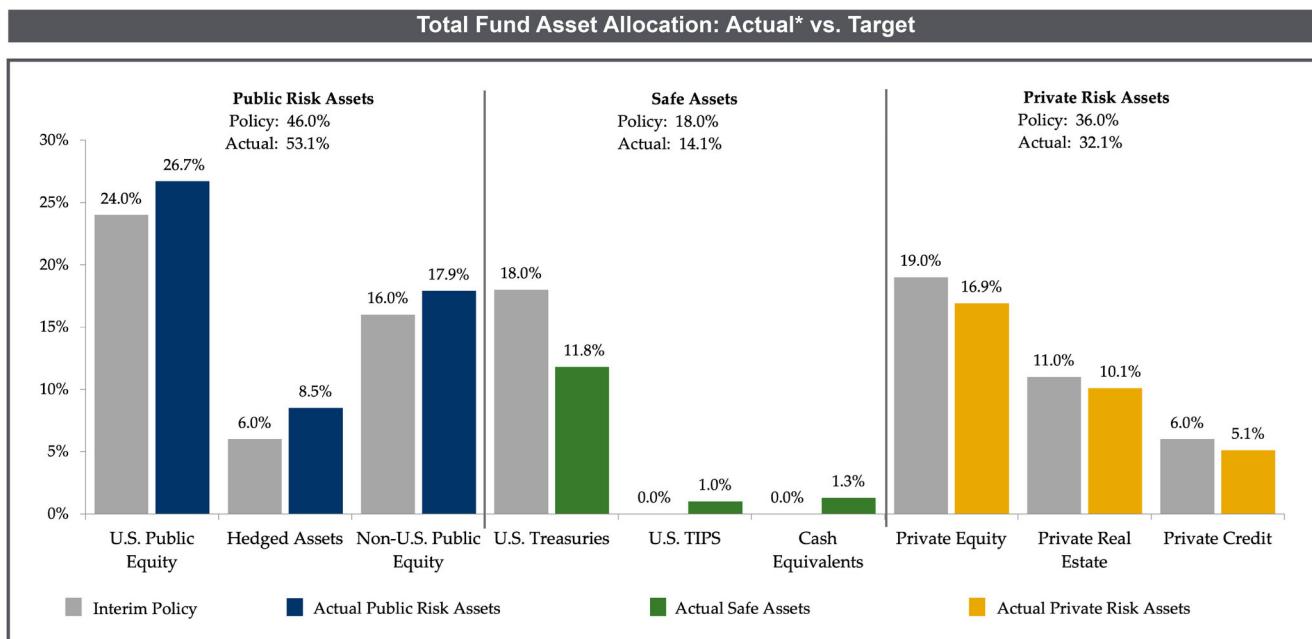
Asset Allocation

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, every specific asset class within the investment portfolio performs a valuable function.

The Board amended the long-term target asset allocation during fiscal year 2022 following the 2022 asset allocation and liability study. The allocation to each investment program reflects the Systems' risk tolerance and the long-term return objective. The new long-term target asset allocation is expected to maintain similar overall portfolio risk while enabling more efficient investment returns. Due to the nature of Private Risk Assets, full implementation will take several years and a disciplined investment approach. Policy benchmarks will change over time as the Systems make meaningful progress toward 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 Private Risk Assets, Private Equity increased from 16% to 21%, and within Safe Assets, U.S. Treasuries decreased from 20% to 15%.

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



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

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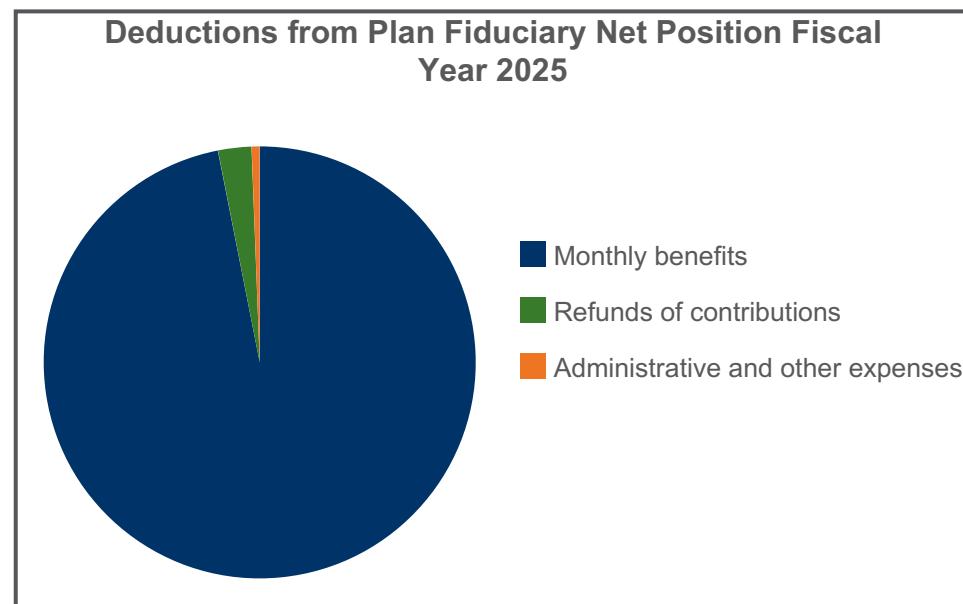
“Without change there is no innovation, creativity, or incentive for improvement.”

— William Pollard

Fiscal Year 2025 Expenses

The sole purpose of the Retirement Systems is to provide financial benefits to our members and their beneficiaries.

Therefore, it is no surprise that the primary expense incurred by PSRS/PEERS is the payment of monthly benefits to members and beneficiaries.



Benefits Paid in Fiscal Year 2025 (000's)			
Type of Benefit	PSRS	PEERS	Total
Service Retirement Benefits	\$ 3,305,796	\$ 417,865	\$ 3,723,661
Disability Benefits	33,060	4,943	38,003
Beneficiary Payments	205,136	21,499	226,635
Subtotal Monthly Benefits	\$ 3,543,992	\$ 444,307	\$ 3,988,299
Refunds to Former Members	\$ 74,020	\$ 27,437	\$ 101,457

- The largest percentage of the Systems' benefit recipients is service retirees. Monthly service retirement benefits are payable to members who have met age and service requirements.
- Disability benefits are paid to members who are unable to earn a livelihood due to a permanent disability and who have met certain eligibility requirements.
- Beneficiary payments are available to survivors if the retiree elected this option. In PSRS, survivor benefits are also available to designated beneficiaries of members who die before retirement.

Other expenses include the payment of refunds of contributions to former members and the costs to administer the Systems.

Financial Statements

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 and deferred inflows is reported as net position. The net position of the Systems reflects the resources available to pay benefits to members when due.

Statements of Fiduciary Net Position					
	PSRS	PEERS	Combined Totals		
			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 in the Financial Section of the Annual Comprehensive Financial Report.

Financial Statements

The Statements of Changes in Fiduciary Net Position show the incoming revenue (additions) and outgoing expenses (deductions) of the Systems throughout the 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.

Statements of Changes in Fiduciary Net Position				
	PSRS	PEERS	Combined Totals Year Ended	
			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	<u>1,734,957,832</u>	<u>355,322,548</u>	<u>2,090,280,380</u>	<u>2,011,401,360</u>
Investment income				
<i>From investing activities:</i>				
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	<u>6,083,212,124</u>	<u>821,059,783</u>	<u>6,904,271,907</u>	<u>6,250,347,328</u>
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	<u>5,420,366,350</u>	<u>730,737,262</u>	<u>6,151,103,612</u>	<u>5,688,033,379</u>
<i>From security lending activities:</i>				
Security lending gross income	—	—	—	3,962
Less security lending activity expenses:				
Agent fees	—	—	—	2,629
Broker rebates paid (received)	—	—	—	(9,143)
Total security lending expenses	—	—	—	(6,514)
Net income from security lending activities	—	—	—	10,476
Total net investment income	<u>5,420,366,350</u>	<u>730,737,262</u>	<u>6,151,103,612</u>	<u>5,688,043,855</u>
Other income				
Miscellaneous income	20,836	7,487	28,323	22,993
Total other income	<u>20,836</u>	<u>7,487</u>	<u>28,323</u>	<u>22,993</u>
Total additions	<u>7,155,345,018</u>	<u>1,086,067,297</u>	<u>8,241,412,315</u>	<u>7,699,468,208</u>
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	<u>3,631,951,888</u>	<u>481,876,265</u>	<u>4,113,828,153</u>	<u>3,938,803,608</u>
Net increase in net position	<u>3,523,393,130</u>	<u>604,191,032</u>	<u>4,127,584,162</u>	<u>3,760,664,600</u>
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	<u>\$ 55,571,751,625</u>	<u>\$ 7,552,338,411</u>	<u>\$ 63,124,090,036</u>	<u>\$ 58,996,505,874</u>

See accompanying Notes to the Financial Statements in the Financial Section of the Annual Comprehensive Financial Report.



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PO Box 268
3210 W. Truman Blvd.
Jefferson City, MO 65102-0268
(573) 634-5290 or (800) 392-6848
Email: psrspeers@psrspeers.org
Website: www.psrs-peers.org