

# SEMI-ANNUAL FINANCIAL REPORT (PERF)

Fiscal Year-to-Date December 31, 2024

## Preliminary Unaudited Financial Results

For the mid-year ended December 31,	2024	2023	\$ Change	% Change	MID-YEAR TO MID-YEAR COMPARISON
	(\$ Thousands)				
<b>ADDITIONS</b>					
<b>Retirement Contributions</b>					
Members	\$3,293,937	\$3,079,418	\$214,519	7.0%	↑ The increase in member contributions is primarily attributable to an increase in covered payroll resulting from: (1) The number of active PEPRA members who contribute at higher rate continues to increase. As of 6/30/24, PEPRA membership increased by 11.6% from the prior year, while Classic membership decreased by 7.9% (2) State employee salary increase effective July 1, 2024.
Employers	\$13,491,479	\$14,532,873	(\$1,041,394)	(7.2%)	↓ A total decrease of employer contributions is observed, due to an additional \$1.7 billion contribution made in July 2023, with no such addition made in FY 2024-2025. This decrease was offset by employer contribution rates increase between 0.5% and 2.2% for State plans, 0.4% for schools, 11.8% for public agency miscellaneous plans and 12.1% for public agency safety plans effective on July 1, 2024.
<b>Total Retirement Contributions</b>	<b>\$16,785,416</b>	<b>\$17,612,291</b>	<b>(\$826,875)</b>	<b>(4.7%)</b>	<b>↓</b>
<b>Investment &amp; Other Income</b>					
Net Appreciation (Depreciation) in Fair Value of Investments	\$15,569,971	\$18,971,264	(3,401,293)	(17.9%)	↓ Net Appreciation includes both unrealized and realized gains. Decrease is due to lower investment returns this year. Although both years experienced positive returns due to an overall positive market experience, there was a less favorable return in Fiscal Mid-Year 2024-25. Total half-year net investment return decreased from 4.38% at 12/31/2023 to 4.14% at 12/31/2024.
Interest & Amortization	1,848,541	1,217,663	630,878	51.8%	↑ Increase results primarily from \$912 million higher fixed income interest revenue, partially offset by a loss of \$279 million in short-term securities.
Dividends	2,089,547	2,149,594	(60,047)	(2.8%)	↓ Dividend income will vary depending on the specific dividend payment policies of holdings within global equity securities.
Other Investment Income	37,703	12,618	25,085	198.8%	↑ Other investment income is primarily made up of bank loan interest and cash proceeds from stock litigation settlements. Income will vary depending on the activity level during the year.
<i>Less Investment Expenses:</i>					
Management & Performance Fees	(590,445)	(523,065)	67,380	12.9%	↑ Increase results from: (1) \$61 million increase in private equity and private debt management fees (2) \$6 million increase in base fees (all asset classes).
Other [1]	(274,151)	(202,727)	71,424	35.2%	↑ Increase results primarily from a \$30 million increase in swap dividend payable and \$42 million increase in foreign capital gains tax imposed on India trading activity.
<b>Net Investment &amp; Other Income</b>	<b>\$18,681,166</b>	<b>\$21,625,347</b>	<b>(\$2,944,181)</b>	<b>(13.6%)</b>	<b>↓</b>
Securities Lending Income	\$468,034	\$252,081	215,953	85.7%	↑ Securities lending (SL) income does not necessarily correlate to prior years balances. Current activity is reflective of current demand to borrow securities. As such, these balances will fluctuate from year to year.
Securities Lending Expense	(\$434,452)	(\$218,058)	216,394	99.2%	↑ Securities lending (SL) expenses reflect lending costs that year only, and there is no correlation in SL expenses from year to year.
<b>Net Securities Lending</b>	<b>\$33,582</b>	<b>\$34,023</b>	<b>(\$441)</b>	<b>(1.3%)</b>	<b>↓</b>
Other Income	\$3,704	\$9,470	(5,766)	(60.9%)	↓ Decrease results primarily from \$6 million decrease in revenue from deposits of unclaimed benefits over 4 years.
Plan-to-Plan Resource Movement	\$2,906	\$139	2,767	1990.6%	↑ Balances represent the internal transfer of funds resulting from adjustments in balances between PERF A, B, and C.
<b>TOTAL ADDITIONS</b>	<b>\$35,506,774</b>	<b>\$39,281,270</b>	<b>(\$3,774,496)</b>	<b>(9.6%)</b>	<b>↓</b>
<b>DEDUCTIONS</b>					
Retirement, Death & Survivor Benefits	(\$17,055,024)	(\$16,179,654)	875,370	5.4%	↑ Number of retirees & beneficiaries continues to increase based on the fiscal year end numbers. The number of retirees and beneficiaries increased by 2%, from 789,016 as of 6/30/2023 to 804,771 as of 6/30/2024.  Note: Member data is only generated at fiscal year end (quarterly data unavailable for trending purposes).
Refund of Contributions	(193,233)	(187,924)	5,309	2.8%	↑ Increase in members separating from the plan. This activity will naturally vary year to year depending on the number of participants who elect to separate from PERS.
Plan to Plan Resource Movement	(2,906)	(139)	2,767	1990.6%	↑ Balances represent the internal transfer of funds resulting from adjustments in balances between PERF A, B, and C.
Administration Costs [2]	(166,040)	(164,958)	1,082	0.7%	↑ Variance is due to multiple fluctuations in the various accounts making up the administrative expenses group and cannot be attributed to specific deviations.
<b>TOTAL DEDUCTIONS</b>	<b>\$ (17,417,203)</b>	<b>\$ (16,532,675)</b>	<b>\$ 884,528</b>	<b>5.4%</b>	<b>↑</b>
<b>Change in Net Position</b>	<b>\$18,089,571</b>	<b>\$22,748,595</b>	<b>(\$4,659,024)</b>	<b>(20.5%)</b>	<b>↓</b>
<b>NET POSITION</b>					
Beginning of Year	\$ 506,622,966	\$ 464,578,159	\$ 42,044,807	9.1%	↑ From July 2023
Net Position, December 31	\$ 524,712,537	\$ 487,326,754	\$ 37,385,783	7.7%	↑ From December 2023

### [1] OTHER INVESTMENT EXPENSES

Other investment expenses includes administrative and legal costs incurred in the Investment office (INVO), dividend tax withheld, other tax related expenses, and investment related consultant services.

### [2] ADMINISTRATION COSTS

Administrative costs include personnel service, external consultant and professional services, and operating expenses and equipment. Excludes INVO admin expenses for both FYs.