



Executive Update

December 19, 2025

Dear Employers,

The PMRS Board met this week, and I'd like to share several important updates regarding our continued progress and strategic direction.

As of September 30, 2025, our portfolio has grown to \$3.86 billion, with a \$162.7 million investment gain, 4.4%, in the third quarter. This strong performance was driven by growth and emerging market equities and real estate. We continue to be on target with our long-term growth strategy.

To further strengthen our portfolio through diversification, the PMRS Board approved expanding into private market asset classes. This week they approved adding Blackstone and Brookfield as Infrastructure managers.

The Board also approved two important policies. First, the PMRS Referral Policy requires Board members to refer any third-party contacts to the commonwealth procurement process, reducing risk of conflicts of interest. Second, the Board updated the Missed Contribution Policy, which was previously implemented to handle missed contributions in cash balance plans. The updated policy ensures that missed contributions are recorded as employer contributions rather than member contributions. This protects the member's benefit by guaranteeing their retirement account is made whole when they retire. Both policies were added to our [website](#).

This year, we made significant progress across three key areas: Technology, Operations, and Plan Administration. We implemented new investment software that enhanced our portfolio oversight. We expanded our Pre-Retirement Seminar to include fraud prevention education and improved our systems for maintaining accurate municipal contact information as we transition to electronic communications.

Looking ahead to 2026, we're positioned for meaningful growth. Our newly renovated headquarters will better serve our employers and members. We'll continue developing pension education tools and resources to help members make informed retirement decisions while actively managing and diversifying our investment portfolio to strengthen our long-term strategy. With our strong foundation and dedicated team, 2026 promises to be a transformative year for PMRS.

Thank you for your continued support.

Sincerely,

A handwritten signature in black ink that reads "Timothy A. Reese". The signature is written in a cursive, flowing style.

Timothy A. Reese

Chief Executive Officer

Pennsylvania Municipal Retirement System

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