



Executive Update

March 21, 2025

Dear Employers,

This week, our Board of Trustees held its annual economic and financial education session with investment managers. It was a highly productive meeting that provided valuable insights into the markets. We remain committed to being informed about the market conditions and providing a diverse portfolio that will promote strong long-term performance.

As of December 31, PMRS had \$3.5 billion in assets. By February, our portfolio had impressive performance, achieving a 2.7% return despite market volatility. Over the past five years, the fund has experienced remarkable growth, with gains of \$1.24 billion. Our five-year returns reflect the effectiveness of our portfolio management strategies. We are proud that PMRS continues to be one of the top five fully funded pension plans of its size in our nation, with a funding level of 104%.

Additionally, PMRS was recently awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) for its 2023 Annual Comprehensive Financial Report (ACFR). This prestigious honor, the highest form of recognition in government accounting and financial reporting, is a testament to the organization's commitment to excellence. The last time PMRS received this award was for our 2018 ACFR.

Over the past four years, our Five Guiding Principles—enhancing member and employer experiences, optimizing investments, fostering innovation, and promoting inclusiveness and transparency—have served as the foundation of our work. These principles continue to drive our progress.

In 2025, our efforts are pivoting toward increased intra-divisional collaboration, focusing on three key themes: Technology, Operations, and Plan Administration. These priorities reflect our dedication to delivering value and efficiency to our employers and members.

In December, our executive team held a strategic session where we outlined 15 priorities for the year. Here are a few highlights:

1. Expanding stakeholder education by growing our suite of resources to better serve members and employers, including the creation of a resource video library and the expansion of seminars.

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2. Addressing key business needs by proactively resolving operational challenges, such as eliminating the processing backlog, and refining our processes to ensure smoother, more efficient service delivery.
3. Simplifying plan documents by revising documents to make them clearer and more accessible, supporting stakeholders in navigating their options with confidence.
4. Headquarters renovation project to accommodate future growth, improve workspace functionality, and provide a secure, welcoming environment for staff and visitors alike.

These are just a few initiatives we will be focusing on in 2025. We remain committed to our mission to ensure our processes, tools, and resources align with administering a sound pension plan for local government employees preparing for retirement.

Thank you for your ongoing support as we continue to transform PMRS into a leading pension administration system.

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