

# SEMI-ANNUAL FINANCIAL REPORT (PERF)

Agenda Item 4e - Attachment 1

Fiscal Year-to-Date December 31, 2015

## Preliminary Unaudited Financial Results

Fiscal Year to Date, December 31	2015	2014	\$ Change	FISCAL YEAR TO DATE COMPARISON
	(\$ Thousands)			
Net Position, July 1	\$ 302,764,518	\$ 301,761,539	\$ 1,002,979	0% ↑ From July 2014 (change is less than 1 percent)
Contributions	7,882,346	7,021,632	860,714	12% ↑ Employer contribution rates increased between 0.5 percent and 3.2 percent for State, 0.1 percent for School employers, and 1.5 percent and 3.8 percent on average for public agency miscellaneous and safety plans (respectively)
Pension Benefits	(9,893,454)	(9,291,655)	(601,799)	6% ↑ The number of benefit recipients continues to increase based on the fiscal year end numbers, in combination with a COLA increase of 2.0 percent
Termination and Refund Benefits	(113,096)	(120,227)	7,131	(6%) ↓ Reduction in members separating from the plan
Administration Costs [1]	(158,393)	(135,777)	(22,616)	17% ↑ Increase due to an employee salary increase effective July 1, 2015 and rate increases to employee benefits (including retirement, health and dental coverage, central administrative services)
	(2,282,597)	(2,526,027)	243,430	
Investment & Other Income	(8,518,639)	(1,584,910)	(6,933,729)	(437%) ↓ Unfavorable market conditions resulted in negative returns to global equities
Investment Management Fees	(350,668)	(201,055)	(149,613)	74% ↑ Investment management fees for real assets increased due to better performance returns
Other Investment Expenses [2]	(74,990)	(90,888)	15,898	(17%) ↓ Decrease in dividend expense, dividend tax withheld, INVO consultant services, and transactional expenses
<b>Total Increase/Decrease</b>	<b>(11,226,894)</b>	<b>(4,402,880)</b>	<b>(6,824,014)</b>	
Net Position, December 31	\$ 291,537,624	\$ 297,358,659	\$ (5,821,035)	(2%) ↓ From December 2014

### [1] ADMINISTRATIVE COSTS

Administrative costs include personnel services, external consultant and professional services, and operating expenses and equipment

### [2] 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