

SEMI-ANNUAL FINANCIAL REPORT (PERF)

Fiscal Year-to-Date December 31, 2025

Preliminary Unaudited Financial Results

For the mid-year ended December 31,	2025	2024	\$ Change	% Change	MID-YEAR TO MID-YEAR COMPARISON
	(\$ Thousands)				
ADDITIONS					
Retirement Contributions					
Members	\$3,443,417	\$3,293,937	\$149,480	4.5%	↑ The increase was primarily due to a rise in the number of active members. The active membership grew by 2.6%, from 957,970 as of June 30, 2024, to 983,262 as of June 30, 2025.
Employers	\$15,943,514	\$13,491,479	\$2,452,035	18.2%	↑ Increased primarily due to an increase in employer contribution rate for State and Public Agencies. The Budget Act Total Contribution Rate for FY 2025-26 changed between -0.60% and 20.29% for State plans. On average, actuarial required employer contribution rates increased 1.7% for public agency miscellaneous plans and 2.7% for public agency safety plans. Additionally, there was a \$1.3 billion increase in unfunded liability payments in the first half of FY 2025-26.
Total Retirement Contributions	\$19,386,931	\$16,785,416	\$2,601,515	15.5%	↑
Investment & Other Income					
Net Appreciation (Depreciation) in Fair Value of Investments	\$32,271,328	\$15,569,971	16,701,357	107.3%	↑ The increase was primarily due to higher investment returns this year. The net investment return rose from 4.14% in the first six months of FY2024-25 to 7.68% in the same period of FY2025-26, driven by improved performance in both public and private equity.
Interest & Amortization	4,016,640	1,848,541	2,168,099	117.3%	↑ The increase in interest income is due to the 2025 Global Fixed Income de-unitization. Previously, the interest income was embedded in pooled NAV balances; post de-unitization, it is now posted directly to individual fund accounts, increasing reported amounts. The NAV balance redistribution reflects a reporting change, not a actual increase in earnings.
Dividends	2,004,700	2,089,547	(84,847)	(4.1%)	↓ Dividend income will vary depending on the specific dividend payment policies of holdings within public equity securities.
Other Investment Income	21,649	37,703	(16,054)	(42.6%)	↓ Other investment income is primarily composed of bank loan interest and cash proceeds from stock litigation settlements, and will vary depending on the volume of these activities during the year.
<i>Less Investment Expenses:</i>					
Management & Performance Fees	(644,267)	(590,445)	53,822	9.1%	↑ The increase results from a \$43.9 million rise in private equity and private debt management fees, reflecting greater active management and additional capital deployed.
Other [1]	(298,078)	(274,151)	23,927	8.7%	↑ Increase primarily due to an increase in Investment Office's administrative expenses, driven by expenses related to the Investment Data and Technology Modernization Initiative.
Net Investment & Other Income	\$37,371,972	\$18,681,166	\$18,690,806	100.1%	↑
Securities Lending Income	\$508,559	\$468,034	40,525	8.7%	↑ The increase in securities lending income is primarily due to an increase in securities lending activity in the current fiscal year.
Securities Lending Expense	(\$467,009)	(\$434,452)	32,557	7.5%	↑ The increase in expense correlates with an increase in securities lending income in the current fiscal year.
Net Securities Lending	\$41,550	\$33,582	\$7,968	23.7%	↑
Other Income	\$4,284	\$3,704	580	15.7%	↑ The increase is primarily due to an increase in legal settlement income in the current fiscal year.
Plan-to-Plan Resource Movement	\$2,155	\$2,906	(751)	(25.8%)	↓ Balances represent the internal transfer of funds resulting from adjustments in balances between PERF A, B, and C.
TOTAL ADDITIONS	\$56,806,892	\$35,506,774	\$21,300,118	60.0%	↑
DEDUCTIONS					
Retirement, Death & Survivor Benefits	(\$18,007,401)	(\$17,055,024)	952,377	5.6%	↑ Number of retirees & beneficiaries continues to increase based on the fiscal year end numbers. The number of retirees and beneficiaries increased by 2.6% from 804,771 as of 6/30/2024 to 825,399 as of 6/30/2025.
Refund of Contributions	(214,727)	(193,233)	21,494	11.1%	↑ 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	(2,155)	(2,906)	(751)	(25.8%)	↓ Balances represent the internal transfer of funds resulting from adjustments in balances between PERF A, B, and C.
Administration Costs [2]	(186,179)	(166,040)	20,139	12.1%	↑ Increase primarily due to an increase in personnel expenses, external consultant services, Board election, and building improvement expenses in current year .
TOTAL DEDUCTIONS	\$ (18,410,462)	\$ (17,417,203)	\$ 993,259	5.7%	↑
Change in Net Position	\$38,396,430	\$18,089,571	\$20,306,859	112.3%	↑
NET POSITION					
Beginning of Year	\$ 562,975,801	\$ 506,622,966	\$ 56,352,835	11.1%	↑ From July 2024
Net Position, December 31	\$ 601,372,231	\$ 524,712,537	\$ 76,659,694	14.6%	↑ From December 2024

[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 fiscal years.