



Kentucky Retirement Systems

Public Pension Oversight Board

Investment Performance and Cash Flow through March 31, 2019

June 24, 2019

Pension- Investment Update 3/31/2019

Annual Rates of Return (Net of Fees)

	Market Value (\$ in millions)	Fiscal YTD	3 Years	5 Years	10 Years	20 Years
KERS Non-Hazardous	\$2,106.6	3.1%	8.0%	5.5%	9.4%	5.5%
<i>Plan Index*</i>		3.6%	8.3%	5.7%	9.8%	5.6%
KERS Hazardous	\$666.1	2.8%	8.7%	5.9%	9.6%	5.6%
<i>Plan Index*</i>		3.3%	8.9%	5.9%	9.9%	5.7%
CERS Non-Hazardous	\$7,040.5	2.8%	8.8%	6.0%	9.6%	5.6%
<i>Plan Index*</i>		3.3%	9.0%	5.9%	9.9%	5.7%
CERS Hazardous	\$2,361.4	2.9%	8.8%	6.0%	9.6%	5.6%
<i>Plan Index*</i>		3.3%	9.0%	5.9%	9.9%	5.7%
SPRS	\$271.8	3.0%	8.1%	5.3%	9.3%	5.5%
<i>Plan Index*</i>		3.5%	8.5%	5.7%	9.8%	5.6%
Total Pension Fund	\$12,446.4	2.9%	8.7%	5.9%	9.6%	5.6%
<i>Plan Index**</i>		3.4%	8.8%	6.1%	9.9%	5.7%

*Plan Index – KRS Blended Index (i.e. an asset weighted average of the underlying asset classes)

** Weighted Composite of Individual Plans (i.e. an asset weighted average of the underlying systems)

Insurance - Investment Update 3/31/2019

Annual Rates of Return (Net of Fees)




	Market Value (\$ in millions)	Fiscal YTD	3 Years	5 Years	10 Years	20 Years
KERS Non-Hazardous	\$888.1	2.2%	8.4%	5.6%	9.9%	5.0%
<i>Plan Index*</i>		3.3%	9.2%	6.1%	10.9%	5.4%
KERS Hazardous	\$515.6	2.7%	8.9%	6.0%	10.2%	5.1%
<i>Plan Index*</i>		3.3%	9.2%	6.2%	10.9%	5.4%
CERS Non-Hazardous	\$2,400.9	2.8%	9.0%	6.2%	10.9%	5.1%
<i>Plan Index*</i>		3.3%	9.1%	6.2%	10.9%	5.4%
CERS Hazardous	\$1,287.2	2.9%	9.1%	6.2%	10.3%	5.2%
<i>Plan Index*</i>		3.3%	9.1%	6.2%	10.9%	5.4%
SPRS	\$193.5	2.8%	9.0%	6.2%	10.2%	5.2%
<i>Plan Index*</i>		3.3%	9.1%	6.2%	10.9%	5.4%
Total Insurance Fund	\$5,285.2	2.8%	8.9%	6.1%	10.2%	5.1%
<i>Plan Index**</i>		3.3%	9.0%	6.4%	11.00%	5.4%

*Plan Index – KRS Blended Index (i.e. an asset weighted average of the underlying asset classes)

** Weighted Composite of Individual Plans (i.e. an asset weighted average of the underlying systems)






CASH FLOW – Pension Fund
(KERS Non-Haz, CERS Non-Haz, & SPRS)
March 31, 2019 (compared to March 31, 2018)
(\$ in millions)

						
Contributions	FY18	FY19	FY18	FY19	FY18	FY19
<i>Member Contributions</i>	\$83.0	\$74.7	\$127.2	\$122.6	\$4.4	\$3.9
<i>Employer Contributions/Appropriations</i>	539.3	777.6	266.1	282.9	37.6	48.3
<i>Investment Income (Net of Expenses)</i>	23.4	23.0	72.3	87.3	2.8	3.5
Total Cash Inflows	645.7	875.3	465.6	492.8	44.8	55.7
<i>Benefit Payments/Refunds</i>	733.9	749.4	552.7	582.8	44.0	45.8
<i>Administrative Expenses</i>	7.1	8.2	13.3	15.4	0.1	0.2
Total Cash Outflows	741.0	757.6	566.0	598.2	44.1	46.0
NET Cash Flow Before Gains/(Losses)	(95.3)	117.7	(100.4)	(105.4)	0.7	9.7
<i>Investment Gains/Losses</i>	111.2	38.2	451.2	106.6	14.0	4.2
Change in Net Position	15.9	155.9	350.8	1.2	14.7	13.9
<i>Beginning of Period</i>	2,092.8	2,048.9	6,739.1	7,086.3	256.4	268.4
<i>End of Period</i>	\$2,108.7	\$2,204.8	\$7,089.9	\$7,087.5	\$271.1	\$282.3





CASH FLOW – Insurance Fund
(KERS Non-Haz, CERS Non-Haz & SPRS)
March 31, 2019 (compared to March 31, 2018)
 (\$ in millions)

						
	FY18	FY19	FY18	FY19	FY18	FY19
Contributions						
<i>Employer Contributions</i>	\$99.5	\$131.8	\$89.7	\$97.3	\$7.1	\$10.0
<i>Insurance Premiums</i>	0.2	3.3	0.5	4.0	-	0.1
<i>Retired Reemployed Healthcare</i>	3.1	3.0	3.0	3.1	-	-
<i>Investment Income (Net of Expenses)</i>	8.0	11.7	19.2	31.1	1.5	2.4
Contribution Inflow	110.8	149.8	112.4	135.5	8.6	12.5
<i>Healthcare Premiums</i>	98.6	98.4	101.6	104.1	10.4	10.7
<i>Administrative Expenses</i>	0.7	0.6	0.7	0.6	-	-
Contribution Outflow	99.3	99.0	102.3	104.7	10.4	10.7
NET Cash Flow Before Gains/(Losses)	11.5	50.8	10.1	30.8	(1.8)	1.8
<i>Investment Gains/Losses</i>	48.0	7.2	155.4	34.8	13.0	2.8
Change in Net Position	59.5	58.0	165.5	65.6	11.2	4.6
<i>Beginning of Period</i>	781.4	846.8	2,160.5	2,346.8	178.2	190.0
<i>Ending of Period</i>	\$840.9	\$904.8	\$2,326.0	\$2,412.4	\$189.4	194.6

Appendix





**CASH FLOW – Pension Fund
(KERS-Haz and CERS-Haz)
March 31, 2019 (compared to March 31, 2018)
(\$ in millions)**

				
	FY18	FY19	FY18	FY19
Contributions				
<i>Member Contributions</i>	\$14.0	\$13.7	\$48.2	\$45.9
<i>Employer Contributions</i>	35.2	44.7	97.6	104.0
<i>Investment Income (Net of Expenses)</i>	6.5	8.3	23.9	29.9
Contribution Inflow	55.7	66.7	169.7	179.8
<i>Benefit Payments/Refunds</i>	50.7	53.9	184.8	195.3
<i>Administrative Expenses</i>	0.6	0.8	0.9	1.2
Contribution Outflow	51.3	54.7	185.7	196.5
NET Cash Flow Before Gains/(Losses)	4.4	12.0	(16.0)	(16.7)
<i>Investment Gains/Losses</i>	40.4	9.8	149.4	35.6
Change in Net Position	44.8	21.8	133.4	18.9
<i>Beginning of Period</i>	605.9	651.2	2,227.7	2,361.1
<i>End of Period</i>	\$650.7	\$673.0	\$2,361.1	\$2,380.0

Note: Member contributions include the Health Insurance Contribution (1%) as required by HB1.



**CASH FLOW – Insurance Fund
(KERS Haz and CERS-Haz)
March 31, 2019 (compared to March 31, 2018)
(in \$millions)**

				
	FY18	FY19	FY18	FY19
Contributions				
<i>Employer Contributions</i>	\$3.0	\$2.7	\$41.8	\$45.9
<i>Insurance Premiums</i>	-	0.2	(0.2)	0.5
<i>Retired Reemployed Healthcare</i>	0.7	1.0	0.7	0.9
<i>Northern Trust Settlement</i>	-	-	-	-
<i>Investment Income (Net of Expenses)</i>	4.3	6.6	10.2	16.5
Contribution Inflow	8.0	10.5	52.5	63.8
<i>Healthcare Premiums</i>	14.0	14.5	55.9	58.7
<i>Administrative Expenses</i>	0.1	0.1	0.3	0.3
Contribution Outflow	14.1	14.6	56.2	59.0
NET Cash Flow Before Gains/(Losses)	(6.1)	(4.1)	(3.7)	4.8
<i>Investment Gains/Losses</i>	33.7	6.9	86.0	19.4
Change in Net Position	27.6	2.8	82.3	24.2
<i>Beginning of Period</i>	484.4	513.4	1,179.3	1,268.3
<i>End of Period</i>	\$512.0	\$516.2	\$1,261.6	\$1,292.5