



# Teachers' Retirement System of the State of Kentucky

## Public Pension Oversight Board

**April 28, 2025**

**Gary L. Harbin, CPA**  
Executive Secretary

# Investment Performance

## Retirement Annuity Trust Unaudited Returns as of March 31, 2025

*Preliminary*

	<b>Qtr.</b>	<b>FYTD</b>	<b>1-year</b>	<b>3-year</b>	<b>5-year</b>	<b>10-year</b>	<b>20-year</b>
Gross	0.29%	4.63%	5.7%	5.27%	11.56%	7.96%	7.56%
Net	0.22%	4.49%	5.41%	4.96%	11.24%	7.67%	7.3%

30-year compounded gross return  
**7.95%**

# Investment Performance

## Health Insurance Trust Unaudited Returns as of March 31, 2025

*Preliminary*

	<b>Qtr.</b>	<b>FYTD</b>	<b>1-year</b>	<b>3-year</b>	<b>5-year</b>	<b>10-year</b>
<b>Gross</b>	-0.16%	4.46%	6.27%	5.57%	11.88%	7.77%
<b>Net</b>	-0.2%	4.36%	6.01%	5.27%	11.55%	7.42%

# Cash Flow Update

## Retirement Annuity Trust as of Feb. 28, 2025

<i>Preliminary and unaudited</i>	<b>FYTD 2025</b>	<b>FYTD 2024</b>
<b>Cash Inflows</b>		
Member contributions	\$ 248,600,000	\$ 233,800,000
Employer contributions/appropriations	970,300,000	806,800,000
Investment income (Net of any asset gains/losses)	<u>288,100,000</u>	<u>275,800,000</u>
<b>Total Cash Inflows</b>	1,507,000,000	1,316,400,000
<b>Cash Outflows</b>		
Benefit payments/refunds	1,698,700,000	1,669,200,000
Administrative expense	<u>12,200,000</u>	<u>11,700,000</u>
<b>Total Outflows</b>	1,710,900,000	1,680,900,000
Net cash flow before asset gain/(losses)*	(203,900,000)	(364,500,000)
Investment gains or losses (realized and unrealized)	1,455,900,000	1,702,700,000
Net plan assets		
Beginning of fiscal year	\$ 26,108,100,000	\$ 24,244,600,000
At end of period	\$ 27,360,100,000	\$ 25,582,600,000

\*Appreciation/depreciation in fair value does not generate cash inflows or outflows.

# Cash Flow Update

## Health Insurance Trust as of Feb. 28, 2025

<i>Preliminary and unaudited</i>	FYTD 2025	FYTD 2024
<b>Cash Inflows</b>		
Member contributions	\$ 141,900,000	\$ 135,800,000
Employer contributions/appropriations	156,700,000	151,900,000
Recovery income	124,000,000	108,600,000
Investment income (net of any asset gains/losses)	<u>38,400,000</u>	<u>32,700,000</u>
<b>Total Cash Inflows</b>	461,000,000	429,000,000
<b>Cash Outflows</b>		
Benefit payments/refunds	278,400,000	235,600,000
Administrative expense	<u>-</u>	<u>-</u>
<b>Total Cash Outflows</b>	278,400,000	235,600,000
Net cash flow before asset gain/(losses)*	182,600,000	193,400,000
Investment gains or losses (realized and unrealized)	173,400,000	190,400,000
Net plan assets		
Beginning of fiscal year	\$ 3,317,700,000	\$ 2,743,400,000
At end of period	\$ 3,673,600,000	\$ 3,127,300,000

\*Appreciation/depreciation in fair value does not generate cash inflows or outflows.

# Asset Allocation

## Retirement Annuity Trust as of Feb. 28, 2025

Class	Feb. 28, 2025	Target	Range
U.S. equity	39.8%	38%	31-48%
Non-U.S. equity	20.2%	21%	16-27%
Fixed income	13.4%	15%	8-22%
Real estate	6.4%	7%	4-10%
Alternative investments	8.1%	7%	4-10%
Additional categories	10.7%	10%	4-15%
Cash equivalents	1.4%	2%	1-5%

# Asset Allocation

## Health Insurance Trust as of Feb. 28, 2025

Class	Feb. 29, 2025	Target	Range
U.S. equity	35.1%	38%	30-46%
Non-U.S. equity	22.2%	20%	15-25%
Fixed income	9.3%	9%	6-14%
Real estate	5.5%	6.5%	4-12%
Alternative investments	7.7%	8.5%	5-12%
Additional categories	15.5%	17%	14-25%
Cash equivalents	4.7%	1%	0-5%

# Legislative Update

## 2025 Regular Session

- Senate Bill 9 – Maternity leave, sick leave reporting and housekeeping
- House Bill 694 – Health Insurance Trust employer contributions
- HB 441 – Retired return-to-work changes
- SB 183 – Fiduciary duty in proxy voting





## ***Our Members Come First!***

**800-618-1687**

**8 a.m. – 5 p.m. ET  
Monday – Friday**

**[info@trs.ky.gov](mailto:info@trs.ky.gov)**  
**<https://trs.ky.gov>**

***Protecting & Preserving Teachers' Retirement Benefits***