

# Annual Comprehensive Financial Report

Fiscal Years Ended June 30, 2024 and 2023

## Pension Reserves Investment Trust Fund

(A Component Unit of the Commonwealth of Massachusetts)



Deborah B. Goldberg, Treasurer and Receiver General, Chair  
Michael G. Trotsky, CFA, Executive Director and Chief Investment Officer

# **Annual Comprehensive Financial Report**

For the Years Ended June 30, 2024 and 2023

## **Pension Reserves Investment Trust Fund**

(A Component Unit of the Commonwealth of Massachusetts)

**Prepared By**

**Pension Reserves Investment Management Board Staff**

## **For More Information**

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## *Introductory Section*





Pension Reserves Investment Management Board

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December 5, 2024

To Chair Goldberg, the Trustees of the Pension Reserves Investment Management Board (the PRIM Board), Committee members, Participants and Beneficiaries:

I am pleased to transmit the *Annual Comprehensive Financial Report* (ACFR) of the Massachusetts Pension Reserves Investment Trust Fund (the PRIT Fund) for the fiscal year ending June 30, 2024. The document that follows is the 20<sup>th</sup> consecutive ACFR produced in the PRIM Board's 40-year history. We hope that you will find the ACFR useful in understanding the performance and financial position of the PRIT Fund as of and for the fiscal year ended June 30, 2024.

The ACFR contains the basic financial statements presented in accordance with U.S. generally accepted accounting principles (GAAP) and the standards applicable to financial audits set forth by *Government Auditing Standards*. The ACFR and the basic financial statements are the responsibility of the PRIM Board. The fiscal year 2024 audit was conducted by KPMG LLP, a firm of licensed certified public accountants.

The ACFR is divided into four major sections:

**Introductory Section:** This section contains the letter of transmittal, the *Certificate of Achievement for Excellence in Financial Reporting* and outlines the PRIM Board's organizational structure.

**Financial Section:** This section contains the report of the independent auditors, Management's Discussion and Analysis (MD&A), the financial statements of the PRIT Fund, the notes to the financial statements and supporting schedules.

**Investment Section:** This section contains a summary of the PRIT Fund's investment strategy, investment policies, investment holdings, investment results and supporting tables and schedules.

**Statistical Section:** This section contains information regarding financial ratios of the PRIT Fund.

Within the financial section, the MD&A follows the independent auditors' report and provides an overview of the PRIT Fund's financial statements and financial results. The MD&A complements this letter of transmittal and should be read in conjunction with this letter. Responsibility for both the accuracy and completeness of the data and the contents of this report rests with the PRIM Board. The PRIM Board has implemented a system of internal controls designed to provide reasonable assurance that the financial statements are free from material misstatements, that all assets will be properly safeguarded and that transactions will be properly executed. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits to be derived. The objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.



***Profile of the PRIT Fund***

The PRIT Fund is a pooled investment trust fund established to invest the assets of the Massachusetts State Teachers' and Employees' Retirement Systems, and the assets of county, authority, district, and municipal retirement systems. The PRIT Fund was created by the Legislature in 1983 (Chapter 661 of the Acts of 1983) with a mandate to accumulate assets through investment earnings to reduce the Commonwealth's unfunded pension liability, and to assist local participating retirement systems in meeting future pension obligations. The PRIT Fund merged with the Massachusetts State Teachers' and Employees' Retirement Systems (MASTERS) Trust in 1997, in accordance with Chapter 315 of the Acts of 1996.

The Massachusetts State Teachers', State Employees' and State-Boston/Teachers' Retirement Systems, and the State Retiree Benefits Trust Fund (SRBTF), are mandated by statute to invest all of their assets in the PRIT Fund. Other retirement systems may voluntarily invest all or part of their assets in the PRIT Fund. Furthermore, Chapter 84 of the Acts of 1996 explicitly granted retirement boards the ability to invest only in individual asset classes of the PRIT Fund through a segmentation program. See Note 1 of the financial statements for more information on the profile and background of the PRIT Fund.

The most recent Commonwealth Actuarial Valuation Report, dated December 20, 2023, calculated the Commonwealth's unfunded actuarial pension liability at \$42.4 billion. The Commonwealth Actuarial Valuation Report estimates that, as of January 1, 2023, the pension liability is 63.5% funded. It should be noted that the unfunded actuarial pension liability is calculated on a calendar year basis.

The PRIM Board seeks to maximize the return on the PRIT Fund investments within acceptable levels of risk and cost for a public pension fund, by broadly diversifying its investment portfolio, capitalizing on economies of scale to achieve cost-effective operations, and gaining access to high quality, innovative investment management firms. The PRIT Fund's Investment Policy Statement establishes investment objectives and policies designed to provide a framework for implementing investment strategy and oversight. A summary of the Investment Policy Statement is included in the Investment Section.

As of June 30, 2024, the PRIT Fund had approximately \$105.3 billion in net position compared to \$96.6 billion at the end of fiscal year 2023. The PRIM Board contracts with a custodian bank to safeguard investment holdings and to ensure the proper settlement and recording of investment and cash transactions.

***Executive Director/ Chief Investment Officer Discussion***

Fiscal Year 2024 (FY2024) was another successful and productive year. The PRIT Fund ended with a record balance of \$105.3 billion for the fiscal year ended June 30, 2024, surpassing the previous record of \$96.6 billion last year. The PRIT Fund returned 9.9% (9.5%, net) for a net investment income of \$9.1 billion in the fiscal year, with five of the seven asset classes outperforming their benchmarks. Staff researched and deployed \$6.6 billion in new investments during the year.

Organizationally, the PRIM Board is on very solid footing. No employees left during the year, and the PRIM Board successfully onboarded three full-time staff members and welcomed eight interns. All new employees and interns in the "class of 2024" are diverse in terms of race and/or gender. The PRIM Board's workforce is 63% diverse, and 52% of the PRIM Board's workforce is female.

The work of the PRIM Board staff continues to receive local and national recognition. In FY2024, the PRIM Board's Private Equity program was awarded Alpha Edge recognition for alpha generation and was recognized as "Limited Partner of the Year" for "empowering women in private equity". The Private Equity program once again finished in the top five (#4) in the American Investment Council's annual ranking of public pension plans, based on 10-year performance. In addition, Bill Li, CFA, CAIA, Director of Portfolio Completion Strategies, received Alpha Edge Next Generation Recognition. The PRIM Board ranked fourth in the U.S. for assets managed by diverse managers according to *Pensions and Investments*, and the PRIM Board was awarded two Commonwealth Citations for Outstanding Performance. Additionally, I (Michael G. Trotsky, CFA, Executive Director and Chief Investment Officer) received a Lifetime Achievement award and was named on the CIO Power 100 list. The PRIM Board earned the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the 19th consecutive year and successfully completed the CFA Institute's Global Investment Performance Standards (GIPS®) verification.\*

All of these accomplishments happened against the backdrop of an unusually turbulent worldwide investing and geopolitical environment, yet markets remained very strong: U.S. equities were up 24.6%, developed international equities were up 11.2%, and emerging markets equities were up 12.5%. Diversified bonds were up 2.6% for the fiscal year as interest rates (and inflation) began to decline. The highest returning PRIT Fund asset classes included Global Equities, Value-Added Fixed Income, Portfolio Completion Strategies, and Timberland, all returning more than 10% net of fees. Private Equity returned 7.7%, net of fees, continuing its strong rebound. Real Estate was the weakest, down -6.8% for the year but still outpacing the benchmark.

While the last three fiscal years have provided an extraordinary test for staff and the PRIT Fund, the PRIT Fund and its performance remain resilient over time and throughout several different market environments. The PRIT Fund's trailing 5- and 10-year returns remain strong and consistently above benchmarks and the required actuarial rate of return.

The FUTURE Initiative, the program to increase the diversity of the PRIM Board's investment managers and vendors to at least 20% by increasing access for minorities, female, and disabled investment managers and business partners, had another successful year, investing more than \$2.3 billion with diverse managers over six asset classes, including approximately \$270 million to emerging diverse managers. The PRIT Fund currently invests more than \$12.6 billion with diverse investment managers, nearly 12% of the PRIT Fund.

The PRIM Board adopted its first-ever Stewardship Framework and Stewardship Policy while also approving the Stewardship Priorities. The PRIM Board voted 12,181 proxy ballots aligned with the PRIM Board's proxy voting guidelines on areas such as board diversity requirements, over-boarded directors, gender pay gaps, labor and human rights, climate change, and executive compensation. The PRIM Board also enhanced the Custom Proxy Voting guidelines to explicitly connect expected corporate behavior and long-term value while updating language on biodiversity risks and other key issues. The PRIM Board continues to support the MIT Sloan School of Management's Aggregate Confusion Project (ACP) as its first founding member. ACP aims to develop tools to address inconsistencies in the measurement of Environmental, Social, and Governance (ESG) data, which has become widely recognized as an obstacle in ESG investing.

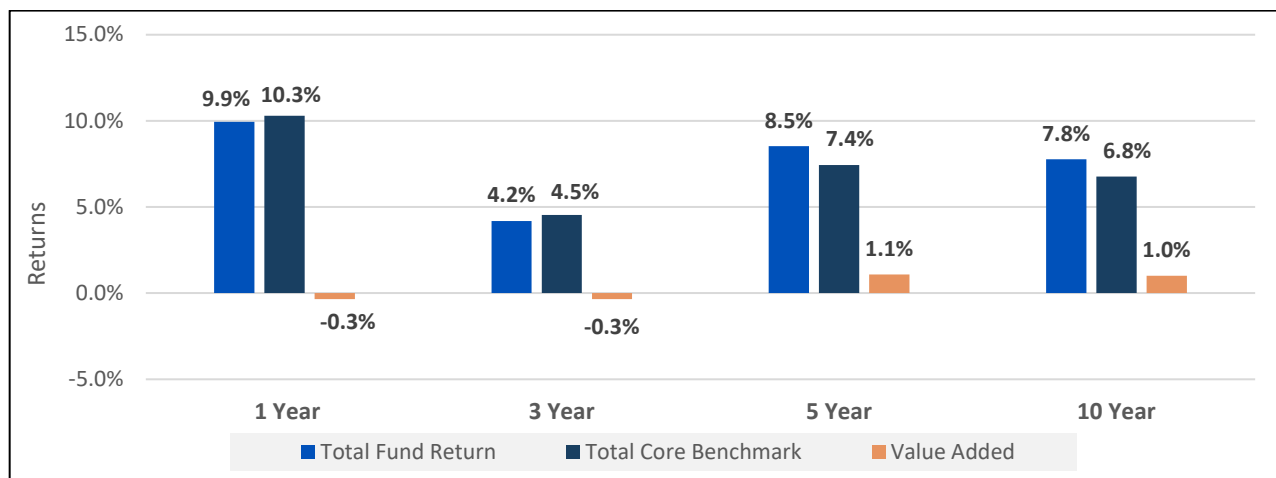
\*The PRIM Board claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. A GIPS® Asset Owner Report is available upon request.

We remain pleased and confident in the PRIT Fund's resiliency and performance over all time periods and throughout several different market environments. We have assembled a talented staff that consistently produces strong investment performance and extraordinary non-investment innovation and responsiveness. We are a steady ship for an uncertain time.

We thank the entire PRIM Board staff and our Board and committee members for their support, dedication, and hard work over the past year.

### PRIT Total Core Fund Returns

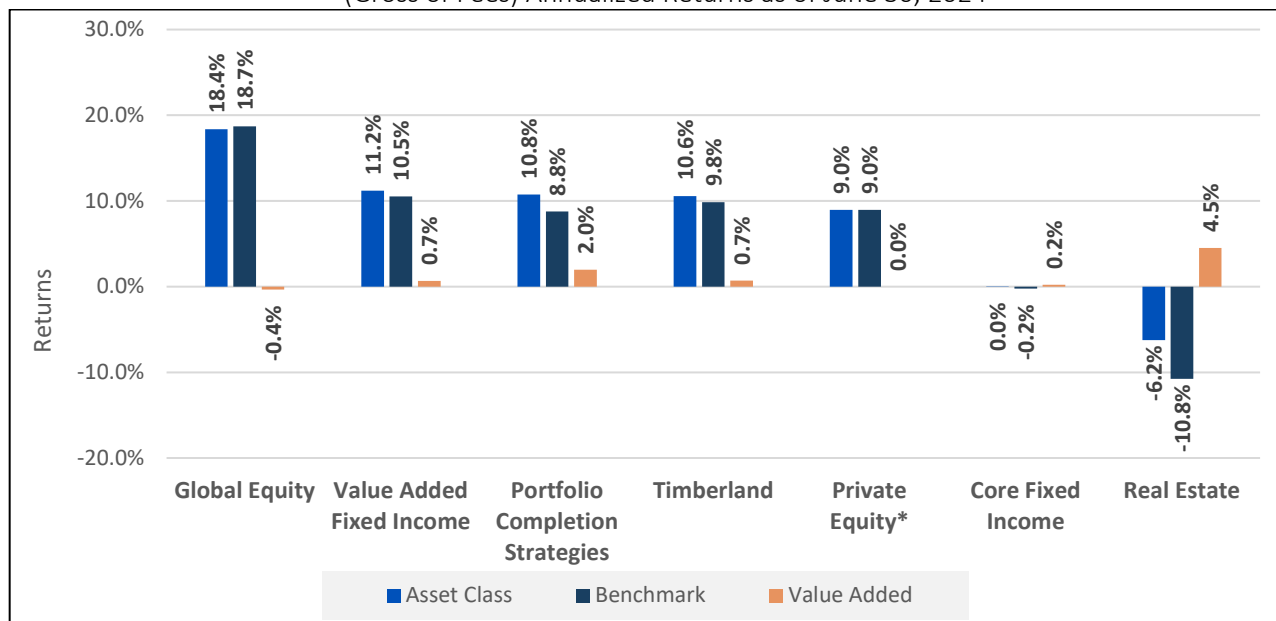
(Gross of Fees) Annualized Returns as of June 30, 2024



Source: BNY Mellon. Totals may not add due to rounding. Total Core Benchmark includes private equity benchmark.

### PRIT Performance by Asset Class

(Gross of Fees) Annualized Returns as of June 30, 2024



Source: BNY Mellon. Totals may not add due to rounding. \*Benchmark is actual performance.

**PRIT Fund Periodic Table of Returns**  
(Gross of Fees) as of June 30, 2024

1 Year	3 Year	5 Year	10 Year
GLOBAL EQUITY 18.4%	PRIVATE EQUITY 10.2%	PRIVATE EQUITY 19.3%	PRIVATE EQUITY 18.5%
VALUE-ADDED FIXED INCOME 11.2%	TIMBERLAND 9.3%	GLOBAL EQUITY 10.8%	GLOBAL EQUITY 8.6%
PORTFOLIO COMPLETION STRATEGIES 10.8%	GLOBAL EQUITY 5.2%	TIMBERLAND 6.7%	REAL ESTATE 7.7%
TIMBERLAND 10.6%	VALUE-ADDED FIXED INCOME 5.1%	REAL ESTATE 6.2%	TIMBERLAND 6.2%
PRIVATE EQUITY 9.0%	REAL ESTATE 4.6%	VALUE-ADDED FIXED INCOME 5.9%	VALUE-ADDED FIXED INCOME 4.8%
CORE FIXED INCOME 0.0%	PORTFOLIO COMPLETION STRATEGIES 4.4%	PORTFOLIO COMPLETION STRATEGIES 4.6%	PORTFOLIO COMPLETION STRATEGIES 3.8%
REAL ESTATE (6.2%)	CORE FIXED INCOME (4.9%)	CORE FIXED INCOME (0.5%)	CORE FIXED INCOME 2.1%

**Fiscal Year 2024 Highlights**

1. *The Allocator* from *With Intelligence* presented Michael G. Trotsky, CFA, the PRIM Board's Executive Director and Chief Investment Officer, with its Lifetime Achievement Award. The publication called the PRIM Board "a beacon of public service and investment prowess for the people of the Commonwealth of Massachusetts."
2. Michael G. Trotsky, CFA, the PRIM Board's Executive Director and Chief Investment Officer, was named to the 2023 CIO Power 100 List by the publication, *The Chief Investment Officer*. The designation honors leaders "who continue to guide their funds through volatile times and are disciplined enough to navigate whatever is ahead."
3. Bill Li, CFA, CAIA, Director of Portfolio Completion Strategies, received *Institutional Investor's* Next Generation Recognition. The award honors "distinguished leaders within the allocator community for their outstanding contributions to portfolio construction."

4. Private Equity Women Investment Network (PE-WIN), recognized the PRIM Board as “Limited Partner of the Year” for “empowering women in private equity.” The award reflected both the PRIM Board’s work on investing with women and diverse managers via the FUTURE Initiative and the strong leadership presence of women on the PRIM Board’s Private Equity team.
5. The PRIM Board was ranked fourth among the largest 200 funds in the U.S. for assets managed by diverse managers. This indicates that the PRIM Board’s ongoing efforts with the FUTURE Initiative over the years are putting the PRIM Board near the top of the rankings and well above our rank in assets under management.
6. The PRIM Board’s Private Equity team won *Alpha Edge* recognition for Alpha Generation from *Institutional Investor*, which cited PRIM’s strong leadership culture, collaboration, and thesis-driven approach to manager selection, as well as the PRIM Board’s annual commitment modeling process and strong long-term performance in the asset class.
7. The PRIM Board’s Private Equity Portfolio was ranked #4 among 200 U.S. public pension funds based on 10-year performance by the American Investment Council’s Public Pension Study. The PRIM Board is the only fund that has been in the top five every year the study has been conducted, including #1 rankings in 2019, 2018, 2015, and 2013.
8. The PRIM Board was awarded two *Commonwealth Citations for Outstanding Performance* by Treasurer Deborah B. Goldberg. Eliza Haynes, Investment Officer, was recognized as a key individual on PRIM’s Private Equity Team for her sourcing and underwriting work. The PRIM Board Real Estate Leverage Team was recognized for an innovative program that works across asset classes to save the Commonwealth in borrowing costs while bolstering the returns of the Real Estate Portfolio. Recipients included Melissa Ng, Matt Liposky, and George Tsipakis from the Finance Team; Jay Leu from the Risk Team; David Gurtz, John LaCara, and Chuck LaPosta from the Investment Team.
9. For the 6th consecutive year, the PRIM Board has completed the CFA Institute’s Global Investment Performance Standards (GIPS®) verification.\* Additionally, the CFA Institute appointed Matt Liposky, the PRIM Board’s Chief Investment Operations Officer, to chair the GIPS® Standards Asset Owner Subcommittee.
10. The PRIM Board was awarded the Government Finance Officer Association’s Certificate of Achievement for Excellence in Financial Reporting for the 19<sup>th</sup> consecutive year.
11. The PRIM Board deployed \$6.6 billion in new investments during fiscal year 2024.
12. The PRIM Board recruited and onboarded three new full-time employees, all diverse in gender or race.

\*The PRIM Board claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. A GIPS® Asset Owner Report is available upon request.

***Acknowledgments***

The PRIM Board's success is inextricably linked to the diligence of our Board and its Chair, Treasurer Deborah B. Goldberg. We are truly privileged to have volunteers of such high caliber and professional achievement on the Board and its committees, and we recognize that our success is largely due to their dedication, hard work, and expert oversight.

Very respectfully,

A handwritten signature in dark ink, appearing to read "Michael G. Trotsky". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael G. Trotsky, CFA  
Executive Director and Chief Investment Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Pension Reserves Investment Trust Fund  
Massachusetts**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

**Certificate of Achievement for Excellence in Financial Reporting**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the PRIM Board for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the 19<sup>th</sup> consecutive year that the PRIM Board has achieved this prestigious award. In order to be awarded a Certificate of Achievement, an entity must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **PRIM Board Trustees**

**June 30, 2024**

**Deborah B. Goldberg, Chair, Ex Officio Member**

State Treasurer & Receiver General, Commonwealth of Massachusetts

**Robert L. Brousseau, Elected Representative, Teachers' Retirement System**

Retired Teacher, Town of Wareham Public School System

**Catherine D'Amato, Designee of the Governor**

President and CEO, Greater Boston Food Bank

**Ruth Ellen Fitch, Esq., Appointee of the State Treasurer**

Retired President and CEO, The Dimock Center

**Theresa F. McGoldrick, Esq., Elected Member, State Employees' Retirement Board**

National Executive Vice President, National Association of Government Employees

**Peter Monaco, Appointee of the Governor**

Managing Director, Raptor Group Holdings

**Dennis J. Naughton, Elected Member, Teachers' Retirement Board**

Retired Educator, Millis Public Schools

**Carly Rose, Appointee of the Governor**

Public Safety Union Member

**Paul E. Shanley, Esq., Elected Representative, State Employees' Retirement System**

Retired Director of Professional Liability, Amity Insurance



## **Advisory Committees to the PRIM Board**

### **June 30, 2024**

#### **Investment Committee**

**Deborah B. Goldberg, Chair**

Ex Officio Board Member

**Joseph C. Bonfiglio**

Massachusetts & Northern New England Laborers' District Council

**C. LaRoy Brantley**

Investment Consultant

**Catherine D'Amato**

Board Member

**Michael Even**

Former President and CEO, Numeric Investors

**Constance M. Everson, CFA**

Managing Director, Capital Markets Outlook Group

**Ruth Ellen Fitch, Esq.**

Board Member

**James B. G. Hearty**

Retired Partner, Clough Capital

**Peter Monaco**

Board Member

**Phillip H. Perelmutter**

Former Managing Partner, Wellington Management

**Philip Rotner**

Chief Investment Officer, Boston Children's Hospital

**Paul E. Shanley, Esq.**

Board Member

**Glenn P. Strehle, CFA**

Treasurer Emeritus, MIT

**Timothy L. Vaill**

Former Chairman & CEO, Boston Private Financial

Current CFO, Anbaric Energy

#### **Real Estate and Timberland Committee**

**Jill S. Hatton, CRE, Chair**

Real Estate Investment Professional

**Deborah B. Goldberg**

Ex Officio Board Member

**Lydia Chesnick, Esq.**

Partner, Bernkopf Goodman LLP

**Robert Gifford**

RGA Corp

**Dr. Jack Lutz, PhD.**

Forest Research Group

**William F. McCall, Jr., CRE**

McCall & Almy, Inc.

**Garlan Morse, Jr., CRE**

Morris and Morse Company, Inc.

**Peter F. O'Connell**

Marina Bay Company

**Carly Rose**

Board Member

## **Advisory Committees to the PRIM Board, continued**

### **June 30, 2024**

#### **Administration and Audit Committee**

**Robert L. Brousseau, Chair**

Board Member

**Deborah B. Goldberg**

Ex Officio Board Member

**Patrick E. Brock**

Chairman, Hampshire County Retirement Board

**Catherine D'Amato**

Board Member

**James B. G. Hearty**

Retired Partner, Clough Capital

**Theresa F. McGoldrick, Esq.**

Board Member

**Dennis J. Naughton**

Board Member

#### **Compensation Committee**

**Deborah B. Goldberg, Chair**

Ex Officio Board Member

**Patrick E. Brock**

Chairman, Hampshire County Retirement Board

**Robert L. Brousseau**

Board Member

**Catherine D'Amato**

Board Member

**Marian A. Tse**

Retired Partner, Goodwin Procter

#### **Stewardship and Sustainability Committee**

**Deborah B. Goldberg, Chair**

Ex Officio Board Member

**Mary Cerulli**

Founder, Climate Finance Action

**Michael Even**

Former President and CEO, Numeric Investors

**Ruth Ellen Fitch, Esq.**

Board Member

**Theresa F. McGoldrick, Esq.**

Board Member

**Dennis J. Naughton**

Board Member

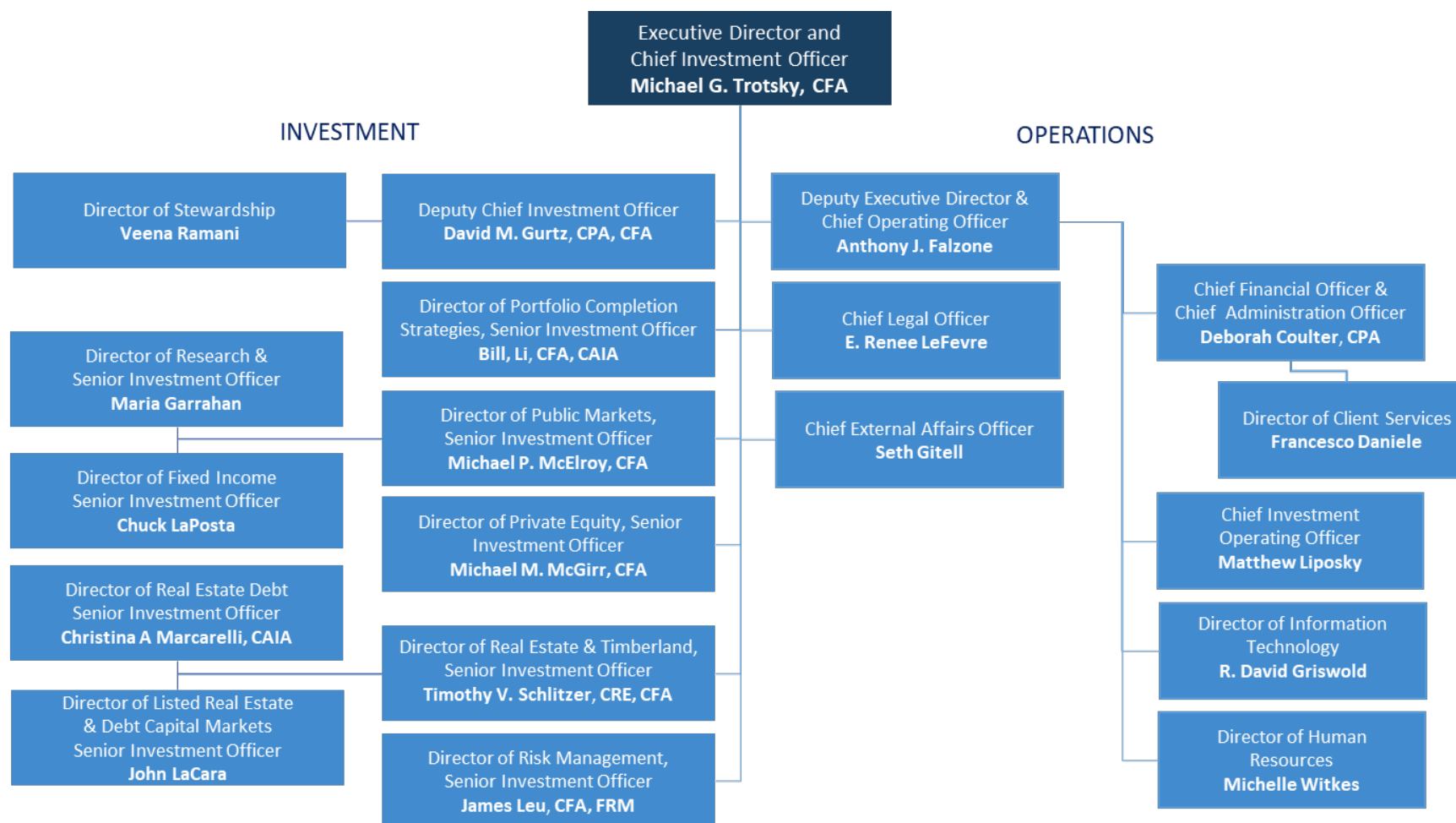
**Poonam Patidar**

Member, Mintz

**Marcela Pinilla**

Director of Sustainable Investing, Zevin

## PRIM Board Management Organizational Chart



## **PRIM Board Investment Advisors\***

**Aberdeen Asset Management Inc.**  
Portfolio Completion Strategies Advisory Services

**Hamilton Lane**  
Private Equity Advisory Services

**International Woodland Company**  
Timberland Advisory Services

**Meketa Investment Group**  
Public Market Advisory Services

**NEPC, LLC**  
Asset Allocation Advisory Services

**NewAlpha Asset Management**  
Portfolio Completion Strategies Advisory Services

\* List of investment managers is provided for each investment portfolio in the Investment Section on pages 65–87.  
See Schedule of Management Fees on page 91 in the Investment Section for investment management fees by asset class.

Summary Schedule of Broker Commissions listed by brokerage firms is in the Investment Section on page 90.

## ***Financial Section***





KPMG LLP  
Two Financial Center  
60 South Street  
Boston, MA 02111

## **Independent Auditors' Report**

Administration and Audit Committee and Trustees,  
Pension Reserves Investment Management Board:

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of the Pension Reserves Investment Trust Fund (PRIT Fund), a component unit of the Commonwealth of Massachusetts, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the PRIT Fund's basic financial statements as of and for the years then ended as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the pooled net position of the PRIT Fund as of June 30, 2024 and 2023, and the changes in pooled net position for the years then ended in accordance with U.S. generally accepted accounting principles.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the PRIT Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the PRIT Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PRIT Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the PRIT Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit for the year ended June 30, 2024, was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the PRIT Fund's basic financial statements for the year ended June 30, 2024. The schedule of pooled net position – capital fund and cash fund and schedule of changes in pooled net position – capital fund and cash fund as of and for the year ended June 30, 2024 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements as of and for the year ended June 30, 2024, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used





to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole as of and for the year ended June 30, 2024.

*Other Information*

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory, investment, and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2024, on our consideration of the PRIT Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the PRIT Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the PRIT Fund's internal control over financial reporting and compliance.

*KPMG LLP*

Boston, Massachusetts  
December 5, 2024

Required Supplementary Information –  
Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

This section presents management's discussion and analysis of the Pension Reserves Investment Trust Fund's (the PRIT Fund's) financial performance for the fiscal years ended June 30, 2024 and 2023 and should be read in conjunction with the financial statements, which follow this section.

The PRIT Fund is a pooled investment fund, created in 1983 through Massachusetts legislation, that invests the assets of the State Teachers' and State Employees' Retirement Systems and the assets of county, authority, school district, and municipal retirement systems that choose to invest in the PRIT Fund, as well as the assets of the State Retiree Benefits Trust (SRBT) Fund.

The investment return percentages reported in management's discussion and analysis are presented gross of management fees.

### Overview of the Financial Statements

The financial statements include the statements of pooled net position and the statements of changes in pooled net position. They present the financial position of the PRIT Fund as of June 30, 2024 and 2023 and its financial activities for the years then ended. The notes to the financial statements provide further information that is essential to a full understanding of the financial statements. The notes describe the significant accounting policies of the PRIT Fund and provide detailed disclosures on certain account balances. The supplementary schedules of pooled net position and changes in pooled net position separately display the balances and activities of the Capital Fund and Cash Fund of the PRIT Fund.

The financial statements of the PRIT Fund are reported using the economic resources measurement focus and the accrual basis of accounting. They are prepared in conformity with U.S. generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB).

### Financial Highlights

#### *Fiscal Year 2024*

- The net position of the PRIT Fund increased \$8.7 billion during the year ended June 30, 2024. Total net position was \$105.3 billion at June 30, 2024, compared to \$96.6 billion at June 30, 2023.
- Net investment income for fiscal year 2024 was \$9.1 billion, compared to net investment income of \$5.1 billion for the prior fiscal year. The PRIT Fund returned 9.93%, gross of fees, in fiscal year 2024, compared to 6.01% in fiscal year 2023.
- Contributions to the PRIT Fund totaled \$3.8 billion during the year ended June 30, 2024, compared to \$3.5 billion during the year ended June 30, 2023.
- Redemptions from the PRIT Fund totaled \$4.3 billion during the year ended June 30, 2024, compared to \$4.5 billion during the year ended June 30, 2023.

(Continued)

Required Supplementary Information –  
Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

*Fiscal Year 2023*

- The net position of the PRIT Fund increased \$4.1 billion during the year ended June 30, 2023. Total net position was \$96.6 billion at June 30, 2023, compared to \$92.4 billion at June 30, 2022.
- Net investment income for fiscal year 2023 was \$5.1 billion, compared to net investment loss of \$3.2 billion for the prior fiscal year. The PRIT Fund returned 6.01%, gross of fees, in fiscal year 2023, compared to -2.95% in fiscal year 2022.
- Contributions to the PRIT Fund totaled \$3.5 billion during the year ended June 30, 2023, compared to \$4.3 billion during the year ended June 30, 2022.
- Redemptions from the PRIT Fund totaled \$4.5 billion during the year ended June 30, 2023, compared to \$4.4 billion during the year ended June 30, 2022.

**Condensed Financial Information**

Summary balances and activities of the PRIT Fund as of and for the years ended June 30, 2024, 2023, and 2022 are presented below:

	June 30		
	2024	2023	2022
Summary of pooled net position:			
Assets:			
Investments	\$ 109,561,828	100,382,001	96,805,918
Cash	167,672	160,920	254,404
Securities lending collateral	97,857	87,748	121,946
Receivables and other assets	2,010,692	1,855,800	1,494,813
Total assets	111,838,049	102,486,469	98,677,081
Liabilities:			
Other liabilities	5,682,098	5,029,914	5,258,318
Securities lending obligations	851,690	841,326	872,820
Management fees payable to PRIM	50,327	53,812	116,888
Total liabilities	6,584,115	5,925,052	6,248,026
Net position held in trust for pool participants	\$ 105,253,934	96,561,417	92,429,055

(Continued)

Required Supplementary Information –  
Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

	June 30		
	2024	2023	2022
Summary of changes in pooled net position:			
Additions:			
Contributions	\$ 3,813,111	3,469,500	4,342,091
Net investment income (loss)	9,141,934	5,118,252	(3,239,745)
Total additions	12,955,045	8,587,752	1,102,346
Deductions:			
Redemptions	4,262,528	4,455,390	4,372,136
Change in pooled net position	8,692,517	4,132,362	(3,269,790)
Net position held in trust for pool participants:			
Balance, beginning of year	96,561,417	92,429,055	95,698,845
Balance, end of year	\$ 105,253,934	96,561,417	92,429,055

**The PRIT Fund Performance during the year ended June 30, 2024**

The PRIT Fund began fiscal year 2024 with net position of \$96.6 billion and ended the fiscal year with a net position of \$105.3 billion, representing a 9.00% increase. Net investment income for the year ended June 30, 2024 was \$9.1 billion, which when added to net participant redemptions (contributions less redemptions) of \$449.4 million, resulted in an overall increase in net position of \$8.7 billion.

For the year ended June 30, 2024, the PRIT Fund returned 9.93% gross of fees, lagging its benchmark of 10.29% by 36 basis points. The benchmark provides a measure of how well the PRIT Fund has implemented its asset allocation plan.

The asset classes of the PRIT Fund and related investment returns, gross of fees, for the year ended June 30, 2024 are as follows: Global Equity 18.36%; Core Fixed Income -0.02%; Value-Added Fixed Income 11.19%; Private Equity 8.97%; Real Estate -6.24%; Timberland 10.56%; Portfolio Completion Strategies 10.75%; and Overlay 14.22%.

The PRIT Fund outperformed its benchmarks over the five-year and 10-year periods and has returned an average of 9.30%, gross of fees, annually since January 1, 1985. According to the Trust Universe Comparison Service (TUCS) for Public Pension Funds, a widely accepted peer ranking of public pension funds performance, the PRIT Fund ranked in the second quartile of public pension plans with net position in excess of \$25 billion for the one-year, three-year, five-year, and 10-year periods ended June 30, 2024.

(Continued)

Required Supplementary Information –  
Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

**The PRIT Fund Performance during the year ended June 30, 2023**

The PRIT Fund began fiscal year 2023 with net position of \$92.4 billion and ended the fiscal year with a net position of \$96.6 billion, representing a 4.47% increase. Net investment income for the year ended June 30, 2023 was \$5.1 billion, which when added to net participant redemptions (contributions less redemptions) of \$985.9 million, resulted in an overall increase in net position of \$4.1 billion.

For the year ended June 30, 2023, the PRIT Fund returned 6.01% gross of fees, lagging its benchmark of 8.92% by 291 basis points. The benchmark provides a measure of how well the PRIT Fund has implemented its asset allocation plan.

The asset classes of the PRIT Fund and related investment returns, gross of fees, for the year ended June 30, 2023 are as follows: Global Equity 17.43%; Core Fixed Income -2.72%; Value-Added Fixed Income 7.70%; Private Equity -3.45%; Real Estate -2.81%; Timberland 5.93%; Portfolio Completion Strategies 3.52%; and Overlay 13.67%.

**Other Information**

This financial report is designed to provide a general overview of the PRIT Fund's financial results. Additional information can be found on the PRIM Board's website at [www.mapension.com](http://www.mapension.com). Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Pension Reserves Investment Management Board, 53 State Street, Boston, Massachusetts 02109.

## Statements of Pooled Net Position

June 30, 2024 and 2023

(Dollars in thousands)

	2024	2023
Assets:		
Investments, at fair value:		
Short-term	\$ 1,302,183	1,239,749
Fixed income	23,242,875	20,656,079
Equity	41,807,764	36,843,256
Timberland	3,192,283	2,985,666
Private equity funds	17,589,527	16,619,860
Real estate:		
Real estate properties	9,974,149	10,199,278
Equity	743,848	1,033,887
Real estate funds	763,954	804,345
Mortgage loans receivable	114,176	—
Other	149,575	139,964
Total real estate	11,745,702	12,177,474
Portfolio completion strategies:		
Investment funds	2,699,741	2,535,853
Equity	2,096,612	2,162,794
Fixed income	3,886,321	3,326,993
Cash and cash equivalents	1,528,904	1,278,224
Agricultural investments	469,916	556,053
Total portfolio completion strategies	10,681,494	9,859,917
Total investments	109,561,828	100,382,001
Cash	167,672	160,920
Securities lending collateral	97,857	87,748
Interest and dividends receivable	298,991	265,207
Receivable for investments sold and other assets	715,936	1,060,613
Receivable for securities sold on a when-issued basis	871,172	405,644
Foreign currency forward contracts	124,593	124,336
Total assets	111,838,049	102,486,469
Liabilities:		
Securities sold short and other liabilities, at fair value:		
Portfolio completion strategies	1,864,416	1,711,213
Fixed income	—	13,603
Total securities sold short and other liabilities	1,864,416	1,724,816
Payable for investments purchased and other liabilities	988,154	1,315,309
Real estate debt and other liabilities	930,671	804,256
Securities lending obligations	851,690	841,326
Payable for securities purchased on a when-issued basis	1,802,239	1,041,180
Foreign currency forward contracts	96,618	144,353
Management fees payable to PRIM	50,327	53,812
Total liabilities	6,584,115	5,925,052
Net position held in trust for pool participants	\$ 105,253,934	96,561,417

See accompanying notes to financial statements.

## Statements of Changes in Pooled Net Position

Years ended June 30, 2024 and 2023

(Dollars in thousands)

	2024	2023
Additions:		
Contributions:		
State employees	\$ 902,529	862,503
State teachers	1,136,487	1,097,164
Other participants	1,774,095	1,509,833
Total contributions	3,813,111	3,469,500
Net investment income (loss):		
From investment activities:		
Net realized gain on investments and foreign currency transactions	2,607,560	791,567
Net change in unrealized appreciation on investments and foreign currency translations	4,140,316	2,190,587
Interest	794,115	616,565
Dividends	904,059	951,652
Timberland	32,143	36,364
Private equity	158,083	83,568
Portfolio completion strategies	301,935	261,562
Real estate:		
Income	728,920	627,416
Expenses	(243,931)	(213,122)
Total real estate	484,989	414,294
Income from investment activities	9,423,200	5,346,159
Investment management and other management fees	(257,392)	(213,499)
Net income from investment activities	9,165,808	5,132,660
From securities lending activities:		
Securities lending income	4,610	6,609
Securities lending expenses	(28,484)	(21,017)
Net loss from securities lending activities	(23,874)	(14,408)
Total net investment income	9,141,934	5,118,252
Total additions	12,955,045	8,587,752
Deductions:		
Redemptions:		
State employees	1,608,857	1,513,900
State teachers	1,235,719	1,422,089
Other participants	1,417,952	1,519,401
Total deductions	4,262,528	4,455,390
Net increase in pooled net position	8,692,517	4,132,362
Net position held in trust for pool participants:		
Balance, beginning of year	96,561,417	92,429,055
Balance, end of year	\$ 105,253,934	96,561,417

See accompanying notes to financial statements.

## Notes to Financial Statements

June 30, 2024 and 2023

(Dollars in thousands)

**(1) Description of the Pension Reserves Investment Trust Fund****(a) General**

The Pension Reserves Investment Trust Fund (the PRIT Fund), a component unit of the Commonwealth of Massachusetts, was created in 1983 under Chapter 661 of the Acts of 1983, as amended by Chapter 315 of the Acts of 1996. The PRIT Fund is a pooled investment fund that invests the assets of the State Teachers' and State Employees' Retirement Systems of Massachusetts and the assets of county, authority, school district, and municipal retirement systems that choose to invest in the PRIT Fund, as well as the assets of the State Retiree Benefits Trust (SRBT) Fund. The PRIT Fund is not registered with the Securities and Exchange Commission, but is subject to oversight provided by the Pension Reserves Investment Management Board (the PRIM Board). The PRIM Board was created by legislation to provide general supervision of the investments and management of the PRIT Fund. The PRIM Board is a separate legal entity that issues its own financial statements, which are not included in the accompanying financial statements of the PRIT Fund.

A nine-member Board of Trustees governs the PRIM Board. The Trustees include: (1) the Governor, ex officio, or her designee; (2) the State Treasurer, ex officio, or her designee who shall serve as Chair of the PRIM Board; (3) a private citizen experienced in the field of financial management appointed by the State Treasurer; (4) an employee or retiree who is a member of the State Teachers' Retirement System, elected by the members of such system for a term of three years; (5) an employee or retiree who is a member of the State Employees' Retirement System, elected by the members of such system for a term of three years; (6) the elected member of the State Retirement Board; (7) one of the elected members of the Teachers' Retirement Board chosen by the members of the Teachers' Retirement Board; (8) a person who is not an employee or official of the Commonwealth appointed by the Governor; and (9) a representative of a public safety union appointed by the Governor. Appointed members serve for a term of four years. The Board of Trustees has the authority to employ an Executive Director, outside investment managers, custodians, consultants, and others as it deems necessary; to formulate policies and procedures; and to take such other actions as necessary and appropriate to manage the assets of the PRIT Fund.

The PRIM Board seeks to manage the PRIT Fund to ensure that pension assets are well invested so that current and future benefit obligations are adequately funded in a cost-effective manner. The PRIM Board therefore seeks to maximize the total return on investment within acceptable levels of risk and cost for a public pension fund. Under current law, by the year 2040, the PRIT Fund plans to have grown, through annual payments in accordance with a legislatively approved funding schedule and through total return of the PRIT Fund, to an amount sufficient to meet the then-existing pension

(Continued)



## Notes to Financial Statements

June 30, 2024 and 2023

(Dollars in thousands)

obligations of the Commonwealth. The Commonwealth has adopted a schedule of state pension appropriations that assumes a long-term actuarial rate of return for the PRIT Fund of 7.0%.

The State Teachers' and State Employees' Retirement Systems and the SRBT Fund are mandated by statute to invest all of their assets in the PRIT Fund and are, therefore, considered involuntary participants. The assets of the State-Boston Retirement System attributable to teachers who are members of that system are also mandated to be held in the PRIT Fund. Other retirement systems have the option to become Participating or Purchasing System participants in the PRIT Fund. Participating Systems must transfer all of their assets to the PRIT Fund, commit to remain invested for five years, and are entitled to share in appropriations made to the PRIT Fund by the Commonwealth in accordance with Massachusetts General Laws, Chapter 32, Section 22B. The Commonwealth has made no such appropriation to the PRIT Fund on behalf of Participating Systems since fiscal year 2000.

Purchasing Systems may invest all or a portion of their assets in the PRIT Fund and retain the ability to contribute and withdraw funds at their discretion; however, they are not entitled to state appropriations. Participating and Purchasing Systems share in the investment earnings of the PRIT Fund based on their proportionate share of net position. As of June 30, 2024, there were 37 Participating Systems and 62 Purchasing Systems invested in the PRIT Fund.

**(b) Investment Funds**

The PRIT Fund consists of two investment funds, the Capital Fund and the Cash Fund. Each of these funds is managed, accounted for, and held separately by the PRIT Fund's custodian.

The Cash Fund consists of short-term investments, which are used to meet the liquidity requirements of Participating and Purchasing Systems. All Cash Fund earnings are reinvested. The State Teachers' Retirement System and the State Employees' Retirement System make daily deposits into the Cash Fund, which is their source of funds for benefit payments and operating expenses. The Cash Fund maintains a stable net position value of \$1.00 per unit.

Assets contributed by retirement systems are initially deposited in the Cash Fund and then transferred to the Capital Fund. Funds transferred into the Capital Fund are generally invested in the General Allocation Account, which invests in all asset classes of the PRIT Fund in accordance with the PRIM Board's asset allocation plan and investment policy guidelines. The Capital Fund serves as the investment portfolio of the PRIT Fund and consists of the following accounts: General Allocation (holds units of all other accounts), Domestic Equity, International Equity, Emerging Markets Equity, Global Equity Emerging-Diverse Manager Program, Core Fixed Income, Public Value-Added Fixed Income, Real Estate, Timberland, Hedge Funds, Private Debt, Overlay, Real Assets, Other Credit

(Continued)

## Notes to Financial Statements

June 30, 2024 and 2023

(Dollars in thousands)

Opportunities, Liquidating Portfolios, Private Equity Investments, and Private Equity Investments Vintage Years 2001-2024. Vintage Year refers to the calendar year in which the PRIT Fund made a commitment to invest in a private equity investment.

Upon deposit by a Participating or Purchasing System into the accounts of the Capital Fund, units of participation equal to the total value of the contribution are issued. The value of a unit of each account is determined monthly by dividing the value of the net position of the account by the number of units outstanding at each month-end valuation date. The unit price fluctuates with the performance of the Capital Fund. The number of units generally changes only when a retirement system makes a contribution or redemption.

Chapter 84 of the Acts of 1996 permits Massachusetts retirement boards to purchase units in the individual investment accounts of the PRIT Fund as an alternative to investing in its General Allocation Account. This investment option, also referred to as “segmentation,” was established by an amendment to the PRIM Board’s Operating Trust Agreement in 1994 in response to requests from retirement boards wishing to invest in certain asset classes of the PRIT Fund. Purchasing Systems, as “segmented investors,” may invest in one or more of the following accounts of the Capital Fund: General Allocation, Domestic Equity, International Equity, Emerging Markets Equity, Core Fixed Income, Public Value-Added Fixed Income, Real Estate, Hedge Funds, and Private Equity Vintage Year accounts.

**(2) Summary of Significant Accounting Policies****(a) Basis of Accounting and Financial Statement Presentation**

The financial statements of the PRIT Fund are reported using the economic resources measurement focus and the accrual basis of accounting. They are prepared in conformity with U.S. generally accepted accounting principles, which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the dates of the financial statements and the reported amounts of additions and deductions during the reporting periods. Actual results could differ from those estimates.

The PRIT Fund follows Governmental Accounting Standards Board (GASB) guidance as applicable to external investment pools.

The PRIT Fund consolidates assets and liabilities of its single-member limited liability corporations.

(Continued)

## Notes to Financial Statements

June 30, 2024 and 2023

(Dollars in thousands)

**(b) Investments**

The PRIM Board recognizes that over the long term, asset allocation is the single greatest contributor of return and risk to the PRIT Fund. The PRIM Board's asset allocation plan embodies its decisions to invest portions of the Capital Fund in global equity securities, core fixed income securities, value-added fixed income, real estate, timberland, private equity, portfolio completion strategies and, where appropriate, the various sub asset classes of each asset class. Statutes prohibit the PRIT Fund from investing in certain securities. The PRIM Board ensures that investment managers adhere to the requirements of Massachusetts General Laws.

Security transactions are recorded on the date the securities are purchased or sold. The cost of a security is the purchase price or, in the case of assets transferred to the PRIT Fund by a Participating or Purchasing System, the fair value of the securities on the transfer date. The calculation of realized gains (losses) is independent of the calculation of the net change in unrealized appreciation (depreciation) on investments. Realized gains and losses on investments sold in the current year include previously recorded unrealized amounts and are included in net realized gain on investments in the accompanying statements of changes in pooled net position. Realized gains and losses on security transactions are determined using cost calculated on an average cost basis.

The PRIM Board values investments in fixed income, money market, other short-term investments, and U.S. government agency obligations using independent pricing services. In determining the price, the services may reflect such factors as market prices, yields, maturities, and ratings, supplemented by dealer quotations. Investments in equity securities, including exchange-traded funds, traded on national securities exchanges are valued at the last daily sale price or, if no sale price is available, at the closing bid price. Securities traded on any other exchange are valued in the same manner or, if not so traded, on the basis of closing over-the-counter (OTC) bid prices. If no bid price exists, valuation is determined either by establishing the mean between the most recent published bid and asked prices or averaging quotations obtained from dealers, brokers, or investment bankers. Securities for which such valuations are unavailable are reported at their fair value as estimated in good faith by the PRIM Board based on information provided by the investment managers responsible for such investments. Fair values for investments in pooled investment vehicles (commingled funds), such as mutual and similar funds with a readily determinable fair value, are based on the commingled fund's published net asset value (NAV) which are valued based on the underlying marketable securities or, in the absence of readily ascertainable fair values, the price of similar securities or other observable or unobservable inputs.

The PRIT Fund invests a portion of its assets in emerging capital markets. These investments may involve greater risks than investments in more developed markets, and the prices of such

(Continued)

## Notes to Financial Statements

June 30, 2024 and 2023

(Dollars in thousands)

investments may be volatile. The consequences of political, social, or economic changes in these markets may have disruptive effects on the market prices of these investments and the income they generate, as well as the PRIT Fund's ability to repatriate such amounts.

As described further below, certain qualifying investments may be measured using NAV as a practical expedient to estimate fair value unless as of the measurement date it is probable that the PRIT Fund's interest will be sold at an amount different than NAV. As of June 30, 2024 and 2023, the PRIT Fund had no plans or intentions to sell such investments at amounts other than NAV.

Investments in real estate represent the PRIT Fund's ownership interest in PRIT Core Realty Holdings LLC (the LLC). On October 19, 2001, the LLC was formed and was governed by an operating agreement entered into by the PRIM Board, as trustee of the PRIT Fund, as the sole member. The principal purpose of the LLC is to conduct the investment activities of the real estate program in a manner consistent with the PRIT Fund Declaration of Trust and any business or activities incidental to or in support of such investment activities.

The LLC holds investments in real estate properties, mortgage loans receivable, real estate fund investments, and Real Estate Investment Trust (REIT) securities. Investments in real estate properties are stated at fair value based on appraisals prepared by independent real estate appraisers or on estimated valuations determined by the PRIM Board assuming highest and best use of the assets. These estimated valuations are based on valuations prepared by the real estate investment managers under the general supervision of the PRIM Board. Generally, third-party appraisals are performed on each real estate property within 18 months of the date of acquisition and at least annually thereafter. Determination of fair value involves judgment because the actual fair value of a real estate investment can be determined only by negotiation between parties in a sales transaction. Due to the inherent uncertainty of valuation, fair values used may differ significantly from values that would have been determined had a ready market for the investments existed, and the differences could be material. The fair value of mortgage loans receivable generally represents the sum of accumulated loan advances that have been made as of the date of valuation using a discounted cash flow model which applies certain key assumptions including terms of the contract, changes in market rates, interest rate spreads, performance of the underlying collateral, liquidity, and other factors. Real estate fund investments are invested through limited partnerships and are recorded at fair value estimated by the PRIM Board, generally using the NAVs provided by general partners as a practical expedient. The NAVs provided by general partners are generally based on appraised value of underlying real estate investments, which considers inputs such as comparable sales, projected income, discount rate, and capitalization rates. REIT securities are publicly traded securities and are valued in the same manner as the PRIT Fund's traded equity securities.

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## Notes to Financial Statements

June 30, 2024 and 2023

(Dollars in thousands)

Investments in timberland are valued similarly to investments made by the LLC in real estate properties. Independent appraisals of timberland investments are performed annually.

Portfolio completion strategies investments represent the PRIT Fund's ownership in direct hedge funds, hedge fund-of-funds, a distressed loan fund, and real assets funds (collectively, the funds), managed accounts, and agricultural investments. The fair values of the PRIT Fund's interest in funds are estimated by the PRIM Board, generally using NAVs provided by fund managers as a practical expedient. NAVs for direct hedge funds, distressed loan, and real assets funds generally are based on the value of the underlying marketable securities or assets, or in the absence of readily ascertainable fair values, the price of identical or similar securities or assets. NAVs for hedge fund-of-funds are generally based on the value of the NAVs of the underlying funds which value their investments similar to direct hedge funds. Managed account investments in equity securities, fixed income, and other investments are valued using independent pricing services. In the event that pricing information is not available, then the investment is reported at fair value as estimated in good faith by the PRIM Board based on information provided by the investment manager responsible for such investment. Cash and cash equivalents held in managed accounts consist of cash and highly liquid investments that are readily convertible into cash. The carrying amount of these investments approximates fair value. Agricultural investments are valued similarly to investments made by the LLC in real estate properties and are generally appraised annually.

Private equity investments are typically made through limited partnerships that invest in venture capital, leveraged buyouts, private placements, and other investments whose structure, risk profile, and return potential differ from traditional equity and fixed income investments. These investments are recorded at fair values estimated by the PRIM Board, generally using the NAVs provided by general partners as a practical expedient. The NAVs generally are based on the value of underlying investment holdings, which are determined by investment managers and consider variables such as operating results, earnings of the underlying holdings, projected cash flows, recent sales prices, and other pertinent information. These estimated fair values are determined in good faith by investment managers or general partners using consistently applied procedures.

**(c) Investment Income**

Dividend income is recorded on the ex-dividend date and interest income is accrued as earned. For the years ended June 30, 2024 and 2023, foreign taxes withheld of \$44,305 and \$30,906, respectively, have been netted against dividend income in the statements of changes in pooled net position. Real estate income includes dividends earned on REIT securities as well as cash distributions of operating income from investments in real estate properties and investment income from mortgage loans receivable. Timberland income includes cash distributions of operating income from

(Continued)

## Notes to Financial Statements

June 30, 2024 and 2023

(Dollars in thousands)

investments in timberland properties. Private equity income is recorded on a cash distribution basis. Portfolio completion strategies income includes cash distributions of operating income from agricultural investments as well as investment income from managed accounts. Distributions that represent returns of capital in excess of cumulative profits and losses are credited to investment cost rather than investment income.

**(d) Foreign Currency Translation and Transactions**

The accounting records of the PRIT Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the prevailing rates of exchange at month-end. Purchases and sales of securities, income receipts, and expense payments are translated into U.S. dollars at the prevailing exchange rate on the respective dates of the transactions.

Unrealized net currency gains and losses from valuing foreign currency-denominated assets and liabilities at month-end exchange rates are reflected within net unrealized appreciation (depreciation) on investments.

Net realized gains and losses on foreign currency transactions represent principally gains and losses from sales and maturities of forward foreign currency contracts, disposition of foreign currencies, and currency gains and losses realized between the trade and settlement dates on securities transactions.

**(e) Derivative Instruments**

In accordance with GASB Statement No. 53, *Accounting and Financial Reporting of Derivative Instruments*, the PRIT Fund has recorded all of its derivative activity at fair value as investment instruments within equity, fixed income, portfolio completion strategies, and real estate investments and the related change in such instruments within the net change in unrealized appreciation (depreciation) on investments and foreign currency translations in the accompanying financial statements. As described in GASB Statement No. 72, *Fair Value Measurement and Application* (GASB 72), a credit valuation adjustment should be applied, when applicable, for nonperformance risk using the PRIT Fund's credit risk (liability) in determining fair value.

The PRIT Fund regularly trades derivative financial instruments with off-balance sheet risk in the normal course of its investing activities to manage exposure to certain risks within the fund. The PRIT Fund also enters into derivative transactions to gain exposure to currencies and markets where derivatives are the most effective instrument. The PRIT Fund's derivative financial instruments include contracts for differences, foreign currency exchange contracts, financial and commodity

(Continued)

## Notes to Financial Statements

June 30, 2024 and 2023

(Dollars in thousands)

futures contracts, and customized swap agreements (see note 7 for more detail). These derivative instruments can be exchange-traded or OTC contracts. The primary difference in risk associated with OTC contracts and exchange-traded contracts is credit and liquidity risks. For exchange-traded contracts, credit risk is limited to the role of the exchange or clearing corporation. OTC contracts contain credit risk for unrealized gains from various counterparties for the duration of the contract.

**(f) When-Issued Securities Transactions**

The PRIT Fund may purchase or sell securities on a “when-issued” or delayed-delivery basis. Delivery and payment for such securities may take place a month or more after the trade date. Normally, settlement occurs within three months. The price of the underlying securities and the date when the securities will be delivered and paid for are fixed at trade date. During the time a delayed delivery sell transaction is outstanding, the contract is marked to market daily and substantially equivalent deliverable securities are held by the PRIT Fund for the transaction to the extent available. For delayed delivery purchase transactions, the PRIT Fund maintains segregated assets with a fair value equal to or greater than the amount of its purchase commitments. The receivables and payables associated with the sale and purchase of delayed delivery securities are reflected in the accompanying statements of pooled net position as securities sold and purchased on a when-issued basis. Losses may arise due to changes in the value of the underlying securities, if the counterparty does not perform under the contract, or if the issuer does not issue the securities due to political, economic, or other factors.

The PRIT Fund may also enter into mortgage dollar-roll and reverse mortgage dollar-roll agreements on a when-issued basis. A mortgage dollar-roll is an agreement in which the PRIT Fund sells securities on a when-issued basis and simultaneously contracts with the same counterparty to repurchase similar (same type, coupon, and maturity) but not identical securities on a specified future date. During the roll period, principal and interest on these securities are not received. The PRIT Fund is compensated by the difference between the current sales price and the forward price for the future purchase. A reverse mortgage dollar-roll is an agreement to buy securities and to sell substantially similar securities on a specified future date. During the roll period, the PRIT Fund receives the principal and interest on the securities purchased. The receivables and payables associated with mortgage dollar-rolls and reverse mortgage dollar-rolls are also reflected in the accompanying statements of pooled net position as securities sold and purchased on a when-issued basis.

(Continued)

## Notes to Financial Statements

June 30, 2024 and 2023

(Dollars in thousands)

**(3) Fair Value Measurements of Investments**

In accordance with GASB 72, except for investments measured using NAV as a practical expedient to estimate fair value, the PRIT Fund categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

- Level 1 – Inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the fund has the ability to access at the measurement date. Most of the PRIT Fund's directly held marketable securities, mutual funds and exchange traded funds would be examples of Level 1 investments.
- Level 2 – Inputs other than quoted prices that are observable for an asset or liability either directly or indirectly, including inputs in markets that are not considered to be active. Fair values are primarily obtained from third-party pricing services for identical or comparable assets or liabilities, such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals. Because they must often be priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held fixed income securities are categorized in Level 2.
- Level 3 – Unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative financial instruments. Generally, the PRIT Fund's directly held investments in real estate and timberland will be categorized in Level 3 because a preponderance of inputs used to estimate fair value are not observable. For similar reasons, certain fixed income securities may also be categorized in Level 3.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In certain instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

(Continued)



## Notes to Financial Statements

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(Dollars in thousands)

The following tables present a summary of the fair value hierarchy of investments that are measured at fair value on a recurring basis at June 30, 2024 and 2023:

Investments at fair value	2024					Unfunded commitments
	Fair value measurements using					
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs or not redeemable (Level 3)	Net asset value (NAV)		
Total						
Short-term:						
Money market investments	\$ 1,302,183	—	1,302,183	—	—	
Fixed income:						
U.S. government obligations (1)	9,189,444	9,189,444	—	—	—	
Domestic fixed income (2)	8,752,145	7,673	8,607,553	136,919	—	
International fixed income (3)	2,457,005	122,543	2,290,234	44,228	—	
Private debt (4)	868,115	—	—	—	868,115	471,233
Other credit opportunities (5)	1,976,166	67,986	632,475	540,131	735,574	1,327,934
	23,242,875	9,387,646	11,530,262	721,278	1,603,689	
Equity:						
Domestic equity securities	25,746,015	25,745,992	23	—	—	
International equity securities	16,061,749	16,058,982	2,767	—	—	
	41,807,764	41,804,974	2,790	—	—	
Timberland	3,192,283	—	—	3,192,283	—	
Private equity funds (6)	17,589,527	—	—	—	17,589,527	6,908,965
Real estate:						
Real estate properties	9,974,149	—	—	9,974,149	—	
Real estate equity securities	743,848	740,266	3,582	—	—	
Real estate funds (7)	763,954	—	—	—	763,954	183,930
Mortgage loans receivable	114,176	—	—	114,176	—	125,618
Other	149,575	—	—	149,575	—	
	11,745,702	740,266	3,582	10,237,900	763,954	
Portfolio completion strategies:						
Event-driven hedge funds (8)	998,816	—	—	—	998,816	50,000
Relative value hedge funds (9)	590,623	—	—	—	590,623	
Fund of funds (10)	775,120	—	—	—	775,120	
Distressed loan fund (11)	80,218	—	—	—	80,218	49,801
Real assets funds (12)	254,964	—	—	—	254,964	763,701
Investment funds	2,699,741	—	—	—	2,699,741	
Equity securities	2,096,612	1,959,320	5,249	132,043	—	
Fixed income securities	3,886,321	216,226	3,389,485	280,610	—	
Cash and cash equivalents	1,528,904	1,461,513	67,391	—	—	
Agricultural investments	469,916	—	—	469,916	—	
	10,681,494	3,637,059	3,462,125	882,569	2,699,741	
Total investments	\$ 109,561,828	55,569,945	16,300,942	15,034,030	22,656,911	

(Continued)

## Notes to Financial Statements

June 30, 2024 and 2023

(Dollars in thousands)

	2024					
	Fair value measurements using					
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs or not redeemable (Level 3)	Net asset value (NAV)	Unfunded commitments
Investments at fair value	Total					
Securities lending collateral:						
Money market investments	\$ 97,857	—	97,857	—	—	
Total securities lending collateral	\$ 97,857	—	97,857	—	—	
Securities sold short and other liabilities at fair value:						
Portfolio completion strategies:						
Equity securities	\$ 801,859	796,312	5,547	—	—	
Cash and cash equivalents	659,518	349,799	309,719	—	—	
Fixed income securities	349,150	1,150	348,000	—	—	
Other	53,889	—	—	53,889	—	
Total securities sold short and other liabilities	\$ 1,864,416	1,147,261	663,266	53,889	—	

(Continued)

## Notes to Financial Statements

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(Dollars in thousands)

Investments at fair value	2023					Unfunded commitments
	Fair value measurements using					
	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs or not redeemable (Level 3)	Net asset value (NAV)	
Short-term:						
Money market investments	\$ 1,239,749	—	1,239,749	—	—	
Fixed income:						
U.S. government obligations (1)	7,867,869	7,867,869	—	—	—	
Domestic fixed income (2)	7,875,300	—	7,836,549	38,751	—	
International fixed income (3)	2,291,046	167,593	2,079,296	44,157	—	
Private debt (4)	1,110,078	—	—	—	1,110,078	518,098
Other credit opportunities (5)	1,511,786	91,235	579,582	436,509	404,460	1,173,539
	20,656,079	8,126,697	10,495,427	519,417	1,514,538	
Equity:						
Domestic equity securities	21,626,338	21,626,338	—	—	—	
International equity securities	15,216,918	15,216,918	—	—	—	
	36,843,256	36,843,256	—	—	—	
Timberland	2,985,666	—	—	2,985,666	—	
Private equity funds (6)	16,619,860	—	—	—	16,619,860	5,574,053
Real estate:						
Real estate properties	10,199,278	—	—	10,199,278	—	
Real estate equity securities	1,033,887	1,026,368	7,519	—	—	
Real estate funds (7)	804,345	—	—	—	804,345	256,546
Other	139,964	—	—	139,964	—	
	12,177,474	1,026,368	7,519	10,339,242	804,345	
Portfolio completion strategies:						
Event-driven hedge funds (8)	915,892	—	—	—	915,892	
Relative value hedge funds (9)	552,382	—	—	—	552,382	
Fund of funds (10)	725,144	—	—	—	725,144	
Distressed loan fund (11)	97,389	—	—	—	97,389	49,801
Real assets funds (12)	245,046	—	—	—	245,046	785,546
Investment funds	2,535,853	—	—	—	2,535,853	
Equity securities	2,162,794	1,972,396	41,776	148,622	—	
Fixed income securities	3,326,993	416,817	2,686,667	223,509	—	
Cash and cash equivalents	1,278,224	1,229,676	48,548	—	—	
Agricultural investments	556,053	—	—	556,053	—	
	9,859,917	3,618,889	2,776,991	928,184	2,535,853	
Total investments	\$ 100,382,001	49,615,210	14,519,686	14,772,509	21,474,596	

(Continued)

## Notes to Financial Statements

June 30, 2024 and 2023

(Dollars in thousands)

	2023					
	Fair value measurements using					
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs or not redeemable (Level 3)	Net asset value (NAV)	Unfunded commitments
Investments at fair value	Total					
Securities lending collateral:						
Money market investments	\$ 87,748	—	87,748	—	—	
Total securities lending collateral	\$ 87,748	—	87,748	—	—	
Securities sold short and other liabilities at fair value:						
Portfolio completion strategies:						
Equity securities	\$ 699,712	682,486	17,226	—	—	
Cash and cash equivalents	595,525	257,972	337,553	—	—	
Fixed income securities	360,311	10,009	350,302	—	—	
Other	55,665	—	—	55,665	—	
	1,711,213	950,467	705,081	55,665	—	
Fixed income:						
Other credit opportunities (5)	13,603	13,603	—	—	—	
Total securities sold short and other liabilities	\$ 1,724,816	964,070	705,081	55,665	—	

- (1) Fiscal year 2024 rates range from 0.00% to 6.75%, and maturities range from 2024 to 2054. Fiscal year 2023 rates range from 0.00% to 7.50%, and maturities range from 2023 to 2053.
- (2) Fiscal year 2024 rates range from 0.00% to 14.00%, and maturities range from 2024 to 2122. Fiscal year 2023 rates range from 0.00% to 17.50%, and maturities range from 2023 to 2122.
- (3) Fiscal year 2024 rates range from 0.00% to 14.50%, and maturities range from 2024 to 2122. Fiscal year 2023 rates range from -0.21% to 13.65%, and maturities range from 2023 to 2121.
- (4) This represents investments in private partnerships that invest directly in distressed debt investment opportunities. The life cycles of the private partnerships are typically 10 to 15 years during which limited partners are unable to redeem their positions. Distributions are received as the partnerships liquidate the underlying assets of the funds.
- (5) This includes managed accounts and private partnerships that makes credit investments. Private partnerships typically have 10 to 15-year life cycles during which limited partners are unable to redeem

(Continued)

## Notes to Financial Statements

June 30, 2024 and 2023

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their positions, but instead, receive distributions as the partnerships liquidate the underlying assets of the funds.

- (6) This includes private partnerships that invest in venture capital, leverage buyouts, private placements, and other investments. The private partnerships typically have a life cycle of 10 to 15 years during which limited partners are unable to redeem their positions. Distributions are received as the partnerships liquidate the underlying assets of the funds.
- (7) This includes 15 and 13 closed-end real estate funds that invest in U.S. real estate at June 30, 2024 and 2023, respectively. The funds generally have initial terms of seven to ten years during which limited partners are unable to redeem their positions. Distributions are received as the funds liquidate the underlying assets.
- (8) This includes four hedge funds that invest in event-driven strategies such as credit-event, multi-event driven, and stressed/distressed credit positions at June 30, 2024 and 2023. Redemption frequency for these investments ranged from quarterly to semi-annually with 60 to 65 days' notice.
- (9) This includes one hedge fund that invest in relative value strategies such as fixed income relative value positions at June 30, 2024 and 2023. Redemption frequency for this investment is quarterly with 45 days' notice.
- (10) This includes one active hedge fund of funds manager, valued at \$771,944 and \$712,460, at June 30, 2024 and 2023, respectively, which invests in emerging hedge fund managers. Redemption frequency for this fund is monthly with 30 days' notice. The remaining balance represents investments in liquidating portfolios in which distributions are received as the funds liquidate the underlying assets.
- (11) This includes one fund that is invested in distressed loans at June 30, 2024 and 2023. Limited partners in this fund are unable to redeem their positions and distributions are received as the fund liquidates the underlying assets.
- (12) This includes nine funds that seek to make investments in real assets at June 30, 2024 and 2023, respectively. Limited partners in these funds are generally unable to redeem their positions and distributions are received as the funds liquidate the underlying assets.

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## Notes to Financial Statements

June 30, 2024 and 2023

(Dollars in thousands)

**(4) Deposits and Investments Risks****(a) Custodial Credit Risk**

Custodial credit risk is the risk that in the event of bank failure, the PRIT Fund's deposits and investments may not be returned. The PRIM Board manages the PRIT Fund's exposure to custodial credit risk by requiring all relevant investment managers to hold investments in separate accounts with the PRIM Board's custodian (see note 8). The PRIM Board has not adopted a formal custodial credit risk policy.

Cash balances represent amounts held in bank depository accounts that may be subject to custodial credit risk. The PRIT Fund maintains cash and cash equivalents with various major financial institutions. The combined account balances at a specific financial institution may periodically exceed federally insured limits. No losses have been incurred during the years ended June 30, 2024 and 2023.

**(b) Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates of fixed income investments will adversely affect the fair value of an investment. While the PRIM Board does not have a formal policy relating to interest rate risk, the PRIM Board manages the PRIT Fund's exposure to fair value loss arising from movements in interest rates by establishing duration guidelines with its fixed income investment managers. The guidelines with each individual manager require that the effective duration of the domestic fixed income investment portfolio be within a specified percentage or number of years of the effective duration band of the appropriate benchmark index. For emerging markets fixed income investments, the portfolio must have duration with a band ranging from three to eight years. Effective duration is a measure of a fixed income investment's exposure to fair value changes arising from changes in interest rates. Effective duration makes assumptions regarding the most likely timing and amounts of variable cash flows. These assumptions take into consideration factors indicative of investments highly sensitive to interest rate changes, including callable options, prepayments, and other factors. These factors are reflected in the effective duration numbers provided in the following table. The PRIM Board compares the effective duration of a manager's portfolio to their relevant benchmark including Bloomberg Aggregate Bond index, US Treasury STRIPS 20+ Year index, Bloomberg Treasury 1-3 Year index, Bloomberg Global Inflation-Linked US TIPS index, Bloomberg World Government Inflation-Linked Bonds index, Morningstar LSTA Leveraged Loan index, JP Morgan Emerging Markets Bond index, and the Intercontinental Exchange Bank of America High Yield index.

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## Notes to Financial Statements

June 30, 2024 and 2023

(Dollars in thousands)

The following table shows the debt investments by investment type, fair value, and effective weighted duration rate at June 30:

Investment	2024		2023	
	Fair value	Effective weighted duration rate (Years)	Fair value	Effective weighted duration rate (Years)
Asset-backed securities	\$ 1,456,366	6.34	689,768	2.98
Commercial mortgage – backed securities	709,809	9.22	321,608	4.72
Corporate bonds and other credits	8,181,558	4.02	8,336,465	3.80
U.S. government bonds	5,984,417	14.42	5,250,725	14.57
U.S. government agencies	17,295	1.99	100,287	9.17
U.S. government TIPS	3,419,573	6.63	2,945,055	6.79
U.S. government mortgage – backed securities	2,668,889	5.05	1,798,546	6.08
Global inflation linked bonds	247,557	7.90	228,498	7.97
Municipal bonds	45,513	9.23	49,398	9.64
Pooled money market fund (1)	1,359,442	N/A	1,284,315	N/A
Other pooled funds (2)	4,340,960	N/A	4,218,156	N/A
Total fixed income and short-term investments	\$ 28,431,379		25,222,821	
Securities lending collateral investments:				
Pooled money market fund (1)	\$ 97,857	N/A	87,748	N/A
Total securities lending collateral investments	\$ 97,857		87,748	

(1) Short-term investments with maturities of less than three months.

(2) Other pooled funds have a weighted average maturity of approximately one and two years at June 30, 2024 and 2023, respectively.

**(c) Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will fail to meet its debt obligations.

The PRIM Board does not have a formal investment policy governing credit risk; each fixed income securities investment manager is given a specific set of guidelines to invest within based on the mandate for which it was hired. These guidelines vary depending on the manager's strategy and the role of its portfolio to the overall diversification of the PRIT Fund. The guidelines for the PRIT Fund's core fixed income portfolio establish the minimum credit rating for any security in the portfolio and the overall weighted average credit rating of the portfolio. For example, all securities held must generally be investment grade. The guidelines for the PRIT Fund's high yield fixed income portfolio

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## Notes to Financial Statements

June 30, 2024 and 2023

(Dollars in thousands)

establish a fair value range of securities to be held with a specific minimum credit rating and the overall weighted average credit rating of the portfolio.

Credit risk for derivative instruments held by the PRIT Fund results from counterparty risk. The PRIT Fund is exposed to credit risk resulting from counterparties being unable to meet their obligations under the terms of the derivative agreements. See note 7 for more information on the PRIT Fund's derivative instruments.

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## Notes to Financial Statements

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(Dollars in thousands)

The weighted average quality rating of the debt securities portfolio, excluding pooled investments, investments explicitly backed by the U.S. government and other nonrated investments was BBB at June 30, 2024 and 2023. The following tables present the PRIT Fund's fixed-income securities credit ratings at June 30:

	Total fair value	2024					
		Investment grade			Noninvestment grade		Not rated
		AAA	AA+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	
Asset-backed securities	\$ 1,456,366	64,334	116,008	14,763	236,809	232,707	791,745
Commercial mortgage-backed securities	709,809	151,117	15,244	75,089	82,696	67,505	318,158
Corporate bonds and other credits	8,181,558	447,073	1,349,073	1,640,856	1,954,034	716,495	2,074,027
U.S. government agencies	17,295	—	17,295	—	—	—	—
U.S. government mortgage-backed securities	2,406,044	28	1,084,536	6,220	8,162	—	1,307,098
Global inflation linked bonds	247,557	41,159	113,402	72,649	1,862	—	18,485
Municipal bonds	45,513	1,502	41,799	1,713	499	—	—
Pooled money market fund	1,359,442	—	—	—	—	—	1,359,442
Other pooled funds	4,340,960	—	—	—	—	—	4,340,960
Total credit risk, fixed income, and short-term investments	18,764,544	\$ 705,213	2,737,357	1,811,290	2,284,062	1,016,707	10,209,915
Fixed income investments explicitly backed by the U.S. government	9,666,835						
Total fixed income and short-term investments	\$ 28,431,379						
Securities lending collateral investments:							
Pooled money market fund	\$ 97,857	97,857	—	—	—	—	—
Total securities lending collateral investments	\$ 97,857	97,857	—	—	—	—	—

(Continued)

## Notes to Financial Statements

June 30, 2024 and 2023

(Dollars in thousands)

	Total fair value	2023					
		Investment grade			Noninvestment grade		Not rated
		AAA	AA+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	
Asset-backed securities	\$ 689,768	48,115	73,012	8,343	43,000	218,203	299,095
Commercial mortgage-backed securities	321,608	154,726	9,381	8,026	27,530	40,011	81,934
Corporate bonds and other credits	8,336,465	309,984	983,929	1,602,024	1,805,814	416,756	3,217,958
U.S. government agencies	100,287	—	22,297	—	—	—	77,990
U.S. government mortgage-backed securities	1,548,748	3,468	984,054	—	7,710	—	553,516
Global inflation linked bonds	228,498	37,914	112,096	69,195	2,338	—	6,955
Municipal bonds	49,398	1,854	44,198	2,892	454	—	—
Pooled money market fund	1,284,315	—	—	—	—	—	1,284,315
Other pooled funds	4,218,156	—	—	—	—	—	4,218,156
Total credit risk, fixed income, and short-term investments	16,777,243	\$ 556,061	2,228,967	1,690,480	1,886,846	674,970	9,739,919
Fixed income investments explicitly backed by the U.S. government	8,445,578						
Total fixed income and short-term investments	\$ 25,222,821						
Securities lending collateral investments:							
Pooled money market fund	\$ 87,748	87,748	—	—	—	—	—
Total securities lending collateral investments	\$ 87,748	87,748	—	—	—	—	—

(Continued)

## Notes to Financial Statements

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(Dollars in thousands)

**(d) Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of investments. Although the PRIM Board has no overall policy regarding foreign currency risk, the PRIM Board does manage the PRIT Fund's exposure to foreign currencies by establishing investment guidelines with each of its managers who invest in securities not denominated in U.S. dollars. These guidelines set maximum investment balances for any currency and/or country holdings must be within a certain percentage of predefined benchmarks. In addition, the PRIM Board's investment managers may actively manage exposure to foreign currencies through the use of forward foreign currency contracts. The following tables present the PRIT Fund's foreign currency exposures at June 30 (stated in U.S. dollars in thousands):

	2024						Total
	Cash and short-term investments	Equity	Fixed income	Portfolio completion strategies	Private equity investments	Timberland investments	
Australian Dollar	\$ 2,274	391,910	10,729	(2,129)	—	420,655	823,439
Brazilian Real	2,190	182,095	91,355	79,484	—	—	355,124
British Pound	4,903	2,081,126	218,769	26,426	101,814	—	2,433,038
Canadian Dollar	2,318	747,505	26,382	34,443	3,383	—	814,031
Danish Krone	9,930	331,532	1,321	(672)	—	—	342,111
Euro	64,135	3,129,113	348,102	75,560	1,970,701	—	5,587,611
Hong Kong Dollar	2,922	1,042,906	—	3,633	—	—	1,049,461
Indian Rupee	2,399	714,563	—	4,852	—	—	721,814
Japanese Yen	21,078	2,300,702	20,512	162,374	—	—	2,504,666
New Taiwan Dollar	112	700,740	—	(817)	—	—	700,035
South Korean Won	5,317	572,326	12,244	(3,896)	—	—	585,991
Swedish Krona	2,968	381,355	5,371	(2,071)	—	—	387,623
Swiss Franc	10,533	547,475	—	(737)	—	—	557,271
Other foreign currencies	20,764	1,189,192	32,987	93,169	—	—	1,336,112
Total securities subject to foreign currency risk	151,843	14,312,540	767,772	469,619	2,075,898	420,655	18,198,327
International investments denominated in U.S. dollars	—	1,749,209	1,797,700	—	—	216,836	3,763,745
Total international investments and cash deposits	\$ 151,843	16,061,749	2,565,472	469,619	2,075,898	637,491	21,962,072

(Continued)

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June 30, 2024 and 2023

(Dollars in thousands)

	2023						Total
	Cash and short-term investments	Equity	Fixed income	Portfolio completion strategies	Private equity investments	Timberland investments	
Australian Dollar	\$ 1,753	444,643	9,537	(815)	—	424,302	879,420
Brazilian Real	2,985	207,217	75,733	122,483	—	—	408,418
British Pound	5,035	1,790,707	201,651	72,186	93,775	—	2,163,354
Canadian Dollar	2,525	801,059	25,133	25,098	4,908	—	858,723
Euro	62,828	3,076,196	335,355	104,887	1,801,503	—	5,380,769
Hong Kong Dollar	3,272	1,025,424	—	(604)	—	—	1,028,092
Indian Rupee	13,217	558,702	—	5,798	—	—	577,717
Japanese Yen	92,972	2,274,414	22,786	24,730	—	—	2,414,902
New Taiwan Dollar	409	531,611	—	505	—	—	532,525
South Korean Won	4,689	530,713	12,755	2,805	—	—	550,962
Swedish Krona	3,904	322,220	5,420	(1,296)	—	—	330,248
Swiss Franc	21,683	651,838	—	(3,592)	—	—	669,929
Other foreign currencies	28,669	1,377,834	29,292	250,116	—	—	1,685,911
Total securities subject to foreign currency risk	243,941	13,592,578	717,662	602,301	1,900,186	424,302	17,480,970
International investments denominated in U.S. dollars	—	1,624,340	1,654,565	—	—	212,020	3,490,925
Total international investments and cash deposits	\$ 243,941	15,216,918	2,372,227	602,301	1,900,186	636,322	20,971,895

**(e) Concentration of Credit Risk**

The PRIM Board manages the PRIT Fund's exposure to concentration of credit risk by establishing guidelines with each investment manager that limit the percentage of investment in any single issue or issuer. The PRIT Fund has no investments, at fair value, that exceed 5% of the PRIT Fund's total investments as of June 30, 2024 and 2023.

**(f) Financial Instruments with Off-Balance-Sheet Risk**

In the normal course of business, the PRIT Fund enters into financial instrument transactions with off-balance-sheet risk. These financial instruments involve varying degrees and type of risks, including credit and market risks, which may be in excess of the amounts recognized in the Statements of Pooled Net Position. Futures and foreign currency exchange contracts represent commitments to purchase or sell foreign currencies at a future date and at a specified price. The PRIT

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## Notes to Financial Statements

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Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts or if the value of the foreign currency changes unfavorably.

**(5) Securities Lending Program**

The PRIM Board uses a third-party securities lending agent to manage its securities lending program. The program loans domestic and international equity, REIT, and fixed income securities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. Securities on loan are secured with collateral ranging from 102% to 105% determined by the type of securities lent. Securities on loan are valued daily to maintain the collateral requirement and, where applicable, additional collateral is delivered. At June 30, 2024 and 2023, the PRIT Fund has no credit risk exposure to borrowers because the borrowers provided collateralization greater than 100% of the fair value of the securities on loan. The PRIT Fund cannot pledge or sell the collateral securities unless the lending agent defaults. The PRIT Fund is indemnified in the event that the lending agent fails to return the securities on loan (and if the collateral is inadequate to replace the securities on loan) or if the lending agent fails to perform its obligations as stipulated in the agreement. There was no lending agent default during the years ended June 30, 2024 and 2023.

Securities loans are terminable on demand therefore maturities of the securities loans do not generally match the maturities of investments made with cash collateral. Investments made with cash collateral are primarily in short-term investments with maximum maturity of three months from the date of purchase.

Securities on loan are included in investments at fair value in the accompanying statements of pooled net position. As of June 30, 2024 and 2023, the fair value of securities on loan was \$828,071 and \$820,012, respectively, and the associated collateral received in cash was \$851,690 and \$841,326, respectively. Securities lending obligations to repay the collateral are reported in the accompanying statements of pooled net position. There was no security collateral or noncash collateral at June 30, 2024 and 2023. The PRIT Fund pays a monthly rebate on approximately \$500,000 of the cash collateral received and is included in securities lending expenses in the accompanying statements of changes in pooled net position.

For the years ended June 30, 2024 and 2023, in accordance with the Securities Lending Agency Agreement, the PRIT Fund loaned \$750,000 of the cash collateral to the LLC to invest in real estate investments. \$250,000 of the loans mature on March 10, 2027 and can be prepaid at any time. Interest is paid monthly in arrears at a per annum rate equal to LIBOR, which was transitioned to an agreed upon Fallback SOFR rate after June 30, 2023. \$500,000 of the loans mature on November 18, 2031 and can be prepaid at any time. Interest is paid monthly in arrears at a per annum rate as agreed to by the parties. As these are inter-entity loans, they have been eliminated in consolidation in the accompanying financial statements. The fair value of the remaining cash collateral reinvested was \$97,857 and \$87,748 at June 30, 2024 and

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## Notes to Financial Statements

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2023, respectively, and is reported as securities lending collateral in the accompanying statements of pooled net position.

**(6) Real Estate Debt****(a) Notes Payable**

The LLC's notes payable obligations consisted of the following as of June 30:

	<b>2024</b>	<b>2023</b>
Senior unsecured notes	\$ 350,000	350,000
Total	\$ 350,000	350,000

On February 14, 2013, the LLC issued 3.85% Series B Senior Notes in the aggregate principal amount of \$175,000 maturing February 14, 2023 and 4.00% Series C Senior Notes in the aggregate principal amount of \$150,000 maturing February 14, 2025. Interest on the notes is payable semi-annually. On February 14, 2023, the LLC fully repaid the 3.85% Series B Senior Notes with an aggregate principal amount of \$175,000.

On February 12, 2020, the LLC issued 3.07% Series D Senior Notes in the aggregate principal amount of \$200,000 maturing February 12, 2030. Interest on the notes is payable semi-annually.

The Senior Unsecured Notes contain certain financial covenants as outlined in the respective agreements. The LLC was in compliance with such covenants at June 30, 2024 and 2023.

**(b) Mortgage Loans Payable**

The LLC had 13 and 11 property-level mortgage loans payable as of June 30, 2024 and 2023, respectively. The mortgages have a weighted average interest rate of 4.71% and 3.75% and a weighted average maturity of 3.8 and 5.4 years at June 30, 2024 and 2023, respectively. The following table presents the face value of mortgage loans payable at June 30:

	<b>2024</b>	<b>2023</b>
Mortgage loans payable	\$ 571,140	443,443
Total	\$ 571,140	443,443

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## Notes to Financial Statements

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**(c) Other Liabilities**

The LLC had other liabilities of \$9,531 and \$10,813 as of June 30, 2024 and 2023, respectively.

**(7) Derivative Investments**

The PRIT Fund regularly trades financial instruments with off-balance-sheet risk in the normal course of its investing activities to assist in managing exposure to market risks. These financial instruments include contracts for differences, foreign currency exchange contracts, futures contracts, and swap contracts.

**(a) Contracts for differences**

A contract for differences is an instrument whose value is based on the price movement of the underlying asset. It allows for gain or losses to be realized when the underlying asset moves in relation to the position taken, although the actual underlying asset is not owned by the PRIT Fund. The fair value of these instruments is generally recorded at the contract's net equity value. The net equity value is calculated by determining the change in value of the underlying asset less the cost of any leverage. The changes in fair value are recorded by the PRIT Fund as unrealized gains or losses. When the contract is closed, the PRIT Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

Contracts for differences held at June 30 were as follows:

2024				
Description	Number of contracts	Gross notional amount	Fair value of contracts	Unrealized appreciation (depreciation)
Long exposure	34,471,907	\$ 86,145	86,322	177
Short exposure	(1,405,200)	(72,886)	(74,468)	(1,582)
Total exposure		\$ 13,259	11,854	(1,405)
2023				
Description	Number of contracts	Gross notional amount	Fair value of contracts	Unrealized appreciation (depreciation)
Long exposure	22,574,875	\$ 61,176	67,174	5,998
Short exposure	(731,603)	(35,236)	(34,772)	464
Total exposure		\$ 25,940	32,402	6,462

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(Dollars in thousands)

For the years ended June 30, 2024 and 2023, the change in net unrealized (depreciation) appreciation on contracts for differences was (\$7,867) and \$4,058, respectively.

**(b) Foreign Currency Exchange Contracts**

A foreign currency exchange contract is an agreement between two parties to buy or sell a fixed quantity of currency at a set price on a future date. The PRIT Fund may enter into foreign currency exchange contracts to hedge its exposure to the effect of changes in foreign currency exchange rates upon its non-U.S. dollar-denominated investments. The fair value of such contracts will fluctuate with changes in currency exchange rates. The contracts are valued daily, and the changes in fair value are recorded by the PRIT Fund as unrealized gains or losses. When the contract is closed, the PRIT Fund records a realized gain or loss equal to the difference between the cost of the contract at the time it was opened and the value at the time it was closed.

Foreign currency exchange contracts open at June 30 (in U.S. dollars) were as follows:

	2024				
	Fair value	Aggregate face value	Delivery date(s)	Unrealized appreciation	Unrealized depreciation
Foreign currency exchange contracts purchased:					
Australian Dollar	\$ 526,951	\$ 518,957	7/3/24–3/19/25	\$ —	(7,994)
Brazilian Real	162,212	168,637	7/2/24–4/2/25	6,425	—
Chinese Yuan	1,776,019	1,800,994	7/2/24–6/20/25	24,975	—
Coin(O)	1,635,617	1,660,692	7/2/24–7/14/25	25,075	—
Czech Koruna	75,113	77,145	7/2/24–9/18/24	2,032	—
Euro	1,141,602	1,147,049	7/1/24–11/14/24	5,447	—
Japanese Yen	621,080	642,035	7/1/24–6/20/25	20,955	—
Singapore Dollar	4,679,492	4,705,375	7/1/24–6/27/25	25,883	—
Other foreign currencies	4,302,241	4,306,249	7/1/24–7/2/29	8,225	(4,217)
Foreign currency exchange contracts sold:					
Australian Dollar	600,318	597,700	7/1/24–3/19/25	2,618	—
Brazilian Real	80,550	84,144	7/2/24–9/18/24	—	(3,594)
Chinese Yuan	1,251,638	1,269,230	7/2/24–6/3/25	—	(17,592)
Coin(O)	956,296	978,181	7/2/24–12/27/24	—	(21,885)
Hungarian Forint	143,763	147,407	7/1/24–9/18/24	—	(3,644)
Japanese Yen	168,771	174,853	7/1/24–6/18/25	—	(6,082)
Mexican Peso	131,133	134,108	7/15/24–9/18/24	—	(2,975)
Singapore Dollar	4,704,102	4,723,342	7/1/24–4/24/25	—	(19,240)
Other foreign currencies	3,404,343	3,410,780	7/1/24–3/25/26	2,958	(9,395)
Total				\$ 124,593	(96,618)

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## Notes to Financial Statements

June 30, 2024 and 2023

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	Fair value	Aggregate face value	2023 Delivery date(s)	Unrealized appreciation	Unrealized depreciation
Foreign currency exchange contracts purchased:					
Brazilian Real	\$ 395,160	\$ 387,779	7/3/23–1/3/24	\$ —	(7,381)
British Pound	607,159	598,869	7/3/23–12/20/23	—	(8,290)
Chinese Yuan	1,405,171	1,452,059	7/3/23–12/18/24	46,888	—
Euro	1,077,736	1,070,613	7/3/23–12/20/23	—	(7,123)
Hong Kong Dollar	1,809,682	1,812,910	7/3/23–12/18/24	3,228	—
Indian Rupee	524,328	518,500	7/3/23–8/1/24	—	(5,828)
Japanese Yen	1,143,657	1,178,969	7/3/23–6/18/25	35,312	—
Philippines Peso	246,612	243,568	7/3/23–9/20/24	—	(3,044)
Singapore Dollar	1,499,152	1,503,561	7/3/23–6/26/24	4,409	—
South Korean Won	508,037	513,625	7/3/23–6/21/24	5,588	—
Other foreign currencies	1,350,125	1,354,742	7/3/23–2/29/24	9,113	(4,496)
Foreign currency exchange contracts sold:					
Brazilian Real	343,571	341,455	7/3/23–9/20/23	2,116	—
British Pound	315,204	312,784	7/3/23–12/20/23	2,420	—
Chinese Yuan	1,425,204	1,472,889	7/3/23–12/18/24	—	(47,685)
Hong Kong Dollar	1,435,718	1,438,594	7/3/23–12/18/24	—	(2,876)
Indian Rupee	661,062	654,995	7/3/23–6/6/24	6,067	—
Japanese Yen	844,303	869,524	7/3/23–6/18/25	—	(25,221)
Mexican Peso	121,697	119,010	7/3/23–9/20/23	2,687	—
New Taiwan Dollar	211,576	214,308	7/3/23–2/7/24	—	(2,732)
Singapore Dollar	1,408,799	1,418,989	7/3/23–3/18/24	—	(10,190)
South Korean Won	406,584	420,540	7/3/23–6/21/24	—	(13,956)
Other foreign currencies	1,695,605	1,694,628	7/3/23–9/20/24	6,508	(5,531)
Total				\$ 124,336	(144,353)

For the years ended June 30, 2024 and 2023, the change in net unrealized appreciation (depreciation) on foreign currency exchange contracts was \$47,992 and \$(73,217), respectively.

**(c) Futures Contracts**

The PRIT Fund enters into financial and commodity futures on various exchanges. A futures contract is an agreement between two parties to buy or sell units of a particular index, security, or commodity at a set price on a future date. Upon entering into financial and commodity futures contracts, the PRIT Fund is required to pledge to the broker an amount of cash or securities equal to a certain percentage of the contract amount (initial margin deposit). Pursuant to the contract, the PRIT Fund agrees to receive from, or pay to, the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as “variation margin” and are recorded by the PRIT Fund as unrealized gains or losses. When the contract is closed, the PRIT Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and

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## Notes to Financial Statements

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the value at the time it was closed. The potential risk to the PRIT Fund is that the change in value of futures contracts primarily corresponds with the value of underlying instruments, which may not correspond to the change in value of the hedged instruments. The PRIT Fund is also subject to credit risk should its clearing brokers be unable to meet their obligations to the PRIT Fund.

Futures contracts held at June 30 were as follows:

Description	Number of contracts	Expiration dates (month/year)	2024		
			Gross notional amount	Fair value of contracts	Unrealized appreciation (depreciation)
Short cash and cash equivalents:					
90-Day Bank Bill	(6,121)	9/24-6/25	\$ (4,043,105)	(4,042,382)	723
US Dollar Index	(3,210)	9/24	(318,843)	(321,259)	(2,416)
Other short cash and cash equivalents	(3,300)	9/24-12/27	(973,631)	(973,231)	400
Long cash and cash equivalents:					
90-Day Bank Bill	6,077	12/24-3/26	4,016,025	4,013,585	(2,440)
Other long cash and cash equivalents	2,951	7/24-12/27	653,143	651,981	(1,162)
Short fixed income:					
US 10-Yr Treasury Notes	(2,900)	9/24	(322,502)	(324,351)	(1,849)
Other short fixed income	(3,107)	9/24	(464,833)	(464,487)	346
Long fixed income:					
US 5-Yr Treasury Notes	2,894	9/24	307,114	308,454	1,340
Ultra US Treasury Bond	907	9/24	112,658	114,334	1,676
Other long fixed income	5,733	9/24	750,831	752,017	1,186
Short equity and commodities:					
Agriculture	(2,162)	8/24-12/24	(56,303)	(53,799)	2,504
Metal	(3,100)	7/24-12/25	(281,665)	(272,106)	9,559
Oil and gas	(346)	7/24-12/24	(10,111)	(9,246)	865
Other short equity and commodities	(4,717)	7/24-12/25	(123,250)	(124,107)	(857)
Long equity and commodities:					
Metal	3,024	7/24-12/25	301,631	292,997	(8,634)
Oil and gas	788	7/24-8/24	65,707	67,084	1,377
KOSPI Index	466	9/24	31,378	32,699	1,321
MSCI EAFE Index	1,657	9/24	195,220	194,134	(1,086)
MSCI Emerging Markets Index	1,923	9/24	102,558	104,630	2,072
Other long equity and commodities	7,634	7/24-12/24	653,725	655,234	1,509
Total futures exposure			\$ 595,747	602,181	6,434

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Description	Number of contracts	Expiration dates (month/year)	2023		
			Gross notional amount	Fair value of contracts	Unrealized appreciation (depreciation)
Short cash and cash equivalents:					
3-Month SOFR	(1,643)	9/24-6/26	\$ (393,694)	(391,541)	2,153
Other short cash and cash equivalents	(1,990)	7/23-3/26	(619,628)	(619,904)	(276)
Long cash and cash equivalents:					
USD/CNH	804	9/23	79,950	81,341	1,391
Other long cash and cash equivalents	4,007	8/23-9/26	976,223	975,552	(671)
Short fixed income:					
US 5-Yr Treasury Notes	(604)	9/23	(64,685)	(63,658)	1,027
US 10-Yr Treasury Notes	(1,102)	9/23	(124,549)	(122,759)	1,790
Ultra US 10-Yr Treasury Notes	(1,488)	9/23	(176,239)	(174,128)	2,111
Other short fixed income	(1,910)	9/23-12/23	(258,963)	(258,792)	171
Long fixed income:					
US 2-Yr Treasury Notes	1,865	9/23	381,330	377,406	(3,924)
US 5-Yr Treasury Notes	3,252	9/23	354,461	348,214	(6,247)
Other long fixed income	4,731	7/23-9/23	591,489	590,345	(1,144)
Short equity and commodities:					
Agriculture	(476)	8/23-12/23	(21,959)	(21,020)	939
Metal	(1,021)	7/23-10/23	(71,325)	(67,952)	3,373
Oil and gas	(476)	7/23-8/23	(18,247)	(19,602)	(1,355)
Other short equity and commodities	(6,957)	7/23-12/23	(106,768)	(107,712)	(944)
Long equity and commodities:					
Agriculture	1,419	8/23-12/23	57,781	56,638	(1,143)
Metal	885	7/23-10/23	64,297	62,490	(1,807)
EURO STOXX 50 Index	1,343	9/23	64,084	65,156	1,072
KOSPI 200 Index	245	9/23	16,633	15,828	(805)
MSCI EAFE Index	1,860	9/23	198,881	200,462	1,581
MSCI Emerging Markets Index	2,567	9/23	129,624	128,080	(1,544)
Nasdaq 100 E-mini Index	98	9/23	30,061	31,129	1,068
Nikkei 225 Mini	1,915	9/23	43,948	44,890	942
S&P 500 E-mini Index	538	9/23	117,204	120,734	3,530
S&P Midcap 400 E-mini Index	187	9/23	48,373	49,711	1,338
S&P/TSX 60 Index	246	9/23	44,346	45,418	1,072
Other long equity and commodities	3,214	7/23-12/23	267,769	268,251	482
Total futures exposure			\$ 1,610,397	1,614,577	4,180

For the years ended June 30, 2024 and 2023, the change in net unrealized appreciation (depreciation) on futures contracts was \$2,254 and \$13,497, respectively.

**(d) Swaps**

The PRIT Fund enters into swap agreements to gain exposure to certain markets and actively hedge other exposures to market and credit risks. The PRIT Fund utilizes interest rate, credit default, currency, equity index, inflation, and total return swaps within the portfolio. The PRIT Fund's OTC swap agreements are recorded at fair value as estimated by the PRIM Board. These estimated fair

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values are determined in good faith by using information from the PRIT Fund's investment managers, including methods and assumptions considering market conditions and risks existing at the date of the statements of pooled net position. Such methods and assumptions incorporate standard valuation conventions and techniques, such as discounted cash flow analysis and option pricing models. All methods utilized to estimate fair values result only in general approximations of value, and such values may or may not actually be realized.

Upon entering into centrally cleared swap contracts, the PRIT Fund is required to deposit an initial margin with the broker an amount of cash or securities. Pursuant to the contract, the PRIT Fund agrees to receive from, or pay to, the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as "variation margin" and are recorded by the PRIT Fund as unrealized gains or losses. Payments received from or paid to the counterparty, including at termination, are recorded by the PRIT fund as realized gains or losses.

Open swap contracts at June 30 were as follows:

	2024				
	PRIT pays/receives interest rate	PRIT pays/receives index/ protection	Maturity dates (month/year)	Gross notional amount	Net unrealized appreciation (depreciation)
Interest rate swaps	0.00%–13.05%	Various*	7/24-9/58	\$ 43,814,192	72,405
Credit default swaps	0.00%–5.0%	Credit default protection	7/24-12/72	3,381,762	(138,304)
Other swaps	Variable	Various*	7/24-12/53	1,043,465	1,213
Total swaps				\$ 48,239,419	(64,686)

\* PRIT pays/receives counterparty based on 1-Week CNY, 1-Month JIBAR, 1-Month MYR, 1-Month WIBOR, 3-Month AUD Fixing Rate, 3-Month CDOR, 3-Month HKD, 3-Month KRW CD Rate, 3-Month MYR, 3-Month NZD Bank Bill, 3-Month NZD BKBM, 3-Month NZD Fixing Rate, 3-Month TWD TWCPBA, 6-Month AUD BBSW, 6-Month AUD Fixing Rate, 6-Month EURIBOR, 6-Month PRIBOR, 6-Month WIBOR, AUD O/N OIS Rate, Brazil CDI rate, BZDIOVRA, Chile Interbank rate, CORRA, CPI inflation rate, Effective Federal Funds Rate, ESTRON Index, Euro Short-Term rate, Eurozone HICP rate, INR OIS ON, JPY ON, Mexican TIE rate, NZD ON OIS rate, OBFR, SIBCSORA, SOFR, SONIA, SORA, TELBOR, TONA, THB ON Repo Rate, UK RPI, US CPI Urban Consumers NSA Index.

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	2023				
	PRIT pays/receives interest rate	PRIT pays/receives index/ protection	Maturity dates (month/year)	Gross notional amount	Net unrealized appreciation (depreciation)
Interest rate swaps	0.00%–13.65%	Various*	7/23-6/58	\$ 24,933,900	65,877
Credit default swaps	0.11%–16.20%	Credit default protection	7/23-12/72	3,223,985	(145,782)
Other swaps	Variable	Various*	7/23-6/53	341,747	8,102
Total swaps				\$ 28,499,632	(71,803)

\* PRIT pays/receives counterparty based on 1-Week CNY, 1-Month JIBAR, 1-Month USD LIBOR, 1-Month WIBOR, 3-Month AUD Fixing Rate, 3-Month EURIBOR, 3-Month HKD, 3-Month KRW CD Rate, 3-Month MYR, 3-Month NZD Bank Bill, 3-Month NZD Fixing Rate, 3-Month TWD TWCPBA, 3-Month USD LIBOR, 6-Month AUD Fixing Rate, 6-Month EURIBOR, 6-Month PRIBOR, 6-Month WIBOR, AUD O/N OIS Rate, Brazil CDI rate, CORRA, CPI inflation rate, Effective Federal Funds Rate, ESTRON Index, Eurozone HICP rate, INR OIS ON, JPY ON, Mexican TIIE rate, OBFR, SIBCSORA, SOFR, SONIA, SORA, TELBOR, TONA, THB ON Repo Rate, US CPI Urban Consumers NSA Index.

For the years ended June 30, 2024 and 2023, the change in net unrealized appreciation (depreciation) on swap contracts was \$7,117 and \$18,957, respectively.

The PRIT Fund's exposures in the event of nonperformance by counterparties at June 30 were as follows:

Counterparty	Credit rating	2024					
		Interest rate swaps		Credit default swaps		Other swaps	
		Gross notional	Fair value	Gross notional	Fair value	Gross notional	Fair value
Bank of America NA	A+	\$ —	—	28,358	(4,438)	35,701	195
BofA Securities	A+	—	—	25,000	(2,903)	—	—
Barclays Bank PLC	A+	—	—	388,152	(7,852)	10,614	(31)
BNP Paribas SA	A+	2,884,536	239	179,437	(40,013)	205,178	(1,561)
BNP Paribas Commodity Futures Ltd	A+	—	—	36,539	(3,285)	—	—
Citibank NA	A+	—	—	8,200	34	354	3,217
Goldman Sachs & Co	A+	1,040,583	60,476	2,049,664	(15,361)	229,501	(369)
Goldman Sachs International	A+	—	—	53,084	(5,760)	616	(111)
JPMorgan Chase Bank NA	A+	178,062	209	62,409	(10,851)	143,612	404
JP Morgan Securities	A+	33,464,960	(4,278)	135,838	(6,038)	5,179	115
LCH Ltd	AA-	1,374,850	3,259	—	—	73,006	172
Morgan Stanley & Co LLC	A+	3,086,450	461	202,842	(24,285)	6,379	263
Morgan Stanley Capital Services	A+	—	—	131,783	(18,695)	61	(162)
SMB Capital Markets Inc.	A	250,000	13,754	—	—	—	—
All others	Various	1,534,751	(1,715)	80,456	1,143	333,264	(919)
		\$ 43,814,192	72,405	3,381,762	(138,304)	1,043,465	1,213

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Counterparty	Credit rating	2023					
		Interest rate swaps		Credit default swaps		Other swaps	
		Gross notional	Fair value	Gross notional	Fair value	Gross notional	Fair value
Bank of America NA	A+	\$ —	—	7,423	(1,364)	150	(73)
Barclays Bank PLC	A+	—	—	590,398	(5,104)	699	(96)
BNP Paribas SA	A+	43,119	—	86,085	(38,461)	—	—
Goldman Sachs & Co	A+	695,514	65,096	1,885,784	(29,460)	—	—
Goldman Sachs International	A+	—	—	93,572	(12,729)	1,454	153
JPMorgan Chase Bank NA	A+	273,187	(7,740)	19,005	(6,577)	221,036	8,873
JP Morgan Securities	A+	22,216,016	(2,518)	92,186	(8,950)	13,239	713
LCH Ltd	AA-	815,893	(6,299)	—	—	59,874	(28)
Morgan Stanley & Co LLC	A+	—	—	158,573	(21,724)	8,022	(213)
Morgan Stanley Capital Services	A+	—	—	144,669	(22,286)	—	—
SMBC Capital Markets Inc.	A+	250,000	16,551	—	—	—	—
All others	Various	640,171	787	146,290	873	37,273	(1,227)
		<u>\$ 24,933,900</u>	<u>65,877</u>	<u>3,223,985</u>	<u>(145,782)</u>	<u>341,747</u>	<u>8,102</u>

**(8) Investment Management and Other Management Fees**

In accordance with the PRIM Board's Operating Trust Agreement, expenses incurred by the PRIM Board in managing the PRIT Fund are charged to the PRIT Fund in the form of management fees. These expenses consist of investment management fees, investment advisory fees, custodian fees and professional fees, as well as staff salaries and other administrative expenses of the PRIM Board.

**(a) Investment Management Fees**

Investment management fees are paid to discretionary managers pursuant to executed contracts. Total investment management fees were \$211,251 and \$172,885 for the years ended June 30, 2024 and 2023, respectively, of which \$121,739 and \$94,287 were incurred by the PRIM Board for the years ended June 30, 2024 and 2023, respectively. The remaining investment management fees were incurred by the single-member limited liability corporations that are consolidated into the PRIT Fund.

Domestic, international, and emerging market equity managers are generally paid a base fee calculated as a percentage of either current net position under management or an agreed-upon funded amount, typically equal to the amount of original and subsequent funding. In certain cases, this is subject to periodic revision. Base fees are paid quarterly. In addition, some active (nonindexed) equity managers are eligible to receive a performance fee.

(Continued)

## Notes to Financial Statements

June 30, 2024 and 2023

(Dollars in thousands)

Fixed income managers are generally paid a quarterly asset-based fee. Certain managers are eligible for a performance fee.

Fees for private equity investments are typically a percentage of committed capital with the fee percentage decreasing over time. In addition, the general partners (investment managers) of private equity limited partnerships are allocated additional profit, known as carried interest, based on the net gains generally above a specified hurdle rate, on realized partnership investments.

The LLC's investment management fees generally consist of a base fee and a performance fee. Performance fees are paid to managers who out-perform their respective hurdle rates, as defined in the investment management agreements or partnership agreements.

Timberland investment management fees consist of a base fee and a performance fee component and are calculated and paid similar to the LLC's investment management fees.

Hedge fund-of-funds investment managers are paid base fees, which are calculated and paid quarterly.

Fees for portfolio completion strategies investments generally consist of a base fee and a performance fee based on return.

The majority of investment management fees for private equity and private debt investments are charged by the general partners to the investment partnerships and not to the limited partner investors directly. Investment management fees for portfolio completion strategies investments and commingled account investments are charged to the respective investments. Most base investment management fees for investments in real estate properties and timberland are charged against the respective investments. Investment management fees for investments in real estate funds are charged to the investment partnership and not to the limited partner investors directly. Therefore, the fair values of these investments are reported net of investment management fees and these investment management fees are not included in the accompanying statements of changes in pooled net position, with the exception of investment management fees incurred by the single-member limited liability corporations that are consolidated into the PRIT Fund.

**(b) Investment Advisory Fees**

NEPC, LLC, Meketa Investment Group, Aberdeen Asset Management Inc., Hamilton Lane, International Woodland Company, and NewAlpha Asset Management served as the PRIM Board's principal investment advisors as of fiscal year end 2024. NEPC, LLC served as the asset allocation advisor, Meketa Investment Group served as the public markets advisor, Aberdeen Asset

(Continued)

## Notes to Financial Statements

June 30, 2024 and 2023

(Dollars in thousands)

Management Inc. and NewAlpha Asset Management provided portfolio completion strategies advisory services, Hamilton Lane served as the private equity advisor, and International Woodland Company provided timberland advisory services. These investment advisors, among others, provided the PRIM Board with comprehensive investment advisory services, including recommendations on asset allocation, selection of investment managers, and the monitoring of performance of the PRIT Fund and its individual investment managers.

For the years ended June 30, 2024 and 2023, investment advisory fees were \$15,496 and \$14,433, respectively, which are included in investment management and other management fees in the accompanying statements of changes in pooled net position.

**(c) Custodian Fees**

BNY Mellon is the investment custodian and record keeper for the PRIT Fund. BNY Mellon records all daily transactions, including investment purchases and sales, investment income, expenses, and all participant activity for the PRIT Fund. BNY Mellon also provides portfolio performance analysis each month for the PRIT Fund.

For the years ended June 30, 2024 and 2023, custodian fees were \$935 and are included in investment management and other management fees in the accompanying statements of changes in pooled net position.

**(d) Other Administrative Fees**

For the years ended June 30, 2024 and 2023, other administrative expenses of the PRIM Board, including employee compensation, professional fees, and occupancy costs, charged to the PRIT Fund totaled \$29,710 and \$25,246, respectively, which are included in investment management and other management fees in the accompanying statements of changes in pooled net position.

**(9) Commitments**

As of June 30, 2024 and 2023, the PRIT Fund had outstanding unfunded commitments to invest \$9,881,182 and \$8,357,583, respectively, in private debt, other credit opportunities, private equity, portfolio completion strategies, and real estate investments.

**(10) Subsequent Events**

For purposes of determining the effects of subsequent events on the financial statements, management has evaluated subsequent events after June 30, 2024 through December 5, 2024, the date on which the financial statements were available to be issued.



## Schedule of Pooled Net Position – Capital Fund and Cash Fund

June 30, 2024

(Dollars in thousands)

	Capital Fund	Cash Fund	Total
<b>Assets:</b>			
Investments, at fair value:			
Short-term	\$ 1,215,749	86,434	1,302,183
Fixed income	23,242,875	—	23,242,875
Equity	41,807,764	—	41,807,764
Timberland	3,192,283	—	3,192,283
Private equity funds	17,589,527	—	17,589,527
Real estate:			
Real estate properties	9,974,149	—	9,974,149
Equity	743,848	—	743,848
Real estate funds	763,954	—	763,954
Mortgage loans receivable	114,176	—	114,176
Other	149,575	—	149,575
Total real estate	11,745,702	—	11,745,702
Portfolio completion strategies:			
Investment funds	2,699,741	—	2,699,741
Equity	2,096,612	—	2,096,612
Fixed income	3,886,321	—	3,886,321
Cash and cash equivalents	1,528,904	—	1,528,904
Agricultural investments	469,916	—	469,916
Total portfolio completion strategies	10,681,494	—	10,681,494
Total investments	109,475,394	86,434	109,561,828
Cash	167,667	5	167,672
Securities lending collateral	97,857	—	97,857
Interest and dividends receivable	298,043	948	298,991
Receivable for investments sold and other assets	715,936	—	715,936
Receivable for securities sold on a when-issued basis	871,172	—	871,172
Foreign currency forward contracts	124,593	—	124,593
Total assets	111,750,662	87,387	111,838,049
<b>Liabilities:</b>			
Securities sold short and other liabilities, at fair value:			
Portfolio completion strategies	1,864,416	—	1,864,416
Fixed income	—	—	—
Total securities sold short and other liabilities	1,864,416	—	1,864,416
Payable for investments purchased and other liabilities	988,154	—	988,154
Real estate debt and other liabilities	930,671	—	930,671
Securities lending obligations	851,690	—	851,690
Payable for securities purchased on a when-issued basis	1,802,239	—	1,802,239
Foreign currency forward contracts	96,618	—	96,618
Management fees payable to PRIM	50,327	—	50,327
Total liabilities	6,584,115	—	6,584,115
Net position held in trust for pool participants	\$ 105,166,547	87,387	105,253,934

See accompanying independent auditors' report.

## Schedule of Changes in Pooled Net Position – Capital Fund and Cash Fund

Year ended June 30, 2024

(Dollars in thousands)

	Capital Fund	Cash Fund	Total
Additions:			
Contributions:			
State employees	\$ —	902,529	902,529
State teachers	—	1,136,487	1,136,487
Other participants	—	1,774,095	1,774,095
Total contributions	—	3,813,111	3,813,111
Net investment income (loss):			
From investment activities:			
Net realized gain on investments and foreign currency transactions	2,607,560	—	2,607,560
Net change in unrealized appreciation on investments and foreign currency translations	4,140,316	—	4,140,316
Interest	780,567	13,548	794,115
Dividends	904,059	—	904,059
Timberland	32,143	—	32,143
Private equity	158,083	—	158,083
Portfolio completion strategies	301,935	—	301,935
Real estate:			
Income	728,920	—	728,920
Expenses	(243,931)	—	(243,931)
Total real estate	484,989	—	484,989
Income from investment activities	9,409,652	13,548	9,423,200
Investment management and other management fees	(257,392)	—	(257,392)
Net income from investment activities	9,152,260	13,548	9,165,808
From securities lending activities:			
Securities lending income	4,610	—	4,610
Securities lending expenses	(28,484)	—	(28,484)
Net loss from securities lending activities	(23,874)	—	(23,874)
Total net investment income	9,128,386	13,548	9,141,934
Total additions	9,128,386	3,826,659	12,955,045
Deductions:			
Redemptions:			
State employees	—	1,608,857	1,608,857
State teachers	—	1,235,719	1,235,719
Other participants	—	1,417,952	1,417,952
Total deductions	—	4,262,528	4,262,528
Interfund transfers (out) in, net	(461,616)	461,616	—
Net increase (decrease) in pooled net position	8,666,770	25,747	8,692,517
Net position held in trust for pool participants:			
Balance, beginning of year	96,499,777	61,640	96,561,417
Balance, end of year	\$ 105,166,547	87,387	105,253,934

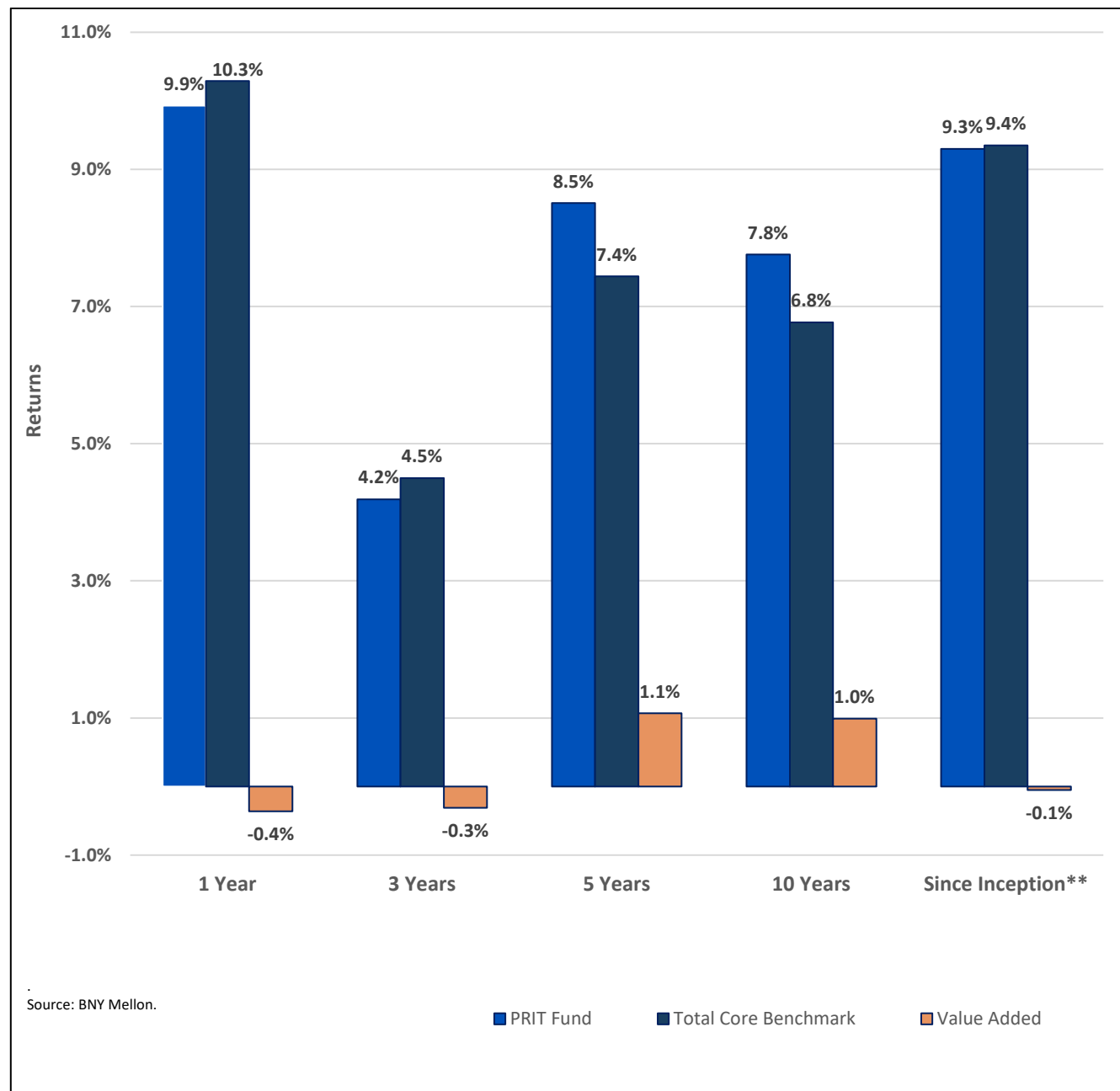
See accompanying independent auditors' report.

## *Investment Section*



## Total PRIT Fund Performance Summary\*

For the periods ended June 30, 2024



\* Gross of Fees. Total PRIT Fund includes the Core Fund and Cash Fund. Returns are annualized and calculated based on a time-weighted rate of return methodology.

\*\* Performance inception date of January 1, 1985

## Investment Strategy Overview

The PRIT Fund was formed in December 1983 with a mandate to accumulate assets through investment earnings to reduce the Commonwealth of Massachusetts' unfunded pension liability and, further on, to assist local participating retirement systems in meeting their future pension obligations. The PRIM Board is charged with the general oversight of the PRIT Fund. The PRIM Board seeks to maximize the return on investments within acceptable levels of risk and cost for a public pension fund, by broadly diversifying its investment portfolio, capitalizing on economies of scale to achieve cost-effective operations, and gaining access to high quality, innovative investment management firms, all under the management of a professional staff and members of the PRIM Board. The PRIM Board's overall investment performance goal is to achieve an annual rate of return that exceeds the targeted actuarial rate of return used in determining the Commonwealth of Massachusetts' pension obligations (currently 7.0%). A summary of other investment objectives is provided in the Investment Policy Statement at the end of this section.

The PRIM Board employs professional investment managers to manage the PRIT Fund's assets. The PRIT Fund had approximately \$105.3 billion in assets under management at June 30, 2024. Investment managers operate within guidelines that are delineated in a detailed investment management agreement or partnership agreement.

The PRIT Fund's net investment portfolio fair values reported in this section and used as a basis for calculating investment returns differ from those shown in the Financial Section and the Financial Highlights in the Statistical Section of this report. The values used in this section are the appropriate industry standard basis for investment return calculations and are net of all investment receivables and payables. Unless otherwise noted, all return information provided is gross of fees. In addition, "PRIT Core" return information refers to returns for the PRIT Capital Fund. PRIT Core return information excludes the impact of the Cash Fund on the total PRIT Fund return.

## Asset Allocation and Diversification Discussion

The Investment Policy Statement adopted by the PRIM Board in September 1998 with subsequent updates, most recently in February 2024, states that over the long-term, asset allocation is the single greatest contributor of return and risk to the PRIT Fund. At reasonable intervals of not more than three to five years, the PRIM Board will complete a comprehensive review of its Asset Allocation Plan and its underlying assumptions, including: the Commonwealth's current and projected pension assets and liabilities; long-term capital markets rate of return assumptions; and the PRIM Board's risk tolerances. The PRIM Board shall examine the Asset Allocation Plan annually and shall consider adjustments to the Plan as may be appropriate given the Plan's long-term nature and objectives.

The PRIM Board-approved Asset Allocation Plan and current Asset Allocation are as follows:

Asset Class	6/30/2024 Allocation % (3)	Target Range % (1)
Global Equity	40.6	31 - 41
Core Fixed Income	13.9	12 - 18
Value-Added Fixed Income	7.3	6 - 12
Real Estate	9.6	7 - 13
Private Equity	17.0	13 - 19
Timberland	3.0	1 - 7
Portfolio Completion Strategies	8.3	7 - 13
Overlay (2)	0.3	-

(1) Asset Allocation Plan approved February 15, 2024.

(2) This asset class does not have target range % because it's not a component of the long-term policy target asset allocation.

(3) Totals may not add due to rounding.

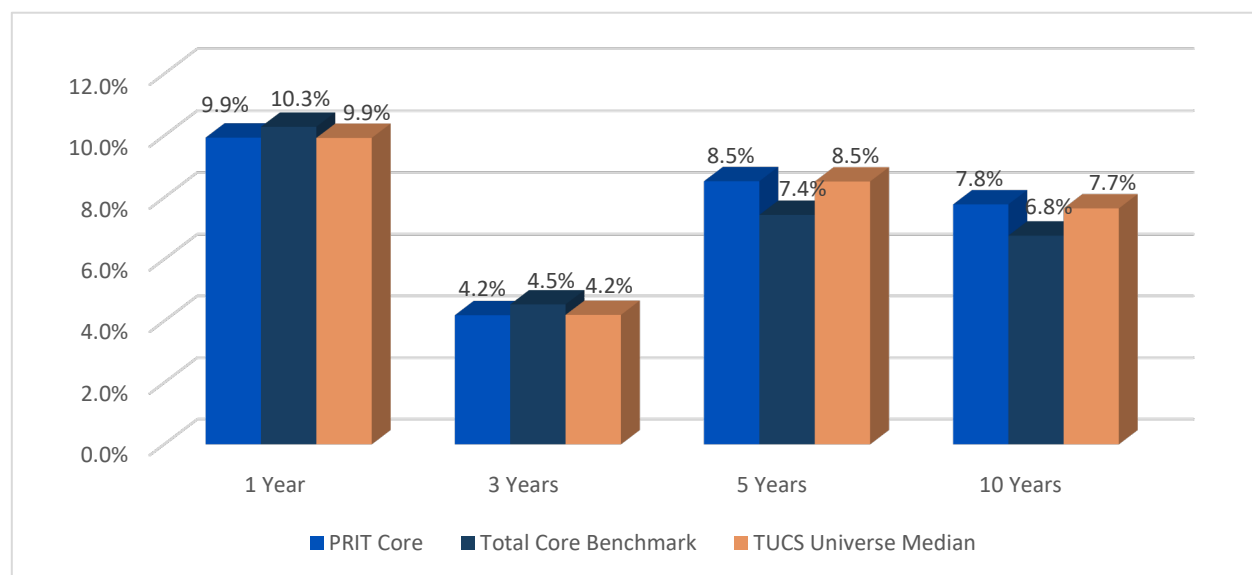
In addition to asset allocation, the PRIM Board seeks to diversify the PRIT Fund through a complementary diversification of investment styles within various asset classes. Investment managers operate within detailed investment guidelines to ensure portfolios are managed with appropriate diversification and risk control.

### Income and Expense Allocation

Income earned and expenses incurred in each investment account are allocated to retirement systems based on each individual retirement system's share of ownership in each investment account. Expenses are classified in three categories for purposes of allocation to retirement systems: 1) investment management fees, 2) investment advisory fees, and 3) operational fees. Investment management fees are those directly associated with the investment management of a certain account. Investment advisory fees are fees that are either directly associated with an individual asset class, or, for general advisors, are allocated pro-rata based on net asset values of each asset class. Operational fees are custodian and other administrative expenses incurred by the PRIM Board in managing the PRIT Fund and are allocated pro-rata based on net asset values of each asset class.

**PRIT Core Performance: Fiscal Year 2024**

Returns are calculated based on a time-weighted rate of return methodology. PRIT Core Returns (gross of fees) and benchmarks for the periods ended June 30, 2024:



In the fiscal year 2024, the PRIT Core Fund returned 9.94% compared to the Total Core benchmark return of 10.29%. The PRIT Fund began fiscal year 2024 with net position of \$96.6 billion and ended with \$105.3 billion. On a gross basis the fund increased \$8.7 billion, which is the result of \$9.1 billion in net investment income along with \$449.4 million in net redemptions from the State Employees, State Teachers' and Participant accounts.

The quarterly returns of the PRIT Core Fund in fiscal year 2024 were as follows:

- -1.63% for September 30, 2023 – versus a benchmark return of -1.66%.
- 6.18% for December 31, 2023 – versus a benchmark return of 6.60%.
- 3.67% for March 31, 2024 – versus a benchmark return of 3.52%.
- 1.53% for June 30, 2024 – versus a benchmark return of 1.60%.

The PRIT Fund seeks to outperform its three benchmarks in both up and down markets. In order of priority, these benchmarks are as follows: 1) beating the actuarial rate of return assumption (currently 7.00%); 2) exceeding the long-term Total Core Benchmark, which measures how well the PRIT Fund has implemented its asset allocation; and 3) achieving top quartile rankings in the Wilshire Trust Universe Comparison Service (TUCS) report, which measures the PRIT Fund's investment performance against its peers nationwide. Through June 30, 2024, the PRIT Core Fund returned 9.26% since inception, outperforming the actuarial rate of return of 7.00% by 226 basis points. The PRIT Core Fund outperforms its benchmark over the five-year and 10-year periods. According to the TUCS ranking, the PRIT Fund's performance ranked in the second quartile of all U.S. Public Pension Funds over \$25 billion in size for the one-year, three-year, five-year, and 10-year periods ending June 30, 2024.



## Management Costs

Expenses incurred by the PRIM Board in managing the PRIT Fund are charged to the PRIT Fund. These expenses consist of investment management fees, advisory fees, custodian fees, professional fees, salaries, and administrative expenses of the PRIM Board.

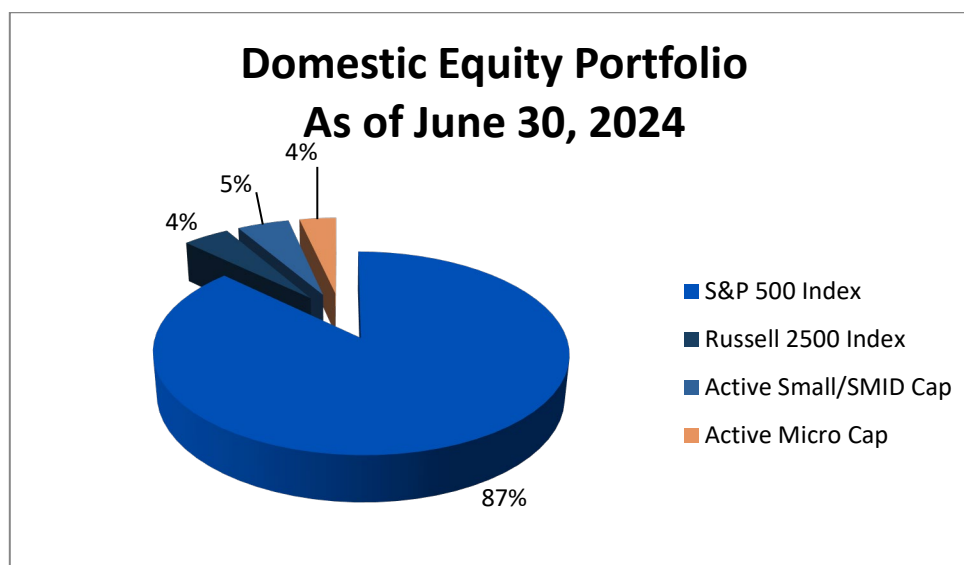
The PRIM Board tracks two types of fees: 1) direct fees and 2) indirect fees. Direct fees are fees the PRIM Board pays directly to vendors for services rendered. These fees include most investment management fees, advisory fees, custodian fees, and salaries and administrative expenses of the PRIM Board. Indirect fees are expenses typically incurred when investing in partnerships or other commingled investment vehicle structures, such as private equity funds, portfolio completion strategies, real estate, timberland, and other commingled funds. Indirect management fees incurred in these funds are charged to the respective investments. The fair value of these investments is reported net of indirect management fees.

The PRIM Board's investment managers operate with formal contracts. Investment management fees accounted for approximately 71.0% of the PRIM Board's total direct expenses for fiscal 2024. The PRIM Board also contracts with a custodian and investment advisors. Fees to these providers were approximately 9.6% of the PRIM Board's total expense for fiscal year 2024.

The total cost of managing the PRIT Fund for fiscal year 2024, *inclusive* of investment management (direct and indirect), advisory, custodial, and overhead charges was 51 basis points of the average net position of the PRIT Fund compared to 46 basis points in fiscal year 2023. For information on expense ratios for each investment account, refer to the *Financial Highlights and Financial Highlights Ratios* on pages 97-106 included in the Statistical Section of this report.

## Domestic Equity Portfolio

As of June 30, 2024, the Domestic Equity portfolio had approximately \$26.6 billion in net position, representing 25.3% of the PRIT Fund. As highlighted below, the Domestic Equity portfolio allocation is approximately 87% invested in passively managed large capitalization equity strategies (S&P500), 9% invested in small and mid-capitalization equity strategies (Russell 2500, small/SMID cap), and 4% invested in micro-capitalization equity strategies (Micro Cap). As of the fiscal year-end, the weighting of Domestic Equity was 62.4% of the Global Equity portfolio.



**Portfolio Risks.** Although historically and recently long-term returns in equity investments have exceeded all other public market asset classes (i.e., fixed income and cash), there is no guarantee that this trend will continue or that investment in the short-term or long-term will produce positive results. Prices may fluctuate based on changes in a company's financial condition and on overall market and economic conditions. Smaller companies are especially sensitive to these factors. There is a significant risk of loss of principal due to market and economic conditions.

**Portfolio Returns.** For the fiscal year, the Domestic Equity portfolio returned 22.37% compared to 23.34% for the portfolio benchmark. The PRIT Fund's large cap managers returned 24.55% compared to the 24.65% return of its benchmark, the Custom S&P 500 Index (which excludes legislatively restricted securities in tobacco, Iran, Russia, and Sudan). The PRIT Fund's Small/SMID/Micro-cap managers returned 9.34% compared to the 8.20% return of the benchmark, which is calculated by applying the investment performance of the sub asset class benchmarks to the sub asset class weights within the Small/SMID/Micro-cap equity portfolio.

On a three-, five-, and 10-year basis through June 30, 2024, the PRIT Fund's Domestic Equity portfolio has returned 8.47%, 13.85%, and 11.93%, respectively, compared to the benchmark, which returned 8.25%, 13.96%, and 12.03%, respectively.

The top ten holdings in the Domestic Equity portfolio at June 30, 2024, are illustrated below. A complete listing of holdings is available upon request.

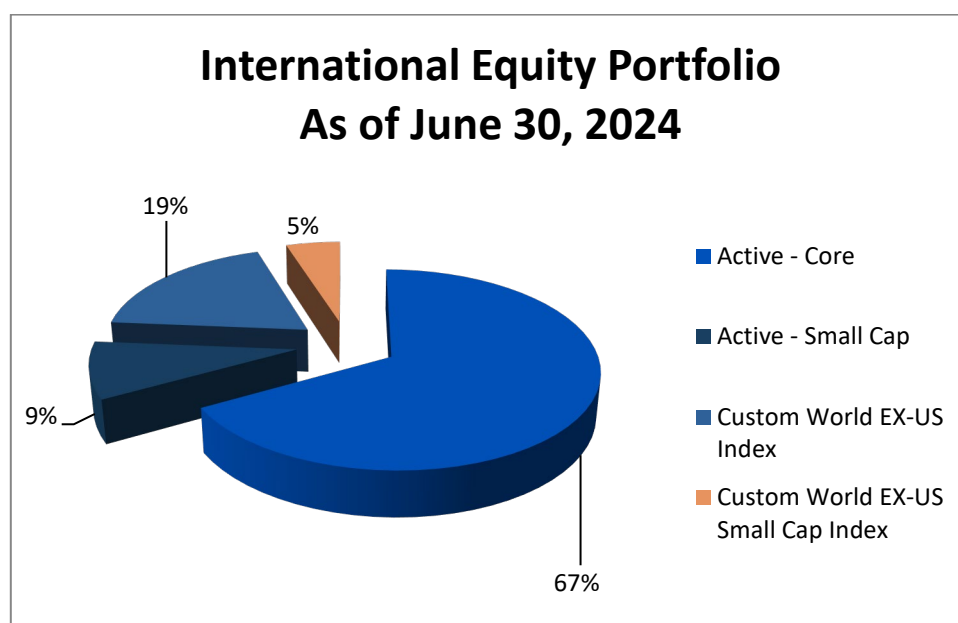
#	Issue Name	% of Account	
		Fair Value (\$000s)	Fair Value
1	Microsoft Corp.	\$ 1,663,348	6.25%
2	Nvidia Corp	1,521,121	5.72%
3	Apple Inc.	1,519,620	5.71%
4	Amazon.com Inc.	885,040	3.33%
5	Meta Platforms Inc.	553,077	2.08%
6	Alphabet Inc - CL A	535,259	2.01%
7	Alphabet Inc - CL C	448,655	1.69%
8	Berkshire Hathaway Inc	368,652	1.39%
9	Eli Lilly & Co	361,880	1.36%
10	Broadcom Inc.	350,113	1.32%
TOTAL		\$ 8,206,765	30.86%

The PRIT Fund's Domestic Equity managers at June 30, 2024, are presented in the following table:

Manager	Investment Mandate	Portfolio Fair Value at June 30, 2024 (\$000s)
State Street Global Advisors	Custom S&P 500 Index	\$ 19,365,893
RhumbLine Advisers, LP	Custom S&P 500 Index	3,554,179
RhumbLine Advisers, LP - EIA	Custom S&P 500 Index	276,089
State Street Global Advisors	Custom Russell 2500 Index	1,174,075
Frontier Capital Management	Small Cap Value	617,830
Riverbridge Partners	SMID Cap Growth	297,852
Summit Creek Advisors	Small Cap Growth	406,190
Acadian Asset Management	Micro Cap Core	252,005
Brandywine Investment Management	Micro Cap Value	140,854
Lord, Abbett & Company	Micro Cap Growth	238,403
Driehaus Capital Management	Micro Cap Growth	295,775
Other portfolio net assets		(6,298)
<b>Total Portfolio Fair Value</b>		<b>\$ 26,612,847</b>

## International Equity Portfolio

As of June 30, 2024, the International Equity portfolio had approximately \$11.3 billion in net position, representing 10.7% of the PRIT Fund. The international core equity accounts are benchmarked against the Custom MSCI World ex-U.S. Standard Index – Net Dividends (which excludes legislatively restricted securities in tobacco, Iran, Russia, and Sudan). The international small cap equity accounts are benchmarked against the Custom World ex-U.S. Small Cap Index – Net Dividends (which excludes legislatively restricted securities in tobacco, Iran, Russia, and Sudan). The International Equity portfolio is allocated to one passive core equity account (19% of the portfolio), eight active core equity accounts (67% of the portfolio), one passive small cap equity account (5% of the portfolio), and four active small cap equity accounts (9% of the portfolio).



The primary strategy for this portfolio is investing in companies in developed markets, industrialized nations outside of the United States, including, but not limited to, Japan, Germany, the United Kingdom, France, Italy, Switzerland, Hong Kong, Canada, and Australia. As of the fiscal year-end, the weighting of International Equity was 26.4% of the Global Equity portfolio.

**Portfolio Risks.** Investing in developed markets outside of the United States carries additional risks as compared to U.S. domestic investments. The added risks are primarily associated with currency, higher trading and settlement costs, and less stringent investor protections and disclosure standards.

**Portfolio Returns.** For the fiscal year ending June 30, 2024, the International Equity portfolio returned 10.03% compared to the benchmark return of 10.65%. Five of the PRIT Fund's eight active international equity managers outperformed the Custom MSCI World ex-U.S. Index. Three of the PRIT Fund's four active international small cap equity managers outperformed the Custom World ex-U.S. Small Cap Index. On a three-, five-, and 10-year basis through June 30, 2024, the PRIT Fund's International Equity portfolio posted returns of 1.22%, 6.56%, and 4.90%, respectively, compared to the benchmark, which returned 1.84%, 6.04%, and 4.16%, respectively, over the same periods.

The top ten holdings in the International Equity portfolio at June 30, 2024, are illustrated below. A complete listing of holdings is available upon request.

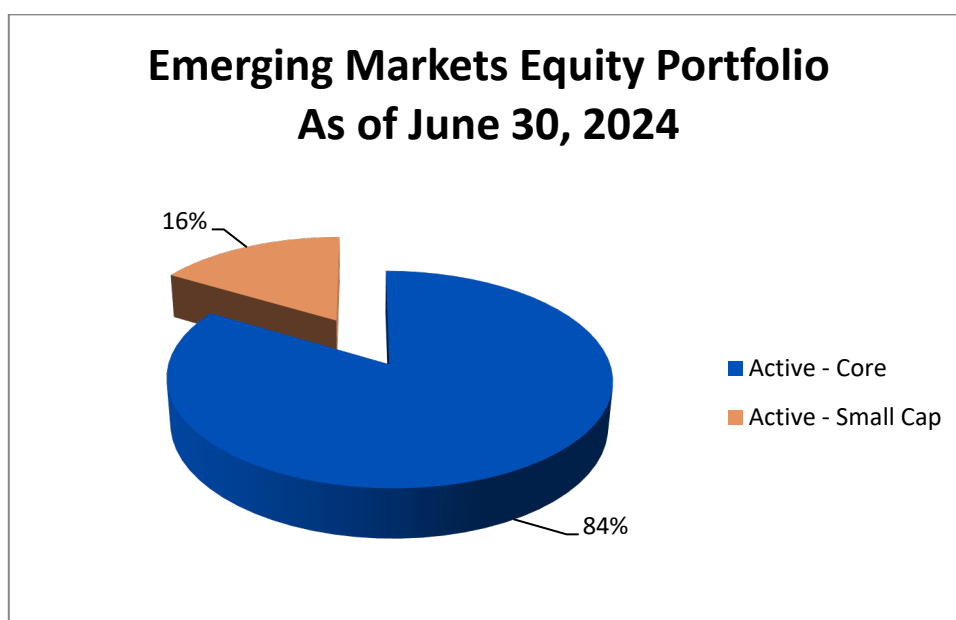
#	Issue Name	% of Account	
		Fair Value (\$000s)	Fair Value
1	ASML Holding N.V.	\$ 182,266	1.62%
2	Novo Nordisk	157,148	1.40%
3	BP PLC	95,061	0.84%
4	United Overseas Bank Ltd	87,207	0.77%
5	Rolls-Royce Holdings PLC	78,498	0.70%
6	CIE Financiere Richemont SA	73,674	0.65%
7	Novartis AG	71,333	0.63%
8	Sanofi	68,884	0.61%
9	Banco Santander SA	67,635	0.60%
10	Roche Holding AG	66,211	0.59%
TOTAL		<u>\$ 947,917</u>	<u>8.42%</u>

The PRIT Fund's International Equity managers at June 30, 2024, are presented in the following table:

Manager	Investment Mandate	Portfolio Fair Value at June 30, 2024 (\$000s)	
State Street Global Advisors	Custom World ex-US Index	\$	2,110,617
Marathon-London	World ex-US		2,640,410
Baillie Gifford	World ex-US		1,592,452
Mondrian Investment	World ex-US		581,788
ARGA Investment Management	World ex-US		730,598
Columbia Threadneedle	World ex-US		621,381
Causeway Capital Management	World ex-US		548,633
Pzena Investment Management	World ex-US		450,982
Xponance	World ex-US		370,905
State Street Global Advisors	Custom World ex-US Small Cap Index		555,789
Acadian Asset Management	World ex-US Small Cap		368,748
AQR Capital Management	World ex-US Small Cap		282,618
Artisan Partners	World ex-US Small Cap		195,533
Driehaus Capital Management	World ex-US Small Cap		209,860
Other portfolio net assets			2,160
Total Portfolio Fair Value		<u>\$</u>	<u>11,262,474</u>

## Emerging Markets Portfolio

As of June 30, 2024, the Emerging Markets Equity portfolio had approximately \$4.6 billion in net position, representing 4.4% of the PRIT Fund. The active emerging markets core equity managers are benchmarked against the Custom MSCI Emerging Markets Standard Index – Net Dividends (which excludes legislatively restricted securities in tobacco, Iran, Russia, and Sudan). The active emerging markets small cap equity managers are benchmarked against the Custom MSCI Emerging Markets Small Cap Net Dividends Index (which excludes legislatively restricted securities in tobacco, Iran, Russia, and Sudan). The emerging markets equity portfolio is allocated to five active core equity managers (which comprise about 84% of the emerging market portfolio) and two active small cap equity managers (16% of the portfolio). The PRIM Board maintains a target weighting of 100% active for the Emerging Markets Equity portfolio.



The primary strategy for this portfolio is investing in companies in developing countries, including, but not limited to, China, Brazil, South Korea, Taiwan, and India. These countries typically have less efficient securities markets, and thus there is opportunity for returns above benchmarks. As of the fiscal year end, the weighting of Emerging Markets Equity was 10.8% of the Global Equity portfolio.

**Portfolio Risks.** Investing in emerging markets carries risks above and beyond those inherent to domestic and developed international equity markets. Emerging markets tend to be less efficient than both U.S. and non-U.S. developed markets, and therefore, are more volatile. In addition to the added volatility, and those risks mentioned in association with investments in developed international equity markets, emerging market investments are subject to economic and political risks, exchange control regulation, expropriation, confiscatory taxation, and social instability.

**Portfolio Returns.** For the fiscal year, the Emerging Markets Equity portfolio returned 17.99% compared to the benchmark return of 13.48%. Four of the PRIT Fund's five active emerging markets core equity managers outperformed the benchmark. One of the PRIT Fund's two active emerging markets small cap equity managers

outperformed the MSCI Emerging Markets Small Cap Index for the fiscal year. On a three-, five-, and 10-year basis through June 30, 2024, the PRIT Fund's emerging markets equity managers posted returns of -0.91%, 7.08%, and 5.52%, respectively, compared to the asset class benchmark, which returned -4.13%, 3.94%, and 3.20% over the same periods.

The top ten holdings in the Emerging Markets Equity portfolio at June 30, 2024, are illustrated below. A complete listing of holdings is available upon request.

#	Issue Name	% of Account	
		Fair Value (\$000s)	Fair Value
1	Tawain Semiconductor Mfg. Co.	\$ 264,716	5.77%
2	Samsung Electronics	171,239	3.73%
3	Tencent Holdings Ltd	164,546	3.58%
4	Tawain Semiconductor Mfg. Co. Ltd. ADR	79,020	1.72%
5	Reliance Industries Ltd	59,463	1.30%
6	Alibaba Group Holding Ltd HK	53,308	1.16%
7	SK Hynix Inc.	51,685	1.13%
8	Mediatek Inc.	47,427	1.03%
9	Mercadolibre Inc.	41,609	0.91%
10	China Merchants Bank Co Ltd HK	39,848	0.87%
TOTAL		\$ 972,861	21.20%

The PRIT Fund's Emerging Markets Equity managers at June 30, 2024, are presented in the following table:

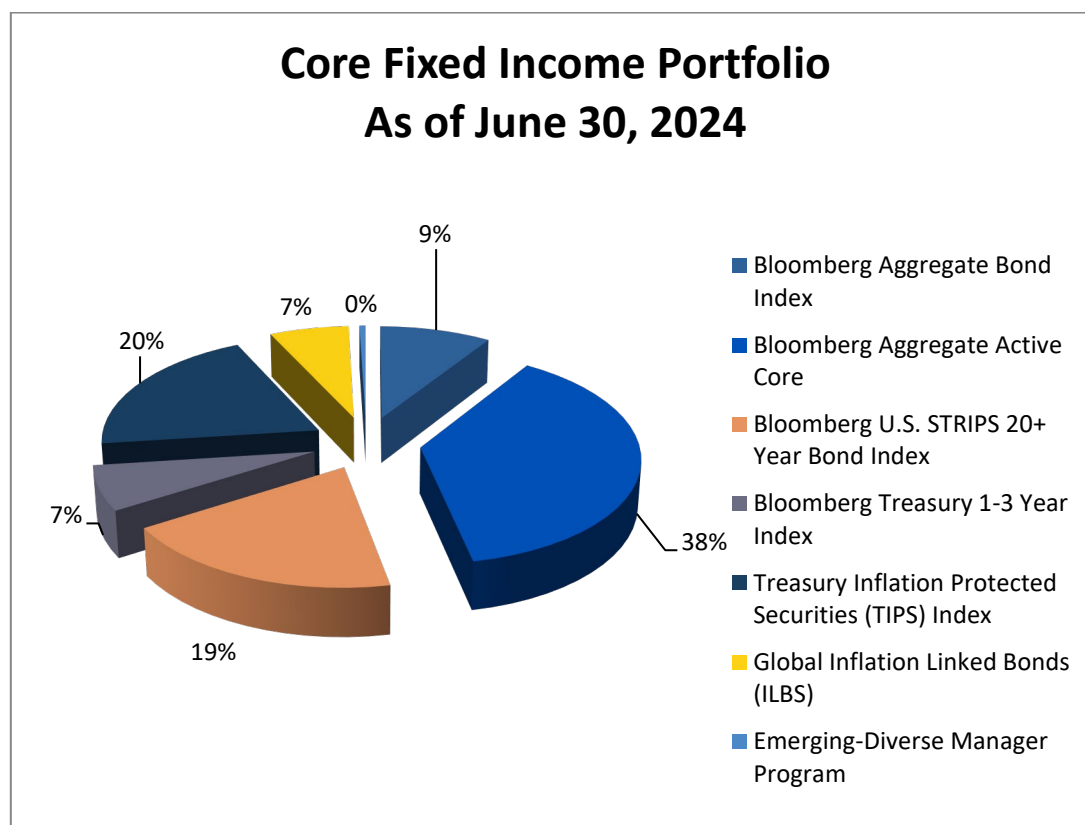
Manager	Investment Mandate	Portfolio Fair Value at June 30, 2024 (\$000s)	
AQR Emerging	EM Core	\$	806,131
Baillie Gifford	EM Core		842,650
Driehaus Capital	EM Core		946,079
Pzena Investment Management, LLC	EM Core		1,021,655
T. Rowe Price	EM Core		221,099
Acadian	EM Small Cap		553,953
Wasatch	EM Small Cap		199,731
Other portfolio net assets			28
Total Portfolio Fair Value		\$	4,591,326

### Global Equity Emerging-Diverse Manager Program

As of June 30, 2024, the Global Equity Emerging-Diverse Manager Program (inception in May 2022), managed by Xponance (manager-of-managers), had \$207.2 million in net position, representing 0.5% of the Global Equity portfolio and 0.2% of the PRIT Fund. The Global Equity Emerging-Diverse Manager Program returned 13.43% for the fiscal year and 9.94% since its inception, compared to the benchmark, which returned 12.31% and 6.92% over the same periods.

### Core Fixed Income Portfolio

As of June 30, 2024, the Core Fixed Income Portfolio had approximately \$14.6 billion invested in investment grade Core Fixed Income positions, representing 13.9% of the PRIT Fund. The Core Fixed Income Portfolio is invested using the following strategies:



The Core Fixed Income portfolio is benchmarked to the Bloomberg Aggregate Bond Index for core fixed income securities, the Bloomberg U.S. STRIPS 20+ Year Bond Index for long-duration U.S. STRIPS securities, the Bloomberg Treasury 1-3 Year Index for short-term fixed income securities, the Bloomberg U.S. TIPS Index for U.S. TIPS securities, and the Bloomberg Inflation Linked Bond US Dollar Hedged Index for the Global Inflation Linked Bonds (ILBs).

The Bloomberg Aggregate Bond Index replicates the investment grade bond market. The index is comprised of corporate, government, asset and mortgage-backed securities. The index portfolio is designed to approximate the performance of the Bloomberg Aggregate Bond Index, while the active core managers' mandate is to exceed the index return. The Core Fixed Income portfolio is designed to reduce the long-term volatility of the total PRIT Fund.

The allocations to TIPS and ILBs are designed to provide hedges against rises in inflation. The long-duration U.S. STRIPS portfolio is designed to approximate the performance of the Bloomberg U.S. STRIPS 20+ Year Bond Index and to lower overall volatility of the total PRIT Fund. The allocation to short-term fixed income securities is



designed to approximate the performance of the Bloomberg Treasury 1-3 Year Index and to reduce volatility while increasing liquidity within the Core Fixed Income portfolio. The Core Fixed Income portfolio includes investments with emerging-diverse managers which represent less than 0.1% of the PRIT Fund. There is one manager-of-managers in the PRIT Fund Core Fixed Income Emerging-Diverse Manager Program.

**Portfolio Risks.** As in the case of equities, the prices of fixed income securities increase and decrease in value. Price fluctuations in bonds result from rising and falling interest rates, changes in market conditions, and other economic and political developments. The portfolio is subject to credit risk through defaults on bonds and other fixed income securities. Erosion in principal value can result from credit risk and price fluctuations and can adversely affect portfolio returns.

**Portfolio Returns.** For the fiscal year 2024, the Core Fixed Income composite returned -0.02% compared to the -0.24% return of the benchmark (46.6% Bloomberg Aggregate/20% Bloomberg U.S. STRIPS 20+ Year Bond Index /20% Bloomberg Global IL US TIPS/6.7% Bloomberg World Government Inflation-Linked USD Hedged/6.7% Bloomberg US Treasury 1-3 Year Index as of June 30, 2024). The Bloomberg Aggregate mandates returned 3.57%, compared to the Bloomberg Aggregate Bond Index return of 2.63%. The passively managed long-duration U.S. STRIPS mandate returned -13.12%, compared to the Bloomberg U.S. STRIPS 20+ Year Bond Index return of -13.10%. The passively managed TIPS mandate returned 2.71%, compared to the Bloomberg Global Inflation-Linked US TIPS Index which returned 2.71%. The actively managed ILBs mandate returned 1.84%, compared to the Bloomberg World Government Inflation-Linked USD Hedged Index return of 1.99%. The passively managed short-term fixed income securities mandate returned 4.51%, compared to the Bloomberg Treasury 1-3 Year Index return of 4.51%. The Core Fixed Income Emerging-Diverse Manager Program had a return of 3.53% compared to the custom benchmark return of 2.63%.

On a three-, five-, and 10-year basis through June 30, 2024, the PRIT Fund's Core Fixed Income portfolio has returned -4.86%, -0.53%, and 2.07%, respectively, compared to the benchmark, which returned -5.05%, -0.82%, and 1.87%, respectively.

The top ten Core Fixed Income holdings as of June 30, 2024, excluding certain pooled funds and repurchase agreements, are illustrated below. A complete listing of holdings is available upon request.

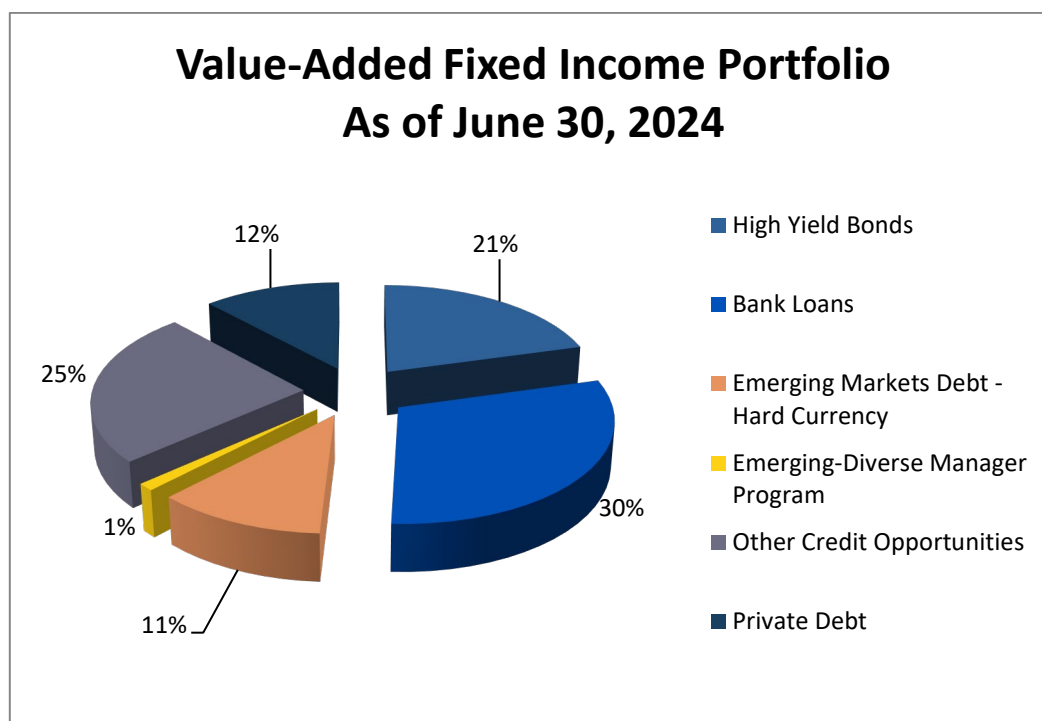
#	Issue Name	% of Account	
		Fair Value (\$000s)	Fair Value
1	Commit to Purchase FNMA 5.500% August 2054	\$ 216,427	1.48%
2	U.S. Treasury Bond Principal STRIP 0.000% November 2050	191,878	1.32%
3	U.S. Treasury-CPI Inflation 0.625% July 2032	154,621	1.06%
4	U.S. Treasury-CPI Inflation 1.125% January 2033	138,894	0.95%
5	U.S. Treasury Bond Principal STRIP 0.000% February 2051	135,362	0.93%
6	U.S. Treasury Bond Principal STRIP 0.000% August 2050	130,429	0.89%
7	U.S. Treasury-CPI Inflation 1.750% January 2034	127,104	0.87%
8	U.S. Treasury-CPI Inflation 1.250% April 2028	125,486	0.86%
9	U.S. Treasury-CPI Inflation 1.375% July 2033	117,104	0.80%
10	U.S. Treasury-CPI Inflation 2.125% April 2029	115,328	0.79%
TOTAL		\$ 1,452,633	9.95%

The PRIT Fund's Core Fixed Income portfolio managers at June 30, 2024, are presented in the following table:

Manager	Investment Mandate	Portfolio Fair Value at June 30, 2024 (\$000s)
<i>Blackrock Financial Management</i>	Core Index	\$ 1,334,455
<i>Loomis, Sayles &amp; Co., LP</i>	Active Core	2,032,781
<i>PIMCO</i>	Active Core	1,646,862
<i>Pugh Capital Management</i>	Active Core	588,986
<i>New Century Advisors</i>	Active Core	487,230
<i>Longfellow Investment Management</i>	Active Core	602,220
<i>Blackrock Financial Management</i>	Inflation Link Bonds	951,295
<i>Blackrock Financial Management</i>	Long-Duration U.S. STRIPS Index	2,811,363
<i>Blackrock Financial Management</i>	TIPS Index	2,921,676
<i>Blackrock Financial Management</i>	Short-Term Fixed Income	1,001,422
<i>AFL - CIO Housing Investment</i>	ETI - Active Core	136,421
<i>Bivium Capital Partners</i>	Emerging-Diverse	73,319
<i>Other portfolio net assets</i>		(1,366)
<b>Total Portfolio Fair Value</b>		<b>\$ 14,586,664</b>

### Value-Added Fixed Income Portfolio

As of June 30, 2024, the Value-Added Fixed Income portfolio had approximately \$7.7 billion in net position, representing 7.3% of the PRIT Fund. The Value-Added Fixed Income portfolio is invested using the following strategies:



**High Yield Bonds**, which represent 1.5% of the PRIT Fund, are securities that are typically rated below Investment Grade by Standard & Poor's, Fitch, or Moody's. There are three managers in the PRIT Fund high yield bond program, all through separate accounts. Each manager's mandate is to exceed the index return.

**Bank Loans**, 2.2% of the PRIT Fund, represents investments in senior secured bank loans. There are two managers in the PRIT Fund bank loan program; both invest through commingled funds. Each manager's mandate is to exceed the index return.

**Emerging Markets Debt**, 0.8% of the PRIT Fund, represents investments in debt issued within the emerging marketplace. There are two managers in the PRIT Fund emerging markets debt program, representing Hard Currency strategies; one is through a commingled emerging debt investment vehicle while the other is through a separate account. Each manager's mandate is to exceed the index return.

**Emerging-Diverse Manager Program**, 0.1% of the PRIT Fund, represents investments with emerging-diverse managers. There is one manager-of-managers in the PRIT Fund Value-Added Fixed Income Emerging-Diverse Manager Program.

**Other Credit Opportunities**, 1.8% of the PRIT Fund, represents investments in other credit strategies whose risk, return and liquidity characteristics lie between the public market strategies of high yield bonds, bank loans and emerging markets debt and the private partnerships in the private debt strategies. There are 10 managers in the PRIT Fund Other Credit Opportunities program; six are through private partnerships while the rest are through separate accounts.

**Private Debt**, 0.9% of the PRIT Fund, represents investments in private partnerships that invest directly in distressed debt investment opportunities. As of June 30, 2024, the PRIT Fund had distressed debt investments with 11 investment managers.

**Portfolio Risks.** As in the core fixed income portfolio, the prices of these securities increase and decrease in value. Price fluctuations in bonds result from rising and falling interest rates, changes in market conditions, and other economic and political developments. Lower-quality securities typically offer higher yields, but also carry more credit risk. The allocation of investments to emerging markets, other credit strategies, and distressed debt expose the portfolio to additional risks. Investments in emerging markets are subject to higher settlement, trading and management costs and greater economic, regulatory, and political risk, as well as currency risk. Investments in Other Credit Opportunities and private distressed debt funds subject the portfolio to liquidity, valuation and other risks associated with private investments.

**Portfolio Returns:** In fiscal year 2024, the Value-Added Fixed Income composite returned 11.19% compared to 10.52% for the asset class benchmark. The PRIT Fund's three high yield bond managers returned 10.35%, while the Intercontinental Exchange Bank of America High Yield index returned 10.53%. The Emerging Markets Debt portfolio returned 11.35% during the fiscal year, compared to the JP Morgan Emerging Markets Bond Index, which returned 8.35%. The two bank loan managers, returned 10.37%, compared to the Morningstar LSTA Leveraged Loan index return of 11.11%. The Value-Added Fixed Income Emerging-Diverse Manager Program returned 10.00% compared to the custom benchmark of 9.89%. The Other Credit Opportunities portfolio returned 14.41% compared to the custom benchmark of 11.89%. The Private Debt portfolio returned 8.88% compared to the index return of 8.95%. The benchmark for the Private Debt portfolio at June 30, 2024, is the Burgiss Distressed Debt Universe Lagged Index.

On a three-, five-, and 10-year basis through June 30, 2024, the PRIT Fund's Value-Added Fixed Income portfolio has returned 5.10%, 5.90%, and 4.81%, respectively, compared to the benchmark, which returned 3.89%, 3.04%, and 2.20%, respectively.

The top ten holdings in the Value-Added Fixed Income portfolio at June 30, 2024, excluding investments in emerging debt pooled funds, bank loan funds, private debt and other credit opportunities partnerships, and other pooled funds, are illustrated below. A complete listing of holdings is available upon request.

#	Issue Name	% of Account	
		Fair Value (\$000s)	Fair Value
1	U.S. Treasury Note 4.625% February 2026	\$ 24,911	0.32%
2	U.S. Treasury Note 4.125% July 2028	17,043	0.22%
3	U.S. Treasury Note 3.500% April 2030	16,878	0.22%
4	Brazil Letras Do Tesouro Nacio 0.000% April 2025	16,161	0.21%
5	Energy Transfer LP Variable Rate December 2049	12,181	0.16%
6	U.S. Treasury Note 4.875% April 2026	9,580	0.12%
7	Uber Technologies Inc 7.500% September 2027	9,233	0.12%
8	Petroleos Mexicanos 7.690% January 2050	8,091	0.11%
9	Dish Network Corp 3.375% August 2026	7,774	0.10%
10	Cloud Software Group Inc 6.500% March 2029	7,103	0.09%
TOTAL		<u>\$ 128,955</u>	<u>1.67%</u>

The PRIT Fund's Value-Added Fixed Income portfolio managers at June 30, 2024, are presented in the following table:

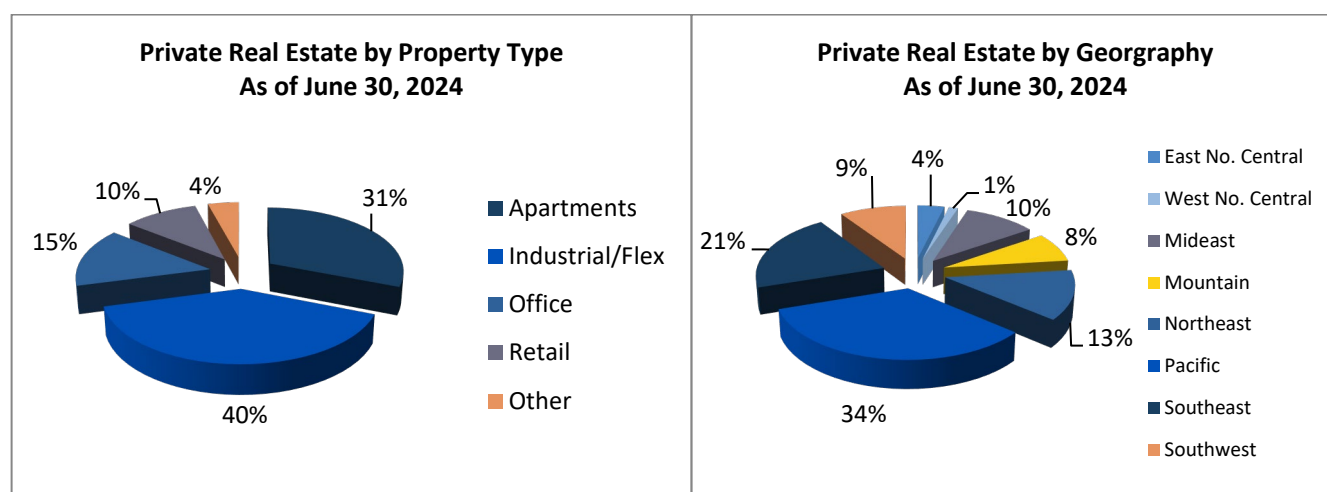
Manager	Investment Mandate	Portfolio Fair Value at June 30, 2024 (\$000s)
<i>Fidelity Management Trust</i>	High Yield Bond	\$ 633,621
<i>Loomis, Sayles &amp; Co., LP</i>	High Yield Bond	489,075
<i>Shenkman Capital Management</i>	High Yield Bond	464,995
<i>Ashmore Investment Management</i>	Emerging Markets Debt Hard Currency	442,322
<i>PIMCO</i>	Emerging Markets Debt Hard Currency	437,462
<i>Morgan Stanley</i>	Bank Loans	1,165,704
<i>Voya</i>	Bank Loans	1,146,083
<i>Bivium Capital Partners</i>	Emerging-Diverse	88,977
<i>Various accounts and partnerships</i>	Other Credit Opportunities	1,896,877
<i>Various partnerships</i>	Private Debt	911,268
<i>Other portfolio net assets</i>		(249)
<b>Total Portfolio Fair Value</b>		<u><b>\$ 7,676,135</b></u>

## Real Estate Portfolio

As of June 30, 2024, the PRIM Board had \$10.1 billion invested in real estate through the PRIT Fund's ownership interest in PRIT Core Realty Holdings LLC (the LLC), representing 9.6% of the PRIT Fund. Real estate holdings consist of directly-owned properties, REITs, mortgage loans receivable, and investments in real estate funds. The PRIT Fund invests in real estate because it provides diversification and attractive returns. Real estate returns typically do not have a strong correlation with stock and bond returns, therefore offering an element of diversification to reduce volatility. Real estate can also offer attractive current returns as a portfolio of well-leased assets provides consistent cash flows from rental income.

Approximately 92% of the real estate allocation is dedicated to direct investments and private partnerships (the "Private Real Estate Investments"). The Private Real Estate Investments are subsequently broken down into Core and Non-Core real estate investments. As of June 30, 2024, \$8.7 billion (net of portfolio debt) of Core real estate investments and \$581.2 million of Non-Core real estate investments comprise PRIT's Private Real Estate Investments, which represents 8.8% of the PRIT Fund. Typically, Core real estate investments are relatively low risk and substantially leased (80% or greater occupancy at the time of investment) institutional quality real estate. Non-Core real estate investments offer higher potential returns at a higher risk profile. The PRIM Board's Non-Core program targets opportunities associated with development, vacancy and tenant exposure or the potential to physically or financially reposition an investment. Real estate investments with diverse managers represent 0.1% of the PRIT Fund. As of June 30, 2024, the Real Estate Emerging-Diverse Manager Program had \$68.5 million in net position. Public REITs comprise the remainder of the investments in the PRIT Fund real estate portfolio. As of June 30, 2024, the PRIM Board had \$724.5 million allocated to public REITs. The public REIT portfolio represents 0.7% of the PRIT Fund.

The following charts display the property type and geographic diversification of the PRIM Board's directly-owned real estate assets, at June 30, 2024:



The PRIM Board's strategies utilize a disciplined portfolio approach to real estate investing that is focused on investments in equity interests in institutional quality real estate. The PRIM Board has established separate accounts with capable real estate investment managers under terms that are beneficial to the PRIM Board.

Because the PRIM Board is typically the sole owner of the real estate in each such account, the managers operate under clear policies and guidelines most appropriate to the PRIM Board's investment needs.

**Leverage.** The PRIM Board approved the Real Estate Portfolio Level Leverage Policy at its February 26, 2020 Board meeting. This policy permits portfolio level debt to be incurred subject to the following policy guidelines: (i) **Debt Service Coverage:** The ratio of i) portfolio EBITDA to ii) debt service on total indebtedness should be no lower than 1.5x at the time debt is placed, assuming actual debt service. (ii) **Spread of Operating Yield over Borrowing Rate:** PRIM will target a spread of 100 basis points between the property portfolio operating yield (EBITDA/portfolio value at cost) and the weighted average borrowing interest rate on total unsecured indebtedness at the time debt is placed. When acquiring Core Real Estate that requires an assumption of debt or placement of new debt, the property NOI Yield shall be at least 100 basis points, greater than the borrowing interest rate of the assumed or new debt. (iii) **Total Leverage Ratio:** The ratio should be no more than 40% of the total real estate property portfolio. This ratio includes any property-level financing in place as well as the portfolio level facility. The calculation of the loan-to-value ratio will be total debt/gross asset value of the real estate property portfolio. (iv) **Financing Characteristics:** PRIM may consider all sources of financing options that are available. Leverage may utilize fixed or floating interest rates and may utilize derivatives to achieve these rates. The decision to use fixed or floating rates will be determined at the time of borrowing and will be a function of availability, rate, and risk. Fixed rate financing will be the preferred method.

The LLC had portfolio level notes payable of \$350 million at June 30, 2024. In addition, the LLC utilized internal securities lending capabilities to increase portfolio leverage by \$750 million. By utilizing the securities lending financing capabilities, the LLC is able to achieve lower borrowing costs for the Real Estate portfolio and allow more flexibility within the real estate debt program. As the \$750 million loan is an inter-entity loan, it has been eliminated in consolidation from the financial statements presented in the *Financial Section*.

**Portfolio Risks.** Investments in real estate are subject to various risks, including adverse changes in economic conditions and in the capital markets, financial conditions of tenants, interest of buyers and sellers in real estate properties, environmental laws and regulations, zoning laws, governmental rules, uninsurable losses, and other factors beyond the control of the property owner. In addition, while diversification is an important tool used by the PRIM Board for mitigating risk, there is no assurance that diversification, either by geographic region or asset type, will consistently be maintained in the Core Real Estate Portfolio because of the illiquid nature of real estate. In addition, the portfolio is subject to valuation risk, as the valuation of the assets in this portfolio is based on estimates made by the PRIM Board in coordination with external appraisers and the investment managers. Furthermore, there can be no assurance that the fair value of the portfolio will ultimately correspond to the realized value of the underlying properties. Public REITs face risks similar to the risks of public equities both domestically and internationally since they are traded on public exchanges. They can experience corrections and price movements that are much more rapid than those experienced by private real estate portfolios and the share price can vary significantly from underlying net asset value.

**Performance.** During the fiscal year, the PRIM Board's private real estate portfolio outperformed relative to benchmark. The private real estate sector benefitted from a strong demand for quality industrial and multifamily real estate in core markets, two property types where PRIM has a relative overweight.

For fiscal year 2024, the real estate portfolio returned -6.24% compared to the -10.77% return of the asset class benchmark. The Private Real Estate Investments portfolio returned -7.21% for the year ended June 30, 2024,

outperforming the NCREIF NFI-ODCE Index (one quarter lag), which returned -12.00% over the same period. REIT investments returned 5.94% for fiscal year 2024, outperforming the FTSE EPRA NAREIT Developed Net Total Return benchmark of 5.48%. The Real Estate Emerging-Diverse Manager Program returned 4.31% for the year ended June 30, 2024, compared to the custom benchmark of -3.11%.

On a three-, five-, and 10-year basis through June 30, 2024, the PRIT Fund's Real Estate portfolio has returned 4.57%, 6.22%, and 7.73%, respectively, compared to the benchmark, which returned 0.63%, 2.33%, and 5.39%, respectively.

The PRIT Fund's real estate investment managers at June 30, 2024, are presented in the following table:

Manager	Investment Mandate	Portfolio Fair Value at June 30, 2024 (\$000s)
<i>Invesco Realty Advisors</i>	Separate Account - Core	\$ 2,467,380
<i>LaSalle Investment Management</i>	Separate Account - Core	2,368,676
<i>AEW</i>	Separate Account - Core	2,431,080
<i>CBRE</i>	Separate Account - Core	829,712
<i>Stockbridge</i>	Separate Account - Core	795,746
<i>DivcoWest</i>	Separate Account - Core	122,589
<i>PRIM Board</i>	Separate Account - Core	565,425
<i>Invesco Realty Advisors - Transition Portfolio</i>	Separate Account - Core	884
<i>Various Partnerships</i>	Non-Core	581,178
<i>CenterSquare Investment Management</i>	Global REITs	724,106
<i>Cambridge Associates</i>	Emerging-Diverse	68,480
<i>Other portfolio net assets (portfolio debt included)</i>		(895,881)
<b>Total Portfolio Fair Value</b>		<b>\$ 10,059,375</b>



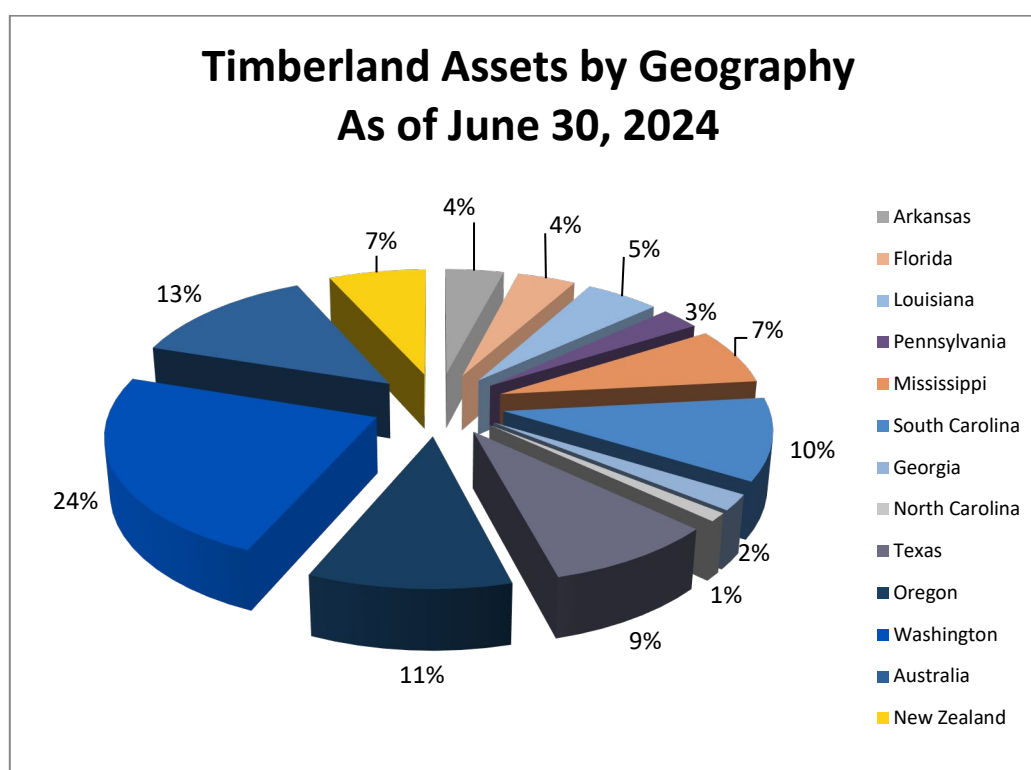
## Timberland Portfolio

As of June 30, 2024, the PRIM Board had \$3.2 billion invested in timberland, representing 3.0% of the PRIT Fund. The PRIT Fund's allocation to timberland is through two external timberland investment managers, Forest Investment Associates (FIA) and The Campbell Group (Campbell).

The United States timberland markets are divided into three regions, each with distinct economic characteristics: the Pacific Northwest, the Northeast, and the Southeast. The Pacific Northwest is a high value softwood market, in which the growing cycle to produce a mature tree is forty to fifty years. The high value tree in this region is Douglas Fir, which is used primarily to produce high quality dimensional and structural lumber. The timber growing cycle in the Southeast is much shorter, in the range of 20-25 years. Southern pine is the dominant species and is used typically to make pulp for the paper industry or lower quality framing lumber. The Northeast market is much smaller than the other two markets and consists of a wider range of trees, including high value specialty woods such as cherry and oak.

In Australia, there is approximately 2 million hectares (4.9 million acres) of plantation timberlands that are almost evenly split between hardwood and softwood species. Australia is a net importer of forest products, with limited domestic supply and high demand. Potential export opportunities exist for plantations within close proximity to ports due to demand from China. There are approximately 2 million hectares of timberland plantations in New Zealand, comprised primarily of softwood (radiata pine). The country produces significantly more logs than it consumes, relying heavily on export markets, particularly China.

The geographical diversification of the PRIT Fund's timberland portfolio at June 30, 2024, is presented below.



Investment returns from timberland investments are derived from the net cash flow generated from the sale of trees (referred to as stumpage sales) combined with capital appreciation from the biological growth of the trees. Both of these return factors depend to some degree upon the direction of forest product commodity prices (paper goods and lumber products). There can also be gains from timely land sales to buyers aiming to convert timberland into higher and better uses.

**Portfolio Risks.** Investments in timberland assets are subject to various risks, including adverse changes in general economic conditions, fluctuations in the market price of timber, damage to timber properties due to infestation and weather-related events, changes in regulatory conditions and other governmental rules. In addition, the portfolio is subject to valuation risk, as the valuation of the assets in this segment are based on estimates made by the PRIM Board through coordination with external appraisers and the PRIM Board's timberland investment managers. Accordingly, there can be no assurance that the fair value of investments will correspond to the ultimate realized value of the properties. International timberland investments are also subject to currency fluctuations that can result in unpredictable gains or losses when foreign currency is converted into U.S. dollars.

**Performance.** As of June 30, 2024, the one-year Timberland return was 10.56% as compared to the NCREIF Timberland Index (one quarter lag) of 9.85%. On a three-, five-, and 10-year basis through June 30, 2024, the PRIT Fund's Timberland portfolio has returned 9.26%, 6.73%, and 6.15%, respectively, compared to the benchmark return of 10.99%, 7.04%, and 5.83%, respectively.

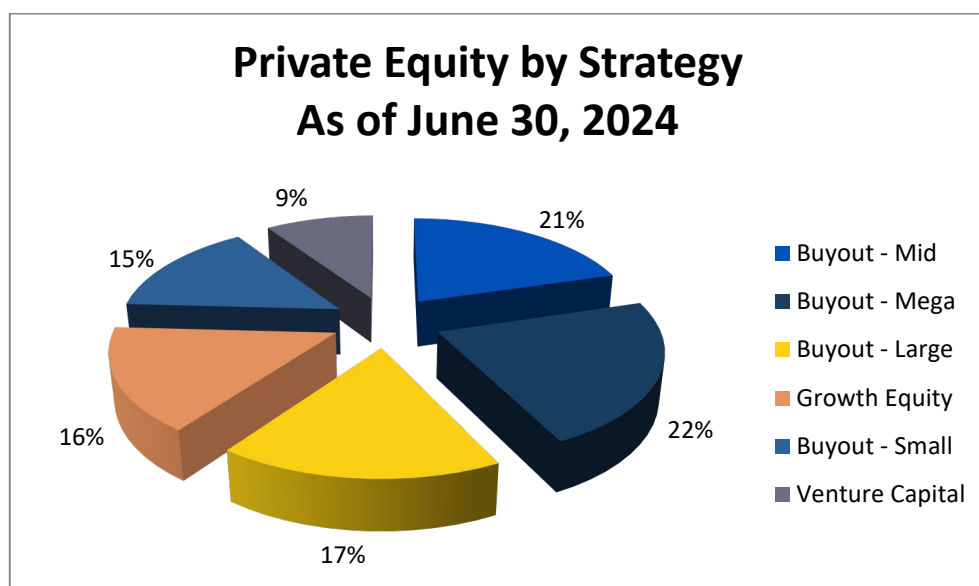
The PRIT Fund's Timberland investment managers at June 30, 2024, are presented in the following table:

Manager	Investment Mandate	Portfolio Fair Value at June 30, 2024 (\$000s)	
<i>Forest Investments Associates</i>	Separate Account - Timberland	\$	1,464,342
<i>The Campbell Group</i>	Separate Account - Timberland		1,727,940
<i>Other portfolio net assets</i>			13,451
<b>Total Portfolio Fair Value</b>		<b>\$</b>	<b>3,205,733</b>

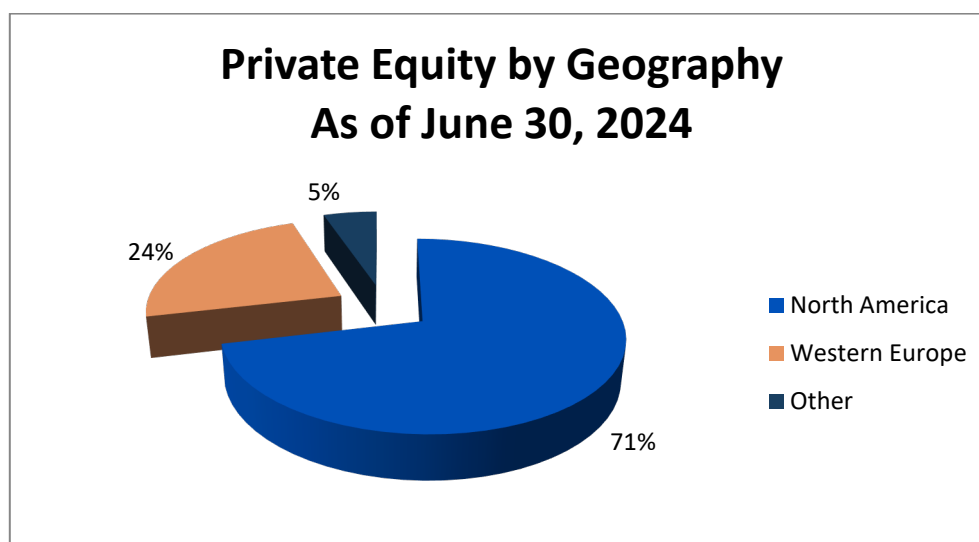
### Private Equity Portfolio

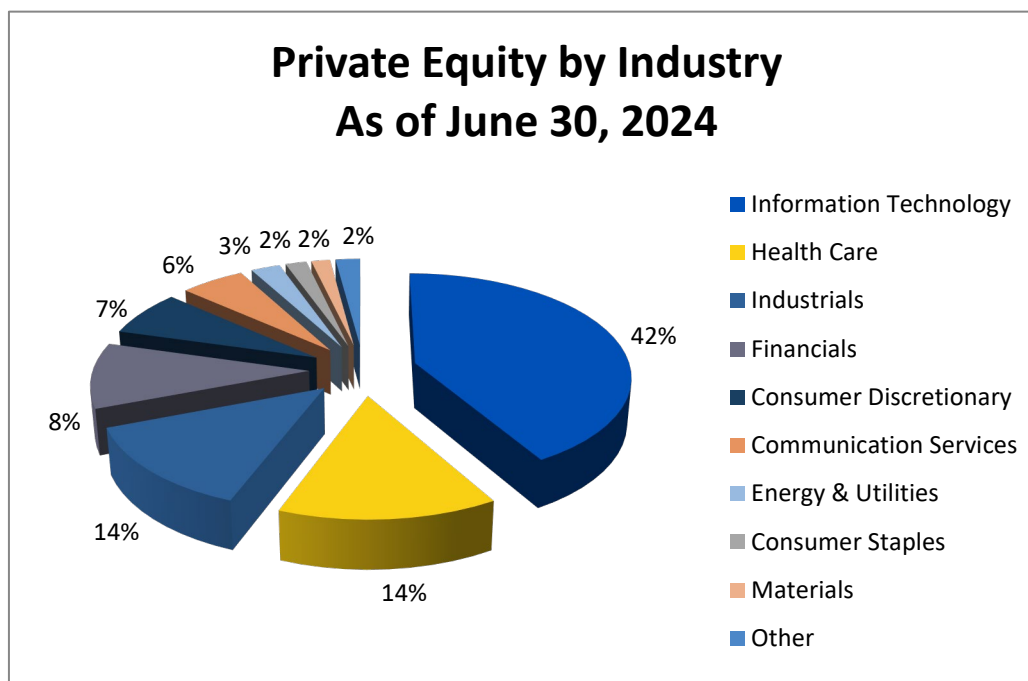
As of June 30, 2024, the fair value of the Private Equity portfolio was \$17.9 billion, representing 17.0% of the PRIT Fund. Unlike public equities, where investors have the ability to liquidate investments generally at any time, private equity investments are illiquid. Therefore, an investment in this category is a long-term commitment.

The Private Equity portfolio is well-diversified by strategy and the allocation as of June 30, 2024, is presented below.



The Private Equity portfolio is diversified at the partnership level by strategy as well as at the underlying portfolio company level by industry and geography. The portfolio's current geographical and industry allocations are presented below.





Capital invested in private equity partnerships is subject to a relatively high degree of risk as compared to other potential investments, with the assumption that the investor will be rewarded with higher returns for that assumption of risk, i.e., the “risk/return trade-off”. This risk/return trade-off is the key consideration in determining if this asset is appropriate for a particular portfolio. These risks are highlighted below.

**Portfolio Risks.** Risks associated with investing in private equity limited partnerships include, but are not limited to:

- **Illiquidity:** Limited partnership vehicles typically have 10-15-year life cycles during which limited partners are unable to liquidate their entire positions, but instead, will receive the cash flow from successful investments.
- **Volatility:** Volatility has historically been greater for private equity investing than many other assets.
- **Management Fee Effect:** Typically, general partners’ fees range from 150 to 250 basis points annually. This is usually drawn down against committed capital, although it may not be invested, and may result in negative returns until investments are realized successfully.
- **Valuation of investments:** Investment valuation at any time may not be reflective of fair value. Private equity investments are generally valued at fair value. However, because of the inherent uncertainty of the valuation of the portfolio companies, the estimated value may differ significantly from the value that would have been used had a ready market for these investments existed.

- General Partner Discretion: Investors lack control over the general partner's investment decisions. The general partner is provided capital to manage at its discretion and investors are provided limited rights, such as termination of the partnership in certain instances. (These rights may not prove practical except in extreme circumstances.)
- Binding Commitments: There is limited ability to reduce or terminate investments. Under the contractual terms of the partnership, investments may be terminated in some cases by super-majority vote of the investors and after the occurrence of certain events. (These rights may not prove practical except in extreme circumstances.)
- Risk of Loss: There is risk of losing 100% of the investment. Investments in partnerships are usually equity and their risk nature could result in loss of the entire investment.

**Performance.** The PRIT Fund's Private Equity portfolio delivered a one-year return of 8.97% through June 30, 2024. The PRIT Fund's Private Equity managers were active in making new investments as well as in generating liquidity in the year ending June 30, 2024. The PRIT Fund's managers called \$1.7 billion of capital for additional investments, management fees, and partnership expenses, which compares to the \$2.0 billion called during the prior fiscal year. From a liquidity standpoint, the portfolio generated total distributions of \$2.0 billion which compares to \$1.5 billion of distributions for the 2023 fiscal year.

While there is not currently a widely used or conventional benchmark in this asset class, the PRIM Board staff targets investment opportunities with the ability to generate a long-term rate of return equal to or greater than a custom benchmark (7-year annualized return of a blend of the 88% Russell 3000 + 3%/12% MSCI Europe IMI + 3% as of June 30, 2024). As of June 30, 2024, the PRIT Fund's Private Equity portfolio returned 8.97% compared to the custom benchmark return of 14.89%. On a three-, five-, and 10-year basis through June 30, 2024, the PRIT Fund's Private Equity portfolio has returned 10.23%, 19.28%, and 18.55%, respectively, compared to the custom benchmark return of 14.68%, 14.60%, and 14.83%, respectively. It is important to remember that there is a one quarter lag inherent in private equity valuations.

Since inception to June 30, 2024, the PRIT Fund has committed \$34.3 billion of which \$29.4 billion has been invested. The program has generated \$34.5 billion in distributions. The net IRR since inception for the program is 13.90%. As of June 30, 2024, there are 397 active partnerships including co-investments.

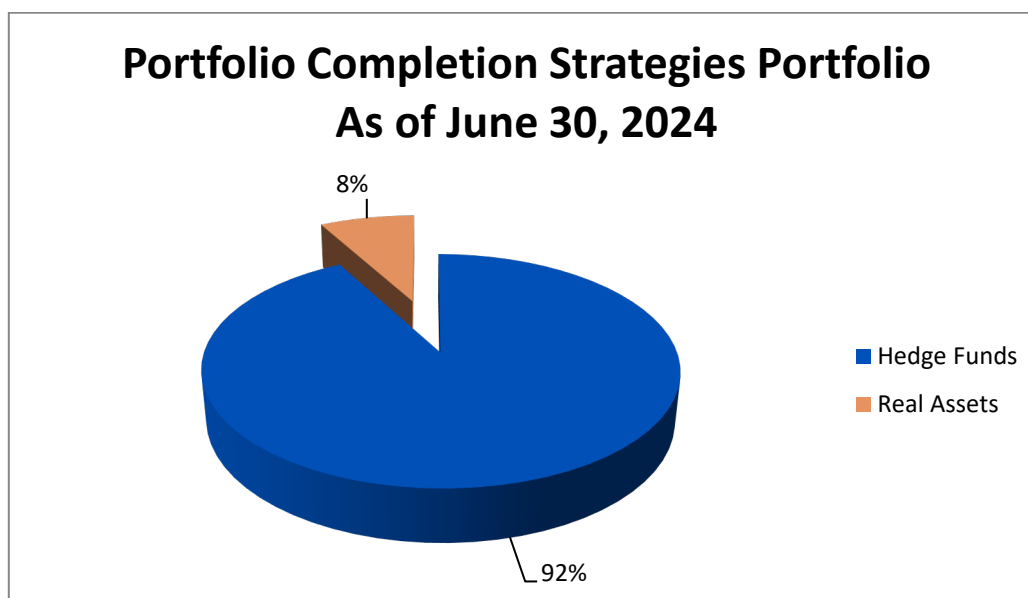
## PRIVATE EQUITY EXTERNAL MANAGERS

As of June 30, 2024

Partnership	Location	Partnership	Location
1 1315 Capital	Philadelphia, PA	54 Kohlberg Kravis Roberts & Co.	New York, NY
2 ACON Investments	Washington, DC	55 Knox Lane	San Francisco, CA
3 Advent International	Boston, MA	56 KPS	New York, NY
4 AIP Management LP	København, Denmark	57 Lovell Minnick Partners	Radnor, PA
5 Alta Communications	Boston, MA	58 M/C Partners	Boston, MA
6 Altor	Stockholm, Sweden	59 Madison Dearborn Partners LLC	Chicago, IL
7 American Industrial Partners	New York, NY	60 Menlo Ventures	Menlo Park, CA
8 American Securities, LLC	New York, NY	61 Montagu Private Equity	London, UK
9 Apollo Management	New York, NY	62 Montreux Equity Partners	San Francisco, CA
10 Ascent Venture Partners	Boston, MA	63 Nash, Sell & Partners	London, UK
11 Austin Ventures	Austin, TX	64 Nautic Partners LLC	Providence, RI
12 Bain Capital	Boston, MA	65 New Enterprise Associates	Baltimore, MD
13 Battery Ventures	Boston, MA	66 NewView Capital Management	Burlingame, CA
14 Berkshire Partners	Boston, MA	67 Nordic Capital	Stockholm, Sweden
15 BlackFin	Paris, France	68 Odyssey Investment Partners	New York, NY
16 Blackstone	New York, NY	69 Olympus	Stamford, CT
17 Bridgepoint Capital Ltd.	London, UK	70 Onex Corporation	Toronto, Canada
18 Carlyle Group	Washington, DC	71 Permira Advisers Limited	London, UK
19 Catalyst Investors	New York, NY	72 Polaris Growth Fund	Boston, MA
20 Centerbridge Associates	New York, NY	73 Polaris	Boston, MA
21 Charlesbank Capital Partners	Boston, MA	74 Providence Equity Partners, Inc.	Providence, RI
22 Charterhouse Capital Partners	London, UK	75 PSG Equity L.L.C.	Boston, MA
23 Chequers Partenaires	Paris, France	76 Quad-C Management, Inc.	Charlottesville, VA
24 Clearhaven Partners	Boston, MA	77 Quantum Energy Partners	Houston, TX
25 CVC Capital Partners	London, UK	78 Red Arts Capital Management, LLC	Chicago, IL
26 Denham Capital Management LP	Boston, MA	79 Rembrandt Venture Partners	Menlo Park, CA
27 Elysian Capital LLP	London, UK	80 Rhone Capital LLC	New York, NY
28 Essex Woodlands Health Ventures	New York, NY	81 SAIF Partners	Hong Kong, China
29 Ethos Private Equity Ltd.	Johannesburg, South Africa	82 SCP Private Equity Management L.P.	Wayne, PA
30 Exponent	London, UK	83 Sherbrooke Capital	Newton, MA
31 First Reserve Corporation	Standford, CT	84 Sofinnova Ventures Inc.	Menlo Park, CA
32 Five Elms GP	Salt Lake City, UT	85 Spark Capital Partners, LLC	Boston, MA
33 Flagship Ventures	Cambridge, MA	86 Stone Point Capital	Greenwich, CT
34 Genstar Capital Partners	San Francisco, CA	87 Summit Partners	Boston, MA
35 Georgian Partners	Toronto, Canada	88 Schroder Ventures Life Sciences	Boston, MA
36 Gilde Buyout Partners	Utrecht, Netherlands	89 TA Associates	Boston, MA
37 Gores Technology Group	Los Angeles, CA	90 Technology Crossover Ventures	Menlo Park, CA
38 GTCR Golder Rauner, LLC	Chicago, IL	91 Thoma Bravo, LLC	San Francisco, CA
39 H.I.G. Capital	Miami, FL	92 Thoma Cressey Equity Partners	Chicago, IL
40 Hellman & Friedman LLC	San Francisco, CA	93 THL Partners	Boston, MA
41 Highland Capital	Lexington, MA	94 Thompson Street Capital Partners	St. Louis, MO
42 HongShan Capital	Beijing, China	95 Tidemark Management Company LP	Menlo Park, CA
43 Hony Capital	Beijing, China	96 TorQuest Partners	Toronto, Canada
44 Index Ventures Management SA	London, UK	97 Towerbrook Capital Partners	New York, NY
45 Medici Ventures	London, UK	98 TPG Capital	San Francisco, CA
46 Insight Partners	New York, NY	99 Trident Capital Management	Los Angeles, CA
47 Institutional Venture Partners	Menlo Park, CA	100 Union Square Ventures	New York, NY
48 InterWest Partners	Menlo Park, CA	101 VantagePoint Venture Partners	San Bruno, CA
49 JMI Management	Baltimore, MD	102 Vista Equity Partners	San Francisco, CA
50 Kelso & Company	New York, NY	103 Waterland Private Equity Investments B.V.	Amsterdam, Netherlands
51 Kepha Partners	Waltham, MA	104 Westview Capital Management	Boston, MA
52 Keytone Capital Partners	Beijing, China	105 Wing Ventures	Palo Alto, CA
53 Kinzie Capital Partners LLC	Chicago, IL	106 Xenon Private Equity Ltd.	Jersey, UK

### Portfolio Completion Strategies (PCS) Portfolio

As of June 30, 2024, the PCS portfolio had approximately \$8.7 billion in net position, representing 8.3% of the PRIT Fund. The PCS portfolio is invested in the following strategies:



The objective of the PCS portfolio is to provide the PRIT Fund access to broader investment opportunities. Investments selected for the PCS portfolio should enhance the risk/return profile of the PRIT Fund. Investments may include long-term strategic investments or short-term opportunistic investments.

The overall PCS portfolio is compared against a strategic benchmark, which is the weighted average of the subcategories' public index-based benchmarks. Meanwhile, each investment within the PCS portfolio has a secondary (implementation) benchmark, which is largely peer index-based, to measure the performance of individual managers.

**Portfolio Risks.** The PCS portfolio is subject to the various risks of underlying investments. The portfolio is subject to market risk through a general downturn in market conditions and a general reversal of the risk premia that the strategies are trying to capture, as well as credit risk inherent in fixed income strategies. The portfolio is also exposed to liquidity risk in unwinding underlying illiquid positions. In addition, the PCS portfolio is exposed to operational risks in executing investment strategies and valuing investment positions. Investment managers operate within detailed investment guidelines to ensure portfolios are managed with appropriate diversification and risk control.

**Performance.** For the fiscal year, the PCS portfolio returned 10.75% compared to the asset class benchmark return of 8.77%. On a three-, five-, and 10-year basis through June 30, 2024, the PRIT Fund's PCS portfolio has returned 4.38%, 4.56%, and 3.77%, respectively, compared to the benchmark return of 4.30%, 5.35%, and 4.05%, respectively.

The PRIT Fund's PCS managers at June 30, 2024, are presented in the following table:

Manager	Strategy Focus	Location
1 400 Capital Management	Hedge Fund	New York, NY
2 Basswood Capital Management, LLC	Hedge Fund	New York, NY
3 BlackRock Financial Management	Real Assets	New York, NY
4 Brigade Capital Management	Hedge Fund	New York, NY
5 Cantab Capital Partners	Hedge Fund	Cambridge, UK
6 Canvas Capital	Hedge Fund	Rio de Janeiro, Brazil
7 Capula Investment Management	Hedge Fund	Greenwich, CT
8 CKC Capital	Hedge Fund	New York, NY
9 Complus Asset Management Limited	Hedge Fund	Hong Kong, China
10 Contrarian Capital Management	Hedge Fund	Greenwich, CT
11 Davidson Kempner Capital Management	Hedge Fund	New York, NY
12 DLD Asset Management	Hedge Fund	New York, NY
13 Elliot Management Corporation	Hedge Fund	New York, NY
14 Fir Tree Partners	Hedge Fund	New York, NY
15 Highland Peak Capital, LLC	Hedge Fund	Old Greenwich, CT
16 Investcorp Investment Advisers	Hedge Fund	New York, NY
17 JEN Partners	Real Assets	New York, NY
18 Land and Buildings Investment Management	Hedge Fund	Stamford, CT
19 LMCG Serenitas	Hedge Fund	New York, NY
20 Markel CATCo Investment Management	Real Assets	Hamilton, Bermuda
21 Mudrick Capital Management	Hedge Fund	New York, NY
22 Mygale	Hedge Fund	London, UK
23 North Peak Capital Management	Hedge Fund	New York, NY
24 Oaktree Capital Management, LP	Hedge Fund	New York, NY
25 PAAMCO	Hedge Fund	Newport Beach, CA
26 PGIM	Real Assets	Newark, NJ
27 RV Capital Management	Hedge Fund	Singapore
28 Sightway Capital	Real Assets	New York, NY
29 Silver Creek Advisory Partners	Real Assets	Seattle, WA
30 Summit Partners Public Asset Management, LLC	Hedge Fund	Boston, MA
31 Tabor Asset Management	Hedge Fund	New York, NY
32 Trium Capital LLP	Hedge Fund	London, UK
33 Valent Asset Management	Hedge Fund	New York, NY

## Overlay

As of June 30, 2024, the Overlay portfolio, managed in part by Parametric Portfolio Associates, had \$317.8 million in net position, representing 0.3% of the PRIT Fund. The Overlay portfolio returned 14.22% for the fiscal year, 2.04% over the three-year period, 9.83% over the five-year period, and 7.89% over the 10-year period.

The objective of the overlay program is to reduce performance drag by earning market returns on cash which is not invested. Investments are made through the futures market.



## SCHEDULE OF TIME-WEIGHTED RETURNS BY ASSET CLASS\*

### For the Periods Ended June 30, 2024

Asset Class	1 Year	3 Year	5 Year	10 Year
<i>Benchmark as of June 30, 2024</i>				
Global Equity	18.36%	5.24%	10.79%	8.60%
Custom MSCI ACWI IMI with USA Gross Index (Net Variant)	18.72%	4.93%	10.26%	8.04%
Domestic Equity	22.37%	8.47%	13.85%	11.93%
Custom MSCI USA IMI Gross	23.34%	8.25%	13.96%	12.03%
International Equity	10.03%	1.22%	6.56%	4.90%
Custom MSCI World EX-US IMI NET DIVS	10.65%	1.84%	6.04%	4.16%
Emerging Markets Equity	17.99%	-0.91%	7.08%	5.52%
Custom MSCI Emerging Markets IMI NET DIVS	13.48%	-4.13%	3.94%	3.20%
Global Equity Emerging-Diverse Manager Program	13.43%	na	na	na
Global Equity Emerging-Diverse Manager Program Index (1)	12.31%	na	na	na
Core Fixed Income	-0.02%	-4.86%	-0.53%	2.07%
46.6% Bloomberg US Agg/20% Bloomberg Global IL US TIPS/6.7% Bloomberg World Gov IL USD Hedged/20% Bloomberg US STRIPS 20+ Year/6.7% Bloomberg US Treasury 1-3 Year	-0.24%	-5.05%	-0.82%	1.87%
Value-Added Fixed Income	11.19%	5.10%	5.90%	4.81%
Asset Class BM (2)	10.52%	3.89%	3.04%	2.20%
Real Estate	-6.24%	4.57%	6.22%	7.73%
Asset Class BM (3)	-10.77%	0.63%	2.33%	5.39%
Private Equity	8.97%	10.23%	19.28%	18.55%
7 year annualized custom benchmark (4)	14.89%	14.68%	14.60%	14.83%
Timberland	10.56%	9.26%	6.73%	6.15%
NCREIF Timberland Index (one quarter lag)	9.85%	10.99%	7.04%	5.83%
Portfolio Completion Strategies	10.75%	4.38%	4.56%	3.77%
Total Portfolio Completion Strategies Composite Index (5)	8.77%	4.30%	5.35%	4.05%
Overlay	14.22%	2.04%	9.83%	7.89%
No Benchmark	na	na	na	na
	1 Year	3 Year	5 Year	10 Year
Total PRIT Core Fund	9.94%	4.19%	8.53%	7.78%
Policy Benchmark	10.29%	4.54%	7.44%	6.77%
TUCS Universe Median	9.93%	4.20%	8.52%	7.65%
TUCS Universe Ranking	50th	50th	50th	35th

- (1) The Global Equity Emerging-Diverse Manager Program Index was established on May 1, 2022. The Composite Index is calculated by applying the underlying benchmark return for each manager to the manager's weight within the Global Equity Emerging-Diverse Manager Program Composite.
- (2) Value-Added Fixed Income benchmark is calculated by applying the investment performance of the sub asset class benchmarks to the sub asset class weights within the value-added fixed income portfolio. Private Debt component is using Burgiss Distressed Debt Universe Lagged, if the Burgiss return is not available, the actual portfolio net return will be used as a placeholder until the Burgiss Private Debt BM is published.
- (3) Real Estate benchmark is calculated by applying the investment performance of the sub asset class benchmarks to the sub asset class weights within the real estate portfolio.
- (4) 7-year annualized return of a blend of the 88% Russell 3000 + 3%/12% MSCI Europe IMI + 3% at 6/30/2024.
- (5) Total Portfolio Completion Strategies Composite Index was formed on April 1, 2017 by combining the prior Portfolio Completion Strategies with Total Hedge Funds. Total Portfolio Completion Strategies Composite Index is calculated by applying the underlying benchmark return for each sub asset class to the asset class's weight within the Total Portfolio Completion Strategies Composite.

\* All return information is gross of fees. Returns are calculated based on a time-weighted rate of return methodology.

## Investment Summary at Fair Value

As of June 30, 2024

	Fair Value (\$000s)	% of Fair Value
Short-term:		
Money market investments	\$ 1,302,183	1.19%
Fixed income:		
U.S. government obligations	9,189,444	8.39%
Domestic fixed income	8,752,145	7.99%
International fixed income	2,457,005	2.24%
Private debt	868,115	0.79%
Other credit opportunities	1,976,166	1.80%
	<u>23,242,875</u>	<u>21.21%</u>
Equity:		
Domestic equity securities	25,746,015	23.50%
International equity securities	16,061,749	14.66%
	<u>41,807,764</u>	<u>38.16%</u>
Timberland	3,192,283	2.91%
Private equity funds	17,589,527	16.05%
Real estate:		
Real estate properties	9,974,149	9.10%
Real estate equity securities	743,848	0.68%
Real estate funds	763,954	0.70%
Mortgage loans receivable	114,176	0.10%
Other	149,575	0.14%
	<u>11,745,702</u>	<u>10.72%</u>
Portfolio completion strategies:		
Event-driven hedge funds	998,816	0.91%
Relative value hedge funds	590,623	0.54%
Fund of funds	775,120	0.71%
Distressed loan fund	80,218	0.07%
Real assets fund	254,964	0.23%
Equity securities	2,096,612	1.92%
Fixed income securities	3,886,321	3.55%
Cash and cash equivalent	1,528,904	1.40%
Agricultural investments	469,916	0.43%
	<u>10,681,494</u>	<u>9.76%</u>
<b>Total investments</b>	<u>\$ 109,561,828</u>	<u>100.00%</u>

**SUMMARY SCHEDULE OF BROKER COMMISSIONS**

(Top 25 Brokers and Cumulative Fees Paid to Others)

**Fiscal Year Ended June 30, 2024**

Brokerage Firms	Fees Paid (\$)	% Total	Average \$ per share
JP Morgan	\$ 1,106,854	9.6%	0.0035
Goldman Sachs	986,902	8.6%	0.0019
Morgan Stanley	894,678	7.8%	0.0021
Merrill Lynch	783,767	6.8%	0.0024
UBS	687,495	6.0%	0.0022
Jefferies	676,725	5.9%	0.0057
Citigroup	525,053	4.6%	0.0037
Loop Capital Markets	476,779	4.1%	0.0191
Pershing	309,328	2.7%	0.0054
Instinet	303,963	2.6%	0.0012
HSBC	256,066	2.2%	0.0012
Macquarie	253,209	2.2%	0.0029
Liquidnet	235,695	2.0%	0.0172
William Blair & Co	215,349	1.9%	0.0322
National Financial Services	198,513	1.7%	0.0219
RBC Capital Markets	178,708	1.5%	0.0204
Daiwa Securities	173,212	1.5%	0.0076
Credit Lyonnais	164,209	1.4%	0.0017
Sanford C. Bernstein & Co	148,743	1.3%	0.0085
Virtu Americas LLC	140,971	1.2%	0.0098
Barclays	126,332	1.1%	0.0054
DSP Merrill Lynch Ltd	116,198	1.0%	0.0051
Needham & Co	112,589	1.0%	0.0309
Robert W. Baird & Co	111,363	1.0%	0.0371
CACEIS	103,127	0.9%	0.0044
Others	2,236,285	19.4%	0.0067
<b>Totals</b>	<b>\$ 11,522,113</b>	<b>100.0%</b>	<b>0.0034</b>

## SCHEDULE OF MANAGEMENT FEES

**Fiscal Year Ended June 30, 2024**

<b>Investment Management Fees by Asset Class:</b>	(\$000s)
Global Equity	\$ 82,379
Core Fixed Income	9,341
Value-Added Fixed Income	14,031
Real Estate	53,757
Timberland	(983)
Private Equity	10,072
Portfolio Completion Strategies	41,841
Overlay	813
<b>Total Investment Management Fees</b>	<b>211,251</b>
<b>Investment Advisory Fees</b>	<b>15,496</b>
<b>Custodian Fees</b>	<b>935</b>
<b>Other Administrative Fees</b>	<b>29,710</b>
 <b>Total Management Fees charged to the PRIT Fund</b>	 <b>\$ 257,392</b>

## SCHEDULE OF RETIREMENT SYSTEMS BY INVESTMENT

Retirement System	Net Asset Values (\$000s) 6/30/24	Segmentation Accounts invested as of June 30, 2024								
		General Allocation	Domestic Equity	International Equity	Emerging Markets	Core Fixed Income	Real Estate	Private Equity	Hedge Funds	Public Value Added Fixed Income
Adams	\$ 42,006	X								
Amesbury	\$ 72,848	X								
Andover	\$ 312,290	X	X			X	X			X
Arlington	\$ 214,660	X								
Attleboro	\$ 18,062							X		
Barnstable	\$ 1,636,825	X								
Belmont	\$ 152,567	X								
Berkshire	\$ 357,821	X								
Beverly	\$ 194,765	X								
Blue Hills	\$ 14,954	X								
Boston Teachers	\$ 2,388,859	X								
Braintree	\$ 20,956							X	X	
Bristol County	\$ 139,382							X	X	
Brookline	\$ 476,771	X						X		
Cambridge	\$ 267,019						X	X		
Cape Light Compact JPE	\$ 3,672	X								
Chelsea	\$ 288,609	X								
Chicopee	\$ 82,199						X	X	X	
Clinton	\$ 77,373	X						X		
Concord	\$ 107,141	X			X		X	X	X	
Danvers	\$ 58,608			X	X		X	X	X	
Dedham	\$ 194,993	X								
Dukes County	\$ 126,966	X		X			X	X		
Easthampton	\$ 75,785	X								
Essex	\$ 699,019	X						X		
Everett	\$ 284,627	X								
Fairhaven	\$ 92,505	X								
Fall River	\$ 391,212	X								
Falmouth	\$ 38,175						X	X	X	
Fitchburg	\$ 171,616	X								
Framingham	\$ 462,229	X								
Franklin County	\$ 115,044	X		X	X		X			X
Gardner	\$ 76,765	X								
Gloucester	\$ 159,549	X								
Greenfield	\$ 101,622	X								
Hampden County	\$ 527,280	X								
Hampshire County	\$ 472,609		X	X	X	X	X	X		X
Haverhill	\$ 218,236	X		X	X	X	X	X	X	X
Hingham	\$ 170,937	X								
Holliston	\$ 1,010	X								
Holyoke	\$ 23,741						X	X	X	
Hull	\$ 63,916	X								
Lawrence	\$ 344,152	X								
Leominster	\$ 288,820	X								
Lexington	\$ 28,309						X		X	
Lowell	\$ 522,393	X								
Lynn	\$ 533,432	X								
Marblehead	\$ 126,386	X								
Mass Turnpike	\$ 163,303	X								
Massport	\$ 162,023						X	X		
Maynard	\$ 27,372					X	X	X	X	X
MBTA	\$ 327,733			X	X	X	X	X	X	X

## SCHEDULE OF RETIREMENT SYSTEMS BY INVESTMENT, continued

Retirement System	Net Asset Values (\$000s) 6/30/24	Segmentation Accounts invested as of June 30, 2024							
		General Allocation	Domestic Equity	International Equity	Emerging Markets	Core Fixed Income	Real Estate	Private Equity	Hedge Funds
Medford	\$ 73,186						X	X	X
Melrose	\$ 112,555	X							
Methuen	\$ 244,433	X							
Middlesex	\$ 2,032,244	X							
Milford	\$ 134,736	X						X	
Milton	\$ 204,425	X							
Minuteman	\$ 16,019	X							
Montague	\$ 59,660	X							
MSCBA	\$ 5,312	X							
MWRA	\$ 34,916	X						X	X
Natick	\$ 68,367	X					X	X	
Needham	\$ 231,948	X							
Newburyport	\$ 123,094	X							
Newton	\$ 537,122	X							
Norfolk	\$ 308,409					X	X	X	X
North Adams	\$ 188							X	
Northbridge	\$ 53,140	X							
Northampton	\$ 334							X	
Norwood	\$ 10,172						X		
Peabody	\$ 205,317	X							
Pittsfield	\$ 189,239	X							
Plymouth	\$ 73,696	X					X	X	X
Quincy	\$ 395,852	X				X		X	
Reading	\$ 191,740	X	X	X	X	X	X	X	X
Revere	\$ 249,529	X							
Salem	\$ 271,044	X							
Saugus	\$ 63,745	X					X	X	X
Shrewsbury	\$ 136,672	X	X	X	X	X	X		X
Somerville	\$ 15,247							X	
Southbridge	\$ 84,463	X							
Springfield	\$ 581,405	X							
State Employees'	\$ 37,555,010	X							
State Retiree Benefits Trust	\$ 3,658,801	X							
State Teachers'	\$ 40,193,113	X							
Stoneham	\$ 62,957	X					X	X	X
Swampscott	\$ 60,746	X	X	X	X	X			X
Taunton	\$ 10,392							X	
Wakefield	\$ 170,923	X							
Waltham	\$ 88,471	X					X	X	X
Watertown	\$ 85,876		X				X	X	X
Webster	\$ 61,979	X						X	
Wellesley	\$ 290,290	X							
Westfield	\$ 26,735						X	X	X
Weymouth	\$ 32,621						X		X
Winchester	\$ 176,339	X							
Winthrop	\$ 105,626	X							
Woburn	\$ 195,064	X							
Worcester	\$ 771,424	X			X		X	X	
Worcester Regional	\$ 1,080,212	X							
	<u>\$ 105,253,934</u>								

## INVESTMENT POLICY STATEMENT

The following are significant elements and related excerpts from the PRIM Board's investment policy statement. The purpose of the statement is to delineate the investment policy and guidelines and to establish the overall investment strategies and discipline of the PRIM Board. This policy is intended to allow for sufficient flexibility to capture investment opportunities yet provide parameters that ensure prudence and care in the execution of the investment program. This policy is issued for the guidance of fiduciaries, including Trustees, staff professionals, investment managers, custodians, and investment consultants, for managing the assets of the PRIT Fund. The policy is intended to provide a foundation from which to oversee the management of the PRIT Fund in a prudent manner.

### A. Investment Objectives

PRIM's overall objective is to achieve the highest level of investment performance that is compatible with its risk tolerance and prudent investment practices. Because of the long-term nature of the Commonwealth's pension liabilities, PRIM maintains a long-term perspective in formulating and implementing its investment policies, and in evaluating its investment performance. Investment performance is measured by three integrated long-term objectives as described below:

- (a) The actuarial target rate of return is the key actuarial assumption affecting future Commonwealth funding rates and pension liabilities. Investment performance that exceeds or underperforms the target rate may materially impact future funding rates and liabilities. The PRIM Board seeks to have a long-term investment performance that will meet or exceed its actuarial target rate of return.
- (b) The investment policy benchmark is calculated by applying the investment performance of the asset class benchmarks to the PRIT Fund's asset allocation targets. The investment policy benchmark enables PRIM to compare the PRIT Fund's actual performance to a passively managed proxy and to measure the contribution of active investment management and policy implementation.
- (c) PRIM also compares its total fund performance to an appropriate public plan sponsor comparison universe. A peer universe comparison permits PRIM to compare its performance to large public and other pension plans. While PRIM seeks to rank consistently in the top half of comparable public pension funds, PRIM recognizes that other funds may have investment objectives and risk tolerances that differ substantially from PRIM's.

PRIM expects to meet or exceed these objectives over its long-term investment horizon. The expected volatility of markets and unique objectives of PRIM relative to other pension plans may not favor, over shorter periods, PRIM's strategic investment policies.

### B. Asset Allocation Plan

PRIM recognizes that over the long-term, asset allocation is the single greatest contributor of return and risk to the PRIT Fund. At reasonable intervals of not more than three to five years, PRIM will complete a comprehensive review of its Asset Allocation Plan and its underlying assumptions, including: the Commonwealth's current and projected pension assets and liabilities; long-term capital markets rate of return assumptions; and PRIM's risk

tolerances. The PRIM Board shall examine the Asset Allocation Plan annually and shall consider adjustments to the Plan as may be appropriate given the Plan's long-term nature and objectives.

### **C. Rebalancing Policy**

The actual asset allocation mix will deviate from the Asset Allocation Plan's target due to market movement, cash flows, and manager performance. Material deviations from the asset allocation targets can alter the expected return and risk of the PRIT Fund. Accordingly, the PRIM Board has adopted asset class ranges for each asset class, and positioning within a specified asset class range is acceptable and constitutes compliance with the Asset Allocation Plan. It is the responsibility of PRIM staff to keep actual asset class allocations within the asset allocation ranges. It is anticipated that the PRIM Board will make periodic revisions to the Asset Allocation Plan, and it is recognized that in some cases it may be prudent to allow an extended period of time to fully implement revisions to the Asset Allocation Plan. The spirit of this policy is to implement the investment strategy within the asset class ranges at a reasonable cost, recognizing that overly precise management of asset exposures can result in transactions costs that are not economically justified. In the circumstance that a rebalancing is warranted, staff shall have the discretion to instruct public securities managers (including an overlay manager) to use futures as a short-term tool to rebalance the PRIT Fund. The PRIM Board acknowledges that market conditions or circumstances beyond PRIM's control may lead to asset class weightings being temporarily out of their target ranges, especially as those ranges relate to illiquid asset classes.



## *Statistical Section*



## Schedules of Changes in Pooled Net Position

For Fiscal Years Ending June 30

(Dollars in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Additions</b>										
State Employees contributions	\$ 902,529	\$ 862,503	\$ 858,181	\$ 698,282	\$ 705,315	\$ 733,289	\$ 727,625	\$ 855,586	\$ 727,147	\$ 580,527
State teachers contributions	1,136,487	1,097,164	1,058,832	898,722	851,798	860,223	804,171	761,753	752,835	721,148
Other participants contributions	1,774,095	1,509,833	2,425,078	1,313,240	1,466,201	1,579,329	1,218,193	1,071,727	922,092	877,252
Net investment income (loss)	9,141,934	5,118,252	(3,239,745)	21,944,914	1,448,873	4,046,225	6,354,624	7,655,016	1,091,671	2,073,376
Total additions to pooled net position	12,955,045	8,587,752	1,102,346	24,855,158	4,472,187	7,219,066	9,104,613	10,344,082	3,493,745	4,252,303
<b>Deductions</b>										
State employees warrants	711,757	660,900	617,937	561,407	542,457	516,014	486,526	458,340	444,166	381,565
State teachers warrants	800,186	765,139	729,006	708,768	680,135	656,099	621,701	596,815	569,054	544,646
Participants redemptions	1,417,952	1,519,401	1,355,825	1,112,613	1,218,278	1,073,298	996,520	1,055,203	924,710	768,507
State appropriation funding	1,297,433	1,478,950	1,639,792	1,723,567	1,844,875	1,910,459	2,014,583	2,034,579	2,066,264	1,954,853
Operating expenses	35,200	31,000	29,576	35,717	36,321	29,200	34,082	41,509	40,491	35,761
Total deductions to pooled net position	4,262,528	4,455,390	4,372,136	4,142,072	4,322,066	4,185,070	4,153,412	4,186,446	4,044,685	3,685,332
Changes in pooled net position	\$ 8,692,517	\$ 4,132,362	\$ (3,269,790)	\$ 20,713,086	\$ 150,121	\$ 3,033,996	\$ 4,951,201	\$ 6,157,636	\$ (550,940)	\$ 566,971

The above table provides additional information regarding changes in pooled net position from that presented in the Statement of Changes in Pooled Net Position in the *Financial Section* of the ACFR. Deductions represent redemptions from the PRIT fund by state employees, state teachers and other participant retirement systems. Deductions also include redemptions for state appropriation funding and reimbursement of MASTERS operating expenses. State appropriation funding represents funds withdrawn to cover the shortfall in the pension appropriation of the Commonwealth of Massachusetts. Operating expenses represent redemptions made by state employees and state teachers for certain operating expenses. This information is derived from the same information used for the basic financial statements. Current fiscal year-end information should be read in conjunction with the Schedule of Changes in Pooled Net Position - Capital Fund and Cash Fund provided in the Financial Section.

### ***Financial Highlights and Financial Highlights Ratios***

Pages 98-100 provide the financial highlights of the PRIT Fund for the year ended June 30, 2024. In addition, pages 101-106 provide additional financial highlights ratios for the nine previous fiscal year ends. Together, these tables provide additional information regarding important ratios to assist the reader of the ACFR in understanding the financial position of the PRIT Fund. This information includes important return and expense ratios for the entire PRIT Fund as well as the various accounts that comprise the PRIT Fund. This information should be read in conjunction with the description of the investment program highlighted in the *Investment Section* of the ACFR.

## Financial Highlights

### For the year ended June 30, 2024

	General Allocation Account	Domestic Equity Account	International Equity Account	Emerging Markets Account	Core Fixed Income Account	Public Value- Added Fixed Income Account	Private Debt Account	Hedge Funds Account	Liquidating Portfolios Account	Private Equity Account	Private Equity Vintage Year 2000 Account	Private Equity Vintage Year 2001 Account	Private Equity Vintage Year 2002 Account	Private Equity Vintage Year 2003 Account
Net position per unit, beginning of year	\$ 527.68	606.33	407.36	604.17	290.25	350.39	232.03	105.54	66.51	467.26	205.68	1,045.80	755.50	439.79
Investment operations:														
Net investment income (loss)(1)	11.93	9.05	11.20	14.26	(9.15)	27.05	16.03	0.26	(0.46)	33.74	7.60	(2.07)	(6.15)	(0.18)
Net realized and unrealized gain (loss) on investments and foreign currency	38.39	125.92	28.29	89.02	8.80	8.33	1.81	13.03	(4.39)	(0.40)	(45.86)	93.52	(252.35)	15.99
Total from investment operations	50.32	134.97	39.49	103.28	(0.35)	35.38	17.84	13.29	(4.85)	33.34	(38.26)	91.45	(258.50)	15.81
Net position per unit, end of year	\$ 578.00	741.30	446.85	707.45	289.90	385.77	249.87	118.83	61.66	500.60	167.42	1,137.25	497.00	455.60
Ratios and supplementary data:														
Total net return(2)	9.54%	22.26%	9.69%	17.09%	(0.12)%	10.10%	7.69%	12.59%	(7.29)%	7.14%	(18.60)%	8.74%	(34.22)%	3.59%
Net position, end of year (\$'000s)	\$ 101,904,936	26,612,847	11,262,474	4,591,326	14,586,664	4,867,991	911,268	8,043,162	25,465	292,352	7,534	13,647	497	11,390
Units outstanding, end of year ('000s)	176,306	35,900	25,204	6,490	50,316	12,619	3,647	67,689	413	584	45	12	1	25
Ratios to average net assets:														
Ratio of expenses, including indirect management fees	0.51%	0.10%	0.32%	0.85%	0.10%	0.42%	1.10%	1.09%	0.69%	0.04%	0.04%	0.04%	0.05%	0.04%
Ratio of expenses, excluding indirect management fees	0.20%	0.10%	0.32%	0.85%	0.10%	0.19%	0.09%	0.19%	0.69%	0.04%	0.04%	0.04%	0.05%	0.04%

Note: Financial Highlights include only the Core Fund and does not include the Cash Fund which maintains a stable net asset value of \$1.00 per unit.

(1) Based on weighted average units outstanding.

(2) Total net return calculation is based on the value of a single unit of participation outstanding throughout the year. It represents the percentage change in the net asset value per unit between the beginning and end of the year.

**Financial Highlights, continued****For the year ended June 30, 2024**

	Private Equity Vintage Year 2004 Account	Private Equity Vintage Year 2005 Account	Private Equity Vintage Year 2006 Account	Private Equity Vintage Year 2007 Account	Private Equity Vintage Year 2008 Account	Private Equity Vintage Year 2009 Account	Private Equity Vintage Year 2010 Account	Private Equity Vintage Year 2011 Account	Private Equity Vintage Year 2012 Account	Private Equity Vintage Year 2013 Account	Private Equity Vintage Year 2014 Account	Private Equity Vintage Year 2015 Account	Private Equity Vintage Year 2016 Account	Private Equity Vintage Year 2017 Account
Net position per unit, beginning of year	\$ 215.00	248.45	198.63	68.30	384.63	504.57	320.85	309.98	38.21	376.10	274.22	344.00	133.18	244.83
Investment operations:														
Net investment income (loss)(1)	(0.72)	2.71	(0.02)	0.06	0.92	1.11	1.14	0.43	(0.04)	2.70	3.40	0.56	0.09	2.67
Net realized and unrealized gain (loss) on investments and foreign currency	(68.64)	(32.00)	(0.51)	(8.29)	60.60	4.49	(33.25)	(5.93)	2.00	(10.31)	1.84	31.14	15.66	23.04
Total from investment operations	(69.36)	(29.29)	(0.53)	(8.23)	61.52	5.60	(32.11)	(5.50)	1.96	(7.61)	5.24	31.70	15.75	25.71
Net position per unit, end of year	\$ 145.64	219.16	198.10	60.07	446.15	510.17	288.74	304.48	40.17	368.49	279.46	375.70	148.93	270.54
Ratios and supplementary data:														
Total net return(2)	(32.26)%	(11.79)%	(0.27)%	(12.05)%	15.99%	1.11%	(10.01)%	(1.77)%	5.13%	(2.02)%	1.91%	9.22%	11.83%	10.50%
Net position, end of year (\$'000s)	\$ 3,204	9,862	104,201	88,238	443,478	61,731	329,163	453,985	394,855	593,998	1,232,145	1,601,244	718,757	1,810,487
Units outstanding, end of year ('000s)	22	45	526	1,469	994	121	1,140	1,491	9,829	1,612	4,409	4,262	4,826	6,692
Ratios to average net assets:														
Ratio of expenses, including indirect management fees	0.04%	0.12%	0.05%	0.13%	0.08%	0.04%	0.28%	0.76%	0.72%	0.63%	0.67%	0.83%	1.30%	0.86%
Ratio of expenses, excluding indirect management fees	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.05%	0.07%	0.04%	0.04%	0.12%	0.16%	0.04%	0.07%

Note: Financial Highlights include only the Core Fund and does not include the Cash Fund which maintains a stable net asset value of \$1.00 per unit.

(1) Based on weighted average units outstanding.

(2) Total net return calculation is based on the value of a single unit of participation outstanding throughout the year. It represents the percentage change in the net asset value per unit between the beginning and end of the year.

**Financial Highlights, continued****For the year ended June 30, 2024**

	Private Equity Vintage Year 2018 Account	Private Equity Vintage Year 2019 Account	Private Equity Vintage Year 2020 Account	Private Equity Vintage Year 2021 Account	Private Equity Vintage Year 2022 Account	Private Equity Vintage Year 2023 Account	Private Equity Vintage Year 2024 Account	Real Estate Account	Timberland Account	Cash Overlay Account	Real Assets Account	Other Credit Opportunities Account	Global Equity Emerging Diverse Account
Net position per unit, beginning of year	\$ 173.62	223.39	156.42	101.77	94.68	99.50	100.00	951.98	353.47	273.44	85.45	149.49	107.36
Investment operations:													
Net investment income (loss)(1)	1.35	0.30	0.60	(0.02)	(0.06)	0.20	(3.77)	35.30	5.11	20.00	1.57	2.96	1.47
Net realized and unrealized gain (loss) on investments and foreign currency	17.59	10.59	16.13	10.64	9.39	17.21	(0.41)	(99.90)	31.46	18.43	(9.43)	18.32	12.07
Total from investment operations	18.94	10.89	16.73	10.62	9.33	17.41	(4.18)	(64.60)	36.57	38.43	(7.86)	21.28	13.54
Net position per unit, end of year	\$ 192.56	234.28	173.15	112.39	104.01	116.91	95.82	887.38	390.04	311.87	77.59	170.77	120.90
Ratios and supplementary data:													
Total net return(2)	10.91%	4.87%	10.70%	10.44%	9.85%	17.50%	(4.18)% (3)	(6.79)%	10.35%	14.05%	(9.20)%	14.24%	12.61%
Net position, end of year (\$'000s)	\$ 2,197,139	1,852,665	1,995,951	2,200,145	1,156,599	279,875	32,675	10,059,375	3,205,735	317,795	692,521	1,896,877	207,230
Units outstanding, end of year ('000s)	11,410	7,908	11,527	19,576	11,120	2,394	341	11,336	8,219	1,019	8,925	11,108	1,714
Ratios to average net assets:													
Ratio of expenses, including indirect management fees	0.93%	0.97%	1.65%	1.97%	3.49%	1.90%	4.19% (3)	0.57%	0.20%	0.07%	1.21%	1.02%	0.70%
Ratio of expenses, excluding indirect management fees	0.12%	0.25%	0.04%	0.04%	0.07%	0.32%	3.85% (3)	0.24%	(0.05)%	0.07%	0.04%	0.32%	0.70%

Note: Financial Highlights include only the Core Fund and does not include the Cash Fund which maintains a stable net asset value of \$1.00 per unit.

(1) Based on weighted average units outstanding.

(2) Total net return calculation is based on the value of a single unit of participation outstanding throughout the year. It represents the percentage change in the net asset value per unit between the beginning and end of the year.

(3) Denotes account commenced operations subsequent to the beginning of the fiscal year. Total net return and ratios not annualized.

## Financial Highlights Ratios

For the years ended June 30, 2023-2015

	General Allocation Account	Domestic Equity Account	International Equity Account	Emerging Markets Account	Core Fixed Income Account	Public Value-Added Fixed Income Account	Private Debt Account	Hedge Funds Account	Liquidating Portfolios Account (2)	Private Equity Account	Vintage Year 2000 Account	Vintage Year 2001 Account	Vintage Year 2002 Account	Vintage Year 2003 Account	Vintage Year 2004 Account
<b>Ratios and supplementary data:</b>															
<b>2023</b>															
Total net return (1)	5.73%	18.90%	17.23%	8.47%	(2.82)%	8.51%	4.64%	4.39%	(13.18)%	3.52%	(7.83)%	0.84%	8.50%	(12.46)%	(19.35)%
Net position, end of year (\$'000s)	93,545,001	22,207,923	11,310,381	4,272,717	12,831,262	4,302,824	1,167,341	7,356,681	37,246	159,802	10,901	15,687	1,511	12,314	4,730
Units outstanding, end of year ('000s)	177,276	36,627	27,765	7,072	44,208	12,280	5,031	69,708	560	342	53	15	2	28	22
<b>2022</b>															
Total net return (1)	(3.75)%	(12.59)%	(20.00)%	(24.92)%	(11.54)%	(11.39)%	18.13%	(1.28)%	39.70%	0.15%	(5.22)%	23.10%	150.08%	1.39%	18.43%
Net position, end of year (\$'000s)	89,306,605	18,697,417	10,576,654	4,105,161	13,347,999	3,958,023	1,328,505	7,088,137	55,009	168,818	12,273	16,594	2,089	14,066	6,665
Units outstanding, end of year ('000s)	178,945	36,666	30,436	7,370	44,691	12,257	5,991	70,133	718	374	55	16	3	28	25
<b>2021</b>															
Total net return (1)	29.43%	45.07%	36.68%	47.71%	(0.83)%	13.30%	29.76%	17.27%	36.89%	(0.34)%	32.19%	9.32%	72.59%	(5.50)%	25.28%
Net position, end of year (\$'000s)	93,212,189	22,011,373	12,437,174	5,273,588	14,605,575	4,395,888	1,317,931	7,081,240	72,548	213,642	18,835	20,221	2,506	13,873	8,104
Units outstanding, end of year ('000s)	179,774	37,728	28,631	7,108	43,258	12,062	7,021	69,146	1,323	474	80	24	9	28	36
<b>2020</b>															
Total net return (1)	1.99%	5.49%	(3.51)%	(3.23)%	13.82%	(2.50)%	(7.70)%	(5.51)%	(45.46)%	1.34%	(29.66)%	0.89%	(29.91)%	(12.07)%	20.89%
Net position, end of year (\$'000s)	73,216,006	12,066,835	10,383,151	4,461,293	11,759,338	3,873,573	1,201,948	6,419,650	70,224	88,643	17,099	21,579	2,420	16,254	7,187
Units outstanding, end of year ('000s)	182,766	30,004	32,671	8,882	34,539	12,042	8,309	73,511	1,753	196	96	28	15	31	40
<b>2019</b>															
Total net return (1)	5.68%	8.66%	(0.13)%	1.42%	8.22%	6.44%	4.08%	2.79%	(18.07)%	3.53%	(13.15)%	0.06%	19.20%	20.65%	26.18%
Net position, end of year (\$'000s)	73,116,815	11,763,882	11,264,739	4,652,110	10,162,275	4,376,086	1,249,573	6,029,787	162,686	160,219	26,334	26,737	4,373	20,869	22,889
Units outstanding, end of year ('000s)	186,154	30,858	34,200	8,963	33,974	13,264	7,973	65,240	2,215	359	104	35	19	35	154
<b>2018</b>															
Total net return (1)	9.55%	15.50%	8.47%	8.62%	1.29%	1.47%	9.27%	6.06%	4.04%	6.02%	(0.51)%	3.54%	(10.09)%	27.26%	(2.24)%
Net position, end of year (\$'000s)	70,145,449	13,695,898	11,831,052	4,537,474	9,153,731	4,441,960	1,153,692	5,999,629	203,319	137,947	35,279	46,571	4,827	42,008	22,851
Units outstanding, end of year ('000s)	188,731	39,037	35,873	8,867	33,118	14,331	7,661	66,727	2,268	320	121	61	25	85	194
<b>2017</b>															
Total net return (1)	12.80%	18.49%	19.98%	27.49%	(4.48)%	7.67%	15.40%	9.32%	16.35%	2.00%	2.08%	18.17%	(7.69)%	2.31%	25.85%
Net position, end of year (\$'000s)	65,460,073	13,216,006	12,038,165	5,243,481	7,984,311	4,176,825	1,225,906	5,579,937	250,843	67,900	43,665	60,463	9,019	55,921	41,088
Units outstanding, end of year ('000s)	192,948	43,507	39,591	11,130	29,261	13,674	8,895	65,823	2,911	167	149	82	42	144	341
<b>2016</b>															
Total net return (1)	1.87%	1.51%	(7.86)%	(9.91)%	14.58%	2.79%	(6.84)%	(5.43)%	(20.30)%	(0.94)%	(6.12)%	(3.72)%	6.54%	(4.22)%	(4.63)%
Net position, end of year (\$'000s)	59,382,003	11,359,746	10,018,446	4,264,286	8,404,125	3,868,726	1,251,421	5,192,238	195,445	66,569	56,265	77,994	13,493	69,465	80,997
Units outstanding, end of year ('000s)	197,436	44,312	39,533	11,540	29,419	13,636	10,478	66,965	2,639	167	196	125	58	183	846
<b>2015</b>															
Total net return (1)	3.41%	6.60%	(2.94)%	(6.14)%	4.58%	(5.14)%	1.96%	3.64%	(4.25)%	5.03%	5.97%	7.56%	4.11%	13.06%	5.97%
Net position, end of year (\$'000s)	59,982,623	11,745,353	10,341,307	4,011,292	8,377,734	3,702,871	1,350,323	5,575,153	32,057	52,713	103,656	102,397	20,089	145,442	119,669
Units outstanding, end of year ('000s)	203,159	46,508	37,600	9,780	33,603	13,416	10,533	67,998	345	131	339	158	92	367	1,192
<b>Ratios to average net assets:</b>															
<b>2023</b>															
Ratio of expenses, including indirect management fees	0.46%	0.14%	0.28%	0.61%	0.10%	0.42%	1.20%	1.08%	0.06%	0.03%	0.04%	0.04%	0.04%	0.04%	0.04%
Ratio of expenses, excluding indirect management fees	0.15%	0.14%	0.28%	0.61%	0.10%	0.19%	0.12%	0.03%	0.06%	0.03%	0.04%	0.04%	0.04%	0.04%	0.04%
<b>2022</b>															
Ratio of expenses, including indirect management fees	0.52%	0.16%	0.24%	0.63%	0.09%	0.33%	1.20%	1.05%	0.11%	0.08%	0.04%	0.03%	0.03%	0.03%	(0.02)%
Ratio of expenses, excluding indirect management fees	0.24%	0.16%	0.24%	0.63%	0.09%	0.14%	0.10%	0.19%	0.11%	0.08%	0.04%	0.04%	0.03%	0.03%	0.04%
<b>2021</b>															
Ratio of expenses, including indirect management fees	0.49%	0.14%	0.23%	0.69%	0.08%	0.37%	2.94%	1.06%	0.37%	0.03%	0.04%	0.07%	0.04%	0.04%	0.38%
Ratio of expenses, excluding indirect management fees	0.20%	0.14%	0.23%	0.69%	0.08%	0.15%	0.07%	0.18%	0.03%	0.03%	0.04%	0.04%	0.04%	0.04%	0.03%
<b>2020</b>															
Ratio of expenses, including indirect management fees	0.51%	0.11%	0.24%	0.58%	0.08%	0.43%	1.57%	1.11%	0.75%	0.04%	0.04%	—%	0.05%	0.04%	0.24%
Ratio of expenses, excluding indirect management fees	0.20%	0.11%	0.24%	0.58%	0.08%	0.19%	0.04%	0.13%	0.04%	0.04%	0.04%	0.04%	0.05%	0.04%	0.05%
<b>2019</b>															
Ratio of expenses, including indirect management fees	0.52%	0.11%	0.23%	0.57%	0.11%	0.44%	1.59%	1.11%	0.89%	0.06%	0.04%	0.03%	0.09%	0.04%	0.31%
Ratio of expenses, excluding indirect management fees	0.20%	0.11%	0.23%	0.57%	0.11%	0.22%	0.04%	0.12%	0.03%	0.06%	0.04%	0.04%	0.04%	0.04%	0.04%



## Financial Highlights Ratios, continued

For the years ended June 30, 2023-2015

	General Allocation Account	Domestic Equity Account	International Equity Account	Emerging Markets Account	Core Fixed Income Account	Public Value-Added Fixed Income Account	Private Debt Account	Hedge Funds Account	Liquidating Portfolios Account (2)	Private Equity Account	Vintage Year 2000 Account	Vintage Year 2001 Account	Vintage Year 2002 Account	Vintage Year 2003 Account	Vintage Year 2004 Account
<b>2018</b>															
Ratio of expenses, including indirect management fees	0.52%	0.11%	0.23%	0.47%	0.10%	0.44%	1.76%	1.17%	0.92%	0.05%	0.04%	0.01%	0.68%	0.04%	0.21%
Ratio of expenses, excluding indirect management fees	0.18%	0.11%	0.23%	0.47%	0.10%	0.23%	0.04%	0.09%	0.03%	0.05%	0.04%	0.04%	0.05%	0.04%	0.04%
<b>2017</b>															
Ratio of expenses, including indirect management fees	0.54%	0.10%	0.20%	0.58%	0.10%	0.47%	1.91%	1.25%	1.02%	0.06%	0.04%	0.15%	0.77%	0.15%	0.20%
Ratio of expenses, excluding indirect management fees	0.18%	0.10%	0.20%	0.58%	0.09%	0.29%	0.04%	0.09%	1.02%	0.06%	0.04%	0.09%	0.04%	0.04%	0.04%
<b>2016</b>															
Ratio of expenses, including indirect management fees	0.53%	0.13%	0.19%	0.44%	0.09%	0.47%	1.76%	1.42%	1.41%	0.08%	0.18%	0.17%	0.79%	0.28%	0.43%
Ratio of expenses, excluding indirect management fees	0.14%	0.13%	0.19%	0.44%	0.08%	0.30%	0.04%	0.06%	1.40%	0.08%	0.04%	0.07%	0.04%	0.04%	0.06%
<b>2015</b>															
Ratio of expenses, including indirect management fees	0.53%	0.14%	0.18%	0.31%	0.10%	0.47%	1.55%	1.40%	0.04%	0.04%	0.25%	0.22%	0.76%	0.38%	0.90%
Ratio of expenses, excluding indirect management fees	0.16%	0.14%	0.18%	0.31%	0.09%	0.30%	0.04%	0.04%	0.02%	0.04%	0.04%	0.05%	0.04%	0.04%	0.05%

(1) Total net return calculation is based on the value of a single unit of participation outstanding throughout the year. It represents the percentage change in the net asset value per unit between the beginning and end of the year.

(2) Includes Portable Alpha Wind Down, Hedge Funds closed portfolios, and Natural Resources Private Wind Down. Prior to January 31, 2016, Natural Resources Private assets were reflected in the Timberland portfolio.

## Financial Highlights Ratios, continued

For the years ended June 30, 2023-2015

	Vintage Year 2005 Account	Vintage Year 2006 Account	Vintage Year 2007 Account	Vintage Year 2008 Account	Vintage Year 2009 Account	Vintage Year 2010 Account	Vintage Year 2011 Account	Vintage Year 2012 Account	Vintage Year 2013 Account	Vintage Year 2014 Account	Vintage Year 2015 Account	Vintage Year 2016 Account	Vintage Year 2017 Account	Vintage Year 2018 Account	Vintage Year 2019 Account
<b>Ratios and supplementary data:</b>															
<b>2023</b>															
Total net return (1)	(4.95)%	1.94%	(14.49)%	9.10%	(24.83)%	(24.53)%	(6.40)%	(12.74)%	(11.31)%	(3.23)%	(5.79)%	(12.83)%	1.58%	(0.68)%	(1.36)%
Net position, end of year (\$'000s)	12,671	114,608	114,876	437,324	94,860	410,052	519,834	470,703	696,916	1,469,533	1,784,350	705,837	1,808,809	2,094,784	1,733,955
Units outstanding, end of year ('000s)	51	577	1,682	1,137	188	1,278	1,677	12,319	1,853	5,359	5,187	5,300	7,388	12,065	7,762
<b>2022</b>															
Total net return (1)	2.76%	13.73%	4.71%	27.45%	41.02%	6.30%	40.25%	(5.01)%	20.50%	31.36%	17.39%	29.31%	32.31%	35.45%	47.13%
Net position, end of year (\$'000s)	18,819	130,548	198,489	431,504	188,619	595,619	666,661	588,923	1,008,811	1,674,473	2,132,407	940,692	1,867,792	2,007,542	1,659,513
Units outstanding, end of year ('000s)	72	670	2,485	1,224	281	1,401	2,013	13,449	2,379	5,909	5,840	6,157	7,750	11,485	7,328
<b>2021</b>															
Total net return (1)	37.60%	52.84%	51.17%	49.24%	139.68%	108.80%	79.58%	79.10%	109.95%	57.44%	75.06%	64.51%	64.17%	65.15%	68.00%
Net position, end of year (\$'000s)	39,678	138,429	305,643	524,998	276,548	705,125	638,740	869,212	1,025,485	1,557,125	2,359,373	872,298	1,332,666	1,398,299	994,786
Units outstanding, end of year ('000s)	156	808	4,007	1,898	581	1,763	2,705	18,855	2,914	7,218	7,585	7,383	7,316	10,835	6,463
<b>2020</b>															
Total net return (1)	(14.41)%	(7.06)%	0.20%	(12.99)%	1.22%	(7.30)%	(1.55)%	6.80%	15.47%	5.34%	13.21%	7.87%	(1.83)%	(6.56)%	(7.67)%
Net position, end of year (\$'000s)	48,247	146,274	249,451	431,299	192,827	482,128	628,788	607,363	675,522	1,175,774	1,539,669	562,258	680,492	572,418	354,096
Units outstanding, end of year ('000s)	261	1,305	4,944	2,327	971	2,517	4,782	23,595	4,030	8,581	8,665	7,829	6,133	7,326	3,865
<b>2019</b>															
Total net return (1)	8.66%	9.35%	14.14%	13.88%	26.97%	18.09%	20.06%	12.46%	16.72%	23.83%	23.40%	4.10%	7.47%	(15.53)%	(0.77)% (2)
Net position, end of year (\$'000s)	84,655	236,036	443,048	574,946	262,119	611,034	759,937	645,784	711,849	1,214,210	1,467,994	503,055	389,158	245,699	57,257
Units outstanding, end of year ('000s)	392	1,957	8,798	2,699	1,336	2,957	5,690	26,792	4,904	9,335	9,353	7,556	3,443	2,938	577
<b>2018</b>															
Total net return (1)	10.58%	4.94%	16.60%	24.15%	20.66%	24.74%	18.83%	19.25%	14.10%	25.68%	29.69%	7.73%	5.21%	(0.99)% (2)	N/A
Net position, end of year (\$'000s)	135,744	306,512	538,342	726,311	343,201	701,188	866,997	739,683	623,594	1,087,916	941,586	290,614	127,993	15,842	N/A
Units outstanding, end of year ('000s)	683	2,779	12,203	3,883	2,221	4,007	7,794	34,520	5,014	10,357	7,403	4,544	1,217	160	N/A
<b>2017</b>															
Total net return (1)	19.15%	9.31%	23.14%	28.78%	16.27%	16.58%	23.76%	21.34%	19.87%	17.62%	15.25%	(28.04)%	(0.04)% (2)	N/A	N/A
Net position, end of year (\$'000s)	196,987	440,532	769,225	882,880	379,849	791,761	919,627	623,043	493,966	659,809	520,540	108,285	27,388	N/A	N/A
Units outstanding, end of year ('000s)	1,096	4,191	20,328	5,860	2,966	5,644	9,824	34,669	4,532	7,894	5,308	1,824	274	N/A	N/A
<b>2016</b>															
Total net return (1)	8.56%	2.52%	9.87%	12.84%	20.05%	15.08%	22.91%	8.34%	5.06%	5.15%	(9.23)%	(17.50)% (2)	N/A	N/A	N/A
Net position, end of year (\$'000s)	430,797	612,037	912,296	904,434	443,570	806,666	796,339	542,987	308,790	399,073	184,978	165	N/A	N/A	N/A
Units outstanding, end of year ('000s)	2,856	6,365	29,691	7,731	4,027	6,704	10,528	36,668	3,396	5,616	2,174	2	N/A	N/A	N/A
<b>2015</b>															
Total net return (1)	15.15%	11.51%	9.04%	16.66%	24.02%	19.09%	24.07%	11.77%	(5.24)%	(13.53)%	(6.26)% (2)	N/A	N/A	N/A	N/A
Net position, end of year (\$'000s)	594,274	848,797	1,154,470	1,017,713	494,545	762,278	704,428	425,548	170,840	177,995	40,871	N/A	N/A	N/A	N/A
Units outstanding, end of year ('000s)	4,277	9,049	41,282	9,816	5,390	7,290	11,447	31,126	1,974	2,634	436	N/A	N/A	N/A	N/A
<b>Ratios to average net assets:</b>															
<b>2023</b>															
Ratio of expenses, including indirect management fees	0.16%	0.05%	0.35%	0.11%	0.22%	0.25%	0.70%	1.04%	0.72%	0.68%	0.87%	1.25%	1.06%	1.21%	1.03%
Ratio of expenses, excluding indirect management fees	0.04%	0.04%	0.04%	0.04%	0.04%	0.08%	0.07%	0.04%	0.04%	0.11%	0.20%	0.04%	0.19%	0.14%	0.26%
<b>2022</b>															
Ratio of expenses, including indirect management fees	0.29%	(0.11)%	0.44%	0.16%	0.20%	0.37%	0.76%	0.84%	0.64%	0.59%	0.73%	1.10%	1.03%	1.24%	1.23%
Ratio of expenses, excluding indirect management fees	0.04%	(0.14)%	0.14%	0.06%	0.03%	0.06%	0.08%	0.04%	0.04%	0.07%	0.13%	0.03%	0.12%	0.03%	0.29%
<b>2021</b>															
Ratio of expenses, including indirect management fees	0.54%	(0.01)%	0.45%	0.35%	0.66%	0.61%	1.07%	0.99%	0.94%	0.97%	1.05%	1.69%	2.23%	2.66%	3.00%
Ratio of expenses, excluding indirect management fees	0.04%	(0.04)%	0.04%	0.08%	0.03%	0.03%	0.09%	0.04%	0.03%	0.03%	0.16%	0.03%	0.03%	0.03%	0.50%
<b>2020</b>															
Ratio of expenses, including indirect management fees	0.67%	0.42%	0.50%	0.46%	1.57%	0.93%	1.04%	1.28%	1.15%	1.02%	1.35%	2.37%	3.95%	6.23%	3.86%
Ratio of expenses, excluding indirect management fees	0.04%	0.07%	0.05%	0.09%	0.04%	0.04%	0.06%	0.04%	0.04%	0.04%	0.24%	0.08%	0.05%	0.08%	0.12%
<b>2019</b>															
Ratio of expenses, including indirect management fees	0.56%	0.55%	0.45%	0.56%	1.63%	0.79%	1.08%	1.39%	1.45%	1.58%	1.89%	3.33%	8.34%	4.39%	0.14% (2)
Ratio of expenses, excluding indirect management fees	0.04%	0.07%	0.04%	0.09%	0.04%	0.04%	0.09%	0.04%	0.04%	0.04%	0.32%	0.04%	0.04%	0.17%	0.14% (2)

## Financial Highlights Ratios, continued

For the years ended June 30, 2023-2015

	Vintage Year 2005 Account	Vintage Year 2006 Account	Vintage Year 2007 Account	Vintage Year 2008 Account	Vintage Year 2009 Account	Vintage Year 2010 Account	Vintage Year 2011 Account	Vintage Year 2012 Account	Vintage Year 2013 Account	Vintage Year 2014 Account	Vintage Year 2015 Account	Vintage Year 2016 Account	Vintage Year 2017 Account	Vintage Year 2018 Account
<b>2018</b>														
Ratio of expenses, including indirect management fees	0.53%	0.62%	0.92%	0.70%	1.59%	1.25%	1.35%	1.59%	1.77%	2.19%	3.16%	6.59%	10.13%	0.14% (2)
Ratio of expenses, excluding indirect management fees	0.06%	0.08%	0.04%	0.09%	0.04%	0.04%	0.07%	0.04%	0.04%	0.04%	0.51%	0.04%	0.04%	0.14% (2)
<b>2017</b>														
Ratio of expenses, including indirect management fees	0.65%	0.74%	0.98%	0.75%	1.47%	1.15%	1.53%	1.82%	2.82%	3.69%	5.87%	10.75%	0.01% (2)	N/A
Ratio of expenses, excluding indirect management fees	0.06%	0.03%	0.04%	0.08%	0.04%	0.04%	0.15%	0.04%	0.04%	0.04%	0.74%	0.30%	0.01% (2)	N/A
<b>2016</b>														
Ratio of expenses, including indirect management fees	0.73%	0.77%	1.00%	0.98%	1.29%	1.30%	1.74%	2.28%	4.91%	4.71%	9.50%	(21.53)% (2)	N/A	N/A
Ratio of expenses, excluding indirect management fees	0.04%	0.03%	0.04%	0.14%	0.04%	0.04%	0.16%	0.04%	0.04%	0.05%	0.04%	(21.53)% (2)	N/A	N/A
<b>2015</b>														
Ratio of expenses, including indirect management fees	0.82%	0.80%	1.01%	0.97%	1.71%	1.61%	2.21%	3.27%	8.83%	9.28%	2.57% (2)	N/A	N/A	N/A
Ratio of expenses, excluding indirect management fees	0.05%	0.05%	0.04%	0.11%	0.04%	0.04%	0.15%	0.05%	0.04%	0.06%	0.02% (2)	N/A	N/A	N/A

(1) Total return calculation is based on the value of a single unit of participation outstanding throughout the year. It represents the percentage change in the net asset value per unit between the beginning and end of the year.

(2) Denotes account commenced operations subsequent to the beginning of the fiscal year. Total net return and ratios not annualized.

## Financial Highlights Ratios, continued

For the years ended June 30, 2023-2015

	Vintage Year 2020 Account	Vintage Year 2021 Account	Vintage Year 2022 Account	Vintage Year 2023 Account	Real Estate Account	Timberland Account	Cash Overlay Account	Portfolio Completion Strategies Account (3)	Risk Premia Account (3)	Real Assets Account (3)	Enhanced Equity Account	Other Credit Opportunities Account	Global Equity Emerging Diverse Account
<b>Ratios and supplementary data:</b>													
<b>2023</b>													
Total net return (1)	(3.92)%	(5.23)%	0.07%	(0.50)% (2)	(3.13)%	5.91%	13.77%	N/A	N/A	(6.06)%	(100.00)%	4.82%	14.60%
Net position, end of year (\$'000s)	1,641,438	1,705,904	691,556	63,678	10,523,221	2,995,979	452,538	N/A	N/A	736,761	—	1,420,265	108,004
Units outstanding, end of year ('000s)	10,494	16,763	7,304	640	11,054	8,476	1,655	N/A	N/A	8,622	—	9,501	1,006
<b>2022</b>													
Total net return (1)	24.09%	9.87%	(5.39)% (2)	N/A	24.24%	10.92%	(18.11)%	N/A	N/A	1.63%	(9.56)%	6.19%	(6.32)% (2)
Net position, end of year (\$'000s)	1,303,273	1,138,431	163,587	N/A	9,819,201	2,919,996	539,337	N/A	N/A	857,795	985,503	951,732	93,678
Units outstanding, end of year ('000s)	8,005	10,601	1,729	N/A	9,992	8,749	2,244	N/A	N/A	9,430	6,887	6,673	1,000
<b>2021</b>													
Total net return (1)	40.10%	(2.26)% (2)	N/A	N/A	16.44%	7.49%	30.45%	N/A	(100.00)%	1.07%	35.36%	24.40%	N/A
Net position, end of year (\$'000s)	333,380	174,180	N/A	N/A	7,945,278	2,833,009	941,595	N/A	—	837,883	1,083,781	897,070	N/A
Units outstanding, end of year ('000s)	2,541	1,782	N/A	N/A	10,045	9,415	3,208	N/A	—	9,362	6,850	6,679	N/A
<b>2020</b>													
Total net return (1)	(6.35)% (2)	N/A	N/A	N/A	0.56%	(1.74)%	15.21%	N/A	2.94%	(2.90)%	(0.34)%	(1.01)%	N/A
Net position, end of year (\$'000s)	51,697	N/A	N/A	N/A	6,921,152	2,766,226	444,807	N/A	2	832,035	4,589,770	574,855	N/A
Units outstanding, end of year ('000s)	552	N/A	N/A	N/A	10,189	9,882	1,977	N/A	—	9,396	39,267	5,324	N/A
<b>2019</b>													
Total net return (1)	N/A	N/A	N/A	N/A	5.56%	1.57%	1.34%	N/A	(0.60)%	(14.97)%	6.17%	5.95%	N/A
Net position, end of year (\$'000s)	N/A	N/A	N/A	N/A	6,992,131	2,888,192	465,349	N/A	615,528	804,725	4,586,863	257,835	N/A
Units outstanding, end of year ('000s)	N/A	N/A	N/A	N/A	10,351	10,138	2,383	N/A	6,005	8,825	39,107	2,364	N/A
<b>2018</b>													
Total net return (1)	N/A	N/A	N/A	N/A	8.86%	7.38%	2.64%	N/A	5.49%	5.95%	10.47%	2.94% (2)	N/A
Net position, end of year (\$'000s)	N/A	N/A	N/A	N/A	6,454,777	2,433,762	304,443	N/A	618,533	631,406	2,372,889	164,184	N/A
Units outstanding, end of year ('000s)	N/A	N/A	N/A	N/A	10,087	8,677	1,580	N/A	5,998	5,888	21,480	1,595	N/A
<b>2017</b>													
Total net return (1)	N/A	N/A	N/A	N/A	6.27%	7.65%	14.55%	N/A	(5.06)%	1.22%	N/A	N/A	N/A
Net position, end of year (\$'000s)	N/A	N/A	N/A	N/A	6,047,656	2,483,085	682,197	N/A	585,639	153,348	N/A	N/A	N/A
Units outstanding, end of year ('000s)	N/A	N/A	N/A	N/A	10,288	9,506	3,634	N/A	5,991	1,515	N/A	N/A	N/A
<b>2016</b>													
Total net return (1)	N/A	N/A	N/A	N/A	11.70%	(3.31)%	5.65%	8.62%	N/A	N/A	N/A	N/A	N/A
Net position, end of year (\$'000s)	N/A	N/A	N/A	N/A	6,302,436	2,012,000	286,627	736,581	N/A	N/A	N/A	N/A	N/A
Units outstanding, end of year ('000s)	N/A	N/A	N/A	N/A	11,394	8,292	1,749	7,154	N/A	N/A	N/A	N/A	N/A
<b>2015</b>													
Total net return (1)	N/A	N/A	N/A	N/A	11.30%	(2.04)%	5.19%	(5.21)% (2)	N/A	N/A	N/A	N/A	N/A
Net position, end of year (\$'000s)	N/A	N/A	N/A	N/A	6,093,142	2,347,050	567,427	94,882	N/A	N/A	N/A	N/A	N/A
Units outstanding, end of year ('000s)	N/A	N/A	N/A	N/A	12,305	9,353	3,658	1,001	N/A	N/A	N/A	N/A	N/A
<b>Ratios to average net assets:</b>													
<b>2023</b>													
Ratio of expenses, including indirect management fees	1.92%	3.00%	3.57%	1.82% (2)	0.33%	0.04%	0.07%	N/A	N/A	1.03%	0.36%	1.16%	0.61%
Ratio of expenses, excluding indirect management fees	0.04%	0.12%	0.18%	1.82% (2)	(0.01)%	(0.22)%	0.07%	N/A	N/A	0.04%	0.36%	0.16%	0.61%
<b>2022</b>													
Ratio of expenses, including indirect management fees	2.98%	3.16%	0.31% (2)	N/A	1.06%	0.45%	0.06%	N/A	N/A	1.04%	0.43%	1.33%	0.21% (2)
Ratio of expenses, excluding indirect management fees	0.04%	0.06%	0.31% (2)	N/A	0.72%	0.19%	0.06%	N/A	N/A	0.03%	0.43%	1.33%	0.21% (2)
<b>2021</b>													
Ratio of expenses, including indirect management fees	5.65%	0.09% (2)	N/A	N/A	0.52%	0.46%	0.07%	N/A	—%	1.04%	0.42%	1.14%	N/A
Ratio of expenses, excluding indirect management fees	0.04%	0.09% (2)	N/A	N/A	0.17%	0.19%	0.07%	N/A	—%	0.04%	0.42%	1.14%	N/A
<b>2020</b>													
Ratio of expenses, including indirect management fees	4.22% (2)	N/A	N/A	N/A	0.49%	0.09%	0.07%	N/A	0.52%	1.23%	0.37%	1.14%	N/A
Ratio of expenses, excluding indirect management fees	1.91% (2)	N/A	N/A	N/A	0.15%	0.30%	0.07%	N/A	0.14%	0.05%	0.37%	1.14%	N/A
<b>2019</b>													
Ratio of expenses, including indirect management fees	N/A	N/A	N/A	N/A	0.49%	0.26%	0.08%	N/A	0.89%	1.48%	0.43%	0.92%	N/A
Ratio of expenses, excluding indirect management fees	N/A	N/A	N/A	N/A	0.15%	0.26%	0.08%	N/A	0.12%	0.07%	0.43%	0.92%	N/A

## Financial Highlights Ratios, continued

For the years ended June 30, 2023-2015

	Real Estate Account	Timberland Account	Cash Overlay Account	Portfolio Completion Strategies Account (3)	Risk Premia Account (3)	Real Assets Account (3)	Enhanced Equity Account	Other Credit Opportunities Account
<b>2018</b>								
Ratio of expenses, including indirect management fees	0.50%	0.55%	0.06%	N/A	0.90%	1.37%	0.42%	0.62% (2)
Ratio of expenses, excluding indirect management fees	0.14%	0.21%	0.06%	N/A	0.11%	0.03%	0.03%	0.62% (2)
<b>2017</b>								
Ratio of expenses, including indirect management fees	0.46%	0.67%	0.07%	N/A	1.27%	0.04%	N/A	N/A
Ratio of expenses, excluding indirect management fees	0.09%	0.34%	0.07%	N/A	0.15%	0.04%	N/A	N/A
<b>2016</b>								
Ratio of expenses, including indirect management fees	0.47%	0.23%	0.07%	0.90%	N/A	N/A	N/A	N/A
Ratio of expenses, excluding indirect management fees	0.09%	(0.11)%	0.07%	0.16%	N/A	N/A	N/A	N/A
<b>2015</b>								
Ratio of expenses, including indirect management fees	0.64%	0.70%	0.07%	0.29% (2)	N/A	N/A	N/A	N/A
Ratio of expenses, excluding indirect management fees	0.27%	0.40%	0.07%	0.10% (2)	N/A	N/A	N/A	N/A

(1) Total return calculation is based on the value of a single unit of participation outstanding throughout the year. It represents the percentage change in the net asset value per unit between the beginning and end of the year.

(2) Denotes account commenced operations subsequent to the beginning of the fiscal year. Total net return and ratios not annualized.

(3) Prior to July 2016, Risk Premia and Real Assets were reflected in the Portfolio Completion Strategies account.

## PRIT Fund Asset Allocation

As of June 30:

The following table is intended to provide readers of this ACFR with further information regarding the financial position of the PRIT Fund over the past ten years. This table provides the change in assets during this time period. This table should be read in conjunction with the discussion on asset allocation in the *Investment Section* of this ACFR.

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Domestic Equity	25.3%	23.0%	21.3%	24.2%	22.2%	21.9%	19.1%	19.8%	18.7%	19.2%
International Equity	10.7%	11.7%	11.5%	13.0%	13.9%	15.1%	16.5%	18.0%	16.5%	16.9%
Emerging Markets	4.4%	4.4%	4.4%	5.5%	6.0%	6.2%	6.3%	7.9%	7.0%	6.6%
Global Equity Emerging-Diverse Manager Program (1)	0.2%	0.1%	0.1%	-	-	-	-	-	-	-
Core Fixed Income	13.9%	13.3%	14.5%	15.3%	15.7%	13.6%	12.8%	12.0%	13.9%	13.7%
Value-Added Fixed Income	7.3%	7.1%	6.8%	6.9%	7.5%	7.9%	8.0%	8.1%	8.4%	8.3%
Private Equity	17.0%	17.4%	18.4%	14.5%	11.4%	11.3%	10.8%	10.6%	11.1%	11.3%
Real Estate	9.6%	10.9%	10.6%	8.3%	9.2%	9.4%	9.0%	9.1%	10.4%	10.0%
Timberland	3.0%	3.1%	3.2%	3.0%	3.7%	3.9%	3.4%	3.7%	3.3%	3.8%
Hedge Funds (2)	-	-	-	-	-	-	-	-	8.6%	9.1%
Liquidating Portfolios (3)	0.0%	0.0%	0.1%	0.1%	0.1%	0.2%	0.3%	0.4%	0.3%	0.1%
Overlay	0.3%	0.5%	0.6%	1.0%	0.6%	0.6%	0.4%	1.0%	0.5%	0.9%
Portfolio Completion Strategies (2)	8.3%	8.4%	8.6%	8.3%	9.7%	10.0%	13.4%	9.5%	1.2%	0.2%

Totals may not add due to rounding.

(1) The Global Equity Emerging-Diverse Manager Program was established in May 2022.

(2) At the February 14, 2017 Board meeting, the PRIM Board voted to combine the Hedge Funds and Portfolio Completion Strategies portfolios into a single portfolio (Portfolio Completion Strategies).

(3) Includes Portable Alpha Wind Down, Hedge Funds closed portfolios, and Natural Resources Private Wind Down. Prior to January 31, 2016, Natural Resources Private assets were reflected in the Timberland portfolio.



# Mass PRIM

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