

August 9, 2024



**Pennsylvania State Employees'  
Retirement System – 401(a) Plan**

Second Quarter 2024

Executive Summary

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**Market Environment**

## Equity and Bond Markets Mixed in 2Q

Many sectors still have ground to make up to recover losses of 2022

### S&P 500 climbed 4.3% in 2Q24

- Emerging markets and non-U.S. small cap equities also posted gains.
- U.S. small cap and developed non-U.S. stocks fell.

### Core fixed income eked out a gain

- The Bloomberg Aggregate rose 0.1% despite rates rising over the quarter due to coupon income offsetting price losses.
- Long duration fixed income and non-U.S. bonds fell.
- Interest rates have been volatile as the markets assess when and how swiftly the Fed will begin easing.
- CPI-U came in at 3.0% (year-over-year) in 2Q, falling sharply from last quarter's 3.5%, and improving the prospects for a rate cut later this year.

### Economy reignites in second quarter

- After a weak 1.4% rise in 1Q24, the initial estimate for 2Q24 GDP came in at a brisk 2.8%, with consumer spending and business investment fueling the climb.

Returns for Periods ended 6/30/24

	Quarter	1 Year	1/1/22 - Current	5 Years	10 Years	25 Years
<b>U.S. Equity</b>						
Russell 3000	3.22	23.13	5.96	14.14	12.15	7.82
S&P 500	4.28	24.56	7.29	15.05	12.86	7.67
Russell 2000	-3.28	10.06	-2.18	6.94	7.00	7.60
<b>Global ex-U.S. Equity</b>						
MSCI World ex USA	-0.60	11.22	2.39	6.55	4.27	4.63
MSCI Emerging Markets	5.00	12.55	-2.31	3.10	2.79	--
MSCI ACWI ex USA Small Cap	0.66	11.26	-1.98	6.13	4.44	6.74
<b>Fixed Income</b>						
Bloomberg Aggregate	0.07	2.63	-3.64	-0.23	1.35	3.88
90-day T-Bill	1.32	5.40	3.64	2.16	1.51	1.91
Bloomberg Long Gov/Credit	-1.73	-1.58	-10.91	-2.22	1.65	5.29
Bloomberg Global Agg ex-US	-2.11	-0.66	-7.88	-3.56	-1.86	2.46
<b>Real Estate</b>						
NCREIF Property	-0.26	-5.53	-1.64	3.39	6.07	7.75
FTSE Nareit Equity	0.06	7.79	-5.90	3.90	5.90	9.06
<b>Alternatives</b>						
Cambridge Private Equity*	1.17	5.16	1.70	14.58	13.47	13.37
Cambridge Senior Debt*	0.73	7.73	5.58	6.87	6.73	4.25
HFRI Fund Weighted	0.54	9.80	3.44	6.67	4.77	6.00
Bloomberg Commodity	2.89	5.00	4.79	7.25	-1.29	2.69
<b>CPI-U</b>	0.59	2.97	4.89	4.17	2.80	2.58

\*Cambridge Private Equity and Cambridge Senior Debt data as of 3/31/24.

Returns greater than one year are annualized. Sources: Bloomberg, Callan, Cambridge, FTSE Russell, HFRI, MSCI, NCREIF, S&P Dow Jones Indices

# Diversification Remains Key Risk Control

## Periodic Table of Investment Returns

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2 Qtrs. 2024
Emerging Markets	Emerging Markets	Emerging Markets	U.S. Fixed	Emerging Markets	Small Cap	Real Estate Funds	Emerging Markets	Small Cap	Large Cap	Real Estate Funds	Small Cap	Emerging Markets	Real Estate Funds	Large Cap	Small Cap	Large Cap	Real Estate Funds	Large Cap	Large Cap
34.00%	32.17%	39.38%	5.24%	78.51%	26.85%	14.96%	18.23%	38.82%	13.69%	13.95%	21.31%	37.28%	7.36%	31.49%	19.96%	28.71%	6.55%	26.29%	15.29%
Real Estate Funds	Non-U.S. Equity	Real Estate Funds	Non-U.S. Fixed	High Yield	Emerging Markets	U.S. Fixed	Non-U.S. Equity	Large Cap	Real Estate Funds	Large Cap	High Yield	Non-U.S. Equity	Cash Equivalent	Small Cap	Large Cap	Real Estate Funds	Cash Equivalent	Non-U.S. Equity	Emerging Markets
20.15%	25.71%	14.84%	4.39%	58.21%	18.88%	7.84%	16.41%	32.39%	11.46%	1.38%	17.13%	24.21%	1.87%	25.52%	18.40%	21.02%	1.46%	17.94%	7.49%
Non-U.S. Equity	Small Cap	Hedge Funds	Cash Equivalent	Non-U.S. Equity	Real Estate Funds	High Yield	Small Cap	Non-U.S. Equity	U.S. Fixed	U.S. Fixed	Large Cap	Large Cap	U.S. Fixed	Non-U.S. Equity	Emerging Markets	Small Cap	Hedge Funds	Small Cap	Hedge Funds
14.47%	18.37%	12.56%	2.06%	33.67%	15.26%	4.98%	16.35%	21.02%	5.97%	0.55%	11.96%	21.83%	0.01%	22.49%	18.31%	14.82%	1.06%	16.93%	6.86%
Hedge Funds	Large Cap	Non-U.S. Equity	Real Estate Funds	Small Cap	High Yield	Non-U.S. Fixed	Large Cap	Real Estate Funds	Small Cap	Cash Equivalent	Emerging Markets	Small Cap	High Yield	Emerging Markets	Non-U.S. Fixed	Non-U.S. Equity	High Yield	High Yield	Non-U.S. Equity
7.61%	15.79%	12.44%	-10.70%	27.17%	15.12%	4.36%	16.00%	12.90%	4.89%	0.05%	11.19%	14.65%	-2.08%	18.44%	10.11%	12.62%	-11.19%	13.44%	4.96%
Large Cap	Real Estate Funds	Non-U.S. Fixed	Hedge Funds	Large Cap	Large Cap	Large Cap	High Yield	Hedge Funds	Hedge Funds	Hedge Funds	Real Estate Funds	Non-U.S. Fixed	Non-U.S. Fixed	High Yield	Non-U.S. Equity	Hedge Funds	U.S. Fixed	Emerging Markets	Cash Equivalent
4.91%	15.27%	11.03%	-19.07%	26.47%	15.06%	2.11%	15.81%	9.73%	4.13%	-0.71%	7.79%	10.51%	-2.15%	14.32%	7.59%	8.23%	-13.01%	9.83%	2.63%
Small Cap	Hedge Funds	U.S. Fixed	High Yield	Hedge Funds	Hedge Funds	Cash Equivalent	Real Estate Funds	High Yield	High Yield	Non-U.S. Equity	Non-U.S. Equity	High Yield	Hedge Funds	Hedge Funds	U.S. Fixed	High Yield	Non-U.S. Equity	Hedge Funds	High Yield
4.55%	13.86%	6.97%	-26.16%	18.57%	10.95%	0.10%	9.79%	7.44%	2.45%	-3.04%	2.75%	7.50%	-3.19%	9.31%	7.51%	5.28%	-14.29%	5.83%	2.58%
Cash Equivalent	High Yield	Large Cap	Small Cap	Non-U.S. Fixed	Non-U.S. Equity	Hedge Funds	Hedge Funds	Cash Equivalent	Cash Equivalent	Small Cap	U.S. Fixed	Hedge Funds	Large Cap	U.S. Fixed	High Yield	Cash Equivalent	Large Cap	Non-U.S. Fixed	Small Cap
3.06%	11.85%	5.49%	-33.79%	7.53%	8.95%	-2.52%	7.67%	0.07%	0.04%	-4.41%	2.65%	7.12%	-4.38%	8.72%	7.11%	0.05%	-18.11%	5.72%	1.73%
High Yield	Non-U.S. Fixed	Cash Equivalent	Large Cap	U.S. Fixed	U.S. Fixed	Small Cap	U.S. Fixed	U.S. Fixed	Emerging Markets	High Yield	Non-U.S. Fixed	Real Estate Funds	Small Cap	Non-U.S. Fixed	Hedge Funds	U.S. Fixed	Non-U.S. Fixed	U.S. Fixed	U.S. Fixed
2.74%	8.16%	5.00%	-37.00%	5.93%	6.54%	-4.18%	4.21%	-2.02%	-2.19%	-4.47%	1.49%	6.66%	-11.01%	5.09%	6.36%	-1.54%	-18.70%	5.53%	-0.71%
U.S. Fixed	Cash Equivalent	High Yield	Non-U.S. Equity	Cash Equivalent	Non-U.S. Fixed	Non-U.S. Equity	Non-U.S. Fixed	Emerging Markets	Non-U.S. Fixed	Non-U.S. Fixed	Hedge Funds	U.S. Fixed	Non-U.S. Equity	Real Estate Funds	Cash Equivalent	Emerging Markets	Emerging Markets	Cash Equivalent	Real Estate Funds
2.43%	4.86%	1.87%	-43.56%	0.21%	4.95%	-12.21%	4.09%	-2.60%	-3.09%	-6.02%	1.25%	3.54%	-14.09%	4.39%	0.67%	-2.54%	-20.09%	5.01%	-3.22%
Non-U.S. Fixed	U.S. Fixed	Small Cap	Emerging Markets	Real Estate Funds	Cash Equivalent	Emerging Markets	Cash Equivalent	Non-U.S. Fixed	Non-U.S. Equity	Emerging Markets	Cash Equivalent	Cash Equivalent	Emerging Markets	Cash Equivalent	Real Estate Funds	Non-U.S. Fixed	Small Cap	Real Estate Funds	Non-U.S. Fixed
-8.65%	4.33%	-1.57%	-53.33%	-30.40%	0.13%	-18.42%	0.11%	-3.08%	-4.32%	-14.92%	0.33%	0.86%	-14.57%	2.28%	0.34%	-7.05%	-20.44%	-12.73%	-5.26%

- Bloomberg Barclays Corp High Yield ● Bloomberg Barclays Global Aggregate ex US ● Bloomberg Barclays US Aggregate
- Credit Suisse Hedge Fund ● ICE BofAML US 3-Month Treasury Bill ● MSCI Emerging Markets ● MSCI World ex USA
- NFI-ODCE (value-weighted net) ● Russell 2000 ● S&P 500

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# DC Industry Talking Points

2Q24

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## Litigation Continues...at a Slowed Pace

- ▶ 50+ cases filed in 2023, down from 90+ in 2022
- ▶ The Department of Labor (DOL) is under attack without a permanent Secretary of Labor (Julie Su acting)
  - SCOTUS Chevron deference ruling undercuts DOL's interpretations
  - ESG Rule and Fiduciary Rule lawsuits

## Fiduciary Rule—Take Five?

- ▶ DOL published the new “Retirement Security Rule” in April 2024, to be effective September 23, 2024
- ▶ Redefines fiduciary investment advice; seeks to bring more clarity to definition
- ▶ Two court cases are challenging the DOL, and District Courts have put the effective date on hold—the DOL may appeal

## Investment Topics We're Watching:

- ▶ Two years and counting for the inverted yield curve
  - Increased discussions on money market versus stable value
  - Stable value crediting rates above 3% now
- ▶ Inflation protection continues to be a discussion point for plan sponsors and TDF managers
- ▶ Defining Retirement Income: more education, discussion, and evaluation as products and services come to market
- ▶ On Aug. 1, the Senate introduced a bill that would allow 403(b) plans to include CITs

Callan

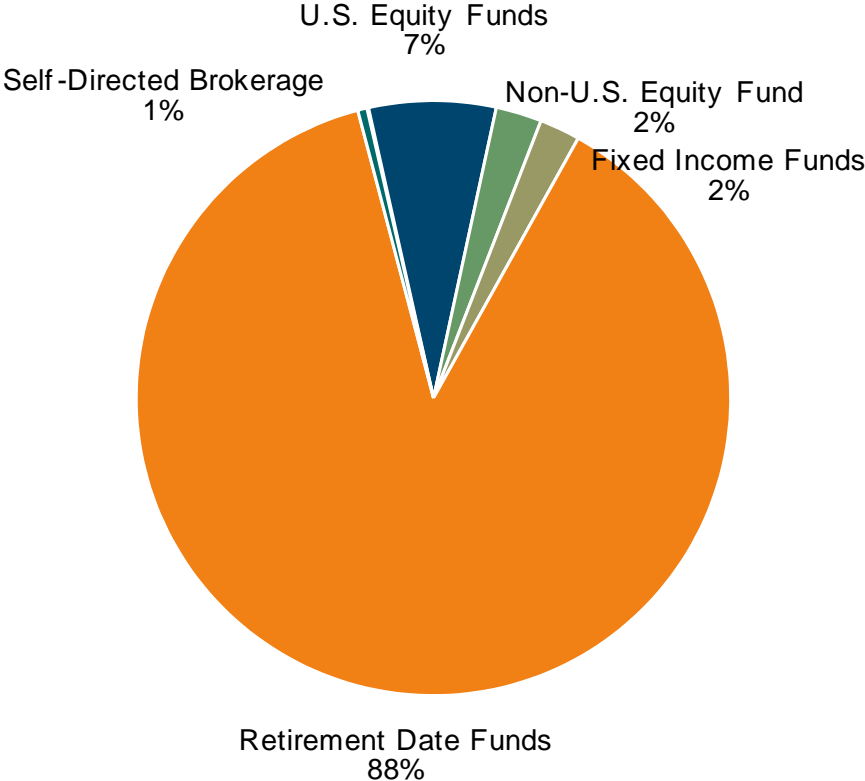
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**PA SERS 401(a) Plan Performance Review**

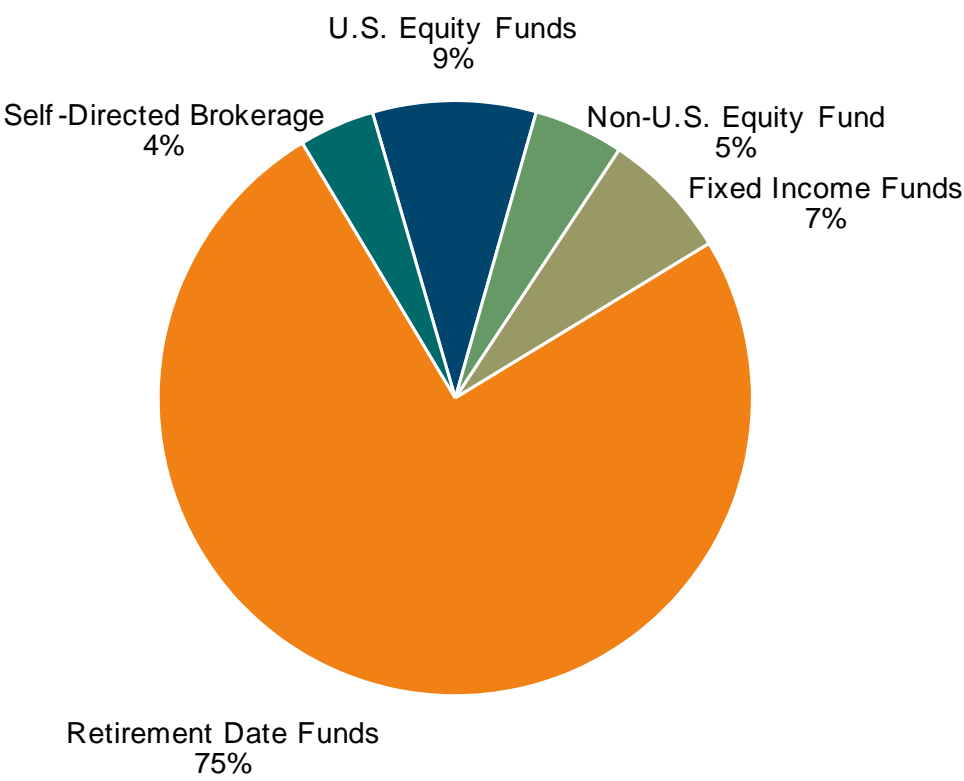
# 401(a) Plan Asset Allocation & Contributions

As of June 30, 2024

### Asset Allocation

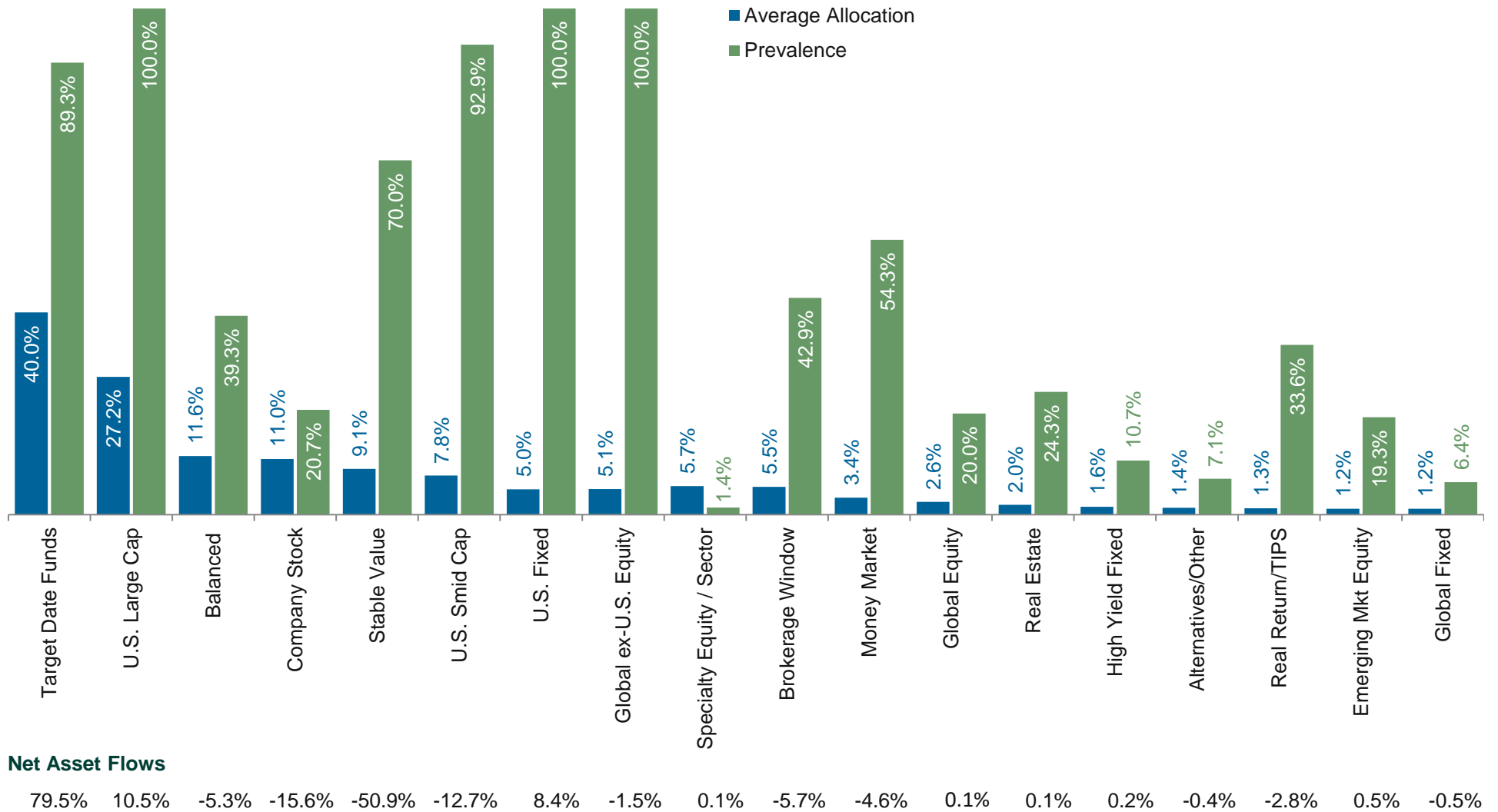


### Contributions



# Callan DC Index Asset Allocation as of 3/31/24

Callan DC Index™ tracks the underlying fund performance, asset allocation, and cash flows of more than 100 large defined contribution plans representing approximately \$400 billion in assets.





# Asset Allocation

As of June 30, 2024

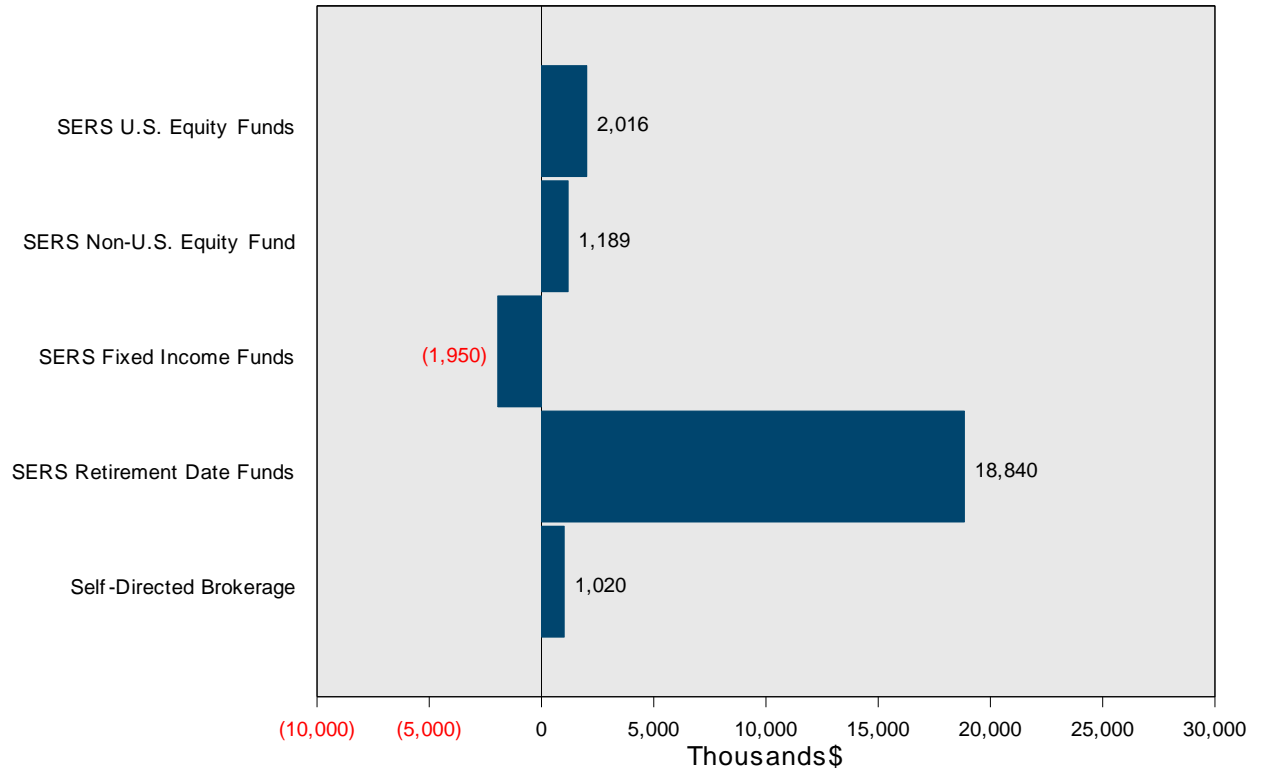
	June 30, 2024			March 31, 2024		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
<b>SERS Retirement Date Funds</b>	<b>\$207,751,677</b>	<b>87.85%</b>	<b>\$14,960,381</b>	<b>\$3,879,421</b>	<b>\$188,911,876</b>	<b>87.71%</b>
SERS Post Retirement Fund	2,741,365	1.16%	144,698	27,151	2,569,515	1.19%
SERS 2025 Retirement Fund	7,529,886	3.18%	457,094	79,066	6,993,726	3.25%
SERS 2030 Retirement Fund	17,361,488	7.34%	101,751	236,689	17,023,047	7.90%
SERS 2035 Retirement Fund	20,655,271	8.73%	1,612,418	306,177	18,736,677	8.70%
SERS 2040 Retirement Fund	24,384,921	10.31%	1,967,382	414,253	22,003,287	10.22%
SERS 2045 Retirement Fund	26,221,550	11.09%	2,115,942	495,188	23,610,421	10.96%
SERS 2050 Retirement Fund	27,724,981	11.72%	1,838,727	570,644	25,315,610	11.75%
SERS 2055 Retirement Fund	29,132,858	12.32%	2,202,115	623,615	26,307,128	12.21%
SERS 2060 Retirement Fund	27,371,384	11.57%	1,996,929	591,890	24,782,566	11.51%
SERS 2065 Retirement Fund	24,627,972	10.41%	2,523,325	534,748	21,569,899	10.01%
<b>SERS U.S. Equity</b>	<b>\$16,404,317</b>	<b>6.94%</b>	<b>\$1,600,175</b>	<b>\$415,492</b>	<b>\$14,388,649</b>	<b>6.68%</b>
SERS U.S. Large Company Index Fund	10,058,814	4.25%	911,089	414,800	8,732,925	4.05%
SERS U.S. All Company Index Fund	3,158,955	1.34%	316,872	97,869	2,744,214	1.27%
SERS U.S. SMID Company Index Fund	3,186,547	1.35%	372,214	(97,177)	2,911,510	1.35%
<b>SERS Non-U.S. Equity</b>	<b>\$5,815,742</b>	<b>2.46%</b>	<b>\$1,126,407</b>	<b>\$62,383</b>	<b>\$4,626,952</b>	<b>2.15%</b>
SERS Global Non-U.S. Index Fund	5,815,742	2.46%	1,126,407	62,383	4,626,952	2.15%
<b>SERS Fixed Income</b>	<b>\$5,247,896</b>	<b>2.22%</b>	<b>\$(2,006,641)</b>	<b>\$56,658</b>	<b>\$7,197,879</b>	<b>3.34%</b>
SERS Short Term Investment Fund	2,256,212	0.95%	(1,887,386)	49,103	4,094,496	1.90%
SERS U.S. Short Term Bond Index Fund	615,163	0.26%	(62,511)	5,106	672,568	0.31%
SERS U.S. TIPS Index Fund	583,642	0.25%	(106,199)	2,681	687,160	0.32%
SERS U.S. Bond Index Fund	1,792,879	0.76%	49,455	(232)	1,743,655	0.81%
<b>SERS Self-Directed Brokerage</b>	<b>\$1,272,104</b>	<b>0.54%</b>	<b>\$1,022,532</b>	<b>\$(2,713)</b>	<b>\$252,285</b>	<b>0.12%</b>
<b>Total Fund</b>	<b>\$236,491,736</b>	<b>100.0%</b>	<b>\$16,702,854</b>	<b>\$4,411,241</b>	<b>\$215,377,641</b>	<b>100.0%</b>

# Changes in Market Values and Contributions

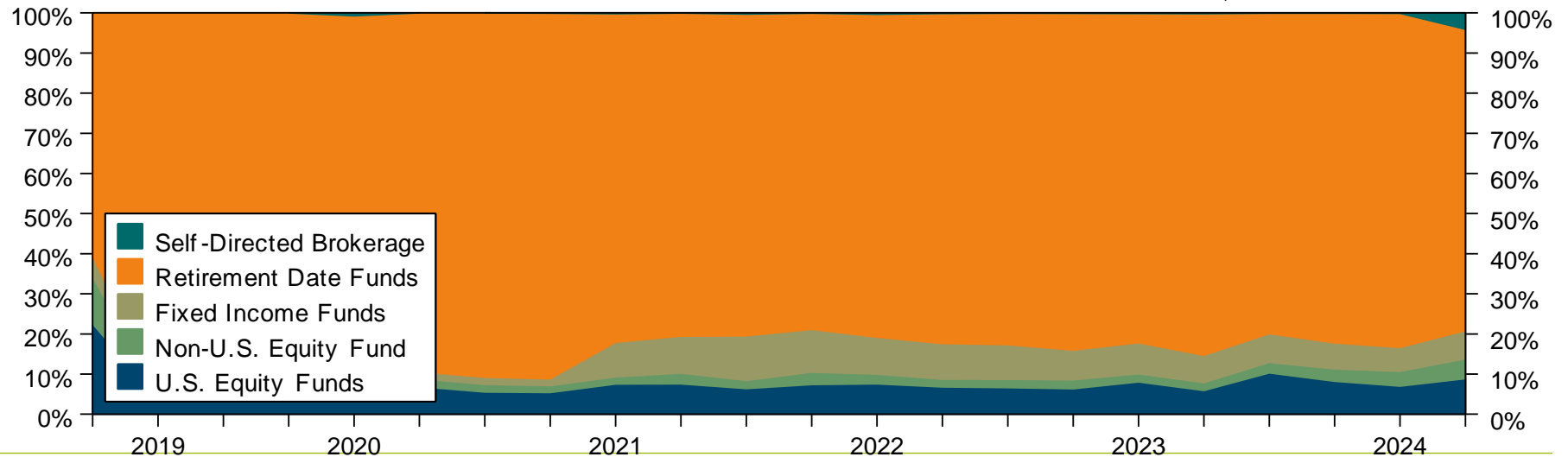
As of June 30, 2024

The chart to the right shows the change in fund values across the various investment options for the quarter ended June 30, 2024. The change in value for each fund is the result of a combination of 3 factors:

1. Market movements
2. Contributions or disbursements into or out of the fund by the participants (and any matching done by the company)
3. Transfers between funds by the participants

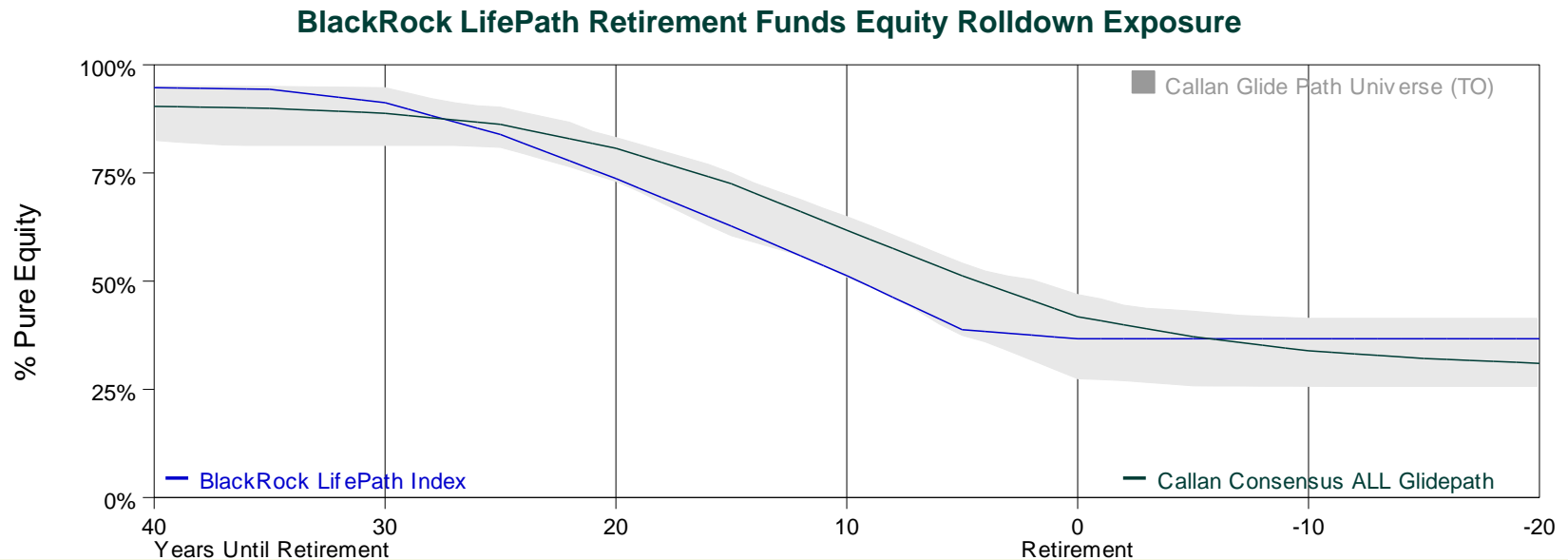
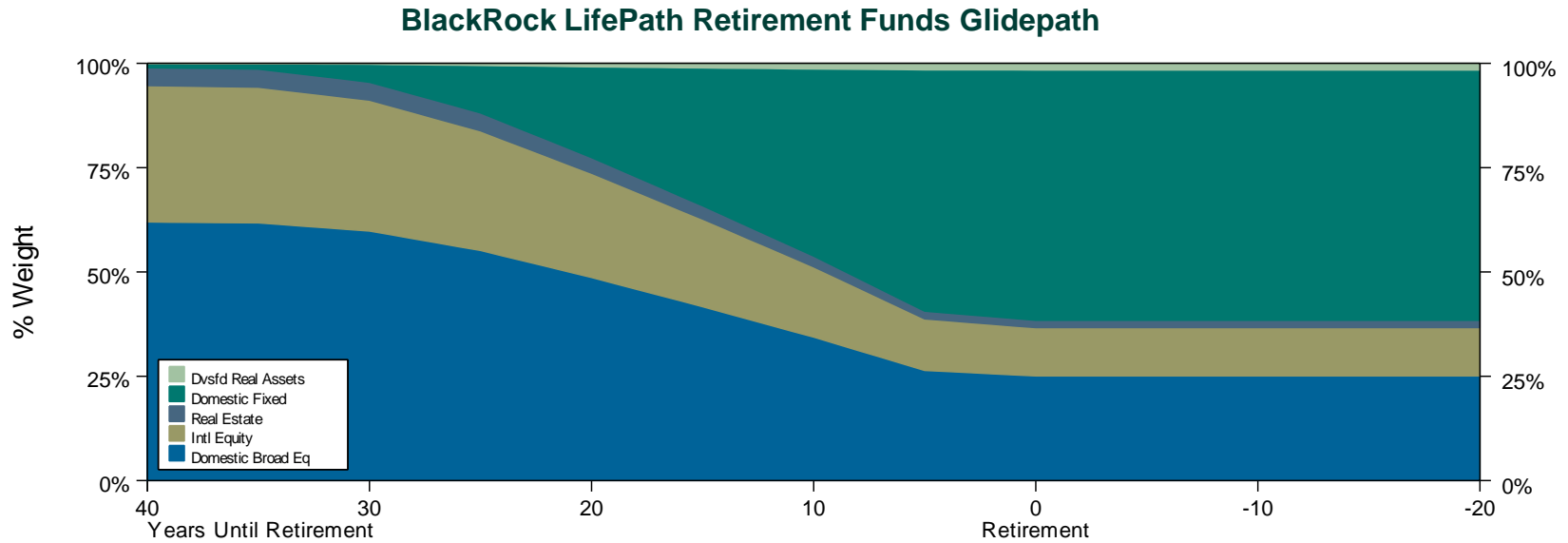


## Historical Allocation of Contributions



# Blackrock LifePath Retirement Funds

Glidepath and Equity Roll-down Exposure as of June 30, 2024



# Cumulative Performance - Net of Fees

As of June 30, 2024

	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years
<b>Net Performance</b>					
<b>Target Date Funds</b>					
SERS Post Retirement Fund	1.01%	3.53%	8.35%	0.17%	4.32%
BlackRock Post Retirement Index	0.98%	3.48%	8.44%	0.21%	4.31%
Callan Tgt Date Ret Inc	0.96%	3.53%	8.27%	0.63%	3.87%
SERS 2025 Retirement Fund	1.03%	3.76%	8.76%	0.43%	5.01%
BlackRock 2025 Index	1.01%	3.73%	8.85%	0.45%	4.99%
Callan Target Date 2025	1.06%	4.78%	10.37%	1.26%	5.70%
SERS 2030 Retirement Fund	1.23%	5.00%	10.70%	1.41%	6.26%
BlackRock 2030 Index	1.20%	4.96%	10.83%	1.44%	6.24%
Callan Target Date 2030	1.22%	5.93%	11.81%	1.85%	6.68%
SERS 2035 Retirement Fund	1.46%	6.24%	12.59%	2.33%	7.45%
BlackRock 2035 Index	1.43%	6.20%	12.74%	2.34%	7.42%
Callan Target Date 2035	1.37%	6.98%	13.29%	2.53%	7.66%
SERS 2040 Retirement Fund	1.68%	7.44%	14.45%	3.20%	8.55%
BlackRock 2040 Index	1.65%	7.41%	14.59%	3.19%	8.50%
Callan Target Date 2040	1.55%	7.99%	14.90%	3.28%	8.55%
SERS 2045 Retirement Fund	1.89%	8.57%	16.21%	4.01%	9.52%
BlackRock 2045 Index	1.86%	8.53%	16.35%	3.97%	9.45%
Callan Target Date 2045	1.64%	8.72%	16.02%	3.83%	9.26%
SERS 2050 Retirement Fund	2.06%	9.42%	17.46%	4.54%	10.09%
BlackRock 2050 Index	2.04%	9.38%	17.61%	4.49%	10.02%
Callan Target Date 2050	1.66%	9.24%	16.64%	4.00%	9.46%
SERS 2055 Retirement Fund	2.16%	9.83%	17.97%	4.75%	10.27%
BlackRock 2055 Index	2.14%	9.79%	18.14%	4.70%	10.21%
Callan Target Date 2055	1.79%	9.49%	16.90%	4.07%	9.63%
SERS 2060 Retirement Fund	2.17%	9.84%	17.99%	4.75%	10.27%
BlackRock 2060 Index	2.15%	9.80%	18.16%	4.70%	10.21%
Callan Target Date 2060	1.78%	9.51%	16.95%	4.09%	9.68%
SERS 2065 Retirement Fund	2.17%	9.85%	18.00%	4.76%	-
BlackRock 2065 Index	2.15%	9.80%	18.16%	4.70%	-
Callan Target Date 2065	1.64%	9.63%	17.05%	3.89%	9.69%

Note: SERS Funds are the top fund in each grouping followed by each fund's respective benchmark and median peer.

## Cumulative Performance - Net of Fees

As of June 30, 2024

	Last 7 Years	Last 10 Years	Last 15 Years	Last 20 Years
<b>Net Performance</b>				
<b>Target Date Funds</b>				
SERS Post Retirement Fund	4.71%	4.28%	5.95%	-
BlackRock Post Retirement Index	4.70%	4.26%	5.93%	5.21%
Callan Tgt Date Ret Inc	4.16%	3.79%	5.35%	4.28%
SERS 2025 Retirement Fund	5.48%	5.04%	7.41%	-
BlackRock 2025 Index	5.45%	4.99%	7.37%	5.81%
Callan Target Date 2025	5.90%	5.49%	8.11%	6.42%
SERS 2030 Retirement Fund	6.54%	5.89%	8.25%	-
BlackRock 2030 Index	6.50%	5.82%	8.19%	6.30%
Callan Target Date 2030	6.77%	6.27%	8.91%	6.29%
SERS 2035 Retirement Fund	7.53%	6.68%	9.02%	-
BlackRock 2035 Index	7.48%	6.60%	8.95%	6.73%
Callan Target Date 2035	7.59%	6.86%	9.60%	7.20%
SERS 2040 Retirement Fund	8.44%	7.40%	9.73%	-
BlackRock 2040 Index	8.37%	7.29%	9.63%	7.11%
Callan Target Date 2040	8.29%	7.45%	10.09%	6.94%
SERS 2045 Retirement Fund	9.20%	7.98%	10.31%	-
BlackRock 2045 Index	9.11%	7.85%	10.21%	7.43%
Callan Target Date 2045	8.84%	7.85%	10.20%	-
SERS 2050 Retirement Fund	9.64%	8.28%	10.71%	-
BlackRock 2050 Index	9.54%	8.16%	10.61%	7.76%
Callan Target Date 2050	8.97%	8.04%	10.40%	-
SERS 2055 Retirement Fund	9.76%	8.35%	-	-
BlackRock 2055 Index	9.67%	8.23%	-	-
Callan Target Date 2055	9.15%	8.12%	10.38%	-
SERS 2060 Retirement Fund	9.75%	-	-	-
BlackRock 2060 Index	9.68%	-	-	-
Callan Target Date 2060	9.21%	8.23%	-	-

Note: SERS Funds are the top fund in each grouping followed by each fund's respective benchmark and median peer.

Funds not listed do not have longer term history.

# Cumulative Performance - Net of Fees

As of June 30, 2024

	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years
<b>Net Performance</b>					
<b>Domestic Equity</b>					
SERS U.S. Large Company Index Fund	4.28%	15.28%	24.55%	10.01%	15.05%
S&P 500 Index	4.28%	15.29%	24.56%	10.01%	15.05%
Callan Lg Cap Broad MF	3.65%	15.35%	25.28%	7.78%	14.14%
SERS U.S. All Company Index Fund	3.12%	13.35%	28.72%	7.98%	14.06%
Russell 3000 Index	3.22%	13.56%	23.13%	8.05%	14.14%
Callan Multi Cap Brd MF	0.34%	9.91%	18.63%	6.03%	11.34%
SERS U.S. SMID Company Idx Fund	(3.40%)	3.45%	15.11%	(2.19%)	8.89%
Dow Jones US Completion	(3.44%)	3.27%	14.67%	(2.64%)	8.55%
Callan SMID Broad MFs	(3.79%)	3.45%	9.96%	0.43%	8.59%
<b>International Equity</b>					
SERS Global Non-U.S. Index Fund	1.08%	5.80%	11.54%	0.65%	5.77%
MSCI ACWI ex US	0.96%	5.69%	11.62%	0.46%	5.55%
Callan Non US Equity MFs	(0.04%)	4.87%	9.93%	1.70%	6.23%
<b>Domestic Fixed Income</b>					
SERS Short Term Investment Fund	1.31%	2.62%	5.30%	3.07%	2.19%
3-month Treasury Bill	1.32%	2.63%	5.40%	3.03%	2.16%
Callan Cash Database(1)	1.35%	2.71%	5.65%	3.13%	2.31%
SERS U.S. Short Term Bond Idx Fund	0.96%	1.38%	4.86%	0.54%	1.24%
Blmbg Gov/Cred 1-3 Yr	0.95%	1.38%	4.87%	0.55%	1.25%
Callan Short US Govt MFs	0.91%	1.46%	4.54%	(0.03%)	0.79%
SERS U.S. TIPS Index Fund	0.78%	0.70%	2.72%	(1.31%)	2.07%
Blmbg US TIPS	0.79%	0.70%	2.71%	(1.33%)	2.07%
Callan TIPS MFs	0.86%	0.88%	2.66%	(1.48%)	1.97%
SERS U.S. Bond Index Fund	0.07%	(0.71%)	2.63%	(3.02%)	(0.23%)
Blmbg Aggregate	0.07%	(0.71%)	2.63%	(3.02%)	(0.23%)
Callan Core Bond MFs	0.28%	(0.19%)	3.36%	(2.98%)	0.13%

(1) Callan Cash Database includes STIF, enhanced cash, and money market funds.

# Cumulative Performance - Net of Fees

As of June 30, 2024

	Last 7 Years	Last 10 Years	Last 15 Years	Last 20 Years
<b>Net Performance</b>				
<b>Domestic Equity</b>				
SERS U.S. Large Company Index Fund	14.28%	12.87%	14.83%	10.33%
S&P 500 Index	14.28%	12.86%	14.82%	10.29%
Callan Lg Cap Broad MF	13.63%	12.01%	14.29%	10.19%
SERS U.S. All Company Index Fund	13.41%	12.11%	-	-
Russell 3000 Index	13.48%	12.15%	14.49%	10.17%
Callan Multi Cap Brd MF	11.13%	9.77%	12.70%	9.19%
SERS U.S. SMID Company Idx Fund	9.00%	8.37%	12.77%	9.45%
Dow Jones US Completion	8.69%	8.10%	12.50%	9.21%
Callan SMID Broad MFs	9.03%	7.72%	12.36%	9.20%
<b>International Equity</b>				
SERS Global Non-U.S. Index Fund	5.42%	4.08%	6.40%	-
MSCI ACWI ex US	5.17%	3.84%	6.21%	5.78%
Callan Non US Equity MFs	5.52%	4.19%	6.90%	6.12%
<b>Domestic Fixed Income</b>				
SERS Short Term Investment Fund	2.13%	1.62%	1.15%	1.70%
3-month Treasury Bill	2.07%	1.51%	1.04%	1.57%
Callan Cash Database(1)	2.25%	1.77%	1.31%	1.92%
Blmbg Gov/Cred 1-3 Yr	1.52%	1.35%	1.48%	2.15%
Callan Short US Govt MFs	1.17%	1.01%	1.21%	2.01%
Blmbg US TIPS	2.47%	1.91%	3.11%	3.57%
Callan TIPS MFs	2.32%	1.75%	2.97%	3.37%
SERS U.S. Bond Index Fund	0.86%	1.33%	2.46%	3.09%
Blmbg Aggregate	0.86%	1.35%	2.50%	3.12%
Callan Core Bond MFs	1.14%	1.54%	3.05%	3.36%

(1) Callan Cash Database includes STIF, enhanced cash, and money market funds.

\*Funds not listed do not have longer term history.

# Performance Summary & Expense Ratios as of June 30, 2024

Investment Manager	Last Quarter Return	Last Year Return	3 Year Return	5 Year Return	7 Year Return	10 Year Return	5 Year Return Consistency	5 Year Risk Quadrant	Expense Ratio
<b>Net of Fee Performance</b>									
<b>Target Date Funds</b>									
<b>SERS Post Retirement Fund</b> Callan Tgt Date Ret Inc	1.0 42	8.3 45	0.2 61	4.3 30	4.7 17	4.3 18			0.07 77
BlackRock Post Retirement Index	1.0 47	8.4 43	0.2 61	4.3 31	4.7 17	4.3 19			
<b>SERS 2025 Retirement Fund</b> Callan Target Date 2025	1.0 55	8.8 83	0.4 83	5.0 74	5.5 74	5.0 77			0.07 76
BlackRock 2025 Index	1.0 57	8.8 82	0.4 83	5.0 77	5.5 75	5.0 78			
<b>SERS 2030 Retirement Fund</b> Callan Target Date 2030	1.2 47	10.7 79	1.4 72	6.3 71	6.5 66	5.9 71			0.07 70
BlackRock 2030 Index	1.2 55	10.8 74	1.4 69	6.2 71	6.5 68	5.8 77			
<b>SERS 2035 Retirement Fund</b> Callan Target Date 2035	1.5 38	12.6 66	2.3 62	7.5 66	7.5 55	6.7 71			0.07 76
BlackRock 2035 Index	1.4 43	12.7 62	2.3 62	7.4 66	7.5 58	6.6 74			
<b>SERS 2040 Retirement Fund</b> Callan Target Date 2040	1.7 41	14.4 60	3.2 57	8.5 51	8.4 39	7.4 54			0.07 73
BlackRock 2040 Index	1.7 43	14.6 58	3.2 57	8.5 55	8.4 47	7.3 62			
<b>SERS 2045 Retirement Fund</b> Callan Target Date 2045	1.9 33	16.2 43	4.0 34	9.5 31	9.2 30	8.0 39			0.07 76
BlackRock 2045 Index	1.9 38	16.4 40	4.0 36	9.4 37	9.1 34	7.8 50			
<b>SERS 2050 Retirement Fund</b> Callan Target Date 2050	2.1 23	17.5 26	4.5 19	10.1 16	9.6 13	8.3 27			0.07 73
BlackRock 2050 Index	2.0 27	17.6 21	4.5 23	10.0 19	9.5 19	8.2 39			
<b>SERS 2055 Retirement Fund</b> Callan Target Date 2055	2.2 17	18.0 17	4.7 13	10.3 10	9.8 11	8.3 31			0.07 76
BlackRock 2055 Index	2.1 18	18.1 13	4.7 14	10.2 12	9.7 14	8.2 40			
<b>SERS 2060 Retirement Fund</b> Callan Target Date 2060	2.2 16	18.0 17	4.8 13	10.3 17	9.8 14				0.07 75
BlackRock 2060 Index	2.2 17	18.2 14	4.7 16	10.2 21	9.7 17				

Returns:  
■ above median  
■ third quartile  
■ fourth quartile

Return Consistency:  
■ above median  
■ third quartile  
■ fourth quartile

Risk Quadrant:  
  
Return  
Risk

Expense Ratio:  
■ below median  
■ second quartile  
■ first quartile

Note: For returns, each SERS Fund and corresponding benchmark return are shown with their respective peer group rankings. For returns, lower peer group rankings are more desirable (e.g. 25th percentile equates to top quartile performance). Expense Ratio: Higher peer group rankings are more desirable (e.g. 75th percentile equates to bottom quartile/cheapest fees).



# Performance Summary & Expense Ratios as of June 30, 2024

Investment Manager	Last Quarter Return	Last Year Return	3 Year Return	5 Year Return	7 Year Return	10 Year Return	5 Year Return Consistency	5 Year Risk Quadrant	Expense Ratio
<b>SERS 2065 Retirement Fund</b> Callan Target Date 2065 BlackRock 2065 Index	2.2 15 2.2 17	18.0 22 18.2 16	4.8 15 4.7 19						0.07 68
<b>Domestic Equity</b>									
<b>SERS U.S. Large Company Stock Index Fund</b> Callan Lg Cap Broad MF S&P 500 Index	4.3 40 4.3 40	24.5 51 24.6 51	10.0 23 10.0 23	15.0 39 15.0 39	14.3 44 14.3 44	12.9 42 12.9 42			0.02 100
<b>SERS U.S. All Company Index Fund</b> Callan Multi Cap Brd MF Russell 3000 Index	3.1 30 3.2 28	28.7 18 23.1 34	8.0 30 8.1 28	14.1 28 14.1 28	13.4 29 13.5 28	12.1 23 12.1 23			0.03 99
<b>U.S. Small/Mid Company Stock Index Fund</b> Callan SMD Broad MFs Dow Jones US Completion	-3.4 39 -3.4 39	15.1 14 14.7 16	-2.2 68 -2.6 70	8.9 47 8.6 51	9.0 51 8.7 54	8.4 48 8.1 49			0.03 100
<b>International Equity</b>									
<b>SERS Global Non-U.S. Index Fund</b> Callan Non US Equity MFs MSCI ACWI ex US	1.1 20 1.0 21	11.5 32 11.6 31	0.6 65 0.5 66	5.8 63 5.5 68	5.4 53 5.2 60	4.1 55 3.8 64			0.05 99
<b>Domestic Fixed Income</b>									
<b>SERS Short Term Investment Fund</b> Callan Cash Database 3-month Treasury Bill	1.3 65 1.3 63	5.3 87 5.4 84	3.1 55 3.0 57	2.2 78 2.2 80	2.1 76 2.1 85	1.6 77 1.5 90			0.00 100
<b>Comments:</b> Callan Cash Database includes STIF, enhanced cash, and money market funds.									
<b>SERS U.S. Short Term Bond Idx Fund</b> Callan Short US Govt MFs Blmbg Gov/Cred 1-3 Yr	1.0 39 1.0 40	4.9 31 4.9 31	0.5 28 0.6 27	1.2 19 1.2 19		1.5 14 1.4 15			0.02 100
<b>SERS U.S. TIPS Index Fund</b> Callan TIPS MFs Blmbg US TIPS	0.8 72 0.8 72	2.7 45 2.7 45	-1.3 33 -1.3 34	2.1 42 2.1 42		2.5 36 1.9 27			0.02 98

Returns:  
 above median  
 third quartile  
 fourth quartile

Return Consistency:  
 above median  
 third quartile  
 fourth quartile

Risk Quadrant:

Expense Ratio:  
 below median  
 second quartile  
 first quartile

Note: For returns, each SERS Fund and corresponding benchmark return are shown with their respective peer group rankings. For returns, lower peer group rankings are more desirable (e.g. 25th percentile equates to top quartile performance). Expense Ratio: Higher peer group rankings are more desirable (e.g. 75th percentile equates to bottom quartile/cheapest fees).

# Performance Summary & Expense Ratios as of June 30, 2024

Investment Manager	Last Quarter Return	Last Year Return	3 Year Return	5 Year Return	7 Year Return	10 Year Return	5 Year Return Consistency	5 Year Risk Quadrant	Expense Ratio
<b>SERS U.S. Bond Index Fund</b>	0.1 91	2.6 80	-3.0 56	-0.2 91	0.9 85	1.3 82			0.02 100
Callan Core Bond MFs									
Bimbg Aggregate	0.1 92	2.6 80	-3.0 57	-0.2 91	0.9 85	1.3 80			

Returns:  
 above median  
 third quartile  
 fourth quartile

Return Consistency:  
 above median  
 third quartile  
 fourth quartile

Risk Quadrant:  
 above median  
 third quartile  
 fourth quartile

Expense Ratio:  
 below median  
 second quartile  
 first quartile

Note: For returns, each SERS Fund and corresponding benchmark return are shown with their respective peer group rankings. For returns, lower peer group rankings are more desirable (e.g. 25th percentile equates to top quartile performance). Expense Ratio: Higher peer group rankings are more desirable (e.g. 75th percentile equates to bottom quartile/cheapest fees).

# 401(a) Plan Investment Structure

## Lineup Mapped to Callan's Clean Sheet



Callan

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**Appendix – Callan Update**

# Published Research Highlights: 2Q24

## Quantifying Sequence-of-Returns Risk



## Sector-Specialist Strategies and Large LPs' Portfolios



## 2024 Asset Manager DEI Study



## 2024 Defined Contribution Trends Survey



## Recent Blog Posts

**Commercial Real Estate Capital Markets and Institutional Investors**

Christine Mays

**A Look at How We Did With Our Capital Markets Assumptions**

Greg Allen and Julia Moriarty

**Is This a Time for Active Managers to Shine?**

Tony Lissuzzo

## Additional Reading

Active vs. Passive quarterly charts

*Capital Markets Review* quarterly newsletter

Monthly Updates to the Periodic Table

*Market Pulse Flipbook* quarterly markets update

Market Intelligence (clients-only)

*Real Estate Indicators* market outlook

# Callan Institute Events

Upcoming conferences, workshops, and webinars

## Callan College

### Intro to Investments—Learn the Fundamentals

This course is for institutional investors, including trustees and staff members of public plans, corporate plans, and nonprofits. This session familiarizes trustees and staff with basic investment theory, terminology, and practices.

– September 24-26, 2024 – Virtual Session via Zoom

Please visit our website at [callan.com/events-education](https://callan.com/events-education) as we add dates to our 2024 calendar!

## Mark Your Calendar

### 2024 Regional Workshops

October 22, 2024 – Denver

October 23, 2024 – Chicago

*Watch your email for further details and an invitation.*

## 2025 National Conference

### Mark your calendars for this event in Scottsdale on April 27-29, 2025

Our annual conference will feature mainstage speakers and Callan lead workshops on a variety of topics.

This year we welcome Zanny Minton Beddoes to the stage.

*Registration for this event will open in January 2025!*

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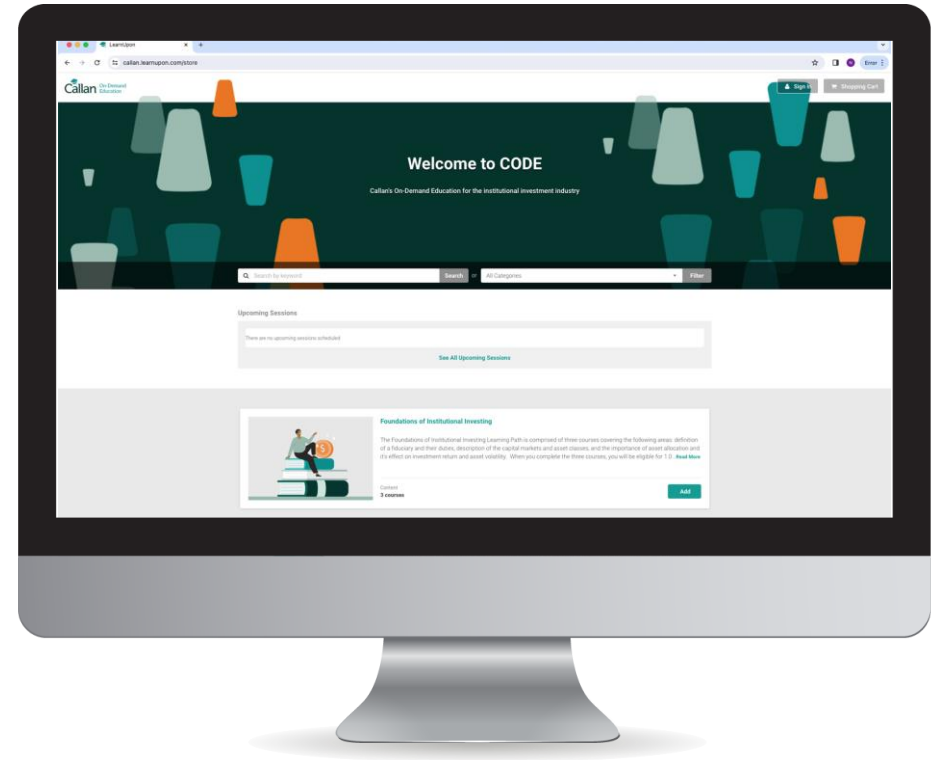


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