

**Testimony of Linda Herman on Bill 28-24  
January 27, 2026**

I am Linda Herman. My testimony is based on my experience as Executive Director of the Montgomery County Employee Retirement Plans (MCERP) from 2004 to 2022 and as the investment boards' trustee representing County retirees since October 2024.

Bill 28-24 would shift the selection of the actuary and setting actuarial assumptions from the Chief Administrative Officer to the BIT, the Board of Investment Trustees. The OLO report does not discuss why this bill is needed. Under current law, the CAO sets the assumptions after consulting with the BIT and the actuary, with input from Finance, OMB, OHR, and MCERP. This collaborative process of **shared responsibility** was strengthened by the attached Memorandums of Understanding (MOUs) signed by the chairs of the BIT and the CRHBT and the CAO on December 3, 2025.

**This collaboration is essential.** The BIT does not have the expertise to set actuarial assumptions. The majority of trustees have heavy job obligations of their own. The BIT meets just four times a year. Making actuarial decisions that impact the funding when the trustees do not have the requisite knowledge could result in violations of their fiduciary duties and County law. That is why the boards created and the CAO approved the MOUs. Moreover, trustees who participate in the defined benefit plan could face a conflict of interest and violate County law if they set actuarial assumptions that result in increased retirement benefits for themselves as plan participants.

For a few trustees, Bill 28-24 is just the start. They want the BIT to have "**independence**" from the County. The bottom-line impact of Bill 28-24 and the "**independence**" agenda is to exclude the CAO, who is the Plan Administrator by law. This change would weaken the strong internal controls and guardrails that protect the massive trust fund assets and the financial security of retirees and employees.

During my 22 years with MCERP, I worked closely with four different CAOs and dozens of board members. I know from personal experience the vital importance of the internal controls and guardrails provided by the **shared responsibility** model.

Over the past three years, the investment boards have shifted their focus from investment issues to governance issues. The BIT's investment performance, for assets that total more than **\$8 billion**, has fallen from the **top 10%** of our peers for the 15 year period before 2022 to the **bottom 10%** for last three years. The ERS's funded status, which was above 100%, has also fallen significantly.

It is time to return to the high standards and performance of a top-tier retirement system. The boards' MOUs with the CAO provide that opportunity. Bill 28-24 does not.

Attachments:

12/3/25 MOUs signed by the board chairs and the CAO

June 30, 2025 ERS performance comparison from the MCERP website

December 31, 2021 ERS performance comparison from the MCERP website

June 30, 2025 Maryland State Pension System performance comparison from their website

## MEMORANDUM OF UNDERSTANDING BETWEEN THE BOARD OF INVESTMENT TRUSTEES AND THE CHIEF ADMINISTRATIVE OFFICER

**Purpose:** The purpose of this memorandum is to establish a process for the Board of Investment Trustees of the Employees' Retirement System (BIT) to work collaboratively with the Chief Administrative Officer (CAO) on the following subjects of mutual interest and concern to promote transparency, mitigate risk, and better provide for the fulfillment of the fiduciary roles of the trustees:

1. Developing a formal process for procuring certain service providers, including actuarial services, and determining the prudent investment rate of return assumption for the ERS based on the actuary's recommendation.
2. Clarifying the Board's role in hiring, evaluating, overseeing, and compensating the Executive Director, and exploring options for managing retention risk, ensuring competitive compensation, and establishing positive pay-for-performance initiatives for staff while still maintaining their merit system protections.

### Service Providers:

1. Background:
  - a. Section 33-47(a) & (c) of the Montgomery County Code (MCC) provides:  
*Responsibility for administration.* The chief administrative officer shall be responsible for the administration of the retirement system.  
  
*Chief administrative officer.* Except for the powers of the board, the chief administrative officer has the power and the duty to take all actions and to make all decisions to administer the retirement system.
  - b. Section 33-47(d)(6)-(8) of the MCC provides:  
*Powers and duties of the Chief Administrative Officer.* The Chief Administrative Officer has, but is not limited to, the following powers and duties:
    - (6) Select and retain the actuary for the retirement system;
    - (7) After consultation with the board and the actuary for the retirement system, determine the actuarial cost method, and the mortality, turnover, interest rates, and other assumptions to be used in actuarial and other computations for the retirement system;
    - (8) Consider the recommendation of the actuary for the retirement system on contributions the county makes under this article.
  - c. Section 33-47(f) of the MCC provides:  
*Exemption.* Chapter 11B does not apply to the procurement of goods and services for the retirement system by the Chief Administrative Officer.
  - d. Section 33-164(c) of the MCC provides:  
Procurement. Chapter 11B does not apply to the procurement of goods and services for the Trust Fund by the Director of Finance. (2008 L.M.C., ch. 3, § 1.)
  - e. This Memorandum of Understanding (MOU) incorporates by reference the MOU signed by the Chair of the Board of Investment Trustees and the County Attorney.
2. Process for Reviewing Actuarial Consultant's Recommendations on the Investment Rate of Return
  - a. Beginning with the Actuarial Services for the upcoming 2026 valuation of the Employees'

Retirement System (ERS), the staff of the Montgomery County Employee Retirement Plans (MCERP), the Office of Human Resources, the Office of Management and Budget, and the Department of Finance, will jointly be responsible for the procurement of these services.

- i. Such procurement will be subject to the oversight and supervision of the CAO or the CAO's designee.
- b. After completion of the Actuarial review by the selected consultant the CAO and CAO's staff will meet with the Executive Director of the MCERP, the Chair and Vice-Chair of the BIT, the Director of Finance, the Director of the Office of Management and Budget, and the Director of the Office of Human Resources, and the Actuarial consultant to review and discuss the Actuary's recommendations for the investment rate of return. Subsequent meetings of this group may be necessary for additional discussion of the recommendation.
  - i. The goal of these meetings is to reach a consensus on whether to accept, modify, or seek additional research, analysis, and clarification of the Actuarial Consultant's recommendation related to the investment return assumption.
  - ii. After a consensus is reached, a presentation will be made to the BIT for the input of the board.
  - iii. The CAO and the BIT may agree on up to a three-year phase-in of the consultant's recommendation for any modification to the investment return assumption.
  - iv. If the actuarial investment return assumption approved by the CAO materially varies from the Actuary's recommendations, then the CAO and the Board would need to document the factual and analytical basis for the variance.

### **Hiring, evaluating, overseeing, and compensating the Executive Director:**

#### 1. Background

- a. The position of the Executive Director of the MCERP is classified as Management Leadership Service (MLS) I. The class specification for MLS I provides:

A position in this class functions in one of the following three high level management roles: 1) director of a principal, mission-critical office or equivalent organizational unit who reports directly to the County Executive or Chief Administrative Officer; 2) exercises delegated full line management responsibility for human capital and financial resources of the organization; and 3) plans, develops, implements and evaluates policies and work programs; typically characteristic of merit executive directors of principal offices or equivalent entities of the executive branch.

#### 2. Hiring

- a. The process for hiring the Executive Director will include the following steps.
  - i. The CAO or the CAO's designee will meet with the Chair of the BIT (Board Chair) to discuss the job announcement for the Executive Director and agree on the strategy for the recruitment of the new Executive Director including whether to use an Executive Recruiter or have the Montgomery County Government Office of Human Resources (OHR) manage the recruitment process; timeline; levels of interview; interview questions; and other related matters.
  - ii. All interviews of the Executive Director candidates will be conducted through a panel that will include the respective Board Chairs ("BIT and CRHBT") or designees; the CAO or designee; and a representative of OHR.
  - iii. The Board Chairs will provide timely reports to their respective Boards through email or in-person briefings on the status of the recruitment and the estimated timeline for the onboarding of the Executive Director.
  - iv. After completion of the interviews, the Board Chairs will make a recommendation on

the candidate to fill the Executive Director vacancy to the CAO, including recommended compensation and other relevant terms of the employment offer.

- v. If the CAO does not accept the recommendation of the Board Chairs, then another candidate will be recommended for hire to the CAO, or the recruitment process will be restarted to identify a candidate that will meet the hiring criteria of the Board Chairs and the CAO.
- vi. OHR will extend the offer to the recommended candidate with the authorization of the CAO. The offer will be subject to the successful completion of a background investigation of the candidate.

### 3. Overseeing

- a. Establishing the annual performance plan for the Executive Director and subsequent performance evaluation will be based on Montgomery County Personnel Regulation (MCPR) 2001, Section 11 Performance Planning and Evaluation<sup>1</sup>, and incorporate the following steps:
  - i. In June of each year, the BIT Board Chair will review and discuss the annual work program of the Executive Director with the CAO or CAO's designee and the Executive Director based on implementation of the strategic plan for the MCERP and the investment strategy for the ERS Trust.
  - ii. On or about July 1 each year, the annual work program, including goals, objectives, competencies, and performance measures, will be finalized, approved, and signed by the Executive Director, the Board, and the CAO or CAO's designee.
  - iii. The Board Chair will meet during January of each year to discuss the mid-year evaluation of the performance of the Executive Director with the CAO or designee and the Executive Director.
  - iv. Prior to the mid-year evaluation, the Board Chair will confidentially ask for the feedback of their respective board members on the performance of the Executive Director in the implementation of the annual work program.
  - v. At any time during the year, the Board Chair will timely notify the CAO or designee if there are any concerns with the Executive Director's performance or conduct. The CAO or designee will also be responsible for communicating with the Board Chair if there are any concerns with the performance of the Executive Director. The CAO or designee, in conjunction with the Board Chair, will determine what next steps will be taken. However, in accordance with the County Code, any final decision on continued employment rests solely with the CAO.
  - vi. Any performance concerns and mitigation plans must be communicated to the Executive Director on a timely and discreet basis and allow the Executive Director a reasonable opportunity to appropriately address the issues raised by the Board Chair, other Board members, or the CAO.
  - vii. All personnel matters, including performance evaluation results, disciplinary actions, and related issues, must be strictly confidential.

### 4. Compensating the Executive Director

- a. The compensation of the Executive Director will be based on
  - i. The pay ranges established annually by the County Government for the MLS I salary schedule.
  - ii. Montgomery County Personnel Regulation 2001, Section 10 Employee Compensation<sup>2</sup>.
  - iii. Annual compensation adjustments will have three components as established under

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<sup>1</sup> [https://www.montgomerycountymd.gov/HR/Resources/Files/Regulation/MCPR\\_SECTION\\_13\\_July172018\\_w\\_PLS.pdf](https://www.montgomerycountymd.gov/HR/Resources/Files/Regulation/MCPR_SECTION_13_July172018_w_PLS.pdf)

<sup>2</sup> <https://www.montgomerycountymd.gov/HR/Resources/Files/Regulation/MCPR%202001%20Section%2010.pdf>

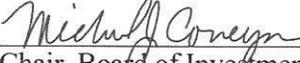
MCPR 2001,10-10. (Appendix a)

1. General Wage Adjustment approved by the County Council for unrepresented employees provided the Executive Director receives a performance rating of Below Expectations or higher.
2. Pay for performance based on the rating and current salary level in the annual performance evaluation per the matrix in MCPR 2001,10-10.
3. With approval by the CAO, the Executive Director of the Montgomery County Employee Retirement Plans is eligible to receive a lump-sum award that exceeds 4 percent of base salary but does not exceed 25 percent of base salary for exceptional performance based on the MCERP Executive Director Incentive Plan Description 2024 or subsequent modifications to this document agreed to by the Board Chair and the CAO. (Appendix (2) (C) (i))
4. With the Approval of the CAO, the Executive Director may also receive performance awards established under MCPR 2001, Section 13 Performance Awards.
  - a. Awards under MCPR 2001, 13 include one-time monetary awards for Employee of the Year, Department Recognition Award, Paid Time Off awards, and other honorary awards.
- iv. As deemed necessary, the overall compensation and benefits level of the Executive Director will be evaluated by the County Government.
  1. The evaluation should be completed by an independent third-party consultant with experience in evaluating employee compensation for public pension plans.
  2. The comparison with Executive Directors and CIOs should be based on public pension plans, endowments, foundations, regional County and Municipal governments, and state agencies. A peer group will be constructed of plans with similar asset sizes, staffing, and investment programs.
5. Compensating Investment Staff
  - a. During FY 2027, MCG OHR will conduct a salary and benefits review of all MCERP positions to determine the competitiveness of the current grade and salary. These positions include, but are not limited to, the following
    - i. Investment Compliance Manager
    - ii. Investment Officer
    - iii. Investment Portfolio Manager
    - iv. Senior Investment Manager; and
    - v. Senior Investment Officer (Deputy Chief Investment Officer)

Note: The review should include newly created investment staff positions or reclassified investment staff positions with new titles and grades.
  - b. The salary and benefits review should be completed by an independent third-party consultant with experience in evaluating employee compensation for the peer group noted above.
  - c. The salary and benefits review for investment staff should be based on comparables with investment staff at public pension plans, endowments, foundations, regional County and Municipal governments, and state agencies. A peer group will be constructed of plans with similar asset sizes, staffing, and investment programs.
  - d. MCG OHR will provide the Board Chair with a copy of the completed salary review with their comments on the adequacy of current compensation levels and the risk for job turnover, retention, and recruitment based on current salary levels.

- e. At the request of the Board Chair, MCG OHR staff and the CAO or designee, will meet with the Board Chair to discuss the results of the salary and benefits survey and whether changes should be made to the assigned grade and salary of the investment staff, pay for performance, and other performance awards that would enhance employee morale, retention, and recruitment.

This Memorandum of Understanding is entered into between the Board of Investment Trustees and the Chief Administrative Officer, this day of Dec. 3, 2025.

  
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Chair, Board of Investment Trustees

  
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Chief Administrative Officer

**MEMORANDUM OF UNDERSTANDING BETWEEN THE BOARD OF  
TRUSTEES OF THE CONSOLIDATED RETIREE HEALTH BENEFIT TRUST  
AND THE CHIEF ADMINISTRATIVE OFFICER**

**Purpose:** The purpose of this memorandum is to establish a process for the Trustees of the Consolidated Retiree Health Benefits Trust Board of Trustees (CRHBT) to work collaboratively with the Chief Administrative Officer (CAO) on the following subjects of mutual interest and concern to promote transparency, mitigate risk, and better provide for the fulfillment of the fiduciary roles of both the CAO and the trustees:

1. Developing a formal process for procuring certain service providers, including actuarial services, and determining the prudent investment rate of return assumption for the fund based on the actuary's recommendations and supporting data.
2. Clarifying the Board's role in hiring, evaluating, overseeing, and compensating the Executive Director and exploring options for managing retention risk, ensuring competitive compensation, and establishing positive pay-for-performance initiatives for staff while still maintaining their merit system protections.

**Service Providers:**

1. Background:
  - a. This Memorandum of Understanding (MOU) incorporates by reference the MOU signed by the Chair of the Board and the County Attorney.
2. Process for Reviewing Actuarial Consultant's Recommendations on the Investment Rate of Return
  - a. Beginning with the Actuarial Services for the upcoming 2026 valuation of the Montgomery County Other Post Employment Benefits and the impact of the actuarially required contributions on the Consolidated Retiree Benefits Trust (CRHBT), the staff of the Montgomery County Employee Retirement Plans (MCERP), the Office of Human Resources, the Office of Management and Budget and the Department of Finance, jointly, will be responsible for the procurement of these services.
    - i. Such procurement will be subject to the oversight and supervision of the CAO or the CAO's designee.
  - b. After completion of the Actuarial review by the selected consultant, the CAO and CAO's staff will meet with the Executive Director of the MCERP, the Chair and Vice-Chair of the CRHBT Board, and the Directors or designees of the departments delineated above, and the Actuarial consultant to review and discuss the Actuary's recommendations. Subsequent meetings of this group may be necessary for additional discussion of the recommendations.
    - i. The goal of these meetings is to reach a consensus on whether to accept, modify, or seek additional research, analysis, and clarification of the Actuarial Consultant's recommendation related to the investment return assumption.
    - ii. After a consensus is reached, a presentation will be made to the CRHBT board for the input of the board.
    - iii. The CAO and CRHBT may agree on up to a three-year phase-in of the consultant's recommendation for a modification of the investment return actuarial assumption.
    - iv. If the actuarial investment return assumption approved by the CAO materially varies from the Actuary's recommendation, then the CAO and the Board would need to document the factual and analytical basis for the variance.

## Hiring, evaluating, overseeing, and compensating the Executive Director:

### 1. Background

- a. The position of the Executive Director of the MCERP is classified as Management Leadership Service (MLS) I. The class specification for MLS I provides:

A position in this class functions in one of the following three high level management roles: 1) director of a principal, mission-critical office or equivalent organizational unit who reports directly to the County Executive or Chief Administrative Officer; exercises delegated full line management responsibility for human capital and financial resources of the organization; and plans, develops, implements and evaluates policies and work programs; typically characteristic of merit executive directors of principal offices or equivalent entities of the executive branch; (emphasis added)

### 2. Hiring

- a. The process for hiring the Executive Director will include the following steps.
  - i. The CAO or the CAO's designee will meet with the Chair of the CRHBT to discuss the job announcement for the Executive Director and agree on the strategy for the recruitment of the new Executive Director including whether to use an Executive Recruiter or have the Montgomery County Government Office of Human Resources (OHR) manage the recruitment process; timeline; levels of interview; interview questions; and other related matters.
  - ii. All interviews of the Executive Director candidates will be conducted through a panel that will include the Board Chair or designee; the CAO or designee; and a representative of OHR.
  - iii. The Board Chair will provide timely reports to the Boards through email or in-person briefings on the status of the recruitment and the estimated timeline for the onboarding of the Executive Director.
  - iv. After completion of the interviews, the Board Chair will make a recommendation on the candidate to fill the Executive Director vacancy to the CAO, including recommended compensation and other relevant terms of the employment offer, in consultation with OHR.
  - v. If the CAO does not accept the recommendation of the Board Chair, another candidate may be recommended for hire to the CAO, or the recruitment process will be restarted to identify a candidate who will meet the hiring criteria of the Board Chair and the CAO.
  - vi. OHR will extend the offer to the recommended candidate with the authorization of the CAO. The offer will be subject to the successful completion of a background investigation of the candidate.

### 3. Overseeing

- a. Establishing the annual performance plan for the Executive Director and subsequent performance evaluation will be based on Montgomery County Personnel Regulation (MCPR) 2001, Section 11 Performance Planning and Evaluation<sup>1</sup>, and incorporate the following steps:
  - i. In June of each year, the Board Chair will review and discuss the annual work program of the Executive Director with the CAO or the CAO's designee and the Executive Director based on implementation of the work plan for the Board and the investment strategy.

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<sup>1</sup> [https://www.montgomerycountymd.gov/HR/Resources/Files/Regulation/MCPR\\_SECTION\\_13\\_July172018\\_w\\_PLS.pdf](https://www.montgomerycountymd.gov/HR/Resources/Files/Regulation/MCPR_SECTION_13_July172018_w_PLS.pdf)

- ii. On or about July 1 each year, the annual work program, including goals, objectives, competencies, and performance measures, will be finalized, approved, and signed by the Executive Director, the Board, and the CAO or the CAO's designee.
  - iii. The Board Chair will meet during January of each year to discuss the mid-year evaluation of the performance of the Executive Director with the CAO or designee and the Executive Director.
  - iv. Prior to the mid-year evaluation, the Board Chair will confidentially ask for the feedback of their respective boards on the performance of the Executive Director in the implementation of the annual work program.
  - v. At any time during the year, the Board Chair will timely notify the CAO or designee if there are any concerns with the Executive Director's performance or conduct. The CAO or designee will also be responsible for communicating with the Board Chair if there are any concerns with the performance of the Executive Director, and, as applicable, an action plan for remediation. However, in accordance with the County Code, any final decision on continued employment rests solely with the CAO.
  - vi. Any performance concerns and mitigation plans must be communicated to the Executive Director on a timely and discreet basis and allow the Executive Director a reasonable opportunity to appropriately address the issues raised by the Board Chair, other Board members, or the CAO.
  - vii. All personnel matters, including performance evaluation results, disciplinary actions, and related issues, must be strictly confidential.
4. Compensating the Executive Director
- a. The compensation of the Executive Director will be based on
    - i. The pay ranges established annually by the County Government for the MLS I salary schedule.
    - ii. Montgomery County Personnel Regulation 2001, Section 10 Employee Compensation<sup>2</sup>.
    - iii. Annual compensation adjustments will have three components as established under MCPR 2001,10-10. (Appendix a)
      - 1. General Wage Adjustment approved by the County Council for unrepresented employees, provided the Executive Director receives a performance rating of Below Expectations or higher.
      - 2. Pay for performance based on the rating and current salary level in the annual performance evaluation per the matrix in MCPR 2001,10-10.
      - 3. With approval by the CAO, the Executive Director of the Montgomery County Employee Retirement Plans is eligible to receive a lump-sum award that exceeds 4 percent of base salary but does not exceed 25 percent of base salary for exceptional performance based on the MCERP Executive Director Incentive Plan Description 2024 or subsequent modifications to this document agreed to by the Board Chair and the CAO. (Appendix (2) (C) (i))
      - 4. With the Approval of the CAO, the Executive Director may also receive performance awards established under MCPR 2001, Section 13 Performance Awards.
        - a. Awards under MCPR 2001, 13 include one-time monetary awards for Employee of the Year, Department Recognition Award, Paid Time Off awards, and other honorary awards.
    - iv. As deemed necessary, the overall compensation of the Executive Director will be

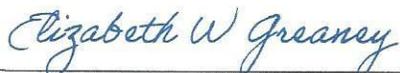
<sup>2</sup> <https://www.montgomerycountymd.gov/HR/Resources/Files/Regulation/MCPR%202001%20Section%2010.pdf>

evaluated by the County Government:

1. The evaluation should be completed by an independent third-party consultant with experience in evaluating employee compensation for public pension plans.
  2. The comparison with Executive Directors and CIOs should be based on public pension plans, endowments, foundations, regional County and Municipal governments, and state agencies. A peer group will be constructed of plans with similar asset sizes, staffing, and investment programs.
  3. The trusts will bear the cost of any such compensation study in a manner that is consistent with the allocation of similar shared costs.
5. Compensating Investment Staff
- a. During FY 2027, MCG OHR will conduct a total compensation review of all MCERP positions to determine the competitiveness of the current grade, salary, and benefits. These positions include, but are not limited to, the following:
    - i. Investment Compliance Manager
    - ii. Investment Officer
    - iii. Investment Portfolio Manager
    - iv. Senior Investment Manager; and
    - v. Senior Investment Officer (Deputy Chief Investment Officer)

Note: The review should include newly created investment staff positions or reclassified investment staff positions with new titles and grades.
  - b. This review should be completed by an independent third-party consultant with experience in evaluating employee compensation for the peer group noted above.
  - c. The review for investment staff should be based on comparables with investment staff at public pension plans, endowments, foundations, regional County and Municipal governments, and state agencies. A peer group will be constructed of plans with similar asset sizes, staffing, and investment programs.
  - d. The consultant will secure agreement from the Board on the peer group of institutions upon which the benchmarking will be performed.
  - e. MCG OHR will provide the Board Chair with a copy of the completed review with their comments on the adequacy of current compensation levels and the risk for job turnover, retention, and recruitment based on current salary levels.
  - f. At the request of the Board Chair, MCG OHR staff and the CAO or designee will meet with the Board Chair to discuss the results of the review/survey and whether changes should be made to the assigned grade and salary of the investment staff, pay for performance, and other performance awards that would enhance employee morale, retention, and recruitment.

This Memorandum of Understanding is entered into between the Board of Trustees and the Chief Administrative Officer, this 3rd day of Dec., 2025.



Chair, Consolidated Retiree Health Benefits Trust Board of Trustees

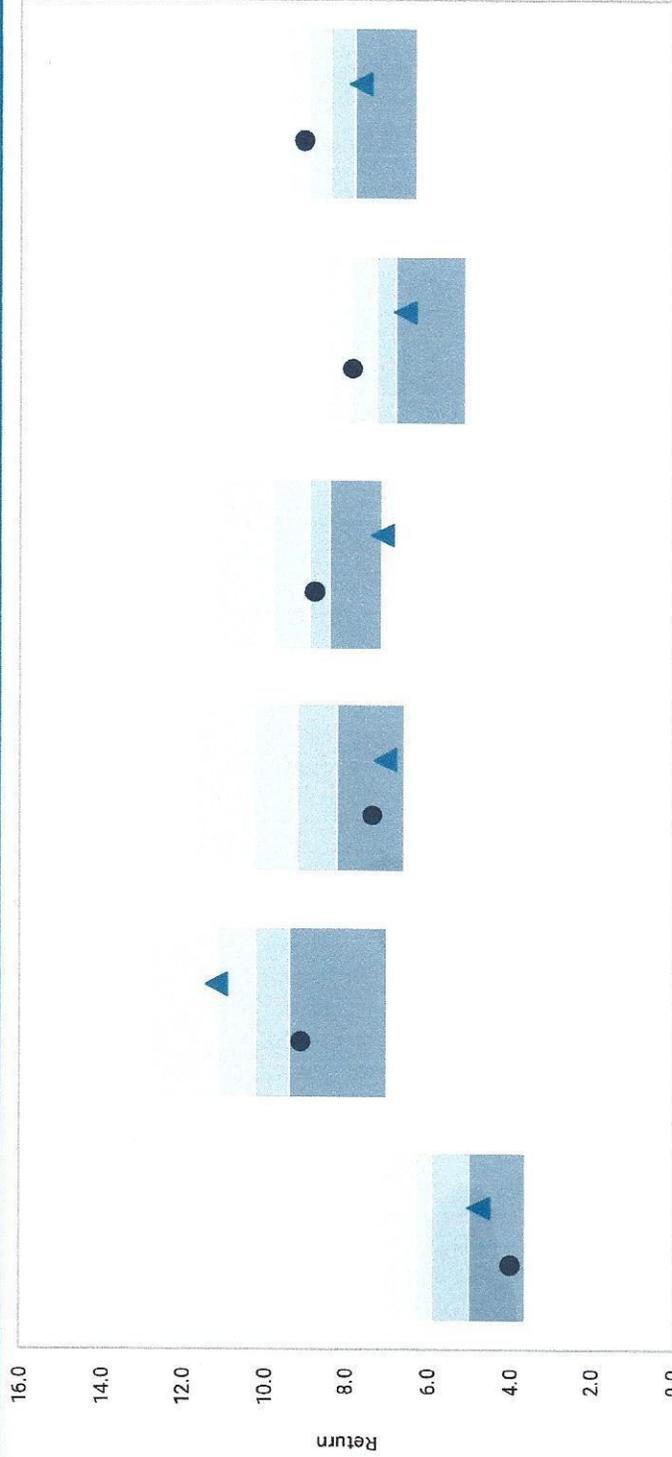


Chief Administrative Officer

# TOTAL FUND VERSUS PUBLIC DB > \$1B

JUNE 30, 2025

Total Fund Composite vs. InvMetrics Public DB > \$1 Billion



	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	15 Yrs (%)
● Total Fund Composite	4.1 (88)	9.2 (83)	7.4 (91)	8.9 (60)	7.9 (26)	9.1 (18)
▲ Total Fund Policy Index	4.8 (79)	11.2 (24)	7.1 (92)	7.2 (95)	6.6 (81)	7.7 (82)
5th Percentile	7.1	12.9	11.8	11.2	8.6	9.5
1st Quartile	6.3	11.2	10.3	9.9	8.0	9.0
Median	6.0	10.3	9.3	9.0	7.4	8.5
3rd Quartile	5.0	9.5	8.3	8.5	6.9	7.9
95th Percentile	3.7	7.1	6.6	7.2	5.2	6.4

Population

114

114

110

107

103

96

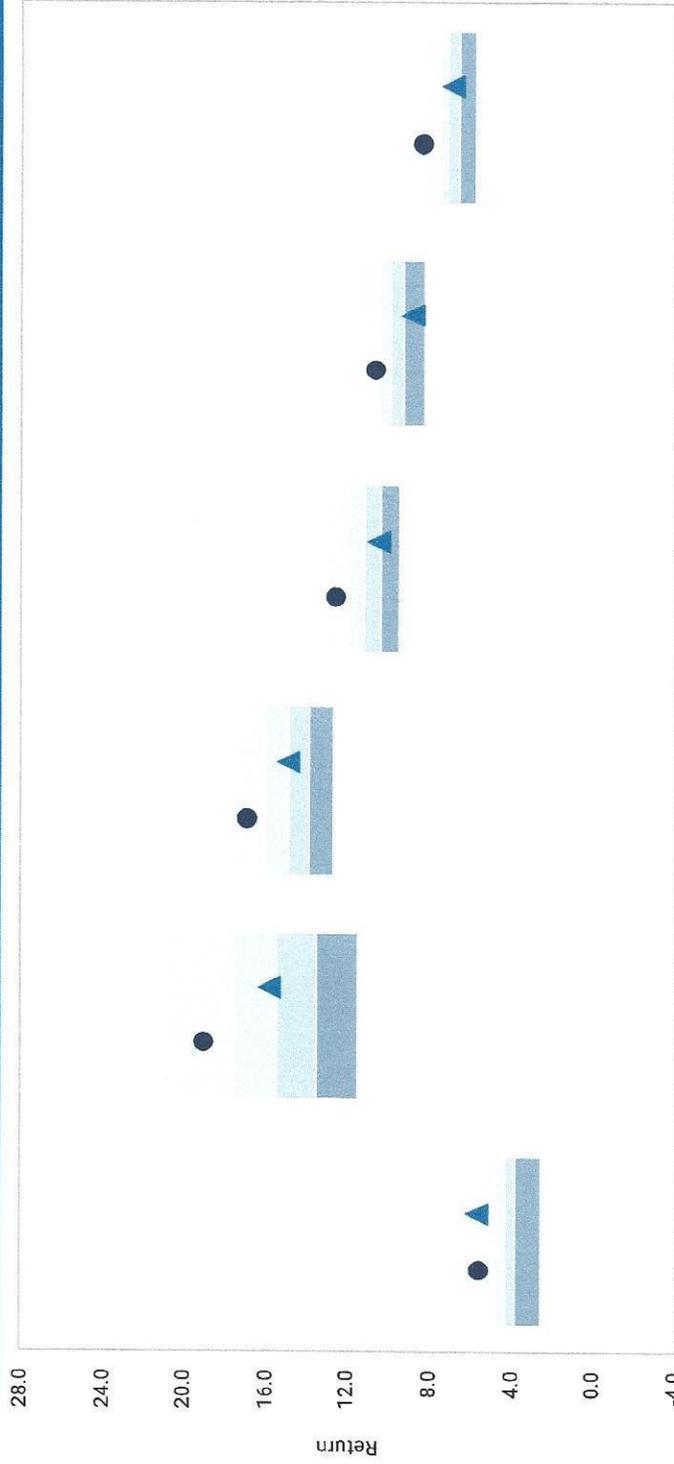
Returns are gross of investment manager fees. GQG, Arrowstreet, Directional HF, Diversifying HF, GMO, Polunin EM, Trinity and Marathon EMD returns are net of investment manager fees.



# TOTAL FUND VERSUS PUBLIC DB > \$1B

DECEMBER 31, 2021

Total Fund Composite vs. InvMetrics Public DB > \$1 Billion



	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	15 Yrs (%)
● Total Fund Composite	5.6 (6)	19.1 (14)	17.0 (15)	12.7 (12)	10.7 (22)	8.5 (7)
▲ Total Fund Policy Index	5.8 (5)	15.9 (50)	14.9 (55)	10.6 (74)	8.9 (88)	7.0 (62)
5th Percentile	5.6	21.0	17.7	13.1	11.5	8.5
1st Quartile	4.8	17.6	16.2	12.1	10.6	7.7
Median	4.3	15.6	15.0	11.3	10.1	7.3
3rd Quartile	3.9	13.6	14.0	10.5	9.4	6.7
95th Percentile	2.6	11.6	12.8	9.5	8.4	5.9

Population

157

155

153

152

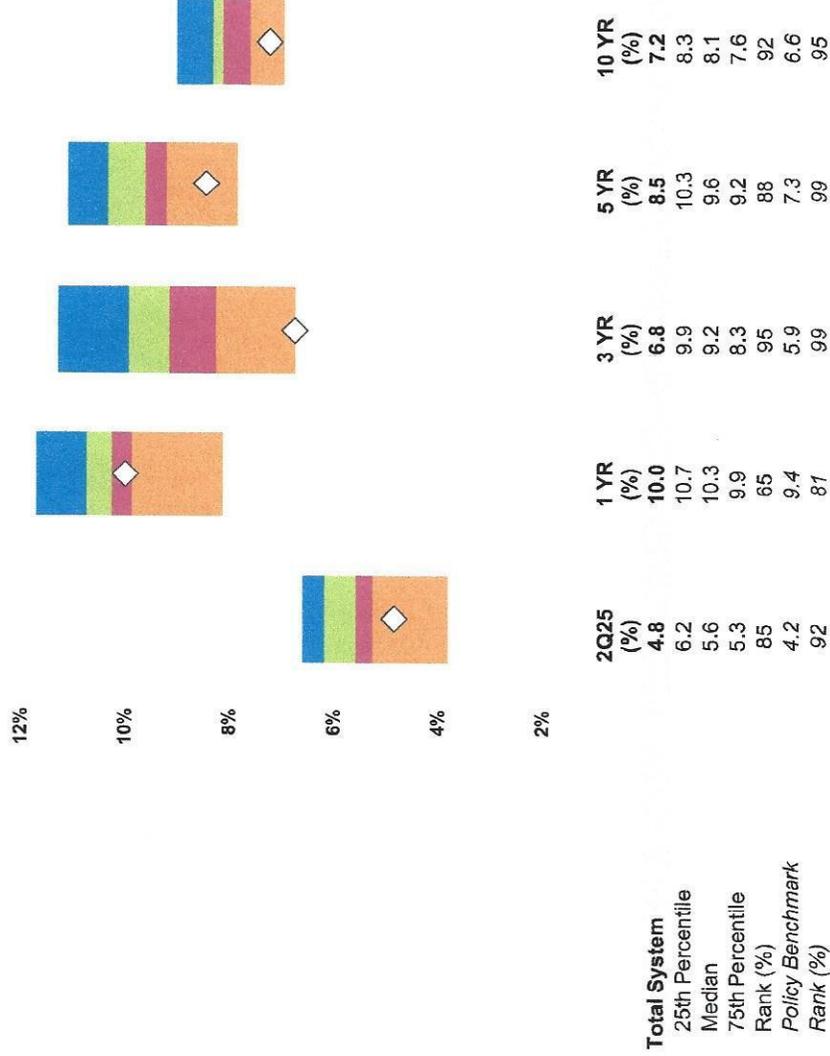
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Returns are gross of investment manager fees. GQG, Arrowstreet, Directional HF, Diversifying HF, GMO, Polunin EM, Trinity and Marathon EMD returns are net of investment manager fees.



**Total System vs. Public Plans >\$25 Billion Universe<sup>1</sup>  
As of June 30, 2025**



<sup>1</sup> Represents the TUCS Public >\$25 bn peer group as of June 30, 2025. Total System performance is gross of fees. Includes 33 plans.