



## **CEO UPDATE**

### **March 2023**

The PMRS board recently held their annual educational session to hear from our investment managers on the current economic and financial environment and to review PMRS' investment portfolio and strategy.

Given the ongoing turbulence in the financial markets, this conversation couldn't have been more timely.

I want to reinforce to our members and employers a key takeaway from this meeting: PMRS has prudently positioned our investment portfolio to weather these challenging times.

The substantial work we have done over the past two years to de-risk and diversify our portfolio has helped – we have been better protected from the declines in both the stock and bond markets. While our portfolio did experience losses, because of our investments in other real assets, we were able to perform in the top third of all public pension funds in 2022. This mirrors PMRS long-term performance which is in the top 20 percent of public pension funds over the past 10 years.

An additional benefit of our strategy is that going into 2023 we expect to save \$2.75 million in managers' fees – that is money that stays and grows in the fund.

While I am confident in our investment strategy, we must remain diligent in how we manage our members' retirement assets over the long-term. Rest assured, PMRS is continually working with our investment managers to evaluate financial markets and economic conditions to see how they may impact our investment portfolio.

Beyond investments, PMRS continues to eliminate the financial reporting backlog. We will soon complete the 2021 cycle – GASB reports, and the Annual Comprehensive Financial Report will both be completed in early April and the SOC audit is also preceding without any identified issues. We are also currently processing the 2022 financial data and expect to complete the cycle this year.

At the same time, we are addressing long-standing issues that hinder our ability to provide the best service to our members and employers. A key area is improving processing and calculations. Over the past two years, we've improved our forms, created computer generated correspondence and increased staffing. These improvements have significantly reduced processing times.

However, we can and are doing more.

For example, for the first time ever, we held a week-long, in-person training on our pension administration software. Approximately 30 staff members participated and it will make us more effective and efficient in processing client inquiries, changes, and calculations. We are also



scheduling additional sessions to further reduce resolution times for more complex processing situations.

Beyond operational improvements, this training reinforces our culture of continual improvement by helping staff grow their skills, foster collaboration, and empower them to find smarter ways of serving you.

As always, thank you for your ongoing support of PMRS.

Sincerely,

A handwritten signature in black ink that reads "Timothy Reese". The signature is written in a cursive style with a long, sweeping underline.

Timothy Reese  
CEO, PMRS