



**PENSION  
RESERVE TRUST**

FIDEICOMISO DE RESERVA DE PENSIONES

# **Working to Preserve Pension Benefits**

**Report of the Pension Reserve Trust for September 30, 2025**

**December 4, 2025**

# **Agenda**

- **Since Our Last Meeting**
- **Investment Performance**
- **Operations & Expenses**
- **Next Steps**

## **Appendices**

- A. Investment Detail**
- B. Budget & Expense Detail**
- C. FOMB FY25 Annual Report**

## Since our Last Meeting

- Completed the [FY25 audit](#).
- Began the FY25 compliance audit.
- Began Asset & Withdrawal Management study (“AWM Study”).



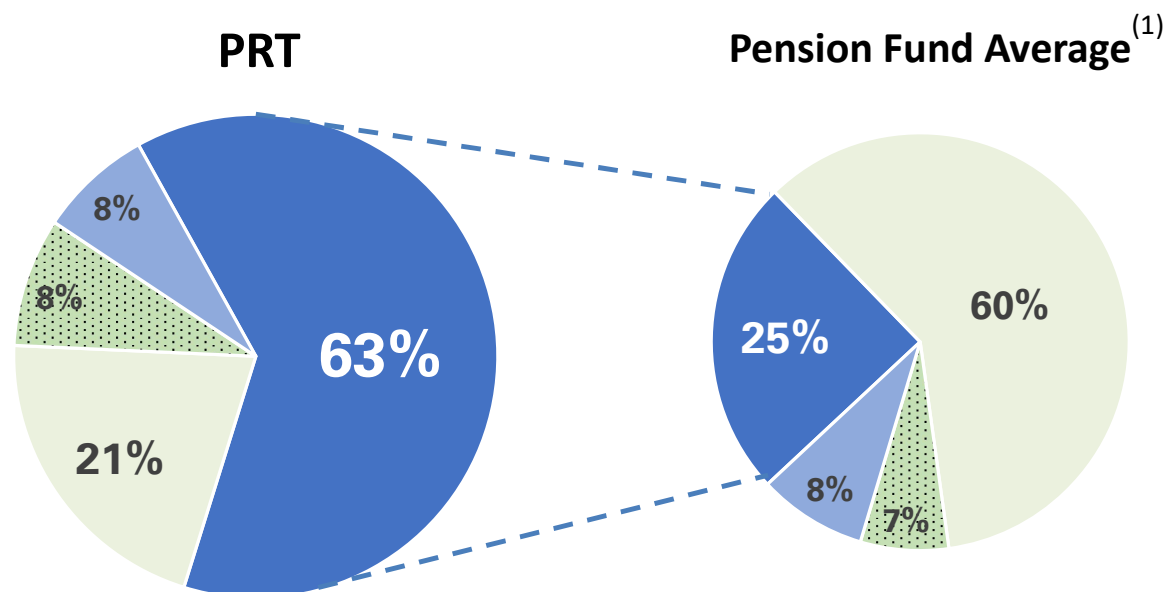
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# Investment Performance

## **We continue to:**

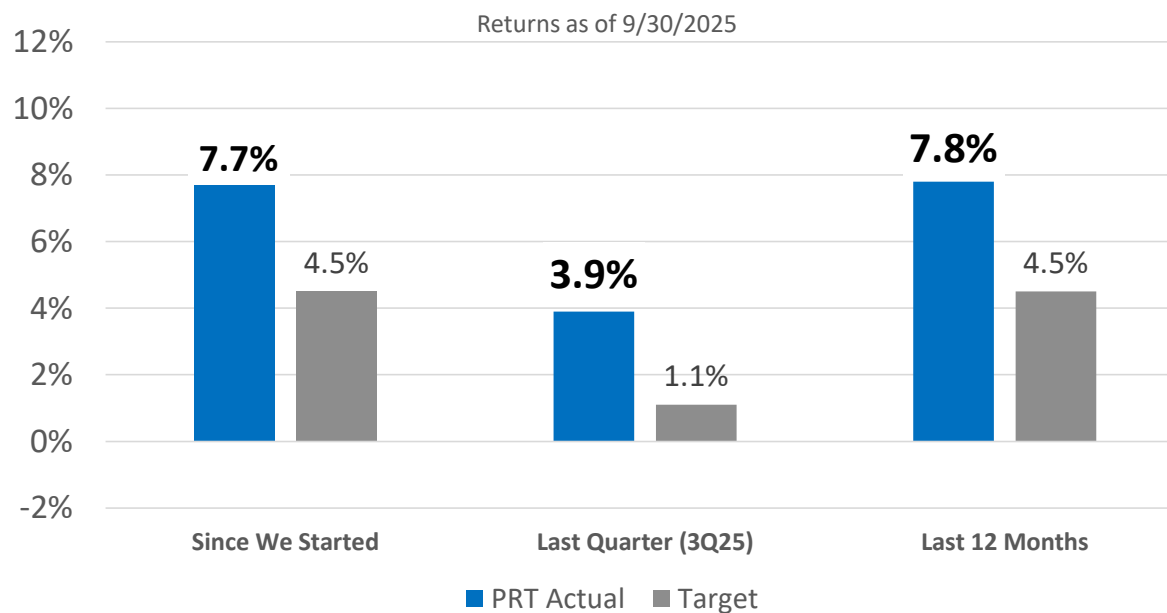
- **Invest conservatively.**
- **Diversify investments.**
- **Keep investment expenses low.**
- **Rely appropriately on professional investment advice.**
- **Aim for getting the necessary returns despite month to month & year to year fluctuations.**

# PRT remains more conservatively invested than pension funds.

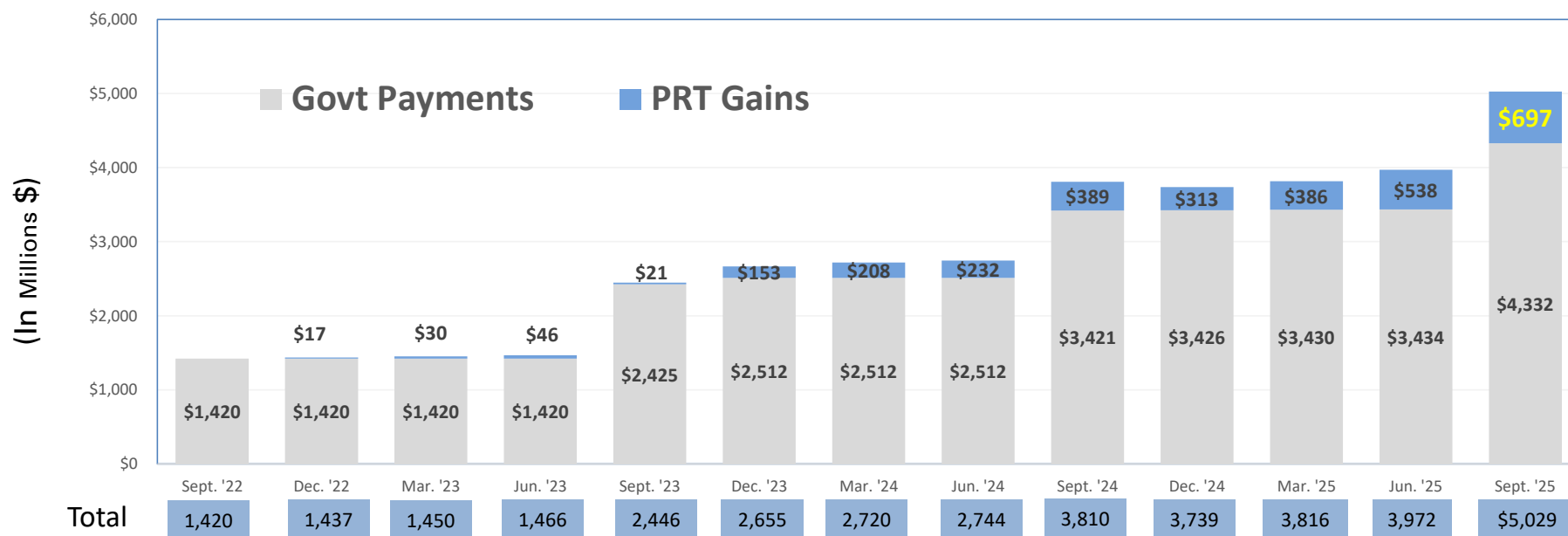


(1) InvestMetrics Public DB Universe as of September 30, 2025; 2024 NCPERS Public Fund Annual Survey

***Despite continued global uncertainty,  
PRT returned 7.8% in the last 12 months, 7.7% since we started***



# PRT total investment returns nearly \$700 million



Gains include income, realized and unrealized gains\*





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# Operations & Budget

<b>FY 2026 – 1<sup>st</sup> Quarter Budget v. Actual Results</b>	<b>Annual Budget</b>	<b>YTD Expenses <sup>(1)</sup></b>	<b>% of Budget spent YTD</b>
<b>Administrative and Operating Expenses<sup>(2)</sup></b>	<b>1,850,000</b>	<b>338,069</b>	<b>18%</b>
<b>Investment Related &amp; Non-Ordinary Expenses<sup>(3)</sup></b>	<b>7,500,000</b>	<b>1,388,364</b>	<b>19%</b>
<b>Total Expenses<sup>(1)</sup></b>	<b>9,350,000</b>	<b>1,726,433</b>	<b>18%</b>

For more detailed information regarding these expenses, please refer to the Appendix C.

(1) Unaudited.

(2) Subject to budget cap in accordance with Section 7.3 of the Guidelines.

(3) Reflect ongoing implementation of the Investment Policy

**As of September 30, 2025 <sup>(1)</sup>**

## PRT's expense ratio remains low

AUM v. Actual Expenses	YTD Expenses <sup>(1)</sup>	As % of AUM
<b>Assets under Management ("AUM")</b>		<b>\$5,029,370,619</b>
<b>Administrative &amp; Operating Expenses</b>	\$ 338,069	<b>0.03%</b>
<b>Investment &amp; Non-ordinary Expenses</b>	<u>1,388,364</u>	<b><u>0.11%</u></b>
<b>Ongoing Expenses</b>	<b>\$1,726,433</b>	<b>0.14%<sup>(2)</sup></b>

(1) Unaudited.

(2) NCPERS Annual Pension Survey 2025 average is 0.73%

As of September 30, 2025 <sup>(1)</sup>

A

### **Investments & Operations**

- **Complete the Asset & Withdrawal Management Study.**
- **Review Investment Policy based on AWM & determine future allocations.**

B

### **Governance & Accountability**

- **Complete the FY25 Annual Compliance Audit.**
- **Begin the FY25 Annual Report.**

**For further information contact:**

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# Appendix A

# Investment Detail

Period ending September 30, 2025 (net of fees)

Pension Reserve Trust

September 30, 2025

## COMPOSITE PERFORMANCE DETAIL

	Allocation			Performance (%)					
	Market Value (\$)	% of Portfolio	Policy (%)	3 Mo (%)	YTD (%)	1 Yr (%)	2 Yrs (%)	Inception (%)	Inception Date
<b>Total Composite</b>	5,029,370,619	100.0	100.0	3.9	10.0	7.8	11.2	7.7	Oct-22
Policy Index				3.9	10.2	7.9	11.4	7.5	
4.5% Target				1.1	3.1	4.5	4.5	4.5	
<b>Public Equity</b>	1,053,390,636	20.9	25.0	7.5	17.1	16.1	22.7	17.0	Aug-23
MSCI AC World IMI Index (Net)				7.7	18.3	16.8	23.7	17.7	
<b>High Quality Fixed Income</b>	2,174,482,343	43.2	55.0	2.0	6.4	3.1	7.0	5.3	Aug-23
Blmbg. U.S. Aggregate Index				2.0	6.1	2.9	7.1	5.0	
<b>Return Seeking Fixed Income</b>	384,608,090	7.6	10.0	2.4	6.9	5.5	9.9	8.0	Aug-23
Credit Custom BM				2.4	6.4	5.4	9.4	7.9	
<b>Diversification</b>	430,779,361	8.6	10.0	6.5	15.6	13.2	18.4	13.7	Aug-23
Diversification Custom BM				6.5	16.6	13.1	18.0	13.4	
<b>Cash</b>	986,110,189	19.6	0.0	1.0	3.1	4.4	4.9	4.9	Oct-22
90 Day U.S. Treasury Bill				1.1	3.2	4.4	4.9	4.8	

Source: NEPC  
FYTD = Fiscal Year

Period ending September 30, 2025 (net of fees)

Pension Reserve Trust

September 30, 2025

## TOTAL FUND PERFORMANCE DETAIL

	Allocation			Performance (%)					
	Market Value (\$)	% of Portfolio	Policy (%)	3 Mo (%)	YTD (%)	1 Yr (%)	2 Yrs (%)	Inception (%)	Inception Date
<b>Total Composite</b>	<b>5,029,370,619</b>	<b>100.0</b>	<b>100.0</b>	<b>3.9</b>	<b>10.0</b>	<b>7.8</b>	<b>11.2</b>	<b>7.7</b>	<b>Oct-22</b>
Policy Index				3.9	10.2	7.9	11.4	7.5	
4.5% Target				1.1	3.4	4.5	4.5	4.5	
<b>Public Equity</b>	<b>1,053,390,636</b>	<b>20.9</b>	<b>25.0</b>	<b>7.5</b>	<b>17.1</b>	<b>16.1</b>	<b>22.7</b>	<b>17.0</b>	<b>Aug-23</b>
Vanguard S&P 500 ETF	501,294,268	10.0		8.1	14.7	17.5	26.6	20.6	Aug-23
S&P 500 Index				8.1	14.8	17.6	26.6	20.7	
Vanguard Value ETF	109,544,599	2.2		6.0	12.0	9.2	19.0	14.4	Aug-23
CRSP U.S. Large Cap Value Index				6.0	12.0	9.2	19.0	14.4	
Vanguard Extended Market ETF	75,669,083	1.5		8.9	11.2	16.4	22.4	15.5	Aug-23
S&P Completion Index				8.9	11.2	16.4	22.2	15.3	
Vanguard FTSE Developed Markets ETF	164,822,363	3.3		5.6	27.5	17.2	20.8	14.8	Aug-23
FTSE Developed All Cap ex-US Index (Net)				5.9	26.9	16.8	20.4	14.6	
State Street Hedged Intl Dev Eq Idx K	96,315,049	1.9		6.0	15.7	15.4	18.0	15.2	Aug-23
MSCI EAFE Index (Hedged) (Net)				6.1	15.4	15.5	18.2	15.3	
Vanguard FTSE Emerging Markets ETF	105,745,273	2.1		10.1	24.1	17.0	21.2	14.8	Aug-23
FTSE EM All Cap China A Inclusion Net Tax (US RIC)				10.1	22.5	14.7	20.8	15.2	
<b>Public Debt</b>	<b>2,559,090,433</b>	<b>50.9</b>	<b>65.0</b>	<b>2.1</b>	<b>6.5</b>	<b>3.5</b>	<b>7.4</b>	<b>5.7</b>	<b>Aug-23</b>
<b>High Quality Fixed Income</b>	<b>2,174,482,343</b>	<b>43.2</b>	<b>55.0</b>	<b>2.0</b>	<b>6.4</b>	<b>3.1</b>	<b>7.0</b>	<b>5.3</b>	<b>Aug-23</b>
<b>Treasuries</b>	<b>898,266,095</b>	<b>17.9</b>		<b>1.9</b>	<b>6.0</b>	<b>1.2</b>	<b>5.6</b>	<b>3.7</b>	<b>Aug-23</b>
Vanguard Short-Term Treasury ETF	72,192,354	1.4		1.1	3.9	3.9	5.3	5.0	Aug-23
Blmbg. U.S. Treasury: 1-3 Year				1.1	4.0	3.9	5.3	5.1	
Vanguard Long-Term Treasury ETF	391,432,257	7.8		2.5	5.8	-3.5	5.5	0.1	Aug-23
Blmbg. U.S. Treasury: Long				2.5	5.6	-3.5	5.6	0.2	
Vanguard Intermediate-Term Trs	310,884,685	6.2		1.3	6.2	3.2	6.3	4.9	Aug-23
Bloomberg U.S. Treasury 3-10 Year Index				1.4	6.3	3.2	6.3	4.9	
Schwab US TIPS ETF	123,756,799	2.5		2.1	6.8	3.8	6.7	4.9	Aug-23
Blmbg. U.S. TIPS				2.1	6.9	3.8	6.8	4.9	

Source: NEPC  
FYTD = Fiscal Year



## Period ending September 30, 2025 (net of fees) (Cont.)

Pension Reserve Trust

September 30, 2025

### TOTAL FUND PERFORMANCE DETAIL

	Allocation			Performance (%)					
	Market Value (\$)	% of Portfolio	Policy (%)	3 Mo (%)	YTD (%)	1 Yr (%)	2 Yrs (%)	Inception (%)	Inception Date
<b>Corporate Bonds</b>	<b>1,276,216,248</b>	<b>25.4</b>		<b>2.1</b>	<b>6.6</b>	<b>4.9</b>	<b>8.4</b>	<b>6.9</b>	<b>Aug-23</b>
Vanguard Short-Term Corporate Bond ETF	375,247,131	7.5		1.7	5.5	5.0	7.4	6.5	Aug-23
Bloomberg US Corporate 1-5 Years				1.6	5.5	5.1	7.4	6.6	
Vanguard Interim-Term Corp Bd ETF	372,042,670	7.4		2.7	8.1	5.2	10.0	7.5	Aug-23
Blmbg. U.S. Credit Corp 5-10 Year Index				2.6	8.1	5.2	10.0	7.6	
IR&M Intermediate Credit Fund	528,926,447	10.5		2.0	6.4			6.4	Jan-25
Blmbg. U.S. Intermediate Credit				2.0	6.5			6.5	
<b>Return Seeking Fixed Income</b>	<b>384,608,090</b>	<b>7.6</b>	<b>10.0</b>	<b>2.4</b>	<b>6.9</b>	<b>5.5</b>	<b>9.9</b>	<b>8.0</b>	<b>Aug-23</b>
Vanguard Total Corporate Bond ETF	192,464,050	3.8		2.6	6.9	3.6	8.8	6.3	Aug-23
Bloomberg US Corporate				2.6	6.9	3.6	8.8	6.4	
iShares Broad USD High Yield Corp Bd ETF	96,842,343	1.9		2.4	7.5	7.4	11.7	10.1	Aug-23
ICE BofA US High Yield Master II Constrained				2.4	7.1	7.2	11.4	10.0	
iShares 0-5 Year High Yield Corp Bd ETF	95,301,698	1.9		2.1	6.5	7.0	10.1	9.0	Aug-23
ICE BofA 0-5 Year U.S. High Yield Constrained				2.2	6.3	7.1	10.3	9.5	
<b>Diversification</b>	<b>430,779,361</b>	<b>8.6</b>	<b>10.0</b>	<b>6.5</b>	<b>15.6</b>	<b>13.2</b>	<b>18.4</b>	<b>13.7</b>	<b>Aug-23</b>
<b>Public Real Assets</b>	<b>215,669,161</b>	<b>4.3</b>		<b>7.5</b>	<b>20.6</b>	<b>15.1</b>	<b>18.5</b>	<b>13.6</b>	<b>Aug-23</b>
Diversification Real Assets Custom BM				7.6	19.4	14.4	18.4	13.5	
SPDR S&P Global Natural Resources ETF	43,275,997	0.9		9.2	20.7	7.0	7.1	4.5	Aug-23
S&P Global Natural Resources Sector Index (Net)				9.4	20.8	6.4	6.7	4.3	
iShares Global Infrastructure ETF	40,704,636	0.8		3.2	18.9	16.0	23.0	15.6	Aug-23
S&P Global Infrastructure (Net)				3.5	18.9	15.8	22.5	15.3	
iShares Global REIT ETF	41,993,265	0.8		4.4	8.9	-0.5	13.6	7.3	Aug-23
FTSE EPRA/NAREIT Global REITs Index				4.4	9.3	-0.5	13.9	7.7	
SPDR Gold MiniShares	47,006,429	0.9		16.7	47.0	46.6	44.4	36.5	Aug-23
Bloomberg Gold Subindex Total Return				16.4	44.8	44.1	42.9	34.9	
Aberdeen Bloomberg All Commodity Strategy K-1 Free ETF	42,688,834	0.8		3.7	9.1	8.9	4.7	3.5	Aug-23
Bloomberg Commodity Index Total Return				3.6	9.4	8.9	4.8	3.8	

Source: NEPC  
FYTD = Fiscal Year

Pension Reserve Trust

September 30, 2025

## TOTAL FUND PERFORMANCE DETAIL

	Allocation			Performance (%)					
	Market Value (\$)	% of Portfolio	Policy (%)	3 Mo (%)	YTD (%)	1 Yr (%)	2 Yrs (%)	Inception (%)	Inception Date
<b>Multi-Asset</b>	<b>215,110,200</b>	<b>4.3</b>		<b>5.5</b>	<b>10.8</b>	<b>11.3</b>	<b>18.2</b>	<b>13.8</b>	<b>Aug-23</b>
SSGA Moderate Strategic Balanced Strategy	215,110,200	4.3		5.5				12.9	Apr-25
60% MSCI ACWI (Net) / 40% Bloomberg Aggregate				5.4				13.1	
<b>Cash</b>	<b>986,110,189</b>	<b>19.6</b>	<b>0.0</b>	<b>1.0</b>	<b>3.1</b>	<b>4.4</b>	<b>4.9</b>	<b>4.9</b>	<b>Oct-22</b>
90 Day U.S. Treasury Bill				1.1	3.2	4.4	4.9	4.8	
Northern Trust Money Market Treasury NTPXX	986,110,189	19.6		1.0	3.1	4.4	5.2	5.5	May-23



## Appendix B

# Budget & Expense Detail

<b>Administrative and Operating Expenses</b>	<b>Annual Budget</b>	<b>YTD Expenses <sup>(1)</sup></b>	<b>% of Budget</b>
Management & Staff	757,000	167,663	22%
Trustees	423,000	105,273	25%
Legal Counsel	85,000	869	1%
Accounting and Audit	255,000	34,000	13%
Other Professionals	95,000	4,197	4%
Ordinary Business (General)	110,000	24,454	22%
Travel and other reimbursable expenses	90,000	1,613	2%
Emergency and Contingency Reserve	35,000	-	0%
<b>Total Administrative and Operating Expenses <sup>(1)</sup></b>	<b>1,850,000</b>	<b>338,069</b>	<b>18%</b>

**As of September 30, 2025 <sup>(1)</sup>**

<sup>(1)</sup> Unaudited.

<b>Non-Ordinary Expenses &amp; Investment Related</b>	<b>Annual Budget</b>	<b>YTD Expenses <sup>(1)</sup></b>	<b>% of Budget</b>
Management & Staff	298,000	66,129	22%
Custodian	250,000	46,307	19%
Insurance Policies (D&O, Cyber, etc.)	175,000	28,290	16%
Legal, Regulatory & Compliance	500,000	18,628	4%
Other	32,000	72	0%
Equipment, Software and Licenses	100,000	9,257	9%
Asset Withdrawal Management (AWM) study	145,000	28,000	19%
Investment consultant annual fee	1,700,000	372,368	22%
Investment management fees	4,300,000	819,313	19%
<b>Total Non-Ordinary and Investment Related Expenses <sup>(1)</sup></b>	<b>7,500,000</b>	<b>1,388,364</b>	<b>19%</b>

**As of September 30, 2025 <sup>(1)</sup>**

<sup>(1)</sup> Unaudited.



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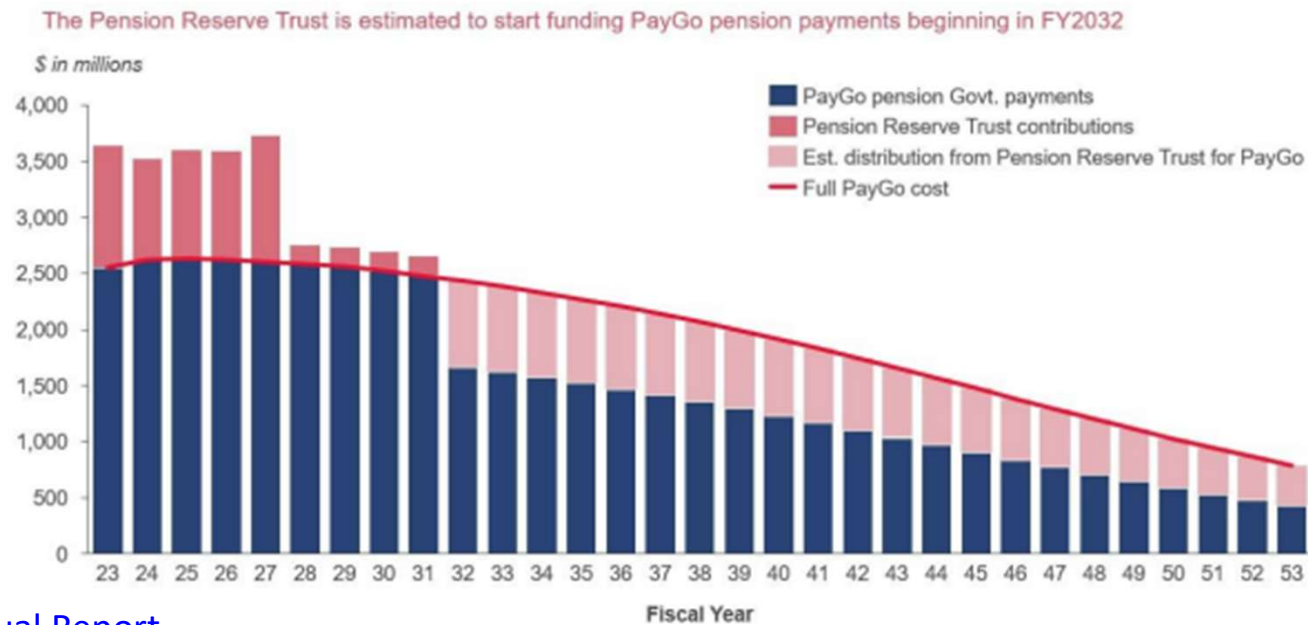
# **Appendix C**

# **FOMB FY25**

# **Annual Report**

FOMB FY25 Annual Report potential contributions/withdrawals to/from the PRT will be considered in AWM Study. The FOMB report abides by the [Consolidated Appropriations Act from 2023](#), Title V.

Figure 7: PayGo Pension Payments and Pension Reserve Trust Funding



\*This is not a PRB analysis.

Source: [FOMB FY25 Annual Report](#)

## Important Notices & Disclaimers

- ▶ *This presentation is being provided for the information and use of the Act 106 Board and the Pension Benefits Council. **It is not investment advice or legal advice.***
- ▶ *The objective of the Pension Reserve Trust is, if possible, to provide funds to the Government adequate to meet pension obligations by prudently investing its funds over the next several decades. The investment decisions of the Trust are made with that objective while minimizing unnecessary risks. However, **all investments carry some level of risk. Their performance in the future can and will differ from their past performance and the Trust's asset values will fluctuate from quarter to quarter and year to year.** Diversification and other asset allocation techniques do not ensure profit or protect against losses.*
- ▶ *The PRT and Board make investment decisions to implement the particular requirements of the Plan of Adjustment, the Deed of Trust, and the Guidelines. **This presentation and the Trust's investment decisions should not be relied on in any way by any other party for any other purpose, particularly (but not only) decisions about investment of pension funds and of individual retirement plans.** Every person should make their own analysis based on their own goals with independent financial professionals before making any investment.*
- ▶ *The views presented here represent the good faith views of the Pension Reserve Trust as of the publication date and are subject to change at any time. The presentation does not contain all the analysis and data examined by the Board in coming to its views.*
- ▶ *Some of the information presented here has been obtained from external sources including the FOMB, the Commonwealth Government, consultants, vendors, etc.. While the Board has exercised reasonable professional care in preparing this content, we cannot guarantee the accuracy of all source information. Any financial information is unaudited.*