

MARCH 2025



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND COMPASS

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ERSRI Employees' Retirement System
of Rhode Island

Para descargar una traducción al español de este número: ersri.org/publications/compass

Office of the General Treasurer
James A Diosa, General Treasurer
Chairman, ERSRI Board

50 Service Avenue, 2nd Floor,
Warwick, RI 02886

ERSRI Employees' Retirement System
of Rhode Island

A message from **GENERAL TREASURER JAMES A. DIOSSA**



Dear ERSRI Member,

Our commitment to delivering high-quality services to our more than sixty thousand active and retired members remains unwavering.

I want to take a moment to extend our heartfelt gratitude to Frank Karpinski as he prepares to retire in June, after three decades of distinguished public service. Frank joined ERSRI in May 1994, serving as Director of Finance for seven years before becoming Executive Director in February 2001. He is widely recognized as a leading expert on state and municipal pension matters, and his

contributions have been invaluable. Throughout his tenure, Frank's unparalleled knowledge, integrity, and insightful guidance have been essential in maintaining our focus on serving ERSRI members and all Rhode Islanders. We are incredibly grateful for his dedication and leadership, which have left a lasting impact on Treasury.

As we search for a new Executive Director, we are committed to ensuring a seamless transition. We wish Frank all the best in his retirement and hope he enjoys this new chapter of his life.

Thank you, Frank, for your service and friendship.

Sincerely,
Treasurer Diossa



ERSRI & TIAA Retirement Plan Overview for Active* Members



**Wednesday April 23rd at 6 PM
Lincoln High School Auditorium
135 Old River Road, Lincoln, RI 02865**

This one-hour in-person presentation is open to all members of ERS/MERS — no registration is required. Future quarterly presentations will be held in other regions of the state.

**Actively employed or deferred members not yet receiving benefits*

UNLOCKING YOUR RESOURCES

If you've visited ERSRI.org (<https://www.ersri.org>), chances are you were looking for something specific—maybe a form, benefit payment information, or a way to log in to your member portal. While these are certainly important, did you know there's a wealth of other valuable information on the site that can help you better understand and plan for your retirement?

Here are some key resources that you may have overlooked but can provide valuable insight into your retirement benefits:

1. Planning for Retirement

Whether it's still years away or just around the corner, ERSRI.org offers guidance to help you prepare. From understanding how your benefits are calculated to reviewing what steps to take as you approach retirement age, you'll find tools and resources to help make informed decisions about your future at <https://ersri.org/members/retirement-planning>.

2. Understanding Life Events and Your Benefits

Life can bring unexpected changes, and your retirement benefits may be impacted by events such as marriage, divorce, or changes in employment. The website includes important information on how these events affect your pension, so you can plan accordingly. If you're going through a divorce, for example, understanding how it may impact your retirement benefits can help you navigate the process more confidently.

3. Determining Retirement Eligibility

Wondering when you'll be eligible for retirement benefits? <https://ersri.org/members/retirement-eligibility> has clear, easy-to-understand explanations of benefit eligibility

There's so much more to explore on ERSRI.org. Look for retirement planning and benefit information as well as forms for designating beneficiaries, updating your contact information, and more.

based on different career paths, Schedules, and years of service.

4. Resources for Retirees Retirees, are you thinking about returning to the workforce? Before doing so, review the restrictions at <https://ersri.org/retirees/post-retirement-employment> and submit a Post-Retirement Inquiry online if you have additional questions. Retirees can visit <https://ersri.org/retirees/benefit-payments> for a wealth of information related to your pension payments, including COLA and tax information.

5. Accessing the Member Newsletter and Publications

Did you miss a past edition of the Compass? The website has a full archive of newsletters and other helpful publications. These can keep you up to date on important changes, helpful tips, and announcements from the retirement system.

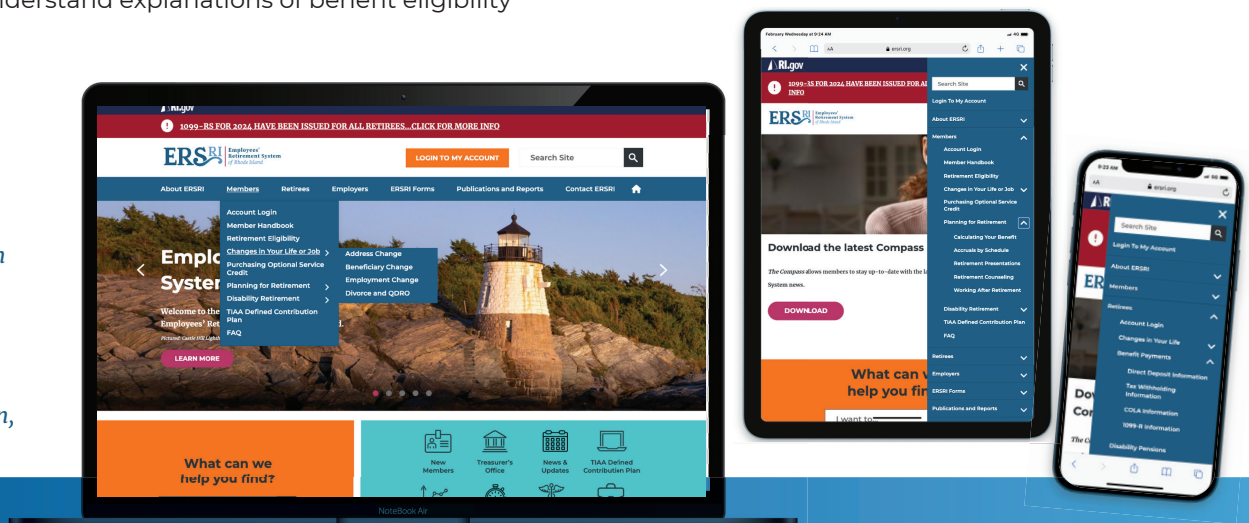
6. Getting Answers to Your Questions

If you have questions about your retirement benefits but don't know where to start, the website's frequently asked questions (FAQ) section may have the answers you need. You can also find contact information if you prefer to speak with someone directly.

Take a Look Around!

Next time you visit ERSRI.org, take a few extra minutes to explore beyond the forms and login links. You might just find answers to questions you didn't even realize you had!

Still have questions? Reach out to the ERSRI team—we're here to help you make the most of your retirement benefits.



The Top Ten Reasons...

WHY YOU SHOULD MEET WITH A TIAA FINANCIAL CONSULTANT



1. Boost your confidence

Whether you're just starting to save or nearing retirement, knowing where you stand can help boost your confidence in pursuing your goals.

2. It can fit into a busy schedule

In the same amount of time as a TV episode, you can find out if you're saving enough, invested appropriately and on track to retire when you want.

3. Consultants are here to help

Not sure if you've saved enough or even where to begin? That's all the more reason to meet with someone whose sole job is to help you.

4. Your account balance doesn't matter

Any employee or active participant in the Defined Contribution Plan is welcome to work with a TIAA financial consultant. Regardless of whether you have \$500 or \$5 million, you can receive one-on-one retirement plan advice based on the plan's investment options and related services.

5. Advice is objective

A TIAA financial consultant will take the time to understand your goals, risk tolerance, current savings and other factors. Then, through an advice methodology by an independent third party, Morningstar Investment Management, LLC, you'll see which plan investment options to select.

6. Age doesn't matter

Consultants can help you regardless of where you are in your career or life, whether you're just starting out or ready to retire.

7. You can include all of your assets

TIAA financial consultants can also take into consideration additional assets outside of the retirement plan. This can include your spouse's/partner's savings for a more comprehensive review—you can even have them join you at the meeting.

8. Consultants have expertise

TIAA financial consultants are familiar with the ins and outs of the State of Rhode Island Defined Contribution Plan. They can also offer personalized advice and education based on your retirement goals and objectives, review income options, and discuss many other retirement planning considerations.

9. No additional cost to you

Meeting with a TIAA financial consultant is included as a benefit of the retirement plan offered by the State of Rhode Island retirement program.

10. Ready when you are

You can meet in person or over the phone. Schedule your appointment at TIAA.org/schedulenow or by calling 800-732-8353, weekdays, 8 a.m. to 8 p.m. (ET) or scan the QR code above with your phone.

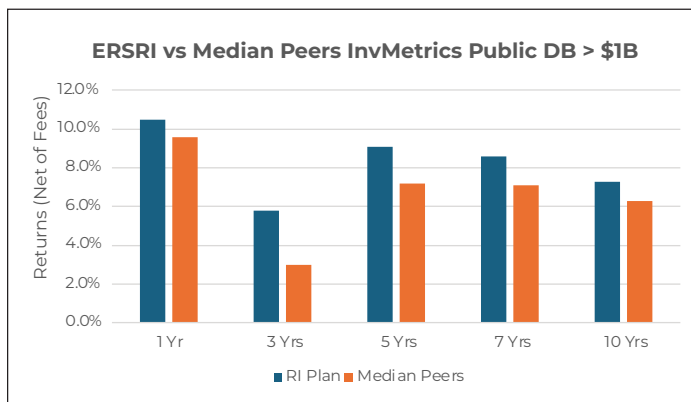


Investment Update—

ERSRI PORTFOLIO PERFORMANCE

The Employees' Retirement System of Rhode Island (ERSRI) defined benefit investment portfolio continued to generate strong returns throughout Fiscal Year ended June 30, 2024. The ERSRI defined benefit plan returned a 10.5% net-of-fee investment result for fiscal year 2024, outperforming the benchmark return of 9.7% as well as the plan's 7.0% assumed rate of return. The portfolio closed Fiscal Year 2024 with about \$11.5 billion in assets, up from \$10.5 billion at the end of Fiscal Year 2023.

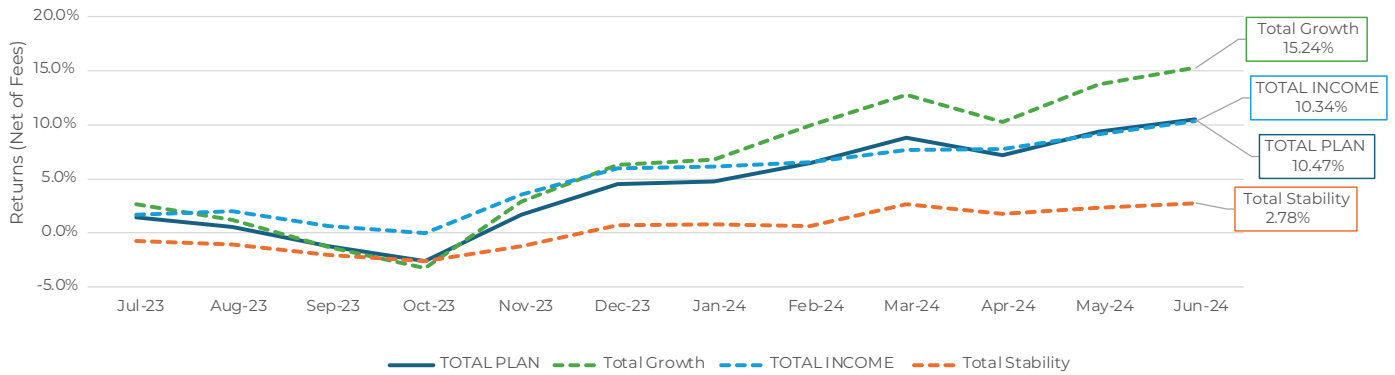
Fiscal Year 2024 demonstrated a continuously strong US economy and labor market, driving returns in riskier assets such as stocks while interest sensitive fixed income assets had mixed results due to the uncertainty surrounding interest rates. The MSCI All Country World Index (Global Stocks) returned 19.4% while the Bloomberg US Aggregate Bond Index (US Investment Grade Fixed Income) returned 3.8% during the fiscal year. Therefore, the portfolio's strong relative returns were primarily driven by its global public equity allocation which generated about a 20% return. In an environment where public markets are rapidly increasing, the diversifying elements of the portfolio may detract from performance.



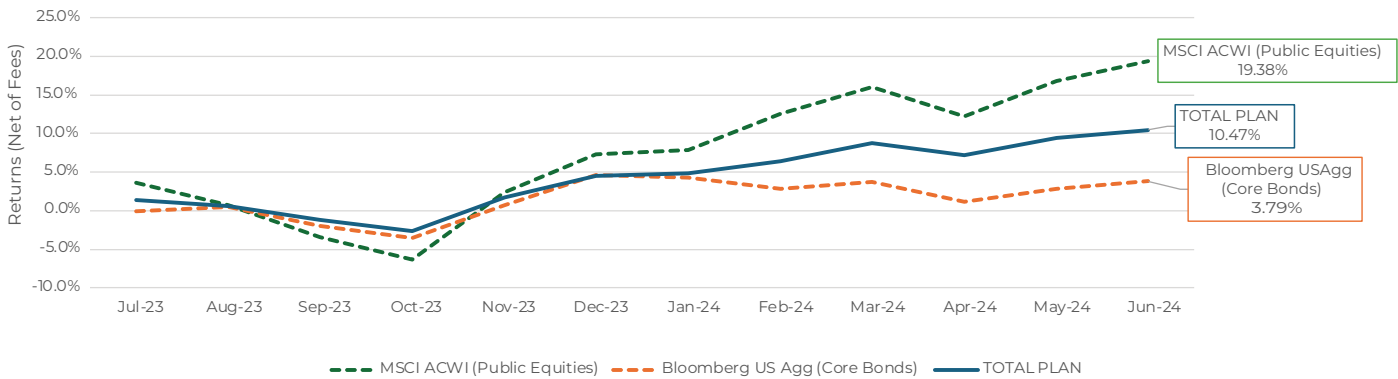
The ERSRI defined benefit investment's diversifying exposure to risk mitigating asset classes has helped to deliver positive return asymmetry, allowing the portfolio to participate in market gains at a proportionately greater rate while providing downside protection. This is demonstrated by the portfolio's relative performance versus public market benchmarks. Over the trailing 3-year period ended June 30, 2024, the ERSRI defined benefit investment portfolio has outperformed a traditional 60/40 benchmark (60% Global Stocks + 40% US Investment Grade Bonds) by 3.7%, annualized. Over the trailing 10-year period, the portfolio has outperformed the 60/40 benchmark by 1.5%, annualized. The Fund seeks to achieve a balance between pursuing returns and mitigating risk in order to position the portfolio to meet its long-term objectives.

The ERSRI defined benefit investment portfolio continues to outperform relative to its peers. For fiscal year 2024, the Fund's 10.5% return ranked in the 29th percentile (1st being the highest, 100th being the lowest) relative to other investors in the Investment Metrics Public Defined Benefit Net Universe >\$1 billion ("universe"). This outperformance is also shown over longer time horizons. The ERSRI defined benefit investment portfolio's 5-year annualized return of 9.1% ranks in the 2nd percentile of the universe, the portfolio's 10-year annualized return of 7.3% ranks in the 14th percentile.

ERSRI Defined Benefit - FY2024 Total Plan and Asset Allocation Components



ERSRI Defined Benefit FY2024 Total Plan VS MSCI ACWI and Bloomberg Agg



Peer Universe Comparison as of 6/30/2024

Period	RI Plan	Median Peers*
1 Yr	10.5%	9.6%
3 Yrs	5.8%	3.0%
5 Yrs	9.1%	7.2%
7 Yrs	8.6%	7.1%
10 Yrs	7.3%	6.3%

*Median Peers - InvMetrics Public DB > \$1 B

ERSRI PENSION VALUATION

Investment Portfolio
(as of January 31, 2025)

\$11,778,177,604

Funded Ratio
(as of June 30, 2024)

RI Employees: 60.7%

Teachers: 64.8%

MERS: 88.1%

For more detailed information, follow this link: <https://treasury.ri.gov/about/returns-vs-benchmarks> or scan the QR code below.

