A Component Unit of the State of Illinois

2024 INVESTING IN THE FUTURE

The Annual Comprehensive Financial Report
for Fiscal Year Ended June 30, 2024

S·U·R·S®
STATE UNIVERSITIES RETIREMENT SYSTEM

Prepared by the SURS Accounting Department

Table of Contents

INVESTING IN THE FUTURE

OUR MISSION

To secure and deliver the benefits promised to our members.

OUR VISION

To be recognized as a respected leader among public pension plans.

OUR GOALS

- Assure the financial soundness of the System.
- Achieve high levels of member and stakeholder satisfaction.
- Be a great place to work with an emphasis on learning, growth, diversity, equity, and inclusion.
- Develop and sustain efficiency, high-quality processes, tools, and technology.
- Protect SURS assets through sound risk-management and ethical practices.

OUR CORE STRATEGIES

- Secure the annual required contribution, manage expenses, produce risk-adjusted investment returns that exceed our benchmarks and provide effective oversight of defined contribution plans.
- Deliver accurate, timely, cost-effective, and empathetic service by meeting or exceeding our service standards.
- Recruit and retain quality talent, develop leaders, and commit to being a diverse, equitable, and inclusive organization.
- Enhance communication, workflow processing, systems sustainability, and record keeping.
- Strengthen SURS internal controls and risk-management programs, and continue our ethics training and compliance efforts.

THE SURS WAY

VALUES	SERVICE	RELATIONSHIPS
Honesty	Accountable	Caring
Ethical	Efficient	Collaborative
Professional	Accurate	Supportive
Trustworthy	Empathetic	Inclusive

INTRODUCTION

Awards


2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
GOVERNMENT FINANCE OFFICERS ASSOCIATION
Certificate of Achievement
for Excellence
in Financial Reporting
Presented to
State Universities
Retirement System, Illinois
Executive Director / CEO

Awards

PPCC

Public Pension Coordinating Council

Recognition Award for Administration 2024

Presented to

State Universities Retirement System

In recognition of meeting professional standards for
plan administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Alan H. Winkle
Program Administrator

Letter of Transmittal

1901 Fox Drive, Champaign, IL 61820-7333
800-275-7877 • 217-378-8800 • (Fax) 217-378-9800
www.surs.org

December 13, 2024

SURS Board of Trustees and Members
State Universities Retirement System
1901 Fox Drive
Champaign, IL 61820

We are pleased to present the 83rd Annual Comprehensive Financial Report for the State Universities Retirement System of Illinois (SURS or the System) a component unit of the state of Illinois for the fiscal year ended June 30, 2024.

The System's mission is to secure and deliver the benefits promised to our members – current and former employees of state universities, community colleges, and certain other state educational and scientific agencies. SURS staff works hard to perform at the highest customer service level for our members, who dedicate their careers to higher education.

The management of SURS is responsible for the compilation and accuracy of the financial, investment, actuarial and statistical information contained in this report. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of SURS.

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. SURS internal controls over financial reporting are designed to provide reasonable assurance regarding safekeeping of assets and reliability of financial records in accordance with generally accepted accounting principles. These controls include appropriate segregation of duties and responsibilities, and sound practices in the performance of those duties. The cost of a control should not exceed the benefits likely to be derived. The valuation of costs and benefits requires estimates and judgments by management. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

SURS maintains an internal audit program that employs the services of three internal auditors to determine that all controls implemented are as designed. The internal audit personnel use a detailed internal audit program to provide a continuing review of the SURS internal controls and to report audit findings and recommendations for improvements to the SURS Board of Trustees. There are inherent limitations in the effectiveness of any system of internal controls, including the possibility of human error and the circumvention or overriding of controls.

The Illinois Pension Code requires an annual audit of the financial statements of the System by independent accountants selected by the state auditor general. This requirement has been complied with, and the independent auditor's unmodified report on the System's 2024 financial statements has been included in this report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The System's MD&A can be found starting on page 16 of the report.

Profile

SURS is the administrator of a cost-sharing, multiple-employer public employee retirement system. It was established July 21, 1941, and provides retirement annuities and other benefits for employees, survivors, and other beneficiaries of those employees of state universities, community colleges, and certain other state educational and scientific agencies in Illinois. SURS services 61 employers and approximately 255,000 members and annuitants. The plans administered by SURS include a traditional defined benefit plan established in 1941, a portable defined benefit plan established in 1998, a defined contribution plan established in 1998, and a deferred compensation plan established in 2021. SURS is governed by an 11-member board of trustees that includes four elected active members, two elected annuitants, and five individuals appointed by the governor, of which one is the appointed chair of the Illinois Board of Higher Education.

Letter of Transmittal

Funding
SURS is funded through contributions from non-employer, employer, and employee contributions as well as investment earnings. The state of Illinois, a non-employer contributing entity, provides recurring funding from two sources: the General Revenue Fund and the State Pensions Fund.

Annually, the SURS actuary determines the annual statutory contribution needed to meet current and future benefit obligations in accordance with the Illinois Pension Code, which sets forth the manner of calculating the statutory contribution under the Statutory Funding Plan. The Statutory Funding Plan requires the state to contribute annually an amount equal to a constant percent of pensionable (capped) payroll necessary to allow the System to achieve a 90% funded ratio by the end of fiscal year 2045, subject to any revisions necessitated by actuarial gains or losses, or changes in actuarial assumptions. The fiscal year 2024 certified state of Illinois contribution of $2,133,335,000 was received in full by June 4, 2024. As of June 30, 2024, the plan net position as a percentage of the total pension liability was 44.6%. The funding issue confronting SURS continues to represent a challenge to the System. Although the statutory contribution requirement was met in fiscal year 2024, the Statutory Funding Policy creates a perpetual contribution variance of underfunding the System in earlier years. In later years, the statutory contribution would exceed a contribution equal to normal cost plus a 30-year closed period level percent of pay amortization of the unfunded liability. Further information is presented in the Required Supplementary Information related to employer contributions and the funding of the plan.

Investments
Investments are made under the authority of the prudent expert rule, which states that fiduciaries must discharge their duties with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use under conditions prevailing at the time. This standard has enabled the System to invest in different types of asset classes seeking to increase return while lowering risk through diversification.

The System retains professional investment firms who serve as fiduciaries and are afforded full discretion to manage the assets entrusted to them in accordance with written policies and guidelines established by the SURS Board of Trustees. The goal is to optimize the long-term return of the System's investments. SURS has a diverse investment portfolio designed to protect against market risk and produce steady returns over a long-term period.

SURS investment assets held in trust increased to $24.3 billion. Assets in the Retirement Savings Plan (RSP) and the Deferred Compensation Plan (DCP), which are administered by a third-party and are not included in SURS Statement of Fiduciary Net Position, are valued at approximately $4.3 billion and $67.4 million, respectively. During fiscal year 2024 the SURS portfolio returned 8.3%, net of fees, above the long-term 6.5% assumed rate of return but below the return for the policy benchmark of 9.0%. However, SURS investment program has a long-term horizon. Portfolio returns, net of fees, are 7.4% over the last five years and 6.6% over the last 10 years, each exceeding both the long-term assumed rate and the policy benchmark.

The Investment section of this report contains yield information, a summary of SURS investment portfolio and a summary of the investment objectives and policies.

Legislation
The following key bills that impact SURS became effective between July 1, 2023, and June 30, 2024:

- Public Act 103-0548 eliminates the requirement that a participant be employed for at least 15 calendar days in a month to receive one month of service credit; instead, a participant will receive service credit for any month in which they are a participating employee and make contributions to SURS. Public Act 103-0548 also repeals the part-time adjustment, which modified pension benefits for participants who worked 50% time or less for 3 or more years.
- Public Act 103-0468 authorizes the Illinois State Treasurer to vote proxies on behalf of a state-funded retirement system, if directed to do so by the board of trustees of the retirement system, until January 1, 2027. It also requires each state-funded retirement system to produce an annual report detailing its guidelines for proxy voting and how it considers sustainability factors, beginning September 1, 2023.
- Public Act 103-0324 requires investment managers, beginning January 1, 2024, to disclose the following: a description of any process through which the manager prudently integrates the sustainability factors into their investment decision-making, investment analysis, portfolio construction, due diligence, and investment ownership to maximize anticipated risk-adjusted financial returns, identify projected risk, and execute the manager's fiduciary duties. It also requires investment managers to provide this disclosure to each public agency, pension fund, retirement system, or governmental unit for whom the investment manager is seeking selection as a fiduciary before acting in this official capacity.

Letter of Transmittal

Major Initiatives

Board of Trustees

Election

SURS held a trustee election April 2–May 1, 2024. The election was conducted by YesElections, an impartial election services company. The election results were certified on May 2, 2024.

Current SURS board members Steven Rock, Collin Van Meter and Antonio Vasquez were reelected by the System's members. All will serve six-year terms that began July 15, 2024.

Steven Rock, elected by SURS annuitant members, is a retired economics professor from Western Illinois University. He has served on the board since 2015.

Collin Van Meter, elected by active SURS members, is employed in Technology Services at the University of Illinois Urbana-Champaign. He has served on the board since 2018.

Antonio Vasquez, also elected by active SURS members, is a professor of economics at Wilbur Wright College. He has served several terms on the board. He began as an appointed board member in June 2008 before winning his first six-year term as an elected active SURS member in 2009. He was elected to a second term in 2015 and served through July 15, 2021. In 2022 he was selected by a majority vote of the other elected trustees to serve out an open term through 2024.

Appointments

There was also a three-year, active-member term open on the board. The vacancy was the result of the outcome of the May 1, 2024, trustee election. On June 12, 2024, Herbert Pitman was selected by a majority vote of the other five eligible elected trustees from many applicants to fill the vacant three-year seat. His term began July 15, 2024. Pitman is a full-time lecturer of Health Administration at Governors State University in University Park, IL.

In November 2023, Illinois Gov. JB Pritzker appointed John Lyons to chair the SURS Board of Trustees. He replaced John Atkinson who stepped down as chair to head Intersect Illinois. Lyons has served as an appointed SURS trustee since 2019 and was elected board treasurer by his fellow trustees. He is a partner at the law firm DLA Piper LLP (US).

In October 2023, Pranav Kothari joined the SURS Board of Trustees after he was appointed chair of the Illinois Board of Higher Education (IBHE) by Gov. Pritzker. State statute dictates that the IBHE chair also serves on the SURS Board of Trustees. Kothari is the founder and CEO of Revolution Impact, which focuses on helping empower social sector organizations to achieve their goals.

Systems Development and Security

SURS has completed approximately 50% of the pension administration system replacement project, Project Velocity, which began in July 2021. This project will replace legacy technology with a modern framework, provide opportunities for improved processing for all SURS employers, and enhance customer service for members.

SURS continues to enhance our security portfolio to safeguard our members' data. In addition to new investments in technologies to aid with detection, mitigation and remediation of security issues, significant time has been devoted to increasing staff awareness via new training opportunities.

Member Service

In fiscal year 2024 the Member Service teams calculated 7,055 claims, answered 81,960 calls and 6,043 member emails, held 4,497 counseling sessions and 61 educational webinars and other member outreach events, conducted 55 employer trainings and two employer seminars, and responded to 3,859 employer emails.

The Communications team sent 1,547,175 informational emails to members, added 57 posts to social media, and made thousands of informational updates to surs.org.

Deferred Compensation Plan (DCP)

Participation in SURS DCP, our 457(b) supplemental savings plan, has grown exponentially since it became available three and a half years ago. We continue to communicate to members the importance of saving and investing for a secure retirement beyond their SURS core benefit plan.

Letter of Transmittal

Auto-enrollment
Beginning July 1, 2023, per Public Act 102-0540, all newly certified SURS members are automatically enrolled in the DCP at 3% of their salary and begin saving and investing 30 days after they are hired unless they opt out during the 30-day opt-out window. For the first year of automatic enrollment (through June 30, 2024), 82% of newly hired members were enrolled into the DCP after the 30-day window. Eighteen percent opted out or ended employment prior to deductions beginning. Of the members who enrolled in the plan (either default or voluntary) 77% remain in the plan and 98% remain in the default investment option, SURS Lifetime Income Strategy.

Auto-escalation
On March 1, 2024, SURS board voted to implement auto-escalation effective July 1, 2024, for members who were automatically enrolled in the DCP, and who were still contributing at the default rate of 3%. Members will see an increase of 1% each year up to a maximum of 10% of their salary. Members can change their default rate at any time.

DCP assets were $67.4 million, and the current enrollment was 12,440, as of June 30, 2024.

Awards and Recognition
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to SURS for its component unit financial report for the fiscal year ended June 30, 2023. This is the 40th consecutive year the System has earned this award.

To be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The Public Pension Coordinating Council (PPCC), a coalition of three national associations that represents more than 500 of the largest pension plans in the U.S., awarded SURS the Public Pension Standards Award for Funding and Administration. Public Pension Standards are a benchmark to measure public defined benefit plans in the areas of retirement system management, administration, and funding.

Acknowledgements
This report was prepared through the combined effort of the SURS staff under the leadership of the SURS Board of Trustees. It is intended to provide reliable information to its users for making decisions and for determining responsible stewardship for the assets contributed by the members, employers and the state of Illinois.

The report is made available to the governor, the state auditor general, the members of the General Assembly, participating employers and to other interested persons by request. We thank all those whose impact on Illinois' universities and community colleges guide the future. We hope they will find this report informative. A copy of this report and our Annual Report Summary will be available on our website, www.surs.org.

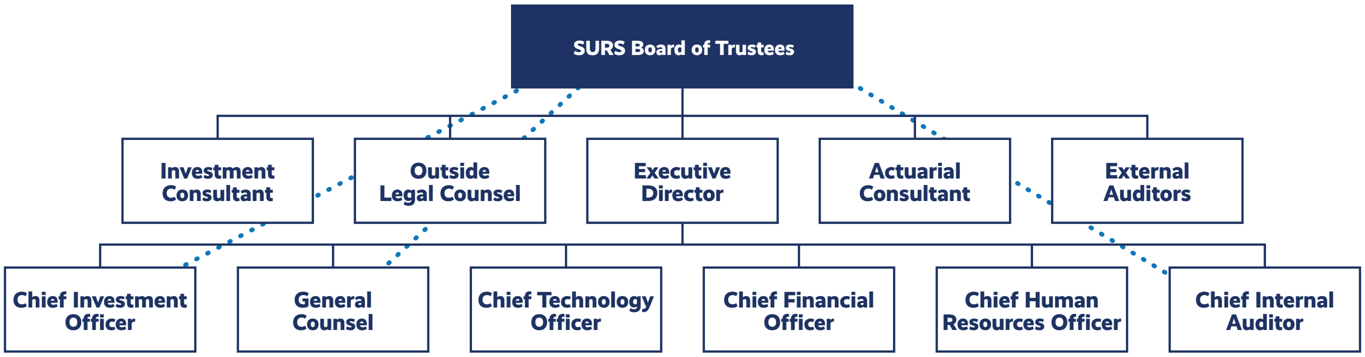
Respectfully submitted,

Suzanne M. Mayer
Executive Director

Tara R. Myers
Chief Financial Officer

Board of Trustees

Organizational Chart



Executive Team

Executive Director	Suzanne Mayer
Chief Investment Officer	Michael Schlachter
General Counsel	Bianca Green
Chief Technology Officer	Jefferey Saiger
Chief Financial Officer	Tara Myers
Chief Human Resources Officer	Nichole Hemming
Chief Internal Auditor	Jacqueline Hohn

Advisors, Auditors, and Administrators

Actuary
Gabriel, Roeder, Smith & Co.

External Auditor
RSM US LLP (Acting as Special Assistant Auditor for the Illinois Office of Auditor General)

Master Trustee and Custodian
The Northern Trust Company

Plan Service Provider
Voya Financial
Teachers Insurance Annuity Association

Investment fees are listed on pages 67–69, investment commissions are listed on pages 73–74.

FINANCIAL

RSM

Independent Auditor's Report

RSM US LLP

Honorable Frank J. Mautino, Auditor General – State of Illinois
Board of Trustees, State Universities Retirement System of Illinois

Opinion
As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the State Universities Retirement System of Illinois (the System), a component unit of the State of Illinois, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the System, as of June 30, 2024, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter
As discussed in Note V of the financial statements, the actuarially determined total pension liability, calculated as required by GASB Statement No. 67, is dependent on several assumptions, including the assumption that future required contributions from all sources are made based on statutory requirements in existence as of the date of this report. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

Auditor's Report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net pension liability and related ratios, the schedule of investment returns, the schedule of contributions from employers and other contributing entities and the notes to the required supplemental information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The other supplementary information including the summary schedule of administrative expenses, the summary schedule of investment expenses, the combining statement of fiduciary net position custodial funds and the combining statement of changes in fiduciary net position custodial funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information, including the summary schedule of administrative expenses, the summary schedule of investment expenses, the combining statement of fiduciary net position custodial funds and the combining statement of changes in fiduciary net position custodial funds is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information
Management is responsible for the other information included in the annual report. The other information comprises the introductory, investment, actuarial and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

RSM US LLP

Schaumburg, Illinois
December 13, 2024

Management's Discussion and Analysis

This section presents management's discussion and analysis of the financial statements of the State Universities Retirement System (SURS or System) and the major factors affecting the operations and investment performance of the System during the year ended June 30, 2024, with comparative reporting entity totals for the year ended June 30, 2023. Please read this section in conjunction with the Letter of Transmittal included in the Introductory Section, the financial statements, and other information that is presented in the Financial Section of the Annual Comprehensive Financial Report.

Financial Highlights

- Contributions from the State and employers were $2,252.4 million, an increase of $19.1 million, or 0.9% from fiscal year 2023.
- The System's benefit payments were $3,084.0 million, an increase of $86.1 million, or 2.9% for fiscal year 2024.
- The System's time-weighted return on investment, net of investment management fees, was 8.3% for fiscal year 2024.
- The System's fiduciary net position at the end of fiscal year 2024 was $24.5 billion, an increase of $1.2 billion, or 4.9%.

Overview of Financial Statements and Accompanying Information
The Financial Section has four components: (1) Financial Statements, (2) Notes to the Financial Statements, (3) Required Supplementary Information, and (4) Other Supplementary Information.

- The financial statements presented in this report are the Statement of Fiduciary Net Position as of June 30, 2024, and the Statement of Changes in Fiduciary Net Position for the Year Ended June 30, 2024. These statements present separate totals for the System's three fiduciary fund types.
    - The Statement of Fiduciary Net Position details the net position (assets less liabilities) available for the payment of benefits and other fiduciary activities of the System.
    - The Statement of Changes in Fiduciary Net Position presents the additions to and deductions from fiduciary net position during the fiscal year. Over time the increase or decrease in fiduciary net position is a useful indicator of the health of SURS financial position.
- The Notes to the Financial Statements are an integral part of the financial statements and provide facts and detailed information to assist the reader in understanding the statements. Disclosures include the description of the plans, summary of significant accounting policies, and detailed presentations of major assets and liabilities.
- Required Supplementary Information presents schedules related to employer net pension liability, employer contributions, and investment returns.
- Other Supplementary Information consists of supporting schedules of administrative expenses, investment expenses, and fees paid to consultants.

General Market Risk
SURS is exposed to general market risk. This general market risk is reflected in asset valuations fluctuating with market volatility. Any impact from market volatility on SURS investment portfolios depends in large measure on how deep a potential market downturn is, how long it lasts, and how it fits within fiscal year reporting periods. The resulting market risk and associated realized and unrealized gains and losses could significantly impact SURS financial condition.

Financial Analysis of the System
The System serves 228,105 members in its defined benefit plan and 26,684 members in its retirement savings plan. Additionally, 10,493 members have balances in the supplemental deferred compensation plan. The funds needed to finance the benefits provided by SURS are accumulated through the collection of member and employer contributions and through income on investments. The fiduciary net position of the System increased from $23.4 billion as of June 30, 2023, to $24.5 billion as of June 30, 2024. This $1.2 billion increase was due to an increase in the fair value of the System's investments.

Management's Discussion and Analysis

Fiduciary Net Position
A summary of the System's fiduciary net position is presented below:

Condensed Statement of Fiduciary Net Position

REPORTING ENTITY TOTAL ($ in millions)	2024	2023	Change Amount	Change %
Cash and short-term investments	$ 230.2	$ 244.3	$ (14.1)	(5.8)%
Receivables and prepaid expenses	95.9	302.1	(206.2)	(68.3)
Pending investment sales	150.5	28.6	121.9	426.2
Investments and securities lending collateral	27,632.5	26,173.7	1,458.8	5.6
Capital assets, net	31.5	22.2	9.3	41.9
Total assets	**28,140.6**	**26,770.9**	**1,369.7**	**5.1**
Payable to brokers-unsettled trades	142.4	56.4	86.0	152.5
Securities lending collateral	3,426.3	3,311.9	114.4	3.5
Other liabilities	55.3	42.1	13.2	31.4
Total liabilities	**3,624.0**	**3,410.4**	**213.6**	**6.3**
TOTAL FIDUCIARY NET POSITION	**$ 24,516.6**	**$ 23,360.5**	**$ 1,156.1**	**4.9%**

The investment allocation strategy for the reporting entity as of June 30, 2024, and 2023, is as follows:

Investment Allocation Strategy

	2024	2023
Traditional Growth		
Global Public Equity	36.0%	36.0%
Stabilized Growth		
Core Real Assets	8.0	8.0
Public Credit Fixed Income	6.5	6.5
Private Credit	2.5	2.5
Non-Traditional Growth		
Private Equity	11.0	11.0
Non-Core Real Assets	4.0	4.0
Inflation Sensitive		
U.S. TIPS	5.0	5.0
Principal Protection		
Core Fixed Income	10.0	10.0
Crisis Risk Offset		
Systematic Trend Following	10.0	10.0
Alternative Risk Premia	3.0	3.0
Long Duration	2.0	2.0
Long Volatility/Tail Risk	2.0	2.0
TOTAL	**100.0%**	**100.0%**

Management's Discussion and Analysis

Proper implementation of the investment policy requires that periodic adjustments, or rebalancing, of assets be made to ensure conformance with policy target levels. Such rebalancing is necessary to reflect sizable cash flows and performance imbalances among investment managers who are hired to manage assets with a specified strategy. SURS rebalancing policy calls for rebalancing, as soon as practical, if a strategy either exceeds or falls below its target allocation by three percentage points. Ongoing rebalancing of the investment portfolio occurred as needed during the year with the assistance of the System's cash flows.

Changes in Fiduciary Net Position
A summary of the changes in the System's fiduciary net position is presented below:

Condensed Statement of Changes in Fiduciary Net Position

REPORTING ENTITY ($ in millions)	2024	2023	Change	
			Amount	%
Employer contributions	$ 80.3	$ 76.0	$ 4.3	5.7%
Non-employer contributing entity contributions	2,172.1	2,157.3	14.8	0.7
Member contributions	486.2	425.9	60.3	14.2
Net investment income	1,859.6	1,338.1	521.5	39.0
Total additions	**4,598.2**	**3,997.3**	**600.9**	**15.0**
Benefits	3,084.0	2,997.9	86.1	2.9
Refunds	78.8	79.2	(0.4)	(0.5)
Contributions sent to third-party administrator	253.8	218.3	35.5	16.3
Administrative expense	25.5	25.3	0.2	0.8
Total deductions	**3,442.1**	**3,320.7**	**121.4**	**3.7**
Net increase in fiduciary net position	1,156.1	676.6	479.5	70.9
Fiduciary net position, beginning of year	23,360.5	22,683.9	676.6	3.0
FIDUCIARY NET POSITION, END OF YEAR	**$ 24,516.6**	**$ 23,360.5**	**$ 1,156.1**	**4.9%**

Additions to Fiduciary Net Position
Additions to fiduciary net position come from employer contributions, member contributions and returns on investment funds. For fiscal year 2024, the System's non-employer contributing entity — the State of Illinois — contributed $2,172.1 million, which included a supplemental contribution of $38.8 million from the Pension Stabilization Fund pursuant to Public Act 102-698. Employer contributions increased by $4.3 million, or 5.7%, to $80.3 million. Member contributions increased by $60.3 million, or 14.2%, to $486.2 million. Net investment gain for fiscal year 2024 was $1,859.6 million for the System, representing a $521.5 million increase from the prior year. The System's investment rate of return was 8.3% (time weighted, net of all investment management fees).

Given the long-term orientation of the SURS investment program, it is important to track investment returns over several time periods to correctly assess performance, especially given recent market volatility. SURS investment portfolio returns are as follows:

TIME PERIOD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	20-YEAR	30-YEAR
Time-Weighted Annualized Return	8.3%	4.0%	7.4%	6.6%	7.2%	8.1%

The annualized rate of return over a 30-year period of 8.1% was higher than the actuarial rate of return assumption of 6.5% in effect for fiscal year 2024. Under the direction of the Illinois Auditor General, the State Actuary recommends that the Board of Trustees annually review the interest rate, payroll growth, and inflation assumptions, should changes in market conditions or plan demographics call for such an adjustment.

Management's Discussion and Analysis

Deductions from Fiduciary Net Position

Deductions from fiduciary net position relate to the provision of retirement annuities and other benefits, refunds to inactive members, remittance of defined contribution plan contributions to a third-party administrator, and the cost of administering the System. These deductions for fiscal year 2024 totaled $3.4 billion, an increase of $121.4 million, or 3.7% over deductions for 2023. This increase is primarily due to the $86.1 million increase in retirement and survivor annuity payments made to defined benefit plan members. Portable lump sum distributions and refunds decreased by $0.4 million, or 0.5%. Administrative expenses increased by $0.2 million, or 0.8% from fiscal year 2023 to 2024.

Accelerated Pension Payment Programs

Adhering to Public Act 100-0587 signed into law in 2018, SURS continues to administer two accelerated pension benefit programs for members. By the end of fiscal year 2024, a total of $45.5 million had been received from bond proceeds and paid to members that elected to participate in the accelerated pension payment programs. The programs are funded by bonds issued by the State of Illinois, and the liabilities and expenses related to the bonds are recognized by the State of Illinois. For these two programs, SURS essentially serves as a payment agent on behalf of the State of Illinois and recognizes neither revenue nor expense in its financial statements for these programs. The programs are available until June 20, 2026.

Future Outlook

The experience review for the years June 30, 2020 to June 30, 2023, was completed in June 2024, and the assumptions adopted as of June 30, 2024. The next experience study will be completed in 2027 using June 30, 2023 to June 30, 2026 data.

Public Act 96-0889 implemented a limit on pensionable earnings for Tier 2 members. This limit is set annually by the Illinois Department of Insurance and increases each year by the lesser of 3% or one-half of the change in the Consumer Price Index. The limit for calendar year 2023 (applied to SURS fiscal year 2024) was $123,489, and the limit for calendar year 2024 (fiscal year 2025) is $125,774. This limit on Tier 2 members' pensionable earnings decreases the anticipated amount of future payroll and contributions.

Excluding supplemental contributions received in fiscal year 2024, combined employer and State contributions are projected to increase by about 3.3% ($73.2 million) in fiscal year 2025.

Benefit payments are projected to continue to grow due to increasing numbers of retirees, the 3% annual increase, and the impact of salary increases at the participating employers. SURS will continue to structure its portfolio with the objective of maximizing returns over the long term to help offset the shortage in employer contributions.

Public Act 103-0548, which was signed into law on August 11, 2023, eliminates the requirement that a participant in SURS be employed for at least 15 calendar days in a month to receive one month of service credit; instead, a participant will receive service credit for any month in which they are a participating employee and make contributions to SURS. The law also repeals the part-time adjustment, which modified pension benefits for participants who worked 50% time or less for 3 or more years. This applies to SURS participants beginning on September 1, 2024.

On July 1, 2024, SURS implemented automatic escalation for Deferred Compensation Plan (DCP) participants. Members that are automatically enrolled in the DCP and are still contributing at the default 3% pre-tax contribution rate will see an automatic 1% increase in their pre-tax contribution each year, up to a maximum default contribution cap of 10% of their salary. Members can change their default rate at any time.

Requests for Information

This financial report is designed to provide a general overview of the System's finances. For questions concerning the information in this report or for additional information, contact State Universities Retirement System, 1901 Fox Drive, Champaign, Illinois 61820.

Financial Statements

Statement of Fiduciary Net Position as of June 30, 2024

	Defined Benefit Pension Plan	Other Employee Benefit Plan	Custodial Funds	Total
ASSETS				
Cash and short-term investments	$ 222,101,688	$ 1,433,618	$ 6,699,279	$ 230,234,585
Receivables				
Members	13,613,380	-	4,798,922	18,412,302
Non-employer contributing entity	164,327	-	-	164,327
Federal, trust funds, and other	5,793,003	-	76,501	5,869,504
Pending investment sales	149,376,543	980,553	103,712	150,460,808
Interest and dividends	69,734,718	457,760	48,417	70,240,895
Total receivables	238,681,971	1,438,313	5,027,552	245,147,836
Prepaid expenses	1,197,286	-	-	1,197,286
Investments, at fair value				
Equity investments	8,290,427,778	54,420,869	5,756,061	8,350,604,708
Fixed income investments	5,997,537,452	39,369,645	4,164,103	6,041,071,200
Real asset investments	2,688,812,726	17,650,178	1,866,848	2,708,329,752
Alternative investments	7,054,985,282	46,311,052	4,898,291	7,106,194,625
Total investments	24,031,763,238	157,751,744	16,685,303	24,206,200,285
Securities lending collateral	3,401,560,164	22,328,867	2,361,710	3,426,250,741
Capital assets, at cost, net of accum deprec	31,513,528	-	-	31,513,528
TOTAL ASSETS	**27,926,817,875**	**182,952,542**	**30,773,844**	**28,140,544,261**
LIABILITIES				
Benefits payable	16,522,947	109,304	-	16,632,251
Refunds payable	4,806,416	-	-	4,806,416
Securities lending collateral	3,401,560,164	22,328,867	2,361,710	3,426,250,741
Payable to brokers for unsettled trades	141,334,651	927,763	98,129	142,360,543
Reverse repurchase agreements	1,943,648	12,759	1,349	1,957,756
Investment expenses payable	11,669,246	76,600	8,102	11,753,948
Administrative expenses payable	8,806,624	-	58,187	8,864,811
Contributions due to third-party administrator	-	-	11,364,884	11,364,884
TOTAL LIABILITIES	**3,586,643,696**	**23,455,293**	**13,892,361**	**3,623,991,350**
FIDUCIARY NET POSITION				
Restricted for pensions	24,340,174,179	-	-	24,340,174,179
Restricted for other employee benefits	-	159,497,249	-	159,497,249
Restricted for other governments	-	-	16,881,483	16,881,483
TOTAL FIDUCIARY NET POSITION	**$ 24,340,174,179**	**$ 159,497,249**	**$ 16,881,483**	**$ 24,516,552,911**

See accompanying Notes to the Financial Statements section.

Financial Statements

Statement of Changes in Fiduciary Net Position for the Year Ended June 30, 2024

	Defined Benefit Pension Plan	Other Employee Benefit Plan	Custodial Funds	Total
ADDITIONS				
Contributions				
Employers	$ 66,619,594	$ -	$ 13,643,718	$ 80,263,312
Non-employer contributing entity	2,082,878,551	-	89,215,749	2,172,094,300
Members	335,418,684	-	150,811,545	486,230,229
Total contributions	2,484,916,829	-	253,671,012	2,738,587,841
Investment Income				
Net appreciation in fair value of investments	1,470,365,768	9,790,784	907,013	1,481,063,565
Interest	212,484,023	1,427,945	132,284	214,044,252
Dividends	286,707,571	1,926,745	178,493	288,812,809
Securities lending	8,009,917	53,829	4,987	8,068,733
	1,977,567,279	13,199,303	1,222,777	1,991,989,359
Less investment expense				
Asset management expense	130,891,999	879,581	81,484	131,853,064
Securities lending expense	556,398	3,739	346	560,483
Net investment income	1,846,118,882	12,315,983	1,140,947	1,859,575,812
TOTAL ADDITIONS	**4,331,035,711**	**12,315,983**	**254,811,959**	**4,598,163,653**
DEDUCTIONS				
Benefits	3,081,323,542	2,686,415	-	3,084,009,957
Refunds of contributions	78,824,843	-	-	78,824,843
Contributions sent to third-party administrator	-	-	253,769,997	253,769,997
Administrative expense	23,961,048	-	1,531,782	25,492,830
TOTAL DEDUCTIONS	**3,184,109,433**	**2,686,415**	**255,301,779**	**3,442,097,627**
Net increase (decrease)	**1,146,926,278**	**9,629,568**	**(489,820)**	**1,156,066,026**
Fiduciary Net Position				
Beginning of year	23,193,247,901	149,867,681	17,371,303	23,360,486,885
FIDUCIARY NET POSITION END OF YEAR	**$24,340,174,179**	**$ 159,497,249**	**$ 16,881,483**	**$24,516,552,911**

See accompanying Notes to the Financial Statements section.

FINANCIAL

Notes to the Financial Statements

I. Description of SURS

The State Universities Retirement System (SURS or System) is the administrator of a cost-sharing, multiple-employer defined benefit plan and two multiple-employer defined contribution plans. SURS was established on July 21, 1941, and provides retirement annuities and other benefits for employees of the state universities and community colleges, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is governed by Chapter 40, Act 5, Article 15, of the Illinois Compiled Statutes. The Illinois General Assembly has the authority to establish and amend the benefit provisions of the plans offered by SURS. The operation of SURS and the direction of its policies are the responsibility of the SURS Board of Trustees. The Board of Trustees consists of six elected and five appointed board members. There are no statutory provisions for termination of the System. The Illinois Constitution provides that the pension obligation of the State shall be an enforceable contractual relationship, the benefits of which shall not be diminished or impaired.

The membership, contributions, and benefit provisions related to the System's three plans are presented in the following summary of the provisions of SURS in effect as of June 30, 2024, as defined in the Illinois Compiled Statutes. Interested parties should refer to the SURS Member Guide or the statutes for more complete information.

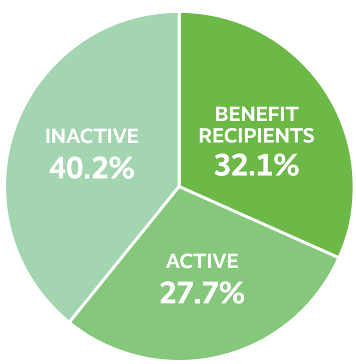
The financial statement presentation of the System's benefit plans is driven by accounting standards for fiduciary activities issued by the Governmental Accounting Standards Board. An explanation of how these standards affect the presentation of the System's three plans can be found in the Reporting Entity section of the Summary of Significant Accounting Policies.

A. Defined Benefit Plan

As of June 30, 2024, two benefit packages are offered by the defined benefit plan: the traditional benefit package and the portable benefit package. The traditional benefit package is the System's original benefit offering and was established in 1941. Public Act 90-0448 was enacted effective January 1, 1998, which established an alternative defined benefit program known as the portable benefit package. This portable benefit option is offered in addition to the traditional benefit option. New employees are allowed 6 months after their date of hire to make an irrevocable election to participate in either the traditional benefit package, portable benefit package, or the Retirement Savings Plan (RSP).

The System's fiduciary net position and changes in fiduciary net position related to the defined benefit plan are shown in the Defined Benefit Pension Plan column on the financial statements.

Defined Benefit Plan



At June 30, 2024, the number of participating employers was:

Universities	**9**
Community Colleges	**39**
Allied Agencies	**11**
State Agencies	**2**
	61

Note: Excluded from the employer totals above is the State of Illinois, a non-employer contributing entity.

At June 30, 2024, defined benefit plan membership consisted of:

Benefit Recipients	**73,303**
Active Members	**63,063**
Inactive Members	**91,739**
	228,105

1. Membership

Participation is required as a condition of employment. Employees are ineligible to participate if (a) employed less than full-time and attending classes with an employer; (b) receiving a retirement annuity from SURS; or (c) excluded by subdivision (a)(7)(f) or (a)(19) of Section 210 of the Federal Social Security Act from the definition of employment given in that Section.

2. Benefit Provisions

The traditional and portable benefit packages are offered in two different tiers. Tier I is offered to members who began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit packages for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system credit. The revised plan is referred to as Tier II. The following is a summary of the benefit provisions as of June 30, 2024.

Notes to the Financial Statements

	Tier I	Tier II
Retirement Vesting Traditional Plan and Portable Plan	5 years of service	10 years of service
Full Retirement Age Traditional Plan and Portable Plan	Age 62, with 5 years of service; Age 60, with 8 years of service; Any age with 30 years of service	Age 67, with 10 years of service
Final Rate of Earnings Traditional Plan and Portable Plan	Average earnings during 4 highest consecutive academic years; or Average earnings of the last 48 months prior to termination	Average earnings during the 8 highest consecutive academic years of the last 10; or Average earnings of the highest 96 consecutive months of the last 120 (if applicable)
Retirement Automatic Annual Increase (AAI) Traditional Plan and Portable Plan	3% compounded annually	Lesser of the 3% or one-half of the change in the consumer price index, not compounded
Survivor Benefits Traditional Plan	Minimum of 50% of the member's earned retirement annuity	66 2/3% of the member's earned retirement annuity
Portable Plan	Selection at retirement of 50%, 75%, or 100% of the member's earned retirement annuity	Selection at retirement of 50%, 75%, or 100% of the member's earned retirement annuity
Survivor Automatic Annual Increase (AAI) Traditional Plan and Portable Plan	3% compounded annually	Lesser of the 3% or one-half of the change in the consumer price index, not compounded

Public Act 101-610, effective January 1, 2020, allows Tier II police officers and firefighters to retire at age 60 (instead of age 67) without a reduced retirement annuity under the special formula for police officers and firefighters.

Public Act 103-0548, which was signed into law on August 11, 2023, eliminates the requirement that a participant in SURS be employed for at least 15 calendar days in a month to receive one month of service credit; instead, a participant will receive service credit for any month in which they are a participating employee and make contributions to SURS. The law also repeals the part-time adjustment, which modified pension benefits for participants who worked 50% time or less for 3 or more years. This applies to SURS participants beginning on September 1, 2024.

SURS also provides disability, death, and refund benefits as authorized in Chapter 40, Act 5, Article 15, of the Illinois Compiled Statutes.

Disability benefits are payable to all members with at least 2 years of service credit if they are unable to reasonably perform the duties of their assigned position due to a physical or mental impairment as certified by a physician. The benefit becomes payable when sick leave payments are exhausted or after 60 days of the disability, whichever is later. Members are not required to exhaust vacation leave nor resign their position in order to claim the benefit. The benefit is payable at a rate of 50% of the monthly rate of compensation on the date the disability began. Disability benefits are reduced by any payments received under the Workers' Compensation or the Occupational Diseases Act. Benefits have a lifetime cap of 50% of a member's total accumulated pensionable earnings. RSP members are not eligible for a disability retirement annuity. If a member remains disabled after receiving the maximum benefits due, they may be eligible for a disability retirement annuity equal to 35% of the monthly rate of compensation on the date the disability began.

Death benefits are payable to named beneficiaries upon the death of any member of this System. Under the traditional benefit package, monthly survivor benefits may be paid to eligible survivors if the member established a minimum of 1.5 years of service credit prior to the date of death. If no qualified survivor exists at the date of retirement, the member is paid a refund of all survivor contributions plus interest. Under the portable benefit package, survivor benefits are available through a reduction of the retirement annuity calculated as described above. No refund of survivor contributions is available if there is no qualified survivor at the time of retirement. These provisions are designed to allow the impact of the portable benefit package's enhanced refund opportunity to be cost neutral.

Upon the death of an annuitant, SURS will pay either a death benefit to a non-survivor beneficiary or a monthly survivor benefit to an eligible survivor. The amount of the monthly survivor benefit will differ depending upon whether the annuitant had selected the traditional benefit package or the portable benefit package.

Notes to the Financial Statements

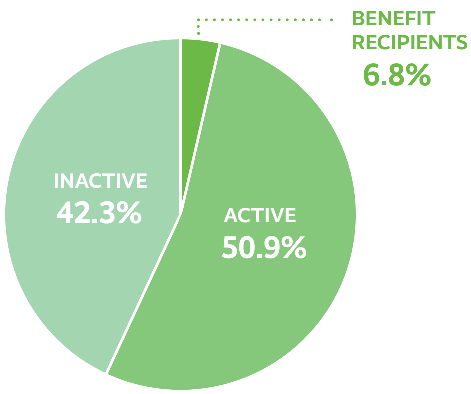
Upon termination of service, a lump sum refund is available to all members. Under the traditional benefit package, the refund consists of all member contributions, plus interest at 4.5%. Under the portable benefit package, the refund consists of all member contributions and total interest credited, plus, for those members with greater than or equal to 5 years of service credit, an equal amount of employer contributions. Under both defined benefit plan options, a member with at least 5 years of service credit (10 years for Tier II) who does not apply for a refund may apply for a normal retirement benefit payable at age 62.

B. Retirement Savings Plan

SURS is the plan sponsor and administrator of a defined contribution plan called the SURS Retirement Savings Plan (RSP). The RSP was established as of January 1, 1998, by the Illinois General Assembly as an amendment to the Illinois Pension Code through Public Act 90-0448. The plan was originally called the Self-Managed Plan (SMP). The name change to Retirement Savings Plan was effective September 1, 2020, at the conclusion of an extensive plan redesign. The RSP is offered to employees of all SURS employers who elect to participate. This plan is a qualified money purchase pension plan under Section 401(a) of the Internal Revenue Code. The assets of the RSP are maintained under a trust administered by the SURS Board of Trustees in accordance with the Illinois Pension Code.

Important information about the financial statement presentation of the Retirement Savings Plan can be found in the Reporting Entity section of the Summary of Significant Accounting Policies.

Retirement Savings Plan



At June 30, 2024, the number of RSP participating employers was:

Universities	**9**
Community Colleges	**39**
Allied Agencies	**8**
State Agencies	**2**
	58

Note: Excluded from the employer totals above is the State of Illinois, a non-employer contributing entity.

1. Membership

A member may elect participation in the RSP if (a) all participation criteria for the defined benefit plan are met; (b) the employer has elected through Board action to offer the Retirement Savings Plan; (c) the employee is on active status at the plan offering date; and (d) the employee is not eligible to retire as of the employer plan offering date. The member election is irrevocable. New employees are allowed 6 months from the date of hire in which to make their election. If no election is received, members are defaulted into the defined benefit plan, under the traditional benefit package.

At June 30, 2024, the RSP membership consisted of:

Benefit Recipients	**1,808**
Active Members	**13,574**
Inactive Members	**11,302**
	26,684

2. Benefit Provisions

The RSP provides retirement, disability, death, and survivor benefits as authorized in Chapter 40, Act 5, Article 15, of the Illinois Compiled Statutes, and amended by Public Act 90-0448.

Retirement benefits are payable to members meeting minimum vesting requirements of 5 years of service credit at age 62, 8 years of service credit at age 55, or 30 years of service credit regardless of age. The plan offers a lump sum option and two lifetime income options for distributions upon reaching retirement eligibility. The lump sum distribution option is a payment of all employee and employer contributions and related investment earnings in either a one-time payment or multiple distributions. One lifetime distribution option is utilization of the full account balance to purchase one of the following types of annuities: a single life annuity; a 50% or 100% joint and survivor annuity; single life annuity with a guaranteed period of 10, 15, or 20 years as elected by the member; or a 50% or 100% joint and survivor annuity with a guaranteed period of 10, 15, or 20 years as elected by the member. The second lifetime distribution option is utilization of the SURS Lifetime Income Strategy (LIS). The LIS allows members to allocate between 0% and 100% of their account

Notes to the Financial Statements

balance to a Secure Income Portfolio that provides guaranteed monthly retirement income for life. All or a portion of the account balance remains available for ad-hoc distributions as needed.

Disability benefits are payable to all members with at least 2 years of service credit if they are unable to reasonably perform the duties of their assigned position due to physical impairment as certified by a physician. The benefit becomes payable when sick leave payments are exhausted or after 60 days of the disability, whichever is later. Members are not required to exhaust vacation leave nor resign their position in order to claim the benefit. The benefit is payable at a rate of 50% of the monthly rate of compensation on the date the disability began. Disability benefits are reduced by any payments under Workers' Compensation or the Occupational Diseases Act. Benefits have a lifetime cap of 50% of a member's total accumulated pensionable earnings. RSP members are not eligible for a disability retirement annuity.

Upon termination of service with less than 5 years of service credit, a lump sum distribution is available which consists of employee contributions and related investment earnings. The employer contributions and related investment earnings are forfeited. Upon termination of service with greater than 5 years of service credit, but where the member is not yet eligible for retirement, a lump sum distribution is available which consists of employee and employer contributions and related investment earnings.

Death benefits are payable to named beneficiaries upon the death of any member of this plan. If the member has less than 1.5 years of service credit, the death benefit payable is the employee contributions and related investment earnings. If the member has 1.5 or more years of service credit, the death benefit payable is the employee and employer contributions and related investment earnings.

C. Deferred Compensation Plan

Public Act 100-769, effective August 10, 2018, required SURS to introduce an optional supplemental defined contribution plan. This optional defined contribution plan is known as the SURS Deferred Compensation Plan (DCP) and began accepting contributions on March 1, 2021. This plan is a governmental deferred compensation plan under Section 457(b) of the Internal Revenue Code. All SURS employers were required to adopt the plan by September 1, 2021.

Beginning July 1, 2023, per Public Act 102-540, all newly certified SURS members are automatically enrolled in the DCP. Auto-enrolled DCP participants are given an opt-out window of 30 days, after which they default to a pre-tax contribution of 3% of earnings. The assets of the DCP are maintained under a trust administered by the SURS Board of Trustees in accordance with the Illinois Pension Code.

As of June 30, 2024, 10,493 members had balances in the DCP.

Important information about the financial statement presentation of the Deferred Compensation Plan can be found in the Reporting Entity section of the Summary of Significant Accounting Policies.

1. Membership

A member may elect participation in the DCP if (a) all participation criteria for the defined benefit plan are met; (b) the employee is on active status at the plan offering date; and (c) the employee is not eligible to retire as of the employer plan offering date.

2. Benefit Provisions

The DCP provides retirement benefits to participating members.

Distributions from the DCP are allowed upon separation from SURS-covered employment, attainment of age 59½, disability, an unforeseeable emergency, or death. The DCP offers a lifetime distribution option called the SURS Lifetime Income Strategy (LIS). The LIS allows members to allocate between 0% and 100% of their account balance to a Secure Income Portfolio that provides guaranteed monthly retirement income for life. The account balance remains available for ad-hoc distributions as needed. Members must be at least 60 years old to start receiving guaranteed monthly retirement income from the LIS.

DCP participants are always 100% vested in all contributions and investment earnings (including employer contributions and related investment earnings), regardless of years of service credit attained.

Notes to the Financial Statements

II. Summary of Significant Accounting Policies

A. Reporting Entity

Accounting standards promulgated by the Governmental Accounting Standards Board (GASB) define the financial reporting entity as consisting of a primary government as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable, or for which the nature and significance to the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or otherwise incomplete. Financial accountability is defined as:

1. Appointment of a voting majority of the organization's board and either (a) the ability to impose will by the primary government or (b) the possibility that the organization will provide a financial benefit to or impose a financial burden on the primary government; or
2. Fiscal dependency on the primary government and potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

According to these criteria, SURS is a component unit of the State of Illinois.

Additional fiduciary activity and component unit criteria were introduced by GASB Statement No. 84, *Fiduciary Activities*, and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. These new criteria affect determination of voting majority appointment, fiscal dependency, control of assets, and the relationship between pension plans and their plan administrators. SURS reevaluated its financial reporting entity in response to these standards.

SURS financial reporting entity consists of three types of fiduciary funds.

- The defined benefit pension plan reflects the activities and financial position of the defined benefit plan (a fiduciary component unit).
- The other employee benefit plan reflects the activities and financial position of the Retirement Savings Plan's disability benefit only. This plan is not an OPEB plan; eligible members are not required to terminate their employment to claim this benefit. The plan is an "other" plan as described in paragraph 15(b) of GASB Statement No. 84, *Fiduciary Activities*.
- The custodial funds reflect the activities and financial position of the Retirement Savings Plan's and Deferred Compensation Plan's retirement, death, and survivor benefits and plan administration. Aspects of these plans that have been assigned to a third-party administrator (such as custody of member investment assets, recordkeeping of investment gain/loss on those assets, and distributions made to members) are not included in SURS reporting entity per governmental accounting standards.

B. Measurement Focus and Basis of Accounting

Transactions are recorded using the economic resources measurement focus and accrual basis of accounting. Member and employer contributions are recognized as fiduciary fund additions when due to SURS, pursuant to statutory or contractual requirements. Benefits and refunds are recognized as fiduciary fund deductions when due and payable in accordance with the terms of the plans.

C. Use of Estimates

The preparation of the System's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates and those differences could be material. The System uses an actuary to determine the actuarial accrued liability for the defined benefit pension plan and to determine the actuarially determined contribution.

D. Risks and Uncertainties

The System invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities could occur in the near-term, and that such changes could materially affect the amounts reported in the Statement of Fiduciary Net Position.

Notes to the Financial Statements

E. Cash and Short-Term Investments

Included in the $230,234,585 of cash and short-term investments presented in the Statement of Fiduciary Net Position is $105,182,588 of short-term investments with original maturities of less than 90 days. For purposes of the data tables presented in Note IV, this group of short-term investments is included as part of fixed income investments. Short-term investments are generally reported at cost, which approximates fair value.

F. Investments

Investments are governed by Chapter 40, Act 5, Articles 1 and 15, of the Illinois Compiled Statutes. The most important aspect of the statutes is the prudent expert rule, which establishes a standard of care for all fiduciaries. (A fiduciary is any person who has authority or control with respect to the management or administration of plan assets.) The prudent expert rule states that fiduciaries must discharge their duties with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use under conditions prevailing at the time. Purchases and sales of securities are recorded on a trade-date basis. Interest income is reported on the accrual basis. Dividends are recorded on the ex-dividend date.

Investments are generally reported at fair value. Marketable securities (stocks, bonds, warrants, and options) are traded on public exchanges. The Northern Trust Company, SURS custodial bank, establishes these prices using third-party pricing services. Generally, these values are reported at the last reported sales price. Certain investments that do not have an established fair value are reported at estimated fair value obtained from a custodial bank or investment management firm. These investments include commingled investment pools, where the underlying assets are individually marked to market (i.e., estimated fair value) on a daily basis and individually traded on publicly recognized exchanges. The investment manager, using methods approved by the CFA Institute or other industry standards, values non-marketable securities. These methods generally include detailed property level appraisals and discounted cash flow analysis.

G. Capital Assets

Capital assets are classified as either tangible capital assets or intangible right-to-use assets.

- Tangible capital assets are owned by the System, not held for investment, and have an indefinite right-of-use period. These assets include land (and related improvements), buildings (and related improvements), equipment, software, furniture, and fixtures. Tangible capital assets are recorded at historical cost and depreciated over the estimated useful life of each asset using the straight-line method.

- Intangible right-to-use assets are assets that are provided by another entity and for which the System's use is subject to a lease, contract, or other agreement. These assets include leased property as described by GASB Statement No. 87, *Leases*, and subscription-based software and infrastructure as described by GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The cost of intangible right-to-use assets is recorded at the sum of (a) the present value of future payment commitments as of contract inception and (b) expenditures incurred before contract inception to prepare the asset for in-service use. Intangible right-to-use assets are amortized over the terms of their underlying contracts using the straight-line method.

Expenditures for tangible capital assets with a useful life of less than one year are expensed as incurred. Expenditures for right-to-use assets for which either the System or the asset provider can terminate the agreement at any time without the other party's consent are expensed as incurred.

Additional information about capital asset additions, disposals, and estimated useful lives can be found in Note VI, *Capital Assets*.

H. Lease and Subscription Liabilities

Lease and subscription liabilities are measured at the present value of future payment commitments as of contract inception and are included in administrative expenses payable in the Statement of Fiduciary Net Position.

Interest expense is recognized ratably over the relevant contract term based on the outstanding lease or subscription liability. Depending on the nature of the related right-to-use assets, this expense is included in either asset management expense or administrative expense in the Statement of Changes in Fiduciary Net Position.

Additional information about lease and subscription liabilities and related interest expense can be found in Note X, *Right-to-use Agreements*.

Notes to the Financial Statements

I. Administrative Expenses

System administrative expenses are budgeted and approved by the System's Board of Trustees. Funding for these expenses is included in the non-employer contribution as determined by the annual actuarial valuation and appropriated by the State of Illinois.

J. New Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections–an Amendment of GASB Statement No. 62*, is effective for financial reporting periods beginning after June 15, 2023. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. The System will implement these requirements at the time when an accounting change or error correction is deemed necessary.

GASB Statement No. 101, *Compensated Absences*, is effective for financial reporting periods beginning after December 15, 2023. The objective of this statement is to align the recognition and measurement guidance for compensated absences under a unified model and amend required disclosures. The System does not expect this statement to have a material impact on future financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*, is effective for fiscal years beginning after June 15, 2024. The objective of this statement is to provide information about risks related to an entity's vulnerabilities due to certain concentrations and constraints. The System is evaluating the impact of these requirements.

GASB Statement No. 103, *Financial Reporting Model Improvements*, is effective for fiscal year beginning after June 15, 2025. The objective of this statement is to improve key components of the financial model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The System will implement these requirements, as appropriate and relevant, beginning with the financial reporting period ending June 30, 2026.

III. Contributions and Fiduciary Net Position Designations

SURS financial statements are presented according to the specific fiduciary activities being conducted by SURS. Each section of this footnote includes a Composition section to establish which SURS plan(s) comprises each fiduciary activity. Important information about the financial statement presentation of SURS benefit plans is found in the Reporting Entity section of the Summary of Significant Accounting Policies.

A. Defined Benefit Pension Plan

1. Composition

The defined benefit pension plan presented in SURS financial statements reflects the activities and fiduciary net position of the defined benefit plan.[1]

---

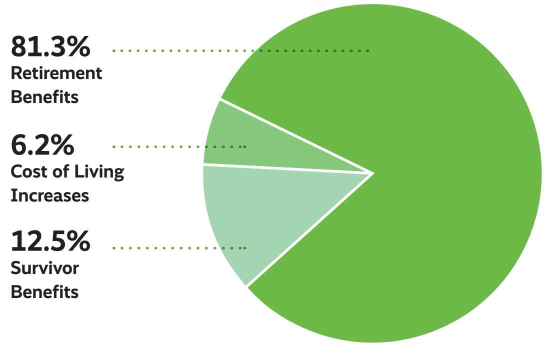
[1]This fund also contains the activity of the SURS Board of Trustees, though it is negligible in comparison to the defined benefit plan.

Notes to the Financial Statements

2. Membership Contributions

In accordance with Chapter 40, Act 5, Article 15, of the Illinois Compiled Statutes, members of the traditional benefit package contribute 8% of their gross earnings; 6.5% of those are designated for retirement annuities, 0.5% for post-retirement increases, and 1% for survivor benefits. Police officers and firefighters contribute 9.5% of earnings; the additional 1.5% is a normal retirement contribution. Members of the portable benefit package contribute 8% of their gross earnings; 6.5% of those are designated for retirement annuities, 0.5% for post-retirement increases, and 1% for enhanced refund benefits. Police officers and firefighters contribute 9.5% of earnings; the additional 1.5% is a normal retirement contribution. These statutes assign the authority to establish and amend the contribution provisions of the plan to the Illinois General Assembly. The member contributions are picked up by the employer and treated as employer contributions for income tax purposes. Retirement contributions are based on the gross earnings before the employer pick-up and are included in earnings. All contributions on pre-1981 earnings and service credit payments, plus future other public employment, prior service, refund repayments, leave payments, military service payments, and the employee portion of Early Retirement Option payments, are considered as previously taxed, unless qualifying funds are rolled over to SURS to make these purchases, or unless the payments are made in installments through employer deductions from payroll. Previously taxed contributions will be recovered tax-free when distributed to the member in the form of benefits or payments or to his or her beneficiary as a death and/or survivor benefit.

Member Contributions



3. Interest Credited on Member Contributions

For the traditional and portable benefit packages, the interest rate credited is approved by the Board of Trustees and is 6.5% for the year ended June 30, 2024. For purposes of lump sum refunds to former members, the traditional benefit package offers an interest rate of 4.5%, compounded annually, and the portable benefit package offers an interest rate equal to the credited rate, compounded annually. A change brought forth by the enactment of Public Act 94-0004 and effective July 1, 2005, calls for the Comptroller of the State of Illinois to set the interest rate credited to member contribution balances for purposes of the calculation of retirement annuities under the money purchase formula. That rate is 7.0% for the year ended June 30, 2024, and will be 7.5% for the year ended June 30, 2025.

Members certified after July 1, 2005, will not be eligible for the money purchase formula calculation. Rather, their retirement annuity will be calculated using the general formula.

4. Employer Contributions

On an annual basis, an actuarial valuation is performed to determine the amount of statutorily required contributions from the State of Illinois (a non-employer contributing entity) and the normal cost. Public Act 99-0232 requires an actuarial experience study to be performed every 3 years to determine the assumptions to be used in the annual valuation. An actuarial experience study was completed in June 2024. To determine the funding method, Public Act 88-0593 was passed by the Illinois General Assembly in 1994. This Act, which took effect on July 1, 1995, provides a 50-year schedule of State contributions to the System designed to achieve a 90% funded ratio by fiscal year 2045. This plan requires the State as the non-employer contributing entity to make continuing appropriations to meet the normal actuarially determined cost of the System, plus amortize the unfunded accrued liability. In fiscal year 2024 the State of Illinois contributed $2,082,878,551 to the defined benefit pension plan.

The employer normal cost calculation is based on the same actuarial results, assumptions, and methods used to calculate the State contribution and results in the employer contribution rate that is applied to all earnings paid from federal, grant, and trust funds. The Board of Trustees adopted 12.53% of covered earnings as the employer normal cost for fiscal year 2024. In compliance with Public Act 94-0004, employers must pay the System the present value of the increase in benefits resulting from the portion of increase in earnings that is in excess of 6%. In compliance with Public Act 100-0023, employers must pay the System the normal cost of the portion of a member's earnings that exceed the amount of salary set for the Governor of Illinois. In fiscal year 2024, total employer contributions to the defined benefit pension plan were $66,619,594.

Notes to the Financial Statements

5. Fiduciary Net Position Accounts
The System maintains two designated accounts for the assignment of fiduciary net position:

a. The Member Contributions account contains the pension assets contributed by each member and the interest income earned by those contributions.
b. The Benefits from Member and Employer Contributions account contains the fiduciary net position available for annuities in force and available for future retirement, death and disability benefits, the undistributed investment income, the unexpended administrative expense allocation, and the variations in actuarial assumptions.

Balances in these designated accounts as of June 30, 2024 are as follows:

Member contributions	$ 7,109,524,542
Benefits from member and employer contributions	17,230,649,637
TOTAL FIDUCIARY NET POSITION	**$ 24,340,174,179**

6. Ownership of Greater than 5 Percent of Fiduciary Net Position Available for Benefits
There are no significant investments in any one organization that represent 5% or more of fiduciary net position available for benefits.

B. Other Employee Benefit Plan

1. Composition
The other employee benefit plan presented in SURS financial statements reflects the activities and fiduciary net position of the disability benefit offered to members in the Retirement Savings Plan. This plan is not an OPEB plan; members are not required to terminate their employment to claim this benefit. This plan is an "other" plan as described in paragraph 15(b) of GASB Statement No. 84, *Fiduciary Activities*.

2. Membership Contributions
Member contributions to the Retirement Savings Plan relate to the plan's retirement benefit only. As a result, this fund does not receive member contributions.

3. Employer Contributions
In accordance with Chapter 40, Act 5, Article 15 of the Illinois Compiled Statutes, employers must contribute to the RSP disability benefit at a rate of no more than 1% of the member's gross earnings. The employer contribution for RSP disability benefits was reduced to 0% of member gross earnings effective July 1, 2021. Employers are responsible for making contributions on earnings paid from the employer's federal, grant and trust funds only. Employer contributions on other earnings are made by the State of Illinois (a non-employer contributing entity) in accordance with the applicable provisions of the Illinois Pension Code.

As a result of the 0% disability contribution rate, both State of Illinois and employer contributions were zero for fiscal year 2024.

4. Fiduciary Net Position Accounts
The other employee benefit plan maintains one designated fiduciary net position account, which reflects the fiduciary net position available for both RSP disability benefits in force and future RSP disability benefits. The balance in this account was $159,497,249 as of June 30, 2024.

Assets related to RSP disability benefits are commingled with the investment assets of the defined benefit pension plan. Investment gain or loss is credited to these balances based upon the annual investment return of the commingled assets. For fiscal year 2024, the investment income credited to these balances was $12,315,983.

5. Ownership of Greater than 5 Percent of Fiduciary Net Position Available for Benefits
There are no significant investments in any one organization that represent 5% or more of fiduciary net position available for benefits.

Notes to the Financial Statements

C. Custodial Funds

1. Composition

The custodial funds presented in SURS financial statements reflect the activities and fiduciary net position related to SURS role in the provision of the Retirement Savings Plan's retirement, death, and survivor benefits; the Deferred Compensation Plan's retirement benefit; and the administration of both plans. SURS maintains separate custodial funds for the RSP and the DCP.

SURS utilizes a third-party administrator for certain aspects of the RSP and DCP, including custody of member assets, contributions and gain/loss recordkeeping, and member distributions. Fiduciary activities assigned to and assets held by the third-party administrator are not included in SURS financial reporting entity.

2. Membership Contributions

a. Retirement Savings Plan

In accordance with Chapter 40, Act 5, Article 15 of the Illinois Compiled Statutes, members contribute 8% of their gross earnings. These statutes assign the Illinois General Assembly the authority to establish and amend the contribution provisions of the plan.

The member contributions are picked up by the employer and treated as employer contributions for income tax purposes. Retirement contributions are based on the gross earnings before the employer pick-up and are included in earnings. Contributions are received and verified by SURS and then remitted to the third-party administrator for members' investment.

Service credit purchase payments are considered as previously taxed, unless qualifying funds are rolled over to SURS to make these purchases. Previously taxed contributions will be recovered tax-free when distributed to the employee in the form of benefits or refunds, or to his or her beneficiary as a death and/or survivor benefit.

Member contributions to the RSP totaled $118,012,397 for the year ending June 30, 2024.

b. Deferred Compensation Plan

Member contributions to the plan are allowed up to IRS limits. Members can designate contributions as Traditional (pretax) or Roth (post-tax). Contributions to the DCP are for supplemental retirement savings and do not provide service credit to members. Contributions are received and verified by SURS and then remitted to the third-party administrator for members' investment.

For the year ending June 30, 2024, members contributed $32,799,148 to the plan.

3. Employer Contributions

a. Retirement Savings Plan

In accordance with Chapter 40, Act 5, Article 15 of the Illinois Compiled Statutes, employers must contribute to the RSP at a rate of 7.6% of the member's gross earnings. Contributions are received and verified by SURS, and then, remitted to the third-party administrator for members' investment. The amount of employer contributions available for member investment is net of the amount retained by SURS to provide disability benefits (0% since July 1, 2021).

Employers are responsible for making contributions on earnings paid from the employer's federal, grant, and trust funds only. Employer contributions on other earnings are made by the State of Illinois (a non-employer contributing entity) in accordance with the applicable provisions of the Illinois Pension Code.

For fiscal year 2024, the State of Illinois contributed $88,770,541 toward RSP member accounts, while employers contributed $13,582,917. The State of Illinois also contributed $1,086,574 to the RSP for administrative expenses.

b. Deferred Compensation Plan

Employers are allowed to make matching and/or discretionary contributions to member accounts up to IRS limits. These contributions totaled $60,801 in fiscal year 2024. The State of Illinois contributed $445,208 to the DCP for administrative expenses during the year.

4. Fiduciary Net Position Accounts

a. Retirement Savings Plan

The RSP's custodial fund maintains one designated fiduciary net position account, which relates to employer forfeitures. This account reflects employer contributions that were forfeited from member accounts due to termination prior to reaching five years of service. Future State of Illinois contributions are reduced by the assets held in this custodial fund. The balance in this account was $16,881,483 as of June 30, 2024.

Assets related to employer forfeitures are commingled with the investment assets of the defined benefit pension plan. Investment gain or loss is credited to these balances based upon the annual investment return of the commingled assets. For fiscal year 2024, the investment income credited to these balances was $1,140,947.

b. Deferred Compensation Plan

The DCP's custodial fund does not maintain any fiduciary net position accounts. Member and employer contributions are immediately due to the third-party administrator. Administrative expenses incurred are funded by State of Illinois contributions.

5. Ownership of Greater than 5 Percent of Fiduciary Net Position Available for Benefits

There are no significant investments in any one organization that represent 5% or more of fiduciary net position available for benefits.

IV. Deposits and Investments

Fair Value Measurement

The System categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The System's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. The table on page 34 shows the fair value leveling of the investments for the System.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest, which approximates fair value.

Debt and debt derivative instruments classified in Level 2 and Level 3 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Index-linked debt securities are valued by multiplying the external market price feed by the applicable day's Index Ratio. Level 2 debt securities have non-proprietary information that was readily available to market participants from multiple independent sources which are known to be actively involved in the market. Level 3 debt securities use proprietary information or single source pricing. Equity and equity derivative instruments classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

The valuation method for certain equity, real asset, and marketable alternatives investments is based on the investments' NAV per share (or its equivalent) provided by the investee. The table on page 35 shows the investments of the System measured at the NAV per share.

Notes to the Financial Statements

Commingled Equity Funds
This type of investment consists of equities diversified across all sectors. The fair values of the investments in this type have been determined using the NAV per share of the investments.

Real Asset Funds
This type includes investments in open-end funds and real asset limited partnerships. Investments in open-end funds have limited redemption availability as redemption opportunities are based on available liquidity. Limited partnerships do not offer redemptions. The nature of these investments is that distributions from each investment will be received as the underlying investments are liquidated. The System has no plans to liquidate the total portfolio. As of June 30, 2024, it is probable all of the investments in this type will be sold at an amount different from the NAV per share (or its equivalent) of the System's ownership interest in partner's capital.

Private Equity Partnerships
This type of investment generally consists of limited partnerships. The types of strategies included in this portfolio are venture capital, buyouts, special situations, mezzanine, and distressed debt. Private equity partnerships have an approximate life of 10-12 years and are considered illiquid. Redemptions are restricted over the life of the partnership. During the life of the partnerships, distributions are received as underlying partnership investments are realized. The System has no plans to liquidate the total portfolio. As of June 30, 2024, it is probable all of the investments in this type will be sold at an amount different from the NAV per share (or its equivalent) of the System's ownership interest in partner's capital.

Private Credit Partnerships
This type of investment consists of limited partnerships. The types of funds include both open-end and closed-end funds. Investments in open-end funds have limited redemption availability, typically semi-annually, and are typically distributed on a pro-rata share. Closed-end funds do not offer redemptions. Strategies included in this portfolio are currently special situations, multi-strategy, specialty lending, and direct lending. The closed-end private credit partnerships have an approximate life of 5–10 years and are considered illiquid. Redemptions are restricted over the life of the partnership. During the life of the partnerships, distributions are received as underlying partnership investments are realized. The System has no plans to liquidate the total portfolio. As of June 30, 2024, it is probable all of the investments in this type will be sold at an amount different from the NAV per share (or its equivalent) of the System's ownership interest in partner's capital.

Diversifying Strategy Funds
This type of investment provides diversification benefits to the total portfolio and includes investments that show little to no correlation to traditional economic growth assets. The investments include allocations to both systematic trend following and alternative risk premia. The fair value of these investments has been determined using the NAV per share of the investments.

Investments and Short-Term Holdings Measured at Fair Value ($ in thousands)

	As of June 30, 2024	Fair Value Measurements Using Level 1	Level 2	Level 3
Investments by Fair Value Level				
Debt securities				
U.S. government	$ 2,764,332	$ 2,676,402	$ 87,930	$ -
U.S. agency obligations	1,111,747	-	1,111,518	229
U.S. municipal obligations	105,296	-	105,296	-
U.S. corporate obligations	652,048	-	652,043	5
U.S. asset backed	246,416	-	190,209	56,207
Fixed income funds	10,264	10,264	-	-
Foreign obligations	735,434	-	727,349	8,085
Total debt securities	$ 5,625,537	$ 2,686,666	$2,874,345	$ 64,526
Equity securities				
U.S. equity securities	$ 4,074,269	$ 4,072,279	$ 1,090	$ 900
Foreign equity securities	2,017,878	2,017,134	-	744
Total equity securities	$ 6,092,147	$ 6,089,413	$ 1,090	$ 1,644
Investment Derivative Instruments				
U.S. fixed income derivatives	$ 822	$ -	$ 822	$ -
Foreign fixed income derivatives	(6)	-	(6)	-
U.S. equity derivatives	160	62	-	98
Total investment derivative instruments	$ 976	$ 62	$ 816	$ 98
Investments Measured at the Net Asset Value (NAV)				
Commingled equity funds	$ 605,951			
Commingled foreign equity funds	1,652,347			
Private real asset funds	2,708,330			
Private equity funds	3,298,630			
Private credit funds	909,792			
Diversifying strategy funds	2,897,772			
Total investments measured at the NAV	$ 12,072,822			
Short-term securities and cash adjustments	$ 519,901			
Total investments by fair value level and measured at the NAV	$ 24,311,383			
Invested Securities Lending Collateral	$ 3,426,251	$ -	$3,426,251	$ -

Notes to the Financial Statements

FINANCIAL

Investments Measured at the Net Asset Value ($ in thousands)

	As of June 30, 2024	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
International equity and global equity funds [1]	$ 2,258,298	$ -	Daily, Monthly	2–5 Days
Private real asset funds [2]	2,708,330	768,777	Quarterly, if Eligible	45–90 Days, if Eligible
Private equity funds [3]	3,298,630	1,528,626	Not Eligible	N/A
Private credit funds [4]	909,792	734,150	Annually, if Eligible	90 Days, if Eligible
Diversifying strategy funds [5]	2,897,772	-	Daily, Monthly, Quarterly, Semi-Annually, Annually	3–90 Days
	$ 12,072,822	**$ 3,031,553**		

(1) **Commingled funds.** Five international equity funds and two global equity funds are considered to be commingled in nature. Each are valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

(2) **Private real asset funds.** The real assets investments are 49 core value-add, and opportunistic funds which includes exposure to real estate, infrastructure, and farmland. Core open-end real assets funds generally provide liquidity possibilities through redemption opportunities. Real assets closed-end funds are not eligible for redemption.

(3) **Private equity funds.** The private equity funds are 112 limited partnership interests in equity or debt securities of privately held companies. Private equity funds are not eligible for redemption.

(4) **Private credit funds.** The private credit portfolio currently consists of 16 funds invested in a mix of strategies, both yield-oriented and opportunistic, with an emphasis on yield-oriented. Sub-categories currently include multi-strategy, special situations, speciality lending, and direct lending funds. Funds are a mix of open-end and closed-end funds. Open-end funds generally provide liquidity possibilities through redemption opportunities. Closed-end funds are not eligible for redemption.

(5) **Diversifying strategy funds.** Nine funds invest in a select group of underlying managers that implement a number of different alternative investment strategies and invest in a variety of markets through limited partnerships, limited liability companies and other investment entities.

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that in the event of a financial institution failure, SURS deposits may not be returned. Cash held in the investment-related bank account in excess of $250,000 is uninsured. SURS has a formal policy to address custodial credit risk. Deposits are under the custody of The Northern Trust Company, which has an Aa2 Long Term Bank Deposit rating by Moody's and an AA rating by Fitch. At June 30, 2024, the carrying amount of cash was $230,234,585. The bank balance was $129,644,445, of which $5,757,999 was foreign currency deposits and was exposed to custodial credit risk. The carrying amount of cash includes $105,182,588 of short-term bills and notes, which are considered to be investments for the purpose of assessing custodial credit risk.

Overlay Program

SURS employs a manager to provide an overlay program to ensure the System's major asset classes remain within a certain percentage of their targeted weights. Market movements can lead to significant implicit tilts within the portfolio. For example, a sharp decline in equities will many times be accompanied by stability within fixed income. Consequently, the equity position will decrease as a percentage of assets while fixed income will increase. This causes an implicit tilt towards fixed income. The overlay program brings these implicit tilts back within an acceptable band and is a cost-effective way to rebalance assets.

Investment Policies

Investments are governed by Chapter 40, Act 5, Articles 1 and 15 of the Illinois Compiled Statutes. The most important aspect of the statutes is the prudent expert rule, which establishes a standard of care for all fiduciaries. (A fiduciary is any person who has authority or control with respect to the management or administration of plan assets.) The prudent expert rule states that fiduciaries must discharge their duties with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use under conditions prevailing at the time. The SURS Board of Trustees has adopted an Investment Policy that contains general policies for investments. Furthermore, the SURS Board of Trustees establishes specific investment guidelines in the investment management agreement of each investment mandate and monitors each mandate's investment manager accordingly. The Board has also adopted an Investment Procurement Policy which addresses the bid solicitation process for investment advisers, investment consultants, and providers of other investment services. The Investment Policy and the Investment Procurement Policy can be found at https://surs.org/business/investments/policy-and-procurement-practices.

Investments

The carrying values of investments by type at June 30, 2024, are summarized below:

PUBLIC EQUITY INVESTMENTS		
U.S. equities	$	4,680,219,587
Non-U.S. equities		3,670,225,146
U.S. equity derivatives		159,975
Total public equity investments	$	8,350,604,708
PUBLIC FIXED INCOME INVESTMENTS		
U.S. government obligations		2,659,149,785
U.S. agency obligations		1,111,747,305
U.S. corporate fixed income		1,014,023,119
Non-U.S. fixed income securities		735,434,089
U.S. short-term investments		818,336,710
Non-U.S. short-term investments		(193,252,980)
U.S. fixed income derivatives		821,563
Non-U.S. fixed income derivatives		(5,803)
Total public fixed income investments	$	6,146,253,788
REAL ASSET INVESTMENTS		
U.S. real assets funds		2,301,379,553
Non-U.S. real assets funds		406,950,199
Total real asset investments	$	2,708,329,752
ALTERNATIVE INVESTMENTS		
U.S. diversifying strategy funds		2,625,528,018
Non-U.S. diversifying strategy funds		272,244,243
U.S. private credit funds		735,813,419
Non-U.S. private credit funds		173,978,551
U.S. private equity		2,729,101,484
Non-U.S. private equity		569,528,910
Total alternative investments	$	7,106,194,625
TOTAL INVESTMENTS	$	24,311,382,873

(a) U.S. short-term investments principally consist of money market funds and options.
(b) Fixed income investments presented in this table include commingled funds, derivatives, cash, and cash equivalent holdings.
(c) Fixed income investments presented in this table include $105,182,588 of short-term investments with maturities of less than 90 days, which are included in the cash and short-term investments total on the financial statements.
(d) Fixed income investments presented in this table include $290,977,693 of short-term investments with maturities greater than 90 days.
(e) Negative fair values are a result of margin liabilities, gross negative derivative positions, and/or pending purchases.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the System will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. SURS has adopted a formal policy specific to custodial credit risk. To minimize custodial credit risk, SURS performs due diligence on service providers, provides investment parameters for investment vehicles, monitors the financial condition of the custodian, endeavors to have all investments held in custodial accounts through specific sources, and requires the custodian to meet certain requirements. At June 30, 2024, no investments were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the System's name.

Notes to the Financial Statements

FINANCIAL

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the System's investment in a single issue. SURS has not adopted a formal policy specific to concentration of credit risk. However, this area is addressed with each of the relevant investment managers in the investment management agreement between the parties.

The System's investment portfolios are managed by professional investment management firms. These firms must maintain diversified portfolios and must comply with risk management guidelines specific to each of their investment management agreements. Excluding U.S. government and agency issues, the portfolios are limited to a 5% allocation in any single investment grade U.S. issuer. Allocation limits also apply to international issuers. At June 30, 2024, SURS had no investments in any one issuer that represented 5% or more of the System's total investments.

Credit Risk of Debt Securities

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill obligations. SURS has not adopted a formal policy specific to credit risk of debt securities. However, this area is addressed with each of the relevant investment managers in the investment management agreement between the parties. The quality ratings of investments in fixed income securities of the System as described by Standard & Poor's rating agency at June 30, 2024, are as follows:

Quality Rating: Standard & Poor's	Domestic	International	Total
AAA	$ 135,911,438	$ 4,752,653	$ 140,664,091
AA+ *	1,107,877,410	4,970,687	1,112,848,097
AA	33,981,210	13,198,522	47,179,732
AA-	53,163,348	3,542,351	56,705,699
A+	25,039,536	18,493,569	43,533,105
A	30,418,233	10,714,905	41,133,138
A-	55,727,326	31,533,470	87,260,796
BBB+	84,568,379	50,997,943	135,566,322
BBB	60,932,430	85,321,712	146,254,142
BBB-	78,563,185	94,166,833	172,730,018
BB+	54,692,373	75,303,095	129,995,468
BB	47,894,712	69,673,117	117,567,829
BB-	46,528,604	83,232,255	129,760,859
B+	45,564,939	35,881,470	81,446,409
B	82,857,549	29,267,824	112,125,373
B-	44,788,179	52,535,409	97,323,588
CCC+	14,796,172	10,686,506	25,482,678
CCC	11,270,084	18,727,002	29,997,086
CCC-	768,971	4,478,879	5,247,850
CC	1,859,206	4,885,229	6,744,435
C	62,032	-	62,032
D	1,136,914	10,473,999	11,610,913
Not Rated *	64,686,085	22,596,659	87,282,744
Total credit risk: debt securities	$ 2,083,088,315	$ 735,434,089	$ 2,818,522,404
U.S. government & agencies **	2,796,750,782	-	2,796,750,782
TOTAL DEBT SECURITIES INVESTMENTS	**$ 4,879,839,097**	**$ 735,434,089**	**$ 5,615,273,186**

* The credit risk by quality ratings does not include commingled funds, derivatives, cash, and cash equivalent holdings for which there is no quality rating.

** Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government agencies Federal Housing Administration (FHA), Government National Mortgage Association (GNMA), and Small Business Administration (SBA) are not considered to have credit risk.

Notes to the Financial Statements

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The System manages its exposure to fair value loss arising from increasing interest rates by diversifying the debt securities portfolio. The System has not adopted a formal policy specific to interest rate risk. However, this area is addressed with each of the relevant investment managers in the investment management agreement between the parties.

At June 30, 2024, the segmented time distribution of the various types of debt securities of the System are as follows:

		Maturities in Years				
Investment	**2024 Fair Value**	**Less than 1 year**	**1 to 5 years**	**5 to 10 years**	**10 to 20 years**	**More than 20 years**
U.S. government & agency fixed income	$ 3,876,079,677	$ 440,697,451	$ 1,150,335,339	$ 667,860,358	$ 404,756,521	$ 1,212,430,008
U.S. corporate fixed income	1,003,759,420	14,937,184	530,583,215	209,782,672	135,168,834	113,287,515
Non-U.S. fixed income	735,434,089	21,795,473	282,788,442	225,845,545	88,604,708	116,399,921
TOTAL *	**$ 5,615,273,186**	**$ 477,430,108**	**$ 1,963,706,996**	**$ 1,103,488,575**	**$ 628,530,063**	**$ 1,442,117,444**

* The segmented time distribution of debt securities does not include commingled funds, derivatives, cash and cash equivalent holdings for which there is no maturity date.

Notes to the Financial Statements

Foreign Currency Risk

Foreign currency risk is the risk that changes in currency exchange rates will adversely affect the fair value of an investment or a deposit. SURS has not adopted a formal policy specific to foreign currency risk. However, this area is addressed with each of the relevant investment managers in the investment management agreement between the parties. International investment management firms maintain portfolios with diversified foreign currency risk for SURS. The System's exposure to foreign currency risk derives from its positions in foreign currency and foreign currency-denominated equity and fixed income investments.

At June 30, 2024, the System's exposure to foreign currency risk is as follows:

Currency	Alternative	Equity	Fixed Income *	Total
Argentine peso	$ -	$ -	$ 37	$ 37
Australian dollar	-	56,692,512	33,103,889	89,796,401
Brazilian real	-	17,922,806	2,062,827	19,985,633
British pound	9,427,660	242,172,257	(3,952,240)	247,647,677
Canadian dollar	-	53,111,420	9,930,617	63,042,037
Chilean peso	-	-	20,229	20,229
Chinese yuan renminbi	-	-	(2,116,146)	(2,116,146)
Chinese yuan renminbi offshore	-	-	(13,925,057)	(13,925,057)
Colombian peso	-	-	837	837
Czech koruna	-	-	3,375,947	3,375,947
Danish krone	-	61,302,501	2	61,302,503
Euro	136,229,676	610,285,378	(38,970,358)	707,544,696
Hong Kong dollar	-	86,926,426	(1,263,410)	85,663,016
Hungarian forint	-	-	2,839,613	2,839,613
Indian rupee	-	-	10,453,617	10,453,617
Indonesian rupiah	-	9,572,819	84,237	9,657,056
Japanese yen	-	359,680,351	(2,559,276)	357,121,075
Mexican peso	-	3,795,413	12,526,798	16,322,211
New Israeli shekel	-	2,750,441	(9,661,920)	(6,911,479)
New Taiwan dollar	-	72,572,193	(2,614,085)	69,958,108
New Zealand dollar	-	-	(3,663,832)	(3,663,832)
Norwegian krone	-	2,721,400	5,713,686	8,435,086
Peruvian sol	-	-	(47,928)	(47,928)
Polish zloty	-	1,627,862	(7,897,483)	(6,269,621)
Singapore dollar	-	14,934,772	(846,968)	14,087,804
South African rand	-	7,970,047	1,386,079	9,356,126
South Korean won	-	58,969,649	(1,975,156)	56,994,493
Swedish krona	-	20,681,249	(21,512,122)	(830,873)
Swiss franc	-	116,219,221	(474,478)	115,744,743
Thai baht	-	2,177,254	23	2,177,277
Turkish lira	-	2,027,441	5,130,454	7,157,895
United Arab Emirates dirham	-	2,670,892	-	2,670,892
Total securities subject to foreign currency risk	$ 145,657,336	$ 1,806,784,304	$ (24,851,567)	$ 1,927,590,073
Foreign investments denominated in U.S. dollars	1,277,044,566	1,863,440,841	567,026,873	3,707,512,280
TOTAL FOREIGN INVESTMENT SECURITIES	**$ 1,422,701,902**	**$ 3,670,225,145**	**$ 542,175,306**	**$ 5,635,102,353**

* Includes Swaps, Options, and Short Term Investments. These derivatives and pending transactions have resulted in negative totals for certain currencies.

Derivative Instruments

The System invests in derivative instruments through its investment managers. A derivative instrument is an investment whose value is derived from other financial instruments such as commodity prices, bond and stock prices, or a market index. The System's derivative instruments are considered investments. The fair value of all derivative instruments is reported in the Statement of Fiduciary Net Position, and the change in the fair value is recorded in the Statement of Changes in Fiduciary Net Position as net appreciation (depreciation) in fair value of investments.

In the case of an obligation to purchase (long a financial future or a call option), the full value of the obligation is held in cash or cash equivalents. For obligations to sell (short a financial future or a put option), the reference security is held in the portfolio. Derivative transactions involve, to varying degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to terms. Market risk is the possibility that a change in interest rate risk or foreign currency risk will cause the value of a financial instrument to decrease or become more costly to settle.

The market risk associated with derivative instruments, the prices of which are constantly fluctuating, is regulated by imposing strict limits as to the types, amounts, and degree of risk that investment managers may undertake. These limits are approved by the Board of Trustees and senior management, and the risk positions of the investment managers are reviewed on a periodic basis to monitor compliance with the limits. The System has not adopted a formal policy specific to master netting arrangements.

As of June 30, 2024, SURS derivative instruments included foreign currency forward contracts, rights and warrants, futures, options, and swaps. At June 30, 2024, SURS investments in derivative instruments had the following balances:

	Notional Value 2024	Fair Value 2024	Fair Value 2023	Change in Fair Value
Forwards	$ -	$ 3,307,119	$ (1,373,784)	$ 4,680,903
Rights and warrants	$ 144,961	$98,357	$ 110,678	$ (12,321)
Futures				
Equity				
Long	$ 616,302,617	$ (596,895)	$ 1,950,207	$ (2,547,102)
Short	(192,528,590)	302,979	(1,371,991)	1,674,970
Fixed income				
Long	655,932,794	(2,013,665)	(294,271)	(1,719,394)
Short	(831,341,693)	26,106	(32,072)	58,178
Commodity				
Long	283,229,031	1,505,053	1,024,551	480,502
Short	(116,714,072)	1,066,611	(889,839)	1,956,450
Foreign exchange				
Long	379,135,849	393,248	1,632,590	(1,239,342)
Short	(668,152,819)	(240,024)	(1,013,872)	773,848
Total futures	$ 125,863,117	$ 443,413	$ 1,005,303	$ (561,890)
Options				
Equity				
Call	$ 204,700	$ 61,618	$ -	$ 61,618
Fixed Income				
Call	(1,000)	(156)	-	(156)
Put	(1,000)	(344)	-	(344)
Swaptions				
Call	(3,300,000)	(4,993)	-	(4,993)
Put	(3,300,000)	(14,529)	-	(14,529)
Total options	$ (6,397,300)	$ 41,596	$ -	$ 41,596
Swaps				
Credit default				
Selling protection	$ 31,417,750	$ 1,252,223	$ 482,968	$ 769,255
Interest rate				
Pay fixed	79,485,768	(1,032,725)	(4,532,409)	3,499,684
Receive fixed	192,446,316	616,284	1,835,445	(1,219,161)
Total swaps	$ 303,349,834	$ 835,782	$ (2,213,996)	$ 3,049,778

Notes to the Financial Statements

FINANCIAL

Foreign currency forward contracts are used to protect against the currency risk in SURS foreign equity and fixed income security portfolios. A foreign currency forward contract is an agreement to buy or sell a specific amount of a foreign currency at a specified delivery or maturity date for an agreed-upon price. Fluctuations in the fair value of foreign currency forward contracts are marked to market on a daily basis. The gain or loss arising from the difference between the original contracts and the closing of such contracts is included in the investment income in the Statement of Changes in Fiduciary Net Position. At June 30, 2024, SURS investments in foreign currency forward contracts are as follows:

Currency	Pending Foreign Exchange Purchases	Pending Foreign Exchange Sales	Fair Value 2024	Fair Value 2023	Change in Fair Value
Australian dollar	$ 1,413,961	$ (815,112)	$ 598,849	$ (33,106)	$ 631,955
Brazilian real	-	-	-	233,851	(233,851)
British pound	83,344	(348,029)	(264,685)	(703,151)	438,466
Canadian dollar	39,298	(80,062)	(40,764)	193,410	(234,174)
Chilean peso	-	(71,398)	(71,398)	4,907	(76,305)
Chinese yuan renminbi	-	(23,737)	(23,737)	-	(23,737)
Czech koruna	27,956	(149,124)	(121,168)	(8,865)	(112,303)
Euro	12,411	(118,915)	(106,504)	(1,535,096)	1,428,592
Hungarian forint	-	(3)	(3)	(26,350)	26,347
Indian rupee	23,950	-	23,950	-	23,950
Indonesian rupiah	161	-	161	-	161
Japanese yen	-	(221)	(221)	16,467	(16,688)
South Korean won	8,353	(3,281)	5,072	499	4,573
Mexican peso	29,704	(6,976)	22,728	(29,894)	52,622
New Taiwan dollar	-	(5,877)	(5,877)	-	(5,877)
New Zealand dollar	310,297	(45,315)	264,982	66,572	198,410
Norwegian krone	512,004	(192,702)	319,302	(49,755)	369,057
Polish zloty	-	(9,298)	(9,298)	6,847	(16,145)
Swedish krona	879,987	(481,072)	398,915	1,279	397,636
Swiss franc	271,894	(302,792)	(30,898)	50,207	(81,105)
Singapore dollar	631	(679)	(48)	-	(48)
South African rand	38,556	(110,934)	(72,378)	-	(72,378)
Thai baht	-	-	-	(1)	1
Turkish lira	48,170	-	48,170	-	48,170
Total securities subject to foreign currency risk	$ 3,700,677	$ (2,765,527)	$ 935,150	$ (1,812,179)	$ 2,747,329
Foreign investments denominated in U.S. dollars	8,701,106	(6,329,137)	2,371,969	438,395	1,933,574
TOTAL FOREIGN INVESTMENT SECURITIES	**$ 12,401,783**	**$ (9,094,664)**	**$ 3,307,119**	**$ (1,373,784)**	**$ 4,680,903**

Rights and warrants provide SURS investment managers the right, but not the obligation, to purchase or sell a company's stock at a fixed price until a specified expiration date. Rights normally are issued with common stock and expire after two to four weeks. Warrants typically are issued together with a bond or preferred stock and may not expire for several years. The fair value of rights and warrants is included in the investments in the Statement of Fiduciary Net Position. The gain or loss from rights and warrants is included in the investment income in the Statement of Changes in Fiduciary Net Position.

SURS investment managers use financial futures to replicate an underlying security they wish to hold (sell) in the portfolio. In certain instances, it may be beneficial to own a futures contract rather than the underlying security (arbitrage). Additionally, SURS investment managers use futures contracts to improve the yield or adjust the duration of the fixed income portfolio. A financial futures contract is an agreement to buy or sell a specific amount at a specified delivery or maturity date for an agreed-upon price. Futures contracts are traded on organized exchanges, thereby minimizing the System's credit risk. The net change in the futures contracts value is settled daily in cash with the exchanges. The cash or securities to fulfill these obligations are held in the investment portfolio. As the fair value of the futures contract varies from the original contract price, a gain or loss is paid to or received from the clearinghouse and recognized in the Statement of Changes in Fiduciary Net Position.

Notes to the Financial Statements

SURS investment managers use options in an attempt to add value to the portfolio (collect premiums) or protect (hedge) a position in the portfolio. Financial options are an agreement that gives one party the right, but not the obligation, to buy or sell a specific amount of an asset for a specified price, called the strike price, on or before a specified expiration date. As a writer of financial options, the System receives a premium at the outset of the agreement and bears the risk of an unfavorable change in the price of the financial instrument underlying the option. All written financial options are recognized as a liability on the System's financial statements. As a purchaser of financial options, the System pays a premium at the outset of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option.

SURS fixed income managers invest in swaps and swaptions to manage exposure to credit, inflation, interest rate, and volatility risks. Swaptions are options on swaps that give the purchaser the right, but not the obligation, to enter into a swap at a specific date in the future. Swap agreements are privately negotiated agreements with a counterparty to exchange or swap investment cash flows, assets, foreign currencies, or market-linked returns at specified, future intervals. In connection with swap agreements, securities or cash may be identified as collateral in accordance with the terms of the respective swap agreements to provide assets of value and recourse in the event of default, bankruptcy, or insolvency. Swaps are marked to market daily based upon values from third-party vendors or quotations from market makers to the extent available and any change in value is recorded as an unrealized gain or loss. SURS investment managers have entered into credit default and interest rate swap agreements.

Swaps and Credit Risk

	Counterparty Credit Rating	Notional Value 2024	Fair Value 2024	Fair Value 2023	Change in Fair Value
Swaps					
Credit default	A	$ 8,000,000	$ 24,050	$ (253,154)	$ 277,204
	No Rating	23,417,750	1,228,173	736,122	492,051
		31,417,750	1,252,223	482,968	769,255
Interest rate	No Rating	271,932,084	(416,441)	(2,696,964)	2,280,523
		$ 303,349,834	**$ 835,782**	**$ (2,213,996)**	**$ 3,049,778**
Swaptions	A	$ (6,200,000)	$ (18,387)	$ -	$ (18,387)
	No Rating	(400,000)	(1,135)	-	(1,135)
		$ (6,600,000)	**$ (19,522)**	**$ -**	**$ (19,522)**
Forwards	No Rating	**$ -**	**$ 3,307,119**	**$ (1,373,784)**	**$ 4,680,903**

Swaps and Maturities

	Maturities in Years					
	Less than 1 year	1 to 5 years	6 to 10 years	10 to 20 years	More than 20 years	Fair Value 2024
Swaps						
Credit default	$ 46,343	$ 1,205,880	$ -	$ -	$ -	$ 1,252,223
Interest rate	(720,294)	167,815	158,517	(38,674)	16,195	(416,441)
	$ (673,951)	**$ 1,373,695**	**$ 158,517**	**$ (38,674)**	**$ 16,195**	**$ 835,782**
Swaptions	**$ (19,522)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (19,522)**
Forwards	**$ 3,307,119**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,307,119**

Notes to the Financial Statements

Credit default swap agreements involve one party making a stream of payments (the buyer of protection) to another party (the seller of protection) in exchange for the right to receive a specified return in the event of a default or other credit event for the referenced entity, obligation, or index. The seller of protection generally receives from the buyer of protection a fixed rate of income throughout the term of the swap, provided there is no credit event. The seller effectively adds leverage to its portfolio as it is subject to investment exposure on the notional amount of the swap.

Interest rate swap agreements involve the exchange of a set of variable and fixed-rate interest payments linked to a referenced interest rate without an exchange of the underlying principal amount. These agreements are used to limit or manage exposure to fluctuations in interest rates or to obtain a marginally lower interest rate than would be available without the swap. Gains and losses on swaps are determined based on fair values and are recorded in the Statement of Changes in Fiduciary Net Position.

Volatility swap agreements involve two parties taking opposite sides of the future volatility of an underlying instrument (e.g., an index, individual security, or exchange rate) without the influence of its price. Payoff is determined by the future realized volatility. At expiry the holder of the long position in a volatility swap receives (or owes) the difference between the realized volatility and the volatility strike that was agreed upon at contract initiation. Volatility swaps are often utilized to trade the spread between realized and implied volatility or to hedge the volatility exposure of other positions in a portfolio.

SURS Rate	Counterparty Rate	Gross Notional Value 2024	Fair Value 2024	Pay Fixed / Receive Fixed
0.25% to 4.50%	1 Day U.S. dollar SOFR[1]	$ 69,300,000	$ (911,349)	Pay Fixed
3.75%	1 day Canadian dollar CORRA[2]	1,096,211	(6,473)	Pay Fixed
10.28%	1 day Brazilian real DIO[3]	2,123,182	(77,924)	Pay Fixed
2.75%	6 month Euro EURIBOR[4]	6,966,375	(36,979)	Pay Fixed
		$ 79,485,768	**$ (1,032,725)**	
1 Day U.S. dollar SOFR[1]	3.75% to 4.50%	$ 175,300,000	$ 536,006	Receive Fixed
6 month Euro EURIBOR[4]	2.50%	2,893,725	16,196	Receive Fixed
1 day British pound SONIA[5]	4.00%	7,963,831	32,333	Receive Fixed
1 day Japanese yen TONAR[6]	0.85%	2,548,800	21,708	Receive Fixed
6 month Australian dollar BBSW[7]	4.75%	3,739,960	10,041	Receive Fixed
		$ 192,446,316	**$ 616,284**	

[1] Secured Overnight Financing Rate (SOFR)
[2] Canadian Overnight Repo Rate Average (CORRA)
[3] DI-OVER-EXTRA Grupo (DIO)
[4] Euro Interbank Offered Rate (EURIBOR)
[5] Sterling Overnight Interbank Average Rate (SONIA)
[6] Tokyo Overnight Average Rate (TONAR)
[7] Bank Bill Swap Rate (BBSW)

Derivative instruments which are exchange-traded are not subject to credit risk. No derivative instruments held are subject to custodial credit risk. SURS maximum loss that would be recognized at June 30, 2024, if all of its derivative instruments counterparties failed to perform as contracted, is $14.5 million. This maximum exposure is reduced by approximately $10.2 million in liabilities and approximately $0.9 million in collateral held, resulting in $3.4 million net exposure to credit risk.

Securities Lending

SURS Board of Trustees policies permit the System to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. Mitsubishi UFJ Trust and Banking Corporation, the System's third-party agent lender in fiscal year 2024, lent securities in exchange for cash collateral at 101% for U.S. securities. Cash collateral received for lent securities is shown on the Statement of Fiduciary Net Position as both an asset (fair value of collateral) and liability (collateral owed to borrower after lent securities are returned). SURS does not have the authority to pledge or sell collateral securities with default, therefore non-cash collateral is not reported in SURS financial statements in accordance with the GASB Statement No. 28. Types of securities on loan include corporate bonds, government and agency bonds, and domestic equities. At year end, the System had no credit risk as a result of its securities lending program as the collateral received exceeded the fair value of the securities loaned. The contract with the System's third-party agent lender requires it to indemnify the System if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the System for income distributions by the securities' issuers while the securities are out on loan. All securities loans can be terminated on demand by either the System or the borrower. The average loan term was 9.29 days. Cash collateral is invested in money market funds and repurchase agreements at par value, which at year end had a weighted average reset of 1.0 day, and a fair value of $3,426.3 million.

Collateral as of June 30, 2024 ($ in millions)

	Collateral Received	Securities on Loan	Collateral %
Cash Collateral	$ 3,426.3	$ 3,400.6	100.8%
Non-cash Collateral	238.9	236.5	101.0
Total	**$ 3,665.2**	**$ 3,637.1**	**100.8%**
Reinvested cash collateral	$ 3,426.3		

Reverse Repurchase Agreements

SURS held $2.0 million in reverse repurchase agreements on June 30, 2024. Investment guidelines permit certain portfolios to enter into reverse repurchase agreements, which are a sale of securities with a simultaneous agreement to repurchase the securities in the future at the same price plus a stated rate of interest. The fair value of the securities underlying reverse repurchase agreements exceeds the cash received, providing the counterparty a margin against a decline in fair value of the securities. If the counterparty defaults on their obligations to sell these securities back to SURS or provide cash of equal value, SURS could suffer an economic loss equal to the difference between the fair value of the underlying securities plus accrued interest and the agreement obligation including accrued interest. At June 30, 2024, the System's credit exposure was $0.5 million.

SURS may enter into reverse repurchase agreements with various counterparties and such transactions are governed by Master Repurchase Agreements (MRA). MRAs are negotiated contracts and contain terms in which SURS seeks to minimize counterparty credit risk. SURS also controls credit exposures by limiting trades with any one counterparty to stipulated amounts. The counterparty credit exposure is monitored daily and managed through the transfer of margin, in the form of cash or securities, between SURS and the counterparty.

The cash proceeds from reverse repurchase agreements are reinvested. The maturities of the purchases made with the proceeds of reverse repurchase agreements are not necessarily matched to the maturities of the agreements. At June 30, 2024, the agreed-upon yields earned by the counterparty were both variable and fixed ranging between 4.8% and 5.15%. The reverse repurchase agreements had open maturities, whereby a maturity date is not established upon entering into the agreement; however, interest rates on the agreements are negotiated daily. The agreements can be terminated at the will of either SURS or the counterparty.

Notes to the Financial Statements

FINANCIAL

V. Net Pension Liability

The net pension liability for the defined benefit plan as of June 30, 2024 is as follows:

Employer Net Pension Liability ($ in millions)

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Fiduciary Net Position as a % of Total Pension Liability
2024	$ 54,571.1	$ 24,340.2	$ 30,230.9	44.60%

The net pension liability represents the defined benefit pension plan's total pension liability determined in accordance with GASB Statement No. 67, less the plan's fiduciary net position. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The last experience study was completed in June 2024. The total pension liability as of June 30, 2024, is based on the results of an actuarial valuation date of June 30, 2023, and rolled forward using generally accepted actuarial procedures.

A summary of the actuarial methods and assumptions used to determine the net pension liability are presented below:

Summary of Actuarial Assumptions

Financial reporting date	June 30, 2024
Actuarial valuation date	June 30, 2023
Actuarial cost method	Individual entry age
Actuarial assumptions	
Single discount rate	6.35%
Expected rate of return	6.50%
Municipal bond rate	3.97% (based on fixed-income municipal bonds reported in Fidelity Index's "*20-Year Municipal GO AA Index*" as of June 28, 2024)
Inflation	2.40%
Projected salary increases	3.15% to 15.00% including inflation
Post-retirement cost of living adjustments	3.00%
Mortality table	Rates are based on generational mortality using the following tables: Academic: Pub-2010 Healthy Retiree Mortality Table (for Teachers), sex distinct, projected from 2010 using MP-2021 mortality improvement scale. Non-Academic: Pub-2010 Healthy Retiree Mortality Table (for General Employees), sex distinct, projected from 2010 using MP-2021 mortality improvement scale. Police: Pub-2010 Healthy Retiree Mortality Table (for Safety Employees), sex distinct, projected from 2010 using MP-2021 mortality improvement scale.

Single Discount Rate

A single discount rate of 6.35% was used to measure the total pension liability as of June 30, 2024. This single discount rate was based on an expected return on pension plan investments of 6.5% and a municipal bond rate of 3.97%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the statutory contribution rates and the member rate. Estimated contributions, of which the majority (approximately 97% in 2025) are provided by the State of Illinois, are projected to be $2.3 billion in 2025 and growing to $4.0 billion in 2045 based on current statutory requirements for current members. Based on these assumptions, the defined benefit pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the net pension liability calculated using a single discount rate of 6.35%, as well as impact on the net pension liability of increasing the single discount rate by 1% and decreasing the single discount rate by 1%.

Sensitivity of Net Pension Liability to the Single Discount Rate Assumption as of June 30, 2024
($ in millions)

	1% Decrease 5.35%	Current Discount Rate 6.35%	1% Increase 7.35%
Net Pension Liability	$ 36,700.2	$ 30,230.9	$ 24,839.8

Long-Term Expected Rate of Return

The asset allocation of SURS Defined Benefit investment portfolio is approved by the Board of Trustees in accordance with SURS Investment Policy. Investment assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully-funded status for the benefits provided through the defined benefit pension plan. The table displayed below is the Board-approved asset allocation policy for fiscal year 2024 and the long-term expected real rates of return. The long-term expected rate of return on investment assets was determined using a building-block method in accordance with the Actuarial Standards of Practices (ASOP) 27 Section 3.6.2(a) in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

	Strategic Policy Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Traditional Growth		
Global Public Equity	36.0%	7.13%
Stabilized Growth		
Core Real Assets	8.0	5.06
Public Credit Fixed Income	6.5	4.10
Private Credit	2.5	7.36
Non-Traditional Growth		
Private Equity	11.0	10.92
Non-Core Real Assets	4.0	9.09
Inflation Sensitive		
U.S. TIPS	5.0	2.12
Principal Protection		
Core Fixed Income	10.0	1.34
Crisis Risk Offset		
Systematic Trend Following	10.0	2.90
Alternative Risk Premia	3.0	2.62
Long Duration	2.0	2.84
Long Volatility/Tail Risk	2.0	(1.22)
Total	**100.0%**	**5.63%**
Inflation		**2.80**
Expected arithmetic return*		**8.43%**

*The geometric expected rate of return includes volatility and correlation estimates, while the expected arithmetic return does not.

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of fees, was 8.22%. The money weighted rate of return expresses investment performance, net of fees, adjusted for the changing amounts actually invested.

Notes to the Financial Statements

VI. Capital Assets

Capital assets activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions/ Transfers in	Disposals/ Transfers out	Ending Balance
Land and improvements	$ 719,041	$ -	$ -	$ 719,041
Office building	15,057,954	856,458	3,236	15,911,176
Information system equipment and software	17,261,079	478,148	268,497	17,470,730
Furniture and fixtures	1,328,193	114,185	19,782	1,422,596
Intangible right-to-use assets	651,861	262,273	94,869	819,265
Construction in progress	10,247,448	9,006,298	7,551	19,246,195
Total capital assets	45,265,576	10,717,362	393,935	55,589,003
Less accumulated depreciation and amortization:				
Land and improvements	30,921	12,480	-	43,401
Office building	6,104,469	628,761	1,079	6,732,151
Information system equipment and software	15,903,191	458,278	257,145	16,104,324
Furniture and fixtures	762,881	119,671	19,782	862,770
Intangible right-to-use assets	226,976	200,722	94,869	332,829
Total accumulated depreciation	23,028,438	1,419,912	372,875	24,075,475
CAPITAL ASSETS, NET	**$ 22,237,138**	**$ 9,297,450**	**$ 21,060**	**$ 31,513,528**

The average estimated useful lives for tangible capital assets are as follows:

Information and communications equipment	3-5 years
Furniture and fixtures	7 years
Information systems software	10 years
Land and building improvements	15 years
Office buildings	40 years

Intangible right-to-use assets are amortized over the contract term. The contract term includes extension periods which are exercisable by only one party and are likely to be exercised. The contract term excludes any periods during which a termination option is exercisable by only one party and is likely to be exercised. The contract term excludes periods during which either party can terminate the contract without the other party's consent, regardless of likelihood. The contract term excludes extension periods that require both parties to exercise, regardless of likelihood.

As of June 30, 2024, remaining amortization periods for in-service right-to-use assets ranged from 3 months to 5 years, with a weighted average period of 3.5 years.

VII. Compensated Absences

The System is obligated to pay employees at termination for unused vacation and sick time. The maximum time for which any individual may be paid is two times the annual earnable hours of vacation, and one-half of unused sick time earned between January 1, 1984, and December 31, 1997. No sick time earned after December 31, 1997, will be compensable at termination.

At June 30, 2024, the System had a liability of $1,549,285 for compensated absences, based upon the vesting method used for calculation of sick leave payable. The liability is included in the administrative expenses payable on the Statement of Fiduciary Net Position, and the annual increase or decrease in liability is reflected in the financial statements as an increase or decrease in salary expense.

Compensated absences payable for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Estimate Amount Due Within One Year
Compensated absences payable	$ 1,680,698	$ 1,322,930	$ 1,454,343	$ 1,549,285	$ 65,989

VIII. Insurance Coverage

The System is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The employee health claims are administered through the State of Illinois. The System has minimized the risk of loss through private insurance carriers for commercial, business owners, and automobile policies. The deductible for this insurance coverage ranges from $100 to $50,000 per occurrence. There has been no significant reduction of insurance coverage from the prior year. The System has not had any insurance claims filed or paid in the past five fiscal years.

IX. Post-Employment Benefits

The State provides health, dental, vision, and life insurance benefits for retirees and their dependents in a program administered by the Department of Central Management Services (CMS). Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State-sponsored pension plans. Health, dental, and vision benefits include basic benefits for annuitants and dependents under the State's self-insurance plan and insurance contracts currently in force. Annuitants may be required to contribute toward health, dental, and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the System do not contribute toward health, dental, and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced five percent for each year of credited service with the State; therefore, those annuitants with 20 or more years of credited service do not have to contribute toward health, dental, and vision benefits. Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes $5,000.

The State pays the System's portion of employer costs for the benefits provided. The total cost of the State's portion of health, dental, vision, and life insurance benefits of all members, including post-employment health, dental, vision, and life insurance benefits, is recognized as an expenditure by the State in the Illinois Annual Comprehensive Financial Report. The State finances the costs on a pay-as-you-go basis. The total costs incurred for health, dental, vision, and life insurance benefits are not separated by department or component unit for annuitants and their dependents nor active employees and their dependents.

A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the financial statements of the Department of Central Management Services may be obtained by writing CMS, Stratton Building, Room 715, 401 E. Spring St., Springfield, IL 62706.

Notes to the Financial Statements

X. Right-to-use Agreements

Amortization expense and interest expense related to right-to-use assets are classified as either asset management expense or administrative expense on the Statement of Changes in Fiduciary Net Position based on the nature of the assets.

As of June 30, 2024, the System's amortization expense and interest expense related to right-to-use assets were classified as follows:

	Amortization Expense	Interest Expense
Asset management expense	$ 6,804	$ -
Administrative expense	193,918	10,093
	$ 200,722	**$ 10,093**

As of June 30, 2024, the System had the following future minimum payments due for subscription-based information technology arrangements.

Year ended June 30	Principal	Interest	Total
2025	$ 153,166	$ 15,467	$ 168,633
2026	141,464	10,093	151,557
2027	54,122	5,104	59,226
2028 and later	58,296	2,646	60,942
	$ 407,048	**$ 33,310**	**$ 440,358**

XI. Risk Financing

The disability benefit provided to participants in the RSP qualifies as a risk financing activity under GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, as amended. The System retains the risk of satisfying these disability claims and accounts for this activity in the Other Employee Benefit Plan, a fiduciary fund. Benefit provisions for this activity can be found in Note I, section B, part 2.

The liability for claims that have been reported but not yet paid is valued at the amount that would be payable if the claims were finalized and approved on the financial statement date. Claims unlikely to be approved are valued at zero. The liability for claims that have been incurred but not yet reported has been deemed immaterial, as members only have 12 months from the incidence of disability to file a claim.

For information on plan funding and contributions, see Note III, section B.

Changes in the System's claims liability for the last two fiscal years were as follows:

Fiscal Year	Beginning liability	Claims and changes in estimates	Claim payments	Ending Liability
2023	$ 93,547	$ 2,570,681	$ (2,507,156)	$ 157,072
2024	157,072	2,638,647	(2,686,415)	109,304

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios
Defined Benefit Pension Plan
($ in millions)

	2024	2023	2022	2021	2020
TOTAL PENSION LIABILITY					
Service cost	$ 708.27	$ 677.57	$ 723.51	$ 657.10	$ 634.45
Interest on net pension liability	3,276.14	3,221.92	3,133.08	3,190.01	3,123.59
Changes in benefit terms	5.71	0.12	-	2.34	-
Differences between expected and actual experience	419.87	99.18	(45.07)	109.92	167.49
Changes in assumptions	683.45	112.43	(1,545.03)	960.40	618.76
Benefit payments	(3,081.32)	(2,995.37)	(2,879.64)	(2,780.37)	(2,676.19)
Refunds of member accounts	(78.82)	(79.24)	(82.46)	(79.13)	(69.00)
Net change in pension liability	1,933.30	1,036.61	(695.61)	2,060.27	1,799.10
Total pension liability — beginning	52,637.79	51,601.18	52,296.79	50,236.52	48,437.42
Total pension liability — ending	**$ 54,571.09**	**$ 52,637.79**	**$ 51,601.18**	**$ 52,296.79**	**$ 50,236.52**
PLAN FIDUCIARY NET POSITION					
Member contributions	$ 335.42	$ 299.59	$ 289.07	$ 288.48	$ 282.36
Employer contributions	66.62	63.76	57.91	57.00	52.97
Non-employer contributing entity contributions	2,082.88	2,074.95	2,078.15	1,921.74	1,785.82
Net investment income	1,846.12	1,329.72	(685.63)	4,762.97	542.18
Benefit payments	(3,081.32)	(2,995.37)	(2,879.64)	(2,780.38)	(2,676.19)
Refunds of member accounts	(78.82)	(79.24)	(82.46)	(79.13)	(69.00)
Non-investment administrative expenses	(23.95)	(23.71)	(22.59)	(19.39)	(18.47)
Net change in fiduciary net position	1,146.94	669.70	(1,245.19)	4,151.29	(100.33)
Fiduciary net position — beginning	**23,193.25**	**22,523.55 (A)**	**23,768.31**	**19,617.02**	**19,717.35**
Fiduciary net position — ending	**$ 24,340.17**	**$ 23,193.25**	**$ 22,523.12**	**$ 23,768.31**	**$ 19,617.02**
NET PENSION LIABILITY — ENDING	**$ 30,230.92**	**$ 29,444.54**	**$ 29,078.06**	**$ 28,528.48**	**$ 30,619.50**
Fiduciary net position as a percentage of total pension liability	44.60%	44.06%	43.65%	45.45%	39.05%
Covered payroll	$ 4,192.73	$ 3,744.81	$ 3,613.40	$ 3,638.20	$ 3,642.60
Net pension liability as a percentage of covered payroll	721.03%	786.28%	804.73%	784.13%	840.59%

(A) Fiduciary net position - beginning has been increased by $0.43 million due to change in accounting principle.

Required Supplementary Information

FINANCIAL

Schedule of Changes in Net Pension Liability and Related Ratios (continued)
Defined Benefit Pension Plan
($ in millions)

	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY					
Service cost	$ 631.54	$ 628.35	$ 658.72	$ 666.38	$ 654.97
Interest on net pension liability	3,047.55	3,050.58	2,951.25	2,876.93	2,723.72
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	254.28	(281.81)	210.63	(3.43)	40.41
Changes in assumptions	327.95	1,992.36	(396.10)	532.52	831.62
Benefit payments	(2,558.99)	(2,446.29)	(2,339.90)	(2,235.81)	(2,129.98)
Refunds of member accounts	(80.54)	(93.49)	(89.57)	(85.02)	(83.72)
Net change in pension liability	1,621.79	2,849.70	995.03	1,751.57	2,037.02
Total pension liability — beginning	46,815.63	43,965.93	42,970.90	41,219.33	39,182.31
Total pension liability — ending	**$ 48,437.42**	**$ 46,815.63**	**$ 43,965.93**	**$ 42,970.90**	**$ 41,219.33**
PLAN FIDUCIARY NET POSITION					
Member contributions	$ 280.02	$ 282.73	$ 278.64	$ 278.88	$ 267.68
Employer contributions	49.41	39.66	38.39	39.35	39.93
Non-employer contributing entity contributions	1,592.64	1,568.22	1,612.17	1,542.95	1,488.59
Net investment income	1,129.81	1,499.83	1,994.31	17.04	503.20
Benefit payments	(2,558.99)	(2,446.29)	(2,339.90)	(2,235.81)	(2,129.97)
Refunds of member accounts	(80.54)	(93.49)	(89.57)	(85.02)	(83.71)
Non-investment administrative expenses	(16.08)	(14.40)	(14.85)	(14.73)	(14.07)
Net change in fiduciary net position	396.27	836.26	1,479.19	(457.34)	71.65
Fiduciary net position — beginning	**19,321.08**	18,484.82	17,005.63	17,462.97	17,391.32
Fiduciary net position — ending	**$ 19,717.35**	**$ 19,321.08**	**$ 18,484.82**	**$ 17,005.63**	**$ 17,462.97**
NET PENSION LIABILITY — ENDING	**$ 28,720.07**	**$ 27,494.55**	**$ 25,481.11**	**$ 25,965.27**	**$ 23,756.36**
Fiduciary net position as a percentage of total pension liability	40.71%	41.27%	42.04%	39.57%	42.37%
Covered payroll	$ 3,506.70	$ 3,470.20	$ 3,458.30	$ 3,513.10	$ 3,606.50
Net pension liability as a percentage of covered payroll	819.02%	792.30%	736.81%	739.10%	658.71%

Required Supplementary Information

Schedule of Investment Returns

Annual money-weighted rate of return, net of investment fees.

2015	2.84%
2016	0.12
2017	12.15
2018	8.29
2019	6.07
2020	2.64
2021	23.83
2022	(1.29)
2023	5.27
2024	8.22

Schedule of Contributions from Employers and Other Contributing Entities ($ in thousands) Defined Benefit Pension Plan

		Actual Contribution				
Fiscal Year	Actuarially Determined Contribution	Employers	Non-Employer Contributing Entity	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	$ 1,622,656	$ 39,934	$ 1,488,591	$ 94,131	$ 3,606,537	42.38%
2016	1,811,060	39,348	1,542,946	228,766	3,513,108	45.04
2017	1,864,843	38,386	1,612,165	214,292	3,458,320	47.73
2018	1,862,033	39,659	1,568,221	254,153	3,470,226	46.33
2019	2,239,366	49,415	1,592,639	597,312	3,506,650	46.83
2020	2,299,031	52,968	1,785,818	460,245	3,642,617	50.48
2021	2,303,266	57,001	1,921,742	324,523	3,638,244	54.39
2022	2,377,774	57,906	2,078,153	241,715	3,613,383	59.12
2023	2,373,000	63,760	2,074,952	234,288	3,744,813	57.11
2024	2,446,185	66,620	2,082,878	296,687	4,192,734	51.27

Notes to the Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Rates

The covered employee payroll is equal to the defined benefit pension plan payroll from the June 30, 2023 valuation rolled forward with one year of wage inflation at 3.0%. The beginning of the year total pension liability uses a single discount rate of 6.37% and the end of the year total pension liability uses a single discount rate of 6.35%. The difference between the actual and expected experience includes the impact of this change in the single discount rate based on the long-term municipal bond rate of 3.86% as of June 30, 2023, and 3.97% as of June 30, 2024.

The following changes in assumptions occurred between the June 30, 2023, and June 30, 2024, actuarial valuations. These changes were the result of an experience study which covered the period of June 30, 2020, through June 30, 2023.

- The Price Inflation assumption increased from 2.25% to 2.40%.
- The assumed Rate of Investment Return remained the same at 6.50%.
- The assumed future Effective Rate of Interest (for valuation purposes) increased from 6.50% to 7.00%.
- The Base Salary Increase/Payroll Growth Rate assumption increased from 3.00% to 3.15%.
- The assumed COLA for Tier 2 increased from 1.125% to 1.20%.
- The overall assumed salary increase rates were modified to separate Academic and Non-Academic employees.
- Mortality Rates
    - The projection scale was updated from MP-2020 to MP-2021 (the most recent projection scale).
    - For Academic members, assumed life expectancies increased for male and female retirees.
    - For Non-Academic members, assumed life expectancies decreased for male retirees and increased for female retirees.
    - Separate mortality rates were assumed for Police members based on the mortality table for public safety employees.
- Slightly lower turnover rates were assumed.
- The assumed rates of disability for females (Academic and Non-Academic) decreased. There was no change in assumed male disability rates.
- Minor changes were made to assumed retirement rates for Academic and Non-Academic members.

Schedule of Contributions from Employers and Other Contributing Entities

The following actuarial assumptions and methods were used in determining contributions for fiscal year 2024:

Valuation Date	June 30, 2022
Valuation Method	Projected unit credit
Amortization Method	The statutory contribution is equal to the level percentage of pay contributions determined so that the Plan attains a 90% funded ratio by the end of 2045.
Remaining Amortization Period	22 years remaining for fiscal year 2024 contributions
Asset Valuation Method	5 year smoothed fair value
Inflation	2.25%
Salary Increases	3.00% to 12.75% including inflation
Investment Rate of Return	6.50% beginning with the actuarial valuation as of June 30, 2021.
Real Rate of Return	4.25%
Retirement Age	Experience-based table of rates. Last updated for the 2021 valuation pursuant to an experience study of the period June 30, 2017 to June 30, 2020.
Mortality	Academic: Pub-2010 Healthy Retiree Mortality Table (for Teachers), sex distinct, projected from 2010 using MR-202 mortality improvement scale. Non-Academic: Pub-2010 Healthy Retiree Mortality Table (for General Employees), sex distinct, projected from 2010 using MR-2020 mortality improvement scale.

Other Supplementary Information

Summary Schedule of Administrative Expenses
For the Year Ended June 30, 2024

Schedule of Administrative Expenses	
Personnel services	$ 17,949,887
Professional services	4,024,694
Communications	459,587
Surety bonds and insurance	575,367
Equipment service and rental	288,254
Building operations, maintenance, office rental	414,768
Miscellaneous	367,165
Depreciation and amortization	1,413,108
TOTAL ADMINISTRATIVE EXPENSES	**$ 25,492,830**

Schedule of Payments for Professional Services	
Actuary	352,474
IT consulting and services	2,152,545
Other consulting	338,898
Third party administrator	205,125
Temporary staffing services	332,740
Death audit services	173,130
Legal services	469,782
TOTAL PROFESSIONAL SERVICES	**$ 4,024,694**

Summary Schedule of Investment Expenses
For the Year Ended June 30, 2024

Schedule of Investment Expenses	
Investment manager fees	127,436,396
Security lending fees	560,483
Master trustee & custodian	875,000
Investment consultants	889,000
Investment legal fees	253,100
Investment administrative expenses	2,399,568
TOTAL INVESTMENT EXPENSES	**$ 132,413,547**

Investment-related fees detail can be found in the Investments section.

Other Supplementary Information

FINANCIAL

Combining Statement of Fiduciary Net Position as of June 30, 2024
Custodial Funds

	Retirement Savings Plan	Deferred Compensation Plan	Total
ASSETS			
Cash and short-term investments	$ 6,623,235	$ 76,044	$ 6,699,279
Receivables			
Members	3,585,763	1,213,159	4,798,922
Federal, trust funds, and other	76,501	-	76,501
Pending investment sales	103,712	-	103,712
Interest and dividends	48,417	-	48,417
Total receivables	3,814,393	1,213,159	5,027,552
Investments, at fair value			
Equity investments	5,756,061	-	5,756,061
Fixed income investments	4,164,103	-	4,164,103
Real asset investments	1,866,848	-	1,866,848
Alternative investments	4,898,291	-	4,898,291
Total investments	16,685,303	-	16,685,303
Securities lending collateral	2,361,710	-	2,361,710
TOTAL ASSETS	**29,484,641**	**1,289,203**	**30,773,844**
LIABILITIES			
Securities lending collateral	2,361,710	-	2,361,710
Payable to brokers for unsettled trades	98,129	-	98,129
Reverse repurchase agreements	1,349	-	1,349
Investment expenses payable	8,102	-	8,102
Administrative expenses payable	38,993	19,194	58,187
Contributions due to third-party administrator	10,094,875	1,270,009	11,364,884
TOTAL LIABILITIES	**12,603,158**	**1,289,203**	**13,892,361**
FIDUCIARY NET POSITION			
Restricted for other governments	16,881,483	-	16,881,483
TOTAL FIDUCIARY NET POSITION	**$ 16,881,483**	**$ -**	**$ 16,881,483**

Other Supplementary Information

Combining Statement of Changes in Fiduciary Net Position for the Year Ended June 30, 2024
Custodial Funds

	Retirement Savings Plan	Deferred Compensation Plan	Total
ADDITIONS			
Contributions			
Employers	$ 13,582,917	$ 60,801	$ 13,643,718
Non-employer contributing entity	88,770,541	445,208	89,215,749
Members	118,012,397	32,799,148	150,811,545
Total contributions	220,365,855	33,305,157	253,671,012
Investment Income			
Net appreciation in fair value of investments	907,013	-	907,013
Interest	132,284	-	132,284
Dividends	178,493	-	178,493
Securities lending	4,987	-	4,987
	1,222,777	-	1,222,777
Less investment expense			
Asset management expense	81,484	-	81,484
Securities lending expense	346	-	346
Net investment income	1,140,947	-	1,140,947
TOTAL ADDITIONS	**221,506,802**	**33,305,157**	**254,811,959**
DEDUCTIONS			
Contributions sent to third-party administrator	220,910,048	32,859,949	253,769,997
Administrative expense	1,086,574	445,208	1,531,782
TOTAL DEDUCTIONS	**221,996,622**	**33,305,157**	**255,301,779**
Net decrease	**(489,820)**	**-**	**(489,820)**
Fiduciary Net Position			
Beginning of year	17,371,303	-	17,371,303
FIDUCIARY NET POSITION END OF YEAR	**$ 16,881,483**	**$ -**	**$ 16,881,483**

FINANCIAL

INVESTMENT

Letter of Certification

NORTHERN TRUST

The Northern Trust Company
50 South LaSalle Street
Chicago, Illinois 60603

To the Board of Trustees and the Executive Director:

The Northern Trust Company as Master Custodian has provided annual Statements of Account for the State Universities Retirement System Master Trust ("Trust") which, to the best of its knowledge, provide a complete and accurate reflection of The Northern Trust Company's record of the investments, receipts, disbursements, purchases and sales of securities and other transactions pertinent to the Trust for the period July 1, 2023 through June 30, 2024.

In addition to the custody of assets, pursuant to and in accordance with the terms of the agreement establishing the Trust, The Northern Trust Company provided and continues to provide the following services as Master Custodian:

1. Receive and hold all amounts paid to the Trust Fund by the Board of Trustees.
2. Accept and deliver securities in connection with investment transactions in accordance with the instructions of appointed Investment Managers.
3. Collect dividends and registered interest payments.
4. Collect matured or called securities and coupons to the extent provided in the operating guidelines of The Northern Trust Company in effect from time to time.
5. Transfer securities to a lending agent appointed by the Board of Trustees pursuant to directions from such lending agent.
6. Begin, maintain or defend any litigation necessary in connection with the investment, reinvestment of the Trust Fund and the administration of the Trust.
7. Invest cash balances held from time to time in the individual investment management accounts in short term-cash equivalent securities.
8. Exercise rights of ownership with respect to securities held in the trust fund, including but not limited to, proxy voting in accordance with the instructions of appointed Investment Managers; respond to stock subscriptions, conversion rights, and other capital changes pursuant to procedures set forth in the operating guidelines of The Northern Trust Company in effect from time to time.
9. Hold securities in the name of the Trust or nominee form or other means as provided in the agreement establishing the Trust.
10. Use the Federal Book Entry Account System for deposit of Treasury securities, and clearing corporations as defined in Article 8 of the Illinois Uniform Commercial Code for the deposit of other securities.
11. Employ agents with the consent of the Board of Trustees to the extent provided in the agreement establishing the Trust.
12. Provide disbursement services.
13. Provide security fail float income to the extent provided in the operating guidelines of The Northern Trust Company in effect from time to time.

THE NORTHERN TRUST COMPANY

By: Matt Pfaff

Matt Pfaff, Sr. Client Service Manager

NTAC:3NS-20

Report of Investment Activity

S·U·R·S®
STATE UNIVERSITIES RETIREMENT SYSTEM

1901 Fox Drive, Champaign, IL 61820-7333
800-275-7877 • 217-378-8800 • (Fax) 217-378-9800
www.surs.org

December 13, 2024

Board of Trustees
State Universities Retirement System
1901 Fox Drive
Champaign, IL 61820

Dear Board of Trustees:

I am pleased to present the Investment Section of the SURS Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024, including this report on Investment Activity. SURS maintains one defined benefit and two defined contribution plans: the Retirement Savings Plan (RSP) and the Deferred Compensation Plan (DCP) for supplemental savings. As of June 30, 2024, the defined benefit plan was valued at approximately $24.3 billion while the RSP and DCP were valued at approximately $4.3 billion and $67.4 million, respectively.

Investment performance is calculated using a time-weighted rate of return. Returns are calculated by Northern Trust using industry best practices. Northern Trust calculated performance rates of return by portfolio and all composites used throughout this section.

Fiscal year 2024 was characterized by a steadily improving outlook, including positive economic growth, falling inflation, and low unemployment. Despite fears of a looming recession for the last two years, the Federal Reserve System appears to have successfully engineered the proverbial “soft landing”.

In the first half of fiscal year 2024, it was broadly assumed that the Federal Reserve would have to reduce interest rates several times to prevent an economic downturn. Instead, persistently strong economic growth and higher than target levels of inflation prevented the Fed from reducing rates at all, yet the overall economy remained resilient. At the June 30 fiscal year end, inflation was slightly below 3% and unemployment was just over 4%. The yield on the 10 year US Treasury bond at fiscal year-end was 4.34%, up approximately 0.50% over the past year, indicating investor sentiment that continued economic stability and higher interest rates are more likely than in recent years.

For the fiscal year, the Dow Jones US Total Stock Market Index returned 23.2% while the more tech-heavy NASDAQ index returned 29.7%. Interest in Artificial Intelligence (“AI”) has ballooned recently, both in the popular press and in investor interest, benefiting select technology companies. Nvidia (NVDA), for example, is the leading manufacturer of semiconductors specifically designed for AI applications, and the company has seen its share price rise 192% over the last 12 months, helping to drive the outperformance of the technology sector.

Outside the US, the broadest measure of world stock markets, the MSCI All Country World excluding-USA Index, saw a return of 11.5%—a strong return for a year, but significantly below the US stock market. Broadly speaking, economic growth worldwide has tended to lag the US over the past year and unemployment in most peer nations is higher than in the US.

Geopolitical risks remain a concern, with continued conflict in Ukraine, a broadening regional conflict in the Middle East, and uncertainty around China’s intentions regarding Taiwan and brewing conflicts with several of its neighbors. Surprise election results or changes in leadership in India, France, the UK, Argentina, and Mexico indicate restless populations looking for governments to do more to improve their national outlooks. With the US in the midst of a Presidential transition that could have global implications, more volatility is likely for the next several months.

Report of Investment Activity

Best practices guide an investor such as SURS to review its overall asset allocation structure every three to five years to make sure that the current portfolio is properly positioned for current market levels and the economic environment. In addition, demographic changes over time within the plan, as well as contributions from the state, can dictate the need for changes in how the plan is invested. SURS last asset-liability study was conducted in 2021, in a very different inflation and interest rate regime. We are now in the midst of a new asset-liability study, which we expect to conclude early in calendar year 2025. Implementation of some aspects of a new asset-liability study can take several years to accomplish, since meaningful shifts in our allocation to illiquid assets such as real estate, private equity, and private credit are made judiciously. Increased allocations to some private assets from the 2021 study are approaching the investment targets after more than three years of work by the investment staff.

One of the most important changes made in 2021, during the last study, was a shift to a new portfolio structure that was designed to protect System assets and to minimize the impact of near-term negative surprises. Importantly, this structure is expected to achieve our target expected returns with lower risk. While this has resulted in weaker relative results in very strong equity markets like those seen in FY 2023 and 2024, it provided critical downside protection during periods of significant equity market declines seen during FY 2022.

The SURS investment portfolio produced modest returns over the course of the fiscal year with its defensive posture keeping total portfolio risk in check. The portfolio returned 8.3%, net of fees, trailing the policy benchmark return of 9.0%. From a long-term perspective, the SURS portfolio has performed well, earning an 8.1% annualized rate of return over the past 30 years, exceeding both the 7.9% policy portfolio return and the 7.8% actuarial assumed rate of return in effect over that time.

Key accomplishments during fiscal year 2024 include the restructuring of the investment staff into teams led by Senior Investment Officers focused on specific asset classes, three external hires to fill vacancies due to departures and retirements, a replacement search for an investment manager in the RSP and DCP, an expansion of our synthetic overlay program to include an allocation to the Crisis Risk Offset portfolio, and continued growth in the Private Credit and Real Estate portfolios through commitments to new investment partnerships.

As of fiscal year-end, all asset classes were within their target ranges as outlined within the Investment Policy Statement. The Stabilized Growth, Inflation Sensitive, Principal Protection and Crisis Risk Offset functional classes are at their long-term strategic allocation policy targets. The Non-Traditional Growth class is above its policy target but is expected to achieve its target weight over the next several years, subject to changes in asset allocation targets at the conclusion of the FY 2025 asset-liability study.

SURS continues to display a strong commitment to diversity as investments with firms owned by minorities, women, and persons with a disability (MWDB) represent approximately $11.4 billion, or 46.8%, of the total fund, up 2.5% since the end of fiscal 2023.

Sincerely,

Michael C. Schlachter, CFA
Chief Investment Officer

Investment Summary

The SURS Board of Trustees is charged with the responsibility of investing the assets entrusted to them solely for the benefit of the System's participants and beneficiaries. The Trustees, in carrying out their responsibilities, adhere to applicable Illinois statutes and the prudent expert rule, which states that the Trustees must act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character with like aims. In carrying out their fiduciary duties, the Trustees have set forth clearly defined investment policy, objectives, and strategies.

Investment Policy

The Board approves the Statement of Investment Policy, which outlines the investment philosophy and practices of SURS. The policy describes the organization and division of responsibilities necessary to implement the Board's philosophy and objectives prudently; establishes a framework for making investment decisions and monitoring investment activity; and promotes effective communication between the Board, staff, and other involved parties.

Investment Objectives

The investment objective of the total portfolio is to achieve long-term, sustainable, investment performance necessary to meet or exceed the System's assumed rate of return, net of all management fees with appropriate consideration for portfolio volatility (risk) and liquidity.

Investment Strategies

Strategic Asset Allocation

The purpose of the strategic allocation is to establish a framework that has a high likelihood, in the judgment of the Board, of realizing the System's long-term funding success. Strategic allocation involves establishing target allocation percentages for each approved strategic class and their sub-class components. The most recent asset-liability study was completed in June 2021. In April 2023, modest asset allocation changes were approved that increase the target exposure to investment grade and credit fixed income, while slightly reducing the target allocation to the Crisis Risk Offset portfolio. These changes are anticipated to provide a similar portfolio risk-return profile albeit with a lower cost.

SURS functional asset classes are categorized broadly as growth oriented or diversifying. Growth-oriented strategies include risk-taking assets or strategies that produce high total returns relative to other asset classes. The three strategic components within this group are shown and described below.

- **Traditional Growth**
  Provide growth in line with traditional public equity markets (i.e., Global Equity).
- **Stabilized Growth**
  Provide growth through strategies that are exposed to market beta, exhibiting expected returns similar to Traditional Growth but with lower volatility (i.e., Core Real Assets, Private Credit, and Public Credit).
- **Non-Traditional Growth**
  Provide growth in excess of Traditional Growth through exposure to investments driven by exposure to the equity risk and illiquidity risk premiums (i.e., Private Equity and Non-Core Real Assets, which includes real estate, infrastructure, and farmland).

Diversifying strategies provide two forms of diversification via anchor strategies and offset strategies. Anchor strategies are characterized by low volatility and high liquidity. Offset strategies, in contrast, tend to be higher volatility strategies that have zero-to-negative correlation to public equity markets. These strategies, described below, are designed to perform well in the event of a prolonged equity market downturn.

- **Inflation Sensitive**
  Provide an anchor to the portfolio with minimal exposure to equity risk that is designed to help protect the portfolio during periods of high inflation. (i.e., U.S. TIPS).

Investment Summary

- **Principal Protection**
  Provide an anchor to the portfolio by exhibiting low volatility with minimal exposure to equity risk. Designed to provide consistent, stable returns during most market environments and preserve principal during periods where growth investments are experiencing significant drawdowns (i.e., Core Fixed Income).
- **Crisis Risk Offset**
  Provide an offset to growth risk through liquid exposures to risk premiums expected to exhibit offsetting behavior to growth investments during periods of significant drawdown (i.e., Systematic Trend Following, Alternative Risk Premia, Long Durations Treasury, Long Volatility, and Tail Risk).

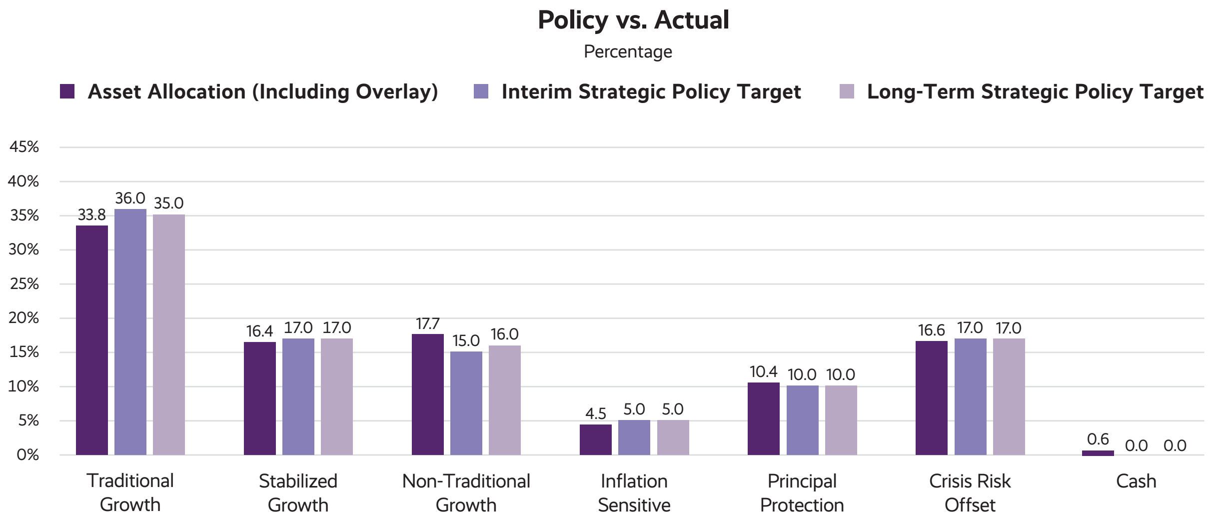
The following table shows the sub-asset classes from June 30, 2024, mapped into the appropriate functional class:

	Functional Asset Class	Allocation
Growth Oriented	**Traditional Growth**	**33.8%**
	Global Equity	33.8
	Stabilized Growth	**16.4**
	Core Real Assets	6.7
	Public Credit Fixed Income	6.1
	Private Credit	3.6
	Non-Traditional Growth	**17.7**
	Private Equity	13.3
	Non-Core Real Assets	4.4
Diversifying	**Inflation Sensitive**	**4.5**
	U.S. TIPS	4.5
	Principal Protection	**10.4**
	Core Fixed Income	10.4
	Crisis Risk Offset	**16.6**
	Systematic Trend Following	9.8
	Alternative Risk Premia	3.3
	Long Duration	1.8
	Long Volatility	1.6
	Tail Risk	0.1
Cash	**Cash**	**0.6**
	Cash	0.6

Each functional group employs one or more investment managers and strategies as a method to ensure overall fund diversification. Each investment management firm is afforded full discretion to diversify its portfolio(s) in a manner deemed appropriate. The Trustees have developed guidelines to direct the investment managers in their execution of the overall investment policy. The guidelines are specific to the asset class and strategy managed.

Rebalancing
Proper implementation of the investment policy requires that a periodic adjustment, or rebalancing, of assets be conducted as needed to ensure conformance with policy target levels. Such rebalancing is necessary to reflect cash flows and performance imbalances among strategic classes. SURS rebalancing policy calls for rebalancing, as soon as practical, if a strategic class exceeds or falls below its target allocation by 3%. Ongoing rebalancing of the investment portfolio occurred as needed during the year with the assistance of a cash overlay strategy and the System's cash flows.

Investment Results



Long-Term Investment Results
For the 10-year period ended June 30, 2024, SURS total fund earned an annualized total return, net of all investment management expenses, of 6.6%. This exceeded the policy portfolio benchmark by 0.2% annualized.

The policy portfolio is comprised of market indices which are consistent with the overall asset allocation. The policy portfolio reflects a passive implementation of the investment policy. As of June 30, 2024, the strategic policy portfolio is comprised of the benchmarks shown below:

INVESTMENT

Strategic Policy Portfolio

Asset Class	Benchmark	Strategic Target
Traditional Growth	MSCI ACWI IMI	36.0%
Stabilized Growth		
Public Credit Fixed Income	Custom blended benchmark[1]	6.0
Private Credit	Custom blended benchmark[2]	3.0
Core Real Assets	Custom blended benchmark[3]	8.0
Non-Traditional Growth		
Private Equity	MSCI ACWI IMI Lag + 2%	11.0
Non-Core Real Assets	Custom blended benchmark[4]	4.0
Inflation Sensitive	BB Barclays U.S. TIPS	5.0
Principal Protection	BC U.S. Intermediate Agg x Credit Bond	10.0
Crisis Risk Offset		
Systematic Trend Following	CS Mngd Fut Liq 15% Volatility	10.0
Alternative Risk Premia	90 Day T-Bill + 2%	3.0
Long Duration	BBG Barclays U.S. Long Govt	2.0
Long Volatility / Tail Risk	CBOE Eureka Long Vol Hdg Fd	2.0
		100.0%

(1) ICE BofA GL HY Constr Hdg USD, BBG GL Agg Corp Hdg USD, S&P/LSTA Lev Loan Index, JPM CEMBI Broad, JPM EMBI Global Diversified.
(2) 50% S&P/LSTA Lev Loan Index / 50% ICE BofA Constr Hdg USD + 1.0%.
(3) NCREIF ODCE and FTSE Dev Core Infra 50/50.
(4) NCREIF ODCE + 1.5%, CPI U + 500 bps, and NCREIF Farmland Index.

Investment Results

	Fiscal Year Ended June 30					Annualized		
	2020	2021	2022	2023	2024	3 yrs	5 yrs	10 yrs
Total Fund								
State Univ. Retirement NEW	2.6%	23.8%	(1.4)%	5.3%	8.3%	4.0%	7.4%	6.6%
SURS Policy Benchmark	2.0	24.4	(4.9)	6.1	9.0	3.2	6.9	6.4
CPI U	0.6	5.4	9.1	3.0	3.0	5.8	3.9	2.7
Traditional Growth								
SURS Total Traditional Growth	1.7	40.5	(14.9)	16.2	19.0	5.6	11.0	9.0
Performance Benchmark	1.4	40.9	(16.5)	16.1	18.4	4.7	10.4	8.5
Stabilized Growth (Inception 9/30/2019)								
SURS Total Stabilized Growth	-	13.1	0.1	0.1	2.7	1.0	-	-
Performance Benchmark	-	11.9	(2.6)	1.8	0.1	(0.2)	-	-
Core Real Assets	(0.0)	8.6	31.6	(7.3)	(7.1)	4.2	4.2	6.0
Core Real Assets Blend	3.9	1.5	26.9	(3.7)	(10.3)	3.1	2.9	6.0
Public Credit Fixed Income (Inception 9/30/2019)	-	10.3	(13.3)	7.2	10.7	1.0	-	-
SURS Credit Fixed Income Blend	-	9.5	(14.2)	6.5	9.2	(0.0)	-	-
Private Credit[1] (Inception 6/30/2020)	-	-	14.0	5.2	13.4	10.9	-	-
SURS Private Credit Blend	-	-	(8.0)	11.1	12.4	4.7	-	-
Non-Traditional Growth								
SURS Total Non-Traditional Growth	1.4	42.3	26.2	(1.6)	4.0	8.9	13.3	11.4
Performance Benchmark	(4.8)	43.5	11.4	(4.3)	16.3	7.4	11.1	12.0
Non-Core Real Assets	1.7	3.3	23.6	5.2	1.5	9.7	6.8	8.3
Non-Core Real Assets Blend	5.7	4.1	25.4	0.3	(6.5)	5.6	5.3	7.5
Private Equity[1]	0.6	60.8	28.8	(3.0)	5.0	8.6	15.5	12.7
SURS Total PE Blend	(8.6)	59.9	8.1	(5.8)	25.3	8.5	13.3	13.4
Inflation Sensitive								
SURS Total Inflation Sensitive	7.4	6.5	(5.1)	(1.4)	2.7	(1.3)	1.9	1.7
Inflation Sensitive Blend	6.8	6.5	(5.1)	(1.4)	2.7	(1.3)	1.8	1.4
TIPS	7.8	6.5	(5.1)	(1.4)	2.7	(1.3)	2.0	1.8
BB Barclays U.S. TIPS	8.3	6.5	(5.1)	(1.4)	2.7	(1.3)	2.1	1.9
Principal Protection								
SURS Total Principal Protection	6.5	(0.2)	(6.8)	(0.8)	2.9	(1.7)	0.2	1.5
Performance Benchmark	7.5	(0.7)	(7.6)	(1.2)	2.9	(2.1)	0.1	1.5
Crisis Risk Offset (Inception 11/30/2019)								
SURS Total Crisis Risk Offset ex Tail Risk	-	(0.1)	12.2	0.9	3.4	5.4	-	-
Performance Benchmark	-	6.6	8.4	1.3	(3.2)	2.1	-	-
Systematic Trend Following (Inception 11/30/2019)	-	14.2	26.0	2.1	2.5	9.6	-	-
CS Mngd Fut Liq 15% Volatility	-	29.8	23.6	0.0	(7.0)	4.8	-	-
Long Duration (Inception 12/03/2019)	-	(11.0)	(18.4)	(6.7)	(5.5)	(10.4)	-	-
BBG Barclays U.S. Long Govt	-	(10.4)	(18.4)	(6.8)	(5.6)	(10.4)	-	-
Alternative Risk Premia (Inception 11/30/2019)	-	(3.6)	8.5	3.6	15.0	8.9	-	-
90 Day T-Bills + 2%	-	2.1	2.4	6.4	7.7	5.4	-	-
Long Volatility (Inception 6/30/2022)	-	-	-	(3.2)	(1.9)	-	-	-
CBOE Eureka Long Vol Hdg Fd	-	-	-	(6.0)	(0.2)	-	-	-

Return calculations (except as noted below) were prepared using a time-weighted rate of return methodology in accordance with the Performance Presentation Standards of the CFA Institute.

(1) Private market returns were prepared using an Internal Rate of Return (IRR) methodology which is consistent with industry standards. Additionally, the returns for both the private market portfolios and the benchmark are reported one quarter in arrears due to the length of the performance reporting cycle.

Investment Fees and Asset Allocation

Schedule of Investment Fees and Asset Allocation, June 30, 2024 ($ in thousands)

	Investment Fees	Fair Value
Traditional Growth		
U.S. Equity Managers		
RhumbLine Advisers	$ 166	$ 2,581,054
Subtotal	**166**	**2,581,054**
Non-U.S. Equity Managers		
Ativo Capital Management	837	332,468
GlobeFlex Capital	2,553	404,824
Nipun Capital	650	101,800
Northern Trust Asset Management	32	-
Solstein Capital	372	106,138
Strategic Global Advisors	1,207	407,911
William Blair	691	99,206
Subtotal	**6,342**	**1,452,347**
Global Equity Managers		
Ariel Investments	1,260	263,620
BlackRock	10,994	1,634,872
EARNEST Partners	1,730	410,127
Mondrian Investment Partners	1,911	538,132
Strategic Global Advisors	648	225,612
T. Rowe Price	1,846	463,468
Wellington Management Company	2,225	607,380
Xponance	1,542	345,118
Subtotal	**22,156**	**4,488,329**
Stabilized Growth		
Option Strategies Managers		
Pacific Alternative Asset Management Company	15	1,297
Subtotal	**15**	**1,297**
Core Real Asset Managers		
Blackstone Group	2,165	225,567
BlackRock	945	91,184
Carlyle Property Partners	2,101	252,493
Clarion Partners	1,544	171,738
GI Partners	710	62,906
Heitman Capital Management	1,971	256,577
IFM Investors	817	108,955
J.P. Morgan Asset Management	2,082	225,649
Prologis	1,596	158,581
UBS Realty Investors	545	82,277
Subtotal	**14,476**	**1,635,927**
Credit Ex Dedicated EMD Managers		
Bivium Capital Partners	1,968	396,840
Neuberger Berman	1,973	773,428
Pacific Investment Management Company	1,086	308,561
Subtotal	**5,027**	**1,478,829**
Private Credit Managers		
Meketa Investment Group (Discretionary Consultant)	390	-
Ares Management	1,499	171,908
Atalaya Capital Management	44	66,564
Brightwood Capital Advisors	-	27,666
Crayhill Capital Management	264	37,396
Fortress Capital Formation	324	37,602
HPS Specialty	128	655
Intermediate Capital Group	249	37,596
Neuberger Berman	1,888	145,420
Pacific Investment Management Company	36	-
Silver Point Specialty Credit	55	33,173
Silver Rock Financial	2,326	264,286

INVESTMENT

Investment Fees and Asset Allocation

Schedule of Investment Fees and Asset Allocation, June 30, 2024 ($ in thousands) (continued)

	Investment Fees	Fair Value
Sixth Street Partners	$ 501	$ 28,160
Turning Rock Partners	553	59,366
Subtotal	**8,257**	**909,792**
Non-Traditional Growth		
Non-Core Real Asset Managers		
Alinda Capital Partners	-	306
Basis Investment Group	924	54,836
Blackstone Group	1,860	75,226
Blue Vista Capital Management	192	8,802
Brasa Capital Management	562	28,017
Brookfield Asset Management	2,134	108,372
Cabot Properties	1,495	66,932
Crow Holdings Realty Partners	1,751	46,646
Dune Real Estate Partners	985	116,791
Ember Infrastructure	628	27,866
Frankliin Templeton Real Estate Advisors	454	64,330
Homestead Capital	1,263	68,557
Longpoint Realty Partners	1,452	68,696
Long Wharf Capital	1,095	35,353
Macquarie Infrastructure Partners	1,131	111,343
Newport Capital Partners	108	7,665
Oaktree Capital Management	136	10,940
Pantheon Ventures	810	59,719
StepStone Group	90	11,791
Torchlight Investors	1,325	54,198
Westbrook Partners	842	50,191
Subtotal	**19,237**	**1,076,577**
Private Equity Managers		
Adams Street Partners	3,549	859,729
Aksia (Discretionary Consultant)	809	-
Advent International	374	11,450
Altaris Capital Partners	80	20,124
Avance Investment Management	430	16,541
Base10 Partners	1,297	31,764
Bregal Sagemount	1,219	54,562
Clearlake Capital Partners	812	79,378
Cortec Group	1,056	34,856
GGV Capital	612	26,140
Great Hill Equity Partners	196	6,445
Greenbriar Equity Group	409	6,256
Harvest Partners	799	95,069
Hg Capital	1,019	74,449
Inflexion Private Equity Partners	339	9,428
MBK Partners	431	46,149
Nautic Partners	481	18,185
Nordic Capital	742	16,467
Oak HC-FT Partners	1,251	34,893
OceanSound Partners	260	46,774
One Equity Partners	444	35,484
One Rock Capital	409	49,659
Orchid Asia Group	601	10,376
PAI Partners	495	8,974
Reverence Capital Partners	593	74,355
Rubicon Technology Partners	1,113	45,047
Stellex Capital Management	372	24,373
Thoma Bravo	-	94,334
TorreyCove Co-Investment	157	278,926

Investment Fees and Asset Allocation

Schedule of Investment Fees and Asset Allocation, June 30, 2024 ($ in thousands) (continued)

	Investment Fees	Fair Value	
Fairview Capital Partners	$ 752	$ 134,619	
Mesirow Financial Investment Management	1,460	395,495	
Muller and Monroe Asset Management	400	124,875	
Pantheon Ventures	1,991	532,638	
Progress Venture Capital	-	1,067	
Subtotal	**24,952**	**3,298,881**	
Inflation Sensitive			
Treasury Inflation-Protected Securities Managers			
RhumbLine Advisers	76	1,110,832	
Subtotal	**76**	**1,110,832**	
Principal Protection			
Fixed Income Managers			
Cash	339	292,971	
Garcia Hamilton & Associates	572	560,758	
LM Capital Group	608	570,151	
Pugh Capital Management	529	570,174	
Ramirez Asset Management	667	568,288	
Subtotal	**2,715**	**2,562,342**	
Crisis Risk Offset			
Systematic Trend Following Managers			
Aspect Capital	2,844	630,011	
Campbell & Company	2,618	587,843	
UBS Asset Management	1,241	529,193	
Longtail Alpha	2,188	481,204	
Subtotal	**8,891**	**2,228,251**	
Long Duration Managers			
RhumbLine Advisers	28	408,072	
Subtotal	**28**	**408,072**	
Alternative Risk Premia Managers			
Pacific Investment Management Company	5,374	531,154	
Versor Investments	1,727	272,196	
Subtotal	**7,101**	**803,350**	
Tail Risk			
Longtail Alpha	2,784	35,101	
Subtotal	**2,784**	**35,101**	
Long Volatility			
One River Asset Management	4,823	358,919	
Subtotal	**4,823**	**358,919**	
CRO Cash Overlay			
Parametric Portfolio Associates	30	35,949	
Subtotal	**30**	**35,949**	
Cash Overlay			
Parametric Portfolio Associates	360	48,927	
Subtotal	**360**	**48,927**	
TOTAL FUND	**$ 127,436**	**$ 24,514,776**	(a) (b)

(a) Amount includes net pending transactions of $8,100 and accrued investment income receivable of $70,241.

(b) Amount represents total SURS investments, of which $24,331,641 is for the defined benefit pension plan; $159,696 is for the other employee benefit plan; and $23,439 is for the custodial funds.

INVESTMENT

Investment Fees and Allocation

Retirement Savings Plan

Fiscal year 2024 marks the twenty-sixth complete year of the Retirement Savings Plan (RSP). As of June 30, 2024, RSP members had $4.3 billion invested in the plan. This represents an increase of approximately $559 million since the end of fiscal year 2023. During the past several years, RSP participants have continued to maintain a balanced exposure to equities. In aggregate, the total funds invested by RSP participants have an allocation of 69.8% equity, 27.2% fixed income, and 3.0% real estate.

A detailed schedule of the funds available in this plan, along with the investment totals for each fund, can be found in the accompanying table. Information about RSP assets related to the plan's disability benefit can be found in the Financial Section.

Retirement Savings Plan Investment Allocation, June 30, 2024 ($ in thousands)

	U.S. Equity	Non-U.S. Equity	Global Equity	Fixed Income	Balanced	Real Estate	Total
Voya Investment Options							
SURS Fixed Account	$ -	$ -	$ -	$ 53,466	$ -	$ -	$ 53,466
Vanguard Federal Mny Mkt Fd Inv	-	-	-	612	-	-	612
SURS Multi-Sector Bond Fund	-	-	-	19,606	-	-	19,606
SURS High Yield Bond Fund	-	-	-	13,214	-	-	13,214
SURS U.S. ESG Core Bond Fund	-	-	-	4,357	-	-	4,357
SURS U.S. Inflation Protected Bond Fund	-	-	-	15,015	-	-	15,015
SURS Non-U.S. Growth Equity Fund	-	29,187	-	-	-	-	29,187
SURS Non-U.S. Value Equity Fund	-	9,773	-	-	-	-	9,773
SURS U.S. Small-Mid Cap Growth Fund	43,786	-	-	-	-	-	43,786
SURS U.S. Small-Mid Cap Value	20,109	-	-	-	-	-	20,109
SURS Lifetime Income Strategy [1]	-	-	1,567,700	285,184	1,097,472	108,173	3,058,529
SURS U.S. Core Bond Index Fund	-	-	-	46,501	-	-	46,501
SURS U.S. Large Cap Equity Index Fund	461,079	-	-	-	-	-	461,079
SURS U.S. Small-Mid Cap Equity Index Fund	69,913	-	-	-	-	-	69,913
SURS Non-U.S. Equity Index Fund	-	36,200	-	-	-	-	36,200
SURS U.S. REIT Index Fund	-	-	-	-	-	18,103	18,103
SURS Global ESG Equity Fund	-	-	23,442	-	-	-	23,442
Voya Total	**$ 594,887**	**$ 75,160**	**$ 1,591,142**	**$ 437,955**	**$ 1,097,472**	**$ 126,276**	**$ 3,922,892**
TIAA-CREF Investment Options[2]							
CREF Money Market Account R3	-	-	-	6,261	-	-	6,261
TIAA Traditional Annuity	-	-	-	144,375	-	-	144,375
CREF Bond Market Account R3	-	-	-	14,950	-	-	14,950
CREF Inflation-Linked Bond Account R3	-	-	-	7,383	-	-	7,383
CREF Social Choice Account R3	-	-	-	-	23,638	-	23,638
CREF Growth Account R3	439	-	-	-	-	-	439
CREF Stock Account R3	94,240	-	-	-	-	-	94,240
CREF Global Equities Account R3	-	-	28,963	-	-	-	28,963
TIAA Real Estate Account	-	-	-	-	-	2,560	2,560
CREF Equity Index Account R3	56,093	-	-	-	-	-	56,093
TIAA-CREF Total	**$ 150,772**	**$ -**	**$ 28,963**	**$ 172,969**	**$ 23,638**	**$ 2,560**	**$ 378,902**
GRAND TOTAL	**$ 745,659**	**$ 75,160**	**$ 1,620,105**	**$ 610,924**	**$ 1,121,110**	**$ 128,836**	**$ 4,301,794**

(1) As of June 30, 2024, the SURS Lifetime Income Strategy is the default investment option for members who have selected the Retirement Savings Plan (RSP) but have not selected individual investments.

(2) TIAA-CREF Investment Options are not eligible for additional contributions within the RSP.

Investment Fees and Allocation

Deferred Compensation Plan

Beginning March 1, 2021, SURS introduced a new supplemental defined contribution plan, called the Deferred Compensation Plan (DCP). As of June 30, 2024, DCP participants had $67.4 million invested in the plan. This represents an increase of approximately $38.9 million since the end of fiscal year 2023. DCP participants maintain a balanced exposure to equities. In aggregate, the total funds invested by DCP participants have an allocation of 77.1% equity, 19.2% fixed income, and 3.7% real estate.

A detailed schedule of the funds available in this plan, along with the investment totals for each fund, can be found in the accompanying table:

Deferred Compensation Plan Investment Allocation as of June 30, 2024 ($ in thousands)

	U.S. Equity	Non-U.S. Equity	Global Equity	Fixed Income	Balanced	Real Estate	Total
Voya Investment Options							
SURS Fixed Account	$ -	$ -	$ -	$ 1,586	$ -	$ -	$ 1,586
Vanguard Federal Mny Mkt Fd Inv	-	-	-	5	-	-	5
SURS Multi-Sector Bond Fund	-	-	-	600	-	-	600
SURS High Yield Bond Fund	-	-	-	548	-	-	548
SURS U.S. ESG Core Bond Fund	-	-	-	124	-	-	124
SURS U.S. Inflation Protected Bond Fund	-	-	-	650	-	-	650
SURS Non-U.S. Growth Equity Fund	-	860	-	-	-	-	860
SURS Non-U.S. Value Equity Fund	-	487	-	-	-	-	487
SURS U.S. Small-Mid Cap Growth Fund	1,443	-	-	-	-	-	1,443
SURS U.S. Small-Mid Cap Value	968	-	-	-	-	-	968
SURS Lifetime Income Strategy	-	-	25,862	4,269	8,781	1,546	40,458
SURS U.S. Core Bond Index Fund	-	-	-	763	-	-	763
SURS U.S. Large Cap Equity Index Fund	13,708	-	-	-	-	-	13,708
SURS U.S. Small-Mid Cap Equity Index Fund	1,988	-	-	-	-	-	1,988
SURS Non-U.S. Equity Index Fund	-	1,343	-	-	-	-	1,343
SURS U.S. REIT Index Fund	-	-	-	-	-	954	954
SURS Global ESG Equity Fund	-	-	930	-	-	-	930
TOTAL	**$ 18,107**	**$ 2,690**	**$ 26,792**	**$ 8,545**	**$ 8,781**	**$ 2,500**	**$ 67,415**

INVESTMENT

Supporting Schedules

TEN LARGEST U.S. EQUITY HOLDINGS (excludes commingled funds)	Shares	Fair Value
Microsoft Corp	531,913	$ 237,738,515
Apple Inc	1,040,978	219,250,786
Nvidia Corp	1,604,497	198,219,559
Amazon.com Inc	768,247	148,463,733
Meta Platforms Inc Class A	180,510	91,016,752
Alphabet Inc Class A	457,393	83,314,135
Eli Lilly & Co	77,342	70,023,900
Broadcom Inc	49,954	62,914,129
Exxon Mobil Corp	530,517	61,073,117
Alphabet Inc Class C	293,534	53,840,006

Note: A complete list of the portfolio holdings is available upon request.

TEN LARGEST NON-U.S. EQUITY HOLDINGS (excludes commingled funds)	Shares	Fair Value
ASML Holdings NV (Netherlands)	49,659	$ 51,316,685
Novo Nordisk A/S (Denmark)	333,038	48,130,697
Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	1,191,561	35,480,725
Check Point Software Technologies Ltd. (Israel)	185,266	30,568,890
Sanofi SA (France)	266,875	25,724,934
Novartis AG (Switzerland)	233,867	25,028,922
Roche Holdings AG (Switzerland)	83,952	23,309,619
Samsung Electronics Co Ltd (Republic of Korea)	339,361	20,092,932
ICON (Ireland)	57,723	18,094,429
Enel Spa (Italy)	2,491,504	17,340,730

Note: A complete list of the portfolio holdings is available upon request.

TEN LARGEST FIXED INCOME HOLDINGS (excludes commingled funds)

Asset Description	S & P Rating	Interest Rate	Maturity Date	Par Value	Fair Value
U.S. Treasury Notes	AA+	1.875%	February 15, 2032	$ 62,025,000	$ 52,067,080
U.S. Treasury Notes	AA+	3.000	July 31, 2029	54,160,000	49,905,478
U.S. Treasury Notes	AA+	1.500	February 15, 2030	57,110,000	49,016,442
U.S. Treasury Bonds	AA+	2.375	May 15, 2027	48,229,000	45,421,922
U.S. Treasury Notes	AA+	1.250	August 15, 2031	54,970,000	44,611,591
U.S. Treasury Notes	AA+	3.500	April 30, 2028	44,500,000	43,043,320
U.S. Treasury Notes	AA+	1.125	January 15, 2033	41,518,000	40,431,895
U.S. Treasury Notes	AA+	1.375	July 15, 2033	41,344,000	40,302,725
U.S. Treasury Notes	AA+	0.625	July 15, 2032	41,527,000	40,181,525
U.S. Treasury Inflation-Indexed Notes	AA+	2.375	October 15, 2028	37,040,000	38,411,729

Note: A complete list of the portfolio holdings is available upon request.

Supporting Schedules

Summary Schedule of Domestic Equity Investment Commissions
For the Year Ended June 30, 2024

Investment Brokerage Firm	Commission	Shares Traded	Commission per Share
Cabrera Capital Markets	$ 8,960	598,202	$ 0.01
Loop Capital Markets	6,768	1,110,007	0.01
Penserra Securities	4,283	414,331	0.01
Instinet	2,443	1,160,072	0.00
ITG (Investment Technology Group)	1,225	245,078	0.01
Williams Capital Group	638	126,123	0.01
TOTAL	**$ 24,317**	**3,653,813**	**$ 0.01**

Summary Schedule of International Equity Investment Commissions
For the Year Ended June 30, 2024

Investment Brokerage Firm	Commission	Shares Traded	Commission per Share
North South Capital	$ 82,533	12,741,014	$ 0.01
Penserra Securities	70,009	8,078,437	0.01
Goldman Sachs	44,061	5,146,191	0.01
Loop Capital Markets	17,120	2,265,520	0.01
Citigroup Global Markets	16,751	2,308,326	0.01
Jefferies & Company	15,528	2,596,909	0.01
Macquarie Securities	14,135	1,774,074	0.01
Northern Trust Securities	10,294	2,319,693	0.00
Mischler Financial Group	6,605	1,210,251	0.01
Merrill Lynch	3,756	1,174,036	0.00
Liquidnet	2,435	502,577	0.00
ITG (Investment Technology Group)	496	8,510	0.06
Morgan Stanley	302	41,815	0.01
Mizuho Securities	96	27,800	0.00
TOTAL	**$ 284,121**	**40,195,153**	**$ 0.01**

Supporting Schedules

Summary Schedule of Global Equity Investment Commissions
For the Year Ended June 30, 2024

Investment Brokerage Firm	Commission	Shares Traded	Commission per Share
Loop Capital Markets	$ 85,673	6,160,286	$ 0.01
Morgan Stanley	62,005	11,386,382	0.01
Penserra Securities	58,545	4,628,879	0.01
Sanford C. Bernstein	54,967	4,257,747	0.01
UBS	52,406	8,338,561	0.01
Mischler Financial Group	46,829	5,634,536	0.01
Jefferies & Company	46,187	4,907,217	0.01
JP Morgan Chase & Company	45,253	5,927,638	0.01
Citigroup Global Markets	30,488	4,638,122	0.01
Bank of America Securities	29,951	3,208,838	0.01
Nomura	29,941	1,752,124	0.02
Cabrera Capital Markets	28,676	2,241,087	0.01
Piper Sandler	25,621	1,104,188	0.02
Goldman Sachs	23,366	9,879,308	0.00
Bank of America	22,847	3,018,057	0.01
Tigress Financial Partners	22,374	2,546,884	0.01
Barclays	16,174	1,397,411	0.01
Macquarie Securities	15,730	2,732,104	0.01
North South Capital	15,542	767,473	0.02
CLSA	14,428	4,162,449	0.00
Instinet	14,283	1,095,532	0.01
BNP Paribas	13,827	752,291	0.02
Cowen & Company	12,360	662,899	0.02
Royal Bank of Canada	12,118	929,460	0.01
CastleOak Securities	12,051	464,835	0.03
Mizuho Securities	11,452	808,416	0.01
Liquidnet	10,206	1,372,113	0.01
Roberts & Ryan Investments	9,920	498,836	0.02
Siebert Brandford Shank & Company	9,699	479,833	0.02
State Street Global Markets	9,030	1,633,747	0.01
Guzman & Company	8,874	964,893	0.01
Capital Institutional Services, Inc (CAPIS)	8,411	218,310	0.04
Virtu Financial Capital Markets	7,143	1,187,467	0.01
Deutsche Bank	6,624	283,669	0.02
HSBC	6,534	1,168,859	0.01
RBC Capital Markets	6,442	758,118	0.01
Wells Fargo Advisors	6,441	242,733	0.03
Northern Trust Securities	6,114	134,932,108	0.00
JonesTrading Institutional Services	5,868	102,271	0.06
Merrill Lynch	5,700	318,936	0.02
Redburn Partners	5,637	230,720	0.02
BTIG (Bass Trading International Group)	5,335	147,675	0.04
AllianceBernstein	4,923	2,589,691	0.00
Berenberg Bank	4,863	2,159,491	0.00
Stifel, Nicolaus & Company	4,445	168,992	0.03
CL King & Associates	4,300	182,584	0.02
Kepler Capital Markets	4,295	481,339	0.01
China International Capital	4,142	10,494,072	0.00
Bank of Montreal	4,112	373,219	0.01
Robert W. Baird & Company	4,027	167,533	0.02
All Other Brokers	70,954	8,047,607	0.01
TOTAL	**$ 1,027,133**	**262,607,540**	**$ 0.00**

Supporting Schedules

Summary Schedule of Fixed Income Investment Brokerage
For the Year Ended June 30, 2024

Investment Brokerage Firm	Fair Value Traded
Academy Securities	$ 5,443,374,544
Cabrera Capital Markets	326,884,665
JP Morgan Chase & Company	271,533,743
Bank of America	221,409,627
Morgan Stanley	216,349,584
Deutsche Bank	209,277,489
Goldman Sachs	171,718,769
Barclays	164,291,981
Citigroup Global Markets	157,291,497
Wells Fargo Advisors	148,989,623
Loop Capital Markets	130,647,334
CastleOak Securities	128,522,893
Stonex Financial, Inc	111,347,501
Nomura	80,432,288
Siebert Brandford Shank & Company	57,370,949
Great Pacific Securities	53,332,269
Jefferies & Company	52,300,901
Roberts & Ryan Investments	51,970,232
Bank of America Securities	51,347,259
MarketAxess	51,206,449
Williams Capital Group	49,671,315
HSBC	46,687,426
RBC Capital Markets	41,630,681
BMO Capital Markets	40,362,979
Jane Street Execution Services, LLC	39,372,175
TD Securities	37,519,379
Mizuho Securities	34,918,881
UBS	32,189,056
Citibank	31,285,343
BNP Paribas	29,928,950
Mitsubishi UFJ Securities	23,796,535
Truist Securities, Inc	16,657,414
Societe Generale Securities	16,650,688
Royal Bank of Canada	16,474,150
Stifel, Nicolaus & Company	15,889,102
Daiwa Securities Group	15,474,140
RBC Dain Rauscher	15,176,983
Millennium Advisors	14,714,701
US Bancorp	14,611,506
Mischler Financial Group	13,648,999
Penserra Securities	13,496,818
Stern Brothers and Company	9,341,294
BCP Securities	9,090,407
Santander Investment Securities	8,937,163
KeyBanc Capital Markets	8,912,725
Blaylock Robert Van	8,151,153
Cantor Fitzgerald	8,034,456
FHN Financial Securities	7,697,882
Colliers Securities LLC	6,387,815
Lloyds	5,926,984
All Other Brokers	119,227,378
TOTAL	**$ 8,851,464,075**

ACTUARIAL

P: 312.456.9800 | www.grsconsulting.com

December 13, 2024

Board of Trustees
State Universities Retirement System of Illinois
1901 Fox Drive
Champaign, Illinois 61820

Re: Certification of Actuarial Results

Dear Members of the Board:

At your request, we have performed an actuarial valuation of the State Universities Retirement System of Illinois ("SURS") as of June 30, 2024. GRS provided the June 30, 2024 actuarial valuation report to the Board of Trustees on November 1, 2024. The purpose of this actuarial valuation, which is performed annually, is to determine the funding status and annual contribution requirements of SURS. GRS has prepared this actuarial valuation exclusively for the benefit of, and at the request of the Trustees of the State Universities Retirement System; GRS is not responsible for reliance upon this actuarial valuation for any other purpose or by any other party. Readers desiring a more complete understanding of the actuarial condition of SURS are encouraged to obtain and read the complete valuation reports. The Actuarial and Financial Sections of this ACFR contain some, but not all of, the information in the valuation reports.

The actuarial valuation is based upon:

a. *Data Relative to the Members of SURS* – Data for all members, including those participating in the Retirement Savings Plan, was provided by SURS staff. GRS reviewed such data for reasonableness, but did not verify or audit the data.
b. *Assets of the Fund* – SURS provides the asset information. The actuary reviewed the information for reasonableness and consistency with prior information, but did not verify or audit the information. The actuary calculates the actuarial value of assets and uses it to develop actuarial results. The method for calculating the actuarial value of assets is defined in statute. It was first effective with the actuarial valuation as of June 30, 2009. It smooths investment gains and losses above or below the actuarial assumption of 6.50% (most recently decreased from 6.75% applicable for fiscal years 2019-2021) over a five-year period.
c. *Benefit Provisions* – Public Act 96-0889 changed the benefit provisions for members hired on or after January 1, 2011. Public Act 102-0718 extended the pension buyout through June 30, 2026. Public Act 103-0548, effective August 11, 2023, eliminates the requirement that a participant be employed for at least 15 calendar days in a month to receive one month of service credit; instead, a participant will receive service credit for any month in which they are a participating employee and make contributions to SURS. Public Act 103-0548 also repeals the part-time adjustment, which modified pension benefits for participants who worked 50% time or less for 3 or more years. Active members classified as part time for valuation purposes are now valued the same as

120 North LaSalle Street | Suite 1350 | Chicago, Illinois 60602-3495

Letter of Certification

members classified as full time active members (as a result of the changes from Public Act 103-0548).

d. *Actuarial Cost Method* – The actuarial cost method prescribed in the statute and utilized by SURS is the Projected Unit Credit Cost Method. The objective of this method is to finance the benefits of SURS as such benefits accrue to each member. Any Unfunded Actuarial Accrued Liability (UAAL) under this method is separately financed. All actuarial gains and losses under this method are reflected in the UAAL.

e. *Actuarial Assumptions* – The actuarial assumptions used in this actuarial valuation are summarized in the next few pages. The actuarial assumptions were reviewed and updated as part of the experience study conducted for the period June 30, 2020 through June 30, 2023 and adopted by the Board first effective for the actuarial valuation as of June 30, 2024. 0% of eligible Tier 1 active members are assumed to elect to receive a reduced and delayed AAI benefit at retirement and an accelerated pension benefit option and 0% of eligible inactive members are assumed to elect to receive an accelerated pension benefit option in lieu of an annuity at retirement in accordance with Public Acts 100-0587, 101-0010 and 102-0718.

The Board sets the actuarial assumptions under Section 15-155(a) of the Illinois Pension Code. The actuarial cost method is prescribed in Section 15-155 of the Illinois Pension Code. In our opinion, the actuarial assumptions are reasonable for the purpose of the measurement. The combined effect of the assumptions is expected to have no significant bias (i.e. not significantly optimistic or pessimistic). The actuarial assumptions and the actuarial cost method used to calculate the actuarial liabilities for funding purposes meet the parameters set by the Actuarial Standards of Practice. Calculations performed for GASB Statement No. 67 were performed in accordance with the requirements of that Statement, including the use of the Entry Age Normal Cost Method and a single discount rate of 6.35% for fiscal year ending June 30, 2024. Liabilities as of June 30, 2023, projected to June 30, 2024, were used for the GASB Statement No. 67 schedules.

The funding objective as defined in the Illinois Pension Code is to collect employer and employee contributions sufficient to provide the benefits of SURS when due and to achieve an asset value equal to 90% of the Actuarial Accrued Liability by the end of fiscal year 2045. The financing objective of SURS and the funding process to reach that objective are set out in Section 15-155 of the SURS Article of the Illinois Pension Code.

The statutory funding policy set out in Section 15-155 of the Illinois Pension Code results in a near-term contribution requirement that is less than a reasonable actuarially determined contribution. Meeting the statutory requirement does not mean that the undersigned agree that adequate actuarial funding has been achieved; we recommend the development of and adherence to a funding policy that funds the normal cost of the plan as well as an amortization payment that would seek to pay off the total unfunded accrued liability by 2045 or sooner if possible. Although prior year statutory contribution requirements were met, the statutory funding method generates a contribution requirement that is less than a reasonable actuarially determined contribution.

Letter of Certification

The following schedules in the Actuarial Section and Financial Section of the Annual Comprehensive Financial Report were prepared based upon certain information presented in the previously mentioned funding valuation report or provided outside of the valuation to SURS. In the case of the other schedules, SURS Staff excerpted information from various schedules in the actuarial reports and tabulated it to produce the appropriate Annual Financial Report Schedule.

Financial Section

Net Pension Liability

Schedule of Changes in the Employer Net Pension Liability and Related Ratios

Schedule of Net Pension Liability

Schedule of Contributions from Employers and Other Contributing Entities

Actuarial Section

Valuation Results

Analysis of Financial Experience

Change in the Unfunded Actuarial Accrued Liability

Summary of Major Actuarial Assumptions

Projected Required Contribution

Schedule of Employer Contributions

Schedule of Funding Progress

Schedule of Increases and Decreases of Benefit Recipients

Active Participant Statistics

Analysis of Change in Membership

Schedule of Retirees and Beneficiaries Added to and Removed from Rolls

Schedule of Contributions from Employers and Non-Employer Contributing Entity

Funding Ratios

Percentage of Benefits Covered by Net Position

Payroll Percentages

To the best of our knowledge, this actuarial statement is complete and accurate. It fairly presents the actuarial position of SURS as of June 30, 2024, based on the data and actuarial techniques described above and applicable statutes. It has been prepared in accordance with generally accepted actuarial principles and practices. It complies with the Actuarial Standards of Practice issued by the Actuarial Standards Board, except where otherwise noted. The actuarial valuation report was prepared in accordance with the applicable law.

GRS

Letter of Certification

Future actuarial measurements may differ significantly from the current measurements presented in this actuarial valuation due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions, contribution amounts or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements in this report.

The actuarial valuation report was prepared using our proprietary valuation model and related software and spreadsheet models. We used those models to calculate the statutory contributions in each future year through 2045 under the SURS statutory funding policy. In our professional judgment, the models used have the capability to provide results that are consistent with the purposes of the valuation and have no material limitations or known weaknesses. We performed tests to ensure that the models reasonably represent that which is intended to be modeled.

The signing actuaries are independent of the plan sponsor.

Amy Williams, Mark Buis and Kevin Noelke are Members of the American Academy of Actuaries ("MAAA") and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

Amy Williams

Amy Williams, ASA, EA, MAAA, FCA
Senior Consultant

Mark Buis

Mark Buis, FSA, EA, MAAA, FCA
Senior Consultant

Kevin Noelke

Kevin Noelke, ASA, MAAA, FCA
Consultant

GRS

ACTUARIAL

Actuarial Report

Pension Financing

The System is financed by non-employer contributing entity contributions (State appropriations), employee contributions, employer contributions (trust, federal, and grant funds), and investment earnings. Employee contributions are established by the Illinois Compiled Statutes at 8% of pay. Investment earnings and State funding are primary determinants of the System's financial status. Non-employer contributing entity and employer contributions are determined through annual actuarial valuations. Actuaries use demographic data (such as employee age, salary, and service credits), economic assumptions (such as estimated salary increases and interest rates), and decrement assumptions (such as employee turnover, mortality, and disability rates) in performing these valuations.

Under the Illinois Compiled Statutes (40 ILCS 5/15-155), the required employer contributions (statutory contribution) under the statutory funding plan are calculated by the actuaries on an annual basis. To determine the statutory contribution, the actuary calculates the actuarial accrued liability and the actuarial value of assets. The normal cost for the active members is equal to the portion of the actuarial accrued liability assigned to this year. Any shortfall between the actuarial value of assets and the actuarial accrued liability is referred to as the unfunded actuarial accrued liability. The unfunded actuarial accrued liability is amortized over a 30-year closed amortization period.

Actuarial Asset Valuation

The actuarial value of assets is used in determining the funding progress of the System and in establishing the employer contribution rates necessary to adhere to the statutory funding plan. The actuarial value of assets is based on a smoothed expected income investment rate of 6.5%. Investment income in excess or shortfall of the expected 6.5% rate on fair value is smoothed over a five-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year. The use of this actuarial method began with the valuation for the period ending June 30, 2009, as required by Public Act 96-0043, which was signed into law on July 15, 2009.

In addition to an annual actuarial valuation, SURS periodically undertakes an actuarial audit by an independent firm. An actuarial audit is conducted to ensure that the actuarial valuation and other actuarial processes are performed accurately and that the methods and assumptions utilized are reasonable and prudent. The last actuarial audit was performed and completed by Athena Actuarial Consulting in November 2023. The results of the audit were favorable and concluded that the calculations, method, and assumptions were reasonable. The next actuarial audit will be completed in fiscal year 2027.

Actuarial Cost Method

For financial reporting, the entry age actuarial cost method is applied in accordance with the Governmental Accounting Standards Board (GASB) Statements 67 and 68. For purposes of determining the System's funding calculation of the non-employer contributing entity and employer contribution, the projected unit credit cost method is used as required by Public Act 96-0043. Under this method, the projected pension at retirement age is first calculated and the value thereof at the individual member's current attained age is determined. The normal cost for the member for the current year is equal to the value so determined divided by the member's projected years of service at retirement. The employer normal cost for fiscal year 2024 was 12.53%. The actuarial liability at any point in time is the value of the projected pensions at that time less the value of future normal costs. Any Unfunded Actuarial Accrued Liability (UAAL) under this method is separately financed. All actuarial gains and losses under this method are reflected in the UAAL. For ancillary benefits for active members, in particular disability benefits, death and survivor benefits, termination benefits, and the postretirement increases, the same procedure as outlined above is followed. Estimated annual administrative expenses are added to the normal cost.

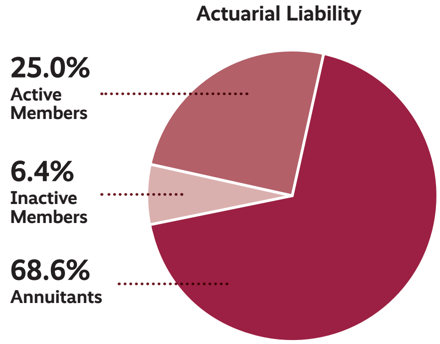
Employee Data

Employee data is provided by the administrative staff of SURS. Various tests are applied to check internal consistency as well as consistency from year to year. No calculations are made for employees not yet hired as of the valuation date.

Actuarial Report

Valuation Results for Fiscal Year Ended June 30, 2024 ($ in millions)

ACTUARIAL LIABILITY (RESERVES)	
For members receiving annuities	$ 36,230.4
For inactive members	3,367.5
For active members	13,227.5
Total	52,825.4
Actuarial value of assets available for benefits	24,312.6
Unfunded actuarial accrued liability	**$ 28,512.8**



As of June 30, 2024, the Unfunded Actuarial Accrued Liability (UAAL) to be amortized was $28,512,768,000.

Analysis of Financial Experience for Fiscal Year Ended June 30, 2024 ($ in millions)

Investment return	$ (133.1)
Salary increases	291.2
Age and service retirement differences	(56.1)
Termination differences	10.6
Mortality and disability differences	4.2
Benefit recipient differences	77.6
Other actuarial differences	56.5
Total actuarial loss	**$ 250.9**

Change in the Unfunded Actuarial Accrued Liability ($ in millions)

Unfunded actuarial accrued liability at June 30, 2023	$ 27,669.5
Expected increase in unfunded actuarial accrued liability	55.2
Impact of change in actuarial assumptions	533.8
Plan provision changes	3.4
Total actuarial loss	250.9
Unfunded actuarial accrued liability at June 30, 2024	**$ 28,512.8**

Actuarial Report

Summary of Major Actuarial Assumptions

- **Interest**
  7.0% per annum, compounded annually (adopted by the SURS Board effective June 30, 2024) for funding purposes. The actuarial assumption rate credited to member accounts is 7.0% per annum (adopted by the SURS Board effective June 30, 2024).

- **Net Position**
  Assets available for benefits are used at fair value.

- **Expenses**
  As estimated and advised by the SURS staff, based on current expenses with an allowance for expected increases.

  The following assumptions were adopted by the SURS Board effective with the June 30, 2024 actuarial valuation. They were developed based on an experience study completed in June 2024. These assumptions are the same for financial reporting and funding purposes.

- **Termination**
  Rates of withdrawal are based upon ages and years of service as developed from plan experience. The tables below show termination rates based upon experience in the 2021–2023 period. The assumption consists of tables of ultimate turnover rates by years of service credit.

Termination Rates

Years of Service	Academic	Non-Academic
0–1	15.0%	14.0%
2	11.0	14.0
3	10.0	13.0
4	9.0	12.0
5	8.0	10.5
6	7.0	8.5
7	6.0	7.5
8	5.5	6.5
9	5.0	6.0
10	4.0	5.0
11	3.5	5.0
12	3.0	4.0
13–14	2.5	3.0
15	2.0	3.0
16–19	2.0	2.5
20–24	1.5	2.0
25–29	1.25	1.25

- **Mortality**
  Rates are based on generational mortality using the following tables:

  Academic: Pub-2010 Healthy Retiree Mortality Table (for Teachers), sex distinct, projected from 2010 using MP-2021 mortality improvement scale.

  Non-Academic: Pub-2010 Healthy Retiree Mortality Table (for General Employees), sex distinct, projected from 2010 using MP-2021 mortality improvement scale.

  Police: Pub-2010 Healthy Retiree Mortality Table (for Safety Employees), sex distinct, projected from 2010 using MP-2021 mortality improvement scale.

Actuarial Report

Annual Compensation Increases

Years of Service	Academic Under Age 50	Academic 50 and Older	Non-Academic Under Age 50	Non-Academic 50 and Older
0–1	15.00%	13.00%	12.00%	11.00%
2	9.00	9.25	9.00	8.25
3	7.75	7.50	8.00	7.00
4	6.75	6.75	7.00	6.00
5	6.25	6.25	6.50	5.50
6	6.00	5.75	6.25	5.25
7	5.50	5.25	5.75	4.75
8–10	5.00	4.25	5.25	4.50
11–14	4.75	3.75	5.00	4.00
15–18	4.50	3.50	4.75	3.75
19	4.50	3.25	4.50	3.50
20–24	4.25	3.25	4.25	3.50
25–29	4.00	3.25	4.00	3.50
30–33	3.75	3.25	3.75	3.50
34+	3.50	3.15	3.50	3.15

Salary Increases
Each member's compensation is assumed to increase by 3.15% each year; 2.40% reflecting salary inflation and 0.75% reflecting standard of living increases. That rate is increased for members with less than 34 years of service as shown in the table to the right. The payroll of the entire system is assumed to increase at 3.15% per year for purposes of calculating employer required contributions.

Retirement Age
Upon eligibility, active members are assumed to retire as shown in the table below.

Other Assumptions
The disability rates are graduated based on age. The Cost of Living Adjustment (COLA) is 3.00% per annum for members hired before January 1, 2011, based on the benefit provision of 3.00% annual compound increases. The assumed rate is 1.13% for members hired on or after January 1, 2011, based on the provision of increases equal to half of the increase in the Consumer Price Index with a maximum increase of 3.00%. The female spouse is assumed to be three years younger than the male spouse.

Retirement Rates

Tier 1

Age	Normal (Unreduced) Retirement: Police	Normal: Academic	Normal: Non-Academic	Early (Reduced) Retirement: Academic	Early: Non-Academic
Under 50	-%	55.0%	55.0%	-%	-%
50	50.0	55.0	40.0	-	-
51–52	40.0	40.0	30.0	-	-
53–54	40.0	30.0	30.0	-	-
55	50.0	20.0	25.0	4.0	8.5
56	30.0	18.0	25.0	3.0	5.5
57–58	30.0	18.0	25.0	4.0	6.0
59	30.0	18.0	25.0	4.0	8.0
60	20.0	12.0	20.0	-	-
61	15.0	12.0	15.0	-	-
62	15.0	12.0	17.0	-	-
63–64	15.0	13.0	17.0	-	-
65–69	40.0	17.0	25.0	-	-
70–79	100.0	17.0	22.0	-	-
80+	100.0	100.0	100.0	-	-

Tier 2

Age	Normal (Unreduced) Retirement: Police	Normal: Academic	Normal: Non-Academic	Early (Reduced) Retirement: Academic	Early: Non-Academic
60	60.0%	-%	-%	-%	-%
61	25.0	-	-	-	-
62	25.0	-	-	15.0	20.0
63–64	25.0	-	-	10.0	12.0
65–66	15.0	-	-	10.0	12.0
67	15.0	30.0	30.0	-	-
68–69	25.0	17.0	25.0	-	-
70	100.0	17.0	22.0	-	-
71–79	-	17.0	22.0	-	-
80+	-	100.0	100.0	-	-

ACTUARIAL

Analysis of Funding

Funding Objective

Beginning in fiscal year 1996, the required contribution rates were based upon Public Act 88-0593, which calls for a 15-year phase-in to a 35-year funding plan, which provides for adequate annual funding of the employer's normal cost, while amortizing the unfunded actuarial accrued liability. Annual funding under this plan will occur as a continuing appropriation. This method does not conform with the provisions of GASB 67 and 68 for financial reporting. The statutory funding plan requires the State to contribute annually an amount equal to a constant percent of payroll necessary to allow SURS to achieve a 90% funded ratio by fiscal year 2045, subject to any revisions necessitated by actuarial gains or losses, or actuarial assumptions.

Employer Contributions Received in Fiscal Year 2024

State appropriations	$ 1,867,878,551
State pension fund	215,000,000
Federal/trust/employer funds/other	66,619,594
Total	**$ 2,149,498,145**

Reconciliation to Total State Appropriations

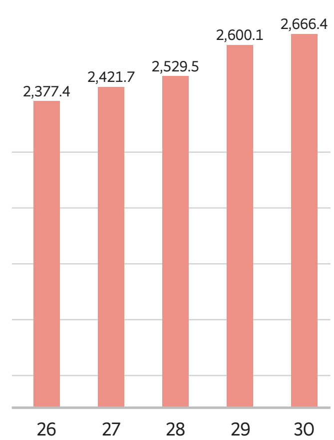
State appropriations received:	
Defined benefit pension plan	$ 2,082,878,551
Custodial funds	89,215,749
Total State appropriations received	**$ 2,172,094,300**

The net State appropriation results are based on the projected unit credit actuarial cost method, and on the data provided and assumptions used, for the June 30, 2024 actuarial valuation.

Projected Required Contribution

Fiscal Year	Assumed % of Payroll	Required Payroll ($ in billions)	Contribution ($ in millions)
2026	39.8%	$ 5.97	$ 2,377.4
2027	39.4	6.14	2,421.7
2028	40.0	6.32	2,529.5
2029	40.0	6.50	2,600.1
2030	39.9	6.68	2,666.4

Projected Required Contribution
($ in millions) by FY



Analysis of Funding

Schedule of Employer Contributions ($ in millions)

Fiscal Year	Gross ADC	Member Contributions	Net ER ADC	Actual ER Contributions	ER Contribution as a % of Net ADC	Total Contributions as a % of Total ADC
2015	$ 1,890.4	$ 267.7	$ 1,622.7	$ 1,528.5	94.2%	95.0%
2016	2,090.0	278.9	1,811.1	1,582.3	87.4	89.1
2017	2,143.4	278.6	1,864.8	1,650.6	88.5	90.0
2018	2,144.7	282.7	1,862.0	1,607.9	86.4	88.2
2019	2,519.4	280.0	2,239.4	1,642.1	73.3	76.3
2020	2,581.4	282.4	2,299.0	1,838.8	80.0	82.2
2021	2,591.8	288.5	2,303.3	1,978.7	85.9	87.5
2022	2,666.9	289.1	2,377.8	2,136.1	89.8	90.9
2023	2,672.6	299.6	2,373.0	2,138.7	90.1	91.2
2024	2,781.6	335.4	2,446.2	2,149.5	87.9	89.3

In an inflationary economy, the value of dollars is decreasing. This environment results in employee pay increasing in dollar amounts, retirement benefits increasing in dollar amounts, and then, unfunded accrued liabilities increasing in dollar amounts, all at a time when the actual substance of these items may be decreasing. Looking at just the dollar amounts of unfunded accrued liabilities can be misleading. Unfunded accrued liabilities dollars divided by active employee payroll dollars provides a helpful index which shows that the smaller the ratio of unfunded liabilities to active member payroll, the stronger the System. Observation of this relative index over a period of years will give an indication of whether the System is becoming financially stronger or weaker.

Schedule of Funding Progress ($ in millions)

Fiscal Year	Actuarial Value of Assets (A)	Actuarial Accrued Liabilities	Unfunded Actuarial Accrued Liabilities	Funding Ratio	Covered Payroll	UAAL as a % of Payroll
2015	$ 17,104.6	$ 39,520.7	$ 22,416.1	43.3%	$ 3,606.5	621.5%
2016	17,701.6	40,923.3	23,221.7	43.3	3,513.1	661.0
2017	18,594.3	41,853.3	23,259.0	44.4	3,458.3	672.6
2018	19,347.9	45,258.7	25,910.8	42.7	3,470.2	746.7
2019	19,661.9	46,444.0	26,782.1	42.3	3,506.7	763.8
2020	20,091.7	47,580.5	27,488.8	42.2	3,642.6	754.6
2021	21,484.8	48,898.4	27,413.6	43.9	3,638.2	753.5
2022	22,554.8	49,870.0	27,315.2	45.2	3,613.4	755.9
2023	23,381.2	51,050.7	27,669.5	45.8	3,744.8	738.9
2024	24,312.6	52,825.4	28,512.8	46.0	4,192.7	680.1

For fiscal year 2024, if calculated using fair Value of Assets of $24,340.2, the funding ratio is 46.1%.

(A) Per Public Act 96-0043, beginning fiscal year 2009, measures of financial soundness will be calculated using an actuarial value of assets based on a smoothed investment income rate. Investment income in excess or shortfall of the expected 6.5% rate on fair value is smoothed over a five-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year.

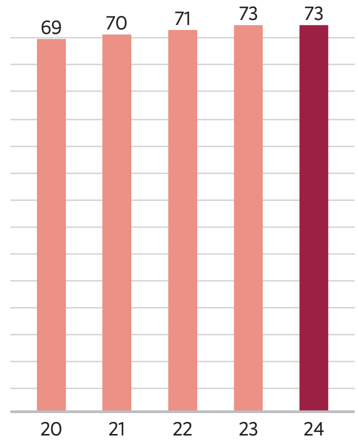
Analysis of Funding

Schedule of Increases and Decreases of Benefit Recipients

Fiscal Year	Beginning Balance	Additions	Subtractions	Ending Balance
2015	59,406	3,511	1,897	61,020
2016	61,020	4,058	1,932	63,146
2017	63,146	3,465	2,066	64,545
2018	64,545	3,764	2,140	66,169
2019	66,169	3,721	2,048	67,842
2020	67,842	3,544	2,214	69,172
2021	69,172	3,460	2,521	70,111
2022	70,111	3,758	2,411	71,458
2023	71,458	3,499	2,377	72,580
2024	72,580	3,059	2,336	73,303

Benefit Recipients

Persons (in thousands) by FY



Active Participant Statistics

Fiscal Year	Males	Females	Total Actives	Percent Change	Average Salary	Percent Change	Average Age	Average Service Credit
2015	29,420	39,961	69,381	(0.1)%	$ 50,103	2.5%	47.2	10.0
2016	28,041	38,204	66,245	(4.5)	51,115	2.0	47.3	10.2
2017	27,068	37,049	64,117	(3.2)	51,988	1.7	47.5	10.4
2018	26,350	36,494	62,844	(2.0)	53,482	2.9	47.5	10.5
2019	26,010	36,579	62,589	(0.4)	54,263	1.5	47.3	10.3
2020	26,112	37,094	63,206	1.0	55,817	2.9	47.3	10.2
2021	24,757	35,640	60,397	(4.4)	58,484	4.8	47.3	10.5
2022	24,715	35,566	60,281	(0.2)	59,181	1.2	47.1	10.3
2023	25,058	36,451	61,509	2.0	61,639	4.2	46.9	10.1
2024	25,626	37,437	63,063	2.5	64,803	5.1	46.7	10.0

Analysis of Funding

Analysis of Change in Membership

Fiscal Year	Beginning Members	Additions	Retired	Died	Other Terminations	Ending Members
2015	69,436	9,021	1,425	102	7,549	69,381
2016	69,381	7,443	2,135	92	8,352	66,245
2017	66,245	7,530	1,644	105	7,909	64,117
2018	64,117	7,823	1,737	115	7,244	62,844
2019	62,844	8,602	1,821	101	6,935	62,589
2020	62,589	8,538	1,532	100	6,289	63,206
2021	63,206	5,906	1,728	87	6,900	60,397
2022	60,397	8,741	1,814	114	6,929	60,281
2023	60,281	9,848	1,385	99	7,136	61,509
2024	61,509	9,379	1,264	92	6,469	63,063

Schedule of Retirees and Beneficiaries Added to and Removed from Rolls

Fiscal Year	Beginning of Year Balance	Number Added to Rolls	Allowances	Number Removed from Rolls	Allowances	End of Year Balance	Annual Pension Benefit Amount	Average Annual Benefit	% Increase in Average Benefit
2015	59,406	3,511	$ 158,067,006	1,897	$ (53,610,853)	61,020	$ 2,112,232,941	$ 34,615	3.7%
2016	61,020	4,058	175,156,703	1,932	(56,407,539)	63,146	2,218,653,518	35,135	1.5
2017	63,146	3,465	156,500,627	2,066	(62,821,394)	64,545	2,319,439,374	35,935	2.3
2018	64,545	3,764	174,309,588	2,140	(69,500,663)	66,169	2,425,701,962	36,659	2.0
2019	66,169	3,721	182,356,731	2,048	(67,983,149)	67,842	2,544,107,160	37,500	2.3
2020	67,842	3,544	184,241,074	2,214	(77,525,203)	69,172	2,662,866,247	38,496	2.7
2021	69,172	3,460	181,153,018	2,521	(90,148,592)	70,111	2,767,019,038	39,466	2.5
2022	70,111	3,758	203,196,995	2,411	(90,397,268)	71,458	2,865,099,094	40,095	1.6
2023	71,458	3,499	193,917,159	2,377	(87,992,575)	72,580	2,982,761,047	41,096	2.5
2024	72,580	3,059	185,780,444	2,336	(91,879,997)	73,303	3,068,418,230	41,859	1.9

Tests of Financial Soundness

The following four exhibits illustrate different measures of the financial soundness of the System. The Schedule of Funding compares State appropriations to the actuarial funding requirements, statutory funding requirement, and System expense.

Schedule of Contributions from Employers and Non-Employer Contributing Entity ($ in millions)

Fiscal Year	Gross ADC (1)	Member Contribution (2)	Net ADC (3) (A)	Employer Contribution (4) (B)	Non-Employer Entity Contribution (5) (C)	Employer/Non-Employer Percentage Contributed (D)
2015	$ 1,890.3	$ 267.7	$ 1,622.6	$ 39.9	$ 1,488.6	94.2%
2016	2,090.0	278.9	1,811.1	39.3	1,542.9	87.4
2017	2,143.4	278.6	1,864.8	38.4	1,612.2	88.5
2018	2,144.7	282.7	1,862.0	39.7	1,568.2	86.4
2019	2,519.4	280.0	2,239.4	49.4	1,592.6	73.3
2020	2,581.4	282.4	2,299.0	53.0	1,785.8	80.0
2021	2,591.8	288.5	2,303.3	57.0	1,921.7	85.9
2022	2,666.9	289.1	2,377.8	57.9	2,078.2	89.8
2023	2,672.6	299.6	2,373.0	63.8	2,075.0	90.1
2024	2,781.6	335.4	2,446.2	66.6	2,082.9	87.9

(A) The actuarially determined contribution per column 1, less member contributions 2.
(B) Contributions from SURS employers from trust, federal funds and other.
(C) Contributions from the State of Illinois.
(D) Employer and non-employer contributions divided by the Net ADC (Column 4 and 5 divided by Column 3).

The Funding Ratios exhibit shows the percentage of the System's accrued benefit cost covered by net position. This funding ratio is used to assess the System's ability to make future benefit payments. The exhibit illustrates the ratio of net position to the System's accrued benefit cost over 10 years, with net position valued both at cost and at market.

Funding Ratios ($ in millions)

				Funding Ratio	
Fiscal Year	Net Position at Cost	Net Position at Market/ Actuarial Value of Assets (A)	Actuarial Funding Requirement	Cost	Market/Actuarial
2015	$ 14,930.0	$ 17,104.6	$ 39,520.7	37.8%	43.3%
2016	15,070.8	17,701.6	40,923.3	36.8	43.3
2017	15,579.0	18,594.3	41,853.3	37.2	44.4
2018	16,044.1	19,347.9	45,258.7	35.4	42.8
2019	16,830.2	19,661.9	46,444.0	36.2	42.3
2020	17,887.6	20,091.7	47,580.5	37.6	42.2
2021	19,738.2	21,484.8	48,898.4	40.4	43.9
2022	20,202.5	22,554.8	49,870.0	40.5	45.2
2023	20,051.9	23,381.2	51,050.7	39.3	45.8
2024	20,316.8	24,312.6	52,825.4	38.5	46.0

(A) Per Public Act 96-0043, the actuarial value of assets is used in determining the funding progress of the System and in establishing the employer contribution rates necessary to adhere to the statutory funding plan. The actuarial value of assets is based on a smoothed investment income rate. Investment income in excess or shortfall of the expected 6.5% rate on fair value is smoothed over a five-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year.

Tests of Financial Soundness

The Percentage of Benefits Covered by Net Position exhibit compares the plan's net position with the members' accumulated contributions, the amount necessary to cover the present value of benefits currently being paid, and the employer's portion of future benefits for active members.

Percentage of Benefits Covered by Net Position ($ in millions)

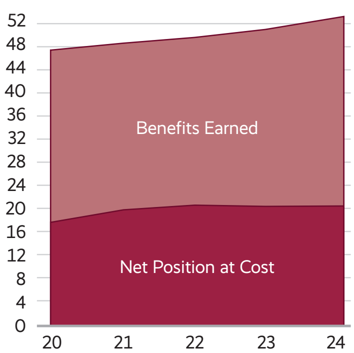
Fiscal Year	Member Accumulated Contributions	Members Currently Receiving Benefits	Active/ Inactive/ Members/ Employer's Portion	Net Position/ Actuarial Value of Assets	% of Benefits Covered by Net Position/Actuarial Value of Assets		
	{1} (A)	{2} (A)	{3} (A)	(B)	{1}	{2}	{3}
2015	$ 6,196.6	$ 26,042.4	$ 7,281.7	$ 17,104.6	100.0%	41.9%	-
2016	6,145.8	27,342.2	7,435.3	17,701.6	100.0	42.3	-
2017	6,348.8	28,226.0	7,278.6	18,594.3	100.0	43.4	-
2018	6,516.3	30,710.7	8,031.7	19,347.9	100.0	41.8	-
2019	6,594.1	31,856.5	7,993.4	19,661.9	100.0	41.0	-
2020	6,651.0	32,862.0	8,067.5	20,091.7	100.0	40.9	-
2021	6,843.1	33,661.7	8,393.6	21,484.8	100.0	43.5	-
2022	6,800.0	34,632.8	8,437.2	22,554.8	100.0	45.5	-
2023	6,844.1	35,360.2	8,846.4	23,381.2	100.0	46.8	-
2024	7,109.5	36,230.4	9,485.5	24,312.6	100.0	47.5 (C)	-

(A) A test of financial soundness of the System is its ability to pay all promised benefits when due. The columns are in the order that assets would be used to cover certain types of obligations. Column 1 represents the value of members' accumulated contributions, which would be refunded first. Column 2 represents the amounts necessary to pay participants currently receiving benefits, which would be covered next. Column 3 represents the employer's portion of future benefits for active members, which would be covered last. If a System is receiving the actuarially determined contribution amounts, the total of the actuarial values in Columns 1 and 2 should generally be fully covered by assets, and the portion of the actuarial values of Column 3 covered by assets should increase over time.

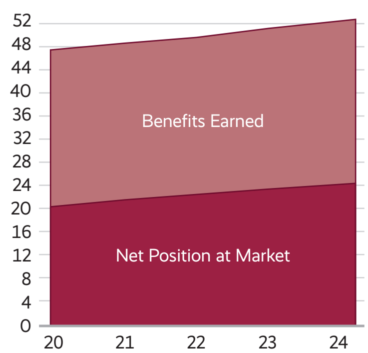
(B) Per Public Act 96-0043, the actuarial value of assets is used in determining the funding progress of the System and in establishing the employer contribution rates necessary to adhere to the statutory funding plan. The actuarial value of assets is based on a smoothed investment income rate. Investment income in excess or shortfall of the expected 6.5% rate on fair value is smoothed over a five-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year.

(C) Per Public Act 96-0043, beginning fiscal year 2010, measures of financial soundness will be calculated using an actuarial value of assets based on a smoothed investment income rate. If the fair value of net position is used for fiscal year 2024, the percentage of benefits covered by net position would decrease to 47.6%.

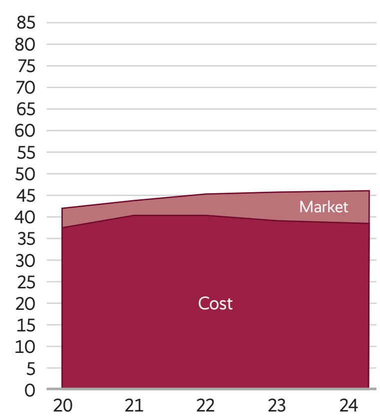
Benefits Covered by Net Position at Cost
$ (in millions) by FY



Benefits Covered by Net Position at Market/Actuarial Value
$ (in millions) by FY



Funding Ratios
Percentage by FY



ACTUARIAL

Tests of Financial Soundness

The final test, Payroll Percentages, compares member payroll to unfunded accrued benefit cost, normal cost, and total required contributions.

Payroll Percentages ($ in millions)

		Unfunded Accrued Benefit Cost		Employer Cost					Employer Contributions	
Fiscal Year	Member Payroll	Amount	% of Payroll	Normal Cost (A)	% of Payroll	Amortization of Unfunded Liability	Total	% of Payroll	Emp Cont.	% of Payroll
2015	$ 3,606.5	$ 22,416.1	621.5%	$ 462.3	12.8%	$ 1,396.2	$ 1,858.5	51.6%	$ 1,528.5	42.4%
2016	3,513.1	23,221.7	661.0	460.7	13.1	1,466.8	1,927.5	54.9	1,582.3	45.0
2017	3,458.3	23,259.0	672.6	423.2	12.2	1,720.3	2,143.5	62.0	1,650.6	47.7
2018	3,470.2	25,910.8	746.7	447.6	12.9	1,697.1	2,144.7	61.8	1,607.9	46.3
2019	3,506.7	26,782.1	763.8	449.3	12.8	2,070.1	2,519.4	71.8	1,642.1	46.8
2020	3,642.6	27,488.8	754.6	457.3	12.6	2,124.1	2,581.4	70.9	1,838.8	50.5
2021	3,638.2	27,413.6	753.5	476.8	13.1	2,114.9	2,591.7	71.2	1,978.7	54.4
2022	3,613.4	27,315.2	755.9	478.4	13.2	2,188.4	2,666.8	73.8	2,136.1	59.1
2023	3,744.8	27,669.5	738.9	496.0	13.2	2,176.6	2,672.6	71.4	2,138.7	57.1
2024	4,192.7	28,512.8	680.1	515.8	12.3	2,265.8	2,781.6	66.3	2,149.5	51.3

(A) Actuarially determined normal cost less member contributions.

Changes in Plan Provisions

Public Act 103-0548, which was signed into law on August 11, 2023, eliminates the requirement that a participant in SURS be employed for at least 15 calendar days in a month to receive one month of service credit; instead, a participant will receive service credit for any month in which they are a participating employee and make contributions to SURS. The law also repeals the part-time adjustment, which modified pension benefits for participants who worked 50% time or less for 3 or more years. This applies to SURS participants beginning on September 1, 2024. The plan summary can be found in the Notes to the Financial Statements.

STATISTICAL

Changes in Fiduciary Net Position - Defined Benefit Pension Plan
10-Year Summary ($ in millions)

The historical trend information presented below is designed to provide information on the System's progress in accumulating assets to pay benefits when due.

ADDITIONS

			Employer Contributions		
Fiscal Year	Member Contributions	Investment Income/(Loss)	Amount	% of Payroll	Total
2015	$ 267.7	$ 503.2	$ 1,528.5	42.4%	$ 2,299.4
2016	278.9	17.0	1,582.3	45.0	1,878.2
2017	278.6	1,994.3	1,650.6	47.7	3,923.5
2018	282.7	1,499.8	1,607.9	46.3	3,390.4
2019	280.0	1,129.8	1,642.1	46.8	3,051.9
2020	282.4	542.2	1,838.8	50.5	2,663.4
2021	288.5	4,763.0	1,978.7	54.4	7,030.2
2022	289.1	(685.6)	2,136.1	59.1	1,739.6
2023	299.6	1,329.7	2,138.7	57.1	3,768.0
2024	335.4	1,846.1	2,149.5	51.3	4,331.0

DEDUCTIONS

Fiscal Year	Benefits	Contribution Refunds	Administrative Expenses	Total	Changes in Fiduciary Net Position
2015	$ 2,130.0	$ 83.7	$ 14.1	$ 2,227.8	$ 71.6
2016	2,235.8	85.0	14.7	2,335.5	(457.3)
2017	2,339.9	89.6	14.8	2,444.3	1,479.2
2018	2,446.3	93.5	14.4	2,554.2	836.3
2019	2,559.0	80.5	16.1	2,655.6	396.3
2020	2,676.2	69.0	18.5	2,763.7	(100.3)
2021	2,780.4	79.1	19.4	2,878.9	4,151.3
2022	2,879.6	82.5	22.6	2,984.7	(1,245.2)
2023	2,995.4	79.2	23.7	3,098.3	669.7
2024	3,081.3	78.8	24.0	3,184.1	1,146.9

Financial Schedules

Schedule of Benefit and Refund Deductions - Defined Benefit Pension Plan
10-Year Summary ($ in millions)

BENEFIT DEDUCTIONS BY TYPE

Fiscal Year	Retirement & DRA	Survivor	Disability	Death	Portable Refund (ER Match)	Total
2015	$ 1,962.4	$ 133.8	$ 16.0	$ 4.9	$ 12.9	$ 2,130.0
2016	2,059.8	142.5	16.4	4.0	13.1	2,235.8
2017	2,152.5	149.9	17.0	6.6	13.9	2,339.9
2018	2,247.2	161.4	17.1	5.3	15.3	2,446.3
2019	2,352.3	174.5	17.3	5.2	9.7	2,559.0
2020	2,460.5	185.4	16.9	4.4	9.0	2,676.2
2021	2,551.0	198.7	17.4	3.9	9.5	2,780.5
2022	2,636.1	211.8	17.2	4.1	10.4	2,879.6
2023	2,739.5	226.0	17.2	3.7	9.0	2,995.4
2024	2,813.9	236.9	17.5	3.2	9.8	3,081.3

REFUND DEDUCTIONS BY TYPE

Fiscal Year	Withdrawals	Survivor Ins Refunds	Death Benefits	Portable Lump Sum Retirement	Total
2015	$ 46.2	$ 10.5	$ 13.5	$ 13.5	$ 83.7
2016	44.5	10.5	15.9	14.1	85.0
2017	50.5	7.6	18.8	12.7	89.6
2018	51.8	6.8	17.6	17.3	93.5
2019	43.3	8.6	18.1	10.5	80.5
2020	37.8	8.7	16.0	6.5	69.0
2021	37.7	7.1	20.8	13.6	79.2
2022	45.9	9.1	18.3	9.2	82.5
2023	42.3	10.0	16.6	10.3	79.2
2024	42.9	7.3	19.3	9.3	78.8

STATISTICAL

Changes in Fiduciary Net Position - Other Employee Benefit Plan
10-Year Summary ($ in millions)

ADDITIONS

Fiscal Year	Investment Income/(Loss)	Employer Contributions	Total
2020	$ 3.1	$ 2.5	$ 5.6
2021	28.5	2.9	31.4
2022	(2.0)	0.1	(1.9)
2023	7.7	-	7.7
2024	12.3	-	12.3

DEDUCTIONS

Fiscal Year	Benefits	Changes in Fiduciary Net Position
2020	$ 1.5	$ 4.1
2021	2.4	29.0
2022	1.9	(3.8)
2023	2.5	5.1
2024	2.7	9.6

Note: The System implemented GASB Statement No. 84 in fiscal year 2021 with a restatement of fiscal year 2020. The schedule is intended to show information for 10 years.

Changes in Fiduciary Net Position - Custodial Funds
10-Year Summary ($ in millions)

ADDITIONS

Fiscal Year	Member Contributions	Investment Income/(Loss)	Employer Contributions	Total
2020	$ 93.1	$ 0.3	$ 75.7	$ 169.1
2021	98.5	1.8	81.4	181.7
2022	110.2	(0.1)	92.3	202.4
2023	126.4	0.7	94.5	221.6
2024	150.8	1.1	102.9	254.8

DEDUCTIONS

Fiscal Year	Contributions to Third-Party Administrator	Administrative Expenses	Total	Changes in Fiduciary Net Position
2020	$ 170.5	$ 0.8	$ 171.3	$ (2.2)
2021	178.5	2.6	181.1	0.6
2022	198.4	1.3	199.7	2.7
2023	218.2	1.6	219.8	1.8
2024	253.8	1.5	255.3	(0.5)

Note: The System implemented GASB Statement No. 84 in fiscal year 2021 with a restatement of fiscal year 2020. The schedule is intended to show information for 10 years.

Statistical Analysis

Schedule of Benefit Recipients - Defined Benefit Pension Plan
10-Year Summary

Fiscal Year	Survivor	Disability	Contribution Refunds	Retirement	Disability Retirement Allowance
2015	8,342	656	4,144	51,631	391
2016	8,481	671	4,376	53,596	398
2017	8,614	643	4,433	54,902	386
2018	8,844	651	4,269	56,293	381
2019	8,973	599	4,158	57,890	380
2020	9,157	583	3,460	59,060	372
2021	9,332	544	2,865	59,872	363
2022	9,460	536	3,326	61,110	352
2023	9,740	530	3,565	61,967	343
2024	9,959	526	3,109	62,485	333

Number of SURS Employees (full-time equivalents)
10-Year Summary

Fiscal Year	HR & Admin	Inv & Acctg	Member Svcs & Outreach	IS & Support Svcs	RSP & DCP	Total
2015	13.00	11.55	72.00	24.25	4.20	125.00
2016	14.00	11.55	73.00	22.25	4.20	125.00
2017	14.00	13.55	73.00	22.25	4.20	127.00
2018	14.00	14.00	68.00	30.00	3.00	129.00
2019	13.00	15.00	75.00	31.00	3.00	137.00
2020	14.00	17.00	82.00	41.00	3.00	157.00
2021	15.00	18.00	88.00	38.00	3.00	162.00
2022	18.00	17.00	91.00	39.00	4.00	169.00
2023	18.00	19.00	87.00	41.00	4.00	169.00
2024	17.00	19.00	90.00	42.00	5.00	173.00

Benefit Summary

Schedule of New Benefit Payments - Defined Benefit Pension Plan
July 1, 2023 through June 30, 2024

	Retirement		Disability		Survivor	
Age	Number	Average Monthly Benefit (A)	Number	Average Monthly Benefit (A)	Number	Average Monthly Benefit (A)
Under 10	-	$ -	-	$ -	1	$ 149
10–14	-	-	-	-	4	571
15–19	-	-	-	-	11	890
20–24	-	-	-	-	3	225
25–29	-	-	1	1,910	-	-
30–34	-	-	3	1,488	2	1,077
35–39	-	-	6	2,360	3	661
40–44	-	-	7	2,468	-	-
45–49	4	4,606	17	2,138	5	851
50–54	73	4,554	15	2,653	19	1,167
55–59	451	2,807	26	2,926	16	1,828
60–64	673	2,728	19	2,861	51	1,937
65–69	635	2,644	6	2,793	69	1,715
70–74	236	2,875	8	2,863	128	2,159
75–79	67	2,421	-	-	139	1,995
80–84	20	2,644	-	-	149	2,368
85–89	7	2,673	-	-	116	2,271
90–94	-	-	-	-	56	2,120
95–99	-	-	-	-	11	3,049
Over 99	-	-	-	-	2	2,233
TOTALS	**2,166**	**$ 2,790**	**108**	**$ 2,630**	**785**	**$ 2,059**

Average Age—Retirement 63.9 years
Average Age—Disabilitant 54.2 years
Average Age—Survivors 75.2 years

(A) Total average monthly benefit is calculated based on a weighted average.

Benefit Summary

Schedule of Average Benefit Payments - Defined Benefit Pension Plan Retirees as of June 30, 2024

	Years of Credited Service						
	0–10	11–15	16–20	21–25	26–29	30+	Total
Fiscal Year 2015							
Number of Retirees	13,435	7,512	7,416	8,727	7,264	7,277	51,631
Avg Monthly Annuity	$ 781	$ 1,648	$ 2,706	$ 4,021	$ 5,183	$ 6,611	$ 3,172
Final Average Salary	$ 38,416	$ 41,594	$ 51,412	$ 60,959	$ 68,769	$ 75,265	$ 54,050
Avg Service Credit							18.83
Fiscal Year 2016							
Number of Retirees	14,202	7,840	7,652	9,011	7,561	7,330	53,596
Avg Monthly Annuity	$ 804	$ 1,683	$ 2,774	$ 4,124	$ 5,307	$ 6,791	$ 3,226
Final Average Salary	$ 39,417	$ 42,181	$ 52,377	$ 62,193	$ 69,922	$ 76,675	$ 54,949
Avg Service Credit							18.70
Fiscal Year 2017							
Number of Retirees	14,735	8,096	7,884	9,136	7,684	7,367	54,902
Avg Monthly Annuity	$ 823	$ 1,726	$ 2,823	$ 4,224	$ 5,431	$ 6,960	$ 3,278
Final Average Salary	$ 40,284	$ 42,992	$ 53,160	$ 63,026	$ 70,795	$ 78,065	$ 55,679
Avg Service Credit							18.58
Fiscal Year 2018							
Number of Retirees	15,282	8,319	8,118	9,267	7,851	7,456	56,293
Avg Monthly Annuity	$ 846	$ 1,767	$ 2,878	$ 4,330	$ 5,542	$ 7,105	$ 3,333
Final Average Salary	$ 41,198	$ 43,645	$ 54,034	$ 63,879	$ 71,532	$ 78,962	$ 56,389
Avg Service Credit							18.49
Fiscal Year 2019							
Number of Retirees	15,803	8,622	8,392	9,449	8,079	7,545	57,890
Avg Monthly Annuity	$ 871	$ 1,817	$ 2,933	$ 4,424	$ 5,658	$ 7,251	$ 3,390
Final Average Salary	$ 41,971	$ 44,560	$ 54,853	$ 64,680	$ 72,325	$ 79,997	$ 57,129
Avg Service Credit							18.42
Fiscal Year 2020							
Number of Retirees	16,241	8,771	8,553	9,663	8,272	7,560	59,060
Avg Monthly Annuity	$ 892	$ 1,869	$ 3,001	$ 4,519	$ 5,784	$ 7,413	$ 3,456
Final Average Salary	$ 42,565	$ 45,528	$ 55,761	$ 65,562	$ 73,428	$ 81,140	$ 57,988
Avg Service Credit							18.45
Fiscal Year 2021							
Number of Retirees	16,457	8,914	8,763	9,761	8,339	7,638	59,872
Avg Monthly Annuity	$ 913	$ 1,910	$ 3,063	$ 4,598	$ 5,910	$ 7,547	$ 3,519
Final Average Salary	$ 43,381	$ 46,184	$ 56,630	$ 66,347	$ 74,287	$ 82,245	$ 58,753
Avg Service Credit							18.42
Fiscal Year 2022							
Number of Retirees	16,824	9,086	9,002	9,963	8,522	7,713	61,110
Avg Monthly Annuity	$ 934	$ 1,958	$ 3,130	$ 4,674	$ 6,045	$ 7,711	$ 3,588
Final Average Salary	$ 44,207	$ 47,128	$ 57,782	$ 67,105	$ 75,359	$ 83,639	$ 59,722
Avg Service Credit							18.39
Fiscal Year 2023							
Number of Retirees	17,260	9,214	9,113	10,108	8,578	7,694	61,967
Avg Monthly Annuity	$ 962	$ 2,010	$ 3,223	$ 4,762	$ 6,210	$ 7,923	$ 3,661
Final Average Salary	$ 45,083	$ 47,767	$ 59,061	$ 67,885	$ 76,525	$ 85,109	$ 60,621
Avg Service Credit							18.30
Fiscal Year 2024							
Number of Retirees	17,489	9,289	9,246	10,152	8,626	7,683	62,485
Avg Monthly Annuity	$ 990	$ 2,065	$ 3,303	$ 4,856	$ 6,372	$ 8,110	$ 3,739
Final Average Salary	$ 45,927	$ 48,404	$ 60,205	$ 68,393	$ 77,455	$ 86,411	$ 61,400
Avg Service Credit	6.61	13.33	18.53	23.37	27.98	32.13	18.25

STATISTICAL

Benefit Summary

Number of Covered Employees by Employer - Defined Benefit Pension Plan

Participating Employer	Year ended June 30, 2024 Covered Employees	Year ended June 30, 2024 % of Total SURS Membership	Year ended June 30, 2015 Covered Employees	Year ended June 30, 2015 % of Total SURS Membership
University of Illinois - Chicago	13,222	21.0%	11,542	16.6%
University of Illinois - Urbana	10,422	16.5	10,048	14.5
City Colleges of Chicago	4,037	6.4	5,088	7.3
Southern Illinois University - Carbondale	3,856	6.1	4,148	6.0
Illinois State University	2,755	4.4	2,754	4.0
Northern Illinois University	2,232	3.5	2,719	3.9
College of DuPage	2,047	3.2	2,367	3.4
Southern Illinois University - Edwardsville	1,798	2.9	2,112	3.0
College of Lake County	1,303	2.1	N/A*	N/A*
Elgin Community College	998	1.6	N/A*	N/A*
Triton College	N/A**	N/A**	1,363	2.0
Western Illinois University	N/A**	N/A**	1,599	2.3
Subtotal, 10 largest employers	**42,670**	**67.7%**	**43,740**	**63.0%**
All other employers	**20,393**	**32.3%**	**25,641**	**37.0%**
TOTAL	**63,063**	**100.0%**	**69,381**	**100.0%**

*In FY 2015, this entity did not rank in the Top Ten.
**In FY 2024, this entity did not rank in the Top Ten.

Number of Covered Employees by Employer - Retirement Savings Plan

Participating Employer	Year ended June 30, 2024 Covered Employees	Year ended June 30, 2024 % of Total SURS Membership	Year ended June 30, 2015 Covered Employees	Year ended June 30, 2015 % of Total SURS Membership
University of Illinois - Urbana	3,489	25.7%	2,602	21.8%
University of Illinois - Chicago	3,264	24.0	2,110	17.7
Southern Illinois University - Carbondale	963	7.1	813	6.8
Illinois State University	646	4.8	616	5.2
Northern Illinois University	582	4.3	645	5.4
Southern Illinois University - Edwardsville	449	3.3	414	3.5
City Colleges of Chicago	302	2.2	391	3.3
College of DuPage	293	2.2	353	3.0
William Rainey Harper College	262	1.9	N/A*	N/A*
Western Illinois University	233	1.7	320	2.7
Triton College	N/A**	N/A**	95	0.8
Subtotal, 10 largest employers	**10,483**	**77.2%**	**8,359**	**70.1%**
All other employers	**3,091**	**22.8%**	**3,569**	**29.9%**
TOTAL	**13,574**	**100.0%**	**11,928**	**100.0%**

*In FY 2015, this entity did not rank in the Top Ten.
**In FY 2024, this entity did not rank in the Top Ten.

Benefit Summary

Schedule of Benefit Recipients by Type of Benefit - Defined Benefit Pension Plan For the Year Ended June 30, 2024

Monthly Amount of Benefit	Total Recipients	General Formula	Money Purchase	Police or Fire	Other (A)	Long-Term Disability	Temporary Disability	Survivors
$ 0–500	11,045	4,723	4,113	-	54	12	5	2,138
501–1000	8,468	3,341	3,052	-	8	81	15	1,971
1,001–1,500	6,737	2,612	2,809	-	-	156	39	1,121
1,501–2,000	5,792	2,076	2,697	-	-	46	167	806
2,001–2,500	5,148	1,671	2,629	-	-	18	115	715
2,501–3,000	4,532	1,326	2,529	1	-	15	48	613
3,001–3,500	4,134	1,154	2,422	7	-	10	31	510
3,501–4,000	3,727	1,006	2,216	7	-	2	32	464
4,001–4,500	3,164	909	1,852	13	-	1	17	372
4,501–5,000	2,721	864	1,509	15	1	2	20	310
5,001–5,500	2,187	711	1,238	16	-	-	14	208
5,501–6,000	1,904	658	1,066	20	-	-	9	151
6,001–7,000	3,187	1,140	1,830	31	-	-	6	180
7,001–8,000	2,460	901	1,444	29	-	-	4	82
8,001–9,000	1,994	830	1,099	20	-	-	3	42
9,001–10,000	1,483	585	868	8	-	-	1	21
10,001–11,000	1,146	486	639	9	-	-	2	10
11,001–12,000	782	368	405	1	-	-	-	8
12,001–13,000	606	290	308	-	-	-	2	6
13,001–14,000	430	228	197	1	-	-	-	4
14,001–15,000	277	126	146	1	-	-	-	4
15,001–16,000	182	99	82	1	-	-	-	-
Over 16,000	474	275	195	-	-	-	-	4
TOTAL	**72,580**	**26,379**	**35,345**	**180**	**63**	**343**	**530**	**9,740**

(A) Minimum annuity and retirements of participants who terminated prior to 1969.

STATISTICAL

PARTICIPATING EMPLOYERS

Black Hawk College
Carl Sandburg College
Chicago State University
City Colleges of Chicago
College of DuPage
College of Lake County
Danville Area Community College
Eastern Illinois University
Elgin Community College
Governors State University
Heartland Community College
Highland Community College
ILCS Section 15-107(i) Members
ILCS Section 15-107(c) Members
Illinois Board of Examiners
Illinois Board of Higher Education
Illinois Central College
Illinois Community College Board
Illinois Community College Trustees Association
Illinois Department of Innovation and Technology
Illinois Eastern Community College
Illinois Mathematics and Science Academy
Illinois State University
Illinois Valley Community College
John A. Logan College
John Wood Community College
Joliet Junior College
Kankakee Community College
Kaskaskia College
Kishwaukee College
Lake Land College
Lewis & Clark Community College
Lincoln Land Community College
McHenry College
Moraine Valley Community College
Morton College
Northeastern Illinois University
Northern Illinois University
Northern Illinois University Foundation
Oakton Community College
Parkland College
Prairie State College
Rend Lake College
Richland Community College
Rock Valley College
Sauk Valley College
Shawnee College
South Suburban College
Southeastern Illinois College
Southern Illinois University Carbondale
Southern Illinois University Edwardsville
Southwestern Illinois College
Spoon River College
State Universities Civil Service System
State Universities Retirement System
Triton College
University of Illinois Alumni Association
University of Illinois Chicago
University of Illinois Foundation
University of Illinois Springfield
University of Illinois Urbana-Champaign
Waubonsee Community College
Western Illinois University
William Rainey Harper College

S·U·R·S®
STATE UNIVERSITIES RETIREMENT SYSTEM

www.surs.org

1901 Fox Drive | Champaign, Illinois 61820 | Toll Free 800-275-7877 | Direct 217-378-8800