2025

A Component Unit of the State of Illinois

FOUNDATION FOR GROWTH

The Annual Comprehensive Financial Report

for Fiscal Year Ended June 30, 2025

S·U·R·S®

STATE UNIVERSITIES RETIREMENT SYSTEM

Prepared by the SURS Accounting Department

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FOUNDATION FOR GROWTH

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

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Awards

2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
GOVERNMENT FINANCE OFFICERS ASSOCIATION
Certificate of Achievement
for Excellence
in Financial Reporting
Presented to
State Universities
Retirement System, Illinois

Awards

Public Pension Coordinating Council

Recognition Award for Administration 2025

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)

Robert A. Wylie
Program Administrator

Letter of Transmittal

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

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www.surs.org

December 16, 2025

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

We are pleased to present the 84th 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, 2025.

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 agencies. SURS staff works hard to perform at the highest customer service level for our members, who dedicate their careers to higher education.

The leadership 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.

Leadership 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, as well as sound practices in the performance of those duties. The cost of a control should not exceed the benefits likely to be derived. The assessment of costs versus benefits requires estimates and judgments by leadership. 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 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 opinion to the System's fiscal year 2025 financial statements has been included in this report.

Accounting principles generally accepted in the United States of America require that leadership 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 agencies in Illinois. SURS serves 61 employers and approximately 258,000 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, one of which 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 2025 certified State of Illinois contribution of $2,212,810,000 was received in full by May 5, 2025. As of June 30, 2025, the plan net position as a percentage of the total pension liability was 45.48%. The funding issue confronting SURS continues to represent a challenge to the System. Although the statutory contribution requirement was met in fiscal year 2025, 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 prudent person 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 of SURS investment policies 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.

As of June 30, 2025, SURS investment assets held in trust increased to $25.2 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 $4.9 billion and $131.5 million, respectively. During fiscal year 2025, the portfolio returned 6.4%, net of fees, exceeding the policy benchmark return of 6.1% but slightly trailing the 6.5% long term actuarial rate of return assumption. Portfolio returns are 8.2% over the last five years and 7.0% over the last ten years, each exceeding both the long term assumed rate and policy portfolio benchmark.

The Investment section of this report contains performance 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, 2024, and June 30, 2025:

- Public Act 104-0003, effective June 16, 2025, contains the annual certified state contribution to SURS ($2,319,446,000) required by Illinois law. This amount is based on a statutory funding formula that requires the state to pay an amount each year necessary to bring the assets of the system up to 90% of the liabilities of the system by the end of state fiscal year 2045.
- Public Act 104-0002, effective June 16, 2025, also contains a $75 million transfer from the General Revenue Fund into a newly created fund, the Tier 2 Social Security Taxable Wage Base (SSWTB) Reserve Fund, for the estimated first year's cost of implementing a Tier II Safe Harbor Fix, which was not passed by the General Assembly. According to external legal counsel and independent actuaries, for the Tier II plan to qualify as a Social Security replacement plan under the IRS Safe Harbor Rules, the Tier II pensionable earnings limit needs to be increased to at least 90.5% of the Social Security Taxable Wage Base. Although several legislative proposals were introduced in spring 2025 that would have included this change, they also contained several other Tier II benefit changes. These proposals failed to pass due to the considerable cost of increasing benefits.

Letter of Transmittal

- Public Act 104-0008, effective January 1, 2026, includes an additional $200 million in bond authorization to finance the buyouts offered under three of the state-funded retirement systems. Currently, there are two buyout programs available until June 30, 2026: (1) the Tier I and Tier II Vested Inactive Buyout and (2) the Tier I Automatic Annual Increase (AAI) Buyout. The Vested Inactive Buyout provides a one-time, lump-sum payment equal to 60% of the member's present value of benefits in exchange for forfeiting all rights and benefits under the system (with the exception of retiree health insurance benefits). The Tier I AAI buyout provides a one-time, lump-sum payment equal to 70% of the present value of the difference between the member's Tier I automatic annual increases (3% compounded, beginning the January 1st after retirement) and reduced, delayed automatic annual increases (1.5% non-compounded, beginning the January 1st occurring five years after retirement) in exchange for the member receiving the reduced and delayed automatic annual increases in retirement. The fiscal year 2026 budget increases the bond authorization used to finance the buyout payments from $2 billion to $2.2 billion. Eligibility for the buyouts is scheduled to expire on June 30, 2026.

Major Initiatives

Board of Trustees

Appointments

As announced in February 2025 by Governor Pritzker, Pranav Kothari will continue to serve as a Member of the Illinois Board of Higher Education (IBHE). 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 empowers social sector organizations to achieve their goals. He is also an Adjunct Lecturer of Social Impact at Northwestern University's Kellogg School of Management.

Governor Pritzker appointed Jeanine Jiganti to the SURS Board of Trustees in May 2025, and she will serve out the remainder of a six-year term that will expire in 2030.

Jeanine Jiganti is an executive with extensive experience in legal, compliance, and regulatory affairs across both the public and private sectors. Most recently, she served as Chief Regulatory Legal Officer at Walmart and General Counsel of Walmart Healthcare, where she played a pivotal role in navigating complex regulations and driving strategic legal initiatives.

Systems Development and Security

SURS continues work on the pension administration system replacement project, Project Velocity, which began in July 2021. This multi-year, large scale 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 also 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 2025, the Member Service teams calculated 7,627 claims, answered 80,834 calls and 6,887 member emails, held 5,258 counseling sessions and 79 educational webinars and other member outreach events, conducted 47 employer trainings and two employer seminars, and responded to 4,344 employer emails.

The Communications team sent 939,477 informational emails to members, added 60 posts to social media, and made thousands of informational updates to surs.org.

SURS is proud to have obtained a fiscal year 2025 member service satisfaction rating of over 95%.

SURS Deferred Compensation Plan (DCP) & Auto-Escalation

Studies show that about 70% to 80% of pre-retirement income is needed in retirement to maintain the desired standard of living. Few members will reach that amount with their SURS core retirement benefit alone, and SURS members do not contribute to Social Security. Therefore, SURS offers the supplemental Deferred Compensation Plan (DCP), a 457(b) plan designed for easy and convenient retirement savings. All active members are eligible to enroll.

Letter of Transmittal

Effective July 1, 2024, SURS added an auto-escalation feature to the Plan. For auto-enrolled members, auto-escalation increases their contributions by 1% annually until either a cap of 10% is reached or the member chooses to opt out of the feature. 99% of members eligible for auto-escalation in fiscal year 2025 successfully had their contributions increased by 1%, improving their path to retirement security.

SURS also continues to auto-enroll new hires into the plan at a default contribution rate of 3%. Of the eligible new hires who have been auto-enrolled into the Plan, 83% did not choose to opt out.

Awards and Recognition
SURS defined contribution plans have received significant recognition in 2025. The National Association of Government Defined Contribution Administrators, Inc. (NAGDCA) awarded SURS with their most prestigious award, the Art Caple's President Award, which recognizes plans for visionary leadership and innovation that enhance participants' financial well-being. SURS also received a 2025 NAGDCA Leadership Award for Defined Contribution Plan Design and Administration. In addition, SURS was named as the 2025 PLANSPONSOR Plan Sponsor of the Year winner in the "Total Retirement Offering" category.

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, 2024. This is the 41st 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.

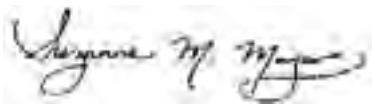
We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

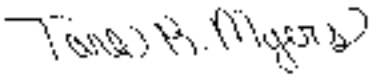
The Public Pension Coordinating Council (PPCC), a coalition of three national associations that represents more than 500 of the largest pension plans in the U.S., awarded SURS the Public Pension Standards Award for Administration. Public Pension Standards are a benchmark to measure public defined benefit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





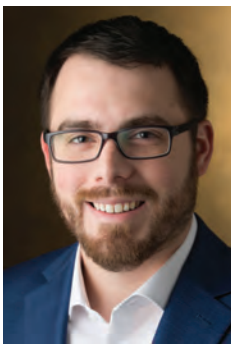
Suzanne M. Mayer
Executive Director

Tara R. Myers
Chief Financial Officer

Board of Trustees

Board of Trustees as of June 30, 2025

John Lyons
Chairperson
Appointed



Collin Van Meter
Vice Chairperson
Elected

Scott Hendrie
Treasurer
Appointed

Andriy Bodnaruk
Elected

Richard Figueroa
Appointed

J. Fred Giertz
Elected

Jeanine Jiganti
Appointed

Pranav Kothari
Appointed

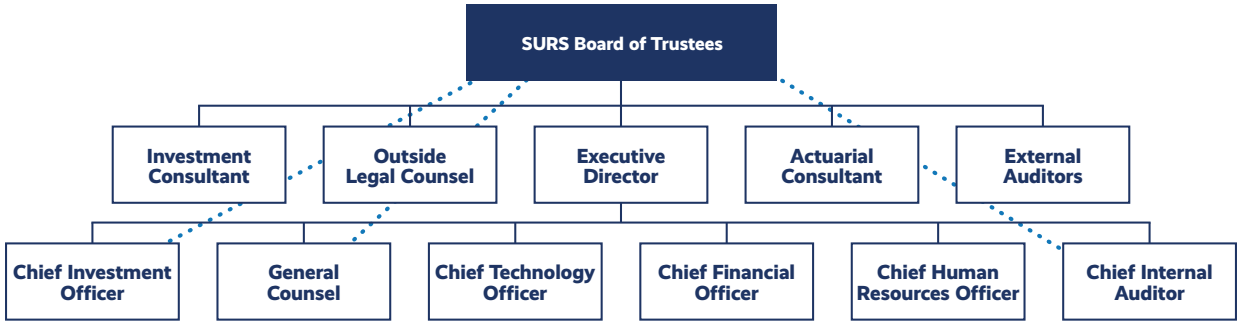
Herbert Pitman
Elected

Steven Rock
Elected

Antonio Vasquez
Elected

Organizational Structure

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

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Auditor's Report

Independent Auditor's Report

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, 2025, 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, 2025, 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 16, 2025

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, 2025, with comparative reporting entity totals for the year ended June 30, 2024. 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 $2,294.1 million, an increase of $41.7 million, or 1.9% from fiscal year 2024.
- The System's benefit payments were $3,187.8 million, an increase of $103.8 million, or 3.4% for fiscal year 2025.
- The System's time-weighted return on investment, net of investment management fees, was 6.4% for fiscal year 2025.
- The System's fiduciary net position at the end of fiscal year 2025 was $25.4 billion, an increase of $848.4 million, or 3.5%.

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, 2025, and the Statement of Changes in Fiduciary Net Position for the Year Ended June 30, 2025. 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 230,463 members in its defined benefit plan and 27,697 members in its retirement savings plan. Additionally, 18,093 members have balances in the supplemental deferred compensation plan. The funds needed to finance the benefits provided by SURS are accumulated through contributions from non-employer, employer and employee contributions as well as investment earnings. The fiduciary net position of the System increased from $24.5 billion as of June 30, 2024, to $25.4 billion as of June 30, 2025. This $848.4 million 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)	2025	2024	Change	
			Amount	%
Cash and short-term investments	$ 153.8	$ 230.2	$ (76.4)	(33.2)%
Receivables and prepaid expenses	100.4	95.9	4.5	4.7
Pending investment sales	317.1	150.5	166.6	110.7
Investments and securities lending collateral	27,331.1	27,632.5	(301.4)	(1.1)
Capital assets, net	39.5	31.5	8.0	25.4
Total assets	**27,941.9**	**28,140.6**	**(198.7)**	**(0.7)**
Payable to brokers-unsettled trades	191.7	142.4	49.3	34.6
Securities lending collateral	2,328.2	3,426.3	(1,098.1)	(32.0)
Other liabilities	57.0	55.3	1.7	3.1
Total liabilities	**2,576.9**	**3,624.0**	**(1,047.1)**	**(28.9)**
TOTAL FIDUCIARY NET POSITION	**$ 25,365.0**	**$ 24,516.6**	**$ 848.4**	**3.5%**

The investment allocation strategy for the reporting entity as of June 30, 2025, and 2024, is as follows:

Investment Allocation Strategy

	2025	2024
Traditional Growth		
Global Public Equity	35.0%	36.0%
Stabilized Growth		
Core Real Assets	8.0	8.0
Public Credit Fixed Income	4.0	6.5
Private Credit	5.0	2.5
Non-Traditional Growth		
Private Equity	11.0	11.0
Non-Core Real Assets	5.0	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 TOTAL ($ in millions)	2025	2024	Change	
			Amount	%
Employer contributions	$ 81.3	$ 80.3	$ 1.0	1.2%
Non-employer contributing entity contributions	2,212.8	2,172.1	40.7	1.9
Member contributions	528.8	486.2	42.6	8.8
Net investment income	1,619.6	1,859.6	(240.0)	(12.9)
Total additions	**4,442.5**	**4,598.2**	**(155.7)**	**(3.4)**
Benefits	3,187.8	3,084.0	103.8	3.4
Refunds	85.4	78.8	6.6	8.4
Contributions sent to third-party administrator	292.4	253.8	38.6	15.2
Administrative expense	28.5	25.5	3.0	11.8
Total deductions	**3,594.1**	**3,442.1**	**152.0**	**4.4**
Net decrease in fiduciary net position	848.4	1,156.1	(307.7)	(26.6)
Fiduciary net position, beginning of year	24,516.6	23,360.5	1,156.1	4.9
FIDUCIARY NET POSITION, END OF YEAR	**$ 25,365.0**	**$ 24,516.6**	**$ 848.4**	**3.5%**

Additions to Fiduciary Net Position
Additions to fiduciary net position come from non-employer, employer, and employee contributions as well as investment earnings. For fiscal year 2025, the System's non-employer contributing entity — the State of Illinois — contributed $2,212.8 million. Employer contributions increased by $1.0 million, or 1.2%, to $81.3 million. Member contributions increased by $42.6 million, or 8.8%, to $528.8 million. Net investment gain for fiscal year 2025 was $1,619.6 million for the System, representing a $240.0 million decrease from the prior year. The System's investment rate of return was 6.4% (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	6.4%	6.7%	8.2%	7.0%	7.0%	7.8%

The annualized rate of return over a 30-year period of 7.8% was higher than the actuarial rate of return assumption of 6.5% in effect for fiscal year 2025. 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 2025 totaled $3.6 billion, an increase of $152.0 million, or 4.4% over deductions for 2024. This increase is primarily due to the $103.8 million increase in retirement and survivor annuity payments made to defined benefit plan members. Portable lump sum distributions and refunds increased by $6.6 million, or 8.4%. Administrative expenses increased by $3.0 million, or 11.8% from fiscal year 2024 to 2025.

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 2025, a total of $52.3 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 2024 (applied to SURS fiscal year 2025) was $125,774, and the limit for calendar year 2025 (fiscal year 2026) is $127,283. This limit on Tier 2 members' pensionable earnings decreases the anticipated amount of future payroll and contributions.

Combined employer and State contributions are projected to increase by about 4.6% ($104.7 million) in fiscal year 2026.

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.

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, 2025

	Defined Benefit Pension Plan	Other Employee Benefit Plan	Custodial Funds	Total
ASSETS				
Cash and short-term investments	$ 145,114,251	$ 930,723	$ 7,800,108	$ 153,845,082
Receivables				
Members	13,345,845	-	4,918,108	18,263,953
Federal, trust funds, and other	5,698,790	-	30,864	5,729,654
Pending investment sales	314,805,352	2,086,084	197,599	317,089,035
Interest and dividends	74,604,834	494,375	46,828	75,146,037
Total receivables	408,454,821	2,580,459	5,193,399	416,228,679
Prepaid expenses	1,212,736	-	-	1,212,736
Investments, at fair value				
Equity investments	8,364,559,252	55,428,442	5,250,308	8,425,238,002
Fixed income investments	6,045,646,174	40,061,973	3,794,761	6,089,502,908
Real asset investments	2,830,656,526	18,757,579	1,776,761	2,851,190,866
Alternative investments	7,582,023,838	50,242,906	4,759,123	7,637,025,867
Total investments	24,822,885,790	164,490,900	15,580,953	25,002,957,643
Securities lending collateral	2,311,402,323	15,316,698	1,450,833	2,328,169,854
Capital assets, at cost, net of accum deprec	39,539,482	-	-	39,539,482
TOTAL ASSETS	**27,728,609,403**	**183,318,780**	**30,025,293**	**27,941,953,476**
LIABILITIES				
Benefits payable	19,542,389	9,668	-	19,552,057
Refunds payable	4,366,200	-	-	4,366,200
Securities lending collateral	2,311,402,323	15,316,698	1,450,833	2,328,169,854
Payable to brokers for unsettled trades	190,341,892	1,261,316	119,475	191,722,683
Reverse repurchase agreements	5,013,460	33,222	3,147	5,049,829
Investment expenses payable	6,732,682	44,615	4,226	6,781,523
Administrative expenses payable	8,617,610	-	126,938	8,744,548
Contributions due to third-party administrator	-	-	12,533,982	12,533,982
TOTAL LIABILITIES	**2,546,016,556**	**16,665,519**	**14,238,601**	**2,576,920,676**
FIDUCIARY NET POSITION				
Restricted for pensions	25,182,592,847	-	-	25,182,592,847
Restricted for other employee benefits	-	166,653,261	-	166,653,261
Restricted for other governments	-	-	15,786,692	15,786,692
TOTAL FIDUCIARY NET POSITION	**$ 25,182,592,847**	**$ 166,653,261**	**$ 15,786,692**	**$ 25,365,032,800**

See accompanying Notes to the Financial Statements section.

Financial Statements

Statement of Changes in Fiduciary Net Position for the Year Ended June 30, 2025

	Defined Benefit Pension Plan	Other Employee Benefit Plan	Custodial Funds	Total
ADDITIONS				
Contributions				
Employers	$ 66,461,785	$ -	$ 14,886,373	$ 81,348,158
Non-employer contributing entity	2,116,868,847	-	95,941,153	2,212,810,000
Members	348,523,083	-	180,314,352	528,837,435
Total contributions	2,531,853,715	-	291,141,878	2,822,995,593
Investment Income				
Net appreciation in fair value of investments	1,181,089,384	7,103,912	1,444,740	1,189,638,036
Interest	225,455,007	1,369,578	278,534	227,103,119
Dividends	324,086,773	1,968,739	400,387	326,455,899
Securities lending	8,322,782	50,559	10,282	8,383,623
	1,738,953,946	10,492,788	2,133,943	1,751,580,677
Less investment expense				
Asset management expense	130,492,949	792,709	161,215	131,446,873
Securities lending expense	558,219	3,391	690	562,300
Net investment income	1,607,902,778	9,696,688	1,972,038	1,619,571,504
TOTAL ADDITIONS	**4,139,756,493**	**9,696,688**	**293,113,916**	**4,442,567,097**
DEDUCTIONS				
Benefits	3,185,255,569	2,540,676	-	3,187,796,245
Refunds of contributions	85,374,295	-	-	85,374,295
Contributions sent to third-party administrator	-	-	292,360,057	292,360,057
Administrative expense	26,707,961	-	1,848,650	28,556,611
TOTAL DEDUCTIONS	**3,297,337,825**	**2,540,676**	**294,208,707**	**3,594,087,208**
Net increase (decrease)	**842,418,668**	**7,156,012**	**(1,094,791)**	**848,479,889**
Fiduciary Net Position				
Beginning of year	24,340,174,179	159,497,249	16,881,483	24,516,552,911
FIDUCIARY NET POSITION END OF YEAR	**$25,182,592,847**	**$ 166,653,261**	**$ 15,786,692**	**$25,365,032,800**

See accompanying Notes to the Financial Statements section.

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, 2025, as defined in the Illinois Compiled Statutes. Interested parties should refer to the SURS Member Guide or the statutes for more complete information.

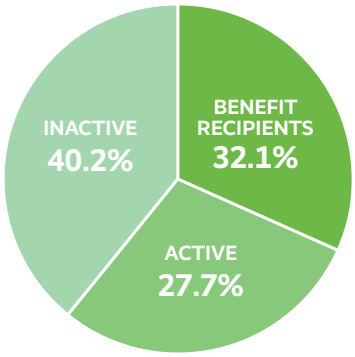
The financial statement presentation of the System's benefit plans is driven by accounting standards for fiduciary activities issued by the Governmental Accounting Standards Board. An explanation of how these standards affect the presentation of the System's three plans can be found in the Reporting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

A. Defined Benefit Plan

As of June 30, 2025, 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, 2025, 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, 2025, defined benefit plan membership consisted of:

Benefit Recipients	**73,937**
Active Members	**63,788**
Inactive Members	**92,738**
	230,463

1. Membership

Participation is required as a condition of employment. Employees are ineligible to participate (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

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 at least 5 years of service; Age 60, with at least 8 years of service; Any age with at least 30 years of service	Age 67, with at least 10 years of service
Final Rate of Earnings (FRE) 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 Benefit AAI (Automatic Annual Increase) Traditional Plan and Portable Plan	3% compounded annually	Lesser of 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 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.

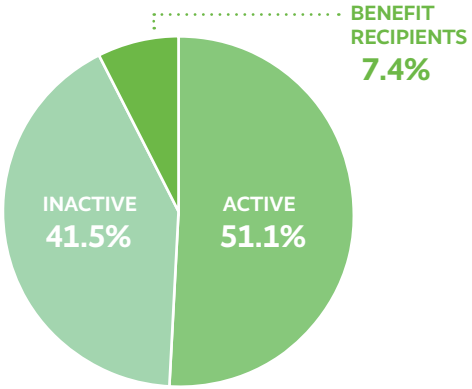
Upon termination of service, a lump sum refund is available to all members. Under the traditional benefit package, the refund consists of all member contributions, plus interest at 4.5%. Under the portable benefit package, the refund consists of all member contributions and total interest credited, plus, 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, 2025, 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, 2025, the RSP membership consisted of:

Benefit Recipients	**2,050**
Active Members	**14,163**
Inactive Members	**11,484**
	27,697

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

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, 2025, 18,093 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 Other Postemployment Benefits (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.

E. Cash and Short-Term Investments

Included in the $153,845,082 of cash and short-term investments presented in the Statement of Fiduciary Net Position is $7,295,798 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 amortized 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. 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. This statement did not materially affect the System's 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 will apply these new requirements if any significant concentrations or constraints requiring disclosure are identified. There are none for the fiscal year ending June 30, 2025.

GASB Statement No. 103, *Financial Reporting Model Improvements*, is effective for fiscal years 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.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, is effective for fiscal years beginning after June 15, 2025. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. The System is evaluating the impact of these requirements.

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

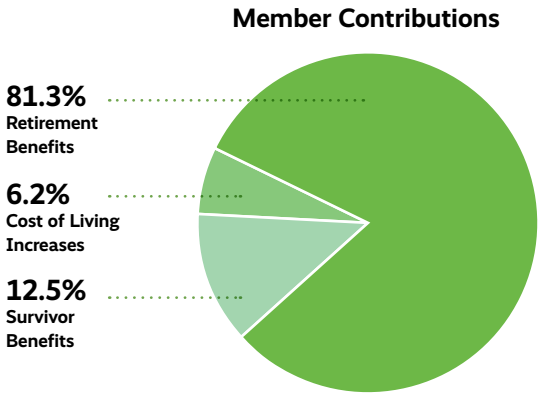
1. Composition

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



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 7.0% for the year ended June 30, 2025. 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 7.5% for the year ended June 30, 2025, and will be 7.5% for the year ended June 30, 2026.

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 2025 the State of Illinois contributed $2,116,868,847 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 11.98% of covered earnings as the employer normal cost for fiscal year 2025. 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 2025, total employer contributions to the defined benefit pension plan were $66,461,785.

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, 2025 are as follows:

Member contributions	$ 7,436,557,964
Benefits from member and employer contributions	17,746,034,883
TOTAL FIDUCIARY NET POSITION	**$ 25,182,592,847**

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 2025.

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 $166,653,261 as of June 30, 2025.

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 2025, the investment income credited to these balances was $9,696,688.

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 $126,905,386 for the year ending June 30, 2025.

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, 2025, members contributed $53,408,966 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 2025, the State of Illinois contributed $95,404,445 toward RSP member accounts, while employers contributed $14,809,582. The State of Illinois also contributed $1,311,942 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 $76,791 in fiscal year 2025. The State of Illinois contributed $536,708 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 $15,786,692 as of June 30, 2025.

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 2025, the investment income credited to these balances was $1,972,038.

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.

Fixed income securities and fixed income 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 fixed income securities are valued by multiplying the external market price feed by the applicable day's Index Ratio. Level 2 fixed income 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 fixed income 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.

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, 2025, 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, 2025, 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, 2025, 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.

Notes to the Financial Statements

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

		Fair Value Measurements Using		
	As of June 30, 2025	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Fixed income securities				
U.S. government	$ 2,417,027	$ 2,417,027	$ -	$ -
U.S. agency obligations	1,140,340	-	1,133,744	6,596
U.S. municipal obligations	87,895	-	87,895	-
U.S. corporate obligations	681,592	-	677,132	4,460
U.S. asset backed	292,563	-	224,053	68,510
Fixed income funds	10,636	10,636	-	-
Foreign obligations	753,276	-	743,045	10,231
Total fixed income securities	$ 5,383,329	$ 2,427,663	$ 2,865,869	$ 89,797
Equity securities				
U.S. equity securities	$ 4,000,406	$ 3,999,658	$ -	$ 748
Foreign equity securities	1,976,592	1,975,741	-	851
Total equity securities	$ 5,976,998	$ 5,975,399	$ -	$ 1,599
Investment Derivative Instruments				
U.S. fixed income derivatives	$ 2,113	$ -	$ 2,113	$ -
Foreign fixed income derivatives	128	(51,304)	51,432	-
U.S. equity derivatives	455	226	-	229
Total investment derivative instruments	$ 2,696	$ (51,078)	$ 53,545	$ 229
Investments Measured at the Net Asset Value (NAV)				
Commingled equity funds	$ 1,003,643			
Commingled foreign equity funds	1,444,142			
Private real asset funds	2,851,191			
Private equity funds	3,660,533			
Private credit funds	1,177,960			
Diversifying strategy funds	2,798,533			
Total investments measured at the NAV	$ 12,936,002			
Short-term securities and cash adjustments	$ 711,229			
Total investments by fair value level and measured at the NAV	$ 25,010,254			
Invested Securities Lending Collateral	$ 2,328,170	$ -	$ 2,328,170	$ -

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

	As of June 30, 2025	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
International equity and global equity funds [1]	$ 2,447,785	$ -	Daily, Monthly	2–5 Days
Private real asset funds [2]	2,851,191	793,481	Quarterly, if Eligible	45–90 Days, if Eligible
Private equity funds [3]	3,660,533	1,421,703	Not Eligible	N/A
Private credit funds [4]	1,177,960	966,936	Annually, if Eligible	90 Days, if Eligible
Diversifying strategy funds [5]	2,798,533	-	Daily, Monthly, Quarterly, Semi-Annually, Annually	3–90 Days
	$ 12,936,002	**$ 3,182,120**		

[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 51 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 108 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 18 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, 2025, the carrying amount of cash was $153,845,082. The bank balance was $151,249,739, of which $10,002,623 was foreign currency deposits and was exposed to custodial credit risk. The carrying amount of cash includes $7,295,798 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 could 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. Similar asset value fluctuations occur in other asset classes, particularly during times of market volatility. 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/procurement-practices.

Investments

The carrying values of investments by type at June 30, 2025, are summarized below:

PUBLIC EQUITY INVESTMENTS		
U.S. equities	$	5,004,048,826
Non-U.S. equities		3,420,733,739
U.S. equity derivatives		455,437
Total public equity investments	$	8,425,238,002
PUBLIC FIXED INCOME INVESTMENTS		
U.S. government obligations		2,416,030,438
U.S. agency obligations		1,134,040,857
U.S. corporate fixed income		1,072,686,781
Non-U.S. fixed income securities		753,275,874
U.S. short-term investments		888,551,839
Non-U.S. short-term investments		(170,028,565)
U.S. fixed income derivatives		(26,651,817)
Non-U.S. fixed income derivatives		28,893,298
Total public fixed income investments	$	6,096,798,705
REAL ASSET INVESTMENTS		
U.S. real assets funds		2,415,408,166
Non-U.S. real assets funds		435,782,700
Total real asset investments	$	2,851,190,866
ALTERNATIVE INVESTMENTS		
U.S. diversifying strategy funds		2,523,657,423
Non-U.S. diversifying strategy funds		274,875,738
U.S. private credit funds		942,436,319
Non-U.S. private credit funds		235,523,649
U.S. private equity		3,032,833,735
Non-U.S. private equity		627,699,003
Total alternative investments	$	7,637,025,867
TOTAL INVESTMENTS	$	25,010,253,440

- U.S. short-term investments principally consist of money market funds and options.
- Fixed income investments presented in this table include commingled funds, derivatives, cash, and cash equivalent holdings.
- Fixed income investments presented in this table include $7,295,798 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.
- Fixed income investments presented in this table include $26,936 of short-term investments with maturities greater than 90 days.
- 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, 2025, 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.

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, 2025, SURS had no investments in any one issuer that represented 5% or more of the System's total investments.

Credit Risk of Fixed Income 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 fixed income 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, 2025, are as follows:

Quality Rating: Standard & Poor's	Domestic	International	Total
AAA	$ 131,511,698	$ 13,058,371	$ 144,570,069
AA+	1,131,716,061	9,450,070	1,141,166,131
AA	34,443,886	15,121,866	49,565,752
AA-	36,993,585	16,494,693	53,488,278
A+	15,974,759	8,474,406	24,449,165
A	33,327,871	10,910,482	44,238,353
A-	55,192,020	27,000,860	82,192,880
BBB+	66,178,676	46,461,838	112,640,514
BBB	92,073,100	82,561,270	174,634,370
BBB-	95,749,084	98,265,417	194,014,501
BB+	27,840,087	65,491,264	93,331,351
BB	55,378,974	92,513,292	147,892,266
BB-	53,508,377	73,505,389	127,013,766
B+	42,618,884	37,659,181	80,278,065
B	61,765,493	23,571,259	85,336,752
B-	53,021,104	47,469,358	100,490,462
CCC+	12,632,165	25,606,567	38,238,732
CCC	5,310,966	17,644,655	22,955,621
CCC-	783,697	-	783,697
CC	1,675,261	-	1,675,261
D	286,062	3,656,325	3,942,387
Not Rated *	165,703,237	38,359,311	204,062,548
Total credit risk: fixed income securities	$ 2,173,685,047	$ 753,275,874	$ 2,926,960,921
U.S. government & agencies **	2,445,732,460	-	2,445,732,460
TOTAL FIXED INCOME SECURITIES INVESTMENTS	**$ 4,619,417,507**	**$ 753,275,874**	**$ 5,372,693,381**

* 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.

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 fixed income 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, 2025, the segmented time distribution of the various types of fixed income securities of the System are as follows:

		Maturities in Years				
Investment	**2025 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	$ 3,557,367,093	$ 23,234,721	$ 1,191,914,200	$ 696,784,089	$ 429,698,154	$ 1,215,735,929
U.S. corporate fixed income	1,062,050,415	6,111,698	539,033,304	209,912,834	192,381,700	114,610,879
Non-U.S. fixed income	753,275,873	18,028,902	309,462,984	201,312,431	102,428,595	122,042,961
TOTAL *	**$ 5,372,693,381**	**$ 47,375,321**	**$ 2,040,410,488**	**$ 1,108,009,354**	**$ 724,508,449**	**$ 1,452,389,769**

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

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.

Notes to the Financial Statements

At June 30, 2025, the System's exposure to foreign currency risk is as follows:

Currency	Alternative	Equity	Fixed Income *	Total
Argentine peso	$ -	$ -	$ 11	$ 11
Australian dollar	-	39,963,291	11,267,694	51,230,985
Brazilian real	-	27,043,577	4,825,169	31,868,746
British pound	17,175,449	287,007,503	(13,105,241)	291,077,711
Canadian dollar	-	56,671,257	(8,576,712)	48,094,545
Chilean peso	-	631,385	18,657	650,042
Chinese yuan renminbi	-	-	(1,142,815)	(1,142,815)
Chinese yuan renminbi offshore	-	-	(537,709)	(537,709)
Colombian peso	-	-	(3,791,369)	(3,791,369)
Czech koruna	-	-	644,091	644,091
Danish krone	-	17,311,787	3	17,311,790
Egyptian pound	-	-	267,249	267,249
Euro	193,924,781	618,355,952	(14,506,445)	797,774,288
Hong Kong dollar	-	117,928,256	2,139,667	120,067,923
Hungarian forint	-	365,234	(334)	364,900
Indian rupee	-	-	(27,573)	(27,573)
Indonesian rupiah	-	9,589,092	155,069	9,744,161
Japanese yen	-	299,638,912	(430,676)	299,208,236
Kazakhstani tenge	-	-	145,756	145,756
Kuwaiti dinar	-	-	(539,513)	(539,513)
Mexican peso	-	7,704,668	4,678,970	12,383,638
New Israeli shekel	-	11,006,691	2,814	11,009,505
New Taiwan dollar	-	71,727,968	239,807	71,967,775
New Zealand dollar	-	-	3,661,135	3,661,135
Nigerian naira	-	-	26,936	26,936
Norwegian krone	-	11,225,740	13,345,760	24,571,500
Peruvian sol	-	-	(29,462)	(29,462)
Philippine peso	-	1,502,950	-	1,502,950
Polish zloty	-	3,228,236	122,658	3,350,894
Singapore dollar	-	29,394,143	237,637	29,631,780
South African rand	-	4,075,586	392,443	4,468,029
South Korean won	-	58,534,383	591,788	59,126,171
Swedish krona	-	10,600,235	(1,781,947)	8,818,288
Swiss franc	-	96,365,560	(10,209,163)	86,156,397
Thai baht	-	702,380	484	702,864
Turkish lira	-	-	835,525	835,525
United Arab Emirates dirham	-	7,866,668	-	7,866,668
Total securities subject to foreign currency risk	$ 211,100,230	$ 1,788,441,454	$ (11,079,636)	$ 1,988,462,048
Foreign investments denominated in U.S. dollars	1,362,780,861	1,632,292,285	623,220,243	3,618,293,389
TOTAL FOREIGN INVESTMENT SECURITIES	**$ 1,573,881,091**	**$ 3,420,733,739**	**$ 612,140,607**	**$ 5,606,755,437**

* 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, 2025, SURS derivative instruments included foreign currency forward contracts, rights and warrants, futures, options, and swaps. At June 30, 2025, SURS investments in derivative instruments had the following balances:

	Notional Value 2025	Fair Value 2025	Fair Value 2024	Change in Fair Value
Forwards	$ -	$ (9,795,269)	$ 3,307,119	$ (13,102,388)
Rights and warrants	$ 137,382	$ 231,421	$ 98,357	$ 133,064
Futures				
Equity				
Long	$ 457,183,290	$ 650,136	$ (596,895)	$ 1,247,031
Short	(779,962,189)	(2,412,065)	302,979	(2,715,044)
Fixed income				
Long	598,268,997	1,954,152	(2,013,665)	3,967,817
Short	(351,572,679)	(294,543)	26,106	(320,649)
Commodity				
Long	350,612,086	(1,179,307)	1,505,053	(2,684,360)
Short	(213,010,895)	1,785,528	1,066,611	718,917
Foreign exchange				
Long	268,682,614	1,341,136	393,248	947,888
Short	(23,356,560)	(143,225)	(240,024)	96,799
Total futures	$ 306,844,664	$ 1,701,812	$ 443,413	$ 1,258,399
Options				
Equity				
Call	$ 561,600	$ 224,016	$ 61,618	$ 162,398
Fixed Income				
Call	-	-	(156)	156
Put	-	-	(344)	344
Cash and Cash Equivalent				
Call	(20,000,000)	(325)	-	(325)
Put	3,760,000	(38)	-	(38)
Swaptions				
Call	(8,000,000)	(33,872)	(4,993)	(28,879)
Put	(5,600,000)	(4,842)	(14,529)	9,687
Total options	$ (29,278,400)	$ 184,939	$ 41,596	$ 143,343
Swaps				
Credit default				
Selling protection	$ 34,353,150	$ 1,315,779	$ 1,252,223	$ 63,556
Interest rate				
Pay fixed	125,545,071	(1,373,649)	(1,032,725)	(340,924)
Receive fixed	195,113,084	2,338,429	616,284	1,722,145
Total swaps	$ 355,011,305	$ 2,280,559	$ 835,782	$ 1,444,777

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, 2025, SURS investments in foreign currency forward contracts are as follows:

Currency	Pending Foreign Exchange Purchases	Pending Foreign Exchange Sales	Fair Value 2025	Fair Value 2024	Change in Fair Value
Australian dollar	$ 3,290,510	$ (3,401,243)	$ (110,733)	$ 598,849	$ (709,582)
Brazilian real	723,404	(739,006)	(15,602)	-	(15,602)
British pound	1,092,232	(2,658,295)	(1,566,063)	(264,685)	(1,301,378)
Canadian dollar	371,599	(702,145)	(330,546)	(40,764)	(289,782)
Chilean peso	1,326	-	1,326	(71,398)	72,724
Chinese yuan renminbi	-	(3,991)	(3,991)	(23,737)	19,746
Chinese yuan renminbi offshore	9,845	(36,905)	(27,060)	-	(27,060)
Colombian peso	75	(101,533)	(101,458)	-	(101,458)
Czech koruna	47,055	(1,330)	45,725	(121,168)	166,893
Egyptian pound	21,469	-	21,469	-	21,469
Euro	4,135,347	(10,652,928)	(6,517,581)	(106,504)	(6,411,077)
Hungarian forint	-	(28)	(28)	(3)	(25)
Indian rupee	9,978	-	9,978	23,950	(13,972)
Indonesian rupiah	4,135	(5,198)	(1,063)	161	(1,224)
Japanese yen	78,755	(243,111)	(164,356)	(221)	(164,135)
Kazakhstani tenge	139	-	139	-	139
Kuwaiti dinar	10	-	10	-	10
Mexican peso	633,690	(626,499)	7,191	22,728	(15,537)
New Israeli shekel	217,611	(98,183)	119,428	-	119,428
New Taiwan dollar	130,061	(530,139)	(400,078)	(5,877)	(394,201)
New Zealand dollar	1,939,505	(2,230,405)	(290,900)	264,982	(555,882)
Norwegian krone	1,968,002	(1,555,920)	412,082	319,302	92,780
Peruvian sol	-	(55,215)	(55,215)	-	(55,215)
Polish zloty	208,799	(184,656)	24,143	(9,298)	33,441
South Korean won	51,515	(18,942)	32,573	5,072	27,501
Swedish krona	1,109,970	(698,524)	411,446	398,915	12,531
Swiss franc	3,418,251	(3,700,434)	(282,183)	(30,898)	(251,285)
Singapore dollar	12,469	(9,300)	3,169	(48)	3,217
South African rand	-	(79,972)	(79,972)	(72,378)	(7,594)
Thai baht	6,086	(10,824)	(4,738)	-	(4,738)
Turkish lira	14,876	(7,445)	7,431	48,170	(40,739)
Total securities subject to foreign currency risk	$19,496,714	$(28,352,171)	$ (8,855,457)	$ 935,150	$ (9,790,607)
Foreign investments denominated in U.S. dollars	1,009,592	(1,949,404)	(939,812)	2,371,969	(3,311,781)
TOTAL FOREIGN INVESTMENT SECURITIES	**$20,506,306**	**$(30,301,575)**	**$ (9,795,269)**	**$ 3,307,119**	**$(13,102,388)**

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.

Notes to the Financial Statements

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.

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 2025	Fair Value 2025	Fair Value 2024	Change in Fair Value
Swaps					
Credit default	AA	$ 500,000	$ 7,726	$ -	$ 7,726
	A	9,411,760	(2,416)	24,050	(26,466)
	No Rating	24,441,390	1,310,469	1,228,173	82,296
		34,353,150	1,315,779	1,252,223	63,556
Interest rate	No Rating	320,658,155	964,780	(416,441)	1,381,221
		$ 355,011,305	**$ 2,280,559**	**$ 835,782**	**$ 1,444,777**
Swaptions					
	A	$ (12,400,000)	$ (32,712)	$ (18,387)	$ (14,325)
	No Rating	(1,200,000)	(6,002)	(1,135)	(4,867)
		$ (13,600,000)	**$ (38,714)**	**$ (19,522)**	**$ (19,192)**
Forwards	No Rating	**$ -**	**$ (9,795,269)**	**$ 3,307,119**	**$ (13,102,388)**

Notes to the Financial Statements

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 2025
Swaps						
Credit default	$ (1,898)	$ 1,217,467	$ 100,210	$ -	$ -	$ 1,315,779
Interest rate	(107,480)	460,034	297,583	-	314,643	964,780
	$ (109,378)	**$ 1,677,501**	**$ 397,793**	**$ -**	**$ 314,643**	**$ 2,280,559**
Swaptions	**$ (38,714)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (38,714)**
Forwards	**$ (9,818,636)**	**$ 23,367**	**$ -**	**$ -**	**$ -**	**$ (9,795,269)**

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.

SURS Rate	Counterparty Rate	Gross Notional Value 2025	Fair Value 2025	Pay Fixed / Receive Fixed
13.93%	1 day Brazilian real DIO[3]	$ 2,142,239	$ (6,831)	Pay Fixed
2.35% to 2.40%	6 month Euro EURIBOR[4]	469,540	(2,550)	Pay Fixed
3.00% to 4.50%	1 day U.S. dollar SOFR[6]	110,052,001	(1,252,080)	Pay Fixed
3.50%	1 day British pound SONIA[7]	12,881,291	(112,188)	Pay Fixed
		$ 125,545,071	**$ (1,373,649)**	
6 month Australian dollar BBSW[1]	4.75%	$ 6,815,640	$ 107,444	Receive Fixed
1 day Canadian dollar CORRA[2]	3.75%	1,099,304	6,246	Receive Fixed
1 day Brazilian real DIO[3]	13.29% to 13.32%	1,094,666	8,544	Receive Fixed
6 month Euro EURIBOR[4]	2.45% to 2.55%	586,925	4,334	Receive Fixed
6 month Czech koruna PRIBOR[5]	3.37%	916,549	6,320	Receive Fixed
1 day U.S. dollar SOFR[6]	3.00% to 4.50%	184,600,000	2,205,541	Receive Fixed
		$ 195,113,084	**$ 2,338,429**	

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

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, 2025, if all of its derivative instruments counterparties failed to perform as contracted, is $24.7 million. This maximum exposure is reduced by approximately $31.8 million in liabilities and approximately $3.4 million in collateral held, resulting in $(10.5) million net exposure to credit risk.

Notes to the Financial Statements

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 2025, lent securities in exchange for cash collateral at 100% for U.S. securities and 101% for international 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 without 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, domestic equities, and international 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 1.0 day. 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 $2,328.2 million.

Collateral as of June 30, 2025 ($ in millions)

	Collateral Received	Securities on Loan	Collateral %
Cash Collateral	$ 2,328.2	$ 2,308.3	100.9%
Non-cash Collateral	607.2	610.9	99.4%
Total	**$ 2,935.4**	**$ 2,919.2**	**100.6%**
Reinvested cash collateral	$ 2,328.2		

Reverse Repurchase Agreements

SURS held $5.0 million in reverse repurchase agreements on June 30, 2025. 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, 2025, the System's credit exposure was $1.5 million.

SURS may enter into reverse repurchase agreements with various counterparties and such transactions are governed by a Master Repurchase Agreement (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, 2025, the agreed-upon yields earned by the counterparty were between 3.75% and 4.30%. 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.

V. Net Pension Liability

The net pension liability for the defined benefit plan as of June 30, 2025 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
2025	$ 55,372.1	$ 25,182.6	$ 30,189.5	45.48%

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, 2025, is based on the results of an actuarial valuation date of June 30, 2024, 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, 2025
Actuarial valuation date	June 30, 2024
Actuarial cost method	Individual entry age
Actuarial assumptions	
Single discount rate	6.44%
Expected rate of return	6.50%
Municipal bond rate	5.20% (based on 20 general obligation municipal bonds maturing in 20 years with mixed quality as reported in The Bond Buyer's "20–Bond GO Index" as of June 26, 2025.)
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 6.44% was used to measure the total pension liability as of June 30, 2025. This single discount rate was based on an expected return on pension plan investments of 6.5% and a municipal bond rate of 5.20%. 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 2026) are provided by the State of Illinois, are projected to be $2.4 billion in 2026 and growing to $4.1 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 2076. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, 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 6.44%, 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, 2025
($ in millions)

	1% Decrease 5.44%	Current Discount Rate 6.44%	1% Increase 7.44%
Net Pension Liability	$ 36,671.1	$ 30,189.5	$ 24,780.9

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 2025 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	35.0%	7.03%
Stabilized Growth		
Core Real Assets	8.0	5.74
Public Credit Fixed Income	4.0	4.46
Private Credit	5.0	7.36
Non-Traditional Growth		
Private Equity	11.0	11.02
Non-Core Real Assets	5.0	9.69
Inflation Sensitive		
U.S. TIPS	5.0	2.52
Principal Protection		
Core Fixed Income	10.0	1.94
Crisis Risk Offset		
Systematic Trend Following	10.0	3.19
Alternative Risk Premia	3.0	3.32
Long Duration	2.0	3.64
Long Volatility/Tail Risk	2.0	(0.83)
Total	**100.0%**	**5.96%**
Inflation		**2.70**
Expected arithmetic return*		**8.66%**

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

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of fees, was 6.42%. The money weighted rate of return expresses investment performance, net of fees, adjusted for the changing amounts actually invested.

VI. Capital Assets

Capital assets activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions/ Transfers in	Disposals/ Transfers out	Ending Balance
Land and improvements	$ 719,041	$ 395,214	$ 3,625	$ 1,110,630
Office building	15,911,176	1,189,922	134,937	16,966,161
Information system equipment and software	17,470,730	600,572	1,432,301	16,639,001
Furniture and fixtures	1,422,596	192,047	175,551	1,439,092
Intangible right-to-use assets	819,265	465,310	547,246	737,329
Construction in progress	19,246,195	7,194,186	-	26,440,381
Total capital assets	55,589,003	10,037,251	2,293,660	63,332,594
Less accumulated depreciation and amortization:				
Land and improvements	43,401	32,161	1,596	73,966
Office building	6,732,151	788,018	123,541	7,396,628
Information system equipment and software	16,104,324	456,030	1,278,168	15,282,186
Furniture and fixtures	862,770	141,414	145,003	859,181
Intangible right-to-use assets	332,829	222,643	374,321	181,151
Total accumulated depreciation	24,075,475	1,640,266	1,922,629	23,793,112
CAPITAL ASSETS, NET	**$ 31,513,528**	**$ 8,396,985**	**$ 371,031**	**$ 39,539,482**

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, 2025, remaining amortization periods for in-service right-to-use assets ranged from 2 years to 4 years, with a weighted average period of 2.8 years.

Approximately $26 million of construction in progress reflects cost associated with the pension administration system project, Project Velocity, which began in July 2021. The remaining portion not associated with the project is comprised of various capital assets that were not yet put in service as of June 30, 2025.

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, 2025, the System had a liability of $1,635,329 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. The annual increase or decrease in liability is reflected in the administrative expenses on the Statement of Changes in Fiduciary Net Position.

Compensated absences payable for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Estimate Amount Due Within One Year
Compensated absences payable	$ 1,549,285	$ 1,481,870	$ 1,395,826	$ 1,635,329	$ 22,089

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, 715 Stratton Office Building, 401 South Spring Street, Springfield, IL 62706.

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, 2025, the System's amortization expense and interest expense related to right-to-use assets were classified as follows:

	Amortization Expense	Interest Expense
Administrative expense	$ 222,643	$ 18,310

As of June 30, 2025, the System had the following future minimum payments due for subscription-based information technology arrangements.

Year ended June 30	Principal	Interest	Total
2026	$ 198,841	$ 19,774	$ 218,615
2027	211,991	11,480	223,471
2028	58,296	2,647	60,943
2029 and later	-	-	-
	$ 469,128	**$ 33,901**	**$ 503,029**

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
2024	$ 157,072	$ 2,638,647	$ (2,686,415)	$ 109,304
2025	109,304	2,441,040	(2,540,676)	9,668

Required Supplementary Information

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

	2025	2024	2023	2022	2021
TOTAL PENSION LIABILITY					
Service cost	$ 785.63	$ 708.27	$ 677.57	$ 723.51	$ 657.10
Interest on net pension liability	3,387.58	3,276.14	3,221.92	3,133.08	3,190.01
Changes in benefit terms	-	5.71	0.12	-	2.34
Differences between expected and actual experience	427.77	419.87	99.18	(45.07)	109.92
Changes in assumptions	(529.38)	683.45	112.43	(1,545.03)	960.40
Benefit payments	(3,185.26)	(3,081.32)	(2,995.37)	(2,879.64)	(2,780.37)
Refunds of member accounts	(85.37)	(78.82)	(79.24)	(82.46)	(79.13)
Net change in pension liability	800.97	1,933.30	1,036.61	(695.61)	2,060.27
Total pension liability — beginning	54,571.09	52,637.79	51,601.18	52,296.79	50,236.52
Total pension liability — ending	**$ 55,372.06**	**$ 54,571.09**	**$ 52,637.79**	**$ 51,601.18**	**$ 52,296.79**
PLAN FIDUCIARY NET POSITION					
Member contributions	$ 348.52	$ 335.41	$ 299.59	$ 289.07	$ 288.48
Employer contributions	66.46	66.62	63.76	57.91	57.00
Non-employer contributing entity contributions	2,116.87	2,082.87	2,074.95	2,078.15	1,921.74
Net investment income	1,607.90	1,846.12	1,329.72	(685.63)	4,762.97
Benefit payments	(3,185.26)	(3,081.32)	(2,995.37)	(2,879.64)	(2,780.38)
Refunds of member accounts	(85.37)	(78.82)	(79.24)	(82.46)	(79.13)
Non-investment administrative expenses	(26.70)	(23.96)	(23.71)	(22.59)	(19.39)
Net change in fiduciary net position	842.42	1,146.92	669.70	(1,245.19)	4,151.29
Fiduciary net position — beginning	**24,340.17**	**23,193.25**	**22,523.55 (A)**	**23,768.31**	**19,617.02**
Fiduciary net position — ending	**$ 25,182.59**	**$ 24,340.17**	**$ 23,193.25**	**$ 22,523.12**	**$ 23,768.31**
NET PENSION LIABILITY — ENDING	**$ 30,189.47**	**$ 30,230.92**	**$ 29,444.54**	**$ 29,078.06**	**$ 28,528.48**
Fiduciary net position as a percentage of total pension liability	45.48%	44.60%	44.06%	43.65%	45.45%
Covered payroll	$ 4,356.54	$ 4,192.73	$ 3,744.81	$ 3,613.40	$ 3,638.20
Net pension liability as a percentage of covered payroll	692.97%	721.03%	786.28%	804.73%	784.13%

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

Required Supplementary Information

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

	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY					
Service cost	$ 634.45	$ 631.54	$ 628.35	$ 658.72	$ 666.38
Interest on net pension liability	3,123.59	3,047.55	3,050.58	2,951.25	2,876.93
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	167.49	254.28	(281.81)	210.63	(3.43)
Changes in assumptions	618.76	327.95	1,992.36	(396.10)	532.52
Benefit payments	(2,676.19)	(2,558.99)	(2,446.29)	(2,339.90)	(2,235.81)
Refunds of member accounts	(69.00)	(80.54)	(93.49)	(89.57)	(85.02)
Net change in pension liability	1,799.10	1,621.79	2,849.70	995.03	1,751.57
Total pension liability — beginning	48,437.42	46,815.63	43,965.93	42,970.90	41,219.33
Total pension liability — ending	**$ 50,236.52**	**$ 48,437.42**	**$ 46,815.63**	**$ 43,965.93**	**$ 42,970.90**
PLAN FIDUCIARY NET POSITION					
Member contributions	$ 282.36	$ 280.02	$ 282.73	$ 278.64	$ 278.88
Employer contributions	52.97	49.41	39.66	38.39	39.35
Non-employer contributing entity contributions	1,785.82	1,592.64	1,568.22	1,612.17	1,542.95
Net investment income	542.18	1,129.81	1,499.83	1,994.31	17.04
Benefit payments	(2,676.19)	(2,558.99)	(2,446.29)	(2,339.90)	(2,235.81)
Refunds of member accounts	(69.00)	(80.54)	(93.49)	(89.57)	(85.02)
Non-investment administrative expenses	(18.47)	(16.08)	(14.40)	(14.85)	(14.73)
Net change in fiduciary net position	(100.33)	396.27	836.26	1,479.19	(457.34)
Fiduciary net position — beginning	**19,717.35**	**19,321.08**	**18,484.82**	**17,005.63**	**17,462.97**
Fiduciary net position — ending	**$ 19,617.02**	**$ 19,717.35**	**$ 19,321.08**	**$ 18,484.82**	**$ 17,005.63**
NET PENSION LIABILITY — ENDING	**$ 30,619.50**	**$ 28,720.07**	**$ 27,494.55**	**$ 25,481.11**	**$ 25,965.27**
Fiduciary net position as a percentage of total pension liability	39.05%	40.71%	41.27%	42.04%	39.57%
Covered payroll	$ 3,642.60	$ 3,506.70	$ 3,470.20	$ 3,458.30	$ 3,513.10
Net pension liability as a percentage of covered payroll	840.59%	819.02%	792.30%	736.81%	739.10%

Required Supplementary Information

Schedule of Investment Returns

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

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
2025	6.42

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
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
2025	2,567,226	66,462	2,116,869	383,895	4,356,539	50.12

Notes to 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, 2024 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 6.35% and the end of the year total pension liability uses a single discount rate of 6.44%. 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 3.97% as of June 30, 2024, and 5.20% as of June 30, 2025.

The key assumption changes covering the past 10 years presented in the Schedule of Changes in Net Pension Liability and Related Rates are listed below. According to the provisions under Public Act 100-0023, the System is required to phase-in recognition of the financial impact of the actuarial assumption changes. Therefore, years that had no significant assumption changes may still show a balance that is being phased-in from prior years' changes.

2025 Changes in Assumptions:

- There were no significant assumption changes.

2024 Changes in Assumptions:

- 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 members.
- 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 both 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.

2023 Changes in Assumptions:

- There were no significant assumption changes.

2022 Changes in Assumptions:

- There were no significant assumption changes.

2021 Changes in Assumptions:

- The Price Inflation assumption remained the same at 2.25%.
- The assumed Rate of Investment Return decreased from 6.75% to 6.50%.
- The assumed future Effective Rate of Interest (for valuation purposes) decreased from 6.75% to 6.50%.
- The Base Salary Increase/Payroll Growth Rate assumption decreased from 3.25% to 3.00%.
- The assumed COLA for Tier 2 remained the same at 1.125%.
- Mortality Rates
  - Rates were based on tables developed from public sector pension plan mortality experience (Pub–2010) and the most recent MP–2020 projection scale.
  - The Teachers table was used for the Academic members, and the General Employee table was used for Non-Academic members.

Notes to Required Supplementary Information

- Slightly lower turnover rates were assumed.
- Lower rates of disability were assumed for Academic members, and higher rates were assumed for Non-Academic members.
- Updated plan election assumptions:
  - Academic: 55% Tier 2 , 45% RSP
  - Non-Academic: 75% Tier 2, 25% RSP

2020 Changes in Assumptions:

- There were no significant assumption changes.

2019 Changes in Assumptions:

- There were no significant assumption changes.

2018 Changes in Assumptions:

- The Price Inflation assumption decreased from 2.75% to 2.25%.
- The assumed Rate of Investment Return decreased from 7.25% to 6.75%.
- The assumed future Effective Rate of Interest (for valuation purposes) decreased from 7.25% to 6.75%.
- The Base Salary Increase/Payroll Growth Rate assumption decreased from 3.75% to 3.25%.
- Assumed disability rates decreased.
- Mortality Rates
  - Maintained the RP-2014 mortality table with projected generational mortality improvement.
  - Updated the projection scale from the MP–2014 to the MP–2017 scale.

2017 Changes in Assumptions:

- There were no significant assumption changes.

2016 Changes in Assumptions:

- There were no significant assumption changes.

Schedule of Contributions from Employers and Other Contributing Entities

The actuarial assumptions and methods used to determine contributions for the year ended June 30, 2025 are based on the June 30, 2023 actuarial valuation and are described below:

Valuation Date	June 30, 2023
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	21 years remaining for fiscal year 2025 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–2020 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, 2025

Schedule of Administrative Expenses	
Personnel services	$ 19,858,602
Professional services	4,909,794
Communications	463,039
Surety bonds and insurance	539,979
Equipment service and rental	281,368
Building operations, maintenance, office rental	449,713
Miscellaneous	413,850
Depreciation and amortization	1,640,266
TOTAL ADMINISTRATIVE EXPENSES	**$ 28,556,611**

Schedule of Payments for Professional Services	
Actuary	$ 227,675
IT consulting and services	2,794,874
Other consulting	507,304
Third-party administrator	397,813
Temporary staffing services	344,358
Death audit services	173,453
Legal services	464,317
TOTAL PROFESSIONAL SERVICES	**$ 4,909,794**

Summary Schedule of Investment Expenses
For the Year Ended June 30, 2025

Schedule of Investment Expenses	
Investment manager fees	$ 126,842,436
Security lending fees	562,300
Master trustee and custodian	875,000
Investment consultants	952,500
Investment legal fees	371,582
Investment administrative expenses	2,405,355
TOTAL INVESTMENT EXPENSES	**$ 132,009,173**

Investment-related fee detail can be found in the Investment section.

Other Supplementary Information

Combining Statement of Fiduciary Net Position as of June 30, 2025
Custodial Funds

	Retirement Savings Plan	Deferred Compensation Plan	Total
ASSETS			
Cash and short-term investments	$ 7,474,402	$ 325,706	$ 7,800,108
Receivables			
Members	3,326,661	1,591,447	4,918,108
Federal, trust funds, and other	30,864	-	30,864
Pending investment sales	197,599	-	197,599
Interest and dividends	46,828	-	46,828
Total receivables	3,601,952	1,591,447	5,193,399
Investments, at fair value			
Equity investments	5,250,308	-	5,250,308
Fixed income investments	3,794,761	-	3,794,761
Real asset investments	1,776,761	-	1,776,761
Alternative investments	4,759,123	-	4,759,123
Total investments	15,580,953	-	15,580,953
Securities lending collateral	1,450,833	-	1,450,833
TOTAL ASSETS	**28,108,140**	**1,917,153**	**30,025,293**
LIABILITIES			
Securities lending collateral	1,450,833	-	1,450,833
Payable to brokers for unsettled trades	119,475	-	119,475
Reverse repurchase agreements	3,147	-	3,147
Investment expenses payable	4,226	-	4,226
Administrative expenses payable	72,969	53,969	126,938
Contributions due to third-party administrator	10,670,798	1,863,184	12,533,982
TOTAL LIABILITIES	**12,321,448**	**1,917,153**	**14,238,601**
FIDUCIARY NET POSITION			
Restricted for other governments	15,786,692	-	15,786,692
TOTAL FIDUCIARY NET POSITION	**$ 15,786,692**	**$ -**	**$ 15,786,692**

Other Supplementary Information

Combining Statement of Changes in Fiduciary Net Position for the Year Ended June 30, 2025
Custodial Funds

	Retirement Savings Plan	Deferred Compensation Plan	Total
ADDITIONS			
Contributions			
Employers	$ 14,809,582	$ 76,791	$ 14,886,373
Non-employer contributing entity	95,404,445	536,708	95,941,153
Members	126,905,386	53,408,966	180,314,352
Total contributions	237,119,413	54,022,465	291,141,878
Investment Income			
Net appreciation in fair value of investments	1,444,740	-	1,444,740
Interest	278,534	-	278,534
Dividends	400,387	-	400,387
Securities lending	10,282	-	10,282
	2,133,943	-	2,133,943
Less investment expense			
Asset management expense	161,215	-	161,215
Securities lending expense	690	-	690
Net investment income	1,972,038	-	1,972,038
TOTAL ADDITIONS	**239,091,451**	**54,022,465**	**293,113,916**
DEDUCTIONS			
Contributions sent to third-party administrator	238,874,300	53,485,757	292,360,057
Administrative expense	1,311,942	536,708	1,848,650
TOTAL DEDUCTIONS	**240,186,242**	**54,022,465**	**294,208,707**
Net decrease	**(1,094,791)**	**-**	**(1,094,791)**
Fiduciary Net Position Beginning of year	16,881,483	-	16,881,483
FIDUCIARY NET POSITION END OF YEAR	**$ 15,786,692**	**$ -**	**$ 15,786,692**

INVESTMENT

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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, 2024 through June 30, 2025

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:

Michael Wilkins VP, 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 16, 2025

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, 2025, 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, 2025, the defined benefit plan was valued at approximately $25.2 billion while the RSP and DCP were valued at approximately $4.9 billion and $131.5 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 2025 was characterized by modest growth, driven by steady consumer spending and a resilient job market, though inflation remained above the Federal Reserve's target. Unemployment remained low, but wage growth slowed, indicating potential cooling in the labor market. The new presidential administration, which took office halfway through the fiscal year, has made a number of changes to fiscal and trade policies. Stock markets experienced some significant volatility in the spring as a result of some of these policy changes but continue to reach new highs.

In the first half of fiscal year 2025, the Federal Reserve continued its cautious approach to monetary policy, with rate cuts in September, November, and December as a response to signs of slowing growth. At the June 30 fiscal year end, inflation was slightly below 3% and unemployment was just over 4%. The yield on the 10-year U.S. Treasury bond at fiscal year-end was 4.24%, down approximately 0.10% over the past year, indicating investors are still relatively convinced that we will see continued economic stability.

For the fiscal year-end, the Dow Jones U.S. Total Stock Market Index returned 13.1% while the more tech-heavy NASDAQ Composite Index returned 14.3%. Fiscal year 2025 was another year in which the technology sector relatively outperformed, with companies like Nvidia (NVDA), Tesla (TSLA), and Broadcom (AVGO) all posting yearly returns near or above 20%. Interest in Artificial Intelligence ("AI") has not seemed to waver after being thrust into the spotlight during fiscal year 2024.

Outside the U.S., the broadest measure of stock markets, the MSCI All Country World Index excluding USA Index, saw a return of 14.5%, slightly outperforming U.S. markets. This trend was noticed throughout the fiscal year and is due at least in part to the added economic uncertainty surrounding tariffs.

Geopolitical risk still remains relatively high, with the conflict in Ukraine still ongoing, as well as regional conflict in the Middle East. Tensions and uncertainty continue between China and many of its neighbors, especially Taiwan. Elections in the U.K., Japan, and France saw governments change, and the presidential election in the U.S. proved to have global implications almost immediately as markets began to price in information about the new administration's priorities.

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.

Report of Investment Activity

In fiscal year 2025, the Investment Committee, assisted by our investment consultant and the investment team, engaged in a new asset-liability process over the course of several meetings. The new asset allocation targets for the next three to five-year cycle have a lower target to equities, eliminate TIPS, and increase our allocations to fixed income (both public and private), risk-reducing assets, and private equity. With the same overall predicted volatility our expected return has increased slightly due to a more efficient allocation of risk given current valuation levels. The investment staff is working diligently to reallocate assets to these new targets.

One of the most important changes made in 2021, during the prior study, was a shift to a new portfolio structure that was designed to protect the System's assets and to minimize the impact of near-term negative surprises. The new asset allocation study slightly increased the allocation to these assets. These portfolios help to protect SURS assets when markets fall, such as during 2022, but result in weaker overall performance during strong equity markets like those seen in fiscal year 2023 and 2024.

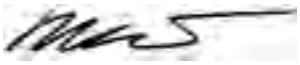
The SURS investment portfolio produced modest returns over the course of the fiscal year with its defensive posture keeping total portfolio risk in check. The portfolio returned 6.4%, net of fees, outperforming the policy benchmark return of 6.1%. From a long-term perspective, the SURS portfolio has performed well, earning a 7.8% annualized rate of return over the past 30 years, exceeding the 7.6% policy portfolio return and matching the 7.8% actuarial assumed rate of return in effect over that time.

Key accomplishments during fiscal year 2025 include the completion of the asset-liability study, the addition of new portfolios in the equity asset class that improve our return/risk balance, searches for fixed income managers to implement the larger allocation to the asset class, the implementation of a new risk measurement and portfolio analytics software platform, three external hires to fill vacancies, a change in the fund structure of one of the options in the RSP and DCP which decreases costs for our members, 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.

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 $11.7 billion, or 47.5%, of the total fund, up 0.7% since the end of fiscal 2024.

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 March 2025, increasing the allocations to fixed income, private credit, and the Crisis Risk Offset portfolio, while decreasing our investment in public equities and TIPS. These changes are anticipated to provide a slightly higher return at a similar total risk level as our previous asset allocation targets.

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).

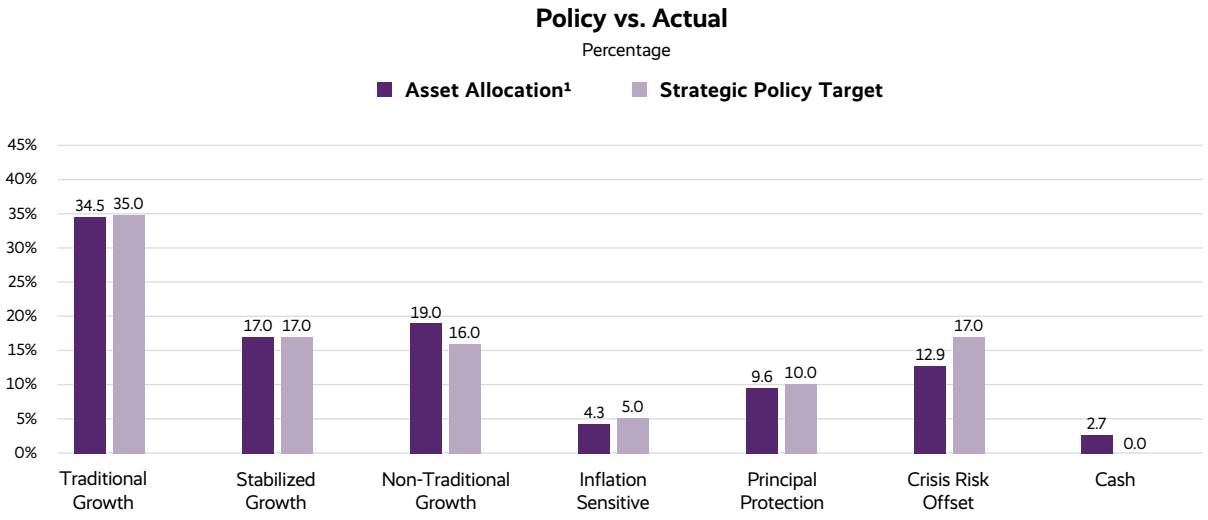
The following table shows the sub-asset classes from June 30, 2025, mapped into the appropriate functional class:

	Functional Asset Class	Allocation
Growth Oriented	**Traditional Growth**	**34.5%**
	Global Equity	34.5
	Stabilized Growth	**17.0**
	Core Real Assets	6.4
	Public Credit Fixed Income	6.0
	Private Credit	4.6
	Non-Traditional Growth	**19.0**
	Private Equity	14.0
	Non-Core Real Assets	5.0
Diversifying	**Inflation Sensitive**	**4.3**
	U.S. TIPS	4.3
	Principal Protection	**9.6**
	Core Fixed Income	9.6
	Crisis Risk Offset	**12.9**
	Systematic Trend Following	6.3
	Alternative Risk Premia	3.4
	Long Duration	1.6
	Long Volatility	1.3
	Tail Risk	0.3
Cash	**Cash**	**2.7**
	Cash	1.9
	Overlay	0.8

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



(1) Asset allocation is not overlay adjusted.

Long-Term Investment Results
For the 10-year period ended June 30, 2025, SURS total fund earned an annualized total return, net of all investment management expenses, of 7.0%. This exceeded the policy portfolio benchmark by 0.3% 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, 2025, the strategic policy portfolio is comprised of the benchmarks shown below:

Strategic Policy Portfolio

Asset Class	Benchmark	Strategic Target
Traditional Growth	MSCI ACWI IMI	35.0%
Stabilized Growth		
Public Credit Fixed Income	Custom blended benchmark[1]	4.0
Private Credit	Custom blended benchmark[2]	5.0
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]	5.0
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		
	2021	2022	2023	2024	2025	3 yrs	5 yrs	10 yrs
Total Fund								
State Univ. Retirement NEW	23.8%	(1.4)%	5.3%	8.3%	6.4%	6.7%	8.2%	7.0%
SURS Policy Benchmark	24.4	(4.9)	6.1	9.0	6.1	7.0	7.7	6.7
CPI U	5.4	9.1	3.0	3.0	2.4	5.8	3.9	2.7
Traditional Growth								
SURS Total Traditional Growth	40.5	(14.9)	16.2	19.0	16.0	17.1	13.9	10.3
Performance Benchmark	40.9	(16.5)	16.1	18.4	15.9	16.8	13.4	9.9
Stabilized Growth (Inception 9/30/2019)								
SURS Total Stabilized Growth	13.1	0.1	0.1	2.7	5.8	2.8	4.3	-
Performance Benchmark	11.9	(2.6)	1.8	0.1	6.4	2.8	3.4	-
Core Real Assets	8.6	31.6	(7.3)	(7.1)	0.5	(4.7)	4.3	4.8
Core Real Assets Blend	1.5	26.9	(3.7)	(10.3)	3.4	(3.7)	2.8	5.1
Public Credit Fixed Income (Inception 9/30/2019)	10.3	(13.3)	7.2	10.7	9.2	9.0	4.4	-
SURS Credit Fixed Income Blend	9.5	(14.2)	6.5	9.2	8.6	8.1	3.5	-
Private Credit[1] (Inception 6/30/2020)	-	14.0	5.2	13.4	9.7	8.3	10.0	-
SURS Private Credit Blend	-	(8.0)	11.1	12.4	9.9	11.1	7.9	-
Non-Traditional Growth								
SURS Total Non-Traditional Growth	42.3	26.2	(1.6)	4.0	6.2	2.8	14.3	11.3
Performance Benchmark	43.5	11.4	(4.3)	16.3	7.2	6.0	13.8	11.2
Non-Core Real Assets	3.3	23.6	5.2	1.5	1.4	2.7	6.7	7.2
Non-Core Real Assets Blend	4.1	25.4	0.3	(6.5)	3.3	(1.0)	4.8	6.6
Private Equity[1]	60.8	28.8	(3.0)	5.0	8.0	3.1	16.7	12.7
SURS Total PE Blend	59.9	8.1	(5.8)	25.3	8.1	8.5	17.2	12.7
Inflation Sensitive								
SURS Total Inflation Sensitive	6.5	(5.1)	(1.4)	2.7	5.8	2.3	1.6	2.5
Inflation Sensitive Blend	6.5	(5.1)	(1.4)	2.7	5.8	2.3	1.6	2.1
TIPS	6.5	(5.1)	(1.4)	2.7	5.8	2.3	1.6	2.6
BB Barclays U.S. TIPS	6.5	(5.1)	(1.4)	2.7	5.8	2.3	1.6	2.7
Principal Protection								
SURS Total Principal Protection	(0.2)	(6.8)	(0.8)	2.9	6.6	2.8	0.2	2.0
Performance Benchmark	(0.7)	(7.6)	(1.2)	2.9	6.4	2.7	(0.2)	1.9
Crisis Risk Offset (Inception 11/30/2019)								
SURS Total Crisis Risk Offset ex Tail Risk	(0.1)	12.2	0.9	3.4	(13.0)	(4.2)	(0.3)	-
Performance Benchmark	6.6	8.4	1.3	(3.2)	(14.0)	(5.6)	(0.6)	-
Systematic Trend Following (Inception 11/30/2019)	14.2	26.0	2.1	2.5	(21.2)	(6.2)	3.5	-
CS Mngd Fut Liq 15% Volatility	29.8	23.6	0.0	(7.0)	(25.7)	(11.6)	2.1	-
Long Duration (Inception 12/03/2019)	(11.0)	(18.4)	(6.7)	(5.5)	1.5	(3.6)	(8.2)	-
BBG Barclays U.S. Long Govt	(10.4)	(18.4)	(6.8)	(5.6)	1.6	(3.7)	(8.2)	-
Alternative Risk Premia (Inception 11/30/2019)	(3.6)	8.5	3.6	15.0	5.9	8.0	5.7	-
90 Day T-Bills + 2%	2.1	2.4	6.4	7.7	6.8	6.9	5.0	-
Long Volatility (Inception 6/30/2022)	-	-	(3.2)	(1.9)	(6.4)	(3.8)	-	-
CBOE Eureka Long Vol Hdg Fd	-	-	(6.0)	(0.2)	2.1	(2.3)	-	-

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, 2025 ($ in thousands)

	Investment Fees	Fair Value
Traditional Growth		
U.S. Equity Managers		
RhumbLine Advisers	$ 174	$ 2,364,924
Subtotal	**174**	**2,364,924**
Non-U.S. Equity Managers		
Ativo Capital Management	886	237,941
GlobeFlex Capital	2,129	503,090
Man Numeric	69	280,494
Nipun Capital	737	113,945
Solstein Capital	413	127,850
Strategic Global Advisors	1,321	372,034
William Blair	770	106,343
Subtotal	**6,325**	**1,741,697**
Global Equity Managers		
Ariel Investments	1,414	313,407
BlackRock	2,658	1,627,394
EARNEST Partners	1,640	354,087
Mondrian Investment Partners	1,702	414,445
Strategic Global Advisors	766	276,947
T. Rowe Price	2,008	513,918
Wellington Management Company	2,115	704,184
Xponance	1,762	390,159
Subtotal	**14,065**	**4,594,541**
Stabilized Growth		
Option Strategies Managers		
Pacific Alternative Asset Management Company	9	1,233
Subtotal	**9**	**1,233**
Core Real Asset Managers		
Blackstone Group	2,013	202,957
BlackRock	1,023	57,005
Carlyle Property Partners	2,126	254,895
Clarion Partners	1,396	178,787
GI Partners	765	63,479
Heitman Capital Management	1,898	267,119
IFM Investors	866	122,648
J.P. Morgan Asset Management	1,506	196,164
Prologis	1,590	164,237
UBS Realty Investors	555	84,493
Subtotal	**13,738**	**1,591,784**
Credit Ex Dedicated EMD Managers		
Bivium Capital Partners	2,168	431,444
Neuberger Berman	1,938	742,364
Pacific Investment Management Company	1,193	344,292
Subtotal	**5,299**	**1,518,100**
Private Credit Managers		
Meketa Investment Group (Discretionary Advisor)	395	-
Ares Management	2,331	197,339
Atalaya Capital Management	197	73,962
Brightwood Capital Advisors	157	48,347
Castlelake	-	23,449
Crayhill Capital Management	267	31,272
Fortress Capital Formation	385	36,705
HPS Specialty	374	29,814
Intermediate Capital Group	293	38,044
Neuberger Berman	2,306	201,998
Pemberton Asset Management	245	25,939

Investment Fees and Asset Allocation

Schedule of Investment Fees and Asset Allocation, June 30, 2025 ($ in thousands) (continued)

	Investment Fees	Fair Value
Pacific Investment Management Company	$ 1	$ -
Silver Point Specialty Credit	215	40,687
Silver Rock Financial	2,720	305,000
Sixth Street Partners	901	58,463
Turning Rock Partners	523	66,942
Subtotal	**11,310**	**1,177,961**
Non-Traditional Growth		
Non-Core Real Asset Managers		
Alinda Capital Partners	-	23
Basis Investment Group	931	61,485
Blackstone Group	2,581	106,043
Blue Vista Capital Management	177	3,946
Brasa Capital Management	630	46,954
Brookfield Asset Management	2,612	119,800
Cabot Properties	1,407	95,124
Crow Holdings Realty Partners	1,093	59,822
Dune Real Estate Partners	974	104,600
Ember Infrastructure Partners	1,579	50,380
Franklin Templeton Real Estate Advisors	415	61,269
Homestead Capital	1,397	79,052
Longpoint Realty Partners	1,335	89,152
Long Wharf Capital	1,174	47,771
Macquarie Infrastructure Partners	942	116,650
Newport Capital Partners	112	8,173
Oaktree Capital Management	121	9,722
Pantheon Ventures	811	81,554
StepStone Group	72	9,987
Torchlight Investors	1,261	59,343
Westbrook Partners	869	52,765
Subtotal	**20,493**	**1,263,615**
Private Equity Managers		
Adams Street Partners	2,937	800,946
Aksia (Discretionary Advisor)	670	-
Advent International	374	17,397
Altaris Capital Partners	41	27,097
Avance Investment Management	428	19,168
Base10 Partners	1,465	46,544
Bregal Sagemount	1,174	60,750
Clearlake Capital Partners	1,350	85,549
Cortec Group	960	42,652
GGV Capital	1,084	44,291
Great Hill Equity Partners	278	13,898
Greenbriar Equity Group	357	12,871
Harvest Partners	916	92,867
Hg Capital	1,006	84,204
Inflexion Private Equity Partners	309	17,175
MBK Partners	379	58,744
Nautic Partners	570	25,461
Nordic Capital	739	44,056
Oak HC-FT Partners	1,336	55,839
OceanSound Partners	485	76,988
One Equity Partners	776	47,904
One Rock Capital	160	34,089
Orchid Asia Group	599	14,444
PAI Partners	719	24,736
Reverence Capital Partners	384	76,865
Rubicon Technology Partners	1,029	47,515

Investment Fees and Asset Allocation

Schedule of Investment Fees and Asset Allocation, June 30, 2025 ($ in thousands) (continued)

	Investment Fees	Fair Value	
Stellex Capital Management	$ 609	$ 33,762	
Thoma Bravo	-	104,466	
TorreyCove Co-Investment	437	452,410	
Turn/River Capital	-	802	
Fairview Capital Partners	918	152,435	
Mesirow Financial Investment Management	1,384	408,761	
Muller and Monroe Asset Management	400	106,428	
Pantheon Ventures	1,572	532,268	
Progress Venture Capital	-	1,110	
Subtotal	**25,845**	**3,664,492**	
Inflation Sensitive			
Treasury Inflation-Protected Securities Managers			
RhumbLine Advisers	79	1,074,648	
Subtotal	**79**	**1,074,648**	
Principal Protection			
Fixed Income Managers			
Cash	384	484,040	
Garcia Hamilton & Associates	594	599,032	
LM Capital Group	643	607,511	
Pugh Capital Management	547	608,839	
Ramirez Asset Management	710	605,657	
Subtotal	**2,878**	**2,905,079**	
Crisis Risk Offset			
Systematic Trend Following Managers			
Aspect Capital	2,991	596,799	
Campbell & Company	2,760	569,846	
UBS Asset Management	378	-	
Longtail Alpha	1,983	369,884	
Subtotal	**8,112**	**1,536,529**	
Long Duration Managers			
RhumbLine Advisers	29	414,364	
Subtotal	**29**	**414,364**	
Alternative Risk Premia Managers			
Pacific Investment Management Company	6,267	575,551	
Versor Investments	1,909	274,831	
Subtotal	**8,176**	**850,382**	
Tail Risk			
Longtail Alpha	4,091	74,228	
Subtotal	**4,091**	**74,228**	
Long Volatility			
One River Asset Management	4,823	336,115	
Subtotal	**4,823**	**336,115**	
Cash Overlay			
Parametric Portfolio Associates	1,396	247,623	
Subtotal	**1,396**	**247,623**	
TOTAL FUND	**$ 126,842**	**$ 25,357,315**	(a) (b)

(a) Amount includes net pending transactions of $125,366 and accrued investment income receivable of $75,146.

(b) Amount represents total SURS investments, of which $25,167,068 is for the defined benefit pension plan; $166,741 is for the other employee benefit plan; and $23,506 is for the custodial funds.

Investment Fees and Allocation

Retirement Savings Plan
Fiscal year 2025 marks the twenty-seventh complete year of the Retirement Savings Plan (RSP). As of June 30, 2025, RSP members had $4.9 billion invested in the plan. This represents an increase of approximately $597 million since the end of fiscal year 2024. 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 71.3% equity, 26.0% fixed income, and 2.7% 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. 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, 2025 ($ in thousands)

	U.S. Equity	Non-U.S. Equity	Global Equity	Fixed Income	Balanced	Real Estate	Total
Voya Investment Options							
SURS Fixed Account	$ -	$ -	$ -	$ 67,332	$ -	$ -	$ 67,332
Vanguard Federal Mny Mkt Fd Inv	-	-	-	1,526	-	-	1,526
SURS Multi-Sector Bond Fund	-	-	-	24,239	-	-	24,239
SURS High Yield Bond Fund	-	-	-	17,041	-	-	17,041
SURS U.S. ESG Core Bond Fund	-	-	-	4,697	-	-	4,697
SURS U.S. Inflation Protected Bond Fund	-	-	-	23,573	-	-	23,573
SURS Non-U.S. Growth Equity Fund	-	36,600	-	-	-	-	36,600
SURS Non-U.S. Value Equity Fund	-	17,221	-	-	-	-	17,221
SURS U.S. Small-Mid Cap Growth Fund	40,770	-	-	-	-	-	40,770
SURS U.S. Small-Mid Cap Value	20,367	-	-	-	-	-	20,367
SURS Lifetime Income Strategy [1]	-	-	1,744,411	181,258	1,432,528	113,287	3,471,484
SURS U.S. Core Bond Index Fund	-	-	-	59,305	-	-	59,305
SURS U.S. Large Cap Equity Index Fund	546,742	-	-	-	-	-	546,742
SURS U.S. Small-Mid Cap Equity Index Fund	82,449	-	-	-	-	-	82,449
SURS Non-U.S. Equity Index Fund	-	49,740	-	-	-	-	49,740
SURS U.S. REIT Index Fund	-	-	-	-	-	20,435	20,435
SURS Global ESG Equity Fund	-	-	28,335	-	-	-	28,335
Voya Total	**$ 690,328**	**$ 103,561**	**$ 1,772,746**	**$ 378,971**	**$ 1,432,528**	**$ 133,722**	**$ 4,511,856**
TIAA-CREF Investment Options[2]							
CREF Money Market Account R3	-	-	-	7,744	-	-	7,744
TIAA Traditional Annuity	-	-	-	137,024	-	-	137,024
CREF Bond Market Account R3	-	-	-	14,321	-	-	14,321
CREF Inflation-Linked Bond Account R3	-	-	-	7,497	-	-	7,497
CREF Social Choice Account R3	-	-	-	-	24,929	-	24,929
CREF Growth Account R3	516	-	-	-	-	-	516
CREF Stock Account R3	103,451	-	-	-	-	-	103,451
CREF Global Equities Account R3	-	-	30,863	-	-	-	30,863
TIAA Real Estate Account	-	-	-	-	-	2,162	2,162
CREF Equity Index Account R3	58,723	-	-	-	-	-	58,723
TIAA-CREF Total	**$ 162,690**	**$ -**	**$ 30,863**	**$ 166,586**	**$ 24,929**	**$ 2,162**	**$ 387,230**
GRAND TOTAL	**$ 853,018**	**$ 103,561**	**$ 1,803,609**	**$ 545,557**	**$ 1,457,457**	**$ 135,884**	**$ 4,899,086**

(1) As of June 30, 2025, 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, 2025, DCP participants had $131.5 million invested in the plan. This represents an increase of approximately $64.1 million since the end of fiscal year 2024. DCP participants maintain a balanced exposure to equities. In aggregate, the total funds invested by DCP participants have an allocation of 79.1% equity, 17.6% fixed income, and 3.3% 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, 2025 ($ in thousands)

	U.S. Equity	Non-U.S. Equity	Global Equity	Fixed Income	Balanced	Real Estate	Total
Voya Investment Options							
SURS Fixed Account	$ -	$ -	$ -	$ 2,450	$ -	$ -	$ 2,450
Vanguard Federal Mny Mkt Fd Inv	-	-	-	17	-	-	17
SURS Multi-Sector Bond Fund	-	-	-	888	-	-	888
SURS High Yield Bond Fund	-	-	-	982	-	-	982
SURS U.S. ESG Core Bond Fund	-	-	-	182	-	-	182
SURS U.S. Inflation Protected Bond Fund	-	-	-	1,015	-	-	1,015
SURS Non-U.S. Growth Equity Fund	-	1,462	-	-	-	-	1,462
SURS Non-U.S. Value Equity Fund	-	1,205	-	-	-	-	1,205
SURS U.S. Small-Mid Cap Growth Fund	1,951	-	-	-	-	-	1,951
SURS U.S. Small-Mid Cap Value	1,414	-	-	-	-	-	1,414
SURS Lifetime Income Strategy	-	-	54,031	4,044	24,442	2,817	85,334
SURS U.S. Core Bond Index Fund	-	-	-	1,337	-	-	1,337
SURS U.S. Large Cap Equity Index Fund	24,564	-	-	-	-	-	24,564
SURS U.S. Small-Mid Cap Equity Index Fund	3,357	-	-	-	-	-	3,357
SURS Non-U.S. Equity Index Fund	-	2,312	-	-	-	-	2,312
SURS U.S. REIT Index Fund	-	-	-	-	-	1,506	1,506
SURS Global ESG Equity Fund	-	-	1,492	-	-	-	1,492
TOTAL	**$ 31,286**	**$ 4,979**	**$ 55,523**	**$ 10,915**	**$ 24,442**	**$ 4,323**	**$ 131,468**

Supporting Schedules

TEN LARGEST U.S. EQUITY HOLDINGS (excludes commingled funds)	**Shares**	**Fair Value**
Microsoft Corp	483,655	$ 240,574,834
Nvidia Corp	1,453,946	229,708,929
Apple Inc	806,928	165,557,418
Amazon.com Inc	614,051	134,716,649
Meta Platforms Inc Class A	149,421	110,286,146
Alphabet Inc Class A	488,646	86,114,085
Broadcom Inc	277,854	76,590,455
Netflix Inc	35,815	47,960,941
Alphabet Inc Class C	258,106	45,785,423
Mastercard Inc Class A	79,385	44,609,607

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**
Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	1,061,214	$ 38,507,697
Sony Group Corporation (Japan)	973,361	25,135,079
Roche Holdings AG (Switzerland)	74,978	24,339,592
Novartis AG (Switzerland)	193,451	23,372,089
SK Hynix Inc (Republic of Korea)	102,958	22,276,034
British American Tobacco PLC (United Kingdom)	465,782	22,103,790
SAP SE (Germany)	72,876	22,083,569
Tencent Holdings Ltd (Cayman Islands)	334,084	21,406,911
Tesco PLC (United Kingdom)	3,546,826	19,504,759
Check Point Software Technologies Ltd (Israel)	84,994	18,804,923

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+	1.250%	August 15, 2031	$ 88,815,000	$ 75,978,457
U.S. Treasury Notes	AA+	3.000	July 31, 2029	51,515,000	49,343,723
U.S. Treasury Notes	AA+	1.875	February 15, 2032	56,020,000	49,210,069
U.S. Treasury Notes	AA+	2.125	January 15, 2035	42,523,000	43,929,798
U.S. Treasury Notes	AA+	3.500	April 30, 2028	43,300,000	43,064,894
U.S. Treasury Notes	AA+	2.375	May 15, 2027	43,513,000	42,437,073
U.S. Treasury Notes	AA+	1.875	July 15, 2034	39,989,000	40,914,099
U.S. Treasury Inflation-Indexed Notes	AA+	1.750	January 15, 2034	37,497,000	38,789,649
U.S. Treasury Notes	AA+	4.125	October 31, 2026	38,000,000	38,105,391
U.S. Treasury Notes	AA+	4.375	November 30, 2030	37,055,000	38,013,219

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, 2025

Investment Brokerage Firm	Commission	Shares Traded	Commission per Share
Cabrera Capital Markets	$ 23,620	3,476,604	$ 0.01
Loop Capital Markets	19,298	2,376,300	0.01
ITG (Investment Technology Group)	8,662	1,732,151	0.01
Penserra Securities	846	70,581	0.01
Instinet	350	24,182	0.01
Williams Capital Group	50	3,293	0.02
TOTAL	**$ 52,826**	**7,683,111**	**$ 0.01**

Summary Schedule of International Equity Investment Commissions
For the Year Ended June 30, 2025

Investment Brokerage Firm	Commission	Shares Traded	Commission per Share
Northern Trust Securities	$ 321,617	78,911,867	$ 0.00
Penserra Securities	179,570	36,307,538	0.00
North South Capital	161,453	35,684,789	0.00
Goldman Sachs	68,710	9,494,577	0.01
UBS	28,194	3,180,504	0.01
Merrill Lynch	27,922	3,124,217	0.01
Morgan Stanley	17,185	1,244,220	0.01
Loop Capital Markets	14,482	1,298,090	0.01
TOTAL	**$ 819,133**	**169,245,802**	**$ 0.00**

Supporting Schedules

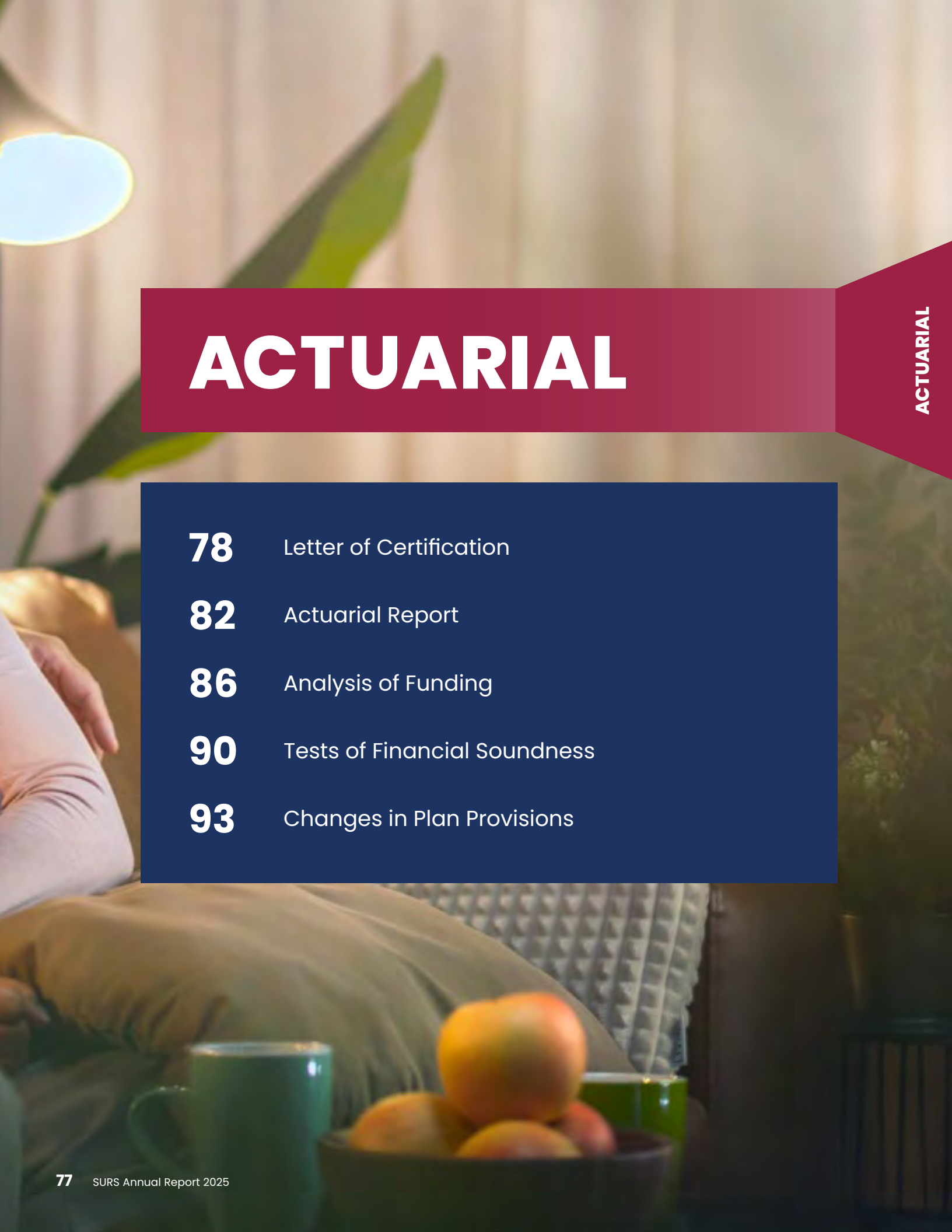
Summary Schedule of Global Equity Investment Commissions
For the Year Ended June 30, 2025

Investment Brokerage Firm	Commission	Shares Traded	Commission per Share
Loop Capital Markets	$ 123,466	13,183,622	$ 0.01
UBS	102,544	25,566,530	0.00
Jefferies Group LLC	87,281	6,939,876	0.01
Morgan Stanley	84,677	11,170,092	0.01
Cabrera Capital Markets	76,086	17,158,054	0.00
Nomura	65,582	5,284,625	0.01
JP Morgan Chase & Company	64,804	6,815,156	0.01
Penserra Securities	63,126	3,422,633	0.02
Mischler Financial Group	57,566	5,194,544	0.01
Goldman Sachs	48,992	3,810,444	0.01
Auerbach Grayson & Company	46,205	27,341,028	0.00
Bank of America	43,541	2,265,312	0.02
Cowen & Company	38,493	2,010,082	0.02
Bank of America Securities	37,709	5,972,801	0.01
CLSA Ltd (Credit Lyonnais Securities Asia)	35,686	24,195,687	0.00
Citigroup Global Markets	35,515	3,740,657	0.01
Barclays	32,402	1,945,095	0.02
Sanford C. Bernstein	30,973	2,566,167	0.01
Northern Trust Securities	30,472	135,870,745	0.00
BNP Paribas	27,606	2,211,323	0.01
Macquarie Securities	24,731	2,392,339	0.01
North South Capital	22,743	2,482,644	0.01
Siebert Brandford Shank & Company	19,419	908,342	0.02
Guzman & Company	18,501	742,400	0.02
Capital Institutional Services, Inc (CAPIS)	17,745	1,350,897	0.01
Piper Sandler	17,031	1,263,377	0.01
Merrill Lynch	16,812	1,394,754	0.01
RBC Capital Markets	16,761	1,274,784	0.01
CastleOak Securities	15,926	836,811	0.02
Toronto Dominion Bank	15,555	848,772	0.02
AllianceBernstein	15,441	4,688,818	0.00
JonesTrading Institutional Services	14,361	175,161	0.08
Tigress Financial Partners	14,004	1,353,945	0.01
Sumitomo Mitsui Banking Corporation	13,730	1,569,900	0.01
Mizuho Securities	13,109	1,072,529	0.01
Virtu Financial Capital Markets	12,694	3,316,810	0.00
Royal Bank of Canada	12,448	753,240	0.02
Evercore Partners	12,093	804,612	0.02
Instinet	11,617	1,413,477	0.01
William Blair & Company	11,182	324,028	0.03
Wolfe Trahan Securities	10,074	340,276	0.03
Wells Fargo Advisors	9,675	341,908	0.03
Liquidnet	9,534	2,786,636	0.00
Redburn Partners	9,329	477,482	0.02
Bank of Montreal	8,649	720,790	0.01
HSBC	7,952	1,162,086	0.01
Stifel, Nicolaus & Company	7,677	300,721	0.03
Stonex Financial, Inc	7,385	221,839	0.03
Daiwa Securities Group	7,117	305,807	0.02
Kepler Capital Markets	6,090	740,133	0.01
All Other Brokers	100,175	7,229,540	0.01
TOTAL	**$ 1,632,286**	**350,259,331**	**$ 0.00**

Supporting Schedules

Summary Schedule of Fixed Income Investment Brokerage
For the Year Ended June 30, 2025

Investment Brokerage Firm	Fair Value Traded
Academy Securities	$ 1,845,556,113
Wells Fargo Advisors	557,145,973
Barclays	381,934,376
Cabrera Capital Markets	375,263,633
CastleOak Securities	354,156,693
JP Morgan Chase & Company	340,651,176
Morgan Stanley	277,039,716
Goldman Sachs	271,822,942
Loop Capital Markets	159,198,248
Bank of America	157,175,846
MFR Securities	154,172,136
Stonex Financial, Inc	138,922,319
Citigroup Global Markets	133,593,369
Siebert Brandford Shank & Company	113,541,589
Deutsche Bank	91,978,009
Great Pacific Securities	91,573,546
Jane Street Execution Services, LLC	70,854,058
Jefferies Group LLC	69,093,810
Bank of America Securities	57,147,421
Roberts & Ryan Investments	52,377,194
Citibank	51,979,522
Nomura	51,293,422
HSBC	47,046,814
Mizuho Securities	41,868,312
MarketAxess	40,485,592
BNP Paribas	38,501,100
Royal Bank of Canada	37,032,135
RBC Capital Markets	33,848,909
Williams Capital Group	32,664,293
Penserra Securities	25,514,033
TD Securities	22,594,325
Citadel Securities	22,126,845
Mitsubishi UFJ Securities	19,946,171
R Seelaus & Company	19,783,548
UBS	18,191,098
BMO Capital Markets	17,790,123
Mischler Financial Group	17,473,278
Tradeweb Direct	17,009,894
Stifel, Nicolaus & Company	16,494,352
KeyBanc Capital Markets	14,117,555
Stephens	13,271,420
Santander Investment Securities	12,372,152
NatWest Markets Securities Inc	10,596,683
U.S. Bancorp	10,018,492
Seaport Group	9,917,074
Robert W. Baird & Company	9,460,095
Raymond James & Associates	9,402,213
BCP Securities	8,958,129
Millennium Advisors	8,154,284
Daiwa Capital Markets Singapore Ltd	7,840,315
All Other Brokers	135,154,973
TOTAL	**$ 6,514,105,318**



ACTUARIAL

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Letter of Certification

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December 9, 2025

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, 2025. GRS provided the June 30, 2025 actuarial valuation report to the Board of Trustees on October 24, 2025. 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.

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.

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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 6.44% for fiscal year ending June 30, 2025. Liabilities as of June 30, 2024, projected to June 30, 2025, 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, 2025, 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.

Letter of Certification

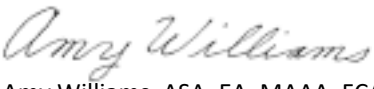
Future actuarial measurements may differ significantly from the current measurements presented in this actuarial valuation due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; 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.

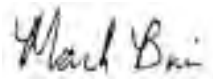
The signing actuaries are independent of the plan sponsor.

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, ASA, EA, MAAA, FCA
Senior Consultant



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

Kevin Noelke, ASA, MAAA, FCA
Consultant

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.

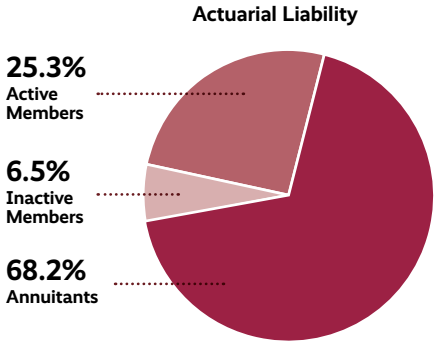
Actuarial Cost Method
For financial reporting, the entry age actuarial cost method is applied in accordance with the Governmental Accounting Standards Board (GASB) Statements 67 and 68. For purposes of determining the System's funding calculation of the non-employer contributing entity and employer contribution, 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 2025 was 11.98%. 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, 2025 ($ in millions)

ACTUARIAL LIABILITY (RESERVES)	
For members receiving annuities	$ 36,780.5
For inactive members	3,493.1
For active members	13,658.3
Total	53,931.9
Actuarial value of assets available for benefits	25,413.6
Unfunded actuarial accrued liability	**$ 28,518.3**



As of June 30, 2025, the Unfunded Actuarial Accrued Liability (UAAL) to be amortized was $28,518,294,000.

Analysis of Financial Experience for Fiscal Year Ended June 30, 2025 ($ in millions)

Investment return	$ (310.7)
Salary increases	73.2
Age and service retirement differences	(64.2)
Termination differences	12.5
Mortality and disability differences	9.2
Benefit recipient differences	36.9
Other actuarial differences	129.7
Total actuarial gain	**$ (113.4)**

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

Unfunded actuarial accrued liability at June 30, 2024	$ 28,512.8
Expected increase in unfunded actuarial accrued liability	118.9
Total actuarial gain	(113.4)
Unfunded actuarial accrued liability at June 30, 2025	**$ 28,518.3**

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) using female rates multiplied by 103% and male rates multiplied by 96%.

  Non-Academic: Pub–2010 Healthy Retiree Mortality Table (for General Employees) using female rates multiplied by 104% and male rates multiplied by 102%.

  Police: Pub–2010 Healthy Retiree Mortality Table (for Safety Employees) using no adjustments to male or female rates.

  Future mortality improvements are reflected by projecting the base mortality tables from 2010 using the MP–2021 projection scale.

Actuarial Report

Annual Compensation Increases

Years of Service	Academic		Non-Academic	
	Under Age 50	50 and Older	Under Age 50	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			Early (Reduced) Retirement	
	Police	Academic	Non-Academic	Academic	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			Early (Reduced) Retirement	
	Police	Academic	Non-Academic	Academic	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	-	-

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 2025

State appropriations	$ 1,901,868,847
State pension fund	215,000,000
Federal/trust/employer funds/other	66,461,785
Total	**$ 2,183,330,632**

Reconciliation to Total State Appropriations

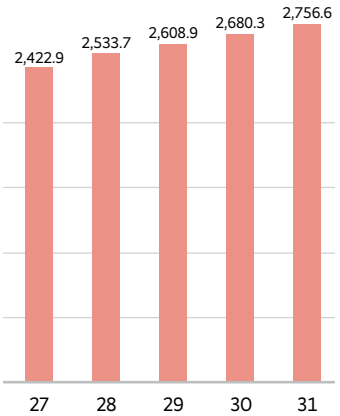
State appropriations received:	
Defined benefit pension plan	$ 2,116,868,847
Custodial funds	95,941,153
Total State appropriations received	**$ 2,212,810,000**

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, 2025 actuarial valuation.

Projected Required Contribution

Fiscal Year	Assumed % of Payroll	Required Payroll ($ in billions)	Contribution ($ in millions)
2027	38.4%	$ 6.31	$ 2,422.9
2028	39.0	6.50	2,533.7
2029	38.9	6.70	2,608.9
2030	38.8	6.90	2,680.3
2031	38.8	7.11	2,756.6

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
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
2025	2,915.7	348.5	2,567.2	2,183.3	85.0	86.8

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
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
2025	25,413.6	53,931.9	28,518.3	47.1	4,356.5	654.6

For fiscal year 2025, if calculated using fair value of assets of $25,182.6 the funding ratio is 46.7%.

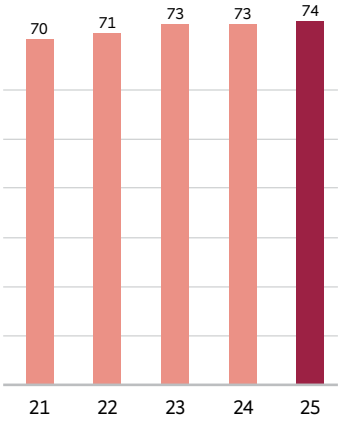
(A) Per Public Act 96-0043, beginning fiscal year 2009, measures of financial soundness will be calculated using an actuarial value of assets based on a smoothed investment income rate. Investment income in excess or shortfall of the expected 6.5% rate on fair value is smoothed over a five-year period 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
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
2025	73,303	3,236	2,602	73,937

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
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
2025	25,980	37,808	63,788	1.1	67,252	3.8	46.7	10.0

Analysis of Funding

Analysis of Change in Membership

Fiscal Year	Beginning Members	Additions	Retired	Died	Other Terminations	Ending Members
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
2025	63,063	8,296	1,274	103	6,194	63,788

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
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
2025	73,303	3,236	193,575,735	2,602	(103,013,185)	73,937	3,168,434,583	42,853	2.4

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)
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
2025	2,915.7	348.5	2,567.2	66.5	2,116.9	85.0

(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)

Fiscal Year	Net Position at Cost	Net Position at Market/ Actuarial Value of Assets (A)	Actuarial Funding Requirement	Funding Ratio	
				Cost	Market/Actuarial
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
2025	20,967.2	25,413.6	53,931.9	38.9	47.1

(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.

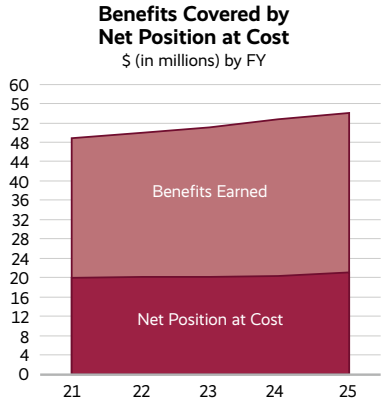
Percentage of Benefits Covered by Net Position ($ in millions)

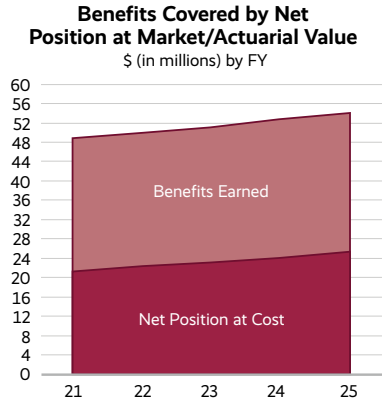
Fiscal Year	Member Accumulated Contributions {1} (A)	Members Currently Receiving Benefits {2} (A)	Active/ Inactive/ Members/ Employer's Portion {3} (A)	Net Position/ Actuarial Value of Assets (B)	% of Benefits Covered by Net Position/Actuarial Value of Assets {1}	{2}	{3}
2016	$ 6,145.8	$ 27,342.2	$ 7,435.3	$ 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	-
2025	7,436.6	36,780.5	9,714.8	25,413.6	100.0	48.9 (C)	-

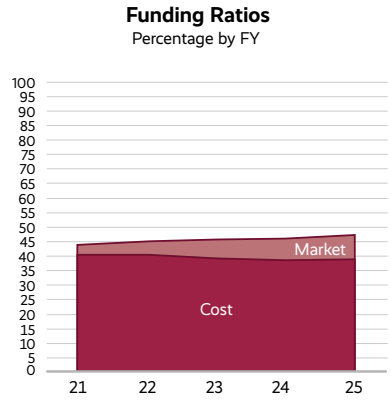
(A) A test of financial soundness of the System is its ability to pay all promised benefits when due. The columns are in the order that assets would be used to cover certain types of obligations. Column 1 represents the value of members' accumulated contributions, which would be refunded first. Column 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 2025, the percentage of benefits covered by net position would decrease to 48.2%.







Tests of Financial Soundness

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

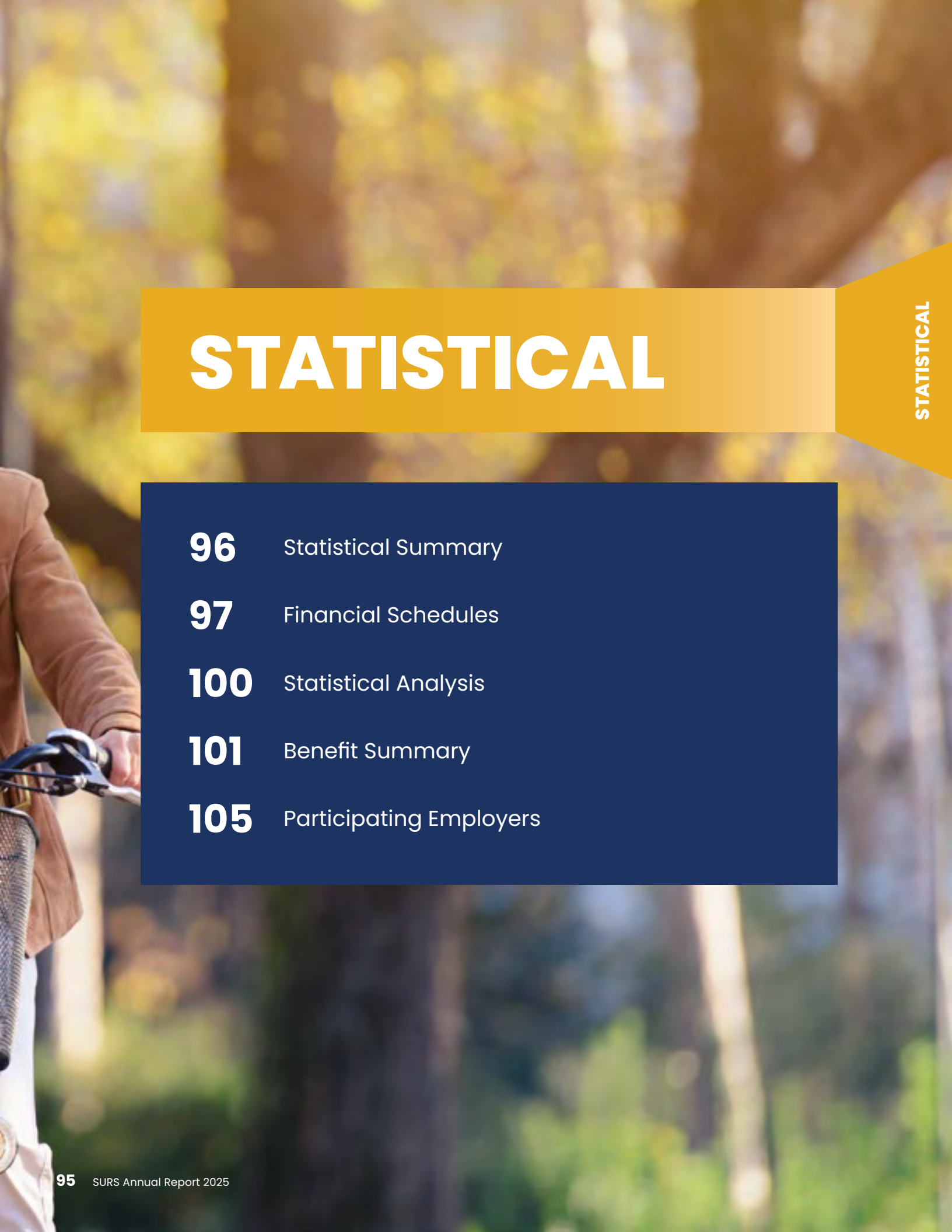
Payroll Percentages: Fiscal Year 2016–2025 ($ in millions)

		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
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
2025	4,356.5	28,518.3	654.6	502.7	11.5	2,413.0	2,915.7	66.9	2,183.3	50.1

(A) Actuarially determined normal cost less member contributions.

Changes in Plan Provisions

There were no changes in the SURS benefit provisions in fiscal year 2025. The plan summary can be found in the Notes to the Financial Statements.



STATISTICAL

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101 Benefit Summary

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Statistical Summary

The tables in this section present detailed information on benefit payments and recipients, member and employer contributions, employer contribution rates and the largest SURS employers.

Financial Trends – Page 97–99
These schedules contain information that allows the reader to view the change in net position and benefit and refund deductions from net position over a multi-year period. The information shows the inflows and outflows of resources for the different plans, and if those resources have increased or decreased over a multi-year period, which indicates financial health and operational performance.

Demographics of Benefit Recipients and SURS Employees – Page 100
These schedules help the reader understand characteristics of the specific groups of benefit recipients and the number of active SURS employees working to provide benefits to all members over a 10-year period.

New Benefit Payments by Type – Page 101
This schedule shows the average benefit payments made to new retirees in the past year, and it breaks down the information by age and benefit type.

Average Benefit Payments by Years of Credited Service and Year of Retirement – Page 102
This schedule shows the number of retirees by their years of credited service. It also shows their average monthly annuity benefit and final average salary when they retired.

Participating Employers – Page 103
These schedules allow the reader to view the 10 largest participating employers of SURS for the Defined Benefit Pension Plan and the Retirement Savings Plan. The reader can also view the percentages of total membership covered by the largest employers in the current year compared to nine years ago.

Benefit Recipients by Type of Benefit – Page 104
This schedule shows beneficiary counts by monthly amount of benefit and type.

Financial Schedules

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

Fiscal Year	Member Contributions	Investment Income/(Loss)	Employer Contributions		Total
			Amount	% of Payroll	
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
2025	348.5	1,607.9	2,183.3	50.1	4,139.7

DEDUCTIONS

Fiscal Year	Benefits	Contribution Refunds	Administrative Expenses	Total	Changes in Fiduciary Net Position
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
2025	3,185.2	85.4	26.7	3,297.3	842.4

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
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
2025	2,898.5	252.2	17.7	6.1	10.7	3,185.2

REFUND DEDUCTIONS BY TYPE

Fiscal Year	Withdrawals	Survivor Ins Refunds	Death Benefits	Portable Lump Sum Retirement	Total
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
2025	44.9	6.6	23.0	10.9	85.4

Financial Schedules

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
2025	9.7	-	9.7

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
2025	2.5	7.2

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
2025	180.3	2.0	110.8	293.1

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)
2025	292.4	1.8	294.2	(1.1)

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
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
2025	10,241	474	3,679	62,900	322

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
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
2025	17.00	20.00	93.00	50.00	5.00	185.00

Benefit Summary

Schedule of New Benefit Payments–Defined Benefit Pension Plan
July 1, 2024 through June 30, 2025

	Retirement		Disability		Survivor	
Age	Number	Average Monthly Benefit (A)	Number	Average Monthly Benefit (A)	Number	Average Monthly Benefit (A)
Under 10	-	$ -	-	$ -	6	$ 576
10–14	-	-	-	-	3	355
15–19	-	-	-	-	4	359
20–24	-	-	-	-	7	768
25–29	-	-	1	2,722	1	1,002
30–34	-	-	1	5,193	2	957
35–39	-	-	4	2,514	2	102
40–44	-	-	10	2,335	3	1,470
45–49	7	4,163	16	2,566	4	537
50–54	63	4,466	23	2,381	10	1,348
55–59	470	2,738	20	2,851	22	1,116
60–64	684	2,565	17	2,241	44	2,135
65–69	605	2,803	8	3,096	81	1,757
70–74	302	2,790	3	2,388	151	1,837
75–79	66	3,431	-	-	201	2,011
80–84	21	3,488	-	-	179	2,370
85–89	4	7,321	-	-	115	2,779
90–94	2	13,001	-	-	63	2,900
95–99	-	-	-	-	11	2,136
Over 99	-	-	-	-	-	-
TOTALS	**2,224**	**$ 2,808**	**103**	**$ 2,565**	**909**	**$ 2,120**

Average Age—Retirement 64.0 years
Average Age—Disabilitant 53.6 years
Average Age—Survivors 75.5 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, 2025

	Years of Credited Service						
	0–10	11–15	16–20	21–25	26–29	30+	Total
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							18.25
Fiscal Year 2025							
Number of Retirees	17,739	9,300	9,311	10,159	8,673	7,718	62,900
Avg Monthly Annuity	$ 1,011	$ 2,115	$ 3,377	$ 4,968	$ 6,519	$ 8,281	$ 3,815
Final Average Salary	$ 46,723	$ 49,114	$ 61,162	$ 69,522	$ 78,508	$ 87,592	$ 62,316
Avg Service Credit	6.57	13.33	18.53	23.37	27.99	32.11	18.21

Benefit Summary

Number of Covered Employees by Employer–Defined Benefit Pension Plan

Participating Employer	Year ended June 30, 2025 Covered Employees	Year ended June 30, 2025 % of Total SURS Membership	Year ended June 30, 2016 Covered Employees	Year ended June 30, 2016 % of Total SURS Membership
University of Illinois Chicago	13,560	21.3%	11,421	17.2%
University of Illinois Urbana-Champaign	10,579	16.6	9,723	14.7
City Colleges of Chicago	4,247	6.7	4,878	7.4
Southern Illinois University Carbondale	3,979	6.2	3,929	5.9
Illinois State University	2,768	4.3	2,693	4.1
Northern Illinois University	2,201	3.4	2,657	4.0
College of DuPage	2,110	3.3	2,319	3.5
Southern Illinois University Edwardsville	1,835	2.9	2,005	3.0
College of Lake County	1,252	2.0	N/A*	N/A*
Elgin Community College	977	1.5	N/A*	N/A*
Triton College	N/A**	N/A**	1,261	1.9
Western Illinois University	N/A**	N/A**	1,364	2.1
Subtotal, 10 largest employers	**43,508**	**68.2%**	**42,250**	**63.8%**
All other employers	**20,280**	**31.8%**	**23,995**	**36.2%**
TOTAL	**63,788**	**100.0%**	**66,245**	**100.0%**

*In fiscal year 2016, this entity did not rank in the Top Ten.
**In fiscal year 2025, this entity did not rank in the Top Ten.

Number of Covered Employees by Employer–Retirement Savings Plan

Participating Employer	Year ended June 30, 2025 Covered Employees	Year ended June 30, 2025 % of Total SURS Membership	Year ended June 30, 2016 Covered Employees	Year ended June 30, 2016 % of Total SURS Membership
University of Illinois Urbana-Champaign	3,661	25.9%	2,671	22.5%
University of Illinois Chicago	3,512	24.8	2,223	18.7
Southern Illinois University Carbondale	1,015	7.2	813	6.8
Illinois State University	655	4.6	615	5.2
Northern Illinois University	610	4.3	648	5.5
Southern Illinois University Edwardsville	458	3.2	415	3.5
City Colleges of Chicago	308	2.2	378	3.2
College of DuPage	296	2.1	338	2.8
William Rainey Harper College	262	1.8	N/A*	N/A*
Western Illinois University	203	1.4	299	2.5
Triton College	N/A**	N/A**	96	0.8
Subtotal, 10 largest employers	**10,980**	**77.5%**	**8,496**	**71.5%**
All other employers	**3,183**	**22.5%**	**3,384**	**28.5%**
TOTAL	**14,163**	**100.0%**	**11,880**	**100.0%**

*In fiscal year 2016, this entity did not rank in the Top Ten.
**In fiscal year 2025, 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, 2025

Monthly Amount of Benefit	Total Recipients	General Formula	Money Purchase	Police or Fire	Other (A)	Long-Term Disability	Temporary Disability	Survivors
$ 0–500	10,992	4,874	3,894	-	40	8	4	2,172
501–1000	8,356	3,438	2,893	-	6	56	7	1,956
1,001–1,500	6,725	2,713	2,643	1	-	153	32	1,183
1,501–2,000	5,775	2,199	2,578	-	-	54	99	845
2,001–2,500	5,118	1,798	2,464	-	-	18	134	704
2,501–3,000	4,516	1,473	2,364	1	-	14	56	608
3,001–3,500	4,075	1,245	2,234	3	-	13	31	549
3,501–4,000	3,762	1,071	2,179	7	-	2	31	472
4,001–4,500	3,315	991	1,832	13	-	-	17	462
4,501–5,000	2,840	878	1,595	12	1	2	18	334
5,001–5,500	2,377	826	1,258	15	-	2	19	257
5,501–6,000	1,964	659	1,094	19	-	-	7	185
6,001–7,000	3,319	1,176	1,839	37	-	-	10	257
7,001–8,000	2,526	970	1,407	30	-	-	3	116
8,001–9,000	2,100	852	1,160	29	-	-	3	56
9,001–10,000	1,620	640	937	7	-	-	1	35
10,001–11,000	1,220	524	666	12	-	-	-	18
11,001–12,000	942	424	505	5	-	-	1	7
12,001–13,000	637	304	326	-	-	-	-	7
13,001–14,000	518	251	259	-	-	-	1	7
14,001–15,000	366	191	171	1	-	-	-	3
15,001–16,000	238	106	128	1	-	-	-	3
Over 16,000	636	371	259	1	-	-	-	5
TOTAL	**73,937**	**27,974**	**34,685**	**194**	**47**	**322**	**474**	**10,241**

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

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(c) Members
ILCS Section 15-107(i) 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

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