

***Teachers' Retirement System of the State of Kentucky
Retirement Annuity Trust
Quarterly Investment Information Update
September 30, 2024***

TRS invests the members' funds in several diverse classes of assets, including equities, bonds, real estate, and alternative investments. This diversification helps TRS earn the highest possible long-term rate of return within appropriate risk levels. In turn, this enables TRS to pay guaranteed benefits to members and their beneficiaries at the lowest possible cost to participating employers and the taxpayers that fund them.

Generally, TRS's liabilities will not be paid for as many as 30 to 40 years. Therefore, as a long-term investor, TRS's holdings can withstand some short-term volatility. TRS's long-term investment objective is to achieve an annualized rate of return of 7.1%. For the 20-year period ended September 30, 2024, TRS's annualized return was 7.81%.

The TRS Board of Trustees regularly reviews asset allocations and adjusts them as necessary. TRS's current asset allocation as of September 30, 2024, is reflected in the following schedule:

| Asset Class | Percent of Assets in Category |
|-------------------------------------|-------------------------------|
| Domestic and international equities | 60.2 |
| Fixed income | 13.3 |
| Additional categories | 10.4 |
| Alternative investments | 7.9 |
| Real estate | 6.4 |
| Cash equivalents | 1.8 |
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TRS updates this information regularly after the end of each quarter.