

Teachers' Retirement System of the State of Kentucky
Retirement Annuity Trust
Quarterly Investment Information Update
June 30, 2026

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 ending June 30, 2026, TRS's annualized return was 8.28 %.

The TRS Board of Trustees regularly reviews asset allocations and adjusts them as necessary. TRS's current asset allocation as of June 30, 2026, is reflected in the following schedule:

Asset Class	Percent of Assets in Category
Domestic and international equities	63.3
Fixed income	12.3
Additional categories	9.5
Alternative investments	8.2
Real estate	5.6
Cash equivalents	1.1

TRS updates this information regularly after the end of each quarter.