



Component Unit Financial Report
For Fiscal Years Ended
June 30, 2025 and 2024

TABLE OF CONTENTS

	Page
Independent Auditors' Reports	
Report on Financial Statements.....	1
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	4
Management's Discussion and Analysis	6
Basic Financial Statements	
Statements of Fiduciary Net Position.....	11
Statements of Changes in Fiduciary Net Position	12
Notes to Financial Statements	13
Required Supplementary Information	
Schedules of Changes in Net Pension Liability	49
Schedules of Employers' Net Pension Liability.....	53
Schedules of Employer Contributions	54
Schedules of Investment Returns.....	55
Schedules of the System's Proportionate Share of the Collective Total OPEB Liability	56
Notes to Required Supplementary Information.....	57
Supporting Schedules	
Schedules of Administrative Expenses	60
Schedules of Investment Expenses	61
Schedules of Board Compensation.....	62
Schedules of Professional/Consultant Fees	63

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Louisiana State Employees' Retirement System
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Louisiana State Employees' Retirement System (LASERS), a component unit of the State of Louisiana, which comprise of the statements of fiduciary net position as of June 30, 2025 and 2024, and the related statements of changes in fiduciary net position for the years ended, and the related notes to the financial statements, which collectively comprise the LASERS' basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the LASERS, as of June 30, 2025 and 2024, and the changes in fiduciary net position for the years 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the LASERS 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 Matters

As disclosed in Note D to the financial statements, the financial statements include investments that are not listed on national exchanges, or for which quoted market prices are not available. These investments include emerging market equity, emerging market debt, global multi-sector funds, private markets, absolute returns, and a portion of the commingled investment funds' domestic bonds balance. Such investments estimated fair value totaled approximately \$7.0 billion and \$6.3 billion (37.58% of total assets) at June 30, 2025 and 2024, respectively. Where a publicly listed price is not available, the management of LASERS' uses alternative sources of information including audited financial statements, unaudited interim reports, and similar evidence to determine the fair value of the investments. Our opinion is not modified with respect to this matter.

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As disclosed in Note A to the financial statements, the total pension liability for the LASERS was approximately \$21.7 billion and \$21.4 billion at June 30, 2025 and 2024, respectively. The actuarial valuations were based on various assumptions made by the LASERS' actuary. Because actual experience may differ from the assumptions used in the actuarial valuation, there is a risk that the total pension liability at June 30, 2025 and 2024 could be materially different from the estimate. 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 LASERS' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 LASERS' 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 LASERS' 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 and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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.

Supporting Schedules

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the LASERS' basic financial statements. The supporting schedules, as listed in the table of contents, 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 presented 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 auditing standards generally accepted in the United States of America. In our opinion, the supporting schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2025, on our consideration of LASERS' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the LASERS' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the LASERS' internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
September 22, 2025



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Louisiana State Employees' Retirement System
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements, which comprise the statement of fiduciary net position as of June 30, 2025, and the related statement of changes in fiduciary net position for the year then ended, of the Louisiana State Employees' Retirement System (LASERS), a component unit of the State of Louisiana, and the related notes to the financial statements, which collectively comprise the LASERS' basic financial statements, and have issued our report thereon dated September 22, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the LASERS' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the LASERS' internal control. Accordingly, we do not express an opinion on the effectiveness of the LASERS' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the LASERS' financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the LASERS' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the LASERS' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the LASERS' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
September 22, 2025



Management's Discussion and Analysis

The following is management's discussion and analysis of the financial performance of the Louisiana State Employees' Retirement System (LASERS or the System). This narrative overview and analysis help to interpret the key elements of the financial statements, notes to the financial statements, required supplementary information, and supporting schedules for the current year. Readers are encouraged to consider the information presented here in conjunction with additional information provided in the Transmittal Letter of LASERS Annual Comprehensive Financial Report (ACFR).

Financial Highlights

- Net position restricted for pensions increased by \$1.3 billion.
- LASERS had a Net Pension Liability of \$4.5 billion and the Net Pension Liability as a percentage of covered payroll was 189.7% as of June 30, 2025.
- Net investment income experienced a gain of \$1.8 billion for 2025 and 2024.
- Total contributions decreased by \$126 million or 10.7% to \$1.1 billion in 2025.
- Benefit payments increased by \$33.9 million or 2.2% to \$1.6 billion in 2025.
- Refund and transfer payments of member contributions decreased by \$575,371 or 1.5% to \$37.3 million in 2025.

Overview of the Financial Statements

The System's basic financial statements were prepared in conformity with Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*, and include the following: (1) statements of fiduciary net position, (2) statements of changes in fiduciary net position, (3) notes to the financial statements, (4) required supplementary information, and (5) the supporting schedules.

The Statements of Fiduciary Net Position report the System's assets, liabilities, deferred inflows/outflows, and resultant net position restricted for pensions. They disclose the financial position of the System as of June 30, 2025, and 2024, respectively.

The Statements of Changes in Fiduciary Net Position report the results of the System's operations during years 2025 and 2024 disclosing the additions to and deductions from the fiduciary net position. They support the change that has occurred to the prior year's net position on the statement of fiduciary net position.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the financial statements.

- Note A provides a general description of LASERS organization, employer and membership participation, net pension liability of employers, actuarial methods and assumptions, eligibility, benefits, and the optional retirement plan.
- Note B provides a summary of significant accounting policies and plan position matters including the basis of accounting, securities lending, estimates, methods used to value investments, compensated absences, postemployment benefits other than pensions, and property and equipment.
- Note C provides information regarding member and employer contribution requirements.
- Note D categorizes LASERS investments by fair value measurements, the level of fair value hierarchy, and valuation techniques established by generally accepted accounting principles. It also discloses information regarding certain investments whereby fair value is reported at net asset value per share and provides a description of related asset classes.
- Note E describes LASERS deposits and investment risk disclosures, which include custodial credit risk, concentration of credit risk, credit risk, interest rate risk, and foreign currency risk.
- Note F describes the System's cash and investments, and includes information regarding bank balances, investments including the investment policy and rate of return, domestic and international equity, domestic core fixed income, global multi-sector/opportunistic credit, derivatives, and alternative investments.
- Note G provides information regarding the securities lending program.
- Note H provides information on total other postemployment benefits (OPEB).

Required Supplementary Information consists of five schedules and related notes concerning changes in net pension liability, employers' net pension liability, employer contributions, and investment returns. It also includes a schedule of proportionate share of the collective total OPEB liability. The related notes disclose key historical actuarial assumptions and methods used in the schedules.

The *Supporting Schedules* section includes the schedules of administrative expenses, investment expenses, board compensation, and professional/consultant fees.

Financial Analysis

LASERS financial position is measured in several ways. One way is to determine the fiduciary net position (difference between total assets plus deferred outflows and total liabilities plus deferred inflows) available to pay benefits. Over time, increases and decreases in the LASERS fiduciary net position indicate whether its financial health is improving or deteriorating. Other factors, such as financial market conditions and the measurement of its net pension liability, should also be taken into consideration when measuring LASERS overall health.

The following table illustrates a condensed version of LASERS Statements of Fiduciary Net Position for fiscal years ending 2025, 2024, and 2023. LASERS fiduciary net position as of June 30, 2025 and 2024, totaled \$17,223,211,406 and \$15,966,194,298, respectively. All of the fiduciary net position is available to meet LASERS ongoing obligations to members, retirees, and beneficiaries.

Condensed Comparative Statements of Fiduciary Net Position

	2025	2024	2023
Cash and Cash Equivalents	\$ 155,547,390	\$ 151,035,155	\$ 504,148,596
Receivables	147,267,712	175,586,154	186,608,234
Investments	16,986,733,220	15,706,538,331	13,870,632,376
Securities Lending Cash Collateral	1,295,674,514	835,926,581	952,914,519
Capital Assets (at cost) - Net	4,397,562	4,960,178	5,233,502
Total Assets	18,589,620,398	16,874,046,399	15,519,537,227
Deferred Outflows of Resources	2,165,625	2,264,613	2,789,757
Accounts Payable and Other Liabilities	70,156,670	69,760,654	64,034,288
Securities Lending Obligations	1,295,377,133	835,732,249	952,795,025
Total Liabilities	1,365,533,803	905,492,903	1,016,829,313
Deferred Inflows of Resources	3,040,814	4,623,811	6,503,882
Net Position Restricted for Pensions	\$ 17,223,211,406	\$ 15,966,194,298	\$ 14,498,993,789

For the fiscal year ended June 30, 2025, the fiduciary net position was approximately \$17.2 billion. This reflected an increase of \$1,257,017,108 from the previous fiscal year-end, which is attributed to investment asset growth of \$1,280,194,889. In 2025, OPEB deferred outflows decreased by 4.4% to \$2,165,625, and deferred inflows decreased by 34.2% to \$3,040,814, primarily due to the changes to the assumed discount rate, healthcare trend rates, and an unfavorable per capita claims cost experience. In the one-year period from June 30, 2023, to June 30, 2024, LASERS fiduciary net position increased by \$1,467,200,509, due to \$1,835,905,955 in investment asset growth because of improved economic conditions.

LASERS maintains its commitment to a broadly diversified portfolio. Carefully underwritten and conservative assumptions for future expected returns have been adopted, and the investment portfolio is structured to optimize the risk-return trade-off. This is achieved by conducting thorough reviews of the Plan's asset allocation on, at minimum, an annual basis. LASERS continues to believe that it is well-positioned to meet its long-term goals.

Condensed Comparative Statements of Changes in Fiduciary Net Position

	2025	2024	2023
Additions			
Employer Contributions	\$ 860,497,177	\$ 966,275,149	\$ 913,548,946
Employee Contributions	196,825,655	186,150,061	179,418,188
Legislative Acts Income (Loss)	(1,031,292)	30,121,925	376,542,786
Net Investment Income	1,796,819,283	1,847,213,745	1,380,564,101
Other Income	14,616,568	14,356,874	16,002,426
Total Additions	2,867,727,391	3,044,117,754	2,866,076,447
Deductions			
Retirement Benefits	1,553,431,878	1,519,526,833	1,550,226,215
Refunds and Transfers of Contributions	37,321,400	37,896,771	37,249,292
Administrative Expenses and OPEB	19,059,683	18,611,933	17,351,722
Depreciation and Amortization Expenses	897,322	881,708	835,569
Total Deductions	1,610,710,283	1,576,917,245	1,605,662,798
Net Increase in Net Position	1,257,017,108	1,467,200,509	1,260,413,649
Net Position Restricted for Pensions			
Beginning of Year	15,966,194,298	14,498,993,789	13,238,580,140
End of Year	<u>\$ 17,223,211,406</u>	<u>\$ 15,966,194,298</u>	<u>\$ 14,498,993,789</u>

Additions to Fiduciary Net Position

The revenues needed to finance retirement benefits are accumulated primarily through the collection of employer and employee contributions and earnings on investments. Revenue for the fiscal year ended June 30, 2025, totaled \$2,867,727,391. The revenue consisted of employer and employee contributions totaling \$1,057,322,832, legislative acts loss of (\$1,031,292), net investment income of \$1,796,819,283, and other income of \$14,616,568. In 2025, our investment portfolio completed the fiscal year with a gross-of-fees rate of return-on-investment assets of 12.4%. The plan earned an annualized return of 12.7% for the three-year period, 12.5% for the five-year period, and 8.4% for the ten-year period. LASERS experienced a total net investment income of \$1,796,819,283 in 2025, compared to a total net investment income of \$1,847,213,745 in 2024 and a total net investment income of \$1,380,564,101 in 2023. The net investment income for all periods are attributed to improved economic conditions from which LASERS strategic asset allocation positioning benefited.

During 2025, combined employer and employee contribution income decreased from 2024 by \$95,102,378 due to decreases in the employer contribution rate. Legislative acts income, which are legislatively appropriated contributions to cover unfunded accrued pension liabilities, decreased by \$31,153,217. Employer contributions, which include contributions based on covered payroll, decreased \$105,777,972 or 10.9%, and member contributions increased \$10,675,594, or 5.7%. The decrease in legislative acts income was primarily the result of a reduced appropriation and overestimating excess mineral revenue by \$1,041,600 in 2024.

For the year ended June 30, 2024, total additions increased by \$178,041,307 over fiscal year 2023. The increased revenue was due primarily to a net investment gain of \$466.6 million offset by a reduction in legislative acts income of \$346.4 million from 2023. Combined contributions increased by 5.4%, and other income decreased by 10.3%. Our investment portfolio completed the fiscal year with a rate of return-on-investment assets of 14.0%.

Deductions from Plan Assets

LASERS was created to provide lifetime retirement, survivor, and disability benefits to qualified LASERS members. The cost of such programs includes recurring benefit payments, refund of contributions to employees who left the System, and the cost of administering LASERS.

Deductions for the fiscal year ended June 30, 2025, totaled \$1,610,710,283, an increase of approximately 2.1% over June 30, 2024. For the fiscal year ending June 30, 2024, deductions were \$1,576,917,245, a decrease of 1.8% over June 30, 2023. The increase in deductions for fiscal year 2025 can primarily be attributed to benefits paid increasing by \$33.9 million from 2024. The decrease in deductions for fiscal year 2024 is primarily a result of benefits paid decreasing by \$30.7 million from 2023.

Combined administrative expenses and other postemployment benefits (OPEB) increased by \$447,750 or 2.4% for the fiscal year ending June 30, 2025, primarily a result of salary increases and a change in OPEB assumptions. In 2024, combined administrative expenses and OPEB increased by \$1,260,211 or 7.3% over the fiscal year ended 2023. The increase in 2024 can be attributed to salary increases and a change in OPEB assumptions. Details of administrative expense activity can be found in the *Schedules of Administrative Expenses* located under Supporting Schedules.

Depreciation and amortization expenses increased 1.8% for the fiscal year ended June 30, 2025, compared to a 5.5% increase for 2024 over 2023. The increases can be attributed to an increase in depreciable assets.

Total additions less total deductions resulted in a net increase in fiduciary net position of \$1,257,017,108 in 2025, compared to an increase of \$1,467,200,509 in 2024.

Requests for Information

This Financial Report is designed to provide a general overview of the System's finances. For questions concerning any information in this report or for additional information, contact the Louisiana State Employees' Retirement System; Attention: Fiscal Division, P. O. Box 44213, Baton Rouge, LA 70804-4213.

Louisiana State Employees' Retirement System

Statements of Fiduciary Net Position

June 30, 2025 and 2024

	2025	2024
Assets		
Cash and Cash Equivalents	\$ 155,547,390	\$ 151,035,155
Receivables:		
Employer Contributions	66,203,039	72,137,854
Member Contributions	15,685,697	14,569,250
Interest and Dividends	38,724,600	34,808,654
Investment Proceeds	19,607,199	19,361,057
Legislative Acts	10,308	28,937,137
Other	7,036,869	5,772,202
Total Receivables	147,267,712	175,586,154
Investments:		
Investments at Fair Value		
Short-Term Investments - Domestic/International	193,257,466	182,475,176
Bonds/Fixed Income - Domestic	940,923,959	848,400,244
Bonds/Fixed Income - International	2,397,146,578	2,063,495,271
Equity Securities - Domestic	5,585,490,698	5,271,546,438
Equity Securities - International	3,220,010,727	2,897,338,537
Alternative Investments	4,129,750,163	3,909,725,908
Total Investments at Fair Value	16,466,579,591	15,172,981,574
Investments at Contract Value		
Synthetic Guaranteed Investment Contract	520,153,629	533,556,757
Total Investments at Contract Value	520,153,629	533,556,757
Total Investments	16,986,733,220	15,706,538,331
Securities Lending Cash Collateral	1,295,674,514	835,926,581
Capital Assets (at cost) - Net:		
Property and Equipment	4,397,562	4,960,178
Total Assets	18,589,620,398	16,874,046,399
Deferred Outflows of Resources (OPEB)	2,165,625	2,264,613
Liabilities		
Payables:		
Investment Commitments	30,247,481	38,943,167
Trade Payables and Other Accrued Liabilities	39,909,189	30,817,487
Total Payables	70,156,670	69,760,654
Securities Lending Obligations	1,295,377,133	835,732,249
Total Liabilities	1,365,533,803	905,492,903
Deferred Inflows of Resources (OPEB)	3,040,814	4,623,811
Net Position Restricted for Pensions	\$ 17,223,211,406	\$ 15,966,194,298

The accompanying notes are an integral part of these statements.

Louisiana State Employees' Retirement System

Statements of Changes in Fiduciary Net Position

For the Periods Ended June 30, 2025 and 2024

	2025	2024
Additions (Reductions)		
Contributions:		
Employer Contributions	\$ 860,497,177	\$ 966,275,149
Employee Contributions	196,825,655	186,150,061
Legislative Acts Income (Loss)	(1,031,292)	30,121,925
Total Contributions	1,056,291,540	1,182,547,135
Investment Income:		
<i>From Investment Activities</i>		
Net Appreciation in Fair Value of Investments	1,286,322,882	1,447,109,223
Interest & Dividends	263,414,254	249,422,751
Alternative Investment Income	379,099,384	279,661,439
Miscellaneous Investment Income	1,753,655	2,087,682
Total Investment Income	1,930,590,175	1,978,281,095
<i>Investment Activity Expenses</i>		
Alternative Investment Expenses	(81,679,281)	(79,331,963)
Investment Management Expenses	(55,508,987)	(56,132,988)
Total Investment Expenses	(137,188,268)	(135,464,951)
Net Income from Investing Activities	1,793,401,907	1,842,816,144
<i>From Securities Lending Activities</i>		
Securities Lending Income	47,219,846	50,504,841
Securities Lending Expenses	(43,802,470)	(46,107,240)
Net Income from Securities Lending Activities	3,417,376	4,397,601
Total Net Investment Income	1,796,819,283	1,847,213,745
Other Operating Income	14,616,568	14,356,874
Total Additions	2,867,727,391	3,044,117,754
Deductions		
Retirement Benefits	1,553,431,878	1,519,526,833
Refunds and Transfers of Member Contributions	37,321,400	37,896,771
Administrative Expenses	18,660,104	18,568,880
Other Postemployment Benefits Expenses	399,579	43,053
Depreciation and Amortization Expenses	897,322	881,708
Total Deductions	1,610,710,283	1,576,917,245
Net Increase in Net Position	1,257,017,108	1,467,200,509
Net Position Restricted for Pensions		
Beginning of Period	15,966,194,298	14,498,993,789
End of Period	\$ 17,223,211,406	\$ 15,966,194,298

The accompanying notes are an integral part of these statements.

Notes to Financial Statements

A. Plan Description

1. General Organization

The Louisiana State Employees' Retirement System (LASERS or the System) is the administrator of a cost-sharing multi-employer defined benefit pension plan and is a component unit of the State of Louisiana included in the State's Annual Comprehensive Financial Report (ACFR) as a pension trust fund. The System was established by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401).

In accordance with Louisiana Revised Statutes, the System is subject to certain elements of oversight:

- The House and Senate Committees on Retirement review administration, benefits, investments, and funding of the public retirement systems.
- The operating budget of the System is subject to budgetary review and approval by the Joint Legislative Committee on the Budget.
- The Legislative Auditor is responsible for the procurement of audits for the public retirement systems and is authorized to contract with a licensed Certified Public Accountant (CPA) for each audit.
- Actuarial calculations and results are reviewed by the Public Retirement Systems' Actuarial Committee (PRSAC) annually.
- A thirteen-member Board of Trustees, comprised of six active members, three retired members and four ex officio members, governs the System. The Board administers the programs and appoints key management personnel including the Executive Director, Chief of Staff, Chief Administrative Officer, and the Chief Investment Officer.

2. Plan Membership

The System is one of several public retirement systems in Louisiana. Each system has specific membership requirements established by legislation, with LASERS established for state officers, employees, and their beneficiaries. Other public employers report members who retained membership in LASERS upon transfer to other public systems or as provided by specific legislation. A summary of government employers and members participating in LASERS at June 30, 2025, and 2024, are as follows:

Type of Employer	2025		2024	
	Active Employers	Active Members	Active Employers	Active Members
State Agencies	197	38,957	198	38,736
Other Public Employers	149	464	155	353
Total	346	39,421	353	39,089

Type of Active Members	2025	2024
	Member Count	Member Count
Active After DROP	1,284	1,356
Alcohol and Tobacco Control	6	7
Appellate Law Clerks	67	74
Bridge Police	3	3
Corrections	737	830
Harbor Police	8	10
Hazardous Duty	4,143	3,902
Judges	327	329
Legislators	2	2
Peace Officers	21	21
Regular State Employees	32,745	32,472
Wildlife Agents	78	83
Total Active Members	39,421	39,089

At June 30, 2025 and 2024, membership consisted of:

	2025	2024
Active Members	39,421	39,089
Regular Retirees*	41,907	41,989
Disability Retirees*	1,669	1,751
Survivors	6,435	6,308
Vested & Reciprocal	4,055	4,012
Inactive Members Due Refunds	62,698	61,372
DROP Participants	886	961
Total Membership	157,071	155,482

*For actuarial purposes, "Disability Retirees" includes members who have reached normal retirement eligibility requirements and converted to Regular Retirement; and are therefore, counted by LASERS as "Regular Retirees."

3. Net Pension Liability of Employers

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net pension liability of the System's employers determined in accordance with GASB 67 as of June 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Total Pension Liability	\$ 21,731,329,104	\$ 21,404,414,095
Plan Fiduciary Net Position	17,223,211,406	15,966,194,298
Employers' Net Pension Liability	\$ 4,508,117,698	\$ 5,438,219,797
Plan Fiduciary Net Position as a		
Percentage of Total Pension Liability	79.3%	74.6%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future. The last experience study was performed in 2024 and was based on the experience of the System for the period of July 1, 2018 through June 30, 2023. The required Schedules of Employers' Net Pension Liability located in Required Supplementary Information following the *Notes to the Financial Statements* presents multi-year trend information regarding whether the plan fiduciary net positions are increasing or decreasing over time relative to the total pension liability. The Total Pension Liability as of June 30, 2025 and 2024, is based on actuarial valuations for the same periods, updated using generally accepted actuarial procedures.

4. Actuarial Methods and Assumptions

A summary of the actuarial methods and assumptions used as of June 30, 2025 and 2024, actuarial valuations are as follows:

Valuation Date	June 30, 2025 and 2024
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years
Investment Rate of Return	7.25% per annum for 2025 and 2024.
Inflation Rate	2.40% per annum for 2025 and 2024.
Mortality	Non-disabled members - The PubG-2010 Healthy Retiree tables projected on a fully generational basis by Mortality Improvement Scale MP-2021.

Mortality (continued)

Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table with no projection for mortality improvement.

Termination, Disability, and Retirement

Termination, disability, and retirement assumptions were projected based on a five-year (2019-2023) experience study of the System's members.

Salary Increases

Salary increases were projected based on a 2019-2023 experience study of the System's members. The salary increase ranges for 2025 and 2024 specific types of members were:

Member Type	Lower Range	Upper Range
Regular	3.3%	14.0%
Judges	2.4%	4.8%
Corrections	4.4%	15.3%
Hazardous Duty	4.4%	15.3%
Wildlife	4.4%	15.3%

Cost-of-Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) 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 and by adjusting for expected inflation and an adjustment for the effect of rebalancing/diversification. The expected rate of inflation was 2.40% for 2025 and 2024. The resulting expected long-term nominal rates of return are 8.30% for 2025 and 8.15% for 2024. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2025 and 2024 are summarized in the following table:

Expected Long Term Real Rates of Return

Asset Class	2025	2024
Cash	0.85%	0.76%
Domestic Equity	4.42%	4.29%
International Equity	5.22%	5.22%
Domestic Fixed Income	2.53%	2.04%
International Fixed Income	5.37%	5.24%
Alternative Investments	7.43%	8.19%
Total Fund	5.75%	5.61%

The discount rate used to measure the total pension liability was 7.25% for June 30, 2025 and 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC, taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In accordance with GASB 67, regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the following presents the net pension liability of the participating employers calculated using the discount rate of 7.25% for June 30, 2025 and 2024, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

Changes in Discount Rate

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
2024 Employer Net Pension Liability	\$ 7,510,036,687	\$ 5,438,219,797	\$ 3,677,649,834
2025 Employer Net Pension Liability	\$ 6,862,371,620	\$ 4,508,117,698	\$ 2,940,557,110

5. Eligibility Requirements

All state employees, except those specifically excluded by statute, become members of the System's Defined Benefit Plan (DBP) as a condition of employment, unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the Governor may, at their option, become members of LASERS. Also, qualifying unclassified state employees may have made an irrevocable election to participate in the Optional Retirement Plan (ORP) between July 12, 1999 and December 7, 2007, when the plan closed. All plans are considered one pension plan for financial

reporting purposes. All assets accumulated for the payment of benefits may legally be used to pay benefits to any plan members or beneficiaries.

6. Retirement

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank-and-file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015, may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and may also retire at any age with a reduced benefit after 20 years of creditable service. Hazardous duty members are eligible to retire with 12 years of creditable service at age 55, 25 years of creditable service at any age, or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members.

Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and may also retire at any age with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate; and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

Members of the Harbor Police Retirement System who were members prior to July 1, 2014, may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment with a 3.33% accrual rate.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

7. Deferred Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized actuarial return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

For members who are in the Harbor Police Plan, the annual DROP Interest Rate is the three-year average (calculated as the compound average of 36 months) investment return of the plan assets for the period ending the June 30 immediately preceding that given date. The average rate so determined is to be reduced by a "contingency" adjustment of 0.5%, but not to below zero. DROP interest is forfeited if the member does not cease employment after DROP participation.

The DROP/IBO Reserve consists of the reserves for all members who select the DROP or IBO upon retirement. The balance in the DROP/IBO Reserve as of June 30, 2025 and 2024 was \$1,147,653,015 and \$1,143,499,843, respectively.

8. Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Members of the Harbor Police Retirement System who become disabled may receive a non-line of duty disability benefit after five years or more of credited service. Members age 55 or older may receive a disability benefit equivalent to the regular retirement benefit. Under age 55, the disability benefit is equal to 40% of final average compensation. Line of duty disability benefits are equal to 60% of final average compensation, regardless of years of credited service or 100% of final average compensation if the injury was the result of an intentional act of violence. If the disability benefit retiree is permanently confined to a wheelchair, or is an amputee incapable of serving as a law enforcement officer, or is permanently and legally blind, there is no reduction to the benefit if the retiree becomes gainfully employed.

9. Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011, who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23, if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are ten years, two years being earned immediately prior to death, and in active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the

line of duty as a result of an intentional act of violence, survivor benefits may be increased to 100% of the member's final average compensation.

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation, and cease upon remarriage, or children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse or 100% of final average compensation if the injury was the result of an intentional act of violence regardless of children. Line of duty survivor benefits cease upon remarriage, and then benefit is paid to children under 18.

10. Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

The Experience Account Reserve is used to fund COLAs. The COLA granted must be funded at 100% of the actuarial cost. The account accumulates 50% of the excess investment gain relative to the actuarial valuation rate of 7.25% after such excess return exceeds \$100,000,000 (indexed to positive changes in the actuarial value of assets beginning June 30, 2015).

If the System is at least 80% funded, the balance of the Experience Account maintains a reserve for two COLAs. However, if the System is less than 80% funded, the reserve is restricted to one COLA, based on the current allowable percentage granted for the COLA. Excess investment gains that would have otherwise gone to the Experience Account, if not for the restrictions, will be applied to the System's net pension liability. Beginning June 30, 2016, allocations to the Experience Account will be amortized over ten years. At June 30, 2025 and 2024, the balance of the Experience Account Reserve was \$234,460,897 and \$26,579,194, respectively.

Act 656 of the 2022 Regular Session of the Louisiana Legislature provided a one-time supplemental payment equal to the lesser of the retiree's or beneficiary's monthly benefit, or \$2,000. Eligibility was based on the current statutory COLA eligibility requirements. The increase in accrued liability includes the present value of the payment and is offset by funds disbursed from the Experience Account.

Effective July 1, 2023, Act 184 of the 2023 Louisiana Regular Legislative Session provides for the phasing out and termination of the Experience Account and of the diversion of the investment earnings into the account and creates a new account for accumulation of funds to pay COLAs (the COLA account). The Act establishes an additional component of the required employer contribution rate called the COLA account funding contribution or AFC rate and sets the AFC rate for Fiscal Year 2023-2024 at zero. Beginning in Fiscal Year 2024-2025, when the employer rate is scheduled to drop, half of the decrease will be added to the maximum possible AFC rate until that maximum equals 2.5%. However, for Fiscal Years 2024-2025 through 2027-2028, in the event the projected aggregate employer contribution rate is more than three percentage points lower than the aggregate employer contribution rate for Fiscal Year 2023-2024, the AFC rate will be limited by a rate schedule provided in Act 184. The rate schedule provides for a limited AFC rate of 1.5% in

Fiscal Year 2024-2025 increasing by a quarter percentage point annually up to 2.5% in Fiscal Year 2028-2029 if this contingency is met. The balance in the COLA account is capped at the amount needed to fund two increases. At June 30, 2025 and 2024, the balance of the COLA account was \$36,181,187 and \$0, respectively.

11. Optional Retirement Plan

In 1999, an Optional Retirement Plan (ORP) was established as a defined contribution component of LASERS for certain unclassified employees who otherwise would have been eligible to become members of the defined benefit plan. The ORP provides portability of assets and full and immediate vesting of all contributions submitted on behalf of members. The ORP is administered by a third-party provider with oversight from LASERS Board of Trustees. Monthly employer and employee contributions are invested as directed by the member to provide the member with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the member's working lifetime. ORP balances are held by the provider in each participant's name. These balances are included in LASERS total investments on the Statements of Fiduciary Net Position. The ORP was closed to new members on December 7, 2007. However, members in the ORP as of December 31, 2007, were granted the option by Act 718 of the 2012 Louisiana Regular Legislative Session to regain membership in the defined benefit plan. At June 30, 2025, and 2024, membership consisted of:

	2025	2024
Number of Members	33	36
Employee Contributions	\$ 38,282	\$ 39,149
Employer Contributions	\$ 177,661	\$ 212,822

The ORP Reserve consists of reserves for all members who elected to participate in the ORP and is credited with contributions made by the employee and the normal employer matching contributions for services rendered. When a member terminates service, or upon death before qualifying for a benefit, the refund of contributions is made from this reserve. Also, when a member retires, benefits are paid from this reserve. The balance of the ORP Reserve as of June 30, 2025 and 2024 was \$4,335,060 and \$4,324,809, respectively.

B. Summary of Significant Accounting Policies

1. Basis of Accounting

LASERS financial statements are prepared in conformity with accounting principles generally accepted in the United States of America using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred. Investment purchases and sales are recorded as of the trade date. State General Fund appropriations are recognized in the period when they are appropriated. Employer and member contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Administrative expenses are funded through contributions to the plan from members, and the State of Louisiana, and are subject to budgetary control of the

Board of Trustees and the Joint Legislative Committee on the Budget. Benefits and refunds are recognized when due and payable in accordance with the terms of the System.

2. Securities Lending

The System records collateral received under its securities lending agreement where the System has the ability to spend, pledge, or sell the collateral without borrower default. Liabilities resulting from these transactions are also reported. The security lending cash collateral investments are reported at fair value. Security lending income and expenses are reported as investment income and expenses in the accompanying financial statements. The Statements of Fiduciary Net Position do not include detailed holdings of securities lending collateral by investment classification.

3. Estimates

The preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of additions to and deductions from fiduciary net position during the reporting period. Actuarial valuations are used to determine the net pension liability and the total OPEB liability. Actual results could differ from those estimates. The retirement system utilizes various investment instruments, which by nature, are exposed to a variety of risk levels and risk types, such as interest rate, credit, and overall market volatility. Market volatility includes global events which could impact the value of investments, such as international conflict. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and those changes could materially affect the amounts reported in the Statements of Fiduciary Net Position.

4. Method Used to Value Investments

As required by GASB 72, investments are reported at fair value, except for investments in synthetic guaranteed investment contracts that are reported at contract value as required by GASB 53. Fair value is described as an exit price. This statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. This statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs, other than quoted prices, are included within Level 1 and are observable for the asset or liability, whether directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security. This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. These disclosures are organized by type of asset or liability. GASB 72 also requires additional disclosures regarding investments in certain entities that report net asset value as a practical expedient for fair value per share (or its equivalent). These disclosures are located in *Note D. Fair Value Disclosures*.

Short-term investments are reported at fair value when published prices are available, or at cost, which approximates fair value. Securities traded on a national or international exchange are valued

at the last reported sales price at the current exchange rate. All derivative financial instruments are reported at fair value in the Statements of Fiduciary Net Position with valuation changes recognized in income. Gains and losses are reported in the Statements of Changes in Fiduciary Net Position as net appreciation (depreciation) in fair value of investments during the period the instruments are held, and when the instruments are sold or expire. The nature and use of derivative instruments is discussed in *Note F. Cash and Investments (7)*. The fair value of investments that are organized as limited partnerships and have no readily ascertainable fair value (such as private markets and real estate) has been recorded based on the investment's capital account balance, which is reported at fair value, at the closest available reporting period, adjusted for subsequent contributions, distributions, and management fees. Because of the inherent uncertainties in estimating fair values, it is at least reasonably possible that the estimates will change in the near term. Investments that do not have an established market are reported at estimated fair value. Unrealized gains and losses are included as investment earnings in the Statements of Changes in Fiduciary Net Position.

5. Compensated Absences

LASERS recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off during or upon separation from employment. Employees of the System accumulate unlimited amounts of annual and sick leave at varying rates as established by state regulations. Upon retirement, unused annual leave in excess of 300 hours and sick leave are credited at the current pay rate as earned service in computing retirement benefits. Based on the criteria listed only annual leave qualifies for liability recognition for compensated absences. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to an employee at the employee's current rate of pay. The liability for accrued annual leave is included in trade payables and other accrued liabilities in the Statements of Fiduciary Net Position.

6. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the State of Louisiana Postretirement Benefits Plan (Plan), and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The Plan is funded on a pay-as-you-go basis and as such, there are no investments held by the Plan.

7. Property and Equipment

Property, equipment, and intangible assets such as purchased or licensed computer software are reported at historical cost. Depreciation and amortization are computed using the straight-line method based upon useful lives of 40 years for building, three to 15 years for equipment and furniture, and seven years for intangible assets. The capitalization thresholds of property and equipment are:

- Intangible Assets such as computer software developed or modified internally: \$1,000,000

- Movable Property and Equipment: \$5,000

LASERS is a 50% co-owner of the Louisiana Retirement Systems Building and related land with the Teachers' Retirement System of Louisiana. LASERS interest in the building, land, furniture, equipment, vehicles, and intangibles is reflected in the following schedules.

Changes in Property and Equipment For Period Ending June 30, 2025

	June 30, 2024	Additions	Deletions/ Transfers	June 30, 2025
Asset Class (at Cost)				
Land	\$ 858,390	\$ -	\$ -	\$ 858,390
Building	7,890,010	31,103	-	7,921,113
Furniture, Equipment, and Vehicles	3,551,536	303,603	-	3,855,139
Intangibles	13,376,839	-	-	13,376,839
Total Property and Equipment	25,676,775	334,706	-	26,011,481
Accumulated Depr. and Amort.				
Building	(6,311,534)	(350,517)	-	(6,662,051)
Furniture, Equipment, and Vehicles	(1,383,988)	(191,042)	-	(1,575,030)
Intangibles	(13,021,075)	(355,763)	-	(13,376,838)
Total Accumulated Depr. and Amort.	(20,716,597)	(897,322)	-	(21,613,919)
Total Property and Equipment - Net	\$ 4,960,178	\$ (562,616)	\$ -	\$ 4,397,562

Changes in Property and Equipment For Period Ending June 30, 2024

	June 30, 2023	Additions	Deletions/ Transfers	June 30, 2024
Asset Class (at Cost)				
Land	\$ 858,390	\$ -	\$ -	\$ 858,390
Building	7,716,000	174,010	-	7,890,010
Furniture, Equipment, and Vehicles	3,261,256	434,374	(144,094)	3,551,536
Intangibles	13,376,839	-	-	13,376,839
Total Property and Equipment	25,212,485	608,384	(144,094)	25,676,775
Accumulated Depr. and Amort.				
Building	(5,962,048)	(349,486)	-	(6,311,534)
Furniture, Equipment, and Vehicles	(1,351,622)	(176,460)	144,094	(1,383,988)
Intangibles	(12,665,313)	(355,762)	-	(13,021,075)
Total Accumulated Depr. and Amort.	(19,978,983)	(881,708)	144,094	(20,716,597)
Total Property and Equipment - Net	\$ 5,233,502	\$ (273,324)	\$ -	\$ 4,960,178

8. New Accounting Pronouncements

Pronouncements issued; but not yet effective:

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*, effective for fiscal years beginning after June 15, 2025. The objective of this Statement is to improve key components of the financial reporting model. The purposes of the improvements are to (a) enhance the effectiveness of the financial reporting model in providing information that is essential for decision making and assessing a government's accountability and (b) address certain application issues identified through pre-agenda research conducted by the GASB. The System is in the process of evaluating the impact of the pronouncement on its financial statements.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, 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, mandating separate notes for specific asset types like lease assets and intangible assets while providing detailed guidance on assets held for sale. The System is in the process of evaluating the impact of the pronouncement on its financial statements.

C. Contributions

1. Member Contributions

Member contribution rates for the System are established by La. R.S. 11:62. Member contributions are deducted from a member's salary and remitted to the System by participating employers. If a member leaves covered employment or dies before any benefits become payable on their behalf, the accumulated contributions may be refunded to the member or their designated beneficiary. Similarly, accumulated contributions in excess of any benefits paid to members or their survivors are refunded to the member's beneficiaries or their estates upon cessation of any survivor's benefits.

2. Employer Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Each plan pays a separate actuarially determined employer contribution rate, which includes the employer normal cost and unfunded accrued liability. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership.

The member and employer rates in effect during the years ended June 30, 2025 and 2024, for the various plans are as follows:

Plan	Plan Status	2025 Employer Rate	2024 Employer Rate	Employee Rate
Appellate Law Clerks	Closed	34.74%	41.30%	7.50%
Appellate Law Clerks hired on or after 7/1/06	Closed	34.74%	41.30%	8.00%
Alcohol Tobacco Control	Closed	35.77%	42.60%	9.00%
Bridge Police	Closed	33.68%	40.30%	8.50%
Bridge Police hired on or after 7/1/06	Closed	33.68%	40.30%	8.50%
Corrections Primary	Closed	32.35%	39.90%	9.00%
Corrections Secondary	Closed	37.91%	44.60%	9.00%
Harbor Police	Closed	40.39%	47.30%	9.00%
Hazardous Duty	Open	40.41%	47.00%	9.50%
Judges hired before 1/1/11	Closed	40.17%	45.80%	11.50%
Judges hired after 1/1/11	Closed	38.31%	44.70%	13.00%
Judges hired on or after 7/1/15	Open	38.31%	44.70%	13.00%
Legislators	Closed	30.67%	37.00%	11.50%
Optional Retirement Plan (ORP) before 7/1/06	Closed	34.74%	41.30%	7.50%
Optional Retirement Plan (ORP) on or after 7/1/06	Closed	34.74%	41.30%	8.00%
Peace Officers	Closed	35.58%	43.00%	9.00%
Regular Employees hired before 7/1/06	Closed	34.74%	41.30%	7.50%
Regular Employees hired on or after 7/1/06	Closed	34.74%	41.30%	8.00%
Regular Employees hired on or after 1/1/11	Closed	34.74%	41.30%	8.00%
Regular Employees hired on or after 7/1/15	Open	34.74%	41.30%	8.00%
Special Legislative Employees	Closed	32.67%	39.00%	9.50%
Wildlife Agents	Closed	46.38%	53.10%	9.50%
Aggregate Rate		35.42%	41.90%	

3. Legislative Acts Income

Legislative acts income includes contributions appropriated by the State Legislature to cover unfunded accrued pension liabilities.

D. Fair Value Disclosures

LASERS categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The plan has the following recurring fair value measurements as of June 30, 2025 and 2024, respectively:

	6/30/2025	2025 Fair Value Measurements		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt Investments				
U.S. Government	\$ 196,713,241	\$ 196,713,241	\$ -	\$ -
U.S. Agency	180,510,585	-	180,510,585	-
Mortgages	29,343,354	-	29,343,354	-
Corporate Bonds	488,760,785	-	387,119,141	101,641,644
International Bonds	249,252,838	-	221,735,757	27,517,081
Short-term Investments	2,503,646	-	2,503,646	-
Total Debt Securities	\$ 1,147,084,449	\$ 196,713,241	\$ 821,212,483	\$ 129,158,725
Equity Securities				
Large Cap	\$ 3,534,990,022	\$ 3,534,990,022	\$ -	\$ -
Mid Cap	1,393,840,510	1,393,840,510	-	-
Small Cap	707,361,273	707,361,273	-	-
International Equity	2,296,572,615	2,288,466,900	387,072	7,718,643
Other	69,076,461	68,769,515	101,549	205,397
Total Equity Securities	\$ 8,001,840,881	\$ 7,993,428,220	\$ 488,621	\$ 7,924,040
Securities Lending Cash Collateral	\$ 1,295,674,514	\$ -	\$ 1,295,674,514	\$ -
Total Investments at Fair Value Level	\$ 10,444,599,844	\$ 8,190,141,461	\$ 2,117,375,618	\$ 137,082,765
Investments at Net Asset Value (NAV)				
Emerging Market Equity	\$ 694,730,893			
Emerging Market Debt	643,444,166			
Global Multi-Sector Funds	1,504,527,586			
Commingled Investment Funds				
Domestic Equity	88,655,893			
International Equity	20,202,455			
Short-term Investments	192,294,695			
Domestic Bonds	45,595,994			
Private Markets	3,741,998,378			
Absolute Return	387,751,785			
Total Investments at NAV	\$ 7,319,201,845			
Investment Derivatives				
Futures	\$ 71,303	\$ 71,303	\$ -	
Foreign Exchange Contracts	(1,540,875)	-	(1,540,875)	
Swaps	(78,012)	-	(78,012)	
Total Investment Derivatives	\$ (1,547,584)	\$ 71,303	\$ (1,618,887)	
Total Investments at Fair Value	\$ 17,762,254,105			

	6/30/2024	2024 Fair Value Measurements		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt Investments				
U.S. Government	\$ 169,464,233	\$ 169,464,233	\$ -	\$ -
U.S. Agency	173,599,795	-	173,599,795	-
Mortgages	30,156,676	-	30,156,676	-
Corporate Bonds	435,583,645	296,075	360,119,844	75,167,726
International Bonds	261,909,149	-	240,291,751	21,617,398
Short-term Investments	253,628	-	253,628	-
Total Debt Securities	\$ 1,070,967,126	\$ 169,760,308	\$ 804,421,694	\$ 96,785,124
Equity Securities				
Large Cap	\$ 3,339,356,549	\$ 3,339,356,549	\$ -	\$ -
Mid Cap	1,304,257,087	1,304,257,087	-	-
Small Cap	650,956,335	650,956,335	-	-
International Equity	2,067,125,428	2,058,779,172	184,800	8,161,456
Other	86,731,432	84,892,137	1,225,384	613,911
Total Equity Securities	\$ 7,448,426,831	\$ 7,438,241,280	\$ 1,410,184	\$ 8,775,367
Securities Lending Cash Collateral	\$ 835,926,581	\$ -	\$ 835,926,581	\$ -
Total Investments at Fair Value Level	\$ 9,355,320,538	\$ 7,608,001,588	\$ 1,641,758,459	\$ 105,560,491
Investments at Net Asset Value (NAV)				
Emerging Market Equity	\$ 620,557,515			
Emerging Market Debt	530,423,684			
Global Multi-Sector Funds	1,270,966,677			
Commingled Investment Funds				
Domestic Equity	82,477,307			
International Equity	17,426,871			
Short-term Investments	181,180,710			
Domestic Bonds	39,557,531			
Private Markets	3,266,806,810			
Absolute Return	642,919,098			
Total Investments at NAV	\$ 6,652,316,203			
Investment Derivatives				
Futures	\$ 34,815	\$ 34,815	\$ -	
Foreign Exchange Contracts	1,040,838	-	1,040,838	
Swaps	195,761	-	195,761	
Total Investment Derivatives	\$ 1,271,414	\$ 34,815	\$ 1,236,599	
Total Investments at Fair Value	\$ 16,008,908,155			

Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Derivative instruments classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates and foreign exchange rates. Investments classified in Level 3 of the fair value hierarchy are valued using unobservable inputs and are not directly corroborated with market data.

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2025, are presented in the following table.

	Fair Value 2025	Unfunded Commitments	Redemption Frequency	Redemption Period
Emerging Market Equity	\$ 694,730,893	\$ -	Monthly	7 - 30 days
Emerging Market Debt	643,444,166	-	Quarterly	90 days
Global Multi-Sector	1,504,527,586	5,000,000	Monthly to Quarterly	30 - 90 days
Commingled Investment Funds				
Domestic Equity	88,655,893	-	Daily	N/A
International Equity	20,202,455	-	Daily	N/A
Short-term Investments	192,294,695	-	Daily	N/A
Domestic Bonds	45,595,994	-	Daily to Monthly	0 - 15 days
Absolute Return	387,751,785	334,372,934	Monthly to Quarterly	30 - 95 days
Private Markets	3,741,998,378	2,527,290,057	N/A	N/A
Total Investments at NAV	<u>\$ 7,319,201,845</u>			

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2024, are presented in the following table.

	Fair Value 2024	Unfunded Commitments	Redemption Frequency	Redemption Period
Emerging Market Equity	\$ 620,557,515	\$ -	Monthly	7 - 30 days
Emerging Market Debt	530,423,684	-	Quarterly	90 days
Global Multi-Sector	1,270,966,677	-	Quarterly	30 - 60 days
Commingled Investment Funds				
Domestic Equity	82,477,307	-	Daily	N/A
International Equity	17,426,871	-	Daily	N/A
Short-term Investments	181,180,710	-	Daily	N/A
Domestic Bonds	39,557,531	-	Daily to Monthly	0 - 15 days
Absolute Return	642,919,098	-	Monthly to Quarterly	30 - 95 days
Private Markets	3,266,806,810	2,343,736,802	N/A	N/A
Total Investments at NAV	<u>\$ 6,652,316,203</u>			

1. Emerging Markets

Emerging markets includes investments in three equity and one debt emerging market for the years ending June 30, 2025 and 2024. These investments aim to benefit from the higher economic growth, increased independence, and positive demographic trends in emerging countries. The fair value of the investments in these funds has been determined using the NAV per share (or equivalent) of the investments as a practical expedient for fair value. Units are valued monthly to quarterly and redemption of units varies from seven to 90-day advanced notice. Any amount redeemed will be paid within five to 30 business days following the date as of which the withdrawal is to be made.

2. Global Multi-Sector

Global multi-sector commingled funds increased to seven funds from six funds for fiscal year ended June 30, 2025. They are designed to be flexible and may move tactically in response to market conditions. It allows investments in securities across the fixed income universe, which includes securities such as sovereign debt, corporate credit, structured products, currency, distressed debt, and leveraged loans. Redemption payments range from monthly to quarterly with 30 to 90-day notices. Liquidity within each portfolio varies. A portion of investments within each fund may be considered illiquid. The fair value of the investments has been determined using NAV per share (or equivalent) of the investment as a practical expedient for fair value.

3. Commingled Investment Funds

Commingled investment funds include investments in collective funds and mutual funds which do not have a readily determined fair value. These investments are valued based on the funds' net asset value per share (or equivalent) as supplied by the fund administrator or trustee as a practical expedient for fair value. There were 26 commingled investment funds as of June 30, 2025 and 25 in 2024. Units range from being valued daily to monthly. Redemption of units varies from daily to 15 days.

4. Absolute Return

Absolute return had three funds for the fiscal year ended June 30, 2025 and four funds for 2024. Absolute return funds utilize a variety of strategies, asset classes, and securities to generate returns, depending on current market conditions. Funds tend to trade in a variety of strategies and exhibit low correlation to one another and to other absolute fund strategies. They are inherently diversified with multiple sources of return. Managers have the ability to incubate and quickly execute new strategies. The fair value of the investments has been determined using the NAV per share (or equivalent) of the investments as a practical expedient for fair value.

5. Private Markets

Private markets is an asset class consisting of both equity and debt ownership in operating companies not publicly traded on a stock exchange. This type decreased by one investment to 93 private market funds in the fiscal year ended June 30, 2025. Private market funds employ a combination of strategies to earn superior risk-adjusted returns. The fair values of the investments in this type have been determined using the NAV per share (or equivalent) of the Plan's ownership interest in partners' capital as a practical expedient of fair value. These investments are illiquid. Distributions from each fund will be received as the underlying investments of the funds are

liquidated. It is expected that the underlying assets of the funds will be liquidated approximately seven to 15 years from the commencement of the fund.

E. Deposits and Investment Risk Disclosures

The information presented on the following pages includes disclosures of custodial, interest rate, credit, and foreign currency risks in accordance with GASB 40, 53, and 67 and is designed to inform financial statement users about investment risks that could affect the System's ability to meet its obligations. The tables presented classify investments by risk type, while the financial statements present investments by asset class; thus, the totals shown on the tables may not be comparable to the amounts shown for the individual asset classes on the financial statements.

1. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of bank failure, the System's deposits may not be returned. The System does not have a formal deposit policy for custodial credit risk. All U.S. bank balances at year-end were insured or collateralized by the pledge of government securities held by the agents in LASERS name. LASERS had time deposits and certificates of deposits in the securities lending cash collateral pool that were exposed to custodial credit risk of \$638.4 million and \$317.9 million as of June 30, 2025 and 2024, respectively. LASERS had uninsured cash deposits in non-U.S. banks of \$26.9 million and \$18.6 million for the periods ended June 30, 2025 and 2024, respectively.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the pension trust fund will not be able to recover the value of its investments, or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either: a) the counterparty or b) the counterparty's trust department or agent but not in the government's name. LASERS had no custodial credit risk for investments for the years ending June 30, 2025 and 2024.

2. Concentration of Credit Risk

Concentration of credit risk is the "risk of loss attributed to the magnitude of investments in a single issuer." The risk occurs "when investments are concentrated in any one issuer that represents 5% or more of plan net assets." Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The System has no investments of any single organization (other than those issued or guaranteed by the U.S. Government) that represent 5% or more of the System's net plan assets, nor does the System hold more than 5% of any corporation's stock.

3. Credit Risk

Credit risk is the risk that a borrower will be unable to meet its obligation. According to LASERS investment policy, the overall average quality of each core fixed income portfolio shall be rated A- or higher by Standard and Poor's. Non-rated issues or issues below investment grade (below BBB-) may be purchased up to a maximum of 15% of each core fixed income portfolio. The average

duration shall not differ from the passive benchmark's duration by more than two years.

In preparing this report, credit risk associated with all fixed income holdings including collateral for repurchase agreements and securities lending collateral has been included. The System's exposure to credit risk as of June 30, 2025 and 2024 is as follows:

Rating	Fair Value	Percent	Fair Value	Percent
	2025	2025	2024	2024
AAA	\$ 8,290,687	0.2%	\$ 12,619,566	0.3%
A-1+	77,908,349	1.6%	9,015,744	0.2%
A-1	192,408,859	4.0%	103,446,679	2.6%
AA+	381,736,862	7.9%	344,131,777	8.8%
AA	2,909,649	0.1%	9,030,671	0.2%
AA-	97,816,486	2.0%	85,015,352	2.2%
A+	376,508,463	7.8%	256,451,663	6.5%
A	187,351,748	3.9%	127,573,296	3.3%
A-	30,331,973	0.6%	40,686,450	1.1%
BBB+	24,225,056	0.5%	28,119,527	0.7%
BBB	50,957,417	1.1%	43,741,208	1.1%
BBB-	44,644,233	0.9%	39,769,592	1.0%
BB+	26,999,007	0.6%	21,717,223	0.6%
BB	37,354,746	0.8%	36,889,976	0.9%
BB-	59,898,926	1.2%	48,364,478	1.2%
B+	25,750,601	0.5%	32,012,552	0.8%
B	46,913,561	1.0%	43,768,578	1.1%
B-	40,380,306	0.8%	49,180,520	1.3%
CCC+	36,550,320	0.8%	20,759,654	0.5%
CCC	8,526,658	0.2%	7,700,477	0.2%
CCC-	1,772,082	0.0%	2,270,126	0.1%
D	1,086,540	0.0%	704,233	0.0%
Non-rated	3,066,679,988	63.5%	2,567,327,930	65.3%
Total Fixed Income	\$4,827,002,517	100%	3,930,297,272	100%

4. Interest Rate Risk

Interest rate risk is the risk from changes in interest rates adversely affecting the fair value of an investment. LASERS has no formal interest rate risk policy. LASERS, as expressed in its investment policy, expects its fixed income managers to approximate the portfolio's duration (a measure of a debt investment's exposure to fair value changes arising from interest rates) to within two years of its respective benchmark. Investments with fair values that are highly sensitive to interest rate changes may contain terms that increase the sensitivity of their fair values.

As of June 30, 2025 and 2024, the System had the following domestic and foreign debt including fixed income investments and maturities:

Type	Fair Value 2025	Investment Maturities (in Years)				
		Less Than 1	1 - 5	5 - 10	Greater Than 10	Not Available
U.S. Government	\$ 196,713,241	\$ 27,832,686	\$ 51,447,507	\$ 59,774,544	\$ 57,658,504	\$ -
U.S. Agency	180,510,586	8,486,677	152,981	1,323,921	170,547,007	-
Mortgages	29,123,078	-	-	-	29,123,078	-
Corporate Bonds	534,577,054	18,770,366	194,981,187	166,285,737	154,539,764	-
Bonds/Fixed Income Intl.	2,397,146,578	912,398,035	878,982,507	267,501,157	92,533,211	245,731,668
Short-term Investments	193,257,466	193,257,466	-	-	-	-
Securities Lending Collateral						
Domestic Short-term	242,060,625	242,060,625	-	-	-	-
International Short-term	1,053,613,889	1,053,613,889	-	-	-	-
Total Debt Investments	\$4,827,002,517	\$ 2,456,419,744	\$ 1,125,564,182	\$ 494,885,359	\$ 504,401,564	\$ 245,731,668

Type	Fair Value 2024	Investment Maturities (in Years)				
		Less Than 1	1 - 5	5 - 10	Greater Than 10	Not Available
U.S. Government	\$ 169,464,233	\$ 24,798,304	\$ 50,991,459	\$ 44,876,527	\$ 48,797,943	\$ -
U.S. Agency	173,599,795	7,070,340	2,789,409	2,460,822	161,279,224	-
Mortgages	30,156,676	-	-	-	30,156,676	-
Corporate Bonds	475,179,540	16,548,347	161,258,656	155,433,698	141,938,839	-
Bonds/Fixed Income Intl.	2,063,495,271	5,839,568	1,588,863,367	115,189,147	82,269,575	271,333,614
Short-term Investments	182,475,176	182,475,176	-	-	-	-
Securities Lending Collateral						
Domestic Short-term	153,166,872	153,166,872	-	-	-	-
International Short-term	682,759,709	682,759,709	-	-	-	-
Total Debt Investments	\$ 3,930,297,272	\$ 1,072,658,316	\$ 1,803,902,891	\$ 317,960,194	\$ 464,442,257	\$ 271,333,614

5. Foreign Currency Risk

Foreign currency risk is the potential risk for loss due to changes in exchange rates. Cash held by the manager may be in U.S. dollar or foreign currencies of the manager's choice. Managers may purchase or sell currency on a spot basis to accommodate securities settlements. Managers may enter into forward exchange contracts on currency provided that use of such contracts is designed to dampen portfolio volatility or to facilitate the settlement of securities transactions. Currency contracts may be utilized to either hedge the portfolio's currency risk exposure or in the settlement of securities transactions.

Foreign investments denominated in U.S. currency such as American Depositary Receipts (ADRs) and Yankee bonds do not carry foreign currency risk; therefore, they are not included in the tables below. LASERS portfolio contained several commingled funds subject to foreign currency risk with aggregate fair values of \$2.7 billion and \$2.4 billion for the years ended June 30, 2025 and 2024 respectively. LASERS Investment Guidelines, some of which are noted in *Note F. Cash and Investments*, are designed to mitigate risk.

The fair value of LASERS securities, including derivative instruments held in a foreign currency, at June 30, 2025 and 2024, is as follows:

Currency	Global Bonds	Global Stock	Cash/Other	Private Markets	Currency Contracts	Fair Value 2025
Argentinian Peso	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ 1
Australian Dollar	-	107,811,538	958,719	-	-	108,770,257
Brazilian Real	3,244,971	13,345,363	366,738	-	(715,102)	16,241,970
British Pound Sterling	6,497,346	271,847,642	2,774,972	-	(21,652,311)	259,467,649
Canadian Dollar	-	157,095,512	1,360,410	-	(1,165,813)	157,290,109
Chilean Peso	-	3,330,660	79,136	-	-	3,409,796
Colombian Peso	-	995,030	7,244	-	-	1,002,274
Czech Koruna	-	-	5,521	-	(5,521)	-
Danish Krone	-	71,843,129	1,543,900	-	-	73,387,029
Euro	31,898,823	525,061,225	14,958,718	25,401,671	(53,755,857)	543,564,580
Hong Kong Dollar	-	139,991,618	1,805,111	-	(325,568)	141,471,161
Hungarian Forint	-	7,456,421	507,470	-	-	7,963,891
Indian Rupee	-	61,305,606	883,377	-	-	62,188,983
Indonesian Rupiah	-	5,957,089	294,924	-	-	6,252,013
Israeli Shekel	-	23,382,294	222,736	-	-	23,605,030
Japanese Yen	-	468,372,325	5,334,668	-	(1,682,952)	472,024,041
Kawaiti Dinar	-	1,013,076	52,437	-	-	1,065,513
Malaysian Ringgit	-	5,361,981	16,064	-	-	5,378,045
Mexican Peso	1,427,226	9,218,575	129,088	-	-	10,774,889
New Taiwan Dollar	-	65,005,200	296,264	-	-	65,301,464
New Zealand Dollar	-	2,098,879	234,279	-	-	2,333,158
Norwegian Krone	-	8,516,880	433,079	-	-	8,949,959
Philippines Peso	-	2,675,134	113,720	-	-	2,788,854
Polish Zloty	-	5,299,830	1,782	-	-	5,301,612
Qatari Riyal	-	3,732,544	-	-	-	3,732,544
Saudi Arabian Riyal	-	10,987,054	159,876	-	-	11,146,930
Singapore Dollar	-	29,811,134	962,838	-	(318,888)	30,455,084
South African Rand	-	15,102,392	1,795	-	511,468	15,615,655
South Korean Won	-	47,212,961	64,144	-	54,450	47,331,555
Swedish Krona	-	62,818,201	1,492,086	-	(32,886)	64,277,401
Swiss Franc	-	116,555,566	565,858	-	-	117,121,424
Thailand Baht	-	6,690,085	-	-	-	6,690,085
Turkish Lira	-	3,808,953	697,356	-	(127,747)	4,378,562
UAE Dirham	-	12,111,254	402,467	-	-	12,513,721
Uruguayan Peso	3,559,857	-	-	-	-	3,559,857
Total	\$ 46,628,223	\$ 2,265,815,151	\$ 36,726,778	\$ 25,401,671	\$ (79,216,727)	\$ 2,295,355,096

Currency	Global Bonds	Global Stock	Cash/Other	Private Markets	Currency Contracts	Fair Value 2024
Argentinian Peso	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ 1
Australian Dollar	-	79,350,099	1,204,394	-	-	80,554,493
Brazilian Real	3,175,691	13,595,710	395,107	-	-	17,166,508
British Pound Sterling	7,180,448	245,308,786	3,437,083	-	(18,891,572)	237,034,745
Canadian Dollar	-	141,963,584	709,156	-	(1,438,901)	141,233,839
Chilean Peso	-	2,488,980	68,735	-	-	2,557,715
Colombian Peso	-	1,006,095	16,904	-	-	1,022,999
Czech Koruna	-	-	-	-	-	-
Danish Krone	-	64,545,353	269,882	-	-	64,815,235
Euro	36,303,830	473,356,298	49,923,350	31,167,128	(59,835,915)	530,914,691
Hong Kong Dollar	-	111,029,332	1,113,119	-	(389,115)	111,753,336
Hungarian Forint	-	6,029,038	121,819	-	-	6,150,857
Indian Rupee	-	56,608,074	54,710	-	-	56,662,784
Indonesian Rupiah	-	6,208,209	343,994	-	-	6,552,203
Israeli Shekel	-	12,885,514	2,340,911	-	-	15,226,425
Japanese Yen	-	429,690,691	2,644,075	-	(21,275)	432,313,491
Kawaiti Dinar	-	930,329	73,172	-	-	1,003,501
Malaysian Ringgit	-	4,349,758	157,586	-	-	4,507,344
Mexican Peso	2,926,984	8,537,870	263,727	-	-	11,728,581
New Taiwan Dollar	-	60,968,492	68,754	-	-	61,037,246
New Zealand Dollar	-	118,874	314,956	-	-	433,830
Norwegian Krone	-	31,869,501	332,393	-	-	32,201,894
Philippines Peso	-	2,210,236	140,038	-	-	2,350,274
Polish Zloty	-	3,987,989	33,828	-	-	4,021,817
Qatari Riyal	-	4,096,434	185,834	-	-	4,282,268
Saudi Arabian Riyal	-	7,961,586	38,821	-	-	8,000,407
Singapore Dollar	-	31,114,840	778,901	-	-	31,893,741
South African Rand	-	11,034,604	14,232	-	(1,101,877)	9,946,959
South Korean Won	-	42,600,333	-	-	-	42,600,333
Swedish Krona	-	62,977,119	219,125	-	-	63,196,244
Swiss Franc	-	105,524,570	244,107	-	-	105,768,677
Thailand Baht	-	5,258,249	-	-	-	5,258,249
Turkish Lira	-	7,423,510	28,261	-	-	7,451,771
UAEDirham	-	7,690,704	223,507	-	-	7,914,211
Uruguayan Peso	4,369,808	-	-	-	-	4,369,808
Total	\$ 53,956,761	\$ 2,042,720,761	\$ 65,760,482	\$ 31,167,128	\$ (81,678,655)	\$ 2,111,926,477

F. Cash and Investments

1. Cash and Cash Equivalents

This consists of cash deposited in U.S. banks which is insured by the Federal Deposit Insurance Corporation up to \$250,000. Cash equivalents are collateralized by the pledge of government securities held by the agents in LASERS name.

2. Short-Term Investments

Short-term reserves may be held in U.S. dollar or global denominated investment vehicles available through the System's custodian. These funds may be invested in direct U.S. Government obligations such as U.S. Treasury Bills or repurchase agreements, which are fully collateralized by issues of the U.S. Treasury or other agencies of the United States Government. Excess cash may also be invested in the negotiable certificates of deposit, global time deposits, global currency, or other short-term investment vehicles designated by the Board.

3. Investments

Louisiana state law (La. R.S. 11:261-269) provides for the fiduciary and investment responsibilities of LASERS. Specifically, La. R.S. 11:263 states that the "Prudent Man" rule will apply to all investments of LASERS.

A) Investment Policy

The System's policy regarding the allocation of invested assets is established and may be amended by the LASERS Board. Plan 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 pension plan.

The following were LASERS Board adopted asset allocation policies in effect on June 30, 2025 and 2024:

Target Asset Allocation		
Asset Class	2025	2024
Cash	0%	0%
Domestic Equity	34%	34%
International Equity	17%	17%
Domestic Core Fixed Income	3%	3%
Global Multi-Sector/Opportunistic	19%	19%
Alternative Investments	27%	27%
Totals	100%	100%

B) Rate of Return

For the years ended June 30, 2025 and 2024, the annual money-weighted rates of return on pension plan investments, net of pension plan investment expense, were 11.9% and 10.6% respectively. The money-weighted return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

4. Domestic and International Equity

Domestic and international equity investments include common and preferred stocks of companies domiciled both within the U.S. and outside the U.S. that trade on U.S. or foreign exchanges and over the counter. Permissible investments in this asset class include American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), securities convertible into common stocks, derivative financial instruments that create equivalent exposures, and units of commingled or mutual funds investing in substantially the same permissible investments. Passive strategies are expected to have characteristics similar to the underlying benchmark. The equity portfolio is to be managed on a total return basis; that is, equities should be selected by investment managers based on their anticipated return from the combination of dividends and market appreciation.

Equity investment managers classified within this asset class are prohibited from investing in the following restricted investments: letter stock, short sales or margin transactions, investments in commodities or commodity contracts, and unrestricted securities and private placements (except those securities regulated by SEC Rule 144A). Unless otherwise stated in the respective Investment Management Agreement (IMA) and/or the LASERS Investment Policy, decisions as to individual security selection, security size and quality, number of industries and holdings, current income levels, turnover, and the other tools employed by active managers are left to the manager's discretion, subject to the standards of fiduciary prudence, as set out in all applicable laws.

The number of securities held and the geographic or industry distribution shall be left to the investment manager, provided that holdings in any one company (including common stock, convertible securities, and bond holdings) do not exceed 6% of the portfolio at fair value, or 150% of a stock's weighting in the benchmark against which the manager is measured, whichever is larger. LASERS equity portfolios are expected to be fully invested. No more than 10% of a manager's equity portfolio may consist of cash or cash equivalents. No single holding in a LASERS portfolio shall account for more than 5% of the outstanding common stock of any one corporation. Additionally, no single holding across all actively managed portfolios of an investment management firm shall account for more than 15% of the outstanding common stock of any one corporation. The purchase of stocks or convertibles in foreign companies which are publicly traded securities may be held by domestic equity managers in an amount deemed appropriate by said manager, up to 10% of the portfolio at fair value. Managers have latitude to hold securities outside of their stated asset class provided that such investment is consistent with attainment of the portfolio's investment objectives and does not exceed 10% of the portfolio's fair value. American Depositary Receipts (ADRs) do not count towards this 10% limitation. Managers with established international equity mandates may invest up to 10% of their portfolio(s) in emerging markets, as defined by the MSCI Emerging Markets Index.

5. Domestic Core Fixed Income

Domestic core fixed income investments may include U.S. Government and Federal Agency obligations, corporate bonds, debentures, commercial paper, certificates of deposit, Yankee bonds, mortgage-backed securities, and senior secured debt, as well as other instruments deemed prudent by investment managers. This also applies to high-yield and bank loan managers unless otherwise specifically noted. Unless otherwise stated in the respective Investment Management Agreement, decisions as to individual security selection, security size and quality, number of industries and holdings, current income levels, turnover, and the other tools employed by active managers are left to the manager's discretion, subject to the standards of fiduciary prudence, as set out in all applicable laws, and subject to the restrictions stated in the respective manager's IMA and in LASERS' Investment Policy.

No more than 6% of the fair value of LASERS domestic core fixed income assets may be invested in the debt securities of any one issuer. No limitations on issues and issuers shall apply to obligations of U.S. Government and Federal Agencies.

The overall average quality of each core fixed income portfolio will be rated A- or higher. The overall average quality of each core plus fixed income portfolio will be rated BBB or higher. Non-rated issues may be purchased, provided that in the judgment of the manager, they are of a quality sufficient to maintain the average overall portfolio quality of A- or higher. Non-rated issues or issues below investment grade (below BBB-) may be purchased up to a maximum of 15% of the portfolio. The average duration (interest rate sensitivity) of an actively managed portfolio shall not differ from the passive benchmark's duration by more than two years.

6. Global Multi-Sector/Opportunistic Credit

The Global Multi-Sector/Opportunistic Credit Program consists of primarily long-only investments across global fixed income and credit markets designed to express the selected investment managers' best ideas across the global fixed income and credit opportunity set. Allowable investments include fixed income securities and direct lending across the fixed income and credit universe, in both U.S. and non-U.S. geographies. This includes, but is not limited to, sovereign and quasi-sovereign debt, corporate credit, structured products, currency, leveraged loans, distressed debt, and private direct lending. This also applies to Emerging Market Debt and Absolute Return assets.

Managers are responsible for making independent analyses of the credit worthiness of securities and loans and their suitability as investments for the Plan. Therefore, managers will adhere to any administrative guidelines and specific investment, security, liquidity, diversification limits, use of leverage and performance objectives established in their respective IMAs or limited partnership agreements. Managers may be allowed to use leverage; however, investments may only be made in investment vehicles that provide limited liability to LASERS. Risk reduction is sought through appropriate diversification by credit sector, strategy, geography, and industry. Liquidity is managed at the overall credit level to meet the needs of the total Plan.

Investment sectors and strategies may include, but are not limited to: Sovereign and Quasi-Sovereign Debt Securities (U.S. and Non-U.S.), direct currency and forward exchange currency contracts (U.S. and non-U.S.), corporate bonds (U.S. and Non-U.S.), Securitized and/or Structured

Credit, Mortgage Servicing Rights, Bank Capital Relief Financing, Distressed Lending, Direct Lending, Special Situations Lending, Derivatives and Cash Market Instruments, and Private Credit.

Manager selection is based on, but not limited to, the following: a sound quantitative and/or qualitative process for selecting investments and portfolio construction, multiple senior personnel with significant experience in the fixed income and credit industry, depth and breadth of experience in fund strategies, alignment of interest between the Plan and the manager, quality control processes, quality of reporting, attractive fee arrangements, and a commitment to work with LASERS staff.

The Program may invest in managers with distinctly different approaches and objectives, such that individualized performance objectives and guideline limits for each manager are established. Benchmarks used internally by LASERS may differ slightly from how a manager evaluates performance.

7. Derivatives

Investment managers for the System may use derivatives for purposes of hedging, creation of market exposure, or management of country and asset allocation exposure. Derivatives will not be used to create leverage or unrelated speculation. These decisions should be evaluated based on the expected net return relative to the risk associated with each investment, using only pecuniary factors. Derivative investments include a Synthetic Guaranteed Investment Contract (SGIC), futures, currency forwards, options, and swaps. The System reviews fair value of all securities monthly. Derivative securities may be held in part to maximize yields and in part to hedge against a rise in interest rates. The fair value of rights and warrants are determined based upon quoted market prices. Investments in limited partnerships and commingled funds may include derivatives. Interest rate risk, credit rate risk, and foreign currency risk associated with derivatives are included on their respective tables in *Note E. Deposits and Investment Risk Disclosures*.

- a. **Synthetic Guaranteed Investment Contract (SGIC)** is an investment for tax-qualified, defined contribution pension plans consisting of two parts: an asset owned directly by the plan trust and a wrap contract providing book value protection for participant withdrawals prior to maturity. LASERS maintains a fully benefit-responsive synthetic guaranteed investment contract option for members of the Optional Retirement Plan and the Self-Directed Plan. The investment objective of the SGIC is to protect members from loss of their original investment and to provide a competitive interest rate. SGICs are carried at contract value. The contract value of the SGIC contract is cost plus accrued interest. The contract value of the SGIC contract was \$520.2 million and \$545.3 million for the fiscal years ended June 30, 2025 and 2024, respectively. The fair value of the underlying investments was \$499.4 million and \$504.4 million for the fiscal years ended June 30, 2025 and 2024, respectively. The counterparty rating for the wrap contract was A+.
- b. **Futures** contracts are standardized, exchange-traded contracts to purchase or sell a specific financial instrument at a predetermined price. Gains and losses on futures contracts are settled daily based on a notional (underlying) principal value and do not involve an actual transfer of the specific instrument. The exchange assumes the risk that the counterparty will not pay and generally requires margin payments to minimize such risk. Futures are used primarily as a tool to increase or decrease market exposure to various asset classes.

- c. **Currency forwards** are a contractual agreement between two parties to pay or receive specific amounts of foreign currency at a future date in exchange for another currency at an agreed upon exchange rate. Forwards are usually transacted in the over-the-counter market. These transactions are entered into in order to hedge risks from exposure to foreign currency rate fluctuation. They are entered into with the foreign exchange department of a bank located in a major money market. Recognition of realized gain or loss depends on whether the currency exchange rate has moved favorably or unfavorably to the contract holder upon termination of the contract. Prior to termination of the contract, the System records the unrealized translation gain or loss. Forward commitments are not standardized and carry counterparty risk. Counterparty risk ratings for the years ended June 30, 2025 and 2024 ranged from A-1 to A-1+.
- d. **Option contracts** provide the option purchaser with the right, but not the obligation, to buy or sell the underlying security at a set price during a period or at a specified date. The option writer is obligated to buy or sell the underlying security if the option purchaser chooses to exercise the option.
- e. **Swaps** are derivative instruments in which two parties agree to exchange one stream of cash flows against another stream or a guarantee. These streams are called the legs of the swap and usually at least one leg has a rate that is variable. The variable leg can depend on a reference rate, the total return of an asset, or an economic statistic. Cash flows are calculated based on the notional amount, which are usually not exchanged between counterparties. Counterparty risk ratings for the years ended June 30, 2025 and 2024 ranged from A-2 to AA-.

The following tables represent the fair value of all open currency, futures, swaps, and options contracts at June 30, 2025, and 2024:

Change in Fair Value 2025		Fair Value at June 30, 2025		
Derivative Type*	Gain/(Loss)	Classification	Amount	Notional
Foreign Exchange Contracts	\$ (2,581,713)	Short-term Investments	\$ (1,540,875)	\$ 77,675,851
Futures Equity	-	Domestic Equity	-	-
Futures International Equity	74,852	International Equity	71,303	7,211,803
Futures Domestic Fixed Income	(38,364)	Domestic Fixed Income	-	-
Futures International Fixed Income	-	International Fixed Income	-	-
Options Fixed Income	-	Domestic Fixed Income	-	-
Options International Fixed Income	-	International Fixed Income	-	-
Swaps Domestic Equity	-	Domestic Equity	-	-
Swaps Domestic Fixed Income	-	Domestic Fixed Income	-	-
Swaps International Fixed Income	(273,773)	International Fixed Income	(78,012)	2,120,000
		Total	\$ (1,547,584)	

Change in Fair Value 2024		Fair Value at June 30, 2024		
Derivative Type*	Gain/(Loss)	Classification	Amount	Notional
Foreign Exchange Contracts	\$ 1,760,907	Short-term Investments	\$ 1,040,838	\$ 165,376,084
Futures Equity	1,290	Domestic Equity	-	-
Futures International Equity	(20,997)	International Equity	(3,549)	(1,443)
Futures Domestic Fixed Income	38,364	Domestic Fixed Income	38,364	16,762,542
Futures International Fixed Income	-	International Fixed Income	-	-
Options Fixed Income	-	Domestic Fixed Income	-	-
Options International Fixed Income	-	International Fixed Income	-	-
Swaps Domestic Equity	-	Domestic Equity	-	-
Swaps Domestic Fixed Income	4,629	Domestic Fixed Income	-	-
Swaps International Fixed Income	(96,193)	International Fixed Income	195,761	9,583,910
		Total	\$ 1,271,414	

*Derivatives' changes in fair value are recorded as Net Appreciation in Fair Value of Investments on the *Statements of Changes in Fiduciary Net Position*.

8. Alternative Investments

The Program consists of privately traded investments, both equity and debt, made on a global basis in limited partnerships or other fund vehicles, and direct investments in operating or holding companies through strategic partnerships or co-investments. Some investments may be made via commingled vehicles, which have their own investment policies. Evaluation of these policies is part of the manager selection process. Risk reduction is sought through appropriate diversification by investment strategy, geography, industry, and, when appropriate, by vintage year.

The Program strives to earn, over the long term, a total return that exceeds that of traditional markets and that is commensurate with the risk and illiquidity present in this asset class. Funds

structured as drawdown vehicles may have investment returns that are zero or negative after incurring expenses in the early years. Managers may be allowed to use leverage; however, Program investments may only be made in investment vehicles that provide limited liability to LASERS. Commitments to this asset class are made on an ongoing basis to maintain LASERS target asset allocation.

Manager selection is based on, but not limited to, the following: a sound quantitative and/or qualitative process for selecting investments and portfolio construction, multiple senior personnel with significant experience in the industry, alignment of interest between the Plan and the manager, quality control processes, quality of reporting, attractive fee arrangements, and a commitment to work with LASERS.

G. Securities Lending Program

State statutes and the Board's policies permit the System to make short-term collateralized loans of its securities to broker-dealers and other entities in order to earn incremental income. LASERS has contracted with its custodian, BNY Mellon, to lend domestic and international equity and debt securities. Collateral in the form of cash or other securities is required for 102% of the fair value of domestic or sovereign debt, and 105% of the fair value of international securities. Since the majority of the loans are terminable at will, their duration does not generally match the duration of the investments made with the cash collateral.

LASERS is not permitted to pledge or sell collateral securities unless a borrower defaults. The System did not impose any restrictions during the fiscal year on the amount of the loans that BNY Mellon made on its behalf, and BNY Mellon indemnified the System by agreeing to purchase replacement securities, or return cash collateral in the event a borrower failed to return a loaned security or pay distributions thereon. There were no such failures by any borrower to return loaned securities or pay distributions thereon during the fiscal year.

On June 30, 2025 and 2024, the System's credit risk exposure to borrowers is mitigated or limited because the amounts the System owed the borrowers exceeded the amount the borrowers owed the System. The fair value of securities on loan totaled \$1,524,104,320 and \$1,014,405,185 for the years ended June 30, 2025, and 2024, respectively. The fair value of non-cash collateral on loan totaled \$265,151,772 and \$203,742,826 as of June 30, 2025 and 2024, respectively. The carrying amount of the loan securities totaled \$1,295,377,133 and \$835,732,249 as of June 30, 2025 and 2024, respectively.

H. Total Other Postemployment Benefits (OPEB)

Substantially all employees become eligible for postemployment health care and life insurance benefits if they reach normal retirement age while working for the System. These benefits for retirees and similar benefits for active employees are provided through the Louisiana Office of Group Benefits (OGB).

1. Plan Description

Employees may participate in the State of Louisiana's Other Postretirement Benefit Plan (OPEB Plan), a cost-sharing multiple-employer defined benefit OPEB Plan that provides medical and life insurance to eligible active employees, retirees, and their beneficiaries. The State administers the plan through OGB. La. R.S. 42:801-883 assigns the authority to establish and amend benefit provisions of the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75 to pay related benefits.

2. Benefits Provided

The OPEB Plan provides benefits such as: death benefits, life insurance, disability, and long-term care that are paid in the period after employment and that are provided separately from a pension plan; as well as healthcare benefits paid in the period after employment for retirees, disabled retirees, and their eligible beneficiaries through premium subsidies.

OGB offers retirees under age 65 a choice of three self-insured healthcare plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage have access to these plans and an additional two fully insured Medicare Advantage HMO plans; one fully insured plan, and one zero-premium HMO plan.

Employer contributions are based on plan premiums and the employer contribution percentage. This percentage is based on the date of participation in an OGB plan (before or after January 1, 2002) and employee years of service at retirement. Employees who began participation or rejoin the plan before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer is based on the following schedule:

OGB Participation	Employer Contribution	Retiree Contribution
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance are available for the individual retiree and spouses of retirees, subject to maximum values. The retiree pays 50% of the premium for personal coverage and 100% of the premium for spousal coverage. Premiums vary by age. The employer pays the remaining amount.

3. Funding Policy

The OPEB Plan is currently funded on a pay-as-you-go basis through a combination of retiree and System contributions. OPEB contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

4. Total OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

The System reported its proportionate share of the net OPEB liability as \$17,562,464 and \$16,065,987 at June 30, 2025 and 2024, respectively. The net OPEB liability was measured as of June 30 of the prior year, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1 of the prior year. Contributions made after the measurement date, but before the end of the reporting period, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period rather than in the current fiscal period. The System's proportion was actuarially determined and was based on its proportionate share of the State of Louisiana's total OPEB liability. The System's proportion was 0.2248% for measurement at June 30, 2024 and 2023.

LASERS recognized OPEB expense of \$349,298 and \$402 during the year ended June 30, 2025 and 2024, respectively. The increase in OPEB expense is primarily due to the changes to assumed discount rate and healthcare trend rates and unfavorable per capita claims cost experience. At June 30, 2025 and 2024, LASERS reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 300,989	\$ -	\$ 324,238	\$ -
Changes of assumptions	1,306,357	2,016,661	1,012,826	3,360,036
Changes in Employer proportionate share	221,449	476,762	576,687	794,604
Differences between actual and proportionate share of OPEB payments	-	547,391	-	469,171
Employer contributions subsequent to measurement date	336,830	-	350,862	-
Total	\$ 2,165,625	\$ 3,040,814	\$ 2,264,613	\$ 4,623,811

Deferred outflows of resources related to OPEB resulting from OPEB payments subsequent to the measurement date of \$336,830 will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026, compared to \$350,862 in 2025. The decrease in deferred inflows between last year and this year is primarily due to the changes to assumed discount rate and healthcare trend

rates and unfavorable per capita claims cost experience, slightly offset by changes to demographic assumptions for LASERS participants. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as a credit or debit to OPEB expense as follows:

Year Ended June 30:	OPEB Expense
2026	(1,042,208)
2027	(517,460)
2028	250,267
2029	97,381
Total	\$ (1,212,020)

5. Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2024 and 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Salary Increases	Consistent with various pension plan valuation assumptions in which employees participate.
Discount Rate	3.93% based on the Bond Buyer 20 Index and 4.13% S&P 20-year municipal bond index rate for June 30, 2024 and 2023, respectively.
Healthcare Cost Trend Rate	Pre-age 65 ranges from 8.5% to 4.5% for June 30, 2024 and 2023. Post-age 65 ranges from 7.5% to 4.5% for June 30, 2024 and 2023.
Mortality	For healthy lives the PubG-2010 Employee Table adjusted for males and females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021 for June 30, 2024 and 2023. For existing disabled lives the RP-2000 Disabled Retiree Mortality Table not projected with mortality improvement for June 30, 2024 and 2023.

The actuarial assumptions used by the pension plans covering the same participants for June 30, 2024 and 2023, respectively, were used for the retirement, termination, disability, and salary scale

assumptions for the July 1, 2024 and 2023 valuations, respectively. There were no changes in benefit terms for 2024 and 2023.

No changes in benefits have occurred between the June 30, 2024 and 2023 measurement dates of the collective total OPEB liability and the June 30, 2025 and 2024 reporting dates of the System, respectively, that are expected to have a significant effect on the System's proportionate share of the collective total OPEB liability.

6. Sensitivity of Total OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the System's proportionate share of the collective total OPEB liability calculated using the discount rate of 3.93% and 4.13%, as well as what the System's proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate for June 30, 2025 and 2024, respectively.

Total OPEB Liability Sensitivity to Changes in Discount Rate

	1% Decrease	Current Discount Rate	1% Increase
June 30, 2025			
Discount Rate	2.93%	3.93%	4.93%
Total OPEB Liability	\$ 20,741,874	\$ 17,562,464	\$ 15,029,540
June 30, 2024			
Discount Rate	3.13%	4.13%	5.13%
Total OPEB Liability	\$ 18,955,780	\$ 16,065,987	\$ 13,780,767

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the System's proportionate share of the collective total OPEB liability as well as what the System's proportionate share of the collective total OPEB liability would be if it were calculated using the healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates for June 30, 2025 and 2024, respectively.

Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates

	1% Decrease	Current Trend Rate	1% Increase
2025 Total OPEB Liability	\$ 14,826,878	\$ 17,562,464	\$ 21,082,087
2024 Total OPEB Liability	\$ 13,677,384	\$ 16,065,987	\$ 19,124,329

Schedules of Changes in Net Pension Liability

For Ten Years Ended June 30, 2025

	2025	2024	2023	2022	2021
Total Pension Liability					
Service Cost	\$ 278,108,826	\$ 243,718,504	\$ 225,224,285	\$ 218,244,525	\$ 218,244,525
Interest	1,514,318,105	1,497,670,840	1,466,661,115	1,457,616,767	1,449,374,537
Changes of Benefit Terms - Cost of Living Increase	-	-	-	-	-
Changes of Benefit Terms	-	-	-	68,096,068	6,041,053
Differences Between Expected and Actual Experience	125,241,356	(48,103,413)	289,790,291	41,232,922	10,871,434
Changes of Assumptions	-	76,029,639	-	274,893,478	269,629,371
Retirement Benefits	(1,553,431,878)	(1,519,526,833)	(1,550,226,215)	(1,447,668,471)	(1,394,914,135)
Refunds and Transfers of Member Contributions	(37,321,400)	(37,896,771)	(37,249,292)	(34,413,878)	(30,305,050)
Net Change in Total Pension Liability	326,915,009	211,891,966	394,200,184	578,001,411	528,941,735
Total Pension Liability - Beginning	21,404,414,095	21,192,522,129	20,798,321,945	20,220,320,534	19,691,378,799
Total Pension Liability - Ending (a)	\$ 21,731,329,104	\$ 21,404,414,095	\$ 21,192,522,129	\$ 20,798,321,945	\$ 20,220,320,534
Plan Fiduciary Net Position					
Employer Contributions	\$ 859,465,885	\$ 996,397,074	\$ 1,290,091,732	\$ 855,817,402	\$ 853,214,442
Employee Contributions	196,825,655	186,150,061	179,418,188	167,117,810	166,954,560
Harbor Police Transfer	-	-	-	-	-
Net Investment Income (Loss)	1,796,819,283	1,847,213,745	1,380,564,101	(1,015,958,553)	3,703,593,259
Other Income	14,616,568	14,356,874	16,002,426	15,817,950	14,556,140
Retirement Benefits	(1,553,431,878)	(1,519,526,833)	(1,550,226,215)	(1,447,668,471)	(1,394,914,135)
Refunds and Transfers of Member Contributions	(37,321,400)	(37,896,771)	(37,249,292)	(34,413,878)	(30,305,050)
Administrative Expenses	(18,660,104)	(18,568,880)	(17,722,198)	(16,710,210)	(16,606,586)
Other Postemployment Benefits Expenses (Income)	(399,579)	(43,053)	370,476	(966,102)	(89,651)
Depreciation and Amortization Expenses	(897,322)	(881,708)	(835,569)	(800,575)	(769,107)
Net Change in Plan Fiduciary Net Position	1,257,017,108	1,467,200,509	1,260,413,649	(1,477,764,627)	3,295,633,872
Plan Fiduciary Net Position - Beginning	15,966,194,298	14,498,993,789	13,238,580,140	14,716,344,767	11,420,710,895
Plan Fiduciary Net Position - Ending (b)	\$ 17,223,211,406	\$ 15,966,194,298	\$ 14,498,993,789	\$ 13,238,580,140	\$ 14,716,344,767
Net Pension Liability - Ending (a)-(b)	\$ 4,508,117,698	\$ 5,438,219,797	\$ 6,693,528,340	\$ 7,559,741,805	\$ 5,503,975,767

Schedules of Changes in Net Pension Liability (Continued)

For Ten Years Ended June 30, 2025

	2025	2024	2023	2022	2021
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	79.3%	74.6%	68.4%	63.7%	72.8%
Covered Payroll	\$ 2,376,382,677	\$ 2,258,228,252	\$ 2,188,647,582	\$ 2,008,311,596	\$ 2,004,062,861
Net Pension Liability as a Percentage of Covered Payroll	189.7%	240.8%	305.8%	376.4%	274.6%

Schedules of Changes in Net Pension Liability (Continued)

For Ten Years Ended June 30, 2025

	2020	2019	2018	2017	2016
Total Pension Liability					
Service Cost	\$ 220,437,301	\$ 218,865,385	\$ 214,222,176	\$ 219,475,741	\$ 222,458,027
Interest	1,447,710,612	1,425,430,990	1,411,403,403	1,405,827,435	1,379,644,606
Changes of Benefit Terms - Cost of Living Increase	-	-	-	-	120,572,581
Changes of Benefit Terms	-	875,621	657,700	-	20,680,250
Differences Between Expected and Actual Experience	(158,856,913)	88,972,166	(45,163,231)	(139,108,937)	(109,244,104)
Changes of Assumptions	52,927,000	68,669,381	83,241,388	41,711,761	-
Retirement Benefits	(1,368,004,318)	(1,343,892,705)	(1,317,635,325)	(1,274,461,022)	(1,238,507,932)
Refunds and Transfers of Member Contributions	(30,447,178)	(34,948,707)	(35,191,508)	(37,606,040)	(35,997,261)
Net Change in Total Pension Liability	163,766,504	423,972,131	311,534,603	215,838,938	359,606,167
Total Pension Liability - Beginning	19,527,612,295	19,103,640,164	18,792,105,561	18,576,266,623	18,216,660,456
Total Pension Liability - Ending (a)	<u>\$ 19,691,378,799</u>	<u>\$ 19,527,612,295</u>	<u>\$ 19,103,640,164</u>	<u>\$ 18,792,105,561</u>	<u>\$ 18,576,266,623</u>
Plan Fiduciary Net Position					
Employer Contributions	\$ 854,117,785	\$ 769,629,768	\$ 729,479,704	\$ 675,583,750	\$ 718,606,512
Employee Contributions	164,576,018	160,338,556	152,189,709	149,931,242	152,233,771
Harbor Police Transfer	-	-	-	-	10,790,721
Net Investment Income (Loss)	(480,573,814)	452,914,317	1,011,537,508	1,520,600,699	(296,729,232)
Other Income	15,955,512	13,052,134	15,198,732	14,049,255	15,185,502
Retirement Benefits	(1,368,004,318)	(1,343,892,705)	(1,317,635,325)	(1,274,461,022)	(1,238,507,932)
Refunds and Transfers of Member Contributions	(30,447,178)	(34,948,707)	(35,191,508)	(37,606,040)	(35,997,261)
Administrative Expenses	(16,749,257)	(16,785,776)	(14,732,258)	(17,074,984)	(15,615,605)
Other Postemployment Benefits Expenses (Income)	(42,750)	(538,097)	(9,525,495)	(904,975)	(982,858)
Depreciation and Amortization Expenses	(820,094)	(783,617)	(883,799)	(556,901)	(419,718)
Net Change in Plan Fiduciary Net Position	(861,988,096)	(1,014,127)	530,437,268	1,029,561,024	(691,436,100)
Plan Fiduciary Net Position - Beginning	12,282,698,991	12,283,713,118	11,753,275,850	10,723,714,826	11,415,150,926
Plan Fiduciary Net Position - Ending (b)	<u>\$ 11,420,710,895</u>	<u>\$ 12,282,698,991</u>	<u>\$ 12,283,713,118</u>	<u>\$ 11,753,275,850</u>	<u>\$ 10,723,714,826</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 8,270,667,904</u>	<u>\$ 7,244,913,304</u>	<u>\$ 6,819,927,046</u>	<u>\$ 7,038,829,711</u>	<u>\$ 7,852,551,797</u>

Schedules of Changes in Net Pension Liability (Continued)

For Ten Years Ended June 30, 2025

	2020	2019	2018	2017	2016
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	58.0%	62.9%	64.3%	62.5%	57.7%
Covered Payroll	\$ 1,999,414,595	\$ 1,952,495,777	\$ 1,864,035,191	\$ 1,821,943,975	\$ 1,842,286,184
Net Pension Liability as a Percentage of Covered Payroll	413.7%	371.1%	365.9%	386.3%	426.2%

Schedules of Employers' Net Pension Liability

For Ten Years Ended June 30, 2025

Fiscal Year	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of Total Pension Liability	Covered Payroll	Employers' Net Pension Liability as a Percentage of Covered Payroll
2016	\$ 18,576,266,623	\$ 10,723,714,826	\$ 7,852,551,797	57.7%	\$ 1,842,286,184	426.2%
2017	\$ 18,792,105,561	\$ 11,753,275,850	\$ 7,038,829,711	62.5%	\$ 1,821,943,975	386.3%
2018	\$ 19,103,640,164	\$ 12,283,713,118	\$ 6,819,927,046	64.3%	\$ 1,864,035,191	365.9%
2019	\$ 19,527,612,295	\$ 12,282,698,991	\$ 7,244,913,304	62.9%	\$ 1,952,495,777	371.1%
2020	\$ 19,691,378,799	\$ 11,420,710,895	\$ 8,270,667,904	58.0%	\$ 1,999,414,595	413.7%
2021	\$ 20,220,320,534	\$ 14,716,344,767	\$ 5,503,975,767	72.8%	\$ 2,004,062,861	274.6%
2022	\$ 20,798,321,945	\$ 13,238,580,140	\$ 7,559,741,805	63.7%	\$ 2,008,311,596	376.4%
2023	\$ 21,192,522,129	\$ 14,498,993,789	\$ 6,693,528,340	68.4%	\$ 2,188,647,582	305.8%
2024	\$ 21,404,414,095	\$ 15,966,194,298	\$ 5,438,219,797	74.6%	\$ 2,258,228,252	240.8%
2025	\$ 21,731,329,104	\$ 17,223,211,406	\$ 4,508,117,698	79.3%	\$ 2,376,382,677	189.7%

Schedules of Employer Contributions

For Ten Years Ended June 30, 2025

Fiscal Year	Actuarial Determined Contribution (ADC) (A)	Contributions in Relation to ADC (B)	ADC Contribution Deficiency (Excess) (A-B)	Contributions to COLA Account (C)	Total Contributions (B+C)	Covered Payroll (D)	Contributions as a % of Covered Payroll (B+C)/(D)
2016	\$ 694,091,525	\$ 718,606,514	\$ (24,514,989)	\$ -	\$ 718,606,514	\$ 1,842,286,184	39.0%
2017	\$ 701,906,777	\$ 675,583,750	\$ 26,323,027	\$ -	\$ 675,583,750	\$ 1,821,943,975	37.1%
2018	\$ 707,672,002	\$ 725,802,871	\$ (18,130,869)	\$ -	\$ 725,802,871	\$ 1,864,035,191	38.9%
2019	\$ 717,033,569	\$ 760,150,449	\$ (43,116,880)	\$ -	\$ 760,150,449	\$ 1,952,495,777	38.9%
2020	\$ 785,380,878	\$ 837,449,602	\$ (52,068,724)	\$ -	\$ 837,449,602	\$ 1,999,414,595	41.9%
2021	\$ 795,212,826	\$ 844,776,387	\$ (49,563,561)	\$ -	\$ 844,776,387	\$ 2,004,062,861	42.2%
2022	\$ 820,423,194	\$ 833,985,463	\$ (13,562,269)	\$ -	\$ 833,985,463	\$ 2,008,311,596	41.5%
2023	\$ 850,575,800	\$ 913,548,946	\$ (62,973,146)	\$ -	\$ 913,548,946	\$ 2,188,647,582	41.7%
2024	\$ 885,754,621	\$ 966,275,149	\$ (80,520,528)	\$ -	\$ 966,275,149	\$ 2,258,228,252	42.8%
2025	\$ 749,050,193	\$ 824,315,990	\$ (75,265,797)	\$ 36,181,187	\$ 860,497,177	\$ 2,376,382,677	36.2%

Schedules of Investment Returns

For Ten Years Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	11.9%	10.6%	13.7%	-6.9%	33.4%	-3.6%	3.8%	8.9%	14.9%	-2.6%

Schedules of the System's Proportionate Share of the Collective Total OPEB Liability

For Eight Years Ended June 30, 2025*

<u>Fiscal Year</u>	<u>Percentage of the Collective Total OPEB Liability</u>	<u>System's Proportionate Share of the Collective Total OPEB Liability</u>	<u>Employers' Covered Payroll</u>	<u>Proportionate Share of the Collective Total OPEB Liability as a % of Covered Payroll</u>
2018	0.2127%	\$ 18,489,294	\$ 8,317,152	222.30%
2019	0.2156%	\$ 18,401,229	\$ 8,627,155	213.29%
2020	0.2205%	\$ 17,023,923	\$ 8,688,890	195.93%
2021	0.2246%	\$ 18,605,250	\$ 9,197,742	202.28%
2022	0.2396%	\$ 21,939,790	\$ 9,656,660	227.20%
2023	0.2232%	\$ 15,062,325	\$ 9,420,612	159.89%
2024	0.2248%	\$ 16,065,987	\$ 9,812,494	163.73%
2025	0.2248%	\$ 17,562,464	\$ 10,286,724	170.73%

Note: The amounts presented have a measurement date of the previous fiscal year end.

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Required Supplementary Information

A. Schedules of Changes in Net Pension Liability

The total pension liability contained in this schedule was provided by the System's actuary, Foster & Foster, and was determined based on the net pension liability actuarial assumptions found in the chart that follows. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the System.

B. Schedules of Employers' Net Pension Liability

The schedule of employers' net pension liability shows the percentage of LASERS employers' net pension liability as a percentage of covered employee payroll and was determined based on the net pension liability actuarial assumption found in the chart that follows. The employers' net pension liability is the liability of contributing employers to members for benefits provided through LASERS. Covered employee payroll is the payroll of all employees that are provided with benefits through the plan.

C. Schedules of Employer Contributions

The difference between actuarially determined employer contributions and employer contributions received, and the percentage of employer contributions received to covered employee payroll is presented in this schedule. This information was determined based on the net pension liability actuarial assumptions found in the chart that follows.

D. Schedules of Investment Returns

The annual money-weighted rate of return is shown in this schedule. The money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. This expresses investment performance adjusted for the changing amounts actually invested throughout the year, measured on daily inputs with expenses measured on an accrual basis.

E. Schedules of the System's Proportionate Share of the Collective Total OPEB Liability

This schedule shows the System's proportionate share of the collective total OPEB liability allocated to its current employees and retirees participating in the State of Louisiana Postretirement Benefit Plan as of June 30, 2025. No assets are accumulated in a trust that meets the criteria in paragraph four of Statement 75. Fiscal year end 2024 data was used in determining the System's proportionate share of the collective total OPEB liability. The discount rate decreased from 4.13% as of June 30, 2023 to 3.93% as of June 30, 2024. The number of retirees participating in the plan increased by five to 55 from fiscal year end 2023 to 2024. There were no changes in benefit terms. The schedule also represents the percentage of the collective total OPEB liability to covered payroll. This information was determined based on the OPEB actuarial assumptions found in the chart that follows.

Net Pension Liability Actuarial Assumptions

For Ten Years Ended June 30, 2025

	2025	2024	2023	2022	2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.25%	7.25%	7.25%	7.25%	7.40%
Inflation Rate	2.40%	2.40%	2.30%	2.30%	2.30%
Salary Increases	Varied	Varied	Varied	Varied	Varied
Cost-of-Living Adjustments	Not Automatic; Subject to Limits	Not Automatic; Subject to Limits	Not Automatic; Subject to Limits	Not Automatic; Subject to Limits	Not Automatic; Subject to Limits
Mortality/ Disability	2019-2023 Experience Study	2019-2023 Experience Study	2014-2018 Experience Study	2014-2018 Experience Study	2014-2018 Experience Study
Changes in Benefit Terms	N/A	N/A	N/A	Act 656 of 2022	Act 37 of 2021
	2020	2019	2018	2017	2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.55%	7.60%	7.65%	7.70%	7.75%
Inflation Rate	2.30%	2.50%	2.75%	2.75%	3.00%
Salary Increases	Varied	Varied	Varied	Varied	Varied
Cost-of-Living Adjustments	Not Automatic; Subject to Limits	Not Automatic; Subject to Limits	Not Automatic; Subject to Limits	Not Automatic; Subject to Limits	Not Automatic; Subject to Limits
Mortality/ Disability	2014-2018 Experience Study	2014-2018 Experience Study	2009-2013 Experience Study	2009-2013 Experience Study	2009-2013 Experience Study
Changes in Benefit Terms	N/A	Acts 224 and 595 of 2018	Acts 224 and 595 of 2018	N/A	Act 648 of 2014

OPEB Actuarial Assumptions

For Eight Years Ended June 30, 2025

	2025	2024	2023	2022	2021	2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Asset Valuation	Pay-As-You-Go Basis	Pay-As-You-Go Basis	Pay-As-You-Go Basis	Pay-As-You-Go Basis	Pay-As-You-Go Basis	Pay-As-You-Go Basis
Discount Rate	3.93%	4.13%	4.09%	2.18%	2.66%	2.79%
Salary Increases	Varied	Varied	Varied	Varied	Varied	Varied
Inflation Rate	2.40%	2.40%	2.40%	2.40%	2.80%	2.80%
Mortality/Disability	2019-2023 Experience Study	2014-2018 Experience Study	2014-2018 Experience Study	2014-2018 Experience Study	2014-2018 Experience Study	2014-2018 Experience Study

	2019	2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Asset Valuation	Pay-As-You-Go Basis	Pay-As-You-Go Basis
Discount Rate	2.98%	3.13%
Salary Increases	Varied	Varied
Inflation Rate	2.80%	2.80%
Mortality/Disability	2014-2018 Experience Study	2009-2013 Experience Study

Schedules of Administrative Expenses

For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Administrative Expenses:		
Salaries and Related Benefits	\$ 14,076,023	\$ 13,734,718
Travel Expenses	77,953	75,663
Operating Services	4,077,472	4,011,325
Professional Services	366,965	473,016
Acquisitions	<u>61,691</u>	<u>274,158</u>
Total Administrative Expenses	<u>\$ 18,660,104</u>	<u>\$ 18,568,880</u>

Schedules of Investment Expenses

For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Investment Activities Expenses:		
Alternative Investment Expenses		
Manager Fees	\$ 81,349,575	\$ 78,340,952
Profit Sharing Fees	329,706	991,011
Total Alternative Investment Expenses	<u>81,679,281</u>	<u>79,331,963</u>
Investment Management Expenses		
Manager Fees	25,813,248	24,802,262
Administrative Expenses	3,186,176	3,178,778
Profit Sharing Fees	24,400,849	26,157,961
Consultant Fees	860,000	839,000
Research and Data Services	924,686	839,480
Investment Performance Management	149,411	132,494
Investment Legal Fees	6,468	11,279
Global Custodian Fees	168,149	171,734
Total Investment Management Expenses	<u>55,508,987</u>	<u>56,132,988</u>
Security Lending Expenses		
Securities Lending Management Fees	<u>43,802,470</u>	<u>46,107,240</u>
Total Investment Expenses	<u><u>\$ 180,990,738</u></u>	<u><u>\$ 181,572,191</u></u>

Schedules of Board Compensation

For the Years Ended June 30, 2025 and 2024

Board of Trustees	2025		2024	
	Number of Meetings	Amount	Number of Meetings	Amount
Thomas Bickham ¹	-	\$ -	5	\$ -
Virginia Burton	9	675	13	975
Charles Castille	-	-	5	375
Byron Decoteau ¹	11	-	11	-
Pam Diez ¹	9	-	6	-
Beverly Hodges	10	750	6	450
Ternisha Hutchinson ¹	10	-	13	-
Cortny Jarrell ¹	11	-	6	-
William Kleinpeter	-	-	5	375
Laura Lapeze ¹	10	-	7	-
Amy Matthews ¹	11	-	12	-
Barbara McManus	5	375	9	675
Shannon Templet ¹	-	-	5	-
		<u>\$ 1,800</u>		<u>\$ 2,850</u>

¹ Board member chose not to receive per diem for all or part of their term.

Schedules of Professional/Consultant Fees

For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Accounting and Auditing		
EisnerAmper LLP	\$ 85,355	\$ 93,573
Actuary		
Foster & Foster Actuaries & Consultants, Inc.	209,887	252,707
Legal Fees		
Tarcza & Associates, LLC	6,970	3,022
Disability Program		
Physician and Other Reviews	50,200	34,450
Other Professional Services		
Alchemy Technology Group, LLC	10,563	-
CDW-G	-	5,830
CMA Technology Solutions	-	27,425
Cognizant Technology Solutions US Corp.	-	21,746
Election Services, Co.	-	30,749
SHI International Corp.	3,240	2,314
Other Non-Consultant Professionals	750	1,200
Professional Service/Consultant Fees	<u><u>\$ 366,965</u></u>	<u><u>\$ 473,016</u></u>