



## PMRS CEO Update March 2022

The first quarter of 2022 has seen considerable volatility in equity markets, rising inflation and, of course, the invasion of Ukraine. Combined with continuing impacts of the pandemic, it remains an uncertain environment.

This uncertainty reinforces the significance of the new PMRS investment strategy we have been executing over the course of the past year. This has been a worthwhile undertaking as PMRS has reallocated 43 percent of our portfolio to reduce our exposure to risk, increase asset diversification, and save an estimated \$4.5 million annually in management expenses.

As part of the strategy, we had already reduced exposure to emerging markets including Russia. Additionally, the PMRS board this week passed a resolution to divest the relatively small remaining Russia holdings as soon as financially prudent and to forgo future Russian investments.

Importantly, PMRS' portfolio is well positioned and continues to perform even in an increasingly difficult market. We ended 2021 with a market value of \$3.5 billion and realized a total annual return of 12.8 percent which is a gain of \$403 million.

In addition to growing and protecting our members' retirement funds, PMRS staff remains focused on completing and distributing the 2020 financial reports in accordance with timelines we previously communicated to employers. We expect to begin distributing the first 2020 reports and statements in the next few weeks and anticipate completing 2020 financial reporting this summer. We expect to complete 2021 reporting by the end of this year, returning PMRS to a regular schedule.

Now that our technology upgrades are complete and no longer cause for delays, a key factor in PMRS meeting current reporting deadlines is receiving accurate and timely member and plan information from employers. To help avoid further delays, PMRS has increased efforts to provide employers guidance and reminders on their reporting requirements. We have also identified and notified plans that have yet to provide complete 2020 information and have seen a significant response rate from them.

Beyond financial reporting, we are improving operations in other areas. We automated member 1099 income statements for the first time and will do the same with cost-of-living adjustments. These improvements free up staff to better focus on processing requests and raising service levels for members and employees.

This progress is just the tip of the iceberg, and it fuels my optimism for continued progress in the year ahead. Thank you for your ongoing support.

Sincerely,

Timothy Reese  
CEO, PMRS



