That’s no surprise to us. Our investing strategy is to protect principal as much as possible when market seasons turn bleak. For example, during market pullbacks in 2008, 2011, and 2015, our yearly returns were at or near the top 10% compared to our peers. In the abundant seasons, we may not get the same lofty returns. But in seasons of scarcity, we generally outperform. By preserving principal, the compounding effect going forward is greater and produces more wealth for the portfolio in the long run.

This strategy has worked well for the URS pension fund. The fund has nearly doubled in value since 2008, growing from $15.9 billion to nearly $31.3 billion by the end of 2018. We’re proud to serve Utah public employees by providing you dependable retirement benefits. We’re prepared for all seasons to help give you financial security through every season of your life.

Daniel D. Andersen, Executive Director
Utah Retirement System
Introduction

About URS
URS provides retirement and insurance benefits exclusively for Utah public employees. We serve more than 228,000 members and about 462 public employers. We’re a component unit of the State of Utah, governed by Utah Code Title 49. We administer eight defined benefit pension systems and four retirement savings plans.

Mission Statement
We serve Utah public employees with retirement and insurance benefits in a partnership of trust with a commitment to value, innovation, and excellence.

A Snapshot of You
When we pose all of you together, we get this picture of age, service, and income.

“There are seasons in life. Don’t ever let anyone try to deny you the joy of one season because they believe you should stay in another season.”
— JAYNE CLAYSON

2018

<table>
<thead>
<tr>
<th>Retirement Plan</th>
<th>Memberships System</th>
<th>Contributions System</th>
<th>Public Safety System</th>
<th>Public Officers System</th>
<th>Corporate System</th>
<th>Defined Benefit System</th>
<th>Defined Contribution Only</th>
<th>All Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Membership</td>
<td>159,459</td>
<td>5,622</td>
<td>16,193</td>
<td>3,444</td>
<td>299</td>
<td>387</td>
<td>32,326</td>
<td>3,421</td>
</tr>
<tr>
<td>Active</td>
<td>56,299</td>
<td>519</td>
<td>5,305</td>
<td>1,340</td>
<td>116</td>
<td>52</td>
<td>30,291</td>
<td>3,301</td>
</tr>
<tr>
<td>Terminated</td>
<td>46,750</td>
<td>1,186</td>
<td>9,591</td>
<td>1,464</td>
<td>8</td>
<td>85</td>
<td>1,971</td>
<td>130</td>
</tr>
<tr>
<td>Retired</td>
<td>56,404</td>
<td>3,917</td>
<td>4,797</td>
<td>4,164</td>
<td>155</td>
<td>255</td>
<td>64</td>
<td>68</td>
</tr>
<tr>
<td>Active Members</td>
<td>56,299</td>
<td>519</td>
<td>5,305</td>
<td>1,340</td>
<td>116</td>
<td>52</td>
<td>30,291</td>
<td>3,301</td>
</tr>
<tr>
<td>Average age</td>
<td>51.9</td>
<td>51.2</td>
<td>47.8</td>
<td>43.2</td>
<td>33.8</td>
<td>57.0</td>
<td>36.0</td>
<td>29.5</td>
</tr>
<tr>
<td>Average years of service</td>
<td>16.6</td>
<td>16.4</td>
<td>16.4</td>
<td>16.4</td>
<td>14.5</td>
<td>13.4</td>
<td>2.9</td>
<td>3.0</td>
</tr>
<tr>
<td>2018 Retirees</td>
<td>3,445</td>
<td>110</td>
<td>372</td>
<td>61</td>
<td>10</td>
<td>7</td>
<td>36</td>
<td>4</td>
</tr>
<tr>
<td>Average age</td>
<td>64.4</td>
<td>37.2</td>
<td>51.3</td>
<td>65.3</td>
<td>66.3</td>
<td>68.6</td>
<td>67.6</td>
<td>67.6</td>
</tr>
<tr>
<td>Average years of service</td>
<td>20.8</td>
<td>22.4</td>
<td>23.2</td>
<td>23.2</td>
<td>34.0</td>
<td>10.8</td>
<td>5.4</td>
<td>22.1</td>
</tr>
<tr>
<td>All Retirees</td>
<td>22,921</td>
<td>21,028</td>
<td>30,193</td>
<td>177,777</td>
<td>92,753</td>
<td>8,606</td>
<td>2,505</td>
<td>*</td>
</tr>
</tbody>
</table>

$1.5 billion in pension payouts
60,363 total recipients

1.1% of state’s total income
$358 million in earnings from these jobs

$677 million in state GDP impact

$59 million in state and local tax revenue

— URS 2018 Economic Impact to Utah Residents

An Economic Force in the State of Utah
URS paid more than $1.5 billion in pension payments in 2018, the vast majority of which remained in the Utah economy. More than 90% of URS pension payouts in 2018 went to retirees living in Utah, including $586 million to Salt Lake County. Retirees alone. Pension payments by county are shown to the right.

By the Numbers
URS pension payments ripple throughout Utah’s economy, supporting jobs, expanding GDP, and providing steady tax revenue. Each year, these payments support about 8,000 Utah jobs, $358 million in wages, $677 million in GDP, and $59 million in state and local tax revenue, according to a 2018 report prepared by the University of Utah’s Kem C. Gardner Policy Institute.

Pension Payouts in Utah

Retirees Who Live in Utah by Characteristics by County

<table>
<thead>
<tr>
<th>County</th>
<th>Recipients</th>
<th>Dollars Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salt Lake County</td>
<td>3,755</td>
<td>89,181,245</td>
</tr>
<tr>
<td>Utah County</td>
<td>4,595</td>
<td>134,103,245</td>
</tr>
<tr>
<td>Davis County</td>
<td>1,090</td>
<td>4,198,245</td>
</tr>
<tr>
<td>Weber County</td>
<td>553</td>
<td>3,576,576</td>
</tr>
<tr>
<td>Washington County</td>
<td>1,872</td>
<td>5,879,657</td>
</tr>
<tr>
<td>Cache County</td>
<td>1,504</td>
<td>6,829,857</td>
</tr>
<tr>
<td>Box Elder County</td>
<td>823</td>
<td>4,163,657</td>
</tr>
<tr>
<td>Tooele County</td>
<td>1,167</td>
<td>2,716,490</td>
</tr>
<tr>
<td>Iron County</td>
<td>1,114</td>
<td>2,567,245</td>
</tr>
<tr>
<td>Sevier County</td>
<td>1,130</td>
<td>2,366,187</td>
</tr>
<tr>
<td>Summit County</td>
<td>1,121</td>
<td>2,946,111</td>
</tr>
<tr>
<td>Sanpete County</td>
<td>864</td>
<td>1,871,306</td>
</tr>
<tr>
<td>Wasatch County</td>
<td>664</td>
<td>1,693,653</td>
</tr>
<tr>
<td>Carbon County</td>
<td>750</td>
<td>16,071,545</td>
</tr>
<tr>
<td>Uintah County</td>
<td>732</td>
<td>14,945,076</td>
</tr>
<tr>
<td>Duchesne County</td>
<td>603</td>
<td>11,905,361</td>
</tr>
<tr>
<td>Millard County</td>
<td>484</td>
<td>10,890,201</td>
</tr>
<tr>
<td>San Juan County</td>
<td>476</td>
<td>5,911,240</td>
</tr>
<tr>
<td>Emery County</td>
<td>418</td>
<td>5,556,740</td>
</tr>
<tr>
<td>Morgan County</td>
<td>321</td>
<td>8,285,529</td>
</tr>
<tr>
<td>Juab County</td>
<td>348</td>
<td>7,526,758</td>
</tr>
<tr>
<td>Grand County</td>
<td>288</td>
<td>6,429,449</td>
</tr>
<tr>
<td>Beaver County</td>
<td>213</td>
<td>4,658,475</td>
</tr>
<tr>
<td>Kane County</td>
<td>217</td>
<td>4,288,712</td>
</tr>
<tr>
<td>Garfield County</td>
<td>182</td>
<td>4,009,933</td>
</tr>
<tr>
<td>Wayne County</td>
<td>117</td>
<td>2,672,317</td>
</tr>
<tr>
<td>Rich County</td>
<td>95</td>
<td>2,077,700</td>
</tr>
<tr>
<td>Piute County</td>
<td>85</td>
<td>1,628,485</td>
</tr>
<tr>
<td>Daggett County</td>
<td>59</td>
<td>1,236,463</td>
</tr>
<tr>
<td>Out of the State of Utah</td>
<td>7,691</td>
<td>155,571,353</td>
</tr>
</tbody>
</table>

Total: 68,054, $1,675,462,868

By county is shown to the right.

1. $1.1 million
2. $1.5 million
3. $600 million

By county is shown to the right.

1. 1.1 million
2. 59 million
3. 59 million

By county is shown to the right.

1. $677 million
2. $677 million
3. $677 million

By county is shown to the right.

1. 59 million
2. 59 million
3. 59 million
**Investments**

Return on Investment
The average portion of benefits paid through investment returns over the past 20 years is 64%.

Our Investment Philosophy
Our pension asset allocation is designed to meet long-term obligations, protect members’ benefits, and minimize risk and volatility. We take a long-term perspective.

We position the portfolio in such a way to protect principal as much as possible in negative equity markets. We may lose money in such markets, but we expect to lose less than most peers. By doing so, the compounding effect going forward is greater and produces more wealth to the portfolio in the long run.

In negative global equity markets, such as 2008, 2011, 2015, and 2018, we have been either in the top 10% of our peer group or just below it. We have been able to add value with a lower-risk and more diversified portfolio.

Defined Benefit Pension Assets
Our Asset Growth has Been Fueled by Wise Investments.

As of December 31, 2018, the net position of the pension fund was worth nearly $31.3 billion as show below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$125.1</td>
</tr>
<tr>
<td>2014</td>
<td>$126.6</td>
</tr>
<tr>
<td>2015</td>
<td>$128.2</td>
</tr>
<tr>
<td>2016</td>
<td>$131.9</td>
</tr>
<tr>
<td>2017</td>
<td>$133.3</td>
</tr>
<tr>
<td>2018</td>
<td>$31.3</td>
</tr>
</tbody>
</table>

at fair value (in billions)

Where Pension Funds Were Invested

**Equities**
Stocks make us part owner and beneficiary of many successful companies around the world.

**Debt Securities**
Whether financing a country’s or a corporation’s need for money, bonds yield a steady stream of income.

**Real Assets**
Investments include real estate, energy, timber, and commodities.

**Absolute Return**
These strategies strive to achieve returns that have little correlation to the other asset classes.

**Private Equity**
Although supplying capital to fund private companies is riskier than some investments, returns are expected to outperform public equity markets over the long term.

**Short-term Securities**
Money market accounts allow URS ready funds to make advantageous moves.

How Your Pension is Funded
In addition to member and employer contributions, investment income typically funds the greater portion of members’ retirement benefits. To minimize financial risk, URS diversifies its investment portfolio. The pension funds’ 2018 return was a negative 0.22%.

**Benefits Paid to Members**
Pension Benefit Payments: Secure and Growing
URS exists to secure and pay your retirement benefits. The past six years’ benefit payments grew as shown below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$2,853</td>
</tr>
<tr>
<td>2014</td>
<td>$4,940</td>
</tr>
<tr>
<td>2015</td>
<td>$3,383</td>
</tr>
<tr>
<td>2016</td>
<td>$4,245</td>
</tr>
<tr>
<td>2017</td>
<td>$13,383</td>
</tr>
<tr>
<td>2018</td>
<td>$11,095</td>
</tr>
</tbody>
</table>

ADDITIONS BY SOURCE (in millions)
- Net Investment Income
- Fire Insurance Tax, Court Fees, and Other
- Member Contributions
- Employer Contributions

"October is the fallen leaf, but it is also a wider horizon more clearly seen. It is the distant hills once more in sight, and the enduring constellations above them once again."

— HAL BOURLAND
## Financials

### Net Position

Statements of Fiduciary Net Position present the assets of the Systems that have been accumulated for the payment of your retirement benefits.

#### Assets:
- Total Assets: 33,107,636
- Net of accumulated depreciation: 4,675
- Private equity: 3,661,356
- Short-term securities: 1,590,727
- Investments at fair value:
  - Investments: 611,588
- Employer contributions: 55,270

#### Liabilities:
- Receivables:
  - Benefits and insurance reserve: 21,149
- Retirement System Liability Net Position:
  - Net position restricted for pension benefits beginning of year: 31,878,618
  - Increase from operations: (619,096)
  - Total deductions: 1,714,293

#### Net position restricted for pension benefits:
- Total: $31,259,522

### Total Deductions and Additions

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement System Liabilities</td>
<td>3,175,218</td>
</tr>
<tr>
<td>Net position restricted by beneficiaries of year</td>
<td>11,878,618</td>
</tr>
<tr>
<td>Net position restricted for pension benefits of year</td>
<td>$31,259,522</td>
</tr>
</tbody>
</table>

## Additions and Deductions

The Statements of Changes in Fiduciary Net Position show the additions (income) and deductions (expenses) of the Systems. Investment earnings and contributions comprise the additions. The deductions are composed almost entirely of benefit payments and refunds. Deductions exceeded additions by $619 million in 2018.

### Total Additions

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Additions</td>
<td>1,095,197</td>
</tr>
</tbody>
</table>

### Deductions

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total deductions</td>
<td>1,714,293</td>
</tr>
</tbody>
</table>

## To Learn More

This Summary Report contains excerpts from the URS 2018 Comprehensive Annual Financial Report, containing detailed financial information about URS.

Find it at www.urs.org.
Meet the Board

A majority of the URS Board members are experts in banking and investments, and are appointed by the Governor. The Board appoints our executive director to carry out the day-to-day operations of URS. Together they guide and safeguard URS.

MEMBERSHIP ADVISORY COUNCIL

Those who serve on the Membership Advisory Council speak for the interests of active and retired members and participating employers.

Executive Committee Members / Represents

Mr. Marty Peterson
(Chairperson)
Professional Firefighters of Utah
Mr. Richard Petersen
(Vice Chairperson)
Utah Public Employees’ Association
Mr. Stuart Bailey
Utah Education Association
Ms. Amy Ehresman
Utah School Employees’ Association
Ms. Brandy Grace
Utah Association of Counties

Council Members / Represents

Mr. Brandon Baca
Utah Education Association
Mr. Jamie Davidson
Utah League of Cities and Towns
Mr. Larry Evans
Utah Public Employees’ Association
Senior Trooper Arlow Hancock
Utah Peace Officers’ Association
Mr. Michael Harman
Utah Education Association
Ms. Debra McBride
Utah Association of Retired Public Employees
Mr. Larry Millward
Utah Retired School Employees’ Association
Honorable Kara Pettit
Utah Judicial Council

“I believe in process. I believe in four seasons. I believe that winter’s tough, but spring’s coming. I believe that there’s a growing season. And I think that you realize that in life, you grow. You get better.”

— STEVE SOUTHERLAND

Want to Know More?

Web www.urs.org

Please visit www.urs.org or call our office. We can explain your benefits one-on-one or to your group.

Write

Salt Lake Office, P.O. Box 1590
Salt Lake City, UT 84110-1590
St. George Office, 165 North 100 East #9
St. George, UT 84770-2505

Call

Salt Lake Office
801-366-7700 • 800-365-8772
Pension Benefits
801-366-7770 • 800-695-4877
401(k), 457, IRA, HRA
801-366-7720 • 800-688-401k
St. George Office
435-673-6300 • 800-950-4877

Fax

Salt Lake Office: 801-366-7734
401(k), 457, IRA, HRA: 801-366-7445
St. George Office: 435-634-0654

Visit

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St. George, UT 84770-2505

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