Dear Valued Member:

Even in uncertain times, you can feel certain about the health and resilience of the URS pension fund.

We manage this fund with a long-term horizon to maximize returns throughout all market cycles, with an emphasis on downside protection.

It’s built to stay healthy in every economic environment.

In 2019, amid vigorous financial markets, the fund returned a lofty 14.45%, growing to $35.2 billion. Our funded status, as of December 31, 2019, was 91.7%, making URS one of the most well-funded statewide pension plans in the country.

Needless to say, much global history has transpired since then. However, the URS pension fund’s long-term bill of health remains clean. Our investing strategy protects principal as much as possible during times when the economy may be under the weather (see a summary of our investment philosophy on Page 4).

There’s still a lot of history to be written between now and the time I write this letter next summer to report on calendar year 2020. Although the short-term details may differ, I have no doubt that our long-term prognosis will continue to be good.

In the meantime, please stay safe and healthy this summer. Follow the guidance at coronavirus.utah.gov. And rest easy that the URS pension fund remains healthy, even in these uncertain times.

Daniel D. Andersen
Executive Director
Utah Retirement Systems

"It is health that is real wealth and not pieces of gold and silver."
— MAHATMA GANDHI
Introduction

About URS
URS provides retirement and insurance benefits exclusively for Utah public employees. We serve more than 235,000 members and about 482 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.

Average annual benefit $23,392 22,332 30,975 38,915 96,164 3,993 2,664 12,494 N/A 24,385

Pension Payouts in Utah
Retirees Who Live in Utah Characteristics by County

County Recipients Dollars Paid
Salt Lake County 22,500 $325,495,141
Utah County 9,106 236,564,643
Davis County 6,814 184,533,759
Weber County 5,646 143,235,713
Washington County 3,955 96,300,289
Cache County 2,713 64,896,691
Box Elder County 1,409 31,459,184
Toole County 1,228 29,339,769
Iron County 1,145 26,977,953
Sanpete County 1,022 22,700,390
Summit County 762 22,000,196
Sevier County 910 21,938,782
Wasatch County 692 17,567,669
Carbon County 764 17,063,568
Utah County 764 15,513,386
Duchesne County 637 13,103,281
Millard County 511 12,237,811
San Juan County 437 10,095,753
Emery County 433 9,039,065
Morgan County 323 8,523,163
Juab County 365 7,946,636
Grand County 36 6,894,737
Beaver County 213 4,852,614
Garfield County 186 4,394,554
Kane County 212 4,059,584
Wayne County 119 2,874,705
Rich County 92 1,963,000
Piute County 82 1,662,974
Daggett County 57 1,161,916
Total 70,454 $1,770,599,490

When you feel great, you emanate a certain energy that translates as beautiful. I don’t care if you have the standard beauty or not; it’s that X-factor that comes through, and the basis of that is good health.”
— CHRISTIE BRINKLEY

An Economic Force in the State of Utah
URS paid more than $1.77 billion in pension payments in 2019, the vast majority of which remained in the Utah economy. More than 90% of URS pension payouts in 2019 went to retirees living in Utah, including nearly $612.5 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 reliable state and local tax revenue. Each year, these payments support about 8,800 Utah jobs, $158 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.
Return on Investment

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

Our Investment Philosophy

The asset allocation of the URS pension fund is designed to meet long-term obligations, protect members’ benefits, and minimize risk and volatility. We take a long-term perspective.

We prudently invest with appropriate asset diversification to maximize long-term returns throughout all types of market cycles, with an emphasis on downside protection.

Our asset allocation is designed to be less reliant on public equity and more diversified than a traditional portfolio. It includes assets that have little or no correlation to the price movement of equities. Our goal is to generate returns, diversify, and reduce risk.

“Our greatest happiness does not depend on the condition of life in which chance has placed us, but is always the result of a good conscience, good health, occupation, and freedom in all just pursuits.” — THOMAS JEFFERSON

Investments

Defined Benefit Pension Assets

Our asset growth has been fueled by prudent investments. As of December 31, 2019, the net position of the pension fund was worth nearly $35.2 billion as shown below.

at fair value (in billions)

Pension Funds Were Invested

As of December 31, 2019

Where

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.

Absolute Return

These strategies strive to achieve returns that have little correlation to the price movement of equities. Our goal is to generate returns, diversify, and reduce risk.

Real Assets

Investments include real estate, agriculture, energy, timber, and commodities.

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

Allow URS ready funds to make advantageous moves.

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.

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 fund’s 2019 return was 14.45%.

Net Investment Income

Fire Insurance Tax, Court Fees, and Other

Member Contributions

Employer Contributions

Additions by Source

(in millions)

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at fair value (in billions)

Additions by Source

(in millions)

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Additions by Source

(in millions)

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at fair value (in billions)

Additions by Source

(in millions)

Defined Benefit Pension Assets

Our asset growth has been fueled by prudent investments. As of December 31, 2019, the net position of the pension fund was worth nearly $35.2 billion as shown below.

at fair value (in billions)
**Financials**

**Net Position**

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

**UTAH RETIREMENT SYSTEMS**

**Statements of Fiduciary Net Position — Pension Trust Funds**

<table>
<thead>
<tr>
<th>December 31, 2019</th>
<th>(in thousands)</th>
<th>Total Defined Benefit Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 558</td>
<td></td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member contributions</td>
<td>754</td>
<td></td>
</tr>
<tr>
<td>Employer contributions</td>
<td>58,969</td>
<td></td>
</tr>
<tr>
<td>Court fees and fire insurance tax</td>
<td>41,435</td>
<td></td>
</tr>
<tr>
<td>Total receivables</td>
<td>404,356</td>
<td></td>
</tr>
<tr>
<td>Investments at fair value:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securities lending liability</td>
<td>884,172</td>
<td></td>
</tr>
<tr>
<td>Real assets</td>
<td>4,947,658</td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securities lending liability</td>
<td>884,172</td>
<td></td>
</tr>
<tr>
<td>Disbursements in excess of cash balance</td>
<td>33,891</td>
<td></td>
</tr>
<tr>
<td>Compensated absences, post-employment benefits and insurance reserve</td>
<td>22,922</td>
<td></td>
</tr>
<tr>
<td>Investment accounts payable</td>
<td>650,661</td>
<td></td>
</tr>
<tr>
<td>Real estate</td>
<td>4,947,658</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,271,287</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net position restricted for pensions</td>
<td>$ 35,198,555</td>
<td></td>
</tr>
</tbody>
</table>

**U TAH RETIREMENT SYSTEMS**

**Schedules of Net Pension Liability**

<table>
<thead>
<tr>
<th>December 31, 2019</th>
<th>(dollars in thousands)</th>
<th>Total Defined Benefit Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Noncontributory</strong></td>
<td>$ 30,517,815</td>
<td>$ 2,763,929</td>
</tr>
<tr>
<td><strong>Contributory</strong></td>
<td>1,270,111</td>
<td>1,362,292</td>
</tr>
<tr>
<td>Public Safety</td>
<td>4,460,415</td>
<td>3,984,186</td>
</tr>
<tr>
<td>Firefighters</td>
<td>3,120,625</td>
<td>1,931,553</td>
</tr>
<tr>
<td>Judges</td>
<td>259,181</td>
<td>220,293</td>
</tr>
<tr>
<td>Utah Governors and Legislative</td>
<td>11,053</td>
<td>11,544</td>
</tr>
<tr>
<td>Tier 2 Public Employees</td>
<td>634,047</td>
<td>613,583</td>
</tr>
<tr>
<td>Tier 2 Public Safety and Firefighters</td>
<td>90,787</td>
<td>81,387</td>
</tr>
<tr>
<td>Total</td>
<td>$ 38,396,056</td>
<td>$ 35,198,555</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.

**1. Choose Your Plan.**

401(k), 457(b), Traditional IRA, and Roth IRA (may be subject to employer participation).

**2. Choose Your Investments.**

Target Date Funds offer a one-fund approach to investing, giving you a diversified portfolio through a single investment option. Each fund is comprised of a different mix of investment types that gradually adjust over time. They automatically reallocate more conservatively as you age and enter retirement.

Core investment funds let you design your own diversified portfolio.

**Personal Choice Retirement Account (PCRA)** for experienced investors, looking for specific investments.

Growing Personal Investments: Member balances in the 401(k), 457(b), and IRAs at year-end 2019 totaled over $6.7 billion.

Learn more about URS Savings Plans at [www.urs.org/us/savings](http://www.urs.org/us/savings)

"Good health is not something we can buy. However, it can be an extremely valuable savings account."

— ANNE WILSON SCHAFF

**To Learn More**


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**URS Savings Plans**

**Total Balances by Investment Option and Rates of Return**

<table>
<thead>
<tr>
<th>December 31, 2019</th>
<th>(dollars in thousands)</th>
<th>Total Defined Benefit Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income Fund</strong></td>
<td>$ 721,041</td>
<td>$ 80,256</td>
</tr>
<tr>
<td><strong>Bond Fund</strong></td>
<td>215,047</td>
<td>26,728</td>
</tr>
<tr>
<td><strong>Balanced Fund</strong></td>
<td>478,524</td>
<td>43,201</td>
</tr>
<tr>
<td><strong>Large Cap Stock Value Fund</strong></td>
<td>262,926</td>
<td>38,015</td>
</tr>
<tr>
<td><strong>Large Cap Stock Index Fund</strong></td>
<td>632,213</td>
<td>62,092</td>
</tr>
<tr>
<td><strong>Large Public Stock Fund</strong></td>
<td>394,271</td>
<td>51,164</td>
</tr>
<tr>
<td><strong>International Fund</strong></td>
<td>179,468</td>
<td>20,744</td>
</tr>
<tr>
<td><strong>Small Cap Stock Fund</strong></td>
<td>247,394</td>
<td>32,231</td>
</tr>
<tr>
<td><strong>Tier 2 DC Nonvested</strong></td>
<td>112,879</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Retired Fund</strong></td>
<td>57,336</td>
<td>8,084</td>
</tr>
<tr>
<td><strong>2019 Fund</strong></td>
<td>87,523</td>
<td>9,110</td>
</tr>
<tr>
<td><strong>2015 Fund</strong></td>
<td>190,653</td>
<td>18,763</td>
</tr>
<tr>
<td><strong>2020 Fund</strong></td>
<td>334,792</td>
<td>36,515</td>
</tr>
<tr>
<td><strong>2025 Fund</strong></td>
<td>247,394</td>
<td>32,231</td>
</tr>
<tr>
<td><strong>2035 Fund</strong></td>
<td>266,166</td>
<td>30,783</td>
</tr>
<tr>
<td><strong>2045 Fund</strong></td>
<td>266,707</td>
<td>31,617</td>
</tr>
<tr>
<td><strong>2050 Fund</strong></td>
<td>243,753</td>
<td>33,810</td>
</tr>
<tr>
<td><strong>2060 Fund</strong></td>
<td>202,469</td>
<td>24,662</td>
</tr>
<tr>
<td><strong>2070 Fund</strong></td>
<td>133,768</td>
<td>11,981</td>
</tr>
<tr>
<td><strong>2080 Fund</strong></td>
<td>69,802</td>
<td>4,539</td>
</tr>
<tr>
<td><strong>2090 Fund</strong></td>
<td>15,443</td>
<td>2,483</td>
</tr>
<tr>
<td><strong>3035 Fund</strong></td>
<td>171,023</td>
<td>33,565</td>
</tr>
<tr>
<td><strong>4065 Fund</strong></td>
<td>85,129</td>
<td>10,908</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 5,772,840</td>
<td>$ 645,438</td>
</tr>
</tbody>
</table>

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**URS 2019 Summary Report to Members**

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**URS 2019 Summary Report to Members**
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
Mr. Zane Woolstenhulme .......................... Utah Association of School Business Officials

Council Members / Represents
Mr. Brandon Baca ......................................... Utah Education Association
Mr. LeGrand Bitter .............................. Utah Association of Special Service Districts
Mr. Jamie Davidson .................................. Utah League of Cities and Towns
Ms. Marilyn Gillette .............................. Utah Association of Counties
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
Ms. Sheri K. Nelson .............................. Utah Public Employees’ Association
Honorable Kara Pettit .............................. Utah Judicial Council

Meet the Board
As of December 31, 2019

URS Board members, appointed by the Governor, are generally experts in banking and investments. The Board appoints our executive director to carry out URS day-to-day operations. 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.

Want to Know More?
Please visit www.urs.org or call us. We can explain your benefits one-on-one or to your group.

Call
Salt Lake Office
801-366-7700 • 800-365-8772
Pension Benefits
801-366-7770 • 800-695-4877
401(k), 457(b), 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(b), IRA: 801-366-7445
St. George Office: 435-634-0654

Visit
The URS offices in Salt Lake City and St. George are currently closed to visitors. Go to newsroom.urs.org/covid-19 for updates.

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