

Summary of the Quarterly Survey of Public Pensions for 2012:Q3¹

TOTAL HOLDINGS AND INVESTMENTS OF MAJOR PUBLIC-EMPLOYEE RETIREMENT SYSTEMS REACH HIGHEST LEVEL SINCE SECOND QUARTER 2008

Released December 20, 2012

G12-QSPP3

2012 QUARTER 3

For the 100 largest public-employee retirement systems in the country, total holdings and investments totaled \$2.8 trillion in the third quarter of 2012, an increase of 2.6 percent from \$2.7 trillion last quarter, reaching the highest level since the second quarter of 2008. There was a year-to-year increase of 10.0 percent from \$2.5 trillion in the third quarter of 2011. Earnings on investments totaled \$108.0 billion, showing gains following last quarter's losses of \$16.3 billion.

CORPORATE STOCKS²

Corporate stocks quarter-to-quarter increased 0.6 percent, from \$943.1 billion to \$949.2 billion in the third quarter of 2012. Corporate stocks

year-to-year were up 23.4 percent from \$769.0 billion in the third quarter of 2011. Corporate stocks comprised more than a third (34.1 percent) of the total cash and security holdings of major public pension systems for the current quarter.

CORPORATE BONDS

Corporate bonds quarter-to-quarter decreased 1.9 percent from \$357.9 billion to \$351.3 billion in the third quarter of 2012. Corporate bonds year-to-year decreased 12.1 percent from \$399.5 billion in the third quarter of 2011. Corporate bonds comprised over an eighth (12.6 percent) of the total cash and security holdings of major public pension systems for the current quarter.

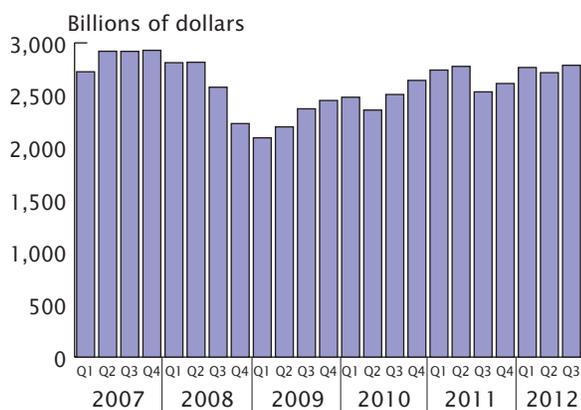
INTERNATIONAL SECURITIES

International securities quarter-to-quarter increased 6.6 percent, from \$507.4 billion to \$540.9 billion in the third quarter of 2012. International securities year-to-year increased 20.6 percent from \$448.5 billion in the third quarter of 2011. International securities comprised nearly a fifth (19.4 percent) of the total cash and security holdings of major public pension systems for the current quarter.

FEDERAL GOVERNMENT SECURITIES

Federal government securities quarter-to-quarter decreased 1.7 percent, from \$249.8 billion to \$245.7 billion in the third quarter of 2012. Federal government securities year-to-year increased 38.3 percent, from \$177.6 billion in the third quarter of 2011. Federal government securities comprised less than a tenth (8.8 percent) of the total cash and security holdings of major public pension systems for the current quarter.

Figure 1.
Total Holdings and Investments at End of Quarter at Market Value



Source: U.S. Census Bureau, Quarterly Survey of Public Pensions.

For further information on public pensions, please visit our Web site at <www.census.gov/govs> or contact Governments Division, U.S. Census Bureau, at 1-888-529-1963 or by e-mail at <govs.pensions@census.gov>.

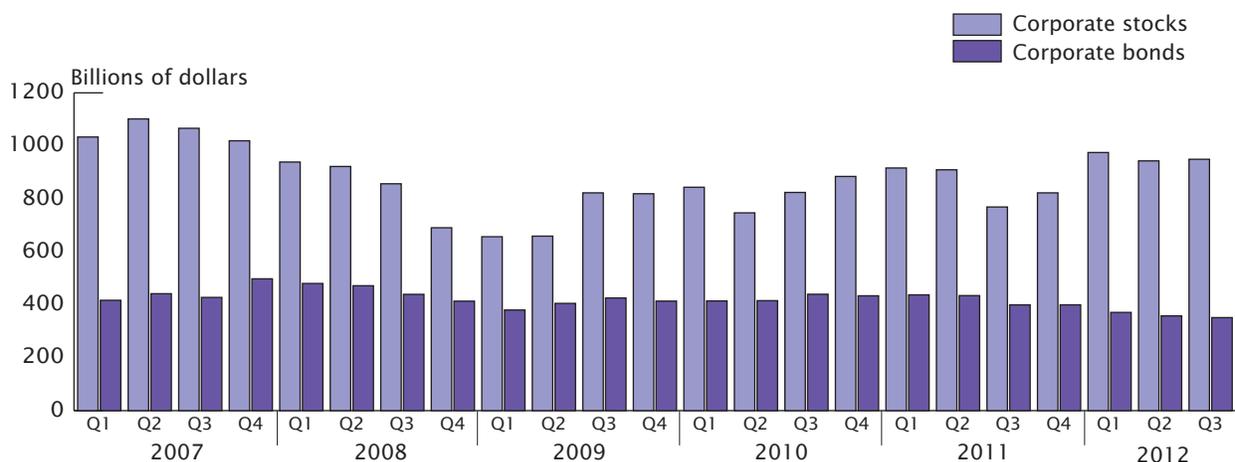
CONTRIBUTIONS AND PAYMENTS

Government contributions quarter-to-quarter decreased 14.9 percent, from \$22.3 billion to \$19.0 billion in the third quarter of 2012 and a year-to-year increase of 5.4 percent from \$18.0 billion in the third quarter of 2011. Employee contributions quarter-to-quarter decreased 22.4 percent, from \$10.3 billion to \$8.0 billion in the third quarter of 2012. There was a year-to-year increase of 10.5 percent from \$7.2 billion in the third quarter of 2011. Government contributions to employee contributions had a 2.4 to 1 ratio this quarter—government contributions comprised 70.4 percent and employee contributions comprised 29.6 percent of total contributions. Total payments quarter-to-quarter increased 2.6 percent, from \$53.2 billion to \$54.6 billion in the third quarter of 2012. There was a year-to-year increase of 5.1 percent from \$52.0 billion in the third quarter of 2011.

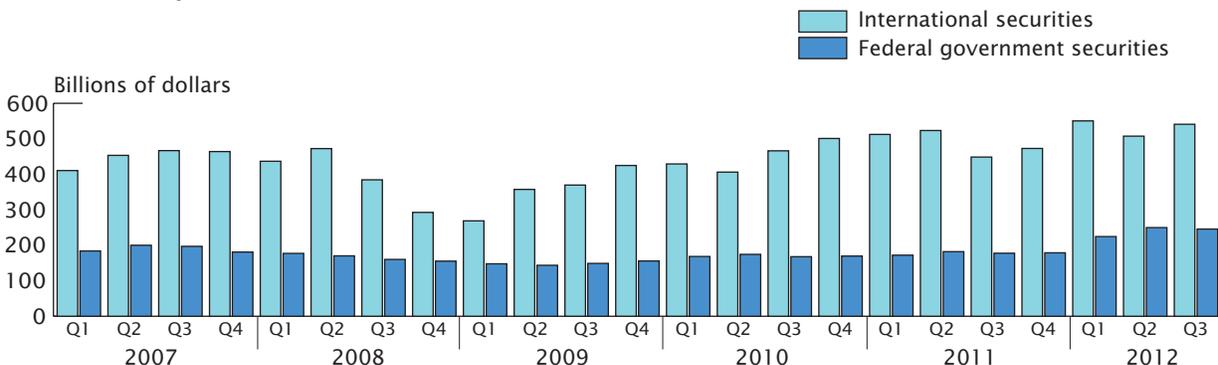
¹ This summary is based on the Quarterly Survey of Public Pensions, which consists of a panel of the 100 largest state and local government pension systems, as determined by their total cash and security holdings reported in the 2007 Census of Governments. These 100 systems comprised 89.4 percent of financial activity among such entities, based on the 2007 Census of Governments. Each of the 100 systems represents itself only. These data are not subject to sampling error, but are subject to various nonsampling errors, such as errors of nonresponse and respondent error.

² Changes in asset classification: Effective with the first quarter of 2012, the Quarterly Survey of Public Pensions revised the survey form to implement changes in asset classification. These changes apply to the categories designated as corporate stocks, corporate bonds, federal government securities, and other securities. Federally-sponsored agency securities are now classified under federal government securities instead of corporate bonds. Private equity, venture capital, and leveraged buy-outs are now classified under corporate stocks instead of other securities. Due to these changes in asset classification, there are shifts in the distribution of assets from corporate bonds to federal government securities and from other securities to corporate stocks. However, since investment decisions guide the distribution of assets, we cannot calculate the exact impact that the changes in classification had on the asset distribution for the first quarter of 2012. As such, for the above-mentioned asset categories, any data comparisons between the first quarter of 2012 and prior quarters should be exercised with caution.

Corporate Stocks¹ and Corporate Bonds² at End of Quarter at Market Value



International Securities and Federal Government Securities² at End of Quarter at Market Value



¹ Effective with the first quarter of 2012, private equity, venture capital, and leveraged buy-outs are now classified under Corporate Stocks instead of Other Securities. As such, for these asset categories, any data comparisons between the first quarter of 2012 and prior quarters should be exercised with caution.

² Effective with the first quarter of 2012, federally-sponsored agency securities are now classified under Federal Government Securities instead of Corporate Bonds. As such, for these asset categories, any data comparisons between the first quarter of 2012 and prior quarters should be exercised with caution.

Source: U.S. Census Bureau, Quarterly Survey of Public Pensions.