

Retirement Board

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March 18, 2020

Statement on Market Volatility

The rapidly evolving COVID-19 pandemic has created unprecedented uncertainty around the potential impacts on the economy. This uncertainty has sparked volatility in financial markets not seen since the 2008 financial crisis.

While periods of extreme market volatility can be alarming, it is important to remember that PERS is and will remain a long-term investor. And as a long-term investor, we fully anticipate that we will encounter periods of market volatility, recessions and bear markets throughout our multi-decade time horizon. While this event has been acute and has transpired over a short time period, at this point the magnitude of the declines in global stock markets are comparable with previous bear markets.

It is important to remember that PERS has weathered periods of market volatility and uncertainty in the past. Since the portfolio's inception, we have endured and survived extreme market events stemming from terrorist attacks and global financial crises. PERS' portfolio is performing as we would expect in this environment. We continue to manage the fund in the same disciplined manner as we have in the past.