For the 100 largest public-employee retirement systems in the country, total holdings and investments totaled $2.7 trillion in the second quarter of 2012, a decrease of 1.7 percent from $2.8 trillion last quarter. There was a year-to-year decrease of 2.1 percent from $2.8 trillion in the second quarter of 2011. Losses on investments totaled $14.2 billion. Federal government securities reached the highest level in over ten years at $244.2 billion, second only to when they peaked in the first quarter of 2001 at $246.2 billion.

**CORPORATE STOCKS**

Corporate stocks quarter-to-quarter decreased 3.1 percent, from $974.7 billion to $944.7 billion in the second quarter of 2012. Corporate stocks year-to-year were up 3.9 percent from $909.5 billion in the second quarter of 2011. Corporate stocks comprised more than a third (34.8 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 1.1 percent from $370.9 billion to $366.7 billion in the second quarter of 2012. Corporate bonds year-to-year decreased 15.6 percent from $434.4 billion in the second quarter of 2011. Corporate bonds comprised over an eighth (13.5 percent) of the total cash and security holdings of major public pension systems for the current quarter.

**INTERNATIONAL SECURITIES**

International securities quarter-to-quarter decreased 7.9 percent, from $550.4 billion to $507.2 billion in the second quarter of 2012. International securities year-to-year decreased 3.1 percent from $523.3 billion in the second quarter of 2011. International securities comprised nearly a fifth (18.7 percent) of the total cash and security holdings of major public pension systems for the current quarter.

**FEDERAL GOVERNMENT SECURITIES**

Federal government securities has reached the highest level in over 10 years, since the first quarter of 2001, with a quarter-to-quarter increase of 8.8 percent, from $224.5 billion to $244.2 billion in the second quarter of 2012. Federal government securities year-to-year increased 34.2 percent, from $182.0 billion in the second quarter of 2011. Federal government securities comprised less than a tenth (9.0 percent) of the total cash and security holdings of major public pension systems for the current quarter.
CONTRIBUTIONS AND PAYMENTS

Government contributions quarter-to-quarter decreased 11.5 percent, from $24.1 billion to $21.4 billion in the second quarter of 2012 and a year-to-year decrease of 4.9 percent from $22.5 billion in the second quarter of 2011. Employee contributions quarter-to-quarter increased 10.7 percent, from $9.3 billion to $10.3 billion in the second quarter of 2012. There was a year-to-year decrease of 5.7 percent from $10.9 billion in the second quarter of 2011. Government contributions to employee contributions had a 2.1 to 1 ratio this quarter — government contributions comprised 67.5 percent and employee contributions comprised 32.5 percent of total contributions. Total payments quarter-to-quarter decreased 2.9 percent, from $55.0 billion to $53.4 billion in the second quarter of 2012. There was a year-to-year increase of 1.6 percent from $52.6 billion in the second quarter of 2011.

For the first time, historical data from the Quarterly Survey of Public Pensions will be available in the Census Bureau’s Economic Indicator Database <http://www.census.gov/econ/currentdata/>.

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.

3 The California State Teachers Retirement System reclassified their assets starting with the second quarter of 2012. The data reported for the second quarter 2012 may be affected by this change.

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

<table>
<thead>
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<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
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<td>800</td>
<td>600</td>
<td>400</td>
<td>300</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>1000</td>
<td>900</td>
<td>700</td>
<td>500</td>
<td>400</td>
<td>300</td>
</tr>
</tbody>
</table>

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.

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

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
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<td>300</td>
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<td>100</td>
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</tr>
</tbody>
</table>

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.