NRRIT

National Railroad Retirement Investment Trust

Annual Management Report for Fiscal Year 2022
Required by Public Law 107-90,
The Railroad Retirement and Survivors' Improvement Act of 2001

National Railroad Retirement Investment Trust

Mission Statement

The mission of the National Railroad Retirement Investment Trust is to help secure the retirement benefits of all participants of the railroad retirement system. Through the diligent oversight and prudent investment of railroad retirement assets, and an adherence to the highest ethical and professional standards within the industry, NRRIT's trustees and investment professionals contribute to the financial security of rail workers, retirees, and their families, and the strength of the American rail industry.

ANNUAL MANAGEMENT REPORT OF THE NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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1) Introductory Statement

A) Overview

Following several years of supportive macroeconomic conditions, including historically low interest rates globally, the environment for investors shifted significantly in the Trust's 2022 fiscal year (October 1, 2021 – September 30, 2022). Persistently high inflation, rapidly rising interest rates, slowing global growth, and increasing geopolitical conflicts combined to create strong headwinds for financial markets and asset prices. Inflation increased sharply and remained stubbornly high throughout the year, causing most central banks, including the US Federal Reserve, to turn hawkish and raise rates sharply in the second half of the fiscal year. Global growth also slowed, due in part to China's "zero-Covid" policy, which led to numerous, lengthy lockdowns of major Chinese cities and manufacturing hubs. Russia's invasion of Ukraine in February 2022 heightened geopolitical tensions globally and led to a sharp rise in commodity prices, particularly in the energy and agricultural sectors, exacerbating inflationary pressures. Despite these concerns, labor markets remained quite strong throughout the year, particularly in the US, where the unemployment rate ended the fiscal year near multi-decade lows. Given the numerous headwinds in the overall macroeconomic environment, as well as lofty valuations following several years of high returns, most major public market asset classes declined significantly during the fiscal year.

In this environment, the National Railroad Retirement Investment Trust ("Trust") produced an investment return of -13.28% (net of fees). This investment return compares with the return on the Trust's benchmark of -14.89% over the same period.

Overall, during fiscal year 2022, the net asset value of Trust-managed assets decreased from $28.5 billion on October 1, 2021, to $23.0 billion on September 30, 2022. This decrease in asset value includes $2.0 billion that the Trust transferred to the US Treasury (the "Treasury") for railroad retirement (tier 2) benefit payments during the fiscal year.

Market Value of Trust-Managed Assets

($ in billions)

October 1, 2021		$28.5
Transfers from Trust to Treasury	$(2.0)	
Net Change in value	(3.5)	
Net Increase/(Decrease)		(5.5)
September 30, 2022		$23.0

In addition to Trust-managed assets, other assets of the railroad retirement system are retained by the Railroad Retirement Board ("RRB") as reserves in accounts at the Treasury. These reserves are made up of recent payroll tax contributions from rail employers and employees, as well as assets that the Trust has transferred to the Treasury to pay future benefits. In order to understand the overall financial position of the railroad retirement system, it is important to consider both the Trust-managed assets and the system reserves held at the Treasury.

During its twenty years of investment operations, the Trust has transferred $31.7 billion to the Treasury to pay railroad retirement benefits. Even with these benefit payments, total railroad retirement system assets (Trust-managed assets plus reserves maintained at the Treasury) grew from $20.7 billion in 2002 to $24.9 billion as of the end of fiscal year 2022. As such, despite investment challenges encountered recently and at other points over the years, the Trust has made a significant contribution to the increase in total assets available to the railroad retirement system.

Trust-Managed Assets and RRB Assets Held in Reserve

($ in billions)

February 1, 2002 (total system assets at Trust inception)		$20.7
Net transfers from the Trust to the Treasury for payment of RR Benefits	$(31.7)	
Net Change in value*	35.9	
Net increase/(decrease)		4.2
September 30, 2022		$24.9

* This includes investment return, payroll tax revenues, additional benefit payments and administrative expenses.

B) Portfolio Diversification

Over the past twenty years, the Trust has deployed assets received from the Treasury into a diversified portfolio of US and non-US equity, as well as US and global fixed income, securities. Over time, the Trust has furthered that diversification by allocating a percentage of the portfolio to private equity, private debt, real assets, absolute return, and opportunistic investments. As mandated by its statute, the Trust has avoided undue concentration of investment in any asset class, type of security, or market sector.

This policy of broad diversification is intended to serve the Trust well in strong markets and to protect its assets from disproportionate market shocks in volatile periods. The assumption underlying this diversification of Trust assets is that not all asset classes will perform the same in any given market environment. As part of this diversification process, the Trust holds tens of thousands of different securities selected by its numerous investment managers, pursuing many different strategies, for the Trust's portfolio. The Trust's Board and its investment staff carefully monitored the activities of the Trust's investment managers throughout the fiscal year, examining portfolio weights in each asset class, holdings within each asset class, and the work of active managers, in order to evaluate strategy and performance.

C) Board and Committee Matters

During this fiscal year, the Board and its staff reviewed and updated the Trust's investment, accounting, and operations procedures manuals. Pursuant to a Memorandum of Understanding ("MOU") entered into in 2014 with the RRB, the Board engaged McLagan Partners, Inc. to conduct a performance review related to the Trust's compensation practices, the results of which were subsequently communicated to the RRB. The Board and the investment staff also continued to monitor the Trust's asset allocation structure, though this review did not result in any changes to the Trust's *Investment Guidelines* , which are discussed in section 3 of this report.

The Board of Trustees met six times during the course of the year to consider the various investment and management issues that are discussed in this twentieth Annual

Management Report. The Board and the investment staff also held informal briefings regarding matters related to issues impacting investment markets, the rail industry, and the Trust. In addition, the Board's Audit and Administrative Committees met periodically to consider matters within their areas of responsibility. A copy of the Audit Committee Charter, as revised and approved by the Board on February 24, 2017, is contained at Appendix I. A copy of the Administrative Committee Charter setting forth the duties of the Committee, as approved by the Board on May 22, 2013, is contained at Appendix J.

This report and its various appendices provide information on the operations and financial status of the Trust for the fiscal year, including the report of the audit of the financial statements as required by the Trust's enabling statute.

2) Operations of the Trust: Administrative Matters

A) Trustee Update

In February 2022, the Trust announced the appointment of two Trustees and a new Chair for the period beginning February 1, 2022. Railroad management appointed Mr. Christopher R. Neikirk, Vice President & Treasurer, Norfolk Southern Corporation, to a three-year term that expires on January 31, 2025. Railway labor unions reappointed Mr. William C. Walpert, National Secretary-Treasurer Emeritus, Brotherhood of Locomotive Engineers and Trainmen (BLET), to a three-year term that expires on January 31, 2025. In addition, the Trustees appointed Mr. Neikirk as the Chair of the Board of Trustees for the period February 1, 2022 – January 31, 2023. Effective June 1, 2022, the Trust announced the appointment of a new Independent Trustee, Mr. Douglas J. Brown, to serve the remainder of Mr. William F. Quinn's current term as Independent Trustee that expires on January 31, 2023.

Mr. Neikirk, Mr. Walpert, and Mr. Brown joined the following four members on the Board: for terms expiring on January 31, 2023, Ms. Mary S. Jones, Vice President and Treasurer (Retired), Union Pacific Company, and Mr. Joel Parker, former Special Assistant to the President and International Vice President of the Transportation Communications International Union (TCU)/IAM; and for terms expiring on January 31, 2024, Mr. George J. Francisco, Jr., President Emeritus, National Conference of Firemen and Oilers – SEIU, and Mr. Bill Slater, Vice President of Finance and Treasury, CSX Corporation.

Biographical information on the Trustees can be found in Appendix N.

B) Coordination with Federal Government Agencies

Throughout the fiscal year, the Trust maintained regular communications with the RRB and the Treasury on all matters relating to the transfer of monies between the various RRB accounts at the Treasury and the Trust, including monthly conference calls between the two organizations to discuss the transfers and other related matters. In addition, the Trust transmitted all monthly data required pursuant to an MOU entered into in 2002 with these entities and the Office of Management and Budget ("OMB"). This 2002 MOU outlines the budgetary, transfer, accounting, and financial reporting responsibilities for assets held by the Trust and railroad retirement system assets held within the Treasury. This MOU requires the Trust to report on a monthly basis: receipts and disbursements of funds, purchases and sales of assets, earnings and losses on investments, value of investments held, and administrative expenses incurred. A copy of the 2002 MOU is included in Appendix C.

The Trust and the RRB entered into a subsequent MOU in 2014 that delineates responsibilities and procedures for financial audits and performance reviews with respect to assets held by the Trust. This MOU formalizes the requirement that the Trust retain an independent qualified public accounting firm to annually audit the Trust's financial statements, and the deadline for transmittal of the audited financial statements to the RRB. In addition, this MOU contains provisions related to the timing, structuring, scope, and cost of periodic performance reviews, as well as the assessment of the results of the reviews. A copy of the 2014 MOU is included in Appendix D.

Pursuant to its established practice of periodic meetings with the RRB, during fiscal year 2022, the Trustees, the Chief Executive Officer/Chief Investment Officer, and the Trust's General Counsel/Chief Compliance Officer, met with the Members of the RRB and its General Counsel, Chief Financial Officer, Chief Actuary, and other senior staff to review the investment and administrative activities of the Trust. Senior staff of the two organizations conferred after each quarterly meeting of the Trust's Board. In addition, the Trust prepared Quarterly Updates that were transmitted to the RRB for posting on the RRB website to be available to all interested parties.

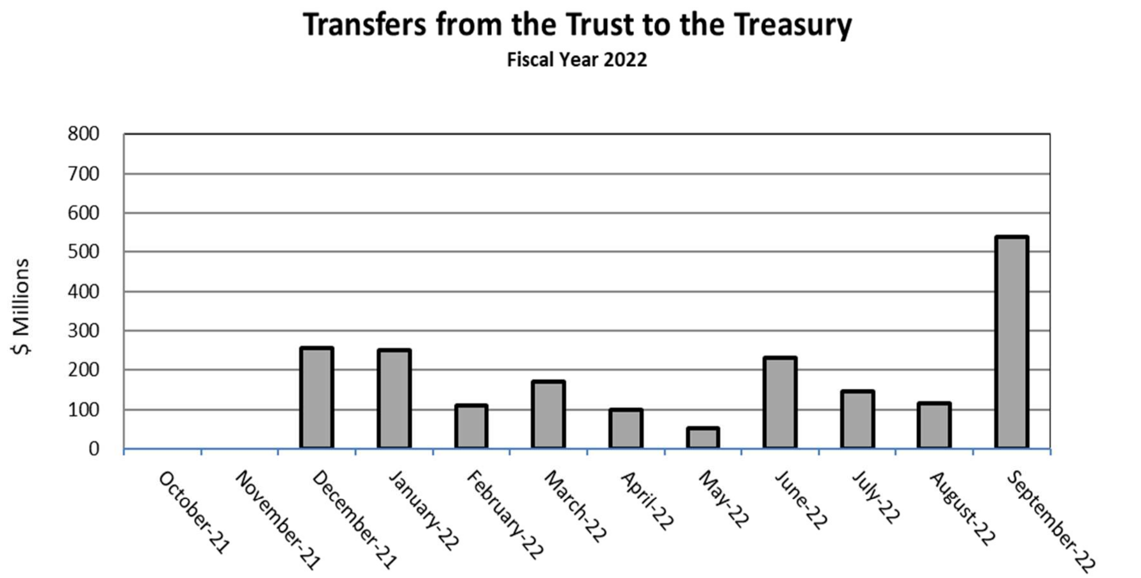
During 2022, the Trust also consulted with the RRB on its fiscal year-end audit and reporting processes to facilitate the transmittal of fiscal year audited net asset data of the Trust to the RRB by November 15 for use in its financial statements. In addition, in fiscal year 2019, the Trust entered into an MOU with the U.S. Government Accountability Office ("GAO") related to GAO access to information supporting the Trust's audited financial statements. The MOU provides for coordination between the GAO and the Trust's auditors to facilitate the inclusion of audited Trust net asset balances in the Financial

Report of the United States Government. The Trust and its auditors cooperated with the GAO with respect to these matters during the fiscal year. A copy of this MOU is included in Appendix E.

C) Transfers to and from the Treasury

The Railroad Retirement and Survivors' Improvement Act of 2001 (the "Act") provided for the transfer of railroad retirement system funds to the Trust for investment in a diversified portfolio similar to those of other large US pension plans. From inception through fiscal year 2004, the Trust received $21.3 billion of railroad retirement system funds. The Trust has received no transfers from the Treasury since the end of fiscal year 2004. The funds transferred to the Trust consisted primarily of assets transferred from the Railroad Retirement Account ("RRA"), and a smaller amount from the Social Security Equivalent Benefit ("SSEB") Account. The RRA assets were invested in a diversified portfolio in accordance with the Trust's *Investment Guidelines,* while the funds received from the SSEB Account were invested in federal securities as required in the Act.

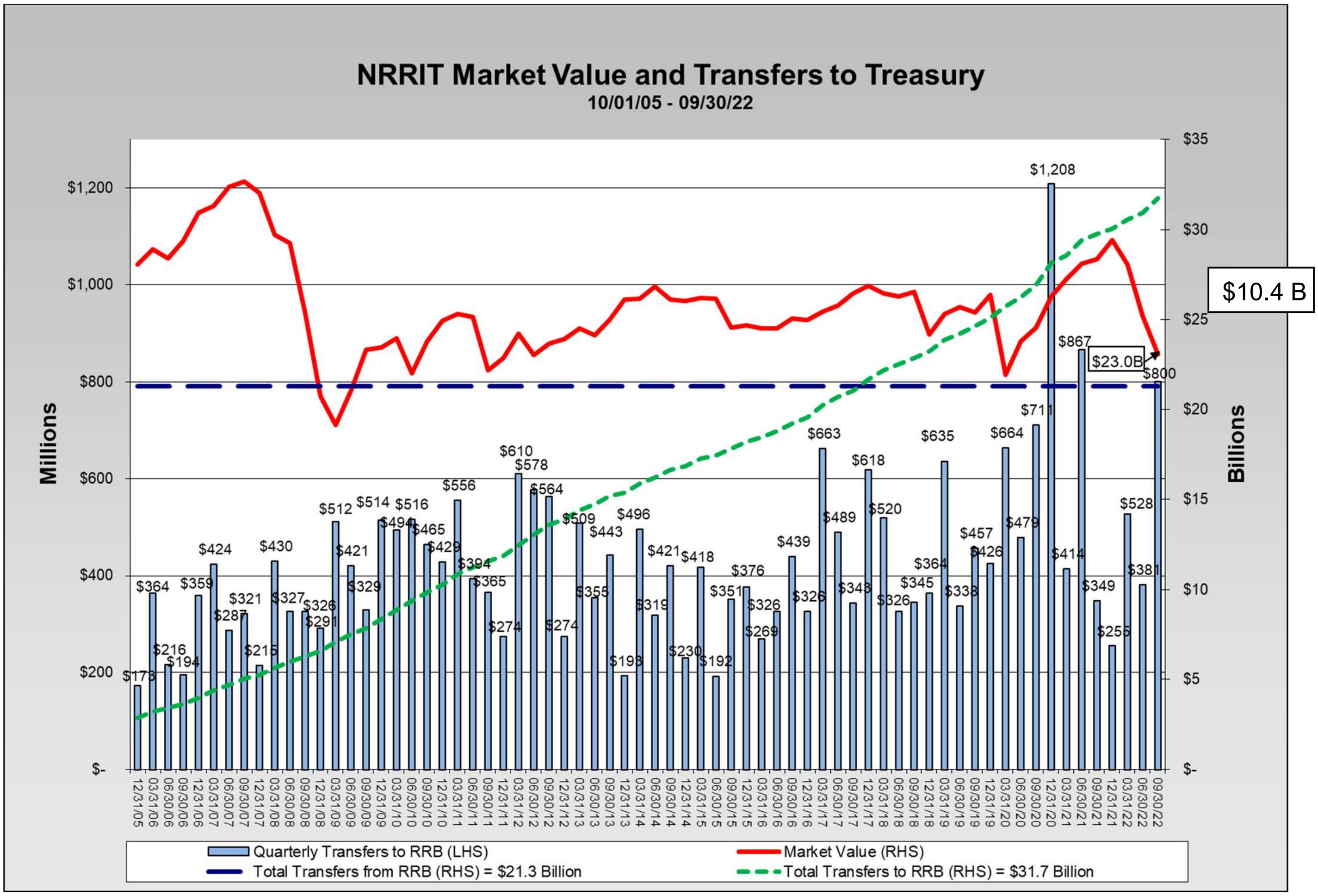
The Act also provides for the transfer from the Trust to the Treasury of amounts necessary to pay RRA benefits under the Act. During fiscal year 2022, the Trust transferred a total of $2.0 billion to the Treasury for payment of RRA benefit obligations. The following chart displays the individual transfers from the Trust to the Treasury in fiscal year 2022:



Note: The chart above reflects the cash required by the Treasury for payment of railroad retirement (tier 2) benefit payments each respective month. Transfers are made on the first business day of the month unless the first falls on a Saturday. If the first falls on a Saturday, the transfer is made on the last business day of the prior month.

Summary of transfers: From its inception in February 2002 to September 30, 2022, the Trust has received $21.3 billion from the Treasury. The Trust has since returned the entire $21.3 billion, as well as an additional $10.4 billion, to the Treasury; therefore, cumulative transfers to the Treasury since inception are $31.7 billion.

The assets received by the Trust have been invested in a diversified multi-asset-class portfolio in accordance with the Trust's *Investment Guidelines*. This diversification of assets away from the prior all-Treasury-securities portfolio has allowed the Trust's assets to grow beyond their original value. The cumulative increase in value in Trust-managed assets since inception is $33.4 billion, representing total Trust-managed assets of $23.0 billion as of September 30, 2022, plus $10.4 billion in excess funds returned to Treasury. The following chart reflects the growth of the Trust's assets over time, as well as cumulative transfers between the Trust and the Treasury.



D) Account Benefits Ratio

The funds available to pay railroad retirement benefits and administrative costs include assets held in the RRA, the SSEB Account, and assets held by the Trust. Section 204 of the Act requires that amounts in the RRA and assets held by the Trust be included in the annual calculation of the account benefits ratio ("ABR"). The ABR is the ratio of the combined fair market value of RRA and Trust assets as of the close of the fiscal year to the total benefits and RRB and Trust expenses paid in that fiscal year. The average account benefits ratio ("AABR"), the ten-year average of the ABR, is used to determine the tier 2 tax rates for railroad employers and employees.

As provided in the Act, the RRB computed the account benefits ratio for fiscal year 2022 and certified the ratio to the Secretary of the Treasury on October 24, 2022. The Secretary determined the AABR for fiscal year 2022 and on November 29, 2022, published a notice in the Federal Register of the tier 2 employer and employee tax rates for calendar year 2023. Copies of the RRB certification letter and the Treasury notice are contained in Appendix L. The ABR decreased from 5.09 for fiscal year 2021 to 4.10 for fiscal year 2022. The ten-year AABR decreased from 4.9 at September 30, 2021, to 4.8 at September 30, 2022.

E) Trust Staff

The Trust's staff is comprised of professionals in four major areas of responsibility: investments, operations, legal, and accounting. The investment staff reports to a Chief Executive Officer/Chief Investment Officer ("CEO/CIO"). The operations staff reports to the Chief Operating Officer ("COO"), and the accounting staff reports to the Chief Financial Officer ("CFO"). The COO, the CFO, and all investment directors report to the CEO/CIO. The CEO/CIO and staff are accountable to the Board of Trustees. The Trust also employs a General Counsel/Chief Compliance Officer ("CCO") to oversee legal and compliance activities of the Trust. The General Counsel/CCO reports directly to the Trustees on all legal and compliance-related matters.

Investment management personnel include directors who are responsible for each major asset class. Working with the directors are investment analysts assigned to specific asset classes. The operations staff is responsible for tracking and monitoring Trust assets, as well as other operational functions such as treasury and cash management, information technology, office management, and human resources. The accounting staff interacts with the Trust's independent auditor and is responsible for financial reporting in accordance with US Generally Accepted Accounting Principles.

Biographical information on the Trust's staff can be found in Appendix N.

3) Operations of the Trust: Investment Matters

A) Overview

For fiscal year 2022, the investment return, net of fees, on Trust-managed assets was -13.28%, while the Trust's strategic benchmark returned -14.89%. The relative outperformance for the Trust during the current fiscal year was driven by the investment performance of the Trust's investment managers as well as the tactical investment positions taken by the Trust.

The top three performing asset classes for the Trust were private real assets, private debt, and private equity, which returned 23.24%, 12.61%, and 4.93%, respectively, for the year. The Trust maintains a long-term focus and a well-diversified portfolio to take advantage of market movements regardless of which asset classes are in favor in any single year.

B) Investment Plan: Structure

Since its inception in September 2002, the Trust's asset class structure has evolved from a portfolio consisting entirely of government securities, to a simple three-asset-class approach, and finally to a structure which is more fully diversified across geography, market capitalization, investment style, credit quality, and other characteristics. The Trust's *Investment Guidelines* specify the neutral target allocation and approved ranges for each asset class, as well as rules for rebalancing back towards these neutral targets as market valuations change. The *Investment Guidelines* also provide a policy benchmark for each asset class and a composite benchmark for the total portfolio to measure actual Trust performance against an objective standard. During fiscal year 2020, the Board and investment staff commenced a thorough review of the Trust's asset allocation structure; this review was completed in fiscal year 2021. The asset allocation study resulted in minor revisions to the previous target allocations and ranges reflecting changes in capital market expectations since the previous asset allocation study. The new target allocations and ranges became effective beginning January 1, 2021. The Trust's *Investment Guidelines* are included in Appendix B.

Current Long-Term Target Asset Allocation

(Approved November 18, 2020)

Asset Class	Target	Range
US Equity	31%	26-36%
Non-US Equity	24%	19-29%
Private Equity	12%	7-17%
US Fixed Income	10%	6-14%
Global Fixed Income	2%	0-4%
Private Debt	2%	0-4%
Real Estate	10%	5-15%
Absolute Return	4%	2-6%
Opportunistic	3%	1-5%
Cash	2%	0-4%
	100%	

C) Investment Plan: Implementation

US Equity: There were no additions or terminations to the US equity manager accounts during fiscal year 2022. At the end of the fiscal year, this asset class had 16 active US equity managers, one of which manages two separate accounts, and one US equity index manager managing one product. Approximately 57% of the Trust's US equity portfolio was actively managed at the end of the fiscal year.

Non-US Equity: During fiscal year 2022, the Trust added two active manager accounts with new managers and terminated two active manager accounts. The Trust ended fiscal year 2022 with 13 active non-US equity managers, two of which manage two separate accounts each and one of which manages three separate accounts, and one index manager, which manages three products in non-US equity. Approximately 95% of the Trust's non-US equity allocation was actively managed. Additionally, for the currency overlay program, the Trust employed two active managers at the end of the fiscal year.

US Fixed Income: There were no additions or terminations to the US fixed income manager accounts during the fiscal year. At the end of the fiscal year, this asset class had 12 active/specialist managers, and 100% of the Trust's US fixed income allocation was actively managed.

Global Fixed Income: There were no additions or terminations to the global fixed income manager accounts during the fiscal year. At the end of the fiscal year, this asset class had five active managers, and 100% of the Trust's global fixed income allocation was actively managed.

Absolute Return: During the fiscal year, two new mandates were added with two existing managers, and there were no terminated mandates. At the end of the fiscal year, this asset class had 7 active/specialist managers. This allocation is 100% actively managed.

Opportunistic: During the fiscal year, there were no added mandates, and one mandate was terminated. At the end of the fiscal year, this asset class had 6 active/specialist managers, one of which manages four separate funds for the Trust. Additionally, a commitment was made to one mandate with an existing manager scheduled to begin its investment period during fiscal year 2023. This allocation is 100% actively managed.

Private Equity: During fiscal year 2022, the Trust continued its private equity program implementation with eleven new private equity funds with existing managers, bringing the total number of active partnerships in the private equity portfolio to 123 at the end of the fiscal year. These 123 partnerships are actively managed by 40 managers. Additionally, commitments were made to one partnership with a new manager and four partnerships with existing managers scheduled to begin their investment periods during fiscal year 2023. Four partnerships wound up operations upon reaching the end of their fund lives during the fiscal year.

Private Debt: During fiscal year 2022, there were no additions to this asset class. At the end of the fiscal year, the total number of active partnerships in private debt was 14. These 14 partnerships are actively managed by 11 managers. Two partnerships wound up operations upon reaching the end of their fund lives during the fiscal year.

Real Assets: Three new partnerships with new managers and six new partnerships with existing managers began their investment periods during fiscal year 2022, bringing the total number of active partnerships in real assets to 106. These 106 partnerships are actively managed by 39 managers. Additionally, commitments were made to seven partnerships with existing managers scheduled to begin their investment periods during fiscal year 2023. The Trust also had investments in two actively-managed REIT funds at the end of the fiscal year.

Cash: At the end of the fiscal year, this asset class had one account with an active manager and one passive account with the Trust's custodian bank.

D) Proxy Voting Policy

The Trust maintains a proxy voting policy which delegates the voting of Trust proxies to its investment managers as fiduciaries of the Trust. It also details specific responsibilities of those managers in the voting of proxies, makes clear the responsibility of investment managers to coordinate proxy voting with the Trust's custodian, and retains for the Trust itself responsibility for monitoring, reviewing, and reporting on the implementation of the proxy voting policy. A copy of the proxy voting policy can be found in Appendix H.

Each year, managers with proxy voting responsibilities are required to certify that they have voted all proxies in accordance with the policy and solely in the interest of the participants and beneficiaries of the Trust. After the end of the fiscal year, staff reviews and reports to the Board of Trustees regarding each manager's proxy voting record with respect to Trust securities.

E) Railroad Retirement System Assets

While most railroad retirement system assets are managed by the Trust, some assets remain in Treasury accounts managed by the RRB. Approximately 7.8% of the total, or $2.0 billion out of $24.9 billion as of September 30, 2022, is held in the form of reserves that are invested in Treasury securities by the RRB. These reserves are replenished as needed through transfers from the Trust to the Treasury. In determining its asset allocation, the Trust takes into account these reserves and sets its investment policies accordingly.

F) Expenses

The largest component of the Trust's expenses is investment management fees, which constitute approximately 81% of all expenses. Total expenses as a percentage of assets under management have stabilized as the investment portfolio has been transitioned from an all-indexed portfolio to one that is primarily actively managed. The expense ratio compares favorably to investment industry standards. The Trust's expense ratios for the past ten years are shown below.

Trust Expense Ratio
FY 2013 – FY 2022

Fiscal Year	Expense Ratio (%)
2022	0.25
2021	0.28
2020	0.25
2019	0.27
2018	0.29
2017	0.31
2016	0.28
2015	0.27
2014	0.29
2013	0.29

4) Audit Committee

The Audit Committee (the "Committee") held four meetings during fiscal year 2022. During the year, the Committee engaged KPMG LLP to perform the annual audit of the Trust's financial statements for the fiscal year ended September 30, 2022. The Audit Committee provided oversight of the financial statement audit process in accordance with its fiduciary duty to the Trust. The Trust issued its financial statements which contained an unqualified audit opinion, within 45 days of its fiscal year-end. This allowed the RRB to include the Trust's audited net assets in its financial statements and meet its financial reporting deadline.

Also during fiscal year 2022, the Committee provided oversight of the Trust's ongoing program of periodic performance reviews. This included the retention of McLagan Partners, Inc., a qualified, independent, non-governmental organization, to conduct a performance review, the scope of which included the Trust's staff recruitment, retention, and compensation. The review was completed during the fiscal year, in accordance with the 2014 MOU included in Appendix D.

The Trust maintains a whistleblower telephone hotline and online portal as a means for all Trust employees, investment managers, service providers and other interested parties to report, on a confidential basis, any suspected acts of fraud or actions involving the inaccurate or incomplete recording of financial information. The Committee monitors this hotline and portal throughout the year. Complaints may be made by calling the whistleblower hotline at (844) 905-2944, or by visiting nrrit.ethicspoint.com.

5) Internal Accounting and Administrative Controls

During fiscal year 2022, the Trust's staff continued to improve the system of internal accounting and administrative controls designed to ensure the safekeeping and proper accounting of investments, and the efficient operation of the Trust's activities. Enhancements were made to the Trust's accounting and operations procedures manuals, and these updates were presented to the Trustees.

A) Custodial Arrangements

The Trust's assets are primarily held by its custodian, The Northern Trust Company ("Custodian"). Assets invested in commingled funds are held with the custodian of each respective fund. Likewise, investments in private partnerships, absolute return, and opportunistic strategies are maintained by the custodian or administrator of each respective fund. Periodic statements are presented to and recorded by the Custodian on the Trust's books. The Custodian maintains records of, and custodial accounts for, all of the Trust's assets.

As the Trust's investments have grown in complexity over the years, the Trust has worked closely with the Custodian to enhance internal processes, procedures, and systems supporting all investment and operational activity.

B) Accounting

The Custodian provides the Trust with investment performance of Trust assets, as well as a record of all transactions involving Trust assets. Reconciliations of the primary custodial records to the investment managers' records are performed monthly. The Trust has established a process to review the monthly reconciliations to ensure that all transactions are recorded properly on the respective books. Financial data from the custodial bank form an integral part of the Trust's required reports and financial statements.

6) Financial Status of the Trust

A) Financial Statements and Independent Auditors' Report

National Railroad Retirement Investment Trust

Financial Statements as of and for the
Fiscal Year Ended September 30, 2022, and
Independent Auditors' Report Thereon

NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST

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KPMG LLP
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8350 Broad Street
McLean, VA 22102

Independent Auditors' Report

The Board of Trustees
National Railroad Retirement Investment Trust:

Opinion

We have audited the financial statements of the National Railroad Retirement Investment Trust (the Trust), which comprise the statement of assets and liabilities, including the condensed schedule of investments, as of September 30, 2022, and the related statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of September 30, 2022, and the results of its operations, changes in its net assets, and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

McLean, Virginia
November 15, 2022

NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST

Statement of Assets and Liabilities
As of September 30, 2022
($ in thousands)

Assets		
Investments — at fair value (cost $18,425,273)	$	22,582,370
Cash and cash equivalents (including restricted cash of $56,263)		431,196
Receivable for investments sold		203,079
Unrealized gain on forward contracts		112,274
Securities sold under agreements to repurchase		69,300
Tax reclaim receivable		34,104
Interest receivable		21,936
Cash denominated in foreign currency — at fair value (cost $21,388)		20,810
Dividends receivable		19,260
Swap contracts, at fair value		16,883
Other assets		3,119
Total assets		23,514,331
Liabilities		
Payable for investments purchased		349,446
Unrealized loss on forward contracts		111,488
Obligation to return cash collateral held		64,314
Accrued management fees		18,500
Swap contracts, at fair value		6,509
Other liabilities		7,059
Total liabilities		557,316
Net Assets	$	22,957,015

The accompanying footnotes are an integral part of these financial statements.

NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST

Condensed Schedule of Investments
As of September 30, 2022
($ in thousands)

	% of Net Assets	Number of Units, Shares or Par Value (000's)	Fair Value
Global Equity			
US Equity			
US Common Stocks			
Amazon.com Inc.		1,146	$ 129,532
Microsoft Corp.		526	122,415
Apple Inc.		845	116,797
Alphabet Inc. Class A		679	64,930
Other US Common Stocks			3,160,957
	15.66%		3,594,631
Other US Equity Securities (a)	0.01%		2,103
US Equity Commingled Funds			
BlackRock Russell 1000 Index Fund	12.25%	49,305	2,811,124
Total US Equity	**27.91%**		**$ 6,407,858**

The accompanying footnotes are an integral part of these financial statements.

Condensed Schedule of Investments (continued)
As of September 30, 2022
($ in thousands)

	% of Net Assets	Number of Units, Shares or Par Value (000's)		Fair Value
Global Equity (continued)				
Non-US Equity				
Non-US Common Stocks				
Roche Holdings AG Genussscheine NPV		233	$	76,490
Taiwan Semiconductor Manufacturing Co. Ltd.		5,267		70,008
Other Non-US Common Stock				4,440,403
	19.98%			4,586,901
Non-US Preferred Stocks	0.20%			45,679
Non-US Equity Commingled Funds				
BlackRock MSCI EAFE Equity Index Fund		5,413		128,968
BlackRock World ex-US Small Cap Equity Index Fund		3,198		70,774
Other Non-US Equity Commingled Funds				52,007
	1.10%			251,749
Total Non-US Equity	**21.28%**		**$**	**4,884,329**

The accompanying footnotes are an integral part of these financial statements.

NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST

Condensed Schedule of Investments (continued)
As of September 30, 2022
($ in thousands)

	% of Net Assets	Number of Units, Shares or Par Value (000's)	Fair Value
Global Equity (continued)			
Private Equity			
Alpinvest North Rush II, LP		57,033	$ 160,488
Storm Ventures IV		4,892	148,632
TCV X, LP		75,053	145,204
CVC Capital Partners VII A, LP		58,128	116,031
Carlyle Partners VII, LP		95,332	112,414
Summit Partners Growth Equity Fund X-A, LP		73,247	92,584
TA XIII-A LP		42,750	89,408
Storm Ventures V		12,955	88,855
Silver Lake Partners IV, LP		2,200	88,312
Silver Lake Partners V, LP		49,883	80,978
GTCR Fund XI LP		152	79,988
Advent International GPE IX, LP		47,407	76,096
Summit Partners Growth Equity Fund IX-A, LP		145	76,016
GTCR Fund XII LP		31,029	73,864
Encap Energy Capital Fund XI LP		48,218	73,298
Menlo Special Opportunities Fund, LP		24,513	71,505
CVC Capital Partners VI (B), LP		1,902	69,653
Alpinvest North Rush, LP		1	66,483
Advent International GPE VIII-B LP		14,816	65,686
TA XII-A LP		1	61,520
Encap Energy Capital Fund X LP		11,121	60,294
TCV IX LP		5,623	59,717
Apollo Investment Fund IX, LP		38,989	58,910
NGP Natural Resources XII LP		33,911	58,806
Other Private Equity			1,711,375
Total Private Equity	**16.49%**		**3,786,117**
Total Global Equity (cost $12,066,131)	**65.68%**		**$ 15,078,304**
Global Fixed Income			
Corporate Bonds	4.31%		$ 989,934

The accompanying footnotes are an integral part of these financial statements.

Condensed Schedule of Investments (continued)
As of September 30, 2022
($ in thousands)

	% of Net Assets	Number of Units, Shares or Par Value (000's)	Fair Value
Global Fixed Income (continued)			
Government Notes and Bonds	2.69%		$ 618,400
Government-Sponsored Entity Mortgage - Backed Securities ("MBS")	1.78%		409,263
Private Debt			
Summit Partners Subordinated Debt Fund V-A, LP		41,204	76,695
Other Private Debt			254,928
	1.44%		331,623
Asset Backed Securities	0.94%		216,292
Commercial MBS	0.50%		115,223
Short-Term Bills and Notes	0.34%		78,519
Non-Government Collateralized Mortgage Obligations	0.17%		38,453
Government Agencies	0.13%		29,821
Municipal Bonds	0.11%		25,201
Other Fixed Income Securities (b)	0.04%		8,875
Index-Linked Government Bonds	0.01%		2,048
Fixed Income Commingled Funds			
AG Mortgage Value Partners		46,037	108,103
Other Fixed Income Commingled Funds			86,280
	0.85%		194,383
Total Global Fixed Income (cost $3,292,556)	**13.32%**		**$ 3,058,035**

The accompanying footnotes are an integral part of these financial statements.

Condensed Schedule of Investments (continued)
As of September 30, 2022
($ in thousands)

	% of Net Assets	Number of Units, Shares or Par Value (000's)		Fair Value
Global Real Assets				
Private Real Assets				
Lion Industrial Trust Properties, LP		99,605	$	112,691
Prudential PRISA II		2		94,673
Northwood Real Estate Partners, LP		6,322		88,952
Realterm Logistics Income Fund, LP		73,653		88,010
IMT Capital Partners Fund IV, LP		32,839		80,451
Blackstone Real Estate Partners IX TE 1, LP		38,485		68,319
Carmel Partners Investment Fund VI, LP		41,686		64,534
IMT Capital Partners Fund V, LP		46,670		59,957
Other Private Real Assets				1,854,052
	10.94%			2,511,639
Real Estate Investment Trusts (c)	1.28%			292,850
Total Global Real Assets (cost $1,834,372)	**12.22%**		**$**	**2,804,489**
Absolute Return				
Elliott International Class B		204	$	409,148
Farallon Capital Institutional Partners		175,000		247,816
Davidson Kempner International Ltd Class C		850		153,465
Two Sigma Absolute Return Fund		31		60,311
Other Absolute Return Funds				119,786
Total Absolute Return (cost $659,889)	**4.31%**		**$**	**990,526**

The accompanying footnotes are an integral part of these financial statements.

Condensed Schedule of Investments (continued)
As of September 30, 2022
($ in thousands)

	% of Net Assets	Number of Units, Shares or Par Value (000's)	Fair Value
Opportunistic			
Arrowstreet Capital Global All Country Alpha Extension Fu		2,750	$ 240,753
Element Capital US Feeder Fund LLC		75,190	146,167
Tilden Park Investment Fund LP		69,990	92,183
Other Opportunistic Funds			171,913
Total Opportunistic (cost $572,325)	**2.84%**		**$ 651,016**
Total Investments (cost $18,425,273)	**98.37%**		**$ 22,582,370**
Other Assets less Liabilities	1.63%		**374,645**
Net Assets	**100%**		**$ 22,957,015**

Note: The Condensed Schedule of Investments presents the investments of the National Railroad Retirement Investment Trust within each asset class while identifying the largest 50 holdings in the portfolio, including all holdings exceeding 5% of net assets.

(a) Includes Purchased Options, Preferred Stock, Exchange-Traded Funds, and Rights/Warrants.

(b) Primarily consists of Government-Issued Commercial MBS.

(c) Primarily consists of exchange-traded equity instruments in both US and Non-US real estate investment trusts.

NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST

Statement of Operations
For the Fiscal Year Ended September 30, 2022
($ in thousands)

Income	
Dividends	$ 260,284
Interest	100,443
Total income	360,727
Expenses	
Investment management fees	55,065
Compensation and benefits	5,735
Investment related fees and expenses	2,152
Professional fees	1,517
Network, software and systems	1,113
Occupancy expense	768
Custodial fees	449
Insurance expense	312
Trustee fees and expenses	129
Other expenses	367
Total expenses	67,607
Net investment income	293,120
Realized and unrealized gain/loss from investments and foreign currency	
Net realized gain from investments and foreign currency	778,994
Net change in unrealized gain/loss from investments and foreign currency	(4,681,292)
Net realized and unrealized gain/loss from investments and foreign currency	(3,902,298)
Change in net assets resulting from operations	**$ (3,609,178)**

The accompanying footnotes are an integral part of these financial statements.

NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST

Statement of Cash Flows
For the Fiscal Year Ended September 30, 2022
($ in thousands)

Cash flows from operating activities:		
Change in net assets resulting from operations	$	(3,609,178)
Adjustments to reconcile change in net assets from operations to net cash provided by operating activities:		
Proceeds from sales and maturities of long-term investments		14,104,129
Purchase of long-term investments		(12,661,031)
Net unrealized gain on investments and foreign currency		4,681,292
Net realized gain from investments and foreign currency		(778,994)
Net proceeds from purchases/sales of short-term investments (a)		(477,533)
Change in payable for investments purchased		(296,297)
Proceeds from principal paydowns of asset-backed securities		134,140
Change in receivable for investments sold		(22,065)
Change in obligation to return cash collateral held		18,977
Net decrease in cash from swap contract transactions		(6,982)
Change in dividends receivable		4,772
Change in tax reclaim receivable		(2,789)
Change in other accrued expenses and liabilities		2,650
Change in accrued investment management fees		(2,000)
Change in other assets		(1,922)
Change in interest receivable		-
		1,087,169
Cash flows from financing activities:		
Assets transferred to the United States Treasury ("Treasury")		(1,964,000)
		(1,964,000)
Effect of foreign currency on cash		(46,531)
Net change in Cash, Cash Equivalents and Foreign Currency		(923,362)
Beginning Balance		1,375,368
Ending Balance	$	452,006

(a) Short-term investments consist of debt instruments and repurchase agreements with original maturities of less than 60 days.

The accompanying footnotes are an integral part of these financial statements.

NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST

Statement of Changes in Net Assets
For the Fiscal Year Ended September 30, 2022
($ in thousands)

Change in net assets from operations:		
Net investment income	$	293,120
Net realized gain from investments and foreign currency		778,994
Net change in unrealized gain/loss from investments and foreign currency		(4,681,292)
Net change in net assets resulting from operations		(3,609,178)
Assets transferred to the Treasury		(1,964,000)
Net Assets:		
Beginning of year		28,530,193
End of year	$	22,957,015

The accompanying footnotes are an integral part of these financial statements.

1. ORGANIZATION

Formation — The National Railroad Retirement Investment Trust (the "Trust") was created as a result of Federal legislation. The Railroad Retirement and Survivors' Improvement Act of 2001 (the "Act") established the Trust, the sole purpose of which is to manage and invest industry-funded Railroad Retirement assets as set forth in the Act. Domiciled in, and subject to the laws of the District of Columbia (to the extent not inconsistent with the Act), the Trust is a tax-exempt entity under section 501(c)(28) of the Internal Revenue Code of 1986, and is neither an agency nor instrumentality of the Federal Government. The Trust became effective on February 1, 2002.

The Railroad Retirement system was created as a Federal pension program during the 1930s to fund retirement benefits of railroad workers and their dependents. For more than 80 years, the Railroad Retirement Account ("RRA"), a Federal trust fund, has collected payroll taxes from railroad employers and employees and paid out benefits to beneficiaries. Railroad Retirement is funded as a pay-as-you-go system that is not subject to the Employee Retirement Income Security Act of 1974 ("ERISA") funding rules.

The Act authorizes the Trust to manage and invest the assets of the Railroad Retirement system in the same array of investment alternatives available to private sector pension plans, and to pay administrative expenses of the Trust from the assets in the Trust. Prior to the Act, Railroad Retirement assets were limited to investment in US Government securities issued directly by the Treasury. Responsibility for administering the Railroad Retirement system, including eligibility determinations and the calculation of beneficiary payments, remains with the Railroad Retirement Board (the "Board"), a Federal agency.

Investment Management — The Trust's principal investment objective for its portfolio of investments ("portfolio") is to achieve a long term rate-of-return on assets for the portfolio sufficient to enhance the financial strength of the railroad retirement system and to provide timely funding to the Treasury for payment of benefit obligations and administrative expenses.

Except for limited partnership interests in Private Real Assets, Private Debt, and Private Equity partnerships, Absolute Return and Opportunistic funds, and derivative instruments owned by the Trust, generally all assets in the Trust's portfolio are held by custodians appointed by the Trust, or transfer agents in the case of commingled funds.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation — The Trust qualifies as an investment company and follows the accounting and reporting requirements of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946, *Financial Services – Investment Companies*. The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), including but not limited to ASC 946.

Valuation of Investments — The Trust follows FASB ASC Topic 820, *Fair Value Measurement.* The Topic establishes a single definition of fair value, creates a three-tier hierarchy as a framework for measuring fair value based on inputs used to value the Trust's investments, and requires certain disclosures about fair value. The Topic defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. See Note 3 for further information on fair value.

Securities (US and foreign) for which quotations are not readily available are valued under procedures contained in the Investment Manager Guidelines of the Trust's custodian contract with Northern Trust, approved by the Trustees. The pricing procedures for a security traded within the US, which includes, among other factors, researching most recent bid and ask prices, documenting the reason(s) for unavailability of data from a pricing service, and requesting current bids for similar securities from independent securities broker-dealers, may also be used to estimate the fair value of a foreign security should something occur that renders quotations not readily available for a foreign security.

Security Transactions, Accrued Income, and Expense — The Trust records purchases and sales of investment securities on a trade-date basis. Interest income is determined on the basis of coupon interest accrued using the effective interest method. Dividend income (less foreign tax withheld, if any) is recorded on the ex-dividend date. Gains or losses realized on sales of investment securities are based on average cost.

Cash and Cash Equivalents — Cash and cash equivalents includes cash held at banks and cash balances held in short-term investment funds, which can be drawn down with same day notice. As of September 30, 2022, the Trust held approximately $56.3 million of restricted cash, representing initial margin on futures contracts and pledged collateral received from counterparties for option, swap or forward contracts.

Foreign Currency – Foreign currency includes deposits held at banks that are denominated in foreign currencies, which bear a potential risk of loss arising from changes in currency exchange rates. These deposits are translated into US dollars at the prevailing foreign exchange spot rates on the date of valuation.

Options Contracts — The Trust may purchase or sell (write) exchange-traded or over-the-counter ("OTC") options contracts to hedge against risks associated with price fluctuations for certain securities, or as a cost-effective means to gain exposure to a particular security, commodity, or other economic factor.

When either a put or call option is purchased, the contract is recorded as an investment and the premium is marked-to-market daily to reflect the current fair market value of the option contract. When a purchased option contract expires (unexercised), a loss is realized in the amount of the cost of (premium paid for) the option. If a closing sale contract is entered into, however, a gain or loss is realized, to the extent that the proceeds from the sale are greater or less than the cost of the option. If a put option is exercised, a gain or loss is realized from the sale of the underlying security by adjusting the proceeds from such sale by the amount of the premium paid for the put option. If a call option is exercised, the cost of the security purchased upon exercise is increased by the premium paid for the call option.

When either a put or call option is sold (written), an amount equal to the premium received is recorded as a liability. The liability is marked-to-market daily to reflect the current market value of the written option. When a written option contract expires (unexercised), a gain is realized in the amount of the premium received for this option. If a closing purchase contract is entered into, however, a gain or loss is realized in the amount of the premium less the cost of the option. If a written put option is exercised, the amount of the premium originally received reduces the cost of the security, which is purchased upon exercise of the put option. If a sold (written) call is exercised, a gain or loss is realized from the sale of the underlying security, and the proceeds (if any) from such sale are increased by the premium received for the written call.

The Trust could be exposed to risk if the counterparties in options transactions were unable to meet the terms of the contracts. To mitigate this risk, the Trust requires its counterparties to these contracts to pledge either cash or securities as collateral against any default in these transactions.

Futures Contracts — The Trust may invest in financial futures contracts for the purpose of hedging its portfolio to counter fluctuations in value, to gain access to securities the Trust intends to purchase, and to manage overall portfolio risk as part of a broad risk management program.

The Trust is required to pledge an amount of cash, US government securities, or other assets, equal to a certain percentage of the futures contract amount (initial margin deposit) upon entering a financial futures contract. Subsequent payments, known as "variation margin," are made (or received) by the Trust each day, depending on the daily fluctuations in the value of the underlying financial instrument. The Trust records a receivable or payable (and corresponding realized gain or loss) equal to the daily variation margin. Futures contracts are valued at the last sales price quoted on the exchange on which they primarily trade.

The Trust's use of financial futures transactions entails the risk of imperfect correlation in movements in the price of futures contracts and the value of the underlying hedged assets, and the risk associated with the possibility of an illiquid market. Should futures' market conditions change unexpectedly, and the Trust takes no action to respond to such changes, the Trust may not achieve the anticipated benefits of the financial futures contracts and may realize a loss. Potential losses associated with counterparty risk are mitigated by initial margin deposits either in the form of cash or securities and variation margins deposited daily.

Foreign Currency Translation — The Trust maintains accounting records in US dollars. All investments quoted in foreign currency are translated into US dollars at the prevailing foreign exchange spot rates on the date of valuation. Purchases and sales of securities, income receipts and trading expenses are translated into US dollars at the exchange rate on the date of the transactions.

Foreign securities are valued as of the close of each foreign security's market wherein each security trades. Investments in foreign securities may involve risks not present in domestic investments. Since foreign securities may be denominated in foreign currency and involve settlement and pay interest or dividends in foreign currencies, changes in the relationship of these foreign currencies to the US dollar can significantly affect the value of investments and earnings of the portfolio. Foreign investments may also subject the Trust to foreign government exchange restrictions, expropriations, taxation or other political, social or economic risks, all of which could affect the value of the foreign securities investments.

Forward Contracts — The Trust may use forward contracts to gain exposure to or hedge against foreign currency exchange rate fluctuations, commodity price movements, and other economic factors.

The Trust may also use spot currency contracts to hedge against foreign currency exchange rate fluctuations related to a specific portfolio transaction, such as the delay between a security transaction's trade date and settlement date. Differences in currency exchange rates can adversely impact the value associated with the purchasing or selling of investment securities denominated in a foreign currency.

Forward contracts are adjusted daily by the prevailing spot or forward rate of the underlying asset, and any appreciation or depreciation is recorded for financial statement purposes as unrealized until the contract settlement date, at which time the Trust records realized gains or losses equal to the difference between the value of the contract at the time the contract opened and the value at the time it closed.

The Trust could be exposed to risk if the counterparty is unable to meet the terms of a forward contract or if the value of the underlying changes unfavorably and the Trust does not alter its position in the transaction. To mitigate this risk, the Trust requires its counterparties to pledge either cash or corporate securities as collateral against default in these transactions.

Swap Contracts — The Trust may enter swap transactions for hedging purposes and/or to efficiently gain exposure to a particular asset class index.

Swaps are marked-to-market daily based upon values from third party vendors or quotations from other sources. Unrealized appreciation is recorded as an asset and unrealized depreciation is recorded as a liability on the Statement of Assets and Liabilities. The change in value of swaps, including accruals of periodic amounts of interest to be paid or received on swaps, is recorded as unrealized gain/loss from investments and foreign currency in the Statement of Operations. Payments received or made at the beginning of the measurement period represent payments made or received upon entering into the swap agreement to compensate for differences between the stated terms of the swap contracts and prevailing market conditions (credit spreads, currency exchange rates, interest rates, and other relevant factors). A liquidation payment received or made at the termination of the swap is recorded as realized gain or loss in the Statement of Operations. Net periodic payments received by the Trust are included as part of the realized gain or loss in the Statement of Operations.

Entering into these contracts involves, to varying degrees, elements of credit, market and counterparty risk in excess of the amounts recognized in the Statement of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these contracts, that the counterparty to the contracts may default on its obligations to perform or disagree as to the meaning of contractual terms in the contracts, and that there may be unfavorable changes in interest rates. At the time a swap contract reaches its scheduled termination (or contract expiration) date, there is risk that the Trust would not be able to obtain a replacement transaction or that the terms of the replacement would not be as favorable as the expiring transaction. The Trust's swap contracts consist of interest rate swaps, credit default swaps and total return swaps.

Repurchase Agreements — The Trust may engage in repurchase agreement transactions, whereby a security is simultaneously purchased and sold under a master forward agreement.

Income Taxes — The Trust is exempt from federal income taxes under Section 501(c)(28) of the Internal Revenue Code of 1986 and from state and local taxes pursuant to Section 231(n)(j)(6) of the Railroad Retirement Act of 1974. As such, no provision for income taxes is included in the financial statements. The Trust is subject to unrelated business income tax ("UBIT"), in connection with certain of its limited partnership and commingled fund interests. The Trust incurred $4.5 million of UBIT expense during the fiscal year ended September 30, 2022.

Uncertain tax positions are evaluated in accordance with the Income Taxes Topic ("Topic 740") of the FASB ASC. The Trust has no material uncertain tax positions.

The Trust has had taxes withheld on income from investments in foreign jurisdictions. Certain foreign jurisdictions grant tax reclaims to entities that are exempt from taxation pursuant to the U.S. Internal Revenue Code, including the Trust. As of September 30, 2022, the receivables from foreign jurisdictions for tax reclaims totaled $34.1 million.

Investment Management Fees — The Trust has entered into investment management agreements with third party investment managers. These agreements provide for the payment of investment management fees, which are generally paid on a quarterly basis. The fees are calculated as a percentage of the weighted-average value of assets under management, with an additional performance fee in some instances.

Counterparty Risk and Collateral — The Trust invests in derivatives that are transacted and settle directly with a counterparty and thereby expose the Trust to counterparty risk. To mitigate this risk, the Trust's third party investment managers have entered into master netting arrangements with certain counterparties that permit net settlement under specified conditions and, for certain counterparties, also provide collateral agreements. The Trust accounts for derivatives on a gross basis. It does not offset the fair value of derivative liabilities against the fair value of derivative assets in its financial statements.

Use of Estimates — The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Fair value estimates are made at a specific point in time, based on market conditions. Changes in assumptions and market conditions could affect the estimates.

3. FAIR VALUE MEASUREMENT

The Trust's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with FASB's guidance on fair value measurement.

The hierarchy of inputs is summarized below.

Level 1 — Investments that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Trust has the ability to access at the measurement date. The types of investments generally included in this category are exchange traded common and preferred stock, futures contracts, foreign currency, and commingled funds in which the Trust's ownership interest in such fund is traded in an active market. The fair value of these securities is generally based on quotations obtained from national securities exchanges or published to investors by the issuer of the commingled fund.

Level 2 — Investments valued using observable inputs such as quoted prices for identical securities in inactive markets or quoted prices for similar securities in active markets. Other observable inputs may include such factors as interest rates, credit spreads, prepayment speeds, and credit risk, among other relevant factors. Level 2 investments generally included in this category are bonds (including Federal securities), swap contracts, foreign currency exchange contracts, and options contracts.

Level 3 — Investments valued using pricing inputs which are both unobservable and significant to the valuation. The Level 3 investments consist primarily of private placement corporate bonds and certain foreign government bonds. The significant unobservable inputs used in the fair value measurement of these securities are predominantly uncorroborated non-binding broker quotes, and extrapolated data points in security pricing models. These prices are provided by third-party pricing services, and the range of unobservable inputs applied by these sources is not readily available or cannot be reasonably estimated. Significant changes in any of those inputs could result in a significantly different fair value measurement.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Trust's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. Investments are transferred into or out of any level at their beginning period values.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, and other characteristics. To the extent that valuation is based on models or inputs that are less observable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Trust in determining fair value is greatest for instruments categorized as Level 3.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following table is a summary of the inputs used in valuing the Trust's assets and liabilities carried at fair value ($ in thousands):

Assets	**Level 1**	**Level 2**	**Level 3**	**Other***	**Total**
US Equity	$ 6,399,766	$ 4,352	$ 3,740	$ -	$ 6,407,858
Non-US Equity	4,868,751	6,387	9,191	-	4,884,329
Private Equity	-	-	-	3,786,117	3,786,117
Global Fixed Income**	42,597	2,512,763	10,706	491,969	3,058,035
Global Real Assets	292,850	-	-	2,511,639	2,804,489
Absolute Return Mandates	-	-	-	990,526	990,526
Opportunistic Mandates	-	-	-	651,016	651,016
Total investments	$ 11,603,964	$ 2,523,502	$ 23,637	$ 8,431,267	$ 22,582,370
Swap contracts, at fair value	$ -	$ 16,883	$ -	$ -	$ 16,883
Futures contracts***	7,040	-	-	-	7,040
Forward contracts	-	112,274	-	-	112,274
Foreign currency	20,810	-	-	-	20,810
Liabilities					
Swap contracts, at fair value	$ -	$ 6,509	$ -	$ -	$ 6,509
Futures contracts***	20,980		-	-	20,980
Forward contracts	-	111,488	-	-	111,488
Written options****	-	1,665	-	-	1,665

* In accordance with FASB Accounting Standards Update ("ASU") 2015-07, *Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)*, investments in certain commingled Funds and Partnerships which are valued using the Net Asset Value ("NAV") practical expedient are not classified within the fair value hierarchy because of the redemption features inherent in the fund investment documents.

**As of September 30, 2022, the Trust held $437.1 million in Federal securities. The Trust defines Federal securities as those securities issued by the Treasury, and securities issued by a Federal agency. These securities are included in the Global Fixed Income Level 2 category within the fair value hierarchy table.

***Amounts represent cumulative gross gains and losses on open futures contracts, translated into US dollars, as of September 30, 2022. Only the current day's variation margin is included in Other Assets and Other Liabilities in the Statement of Assets and Liabilities.

****Included in Other Liabilities in the Statement of Assets and Liabilities.

As presented in the "Other" column of the fair value hierarchy table above, the Trust relies on the NAV of certain Funds and Partnerships as these terms are defined below as a practical expedient to estimating their fair value. The NAVs that have been provided by investees are derived from the fair values of the underlying investments as of the reporting date. All investments for which NAV is used as fair value (a) do not have a readily determinable fair value pursuant to the guidance in ASU 2015-07 and (b) either prepare financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

For the year ended September 30, 2022, there were no significant changes to the Trust's fair value methodologies. Purchases and sales of Level 3 securities during the year were $19.2 million and $10.8 million, respectively. Certain US Equity, Non-US Equity, Global Fixed Income and Global Real Assets securities were transferred between the Level 2 and 3 categories due to changes in the availability of significant observable inputs in the valuation of these securities. For the year ended September 30, 2022, transfers into and out of Level 3 were $11.4 million and $4.3 million, respectively.

The Trust uses a third-party pricing agent to value its securities. When determining the reliability of third party pricing information, the Trust reviews the valuation policies of the pricing agent and conducts due diligence on the execution of the agent's pricing procedures. External investment managers reconcile valuations to the pricing agent on a monthly basis, and discrepancies are investigated and resolved.

Equity securities that are traded on a national securities exchange or quoted on the NASDAQ National Market System ("NMS") are valued on their last reported sale price on the principal exchange (US or foreign) or official closing price as reported by NASDAQ. Options and futures contracts are valued at the last sales price quoted on the exchange on which they primarily trade. Securities traded on OTC markets as well as listed securities for which no sales are reported are valued at the most recent bid quotation.

Fixed income securities (US and foreign) for which price quotations are readily available are valued at the most recent reported sales price. If no reported sales price is available, fixed income securities are valued at prices furnished by an independent pricing service, which considers yield or price of bonds of comparable quality, coupon, maturity, and type, as well as prices quoted by dealers who make markets in such securities.

The ability of issuers of the fixed income securities held by the Trust to meet their obligations may be affected by economic developments in a specific industry or region. The values of the securities can be significantly affected by changes in interest rates or in the financial condition of the issuer or market conditions generally. The Trust invests a portion of its assets in mortgage-backed securities and debentures. The value and related income of these securities is sensitive to changes in economic conditions, including delinquencies and/or defaults.

Commingled funds (“Funds”), which are not publicly traded, may include publicly-traded securities for which detailed holdings are reported to the Trust. Fair values of these Funds are derived from NAVs provided by the external investment managers.

Private Debt, Private Equity and Real Estate limited partnership assets (“Partnerships”) are valued by the Trust at fair value from NAVs provided by each Partnership’s general partner, consistent with ASU 2015-07.

The following table lists the Trust’s unfunded commitments to investments in Funds and Partnerships by major category ($ in thousands):

Asset Class	Strategy	Unfunded Commitments	Note
US Equity	Includes passively managed funds tracking major US Equity indices	$ -	(a)
Non-US Equity	Includes passively managed funds tracking major Non-US Equity indices	-	(a)
Private Equity	Includes Venture Capital, Leveraged Buyout, and Corporate Finance investment funds	1,382,213	(b)
Global Fixed Income	Includes US Investment Grade, High Yield, Private Debt, and Global Government Bond and Currency investment funds	491,669	(c)
Global Real Assets	Includes Natural Resources, Private Real Estate and Real Estate Investment Trust investment funds	1,338,826	(d)
Absolute Return	Includes multi-asset class strategies that offer an attractive risk-adjusted return and have a low correlation with other Trust investments	63,014	(e)
Opportunistic	Includes multi-asset class strategies that enhance the overall returns of the Trust while providing moderate diversification benefits	76,507	(f)
		$ 3,352,229	

(a) Investments may have redemption restrictions that limit the days when redemption requests can be made to one or more days per month. Advance notice of up to 3 days may be required for redemption.

(b) Private Equity investments are generally held for the life of the investment.

(c) Private Debt investments are generally held for the life of the investment. All other investments can generally be redeemed on either a monthly or quarterly basis with the exception of one fund which may impose redemption fees, and one fund which may impose gate provisions.

(d) Private Real Estate and Natural Resources investment funds are generally held for the life of the investment.

(e) Absolute Return investments can generally be redeemed on either a monthly, quarterly or annual basis after the expiration of an initial lock-up period of up to three years.

(f) Opportunistic investments can generally be redeemed on either a monthly, quarterly or annual basis after the expiration of an initial lock-up period of up to three years.

4. DERIVATIVE INSTRUMENTS

As of September 30, 2022, the Trust invested in derivative contracts: primarily futures, forwards, options and swaps. Derivative contracts serve as components of the Trust's investment strategy as described in Note 2. The following tables summarize the value of asset and liability derivatives and related gains and losses as of and for the year ended September 30, 2022 ($ in thousands).

Risk Exposure	Location within Statement of Assets and Liabilities	Derivative Assets	Derivative Liabilities
Commodity			
Purchased Options	Investments - at fair value	$ -	$ -
Credit			
Purchased Options	Investments - at fair value	10	-
Written Options	Other liabilities	-	(3)
Credit Default Swaps	Swap contracts, at fair value	888	(181)
Currency			
Purchased Options	Investments - at fair value	72	-
Written Options	Other liabilities	-	(204)
Foreign Currency Exchange Contracts	Unrealized gain/loss on forward contracts	112,274	(111,488)
Equity			
Total Return Swaps	Swap contracts, at fair value	-	-
Interest Rate			
Purchased Options	Investments - at fair value	181	-
Written Options	Other liabilities	-	(1,458)
Interest Rate Swaps	Swap contracts, at fair value	15,995	(6,329)
Futures Contracts	Other assets/liabilities	2,955	(2,412)

	Location within the Statement of Operations	
Risk Exposure	Net change in unrealized gain (loss) from investments and foreign currency	Net realized gain (loss) from investments and foreign currency
Commodity		
Options Contracts	$ -	$ (100)
Credit		
Options Contracts	(48)	158
Credit Default Swaps	(756)	509
Currency		
Options Contracts	7	127
Foreign Currency Exchange Contracts	2,347	(46,164)
Equity		
Equity Index Swaps	-	-
Interest Rate		
Options Contracts	(690)	856
Interest Rate Swaps	8,235	1,751
Futures Contracts	-	(49,538)

The following table summarizes the long and short notional exposure of derivative contracts as of September 30, 2022 ($ in thousands):

Risk Exposure	Long Exposure	Short Exposure
Commodity		
Purchased Options	$ -	$ -
Credit		
Purchased Options	1,900	-
Written Options	-	3,800
Credit Default Swaps	16,683	35,225
Currency		
Purchased Options	7,420	-
Written Options	-	10,485
Foreign Currency Exchange Contracts	2,757,105	2,557,947
Equity		
Total Return Swaps	-	-
Interest Rate		
Purchased Options	-	-
Written Options	-	1
Interest Rate Swaps	120,412	58,307
Futures Contracts	530,944	258,506

5. RELATED-PARTY TRANSACTIONS

Railroad Retirement Board — Under the provisions of the Act, the Board directs the Treasury to contribute RRA and Social Security Equivalent Benefit Account (“SSEBA”) assets to the Trust, as defined in the Act. Since the Trust’s inception, the Board has contributed $21.3 billion to the Trust. The Board also periodically directs the Trust to transfer funds to the Treasury to fund benefit payments and administrative expenses of the RRA. Since the Trust’s inception, approximately $31.7 billion has been transferred to the Treasury by the Trust. During the fiscal year ended September 30, 2022, approximately $2.0 billion was transferred to the Treasury. As defined in the Act, the Trust reports to the Board and is required to perform its duties solely in the interest of the Board and through it, the participants and beneficiaries of the programs funded by the Act.

Legal Counsel — The Trust incurred approximately $756 thousand in legal fees during the fiscal year ended September 30, 2022. Legal counsel was provided by firms that may also provide services to the major railroads and railway labor unions whose representatives are members of the Board of Trustees.

Custodian — The Trust's custodian was also engaged to provide investment management transition services for a portion of Trust assets during the fiscal year ended September 30, 2022. The custodian credited $25 thousand of commission charges related to these services. This amount is deducted from custodial fees in the Statement of Operations.

6. EMPLOYEE BENEFIT PLAN

The Trust provides a defined contribution plan ("Plan") covering all employees. Employees participate in the Plan by making discretionary contributions from their eligible compensation, but not more than the maximum annual amount allowed by law. The Trust makes matching contributions equal to 100% on the first 6% of compensation deferred. The Trust may also, at its discretion, make an additional profit-sharing contribution to the Plan. During the fiscal year ended September 30, 2022, the Trust made contributions of approximately $303 thousand to the Plan on behalf of the employees.

7. INDEMNIFICATIONS

In the ordinary course of business, the Trust may enter into contracts or agreements that contain indemnifications. Future events could occur that lead to the execution of these provisions against the Trust. The Trust's maximum exposure under these contracts or agreements is unknown. No such claims have occurred, nor are they expected to occur and the Trust expects the risk of loss to be remote.

8. COMMITMENTS

Office Space Lease — In October 2012, the Trust entered into an eleven year operating lease agreement with respect to its principal office space in Washington, DC.

Remaining rental payment obligations relating to the lease are as follows:

Fiscal Years Ending September 30	Amount
2023	$ 530,655
2024	313,138
Thereafter	-
Total	$ 843,793

Investments — The Trust has made contractual commitments to fund various investments. These investments typically have investment periods of five years and terms of ten years. The investment manager or general partner invests the committed dollars during the investment period and harvests the portfolio during the remainder of the term. The amounts of these commitments are disclosed in the table in Note 3.

9. FINANCIAL HIGHLIGHTS

The financial ratios noted below encompass the net of all funds received by the Trust for the fiscal year ended September 30, 2022.

	October 1, 2021 — September 30, 2022
FINANCIAL RATIOS [1]:	
Expense to average net assets	0.25%
Net investment income to average net assets	1.09%
TOTAL RETURN [2] — Total return	-13.28%

[1] The ratios of expense to average net assets and net investment income to average net assets represent the expenses and net investment income for the period, as reported on the Statement of Operations, to the Trust's average net assets.

[2] The total return reflected in the table includes net investment income and net realized and unrealized gains on investments. The return is time-weighted and measures the performance of a unit of assets held continuously for the time period covered.

10. TRUST DIVERSIFICATION

Since its inception in 2002, the Trust has deployed assets received from Treasury into a diversified and balanced portfolio of US and Non-US equity and US and Non-US fixed income securities. Over time, the Trust has furthered that diversification by allocating a percentage of the portfolio to private equity, private debt, and real assets. As mandated by the Act, the Trust manages its concentration of investment in any asset class, type of security or market sector. The Trust's policy of broad diversification is intended to protect its assets from disproportionate market shocks in volatile periods.

The following table is a summary of the Trust's concentration of investments by geographic region ($ in thousands):

Geographic Region	US Equity	Non-US Equity	Private Equity	Global Fixed Income	Global Real Assets	Absolute Return	Opportunistic	Total
North America	$ 6,407,858	$ 507,074	$ 2,919,927	$ 2,510,502	$ 2,375,076	$ 584,349	$ 271,931	$ 15,576,717
Europe	-	2,011,350	313,232	185,618	191,229	-	-	2,701,429
Asia	-	1,978,190	-	131,760	150,508	-	-	2,260,458
Australia	-	157,071	-	12,343	12,865	-	-	182,279
South America	-	103,071	-	36,445	-	-	-	139,516
Central America	-	37,378	-	58,162	941	-	-	96,481
Africa	-	38,188	-	16,613	-	-	-	54,801
Multi-Region / Global	-	52,007	552,958	106,592	73,870	406,177	379,085	1,570,689
	$ 6,407,858	$ 4,884,329	$ 3,786,117	$ 3,058,035	$ 2,804,489	$ 990,526	$ 651,016	$ 22,582,370

11. RECENTLY ISSUED ACCOUNTING STANDARDS

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This new standard requires a lessee to record a right-of-use asset and a lease liability for all leases with terms longer than 12 months. In May 2020, the FASB issued ASU 2020-05, *Revenues from Contracts with Customer (Topic 606) and Leases (Topic 842) Effective Date for Certain Entities*, formally deferring the effective date of the standard to fiscal years beginning after December 15, 2021, with early adoption permitted. The Trust does not expect the adoption of ASU 2016-02 to have a material effect on its financial statements.

12. SUBSEQUENT EVENTS

The Trust has evaluated subsequent events through November 15, 2022, the date these financial statements were issued, and determined that there were no subsequent events requiring adjustments to or disclosure in the financial statements.

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