

VACo/VML Pooled OPEB Trust

Portfolio Review

September 19, 2025



2018 2019 2020 2021 2022 2023 2024

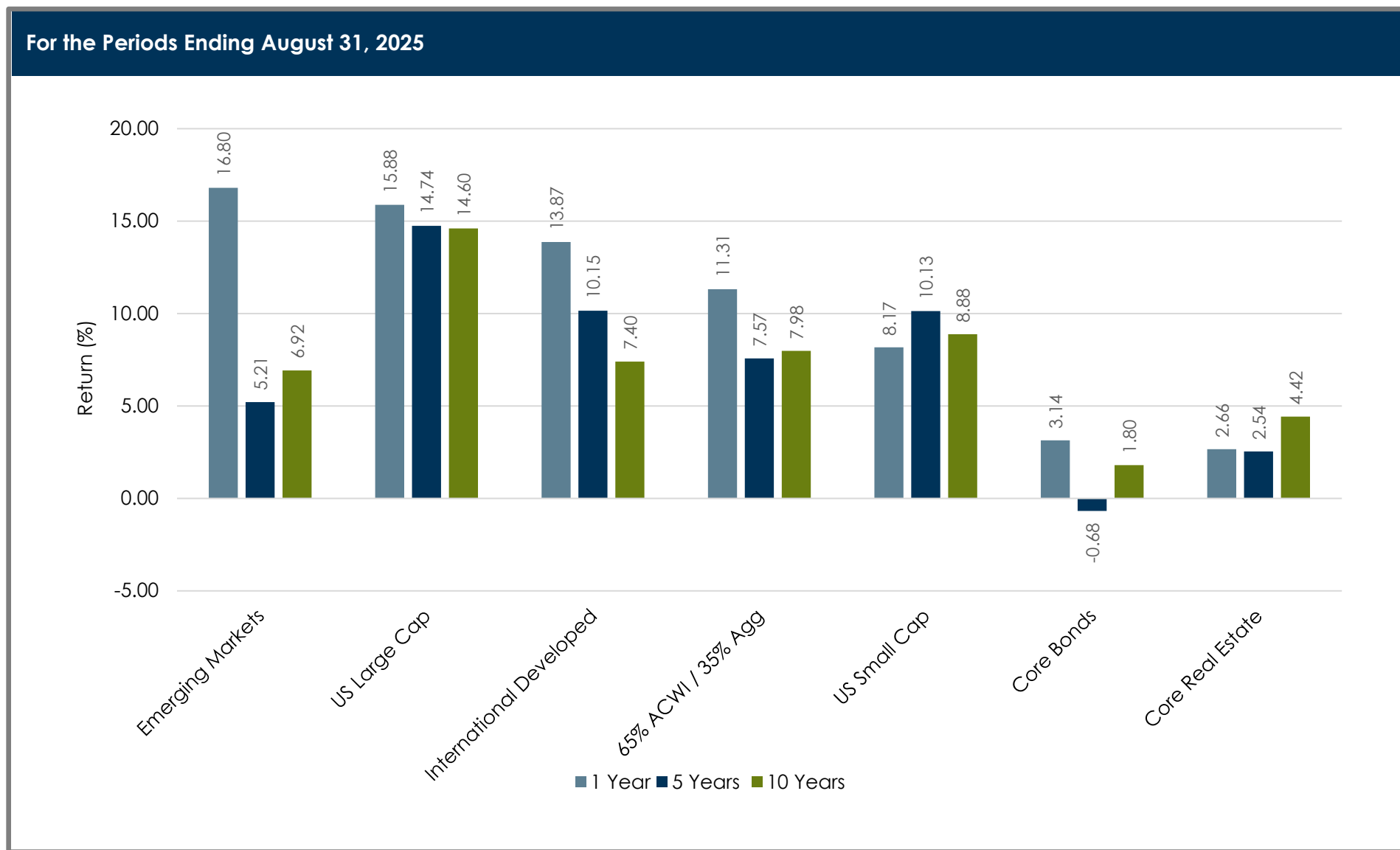
**ACG has been named a
Coalition Greenwich Best Investment Consultant
for seven consecutive years.**

Methodology and Disclosure: Between February and September 2024, Coalition Greenwich conducted interviews with 699 individuals from 563 of the largest tax-exempt funds in the United States. These U.S.-based institutional investors are corporate, public, union, and endowment and foundation funds with either pension or investment pool assets greater than \$150 million. Study participants were asked to provide quantitative and qualitative evaluations of their asset management and investment consulting providers, including qualitative assessments of those firms soliciting their business and detailed information on important market trends. ACG is one of three firms recognized in the mid-size investment consultant category. The ratings may not be representative of any one client's experience with ACG; rather they are representative of those clients that chose to participate in the survey. The results are not indicative of ACG's future performance. ACG does not pay to have its clients participate in the study.

Executive Summary – VACo/VML OPEB Trust

- Market Overview
- Portfolio Structure & Performance Review
- OPEB Trust Investment Activity

Broad Financial Markets Performance

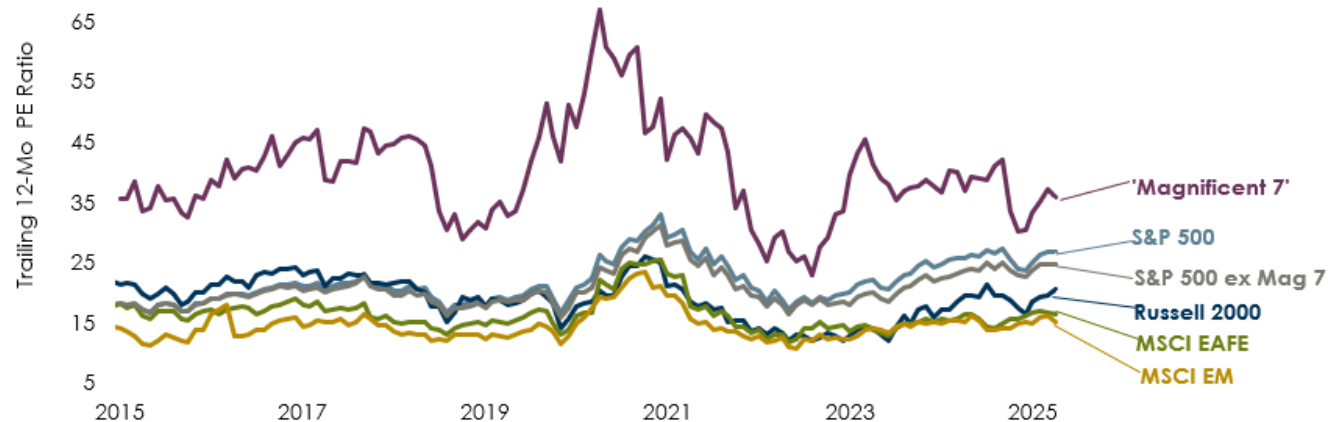


Source: ACG Research, FactSet (as of August 31, 2025). The following indices used as proxies for asset classes: S&P 500, Russell 2000, MSCI Emerging Markets, MSCI EAFE, Bloomberg US Aggregate, NFI ODCE Net
Core Real Estate is as of 6/30/2025

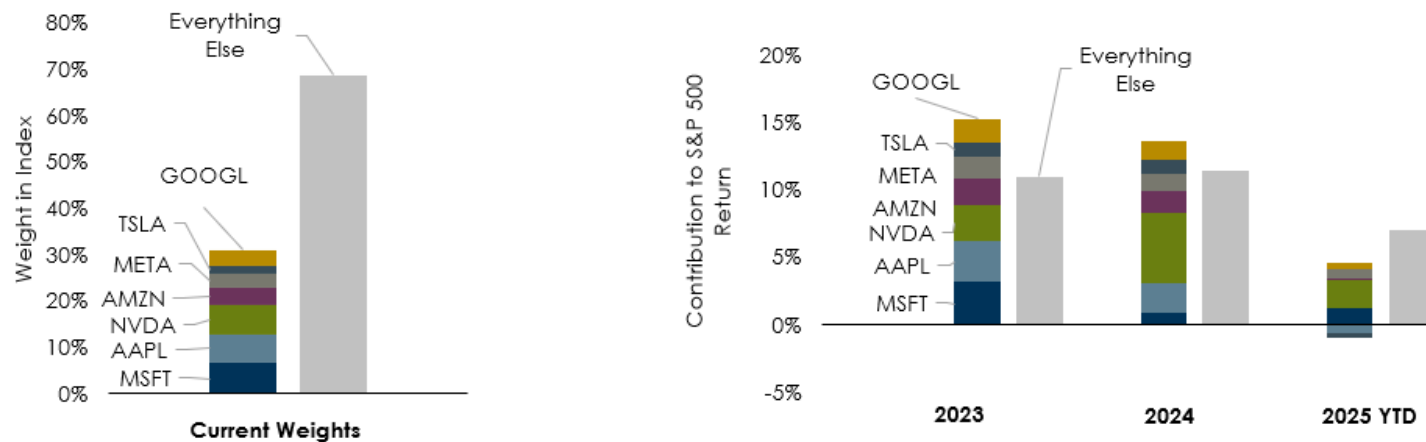
Equity Valuations Inflated by “Mag 7”

Equity performance heavily favored US Large Caps for the past two years as the S&P 500's largest holdings contributed an outsized portion of returns. These stocks are about 32% of the index and accounted for over half of recent S&P 500 returns. Elevated valuations for these stocks leave them vulnerable to correction, but broadening returns could help support index performance.

The S&P 500 Valuation is Elevated Compared to Other Broad Indices



The S&P 500's Top Holdings Continue to Play an Outsized Role in Performance, But Returns Have Broadened Relative to the Prior Two Years



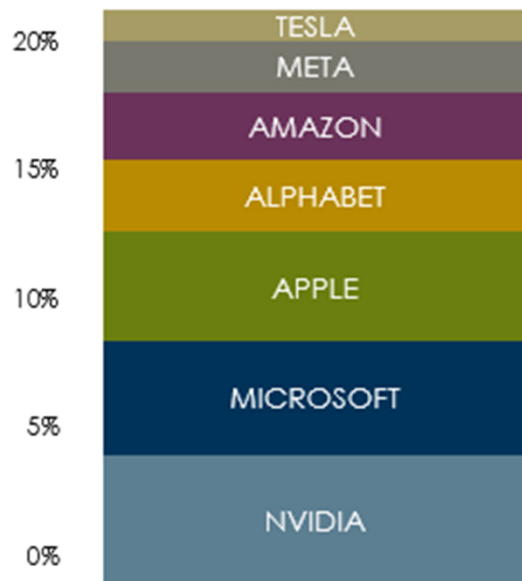
Source: ACG Research, Bloomberg, Morningstar (as of August 31, 2025) 'Magnificent 7' is an equal weighted index of: Meta, Apple, Amazon, Nvidia, Alphabet, Microsoft, and Tesla

Driver – Concentration of Market Leadership

% Weight in MSCI ACWI

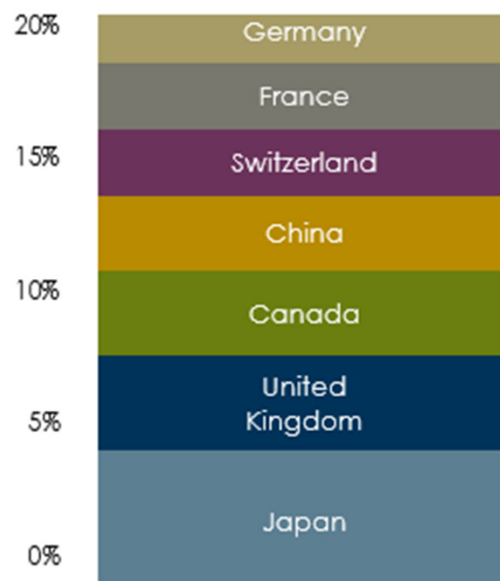
Period Ending August 31, 2025

MAG 7 is...



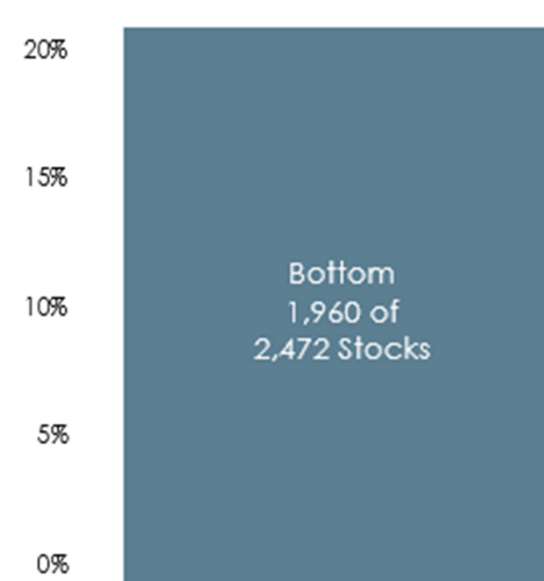
1 Yr. Return*
40%

larger than the next Seven Countries...



1 Yr. Return*
37%

and the Bottom 1,960 stocks combined



1 Yr. Return*
29%

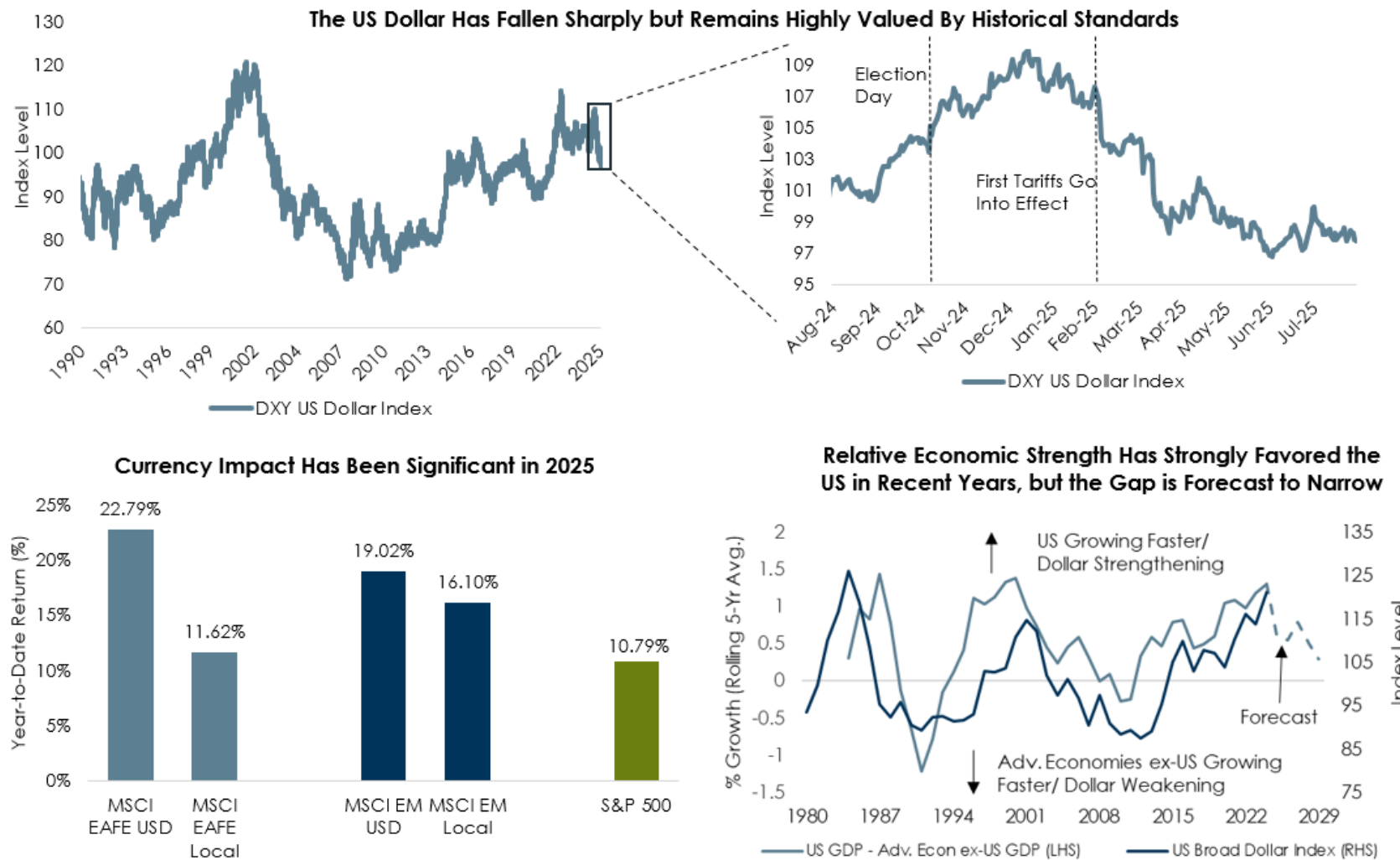
* Returns reflect reweighted ACWI positions, scaled to 100% for each group

Observations

- **The Mag 7 has significantly influenced the returns of the Index (MSCI ACWI).**
 - NVIDIA alone was up approximately 64% and is 4.9% of the Index.
- **Non-US (next seven countries) and smaller cap stocks have recorded strong absolute performance over the past year.**
 - Uncertainty around U.S. tariff and immigration policy is contributing to recent non-U.S. performance.

USD Weakness Helping Non-US Returns

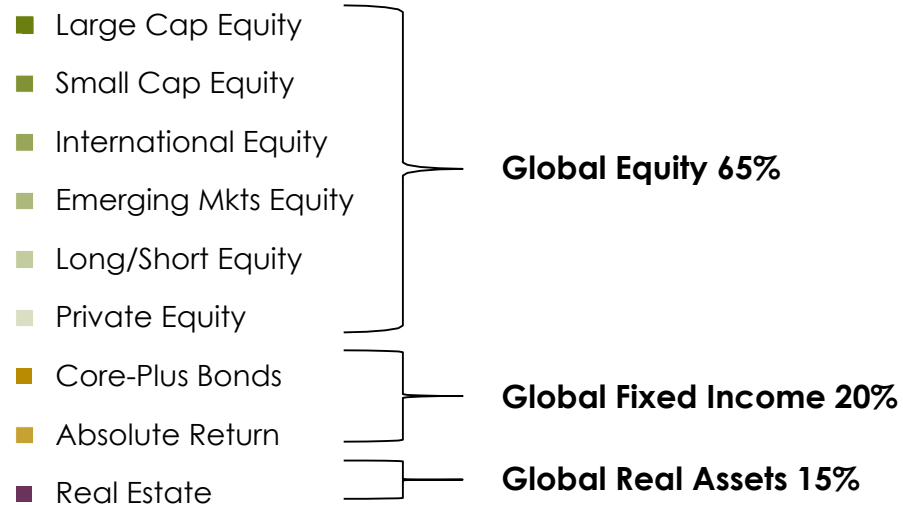
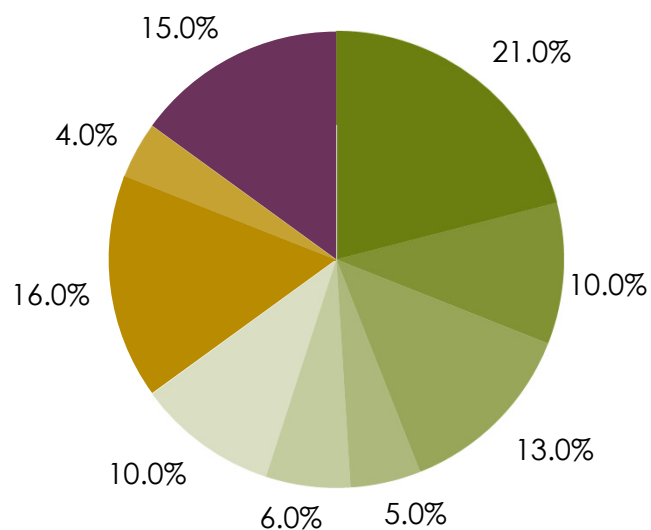
A strong US dollar weighed on non-US equity returns for US investors in 2024, but that trend has reversed for most of 2025. A common view was that protectionist policies would strengthen the dollar, and the dollar appreciated post-election. However, economic growth is an important driver of exchange rates and US growth forecasts downshifted post-tariff announcements.



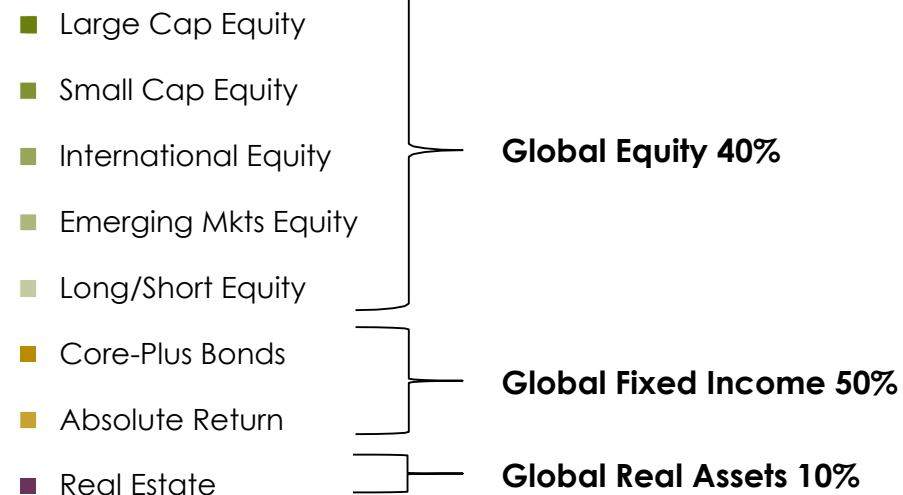
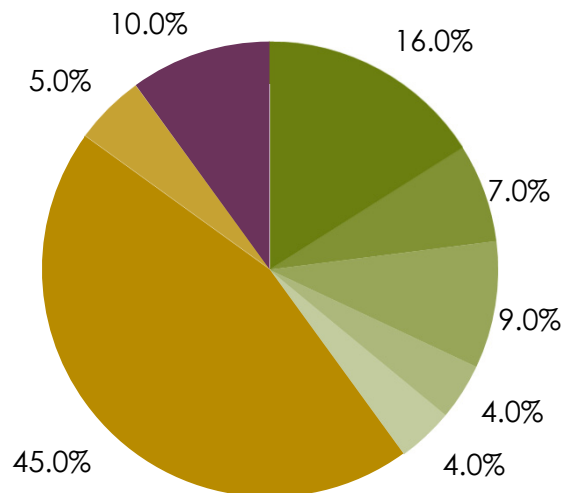
Source: ACG Research, Bloomberg, Morningstar (as of August 31, 2025) "LHS" is left-hand side, "RHS" is right-hand side

Asset Allocation

Portfolio I

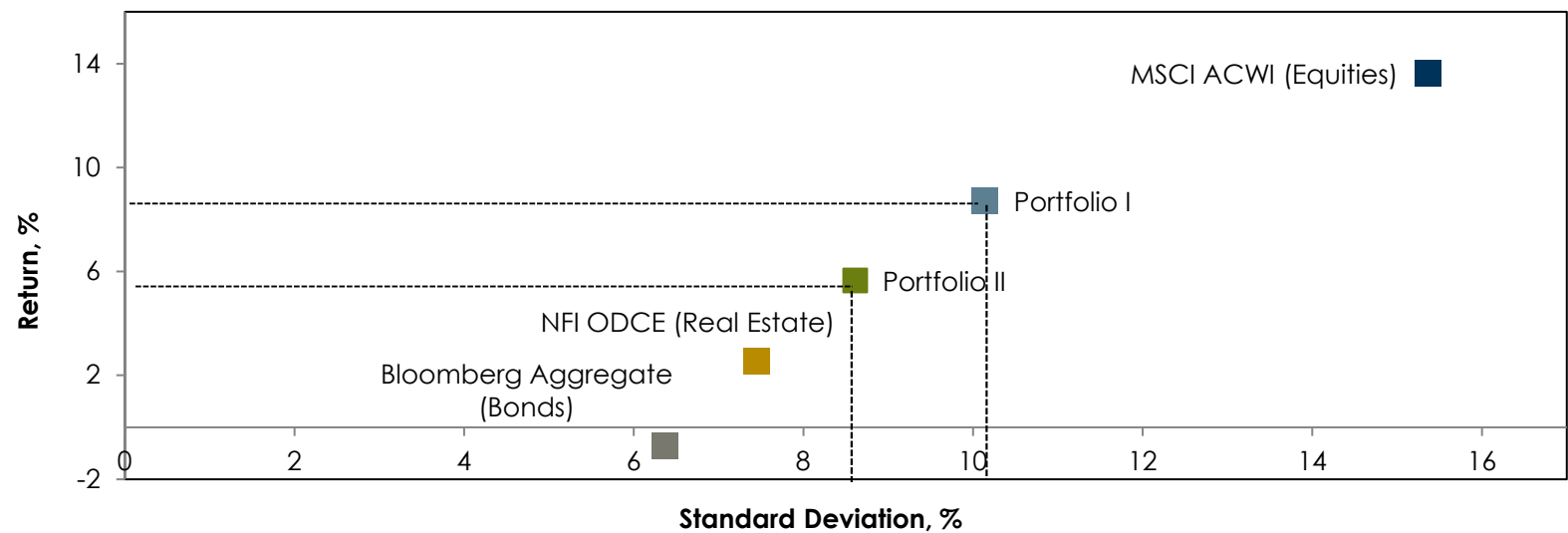


Portfolio II

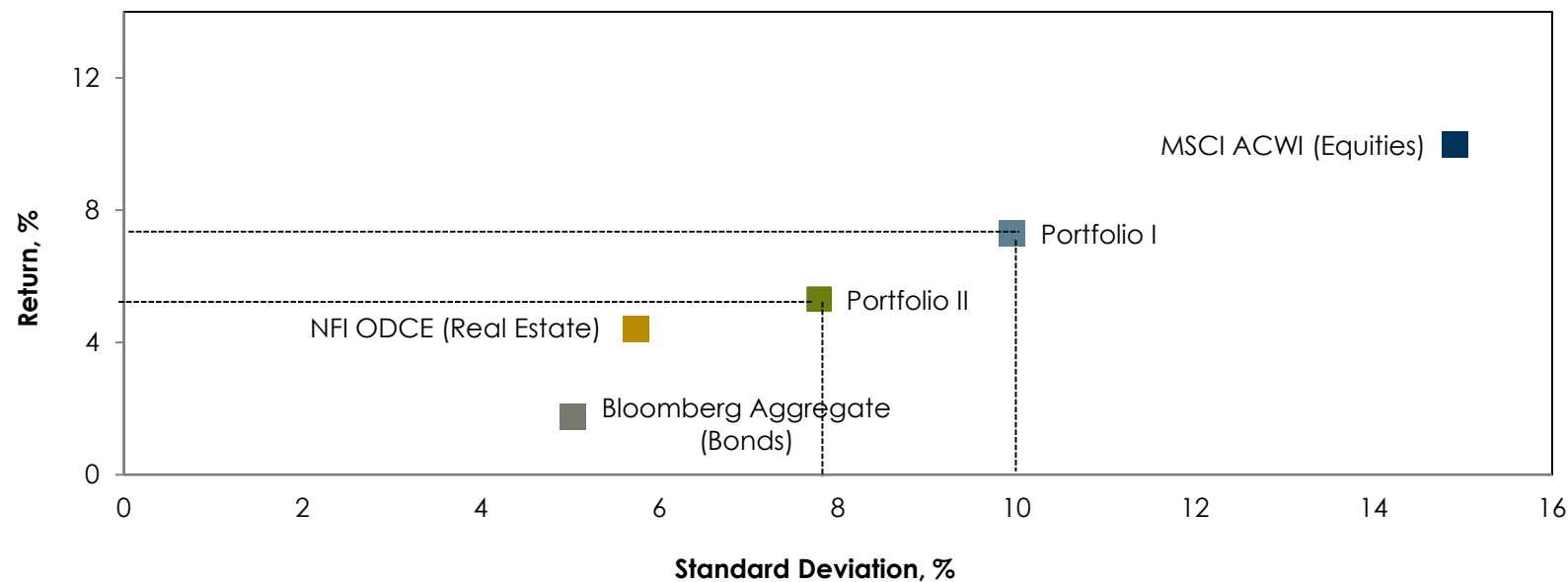


Risk vs. Return Ending June 30, 2025

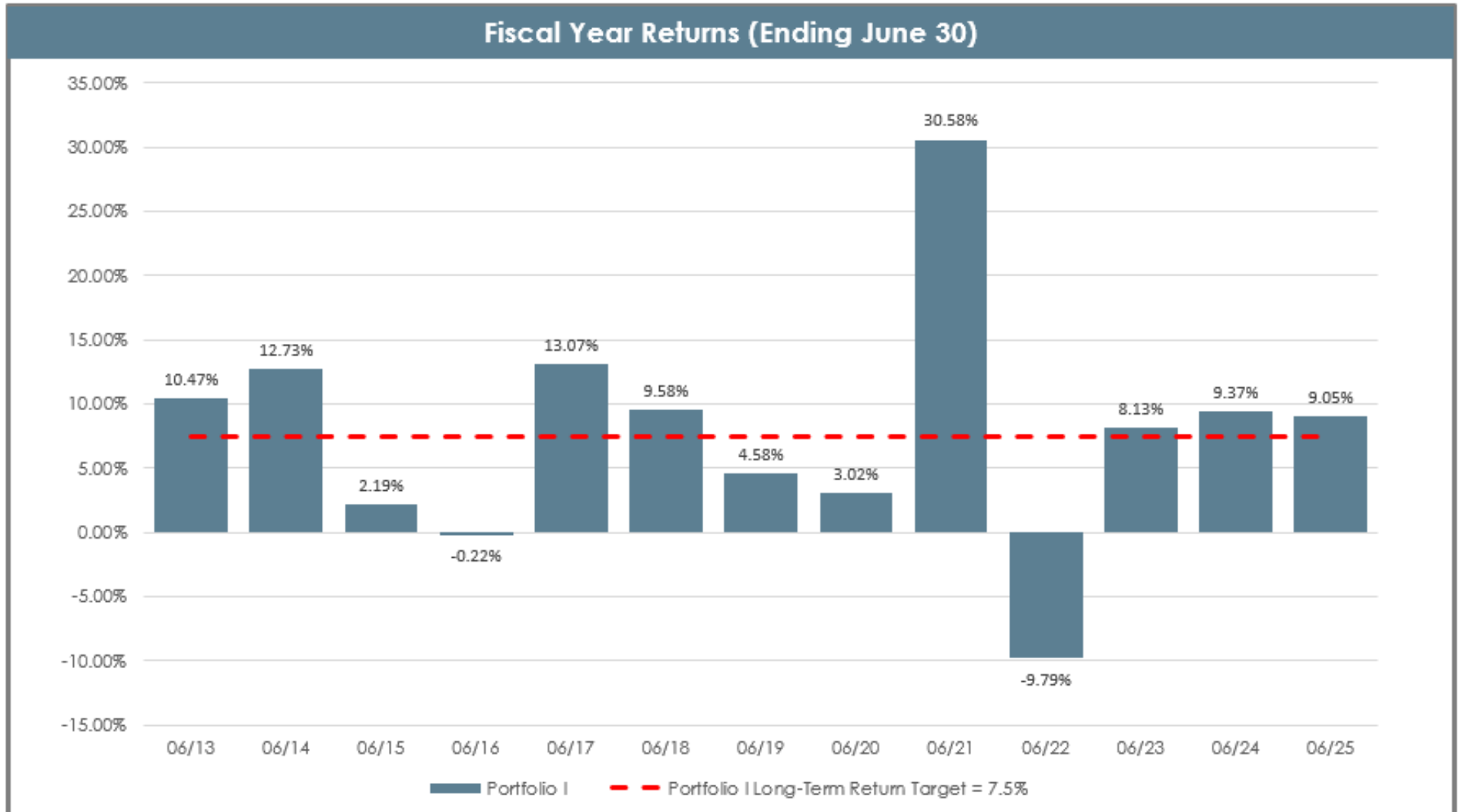
Risk vs. Return – 5 Years Ending 6/30/25



Risk vs. Return – 10 Years Ending 6/30/25

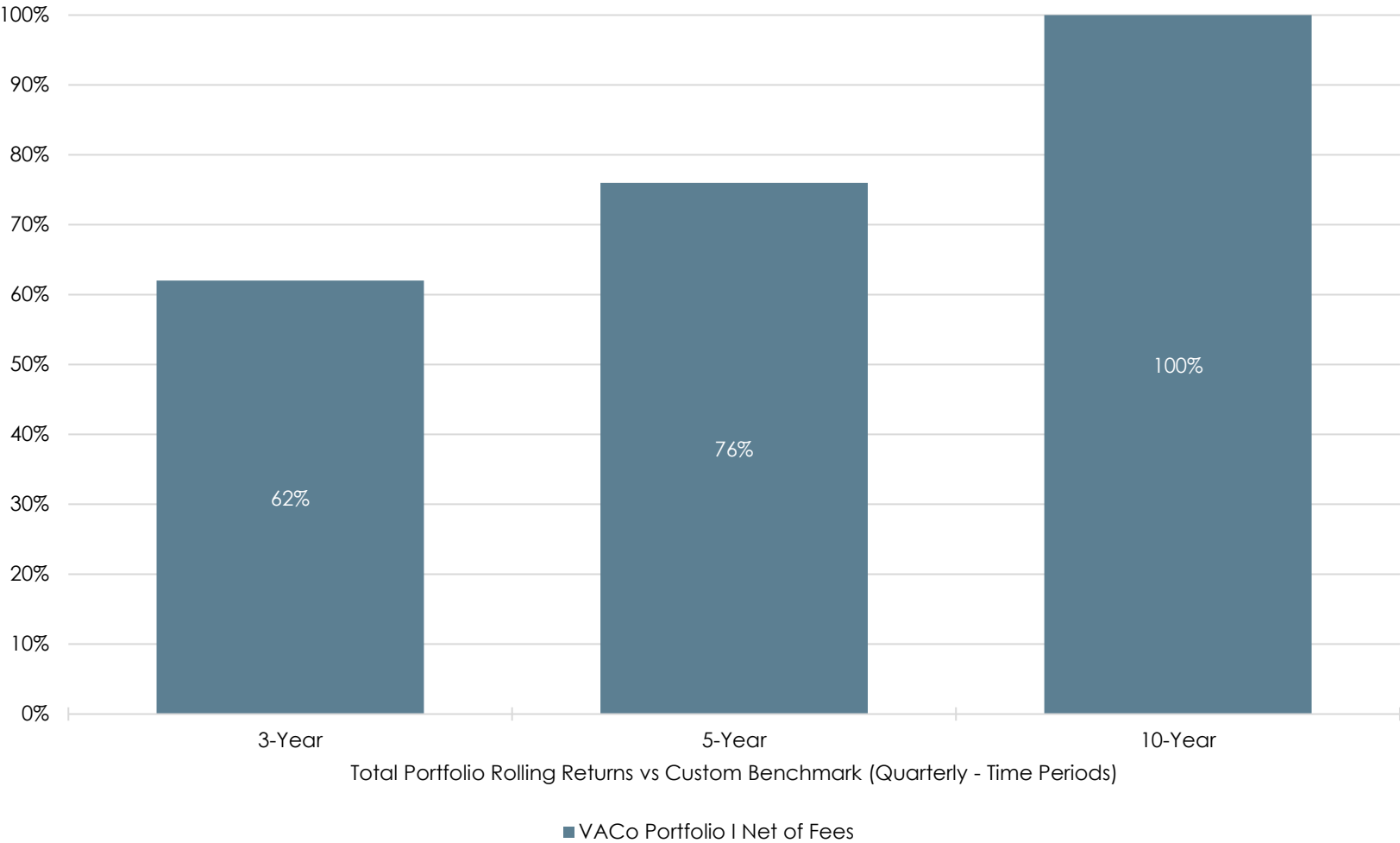


Portfolio I – Fiscal Year Returns



Portfolio I – Rolling Returns vs Benchmark

Consistent Long Term Outperformance of Policy Objective
3-, 5- and 10-year rolling returns from March 31, 2015 to June 30, 2025



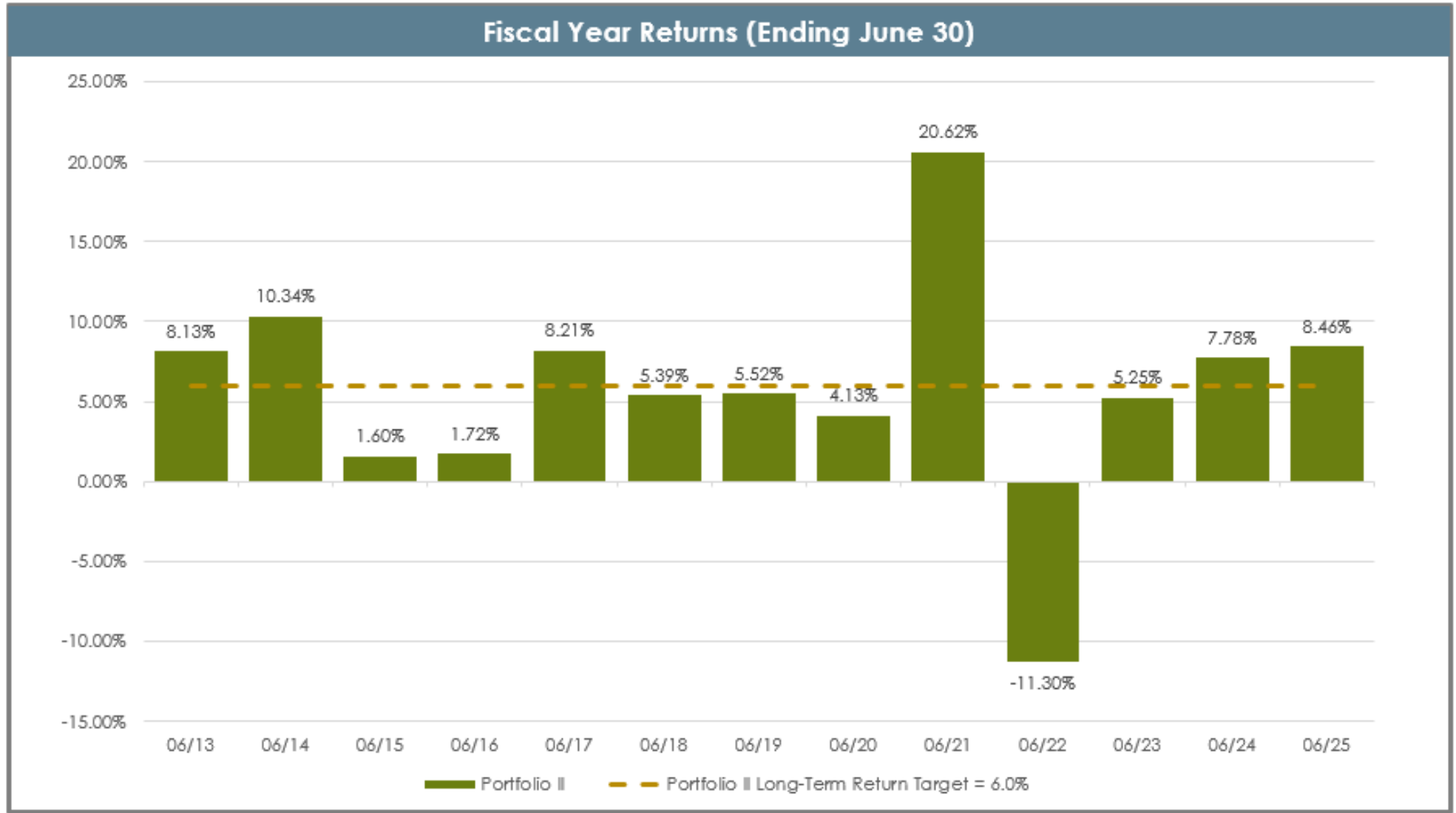
of Quarterly periods

42

34

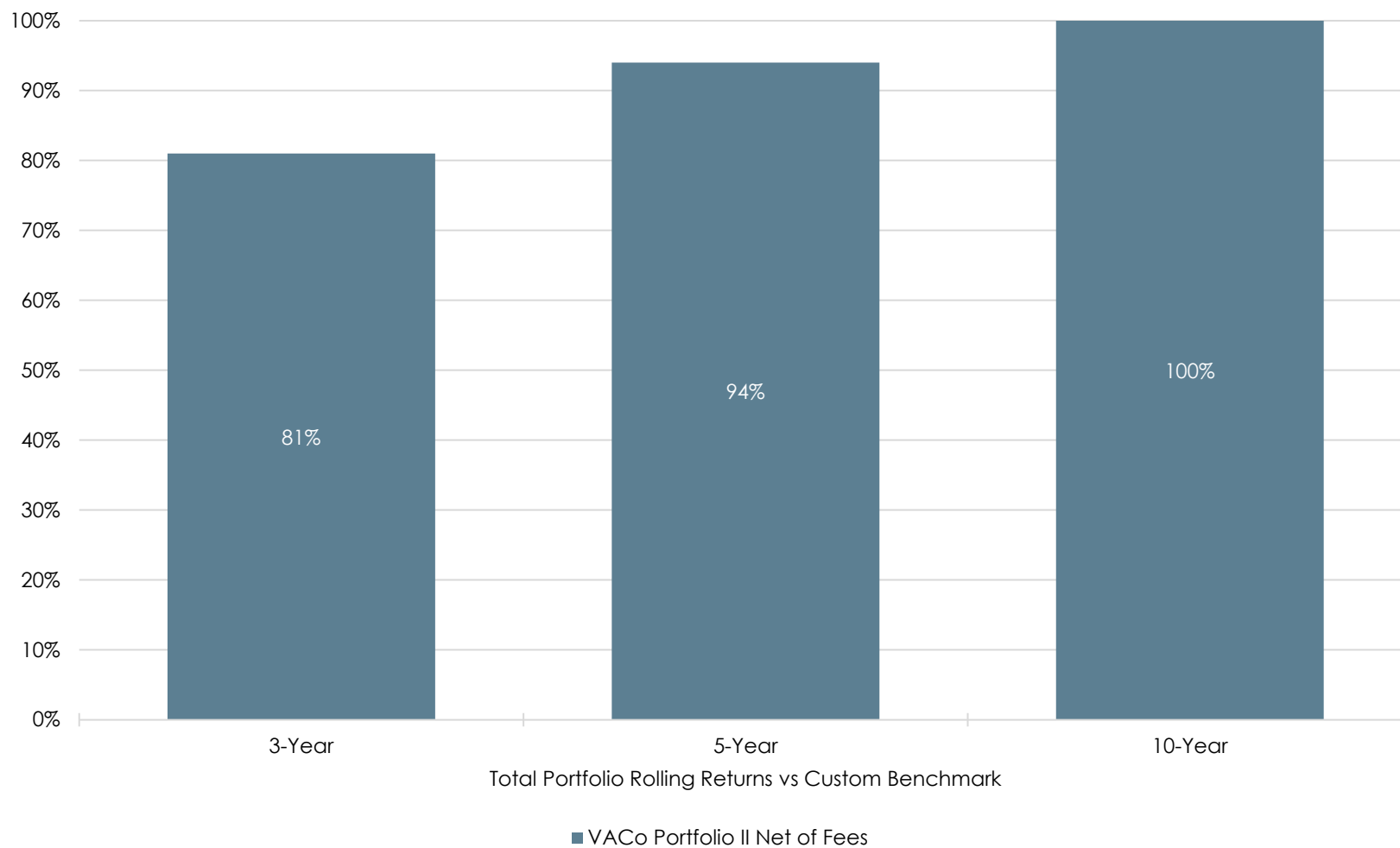
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Portfolio II – Fiscal Year Returns



Portfolio II – Rolling Returns vs Benchmark

Consistent Long Term Outperformance of Policy Objective
3-, 5- and 10-year rolling returns from March 31, 2015 to June 30, 2025



of Quarterly periods

42

34

14

Trailing 1-Year Investment Activity

Manager *	Portfolio I	Portfolio II	Addition	Termination	Quantitative Decision	Qualitative Decision
Long/Short Equity						
Maple Rock (5/25)	X	X	X			
Jet Capital Concentrated Fund (3/25)**	X	X		X		
Redmile Capital Fund (10/24)	X	X		X	X	X
Private Equity						
Great Hill IX (6/25)	X		X			
Coefficient Capital Fund II (2/25)	X		X			
NewSpring Holdings II (2/25)	X		X			
Andreessen A16z 2025 Annual Fund (2/25)	X		X			
Andreessen A16z 2024 Annual Fund (7/24)	X		X			
137 Ventures VI (7/24)	X		X			
Tenex Capital Partners IV (7/24)	X		X			
Core Bonds						
Vanguard Total Bond Fund***	X	X		X	X	X
Real Estate						
Broadvail Growth Equity (6/25)	X		X			
Principal Enhanced Property Fund (1/25)	X	X	X			

* Date in parentheses represents the month of the investment manager addition/termination.

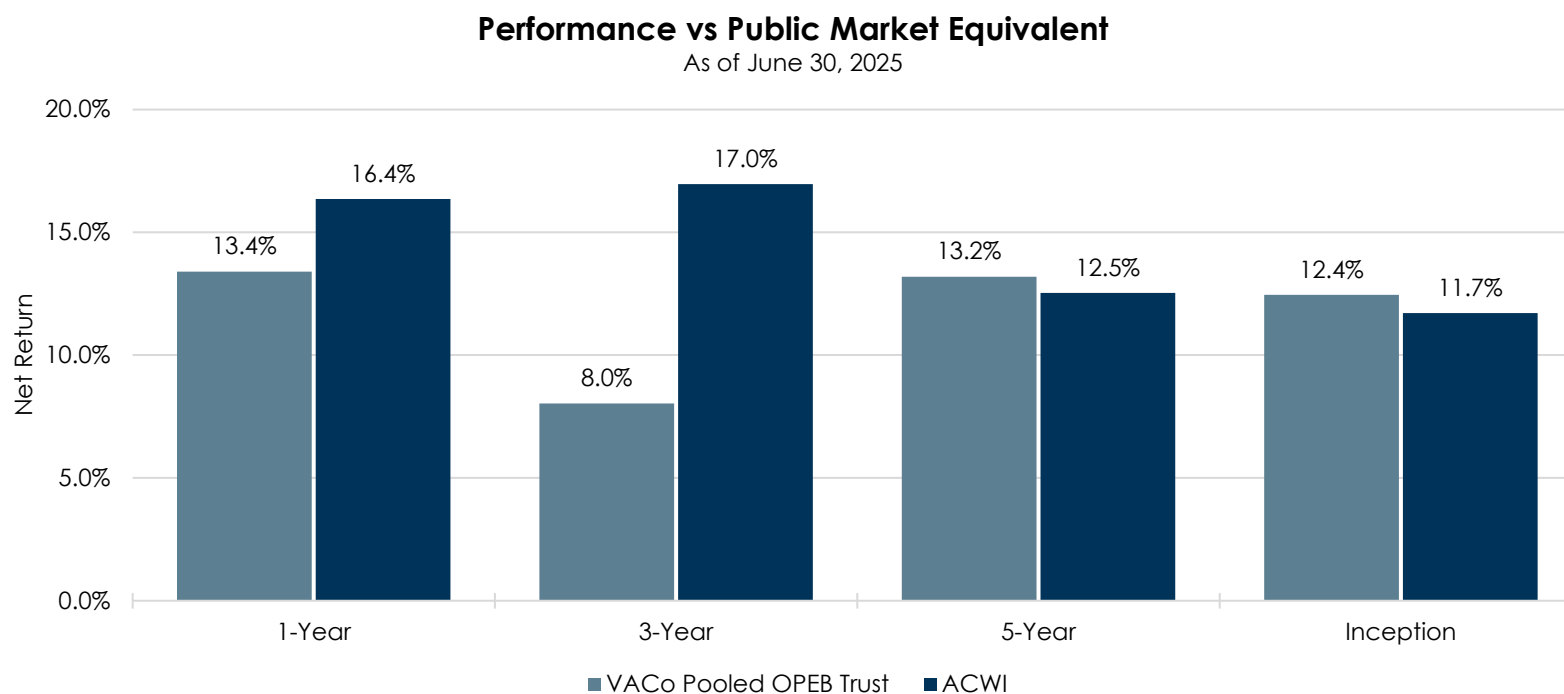
** Jet Capital Fund closed fund effective March, 31, 2025.

***Vanguard termination proceeds were invested across existing active fixed income managers.

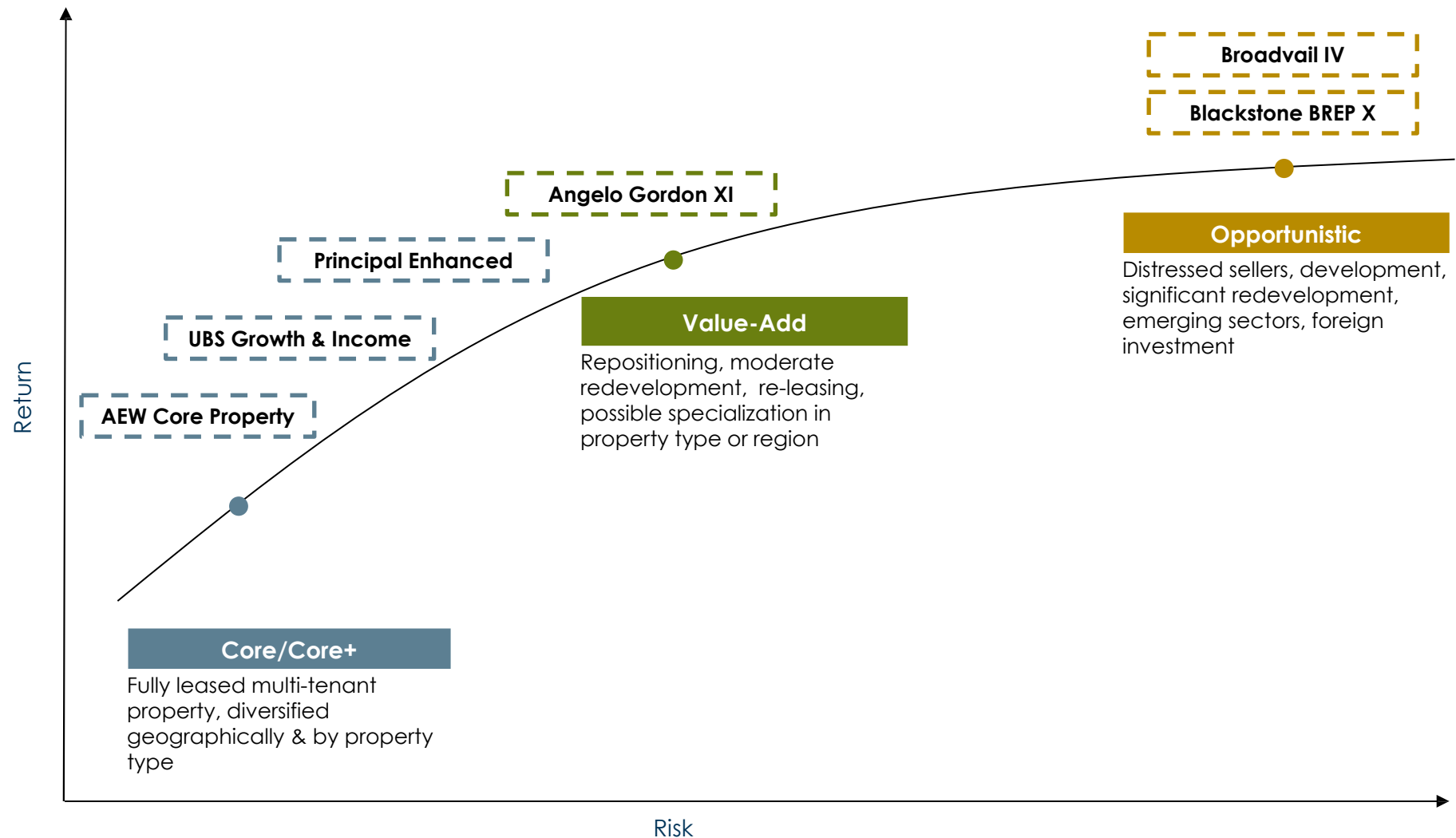
Portfolio I: Private Equity Portfolio Review

VACo/VML Portfolio I Private Equity Program versus the Public Equity Market

- January 2016 – June 2025
- Inception-to-date **performance has been strong relative to public markets**
 - Portfolio I Private Equity Program Since Inception: 12.4%
 - MSCI All Country World Index: 11.7%
- Long-term outperformance versus public markets is one goal of private equity investments. The Portfolio I Private Equity Program has **outperformed the public benchmark by 70 basis points since inception.**



Risk and Return by Real Estate Strategy



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