



# Virginia Pooled OPEB Trust

September 18, 2026

Annual Meeting

### Agenda

- 1. Introduction to Meketa**
- 2. Economic and Market Update**
- 3. Portfolio Structure & Performance Review**
- 4. OPEB Trust Investment Activity**
- 5. Appendices**
  - Disclaimer, Glossary, and Notes

## **Introduction to Meketa**

# Our Mission & Values

Our mission is to help solve critical and long-term financial challenges of our broader society, such as funding retirement, education, and health care, by supporting our clients in best achieving their investment objectives.

Our values are demonstrated and experienced through the work we do everyday as we seek to serve our clients, our colleagues and our communities.



## Enduring Integrity

We uphold very high ethical standards, putting our clients' interests first and acting as responsible stewards of their capital. Through transparency, discipline, and a long-term mindset, we build trust and partnerships in an evolving financial landscape.



## Relentless Excellence

We are committed to delivering service that strives to be best in class. By embracing innovation, continuous improvement, and entrepreneurial thinking, we drive success for our clients and our firm. Adaptability and forward-thinking leadership keep us versatile in the face of change.



## Opportunity, Belonging and Advancement

People are our most important asset. We foster a collaborative environment where employees have the opportunity to grow and advance. This connected culture is essential for achieving our goals and delivering performance. Beyond our firm, we lead positive change through industry leadership, volunteerism, and philanthropy. Meketa is a positive influence in our communities through employee volunteerism, charitable giving, and fundraising activities.

# Meketa Overview

48

Years of Experience

264

Clients

\$2.6 T

In Public Fund  
Assets under Advisement

\$24.6 B

In OPEB Assets

## Nearly five decades of investment advisory experience

- Advising OPEB, Health & Welfare, Defined Benefit and Defined Contribution plans, and Endowment/Foundations
- Working with Public, Corporates, Endowments/Foundations, Healthcare, Taft-Hartley, and Non-Profits

## Over 260 clients\*

- Over 180 General Consulting clients
- Over 100 Public Fund clients
  - 22 with OPEB / Health-related funds

## Staff of 254, including 169 investment professionals

- 70 consultants and 39 analysts
- 67 investment operations
- 78 corporate & business administration

## Independently owned

- 100% employee owned by 69 shareholders

\* Overlap may occur as some clients have multiple mandates.

Client and employee counts as of June 30, 2026; preliminary assets as of March 31, 2026.

# Broad Client Exposure with Significant Public Fund Experience

→ We currently advise on over \$2.6 trillion in assets for 106 public fund clients throughout the nation.



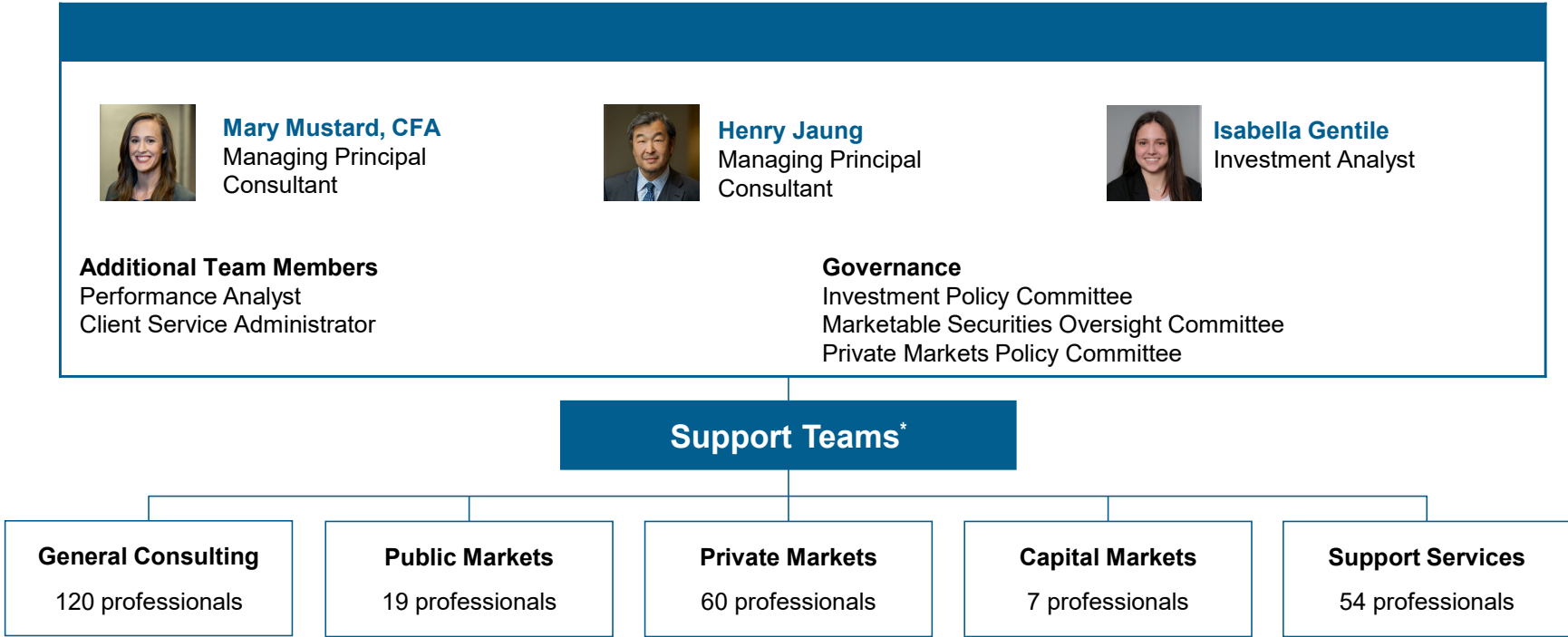
Client counts as of June 30, 2026; preliminary assets under advisement as of March 31, 2026. The above clients are representative only and not an endorsement by any client listed. It is not known whether the clients listed approve of Meketa or the services we provide.

# We Are Strategic Partners with the Board and Staff

We work for  
the Board and  
with the Staff.



# Client Team



- Each of our clients is serviced by a team of consultants, analysts, and support staff.
- We strive to provide timely and detailed responses to all inquiries from our clients.

\* General Consulting, Public Markets, Private Markets, and Capital Markets counts include overlap of professionals and includes support staff.  
Employee counts as of June 30, 2026.

## **Economic and Market Update**

Data as of July 31, 2026

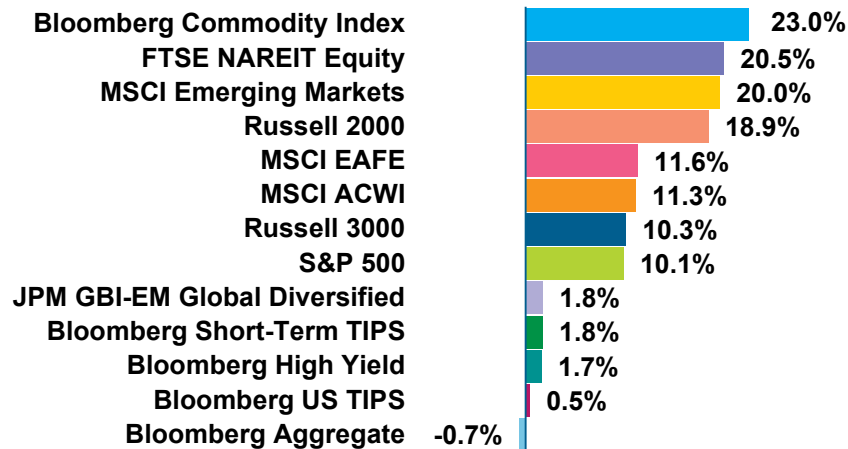
### Commentary

**July was marked by further rotation from the recent growth-oriented market leaders toward value sectors. Escalating US-Iran tensions drove oil prices higher and revived inflation concerns, benefiting energy, value-oriented equities, and commodities, while weighing on fixed income sectors.**

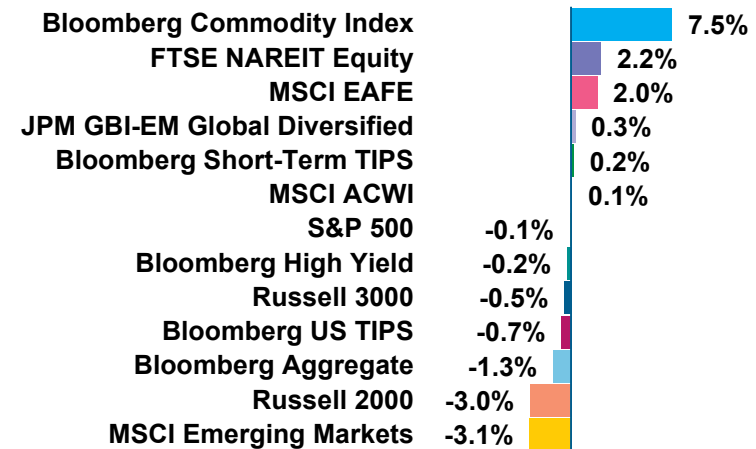
- US equities (Russell 3000) fell 0.5% in July, reducing the index's year-to-date gain to 10.3%. The month was characterized by a sharp rotation away from growth-oriented sectors, with the Russell 1000 Value Index gaining 3.8% while the Russell 1000 Growth Index declined 4.8%. Small-cap equities also lagged after their recent run, as the Russell 2000 Index fell 3.0% amid renewed weakness in growth-sensitive areas of the market and the potential for higher interest rates.
- Developed international markets (MSCI EAFE) gained 2.0% in July, outperforming emerging markets (MSCI Emerging Markets), which fell 3.1%. A weaker US dollar drove results in developed markets with UK equities benefiting from a lower exposure to underperforming technology stocks and higher exposure to energy companies. The weakness in emerging markets was driven by profit-taking and weakness across semiconductor-related markets. China was a notable exception, rebounding 9.0% on expectations for continued policy support.
- Fixed income declined broadly in July as Treasury yields moved higher across the yield curve, particularly at longer maturities as investors reassessed inflation and interest rate expectations. The Bloomberg Universal Index fell 1.2%, with the Bloomberg US Long Treasury Index declining 4.0%. Credit-sensitive sectors were more resilient, with high yield bonds (Bloomberg High Yield) falling 0.2% and emerging market debt (JPM GBI-EM) gaining 0.3%, supported by continued demand for higher-yielding assets.
- Looking ahead, investors will be focused on whether the Federal Reserve maintains its current policy stance into the September meeting, how the path of mega-cap technology stocks develops, and whether ongoing tensions in the Middle East continue to drive volatility in energy markets.

### Index Returns<sup>1</sup>

#### YTD



#### July



- In July, commodities led performance across asset classes given an escalation in the Iran conflict, while emerging markets and small-cap US stocks were the weakest performers after their recent strong run.
- US stocks were down slightly for the month, with the Russell 3000 returning -0.5% but there was significant rotation within the market from strong performing growth sectors toward value-oriented areas.
- The broad bond market declined as renewed inflation concerns pushed Treasury yields higher.

<sup>1</sup> Source: Bloomberg. Data is as of July 31, 2026.

## Domestic Equity Returns<sup>1</sup>

| Domestic Equity       | July (%) | YTD (%) | 1 YR (%) | 3 YR (%) | 5 YR (%) | 10 YR (%) |
|-----------------------|----------|---------|----------|----------|----------|-----------|
| S&P 500               | -0.1     | 10.1    | 19.6     | 19.3     | 12.9     | 15.1      |
| Russell 3000          | -0.5     | 10.3    | 19.6     | 18.8     | 11.8     | 14.6      |
| Russell 1000          | -0.4     | 9.9     | 18.9     | 19.0     | 12.1     | 14.8      |
| Russell 1000 Growth   | -4.8     | 0.3     | 8.0      | 19.3     | 11.9     | 17.5      |
| Russell 1000 Value    | 3.8      | 20.7    | 31.2     | 17.9     | 11.8     | 11.6      |
| Russell MidCap        | -0.6     | 14.6    | 18.7     | 14.8     | 8.2      | 11.4      |
| Russell MidCap Growth | -6.5     | 0.3     | -2.7     | 11.9     | 4.4      | 11.7      |
| Russell MidCap Value  | 1.5      | 19.3    | 26.2     | 15.4     | 9.7      | 10.3      |
| Russell 2000          | -3.0     | 18.9    | 34.2     | 15.1     | 7.1      | 10.6      |
| Russell 2000 Growth   | -5.9     | 15.0    | 28.4     | 14.3     | 5.1      | 10.6      |
| Russell 2000 Value    | 0.0      | 23.0    | 40.5     | 15.9     | 9.0      | 10.3      |

### US Equities: The Russell 3000 index fell 0.5% in July, bringing the year-to-date return to 10.3%.

- Value stocks reversed the second quarter's growth-led leadership, with the Russell 1000 Value Index advancing 3.8% compared to a 4.8% decline for the Russell 1000 Growth Index. Broad small-cap equities posted the weakest returns after their recent strong run given renewed pressure on rate-sensitive and growth-oriented names, with the Russell 2000 Index falling 3.0%, underperforming large-cap stocks (Russell 1000: -0.4%).
- The "Magnificent Seven" saw volatile, dispersed trading in July, with some names posting outsized gains while others lagged on concerns about the return on significant AI-related spending. The group still posted a net gain for the month though and in our view will remain a dominant driver of index returns given its outsized index weight.

<sup>1</sup> Source: Bloomberg. Data is as of July 31, 2026.

### Foreign Equity Returns<sup>1</sup>

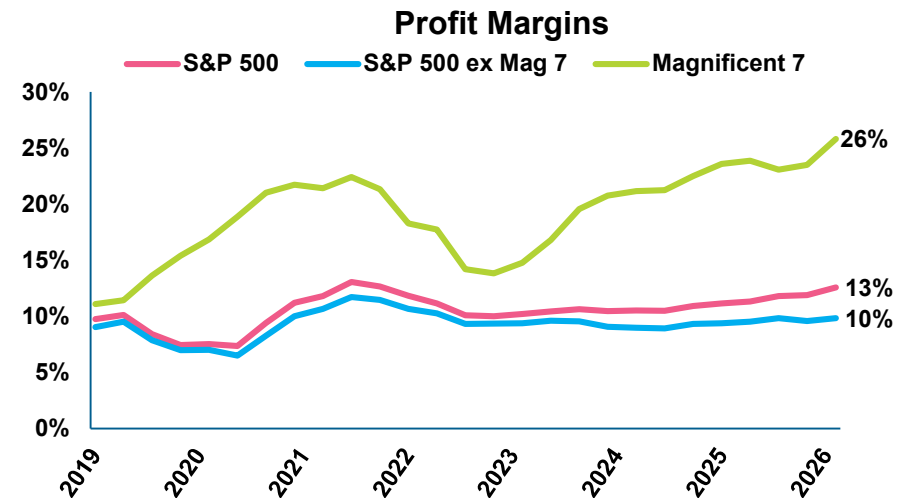
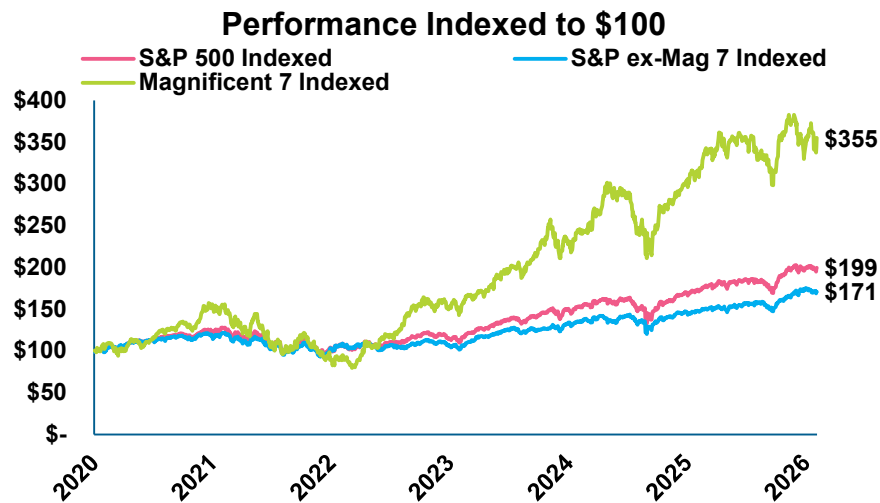
| Foreign Equity                         | July (%) | YTD (%) | 1 YR (%) | 3 YR (%) | 5 YR (%) | 10 YR (%) |
|----------------------------------------|----------|---------|----------|----------|----------|-----------|
| MSCI ACWI Ex US                        | 0.3      | 14.1    | 28.5     | 17.4     | 9.2      | 9.4       |
| MSCI EAFE                              | 2.0      | 11.6    | 24.3     | 16.0     | 9.3      | 9.3       |
| MSCI EAFE (Local Currency)             | 0.9      | 12.7    | 24.4     | 15.5     | 11.4     | 10.2      |
| MSCI EAFE Small Cap                    | 2.0      | 9.7     | 19.8     | 14.8     | 5.4      | 8.2       |
| MSCI Emerging Markets                  | -3.1     | 20.0    | 36.4     | 19.3     | 8.0      | 9.2       |
| MSCI Emerging Markets (Local Currency) | -4.3     | 21.3    | 39.0     | 21.2     | 10.5     | 10.9      |
| MSCI EM ex China                       | -5.9     | 30.6    | 52.2     | 24.0     | 12.4     | 11.1      |
| MSCI China                             | 9.0      | -7.3    | -1.1     | 7.2      | -2.1     | 4.9       |

**Developed international equities (MSCI EAFE) returned 2.0% in July while emerging markets equities (MSCI Emerging Markets) fell 3.1%, though performance varied significantly by region.**

- Developed market equities rose in July, supported by a softer US dollar and resilient corporate earnings. A weaker dollar boosted returns for US-based investors, as the local-currency MSCI EAFE index returned 0.9% compared to 2.0% in USD terms. The UK outperformed due to its lower exposure to technology and greater exposure to energy.
- Emerging markets underperformed developed peers in July, weighed down by weakness across ex-China constituents. The MSCI Emerging Markets ex-China index fell 5.9% for the month largely driven by weakness in Korea and Taiwan given increased competition from China and concerns over returns on the massive amount of AI-related investment. China (+9.0%) rebounded sharply due to expectations for continued stimulus given weak economic growth and the rotation out of the AI trade toward cheaper areas of the market. Despite the gains China remains down 7.3% year-to-date.

<sup>1</sup> Source: Bloomberg. Data is as of July 31, 2026.

### Performance and Profit Margins: S&P 500 and “Magnificent 7”<sup>1</sup>



- The "Magnificent Seven" experienced volatile trading in July as renewed scrutiny of AI spending, valuations, and expected returns pressured several mega-cap technology stocks. Performance was highly dispersed across the group, with some companies posting strong gains while others lagged amid the concerns. Despite this, the group gained 2.1% for the month and, given its significant index weight, remains a key driver of overall market returns.
- The group's profitability continues to differentiate it from the broader market. Average profit margins for the "Magnificent Seven" reached 26%, compared to 13% for the S&P 500, and 10% for the S&P 500 excluding the "Magnificent Seven".

<sup>1</sup> Source: Bloomberg. Data is as of July 31, 2026, for index prices and June 30, 2026, for profit margins.

### Fixed Income Returns<sup>1</sup>

| Fixed Income                        | July (%) | YTD (%) | 1 YR (%) | 3 YR (%) | 5 YR (%) | 10 YR (%) | Current Yield (%) | Duration (Years) |
|-------------------------------------|----------|---------|----------|----------|----------|-----------|-------------------|------------------|
| Bloomberg Universal                 | -1.2     | -0.5    | 3.0      | 4.2      | 0.0      | 1.7       | 5.2               | 5.7              |
| Bloomberg Aggregate                 | -1.3     | -0.7    | 2.7      | 3.7      | -0.4     | 1.3       | 5.0               | 5.9              |
| Bloomberg US TIPS                   | -0.7     | 0.5     | 2.6      | 3.7      | 0.3      | 2.4       | 4.7               | 6.5              |
| Bloomberg Short-term TIPS           | 0.2      | 1.8     | 3.5      | 5.0      | 3.1      | 3.1       | 4.3               | 2.5              |
| Bloomberg US Long Treasury          | -4.0     | -3.6    | -0.3     | -1.1     | -7.0     | -2.0      | 5.3               | 14.0             |
| Bloomberg High Yield                | -0.2     | 1.7     | 5.2      | 8.3      | 4.0      | 5.5       | 7.4               | 3.3              |
| JPM GBI-EM Global Diversified (USD) | 0.3      | 1.8     | 9.0      | 6.4      | 2.3      | 2.7       | --                | --               |

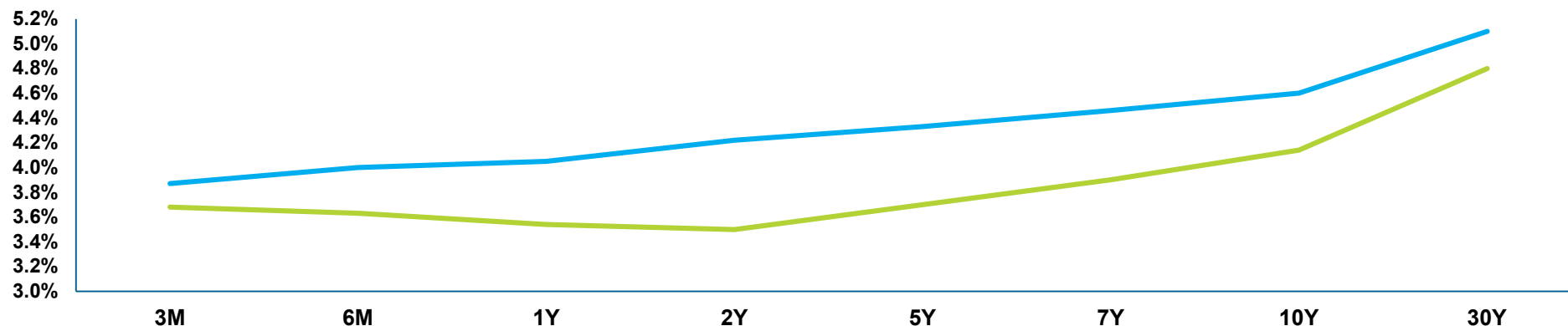
**Fixed Income: The Bloomberg Universal index fell 1.2% in July, bringing the year-to-date return to -0.5%.**

- Fixed income declined broadly in July as Treasury yields rose given the rebound in oil prices and renewed inflation concerns. Division within the Fed on interest rate policy and a lack of forward guidance also contributed to higher rates particularly for longer dated bonds.
- Longer-duration Treasuries were the weakest performers, with the Bloomberg US Long Treasury index falling 4.0% given the back-up in yields at the long end of the curve. Riskier sectors were more resilient, with high yield bonds (Bloomberg High Yield: -0.2%) and emerging market debt (JPM GBI-EM: +0.3%) outperforming the broader market given continued investor demand for yield.
- TIPS posted mixed returns in July (Bloomberg US TIPS: -0.7%; Bloomberg Short-term TIPS: +0.2%), with shorter-duration issues performing better given their lower interest rate sensitivity.

<sup>1</sup> Source: Bloomberg. Data is as of July 31, 2026. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.

### US Yield Curve<sup>1</sup>

12/31/2025 7/31/2026

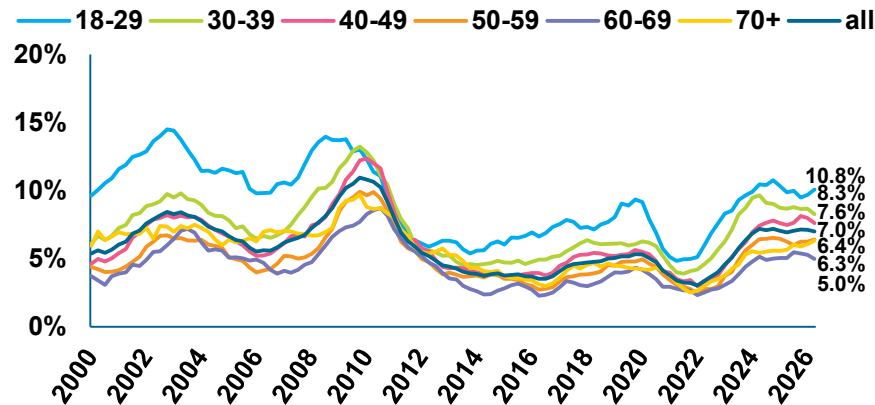


- Treasury yields rose across the yield curve in July, with multiple tenors approaching their highest levels in nearly 20 years as investors reassessed inflation risks amid rising oil prices and renewed tensions in the Middle East. Dynamics at the Fed including three dissents to hike interest rates and Chair Warsh's removal of forward guidance contributed to longer dated bonds rising the most during the month.
- The policy-sensitive 2-year Treasury yield increased from 4.18% at the end of June to 4.29% at the end of July, reflecting increased expectations for a potential Fed rate hike. Yield increases were more pronounced at the longer end of the curve, with the 10-year Treasury yield rising from 4.47% to 4.74% and the 30-year Treasury yield increasing from 4.96% to 5.29%.
- The yield curve experienced a bear steepening in July, with longer-dated Treasury yields rising more than shorter-dated yields. The spread between the two-year and ten-year Treasury widened from 30 basis points at the end of June to 45 basis points at the end of July.

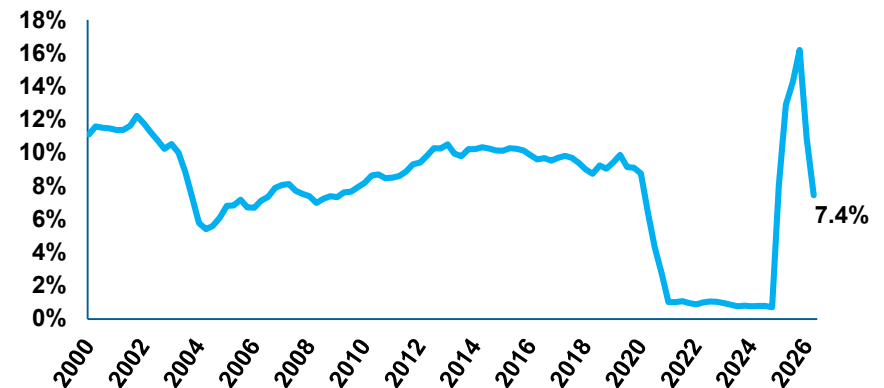
<sup>1</sup> Source: Bloomberg. Data is as of July 31, 2026.

### Stress is Building Among Some US Consumers<sup>1</sup>

Transition into Serious Delinquency for Credit Cards by Age



Transition Into Serious Delinquency (90+ Days) for Student Loans<sup>2</sup>

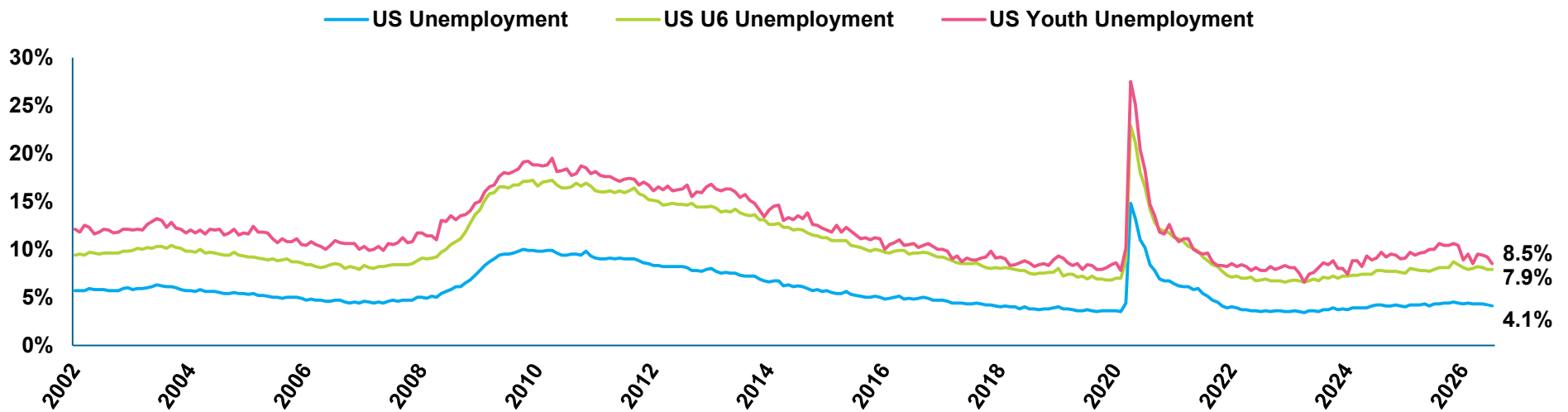


- US consumer trends remain increasingly K-shaped: higher-income households show resilience, while younger, rate-sensitive borrowers face mounting pressure from elevated borrowing cost and inflation that, while moderating, remains above the Federal Reserve's target.
- Delinquencies remain elevated relative to pandemic lows, particularly among younger cohorts. While overall delinquency rates remain below levels seen during prior economic downturns, differences in household financial health have continued to widen.
- Student loan repayment also remains a pressure point for some households. The serious delinquency rate decline from 16.2% to 7.4% does not represent an improvement but a fading of the initial post pandemic one-time spike caused by a backlog of old unpaid loans all hitting credit reports at once.

<sup>1</sup> Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. See also FRED. Data is as of June 30, 2026.

<sup>2</sup> Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. Percent of student loan holders transitioning into serious default (90-days or more) based on four quarter moving average. Delays in reporting may cause fluctuations. Data is as of June 30, 2026.

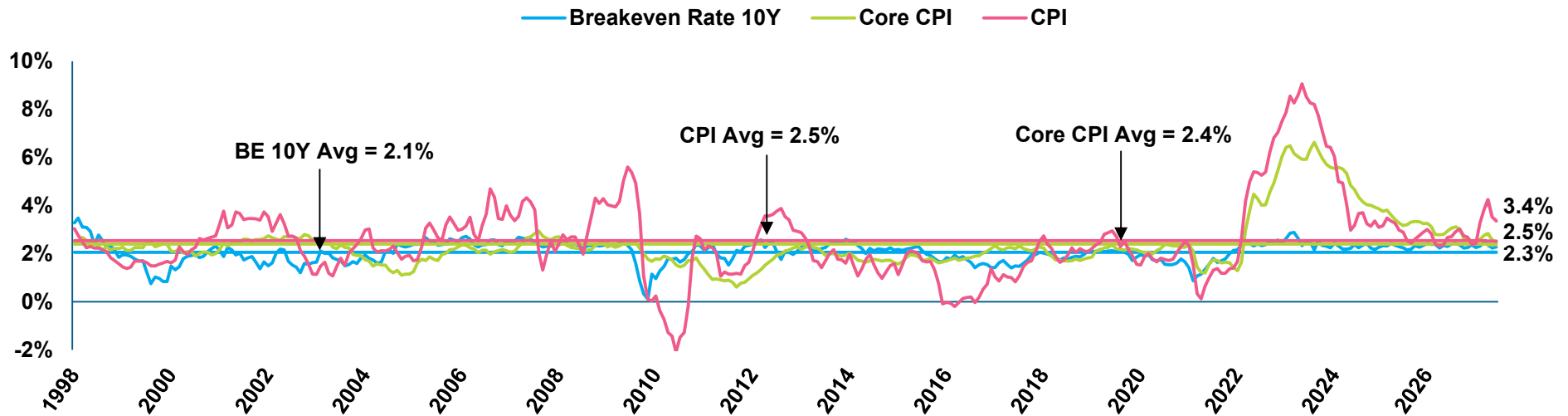
### US Unemployment<sup>1</sup>



- The unemployment rate edged lower in July, largely due to a decline in labor force participation. While hiring softened, the unemployment rate remains within a relatively narrow range, indicating the labor market is still relatively stable. Nonfarm payrolls fell by 23,000 versus expectations for an 80,000 increase, led by declines in the government and leisure and hospitality sectors.
- Broader labor market indicators have been relatively stable in recent months, with the U-6 underemployment rate at 7.9% and youth unemployment at 8.5%.
- Beneath a broadly stable headline, labor force participation (61.4) has drifted toward multi-year lows, hiring has slowed, and wage growth has declined to 3.2% YoY, pointing to some underlying softening even as the aggregate labor market holds firm.

<sup>1</sup> Source: FRED and BLS. Data is as of July 31, 2026. U-3: Total unemployed, as a percent of the civilian labor force (official unemployment rate), U-6: Total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers. Youth: Total unemployed between the ages of 16 and 24, as a percent of civilian labor force.

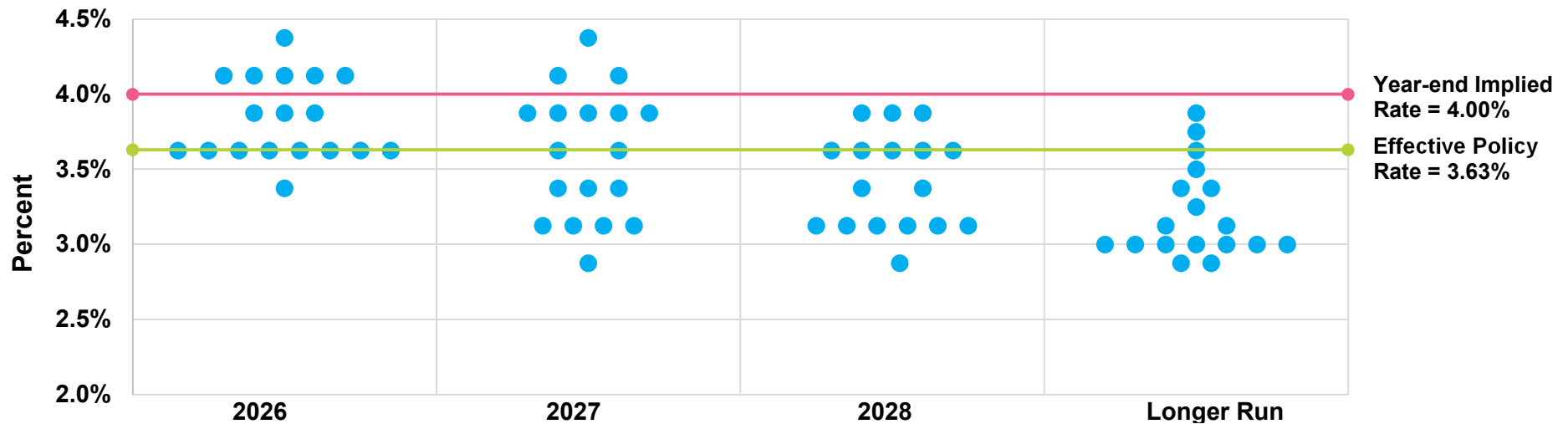
### US Inflation<sup>1</sup>



- In July, headline inflation fell slightly from 3.5% to 3.4% YoY, matching expectations with the monthly reading (0.1%) also coming in as expected. Energy prices fell 1.5% for the month but are up 14.7% YoY given tensions in the Middle East. Food prices increased 0.1% in July and 3.0% YoY.
- Core inflation fell from 2.6% YoY to 2.5% (matching expectations), with the monthly pace slightly picking up from 0.0% to 0.2%. The monthly shelter rate rose 0.1%, accounting for most of the increase.
- Long-term inflation expectations were relatively stable over the month with 10-year breakevens finishing July at 2.3%.

<sup>1</sup> Source: FRED. Data is as of July 31, 2026.

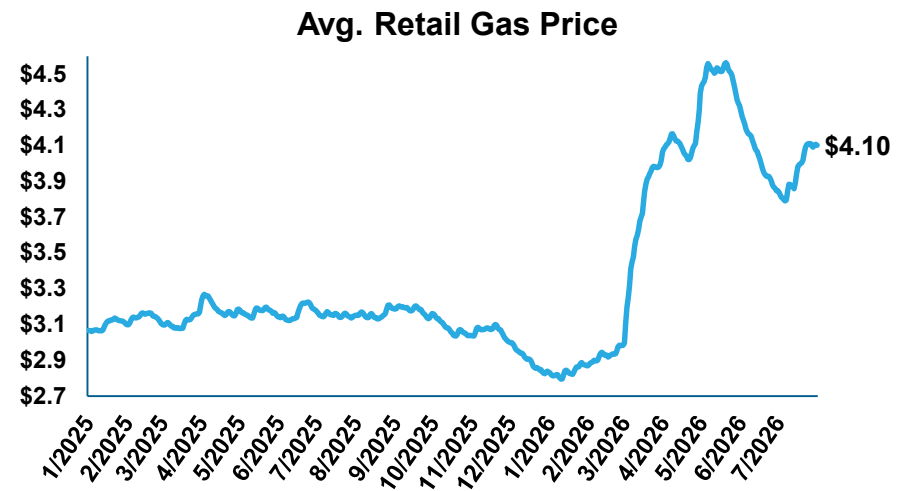
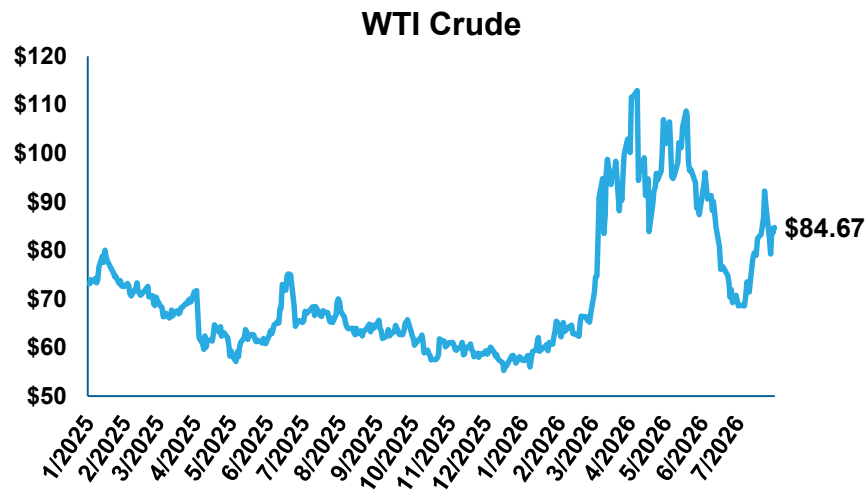
### Federal Reserve Dot Plot<sup>1</sup>



- The Federal Reserve's dot plot reflects expectations for interest rates by each member across various periods. Within the Fed, the dot plot reveals notable disagreement, with some members projecting rate increases, others holding steady, and a minority still anticipating cuts before year-end.
- The median June FOMC projection clusters around 3.75% (near the current range) for 2026, with dots dispersed across a wide range from 3.4% to 4.4%. It is worth noting that markets are expecting rates to be higher than the Fed's forecast by year-end. The wide range of forecasts suggests limited consensus regarding whether future policy adjustments will involve additional tightening or eventual easing.
- The median policy rate gradually declines over the projection horizon, implying only modest easing over time. However, the persistent dispersion of forecasts suggests policymakers remain divided on both pace and timing of future rate changes.

<sup>1</sup> Source: June 18, 2026, FOMC Summary of Economic Projections. Implied Rate and Effective Policy Rate are as of July 31, 2026.

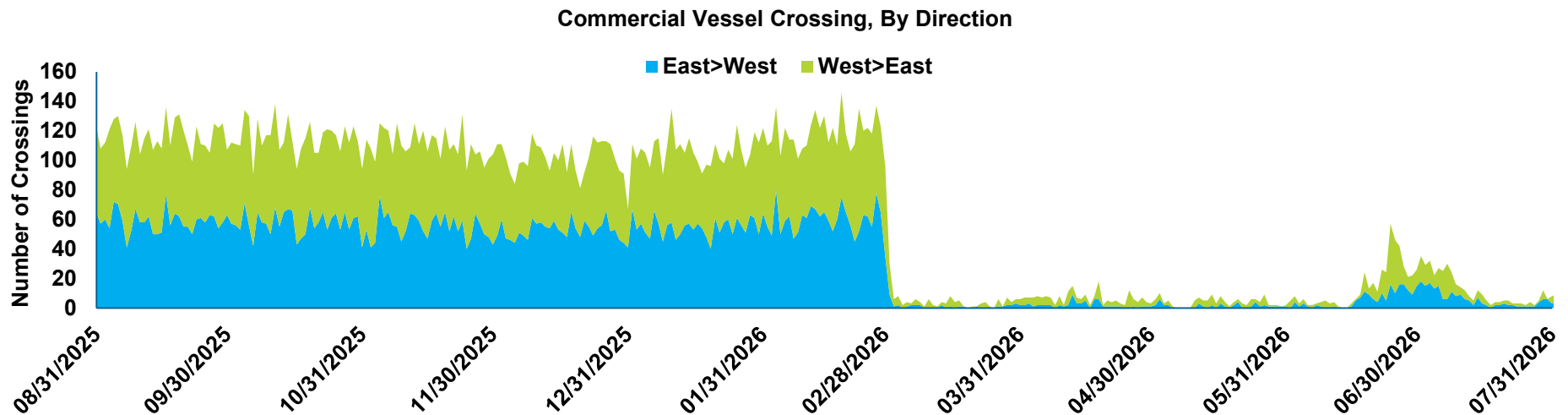
### Gas and Oil<sup>1</sup>



- Oil prices rebounded sharply in July, with WTI crude rising roughly 22% to finish the month at \$84.67/barrel. Renewed concerns around the durability of the Middle East ceasefire and signs of fraying in the truce drove the reversal, retracing a majority of the prior month's decline.
- US retail gasoline prices rose back above \$4/gallon, reaching \$4.10 by the end of July as the rebound in crude filtered through to the pump. The increase adds pressure to household budgets and continues to weigh most heavily on lower-income households, where fuel and other essential expenses represent a larger share of spending.

<sup>1</sup> Source: Bloomberg. Data is as of July 31, 2026.

### Daily Traffic Through the Strait of Hormuz<sup>1</sup>



- The Strait of Hormuz is a key channel for the global distribution of oil with roughly 20% of global oil consumption (~20 million barrels a day, plus a comparable share of seaborne LNG) previously moving through the narrow channel.
- Commercial traffic through the Strait of Hormuz dramatically fell at the end of February following the escalation of the US-Iran conflict and Iran's closure of the waterway, with vessel volume crossings falling from well over 100/day to under 10/day.
- Activity rebounded in June following the ceasefire but has since declined back to levels seen after the start of the conflict given renewed tensions between the US and Iran.

<sup>1</sup> Source: Bloomberg. Data is as of July 31, 2026.

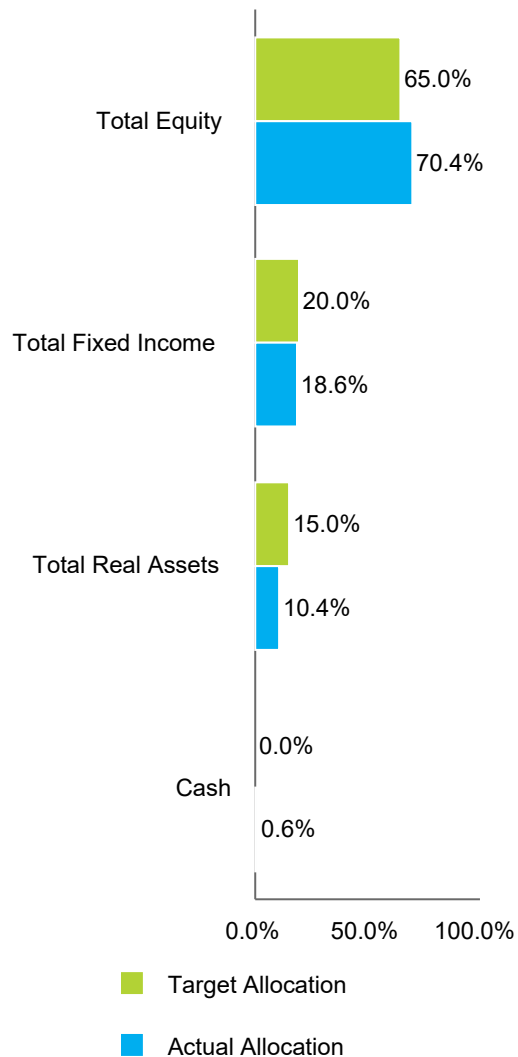
### Key Trends

- Global growth expectations remain fragile but broadly stable. The IMF projects global growth of 3.0% in 2026 (down from 3.1% in the April 2026 outlook) and 3.4% in 2027, as stronger AI-driven activity largely offsets the economic drag from the Middle East conflict. Global inflation is expected by the IMF to rise to 4.7% in 2026 (from 4.1% in 2025) before easing to 3.9% in 2027, suggesting the disinflation trend has stalled. While risks are more balanced than in April, the IMF continues to view renewed Middle East escalation as the primary downside risk.
- The dominant macro tension has shifted again. July's sharp rebound in oil prices, given signs that the Middle East ceasefire is fraying, has revived the inflation concerns that eased over the second quarter, complicating the Fed's path forward. With the committee divided on the balance of risks, the question has moved from whether July's disinflation would hold to whether the summer's energy round-trip forces a reassessment of that progress, with a September hike remaining a possibility. Chair Warsh has anchored the Fed to an explicit price-stability mandate, with reduced forward guidance and a reaction function that leaves little tolerance for a renewed inflation impulse. This reduction in communication by the Fed could also increase market volatility.
- US consumers show increasing strain at the lower end, and with gasoline back above \$4/gallon following July's rebound, a rising share of younger and rate-sensitive borrowers remain at risk of falling further behind on debt. The unemployment rate has stayed in a narrow band this year, but soft participation, falling wage growth, and widening dispersion in household financial health point to underlying weakness beneath a still-firm headline labor market.
- US equity leadership rotated sharply in July, with energy and value stocks outperforming as technology and the largest mega-cap constituents pulled back. While year-to-date returns remain strong from growth and technology given the second quarter's rally, July's reversal highlights the concentration risk building beneath the surface, with scrutiny turning from AI enthusiasm to the gap between soaring capex and still-thin monetization.

## **Portfolio Structure & Performance Review**

Performance Update | As of June 30, 2026

### Actual vs. Target Allocation

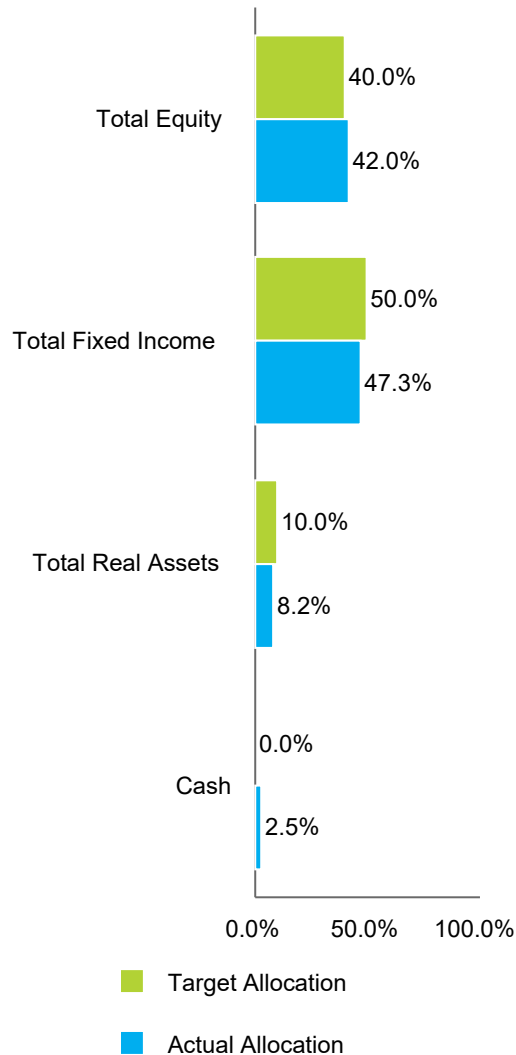


### Allocation vs. Targets and Policy

|                                | Current Balance        | Current Allocation (%) | Policy (%)   | Policy Range (%)   |
|--------------------------------|------------------------|------------------------|--------------|--------------------|
| <b>Total Equity</b>            | <b>\$1,373,346,235</b> | <b>70.4</b>            | <b>65.0</b>  | <b>0.0 - 100.0</b> |
| Large Cap Equity               | \$408,595,562          | 20.9                   | 21.0         | 16.0 - 26.0        |
| Small Cap Equity               | \$296,453,726          | 15.2                   | 10.0         | 5.0 - 15.0         |
| International Developed Equity | \$217,447,873          | 11.1                   | 13.0         | 8.0 - 18.0         |
| Emerging Market Equity         | \$122,469,677          | 6.3                    | 5.0          | 0.0 - 10.0         |
| Private Equity                 | \$214,832,355          | 11.0                   | 10.0         | 5.0 - 15.0         |
| Long/Short Equity              | \$113,547,043          | 5.8                    | 6.0          | 1.0 - 11.0         |
| <b>Total Fixed Income</b>      | <b>\$363,603,993</b>   | <b>18.6</b>            | <b>20.0</b>  | <b>0.0 - 100.0</b> |
| Core Plus                      | \$298,583,501          | 15.3                   | 16.0         | 11.0 - 21.0        |
| Liquid Absolute Return         | \$65,020,492           | 3.3                    | 4.0          | 0.0 - 10.0         |
| <b>Total Real Assets</b>       | <b>\$203,308,220</b>   | <b>10.4</b>            | <b>15.0</b>  | <b>0.0 - 100.0</b> |
| Real Estate                    | \$172,105,589          | 8.8                    | 10.0         | 5.0 - 15.0         |
| Opportunistic Real Estate      | \$31,202,631           | 1.6                    | 5.0          | 0.0 - 10.0         |
| <b>Cash</b>                    | <b>\$11,216,607</b>    | <b>0.6</b>             | <b>0.0</b>   | <b>0.0 - 100.0</b> |
| Cash                           | \$11,216,607           | 0.6                    | 0.0          | 0.0 - 10.0         |
| <b>Total</b>                   | <b>\$1,951,475,055</b> | <b>100.0</b>           | <b>100.0</b> |                    |

Performance Update | As of June 30, 2026

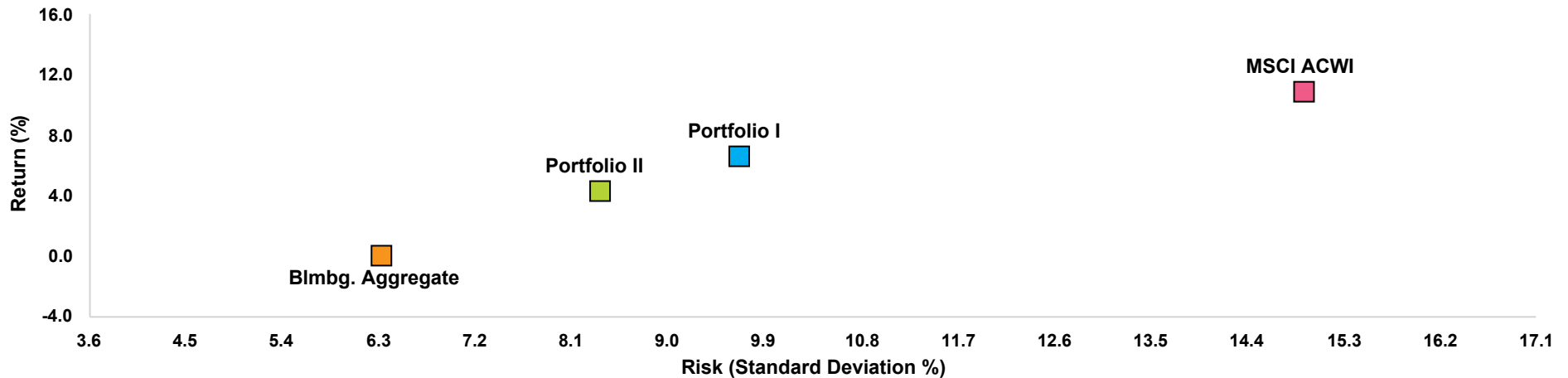
### Actual vs. Target Allocation



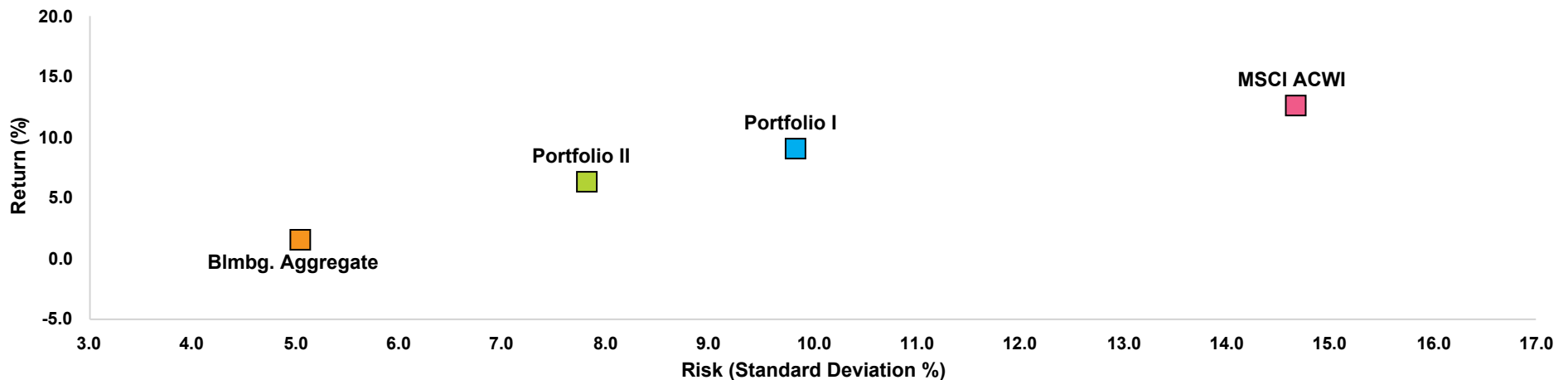
### Allocation vs. Targets and Policy

|                                | Current Balance      | Current Allocation (%) | Policy (%)   | Policy Range (%)   |
|--------------------------------|----------------------|------------------------|--------------|--------------------|
| <b>Total Equity</b>            | <b>\$218,020,163</b> | <b>42.0</b>            | <b>40.0</b>  | <b>0.0 - 100.0</b> |
| Large Cap Equity               | \$86,365,531         | 16.7                   | 16.0         | 11.0 - 21.0        |
| Small Cap Equity               | \$45,497,999         | 8.8                    | 7.0          | 2.0 - 12.0         |
| International Developed Equity | \$42,854,012         | 8.3                    | 9.0          | 4.0 - 14.0         |
| Emerging Market Equity         | \$25,086,633         | 4.8                    | 4.0          | 0.0 - 9.0          |
| Long/Short Equity              | \$18,215,988         | 3.5                    | 4.0          | 0.0 - 9.0          |
| <b>Total Fixed Income</b>      | <b>\$245,382,357</b> | <b>47.3</b>            | <b>50.0</b>  | <b>0.0 - 100.0</b> |
| Core Plus                      | \$218,580,480        | 42.1                   | 45.0         | 40.0 - 48.0        |
| Liquid Absolute Return         | \$26,801,877         | 5.2                    | 5.0          | 0.0 - 10.0         |
| <b>Total Real Assets</b>       | <b>\$42,334,804</b>  | <b>8.2</b>             | <b>10.0</b>  | <b>0.0 - 100.0</b> |
| Real Estate                    | \$42,334,804         | 8.2                    | 10.0         | 5.0 - 15.0         |
| <b>Cash</b>                    | <b>\$12,899,329</b>  | <b>2.5</b>             | <b>0.0</b>   | <b>0.0 - 100.0</b> |
| Cash                           | \$12,899,329         | 2.5                    | 0.0          | 0.0 - 10.0         |
| <b>Total</b>                   | <b>\$518,636,653</b> | <b>100.0</b>           | <b>100.0</b> |                    |

Risk vs. Return - 5 Years Ending 06/30/26



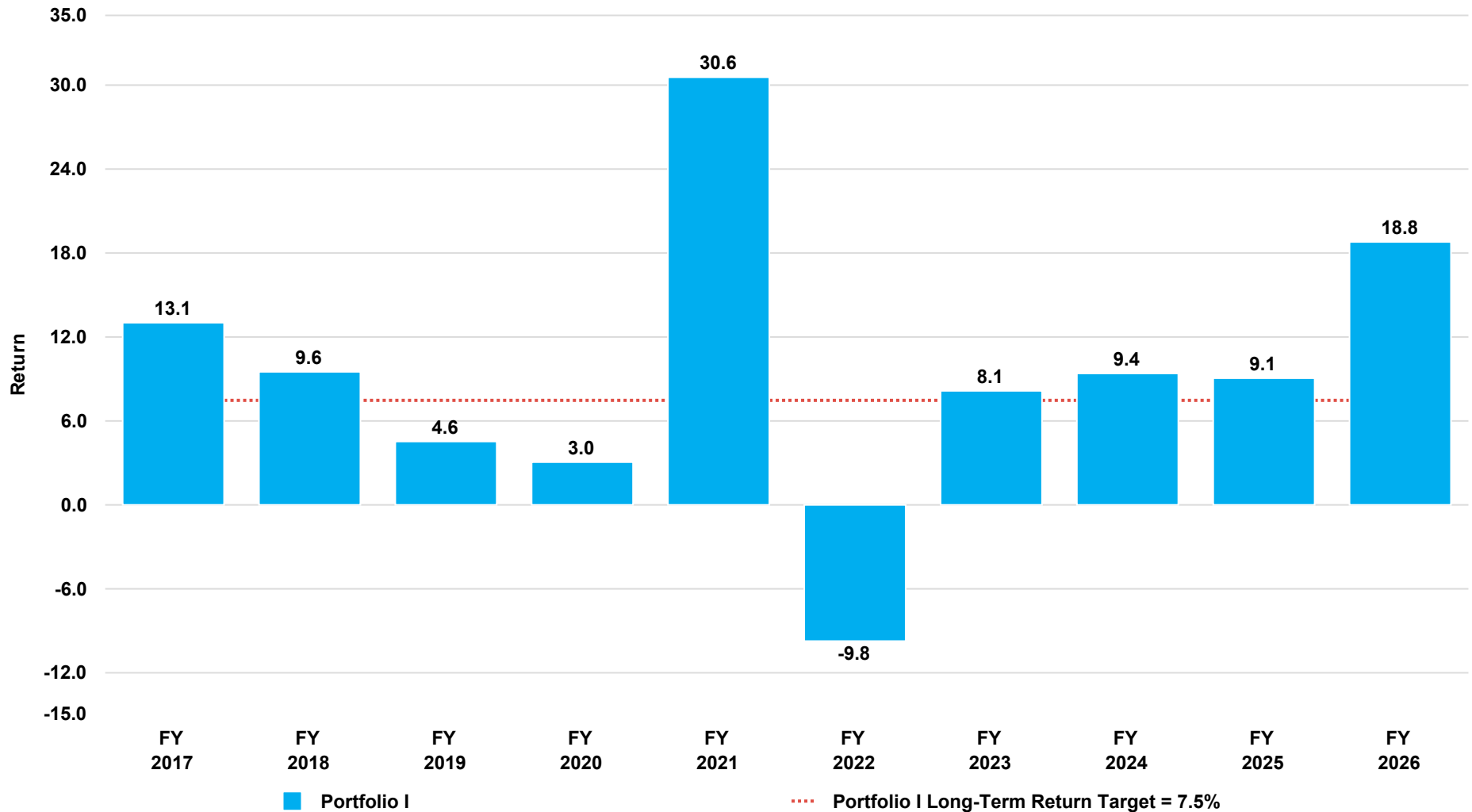
Risk vs. Return - 10 Years Ending 06/30/26



- Portfolio I has generated a higher return compared to Portfolio II over the intermediate and long-term given the higher risk profile of the asset allocation.

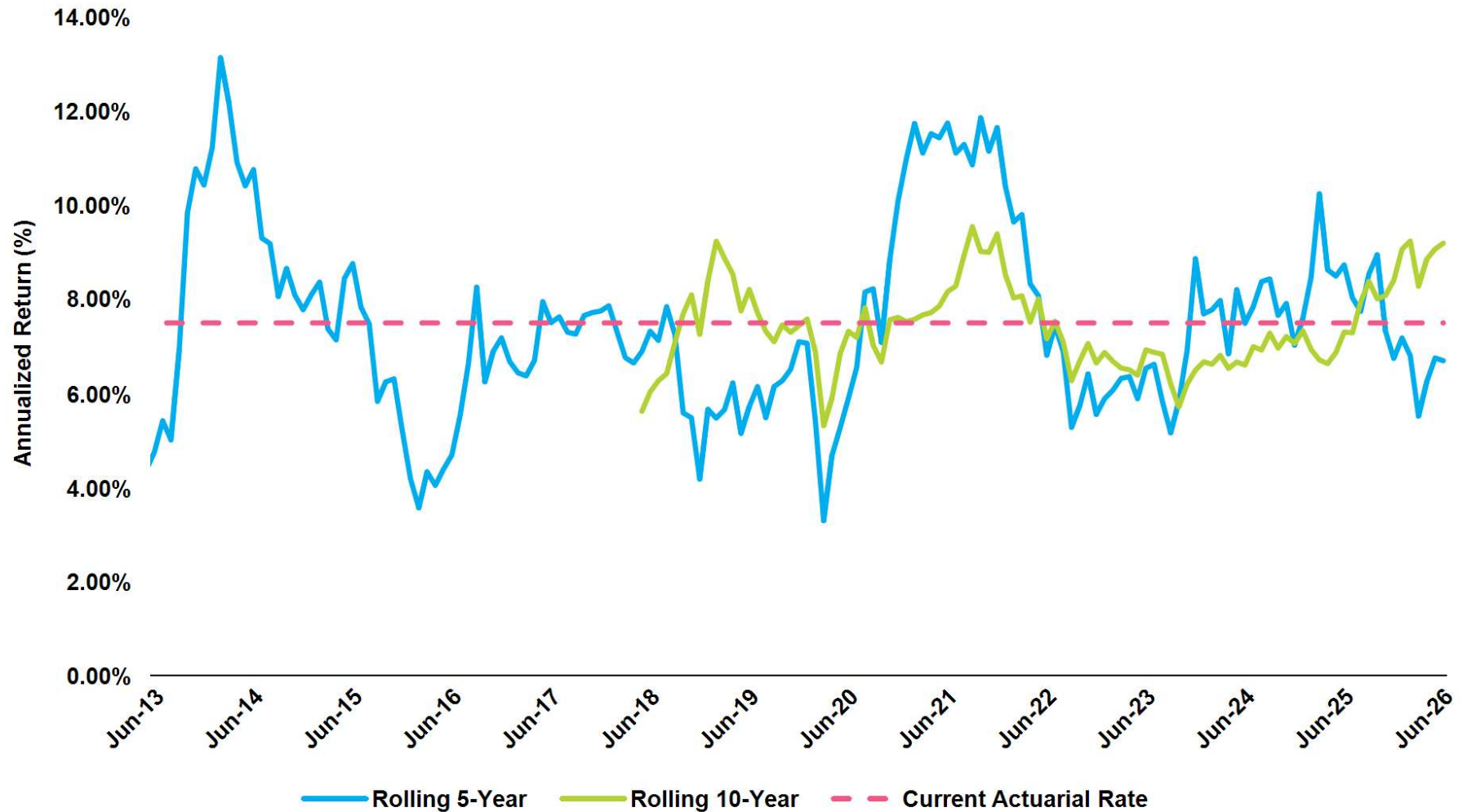
Comparative Performance | As of June 30, 2026

### Fiscal Year Returns (Ending June 30)



- Portfolio I has outperformed the assumed rate of return in seven of the last ten fiscal years.

### Rolling Portfolio I Returns vs. Current Actuarial Rate



- The actuarial rate is a long-term fixed objective while capital markets are dynamic.

## Periodic Table of Returns

### Portfolio I Asset Class Periodic Table of Returns<sup>1</sup>

| 1-Year                                  | 3-Year                                 | 5-Year                                 | 10-Year                                |
|-----------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|
| US Small Cap Equity<br>57.8%            | US Large Cap Equity<br>20.6%           | US Large Cap Equity<br>13.4%           | US Large Cap Equity<br>15.3%           |
| Long/Short Equity<br>28.9%              | US Small Cap Equity<br>19.3%           | Private Equity<br>10.2%                | US Small Cap Equity<br>14.3%           |
| Emerging Markets Equity<br>25.9%        | Emerging Markets Equity<br>18.9%       | US Small Cap Equity<br>9.1%            | Private Equity<br>12.4%                |
| US Large Cap Equity<br>22.3%            | Long/Short Equity<br>11.0%             | Emerging Markets Equity<br>6.1%        | Emerging Markets Equity<br>8.0%        |
| Private Equity<br>13.8%                 | Private Equity<br>10.8%                | International Developed Market<br>4.5% | International Developed Market<br>7.4% |
| International Developed Market<br>10.4% | International Developed Market<br>9.7% | Cash & Equivalents<br>3.3%             | Fixed Income<br>2.9%                   |
| Fixed Income<br>5.2%                    | Fixed Income<br>6.1%                   | Long/Short Equity<br>3.0%              | Real Assets<br>2.8%                    |
| Real Assets<br>5.0%                     | Cash & Equivalents<br>4.2%             | Real Assets<br>1.7%                    | Cash & Equivalents<br>2.0%             |
| Cash & Equivalents<br>3.7%              | Real Assets<br>-0.6%                   | Fixed Income<br>1.7%                   |                                        |

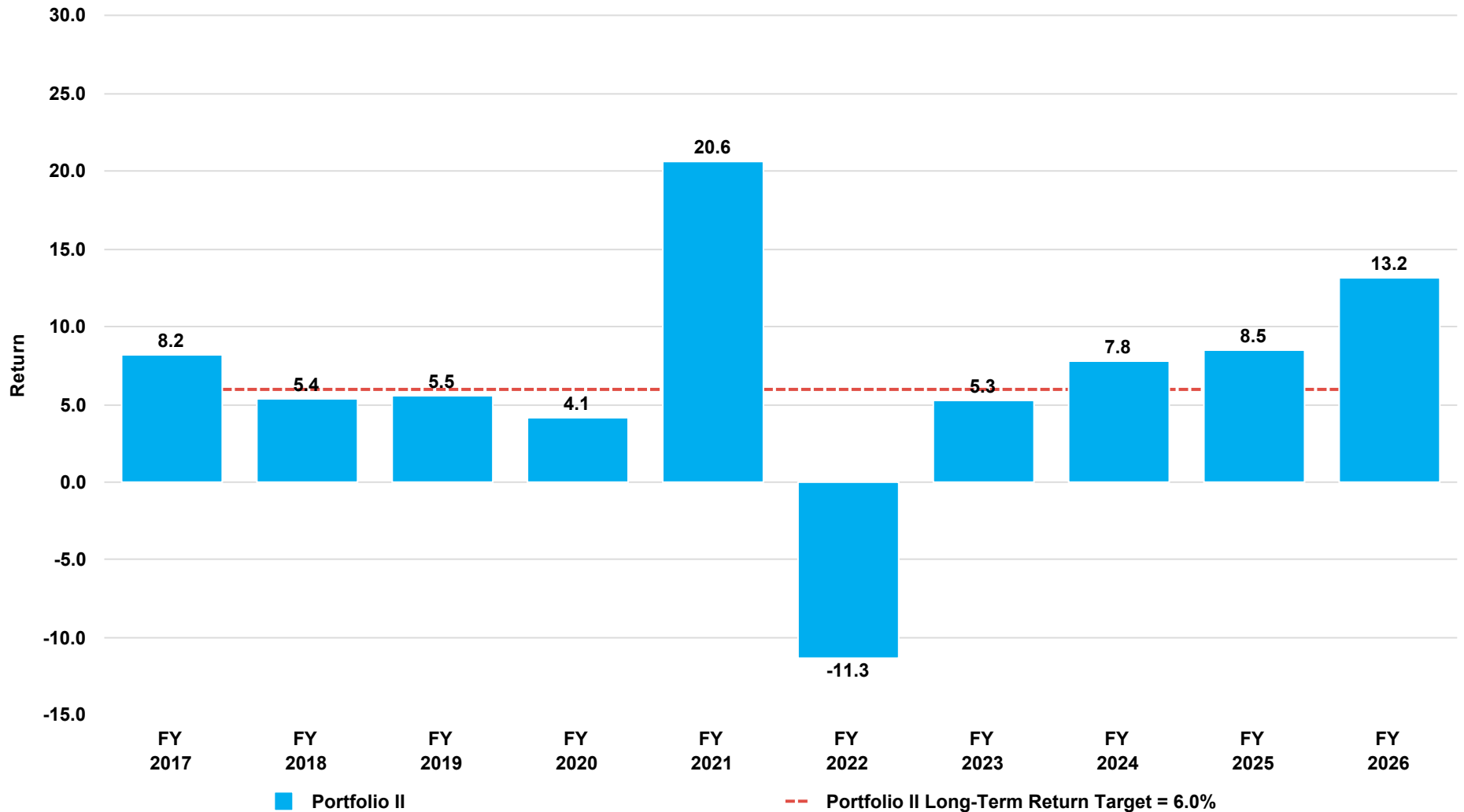
→ All asset classes aside from real assets produced positive returns in the 1-, 3-, 5-, and 10-year trailing periods.

→ Over the long term, public and private equity have produced the strongest absolute returns.

<sup>1</sup> Annualized returns as of June 30, 2026.

Comparative Performance | As of June 30, 2026

### Fiscal Year Returns (Ending June 30)



- Portfolio II has outperformed the assumed rate of return in five of the last ten fiscal years.

### Rolling Portfolio II Returns vs. Current Actuarial Rate



- The actuarial rate is a long-term fixed objective while capital markets are dynamic.

## **OPEB Trust Investment Activity**

### Trailing 1-Year Investment Activity

| Manager                            | Portfolio I | Portfolio II | Addition | Termination |
|------------------------------------|-------------|--------------|----------|-------------|
| <b>Private Equity</b>              |             |              |          |             |
| 137 Ventures VII, LP               | x           |              | x        |             |
| Andreessen Horowitz Multiplexer II | x           |              | x        |             |
| Andreessen Horowitz Bio Fund V, LP | x           |              | x        |             |
| Francisco Partners VIII, L.P.      | x           |              | x        |             |
| DFW Capital Partners VIII          | x           |              | x        |             |

## Appendices

## Disclaimer, Glossary, and Notes

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PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

**Credit Risk:** Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security).

**Duration:** Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

**Information Ratio:** This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

**Jensen's Alpha:** A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. Portfolio Return-[Risk Free Rate+Beta\*(market return-Risk Free Rate)].

**Market Capitalization:** For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

**Market Weighted:** Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

**Maturity:** The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

**Prepayment Risk:** The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

**Price-Book Value (P/B) Ratio:** The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

**Price-Earnings (P/E) Ratio:** A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

**Quality Rating:** The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

**Sharpe Ratio:** A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

**STIF Account:** Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

**Standard Deviation:** A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

**Style:** The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

**Tracking Error:** A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

**Yield to Maturity:** The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

**Yield to Worst:** The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

**NCREIF Property Index (NPI):** Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

**NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE):** Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: [Investment Terminology](#), International Foundation of Employee Benefit Plans, 1999.  
[The Handbook of Fixed Income Securities](#), Fabozzi, Frank J., 1991

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.