

VACo/VML Pooled OPEB Trust Annual Report



Annual Meeting

September 18, 2026

VACO/VML Pooled OPEB Trust

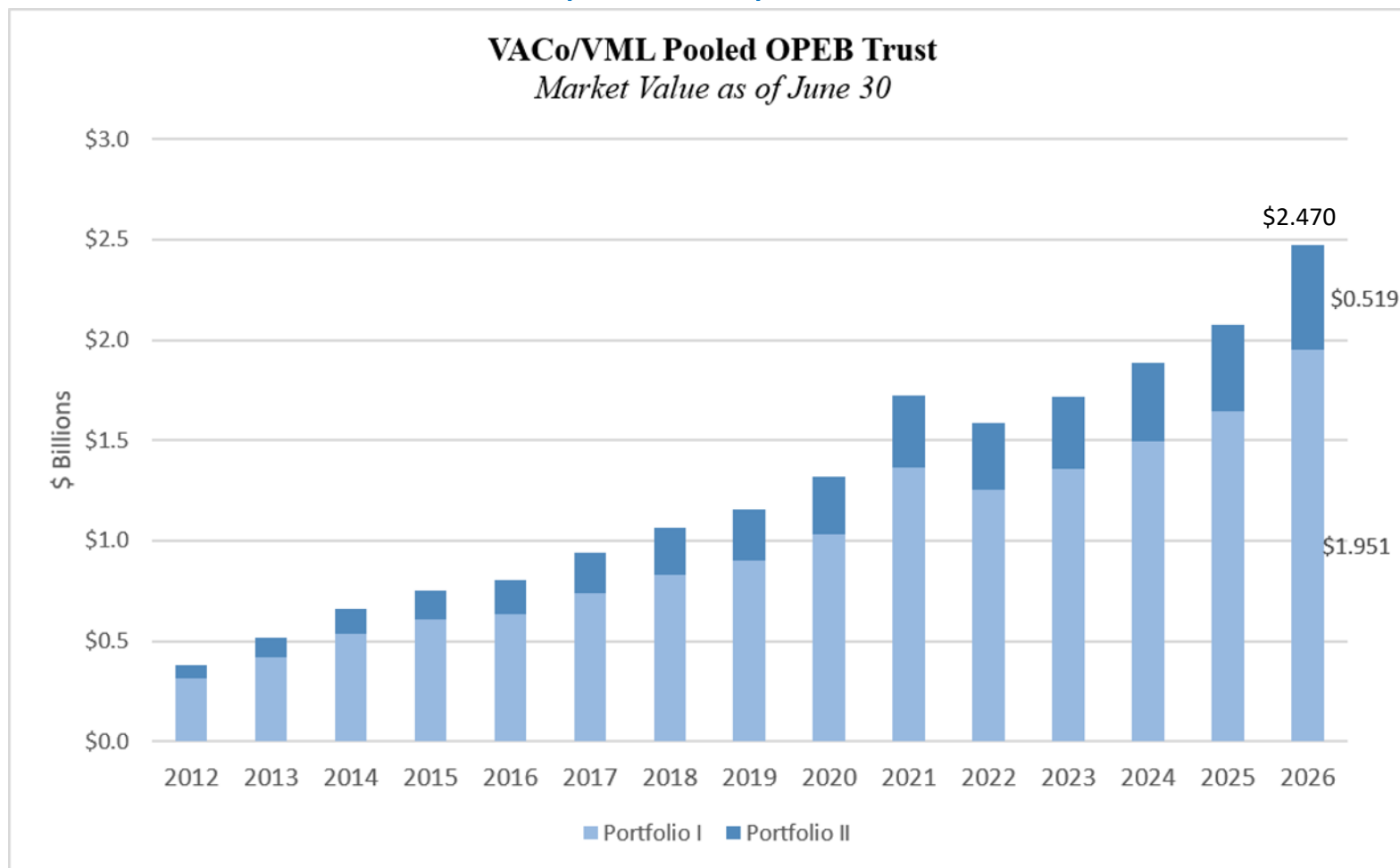
- ✓ Virginia's only *pooled* OPEB trust fund and the largest pooled OPEB trust in the U.S.
- ✓ Offers two diversified portfolios investing in multiple asset classes to achieve an attractive long-term rate of return with an acceptable level of volatility/risk.
- ✓ Provides access to internal investment professionals, a nationally recognized investment advisor, and best-in-class institutional fund managers.
- ✓ Large scale offers well-diversified portfolios at lower costs.
- ✓ Governance by participants

VACO/VML Pooled OPEB Trust Accounts

Accomack County
Alexandria City Public Schools
Alexandria Renew Enterprises
Chesapeake Public Schools
Chesterfield County
Chesterfield County Public Schools
Chesterfield County Line of Duty Act
City of Fredericksburg
City of Lexington & Public Schools
City of Poquoson
City of Portsmouth
City of Richmond
City of Roanoke
City of Roanoke Line of Duty Act
City of Salem
City of Staunton & Public Schools
City of Suffolk
City of Virginia Beach
Colonial Behavioral Health
Fairfax County
Fairfax County Public Schools
Fauquier County & Public Schools
Fluvanna County
Health Care Commission of Chesterfield
Henrico County
Henry County
Henry County Public Service Authority

Henry County Schools
Henry County/Martinsville Social Services
Loudoun County
Loudoun County Public Schools
Loudoun Water
Mecklenburg County
Newport News Redevelopment & Housing Authority
Newport News Public Schools
Portsmouth Public Schools
Rappahannock Area Community Services Board
Rappahannock Juvenile Center
Richmond Metropolitan Transportation Authority
Roanoke County
Roanoke County Public Schools
Salem City Schools
Southeastern Cooperative Educational Programs
Spotsylvania County Public Schools
Stafford County
Stafford County Public Schools
Suffolk Public Schools
Town of Ashland
Town of Blacksburg
Virginia Beach City Public Schools
Washington Metropolitan Transit Authority
York County
York County School Division

OPEB Assets as of FYE (June 30)



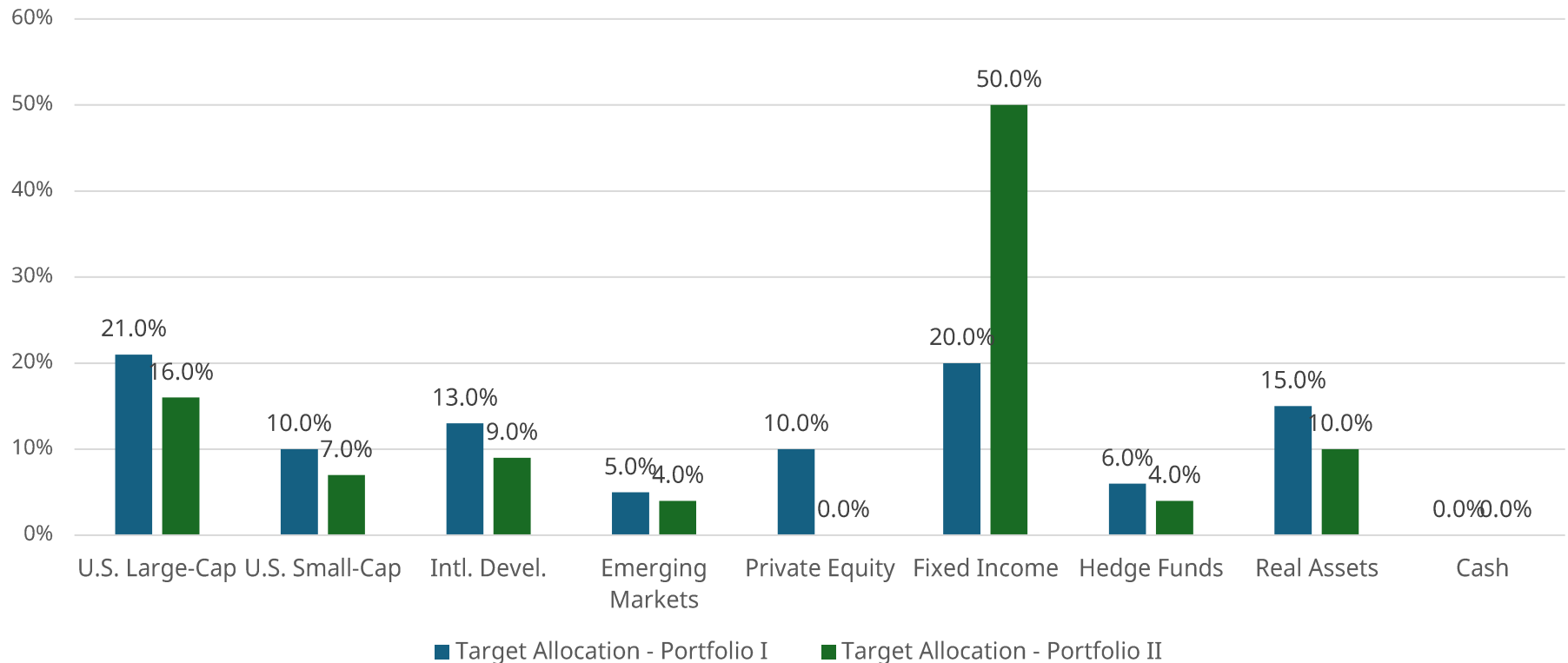
VACO/VML Pooled OPEB Trust

- Portfolio I
 - 7.5% target long-term annualized rate of return
 - Moderate Volatility
 - Exposure to Private Equity, Venture Capital and Opportunistic Real Estate
 - 20% target allocation to Fixed Income

- Portfolio II
 - 6.0% target long-term annualized rate of return
 - Lower Volatility
 - No exposure to Private Equity, Venture Capital and Opportunistic Real Estate
 - 50% target allocation to Fixed Income

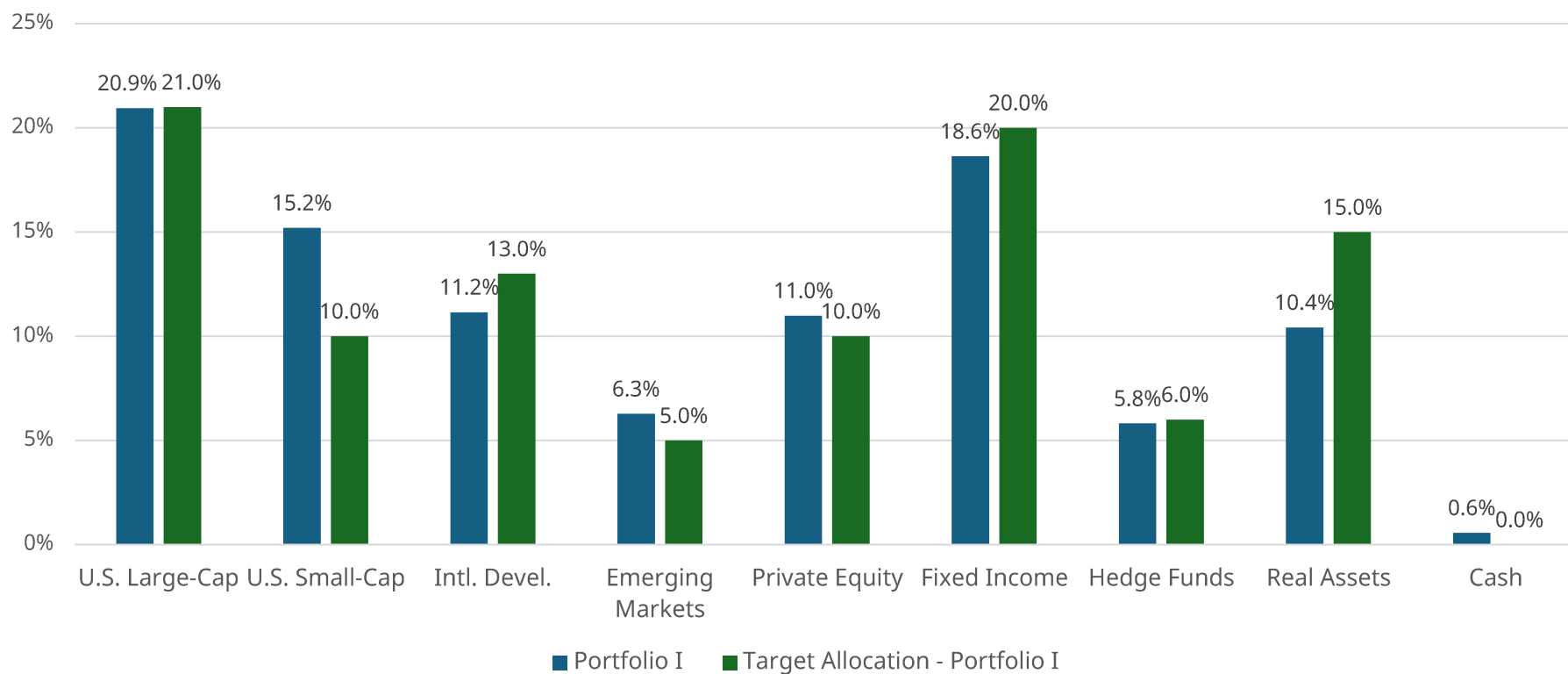
Asset Allocation – Portfolio I & Portfolio II

Asset Allocation Targets



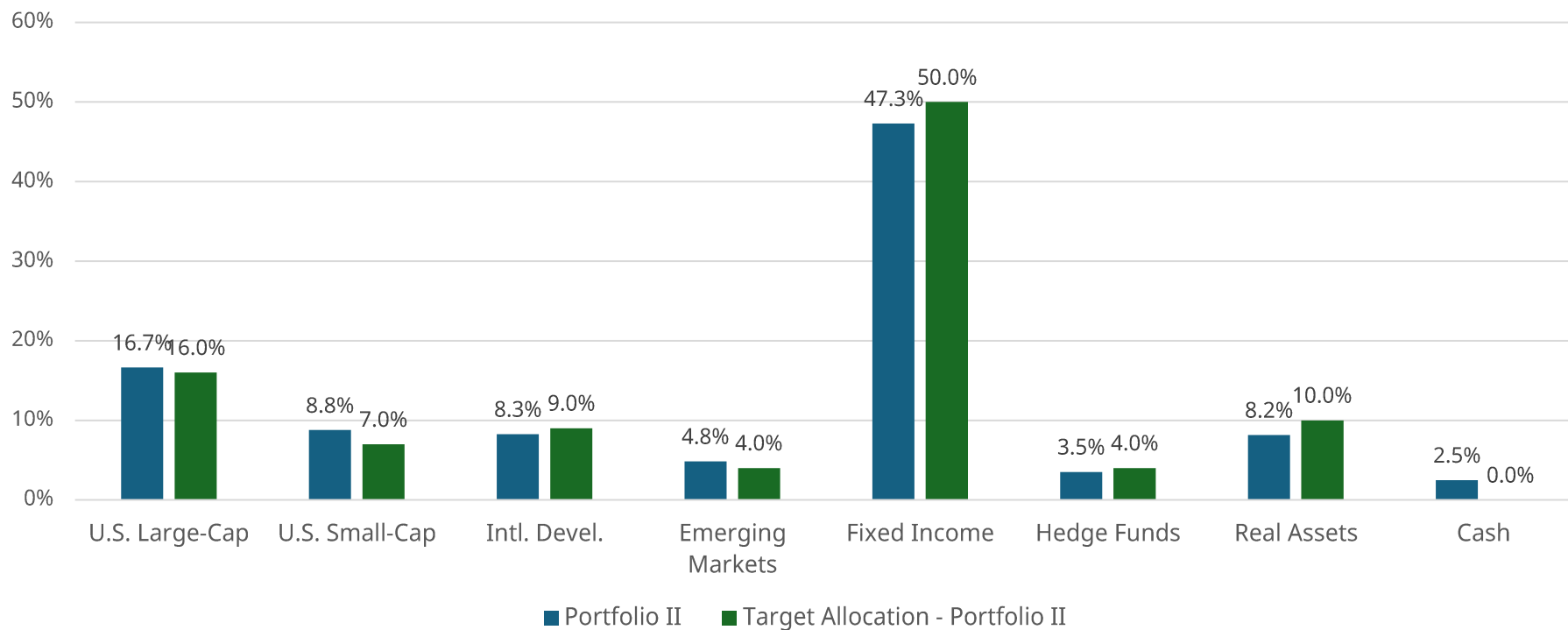
Asset Allocation – Portfolio I

Asset Allocation - Portfolio I as of June 30, 2026

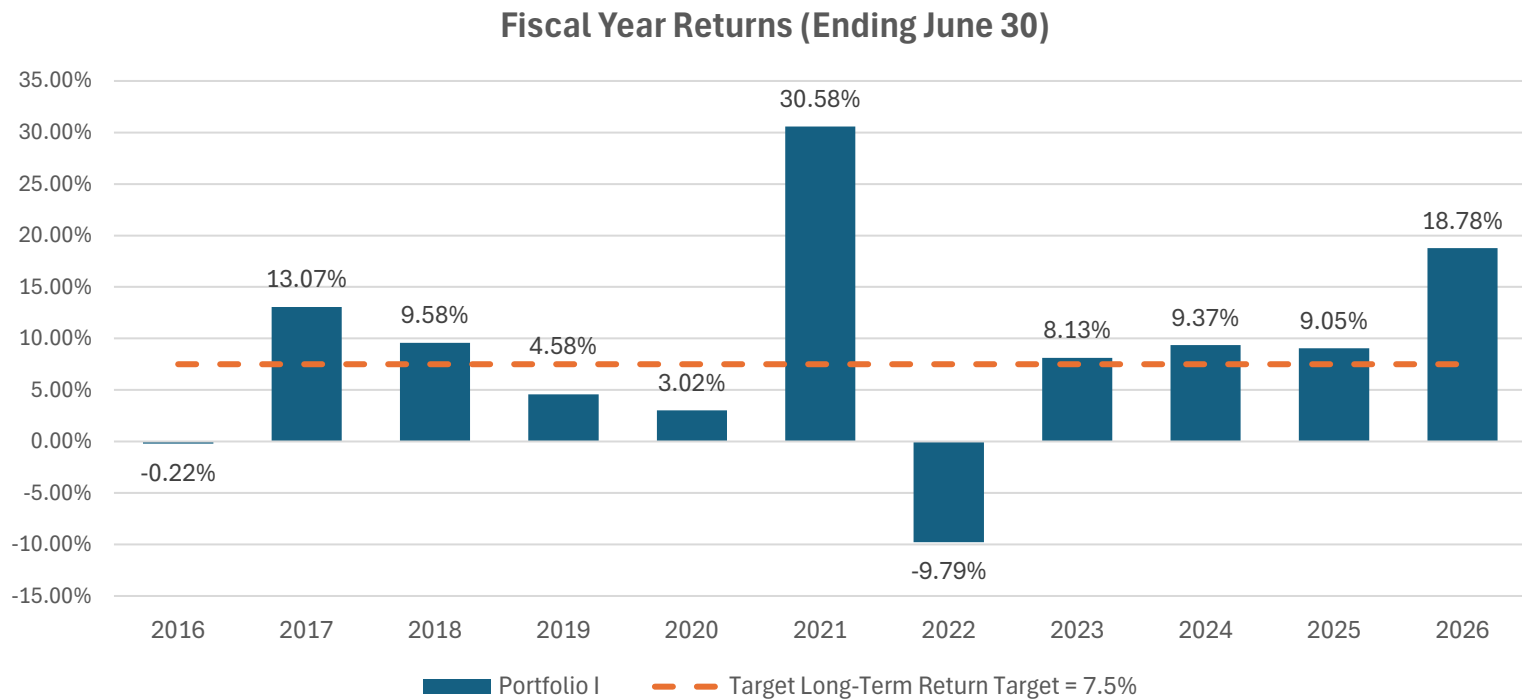


Asset Allocation – Portfolio II

Asset Allocation - Portfolio II
as of June 30, 2026

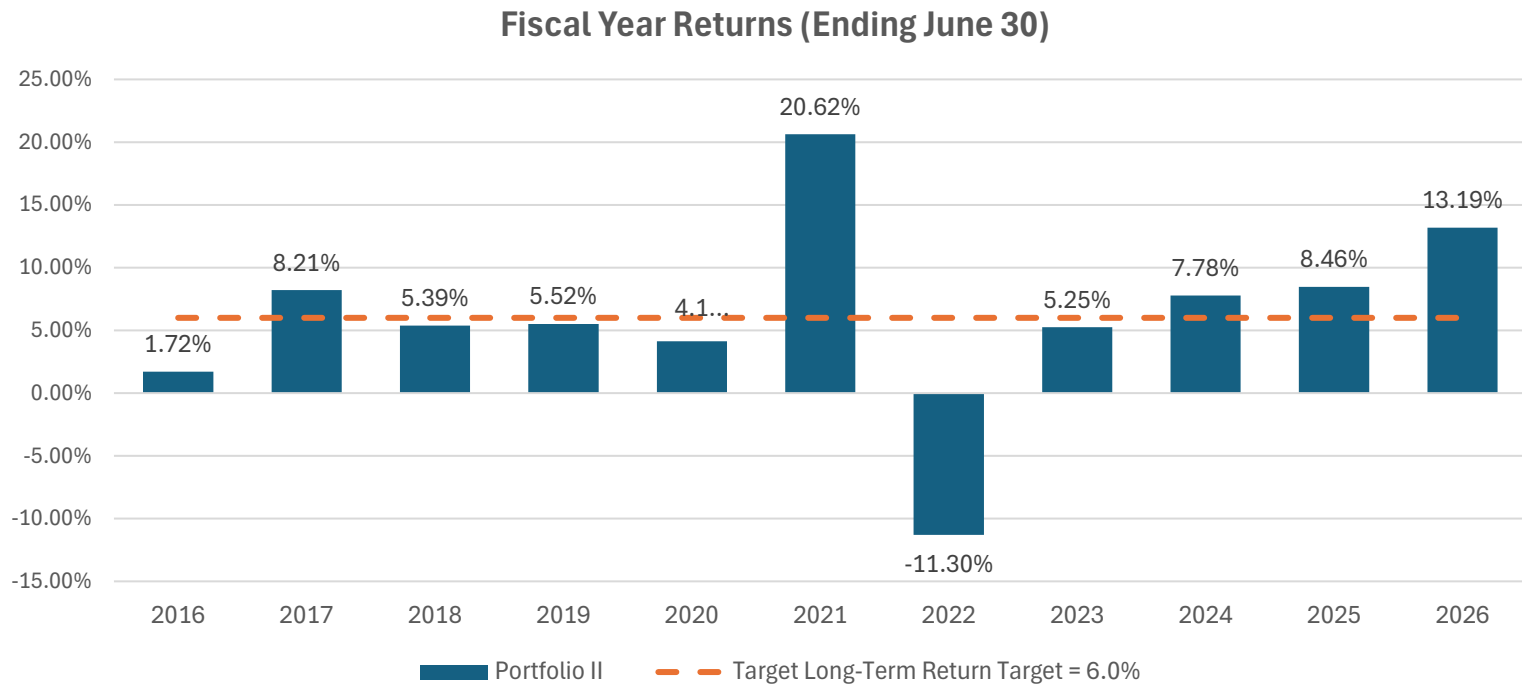


Portfolio I – Fiscal Year Returns



Performance as of June 30. Past performance is not necessarily indicative of future returns.

Portfolio II – Fiscal Year Returns



Performance as of June 30. Past performance is not necessarily indicative of future returns.

Portfolio Performance – Annualized Returns

	1 Year	3 Year	5 Year	10 Year
Portfolio I	18.78%	12.33%	6.70%	9.20%
Custom Benchmark	18.29%	12.92%	6.99%	8.88%
Over/(Under) Performance	0.49%	(0.59%)	(0.29%)	0.32%

	1 Year	3 Year	5 Year	10 Year
Portfolio II	13.19%	9.78%	4.32%	6.44%
Custom Benchmark	12.80%	9.49%	4.05%	5.78%
Over/(Under) Performance	0.39%	0.29%	0.27%	0.66%

Performance as of June 30, 2026. Performance for periods 1-Year and longer are annualized. Past performance is not necessarily indicative of future returns.

Program Governance

Board of Trustees – FY 2026

Matt Harris, *Chair*
Chesterfield County

Missie O'Neal
Fairfax County Public Schools

Sheila Minor
Henrico County

Joy Graham
Washington Metro Transit Authority

Andrew Owen
City of Suffolk

Jeffrey Weiler
Fairfax County

Leslie Beauregard
City of Staunton

Sharon Willoughby
Loudoun County Public Schools

Laura Carini
City of Roanoke

Proposed Amendment to OPEB Trust Agreement

- ✓ Amendment would establish two non-voting *Ex-Officio* seats
- ✓ *Ex-Officio* seats would be designated for the Executive Directors of the Virginia Association of Counties (VACo) and Virginia Municipal League (VML) or their respective designees.
- ✓ This would codify the existing operating practice of the OPEB Trust since its inception in 2008.
- ✓ The *Ex-Officio* Trustees would be entitled to receive notice, attend, and participate in Board meetings, but not be entitled to vote and would not be counted in determining a quorum.
- ✓ Board of Trustees recommended the adoption of the Amendment at the June 12, 2026, Board meeting.
- ✓ Final approval is required by vote of participating Local Finance Boards.