

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
277 EAST TOWN STREET, COLUMBUS, OH 43215-4642  
1-800-222-PERS (7377)  
www.opers.org

NOTICE

1. The [Audit Committee](#) will meet on **Wednesday, May 20, 2026, at 9:00 a.m.** in the offices of the Board.
2. The [OPERS Board](#) will meet on **Wednesday, May 20, 2026, at 10:00 a.m.** in the offices of the Board.

# Audit Committee

# AUDIT COMMITTEE MEETING AGENDA

May 20, 2026  
Start Time: 9:00 A.M.

## I. Action Item:

- A. [2026 Six Month Internal Audit Plan \(July-December\)](#)  
**Approval (20 minutes)**  
Caroline Stinziano, Director – Internal Audit

## II. Discussion Items:

- A. [Report on Recent Internal Audit Activities](#) and Status of Prior  
**Audit Recommendations (20 minutes)**  
Caroline Stinziano, Director – Internal Audit
- B. [External Audit Results for 2025 and Internal Control](#)  
**Discussion (20 minutes)**  
Bob Dobrowsky, Plante Moran - Engagement Partner  
Michelle Watterworth, Plante Moran - Colleague Partner  
Spencer Tawa, Plante Moran - Senior Manager
- C. [2025 Annual Report](#) (45 minutes)  
Jenny Starr, Director – Finance  
Erica Worley, Assistant Director – Financial Reporting

## III. For Your Information:

- A. [2025 External Audit Required Communications](#)  
Jenny Starr, Director – Finance

## Audit Committee II.B



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## MEMORANDUM

DATE: May 11, 2026

TO: OPERS Audit Committee

FROM: Caroline Stinziano, Director – Internal Audit

RE: **II. Discussion Items:**  
**B. External Audit Results for 2025 and Internal Control Discussion**

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### **Purpose**

Representatives from the Plante Moran audit team will present their end of audit communications for the annual external audit as of December 31, 2025.

### **Background**

OPERS, in connection with the Ohio Auditor of State, selected Plante Moran as our external audit firm for the period of January 1, 2021 – December 31, 2025. Planning communications for the audit were provided as part of the November 2025 Audit Committee meeting.

The Plante Moran team members meeting with you today will include:

- Bob Dobrowsky, CPA – Engagement Partner
- Michelle Watterworth, CPA – Colleague Partner/Public Sector Technical Leader
- Spencer Tawa, CPA – Engagement Principal



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Wealth Management.

# Ohio Public Employees Retirement System

Audit Presentation – May 20, 2026

Bob Dobrowsky, CPA | Michelle Watterworth, CPA | Spencer Tawa, CPA



# Your Team Here Today



**Bob Dobrowsky, CPA**  
Engagement Partner  
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**Michelle Watterworth, CPA**  
Colleague Partner  
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**Spencer Tawa, CPA**  
Engagement Principal  
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# Agenda



- Overview of Audit Process
- Audit Opinion
- Communications with Audit Committee
  - Required end of audit communications
  - Report on Internal Control over Financial Reporting
- Questions



# Overview of Audit Process

- Executed the audits as planned, both in scope and timing
  - Annual Comprehensive Financial Report
  - GASB 68, Schedule of Collective Pension Amounts and Employer Allocations
  - GASB 75, Schedule of Collective OPEB Amounts and Employer Allocations
  - Ohio Public Employees Deferred Compensation Program (ODC)
- Highlights of audit approach
  - Fifth year audit
  - Hybrid model

*Considerable resources and cooperation received from OPERS  
(Thank you!)*



# Audit Opinions

- Unmodified Opinions
- Planned and performed audit to express an opinion on OPERS as a whole and an opinion on each of the following individual plans:
  - Traditional Pension Plan
  - Member-Directed Plan
  - 115 Health Care Trust
  - Ohio Public Employees Deferred Compensation Program

## *Opinions*

We have audited the financial statements of Ohio Public Employees Retirement System (OPERS) as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise OPERS' basic financial statements, as listed in the table of contents. We have also audited the Traditional Pension Plan, the Member-Directed Plan, the 115 Health Care Trust and the Ohio Deferred Compensation Program of the Ohio Public Employees Retirement System as of and for the year ended December 31, 2025, as displayed in OPERS' basic financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of Ohio Public Employees Retirement System, as well as the Traditional Pension Plan, the Member-Directed Plan, the 115 Health Care Trust and the Ohio Deferred Compensation Program of OPERS, as of December 31, 2025 and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



# Communications with Audit Committee

- Required end of audit communications
  - No difficulties or disagreements with management in performing the audit
  - Reporting entity changes for 2025
    - ODC presented on OPERS financial statements as a separate fiduciary fund rather than a fiduciary component unit due to Ohio House Bill 96
  - No corrected misstatements or uncorrected misstatements
  - Management estimates included within the financial statements
    - Harder to value investments
    - Actuarial assumptions



# Communications with Audit Committee

- Report on Internal Control over Financial Reporting
  - Deficiency in internal controls identified for the Ohio Deferred Compensation Program
  - No instances of noncompliance identified that are required to be reported under *Governmental Auditing Standards*



# Questions

Thank you for the opportunity  
to serve you!

# Audit Committee II.C



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**MEMORANDUM**

DATE: May 11, 2026

TO: OPERS Retirement Board Members

FROM: Jenny Starr, Director – Finance  
Erica Worley, Assistant Director – Financial Reporting

RE: **II. Discussion Items:**  
**C. Annual Comprehensive Financial Report Review**

Purpose – The purpose of this presentation is to review the results of OPERS’ financial operations for the year ended December 31, 2025, presented in the *Annual Comprehensive Financial Report* (annual report).

Background – Each year the results of the financial activities of the System are summarized and presented in the annual report with comparative data from the prior year included in the document. OPERS’ financial position as presented in the annual report is audited by the independent external audit firm Plante Moran, PLLC, who will also present the status of their audits.

***Change Within the Financial Reporting Entity and Audit Procedures***

During 2025, Amended Substitute House Bill Number 96 was passed by the Ohio legislature. The bill contained provisions to dissolve the Ohio Public Employees Deferred Compensation Program (ODC) Board and transfer responsibility for all records, assets, liabilities, and future obligations of ODC to the OPERS Board effective September 30, 2025. ODC, included in the 2024 annual report as a fiduciary component unit, is included in the OPERS financial statements as a separate legal trust under the accountability and control of OPERS as of the beginning of the 2025 reporting period. The impact of this change on the ODC financial information, as included within this annual report, was minimal and discussed further in the accompanying presentation. Unless otherwise noted, ODC financial information is included in the figures within this memo.

For the 2024 reporting period, when ODC was a fiduciary component unit, Plante Moran relied on ODC’s former auditor’s opinion over the financial statements. The 2025 reporting period was the first year Plante Moran audited ODC’s financial statements and considered ODC’s internal controls over financial

reporting. As a result of their audit procedures, Plante Moran identified a deficiency in internal control isolated to the ODC control environment that they considered to be a material weakness. More information is included below.

### ***Key results in 2025***

The 2025 annual report reflects strong investment returns, despite challenging and volatile markets, with a net investment return for all plans of \$20.9 billion compared to a \$13.2 billion gain in 2024. OPERS total investment portfolios, excluding ODC, reported a gain of 14.95% in 2025, compared to 9.08% in 2024. The ODC Portfolio does not report a composite return of the individual investment options.

The OPERS funded ratio decreased slightly to 82%, from 83% in 2024, and the amortization period increased to 17 years from 15 years in 2024. These minor fluctuations, despite strong investment gains for the last three years, are due to actuarial smoothing, in which market gains and losses are recognized over a four-year period to reduce the impact of investment market volatility.

Health care funding actuarial valuation information reported in the annual report remains a year in arrears with the 2024 information as the most recent valuation. The health care funded ratio remained fairly flat at 118.5% in 2024 compared to 118.6% in 2023, while solvency years improved from 25 years to 27 years.

While the total health care trust fund was \$14.8 billion at the end of 2025, a portion of the fund is restricted for notionally funded member health reimbursement arrangement accounts and retiree medical accounts. In total, these restricted funds were \$840.5 million as of December 31, 2025, including the notionally funded member account balances and the remaining net position in the Member-Directed health care program.

Other key results of financial activities for fiscal year 2025 include the following:

- Total net position increased by over \$15.7 billion from \$142.6 billion in 2024 to \$158.4 billion in 2025.
- The OPERS defined benefit portfolio returned 14.74%, the health care portfolio returned 16.40%, and the defined contribution portfolio returned 15.57%.
- The OPERS member and employer contributions for the year increased by \$248.0 million, or 5.5%, compared to 2024.
- ODC participant deferrals increased from \$653.9 million in 2024 to \$700.4 million in 2025, or 7.1%.
- Health care expenses increased by \$64.0 million, or 11.7%, in 2025 compared to 2024.

- ODC distributions to participants and transfers to other retirement plans increased by \$280.5 million, or 20.6%, compared to 2024.
- The number of new retirees in 2025 increased by 23.0% to 9,083, compared to the 7,385 members who retired in 2024 (Traditional Pension Plan, including Combined Plan division). This is the most substantial increase in new retirees reported in the annual report for the last 10 years.

Key results of audit internal control considerations isolated to the ODC control environment include the following issues that were in place prior to OPERS staff assuming administrative responsibility of operations in the fourth quarter of 2025:

- Dual authorization requirements do not exist for two bank accounts due to system limitations outside of ODC's control.
- Several system access issues with ODC's primary systems were noted involving lack of periodic review of user access and administrator access activity, and updates to access upon employee changes.
- There was a lack of consistent, formal documentation of preparer, reviewer and dates procedures were completed within the account reconciliation and journal entry processes.

OPERS has addressed the majority of the issues noted effective January 1, 2026. The remainder are in process.

Next Steps – We expect the annual report will be complete and distributed to the Board at the May meeting. As of the date of this memo, Plante Moran is waiting on the finalization of employer census data examination reports from the Auditor of State's Office (AOS). AOS testing covers the accuracy and completeness of information reported to OPERS throughout the year from our contributing employers. The GASB 68 and GASB 75 reports will be made available to our employers later this month. The external audits of these reports will be complete upon receipt of these AOS reports.

# Financial Presentation

**May 20, 2026**

*Jenny Starr, Director—Finance*

*Erica Worley, Assistant Director—Financial Reporting*



# Objectives

**Provide the Board an overview of the key financial statements and discussion of the key activities**

**Highlight the key information and changes in the Annual Comprehensive Financial Report**

**Provide the Board an opportunity to discuss questions with the external auditors**

# Annual Comprehensive Financial Report Content & Structure

- **Letter of Transmittal**
- **Management's Discussion and Analysis (MD&A)**
- **Financial Statements**
  - Combining Statement of Fiduciary Net Position
    - Assets, liabilities and deferred inflows as of a point in time (year-end)
  - Combining Statement of Changes in Fiduciary Net Position
    - Explains the changes in net position from year to year
- **Investment Returns**
- **Actuarial Results**
- **Statistical Section**
- **Plan Statement**

# Review of Retirement Plans and Health Care Trust

<b>Traditional Pension Plan</b>	Defined Benefit (DB) Pension Plan  Combined Plan Division: Member Contributions—Defined Contribution Employer Contributions—Defined Benefit
<b>Member-Directed Plan</b>	Defined Contribution (DC) Plan
<b>115 Health Care Trust</b>	All Health Care (HC) Programs
<b>Ohio Deferred Compensation Program (ODC)</b>	Voluntary Defined Contribution (DC) Plan



# **Change Within Financial Reporting Entity**

# Ohio Deferred Compensation (ODC)

- During 2025, Amended Substitute House Bill Number 96 was passed by the Ohio legislature.
- The bill contained provisions to dissolve the ODC Board and transfer responsibility for all records, assets, liabilities, and future obligations of ODC to the OPERS Board effective September 30, 2025.
- ODC, included in the 2024 annual report as a fiduciary component unit, is included in the OPERS financial statements as a separate legal trust under the accountability and control of OPERS as of the beginning of the 2025 reporting period.
- First year Plante Moran audited ODC.

# Impact of ODC Change

- Financial Section (impact as determined by GASB)
  - As ODC is no longer an employer separate from OPERS, they no longer record a proportionate share of OPERS Pension and OPEB activity.
    - Combining Statement of Changes in Net Position includes adjusted opening net position balance reflecting removal of ODC's proportionate share balances (footnote 2 provides details).
    - Combining Statement of Fiduciary Net Position no longer includes Pension and OPEB proportionate share activity.
  - The building lease between OPERS and ODC was effectively cancelled as of September 30, 2025. The lease liability and related asset recorded by ODC and the lease receivable and related deferred inflow recorded by OPERS were written off.
  - ODC received an allocation of building expenses in the fourth quarter equivalent to the original lease payments.
  - Rest of presentation of ODC in annual report consistent to 2024 annual report, with minor updates.

# Impact of ODC Change (continued)

- Investment Section
  - No impact, consistent with 2024 annual report.
- Statistical Section
  - No impact, consistent with 2024 annual report.
  - Historical information was not restated for adjustment to opening net position.
- Plan Statement
  - A section was added to discuss the ODC program at a high level.
- Audit Procedures and Findings
  - First year Plante Moran performed financial statement audit on ODC activity.
  - In 2024, Plante Moran relied on Rea & Associates audit opinion.
  - The 2025 audit reported a material weakness in ODC controls environment, more details included later in this presentation.

# 2025 Highlights

## 2025 Overall Highlights

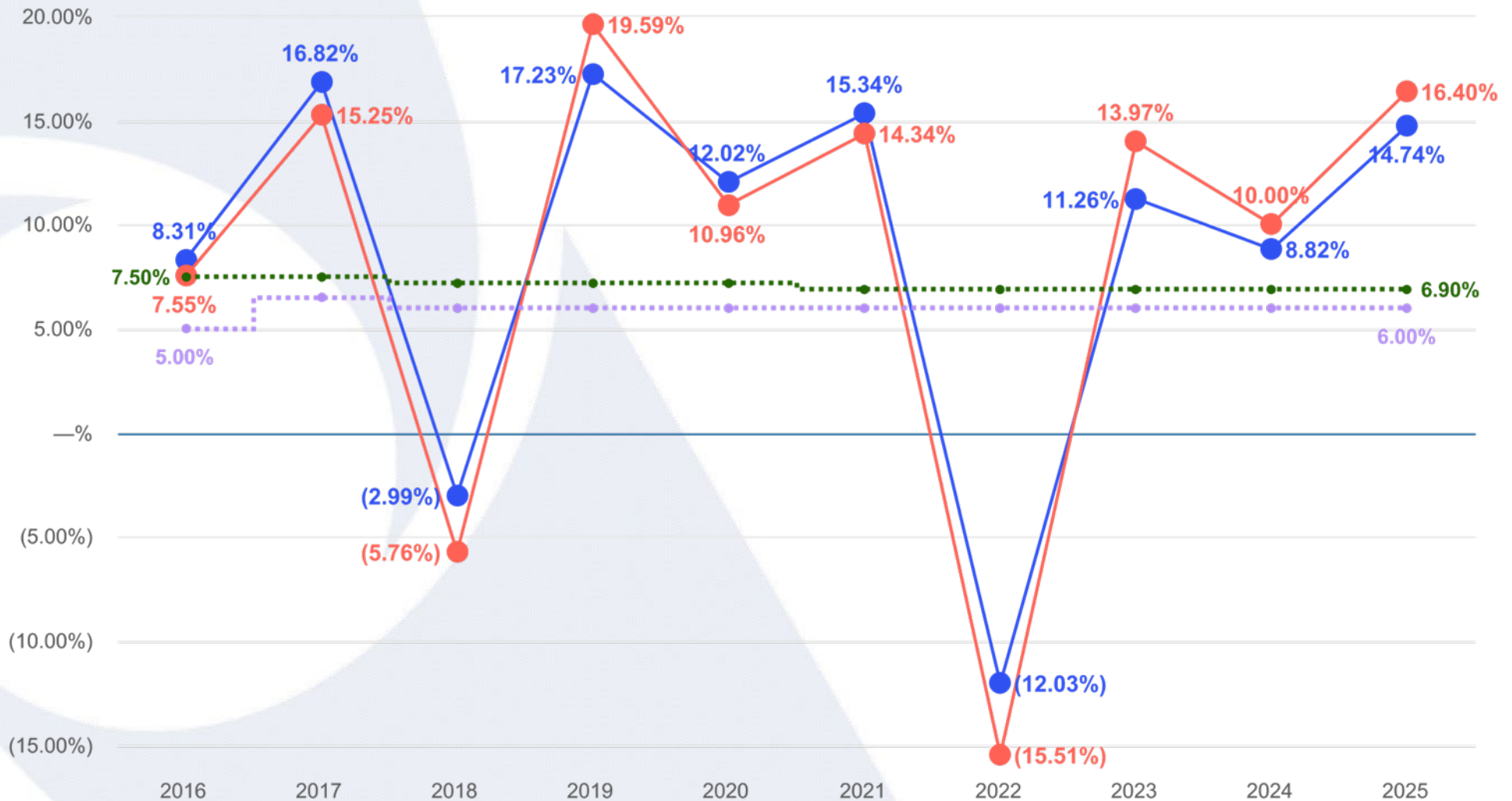
- Net increase in fiduciary net position of \$15.7 billion.
- Approximately \$20.9 billion in net income from investing activity.
- The pension and health care investment portfolios had a gain of 14.95% in 2025.
- Pension funded ratio decreased slightly to 81.6%; the amortization period increased to 17 years in 2025.
- Health care expenses increased \$64.0 million, or 11.7%, in 2025 compared to 2024.
- Health care funded ratio declined slightly from 118.6% in 2023 to 118.5% in 2024; Health care solvency years increased from 25 years in 2023 to 27 years in 2024.



# **Financial Summary— Overall OPERS**

# Historical Investment Returns

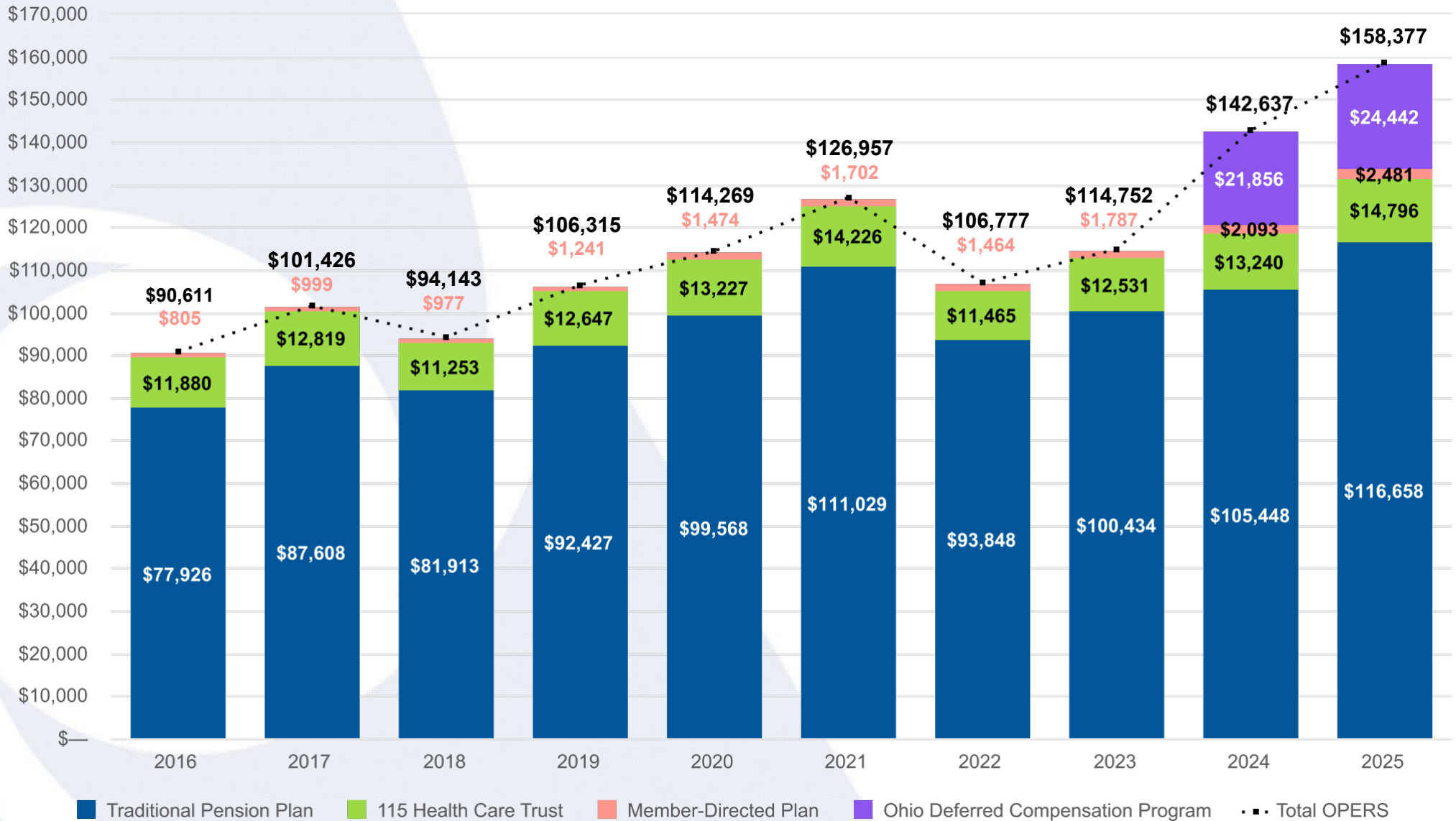
*The defined benefit pension and health care portfolios had gains in 2025 exceeding the actuarial assumed rates of return.*



● Defined Benefit Portfolio Return      ● Health Care Portfolio Return  
● Pension Actuarial Assumed Rate of Return      ● Health Care Actuarial Assumed Rate of Return

# OPERS Net Position (Assets in \$M)

*Net position trends closely follow investment returns.*



# Additions/Revenues By Source

*Investment activity continues to have the most significant impact to our financial statements. Member and employer contributions increased by 4.7% primarily due to wage inflation.*

	<u>2025</u>	<u>2024</u>
<b><u>Total System</u></b>		
Member Contributions	\$1,987,365,942	\$1,884,022,244
Employer Contributions	2,781,449,409	2,636,833,748
Participant Deferrals	700,417,154	653,946,856
Contract and Other Receipts	221,560,537	189,253,324
Net Income from Investing Activity	20,903,483,322	13,238,532,654
Other Income, net	451,044	494,822
Interplan Activity	33,692,796	28,959,270
<b>Total Additions</b>	<b><u>\$26,628,420,204</u></b>	<b><u>\$18,632,042,918</u></b>

# Deductions By Type

*Increasing pension benefits had the largest impact on the change in deductions year over year. Average pension benefits paid to retirees increased by 4.2% compared to 2024.*

	<u>2025</u>		<u>2024</u>
<b><u>All Plans</u></b>			
Pension	\$7,791,505,524	↑	\$7,476,971,013
Health Care Expenses	610,072,609	↑	546,121,726
Distributions and Transfers—ODC	1,640,991,124	↑	1,360,467,577
Refunds	717,356,188	↑	647,391,778
Interplan Activity	33,692,796		28,959,270
Subtotal	10,793,618,241		10,059,911,364
<b>Administrative Expenses</b>			
Non-Investment	95,881,236	↑	91,679,320
Investment (included in Net Income from Investing Activity on previous page)	57,026,136	↑	53,950,783
Total Administrative Expenses	152,907,372	↑	145,630,103
<b>Total OPERS Deductions</b>	<b>\$10,946,525,613</b>	↑	<b>\$10,205,541,467</b>



# **Financial Summary— by Plan**

# Pension Plans Summary

*Strong investment results and increasing contribution revenue, partially offset by the increase in pension benefits, resulted in an overall increase of \$11.6 billion in the OPERS pension plans net position.*

- Net Position increased \$11.6 billion from \$107.5 billion in 2024 to \$119.1 billion as of December 31, 2025.
- Net income from investing activity totaled \$15.3 billion in 2025, compared to net income from investing activity of \$8.9 billion in 2024.
- OPERS Member and employer contributions increased \$245.4 million compared to 2024, or 5.5%.
- Traditional Pension Plan benefits increased from \$7.5 billion in 2024 to \$7.8 billion in 2025, or 4.2%.

# Health Care Summary

*Health Care net position increased in 2025 due to strong investment returns for the third year in a row.*

- The overall 115 Health Care Trust net position increased to \$14.8 billion in 2025 from \$13.2 billion in 2024. Net income from investment activity was \$2.1 billion.
- Net health care costs increased 11.7% from \$546.1 million in 2024 to \$610.1 million in 2025.
- During 2025, no employer contributions from the Traditional Pension Plan were allocated to fund health care, except for the Combined Plan division, from which 2% of employer contributions were allocated to health care. Member-Directed RMA contributions for 2025 remained at 4%.
- Account balances as of December 31, 2025 restricted for member HRA accounts were \$420.6 million, and balances restricted for member MD RMA accounts were \$419.9 million.

# Deferred Compensation Summary

*Net position increased as a result of a strong investment year and an increase in participant deferrals.*

- Net position as of the beginning of the year was adjusted to reflect the changes within the financial reporting entity in 2025, a net \$1.7 million increase.
- Including this adjustment, net position increased to \$24.4 billion in 2025 from \$21.9 billion in 2024.
- Participant deferrals increased to \$700.4 million in 2025 from \$653.9 million in 2024.
- Net income from investment activity was \$3.4 billion.
- Total distributions and transfers increased 20.6% from \$1.4 billion in 2024 to \$1.6 billion in 2025.

# Deferred Compensation Summary (con't.)

*Plante Moran's audit reported a material weakness related to ODC's control environment.*

- Dual authorization requirements do not exist for two bank accounts due to system limitations with the bank, outside of ODC's control.
- Several system access issues with ODC's primary systems were noted involving lack of periodic review of user access and administrator access activity, and updates to access upon employee changes.
- There was a lack of consistent, formal documentation of preparer, reviewer and dates procedures were completed within the account reconciliation and journal entry processes.
- OPERS has addressed the majority of the issues noted effective January 1, 2026. The remainder are in the process of being addressed.



# **Pension Reporting– GASB 67**

*Excluding ODC*

# Pension Assets vs Pension Liabilities

*Funding Basis asset valuation method smooths investment gain/(loss) impacts over four years. The Accounting Basis does not, recognizing all gains/(losses) in the year they occur.*

<b>Funding Basis</b> (\$ in millions)		<b>All Plans</b>	
<b>Year</b>	<b>2025</b>	<b>2024</b>	
Pension Assets	\$108,362	\$106,873	
Accrued Liabilities	\$132,837	\$129,013	
Unfunded Liabilities	\$24,475	\$22,140	
Funded Ratio	81.6%	82.8%	
Amortization Years	17	15	
Net Unrealized Gains/(Losses)	\$7,196	(\$2,381)	

<b>Accounting Basis</b> (\$ in millions)		<b>All Plans</b>	
<b>Year</b>	<b>2025</b>	<b>2024</b>	
Plan Fiduciary Net Position	\$115,558	\$104,492	
Total Pension Liability	\$132,810	\$128,992	
Net Pension Liability	\$17,252	\$24,500	
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.01%	81.01%	

# Sensitivity of Net Pension Liability to Changes in the Discount Rate

*The investment discount rate assumption has a significant impact to the calculation of the Net Pension Liability.*

<b>Changes in the Discount Rate (\$ in millions)</b>			
	<b>1% Decrease 5.9%</b>	<b>Current Discount Rate 6.9%</b>	<b>1% Increase 7.9%</b>
As of December 31, 2025			
Net Pension Liability (All Plans)	\$33,336	\$17,252	\$3,893



# **Other Post-Employment Benefits (OPEB) Reporting— GASB 74**

# Health Care Assets vs Liabilities

*Funding Basis asset valuation method smooths investment gain/(loss) impacts over four years. The Accounting Basis does not, recognizing all gains/(losses) in the year they occur. These Funding basis values are reported a year in arrears.*

<b>Funding Basis</b>		
<b>Total Health Care Fund (\$ in millions)</b>		
<b>Year</b>	<b>2024</b>	<b>2023</b>
Health Care Assets	\$12,923	\$12,823
Accrued Liabilities	\$10,902	\$10,808
Unfunded Liabilities/(Assets)	(\$2,021)	(\$2,015)
Funded Ratio	118.54%	118.64%
Solvency Period	27	25
Net Unrealized Gains/(Losses)	\$318	(\$293)
Actuarial Assumed Rate of Return	6.00%	6.00%

<b>Accounting Basis (\$ in millions)</b>		
<b>Year</b>	<b>2025</b>	<b>2024</b>
Plan Fiduciary Net Position	\$14,797	\$13,240
Total OPEB Liability	\$10,933	\$10,896
Net OPEB Liability/(Asset)	(\$3,864)	(\$2,344)
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	135.34%	121.51%
Single Discount Rate	6.00%	6.00%

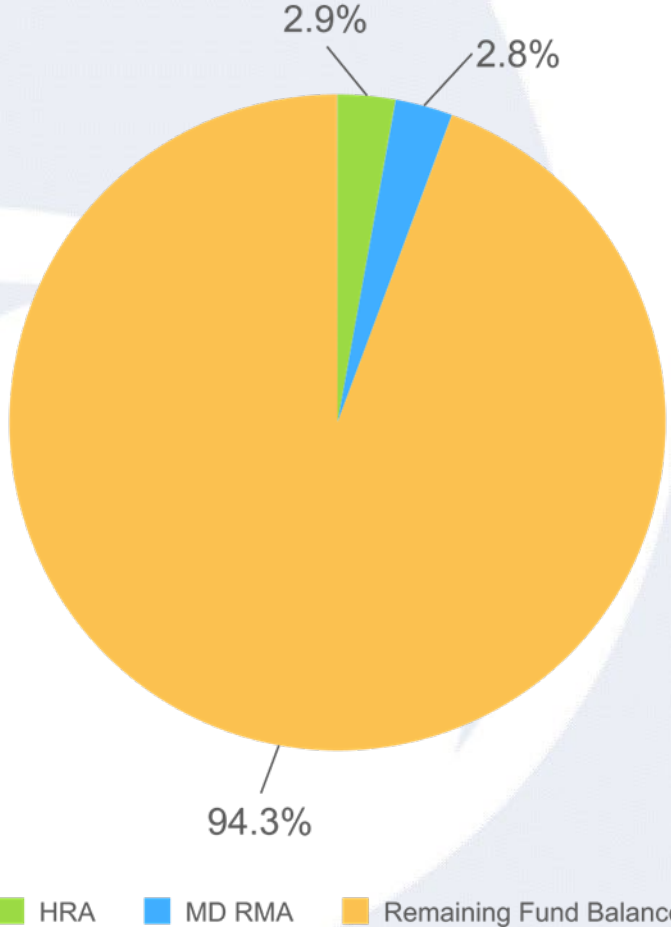
# Sensitivity of Net OPEB Liability

*The investment discount rate assumption has a significant impact to the calculation of the Net OPEB Liability.*

<b>Changes in the Discount Rate</b> (\$ in millions)			
	<b>1% Decrease 5.00%</b>	<b>Current Single Discount Rate 6.00%</b>	<b>1% Increase 7.00%</b>
As of December 31, 2025			
Net OPEB Liability/(Asset)	(\$2,671)	(\$3,864)	(\$4,856)

# 115 Trust Fund Balance

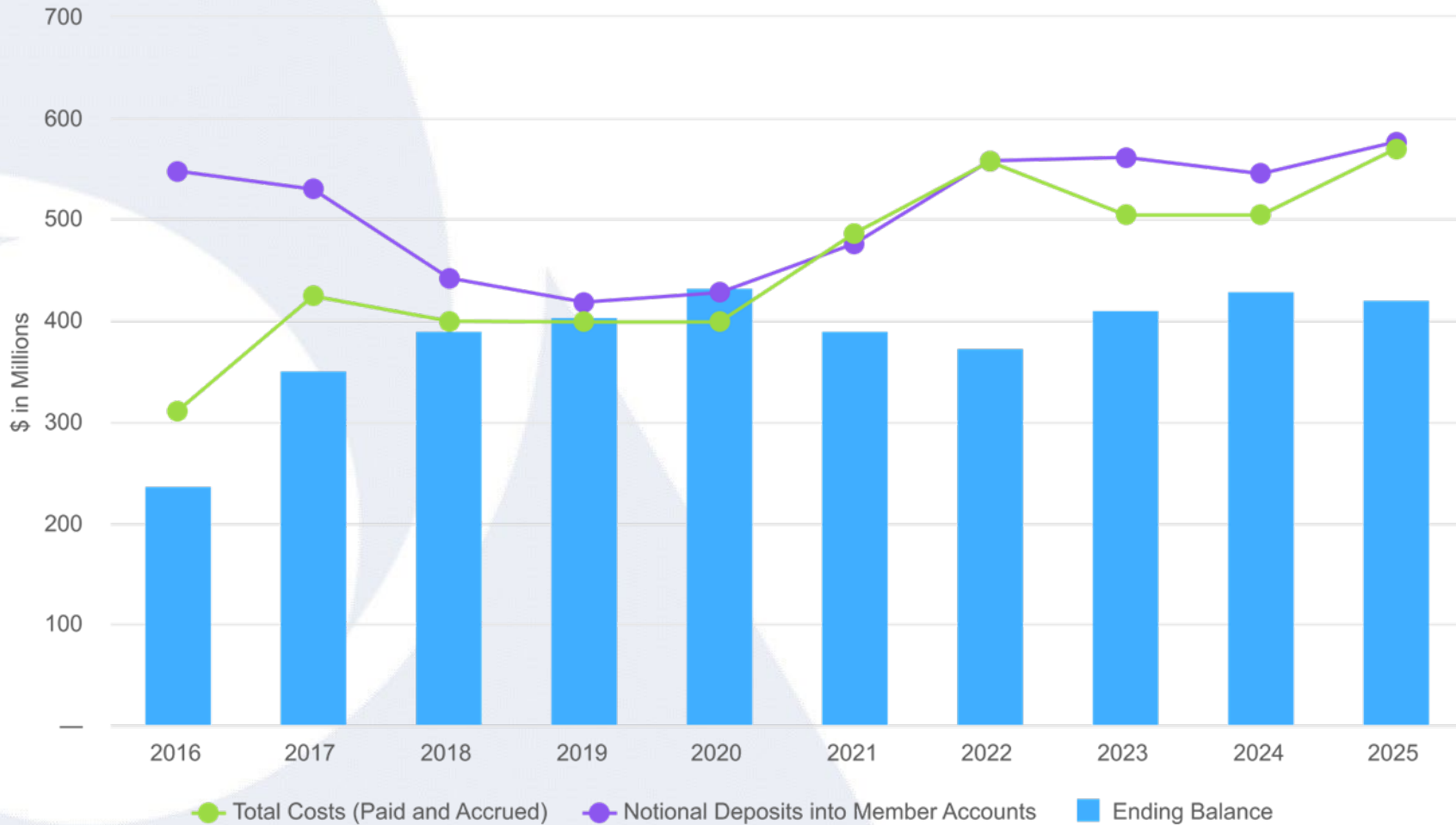
The 115 Trust Fund Balance is made up of notionally funded member accounts which include HRA and MD RMA activity.



115 Trust Fund Balance	
HRA notional account balances	\$420,649,706
MD-RMA notional account balances	419,881,624
Remaining Fund Balance	13,956,325,158
<b>Total</b>	<b>\$14,796,856,488</b>

For actuarial projection and valuation purposes, HRA and RMA accounts are assumed to be allocated to the members and cannot be used in the future to fund other retiree health care expenses. All eligible members are assumed to participate in the HRA at initial eligibility.

# Health Reimbursement Arrangement (HRA) Accounts



# Demographic Trends

# Membership Statistics

	<u>2025</u>		<u>2025-2024</u> <u>Change</u>
<b>Active</b>			
Traditional Pension Plan	298,648	↓	(576)
Combined Plan Division	5,444	↓	(351)
Member-Directed Plan	11,718	↑	523
	315,810	↓	(404)
<b>Inactive</b>			
Traditional Pension Plan	799,408	↑	22,876
Combined Plan Division	2,572	↓	(24)
Member-Directed Plan	7,071	↑	310
	809,051	↑	23,162
<b>Retirees / Beneficiaries</b>			
Traditional Pension Plan	222,140	↑	1,930
Combined Plan Division	913	↑	132
Member-Directed Plan	570	↑	63
	223,623	↑	2,125
<b>Total Members / Benefit Recipients</b>	<b>1,348,484</b>	<b>↑</b>	<b>24,883</b>

# New Retirees in 2025

*There are more new retirees overall compared to 10 years ago. The new retiree population has more years of service and higher FAS, resulting in higher annual benefits.*

<b>Traditional Pension Plan</b>	<b>2025</b>	<b>2016</b>
New Retirees with 25-30 years of service	1,398	1,467
New Retirees with 30+ years of service	3,426	2,889
Total New Retirees	9,083	8,436
Percentage of New Retirees with 30+ years of service	37.7%	34.2%
Average Final Average Salary (FAS) at retirement	\$67,438	\$52,971
Average Annual Benefit at Retirement	\$34,122	\$26,386

# Changes in Active Members and Retirees

*As OPERS matures, the distribution of retirees and employees (active members) has shifted. The number of active members has declined over the past 10 years, while the number of retirees has increased.*

Year	Active Members	Active Member Payroll (in millions)	Average Employee Payroll	Number of Retirees	Average Pension on Valuation Date
2025	315,810	\$18,733	\$59,317	223,623	\$33,956
2016	346,959	\$13,186	\$38,004	208,381	\$26,370
10-Year Change					
Increase/ (Decrease)	(9.0%)	42.1%	56.1%	7.3%	28.8%

# ODC Participation

*Participation in ODC is voluntary for all eligible employees in the State of Ohio. ODC continues to create partnerships with new employers each year and educate participants on the importance of contributing toward their retirement goals.*

<b>Participation as of December 31</b>	<b>2025</b>	<b>2024</b>	<b>% Increase/ (Decrease)</b>
Contributing Employers	2,102	2,075	1.30%
Eligible Employees in State of Ohio	688,917	689,050	(0.02%)
Total Participant Accounts	285,494	277,444	2.90%
Participants Currently Contributing	138,735	134,883	2.86%
Current Participation Rate	20.1%	19.6%	0.50%

# Looking Ahead

- New GASB Standards (no significant impacts)
  - GASB 105—*Subsequent Events*, Effective 2027



**Questions?**

# OPERS Board

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM  
277 EAST TOWN STREET, COLUMBUS, OH 43215-4642

1-800-222-PERS (7377)

www.opers.org

Board Meeting

**REVISED – MAY 18, 2026**

May 20, 2026

10:00 A.M.

OPERS Office

**A G E N D A**

- I. Roll Call 10:00-10:00 a.m.
- II. Consent agenda: 10:00-10:05 a.m.
  - A. [Minutes](#) – March 18, 2026
  - B. [Disability report](#)
- III. Committee Report – Audit Committee – Stewart Smith 10:05-10:10 a.m.
- IV. Action Items:
  - A. [Certification of 2027 Local contribution rates](#) – Lai Woo 10:10-10:15 a.m.
  - B. [Out-of-state Travel Approval](#) 10:15-10:20 a.m.
  - C. [Investment Valuation Policy](#) – Steve Merriett 10:20-10:35 a.m.
- V. Discussion Item:
  - A. [Defined Contribution Plan Investment Update](#) – Lincoln Carnam 10:35-11:05 a.m.
- VI. Discussion Items:
  - A. [December 31, 2025 Pension Actuarial Valuation Results](#) – Gabriel, Roeder, Smith & Company 11:05-11:50 a.m.
- Lunch 11:50-12:15 p.m.
  - B. [50-year Actuarial Projections of Defined Benefit Retirement Allowances](#) Beginning January 1, 2026 – Gabriel, Roeder, Smith & Company 12:15-1:00 p.m.
  - C. [Ohio Deferred Compensation – Unforeseen Emergency Withdrawals](#) Administrative Change – Shonda Bourquin 1:00-1:30 p.m.
  - D. [1<sup>st</sup> Quarter Comparative Results](#) (LT) – Meketa 1:30-1:50 p.m.
  - E. [CIO Update](#) – Paul Greff 1:50-2:10 p.m.
  - F. [Asset Class Update](#) – Private Credit – Meketa 2:10-3:10 p.m.
  - G. [Executive Director Update](#) – Karen Carraher 3:10-3:25 p.m.
- VII. For Your Information:
  - A. [Legal Update](#)
  - B. [Consultant Evaluations](#) (staff to send out)
  - C. [2027 Health Care Rates – HRA Dental and Vision](#)
  - D. [Investment Performance](#)

# Board Meeting II.A

Minutes of the

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

The monthly meeting of the Ohio Public Employees Retirement Board was held in the offices of the Board, Ohio Public Employees Retirement System building, 277 East Town Street, Columbus, Ohio at 9:00 a.m., Wednesday, March 18, 2026

Members present: Ms. Julie Albers; Mr. Jay Hottinger; Mr. James Kunk; Ms. Kathleen Madden; Mr. Scott Richter; Mr. Russell Smith; Mr. Stewart Smith; Mr. Tim Steitz; Mr. Steve Toth and Mr. Chris Mabe.

Member absent: Mr. Ken Thomas.

Also present: Ms. Tonya Brown, Deputy Executive Director; Ms. Karen Carraher, Executive Director; Mr. Allen Foster, Deputy Executive Director; Mr. Paul Greff, Director, Investments; Ms. Lauren Gresh, Deputy Executive Director; Mr. Eric Harrell, General Counsel; Mr. Stephen Kell, Director Information Technology; Mr. Chuck Quinlan, Director Information Technology Strategy; Ms. Jenny Starr, Chief Financial Officer; and Ms. Caroline Stinziano, Director Internal Audit.

Mr. Richter moved, Mr. Stewart Smith seconded, to excuse the absence of Mr. Ken Thomas.

The motion passed without dissent.

The Board Chair proceeded with the agenda.

Mr. Richter moved, Ms. Albers seconded, to approve the minutes of the meeting held February 17-18, 2026, and the disability report (see Appendix to the Minutes for report).

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Hottinger, aye; Mr. Kunk, aye; Ms. Madden, aye; Mr.

Richter, aye; Mr. Russell Smith, aye; Mr. Stewart Smith, aye; Mr. Steitz, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

Mr. Richter moved, Ms. Madden seconded, to go into executive session to discuss pending or imminent litigation.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Hottinger, aye; Mr. Kunk, aye; Ms. Madden, aye; Mr. Richter, aye; Mr. Russell Smith, aye; Mr. Stewart Smith, aye; Mr. Steitz, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

By acclimation the Board came out of executive session.

Ms. Albers moved, Mr. Richter seconded, to approve moving forward with the action from executive session.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Hottinger, aye; Mr. Kunk, aye; Ms. Madden, aye; Mr. Richter, aye; Mr. Russell Smith, aye; Mr. Stewart Smith, aye; Mr. Steitz, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

The Board Chair proceeded with the agenda following the executive session.

Mr. Eric Harrell and Ms. Jenny Starr presented the 2026 Board Election schedule.

Ms. Albers moved, Mr. Stewart Smith seconded, to approve the 2026 election schedule as presented by staff.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Hottinger, aye; Mr. Kunk, aye; Ms. Madden, aye; Mr. Richter, aye; Mr. Russell Smith, aye; Mr. Stewart Smith, aye; Mr. Steitz, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

Mr. Harrell reviewed the proposed changes to the Board Governance Policy Manual as discussed at the February meeting and indicated there were no additional changes to the policy based on the discussion at that meeting.

Ms. Albers moved, Mr. Kunk seconded, to approve the edits to the OPERS Board Governance Policy Manual as reviewed and discussed with staff.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Hottinger, aye; Mr. Kunk, aye; Ms. Madden, aye; Mr. Richter, aye; Mr. Russell Smith, aye; Mr. Stewart Smith, aye; Mr. Steitz, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

Mr. Craig Hallermann, OPERS Actuary, reviewed the 2025 Health Care Rate Stabilization Fund transfer.

A component of the Health Care Preservation Plan (HCPP 3.0) adopted by the Board in September 2012 included the establishment of the Health Care Rate Stabilization Fund, separate from the Health Care Core Fund. These two sub funds are for recordkeeping only.

Mr. Stewart Smith moved, Mr. Kunk seconded, to approve December 31, 2025, health care transfer of \$1,229,786,660 to the Health Care Rate Stabilization Fund from the Health Care Core Fund as reviewed and discussed with staff.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Hottinger, aye; Mr. Kunk, aye; Ms. Madden, aye; Mr. Richter, aye; Mr. Russell Smith, aye; Mr. Stewart Smith, aye; Mr. Steitz, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

Mr. Frank Benham, Ms. Alli Wallace Stone, and Mr. David Sancewich from Meketa provided a presentation on Capital

Market Assumptions and the Investment Performance Update for 2025. This included the fourth quarter and year-end performance.

Mr. Erik Cagnina, Lead Portfolio Manager-Securitized Debt and Mr. SangWoo Park, Portfolio Manager-Securitized Debt, provided an update and overview of the Securitized Debt Asset Class.

The Board recessed for lunch.

After lunch, the Board Chair proceeded with the agenda.

Mr. Stephen Budinsky and Mr. Jason Samansky from RVK, provided an update on the Ohio DC investment performance.

Mr. Mita Drazilov, Mr. James Sparks, and Mr. Jeff Tebeau from Gabriel, Roeder, Smith & Company provided the Experience Study Assumption Change Impacts.

The Executive Director report was included in the meeting materials.

Mr. Toth moved, Mr. Stewart Smith seconded, to go into executive session to discuss security matters.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Hottinger, aye; Mr. Kunk, aye; Ms. Madden, aye; Mr. Richter, aye; Mr. Russell Smith, aye; Mr. Stewart Smith, aye; Mr. Steitz, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

By acclamation, the Board came out of executive session.

Mr. Toth moved, Mr. Stewart Smith seconded, the meeting be adjourned until the next regular meeting to be held Wednesday, May 20, 2026, at 9:00 a.m.

The motion passed without dissent.

The meeting adjourned at 2:55 p.m.

# Board Meeting IV.A



**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
277 EAST TOWN STREET, COLUMBUS, OH 43215-4642  
1-800-222-PERS (7377)  
www.opers.org

**MEMORANDUM**

DATE: May 11, 2026  
TO: OPERS Retirement Board Members  
FROM: Lai Yee Woo, Senior Financial Analyst  
RE: **IV. Action Item:**  
**A. Certification of 2027 Local Contribution Rate**

---

Action requested: \_\_\_\_\_ moved, \_\_\_\_\_ seconded to certify employer and member contribution rates to employers reporting under the local division for the calendar year 2027 representing the period January 1, 2027 through December 31, 2027 in accordance with Table 1 outlined below.

---

Background – The Ohio Revised Code provides that the Board shall certify employer and member contribution rates to all local division employers by July 15, of each year. The actuary recommended the following contribution rates:

**Table 1**  
January 1, 2027 – December 31, 2027

	<u>Employer Rates</u>	<u>Member Rates</u>	<u>Total Rates</u>
Local (Non Law/Non P.S.)	14.00%	10.00%	24.00%
Law Enforcement	18.10%	13.00%	31.10%
Public Safety	18.10%	12.00%	30.10%

Rationale for Action – The rates recommended for certification remain unchanged from last year and are at the maximum level permitted by statute.

The one exception is the member contribution for public safety and law enforcement. The Board has discretion to establish the public safety rate and law enforcement member contribution rates. The contribution rates above reflect the recommended rates in the actuarial report for the year ended December 31, 2024.

The rate certification action requested is a recurring Board action in accordance with Section 145.12 of the Ohio Revised Code.



May 5, 2026

Ms. Karen E. Carraher  
Executive Director  
Ohio Public Employees Retirement System  
277 East Town Street  
Columbus, Ohio 43215

**Re: Local Government Contribution Rates for Calendar Year 2027 by Division**

Dear Ms. Carraher:

In accordance with the results of the last regular annual actuarial valuation as of December 31, 2024 (please see report dated August 28, 2025), the Local Government contribution rates by division (Public Safety, Law Enforcement and General) are as follows:

Contributions for	Contribution Rates as a % of Active Member Payroll		
	Law		General
	Public Safety	Law Enforcement	
Employer			
Pension Normal Cost	6.74%	7.22%	4.30%
Pension UAL / Retiree Health	<u>11.36%</u>	<u>10.88%</u>	<u>9.70%</u>
Total	18.10%	18.10%	14.00%
Member (Pension Contributions)	12.00%	13.00%	10.00%
<b>TOTAL CONTRIBUTION RATE</b>	<b>30.10%</b>	<b>31.10%</b>	<b>24.00%</b>
Prior Year Rate	30.10%	31.10%	24.00%
Rate Change	0.00%	0.00%	0.00%

Ms. Karen E. Carraher

May 5, 2026

Page 2

It is our understanding that OPERS policy is to establish employer and member contribution rates at the General department level (i.e., State division and Local Government division combined). Therefore, results presented in the table are based upon General valuation results.

The undersigned is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Sincerely,

Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads "Mita Drazilov". The signature is written in a cursive, flowing style.

Mita D. Drazilov, ASA, FCA, MAAA

MDD:rl

cc: Craig Hallermann (OPERS)  
Lai Yee Woo (OPERS)  
James Sparks (GRS)  
Jeff Tebeau (GRS)  
Doug Harrington (GRS)



# Board Meeting IV.B



**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
277 EAST TOWN STREET, COLUMBUS, OH 43215-4642  
1-800-222-PERS (7377)  
www.opers.org

**MEMORANDUM**

DATE: May 11, 2026  
TO: OPERS Retirement Board Members  
FROM: Marsha Volpi  
RE: **IV. Action Items:**  
**B. Out-of-State Travel Approval**

---

Action requested: \_\_\_\_\_ moved, \_\_\_\_\_ seconded, to approve out-of-state travel for Mr. Scott Richter to attend the 2026 Investment Stewardship Academy at Yale University, New Haven, CT on June 7-10, 2026.

---

Mr. Scott Richter is requesting out-of-state travel approval to attend the 2026 Investment Stewardship Academy at Yale University, New Haven, CT on June 7-10, 2026.

Below are the estimated costs to attend the conference:

Air fare	\$ 647.00
Pre-conference/conference registration	3,500.00
Hotel (\$176 X 3 days plus taxes)	1,750.00
Meals	<u>103.00</u>
<b>Estimated expenses</b>	<b>\$6,000.00</b>

Each board member may be reimbursed for out-of-state travel expenses for a maximum of \$6,000 and three trips per year to participate in conferences, seminars, or other programs for continuing education.

Mr. Richter has not incurred any expenses to date that would count towards the \$6,000 maximum and three trips per year.

# Board Meeting IV.C



**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
277 EAST TOWN STREET, COLUMBUS, OH 43215-4642  
1-800-222-PERS (7377)  
www.opers.org

**MEMORANDUM**

DATE: May 11, 2026

TO: OPERS Retirement Board Members

FROM: Jenny Starr, Director – Finance  
Steve Merriett, Assistant Director – Investment Accounting,  
Operations and Compliance

RE: **IV. Action Items:**  
**C. Investment Valuation Policy**

Purpose – While staff have always adhered to required accounting standards and established internal practices, a formal policy over investment valuation did not exist. OPERS staff are presenting this new Investment Valuation Policy for Board approval. The purpose of this Policy is to formalize the practice that OPERS’ investments are valued in a consistent, transparent, auditable, and standards-compliant manner that supports reliable financial reporting, informed governance and risk management. The Policy also seeks to document clear accountability among the Board, staff, external managers, custodians, administrators, and service providers for the valuation process.

Background – During the Investment Fiduciary Audit Review conducted by Internal Audit in late 2024, an opportunity for consideration was presented to improve the coverage of our current investment policies. The opportunity was to formalize existing valuation practices and procedures within a policy approved by the Board, addressing how each asset class in our portfolio is valued under the required valuation standards issued by the Governmental Accounting Standard Board (GASB).

Staff researched investment valuation policies of other public pension systems and obtained feedback from interested parties, including Investments and Internal Audit staff, Meketa and the internal GASB 72 Committee. GASB Statement No. 72 addresses requirements regarding fair value measurement and disclosures related to investments. The GASB 72 Committee includes the Executive Director, Director-Finance, CIO and other senior Investment and

Finance staff. The Committee meets annually to review and approve valuation disclosures included in the annual report, among other things. Meketa has provided a letter of support for this policy for the Board's consideration.

Next Steps – If this policy is approved, it will be added to the population of investment policies reviewed, updated and presented for Board approval on an annual basis.

## MEMORANDUM

**TO:** OPERS Board of Retirement  
**FROM:** Meketa Investment Group (Meketa)  
**DATE:** May 20, 2026  
**RE:** Valuation Policy Review

---

Meketa has reviewed the Investment Valuation policy for the Defined Benefit Plan, the Defined Contribution Plan, and the Health Care Fund.

Meketa believes this policy is reasonable and reflects industry best practices, as a result the Board should consider adopting the Investment Valuation Policy.



**Ohio Public Employees Retirement System**

**Investment Valuation Policy  
May 2026**



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### Revision History

Investment Valuation Policy Established

May 20, 2026



## **I. SCOPE**

This Investment Valuation Policy ("Policy") establishes standards and requirements for valuing investments held by OPERS for financial statement and public reporting purposes. The Policy applies to all investments held in trust, including those managed internally and externally, across all OPERS investment pools and fiduciary funds.

## **II. PURPOSE**

The purpose of this Policy is to ensure that OPERS' investments are valued in a consistent, transparent, auditable, and standards-compliant manner that supports reliable financial reporting, informed governance and risk management. The Policy also seeks to establish clear accountability among the Board, staff, external managers, custodians, administrators, and service providers for the valuation process.

## **III. LEGAL AUTHORITY**

### **A. Accounting Standards**

OPERS' valuation practices for financial statement reporting shall be consistent with Governmental Accounting Standards Board (GASB) requirements applicable to investment measurement and disclosure, including GASB Statement No. 72 (Fair Value Measurement and Application) and other related pronouncements.

## **IV. VALUATION PRINCIPLES**

### **A. Fair Value Definition and Measurement**

OPERS generally measures investments at fair value as of the valuation date. Fair value is an exit price measured in the principal market (or most advantageous market when no principal market exists), assuming an orderly transaction between market participants. Transaction costs are not included in fair value measurements.

### **B. Valuation Approaches**

OPERS uses valuation techniques that are appropriate under the circumstances and for which sufficient data are available. Valuation techniques are consistent with one or more of the following approaches: (i) market approach, (ii) income approach, and (iii) cost approach. Techniques are applied consistently unless a change is justified and documented.

### **C. Fair Value Hierarchy (Levels 1-3)**

GASB 72 establishes a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs—other than quoted prices—included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management’s assumption of the default rate among underlying mortgages of a mortgage-backed security.

OPERS classifies fair value measurements within the fair value hierarchy based on the lowest level input that is significant to the measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

### **D. Net Asset Value (NAV) Practical Expedient**

As stipulated in GASB 72, a government is permitted to establish the fair value of an investment in a nongovernmental entity that does not have a readily determinable fair value by using the NAV per share (or its equivalent), such as member units or an ownership interest in partners’ capital to which a proportionate share of net assets is attributed. This method of determining fair value is permitted if the NAV per share (or its equivalent) of the investment is calculated as of the government’s measurement date generally in a manner consistent with the Financial Accounting Standards Board’s measurement principles for investment companies. For private funds, NAV is obtained from quarterly financial statements (balance sheets) received from the general partners of the funds.

Certain investments in commingled funds or limited partnerships may be measured at NAV per share (or its equivalent) as a practical expedient when permitted. Investments measured at NAV practical expedient are disclosed separately from the Levels 1–3 hierarchy in the notes to the financial statements.

### **E. Exceptions and Non-Fair Value Measurements**

Certain investments may be measured at amortized cost or other measurement bases when permitted by applicable GASB guidance (e.g., qualifying money market funds or external investment pools). When exceptions apply, OPERS will document the basis for the measurement and related disclosure requirements.

## **V. ASSET CLASS VALUATION METHODOLOGIES**

### **A. Cash and Short-Term Investments**

Cash is carried at face value. Short-term investments are generally valued using quoted prices or evaluated pricing from independent pricing services, consistent with market conventions.

### **B. Public Equities and Exchange Traded Funds**

Publicly traded equities, ETFs, and exchange-traded derivatives are valued using quoted prices in active markets as of the valuation date.

### **C. Fixed Income (Publicly Traded)**

Fixed income securities are generally valued using evaluated prices provided by independent pricing services that utilize observable inputs such as benchmark yields, reported trades, broker-dealer quotes, and issuer spreads. When observable inputs are limited, additional procedures are applied, including review of reasonableness and classification within the hierarchy.

### **D. Commingled Funds and Limited Partnerships**

Interests in commingled vehicles (including Risk Mitigation Strategies externally managed funds) and limited partnerships (including Private Equity, Private Credit and Private Real Estate other than direct-owned real estate partnerships) are valued at the most recently available NAV or fair value reported by the fund administrator or general partner, adjusted for subsequent capital activity and other known events through the valuation date when necessary.

### **E. Direct-Owned Real Estate Limited Partnerships**

Real estate is valued based on independent appraisals, discounted cash flow analyses, capitalization rates, and/or comparable sales, supplemented by manager reporting. Appraisals are obtained on a defined cycle and updated for material events. When held through funds, values are typically based on NAV reported by the fund. Please refer to the "Private Market Real Estate Separate Account Valuation Process for External Managers" for additional information.

### **F. Derivatives and Collateral**

Derivatives are valued using market quotes or model-based valuations using the most observable inputs available. Collateral pledged or received is valued consistently with its underlying instrument's valuation basis. Valuation and collateral records are exchanged between counterparties on a daily basis.

## **G. Securities Lending**

Securities lending collateral and receivables/payables are valued consistently with the underlying instruments and exchanged among OPERS, the securities lending agent and custodian for comparative analytical purposes. Any indemnification or collateral shortfalls are evaluated and disclosed as required in the Third Party Securities Lending Authorization and Agreement entered among OPERS, our custodians and our third-party lending agent.

## **VI. VALUATION GOVERNANCE, CONTROLS AND PROCEDURES**

### **A. Pricing Sources and Vendor Oversight**

OPERS uses independent pricing sources (e.g., exchanges, pricing services, custodians, administrators, and appraisers) appropriate to each asset class. Vendor selection and ongoing oversight consider competence, methodologies, coverage, transparency, timeliness, and service organization controls (e.g., SOC reports) when available. OPERS measures and analyzes differences between pricing sources used internally and those used by custodians and the master record keeper during the monthly and annual accounting close processes.

For public market assets and derivatives, OPERS' primary source of pricing is Bloomberg. The domestic and global custodians use a pricing hierarchy that varies by sub-asset type within the public markets. For private market assets, OPERS and its custodians use NAV statements provided by General Partners.

### **B. Price Challenges, Overrides and Escalation**

OPERS maintains procedures to identify outlier prices and valuation anomalies, including tolerance checks, variance analysis, and stale-price monitoring. Any price override or manual adjustment requires documented rationale, supervisory approval, and retention of supporting evidence. Material issues are escalated to the CFO. Please refer to the "Price Challenge Procedures" maintained by Investment Operations for additional information.

### **C. Private Market Valuation Controls**

To mitigate the risk associated with relying upon an external manager's valuation, OPERS requires all private market external managers to be audited by an independent auditing firm of national recognition and reputable standing. Investment Accounting, Operations & Compliance (IAO&C) staff receive and review these audit reports annually.

To further mitigate valuation risk for private market assets, OPERS staff analyze secondary sales, appraisals and asset transfers to compare transaction price data related to specific holdings in the portfolio with the valuation assigned to remaining portfolio holdings of the same or similar assets. Any adjustments from an external manager's valuation will be fully documented and reviewed and approved by the CFO.

#### **D. Cut-off, Frequency and Timeliness**

Valuations are performed as of each month-end for internal reporting and as of fiscal year-end for audited financial statements. For investments with lagged quarterly valuations (e.g., private funds), OPERS applies lag procedures including adjusting for known capital movements and subsequent-event assessments to ensure that values used for reporting at fiscal year-end reasonably reflect conditions at the valuation date. OPERS then reviews the values reported at year-end for Private Credit, Private Equity and Real Estate funds against the audited fund valuations or unaudited financial statements as of year-end received subsequent to year-end through the annual report issuance date for material differences to the reported adjusted third quarter valuations. If the reported values in the annual report differ, in total by each asset class, by more than 3% in aggregate, OPERS would consider the need to adjust the values in the annual report.

### **VII. ROLES AND RESPONSIBILITIES**

#### **A. OPERS Retirement Board**

The Board is responsible for reviewing and approving this Policy and any changes to it.

In addition, the Board is responsible for reviewing reports related to this Policy.

#### **B. Investment Staff**

Investment Staff is responsible for understanding valuation methodologies used by internal strategies and external managers, reviewing valuation packages for private investments, and escalating concerns regarding reasonableness, timeliness, or transparency.

#### **C. Investment Accounting, Operations & Compliance (IAO&C)**

IAO&C is responsible for day-to-day valuation operations, including data capture, pricing uploads, reconciliations, hierarchy classification support, and coordination of valuation controls across custodians and service providers.

## **D. External Managers**

External managers are responsible for providing timely and accurate valuation information, including support for methodologies and assumptions, and for notifying OPERS of material valuation events, restatements, side letters affecting valuation, or restrictions on redemptions.

## **E. Custodians and Master Record Keeper**

The custodians and master record keeper are responsible for maintaining books and records, providing independent pricing and reconciliation support, and delivering valuation reports and confirmations in accordance with service level agreements.

# **VIII. MONITORING AND REPORTING**

## **A. Periodic Valuation Reporting**

IAO&C produces routine valuation reports and reconciliations (monthly and annually) including market value reconciliations to the master record keeper and stale price listings. Significant items are communicated to Investment Staff and the CFO.

## **B. Financial Statement Disclosures**

OPERS prepares note disclosures describing fair value measurements, including hierarchy classifications, valuation techniques, and investments measured at NAV practical expedient. Significant changes in valuation techniques are disclosed with an explanation of the reasons for the change.

## **C. GASB 72 Committee and Procedures**

The OPERS GASB 72 Committee includes the Executive Director, the CFO, the CIO and other senior Investment and Finance staff. The purpose of the committee is to provide a forum to review and determine the classification of every asset or liability based upon the detailed level definitions provided in GASB Statement No. 72 and summarized in this policy document. The committee also reviews and approves valuation disclosure practices for certain assets like bank loans and U.S. Government debt. The committee meets annually to review and approve the GASB 72 disclosure table and accompanying information prior to issuance of the annual report.

The GASB 72 Procedures and Committee Charter documents are maintained by the IAO&C.

# Board Meeting V.A

# Defined Contribution (DC) Plan Investment Update

**Lincoln D. Carnam**

*Assistant Portfolio Manager, External Public Markets*

**May 20, 2026**

189/472



# AGENDA

Plan Update

Current State of the Defined Contribution Plan

Member Usage of the Defined Contribution Plan

Performance & Investment Fees

# PLAN UPDATE

# INITIATIVES



Actively working to lower fees in one of the actively managed funds



Have had initial discussions about a new lower fee share class for TDFs which would impact half of members in DC Plan

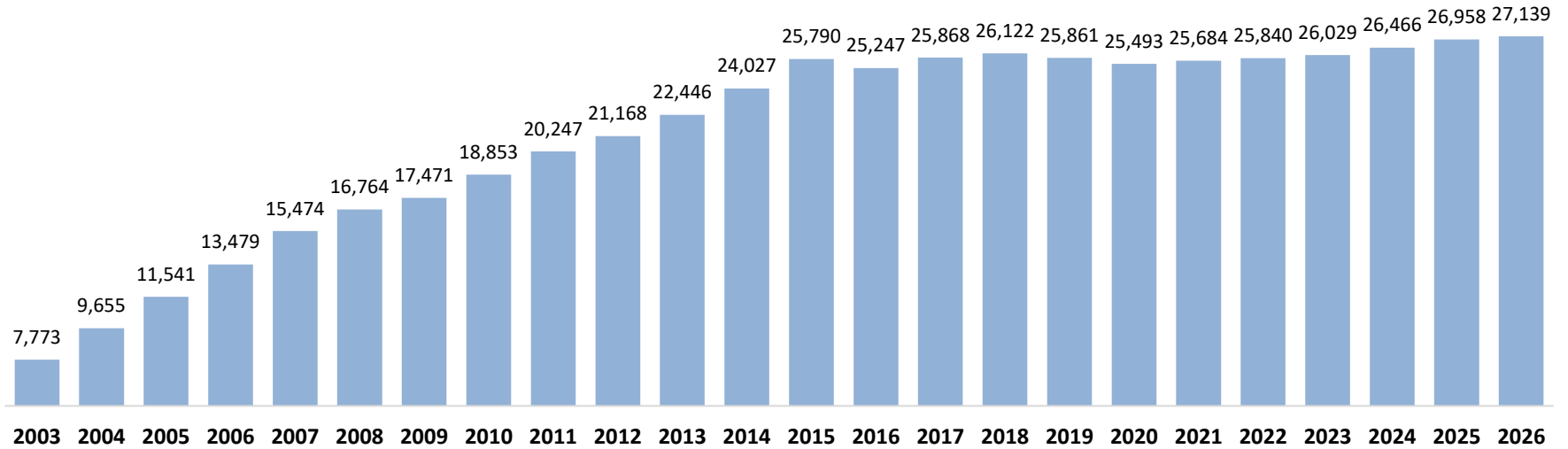


Review of brokerage window marketplace

# **CURRENT STATE OF THE DEFINED CONTRIBUTION PLAN**

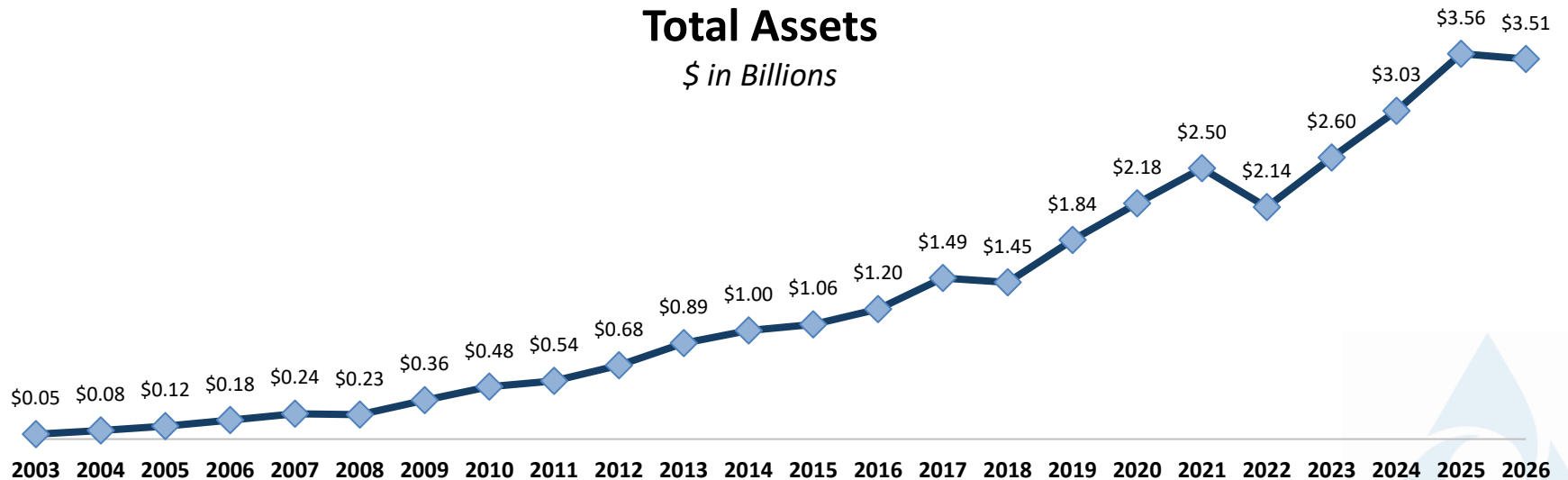
# DC PLAN MEMBERSHIP

## Members



## Total Assets

*\$ in Billions*



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# CURRENT INVESTMENT OPTIONS

## Target Date Funds

- LifePath Retirement
- LifePath 2030
- LifePath 2035
- LifePath 2040
- LifePath 2045
- LifePath 2050
- LifePath 2055
- LifePath 2060
- LifePath 2065
- LifePath 2070

**52% of assets**

## Passive Investment Options

- Russell 1000 Index Fund
- Russell 2000 Index Fund
- Russell 3000 Index Fund
- MSCI ACWI ex-US
- Core Bond Index Fund

**40% of assets**

## Active Investment Options

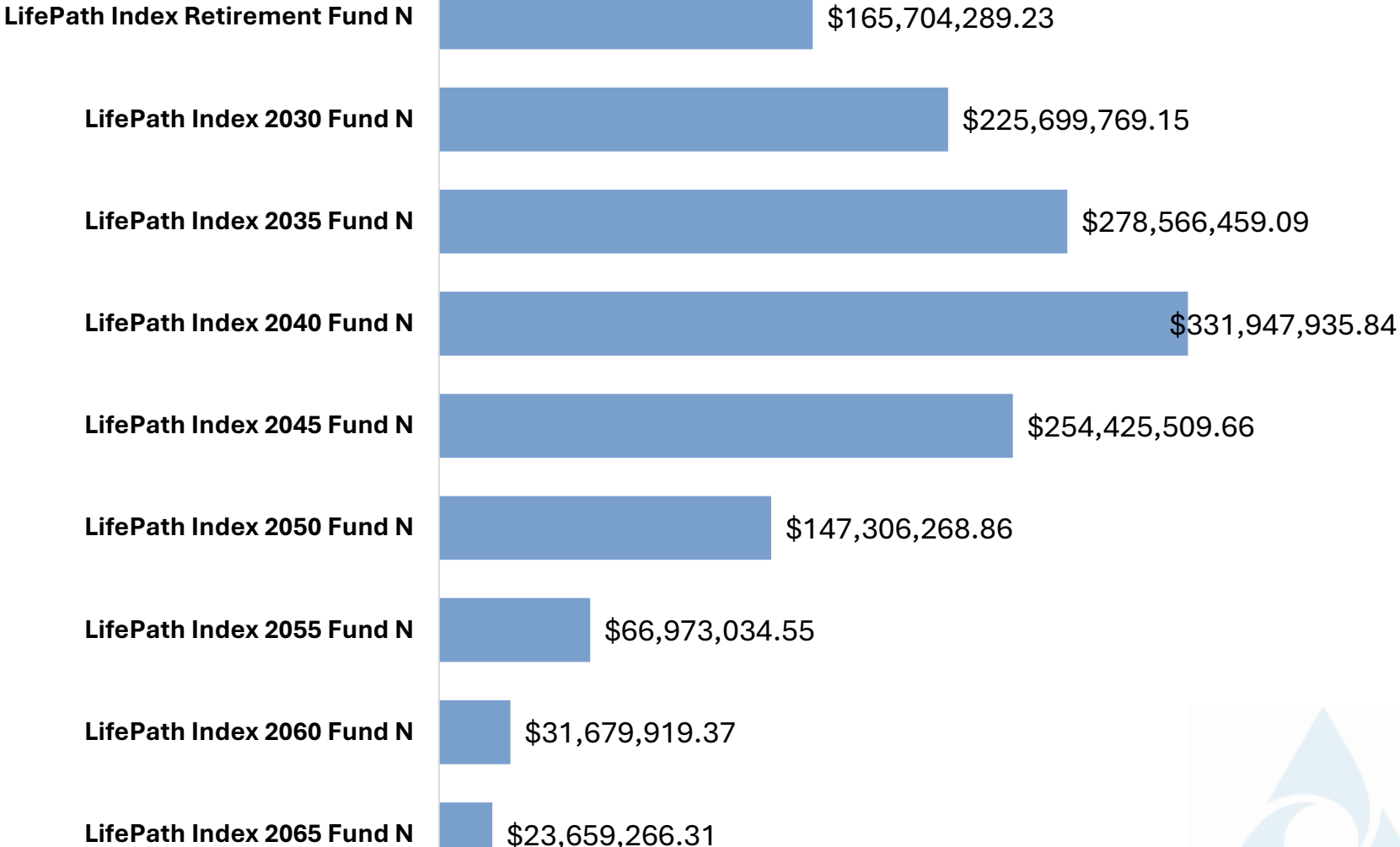
- Fisher US Total Return
- T. Rowe Small-Mid Cap
- Lazard ACW ex-U.S.
- JP Morgan Core Bond
- Invesco Stable Value

**6% of assets**

- Schwab Brokerage\*

**2% of assets**

# TARGET DATE FUNDS



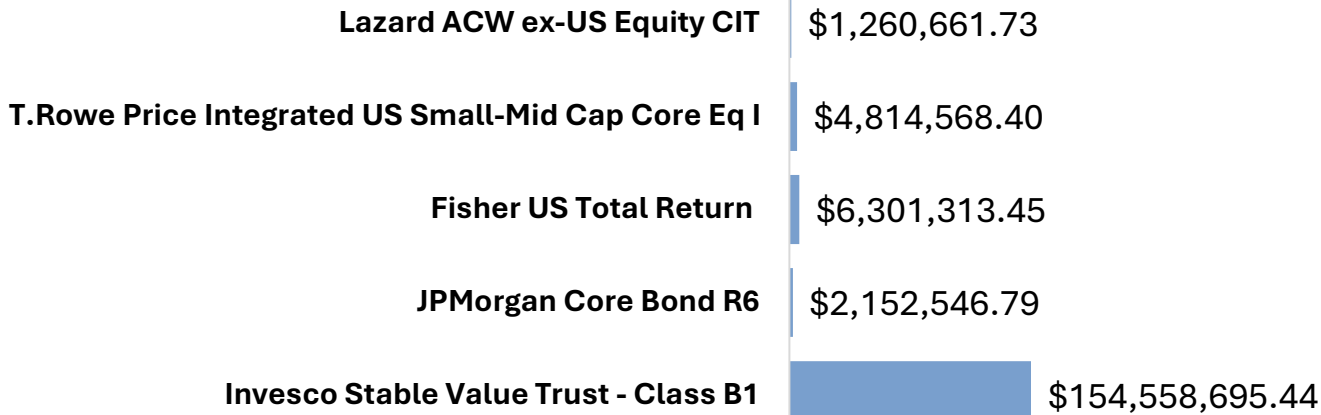
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\*Data as of 3/31/2026

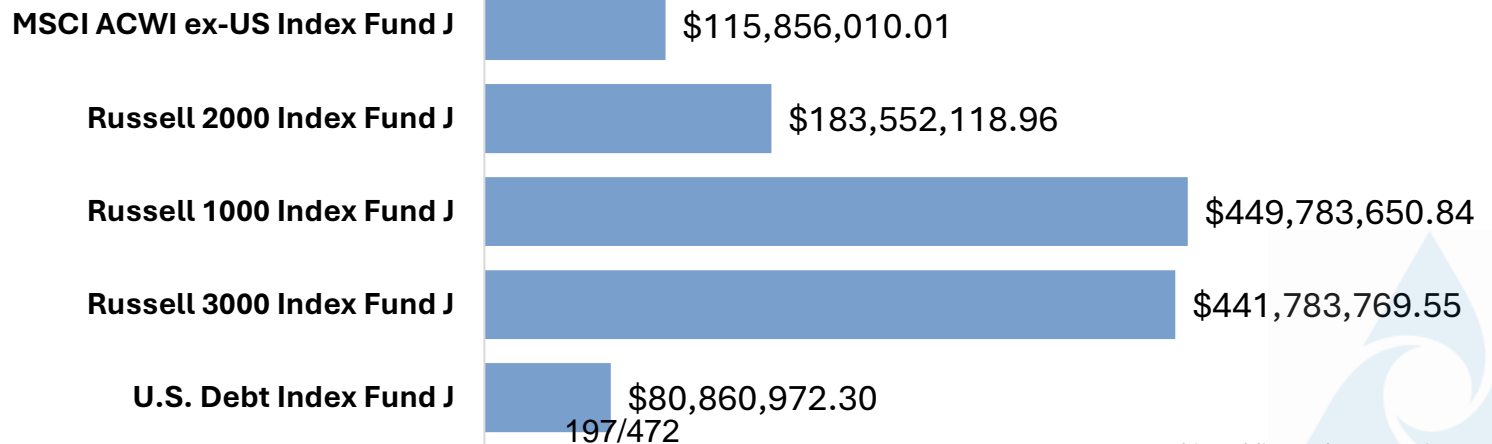


# ACTIVE & PASSIVE INVESTMENT OPTIONS

## ACTIVELY MANAGED OPTIONS

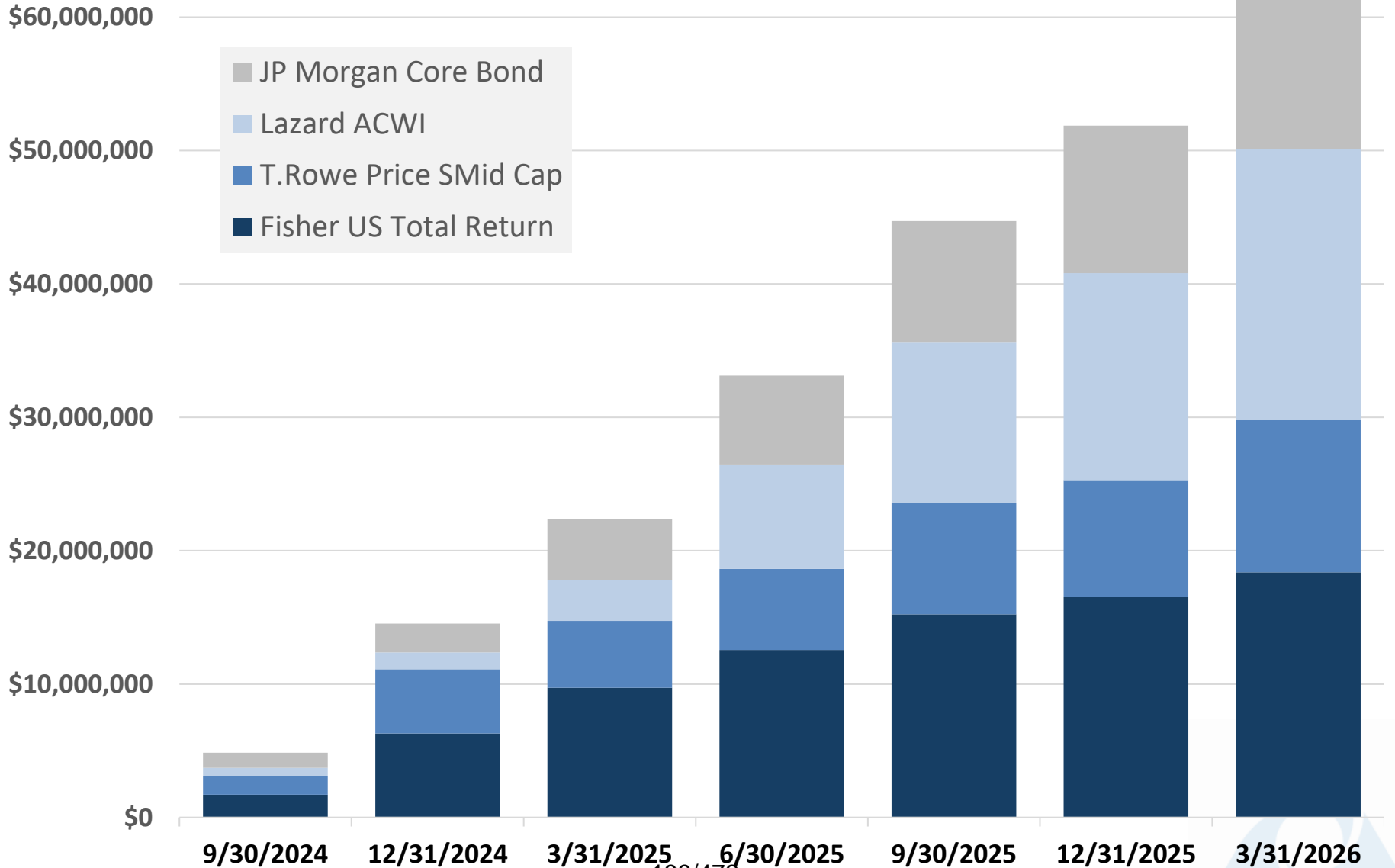


## PASSIVELY MANAGED OPTIONS



# MEMBER USAGE OF THE DEFINED CONTRIBUTION PLAN

# ACTIVELY MANAGED ASSETS

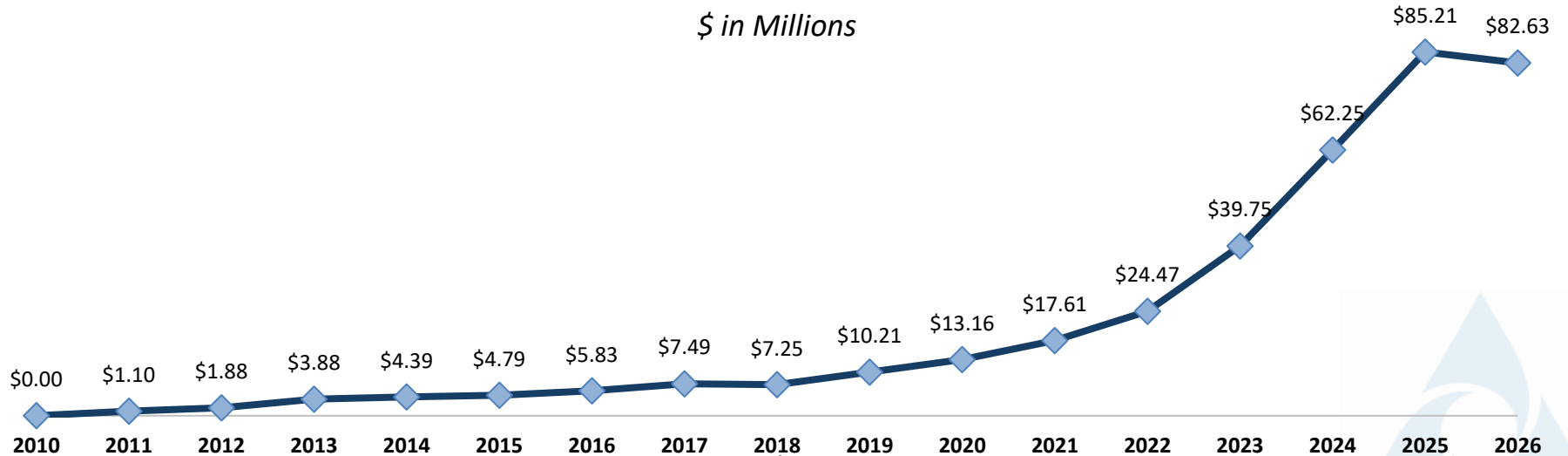


# SELF-DIRECTED BROKERAGE USAGE

## Members

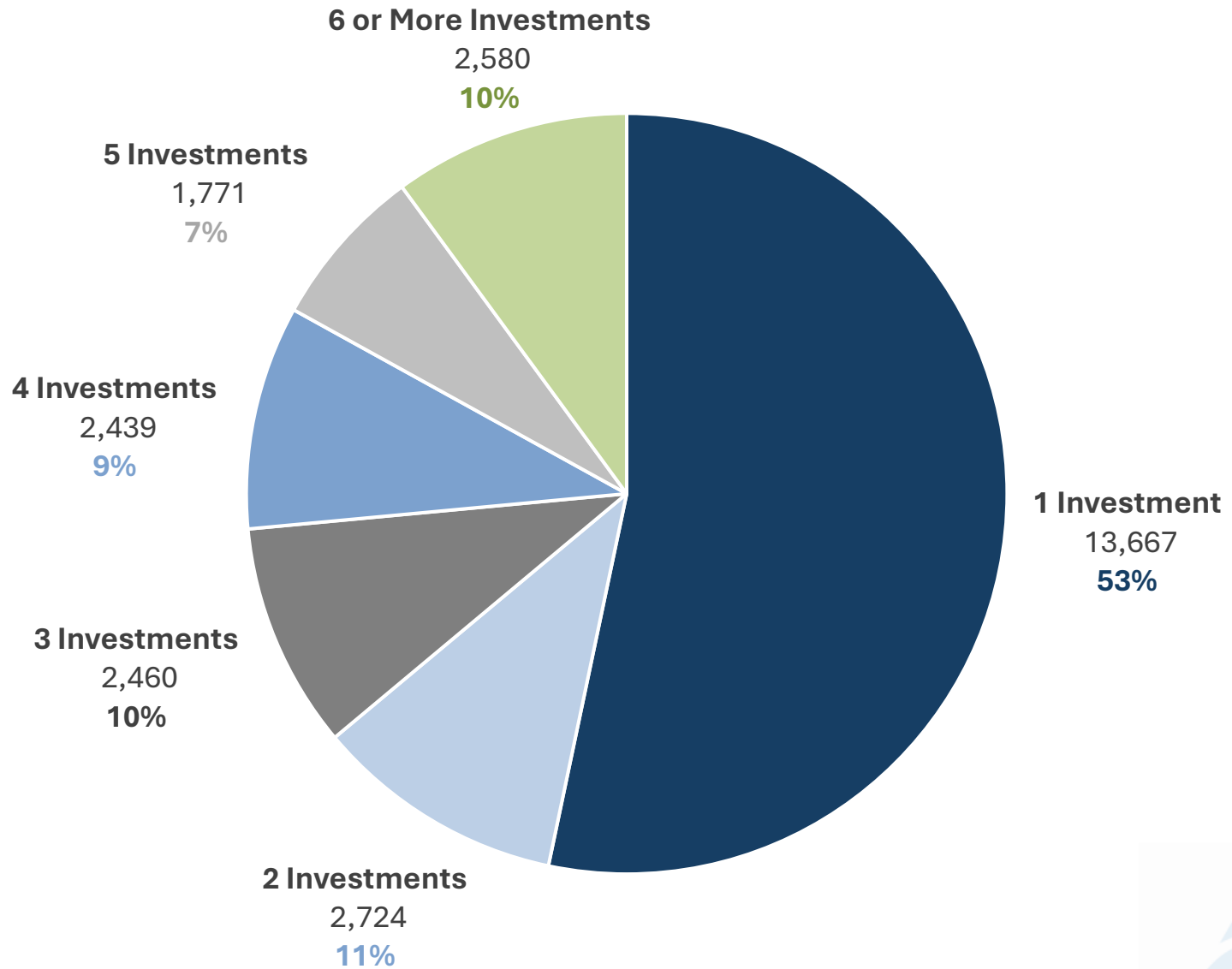


## Total Assets *\$ in Millions*



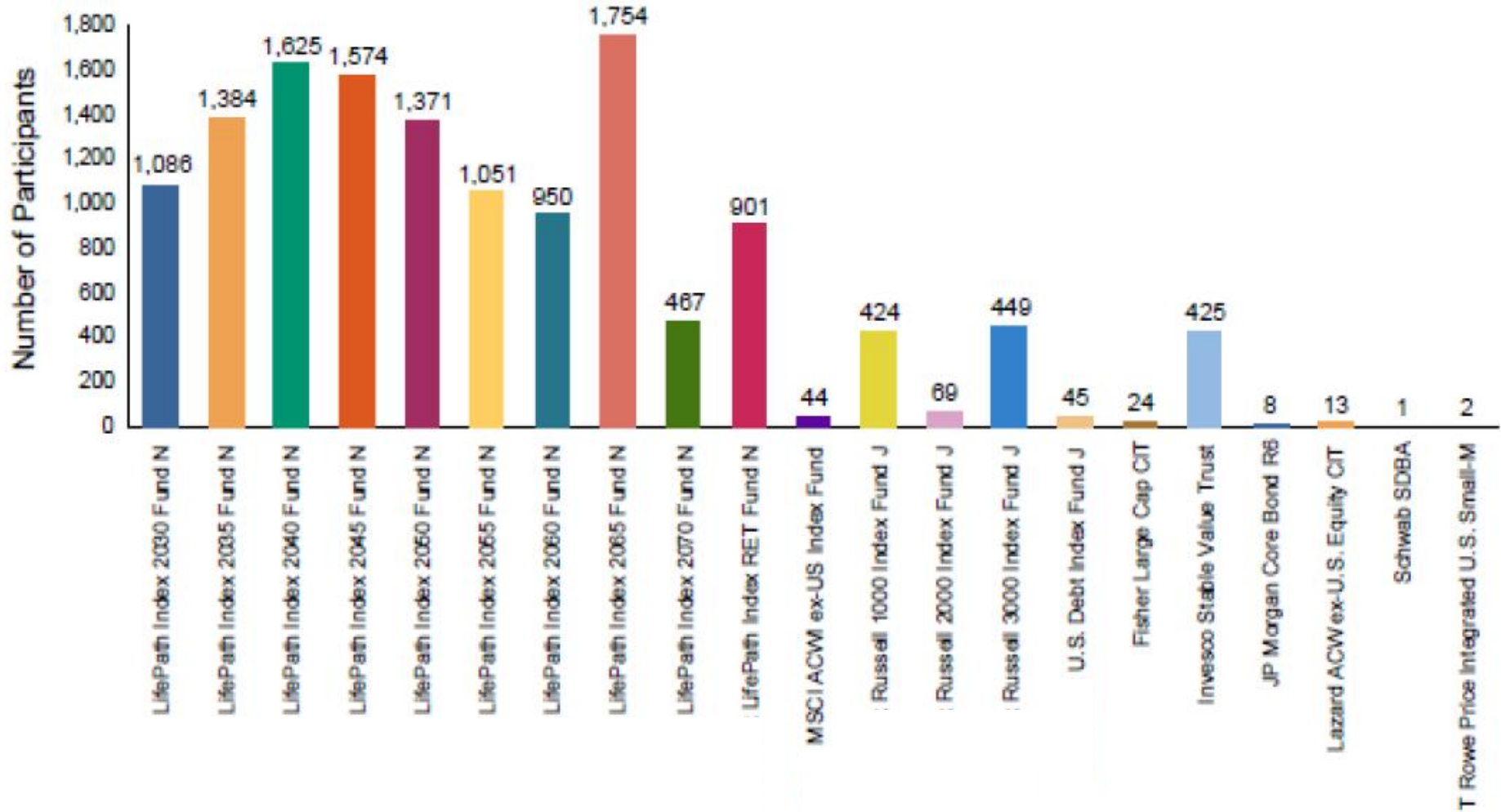
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# PARTICIPANT INVESTMENT USAGE

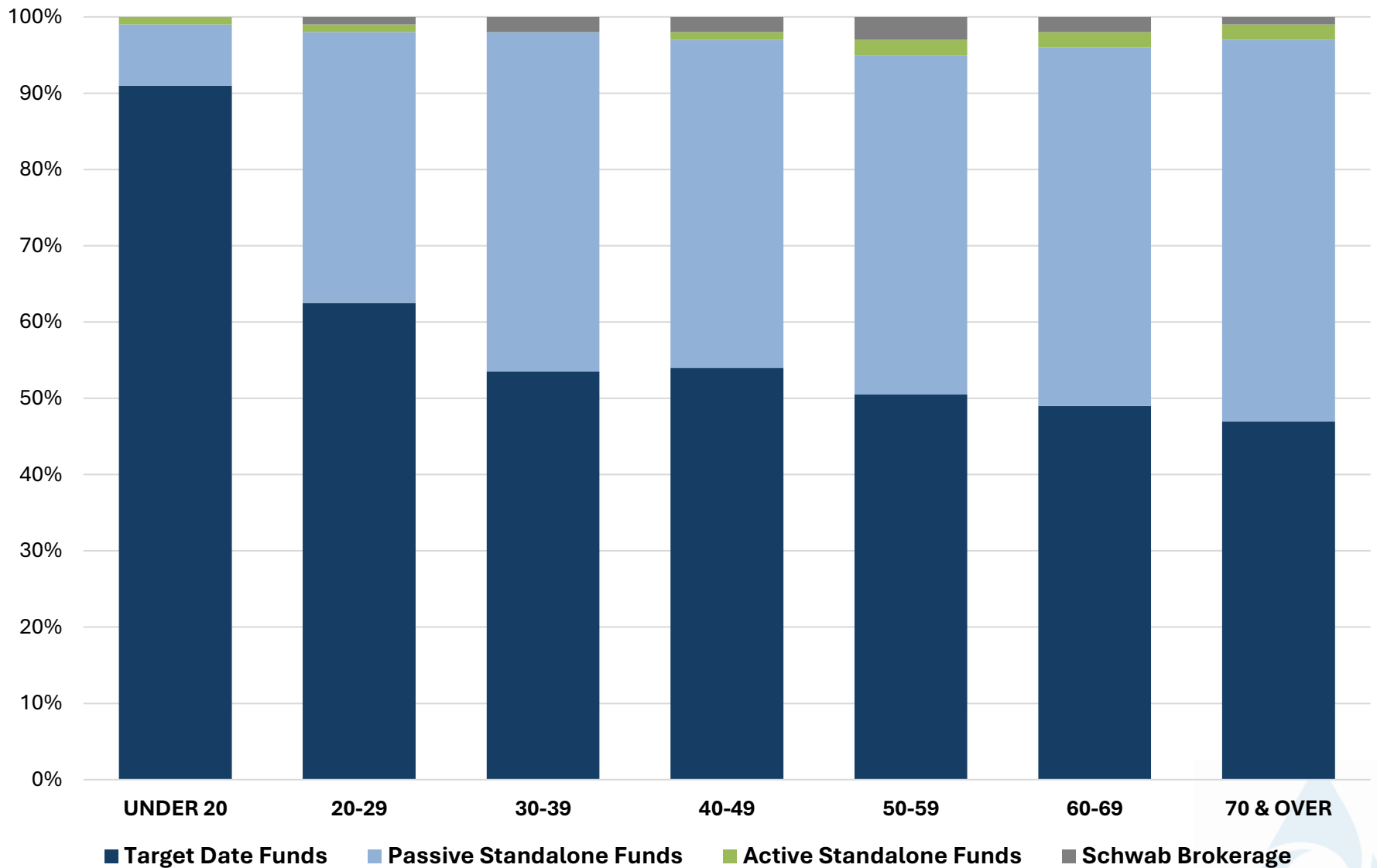


201/472

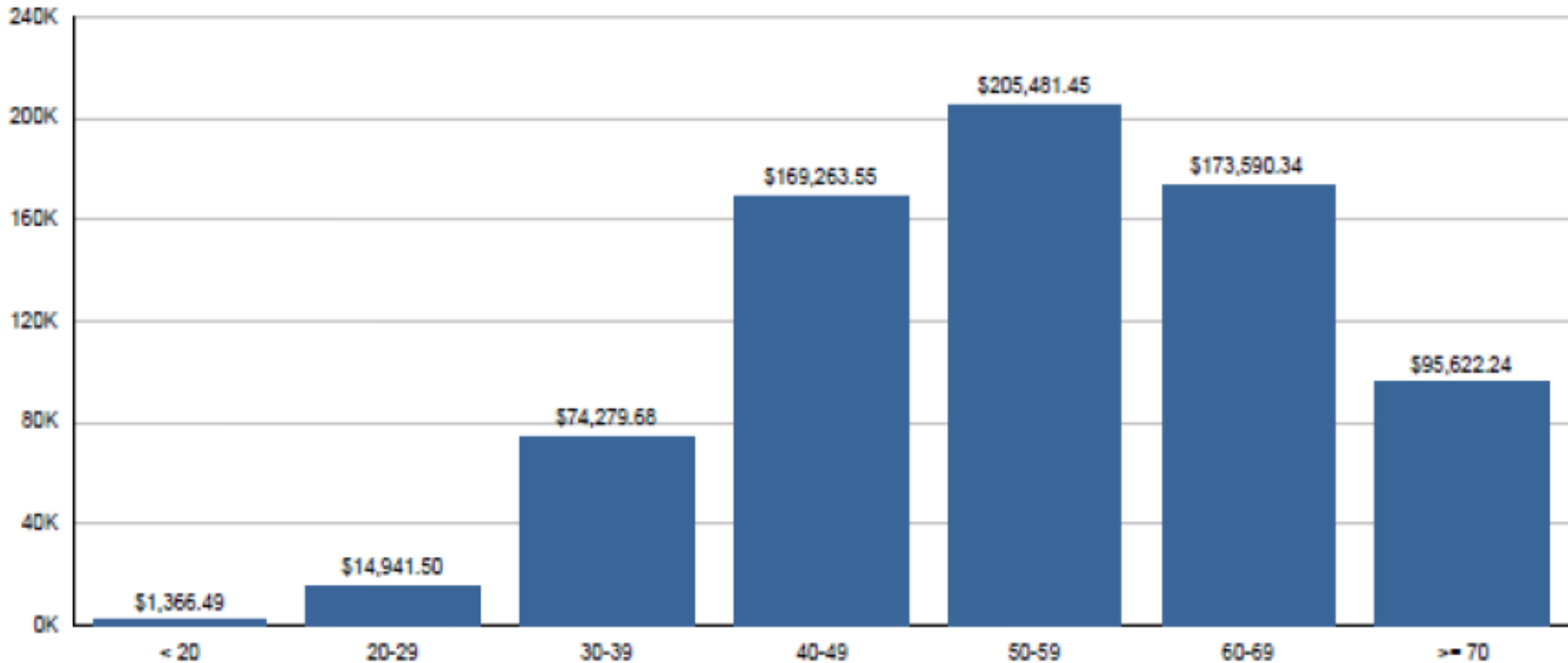
# MEMBERS WITH A SINGLE INVESTMENT



# INVESTMENT SELECTION BY MEMBER AGE



# AVERAGE BALANCE BY AGE



# PERFORMANCE AND INVESTMENT FEES

# DC PLAN INVESTMENT PERFORMANCE

## Passive Standalone Funds

		1Q26	1 Year	3 Year
Russell 1000 *	Fund	-4.18	17.73	18.15
	Russell 1000 Index	-4.18	17.74	18.15
	Difference	0.00	-0.01	0.00
Russell 2000 *	Fund	0.92	25.78	13.11
	Russell 2000 Index	0.89	25.72	13.05
	Difference	0.03	0.06	0.06
Russell 3000 *	Fund	-3.96	18.08	17.88
	Russell 3000 Index	-3.96	18.09	17.86
	Difference	0.00	-0.01	0.02
MSCI ACWI ex USA *	Fund	1.41	26.95	15.33
	MSCI ACWI ex USA Index	-0.71	24.91	14.49
	Difference	2.12	2.04	0.84
US Debt	Fund	0.05	4.38	3.67
	BBG US Aggregate Bond Index	-0.05	4.35	3.63
	Difference	0.10	0.03	0.04
Stable Value	Fund	0.75	3.04	2.93
	ICE BofA US 3M Trsy Bill Index	0.86	4.03	4.77
	Difference	-0.11	-0.99	-1.84

## Target Date Funds

		1Q26	1 Year	3 Year
Retirement	Fund	0.09	10.83	8.66
	Custom Benchmark	-0.23	10.61	8.58
	Difference	0.32	0.22	0.08
2030	Fund	-0.36	12.70	10.47
	Custom Benchmark	-0.73	12.40	10.36
	Difference	0.37	0.30	0.11
2035	Fund	-0.82	14.57	11.96
	Custom Benchmark	-1.29	14.16	11.80
	Difference	0.47	0.41	0.16
2040	Fund	-0.97	16.49	13.49
	Custom Benchmark	-1.53	15.98	13.27
	Difference	0.56	0.51	0.22
2045	Fund	-1.25	18.35	14.90
	Custom Benchmark	-1.87	17.79	14.66
	Difference	0.62	0.56	0.24
2050	Fund	-1.56	20.17	16.02
	Custom Benchmark	-2.24	19.51	15.76
	Difference	0.68	0.66	0.26
2055	Fund	-1.69	21.08	16.54
	Custom Benchmark	-2.42	20.40	16.26
	Difference	0.73	0.68	0.28
2060	Fund	-1.73	21.21	16.57
	Custom Benchmark	-2.45	20.55	16.32
	Difference	0.72	0.66	0.25
2065	Fund	-1.72	21.20	16.59
	Custom Benchmark	-2.46	20.55	16.32
	Difference	0.74	0.65	0.27
2070	* Fund	-1.72	21.20	N/A
	Custom Benchmark	-2.46	20.55	N/A
	Difference	0.74	0.65	N/A

Performance is as of 3/31/2026 and presented net of fees  
 2070 TDF launched fewer than 3 years ago so there is no data for that time period

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# DC PLAN INVESTMENT PERFORMANCE

## Active Standalone Funds

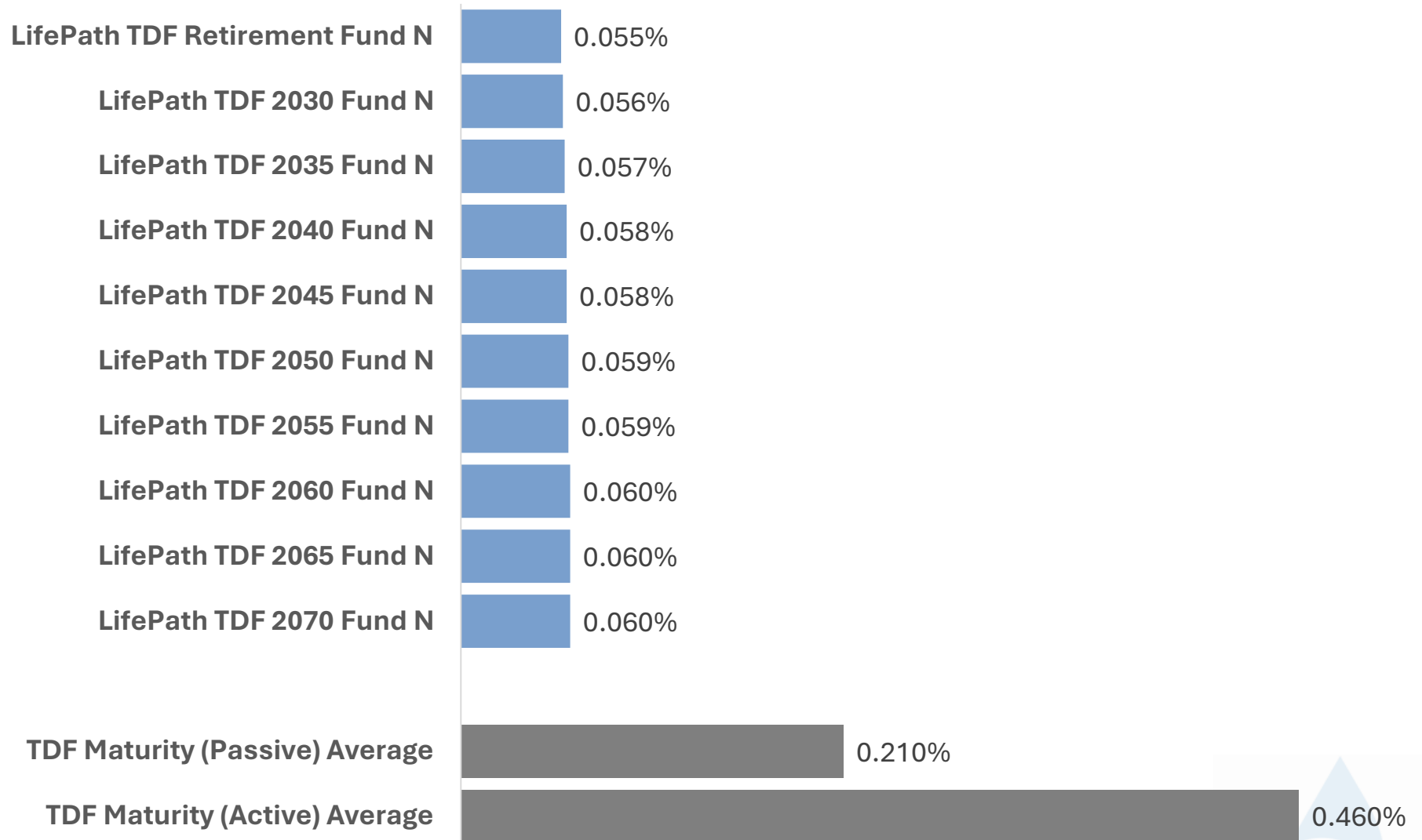
		1Q26	1 Year	3 Year
JPM	JPMorgan Core Bond R6	0.15	4.57	4.04
	Bloomberg US Aggregate Index	-0.05	4.35	3.63
	Difference	0.20	0.22	0.41
Fisher	Fisher US Total Return	-4.06	18.52	N/A
	Russell 1000 Index	-4.18	17.74	N/A
	Difference	0.12	0.78	N/A
T.Rowe Price	T.Rowe Price Integrated US Small-Mid Cap Core Eq I	1.34	21.00	16.14
	Russell 2500 Index	2.04	23.45	13.25
	Difference	-0.70	-2.45	2.89
Lazard	Lazard ACW EX-US Equity CIT	0.13	31.13	N/A
	MSCI ACW ex-US Index	-0.71	24.92	N/A
	Difference	0.84	6.21	N/A

Performance is as of 3/31/2026, is presented net of fees, and for informational purposes only as it may include time periods before the investment options were added to OPERS platform

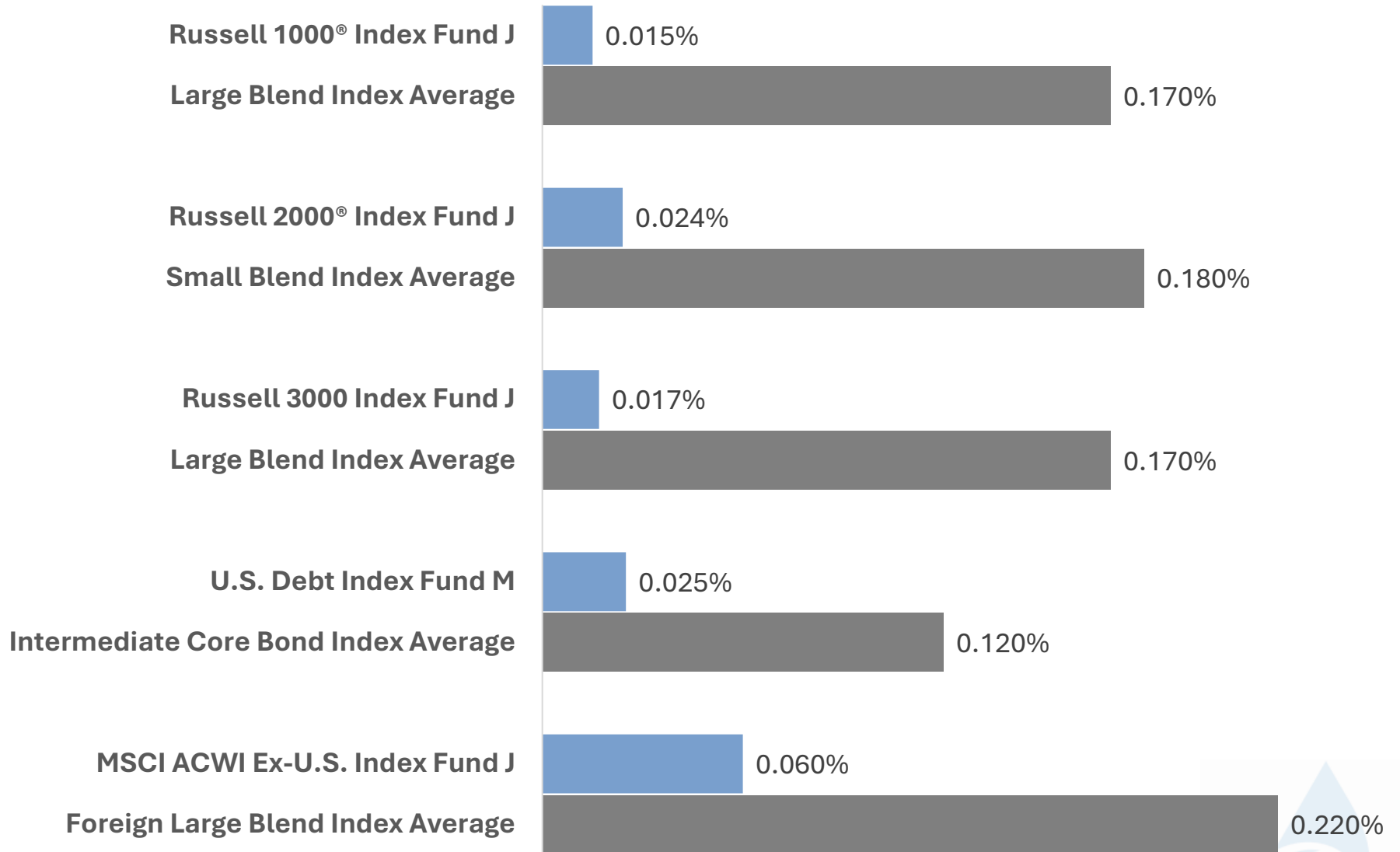
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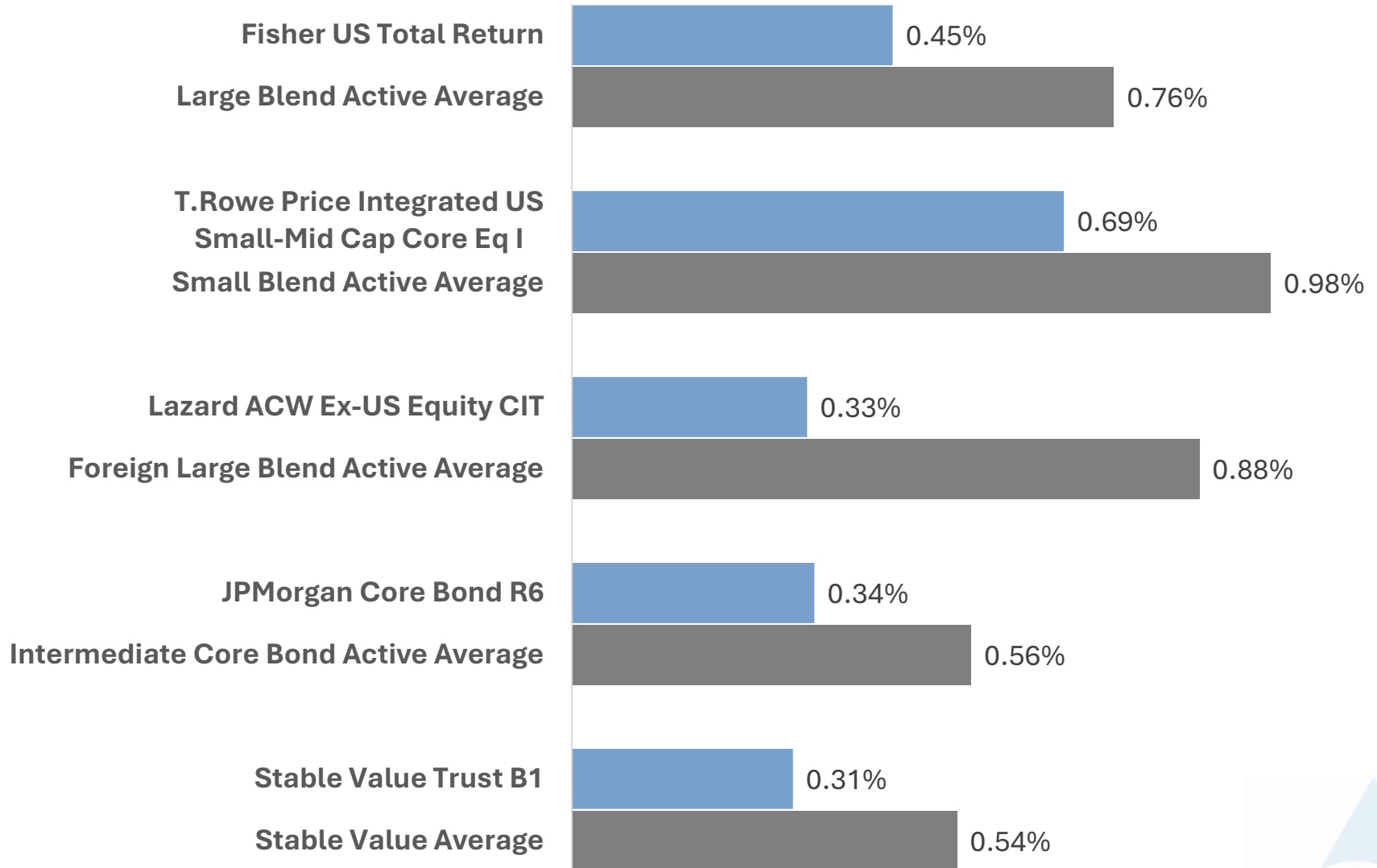
# TARGET DATE FUND FEES



# PASSIVE INVESTMENT OPTIONS FEES

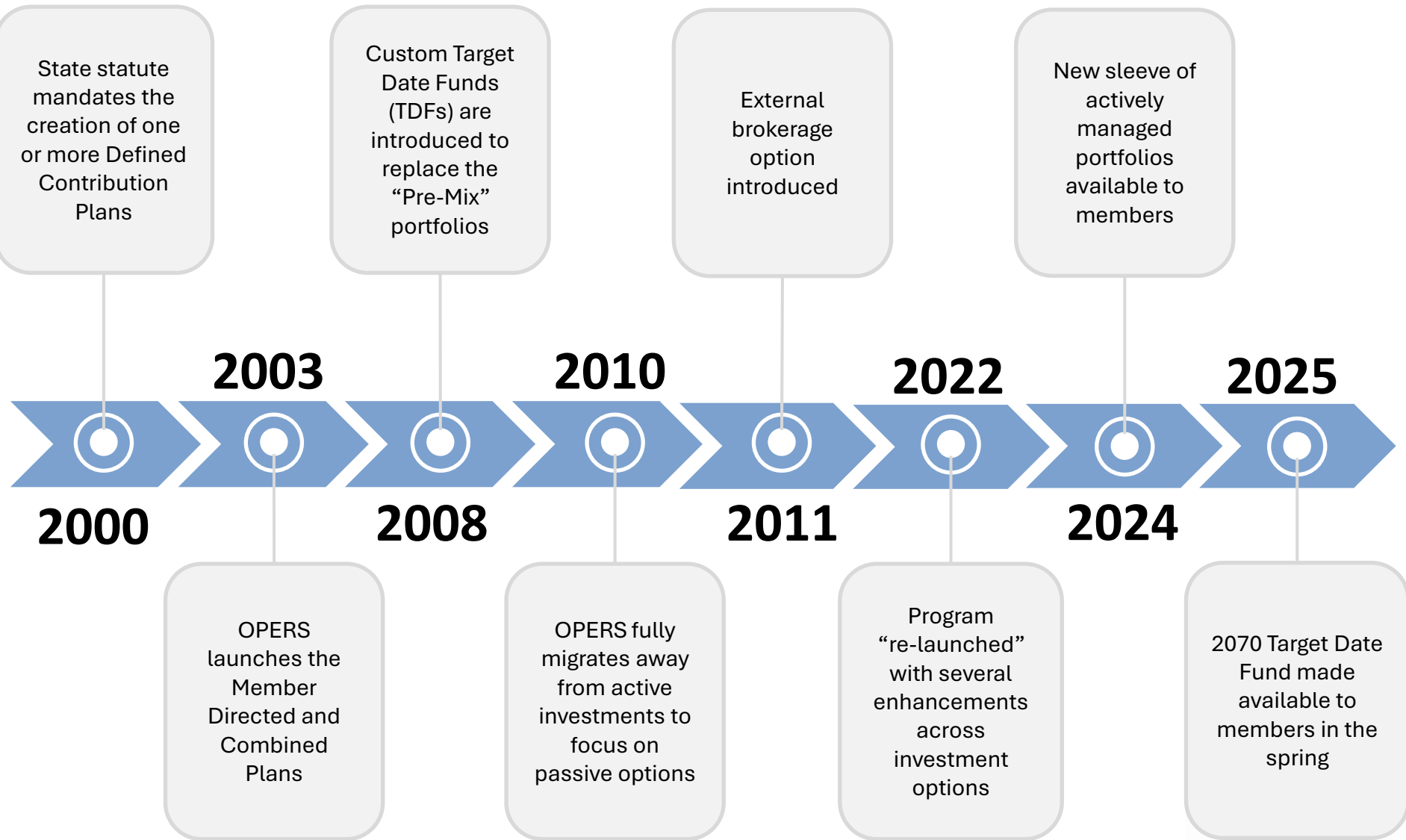


# ACTIVE INVESTMENT OPTIONS FEES



# APPENDIX

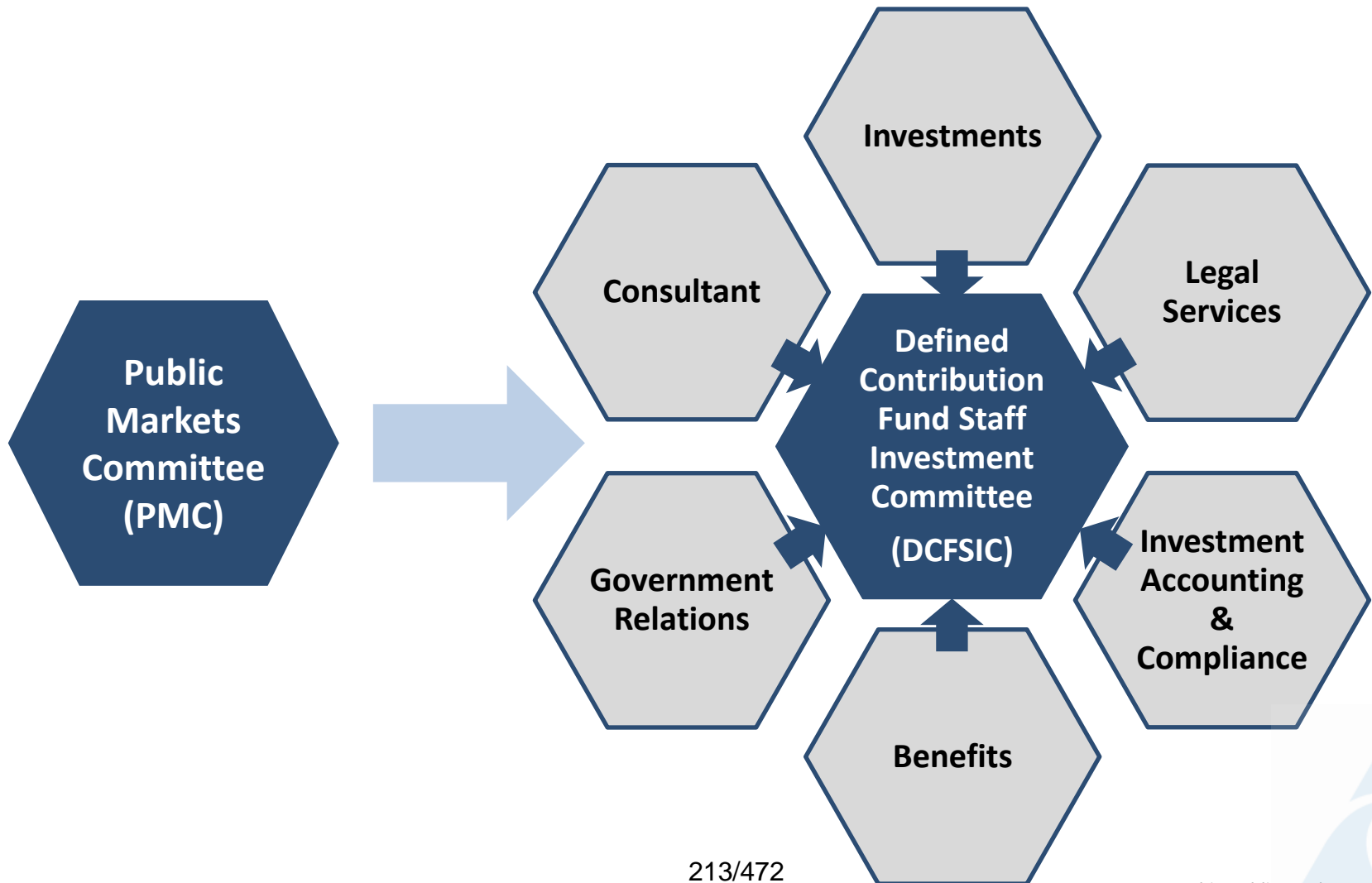
# HISTORY OF THE DEFINED CONTRIBUTION PLAN



# DC PLAN OVERSIGHT - INVESTMENTS

**Board of Trustees**

**Chief Investment Officer**



# Board Meeting VI.A



**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
277 EAST TOWN STREET, COLUMBUS, OH 43215-4642  
1-800-222-PERS (7377)  
www.opers.org

**MEMORANDUM**

DATE: May 11, 2026

TO: OPERS Retirement Board Members

FROM: Craig Hallermann, Senior Actuary

RE: **VI. Discussion Items:**  
**A. December 31, 2025 Pension Actuarial Valuation Results**

Purpose – The purpose of this discussion is to present the December 31, 2025 Pension Actuarial Valuation results to the Board.

Background – Section 145.22 of the Ohio Revised Code requires that the Board annually have the actuary prepare an actuarial valuation of the pension assets, liabilities, and funding requirements of the System. The Board is required to submit the complete actuarial report on an annual basis to the Ohio Retirement Study Council and the standing committees of the House of Representatives and the Senate with the primary responsibility for retirement legislation by September 1<sup>st</sup> of each year.

Representatives from Gabriel, Roeder, Smith and Company (GRS) will present to the Board the preliminary results of the pension actuarial valuation for the year ending December 31, 2025. This presentation is designed to provide the Board with a current update prior to the finalization of the December 31, 2025 actuarial valuation.

Issues – The December 31, 2025 actuarial valuation results indicate an amortization period of 17 years, which falls within the 30 year statutory requirement, and a funded ratio of 82%. The amortization period (17 years) increased two years from last year's 15 years while the funded ratio (82%) declined from 83% last year. The market value investment gain in 2025 (14.5%), along with the last two years' market value gains (8.8% in 2024 and 11.1% in 2023) offset much of the investment loss from 2022 (-12.3%) resulting in a recognized 2025 investment return of 5.0% on a funding (smoothed) value of

assets basis. Asset smoothing delays the recognition of 75% of the 2025 investment gain and recognizes 25% portions of each of the previous three years' investment gains/losses.

Since investment gains/losses are recognized over a four year period for funding purposes, approximately \$5.7 billion of the \$7.6 billion 2025 investment gain will be recognized in future years as part of a combined \$7.2 billion in net deferred investment gain (up from \$2.4 billion loss in 2024). Consequently, absent a significant 2026 investment loss, the funded ratio will increase and the amortization period will decrease in 2026. The remaining 2022 investment loss was recognized in 2025 leaving only unrecognized investment gains from years 2023 through 2025.

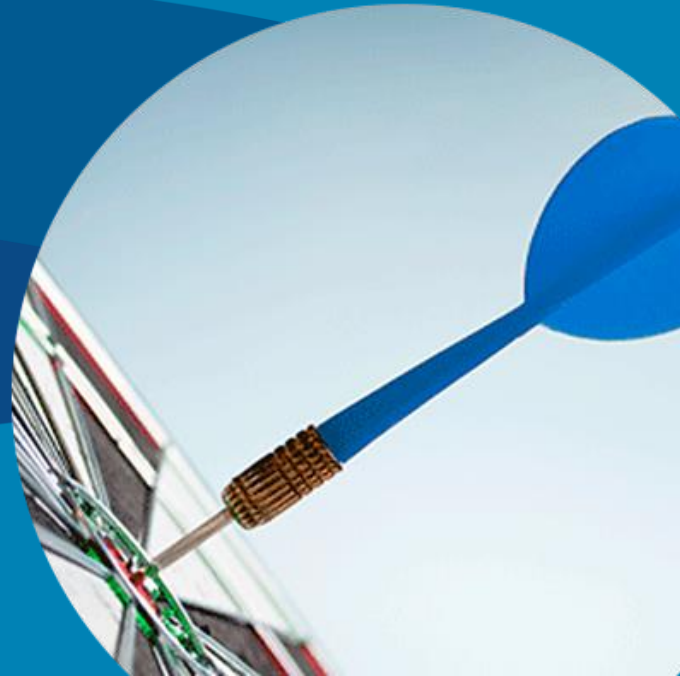
Next Steps – Following the May Board presentation, the December 31, 2025 Pension Actuarial Valuation results will be finalized. As required, the complete actuarial report will be submitted to the Ohio Retirement Study Council and the standing committees of the House of Representatives and the Senate with the primary responsibility for retirement legislation by September 1, 2026.



# Ohio Public Employees Retirement System

Annual Actuarial Valuations as of  
December 31, 2025  
Defined Benefit Allowances – Traditional, Combined, and  
Member-Directed Plans

May 2026 Board Meeting



# Purpose of the Actuarial Valuation

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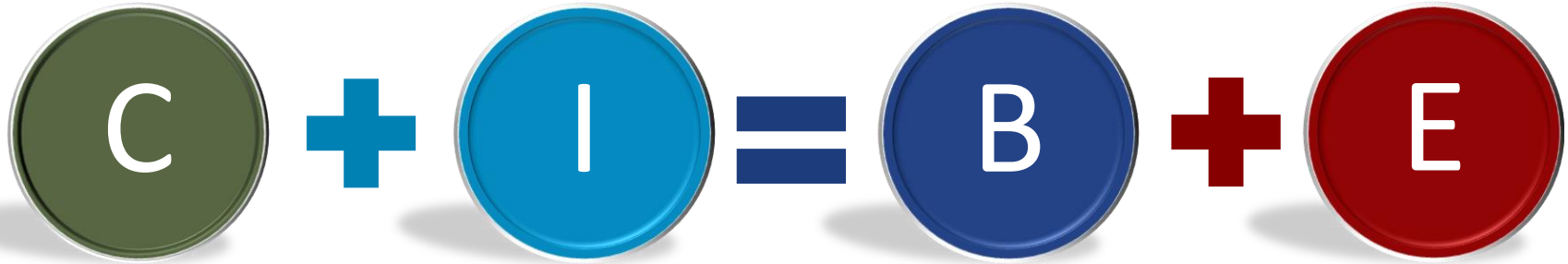
- Measure the financial position of Defined Benefit (DB) Allowances of OPERS
- Assist the Board in establishing employer and member contribution rates subject to statutory limits
  - Employer contributions rates for State are established for a two-year period based upon the results of odd-year valuations
    - The December 31, 2025 valuation is used to establish the contribution rates for the two-year period beginning July 1, 2027
  - Employer contribution rates for local governments are established annually
    - The December 31, 2025 valuation establishes employer contribution rates for calendar year 2028 for Local, Law Enforcement and Public Safety
- Assist the Board in establishing the employer contribution rate allocation between pension and retiree health
- Determine the number of years required to amortize the unfunded actuarial accrued liabilities, given the established contribution rates
- Provide disclosure information for the System's financial reporting
- Analyze experience over the last year

# Presentation of Traditional Plan Results

---

- Effective January 1, 2024, the Combined Plan of OPERS was incorporated into the Traditional Plan of OPERS
  - Members with both Traditional Plan and Combined Plan Service may choose to aggregate their service credit to fulfill unreduced retirement eligibility requirements
- For slides in this presentation that refer to the Traditional Plan and Combined Plan separately, readers should assume the Traditional Plan results shown are excluding the Combined Plan

# Basic Retirement Funding Equation



## Contributions

- Funding Policy & Statute



## Investment Income

- Investment Strategy



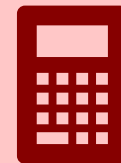
## Benefits

- Plan Design



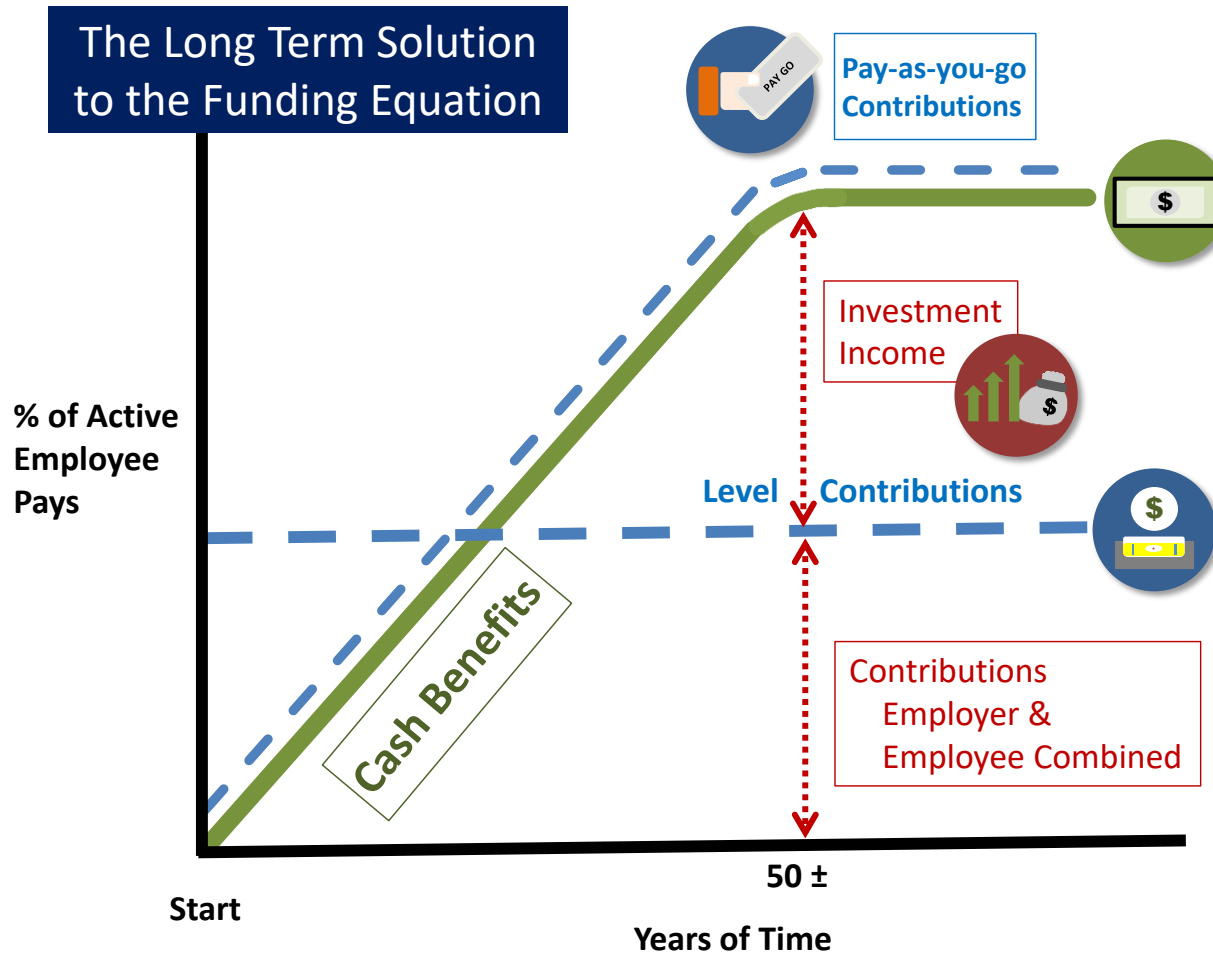
## Expenses

- Administrative Policy



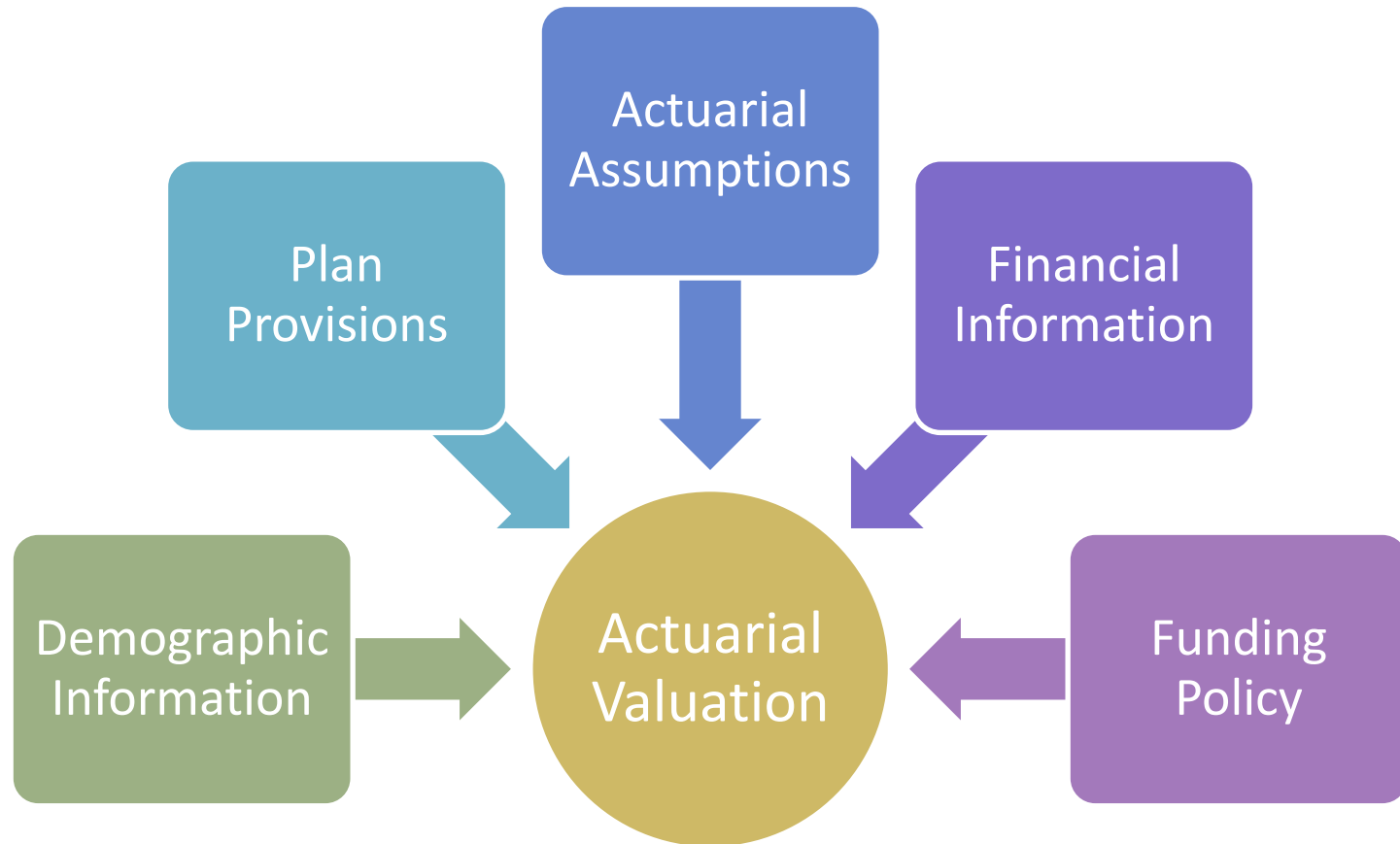
“Money In = Money Out”

# Funding Philosophies



# Items Required for Valuations

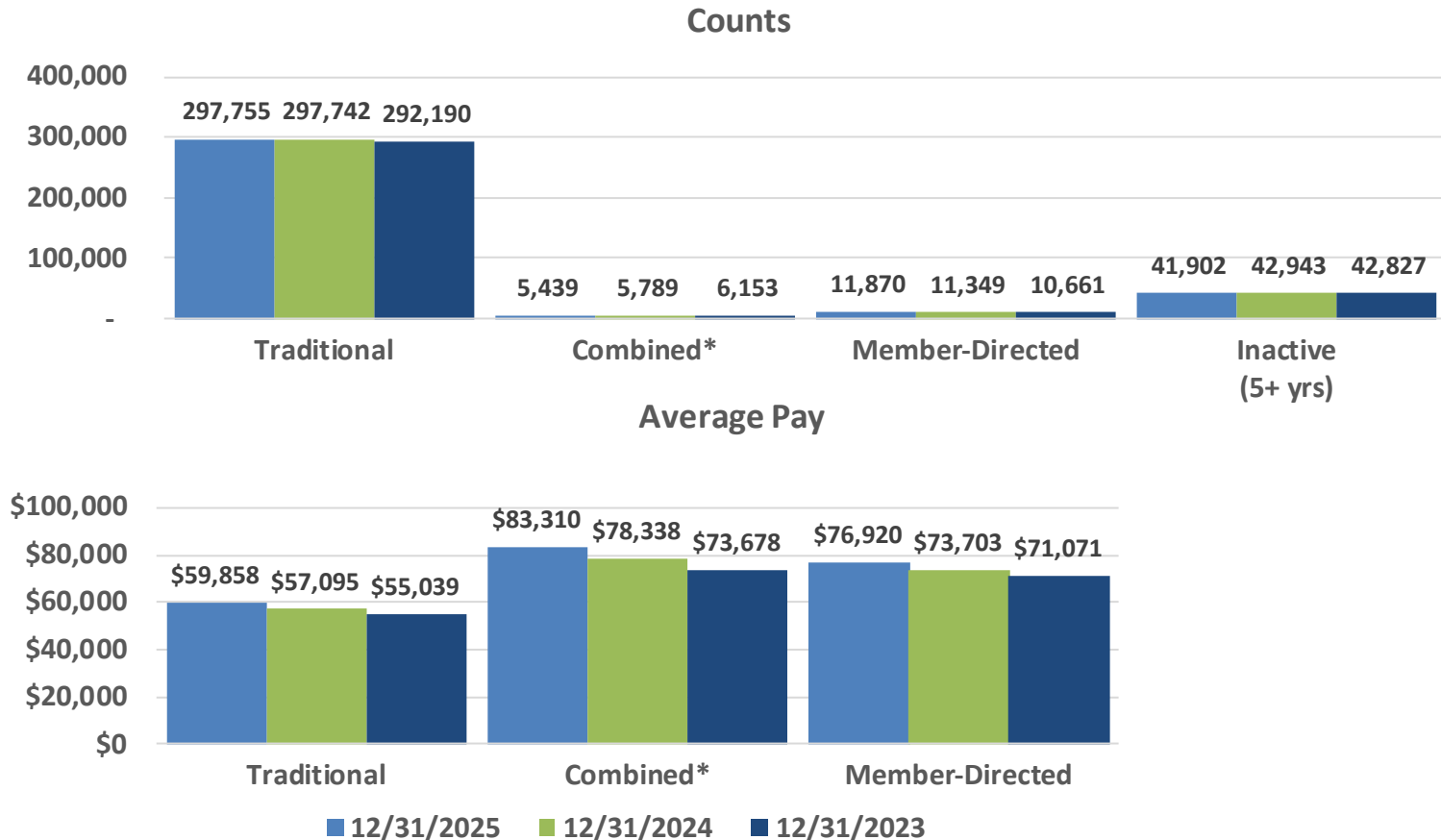
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# Demographic Information (\$ in Millions)

Demographic Information	December 31,							
	2025						2024	
	General			Law			Grand Total	Grand Total
	State	Local	Total General	Public Safety	Law Enforcement	Total Law		
<b>1. Number Counts</b>								
<b>a. Active Members</b>								
i. Traditional Plan (TP)	110,389	179,125	289,514	36	8,205	8,241	<b>297,755</b>	<b>297,742</b>
ii. Combined Plan (CP)	2,054	3,385	5,439	0	0	0	<b>5,439</b>	<b>5,789</b>
iii. Member-Directed Plan (MD)	4,477	7,393	11,870	0	0	0	<b>11,870</b>	<b>11,349</b>
iv. Total	<u>116,920</u>	<u>189,903</u>	<u>306,823</u>	<u>36</u>	<u>8,205</u>	<u>8,241</u>	<b>315,064</b>	<b>314,880</b>
b. Retired Number Counts	78,860	146,809	225,669	34	6,408	6,442	<b>232,111</b>	<b>229,637</b>
c. Deferred/Inactive Number Counts	<u>377,026</u>	<u>404,545</u>	<u>781,571</u>	<u>63</u>	<u>1,797</u>	<u>1,860</u>	<b>783,431</b>	<b>761,436</b>
d. Total Number Counts	<u>572,806</u>	<u>741,257</u>	<u>1,314,063</u>	<u>133</u>	<u>16,410</u>	<u>16,543</u>	<b>1,330,606</b>	<b>1,305,953</b>
<b>2. Active Payroll (\$ in Millions)</b>								
<b>a. DB Active Members</b>								
i. Traditional Plan (TP)	\$ 6,937	\$ 10,125	\$ 17,062	\$ 2	\$ 759	\$ 761	<b>\$ 17,823</b>	<b>\$ 17,000</b>
ii. Combined Plan (CP)	195	258	453	0	0	0	<b>453</b>	<b>454</b>
<b>b. Other Payroll</b>								
i. Reemployed Retirees	\$ 106	\$ 406	\$ 512	\$ 0	\$ 0	\$ 0	<b>\$ 513</b>	<b>\$ 494</b>
ii. Member-Directed Plan (MD)	352	561	913	0	0	0	<b>913</b>	<b>836</b>
iii. Alternative Retirement Plan (ARP)	703	0	703	0	0	0	<b>703</b>	<b>669</b>

# Active and Inactive Members



\* Combined Plan closed to new active participants as of 1/1/2022.



# Senate Bill (SB) 343

---

- Effective January 7, 2013
- Retirees post-January 7, 2013 are affected
- Three transition groups for actives:
  - Group A: Eligible to retire on or before January 7, 2018
  - Group B: 20 or more years of service on January 7, 2013 or eligible to retire after January 7, 2018 but before January 7, 2023
  - Group C: Not eligible for groups A or B

# Traditional & Combined Plans

## Active & Inactive Members by Transition Group

	Traditional Plan		Combined Plan	
	December 31,		December 31,	
	2025	2024	2025	2024
<b>Active Counts</b>				
Transition Group A	6,628	8,750	109	150
Transition Group B	16,299	20,263	378	449
Transition Group C	274,828	268,729	4,952	5,190
Total	297,755	297,742	5,439	5,789
<b>Payroll (\$ in Millions)</b>				
Transition Group A	\$ 433	\$ 562	\$ 6	\$ 9
Transition Group B	1,277	1,523	31	36
Transition Group C	16,112	14,915	416	409
Total	\$ 17,823	\$ 17,000	\$ 453	\$ 454
Payroll Increase/(Decrease)	4.84%	5.71%	(0.08)%	0.03%
<b>Inactive Counts</b>				
Transition Group A	1,759	2,554	24	29
Transition Group B	4,696	5,836	88	100
Transition Group C	767,399	743,190	2,342	2,371
Other*	7,123	7,356	-	-
Total	780,977	758,936	2,454	2,500

\* Inactive members with reported service of 0 years or Final Average Salary of \$0.

# Combined & Member-Directed Plans

## Defined Contribution Portion of Plans

	Combined Plan		Member-Directed Plan	
	December 31,		December 31,	
	2025	2024	2025	2024
<b>Active Counts</b>				
State	2,054	2,166	4,477	4,287
Local	3,385	3,623	7,393	7,062
Total	5,439	5,789	11,870	11,349
<b>Payroll (\$ in Millions)</b>				
State	\$ 195	\$ 193	\$ 352	\$ 324
Local	258	261	561	513
Total	\$ 453	\$ 454	\$ 913	\$ 836
Payroll Increase/(Decrease)	(0.08)%	0.03%	9.16%	10.40%
<b>Assets (\$ in Millions)</b>				
DC & AA*	\$ 1,171	\$ 1,008	\$ 2,410	\$ 2,040
<b>Retired Counts (DC Accounts Annuitized)</b>				
State	175	150	172	152
Local	404	353	399	360
Total	579	503	571	512
Average Annual Benefit	\$ 6,230	\$ 5,629	\$ 7,277	\$ 6,497

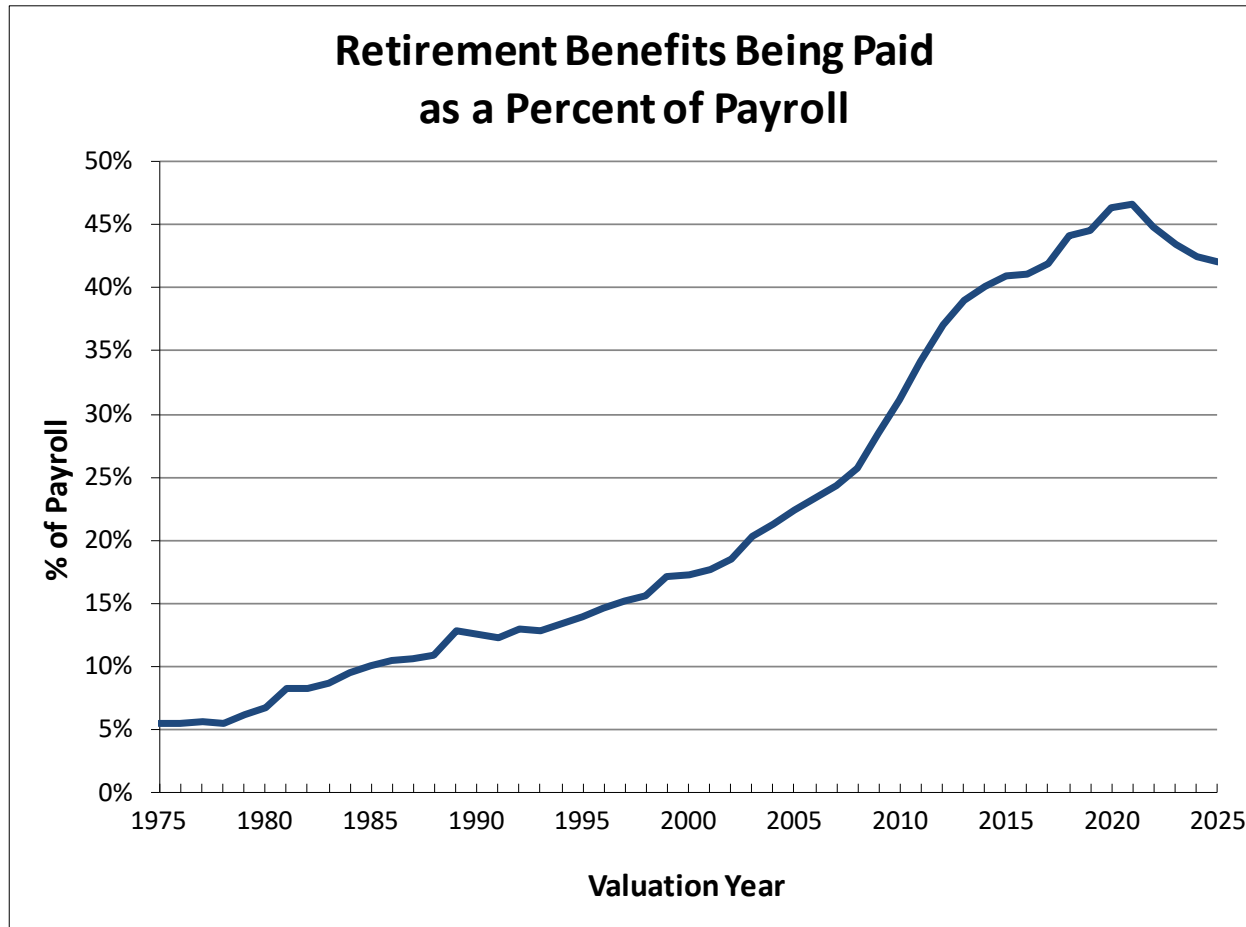
\*Total reported Defined Contribution (DC) & Additional Annuity (AA) account balances that have not yet been annuitized as of December 31. Additionally includes forfeitures.



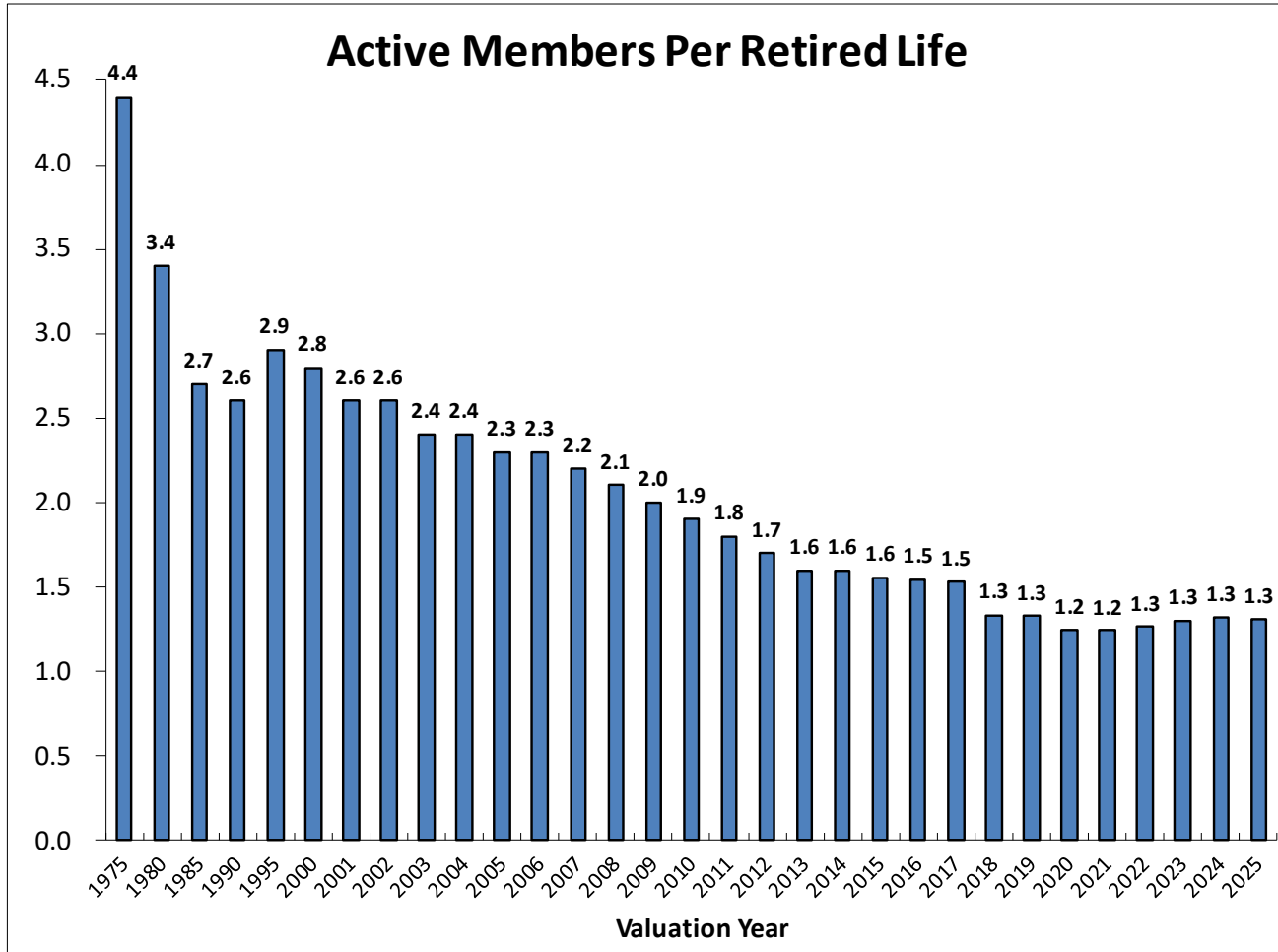
# Retirees and Beneficiaries (\$ in Millions)

	December 31, 2025		December 31, 2024	
	Number Receiving	Monthly Benefits	Number Receiving	Monthly Benefits
<b>By Division</b>				
State	78,860	\$ 253.7	78,087	\$ 244.9
Local	146,809	361.3	145,250	347.9
Public Safety	34	0.1	34	0.1
Law Enforcement	6,408	25.4	6,266	24.2
Total	232,111	\$ 640.6	229,637	\$ 617.1
Increase/(Decrease)	1.08%	3.81%	0.34%	3.18%
<b>By COLA Provision</b>				
3% Fixed Simple COLA	120,809	\$ 350.0	126,385	\$ 356.2
CPI Indexed Simple COLA	106,911	288.6	98,923	258.9
No COLA (Money Purchase)	4,391	2.0	4,329	2.0
Total	232,111	\$ 640.6	229,637	\$ 617.1

# Retirement Benefits as a % of Payroll



# Ratio of Active Members to Retired Lives



# Contribution Rate Schedule

---

Contribution rates (as a percentage of payroll) shown below are for calendar year 2026:

Division	Employer	Member	Total	Pension	Health*
State	14.00%	10.00%	24.00%	24.00%	0.00%
Local Government	14.00%	10.00%	24.00%	24.00%	0.00%
Law Enforcement	18.10%	13.00%	31.10%	31.10%	0.00%
Public Safety	18.10%	12.00%	30.10%	30.10%	0.00%

*\* Health portion of contribution rates is subject to change by the Board. Combined Plan health portion of the contribution rate is assumed to be 2% of payroll.*

# Primary Valuation Assumptions / Methods

---

- The valuation results are based upon the following primary economic assumptions and Board authority benefit provisions:
  - 6.90% investment return; 2.75% payroll growth
  - 1.00% future interest credits on refunds
- The employer and member contribution rates presented hereafter are recommended for Board adoption at a later date
  - The recommended rates are the maximum rates in accordance with the Ohio Revised Code
- Computed amortization periods as of December 31, 2025 are based upon calendar year 2026 contribution rates and employer and member contribution rates recommended for Board adoption later in the calendar year

# Funding Value of Assets (FVA)

---

- Funding value of assets recognizes assumed investment return fully each year
- Differences between market return and assumed return are phased in over a closed 4-year period
- Funding value of assets is not permitted to deviate from the market value of assets by more than 12%
  - The funding value of assets for the DB Portion of the Member-Directed Plan (annuitized MD accounts) is set equal to the market value of assets

# Funding Value of Assets (FVA)

## Traditional Plan (Excluding the Combined Plan)

Reconciliation of Assets	2025
<b>A. Funding Value Beginning of Year</b>	<b>\$ 105,686,273,420</b>
B. Market Value End of Year	114,176,061,324
C. Market Value Beginning of Year	103,324,988,031
<b>D. Non-Investment Net Cash Flow</b>	
D1. Member Contributions	1,850,237,351
D2. Employer and other Non-Member Contributions	2,734,424,188
D3. Refund of Member Accounts	(589,973,088)
D4. Retirement Benefits	(7,759,368,526)
D5. Member Balance Transfers / Intraplan Transfers / Other	3,095,233
D6. Admin Expenses	(58,975,170)
<b>D7. Total Net Cash Flow: D1+D2+D3+D4+D5+D6</b>	<b>(3,820,560,012)</b>
<b>E. Investment Return</b>	
<b>E1. Market Total: B-C-D7</b>	<b>14,671,633,305</b>
E2. Assumed Rate of Return	6.90%
<b>E3. Assumed Amount of Return</b>	<b>7,160,543,546</b>
<b>E4. Amount Subject to Phase-In: E1-E3</b>	<b>7,511,089,759</b>
<b>F. Phased-In Recognition of Investment Return</b>	
F1. Current Year: 0.25 x E4	1,877,772,440
F2. First Prior Year	355,005,934
F3. Second Prior Year	774,920,100
F4. Third Prior Year	(4,976,143,391)
<b>F5. Total Phase-Ins</b>	<b>(1,968,444,917)</b>
<b>G. Funding Value End of Year</b>	
<b>G1. Preliminary Funding Value End of Year: A+D7+E3+F5</b>	<b>\$ 107,057,812,037</b>
G2. Upper Corridor Limit: 112% x B	127,877,188,683
G3. Lower Corridor Limit: 88% x B	100,474,933,965
<b>G4. Funding Value End of Year</b>	<b>\$ 107,057,812,037</b>
H. Difference Between Market and Funding Value	7,118,249,287
I. Recognized Rate of Return	5.00 %
J. Market Rate of Return	14.47 %
K. Ratio of Funding Value to Market Value	94 %

- FVA as of 1/1/2025 was **\$105.7B (row A)**
- Non-Investment net cash flow during the year (i.e., dollars in less dollars out) was **-\$3.8B (D7)**
- Market value investment return was **+\$14.7B (E1)** versus an assumed investment return of **+\$7.2B (E3)**
- The difference between the actual investment income (E1) and the expected investment income (E3) was **\$7.5B (E4)** and is to be phased-in to the FVA over the next 4 years
- 25% of the current year's investment income above expectations and 25% of the prior 3 years' unrecognized investment income are recognized in the FVA totaling **-\$2.0B (F5)**
- **A+D7+E3+F5** equals Preliminary Funding Value of Assets of **\$107.1B (G1)**
- The 12% corridor is then applied, if necessary, resulting in the final 12/31/2025 Funding Value of Assets equal to **\$107.1B (G4)**



# Funding Value of Assets (FVA)

## Traditional Plan (Excluding the Combined Plan)

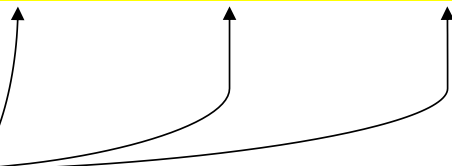
Reconciliation of Assets		2025
A. Funding Value Beginning of Year		\$ 105,686,273,420
B. Market Value End of Year		114,176,061,324
C. Market Value Beginning of Year		103,324,988,031
D. Non-Investment Net Cash Flow		
D1. Member Contributions		1,850,237,351
D2. Employer and other Non-Member Contributions		2,734,424,188
D3. Refund of Member Accounts		(589,973,088)
D4. Retirement Benefits		(7,759,368,526)
D5. Member Balance Transfers / Intraplan Transfers / Other		3,095,233
D6. Admin Expenses		(58,975,170)
D7. Total Net Cash Flow: D1+D2+D3+D4+D5+D6		(3,820,560,012)
E. Investment Return		
E1. Market Total: B-C-D7		14,671,633,305
E2. Assumed Rate of Return		6.90%
E3. Assumed Amount of Return		7,160,543,546
E4. Amount Subject to Phase-In: E1-E3		7,511,089,759
F. Phased-In Recognition of Investment Return		
F1. Current Year: 0.25 x E4		1,877,772,440
F2. First Prior Year		355,005,934
F3. Second Prior Year		774,920,100
F4. Third Prior Year		(4,976,143,391)
F5. Total Phase-Ins		(1,968,444,917)
G. Funding Value End of Year		
G1. Preliminary Funding Value End of Year: A+D7+E3+F5		\$ 107,057,812,037
G2. Upper Corridor Limit: 112% x B		127,877,188,683
G3. Lower Corridor Limit: 88% x B		100,474,933,965
G4. Funding Value End of Year		\$ 107,057,812,037
<b>H. Difference Between Market and Funding Value</b>		<b>7,118,249,287</b>
I. Recognized Rate of Return		5.00 %
J. Market Rate of Return		14.47 %
<b>K. Ratio of Funding Value to Market Value</b>		<b>94 %</b>

➤ As of 12/31/2024 the Market Value is more than the Funding Value by **\$7.1B (row H)**:

- \$3.0B gain scheduled to be phased-in CY 2026 (F5)
- \$2.2B gain scheduled to be phased-in CY 2027 (F5)
- \$1.9B gain scheduled to be phased-in CY 2028 (F5)

➤ The Funding Value of Assets is **94% (row K)** of the Market Value of Assets

	2026	2027	2028
	\$ 1,877,772,440		
	355,005,934	\$ 1,877,772,440	
	774,920,100	355,005,934	\$ 1,877,772,439
	<b>3,007,698,474</b>	<b>2,232,778,374</b>	<b>1,877,772,439</b>



# Funding Value of Assets (FVA)

## Combined Plan

Reconciliation of Assets		2025		
A. Funding Value Beginning of Year	\$ 1,133,547,042			
B. Market Value End of Year	1,311,101,357			
C. Market Value Beginning of Year	1,114,078,531			
D. Non-Investment Net Cash Flow				
D1. Member Contributions	-			
D2. Employer and other Non-Member Contributions	39,359,162			
D3. Refund of Member Accounts	(5,783,941)			
D4. Retirement Benefits	(10,961,557)			
D5. Member Balance Transfers / Intraplan Transfers / Other	11,190,491			
D6. Admin Expenses	-			
D7. Total Net Cash Flow: D1+D2+D3+D4+D5+D6	33,804,155			
E. Investment Return				
E1. Market Total: B-C-D7	163,218,671			
E2. Assumed Rate of Return	6.90%			
E3. Assumed Amount of Return	79,380,989			
E4. Amount Subject to Phase-In: E1-E3	83,837,682			
F. Phased-In Recognition of Investment Return				
F1. Current Year: 0.25 x E4	20,959,421			
F2. First Prior Year	3,702,222	\$ 20,959,421		
F3. Second Prior Year	7,486,247	3,702,222	\$ 20,959,421	
F4. Third Prior Year	(45,547,671)	7,486,247	3,702,222	\$ 20,959,419
F5. Total Phase-Ins	(13,399,781)	32,147,890	24,661,643	20,959,419
G. Funding Value End of Year				
G1. Preliminary Funding Value End of Year: A+D7+E3+F5	\$ 1,233,332,405			
G2. Upper Corridor Limit: 112% x B	1,468,433,520			
G3. Lower Corridor Limit: 88% x B	1,153,769,194			
G4. Funding Value End of Year	\$ 1,233,332,405			
H. Difference Between Market and Funding Value	77,768,952			
I. Recognized Rate of Return	5.74 %			
J. Market Rate of Return	14.43 %			
K. Ratio of Funding Value to Market Value	94 %			



# Funding Value of Assets (FVA)

## Traditional, Combined & Member-Directed Plans

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<b>DB Assets by Plan</b>	<b>2025</b>
Traditional Plan - Funding Value End of Year	\$ 107,057,812,037
Combined Plan - Funding Value End of Year	1,233,332,405
Member-Directed Plan - Funding Value End of Year*	70,856,280
<b>Total Funding Value of Assets as of December 31, 2025</b>	<b>\$ 108,362,000,722</b>

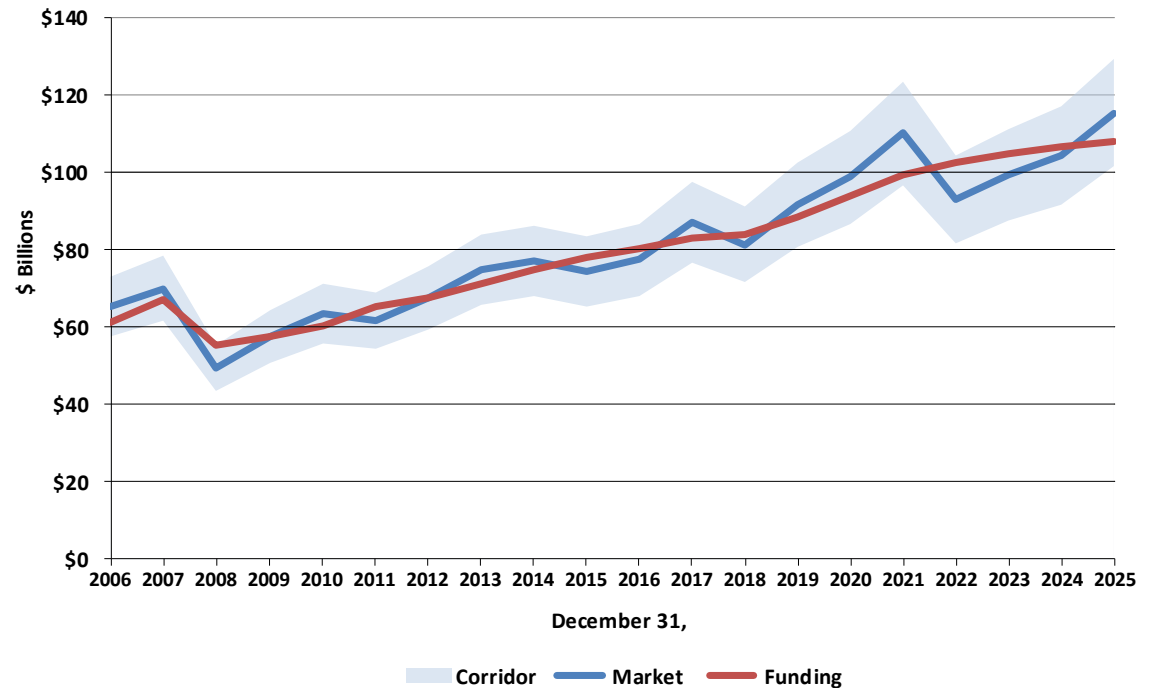
*\* Funding value of assets for the DB Portion of the Member-Directed Plan (annuitized MD accounts) is set equal to the market value of assets.*

# Market Value vs. Funding Value of Assets

## Traditional, Combined & Member-Directed Plans

Year	(\$ in Billions)	
	Market Value	Funding Value
2006	\$ 65.4	\$ 61.3
2007	70.0	67.2
2008	49.4	55.3
2009	57.7	57.6
2010	63.6	60.6
2011	61.8	65.4
2012	67.9	67.9
2013	74.9	71.4
2014	77.3	74.9
2015	74.6	78.1
2016	77.5	80.3
2017	87.1	83.3
2018	81.4	84.3
2019	91.8	88.6
2020	98.9	94.0
2021	110.2	99.7
2022	93.2	102.9
2023	99.6	105.1
2024	104.5	106.9
2025	115.6	108.4

Comparison of Asset Values



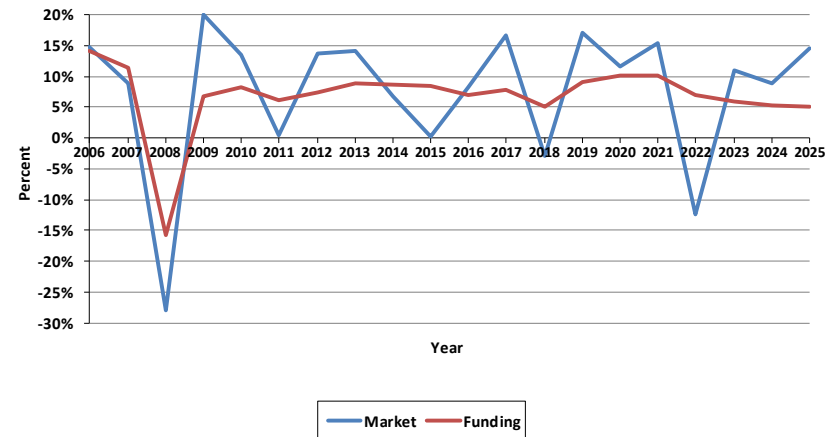
# Asset Rates of Return

## Traditional, Combined & Member-Directed Plans

Year Ended December 31	Inflation	Rate of Return	
	CPI-W	Funding Value	Market Value
2006	2.4 %	14.2 %	14.8 %
2007	4.4 %	11.3 %	8.8 %
2008	(0.5)%	(15.8)%	(27.9)%
2009	3.4 %	6.9 %	20.1 %
2010	1.7 %	13.6 %	13.4 %
2011	3.2 %	6.1 %	0.4 %
2012	1.7 %	7.4 %	13.7 %
2013	1.5 %	8.9 %	14.1 %
2014	0.3 %	8.7 %	6.8 %
2015	0.4 %	8.4 %	0.3 %
2016	2.0 %	6.9 %	8.2 %
2017	2.2 %	7.8 %	16.7 %
2018	1.8 %	5.1 %	(3.0)%
2019	2.3 %	9.1 %	17.1 %
2020	1.4 %	10.2 %	11.6 %
2021	7.8 %	10.2 %	15.5 %
2022	6.3 %	7.0 %	(12.3)%
2023	3.3 %	5.9 %	11.1 %
2024	2.8 %	5.2 %	8.8 %
2025	2.6 %	5.0 %	14.5 %

Average	Inflation	Rate of Return	
	CPI-W	Funding Value	Market Value
<b>Last 5 Years</b>	4.5 %	6.6 %	7.0 %
<b>Last 10 Years</b>	3.2 %	7.2 %	8.4 %
<b>Last 15 Years</b>	2.6 %	7.4 %	7.9 %
<b>Last 20 Years</b>	2.5 %	6.9 %	7.0 %

Comparison of Rates of Return



# Gain-Loss Analysis for Year Ended December 31 (\$ in Millions)

## Traditional, Combined & Member-Directed Plans

<b>Gains /(Losses) In Economic Risk Areas</b>	<b>2025</b>	<b>% of AAL</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Pay Increases	\$ (670)	(0.52)%	\$ (475)	\$ (196)	\$ (1,351)	\$ (428)
Investment Return (Funding Value)	(1,977)	(1.53)%	(1,720)	(1,033)	106	3,024
<b>Total</b>	<b>\$ (2,648)</b>	<b>(2.05)%</b>	<b>\$ (2,196)</b>	<b>\$ (1,228)</b>	<b>\$ (1,245)</b>	<b>\$ 2,596</b>

<b>Gains /(Losses) From Decrement Experience</b>	<b>2025</b>	<b>% of AAL</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Service Retirement	\$ (142)	(0.11)%	\$ (21)	\$ (16)	\$ (79)	\$ (100)
Disability Retirement	79	0.06 %	65	63	46	61
Death During Employment	50	0.04 %	47	42	41	36
Other Separations	(61)	(0.05)%	(18)	34	165	101
<b>Total</b>	<b>\$ (73)</b>	<b>(0.06)%</b>	<b>\$ 73</b>	<b>\$ 123</b>	<b>\$ 173</b>	<b>\$ 98</b>

<b>Gains /(Losses) From Retiree Experience</b>	<b>2025</b>	<b>% of AAL</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Retiree COLA Experience	\$ (161)	(0.13)%	\$ (210)	\$ (57)	\$ (203)	\$ (179)
Retiree Mortality	141	0.11 %	62	98	219	140
<b>Total</b>	<b>\$ (21)</b>	<b>(0.02)%</b>	<b>\$ (148)</b>	<b>\$ 41</b>	<b>\$ 16</b>	<b>\$ (39)</b>

<b>Total Experience Gains/(Losses)</b>	<b>\$ (2,741)</b>	<b>(2.12)%</b>	<b>\$ (2,271)</b>	<b>\$ (1,064)</b>	<b>\$ (1,056)</b>	<b>\$ 2,655</b>
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# Results of December 31, 2025 Annual Actuarial Valuation

## Normal Cost, Actuarial Accrued Liability and Unfunded Actuarial Accrued Liability

Defined Benefit Actuarial Results	December 31,				
	2025				2024
	Total General	Public Safety	Law Enforcement	Grand Total	Grand Total
Total Normal Cost as a % of Payroll	13.99%	18.89%	20.20%	<b>14.26%</b>	<b>14.28%</b>
Actuarial Accrued Liability (AAL) (\$ in Millions)					
a. Active	\$ 44,339	\$ 7	\$ 2,529	\$ 46,875	\$ 45,073
b. Retired	78,334	16	3,735	82,084	80,096
c. Deferred/Inactive	3,809	1	67	3,878	3,845
d. Total	\$ 126,482	\$ 24	\$ 6,331	\$ 132,837	\$ 129,013
Unfunded AAL (UAAL) (MV Basis)	\$ 16,872	\$ (3)	\$ 410	\$ 17,279	\$ 24,521
Unfunded AAL (UAAL) (FV Basis)	\$ 23,697	\$ (1)	\$ 779	\$ 24,475	\$ 22,140

Total Normal Cost presented above is a blended rate of all active Traditional Plan and Combined Plan members in the System. The Actuarial Accrued Liability presented above includes liabilities associated with the Traditional Plan and the defined benefit portion of the Combined and Member-Directed Plans.

# Results of December 31, 2025 Annual Actuarial Valuation

## Contribution Rates for Calendar Year 2028

	CY 2028			CY 2027	
	Total General	Public Safety	Law Enforcement	Grand Total	Grand Total
<b>Total Contribution Rates</b>					
Pension Contribution Rate					
a. Employer Normal Cost	4.25%	6.89%	7.20%	<b>4.39%</b>	<b>4.43%</b>
b. Member Contribution Rate	9.74%	12.00%	13.00%	<b>9.87%</b>	<b>9.85%</b>
c. UAAL Contribution Rate	9.70%	11.21%	10.90%	<b>9.74%</b>	<b>9.69%</b>
d. Total	<u>23.69%</u>	<u>30.10%</u>	<u>31.10%</u>	<b>24.00%</b>	<b>23.97%</b>
Retiree Health Contribution Rate	0.05%	0.00%	0.00%	<b>0.04%</b>	<b>0.05%</b>

UAAL – Unfunded Actuarial Accrued Liability

The member contribution rate for the General group is for the defined benefit portion of the System. Therefore, it is a weighted average of 10.00% for the Traditional Plan and 0.00% for the Combined Plan. The retiree health contribution rates shown above are the assumed retiree health contribution rates at the time of the valuation (blending Traditional Plan: 0% and Combined Plan: 2%).

# Results of December 31, 2025 Annual Actuarial Valuation

## Amortization Years for Pension Unfunded Actuarial Accrued Liability (UAAL)

Division	as of 12/31/2025			2028 Total Pension Contribution Rate	Amortization Years for Pension UAAL based upon Funding Value of Assets	
	Pension UAAL (FV Basis) (\$ in Millions)	Active Members			Current Valuation	Prior Valuation
		Number	Annual Payroll (\$ in Millions)			
General	\$ 23,697	306,823	\$ 17,515	23.69%		
Law Enforcement	779	8,205	759	31.10%		
Public Safety	(1)	36	2	30.10%		
<b>Totals</b>	<b>\$ 24,475</b>	<b>315,064</b>	<b>\$ 18,276</b>		<b>17</b>	<b>15</b>

The statutory 30-year funding requirement is based upon the total amortization period, rather than the period for each Division or Plan separately.

The 2028 Total Pension Contribution Rate is the sum of the scheduled 2028 employer and member rates for the defined benefit portions of the Traditional and Combined Plans reduced by the amount assumed to be allocated to the retiree health plan (which for 2028 is 0.0% for Traditional Plan and 2.0% for Combined Plan).

# Schedule of Funding Progress

(\$ in Millions)

Valuation Year	Actuarial Accrued Liabilities (AAL)	Funding Value of Assets (FVA)	Unfunded Actuarial Accrued Liabilities (UAAL)	Ratio of Assets to AAL	Covered Payroll	UAAL as a % of Covered Payroll	Pension Amortization Years	Pension UAAL Contribution Rate
2016	\$100,166	\$80,280	\$ 19,886	80 %	\$13,446	148 %	19	10.12%
2017	102,656	83,292	19,364	81 %	13,746	141 %	18	10.09%
2017*	106,090	83,292	22,797	79 %	13,746	166 %	25	9.32%
2018	108,705	84,287	24,418	78 %	13,572	180 %	27	9.32%
2019	111,371	88,572	22,800	80 %	13,967	163 %	23	9.38%
2020	113,372	93,969	19,402	83 %	13,938	139 %	18	9.45%
2020*	115,241	93,969	21,272	82 %	13,938	153 %	21	9.54%
2021	118,517	99,710	18,807	84 %	14,383	131 %	16	9.52%
2022	122,463	102,852	19,611	84 %	15,806	124 %	16	9.57%
2023	125,473	105,133	20,340	84 %	16,752	121 %	15	9.64%
2024	129,007	106,873	22,134	83 %	17,788	124 %	15	9.69%
2024^	129,013	106,873	22,140	83 %	17,788	124 %	15	9.69%
2025	132,837	108,362	24,475	82 %	18,733	131 %	17	9.74%

\* Illustrative results under revised actuarial assumptions.

^ After benefit provision changes. Effective January 1, 2024 the Combined Plan of OPERS was incorporated into the Traditional Plan of OPERS.

The above results are based upon the Traditional Plan and the defined benefit portion of the Combined and Member-Directed Plans. The Pension UAAL Contribution Rate shown is based upon the anticipated contribution rates for the calendar year that begins 2 years after the valuation date.



# Risk Measures

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- The determination of the actuarial accrued liability and the amortization period requires the use of assumptions regarding future economic and demographic experience
- Risk measures are intended to aid in the understanding of the effects of future experience differing from the assumptions
- Risk measures may also help with illustrating the potential volatility in the actuarial accrued liability and the amortization period

# Summary of Risk Measures

## Traditional Plan

Valuation Year	(1) Funded Ratio Based on Funding Value of Assets (FVA)	(2) Funded Ratio Based on Market Value of Assets (MVA)	(3) UAAL Amortization Period (FVA basis)	(4) UAAL Amortization Period (MVA basis) <sup>@</sup>	(5) UAAL / Total Payroll	(6) Funding Value of Assets / Total Payroll	(7) Total AAL / Total Payroll	(8) Standard Deviation of Inv. Return / Total Payroll
2016	80%	77%	20		1.5	6.1	7.7	72%
2017	81	85	19		1.5	6.2	7.7	78
2018	77	75	28		1.9	6.4	8.2	75
2019	79	82	23		1.7	6.5	8.2	82
2020*	81	85	22		1.6	6.9	8.5	92
2021	84	93	17		1.4	7.1	8.5	100
2022	84	76	16		1.3	6.8	8.1	78
2023	83	79	15		1.3	6.5	7.8	78
2024^	83	81	15	18	1.3	6.1	7.4	76
2025	82	87	17	10	1.3	5.9	7.3	80

\* Reflects revised actuarial assumptions.

^ After benefit provision changes. Effective January 1, 2024 the Combined Plan of OPERS was incorporated into the Traditional Plan of OPERS.

@ Beginning with the December 31, 2024 valuation, provided for Funding Policy Framework purposes (see the Appendix for more information).

# Risk Measures

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1. **Funded Ratio (Funding Value of Assets basis)**
  - This is the most widely known measure of a plan's financial strength. The trend in the funded ratio is much more important than the absolute ratio. A trend approaching 100% is desirable.
2. **Funded Ratio (Market Value of Assets basis)**
  - This is similar to the above, except that the asset value used is the market value.
3. **Unfunded Actuarial Accrued Liability (UAAL) Amortization Period**
  - Periods above about 17 to 23 years indicate that the UAAL payment is less than the interest on the UAAL. This situation is referred to as “negative amortization.” Negative amortization is increasingly viewed as undesirable.
4. **UAAL / Total Payroll**
  - The ratio of unfunded actuarial accrued liabilities (UAAL) to payroll gives an indication of the plan sponsors’ ability to pay off the UAAL. A declining ratio is desirable. A ratio above approximately 3.0 or 4.0 may indicate difficulty in discharging the unfunded liability in some circumstances.

# Risk Measures

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## 5. Funding Value of Assets / Payroll

- The ratio of assets to payroll gives an indication of both maturity and volatility. Many systems have ratios between 5.0 and 7.0. Social Security Replacement Plans may fall above that range. A high ratio can indicate volatility of contribution rates or amortization period.

## 6. Actuarial Accrued Liability (AAL) / Payroll

- This is similar to above. It illustrates the expected ratio of assets to payroll when the plan is fully funded.

## 7. Standard Deviation of Investment Return / Payroll

- The portfolio standard deviation measures the volatility of investment return. When divided by payroll it gives the effect of a one standard deviation asset gain or loss as a percent of payroll. A market value asset loss of this magnitude or larger has roughly a 16% chance of occurring in any particular year.

# Summary

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- OPERS experienced an overall actuarial loss in both demographic and economic risk areas during the 2025 calendar year
- The primary sources of these losses were pay increases that were higher than expected and continued recognition of the calendar year 2022 investment loss
- However, investment returns during the 2023-2025 calendar years were greater than the assumed rate of investment return of 6.9%, resulting in \$7.2B of unrecognized investment gains to be recognized during the 2026-2028 calendar years

# Summary

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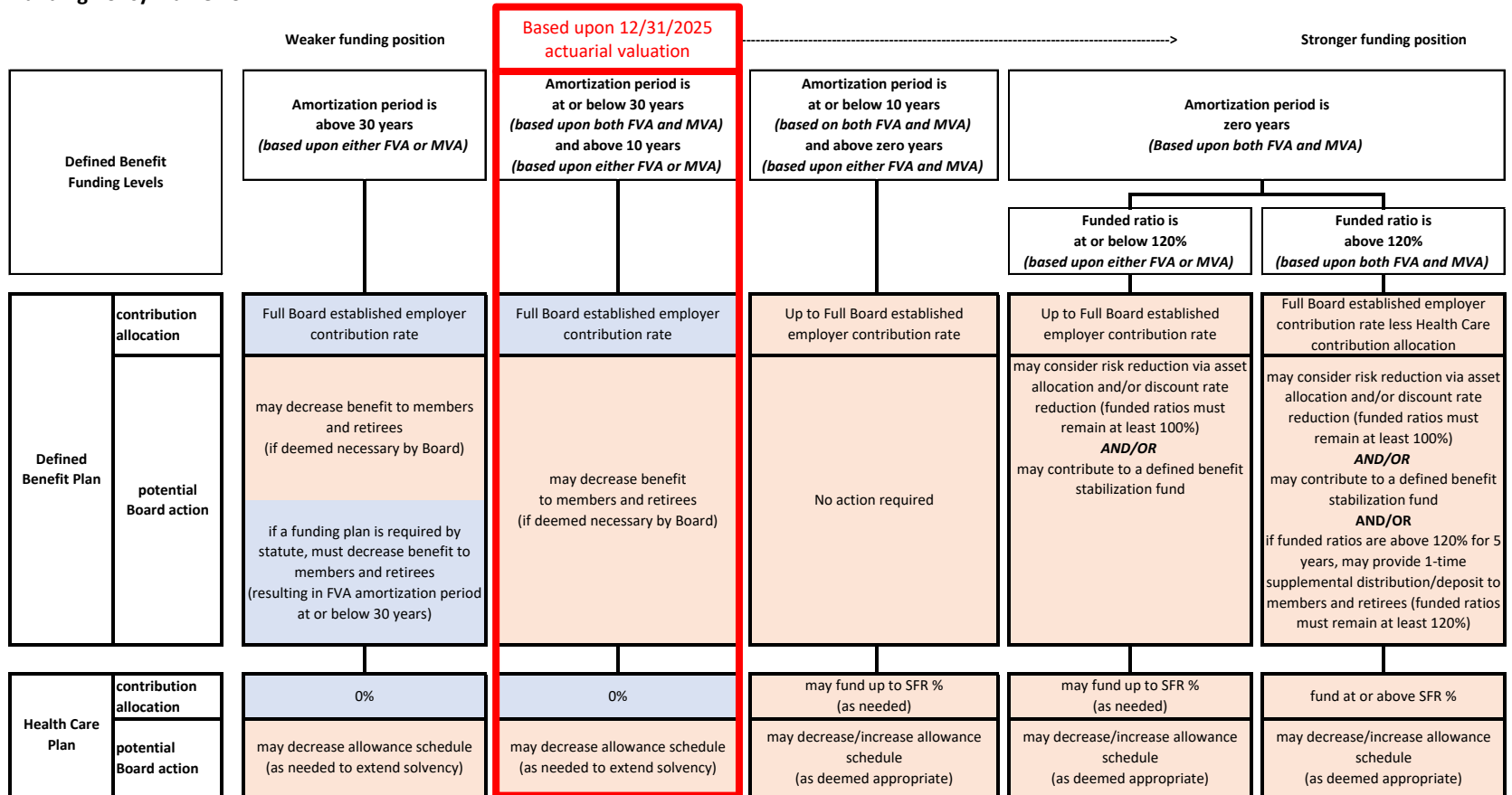
- As previously stated, the main objectives of the valuation process are to measure the financial position of the Retirement System and assist the Board in establishing employer and member contribution rates subject to statutory limits
- As of the December 31, 2025 valuation, based upon the funding value of assets, the funded ratio of the defined benefit portion of OPERS is 82% and the number of years needed to amortize the unfunded actuarial accrued liability is 17 years for *all plans (Traditional, Combined and Member-Directed)* in total
- If all assumptions were met in the future (e.g., a 6.90% assumed rate of return on market assets), the unrecognized investment gains of \$7.2B would place significant downward pressure on the above amortization period over the next 3 years

# APPENDIX



# Funding Policy Framework

## Funding Policy Framework



### Funding priority order:

1. DB Funded Ratio on both an FVA and MVA basis are at least 100% (i.e., Amortization Years are zero)
2. DB fund asset allocation at target risk/return level (with appropriate discount rate (DR))
3. Health Care plan funded at the Self-Funding Rate (SFR)
4. Health Care allowance increase (base allowance increase or 1-time extra payment)
5. One time supplemental distribution/deposit

### Notes:

1. Any base allowance change (including a 1-time payment) is considered an allowance schedule change
2. Board actions cannot result in a weaker Defined Benefit Funding Level (unless otherwise stated (i.e., DB discount rate reduction))

### Color legend:

- Board must do
- Board has discretion



# Plan Summary

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***The provisions summarized in this Appendix reflect plan changes adopted under the Alternative Plan Design. Benefit changes apply differently to the following transition groups:***

- Group A
  - Eligible to retire on or before January 7, 2018
- Group B
  - 20 or more years of service on January 7, 2013 or eligible to retire after January 7, 2018 but before January 7, 2023
- Group C
  - Not eligible for groups A or B

# Traditional Plan Summary

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- **General (State and Local Government):** 2.2% of FAS times 30 years (35 for Group C) plus 2.5% of FAS times excess years
- **Law Enforcement:** 2.5% of FAS times 25 years plus 2.1% of FAS times excess years
- **Public Safety:** 2.5% of FAS times 25 years plus 2.1% of FAS times excess years
- FAS is a three-year average for Groups A and B and a five-year average for Group C
- Early retirement benefits are reduced using actuarially neutral reduction factors for Groups B and C
- Plus Retiree Health Plan

# Combined Plan Summary

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- 1.0% of FAS times 30 years (35 for Group C) plus 1.25% of FAS times excess years
- Plus value of Defined Contribution Account
- FAS is a three-year average for Groups A and B and a five-year average for Group C
- Early retirement benefits are reduced using actuarially neutral reduction factors for Groups B and C
- Plus Retiree Health Plan

# Member-Directed Plan Summary

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- Value of Member-Directed Account
- Plus Value of Employer Match Account
- Plus Retiree Medical Account

# Retirement Conditions by Group (Traditional and Combined Plans)

UNREDUCED	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
State/Local	Any	30	52	31	55	32
			Any	32		
Law Enforcement	65	5	66	5	67	5
	48	25	50	25	52	25
Public Safety	62	15	64	15	64	15
	52	25	54	25	56	25
Law and Public Safety (public safety benefit)	62	15	64	15	64	15
	52	25	54	25	56	25
REDUCED	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
State/Local	55	25	55	25	57	25
	60	5	60	5	62	5
Law Enforcement	52	15	52	15	56	15
	N/A	N/A	48	25	48	25
Public Safety	52	15	52	15	56	15
	48	25	48	25	52	25
Law and Public Safety (public safety benefit)	48	25	48	25	52	25

# Disclosures

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- This presentation shall not be construed to provide tax advice, legal advice or investment advice.
- Mita D. Drazilov, James R. Sparks and Jeffrey T. Tebeau are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.
- This is one of multiple documents comprising the actuarial report. Additional information regarding actuarial assumptions and methods, and important additional disclosures are provided in the report titled “Actuarial Valuation of Defined Benefit Allowances – Traditional, Combined and Member-Directed Plans as of December 31, 2025”.
- If you need additional information to make an informed decision related to the contents of this presentation, or if anything appears to be missing or incomplete please contact us before using this presentation.

# Board Meeting VI.B



**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
277 EAST TOWN STREET, COLUMBUS, OH 43215-4642  
1-800-222-PERS (7377)  
www.opers.org

**MEMORANDUM**

DATE: May 11, 2026

TO: OPERS Retirement Board Members

FROM: Craig Hallermann, Senior Actuary

RE: **VI: Discussion Items:**  
**B. 50-Year Actuarial Projections of Defined Benefit Retirement Allowances Beginning January 1, 2026**

Purpose – Gabriel, Roeder, Smith & Company (GRS) will present to the Board the 50-Year Actuarial Projections of Defined Benefit Retirement Allowances beginning January 1, 2026.

Background – GRS, OPERS' actuarial consultant, annually performs and reports two sets of actuarial projections. The 50-Year Actuarial Projections of Defined Benefit Retirement Allowances (pension projections) is performed and reported as a separate report from the pension actuarial valuation results at the May meeting. The Projections of Retiree Health Benefits is performed and reported in conjunction with the Annual Actuarial Valuation of Retiree Health Benefits in a single report at a later meeting. These projection reports project liabilities, assets and cash flows for a 50-year period beginning January 1, 2026.

The projections are based on the same census data, financial information and actuarial assumptions used in the annual actuarial valuation as of December 31, 2025. Like the pension valuation report, the pension projection report assumes a 6.90% long-term actuarial rate of return and all other economic and demographic assumptions adopted following the 2016 – 2020 Experience Study. The baseline projection assumes a stable active population (no active population growth/decline) throughout the projection period.

The pension projection report shows the projection of the Unfunded Actuarial Accrued Liability (UAAL), Funded Ratio (assets / liabilities), and the number of years required to amortize the UAAL (Amortization Period) at each year in the future. Under the baseline projection, the funded ratio is expected to trend

upward in 2026 and the amortization period is expected to trend lower in 2026 as 25% of the 2026 investment gain or loss will be recognized along with 25% of each of last three years' investment gains (the large 2022 investment loss was fully recognized in 2025). Therefore, the funded ratio is expected to trend upward and the amortization period downward as the 2023, 2024 and 2025 deferred investment gains are recognized. Overall, the amortization period is expected to remain below the 30 year statutory limit (estimated maximum of 13 years as of 12/31/26) in the absence of future investment losses.

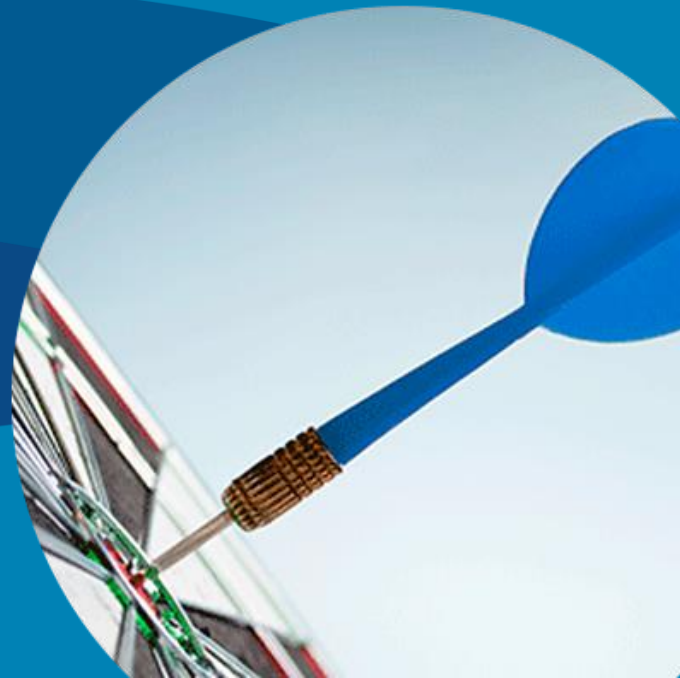
In addition to the baseline projection that assumes 6.90% market return on assets in 2026 and beyond, and a constant future active population, the pension projection report includes projections under several alternative market return scenarios and population growth scenarios, some of which show the 30 year statutory limit exceeded in a future year.



# Ohio Public Employees Retirement System

50-Year Population and Cash Flow Actuarial  
Projections of Base Retirement Benefits Beginning  
January 1, 2026

May 2026 Board Meeting



# Agenda

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- Section I Introduction
- Section II Baseline Population Projection
- Section III Baseline Cash Flow Projection
- Section IV Baseline Projection Results
- Section V Alternative Market Return Scenarios
- Section VI Alternative Population Growth Scenarios

# Section I

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## Introduction



# Introduction – Regular Valuation

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- Quantifies commitments with present value liability calculations
- Contains an implied plan for meeting cash flows
- Does not disclose specifics of the implied plan well
- Does not illustrate the evolving impact of Senate Bill (SB) 343 provisions
  - For example, effects of different benefit provisions for Transition Groups A, B and C

# Introduction – Projection

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- Quantifies commitments by projecting year-by-year cash flows
- Demonstrates how the plan for meeting cash flows is expected to work
- Can test alternative hypotheses
- Reveals emerging patterns
- Not a prediction
- Projection is designed to draw attention to long-term trends

# Section II

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## Baseline Population Projection



# Baseline Population Projection

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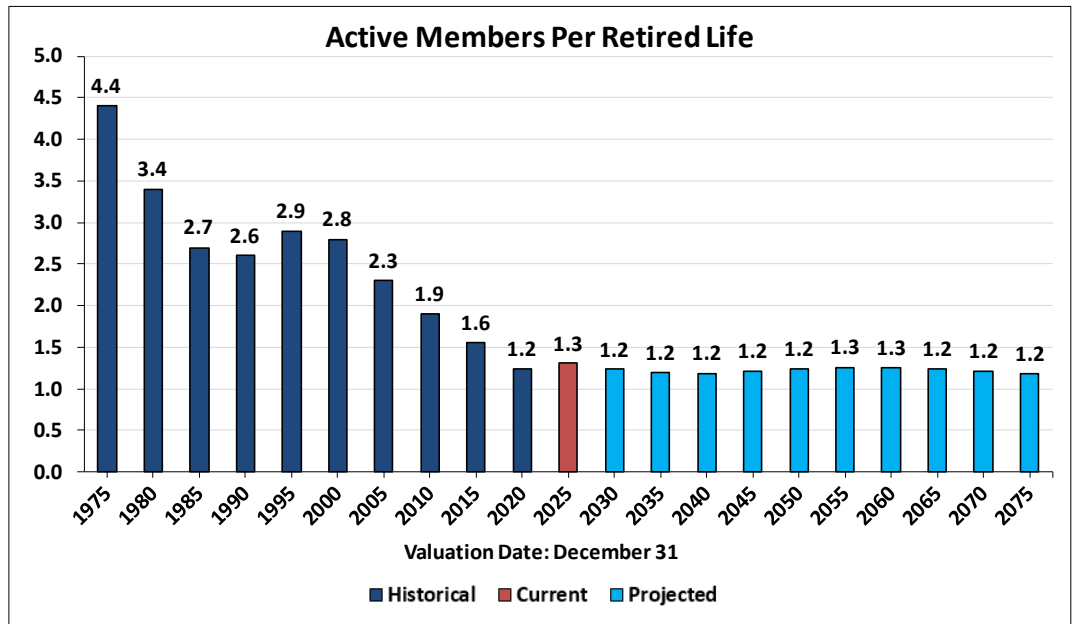
- In the first phase, the development of the active and retired groups in coming decades is forecasted
- The results of the projection from 2026 through 2075 are based on a continuation of present demographic patterns
- Active members participating in the Traditional Plan (TP) and Combined Plan (CP) are included
- The number of total active members is assumed to remain constant in the future
  - Since the CP is closed to new hires, the number of active members participating in the TP is therefore assumed to increase in the future
  - Alternative population growth scenarios are examined in Section VI

# Baseline Population Projection

## Ratio of Active Members to Retirees

Active Members			
December 31	Present	Future	Total
2025	303,194	0	303,194
2035	128,091	175,103	303,194
2045	59,374	243,820	303,194
2055	17,465	285,729	303,194
2065	1,667	301,527	303,194
2075	82	303,112	303,194

Retired Members			
December 31	Present	Future	Total
2025	232,111	0	232,111
2035	166,429	87,823	254,252
2045	88,374	160,580	248,954
2055	29,411	211,254	240,665
2065	7,269	237,825	245,094
2075	2,408	253,271	255,679



For baseline projection results, a constant active population is assumed. Retirees include people who retire directly from active service as well as those who terminate service with a vested deferred benefit and retire upon attaining eligibility.

The ratio of active members to retirees as of December 31, 2025 is 1.3. Based upon a constant active member population in the future, the ratio of active members to retirees is expected to remain fairly level.



# Section III

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## Baseline Cash Flow Projection



# Baseline Cash Flow Projection

## Funding Value of Assets

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DB Assets by Plan	2025
Traditional Plan - Funding Value End of Year	\$ 107,057,812,037
Combined Plan - Funding Value End of Year	1,233,332,405
Member-Directed Plan - Funding Value End of Year*	70,856,280
Total Funding Value of Assets as of December 31, 2025	\$ 108,362,000,722

*\* Funding value of assets for the DB Portion of the Member-Directed Plan (annuitized MD accounts) is set equal to the market value of assets.*

# Baseline Cash Flow Projection

## Contribution Rates

- Projection results are based upon regular valuation assumptions, unless otherwise noted, including:
  - The long-term actuarial assumed investment return rate of 6.90%
  - Long-term payroll growth of 2.75%
- Scheduled employer and member contribution rates shown below:

Division	Employer	Member	Total	Pension <sup>1</sup>	Health <sup>2</sup>
State	14.00%	10.00%	24.00%	24.00%	0.00%
Local Government	14.00%	10.00%	24.00%	24.00%	0.00%
Law Enforcement	18.10%	13.00%	31.10%	31.10%	0.00%
Public Safety	18.10%	12.00%	30.10%	30.10%	0.00%

<sup>1</sup> The Traditional Plan additionally receives mitigating contributions of 3.50% from Combined & Member Directed plans and 2.24% from Alternative Retirement Plan (ARP) members.

<sup>2</sup> Health portion of contribution rates is subject to change by the Board. Combined Plan members contribute 2.00% per year to Retiree Health.

# Section IV

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## Baseline Projection Results



# Baseline Projection Results

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As OPERS matures, how will the relationship between contributions, benefit payments and investment return be affected? This section explores the expected emerging patterns over the next half century.

# Baseline Projection Results

## Funding Value of Assets Earning 6.9% Annually

December 31	\$ in Billions		
	Actuarial Accrued Liability (AAL)	Funding Value of Assets (FVA)	Unfunded Actuarial Accrued Liability (UAAL)
2025	\$ 132.8	\$ 108.4	\$ 24.5
2030	150.4	128.1	22.3
2035	169.6	152.3	17.3
2040	192.1	183.9	8.2
2045	220.8	220.8	0.0
2050	258.3	258.3	0.0
2055	306.1	306.1	0.0
2060	364.8	364.8	0.0
2065	434.0	434.0	0.0
2070	512.3	512.3	0.0
2075	599.5	599.5	0.0

Fiscal Year	\$ in Billions				
	Contributions*	Benefits	Admin Expenses	Net External Cash Flow	Assumed Investment Income
2026	\$ 4.6	\$ (8.2)	\$ (0.1)	\$ (3.7)	\$ 7.4
2031	5.4	(9.6)	(0.1)	(4.3)	8.7
2036	6.4	(11.0)	(0.1)	(4.7)	10.3
2041	7.4	(12.2)	(0.1)	(4.9)	12.5
2046	5.2	(13.3)	(0.1)	(8.2)	15.0
2051	6.1	(14.7)	(0.2)	(8.8)	17.5
2056	7.0	(16.8)	(0.2)	(9.9)	20.8
2061	8.1	(19.6)	(0.2)	(11.7)	24.8
2066	9.2	(23.5)	(0.3)	(14.5)	29.4
2071	10.6	(28.3)	(0.3)	(18.0)	34.7
2076	12.1	(33.9)	(0.3)	(22.1)	40.6

\* Excludes contributions in excess of normal cost contributions once the UAAL is fully amortized (i.e., 100% funded ratio). In the above projection, a 100% funded ratio is projected to occur during the 2043 fiscal year.



# Baseline Projection Results – Nominal vs. Real

## Funding Value of Assets Earning 6.9% Annually

December 31	Funding Value of Assets (\$ in Billions)	
	Nominal	Real
2025	\$ 108.4	\$ 108.4
2035	152.3	116.1
2045	220.8	128.3
2055	306.1	135.6
2065	434.0	146.6
2075	599.5	154.4

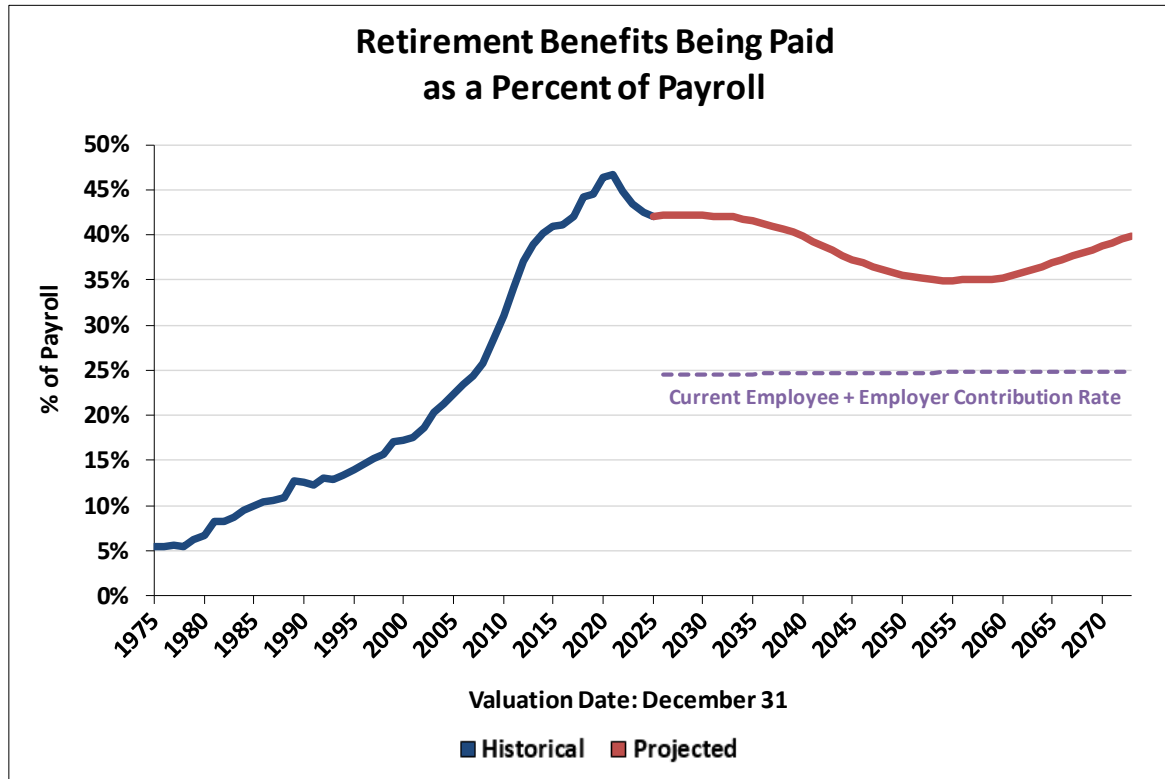
Fiscal Year	Net External Cash Flow* (\$ in Billions)		% of Assets
	Nominal	Real	
2026	\$ (3.7)	\$ (3.6)	(3.4)%
2036	(4.7)	(3.5)	(3.1)%
2046	(8.2)	(4.6)	(3.7)%
2056	(9.9)	(4.3)	(3.3)%
2066	(14.5)	(4.8)	(3.3)%
2076	(22.1)	(5.5)	(3.7)%

\* Excludes contributions in excess of normal cost contributions once the UAAL is fully amortized (i.e., 100% funded ratio).

- In nominal terms, pension assets will increase by a factor of approximately 6x during the projection period
- In real terms, pension assets are projected to increase by 40-50% by the end of the projection period
  - If OPERS were 100% funded, the increase in real terms would be only 15-20%, consistent with the projected increase (in real terms) of liabilities
- The increasing proportion of members being covered by APD Group C benefit provisions has a downward effect on projected assets (and liabilities)
- In the longer term, expected future improvements in life expectancy has an upward pressure on projected assets (and liabilities)

# Baseline Projection Results

## Projected Retiree Benefits as a Percentage of Payroll



- Projected retiree benefits currently are 42% of payroll
- This percentage has declined in recent years and is expected to continue to decline until the mid-2050s, where it bottoms around 35% of payroll
- This decline on a forward-looking basis in the medium-term is a result of:
  - Baby boom generation being in their retirement phase
  - Transition Group C emergence
- In the longer-term, this percentage is expected to settle around 40-45% of payroll

# Section V

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## Alternative Market Return Scenarios

# Alternative Market Return Scenarios in 2026

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- As of 12/31/2025 the Market Value of Assets (\$115.6B) exceeds the Funding Value of Assets (\$108.4B) by \$7.2B:
  - \$3.0B gain scheduled to be phased-in CY 2026
  - \$2.3B gain scheduled to be phased-in CY 2027
  - \$1.9B gain scheduled to be phased-in CY 2028
- The following three slides show pension results based upon alternative market return scenarios:
  - -18.40% market rate of return in 2026, and 6.9% thereafter
  - -8.70% market rate of return in 2026, and 6.9% thereafter
  - 6.90% market rate of return in all future years
  - 15.00% market rate of return in 2026, and 6.9% thereafter

# Alternative Market Return Scenarios in 2026 (UAAL \$ in Billions)

December 31,	-18.40% in 2026 6.90% Thereafter				-8.70% in 2026 6.90% Thereafter				6.90% Market Return in All Future Years				15.00% in 2026 6.90% Thereafter			
	UAAL	Funded Ratio	Amortization Period		UAAL	Funded Ratio	Amortization Period		UAAL	Funded Ratio	Amortization Period		UAAL	Funded Ratio	Amortization Period	
			FVA Basis	MVA Basis			FVA Basis	MVA Basis			FVA Basis	MVA Basis			FVA Basis	MVA Basis
2025	\$24	82%	17 yrs	10 yrs	\$24	82%	17 yrs	10 yrs	\$24	82%	17 yrs	10 yrs	\$24	82%	17 yrs	10 yrs
2026	34	75%	30	65	25	81%	18	30	21	85%	13	9	19	86%	11	3
2027	39	72%	36	65	27	80%	19	29	18	87%	10	8	13	91%	7	2
2028	43	70%	45	63	30	79%	21	28	15	90%	8	7	7	95%	3	1
2029	48	67%	58	61	34	76%	25	26	14	91%	7	6	3	98%	0	0
2030	49	67%	58	59	35	77%	25	25	12	92%	5	5	0	100%	0	0
2031	51	67%	57	58	35	77%	24	24	11	93%	4	4	-2	101%	0	0
2032	52	67%	56	56	36	77%	23	23	9	94%	3	3	-5	103%	0	0
2033	53	67%	55	55	36	78%	22	22	7	95%	2	2	-7	104%	0	0
2034	54	67%	53	53	36	78%	21	21	5	97%	1	1	-10	106%	0	0
2035	56	67%	52	52	36	79%	20	20	3	98%	0	0	-14	108%	0	0

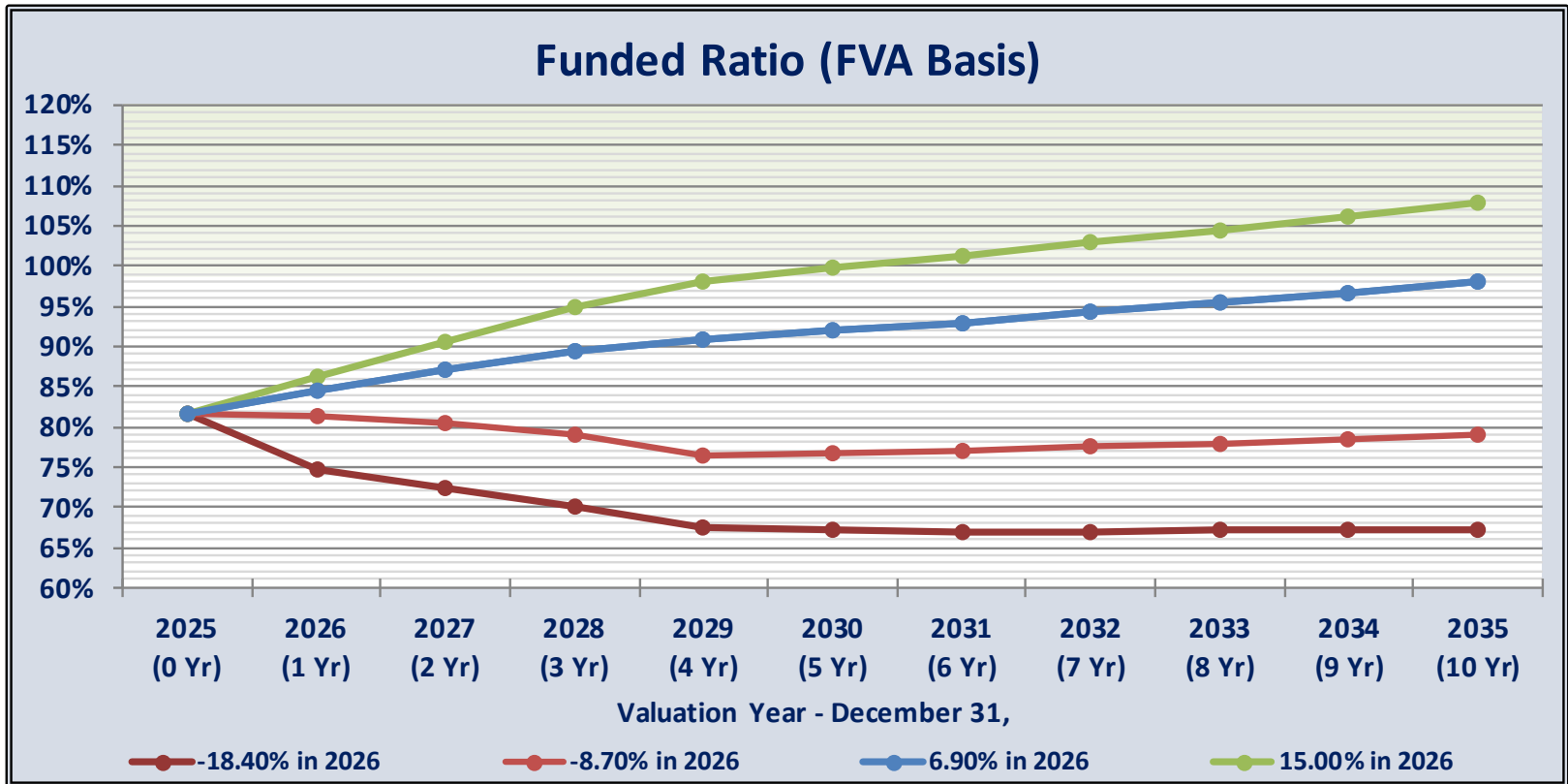
NOTE: UAAL and Funded Ratio are based upon the Funding Value of Assets. Results are based on a 0% retiree health contribution for Traditional Plan members in 2026 and thereafter.

- There is downward pressure on the Amortization Period (FVA basis) in the near term due to unrecognized investment gains on the Funding Value of Assets
- One bad year of investment return could result in the Amortization Period reaching 30 years
  - -8.70% market return in 2026: 12/31/2026 Amortization Period on a MVA basis is 30 years
  - -18.40% market return in 2026: 12/31/2026 Amortization Period on a FVA basis is 30 years
- One year ago, the alternative market returns for 2025 that would have resulted in similar 30-year amortization periods in the following year were -1.50%/-12.00%



# Alternative Market Return Scenarios in 2026

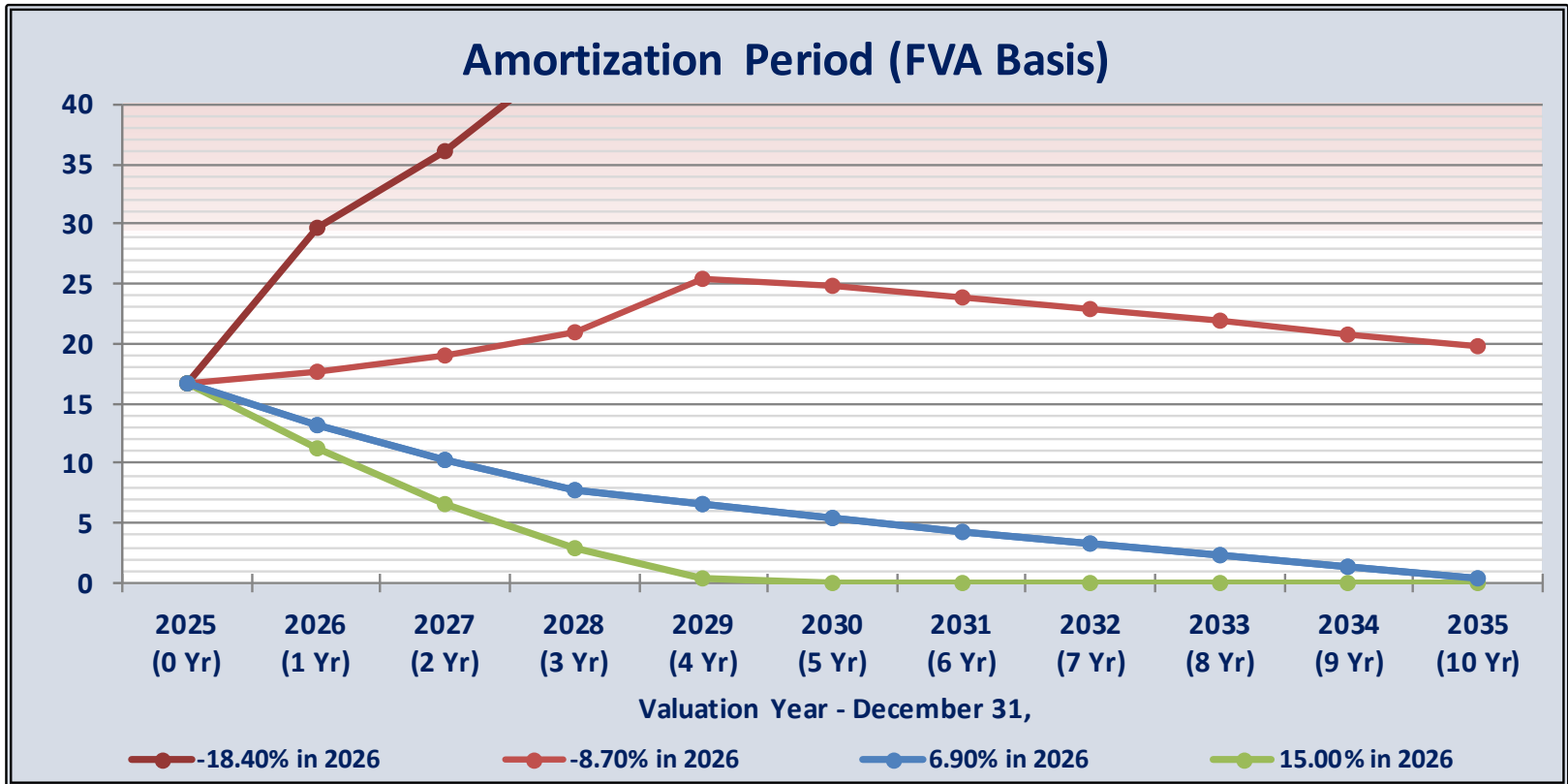
## Funded Ratio Projection



NOTE: Results are based on a 0% retiree health contribution for Traditional Plan members in 2026 and thereafter.

# Alternative Market Return Scenarios in 2026

## Amortization Period Projection



NOTE: Results are based on a 0% retiree health contribution for Traditional Plan members in 2026 and thereafter.

# Alternative Market Return Scenarios in 2026-2035

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- The following three slides show pension results based upon alternative investment return scenarios for each of the next 10 years:
  - 5.90% market rate of return in 2026-2035
  - 6.90% market rate of return in 2026-2035
  - 7.90% market rate of return in 2026-2035

# Alternative Market Return Scenarios in 2026-2035

## (UAAL \$ in Billions)

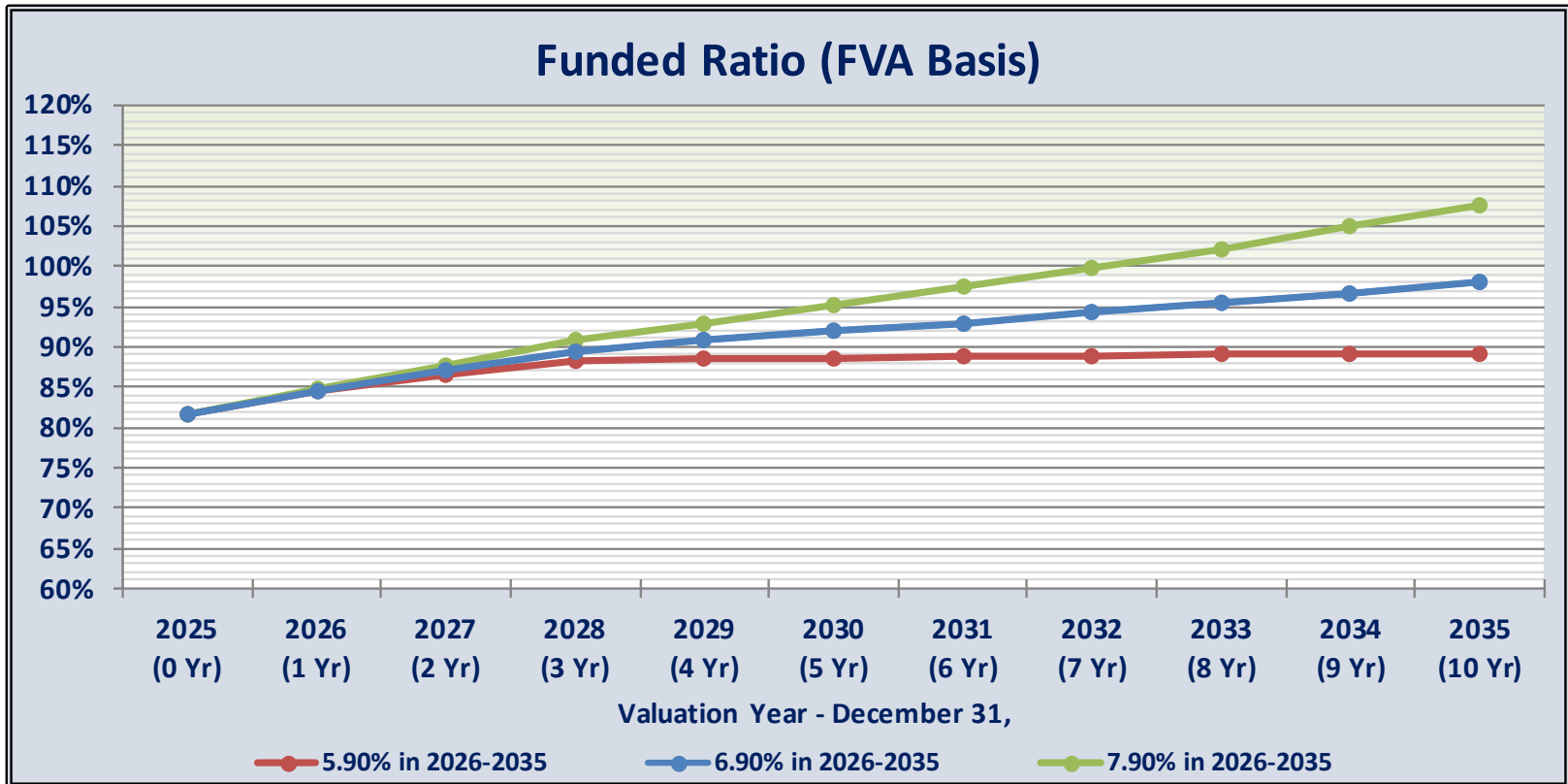
December 31,	5.90% Market Return in 2026-2035				6.90% Market Return in 2026-2035				7.90% Market Return in 2026-2035			
	UAAL	Funded Ratio	Amortization Period		UAAL	Funded Ratio	Amortization Period		UAAL	Funded Ratio	Amortization Period	
			FVA Basis	MVA Basis			FVA Basis	MVA Basis			FVA Basis	MVA Basis
2025	\$24	82%	17 yrs	10 yrs	\$24	82%	17 yrs	10 yrs	\$24	82%	17 yrs	10 yrs
2026	21	84%	14	10	21	85%	13	9	21	85%	13	9
2027	19	86%	11	10	18	87%	10	8	17	88%	10	7
2028	17	88%	9	10	15	90%	8	7	13	91%	6	5
2029	17	88%	9	10	14	91%	7	6	10	93%	4	3
2030	17	89%	8	10	12	92%	5	5	7	95%	3	1
2031	17	89%	8	10	11	93%	4	4	4	97%	1	0
2032	18	89%	8	9	9	94%	3	3	0	100%	0	0
2033	18	89%	8	9	7	95%	2	2	-4	102%	0	0
2034	18	89%	8	9	5	97%	1	1	-8	105%	0	0
2035	18	89%	8	9	3	98%	0	0	-13	108%	0	0

NOTE: UAAL and Funded Ratio are based upon the Funding Value of Assets. Results are based on a 0% retiree health contribution for Traditional Plan members in 2026 and thereafter.

- 5.90% in 2026-2035: Amortization Period remains about level after 2028 (vs. declining by 1 each valuation year)
- 7.90% in 2026-2035: Amortization Period declines by about 2 years for every valuation year

# Alternative Market Return Scenarios in 2026-2035

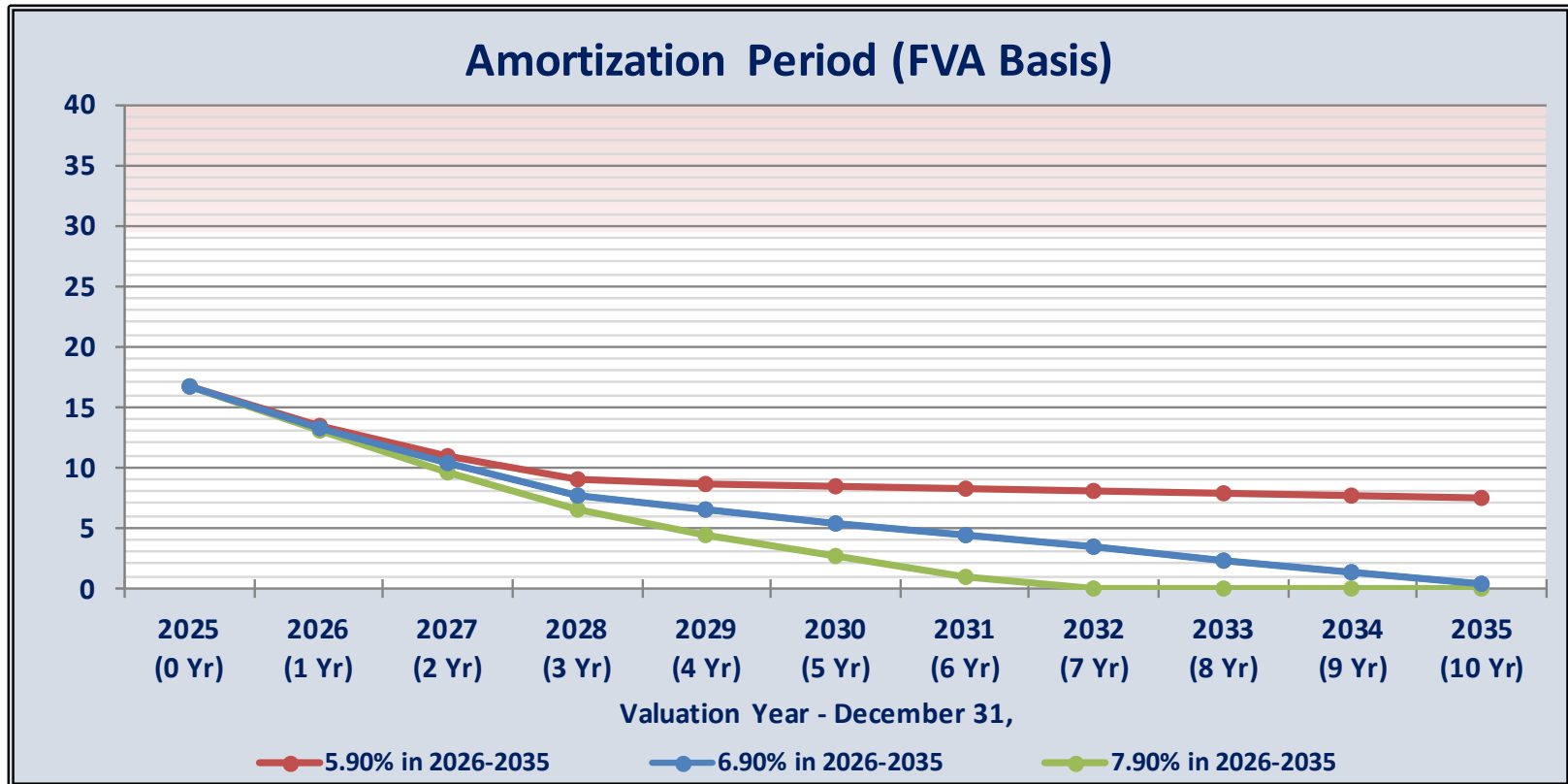
## Funded Ratio Projection



NOTE: Results are based on a 0% retiree health contribution for Traditional Plan members in 2026 and thereafter.

# Alternative Market Return Scenarios in 2026-2035

## Amortization Period Projection



NOTE: Results are based on a 0% retiree health contribution for Traditional Plan members in 2026 and thereafter.

# Section VI

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## Alternative Population Growth Scenarios

# Alternative Population Growth Scenarios

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- The following three slides show certain projection results under the following alternative population growth assumptions at various investment return scenarios:
  - Constant active population
  - 1% decrease in active population per year in CYs 2026-2030
  - 3% decrease in active population per year in CYs 2026-2030
- A decreasing active population is a particular risk area for a fixed rate plan such as OPERS that has a UAAL
  - The magnitude of the risk is dependent upon the size of the UAAL, both now and in the future

# Alternative Population Growth Scenarios

## 6.9% Market Return for All Future Years (UAAL \$ in Billions)

December 31,	3%/Year Decrease in Actives to 2030				1%/Year Decrease in Actives to 2030				Constant Active Population			
	UAAL	Funded Ratio	Amortization Period		UAAL	Funded Ratio	Amortization Period		UAAL	Funded Ratio	Amortization Period	
			FVA Basis	MVA Basis			FVA Basis	MVA Basis			FVA Basis	MVA Basis
2025	\$24	82%	17 yrs	10 yrs	\$24	82%	17 yrs	10 yrs	\$24	82%	17 yrs	10 yrs
2026	21	85%	13	9	21	85%	13	9	21	85%	13	9
2027	18	87%	11	9	18	87%	10	9	18	87%	10	8
2028	15	89%	8	8	15	89%	8	8	15	90%	8	7
2029	14	90%	7	7	14	91%	7	7	14	91%	7	6
2030	13	91%	6	6	12	92%	6	6	12	92%	5	5
2031	11	92%	5	5	11	93%	5	5	11	93%	4	4
2032	10	94%	4	4	10	94%	4	4	9	94%	3	3
2033	9	95%	3	3	8	95%	3	3	7	95%	2	2
2034	7	96%	2	2	6	96%	2	2	5	97%	1	1
2035	5	97%	1	1	4	98%	1	1	3	98%	0	0
2025 Active Members	303,194				303,194				303,194			
2030+ Active Members	260,364				288,334				303,194			
Active Pop. Change:	-14%				-5%				0%			

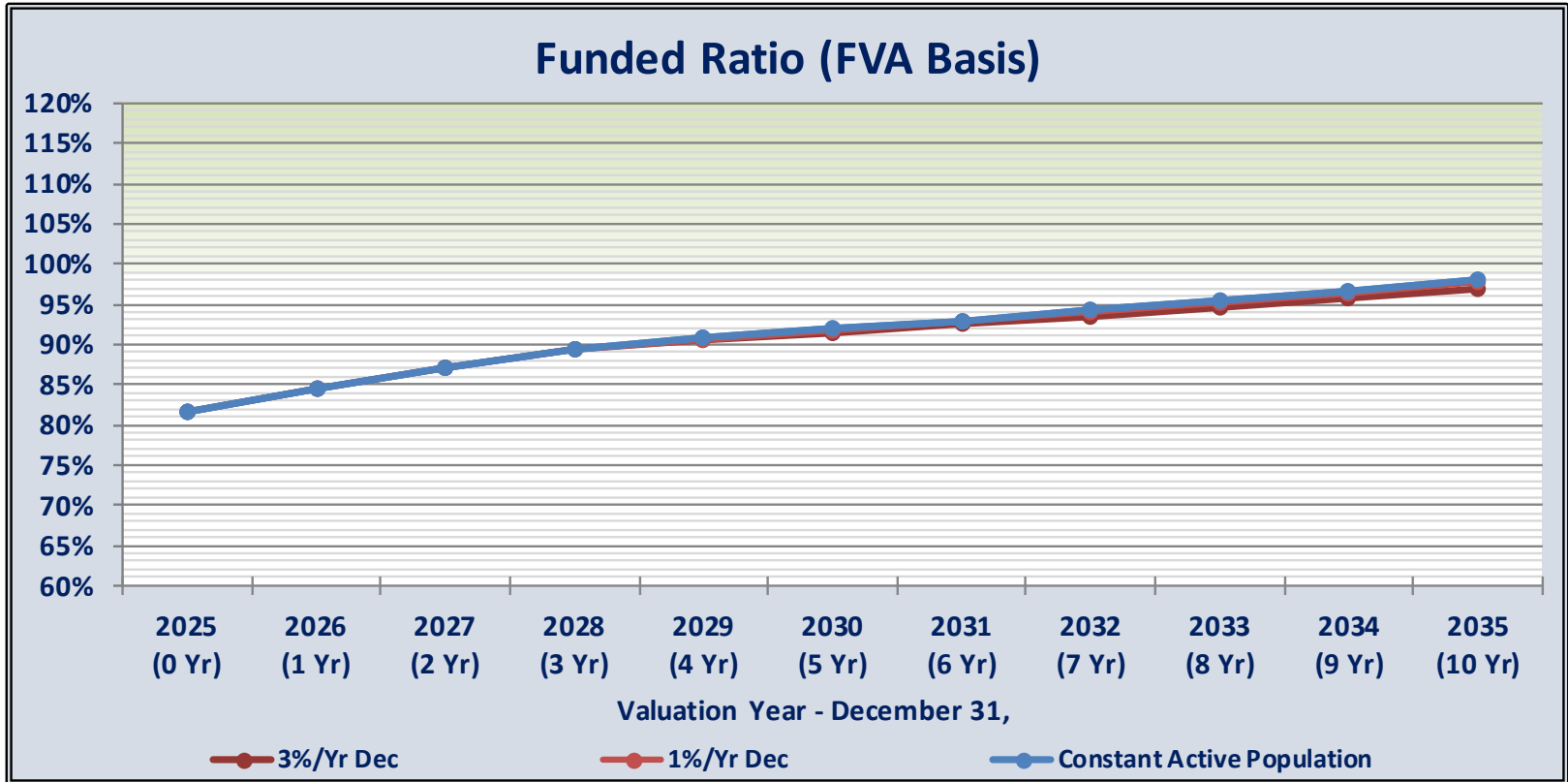
NOTE: UAAL and Funded Ratio are based upon the Funding Value of Assets. Results are based on a 0% retiree health contribution for Traditional Plan members in 2026 and thereafter.

A constant (or increasing) active population count helps to amortize unfunded liabilities faster than a decreasing active population count. Small changes in the active population count do not affect results materially. Generally speaking, System sensitivity to future changes in active population is significantly lower than the sensitivity to future investment returns.



# Alternative Population Growth Scenarios

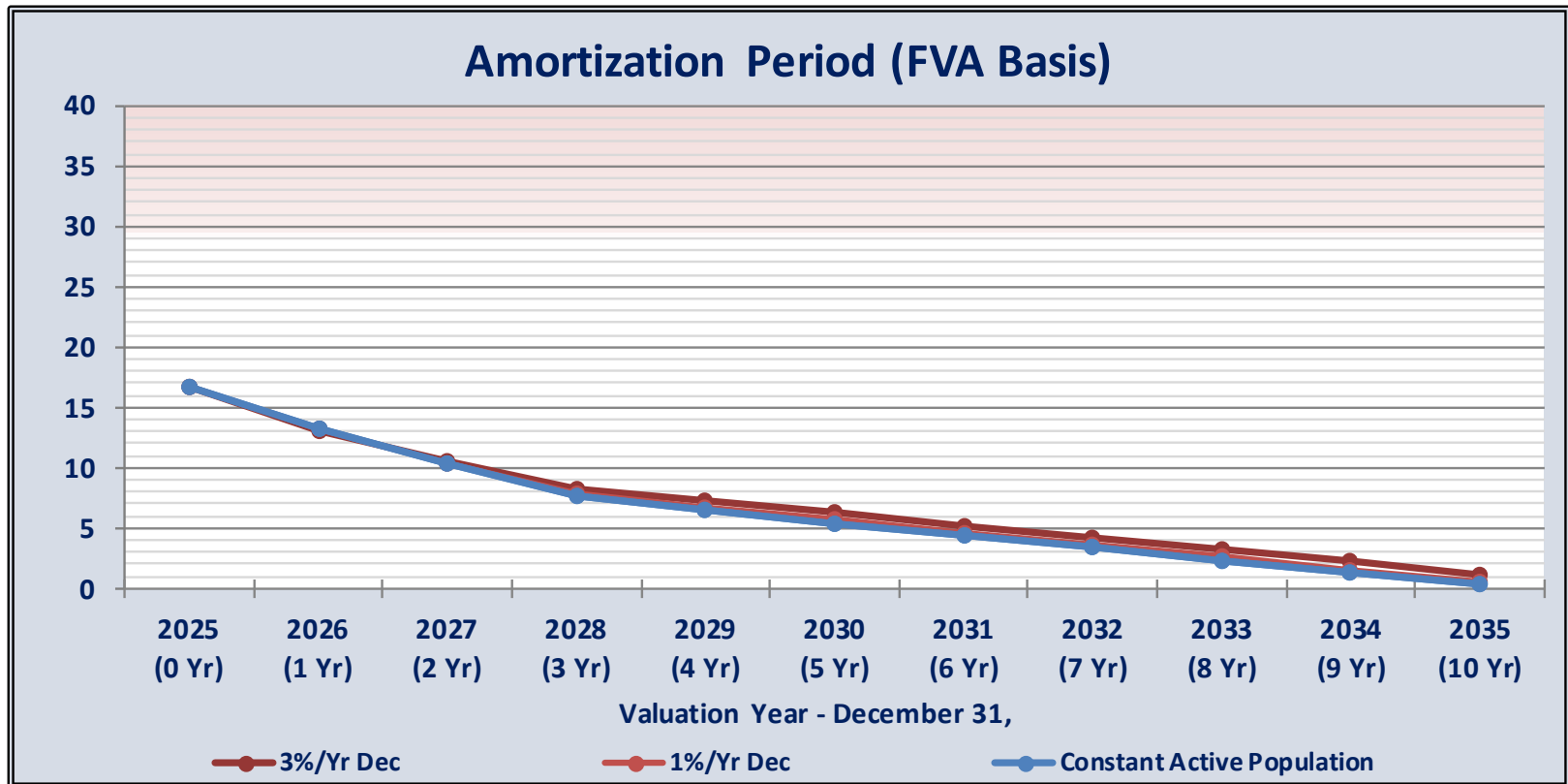
## Funded Ratio Projection



NOTE: Results are based on a 0% retiree health contribution for Traditional Plan members in 2025 and thereafter.

# Alternative Population Growth Scenarios

## Amortization Period Projection



NOTE: Results are based on a 0% retiree health contribution for Traditional Plan members in 2025 and thereafter.

# Summary

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- As of January 1, 2026, unrecognized investment gains will exert upward pressure on the System's funded status over the next three years
- Based upon the modeled investment return scenarios, the System exceeding an Amortization Period of 30 years or greater in the future remains a significant risk

# Disclosures

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- This presentation shall not be construed to provide tax advice, legal advice or investment advice.
- The actuaries submitting this presentation (Mita D. Drazilov, James R. Sparks and Jeffrey T. Tebeau) are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.
- The purposes of the actuarial valuation are to measure the financial position of OPERS, assist the Board in establishing employer contribution rates necessary to fund the retiree health and Medicare benefits provided by OPERS, and provide actuarial reporting and disclosure information for the System's financial report.

# Disclosures

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- The actuarial valuation and projections of pension benefits were based upon information furnished by the Executive Director and staff, concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided.
- This is one of multiple documents comprising the actuarial report. Additional information regarding actuarial assumptions and methods, and important additional disclosures are provided in the Actuarial Valuation of Defined Benefit Allowances Report as of December 31, 2025 and the report titled “50-Year Actuarial Projections of Base Retirement Benefits Beginning January 1, 2026.”
- If you need additional information to make an informed decision related to the contents of this presentation, or if anything appears to be missing or incomplete, please contact us before using this presentation.

# Disclosures

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- Future actuarial measurements may differ significantly from the current and projected measurements presented in this presentation due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

# Appendix

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## Appendix

# Appendix

## Amortization Period Sensitivity

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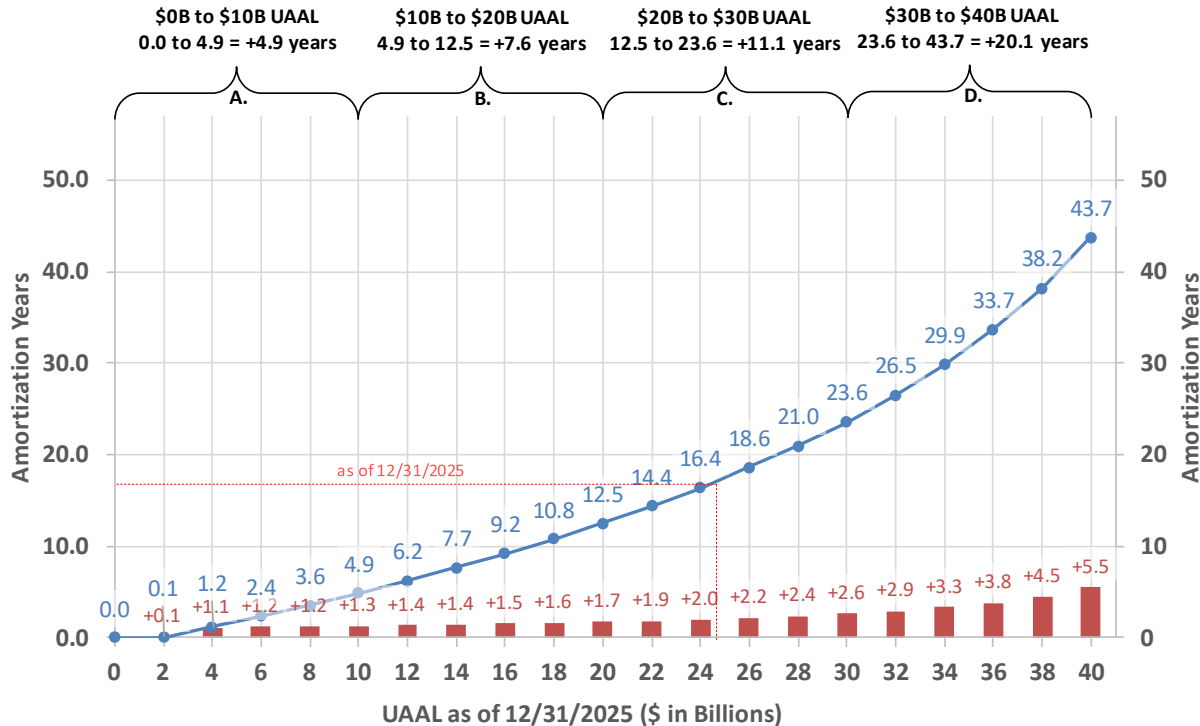
- The Amortization Period for OPERS is the number of years required to amortize the Unfunded Actuarial Accrued Liability (UAAL) based upon the System's fixed employee and employer contribution rates
- The calculation is based upon the following inputs:
  - UAAL \$ amount (\$24.48B as of 12/31/2025 – FVA basis)
  - UAAL contributions (\$1.93B estimated for CY 2026)
  - Assumed rate of investment return (6.90%)
  - Assumed rate of wage inflation (2.75%)
- The higher the current Amortization Period, the more sensitive the Amortization Period is to future experience and/or changes to the above mentioned inputs

# Appendix

## Amortization Period Sensitivity to UAAL

### Amortization Period Sensitivity to UAAL

(Based Upon CY 2026 UAAL Contribution of \$1.93B - Assumed to Grow at 2.75%)



■ Amortization Period Increase For Each Additional \$2B of UAAL  
—●— Amortization Period Computed from December 31, 2026

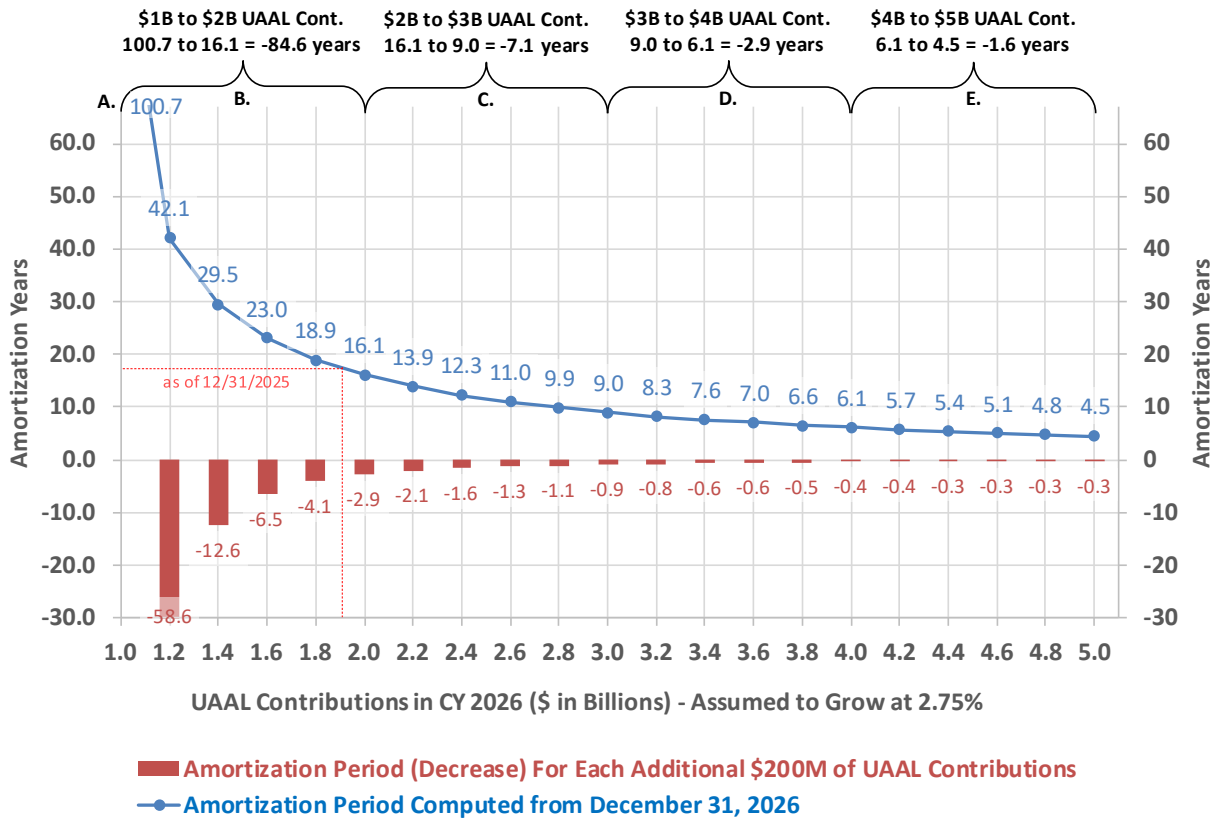
- A. UAAL increase from \$0B to \$10B increases Amortization Period from 0.0 to 4.9 years (+4.9 years)
- B. UAAL increase from \$10B to \$20B increases Amortization Period from 4.9 to 12.5 years (+7.6 years)
- C. UAAL increase from \$20B to \$30B increases Amortization Period from 12.5 to 23.6 years (+11.1 years)
- D. UAAL increase from \$30B to \$40B increases Amortization Period from 23.6 to 43.7 years (+20.1 years)



# Appendix

## Amortization Period Sensitivity to UAAL Contributions

**Amortization Period Sensitivity to UAAL Contributions**  
(Based Upon 12/31/2025 UAAL of \$24.48B)



- A. UAAL contributions of \$1B in CY 2026 results in an Amort. Period of 100.7 years
- B. UAAL contribution increase from \$1.0B to \$2.0B decreases Amort. Period from 100.7 to 16.1 years (-84.6 years)
- C. UAAL contribution increase from \$2.0B to \$3.0B decreases Amort. Period from 16.1 to 9.0 years (-7.1 years)
- D. UAAL contribution increase from \$3.0B to \$4.0B decreases Amort. Period from 9.0 to 6.1 years (-2.9 years)
- E. UAAL contribution increase from \$4.0B to \$5.0B decreases Amort. Period from 6.1 to 4.5 years (-1.6 years)



# Board Meeting VI.C



**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
277 EAST TOWN STREET, COLUMBUS, OH 43215-4642  
1-800-222-PERS (7377)  
www.opers.org

**MEMORANDUM**

DATE: May 11, 2026

TO: OPERS Retirement Board Members

FROM: Shonda Bourquin, Assistant Director, Pre-Retirement

RE: **VI. Discussion Items:**  
**C. Ohio Deferred Compensation – Unforeseen Emergency**  
**Withdrawals Administrative Change**

---

**Purpose**

This presentation is to review the current ODC Unforeseeable Emergency (UE) Withdrawal policy. During the presentation, staff will review the following:

- Provide an Unforeseeable Emergency overview
- Review analysis of the participant behavior
- Review changes to this policy

**Next Steps**

Our goal is to implement the new policy in September 2026 due to programming changes needed in ORIS, the participant web portal, and developing communication material for participants.

# Ohio Deferred Compensation Unforeseeable Emergency

May 20, 2026

**Shonda Bourquin**

*Assistant Director, Pre-Retirement*



302/472

**Deferred  
Compensation**  
*Invest in you.*



# Agenda

- Purpose
- Unforeseeable Emergency Overview
- Analysis
- Recommendation
- Questions & Answers

# Purpose

# Purpose

- The purpose of this presentation is to review the current ODC Unforeseeable Emergency (UE) Withdrawal policy and review the changes we are implementing to streamline the process and improve participant experience.

# Overview

# UE Overview

- An Unforeseeable Emergency (UE) is defined by the Internal Revenue Service (IRS) as a severe financial hardship to you, your spouse, your child, your primary beneficiary, or a dependent, such as:
  - A sudden and unexpected illness;
  - An accident you or a dependent experienced;
  - Loss of your property because of casualty; or
  - Other similar extraordinary and unforeseen circumstances arising as a result of events beyond your control, for example: the imminent foreclosure of or eviction from your primary residence; the need to pay for medical expenses, including non-refundable deductibles or prescription drugs; or the need to pay for funeral expenses for your spouse, your primary beneficiary, or a dependent.

# UE Overview

- The following are not considered a UE Emergency:
  - Home purchase
  - Credit card debt
  - Automobile purchase or repossession
  - College expenses or other educational expenses
  - Normal monthly bills (except when such bills result directly and solely from illness or casualty loss)
  - Elective surgery (not covered by medical insurance)
  - Loans, including personal loans
  - Moving expenses
  - Income tax or property tax, back taxes, or fines associated with back taxes
  - Personal bankruptcy (except when it results directly and solely from illness or casualty loss)
  - Divorce or marital separation
  - Wage garnishment
  - Child support
  - Legal expenses (other than legal fees associated with complications of adoption)
  - Resignation
  - Speculative business (self-employed)

# UE Overview- Eligibility

- Any actively employed participant may apply.
- Retired or terminated participants, beneficiaries, and alternate payees can start, stop, or change their withdrawals at any time, they don't need to apply for withdrawals through this process.
- Only events occurring within the **last 24 months** may be considered unforeseeable today.

# UE Overview- Eligibility

- Participants are not eligible for a UE withdrawal if the emergency can be relieved through:
  - Reimbursement or compensation from insurance or otherwise
  - Liquidation of participants assets, to the extent that would not itself cause severe financial hardship
  - Stopping the contributions to the plan

# UE Overview- IRS Guidelines

- Documented UE (application and supporting documentation) have been in place at ODC since 1979.
- In 2022, Secure Act 2.0 permitted participants to use self-certification for UEs, meaning the IRS does not require upfront submission of documents.
- Participants must certify the emergency and that funds are not available via insurance, reimbursement, or other assets, and should maintain documentation for potential audit.

*Key IRS Requirement: Participant certifies the emergency/amount and is solely responsible for maintaining supporting documentation.*

# UE Documentation Requirements

Emergency Type	Required Documentation
Medical / Dental Expenses	<ul style="list-style-type: none"><li>· Insurance: EOBs showing coverage/denial, responsibility, dates</li><li>· Predetermination of Benefits forms</li><li>· No insurance: Detailed bills + signed no-insurance statement</li><li>· Cosmetic procedures: Doctor letter of medical necessity</li></ul>
Loss of Income (Illness/Injury)	<ul style="list-style-type: none"><li>· Employer letter listing dates missed and compensation received</li><li>· Most recent paystub</li><li>· Unemployment documentation (if applicable)</li><li>· Self-employed: physician letter + 2 yrs Schedule C</li></ul>
Property Loss (Home/Vehicle)	<ul style="list-style-type: none"><li>· Insurance letter showing coverage/deductible or no coverage</li><li>· No insurance: signed statement</li><li>· Repair estimate stating cause and cost</li><li>· Police report if accident-related</li></ul>

# UE Documentation Requirements

Emergency Type	Required Documentation
Foreclosure / Eviction	<ul style="list-style-type: none"><li>• Foreclosure: lender letter within 60 days incl. amount &amp; address</li><li>• Eviction: landlord or court notice within 60 days with amount &amp; address</li></ul>
Funeral Costs	<ul style="list-style-type: none"><li>• Death certificate</li><li>• Itemized funeral/cemetery invoice</li><li>• Travel receipts (USD for international)</li><li>• Proof of relationship</li></ul>

# Examples of Documentation Submissions

- Medical expenses, 176 pages submitted, requested amount- \$10,000
- Property loss due to casualty, 17 pages submitted, requested amount-\$26,250
- Foreclosure and/or eviction, 8 pages submitted, requested amount-\$19,762
- Medical expenses, 158 pages submitted, requested amount-\$27,223
- Funeral expenses, 2 pages submitted, requested amount- \$15,300
- Property loss due to casualty, 22 pages submitted, requested amount- \$28,811

# UE Overview- Current State

- Documented and self-certified UEs
  - ODC self-certification available July 2023 and online submission became available October 2025.
- Today: 4 self-certifications per year, up to \$5,000 per request
- Additional requests (5<sup>th</sup> UE or more or any amount over \$5,000) require paper application and supporting documentation.

# Analysis

# UE Analysis

- Analysis of similar asset size peer plans showed that for self-certified UEs:
  - Most large public plans allow 1–2 self-certified UEs
  - Dollar caps typically range \$10,000–\$20,000
  - Some plans do not allow self-certification
  - Some plans allow unlimited self-certifications with no limits on the withdrawal amount

# UE Analysis

- Reviewing 2025 UE requests submitted, the following participant behavior occurred:
  - Frequent, small-dollar UEs correlate with full cash-outs- participants using as short term savings account instead of a supplemental retirement account
  - 59% of participants utilized the 4 self-certifications to get to the \$20,000 dollar limit
  - Documented UE requests- average \$15,000

# UE Analysis

- The review of the data shows:
  - Small repeated withdrawals resemble short-term banking – future education opportunity
  - The \$5,000 cap is not covering the expenses of the defined UE for our participants
  - The current state is not in alignment with our peer plans

# Recommendation

# UE Recommendation

<b>Current</b>	<b>Proposed</b>
Up to <b>4 self-certifications</b> per calendar year	Up to <b>2 self-certifications</b> per calendar year
Up to <b>\$5,000</b> per calendar year	Up to <b>\$20,000</b> per withdrawal
Application only – <b>no supporting documentation</b> required	Application only – <b>no supporting documentation</b> required
<b>5th UE</b> or any amount over <b>\$5,000</b> requires a <b>paper application</b> and <b>supporting documentation</b>	<b>3rd UE</b> or any amount over <b>\$20,000</b> requires a <b>paper application</b> and <b>supporting documentation</b>

# UE Recommendation

- Staff feels the proposed recommendation works because it
  - Addresses the higher cost of defined unforeseeable emergencies/dollar amount requested by participants
  - Preserves access for genuine emergencies
  - Reduces the number of self-certified requests for low dollar amounts
  - Alleviates large volumes of supporting documentation being submitted for defined UEs
  - Aligns with our peer plans

# Thank you



# Questions?

# Board Meeting VI.D

## MEMORANDUM

**TO:** OPERS Board of Retirement  
**FROM:** Meketa Investment Group (Meketa)  
**DATE:** May 11, 2026  
**RE:** **VI. Discussion Items:**  
**D. Market and Performance Update: 1Q2026 DB, HC and DC Plans**

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### Market Commentary:

Despite a solid start in January, equities globally declined in the first quarter amid tensions in the Middle East and US technology weakness, while higher energy prices fueled inflation concerns in the bond markets.

US equities (Russell 3000) declined 4.0% in the first quarter. Small-cap and value stocks outperformed large-cap and growth, as skepticism around AI-driven valuations and shifting rate expectations supported a rotation toward more cyclical and defensive areas of the market.

Non-US equities declined less than US stocks in the first quarter, supported by more attractive relative valuations and a rotation away from US technology leadership. Performance was also aided by strength in parts of Asia tied to AI-related hardware demand. Later in the quarter, the Middle East conflict particularly weighed on countries dependent on oil from the region, especially oil that typically passes through the Strait of Hormuz.

Major bond markets were broadly flat for the first quarter of 2026. The US bond market (Bloomberg Aggregate) finished the quarter largely unchanged. TIPS (Bloomberg US TIPS) were up slightly driven by increased inflation concerns, while longer-duration Treasuries posted modestly negative returns amid upward pressure on yields.

Looking ahead, markets will be focused on how geopolitical risks, elevated energy prices, and trade uncertainty feed into inflation expectations and influence the path of monetary policy, growth, and earnings outlooks.

### Equities:

The rotation from growth to value that began late last year remained firmly in place throughout the first quarter of 2026, despite broad declines in US equities. The style divergence was evident across market capitalizations, with the Russell 1000 Value Index gaining 2.1% versus a 9.8% decline for the Russell 1000 Growth Index. In small caps, the Russell 2000 Value Index rose 5.0% compared to a 2.8% decline for the Russell 2000 Growth Index, reflecting continued investor preference for lower-valuation, more cyclically exposed segments of the market.

Within developed markets, results were mixed. European and UK equities benefited at times from relative value appeal and exposure to energy and defensive sectors. Japan was supported by expectations of political stability after the February national elections and continued AI-related hardware demand, though broader risk-off sentiment and concerns related to energy prices weighed on returns by quarter-end.

Emerging markets modestly outperformed developed peers during the quarter, driven by strength in select Asian markets tied to continued semiconductor and hardware demand. China was a notable laggard (-8.9%), as broad-based weakness in tech and consumer stocks and ongoing uncertainty around growth and policy support pressured returns in the first quarter.

**Fixed Income:**

Fixed income returns were mixed during the first quarter of 2026. The Mideast conflict reignited inflation fears, and fixed income markets repriced future rate cut expectations for the year. The broad US bond market (Bloomberg Aggregate) finished the quarter flat, while longer-duration assets and riskier credit segments lagged.

Long-term Treasuries were pressured late in the quarter as yields moved higher, resulting in modest losses for the Bloomberg US Long Treasury Index (-0.4%). Inflation-protected securities delivered positive results, with short-term TIPS returning +0.9% while the broader TIPS index rose 0.3%.

During the quarter credit-oriented sectors lagged as weaker risk sentiment and rate volatility weighed on returns. High yield bonds declined modestly (-0.5%), while emerging market debt underperformed more meaningfully (-2.3%), reflecting sensitivity to global risk conditions.

**OPERS Funds Review:****Defined Benefit Plan (DB)**

The OPERS total DB portfolio had an aggregate value of \$113.4 billion as of March 31, 2026. This includes negative performance over the most recent quarter of (-0.1%). However, the DB plan returned 13.0% and 10.1% over the most recent 1-year and 3-year periods. The portfolio has outperformed its policy benchmark over the 3-, 5-, and 10-year periods. Over the past 5 years the DB plan returned 6.6% net of fees and outperformed the policy benchmark by 30 basis points over this period.

Over longer-term periods, asset class performance has been positive with particularly strong returns from the public equity markets. Private market performance for the DB portfolio continues to be mixed with Private Equity returning 7.8% for the latest 3-year period.

**Health Care Trust (HC 115):**

Mixed performance by the capital markets led the health care trust to a return of 0.1% net of fees for the quarter ending March 31, 2026, slightly outperforming the policy benchmark with plan assets at roughly \$14.8 billion. For the latest 1-year period the HC portfolio was up 115.0% net of fees and outperformed its policy benchmark by 50 basis points. Overall longer periods the HC trust has outperformed its policy benchmark and provided positive annualized returns.

Allocations to public equities and fixed income benefited the portfolio over all longer-term trailing time periods.

**Defined Contribution Plan:**

As of March 31, 2026, the defined contribution portfolio had assets of roughly \$3.5 billion. This total market value was slightly below the value as of December 31, 2025. Performance was mixed for the DC funds during the quarter but continues to be positive for latest 1-Year period.

## Ohio Public Employees Retirement System

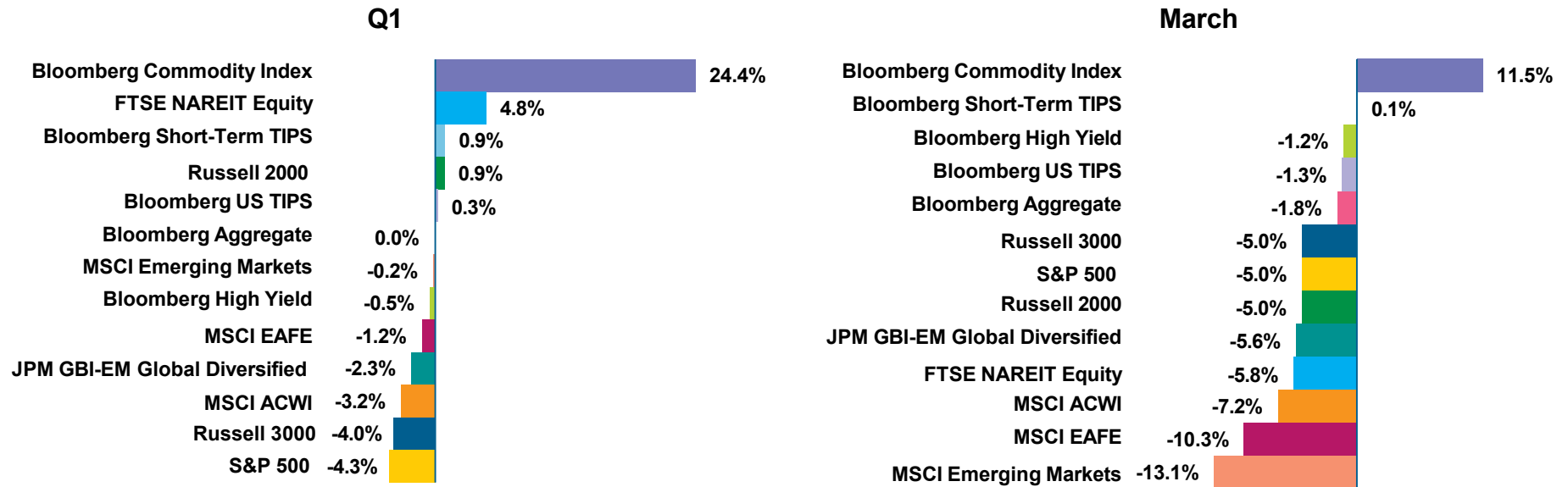
Q1 2026

DB, HC and DC Plan Performance

1. Introduction
2. Defined Benefit Plan Performance
3. Health Care Trust 115 Performance
4. Defined Contribution Plan Performance
5. Appendix
  - Economic and Market Update as of December 31, 2025
  - Supplemental Performance Pages
6. Disclaimer

# Introduction

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



- In the first quarter of 2026, commodities led performance, significantly outperforming as geopolitical tensions drove oil prices higher. US REITs also had a strong quarter as investors rotated out of large-cap tech into defensive, income-generating assets, with data centers and healthcare properties driving results.
- In contrast, risk assets broadly lagged, with US equities declining, led by large-cap stocks, while international equities also posted negative returns amid continued concerns around technology valuations and energy related worries from the conflict in the Middle East.

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

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

Domestic Equity	March (%)	Q1 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-5.0	-4.3	17.8	18.3	12.1	14.2
Russell 3000	-5.0	-4.0	18.1	17.8	10.9	13.7
Russell 1000	-5.0	-4.2	17.7	18.1	11.3	14.0
Russell 1000 Growth	-5.2	-9.8	18.8	21.2	12.8	16.8
Russell 1000 Value	-4.8	2.1	15.9	14.3	9.4	10.6
Russell MidCap	-5.3	1.3	16.0	13.3	7.3	10.9
Russell MidCap Growth	-6.3	-6.3	9.6	12.7	5.4	11.7
Russell MidCap Value	-5.1	3.7	17.6	13.1	7.9	9.7
Russell 2000	-5.0	0.9	25.7	13.0	3.8	9.9
Russell 2000 Growth	-6.3	-2.8	23.6	12.3	1.6	9.8
Russell 2000 Value	-3.6	5.0	28.1	13.8	5.8	9.6

#### US Equities: The Russell 3000 index fell 4.0% in the first quarter of 2026.

- The rotation from growth to value that began late last year remained firmly in place throughout the first quarter of 2026, despite broad declines in US equities. The style divergence was evident across market capitalizations, with the Russell 1000 Value Index gaining 2.1% versus a 9.8% decline for the Russell 1000 Growth Index. In small caps, the Russell 2000 Value Index rose 5.0% compared to a 2.8% decline for the Russell 2000 Growth Index, reflecting continued investor preference for lower-valuation, more cyclically exposed segments of the market.
- All the “Magnificent Seven” constituents posted negative returns in the first quarter: Microsoft (-23.5%), Meta (-13.0%), Amazon (-9.4%), Alphabet (-8.1%), Apple (-7.3%), Tesla (-6.7%), and Nvidia (-6.5%). This acted as a meaningful headwind to broad market performance given their significant weight in the index.

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

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

Foreign Equity	March (%)	Q1 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	-10.8	-0.7	24.9	14.5	7.0	8.4
MSCI EAFE	-10.3	-1.2	21.3	13.6	7.9	8.4
MSCI EAFE (Local Currency)	-8.0	0.1	17.4	13.2	9.9	9.3
MSCI EAFE Small Cap	-10.9	-1.3	25.6	12.6	4.4	7.4
MSCI Emerging Markets	-13.1	-0.2	29.6	14.8	3.7	7.8
MSCI Emerging Markets (Local Currency)	-10.5	2.1	30.6	17.1	6.2	9.5
MSCI EM ex China	-14.8	3.2	41.3	18.5	8.1	9.2
MSCI China	-7.7	-8.9	3.8	6.5	-4.9	5.1

**Foreign equities declined in the first quarter of 2026, but by less than US equities. Developed markets (MSCI EAFE: -1.2%) modestly underperformed emerging markets (MSCI Emerging Markets: -0.2%), with performance dispersion across regions remaining elevated.**

- Within developed markets, results were mixed. European and UK equities benefited at times from relative value appeal and exposure to energy and defensive sectors. Japan was supported by expectations of political stability after the February national elections and continued AI-related hardware demand, though broader risk-off sentiment and concerns related to energy prices weighed on returns by quarter-end.
- Emerging markets modestly outperformed developed peers during the quarter, driven by strength in select Asian markets tied to continued semiconductor and hardware demand. China was a notable laggard (-8.9%), as broad-based weakness in tech and consumer stocks and ongoing uncertainty around growth and policy support pressured returns in the first quarter.

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

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

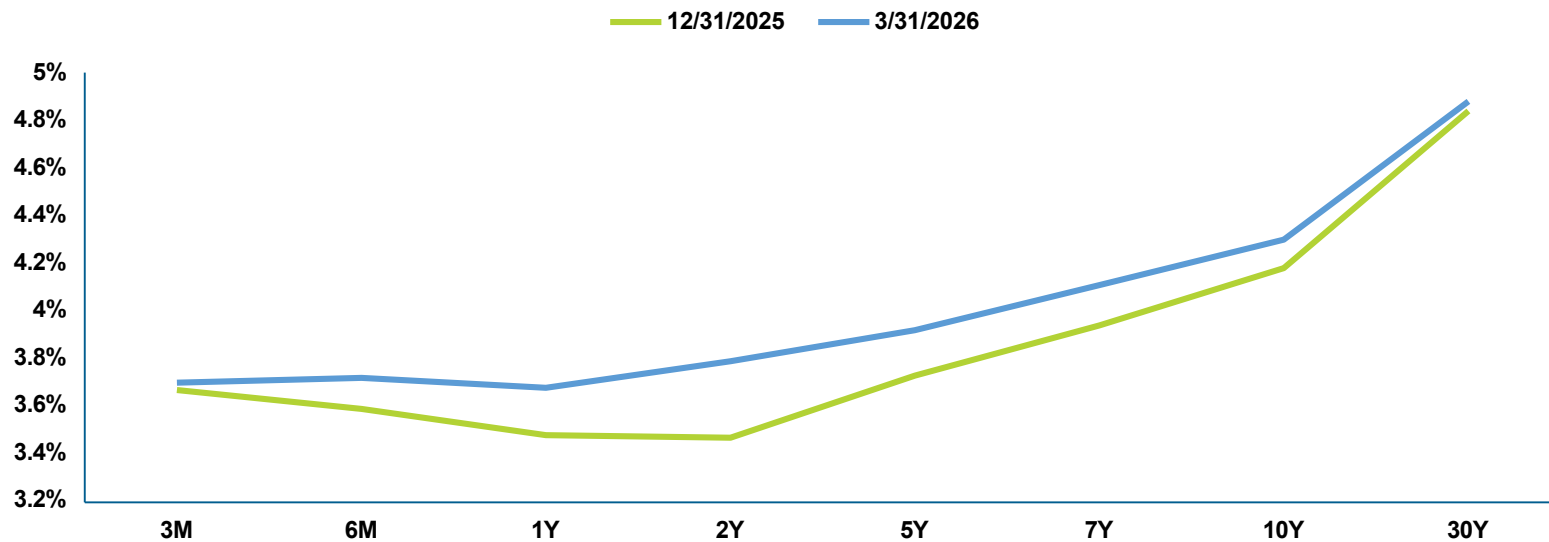
Fixed Income	March (%)	Q1 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	-1.8	-0.1	4.6	4.2	0.7	2.1	4.8	5.8
Bloomberg Aggregate	-1.8	0.0	4.3	3.6	0.3	1.7	4.6	6.0
Bloomberg US TIPS	-1.3	0.3	3.0	3.2	1.5	2.7	4.3	6.6
Bloomberg Short-term TIPS	0.1	0.9	3.9	4.7	3.5	3.1	3.8	2.4
Bloomberg US Long Treasury	-4.0	-0.4	0.5	-1.5	-4.6	-0.8	4.9	14.4
Bloomberg High Yield	-1.2	-0.5	7.0	8.6	4.2	6.1	7.4	3.4
JPM GBI-EM Global Diversified (USD)	-5.6	-2.3	11.8	6.9	2.1	2.6	--	--

#### Fixed Income: The Bloomberg Universal index fell 0.1% in the first quarter of 2026.

- Fixed income returns were mixed during the first quarter of 2026. The Mideast conflict reignited inflation fears, and fixed income markets repriced future rate cut expectations for the year. The broad US bond market (Bloomberg Aggregate) finished the quarter flat, while longer-duration assets and riskier credit segments lagged.
- Long-term Treasuries were pressured late in the quarter as yields moved higher, resulting in modest losses for the Bloomberg US Long Treasury Index (-0.4%). Inflation-protected securities delivered positive results, with short-term TIPS returning +0.9% while the broader TIPS index rose 0.3%.
- During the quarter credit-oriented sectors lagged as weaker risk sentiment and rate volatility weighed on returns. High yield bonds declined modestly (-0.5%), while emerging market debt underperformed more meaningfully (-2.3%), reflecting sensitivity to global risk conditions.

<sup>1</sup> Source: Bloomberg. Data is as of March 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>**

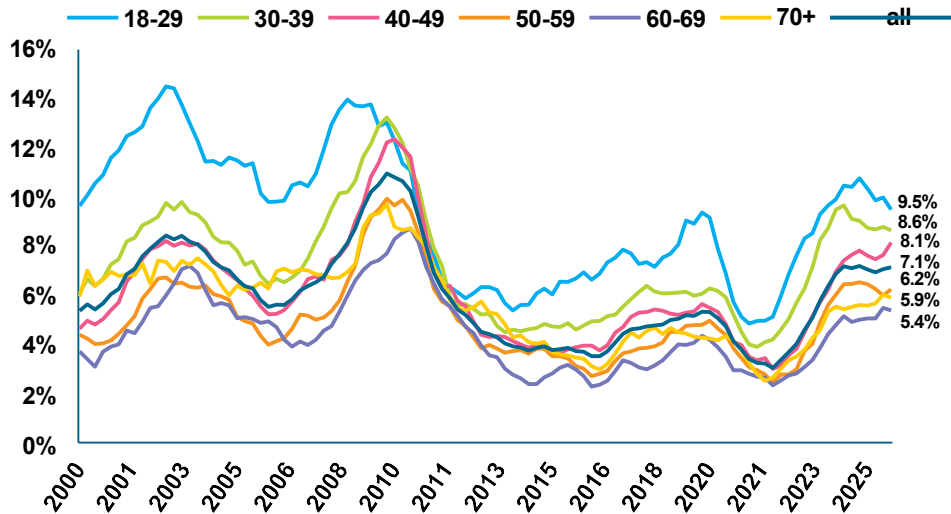


- Treasury yields moved higher across the entire curve during the first quarter of 2026 as the war in the Middle East increased inflation concerns and lowered the number of expected interest rate cuts from the Federal Reserve.
- The policy-sensitive 2-year nominal Treasury yield increased from 3.47% to 3.79%. The 10-year nominal Treasury yield rose from 4.18% to 4.30%, while the 30-year nominal Treasury yield increased from 4.84% to 4.91%.
- As the front end of the yield curve rose more sharply than longer-dated yields, the spread between the two-year and ten-year Treasury declined from 70 basis points to 53 basis points.

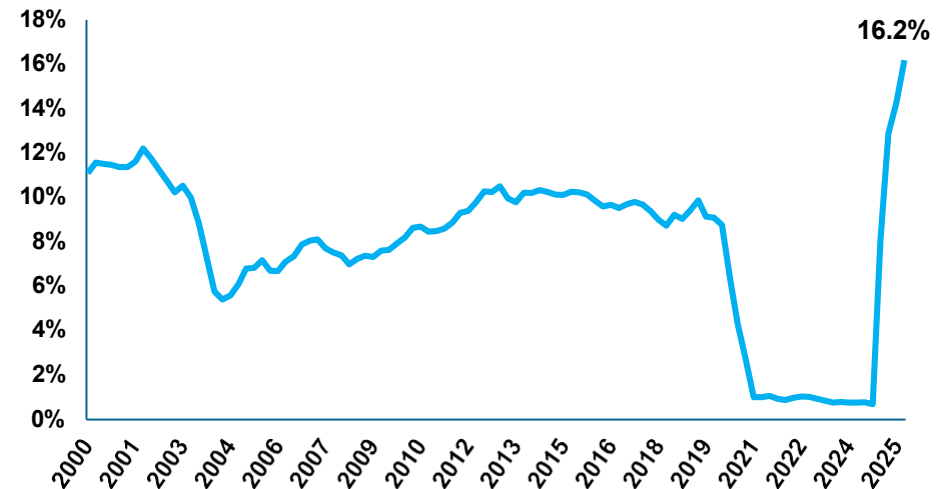
<sup>1</sup> Source: Bloomberg. Data is as of March 31, 2026.

**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 conditions are increasingly K-shaped, with higher-income households remaining resilient while younger and more rate-sensitive borrowers show rising stress amid persistently high prices and interest rates.
- Delinquencies have risen from pandemic lows, driven by this more financially stretched group; while overall levels are close to pre-pandemic numbers, dispersion across households is widening.
- Student loan repayments have re-emerged as a key pressure point, with millions of borrowers missing payments and over 16% of balances now seriously delinquent, weighing on consumption for younger cohorts.

<sup>1</sup> Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. See also FRED. Data is as of December 31, 2025.

<sup>2</sup> Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. Percent of student loan holders transitioning in serious default (90-days or more) based on four quarter moving average. Delays in reporting may cause fluctuations. Data is as of December 31, 2025.

## Defined Benefit Plan Performance

Allocation vs. Targets				
	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)
Aggressive Growth	28,813,880,150	25	25	0
Private Equity	16,124,641,484	14	14	0
Private Real Estate	12,689,238,666	11	11	0
Traditional Growth	47,175,605,337	42	43	-1
US Equity	23,036,051,001	20	21	-1
Equity ex-US	23,000,428,975	20	21	-1
REITS	1,139,125,361	1	1	0
Stabilized Growth	13,110,448,975	12	11	1
Private Credit	792,123,198	1	4	-3
Public Credit (SD/EMD/HY/IGC)	9,994,372,938	9	6	3
Risk Parity	2,323,952,839	2	1	1
Principal Protection	10,587,369,596	9	7	2
Core Fixed Income	8,315,254,453	7	5	2
Treasuries	2,272,115,143	2	2	0
Inflation	7,252,933,066	6	4	2
TIPS	3,408,057,485	3	2	1
Commodities	2,644,203,148	2	1	1
Gold	1,200,672,432	1	1	0
Risk Mitigating Strategies	6,012,087,518	6	10	-4
Legacy Hedge Funds	1,512,130	0	0	0
Long Treasuries	3,382,397,308	3	3	0
Alternative Risk Premia	826,464,450	1	3	-2
Trend Following	1,801,713,630	2	4	-2
Cash	522,660,532	0	0	0
<b>Total</b>	<b>113,474,985,173</b>	<b>100</b>	<b>100</b>	<b>0</b>

Cash is not included in Total Policy allocation.  
Numbers may not sum due to rounding.

## Performance Summary | As of March 31, 2026

Trailing Period Performance							
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
<b>Total Fund (DB)</b>	<b>113,474,985,173</b>	<b>100.0</b>	<b>-0.1</b>	<b>13.0</b>	<b>10.1</b>	<b>6.6</b>	<b>8.4</b>
<i>Policy Index DB</i>			0.3	13.9	9.8	6.3	8.1
Over/Under			-0.4	-0.9	0.3	0.3	0.2
<b>Aggressive Growth</b>	<b>28,813,880,150</b>	<b>25.4</b>	<b>0.1</b>	<b>4.1</b>	<b>3.4</b>	<b>8.0</b>	<b>9.3</b>
Private Equity	16,124,641,484	14.2	0.3	6.4	7.8	11.1	12.6
<i>Custom Private Equity Benchmark</i>			--	--	--	--	--
Over/Under			--	--	--	--	--
Private Real Estate	12,689,238,666	11.2	-0.1	1.3	-1.7	4.3	5.3
<i>Custom Real Estate Benchmark</i>			0.9	3.8	-3.4	3.4	4.7
Over/Under			-1.0	-2.5	1.7	1.0	0.6
<b>Traditional Growth</b>	<b>47,175,605,337</b>	<b>41.6</b>	<b>-2.0</b>	<b>21.4</b>	<b>16.7</b>	<b>9.2</b>	<b>11.6</b>
US Equity	23,036,051,001	20.3	-3.9	18.0	17.8	11.0	13.6
<i>Domestic Equity Blend BM</i>			-4.0	18.1	17.9	10.9	13.7
Over/Under			0.1	0.0	-0.1	0.1	-0.1
Equity ex-US	23,000,428,975	20.3	-0.4	25.3	15.5	7.3	9.4
<i>Custom Int'l Eq Benchmark</i>			-0.6	25.8	14.5	6.7	8.4
Over/Under			0.2	-0.5	1.0	0.7	1.0
REITS	1,139,125,361	1.0	4.8	7.3	9.2	--	--
<i>Dow Jones U.S. Select RESI</i>			4.7	7.3	9.1	--	--
Over/Under			0.2	0.1	0.0	--	--

Returns are net of fees

## Performance Summary | As of March 31, 2026

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
<b>Stabilized Growth</b>	<b>13,110,448,975</b>	<b>11.6</b>	<b>1.1</b>	<b>9.7</b>	<b>8.2</b>	<b>2.5</b>	<b>4.6</b>
Risk Parity	2,323,952,839	2.0	7.2	21.6	10.2	3.1	6.1
<i>Custom Risk Parity</i>			7.1	21.2	9.6	2.5	4.6
Over/Under			0.1	0.4	0.7	0.7	1.5
Private Credit	792,123,198	0.7	1.7	8.3	--	--	--
<i>S&amp;P UBS Leveraged Loans</i>			-0.6	4.7	--	--	--
Over/Under			2.3	3.6	--	--	--
Public Credit	9,994,372,938	8.8	-0.5	7.1	7.7	2.7	4.1
<i>50% BBg US Agg 50% BBg US High Yield</i>			-0.3	5.7	6.1	2.3	3.9
Over/Under			-0.2	1.4	1.6	0.4	0.2
Global High Yield	3,521	0.0	0.0	0.0	0.0	-10.1	9.3
<i>Blmbg. Global High Yield Index</i>			-1.3	8.6	10.1	4.2	5.5
Over/Under			1.3	-8.6	-10.1	-14.3	3.8
<b>Principal Protection</b>	<b>10,587,369,596</b>	<b>9.3</b>	<b>-0.1</b>	<b>4.3</b>	<b>3.6</b>	<b>0.4</b>	<b>2.0</b>
Treasuries	2,272,115,143	2.0	0.1	3.4	2.6	-0.2	1.0
<i>Blmbg. U.S. Treasury Index</i>			0.0	3.3	2.6	-0.1	1.0
Over/Under			0.2	0.2	0.0	0.0	0.0
Core Fixed Income	8,315,254,453	7.3	-0.2	4.5	3.6	0.4	2.0
<i>Blmbg. U.S. Aggregate Index</i>			0.0	4.3	3.6	0.3	1.7
Over/Under			-0.1	0.1	0.0	0.1	0.3
<b>Inflation</b>	<b>7,252,933,066</b>	<b>6.4</b>	<b>9.0</b>	<b>19.4</b>	<b>17.6</b>	<b>10.6</b>	<b>7.4</b>
TIPS	3,408,057,485	3.0	0.3	3.1	3.2	1.5	2.6
<i>Blmbg. U.S. TIPS Index</i>			0.3	3.0	3.2	1.5	2.7
Over/Under			0.0	0.1	0.0	0.0	0.0

Returns are net of fees

## Performance Summary | As of March 31, 2026

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Commodities	2,644,203,148	2.3	23.3	31.5	15.0	11.0	7.7
<i>Custom Commodities Benchmark</i>			24.4	32.3	13.9	14.1	7.5
Over/Under			-1.2	-0.8	1.1	-3.1	0.2
Gold	1,200,672,432	1.1	7.4	--	--	--	--
<i>Bloomberg Gold Subindex Total Return</i>			7.1	--	--	--	--
Over/Under			0.3	--	--	--	--
<b>Risk Mitgating Strategies</b>	<b>6,012,087,518</b>	<b>5.3</b>	<b>1.1</b>	<b>7.7</b>	<b>4.6</b>	<b>1.2</b>	<b>2.2</b>
Legacy Hedge Fund	1,512,130	0.0	0.0	0.0	1.7	2.9	3.9
<i>Custom Hedge Fund Benchmark</i>			0.4	10.0	9.1	5.8	6.1
Over/Under			-0.4	-10.0	-7.3	-3.0	-2.1
Long Duration U.S. Treasury	3,382,397,308	3.0	-0.3	--	--	--	--
<i>Blmbg. U.S. Treasury: 20+ Year</i>			-0.3	--	--	--	--
Over/Under			0.0	--	--	--	--
Alternative Risk Premia	826,464,450	0.7	2.8	--	--	--	--
<i>Alternative Risk Premia BM</i>			2.8	--	--	--	--
Over/Under			0.0	--	--	--	--
Trend Following	1,801,713,630	1.6	5.2	--	--	--	--
<i>Custom Trend Index</i>			5.1	--	--	--	--
Over/Under			0.1	--	--	--	--
<b>Cash Equivalents</b>	<b>522,660,532</b>	<b>0.5</b>	<b>0.4</b>	<b>3.8</b>	<b>4.9</b>	<b>3.6</b>	<b>2.5</b>
Cash	508,153,986	0.4	0.4	3.8	4.7	3.5	2.4
<i>90 Day U.S. Treasury Bill</i>			0.8	4.0	4.7	3.3	2.3
Over/Under			-0.5	-0.2	-0.1	0.1	0.2

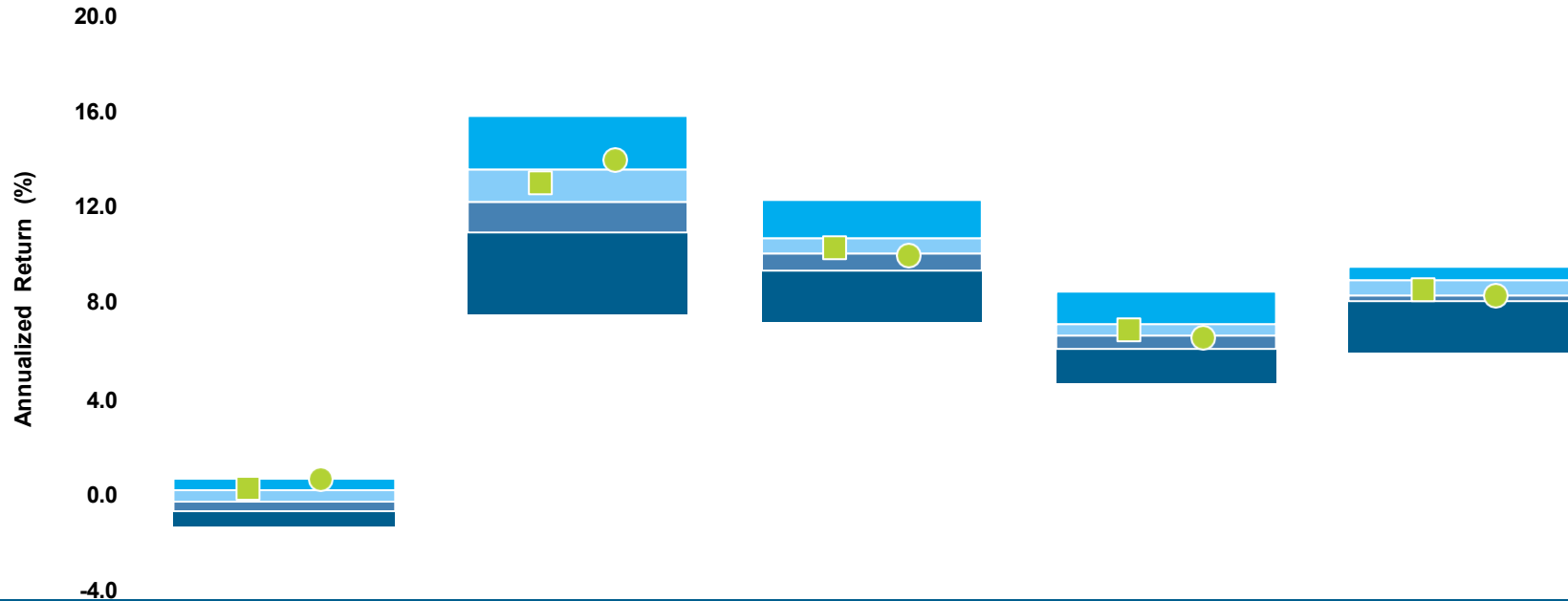
Returns are net of fees

## Performance Summary | As of March 31, 2026

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Additional Annuity	14,506,213	0.0	1.2	3.0	2.9	2.4	2.3
<i>90 Day U.S. Treasury Bill</i>			0.8	4.0	4.7	3.3	2.3
Over/Under			0.3	-1.0	-1.8	-1.0	0.0
Other Pension Assets	332	0.0					

Returns are net of fees

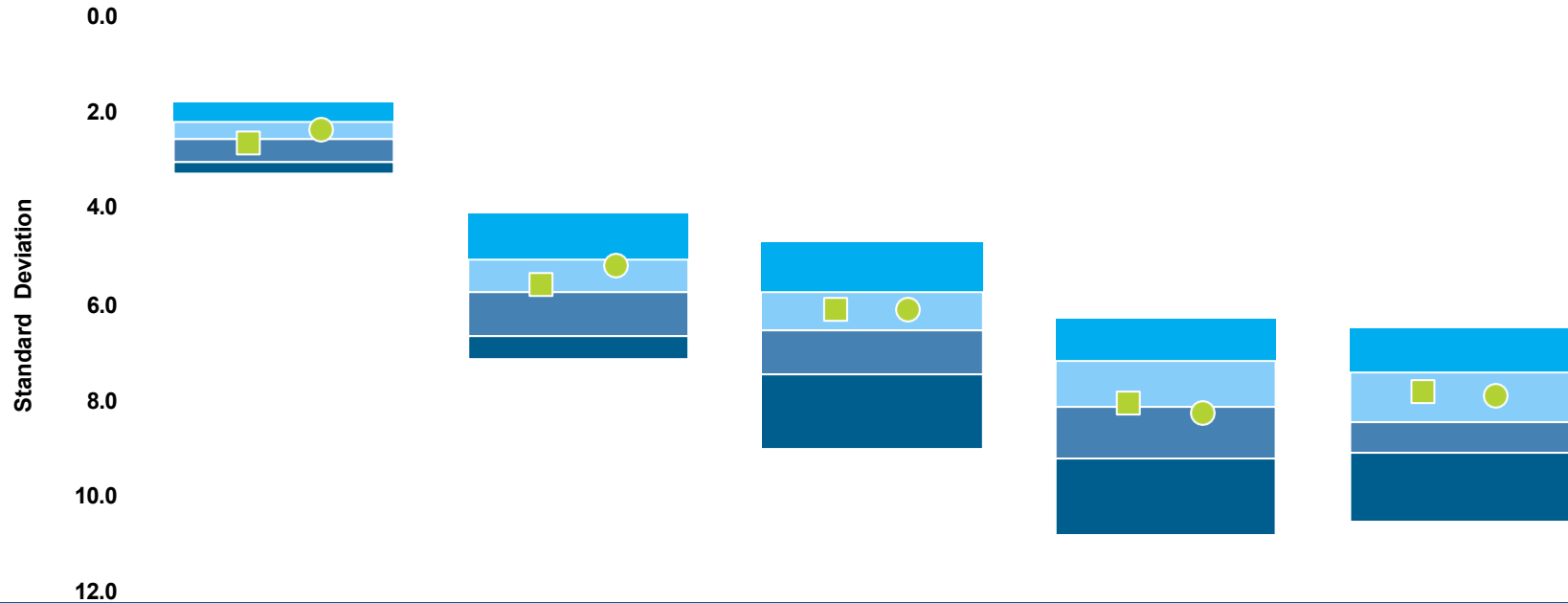
#### InvMetrics Public DB > \$1B (gross)



	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
■ Total Fund (DB)	-0.1 (18)	13.0 (35)	10.1 (43)	6.6 (38)	8.4 (45)
● Policy Index DB	0.3 (6)	13.9 (18)	9.8 (59)	6.3 (53)	8.1 (56)
5th Percentile	0.3	15.8	12.2	8.3	9.4
1st Quartile	-0.2	13.5	10.6	6.9	8.7
Median	-0.7	12.1	9.9	6.4	8.2
3rd Quartile	-1.1	10.8	9.2	5.9	7.8
95th Percentile	-1.7	7.3	7.0	4.3	5.7
Population	54	54	54	52	51

Parentheses contain percentile rankings.  
 Calculation based on monthly periodicity.  
 Since inception return is as of 1/1/1996.

#### InvMetrics Public DB > \$1B (gross)



	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
■ Total Fund (DB)	2.7 (63)	5.7 (44)	6.2 (35)	8.2 (46)	8.0 (34)
● Policy Index DB	2.4 (36)	5.3 (31)	6.2 (35)	8.4 (58)	8.1 (35)
5th Percentile	1.8	4.2	4.8	6.4	6.6
1st Quartile	2.2	5.2	5.9	7.3	7.5
Median	2.6	5.8	6.7	8.3	8.6
3rd Quartile	3.1	6.8	7.6	9.4	9.3
95th Percentile	3.3	7.3	9.2	11.0	10.7
Population	54	54	54	52	51

Parentheses contain percentile rankings.  
 Calculation based on monthly periodicity.  
 Since inception return is as of 1/1/1996.

## Health Care Trust 115 Performance

Allocation vs. Targets				
	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)
Traditional Growth	7,235,175,887	49	47	2
U.S. Equity	3,464,841,615	23	22	1
Non-U.S. Equity	3,484,257,034	23	23	0
REIT's	286,077,237	2	2	0
Stabilized Growth	2,798,770,232	19	19	0
Public Credit (SD/EMD/HY/IGC)	2,288,327,209	15	16	-1
Risk Parity	510,443,023	3	3	0
Principal Protection	2,464,297,448	17	17	0
Core Fixed	2,162,041,797	15	15	0
U.S. Treasury	302,255,651	2	2	0
Inflation	1,163,327,239	8	7	1
TIPS	582,826,793	4	4	0
Commodities	435,381,776	3	2	1
Gold	145,118,670	1	1	0
Risk Mitigating Strategies	1,107,673,696	7	10	-3
Legacy Hedge Fund	915,964	0	0	0
Long Duration U.S. Treasury	417,173,306	3	3	-1
Trend Following	318,770,199	2	3	-1
Alternative Risk Premia	370,814,228	2	3	-1
Cash	95,830,777	1	0	1
<b>Total</b>	<b>14,865,075,279</b>	<b>100</b>	<b>100</b>	<b>0</b>

Cash is not included in Total Policy allocation.  
High Yield contains both High Yield and Global High Yield.

## Performance Summary | As of March 31, 2026

Trailing Period Performance							
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
<b>Health Care 115 Trust Fund</b>	<b>14,865,075,279</b>	<b>100.0</b>	<b>0.1</b>	<b>15.0</b>	<b>12.4</b>	<b>6.8</b>	<b>8.1</b>
<i>Policy Index Health Care 115 Trust Fund</i>			0.0	14.4	11.3	6.1	7.5
Over/Under			0.1	0.5	1.0	0.7	0.6
<b>Traditional Growth</b>	<b>7,235,175,887</b>	<b>48.7</b>	<b>-1.8</b>	<b>20.5</b>	<b>17.3</b>	<b>9.7</b>	<b>11.1</b>
U.S. Equity	3,464,841,615	23.3	-3.9	18.0	18.4	11.3	13.8
<i>Domestic Equity Blend BM</i>			-4.0	18.1	17.9	10.9	13.7
Over/Under			0.1	0.0	0.5	0.5	0.1
Non-U.S. Equity	3,484,257,034	23.4	-0.4	25.3	17.0	8.2	9.8
<i>Custom Int'l Eq Benchmark</i>			-0.6	25.8	14.5	6.7	8.4
Over/Under			0.2	-0.6	2.5	1.5	1.4
REIT's	286,077,237	1.9	4.8	7.3	10.6	6.4	5.2
<i>Custom REIT Benchmark</i>			4.7	7.3	9.1	5.6	4.7
Over/Under			0.2	0.1	1.4	0.9	0.5
<b>Stabilized Growth</b>	<b>2,798,770,232</b>	<b>18.8</b>	<b>1.0</b>	<b>9.4</b>	<b>8.5</b>	<b>3.3</b>	<b>5.2</b>
Risk Parity	510,443,023	3.4	7.2	21.6	11.8	4.0	6.6
<i>Custom Risk Parity</i>			7.1	21.2	9.6	2.5	4.6
Over/Under			0.1	0.3	2.3	1.6	2.0

## Performance Summary | As of March 31, 2026

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
<b>Public Credit</b>	<b>2,288,327,209</b>	<b>15.4</b>	<b>-0.3</b>	<b>7.1</b>	<b>7.9</b>	<b>3.2</b>	<b>4.6</b>
High Yield	979,291,337	6.6	-0.6	6.8	7.5	3.8	5.6
<i>Blmbg. U.S. Corp: High Yield Index</i>			-0.5	7.0	8.6	4.2	6.1
Over/Under			-0.1	-0.2	-1.1	-0.4	-0.5
Investment Grade Credit	491,407,895	3.3	-0.5	5.0	9.5	--	--
<i>Blmbg. U.S. Corporate Investment Grade Index</i>			-0.5	4.8	4.7	--	--
Over/Under			0.0	0.2	4.8	--	--
Emerging Market Debt	224,502,684	1.5	-1.3	13.4	11.1	4.2	4.3
<i>Custom 50/50 JPM EMB and Govt</i>			-1.7	10.7	7.8	2.3	3.1
Over/Under			0.4	2.7	3.3	1.8	1.2
Securitized Debt	593,107,628	4.0	0.6	7.6	10.3	4.0	5.0
<i>Custom Securitized Debt Benchmark</i>			0.8	6.2	8.5	2.2	3.4
Over/Under			-0.2	1.4	1.8	1.8	1.6
Global High Yield	17,665	0.0	0.0	0.0	0.0	-10.1	9.3
<i>Blmbg. Global High Yield Index</i>			-1.3	8.6	10.1	4.2	5.5
Over/Under			1.3	-8.6	-10.1	-14.3	3.8
<b>Principal Protection</b>	<b>2,464,297,448</b>	<b>16.6</b>	<b>-0.1</b>	<b>4.4</b>	<b>3.4</b>	<b>0.3</b>	<b>1.9</b>
US Treasury	302,255,651	2.0	0.1	3.5	2.1	-0.4	0.9
<i>Blmbg. U.S. Treasury Index</i>			0.0	3.3	2.6	-0.1	1.0
Over/Under			0.2	0.2	-0.5	-0.3	-0.1
Core Fixed	2,162,041,797	14.5	-0.2	4.5	3.5	0.3	1.9
<i>Blmbg. U.S. Aggregate Index</i>			0.0	4.3	3.6	0.3	1.7
Over/Under			-0.1	0.1	-0.1	0.0	0.2

## Performance Summary | As of March 31, 2026

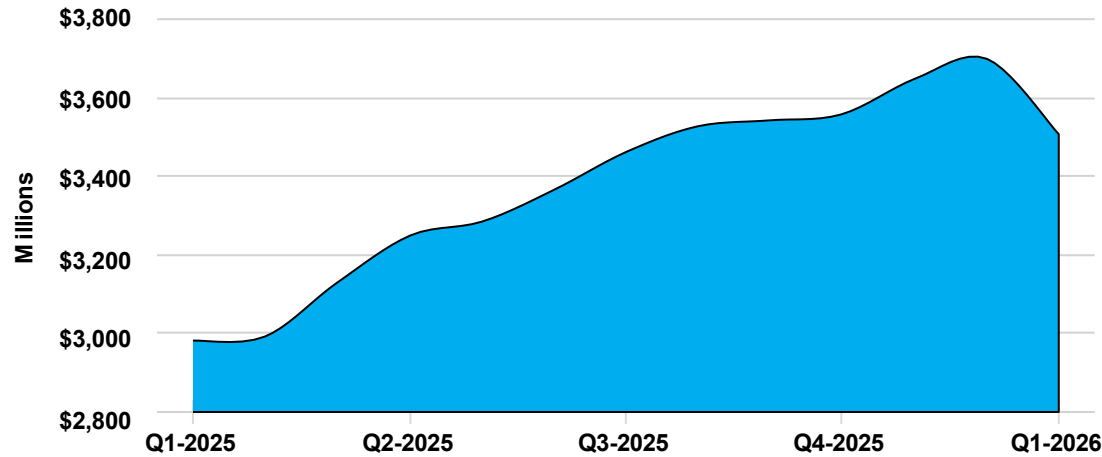
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
<b>Inflation</b>	<b>1,163,327,239</b>	<b>7.8</b>	<b>8.9</b>	<b>18.0</b>	<b>9.6</b>	<b>7.8</b>	<b>6.0</b>
TIPS	582,826,793	3.9	0.3	3.1	2.9	1.3	2.6
<i>Blmbg. U.S. TIPS Index</i>			0.3	3.0	3.2	1.5	2.7
Over/Under			0.0	0.1	-0.3	-0.2	-0.1
Commodities	435,381,776	2.9	23.3	31.5	13.8	14.3	7.9
<i>Custom Commodities Benchmark</i>			24.4	32.3	13.9	14.1	7.5
Over/Under			-1.2	-0.8	0.0	0.2	0.5
Gold	145,118,670	1.0	7.4	--	--	--	--
<i>Bloomberg Gold Subindex Total Return</i>			7.1	--	--	--	--
Over/Under			0.3	--	--	--	--
<b>Risk Mitigating Strategies</b>	<b>1,107,673,696</b>	<b>7.5</b>	<b>1.7</b>	<b>6.3</b>	<b>2.6</b>	<b>-0.1</b>	<b>1.6</b>
RMS ex Legacy Hedge Funds	1,106,757,733	7.4	2.0	--	--	--	--
<i>Custom Risk Mitigation Strategies BM</i>			2.0	--	--	--	--
Over/Under			0.0	--	--	--	--
Long Duration U.S. Treasury	417,173,306	2.8	-0.3	--	--	--	--
<i>Blmbg. U.S. Treasury: 20+ Year</i>			-0.3	--	--	--	--
Over/Under			0.0	--	--	--	--
Alternative Risk Premia	370,814,228	2.5	2.8	--	--	--	--
<i>Alternative Risk Premia BM</i>			2.8	--	--	--	--
Over/Under			0.0	--	--	--	--
Trend Following	318,770,199	2.1	5.2	--	--	--	--
<i>Custom Trend Index</i>			5.1	--	--	--	--
Over/Under			0.1	--	--	--	--

## Performance Summary | As of March 31, 2026

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Legacy Hedge Fund	915,964	0.0	0.0	0.0	1.7	2.9	3.9
<i>Custom Hedge Fund Benchmark</i>			0.4	10.0	9.1	5.8	6.1
Over/Under			-0.4	-10.0	-7.3	-3.0	-2.1
<b>Cash</b>	<b>95,830,777</b>	<b>0.6</b>	<b>1.0</b>	<b>4.4</b>	<b>5.1</b>	<b>3.7</b>	<b>2.6</b>
Cash	95,830,777	0.6	1.0	4.4	5.1	3.7	2.6
<i>90 Day U.S. Treasury Bill</i>			0.8	4.0	4.7	3.3	2.3
Over/Under			0.1	0.4	0.3	0.4	0.3

## Defined Contribution Plan Performance

### Market Value History 1 Year Ending March 31, 2026



### Summary of Market Values

	Q2 2025	Q3 2025	Q4 2025	Q1 2026
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Total Plan				
	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Beginning Market Value	\$2,983,785,677	\$3,249,628,885	\$3,462,177,099	\$3,559,520,227
Net Change	\$265,843,208	\$212,548,214	\$97,343,128	-\$51,084,637
Ending Market Value	\$3,249,628,885	\$3,462,177,099	\$3,559,520,227	\$3,508,435,590

# Appendix

# **Economic and Market Update**

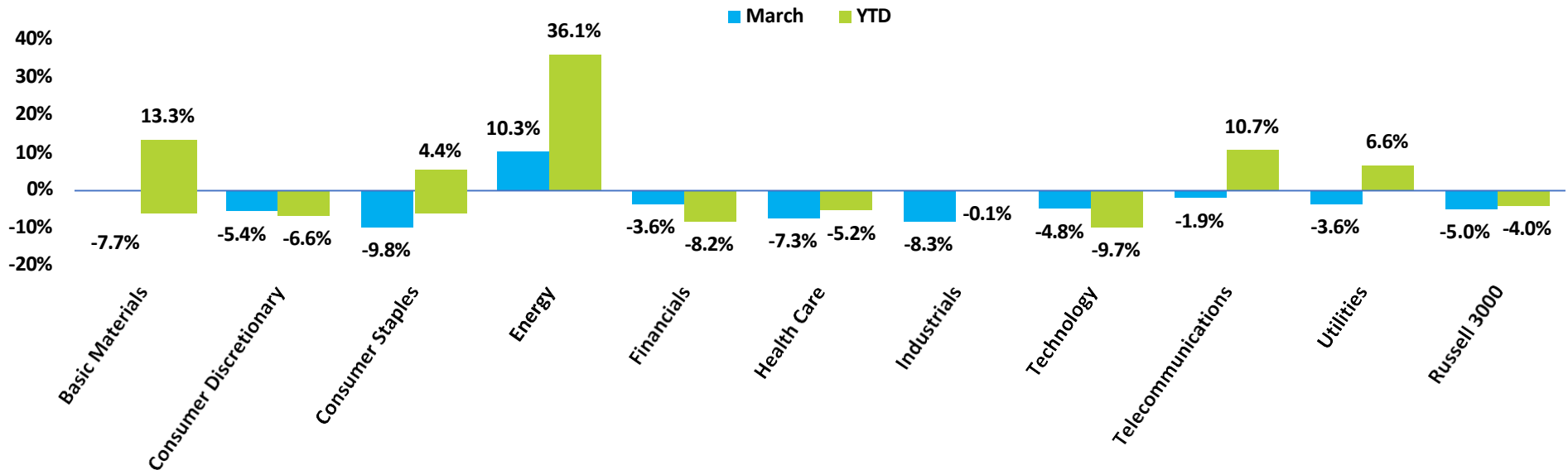
## Data as of March 31, 2026

## Commentary

**Despite a solid start in January, equities globally declined in the first quarter amid tensions in the Middle East and US technology weakness, while higher energy prices fueled inflation concerns in the bond markets.**

- US equities (Russell 3000) declined 4.0% in the first quarter. Small-cap and value stocks outperformed large-cap and growth, as skepticism around AI-driven valuations and shifting rate expectations supported a rotation toward more cyclical and defensive areas of the market.
- Non-US equities declined less than US stocks in the first quarter, supported by more attractive relative valuations and a rotation away from US technology leadership. Performance was also aided by strength in parts of Asia tied to AI-related hardware demand. Later in the quarter, the Middle East conflict particularly weighed on countries dependent on oil from the region, especially oil that typically passes through the Strait of Hormuz.
  - Non-US developed stocks (MSCI EAFE) fell 1.2% in the first quarter.
  - Emerging markets (MSCI Emerging Markets) slightly declined (0.2%) in the first quarter. South Korea and Taiwan were among the top performing countries, while China fell on weakness in internet and software stocks.
- Major bond markets were broadly flat for the first quarter of 2026. The US bond market (Bloomberg Aggregate) finished the quarter largely unchanged. TIPS (Bloomberg US TIPS) were up slightly driven by increased inflation concerns, while longer-duration Treasuries posted modestly negative returns amid upward pressure on yields.
- Looking ahead, markets will be focused on how geopolitical risks, elevated energy prices, and trade uncertainty feed into inflation expectations and influence the path of monetary policy, growth, and earnings outlooks.

### Russell 3000 Sector Returns<sup>1</sup>

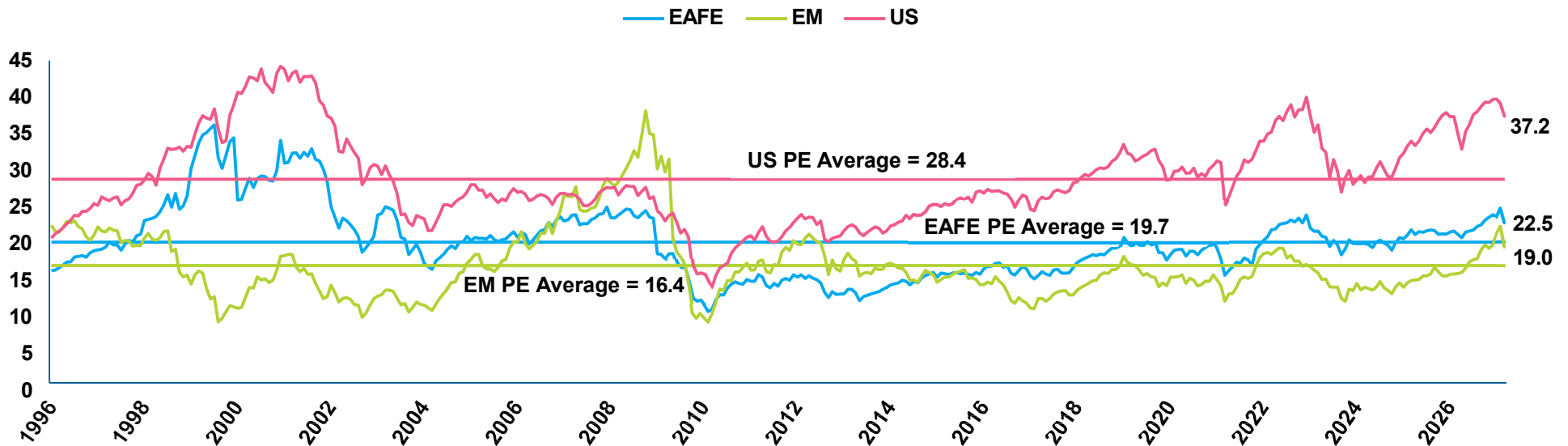


**Sector performance was mixed in the first quarter, with leadership concentrated in energy and other inflation-sensitive areas alongside defensive sectors.**

- Energy was the clear standout, gaining 36.1% during the quarter, driven by elevated geopolitical risk and rising energy prices. Basic materials (+13.3%) benefited from higher commodity prices and telecommunications (+10.7%) was helped by wireless carriers posting strong earnings.
- Technology was the weakest-performing sector, declining 9.7% for the quarter, as continued concerns around AI-related valuations and the sustainability of elevated capital spending weighed on returns. Financials (-8.2%) and consumer discretionary (-6.6%) also lagged.

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

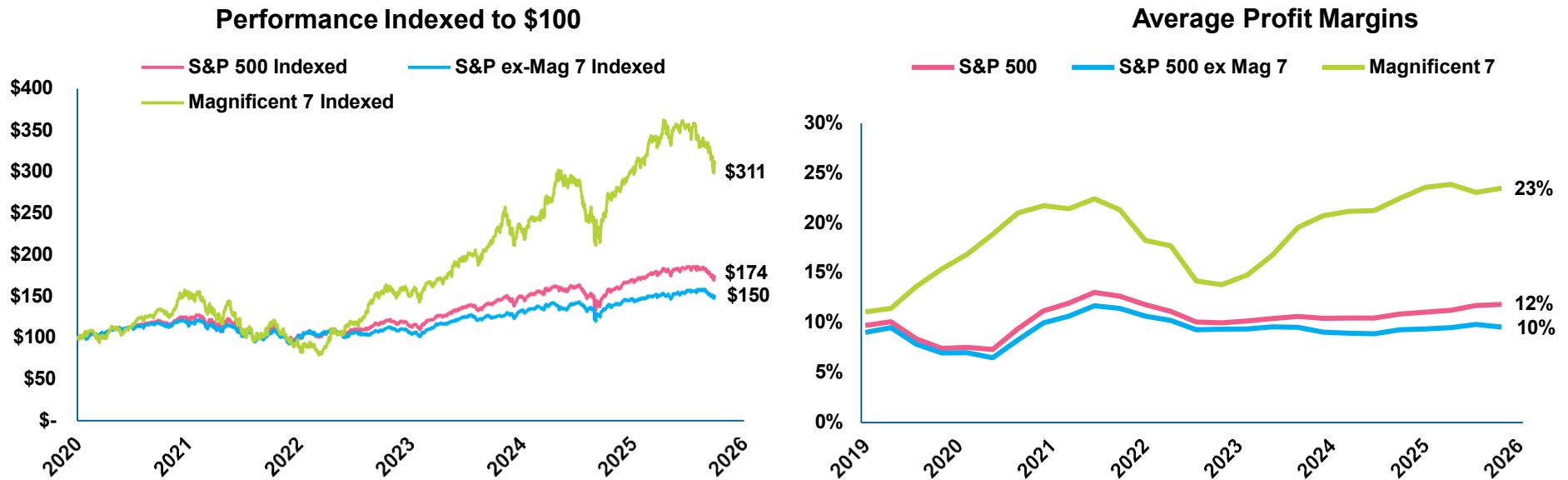
**Equity Cyclically Adjusted P/E Ratios<sup>1</sup>**



- Cyclically adjusted US equity valuations pulled back from their recent peak driven by weakness in AI-related growth stocks and the conflict in the Middle East. Valuations nevertheless remain well above long-run averages.
- Non-US developed markets (EAFE) pulled back modestly in the first quarter, but valuations remain above their long-run average (22.5 versus 19.7).
- Emerging market valuations also declined slightly in the first quarter but remain above the long-run average (19.0 versus 16.4) though.

<sup>1</sup> US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E Source: Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of March 2026. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end, respectively.

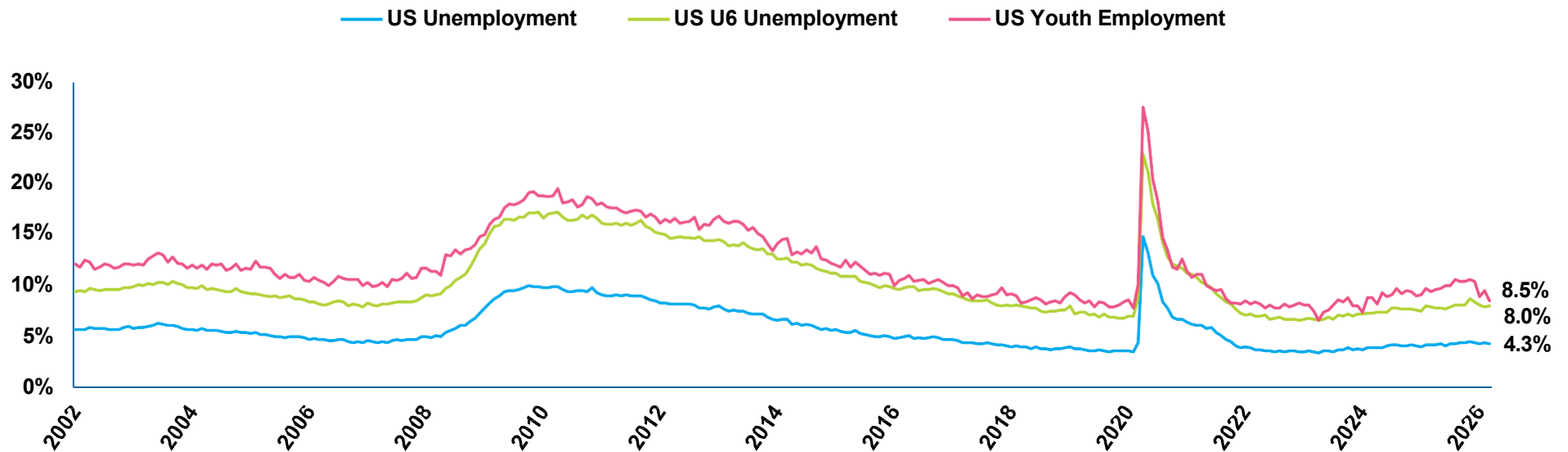
### Performance and Profit Margins: S&P 500 and “Magnificent 7”<sup>1</sup>



- AI-oriented mega-cap stocks continued to play an outsized role in US equity performance during the first quarter of 2026, this time depressing overall results given their declines and weight in the index.
- Leadership broadened meaningfully over the quarter as investor concerns around valuations, capital intensity, and disruption risks weighed on high-multiple AI leaders. This contributed to the relative underperformance of the “Magnificent 7” versus the broader market.
- Despite the recent stock price weakness, the average profit margins (23%) for the “Magnificent 7” are more than double those of the S&P 500 ex Mag 7 (10%).

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

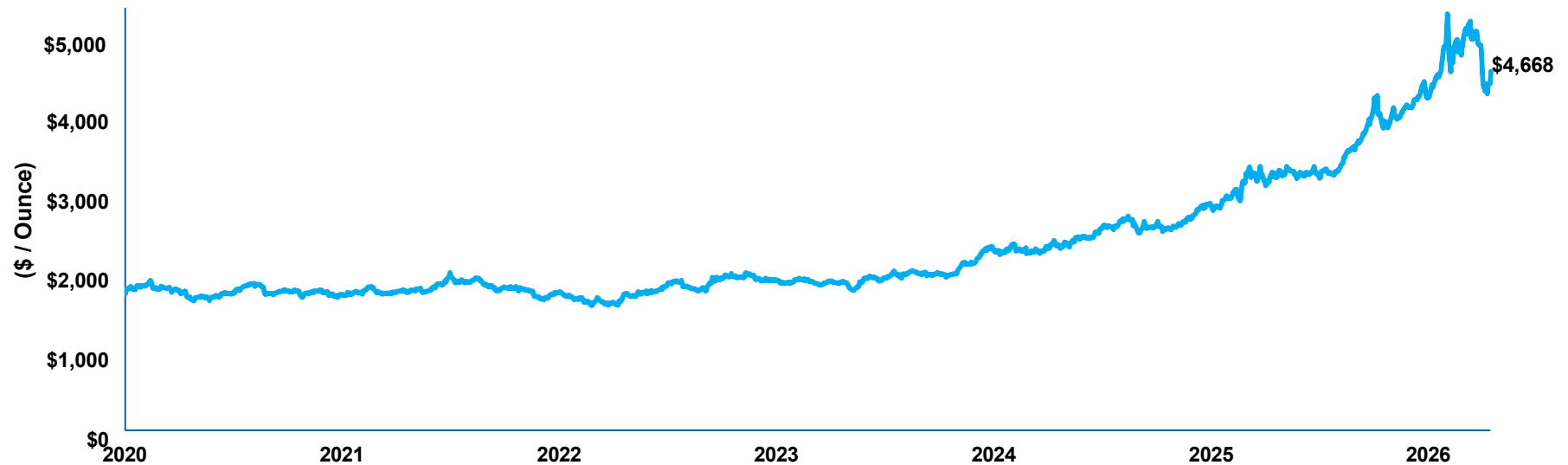
### US Unemployment<sup>1</sup>



- The unemployment rate finished the quarter slightly lower than where it started (4.3% versus 4.4%). More than 200,000 jobs were added during the quarter with gains in January (160k) and March (178k) and losses in February (-133k). The gains were largely driven by the health care sector.
- Broader measures of labor markets (U6) have improved somewhat since late last year but remain above pre-pandemic levels. Youth unemployment improved somewhat in the first quarter to 8.5%.
- Despite some recent signs of weakness, the labor market remains broadly stable, with low initial unemployment claims, the number of job openings stabilizing, the rate of people quitting jobs slowing, and although hiring has slowed, layoffs remain low.

<sup>1</sup> Source: FRED and BLS. Data is as of March 31, 2026. Original February job loss was -92,000 but subsequently revised lower.

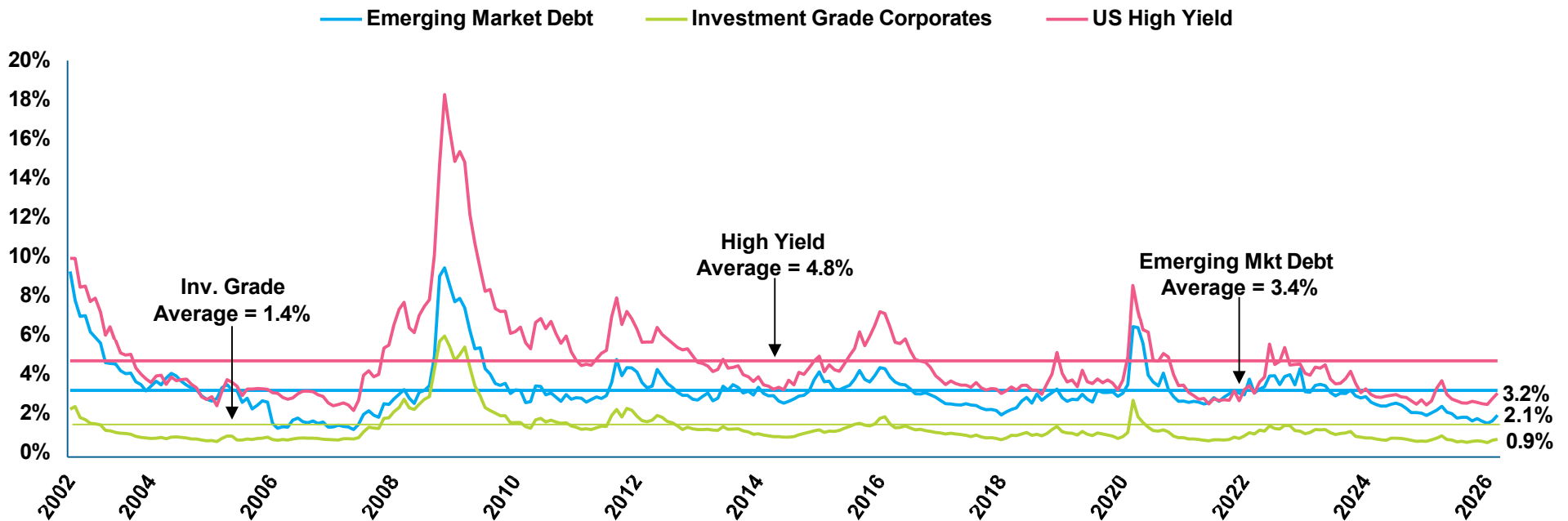
### Gold<sup>1</sup>



- Gold gained over the first quarter of 2026. The rally reached an all-time high in January of over \$5,300 an ounce before falling to \$4,668 at quarter end. US dollar strength, the conflict in the Middle East, and some central bank liquidations contributed to the price decline.
- At the start of the Middle East conflict the price of gold rose. However, as the energy shock roiled non-US markets many central banks sold or stepped back purchases of gold bullion to raise US dollars and stabilize their currencies. The global energy shock rekindled inflation fears and raised market expectations for central bank rate hikes in the coming months.
- Longer-term support remains anchored by persistent inflation concerns, deteriorating fiscal trajectories in major economies, and despite recent dynamics, central bank de-dollarization.

<sup>1</sup> Source: Bloomberg. Data is as of March 31, 2026. Gold Spot Price is quoted as US Dollars per Troy Ounce.

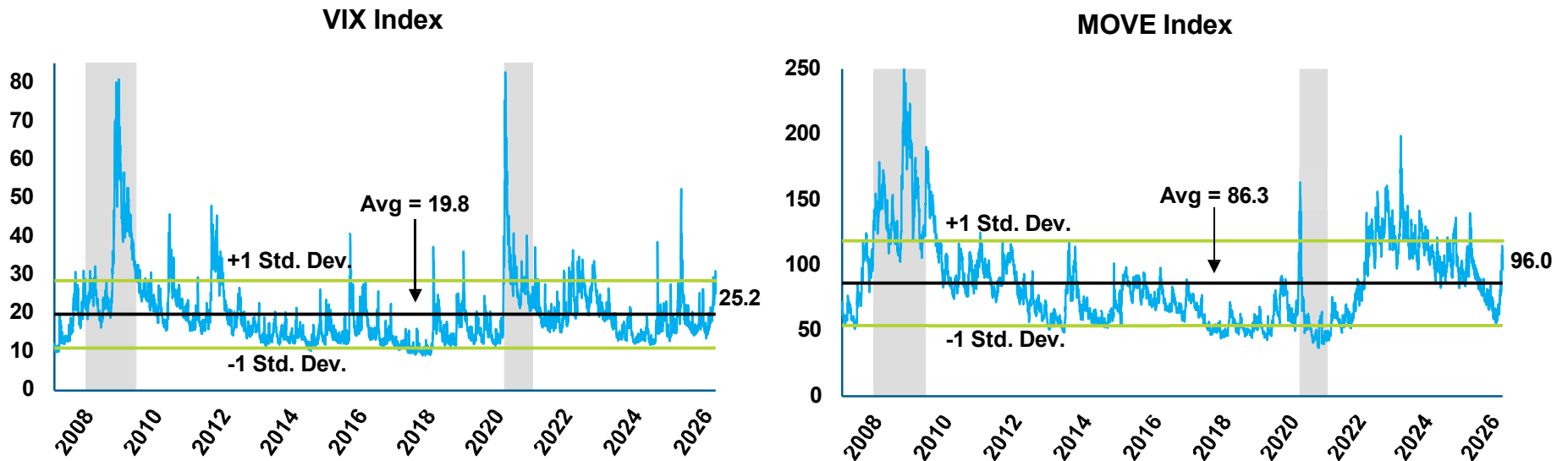
**Credit Spreads vs. US Treasury Bonds<sup>1</sup>**



- Credit spreads (the difference in yield from a comparable-maturity Treasury) rose during the first quarter as the Middle East conflict and the resulting energy shock drove a risk-off rotation.
- Investment grade spreads moved slightly higher for the quarter (0.8% to 0.9%).
- High yield spreads rose the most in the first quarter (2.7% to 3.2%), while emerging market spreads ticked up more modestly (1.8% to 2.1%).
- All yield spreads remain well below their respective long-run averages, particularly high yield (3.2% vs. 4.8%).

<sup>1</sup> Source: Bloomberg. Data is as of March 31, 2026. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

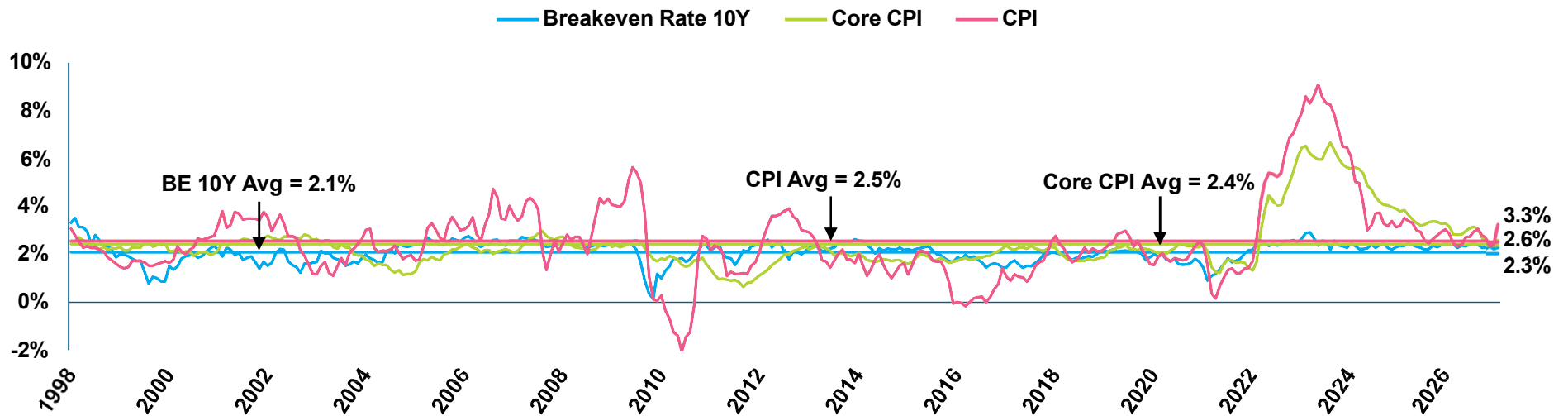
**Equity and Fixed Income Volatility<sup>1</sup>**



- Volatility rose significantly across both equity and fixed income markets in the first quarter, largely due to uncertainty related to the conflict in the Middle East.
- Equity market volatility (VIX) rose in the first quarter (15.0 to 25.2), peaking at over 30 during March. Despite the rise this quarter, the volatility levels were lower than the VIX readings after the US tariff announcements last year.
- Bond market volatility (MOVE) also spiked in the first quarter (64.0 to 96.0) reaching levels around 115 before declining at quarter-end. Heightened uncertainty around geopolitical risks on inflation and the related Federal Reserve policy path drove fixed income volatility levels higher.

<sup>1</sup> Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of March 31, 2026. The average line indicated is the average of the VIX and MOVE values between January 2007 and March 2026.

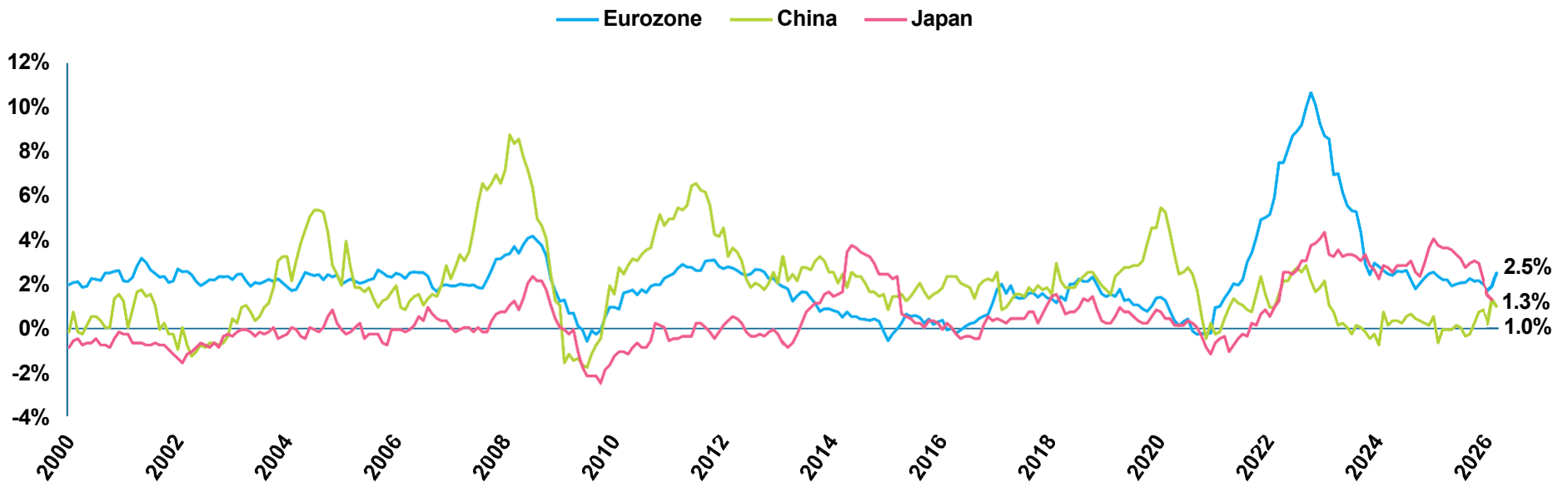
### US Inflation<sup>1</sup>



- In the first quarter of 2026, year-on-year headline inflation rose from the end of 2025 level of 2.4% in January to 3.3% in March. This was largely driven by an increase in the energy index (+10.9%) with gasoline prices up 21.2%, the largest monthly gain since 1967. The month-on-month rate jumped from +0.2% to +0.9%.
- Year-on-year core inflation remained unchanged in the first quarter at 2.6% with the monthly pace falling slightly (0.3% to 0.2%). Shelter remained the largest contributor, though notably rent posted the smallest monthly increase since 2021.
- Despite a rise in March, long-term inflation expectations (breakevens) rose only modestly over the quarter (2.2% to 2.3%).

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

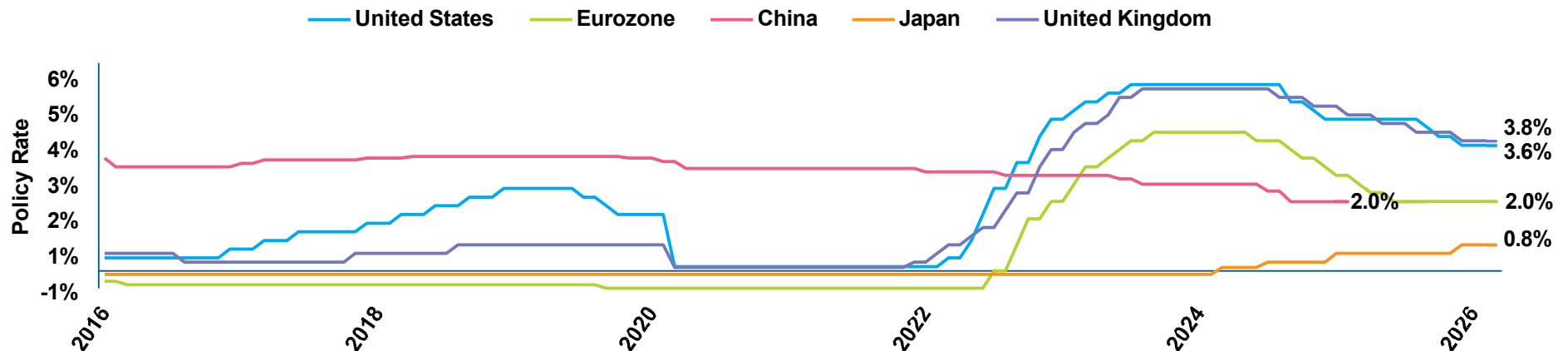
**Global Inflation (CPI Trailing Twelve Months)<sup>1</sup>**



- Eurozone inflation rose during the first quarter of 2026, largely driven by a spike in energy costs. It ended the period at 2.5% year-on-year (above the ECB’s 2% target), up from 2.0% at the end of 2025. While inflation pressures remain uneven across components, the elevated headline level continues to complicate the policy outlook.
- Japan’s inflation declined over the quarter from 2.1% at the end of 2025 to 1.3% (a four-year low). Government energy subsidies kept electricity and gas prices contained, alongside a deceleration in food price inflation as rice price gains slowed markedly.
- China’s inflation rose modestly during the first quarter of 2026, increasing from 0.8% at year-end to 1.0%, though overall price pressures remain subdued and well below levels seen in developed markets.

<sup>1</sup> Source: Bloomberg. Data is as of March 2026 except Japan which is as of February.

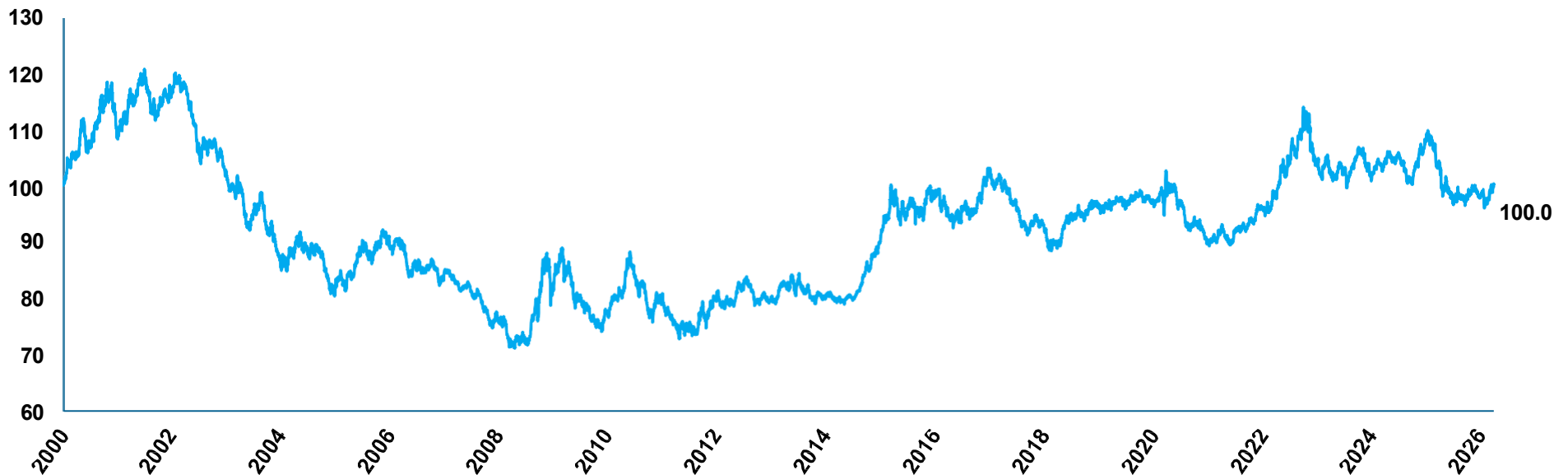
### Global Policy Rates<sup>1</sup>



- Global monetary policy was increasingly divergent during the first quarter of 2026, as tensions in the Middle East created inflation fears, driving expectations for some central banks to start increasing policy rates.
- The Federal Reserve held policy rates steady throughout the first quarter as inflation remained above target and labor market conditions cooled gradually. In Q1, markets materially reduced expectations for rate cuts in 2026 given the Iran conflict, with a slight chance of a rate increase priced in late in the quarter.
- The European Central Bank and Bank of England are expected to increase policy rates 1-2 times this year given the impact of higher oil prices on inflation and both areas being net importers of oil.
- China's central bank is expected to keep supporting economic growth with accommodative monetary policy and other easing measures.
- The Bank of Japan continued its gradual normalization away from ultra-easy monetary policy. While rates remain low by global standards, markets continue to anticipate additional incremental rate increases later in 2026.

<sup>1</sup> Source: Bloomberg. Data is as of March 31, 2026, except China which is as of February 28, 2025. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.

**US Dollar vs. Broad Currencies<sup>1</sup>**

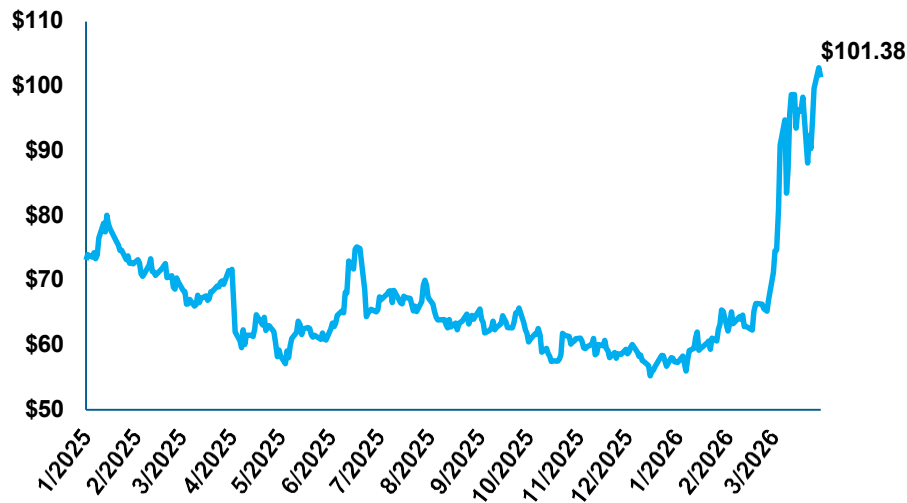


- The US dollar was volatile over the quarter but rose modestly with the DXY rising from 98.3 at the end of 2025 to 100.0 by quarter-end.
- The dollar weakened early in Q1 given softer US inflation data and related expectations for aggressive Fed rate cuts, then strengthened sharply as the Middle East conflict drove safe-haven demand and the energy-shock inflation threat pushed the Fed back to a holding pattern on potential interest rate cuts.
- Overall, the dollar remains sensitive to changes in interest rate expectations and geopolitical developments, with policy divergence across regions continuing to play a central role in currency markets.

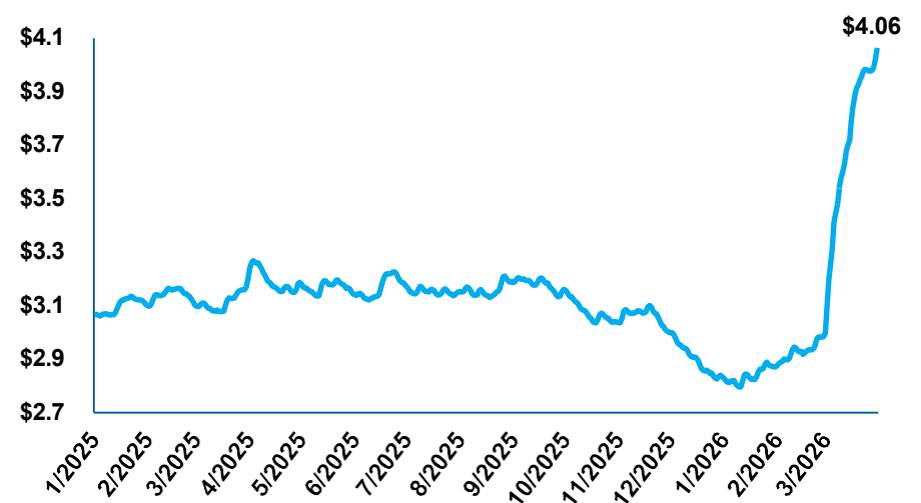
<sup>1</sup> Source: Bloomberg. Data is as of March 31, 2026.

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

#### WTI Crude



#### Avg. Retail Gas Price

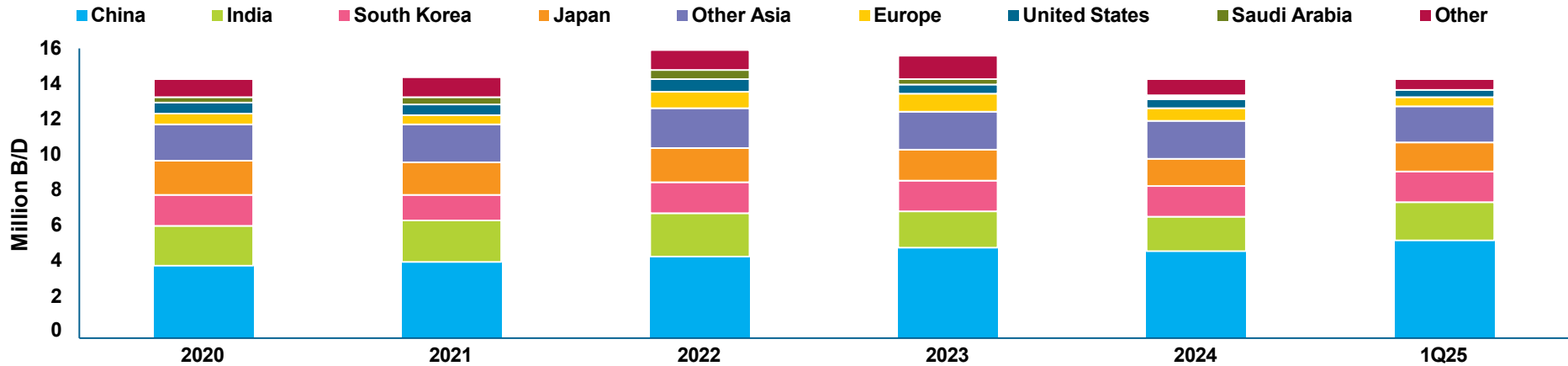


- Energy prices rose sharply during the first quarter of 2026 following a significant escalation in the Middle East conflict, marking one of the largest geopolitical shocks to global energy markets in history. Concerns around supply disruption risk pushed WTI crude oil from approximately \$58 at year-end to \$101.38 by quarter-end.
- The surge in crude prices translated quickly to consumers, with average US retail gasoline prices rising from \$2.81 at the end of 2025 to \$4.06 by the end of the first quarter, increasing inflation pressures and weighing on household purchasing power.

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

**Volume of Crude Oil<sup>1</sup>**

**Volume of Crude Oil Transported Through The Strait of Hormuz, By Destination**



- Major economies are impacted differently from the conflict depending on their reliance on regional oil and whether they are net importers or exporters. The Strait of Hormuz is the critical chokepoint with Saudi Arabia, Iraq, and the UAE depending on it to export their oil, meaning a closure disrupts supply on both sides of the equation.
- China purchases around 90% of Iran's oil, while Japan, South Korea, and India are heavily dependent on broader Gulf supply.
- US crude production near record highs provides a meaningful buffer against Middle Eastern disruption, though global prices will ultimately reflect the scale and duration of any supply shortfall.
- As we move forward, the length of the conflict and the path of energy prices will be the defining variables for both inflation and growth globally with central banks caught in the difficult position of responding to a shock they cannot control.

<sup>1</sup> Source: Apollo Academy. Data is as of March 31, 2025.

## Key Trends

- Global growth expectations entering 2026 remained relatively resilient, with the IMF projecting global GDP growth of 3.3% for the year, masking growing divergence across regions. The US outlook remains comparatively stronger, while growth in the euro area and China is expected to moderate amid structural and policy headwinds.
- As the first quarter progressed, the global macro backdrop became more fragile, with geopolitical escalation in the Middle East introducing a significant energy price shock that threatens to weigh on growth while simultaneously re-accelerating inflation pressures. This dynamic has complicated the outlook for monetary policy globally.
- US consumer conditions showed early signs of strain entering 2026. Despite a strong January jobs report, hiring was narrowly concentrated, prior gains were revised lower, and confidence weakened — particularly among lower-income households facing persistent pressure from elevated prices and borrowing costs. February's unexpected loss of 133,000 payroll jobs confirmed that the labor market's apparent resilience might have been more fragile than the headline numbers suggested. However, the economy added 178,000 jobs in March, offsetting the previous month's job losses.
- US equity market leadership continued to broaden during Q1. Elevated valuations and increased dispersion shifted investor focus toward earnings durability, cash generation, and return on capital rather than momentum-driven growth. The underperformance of AI-linked mega-caps reinforced this trend.
- Global trade tensions remained outwardly contained during the quarter following the late-2025 tariff suspension, but underlying frictions persisted. Strategic competition in semiconductors and rare-earths, China's slowing growth and low inflation, and heightened geopolitical risk continue to pose downside risks to the global outlook.
- The late-February US-Israel strikes on Iran represent the most significant new risk to the global macro-outlook. Oil's sharp move higher, despite recent declines, is tightening financial conditions, threatening to reignite inflation just as some central banks were preparing to ease. This puts the Fed in an increasingly difficult position between a softening labor market and resurging energy prices.

## Defined Benefit Plan Performance

## Performance Summary | As of March 31, 2026

	Trailing Period Performance									
	2026 (%)	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	
<b>Total Fund (DB)</b>	<b>-0.1</b>	<b>14.7</b>	<b>8.8</b>	<b>11.3</b>	<b>-12.1</b>	<b>15.3</b>	<b>12.0</b>	<b>17.2</b>	<b>-3.0</b>	
<i>Policy Index DB</i>	0.3	14.9	8.0	10.5	-11.4	15.3	11.6	17.1	-3.1	
Over/Under	-0.4	-0.2	0.8	0.8	-0.6	0.1	0.4	0.2	0.1	
<b>Aggressive Growth</b>	<b>0.1</b>	<b>5.7</b>	<b>3.1</b>	<b>0.8</b>	<b>3.6</b>	<b>31.8</b>	<b>9.7</b>	<b>9.2</b>	<b>10.3</b>	
Private Equity	0.3	8.4	9.3	6.9	-4.8	44.8	16.4	10.4	15.5	
<i>Custom Private Equity Benchmark</i>	--	--	3.8	5.5	-1.2	49.2	13.8	8.0	15.0	
Over/Under	--	--	5.4	1.5	-3.5	-4.4	2.6	2.4	0.5	
Private Real Estate	-0.1	2.2	-4.0	-5.9	14.9	17.0	2.4	7.7	4.0	
<i>Custom Real Estate Benchmark</i>	0.9	4.0	-7.2	-12.0	21.8	14.5	1.4	5.5	8.6	
Over/Under	-1.0	-1.9	3.1	6.1	-6.9	2.5	1.1	2.2	-4.5	
<b>Traditional Growth</b>	<b>-2.0</b>	<b>24.0</b>	<b>15.4</b>	<b>21.7</b>	<b>-18.3</b>	<b>17.5</b>	<b>17.3</b>	<b>27.0</b>	<b>-9.5</b>	
US Equity	-3.9	17.1	23.7	25.9	-19.0	26.3	19.6	30.7	-5.1	
<i>Domestic Equity Blend BM</i>	-4.0	17.1	23.8	26.0	-19.2	25.7	20.9	31.0	-5.2	
Over/Under	0.1	-0.1	-0.1	0.0	0.2	0.6	-1.3	-0.3	0.2	
Equity ex-US	-0.4	32.4	7.0	17.2	-17.7	8.7	14.5	23.0	-14.4	
<i>Custom Int'l Eq Benchmark</i>	-0.6	32.2	5.5	15.1	-16.9	7.9	11.9	21.1	-14.7	
Over/Under	0.2	0.2	1.5	2.1	-0.9	0.8	2.6	1.9	0.3	
REITS	4.8	3.6	8.0	14.0	--	--	--	--	--	
<i>Dow Jones U.S. Select RESI</i>	4.7	3.7	8.0	14.0	--	--	--	--	--	
Over/Under	0.2	-0.1	0.0	0.0	--	--	--	--	--	

Returns are net of fees

## Performance Summary | As of March 31, 2026

	2026	2025	2024	2023	2022	2021	2020	2019	2018
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
<b>Stabilized Growth</b>	<b>1.1</b>	<b>10.7</b>	<b>6.4</b>	<b>10.7</b>	<b>-19.6</b>	<b>3.5</b>	<b>5.7</b>	<b>19.3</b>	<b>-6.0</b>
Risk Parity	7.2	16.2	5.8	8.5	-29.8	11.9	6.0	30.3	-9.9
<i>Custom Risk Parity</i>	7.1	15.9	5.1	7.6	-30.3	11.6	5.2	29.9	-10.1
Over/Under	0.1	0.2	0.7	0.9	0.5	0.4	0.7	0.4	0.1
Private Credit	1.7	9.0	--	--	--	--	--	--	--
<i>S&amp;P UBS Leveraged Loans</i>	-0.6	5.9	--	--	--	--	--	--	--
Over/Under	2.3	3.1	--	--	--	--	--	--	--
Public Credit	-0.5	9.7	6.4	11.1	-13.1	-1.2	6.1	13.3	-4.1
<i>50% BBg US Agg 50% BBg US High Yield</i>	-0.3	8.0	4.7	9.4	-12.0	1.8	7.6	11.5	-1.0
Over/Under	-0.2	1.7	1.7	1.6	-1.0	-3.1	-1.5	1.8	-3.1
Global High Yield	0.0	0.0	0.0	-43.3	-5.8	14.4	2.1	203.2	-18.0
<i>Blmbg. Global High Yield Index</i>	-1.3	12.1	9.2	14.0	-12.7	1.0	7.0	12.6	-4.1
Over/Under	1.3	-12.1	-9.2	-57.4	6.9	13.5	-4.9	190.6	-14.0
<b>Principal Protection</b>	<b>-0.1</b>	<b>7.4</b>	<b>1.3</b>	<b>5.3</b>	<b>-12.9</b>	<b>-1.0</b>	<b>9.1</b>	<b>8.7</b>	<b>-0.1</b>
Treasuries	0.1	6.3	0.4	3.8	-12.4	-2.3	8.1	6.8	0.8
<i>Blmbg. U.S. Treasury Index</i>	0.0	6.3	0.6	4.1	-12.5	-2.3	8.0	6.9	0.9
Over/Under	0.2	0.0	-0.2	-0.2	0.1	0.1	0.1	0.0	0.0
Core Fixed Income	-0.2	7.6	1.4	5.3	-12.9	-1.0	9.1	8.7	-0.1
<i>Blmbg. U.S. Aggregate Index</i>	0.0	7.3	1.3	5.5	-13.0	-1.5	7.5	8.7	0.0
Over/Under	-0.1	0.3	0.1	-0.3	0.1	0.6	1.6	0.0	-0.1
<b>Inflation</b>	<b>9.0</b>	<b>14.4</b>	<b>20.2</b>	<b>15.2</b>	<b>-14.4</b>	<b>11.6</b>	<b>11.7</b>	<b>8.4</b>	<b>-1.3</b>
TIPS	0.3	7.0	1.8	3.9	-11.9	6.0	10.9	8.4	-1.3
<i>Blmbg. U.S. TIPS Index</i>	0.3	7.0	1.8	3.9	-11.8	6.0	11.0	8.4	-1.3
Over/Under	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0

Returns are net of fees

## Performance Summary | As of March 31, 2026

	2026	2025	2024	2023	2022	2021	2020	2019	2018
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Commodities	23.3	16.3	5.7	5.4	-9.6	24.6	56.2	-32.4	-11.5
<i>Custom Commodities Benchmark</i>	24.4	15.8	5.4	-7.9	16.1	35.5	-23.7	17.6	-13.8
Over/Under	-1.2	0.5	0.3	13.3	-25.7	-10.9	79.9	-50.1	2.3
Gold	7.4	--	--	--	--	--	--	--	--
<i>Bloomberg Gold Subindex Total Return</i>	7.1	--	--	--	--	--	--	--	--
Over/Under	0.3	--	--	--	--	--	--	--	--
<b>Risk Mitgating Strategies</b>	<b>1.1</b>	<b>7.3</b>	<b>4.4</b>	<b>3.8</b>	<b>-11.8</b>	<b>-1.0</b>	<b>2.1</b>	<b>7.4</b>	<b>-1.2</b>
Legacy Hedge Fund	0.0	0.0	0.6	3.2	3.6	9.8	3.6	7.7	-1.5
<i>Custom Hedge Fund Benchmark</i>	0.4	9.8	9.3	9.4	-3.4	10.7	6.1	8.5	-3.2
Over/Under	-0.4	-9.8	-8.7	-6.2	7.0	-0.9	-2.4	-0.8	1.7
Long Duration U.S. Treasury	-0.3	--	--	--	--	--	--	--	--
<i>Blmbg. U.S. Treasury: 20+ Year</i>	-0.3	--	--	--	--	--	--	--	--
Over/Under	0.0	--	--	--	--	--	--	--	--
Alternative Risk Premia	2.8	--	--	--	--	--	--	--	--
<i>Alternative Risk Premia BM</i>	2.8	--	--	--	--	--	--	--	--
Over/Under	0.0	--	--	--	--	--	--	--	--
Trend Following	5.2	--	--	--	--	--	--	--	--
<i>Custom Trend Index</i>	5.1	--	--	--	--	--	--	--	--
Over/Under	0.1	--	--	--	--	--	--	--	--
<b>Cash Equivalents</b>	<b>0.4</b>	<b>4.6</b>	<b>5.6</b>	<b>5.3</b>	<b>1.9</b>	<b>0.3</b>	<b>0.8</b>	<b>2.5</b>	<b>2.2</b>
Cash Equivalents	0.4	3.9	5.6	5.3	1.9	0.3	0.8	2.5	2.2
<i>90 Day U.S. Treasury Bill</i>	0.8	4.2	5.3	5.0	1.5	0.0	0.7	2.3	1.9
Over/Under	-0.5	-0.3	0.3	0.3	0.5	0.3	0.2	0.2	0.3

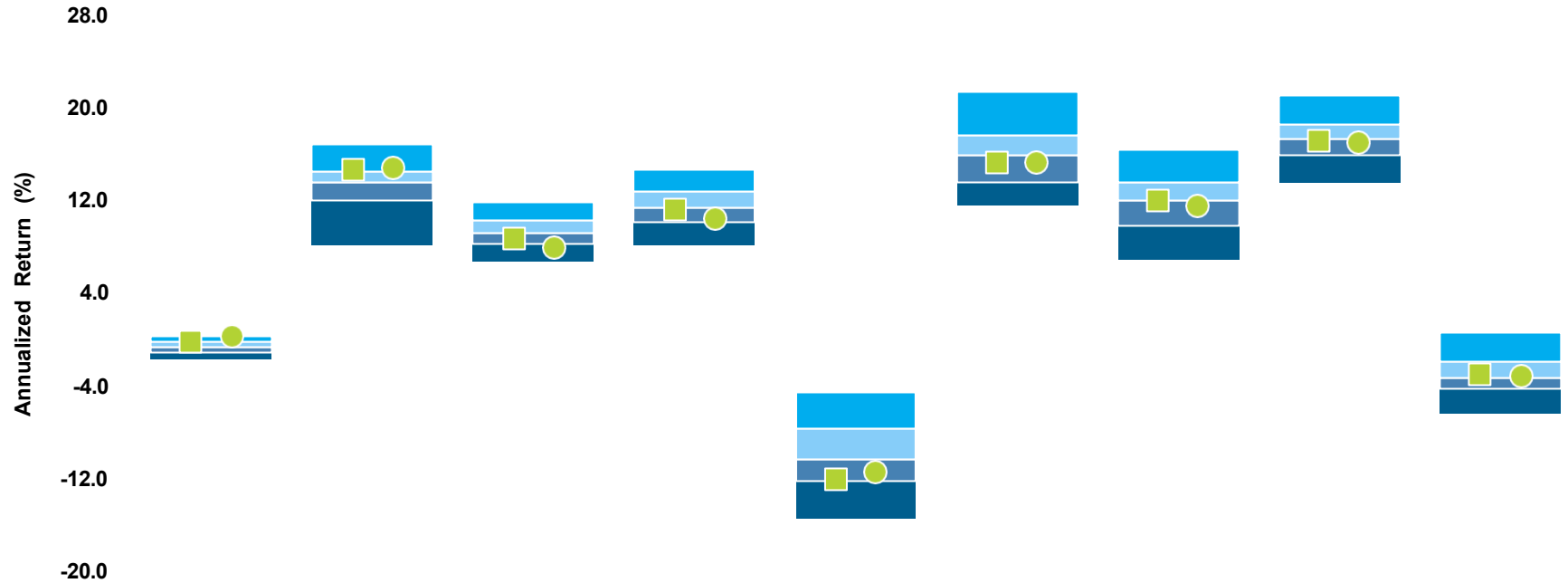
Returns are net of fees

## Performance Summary | As of March 31, 2026

	2026	2025	2024	2023	2022	2021	2020	2019	2018
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Additional Annuity	1.2	2.5	2.9	2.7	1.6	1.3	2.1	2.5	2.4
90 Day U.S. Treasury Bill	0.8	4.2	5.3	5.0	1.5	0.0	0.7	2.3	1.9
Over/Under	0.3	-1.6	-2.3	-2.3	0.2	1.3	1.5	0.3	0.5

Returns are net of fees

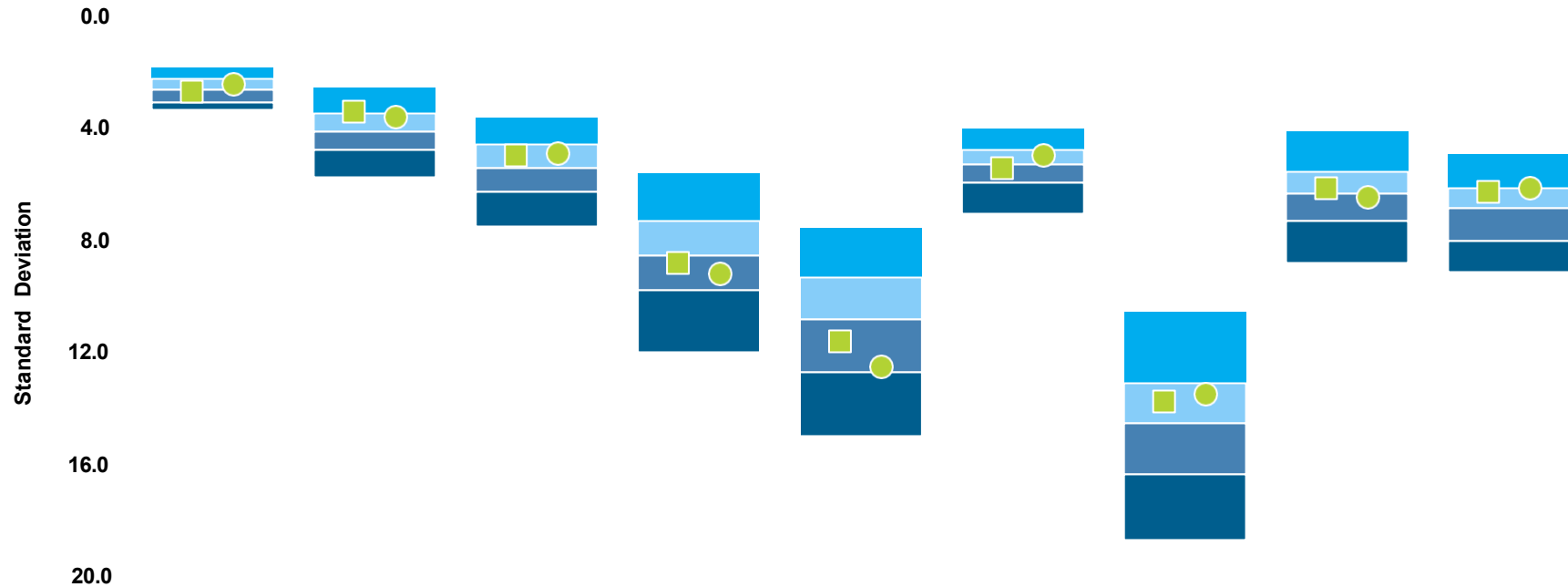
#### InvMetrics Public DB > \$1B (gross)



	2026 (%)	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
■ Total Fund (DB)	-0.1 (18)	14.7 (22)	8.8 (65)	11.3 (54)	-12.1 (75)	15.3 (56)	12.0 (50)	17.2 (54)	-3.0 (45)
● Policy Index DB	0.3 (6)	14.9 (19)	8.0 (80)	10.5 (72)	-11.4 (66)	15.3 (57)	11.6 (52)	17.1 (55)	-3.1 (45)
5th Percentile	0.3	16.9	11.9	14.7	-4.5	21.4	16.4	21.1	0.7
1st Quartile	-0.2	14.6	10.3	12.8	-7.7	17.7	13.6	18.6	-1.9
Median	-0.7	13.6	9.3	11.4	-10.3	16.0	12.0	17.3	-3.2
3rd Quartile	-1.1	12.1	8.3	10.2	-12.2	13.7	9.9	16.0	-4.1
95th Percentile	-1.7	8.2	6.7	8.1	-15.4	11.5	6.8	13.6	-6.5
Population	54	172	180	188	187	220	229	190	167

Parenteses contain percentile rankings.  
Calculation based on monthly periodicity.

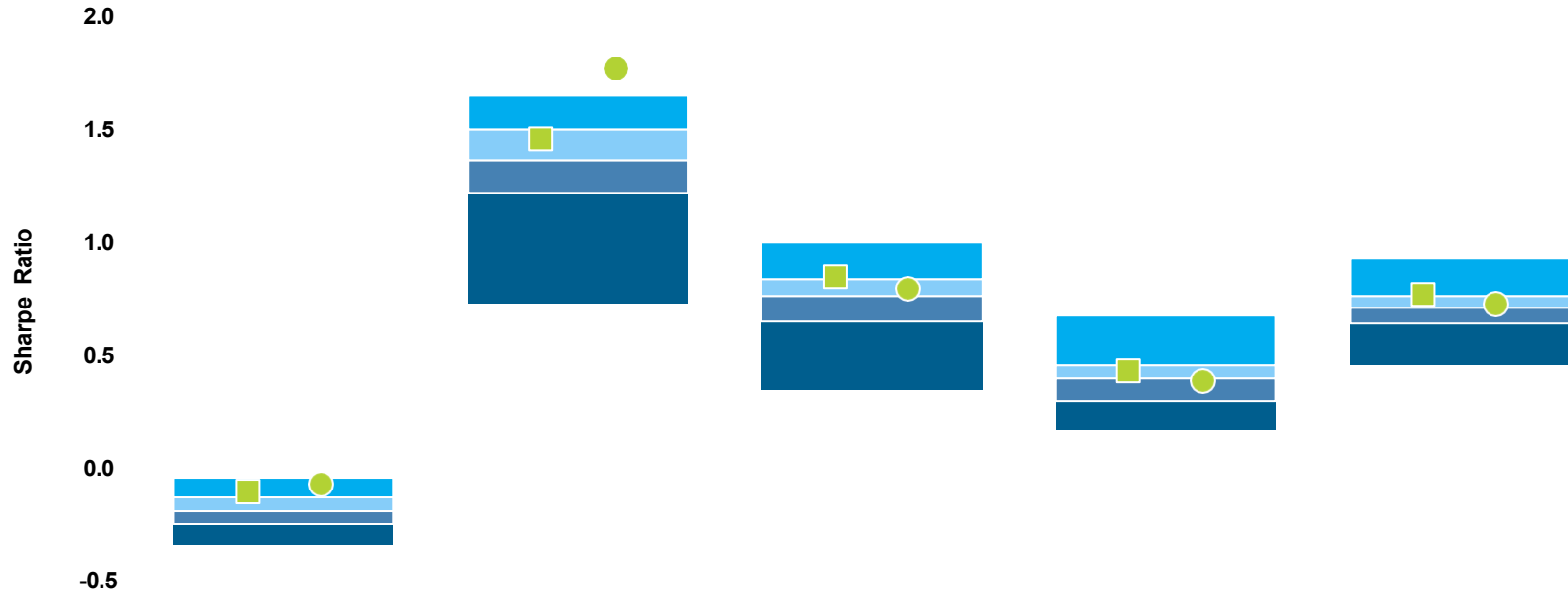
#### InvMetrics Public DB > \$1B (gross)



	2026 (%)	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
Total Fund (DB)	2.7 (63)	3.4 (23)	5.0 (32)	8.8 (55)	11.6 (62)	5.4 (56)	13.7 (35)	6.1 (41)	6.3 (27)
Policy Index DB	2.4 (36)	3.6 (32)	4.9 (31)	9.2 (64)	12.5 (73)	5.0 (32)	13.5 (30)	6.5 (52)	6.1 (24)
5th Percentile	1.8	2.5	3.6	5.6	7.5	4.0	10.6	4.1	4.9
1st Quartile	2.2	3.5	4.6	7.3	9.3	4.7	13.1	5.5	6.2
Median	2.6	4.1	5.4	8.5	10.8	5.3	14.5	6.3	6.8
3rd Quartile	3.1	4.7	6.3	9.8	12.7	5.9	16.3	7.3	8.0
95th Percentile	3.3	5.7	7.5	12.0	15.0	7.0	18.7	8.8	9.1
Population	54	172	180	188	187	220	229	190	167

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

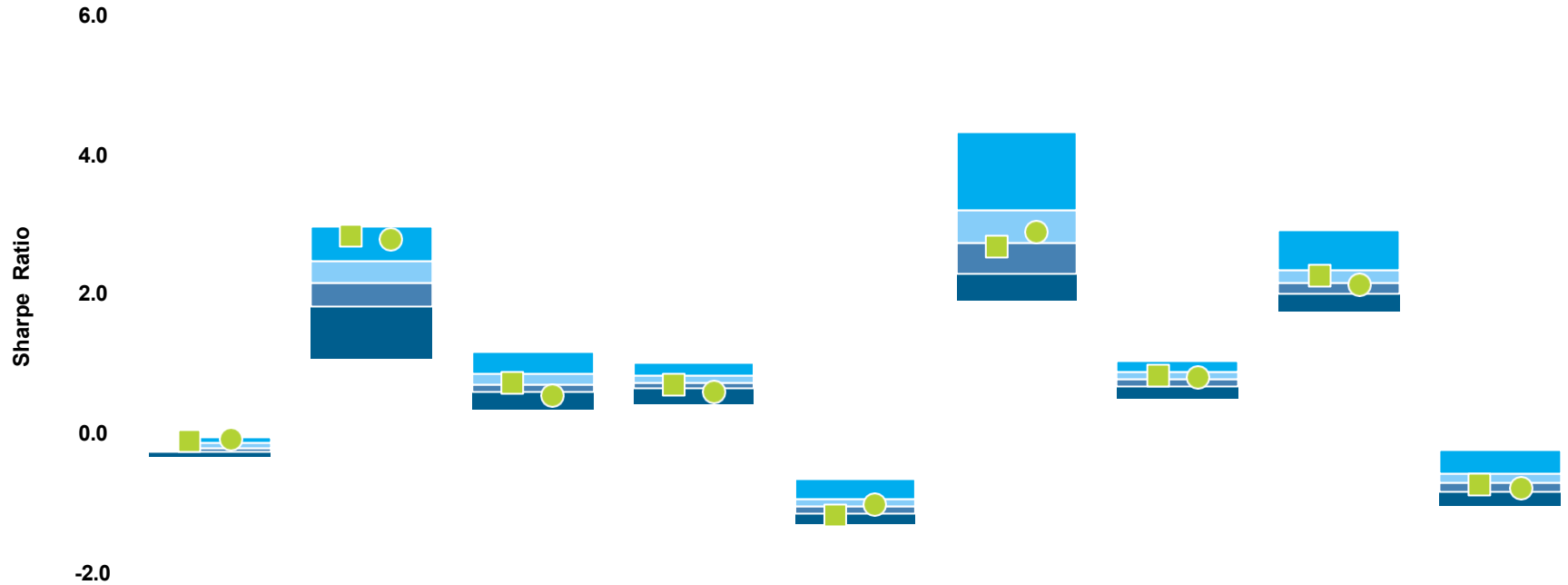
#### InvMetrics Public DB > \$1B (gross)



	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
■ Total Fund (DB)	-0.1 (20)	1.5 (32)	0.8 (24)	0.4 (30)	0.8 (23)
● Policy Index DB	-0.1 (12)	1.8 (2)	0.8 (40)	0.4 (58)	0.7 (43)
5th Percentile	0.0	1.7	1.0	0.7	0.9
1st Quartile	-0.1	1.5	0.8	0.5	0.8
Median	-0.2	1.4	0.8	0.4	0.7
3rd Quartile	-0.2	1.2	0.6	0.3	0.6
95th Percentile	-0.3	0.7	0.3	0.2	0.5
Population	54	54	54	52	51

Parentheses contain percentile rankings.  
 Calculation based on monthly periodicity.  
 Since inception return is as of 1/1/1996.

#### InvMetrics Public DB > \$1B (gross)

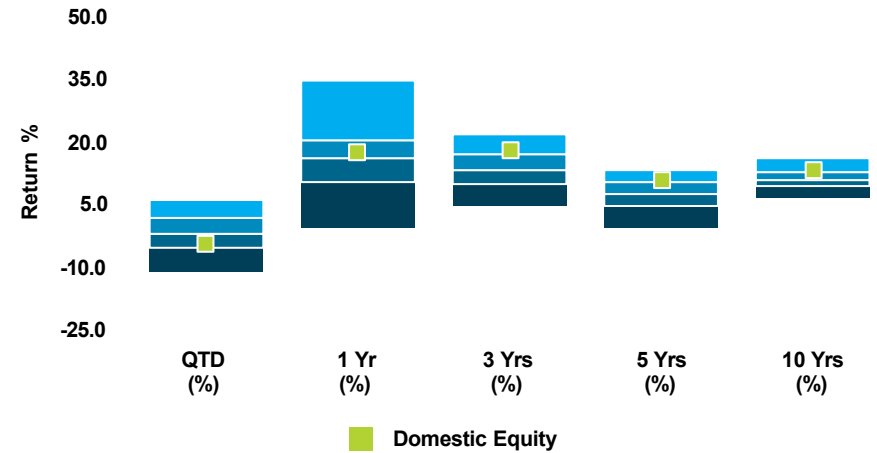
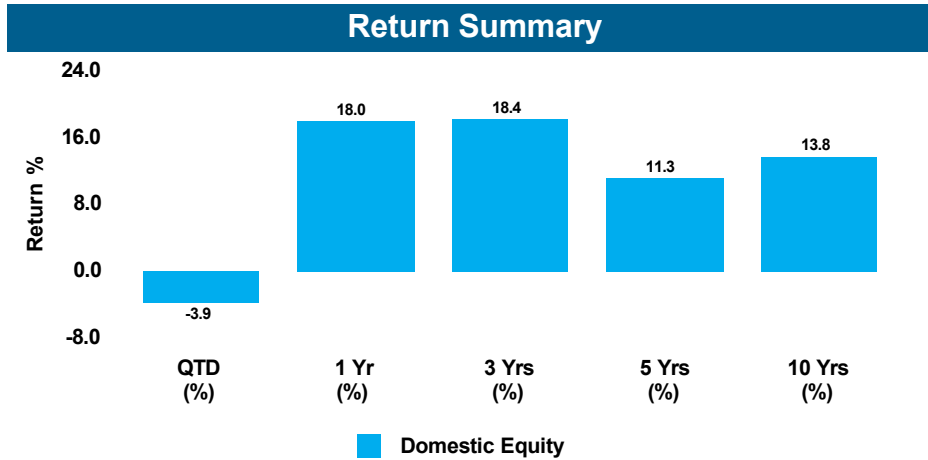


	2026 (%)	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
■ Total Fund (DB)	-0.1 (20)	2.8 (8)	0.7 (46)	0.7 (56)	-1.2 (84)	2.7 (54)	0.8 (37)	2.3 (35)	-0.7 (58)
● Policy Index DB	-0.1 (12)	2.8 (10)	0.6 (80)	0.6 (84)	-1.0 (44)	2.9 (43)	0.8 (42)	2.1 (57)	-0.8 (67)
5th Percentile	0.0	3.0	1.2	1.0	-0.6	4.3	1.0	2.9	-0.2
1st Quartile	-0.1	2.5	0.9	0.8	-0.9	3.2	0.9	2.4	-0.6
Median	-0.2	2.2	0.7	0.7	-1.0	2.8	0.8	2.2	-0.7
3rd Quartile	-0.2	1.8	0.6	0.6	-1.1	2.3	0.7	2.0	-0.8
95th Percentile	-0.3	1.1	0.3	0.4	-1.3	1.9	0.5	1.8	-1.0
Population	54	172	180	188	187	220	229	190	167

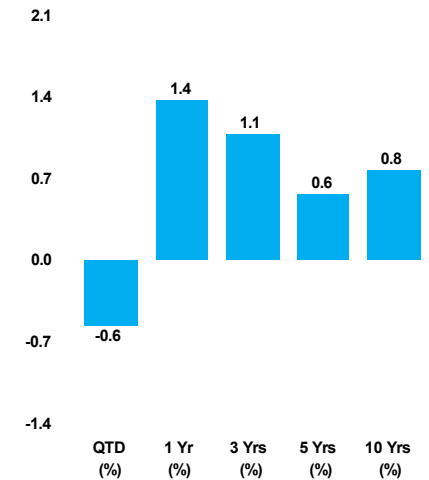
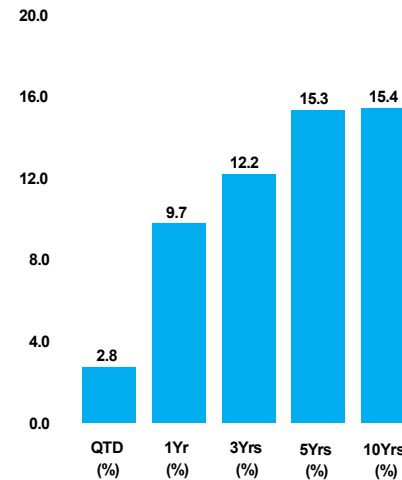
Parenteses contain percentile rankings.  
Calculation based on monthly periodicity.

## Domestic Equity (DB)

### Domestic Equity Composite Characteristics | As of March 31, 2026



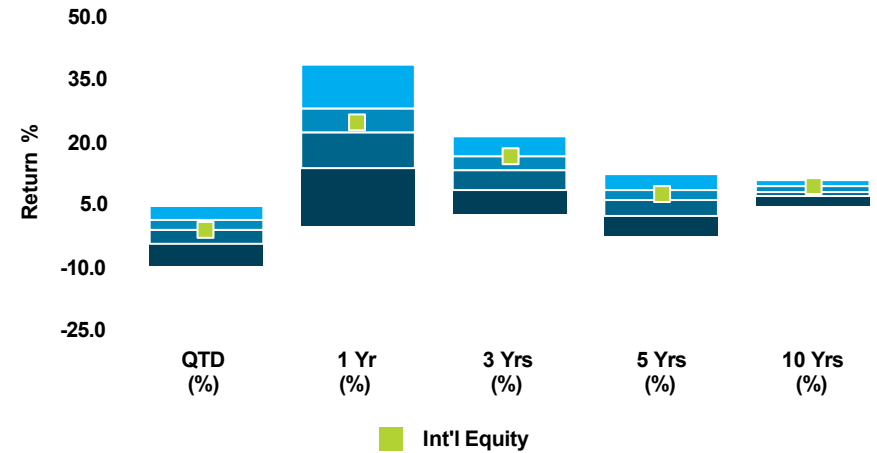
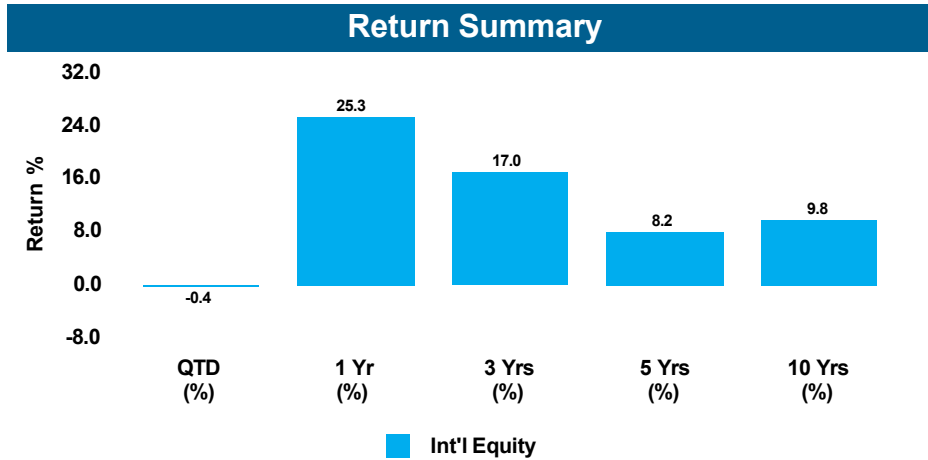
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Domestic Equity	-3.9	18.0	18.4	11.3	13.8
<i>Domestic Equity Blend BM</i>	-4.0	18.1	17.9	10.9	13.7
Excess Return	0.1	0.0	0.5	0.5	0.1



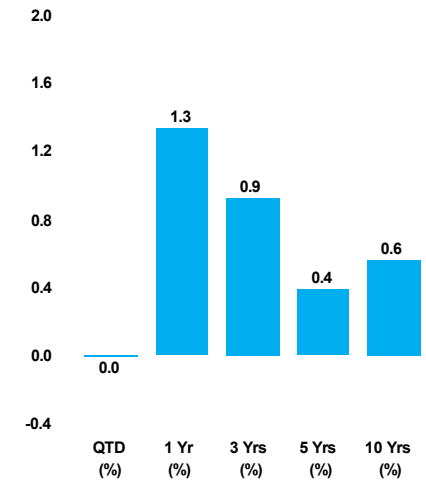
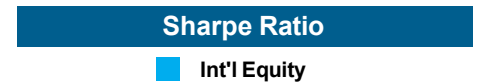
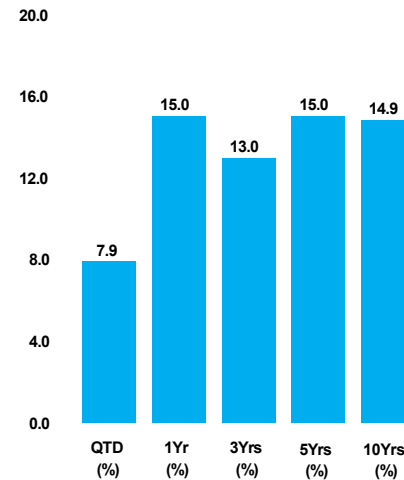
Performance is net of management fees.  
Peer Universe: eV All U.S. Equity (net)

## International Equity (DB)

### International Equity Composite Characteristics | As of March 31, 2026



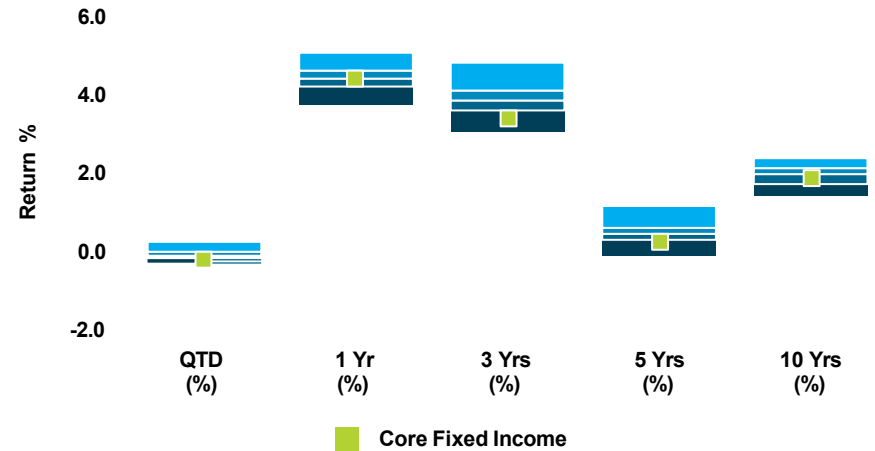
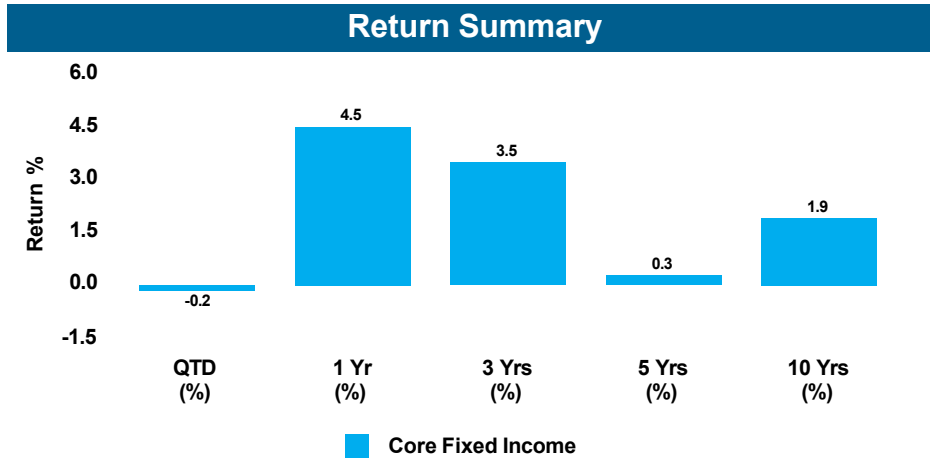
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Int'l Equity	-0.4	25.3	17.0	8.2	9.8
<i>Custom Int'l Eq Benchmark</i>	-0.6	25.8	14.5	6.7	8.4
Excess Return	0.2	-0.5	2.5	1.5	1.4
eV All ACWI ex-US Equity Median	-0.6	22.8	13.6	6.6	8.6



Performance is net of management fees.  
Peer Universe: eV All ACWI ex-US Equity.

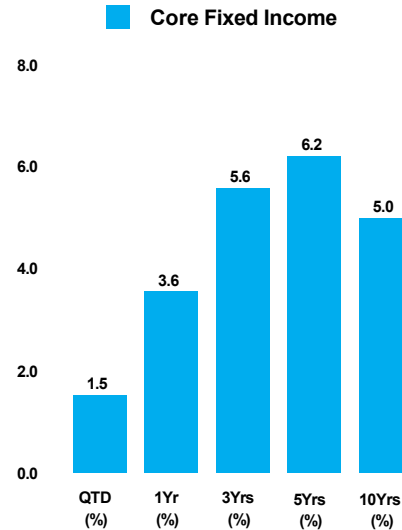
## Core Fixed Income (DB)

### Core Fixed Income Composite Characteristics | As of March 31, 2026

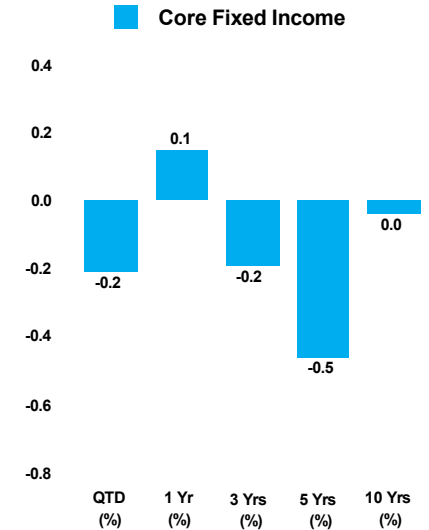


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Core Fixed Income	-0.2	4.5	3.5	0.3	1.9
<i>Bloomberg U.S. Aggregate Index</i>	0.0	4.3	3.6	0.3	1.7
Excess Return	-0.1	0.1	-0.2	0.0	0.2
eV US Core Fixed Inc Median	0.0	4.5	3.9	0.5	2.0

#### Annualized Standard Deviation



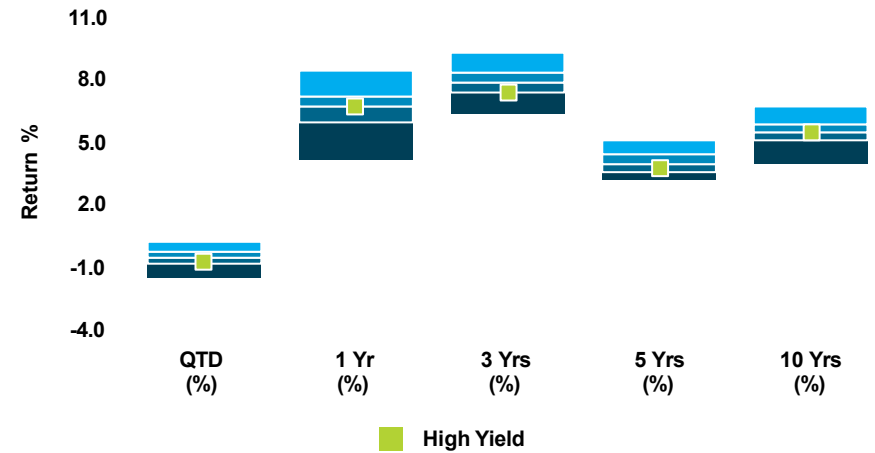
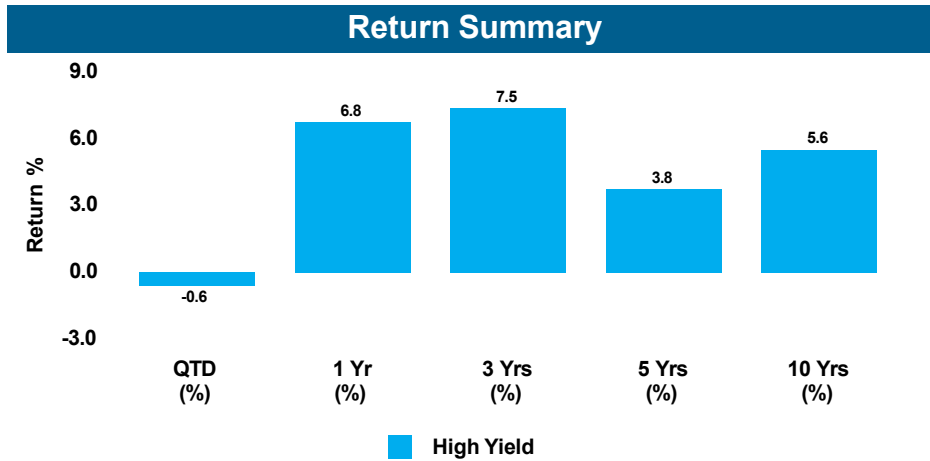
#### Sharpe Ratio



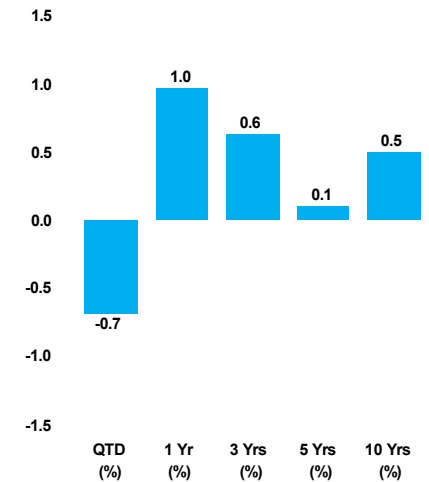
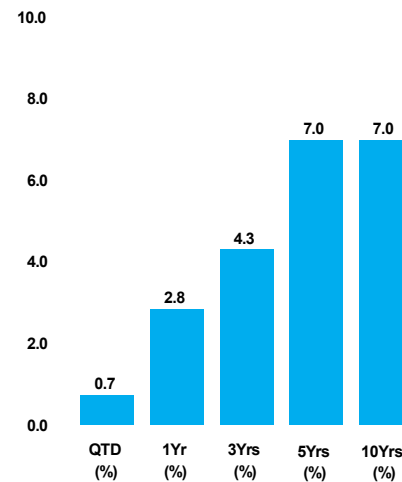
Performance is net of management fees.  
Peer Universe: eV US Core Fixed Inc (Net).

## High Yield (DB)

### High Yield Composite Characteristics | As of March 31, 2026



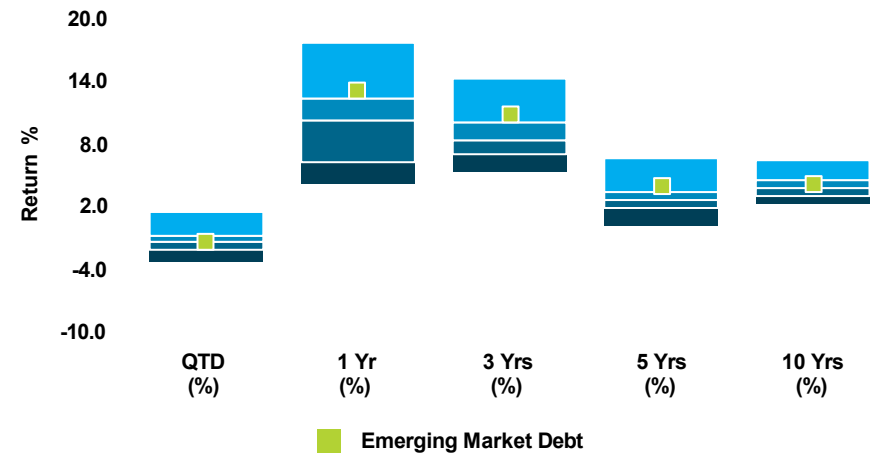
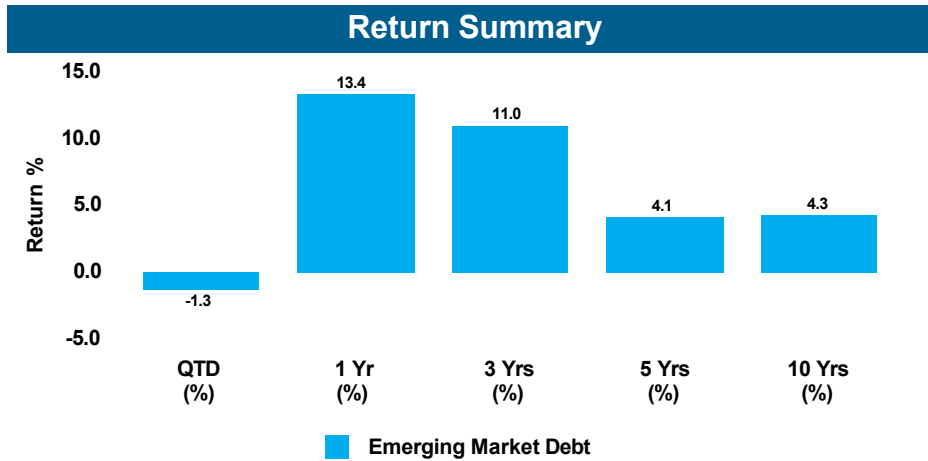
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
High Yield	-0.6	6.8	7.5	3.8	5.6
<i>Blmbg. U.S. Corp: High Yield Index</i>	-0.5	7.0	8.6	4.2	6.1
Excess Return	-0.1	-0.2	-1.1	-0.4	-0.5
eV US High Yield Fixed Inc Median	-0.4	6.8	7.9	4.1	5.6



Performance is net of management fees.  
Peer Universe: eV US High Yield Fixed Inc (Net).

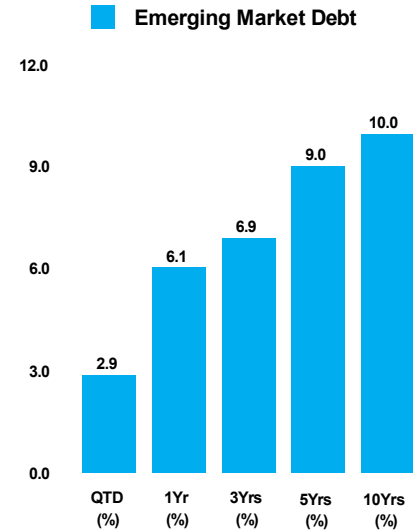
## Emerging Market Debt (DB)

### Emerging Market Debt Composite Characteristics | As of March 31, 2026

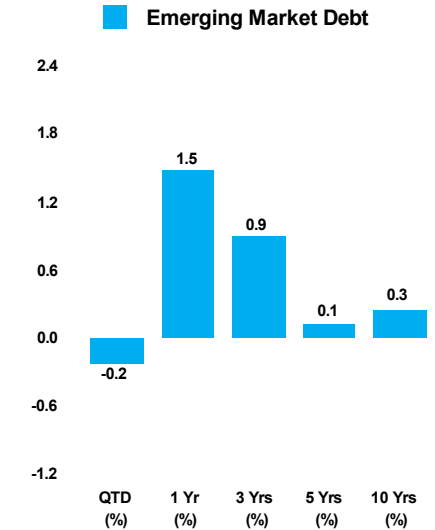


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Emerging Market Debt	-1.3	13.4	11.0	4.1	4.3
<i>Custom 50/50 JPM EMB and Govt</i>	-1.7	10.7	7.8	2.3	3.1
Excess Return	0.4	2.7	3.3	1.8	1.2
eV All Emg Mkts Fixed Inc Median	-1.2	10.5	8.5	2.8	4.0

#### Annualized Standard Deviation



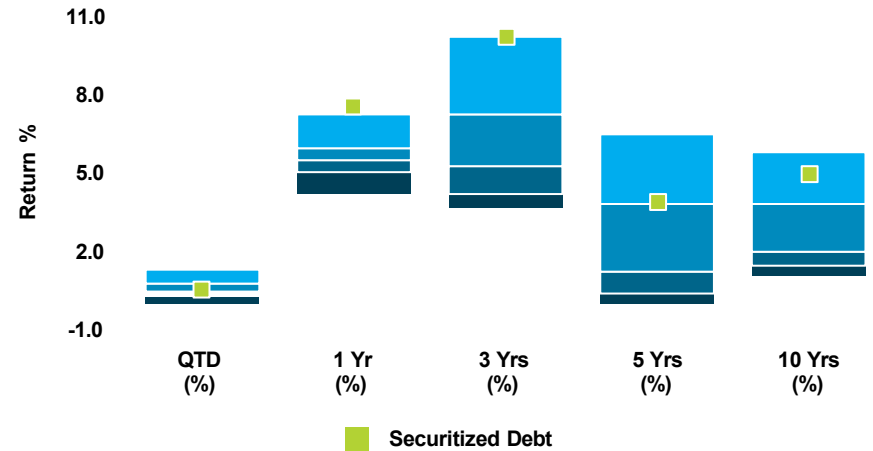
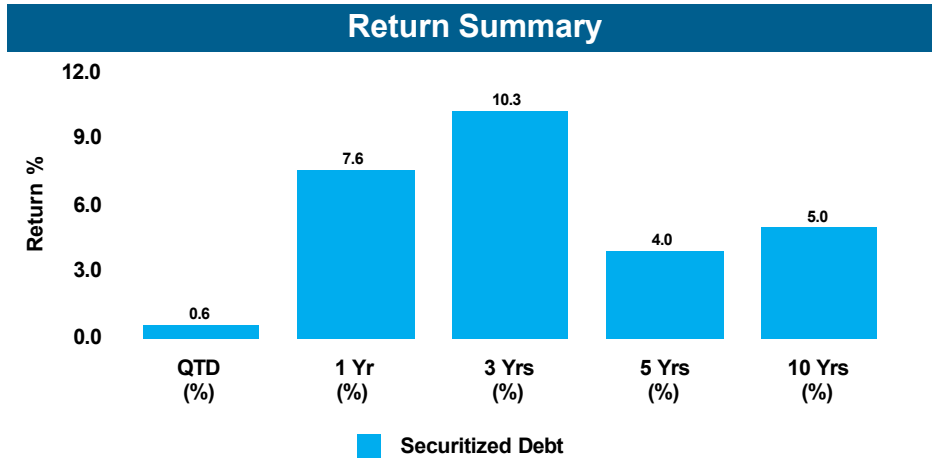
#### Sharpe Ratio



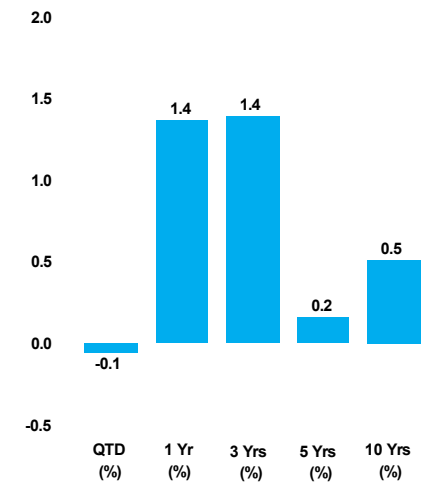
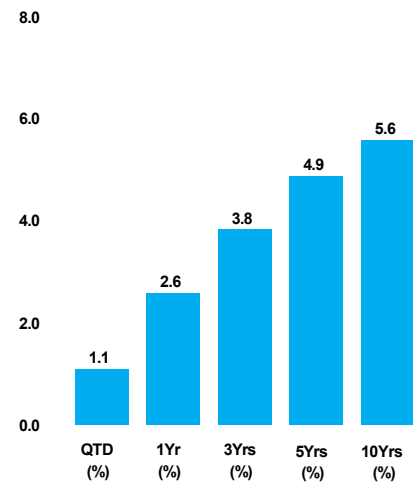
Performance is net of management fees.  
Peer Universe: eV All Emg Mkts Fixed Inc (Net).

## Securitized Debt (DB)

### Securitized Debt Composite Characteristics | As of March 31, 2026



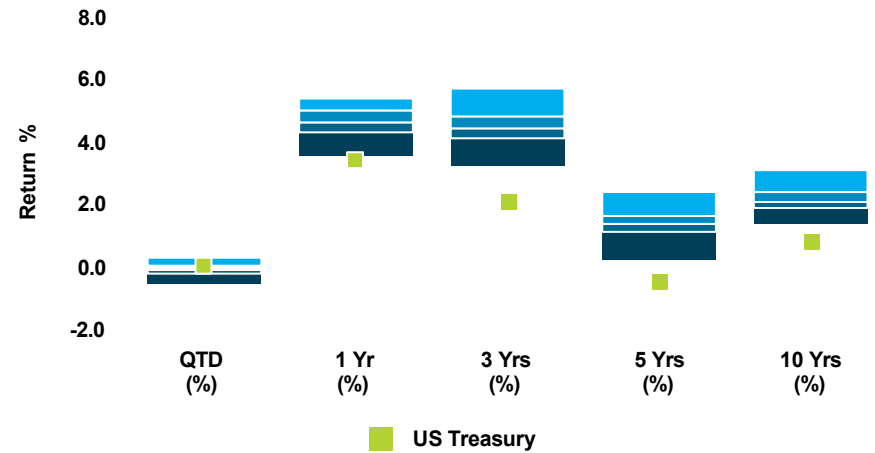
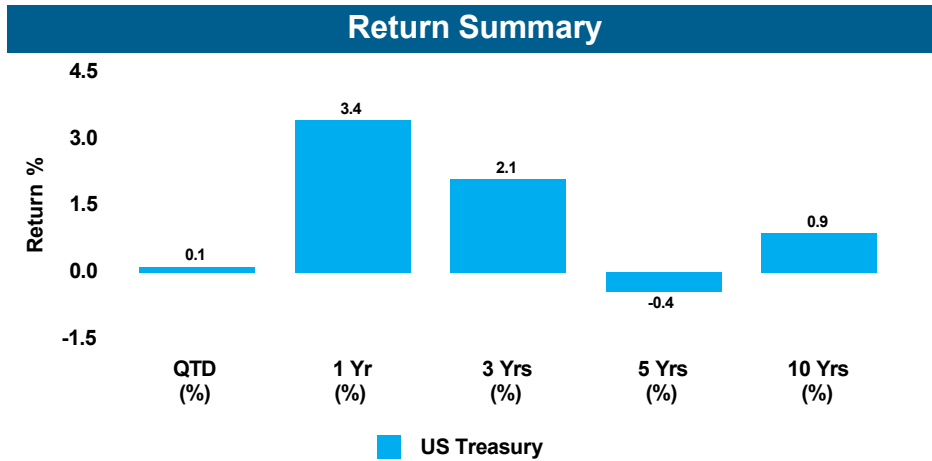
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Securitized Debt	0.6	7.6	10.3	4.0	5.0
<i>Custom Securitized Debt Benchmark</i>	<i>0.8</i>	<i>6.2</i>	<i>8.5</i>	<i>2.2</i>	<i>3.4</i>
Excess Return	-0.2	1.4	1.8	1.8	1.6
eV US Securitized Fixed Inc Median	0.5	5.6	5.3	1.3	2.1



Performance is net of management fees.  
Peer Universe: eV US Securitized Fixed Inc.

## US Treasury (DB)

### U.S. Treasury Composite Characteristics | As of March 31, 2026



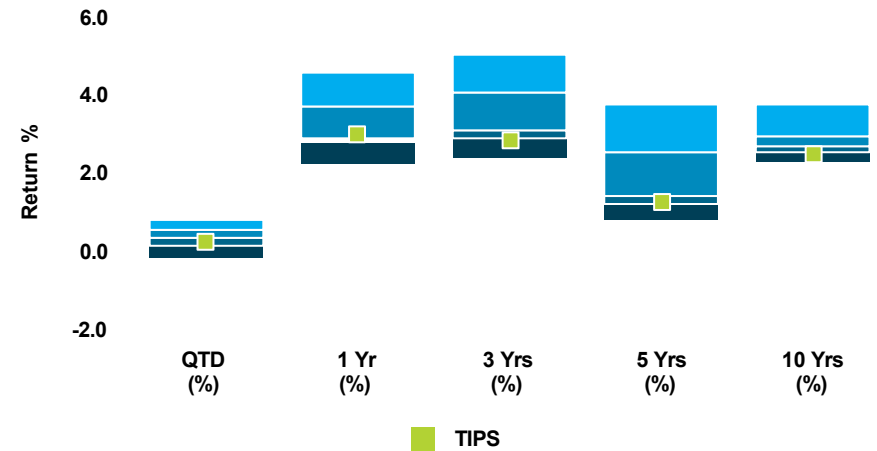
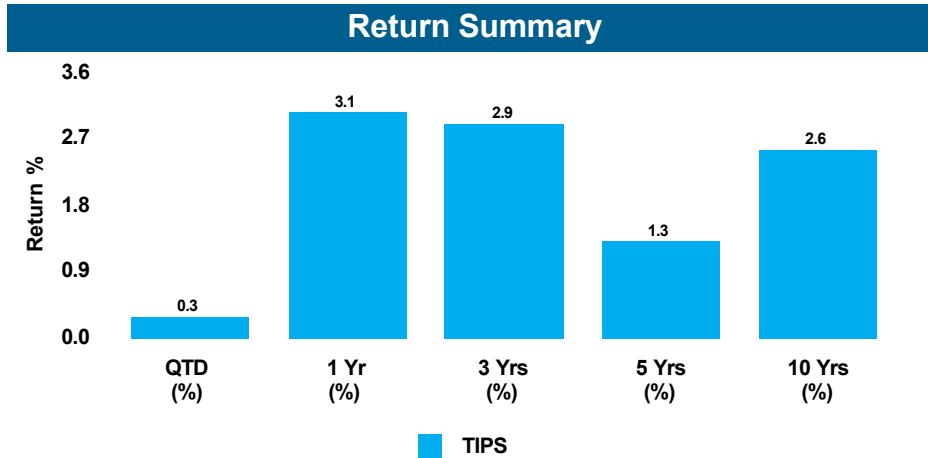
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
US Treasury	0.1	3.4	2.1	-0.4	0.9
<i>Bloomberg U.S. Treasury Index</i>	0.0	3.3	2.6	-0.1	1.0
Excess Return	0.2	0.2	-0.5	-0.3	-0.1
eV US Interm Duration Fixed Inc Median	0.0	4.7	4.5	1.4	2.2



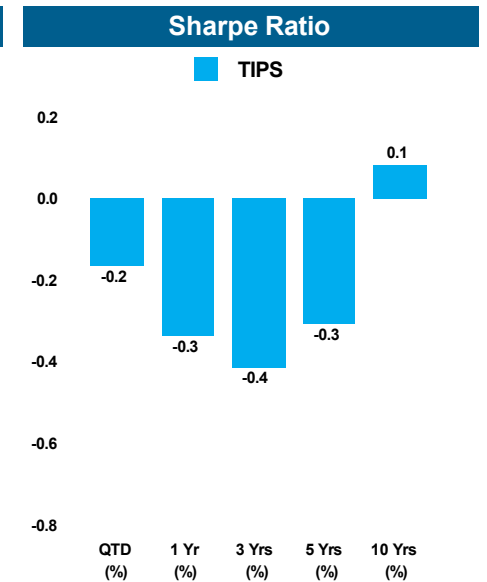
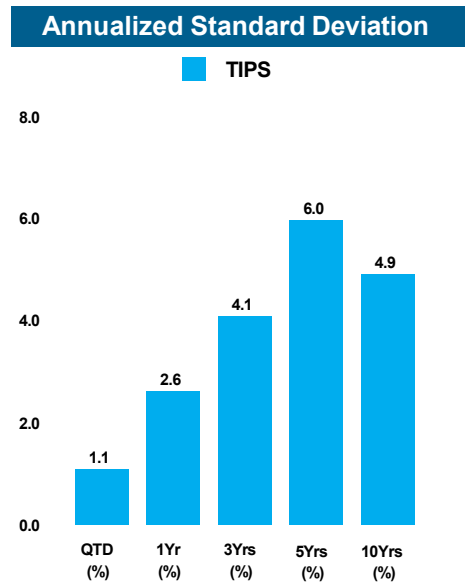
Performance is net of management fees.  
Peer Universe: eV US Interm Duration Fixed Inc (Net).

## Tips (DB)

### TIPS Composite Characteristics | As of March 31, 2026



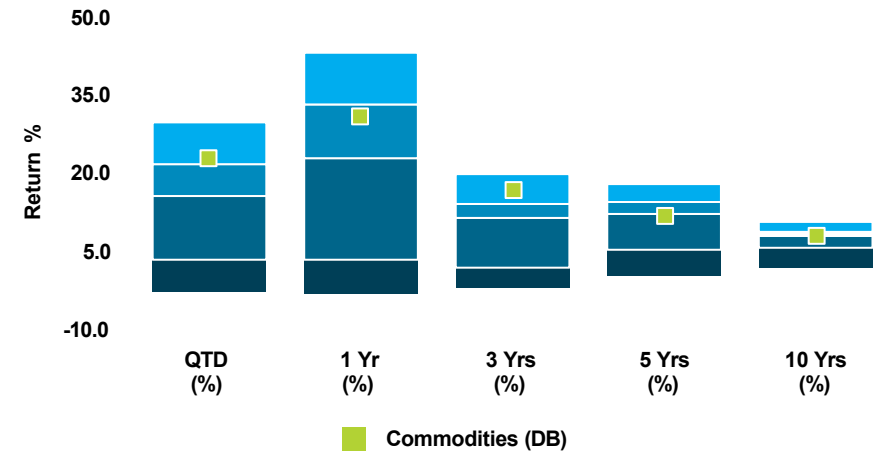
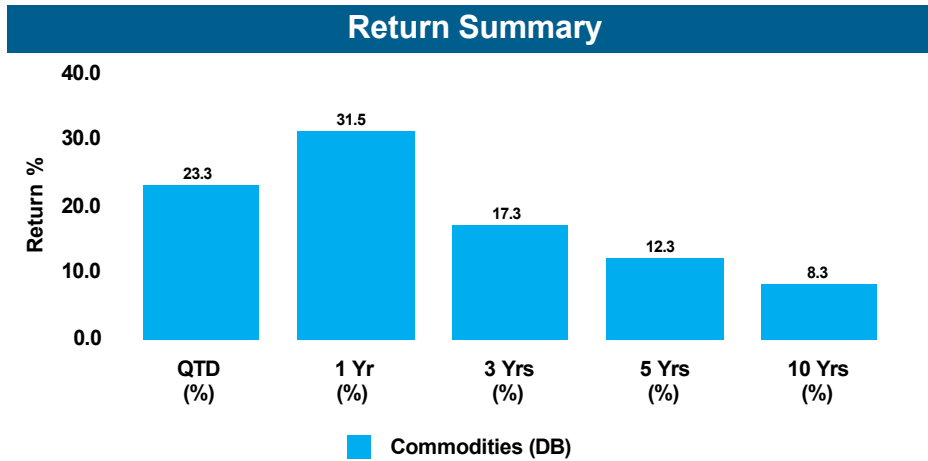
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
TIPS	0.3	3.1	2.9	1.3	2.6
<i>Blmbg. U.S. TIPS Index</i>	0.3	3.0	3.2	1.5	2.7
Excess Return	0.0	0.1	-0.3	-0.2	-0.1
eV US TIPS / Inflation Fixed Inc Median	0.4	3.0	3.2	1.5	2.8



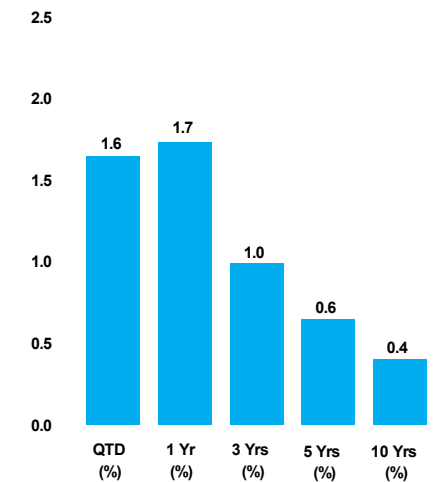
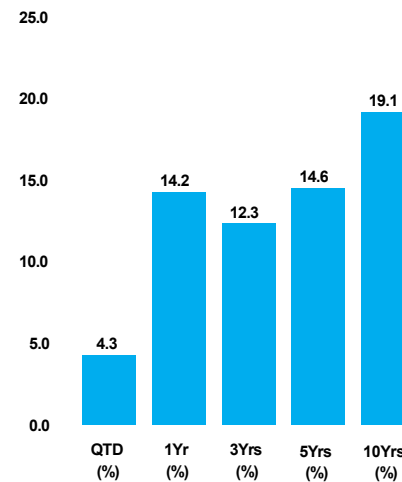
Performance is net of management fees.  
Peer Universe: eV US TIPS / Inflation Fixed Inc (Net).

## Commodities (DB)

### Commodities Composite Characteristics | As of March 31, 2026



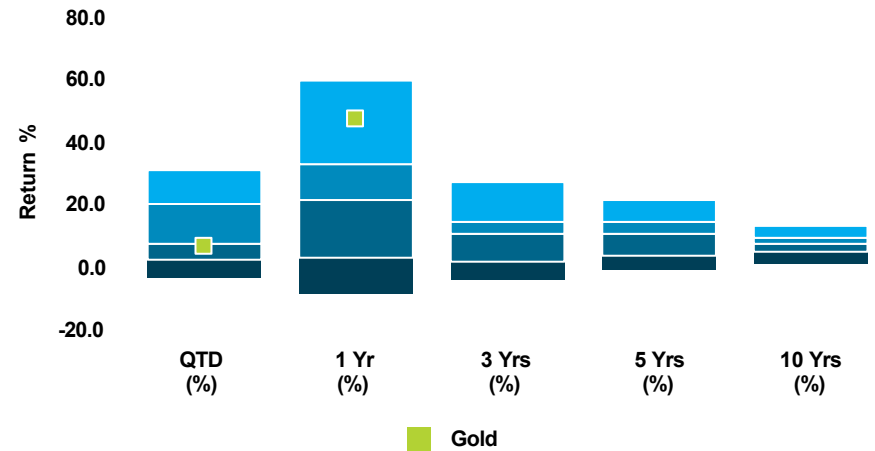
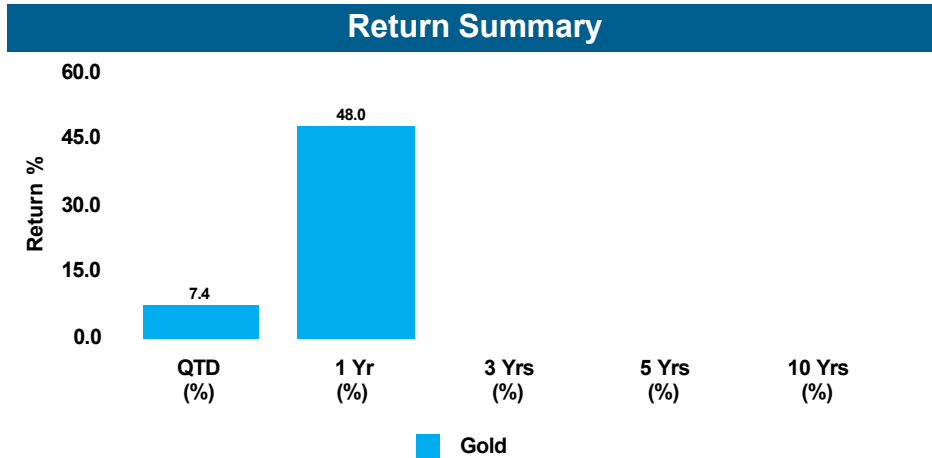
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Commodities (DB)	23.3	31.5	17.3	12.3	8.3
<i>Custom Commodities Benchmark</i>	24.4	32.3	13.9	14.1	7.5
Excess Return	-1.2	-0.8	3.4	-1.8	0.8



Performance is net of management fees.  
Peer Universe: eV Alt Commodities - Multi-Market (Net).

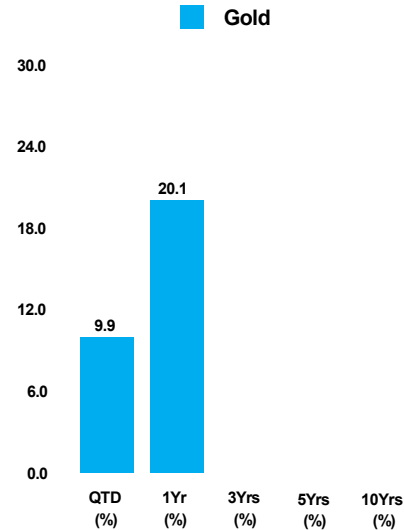
**Gold (DB)**

### Gold Composite Characteristics | As of March 31, 2026

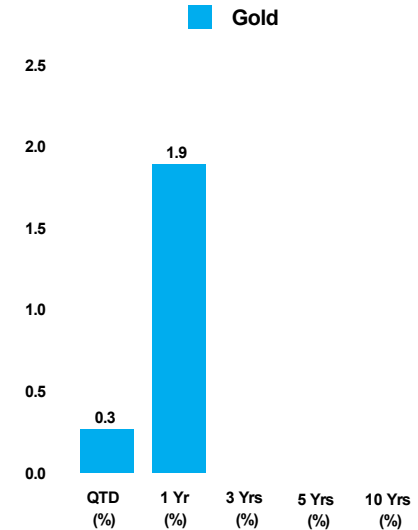


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Gold	7.4	48.0	-	-	-
<i>Bloomberg Gold Subindex Total Return</i>	7.1	47.2	32.0	21.2	13.1
Excess Return	0.3	0.7	-	-	-

#### Annualized Standard Deviation



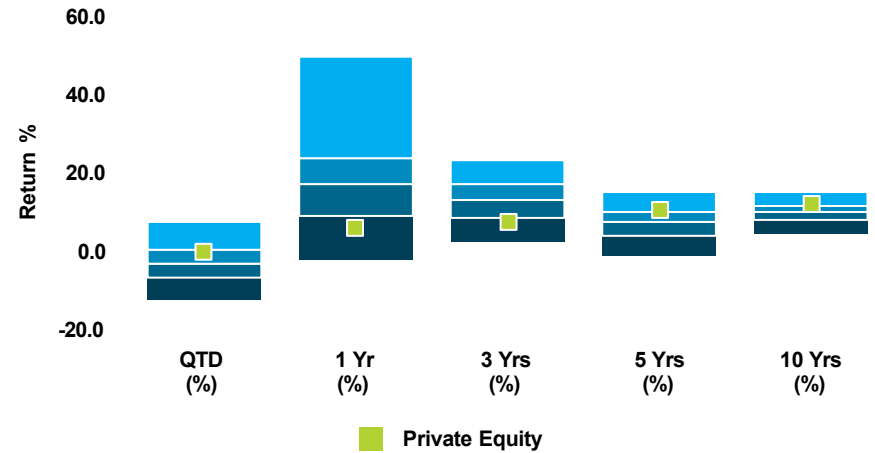
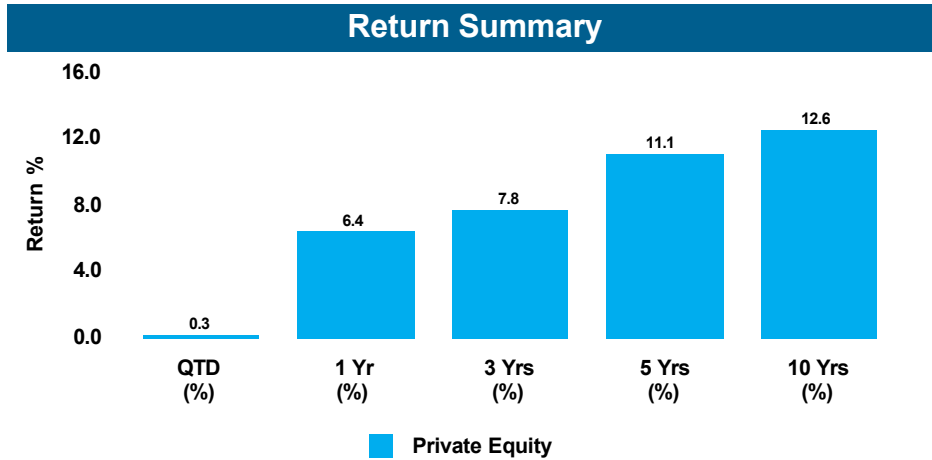
#### Sharpe Ratio



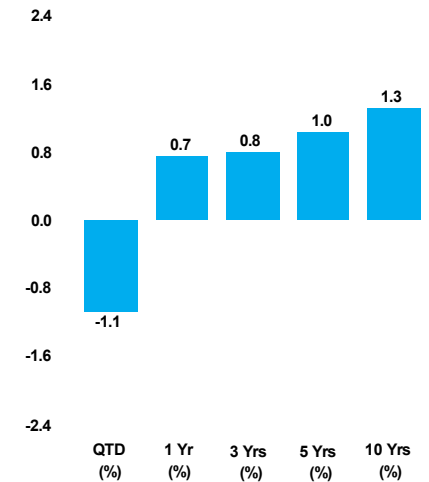
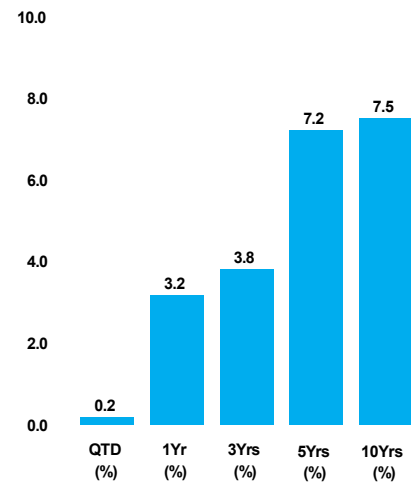
Performance is net of management fees.  
Peer Universe: eV Alt All Commodities.

## Private Equity (DB)

### Private Equity Composite Characteristics | As of March 31, 2026



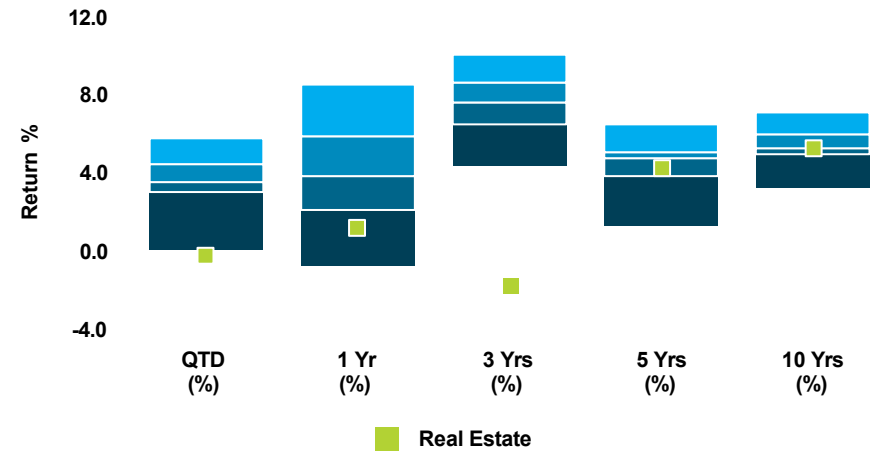
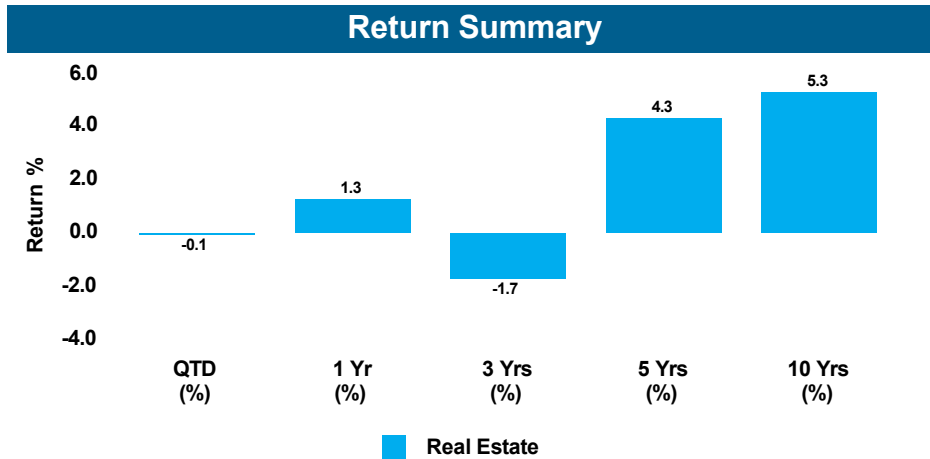
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Private Equity	0.3	6.4	7.8	11.1	12.6
<i>Custom Private Equity Benchmark</i>	-	-	-	-	-
Excess Return	-	-	-	-	-



Performance is net of management fees.  
Peer Universe: eV All Global Equity (Net).

## Real Estate (DB)

### Real Estate Composite Characteristics | As of March 31, 2026



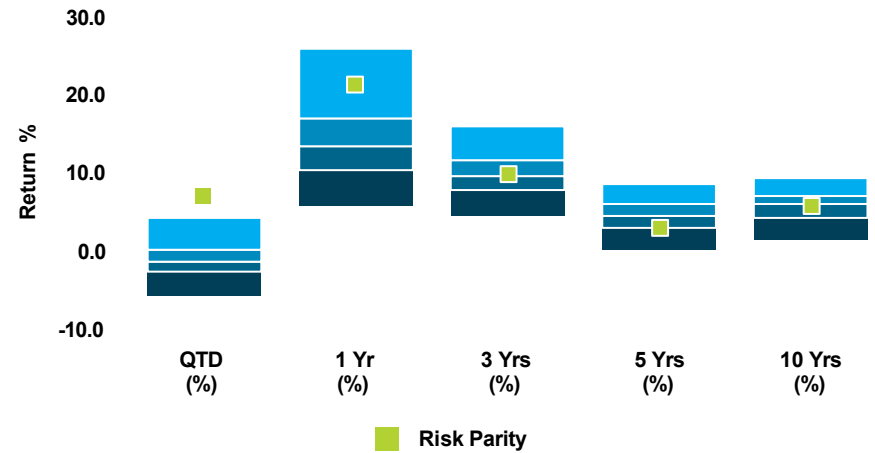
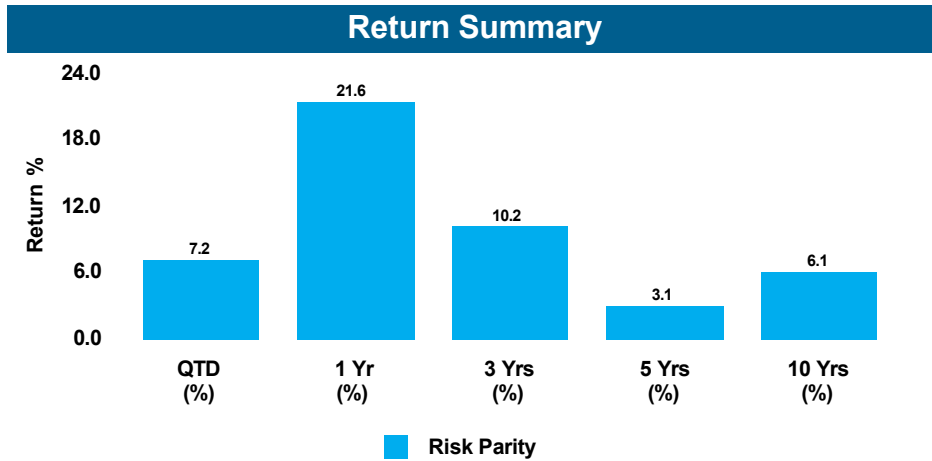
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Real Estate	-0.1	1.3	-1.7	4.3	5.3
<i>Custom Real Estate Benchmark</i>	0.9	3.8	-3.4	3.4	4.7
Excess Return	-1.0	-2.5	1.7	1.0	0.6



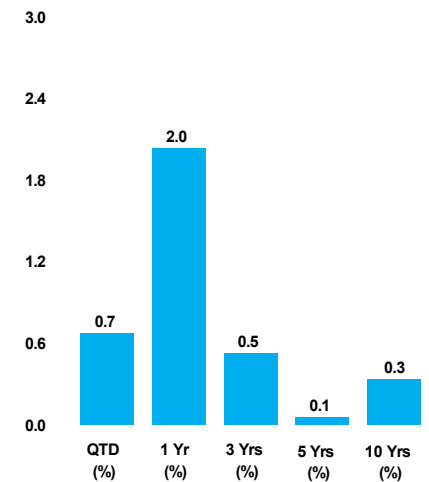
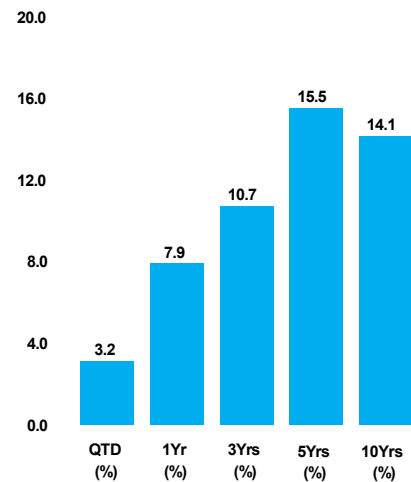
Performance is net of management fees.  
Peer Universe: eV US REIT (Net).

## Risk Parity (DB)

### Risk Parity Composite Characteristics | As of March 31, 2026



	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Risk Parity	7.2	21.6	10.2	3.1	6.1
<i>Custom Risk Parity</i>	7.1	21.2	9.6	2.5	4.6
Excess Return	0.1	0.4	0.7	0.7	1.5

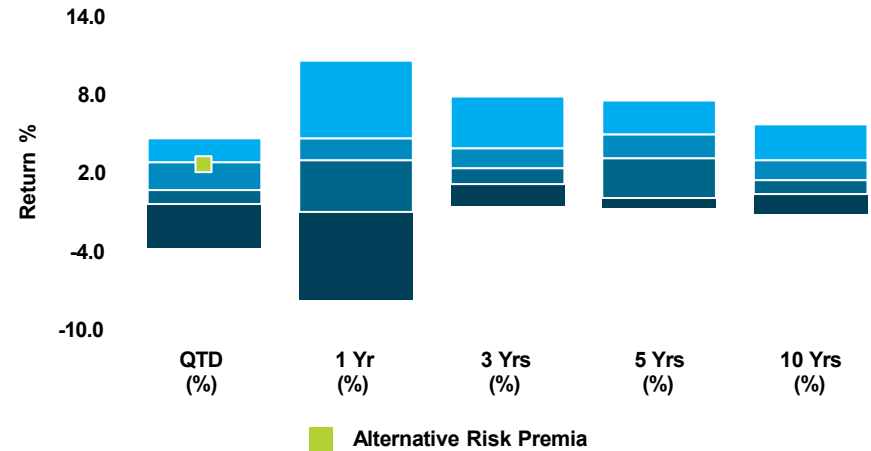
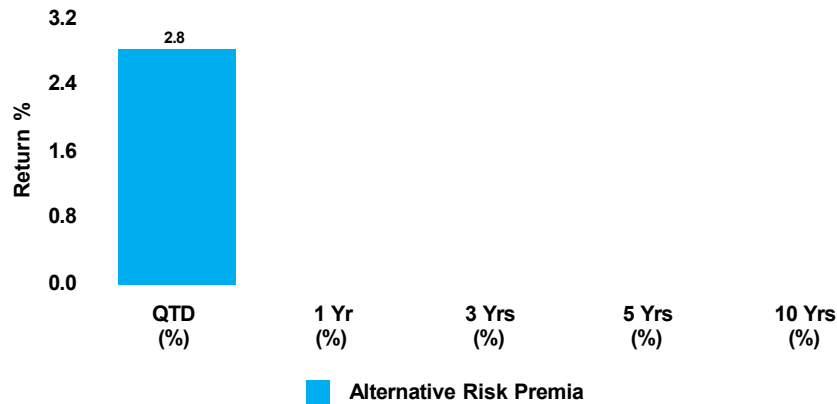


Performance is net of management fees.  
Peer Universe: eV Global TAA (Net).

## Alternative Risk Premia (DB)

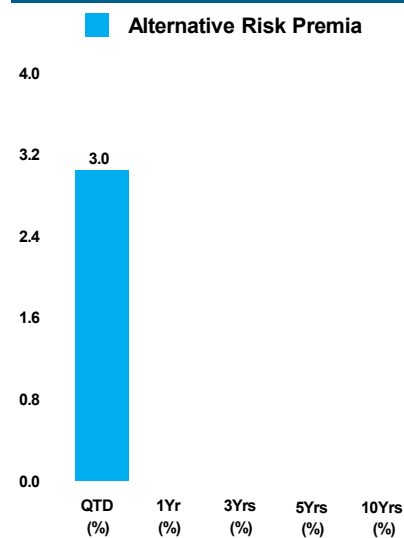
### Alternative Risk Premia Composite Characteristics | As of March 31, 2026

#### Return Summary

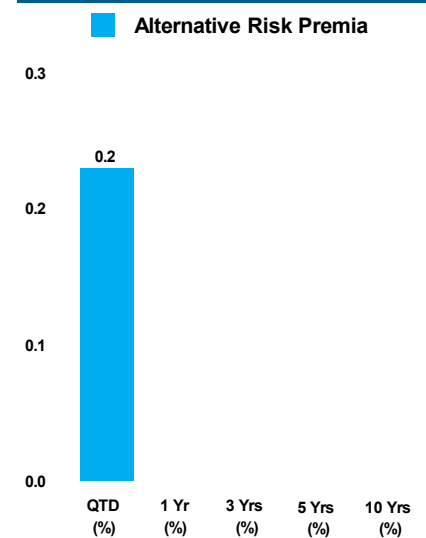


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Alternative Risk Premia	2.8	-	-	-	-
<i>Alternative Risk Premia BM</i>	2.8	-	-	-	-
Excess Return	0.0	-	-	-	-

#### Annualized Standard Deviation

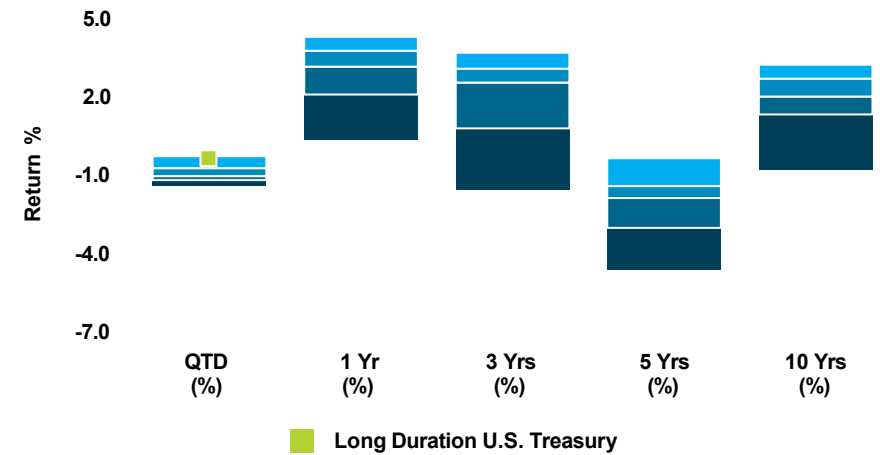
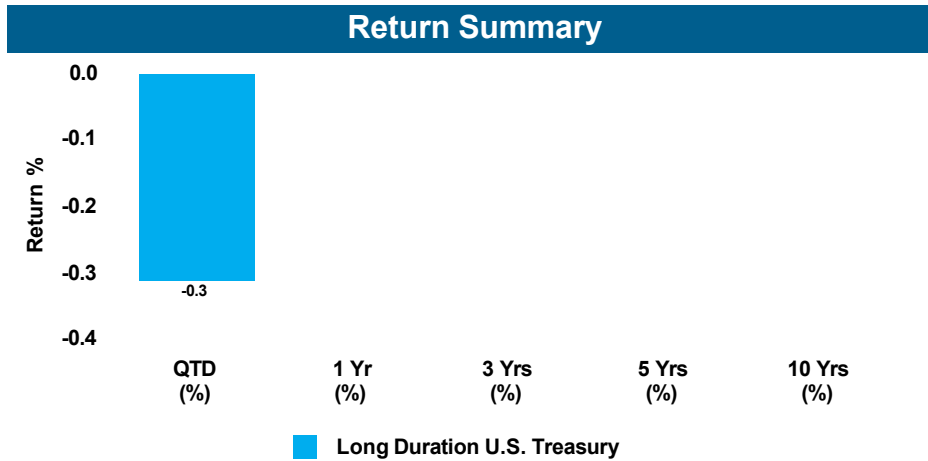


#### Sharpe Ratio

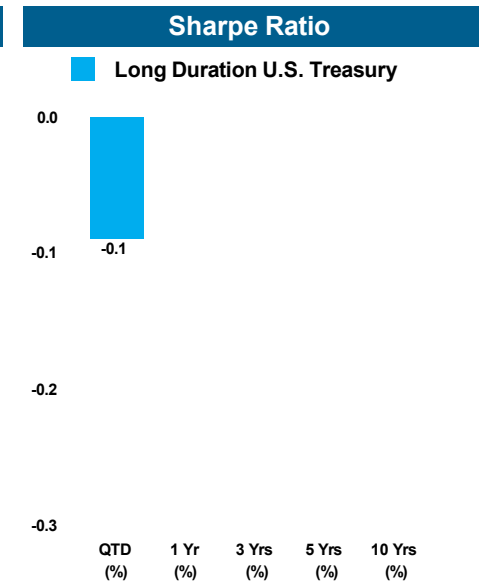
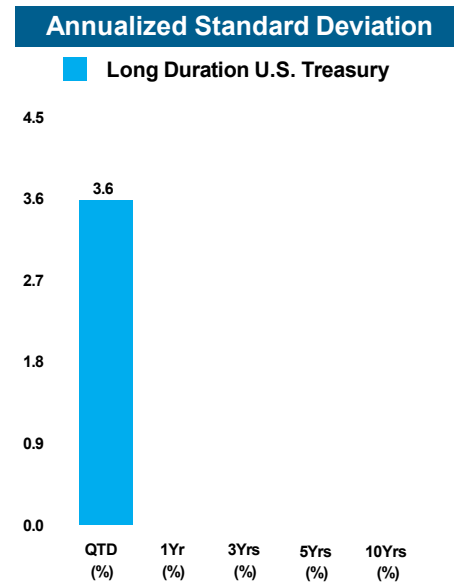


Performance is net of management fees.  
Peer Universe: eV Alt All FX/Currency (Net).

## Long Duration US Treasury (DB)



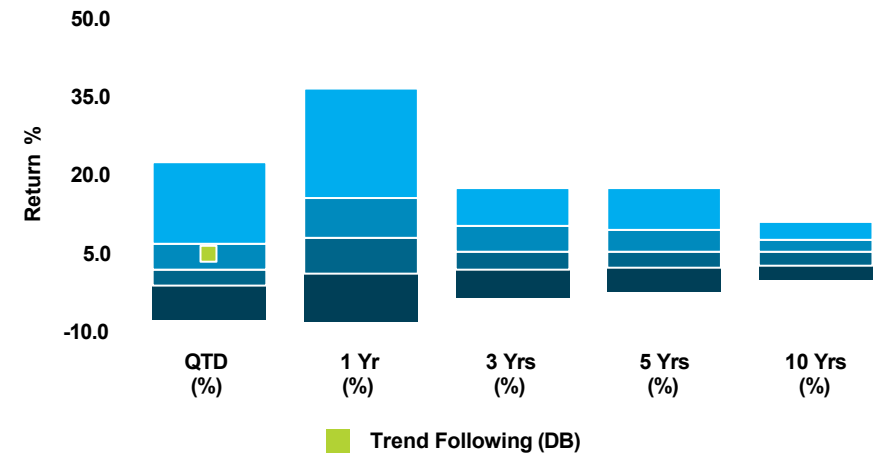
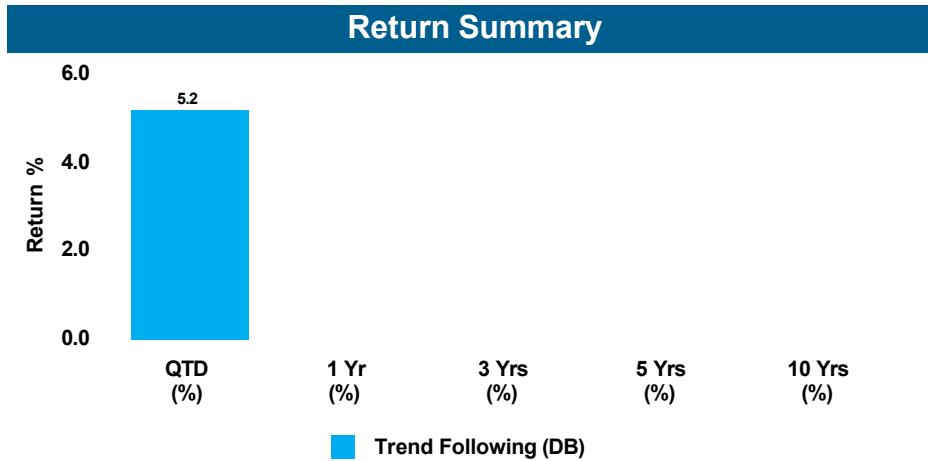
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Long Duration U.S. Treasury	-0.3	-	-	-	-
<i>Blmbg. U.S. Treasury: 20+ Year</i>	-0.3	-	-	-	-
Excess Return	0.0	-	-	-	-



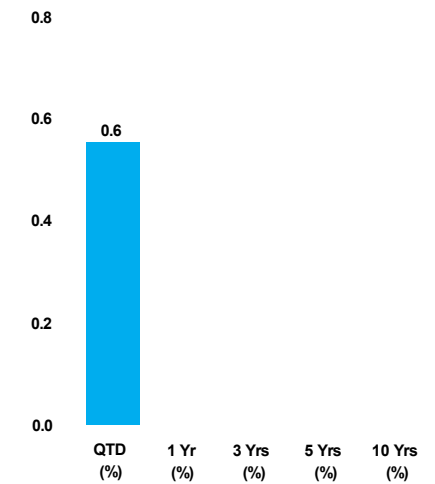
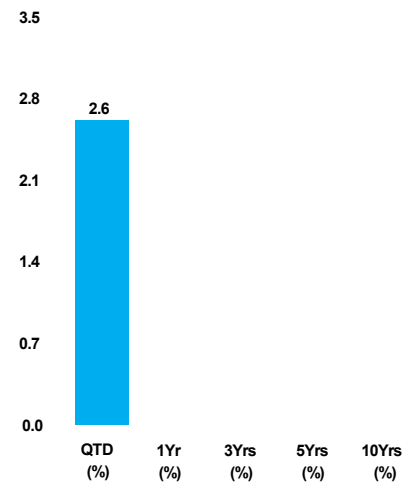
Performance is net of management fees.  
Peer Universe: eV US Long Duration Fixed Inc (Net).

## Trend Following (DB)

### Trend Following Composite Characteristics | As of March 31, 2026



	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Trend Following (DB)	5.2	-	-	-	-
<i>Custom Trend Index</i>	5.1	-	-	-	-
Excess Return	0.1	-	-	-	-



Performance is net of management fees.  
Peer Universe: eV Alt CTA (Net).

## Health Care Trust 115 Performance

## Performance Summary | As of March 31, 2026

	Calendar Year Performance								
	2026 (%)	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
<b>Health Care 115 Trust Fund</b>	<b>0.1</b>	<b>18.5</b>	<b>10.0</b>	<b>14.0</b>	<b>-15.5</b>	<b>14.3</b>	<b>11.0</b>	<b>19.6</b>	<b>-5.8</b>
<i>Policy Index Health Care 115 Trust Fund</i>	0.0	16.0	9.5	13.6	-15.5	13.8	10.1	19.2	-6.0
Over/Under	0.1	2.4	0.5	0.3	0.0	0.6	0.8	0.4	0.2
<b>Traditional Growth</b>	<b>-1.8</b>	<b>26.7</b>	<b>14.5</b>	<b>20.8</b>	<b>-19.1</b>	<b>21.2</b>	<b>12.0</b>	<b>26.6</b>	<b>-8.8</b>
U.S. Equity	-3.9	18.9	23.7	25.9	-19.0	26.3	19.6	30.7	-5.1
<i>Domestic Equity Blend BM</i>	-4.0	17.1	23.8	26.0	-19.2	25.7	20.9	31.0	-5.2
Over/Under	0.1	1.7	-0.1	0.0	0.2	0.6	-1.3	-0.3	0.2
Non-U.S. Equity	-0.4	37.6	7.0	17.3	-17.7	8.7	14.5	22.9	-14.4
<i>Custom Int'l Eq Benchmark</i>	-0.6	32.2	5.5	15.1	-16.9	7.9	11.9	21.1	-14.7
Over/Under	0.2	5.4	1.5	2.1	-0.9	0.8	2.6	1.8	0.3
REIT's	4.8	7.6	8.0	14.0	-25.9	46.0	-11.4	23.2	-4.1
<i>Custom REIT Benchmark</i>	4.7	3.7	8.0	14.0	-26.0	45.9	-11.2	23.1	-4.2
Over/Under	0.2	3.9	0.0	0.0	0.2	0.1	-0.2	0.1	0.1
<b>Stabilized Growth</b>	<b>1.0</b>	<b>11.1</b>	<b>7.0</b>	<b>10.1</b>	<b>-15.6</b>	<b>4.0</b>	<b>5.9</b>	<b>19.3</b>	<b>-6.0</b>
Risk Parity	7.2	21.4	5.7	8.5	-29.8	11.9	6.0	30.3	-9.9
<i>Custom Risk Parity</i>	7.1	15.9	5.1	7.6	-30.3	11.6	5.2	29.9	-10.1
Over/Under	0.1	5.5	0.7	0.9	0.5	0.4	0.7	0.4	0.1
<b>Public Credit</b>	<b>-0.3</b>	<b>9.0</b>	<b>7.3</b>	<b>10.7</b>	<b>-12.1</b>	<b>2.1</b>	<b>6.2</b>	<b>13.3</b>	<b>-4.0</b>
High Yield	-0.6	7.7	7.1	12.5	-10.6	5.0	7.2	14.6	-2.3
<i>Blmbg. U.S. Corp: High Yield Index</i>	-0.5	8.6	8.2	13.4	-11.2	5.3	7.1	14.3	-2.1
Over/Under	-0.1	-0.9	-1.1	-0.9	0.6	-0.3	0.1	0.3	-0.2

## Performance Summary | As of March 31, 2026

	2026 (%)	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
Investment Grade Credit	-0.5	7.3	2.0	--	--	--	--	--	--
<i>Blmbg. U.S. Corporate Investment Grade Index</i>	-0.5	7.8	2.1	--	--	--	--	--	--
Over/Under	0.0	-0.5	-0.1	--	--	--	--	--	--
Emerging Market Debt	-1.3	18.5	4.2	16.6	-13.8	-5.0	5.1	13.2	-6.0
<i>Custom 50/50 JPM EMB and Govt</i>	-1.7	16.4	1.6	11.6	-14.1	-5.2	4.3	14.0	-5.3
Over/Under	0.4	2.2	2.6	5.0	0.3	0.2	0.7	-0.8	-0.7
Securitized Debt	0.6	9.5	13.8	7.4	-13.2	5.2	7.4	11.7	3.2
<i>Custom Securitized Debt Benchmark</i>	0.8	8.5	14.7	-0.4	-13.2	4.5	1.2	10.7	2.8
Over/Under	-0.2	0.9	-0.9	7.8	-0.1	0.7	6.2	1.0	0.4
Global High Yield									
<i>Blmbg. Global High Yield Index</i>	-1.3	12.1	9.2	14.0	-12.7	1.0	7.0	12.6	-4.1
Over/Under	--	--	--	--	--	--	--	--	--
<b>Principal Protection</b>	<b>-0.1</b>	<b>6.8</b>	<b>1.4</b>	<b>5.3</b>	<b>-12.9</b>	<b>-1.0</b>	<b>9.1</b>	<b>8.7</b>	<b>-0.1</b>
Core Fixed	-0.2	7.1	1.5	5.3	-12.9	-1.0	9.1	8.7	-0.1
<i>Blmbg. U.S. Aggregate Index</i>	0.0	7.3	1.3	5.5	-13.0	-1.5	7.5	8.7	0.0
Over/Under	-0.1	-0.2	0.2	-0.3	0.1	0.6	1.6	0.0	-0.1
US Treasury	0.1	4.9	0.4	3.8	-12.4	-2.3	8.1	6.8	0.8
<i>Blmbg. U.S. Treasury Index</i>	0.0	6.3	0.6	4.1	-12.5	-2.3	8.0	6.9	0.9
Over/Under	0.2	-1.4	-0.2	-0.2	0.0	0.1	0.1	0.0	0.0
<b>Inflation</b>	<b>8.9</b>	<b>13.5</b>	<b>6.0</b>	<b>1.2</b>	<b>-2.3</b>	<b>17.9</b>	<b>2.4</b>	<b>10.4</b>	<b>-4.0</b>
TIPS	0.3	6.1	1.8	3.9	-11.8	6.0	10.9	8.4	-1.3
<i>Blmbg. U.S. TIPS Index</i>	0.3	7.0	1.8	3.9	-11.8	6.0	11.0	8.4	-1.3
Over/Under	0.0	-0.9	0.0	0.0	0.0	0.0	-0.1	0.0	0.0

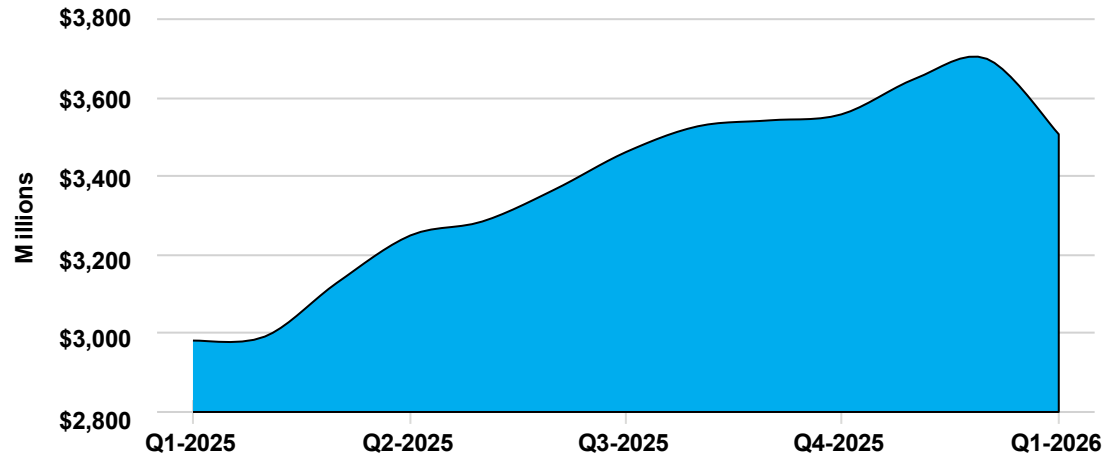
## Performance Summary | As of March 31, 2026

	2026 (%)	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
Commodities	23.3	16.3	5.6	-7.5	15.9	37.0	-22.0	17.5	-13.6
<i>Custom Commodities Benchmark</i>	24.4	15.8	5.4	-7.9	16.1	35.5	-23.7	17.6	-13.8
Over/Under	-1.2	0.5	0.2	0.4	-0.2	1.5	1.8	-0.1	0.2
Gold	7.4	--	--	--	--	--	--	--	--
<i>Bloomberg Gold Subindex Total Return</i>	7.1	--	--	--	--	--	--	--	--
Over/Under	0.3	--	--	--	--	--	--	--	--
<b>Risk Mitigating Strategies</b>	<b>1.7</b>	<b>4.7</b>	<b>0.4</b>	<b>3.8</b>	<b>-12.3</b>	<b>-0.5</b>	<b>2.1</b>	<b>7.1</b>	<b>-1.2</b>
RMS ex Legacy Hedge Funds	2.0	--	--	--	--	--	--	--	--
<i>Custom Risk Mitigation Strategies BM</i>	2.0	--	--	--	--	--	--	--	--
Over/Under	0.0	--	--	--	--	--	--	--	--
Long Duration U.S. Treasury	-0.3	--	--	--	--	--	--	--	--
<i>Blmbg. U.S. Treasury: 20+ Year</i>	-0.3	--	--	--	--	--	--	--	--
Over/Under	0.0	--	--	--	--	--	--	--	--
Alternative Risk Premia	2.8	--	--	--	--	--	--	--	--
<i>Alternative Risk Premia BM</i>	2.8	--	--	--	--	--	--	--	--
Over/Under	0.0	--	--	--	--	--	--	--	--
Trend Following	5.2	--	--	--	--	--	--	--	--
<i>Custom Trend Index</i>	5.1	--	--	--	--	--	--	--	--
Over/Under	0.1	--	--	--	--	--	--	--	--
Legacy Hedge Fund	0.0	0.0	0.6	3.2	3.6	9.8	3.6	7.7	-1.5
<i>Custom Hedge Fund Benchmark</i>	0.4	9.8	9.3	9.4	-3.4	10.7	6.1	8.5	-3.2
Over/Under	-0.4	-9.8	-8.7	-6.2	7.0	-0.9	-2.4	-0.8	1.7
<b>Cash</b>	<b>1.0</b>	<b>4.5</b>	<b>5.6</b>	<b>5.4</b>	<b>1.9</b>	<b>0.3</b>	<b>0.8</b>	<b>2.5</b>	<b>2.2</b>

## Defined Contribution Plan Performance

Allocation vs. Targets				
	Balance (\$)	Current Allocation (%)	Policy Range (%)	Within IPS Range?
Target Date Funds	1,819,596,857	52	0 - 100	Yes
Domestic Equity Funds	1,174,385,520	33	0 - 100	Yes
International Equity Funds	180,761,274	5	0 - 100	Yes
Fixed Income Funds	251,063,913	7	0 - 100	Yes
Stable Value Funds	152,327,389	4	0 - 100	Yes
Investment Grade Bond Funds	98,736,524	3	0 - 100	Yes
Schwab Self-Directed Brokerage	82,628,026	2	0 - 100	Yes
<b>Total</b>	<b>3,508,435,590</b>	<b>100</b>		

**Market Value History  
1 Year Ending March 31, 2026**



**Summary of Market Values**

	Q2 2025	Q3 2025	Q4 2025	Q1 2026
--	---------	---------	---------	---------

<b>Total Plan</b>				
	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Beginning Market Value	\$2,983,785,677	\$3,249,628,885	\$3,462,177,099	\$3,559,520,227
Net Change	\$265,843,208	\$212,548,214	\$97,343,128	-\$51,084,637
Ending Market Value	\$3,249,628,885	\$3,462,177,099	\$3,559,520,227	\$3,508,435,590

## Performance Summary | As of March 31, 2026

Trailing Period Performance							
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
<b>Total Plan</b>	<b>3,508,435,590</b>	<b>100.0</b>					
<b>Target Date Funds</b>	<b>1,819,596,857</b>	<b>51.9</b>					
BlackRock LifePath Index Retirement Fund N	154,420,970	4.4	0.1	10.8	8.7	4.0	5.7
<i>BlackRock LifePath Retirement N-L Custom Index</i>			-0.2	10.6	8.6	4.0	5.7
<i>Target-Date Retirement Median</i>			-0.2	8.8	7.7	3.6	4.8
<i>Target-Date Retirement Rank</i>			29	7	17	22	11
BlackRock LifePath Index 2030 Fund N	251,259,161	7.2	-0.3	12.7	10.5	5.4	--
<i>BlackRock LifePath 2030 Non-Lendable Custom Bmk</i>			-0.7	12.4	10.4	5.3	7.6
<i>Target-Date 2030 Median</i>			-0.8	12.7	10.7	5.3	7.9
<i>Target-Date 2030 Rank</i>			24	49	57	45	--
BlackRock LifePath Index 2035 Fund N	328,797,418	9.4	-0.8	14.6	12.0	6.4	8.7
<i>BlackRock LifePath 2035 Non-Lendable Custom Bmk</i>			-1.3	14.2	11.8	6.3	8.6
<i>Target-Date 2035 Median</i>			-1.1	14.5	12.1	6.3	8.8
<i>Target-Date 2035 Rank</i>			38	49	55	43	59
BlackRock LifePath Index 2040 Fund N	392,945,764	11.2	-1.0	16.5	13.5	7.4	9.7
<i>BlackRock LifePath 2040 Non-Lendable Custom Bmk</i>			-1.5	16.0	13.3	7.3	9.5
<i>Target-Date 2040 Median</i>			-1.3	16.6	13.5	7.2	9.6
<i>Target-Date 2040 Rank</i>			36	53	50	38	47
BlackRock LifePath Index 2045 Fund N	313,180,327	8.9	-1.2	18.4	14.9	8.4	--
<i>BlackRock LifePath 2045 Non-Lendable Custom Bmk</i>			-1.9	17.8	14.7	8.2	10.3
<i>Target-Date 2045 Median</i>			-1.4	17.9	14.4	7.7	10.1
<i>Target-Date 2045 Rank</i>			39	34	30	19	--

At the close of 3/11/2022, the OPERS target date funds were replaced by the BlackRock Lifepath Index N funds  
 Time periods longer than 3/11/2022 are shown for illustrative purposes and represents the class O shares.  
 BlackRock LifePath Index 2025 Fund N ended 10/31.

## Performance Summary | As of March 31, 2026

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
BlackRock LifePath Index 2050 Fund N	190,216,445	5.4	-1.5	20.2	16.0	9.0	10.9
<i>BlackRock LifePath 2050 Non-Lendable Custom Bmk</i>			-2.2	19.5	15.8	8.8	10.7
<i>Target-Date 2050 Median</i>			-1.6	18.8	14.8	7.9	10.3
<i>Target-Date 2050 Rank</i>			50	17	13	7	13
BlackRock LifePath Index 2055 Fund N	95,024,137	2.7	-1.7	21.1	16.5	9.3	11.1
<i>BlackRock LifePath 2055 Non-Lendable Custom Bmk</i>			-2.4	20.4	16.3	9.1	10.9
<i>Target-Date 2055 Median</i>			-1.6	19.0	15.0	8.0	10.3
<i>Target-Date 2055 Rank</i>			57	12	9	7	10
BlackRock LifePath Index 2060 Fund N	49,660,356	1.4	-1.7	21.2	16.6	9.4	11.1
<i>BlackRock LifePath 2060 Non-Lendable Custom Bmk</i>			-2.5	20.5	16.3	9.2	10.9
<i>Target-Date 2060 Median</i>			-1.6	19.3	15.0	8.1	10.5
<i>Target-Date 2060 Rank</i>			55	11	8	7	13
BlackRock LifePath Index 2065 Fund N	39,471,506	1.1	-1.7	21.2	16.6	9.4	--
<i>BlackRock LifePath 2065 Non-Lendable Custom Bmk</i>			-2.5	20.6	16.3	9.2	--
<i>Target-Date 2065+ Median</i>			-1.6	19.5	15.1	8.2	--
<i>Target-Date 2065+ Rank</i>			56	14	8	8	--
BlackRock LifePath Index 2070 Fund N	4,620,774	0.1	-1.7	21.2	--	--	--
<i>BlackRock LifePath 2070 Non-Lendable Custom Bmk</i>			-2.5	20.6	--	--	--
<b>Core Options</b>	<b>1,606,210,707</b>	<b>45.8</b>					
Invesco Stable Value Trust - Class B1	152,327,389	4.3	0.7	3.1	3.0	2.4	2.3
<i>ICE BofA 3 Month U.S. T-Bill</i>			0.8	4.0	4.7	3.3	2.3
<i>eV US Stable Value Fixed Inc Median</i>			0.7	3.2	3.0	2.2	2.1
<i>eV US Stable Value Fixed Inc Rank</i>			24	51	55	21	22

At the close of 3/11/2022, the OPERS target date funds were replaced by the BlackRock Lifepath Index N funds. Time periods longer than 3/11/2022 are shown for illustrative purposes and represents the class O shares.

## Performance Summary | As of March 31, 2026

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
BlackRock U.S. Debt Index Fund J	87,259,217	2.5	0.0	4.4	3.7	0.4	1.8
<i>Blmbg. U.S. Aggregate Index</i>			0.0	4.3	3.6	0.3	1.7
<i>Intermediate Core Bond Median</i>			-0.1	4.3	3.6	0.3	1.7
<i>Intermediate Core Bond Rank</i>			21	34	43	35	48
BlackRock Russell 3000 Index Fund J	463,357,343	13.2	-4.0	18.1	17.9	10.9	13.8
<i>Russell 3000 Index</i>			-4.0	18.1	17.9	10.9	13.7
<i>Large Blend Median</i>			-4.4	16.6	17.0	10.7	13.1
<i>Large Blend Rank</i>			39	28	36	46	27
BlackRock Russell 1000 Index Fund J	482,237,369	13.7	-4.2	17.7	18.2	11.3	14.0
<i>Russell 1000 Index</i>			-4.2	17.7	18.1	11.3	14.0
<i>Large Blend Median</i>			-4.4	16.6	17.0	10.7	13.1
<i>Large Blend Rank</i>			44	32	28	36	18
BlackRock Russell 2000 Index Fund J	198,975,244	5.7	0.9	25.8	13.1	3.8	10.0
<i>Russell 2000 Index</i>			0.9	25.7	13.0	3.8	9.9
<i>Small Blend Median</i>			1.3	19.7	11.2	4.7	9.6
<i>Small Blend Rank</i>			60	19	24	70	35
BlackRock MSCI ACWI ex-US Index Fund J	160,474,800	4.6	1.4	26.9	15.3	7.6	8.8
<i>MSCI AC World ex USA (Net)</i>			-0.7	24.9	14.5	7.0	8.4
<i>Foreign Large Blend Median</i>			0.8	22.8	14.2	7.4	8.4
<i>Foreign Large Blend Rank</i>			32	25	30	44	33
Fisher US Total Return	18,381,678	0.5	-3.9	21.2	--	--	--
<i>Russell 1000 Index</i>			-4.2	17.7	18.1	11.3	14.0
<i>eV US Large Cap Core Equity Median</i>			-4.3	15.2	16.5	10.6	12.8
<i>eV US Large Cap Core Equity Rank</i>			44	18	--	--	--

At the close of 3/11/2022, the BlackRock Russell 3000 index, BlackRock Russell 2000 index, BlackRock Russell 1000 index, and BlackRock MSCI ACWI ex-US index moved to lending shares. The J shares were launched by OPERS, as other investors join, the administrative expenses will lower the total fee. At the close of 3/11/2022 the BlackRock U.S Debt Index moved to the M share class and the Invesco Stable Value Trust moved to the B1 Share class. Time periods longer than 3/11/2022 are shown for illustrative purposes and represents the combined return from the share class conversions.

## Performance Summary | As of March 31, 2026

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
JPMorgan Core Bond R6	11,477,308	0.3	0.1	4.6	--	--	--
<i>Blmbg. U.S. Aggregate Index</i>			0.0	4.3	3.6	0.3	1.7
<i>Intermediate Core Bond Median</i>			-0.1	4.3	3.6	0.3	1.7
<i>Intermediate Core Bond Rank</i>			9	21	--	--	--
Lazard ACW ex-US Equity CIT	20,286,474	0.6	0.1	31.1	--	--	--
<i>MSCI AC World ex USA Index</i>			-0.6	25.6	15.1	7.6	8.9
<i>eV ACWI ex-US All Cap Core Eq Median</i>			-0.9	22.7	13.6	6.8	8.8
<i>eV ACWI ex-US All Cap Core Eq Rank</i>			35	10	--	--	--
T.Rowe Price Intergrated US Small-Mid Cap Core Eq	11,433,887	0.3	1.3	21.0	--	--	--
<i>Russell 2500 Index</i>			2.0	23.4	13.2	5.5	10.6
<i>eV US Small-Mid Cap Core Equity Median</i>			0.7	17.7	10.9	5.4	10.0
<i>eV US Small-Mid Cap Core Equity Rank</i>			45	32	--	--	--
<b>Schwab Self-Directed Brokerage</b>	<b>82,628,026</b>	<b>2.4</b>					

## Performance Summary | As of March 31, 2026

Calendar Year Performance									
	YTD (%)	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
<b>Total Plan</b>									
<b>Target Date Funds</b>									
BlackRock LifePath Index Retirement Fund N	0.1	12.4	7.1	11.2	-14.6	7.0	12.0	15.6	-3.5
<i>BlackRock LifePath Retirement N-L Custom Index</i>	-0.2	12.5	7.1	11.1	-14.5	7.0	11.8	15.6	-3.5
BlackRock LifePath Index 2030 Fund N	-0.3	14.2	9.1	14.3	-16.0	11.4	12.9	20.8	-5.7
<i>BlackRock LifePath 2030 Non-Lendable Custom Bmk</i>	-0.7	14.2	9.1	14.2	-15.9	11.5	12.7	20.7	-5.8
BlackRock LifePath Index 2035 Fund N	-0.8	16.0	10.9	16.3	-16.7	13.8	13.6	22.9	-6.5
<i>BlackRock LifePath 2035 Non-Lendable Custom Bmk</i>	-1.3	16.0	10.9	16.3	-16.7	13.9	13.4	22.8	-6.6
BlackRock LifePath Index 2040 Fund N	-1.0	17.6	12.6	18.3	-17.3	16.0	14.1	24.7	-7.2
<i>BlackRock LifePath 2040 Non-Lendable Custom Bmk</i>	-1.5	17.5	12.6	18.3	-17.4	16.0	14.0	24.6	-7.3
BlackRock LifePath Index 2045 Fund N	-1.2	19.2	14.3	20.2	-17.9	17.7	14.8	26.0	-7.8
<i>BlackRock LifePath 2045 Non-Lendable Custom Bmk</i>	-1.9	19.1	14.3	20.1	-18.0	17.7	14.6	26.0	-8.0
BlackRock LifePath Index 2050 Fund N	-1.5	20.9	15.6	21.3	-18.2	18.7	15.2	26.6	-8.1
<i>BlackRock LifePath 2050 Non-Lendable Custom Bmk</i>	-2.2	20.7	15.7	21.2	-18.3	18.6	15.1	26.5	-8.3
BlackRock LifePath Index 2055 Fund N	-1.7	21.8	16.2	21.6	-18.3	18.8	15.3	26.7	-8.1
<i>BlackRock LifePath 2055 Non-Lendable Custom Bmk</i>	-2.4	21.6	16.3	21.6	-18.4	18.8	15.2	26.6	-8.3

At the close of 3/11/2022, the OPERS target date funds were replaced by the BlackRock Lifepath Index N funds. Time periods longer than 3/11/2022 are shown for illustrative purposes and represents the class O shares.

## Performance Summary | As of March 31, 2026

	YTD (%)	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
BlackRock LifePath Index 2060 Fund N	-1.7	21.9	16.3	21.6	-18.3	18.8	15.3	26.7	-8.1
<i>BlackRock LifePath 2060 Non-Lendable Custom Bmk</i>	-2.5	21.7	16.4	21.6	-18.4	18.8	15.2	26.6	-8.3
BlackRock LifePath Index 2065 Fund N	-1.7	21.9	16.4	21.6	-18.3	18.8	15.1	--	--
<i>BlackRock LifePath 2065 Non-Lendable Custom Bmk</i>	-2.5	21.7	16.4	21.6	-18.4	18.8	15.2	--	--
BlackRock LifePath Index 2070 Fund N	-1.7	21.7	--	--	--	--	--	--	--
<i>BlackRock LifePath 2070 Non-Lendable Custom Bmk</i>	-2.5	21.7	--	--	--	--	--	--	--
<b>Core Options</b>									
BlackRock U.S. Debt Index Fund J	0.0	7.2	1.4	5.7	-13.0	-1.6	7.6	8.8	0.1
<i>Blmbg. U.S. Aggregate Index</i>	0.0	7.3	1.3	5.5	-13.0	-1.5	7.5	8.7	0.0
BlackRock Russell 3000 Index Fund J	-4.0	17.1	23.8	26.1	-19.2	25.7	21.0	31.1	-5.2
<i>Russell 3000 Index</i>	-4.0	17.1	23.8	26.0	-19.2	25.7	20.9	31.0	-5.2
BlackRock Russell 1000 Index Fund J	-4.2	17.3	24.5	26.6	-19.1	26.4	20.9	31.5	-4.7
<i>Russell 1000 Index</i>	-4.2	17.4	24.5	26.5	-19.1	26.5	21.0	31.4	-4.8
BlackRock Russell 2000 Index Fund J	0.9	12.8	11.5	17.1	-20.4	14.9	20.0	25.7	-10.9
<i>Russell 2000 Index</i>	0.9	12.8	11.5	16.9	-20.4	14.8	20.0	25.5	-11.0
BlackRock MSCI ACWI ex-US Index Fund J	1.4	33.0	5.4	15.6	-15.7	7.9	11.0	21.8	-14.0
<i>MSCI AC World ex USA (Net)</i>	-0.7	32.4	5.5	15.6	-16.0	7.8	10.7	21.5	-14.2
Invesco Stable Value Trust - Class B1	0.7	3.1	2.9	2.7	1.6	1.4	2.1	2.5	2.4
<i>ICE BofA 3 Month U.S. T-Bill</i>	0.8	4.2	5.3	5.0	1.5	0.0	0.7	2.3	1.9
Lazard ACW ex-US Equity CIT	0.1	40.7	--	--	--	--	--	--	--
<i>MSCI AC World ex USA Index</i>	-0.6	33.1	6.1	16.2	-15.6	8.3	11.1	22.1	-13.8

At the close of 3/11/2022, the BlackRock Russell 3000 index, BlackRock Russell 2000 index, BlackRock Russell 1000 index, and BlackRock MSCI ACWI ex-US index moved to lending shares. The J shares were launched by OPERS, as other invest the administrative expenses will lower the total fee. At the close of 3/11/2022 the BlackRock U.S Debt Index moved to the M share class and the Invesco Stable Value Trust moved to the B1 Share class. Time periods longer than 3/11/2022 are

## Performance Summary | As of March 31, 2026

	YTD (%)	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
T.Rowe Price Intergrated US Small-Mid Cap Core Eq	1.3	12.9	--	--	--	--	--	--	--
<i>Russell 2500 Index</i>	2.0	11.9	12.0	17.4	-18.4	18.2	20.0	27.8	-10.0
JPMorgan Core Bond R6	0.1	7.5	--	--	--	--	--	--	--
Fisher US Total Return	-3.9	17.8	--	--	--	--	--	--	--
<i>Russell 1000 Index</i>	-4.2	17.4	24.5	26.5	-19.1	26.5	21.0	31.4	-4.8

Annual Investment Expense Analysis	
	Expense Ratio (%)
<b>Target Date Funds</b>	<b>0.06</b>
BlackRock LifePath Index Retirement Fund N	0.06
BlackRock LifePath Index 2030 Fund N	0.06
BlackRock LifePath Index 2035 Fund N	0.06
BlackRock LifePath Index 2040 Fund N	0.06
BlackRock LifePath Index 2045 Fund N	0.06
BlackRock LifePath Index 2050 Fund N	0.06
BlackRock LifePath Index 2055 Fund N	0.06
BlackRock LifePath Index 2060 Fund N	0.06
BlackRock LifePath Index 2065 Fund N	0.06
BlackRock LifePath Index 2070 Fund N	0.06
<b>Index Funds</b>	<b>0.02</b>
BlackRock U.S. Debt Index Fund J	0.03
BlackRock Russell 3000 Index Fund J	0.02
BlackRock Russell 2000 Index Fund J	0.02
BlackRock Russell 1000 Index Fund J	0.02
BlackRock MSCI ACWI ex-US Index Fund J	0.06
<b>Actively Managed Funds</b>	<b>0.21</b>
Fisher US Total Return	0.45
JPMorgan Core Bond R6	0.34
Lazard ACW ex-US Equity CIT	0.35
T.Rowe Price Intergrated US Small-Mid Cap Core Eq	0.68
Invesco Stable Value Trust - Class B1	0.12

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# Board Meeting VI.E

# CIO Update

**Paul Greff**  
*Chief Investment Officer*

**May 20, 2026**

428/472



# MARKET REVIEW

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**Middle East War and Geopolitical Risk**

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**Commodity Prices and Inflation**

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**New Federal Reserve Chair**

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**US Corporate Earnings**

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# DB FUND – ASSET ALLOCATION

(AS OF 3/31/26)

ASSET CLASS	MARKET VALUE \$B	ACTUAL ALLOCATION %	CURRENT TARGET %	VARIANCE + / -	CURRENT RANGE	LONG TERM TARGET %	INTERNAL %
<b>TRADITIONAL GROWTH</b>	<b>\$47.2</b>	<b>43.0%</b>	<b>43.0%</b>	<b>0.0%</b>		<b>43.0%</b>	<b>57.4%</b>
U.S. Eq	\$23.0	20.9%	21.0%	-0.1%	16%-26%	21.0%	97.2%
Non-U.S. Eq	\$23.0	21.1%	21.0%	0.1%	16%-26%	21.0%	15.3%
REITs	\$1.1	1.0%	1.0%	0.0%	0%-5%	1.0%	100.0%
<b>AGGRESSIVE GROWTH</b>	<b>\$21.2</b>	<b>18.1%</b>	<b>18.9%</b>	<b>-0.8%</b>		<b>18.4%</b>	<b>0.0%</b>
PE	\$16.1	13.8%	14.5%	-0.7%	10%-20%	14.0%	0.0%
Non-Core RE	\$5.1	4.3%	4.4%	-0.1%	2.4%-6.4%	4.4%	0.0%
<b>STABILIZED GROWTH</b>	<b>\$20.7</b>	<b>18.5%</b>	<b>18.1%</b>	<b>0.4%</b>		<b>17.6%</b>	<b>41.9%</b>
Core RE	\$7.6	6.5%	6.6%	-0.1%	3.6%-9.6%	6.6%	0.0%
RP	\$2.3	2.2%	2.0%	0.2%	0%-5%	1.0%	100.0%
IG Credit	\$3.1	2.7%	3.0%	-0.3%	0%-5%	2.0%	100.0%
High Yield	\$3.8	3.9%	4.0%	-0.2%	0%-6%	2.0%	37.7%
EMD	\$1.3	1.1%	1.0%	0.1%	0%-5%	1.0%	0.0%
Sec Debt	\$1.8	1.6%	1.0%	0.6%	0%-5%	1.0%	100.0%
Private Credit	\$0.8	0.5%	0.5%	0.0%	0%-8%	4.0%	0.0%
<b>PRINCIPAL PROTECTION</b>	<b>\$10.6</b>	<b>9.6%</b>	<b>9.5%</b>	<b>0.1%</b>		<b>7.0%</b>	<b>96.1%</b>
Core Fixed	\$8.3	7.7%	7.5%	0.2%	5%-10%	5.0%	95.0%
U.S. T Short	\$2.3	2.0%	2.0%	-0.1%	0%-5%	2.0%	100.0%
<b>INFLATION</b>	<b>\$7.3</b>	<b>6.3%</b>	<b>5.5%</b>	<b>0.8%</b>		<b>4.0%</b>	<b>100.0%</b>
TIPS	\$3.4	2.9%	3.0%	-0.1%	0%-5%	2.0%	100.0%
Commodities-All	\$2.6	1.9%	1.5%	0.4%	0%-5%	1.0%	100.0%
Gold	\$1.2	1.5%	1.0%	0.5%	0%-5%	1.0%	100.0%
<b>RMS</b>	<b>\$6.0</b>	<b>4.0%</b>	<b>5.0%</b>	<b>-1.0%</b>		<b>10.0%</b>	<b>67.5%</b>
LDT	\$3.4	2.1%	2.5%	-0.4%	0%-5%	3.4%	100.0%
Trend	\$1.8	1.2%	1.5%	-0.3%	0%-5%	3.3%	37.5%
ARP	\$0.8	0.7%	1.0%	-0.3%	0%-5%	3.3%	0.0%
<b>CASH</b>	<b>\$0.5</b>	<b>0.5%</b>	<b>0.0%</b>	<b>0.5%</b>		<b>0%</b>	<b>100.0%</b>
<b>DB TOTAL</b>	<b>\$113.5</b>	<b>100.0%</b>	<b>100.0%</b>				<b>50.9%</b>

# HC FUND – ASSET ALLOCATION

(AS OF 3/31/26)

ASSET CLASS	MARKET VALUE \$B	ACTUAL ALLOCATION %	CURRENT TARGET %	VARIANCE + / -	CURRENT RANGE	LONG TERM TARGET %	INTERNAL %
<b>TRADITIONAL GROWTH</b>	<b>\$7.2</b>	<b>50.5%</b>	<b>49.0%</b>	<b>1.5%</b>		<b>47.0%</b>	<b>57.9%</b>
U.S. Eq	\$3.5	23.7%	23.5%	0.2%	18.5%-28.5%	22.0%	97.2%
Non-U.S. Eq	\$3.5	24.6%	23.5%	1.1%	18.5%-28.5%	23.0%	15.3%
REITs	\$0.3	2.2%	2.0%	0.2%	0%-5%	2.0%	100.0%
<b>STABILIZED GROWTH</b>	<b>\$2.8</b>	<b>18.4%</b>	<b>19.0%</b>	<b>-0.6%</b>		<b>19.0%</b>	<b>70.2%</b>
RP	\$0.5	3.3%	3.0%	0.3%	0%-5%	3.0%	100.0%
IG Credit	\$0.5	3.3%	3.5%	-0.3%	0%-5%	3.5%	100.0%
High Yield	\$1.0	6.5%	7.0%	-0.5%	0%-10%	7.0%	37.7%
EMD	\$0.2	1.5%	1.5%	0.0%	0%-5%	1.5%	0.0%
Sec Debt	\$0.6	3.9%	4.0%	-0.1%	0%-6%	4.0%	100.0%
<b>PRINCIPAL PROTECTION</b>	<b>\$2.5</b>	<b>16.3%</b>	<b>17.0%</b>	<b>-0.7%</b>		<b>17.0%</b>	<b>95.7%</b>
Core Fixed	\$2.2	14.3%	15.0%	-0.7%	10%-19%	15.0%	95.0%
U.S. T Short	\$0.3	2.0%	2.0%	0.0%	0%-5%	2.0%	100.0%
<b>INFLATION</b>	<b>\$1.2</b>	<b>7.6%</b>	<b>7.0%</b>	<b>0.6%</b>		<b>7.0%</b>	<b>100.0%</b>
TIPS	\$0.6	3.8%	4.0%	-0.2%	0%-6%	4.0%	100.0%
Commodities-All	\$0.4	2.4%	2.0%	0.4%	0%-5%	2.0%	100.0%
Gold	\$0.1	1.4%	1.0%	0.4%	0%-5%	1.0%	100.0%
<b>RMS</b>	<b>\$1.1</b>	<b>6.9%</b>	<b>8.0%</b>	<b>-1.1%</b>		<b>10.0%</b>	<b>48.5%</b>
LDT	\$0.4	2.8%	3.0%	-0.2%	0%-5%	3.4%	100.0%
Trend	\$0.3	1.8%	2.0%	-0.2%	0%-5%	3.3%	37.5%
ARP	\$0.4	2.3%	3.0%	-0.7%	0%-5%	3.3%	0.0%
<b>CASH</b>	<b>\$0.1</b>	<b>0.4%</b>	<b>0.0%</b>	<b>0.4%</b>		<b>0</b>	<b>100.0%</b>
<b>HC TOTAL</b>	<b>\$14.9</b>	<b>100.0%</b>	<b>100.0%</b>				<b>69.3%</b>

# DB & HC PERFORMANCE

## OPERS Monthly Performance Report - Net Of Fees

March 31, 2026

BNY Account Number	Account Name	Market Value	% of Assets	Month to Date	Quarter to Date	Year to Date
<b>Defined Benefit</b>						
OHJGPL00DB00	Total Defined Benefit	113,591,905,540	100.0%	(3.80)	0.01	0.01
OHJGBM002000	Custom Defined Benefit BM			(3.25)	0.30	0.30
	Excess Return			(0.55)	(0.29)	(0.29)
<b>Health Care 115</b>						
OHJGPL00H200	Total Health Care (HC115)	14,866,553,017	100.0%	(4.62)	0.08	0.08
OHJGBM002110	Custom Health Care 115 Benchmark			(4.36)	0.04	0.04
	Excess Return			(0.27)	0.04	0.04

## OPERS Daily Performance Report - Net of Fee

Friday, May 1, 2026

BNY Account Number	Account Name	Market Value	% of Assets	Daily	Month to Date	Quarter to Date	Year to Date
<b>Defined Benefit</b>							
OHJGPL00DB00	Total Defined Benefit	118,696,737,230	100.0%	0.18	0.18	4.79	4.79
OHJGBM002000	Custom Defined Benefit BM			0.15	0.15	4.78	5.07
	Excess Return			0.03	0.03	0.01	(0.27)
<b>Health Care 115</b>							
OHJGPL00H200	Total Health Care (HC115)	15,670,900,948	100.0%	0.22	0.22	5.72	5.80
OHJGBM002110	Custom Health Care 115 Benchmark			0.18	0.18	5.55	5.57
	Excess Return			0.04	0.04	0.17	0.24

# DB FUND – PERFORMANCE ATTRIBUTION

(AS OF 3/31/26)

**+0.01%**

**DB Fund Return**

**+0.07%**

**Allocation Effect**

**-0.36%**

**Selection Effect**

**-0.29%**

**Net Active Return**

ASSET CLASS	PORTFOLIO WEIGHT	TARGET %	PORTFOLIO RETURN	POLICY RETURN	ALLOCATION	SELECTION	TOTAL
<b>TRADITIONAL GROWTH</b>	<b>43.0%</b>	<b>43.0%</b>					
U.S. Equity	20.9%	21.0%	-3.88%	-3.96%	0.01%	0.02%	0.03%
Non-U.S. Equity	21.1%	21.0%	-0.38%	-0.68%	-0.04%	0.06%	0.02%
REITs	1.0%	1.0%	4.82%	4.80%	0.00%	0.00%	0.00%
<b>AGGRESSIVE GROWTH</b>	<b>18.1%</b>	<b>18.9%</b>					
Private Equity	13.8%	14.5%	0.58%	3.01%	-0.02%	-0.34%	-0.36%
Non-Core Real Estate	4.3%	4.4%	0.14%	0.36%	0.00%	-0.02%	-0.02%
<b>STABILIZED GROWTH</b>	<b>18.5%</b>	<b>18.1%</b>					
Core Real Estate	6.5%	6.6%	0.20%	0.55%	0.01%	-0.04%	-0.03%
Risk Parity	2.2%	2.0%	7.10%	7.09%	0.02%	0.00%	0.02%
IG Credit	2.7%	3.0%	-0.54%	-0.54%	0.00%	0.00%	0.00%
High Yield	3.9%	4.0%	-0.71%	-0.50%	0.00%	-0.01%	-0.01%
Emerging Market Debt	1.1%	1.0%	-1.24%	-1.69%	0.00%	0.01%	0.01%
Securitized Debt	1.6%	1.0%	0.69%	0.81%	0.00%	0.00%	0.00%
Private Credit	0.5%	0.5%	2.45%	1.19%	0.00%	0.01%	0.01%
<b>PRINCIPAL PROTECTION</b>	<b>9.6%</b>	<b>9.5%</b>					
Core Fixed	7.7%	7.5%	-0.17%	-0.05%	0.00%	-0.01%	-0.01%
U.S. T Short	2.0%	2.0%	0.13%	0.15%	0.00%	0.00%	0.00%
<b>INFLATION</b>	<b>6.3%</b>	<b>5.5%</b>					
TIPS	2.9%	3.0%	0.30%	0.00%	0.00%	0.00%	0.00%
Commodities-All	1.9%	1.5%	23.45%	0.26%	0.10%	-0.02%	0.08%
Gold	1.5%	1.0%	6.55%	24.41%	0.03%	-0.01%	0.02%
<b>RMS</b>	<b>4.0%</b>	<b>5.0%</b>					
Long Duration Treasury	2.1%	2.5%	0.13%	-0.30%	0.00%	0.01%	0.01%
Trend Following	1.2%	1.5%	4.46%	5.15%	0.00%	0.00%	0.00%
Alternative Risk Premia	0.7%	1.0%	3.12%	3.12%	-0.01%	0.00%	-0.01%
<b>CASH</b>	<b>0.5%</b>	<b>0.0%</b>	<b>1.03%</b>	<b>0.86%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.01%</b>	<b>0.28%</b>	<b>0.07%</b>	<b>-0.36%</b>	<b>-0.29%</b>

433/472

# HC FUND – PERFORMANCE ATTRIBUTION

(AS OF 3/31/26)

**+0.08%**

**HC Fund Return**

**+0.01%**

**Allocation Effect**

**+0.03%**

**Selection Effect**

**+0.04%**

**Net Active Return**

ASSET CLASS	PORTFOLIO WEIGHT	TARGET %	PORTFOLIO RETURN	POLICY RETURN	ALLOCATION	SELECTION	TOTAL
<b>TRADITIONAL GROWTH</b>	<b>50.5%</b>	<b>49.0%</b>					
U.S. Equity	23.7%	23.5%	-3.87%	-3.96%	-0.01%	0.02%	0.01%
Non-U.S. Equity	24.6%	23.5%	-0.39%	-0.68%	-0.05%	0.07%	0.02%
REITs	2.2%	2.0%	4.48%	4.80%	-0.01%	-0.01%	-0.02%
<b>STABILIZED GROWTH</b>	<b>18.4%</b>	<b>19.0%</b>					
Risk Parity	3.3%	3.0%	7.27%	7.09%	0.02%	0.01%	0.03%
IG Credit	3.3%	3.5%	-0.54%	-0.54%	0.00%	0.00%	0.00%
High Yield	6.5%	7.0%	-0.63%	-0.50%	0.00%	-0.01%	-0.01%
Emerging Market Debt	1.5%	1.5%	-1.24%	-1.69%	0.00%	0.01%	0.01%
Securitized Debt	3.9%	4.0%	0.69%	0.81%	0.00%	-0.01%	-0.01%
<b>PRINCIPAL PROTECTION</b>	<b>16.3%</b>	<b>17.0%</b>					
Core Fixed	14.3%	15.0%	-0.15%	-0.05%	-0.01%	-0.02%	-0.03%
U.S. T Short	2.0%	2.0%	0.13%	0.15%	0.00%	0.00%	0.00%
<b>INFLATION</b>	<b>7.6%</b>	<b>7.0%</b>			<b>0.0%</b>	<b>0.0%</b>	
TIPS	3.8%	4.0%	0.30%	0.26%	0.00%	0.00%	0.00%
Commodities-All	2.4%	2.0%	23.44%	24.41%	0.10%	-0.02%	0.08%
Gold	1.4%	1.0%	6.54%	7.14%	0.03%	-0.01%	0.02%
<b>RMS</b>	<b>6.9%</b>	<b>8.0%</b>					
Long Duration Treasury	2.8%	3.0%	-0.31%	-0.30%	0.00%	0.00%	0.00%
Trend Following	1.8%	2.0%	5.25%	5.15%	0.01%	0.00%	0.01%
Alternative Risk Premia	2.3%	3.0%	3.12%	3.12%	-0.03%	0.00%	-0.03%
<b>CASH</b>	<b>0.4%</b>	<b>0.0%</b>	<b>1.0%</b>	<b>0.9%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.08%</b>	<b>0.02%</b>	<b>0.01%</b>	<b>0.03%</b>	<b>0.04%</b>

434/472

# RISK ANALYSIS – TOTAL FUND

(AS OF 3/31/26)

FUNCTIONAL FRAMEWORK	ASSET CLASS	MARKET VALUE	WEIGHT	PROJ. VOL.	RISK CONTRIB.
TRADITIONAL GROWTH	Public Equity	\$53.0 B	41.3%	15.93%	61.2%
	U.S. Equity				
	Non-U.S. Equity				
	REITs	\$1.4 B	1.1%	17.79%	1.6%
AGGRESSIVE GROWTH	Private Equity	\$16.2 B	12.6%	16.36%	12.3%
	Non-Core Real Estate	\$5.1 B	4.0%	11.93%	3.9%
STABILIZED GROWTH	Core Real Estate	\$7.6 B	6.0%	11.93%	5.8%
	Risk Parity	\$2.8 B	2.2%	13.40%	2.5%
	Public Credit				
	Investment Grade Credit	\$3.6 B	2.8%	7.14%	1.5%
	High Yield	\$4.8 B	3.7%	4.40%	1.4%
	Emerging Markets Debt	\$1.5 B	1.2%	7.09%	0.7%
	Securitized Debt	\$2.4 B	1.9%	3.72%	0.4%
Private Credit	\$0.8 B	0.6%	3.50%	0.2%	
PRINCIPAL PROTECTION	Core-Fixed	\$10.5 B	8.2%	6.50%	3.7%
	U.S. Treasury	\$2.6 B	2.0%	2.43%	0.3%
INFLATION	TIPS	\$4.0 B	3.1%	6.02%	1.4%
	Commodities	\$4.8 B	3.4%	11.47%	1.3%
RISK MITIGATION STRATEGIES	Long Duration U.S. Treasury				
	Trend Following	\$7.1 B	5.5%	6.34%	2.0%
	Alternative Risk Premia				
CASH	Cash	\$0.06 B	0.5%	6.34%	0.0%
<b>TOTAL FUND (Net)</b>		<b>\$128.4 B</b>	<b>100.0%</b>	<b>10.41%</b>	<b>100.0%</b>

## 10.41%

**Total Fund  
Project Volatility**

*As of 03/31/2026*

## 0.89%

**Active Risk: Ex-Ante  
Tracking Error**

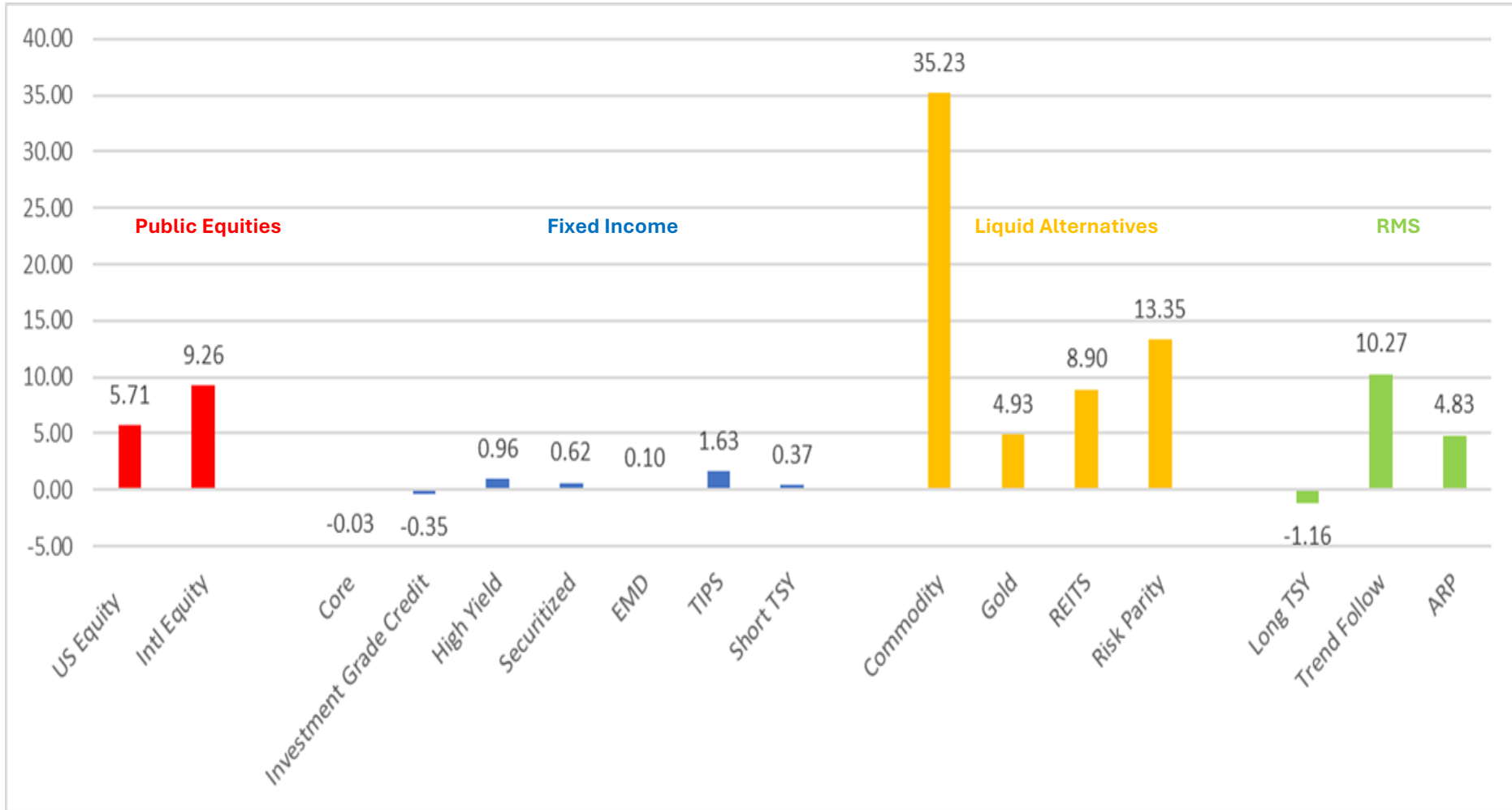
*Within 0-3% Board TE  
Range*

435/472

# ASSET CLASS PERFORMANCE

(AS OF 5/4/26)

## Benchmark Returns

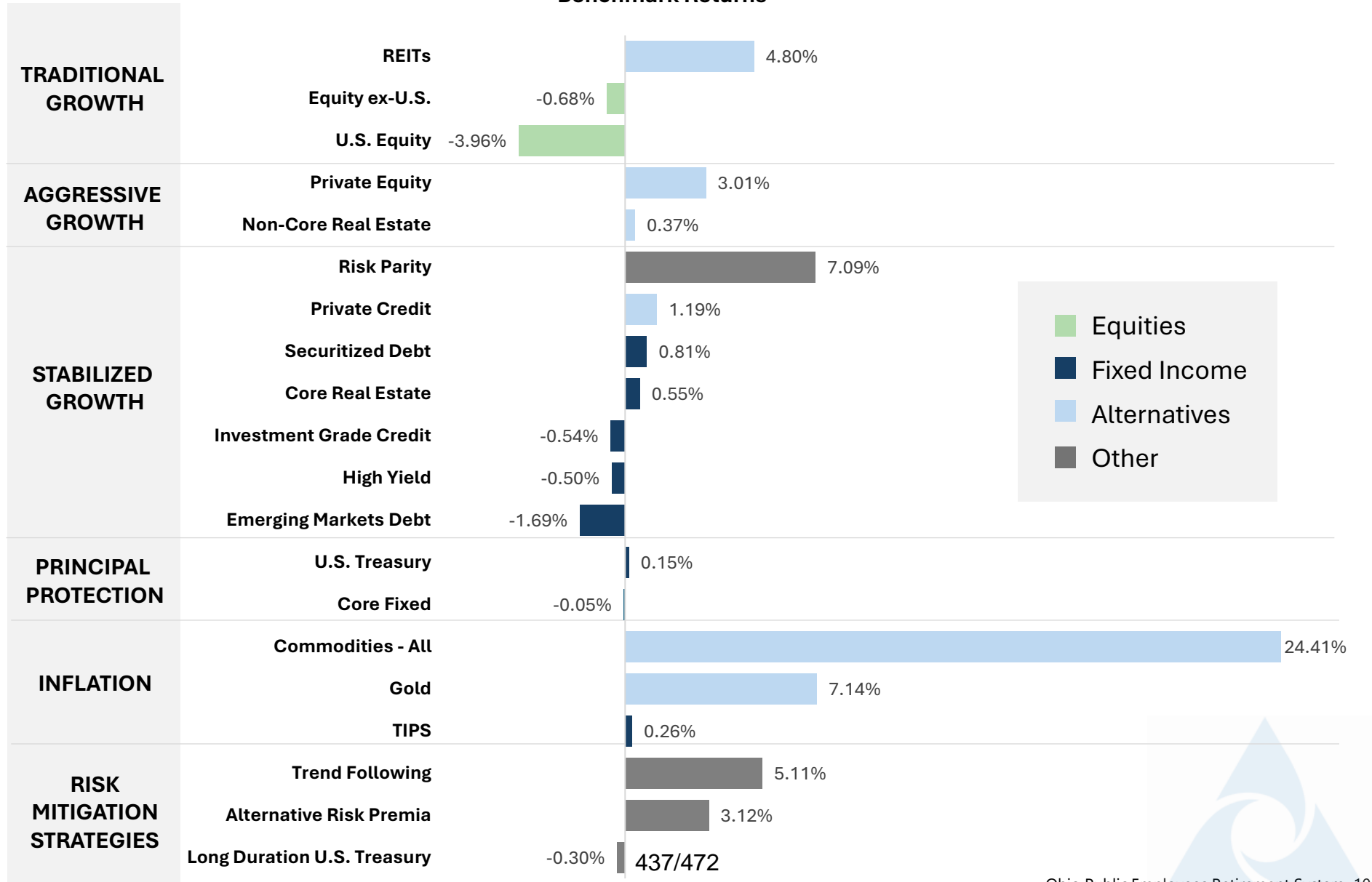


(AS OF 3/31/26) PVT EQUITY: +3.01%, REAL ESTATE: +0.91%, PVT CREDIT: +1.19%

# ASSET CLASS RETURNS

(AS OF 3/31/26)

## Benchmark Returns



# Board Meeting VI.F

## **Mary Bates – Managing Principal/Private Markets Consultant**

Ms. Bates is a private markets consultant and has over 25 years of industry experience. Ms. Bates joined our firm in 2019 as part of the merger between Meketa and Pension Consulting Alliance (PCA), and leads Meketa's Private Credit consulting practice.

Prior to joining PCA in 2017, Ms. Bates served as the Director of Credit Strategies at Silver Creek Capital, a Seattle-based alternatives investment manager. Prior to joining Silver Creek, Ms. Bates spent over 11 years at Hewitt EnnisKnupp (HEK) where she most recently served as a senior research consultant on the Liquid Alternatives team. Ms. Bates began her career at Lehman Brothers in New York where she was an analyst on the emerging market debt desk.

Ms. Bates holds a Bachelor of Science in business administration with a concentration in finance from Indiana University.

## Ohio Public Employees Retirement Systems (OPERS)

May 20, 2026

## Private Credit Update



- Recent Private Credit Headlines
  - Semi-Liquid Redemptions
  - Software
- Broader Private Credit Opportunity Set



**Bloomberg**

**Credit fears put Blue Owl on track for worst month since 2022**

— February 27, 2026



**LPs highlight red flags around retail capital flowing into traditional PE**

— February 27, 2026

**Bloomberg**

**Apollo private credit fund marks down portfolio on soured loans**

— February 27, 2026



**Private credit fund managed by KKR reports jump in troubled loans**

— February 27, 2026

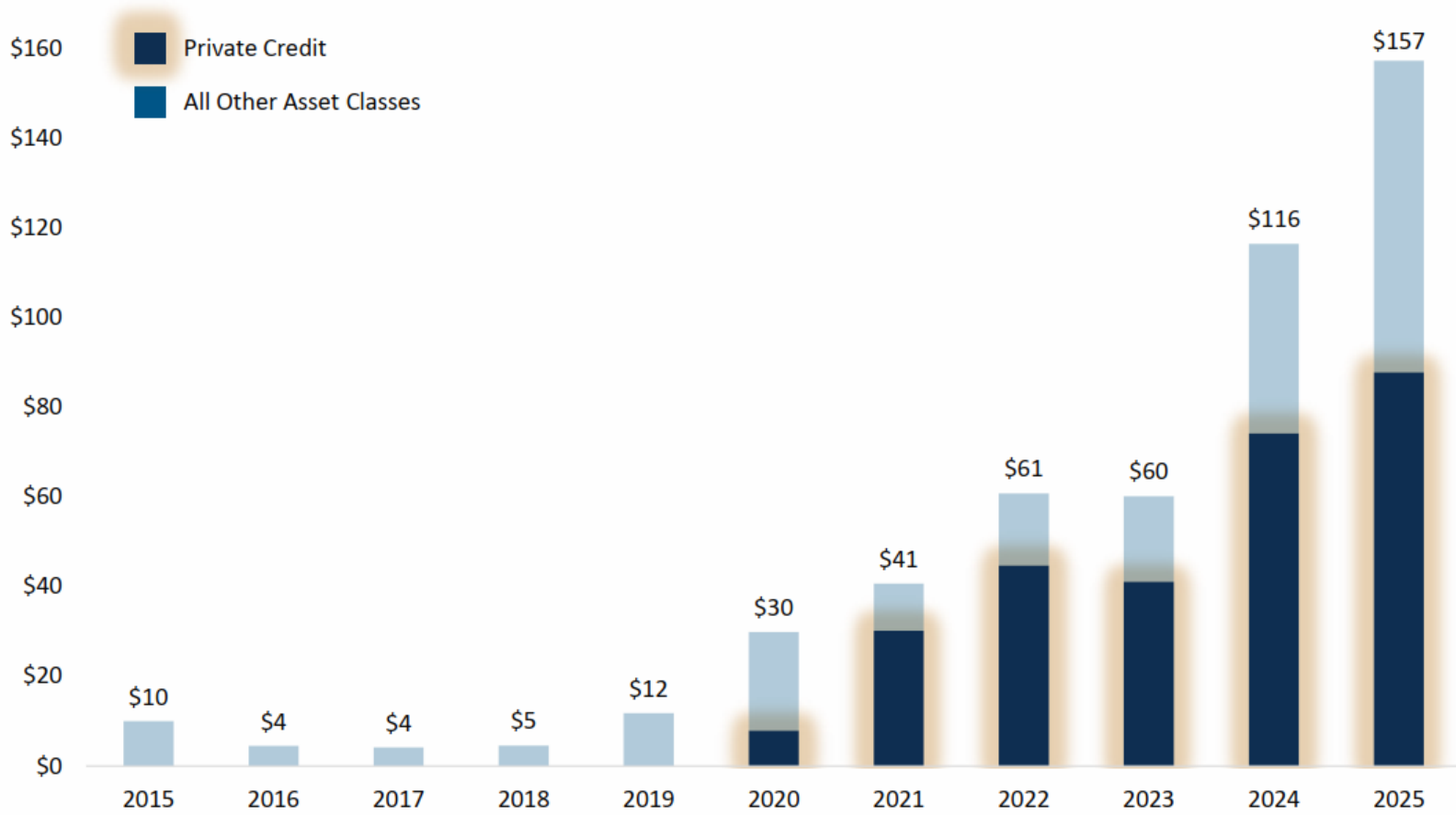
- Most of the recent negative headlines relate to retail/mass affluent vehicles and software.

Source: Bloomberg, PEI, FT



### Explosive Growth of Private Credit AUM in the Mass Affluent Market

Retail/Private Wealth Private Markets Fundraising (\$B)



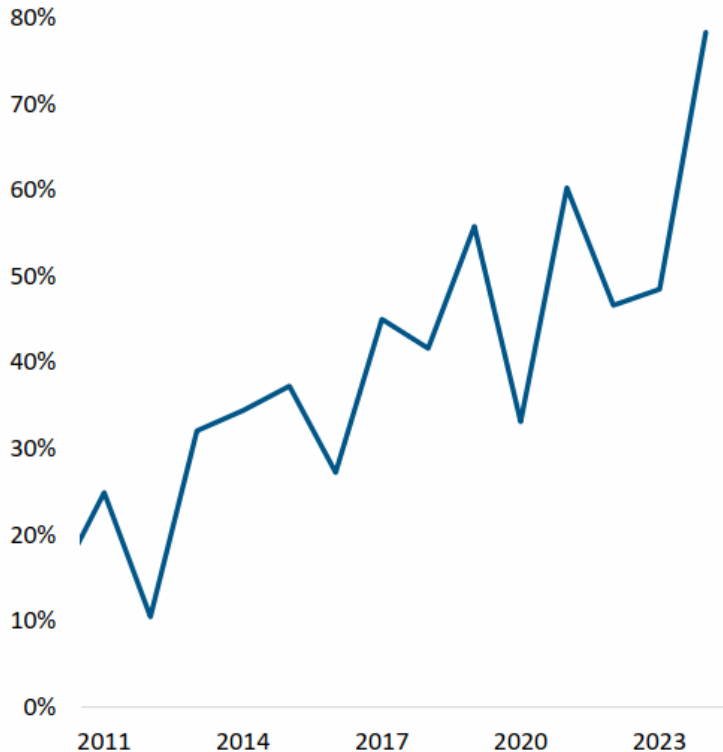
Source: Stranger and Sixth Street estimates



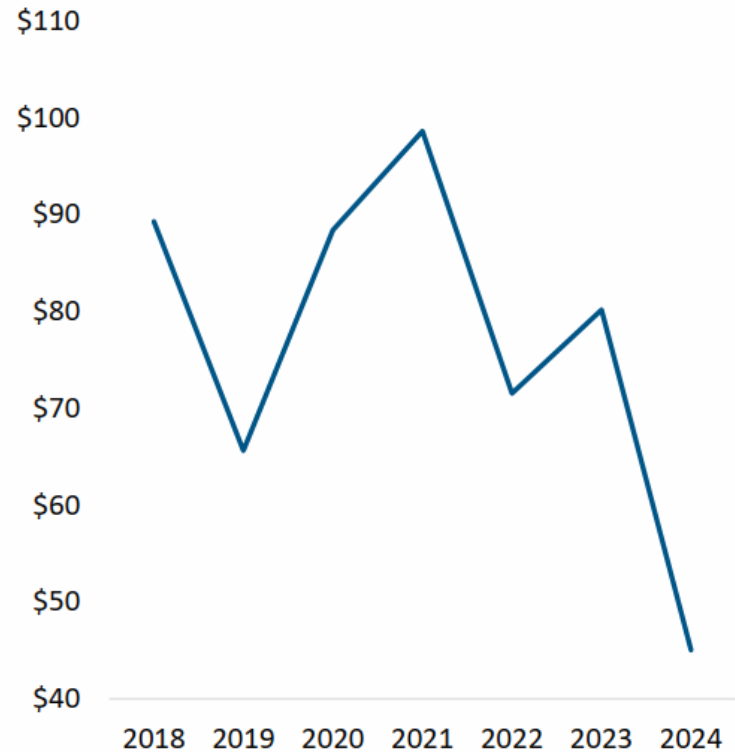
**Direct Lending Supply/Demand Imbalance**

- Direct Lending accounts for ~80% of fundraising, while deal volume is down ~50%.

**DIRECT LENDING AS A % OF PRIVATE CREDIT FUNDRAISING**



**DIRECT LENDING DEAL VOLUME (\$B)**

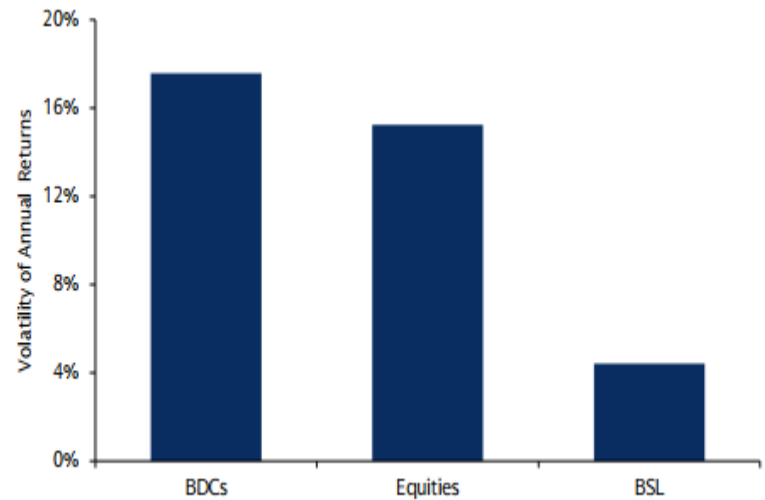


Source: Preqin, Pitchbook a/o November 2025



- Public BDCs are NOT institutional funds
  - Retail products
  - Trade daily like a stock
  - Equity-like volatility
  - Distribute 90% of income
  - Different risk profile than institutional direct lending funds (e.g., 2X levered, may include CLO equity/junior debt)

**Volatility Comparison – BDCs, Equities, BSL**



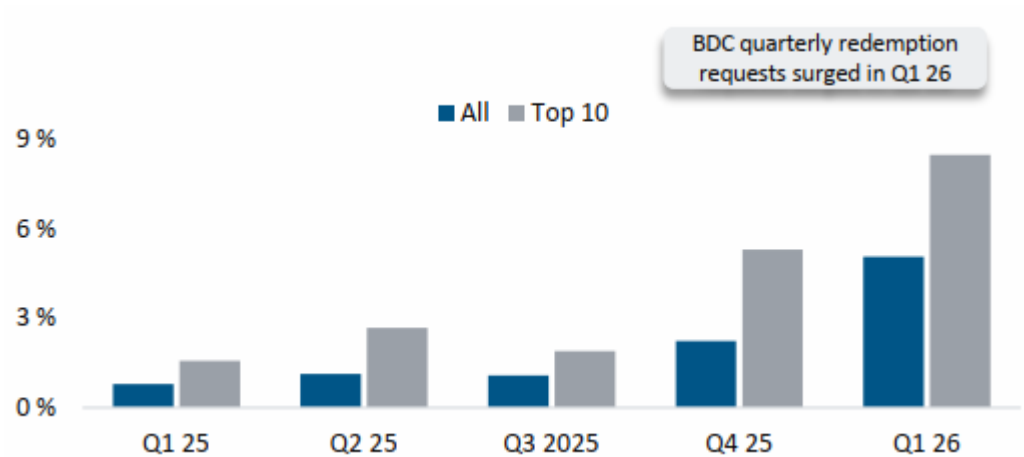
Source: S&P Global (BDCs), MSCI World (equities), LSTA (BSL). Volatility of annual returns, 2016-2025



## Non-Traded BDCs/Interval Fund Have Experienced Significant Redemption Requests

- Semi-Liquid funds are largely targeted to the mass affluent and structured to allow for 5% redemptions quarterly.
- In Q1 redemption requests surged and a number of the largest funds gated.

### Non-Traded BDC Redemptions by Quarter



“Anytime somebody hears that other people are getting out, you don’t want to be last,” said Steve Curley, investor and co-managing principal at 55 North Private Wealth.

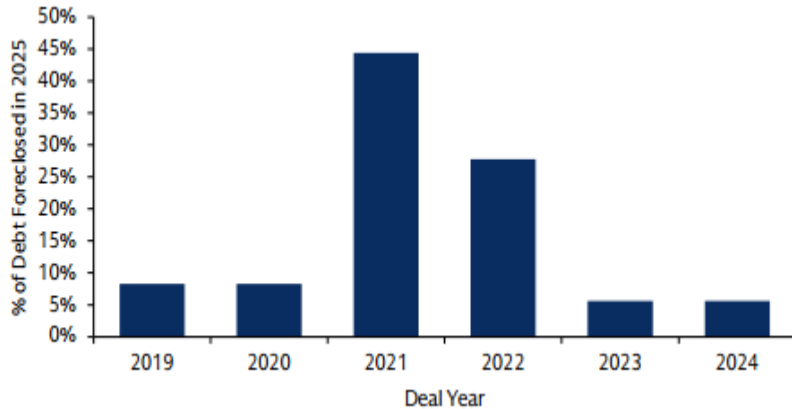
Source: With Intelligence S&P Global (March 2026)



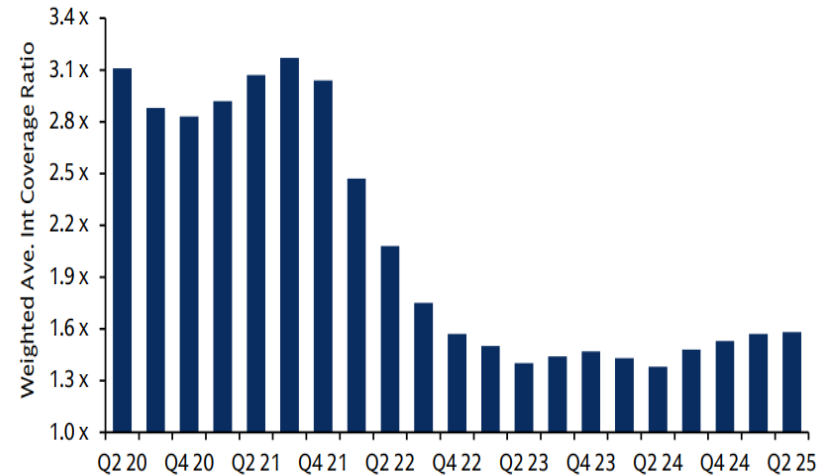
## Is the Market Having a Liquidity or a Credit Problem?

- Vintage 2021 & early 2022 deals starting to experience problems as they have seen the most significant impact of the change in rates with limited time for EBITDA growth.

### Deals Experiencing Stress by Year



### Interest Coverage Ratios Improving

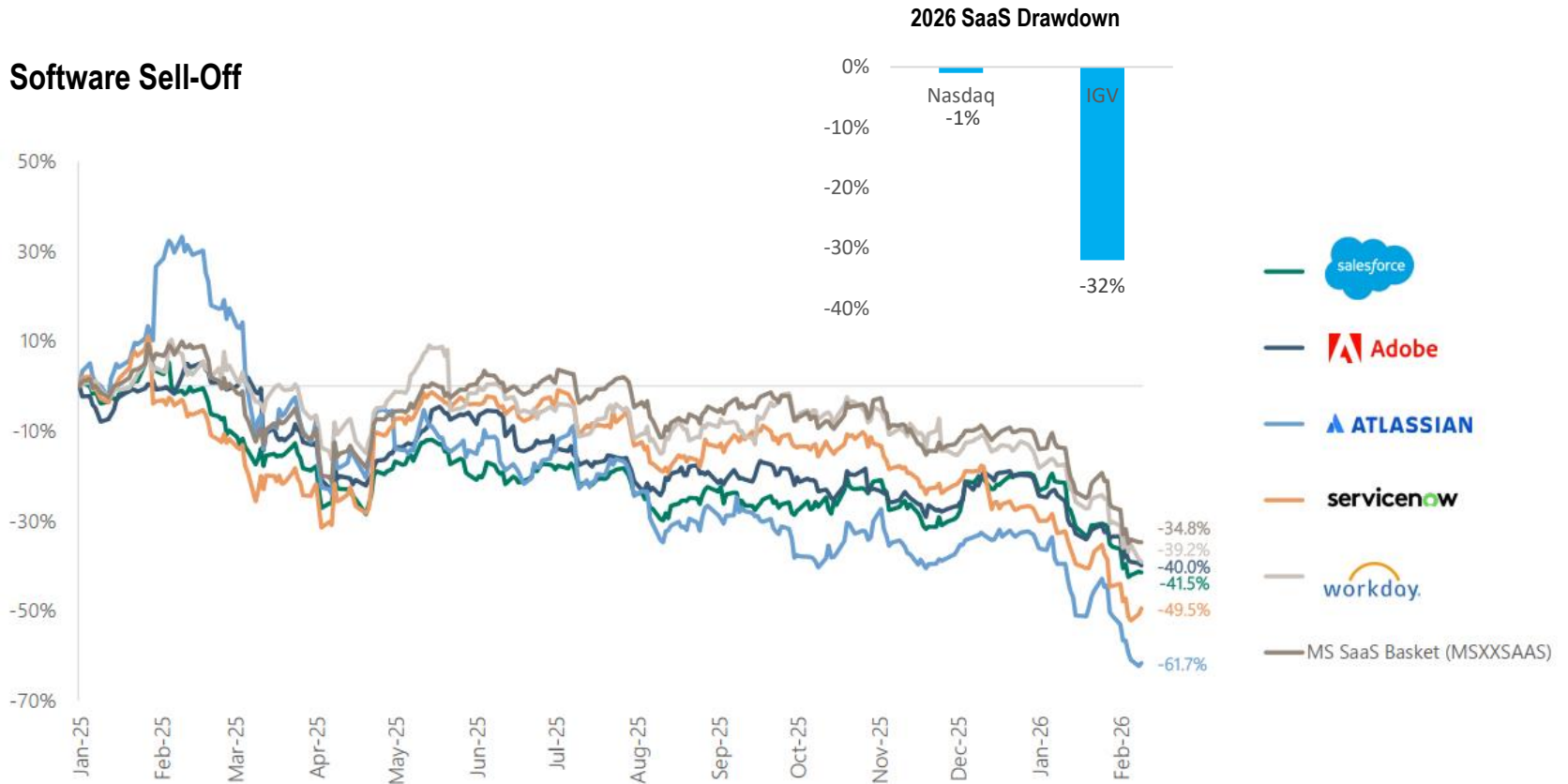


Source: Lincoln a/o Q3 2025 (left); Houlihan Lockey a/o Q2 2025 (right)



- Global software exceeds \$1T annually and has been heavily financed by direct lending

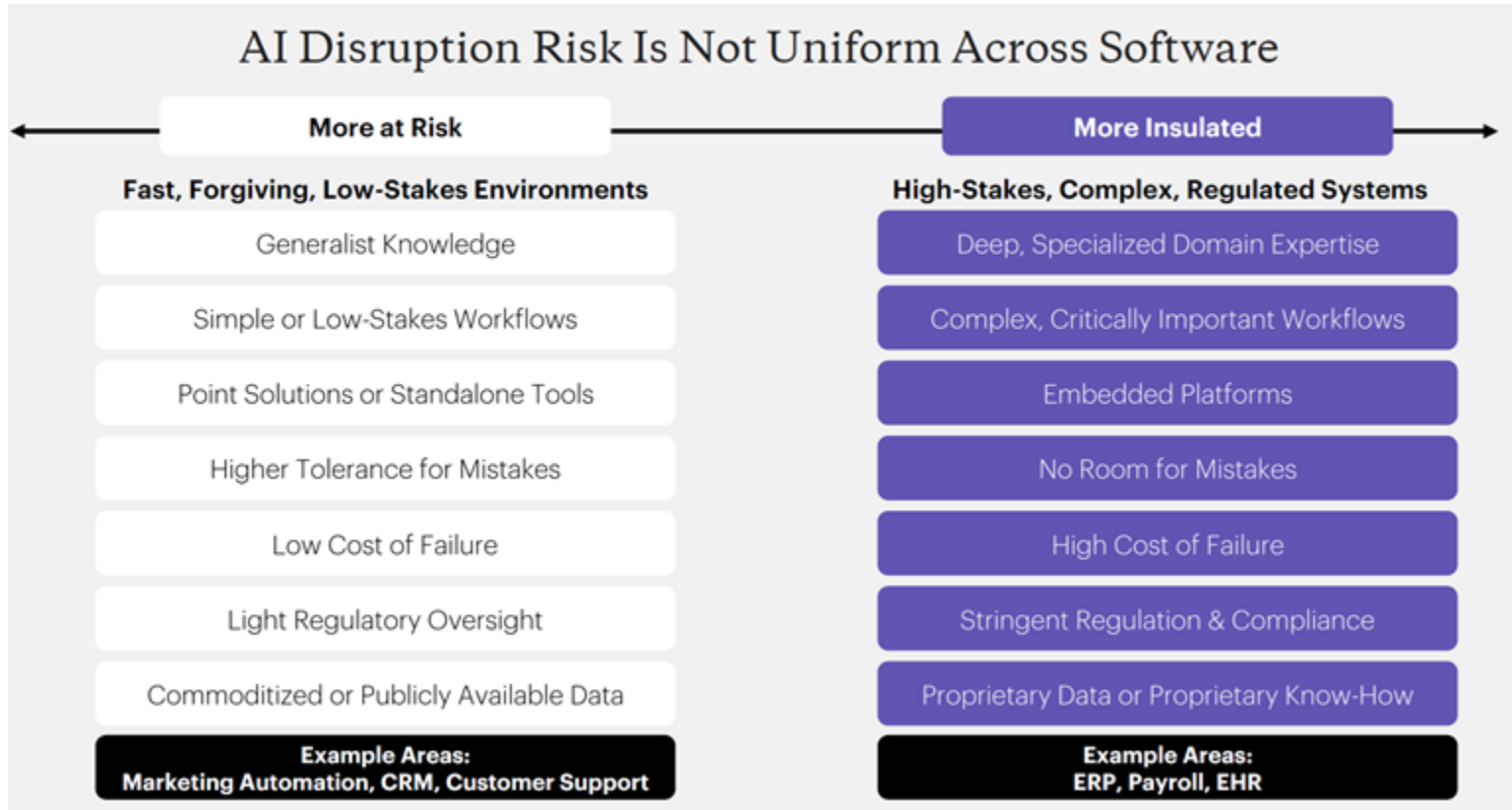
Software Sell-Off



Source: Apollo (left); Venture 2026 X AI Report (right; from 9/22/2025 to 2/25/2025). IGV is iShares Expanded Tech-Software ETF.



- GPs have been underwriting AI risk for years.



Source: Thoma Bravo



## Broader Private Credit Opportunity Set

### Meketa Private Credit Universe\*

#### Direct Lending

**Capital Structure**

- First Lien
- Unitranche
- Second Lien
- Mezzanine/Junior Debt

**Geography**

- U.S.
- Europe
- Asia/Emerging Markets
- Global

**Industry**

- Healthcare
- Franchise
- Technology

#### Asset-Based

**Consumer**

- Credit Cards
- Auto Loans
- Consumer Installment
- Mortgage

**Commercial**

- Accounts Receivables
- Trade Finance
- Small Balance

**Hard Assets**

- Data Centers
- Equipment Leasing
- Renewable Energy
- Transportation

**Soft Assets**

- Fund Finance
- Intellectual Property

#### Special Situations

**Stressed/Distressed**

- Corporate
- Mortgage
- Commercial Real Estate

**Capital Solutions**

- Rescue Financing
- Growth Financing
- Bridge Financing
- Project Financing

**Non-Performing Loans**

- CRE/Residential
- Consumer
- Small Medium Enterprises (SMEs)

#### Diversifying

- Royalties (Medical/Pharma; Music; Oil & Gas)
- Infrastructure Debt
- Commercial Real Estate Debt
- Litigation Finance
- Secondaries
- Regulatory Capital Relief
- Dislocation

Private credit is a large and evolving universe, diversified by a different collateral types.

\*Does not reflect Meketa's view on any strategy or sub-strategy.



## Asset Based Lending – Complementary Cash Flow Profile

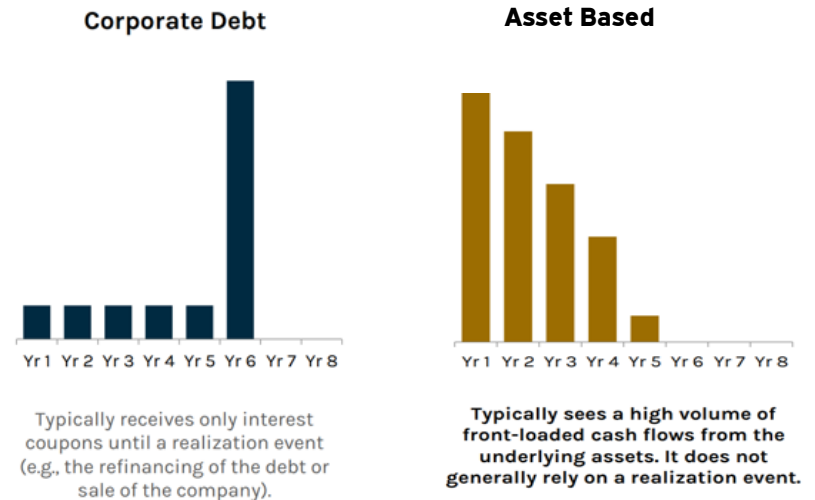
### Key Characteristics

- Front-loaded cash flows
- Structural protections
- Backed by wide range of assets

### Why Asset Based Lending

- Attractive yield
- Diversification benefits (different collateral & different cash flow profile)
- Strong downside protection
- Potential for upside (in select opportunities)
- Less competitive
- Breadth of opportunity set

### Representative Cash Flow Comparison – Direct Lending & Asset Based



\*Assets include but are not limited to installment loans, point of sale loans, auto loans, credit card origination, debt consolidation, equipment leases, merchant cash advance



- OPERS Private Debt program is heavily focused on **direct lending**.
  - Leveraged scale for preferred economics
  - No public BDC exposure
  - No exposure to 2021/early 2022 vintage
  - Very limited Annual Recurring Revenue (ARR) exposure\*
  
- May want to explore/increase exposure to complementary strategies, notably asset-based lending and capital solutions.\*\*
  - Good environment for **Capital Solutions**

\*ARR lending is a form of lending based on a company's recurring revenue rather than EBITDA. It is often used for high growth companies, particularly in the software. Sector.

\*\*OPERS has made two commitments to asset-based lending funds to date.

# Board Meeting VI.G

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM  
277 EAST TOWN STREET, COLUMBUS, OH 43215-4642  
1-800-222-PERS (7377)  
www.opers.org

**MEMORANDUM**

DATE: May 20, 2026  
TO: OPERS Retirement Board Members  
FROM: Karen Carraher, Executive Director  
RE: **VI. Discussion Items:**  
**G. Executive Director Update**

Below is my report for April 2026.

**Finance**

- The Financial Reporting department substantially completed the **Annual Comprehensive Financial Report** and various other external year-end reports, including the reports to employers to comply with Governmental Accounting Standards Board (GASB) standards for pension and health care financial reporting and the stand-alone Ohio Deferred Compensation Program report. The annual report will be presented to the Board at the May Board Audit Committee meeting. Staff also began compiling the Popular Annual Financial Report (PAFR).

Our external auditors, Plante Moran (PM), substantially completed their audit procedures of our 2025 financial statements and other year-end reports. PM will report the audit results to the Board in the May Board Audit Committee meeting. The Auditor of State's office also is working to finalize the audit procedures at a sample of our contributing employers, testing information submitted by employers to OPERS, and continues to report their audit results to PM, prior to the completion of the audit in early May.

- The Investment Compliance department began monitoring the **compliance program governing the Ohio Deferred Compensation Program**. They are reviewing the results of the custodian's (BNYMellon) automated rule-based testing for the Separate Accounts in the program. Additionally, they are reviewing the Board investment consultant's (RVK) testing of exceptions and quarterly compliance reporting. Staff is reviewing OPERS existing compliance processes to determine how they will apply to the Ohio Deferred Compensation Program with the goal of aligning them by the end of June.

## Investments

- **Annual Counterparty Review**

As of April 30, 2026, OPERS has 93 approved **broker-dealers for trading equities**, fixed income, and derivatives. Staff has initiated its annual review of these trading counterparties (aka broker-dealers) in March. Typically the annual review begins in March, requesting counterparties to resubmit an abbreviated questionnaire along with updated financial statements, changes in ownership and/or settlement instructions. Risk team also reviews regulatory filings which may have occurred since the last annual counterparty review completed in 2025. The findings of the review will be presented to the Broker Review Committee in May.

- **Defined Contribution Funds Update**

Since the **introduction of actively managed funds**, members have allocated \$60 million into the funds as of Q1. On May 4, Staff will convene for the quarterly Defined Contribution Fund Staff Investment Committee (DCFSIC) meeting. Staff will review quarterly performance of the Target Date Funds (TDFs) and stand-alone funds, and discuss the current investment landscape with OPERS Board Consultant, Meketa.

## External Relations/Corporate Governance

- **House Bill 833**

House Bill 833 was introduced on April 27<sup>th</sup>. Sponsored by Rep. Brian Lampton (R-Fairborn), the bill changes what is currently discretionary, lifetime income options for the Member Directed Plan, to mandatory inclusion of “one or more **investment options providing lifetime income**, which may include life insurance, annuities, or variable annuities.”

The bill has not yet been referred to a committee, but staff is scheduled meet with Rep. Lampton to inquire about what prompted the bill and what the intent of it is.

- **House Bill 424**

Staff met with a House of Representatives policy staffer to suggest language to address **HB 424**, which is the bill that addresses OP&F member transfers of credit. It would eliminate the requirement that members must have more credit in OPERS than OP&F to transfer credit.

- Our proposal would essentially clarify in the OP&F statute OPERS LE members with prior OP&F service as actively employed for purposes of service credit transfers.

- This approach allows OP&F to retain its active-duty requirement and OPERS to retain the retirement from the system with the majority of service provision.
- It is unlikely that OP&F will be satisfied with this approach; however, staff was “tasked” with finding a viable solution to this legitimate issue. We have satisfied the directive – it will be up to the Legislature as to whether they consider the proposal worthy of consideration.

### **Communications**

- In March, members received their **2025 Annual Statements** of Estimated Benefits. The Annual Statement process combines the efforts of multiple departments (Communications, Benefits, IT, Office Services, and Printing Services). Its content and design have been refined over many years to provide the most useful information in a user-friendly format.

If you have any questions, please let me know.

# Board Meeting VII.B



**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
277 EAST TOWN STREET, COLUMBUS, OH 43215-4642  
1-800-222-PERS (7377)  
www.opers.org

**MEMORANDUM**

DATE: May 19, 2026

TO: OPERS Retirement Board Members

FROM: Karen Carraher, Executive Director

RE: **VII. For Your Information:**  
**B. Staff Board Consultant Evaluations – Gabriel, Roeder, Smith & Co., Meketa Investment Group, Mosaic Governance Advisors and RVK**

Purpose – Provides the Board with an opportunity for feedback on their consultants by completing the annual evaluations of the Board consultants.

Background – In accordance with the **OPERS Board Consultation Evaluation** policy, the Board shall annually complete an evaluation for each Board consulting firm. This year the evaluations will be completed for Gabriel, Roeder, Smith & Co. (GRS), Meketa Investment Group and Mosaic Governance Advisors.

The following is a summary of the services provided by the two consultants being evaluated.

**Gabriel, Roeder, Smith & Co**

Consultant to provide independent actuarial expertise for the Board. The principal consultants assigned to relationship: Mita Drazilov, James Sparks and Jeff Tebeau. Long time consultant Brian Murphy retired in 2023, however GRS retains a consultant relationship with him to assist on our account as needed. The key activities performed in 2025 include: GRS representatives attend most board meetings to address questions or issues that arise and are otherwise available to support Board and staff needs; provided 50 year projections for Pension and Health Care (May and September); provided an annual Pension Actuarial Valuation Result report (May); provided opinion and material for the Annual Report; provided information for the GASB reports for employers; actively involved and participated in

the Strategic Planning Board meeting (July), work with staff on analyses of proposals and make recommendations on those proposals; provide cost data to the Ohio Retirement Study Council on legislative proposals and other requests; provide industry data and impacts on changes; mitigating rate study; provide updated reduction factors.

### **Meketa Investment Group**

Consultant to provide independent investment expertise for the Board. Meketa began work in May 2024 and the principal consultants assigned to the relationship are: David Sancewich, Alli Wallace Stone and Jonathan Camp. Key activities during 2025 include: completion of the Health Care Asset Liability Study; presentation of an economic outlook in January; education, discussion and implementation support of the Risk Mitigation Strategies (RMS); an overview of the Private Equity Asset Class; an overview of Dynamic Asset Allocation; support of the annual OPERS DC Plan Review; and performance updates throughout the year.

### **Mosaic Governance Advisors**

Consultant to provide Board Governance consulting to the Board. The principal consultant assigned to the relationship is Amy McDuffee. The key activities performed in 2025 include: Conducting the Board's annual governance self-evaluation (February); facilitating the fiduciary scenario discussion (February); facilitating the Board education needs assessment (February and July); and working with the Board to facilitate the Executive Director evaluation process.

### **RVK, Inc.**

Consultant to provide independent investment expertise for the Board with respect to the ODC program. The principal consultants assigned to the relationship are Stephen Budinsky and Jason Samansky. Key activities during 2025 include: an investment Menu Design Review (March); RFP process for US Core Fixed Income (May); Ohio DC Annual review (November); and performance reports throughout the year.

Next Steps – The online evaluation tool will be available beginning May 21, 2026, through June 26, 2026. Each Board member is requested to complete one evaluation for each consulting firm. Evaluations do not need to be completed for individual consultant staff members, or the principals assigned to the engagement, but rather for the firm as a whole.

Marsha Volpi will send a link to the evaluation tool on May 21, 2026. As requested by the Board during the consultant evaluation discussion in July 2023, Ms. Volpi's email will also contain a summary of the staff's evaluation of the consultants.

Results of the evaluation will automatically be compiled by the online evaluation system and be shared with the Board at the July 2026 meeting.

# Board Meeting VII.C Memo



**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
277 EAST TOWN STREET, COLUMBUS, OH 43215-4642  
1-800-222-PERS (7377)  
www.opers.org

**MEMORANDUM**

DATE: May 11, 2026

TO: OPERS Retirement Board Members

FROM: Allen Foster, Deputy Executive Director

RE: **VII. For Your Information:**  
**C. 2027 Health Care Rates – HRA, Dental and Vision**

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**Purpose**

To provide the Board with the following health care rates effective January 1, 2027:

- Dental and Vision premium rates for the fully insured dental and vision plans; and
- Restate the Pre-Medicare and Medicare Health Reimbursement Arrangement (HRA) base allowance amounts that were approved in March 2024.

**Background**

Each year OPERS evaluates its health care plans to establish allowance amounts and premium rates that are competitive, retain reasonable buying power and are financially prudent for the health care fund.

- Dental and Vision premium rates are based on negotiated contract rates with MetLife that support quality, sustainable, fully insured group dental and vision plans. Benefit recipients have the full premium for their and their dependent's coverage deducted from their monthly benefit.
- HRA allowance amounts are based on market trends and our population demographic. The Board considered detailed HRA allowance and purchasing power information in March and approved HRA base allowances through 2030, barring any need to revisit sooner.

**2027 Dental & Vision Plan Premiums**

Our fully insured dental and vision plans are available to all benefit recipients under the Traditional and Combined plans who meet pension eligibility regardless of their years of service as well as their eligible dependents. We currently have approximately 154,500 participants enrolled in our dental plans and 150,300 participants enrolled in our vision

plans. OPERS deducts benefit recipient and dependent premiums automatically from the monthly retirement benefit.

The charts below provide a comparison between the 2026 and 2027 monthly premiums. MetLife and OPERS use a transparent, self-adjusting methodology based on OPERS plan experience to calculate the annual premiums.

The dental group plan – across all levels – have experienced a 14% increase whereas the vision group plan – across all levels – have experienced a 4% increase.

Dental High Option	2026 Premium	2027 Premium	Percent Change	Dollar Change
Adult	\$39.03	\$44.46	14%	+ \$5.43
Child	\$23.18	\$26.40	14%	+ \$3.22

Dental Low Option	2026 Premium	2027 Premium	Percent Change	Dollar Change
Adult	\$23.16	\$26.38	14%	+ \$3.22
Child	\$14.07	\$16.03	14%	+ \$1.96

Vision High Option	2026 Premium	2027 Premium	Percent Change	Dollar Change
Adult	\$4.64	\$4.82	4%	+ \$0.18
Child	\$3.59	\$3.73	4%	+ \$0.14

Vision Low Option	2026 Premium	2027 Premium	Percent Change	Dollar Change
Adult	\$1.95	\$2.03	4%	+ \$0.08
Child	\$1.36	\$1.41	4%	+ \$0.05

**2027 Approved HRA Base Allowances**

Pre-Medicare HRA	2027 Monthly Base Allowance	2027 Monthly Base Allowance	Percent Change
Benefit Recipient	\$1,200.00	\$1,200.00	0%

Medicare HRA	2027 Monthly Base Allowance	2027 Monthly Base Allowance	Percent Change
Benefit Recipient	\$400.00	\$400.00	0%

**Dental Enhancement**

MetLife has introduced a call center self-service enhancement – called Dental QuickView - effective 4/25/26. Enrollees inquiring about coverage details, eligibility, limitations, etc. now have the option to receive a link to a secure, time-limited (available for 24 hours) link to their mobile device to instantly view their dental coverage details specific to the OPERS plans.

**Next Steps**

OPERS staff will communicate the information outlined in this memo with benefit recipients during open enrollment (October 15 – December 15, 2026).

# Board Meeting VII.D

# INVESTMENTS MARKET UPDATE

## Net Asset Value & Performance

	NAV (\$ B) 3/31/2026	PERFORMANCE					NAV (\$ B) 5/15/2026
		MTD April	YTD April	YTD April Benchmark	May 1 to 15 Estimated	Benchmark May 1 to 15 Estimated	
DB Fund	\$113.59	4.60%	4.61%	4.88%	0.65%	0.56%	\$118.53
HC115 Fund	\$14.87	5.42%	5.51%	5.26%	0.70%	0.53%	\$15.69

### Market Events Summary

- The U.S. total unemployment rate remained unchanged at 4.3% in April, in line with consensus expectations. Total non-farm payroll increased 115,000 in April, surpassing forecasts of 65,000. Initial estimates for March were revised up by 7,000 to 185,000.
- April's headline CPI rose 0.6% in April, in line with expectations, bringing the annual inflation rate to 3.8%, slightly above the 3.7% consensus. Core CPI rose 0.4% (MoM) and 2.8% (YoY), both 10 bps above consensus estimates.
- U.S. manufacturing growth held steady in April 2026, with the ISM Manufacturing PMI remaining at 52.7%, matching March's reading and marking four consecutive months of expansion. While new orders increased, up 0.6 points to 54.1%, manufacturing employment contracted significantly, falling 2.3 points to 46.4%, the sharpest drop in four months.
- U.S. producer prices jumped 1.4% in April 2026, the largest monthly gain since March 2022, far exceeding the 0.5% forecast. Annually, wholesale prices rose 6%, signaling intensifying inflation, with core PPI (excluding food and energy) rising 1% monthly and 5.2% annually.
- The U.S.-Iran war continues to impact global oil prices as fighting persists in the Strait of Hormuz, with President Trump rejecting Iran's latest ceasefire offer, describing it as "on life support." Israel has escalated attacks on Lebanon, resulting in civilian casualties.

### Portfolio Changes

- Staff made rebalancing trades in late April 2026 to reduce the overweight in the U.S. Equity sub-asset class by approximately \$500 million and reallocating \$200 million to the Fixed Income asset class. The additional funds are currently held within the shorter-term U.S. Treasury sub-asset class bondized with futures and the remaining cash is being held for Fund Level liquidity.

### Top/Bottom Performing Public Market Asset Classes (April 10 – May 15)

