Investment Performance Services

INTEGRITY | DISCIPLINE | RESULTS

Operating Engineers Local No. 77 JATC Fund

Investment Performance Analysis - GCS
Period Ended
December 31, 2025

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Operating Engineers Local No. 77
JATC Fund

Market Discussion Q4 | 2025

Financial Market Performance – Periods Ending December 31, 2025

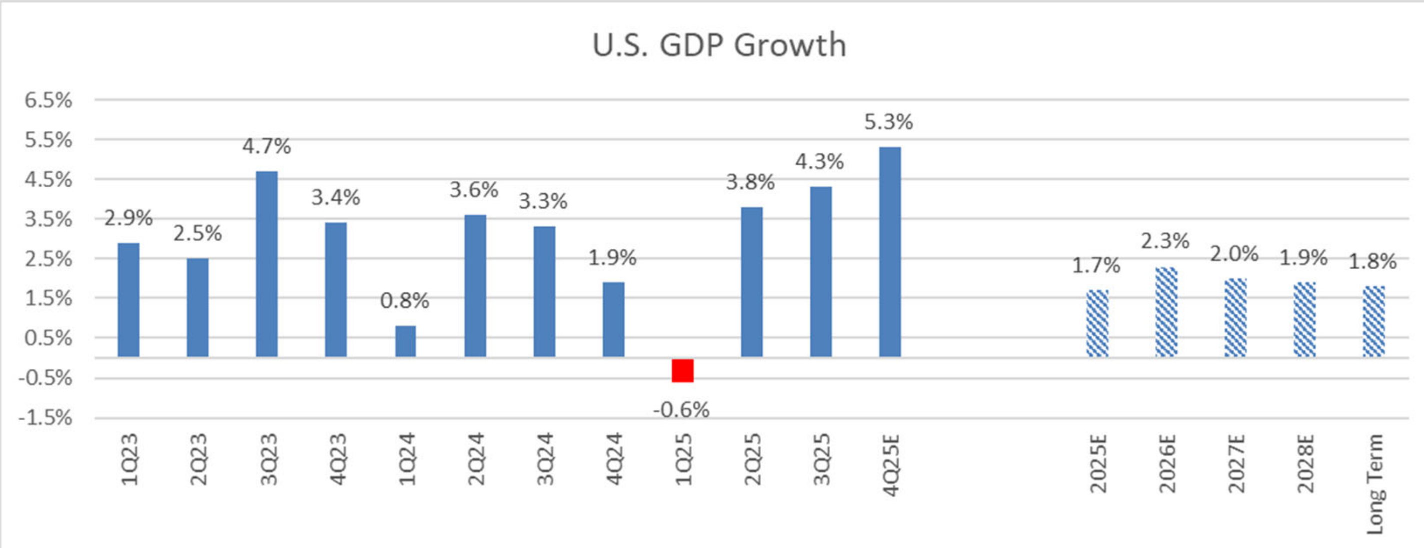
Strategy	Sector	Index	QTR	YTD	2024	2023	2022	2021	2020	2019	1-Yr	3-Yr	5-Yr	10-Yr	20-Yr
Stocks	US Large Cap	S&P 500	2.7%	17.9%	25.0%	26.3%	-18.1%	28.7%	18.4%	31.5%	17.9%	23.0%	14.4%	14.8%	11.0%
	US Large Cap Growth	Russell 1000 Growth	1.1%	18.5%	33.4%	42.7%	-29.1%	27.6%	38.5%	36.4%	18.5%	31.1%	15.3%	18.1%	13.2%
	US Large Cap Value	Russell 1000 Value	3.8%	15.9%	14.3%	11.4%	-7.6%	25.1%	2.8%	26.5%	15.9%	13.9%	11.3%	10.5%	8.3%
	US Small Cap	Russell 2000	2.2%	12.8%	11.5%	16.9%	-20.5%	14.8%	19.9%	25.5%	12.8%	13.7%	6.1%	9.6%	8.2%
	Non-US Developed	MSCI EAFE (net)	4.9%	31.2%	3.8%	18.2%	-14.5%	11.3%	7.8%	22.0%	31.2%	17.2%	8.9%	8.2%	5.6%
	Emerging Markets	MSCI EM (net)	4.7%	33.6%	7.5%	9.8%	-20.1%	-2.5%	18.3%	18.4%	33.6%	16.4%	4.2%	8.4%	6.0%
	Int'l Small Cap	MSCI EAFE Small Cap (net)	2.7%	31.8%	1.8%	13.2%	-21.4%	10.1%	12.3%	25.0%	31.8%	14.9%	5.6%	7.5%	6.0%
Bonds	Treasury	Bloomberg US Govt	0.9%	6.3%	0.6%	4.1%	-12.3%	-2.3%	7.9%	6.8%	6.3%	3.6%	-0.9%	1.4%	2.7%
	Broad Market	Bloomberg Aggregate	1.1%	7.3%	1.3%	5.5%	-13.0%	-1.5%	7.5%	8.7%	7.3%	4.7%	-0.4%	2.0%	3.3%
	Intermediate	Bloomberg Gov/Credit Int.	1.2%	7.0%	3.0%	5.2%	-8.2%	-1.4%	6.4%	6.8%	7.0%	5.1%	1.0%	2.3%	3.2%
	High Yield	Bloomberg HY BaB 2% IC	1.5%	8.8%	6.8%	12.6%	-10.6%	4.6%	7.7%	15.2%	8.8%	9.3%	4.1%	6.1%	6.4%
	Short Duration HY	ICE BofA 1-3 Yrs BB US Cash Pay HY	1.6%	7.2%	6.7%	8.9%	-3.1%	3.2%	5.4%	8.7%	7.2%	7.6%	4.5%	5.0%	5.7%
	Global Bonds	FTSE WGBI	0.1%	7.5%	-2.9%	5.2%	-18.3%	-7.0%	10.1%	5.9%	7.5%	3.2%	-3.5%	0.5%	2.0%
GTAA	Unconstrained	65% MSCI World /35% FTSE WGBI	2.1%	16.3%	10.8%	17.0%	-18.1%	11.0%	14.6%	19.9%	16.3%	14.7%	6.6%	8.2%	6.5%
Real Estate	Core	NCREIF ODCE Equal Weighted (net)	0.9%	3.1%	-2.4%	-13.4%	7.6%	21.9%	0.8%	5.2%	3.1%	-4.5%	2.7%	4.2%	4.8%
Hedge Fund of Funds	Diversified FOFs	HFRI FOF Composite	3.2%	10.5%	9.2%	6.1%	-5.3%	6.2%	10.9%	8.4%	10.5%	8.6%	5.2%	4.9%	3.6%
	Equity Long-Short	HFRI Equity Hedge	3.3%	17.3%	11.9%	11.4%	-10.1%	11.7%	17.9%	13.7%	17.3%	13.5%	8.0%	8.1%	5.9%
Commodities	Commodities	Goldman Sachs Commodity	1.0%	7.1%	9.2%	-4.3%	26.0%	40.4%	-23.7%	17.6%	7.1%	3.9%	14.6%	6.1%	-2.6%

Asset Class Performance "Quilt"

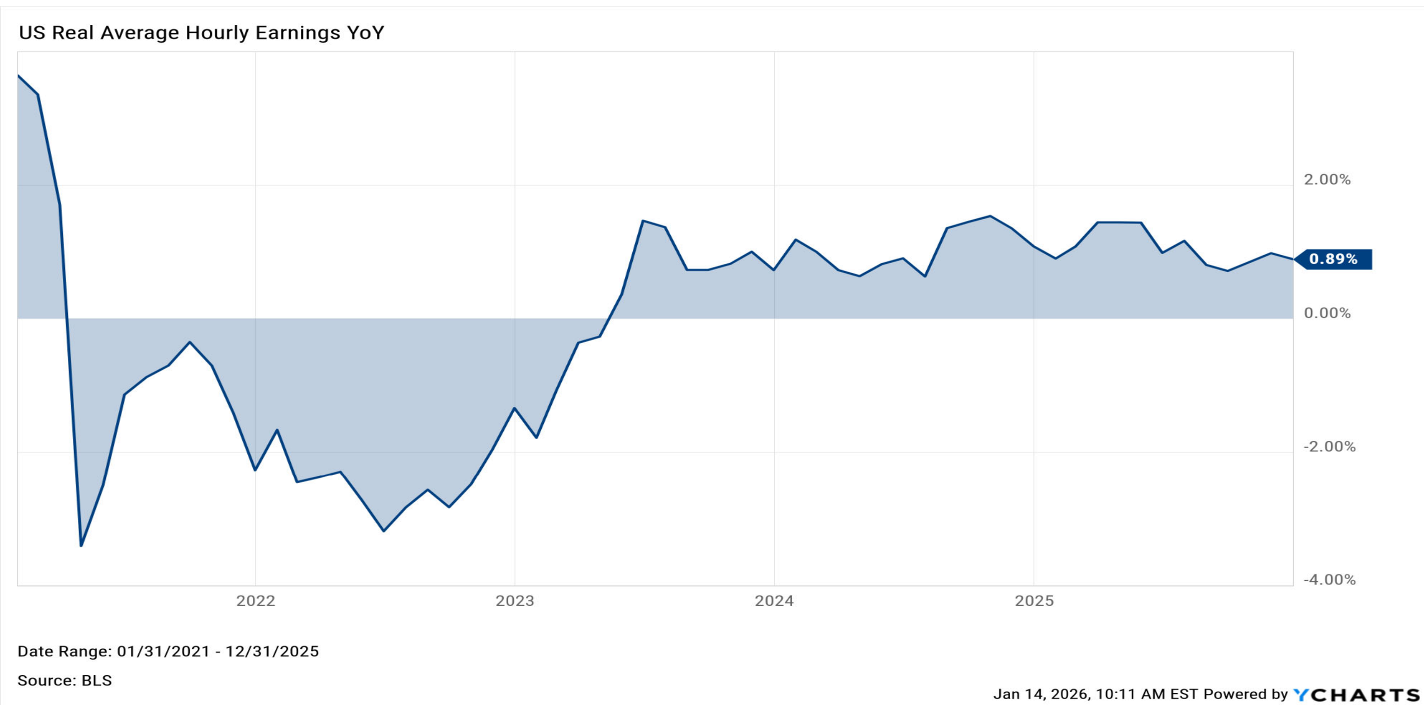
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
RE 15.0%	EM Equity 18.2%	Small Cap 38.8%	Large Cap 13.7%	RE 14.2%	Small Cap 21.3%	EM Equity 37.3%	RE 7.3%	Large Cap 31.5%	Small Cap 20.0%	Large Cap 28.7%	RE 7.6%	Large Cap 26.3%	Large Cap 25.0%	EM Equity 33.6%
Fx Inc 7.8%	Int'l 17.3%	Mid Cap 34.8%	Mid Cap 13.2%	Return 7.0%	HY 17.5%	Int'l 25.0%	Return 7.0%	Mid Cap 30.5%	Large Cap 18.4%	Mid Cap 22.6%	Return 7.0%	Int'l 18.2%	Mid Cap 12.0%	Int'l 31.2%
Return 7.0%	Mid Cap 17.3%	Large Cap 32.4%	RE 11.4%	Large Cap 1.4%	Mid Cap 13.8%	Large Cap 21.8%	SD HY 1.4%	Small Cap 25.5%	EM Equity 18.3%	RE 21.9%	SD HY -3.1%	Mid Cap 17.2%	Small Cap 11.5%	Large Cap 17.9%
HY 4.4%	Small Cap 16.3%	Int'l 22.8%	Return 7.0%	SD HY 1.2%	Large Cap 12.0%	Mid Cap 18.5%	Fx Inc 0.0%	Int'l 22.0%	Mid Cap 17.1%	Small Cap 14.8%	HFoF -5.2%	GTAA 17.0%	GTAA 10.8%	GTAA 16.3%
SD HY 4.4%	Large Cap 16.1%	GTAA 15.3%	Fx Inc 6.0%	Fx Inc 0.6%	EM Equity 11.2%	GTAA 17.0%	HY -2.3%	GTAA 19.8%	GTAA 15.2%	Int'l 11.3%	HY -11.2%	Small Cap 16.9%	HFoF 9.7%	Small Cap 12.8%
Large Cap 2.1%	HY 15.6%	RE 12.4%	Small Cap 4.9%	HFoF -0.3%	SD HY 8.5%	Small Cap 14.7%	HFoF -4.0%	EM Equity 18.4%	HFoF 10.3%	GTAA 11.1%	Fx Inc -13.0%	HY 13.5%	EM Equity 7.5%	Mid Cap 10.6%
GTAA -0.9%	GTAA 10.9%	HFoF 9.0%	HFoF 3.4%	Int'l -0.8%	RE 8.4%	HFoF 7.8%	Large Cap -4.4%	HY 14.4%	Int'l 7.8%	Return 7.0%	Int'l -14.5%	EM Equity 9.8%	Return 7.0%	HFoF 10.5%
Mid Cap -1.6%	SD HY 10.2%	HY 7.4%	GTAA 3.0%	GTAA -1.6%	Return 7.0%	HY 7.5%	GTAA -5.7%	Fx Inc 8.7%	Fx Inc 7.5%	HFoF 6.0%	Mid Cap -17.3%	SD HY 8.9%	HY 6.8%	HY 8.8%
Small Cap -4.2%	RE 9.9%	Return 7.0%	HY 2.5%	Mid Cap -2.4%	GTAA 5.6%	Return 7.0%	Mid Cap -9.1%	SD HY 8.7%	Return 7.0%	HY 5.4%	GTAA -18.1%	Return 7.0%	SD HY 6.7%	Fx Inc 7.3%
HFoF -5.7%	Return 7.0%	SD HY 5.6%	SD HY 1.9%	Small Cap -4.4%	Fx Inc 2.7%	RE 6.9%	Small Cap -11.0%	HFoF 8.4%	HY 6.2%	SD HY 4.3%	Large Cap -18.1%	HFoF 6.6%	Int'l 3.8%	SD HY 7.2%
Int'l -12.1%	HFoF 4.8%	Fx Inc -2.0%	EM Equity -2.2%	HY -4.6%	Int'l 1.0%	SD HY 3.6%	Int'l -13.8%	Return 7.0%	SD HY 5.4%	Fx Inc -1.5%	EM Equity -20.1%	Fx Inc 5.5%	Fx Inc 1.3%	Return 7.0%
EM Equity -18.4%	Fx Inc 4.2%	EM Equity -2.6%	Int'l -4.9%	EM Equity -14.9%	HFoF 0.5%	Fx Inc 3.5%	EM Equity -14.6%	RE 5.2%	RE 0.8%	EM Equity -2.5%	Small Cap -20.5%	RE -13.4%	RE -2.4%	RE 3.1%

Source: NCREIF, Bloomberg, Wilshire. Large Cap Equity: S&P 500 Index, Mid Cap Equity: Russell Midcap Index, Small Cap Equity: Russell 2000 Index, International Equity: MSCI EAFE Index, Emerging Markets: MSCI EM Index, Fixed Income: Bloomberg Aggregate Index, High Yield Fixed Income: ICE BofA US High Yield Index, Short Duration High Yield Fixed Income: ICE BofA High Yield Cash Pay 1-3 Yr BB Index, Real Estate: NCREIF ODCE Equal Weighted Index, Hedge Fund of Funds: HFRI FOF Index, Global Tactical Asset Allocation: 65%MSCI World Equity/35% FTSE World Gov't Bond Index. Past performance is not indicative of future returns.

U.S. Economy



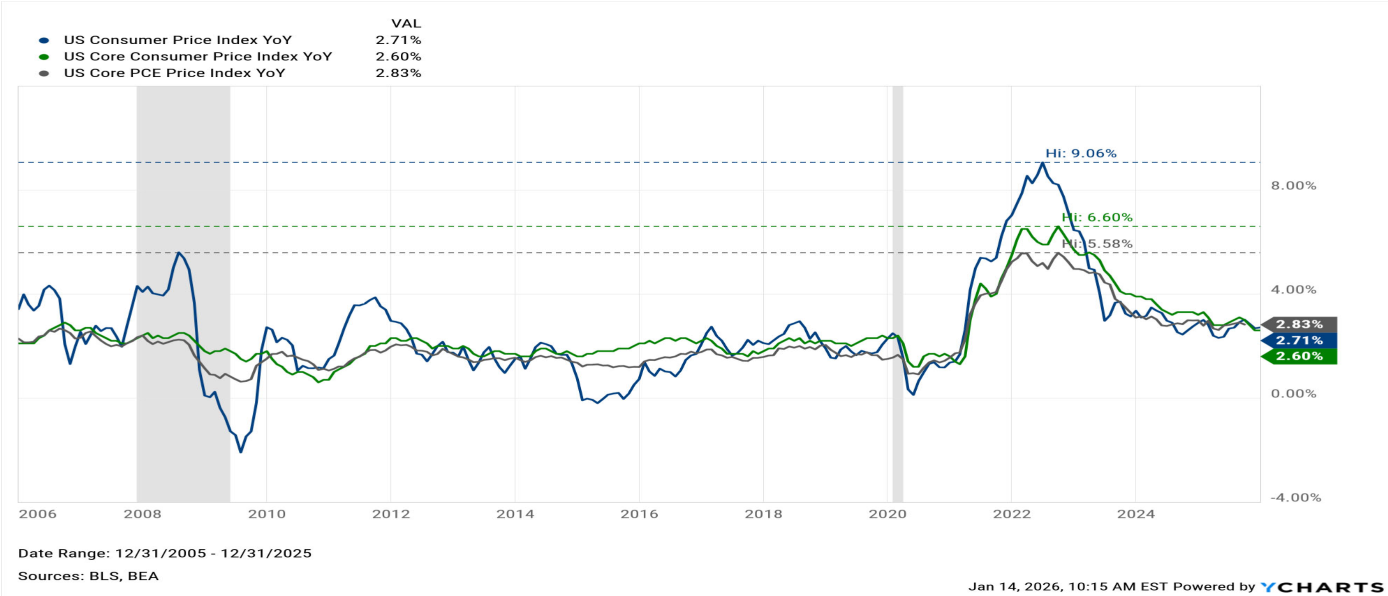
Sources: U.S. Bureau of Economic Analysis, Federal Reserve, Atlanta Federal Reserve

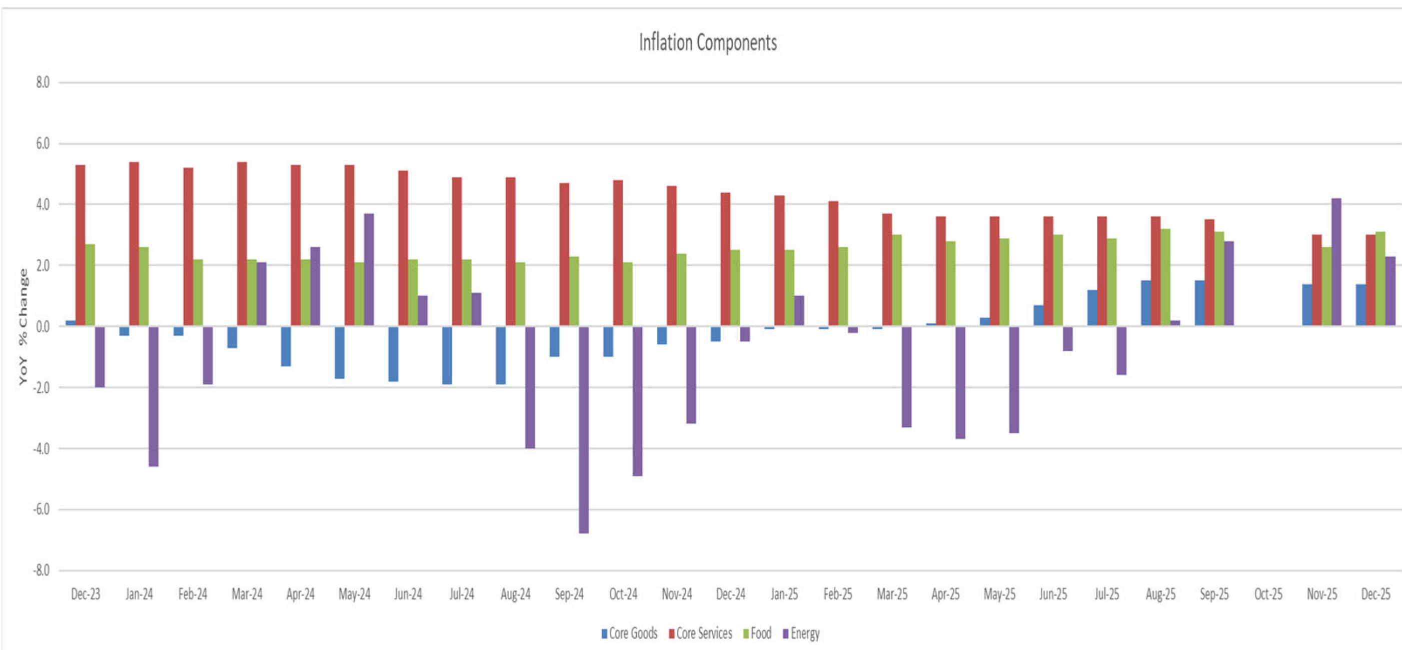


U.S. Economic Growth Accelerates in 2H 2025

- U.S. growth remained resilient into year-end, supported by steady consumer demand and easing financial conditions following multiple Fed cuts in Q4 2025.
- The latest official GDP data (BEA) showed real GDP up 4.3% (annual rate) in Q3 2025, the strongest quarter in two years, following 3.8% growth in Q2 2025.
- The Atlanta Fed GDPNow model has been tracking strong Q4 2025 momentum, most recently estimating ~5.3% (annual rate) for Q4 2025.
- While hiring and certain interest-rate-sensitive sectors cooled, the macro backdrop remains expansionary heading into 2026, with growth supported by services activity and investment tied to structural themes like AI infrastructure.
- Real wage gains, up 0.9% year-over-year through December, continue to underpin steady household spending.

U.S. Economy

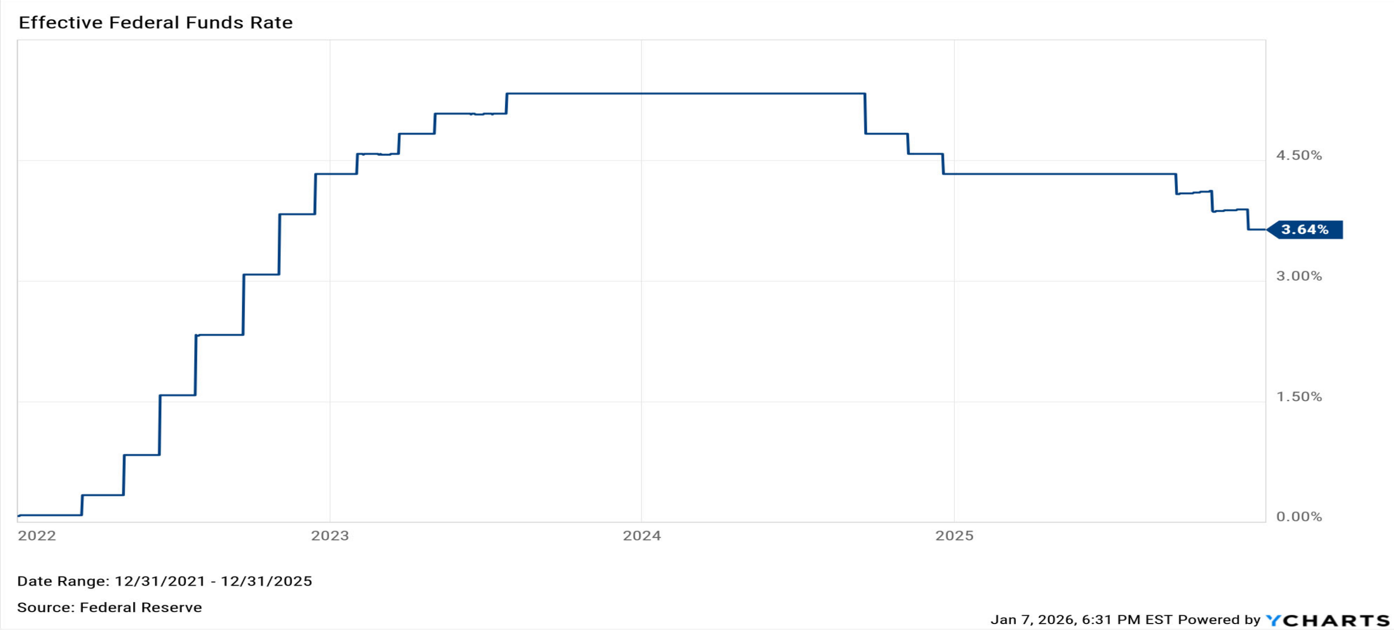




Inflation Remains Stubbornly Above Target

- Inflation ended above the Fed's 2% target, reflecting ongoing stickiness in shelter and select services.
- Headline CPI rose 2.7% YoY in December 2025, matching the inflation rate from November.
- Core CPI (ex-food & energy) rose 2.6% YoY in December, also in line with the November reading. The recent core CPI data is the lowest rate since March 2021, showing a cooling trend that supports the "disinflation is intact, but gradual" narrative.
- Monthly CPI in December showed headline +0.3% and core +0.2%, indicating price pressures remain positive but not accelerating.
- Economists believe tariffs have resulted in upward pressure on consumer prices while the inflation rate for consumer staples like food and electricity remains elevated.
- Note: October inflation data was not released due to the government shutdown.

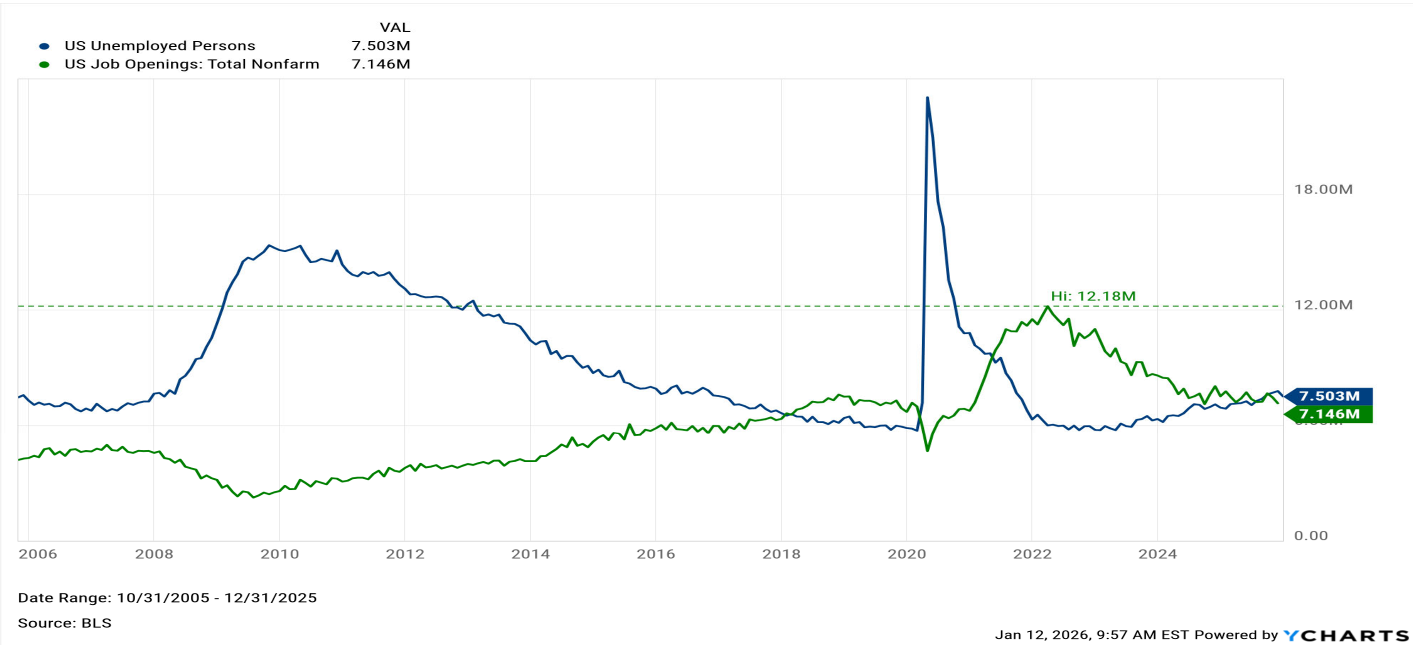
U.S. Economy



Fed Cuts Rates on Concerns of Weakening Employment

- The Federal Open Market Committee (FOMC) accelerated easing late in 2025, cutting rates by 25 bps in November and December and signaling a clear shift from restraint toward stabilization.
- As of the December 10, 2025 decision, the FOMC set the target range to 3.50%–3.75% (effective Dec 11, 2025).
- The policy pivot following an extended pause is increasingly framed around balancing improving inflation progress (data still incomplete), and rising labor-market downside risks.
- Markets and commentary have increasingly interpreted late-2025 cuts as “insurance” against overtightening as growth holds up but hiring weakens.
- The Fed’s balance sheet has declined to $6.58 trillion, from its 2022 peak of $8.96 trillion, but remains well above pre-pandemic levels.

U.S. Economy



Labor Market Showing Early Signs of Stress

- The labor market continued to cool into year-end, showing a "no hire / no fire" dynamic: slower job creation, but limited layoffs.
- December 2025 payrolls increased by 50,000, and the unemployment rate held at 4.4%, consistent with late-cycle softening rather than abrupt deterioration.
- For full-year context, payrolls rose by 584,000 in 2025 (avg. +49k/month), a sharp slowdown versus 2024 (+168k/month), reinforcing the Fed's easing bias.
- Labor demand continues to normalize: job openings fell to ~7.146 million (Nov. 2025 JOLTS), pointing to less excess demand and reduced wage pressure.
- Weekly initial jobless claims remain relatively contained (still sub-220k range recently), suggesting softness is coming more from slower hiring than accelerating layoffs.

U.S. Equity Market

	Index	4Q25	YTD	2024	2023	2022	2021	2020	2019	1-Year	3-Year	5-Year	10-Year
Large Cap	S&P 500	2.7%	17.9%	25.0%	26.3%	-18.1%	28.7%	18.4%	31.5%	17.9%	23.0%	14.4%	14.8%
	Russell 1000	2.4%	17.3%	24.5%	26.5%	-19.1%	26.4%	21.0%	31.4%	17.3%	22.7%	13.6%	14.6%
	Russell 1000 Value	3.8%	15.9%	14.3%	11.4%	-7.6%	25.1%	2.8%	26.5%	15.9%	13.9%	11.3%	10.5%
	Russell 1000 Growth	1.1%	18.5%	33.4%	42.7%	-29.1%	27.6%	38.5%	36.4%	18.5%	31.1%	15.3%	18.1%
Mid Cap	Russell Mid-Cap	0.2%	10.6%	15.3%	17.2%	-17.3%	22.6%	17.1%	30.5%	10.6%	14.3%	8.7%	11.0%
	Russell Mid-Cap Value	1.4%	11.0%	13.1%	12.7%	-12.0%	28.3%	5.0%	27.0%	11.0%	12.2%	9.8%	9.8%
	Russell Mid-Cap Growth	-3.7%	8.7%	22.1%	25.9%	-26.7%	12.7%	35.6%	35.5%	8.7%	18.6%	6.6%	12.5%
Small Cap	Russell 2000	2.2%	12.8%	11.5%	16.9%	-20.5%	14.8%	19.9%	25.5%	12.8%	13.7%	6.1%	9.6%
	Russell 2000 Value	3.2%	12.6%	8.0%	14.6%	-14.5%	28.2%	4.6%	22.4%	12.6%	11.7%	8.8%	9.2%
	Russell 2000 Growth	1.2%	13.0%	15.2%	18.6%	-26.4%	2.8%	34.6%	28.4%	13.0%	15.6%	3.2%	9.5%
Total Market	Wilshire 5000	2.3%	17.1%	23.8%	26.1%	-19.0%	26.7%	20.8%	31.0%	17.1%	22.3%	13.4%	14.4%
	Russell 3000	2.4%	17.1%	23.8%	25.9%	-19.2%	25.6%	20.9%	31.0%	17.1%	22.2%	13.1%	14.3%

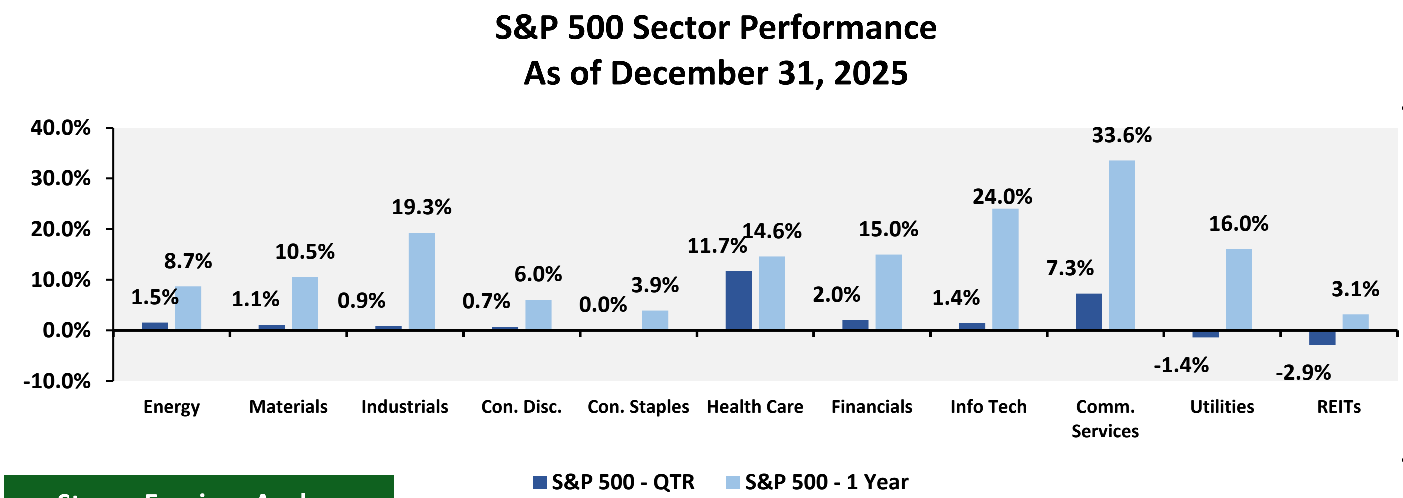
Major Index Total Return as of December 31, 2025

Asset Class	Name	4Q25	% off Low	% Off All Time High
U.S. Large Cap	S&P 500	2.7%	38.7%	-1.2%
U.S. Mid Cap	Russell Midcap	0.2%	30.1%	-2.2%
U.S. Smid Cap	Russell 2500	2.2%	38.5%	-3.1%
U.S. Small Cap	Russell 2000	2.2%	42.4%	-4.1%
International Large Cap	MSCI EAFE (net)	4.9%	33.2%	-0.3%
International Small Cap	MSCI EAFE Small Cap (net)	2.7%	36.4%	-0.4%
Emerging Markets	MSCI EM (net)	4.7%	42.4%	-0.5%
Global Equity	MSCI AC World Index (net)	3.3%	38.0%	-0.8%

*% off Low as of April 8, 2025

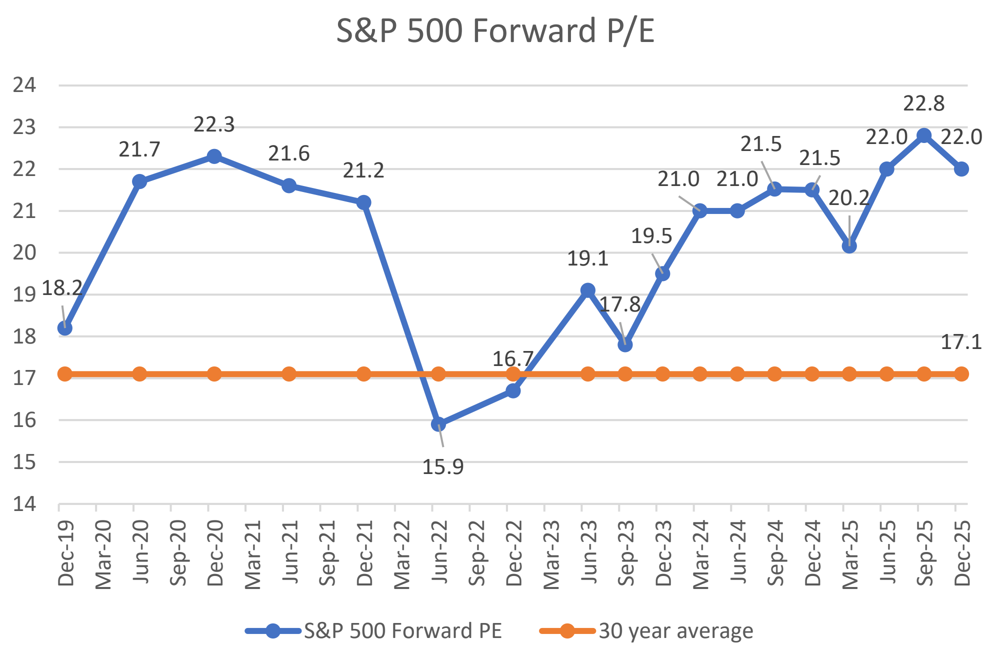
- U.S. equity markets delivered a strong year in 2025, with the S&P 500 Index posting a third consecutive year of double-digit gains and finishing up nearly 18% after a 2.7% advance in Q4 2025.
- Markets absorbed several disruptions during the year, including an April tariff-driven selloff and the longest government shutdown on record in Q4 2025, while continuing to advance on supportive earnings and monetary policy conditions.
- After strong gains in Q2 and Q3, returns eased in Q4 amid year-end profit-taking and policy uncertainty, while remaining positive across most segments.
- Market participation broadened over the year, with leadership extending beyond large-cap stocks and returns widening across styles and capitalizations in the second half of 2025.

U.S. Equity Market



Strong Earnings Anchor Market Valuations

- Analysts expect S&P 500 earnings to rise 8.3% year over year in Q4 2025. If realized, this would mark a 10th straight quarter of year-over-year earnings growth.
- Technology is expected to deliver the strongest earnings growth, while Consumer Discretionary is projected to see the weakest results.
- While the S&P 500 forward P/E ratio remains elevated, strong earnings growth has helped bring valuations down modestly.



Source: J.P. Morgan Asset Management

Growth Led 2025; Sector Leadership Differentiated in Q4

- Sector leadership in 2025 was driven by growth areas, led by technology and communication services. Demand for AI-related products, cloud infrastructure, and semiconductors supported earnings growth, placing technology among the top-performing sectors for the year.
- Cyclical sectors also contributed over the full year. Industrials and other economically sensitive areas outpaced the broader market, reflecting resilient economic activity and improving earnings.
- Consumer staples and REITs lagged in 2025 as the market favored growth over defensive exposure, while rate sensitivity and data center assets misaligned with AI infrastructure needs limited REIT participation.
- In the fourth quarter, sector performance became more differentiated. Health care outperformed on resilient and predictable earnings, while real estate and utilities lagged as long-term yields remained elevated.

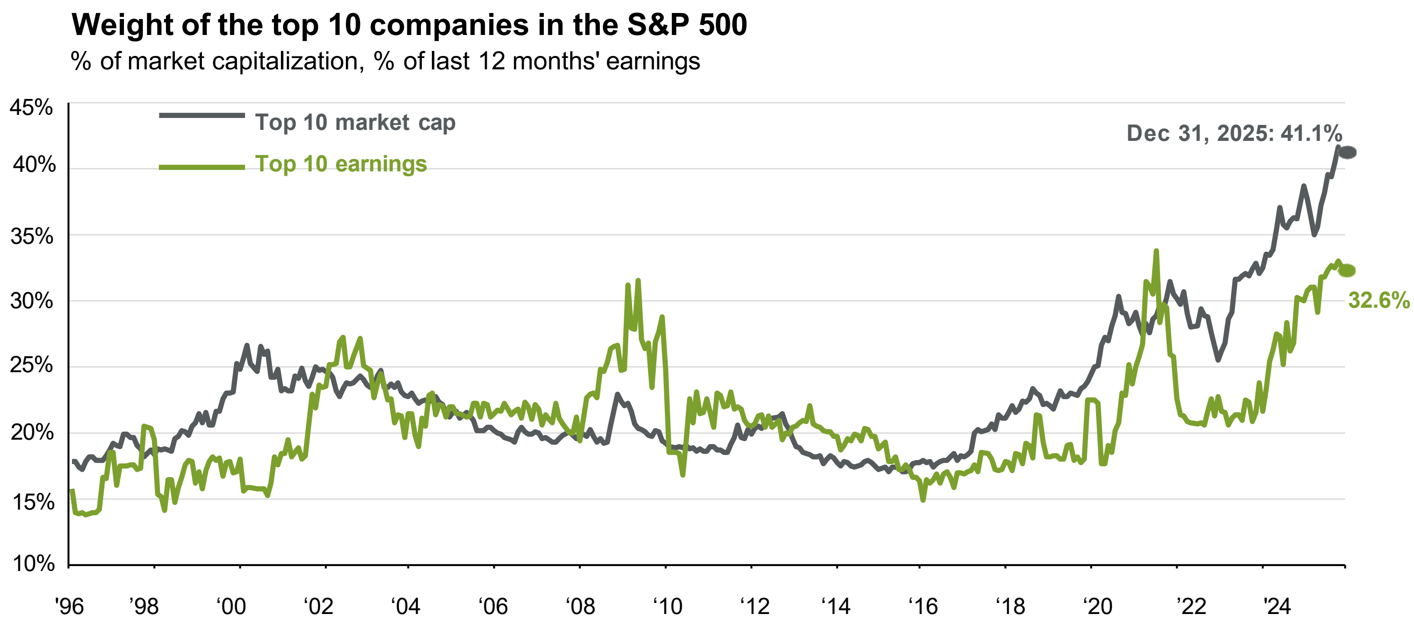
U.S. Equity Market

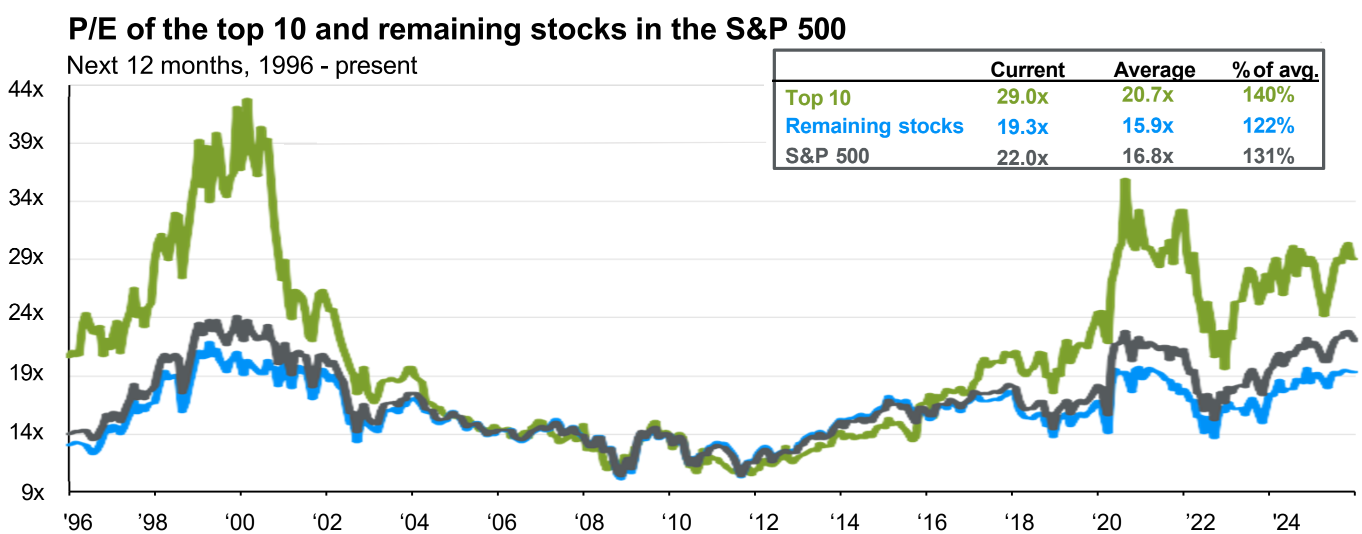
Strong Earnings Underpin Valuations And Investment

- The S&P 500 Index has experienced periods of concentration across many cycles, though the composition of today's top ten companies is distinct. Most are asset-light, innovation-driven businesses generating strong earnings growth and high returns on equity, supported by scalable models and resilient profit margins.

- Those characteristics have supported strong cash flow and earnings growth, helping justify elevated valuations as earnings have largely kept pace with price appreciation in recent years.

- While this model has supported past earnings growth, the requirements for future growth are evolving. Historically asset-light, these mega caps are now investing heavily to build AI infrastructure, resulting in a meaningful increase in capital spending. As a result, valuation is increasingly focused on how efficiently this new investment generates returns and supports the next phase of earnings growth.



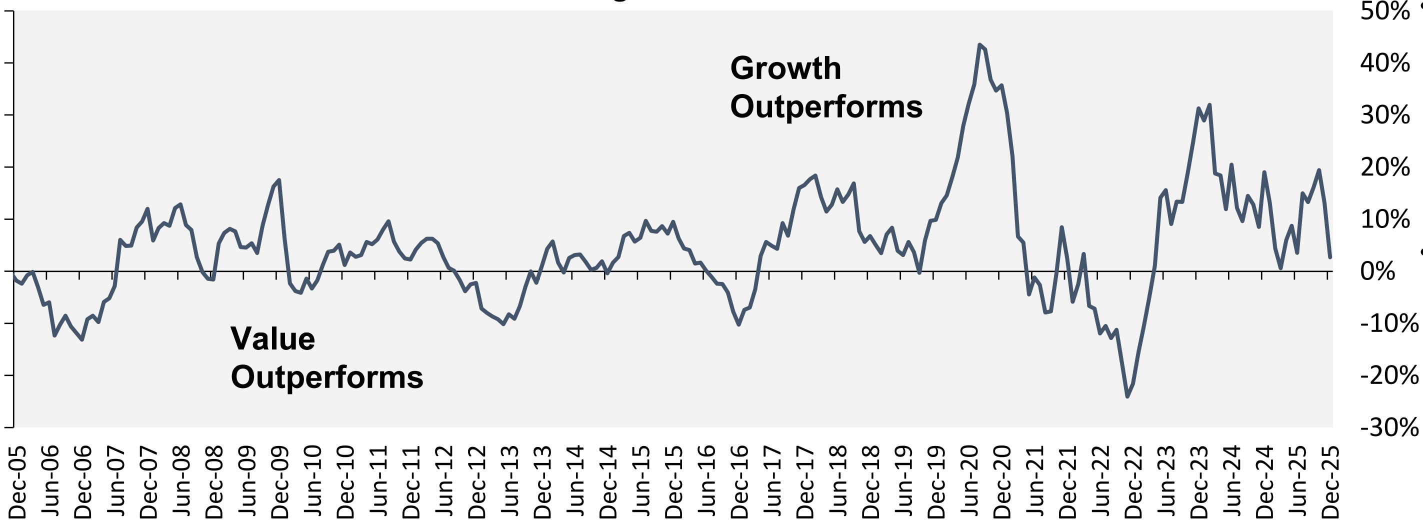


	Current	Average	% of avg.
Top 10	29.0x	20.7x	140%
Remaining stocks	19.3x	15.9x	122%
S&P 500	22.0x	16.8x	131%

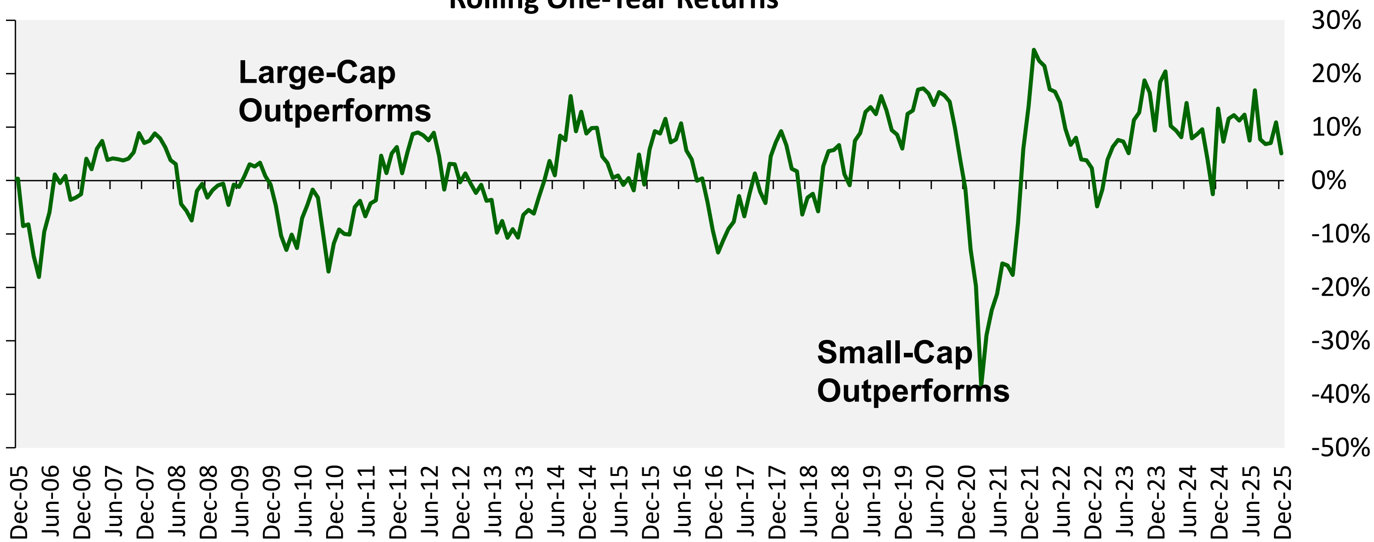
Source: J.P. Morgan Asset Management.

U.S. Equity Market

Russell 1000 Growth vs. Russell 1000 Value
Rolling One-Year Returns



S&P 500 vs. Russell 2000
Rolling One-Year Returns



Uneven Leadership Beneath AI Dominance

- Within large caps, value modestly outpaced growth in Q4 2025, as leadership broadened after an extended period of growth dominance earlier in the year.
- While mega cap technology stocks continued to drive large cap growth performance for 2025 overall, momentum softened late in the quarter amid valuation scrutiny. This allowed large cap value and defensive sectors, particularly healthcare, to outperform, even as growth retained a full year advantage driven by AI-related leaders.
- After reaching a record high in Q3, the Russell 2000 extended its advance in Q4, keeping pace with large cap equities. Healthcare led gains as continued rotation into the sector benefited biotech and pharmaceutical stocks. For the full year, microcap stocks outpaced small caps by a wide margin, producing one of the largest performance gaps since the year 2000, even as small cap stocks delivered a strong year.

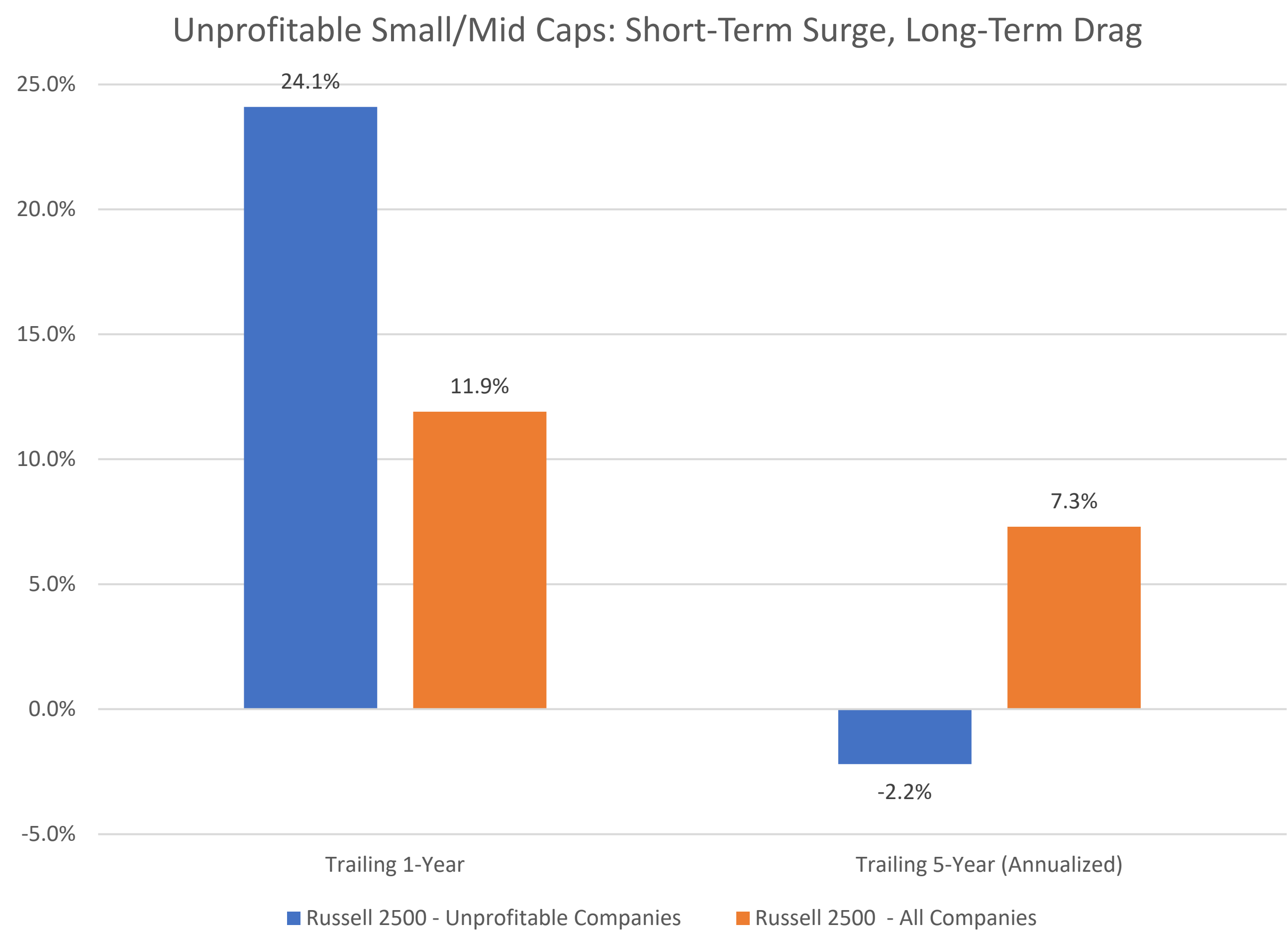
U.S. Equity Market

Quality Lags as Speculation Rotates in Small and Mid

- Unprofitable small cap stocks outpaced the broader market in 2025, supported by improved financing conditions, lower short-term rate expectations, and sentiment rather than improving earnings or cash flow. A meaningful share of the small cap universe continues to operate without sustainable profitability, leaving performance tied more to expectations than underlying fundamentals.

- In Q4 2025, speculative activity resurfaced in small and mid caps, but leadership rotated rather than merely replaying the earlier AI-driven trade. As valuations reset in some narrative-driven areas, risk appetite did not retreat; instead, it shifted into biotechnology, creating a new pocket of momentum within the same risk-seeking cohort.

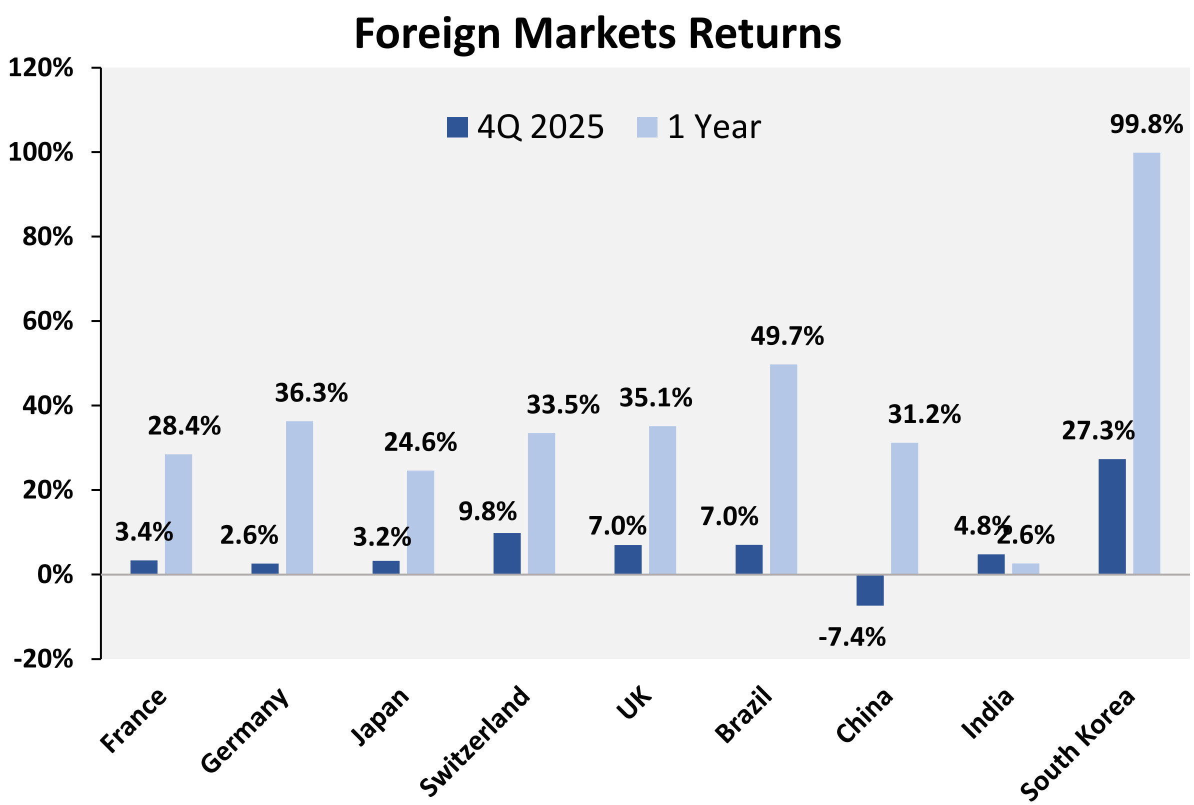
- While rotations such as this can distort returns in the short term, long run outcomes have favored durable earnings and cash generation, conditions that tend to benefit active managers focused on fundamentals.



Source: FactSet; data as of December 31, 2025
Note: Unprofitable Companies represent companies within the Russell 2500 Index that did not report profitability for the time period; performance shown on an annualized basis

International Equity Market

	Index	4Q25	YTD	2024	2023	2022	2021	2020	2019	1-Year	3-Year	5-Year	10-Year
Global	MSCI AC World Index (net)	3.3%	22.3%	17.5%	22.2%	-18.4%	18.5%	16.3%	26.6%	22.3%	20.6%	11.2%	11.7%
	MSCI World Small Cap (net)	2.8%	19.9%	8.2%	15.8%	-18.8%	15.8%	16.0%	26.2%	19.9%	14.5%	7.1%	9.4%
	MSCI World ex US (net)	5.2%	31.9%	4.7%	17.9%	-14.3%	12.6%	7.6%	22.5%	31.9%	17.6%	9.5%	8.5%
	MSCI World ex US Small Cap (net)	3.5%	34.1%	2.8%	12.6%	-20.6%	11.1%	12.8%	25.4%	34.1%	15.8%	6.5%	8.0%
Developed ex US	MSCI EAFE (net)	4.9%	31.2%	3.8%	18.2%	-14.5%	11.3%	7.8%	22.0%	31.2%	17.2%	8.9%	8.2%
	MSCI EAFE Value (net)	7.8%	42.2%	5.7%	19.0%	-5.6%	10.9%	-2.6%	16.1%	42.2%	21.4%	13.4%	8.7%
	MSCI EAFE Growth (net)	1.9%	20.8%	2.0%	17.6%	-22.9%	11.3%	18.3%	27.9%	20.8%	13.1%	4.4%	7.4%
	MSCI EAFE Small Cap (net)	2.7%	31.8%	1.8%	13.2%	-21.4%	10.1%	12.3%	25.0%	31.8%	14.9%	5.6%	7.5%
Emerging Markets	MSCI Emerging Markets (net)	4.7%	33.6%	7.5%	9.8%	-20.1%	-2.5%	18.3%	18.4%	33.6%	16.4%	4.2%	8.4%



- European equities advanced in Q4 2025, ending near multi-year highs and outperforming U.S. stocks. Fed rate cuts supported sentiment by easing financial conditions. Financials led as lower rates improved loan demand and asset quality, while defensives held up. Growth and technology lagged in the region due to valuation concerns in the quarter.

- Japanese equities managed small positive dollar returns in Q4 2025. The Bank of Japan raised rates in December as yen weakness resurfaced, driven more by domestic politics and policy expectations than global rate differentials.

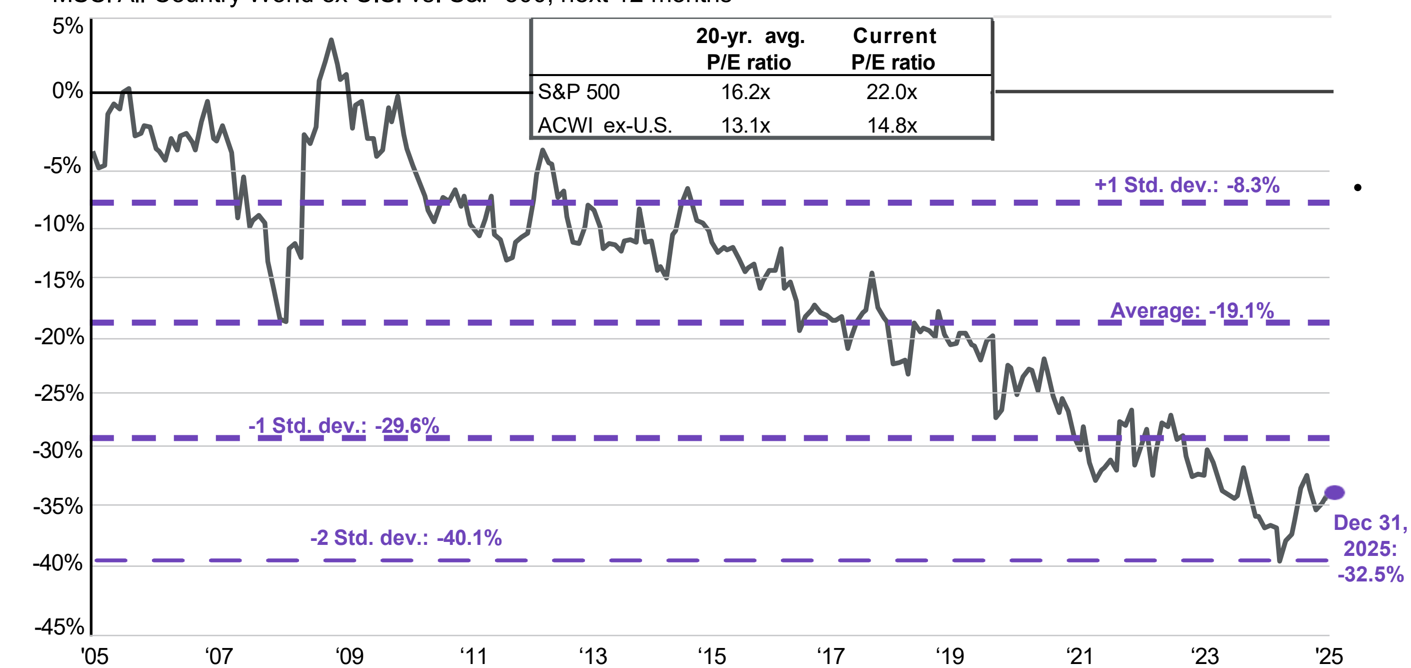
- Emerging market equities delivered positive returns in Q4 2025 and outperformed the MSCI AC World Index, led by technology-driven gains in South Korea and Taiwan. Performance was supported by easing US monetary policy, as the Federal Reserve cut rates two times in Q4. South Korea led returns on strong AI memory demand and a newly signed U.S trade agreement.

International Equity Market & Currencies

ICE US Dollar Index Level

International: Price-to-earnings discount vs. U.S.

MSCI All Country World ex-U.S. vs. S&P 500, next 12 months



Source: J.P. Morgan Asset Management.

Dollar Stable, Metals Surge & International Relative Valuations Remain Low

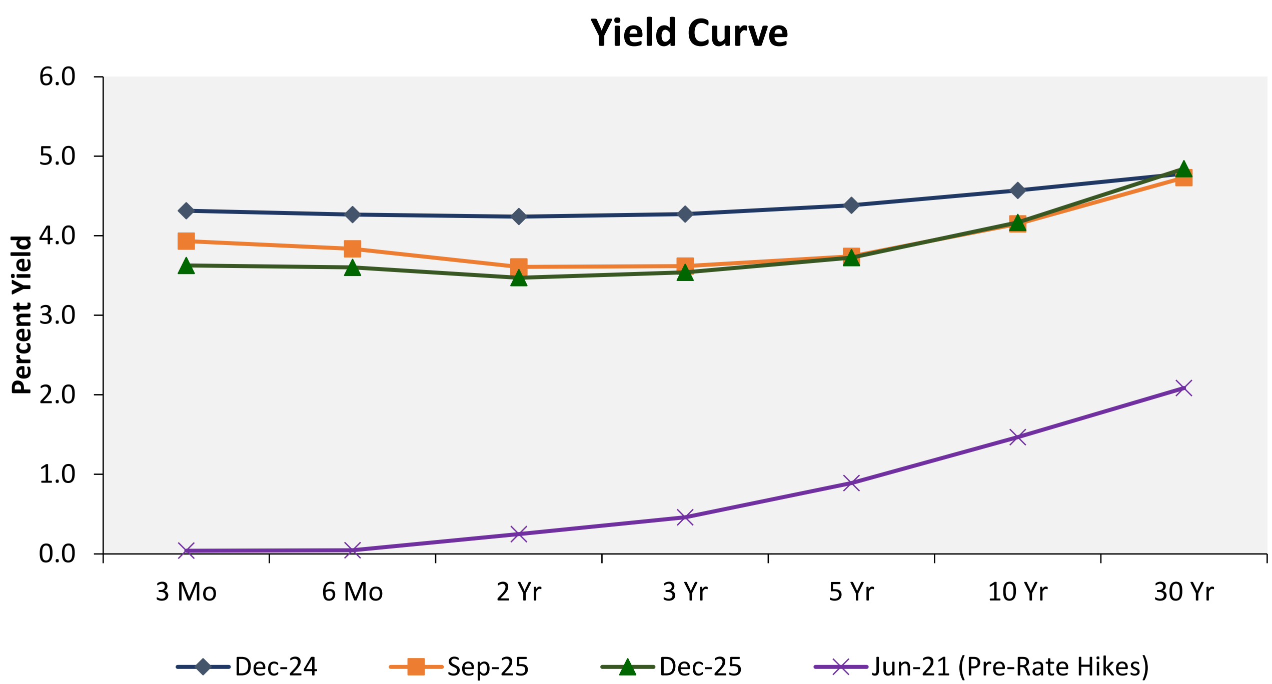
- After a sharp decline in the first half of the year, the U.S. dollar stabilized in the second half of 2025 as markets adjusted to resilient economic growth and monetary policy expectations.

- Even with a stable dollar and rising equities, precious metals continued to advance. Gold reached record levels on central bank accumulation and investor demand, while silver posted outsized gains driven by strong investment flows and supply constraints. The continued strength of precious metals alongside rising risk assets points to confidence in near-term growth paired with caution around inflation, policy durability, and geopolitical risk.

- The valuation gap between international and U.S. equities remained in place during Q4 2025. While international markets have recovered a portion of the underperformance over the last decade, relative valuations continue to reflect structural sector differences: the U.S. market is dominated by high-growth technology, while international markets have greater exposure to cyclical sectors such as financials and industrials, which carry more variable earnings and lower growth expectations.

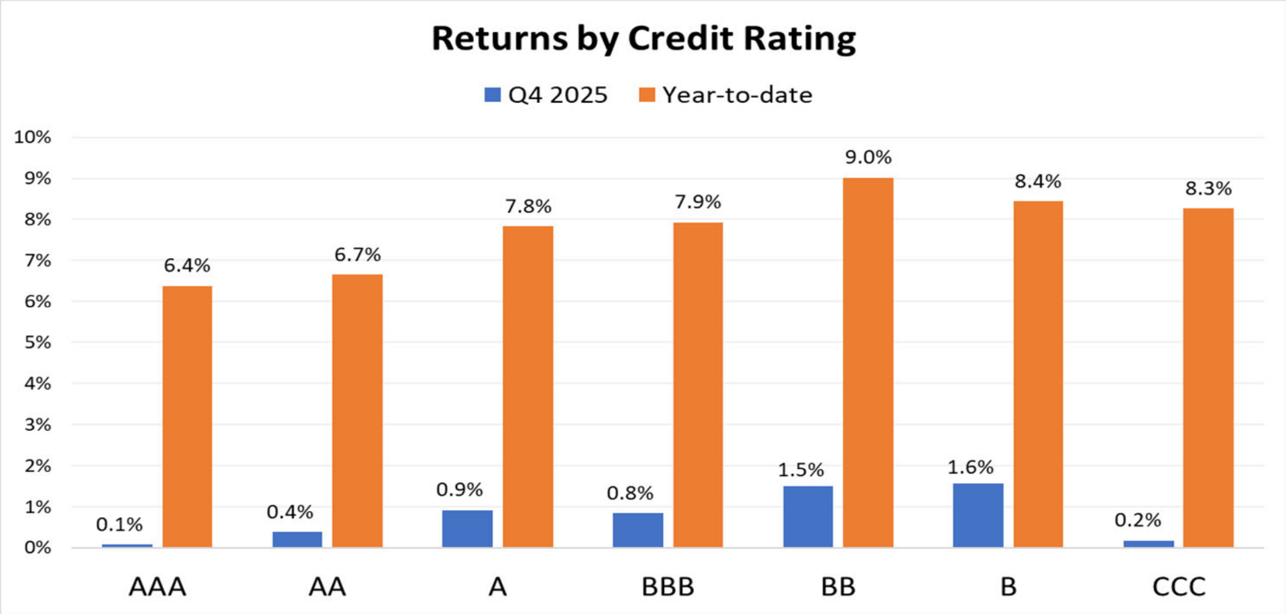
Bond Market

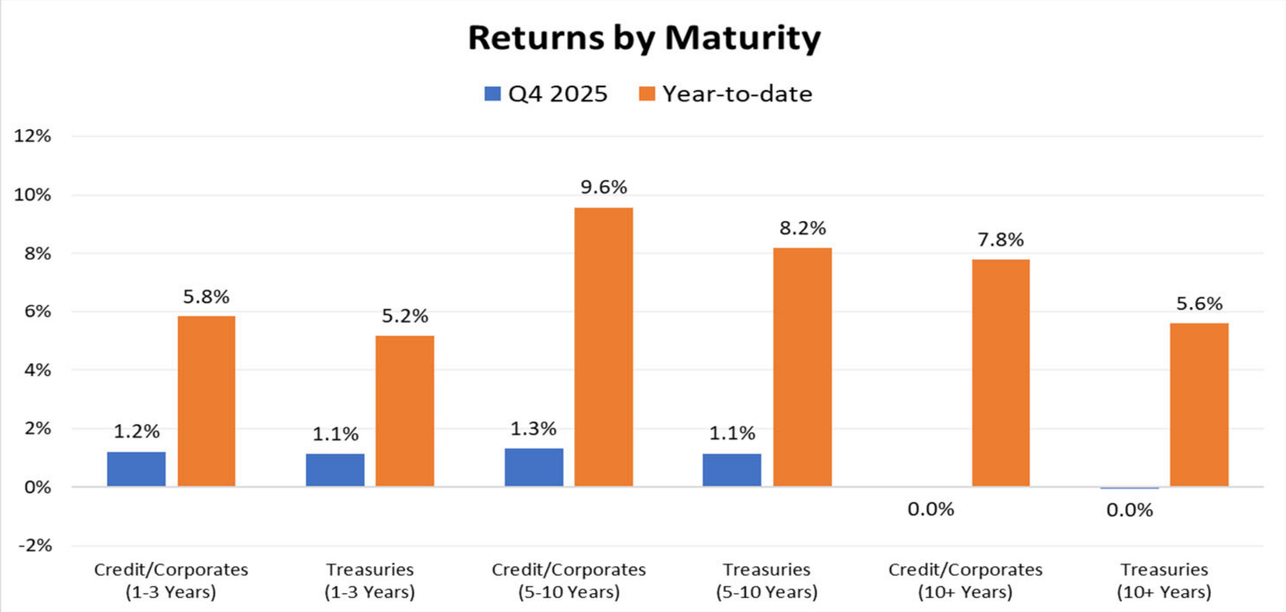
Index	Duration (years)	Yield	4Q25	YTD	2024	2023	2022	2021	2020	2019	1-Year	3-Year	5-Year	10-Year
Bloomberg Aggregate	6.0	4.32%	1.1%	7.3%	1.3%	5.5%	-13.0%	-1.5%	7.5%	8.7%	7.3%	4.7%	-0.4%	2.0%
Bloomberg Govt/Credit	6.2	4.21%	0.9%	6.9%	1.2%	5.7%	-13.6%	-1.7%	8.9%	9.7%	6.9%	4.6%	-0.6%	2.2%
Bloomberg Int Agg	4.3	4.12%	1.4%	7.5%	2.5%	5.2%	-9.5%	-1.3%	5.6%	6.7%	7.5%	5.0%	0.7%	2.1%
Bloomberg Int Govt/Credit	3.8	3.89%	1.2%	7.0%	3.0%	5.2%	-8.2%	-1.4%	6.4%	6.8%	7.0%	5.1%	1.0%	2.3%
Bloomberg U.S. Corporate	6.9	4.81%	0.8%	7.8%	2.1%	8.5%	-15.8%	-1.0%	9.9%	14.5%	7.8%	6.1%	-0.1%	3.3%
Bloomberg HY Ba/B 2% IC	3.0	5.93%	1.5%	8.8%	6.8%	12.6%	-10.6%	4.6%	7.7%	15.2%	8.8%	9.3%	4.1%	6.1%
ICE BofA 1-3 Yrs BB US Cash Pay HY	1.3	4.75%	1.6%	7.2%	6.7%	8.9%	-3.1%	3.2%	5.4%	8.7%	7.2%	7.6%	4.5%	5.0%
Bloomberg Mortgage	5.6	4.63%	1.7%	8.6%	1.2%	5.0%	-11.8%	-1.0%	3.9%	6.4%	8.6%	4.9%	0.1%	1.6%
Bloomberg Treasury	5.9	3.89%	0.9%	6.3%	0.6%	4.1%	-12.5%	-2.3%	8.0%	6.9%	6.3%	3.6%	-1.0%	1.4%
Bloomberg US TIPS	6.5	4.01%	0.1%	7.0%	1.8%	3.9%	-11.8%	6.0%	11.0%	8.4%	7.0%	4.2%	1.1%	3.1%
BofA ML 91 day T-Bills	0.2	3.63%	1.0%	4.2%	5.3%	5.2%	1.5%	0.0%	0.7%	2.3%	4.2%	4.9%	3.2%	2.2%



- The U.S. Treasury yield curve steepened in Q4 2025 as yields on the front end of the curve (0-3 years) declined, while yields on the long end of the curve (20-30 years) increased.
- Fixed income returns were positive in Q4 as higher coupon and interest payments continue to provide a cushion against small changes in credit spreads and interest rate.
- For the calendar year 2025, bond markets returned between 7% and 9%, benefitting from higher coupon payments and meaningful uplift from a 50-75 bps decline in treasury rates in 2025.

Bond Market

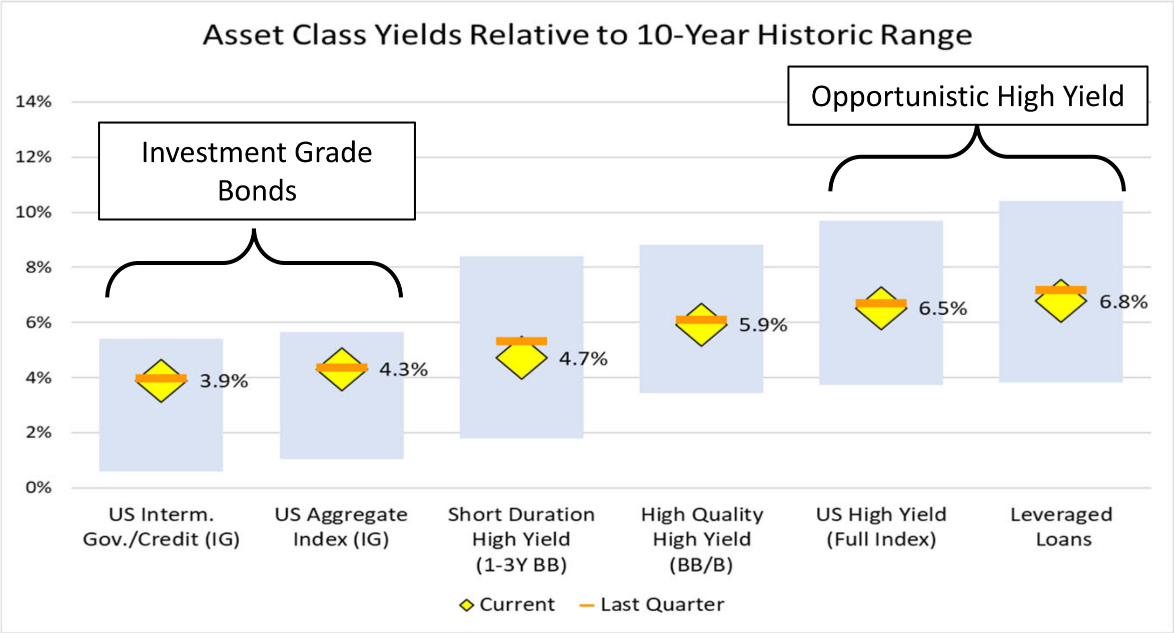


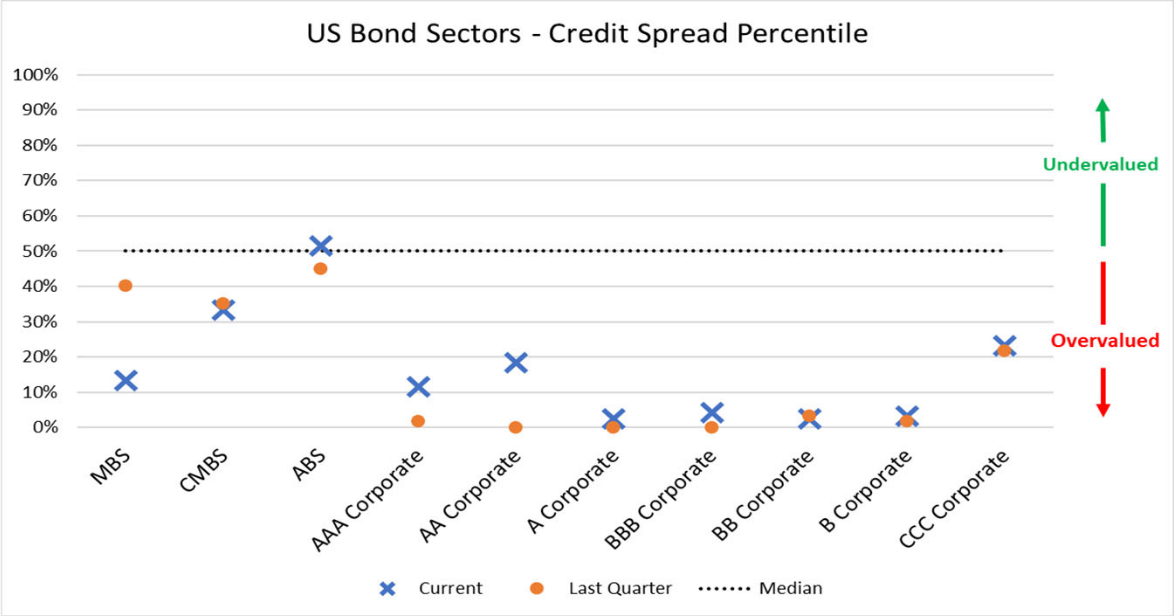


Continued Strong Performance in Q4 2025

- Corporate bonds experienced strong performance in 2025 due to higher starting yields and an additional lift from declining interest rates.
- While credit spreads remained tight for the trailing 12-months, the tariff announcements in April created a period of market volatility that was short-lived, with credit spreads quickly retracting back to their pre-tariff levels.
- In Q4 2025, high yield (BB-CCC) outperformed investment grade (AAA-BBB) bonds while shorter duration bonds outperformed longer duration bonds.
- In 2025, coupon payments and falling interest rates drove the majority of bond returns as there has been little room for additional credit spread contraction. BB-rated bonds, the highest quality tier of high yield, were the best performing area of the bond market, benefiting from the additional yield premium over investment grade bonds and providing a level of safety and lower volatility through the tariff scare in Q2 2025.

Bond Market





Bond Yields

- Yields on IG bonds and HY bonds were mostly unchanged in Q4 2025. Yields in short duration HY declined due to falling rates on the front-end of the treasury curve.
- Investment grade (IG) bonds now yield between 4.0% and 4.5%, while non-IG credit yields range from 6.0% to 7.0%.
- Yields on investment grade bonds continue to remain above their 10-year average yield, while historically tight credit spreads have brought high yield bonds closer to the mid-point of their 10-year ranges.

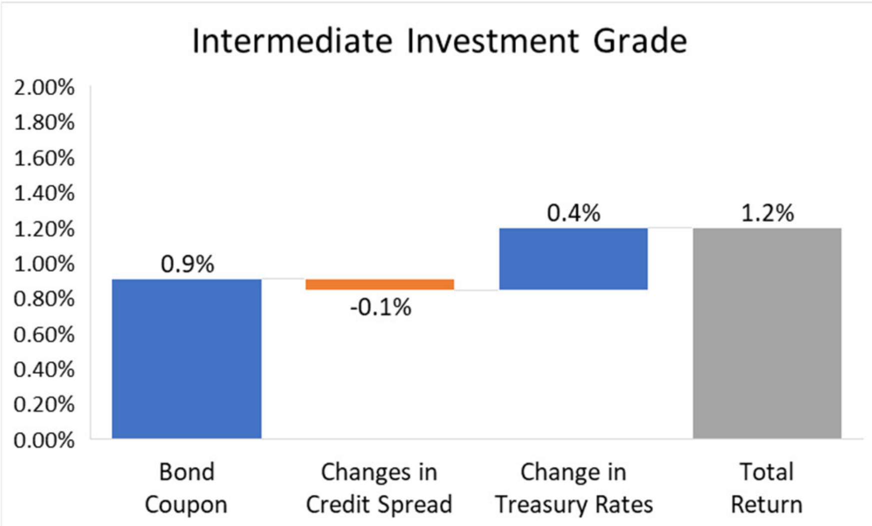
Credit Spreads/Valuations

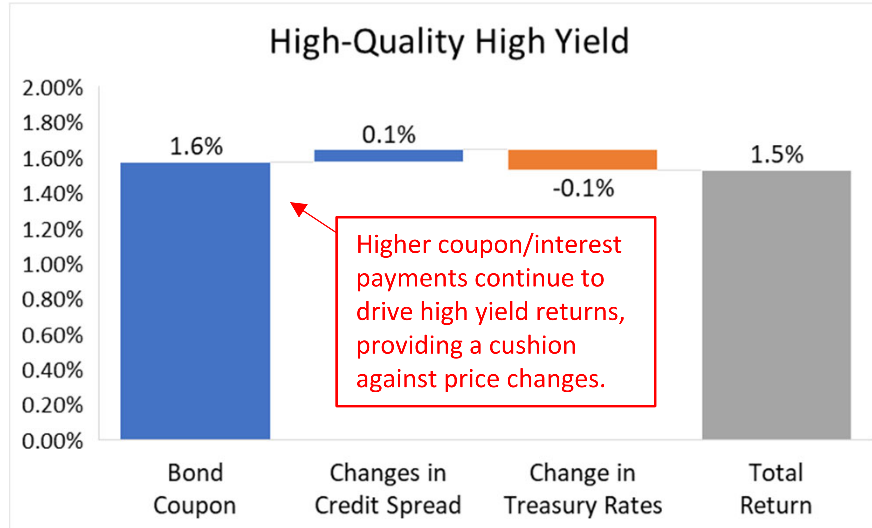
- Corporate bond spreads continue to remain extremely tight relative to history. Single-A through single-B rated corporate bonds, which comprise 85%+ of all corporate bonds, remain near their highest valuations in last 20 years.
- Corporate credit spreads have continued to tighten as inflows into US fixed income markets have remained positive since 2022 while new bond issuance has slowed in recent years due to higher refinancing costs after the increase in rates in 2021. The large inflows into US bonds has created an increased bid on the existing bonds available in the market resulting in higher valuations (tighter credit spreads).

Bond Market

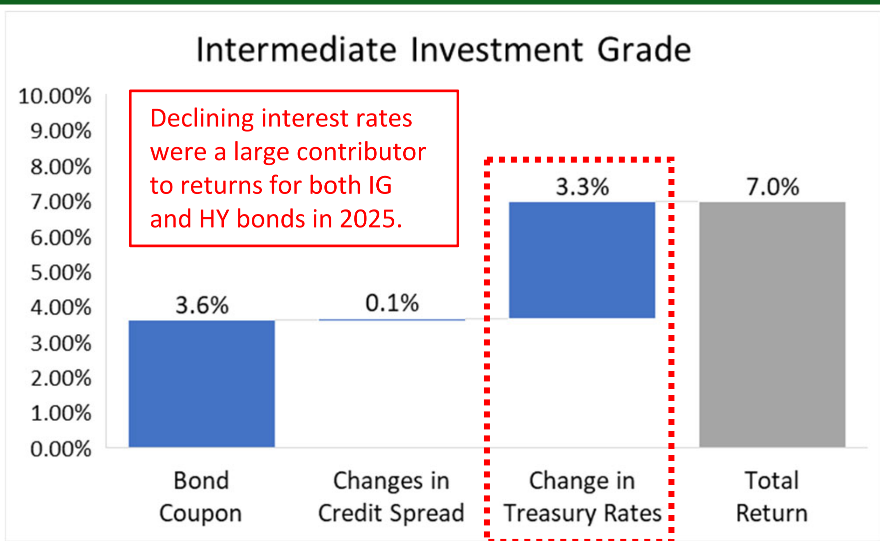
High Coupons and Falling Rates Were The Primary Drivers of Fixed Income Returns in 2025

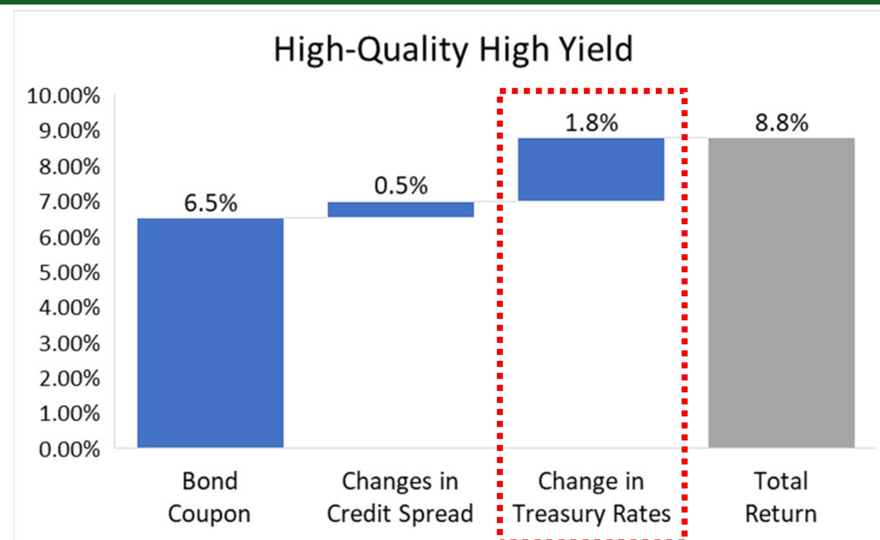
Q4 2025 – Contribution to Total Return



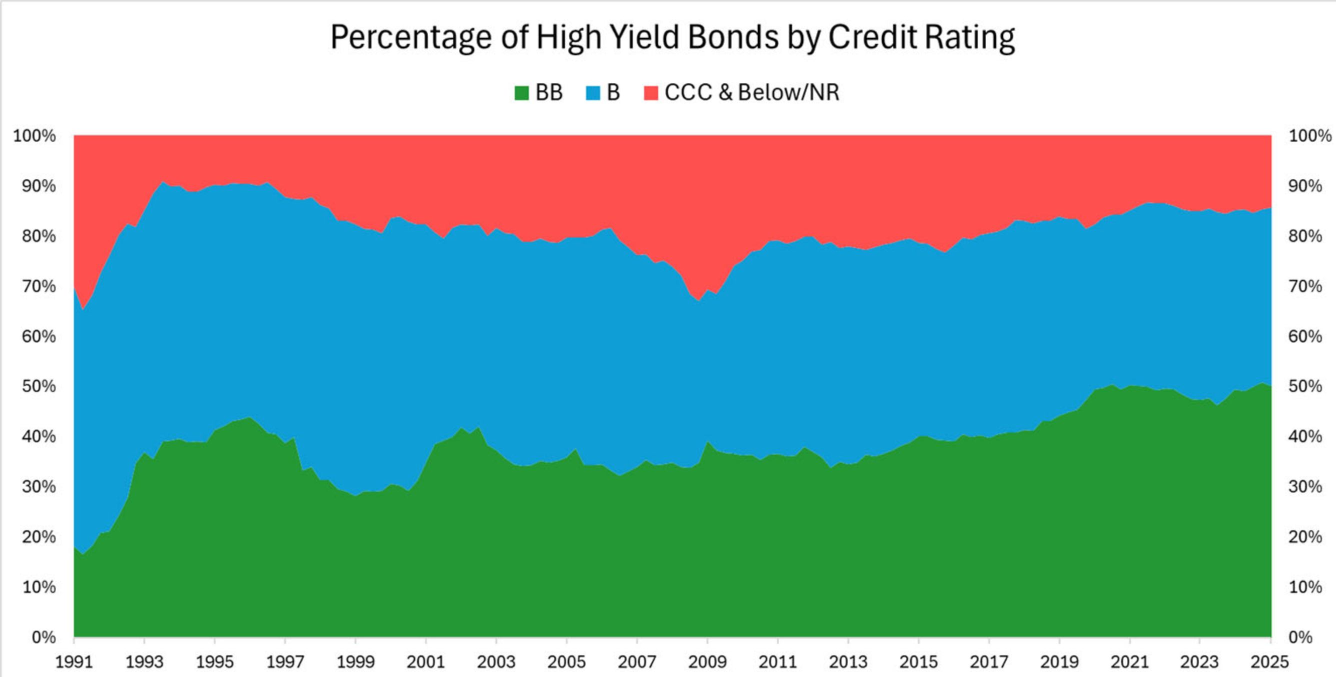


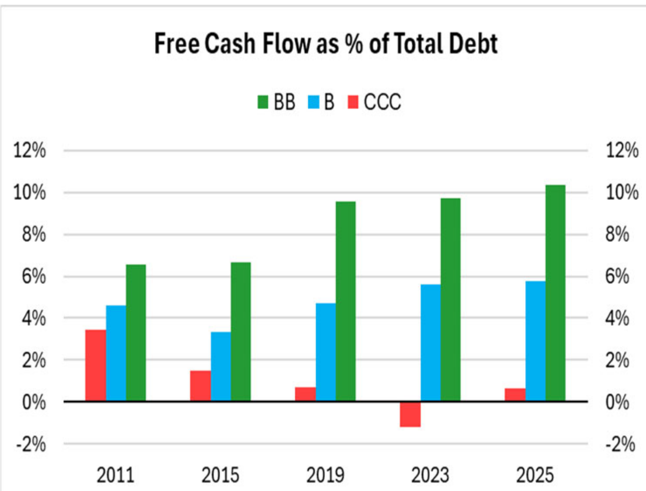
Calendar Year 2025 – Contribution to Total Return

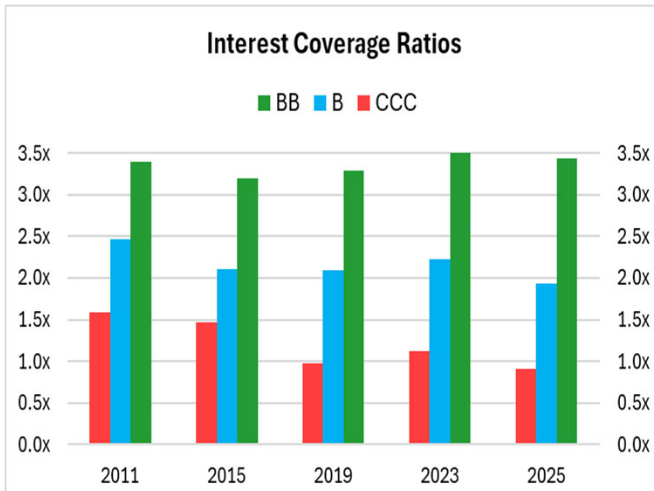




Bond Market







Better Quality in High Yield Bonds

- The U.S. high yield bond market has evolved over recent decades, shifting toward a larger percentage of higher-quality BB-rated issues.
- In the 1990's and 2000's, BB-rated bonds comprised ~33% of the market on average. Since the Global Financial Crisis (GFC) in 2008, there has been a gradual increase in the number of BB-rated bonds while the percentage of Single-B and low-quality issues rated CCC & below have decreased. **Today BB-rated bonds comprise 50% of the U.S. high yield bond market, indicating the high yield market is less risky than it was in prior decades.**
- Not only has the percentage of BB-rated bonds increased, the quality of BB-rated issuers has also increased relative to single-B and CCC-rated issuers.
- BB-rated issuers have seen their free cash flow as a percentage of total debt increase from ~6.5% in 2015 to more than 10% in 2025, while Interest Coverage remains close to 3.5x.
- **While credit spreads sit at historical lows, the increase in underlying credit quality may not allow for an "apples-to-apples" comparison to historical credit spreads.**

Bond Market

Interest Rate Sensitivity

12 Month Holding Period - Annualized Returns as of 12/31/2025

Yield Change (bps)	US Treasuries	Short-Term IG	Intermediate IG	Core Bond	Short Duration HY	High-Quality HY	Full High Yield
	Bloomberg Treasury	Bloomberg 1-3 Yr US Govt/Credit	Bloomberg Interm Govt/Credit	Bloomberg Aggregate	ICE BofA 1-3 Yrs BB US Cash Pay HY	Bloomberg HY BB/B 2% Capped	Bloomberg US Corporate HY
-300	24.95%	9.44%	16.17%	24.25%	10.06%	13.47%	14.04%
-250	20.97%	8.45%	14.00%	20.66%	8.99%	12.43%	13.00%
-200	17.18%	7.47%	11.88%	17.18%	7.99%	11.31%	11.87%
-150	13.58%	6.49%	9.81%	13.80%	7.07%	10.10%	10.66%
-100	10.16%	5.53%	7.79%	10.53%	6.22%	8.80%	9.37%
-75	8.52%	5.05%	6.80%	8.93%	5.82%	8.11%	8.69%
-50	6.93%	4.57%	5.82%	7.37%	5.45%	7.41%	7.99%
-25	5.39%	4.10%	4.85%	5.83%	5.09%	6.68%	7.27%
0	3.89%	3.62%	3.89%	4.32%	4.75%	5.93%	6.53%
25	2.44%	3.15%	2.95%	2.83%	4.43%	5.16%	5.77%
50	1.03%	2.68%	2.02%	1.37%	4.13%	4.36%	4.99%
75	-0.32%	2.21%	1.10%	-0.06%	3.84%	3.55%	4.18%
100	-1.63%	1.75%	0.19%	-1.47%	3.58%	2.71%	3.36%
150	-4.11%	0.83%	-1.58%	-4.19%	3.11%	0.96%	1.64%
200	-6.41%	-0.09%	-3.31%	-6.81%	2.71%	-0.87%	-0.15%
250	-8.51%	-1.00%	-4.99%	-9.33%	2.39%	-2.79%	-2.03%
300	-10.43%	-1.89%	-6.62%	-11.73%	2.14%	-4.80%	-4.00%
Duration	5.90	1.89	3.80	6.00	1.32	3.04	3.01
Convexity	0.75	0.03	0.20	0.43	0.30	-0.36	-0.34

FOR ILLUSTRATIVE PURPOSES ONLY: For each index the current yield to worst as of 12/31/2025 was used as the base case annualized return. The annualized return sensitivity to a uniform increase or decrease in the yield curve was calculated by taking the index's Option-Adjusted Duration as of 12/31/2025 multiplied by the percentage point change in the yield curve (basis point change divided by 100), while adjusting for convexity effects using the index's Option-Adjusted Convexity as of 12/31/2025, and then appropriately adding or subtracting this implied percentage change in the value of the index (due to the shift in the yield curve) to the base case annualized return. This is a rough approximation of the annual return sensitivity to parallel shifts in the yield curve.

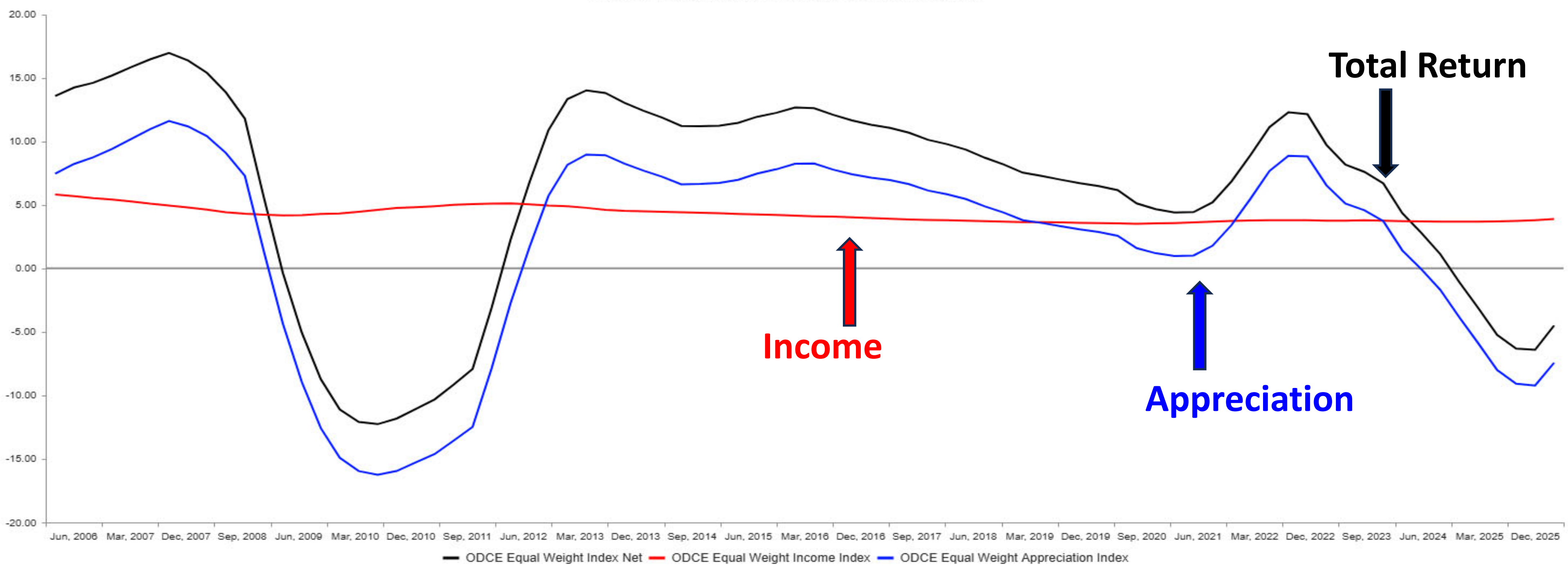
Real Estate Market

Sector	Index	4Q25	YTD	2024	2023	2022	2021	2020	2019	1-Year	3-Year	5-Year	10-Year	15-Year	20-Year
US Private	NCREIF ODCE Equal Weighted (net)	0.9%	3.1%	-2.4%	-13.4%	7.6%	21.9%	0.8%	5.2%	3.1%	-4.5%	2.7%	4.2%	6.9%	4.8%
	NCREIF ODCE EW Income Index	1.0%	4.1%	4.0%	3.5%	3.5%	4.1%	3.6%	3.5%	4.1%	3.9%	3.9%	3.7%	3.9%	4.1%
	NCREIF ODCE EW Appreciation Index	0.0%	-0.3%	-5.5%	-15.8%	4.8%	18.3%	-2.1%	1.7%	-0.3%	-7.4%	-0.3%	0.9%	3.2%	0.9%

- The NCREIF ODCE Equal Weighted Index (net) increased +0.88% in Q4 2025, closing out the year at +3.04%. This is the first positive calendar year return for the index since 2022.

- Though the annual income return continued to remain stable at +4.1%, the market is yet to see sustained positive appreciation across all markets and sectors. ODCE appreciation was modestly negative in 2025 at -0.27%, though that represents a significant improvement from the more than 20% cumulative drawdown experienced from 2023-2024. Valuations in some sectors and markets continue to be challenged, meaning recent returns are still below historical long-term averages. Total returns are being buoyed by rental income, the resiliency of which demonstrates much of the attractiveness of the asset class.

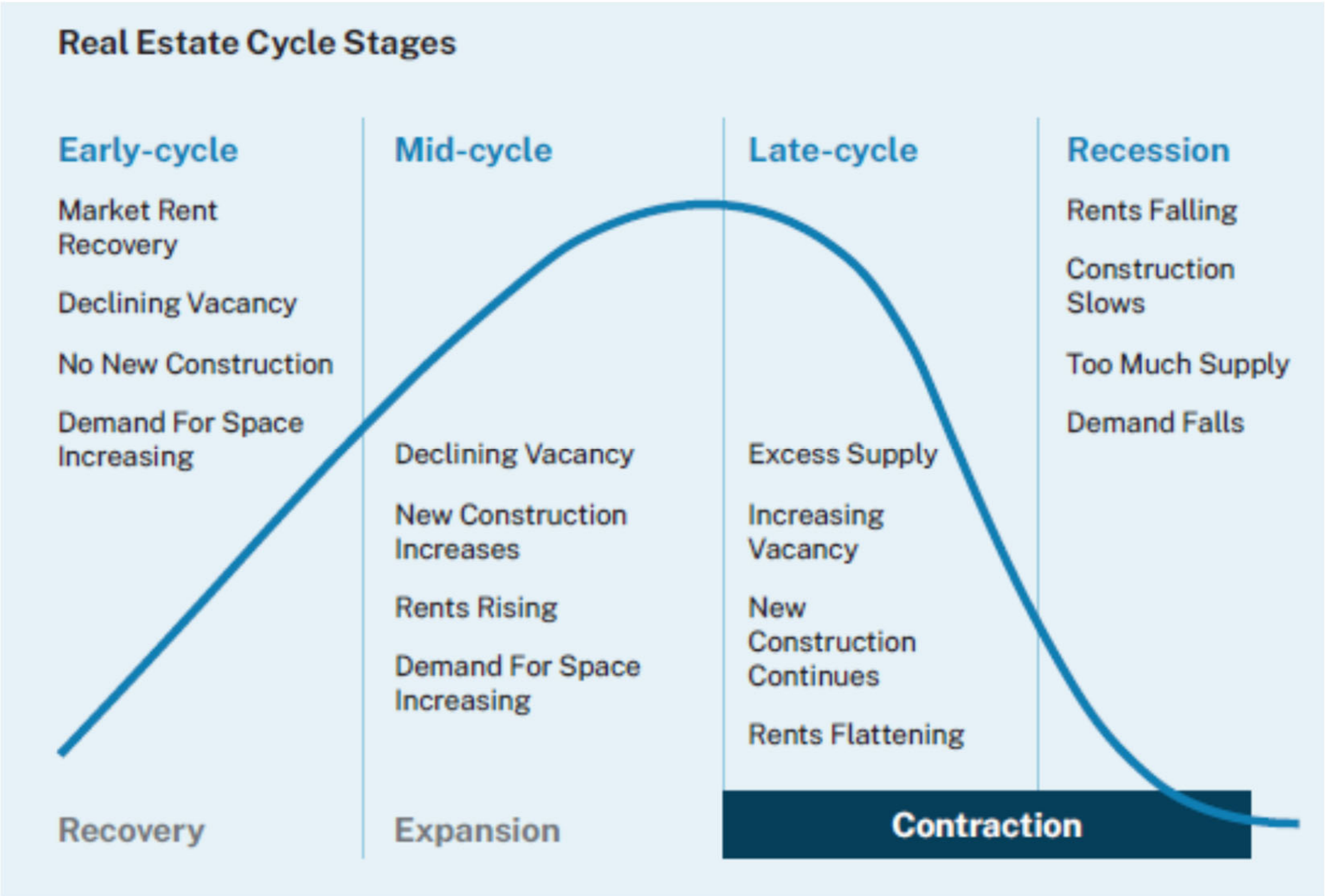
12-Quarter Rolling Return: December 31, 2005 - December 31, 2025



+ Quarterly data

Real Estate Market

- After two years of downward repricing, 2025 marked a turning point in the commercial real estate cycle and a return to positive, albeit modest, investment returns. While divergence in both recent results and forward-looking expectations exist across sectors and geographic markets, fundamentals are pointing to an early cycle recovery.

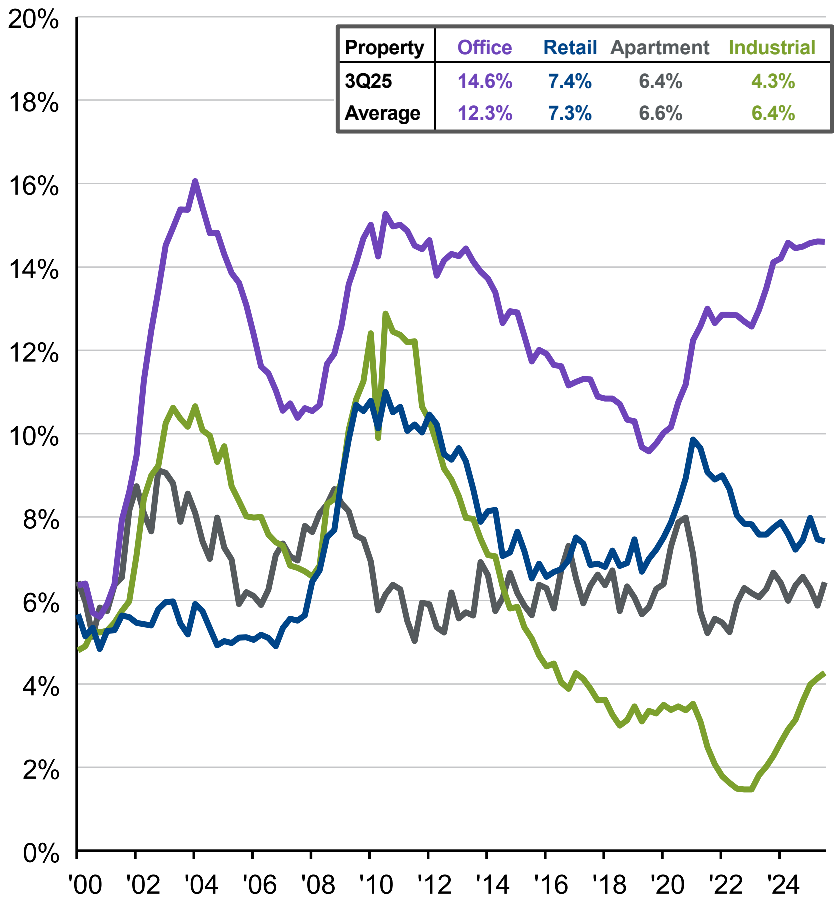


Source: American Realty Advisors

Real Estate Market

- Vacancy rates have stabilized and are generally at or below long-term averages (aside from the office sector).
- Transaction volumes have increased year-over-year for six consecutive quarters, and transaction volume in 2025 (through September) is the highest same nine-month period since 2022.
- Oversupply is waning in many overbuilt markets; apartment and industrial development has declined over 50% from their respective peaks. Minimal new supply and a relatively healthy economic backdrop should be supportive of rent growth and a moderate recovery in valuations.

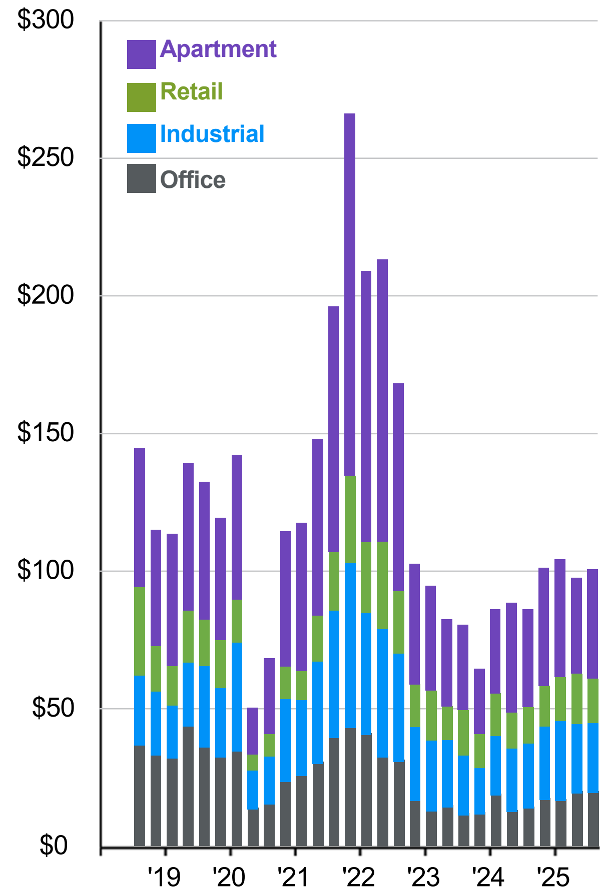
U.S. Vacancy Rates by Property Type



Property	Office	Retail	Apartment	Industrial
3Q25	14.6%	7.4%	6.4%	4.3%
Average	12.3%	7.3%	6.6%	6.4%

Source: NCREIF, JP Morgan Asset Management. As of 11/30/2025.

U.S. Real Estate Transaction Volumes (USD, $B)



Source: RCA, JP Morgan Asset Management. As of 11/30/2025.

Investment Performance Services

Operating Engineers Local No. 77 JATC Fund

General Consulting Services Report

Period Ended

December 31, 2025

Total Fund Growth of Assets

	Fourth Quarter	Fiscal-Year-To-Date	Three Years	Five Years	Inception 12/1/19
Beginning Market Value	$3,022,232	$3,189,011	$2,837,503	$3,387,022	$0
Net Cash Flow	$63,263	-$294,477	-$436,266	-$995,655	$2,169,322
Net Investment Change	$46,085	$237,046	$730,342	$740,213	$962,258
Ending Market Value	$3,131,580	$3,131,580	$3,131,580	$3,131,580	$3,131,580

- The Fund's fiscal year end is December 31st.

Performance Summary (Gross of Fees) - Annualized

			Ending December 31, 2025 (%)					
	Market Value	% of Portfolio	2025 Q4	1 Yr	3 Yrs	5 Yrs	Inception	Inception Date
Total Fund	**$3,131,580**	**100.0**	**1.6**	**8.1**	**8.1**	**4.8**	**5.1**	**Dec-19**
Total Domestic Large Cap Equity	**$516,608**	**16.5**	**2.7**	**17.9**	**23.0**	**14.4**	**15.4**	**Dec-19**
Total Investment Grade Fixed Income	**$1,240,130**	**39.6**	**1.1**	**5.8**	**5.4**	**2.6**	**2.9**	**Jan-20**
Total Short Duration High Yield Fixed Income	**$1,200,856**	**38.3**	**1.6**	**7.4**	**7.3**	**-**	**4.5**	**Aug-21**
Total Cash Equivalents	**$173,986**	**5.6**	**0.9**	**3.9**	**4.3**	**2.8**	**2.4**	**Dec-19**

Note: Asset class inception dates and corresponding returns are based on the earliest date for which data is available. These dates may not reflect the actual inception date of the asset class

Fiscal Year Ending December 31st (Gross of Fees)

	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2020
Total Fund	**8.1**	**7.6**	**8.7**	**-5.8**	**6.1**	**5.7**
Total Fund Benchmark	7.3	7.6	10.0	-5.4	5.6	6.5

Fiscal Year Ending December 31st (Net of Fees)

	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2020
Total Fund	**7.9**	**7.3**	**8.4**	**-6.0**	**6.0**	**5.6**
Total Fund Benchmark	7.3	7.6	10.0	-5.4	5.6	6.5

Current vs. Policy

	Current ($)	Current (%)	Policy (%)	Policy Range (%)	Difference (%)	Difference ($)
Domestic Large Cap Equity	$516,608	16.5	10.0	5.0 - 15.0	6.5	$203,450
Investment Grade Fixed Income	$1,240,130	39.6	40.0	35.0 - 45.0	-0.4	-$12,502
Short Duration High Yield Fixed Income	$1,200,856	38.3	35.0	30.0 - 40.0	3.3	$104,804
Cash Equivalents	$173,986	5.6	15.0	10.0 - 20.0	-9.4	-$295,751
Total	**$3,131,580**	**100.0**	**100.0**			

- Policy adopted May 2023; effective July 2023.

Performance Detail (Net of Fees) - Annualized

			Ending December 31, 2025 (%)					
	Market Value	% of Portfolio	2025 Q4	Fiscal YTD	3 Yrs	5 Yrs	Inception	Inception Date
Total Fund	**$3,131,580**	**100.0**	**1.5**	**7.9**	**7.9**	**4.6**	**4.8**	**Dec-19**
Total Fund Benchmark			1.4	7.3	8.3	4.9	5.2	
Total Domestic Large Cap Equity	**$516,608**	**16.5**	**2.6**	**17.8**	**23.0**	**14.4**	**15.4**	**Dec-19**
Vanguard 500 Index Fund Admiral Shares	$516,608	16.5	2.6	17.8	23.0	14.4	15.4	Dec-19
S&P 500 Index			2.7	17.9	23.0	14.4	15.4	
Total Investment Grade Fixed Income	**$1,240,130**	**39.6**	**1.1**	**5.6**	**5.2**	**2.4**	**2.7**	**Jan-20**
Chartwell Investment Partners	$1,240,130	39.6	1.1	5.6	5.2	2.4	2.7	Jan-20
Bloomberg U.S. Credit 1-3 Year Index			1.2	5.8	5.4	2.5	2.7	
Total Short Duration High Yield Fixed Income	**$1,200,856**	**38.3**	**1.5**	**6.9**	**6.8**	**-**	**3.9**	**Aug-21**
Carillon Chartwell Short Duration High Yield Fund R6	$1,200,856	38.3	1.5	6.9	6.8	-	3.9	Aug-21
ICE BofA U.S. High Yield Cash Pay BB 1-3 Year			1.6	7.2	7.6	-	4.5	
Blmbg. Intermed. U.S. Government/Credit			1.2	7.0	5.1	-	1.1	
Total Cash Equivalents	**$173,986**	**5.6**	**0.9**	**3.9**	**4.3**	**2.8**	**2.4**	**Dec-19**
PNC Cash	$173,986	5.6	0.9	3.9	4.3	2.8	2.4	Dec-19

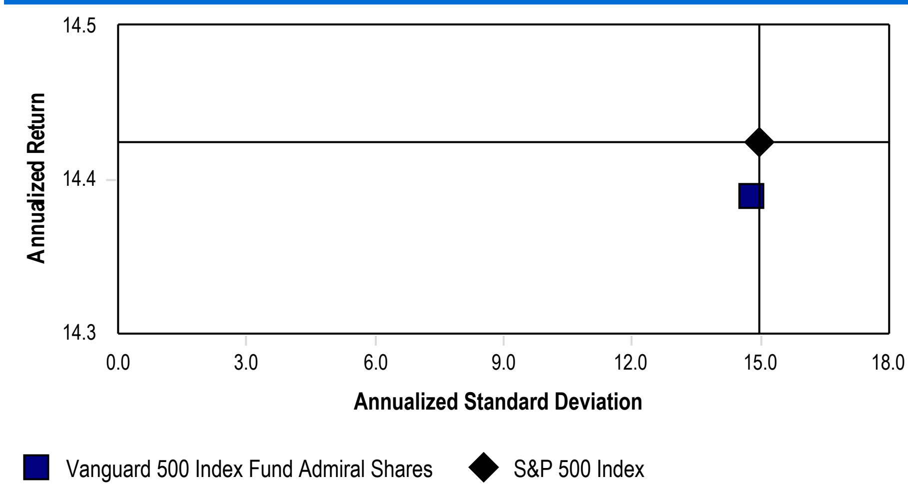
Note: Asset class inception dates and corresponding returns are based on the earliest date for which data is available. These dates may not reflect the actual inception date of the asset class

Account Information	
Account Name	Vanguard 500 Index Fund Admiral Shares
Account Structure	Mutual Fund
Inception Date	12/01/2019
Management	Passive
Account Type	Domestic Large Cap Core Equity
Benchmark	S&P 500 Index
Peer Group	Large Blend

Vanguard 500 Index Fund Admiral Shares
Ending December 31, 2025

	Fourth Quarter	Inception 12/1/19
Beginning Market Value	$503,308	$0
Net Cash Flows	$0	$54,281
Net Investment Change	$13,300	$462,327
Ending Market Value	$516,608	$516,608

Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2025



3 Years Ending December 31, 2025

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Vanguard 500 Index Fund Admiral Shares	23.0	12.5	80.9	32.9
S&P 500 Index	23.0	11.8	100.0	100.0

5 Years Ending December 31, 2025

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Vanguard 500 Index Fund Admiral Shares	14.4	14.8	63.0	28.0
S&P 500 Index	14.4	15.0	100.0	100.0

	2025 Q4	FYTD	3 Yrs	5 Yrs	2024	2023	2022	2021	2020	Inception	Inception Date
Vanguard 500 Index Fund Admiral Shares	2.6 (34)	17.8 (25)	23.0 (24)	14.4 (20)	25.0 (24)	26.2 (29)	-18.1 (49)	28.7 (24)	18.4 (45)	15.4 (22)	Dec-19
S&P 500 Index	2.7 (33)	17.9 (24)	23.0 (23)	14.4 (19)	25.0 (24)	26.3 (27)	-18.1 (47)	28.7 (23)	18.4 (43)	15.4 (20)	

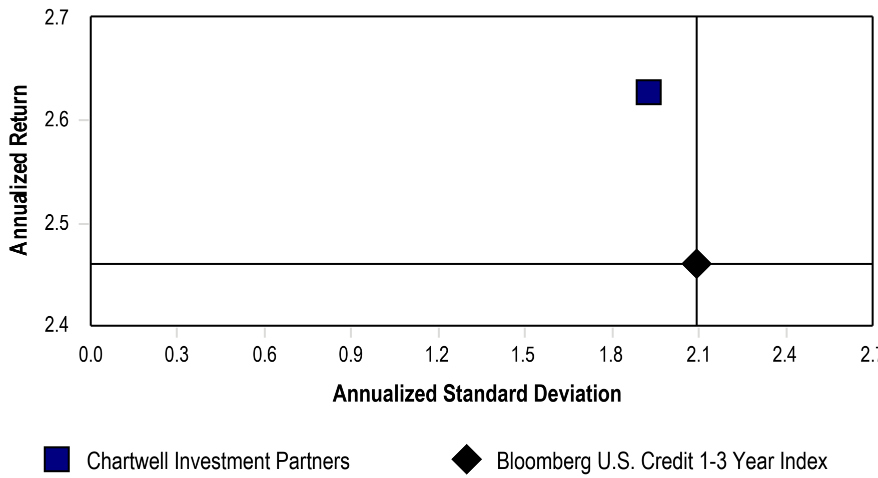
Note: Returns are net of fees.

Account Information	
Account Name	Chartwell Investment Partners
Account Structure	Separate Account
Inception Date	01/01/2020
Management	Active
Account Type	Investment Grade Fixed Income
Benchmark	Bloomberg U.S. Credit 1-3 Year Index
Peer Group	

Chartwell Investment Partners
Ending December 31, 2025

	Fourth Quarter	Inception 1/1/20
Beginning Market Value	$1,280,968	$0
Net Cash Flows	-$55,000	$995,064
Net Investment Change	$14,162	$245,065
Ending Market Value	$1,240,130	$1,240,130

Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2025



3 Years Ending December 31, 2025

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Chartwell Investment Partners	5.4	1.6	97.1	74.0
Bloomberg U.S. Credit 1-3 Year Index	5.4	1.7	100.0	100.0

5 Years Ending December 31, 2025

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Chartwell Investment Partners	2.6	1.9	96.7	83.6
Bloomberg U.S. Credit 1-3 Year Index	2.5	2.1	100.0	100.0

	2025 Q4	FYTD	3 Yrs	5 Yrs	2024	2023	2022	2021	2020	Inception	Inception Date
Chartwell Investment Partners	1.1	5.8	5.4	2.6	4.8	5.7	-2.8	0.0	4.2	2.9	Jan-20
Bloomberg U.S. Credit 1-3 Year Index	1.2	5.8	5.4	2.5	5.1	5.3	-3.4	-0.2	3.7	2.7	

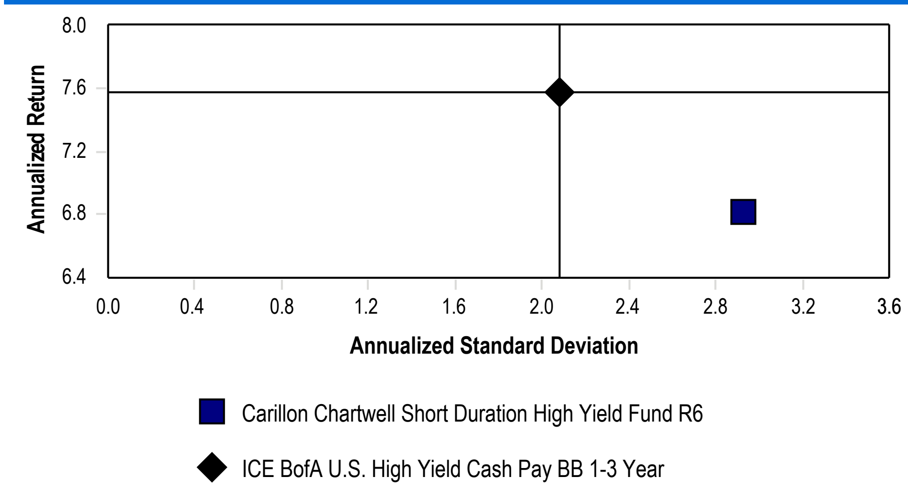
Note: Returns are gross of fees.

Account Information	
Account Name	Carillon Chartwell Short Duration High Yield Fund R6
Account Structure	Mutual Fund
Inception Date	08/01/2021
Management	Active
Account Type	Short Duration High Yield Fixed Income
Benchmark	ICE BofA U.S. High Yield Cash Pay BB 1-3 Year
Peer Group	

Carillon Chartwell Short Duration High Yield Fund R6
Ending December 31, 2025

	Fourth Quarter	Inception 8/1/21
Beginning Market Value	$1,181,626	$0
Net Cash Flows	$0	$1,000,000
Net Investment Change	$19,230	$200,856
Ending Market Value	$1,200,856	$1,200,856

Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2025



3 Years Ending December 31, 2025

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Carillon Chartwell Short Duration High Yield Fund R6	6.8	2.9	83.5	-41.5
ICE BofA U.S. High Yield Cash Pay BB 1-3 Year	7.6	2.1	100.0	100.0

	2025 Q4	FYTD	3 Yrs	5 Yrs	2024	2023	2022	2021	2020	Inception	Inception Date
Carillon Chartwell Short Duration High Yield Fund R6	1.5	6.9	6.8	-	5.8	7.8	-3.2	-	-	3.9	Aug-21
ICE BofA U.S. High Yield Cash Pay BB 1-3 Year	1.6	7.2	7.6	-	6.7	8.9	-3.1	-	-	4.5	
Blmbg. Intermed. U.S. Government/Credit	1.2	7.0	5.1	-	3.0	5.2	-8.2	-	-	1.1	

Note: Returns are net of fees.

Account Information	
Account Name	PNC Cash
Account Structure	Separate Account
Inception Date	12/01/2019
Management	Active
Account Type	Cash Equivalents
Benchmark	
Peer Group	

PNC Cash
Ending December 31, 2025

	Fourth Quarter	Inception 12/1/19
Beginning Market Value	$56,330	$0
Net Cash Flows	$118,263	$119,744
Net Investment Change	-$607	$54,243
Ending Market Value	$173,986	$173,986

- Current Yield as of December 31, 2025 is 3.72%.

	2025 Q4	Fiscal YTD	3 Yrs	5 Yrs	2024	2023	2022	2021	2020	Inception	Inception Date
PNC Cash	0.9	3.9	4.3	2.8	5.0	4.0	1.2	0.1	0.0	2.4	Dec-19

Note: Returns are gross of fees.

Operating Engineers Local No. 77 JATC Fund

Appendix

Performance Detail (Gross of Fees) - Annualized

			Ending December 31, 2025 (%)					
	Market Value	% of Portfolio	2025 Q4	Fiscal YTD	3 Yrs	5 Yrs	Inception	Inception Date
Total Fund	**$3,131,580**	**100.0**	**1.6**	**8.1**	**8.1**	**4.8**	**5.1**	**Dec-19**
Total Fund Benchmark			1.4	7.3	8.3	4.9	5.2	
Total Domestic Large Cap Equity	**$516,608**	**16.5**	**2.7**	**17.9**	**23.0**	**14.4**	**15.4**	**Dec-19**
Vanguard 500 Index Fund Admiral Shares	$516,608	16.5	2.7	17.9	23.0	14.4	15.4	Dec-19
S&P 500 Index			2.7	17.9	23.0	14.4	15.4	
Total Investment Grade Fixed Income	**$1,240,130**	**39.6**	**1.1**	**5.8**	**5.4**	**2.6**	**2.9**	**Jan-20**
Chartwell Investment Partners	$1,240,130	39.6	1.1	5.8	5.4	2.6	2.9	Jan-20
Bloomberg U.S. Credit 1-3 Year Index			1.2	5.8	5.4	2.5	2.7	
Total Short Duration High Yield Fixed Income	**$1,200,856**	**38.3**	**1.6**	**7.4**	**7.3**	**-**	**4.5**	**Aug-21**
Carillon Chartwell Short Duration High Yield Fund R6	$1,200,856	38.3	1.6	7.4	7.3	-	4.5	Aug-21
ICE BofA U.S. High Yield Cash Pay BB 1-3 Year			1.6	7.2	7.6	-	4.5	
Blmbg. Intermed. U.S. Government/Credit			1.2	7.0	5.1	-	1.1	
Total Cash Equivalents	**$173,986**	**5.6**	**0.9**	**3.9**	**4.3**	**2.8**	**2.4**	**Dec-19**
PNC Cash	$173,986	5.6	0.9	3.9	4.3	2.8	2.4	Dec-19

Note: Asset class inception dates and corresponding returns are based on the earliest date for which data is available. These dates may not reflect the actual inception date of the asset class

Account Name	Fee Schedule	Market Values As of December 31, 2025	% of Portfolio	Estimated Annual Fee $	Estimated Annual Fee (%)
Total Domestic Large Cap Equity	**-**	**$516,608**	**16.50**	**$207**	**0.04**
Vanguard 500 Index Fund Admiral Shares	0.04 % of Assets	$516,608	16.50	$207	0.04
Total Investment Grade Fixed Income	**-**	**$1,240,130**	**39.60**	**$2,232**	**0.18**
Chartwell Investment Partners	0.18 % of Assets	$1,240,130	39.60	$2,232	0.18
Total Short Duration High Yield Fixed Income	**-**	**$1,200,856**	**38.35**	**$4,683**	**0.39**
Carillon Chartwell Short Duration High Yield Fund R6	0.39 % of Assets	$1,200,856	38.35	$4,683	0.39
Total Cash Equivalents	**-**	**$173,986**	**5.56**	**-**	**-**
PNC Cash	-	$173,986	5.56	-	-
Investment Managment Fee		**$3,131,580**	**100.00**	**$7,122**	**0.23**

Note: The above fee schedules may not include incentive fees, operating expenses, custodian fees, or other administrative costs.

Note: The above information utilizes net expense ratio for any mutual fund investment. Management fee is used for all other investment types.

Benchmark History

Total Fund		
07/01/2023	Present	10% S&P 500 Index, 40% Bloomberg U.S. Credit 1-3 Year Index, 35% ICE BofA U.S. High Yield Cash Pay BB 1-3 Year, 15% ICE BofA 3 Month U.S. T-Bill
07/01/2021	06/30/2023	20% S&P 500 Index, 35% Bloomberg U.S. Credit 1-3 Year Index, 30% ICE BofA U.S. High Yield Cash Pay BB 1-3 Year, 15% ICE BofA 3 Month U.S. T-Bill
11/30/2019	06/30/2021	20% S&P 500 Index, 65% Bloomberg U.S. Credit 1-3 Year Index, 15% ICE BofA 3 Month U.S. T-Bill

Index Disclosure

• Total Fund Benchmark - The Total Fund Benchmark is comprised of the respective market indices for each asset class weighted at the percentage the asset class represents in the Policy. It is important to acknowledge that not all asset classes have a corresponding market index due to the specialized nature of the asset class (i.e. private equity, private debt, infrastructure, hedge funds) and/or the specialized nature of the investment (opportunistic investments, global tactical asset allocation, absolute return strategies). In such cases, a traditional asset class index may be used as a proxy in the Total Fund Benchmark. The Total Fund Benchmark illustrates how an indexed portfolio with a similar allocation to that of the Policy would have performed during a specific period. The Total Fund Benchmark does not account for ongoing changes in the allocation percentages of the Total Fund resulting from market gains/losses, cash flows, and rebalancing during the same period. While a useful tool in examining performance, due to the static nature of the allocation percentages in the Total Fund Benchmark, the fact that not all asset classes have a representative index, and considering that some indices in the Total Fund Benchmark are not investable, the Total Fund Benchmark should not be used as the primary measure of a Total Fund's success or failure.

Footnotes

• Values, flows, and returns for all commingled funds, mutual funds, partnerships, and all other alternative assets are provided by the firm managing the assets and cannot be independently verified by IPS. Separately managed account returns are calculated by IPS using custodian data.
• The net of fees returns in this report are estimated. Fees do not include: The investment consulting fee paid to IPS, custodian fees, or other administrative costs.
• The information contained in this report is proprietary and confidential information. You are hereby notified that any dissemination, distribution, or copying of this document is strictly prohibited.
• Effective 4Q 2021, mutual fund returns are calculated utilizing the net expense ratio. Prior to 4Q 2021, mutual fund returns were calculated utilizing the mutual fund's management fee.

Glossary of Investment Terminology

Alpha	The amount of an investment's return that is independent of the return of the market. Alpha is generated by active management through security selection and may be positive or negative relative to a given benchmark.
Beta	A measure of an investment's volatility relative to the market. The beta of the market is 1.0 (as represented by a benchmark such as the S&P 500 Index). A beta of greater than 1.0 indicates an investment with greater volatility than the benchmark. A beta of less than 1.0 indicates less volatility than the benchmark.
Capture Ratio	A measurement (usually based on monthly or quarterly time periods) of an investment manager's performance relative to their benchmark in a rising or falling market. Upside capture illustrates how a manager has performed when their benchmark index is positive. In a rising market, a percentage over 100% indicates the manager exceeded the benchmark, while a percentage below 100% indicates the manager lagged the benchmark. Downside capture illustrates how a manager has performed when their benchmark index is negative. In a falling market, a percentage of less than 100% indicates that the manager lost less than the benchmark, while a percentage above 100% indicates the manager lost more than the market. Index funds, in theory, should have 100% upside and downside capture ratios before fees.
Compound Annual Returns	A time-weighted measure of the annual investment return, assuming the investment grew at a constant rate.
Correlation	A statistical measure of how two investments perform in relation to each other. Investments with a correlation of 1.0 have perfect positive correlation (exactly the same). Investments with perfect negative correlation of -1.0 will perform equally but in opposite directions.
Distribution to Paid-In (DPI)	The value of all distributions to limited partners divided by the amount limited partners have contributed to the fund. Often expressed as a ratio, DPI plus the unrealized value of limited partners' investments (RPI) equals the Total Value to Paid In (TVPI) multiple. A DPI of 1 indicates the investor has received capital back equal to what they invested while a DPI over 1 indicates an investor has received more capital back than they invested. DPI is most relevant for closed-end fund structures such as private equity.
Efficient Frontier	Represents the set of possible portfolios that have the greatest expected return for each level of risk (standard deviation of returns).

Glossary of Investment Terminology

Geometric Return	A calculation used when determining an annualized investment return, which tends to dampen the effect of very high or very low values. The result is a number that is smaller than (or equal to) the arithmetic average of the values.
Internal Rate of Return (IRR)	The discount rate at which the net present value of an investment's cash flows is equal to zero (0). IRR is commonly used to gauge fund performance.
Market Cap	The dollar value of a corporation, which is calculated by multiplying the share price of the stock by the number of outstanding shares.
Residual to Paid-In (RPI)	The unrealized value of limited partners' investments divided by the amount limited partners have contributed to the fund. Often expressed as a ratio, RPI plus the amount distributed back to investors (DPI) equals the total value to paid in (TVPI) multiple.
Return/Risk Ratio	The expected return of an investment divided by the expected standard deviation (risk). When comparing return/risk ratios, a higher value is presumed to be better than a lower value.
Standard Deviation	A statistical measurement of the dispersion of a set of data from its mean. The more spread apart the data is, the greater the standard deviation. Standard deviation is the most commonly cited measure of volatility or "risk" in investment returns. It measures total volatility, meaning it does not differentiate "bad" volatility associated with negative returns from "good" volatility associated with positive returns.
Total Return	The annual return on an investment, including appreciation, depreciation and income (interest, dividends, net operating income).
Total Value to Paid in Multiple (TVPI)	A measure of return that expresses how much a fund has made relative to how much was contributed. It is calculated by dividing the sum of the amount of capital distributed to investors and the amount of remaining value by the amount of invested capital. A TVPI below 1 indicates the current value of the investment plus the capital returned to the investor is less than the investor contributed. A TVPI greater than 1 indicates the current value of the investment plus the capital returned to the investor is more than the investor contributed. For closed-end funds such as private equity, DPI and TVPI will be the same at the end of the fund's life.

Impact of Negative Cash Flows

- Most defined benefit pension funds payout more in benefits and expenses than they take in via contributions, resulting in **negative net cash flows** on an annual basis.
- Plans with negative net cash flows require a much higher return in Year 2 following a loss in Year 1 to get back to the starting fund value.
- For example, a plan with a neutral net cash flow that returns -10.0% in Year 1 would require an **11.0% return in Year 2 to break even**.
- A plan with -5.0% net cash flows that experiences a -10.0% return in Year 1 would require a **24.0% return in Year 2 to breakeven (Year 2B).**
- An 11.0% return for a -5.0% net cash flow plan in Year 2 following a -10.0% return in Year 1 would result in an ending value **that is $10.5 million less (Year 2A)** than the neutral cash flow plan, assuming a starting value of $100 million.

Return Needed in Year 2 to Breakeven

Year 1 Return \ Cash Flow as Percentage of Beginning Assets	0.0%	-2.5%	-5.0%	-7.5%	-10.0%
0.0%	0%	5%	11%	16%	22%
-5.0%	5%	11%	17%	23%	29%
-10.0%	**11%**	17%	**24%**	30%	38%
-15.0%	18%	24%	31%	39%	47%
-20.0%	25%	32%	40%	48%	57%

	Neutral Cash Flow Fund		Negative Cash Flow Fund		
	Year 1	Year 2	Year 1	Year 2A	Year 2B
Beginning Assets	$100,00,000	$90,000,000	$100,000,000	$85,000,000	$85,000,000
Net Cash Flows	NA	NA	($5,000,000)	($5,000,000)	($5,000,000)
Investment Return (%)	-10%	11%	-10%	11%	24%
Investment Return ($)	($10,000,000)	$10,000,000	($10,000,000)	$9,444,350	$20,000,000
Ending Value	**$90,000,000**	**$100,000,000**	**$85,000,000**	**89,444,350**	**$100,000,000**

Common Market Capitalization Categories for Equities

Mega Cap	Greater than $250 Billion
Large Cap	$50 Billion to $250 Billion
Mid Cap	$10 Billion to $50 Billion
Small Cap	$1 Billion to $10 Billion
Micro Cap	Less than $1 Billion

Bond Ratings & Classifications

	Standard & Poor's	Moody's
Investment Grade	AAA	Aaa
	AA	Aa
	A	A
	BBB	Baa
High Quality High Yield	BB	Ba
	B	B
Low Quality High Yield	CCC	Caa
	CC	Ca
	C	C

Real Estate Asset Class

Higher Returns

More Risk

Core

Diversified, high quality, mature holdings with little debt and high income.

- Diversified tenant base
- Well-leased properties
- Minimal capital expenditures
- Stable cash flows
- Market rents
- Class A & B properties
- 0-35% leverage

Core-Plus

Core, with higher leverage and/or small allocations to value-add strategies.

- Stable cash flows
- Light renovations
- May include construction/development with a cap
- 30-40% leverage

Value-Add

Focus on potential of upgrading individual properties.

- Development/redevelopment
- Light/heavy renovation
- Property repositioning and/or operational improvements
- Substantial initial or near-term vacancy
- Construction and/or lease-up risk
- Low initial yield
- May require major capital expenditures
- Lower income but higher appreciation potential
- 40-75% leverage

Opportunistic

Highest risk/return strategy that encompasses a variety of opportunities which are often cyclical.

- Strategies may include new development, major renovations, distressed properties
- May invest across geographies and property types
- Prioritizes upside/appreciation, with limited/no income
- 75-90% leverage

High Yield Credit Asset Class

Higher Returns

More Risk

Below Investment Grade (High Yield)

Investment Grade

"High Quality" High Yield

Primarily corporate bonds and loans rated BB/B

- Focused on public market issuers
- Readily liquid ("tradable credit")

Opportunistic High Yield

Broader mandate to invest across high yield bonds, loans, structured products, lower-quality securities and non-US issuers

- Primarily publicly traded credit securities
- Larger companies with higher levels of debt
- Complex debt structures that require expertise to evaluate
- May invest opportunistically in private loans

Private Credit

Privately negotiated loans or debt transactions made directly to companies or non-corporate borrowers.

- Non-traded, private loans/debt
- Debt unable to be financed by banks due to regulatory reasons or complexity
- Smaller companies or unconventional lending situations
- Smaller loans typically made by a single lender or a small group
- Loans typically held to maturity by the original lender

Disclaimer:

This report has been prepared by Investment Performance Services, LLC ("IPS"). Certain information, including information relating to market indices, was provided by sources external to IPS and may not have been verified. While IPS has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of source information contained herein. Information provided in this report is as of the date of the report unless noted otherwise, and IPS is under no obligation to update the information or communicate that any updates have been made. If this report contains information regarding a matter that is outside of the description of services in the written agreement between IPS and the Fund, such information is included for informational purposes only and, the inclusion of such information does not alter or expand the scope of the services provided by IPS.

The Fund's performance is attributable to factors other than the advice of IPS because, among other things, (a) IPS may act in an advisory capacity (i.e., IPS may not have discretion over Fund assets), (b) the Fund may or may not follow advice provided by IPS, and (c) returns may include investments made prior to the Fund's relationship with IPS. Nothing contained herein constitutes investment, legal, accounting, actuarial, or tax advice, or a recommendation to buy, sell, or hold a security or pursue a particular investment vehicle or any trading strategy. Past performance is no guaranty of future results.

EPIC

April 29 - May 2, 2025

The following investment managers and providers attended and helped to defray the cost of IPS' annual conference EPIC. EPIC is an educational conference addressing various issues related to employee benefit plans. IPS does not give preferential treatment to investment managers or any other provider that pays to attend EPIC.

- 400 Capital Management
- Adams Street Partners
- AFL-CIO Housing Investment Trust
- Alliance Bernstein
- American Realty Advisors
- Arena Capital
- Aristotle Capital Management
- ASB Real Estate Investments
- Atlanta Capital
- Barrow Hanley Global Investors
- Bentall GreenOak
- Blackrock
- Blackstone
- BNY Investments
- Boston Partners
- Boyd Watterson Asset Management
- BPEA Private Equity
- Chartwell / RJIM
- Christenson Investment Partners
- Columbia Threadneedle
- Conestoga Capital Advisors
- Constitution Capital Partners
- Corbin Capital Partners
- CS McKee
- Dana Investment Advisors
- Dimensional Fund Advisors
- EARNEST Partners
- Empower
- EnTrust Global
- Fengate Asset Management
- Fidelity Investments
- First Eagle
- Fisher Investments
- F/m Investments
- Fred Alger Management
- FS Investments (Portfolio Advisors)
- GCM Grosvenor
- Glouston Capital Partners
- GoldenTree Asset Management
- Great Lakes Advisors
- Hamilton Lane Advisors
- Hardman Johnston
- HPS Investment Partners
- IFM Investors
- Income Research + Management
- Intercontinental Real Estate
- Invesco
- Janus Henderson
- John Hancock
- JP Morgan Asset Management
- Kearney Capital
- Kelson Group
- Loomis Sayles & Company
- Lord Abbett
- LSV Asset Management
- McMorgan & Company
- Mesirow Institutional Real Estate
- Mesirow Private Equity
- National Investment Services
- Neuberger Berman
- New York Life Investments
- Northern Trust Asset Management
- Nuveen
- OakTree Capital Management
- Partners Group
- Patriot Financial Partners
- PNC Bank
- Post Advisory Group
- Principal
- Richmond Capital Management
- Schroder Investment Management
- Segall Bryant & Hamill
- Sierra Investment Partners, Inc.
- Siguler Guff
- State Street Global Advisors
- Stonepeak Advisors
- Ullico Investment Company
- Victory Capital
- Washington Capital Management
- Wedge Capital Management
- Wellington Management
- Westfield Capital
- Westport Capital Partners
- William Blair