Investment
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Operating Engineers Local No. 77 JATC Fund

Investment Performance Analysis - GCS
Period Ended
June 30, 2026

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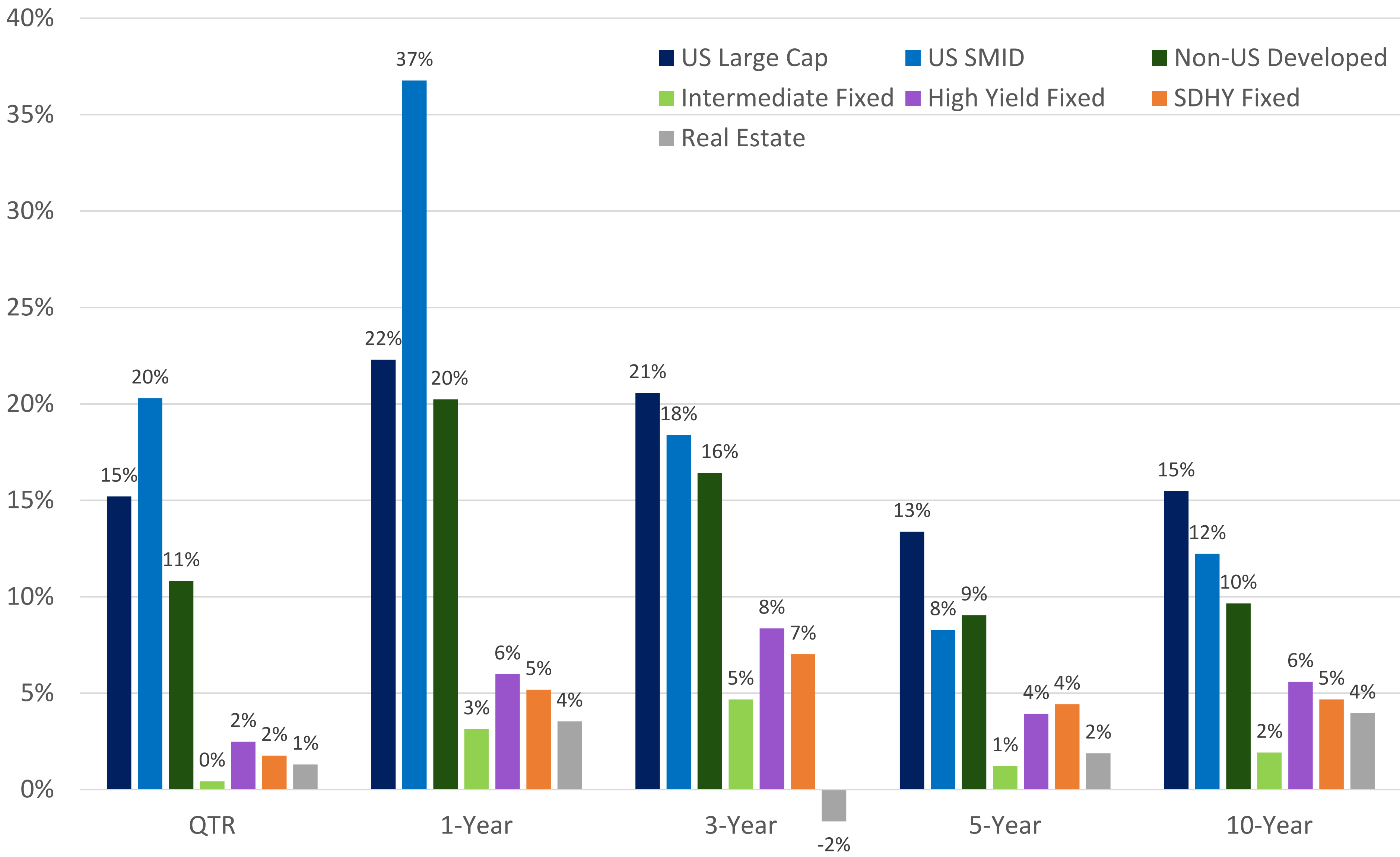
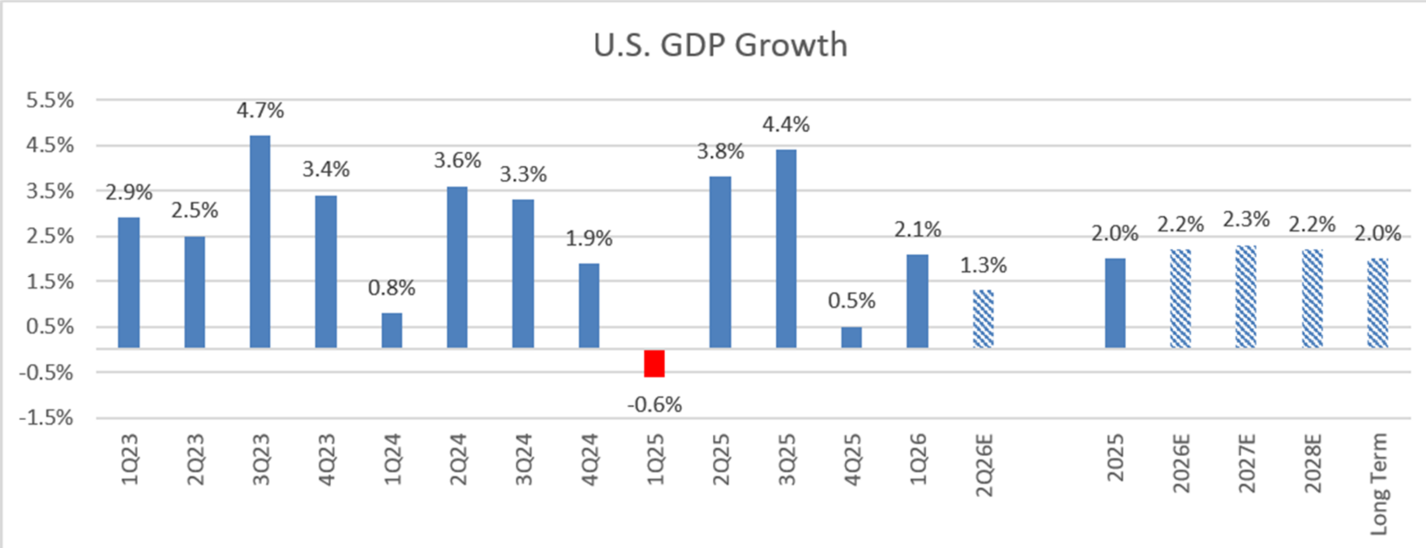


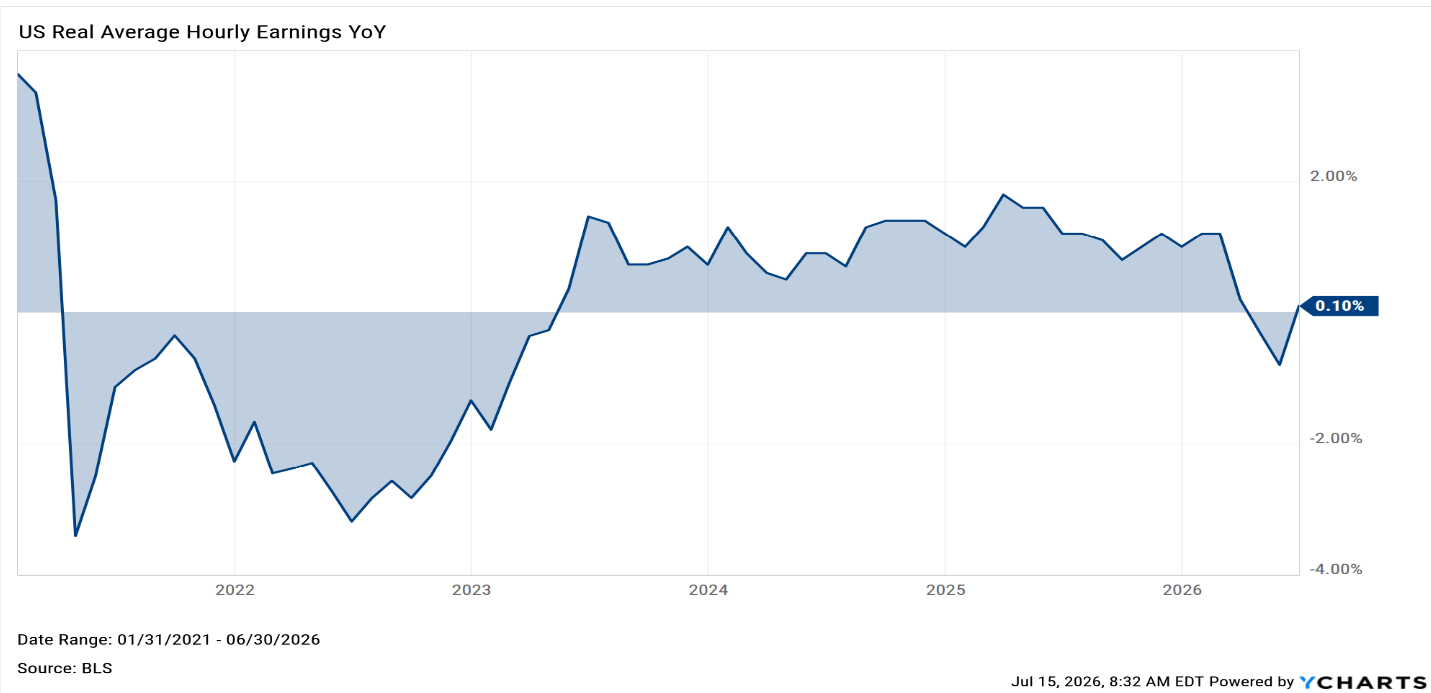
Financial Market Performance – Periods Ending June 30, 2026

Strategy	Sector	Index	QTR	YTD	2025	2024	2023	2022	2021	2020	1-Yr	3-Yr	5-Yr	10-Yr	20-Yr
Stocks	US Large Cap	S&P 500	15.2%	10.2%	17.9%	25.0%	26.3%	-18.1%	28.7%	18.4%	22.3%	20.6%	13.4%	15.5%	11.4%
	US Large Cap Growth	Russell 1000 Growth	16.7%	5.3%	18.5%	33.4%	42.7%	-29.1%	27.6%	38.5%	17.7%	22.5%	13.7%	18.6%	13.6%
	US Large Cap Value	Russell 1000 Value	13.9%	16.2%	15.9%	14.3%	11.4%	-7.6%	25.1%	2.8%	27.1%	17.7%	11.1%	11.5%	8.8%
	US Small Cap	Russell 2000	21.6%	22.7%	12.8%	11.5%	16.9%	-20.5%	14.8%	19.9%	40.9%	18.6%	7.0%	11.6%	8.9%
	Non-US Developed	MSCI EAFE (net)	10.8%	9.4%	31.2%	3.8%	18.2%	-14.5%	11.3%	7.8%	20.2%	16.4%	9.0%	9.7%	5.5%
	Emerging Markets	MSCI EM (net)	24.1%	23.8%	33.6%	7.5%	9.8%	-20.1%	-2.5%	18.3%	43.5%	23.0%	7.2%	10.1%	6.8%
	Int'l Small Cap	MSCI EAFE Small Cap (net)	9.0%	7.6%	31.8%	1.8%	13.2%	-21.4%	10.1%	12.3%	17.4%	15.7%	5.3%	8.6%	6.1%
Bonds	Treasury	Bloomberg US Govt	0.3%	0.3%	6.3%	0.6%	4.1%	-12.3%	-2.3%	7.9%	2.7%	3.2%	-0.4%	0.9%	2.8%
	Broad Market	Bloomberg Aggregate	0.7%	0.6%	7.3%	1.3%	5.5%	-13.0%	-1.5%	7.5%	3.8%	4.2%	0.1%	1.5%	3.3%
	Intermediate	Bloomberg Gov/Credit Int.	0.4%	0.4%	7.0%	3.0%	5.2%	-8.2%	-1.4%	6.4%	3.1%	4.7%	1.2%	1.9%	3.2%
	High Yield	Bloomberg HY BaB 2% IC	2.5%	2.0%	8.8%	6.8%	12.6%	-10.6%	4.6%	7.7%	6.0%	8.4%	3.9%	5.6%	6.4%
	Short Duration HY	ICE BofA 1-3 Yrs BB US Cash Pay HY	1.8%	1.9%	7.2%	6.7%	8.9%	-3.1%	3.2%	5.4%	5.2%	7.0%	4.4%	4.7%	5.6%
	Global Bonds	FTSE WGBI	0.7%	-0.4%	7.5%	-2.9%	5.2%	-18.3%	-7.0%	10.1%	-0.1%	2.5%	-2.7%	-0.5%	1.8%
GTAA	Unconstrained	65% MSCI World /35% FTSE WGBI	9.1%	6.2%	16.3%	10.8%	17.0%	-18.1%	11.0%	14.6%	13.5%	13.2%	6.5%	8.4%	6.5%
Real Estate	Core	NCREIF ODCE Equal Weighted (net)	1.3%	2.3%	2.9%	-2.4%	-13.4%	7.6%	21.9%	0.8%	3.5%	-1.7%	1.9%	4.0%	4.6%
Hedge Fund of Funds	Diversified FOFs	HFRI FOF Composite	7.1%	7.9%	10.4%	9.2%	6.1%	-5.3%	6.2%	10.9%	15.9%	10.5%	5.7%	5.9%	3.7%
	Equity Long-Short	HFRI Equity Hedge	10.6%	10.1%	16.9%	11.9%	11.4%	-10.1%	11.7%	17.9%	21.4%	14.9%	7.5%	9.2%	5.9%
Commodities	Commodities	Goldman Sachs Commodity	-11.4%	24.1%	7.1%	9.2%	-4.3%	26.0%	40.4%	-23.7%	30.4%	14.5%	13.3%	7.4%	-1.8%

U.S. Economy



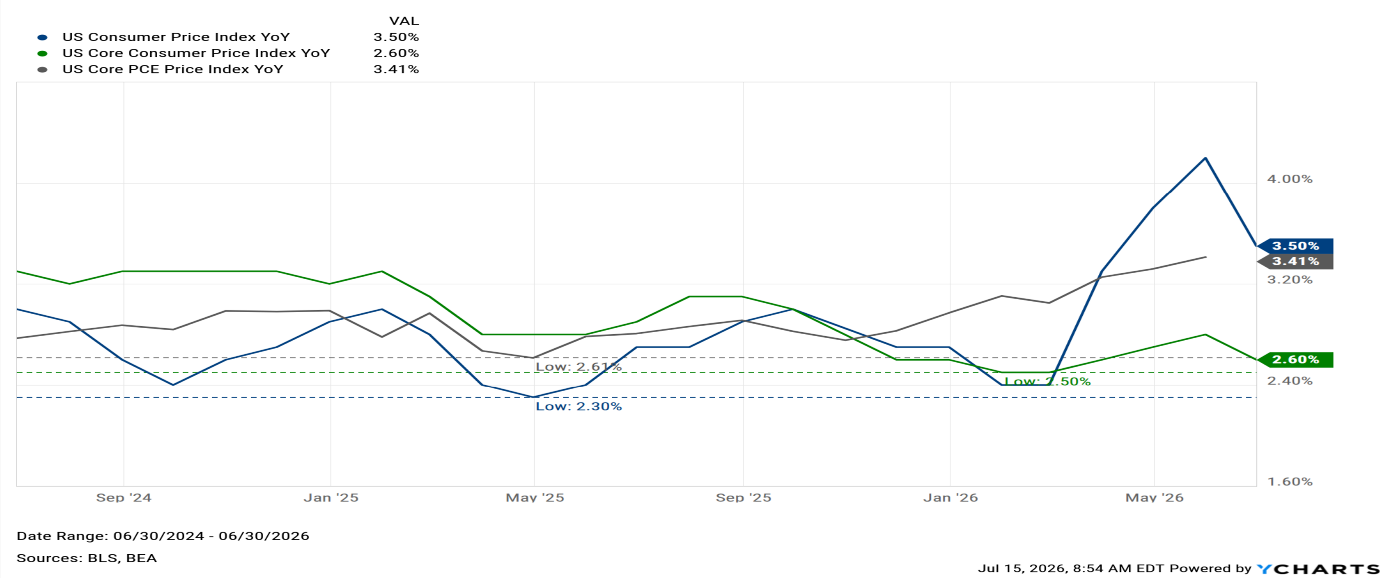
Sources: U.S. Bureau of Economic Analysis, Federal Reserve, Atlanta Federal Reserve

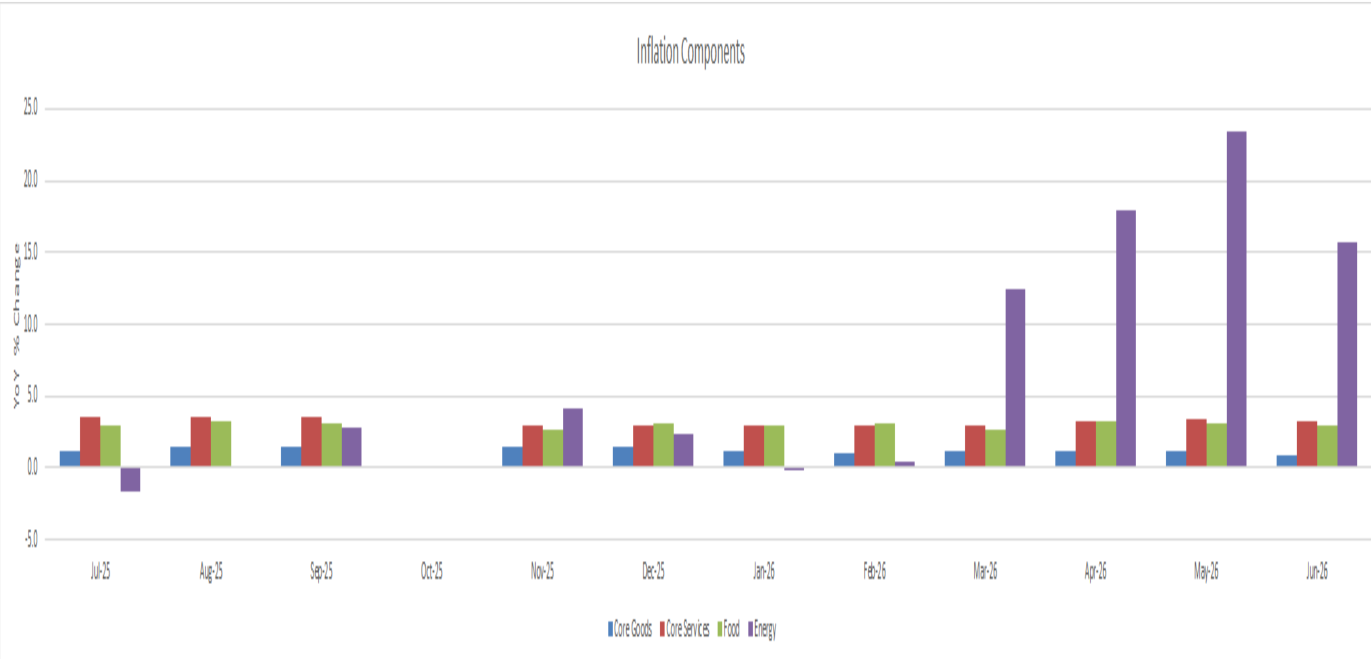


U.S. Growth Cools, But Underlying Resilience Holds

- Economic growth rebounded to 2.1% in Q1 2026 after a government shutdown-driven slowdown to 0.5% in Q4 2025, with consumer spending and AI-related business investment remaining resilient into Q2 even as headline growth cools.
- The Atlanta Fed's GDPNow model points to a more modest 1.3% pace for Q2, in line with consensus, as a larger drag from net exports, resulting from import growth outpacing exports, outweighs continued strength in consumption and investment.
- The FOMC trimmed its 2026 growth projection from 2.4% in March to 2.2% in June, citing persistent inflationary pressures potentially resulting in more restrictive monetary policy. Long term growth projections remained unchanged at 2.0%.
- Real wage gains turned negative in April and May for the first time since mid-2023, as inflation has outpaced wage growth recently.

U.S. Economy





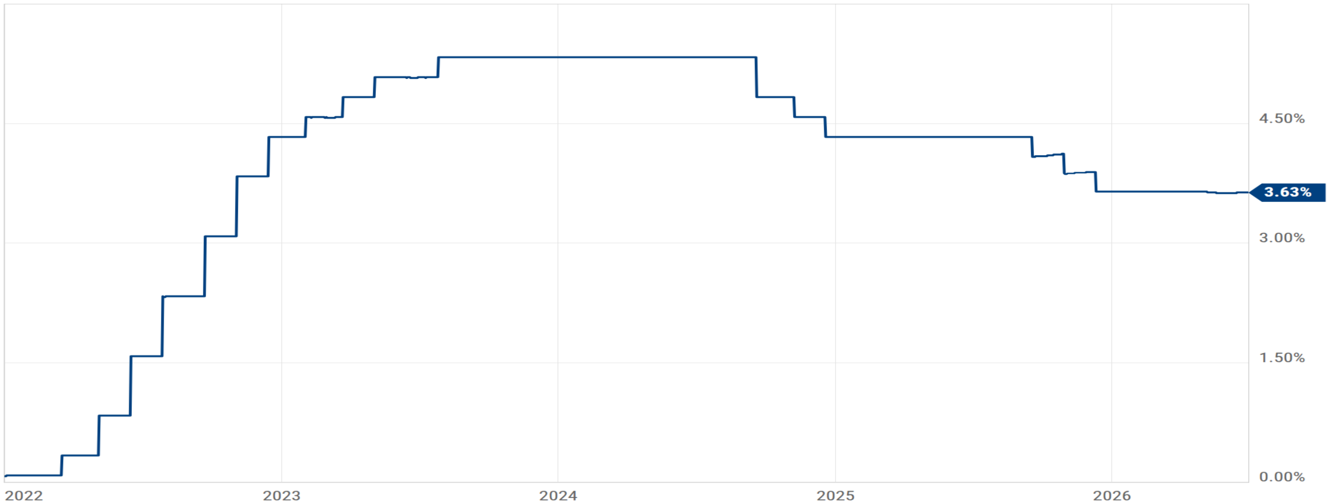
Note: October 2025 inflation data was not released due to the government shutdown.

Higher Energy Prices Cause Inflation Spike

- Inflation remains above the Fed's 2% target, with core services continuing to run firmer than core goods and food.
- Headline CPI eased to 3.50% YoY in June, down from 4.20% in May which was the highest reading since April 2023. The spike and partial pullback reflect an energy-driven swing caused by the U.S./Iran military conflict rather than a broad reacceleration.
- Core CPI at 2.6% is only marginally above the 5-year low of 2.5% as of June, a sign that underlying inflationary pressures continue to ease.
- Core PCE, the Fed's preferred inflation gauge, has risen to 3.4% YoY, running notably hotter than core CPI and still more than a point above target.
- Overall, the disinflation process remains uneven, with energy driving much of the recent volatility, while core goods, core services, and food stayed in the low single digits. That split is why headline CPI swung sharply while core inflation held far steadier.

U.S. Economy

Effective Federal Funds Rate



Date Range: 12/31/2021 - 06/30/2026

Source: Federal Reserve

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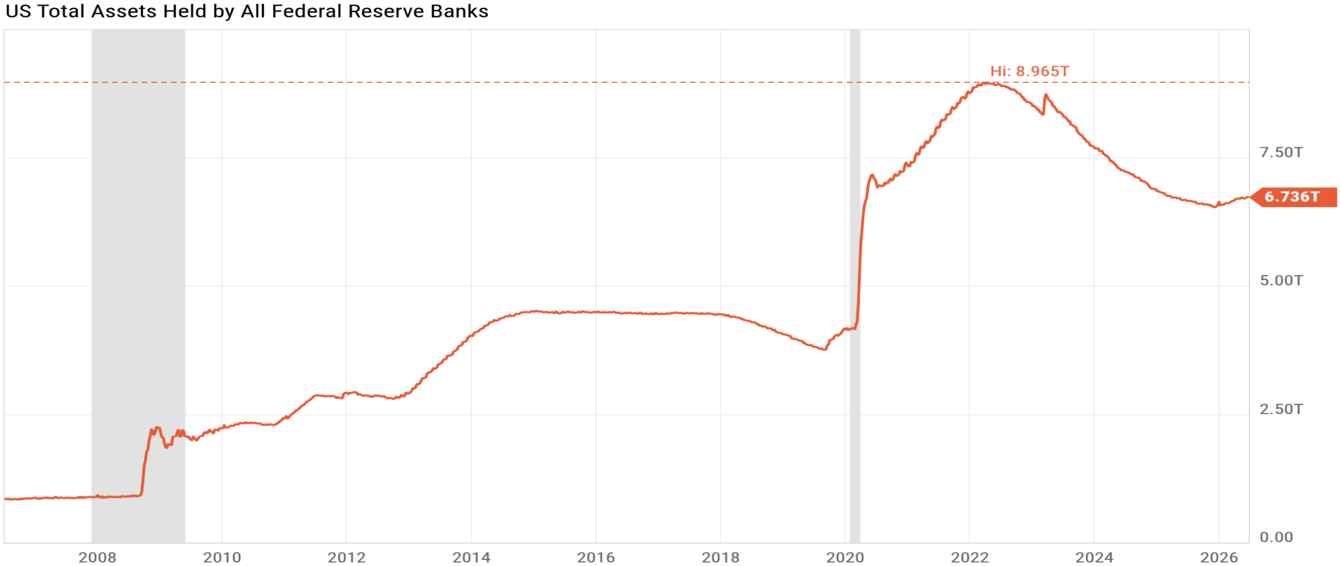
US Total Assets Held by All Federal Reserve Banks



Date Range: 07/05/2006 - 06/24/2026

Source: Federal Reserve

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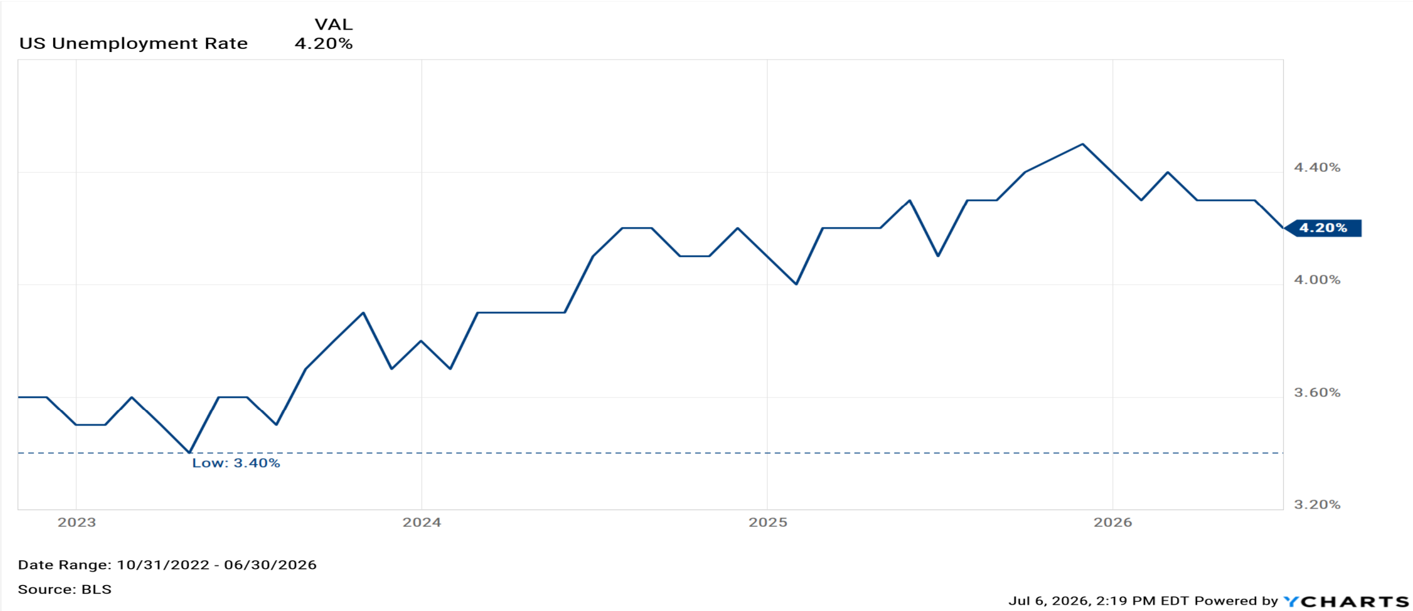
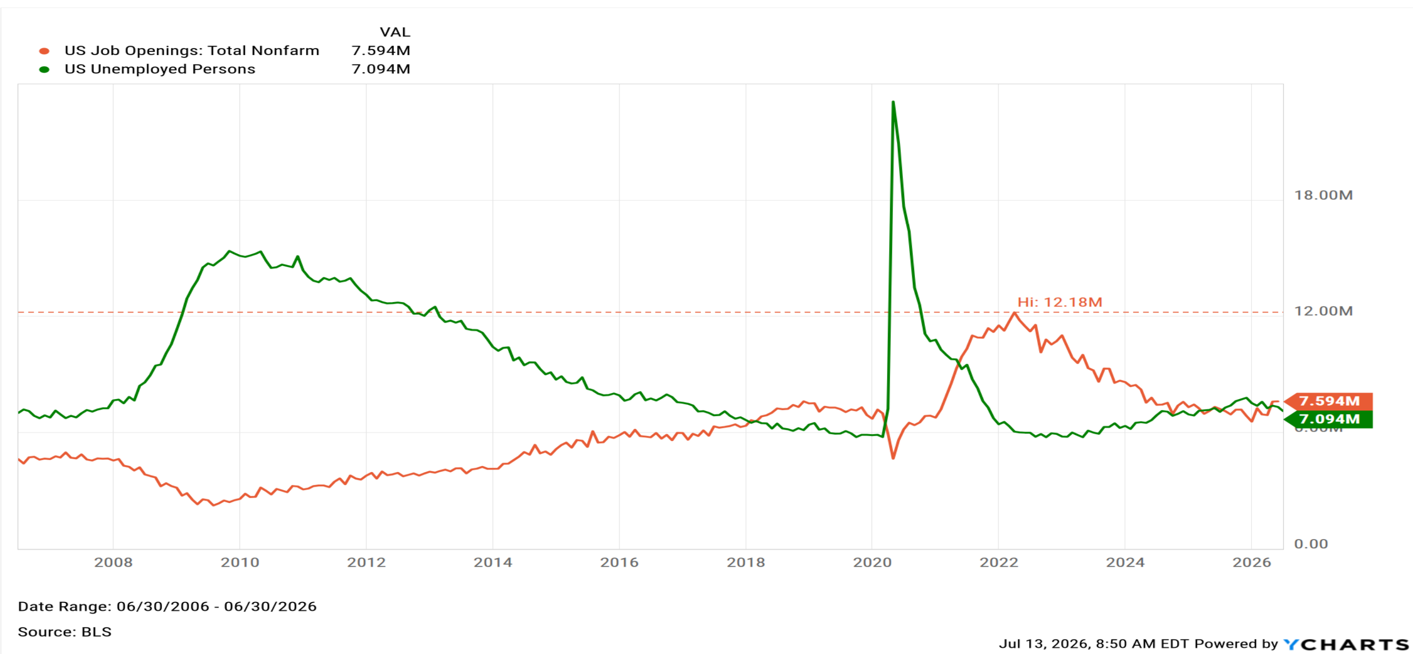
Fed Holds Steady as Upside Inflation Risks Tilt Higher

- The Federal Open Market Committee (FOMC) held the target range at 3.50%–3.75% at both its April and June meetings, marking the 4th consecutive hold and leaving the federal funds rate unchanged for 2026 thus far. June also marked Kevin Warsh's first meeting as Chair, with a shorter statement and reduced forward guidance.
- The June dot plot removed the rate cut previously projected for 2026 and raised the median year-end forecast to 3.8% from 3.4% in March. Tariff-related price pressures, combined with higher oil prices driven by Middle East tensions, have increased upside risks to inflation.
- The Fed's balance sheet has held steady near $6.74 trillion, with all principal payments from its agency securities reinvested into Treasury bills to keep bank reserves ample. While it is below the 2022 peak, it remains above pre-pandemic levels.

U.S. Economy



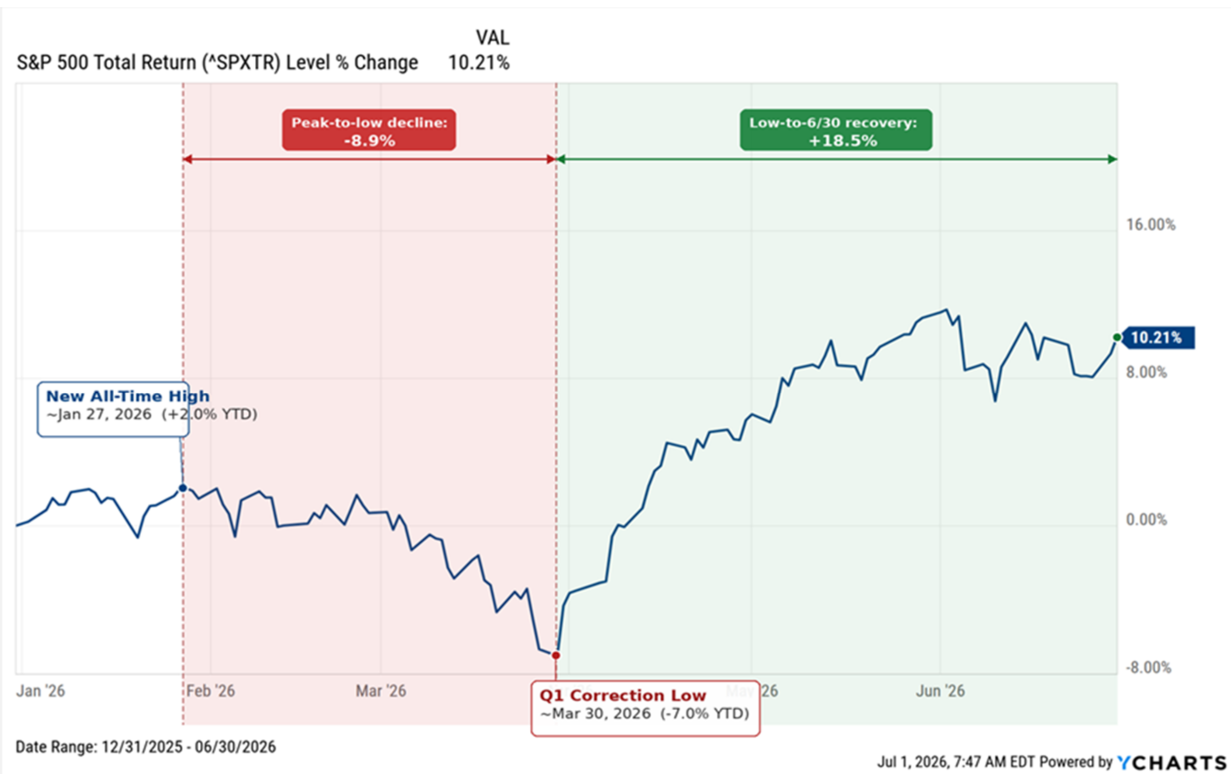


Hiring Slows but Layoffs Stay Low

- The “no hire / no fire” dynamic persists, with slow hiring and limited layoffs.
- U.S. nonfarm payrolls rose below expectations at 57,000 in June, while April and May were revised down by a combined 74,000. The unemployment rate decreased to 4.2% from 4.3%. However, this was mainly due to participation falling to 61.5%, its lowest since 2021, rather than stronger hiring.
- Job gains concentrated in business and professional services, social assistance, and healthcare; leisure and hospitality lost 61,000 jobs.
- JOLTS openings rose to 7.594 million, marking a 2-year high, exceeding the 7.094 million unemployed. Still, flat hiring and a 1.9% quits rate show openings are not converting to jobs.
- Initial jobless claims remain contained near 215,000, but continuing claims rose to about 1.81 million, a 3-month high, pointing to longer job searches.

U.S. Equity Market

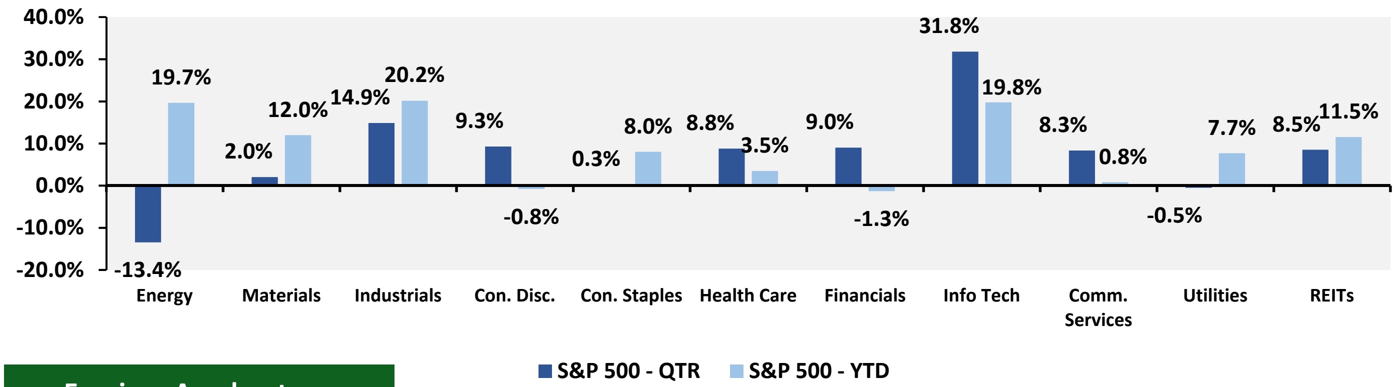
	Index	2Q26	YTD	2025	2024	2023	2022	2021	2020	1-Year	3-Year	5-Year	10-Year
Large Cap	S&P 500	15.2%	10.2%	17.9%	25.0%	26.3%	-18.1%	28.7%	18.4%	22.3%	20.6%	13.4%	15.5%
	Russell 1000	15.1%	10.3%	17.3%	24.5%	26.5%	-19.1%	26.4%	21.0%	22.0%	20.4%	12.6%	15.3%
	Russell 1000 Value	13.9%	16.2%	15.9%	14.3%	11.4%	-7.6%	25.1%	2.8%	27.1%	17.7%	11.1%	11.5%
	Russell 1000 Growth	16.7%	5.3%	18.5%	33.4%	42.7%	-29.1%	27.6%	38.5%	17.7%	22.5%	13.7%	18.6%
Mid Cap	Russell Mid-Cap	13.8%	15.3%	10.6%	15.3%	17.2%	-17.3%	22.6%	17.1%	21.6%	16.5%	8.5%	12.0%
	Russell Mid-Cap Value	13.4%	17.6%	11.0%	13.1%	12.7%	-12.0%	28.3%	5.0%	26.6%	16.5%	9.5%	10.6%
	Russell Mid-Cap Growth	14.5%	7.3%	8.7%	22.1%	25.9%	-26.7%	12.7%	35.6%	6.2%	15.6%	6.0%	13.0%
Small Cap	Russell 2000	21.6%	22.7%	12.8%	11.5%	16.9%	-20.5%	14.8%	19.9%	40.9%	18.6%	7.0%	11.6%
	Russell 2000 Value	17.2%	23.2%	12.6%	8.0%	14.6%	-14.5%	28.2%	4.6%	43.2%	18.7%	8.2%	10.9%
	Russell 2000 Growth	25.8%	22.3%	13.0%	15.2%	18.6%	-26.4%	2.8%	34.6%	38.8%	18.4%	5.6%	11.9%
Total Market	Wilshire 5000	15.5%	11.0%	17.1%	23.8%	26.1%	-19.0%	26.7%	20.8%	23.0%	20.4%	12.5%	15.2%
	Russell 3000	15.4%	10.9%	17.1%	23.8%	25.9%	-19.2%	25.6%	20.9%	22.8%	20.3%	12.3%	15.0%



- The S&P 500 Index staged a powerful reversal in the second quarter, more than erasing the first-quarter decline and closing the first half firmly higher. It was the strongest quarter for the S&P 500 Index since Q2 2020.
- The rally was driven by strong earnings growth, improving earnings expectations, and a U.S.–Iran memorandum of understanding that reduced the elevated price of crude oil.
- Q2 inverted almost every Q1 trend: growth reclaimed leadership from value, technology from energy, risk-on from defensives. But the reversal was narrow, driven by AI hardware rather than growth broadly.
- Despite growth outperforming for the quarter, value still led for the first half, and as the Fed messaging became more hawkish, value began to lead by quarter-end, alongside cyclicals and a broadening market.

U.S. Equity Market

S&P 500 Sector Performance
As of June 30, 2026

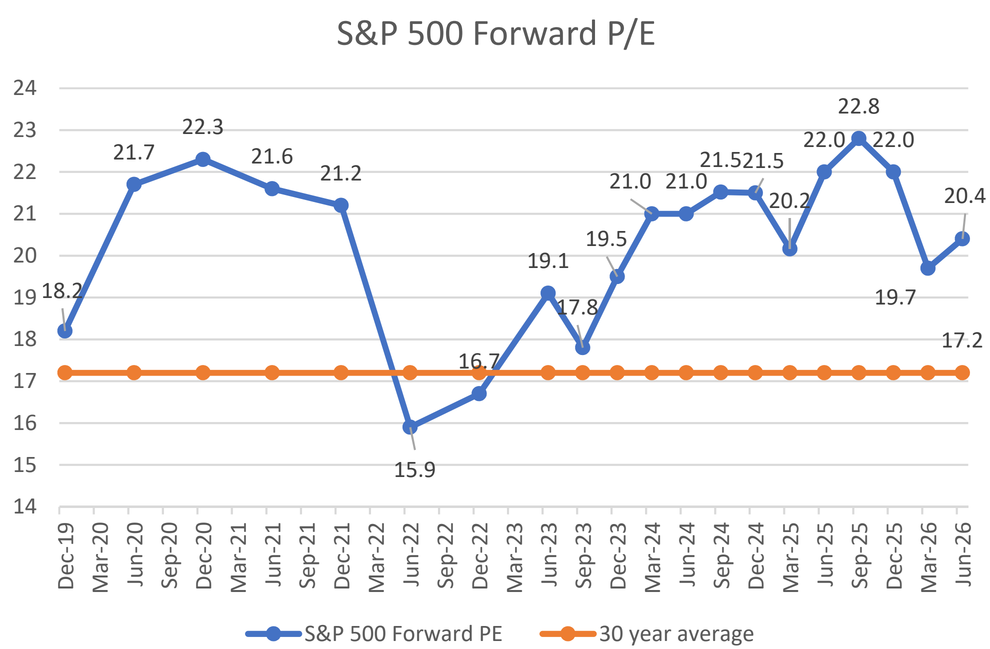


Sector Leadership Flips as Technology Takes Command

- Sector leadership inverted in Q2, with nine of 11 sectors higher. Information technology led at +31.8%; industrials at +14.9% was the only other double-digit sector. Consumer discretionary (+9.3%), financials (+9.0%), health care (+8.8%), REITs (+8.5%) and communication services (+8.3%) all gained but trailed the index.
- Energy fell 13.4%, the only material decliner, reversing the Q1 surge that had made it the top sector. Utilities were flat at −0.5% and consumer staples nearly so at +0.3%, as the defensive trade faded.
- Semiconductors did most of the work. The technology sector's +31.8% gain rested on chipmakers, driven by AI infrastructure demand and tight memory supply, with software contributing far less.
- Because technology carries the largest weight in the index, that narrow strength drove most of the S&P 500's advance, the same concentration that pulled the index lower in Q1 now working in reverse.

Earnings Accelerate as Valuations Climb

- Analysts expect S&P 500 earnings to grow 23.2% year over year in Q2 2026, marking the 12th consecutive quarter of growth and the seventh straight quarter of double-digit gains. Estimates rose 3.4% over the quarter, up from the 18.8% expected on March 31.
- The forward 12-month P/E rose to 20.4 from 19.7 at the end of Q1, well above its 30-year average of 17.2. Investors paid higher multiples even as the Fed held steady and talk shifted from cuts to hikes.



Source: J.P. Morgan Asset Management

U.S. Equity Market

Valuation Premium Shifts Beyond Mega Caps

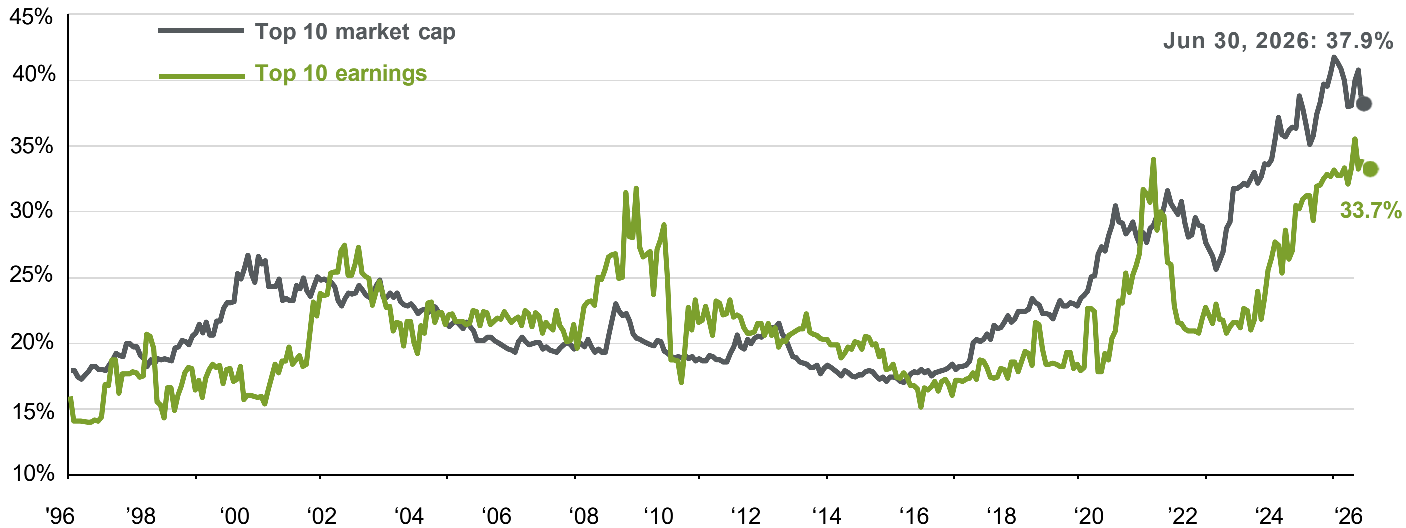
- The S&P 500's top ten companies represent 37.9% of index market capitalization while generating 33.7% of index earnings, a level of concentration supported by real earnings power from scalable, innovation-driven businesses with durable margins.

- Those earnings continue to support premium, but not exceptional, valuations. At 21.6x forward earnings, the top ten trade at 104% of their long-run average, well below the remaining 490 at 123% of historical norms. A quarter ago, the two were nearly identical.

- Q2's price action explains the divergence. The largest names lagged the index while their earnings share held, so the top ten cheapened relative to their own history as the rest of the market re-rated higher. Stretched valuations remain a market-wide condition, but the premium now sits in the other 490 rather than the largest names.

Weight of the top 10 companies in the S&P 500

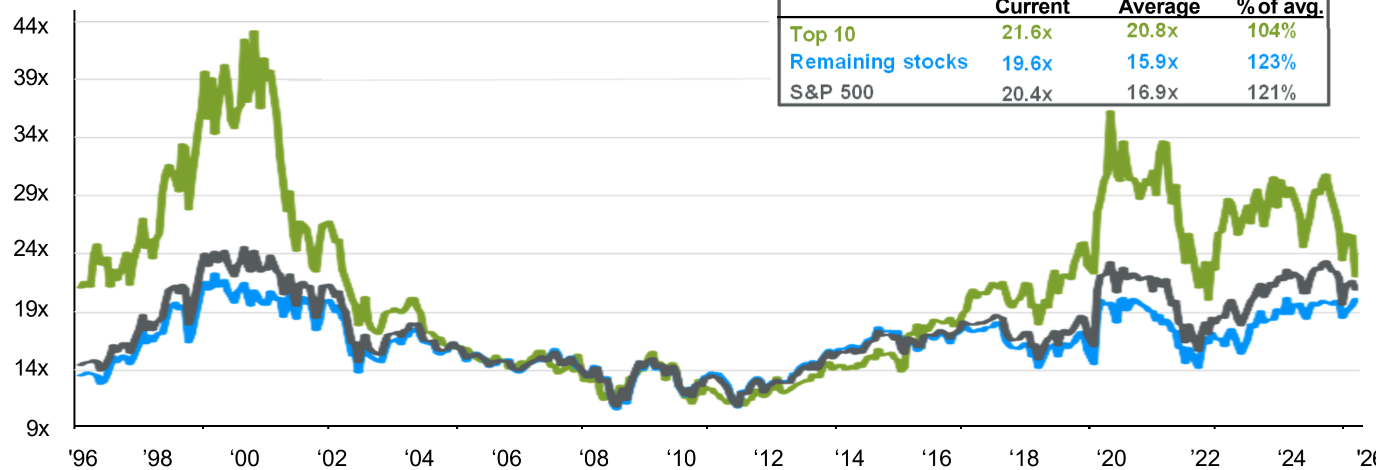
% of market capitalization, % of last 12 months' earnings



P/E of the top 10 and remaining stocks in the S&P 500

Next 12 months, 1996 - present

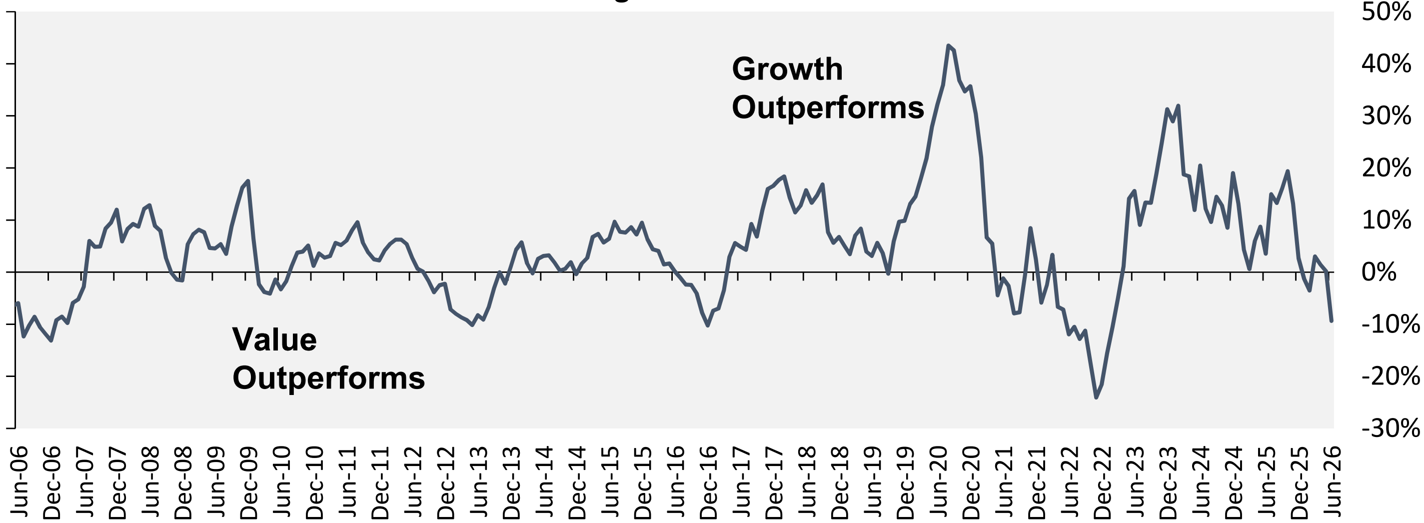
	Current	Average	% of avg.
Top 10	21.6x	20.8x	104%
Remaining stocks	19.6x	15.9x	123%
S&P 500	20.4x	16.9x	121%



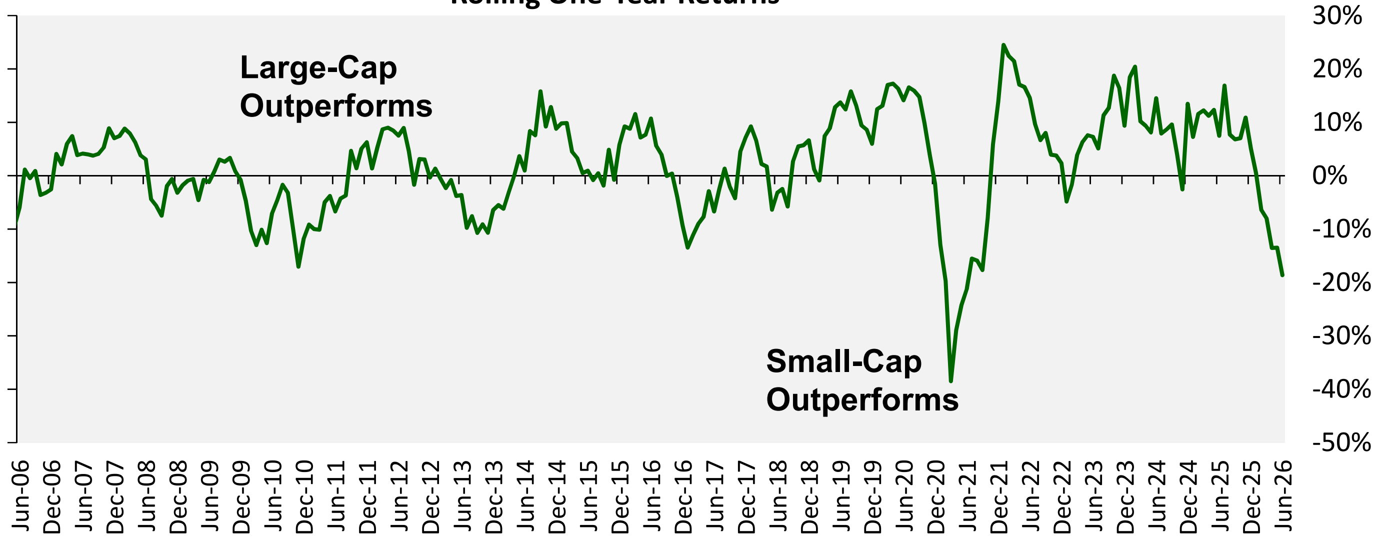
Source: J.P. Morgan Asset Management.

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



Value and Small Caps Lead as Mega-Cap Dominance Reverses

- Large-cap growth rebounded in Q2 as semiconductor and AI-related stocks recovered, but large-cap value remains ahead over the trailing year. That leadership was not driven solely by traditional value sectors, as index construction allowed technology-oriented companies such as memory chip maker Micron to support large value relative to growth.

- The more pronounced move has been sustained small-cap leadership. Resilient domestic growth, improving earnings, and strong capital spending have favored smaller companies that are more sensitive to the U.S. economy and investment cycle.

- AI spending has broadened beyond mega-cap technology. Smaller suppliers of data-center equipment, power, connectivity, and construction services have benefited, while attractive starting valuations have helped small caps outperform even with elevated borrowing costs.

U.S. Equity Market

The June Russell Reconstitution: What Changed at Quarter-End and Why It Matters for the Rest of 2026.

The Russell index reconstitution took effect at the close of Q2 (June 30), so while it did not drive Q2 performance, it will reset the benchmarks for the second half of the year. At the June rebalance, several mega cap stocks moved between growth and value, changing what each index holds.

KEY MOVES AT THE JUNE RECONSTITUTION

Company	R1000 Value (%)	R1000 Growth (%)
Alphabet (Google)	4.2 → 0	7.0 → 11.2
Amazon	2.1 → 5.9	5.1 → 0.6
Apple	0 → 5.4	11.9 → 6.7
Microsoft	0 → 3.9	9.0 → 4.1
Micron	3.2 → 0	0 → 3.9

*Weights (%) May 29 → Jun 30. **green** gained, **red** lost. Value & Growth are separate funds, so weights are not directly comparable across columns.*

WHY A STOCK CAN BE IN BOTH INDICES

Russell does not place each stock in only one style bucket. It scores companies on a value to growth scale using book to price for value and earnings and sales growth for growth, then divides their market value between the two indices based on that score. A borderline megacap such as Alphabet or Amazon can therefore shift sharply from one index to the other.

WHAT IT MEANS FOR MANAGERS AND ASSET CLASSES

Large-Cap Active Value managers

The Russell 1000 Value benchmark now holds Apple, Microsoft, and Amazon among its top names, positions a value discipline may avoid. Active share is typically already high for large cap value managers, so it may increase modestly but has limited room to move.

Large-Cap Active Growth managers

The Magnificent Seven's weight in the Russell 1000 Growth fell from ~53% → 43%, shifting toward Alphabet, NVIDIA & chips. As those megacaps are reweighted, active share tends to see a relatively larger move from a lower base than value.

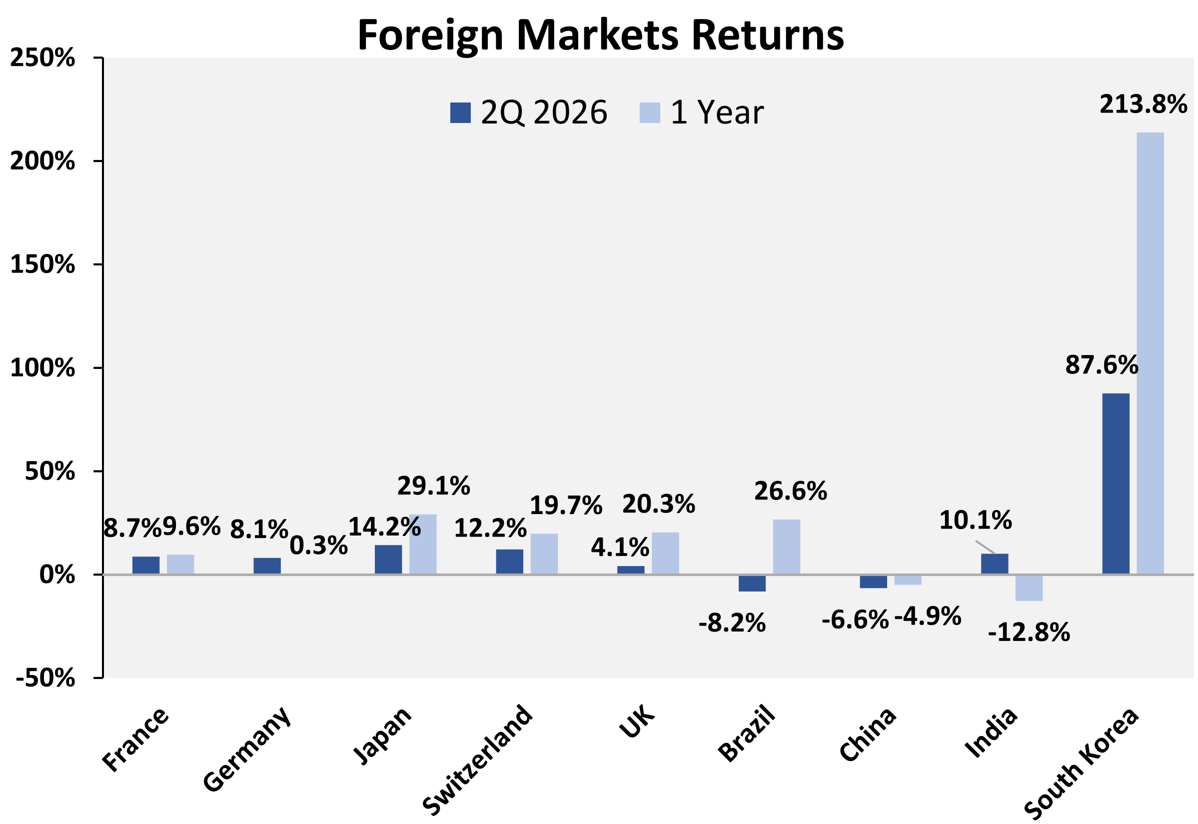
Index (passive) investors

Passive investors inherit the new mix automatically. Large-cap value now tilts toward mega-cap tech; large-cap growth is a heavier, more hardware-weighted AI bet (~70% technology + communication).

Source: iShares Russell 1000 Value (IWD) & Growth (IWF) holdings, May 29 & June 30, 2026; FTSE Russell methodology. Alphabet Class A + C combined. Part of the weight change reflects price movement as well as reconstitution. Beginning 2026, Russell moves to a semi-annual (June & December) reconstitution.

International Equity Market

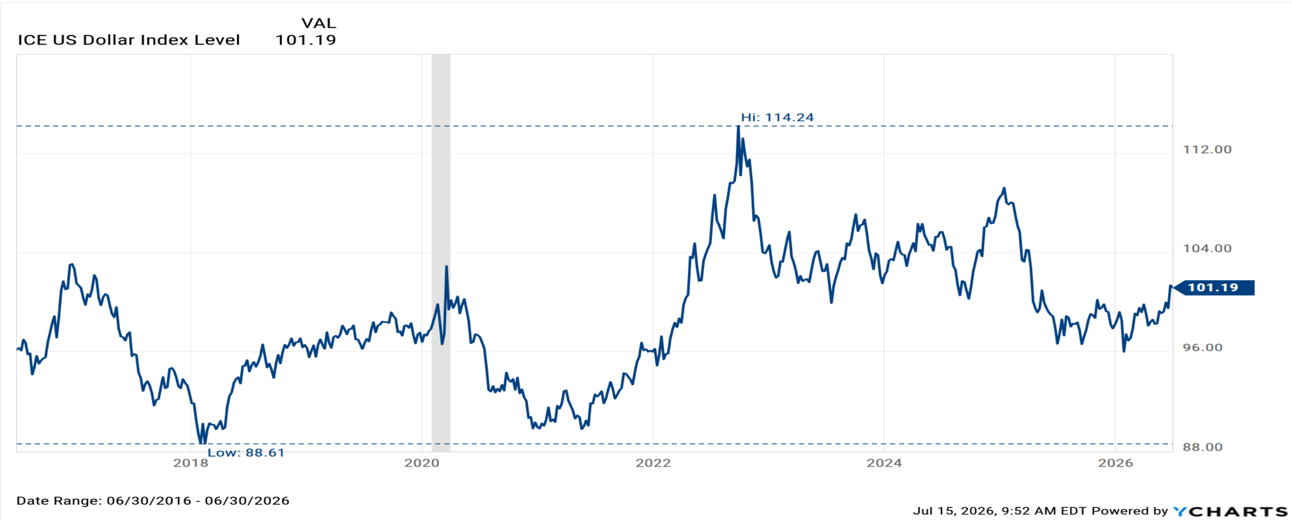
	Index	2Q26	YTD	2025	2024	2023	2022	2021	2020	1-Year	3-Year	5-Year	10-Year
Global	MSCI AC World Index (net)	14.9%	11.2%	22.3%	17.5%	22.2%	-18.4%	18.5%	16.3%	23.7%	19.7%	11.0%	12.8%
	MSCI World Small Cap (net)	15.1%	16.6%	19.9%	8.2%	15.8%	-18.8%	15.8%	16.0%	30.1%	17.6%	7.5%	10.9%
	MSCI World ex US (net)	10.2%	9.2%	31.9%	4.7%	17.9%	-14.3%	12.6%	7.6%	21.0%	16.9%	9.3%	9.8%
	MSCI World ex US Small Cap (net)	7.9%	7.5%	34.1%	2.8%	12.6%	-20.6%	11.1%	12.8%	19.4%	16.5%	6.0%	8.9%
Developed ex US	MSCI EAFE (net)	10.8%	9.4%	31.2%	3.8%	18.2%	-14.5%	11.3%	7.8%	20.2%	16.4%	9.0%	9.7%
	MSCI EAFE Value (net)	7.5%	9.6%	42.2%	5.7%	19.0%	-5.6%	10.9%	-2.6%	27.0%	21.5%	13.1%	10.4%
	MSCI EAFE Growth (net)	14.5%	9.1%	20.8%	2.0%	17.6%	-22.9%	11.3%	18.3%	13.7%	11.5%	4.9%	8.6%
	MSCI EAFE Small Cap (net)	9.0%	7.6%	31.8%	1.8%	13.2%	-21.4%	10.1%	12.3%	17.4%	15.7%	5.3%	8.6%
Emerging Markets	MSCI Emerging Markets (net)	24.1%	23.8%	33.6%	7.5%	9.8%	-20.1%	-2.5%	18.3%	43.5%	23.0%	7.2%	10.1%



- Developed international equities advanced broadly in the second quarter, with returns differentiated largely by sector composition. Japan led at +14.2%, with technology by far the largest contributor to its return. The UK lagged at +4.1%, as the energy weighting that supported that market during the first quarter's oil spike became a drag as crude prices declined. The MSCI EAFE Index gained 10.8%, supported by lower energy costs and recovering global risk appetite.

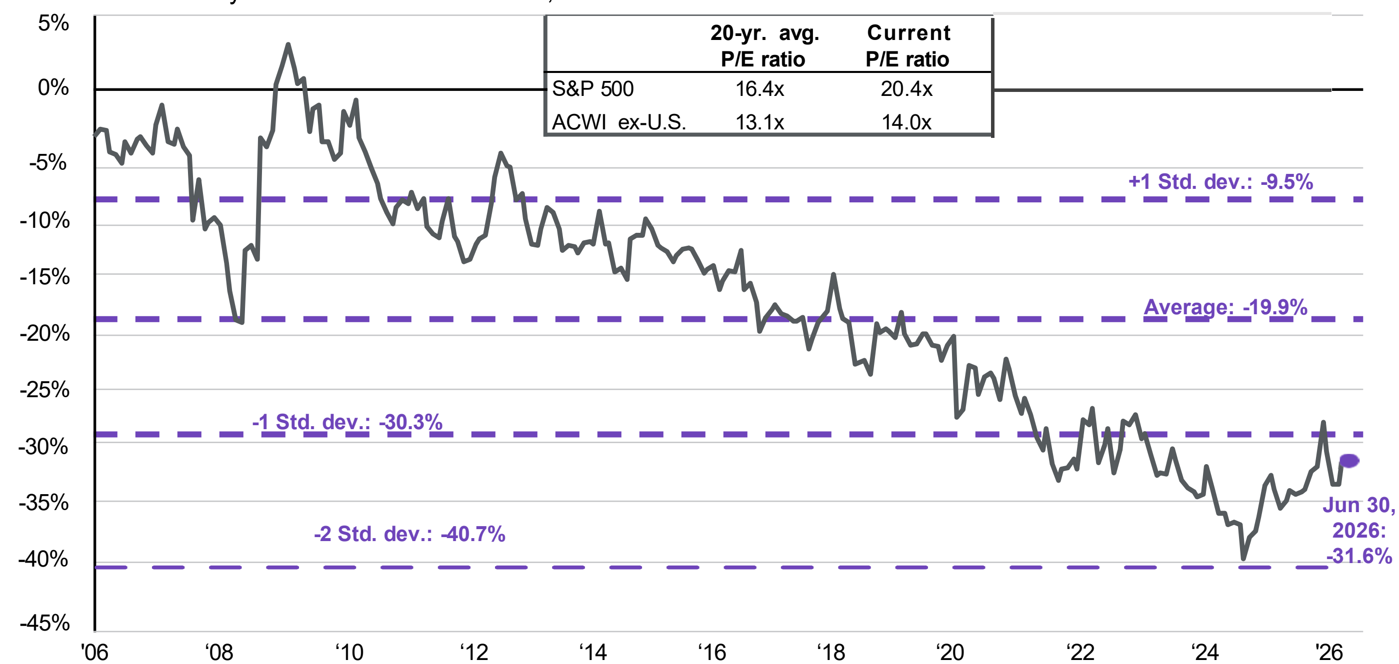
- Emerging markets rose +24%, though the advance was concentrated in a single market. South Korea gained roughly 88%, driven by the memory chip manufacturers that dominate its index. Memory has become the critical bottleneck of the AI build-out: data center demand is running well ahead of a supply that takes years to expand, lifting prices and margins. China declined 6.6%, weighted toward software on the less favored side of the AI trade, while Brazil, an oil exporter, fell 8.2%.

International Equity Market & Currencies



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 Rebounds, Gold Falls, International Markets Resilient

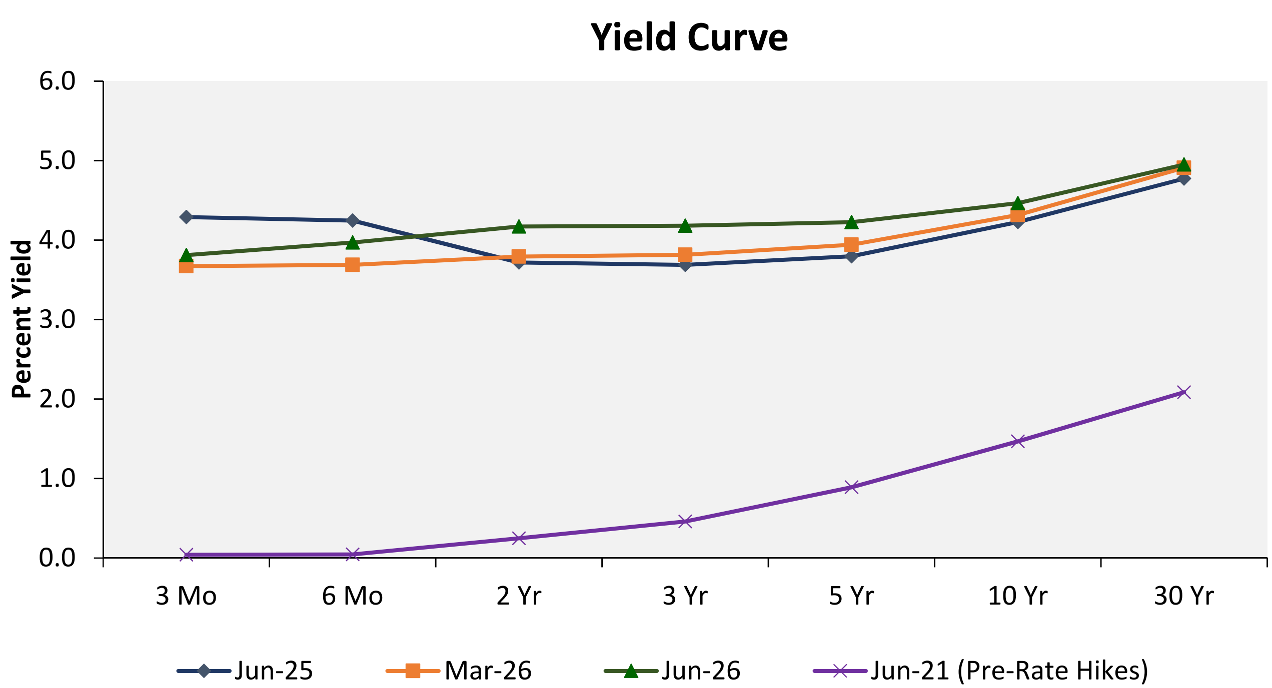
- The U.S. dollar traded in two phases in Q2 2026. For most of the quarter, it drifted lower against emerging market currencies as risk appetite returned and the safe-haven bid faded. It then reversed higher in June, when the FOMC's hawkish shift moved markets from pricing cuts to pricing hikes, widening rate differentials in the dollar's favor. Even hikes from the ECB and Bank of Japan did little to close that gap, leaving the yen and euro lower for the quarter.

- Gold fell 14.2% to $4,000, extending its reversal from March, as the U.S.-Iran memorandum drained the geopolitical bid and rising yields raised the cost of holding non-income-producing assets. The late-January record near $5,600 is now well behind.

- International equities continue to trade at larger than average discounts to U.S. stocks from a P/E multiple perspective, in line with their long-term historical discount. The energy disruption that weighed on Europe and Asia in Q1 eased significantly during the quarter.

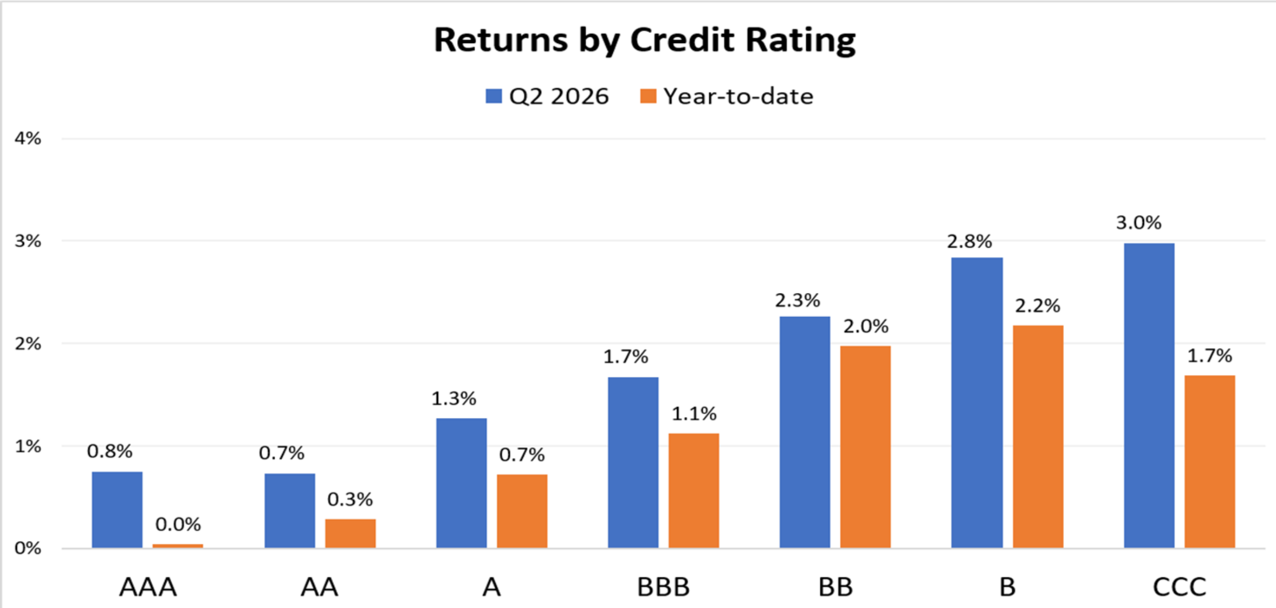
Bond Market

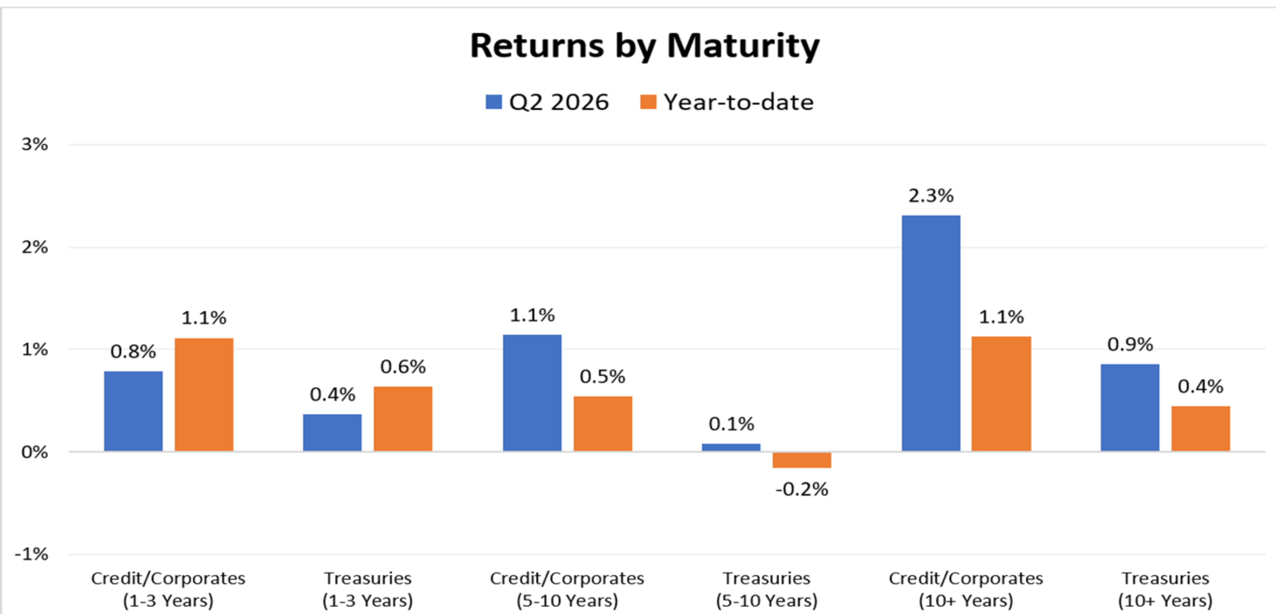
Index	Duration (years)	Yield	2Q26	YTD	2025	2024	2023	2022	2021	2020	1-Year	3-Year	5-Year	10-Year
Bloomberg Aggregate	6.0	4.73%	0.7%	0.6%	7.3%	1.3%	5.5%	-13.0%	-1.5%	7.5%	3.8%	4.2%	0.1%	1.5%
Bloomberg Govt/Credit	6.2	4.66%	0.7%	0.5%	6.9%	1.2%	5.7%	-13.6%	-1.7%	8.9%	3.3%	4.0%	-0.1%	1.6%
Bloomberg Int Agg	4.3	4.60%	0.5%	0.6%	7.5%	2.5%	5.2%	-9.5%	-1.3%	5.6%	3.8%	4.7%	1.0%	1.7%
Bloomberg Int Govt/Credit	3.8	4.43%	0.4%	0.4%	7.0%	3.0%	5.2%	-8.2%	-1.4%	6.4%	3.1%	4.7%	1.2%	1.9%
Bloomberg U.S. Corporate	6.9	5.20%	1.4%	0.9%	7.8%	2.1%	8.5%	-15.8%	-1.0%	9.9%	4.3%	5.3%	0.3%	2.6%
Bloomberg HY Ba/B 2% IC	3.3	6.50%	2.5%	2.0%	8.8%	6.8%	12.6%	-10.6%	4.6%	7.7%	6.0%	8.4%	3.9%	5.6%
ICE BofA 1-3 Yrs BB US Cash Pay HY	1.7	5.50%	1.8%	1.9%	7.2%	6.7%	8.9%	-3.1%	3.2%	5.4%	5.2%	7.0%	4.4%	4.7%
Bloomberg Mortgage	5.5	4.97%	0.6%	1.0%	8.6%	1.2%	5.0%	-11.8%	-1.0%	3.9%	5.2%	4.6%	0.5%	1.4%
Bloomberg Treasury	5.9	4.37%	0.3%	0.3%	6.3%	0.6%	4.1%	-12.5%	-2.3%	8.0%	2.7%	3.2%	-0.4%	0.9%
Bloomberg US TIPS	6.5	4.42%	0.9%	1.2%	7.0%	1.8%	3.9%	-11.8%	6.0%	11.0%	3.4%	4.0%	1.0%	2.6%
BofA ML 91 day T-Bills	0.3	3.82%	0.9%	1.8%	4.2%	5.3%	5.2%	1.5%	0.0%	0.7%	3.9%	4.7%	3.6%	2.4%



- Fixed income returns were positive in Q2 2026 despite the headwind created by a rise in U.S. treasury yields.
- U.S. Treasury yields ranging from 1-5 years in maturity experienced the largest increase, with yields rising between 30-40 bps. Treasury yields on the long-end of the curve (10-30 years) rose modestly in the quarter.
- Treasury yields have gradually increased since the start of 2026, with the largest move occurring since March. The rise in yields is largely a response to higher near-term inflation risks and improving economic conditions that have translated into a reduced outlook for future rate cut expectations from the Federal Reserve.

Bond Market

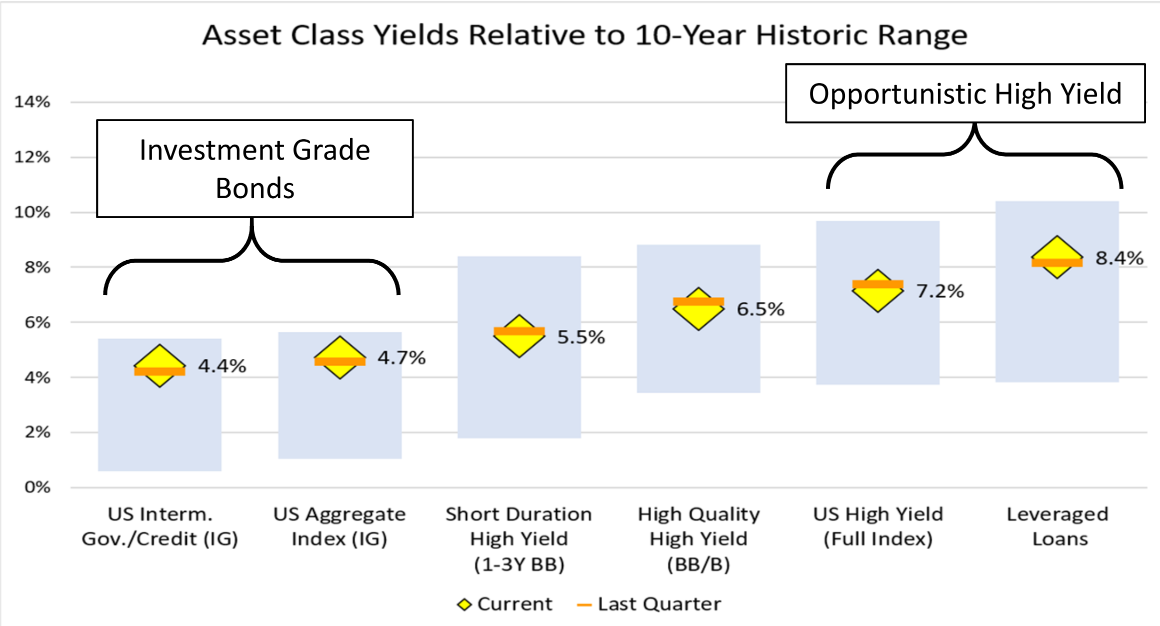


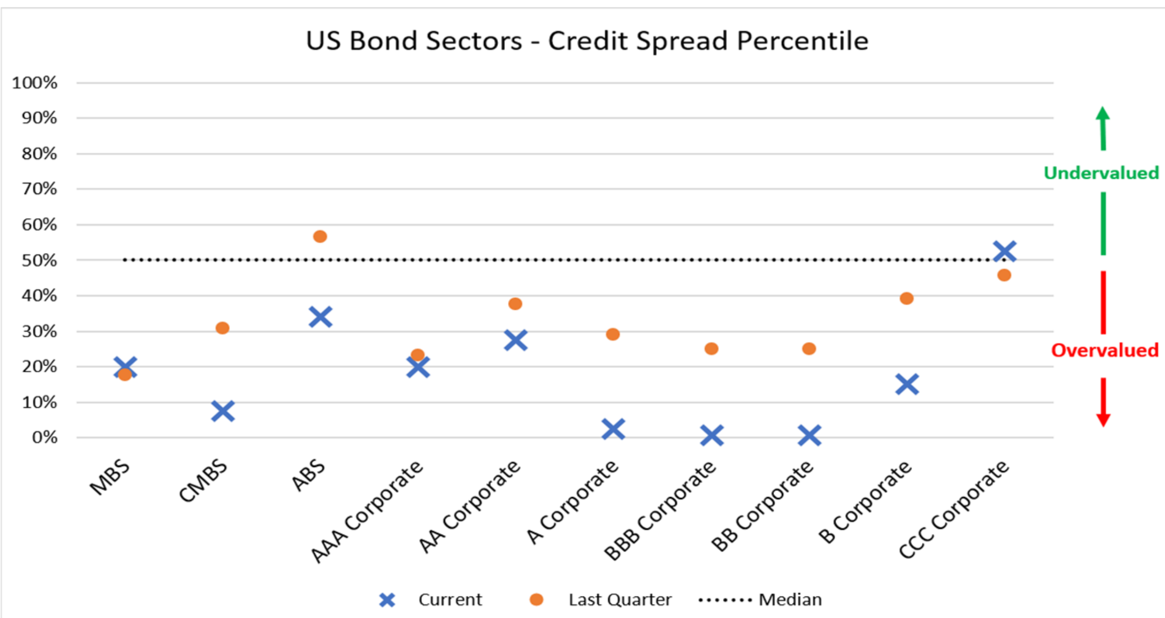


Riskier Credit Outperformed in Q2 2026

- In Q2 2026, credit markets rebounded as investor risk sentiment shifted positively as oil prices declined and fears over the Middle East conflict faded.
- Investors regained comfort in taking on additional credit risk, causing credit spreads to tighten, recovering from the sell-off at the end of Q1.
- Higher yielding, riskier bonds outperformed lower yielding credit in Q2 2026 due to higher coupon payments with additional upside from the recovery in credit spreads.
- Long-term corporate bonds (10+ years) were among the best performers in Q2, despite rising treasury yields. Returns for long-term corporate bonds were primarily driven by the lower-rated bonds that experienced a sharp sell-off in Q1, with credit spreads tightening more than the rise in equivalent treasury yields.
- Year-to-date, shorter duration bonds and higher yielding credit have generally outperformed due to the reduced sensitivity to rising treasury yields and elevated coupon payments.

Bond Market





Bond Yields

- In Q2 2026, investment grade (IG) bond yields were largely unchanged, while non-IG (HY) bond yields declined modestly as credit spreads recovered from the March sell-off and tightened more than treasury yields increased.
- Leveraged loans (senior secured floating-rate loans to non-IG borrowers) continue to offer a yield premium over fixed-rate HY bonds, reflecting wider credit spreads due to a rise in borrower defaults, and greater exposure to software and business services companies facing concerns over AI disruption.

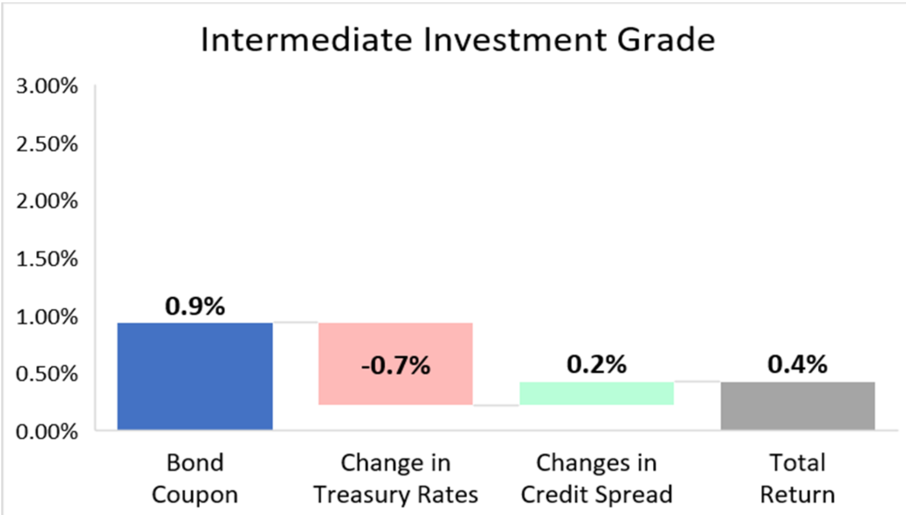
Credit Spreads/Valuations

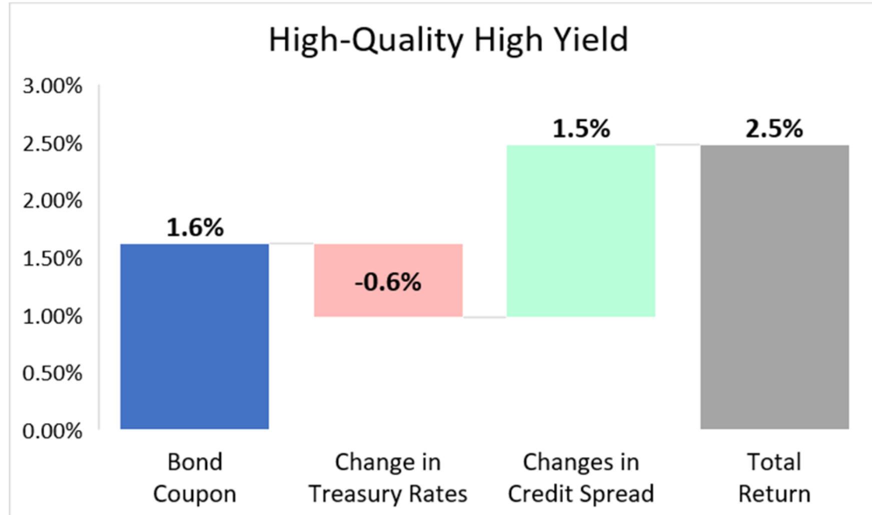
- Corporate credit spreads compressed in Q2 2026, recovering from the sell-off in March.
- Credit spreads across sectors remain well below their median levels over the trailing decade. Credit spreads for A-BB rated corporate bonds sit near historical lows (high valuations), a sign of outsized demand for bonds that balance both duration risk and credit risk.
- CMBS, which has traded at a significant discount to corporate credit, has returned to pre-2021 spread levels, signaling an improved outlook for the commercial real estate assets underlying these securities.

Bond Market

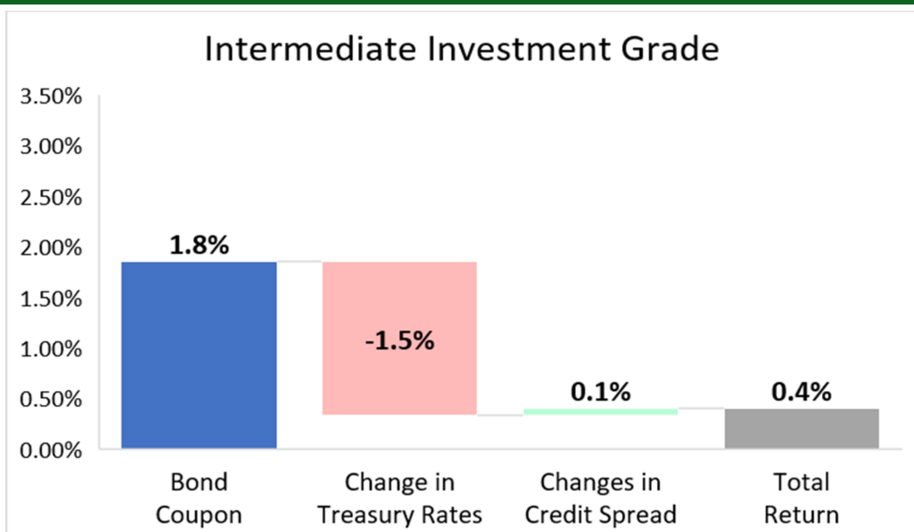
Rising Treasury Yields Continue to Be a Headwind in 2026

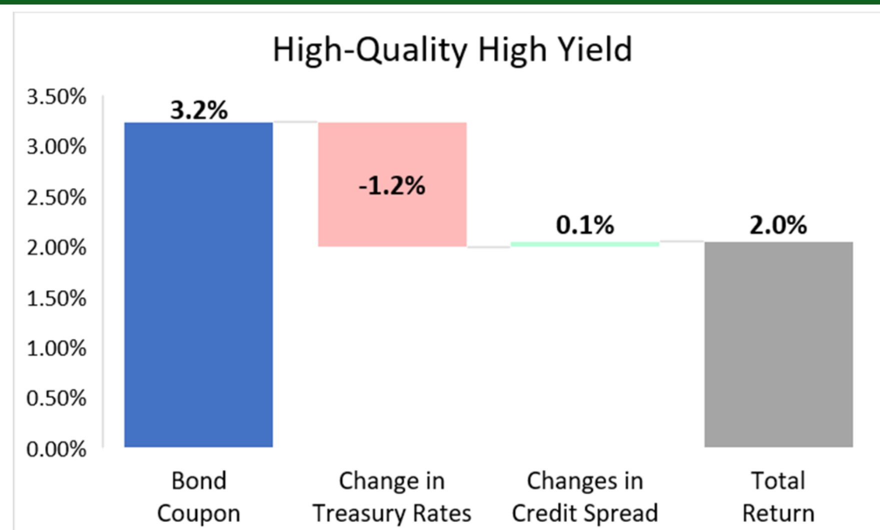
Q2 2026 – Contribution to Total Return





Year-to-Date 2026 – Contribution to Total Return





Bond Market

Interest Rate Sensitivity

12 Month Holding Period - Annualized Returns as of 06/30/2026

Yield Change (bps)	US Treasuries Bloomberg Treasury	Short-Term IG Bloomberg 1-3 Yr US Govt/Credit	Intermediate IG Bloomberg Interm Govt/Credit	Core Bond Bloomberg Aggregate	Short Duration HY ICE BofA 1-3 Yrs BB US Cash Pay HY	High-Quality HY Bloomberg HY BB/B 2% Capped	Full High Yield Bloomberg US Corporate HY
-300	25.28%	10.16%	16.76%	24.78%	9.33%	15.29%	15.85%
-250	21.34%	9.16%	14.58%	21.14%	8.88%	13.97%	14.55%
-200	17.58%	8.16%	12.45%	17.62%	8.36%	12.59%	13.18%
-150	14.00%	7.17%	10.37%	14.22%	7.76%	11.15%	11.76%
-100	10.61%	6.19%	8.34%	10.94%	7.09%	9.66%	10.28%
-75	8.98%	5.71%	7.35%	9.35%	6.72%	8.89%	9.52%
-50	7.40%	5.22%	6.36%	7.78%	6.33%	8.11%	8.75%
-25	5.86%	4.74%	5.39%	6.24%	5.93%	7.31%	7.96%
0	4.37%	4.27%	4.43%	4.73%	5.50%	6.50%	7.16%
25	2.92%	3.79%	3.49%	3.26%	5.06%	5.67%	6.34%
50	1.52%	3.32%	2.55%	1.81%	4.59%	4.83%	5.51%
75	0.17%	2.85%	1.63%	0.39%	4.11%	3.98%	4.67%
100	-1.14%	2.38%	0.72%	-1.00%	3.61%	3.11%	3.81%
150	-3.62%	1.45%	-1.06%	-3.69%	2.54%	1.33%	2.05%
200	-5.92%	0.53%	-2.79%	-6.25%	1.40%	-0.51%	0.23%
250	-8.03%	-0.38%	-4.47%	-8.71%	0.18%	-2.40%	-1.64%
300	-9.96%	-1.28%	-6.10%	-11.04%	-1.12%	-4.36%	-3.58%
Duration	5.87	1.91	3.81	5.97	1.74	3.27	3.24
Convexity	0.73	0.04	0.20	0.48	-0.31	-0.23	-0.23

FOR ILLUSTRATIVE PURPOSES ONLY: For each index the current yield to worst as of 6/30/2026 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 6/30/2026 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 6/30/2026, 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

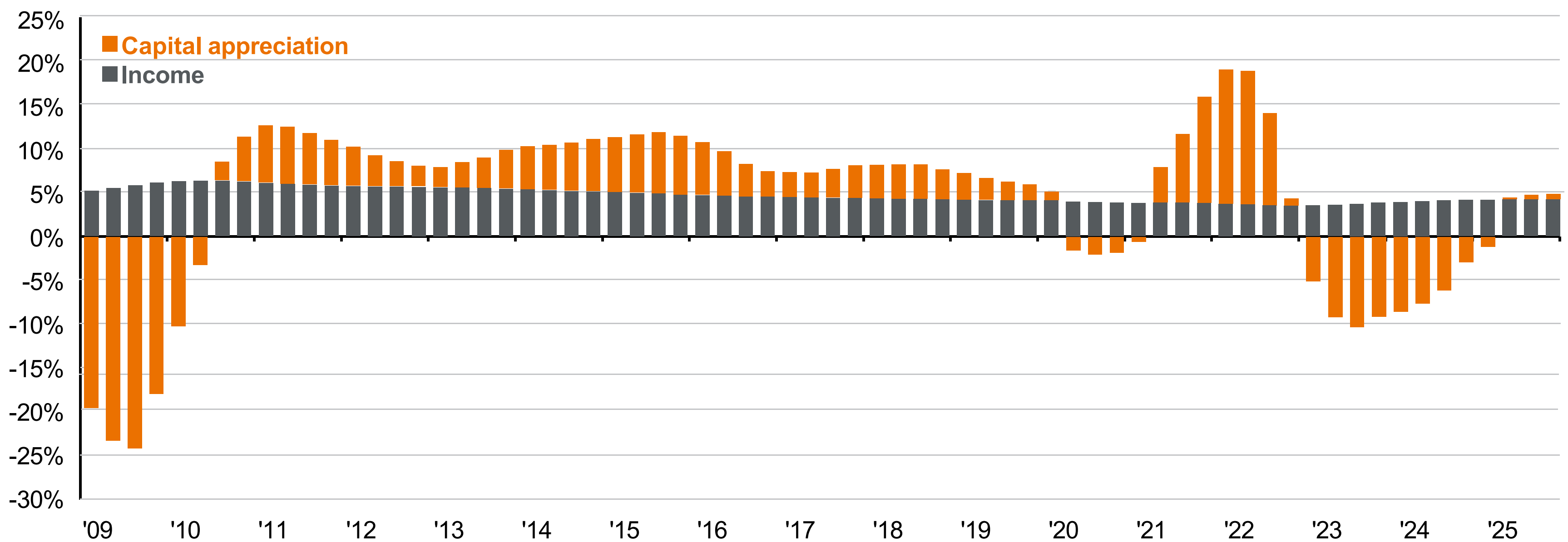
Sector	Index	2Q26	YTD	2025	2024	2023	2022	2021	2020	1-Year	3-Year	5-Year	10-Year	15-Year	20-Year
US Private	NCREIF ODCE Equal Weighted (net)	1.3%	2.3%	2.9%	-2.4%	-13.4%	7.6%	21.9%	0.8%	3.5%	-1.7%	1.9%	4.0%	6.5%	4.6%
	NCREIF ODCE EW Income Index	1.0%	2.0%	4.1%	4.0%	3.5%	3.5%	4.1%	3.6%	4.1%	4.0%	3.8%	3.8%	3.9%	4.1%
	NCREIF ODCE EW Appreciation Index	0.5%	0.6%	-0.3%	-5.5%	-15.8%	4.8%	18.3%	-2.1%	0.3%	-4.7%	-1.1%	0.7%	2.8%	0.6%

- The NCREIF ODCE Equal Weighted Index (net) increased +1.30% in Q2 2026, which represents the best quarterly return since the Q2 2022 peak prior to the market downturn from late 2022-2024.

- The improving Q2 return for the index was in part driven by positive appreciation of 0.5%, which also represents the highest appreciation return since the 2022 peak. Appreciation for the index is now positive over the trailing one-year period (+0.3%). The quarterly income return for the index continues to remain stable around 1%; income for the trailing one-year and three-year (annualized) periods was +4.1% and +4.0%, respectively, illustrating the consistency in income returns, which is also apparent in the chart below.

Global private real estate returns

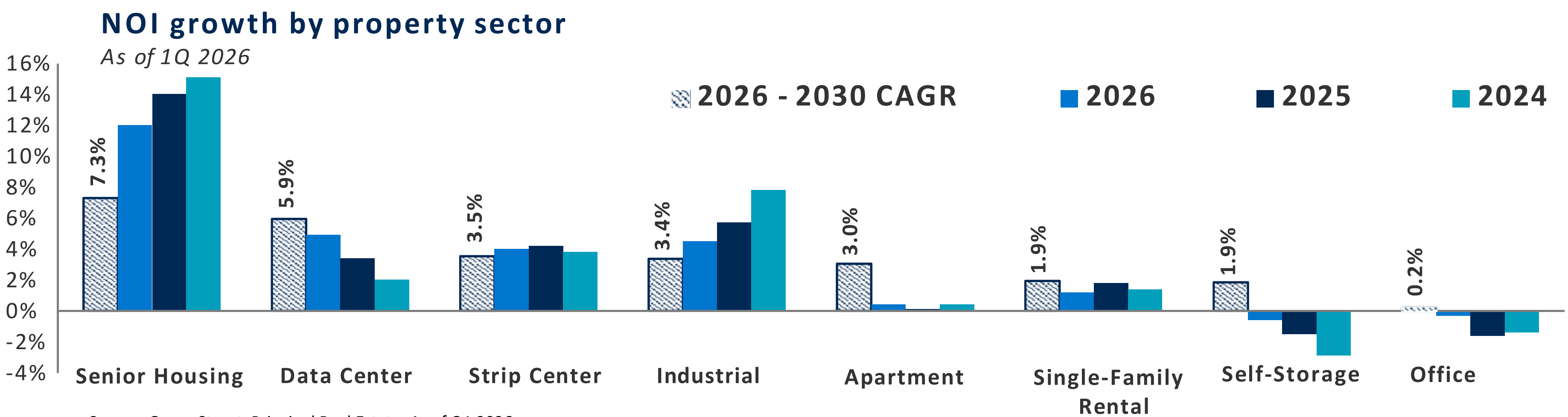
Rolling 4-quarter returns from income and capital appreciation



Source: MSCI, JP Morgan Asset Management. As of 6/30/2026.

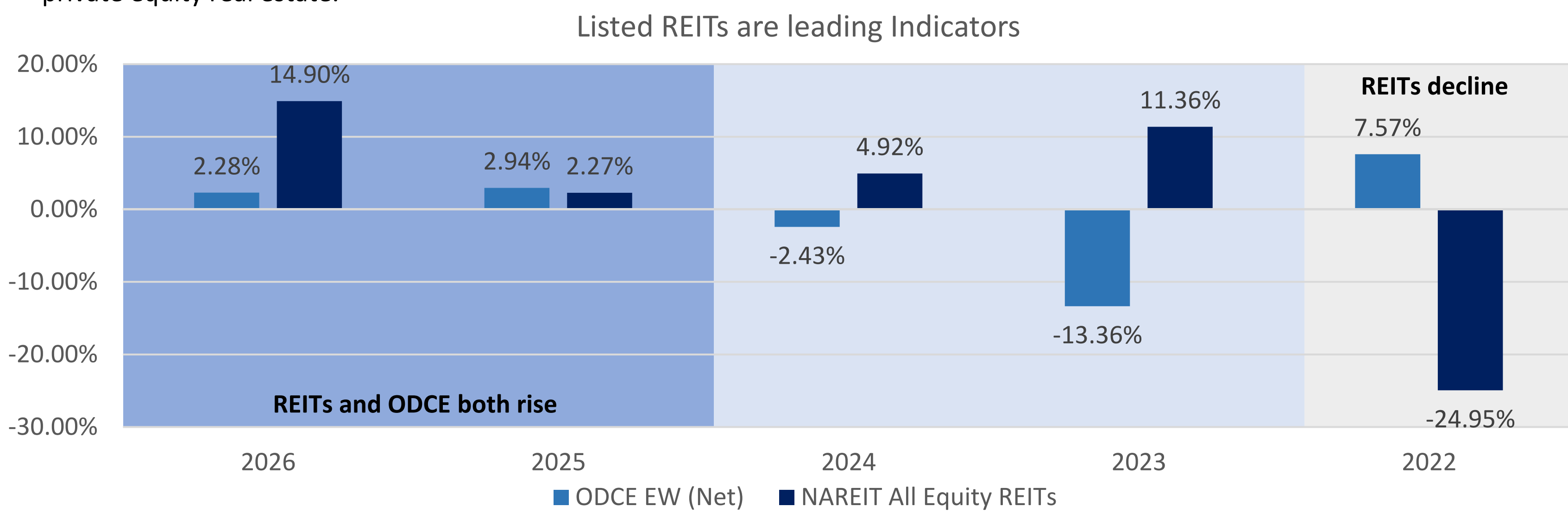
Real Estate Market

- Rental income, and the ability to grow net operating income (NOI), will continue to be an important driver of real estate returns going forward. Sector, market and asset selection decisions by real estate fund managers are critical, as NOI growth is divergent by sector and reflects different supply and demand conditions.



Source: Green Street, Principal Real Estate. As of Q1 2026.

- Publicly listed real estate (U.S. REITs) have historically been a leading indicator for private real estate, as shown in the chart below. REITs are significantly outperforming private real estate this year (+14.9% vs. +2.3% through June), suggesting better returns ahead for private equity real estate.

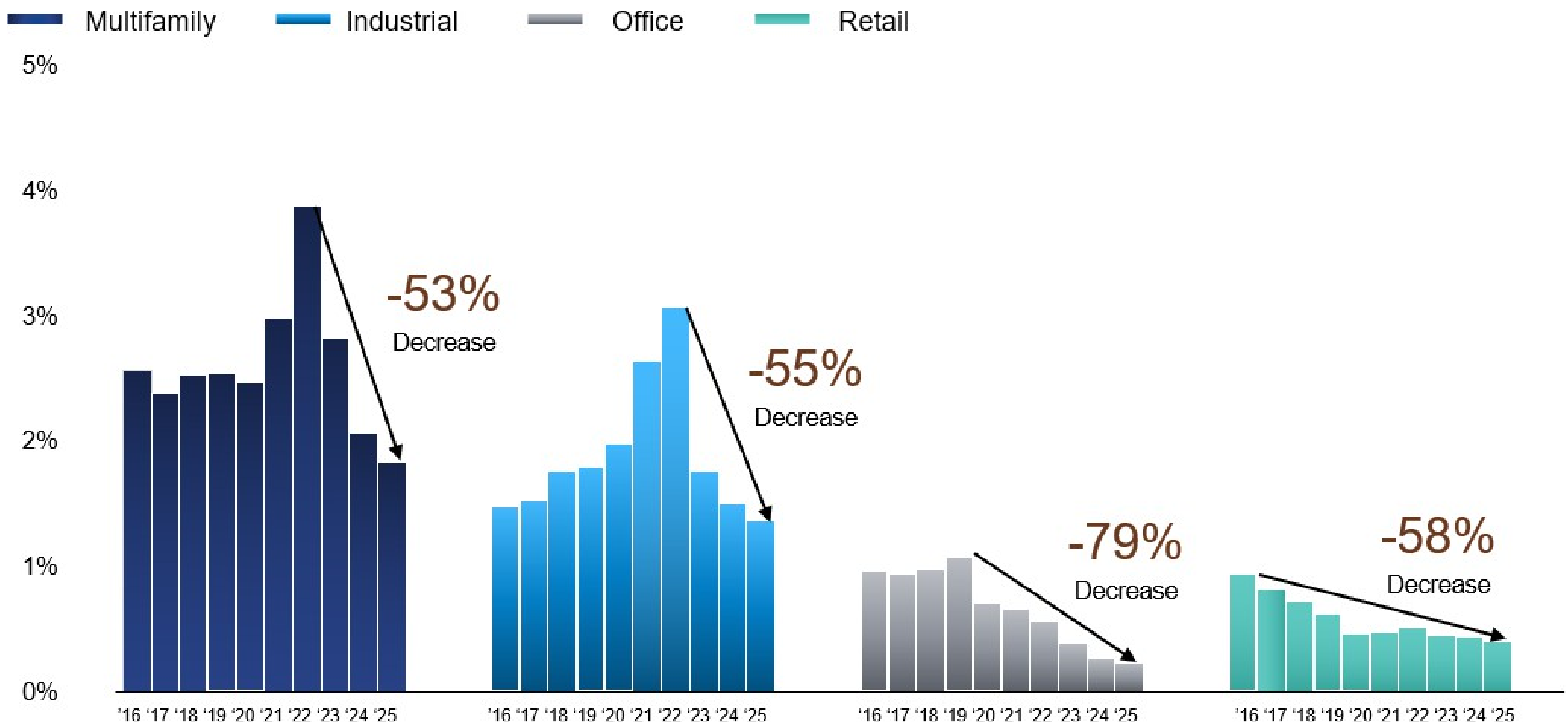


Real Estate Market

- While interest rates remain higher than the period prior to the recent market downturn, they appear to have stabilized. Transaction volumes continue to increase, and new supply and construction starts are significantly lower in many markets. Commercial real estate data provider CoStar projects a continued downward trend in new supply growth through 2027.

- High construction and building costs are likely to keep new supply low, helping drive vacancy rates stable or lower, increase the ability to grow rents, and stabilize asset valuations.

Annual Construction Starts as a Percentage of Existing Stock (2016-2025)



Source: CoStar, via Cliffwater.

Investment
Performance
Services

Operating Engineers Local No. 77 JATC Fund

General Consulting Services Report

Period Ended

June 30, 2026

Total Fund Growth of Assets

	Quarter-To-Date	Fiscal-Year-To-Date	One Year	Three Years	Five Years	Inception 12/1/19
Beginning Market Value	$3,160,203	$3,131,580	$3,216,198	$3,093,341	$3,131,521	$2,800,877
Net Cash Flow	$48,444	$79,933	-$124,008	-$485,223	-$549,295	-$551,621
Net Investment Change	$84,336	$81,470	$200,794	$684,866	$710,757	$1,043,728
Ending Market Value	$3,292,984	$3,292,984	$3,292,984	$3,292,984	$3,292,984	$3,292,984

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

Performance Summary (Gross of Fees) - Annualized

			Ending June 30, 2026 (%)						
	Market Value	% of Portfolio	2026 Q2	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	Inception	Inception Date
Total Fund	$3,292,984	100.0	2.7	2.6	6.8	7.6	4.6	5.1	Dec-19
Total Domestic Large Cap Equity	$378,864	11.5	15.2	10.2	22.3	20.6	13.4	15.9	Dec-19
Total Investment Grade Fixed Income	$1,255,610	38.1	0.8	1.3	3.8	5.1	2.8	2.9	Jan-20
Total Short Duration High Yield Fixed Income	$1,121,764	34.1	1.9	2.1	5.3	7.0	-	4.4	Aug-21
Total Cash Equivalents	$536,746	16.3	0.9	1.9	3.7	4.3	3.2	2.5	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 YTD	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2020
Total Fund	**2.6**	**8.1**	**7.6**	**8.7**	**-5.8**	**6.1**	**5.7**
Total Fund Benchmark	2.4	7.3	7.6	10.0	-5.4	5.6	6.5

Fiscal Year Ending December 31st (Net of Fees)

	Fiscal YTD	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2020
Total Fund	**2.5**	**7.9**	**7.3**	**8.4**	**-6.0**	**6.0**	**5.6**
Total Fund Benchmark	2.4	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	$378,864	11.5	10.0	5.0 - 15.0	1.5	$49,565
Investment Grade Fixed Income	$1,255,610	38.1	40.0	35.0 - 45.0	-1.9	-$61,584
Short Duration High Yield Fixed Income	$1,121,764	34.1	35.0	30.0 - 40.0	-0.9	-$30,780
Cash Equivalents	$536,746	16.3	15.0	10.0 - 20.0	1.3	$42,799
Total	**$3,292,984**	**100.0**	**100.0**			

- Policy adopted May 2023; effective July 2023.

Performance Detail (Net of Fees) - Annualized

	Market Value	% of Portfolio	Ending June 30, 2026 (%)						Inception Date
			2026 Q2	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	Inception	
Total Fund	**$3,292,984**	**100.0**	**2.7**	**2.5**	**6.5**	**7.3**	**4.4**	**4.9**	**Dec-19**
Total Fund Benchmark			*2.6*	*2.4*	*6.1*	*7.3*	*4.7*	*5.2*	
Total Domestic Large Cap Equity	**$378,864**	**11.5**	**15.2**	**10.2**	**22.3**	**20.6**	**13.4**	**15.8**	**Dec-19**
Vanguard 500 Index Fund Admiral Shares	$378,864	11.5	15.2	10.2	22.3	20.6	13.4	15.8	Dec-19
S&P 500 Index			*15.2*	*10.2*	*22.3*	*20.6*	*13.4*	*15.9*	
Total Investment Grade Fixed Income	**$1,255,610**	**38.1**	**0.8**	**1.2**	**3.6**	**5.0**	**2.7**	**2.7**	**Jan-20**
Chartwell Investment Partners	$1,255,610	38.1	0.8	1.2	3.6	5.0	2.7	2.7	Jan-20
Bloomberg U.S. Credit 1-3 Year Index			*0.8*	*1.1*	*3.8*	*5.3*	*2.6*	*2.6*	
Total Short Duration High Yield Fixed Income	**$1,121,764**	**34.1**	**1.8**	**1.9**	**4.9**	**6.5**	**-**	**3.9**	**Aug-21**
Carillon Chartwell Short Duration High Yield Fund R6	$1,121,764	34.1	1.8	1.9	4.9	6.5	-	3.9	Aug-21
ICE BofA U.S. High Yield Cash Pay BB 1-3 Year			*1.8*	*1.9*	*5.2*	*7.0*	*-*	*4.5*	
Blmbg. Intermed. U.S. Government/Credit			*0.4*	*0.4*	*3.1*	*4.7*	*-*	*1.1*	
Total Cash Equivalents	**$536,746**	**16.3**	**0.9**	**1.9**	**3.7**	**4.3**	**3.2**	**2.5**	**Dec-19**
PNC Cash	$536,746	16.3	0.9	1.9	3.7	4.3	3.2	2.5	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.

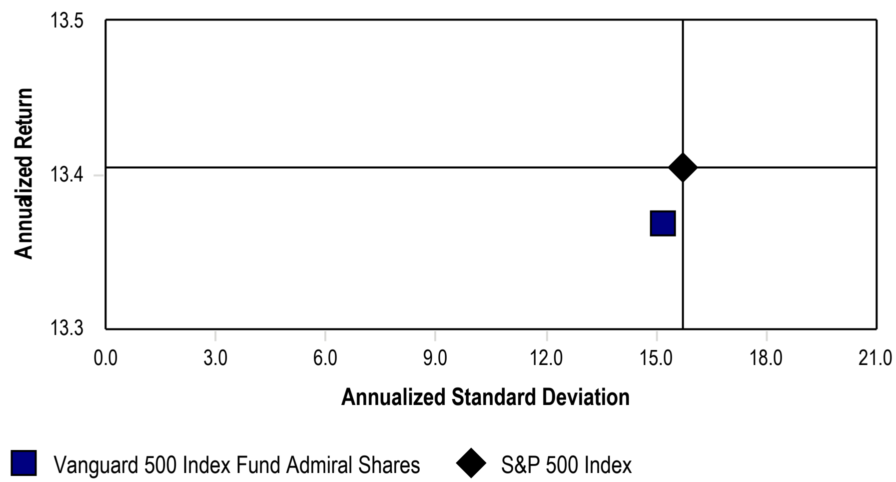
Account Information

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 June 30, 2026

	Second Quarter	Inception 12/1/19
Beginning Market Value	$328,884	$0
Net Cash Flows	$0	-$120,719
Net Investment Change	$49,980	$499,583
Ending Market Value	$378,864	$378,864

Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2026



3 Years Ending June 30, 2026

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Vanguard 500 Index Fund Admiral Shares	20.6	13.2	83.3	50.5
S&P 500 Index	*20.6*	*12.9*	*100.0*	*100.0*

5 Years Ending June 30, 2026

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Vanguard 500 Index Fund Admiral Shares	13.4	15.2	64.0	34.2
S&P 500 Index	*13.4*	*15.7*	*100.0*	*100.0*

	2026 Q2	FYTD	1 Yr	3 Yrs	5 Yrs	2025	2024	2023	2022	2021	Inception	Inception Date
Vanguard 500 Index Fund Admiral Shares	15.2 (40)	10.2 (42)	22.3 (35)	20.6 (26)	13.4 (21)	17.8 (25)	25.0 (24)	26.2 (28)	-18.1 (50)	28.7 (25)	15.8 (23)	Dec-19
S&P 500 Index	*15.2 (39)*	*10.2 (41)*	*22.3 (33)*	*20.6 (25)*	*13.4 (20)*	*17.9 (24)*	*25.0 (24)*	*26.3 (27)*	*-18.1 (47)*	*28.7 (23)*	*15.9 (22)*	

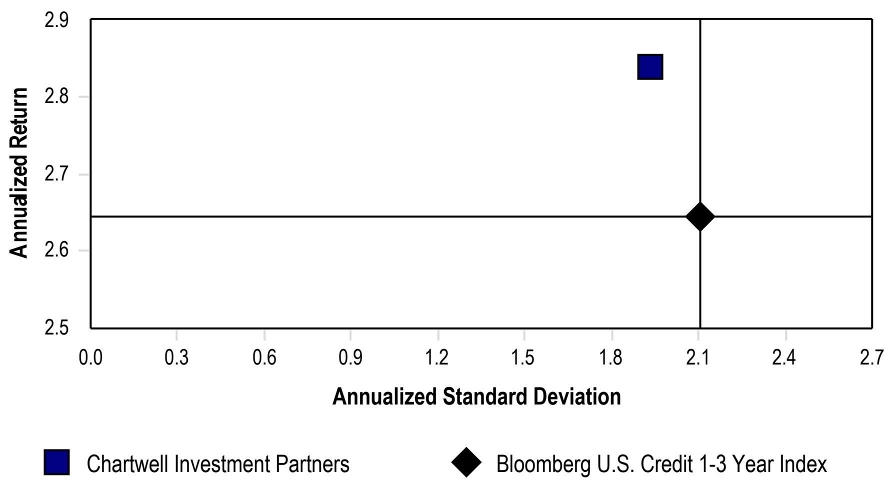
Note: Returns are net of fees.

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

Chartwell Investment Partners
Ending June 30, 2026

	Second Quarter	Inception 1/1/20
Beginning Market Value	$1,245,264	$0
Net Cash Flows	$0	$994,564
Net Investment Change	$10,345	$261,045
Ending Market Value	$1,255,610	$1,255,610

Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2026



3 Years Ending June 30, 2026

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Chartwell Investment Partners	5.1	1.4	96.8	91.5
Bloomberg U.S. Credit 1-3 Year Index	*5.3*	*1.5*	*100.0*	*100.0*

5 Years Ending June 30, 2026

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Chartwell Investment Partners	2.8	1.9	97.2	83.5
Bloomberg U.S. Credit 1-3 Year Index	*2.6*	*2.1*	*100.0*	*100.0*

	2026 Q2	FYTD	1 Yr	3 Yrs	5 Yrs	2025	2024	2023	2022	2021	Inception	Inception Date
Chartwell Investment Partners	0.8	1.3	3.8	5.1	2.8	5.8	4.8	5.7	-2.8	0.0	2.9	Jan-20
Bloomberg U.S. Credit 1-3 Year Index	*0.8*	*1.1*	*3.8*	*5.3*	*2.6*	*5.8*	*5.1*	*5.3*	*-3.4*	*-0.2*	*2.6*	

Note: Returns are gross of fees.

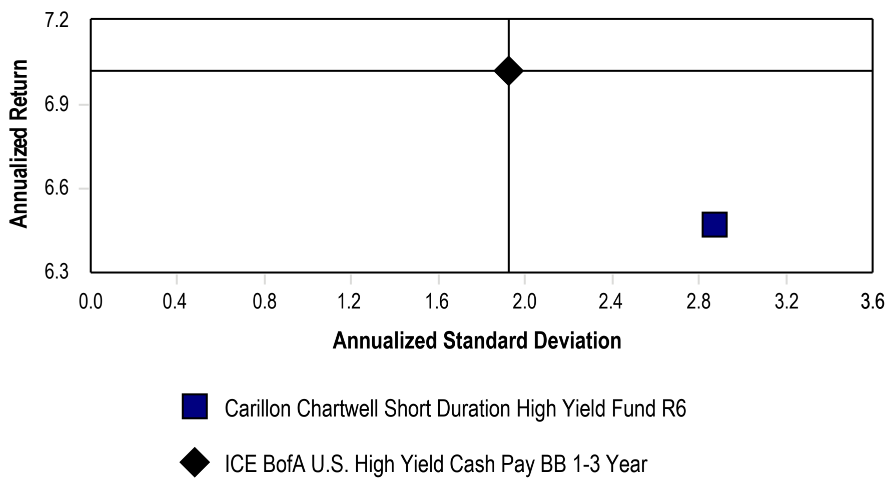
Account Information

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

Carillon Chartwell Short Duration High Yield Fund R6
Ending June 30, 2026

	Second Quarter	Inception 8/1/21
Beginning Market Value	$1,101,630	$0
Net Cash Flows	$0	$900,000
Net Investment Change	$20,134	$221,764
Ending Market Value	$1,121,764	$1,121,764

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2026



3 Years Ending June 30, 2026

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Carillon Chartwell Short Duration High Yield Fund R6	6.5	2.9	89.1	18.3
ICE BofA U.S. High Yield Cash Pay BB 1-3 Year	*7.0*	*1.9*	*100.0*	*100.0*

	2026 Q2	FYTD	1 Yr	3 Yrs	5 Yrs	2025	2024	2023	2022	2021	Inception	Inception Date
Carillon Chartwell Short Duration High Yield Fund R6	1.8	1.9	4.9	6.5	-	6.9	5.8	7.8	-3.2	-	3.9	Aug-21
ICE BofA U.S. High Yield Cash Pay BB 1-3 Year	*1.8*	*1.9*	*5.2*	*7.0*	-	*7.2*	*6.7*	*8.9*	*-3.1*	-	*4.5*	
Blmbg. Intermed. U.S. Government/Credit	*0.4*	*0.4*	*3.1*	*4.7*	-	*7.0*	*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

PNC Cash Ending June 30, 2026	Second Quarter	Inception 12/1/19
Beginning Market Value	$484,425	$0
Net Cash Flows	$48,444	$474,677
Net Investment Change	$3,877	$62,069
Ending Market Value	$536,746	$536,746

- Current Yield as of June 30, 2026 is 3.56%.

	2026 Q2	FYTD	1 Yr	3 Yrs	5 Yrs	2025	2024	2023	2022	2021	Inception	Inception Date
PNC Cash	0.9	1.9	3.7	4.3	3.2	3.9	5.0	4.0	1.2	0.1	2.5	Dec-19

Note: Returns are gross of fees.

Investment Performance Services

Operating Engineers Local No. 77 JATC Fund

Appendix

Performance Detail (Gross of Fees) - Annualized

	Market Value	% of Portfolio	Ending June 30, 2026 (%)						
			2026 Q2	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	Inception	Inception Date
Total Fund	**$3,292,984**	**100.0**	**2.7**	**2.6**	**6.8**	**7.6**	**4.6**	**5.1**	**Dec-19**
Total Fund Benchmark			*2.6*	*2.4*	*6.1*	*7.3*	*4.7*	*5.2*	
Total Domestic Large Cap Equity	**$378,864**	**11.5**	**15.2**	**10.2**	**22.3**	**20.6**	**13.4**	**15.9**	**Dec-19**
Vanguard 500 Index Fund Admiral Shares	$378,864	11.5	15.2	10.2	22.3	20.6	13.4	15.9	Dec-19
S&P 500 Index			*15.2*	*10.2*	*22.3*	*20.6*	*13.4*	*15.9*	
Total Investment Grade Fixed Income	**$1,255,610**	**38.1**	**0.8**	**1.3**	**3.8**	**5.1**	**2.8**	**2.9**	**Jan-20**
Chartwell Investment Partners	$1,255,610	38.1	0.8	1.3	3.8	5.1	2.8	2.9	Jan-20
Bloomberg U.S. Credit 1-3 Year Index			*0.8*	*1.1*	*3.8*	*5.3*	*2.6*	*2.6*	
Total Short Duration High Yield Fixed Income	**$1,121,764**	**34.1**	**1.9**	**2.1**	**5.3**	**7.0**	**-**	**4.4**	**Aug-21**
Carillon Chartwell Short Duration High Yield Fund R6	$1,121,764	34.1	1.9	2.1	5.3	7.0	-	4.4	Aug-21
ICE BofA U.S. High Yield Cash Pay BB 1-3 Year			*1.8*	*1.9*	*5.2*	*7.0*	*-*	*4.5*	
Blmbg. Intermed. U.S. Government/Credit			*0.4*	*0.4*	*3.1*	*4.7*	*-*	*1.1*	
Total Cash Equivalents	**$536,746**	**16.3**	**0.9**	**1.9**	**3.7**	**4.3**	**3.2**	**2.5**	**Dec-19**
PNC Cash	$536,746	16.3	0.9	1.9	3.7	4.3	3.2	2.5	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 June 30, 2026	% of Portfolio	Estimated Annual Fee $	Estimated Annual Fee (%)
Total Domestic Large Cap Equity	**-**	**$378,864**	**11.51**	**$152**	**0.04**
Vanguard 500 Index Fund Admiral Shares	0.04 % of Assets	$378,864	11.51	$152	0.04
Total Investment Grade Fixed Income	**-**	**$1,255,610**	**38.13**	**$2,260**	**0.18**
Chartwell Investment Partners	0.18 % of Assets	$1,255,610	38.13	$2,260	0.18
Total Short Duration High Yield Fixed Income	**-**	**$1,121,764**	**34.07**	**$4,375**	**0.39**
Carillon Chartwell Short Duration High Yield Fund R6	0.39 % of Assets	$1,121,764	34.07	$4,375	0.39
Total Cash Equivalents	**-**	**$536,746**	**16.30**	**-**	**-**
PNC Cash	-	$536,746	16.30	-	-
Investment Management Fee		**$3,292,984**	**100.00**	**$6,787**	**0.21**

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

• Blmbg. Intermed. U.S. Government/Credit - Secondary benchmark is listed for illustrative purposes.

• 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

• Returns shown at the product level for certain daily-priced investments may reflect the product's published return rather than the portfolio's actual return, as the timing of cash flows and trading activity during the period may cause the two to differ. Total portfolio performance is calculated from the portfolio's actual returns using the Modified Dietz method, regardless of the returns displayed at the product level.

• 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.

- The following investment is preliminary and subject to change:
    - Vanguard 500 Index Fund Admiral Shares

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	$100,000,000	$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:

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EPIC

April 28 - May 1, 2026

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.

Adams Street Partners
AFL-CIO Housing Investment Trust
American Realty Advisors
Arena Capital
Aristotle Capital Management
ASB Real Estate Investments
Atlanta Capital Management
Bank of Labor
Barrow Hanley Global Investors
Bentall Green Oak
BlackRock
Blackstone
BNY Investments
Boston Partners Global Investors
Boyd Watterson Asset Management
BPEA Private Equity
Chartwell / Raymond James Asset Management
Chautauqua Capital Management, a Division of Baird
Christenson Investment Partners
Columbia Threadneedle Investments
Compass International Advisors
Conestoga Capital Advisors
Constitution Capital Partners
Corbin Capital Partners
CS McKee
Dana Investment Advisors
EARNEST Partners
EnTrust Global
Fengate Asset Management
First Eagle Investments
First State Trust Company
F/M Investments
Fred Alger Management
GCM Grosvenor
General Wellington Capital
Glouston Capital Partners
GoldenTree Asset Management
Great Lakes Advisors
Hamilton Lane Advisors
Hardman Johnston Global Advisors
HPS Investment Partners
IFM Investors
Income Research + Management
Intercontinental Real Estate Corporation
Invesco
J.P. Morgan Investment Management
Janus Henderson Investors
Kearney Capital
Loomis Sayles
Lord Abbett
LSV Asset Management
McMorgan & Co.
Mesirow
National Investment Services
National Real Estate Advisors
Neuberger Berman
New York Life Investments
Northern Trust Asset Management
Oaktree Capital Management
Old Glory Asset Management
Partners Group
Pathway Capital Management
Patriot Financial Partners
PGIM
PNC Bank
Post Advisory Group
RCP Advisors
Richmond Capital Management
Schroders Investment Management
Segall Bryant & Hamill
Sierra Investment Partners
Siguler Guff
SSI Investment Management
State Street Global Advisors
Stonepeak Advisors
Thompson, Siegel & Walmsley
Ullico Investment Advisors
Victory Capital
Washington Capital Management
Wedge Capital Management
Westfield Capital Management
Westport Capital Partners
William Blair