

# Quarterly Financial Report

For the period ending March 31, 2026



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## Statement of Net Position

As of March 31, 2026 and December 31, 2025

	3/31/2026 (u)	12/31/2025
<b>Assets</b>		
<b>Cash &amp; short-term investments:</b>		
Cash & short-term investments	\$ 73,753,194	\$ 92,020,731
Security lending collateral	157,181,794	45,856,050
<b>Total cash &amp; short-term investments</b>	<b>230,934,988</b>	<b>137,876,781</b>
<b>Receivable:</b>		
Investment income	1,953,678	2,364,671
Unsettled securities sold	1,981,933	-
Contributions	(44,214)	9,443,974
Leases receivable	93,591	93,591
<b>Total receivable</b>	<b>3,984,988</b>	<b>11,902,236</b>
<b>Investments, at fair value:</b>		
U.S. government obligations	411,612,668	426,370,031
Domestic corporate and other fixed income	265,559,648	269,078,142
Domestic equity	722,193,448	740,995,901
International equity	575,281,735	604,797,828
Real estate	240,737,229	238,335,431
Alternative investments	328,574,246	336,980,716
Absolute return	228,222,229	177,051,717
Infrastructure	105,352,810	105,750,724
<b>Total investments</b>	<b>2,877,534,013</b>	<b>2,899,360,490</b>
<b>Prepaid items</b>	-	2,051,174
<b>Capital assets:</b>		
Property and equipment, net of accumulated depreciation	797,532	797,533
<b>Total assets</b>	<b>3,113,251,521</b>	<b>3,051,988,214</b>
<b>Liabilities</b>		
Unsettled securities purchased	1,325,450	179,307
Securities lending obligations	157,181,794	45,856,050
Unearned Contributions	-	8,897,517
Lease payable	28,197	28,197
Accounts payable	(1,189,284)	2,208,371
<b>Total liabilities</b>	<b>157,346,157</b>	<b>57,169,442</b>
<b>Deferred inflow of resources</b>	93,591	93,591
<b>Net position restricted for benefits</b>	<b>\$ 2,955,811,773</b>	<b>\$ 2,994,725,181</b>
Net position restricted for benefits	2,911,323,228	2,950,236,636
Net position restricted for DROP benefits	44,488,545	44,488,545
<b>Net position restricted for benefits</b>	<b>\$ 2,955,811,773</b>	<b>\$ 2,994,725,181</b>

## Statement of Change in Net Position

For the three-month period ended March 31, 2026 and for the year ended December 31, 2025

	3/31/2026 (u)	12/31/2025
<b>Additions:</b>		
<b>Contributions:</b>		
Employer	\$ 38,554,461	\$ 174,348,147
Plan members	18,253,232	81,097,350
<b>Total contributions</b>	<b>56,807,693</b>	<b>255,445,497</b>
<b>Investments income:</b>		
Net appreciation/(depreciation) in fair value of investments	(20,699,015)	309,441,659
Earning on investment	8,328,442	48,528,046
Investment expenses	(2,778,138)	(16,513,729)
<b>Net investment income from investing activities</b>	<b>(15,148,711)</b>	<b>341,455,976</b>
Securities lending income	496,181	2,726,179
Securities lending borrower rebates	(367,336)	(2,240,308)
Securities lending agent fees	(32,202)	(121,445)
<b>Net income from securities lending</b>	<b>96,643</b>	<b>364,426</b>
<b>Net investment income</b>	<b>(15,052,068)</b>	<b>341,820,402</b>
<b>Total additions</b>	<b>41,755,625</b>	<b>597,265,899</b>
<b>Deductions:</b>		
Retired member benefits	73,669,321	286,594,378
DROP benefits	3,145,901	5,564,648
Refund of contributions	2,579,351	9,215,218
Administrative expenses	1,274,460	6,407,083
<b>Total deductions</b>	<b>80,669,033</b>	<b>307,781,327</b>
<b>Net Change</b>	<b>(38,913,408)</b>	<b>289,484,572</b>
<b>Net position held in trust for benefits</b>		
Beginning of period	2,994,725,181	2,705,240,609
<b>End of period</b>	<b>2,955,811,773</b>	<b>2,994,725,181</b>

Net Position Available for Benefits		
Cost value	Market value	Unrealized
3/31/2026	3/31/2026	gain/(loss)
<b>\$ 2,264,305,569</b>	<b>\$ 2,955,811,773</b>	<b>\$ 691,506,204</b>

(u) Unaudited

### Estimated Funded and Unfunded Actuarial Liability

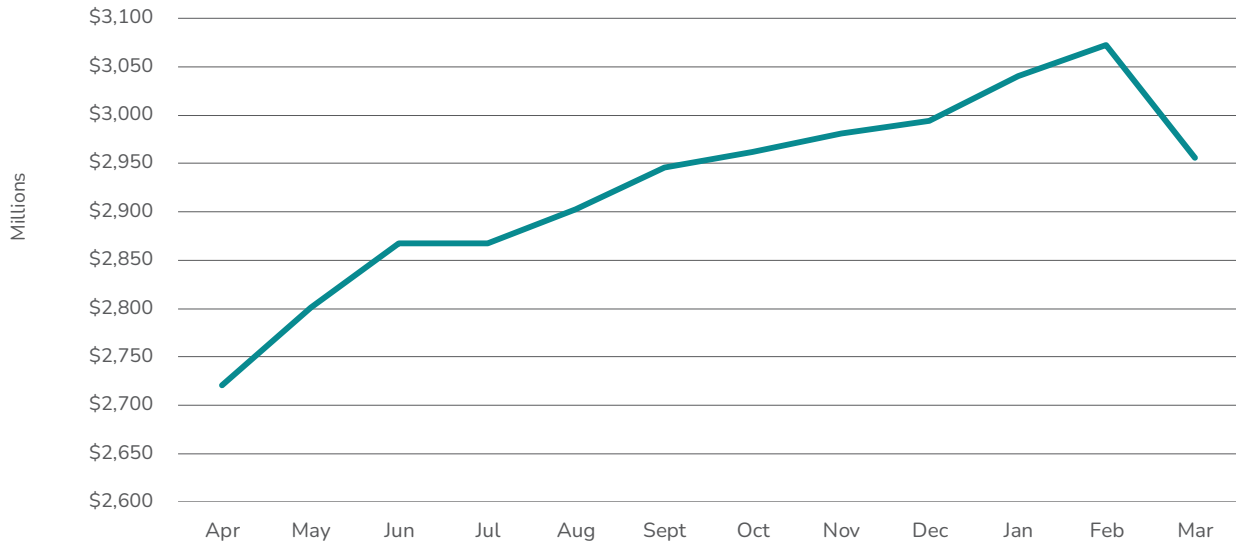
Actuarial value of assets		<u>Funded Ratio</u>
Pension benefits	\$ 2,844,798,670	63.8%
Health benefits	85,894,243	55.6%
<b>Total actuarial value of assets 1/1/2026</b>	<b>\$ 2,930,692,913</b>	<b>63.5%</b>
Unfunded actuarial liability		
Pension benefits	\$ 1,612,690,000	
Health benefits	68,514,000	
<b>Total unfunded actuarial liability 1/1/2026</b>	<b>\$ 1,681,204,000</b>	

### Total Returns from Investments (Net of Fees)

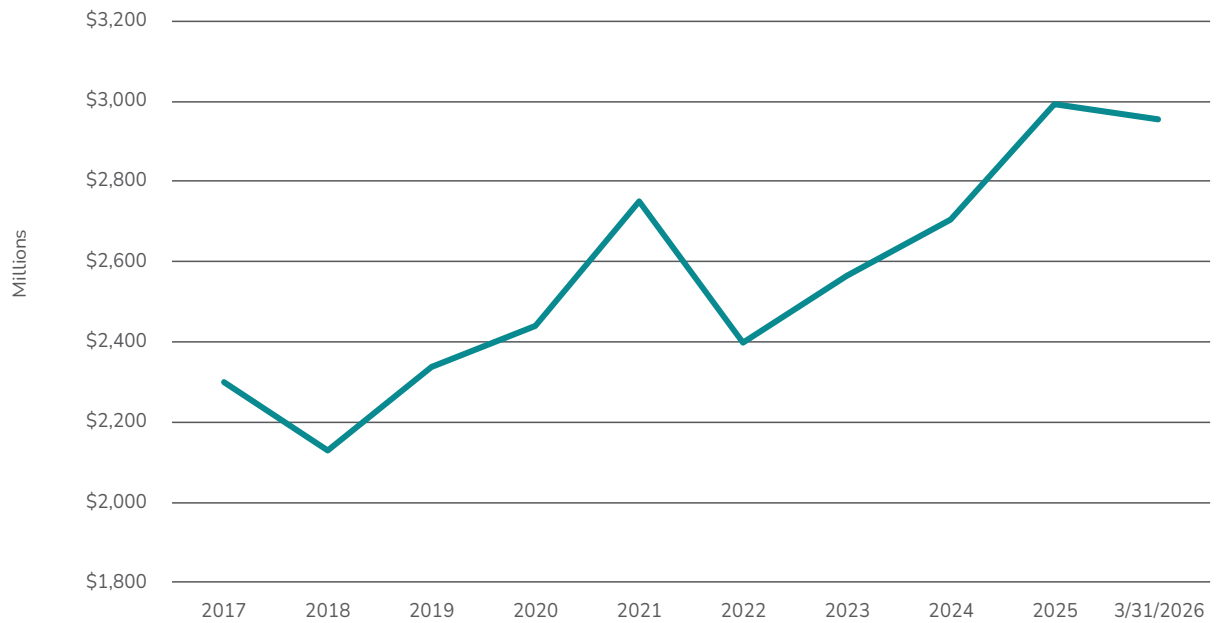
For the quarter ended 3/31/2026	(0.7%)
For the year to date ended 3/31/2026	(0.7%)
For the 1 year period ended 3/31/2026 (annualized)	11.7%
For the 3 year period ended 3/31/2026 (annualized)	8.7%
For the 5 year period ended 3/31/2026 (annualized)	6.6%
For the 10 year period ended 3/31/2026 (annualized)	7.7%
For the 25 year period ended 3/31/2026 (annualized)	6.5%
For the period beginning 1/1/1986 (annualized)	8.3%

## Market Value of Net Position

12 month period ended March 31, 2026



9 Year Period Ended March 31, 2026



## Analysis of Recent Investment Returns

### First Quarter 2026

The following discussion presents comparative data on our investment returns for the most recent Quarterly, 12-Month, 5-Year, and 10-Year periods. Analysis and highlights of portfolio performance are presented below. All figures are net of fees.

Global equities declined in the first quarter as markets repriced risky assets in consideration of increased oil prices and the resultant impact on inflation and heightened uncertainty over the direction of interest rates. Still, the U.S. labor market remained solid, as did corporate earnings growth.

First quarter delivered a loss of -0.7% for the DERP portfolio as most equity positions lost money. Our return was behind the -.03% of the benchmark and the median large public plan of -0.6%. For the trailing 12 months, the portfolio earned 11.7%, lagging the 12.2% return of the fund policy index and the 12.1% return of our peers. For the 5-year trailing period the portfolio return was 6.6%, behind the 6.7% benchmark return and ahead of the median peer return of 6.3%. The trailing 10-year period posted returns were 7.7%, which trailed the benchmark results of 8.2% and peers of 8.0%, respectively.

### Quarterly Portfolio Analysis

Domestic equities were down 3.9% for the quarter, matching results of the market. Active managers gave up ground relative to the benchmark, but our mostly passive approach limited dispersion.

Non-U.S. equities were down a more moderate -0.3%. Active management added 0.7% over the markets, attributable to our small cap and emerging markets positions.

Fixed income performed as expected, producing 0.7% from gains in both core and private debt.

Real estate returned .06% for the quarter, reflecting stabilized property values and consistent income.

Natural resources declined 1.7%. Timber was affected by currency movements, and the impacts of higher crude oil prices had yet to show up in our energy investments due to the extensive use of hedging.

Private equity had a loss of 0.9% for the quarter. Improved returns and distributions should result from higher deal volumes and a benign financing environment.

Infrastructure continued to be a steady performer, generating a return of 2.5% in the quarter. Cost savings arising from bolt-on acquisitions and consolidation have improved bottom line results.

Last, the hedge fund portfolio advanced 2.9%, continuing to benefit from market volatility.

Despite the decline in equities, the rest of the portfolio held up well in the quarter. And the beginning of the second quarter has seen a rebound in stocks around the world, allowing us to make up the loss and more as of this writing. Military conflict in the Middle East continues to pose unquantifiable risks, but we believe we are positioned prudently to weather volatility and capture upside.

## Investment Returns (Net of Fees)

for Periods Ended March 31, 2026

	Quarter	1 Year	5 Years <sup>1</sup>	10 Years <sup>1</sup>
<b>Total Fund</b>	<b>(0.7%)</b>	<b>11.7%</b>	<b>6.6%</b>	<b>7.7%</b>
Total Fund Policy Index	(0.3%)	12.2%	6.7%	8.2%
InvMetrics Median Public Fund <sup>2</sup>	(0.6%)	12.1%	6.3%	8.0%
<b>Domestic Equity</b>	<b>(3.9%)</b>	<b>14.9%</b>	<b>9.1%</b>	<b>13.4%</b>
Russell 3000 Index	(4.0%)	18.1%	10.9%	13.7%
<b>International Equity</b>	<b>(0.3%)</b>	<b>23.0%</b>	<b>8.7%</b>	<b>8.6%</b>
78% MSCI EAFE Index / 22% MSCI EM Index	(1.0%)	23.2%	6.3%	8.2%
<b>Fixed Income</b>	<b>0.7%</b>	<b>4.8%</b>	<b>2.6%</b>	<b>3.5%</b>
63% Core FI Policy Index / 37% Non-Core FI Policy Index <sup>3</sup>	0.5%	4.5%	2.5%	3.1%
<b>Real Estate</b>	<b>0.6%</b>	<b>3.8%</b>	<b>1.0%</b>	<b>2.3%</b>
NCREIF-ODCE + 0.2%	1.1%	3.3%	3.2%	4.7%
<b>Natural Resources</b>	<b>(1.4%)</b>	<b>5.8%</b>	<b>10.6%</b>	<b>3.5%</b>
CPI + 3% since October 2019, composite index prior	0.5%	5.8%	7.1%	7.3%
<b>Private Equity</b>	<b>(0.9%)</b>	<b>7.0%</b>	<b>5.6%</b>	<b>11.5%</b>
Burgiss Global Private Equity Index (since October 2019)	3.5%	13.1%	10.7%	14.1%
<b>Infrastructure</b>	<b>2.5%</b>	<b>11.6%</b>	<b>N/A</b>	<b>N/A</b>
CPI +3%	0.5%	5.8%	N/A	N/A
<b>Absolute Return Hedge Funds</b>	<b>2.9%</b>	<b>10.7%</b>	<b>6.1%</b>	<b>5.5%</b>
HFRI FOF Conservative Index	1.0%	8.4%	5.0%	4.8%

<sup>1</sup> Annualized return

<sup>2</sup> InvMetrics Public Fund > \$1 Billion database

<sup>3</sup> Core Fixed Income Policy Index = 47% Bloomberg US Gov TR/ 53% Bloomberg US Govt/Credit 1-3Yr TR  
 Non-Core Fixed Income Policy Index = CS Leveraged Loan Index as of 1/1/25; prior benchmark included emerging market debt.

