



Quarterly Report

Combined Funds

December 31, 2025



Combined Funds Summary

Combined Funds Change in Market Value (\$Millions)

	<u>One Quarter</u>
COMBINED FUNDS	
Beginning Market Value	\$105,447
Net Contributions	-543
Investment Return	2,681
Ending Market Value	107,586

The change in market value of the Combined Funds since the end of last quarter is due to net contributions and investment returns.

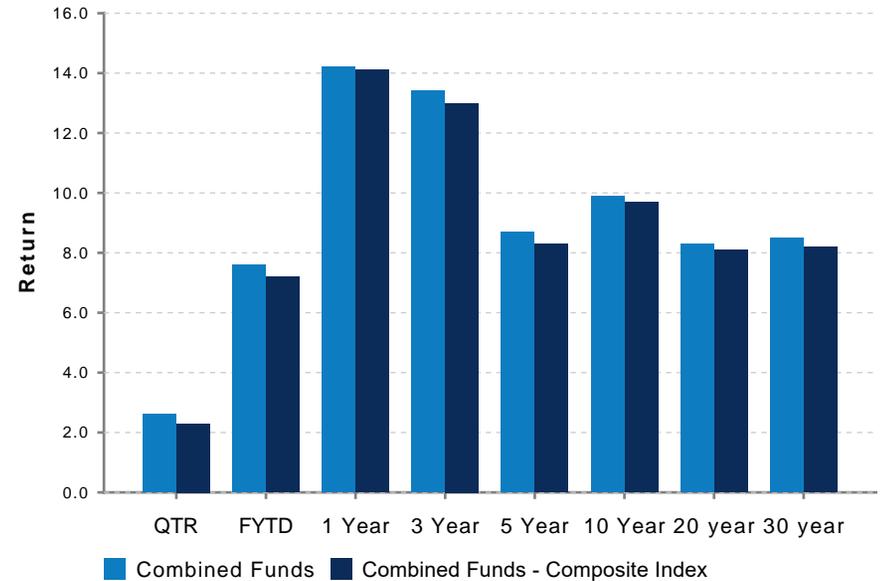
Performance (Net of Fees)

The Combined Funds' performance is evaluated relative to a composite of public market index and private market investment returns. The Composite performance is calculated by multiplying the beginning of month Composite weights and the monthly returns of the asset class benchmarks.

	<u>QTR</u>	<u>FYTD</u>	<u>1 Yr</u>	<u>3 Yr</u>	<u>5 Yr</u>	<u>10 Yr</u>	<u>20 Yr</u>	<u>30 Yr</u>
Combined Funds	2.6%	7.6%	14.2%	13.4%	8.7%	9.9%	8.3%	8.5%
Combined Funds - Composite Index	2.3%	7.2%	14.1%	13.0%	8.3%	9.7%	8.1%	8.2%
Excess	0.2%	0.4%	0.2%	0.4%	0.3%	0.3%	0.3%	0.3%

Note:
 Performance is calculated net of investment management fees, differentials within column amounts may occur due to rounding, and returns for all periods greater than one year are annualized.

Asset Growth



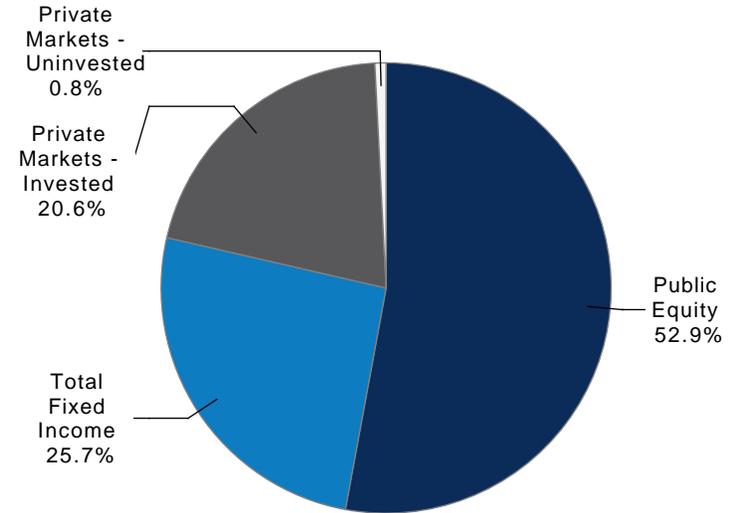


Combined Funds Summary

Asset Mix

The Combined Funds actual asset mix relative to the Strategic Asset Allocation Policy Target is shown below. The uninvested portion of the Private Markets allocation is invested in a mix of Public Equity and Cash.

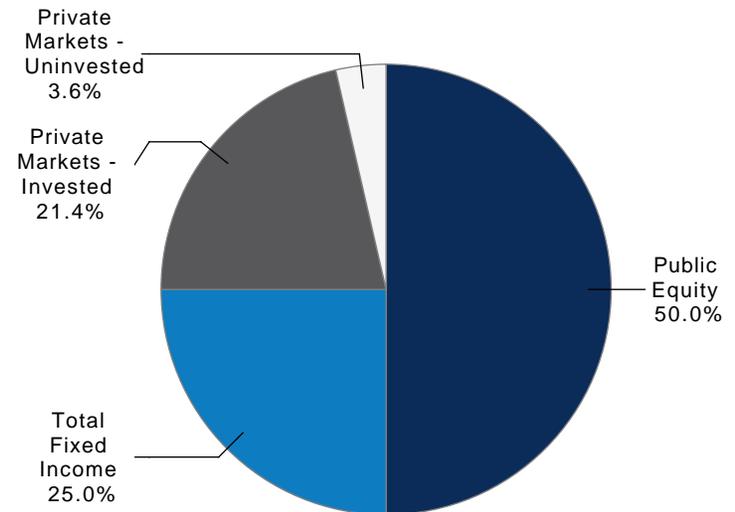
	<u>(Millions)</u>	<u>Actual Mix</u>	<u>Policy Target</u>
Public Equity	\$56,893	52.9%	50.0%
Total Fixed Income	27,614	25.7	25.0
Private Markets - Total	23,079	21.5	25.0
Private Markets - Invested	22,165	20.6	
Private Markets - Uninvested	914	0.8	
TOTAL	107,586	100.0	



Composite Index Comparison

The Combined Funds Composite is set as the Strategic Asset Allocation Policy Target. The Combined Funds Composite weighting shown below is as of the first day of the quarter.

	<u>Policy Weight</u>	<u>Market Index</u>
Public Equity	50.0%	Public Equity Benchmark
Total Fixed Income	25.0	Total Fixed Income Benchmark
Private Markets - Invested	21.4	Private Markets
Private Markets - Uninvested	3.6	Uninvested Private Markets Custom Benchmark





Combined Funds Asset Class Performance Summary

Public Equity

The Combined Funds Public Equity includes Domestic Equity, International Equity and Global Equity.

The Public Equity benchmark is 67% Russell 3000 and 33% MSCI ACWI ex US (net).

	<u>Market Value</u>	<u>Actual Weight</u>	<u>Policy Weight</u>	<u>Last Qtr</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>20 Year</u>	<u>30 Year</u>
Public Equity	\$56.9	52.9%	50.0%	3.6%	11.3%	21.3%	20.7%	11.6%	12.5%	9.4%	9.1
Public Equity Benchmark				3.3	11.3	22.1	20.7	11.5	12.4	9.3	8.9
Excess				0.3	0.0	-0.8	-0.0	0.1	0.0	0.1	0.2
Domestic Equity	37.4	34.7	33.5	2.4	10.6	16.9	22.2	13.1	14.2	10.7	10.0
Domestic Equity Benchmark				2.4	10.8	17.1	22.2	13.1	14.3	10.8	10.1
Excess				0.0	-0.2	-0.3	-0.0	-0.0	-0.0	-0.1	-0.1
International Equity	18.7	17.4	16.5	6.1	13.2	31.1	17.8	9.0	8.9	6.2	6.5
International Equity Benchmark				5.1	12.3	32.4	17.3	7.9	8.4	5.6	5.7
Excess				1.0	0.9	-1.3	0.4	1.1	0.5	0.6	0.7
Global Equity	0.8	0.8	0.0	-0.7	5.0	16.8	16.7	4.7			
MSCI AC World Index (Net)				3.3	11.2	22.3	20.7	11.2			
Excess				-4.0	-6.2	-5.5	-3.9	-6.4			

Note:

Prior to 6/30/16 the returns of Domestic and International Equity were not reported as a Total Public Equity return. For additional information regarding historical asset class performance and benchmarks, please refer to the Combined Funds Performance Report.



Combined Funds Asset Class Performance Summary

Total Fixed Income

The Combined Funds Fixed Income program includes Core/Core Plus, Return Seeking Fixed Income, Treasuries and Laddered Bond + Cash.

The Total Fixed Income benchmark is 40% Bloomberg U.S. Aggregate Index/ 40% Bloomberg Treasury 5+ Years Index/ 20% ICE BofA US 3-Month Treasury Bill.

	<u>Market Value</u>	<u>Actual Weight</u>	<u>Policy Weight</u>	<u>Last Qtr</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>20 Year</u>	<u>30 Year</u>
Total Fixed Income	\$27.6	25.7%	25.0%	1.1%	3.2%	7.3%	4.9%	-0.4%	2.7%	3.7%	4.7%
Total Fixed Income Benchmark				0.9%	2.7%	6.6%	3.9%	-1.0%	2.1%	3.3%	4.2%
Excess				0.2%	0.5%	0.7%	1.1%	0.6%	0.6%	0.5%	0.4%
Core/Core Plus	\$6.3	5.9%	5.0	1.2%	3.7%	8.1%	5.6%	0.0%	2.7%	3.7%	4.7%
Core Bonds Benchmark				1.1%	3.2%	7.3%	4.7%	-0.4%	2.0%	3.3%	4.2%
Excess				0.1%	0.6%	0.8%	1.0%	0.4%	0.7%	0.5%	0.4%
Return Seeking Fixed Income	\$5.1	4.8%	5.0	1.9%	4.5%	9.6%	8.1%	2.5%			
Bloomberg U.S. Aggregate				1.1%	3.2%	7.3%	4.7%	-0.4%			
Excess				0.8%	1.4%	2.3%	3.5%	2.8%			
Treasury Protection	\$10.3	9.5%	10.0	0.6%	2.6%	7.1%	2.7%	-3.7%			
Bloomberg Treasury 5+ Year				0.6%	2.6%	7.0%	2.5%	-3.8%			
Excess				0.0%	0.0%	0.2%	0.3%	0.1%			
Laddered Bond + Cash	\$5.9	5.5%	5.0	1.0%	2.2%	4.5%	5.0%	3.2%	2.2%	1.9%	2.9%
ICE BofA US 3-Month Treasury Bill				1.0%	2.1%	4.2%	4.8%	3.2%	2.2%	1.7%	2.4%
Excess				0.1%	0.2%	0.3%	0.2%	0.1%	0.1%	0.2%	0.5%

Note:

Since 12/1/2020 the Total Fixed Income includes allocations to Core/Core Plus Bonds, Return Seeking Bonds, Treasuries and Laddered Bond + Cash. From 7/1/2020 to 11/30/2020 Total Fixed Income was Core Bonds, Treasuries and Cash. From 2/1/2018-6/30/20 Total Fixed Income was Core Bonds and Treasuries. Prior to 2/1/2018, Total Fixed Income was Core Bonds. For additional information regarding historical asset class performance and benchmarks, please refer to the Combined Funds Performance Report.



Combined Funds Asset Class Performance Summary

Private Markets

	<u>Last Qtr</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>20 Year</u>	<u>25 Year</u>	<u>30 Year</u>
Private Markets - Invested	1.8%	3.9%	6.2%	7.3%	12.5%	11.8%	11.5%	11.6%	13.2%
Private Markets -Uninvested (1)	2.3%	5.7%	7.7%	6.2%	4.9%				
Private Equity	2.2%	4.6%	8.0%	9.6%	13.8%	14.9%	13.7%	12.6%	15.2%
Private Credit	1.6%	3.0%	4.8%	7.0%	11.9%	11.3%	11.8%	11.4%	
Resources	1.1%	4.3%	2.6%	2.0%	10.5%	3.5%	7.3%	11.4%	12.3%
Real Estate	-0.2%	-0.5%	-2.8%	-4.2%	6.4%	7.5%	7.4%	8.0%	9.0%

Private Markets

The time-weighted rates of return for the Private Markets portfolio are shown here. Private Markets included Private Equity, Private Credit, Resources, and Real Estate. Some of the existing investments are relatively immature and returns may not be indicative of future results.

Private Equity Investments - The objectives of the Private Equity portfolio, which may include leveraged buyouts, growth equity, venture capital and special situations, are to achieve attractive returns and to provide overall portfolio diversification to the total plan.

Private Credit Investments - The objectives of the Private Credit portfolio, which may include mezzanine debt, direct lending, and other forms of non-investment grade fixed income instruments, are to achieve a high total return over a full market cycle and to provide some degree of downside protection and typically provide current income in the form of a coupon. In certain situations, investments in the Private Credit portfolio also provide an equity component of return in the form of warrants or re-organized equity.

Resource Investments - The objectives of the Resources portfolio, which may include energy, infrastructure, and other hard assets, are to provide protection against the risks associated with inflation and to provide overall portfolio diversification to the total plan.

Real Estate Investments - The objectives of the Real Estate portfolio, which may include core and non-core real estate investments, are to achieve attractive returns, preserve capital, provide protection against risks associated with inflation, and provide overall portfolio diversification to the total plan.

The SBI also monitors Private Markets performance using money-weighted return metrics such as Internal Rate of Return and Multiple of Invested Capital. For money-weighted return metrics please refer to the Combined Funds Performance Report.

(1) As of 07/11/2025, the Uninvested Private Markets portfolio is invested in an equitization strategy which invests in equity derivatives, ETFs, and cash. From 11/01/2022-7/10/2025 the portfolio allocation was invested in cash. Prior to 11/01/2022, the portfolio was invested in a combination of a passively managed S&P 500 Index strategy and a cash overlay strategy invested in equity derivatives and cash.

Source: State Street Bank