



Non-Retirement Investment Program

December 31, 2025



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The SBI established the Non-Retirement Funds to provide eligible Minnesota public sector entities with the opportunity to invest in broad asset class options to aid them in achieving their investment objectives. Eligible Minnesota public sector entities include designated trust funds, Other Postemployment Benefit (OPEB) trusts, Qualifying Governmental Entities, and other programs created by the Minnesota Constitution and Legislature.



Performance of Investment Options

	<u>Ending Market Value</u>	<u>Last Qtr</u>	<u>Fiscal YTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>Since Inception</u>	<u>Inception Date</u>
Non-Retirement Funds									
NON-RETIREMENT EQUITY FUND - MELLON	\$3,976,707,088	2.6%	11.0%	17.9%	23.0%	14.4%	14.8%	10.9%	07/1993
S&P 500 (DAILY)		2.7%	11.0%	17.9%	23.0%	14.4%	14.8%	10.8%	07/1993
Excess		-0.0%	-0.0%	-0.0%	-0.0%	-0.0%	-0.0%	0.0%	
NON-RETIREMENT BOND FUND - PGIM	\$2,070,861,472	1.2%	3.4%	7.6%	5.3%	-0.1%	2.4%	5.1%	07/1994
Bloomberg U.S. Aggregate		1.1%	3.2%	7.3%	4.7%	-0.4%	2.0%	4.6%	07/1994
Excess		0.1%	0.3%	0.3%	0.6%	0.2%	0.4%	0.5%	
NON-RETIREMENT MONEY MARKET FUND	\$615,671,744	1.0%	2.2%	4.5%	5.1%	3.4%		2.7%	12/2017
ICE BofA US 3-Month Treasury Bill		1.0%	2.1%	4.2%	4.8%	3.2%		2.6%	12/2017
Excess		0.1%	0.1%	0.3%	0.3%	0.2%		0.1%	
Non-Retirement Separate Accounts									
ASSIGNED RISK PLAN FIXED INCOME PORTFOLIO - RBC	\$229,167,940	1.2%	2.4%	6.5%	4.4%	0.7%	1.8%	4.3%	07/1991
ARP Fixed Income Portfolio Benchmark		1.2%	2.4%	6.5%	4.4%	0.6%	1.8%	4.3%	07/1991
Excess		-0.0%	-0.1%	-0.0%	-0.0%	0.0%	0.1%	-0.1%	
DULUTH OPEB LADDERED BOND FUND	\$107,463,345	0.7%	2.6%	6.7%				4.6%	07/2024
MET COUNCIL OPEB LADDERED BOND FUND	\$131,045,298	1.2%	2.5%	6.0%	4.6%	1.4%			02/2009

Note:

The current benchmark for the Assigned Risk Plan Fixed Income Portfolio, ARP Fixed Income Portfolio Benchmark, is the Bloomberg U.S. Government Intermediate Index. Prior to 12/1/17, the Non-Retirement Equity Fund and Non-Retirement Fixed Income Funds were managed internally by SBI staff.



Performance of Investment Options

	<u>2025 Calendar Return</u>	<u>2024 Calendar Return</u>	<u>2023 Calendar Return</u>	<u>2022 Calendar Return</u>	<u>2021 Calendar Return</u>
Non-Retirement Funds					
NON-RETIREMENT EQUITY FUND - MELLON	17.9%	25.0%	26.3%	-18.1%	28.7%
S&P 500 (DAILY)	17.9%	25.0%	26.3%	-18.1%	28.7%
Excess	-0.0%	-0.0%	-0.0%	-0.0%	-0.0%
NON-RETIREMENT BOND FUND - PGIM	7.6%	2.1%	6.3%	-13.6%	-1.5%
Bloomberg U.S. Aggregate	7.3%	1.3%	5.5%	-13.0%	-1.5%
Excess	0.3%	0.8%	0.8%	-0.6%	0.0%
NON-RETIREMENT MONEY MARKET FUND	4.5%	5.5%	5.3%	1.7%	0.1%
ICE BofA US 3-Month Treasury Bill	4.2%	5.3%	5.0%	1.5%	0.0%
Excess	0.3%	0.2%	0.3%	0.2%	0.0%
Non-Retirement Separate Accounts					
ASSIGNED RISK PLAN FIXED INCOME PORTFOLIO - RBC	6.5%	2.3%	4.5%	-7.6%	-1.6%
ARP Fixed Income Portfolio Benchmark	6.5%	2.4%	4.3%	-7.7%	-1.7%
Excess	-0.0%	-0.1%	0.1%	0.1%	0.1%
DULUTH OPEB LADDERED BOND FUND	6.7%				
MET COUNCIL OPEB LADDERED BOND FUND	6.0%	3.6%	4.1%	-5.6%	-0.4%

Note:

The current benchmark for the Assigned Risk Plan Fixed Income Portfolio, ARP Fixed Income Portfolio Benchmark, is the Bloomberg U.S. Government Intermediate Index. Prior to 12/1/17, the Non-Retirement Equity Fund and Non-Retirement Fixed Income Funds were managed internally by SBI staff.



Descriptions of Investment Options

Funds:

Non-Retirement Equity Fund

The Non-Retirement Equity Fund is passively managed to provide investors with exposure to large-cap domestic equities. It is available to state and other trust funds, OPEB accounts, and Qualifying Governmental Entities. Mellon Investments Corporation passively manages this Fund in a separate account that seeks to track the performance of the S&P 500 Index.

Non-Retirement Bond Fund

The Non-Retirement Bond Fund is actively managed to provide investors with exposure to investment grade fixed income securities. It is available to state and other trust funds and OPEB accounts. This Fund is actively managed by Prudential Global Investment Management (PGIM) and seeks to outperform the Bloomberg U.S. Aggregate Bond Index.

Non-Retirement Money Market Fund

The Non-Retirement Money Market Fund invests in high-quality short-term cash investments with the objective of providing current income and protecting invested principal. Entities that may invest in the Fund include state and other trust funds and OPEB accounts. State Street Global Advisors manages this Fund. The SBI measures the Non-Retirement Money Market Fund against the iMoneyNet All Taxable Money Fund Average.



Descriptions of Investment Options

Separate Accounts:

Assigned Risk Plan - Fixed Income Portfolio

The Assigned Risk Plan fixed income portfolio is actively managed by RBC Global Asset Management to provide income and preserve invested principal to support the payment of worker compensation claims. Because of the uncertainty of the timing and size of premiums and liability cash flows, the assets are invested conservatively in a portfolio of high-quality fixed-income securities. The Assigned Risk Plan fixed income portfolio is benchmarked to the Bloomberg U.S. Government Intermediate Index, which consists of high-quality, U.S. dollar-denominated, fixed income securities issued by the U.S. Government and its agencies with maturities up to 10 years.

Duluth OPEB Laddered Bond

The City of Duluth first invested with the SBI in July 2007. The City of Duluth is responsible for determining the asset allocation for this account. As of June 30, 2024, the portfolio was invested entirely in a laddered bond portfolio. Before transitioning to this strategy in June 2024, the portfolio was allocated between the Non-Retirement Equity Fund and the Non-Retirement Bond Fund.

Met Council OPEB Laddered Bond

The Metropolitan Council is the regional policy-making body, planning agency, and provider of essential services for the Twin Cities metropolitan region. The Met Council OPEB Bond account contains assets set aside to fund future OPEB liabilities. OPEB account assets are allocated at the Met Council's direction.

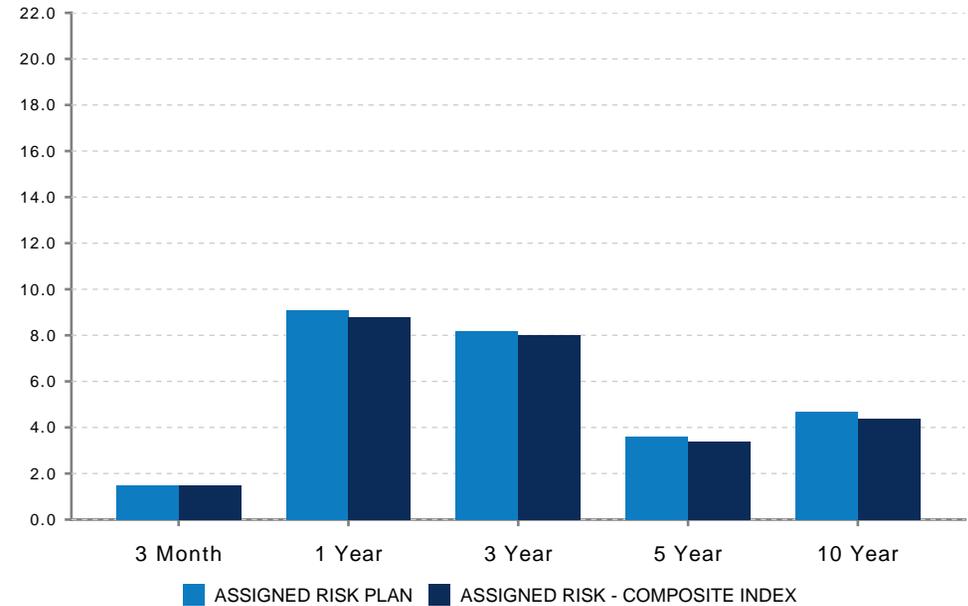


Assigned Risk Quarter-End Review

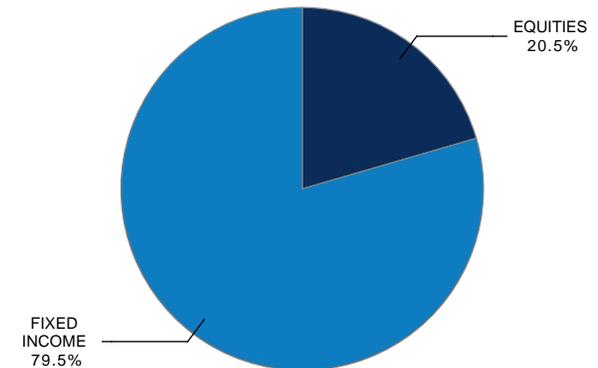
Assigned Risk Plan

The Assigned Risk Plan has two investment objectives: to minimize any mismatch between assets and liabilities, and to provide sufficient liquidity to pay ongoing claims and operating expenses.

The Assigned Risk Plan is invested in a portfolio of common stocks and bonds. The equity segment is passively managed and seeks to track the performance of the S&P 500 Index. The fixed income segment is actively managed and seeks to outperform the Bloomberg U.S. Government Intermediate Index. The Assigned Risk Plan's benchmark is a combination of the equity and fixed income benchmarks, weighted according to the asset allocation targets of 20% equities and 80% fixed income. The actual asset mix will fluctuate and is shown in the pie graph below.



	<u>Ending Market Value</u>	<u>Last Qtr</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
ASSIGNED RISK PLAN	\$288,189,687	1.5%	9.1%	8.2%	3.6%	4.7%
EQUITIES	\$59,021,757	2.6%	17.9%	23.0%	14.4%	14.7%
FIXED INCOME	\$229,167,931	1.2%	6.5%	4.4%	0.7%	1.8%
ASSIGNED RISK - COMPOSITE INDEX		1.5%	8.8%	8.0%	3.4%	4.4%
Excess		-0.0%	0.3%	0.2%	0.2%	0.2%
S&P 500		2.7%	17.9%	23.0%	14.4%	14.8%
Bloomberg U.S. Government: Intermediate		1.2%	6.5%	4.4%	0.6%	1.8%



Note: Since 12/1/2017 the Assigned Risk equity segment has been managed by Mellon. From 1/17/2017-11/30/2017 it was managed internally by SBI staff. Prior to 1/17/2017 the equity segment was managed by SSgA (formerly GE Investment Mgmt.). RBC manages the fixed income segment of the Fund.

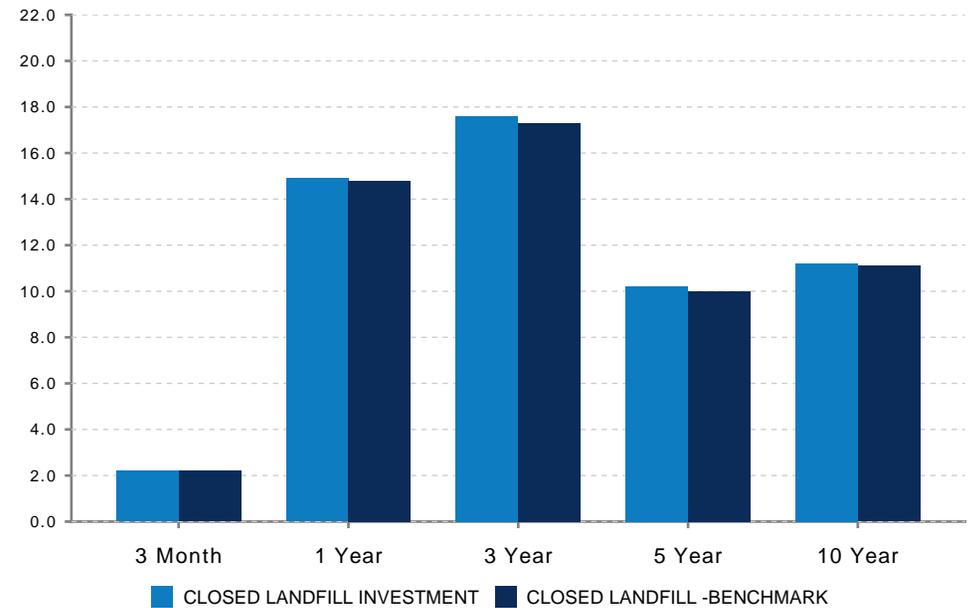


Closed Landfill Investment Fund Quarter-End Review

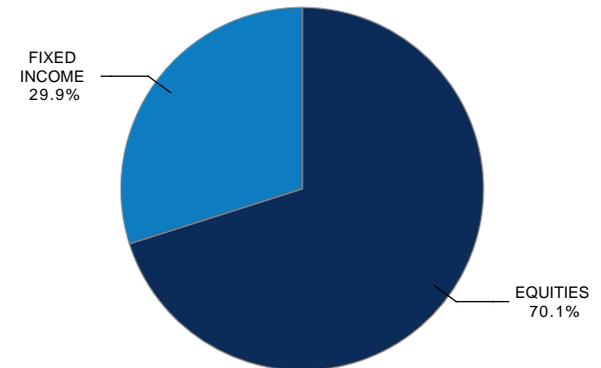
Closed Landfill Investment Fund

The investment objective of the Closed Landfill Investment Fund is to grow the value of the Fund to meet future expenditure needs while maintaining an appropriate level of market risk.

The Closed Landfill Investment Fund is invested in a portfolio of common stocks and bonds. The equity segment is passively managed and seeks to track the performance of the S&P 500 Index. The fixed income segment is actively managed and seeks to outperform the Bloomberg U.S. Aggregate Bond Index. The Closed Landfill Investment Fund's benchmark is a combination of the equity and fixed income benchmarks, weighted according to the asset allocation targets of 70% equities and 30% fixed income. The actual asset mix will fluctuate and is shown in the pie graph below.



	<u>Ending Market Value</u>	<u>Last Qtr</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
CLOSED LANDFILL INVESTMENT	\$176,055,355	2.2%	14.9%	17.6%	10.2%	11.2%
EQUITIES	\$123,423,813	2.6%	17.9%	23.0%	14.4%	14.8%
FIXED INCOME	\$52,631,543	1.2%	7.6%	5.3%	-0.1%	2.4%
CLOSED LANDFILL -BENCHMARK		2.2%	14.8%	17.3%	10.0%	11.1%
Excess		0.0%	0.1%	0.3%	0.2%	0.1%
S&P 500		2.7%	17.9%	23.0%	14.4%	14.8%
Bloomberg U.S. Aggregate		1.1%	7.3%	4.7%	-0.4%	2.0%



Note: Since 12/1/2017 the equity segment has been managed by Mellon and the fixed income segment by PGIM. Prior to 12/1/2017 both segments were managed internally by SBI staff. Prior to 9/10/14 the Fund's target allocation and benchmark was 100% domestic equity.

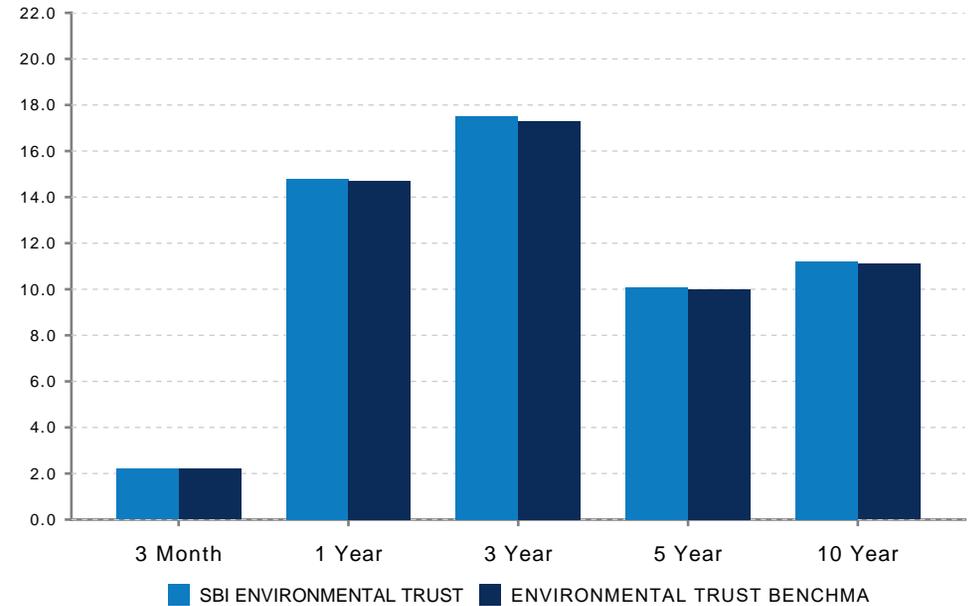


Environmental Trust Fund Quarter-End Review

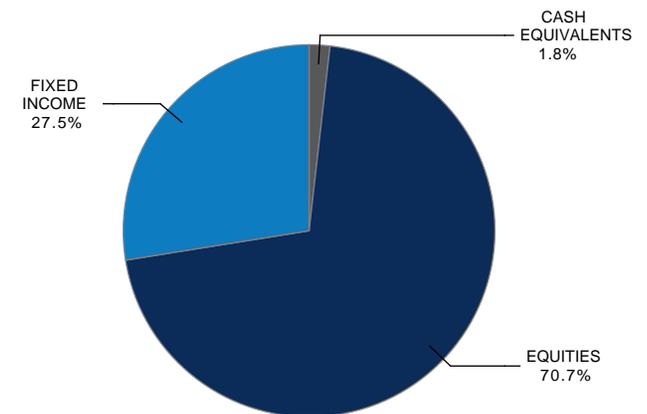
Environmental Trust Fund

The investment objective of the Environmental Trust Fund is to generate long-term capital growth to support a growing level of funding while maintaining adequate portfolio liquidity.

The Environmental Trust Fund is invested in a portfolio of common stocks, bonds, and cash. The equity segment is passively managed and seeks to track the performance of the S&P 500 Index. The fixed income segment is actively managed and seeks to outperform the Bloomberg U.S. Aggregate Bond Index. The cash segment is actively managed and seeks to outperform the iMoneyNet Money Fund Average. The Environmental Trust Fund's benchmark is a combination of the equity, fixed income, and cash benchmarks, weighted according to the asset allocation targets of 70% equities, 28% fixed income, and 2% cash. The actual asset mix will fluctuate and is shown in the pie graph below.



	<u>Ending Market Value</u>	<u>Last Qtr</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
ENVIRONMENTAL TRUST	\$2,203,283,941	2.2%	14.8%	17.5%	10.1%	11.2%
CASH EQUIVALENTS	\$40,750,385	1.0%	4.5%	5.1%	3.4%	2.3%
EQUITIES	\$1,556,585,717	2.6%	17.9%	23.0%	14.4%	14.8%
FIXED INCOME	\$605,947,839	1.2%	7.6%	5.3%	-0.1%	2.4%
ENVIRONMENTAL TRUST BENCHMARK		2.2%	14.7%	17.3%	10.0%	11.1%
Excess		0.0%	0.1%	0.2%	0.1%	0.1%
S&P 500		2.7%	17.9%	23.0%	14.4%	14.8%
Bloomberg U.S. Aggregate		1.1%	7.3%	4.7%	-0.4%	2.0%
iMoneyNet Money Fund Average		0.9%	4.0%	4.6%	3.0%	1.9%



Note: Since 12/1/2017 the equity segment has been managed by Mellon and the fixed income segment by PGIM. Prior to 12/1/2017 both segments were managed internally by SBI staff. From 7/1/94 to 7/1/99, the Fund's target allocation and benchmark was 50% fixed income and 50% stock. Prior to 7/1/94 the Fund was invested entirely in short-term instruments as part of the Invested Treasurer's Cash pool.

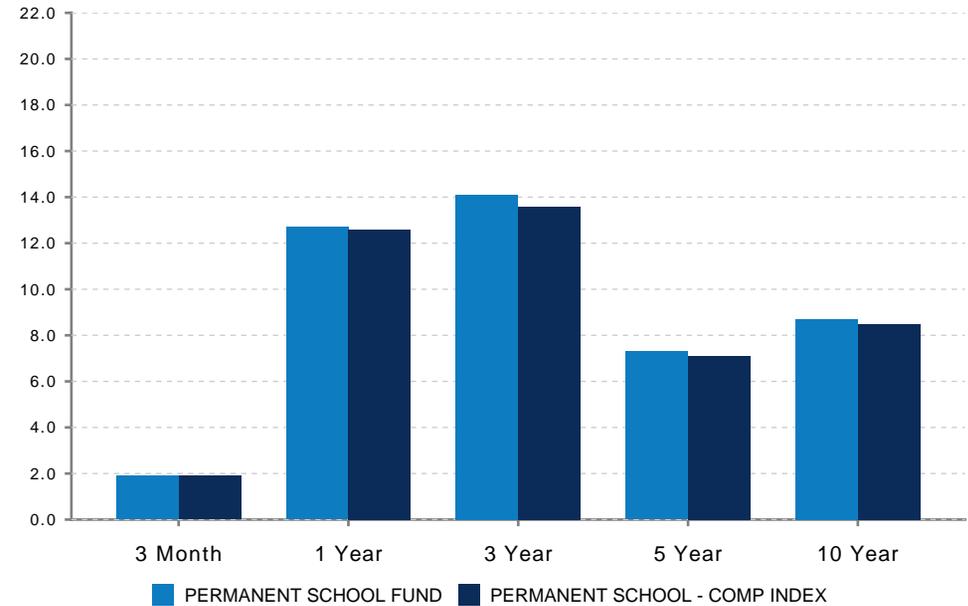


Permanent School Fund Quarter-End Review

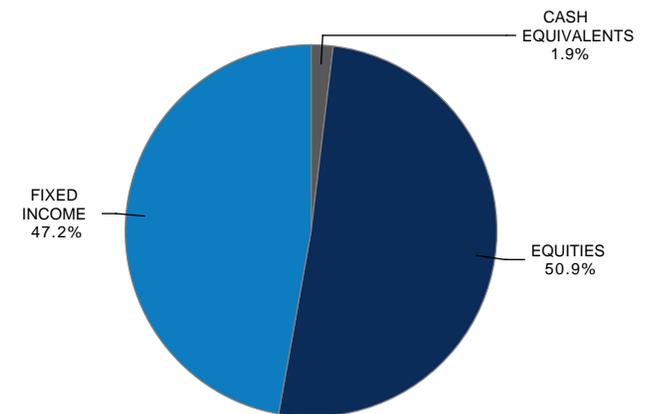
Permanent School Fund

The investment objectives of the Permanent School Fund are to produce annual distributions in support of Minnesota schools while maintaining the Fund as a perpetual financial resource. The Permanent School Fund's investment objectives are dictated by the legal provisions under which its investments must be managed.

The Permanent School Fund is invested in a portfolio of common stocks, bonds, and cash. The equity segment is passively managed and seeks to track the performance of the S&P 500 Index. The fixed income segment is actively managed and seeks to outperform the Bloomberg U.S. Aggregate Bond Index. The cash segment is actively managed and seeks to outperform the iMoneyNet Money Fund Average. The Permanent School Fund's benchmark is a combination of the equity, fixed income, and cash benchmarks, weighted according to the asset allocation targets of 50% equities, 48% fixed income, and 2% cash. The actual asset mix will fluctuate and is shown in the pie graph below.



	<u>Ending Market Value</u>	<u>Last Qtr</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
PERMANENT SCHOOL FUND	\$2,460,523,817	1.9%	12.7%	14.1%	7.3%	8.7%
CASH EQUIVALENTS	\$46,337,130	1.0%	4.5%	5.1%	3.4%	2.3%
EQUITIES	\$1,253,174,957	2.6%	17.9%	23.0%	14.4%	14.8%
FIXED INCOME	\$1,161,011,731	1.2%	7.6%	5.3%	-0.1%	2.4%
PERMANENT SCHOOL - COMP INDEX		1.9%	12.6%	13.6%	7.1%	8.5%
Excess		0.1%	0.2%	0.5%	0.2%	0.2%
S&P 500		2.7%	17.9%	23.0%	14.4%	14.8%
Bloomberg U.S. Aggregate		1.1%	7.3%	4.7%	-0.4%	2.0%
iMoneyNet Money Fund Average		0.9%	4.0%	4.6%	3.0%	1.9%



Note: Since 12/1/2017 the equity segment has been managed by Mellon and the fixed income segment by PGIM. Prior to 12/1/2017 both segments were managed internally by SBI staff.