



# Metropolitan Government of Nashville and Davidson County

June 30, 2025

Performance Report

- 1. Economic and Market Update**
- 2. Executive Summary**
- 3. Performance Report as of June 30, 2025**
- 4. Disclaimer, Glossary, and Notes**

## **Economic and Market Update**

Data as of June 30, 2025

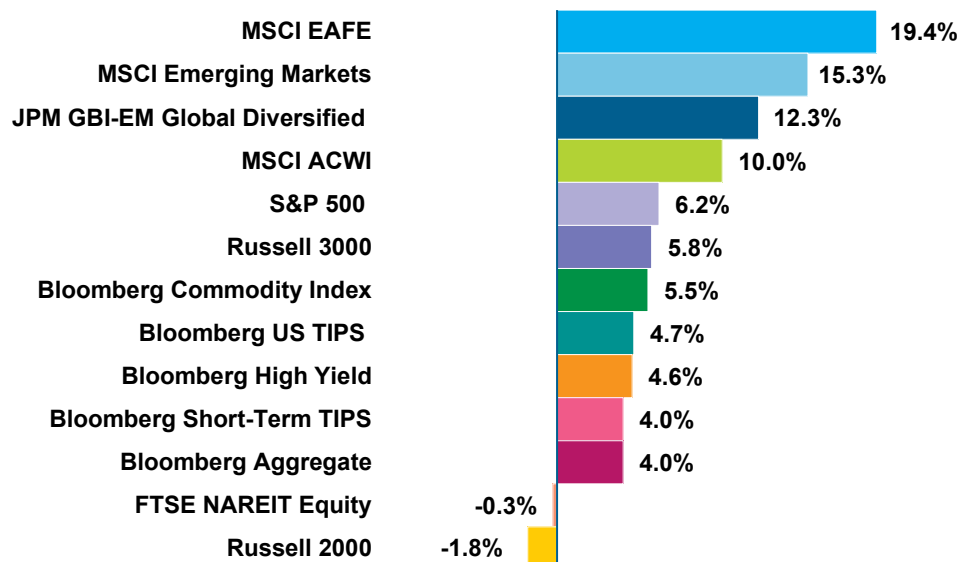
### Commentary

During the quarter, US trade policy drove market dynamics. Significant volatility in early April after the initial tariff announcement was followed by a recovery in risk assets on their later temporary suspension. In fixed income markets, fiscal policy uncertainty and growing debt levels shaped market sentiment.

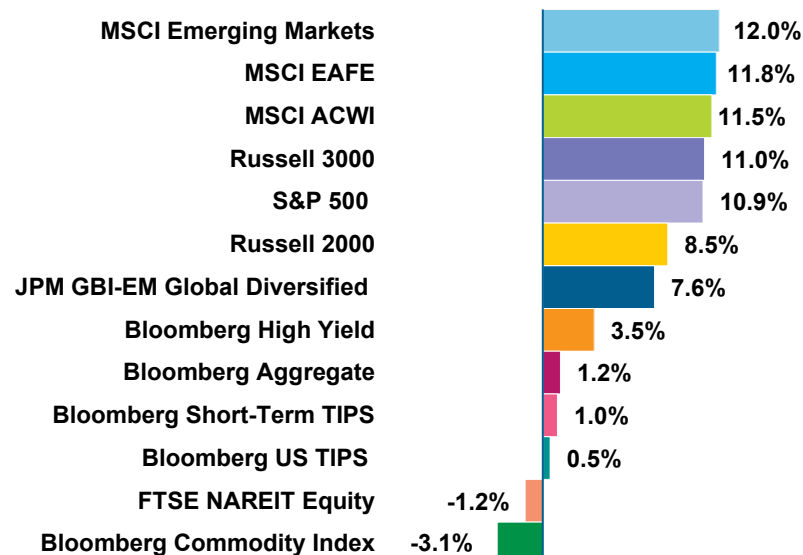
- **Domestic equities rose during the quarter** (Russell 3000: +11.0%) and growth stocks, particularly technology, led the way.
- **Non-US developed-market stocks (MSCI EAFE: +11.8%) beat US markets**, extending their outperformance over most asset classes year-to-date by returning +19.4%.
- **Emerging market equities were the best performers, returning +12.0%** for the quarter, despite a modest +2.0% return in China.
- In mid-June, the **Federal Reserve held rates steady** (but messaging was perceived as more accommodative by market participants compared to earlier in the year), with inflation, while improving, remaining above target and the unemployment rate still low.
- Outside of longer dated government bonds, **most fixed income markets rose for the quarter** as yields generally remained stable or declined. The broad Bloomberg Aggregate Index returned +1.2%, **while long-term Treasuries fell -1.5%**. Riskier bonds did better as risk sentiment improved with emerging market debt increasing +7.6% and high yield bonds gaining +3.5%.
- **Looking ahead**, continued uncertainty related to the US administration's **tariff policies** and their impact on the economy, inflation, and **Fed policy** will be key. The track of the **US deficit**, **relations with China**, as well as concerns over elevated valuations and weakening earnings in the US equity market, will be important focuses for the rest of this year.

### Index Returns<sup>1</sup>

#### YTD



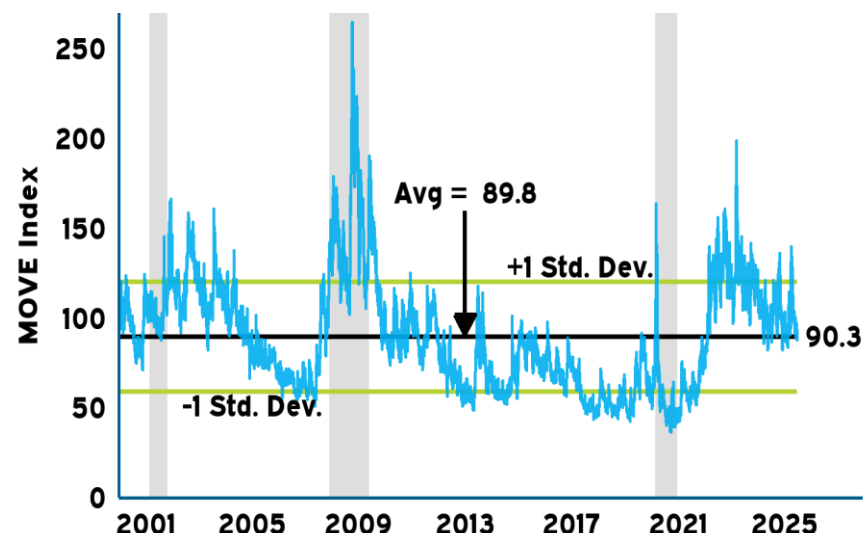
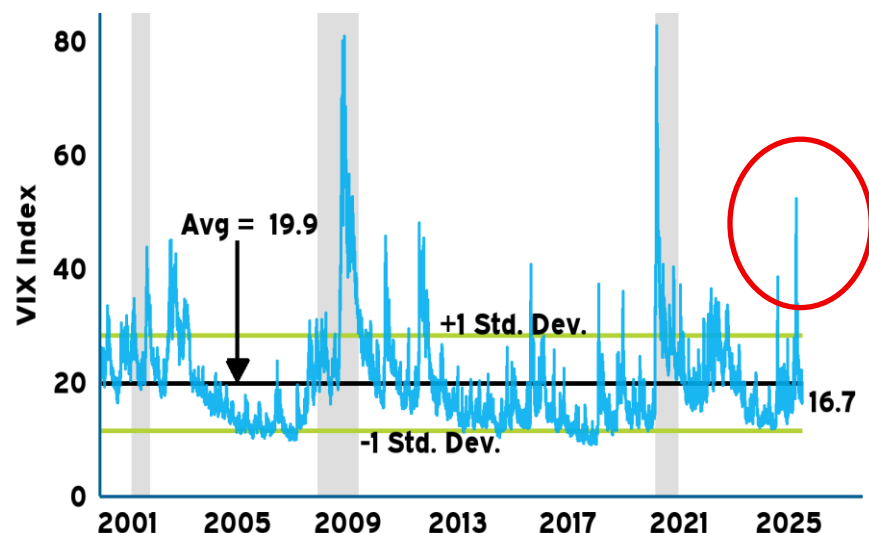
#### Q2



- After tariff-related market volatility in April, global equity markets rallied in May and June on the general pausing of tariffs. Bond markets performed well with short-term yields declining in the US and intermediate-term yields remaining stable. Growing debt levels remained a key concern for major global economies.
- US equity markets continued to provide strong gains year-to-date, returning to record levels after a weak start to 2025. International equities still lead the way in 2025, particularly developed markets, supported by a weakening US dollar.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2025.

### Equity and Fixed Income Volatility<sup>1</sup>

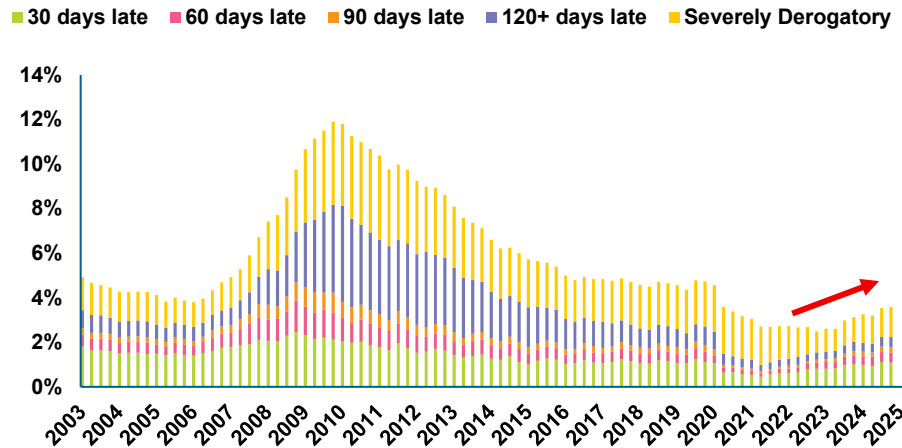


- The VIX hit its third highest peak in the past twenty years during the quarter.
- Bond and equity volatility spiked in April after the “Liberation Day” tariff announcement.
- Volatility levels finished the quarter well off highs, though, and below starting levels, as the tariff uncertainty seemed to ease.

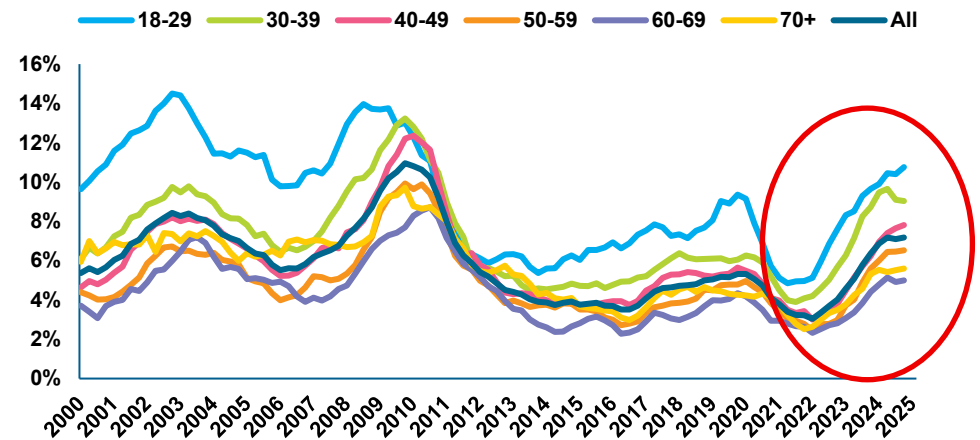
<sup>1</sup> Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of June 30, 2025. The average line indicated is the average of the VIX and MOVE values between January 2000 and June 2025.

### Watching: Stress is Building on US Consumers

Total Balance by Delinquency Status<sup>1</sup>



Transition into Serious Delinquency for Credit Cards by Age<sup>2</sup>

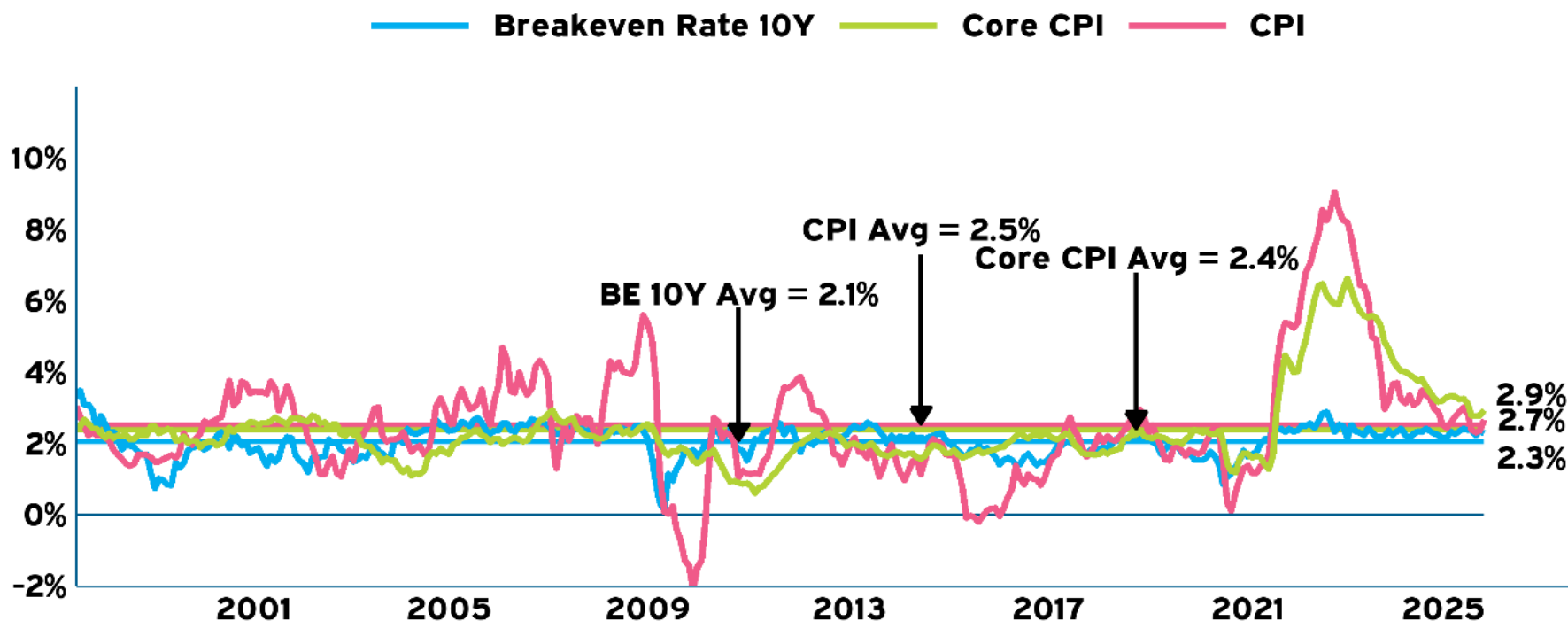


- Signs of stress on the US consumer have started to emerge given persistently higher prices and interest rates.
- After falling to historic lows during the pandemic, loan delinquencies recently started to increase.
- Parts of the credit card market, particularly for younger cohorts, have begun to show stress as borrowers are subject to variable and higher borrowing costs. Total delinquencies are well below pre-pandemic levels though.
- The restarting of student loan payments and reporting for those in default could add pressures to consumers going forward.

<sup>1</sup> Source: New York Federal Reserve, Quarterly Household Debt and Credit Report, February 2025. See also FRED. Data is as of April 30, 2025.

<sup>2</sup> Source: FRED. Data is as of April 30, 2025.

### US Ten-Year Breakeven Inflation and CPI<sup>1</sup>

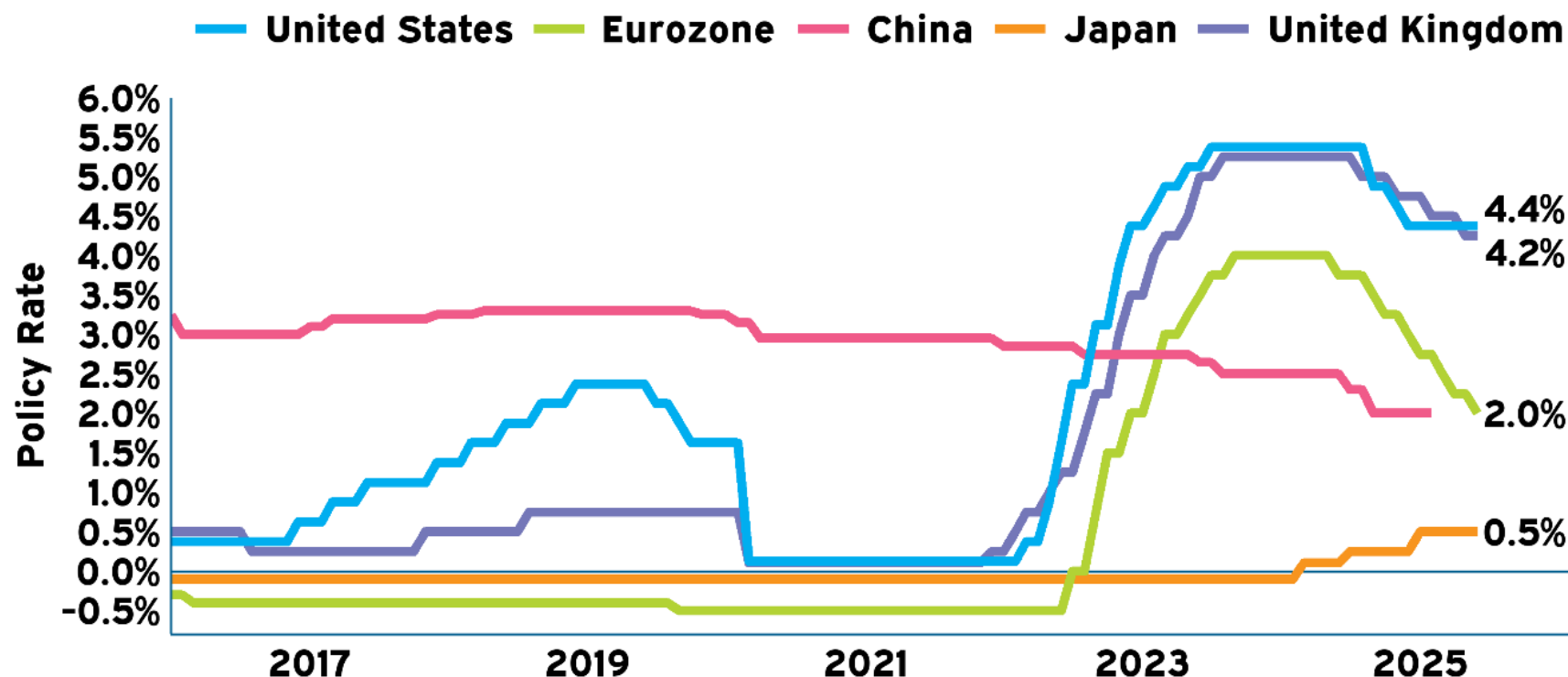


→ Market participants continued to highlight the dynamic of what appears to be disinflationary pressures in non-tariff exposed prices driven by weakening growth expectations, versus prices rising for those assets and sectors likely to be impacted by tariffs.

<sup>1</sup> Source: FRED. Data is as of June 2025. The CPI and 10 Year Breakeven average lines denote the average values from February 1997 to the present month-end, respectively. Breakeven values represent month-end values for comparative purposes.



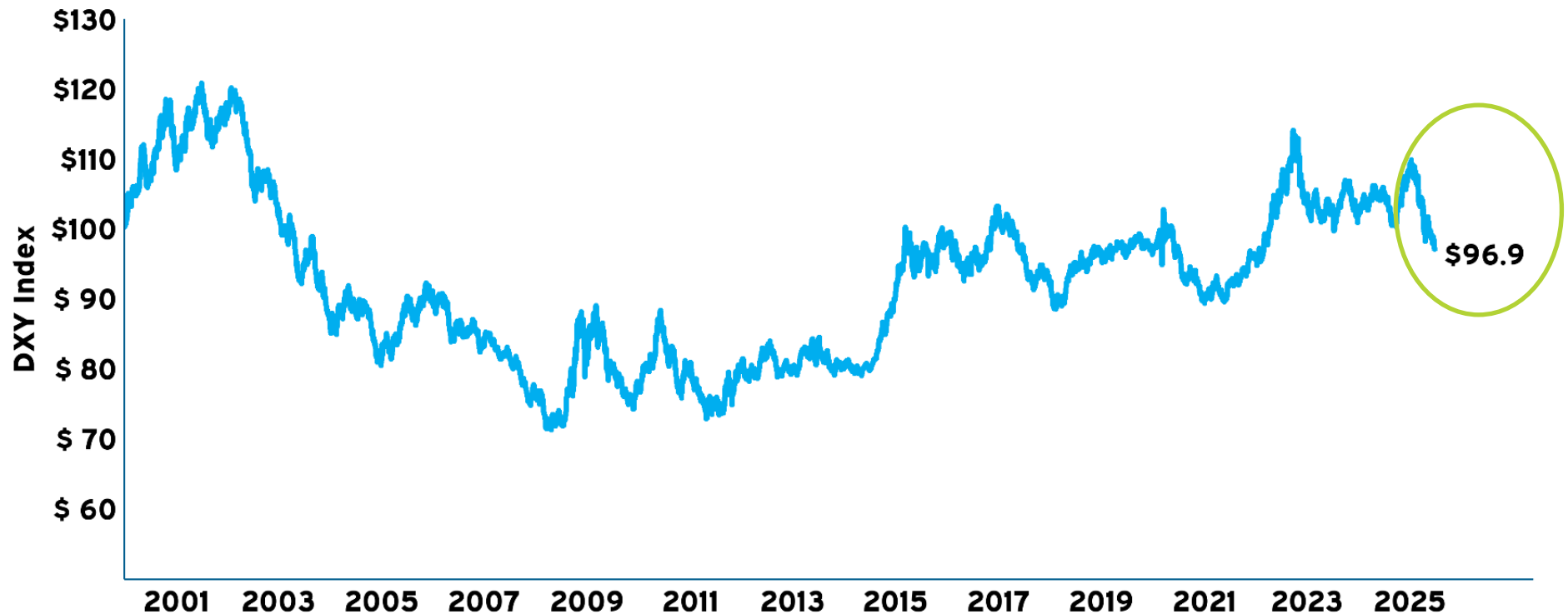
### Global Policy Rates<sup>1</sup>



- Expectations are now for the Fed to cut rates slightly less than two times (1.9 cuts based on futures prices), down from four expected cuts during the heart of growth concerns.
- While the Fed remains on hold, other central banks have continued to ease policy rates.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2025, except China which is as of February 28, 2025. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.

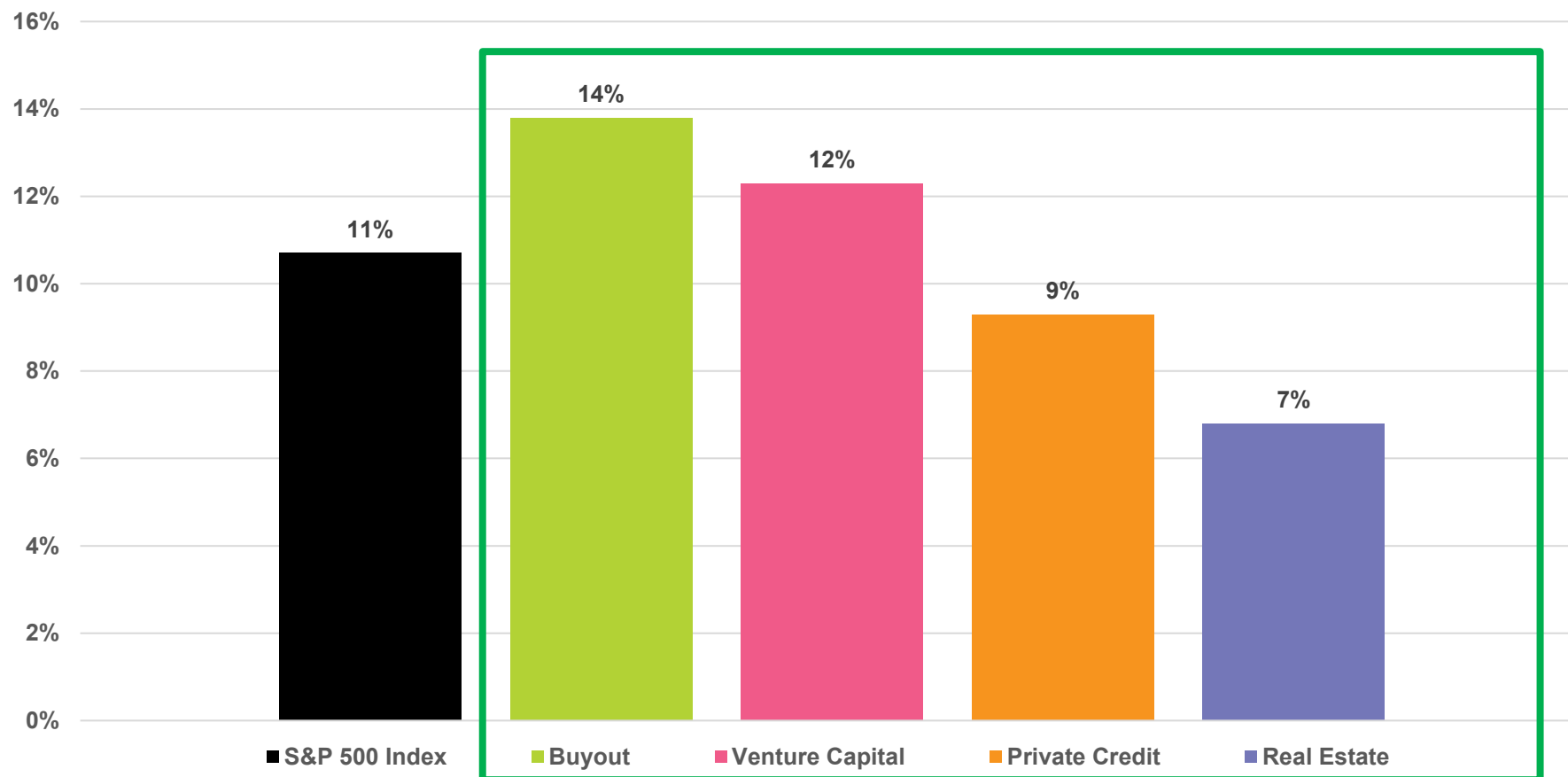
### US Dollar vs. Broad Currencies<sup>1</sup>



- Over the quarter, the US dollar declined an additional -7% bringing its year-to-date drop to close to -11%.
- Typically, higher interest rates support the US dollar but recent concerns over changing US administration policies, potentially slower growth, non-US investor currency hedging, and fiscal concerns, all led to investors shedding US assets.

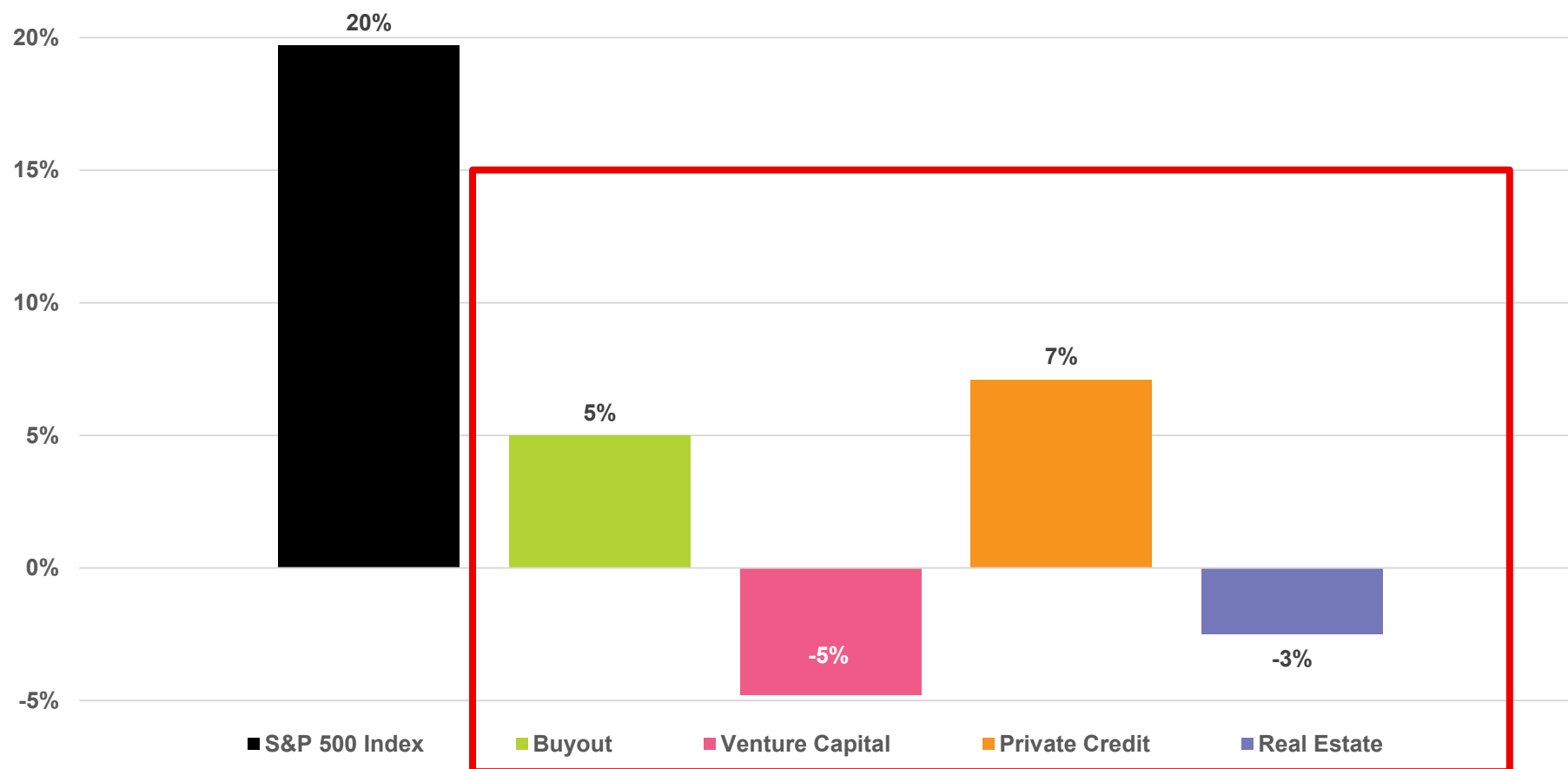
<sup>1</sup> Source: Bloomberg. Data as of June 30, 2025.

### S&P 500 vs. Private Markets – 20 Years



→ Over the last 20 years, private market investments have been “worth the cost” with strong annualized returns, and private equity ahead of the S&P 500 Index.

### S&P 500 vs. Private Markets – 3 Years



→ The opposite is true over the last three years. During this period the S&P 500 Index has dominated all other asset classes.

## **Executive Summary**

→ **Asset Growth**

- The Metropolitan Government of Nashville and Davidson County Plan was valued at \$4.4 billion at the end of 2Q25, an investment gain of approximately \$138.0 million over the three-month period.
- During the quarter, the Plan returned 3.8%, net of fees.

→ **Asset Allocation**

- All asset classes ended the quarter within policy ranges.
- Domestic Equity continues to be overweight through Q2 2025 as a result of the solid performance through the first half of 2025 following a strong 2024.
- Cash remains slightly overweight.
- Real Assets and Private Equity remained modestly underweight compared to policy targets.

### Recent Approved Commitments

Fund	Commitment (\$, million)	Asset Class	Date
EIG Direct Lending SMA	100	RA	Q4
StepStone VC Global Partners XII	30	PE	Q4
Founders Fund Growth III	10	PE	Q4
Axiom Asia VII	30	PE	Q3
Centerbridge Capital Partners V	33	PE	Q3
PIMCO COF IV	Additional 10 (commitment increase to 40mm)	PD	Q3
Arcmont European Lending	Additional 25 (commitment increase to 150mm)	PD	Q2
Anchorage Credit Opps Fund IX	30	PD	Q2
SoundMark US Real Estate Credit Income Fund	30	RA	Q2
Accel Growth VII	10	PE	Q1
RedPointe Omega V	10	PE	Q1
Hygieia One	Additional 25 (commitment increase to 125mm)	PD	Q1
Michelson Multifamily II	30	RA	Q1

### Rebalancing in 2Q 2025

From	To	Amount	Month
Arrowstreet EAFE	Cash (for Capital Calls and Operational needs)	\$50 mm	May
BlackRock Large Cap ETF	Cash ( transfer out to Consolidated Pension Pool)	\$50 mm	May
Arrowstreet EAFE	Cash (transfer out to Consolidated Pension Pool )	\$65 mm	June
Oaktree Emerging Markets	RBC Emerging Markets	\$75 mm	June
Oaktree Emerging Markets	BNYM MSCI EAFE	\$69 mm	June



### Net Performance

	1 YR	3 YR	5 YR	10 YR
<b>Metro Nashville (net)</b>	7.4%	5.4%	8.9%	7.7%
<b>Policy Benchmark</b>	10.1%	9.5%	7.8%	6.9%
<b>Excess Return</b>	-2.7%	-4.2%	1.1%	0.8%
<b>Peer Ranking</b>	94 <sup>th</sup>	98 <sup>th</sup>	49 <sup>th</sup>	21 <sup>st</sup>

- Longer term results remain strong (absolute, relative and peer rankings). Relative to peers, lower US Equity and International Equity exposure has weighed on recent trailing performance.

#### → Positive notables during the quarter

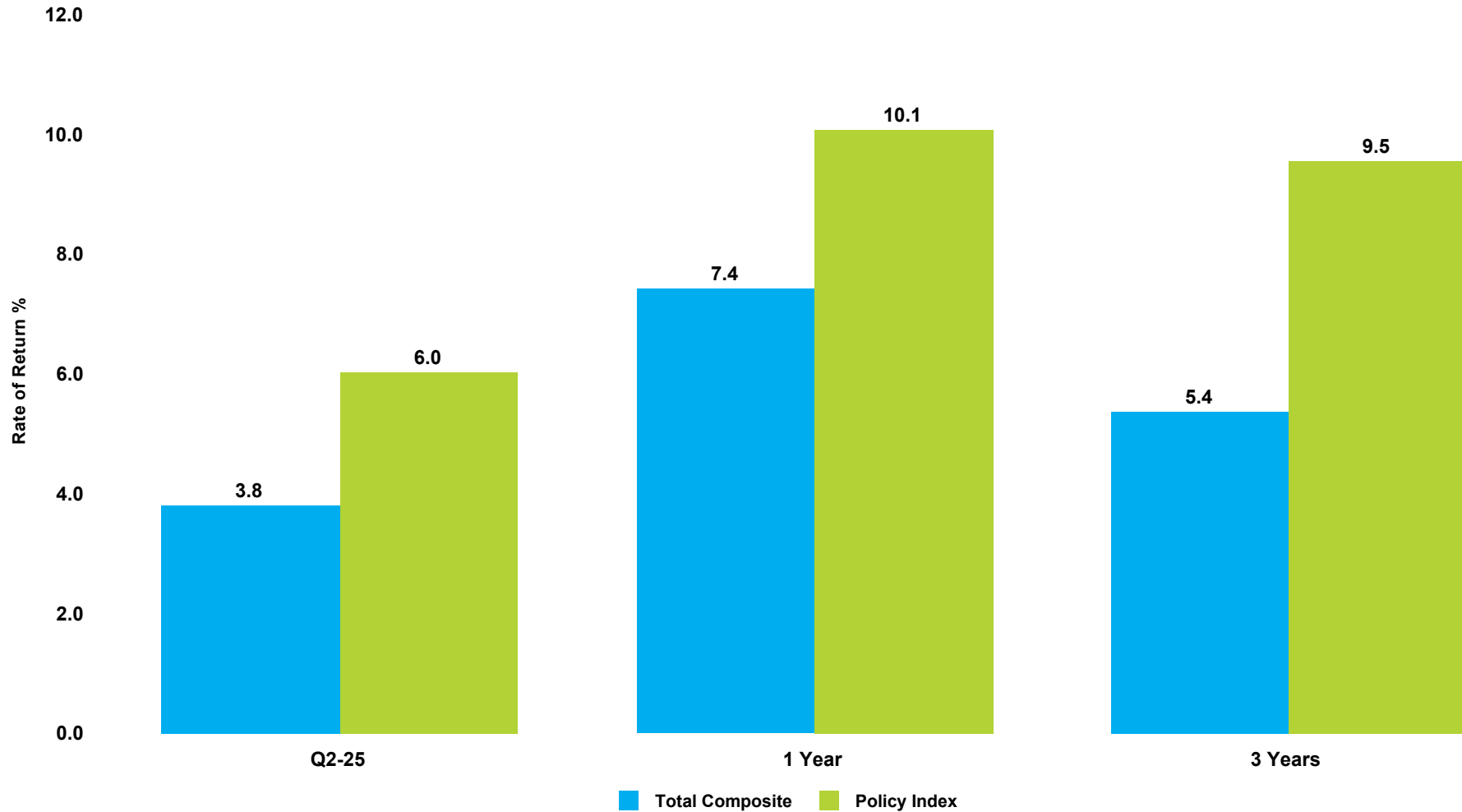
- There were several bright spots within International Equity as the Arrowstreet EAFE, Arrowstreet EM and William Blair Growth outperformed their benchmarks by 2.1%, 2.0% and 1.9%, respectively as international equities continue to outpace all other asset classes year-to-date.

#### → Negative notables during the quarter

- Several asset classes lagged their benchmarks during the quarter including Private Equity, Domestic Equity, International Equity, Private Debt and Real Assets as most private market asset classes continue to trail public market indices over the last few quarters due to public market concentration despite Private Equity and Private Debt being the highest performing asset classes over the longer term.

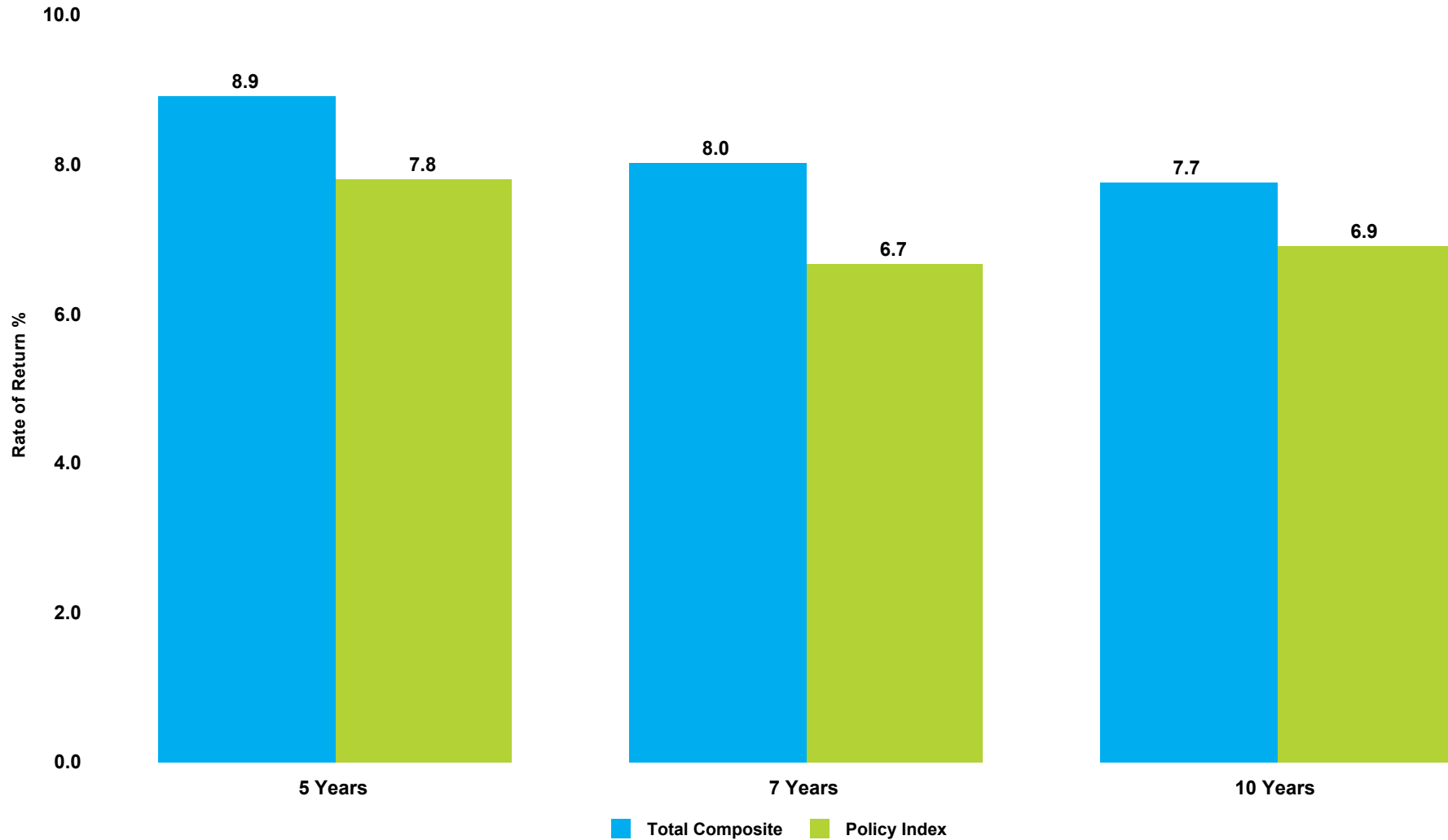
## **Performance Report as of June 30, 2025**

### Net Return Summary



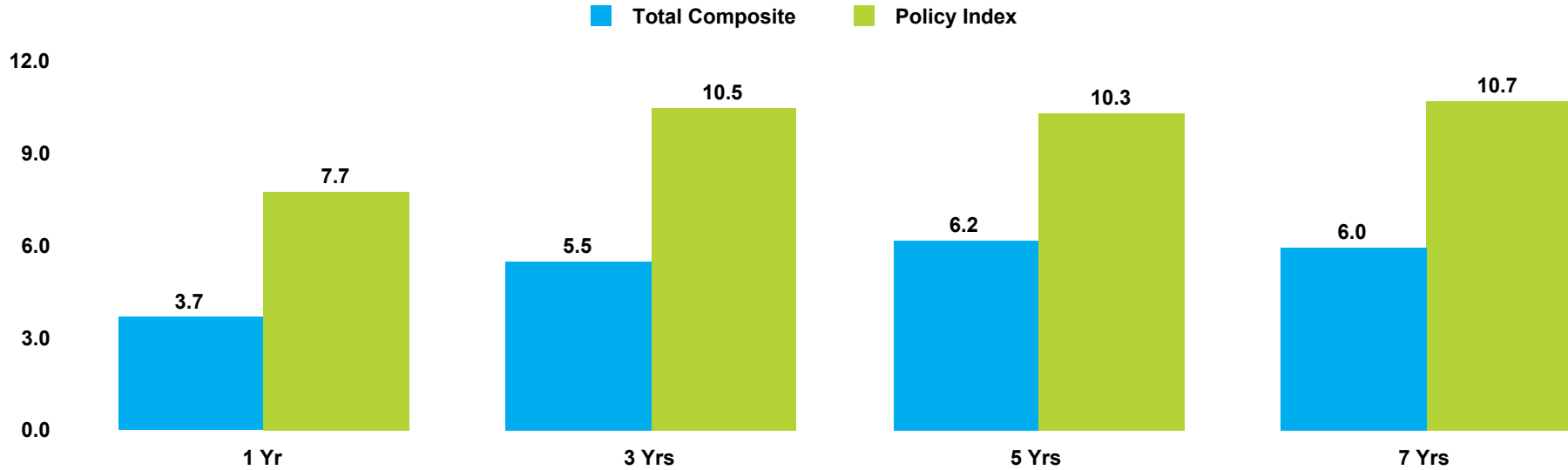
All returns in report are net of fees unless explicitly noted otherwise.

### Net Return Summary

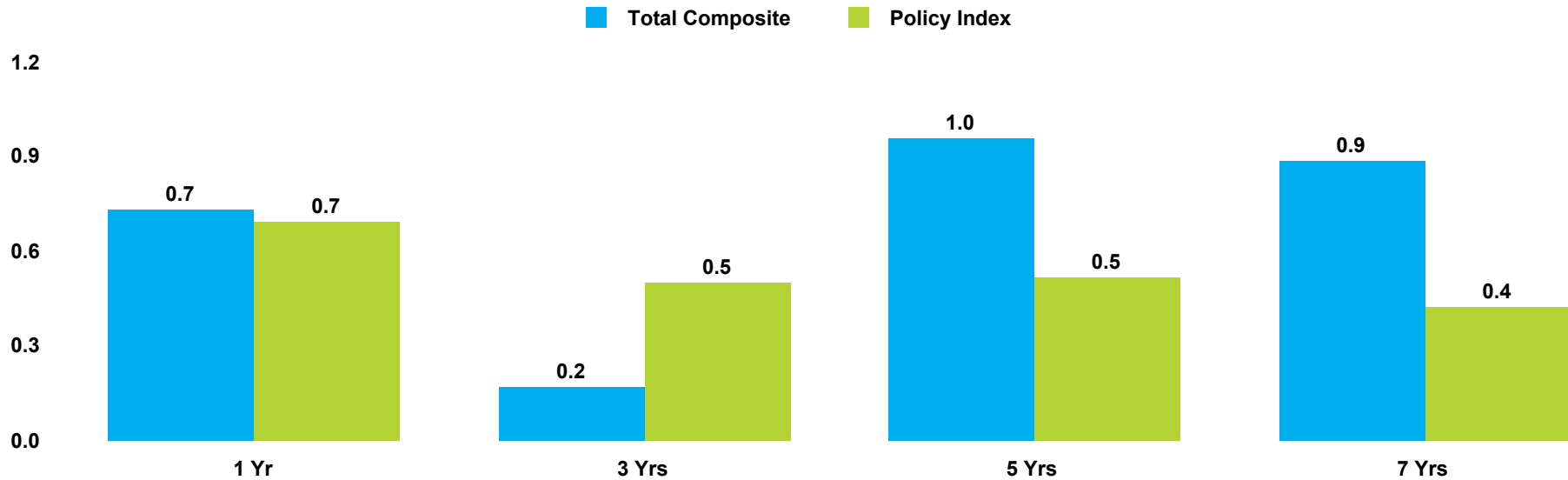


All returns in report are net of fees unless explicitly noted otherwise.

#### Annualized Standard Deviation

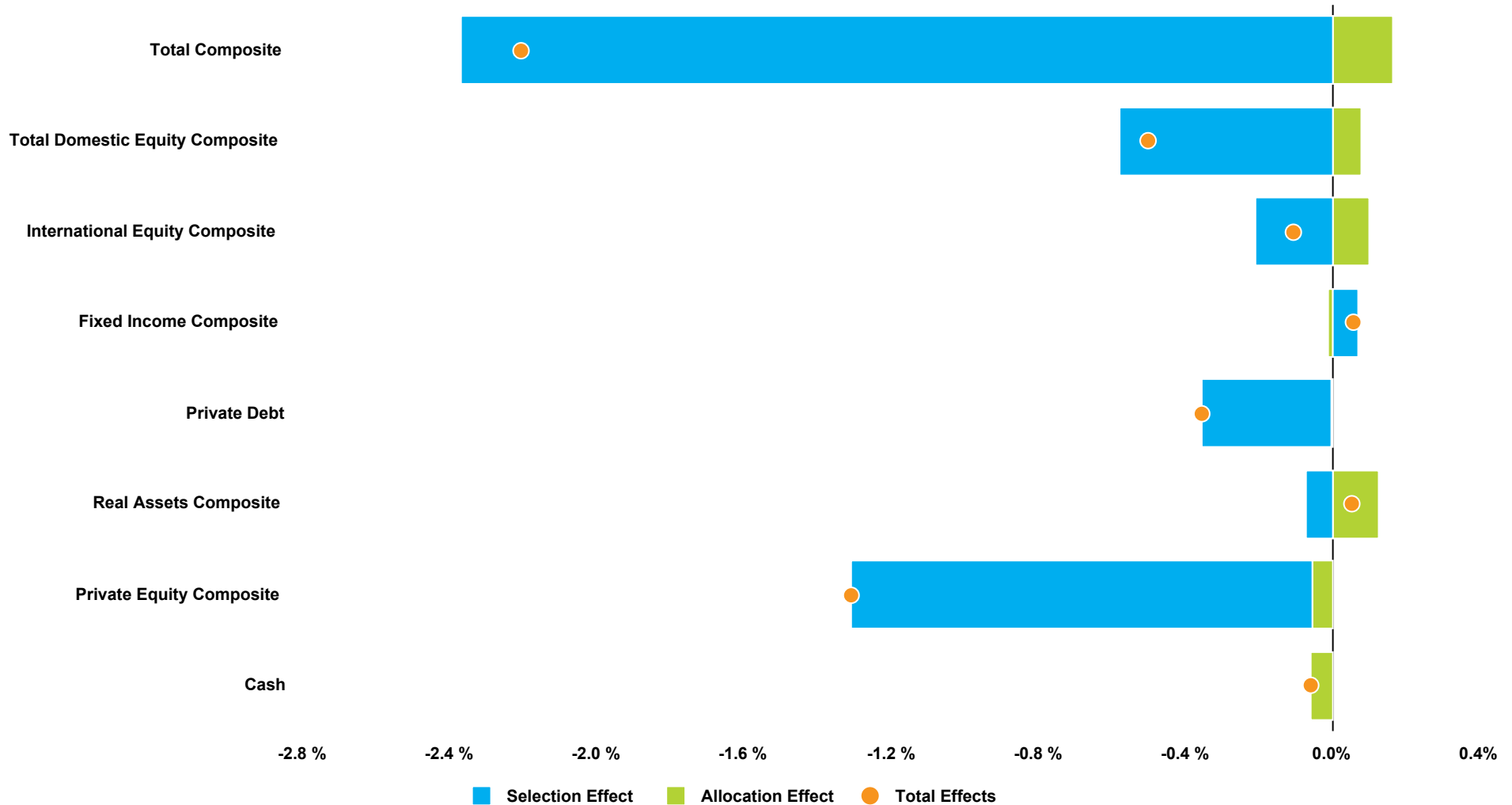


#### Sharpe Ratio



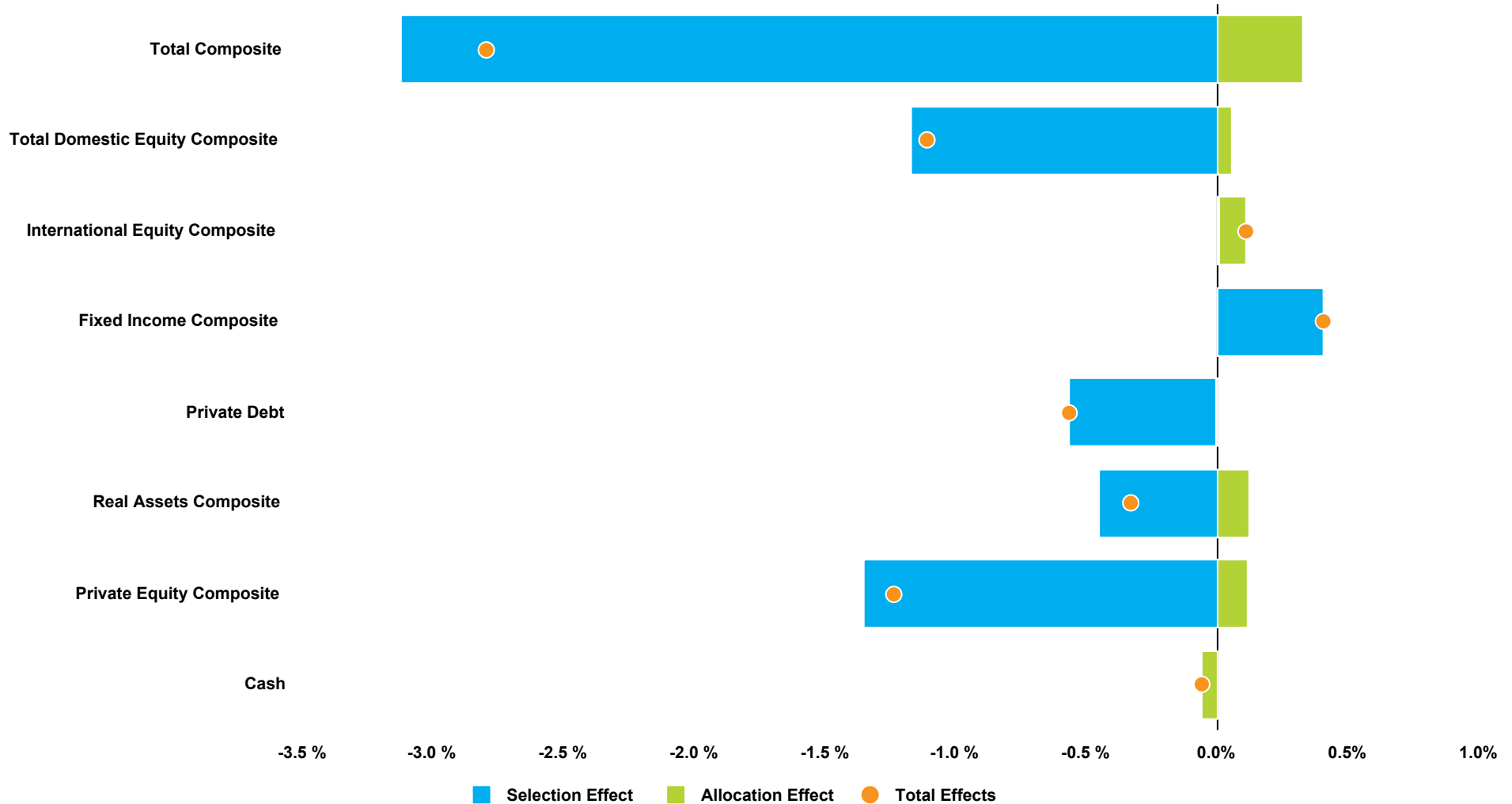
### Total Plan Attribution | Quarter to Date

#### Attribution Effects Quarter To Date



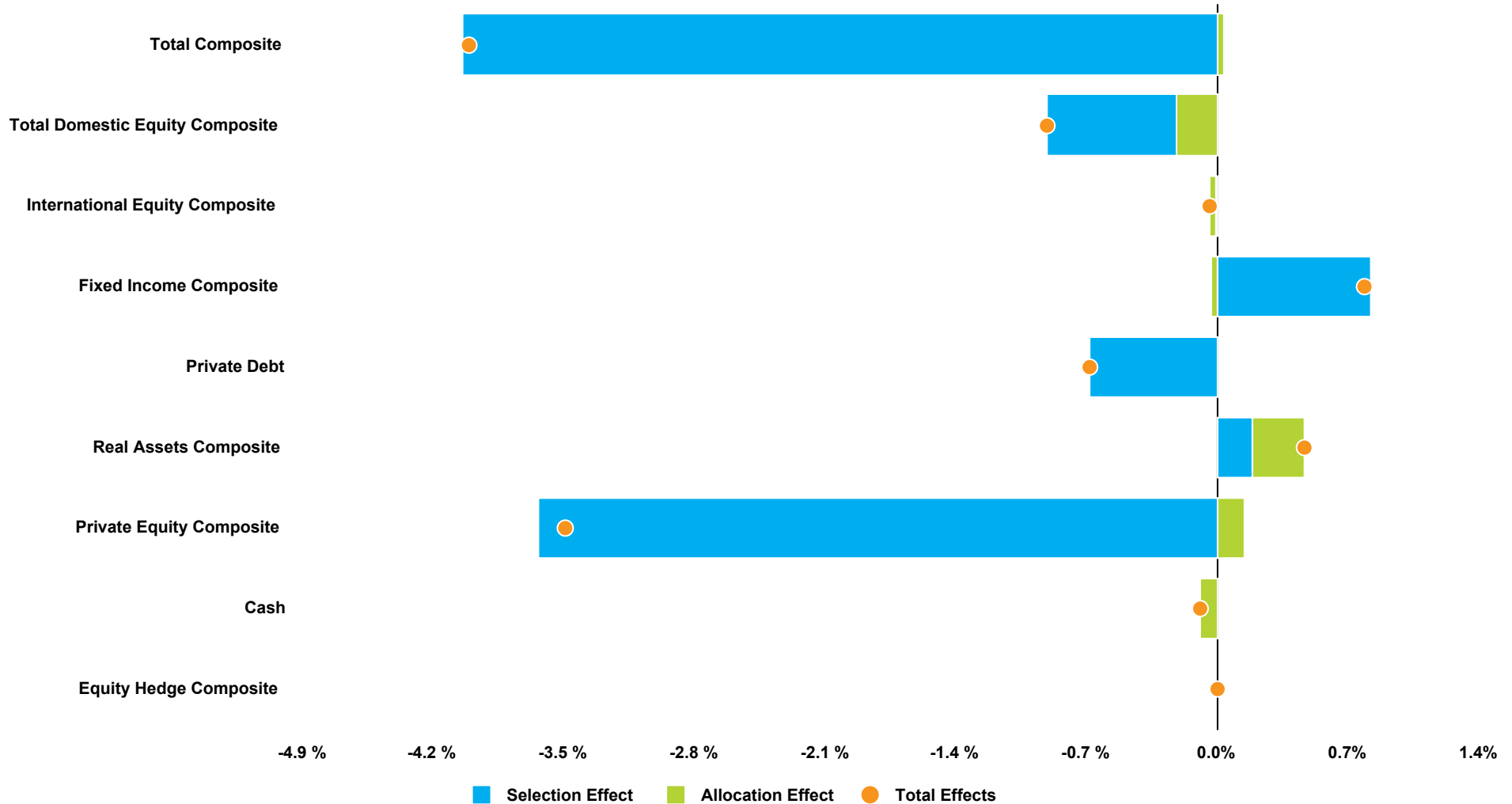
The performance calculation methodology in attribution tables is different from the standard time weighted returns (geometric linkage of monthly returns) found throughout the rest of the report. In attribution tables, the average weight of each asset class (over the specified time period) is multiplied by the time period performance of that asset class and summed. Values may not sum due to rounding.

#### Attribution Effects Fiscal Year to Date



The performance calculation methodology in attribution tables is different from the standard time weighted returns (geometric linkage of monthly returns) found throughout the rest of the report. In attribution tables, the average weight of each asset class (over the specified time period) is multiplied by the time period performance of that asset class and summed. Values may not sum due to rounding. The Fiscal Year begins in July.

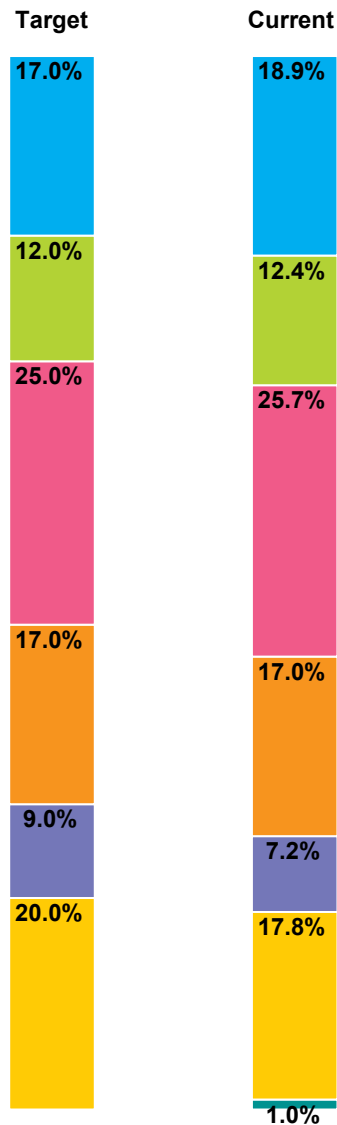
#### Attribution Effects 3 Years Ending June 30, 2025



The performance calculation methodology in attribution tables is different from the standard time weighted returns (geometric linkage of monthly returns) found throughout the rest of the report. In attribution tables, the average weight of each asset class (over the specified time period) is multiplied by the time period performance of that asset class and summed. Values may not sum due to rounding.



### Asset Allocation vs. Policy | As of June 30, 2025

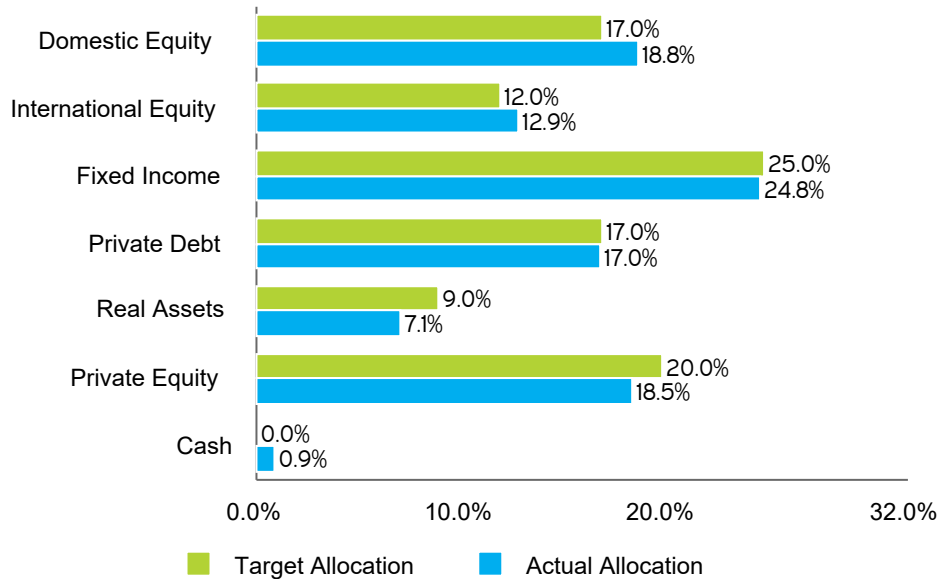


Allocation vs. Policy				
	Balance (\$)	Current Allocation (%)	Policy (%)	Within IPS Range?
Domestic Equity	\$836,908,013	19	17	Yes
International Equity	\$547,152,005	12	12	Yes
Fixed Income	\$1,135,684,233	26	25	Yes
Private Debt	\$752,554,558	17	17	Yes
Real Assets	\$316,197,639	7	9	Yes
Private Equity	\$784,850,159	18	20	Yes
Cash	\$45,363,006	1	0	Yes
<b>Total Composite</b>	<b>\$4,419,715,475</b>	<b>100</b>	<b>100</b>	

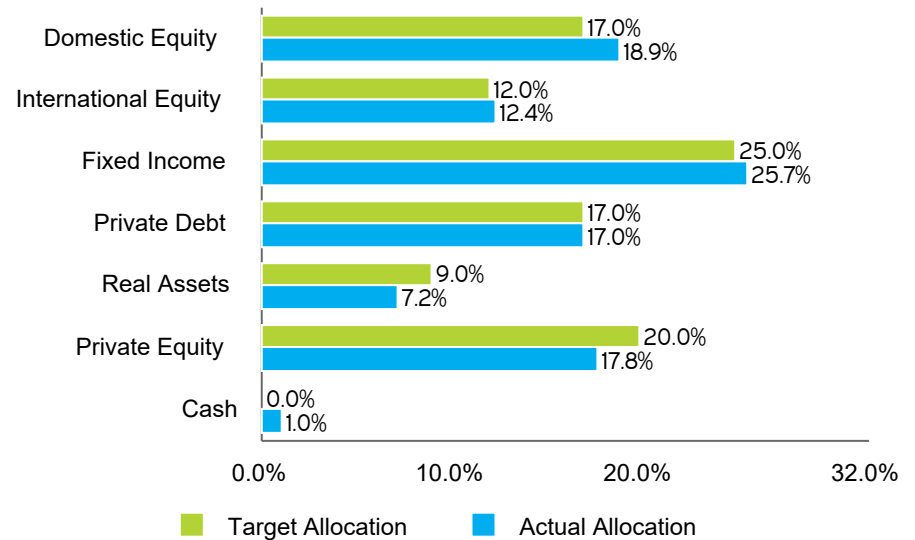
The Total Composite market value includes the Equity Hedge Composite.

### Asset Allocation Compliance | As of June 30, 2025

**Actual vs. Target Allocation (%)**  
**As of June 30, 2024**



**Actual vs. Target Allocation (%)**  
**As of June 30, 2025**

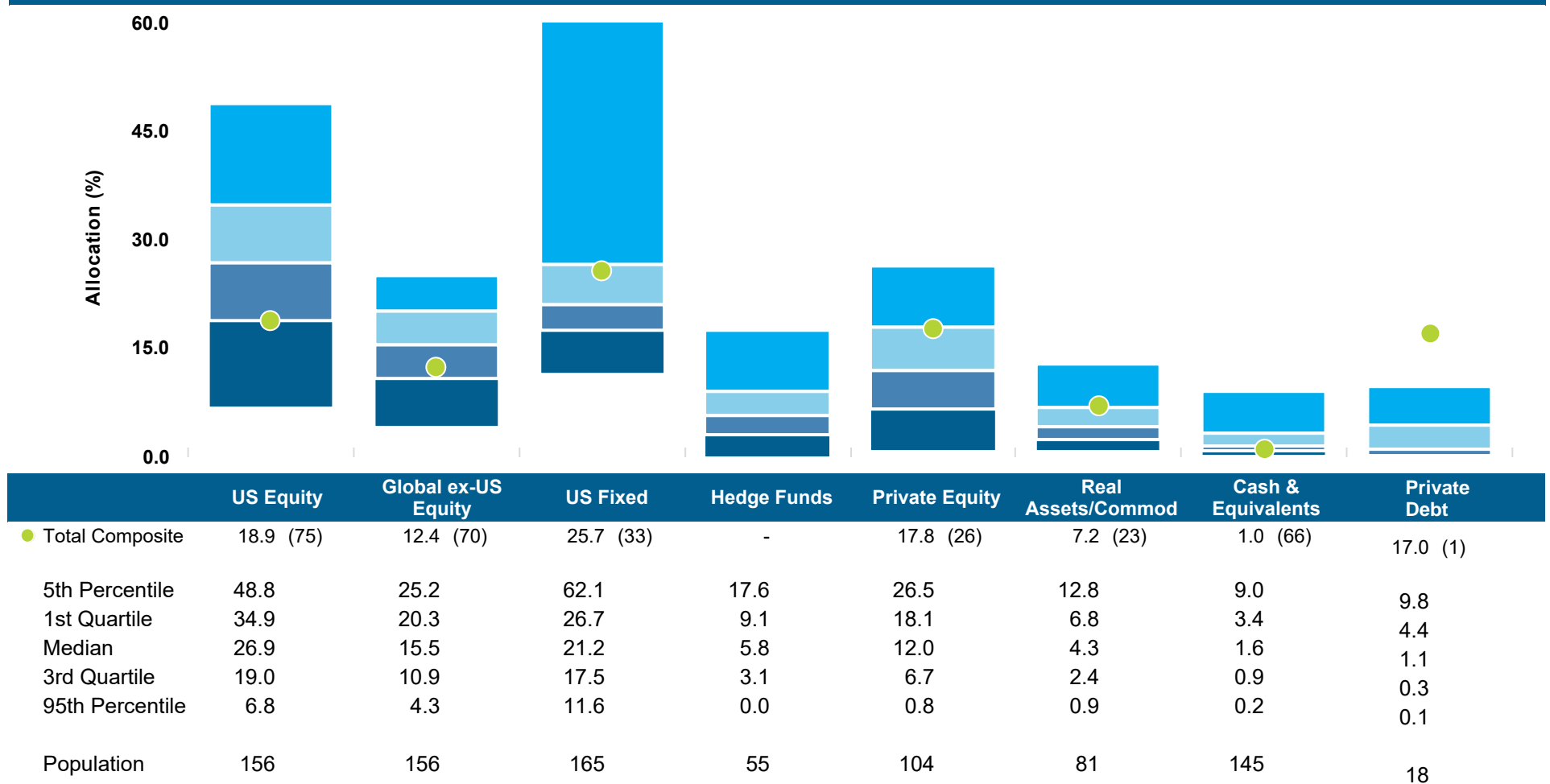


	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
Domestic Equity	19	17	2	12 - 22	Yes
International Equity	13	12	1	7 - 17	Yes
Fixed Income	25	25	0	17 - 33	Yes
Private Debt	17	17	0	12 - 20	Yes
Real Assets	7	9	-2	5 - 12	Yes
Private Equity	18	20	-2	15 - 23	Yes
Cash	1	0	1	0 - 5	Yes
<b>Total Composite</b>	<b>100</b>	<b>100</b>	<b>0</b>		

	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
Domestic Equity	19	17	2	12 - 22	Yes
International Equity	12	12	0	7 - 17	Yes
Fixed Income	26	25	1	17 - 33	Yes
Private Debt	17	17	0	12 - 20	Yes
Real Assets	7	9	-2	5 - 12	Yes
Private Equity	18	20	-2	15 - 23	Yes
Cash	1	0	1	0 - 5	Yes
<b>Total Composite</b>	<b>100</b>	<b>100</b>	<b>0</b>		

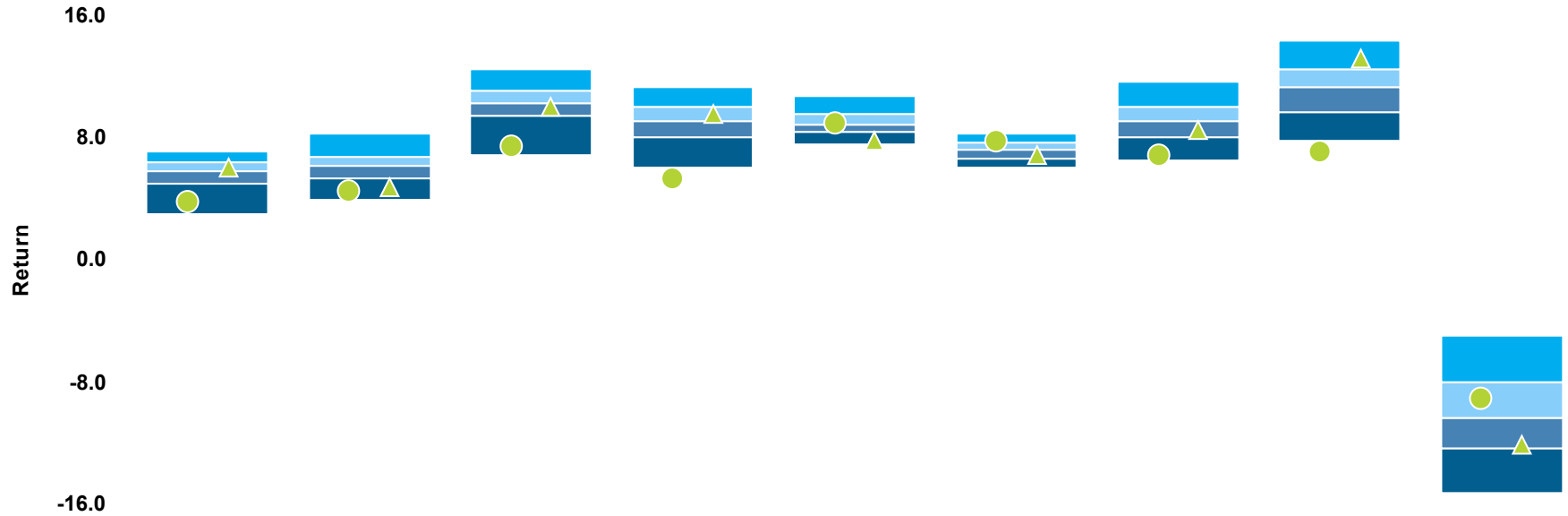
### Total Composite Asset Allocations | As of June 30, 2025

Asset Allocation vs. All Public Plans > \$1B-Total Fund



Other represents Private Debt allocation.  
Parentheses contain percentile rankings.

#### Net Performance vs. All Public Plans > \$1B-Total Fund

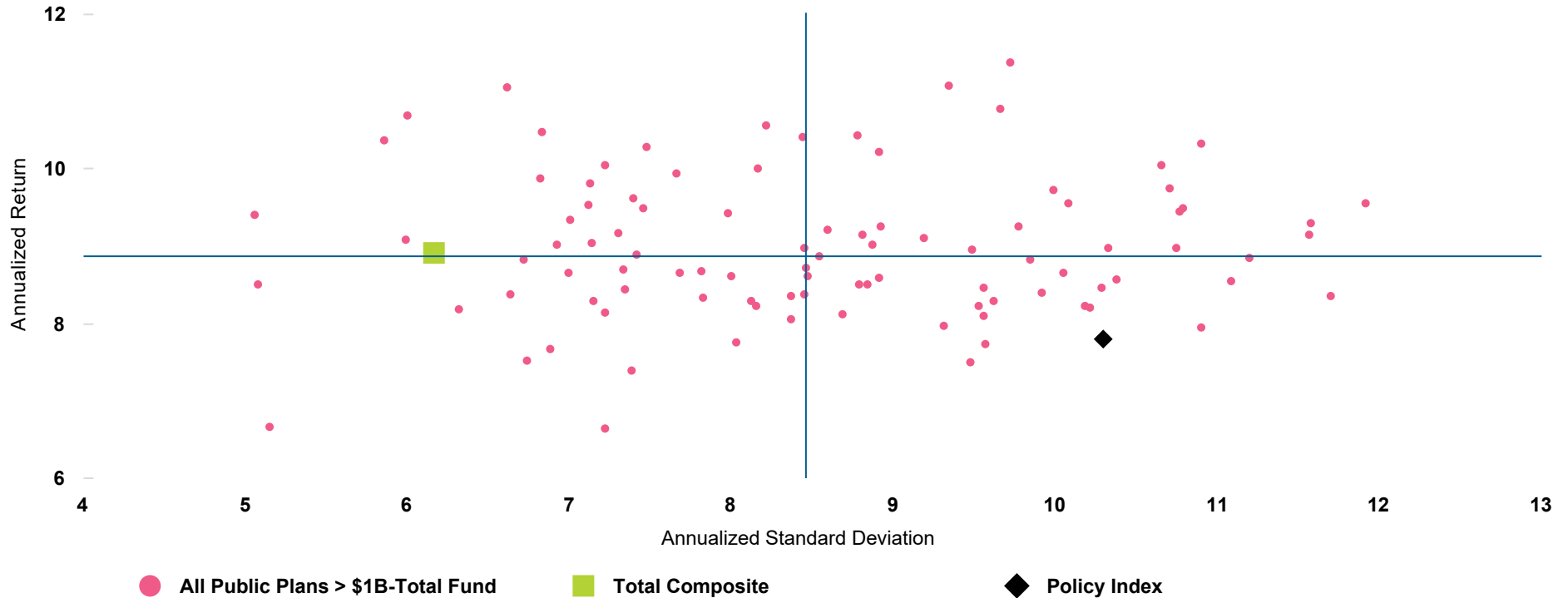


	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2024 (%)	2023 (%)	2022 (%)
● Total Composite	3.8 (91)	4.5 (92)	7.4 (94)	5.4 (98)	8.9 (49)	7.7 (20)	6.9 (93)	7.0 (97)	-9.1 (36)
▲ Policy Index	6.0 (38)	4.8 (89)	10.1 (53)	9.5 (38)	7.8 (91)	6.9 (63)	8.5 (67)	13.2 (14)	-12.1 (73)
5th Percentile	7.1	8.2	12.5	11.4	10.8	8.3	11.6	14.4	-4.9
1st Quartile	6.4	6.8	11.1	10.0	9.5	7.6	10.0	12.5	-8.0
Median	5.8	6.1	10.2	9.1	8.9	7.2	9.0	11.3	-10.3
3rd Quartile	4.9	5.4	9.4	8.1	8.3	6.7	8.1	9.6	-12.4
95th Percentile	3.0	3.9	6.9	6.0	7.5	6.1	6.5	7.8	-15.3
Population	113	113	113	109	103	97	186	199	189

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

Total Plan Risk/Return | As of June 30, 2025

### Annualized Return vs. Annualized Standard Deviation 5 Years Ending June 30, 2025



	5 Years Return	5 Years Standard Deviation	5 Years Sharpe Ratio	5 Years Information Ratio
Total Composite	8.9 (49)	6.2 (7)	1.0 (12)	0.1 (76)
All Public Plans > \$1B-Total Fund Median	8.9	8.5	0.7	0.3
Policy Index	7.8	10.3	0.5	-

## Total Plan (Net of Fees) | As of June 30, 2025

	Total Plan (Net Returns)									
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Composite	4,419,715,475	100.0	3.8 (91)	4.5 (92)	7.4 (94)	5.4 (98)	8.9 (49)	7.7 (20)	8.3 (12)	Jun-91
Policy Index			6.0 (38)	4.8 (89)	10.1 (53)	9.5 (38)	7.8 (91)	6.9 (63)	--	
Over/Under			-2.2	-0.2	-2.7	-4.2	1.1	0.8	--	
Domestic Equity	836,908,013	18.9	7.8 (64)	2.0 (88)	9.0 (80)	14.6 (63)	11.9 (76)	12.4 (28)	9.3 (46)	Apr-01
Russell 3000 Index			11.0 (39)	5.8 (45)	15.3 (35)	19.1 (30)	16.0 (27)	13.0 (22)	9.3 (48)	
Over/Under			-3.2	-3.7	-6.3	-4.4	-4.1	-0.6	0.1	
International Equity	547,152,005	12.4	10.5 (80)	18.2 (54)	17.8 (60)	13.8 (68)	9.1 (68)	5.1 (93)	7.4 (55)	Jul-93
International Equity Policy Index			12.0 (61)	17.9 (60)	17.7 (61)	14.0 (62)	10.1 (57)	6.1 (74)	5.9 (100)	
Over/Under			-1.5	0.3	0.1	-0.2	-1.0	-1.1	1.5	
Fixed Income	1,135,684,233	25.7	1.5 (43)	4.0 (42)	7.8 (18)	5.9 (22)	2.9 (26)	3.8 (20)	5.6 (17)	Aug-91
Blmbg. U.S. Aggregate Index			1.2 (65)	4.0 (38)	6.1 (58)	2.5 (82)	-0.7 (89)	1.8 (84)	4.8 (44)	
Over/Under			0.3	0.0	1.7	3.4	3.6	2.0	0.8	
Private Debt	752,554,558	17.0	1.5	2.9	6.9	6.3	10.0	6.9	12.5	Jan-09
Private Debt Policy Index			3.6	4.5	10.2	9.8	6.0	5.3	4.8	
Over/Under			-2.0	-1.6	-3.3	-3.5	4.0	1.6	7.7	
Real Assets	316,197,639	7.2	0.1	-0.6	-2.2	-0.7	5.5	4.2	5.5	Jul-01
NCREIF Property Index			1.2	2.5	4.2	-2.8	3.7	5.2	7.3	
Over/Under			-1.1	-3.1	-6.4	2.0	1.8	-1.0	-1.7	
Private Equity	784,850,159	17.8	1.5	1.9	2.2	-4.7	10.2	12.8	11.2	Oct-01
Russell 2000 Index			8.5	-1.8	7.7	10.0	10.0	7.1	8.8	
Over/Under			-7.0	3.6	-5.5	-14.7	0.1	5.7	2.4	
Cash	45,363,006	1.0	1.1	2.3	4.9	3.3	2.6	1.3	4.2	Jul-09
FTSE 3 Month T-Bill			1.1	2.2	4.9	4.8	2.9	2.0	1.3	
Over/Under			0.0	0.1	0.0	-1.4	-0.3	-0.7	2.9	

The Total Composite market value does not include accounts with small residual values such as Flippin Bruce Porter, Transition Account, and PIMCO Distressed. There are also some accounts that BNY and Meketa categorize into different compos. This accounts for differences in aggregate totals between this report and the custodian.

## Total Plan (Net of Fees) | As of June 30, 2025

Trailing Net Performance										
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Composite</b>	<b>4,419,715,475</b>	<b>100.0</b>	<b>3.8 (91)</b>	<b>4.5 (92)</b>	<b>7.4 (94)</b>	<b>5.4 (98)</b>	<b>8.9 (49)</b>	<b>7.7 (20)</b>	<b>8.3 (12)</b>	<b>Jun-91</b>
Policy Index			6.0 (38)	4.8 (89)	10.1 (53)	9.5 (38)	7.8 (91)	6.9 (63)	--	
Over/Under			-2.2	-0.2	-2.7	-4.2	1.1	0.8	--	
<b>Domestic Equity</b>	<b>836,908,013</b>	<b>18.9</b>	<b>7.8 (64)</b>	<b>2.0 (88)</b>	<b>9.0 (80)</b>	<b>14.6 (63)</b>	<b>11.9 (76)</b>	<b>12.4 (28)</b>	<b>9.3 (46)</b>	<b>Apr-01</b>
Russell 3000 Index			11.0 (39)	5.8 (45)	15.3 (35)	19.1 (30)	16.0 (27)	13.0 (22)	9.3 (48)	
Over/Under			-3.2	-3.7	-6.3	-4.4	-4.1	-0.6	0.1	
BlackRock Large Cap ETF	148,177,033	3.4	10.2 (43)	5.6 (56)	14.4 (40)	19.1 (37)	16.2 (30)	13.3 (28)	13.8 (39)	Aug-10
S&P 500 Index			10.9 (39)	6.2 (45)	15.2 (32)	19.7 (33)	16.6 (24)	13.6 (23)	14.4 (29)	
Over/Under			-0.7	-0.6	-0.8	-0.6	-0.4	-0.4	-0.6	
PIMCO Managed Volatility	410,533,638	9.3	6.5 (64)	1.7 (95)	8.2 (90)	17.0 (49)	14.0 (65)	14.8 (15)	14.2 (17)	Jan-15
S&P 500 Index			10.9 (39)	6.2 (45)	15.2 (32)	19.7 (33)	16.6 (24)	13.6 (23)	13.1 (25)	
Over/Under			-4.4	-4.5	-7.0	-2.8	-2.7	1.2	1.1	
Champlain Mid Cap Core	199,070,389	4.5	8.8 (41)	2.8 (55)	8.0 (71)	9.2 (84)	8.2 (87)	10.6 (30)	12.2 (43)	Dec-09
Russell Midcap Index			8.5 (43)	4.8 (33)	15.2 (28)	14.3 (38)	13.1 (41)	9.9 (44)	12.4 (40)	
Over/Under			0.3	-2.0	-7.2	-5.1	-4.9	0.7	-0.1	
William Blair SMID	79,105,773	1.8	5.8 (63)	-6.4 (93)	2.8 (85)	10.2 (60)	6.5 (91)	9.0 (40)	11.7 (25)	Dec-12
Russell 2500 Growth Index			11.3 (23)	-0.7 (54)	8.8 (42)	12.0 (37)	7.5 (87)	8.5 (54)	11.1 (38)	
Over/Under			-5.5	-5.6	-6.0	-1.9	-1.0	0.5	0.6	

The Domestic Equity Composite market value also includes the small values of PIMCO Eqs Dividend and Aronson & Partners.

## Total Plan (Net of Fees) | As of June 30, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>International Equity</b>	<b>547,152,005</b>	<b>12.4</b>	<b>10.5 (78)</b>	<b>18.2 (53)</b>	<b>17.8 (59)</b>	<b>13.8 (67)</b>	<b>9.1 (71)</b>	<b>5.1 (91)</b>	<b>7.4 (64)</b>	<b>Jul-93</b>
<i>International Equity Policy Index</i>			<i>12.0 (60)</i>	<i>17.9 (59)</i>	<i>17.7 (59)</i>	<i>14.0 (61)</i>	<i>10.1 (56)</i>	<i>6.1 (71)</i>	<i>5.9 (100)</i>	
Over/Under			-1.5	0.3	0.1	-0.2	-1.0	-1.1	1.5	
Arrowstreet EAFE Fund	235,799,189	5.3	13.9 (21)	24.9 (4)	26.7 (17)	--	--	--	20.7 (9)	Apr-23
<i>MSCI EAFE (Net)</i>			<i>11.8 (70)</i>	<i>19.4 (67)</i>	<i>17.7 (78)</i>	--	--	--	<i>14.3 (67)</i>	
Over/Under			2.1	5.5	9.0	--	--	--	6.4	
Arrowstreet EM	98,106,568	2.2	14.2 (17)	17.8 (18)	12.5 (80)	--	--	--	16.2 (21)	Apr-23
<i>MSCI Emerging Markets Index</i>			<i>12.2 (54)</i>	<i>15.6 (46)</i>	<i>16.0 (37)</i>	--	--	--	<i>13.3 (49)</i>	
Over/Under			2.0	2.3	-3.4	--	--	--	2.9	
William Blair International Growth	61,328,309	1.4	14.2 (44)	14.0 (16)	11.7 (48)	--	--	--	10.5 (69)	Jul-23
<i>MSCI AC World ex USA index</i>			<i>12.3 (60)</i>	<i>18.3 (5)</i>	<i>18.4 (19)</i>	--	--	--	<i>15.2 (42)</i>	
Over/Under			1.9	-4.3	-6.6	--	--	--	-4.7	
BNY MSCI EAFE	71,561,300	1.6	--	--	--	--	--	--	2.3 (72)	Jun-25
<i>MSCI EAFE (Net)</i>			--	--	--	--	--	--	<i>2.2 (72)</i>	
Over/Under			--	--	--	--	--	--	0.1	
RBC EM	78,050,758	1.8	--	--	--	--	--	--	5.3	Jun-25
<i>MSCI Emerging Markets Index</i>			--	--	--	--	--	--	<i>6.1</i>	
Over/Under			--	--	--	--	--	--	-0.8	

The International Equity Composite market value also includes the small values of Epoch Global Equity Shareholder Yield, GMO Emerging Domestic Opportunities, Grantham, Mayo Van Otterloo & Co., and Lazard Freres International Value.



## Total Plan (Net of Fees) | As of June 30, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Fixed Income</b>	<b>1,135,684,233</b>	<b>25.7</b>	<b>1.5 (43)</b>	<b>4.0 (42)</b>	<b>7.8 (18)</b>	<b>5.9 (22)</b>	<b>2.9 (26)</b>	<b>3.8 (20)</b>	<b>5.6 (17)</b>	<b>Aug-91</b>
<i>Blmbg. U.S. Aggregate Index</i>			<i>1.2 (65)</i>	<i>4.0 (38)</i>	<i>6.1 (58)</i>	<i>2.5 (82)</i>	<i>-0.7 (89)</i>	<i>1.8 (84)</i>	<i>4.8 (44)</i>	
Over/Under			0.3	0.0	1.7	3.4	3.6	2.0	0.8	
PIMCO Core Plus Total Return	267,948,470	6.1	1.1 (91)	4.7 (13)	7.5 (10)	3.8 (42)	0.3 (58)	2.3 (67)	4.0 (50)	Oct-06
<i>Blmbg. U.S. Aggregate Index</i>			<i>1.2 (89)</i>	<i>4.0 (69)</i>	<i>6.1 (86)</i>	<i>2.5 (93)</i>	<i>-0.7 (97)</i>	<i>1.8 (96)</i>	<i>3.1 (99)</i>	
Over/Under			-0.1	0.7	1.4	1.2	1.0	0.5	0.8	
PIMCO Corporate Credit	337,815,243	7.6	2.4 (1)	5.0 (1)	8.3 (1)	6.3 (1)	2.1 (1)	4.3 (1)	5.7 (1)	Jun-09
<i>PIMCO Corporate Credit Policy Index</i>			<i>2.3 (1)</i>	<i>4.4 (11)</i>	<i>7.5 (1)</i>	<i>5.7 (1)</i>	<i>1.7 (1)</i>	<i>3.7 (1)</i>	<i>4.9 (2)</i>	
Over/Under			0.1	0.7	0.8	0.6	0.4	0.6	0.8	
PIMCO Unconstrained Bond	313,585,994	7.1	1.5 (87)	3.5 (76)	8.2 (47)	6.1 (48)	3.2 (51)	3.4 (45)	3.2 (45)	Sep-13
<i>ICE BofA USD 3-Mo Dep Offer Rate Constant Maturity</i>			<i>1.1 (93)</i>	<i>2.2 (95)</i>	<i>4.9 (95)</i>	<i>4.7 (83)</i>	<i>2.8 (68)</i>	<i>2.2 (82)</i>	<i>1.9 (80)</i>	
Over/Under			0.4	1.3	3.2	1.4	0.4	1.2	1.3	
PIMCO Private Income Fund	103,064,236	2.3	2.2 (76)	3.9 (79)	8.3 (50)	5.6 (67)	9.7 (1)	--	7.3 (1)	Apr-19
<i>ICE BofA U.S. High Yield Index</i>			<i>3.6 (24)</i>	<i>4.5 (45)</i>	<i>10.2 (18)</i>	<i>9.8 (2)</i>	<i>6.0 (1)</i>	--	<i>5.0 (6)</i>	
Over/Under			-1.4	-0.6	-2.0	-4.3	3.7	--	2.3	
PIMCO Tactical Opportunities Fund	113,270,290	2.6	-1.2 (100)	0.6 (100)	5.8 (95)	8.3 (21)	9.3 (1)	--	9.1 (1)	Jun-20
<i>ICE BofA U.S. High Yield Index</i>			<i>3.6 (24)</i>	<i>4.5 (45)</i>	<i>10.2 (18)</i>	<i>9.8 (2)</i>	<i>6.0 (1)</i>	--	<i>6.1 (1)</i>	
Over/Under			-4.8	-4.0	-4.5	-1.5	3.3	--	3.0	

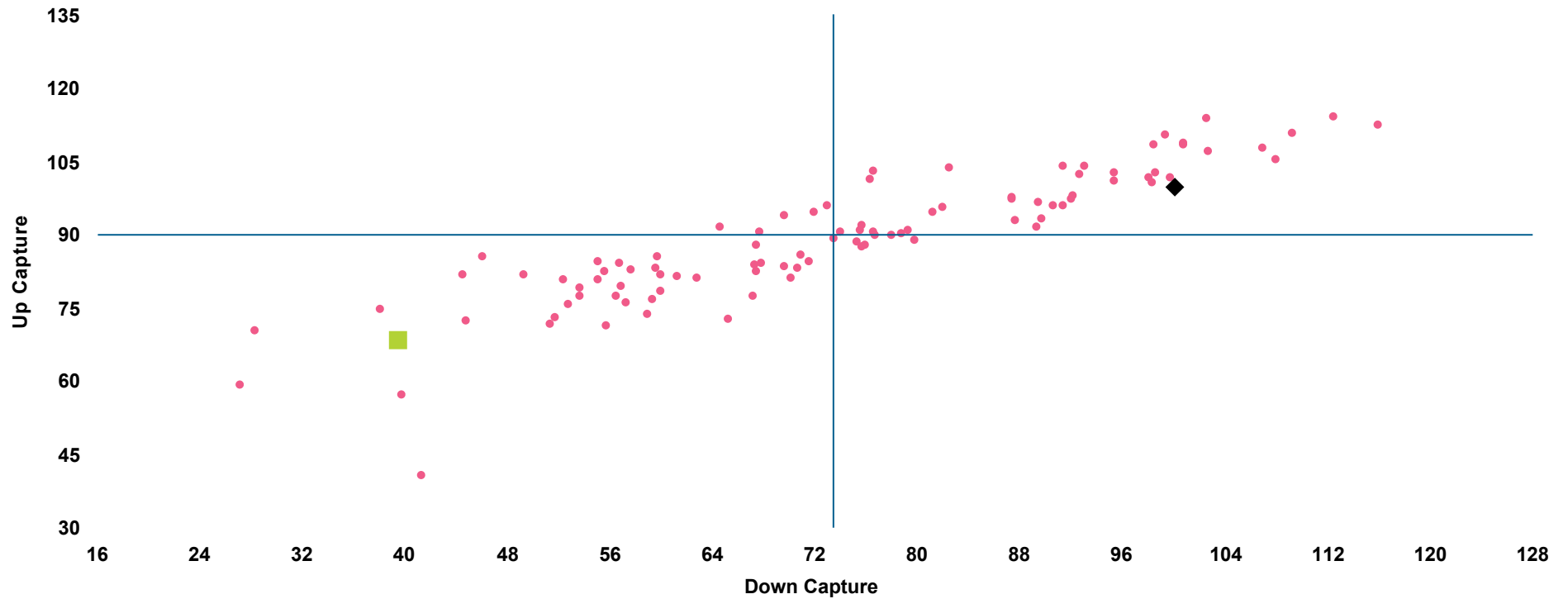
## Total Plan (Net of Fees) | As of June 30, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Private Debt</b>	<b>752,554,558</b>	<b>17.0</b>	<b>1.5</b>	<b>2.9</b>	<b>6.9</b>	<b>6.3</b>	<b>10.0</b>	<b>6.9</b>	<b>12.5</b>	<b>Jan-09</b>
<i>Private Debt Policy Index</i>			3.6	4.5	10.2	9.8	6.0	5.3	4.8	
Over/Under			-2.0	-1.6	-3.3	-3.5	4.0	1.6	7.7	
<b>Real Assets</b>	<b>316,197,639</b>	<b>7.2</b>	<b>0.1</b>	<b>-0.6</b>	<b>-2.2</b>	<b>-0.7</b>	<b>5.5</b>	<b>4.2</b>	<b>5.5</b>	<b>Jul-01</b>
<i>NCREIF Property Index</i>			1.2	2.5	4.2	-2.8	3.7	5.2	7.3	
Over/Under			-1.1	-3.1	-6.4	2.0	1.8	-1.0	-1.7	
<b>Private Equity</b>	<b>784,850,159</b>	<b>17.8</b>	<b>1.5</b>	<b>1.9</b>	<b>2.2</b>	<b>-4.7</b>	<b>10.2</b>	<b>12.8</b>	<b>11.2</b>	<b>Oct-01</b>
<i>Russell 2000 Index</i>			8.5	-1.8	7.7	10.0	10.0	7.1	8.8	
Over/Under			-7.0	3.6	-5.5	-14.7	0.1	5.7	2.4	
<b>Cash</b>	<b>45,363,006</b>	<b>1.0</b>	<b>1.1</b>	<b>2.3</b>	<b>4.9</b>	<b>3.3</b>	<b>2.6</b>	<b>1.3</b>	<b>4.2</b>	<b>Jul-09</b>
<i>FTSE 3 Month T-Bill</i>			1.1	2.2	4.9	4.8	2.9	2.0	1.3	
Over/Under			0.0	0.1	0.0	-1.4	-0.3	-0.7	2.9	
Cash Account	45,133,456	1.0	1.1	2.3	4.9	3.8	2.3	1.2	3.7	Jul-09
<i>FTSE 3 Month T-Bill</i>			1.1	2.2	4.9	4.8	2.9	2.0	1.3	
Over/Under			0.0	0.1	0.0	-0.9	-0.6	-0.9	2.4	
Miscellaneous Cash	229,550	0.0	0.8	1.5	2.5	3.4	8.1	2.7	3.2	May-12

## Total Plan Risk Return Statistics | As of June 30, 2025

	Risk Return Statistics			
	3 Years		5 Yrs	
	Total Composite	Policy Index	Total Composite	Policy Index
<b>Return Summary Statistics</b>				
Maximum Return	4.0	6.4	5.8	7.8
Minimum Return	-4.3	-6.0	-4.3	-6.0
Return	5.4	9.5	8.9	7.8
Excess Return	0.9	5.2	6.0	5.3
Excess Performance	-4.2	0.0	1.1	0.0
<b>Risk Summary Statistics</b>				
Beta	0.5	1.0	0.5	1.0
Up Capture	51.0	100.0	68.6	100.0
Down Capture	47.0	100.0	39.4	100.0
<b>Risk/Return Summary Statistics</b>				
Standard Deviation	5.5	10.5	6.2	10.3
Sortino Ratio	0.2	0.8	1.7	0.8
Alpha	0.7	0.0	4.7	0.0
Sharpe Ratio	0.2	0.5	1.0	0.5
Excess Risk	5.4	10.5	6.3	10.3
Tracking Error	5.7	0.0	5.8	0.0
Information Ratio	-0.8	-	0.1	-
<b>Correlation Statistics</b>				
R-Squared	0.9	1.0	0.8	1.0
Actual Correlation	0.9	1.0	0.9	1.0

### Downside Capture vs. Upside Capture 5 Years Ending June 30, 2025



	5 Years Return	5 Years Up Capture	5 Years Down Capture
Total Composite	8.9	68.6	39.4
Policy Index	7.8	100.0	100.0

## Benchmark History

### June 2023

Russell 2000 Index	20.0%
Russell 3000 Index	17.0%
Blmbg. US Aggregate Index	25.0%
ICEBofa High Yield Master II	17.0%
NCREIF Property Index	9.0%
MSCI AC World ex USA (Net)	12.0%

### April 2021

Russell 2000 Index	12.0%
Russell 3000 Index	25.0%
Blmbg. US Aggregate Index	20.0%
ICEBofa High Yield Master II	18.0%
NCREIF Property Index	12.0%
MSCI AC World ex USA (Net)	13.0%

### April 2018

Russell 2000 Index	12.0%
Russell 3000 Index	17.0%
Blmbg. US Aggregate Index	21.0%
ICEBofa High Yield Master II	15.0%
HFRI Equity Hedge (Total) Index	7.0%
NCREIF Property Index	12.0%
MSCI AC World ex USA (Net)	16.0%

### June 2017

Russell 2000 Index	12.0%
Russell 3000 Index	20.0%
Blmbg. US Aggregate Index	21.0%
ICEBofa High Yield Master II	15.0%
NCREIF Property Index	12.0%
MSCI AC World ex USA (Net)	13.0%

## Private Market Performance Summary as of March 31, 2025

### Total Private Market Performance<sup>1</sup> As of March 31, 2025

Asset Class	Committed (\$ MM)	Contributed (\$ MM)	Unfunded (\$ MM)	Distributed (\$ MM)	Remaining Value (\$ MM)	TVPI (X)	Net IRR (%)	PME <sup>2</sup> (%)
Private Equity	1,437.6	1,100.6	358.0	1,274.9	769.1	1.86	13.9%	8.6%
Private Debt	1,882.8	1,626.1	357.3	1,485.7	757.9	1.38	9.2%	5.6%
Real Estate and Real Assets	1,246.2	827.4	432.8	786.3	269.4	1.28	5.3%	7.8%
<b>Total</b>	<b>4,566.6</b>	<b>3,554.1</b>	<b>1,148.1</b>	<b>3,546.9</b>	<b>1,796.4</b>	<b>1.50</b>	<b>9.6%</b>	

<sup>1</sup> Commitments will typically appear in the quarter following approval by the Committee

<sup>2</sup> Public Market Equivalent benchmarks are: MSCI ACWI IMI Index for Private Equity, Merrill Lynch High Yield Index for Private Debt, and NCREIF NPI for Real Estate/Real Assets.

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PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

**Credit Risk:** Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security).

**Duration:** Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

**Information Ratio:** This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

**Jensen's Alpha:** A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. Portfolio Return- [Risk Free Rate+Beta\*(market return-Risk Free Rate)].

**Market Capitalization:** For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

**Market Weighted:** Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

**Maturity:** The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

**Prepayment Risk:** The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

**Price-Book Value (P/B) Ratio:** The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

**Price-Earnings (P/E) Ratio:** A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

**Quality Rating:** The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

**Sharpe Ratio:** A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

**STIF Account:** Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

**Standard Deviation:** A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

**Style:** The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

**Tracking Error:** A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

**Yield to Maturity:** The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

**Yield to Worst:** The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

**NCREIF Property Index (NPI):** Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

**NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE):** Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: Investment Terminology, International Foundation of Employee Benefit Plans, 1999.  
The Handbook of Fixed Income Securities, Fabozzi, Frank J., 1991

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.