



May 11, 2026  
2:00PM

## AGENDA

### Joint Meeting of the SunLine Retirement Committees

**SUNLINE TRANSIT AGENCY  
Wellness Room  
32-505 Harry Oliver Trail  
Thousand Palms, CA 92276**

**TELECONFERENCE LOCATION:**  
421 N. Sierra Way  
San Bernardino 92410

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#### NOTICE TO THE PUBLIC

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**MEETING NOTE:** This is a joint and concurrent meeting of the three independent Retirement Committees for the pension plans for the employees and retirees of the SunLine Transit Agency. This single, combined agenda designates which items will be subject to action by which committee(s). Members of each committee may be present for the other committees' discussions and actions, except during individual closed sessions.

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**ITEM**

**RECOMMENDATION**

**1. CALL TO ORDER**

**2. ROLL CALL**

Retirement Committee for Non-Union  
Restated Employee Retirement System:

Members: Luis Garcia, Tamara Miles,  
Isabel Vizcarra, Walter Watcher, Bryan  
Valenzuela

Retirement Committee for ATU Local  
1277 Personnel:

Members: Luis Garcia, Tamara Miles,  
Aaron Williams, Jeff Shaffer

Retirement Committee for Teamsters  
Local 1932 Personnel:

Members: Luis Garcia, Tamara Miles,  
Rene Parilla, Ron Garcia

**3. SELECTION OF MEETING CHAIR**

**4. FINALIZATION OF AGENDA**

**5. PUBLIC ADDRESSES BOARD ON  
MATTERS NOT ON THE AGENDA**

**RECEIVE COMMENTS**

At this time, the public may address the Retirement Committee(s) on subject matters pertaining to Retirement Committee business not listed on the agenda. Remarks may be limited to 3 minutes subject to the discretion of the meeting chair. While the Retirement Committees encourage your comments, State law prevents the Committees from discussing items that are not set forth on this meeting agenda. The Committees and staff take your comments very seriously and, if appropriate, will follow up on them.

**6. COMMITTEE MEMBER COMMENTS**

**RECEIVE COMMENTS**

**7. CONSENT CALENDAR**

All items on the Consent Calendar will be approved by one motion, and there will be no discussion of individual items unless a Committee Member requests a specific item be pulled from the calendar for separate discussion. The public may comment on any item.

7a) Approval of Joint Meeting of the SunLine  
Retirement Committees Minutes of  
March 26, 2026

**APPROVE**  
(PAGE 4-6)

**8. APPROVE 2026 MEETING CALENDAR**

**APPROVE**  
(PAGE 7)

**9. REPORT ON QUARTERLY INVESTMENT REPORT BY PFM ASSET MANAGEMENT** **INFORMATION**  
(PAGE 8-87)

**10. OPTIONAL ORIENTATION**

Intended for Committee Members Not Present at March 26 Joint Committee Meeting, but May be Attended by a Quorum of One or More Committee(s).

10a) Introduction to Investment Policy Statement by PFM Asset Management (PAGE 88-111)

10b) Introduction of Actuarial Consultants and Overview of Actuarial Reporting Cycle by Nyhart (PAGE 112-214)

10c) Fiduciary Training by Hanson Bridgett LLP (PAGE 215-235)

10d) Brown Act Overview by Hanson Bridgett LLP (PAGE 236-248)

**11. NEXT MEETING DATE**

August 10, 2026 at 2:00PM  
Wellness Room  
32-505 Harry Oliver Trail  
Thousand Palms, CA 92276

**12. ADJOURN**

JOINT MEETING OF THE SUNLINE  
RETIREMENT COMMITTEES - MINUTES  
MARCH 26, 2026

**MINUTES**

**Joint Meeting of the SunLine Retirement Committees  
March 26, 2026**

A joint regular meeting of the SunLine Retirement was held at 2:00 p.m. on Thursday, March 26, 2026, in the Wellness Training Room at SunLine Transit Agency, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

**CALL TO ORDER**

The meeting was called to order at 2:07 p.m. by Common Member Luis Garcia.

**ROLL CALL**

Members Present:

Retirement Committee for Non-Union Restated Employee Retirement System: Members Luis Garcia, Tamara Miles, Isabel Vizcarra, Walter Watcher, Bryan Valenzuela were present. No members were absent.

Retirement Committee for ATU Local 1277 Personnel: Members Luis Garcia, Tamara Miles, and Aaron Williams were present. Member Jeff Shaffer was absent

The Retirement Committee for Teamsters Local 1932 Personnel lacked a quorum and was unable to meet.

Members Absent:

Ronald Garcia  
Jeff Shaffer

**SELECTION OF MEETING CHAIR**

Committee Member Bryan Valenzuela moved to make Common Member Luis Garcia chair of this joint meeting. The motion was seconded by Common Member Tamara Miles. The motion was approved by a vote of 5 Ayes: Isabel Vizcarra, Walter Watcher, Bryan Valenzuela, Tamara Miles, Luis Garcia; 0 Noes; 1 Abstain: Aaron Williams

**PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA**

Dick Grosboll, on behalf of ATU Local 1277, stated that the union reserves the right to object to the new process of holding joint meetings of the three retirement committees, noting his concern that the meeting title implies these are "SunLine meetings".

JOINT MEETING OF THE SUNLINE  
RETIREMENT COMMITTEES - MINUTES  
MARCH 26, 2026

**NEW BUSINESS**

1. INTRODUCTION TO INVESTMENT POLICY STATEMENT BY PFM ASSET MANAGEMENT

This information item was presented by Andrew Brown. No action was taken.

2. REPORT ON QUARTERLY INVESTMENT REPORT BY PFM ASSET MANAGEMENT

This information item was presented by Andrew Brown. No action was taken.

3. INTRODUCTION OF ACTUARIAL CONSULTANTS WITH NYHART AND OVERVIEW OF ACTUARIAL REPORTING CYCLE

This information item was presented by Samamtha Olsen, Katheryn Hickey and Webster Gordon. No action was taken.

4. FIDUCIARY TRAINING BY HANSON BRIDGETT LLP

This information item was presented by Shayna Mittler van Hoften. No action was taken.

5. BROWN ACT OVERVIEW BY HANSON BRIDGETT LLP

This information item was presented by Shayna Mittler van Hoften. No action was taken.

6. APPROVE 2026 MEETING CALENDAR

This action item was presented by Common Member Luis Garcia. Common Member Luis Garcia moved to approve the 2026 Meeting Calendar. The motion was seconded by Common Member Tamara Miles.

Retirement Committee for Non-Union Restated Employee Retirement System:  
The motion was approved by a vote of 5 Ayes: Bryan Valenzuela, Isabel Vizcarra, Walter Watcher, Tamara Miles, Luis Garcia; 0 Noes; 0 Abstain.

Retirement Committee for ATU Local 1277 Personnel: the motion was approved by a vote of 3 Ayes: Aaron Williams, Luis Garcia, Tamara Miles; 0 Noes; 0 Abstain.

JOINT MEETING OF THE RETIREMENT  
COMMITTEE FOR THE EMPLOYEES AND  
RETIRES OF THE SUNLINE TRANSIT AGENCY  
MEETING – MINUTES  
MARCH 26, 2026

**ADJOURN**

The Joint Meeting of the Retirement Committees for the Employees and Retirees of the SunLine Transit Agency concurrently adjourned at 4:16 p.m.

**Proposed Pension Committee Meeting Dates for Calendar Year 2026**

- August 10, 2026
  - 2:00pm
- November 9, 2026
  - 2:00pm



# SunLine Transit Agency Bargaining Unit Employees

## Investment Performance Review For the Quarter Ended March 31, 2026

Client Management Team

Andrew Brown, CFA, Sr. Investment Strategist/Portfolio Manager

PFM Asset Management  
A division of U.S. Bancorp Asset Management, Inc.

1 California Street  
Suite 1000  
San Francisco, CA 94111

1735 Market Street  
43rd Floor  
Philadelphia, PA 19103

# **Financial Markets & Investment Strategy Review**

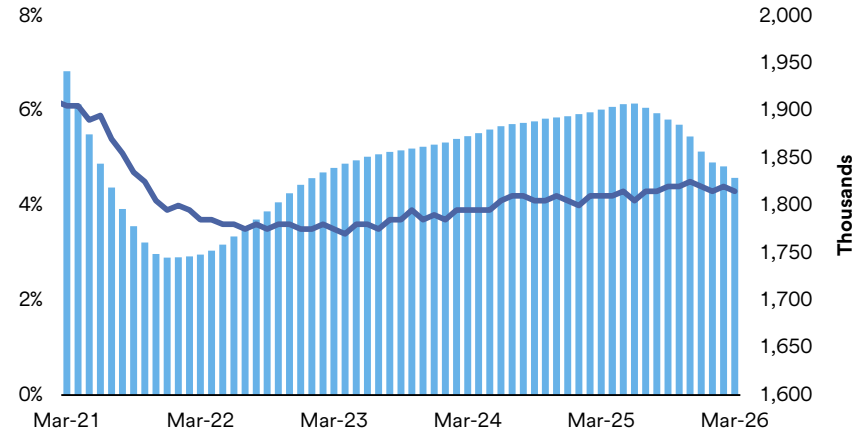
Index or Average Name	QTD	YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
<b>DOMESTIC EQUITY</b>							
S&P 500 (TR)	-4.33%	-4.33%	17.80%	18.30%	12.06%	14.43%	14.15%
Russell 3000	-3.96%	-3.96%	18.09%	17.84%	10.86%	13.80%	13.71%
Russell 1000 Growth	-9.78%	-9.78%	18.81%	21.16%	12.75%	16.95%	16.82%
Russell 1000	-4.18%	-4.18%	17.74%	18.12%	11.33%	14.15%	13.96%
Russell 1000 Value	2.10%	2.10%	15.87%	14.29%	9.42%	10.63%	10.57%
Russell Midcap	1.29%	1.29%	15.98%	13.32%	7.26%	10.51%	10.90%
Russell Midcap Growth	-6.35%	-6.35%	9.56%	12.73%	5.37%	10.27%	11.68%
Russell Midcap Value	3.68%	3.68%	17.62%	13.13%	7.94%	9.86%	9.75%
Russell 2000 Growth	-2.81%	-2.81%	23.58%	12.25%	1.62%	7.67%	9.78%
Russell 2000	0.89%	0.89%	25.72%	13.03%	3.77%	8.60%	9.88%
Russell 2000 Value	4.96%	4.96%	28.09%	13.78%	5.79%	9.07%	9.60%
<b>INTERNATIONAL EQUITY</b>							
MSCI EAFE	-1.24%	-1.24%	21.27%	13.60%	7.91%	8.85%	8.37%
MSCI AC World	-3.20%	-3.20%	20.01%	16.56%	9.48%	11.61%	11.33%
MSCI AC World ex USA	-0.71%	-0.71%	24.91%	14.48%	7.01%	8.50%	8.37%
MSCI AC World ex USA Small Cap	-0.48%	-0.48%	27.82%	13.66%	5.66%	8.43%	8.00%
MSCI EM (Emerging Markets)	-0.17%	-0.17%	29.55%	14.82%	3.69%	6.58%	7.79%
<b>LISTED REAL ASSETS</b>							
FTSE Nareit/Equity REITs - INV	4.80%	4.80%	6.84%	9.09%	5.81%	5.34%	5.57%
MSCI U.S. REIT INDEX	4.84%	4.84%	6.79%	9.12%	5.80%	5.37%	5.56%
MSCI World Core Infrastructure	7.82%	7.82%	16.11%	10.94%	7.17%	7.03%	8.41%
<b>FIXED INCOME</b>							
Bloomberg U.S. Aggregate	-0.05%	-0.05%	4.35%	3.63%	0.31%	1.56%	1.70%
Bloomberg U.S. Government/Credit	-0.20%	-0.20%	3.86%	3.41%	0.24%	1.65%	1.79%
Bloomberg U.S. Intermediate Government/Credit	-0.02%	-0.02%	4.41%	4.24%	1.33%	2.20%	2.04%
Bloomberg U.S. Treasury (1-3 Y)	0.27%	0.27%	3.77%	4.04%	1.82%	2.11%	1.77%
ICE BofA U.S. High Yield	-0.55%	-0.55%	6.90%	8.49%	4.19%	4.94%	6.05%
Bloomberg Global Aggregate	-1.07%	-1.07%	4.26%	2.59%	-1.46%	0.19%	0.58%
<b>CASH EQUIVALENT</b>							
Bloomberg 3 Month T-Bill	0.87%	0.87%	4.05%	4.80%	3.40%	2.76%	2.29%

Source: Investment Metrics. Returns are expressed as percentages. Please refer to the last page of this document for important disclosures relating to this material.

**THE ECONOMY**

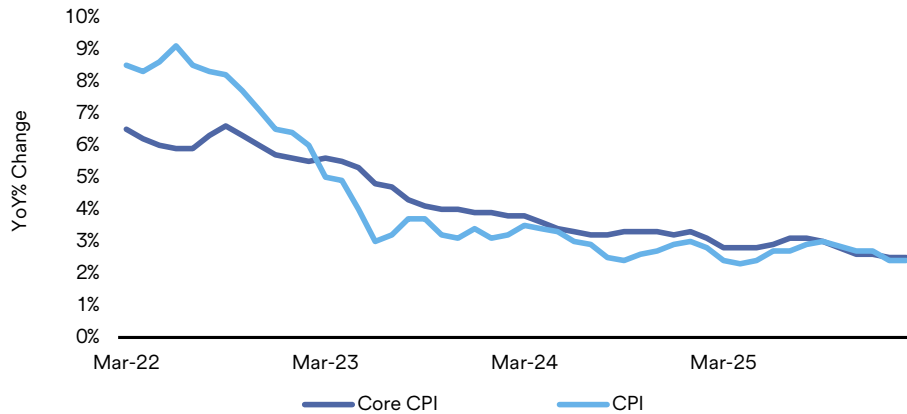
- U.S. real gross domestic product (GDP) grew at a seasonally adjusted annualized rate of 0.7% in the fourth quarter. This modest growth rate largely reflects the temporary effects of the government shutdown in October-November 2025 rather than a material deterioration in underlying private demand, and consumers continue to support growth. Real final sales to private domestic purchasers (the sum of consumer spending and gross private fixed investment) increased 1.9% during the quarter.
- The U.S. labor market saw an uneven start to the year, with 178k jobs added in March following a sharp drop in February and a moderate gain in January. The overall unemployment rate remained relatively stable, edging down to 4.3%, though part of the decline reflects workers leaving the workforce rather than an acceleration in hiring. Initial jobless claims ended the quarter at 202k (week ending March 28), near a two-year low, with continuing claims declining to approximately 1.8 million. Overall, there has been no meaningful increase in layoffs, consistent with a “low-hire, low-fire” environment.
- Inflation moderated in the first two months of the quarter. Headline inflation (CPI) increased 2.4% year-over-year (YoY) in February, the lowest level since May 2025. This moderating trend may encounter near-term pressure, as markets are pricing higher March inflation readings amid rising energy prices related to the conflict in the Middle East.

**U.S. Unemployment and Monthly Average Continued Claims**



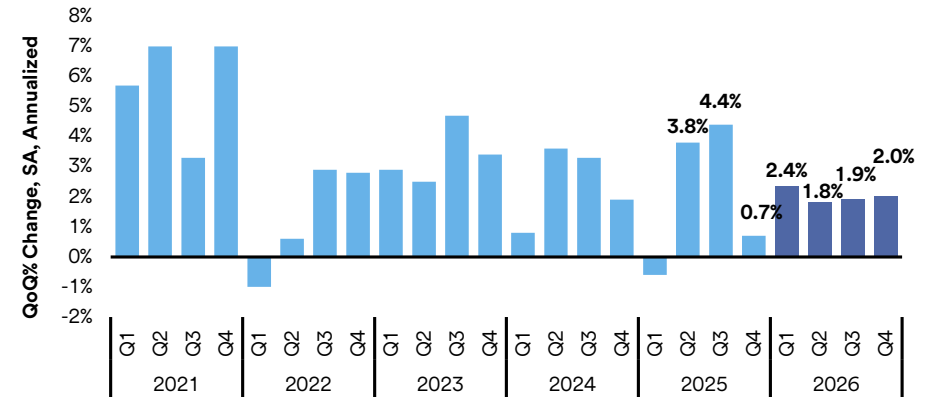
Source: Bloomberg.

**U.S. Inflation Rate**  
Seasonally Adjusted (SA)



Source: Bureau of Labor Statistics.

**U.S. GDP Growth**

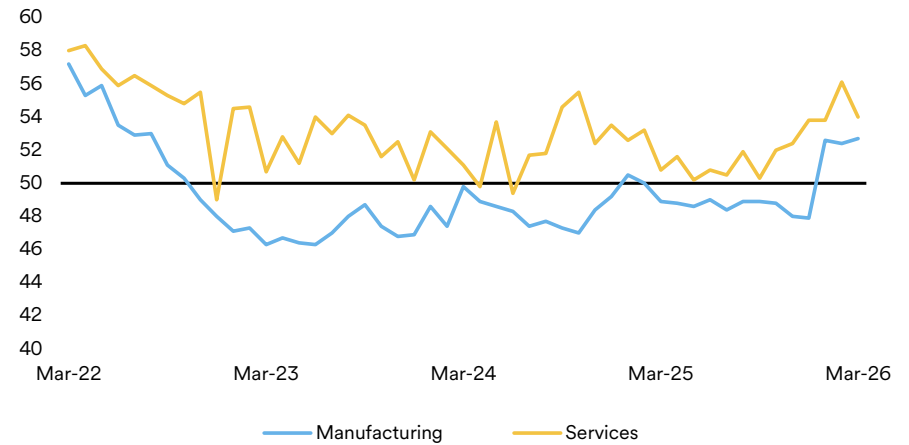


Source: Bloomberg. Light blue bars indicate actual numbers; dark blue bars indicate forecasted estimates.

**WHAT WE'RE WATCHING**

- The Federal Reserve (Fed) held rates steady in the first quarter amid persistent inflation pressures and muted net job creation. Looking ahead, the 2026 dot plot reflects expectations for one rate cut, though the outlook has become more uncertain, as geopolitical developments add complexity to the inflation path. Outside the U.S., the European Central Bank (ECB) and Bank of England (BOE) also held rates steady during the quarter, while markets continue to assess the likelihood of additional policy action in the months ahead.
- U.S. consumer sentiment, as measured by the University of Michigan Survey of Consumers, increased in the first two months of the quarter before retreating toward December levels, as higher gasoline prices and financial market volatility weighed on households' outlook.
- The first quarter was marked by an escalation of geopolitical conflict involving Iran, which remains an important risk factor for the global economy. Rising energy and commodity prices have increased uncertainty around the duration and magnitude of inflationary pressures. If disruptions to energy and commodity supply chains persist or intensify, risks to global growth could increase, including a higher probability of recession in energy-importing regions.

**U.S. ISM Manufacturing & Services PMI**



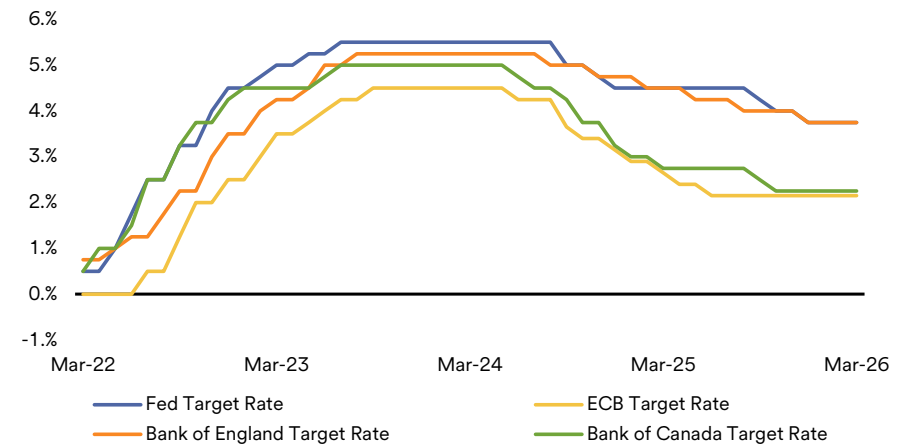
Source: Bloomberg.

**University of Michigan Consumer Sentiment**



Source: Bloomberg.

**Global Central Bank Rates**



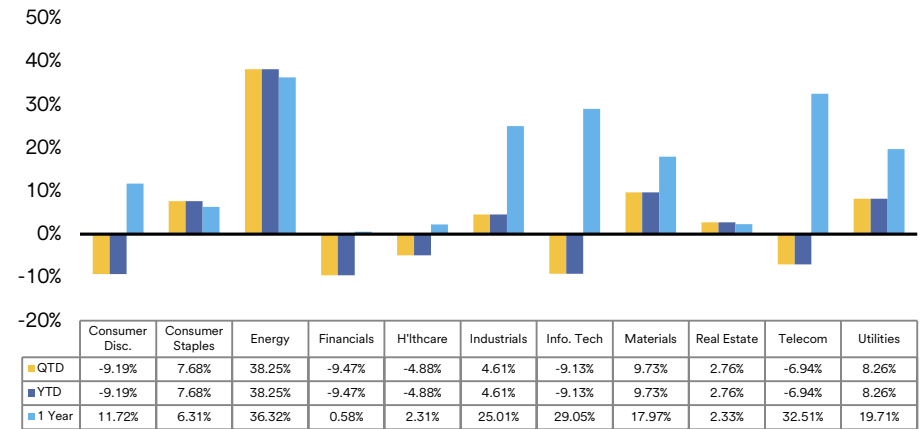
Source: Bloomberg.

**DOMESTIC EQUITY**

- Domestic equity markets, as represented by the S&P 500 Index (S&P) and the Russell 3000 Index, declined in the first quarter, returning -4.3% and -4.0%, respectively. This marked the weakest quarterly performance since 2022, as the geopolitical conflict involving Iran and continued volatility related to artificial intelligence exposure weighed on returns. Following the escalation of the conflict in late February, both indices declined -5.0% during the month of March.
- Within the S&P 500, performance varied widely across sectors, with six of the 11 posting positive returns for the quarter. Energy was the strongest performing sector, returning 38.2%, as supply disruptions contributed to higher prices. Materials (9.7%) and Utilities (8.3%) also posted solid gains. Consumer Discretionary declined -9.2%, while Financials lagged all sectors, posting a return of -9.5%.
- Large-cap stocks, as represented by the Russell 1000 Index, returned -4.2% during the quarter, as the “Magnificent Seven” experienced double-digit declines (-12.0%). Mid- and small-cap stocks outperformed large caps, with the Russell Midcap and Russell 2000 indices, returning 1.3% and 0.9%, respectively. Value stocks outperformed growth stocks across all capitalizations.
- According to FactSet Earnings Insight as of April 2, 2026, analysts project earnings growth of 13.2% for the first quarter of 2026, up from an initial estimate of 12.8% in December. If realized, this would represent the sixth consecutive quarter of double-digit, YoY earnings growth. Revenue is also expected to grow, with YoY revenue growth currently estimated at 9.7%, the highest rate since 2022. For calendar year 2026, analysts project earnings growth of 17.4%.
- At quarter end, the S&P 500’s 12-month adjusted positive forward price-to-earnings (P/E) ratio (includes only positive earnings results for consistency) stood at 21.6 — below its five-year average of 23.1 — as equity prices declined in March while earnings expectations remained elevated. The Russell 2000 Index, which represents small-cap stocks, posted an adjusted positive forward P/E ratio of 18.0, slightly above its five-year average of 17.5.

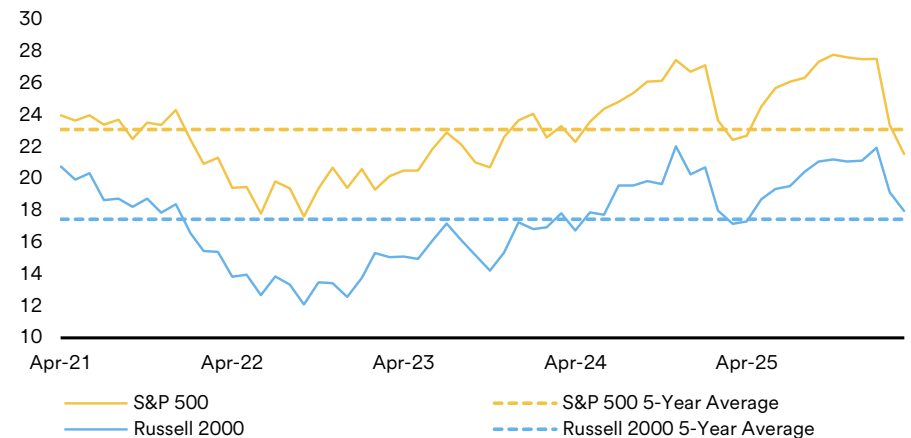
**S&P 500 Index Performance by Sector**

Periods Ended March 31, 2026



Source: Bloomberg.

**P/E Ratios of Major Stock Indices\***



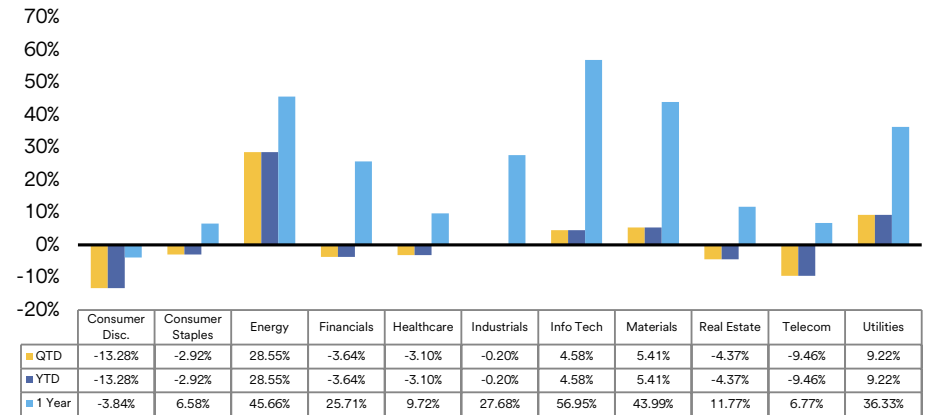
Source: Bloomberg.

\*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

**INTERNATIONAL EQUITY**

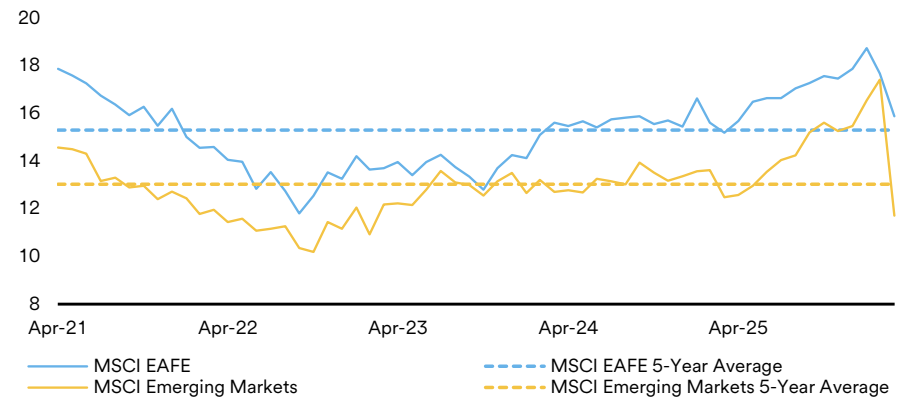
- Markets outside of the United States, as measured by the MSCI ACWI ex-U.S. Index, also saw the impacts of the conflict in the Middle East, which posted a return of -0.7% for the first quarter, as sharp declines in March offset gains recorded earlier in the year. During March alone, the index returned -10.8%.
- Four of the 11 sectors posted positive returns for the quarter. As in the U.S., Energy (28.5%), Utilities (9.2%) and Materials (5.4%) led performance. The weakest sectors were Real Estate (-4.4%), Communication Services (-9.5%), and Consumer Discretionary (-13.3%).
- Developed ex-U.S. markets, as represented by the MSCI EAFE Index, and emerging markets (EM), as represented by the MSCI Emerging Markets Index, returned -1.2% and -0.2%.
- Among the five largest-weighted countries in the MSCI EAFE Index, the MSCI United Kingdom (2.0%) and MSCI Japan (1.4%), indices outperformed the broader index, while MSCI Switzerland (-4.2%), MSCI France (-5.4%), and MSCI Germany (-8.5%) indices underperformed.
- Within EM, MSCI Korea (16.5%), MSCI Taiwan (9.1%), and MSCI Brazil (19.1%) outperformed the MSCI Emerging Markets index, while MSCI China (-8.9%) and MSCI India (-18.1%) underperformed with notable negative returns. While Korea and Taiwan's posted positive quarterly returns, this is due to extremely strong gains earlier in the quarter which offset pronounced losses in March (-25.5% and -13.0%, respectively)
- Value stocks outperformed growth stocks for the quarter as represented by the broad benchmarks. The MSCI AC World ex-USA Growth Index returned -3.6%, while the MSCI AC World ex-USA Value Index returned 2.1%. Within EM, value stocks (MSCI EM Value) returned 0.7% versus -1.7% for growth. Small-cap stocks, as represented by the MSCI ACWI ex-U.S. Small Cap Index, declined -0.5%.
- Equity valuations increased across both emerging and developed markets and now sit modestly above long-term averages. At quarter end, the MSCI EAFE's adjusted positive forward P/E ratio stood at 15.9, above its five-year average of 15.3. The MSCI Emerging Markets Index ended the quarter at an adjusted positive forward P/E ratio of 11.7, below its five-year average of 13.0.

**MSCI ACWI ex-U.S. Sectors**  
Periods Ended March 31, 2026



Source: Bloomberg.

**P/E Ratios of MSCI Equity Indices\***



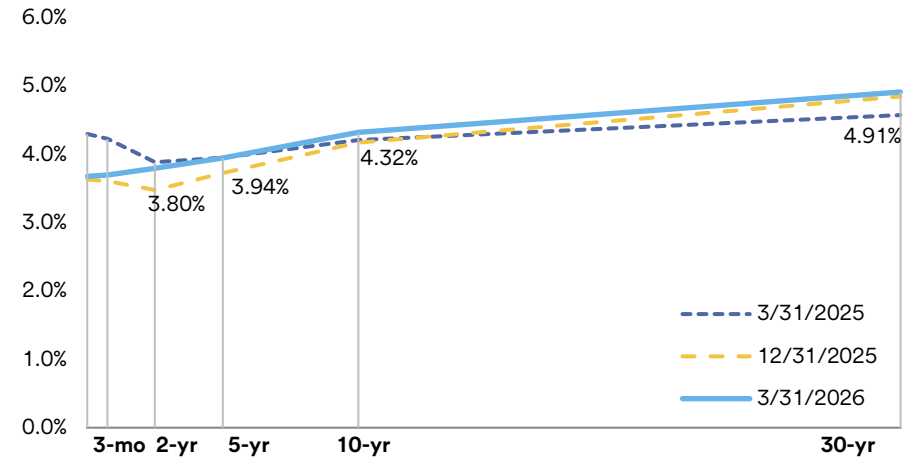
Source: Bloomberg.

\*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

**FIXED INCOME**

- The U.S. bond market, as represented by the Bloomberg U.S. Aggregate Index, returned -0.1% in the first quarter of 2026. Performance was weighed down by declines in March (-1.8%), as bonds failed to provide diversification benefits during the sell-off amid near-term inflation concerns. Interest-rate volatility increased over the quarter, with the ICE BofA Move Index rising to a nine-month high, reflecting uncertainty surrounding the duration of the geopolitical conflict involving Iran.
- The Bloomberg U.S. Treasury Index also finished the quarter little changed, declining -4 basis points (bps). While the Fed held rates steady, Treasury yields moved higher as investors reassessed the expected timing and pace of future rate cuts. The 30-year Treasury yield rose 7 bps to 4.9%, while the 2-year Treasury rose 32 bps to 3.8%.
- Corporate credit generated negative returns across the quality spectrum. The Bloomberg U.S. Corporate Investment Grade Index declined -0.5%, while the ICE BofA High Yield Index returned -0.6%. Credit spreads widened for both investment-grade and high-yield corporates and now sit above their respective 10-year averages. Despite near-term pressure, corporate fundamentals remain supported by elevated profit margins, ongoing share repurchases, and continued merger and acquisitions activity. AI-related corporate debt issuance across corporate bonds and bank loans space has drawn increased investor attention during the quarter, reflecting continuing financing demand among technology-oriented issuers.

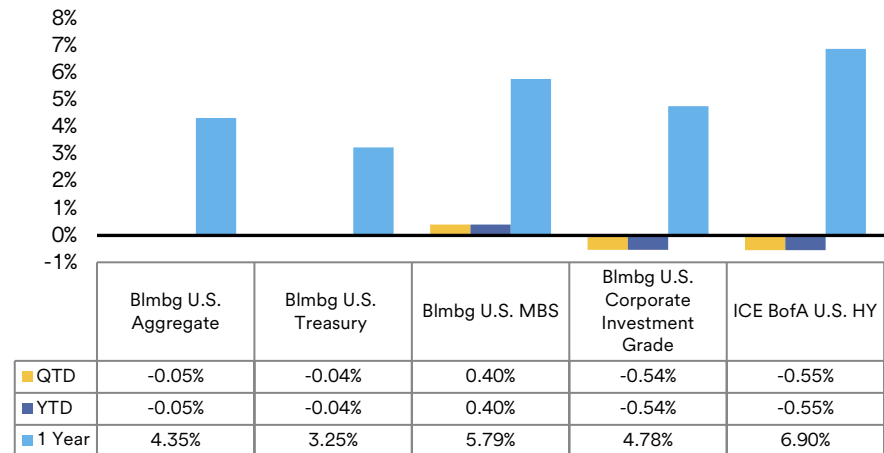
**U.S. Treasury Yield Curve**



Source: Bloomberg.

**Returns for Fixed-Income Segments**

Periods Ended March 31, 2026

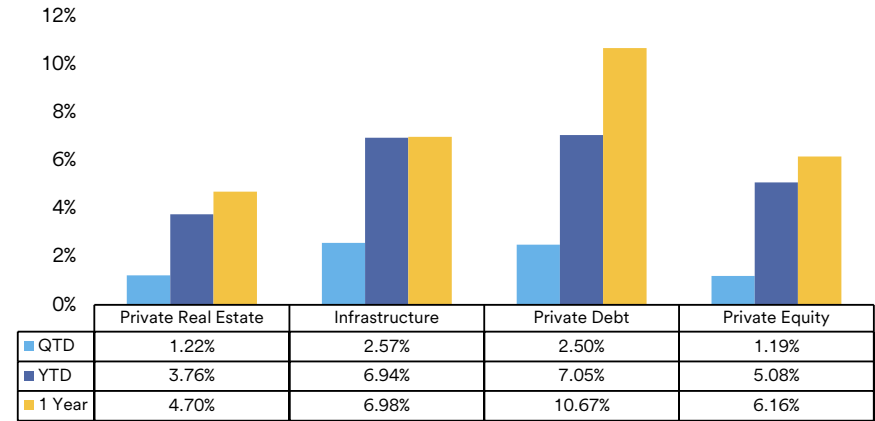


Source: Bloomberg.

**ALTERNATIVES**

- Real estate investment trusts (REITs), as measured by the MSCI U.S. REITs Index, returned 4.8% in the first quarter of 2026. Private real estate, as measured by the NCREIF Property Index, gained 1.2% in the third quarter of 2025, marking the fourth consecutive quarter of positive total returns, driven primarily by income, with modest property appreciation also contributing. Senior Housing was the strongest-performing property type, returning 2.9%, while Office posted a modest gain of 0.9%.
- Listed infrastructure, as represented by the MSCI World Core Infrastructure Index, returned 7.8% in the first quarter of 2026. According to PitchBook, private infrastructure funds posted returns of 2.6% in the third quarter of 2025, generating an annualized return of 10.9% over the five years ended Q3 2025. By the end of the fourth quarter of 2025, 60 private infrastructure funds had raised \$193.8 billion, with the majority of the capital flowing to larger-scale strategies focused on long-term demand themes, including artificial intelligence.
- By the end of 2025, 200 private debt funds had raised \$234.1 billion, with capital increasingly concentrated among fewer, larger funds. Private debt dry powder remained elevated at \$618.2 billion as of June 30, 2025. According to Cliffwater, while performance remains positive, returns have moderated, with private debt funds posting a return of 2.5% in the third quarter of 2025. The asset class has generated an annualized return of 10.5% over the past five years.
- Private equity fundraising slowed further in 2025, with 578 private equity funds having raised \$414.2 billion, marking the weakest annual fundraising environment since 2020. Despite this slowdown, global private equity dry powder — which accounts for the bulk of private capital dry powder — remains elevated at \$1.9 trillion as of June 30, 2025. Lower borrowing costs could support exit activity and fundraising in 2026, although sustained geopolitical uncertainty poses an ongoing risk. According to PitchBook, private equity funds returned 1.2% in the third quarter of 2025 and have generated an annualized return of 14.2% for the five years.

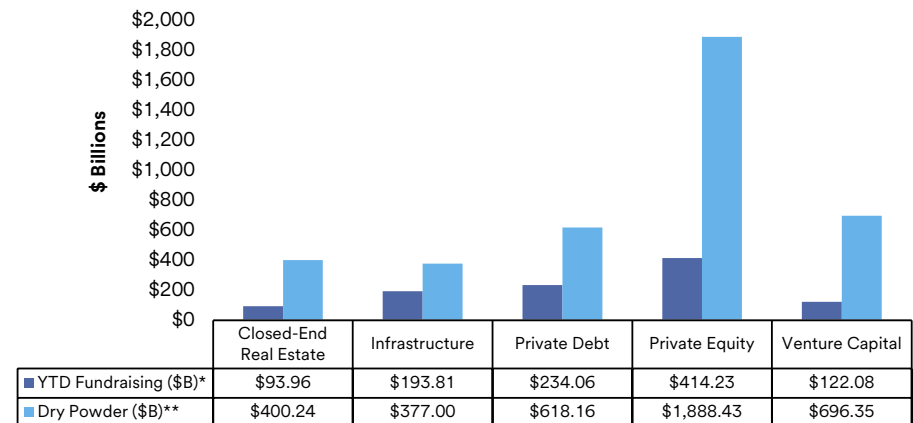
**Returns for Private Capital Assets**



Source: NCREIF, PitchBook, Cliffwater.

As of September 30, 2025, the most recent period for which all index data is available.

**Private Capital Fundraising & Dry Powder**

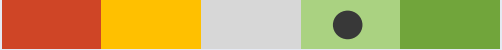

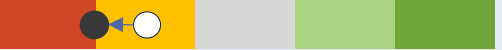


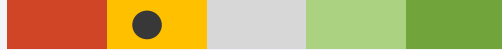
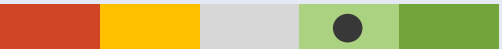

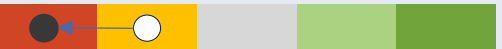


Sources: Pitchbook.

\* Total capital raised in 2025 as of December 31, 2025 - most recent period for which ALL fundraising data is available.

\*\* Cumulative dry powder as of June 30, 2025 except Infrastructure dry powder which is as of March 31, 2025.

**Factors to Consider Over the Next 6-12 Months**

<p><b>Monetary Policy (Global):</b></p>  <ul style="list-style-type: none"> <li>• The Fed held rates steady in Q1 amid persistent inflation pressures and limited net job creation.</li> <li>• The “dot plot” projects 25 bps of rate cuts in both 2026 and 2027; however, this is predicated on inflation progress.</li> <li>• Global central banks remained on pause in Q1, but recent inflation pressures may necessitate hikes.</li> </ul>	<p><b>Economic Growth (Global):</b></p>  <ul style="list-style-type: none"> <li>• Stable consumer and business spending support growth, offsetting the weakness seen from the U.S. government shutdown in Q4 GDP.</li> <li>• Risks to global growth prospects have increased amid the escalating conflict due to higher energy prices, supply-chain disruptions, and increased uncertainty.</li> </ul>	<p><b>Inflation (U.S.):</b></p>  <ul style="list-style-type: none"> <li>• The inflation outlook depends on the duration of the Middle East conflict and degree to which higher energy and commodity costs raise core goods and services prices.</li> <li>• Near-term inflation expectations have increased due to the higher energy prices while long-run expectations remain anchored.</li> </ul>
<p><b>Financial Conditions (U.S.):</b></p>  <ul style="list-style-type: none"> <li>• The conflict in the Middle East has tightened financial conditions. The duration of the conflict and its impact on the economy will be a key driver of corporate fundamentals.</li> <li>• Geopolitical conflict, higher energy prices, and the evolution of the economy are key risks to watch. At this time, we view volatility in private credit as contained and not a systemic risk.</li> </ul>	<p><b>Consumer Spending (U.S.):</b></p>  <ul style="list-style-type: none"> <li>• Wage growth continues to exceed inflation, but this gap has narrowed. Energy shocks may compress real incomes and reduce discretionary spending.</li> <li>• Lower-income cohorts remained more exposed to higher energy prices as a larger share of household budgets are allocated to essentials.</li> <li>• Higher-income cohorts benefit from strong equity markets and home prices.</li> </ul>	<p><b>Labor Markets (U.S.):</b></p>  <ul style="list-style-type: none"> <li>• Labor market conditions continued to cool with net new job creation close to zero.</li> <li>• The Fed has framed the combination of limited job growth and a stable unemployment rate as an uncomfortable balance.</li> <li>• Initial jobless claims and layoff rates remain low, consistent with a continued “low-hire/low-fire” environment.</li> </ul>
<p><b>Corporate Fundamentals:</b></p>  <ul style="list-style-type: none"> <li>• Earnings growth expectations are positive across global equities with double digit growth expected across U.S. and international equity benchmarks.</li> <li>• In the U.S., M&amp;A and capital spending pickup, tax changes and rate cuts are positives while any energy and commodity related cost pressure impact needs to be monitored.</li> </ul>	<p><b>Valuations:</b></p>  <ul style="list-style-type: none"> <li>• Recent sell-off has led to improvement in valuations across U.S. equities and credit markets.</li> <li>• Resilient growth, strong earnings growth and profit margins are supportive of the current valuations.</li> <li>• Any prolonged disruption to energy or elevated geopolitical uncertainty warrant caution.</li> </ul>	<p><b>Political/Policy Risks:</b></p>  <ul style="list-style-type: none"> <li>• Conflict with Iran and the ongoing geopolitical uncertainty are impacting risk assets negatively. We expect geopolitical uncertainty to remain elevated in the near-term.</li> <li>• Tariff-related uncertainty and upcoming mid-term elections in the U.S. also warrant attention.</li> </ul>



Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg. The views expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (March 31, 2026) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness, or suitability.

**Long-Term Strategic Approach to Private Capital/Alternatives**

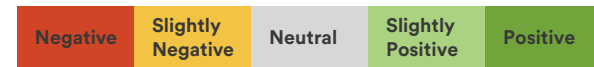
Sub-Asset Class	Long-Term Strategic View	Recent Trends (as of 2026 Q1)
<b>Private Equity</b>	Provides attractive returns with lower correlations to public market equities due to their ability to invest in early-stage growth companies or ability to turnaround a struggling firm.	<ul style="list-style-type: none"> <li>Exit activity is gradually improving, with IPOs and M&amp;A showing early signs of recovery</li> <li>Secondary buyouts and GP led continuation vehicles remain key liquidity tools amid longer hold periods</li> <li>Deal activity remains selective, with focus on operational value creation and conservative leverage</li> <li>VC activity remains subdued, with capital concentrated in AI, semiconductors, and defense industries</li> </ul>
<b>Private Debt</b>	Provides higher returns than the public market debt due to the ability to customize terms and floating rate structure of most notes.	<ul style="list-style-type: none"> <li>Private credit continues to gain share as bank lending remains constrained, despite recent trends of increased redemption from wealth investors</li> <li>Yields remain attractive versus public credit, though spread compression has emerged</li> <li>Credit dispersion is rising, highlighting importance of underwriting and manager selection</li> <li>Increased focus on asset backed lending, real estate debt, and special situations</li> </ul>
<b>Real Assets</b> Real Estate Infrastructure	Provides exposure to inflation sensitive assets that typically generate returns from a combination of capital appreciation and income generation.	<ul style="list-style-type: none"> <li><b>Real Estate:</b> Transaction activity is stabilizing as pricing discovery improves. Performance remains highly sector specific, with industrial and multifamily outperforming. Refinancing pressure is creating opportunities in distressed and debt strategies</li> <li><b>Infrastructure:</b> Structural demand remains strong, driven by energy transition, electrification, and data centers. Long duration, inflation linked cash flows support infrastructure's defensive income profile</li> </ul>
<b>Diversifying Assets</b> Hedge Funds	Expected to lower the volatility and correlation within portfolios while providing access to esoteric strategies.	<ul style="list-style-type: none"> <li>Hedge funds generated positive absolute returns, led by macro, relative value, and L/S equity</li> <li>Correlations to 60/40 portfolios have moderated, restoring diversification benefits</li> <li>Higher cash rates continue to support carry oriented and market neutral strategies</li> </ul>

*The view expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc. at the time of distribution (March 31, 2026) and are subject to change.*

**Investment Strategy Overview**

Asset Class	Our Q2 2026 Investment Outlook	Comments
<b>U.S. Equities</b>		<ul style="list-style-type: none"> <li>The duration of U.S.-Iran conflict and its impact on energy supply will impact inflation and growth, rates, and market returns near-term but we expect impact to be more muted in the U.S.</li> <li>Underlying fundamentals still supportive of positive equity returns, with economic growth still intact and corporate earnings expected to grow at a high double-digit pace.</li> <li>Resilient economic growth, ongoing consumer strength, expected rate cuts, equity market broadening and strong earnings growth led us to modestly overweight domestic small caps in Q1, prior to the U.S.-Iran conflict. The recent pullback has improved attractiveness of valuations relative to historical averages. We maintain the overweight despite elevated uncertainty.</li> </ul>
Large-Caps		
Small-Caps		
<b>Non-U.S. Equities</b>		<ul style="list-style-type: none"> <li>International equities are at a higher risk of pullback if energy prices remain elevated. Major central banks outside the U.S. are now expected to hike two to three times this year as near-term inflation pressures rise, reversing earlier expectations for rate cuts.</li> <li>Energy-importing developed and emerging market economies are more vulnerable to higher energy prices, leading us to remain neutral. Tariff-related uncertainty also remains a headwind as alternative tariff mechanisms are considered.</li> </ul>
Developed Markets		
Emerging Markets		
<b>Fixed Income</b>		<ul style="list-style-type: none"> <li>The Fed held rates steady at its March meeting, while the conflict-driven inflation outlook has increased uncertainty around rate cuts. Our base case is that Fed's next move is a cut rather than a hike.</li> <li>We continue to monitor increased volatility across fixed income yields. Absolute yield levels look attractive. Credit spreads have widened slightly. Strong profit margins, continued issuance, continued buybacks and ongoing M&amp;A activity points to healthy corporate sentiment.</li> <li>We remain neutral across duration and credit sectors.</li> </ul>
Core Bonds		
Investment Grade Credit		
High Yield Credit		
<b>Diversifying Assets</b>		<ul style="list-style-type: none"> <li>Listed REITs and listed global infrastructure outperformed domestic and global equities respectively during the March pullback, highlighting their diversification benefits.</li> <li>In addition to diversified sources of return, improving AI sentiment continues to support data center and utilities buildout as a tailwind for listed real assets.</li> </ul>
Listed Real Estate		
Listed Global Infrastructure		

● Current outlook    ○ Outlook one quarter ago



The view expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (March 31, 2026) and are subject to change.

## SOURCES

Factset

<https://www.bea.gov/sites/default/files/2024-12/gdp3q24-3rd-fax.pdf>

<https://www.bls.gov/news.release/pdf/empsit.pdf>

<https://www.bls.gov/news.release/pdf/cpi.pdf>

<http://www.sca.isr.umich.edu/>

NCREIF

PitchBook

Cliffwater

## DISCLOSURES

*Indices shown are not available for investment. The index data reference herein is the property of the index provider and/or its licensors. The index provider assumes no liability in connections with its use and does not sponsor, endorse or recommend the products or services contained herein. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.*

*The views expressed within this material constitute the perspective and judgment of U.S. Bancorp Asset Management, Inc. at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon current opinion as of the date of issue and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. No representation is made as to its accuracy or completeness.*

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# Plan Performance Summary

## Asset Allocation &amp; Performance

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Total Fund</b>	<b>47,909,188</b>	<b>100.00</b>	<b>-0.90</b>	<b>-0.90</b>	<b>11.70</b>	<b>10.97</b>	<b>5.69</b>	<b>7.82</b>	<b>07/01/2017</b>
<i>PFM Blended Benchmark</i>			<i>-1.50</i>	<i>-1.50</i>	<i>13.12</i>	<i>10.82</i>	<i>5.51</i>	<i>7.35</i>	<i>07/01/2017</i>
<b>Domestic Equity</b>	<b>15,244,487</b>	<b>31.82</b>	<b>-4.17</b>	<b>-4.17</b>	<b>17.66</b>	<b>17.06</b>	<b>10.11</b>	<b>10.11</b>	<b>04/01/2021</b>
<i>Russell 3000 Index</i>			<i>-3.96</i>	<i>-3.96</i>	<i>18.09</i>	<i>17.85</i>	<i>10.87</i>	<i>10.87</i>	<i>04/01/2021</i>
Schwab US Large-Cap ETF	13,672,222	28.54	-4.38	-4.38	17.63	18.25	11.41	11.19	11/01/2024
<i>Russell 1000 Index</i>			<i>-4.18</i>	<i>-4.18</i>	<i>17.74</i>	<i>18.14</i>	<i>11.34</i>	<i>11.29</i>	<i>11/01/2024</i>
PIMCO RAE US Small Cap Fund	397,534	0.83	1.03	1.03	17.26	16.09	10.76	1.03	01/01/2026
<i>Russell 2000 Index</i>			<i>0.89</i>	<i>0.89</i>	<i>25.72</i>	<i>13.05</i>	<i>3.77</i>	<i>0.89</i>	<i>01/01/2026</i>
Columbia Small Cap Growth Inst3	368,234	0.77	-3.80	-3.80	33.65	18.47	2.19	14.62	11/01/2024
<i>Russell 2000 Index</i>			<i>0.89</i>	<i>0.89</i>	<i>25.72</i>	<i>13.05</i>	<i>3.77</i>	<i>10.95</i>	<i>11/01/2024</i>
iShares Russell 2000 ETF	806,496	1.68	0.86	0.86	25.57	12.89	3.65	N/A	04/01/2026
<i>Russell 2000 Index</i>			<i>0.89</i>	<i>0.89</i>	<i>25.72</i>	<i>13.05</i>	<i>3.77</i>	<i>N/A</i>	<i>04/01/2026</i>
<b>International Equity</b>	<b>8,758,876</b>	<b>18.28</b>	<b>1.36</b>	<b>1.36</b>	<b>23.76</b>	<b>14.02</b>	<b>4.86</b>	<b>4.86</b>	<b>04/01/2021</b>
<i>MSCI AC World ex USA (Net)</i>			<i>-0.71</i>	<i>-0.71</i>	<i>24.91</i>	<i>14.49</i>	<i>7.02</i>	<i>7.02</i>	<i>04/01/2021</i>
Fidelity International Index Fund	2,709,493	5.66	0.95	0.95	23.40	14.60	8.59	10.47	07/01/2025
<i>MSCI EAFE (net)</i>			<i>-1.24</i>	<i>-1.24</i>	<i>21.27</i>	<i>13.62</i>	<i>7.91</i>	<i>8.49</i>	<i>07/01/2025</i>
Goldman Sachs GQG Ptnrs Intl Opportunities	1,033,659	2.16	4.76	4.76	16.97	16.14	9.70	15.92	09/01/2023
<i>MSCI AC World ex USA (Net)</i>			<i>-0.71</i>	<i>-0.71</i>	<i>24.91</i>	<i>14.49</i>	<i>7.02</i>	<i>16.22</i>	<i>09/01/2023</i>
Janus Henderson Overseas Fund	1,522,227	3.18	0.18	0.18	22.74	12.67	8.43	11.39	07/01/2025
MFS International Diversification Fund	2,025,969	4.23	-0.18	-0.18	20.65	13.11	6.46	8.58	07/01/2025
<i>MSCI AC World ex USA (Net)</i>			<i>-0.71</i>	<i>-0.71</i>	<i>24.91</i>	<i>14.49</i>	<i>7.02</i>	<i>11.50</i>	<i>07/01/2025</i>
Fidelity Emerging Markets Index Fund	1,467,528	3.06	3.44	3.44	33.31	15.83	4.08	19.66	07/01/2025
<i>MSCI EM (net)</i>			<i>-0.17</i>	<i>-0.17</i>	<i>29.55</i>	<i>14.84</i>	<i>3.69</i>	<i>15.68</i>	<i>07/01/2025</i>
<b>Other Growth</b>	<b>2,848,369</b>	<b>5.95</b>	<b>0.00</b>	<b>0.00</b>	<b>5.13</b>	<b>11.19</b>	<b>12.44</b>	<b>12.44</b>	<b>04/01/2021</b>
NB Secondary Opportunities Fund V Offshore	2,848,369	5.95	0.00	0.00	5.13	11.78	N/A	30.49	03/01/2022
<i>CA US Private Equity Index</i>			<i>0.00</i>	<i>0.00</i>	<i>4.97</i>	<i>6.90</i>	<i>8.73</i>	<i>4.47</i>	<i>03/01/2022</i>

Returns are net of mutual fund fees.

Returns are expressed as percentages.

\*Asset class level returns may vary from individual underlying manager returns due to cash flows.

## Asset Allocation &amp; Performance

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Fixed Income</b>	<b>17,310,010</b>	<b>36.13</b>	<b>-0.04</b>	<b>-0.04</b>	<b>4.58</b>	<b>4.64</b>	<b>1.04</b>	<b>2.22</b>	<b>07/01/2017</b>
<i>Blmbg. U.S. Aggregate</i>			-0.05	-0.05	4.35	3.63	0.31	1.73	07/01/2017
Baird Core Plus	4,493,688	9.38	-0.16	-0.16	4.57	4.50	0.92	2.38	07/01/2017
<i>Blmbg. U.S. Aggregate</i>			-0.05	-0.05	4.35	3.63	0.31	1.73	07/01/2017
PGIM Total Return Bond Fund	3,100,463	6.47	0.02	0.02	4.89	5.08	1.06	2.26	09/01/2017
<i>Blmbg. U.S. Aggregate</i>			-0.05	-0.05	4.35	3.63	0.31	1.60	09/01/2017
Voya Intermediate Bond	1,834,528	3.83	0.02	0.02	4.78	4.74	0.79	1.40	01/01/2020
<i>Blmbg. U.S. Aggregate</i>			-0.05	-0.05	4.35	3.63	0.31	0.86	01/01/2020
Nuveen Core Bond	3,081,527	6.43	-0.09	-0.09	4.48	4.31	0.69	4.45	05/01/2025
<i>Blmbg. U.S. Aggregate</i>			-0.05	-0.05	4.35	3.63	0.31	3.94	05/01/2025
iShares Core US Aggregate Bond ETF	4,799,804	10.02	0.04	0.04	4.35	3.63	0.31	3.40	02/01/2023
<i>Blmbg. U.S. Aggregate</i>			-0.05	-0.05	4.35	3.63	0.31	3.40	02/01/2023
<b>Other Income</b>	<b>3,174,212</b>	<b>6.63</b>	<b>3.46</b>	<b>3.46</b>	<b>8.25</b>	<b>9.27</b>	<b>N/A</b>	<b>2.84</b>	<b>09/01/2021</b>
Golub Capital Partners International XIV	1,620,000	3.38	1.88	1.88	6.40	9.58	N/A	9.58	04/01/2023
<i>Cliffwater Direct Lending Index</i>			0.00	0.00	6.99	9.92	9.63	9.92	04/01/2023
ATEL Private Debt Partners II	420,589	0.88	0.00	0.00	0.71	5.52	N/A	6.03	10/01/2021
<i>Cliffwater Direct Lending Index</i>			0.00	0.00	6.99	9.92	9.63	9.17	10/01/2021
Blackstone Infrastructure Partners	1,133,623	2.37	7.27	7.27	14.34	N/A	N/A	17.69	11/01/2024
<i>NCREIF Fund Index-Open End Diversified Core Equity</i>			0.00	0.00	2.69	-2.41	2.97	3.50	11/01/2024
<b>Cash Equivalent</b>	<b>573,235</b>	<b>1.20</b>	<b>0.88</b>	<b>0.88</b>	<b>4.01</b>	<b>4.66</b>	<b>3.29</b>	<b>2.41</b>	<b>07/01/2017</b>
First American Prime Obligation - Z	573,235	1.20	0.88	0.88	4.01	4.77	3.41	2.55	07/01/2017

\*[Current Estimate] At any point in time the valuation for private equity and other illiquid asset classes may be different from market prices due to an inherent lag effect in the industry. The reporting lag inherent in this process means that there can be a valuation lag of a quarter or, in some cases, even longer. For such illiquid asset classes shown herein, performance is calculated for the relevant period(s) using a roll-forward valuation approach whereby the last reported valuation is adjusted for cash flows to provide an initial estimated valuation, typically resulting in a zero return for the lagging period. Returns are gross of management fees. The roll-forward valuation methodology described is consistent with guidance provided within the CFA Institute's Global Investment Performance Standards (GIPS). Performance is calculated using the Modified-Dietz time weighted methodology to maintain consistency with the other returns in this exhibit. For since inception IRR performance, please refer to the fund-specific overview page.

Returns are net of mutual fund fees.  
Returns are expressed as percentages.

\*Asset class level returns may vary from individual underlying manager returns due to cash flows.

## Comparative Performance

	Year To Date	2025	2024	2023	2022	2021
<b>Total Fund</b>	<b>-0.90</b>	<b>13.96</b>	<b>10.59</b>	<b>14.48</b>	<b>-16.15</b>	<b>12.36</b>
<i>PFM Blended Benchmark</i>	<i>-1.50</i>	<i>15.45</i>	<i>9.86</i>	<i>14.61</i>	<i>-15.52</i>	<i>10.04</i>
<b>Domestic Equity</b>	<b>-4.17</b>	<b>17.00</b>	<b>23.47</b>	<b>21.66</b>	<b>-18.41</b>	<b>N/A</b>
<i>Russell 3000 Index</i>	<i>-3.96</i>	<i>17.15</i>	<i>23.81</i>	<i>25.96</i>	<i>-19.21</i>	<i>25.66</i>
Schwab US Large-Cap ETF	-4.38	17.42	24.90	26.86	-19.44	26.74
<i>Russell 1000 Index</i>	<i>-4.18</i>	<i>17.37</i>	<i>24.51</i>	<i>26.53</i>	<i>-19.13</i>	<i>26.45</i>
PIMCO RAE US Small Cap Fund	1.03	6.29	22.08	20.06	-4.64	40.37
Columbia Small Cap Growth Inst3	-3.80	21.86	24.45	26.39	-36.51	-2.54
<i>Russell 2000 Index</i>	<i>0.89</i>	<i>12.81</i>	<i>11.54</i>	<i>16.93</i>	<i>-20.44</i>	<i>14.82</i>
iShares Russell 2000 ETF	0.86	12.69	11.35	16.80	-20.48	14.62
<i>Russell 2000 Index</i>	<i>0.89</i>	<i>12.81</i>	<i>11.54</i>	<i>16.93</i>	<i>-20.44</i>	<i>14.82</i>
<b>International Equity</b>	<b>1.36</b>	<b>30.00</b>	<b>3.61</b>	<b>16.48</b>	<b>-24.12</b>	<b>N/A</b>
<i>MSCI AC World ex USA (Net)</i>	<i>-0.71</i>	<i>32.39</i>	<i>5.53</i>	<i>15.62</i>	<i>-16.00</i>	<i>7.82</i>
Fidelity International Index Fund	0.95	31.96	3.71	18.31	-14.24	11.45
<i>MSCI EAFE (net)</i>	<i>-1.24</i>	<i>31.22</i>	<i>3.82</i>	<i>18.24</i>	<i>-14.45</i>	<i>11.26</i>
Goldman Sachs GQG Ptnrs Intl Opportunities	4.76	20.84	5.99	21.25	-11.10	12.49
Janus Henderson Overseas Fund	0.18	28.94	6.04	11.06	-8.60	13.29
MFS International Diversification Fund	-0.18	27.96	6.52	14.44	-17.02	7.78
<i>MSCI AC World ex USA (Net)</i>	<i>-0.71</i>	<i>32.39</i>	<i>5.53</i>	<i>15.62</i>	<i>-16.00</i>	<i>7.82</i>
Fidelity Emerging Markets Index Fund	3.44	33.94	6.80	9.50	-20.07	-3.04
<i>MSCI EM (net)</i>	<i>-0.17</i>	<i>33.57</i>	<i>7.50</i>	<i>9.83</i>	<i>-20.09</i>	<i>-2.54</i>
<b>Other Growth</b>	<b>0.00</b>	<b>8.21</b>	<b>10.32</b>	<b>26.55</b>	<b>-6.66</b>	<b>N/A</b>
NB Secondary Opportunities Fund V Offshore	0.00	7.75	12.54	26.55	93.19	N/A
CA US Private Equity Index	0.00	6.17	8.12	9.29	-4.69	40.33

Returns are net of mutual fund fees.

Returns are expressed as percentages.

\*Asset class level returns may vary from individual underlying manager returns due to cash flows.

## Comparative Performance

	Year To Date	2025	2024	2023	2022	2021
<b>Fixed Income</b>	<b>-0.04</b>	<b>7.39</b>	<b>2.75</b>	<b>7.12</b>	<b>-13.10</b>	<b>-0.96</b>
<i>Blmbg. U.S. Aggregate</i>	-0.05	7.30	1.25	5.53	-13.01	-1.55
Baird Core Plus	-0.16	7.47	2.54	6.89	-12.87	-1.02
PGIM Total Return Bond Fund	0.02	7.79	3.03	7.78	-14.86	-1.15
Voya Intermediate Bond	0.02	7.62	2.93	7.07	-14.16	-0.99
Nuveen Core Bond	-0.09	7.36	2.66	6.34	-13.24	-0.96
iShares Core US Aggregate Bond ETF	0.04	7.19	1.37	5.59	-13.06	-1.67
<i>Blmbg. U.S. Aggregate</i>	-0.05	7.30	1.25	5.53	-13.01	-1.55
<b>Other Income</b>	<b>3.46</b>	<b>7.89</b>	<b>7.28</b>	<b>11.29</b>	<b>-16.07</b>	<b>N/A</b>
Golub Capital Partners International XIV	1.88	6.10	10.49	N/A	N/A	N/A
ATEL Private Debt Partners II	0.00	2.97	8.96	6.97	6.90	N/A
<i>Cliffwater Direct Lending Index</i>	0.00	9.28	11.31	12.13	6.30	12.79
Blackstone Infrastructure Partners	7.27	13.22	N/A	N/A	N/A	N/A
<i>NCREIF Fund Index-Open End Diversified Core Equity</i>	0.00	3.79	-1.43	-12.02	7.47	22.17
<b>Cash Equivalent</b>	<b>0.88</b>	<b>4.18</b>	<b>5.13</b>	<b>4.84</b>	<b>1.49</b>	<b>0.02</b>
First American Prime Obligation - Z	0.88	4.18	5.25	5.13	1.64	0.05

\*[Current Estimate] At any point in time the valuation for private equity and other illiquid asset classes may be different from market prices due to an inherent lag effect in the industry. The reporting lag inherent in this process means that there can be a valuation lag of a quarter or, in some cases, even longer. For such illiquid asset classes shown herein, performance is calculated for the relevant period(s) using a roll-forward valuation approach whereby the last reported valuation is adjusted for cash flows to provide an initial estimated valuation, typically resulting in a zero return for the lagging period. Returns are gross of management fees. The roll-forward valuation methodology described is consistent with guidance provided within the CFA Institute's Global Investment Performance Standards (GIPS). Performance is calculated using the Modified-Dietz time weighted methodology to maintain consistency with the other returns in this exhibit. For since inception IRR performance, please refer to the fund-specific overview page.

Returns are net of mutual fund fees.

Returns are expressed as percentages.

\*Asset class level returns may vary from individual underlying manager returns due to cash flows.

Account Reconciliation

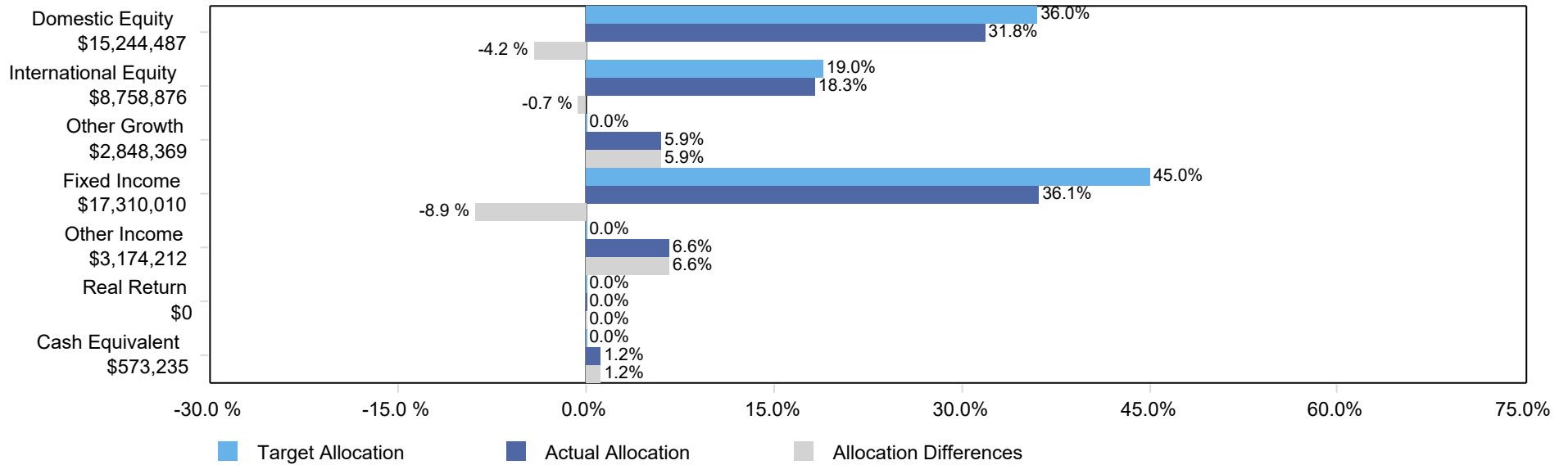
QTR	Market Value As of 01/01/2026	Net Flows	Return On Investment	Market Value As of 03/31/2026
Total Fund	48,498,414	(149,512)	(439,713)	47,909,188

YTD	Market Value As of 01/01/2026	Net Flows	Return On Investment	Market Value As of 03/31/2026
Total Fund	48,498,414	(149,512)	(439,713)	47,909,188

1 Year	Market Value As of 04/01/2025	Net Flows	Return On Investment	Market Value As of 03/31/2026
Total Fund	43,583,220	(696,928)	5,022,896	47,909,188

Asset Allocation Summary

	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Differences (%)
<b>Total Fund</b>	<b>100.0</b>	<b>100.0</b>	<b>N/A</b>	<b>N/A</b>	<b>0.0</b>
Domestic Equity	31.8	36.0	16.0	56.0	-4.2
International Equity	18.3	19.0	0.0	39.0	-0.7
Other Growth	5.9	0.0	0.0	20.0	5.9
Fixed Income	36.1	45.0	25.0	65.0	-8.9
Other Income	6.6	0.0	0.0	20.0	6.6
Real Return	0.0	0.0	0.0	20.0	0.0
Cash Equivalent	1.2	0.0	0.0	20.0	1.2



## Historical Hybrid Composition - Blended Benchmark

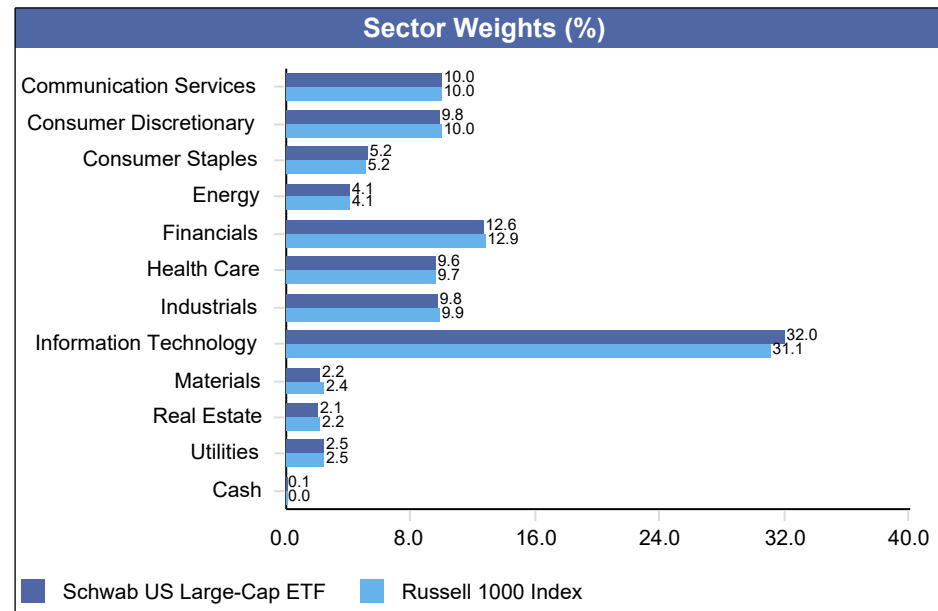
Allocation Mandate	Weight (%)
<b>Blended Benchmark : Jul-2017</b>	
Russell 3000 Index	60.0
Blmbg. U.S. Aggregate	40.0

Allocation Mandate	Weight (%)
<b>PFM Blended Benchmark : Jul-2017</b>	
Russell 3000 Index	39.0
MSCI AC World ex USA (Net)	21.0
Blmbg. U.S. Aggregate	40.0
<b>PFM Blended Benchmark : Apr-2021</b>	
Russell 3000 Index	36.0
MSCI AC World ex USA (Net)	19.0
Blmbg. U.S. Aggregate	45.0

# **Investment Manager Review**

Schwab US Large-Cap ETF vs. Russell 1000 Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	1,148,444	1,115,771
Median Mkt. Cap (\$M)	24,081	15,252
Price/Earnings ratio	26.03	25.73
Price/Book ratio	4.81	4.73
5 Yr. EPS Growth Rate (%)	25.49	24.98
Current Yield (%)	1.24	1.26
Number of Stocks	748	1,006

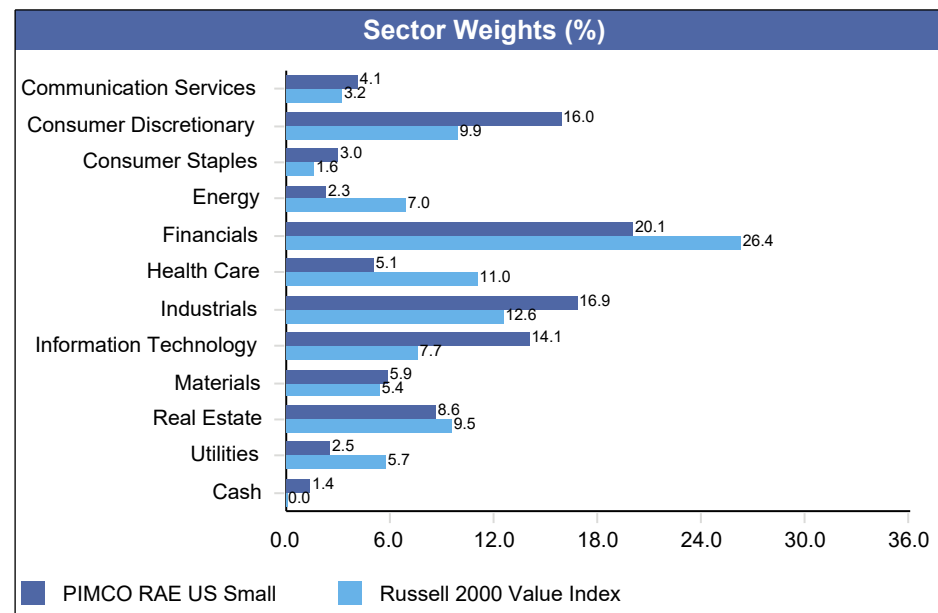


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
NVIDIA Corporation	7.19	6.83	0.36	-6.48
Apple Inc	6.32	6.11	0.21	-6.56
Microsoft Corp	4.66	4.59	0.07	-23.28
Amazon.com Inc	3.45	3.34	0.11	-9.77
Alphabet Inc	2.84	2.80	0.04	-8.06
Broadcom Inc	2.49	2.39	0.10	-10.39
Alphabet Inc	2.27	2.27	0.00	-8.52
Meta Platforms Inc	2.12	2.09	0.03	-13.25
Tesla Inc	1.77	1.75	0.02	-17.34
Berkshire Hathaway Inc	1.49	1.48	0.01	-4.67
% of Portfolio	34.60	33.65	0.95	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
LyondellBasell Industries NV	0.04	0.03	0.01	88.27
Dow Inc	0.05	0.05	0.00	80.17
APA Corporation	0.03	0.02	0.01	75.21
Moderna Inc	0.03	0.03	0.00	72.26
CF Industries Holdings Inc	0.03	0.03	0.00	68.77
Ciena Corp	0.09	0.09	0.00	66.00
Texas Pacific Land Corp	0.05	0.05	0.00	65.41
Occidental Petroleum Corp	0.08	0.08	0.00	58.85
Westlake Corp	0.01	0.01	0.00	58.81
Western Digital Corp	0.16	0.15	0.01	57.09
% of Portfolio	0.57	0.54	0.03	

PIMCO RAE US Small vs. Russell 2000 Value Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	4,967	3,385
Median Mkt. Cap (\$M)	2,839	793
Price/Earnings ratio	15.23	15.15
Price/Book ratio	2.22	1.66
5 Yr. EPS Growth Rate (%)	15.85	9.74
Current Yield (%)	2.04	2.04
Number of Stocks	314	1,426

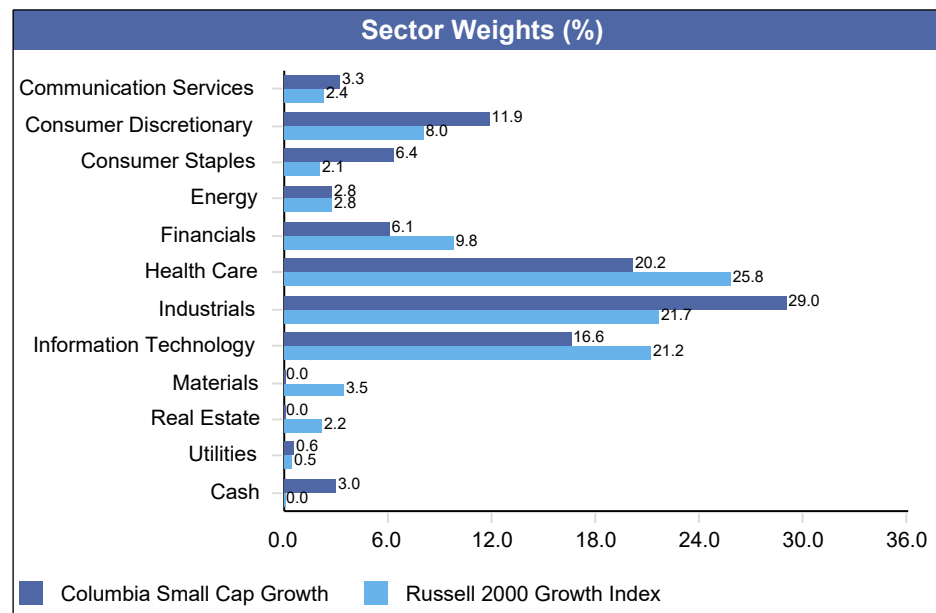


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Warrior Met Coal Inc	3.97	0.33	3.64	38.68
Dillard's Inc.	3.70	0.00	3.70	3.07
Sanmina Corp	3.46	0.31	3.15	30.37
Acuity Inc	2.38	0.00	2.38	4.59
Allison Transmission Holdings Inc	2.28	0.00	2.28	15.71
Affiliated Managers Group Inc.	2.17	0.00	2.17	20.91
Janus Henderson Group PLC	2.06	0.00	2.06	7.85
SLM Corp	2.00	0.00	2.00	-1.82
Bread Financial Holdings Inc	1.58	0.24	1.34	33.22
Murphy USA Inc	1.54	0.00	1.54	4.11
% of Portfolio	25.14	0.88	24.26	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Designer Brands Inc	0.05	0.02	0.03	114.98
Fortrea Holdings Inc	0.15	0.11	0.04	104.87
Victoria's Secret & Co	0.85	0.19	0.66	99.59
Ciena Corp	0.40	0.00	0.40	60.55
Vestis Corp	0.13	0.06	0.07	47.24
Abercrombie & Fitch Co.	0.40	0.00	0.40	47.13
GRAIL Inc	0.35	0.22	0.13	44.75
Teradata Corporation	1.13	0.00	1.13	41.52
Viavi Solutions Inc	0.62	0.00	0.62	40.43
Emergent BioSolutions Inc	0.05	0.05	0.00	40.14
% of Portfolio	4.13	0.65	3.48	

Columbia Small Cap Growth vs. Russell 2000 Growth Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	8,574	5,468
Median Mkt. Cap (\$M)	6,138	1,250
Price/Earnings ratio	34.84	24.79
Price/Book ratio	4.52	4.38
5 Yr. EPS Growth Rate (%)	34.07	24.13
Current Yield (%)	0.23	0.50
Number of Stocks	95	1,105

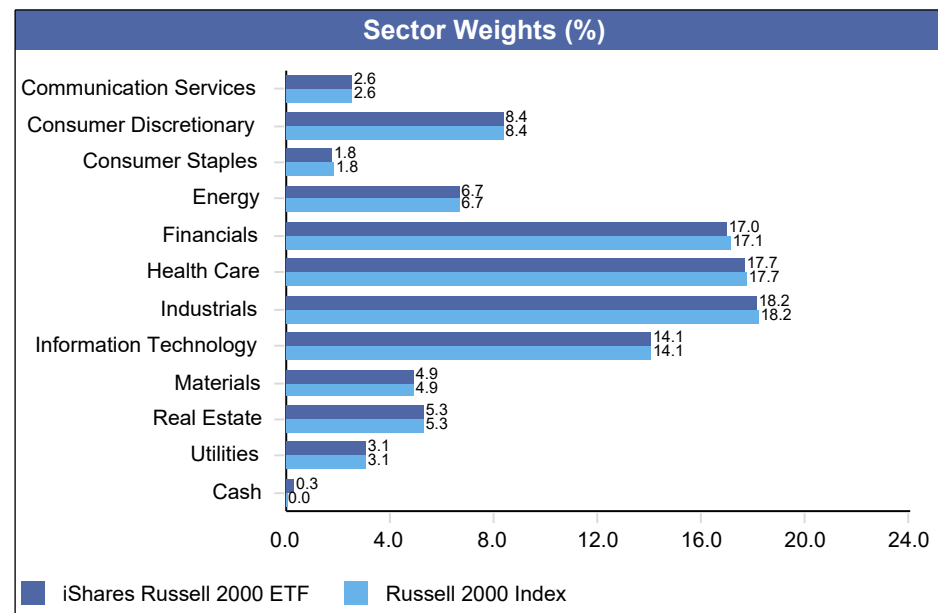


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
CASH	2.98	0.00	2.98	N/A
Carpenter Technology Corp	2.96	0.00	2.96	28.33
RBC Bearings Inc	2.92	0.00	2.92	14.90
Celsius Holdings Inc	2.77	0.00	2.77	-20.44
ICU Medical Inc	2.44	0.17	2.27	18.93
Glaukos Corp	2.23	0.42	1.81	38.45
AAON Inc	2.03	0.00	2.03	-18.31
InterDigital Inc	1.99	0.54	1.45	-7.59
Rush Street Interactive Inc	1.91	0.12	1.79	-5.13
Hut 8 Corp	1.90	0.00	1.90	31.97
% of Portfolio	24.13	1.25	22.88	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Terns Pharmaceuticals Inc	0.73	0.00	0.73	437.95
Lumentum Holdings Inc	1.83	0.00	1.83	126.53
Babcock & Wilcox Enterprises Inc	0.45	0.00	0.45	118.62
Coherent Corp	1.33	0.00	1.33	71.34
Revolution Medicines Inc	0.72	0.00	0.72	70.56
Globalstar Inc	0.49	0.20	0.29	67.74
Guardant Health Inc	0.91	0.82	0.09	63.48
Sphere Entertainment Co	0.85	0.00	0.85	53.06
Axsome Therapeutics Inc	0.54	0.49	0.05	50.38
BridgeBio Pharma Inc	0.82	0.80	0.02	47.27
% of Portfolio	8.67	2.31	6.36	

iShares Russell 2000 ETF vs. Russell 2000 Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	4,903	4,918
Median Mkt. Cap (\$M)	969	964
Price/Earnings ratio	18.38	18.38
Price/Book ratio	2.56	2.56
5 Yr. EPS Growth Rate (%)	16.51	16.50
Current Yield (%)	1.25	1.25
Number of Stocks	1,940	1,933

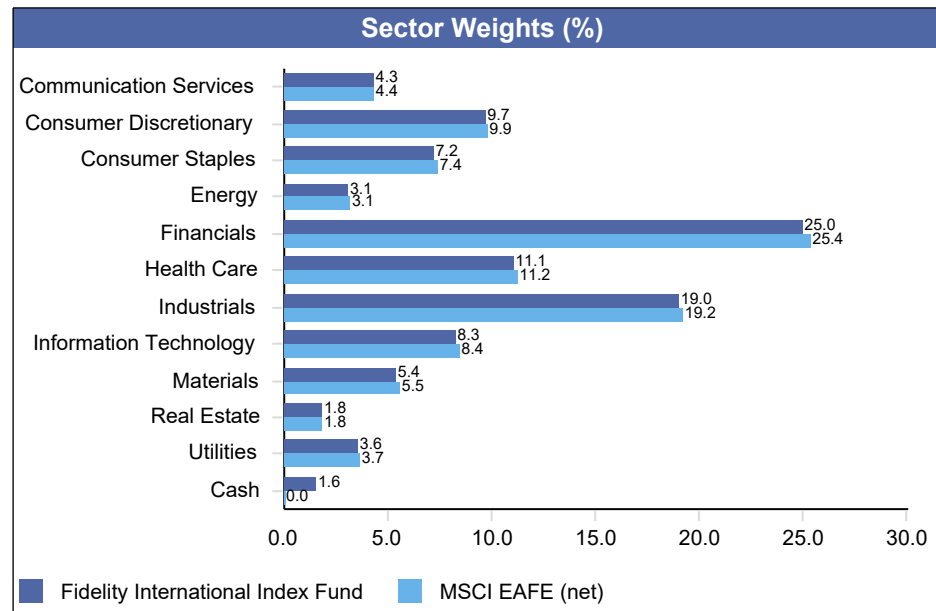


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Bloom Energy Corp	1.01	1.01	0.00	55.93
Coeur Mining Inc	0.65	0.65	0.00	5.27
Fabrinet	0.64	0.64	0.00	14.55
Nextpower Inc	0.60	0.60	0.00	38.39
EchoStar Corp	0.54	0.54	0.00	7.70
Credo Technology Group Holding Ltd	0.51	0.52	-0.01	-34.76
Kratos Defense & Security Solns. Inc	0.43	0.43	0.00	-7.11
Advanced Energy Industries Inc	0.41	0.41	0.00	54.18
Sterling Infrastructure Inc	0.41	0.41	0.00	32.99
Hecla Mining Co	0.40	0.40	0.00	-2.90
% of Portfolio	5.60	5.61	-0.01	

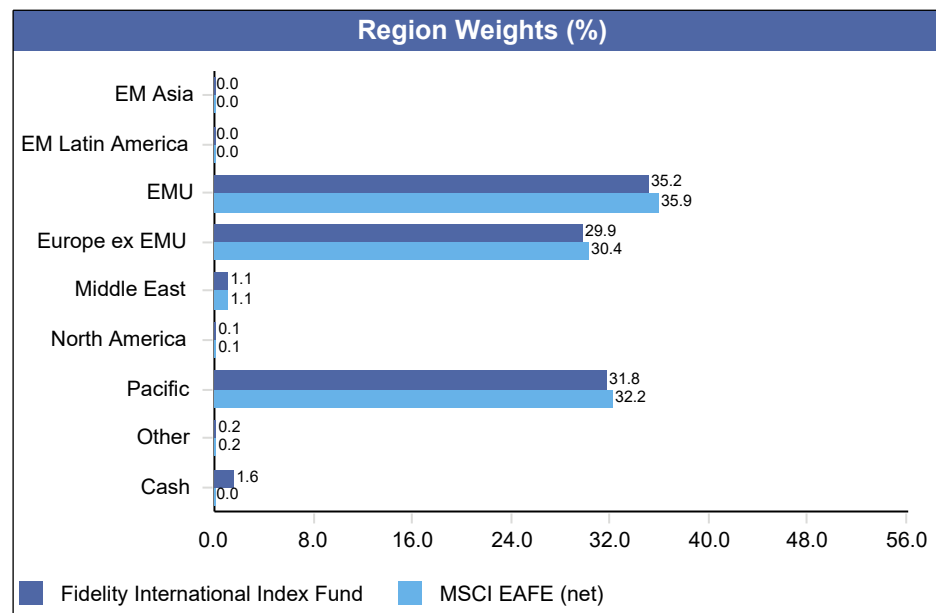
Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Erasca Inc	0.10	0.10	0.00	334.94
ImmunityBio Inc	0.08	0.08	0.00	287.37
Kosmos Energy Ltd	0.04	0.04	0.00	206.37
Satellogic Inc	0.02	0.02	0.00	190.91
Fastly Inc	0.14	0.14	0.00	185.46
Enliven Therapeutics Inc	0.05	0.05	0.00	154.55
Ichor Holdings Ltd	0.05	0.05	0.00	152.90
Ultra Clean Holdings Inc	0.09	0.09	0.00	145.48
Applied Optoelectronics Inc	0.19	0.19	0.00	142.65
TuHURA Biosciences Inc	0.00	0.00	0.00	136.55
% of Portfolio	0.76	0.76	0.00	

Fidelity International Index Fund vs. MSCI EAFE (net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	104,922	106,624
Median Mkt. Cap (\$M)	19,901	19,911
Price/Earnings ratio	17.47	17.48
Price/Book ratio	2.64	2.64
5 Yr. EPS Growth Rate (%)	18.94	18.96
Current Yield (%)	2.83	2.84
Number of Stocks	700	693

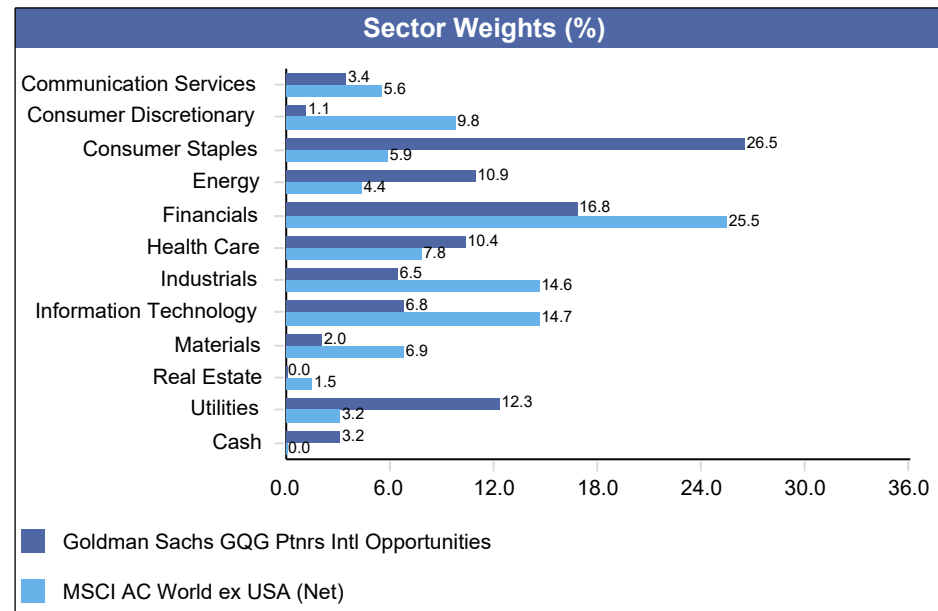


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
ASML Holding NV	2.03	2.06	-0.03	11.41
CASH	1.56	0.00	1.56	N/A
Roche Holding AG	1.41	1.43	-0.02	26.82
Astrazeneca PLC	1.39	1.41	-0.02	23.21
HSBC Holdings PLC	1.32	1.33	-0.01	13.01
Novartis AG	1.27	1.29	-0.02	9.94
Nestle SA, Cham Und Vevey	1.24	1.26	-0.02	8.22
SAP SE	1.24	1.25	-0.01	-8.62
Shell Plc	1.03	1.05	-0.02	4.42
Siemens AG	1.03	1.05	-0.02	4.29
% of Portfolio	13.52	12.13	1.39	

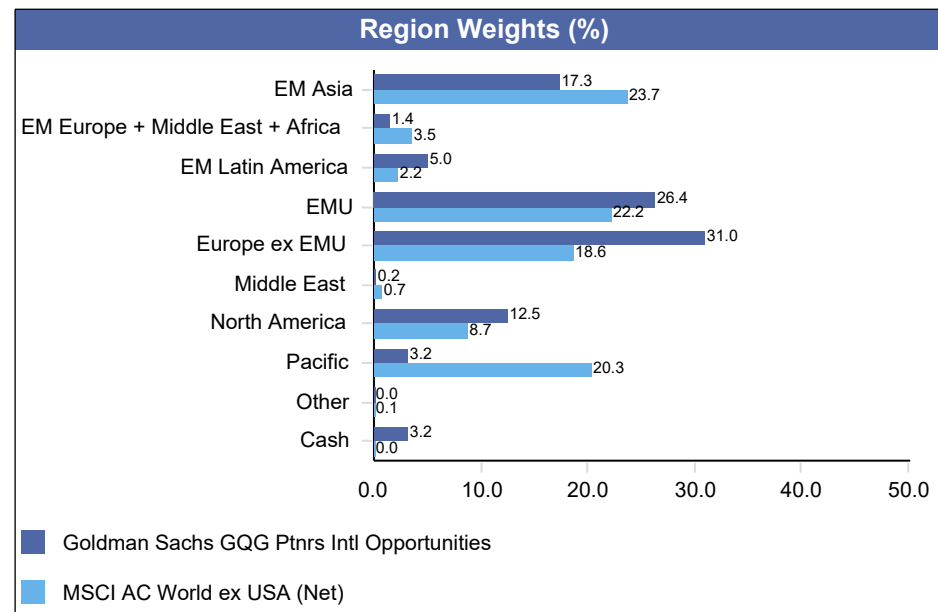


Goldman Sachs GQG Ptnrs Intl Opportunities vs. MSCI AC World ex USA (Net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	171,464	154,072
Median Mkt. Cap (\$M)	74,675	13,185
Price/Earnings ratio	18.24	17.03
Price/Book ratio	2.84	2.72
5 Yr. EPS Growth Rate (%)	13.90	19.36
Current Yield (%)	3.45	2.66
Number of Stocks	69	1,973

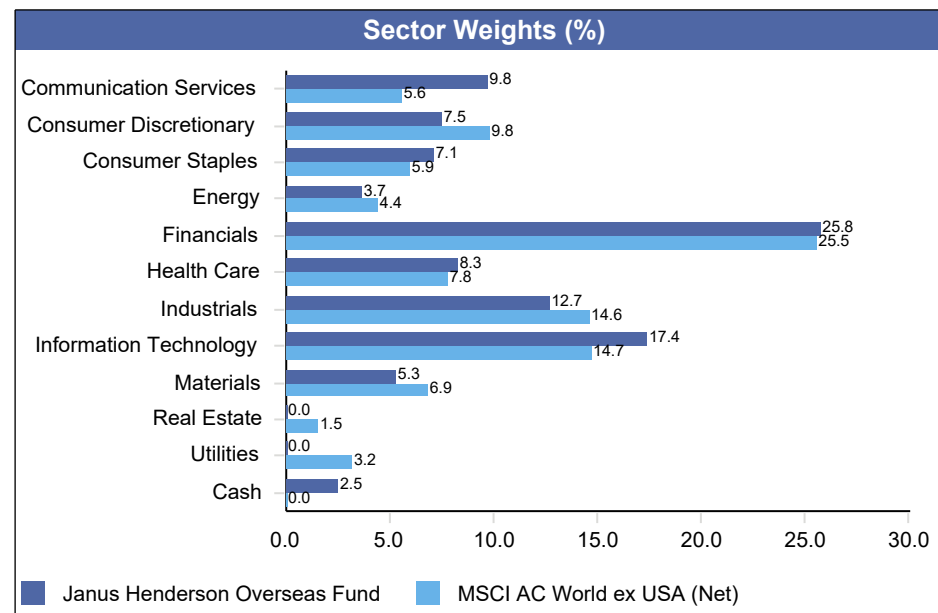


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Philip Morris International Inc	6.47	0.00	6.47	0.75
British American Tobacco PLC	4.12	0.37	3.75	9.89
Chubb Ltd	3.85	0.00	3.85	10.93
Iberdrola SA	3.45	0.41	3.04	14.60
Taiwan Semicon Manu Co	3.25	3.64	-0.39	15.60
Enbridge Inc	3.23	0.31	2.92	-3.71
Novartis AG	3.21	0.79	2.42	9.94
CASH	3.15	0.00	3.15	N/A
Nestle SA, Cham Und Vevey	3.05	0.77	2.28	8.22
TotalEnergies SE	3.02	0.39	2.63	10.85
% of Portfolio	36.80	6.68	30.12	

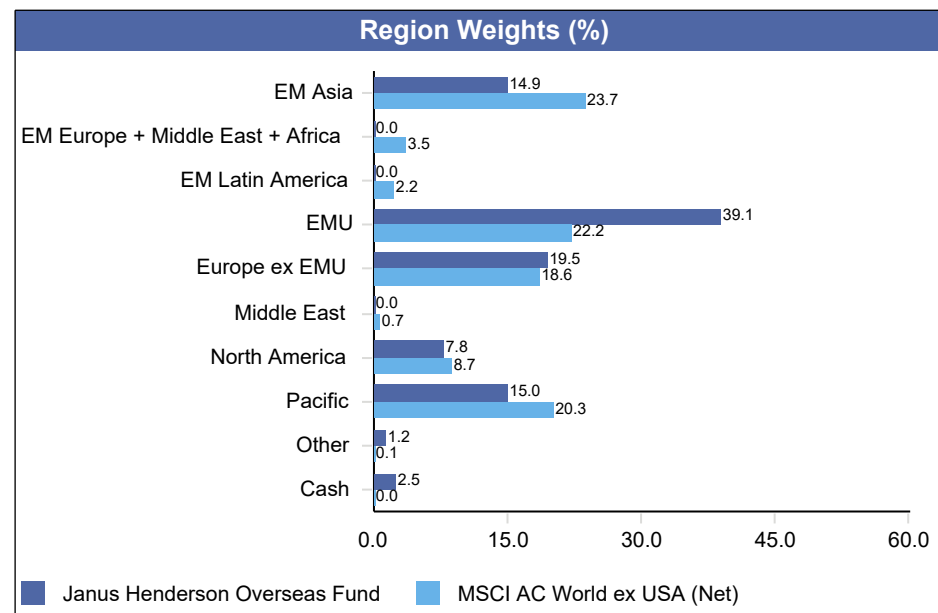


Janus Henderson Overseas Fund vs. MSCI AC World ex USA (Net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	209,253	154,072
Median Mkt. Cap (\$M)	65,447	13,185
Price/Earnings ratio	20.37	17.03
Price/Book ratio	2.63	2.72
5 Yr. EPS Growth Rate (%)	20.55	19.36
Current Yield (%)	1.99	2.66
Number of Stocks	48	1,973

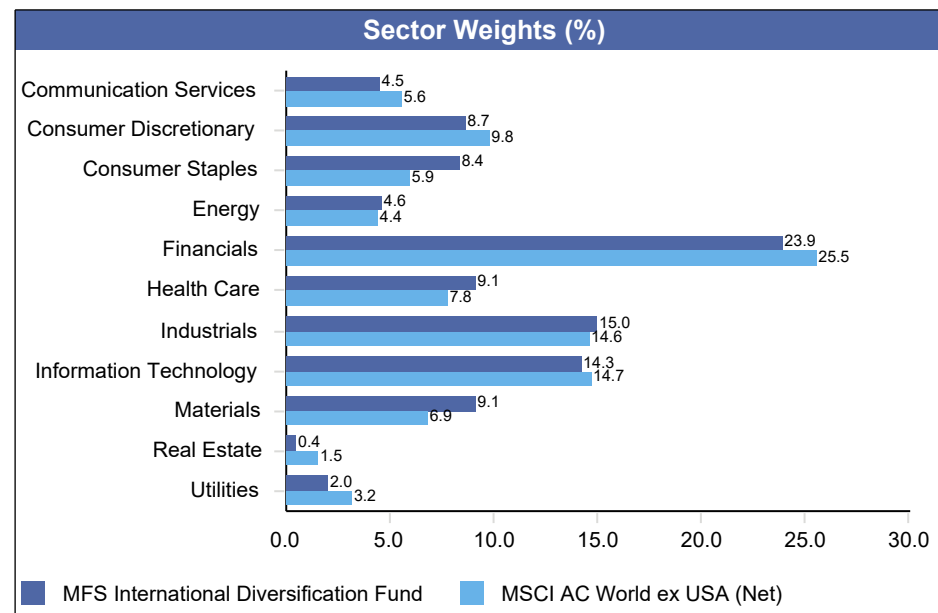


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semicon Manu Co	7.76	3.64	4.12	15.60
Banco Bilbao SA (BBVA)	4.09	0.41	3.68	24.87
BAE Systems PLC	4.03	0.21	3.82	-16.23
Erste Group Bank AG	3.99	0.11	3.88	23.62
ASML Holding NV	3.62	1.26	2.36	11.41
AIA Group Ltd	3.31	0.32	2.99	6.99
Teck Resources Ltd	3.13	0.07	3.06	9.49
Resona Holdings Inc	3.13	0.06	3.07	-6.87
HDFC Bank Limited	3.06	0.38	2.68	2.96
Astrazeneca PLC	3.02	0.86	2.16	23.21
% of Portfolio	39.14	7.32	31.82	

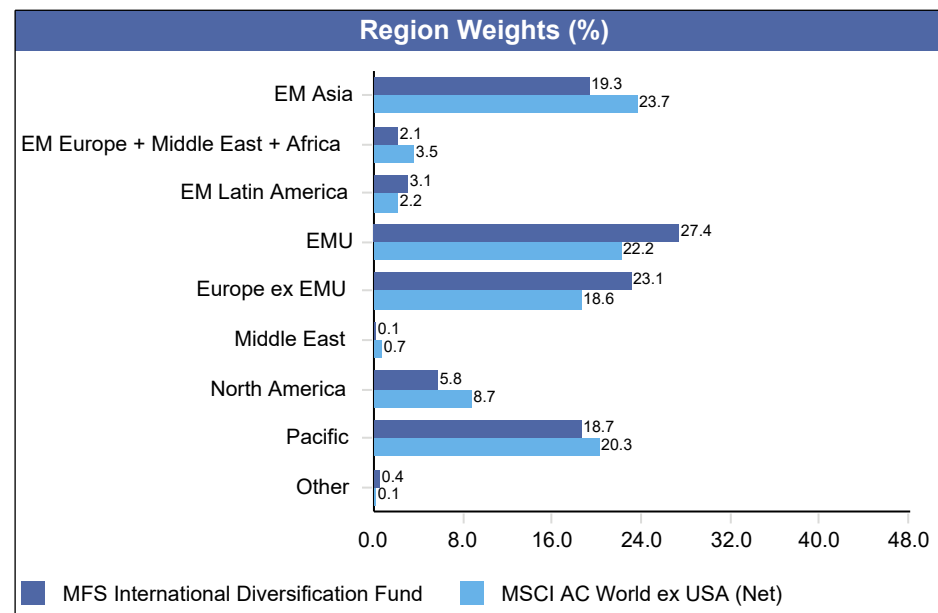


MFS International Diversification Fund vs. MSCI AC World ex USA (Net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	136,199	154,072
Median Mkt. Cap (\$M)	9,960	13,185
Price/Earnings ratio	17.86	17.03
Price/Book ratio	2.62	2.72
5 Yr. EPS Growth Rate (%)	17.59	19.36
Current Yield (%)	2.59	2.66
Number of Stocks	555	1,973

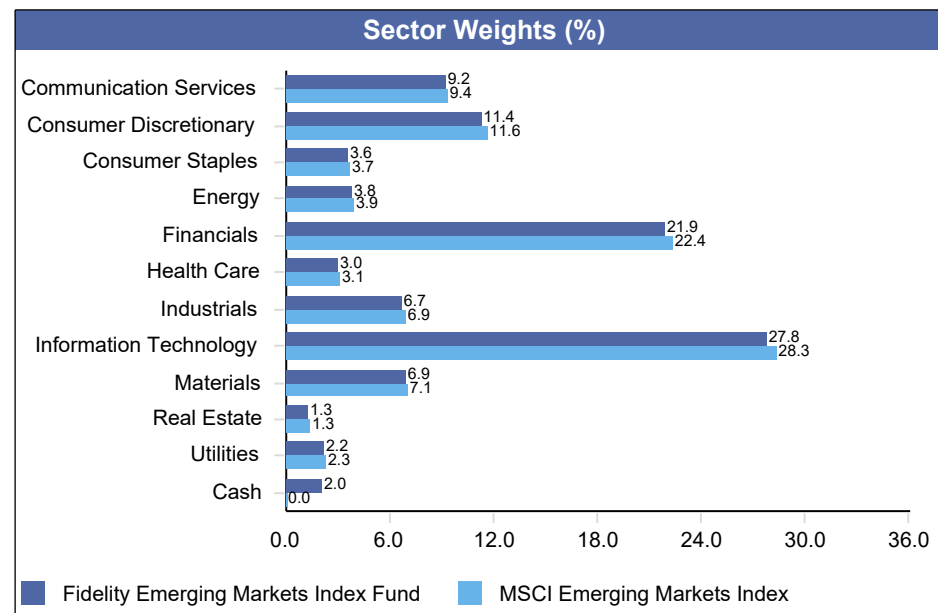


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semicon Manu Co	3.02	3.64	-0.62	15.60
Roche Holding AG	2.11	0.87	1.24	26.82
Schneider Electric S E	1.97	0.45	1.52	-1.18
Samsung Electronics Co Ltd	1.75	1.18	0.57	39.19
Tencent Holdings LTD	1.50	1.48	0.02	-9.69
NatWest Group plc	1.42	0.21	1.21	24.85
Hitachi Ltd	1.23	0.43	0.80	17.52
UBS Group AG	1.17	0.44	0.73	14.18
TotalEnergies SE	1.15	0.39	0.76	10.85
Haleon plc	1.01	0.13	0.88	12.65
% of Portfolio	16.33	9.22	7.11	

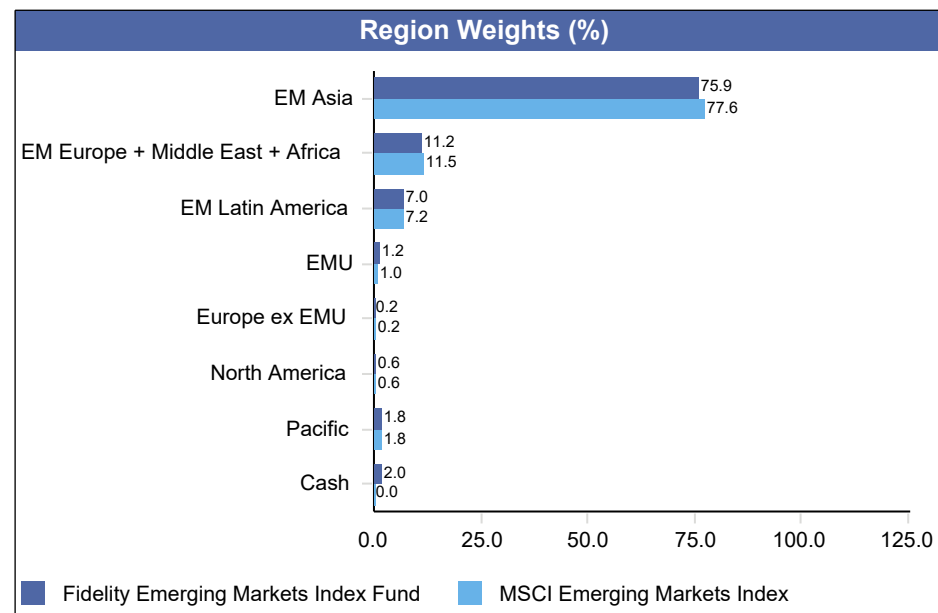


Fidelity Emerging Markets Index Fund vs. MSCI Emerging Markets Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	262,895	268,388
Median Mkt. Cap (\$M)	10,133	10,160
Price/Earnings ratio	15.50	15.45
Price/Book ratio	2.99	3.00
5 Yr. EPS Growth Rate (%)	20.93	20.93
Current Yield (%)	2.40	2.41
Number of Stocks	1,263	1,197



Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semicon Manu Co	11.70	11.95	-0.25	15.60
Tencent Holdings LTD	4.75	4.85	-0.10	-9.69
Samsung Electronics Co Ltd	3.80	3.87	-0.07	39.19
Alibaba Group Holding Ltd	3.04	3.10	-0.06	-19.35
SK Hynix Inc	2.38	2.43	-0.05	82.59
CASH	2.04	0.00	2.04	N/A
HDFC Bank Limited	1.21	1.23	-0.02	2.96
Reliance Industries Ltd	1.02	1.05	-0.03	13.74
China Construction Bank Corp	0.92	0.93	-0.01	5.45
Hon Hai Precision Industry Co Ltd	0.89	0.91	-0.02	3.51
% of Portfolio	31.75	30.32	1.43	



Private Equity Fund Overview - NB Secondary Opportunities Fund V Offshore

**Fund Information**

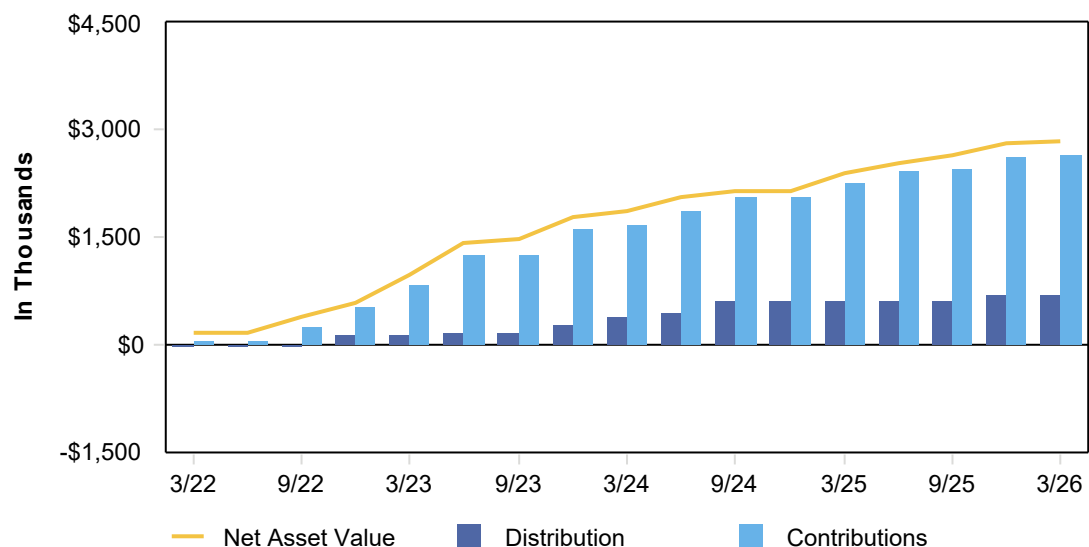
<b>Type of Fund:</b>	Direct	<b>Vintage Year:</b>	2021
<b>Strategy Type:</b>	Secondaries	<b>Management Fee:</b>	0.7% estimated average annual management fee / 12.5% carry above preferred return
<b>Size of Fund (\$):</b>	3,000,000,000.00	<b>Preferred Return:</b>	8%
<b>Inception:</b>	09/30/2020	<b>General Partner:</b>	Neuberger Berman

**Investment Strategy:** Neuberger Berman Secondary Opportunities Fund V, L.P. ("The Fund") is a global secondaries fund that seeks to achieve superior risk-adjusted returns through the purchase of seasoned private equity investments at attractive valuations from investors desiring liquidity. The Fund will pursue investments in both traditional secondary transactions as well as GP-led secondaries ("GP-led"). In GP-led transactions, the Fund will seek to partner with general partners of private investment vehicles and funds ("GPs") to provide structured liquidity options to limited partners ("LPs") in those funds. The Fund expects to invest primarily in U.S. and Western European leveraged buyout investments; however, it may invest globally and pursue investments in other private equity and illiquid investments. The Fund's investment approach is expected to provide investors with significant diversification across fund sponsor, underlying portfolio company, vintage year, investment strategy, geography, and industry. Fund investments can include credit related, energy, fund of funds, venture capital, infrastructure and real estate funds, as well as portfolios of direct investments, royalties and co-investments.

**Cash Flow Summary**

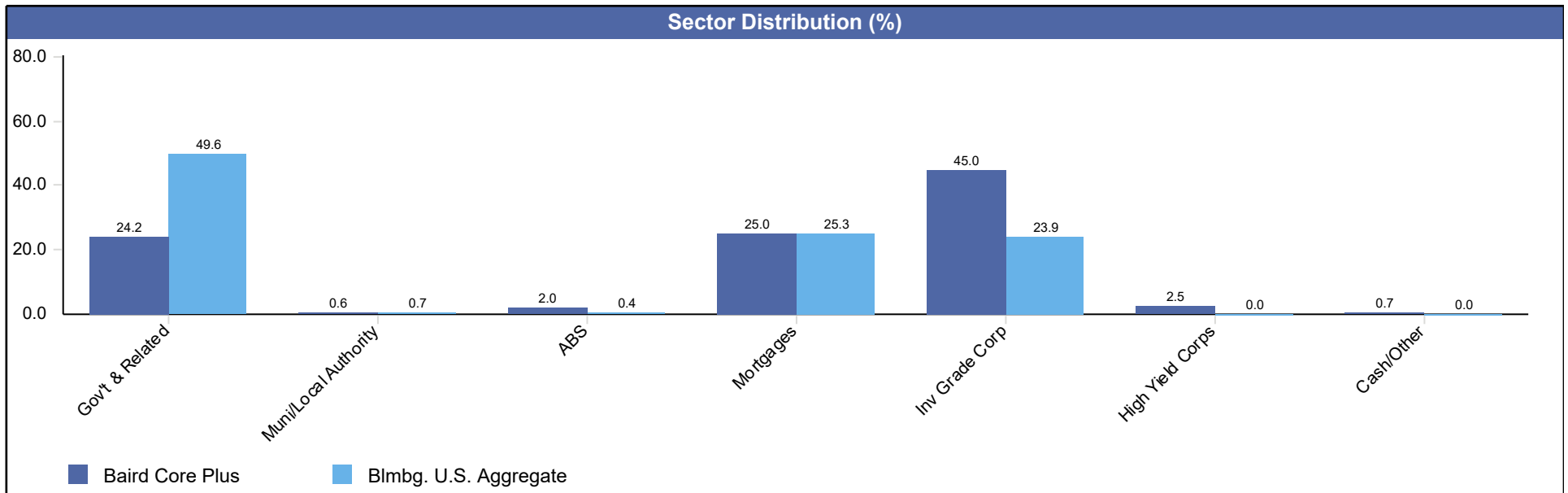
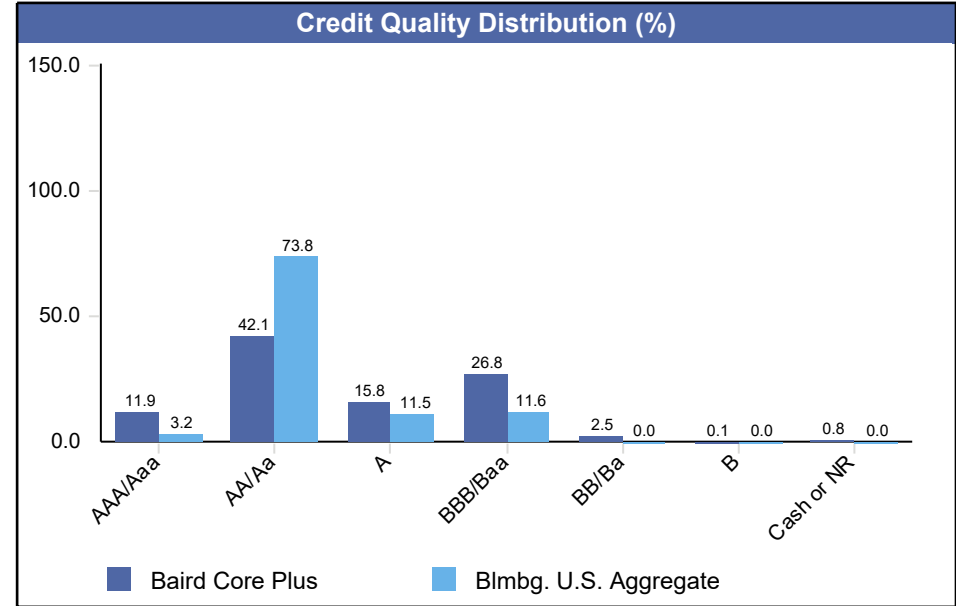
<b>Capital Committed:</b>	\$1,930,000
<b>Capital Contributed:</b>	\$2,199,181
<b>Remaining Capital Commitment:</b>	-\$269,181
<b>Total Distributions:</b>	\$693,865
<b>Market Value:</b>	\$2,848,369
<b>Inception Date:</b>	03/01/2022
<b>Inception IRR:</b>	14.85
<b>TVPI:</b>	1.33

**Cash Flow Analysis**



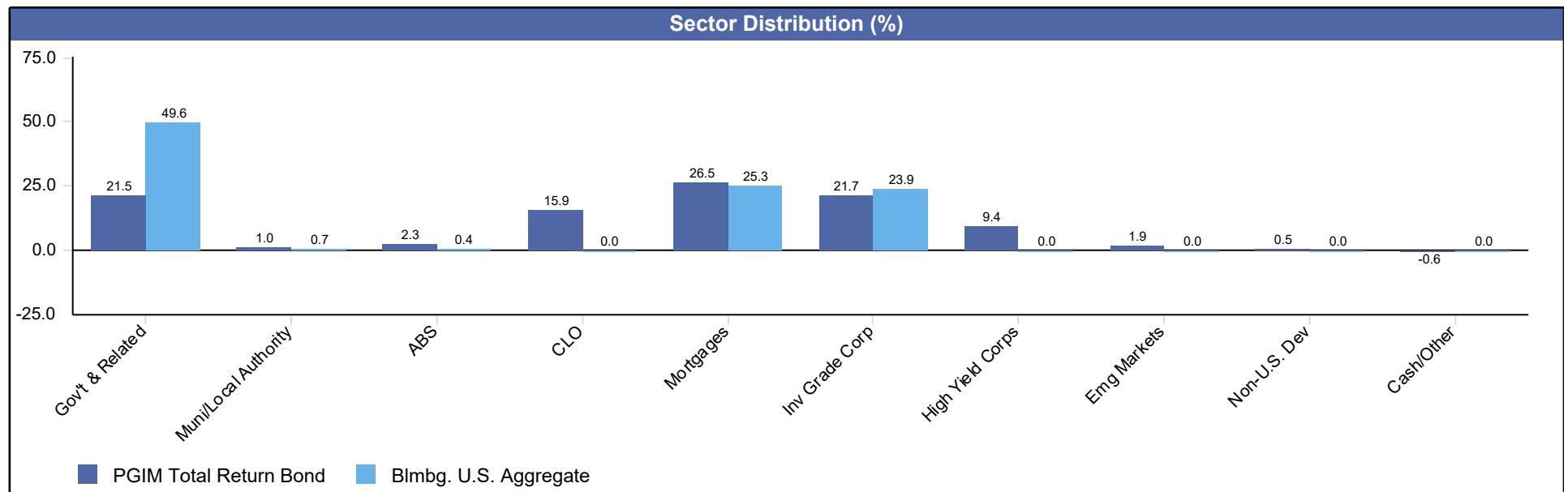
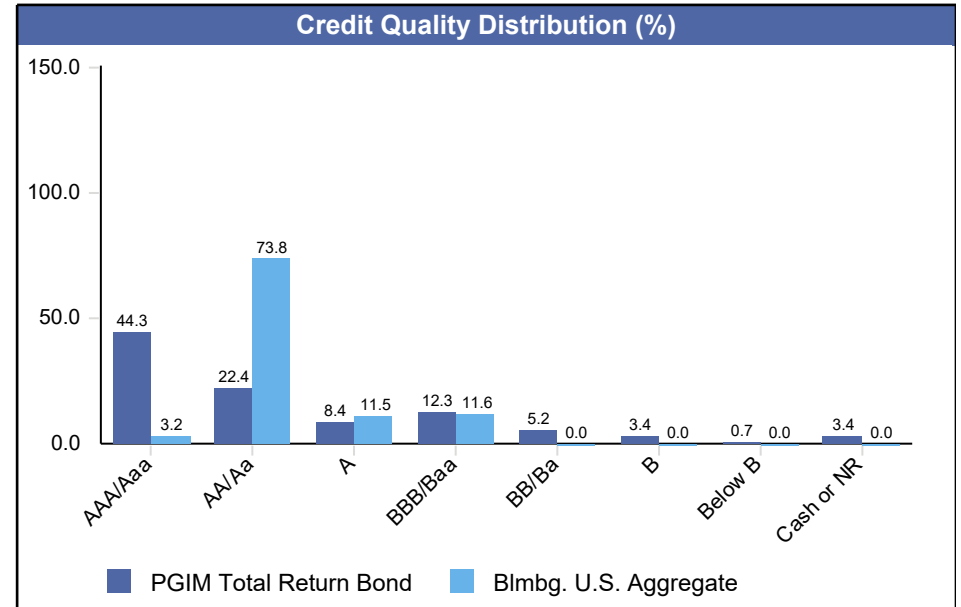
Baird Core Plus vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	5.68	5.88
Yield To Maturity (%)	4.92	4.57
Avg. Maturity	7.57	8.17
Avg. Quality	A	AA
Coupon Rate (%)	4.04	3.69



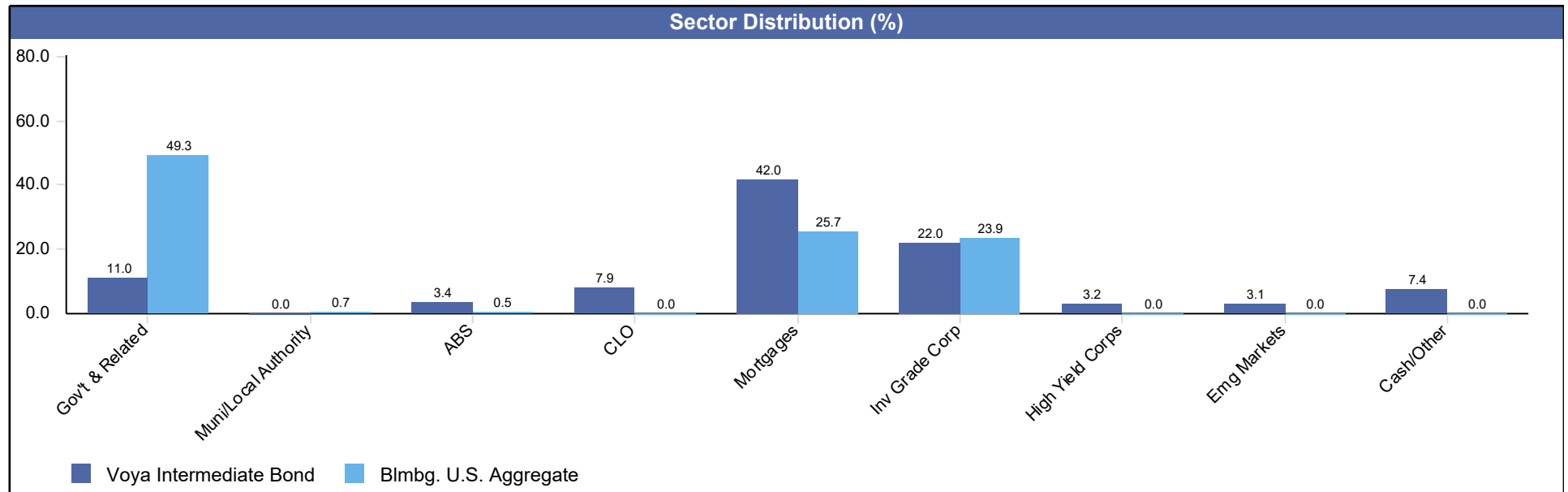
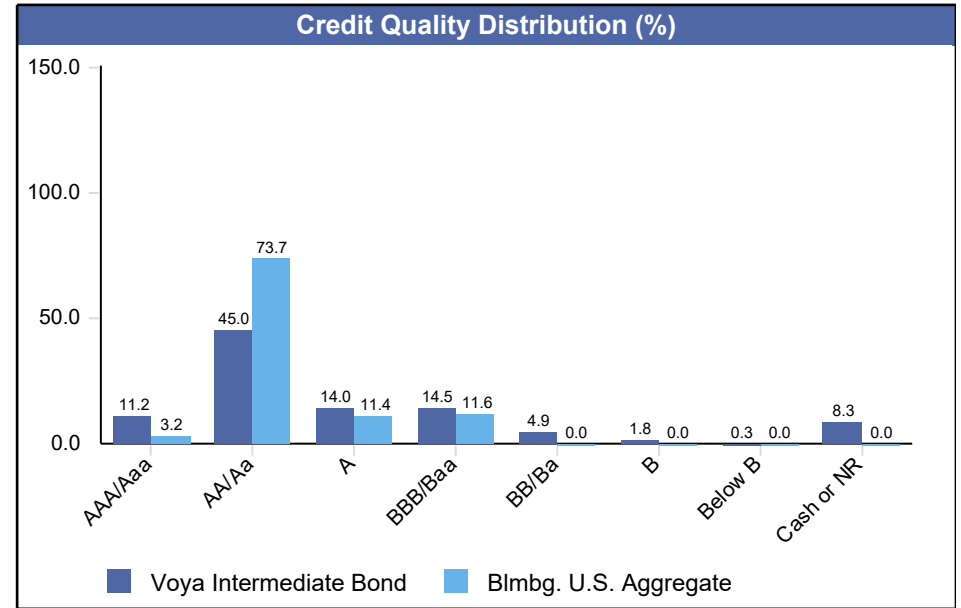
PGIM Total Return Bond vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	6.17	5.88
Yield To Maturity (%)	5.88	4.57
Avg. Maturity	8.65	8.17
Avg. Quality	AA	AA
Coupon Rate (%)	4.24	3.69



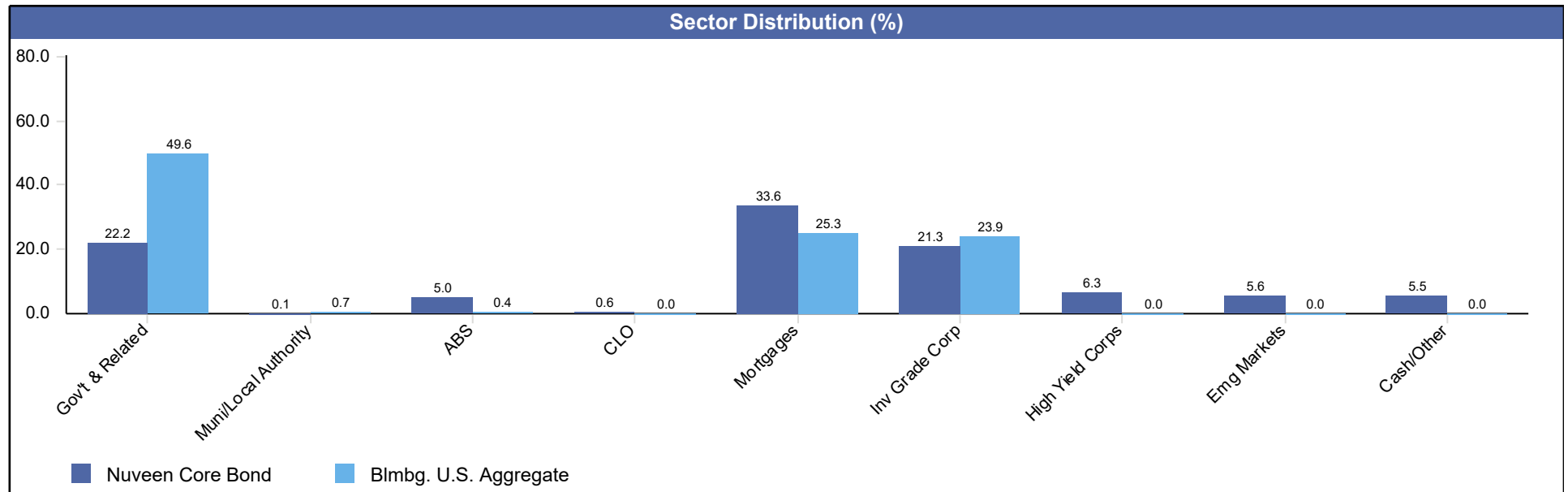
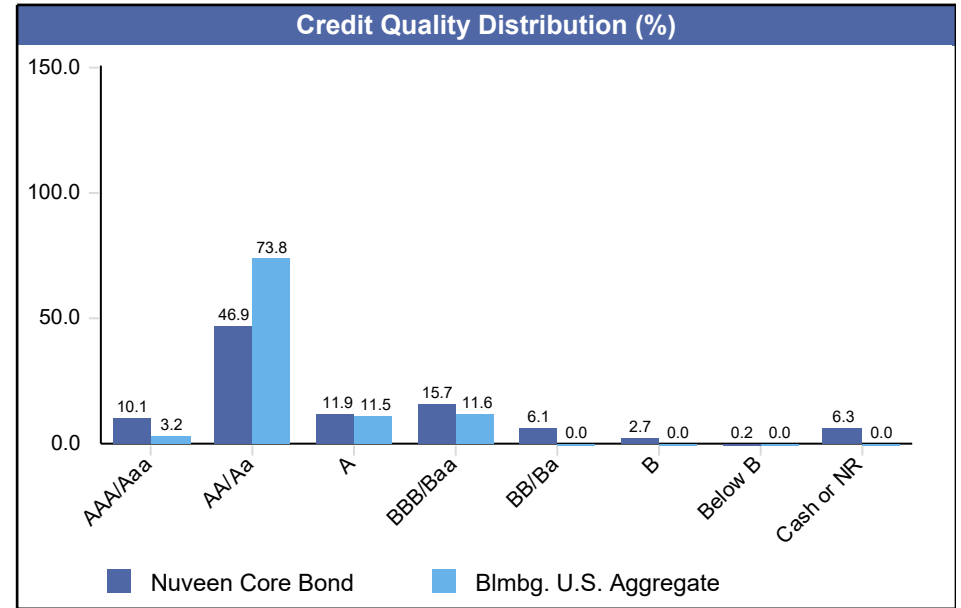
Voya Intermediate Bond vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	5.97	5.98
Yield To Maturity (%)	5.30	4.48
Avg. Maturity	5.82	8.20
Avg. Quality	A	AA
Coupon Rate (%)	4.71	3.65



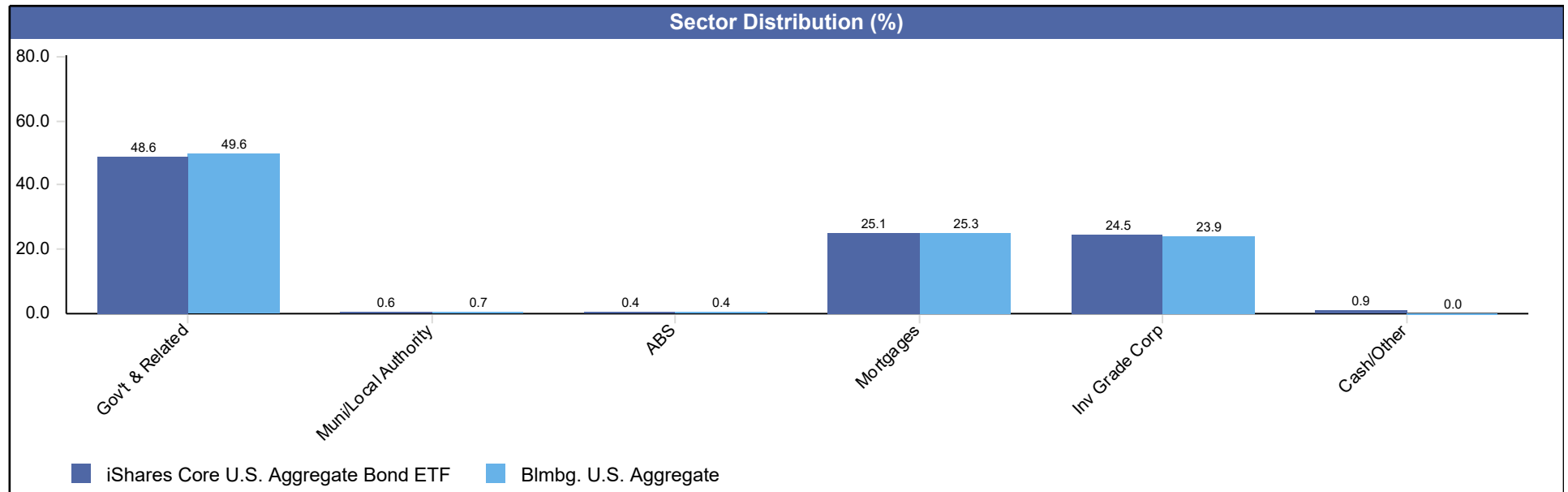
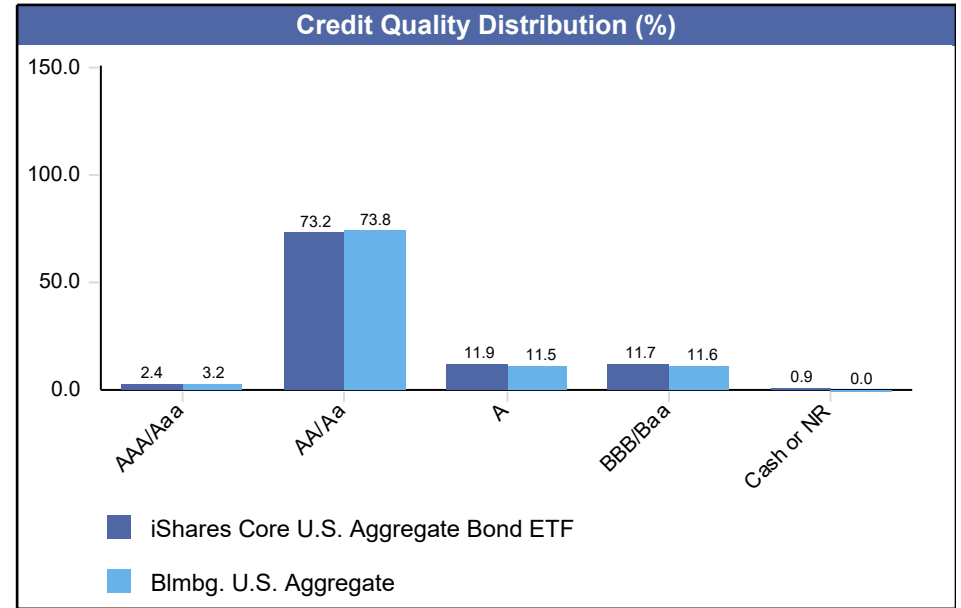
Nuveen Core Bond vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	5.87	5.88
Yield To Maturity (%)	5.40	4.57
Avg. Maturity	8.19	8.17
Avg. Quality	A	AA
Coupon Rate (%)	4.47	3.69



iShares Core U.S. Aggregate Bond ETF vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	5.88	5.88
Yield To Maturity (%)	4.57	4.57
Avg. Maturity	8.12	8.17
Avg. Quality	AA	AA
Coupon Rate (%)	3.70	3.69



Private Equity Fund Overview - ATEL Private Debt Partners II

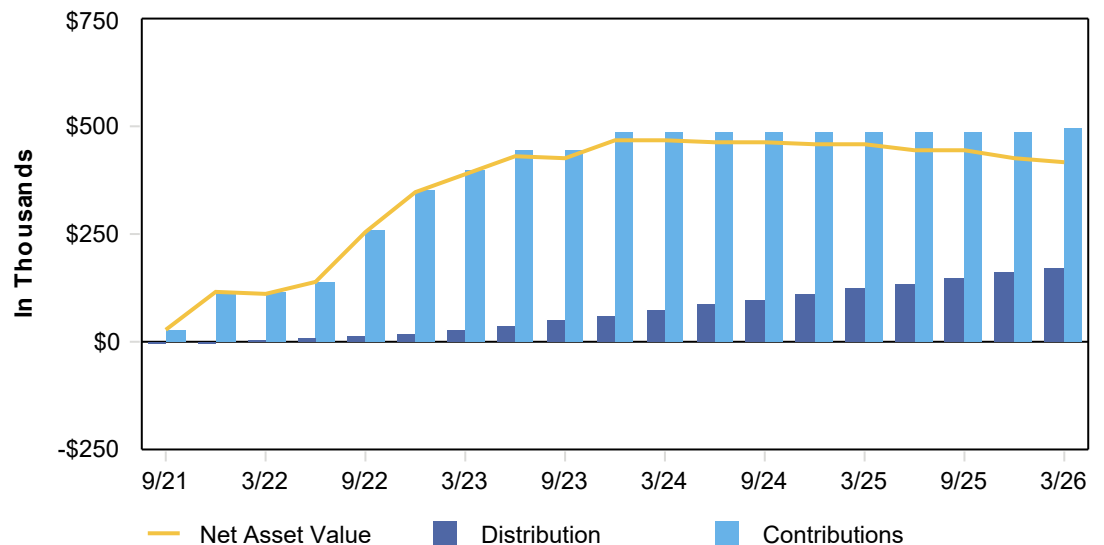
**Fund Information**

<b>Type of Fund:</b>	Direct	<b>Vintage Year:</b>	2019
<b>Strategy Type:</b>	Credit	<b>Management Fee:</b>	Undrawn capital: 1% on undrawn commitments (through drawdown period); Drawn capital: gross income allocation of 2% of total assets per year (paid quarterly)
<b>Size of Fund (\$):</b>	200,000,000.00	<b>Preferred Return:</b>	20% over 8% hurdle
<b>Inception:</b>	07/01/2019	<b>General Partner:</b>	ATEL Capital Group
<b>Final Close:</b>	07/31/2020 (target)		
<b>Investment Strategy:</b>	This strategy invests in amortizing senior secured loans (typically 2-4 year maturity) of emerging growth companies. The focus is on venture debt backed companies, having already received several rounds of equity funding, in early to expansion stages of the PE cycle. Equity warrants are often included in the loan terms providing upside potential to returns. Industry exposure tends to include technology (including clean tech.) and life sciences.		

**Cash Flow Summary**

<b>Capital Committed:</b>	\$490,000
<b>Capital Contributed:</b>	\$497,184
<b>Remaining Capital Commitment:</b>	-\$7,184
<b>Total Distributions:</b>	\$172,850
<b>Market Value:</b>	\$420,589
<b>Inception Date:</b>	09/21/2021
<b>Inception IRR:</b>	6.20
<b>TVPI:</b>	1.19

**Cash Flow Analysis**



Private Equity Fund Overview - Blackstone Infrastructure Partners

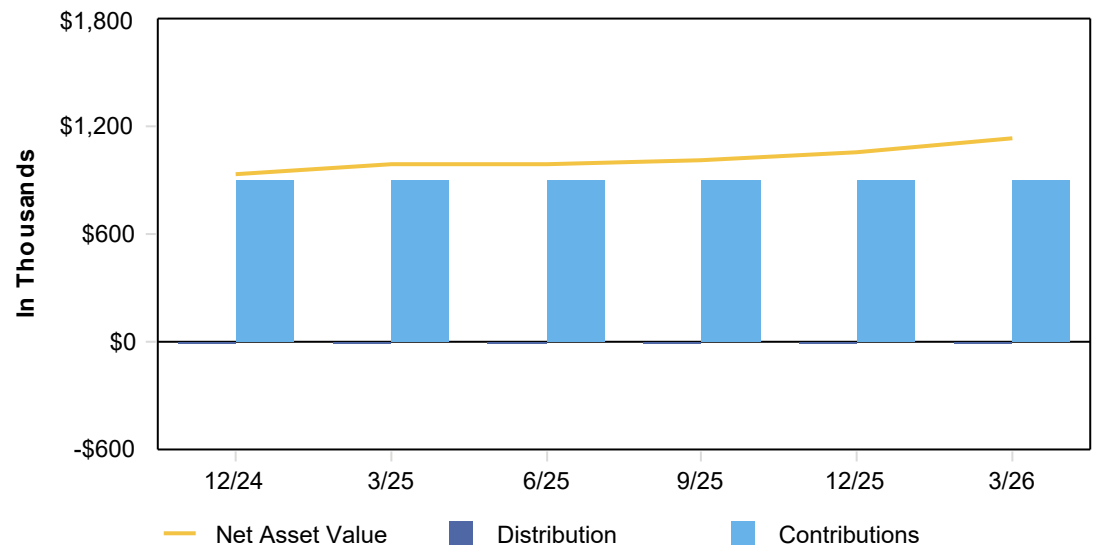
**Fund Information**

<b>Type of Fund:</b>	Direct	<b>Vintage Year:</b>	2018
<b>Strategy Type:</b>	Infrastructure	<b>Management Fee:</b>	1.00% per annum charged on Net Asset Value (NAV)
<b>Size of Fund (\$):</b>	31,000,000,000.00	<b>Preferred Return:</b>	6% preferred return; 12.5% performance fee
<b>Inception:</b>	06/01/2018	<b>General Partner:</b>	Blackstone Infrastructure Associates
<b>Final Close:</b>	n/a		
<b>Investment Strategy:</b>	Perpetual, open-ended private infrastructure fund that invests in infrastructure assets across the energy infrastructure, transportation, digital infrastructure, and water and waste sectors with a primary focus in North America. Makes control and control-oriented infrastructure investments, as well as investments in public-private partnership projects. Focus on quality, long-lived assets with steady, sustainable cash flows that often provide inflation protection, meaningful downside protection, and/or limited commodity exposure.		

**Cash Flow Summary**

<b>Capital Committed:</b>	\$900,000
<b>Capital Contributed:</b>	\$900,000
<b>Remaining Capital Commitment:</b>	-
<b>Total Distributions:</b>	-
<b>Market Value:</b>	\$1,133,623
<b>Inception Date:</b>	10/02/2024
<b>Inception IRR:</b>	16.68
<b>TVPI:</b>	1.26

**Cash Flow Analysis**



## IMPORTANT DISCLOSURES

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This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation, as it was prepared without regard to any specific objectives or financial circumstances.

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It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

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# SunLine Transit Agency Non-Bargaining Unit Employees

## Investment Performance Review For the Quarter Ended March 31, 2026

Client Management Team

Andrew Brown, CFA, Sr. Investment Strategist/Portfolio Manager

PFM Asset Management  
A division of U.S. Bancorp Asset Management, Inc.

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Suite 1000  
San Francisco, CA 94111

1735 Market Street  
43rd Floor  
Philadelphia, PA 19103

# **Financial Markets & Investment Strategy Review**

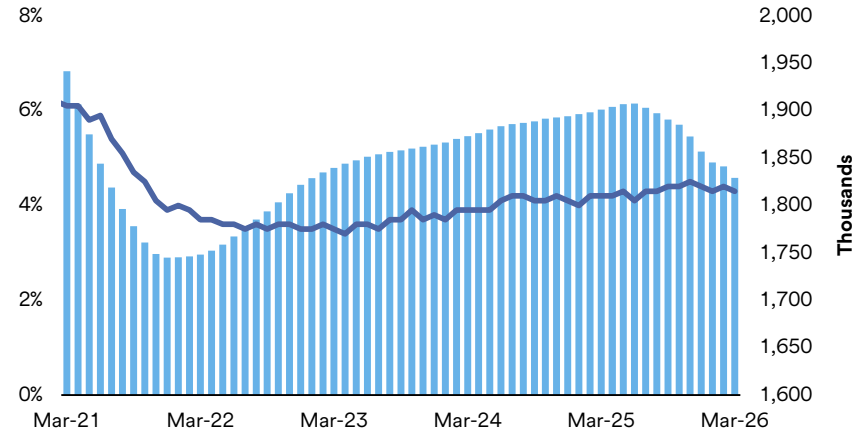
Index or Average Name	QTD	YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
<b>DOMESTIC EQUITY</b>							
S&P 500 (TR)	-4.33%	-4.33%	17.80%	18.30%	12.06%	14.43%	14.15%
Russell 3000	-3.96%	-3.96%	18.09%	17.84%	10.86%	13.80%	13.71%
Russell 1000 Growth	-9.78%	-9.78%	18.81%	21.16%	12.75%	16.95%	16.82%
Russell 1000	-4.18%	-4.18%	17.74%	18.12%	11.33%	14.15%	13.96%
Russell 1000 Value	2.10%	2.10%	15.87%	14.29%	9.42%	10.63%	10.57%
Russell Midcap	1.29%	1.29%	15.98%	13.32%	7.26%	10.51%	10.90%
Russell Midcap Growth	-6.35%	-6.35%	9.56%	12.73%	5.37%	10.27%	11.68%
Russell Midcap Value	3.68%	3.68%	17.62%	13.13%	7.94%	9.86%	9.75%
Russell 2000 Growth	-2.81%	-2.81%	23.58%	12.25%	1.62%	7.67%	9.78%
Russell 2000	0.89%	0.89%	25.72%	13.03%	3.77%	8.60%	9.88%
Russell 2000 Value	4.96%	4.96%	28.09%	13.78%	5.79%	9.07%	9.60%
<b>INTERNATIONAL EQUITY</b>							
MSCI EAFE	-1.24%	-1.24%	21.27%	13.60%	7.91%	8.85%	8.37%
MSCI AC World	-3.20%	-3.20%	20.01%	16.56%	9.48%	11.61%	11.33%
MSCI AC World ex USA	-0.71%	-0.71%	24.91%	14.48%	7.01%	8.50%	8.37%
MSCI AC World ex USA Small Cap	-0.48%	-0.48%	27.82%	13.66%	5.66%	8.43%	8.00%
MSCI EM (Emerging Markets)	-0.17%	-0.17%	29.55%	14.82%	3.69%	6.58%	7.79%
<b>LISTED REAL ASSETS</b>							
FTSE Nareit/Equity REITs - INV	4.80%	4.80%	6.84%	9.09%	5.81%	5.34%	5.57%
MSCI U.S. REIT INDEX	4.84%	4.84%	6.79%	9.12%	5.80%	5.37%	5.56%
MSCI World Core Infrastructure	7.82%	7.82%	16.11%	10.94%	7.17%	7.03%	8.41%
<b>FIXED INCOME</b>							
Bloomberg U.S. Aggregate	-0.05%	-0.05%	4.35%	3.63%	0.31%	1.56%	1.70%
Bloomberg U.S. Government/Credit	-0.20%	-0.20%	3.86%	3.41%	0.24%	1.65%	1.79%
Bloomberg U.S. Intermediate Government/Credit	-0.02%	-0.02%	4.41%	4.24%	1.33%	2.20%	2.04%
Bloomberg U.S. Treasury (1-3 Y)	0.27%	0.27%	3.77%	4.04%	1.82%	2.11%	1.77%
ICE BofA U.S. High Yield	-0.55%	-0.55%	6.90%	8.49%	4.19%	4.94%	6.05%
Bloomberg Global Aggregate	-1.07%	-1.07%	4.26%	2.59%	-1.46%	0.19%	0.58%
<b>CASH EQUIVALENT</b>							
Bloomberg 3 Month T-Bill	0.87%	0.87%	4.05%	4.80%	3.40%	2.76%	2.29%

Source: Investment Metrics. Returns are expressed as percentages. Please refer to the last page of this document for important disclosures relating to this material.

**THE ECONOMY**

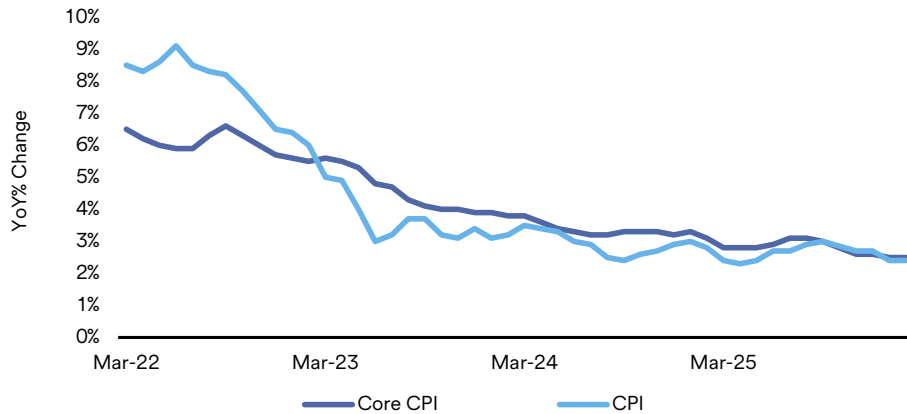
- U.S. real gross domestic product (GDP) grew at a seasonally adjusted annualized rate of 0.7% in the fourth quarter. This modest growth rate largely reflects the temporary effects of the government shutdown in October-November 2025 rather than a material deterioration in underlying private demand, and consumers continue to support growth. Real final sales to private domestic purchasers (the sum of consumer spending and gross private fixed investment) increased 1.9% during the quarter.
- The U.S. labor market saw an uneven start to the year, with 178k jobs added in March following a sharp drop in February and a moderate gain in January. The overall unemployment rate remained relatively stable, edging down to 4.3%, though part of the decline reflects workers leaving the workforce rather than an acceleration in hiring. Initial jobless claims ended the quarter at 202k (week ending March 28), near a two-year low, with continuing claims declining to approximately 1.8 million. Overall, there has been no meaningful increase in layoffs, consistent with a “low-hire, low-fire” environment.
- Inflation moderated in the first two months of the quarter. Headline inflation (CPI) increased 2.4% year-over-year (YoY) in February, the lowest level since May 2025. This moderating trend may encounter near-term pressure, as markets are pricing higher March inflation readings amid rising energy prices related to the conflict in the Middle East.

**U.S. Unemployment and Monthly Average Continued Claims**



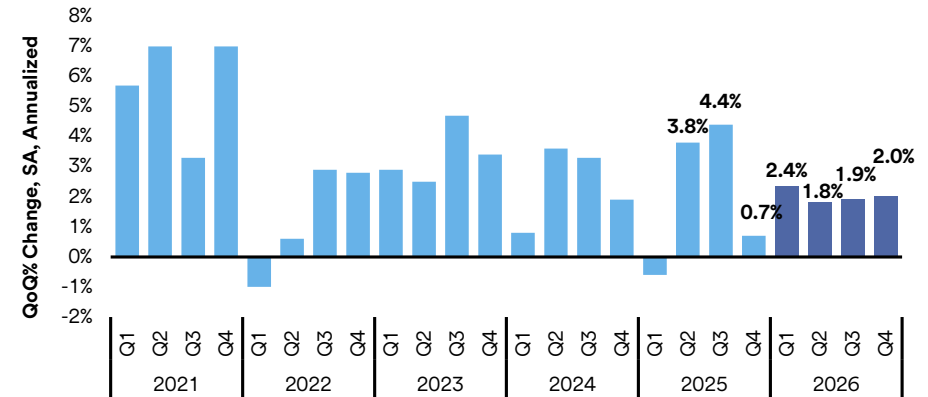
Source: Bloomberg.

**U.S. Inflation Rate**  
Seasonally Adjusted (SA)



Source: Bureau of Labor Statistics.

**U.S. GDP Growth**

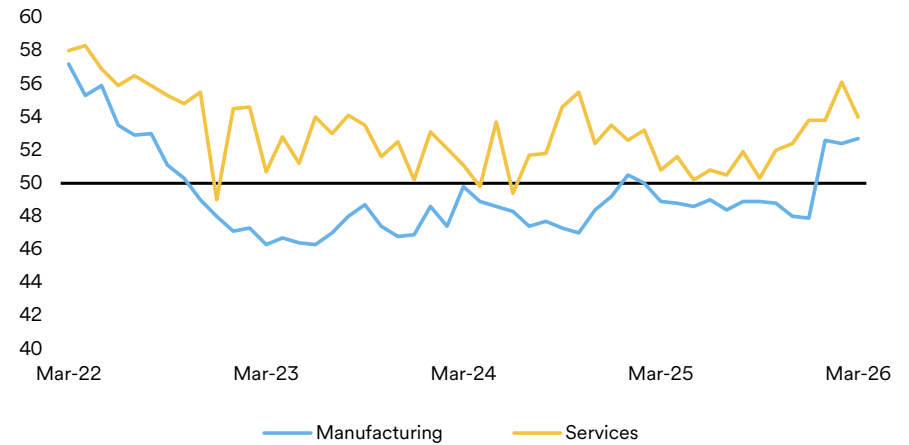


Source: Bloomberg. Light blue bars indicate actual numbers; dark blue bars indicate forecasted estimates.

**WHAT WE'RE WATCHING**

- The Federal Reserve (Fed) held rates steady in the first quarter amid persistent inflation pressures and muted net job creation. Looking ahead, the 2026 dot plot reflects expectations for one rate cut, though the outlook has become more uncertain, as geopolitical developments add complexity to the inflation path. Outside the U.S., the European Central Bank (ECB) and Bank of England (BOE) also held rates steady during the quarter, while markets continue to assess the likelihood of additional policy action in the months ahead.
- U.S. consumer sentiment, as measured by the University of Michigan Survey of Consumers, increased in the first two months of the quarter before retreating toward December levels, as higher gasoline prices and financial market volatility weighed on households' outlook.
- The first quarter was marked by an escalation of geopolitical conflict involving Iran, which remains an important risk factor for the global economy. Rising energy and commodity prices have increased uncertainty around the duration and magnitude of inflationary pressures. If disruptions to energy and commodity supply chains persist or intensify, risks to global growth could increase, including a higher probability of recession in energy-importing regions.

**U.S. ISM Manufacturing & Services PMI**



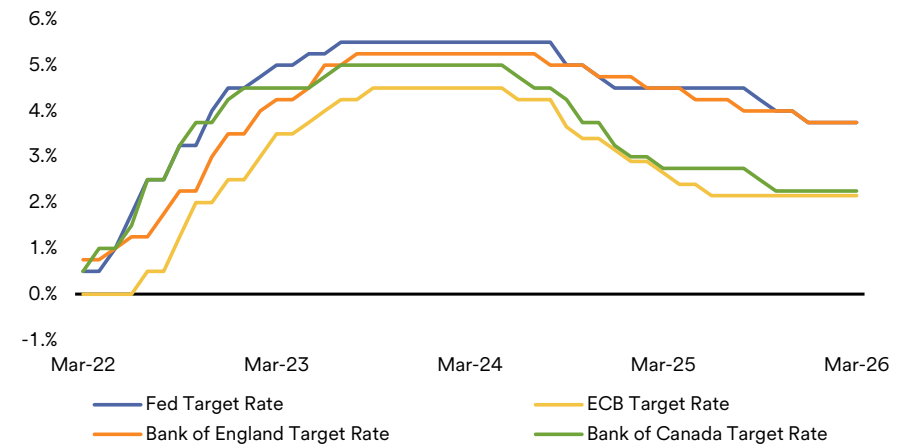
Source: Bloomberg.

**University of Michigan Consumer Sentiment**



Source: Bloomberg.

**Global Central Bank Rates**

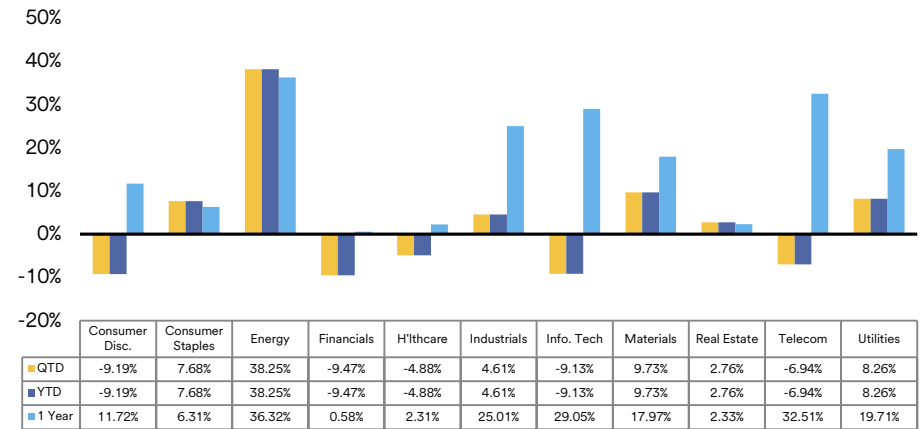


Source: Bloomberg.

**DOMESTIC EQUITY**

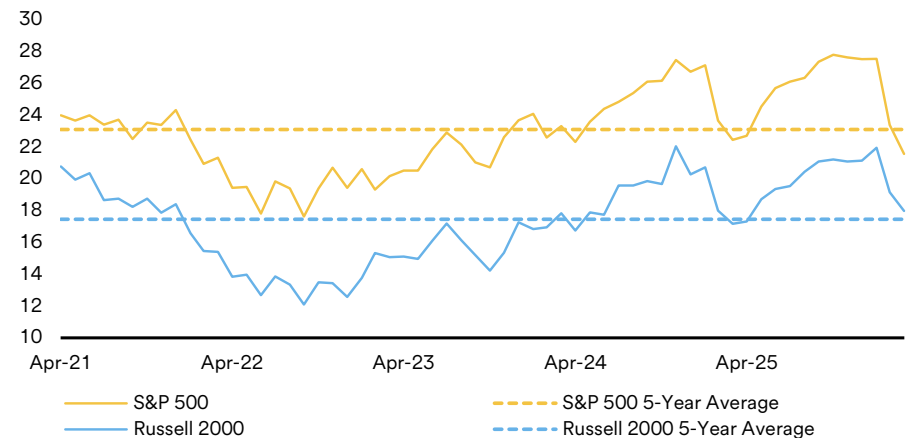
- Domestic equity markets, as represented by the S&P 500 Index (S&P) and the Russell 3000 Index, declined in the first quarter, returning -4.3% and -4.0%, respectively. This marked the weakest quarterly performance since 2022, as the geopolitical conflict involving Iran and continued volatility related to artificial intelligence exposure weighed on returns. Following the escalation of the conflict in late February, both indices declined -5.0% during the month of March.
- Within the S&P 500, performance varied widely across sectors, with six of the 11 posting positive returns for the quarter. Energy was the strongest performing sector, returning 38.2%, as supply disruptions contributed to higher prices. Materials (9.7%) and Utilities (8.3%) also posted solid gains. Consumer Discretionary declined -9.2%, while Financials lagged all sectors, posting a return of -9.5%.
- Large-cap stocks, as represented by the Russell 1000 Index, returned -4.2% during the quarter, as the “Magnificent Seven” experienced double-digit declines (-12.0%). Mid- and small-cap stocks outperformed large caps, with the Russell Midcap and Russell 2000 indices, returning 1.3% and 0.9%, respectively. Value stocks outperformed growth stocks across all capitalizations.
- According to FactSet Earnings Insight as of April 2, 2026, analysts project earnings growth of 13.2% for the first quarter of 2026, up from an initial estimate of 12.8% in December. If realized, this would represent the sixth consecutive quarter of double-digit, YoY earnings growth. Revenue is also expected to grow, with YoY revenue growth currently estimated at 9.7%, the highest rate since 2022. For calendar year 2026, analysts project earnings growth of 17.4%.
- At quarter end, the S&P 500’s 12-month adjusted positive forward price-to-earnings (P/E) ratio (includes only positive earnings results for consistency) stood at 21.6 — below its five-year average of 23.1 — as equity prices declined in March while earnings expectations remained elevated. The Russell 2000 Index, which represents small-cap stocks, posted an adjusted positive forward P/E ratio of 18.0, slightly above its five-year average of 17.5.

**S&P 500 Index Performance by Sector**  
Periods Ended March 31, 2026



Source: Bloomberg.

**P/E Ratios of Major Stock Indices\***



Source: Bloomberg.

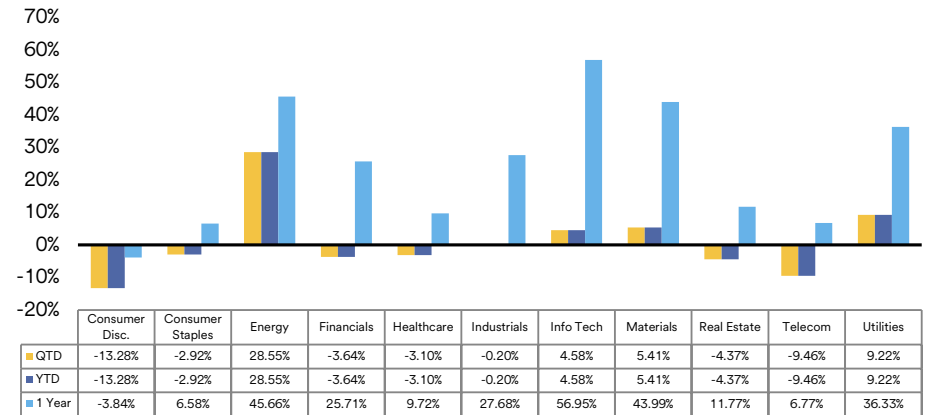
\*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

**INTERNATIONAL EQUITY**

- Markets outside of the United States, as measured by the MSCI ACWI ex-U.S. Index, also saw the impacts of the conflict in the Middle East, which posted a return of -0.7% for the first quarter, as sharp declines in March offset gains recorded earlier in the year. During March alone, the index returned -10.8%.
- Four of the 11 sectors posted positive returns for the quarter. As in the U.S., Energy (28.5%), Utilities (9.2%) and Materials (5.4%) led performance. The weakest sectors were Real Estate (-4.4%), Communication Services (-9.5%), and Consumer Discretionary (-13.3%).
- Developed ex-U.S. markets, as represented by the MSCI EAFE Index, and emerging markets (EM), as represented by the MSCI Emerging Markets Index, returned -1.2% and -0.2%.
- Among the five largest-weighted countries in the MSCI EAFE Index, the MSCI United Kingdom (2.0%) and MSCI Japan (1.4%), indices outperformed the broader index, while MSCI Switzerland (-4.2%), MSCI France (-5.4%), and MSCI Germany (-8.5%) indices underperformed.
- Within EM, MSCI Korea (16.5%), MSCI Taiwan (9.1%), and MSCI Brazil (19.1%) outperformed the MSCI Emerging Markets index, while MSCI China (-8.9%) and MSCI India (-18.1%) underperformed with notable negative returns. While Korea and Taiwan's posted positive quarterly returns, this is due to extremely strong gains earlier in the quarter which offset pronounced losses in March (-25.5% and -13.0%, respectively)
- Value stocks outperformed growth stocks for the quarter as represented by the broad benchmarks. The MSCI AC World ex-USA Growth Index returned -3.6%, while the MSCI AC World ex-USA Value Index returned 2.1%. Within EM, value stocks (MSCI EM Value) returned 0.7% versus -1.7% for growth. Small-cap stocks, as represented by the MSCI ACWI ex-U.S. Small Cap Index, declined -0.5%.
- Equity valuations increased across both emerging and developed markets and now sit modestly above long-term averages. At quarter end, the MSCI EAFE's adjusted positive forward P/E ratio stood at 15.9, above its five-year average of 15.3. The MSCI Emerging Markets Index ended the quarter at an adjusted positive forward P/E ratio of 11.7, below its five-year average of 13.0.

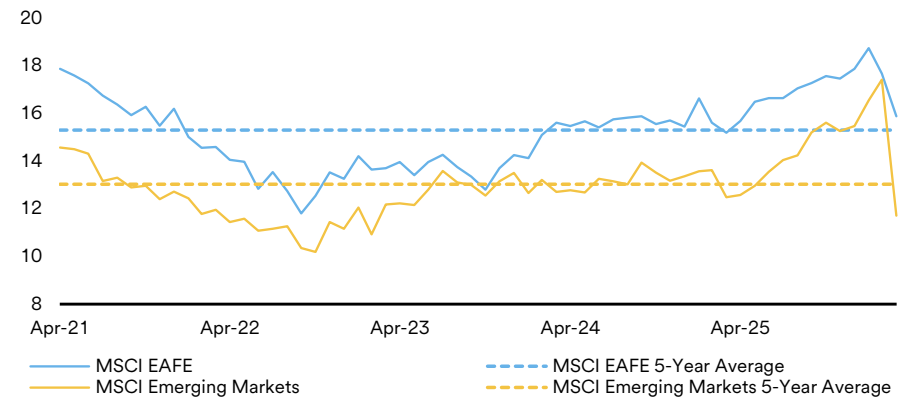
**MSCI ACWI ex-U.S. Sectors**

Periods Ended March 31, 2026



Source: Bloomberg.

**P/E Ratios of MSCI Equity Indices\***



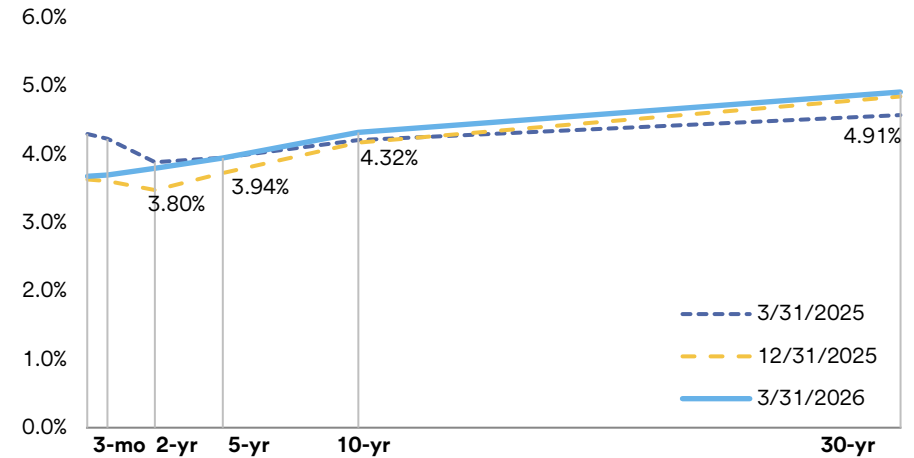
Source: Bloomberg.

\*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

**FIXED INCOME**

- The U.S. bond market, as represented by the Bloomberg U.S. Aggregate Index, returned -0.1% in the first quarter of 2026. Performance was weighed down by declines in March (-1.8%), as bonds failed to provide diversification benefits during the sell-off amid near-term inflation concerns. Interest-rate volatility increased over the quarter, with the ICE BofA Move Index rising to a nine-month high, reflecting uncertainty surrounding the duration of the geopolitical conflict involving Iran.
- The Bloomberg U.S. Treasury Index also finished the quarter little changed, declining -4 basis points (bps). While the Fed held rates steady, Treasury yields moved higher as investors reassessed the expected timing and pace of future rate cuts. The 30-year Treasury yield rose 7 bps to 4.9%, while the 2-year Treasury rose 32 bps to 3.8%.
- Corporate credit generated negative returns across the quality spectrum. The Bloomberg U.S. Corporate Investment Grade Index declined -0.5%, while the ICE BofA High Yield Index returned -0.6%. Credit spreads widened for both investment-grade and high-yield corporates and now sit above their respective 10-year averages. Despite near-term pressure, corporate fundamentals remain supported by elevated profit margins, ongoing share repurchases, and continued merger and acquisitions activity. AI-related corporate debt issuance across corporate bonds and bank loans space has drawn increased investor attention during the quarter, reflecting continuing financing demand among technology-oriented issuers.

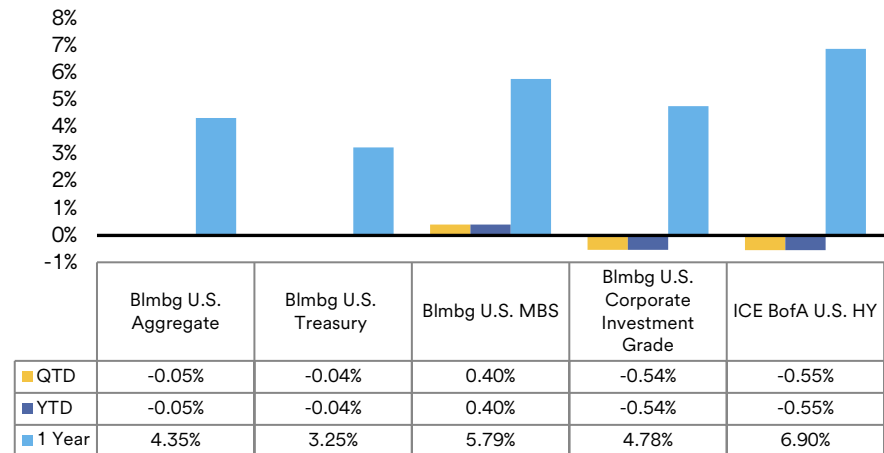
**U.S. Treasury Yield Curve**



Source: Bloomberg.

**Returns for Fixed-Income Segments**

Periods Ended March 31, 2026

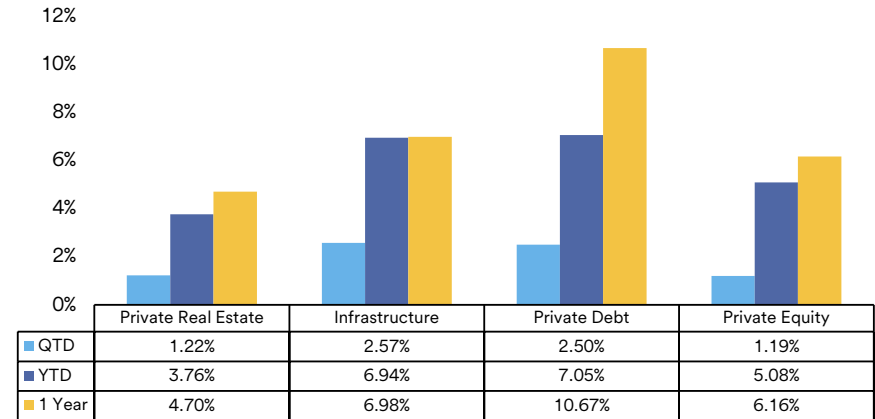


Source: Bloomberg.

**ALTERNATIVES**

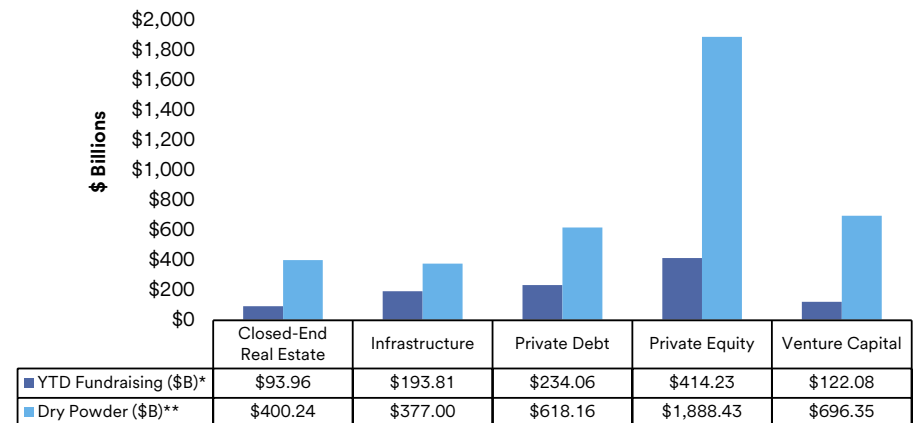
- Real estate investment trusts (REITs), as measured by the MSCI U.S. REITs Index, returned 4.8% in the first quarter of 2026. Private real estate, as measured by the NCREIF Property Index, gained 1.2% in the third quarter of 2025, marking the fourth consecutive quarter of positive total returns, driven primarily by income, with modest property appreciation also contributing. Senior Housing was the strongest-performing property type, returning 2.9%, while Office posted a modest gain of 0.9%.
- Listed infrastructure, as represented by the MSCI World Core Infrastructure Index, returned 7.8% in the first quarter of 2026. According to PitchBook, private infrastructure funds posted returns of 2.6% in the third quarter of 2025, generating an annualized return of 10.9% over the five years ended Q3 2025. By the end of the fourth quarter of 2025, 60 private infrastructure funds had raised \$193.8 billion, with the majority of the capital flowing to larger-scale strategies focused on long-term demand themes, including artificial intelligence.
- By the end of 2025, 200 private debt funds had raised \$234.1 billion, with capital increasingly concentrated among fewer, larger funds. Private debt dry powder remained elevated at \$618.2 billion as of June 30, 2025. According to Cliffwater, while performance remains positive, returns have moderated, with private debt funds posting a return of 2.5% in the third quarter of 2025. The asset class has generated an annualized return of 10.5% over the past five years.
- Private equity fundraising slowed further in 2025, with 578 private equity funds having raised \$414.2 billion, marking the weakest annual fundraising environment since 2020. Despite this slowdown, global private equity dry powder — which accounts for the bulk of private capital dry powder — remains elevated at \$1.9 trillion as of June 30, 2025. Lower borrowing costs could support exit activity and fundraising in 2026, although sustained geopolitical uncertainty poses an ongoing risk. According to PitchBook, private equity funds returned 1.2% in the third quarter of 2025 and have generated an annualized return of 14.2% for the five years.

**Returns for Private Capital Assets**



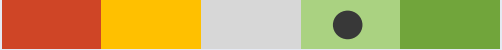

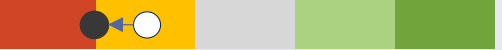


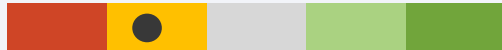
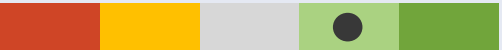

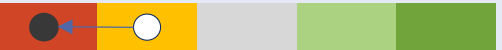
Source: NCREIF, PitchBook, Cliffwater.  
As of September 30, 2025, the most recent period for which all index data is available.

**Private Capital Fundraising & Dry Powder**



Sources: Pitchbook.  
\* Total capital raised in 2025 as of December 31, 2025 - most recent period for which ALL fundraising data is available.  
\*\* Cumulative dry powder as of June 30, 2025 except Infrastructure dry powder which is as of March 31, 2025.

**Factors to Consider Over the Next 6-12 Months**

<p><b>Monetary Policy (Global):</b></p>  <ul style="list-style-type: none"> <li>• The Fed held rates steady in Q1 amid persistent inflation pressures and limited net job creation.</li> <li>• The “dot plot” projects 25 bps of rate cuts in both 2026 and 2027; however, this is predicated on inflation progress.</li> <li>• Global central banks remained on pause in Q1, but recent inflation pressures may necessitate hikes.</li> </ul>	<p><b>Economic Growth (Global):</b></p>  <ul style="list-style-type: none"> <li>• Stable consumer and business spending support growth, offsetting the weakness seen from the U.S. government shutdown in Q4 GDP.</li> <li>• Risks to global growth prospects have increased amid the escalating conflict due to higher energy prices, supply-chain disruptions, and increased uncertainty.</li> </ul>	<p><b>Inflation (U.S.):</b></p>  <ul style="list-style-type: none"> <li>• The inflation outlook depends on the duration of the Middle East conflict and degree to which higher energy and commodity costs raise core goods and services prices.</li> <li>• Near-term inflation expectations have increased due to the higher energy prices while long-run expectations remain anchored.</li> </ul>
<p><b>Financial Conditions (U.S.):</b></p>  <ul style="list-style-type: none"> <li>• The conflict in the Middle East has tightened financial conditions. The duration of the conflict and its impact on the economy will be a key driver of corporate fundamentals.</li> <li>• Geopolitical conflict, higher energy prices, and the evolution of the economy are key risks to watch. At this time, we view volatility in private credit as contained and not a systemic risk.</li> </ul>	<p><b>Consumer Spending (U.S.):</b></p>  <ul style="list-style-type: none"> <li>• Wage growth continues to exceed inflation, but this gap has narrowed. Energy shocks may compress real incomes and reduce discretionary spending.</li> <li>• Lower-income cohorts remained more exposed to higher energy prices as a larger share of household budgets are allocated to essentials.</li> <li>• Higher-income cohorts benefit from strong equity markets and home prices.</li> </ul>	<p><b>Labor Markets (U.S.):</b></p>  <ul style="list-style-type: none"> <li>• Labor market conditions continued to cool with net new job creation close to zero.</li> <li>• The Fed has framed the combination of limited job growth and a stable unemployment rate as an uncomfortable balance.</li> <li>• Initial jobless claims and layoff rates remain low, consistent with a continued “low-hire/low-fire” environment.</li> </ul>
<p><b>Corporate Fundamentals:</b></p>  <ul style="list-style-type: none"> <li>• Earnings growth expectations are positive across global equities with double digit growth expected across U.S. and international equity benchmarks.</li> <li>• In the U.S., M&amp;A and capital spending pickup, tax changes and rate cuts are positives while any energy and commodity related cost pressure impact needs to be monitored.</li> </ul>	<p><b>Valuations:</b></p>  <ul style="list-style-type: none"> <li>• Recent sell-off has led to improvement in valuations across U.S. equities and credit markets.</li> <li>• Resilient growth, strong earnings growth and profit margins are supportive of the current valuations.</li> <li>• Any prolonged disruption to energy or elevated geopolitical uncertainty warrant caution.</li> </ul>	<p><b>Political/Policy Risks:</b></p>  <ul style="list-style-type: none"> <li>• Conflict with Iran and the ongoing geopolitical uncertainty are impacting risk assets negatively. We expect geopolitical uncertainty to remain elevated in the near-term.</li> <li>• Tariff-related uncertainty and upcoming mid-term elections in the U.S. also warrant attention.</li> </ul>



Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg. The views expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (March 31, 2026) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness, or suitability.

**Long-Term Strategic Approach to Private Capital/Alternatives**

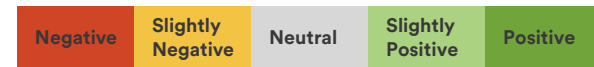
Sub-Asset Class	Long-Term Strategic View	Recent Trends (as of 2026 Q1)
<b>Private Equity</b>	Provides attractive returns with lower correlations to public market equities due to their ability to invest in early-stage growth companies or ability to turnaround a struggling firm.	<ul style="list-style-type: none"> <li>• Exit activity is gradually improving, with IPOs and M&amp;A showing early signs of recovery</li> <li>• Secondary buyouts and GP led continuation vehicles remain key liquidity tools amid longer hold periods</li> <li>• Deal activity remains selective, with focus on operational value creation and conservative leverage</li> <li>• VC activity remains subdued, with capital concentrated in AI, semiconductors, and defense industries</li> </ul>
<b>Private Debt</b>	Provides higher returns than the public market debt due to the ability to customize terms and floating rate structure of most notes.	<ul style="list-style-type: none"> <li>• Private credit continues to gain share as bank lending remains constrained, despite recent trends of increased redemption from wealth investors</li> <li>• Yields remain attractive versus public credit, though spread compression has emerged</li> <li>• Credit dispersion is rising, highlighting importance of underwriting and manager selection</li> <li>• Increased focus on asset backed lending, real estate debt, and special situations</li> </ul>
<b>Real Assets</b> Real Estate Infrastructure	Provides exposure to inflation sensitive assets that typically generate returns from a combination of capital appreciation and income generation.	<ul style="list-style-type: none"> <li>• <b>Real Estate:</b> Transaction activity is stabilizing as pricing discovery improves. Performance remains highly sector specific, with industrial and multifamily outperforming. Refinancing pressure is creating opportunities in distressed and debt strategies</li> <li>• <b>Infrastructure:</b> Structural demand remains strong, driven by energy transition, electrification, and data centers. Long duration, inflation linked cash flows support infrastructure’s defensive income profile</li> </ul>
<b>Diversifying Assets</b> Hedge Funds	Expected to lower the volatility and correlation within portfolios while providing access to esoteric strategies.	<ul style="list-style-type: none"> <li>• Hedge funds generated positive absolute returns, led by macro, relative value, and L/S equity</li> <li>• Correlations to 60/40 portfolios have moderated, restoring diversification benefits</li> <li>• Higher cash rates continue to support carry oriented and market neutral strategies</li> </ul>

*The view expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc. at the time of distribution (March 31, 2026) and are subject to change.*

**Investment Strategy Overview**

Asset Class	Our Q2 2026 Investment Outlook	Comments
<b>U.S. Equities</b>		<ul style="list-style-type: none"> <li>The duration of U.S.-Iran conflict and its impact on energy supply will impact inflation and growth, rates, and market returns near-term but we expect impact to be more muted in the U.S.</li> <li>Underlying fundamentals still supportive of positive equity returns, with economic growth still intact and corporate earnings expected to grow at a high double-digit pace.</li> <li>Resilient economic growth, ongoing consumer strength, expected rate cuts, equity market broadening and strong earnings growth led us to modestly overweight domestic small caps in Q1, prior to the U.S.-Iran conflict. The recent pullback has improved attractiveness of valuations relative to historical averages. We maintain the overweight despite elevated uncertainty.</li> </ul>
Large-Caps		
Small-Caps		
<b>Non-U.S. Equities</b>		<ul style="list-style-type: none"> <li>International equities are at a higher risk of pullback if energy prices remain elevated. Major central banks outside the U.S. are now expected to hike two to three times this year as near-term inflation pressures rise, reversing earlier expectations for rate cuts.</li> <li>Energy-importing developed and emerging market economies are more vulnerable to higher energy prices, leading us to remain neutral. Tariff-related uncertainty also remains a headwind as alternative tariff mechanisms are considered.</li> </ul>
Developed Markets		
Emerging Markets		
<b>Fixed Income</b>		<ul style="list-style-type: none"> <li>The Fed held rates steady at its March meeting, while the conflict-driven inflation outlook has increased uncertainty around rate cuts. Our base case is that Fed's next move is a cut rather than a hike.</li> <li>We continue to monitor increased volatility across fixed income yields. Absolute yield levels look attractive. Credit spreads have widened slightly. Strong profit margins, continued issuance, continued buybacks and ongoing M&amp;A activity points to healthy corporate sentiment.</li> <li>We remain neutral across duration and credit sectors.</li> </ul>
Core Bonds		
Investment Grade Credit		
High Yield Credit		
<b>Diversifying Assets</b>		<ul style="list-style-type: none"> <li>Listed REITs and listed global infrastructure outperformed domestic and global equities respectively during the March pullback, highlighting their diversification benefits.</li> <li>In addition to diversified sources of return, improving AI sentiment continues to support data center and utilities buildout as a tailwind for listed real assets.</li> </ul>
Listed Real Estate		
Listed Global Infrastructure		

● Current outlook    ○ Outlook one quarter ago



The view expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (March 31, 2026) and are subject to change.

## SOURCES

Factset

<https://www.bea.gov/sites/default/files/2024-12/gdp3q24-3rd-fax.pdf>

<https://www.bls.gov/news.release/pdf/empsit.pdf>

<https://www.bls.gov/news.release/pdf/cpi.pdf>

<http://www.sca.isr.umich.edu/>

NCREIF

PitchBook

Cliffwater

## DISCLOSURES

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# Plan Performance Summary

## Asset Allocation &amp; Performance

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Total Fund - Non-Bargaining</b>	<b>48,332,142</b>	<b>100.00</b>	<b>-0.91</b>	<b>-0.91</b>	<b>11.67</b>	<b>10.95</b>	<b>5.68</b>	<b>7.81</b>	<b>07/01/2017</b>
<i>PFM Blended Benchmark</i>			<i>-1.50</i>	<i>-1.50</i>	<i>13.12</i>	<i>10.82</i>	<i>5.51</i>	<i>7.35</i>	<i>07/01/2017</i>
<b>Domestic Equity</b>	<b>15,458,019</b>	<b>31.98</b>	<b>-4.16</b>	<b>-4.16</b>	<b>17.67</b>	<b>17.06</b>	<b>10.12</b>	<b>10.12</b>	<b>04/01/2021</b>
<i>Russell 3000 Index</i>			<i>-3.96</i>	<i>-3.96</i>	<i>18.09</i>	<i>17.85</i>	<i>10.87</i>	<i>10.87</i>	<i>04/01/2021</i>
Schwab US Large-Cap ETF	13,775,116	28.50	-4.38	-4.38	17.63	18.25	11.41	11.19	11/01/2024
<i>Russell 1000 Index</i>			<i>-4.18</i>	<i>-4.18</i>	<i>17.74</i>	<i>18.14</i>	<i>11.34</i>	<i>11.29</i>	<i>11/01/2024</i>
PIMCO RAE US Small Cap Fund	409,902	0.85	1.03	1.03	17.26	16.09	10.76	1.03	01/01/2026
<i>Russell 2000 Index</i>			<i>0.89</i>	<i>0.89</i>	<i>25.72</i>	<i>13.05</i>	<i>3.77</i>	<i>0.89</i>	<i>01/01/2026</i>
Columbia Small Cap Growth Inst3	373,754	0.77	-3.80	-3.80	33.65	18.47	2.19	14.62	11/01/2024
<i>Russell 2000 Index</i>			<i>0.89</i>	<i>0.89</i>	<i>25.72</i>	<i>13.05</i>	<i>3.77</i>	<i>10.95</i>	<i>11/01/2024</i>
iShares Russell 2000 ETF	899,248	1.86	0.86	0.86	25.57	12.89	3.65	N/A	04/01/2026
<i>Russell 2000 Index</i>			<i>0.89</i>	<i>0.89</i>	<i>25.72</i>	<i>13.05</i>	<i>3.77</i>	<i>N/A</i>	<i>04/01/2026</i>
<b>International Equity</b>	<b>8,835,907</b>	<b>18.28</b>	<b>1.36</b>	<b>1.36</b>	<b>23.75</b>	<b>14.01</b>	<b>4.86</b>	<b>4.86</b>	<b>04/01/2021</b>
<i>MSCI AC World ex USA (Net)</i>			<i>-0.71</i>	<i>-0.71</i>	<i>24.91</i>	<i>14.49</i>	<i>7.02</i>	<i>7.02</i>	<i>04/01/2021</i>
Fidelity International Index Fund	2,751,723	5.69	0.95	0.95	23.40	14.60	8.59	10.47	07/01/2025
<i>MSCI EAFE (net)</i>			<i>-1.24</i>	<i>-1.24</i>	<i>21.27</i>	<i>13.62</i>	<i>7.91</i>	<i>8.49</i>	<i>07/01/2025</i>
Goldman Sachs GQG Ptnrs Intl Opportunities	1,039,835	2.15	4.76	4.76	16.97	16.14	9.70	15.92	09/01/2023
<i>MSCI AC World ex USA (Net)</i>			<i>-0.71</i>	<i>-0.71</i>	<i>24.91</i>	<i>14.49</i>	<i>7.02</i>	<i>16.22</i>	<i>09/01/2023</i>
Janus Henderson Overseas Fund	1,530,685	3.17	0.18	0.18	22.74	12.67	8.43	11.39	07/01/2025
MFS International Diversification Fund	2,037,334	4.22	-0.18	-0.18	20.65	13.11	6.46	8.58	07/01/2025
<i>MSCI AC World ex USA (Net)</i>			<i>-0.71</i>	<i>-0.71</i>	<i>24.91</i>	<i>14.49</i>	<i>7.02</i>	<i>11.50</i>	<i>07/01/2025</i>
Fidelity Emerging Markets Index Fund	1,476,328	3.05	3.44	3.44	33.31	15.83	4.08	19.66	07/01/2025
<i>MSCI EM (net)</i>			<i>-0.17</i>	<i>-0.17</i>	<i>29.55</i>	<i>14.84</i>	<i>3.69</i>	<i>15.68</i>	<i>07/01/2025</i>
<b>Other Growth</b>	<b>2,848,369</b>	<b>5.89</b>	<b>0.00</b>	<b>0.00</b>	<b>5.13</b>	<b>11.16</b>	<b>12.43</b>	<b>12.43</b>	<b>04/01/2021</b>
NB Secondary Opportunities Fund V Offshore	2,848,369	5.89	0.00	0.00	5.15	11.78	N/A	30.50	03/01/2022
<i>CA US Private Equity Index</i>			<i>0.00</i>	<i>0.00</i>	<i>4.97</i>	<i>6.90</i>	<i>8.73</i>	<i>4.47</i>	<i>03/01/2022</i>

Returns are net of mutual fund fees.

Returns are expressed as percentages.

\*Asset class level returns may vary from individual underlying manager returns due to cash flow Page 62 of 248

## Asset Allocation &amp; Performance

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Fixed Income</b>	<b>17,385,302</b>	<b>35.97</b>	<b>-0.04</b>	<b>-0.04</b>	<b>4.58</b>	<b>4.64</b>	<b>1.03</b>	<b>2.22</b>	<b>07/01/2017</b>
<i>Blmbg. U.S. Aggregate</i>			-0.05	-0.05	4.35	3.63	0.31	1.73	07/01/2017
Baird Core Plus	4,585,006	9.49	-0.16	-0.16	4.57	4.50	0.92	2.38	07/01/2017
<i>Blmbg. U.S. Aggregate</i>			-0.05	-0.05	4.35	3.63	0.31	1.73	07/01/2017
PGIM Total Return Bond Fund	3,147,945	6.51	0.02	0.02	4.89	5.08	1.06	2.26	09/01/2017
<i>Blmbg. U.S. Aggregate</i>			-0.05	-0.05	4.35	3.63	0.31	1.60	09/01/2017
Voya Intermediate Bond	1,847,358	3.82	0.02	0.02	4.78	4.74	0.79	1.40	01/01/2020
<i>Blmbg. U.S. Aggregate</i>			-0.05	-0.05	4.35	3.63	0.31	0.86	01/01/2020
Nuveen Core Bond	3,081,527	6.38	-0.09	-0.09	4.48	4.31	0.69	4.45	05/01/2025
<i>Blmbg. U.S. Aggregate</i>			-0.05	-0.05	4.35	3.63	0.31	3.94	05/01/2025
iShares Core US Aggregate Bond ETF	4,723,465	9.77	0.04	0.04	4.35	3.63	0.31	3.40	02/01/2023
<i>Blmbg. U.S. Aggregate</i>			-0.05	-0.05	4.35	3.63	0.31	3.40	02/01/2023
<b>Other Income</b>	<b>3,174,212</b>	<b>6.57</b>	<b>3.46</b>	<b>3.46</b>	<b>8.25</b>	<b>9.26</b>	<b>N/A</b>	<b>2.84</b>	<b>09/01/2021</b>
Golub Capital Partners International XIV	1,620,000	3.35	1.88	1.88	6.40	9.58	N/A	9.58	04/01/2023
<i>Cliffwater Direct Lending Index</i>			0.00	0.00	6.99	9.92	9.63	9.92	04/01/2023
ATEL Private Debt Partners II	420,589	0.87	0.00	0.00	0.71	5.52	N/A	6.04	10/01/2021
<i>Cliffwater Direct Lending Index</i>			0.00	0.00	6.99	9.92	9.63	9.17	10/01/2021
Blackstone Infrastructure Partners	1,133,623	2.35	7.27	7.27	14.34	N/A	N/A	17.69	11/01/2024
<i>NCREIF Fund Index-Open End Diversified Core Equity</i>			0.00	0.00	2.69	-2.41	2.97	3.50	11/01/2024
<b>Cash Equivalent</b>	<b>630,332</b>	<b>1.30</b>	<b>0.88</b>	<b>0.88</b>	<b>4.01</b>	<b>4.71</b>	<b>3.32</b>	<b>2.42</b>	<b>07/01/2017</b>
First American Prime Obligation - Z	630,332	1.30	0.88	0.88	4.01	4.77	3.41	2.55	07/01/2017

\*[Current Estimate] At any point in time the valuation for private equity and other illiquid asset classes may be different from market prices due to an inherent lag effect in the industry. The reporting lag inherent in this process means that there can be a valuation lag of a quarter or, in some cases, even longer. For such illiquid asset classes shown herein, performance is calculated for the relevant period(s) using a roll-forward valuation approach whereby the last reported valuation is adjusted for cash flows to provide an initial estimated valuation, typically resulting in a zero return for the lagging period. Returns are gross of management fees. The roll-forward valuation methodology described is consistent with guidance provided within the CFA Institute's Global Investment Performance Standards (GIPS). Performance is calculated using the Modified-Dietz time weighted methodology to maintain consistency with the other returns in this exhibit. For since inception IRR performance, please refer to the fund-specific overview page.

Returns are net of mutual fund fees.  
Returns are expressed as percentages.

\*Asset class level returns may vary from individual underlying manager returns due to cash flow

## Comparative Performance

	Year To Date	2025	2024	2023	2022	2021
<b>Total Fund - Non-Bargaining</b>	<b>-0.91</b>	<b>13.93</b>	<b>10.56</b>	<b>14.47</b>	<b>-16.15</b>	<b>12.37</b>
<i>PFM Blended Benchmark</i>	<i>-1.50</i>	<i>15.45</i>	<i>9.86</i>	<i>14.61</i>	<i>-15.52</i>	<i>10.04</i>
<b>Domestic Equity</b>	<b>-4.16</b>	<b>17.01</b>	<b>23.47</b>	<b>21.67</b>	<b>-18.41</b>	<b>N/A</b>
<i>Russell 3000 Index</i>	<i>-3.96</i>	<i>17.15</i>	<i>23.81</i>	<i>25.96</i>	<i>-19.21</i>	<i>25.66</i>
Schwab US Large-Cap ETF	-4.38	17.42	24.90	26.86	-19.44	26.74
<i>Russell 1000 Index</i>	<i>-4.18</i>	<i>17.37</i>	<i>24.51</i>	<i>26.53</i>	<i>-19.13</i>	<i>26.45</i>
PIMCO RAE US Small Cap Fund	1.03	6.29	22.08	20.06	-4.64	40.37
Columbia Small Cap Growth Inst3	-3.80	21.86	24.45	26.39	-36.51	-2.54
<i>Russell 2000 Index</i>	<i>0.89</i>	<i>12.81</i>	<i>11.54</i>	<i>16.93</i>	<i>-20.44</i>	<i>14.82</i>
iShares Russell 2000 ETF	0.86	12.69	11.35	16.80	-20.48	14.62
<i>Russell 2000 Index</i>	<i>0.89</i>	<i>12.81</i>	<i>11.54</i>	<i>16.93</i>	<i>-20.44</i>	<i>14.82</i>
<b>International Equity</b>	<b>1.36</b>	<b>29.96</b>	<b>3.62</b>	<b>16.46</b>	<b>-24.11</b>	<b>N/A</b>
<i>MSCI AC World ex USA (Net)</i>	<i>-0.71</i>	<i>32.39</i>	<i>5.53</i>	<i>15.62</i>	<i>-16.00</i>	<i>7.82</i>
Fidelity International Index Fund	0.95	31.96	3.71	18.31	-14.24	11.45
<i>MSCI EAFE (net)</i>	<i>-1.24</i>	<i>31.22</i>	<i>3.82</i>	<i>18.24</i>	<i>-14.45</i>	<i>11.26</i>
Goldman Sachs GQG Ptnrs Intl Opportunities	4.76	20.84	5.99	21.25	-11.10	12.49
Janus Henderson Overseas Fund	0.18	28.94	6.04	11.06	-8.60	13.29
MFS International Diversification Fund	-0.18	27.96	6.52	14.44	-17.02	7.78
<i>MSCI AC World ex USA (Net)</i>	<i>-0.71</i>	<i>32.39</i>	<i>5.53</i>	<i>15.62</i>	<i>-16.00</i>	<i>7.82</i>
Fidelity Emerging Markets Index Fund	3.44	33.94	6.80	9.50	-20.07	-3.04
<i>MSCI EM (net)</i>	<i>-0.17</i>	<i>33.57</i>	<i>7.50</i>	<i>9.83</i>	<i>-20.09</i>	<i>-2.54</i>
<b>Other Growth</b>	<b>0.00</b>	<b>8.22</b>	<b>10.21</b>	<b>26.55</b>	<b>-6.66</b>	<b>N/A</b>
NB Secondary Opportunities Fund V Offshore	0.00	7.77	12.54	26.55	93.19	N/A
CA US Private Equity Index	0.00	6.17	8.12	9.29	-4.69	40.33

Returns are net of mutual fund fees.

Returns are expressed as percentages.

\*Asset class level returns may vary from individual underlying manager returns due to cash flow Page 64 of 248

## Comparative Performance

	Year To Date	2025	2024	2023	2022	2021
<b>Fixed Income</b>	<b>-0.04</b>	<b>7.39</b>	<b>2.75</b>	<b>7.10</b>	<b>-13.10</b>	<b>-0.96</b>
<i>Blmbg. U.S. Aggregate</i>	-0.05	7.30	1.25	5.53	-13.01	-1.55
Baird Core Plus	-0.16	7.47	2.54	6.89	-12.87	-1.02
PGIM Total Return Bond Fund	0.02	7.79	3.03	7.78	-14.86	-1.15
Voya Intermediate Bond	0.02	7.62	2.93	7.07	-14.16	-0.99
Nuveen Core Bond	-0.09	7.36	2.66	6.34	-13.24	-0.96
iShares Core US Aggregate Bond ETF	0.04	7.19	1.37	5.59	-13.06	-1.67
<i>Blmbg. U.S. Aggregate</i>	-0.05	7.30	1.25	5.53	-13.01	-1.55
<b>Other Income</b>	<b>3.46</b>	<b>7.89</b>	<b>7.28</b>	<b>11.27</b>	<b>-16.07</b>	<b>N/A</b>
Golub Capital Partners International XIV	1.88	6.10	10.49	N/A	N/A	N/A
ATEL Private Debt Partners II	0.00	2.97	8.96	6.97	6.95	N/A
<i>Cliffwater Direct Lending Index</i>	0.00	9.28	11.31	12.13	6.30	12.79
Blackstone Infrastructure Partners	7.27	13.22	N/A	N/A	N/A	N/A
<i>NCREIF Fund Index-Open End Diversified Core Equity</i>	0.00	3.79	-1.43	-12.02	7.47	22.17
<b>Cash Equivalent</b>	<b>0.88</b>	<b>4.18</b>	<b>5.15</b>	<b>4.97</b>	<b>1.49</b>	<b>0.02</b>
First American Prime Obligation - Z	0.88	4.18	5.25	5.13	1.64	0.05

\*[Current Estimate] At any point in time the valuation for private equity and other illiquid asset classes may be different from market prices due to an inherent lag effect in the industry. The reporting lag inherent in this process means that there can be a valuation lag of a quarter or, in some cases, even longer. For such illiquid asset classes shown herein, performance is calculated for the relevant period(s) using a roll-forward valuation approach whereby the last reported valuation is adjusted for cash flows to provide an initial estimated valuation, typically resulting in a zero return for the lagging period. Returns are gross of management fees. The roll-forward valuation methodology described is consistent with guidance provided within the CFA Institute's Global Investment Performance Standards (GIPS). Performance is calculated using the Modified-Dietz time weighted methodology to maintain consistency with the other returns in this exhibit. For since inception IRR performance, please refer to the fund-specific overview page.

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\*Asset class level returns may vary from individual underlying manager returns due to cash flow

Account Reconciliation

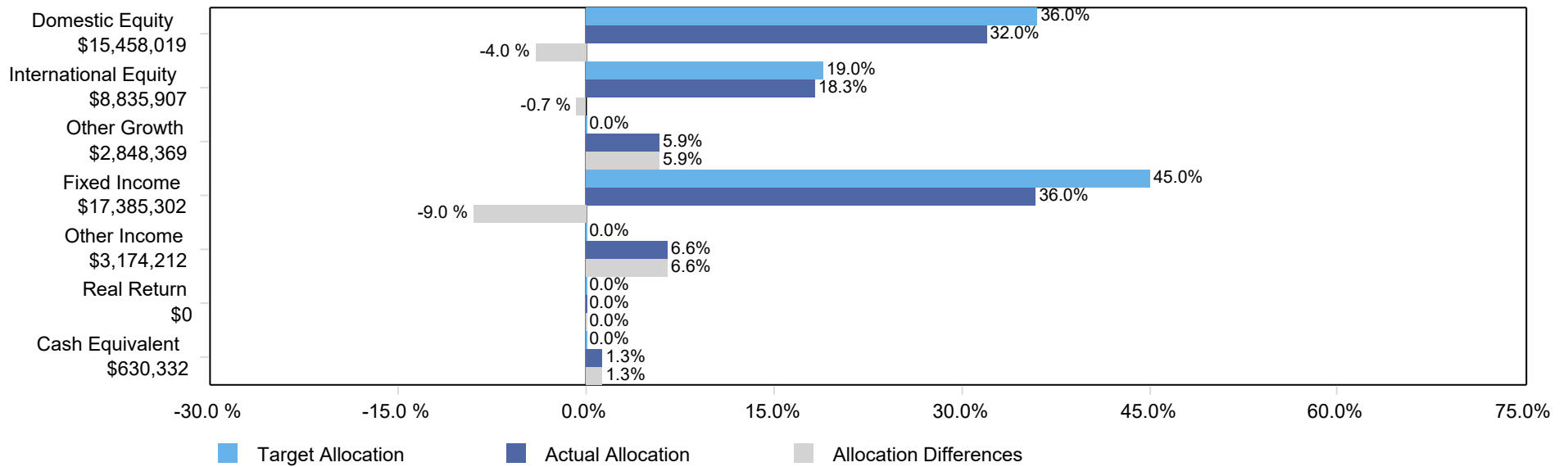
QTR	Market Value As of 01/01/2026	Net Flows	Return On Investment	Market Value As of 03/31/2026
Total Fund - Non-Bargaining	48,824,112	(42,702)	(449,268)	48,332,142

YTD	Market Value As of 01/01/2026	Net Flows	Return On Investment	Market Value As of 03/31/2026
Total Fund - Non-Bargaining	48,824,112	(42,702)	(449,268)	48,332,142

1 Year	Market Value As of 04/01/2025	Net Flows	Return On Investment	Market Value As of 03/31/2026
Total Fund - Non-Bargaining	43,729,447	(431,447)	5,034,142	48,332,142

Asset Allocation Summary

	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Differences (%)
<b>Total Fund - Non-Bargaining</b>	<b>100.0</b>	<b>100.0</b>	<b>N/A</b>	<b>N/A</b>	<b>0.0</b>
Domestic Equity	32.0	36.0	16.0	56.0	-4.0
International Equity	18.3	19.0	0.0	39.0	-0.7
Other Growth	5.9	0.0	0.0	20.0	5.9
Fixed Income	36.0	45.0	25.0	65.0	-9.0
Other Income	6.6	0.0	0.0	20.0	6.6
Real Return	0.0	0.0	0.0	20.0	0.0
Cash Equivalent	1.3	0.0	0.0	20.0	1.3



## Historical Hybrid Composition - Blended Benchmark

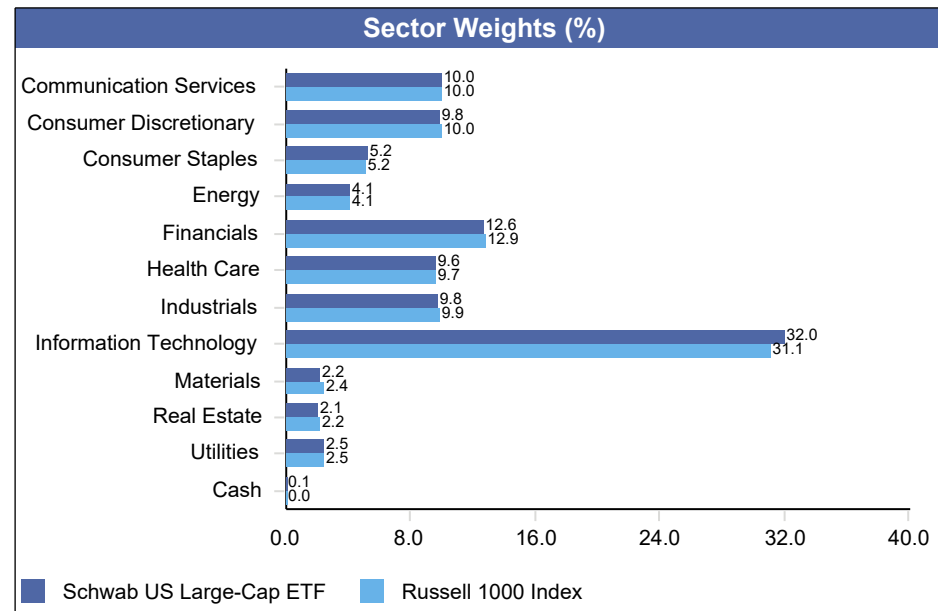
Allocation Mandate	Weight (%)
<b>Blended Benchmark : Jul-2017</b>	
Russell 3000 Index	60.0
Blmbg. U.S. Aggregate	40.0

Allocation Mandate	Weight (%)
<b>PFM Blended Benchmark : Jul-2017</b>	
Russell 3000 Index	39.0
MSCI AC World ex USA (Net)	21.0
Blmbg. U.S. Aggregate	40.0
<b>PFM Blended Benchmark : Apr-2021</b>	
Russell 3000 Index	36.0
MSCI AC World ex USA (Net)	19.0
Blmbg. U.S. Aggregate	45.0

# **Investment Manager Review**

Schwab US Large-Cap ETF vs. Russell 1000 Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	1,148,444	1,115,771
Median Mkt. Cap (\$M)	24,081	15,252
Price/Earnings ratio	26.03	25.73
Price/Book ratio	4.81	4.73
5 Yr. EPS Growth Rate (%)	25.49	24.98
Current Yield (%)	1.24	1.26
Number of Stocks	748	1,006

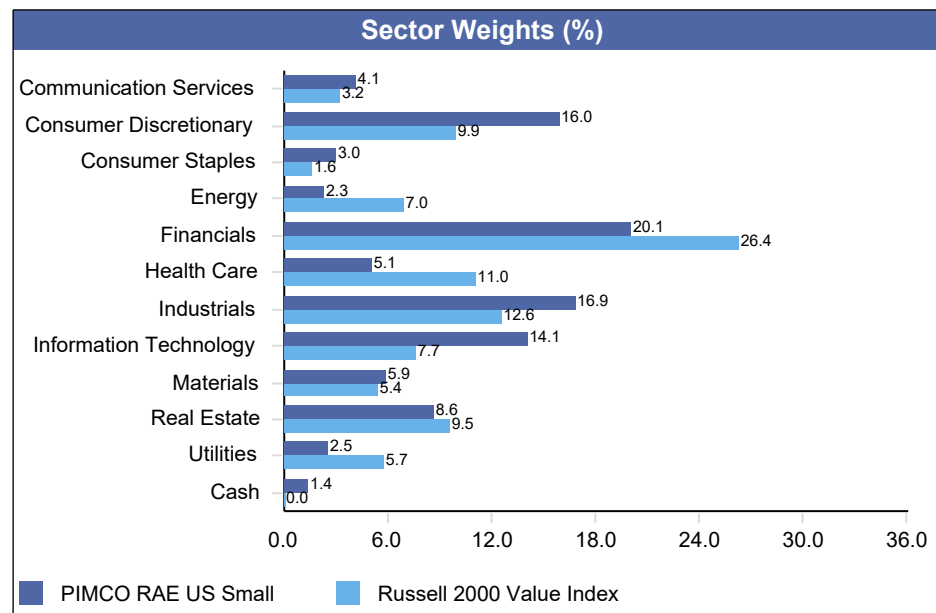


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
NVIDIA Corporation	7.19	6.83	0.36	-6.48
Apple Inc	6.32	6.11	0.21	-6.56
Microsoft Corp	4.66	4.59	0.07	-23.28
Amazon.com Inc	3.45	3.34	0.11	-9.77
Alphabet Inc	2.84	2.80	0.04	-8.06
Broadcom Inc	2.49	2.39	0.10	-10.39
Alphabet Inc	2.27	2.27	0.00	-8.52
Meta Platforms Inc	2.12	2.09	0.03	-13.25
Tesla Inc	1.77	1.75	0.02	-17.34
Berkshire Hathaway Inc	1.49	1.48	0.01	-4.67
% of Portfolio	34.60	33.65	0.95	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
LyondellBasell Industries NV	0.04	0.03	0.01	88.27
Dow Inc	0.05	0.05	0.00	80.17
APA Corporation	0.03	0.02	0.01	75.21
Moderna Inc	0.03	0.03	0.00	72.26
CF Industries Holdings Inc	0.03	0.03	0.00	68.77
Ciena Corp	0.09	0.09	0.00	66.00
Texas Pacific Land Corp	0.05	0.05	0.00	65.41
Occidental Petroleum Corp	0.08	0.08	0.00	58.85
Westlake Corp	0.01	0.01	0.00	58.81
Western Digital Corp	0.16	0.15	0.01	57.09
% of Portfolio	0.57	0.54	0.03	

PIMCO RAE US Small vs. Russell 2000 Value Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	4,967	3,385
Median Mkt. Cap (\$M)	2,839	793
Price/Earnings ratio	15.23	15.15
Price/Book ratio	2.22	1.66
5 Yr. EPS Growth Rate (%)	15.85	9.74
Current Yield (%)	2.04	2.04
Number of Stocks	314	1,426

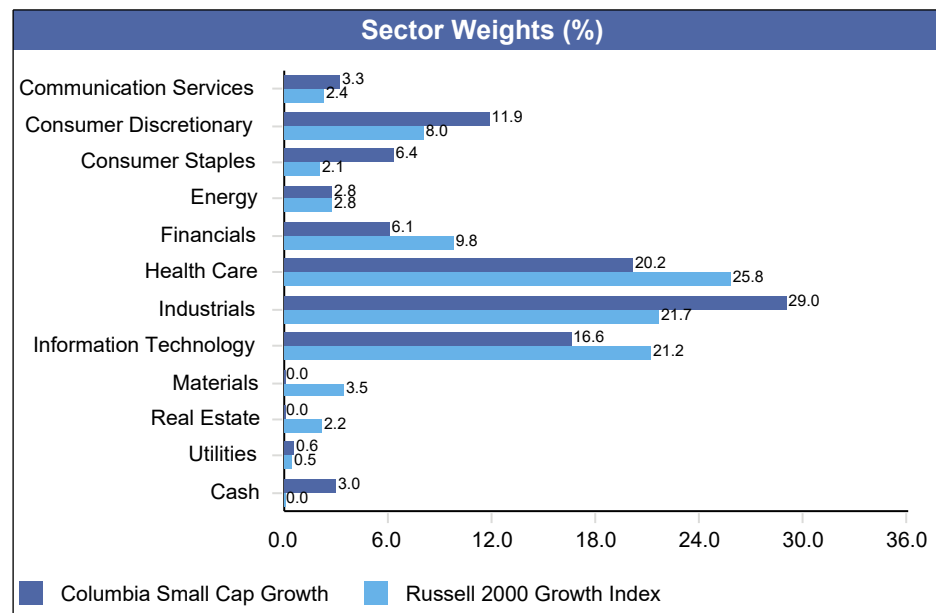


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Warrior Met Coal Inc	3.97	0.33	3.64	38.68
Dillard's Inc.	3.70	0.00	3.70	3.07
Sanmina Corp	3.46	0.31	3.15	30.37
Acuity Inc	2.38	0.00	2.38	4.59
Allison Transmission Holdings Inc	2.28	0.00	2.28	15.71
Affiliated Managers Group Inc.	2.17	0.00	2.17	20.91
Janus Henderson Group PLC	2.06	0.00	2.06	7.85
SLM Corp	2.00	0.00	2.00	-1.82
Bread Financial Holdings Inc	1.58	0.24	1.34	33.22
Murphy USA Inc	1.54	0.00	1.54	4.11
% of Portfolio	25.14	0.88	24.26	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Designer Brands Inc	0.05	0.02	0.03	114.98
Fortrea Holdings Inc	0.15	0.11	0.04	104.87
Victoria's Secret & Co	0.85	0.19	0.66	99.59
Ciena Corp	0.40	0.00	0.40	60.55
Vestis Corp	0.13	0.06	0.07	47.24
Abercrombie & Fitch Co.	0.40	0.00	0.40	47.13
GRAIL Inc	0.35	0.22	0.13	44.75
Teradata Corporation	1.13	0.00	1.13	41.52
Viavi Solutions Inc	0.62	0.00	0.62	40.43
Emergent BioSolutions Inc	0.05	0.05	0.00	40.14
% of Portfolio	4.13	0.65	3.48	

Columbia Small Cap Growth vs. Russell 2000 Growth Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	8,574	5,468
Median Mkt. Cap (\$M)	6,138	1,250
Price/Earnings ratio	34.84	24.79
Price/Book ratio	4.52	4.38
5 Yr. EPS Growth Rate (%)	34.07	24.13
Current Yield (%)	0.23	0.50
Number of Stocks	95	1,105

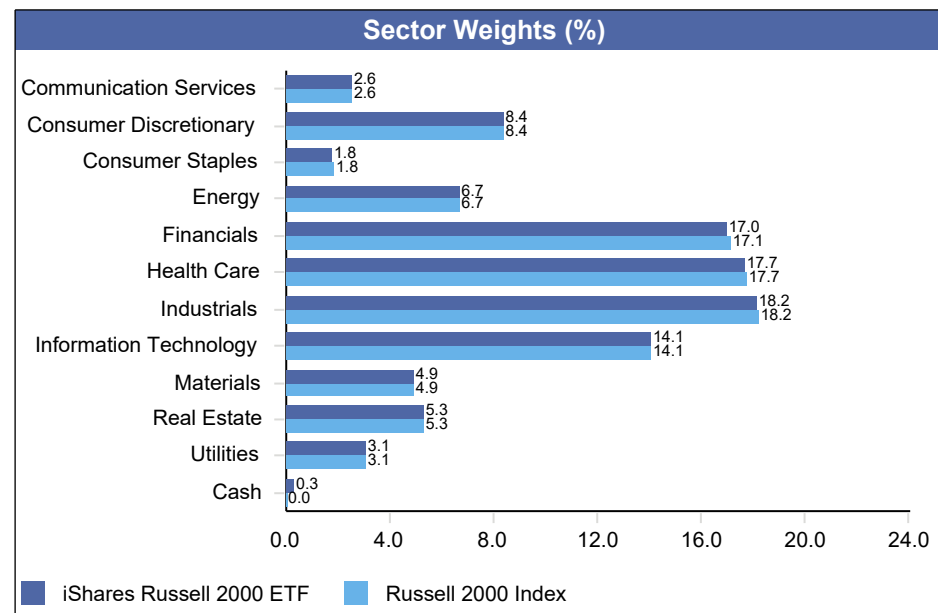


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
CASH	2.98	0.00	2.98	N/A
Carpenter Technology Corp	2.96	0.00	2.96	28.33
RBC Bearings Inc	2.92	0.00	2.92	14.90
Celsius Holdings Inc	2.77	0.00	2.77	-20.44
ICU Medical Inc	2.44	0.17	2.27	18.93
Glaukos Corp	2.23	0.42	1.81	38.45
AAON Inc	2.03	0.00	2.03	-18.31
InterDigital Inc	1.99	0.54	1.45	-7.59
Rush Street Interactive Inc	1.91	0.12	1.79	-5.13
Hut 8 Corp	1.90	0.00	1.90	31.97
% of Portfolio	24.13	1.25	22.88	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Terns Pharmaceuticals Inc	0.73	0.00	0.73	437.95
Lumentum Holdings Inc	1.83	0.00	1.83	126.53
Babcock & Wilcox Enterprises Inc	0.45	0.00	0.45	118.62
Coherent Corp	1.33	0.00	1.33	71.34
Revolution Medicines Inc	0.72	0.00	0.72	70.56
Globalstar Inc	0.49	0.20	0.29	67.74
Guardant Health Inc	0.91	0.82	0.09	63.48
Sphere Entertainment Co	0.85	0.00	0.85	53.06
Axsome Therapeutics Inc	0.54	0.49	0.05	50.38
BridgeBio Pharma Inc	0.82	0.80	0.02	47.27
% of Portfolio	8.67	2.31	6.36	

iShares Russell 2000 ETF vs. Russell 2000 Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	4,903	4,918
Median Mkt. Cap (\$M)	969	964
Price/Earnings ratio	18.38	18.38
Price/Book ratio	2.56	2.56
5 Yr. EPS Growth Rate (%)	16.51	16.50
Current Yield (%)	1.25	1.25
Number of Stocks	1,940	1,933

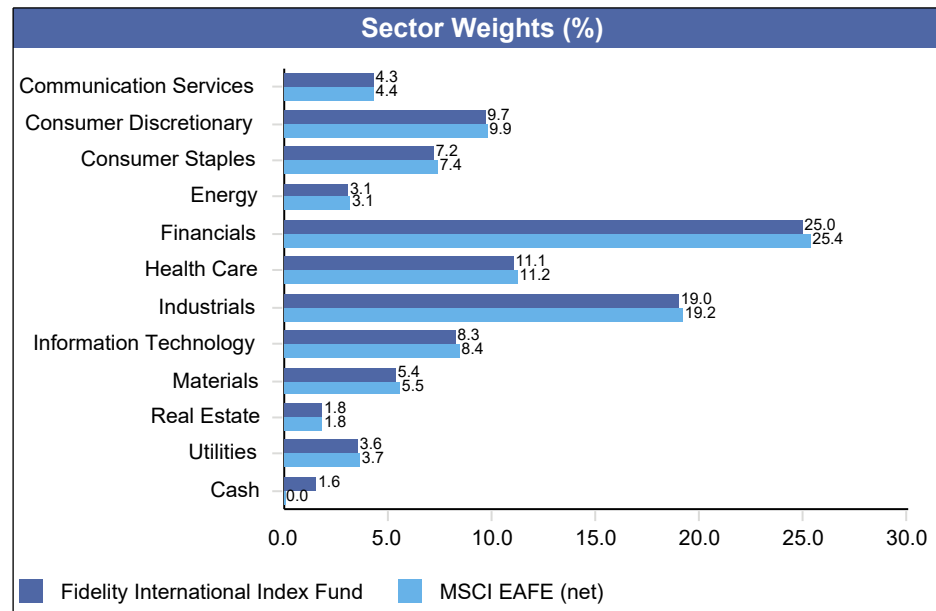


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Bloom Energy Corp	1.01	1.01	0.00	55.93
Coeur Mining Inc	0.65	0.65	0.00	5.27
Fabrinet	0.64	0.64	0.00	14.55
Nextpower Inc	0.60	0.60	0.00	38.39
EchoStar Corp	0.54	0.54	0.00	7.70
Credo Technology Group Holding Ltd	0.51	0.52	-0.01	-34.76
Kratos Defense & Security Solns. Inc	0.43	0.43	0.00	-7.11
Advanced Energy Industries Inc	0.41	0.41	0.00	54.18
Sterling Infrastructure Inc	0.41	0.41	0.00	32.99
Hecla Mining Co	0.40	0.40	0.00	-2.90
% of Portfolio	5.60	5.61	-0.01	

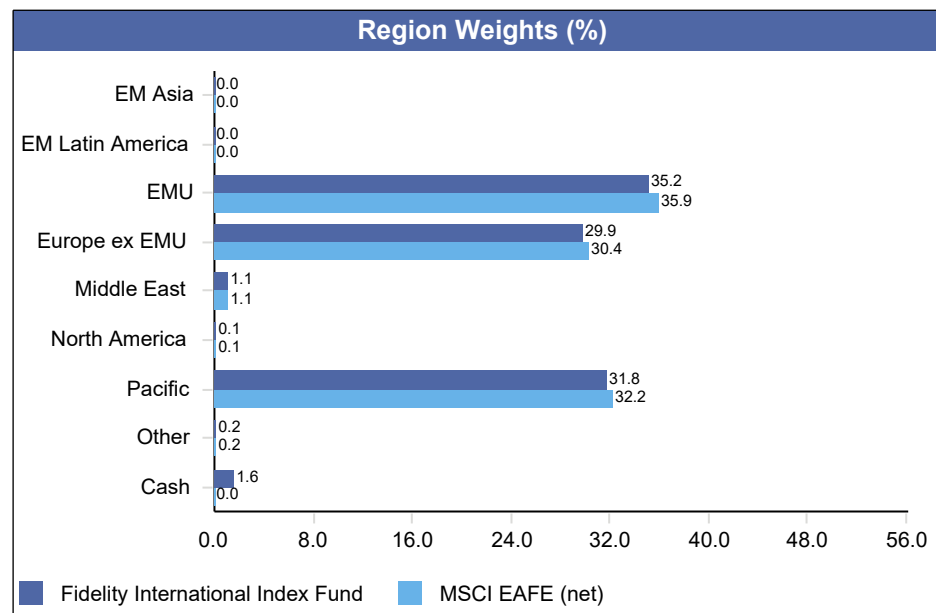
Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Erasca Inc	0.10	0.10	0.00	334.94
ImmunityBio Inc	0.08	0.08	0.00	287.37
Kosmos Energy Ltd	0.04	0.04	0.00	206.37
Satellogic Inc	0.02	0.02	0.00	190.91
Fastly Inc	0.14	0.14	0.00	185.46
Enliven Therapeutics Inc	0.05	0.05	0.00	154.55
Ichor Holdings Ltd	0.05	0.05	0.00	152.90
Ultra Clean Holdings Inc	0.09	0.09	0.00	145.48
Applied Optoelectronics Inc	0.19	0.19	0.00	142.65
TuHURA Biosciences Inc	0.00	0.00	0.00	136.55
% of Portfolio	0.76	0.76	0.00	

Fidelity International Index Fund vs. MSCI EAFE (net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	104,922	106,624
Median Mkt. Cap (\$M)	19,901	19,911
Price/Earnings ratio	17.47	17.48
Price/Book ratio	2.64	2.64
5 Yr. EPS Growth Rate (%)	18.94	18.96
Current Yield (%)	2.83	2.84
Number of Stocks	700	693

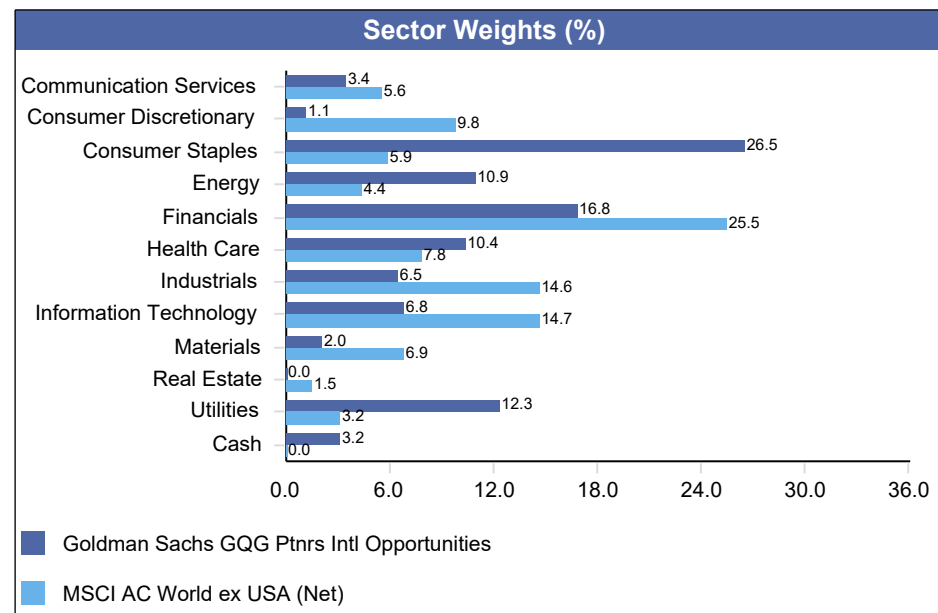


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
ASML Holding NV	2.03	2.06	-0.03	11.41
CASH	1.56	0.00	1.56	N/A
Roche Holding AG	1.41	1.43	-0.02	26.82
Astrazeneca PLC	1.39	1.41	-0.02	23.21
HSBC Holdings PLC	1.32	1.33	-0.01	13.01
Novartis AG	1.27	1.29	-0.02	9.94
Nestle SA, Cham Und Vevey	1.24	1.26	-0.02	8.22
SAP SE	1.24	1.25	-0.01	-8.62
Shell Plc	1.03	1.05	-0.02	4.42
Siemens AG	1.03	1.05	-0.02	4.29
% of Portfolio	13.52	12.13	1.39	

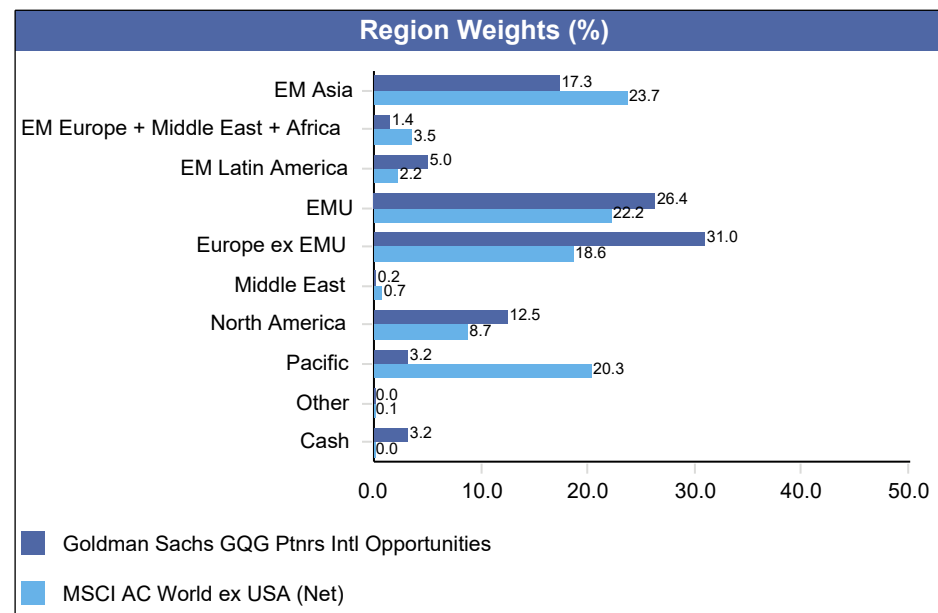


Goldman Sachs GQG Ptnrs Intl Opportunities vs. MSCI AC World ex USA (Net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	171,464	154,072
Median Mkt. Cap (\$M)	74,675	13,185
Price/Earnings ratio	18.24	17.03
Price/Book ratio	2.84	2.72
5 Yr. EPS Growth Rate (%)	13.90	19.36
Current Yield (%)	3.45	2.66
Number of Stocks	69	1,973



Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Philip Morris International Inc	6.47	0.00	6.47	0.75
British American Tobacco PLC	4.12	0.37	3.75	9.89
Chubb Ltd	3.85	0.00	3.85	10.93
Iberdrola SA	3.45	0.41	3.04	14.60
Taiwan Semicon Manu Co	3.25	3.64	-0.39	15.60
Enbridge Inc	3.23	0.31	2.92	-3.71
Novartis AG	3.21	0.79	2.42	9.94
CASH	3.15	0.00	3.15	N/A
Nestle SA, Cham Und Vevey	3.05	0.77	2.28	8.22
TotalEnergies SE	3.02	0.39	2.63	10.85
% of Portfolio	36.80	6.68	30.12	

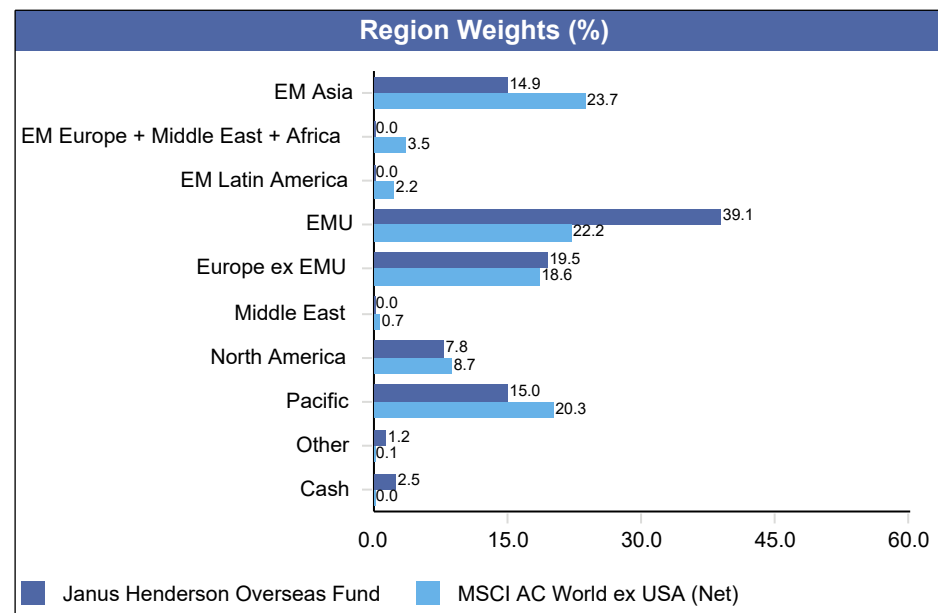


Janus Henderson Overseas Fund vs. MSCI AC World ex USA (Net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	209,253	154,072
Median Mkt. Cap (\$M)	65,447	13,185
Price/Earnings ratio	20.37	17.03
Price/Book ratio	2.63	2.72
5 Yr. EPS Growth Rate (%)	20.55	19.36
Current Yield (%)	1.99	2.66
Number of Stocks	48	1,973

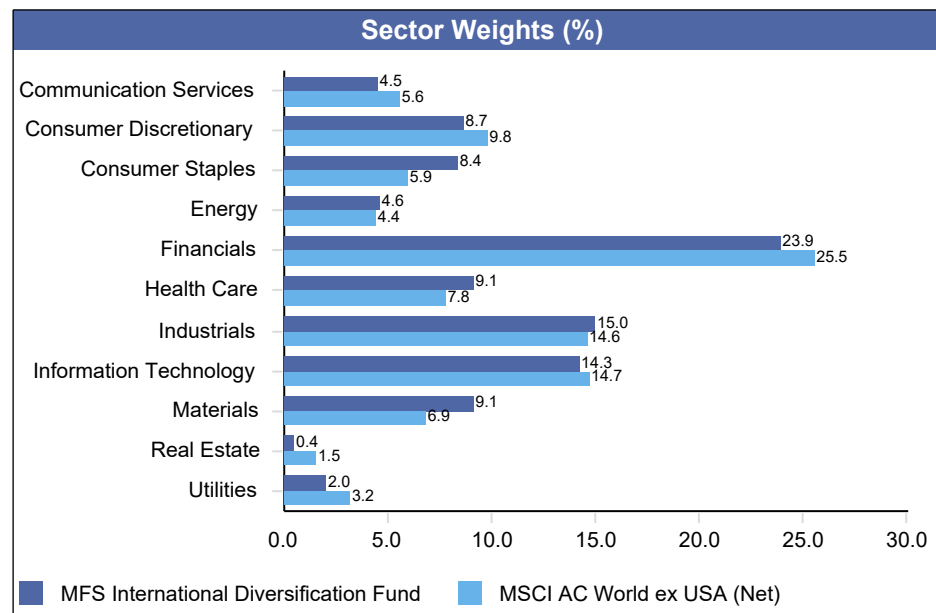


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semicon Manu Co	7.76	3.64	4.12	15.60
Banco Bilbao SA (BBVA)	4.09	0.41	3.68	24.87
BAE Systems PLC	4.03	0.21	3.82	-16.23
Erste Group Bank AG	3.99	0.11	3.88	23.62
ASML Holding NV	3.62	1.26	2.36	11.41
AIA Group Ltd	3.31	0.32	2.99	6.99
Teck Resources Ltd	3.13	0.07	3.06	9.49
Resona Holdings Inc	3.13	0.06	3.07	-6.87
HDFC Bank Limited	3.06	0.38	2.68	2.96
Astrazeneca PLC	3.02	0.86	2.16	23.21
% of Portfolio	39.14	7.32	31.82	

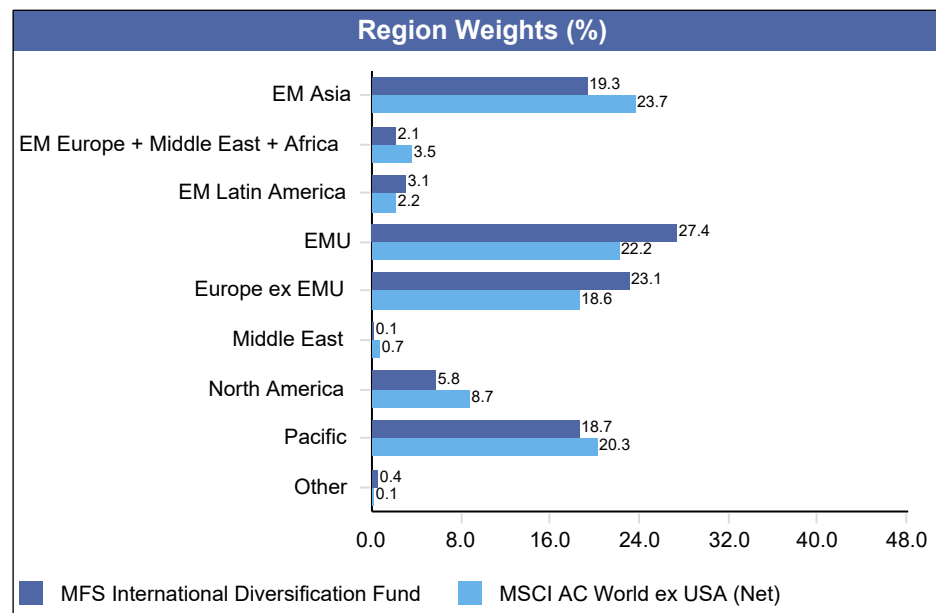


MFS International Diversification Fund vs. MSCI AC World ex USA (Net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	136,199	154,072
Median Mkt. Cap (\$M)	9,960	13,185
Price/Earnings ratio	17.86	17.03
Price/Book ratio	2.62	2.72
5 Yr. EPS Growth Rate (%)	17.59	19.36
Current Yield (%)	2.59	2.66
Number of Stocks	555	1,973

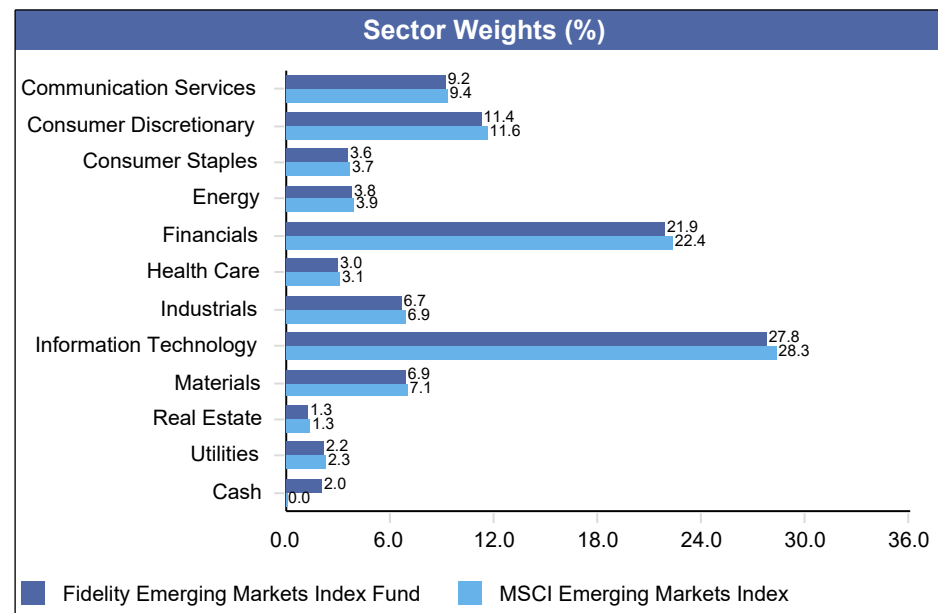


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semicon Manu Co	3.02	3.64	-0.62	15.60
Roche Holding AG	2.11	0.87	1.24	26.82
Schneider Electric S E	1.97	0.45	1.52	-1.18
Samsung Electronics Co Ltd	1.75	1.18	0.57	39.19
Tencent Holdings LTD	1.50	1.48	0.02	-9.69
NatWest Group plc	1.42	0.21	1.21	24.85
Hitachi Ltd	1.23	0.43	0.80	17.52
UBS Group AG	1.17	0.44	0.73	14.18
TotalEnergies SE	1.15	0.39	0.76	10.85
Haleon plc	1.01	0.13	0.88	12.65
% of Portfolio	16.33	9.22	7.11	

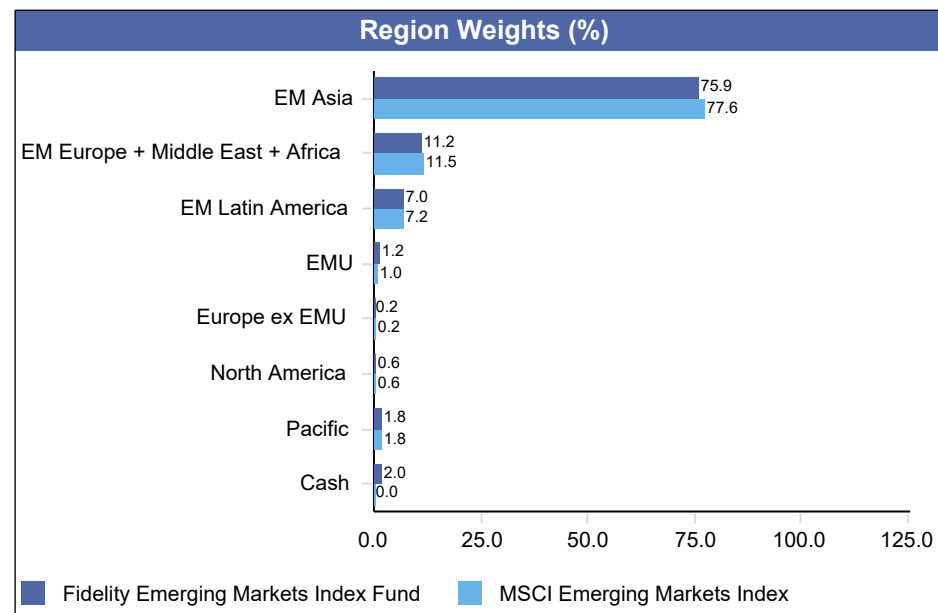


Fidelity Emerging Markets Index Fund vs. MSCI Emerging Markets Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	262,895	268,388
Median Mkt. Cap (\$M)	10,133	10,160
Price/Earnings ratio	15.50	15.45
Price/Book ratio	2.99	3.00
5 Yr. EPS Growth Rate (%)	20.93	20.93
Current Yield (%)	2.40	2.41
Number of Stocks	1,263	1,197



Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semicon Manu Co	11.70	11.95	-0.25	15.60
Tencent Holdings LTD	4.75	4.85	-0.10	-9.69
Samsung Electronics Co Ltd	3.80	3.87	-0.07	39.19
Alibaba Group Holding Ltd	3.04	3.10	-0.06	-19.35
SK Hynix Inc	2.38	2.43	-0.05	82.59
CASH	2.04	0.00	2.04	N/A
HDFC Bank Limited	1.21	1.23	-0.02	2.96
Reliance Industries Ltd	1.02	1.05	-0.03	13.74
China Construction Bank Corp	0.92	0.93	-0.01	5.45
Hon Hai Precision Industry Co Ltd	0.89	0.91	-0.02	3.51
% of Portfolio	31.75	30.32	1.43	



Private Equity Fund Overview - NB Secondary Opportunities Fund V Offsho

**Fund Information**

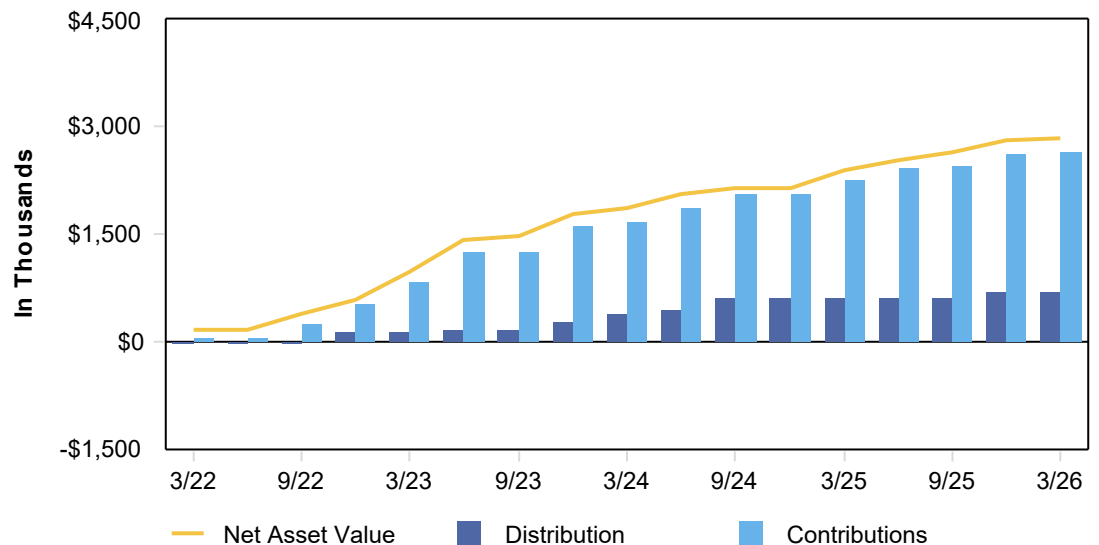
<b>Type of Fund:</b>	Direct	<b>Vintage Year:</b>	2021
<b>Strategy Type:</b>	Secondaries	<b>Management Fee:</b>	0.7% estimated average annual management fee / 12.5% carry above preferred return
<b>Size of Fund (\$):</b>	3,000,000,000.00	<b>Preferred Return:</b>	8%
<b>Inception:</b>	09/30/2020	<b>General Partner:</b>	Neuberger Berman

**Investment Strategy:** Neuberger Berman Secondary Opportunities Fund V, L.P. ("The Fund") is a global secondaries fund that seeks to achieve superior risk-adjusted returns through the purchase of seasoned private equity investments at attractive valuations from investors desiring liquidity. The Fund will pursue investments in both traditional secondary transactions as well as GP-led secondaries ("GP-led"). In GP-led transactions, the Fund will seek to partner with general partners of private investment vehicles and funds ("GPs") to provide structured liquidity options to limited partners ("LPs") in those funds. The Fund expects to invest primarily in U.S. and Western European leveraged buyout investments; however, it may invest globally and pursue investments in other private equity and illiquid investments. The Fund's investment approach is expected to provide investors with significant diversification across fund sponsor, underlying portfolio company, vintage year, investment strategy, geography, and industry. Fund investments can include credit related, energy, fund of funds, venture capital, infrastructure and real estate funds, as well as portfolios of direct investments, royalties and co-investments.

**Cash Flow Summary**

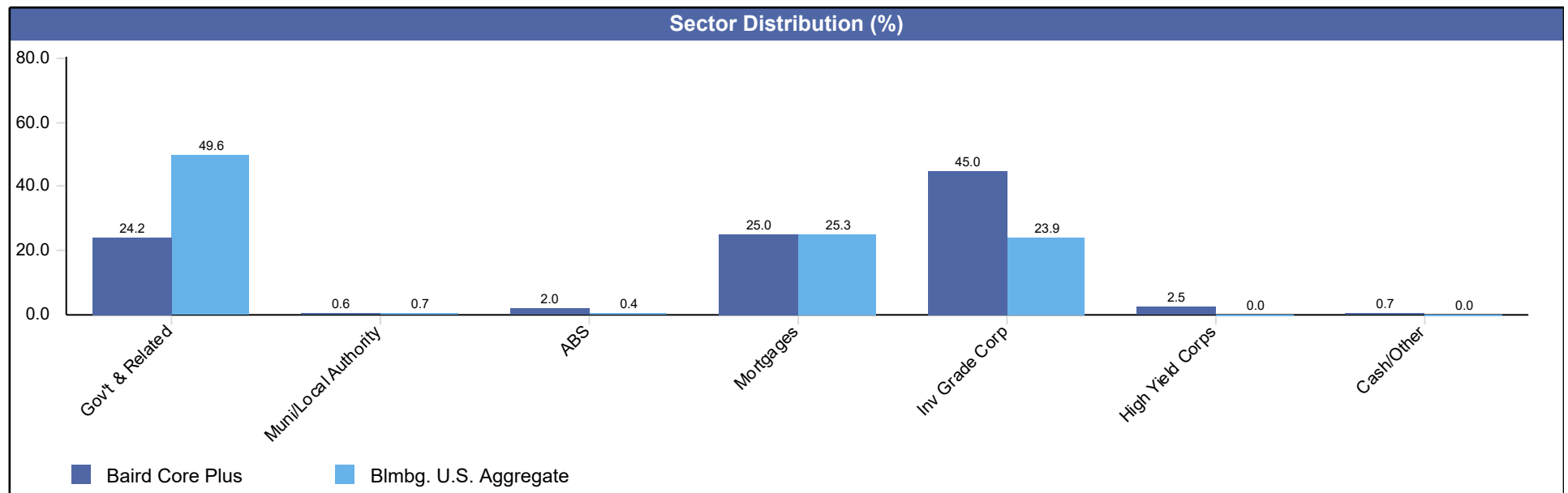
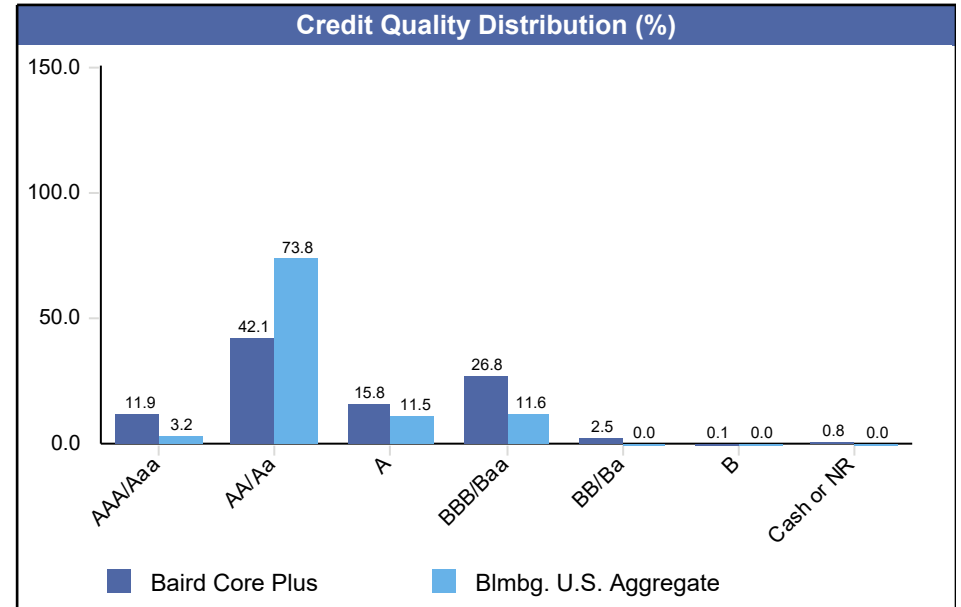
<b>Capital Committed:</b>	\$1,930,000
<b>Capital Contributed:</b>	\$2,199,181
<b>Remaining Capital Commitment:</b>	-\$269,181
<b>Total Distributions:</b>	\$693,865
<b>Market Value:</b>	\$2,848,369
<b>Inception Date:</b>	03/01/2022
<b>Inception IRR:</b>	14.82
<b>TVPI:</b>	1.33

**Cash Flow Analysis**



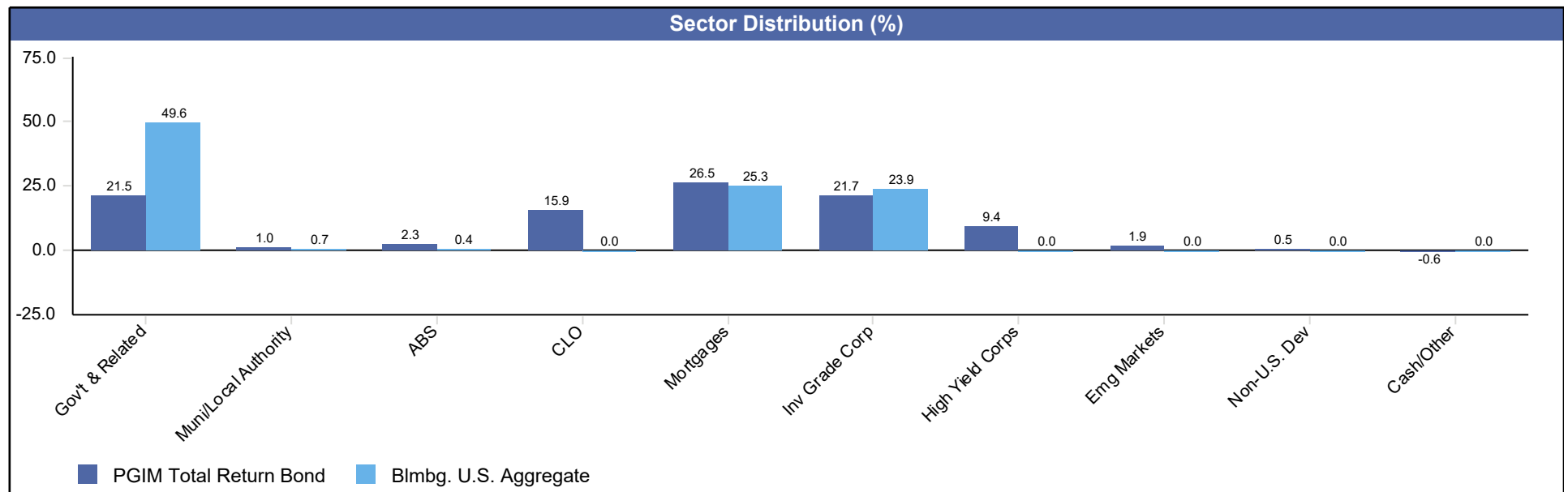
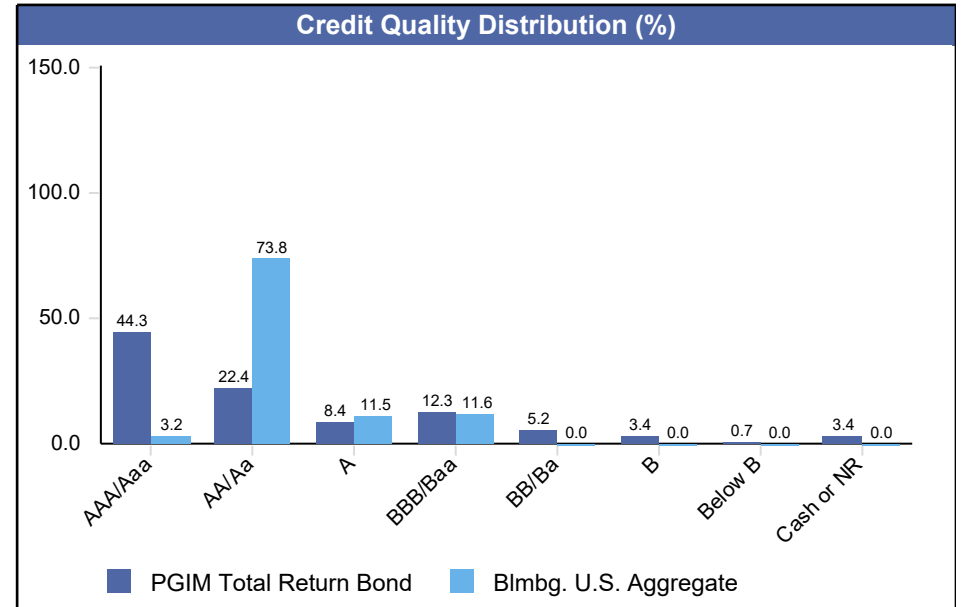
Baird Core Plus vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	5.68	5.88
Yield To Maturity (%)	4.92	4.57
Avg. Maturity	7.57	8.17
Avg. Quality	A	AA
Coupon Rate (%)	4.04	3.69



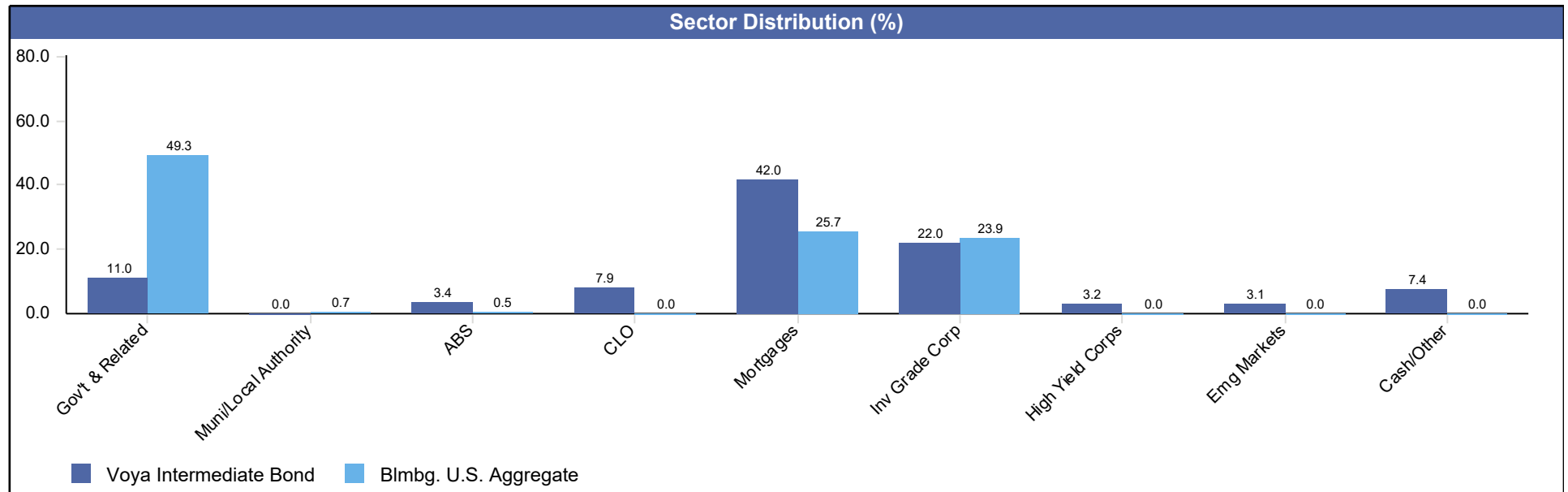
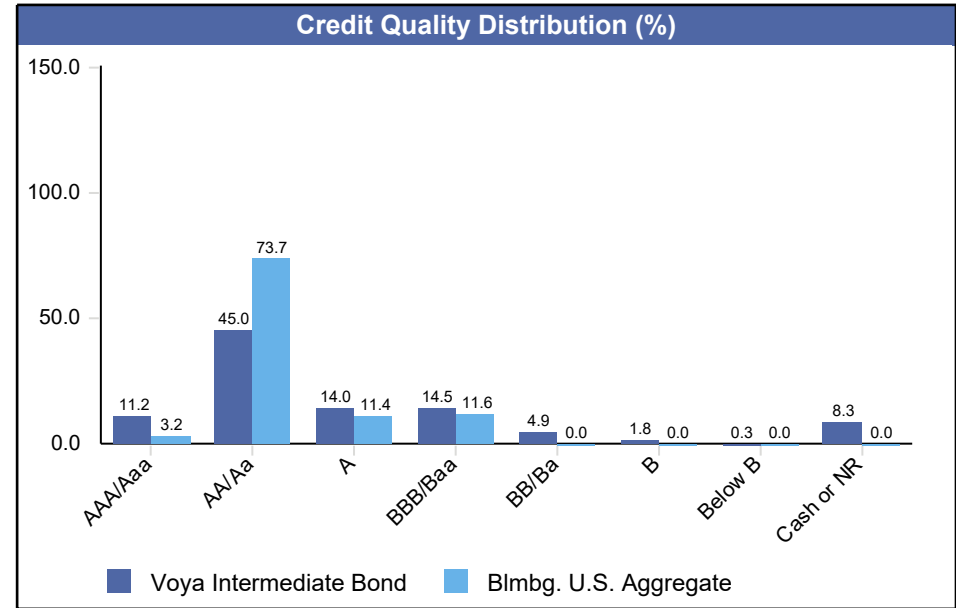
PGIM Total Return Bond vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	6.17	5.88
Yield To Maturity (%)	5.88	4.57
Avg. Maturity	8.65	8.17
Avg. Quality	AA	AA
Coupon Rate (%)	4.24	3.69



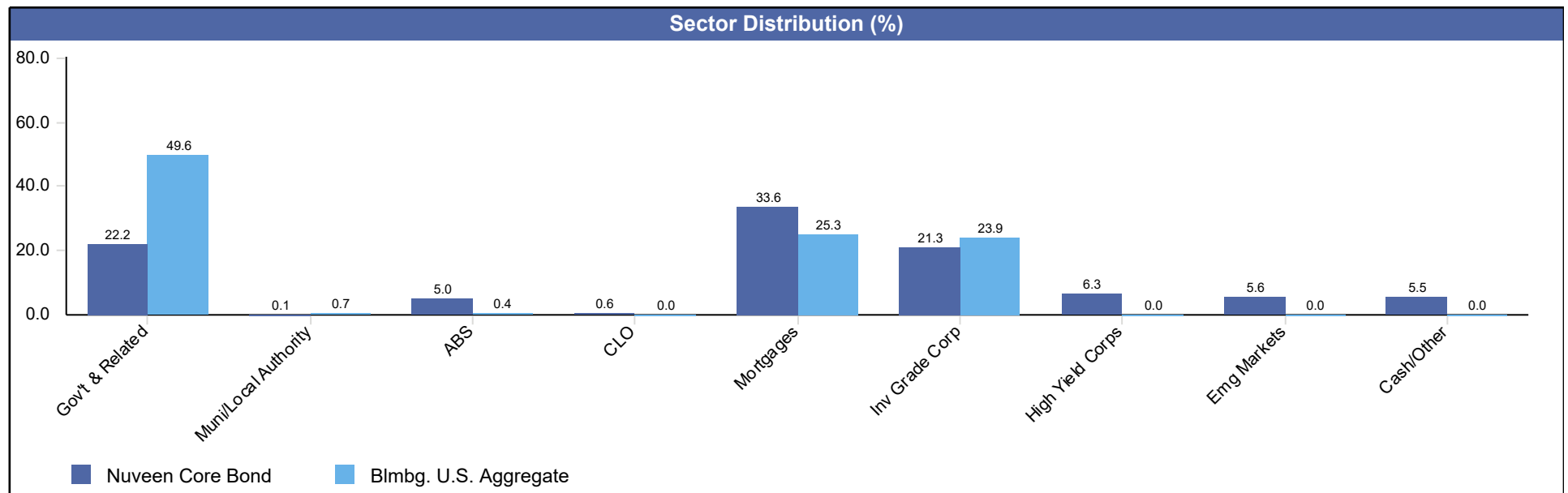
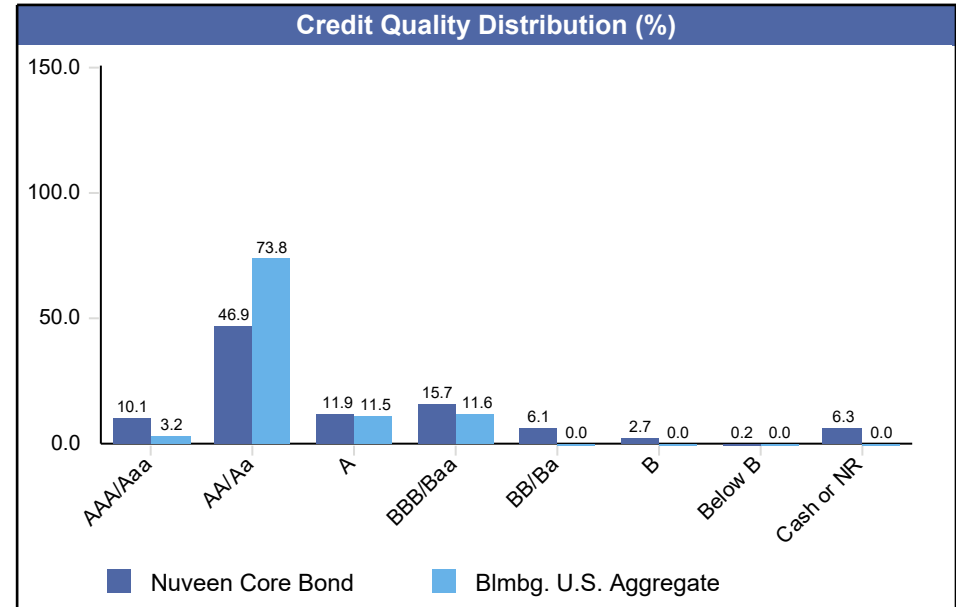
Voya Intermediate Bond vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	5.97	5.98
Yield To Maturity (%)	5.30	4.48
Avg. Maturity	5.82	8.20
Avg. Quality	A	AA
Coupon Rate (%)	4.71	3.65



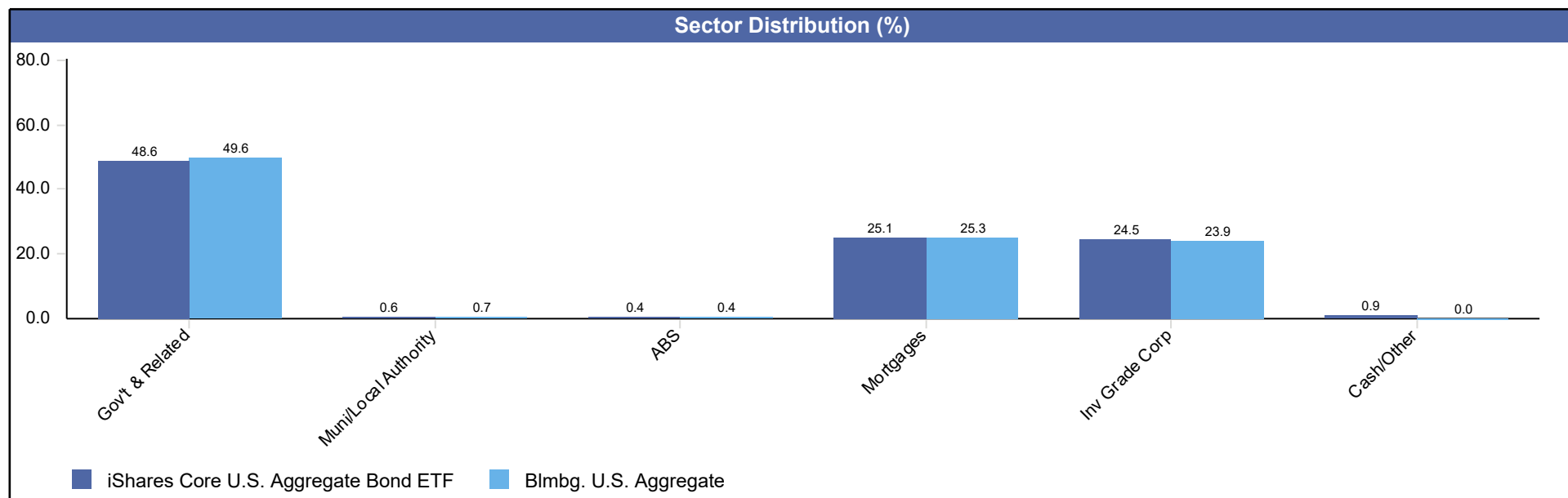
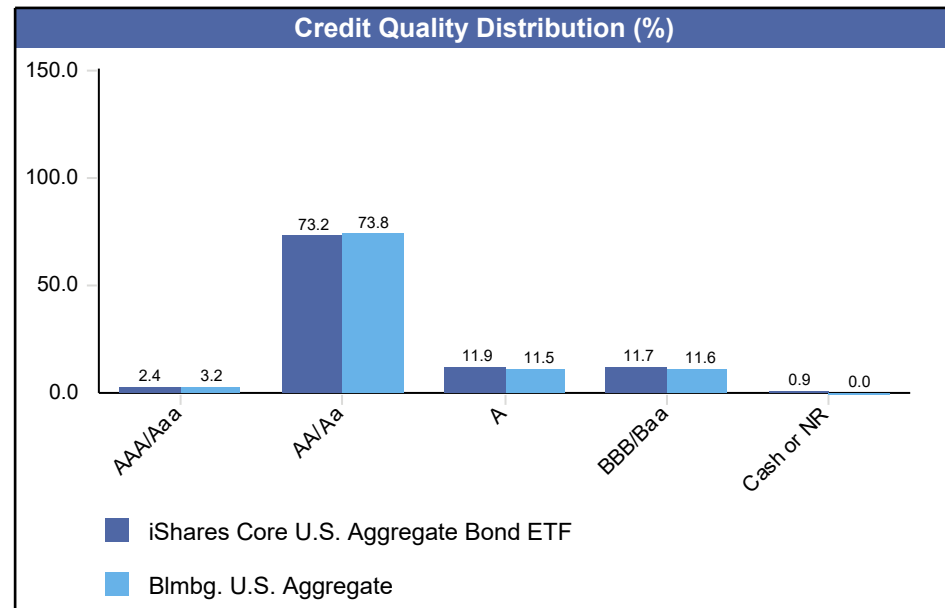
Nuveen Core Bond vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	5.87	5.88
Yield To Maturity (%)	5.40	4.57
Avg. Maturity	8.19	8.17
Avg. Quality	A	AA
Coupon Rate (%)	4.47	3.69



iShares Core U.S. Aggregate Bond ETF vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	5.88	5.88
Yield To Maturity (%)	4.57	4.57
Avg. Maturity	8.12	8.17
Avg. Quality	AA	AA
Coupon Rate (%)	3.70	3.69



Private Equity Fund Overview - ATEL Private Debt Partners II

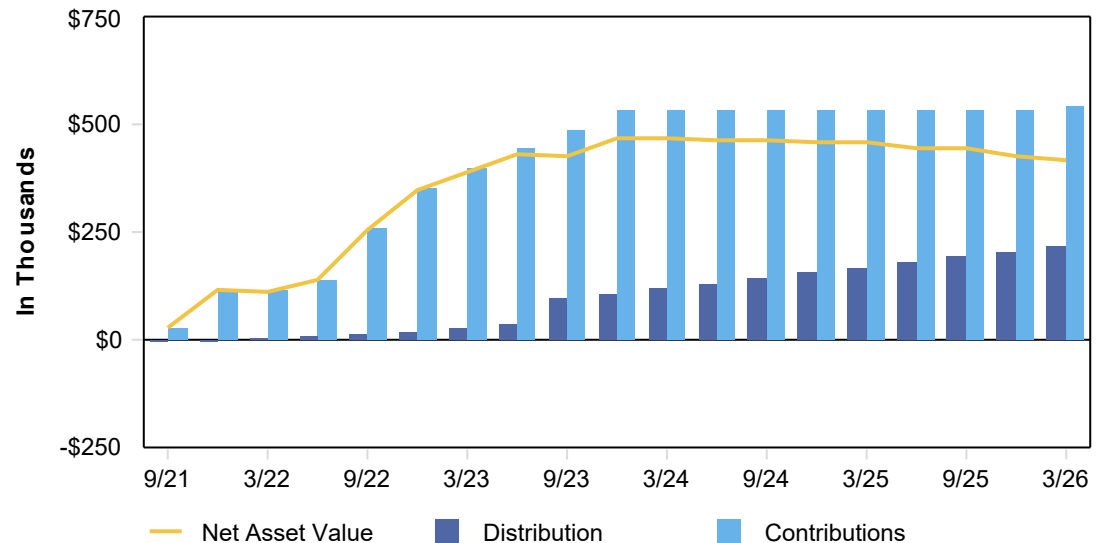
**Fund Information**

<b>Type of Fund:</b>	Direct	<b>Vintage Year:</b>	2019
<b>Strategy Type:</b>	Credit	<b>Management Fee:</b>	Undrawn capital: 1% on undrawn commitments (through drawdown period); Drawn capital: gross income allocation of 2% of total assets per year (paid quarterly)
<b>Size of Fund (\$):</b>	200,000,000.00	<b>Preferred Return:</b>	20% over 8% hurdle
<b>Inception:</b>	07/01/2019	<b>General Partner:</b>	ATEL Capital Group
<b>Final Close:</b>	07/31/2020 (target)		
<b>Investment Strategy:</b>	This strategy invests in amortizing senior secured loans (typically 2-4 year maturity) of emerging growth companies. The focus is on venture debt backed companies, having already received several rounds of equity funding, in early to expansion stages of the PE cycle. Equity warrants are often included in the loan terms providing upside potential to returns. Industry exposure tends to include technology (including clean tech.) and life sciences.		

**Cash Flow Summary**

<b>Capital Committed:</b>	\$490,000
<b>Capital Contributed:</b>	\$542,509
<b>Remaining Capital Commitment:</b>	-\$52,509
<b>Total Distributions:</b>	\$218,175
<b>Market Value:</b>	\$420,589
<b>Inception Date:</b>	09/21/2021
<b>Inception IRR:</b>	6.20
<b>TVPI:</b>	1.18

**Cash Flow Analysis**



Private Equity Fund Overview - Blackstone Infrastructure Partners

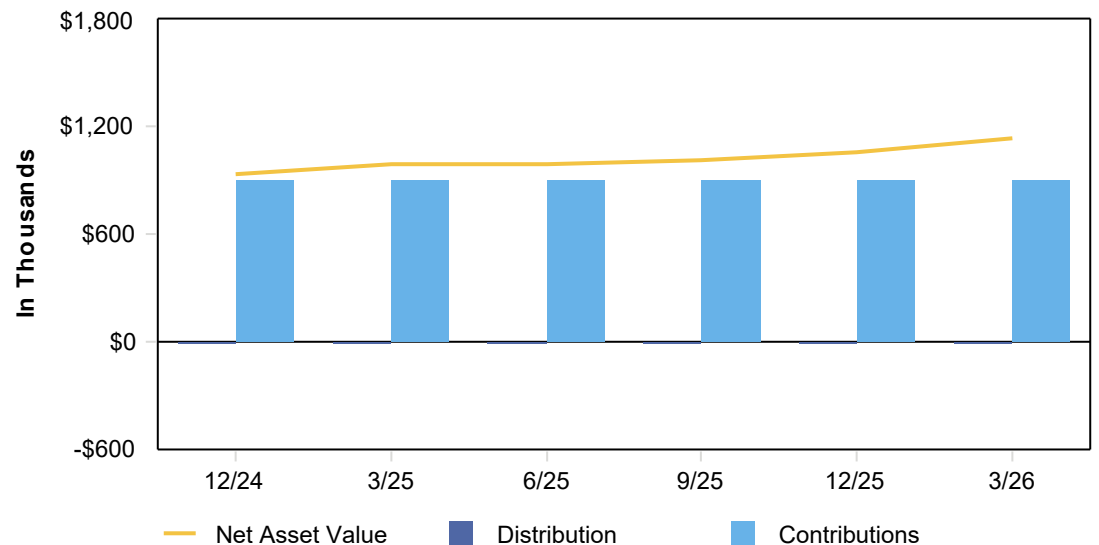
**Fund Information**

<b>Type of Fund:</b>	Direct	<b>Vintage Year:</b>	2018
<b>Strategy Type:</b>	Infrastructure	<b>Management Fee:</b>	1.00% per annum charged on Net Asset Value (NAV)
<b>Size of Fund (\$):</b>	31,000,000,000.00	<b>Preferred Return:</b>	6% preferred return; 12.5% performance fee
<b>Inception:</b>	06/01/2018	<b>General Partner:</b>	Blackstone Infrastructure Associates
<b>Final Close:</b>	n/a		
<b>Investment Strategy:</b>	Perpetual, open-ended private infrastructure fund that invests in infrastructure assets across the energy infrastructure, transportation, digital infrastructure, and water and waste sectors with a primary focus in North America. Makes control and control-oriented infrastructure investments, as well as investments in public-private partnership projects. Focus on quality, long-lived assets with steady, sustainable cash flows that often provide inflation protection, meaningful downside protection, and/or limited commodity exposure.		

**Cash Flow Summary**

<b>Capital Committed:</b>	\$900,000
<b>Capital Contributed:</b>	\$900,000
<b>Remaining Capital Commitment:</b>	-
<b>Total Distributions:</b>	-
<b>Market Value:</b>	\$1,133,623
<b>Inception Date:</b>	10/02/2024
<b>Inception IRR:</b>	16.68
<b>TVPI:</b>	1.26

**Cash Flow Analysis**



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INVESTMENT POLICY STATEMENT

SUNLINE EMPLOYEES RETIREMENT SYSTEM  
(Bargaining Unit Employees)

*Approved March 24, 2021*

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## GENERAL INFORMATION

The Sunline Employees Retirement System Bargaining Unit Employees Plan (“Plan”) exists to provide funding of retirement benefits to the bargaining employees of Sunline Transit Agency (“Agency”). The assets of the Plan are to be invested for the exclusive benefit of the participants and their beneficiaries in accordance with the Plan documents and all applicable federal and state law.

## AUTHORITY

The Agency has established the Sunline Transit Agency Retirement Committee (the “Retirement Committee”) to oversee certain policies and procedures related to the operation and administration of the Plan. The following Investment Policy Statement (“Policy Statement”) is provided by the Retirement Committee as a means of setting forth the purpose, investment objectives, investment guidelines, including the asset allocation target, and procedures for monitoring the adherence to the directives contained in this Policy Statement.

The Retirement Committee is required to receive approval from the Sunline Board of Directors for this Policy Statement, including any future changes. This requirement shall remain in full force and effect until such time as it is altered by the Board of Directors.

The Retirement Committee shall be guided by general investment principles articulated in the Policy Statement. The Policy Statement should be reviewed periodically.

The Retirement Committee, with approval of the Board of Directors, may choose a custodian, trustee and/or investment counsel to assist them in performing their obligations to the Plan, as outlined below

1. An investment advisor (“Advisor”) to assist the Retirement Committee in the investment process and to maintain compliance with this Policy Statement. Any investment advisor who, in the future, may be retained by the Retirement Committee, will be afforded discretionary authority under the prudent person rule concept and shall invest assets in accordance with federal and state resolutions affecting the Plan’s assets. The Advisor may assist the Retirement Committee in establishing investment policy objectives and guidelines and may also select investments with discretion to purchase, sell, or hold specific securities that will be used to meet the Plan’s investment objectives. The Advisor will: a) adjust asset allocation for the Plan subject to the guidelines and limitations set forth in this Policy Statement; b) select investment managers (“Managers”) and strategies consistent with its role as a fiduciary; c) monitor and review Managers and measure and evaluate their performance against their peers based upon the performance of the total funds under their direct management; and d) execute other tasks as deemed appropriate in its role as Advisor for Plan assets. The investment vehicles allowed may include mutual funds, commingled trusts, separate accounts, limited partnerships and

other investment vehicles deemed to be appropriate by the Advisor. The Advisor shall never take possession of securities, cash or other assets of the Plan, all of which shall be held by the custodian. The Advisor must be registered with the Securities and Exchange Commission.

2. A custodian selected by the Retirement Committee to maintain possession of physical securities and records of street name securities owned by the Plan, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Plan.
3. A trustee appointed by the Retirement Committee, such as a bank trust department, if the Retirement Committee does not have its own Trustees, to assume fiduciary responsibility for the administration of Plan assets; provided, however, that if the Retirement Committee shall have appointed an investment advisor, then any trustee appointed under this paragraph shall have no authority with respect to selection of investments.
4. Specialists such as attorneys, auditors, actuaries and, retirement plan consultants to assist the Retirement Committee in meeting its responsibilities and obligations to administer Plan assets prudently.

#### PURPOSE

The financial goal for the Plan is to provide funding for the benefits on the most cost-efficient basis to Sunline Transit Agency.

The purpose of this Policy Statement is to achieve the following:

1. Document investment objectives, performance expectations and investment guidelines for Plan assets.
2. Establish an appropriate investment strategy for managing all Plan assets, including an investment time horizon, risk tolerance ranges and asset allocation to provide sufficient diversification and overall return over the long-term time horizon of the Plan.
3. Establish investment guidelines to control overall risk and liquidity.
4. Establish periodic performance reporting requirements to monitor investment results and confirm that the investment policy is being followed.
5. Comply with fiduciary, prudence, due diligence and legal requirements for Plan assets.

## INVESTMENT OBJECTIVES

Preservation of principal is the primary objective, followed by assurance of liquidity to meet the cash needs of the plan, and obtaining the maximum investment yield consistent with those objectives.

The specific return objective of the Plan is to achieve, at a minimum, the Plan's current actuarial rate of return assumption of 6% net of expenses, over a three to five-year time horizon.

In addition, the Plan shall:

1. Invest assets of the Plan in a manner consistent with the following fiduciary standards: (a) all transactions undertaken must be for the sole interest of Plan beneficiaries, and (b) assets are to be diversified in order to minimize the impact of large losses from individual investments.
3. Enhance the value of Plan assets in real terms over the long-term through asset appreciation and income generation, while maintaining a reasonable investment risk profile.
4. Minimize principal fluctuations over the Time Horizon (as defined below), subject to performance expectations over the long-term.
5. Achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in this Policy Statement under the section labeled "Performance Expectations".

## INVESTMENT GUIDELINES

Within this section of the Policy Statement, several terms will be used to articulate various investment concepts. The descriptions are meant to be general and may share investments otherwise considered to be in the same asset class. They are:

"Growth Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on capital appreciation. Investments within the Growth Assets category can include income and risk mitigating characteristics, so long as the predominant investment risk and return characteristic is capital appreciation. Examples of such investments or asset classes are: domestic and international equities or equity funds and certain real estate investments focused on equity risk mitigation or equity-like returns.

"Income Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on income generation. Investments within the Income Assets category can include capital appreciation and risk mitigating characteristics, so long as the primary investment risk and return characteristic is income generation. Examples of such investments or asset classes are: fixed income securities, guaranteed investment contracts and certain real estate investments focused on interest rate risk mitigation or income investment-like returns.

"Real Return Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on real returns after inflation. Investments within the Real Return category can include inflation protected securities and certain real estate investments.

#### Time Horizon

The Plan's investment objectives are based on a long-term investment horizon ("Time Horizon") of five years or longer. Interim fluctuations should be viewed with appropriate perspective. The Retirement Committee has adopted a long-term investment horizon such that the risks and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets.

#### Liquidity and Diversification

In general, the Plan may hold some cash, cash equivalent, and/or money market funds for near-term Plan benefits and expenses. Remaining assets will be invested in longer-term investments and shall be diversified with the intent to minimize the risk of long-term investment losses. Consequently, the total portfolio will be constructed and maintained to provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments or industries.

#### Asset Allocation

The Retirement Committee believes that to achieve the greatest likelihood of meeting the Plan's investment objectives and the best balance between risk and return for optimal diversification, assets will be invested in accordance with the targets for each asset class as follows to achieve an average total annual rate of return that is equal to or greater than the Plan's target rate of return over the long-term, as described in the section titled "Performance Expectations".

<u>Asset Classes</u>	<u>Range</u>	<u>Asset Weightings</u> <u>Target</u>
<b>Growth Assets</b>		
Domestic Equity	16% - 56%	36%
International Equity	0% - 39%	19%
Other	0% - 20%	0%
<b>Income Assets</b>		
Fixed Income	25% - 65%	45%
Other	0% - 20%	0%
<b>Real Return Assets</b>	0% - 20%	0%
<b>Cash Equivalents</b>	0% - 20%	0%

The Advisor and each Manager will be evaluated against their peers on the performance of the total funds under their direct management.

### Rebalancing Philosophy

The asset allocation range established by this Policy Statement represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside Policy Statement ranges. When allocations breach the specified ranges, the Advisor will rebalance the assets within the specified ranges. The Advisor may also rebalance based on market conditions. In addition, the Retirement Committee may re-balance the above allocation as necessary when considering the liability of Plan benefits.

### Risk Tolerance

Subject to investment objectives and performance expectations, the Plan will be managed in a style that seeks to minimize principal fluctuations over the established Time Horizon.

### Performance Expectations

Over the long-term, five years or longer, the performance objective for the Plan will be to achieve an average total annual rate of return that is equal to or greater than the Plan's stated total return objective of 6%. Additionally, it is expected that the annual rate of return on Plan assets will be commensurate with the then prevailing investment environment. Measurement of this return expectation will be judged by reviewing returns in the context of industry standard benchmarks, peer universe comparisons for individual Plan investments and blended benchmark comparisons for the Plan in its entirety.

## SELECTION OF INVESTMENT MANAGERS

The Advisor shall prudently select appropriate Managers to invest the assets of the Plan. Managers must meet the following criteria:

- The Manager must provide historical quarterly performance data compliant with Global Investment Performance Standards (GIPS®), Securities & Exchange Commission ("SEC"), Financial Industry Regulatory Agency ("FINRA") or industry recognized standards, as appropriate.
- The Manager must provide detailed information on the history of the firm, key personnel, support personnel, key clients, and fee schedule (including most-favored-nation clauses). This information can be a copy of a recent Request for Proposal ("RFP") completed by the Manager or regulatory disclosure.
- The Manager must clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.
- The investment professionals making the investment decisions must have a minimum of three (3) years of experience managing similar strategies either at their current firm or at previous firms.
- Where other than common funds such as mutual funds or commingled trusts are utilized, the Manager must confirm receipt, understanding and adherence to this Policy Statement and any investment specific policies by signing a consent form provided to the Manager prior to investment of Trust assets.

## GUIDELINES FOR PORTFOLIO HOLDINGS

### Direct Investments by Advisor

Every effort shall be made, to the extent practical, prudent and appropriate, to select investments that have investment objectives and policies that are consistent with this Policy Statement (as outlined in the following sub-sections of the “Guidelines for Portfolio Holdings”). However, given the nature of the investments, it is recognized that there may be deviations between this Policy Statement and the objectives of these investments.

### Limitations on Managers’ Portfolios

#### *EQUITIES*

No more than the greater of 5% or weighting in the relevant index (Russell 3000 Index for U.S. issues and MSCI ACWI ex-U.S. for non-U.S. issues) of the total equity portfolio valued at market may be invested in the common equity of any one corporation; ownership of the shares of one company shall not exceed 5% of those outstanding; and not more than 40% of equity valued at market may be held in any one sector, as defined by the Global Industry Classification Standard (GICS).

Domestic Equities. Other than the above constraints, there are no quantitative guidelines as to issues, industry or individual security diversification. However, prudent diversification standards should be developed and maintained by the Manager.

International Equities. The overall non-U.S. equity allocation should include a diverse global mix that is comprised of the equity of companies from multiple countries, regions and sectors.

#### *FIXED INCOME*

Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. The overall rating of the fixed income assets as calculated by the Advisor shall be investment grade or better, based on the rating of one Nationally Recognized Statistical Rating Organization (“NRSRO”).

#### *OTHER ASSETS (ALTERNATIVES)*

Alternatives may consist of non-traditional asset classes such as real estate and investments designed to hedge inflation, when deemed appropriate. The total allocation to other assets may not exceed 15% of the overall portfolio. Prior to adding an allocation to any of the following asset classes, with the exception of publicly traded mutual fund vehicles, the Advisor shall receive approval from the Agency.

Private Equity: Private equity is less liquid than publicly traded equity securities and can provide returns that are greater than what is available in publicly traded markets. The private equity portfolio may include investments in a variety of commingled/partnership and direct investment vehicles including, but not limited to,

venture capital, buyout, turnaround, mezzanine, distressed security, and special situation funds. The private equity portfolio is recognized to be long-term in nature and highly illiquid. Due to their higher risk, private equity investments are expected to provide higher returns than publicly traded equity securities. For purposes of asset allocation targets and limitations, these funds will be categorized as “Other” under the Growth Assets category.

*Private Debt:* Private debt is less liquid than publicly traded debt and can provide returns that are greater than what is available in publicly traded markets. The private debt portfolio may include investments in a variety of commingled/partnership and direct investment vehicles including, but not limited to, direct lending, distressed debt, multi-asset credit, structured credit, mezzanine debt, real estate debt, and special situations. Due to their higher risk, private debt investments are expected to provide higher long-term returns than publicly traded debt securities. For purposes of asset allocation targets and limitations, these funds will be categorized as “Other” under the Income Assets category.

*Real Assets:* Real assets are typically physical assets that have intrinsic worth due to their substance and properties. Real assets are primarily used for their lower correlation to traditional assets (i.e. stocks and bonds) and their inflation hedging properties. Categories of real asset investments include, but are not limited to, real estate, infrastructure, land, farmland, timberland, precious metals, and commodities. Real assets includes securities and assets with varying levels of liquidity. Private real assets are illiquid and long-term in nature, whereas public real assets are publicly traded and more liquid. The benefit of lower correlation investments is that, when implemented correctly, these investments can potentially improve a portfolio’s expected risk-adjusted return over the long-term. The real assets category can be extended to include other forms of assets that offer similar inflation hedging properties such as pooled vehicles holding: commodities contracts, Treasury Inflation Protected Securities (“TIPS”), index-linked derivative contracts, certain forms of intellectual property, and the equity of companies in businesses thought to hedge inflation. For purposes of asset allocation targets and limitations, real assets may be categorized as “Other” under either the Growth Assets or Income Assets category or in the Real Return Assets category, depending on the nature and risk/return profile of the investment.

#### *CASH EQUIVALENTS*

Cash equivalents shall be held in funds complying with Rule 2(a)-7 of the Investment Company Act of 1940.

#### Portfolio Risk Hedging

Portfolio investments designed to hedge various risks including volatility risk, interest rate risk, etc. are allowed to the extent that the investments are not used for the sole purpose of leveraging Plan assets. One example of a hedge vehicle is an exchange traded fund (“ETF”) which takes short positions.

### Prohibited Investments

Except for purchase within authorized investments, the Retirement Committee has determined that investment of Plan assets will not be permitted in securities having the following characteristics are not authorized and shall not be purchased: letter stock and other unregistered securities, Warrants, direct commodities or commodity contracts/options, other than U.S. Treasury bonds, notes and futures, private placements (with the exception of Rule 144A securities). Further, derivatives, options, margin purchases or short sales, or futures for the sole purpose of direct portfolio leveraging are prohibited. Direct ownership of real estate, natural resource properties such as oil, gas or timber and the purchase of collectibles is also prohibited. Such other assets as may be specified by the Retirement Committee from time to time.

### Safekeeping

All assets of the Plan shall be held by a custodian approved by the Retirement Committee for safekeeping of Plan assets. The custodian shall produce statements on a monthly basis, listing the name and value of all assets held, and the dates and nature of all transactions in accordance with the terms in the Plan Agreement. Investments of the Plan not held as liquidity or investment reserves shall, at all times, be invested in interest-bearing accounts. Investments and portfolio securities may not be loaned.

## MONITORING AND CONTROL PROCEDURES

### Review of Investment Objectives and Investment Performance

The portfolio will be reviewed by the Retirement Committee on a quarterly basis to ensure compliance with the guidelines.

The Advisor shall review annually and report to the Retirement Committee the appropriateness of this Policy Statement for achieving the Plan's stated objectives. It is not expected that this Policy Statement will change frequently. In particular, short-term changes in the financial markets should not require an adjustment in this Policy Statement.

The Advisor shall report on a quarterly basis to the Retirement Committee to review the investment performance of the Plan. In addition, the Advisor will be responsible for keeping the Retirement Committee advised of any material change in investment strategy, Managers, and other pertinent information potentially affecting performance of the Plan.

The Advisor shall compare the investment results on a quarterly basis to appropriate peer universe benchmarks, as well as market indices in both equity and fixed income markets. Examples of benchmarks and indexes that will be used include the Russell 3000 Index for broad U.S. equity strategies; S&P 500 Index for large cap U.S. equities, Russell 2000 Index for small cap U.S. equities, MSCI ACWI ex-U.S. Index for broad based non-U.S. equity strategies; MSCI Europe, Australasia, and Far East (EAFE) Index for developed markets international equities, Barclays Capital

Aggregate Bond Index for fixed income securities, and the U.S. 91 Day T-bill for cash equivalents. The Russell 3000 Index will be used to benchmark the U.S. equities portfolio; the MSCI ACWI ex-U.S. Index will be used to benchmark the non-U.S. equities portfolio; the Barclays U.S. Aggregate Bond Index will be used to benchmark the fixed income portfolio. The categories "Other" will be benchmarked against appropriate indices depending on the specific characteristics of the strategies and funds used.

#### Voting of Proxies

The Retirement Committee recognizes that proxies are a significant and valuable tool in corporate governance. The voting rights of individual stocks held in separate accounts or collective, common, or pooled funds will be exercised by the investment managers in accordance with their own proxy voting policies. The voting rights of funds will be exercised by the Advisor.

## **Adoption of Investment Policy Statement**

Any changes and exceptions to this Policy Statement will be made in writing and adopted by the Board of Directors. Once adopted, changes and exceptions will be delivered to each Manager, as appropriate, by the Advisor.

INVESTMENT POLICY STATEMENT

SUNLINE EMPLOYEES RETIREMENT SYSTEM  
(Non-Bargaining Unit Employees)

*Approved March 24, 2021*

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## GENERAL INFORMATION

The SunLine Employees Retirement System Non-Bargaining Unit Employees Plan (“Plan”) exists to provide funding of retirement benefits to the non-bargaining employees of SunLine Transit Agency (“Agency”). The assets of the Plan are to be invested for the exclusive benefit of the participants and their beneficiaries in accordance with the Plan documents and all applicable federal and state law.

## AUTHORITY

The Agency has established the SunLine Transit Agency Retirement Committee (the “Retirement Committee”) to oversee certain policies and procedures related to the operation and administration of the Plan. The following Investment Policy Statement (“Policy Statement”) is provided by the Retirement Committee as a means of setting forth the purpose, investment objectives, investment guidelines, including the asset allocation target, and procedures for monitoring the adherence to the directives contained in this Policy Statement.

The Retirement Committee is required to receive approval from the Sunline Board of Directors for this Policy Statement, including any future changes. This requirement shall remain in full force and effect until such time as it is altered by the Board of Directors.

The Retirement Committee shall be guided by general investment principles articulated in the Policy Statement. The Policy Statement should be reviewed periodically.

The Retirement Committee, with approval of the Board of Directors, may choose a custodian, trustee and/or investment counsel to assist them in performing their obligations to the Plan, as outlined below

1. An investment advisor (“Advisor”) to assist the Retirement Committee in the investment process and to maintain compliance with this Policy Statement. Any investment advisor who, in the future, may be retained by the Retirement Committee, will be afforded discretionary authority under the prudent person rule concept and shall invest assets in accordance with federal and state resolutions affecting the Plan’s assets. The Advisor may assist the Retirement Committee in establishing investment policy objectives and guidelines and may also select investments with discretion to purchase, sell, or hold specific securities that will be used to meet the Plan’s investment objectives. The Advisor will: a) adjust asset allocation for the Plan subject to the guidelines and limitations set forth in this Policy Statement; b) select investment managers (“Managers”) and strategies consistent with its role as a fiduciary; c) monitor and review Managers and measure and evaluate their performance against their peers based upon the performance of the total funds under their direct management; and d) execute other tasks as deemed appropriate in its role as Advisor for Plan assets. The investment vehicles allowed may include mutual funds, commingled trusts, separate accounts, limited partnerships and

other investment vehicles deemed to be appropriate by the Advisor. The Advisor shall never take possession of securities, cash or other assets of the Plan, all of which shall be held by the custodian. The Advisor must be registered with the Securities and Exchange Commission.

2. A custodian selected by the Retirement Committee to maintain possession of physical securities and records of street name securities owned by the Plan, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Plan.
3. A trustee appointed by the Retirement Committee, such as a bank trust department, if the Committee does not have its own Trustees, to assume fiduciary responsibility for the administration of Plan assets; provided, however, that if the Retirement Committee shall have appointed an investment advisor, then any trustee appointed under this paragraph shall have no authority with respect to selection of investments.
4. Specialists such as attorneys, auditors, actuaries and, retirement plan consultants to assist the Retirement Committee in meeting its responsibilities and obligations to administer Plan assets prudently.

#### PURPOSE

The financial goal for the Plan is to provide funding for the benefits on the most cost-efficient basis to Sunline Transit Agency.

The purpose of this Policy Statement is to achieve the following:

1. Document investment objectives, performance expectations and investment guidelines for Plan assets.
2. Establish an appropriate investment strategy for managing all Plan assets, including an investment time horizon, risk tolerance ranges and asset allocation to provide sufficient diversification and overall return over the long-term time horizon of the Plan.
3. Establish investment guidelines to control overall risk and liquidity.
4. Establish periodic performance reporting requirements to monitor investment results and confirm that the investment policy is being followed.
5. Comply with fiduciary, prudence, due diligence and legal requirements for Plan assets.

## INVESTMENT OBJECTIVES

Preservation of principal is the primary objective, followed by assurance of liquidity to meet the cash needs of the plan, and obtaining the maximum investment yield consistent with those objectives.

The specific return objective of the Plan is to achieve, at a minimum, the Plan's current actuarial rate of return assumption of 6% net of expenses, over a three to five-year time horizon.

In addition, the Plan shall:

1. Invest assets of the Plan in a manner consistent with the following fiduciary standards: (a) all transactions undertaken must be for the sole interest of Plan beneficiaries, and (b) assets are to be diversified in order to minimize the impact of large losses from individual investments.
3. Enhance the value of Plan assets in real terms over the long-term through asset appreciation and income generation, while maintaining a reasonable investment risk profile.
4. Minimize principal fluctuations over the Time Horizon (as defined below), subject to performance expectations over the long-term.
5. Achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in this Policy Statement under the section labeled "Performance Expectations".

## INVESTMENT GUIDELINES

Within this section of the Policy Statement, several terms will be used to articulate various investment concepts. The descriptions are meant to be general and may share investments otherwise considered to be in the same asset class. They are:

"Growth Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on capital appreciation. Investments within the Growth Assets category can include income and risk mitigating characteristics, so long as the predominant investment risk and return characteristic is capital appreciation. Examples of such investments or asset classes are: domestic and international equities or equity funds and certain real estate investments focused on equity risk mitigation or equity-like returns.

"Income Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on income generation. Investments within the Income Assets category can include capital appreciation and risk mitigating characteristics, so long as the primary investment risk and return characteristic is income generation. Examples of such investments or asset classes are: fixed income securities, guaranteed investment contracts and certain real estate investments focused on interest rate risk mitigation or income investment-like returns.

"Real Return Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on real returns after inflation. Investments within the Real Return category can include inflation protected securities and certain real estate investments.

#### Time Horizon

The Plan's investment objectives are based on a long-term investment horizon ("Time Horizon") of five years or longer. Interim fluctuations should be viewed with appropriate perspective. The Retirement Committee has adopted a long-term investment horizon such that the risks and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets.

#### Liquidity and Diversification

In general, the Plan may hold some cash, cash equivalent, and/or money market funds for near-term Plan benefits and expenses. Remaining assets will be invested in longer-term investments and shall be diversified with the intent to minimize the risk of long-term investment losses. Consequently, the total portfolio will be constructed and maintained to provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments or industries.

#### Asset Allocation

The Retirement Committee believes that to achieve the greatest likelihood of meeting the Plan's investment objectives and the best balance between risk and return for optimal diversification, assets will be invested in accordance with the targets for each asset class as follows to achieve an average total annual rate of return that is equal to or greater than the Plan's target rate of return over the long-term, as described in the section titled "Performance Expectations".

<u>Asset Classes</u>	<u>Asset Weightings</u>	
	<u>Range</u>	<u>Target</u>
<b>Growth Assets</b>		
Domestic Equity	16% - 56%	36%
International Equity	0% - 39%	19%
Other	0% - 20%	0%
<b>Income Assets</b>		
Fixed Income	25% - 65%	45%
Other	0% - 20%	0%
<b>Real Return Assets</b>	0% - 20%	0%
<b>Cash Equivalents</b>	0% - 20%	0%

The Advisor and each Manager will be evaluated against their peers on the performance of the total funds under their direct management.

### Rebalancing Philosophy

The asset allocation range established by this Policy Statement represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside Policy Statement ranges. When allocations breach the specified ranges, the Advisor will rebalance the assets within the specified ranges. The Advisor may also rebalance based on market conditions. In addition, the Retirement Committee may re-balance the above allocation as necessary when considering the liability of Plan benefits.

### Risk Tolerance

Subject to investment objectives and performance expectations, the Plan will be managed in a style that seeks to minimize principal fluctuations over the established Time Horizon.

### Performance Expectations

Over the long-term, five years or longer, the performance objective for the Plan will be to achieve an average total annual rate of return that is equal to or greater than the Plan's stated total return objective of 6%. Additionally, it is expected that the annual rate of return on Plan assets will be commensurate with the then prevailing investment environment. Measurement of this return expectation will be judged by reviewing returns in the context of industry standard benchmarks, peer universe comparisons for individual Plan investments and blended benchmark comparisons for the Plan in its entirety.

## SELECTION OF INVESTMENT MANAGERS

The Advisor shall prudently select appropriate Managers to invest the assets of the Plan. Managers must meet the following criteria:

- The Manager must provide historical quarterly performance data compliant with Global Investment Performance Standards (GIPS®), Securities & Exchange Commission ("SEC"), Financial Industry Regulatory Agency ("FINRA") or industry recognized standards, as appropriate.
- The Manager must provide detailed information on the history of the firm, key personnel, support personnel, key clients, and fee schedule (including most-favored-nation clauses). This information can be a copy of a recent Request for Proposal ("RFP") completed by the Manager or regulatory disclosure.
- The Manager must clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.
- The investment professionals making the investment decisions must have a minimum of three (3) years of experience managing similar strategies either at their current firm or at previous firms.
- Where other than common funds such as mutual funds or commingled trusts are utilized, the Manager must confirm receipt, understanding and adherence to this Policy Statement and any investment specific policies by signing a consent form provided to the Manager prior to investment of Trust assets.

## GUIDELINES FOR PORTFOLIO HOLDINGS

### Direct Investments by Advisor

Every effort shall be made, to the extent practical, prudent and appropriate, to select investments that have investment objectives and policies that are consistent with this Policy Statement (as outlined in the following sub-sections of the “Guidelines for Portfolio Holdings”). However, given the nature of the investments, it is recognized that there may be deviations between this Policy Statement and the objectives of these investments.

### Limitations on Managers’ Portfolios

#### *EQUITIES*

No more than the greater of 5% or weighting in the relevant index (Russell 3000 Index for U.S. issues and MSCI ACWI ex-U.S. for non-U.S. issues) of the total equity portfolio valued at market may be invested in the common equity of any one corporation; ownership of the shares of one company shall not exceed 5% of those outstanding; and not more than 40% of equity valued at market may be held in any one sector, as defined by the Global Industry Classification Standard (GICS).

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#### *FIXED INCOME*

Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. The overall rating of the fixed income assets as calculated by the Advisor shall be investment grade or better, based on the rating of one Nationally Recognized Statistical Rating Organization (“NRSRO”).

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#### Portfolio Risk Hedging

Portfolio investments designed to hedge various risks including volatility risk, interest rate risk, etc. are allowed to the extent that the investments are not used for the sole purpose of leveraging Plan assets. One example of a hedge vehicle is an exchange traded fund (“ETF”) which takes short positions.

### Prohibited Investments

Except for purchase within authorized investments, the Retirement Committee has determined that investment of Plan assets will not be permitted in securities having the following characteristics are not authorized and shall not be purchased: letter stock and other unregistered securities, Warrants, direct commodities or commodity contracts/options, other than U.S. Treasury bonds, notes and futures, private placements (with the exception of Rule 144A securities). Further, derivatives, options, margin purchases or short sales, or futures for the sole purpose of direct portfolio leveraging are prohibited. Direct ownership of real estate, natural resource properties such as oil, gas or timber and the purchase of collectibles is also prohibited. Such other assets as may be specified by the Retirement Committee from time to time.

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The Advisor shall compare the investment results on a quarterly basis to appropriate peer universe benchmarks, as well as market indices in both equity and fixed income markets. Examples of benchmarks and indexes that will be used include the Russell 3000 Index for broad U.S. equity strategies; S&P 500 Index for large cap U.S. equities, Russell 2000 Index for small cap U.S. equities, MSCI ACWI ex-U.S. Index for broad based non-U.S. equity strategies; MSCI Europe, Australasia, and Far East (EAFE) Index for developed markets international equities, Barclays Capital

Aggregate Bond Index for fixed income securities, and the U.S. 91 Day T-bill for cash equivalents. The Russell 3000 Index will be used to benchmark the U.S. equities portfolio; the MSCI ACWI ex-U.S. Index will be used to benchmark the non-U.S. equities portfolio; the Barclays U.S. Aggregate Bond Index will be used to benchmark the fixed income portfolio. The categories "Other" will be benchmarked against appropriate indices depending on the specific characteristics of the strategies and funds used.

#### Voting of Proxies

The Retirement Committee recognizes that proxies are a significant and valuable tool in corporate governance. The voting rights of individual stocks held in separate accounts or collective, common, or pooled funds will be exercised by the investment managers in accordance with their own proxy voting policies. The voting rights of funds will be exercised by the Advisor.

## **Adoption of Investment Policy Statement**

Any changes and exceptions to this Policy Statement will be made in writing and adopted by the Board of Directors. Once adopted, changes and exceptions will be delivered to each Manager, as appropriate, by the Advisor.



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# SunLine Transit Agency Retirement Committee Meeting

**Actuarial Introduction and Overview**

**March 26, 2026**



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# Your DB Pension Plan Team



**Rachel Barnes**  
PhD, FSA, EA, MAAA

- Will serve as **lead consultant**
- 18 years of actuarial experience
- rachel.barnes@nyhart.com
- 317-845-3507
- Colorado



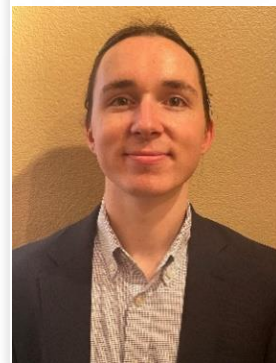
**Kathryn Hickey**  
ASA, EA

- Will serve as **project manager** and **actuary**
- 20 years of actuarial experience
- katie.hickey@nyhart.com
- 317-845-3527
- Georgia



**Samantha Olson**  
FSA, EA

- Will serve as **actuary**
- 10 years of actuarial experience
- samantha.olson@nyhart.com
- 770-405-0756
- Nebraska



**Webster Gordon**

- Will serve as **actuarial analyst**
- 4 year of actuarial experience
- webster.gordon@nyhart.com
- 317-845-3648
- Louisiana



# 2025 Valuation Highlights

## Non-Bargaining Plan

- 10.1% return on market value in 2024, compared to the expected return of 6.00%
- Funded status (market value basis) increased from 102% to 104%. Funded status (actuarial value basis) decreased from 106% to 105%
- Liabilities increased primarily due to larger than expected salary increases
- ADC increased from \$1.0M to \$1.2M, as a percentage of payroll increased from 15.2% to 15.8%.
- Contributions to the plan of \$1.2M (\$1.0M employer, \$0.2M employee), short of recommendation

## Bargaining Plan

- 9.5% return on market value in 2024, compared to the expected return of 6.00%
- Funded status (market value basis) increased from 102% to 106%. Funded status (actuarial value basis) remained at 107%
- Liabilities increased primarily due to larger than expected salary increases
- ADC increased from \$0.71M to \$0.73M, as a percentage of payroll decreased from 5.7% to 5.6%.
- Contributions to the plan of \$0.84M (\$0.48M employer, \$0.36M employee), short of recommendation



# 2025 Valuation Highlights

## **Teamsters Local 1932 Plan**

- 2.7% return on market value in 2024, compared to the expected return of 6.00%
- Funded status (market value basis) decreased from 141% to 126%.  
Funded status (actuarial value basis) decreased from 141% to 129%
- Liabilities increased primarily due to new entrants as the Plan is still immature
- ADC increased from \$33 thousand to \$75 thousand, as a percentage of payroll increased from 6.2% to 6.8%.
- Contributions to the plan of \$132 thousand (\$103 thousand employer, \$29 thousand employee), exceeds recommendation



# Summary of Results

1/1/2025 Valuation	Non-Bargaining (\$ in Millions)	Bargaining (\$ in Millions)	Teamsters (\$ in Thousands)
Funding Rate	6.00%	6.00%	6.00%
Entry Age Accrued Liability	\$ 41.7	\$ 40.7	\$ 167.6
Actuarial Value of Assets	<u>43.7</u>	<u>43.5</u>	<u>215.8</u>
Unfunded Accrued Liability	(\$ 2.0)	(\$ 2.8)	(\$ 48.2)
Funded Ratio (AVA)	104.7%	106.8%	128.7%
Market Value of Assets	\$ 43.4	\$ 43.0	\$ 211.7
Funded Ratio (MVA)	104.1%	105.7%	126.3%
<b>Actuarially Determined Contribution</b>			
Normal Cost	\$ 0.91	\$ 0.49	\$ 71.8
Expenses	0.22	0.21	1.1
Interest	<u>0.03</u>	<u>0.02</u>	<u>2.2</u>
Total	\$ 1.16	\$ 0.73	\$ 75.0
<b>Percent of Payroll</b>			
Employer Contributions	15.8%	5.6%	6.8%
Expected Employee Contributions	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>
Total Contributions	18.8%	8.6%	9.8%

Totals may not match due to rounding



# Annual Pension Cycle



# Actuarial Deliverables

Timing	Project	SunLine	Nyhart
April	GASB 67/68	SLT will need to confirm no changes to funding and investment policy, no plan changes, and no significant events.	Nyhart provides disclosure report 4 weeks after US Bank posts 12/31 annual asset statements and SLT confirmations are received.
May	Census Data	Provide payroll and census data	Review data and ask any follow up data questions
June	July 1 Cost-of-Living-Adjustment (COLA) for Non-Barg Retirees	Review and approve COLA list – early June. Forward list to US Bank for processing.	Calculate retiree payments with COLA. Send authorization and list to SLT.
June	Public Retirement Systems Financial Transactions Report (Form 700)	Auditors prepare Plan audit report to be submitted along with Form 700.  Submit the signature page and packet to the state once electronically filed by auditors.	Review audit report and Form 700.
August	Annual Review Meeting	Committee Meeting scheduling	Executive summary of valuation results and review assumptions and methods
September	Participant Benefit Statements	Download statements from Nyhart’s client connect	Provide statements to SLT via client connect
September	NyPAS Participant Online Access	Provide online access notice to participants	Nyhart prepares NyPAS to run estimates for participants reflecting updated payroll data and new entrants



# Online Access

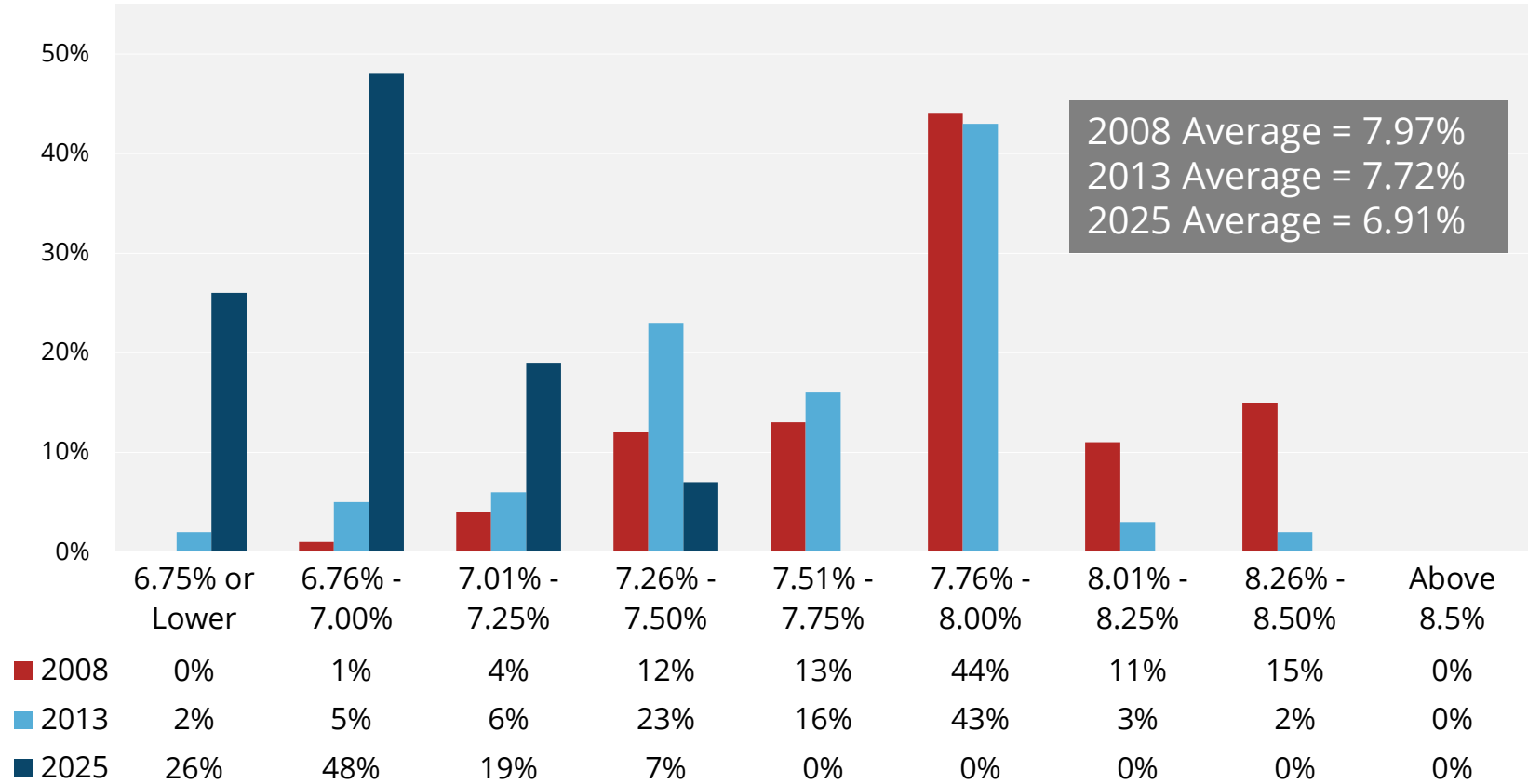
- Participants have access to plan website at <http://www.nyhart.com> to:
  - Run estimates of benefits
  - Review employment data on file
- Nyhart Pension Administrative Services Contact Info:
  - Phone: (619) 239-0831
  - E-mail: [sdoffice@nyhart.com](mailto:sdoffice@nyhart.com)
  - Address: Nyhart  
P.O. Box 219240  
Kansas City, MO 64121



# Benchmarking



# NASRA Survey Results: Large Public Plans



2008 Average = 7.97%  
2013 Average = 7.72%  
2025 Average = 6.91%



**SunLine Transit Agency: 6.00%**

Source: Public Fund Survey Summary of Findings for FY 2008, FY 2013, and FY 2025



# Benchmarking: 2025 NCPERS Public Retirement Systems Study

- Study conducted by National Conference on Public Employee Retirement Systems and Cobalt Community Research
  - ✓ 201 state and local government pension funds responded
  - ✓ 52% of respondents were local government funds
  - ✓ 22% of respondents were statewide funds
- Key findings from the study
  - ✓ Average funded ratio increased from 75.4% to 83.1%
  - ✓ Average interest assumption moved from 6.91% to 6.67%
  - ✓ Average expense (administration and investment) is 73 basis points



# Demographics, Provisions, and Assumptions



# Non-Bargaining

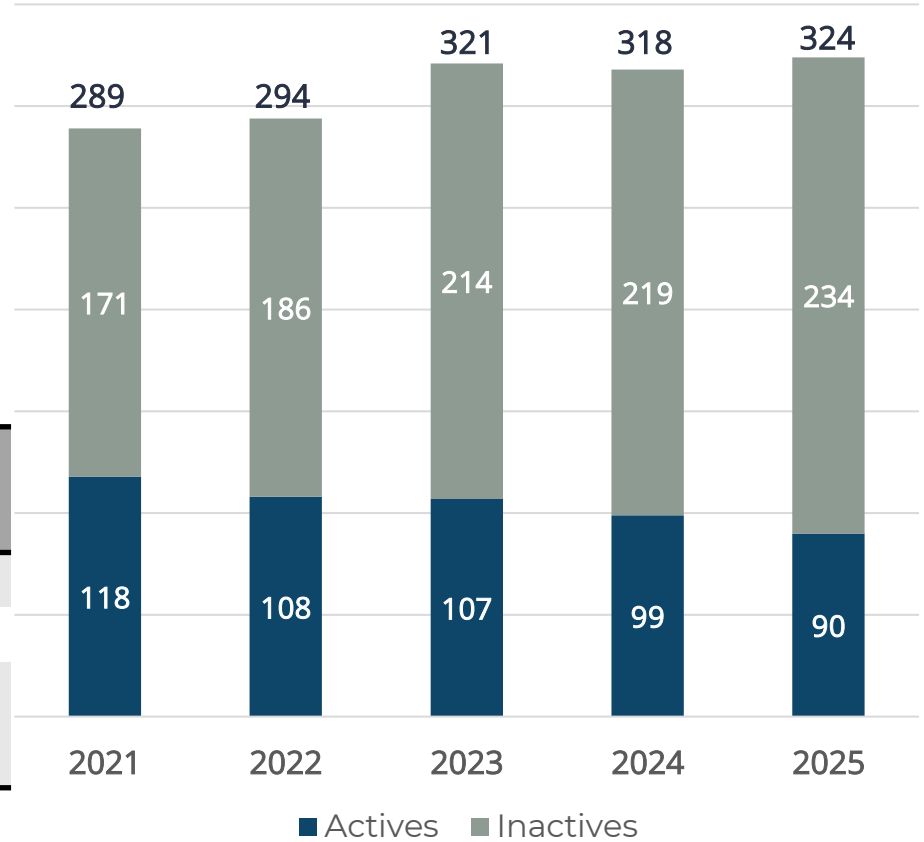
## Active Demographics

	2024	2025
Count	99	90
Average Age	46.3	47.4
Average Service	6.3	6.4
Average Plan Compensation	\$67,928	\$81,399

## Inactive Demographics

2025	In Pay	Term Vested	Transfers
Counts	79	153	2
Average Age	70.8	52.3	33.6
Average Monthly Benefit	\$1,509	\$956	\$127

## Participant Counts





# Bargaining

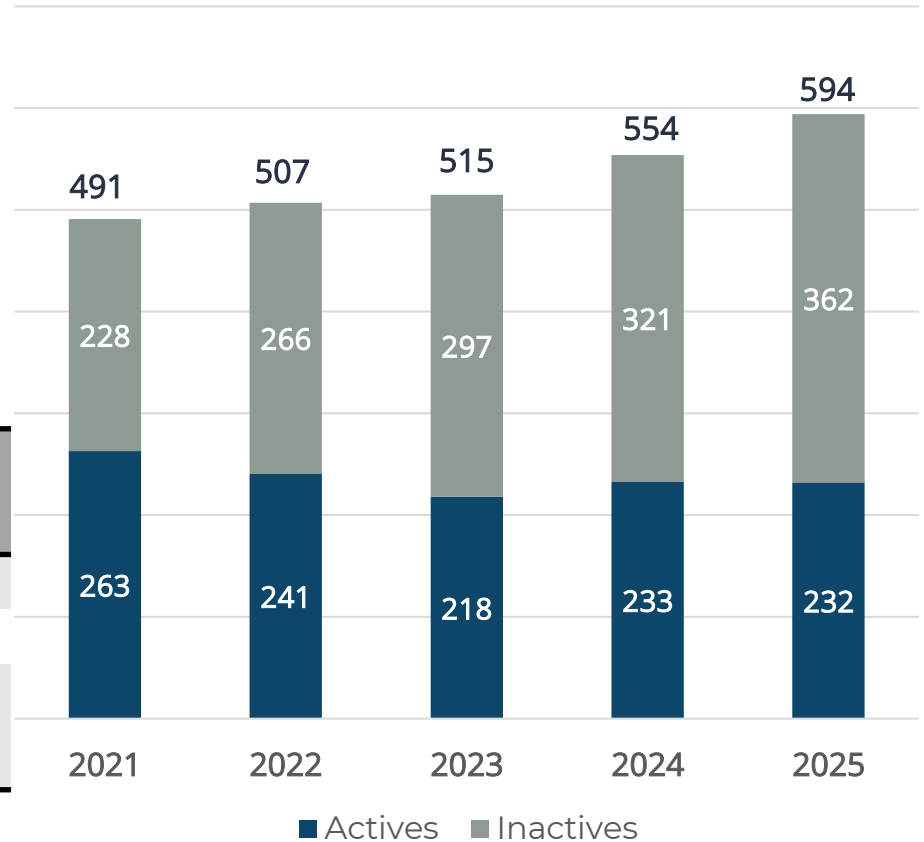
## Active Demographics

	2024	2025
Count	233	232
Average Age	49.4	49.5
Average Service	9.8	9.9
Average Plan Compensation	\$53,788	\$56,117

## Inactive Demographics

2025	In Pay	Term Vested	Transfers
Counts	144	195	23
Average Age	70.8	53.6	50.4
Average Monthly Benefit	\$724	\$435	\$526

## Participant Counts





# Teamsters

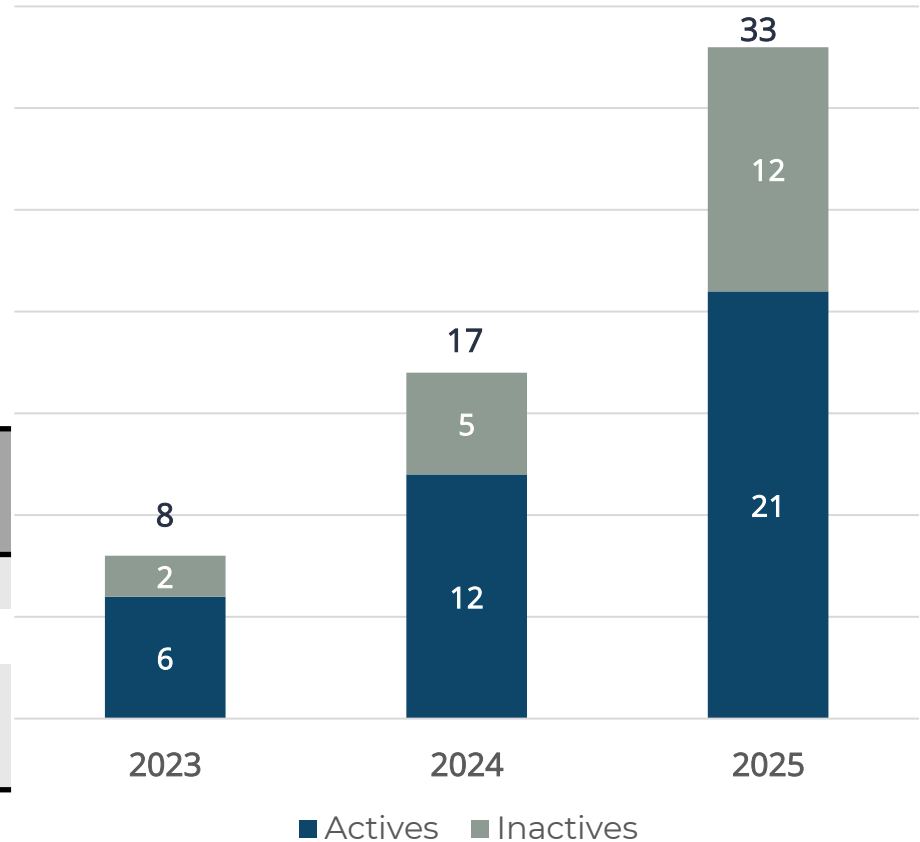
## Active Demographics

	2024	2025
Count	12	21
Average Age	37.9	42.9
Average Service	0.8	1.0
Average Plan Compensation	\$44,379	\$52,519

## Inactive Demographics

2025	In Pay	Term Non-Vested	Transfers
Counts	0	12	0
Average Age	0.0	38.8	0.0
Average Contribution Balance	\$0	\$1,085	\$0

## Participant Counts





# Plan Provisions

Provision	Description
Participation	Non-Barg: Full-time employees not covered by CBA Bargaining: Full-time employees covered by CBA not covered under Teamsters plan Teamsters: Full-time employees covered by Teamsters CBA hired on or after March 1, 2022
Employee Contribution Rate	3.00%
Normal Retirement Age	Later of age 62 or 5 Years of Vesting Service
Early Retirement Age	55 and 5 Years of Vesting Service or 25 Years of Vesting Service (Non-Barg only)
Normal Retirement Benefit	Non-Barg Non-PEPRA: 2.5% of Average Compensation times Years of Service Non-Barg PEPRA: 2.0% of Average Compensation times Years of Service Bargaining: 1/60 <sup>th</sup> of Average Compensation times Years of Service
Average Compensation	36 highest consecutive months of earnings
Compensation Limits (2025)	PEPRA: \$186,096 All others: \$350,000
Form of Benefit	Life Annuity with Modified Cash Refund
Vesting	5 Years of Service
Cost of Living Adjustment	Non-Barg: CPI up to 3.00% Bargaining: None



# Assumptions and Methods

Assumption/Method	Description
Funding Interest Rate	6.00% (net of investment expenses)
Annual Pay Increases	4.00% (Non-Barg); 3.00% (Bargaining and Teamsters)
Mortality Rates	SOA Public 2016 tables (PubG-2016) with generational improvement using MP-2021
Retirement Rates	Varied by Age (100% at age 75)
Withdrawal Rates	2021 CalPERS Public Agency Miscellaneous Sex-Distinct Termination Rates for under 5 years of service, otherwise T-5 Table
Disability	2021 CalPERS Public Agency Miscellaneous Six-Distinct Non-Industrial Disability Retirement Rates
Valuation Method	Aggregate Cost Method
Asset Method	5 year smoothing within 20% of market value

An experience study is generally recommended at least once every five years. As no experience study has been completed within the past five years, we recommend conducting one at this time. Additionally, 2025 CalPERS assumptions are now available and should be evaluated as part of this process.



# Certification

This report has been prepared for the primary purpose of summarizing the actuarial valuation results for the SunLine Transit Agency Non-Union Restated Employees Retirement System, SunLine Transit Agency Restated Retirement Income Plan for Bargaining Unit Personnel, and SunLine Transit Agency Retirement Income Plan for Teamsters Local 1932 as of January 1, 2025 and may not be appropriate for other uses. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than the intended use.

Except where indicated otherwise, the results included in this report are based on the same data, assumptions, methods, and plan provisions as the January 1, 2025 valuation reports. As a result, these sections of the 2025 funding report should be considered part of this report.

This report has been prepared in accordance with generally accepted actuarial principles and practice.

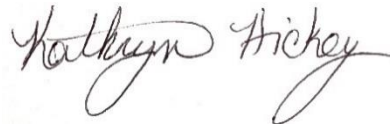
The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States.

In preparing the results, Nyhart used Proval valuation software developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing pension valuations. We coded the plan provisions, assumptions, methods, and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any material weaknesses or limitations in the software and have determined it is appropriate for performing this valuation.

Nyhart



Samantha Olson, FSA, EA



Kathryn Hickey, ASA, EA

March 26, 2026

Date



# SunLine Transit Agency Non-Union Restated Employees Retirement System

January 1, 2025 | Actuarial Valuation Report

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At the request of the plan sponsor, this report summarizes the actuarial results of the SunLine Transit Agency Non-Union Restated Employees Retirement System as of January 1, 2025. The purpose of this report is to communicate the following results of the valuation:

- Funded Status; and
- Actuarially Determined Contribution for the plan year beginning January 1, 2025.

This report has been prepared in accordance with the applicable Federal and State laws. Consequently, it may not be appropriate for other purposes. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than that explained above. Failure to do so may result in misrepresentation or misinterpretation of this report.

The results in this report were prepared using information provided to us by other parties. The census information has been provided to us by the employer. Asset information has been provided to us by the trustee. We have reviewed the provided data for reasonableness when compared to prior information provided, but have not audited the data. Where relevant data may be missing, we have made assumptions we believe to be reasonable. We are not aware of any significant issues with and have relied on the data provided. Any errors in the data provided may result in a different result than those provided in this report. A summary of the data used in the valuation is included in this report.

Certain assumptions and methods were chosen by the Plan Sponsor and have been disclosed in the "Actuarial Assumptions" section of this report. In our opinion, all actuarial assumptions and methods are individually reasonable and in combination represent our best estimate of anticipated experience of the plan. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement. This report has been prepared in accordance with generally accepted actuarial principles and practice.

In preparing these results, Nyhart used ProVal valuation software developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing pension valuations. We coded the plan provisions, assumptions, methods, and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any weaknesses or limitations in the software, and have determined it is appropriate for performing this valuation.

Neither Nyhart nor any of its employees have any relationship with the plan or its sponsor which could impair or appear to impair the objectivity of this report. To the extent that this report or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law.

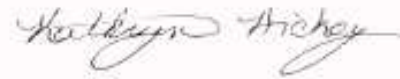
The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States and are available for any questions.

Nyhart



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Samantha Olson, FSA, EA



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Kathryn Hickey, ASA, EA

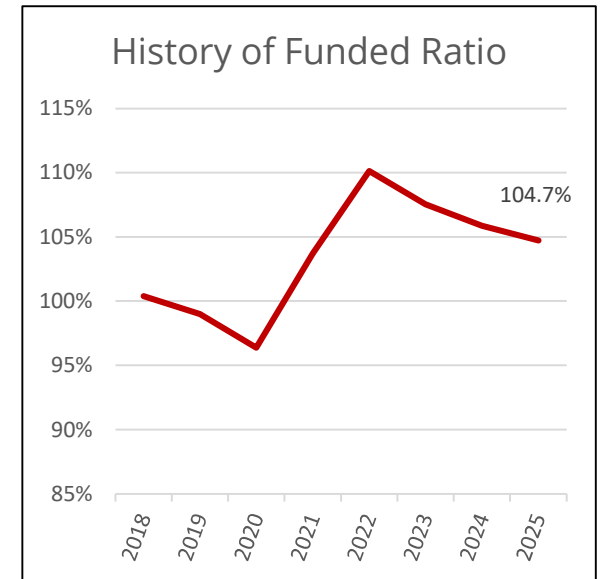
December 16, 2025

Date

**Summary Results**

The actuarial valuation's primary purpose is to produce a scorecard measure displaying the funding progress of the plan toward the ultimate goal of paying benefits at retirement. The accrued liability is based on an entry age level percentage of pay methodology.

	January 1, 2024	January 1, 2025
<b>Funded Status Measures</b>		
Accrued Liability	\$39,241,027	\$41,690,202
Actuarial Value of Assets	41,542,660	43,656,022
Unfunded Accrued Liability	(\$2,301,633)	(\$1,965,820)
Funded Percentage (AVA)	105.9%	104.7%
Funded percentage (MVA)	101.5%	104.1%
<b>Cost Measures</b>		
Actuarially Determined Employer Contribution	\$1,020,358	\$1,156,935
- As a percentage of payroll	15.2%	15.8%
<b>Asset Performance</b>		
Market Value of Assets (MVA)	\$39,824,460	\$43,405,379
Actuarial Value/Market Value	104.3%	100.6%
<b>Participant Information</b>		
Active Participants	99	90
Transfers	3	2
Terminated Vested Participants	143	153
Retirees, Beneficiaries, and Disabled	73	79
Total Participants	318	324
Valuation Payroll	\$6,724,863	\$7,325,877



### **Changes since Prior Valuation**

There have been no changes to the plan provisions since the last valuation.

The mortality assumption has been updated from the healthy general participant base table (PubG-2010) and the disabled non-safety participant base table (PubNS-2010) to the employee, healthy retiree, disabled retiree, and contingent survivor amount-weighted general base tables (PubG-2016) to reflect the Society of Actuary's most recently published public plan mortality study. This change resulted in a decrease in Present Value of Future Benefits, Accrued Liability, Normal Cost and Actuarially Determined Contribution.

### **Key Notes**

The Market Value of Assets for the Plan increased significantly due a 10% return on assets compared to the 6% expected return. The funded status on this basis increased from 102% to 104%. However, the Plan funded status on the smoothed Actuarial Value of Assets basis decreased from 106% to 105%, as unrecognized asset losses from prior years were partially recognized and gains are deferred.

On a Present Value of Future Benefits basis, the Plan saw an increase in liabilities due to demographic losses of approximately \$2.0 million, primarily due to larger than expected salary increases.

In combination, these changes resulted in an increase to the Actuarially Determined Contribution from \$1.02 million to \$1.16 million. As a percentage of payroll, contributions increased from 15.2% to 15.8%.

**Five-Year Valuation Summary**

	<b>1/1/2021</b>	<b>1/1/2022</b>	<b>1/1/2023</b>	<b>1/1/2024</b>	<b>1/1/2025</b>
<b>Funding</b>					
Accrued Liability	\$31,409,094	\$33,401,229	\$36,221,609	\$39,241,027	\$41,690,202
Actuarial Value of Assets	\$32,577,009	\$36,787,875	\$38,948,434	41,542,660	43,656,022
Unfunded Actuarial Accrued Liability	(\$1,167,915)	(\$3,386,646)	(\$2,726,825)	(\$2,301,633)	(\$1,965,820)
Funded Percentage	103.7%	110.1%	107.5%	105.9%	104.7%
Actual Employer Contribution	\$1,399,272	\$1,433,887	\$1,322,663	\$1,000,303	TBD
Actuarially Determined Contribution	\$1,229,797	\$841,503	\$808,014	\$1,020,358	\$1,156,935
Actuarially Determined Contribution (% of Pay)	18.8%	15.0%	14.1%	15.2%	15.8%
Interest Rate	6.00%	6.00%	6.00%	6.00%	6.00%
Expense Load Assumption	\$182,865	\$206,850	\$174,302	\$199,123	\$217,027
<b>Rate of Return</b>					
Actuarial Value of Assets	10.60%	11.63%	5.01%	6.77%	6.09%
Market Value of Assets	16.56%	11.96%	(16.42%)	14.37%	10.06%
<b>Demographic Information</b>					
Active Participants	118	108	107	99	90
Transfers	2	1	1	3	2
Terminated Vested Participants	109	121	146	143	153
Retirees, Beneficiaries, and Disabled	60	64	67	73	79
Total Participants	289	294	321	318	324
Valuation Payroll	\$6,548,658	\$5,613,094	\$5,734,757	\$6,724,863	\$7,325,877
Average Valuation Pay	\$55,497	\$51,973	\$53,596	\$67,928	\$81,399

**Identification of Key Risks**

The results presented in this report are shown as single point values. However, these values are derived using assumptions about future markets and demographic behavior. If actual experience deviates from our assumptions, the actual results for the plan will consequently deviate from those presented in this report. Therefore, it is critical to understand the risks facing this pension plan. The following table shows the risks we believe are most relevant to the SunLine Transit Agency Non-Union Restated Employees Retirement System. The risks are generally ordered with those we believe to have the most significance at the top. Also shown are possible methods by which a more detailed assessment of the risk can be performed.

<b>Type of Risk</b>	<b>Method to Assess Risk</b>
Investment Return	Scenario Testing; Asset Liability Study
Salary Growth	Stress Testing; Assumption Study
Participant Longevity	Assumption Study
Employer Contributions	Projections and Contribution Strategy

## **Plan Maturity Measures – January 1, 2025**

Each pension plan has a distinct life-cycle. New plans promise future benefits to active employees and then accumulate assets to pre-fund those benefits. As the plan matures, benefits are paid and the pre-funded assets begin to decumulate until ultimately, the plan pays out all benefits. A plan's maturity has a dramatic influence on how risks should be viewed. The following maturity measures illustrate where the SunLine Transit Agency Non-Union Restated Employees Retirement System falls in its life-cycle.

### **Duration of Liabilities: 14.6**

Duration is the most common measure of plan maturity. It is defined as the sensitivity of the liabilities to a change in the interest rate assumption. The metric also approximates the weighted average length of time, in years, until benefits are expected to be paid. A plan with high duration is, by definition, more sensitive to changes in interest rates. A plan with low duration is more susceptible to risk if asset performance deviates from expectations as there would be less time to make up for market losses in adverse market environments while more favorable environments could result in trapped surplus from gains. Conversely, high duration plans can often take on more risk when investing, and low duration plans are less sensitive to interest rate fluctuations.

### **Demographic Distribution - Ratio of Actively Accruing Participants to All Participants: 27.8%**

A plan with a high ratio is more sensitive to fluctuations in salary (if a salary-based plan) and statutory changes. A plan with a low ratio is at higher risk from demographic experience. Such a plan should pay close attention to valuation assumptions as there will be less opportunity to realize future offsetting gains or losses when current experience deviates from assumptions. Plans with a low ratio also have limited opportunities to make alterations to plan design to affect future funded status.

### **Asset Leverage - Ratio of Payroll for Plan Participants to Market Value of Assets: 16.9%**

Younger plans typically have a large payroll base from which to draw in order to fund the plan while mature plans often have a large pool of assets dedicated to providing benefits to a population primarily consisting of members no longer on payroll. Plans with low asset leverage will find it more difficult to address underfunding, as the contributions needed to make up the deficit will represent a higher percentage of payroll than for a plan with high asset leverage.

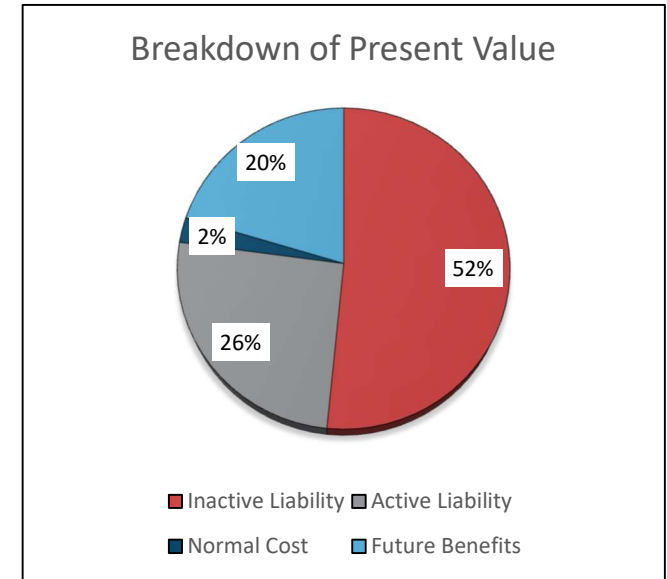
### **Benefit Payment Percentage - Ratio of Annual Benefit Payments to Market Value of Assets: 3.5%**

As a plan enters its decumulation phase, a larger percentage of the pre-funded assets are paid out each year to retirees. A high percentage is not cause for alarm as long as the plan is nearly fully funded. However, such a plan is more sensitive to negative asset performance, especially if cash contributions are not an option to make up for losses.

**Present Value of Future Benefits**

The Present Value of Future Benefits represents the discounted value of future benefits payable to the participant considering future service and compensation not yet earned.

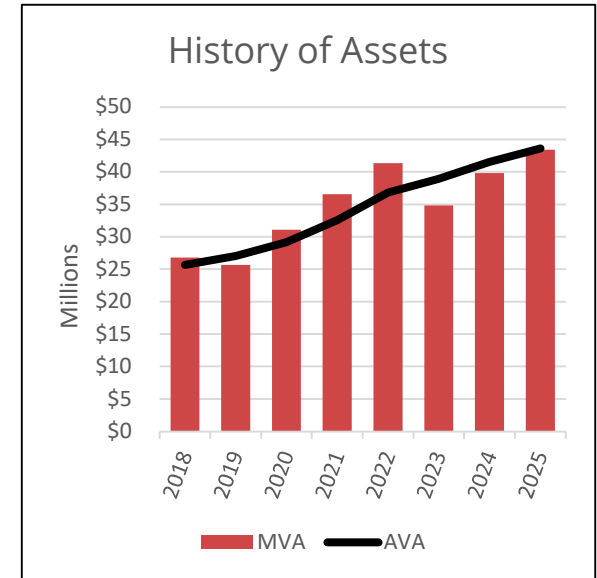
	January 1, 2025
<b>Present Value of Future Benefits</b>	
Active members	
Retirement	\$23,930,663
Termination	1,531,199
Disability	358,841
Pre-retirement death	357,487
Total active	\$26,178,190
Inactive members	
Retirees receiving benefits	\$16,248,434
Beneficiaries	2,572,055
Terminated vested members	9,059,475
Total inactive	\$27,879,964
Total	\$54,058,154
Total covered payroll of participants	\$7,325,877



**Asset Information**

The following is a summary of the transactions in the fund during last year:

	<b>2024</b>
Valuation balance January 1	\$39,824,460
Contributions - employer (including receivable)	1,000,303
Contributions - employee	212,830
Interest (including accruals)	19,110
Dividends (including accruals)	1,126,734
Realized and unrealized gain/(loss)	2,839,731
Benefits paid	(1,517,543)
Change in benefits (payable)/receivable	0
Plan administration expenses	(100,246)
Ending balance December 31	<b>\$43,405,379</b>
Market rate of return	10.06%



**Actuarial Value of Assets**

The actuarial value of assets is based on the market value where asset gains and losses are recognized over five years. The actual market return above or below the assumed return is phased in over five years.

	<b>January 1, 2025</b>
1. Expected market value of assets	
(a) Market value of assets (1/1/2024)	\$39,824,460
(b) Contributions	1,213,133
(c) Benefit payments	(1,517,543)
(d) Plan administration expenses	(100,246)
(e) Expected return	<u>2,377,328</u>
(f) Expected market value of assets (1/1/2025)	\$41,797,132
2. Market value of assets (1/1/2025)	\$43,405,379
3. Actual return on market value	\$3,985,575
4. Amount subject to phase in [(3)-(1e)]	\$1,608,247
5. Phase in of asset gain/(loss)	
(a) Current year (80% x \$1,608,247)	\$1,286,598
(b) First prior year (60% x \$2,914,881)	1,748,929
(c) Second prior year (40% x (\$9,311,677))	(3,724,671)
(d) Third prior year (20% x \$2,192,507)	<u>438,501</u>
(e) Total phase-in	(\$250,643)
6. Preliminary actuarial value of assets (1/1/2025) [(2)-(5e)]	\$43,656,022
7. 80% corridor of market value	\$34,724,304
8. 120% corridor of market value	\$52,086,454
9. Actuarial value of assets	\$43,656,022
10. Return on actuarial value of assets	6.09%

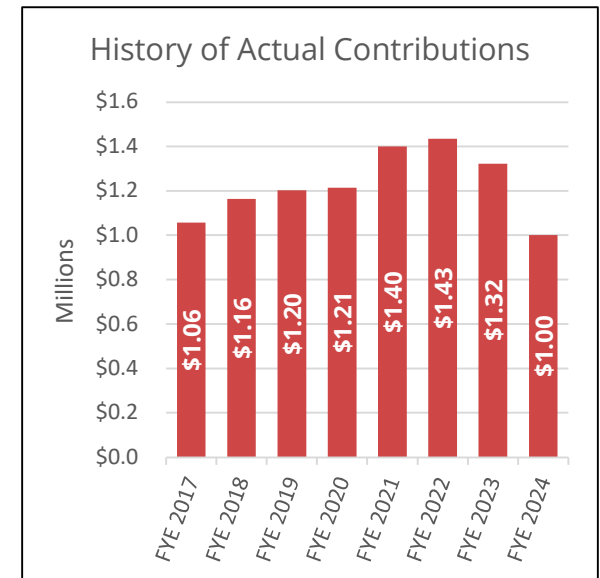
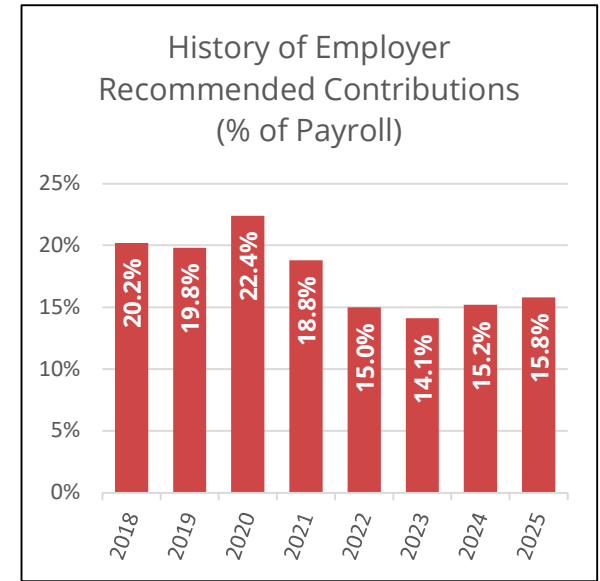
**Reconciliation of Gain/Loss**

	January 1, 2025
<b>Liability (gain)/loss</b>	
Present value of future benefits, beginning of prior year	\$50,901,446
Present value of employee contributions	0
Expected employee contribution	0
Benefit payments	(1,517,543)
Interest	3,008,560
Expected liability	\$52,392,463
Assumption change	(339,458)
Plan amendment	0
Expected after changes, beginning of current year	\$52,053,005
Actual employer present value of future benefits	\$54,058,154
Liability (gain)/loss	\$2,005,149
<b>Asset (gain)/loss</b>	
Actuarial value of assets, beginning of prior year	\$41,542,660
Contributions	1,213,133
Benefit payments and expenses	(1,617,789)
Expected investment return	2,480,420
Expected actuarial value of assets, beginning of current year	\$43,618,424
Actual actuarial value of assets, beginning of current year	\$43,656,022
Asset (gain)/loss	(\$37,598)
<b>Total (gain)/loss</b>	<b>\$1,967,551</b>

**Development of Actuarially Determined Contribution**

The actuarial determined contribution is the annual amount necessary to fund the plan according to funding policies and/or applicable laws.

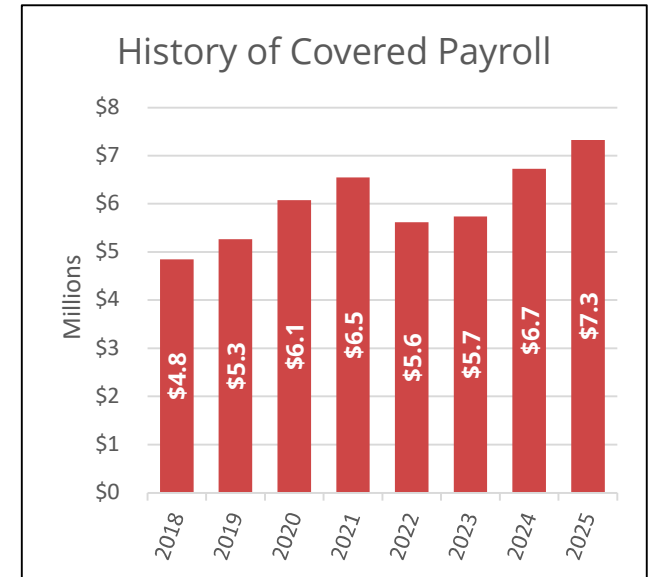
	<b>January 1, 2025</b>
1. Present value of future benefits	\$54,058,154
2. Present value of future member contributions	2,030,798
3. Actuarial value of assets	43,656,022
4. Present value of future normal cost [(1)-(2)-(3)]	\$8,371,334
5. Present value of future payroll	67,693,255
6. Normal cost accrual rate [(4)/(5)]	12.37%
7. Valuation payroll	7,325,877
8. Normal cost for year [(6)*(7)]	\$906,211
9. Administrative expense load	217,027
10. Interest adjustment for monthly contributions	33,697
11. Sum of employer monthly contributions for the year	\$1,156,935
12. As a percentage of valuation payroll	15.79%
 <b>Actuarially Determined Contribution Rates</b>	
Normal cost (employer contribution)	15.79%
Employee contribution rate	3.00%
Total contribution	18.79%



**Demographic Information**

The foundation of a reliable actuarial report is the member information provided by the plan sponsor. Monitoring trends in demographic information is crucial for long-term pension planning.

	January 1, 2024	January 1, 2025
<b>Member Counts</b>		
Active Members	99	90
Transferred Members	3	2
Terminated Vested Members	143	153
Retired Members	68	74
Beneficiaries	5	5
<b>Total</b>	<b>318</b>	<b>324</b>
<b>Active Participant Demographics</b>		
Average Age	46.3	47.4
Average Service	6.3	6.4
Average Compensation	\$67,928	\$81,399
Covered Payroll	\$6,724,863	\$7,325,877



**Demographic Information (continued)**

	January 1, 2024	January 1, 2025
<b>Transferred Member Statistics</b>		
Average Age	32.3	33.6
Average Monthly Benefit	\$127	\$127
<b>Retired Member Statistics</b>		
Average Age	70.3	70.7
Average Monthly Benefit	\$1,396	\$1,385
<b>Beneficiary Statistics</b>		
Average Age	70.8	71.8
Average Monthly Benefit	\$3,249	\$3,346
<b>Terminated Member Statistics</b>		
Average Age	52.9	52.3
Average Monthly Benefit	\$905	\$956
<b>Terminated Non-Vested Member Statistics</b>		
Average Age	48.9	49.0
Average Contribution Balance	\$1,937	\$2,224

**Participant Reconciliation**

	Active	Transfers	Terminated Vested	Retired	Beneficiaries	Totals
<b>Prior Year</b>	99	3	143	68	5	318
<b>Active</b>						
To Transferred						
To Terminated Vested	(15)		15			
To Retired	(2)			2		
To Cashed out	(3)					(3)
To Death						
<b>Transfers</b>						
To Active						
To Terminated Vested		(1)	1			
To Retired						
<b>Terminated Vested</b>						
To Retired			(4)	4		
To Cashed out			(2)			(2)
To Active						
To Beneficiary						
To Transfer						
<b>Retired</b>						
To Death						
<b>Survivor</b>						
To Death						
<b>Additions</b>	11					11
<b>Removed</b>						
<b>Corrections</b>						
<b>Current Year</b>	90	2	153	74	5	324

**Active Participant Schedule**

Active participant information grouped based on age and service.

Age Group	Years of Service										Total	Average Pay
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25	1	1									2	\$54,746
25 to 29	1	5									6	56,894
30 to 34	1	6	4								11	76,592
35 to 39	2	5	3	1							11	84,752
40 to 44		5	2	1							8	78,712
45 to 49	3	2	5	2	1						13	85,274
50 to 54		5	3								8	108,581
55 to 59		3	3	1	4	2	1				14	84,021
60 to 64	2	3	5	1	1	1					13	79,557
65 to 69		1	1								2	86,921
70 & up		1		1							2	54,473
<b>Total</b>	<b>10</b>	<b>37</b>	<b>26</b>	<b>7</b>	<b>6</b>	<b>3</b>	<b>1</b>				<b>90</b>	<b>\$81,399</b>

**Effective Date**

February 1, 1980; the plan was most recently restated effective January 1, 2014 and amended effective January 1, 2018.

**Eligibility**

All full-time employees of the SunLine Transit Agency in job classifications not covered by a collective bargaining agreement are eligible to participate in the Plan.

**Normal Retirement Date**

The first day of the month coinciding with or next following the later of attainment of age 62 or 5 Years of Vesting Service.

**Normal Retirement Benefit**

2.5% of Average Compensation times years and completed months of Credited Service. Average Compensation is the average of the thirty-six highest consecutive months of earnings as a participant. If the employee has attained age 62 at termination and completed 10 Years of Vesting Service, the minimum monthly benefit is \$400. Earnings means compensation paid during a plan year as an eligible employee, excluding any compensation paid as bonuses, overtime, or other extra pay. The maximum benefit is 90% of Average Compensation.

For PEPRAs participants, the monthly amount of pension payable to a Participant at the Normal Retirement Date shall be equal to the product of 2.0% of the Participant's Average Compensation and Credited Service. For PEPRAs Participants, pensionable earnings are limited to 120% of the contribution and benefit base specified in section 430(b) of Title 42 of the United States Code on January 1, 2013 increased for the current valuation year based on changes to the Consumer Price Index for All Urban Consumers. For 2024 the limit is \$181,734.

**Early Retirement Benefit**

On or after the completion of 25 Years of Vesting Service or the attainment of age 55 with 5 Years of Vesting Service with the Employer, a participant may apply for Early Retirement and receive the Normal Retirement Benefit accrued through termination of employment, based on the benefit factors included in the plan document appendix.

**Late Retirement Benefit**

If the participant retires after Normal Retirement Date but before age 65, the benefit shall be based on the benefit factors included in the plan document appendix, Average Compensation and Years of Service at actual retirement. If retirement occurs after age 65, the benefit will be based on Years of Service and Average Compensation at actual retirement but with no further increase in the benefit multiplier after age 65.

**Disability Benefit**

An employee who becomes totally and permanently disabled after completing 5 Years of Vesting Service shall be entitled to receive an immediate unreduced pension equal to 2.5% of Average Compensation times Years of Credited Service. This benefit cannot exceed the projected benefit at age 62 based on current Average Compensation and total service assuming continued employment until age 62.

**Employee Contributions**

Employee contributions of 3.0% of earnings are required. Interest is credited at 6.0% per year, compounded annually. As of January 1, 2025, the Agency had not adopted PEPRA cost-sharing.

**Death Benefits**

The death benefit payable to the spouse (or dependent under age 21) of a participant who dies while employed and after completing five Years of Vesting Service is a monthly benefit which is actuarially equivalent to the accrued benefit.

**Benefits upon Termination of Employment**

The vested portion of the benefit accrued to date of termination to commence at Normal Retirement Date in accordance with the following table:

<u>Years of Vesting Service</u>	<u>Percentage Vested</u>
Less than 5	0%
5 or more	100%

If the participant has 5 or more Years of Vesting Service at termination, the actuarially reduced benefit may commence at Early Retirement on or after age 55.

### **Normal Form of Pension**

Modified Cash Refund Annuity.

### **Optional Form of Pension**

The following options are available for Normal or Early Retirement benefits:

1. Joint and 50% Survivor annuity.
2. Joint and 66 2/3% Survivor annuity.
3. Joint and 100% Survivor annuity.
4. Life annuity with 120-month period certain.
5. Social Security Adjustment.

### **Cost of Living Adjustment**

As of July 1 of each year, a retiree's monthly benefit shall be increased or decreased by an adjustment, which shall be determined by dividing the CPI-U on March 31 of that calendar year by the CPI-U on April of the previous calendar year. Such adjustment shall be taken to the nearest 0.1% and limited to a maximum of 3.0% in any year. The excess of 3.0% for each adjustment period will be retained in a COLA "bank" and drawn from in future years to the extent that the change in CPI-U falls below 3.0%. In no event shall a participant's monthly benefit be adjusted below the pension payable upon commencement.

### **Actuarial Equivalence**

According to equivalency factors in the Plan; where not specified, it is based on 1971 Group Annuity Mortality Table and 7.0% interest; the benefit due to employee contributions is based on 1983 GAM mortality and a 6.0% interest rate as well as a 3.0% COLA rate.

### **Funding**

Plan benefits are funded through contributions to a trust fund. Trust assets are held by US Bank. The cost of the Plan in excess of the required employee contributions is met by the Employer.

### **Changes Since Prior Report**

None.

**Valuation Date**

January 1, 2025

**Valuation Method**

The Actuarially Determined Contribution under the Plan for expected future retirement benefits is determined in accordance with the Aggregate Actuarial Cost Method. Under this method, the excess of the Actuarial Present Value of Projected Benefits over the actuarial value of assets is allocated as a level percent of payroll of all participants over their remaining working lifetime. Under this method, the actuarial gains (losses), as they occur, reduce (increase) future normal costs.

All employees eligible in accordance with the provisions of the Plan listed in the data provided by the Employer were included in the valuation.

**Asset Valuation Method**

The Actuarial Value of Assets is the market value of funds held by US Bank with accrued contributions and accrued interest and dividends. The actuarial value of assets is based on expected market value, plus receivable contributions, accrued interest and any transfers due. Gains and losses are phased in over a five-year period ending on the valuation date. The actuarial value of the Plan's assets as computed above is adjusted so as not to be less than 80% nor more than 120% of the fair market value of the Plan's assets as of the valuation date.

**Interest to be Earned on the Fund**

6.0% per annum, net of investment expenses, compounded annually.

**Mortality**

Generational mortality based on the SOA's most recently published public plan mortality study. For employees, healthy retirees, disabled retirees, and contingent survivors the PubG-2016 amount-weighted general base tables were used with generational mortality improvements based on projection scale MP-2021.

**Retirement Age**

Employees are assumed to retire based on the following rates:

<u>Age</u>	<u>Rates of Retirement</u>	<u>Age</u>	<u>Rates of Retirement</u>	<u>Age</u>	<u>Rates of Retirement</u>
50	.0000	59	.1020	68	.2360
51	.0000	60	.1120	69	.2410
52	.0140	61	.1160	70	.2960
53	.0190	62	.1870	71	.3030
54	.0320	63	.1760	72	.3100
55	.0680	64	.1920	73	.3170
56	.0480	65	.2690	74	.3240
57	.0600	66	.2240	75	1.0000
58	.0790	67	.2300		

**Withdrawal from Service for Termination**

Employees with less than 5 years of service are assumed to terminate in accordance with the 2021 CalPERS Public Agency Miscellaneous Sex-Distinct termination rates for members without a vested benefit. Employees with 5 or more years of service are assumed to terminate in accordance with table T-5 from the Pension Actuary's Handbook, less GA-1951 mortality. The following are sample rates:

<u>Service</u>	<u>Rates of Termination</u>		<u>Age</u>	<u>Rates of Termination</u>
	Male	Female		
			25	.077242
0	.16306	.18238	30	.072219
1	.12664	.14842	35	.062764
2	.09700	.11825	40	.051504
3	.07268	.09124	45	.039753
4	.05239	.06695	50	.025627
			55	.009394
			60	.000901

**Disability Rates**

Rates of disablement are in accordance with the 2021 CalPERS Public Agency Miscellaneous Sex-Distinct Disability Non-Industrial Disability Retirement Rates. The following are sample rates:

<u>Age</u>	<u>Rates of Disablement</u>	
	Male	Female
25	.00007	.00009
30	.00017	.00033
35	.00035	.00065
40	.00091	.00119
45	.00149	.00185
50	.00154	.00193
55	.00139	.00129
60	.00124	.00094

**Compensation Increases**

Future compensation was projected to increase at the rate of 4.0%, compounded annually. Compensation for the year beginning on the valuation date is based on the hourly rate on the valuation date multiplied by 2,080. Future compensation is limited to \$345,000 per year. For participants subject to PEPR, future compensation is limited to \$181,734. This limit is assumed to increase by 3% per year.

**Cost of Living Adjustments**

3.0% per year, compounded annually.

**Percent Married**

For purposes of determining the death benefit, 80% of participants are assumed to be married or have eligible dependents.

**Expenses**

The explicit cost for Plan expenses is 0.50% of market value of assets; interest earned is assumed to be net of investment expenses.

**Changes in Actuarial Assumptions**

The mortality assumption was updated from the PubG-2010 base tables to the PubG-2016 base tables to reflect the SOA's most recently published public plan mortality study.

The actuarial report also shows the necessary items required for plan reporting and any state requirements.

- ✓ Distribution of Assets
- ✓ PEPRA Normal Cost and Employee Contribution Rate
- ✓ Low-Default-Risk Obligation Measure (LDROM)

**Distribution of Assets**

	<b>January 1, 2024*</b>	<b>January 1, 2025</b>
Cash and deposits	\$305,453	\$55,834
Receivables:		
Contributions	\$0	\$0
Due from broker for investments sold	0	0
Investment income	728	1,993
Other	0	0
Total Receivables	\$728	\$1,993
Investments:		
Fixed Income	\$15,149,803	\$18,521,062
Domestic Equities	13,592,489	13,268,050
International Equities	6,832,560	6,387,791
Miscellaneous	3,943,427	5,170,649
Total Investments	\$39,518,279	\$43,347,552
Total assets	\$39,824,460	\$43,405,379
Payables:		
Investment management fees	\$0	\$0
Due to broker for investments purchased	0	0
Collateral payable for securities lending	0	0
Other	0	0
Total Liabilities	\$0	\$0
Market value of assets	\$39,824,460	\$43,405,379

\* Note: This column may not align with last year's valuation report due to updates to the page's formatting.

**PEPRA Normal Cost and Employee Contribution Rate**

The Plan currently requires a 3% employee contribution. If the Agency adopts the employee cost-sharing provision under the Public Employees' Pension Reform Act (PEPRA), the required Employee Contribution Rate is 50% of the Normal Cost Rate rounded to the nearest 0.25%. Once adopted, the Employee Contribution Rate will increase in subsequent valuation years only if the Normal Cost Rate changes by an increment of at least 1%.

The actuarial cost method used to determine the Plan's Normal Cost Rate is the Entry Age Normal (EAN) cost method. The EAN cost method is a projected benefit cost method which means the "cost" is based on the projected benefit expected to be paid at retirement.

The EAN normal cost equals the level annual amount of contribution from the employee's entry date to their retirement date that is sufficient to fund the projected benefit. The normal cost is calculated as a level percentage of pay.

<b>Total Plan</b>	<u>January 1, 2025</u>
Present value of projected benefits:	\$54,058,154
Entry age normal accrued (past service) liability:	\$41,690,202
Entry age normal cost for the current period:	\$1,368,985
Covered payroll for current period:	\$7,325,877
Normal cost rate:	18.69%
Employee contribution rate:	9.25%

<b>Population Covered Under PEPRA</b>	<u>January 1, 2025</u>
Present value of projected benefits:	\$17,528,487
Entry age normal accrued (past service) liability:	\$7,722,953
Entry age normal cost for the current period:	\$1,014,576
Covered payroll for current period:	\$5,693,279
Normal cost rate:	17.82%
Employee contribution rate:	9.00%

**Low-Default-Risk Obligation Measure (LDRM)**

The LDRM liability represents the estimated asset value as of the measurement date the Plan would need in order to purchase a low-default-risk fixed income securities portfolio with durations that are reasonably consistent with the timing of benefits expected to be paid from the plan.

	<b>January 1, 2025</b>
LDRM liability	\$ (44,629,032)
Market value of assets	<u>\$ 43,405,379</u>
LDRM funded status	\$ (1,223,653)

The LDRM liability measure is for informational purposes only. The plan sponsor has no requirements to contribute to the Plan to meet this threshold, and the funded status on this basis is not reported to any government agency or used for any restrictions.

If Plan assets are invested to earn in excess of a fixed income portfolio, a shortfall on this basis may not necessarily mean the security of participant benefits is at risk. If the plan is fully funded, or nearly fully funded, on the LDRM measure, the plan sponsor may want to consider reducing investment risk in order to offer greater benefit security and lower contribution volatility. We did not perform an analysis of assumption or provision changes resulting from a potential shift in investment policy due to the limited scope of our engagement.

The above LDRM liability measure applies a single effective discount rate of 5.49%, using the Entry Age Normal funding method. The discount rate was determined as the single effective rate that would produce approximately the same liability as if future cashflows were discounted based on the FTSE Pension Liability Index as of December 31, 2024. All other data, assumptions, methods, and provisions are the same as those detailed in this report.



# SunLine Transit Agency Retirement Income Plan for Teamsters Local 1932

January 1, 2025 | Actuarial Valuation Report

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At the request of the plan sponsor, this report summarizes the actuarial results of the SunLine Transit Agency Retirement Income Plan for Teamsters Local 1932 as of January 1, 2025. The purpose of this report is to communicate the following results of the valuation:

- Funded Status; and
- Actuarially Determined Contribution for the plan year beginning January 1, 2025.

This report has been prepared in accordance with the applicable Federal and State laws. Consequently, it may not be appropriate for other purposes. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than that explained above. Failure to do so may result in misrepresentation or misinterpretation of this report.

The results in this report were prepared using information provided to us by other parties. The census information has been provided to us by the employer. Asset information has been provided to us by the trustee. We have reviewed the provided data for reasonableness when compared to prior information provided, but have not audited the data. Where relevant data may be missing, we have made assumptions we believe to be reasonable. We are not aware of any significant issues with and have relied on the data provided. Any errors in the data provided may result in a different result than those provided in this report. A summary of the data used in the valuation is included in this report.

Certain assumptions and methods were chosen by the Plan Sponsor and have been disclosed in the "Actuarial Assumptions" section of this report. In our opinion, all actuarial assumptions and methods are individually reasonable and in combination represent our best estimate of anticipated experience of the plan. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement. This report has been prepared in accordance with generally accepted actuarial principles and practice.

In preparing these results, Nyhart used ProVal valuation software developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing pension valuations. We coded the plan provisions, assumptions, methods, and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any material weaknesses or limitations in the software, and have determined it is appropriate for performing this valuation.

Neither Nyhart nor any of its employees have any relationship with the plan or its sponsor which could impair or appear to impair the objectivity of this report. To the extent that this report or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States and are available for any questions.

Nyhart



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Samantha Olson, FSA, EA



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Kathryn Hickey, ASA, EA

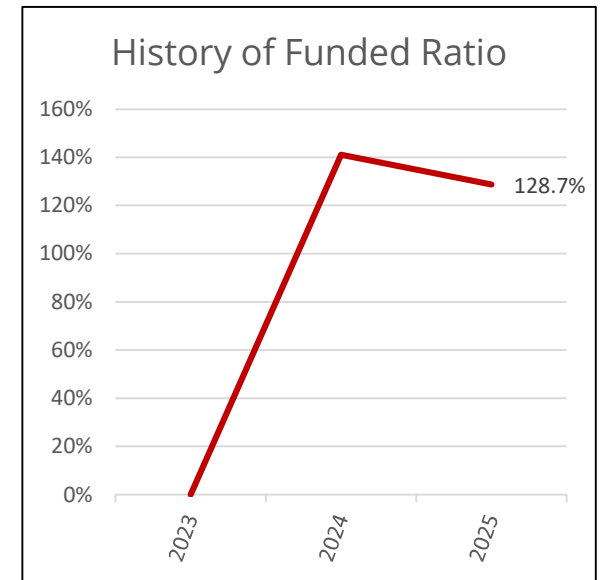
December 16, 2025

Date

**Summary Results**

The actuarial valuation's primary purpose is to produce a scorecard measure displaying the funding progress of the plan toward the ultimate goal of paying benefits at retirement. The accrued liability is based on an entry age level percentage of pay methodology.

	January 1, 2024	January 1, 2025
<b>Funded Status Measures</b>		
Accrued Liability	\$60,130	\$167,599
Actuarial Value of Assets	84,854	215,759
Unfunded Accrued Liability	(\$24,724)	(\$48,160)
Funded Percentage (AVA)	141.1%	128.7%
Funded percentage (MVA)	140.7%	126.3%
<b>Cost Measures</b>		
Actuarially Determined Employer Contribution	\$33,237	\$75,044
- As a percentage of payroll	6.2%	6.8%
<b>Asset Performance</b>		
Market Value of Assets (MVA)	\$84,597	\$211,703
Actuarial Value/Market Value	100.3%	101.9%
<b>Participant Information</b>		
Active Participants	12	21
Transfers	0	0
Terminated Vested Participants	5	12
Retirees, Beneficiaries, and Disabled	0	0
Total Participants	17	33
Valuation Payroll	\$532,542	\$1,102,899



### **Changes Since Prior Valuation**

There have been no changes to the plan provisions since the last valuation.

The mortality assumption has been updated from the healthy general participant base table (PubG-2010) and the disabled non-safety participant base table (PubNS-2010) to the employee, healthy retiree, disabled retiree, and contingent survivor amount-weighted general base tables (PubG-2016) to reflect the Society of Actuary's most recently published public plan mortality study. This change resulted in a decrease in Present Value of Future Benefits, Accrued Liability, Normal Cost and Actuarially Determined Contribution.

### **Key Notes**

The Market Value of Assets for the Plan only saw a 3% return compared to the 6% expected return. The funded status on this basis decreased from 141% to 126%. Additionally, the Plan funded status on the smoothed Actuarial Value of Assets decreased from 141% to 129% due to a 5% return compared to the 6% expected return.

On a Present Value of Future Benefits basis, the Plan saw an increase in liabilities due to demographic losses of approximately \$0.6 million, primarily due to new entrants as the Plan is still immature.

In combination, these changes resulted in an increase to the Actuarially Determined Contribution from \$33 thousand to \$75 thousand. As a percentage of payroll, contributions increased from 6.2% to 6.8%.

**Five-Year Valuation Summary**

	1/1/2023	1/1/2024	1/1/2025
<b>Funding</b>			
Accrued Liability	\$4,297	\$60,130	\$167,599
Actuarial Value of Assets	\$0	\$84,854	\$215,759
Unfunded Actuarial Accrued Liability	\$4,297	(\$24,724)	(\$48,160)
Funded Percentage	0.0%	141.1%	128.7%
Actual Employer Contribution	\$64,881	\$103,164	TBD
Actuarially Determined Contribution	\$4,674	\$33,237	\$75,044
Actuarially Determined Contribution (% of Pay)	8.1%	6.2%	6.8%
Interest Rate	6.00%	6.00%	6.00%
Expense Load Assumption	\$0	\$423	\$1,059
<b>Rate of Return</b>			
Actuarial Value of Assets	N/A	5.84%	5.29%
Market Value of Assets	N/A	5.22%	2.70%
<b>Demographic Information</b>			
Active Participants	6	12	21
Transfers	0	0	0
Terminated Vested Participants	2	5	12
Retirees, Beneficiaries, and Disabled	0	0	0
Total Participants	8	17	33
Valuation Payroll	\$57,803	\$532,542	\$1,102,899
Average Valuation Pay	\$9,634	\$44,379	\$52,519

**Identification of Key Risks**

The results presented in this report are shown as single point values. However, these values are derived using assumptions about future markets and demographic behavior. If actual experience deviates from our assumptions, the actual results for the plan will consequently deviate from those presented in this report. Therefore, it is critical to understand the risks facing this pension plan. The following table shows the risks we believe are most relevant to the SunLine Transit Agency Retirement Income Plan for Teamsters Local 1932. The risks are generally ordered with those we believe to have the most significance at the top. Also shown are possible methods by which a more detailed assessment of the risk can be performed.

<b>Type of Risk</b>	<b>Method to Assess Risk</b>
Investment Return	Scenario Testing; Asset Liability Study
Salary Growth	Stress Testing; Assumption Study
Participant Longevity	Assumption Study
Employer Contributions	Projections and Contribution Strategy

## **Plan Maturity Measures – January 1, 2025**

Each pension plan has a distinct life-cycle. New plans promise future benefits to active employees and then accumulate assets to pre-fund those benefits. As the plan matures, benefits are paid and the pre-funded assets begin to decumulate until ultimately, the plan pays out all benefits. A plan's maturity has a dramatic influence on how risks should be viewed. The following maturity measures illustrate where the SunLine Transit Agency Retirement Income Plan for Teamsters Local 1932 falls in its life-cycle.

### **Duration of Liabilities: 21.7**

Duration is the most common measure of plan maturity. It is defined as the sensitivity of the liabilities to a change in the interest rate assumption. The metric also approximates the weighted average length of time, in years, until benefits are expected to be paid. A plan with high duration is, by definition, more sensitive to changes in interest rates. A plan with low duration is more susceptible to risk if asset performance deviates from expectations as there would be less time to make up for market losses in adverse market environments while more favorable environments could result in trapped surplus from gains. Conversely, high duration plans can often take on more risk when investing, and low duration plans are less sensitive to interest rate fluctuations.

### **Demographic Distribution - Ratio of Actively Accruing Participants to All Participants: 63.6%**

A plan with a high ratio is more sensitive to fluctuations in salary (if a salary-based plan) and statutory changes. A plan with a low ratio is at higher risk from demographic experience. Such a plan should pay close attention to valuation assumptions as there will be less opportunity to realize future offsetting gains or losses when current experience deviates from assumptions. Plans with a low ratio also have limited opportunities to make alterations to plan design to affect future funded status.

### **Asset Leverage - Ratio of Payroll for Plan Participants to Market Value of Assets: 521.0%**

Younger plans typically have a large payroll base from which to draw in order to fund the plan while mature plans often have a large pool of assets dedicated to providing benefits to a population primarily consisting of members no longer on payroll. Plans with low asset leverage will find it more difficult to address underfunding, as the contributions needed to make up the deficit will represent a higher percentage of payroll than for a plan with high asset leverage.

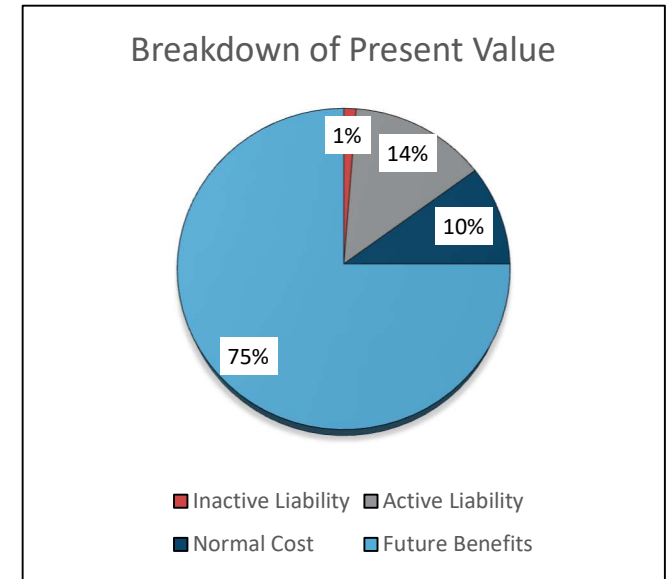
### **Benefit Payment Percentage - Ratio of Annual Benefit Payments to Market Value of Assets: 0.3%**

As a plan enters its decumulation phase, a larger percentage of the pre-funded assets are paid out each year to retirees. A high percentage is not cause for alarm as long as the plan is nearly fully funded. However, such a plan is more sensitive to negative asset performance, especially if cash contributions are not an option to make up for losses.

**Present Value of Future Benefits**

The Present Value of Future Benefits represents the discounted value of future benefits payable to the participant considering future service and compensation not yet earned.

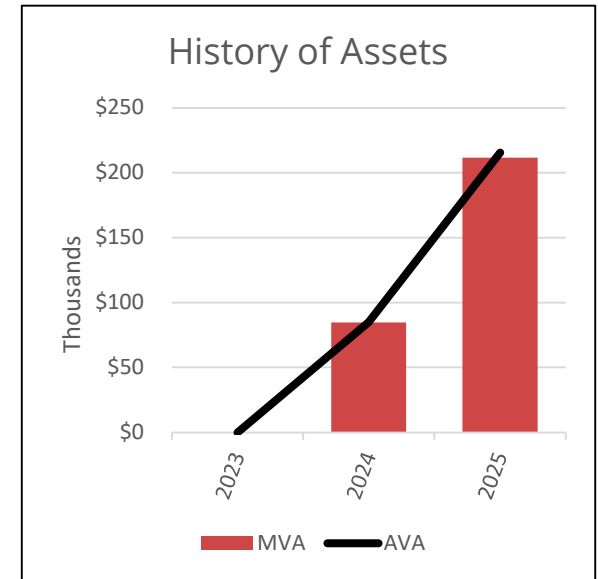
	<b>January 1, 2025</b>
<b>Present Value of Future Benefits</b>	
Active members	
Retirement	\$955,146
Termination	118,424
Disability	21,418
Pre-retirement death	15,933
Total active	\$1,110,921
Inactive members	
Retirees receiving benefits	\$0
Beneficiaries	0
Disabled members	0
Terminated vested members	13,796
Total inactive	\$13,796
Total	\$1,124,717
Total covered payroll of participants	\$1,102,899



**Asset Information**

The following is a summary of the transactions in the fund during last year:

	<b>2024</b>
Valuation balance January 1	\$84,597
Contributions - employer (including receivable)	103,164
Contributions - employee	28,394
Interest (including accruals)	6,580
Dividends (including accruals)	0
Realized and unrealized gains/(loss)	(2,638)
Benefits paid	(538)
Change in benefits (payable)/receivable	0
Plan administration expenses	(7,856)
Ending balance December 31	<u>\$211,703</u>
Market rate of return	2.70%



**Actuarial Value of Assets**

The actuarial value of assets is based on the market value where asset gains and losses are recognized over five years. The actual market return above or below the assumed return is phased in over five years.

	<b>January 1, 2025</b>
1. Expected market value of assets	
(a) Market value of assets (1/1/2024)	\$84,597
(b) Contributions	131,558
(c) Benefit payments	(538)
(d) Plan administration expenses	(7,856)
(e) Expected return	<u>8,771</u>
(f) Expected market value of assets (1/1/2025)	\$216,532
2. Market value of assets (1/1/2025)	\$211,703
3. Actual return on market value	\$3,942
4. Amount subject to phase in [(3)-(1e)]	(\$4,829)
5. Phase in of asset gain/(loss)	
(a) Current year (80% x (\$4,829))	(\$3,863)
(b) First prior year (60% x (\$321))	(193)
(c) Second prior year (40% x \$0)	0
(d) Third prior year (20% x \$0)	<u>0</u>
(e) Total phase-in	(\$4,056)
6. Preliminary actuarial value of assets (1/1/2025) [(2)-(5e)]	\$215,759
7. 80% corridor of market value	\$169,363
8. 120% corridor of market value	\$254,043
9. Actuarial value of assets	\$215,759
10. Return on actuarial value of assets	5.29%

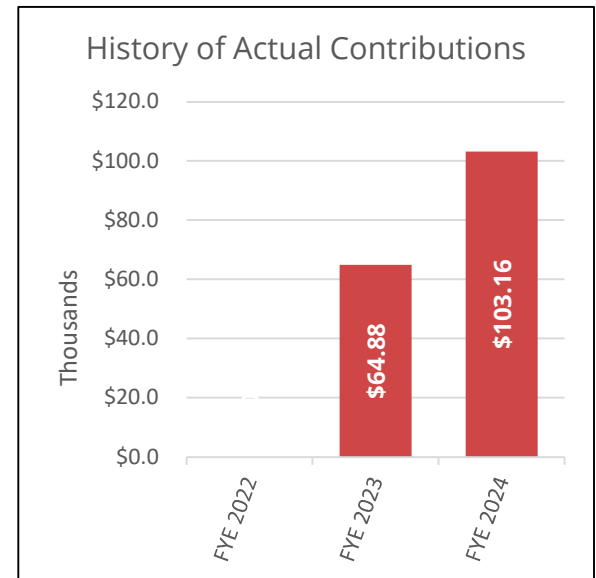
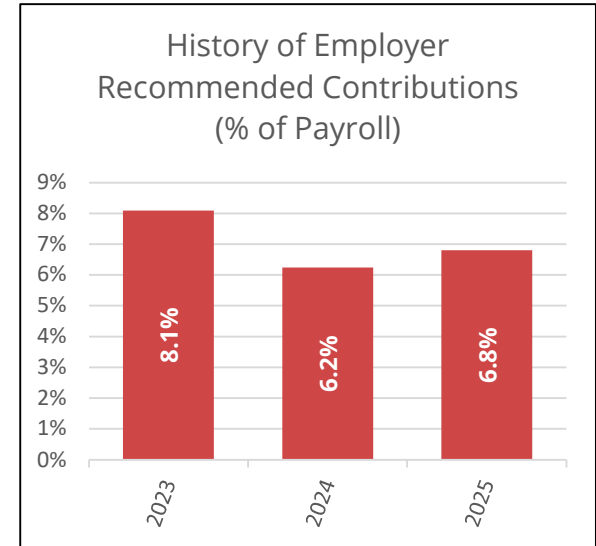
**Reconciliation of Gain/Loss**

	January 1, 2025
<b>Liability (gain)/loss</b>	
Present value of future benefits, beginning of prior year	\$529,892
Present value of employee contributions	0
Expected employee contribution	0
Benefit payments	(538)
Interest	31,777
Expected liability	\$561,131
Assumption change	(3,004)
Plan amendment	0
Expected after changes, beginning of current year	\$558,127
Actual employer present value of future benefits	\$1,124,717
Liability (gain)/loss	\$566,590
<b>Asset (gain)/loss</b>	
Actuarial value of assets, beginning of prior year	\$84,854
Contributions	131,558
Benefit payments and expenses	(8,394)
Expected investment return	8,786
Expected actuarial value of assets, beginning of current year	\$216,804
Actual actuarial value of assets, beginning of current year	\$215,759
Asset (gain)/loss	\$1,045
<b>Total (gain)/loss</b>	<b>\$567,635</b>

**Development of Actuarially Determined Contribution**

The actuarial determined contribution is the annual amount necessary to fund the plan according to funding policies and/or applicable laws.

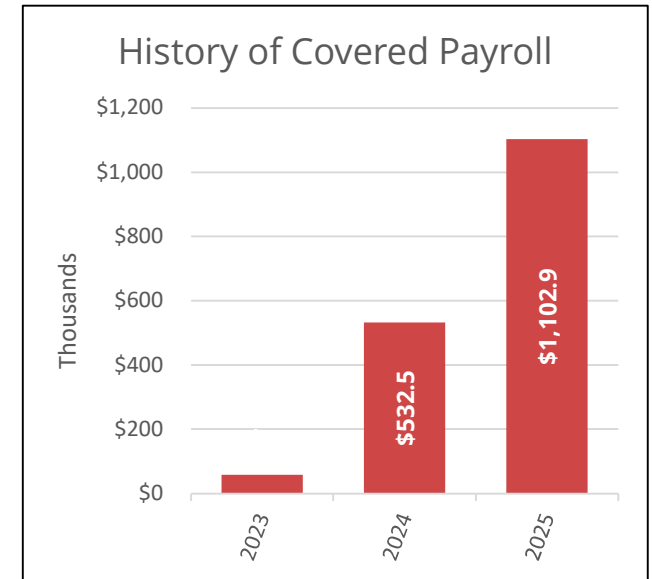
	<b>January 1, 2025</b>
1. Present value of future benefits	\$1,124,717
2. Present value of future member contributions	286,621
3. Actuarial value of assets	215,759
4. Present value of future normal cost [(1)-(2)-(3)]	\$622,337
5. Present value of future payroll	9,554,034
6. Normal cost accrual rate [(4)/(5)]	6.51%
7. Valuation payroll	1,102,899
8. Normal cost for year [(6)*(7)]	\$71,799
9. Administrative expense load	1,059
10. Interest adjustment for monthly contributions	2,186
11. Sum of employer monthly contributions for the year	\$75,044
12. As a percentage of valuation payroll	6.80%
<b>Actuarially Determined Contribution Rates</b>	
Normal cost (employer contribution)	6.80%
Employee contribution rate	3.00%
Total contribution	9.80%



**Demographic Information**

The foundation of a reliable actuarial report is the member information provided by the plan sponsor. Monitoring trends in demographic information is crucial for long-term pension planning.

	January 1, 2024	January 1, 2025
<b>Member Counts</b>		
Active Members	12	21
Transferred Members	0	0
Terminated Vested Members	5	12
Retired Members	0	0
Beneficiaries	0	0
<b>Total</b>	<b>17</b>	<b>33</b>
<b>Active Participant Demographics</b>		
Average Age	37.9	42.9
Average Service	0.8	1.0
Average Compensation	\$44,379	\$52,519
Covered Payroll	\$532,542	\$1,102,899



**Demographic Information (continued)**

	January 1, 2024	January 1, 2025
<b>Transferred Member Statistics</b>		
Average Age	N/A	N/A
Average Monthly Benefit	N/A	N/A
<b>Retired Member Statistics</b>		
Average Age	N/A	N/A
Average Monthly Benefit	N/A	N/A
<b>Beneficiary Statistics</b>		
Average Age	N/A	N/A
Average Monthly Benefit	N/A	N/A
<b>Terminated Member Statistics</b>		
Average Age	N/A	N/A
Average Monthly Benefit	N/A	N/A
<b>Terminated Non-Vested Member Statistics</b>		
Average Age	41.1	38.8
Average Contribution Balance	\$513	\$1,085

**Participant Reconciliation**

	Active	Transfers	Terminated Vested	Retired	Beneficiaries	Totals
<b>Prior Year</b>	12	0	5	0	0	17
<b>Active</b>						
To Transferred						
To Terminated Vested	(8)		8			
To Retired						
To Cashed Out						
<b>Transfers</b>						
To Terminated Vested						
To Retired						
To Cashed Out						
<b>Terminated Vested</b>						
To Retired						
To Cashed Out			(1)			(1)
<b>Retired</b>						
To Death						
<b>Survivor</b>						
To Death						
<b>Additions</b>	17					17
<b>Removed</b>						
<b>Corrections</b>						
<b>Current Year</b>	21	0	12	0	0	33

**Active Participant Schedule**

Active participant information grouped based on age and service.

Age Group	Years of Service										Total	Average Pay
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25		1									1	\$57,845
25 to 29	3	1									4	51,579
30 to 34	2										2	55,203
35 to 39	2										2	35,339
40 to 44	1	3									4	52,931
45 to 49	2	1									3	49,338
50 to 54	2										2	45,105
55 to 59											0	0
60 to 64		1									1	103,002
65 to 69											0	0
70 & up	2										0	52,534
<b>Total</b>	<b>14</b>	<b>7</b>									<b>21</b>	<b>\$52,519</b>

**Effective Date**

June 1, 2022.

**Eligibility**

All full-time employees of SunLine in job classifications covered by the Teamsters Union – Local 1932 collective bargaining agreement, hired on or after March 1, 2022, are eligible to participate in the Plan.

**Normal Retirement Date**

The first day of the month coinciding with or next following the later of the attainment of age 62 and 5 Years of Vesting Service.

**Normal Retirement Benefit**

1/60th of Average Compensation, times years and completed months of Credited Service. Average Compensation is the average of the thirty-six highest consecutive months of earnings as a participant. If the employee has attained age 62 at termination and completed 10 Years of Vesting Service, the minimum monthly benefit is \$400. Earnings means compensation paid during a plan year as an eligible employee, excluding any compensation paid as bonuses, overtime, or other extra pay.

**Early Retirement Benefit**

On or after the completion of 25 Years of Vesting Service or the attainment of age 55 with 5 Years of Vesting Service with the Employer, a participant may apply for Early Retirement and receive a benefit equal to Average Compensation times the appropriate factor based on age and service from Table A of the plan document. Completed quarters of age and service will be used to interpolate between whole years.

**Late Retirement Benefit**

If the participant retires after Normal Retirement Date but before age 65, the benefit shall be equal to Average Compensation times the appropriate factor based on age and service from Table A of the plan document. Completed quarters of age and service will be used to interpolate between whole years.

**Disability Benefit**

An employee who becomes totally and permanently disabled after completing 5 Years of Vesting Service shall be entitled to receive an immediate unreduced pension equal to 2.0% of Average Compensation times Years of Credited Service. This benefit cannot exceed the projected benefit at age 62 based on current Average Compensation and total service assuming continued employment until age 62.

**Employee Contributions**

Employee contributions of 3.0% of earnings are required. Interest is credited at 6.0% per year, compounded annually. As of January 1, 2025, the Agency had not adopted PEPRA cost sharing.

**Death Benefits**

The death benefit payable to the spouse (or dependents under age 21) of a participant who dies while employed and after completing 5 Years of Vesting Service is a monthly benefit which is actuarially equivalent to the accrued benefit.

**Benefits upon Termination of Employment**

The vested portion of the benefit accrued to date of termination to commence at Normal Retirement Date in accordance with the following table:

<u>Years of Vesting Service</u>	<u>Percentage Vested</u>
Less than 5	0%
5 or more	100%

If the participant has 5 or more Years of Vesting Service at termination, the actuarially reduced benefit may commence at Early Retirement on or after age 55.

**Normal Form of Pension**

Modified Cash Refund Annuity

**Optional Form of Pension**

The following options are available for Normal or Early Retirement benefits:

1. Joint and 50% Survivor annuity.
2. Joint and 66 2/3% Survivor annuity.
3. Joint and 100% Survivor annuity.
4. Life annuity with 120-month period certain.
5. Social Security Adjustment.

**Actuarial Equivalence**

PubG-2010 mortality table weighted 50% male and 50% female projected with mortality improvements to 2032 with the scale MP-2021 and 6.0% interest.

**Funding**

Plan benefits are funded through contributions to a trust fund. Trust assets are held by US Bank. The cost of the Plan in excess of the required employee contributions is met by the Employer.

**Changes Since Prior Report**

None.

**Valuation Date**

January 1, 2025

**Valuation Method**

The Actuarially Determined Contribution under the Plan for expected future retirement benefits is determined in accordance with the Aggregate Actuarial Cost Method. Under this method, the excess of the Actuarial Present Value of Projected Benefits over the actuarial value of assets is allocated as a level percent of payroll of all participants over their remaining working lifetime. Under this method, the actuarial gains (losses), as they occur, reduce (increase) future normal costs.

All employees eligible in accordance with the provisions of the Plan listed in the data provided by the Employer were included in the valuation.

**Asset Valuation Method**

The Actuarial Value of Assets is the market value of funds held by US Bank with accrued contributions and accrued interest and dividends. The actuarial value of assets is based on expected market value, plus receivable contributions, accrued interest and any transfers due. Gains and losses are phased in over a five-year period ending on the valuation date. The actuarial value of the Plan's assets as computed above is adjusted so as not to be less than 80% nor more than 120% of the fair market value of the Plan's assets as of the valuation date.

**Interest to be Earned on the Fund**

6% per annum, net of investment expenses, compounded annually.

**Mortality**

Generational mortality based on the SOA's most recently published public plan mortality study. For employees, healthy retirees, disabled retirees, and contingent survivors the PubG-2016 amount-weighted general base tables were used with generational mortality improvements based on projection scale MP-2021.

**Retirement Age**

Employees are assumed to retire based on the following rates:

<u>Age</u>	<u>Rates of Retirement</u>	<u>Age</u>	<u>Rates of Retirement</u>	<u>Age</u>	<u>Rates of Retirement</u>
50	.0000	59	.1020	68	.2360
51	.0000	60	.1120	69	.2410
52	.0140	61	.1160	70	.2960
53	.0190	62	.1870	71	.3030
54	.0320	63	.1760	72	.3100
55	.0680	64	.1920	73	.3170
56	.0480	65	.2690	74	.3240
57	.0600	66	.2240	75	1.0000
58	.0790	67	.2300		

**Withdrawal from Service for Termination**

Employees with less than 5 years of service are assumed to terminate in accordance with the 2021 CalPERS Public Agency Miscellaneous Sex-Distinct termination rates for members without a vested benefit. Employees with 5 or more years of service are assumed to terminate in accordance with table T-5 from the Pension Actuary's Handbook, less GA-1951 mortality. The following are sample rates:

<u>Service</u>	<u>Rates of Termination</u>		<u>Age</u>	<u>Rates of Termination</u>
	Male	Female		
			25	.077242
0	.16306	.18238	30	.072219
1	.12664	.14842	35	.062764
2	.09700	.11825	40	.051504
3	.07268	.09124	45	.039753
4	.05239	.06695	50	.025627
			55	.009394
			60	.000901

**Disability Rates**

Rates of disablement are in accordance with the 2021 CalPERS Public Agency Miscellaneous Sex-Distinct Disability Non-Industrial Disability Retirement Rates. The following are sample rates:

<u>Age</u>	<u>Rates of Disablement</u>	
	Male	Female
25	.00007	.00009
30	.00017	.00033
35	.00035	.00065
40	.00091	.00119
45	.00149	.00185
50	.00154	.00193
55	.00139	.00129
60	.00124	.00094

**Compensation Increases**

Future compensation was projected to increase at the rate of 3.0 compounded annually. Compensation for the year beginning on the valuation date is based on the hourly rate on the valuation date multiplied by 2,080. Future compensation is limited to \$345,000 per year. This limit is assumed to increase by 3.0% each year.

**Cost of Living Adjustments**

None.

**Percent Married**

For purposes of determining the death benefit, 80% of participants are assumed to be married or have eligible dependents.

**Expenses**

The explicit cost for Plan expenses is 0.50% of market value of assets; interest earned is assumed to be net of investment expenses.

**Changes in Actuarial Assumptions**

The mortality assumption was updated from the PubG-2010 base tables to the PubG-2016 base tables to reflect the SOA's most recently published public plan mortality study.

The actuarial report also shows the necessary items required for plan reporting and any state requirements.

- ✓ Distribution of Assets
- ✓ PEPRA Normal Cost and Employee Contribution Rate
- ✓ Low-Default-Risk Obligation Measure (LDROM)

**Distribution of Assets**

	January 1, 2024*	January 1, 2025
Cash and deposits	\$84,235	\$210,945
Receivables:		
Contributions	\$0	\$0
Due from broker for investments sold	0	0
Investment income	362	758
Other	0	0
Total Receivables	\$362	\$758
Investments:		
Fixed Income	\$0	\$0
Domestic Equities	0	0
International Equities	0	0
Miscellaneous	0	0
Total Investments	\$0	\$0
Total assets	\$84,597	\$211,703
Payables:		
Investment management fees	\$0	\$0
Due to broker for investments purchased	0	0
Collateral payable for securities lending	0	0
Other	0	0
Total Liabilities	\$0	\$0
Market value of assets	\$84,597	\$211,703

\* Note: This column may not align with last year's valuation report due to updates to the page's formatting.

**PEPRA Normal Cost and Employee Contribution Rate**

The Plan currently requires a 3% employee contribution. If the Agency adopts the employee cost-sharing provision under the Public Employees' Pension Reform Act (PEPRA), the required Employee Contribution Rate is 50% of the Normal Cost Rate rounded to the nearest 0.25%. Once adopted, the Employee Contribution Rate will increase in subsequent valuation years only if the Normal Cost Rate changes by an increment of at least 1%.

The actuarial cost method used to determine the Plan's Normal Cost Rate is the Entry Age Normal (EAN) cost method. The EAN cost method is a projected benefit cost method which means the "cost" is based on the projected benefit expected to be paid at retirement.

The EAN normal cost equals the level annual amount of contribution from the employee's entry date to their retirement date that is sufficient to fund the projected benefit. The normal cost is calculated as a level percentage of pay.

	<u>January 1, 2025</u>
Present value of projected benefits:	\$1,124,717
Entry age normal accrued (past service) liability:	\$167,599
Entry age normal cost for the current period:	\$113,468
Covered payroll for current period:	\$1,102,899
Normal Cost Rate:	10.29%
Employee Contribution Rate:	5.25%

*Determination of PEPRA Normal Cost assumes no changes to plan formula would be needed, and that all participants would be classified as PEPRA.*

**Low-Default-Risk Obligation Measure (LDRM)**

The LDRM liability represents the estimated asset value as of the measurement date the Plan would need in order to purchase a low-default-risk fixed income securities portfolio with durations that are reasonably consistent with the timing of benefits expected to be paid from the plan.

	<b>January 1, 2025</b>
LDRM liability	\$ (183,138)
Market value of assets	<u>\$ 211,703</u>
LDRM funded status	\$ 28,565

The LDRM liability measure is for informational purposes only. The plan sponsor has no requirements to contribute to the Plan to meet this threshold, and the funded status on this basis is not reported to any government agency or used for any restrictions.

If Plan assets are invested to earn in excess of a fixed income portfolio, a shortfall on this basis may not necessarily mean the security of participant benefits is at risk. If the plan is fully funded, or nearly fully funded, on the LDRM measure, the plan sponsor may want to consider reducing investment risk in order to offer greater benefit security and lower contribution volatility. We did not perform an analysis of assumption or provision changes resulting from a potential shift in investment policy due to the limited scope of our engagement.

The above LDRM liability measure applies a single effective discount rate of 5.54%, using the Entry Age Normal funding method. The discount rate was determined as the single effective rate that would produce approximately the same liability as if future cashflows were discounted based on the FTSE Pension Liability Index as of December 31, 2024. All other data, assumptions, methods, and provisions are the same as those detailed in this report.



# SunLine Transit Agency Restated Retirement Income Plan for Bargaining Unit Personnel

January 1, 2025 | Actuarial Valuation Report

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At the request of the plan sponsor, this report summarizes the actuarial results of the SunLine Transit Agency Restated Retirement Income Plan for Bargaining Unit Personnel as of January 1, 2025. The purpose of this report is to communicate the following results of the valuation:

- Funded Status; and
- Actuarially Determined Contribution for the plan year beginning January 1, 2025.

This report has been prepared in accordance with the applicable Federal and State laws. Consequently, it may not be appropriate for other purposes. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than that explained above. Failure to do so may result in misrepresentation or misinterpretation of this report.

The results in this report were prepared using information provided to us by other parties. The census information has been provided to us by the employer. Asset information has been provided to us by the trustee. We have reviewed the provided data for reasonableness when compared to prior information provided, but have not audited the data. Where relevant data may be missing, we have made assumptions we believe to be reasonable. We are not aware of any significant issues with and have relied on the data provided. Any errors in the data provided may result in a different result than those provided in this report. A summary of the data used in the valuation is included in this report.

Certain assumptions and methods were chosen by the Plan Sponsor and have been disclosed in the "Actuarial Assumptions" section of this report. In our opinion, all actuarial assumptions and methods are individually reasonable and in combination represent our best estimate of anticipated experience of the plan. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement. This report has been prepared in accordance with generally accepted actuarial principles and practice.

In preparing these results, Nyhart used ProVal valuation software developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing pension valuations. We coded the plan provisions, assumptions, methods, and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any material weaknesses or limitations in the software, and have determined it is appropriate for performing this valuation.

Neither Nyhart nor any of its employees have any relationship with the plan or its sponsor which could impair or appear to impair the objectivity of this report. To the extent that this report or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law.

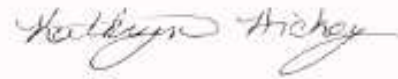
The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States and are available for any questions.

Nyhart



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Samantha Olson, FSA, EA



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Kathryn Hickey, ASA, EA

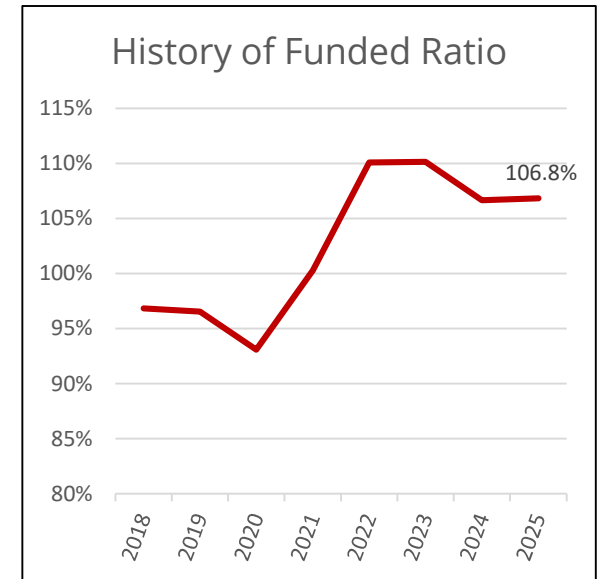
December 16, 2025

Date

**Summary Results**

The actuarial valuation's primary purpose is to produce a scorecard measure displaying the funding progress of the plan toward the ultimate goal of paying benefits at retirement. The accrued liability is based on an entry age level percentage of pay methodology.

	January 1, 2024	January 1, 2025
<b>Funded Status Measures</b>		
Accrued Liability	\$39,083,445	\$40,672,391
Actuarial Value of Assets	41,678,568	43,452,627
Unfunded Accrued Liability	(\$2,595,123)	(\$2,780,236)
Funded Percentage (AVA)	106.6%	106.8%
Funded percentage (MVA)	102.1%	105.7%
<b>Cost Measures</b>		
Actuarially Determined Employer Contribution	\$707,662	\$729,637
- As a percentage of payroll	5.7%	5.6%
<b>Asset Performance</b>		
Market Value of Assets (MVA)	\$39,905,883	\$42,991,564
Actuarial Value/Market Value	104.4%	101.1%
<b>Participant Information</b>		
Active Participants	233	232
Transfers	22	23
Terminated Vested Participants	166	195
Retirees, Beneficiaries, and Disabled	133	144
Total Participants	554	594
Valuation Payroll	\$12,532,645	\$13,019,178



### **Changes since Prior Valuation**

There have been no changes to the plan provisions since the last valuation.

The mortality assumption has been updated from the healthy general participant base table (PubG-2010) and the disabled non-safety participant base table (PubNS-2010) to the employee, healthy retiree, disabled retiree, and contingent survivor amount-weighted general base tables (PubG-2016) to reflect the Society of Actuary's most recently published public plan mortality study. This change resulted in a decrease in Present Value of Future Benefits, Accrued Liability, Normal Cost and Actuarially Determined Contribution.

### **Key Notes**

The Market Value of Assets for the Plan increased significantly due to a 10% return on assets compared to the 6% expected return. The funded status on this basis increased from 102% to 106%. However, the Plan funded status on the smoothed Actuarial Value of Assets remained at 107%, as unrecognized asset losses from prior years were partially recognized and gains are deferred.

On a Present Value of Future Benefits basis, the Plan saw an increase in liabilities due to demographic losses of approximately \$0.7 million, primarily due to larger than expected salary increases.

In combination, these changes resulted in an increase to the Actuarially Determined Contribution from \$0.71 million to \$0.73 million. As a percentage of payroll, contributions decreased from 5.7% to 5.6%.

**SunLine Transit Agency Restated Retirement Income Plan for Bargaining Unit Personnel**  
**Actuarial Valuation as of January 1, 2025**  
**Executive Summary**

**Five-Year Valuation Summary**

	1/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025
<b>Funding</b>					
Accrued Liability	\$32,335,364	\$33,437,387	\$35,282,743	\$39,083,445	\$40,672,391
Actuarial Value of Assets	\$32,427,018	\$36,803,765	\$38,864,230	\$41,678,568	43,452,627
Unfunded Actuarial Accrued Liability	(\$91,654)	(\$3,366,378)	(\$3,581,487)	(\$2,595,123)	(\$2,780,236)
Funded Percentage	100.3%	110.1%	110.2%	106.6%	106.8%
Actual Employer Contribution	\$1,389,133	\$1,106,547	\$1,085,056	\$479,312	TBD
Actuarially Determined Contribution	\$992,105	\$553,349	\$376,034	\$707,662	\$729,637
Actuarially Determined Contribution (% of Pay)	8.8%	5.4%	4.0%	5.7%	5.6%
Interest Rate	6.00%	6.00%	6.00%	6.00%	6.00%
Expense Load Assumption	\$181,968	\$206,807	\$173,769	\$199,530	\$214,958
<b>Rate of Return</b>					
Actuarial Value of Assets	10.57%	11.59%	5.00%	6.70%	5.94%
Market Value of Assets	16.59%	11.95%	-16.45%	14.19%	9.52%
<b>Demographic Information</b>					
Active Participants	263	241	218	233	232
Transfers	31	25	24	22	23
Terminated Vested Participants	95	131	155	166	195
Retirees, Beneficiaries, and Disabled	102	110	118	133	144
Total Participants	491	507	515	554	594
Valuation Payroll	\$11,240,877	\$10,198,295	\$9,378,110	\$12,532,645	\$13,019,178
Average Valuation Pay	\$42,741	\$42,317	\$43,019	\$53,788	\$56,117

**Identification of Key Risks**

The results presented in this report are shown as single point values. However, these values are derived using assumptions about future markets and demographic behavior. If actual experience deviates from our assumptions, the actual results for the plan will consequently deviate from those presented in this report. Therefore, it is critical to understand the risks facing this pension plan. The following table shows the risks we believe are most relevant to the SunLine Transit Agency Restated Retirement Income Plan for Bargaining Unit Personnel. The risks are generally ordered with those we believe to have the most significance at the top. Also shown are possible methods by which a more detailed assessment of the risk can be performed.

<b>Type of Risk</b>	<b>Method to Assess Risk</b>
Investment Return	Scenario Testing; Asset Liability Study
Salary Growth	Stress Testing; Assumption Study
Participant Longevity	Assumption Study
Employer Contributions	Projections and Contribution Strategy

## **Plan Maturity Measures – January 1, 2025**

Each pension plan has a distinct life-cycle. New plans promise future benefits to active employees and then accumulate assets to pre-fund those benefits. As the plan matures, benefits are paid and the pre-funded assets begin to decumulate until ultimately, the plan pays out all benefits. A plan's maturity has a dramatic influence on how risks should be viewed. The following maturity measures illustrate where the SunLine Transit Agency Restated Retirement Income Plan for Bargaining Unit Personnel falls in its life-cycle.

### **Duration of Liabilities: 13.4**

Duration is the most common measure of plan maturity. It is defined as the sensitivity of the liabilities to a change in the interest rate assumption. The metric also approximates the weighted average length of time, in years, until benefits are expected to be paid. A plan with high duration is, by definition, more sensitive to changes in interest rates. A plan with low duration is more susceptible to risk if asset performance deviates from expectations as there would be less time to make up for market losses in adverse market environments while more favorable environments could result in trapped surplus from gains. Conversely, high duration plans can often take on more risk when investing, and low duration plans are less sensitive to interest rate fluctuations.

### **Demographic Distribution - Ratio of Actively Accruing Participants to All Participants: 39.1%**

A plan with a high ratio is more sensitive to fluctuations in salary (if a salary-based plan) and statutory changes. A plan with a low ratio is at higher risk from demographic experience. Such a plan should pay close attention to valuation assumptions as there will be less opportunity to realize future offsetting gains or losses when current experience deviates from assumptions. Plans with a low ratio also have limited opportunities to make alterations to plan design to affect future funded status.

### **Asset Leverage - Ratio of Payroll for Plan Participants to Market Value of Assets: 30.3%**

Younger plans typically have a large payroll base from which to draw in order to fund the plan while mature plans often have a large pool of assets dedicated to providing benefits to a population primarily consisting of members no longer on payroll. Plans with low asset leverage will find it more difficult to address underfunding, as the contributions needed to make up the deficit will represent a higher percentage of payroll than for a plan with high asset leverage.

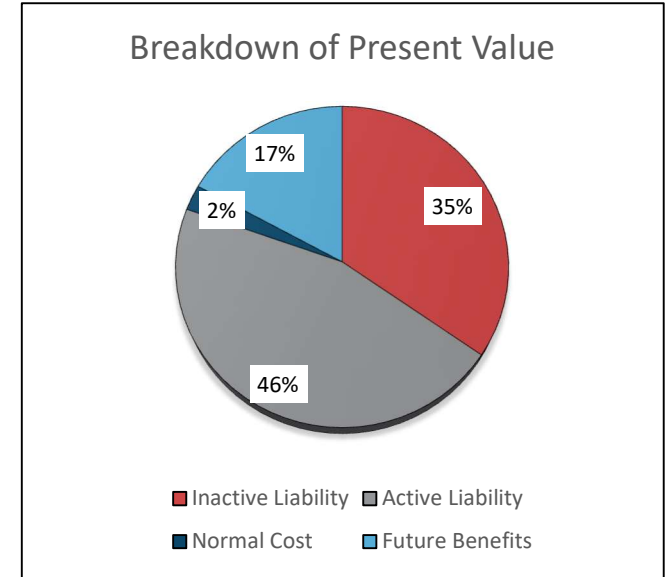
### **Benefit Payment Percentage - Ratio of Annual Benefit Payments to Market Value of Assets: 3.3%**

As a plan enters its decumulation phase, a larger percentage of the pre-funded assets are paid out each year to retirees. A high percentage is not cause for alarm as long as the plan is nearly fully funded. However, such a plan is more sensitive to negative asset performance, especially if cash contributions are not an option to make up for losses.

**Present Value of Future Benefits**

The Present Value of Future Benefits represents the discounted value of future benefits payable to the participant considering future service and compensation not yet earned.

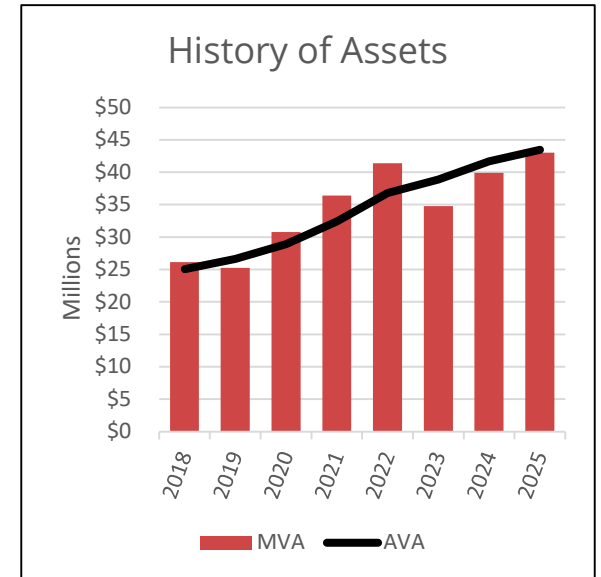
	<b>January 1, 2025</b>
<b>Present Value of Future Benefits</b>	
Active members	
Retirement	\$30,567,617
Termination	1,542,850
Disability	429,698
Pre-retirement death	533,239
Total active	\$33,073,404
Inactive members	
Retirees receiving benefits	\$10,976,111
Beneficiaries	1,134,771
Disabled members	411,277
Terminated vested members	5,009,732
Total inactive	\$17,531,891
Total	\$50,605,295
Total covered payroll of participants	\$13,019,178



**Asset Information**

The following is a summary of the transactions in the fund during last year:

	<b>2024</b>
Valuation balance January 1	\$39,905,883
Contributions - employer (including receivable)	479,312
Contributions - employee	359,481
Interest (including accruals)	16,760
Dividends (including accruals)	1,126,554
Realized and unrealized gain/(loss)	2,622,7847
Benefits paid	(1,407,651)
Change in benefits (payable)/receivable	0
Plan administration expenses	(111,559)
Ending balance December 31	\$42,991,564
Market rate of return	9.52%



**Actuarial Value of Assets**

The actuarial value of assets is based on the market value where asset gains and losses are recognized over five years. The actual market return above or below the assumed return is phased in over five years.

	<b>January 1, 2025</b>
1. Expected market value of assets	
(a) Market value of assets (1/1/2024)	\$39,905,883
(b) Contributions	838,793
(c) Benefit payments	(1,407,651)
(d) Plan administration expenses	(111,559)
(e) Expected return	<u>2,373,940</u>
(f) Expected market value of assets (1/1/2025)	\$41,599,406
2. Market value of assets (1/1/2025)	\$42,991,564
3. Actual return on market value	\$3,766,098
4. Amount subject to phase in [(3)-(1e)]	\$1,392,158
5. Phase in of asset gain/(loss)	
(a) Current year (80% x \$1,392,158)	\$1,113,726
(b) First prior year (60% x \$2,855,477)	1,713,286
(c) Second prior year (40% x (\$9,311,355))	(3,724,542)
(d) Third prior year (20% x \$2,182,335)	<u>436,467</u>
(e) Total phase-in	(\$461,063)
6. Preliminary actuarial value of assets (1/1/2025) [(2)-(5e)]	\$43,452,627
7. 80% corridor of market value	\$34,393,252
8. 120% corridor of market value	\$51,589,876
9. Actuarial value of assets	\$43,452,627
10. Return on actuarial value of assets	5.94%

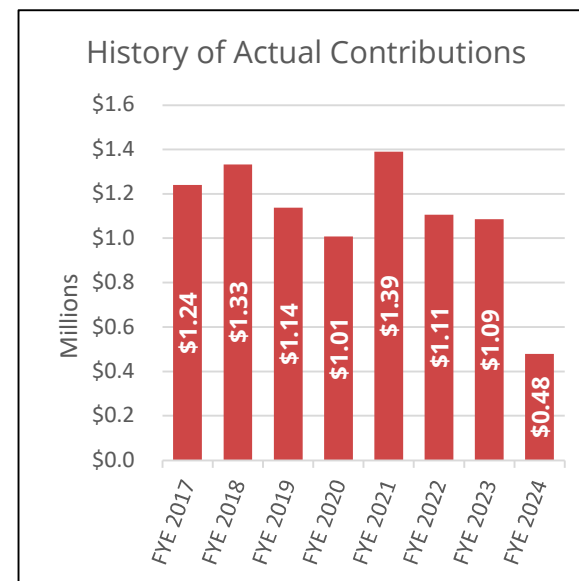
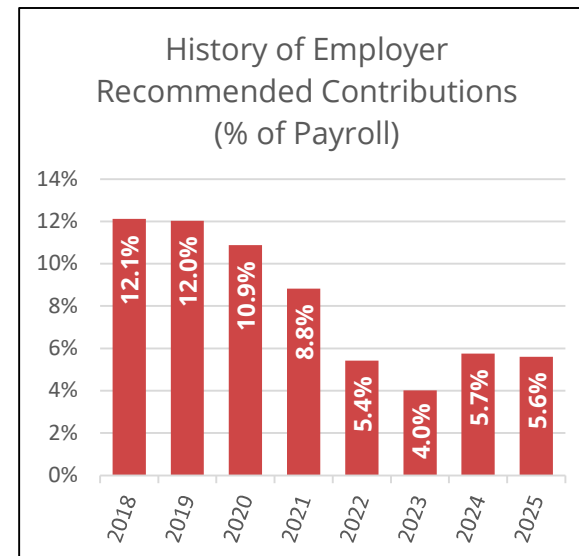
**Reconciliation of Gain/Loss**

	January 1, 2025
<b>Liability (gain)/loss</b>	
Present value of future benefits, beginning of prior year	\$48,657,185
Present value of employee contributions	0
Expected employee contribution	0
Benefit payments	(1,407,651)
Interest	2,877,202
Expected liability	\$50,126,736
Assumption change	(188,618)
Plan amendment	0
Expected after changes, beginning of current year	\$49,938,118
Actual employer present value of future benefits	\$50,605,295
Liability (gain)/loss	\$667,177
<b>Asset (gain)/loss</b>	
Actuarial value of assets, beginning of prior year	\$41,678,568
Contributions	838,793
Benefit payments and expenses	(1,519,210)
Expected investment return	2,480,302
Expected actuarial value of assets, beginning of current year	\$43,478,452
Actual actuarial value of assets, beginning of current year	\$43,452,627
Asset (gain)/loss	\$25,825
<b>Total (gain)/loss</b>	<b>\$693,002</b>

**Development of Actuarially Determined Contribution**

The actuarial determined contribution is the annual amount necessary to fund the plan according to funding policies and/or applicable laws.

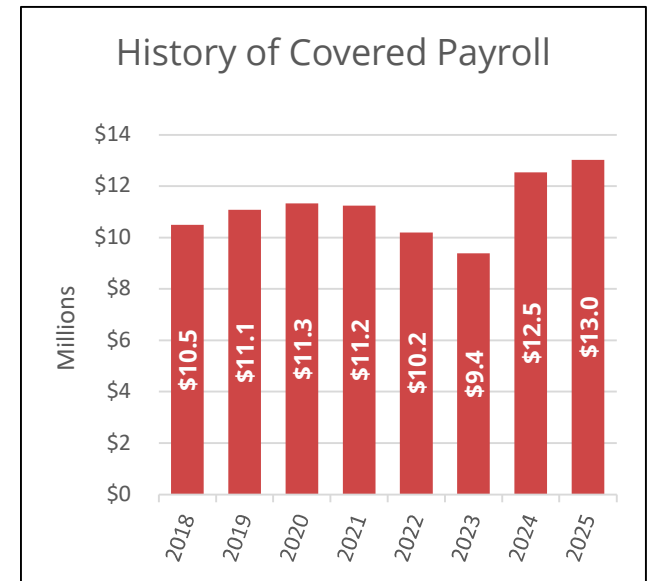
	<b>January 1, 2025</b>
1. Present value of future benefits	\$50,605,295
2. Present value of future member contributions	3,160,301
3. Actuarial value of assets	43,452,627
4. Present value of future normal cost [(1)-(2)-(3)]	\$3,992,367
5. Present value of future payroll	105,343,374
6. Normal cost accrual rate [(4)/(5)]	3.79%
7. Valuation payroll	13,019,178
8. Normal cost for year [(6)*(7)]	\$493,427
9. Administrative expense load	214,958
10. Interest adjustment for monthly contributions	21,252
11. Sum of employer monthly contributions for the year	\$729,637
12. As a percentage of valuation payroll	5.60%
 <b>Actuarially Determined Contribution Rates</b>	
Normal cost (employer contribution)	5.60%
Employee contribution rate	3.00%
Total contribution	8.60%



**Demographic Information**

The foundation of a reliable actuarial report is the member information provided by the plan sponsor. Monitoring trends in demographic information is crucial for long-term pension planning.

	January 1, 2024	January 1, 2025
<b>Member Counts</b>		
Active Members	233	232
Transferred Members	22	23
Terminated Vested Members	166	195
Retired Members	115	122
Beneficiaries	16	19
Disabled Members	2	3
<b>Total</b>	<b>554</b>	<b>594</b>
<b>Active Participant Demographics</b>		
Average Age	49.4	49.5
Average Service	9.8	9.9
Average Compensation	\$53,788	\$56,117
Covered Payroll	\$12,532,645	\$13,019,178



**Demographic Information (continued)**

	January 1, 2024	January 1, 2025
<b>Transferred Member Statistics</b>		
Average Age	52.2	50.4
Average Monthly Benefit	\$520	\$526
<b>Retired Member Statistics</b>		
Average Age	71.2	71.6
Average Monthly Benefit	\$715	\$738
<b>Beneficiary Statistics</b>		
Average Age	68.7	68.3
Average Monthly Benefit	\$667	\$593
<b>Disabled Member Statistics</b>		
Average Age	50.3	54.8
Average Monthly Benefit	\$655	\$964
<b>Terminated Member Statistics</b>		
Average Age	53.3	53.6
Average Monthly Benefit	\$453	\$435
<b>Terminated Non-Vested Member Statistics</b>		
Average Age	41.8	44.2
Average Contribution Balance	\$829	\$883

**Participant Reconciliation**

	Active	Transfers	Terminated Vested	Disabled	Retired	Beneficiaries	Totals
<b>Prior Year</b>	233	22	166	2	115	16	554
<b>Active</b>							
To Transfers	(4)	4					
To Terminated Vested	(33)		33				
To Retired	(5)				5		
To Disabled							
To Survivor							
To Cashed Out	(2)						(2)
<b>Transfers</b>							
To Terminated Vested		(1)	1				
To Retired		(1)			1		
To Cashed Out		(1)					(1)
<b>Terminated Vested</b>							
To Retired			(6)		6		
To Cashed Out			(3)				(3)
To Disabled			(1)	1			
<b>Disabled</b>							
To Death							
<b>Retired</b>							
To Death					(5)		(5)
<b>Survivor</b>							
To Death							
<b>Additions</b>	43		1			3	47
<b>Removed</b>							
<b>Corrections</b>			4				4
<b>Current Year</b>	232	23	195	3	122	19	594

**Active Participant Schedule**

Active participant information grouped based on age and service.

Age Group	Years of Service										Total	Average Pay
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25	4	2									6	\$50,437
25 to 29	4	7	4								15	58,128
30 to 34	2	8	7	1							18	55,397
35 to 39	1	10	6	2	1						20	55,958
40 to 44	4	4	7	5	4						24	56,528
45 to 49	3	5	7	2	5	2	2				26	57,419
50 to 54	2	9	5	4	4	2			1		27	56,490
55 to 59	4	5	7	6	5	3	3		1		34	55,063
60 to 64	3	7	10	6	3	4	5	2			40	56,349
65 to 69		1	4	5	3	1	1	1	1		17	56,695
70 & up			1		1		1	2			5	52,720
<b>Total</b>	<b>27</b>	<b>58</b>	<b>58</b>	<b>31</b>	<b>26</b>	<b>12</b>	<b>12</b>	<b>5</b>	<b>3</b>		<b>232</b>	<b>\$56,117</b>

**Effective Date**

February 1, 1980; the plan was most recently restated January 1, 2014 and amended effective July 1, 2019.

**Eligibility**

All full-time employees of SunLine in job classifications covered by a collective bargaining agreement, excluding new hires on or after March 1, 2022 under the Teamsters Union – Local 1932 collective bargaining agreement, are eligible to participate in the Plan.

**Normal Retirement Date**

The first day of the month coinciding with or next following the later of the attainment of age 62 and 5 Years of Vesting Service.

**Normal Retirement Benefit**

1/60th of Average Compensation, times years and completed months of Credited Service. Average Compensation is the average of the thirty-six highest consecutive months of earnings as a participant. If the employee has attained age 62 at termination and completed 10 Years of Vesting Service, the minimum monthly benefit is \$400. Earnings means compensation paid during a plan year as an eligible employee, excluding any compensation paid as bonuses, overtime, or other extra pay.

**Early Retirement Benefit**

On or after the completion of 25 Years of Vesting Service or the attainment of age 55 with 5 Years of Vesting Service with the Employer, a participant may apply for Early Retirement and receive a benefit equal to Average Compensation times the appropriate factor based on age and service from Table A of the plan document. Completed quarters of age and service will be used to interpolate between whole years.

**Late Retirement Benefit**

If the participant retires after Normal Retirement Date but before age 65, the benefit shall be equal to Average Compensation times the appropriate factor based on age and service from Table A of the plan document. Completed quarters of age and service will be used to interpolate between whole years.

**Disability Benefit**

An employee who becomes totally and permanently disabled after completing 5 Years of Vesting Service shall be entitled to receive an immediate unreduced pension equal to 2.0% of Average Compensation times Years of Credited Service. This benefit cannot exceed the projected benefit at age 62 based on current Average Compensation and total service assuming continued employment until age 62.

**Employee Contributions**

Effective July 1, 2019, employee contributions of 3.0% of earnings are required. Interest is credited at 6.0% per year, compounded annually. As of January 1, 2025, the Agency had not adopted PEPPA cost sharing.

**Death Benefits**

The death benefit payable to the spouse (or dependents under age 21) of a participant who dies while employed and after completing 5 Years of Vesting Service is a monthly benefit which is actuarially equivalent to the accrued benefit.

**Benefits upon Termination of Employment**

The vested portion of the benefit accrued to date of termination to commence at Normal Retirement Date in accordance with the following table:

<u>Years of Vesting Service</u>	<u>Percentage Vested</u>
Less than 5	0%
5 or more	100%

If the participant has 5 or more Years of Vesting Service at termination, the actuarially reduced benefit may commence at Early Retirement on or after age 55.

**Normal Form of Pension**

Modified Cash Refund Annuity

**Optional Form of Pension**

The following options are available for Normal or Early Retirement benefits:

1. Joint and 50% Survivor annuity.
2. Joint and 66 2/3% Survivor annuity.
3. Joint and 100% Survivor annuity.
4. Life annuity with 120-month period certain.
5. Social Security Adjustment.

**Actuarial Equivalence**

According to equivalency factors in the Plan; where not specified, it is based on 1971 Group Annuity Mortality Table and 7.0% interest; the benefit due to employee contributions is based on 1983 GAM mortality and 6.0% interest.

**Funding**

Plan benefits are funded through contributions to a trust fund. Trust assets are held by US Bank. The cost of the Plan in excess of the required employee contributions is met by the Employer.

**Changes Since Prior Report**

None.

**Valuation Date**

January 1, 2025

**Valuation Method**

The Actuarially Determined Contribution under the Plan for expected future retirement benefits is determined in accordance with the Aggregate Actuarial Cost Method. Under this method, the excess of the Actuarial Present Value of Projected Benefits over the actuarial value of assets is allocated as a level percent of payroll of all participants over their remaining working lifetime. Under this method, the actuarial gains (losses), as they occur, reduce (increase) future normal costs.

All employees eligible in accordance with the provisions of the Plan listed in the data provided by the Employer were included in the valuation.

**Asset Valuation Method**

The Actuarial Value of Assets is the market value of funds held by US Bank with accrued contributions and accrued interest and dividends. The actuarial value of assets is based on expected market value, plus receivable contributions, accrued interest and any transfers due. Gains and losses are phased in over a five-year period ending on the valuation date. The actuarial value of the Plan's assets as computed above is adjusted so as not to be less than 80% nor more than 120% of the fair market value of the Plan's assets as of the valuation date.

**Interest to be Earned on the Fund**

6.0% per annum, net of investment expenses, compounded annually.

**Mortality**

Generational mortality based on the SOA's most recently published public plan mortality study. For employees, healthy retirees, disabled retirees, and contingent survivors the PubG-2016 amount-weighted general base tables were used with generational mortality improvements based on projection scale MP-2021.

**Retirement Age**

Employees are assumed to retire based on the following rates:

<u>Age</u>	<u>Rates of Retirement</u>	<u>Age</u>	<u>Rates of Retirement</u>	<u>Age</u>	<u>Rates of Retirement</u>
50	.0000	59	.1020	68	.2360
51	.0000	60	.1120	69	.2410
52	.0140	61	.1160	70	.2960
53	.0190	62	.1870	71	.3030
54	.0320	63	.1760	72	.3100
55	.0680	64	.1920	73	.3170
56	.0480	65	.2690	74	.3240
57	.0600	66	.2240	75	1.0000
58	.0790	67	.2300		

**Withdrawal from Service for Termination**

Employees with less than 5 years of service are assumed to terminate in accordance with the 2021 CalPERS Public Agency Miscellaneous Sex-Distinct termination rates for members without a vested benefit. Employees with 5 or more years of service are assumed to terminate in accordance with table T-5 from the Pension Actuary's Handbook, less GA-1951 mortality. The following are sample rates:

<u>Service</u>	<u>Rates of Termination</u>		<u>Age</u>	<u>Rates of Termination</u>
	Male	Female		
			25	.077242
0	.16306	.18238	30	.072219
1	.12664	.14842	35	.062764
2	.09700	.11825	40	.051504
3	.07268	.09124	45	.039753
4	.05239	.06695	50	.025627
			55	.009394
			60	.000901

**Disability Rates**

Rates of disablement are in accordance with the 2021 CalPERS Public Agency Miscellaneous Sex-Distinct Disability Non-Industrial Disability Retirement Rates. The following are sample rates:

<u>Age</u>	<u>Rates of Disablement</u>	
	Male	Female
25	.00007	.00009
30	.00017	.00033
35	.00035	.00065
40	.00091	.00119
45	.00149	.00185
50	.00154	.00193
55	.00139	.00129
60	.00124	.00094

**Compensation Increases**

Future compensation was projected to increase at the rate of 3.0%, compounded annually. Compensation for the year beginning on the valuation date is based on the hourly rate on the valuation date multiplied by 2,080. Future compensation is limited to \$345,000 per year. This limit is assumed to increase by 3.0% each year.

**Cost of Living Adjustments**

None.

**Percent Married**

For purposes of determining the death benefit, 80% of participants are assumed to be married or have eligible dependents.

**Expenses**

The explicit cost for Plan expenses is 0.50% of market value of assets; interest earned is assumed to be net of investment expenses.

**Changes in Actuarial Assumptions**

The mortality assumption was updated from the PubG-2010 base tables to the PubG-2016 base tables to reflect the SOA's most recently published public plan mortality study.

The actuarial report also shows the necessary items required for plan reporting and any state requirements.

- ✓ Distribution of Assets
- ✓ PEPRA Normal Cost and Employee Contribution Rate
- ✓ Low-Default-Risk Obligation Measure (LDROM)

**Distribution of Assets**

	<b>January 1, 2024*</b>	<b>January 1, 2025</b>
Cash and deposits	\$305,410	\$913,432
Receivables:		
Contributions	\$0	\$0
Due from broker for investments sold	0	0
Investment income	773	1,536
Other	0	0
Total Receivables	\$733	\$1,993
Investments:		
Fixed Income	\$15,182,678	\$17,481,831
Domestic Equities	13,618,900	15,246,748
International Equities	6,854,408	4,423,379
Miscellaneous	3,943,714	4,924,638
Total Investments	\$39,599,700	\$42,076,596
Total assets	\$39,905,883	\$42,991,564
Payables:		
Investment management fees	\$0	\$0
Due to broker for investments purchased	0	0
Collateral payable for securities lending	0	0
Other	0	0
Total Liabilities	\$39,905,883	\$42,991,564
Market value of assets		

\* Note: This column may not align with last year's valuation report due to updates to the page's formatting.

**PEPRA Normal Cost and Employee Contribution Rate**

The Plan currently requires a 3% employee contribution. If the Agency adopts the employee cost-sharing provision under the Public Employees' Pension Reform Act (PEPRA), the required Employee Contribution Rate is 50% of the Normal Cost Rate rounded to the nearest 0.25%. Once adopted, the Employee Contribution Rate will increase in subsequent valuation years only if the Normal Cost Rate changes by an increment of at least 1%.

The actuarial cost method used to determine the Plan's Normal Cost Rate is the Entry Age Normal (EAN) cost method. The EAN cost method is a projected benefit cost method which means the "cost" is based on the projected benefit expected to be paid at retirement.

The EAN normal cost equals the level annual amount of contribution from the employee's entry date to their retirement date that is sufficient to fund the projected benefit. The normal cost is calculated as a level percentage of pay.

	<u>January 1, 2025</u>
Present value of projected benefits:	\$50,605,295
Entry age normal accrued (past service) liability:	\$40,672,391
Entry age normal cost for the current period:	\$1,291,804
Covered payroll for current period:	\$13,019,178
Normal Cost Rate:	9.92%
Employee Contribution Rate:	5.00%

*Determination of PEPRA Normal Cost assumes no changes to plan formula would be needed, and that all participants would be classified as PEPRA.*

**Low-Default-Risk Obligation Measure (LDRM)**

The LDRM liability represents the estimated asset value as of the measurement date the Plan would need in order to purchase a low-default-risk fixed income securities portfolio with durations that are reasonably consistent with the timing of benefits expected to be paid from the plan.

	<b>January 1, 2025</b>
LDRM liability	\$ (43,319,044)
Market value of assets	<u>\$ 42,991,564</u>
LDRM funded status	\$ (327,480)

The LDRM liability measure is for informational purposes only. The plan sponsor has no requirements to contribute to the Plan to meet this threshold, and the funded status on this basis is not reported to any government agency or used for any restrictions.

If Plan assets are invested to earn in excess of a fixed income portfolio, a shortfall on this basis may not necessarily mean the security of participant benefits is at risk. If the plan is fully funded, or nearly fully funded, on the LDRM measure, the plan sponsor may want to consider reducing investment risk in order to offer greater benefit security and lower contribution volatility. We did not perform an analysis of assumption or provision changes resulting from a potential shift in investment policy due to the limited scope of our engagement.

The above LDRM liability measure applies a single effective discount rate of 5.49%, using the Entry Age Normal funding method. The discount rate was determined as the single effective rate that would produce approximately the same liability as if future cashflows were discounted based on the FTSE Pension Liability Index as of December 31, 2024. All other data, assumptions, methods, and provisions are the same as those detailed in this report.



# Fiduciary Fundamentals

## Sunline Retirement Committees

February 9, 2026



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# Introduction – What We Will Cover Today

- What does it mean to be a fiduciary?
- Committee members' legal duties and responsibilities as fiduciaries
- Managing risk and demonstrating fiduciary compliance

# Overview

- Retirement Plans are tax-exempt governmental pension plans under Internal Revenue Code § 401(a)
- Under California law, the Retirement Committees are the ultimate fiduciary for the Plans
- Committee members must take reasonable steps to acquire the skills, knowledge, education and training necessary to perform required fiduciary duties
- Today is a very good start!

## What exactly does it mean to be a fiduciary?

- For the Retirement Committees, it means the entity in charge of administering the Plans
  - Includes Committees' authority and control to manage and distribute Plan assets
- Fiduciary rules apply to:
  - What the Committees do
  - How the Committees do it

# Legal Duties and Responsibilities as Fiduciary

# Overview of Governing Law – Where do the rules come from?

- California Constitution
- Trust Agreements (if any)
- IRC § 401(a) – follow Plan documents!
- Other – applicable case law and guidance

## General Rule – California Constitution, Article XVI, section 17

- Each Retirement Committee has “***plenary authority and fiduciary responsibility for investment of moneys and administration***” of the Plan subject to:
  - four specific responsibilities and
  - three specific duties or standards
- “Plenary authority” means legal authority, but still subject to review by a court

## Four Specific Committee Responsibilities

1. Exercise sole and exclusive fiduciary responsibility over Plan assets.
2. Exercise sole and exclusive responsibility to administer the Plans in a manner that will assure prompt delivery of benefits and related services to the participants and their beneficiaries.
3. Hold Plan assets in trust for the exclusive purposes of providing benefits to participants in the Plans and their beneficiaries and defraying reasonable expenses of administering the Plans.
4. Consistent with the exclusive fiduciary responsibilities vested in it, exercise sole and exclusive power to provide for actuarial services to assure the competency of the assets of the Plans

# Fiduciary Standards – Three Specific Duties

1. Duty of Loyalty
2. Duty of Prudence
3. Duty to Diversify

## Duty of Loyalty

- The Committees must discharge their duties with respect to the Plans solely in the interest of, and for the exclusive purposes of:
  - Providing benefits to participants and their beneficiaries,
  - Minimizing employer contributions; and
  - Defraying reasonable administrative expenses
- The Committees' duty to Plan participants and their beneficiaries shall take precedence over any other duty.

## Duty of Prudence

Retirement Committee must discharge its duties with respect to the Plan with:

“the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.”

If you're not an expert, you should rely on the advice of one.

## Duty of Prudence – What Courts Look For

- **Process is key!** If you use a strong and sound process to make prudent decisions, you reduce the risk of being challenged and can better support your decisions if you are challenged.
- **EXAMPLE:** Fiduciaries must engage in an objective, thorough, and analytical process that involves consideration of the quality of competing providers and investment products.

## Duty to Diversify

The Retirement Committee shall diversify the investments of the Plan to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.

## In Summary

- Act solely in the interest of participants and beneficiaries above all other duties
- Hold and deal with Plan assets exclusively to pay benefits and pay *reasonable* costs of Plan administration
- Act prudently with the care, skill, prudence and diligence that a *prudent person* familiar with such matters would use - a higher standard – not only reasonable, but also familiar, skilled
- Diversify Plan investments unless clearly imprudent
- Ensure competency of the Plan's assets
- Follow the Plan's terms unless inconsistent with the law
- Focus on *process and documentation*, not results

# **Managing Risk and Demonstrating Fiduciary Compliance**

## When do the Rules Apply? Some Fiduciary Functions:

- Asset allocation and investment management
- Selecting/monitoring investments and service providers
- Establishing actuarial principles and funding policies
- Arranging for financial reporting, controls and audits
- Interpreting Plan provisions
- Deciding benefit claims or appeals
- Delegating tasks

## Select and Monitor Investments

- Fiduciaries must prudently select and monitor investments, and diversify those investments unless imprudent in accordance with the Plan documents
- Focus on the processes, not necessarily the results achieved
- Processes must not be static – must be flexible and adaptable to changing conditions
- Perform active oversight
- Ensure formalized investment policy is in place
- Regularly review and update policies and procedures as needed
- Ensure that fees are fair and reasonable
  - fees should be competitive within peer group
  - considered within overall investment analysis

## Select and Monitor Service Providers

- ERISA: selecting and monitoring service providers is one of a Plan fiduciary's most important responsibilities
- Plan fiduciaries are responsible for properly selecting and monitoring all Plan:
  - Advisors
  - Consultants
  - Vendors
  - Auditors
- Have a documented process
- Monitor service providers
- Ensure all providers' fees are fair and reasonable

## Delegation

- You cannot learn and perform every function under your supervision as Committee Members
- Delegate those duties and responsibilities that Committee cannot properly perform
- Act prudently when choosing what to delegate and to whom
- Delegation does not relieve the Committee from liability
  - Duty to monitor still applies

# Overall Considerations for Managing Risk

- Ensure Plan governance is consistent with Plan documents and actual operation
- Engage in public, well-documented process that demonstrates due diligence, transparency, and independent judgment
- Avoid conflicts of interest
- Obtain expert advice, but also ask questions
- Delegate suitable responsibilities to staff and others
- Monitor service providers
- Develop formal written policies and procedures and keep them updated
- Attend meetings
- Purchase fiduciary liability insurance

**Questions?**

**Thank you!**

# Sunline Retirement Committees

## Brown Act Training February 9, 2026



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## The Brown Act

The Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people's business. It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly.

The people of this State do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created.

- Government Code Section 54950



## Who is subject to the Brown Act?

- Every local “Legislative Body”
- Committees created by local legislative bodies
- Subcommittee created by such committees
- Applies to each and all of the Retirement Committees (and Committees created by them)





## What's a "Meeting"?

- Quorum/Majority of members of legislative body
- Same place and time
- Hear, discuss, deliberate or take action
- Any item within subject matter jurisdiction of the legislative body

## What's Not?

- Contact between Member and a Non-Member
- Conference open to public
- But: no caucusing or discussion among members about business within the body's subject matter jurisdiction
- Certain ad hoc committee meetings





# What does the Brown Act require of local legislative bodies' meetings?

- Open and public location
- Notice (72 hours for regular meeting, 24 hours for special meeting)
- Agenda describing possible discussions/actions
  - Enough to know “Should I attend this meeting if I care about a certain issue?”
- Opportunities for public comment before decisions are made
- Availability of supporting documents
- Special rules for teleconferencing and remote participation





# Teleconference and Alternative Teleconference (Remote) Participation

Traditional Teleconference	Alternative Teleconference
Requires quorum within the jurisdiction	Requires quorum in the room
Publish teleconference address, post agenda at teleconference location, and make location open and accessible to the public	Requires “just cause” or state of emergency; limited number of meetings per year per person; publish how public can join online
Speaker phone is enough; can use audio-visual system; allow public to hear and speak at teleconference location	Audio-video platform or telephonic with live-stream; meeting stops if connection lost; must permit real-time comment over online platform
All votes by rollcall	All votes by rollcall, disclose on minutes who was remote and why; disclose presence of anyone 18 or older present at alternative location





## Closed Session Exception

- Limited bases set forth by statute
  - For us: pending or potential litigation
- Specified agenda notice
- Need to “report out”
- Duty of confidentiality
- Requirement for opportunity to comment before actions still applies





# Rights of the Public

- Right to speak on items being considered before action is taken
- Right to speak on items NOT being considered
- Right to remain anonymous
- Meeting facility must be accessible to persons with disabilities
- Reasonable regulation of speakers is OK (e.g., time limits)





# Responding to General Public Comment

- Board members cannot discuss items not on agenda, but may “briefly respond”
  - Direct staff to place the item on a future agenda
  - Provide a reference for factual information
  - Ask staff for clarifying information
  - Report on their own individual activities





# Brown Act Pitfalls

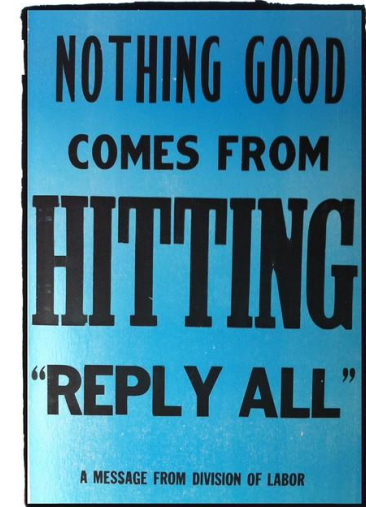
- Quorums outside of noticed meetings
  - Conference exception
  - Improper use of “ad hoc” committees
- “Serial” conversations
  - Daisy chain
  - Hub and spoke
  - Talking outside of meetings
  - Email/ Internet





# Avoiding Serial Meetings

- Before you engage in business talk...
  - ASK with whom else they have discussed it
  - TELL with whom else you have discussed it
- Beware of intermediaries
- Beware of e-mail. Minimally:
  - Avoid “reply all”
  - Check who has already been copied
  - Beware of copying others





## FAQ & Special Points

- Can I talk about an item listed on Consent?
- Can I call in or join via Zoom?
- I know it's not on the agenda, but...
  - It's an emergency...
- Can we go back to that item from last time?
- What if we don't have a quorum?



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