Discussion Sheet
Employees' Retirement Fund
Board of Trustees Meeting
December 9, 2025

Subject: Implementation of the Current Pension Accounting System from an Onsite Server to Vitech's Cloud Platform – V3locity

Previous Decision Points of Clarification:
- In February 2025, the Board authorized the release of a Pension Accounting System Request for Proposal (RFP).
- In June 2025, the Board authorized the Executive Director to negotiate a contract with Vitech with legal review and Board Chair signature.
- In May 2025, ERF received official notice that Vitech would no longer support onsite/server-driven versions of the Pension Accounting System.
- As of November 2025, the contract negotiation in conjunction with BakerHostetler has been complete and contracts are ready for signature.

Consultant Requirements for Successful Implementation:
To ensure a successful transition, ERF must engage a dedicated consultant who meets the following qualifications:

1. Is knowledgeable of Vitech's migration process.
2. Is knowledgeable of ERF's current system version.
3. Has a successful record implementing the V3locity version for other public pension systems.
4. Has the bandwidth to dedicate a proven project manager to ERF for the duration of the project.
5. Is able to complete a background check for Personally Identifiable Information (PII) data security compliance.

Discussion and Justification:
The implementation to move from an onsite server to the cloud-based system is warranted. V3locity offers a modern, cloud-native solution designed to support pension administration organizations. The platform provides significant advantages, including reduced total cost of ownership (TCO), real-time analytics, automated workflows, enhanced scalability, and vendor-managed infrastructure.

| Targeted Vendors	
Agile Consulting	CSG Government Solutions
Linea Solutions	BerryDunn
Provaliant Retirement	Public Consulting Group
Segal – Administration & Technology Consulting	Deloitte Consulting

Proposed Timeline:
- RFP Issued — December 10, 2025
- Deadline for Questions from Vendors — December 19, 2025
- Answers to Vendors' Questions — December 20, 2025
- Proposals Due to the Fund — January 12, 2026
- Staff Due Diligence — January 13, 2026
- Staff Recommendation to the Board — February 10, 2026

Recommendation:
Authorize the ERF Executive Director to release a Request for Proposal (RFP) to pension accounting software system project consultants. Staff may conduct due diligence with finalists, with a recommendation to be presented to the Board of Trustees at the February 2026 meeting.
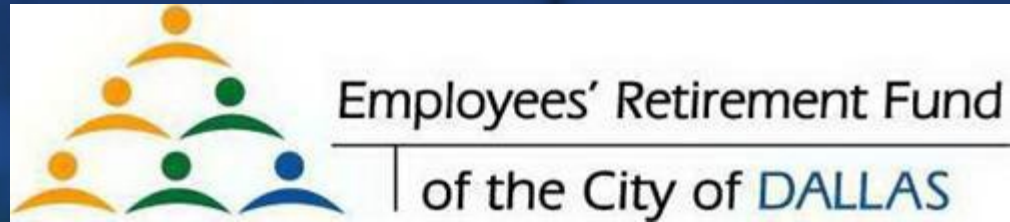
Executive Summary

It is our pleasure to present to you the Fiduciary renewal terms for the Employees' Retirement Fund of the City of Dallas. Hub was successful in securing attractive renewal options from the incumbent carriers.

Package Policy:
Chubb remains to be a completive partner on the Package policy. The Chubb Policy auto-renewed. Last year, we decreased the Business Personal Property Limit, which created a return premium of $388.

Fiduciary Outlook:
Additional quote options were explored by increasing the SIRs; however, it showed minimal premium savings unless the SIR is increased to $250K. The insured currently carries a $50K SIR.

Chubb Primary $10M Limit:
Chubb's renewal premium is quoted at $127,275 compared to the expiring $118,900.
Other than the premium, all coverage terms and conditions are identical to the expiring. All of previously negotiated enhancements will remain on the policy and there are no new restrictive exclusions being added this year.

Euclid $10M Excess $10M
Euclid's renewal premium is quoted at $59,819 compared to the expiring $55,970. The primary drivers of the excess Fiduciary Liability rate increase are tied to Euclid's relatively low ROU, currently around 50%, and broader market conditions. Over the past two years, excess layers have experienced sharper rate increases than primary layers, largely due to paid losses penetrating through the towers' primary limits. These losses were further amplified because excess rates had been reduced more aggressively than primary rates during the previous soft market cycle, leaving excess layers underpriced when the losses materialized.

RLI $10M Excess $20M
RLI's excess renewal premium is quoted at $44,865 compared to the expiring $41,935.

Executive Summary

Cyber Market Outlook

- The Cyber market remains competitive, with most renewals falling within a –5% to +5% range, depending on industry class and exposure changes (particularly revenue). Carriers continue to emphasize key security controls, including multi-factor authentication, endpoint detection and response, and offline backups. Both attached applications will need to be completed in order to market the program.

- **Corvus Primary $5,000,000 Limit:**

- Corvus' renewal premium is quoted at $47,245.91 compared to the expiring $47,450.14.

- **Coalition $5,000,000 Excess $5M**

- Coalition's renewal premium is quoted at $40,893.46 compared to the expiring $41,155.68

Premium Comparison

Coverage		25-26 Expiring	26-27 Renewal	Delta %
Package Liability		**Chubb**	**Chubb**	
	Premium	$10,490.00	$10,737.00	2%
Fiduciary Liability		**Chubb**	**Chubb**	
	Exposure (Limit)	$ 10,000,000	$ 10,000,000	
	Premium	$118,900.00	$127,275.00	7%
Excess Fiduciary $10M x $10M		**Encore**	**Encore**	
	Exposure (Limit)	$ 10,000,000	$ 10,000,000	
	Premium	$55,970.00	$59,819.00	7%
Excess Fiduciary $10M x $20M		**RLI**	**RLI**	
	Exposure (Limit)	$ 10,000,000	$ 10,000,000	
	Premium	$41,935.00	$44,865.00	7%
Cyber Liability		**Corvus**	**Coalition**	
	Exposure (Limit)	$ 5,000,000	$ 5,000,000	
	Premium	$45,238.00	$45,043.00	0%
	Taxes & Fees	$2,212.14	$2,202.61	
Excess Cyber Liability		**Corvus**	**Coalition**	
	Exposure (Limit)	$ 5,000,000	$ 5,000,000	
	Premium	$39,237.00	$38,987.00	-1%
	Taxes & Fees	$1,918.68	$1,906.46	
Total Account Premium		**$315,900.82**	**$330,835.07**	**5%**

Package Policy

The Commercial Property policy covers your buildings, contents or specified other property against perils defined by the form, subject to the terms of the policy. Coverage for off-premises property is limited. The General Liability policy protects your business from claims arising from your legal liability for injury or damages to other people or their property. Coverage payments can include judgments, attorney fees, court costs, or other related expenses as defined in the form.

Coverage	Policy Period	Insurer	Limits of Insurance	
Commercial Property	1/13/26-27	Federal Insurance Company AM Best Rating: A++ XV	**Limits**	
			$2,823,030	Business Personal Property
			$1,432,746	Business Income w/ Extra Expense
			$750,000	EDP Property on Premises
			Deductibles	
			$1,000	Per Occurrence
			24 Hours	Business Income - Waiting Period
				See Policy for Additional Sublimits and Deductibles
Commercial General Liability	1/13/26-27	Federal Insurance Company AM Best Rating: A++ XV	**Limits**	
			$2,000,000	General Aggregate
			Policy	Products/Completed Operations Aggregate
			$1,000,000	Personal & Advertising Injury
			$1,000,000	Each Occurrence
			$1,000,000	Damage to Premises Rented to You
			$10,000	Medical Payments - Any One Person

Fiduciary Liability

Pays on behalf of the insured's damages (as defined) on account of any claim made against the Insured for any Wrongful Act – breach of fiduciary duty which includes any negligent act, error or omission in the "administration" of an employee benefit plan.

Coverage	Policy Period	Insurer	Limits of Insurance	
Fiduciary Liability	1/13/26-27	Chubb AM Best Rating: A+ (Superior) XV	$10,000,000	Fiduciary Aggregate Limit of Liability
			Separate Limits	Shared Limit with Other Coverage
			$1,500,000	Sublimit for HIPAA / HITECH Fines & Penalties
			$250,000	Sublimit for PPACA Fines & Penalties
			$250,000	Sublimit for 4975 IRC Excise Tax
			$250,000	Sublimit for 502(c) Fines & Penalties
			$250,000	Sublimit for Section 203 Fines & Penalties
			$250,000	Sublimit for Voluntary Compliance Fines & Penalties
			$100,000	Sublimit for Benefit Overpayment
			$250,000	Sublimit for other Fines, Taxes, or Penalties
			$250,000	Sublimit for Excess Fines & Penalties
			Notable Endorsements	
			Public Sector Government Defense F	Improved Language on this Endorsement
			Extended Reporting Period	1 year @ 100% annual premium
			Retentions Per Claim	Option 1: $50,000
				Option 2: $100,000
				Option 3: $250,000
Excess Fiduciary: $10M x $10M	1/13/26-27	Encore AM Best Rating: A (Excellent) XV	$10,000,000	Fiduciary Aggregate Limit of Liability
			$10,000,000	Attachment Point
			Chubb (Primary $10M)	Attachment Carrier
			Drop Down Sublimit	$250,000 x $250,000
				PPA
				PPACA
				Section 4975
				HIPAA
				502(c)
				Voluntary Compliance
				Other Fines, Taxes & Penalties
Excess Fiduciary: $10M x $20M	1/13/26-27	RLI AM Best Rating: A (Excellent) XV	$10,000,000	Fiduciary Aggregate Limit of Liability
			$10,000,000	Attachment Point
			Chubb (Primary $10M)	Attachment Carrier

Cyber Liability

This coverage provides protection against loss due most notably, but not exclusively to a business' liability for a data breach. Several types of exposures can exist which require consideration when analyzing your cyber protection insurance

Coverage	Policy Period	Insurer	Limits of Insurance	
Cyber Liability	1/13/26-27	Corvus AM Best Rating: A+ (Superior) XV	**Third Party Insuring Agreements**	
			$5,000,000	Network Security & Privacy Liability
			$5,000,000	Regulatory Investigations Fines & Penalties
			$5,000,000	Media Liability
			$5,000,000	PCI DSS Assessment Expenses
			$5,000,000	Breach Management Expenses
			First Party Insuring Agreements	
			$5,000,000	Business Interruption
			$0	Contingent Business Interruption
			$5,000,000	Digital Asset Destruction, Data Retrieval and System Restoration
			$0	System Failure Coverage
			$250,000	Social Engineering & Cyber Crime Coverage
			$5,000,000	Reputational Loss Coverage
			$5,000,000	Cyber Extortion & Ransomware
			$5,000,000	Breach Response and Remediation Expenses
			$250,000	Court Attendance Costs
		Retention, Waiting Period & Period of Indemnity	$50,000 Each Claim Waiting Period: 72 Hours Period of Indemnity: 6 Months *See Policy for Additional Sublimits and Deductibles*	
Cyber Excess Liability	1/13/26-27	Coalition AM Best Rating: A (Excellent) XV	$5,000,000 Corvus (Primary $5M)	Aggregate Limit for the Policy Period

Cyber & Technology E&O

BACKGROUND INFORMATION:

- Organizations that hold, process, or have access to confidential information are subject to liability and costs of response and mitigation if that confidential information is disclosed. Confidential information may include:
  - Personally Identifiable Information (PII) such as social security numbers
  - Protected Health Information (PHI) such as health status or insurance information
  - Payment Card Information (PCI) including credit, debit, or charge card information
  - Other confidential information held pursuant to a non-disclosure agreement
- Ransomware or other failures of a company's computer systems, or of a third party's systems including cloud service providers on which a company depends, may cause a loss of income and extra expense NOT covered under a property insurance program.
- Cyber breaches may cause significant reputational damage to an organization.

KEY COVERAGE FEATURES & SOURCES OF CLAIMS:

- Technology E&O covers defense costs and damages resulting from a failure of technology services or products.
- Third Party Cyber coverage includes defense costs and damages from a disclosure of confidential information, as well as reputational harm from the disclosure event.
- First Party Cyber coverage includes costs of legal consultations, forensic expenses, notification and credit monitoring and remediation, public relations and consumer call center expenses.
- Regulatory defense expenses and fines/penalties, as well as PCI-DSS fines or penalties from a Payment Card Association (e.g., MasterCard, Visa, American Express) or a bank processing payment card transactions in connection with an Insured's lack of compliance with PCI standards may be covered.
- Business income and extra expense from a failure of a company's or third party's systems may be covered. Best in class forms extend this coverage to include system failures from human error or programming error that leads to an interruption or degradation in service of the insured's computer system.

Understanding the differences between a duty to defend policy and non-duty to defend policy (and what those mean in practice) is important for Insureds. Below, we explain the key differences between these two types of policies, and how each impacts an Insured in a claims scenario.

If a "duty to defend" policy is purchased, the carrier has the sole right and duty to defend claims, including the right to select counsel to represent the Insured in its defense. This means that when a claim is made, the Insured is not allowed to select counsel of its choosing. Instead, the carrier will assign counsel (usually from its defense panel) at the hourly rates agreed to by the defense panel and carrier to defend the Insured. While there are limited exceptions in compelling circumstances, we are seeing a widespread trend by carriers to deny the request for exception counsel under the duty to defend policy, even after escalation within the carrier claims and underwriting teams, and on the relationship side.

If a non-duty to defend policy is purchased, the Insured has the right and duty to defend claims against it, including the right to select counsel. However, even under a non-duty to defend policy, carrier consent is required. This means that the Insured must seek the carrier's prior written consent to counsel before incurring any defense costs. Moreover, depending on the rates charged by the firm, the carrier may attempt to limit coverage by capping the hourly rates. If hourly rates are capped, the Insured must either pay the difference between the hourly rate charged and the amount allowed by the carrier, or request that defense counsel agree to the carrier's accepted hourly rate. Rate cap discussions can become highly contentious since carriers are used to paying lower rates charged by their own panel firms. Additionally, if rates are capped by the carrier, those rate caps similarly apply to amounts paid by the Insured within the self-insured retention.

There are other factors that must be considered in evaluating which type of policy is best for an Insured. For example, while a duty to defend policy gives the carrier control over the selection of counsel, it also generally provides for 100% defense cost coverage so long as one count of the claim is covered. For example, if there are six counts in a complaint, and only two are covered, under a duty to defend policy, the carrier must pay for the defense of the entire complaint – not just the two covered counts.[1] Conversely, under a non-duty to defend policy, while the Insured retains the ability to select counsel (subject to carrier consent), the carrier may allocate between covered and uncovered defense costs. Thus, in the above scenario, the carrier may argue that it is only responsible for 33% (or 2/6) of the defense costs. Importantly, under both types of policies, allocation by the carrier of covered and uncovered portions of settlements or judgments is permitted.

For more information regarding duty to defend v. non-duty to defend policies and what may be the best option, please reach out to your HUB Team.

IMPORTANT NOTICE ABOUT CLAIMS-MADE COVERAGE

Coverage for the cyber and E&O lines are typically written on a claims-made and reported basis, and requires that all claims be submitted to the insurance carrier as soon as possible, but no later than the end of the policy period or extended reporting period Proper and timely notice of a claim in compliance with the terms of the policy is critical. Under both forms, defense costs erode the limit of liability. It is important to not prejudice a claim by making settlement offers without the insurer's written consent.

These policies are written on either a "Duty-to-defend" or an "indemnity" basis (although a few forms do give the Insured the option to assume their own defense or tender defense to the carrier). The primary differences between the two are the respective obligations of the Insurer and Insured after a claim has been received. While larger organizations typically prefer to control the claim by utilizing defense counsel of their choice, smaller organizations typically prefer the benefits of a duty to defend policy form. Duty to defend policies, in many jurisdictions, expand defense coverage by obligating the insurer to defend an entire claim as long it contains at least one covered allegation.

Please note that the definition of "Claim" varies by coverage and insurer, but often include, and are not limited to:
• Written demands for monetary or non-monetary relief
• Civil, criminal, administrative and regulatory proceedings and notices of investigation of individuals.
• Requests to toll or waive the statute of limitations
• Written demand for arbitration or mediation

For a detailed definition, please refer to the definition of Claim in the insurance contract and endorsements which supersede this document. Please note that failure to notice a claim promptly when received may limit your ability to access the insurance contract proceeds and can result in an insurer denial of coverage. Note also that most policies require the approval of the insurer prior to selecting defense counsel, incurring any defense costs or agreeing to any settlement.

If there are any pending claims, or new circumstances that may reasonably give rise to a claim in the future, it is important to notify your broker immediately. HUB can assist in putting the insurers on notice of claims or circumstances that may reasonably give rise to a claim in the future. This is to preserve your rights to coverage.

Please contact your HUB broker with any further questions.

Thank you.

RESOLUTION 2025-4

WHEREAS, Chapter 40A of the Dallas City Code governs the administration of the Employees' Retirement Fund of the City of Dallas (the "Fund") for the exclusive purposes of providing benefits to members, inactive members, retirees, and their beneficiaries and defraying reasonable expenses of administering the Fund, including the payment of any cost of living adjustment ("COLA"); and

WHEREAS, Section 40A-28 provides that, on January 1 of each year, a COLA will be made to the base pension payable to each retiree or beneficiary under the Fund based on the percentage of change in the "price index" for October of the current year over October of the previous year; and

WHEREAS, Section 40A-1(36) defines "price index" as, "the national Consumer Price Index of Urban Wage Earners and Clerical Workers (CPI-W) published by the Bureau of Labor Statistics of the U. S. Department of Labor, or its successor in function"; and

WHEREAS, the Bureau of Labor Statistics released the following press release:

> "BLS could not collect October 2025 reference period survey data due to a lapse in appropriations. BLS is unable to retroactively collect these data. For a few indexes, BLS uses nonsurvey data sources instead of survey data to make the index calculations. BLS is able to retroactively acquire most of the nonsurvey data for October. Where possible, BLS will publish October 2025 values for these series with the release of November 2025 data.
>
> BLS will publish the November 2025 CPI news release on December 18, 2025. This news release and database update will not include 1-month percent changes for November 2025 where the October 2025 data are missing.
>
> With the November release, BLS will also finalize fourth quarter 2024 Chained CPI-U data series values and update 2025 first quarter through third quarter values. BLS has not yet determined a publication date for special research series, such as the CPI for new tenant rent and CPI for all tenant regressed rent."; and

WHEREAS, Section 40A-4(a)(18) provides that the Board of Trustees of the Fund has the authority to, "interpret this chapter as necessary to resolve any problems created by any ambiguities, inconsistencies, or omissions that might be found in this chapter." And

WHEREAS, the Federal Reserve Bank of Cleveland, Center for Inflation Research, is a major economic research hub "formally established in 2018 as a forum for nationally and internationally recognized economists specializing in inflation-related research" which publishes an independently calculated consumer price index.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Fund:

Section 1. In the absence of CPI-W information provided by the Bureau of Labor Statistics, the COLA for the period beginning January 1, 2026 will be calculated as required by Chapter 40A of the Dallas City Code, with the exception of October 2025, which will be calculated as follows:

The month-over-month change in CPI for October 2025 will be calculated based on the alternative month-over-month change determined by the Federal Reserve Bank of Cleveland.

Section 2. If the Bureau of Labor Statistics CPI-W for October 2025 is published subsequent to the passage of this resolution, but before January 10, 2026, staff will notify the Board of Trustees of such change, and the COLA effective January 1, 2026 will be revised to reflect the actual CPI-W as

published by the Bureau of Labor Statistics.

       Section 3. This Resolution shall take effect immediately from and after its passage.

       Approved at the Regular Meeting of the Board of Trustees of the Employees' Retirement Fund of the City of Dallas held on December 9, 2025.

                        _____

                        T. Dupree Scovell, Chair
                        Board of Trustees
                        Employees' Retirement Fund of the City of Dallas

       I, David K. Etheridge, Administrator of the Employees' Retirement Fund of the City of Dallas, a Municipal Retirement Fund, certify that at a meeting of the Board of Trustees of said Fund duly held on the 9th day of December 2025, a quorum being present, the following resolution was adopted and is now in effect.

       IN WITNESS WHEREOF, I have here unto set my hand this 9th day of December 2025.

                        _____

                        David K. Etheridge, Executive Director
                        Employees' Retirement Fund of the City of Dallas

CONSUMER PRICE INDEX - CPI-W
U. S. CITY AVERAGE
2025

Effective January 1, 2026

MONTH AND YEAR		PERCENTAGE OF ANNUAL MONTHLY INCREASE
NOVEMBER	2024	2.6%
DECEMBER	2024	2.8%
JANUARY	2025	3.0%
FEBRUARY	2025	2.7%
MARCH	2025	2.2%
APRIL	2025	2.1%
MAY	2025	2.2%
JUNE	2025	2.6%
JULY	2025	2.5%
AUGUST	2025	2.8%
SEPTEMBER	2025	2.9%
OCTOBER	2025 (Note 1)	3.0%
	TOTAL	31.4%

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*PERCENTAGE OF **ANNUAL AVERAGE CHANGE IN THE PRICE INDEX** FOR LAST 12 MONTHS*

31.4% / 12 **= 2.6167%**

mos.

PERCENTAGE CHANGE IN THE PRICE INDEX FROM OCTOBER 2024 TO OCTOBER 2025

318.712 **-** 309.358 / 309.358 **= 3.024%**

10/25 Index (Note 1)   10/24 Index   10/24 Index

ERF 2025 COLA effective January 1, 2026 will be 3.024% for Tier A & 3.0% for Tier B.

COLA REQUIREMENT
COLA increase is required by City Code of Ordinances, Chapter 40A, Section 28

The maximum COLA is:	5.0000%	Tier A
	3.0000%	Tier B (members hired after Decemeber 31, 2016)

CALCULATION
The ERF COLA is an automatic adjustment to benefit payments that occurs annually. The purpose of the COLA
is to ensure that the purchasing power of income received from pension benefits is not eroded by inflation.
It is based on the higher of:
  (1) the annual average change of the Consumer Price Index for Urban Wage Earners and Clerical Workers
    (CPI-W) for the 12 month period from November through October; **or**
  (2) the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers
    (CPI-W) from October of one year to October of the next year.

If there is no increase, there is no COLA.

The retiree COLA is not compounded, and the COLA percentage is applied to the initial base pension.
Note 1: October 2025 CPI-W is not available from the BLS; please refer to Resolution 2025-4.

Social Security COLA for January 1, 2026 is 2.8%.
The increase for Social Security is based on the change in the CPI-W from the 3rd Quarter of the Prior year (2024)
to the 3rd quarter of the Current year (2025). The 2.8% increase reflects inflation trends observed in the econmy.

December 9, 2025

Mr. David K. Etheridge
Executive Director
Mr. T. Dupree Scovell
Chair, Board of Trustees
Employees' Retirement Fund of the City of Dallas
1920 McKinney Avenue, 10th Floor
Dallas, Texas 75201

Dear Mr. Etheridge and Mr. Scovell:

Weaver and Tidwell, L.L.P. ("our", "us", and "we") will perform an audit of the basic financial statements of the Employees' Retirement Fund of the City of Dallas (the "Fund"), which comprise the statement of fiduciary net position as of December 31, 2025, and the related statements of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

This required supplementary information ("RSI") will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of Changes in Net Pension Liability and Related Ratios
3. Schedule of Money-Weighted Rates of Return
4. Schedule of Contributions

The following accompanying supplementary information will be subjected to certain limited procedures but will not be audited:

1. Schedule of Administrative Expenses
2. Schedule of Investment Expenses
3. Schedules of Payments for Professional Services

The following other information will not be subjected to our auditing procedures and our auditor's report will not provide an opinion on that information:

1. Introductory Section
2. Investment Section
3. Actuarial Section
4. Statistical Section

We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter.

Applicable Standards and Framework

The auditing standards applicable to this engagement will be U.S. GAAS (generally accepted auditing standards in the United States of America).

The financial reporting framework applicable to this engagement is U.S. GAAP (generally accepted accounting principles in the United States of America).

Engagement Objective

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

December 9, 2025

our opinion and to report on the fairness of the supplementary information referred to above when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with applicable auditing standards will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the financial statements.

Our Responsibilities

We will conduct our engagement in accordance with the applicable standards described above. As part of an engagement conducted in accordance with the applicable standards, we exercise professional judgment and maintain professional skepticism throughout the engagement.

We also do the following:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of controls.
- Obtain an understanding of the system of internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the system of internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit that we have identified during the engagement.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence that support the amounts and disclosures in the financial statements. Such tests may include tests of the physical existence of assets, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we may request written representations from your attorneys, and they may bill you for responding.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may not be detected, even though the audit is properly planned and performed in accordance with applicable standards.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

The accompanying supplementary information referred to above will be presented for purposes of additional analysis and is not a required part of the financial statements. Such information will be subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with applicable standards. Our auditor's report will provide an opinion on the supplementary information in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements.

Our responsibilities for this engagement are limited to the period covered by our engagement and do not extend to any other periods. Our engagement also does not include consultation with you on the adoption of new accounting standards or any future increased duties we may have because of the actions of any regulatory body, implementation of any new auditing standard, or occurrence of an unknown or unplanned significant transaction.

Aracely Rios is the engagement partner or equivalent for the services specified in this letter and is responsible for supervising our services performed as part of this engagement and signing or authorizing another qualified firm representative to sign our report.

We expect to begin our procedures in April 2026. We will issue a written report only upon completion of our engagement. Our report will be addressed to the Board of Trustees of the Fund.

We cannot provide assurance that an unmodified audit opinion will be expressed. Circumstances may arise in which it may be necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraphs, delay the initiation or completion of our engagement, or withdraw from the engagement. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance.

If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from the engagement.

Required Supplementary Information (RSI)

U.S. GAAP, as promulgated by the Governmental Accounting Standards Board ("GASB"), requires that management's discussion and analysis, among other items, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the RSI in accordance with U.S. GAAS. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI.

Management's Responsibilities

Our engagement will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility for:

  a. the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework described above;
  b. the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
  c. the design, implementation, and maintenance of programs and controls to prevent and detect fraud;

    d.   informing us of any known or suspected fraud involving management, employees with significant roles in the system of internal control and others where fraud could have a material effect on the financial statements (including any allegations of fraud or suspected fraud received in communications from employees, former employees, regulators, or others);

    e.   providing us with:

       i.   access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;

      ii.   additional information that we may request from management for the purpose of the engagement; and

     iii.   unrestricted access to persons from whom we determine it necessary to obtain evidence;

    f.   including our report, and our report on any supplementary information if described above, in any document containing financial statements that indicates that such financial statements have been audited by us;

    g.   identifying and ensuring compliance with the applicable laws and regulations;

    h.   adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;

    i.   maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;

    j.   the accuracy and completeness of all information provided;

    k.   with regard to the supplementary information referred to above: (a) the preparation of the supplementary information in accordance with the applicable criteria; (b) providing us with the appropriate written representations regarding supplementary information; (c) including our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) presenting the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon;

    l.   informing us of facts that may affect the financial statements of which you may become aware during the period from the date of our report to the date the financial statements are issued; and

    m. confirming your understanding of your responsibilities in this letter to us in your management representation letter.

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we request.

If we agree herein or otherwise to perform any non-attest services (such as tax services or any other non-attest services), you agree to assume all management responsibilities for those services; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. We will perform any such non-attest services in accordance with applicable professional standards.

During the course of our engagement, we will request information and explanations from management regarding operations, internal controls, future plans, specific transactions and accounting systems and procedures. At the conclusion of our engagement, we will also require, as a precondition to the issuance of our report, that management provide certain representations in a written letter concerning representations made to us in connection with our engagement. You agree that as a condition of our engagement, management will, to the best of its knowledge and belief, be truthful, accurate and complete in all representations made to us during the course of the engagement and in the written representation letter. The procedures we perform in our engagement and the

conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. False or misleading representations could cause us to expend unnecessary efforts in the engagement; or, worse, could cause a material error or a fraud to go undetected by our procedures.

The hiring of, or potential employment discussions with, any of our personnel could impair our independence. Accordingly, you agree to inform the engagement partner prior to any such potential employment discussions taking place.

Fees and Invoicing

We estimate the fee for this engagement will be $47,500.

The total fee for our services will be determined by the complexity of the work performed and the tasks required. Individual hourly rates vary according to the degree of responsibility involved and the skills required and are subject to periodic review and change. It is understood that neither our fees nor the payment thereof will be contingent upon the results of this engagement.

Our fee estimate is based on anticipated cooperation from all involved and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss the reasons with you and arrive at a new fee estimate before we incur the additional costs.

Our invoices for this engagement will be rendered each month as work progresses. Our invoices are payable in accordance with Texas Government Code § 2251.021, if applicable.

Documentation and Deliverable

The documentation we prepare pertaining to and in support of this engagement is our property and constitutes confidential information.

If you intend to make reference to our firm or include a report or portion of a report we issue in a published document or other reproduction that includes a modified version of the report or financial information to which it was attached, you agree to provide us with printers' proofs or masters for our review and approval before reproducing. You also agree to provide us with a copy of the final reproduced material for our written approval before it is distributed. If, in our professional judgment, the circumstances require, we may withhold our approval. This requirement does not pertain to distributing unmodified reports along with the attached financial information or dissemination of your financial information as a standalone document, such as on your website.

Unless we provide you with written consent in advance of such use, reports we issue are not intended to and should not be provided or otherwise made available for use in connection with the sale of debt or other securities. If, in our professional judgment, the circumstances require, we may withhold our consent.

Consistent with professional standards, our firm is subject to peer review and inspection by the PCAOB. Those programs require that our system of quality management and a sample of our work be periodically examined by another independent accounting firm or the PCAOB, respectively. A copy of our latest external peer review report is available at peerreview.aicpa.org. The work we perform for you may be selected for review. If it is, we will provide the reviewers with the required information without notice to you. Professional standards and PCAOB regulations provide the applicable confidentiality requirements.

[Signatures on Next Page]

December 9, 2025

Incorporated General Terms

Attached are our General Terms that provide additional terms (including but not limited to provisions on confidentiality, limitations on liability, indemnifications, dispute resolution, jury waiver, etc.) for this engagement. Those terms are incorporated and apply to all services described herein.

We appreciate the opportunity to assist you and look forward to working with you and your team.

Sincerely,

WEAVER AND TIDWELL, L.L.P.
Dallas, Texas

Please sign and return a copy of this letter to indicate acknowledgment of, and agreement with, the arrangements for our engagement as described herein, including each party's respective responsibilities. By signing below, the signatory also represents that they have been authorized to execute this agreement.

Employees' Retirement Fund of the City of Dallas

By: _____

Printed Name: _____

Title: _____

Date: _____

GENERAL TERMS

1. Expenses.

In addition to the fee for our services, reasonable and necessary out-of-pocket expenses we incur (such as parking, reproduction and printing, postage and delivery, and out-of-market travel, meals, and accommodations) will be invoiced at cost. The total amount stated on each invoice will include a separate administrative and technology charge. The charge represents an estimated allocation of our support personnel, telecommunication, and technology infrastructure expenses. The amount stated on each invoice will also include any sales, use, gross receipts, excise, or other transaction tax imposed on our fees or expenses.

2. Payment.

Any disagreement with the charges must be communicated to us in writing within thirty (30) days of the invoice date, after which any right to contest the invoices will be waived. For invoices not paid within sixty (60) days of the invoice date, a late charge will be added to any uncontested outstanding balance. The late charge will be assessed at a rate of half a percent (0.5%) of the unpaid balance per month. If invoices are not paid within ninety (90) days of the invoice date, this engagement (and any other engagements for the same party) will be placed on hold and we will stop work until the balance is brought current, or we may withdraw, and we will not be liable for any damages that may result.

3. Term.

A. This engagement ends at the earlier of the completion of our services described above, the provision of any deliverables described above, or the termination of this engagement. Any party may earlier terminate this engagement at any time with ten (10) days' written notice to the other party. If the engagement is terminated, our engagement will be deemed to have been completed upon written notification of termination, and we will be paid for our time expended and expenses incurred through the date of termination.

B. If we are requested to perform additional services not addressed in this engagement letter, we will communicate our ability to perform the services, the scope of additional services we agree to perform, and the fee arrangements we would use. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting the arrangement for performance of such additional services, those services will continue to be governed by the terms of this engagement letter.

4. Ethical Conflict Resolution.

In the unlikely event that circumstances occur which we in our sole discretion believe could create a conflict with either the ethical standards of our firm or the ethical standards of our profession in continuing our engagement, we may suspend our services until a satisfactory resolution can be achieved or we may resign from the engagement. We will provide notice of such conflict as soon as practicable and discuss any possible means of resolving the conflict prior to suspending our services.

5. Non-Solicitation of Our Staff.

We value every one of our partners, employees, and contractors and have spent a great deal of time and resources to locate, train, and retain those individuals. Accordingly, during the term of this engagement letter and for two (2) years after the later of the termination of this engagement letter or conclusion of the performance of all of our services performed hereunder, no party, whether voluntarily or involuntarily, directly or indirectly, will solicit to employ or engage, on a partner, employee, contractor, or other basis, any of our partners, employees, or contractors who perform these services, without obtaining the prior written consent of our CEO or COO. This section shall not apply to a solicitation by general advertisement (e.g. website, social media posting, newspaper, etc.) or any employment or engagement resulting therefrom.

6. Confidentiality.

A. During the course of this engagement, the parties may disclose to each other, orally, in writing, or otherwise, information that is identified as or which is otherwise categorized by law as proprietary, confidential, or privileged ("Confidential Information"). Confidential Information does not include material which (i) is in the public domain through no fault of the receiving party, (ii) was already known to the receiving party before it was first disclosed to the receiving party by or on behalf of the disclosing party related to this engagement, (iii) is received by the receiving party from third-parties without confidentiality restrictions, unless those third-parties were acting for or on behalf of the disclosing party related to this engagement, or (iv) is developed by the receiving party independently of, and without reference to, any Confidential Information communicated to the receiving party by or on behalf of the disclosing party. We will use the Confidential Information disclosed to us during this engagement solely to perform services for which we have been engaged.

B. We may be requested to make the Confidential Information available to regulators and other government agencies, pursuant to authority given by law or regulation. Responding to many such requests is mandatory. In those

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cases, access to such Confidential Information will be provided under our supervision and we may, upon their request, provide the regulator or agency with copies of all or selected portions of the Confidential Information. The requesting party may intend or decide to distribute the copies or information contained therein to others, including other regulators or agencies.

C.   Unless otherwise stated herein, prohibited by law or direction of law enforcement, or agreed in writing, the parties will (i) provide prompt notice of any request received to make Confidential Information pertaining to this engagement, including any of our work product, available to outside parties not involved in the performance of these services and (ii) obtain written consent from the affected party before disclosing the Confidential Information in response to the request. If consent is withheld, the parties will cooperate with any lawful efforts taken to minimize the disclosure or protect the Confidential Information.

D.   We will invoice for reasonable and necessary time (at our then-current standard hourly rates) and out-of-pocket expenses (including attorney's fees) we incur to respond to any request (such as a subpoena, summons, court order, or administrative investigative demand) pertaining to this engagement in a legal matter to which we are not a party. If we agree to perform additional substantive services related to or arising out of the request, such matters may be the subject of a new engagement letter.

E.   The parties agree to maintain Confidential Information using the same standard of care each uses to protect its own information of like importance but in no case less than a reasonable standard of care.

F.   All rights to Confidential Information (including patent, trademarks, copyrights, or other intellectual property rights) shall remain vested in the disclosing party, and no rights in the Confidential Information are vested in the receiving party, except the limited right to use the Confidential Information solely to perform its obligations or exercise its rights under this engagement letter.

G.   We will return or destroy the Confidential Information upon the disclosing party's request within a reasonable period of time, except that we will maintain any copies of the Confidential Information for the period necessary to comply with any applicable laws or professional standards and our own document retention policy (e.g. we will maintain our workpapers for seven (7) years from the date of any attest report we issue). Following such a period, we may destroy the Confidential Information without notice.

H.   We may at times provide (i) documents marked as drafts or (ii) preliminary or ancillary information or advice (not included in a final deliverable). Those documents, information, and/or advice are for review and consideration purposes only and should not be relied upon or distributed,

and should be destroyed, unless otherwise required by law. If further analysis, information, or advice is desired, we will be informed in writing. We may assist if the matter is within our expertise. Unless already encompassed by the scope of our engagement letter, if we agree to provide such further assistance, our services will be handled as additional services in the manner described above.

I.   We may transmit and store data via email, the cloud, or other electronic and Internet-based mechanisms to facilitate this engagement. Please be aware that those mediums inherently pose a risk of misdirection or interception of Confidential Information. Any request to limit such transmissions or use a different means of transmission or storage must be made in writing and we will not be responsible for any resulting compromise in data security.

J.   We do not act as the host or repository of financial or non-financial information or as an information back-up service provider for our clients. It is the responsibility of our clients to maintain a complete set of their own financial and non-financial data and records. If some portion of the data and records is contained only within our files, inform us before the issuance of our deliverable and we will provide a copy.

K.   Unless otherwise stated herein or agreed in writing, neither this engagement nor engagement letter is intended for the benefit of any third party. Any party may inform us of any third party who will receive our deliverable. If we are not informed in writing by a party, we are not aware of the identity of such third parties and we do not anticipate their reliance upon our professional services or deliverable unless otherwise agreed in writing.

7. **Limitations on Liability and Indemnifications.**

A.   Each party to this engagement letter other than us gives the following releases and indemnifications to us and our affiliates' partners, employees, and contractors, and each of their heirs, executors, personal representatives, successors and assigns ("Our Representatives"). We and Our Representatives are hereby released, indemnified, and held harmless, from and against any liability and costs, including related liabilities, losses, damages, costs, expenses, and attorneys' fees, resulting from or arising out of: (i) knowing misrepresentations or unintentional or unauthorized disclosures to us or Our Representatives by any party (other than us) or the officers, employees, or others acting or purporting to act on their behalf, (ii) disclosure of our work product to anyone not a party this engagement letter who we were not informed of in advance, or (iii) misdirection, interception, or failed delivery of information connected with this engagement during transmission, submission, or storage.

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B. Our and Our Representatives' total aggregate liability pertaining to this engagement and engagement letter shall be limited to one (1) times the amount of our fees (excluding any reimbursable expenses) the party bringing the claim paid to us for the services in question. In no event shall we or Our Representatives be liable for indirect, incidental, consequential, special, multiple, exemplary, or punitive losses or damages—even if advised of their possible existence.

C. Satisfaction of a claim or cause of action arising from nonattest services (if any) which are part of this engagement or performed pursuant to this engagement letter shall only be sought from the limited liability partnership, Weaver and Tidwell, L.L.P. In no event will our partners, directors, employees, or agents be individually liable for any liability, damages, expenses, or losses of any nature, caused by or resulting from the engagement, engagement letter, or use of our work product. While we are entering into this engagement letter on our own behalf, this paragraph is also intended for the benefit of Our Representatives.

D. All limitations on liability and indemnifications contained herein shall apply to the fullest extent permissible by applicable laws and professional standards (including, without limitation, any applicable rules and interpretations of the AICPA, PCAOB, and SEC), regardless of the cause of action (whether contract, negligence, or otherwise), except as finally determined to have resulted solely from our fraud, gross negligence, or willful misconduct.

8. **Dispute Resolution Procedure including Jury Waiver.**

A. No claim arising out of or relating to this engagement or engagement letter shall be filed more than two (2) years after the earlier of the termination of this engagement or the date of the delivery of our work product in question, if any. This limitation applies and begins to run even if no damage or loss has been suffered, or the injured or damaged party has not become aware of the existence or possible existence of a dispute.

B. If a dispute arises out of or relates to this engagement or engagement letter, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation before resorting to litigation. In such event, the parties will attempt to agree upon a location, mediator, and mediation procedures, but absent such agreement any party may require mediation in Dallas, Texas, administered by the AAA under its Commercial Mediation Procedures.

C. This engagement letter and all disputes between the parties shall be governed by, resolved, and construed in accordance with the laws of the State of Texas, without regard to conflict-of-law principles. Any action arising out of or relating to this engagement or engagement letter shall only be brought in, and each party agrees to submit and consent to the exclusive jurisdiction of the federal or state courts in the State of Texas and convenience of those situated in Dallas County, Texas.

D. Each party hereby irrevocably waives any right it may have to trial by jury in any proceeding arising out of or relating to this engagement or this engagement letter.

E. Whenever possible, this engagement letter shall be interpreted in such a manner as to be effective and valid under applicable laws, regulations, or published interpretation, but if any term of this engagement letter is declared illegal, unenforceable, or unconscionable, that term shall be severed or modified, and the remaining terms of the engagement letter shall remain in force. The court should in such case modify any term declared to be illegal, unenforceable, or unconscionable in a manner that will retain the intended term as closely as possible.

F. If because of a change in status or due to any other reason, any of the terms of this engagement or any contract we have now or enter into in the future with any of the other parties, would be prohibited by, or would impair our independence when required under laws, regulations or published interpretations by governmental bodies, professional organizations or other regulatory agencies, such provision shall, to that extent, be of no further force and effect and the contract shall consist of the remaining portions.

9. **Miscellaneous.**

A. We have non-CPA owners who may provide services pertaining to this engagement.

B. We do not provide legal advice or services. If necessary, refer to appropriate legal counsel for advice or services of that nature.

C. This engagement letter sets forth all agreed upon terms and conditions of our engagement with respect to the matters covered herein and supersedes any that may have come before. This engagement letter may not be amended or modified except by further writing signed by all the parties. Any provisions of this engagement letter which expressly or by implication are intended to survive its termination or expiration will survive and continue to bind the parties. The use of electronic signatures or multiple counterparts to execute this engagement letter shall have the same force and effect as a manually or physically signed original instrument.

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Employees' Retirement Fund of the City of Dallas Experience Study – Preliminary Findings

Lewis Ward and Danny White

December 9th 2025
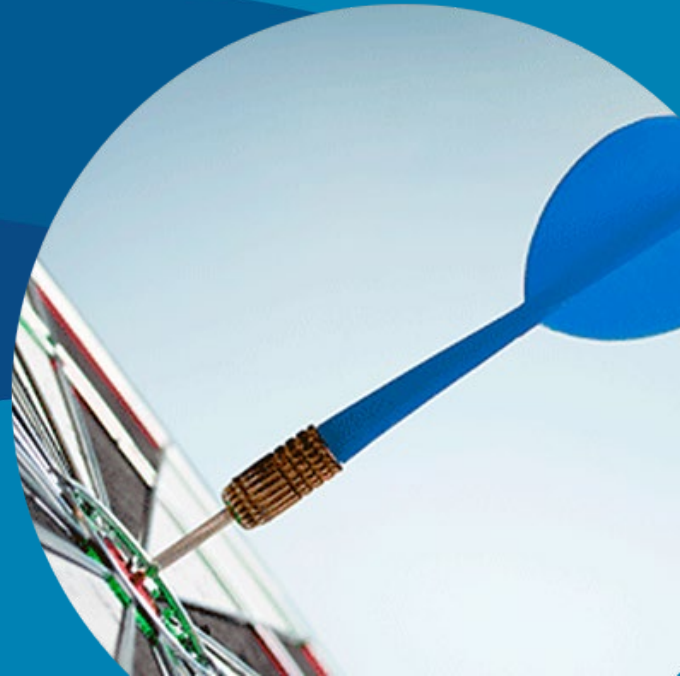
Purpose of an Experience Study

- Texas Government Code Section §802.1014 and Dallas City Charter Chapter 40-A both require an actuarial experience study be performed once every five years

- An experience study is a regularly scheduled process to analyze how experience is tracking the assumptions and identify if assumptions need updating

- Assumptions are not static and should change if necessary to better predict the expected future experience

- Thus, our analysis will address the following questions for each assumption
  - What was ERF' actual experience?
  - How does that compare with current assumptions?
  - Is a change warranted?

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Assumptions Studied

- Economic assumptions
  - Price inflation (CPI)
  - Investment return
  - Cost of Living Adjustment (COLA)
  - Salary increases (for individuals)
  - Payroll growth rate (for plans as a whole)
- Demographic assumptions
  - Mortality (Active Duty and Non-Duty, Post-Retirement)
  - Disability (Duty and Non-Duty)
  - Retirement
  - Other terminations
  - Other miscellaneous assumptions
- Actuarial Methods
  - Funding Method
  - Asset Smoothing Method

Actuarial Standards

- Guidelines for the assumption setting process are set by the Actuarial Standards of Practice
  - ASOP #4 Measuring Pension Obligations
  - ASOP #27 Selection of Assumptions for Measuring Pension Obligations
  - ASOP #44 Selection and Use of Asset Valuation Methods

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Actuarial Standards

- Each Individual Assumption must satisfy the Actuarial Standard

- The set of Assumptions should be internally consistent

- The set of Assumptions as a whole must satisfy the Actuarial Standard

Preliminary Findings

- In general, most of the current assumption set is reasonable

- The significant assumptions with recommended changes are:

  – Update mortality assumptions and mortality improvement scale

  – Increase rates of turnover for males and females

  – Increase in expected individual salary increases

  – Overall impact is small increase in NC% and lower UAAL

- Full detail is in the report

Summary of Findings
Economic Assumptions

Economic Assumption	Experience study observations	Recommendation
Inflation	Current assumption is 2.50%; investment consultants assumption between 2.10% and 2.70%	Maintain assumption of 2.50%
Rate of Return	For surveyed investment consultants: 10-year average compound return expectation is 7.05% 20 to 30-year average compound return expectation is 7.33% Current assumption is 7.25%	Maintain assumption of 7.25% Same recommendation for alternative asset allocations being considered
Cost of Living Adjustment	Current assumption is 2.50% for Group A and 2.20% for Group B	Maintain current assumptions
Wage Inflation	Experience shows continued pattern of wage inflation being higher than assumption after adjusting for actual inflation; current wage inflation is 3.00%	Recommend increasing wage inflation assumption to 3.25%; impacts salary increase assumption for individuals
Individual Merit and Promotion Increases	Experience shows increases warranted in first few years of service, some small increases warranted at other service levels	Recommend increases for first two years of service and 0.25% increases for a few other years of service
Payroll Growth Rate	Experience shows pattern near assumption after adjusting for membership growth; current payroll growth is equal to 3.00%	Maintain assumption of 3.0%

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Summary of Findings
Demographic Assumptions

Demographic Assumption	Experience study observations	Recommendation
Post-Retirement Mortality	Recent national mortality improvements have returned to pre-COVID levels. ERF experiences more deaths than expected. Examined the possibility of using ERF experience for partial credibility.	Continue to use the current TMRS Retiree Mortality assumptions; including most recent update to multipliers and mortality improvement projection scale.
Disabled Life Mortality	There have been approximately 100 disabled retiree deaths during the study period. Not a large enough number to provide any credibility to ERF experience.	Maintain the current procedure of using the healthy mortality table set forward to reflect disability impairment with minimum rates of mortality
Active Life Mortality	Approximately 160 active deaths over the study period. Lower than assumed, but not a large enough number to provide any credibility to ERF experience.	Update to the Pub-16 General Employee tables and update the projection scale to the ultimate MP 2021 Scale
Rates of Disability	Less than 40 disabilities during the study period and less than 10 during the last 5 years. Not a large enough number to provide credibility to ERF experience. Plan design means many disabilities are not reported as such because members just take service retirement.	Update to current disability assumptions for TMRS
Rates of Retirement	Retirement experience has been generally lower than expected, but current rates are designed with some conservatism.	Make adjustments to rates to make expected outcomes more consistent with experience.
Rates of Termination	Termination rates have been lower than expected.	Make adjustments to termination rates to better reflect lower level of terminations

Inflation Assumption

- The assumed inflation rate directly impacts the projected Cost of Living Adjustment provided to retirees

- The current assumption is 2.50%

- Actual inflation (measured by the CPI-U) for the last 25 years was 2.56%
  - lower than assumed each year from 2011 to 2019
  - higher than assumed each year since the year 2020

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Inflation Assumption
(Forward Looking Analysis)
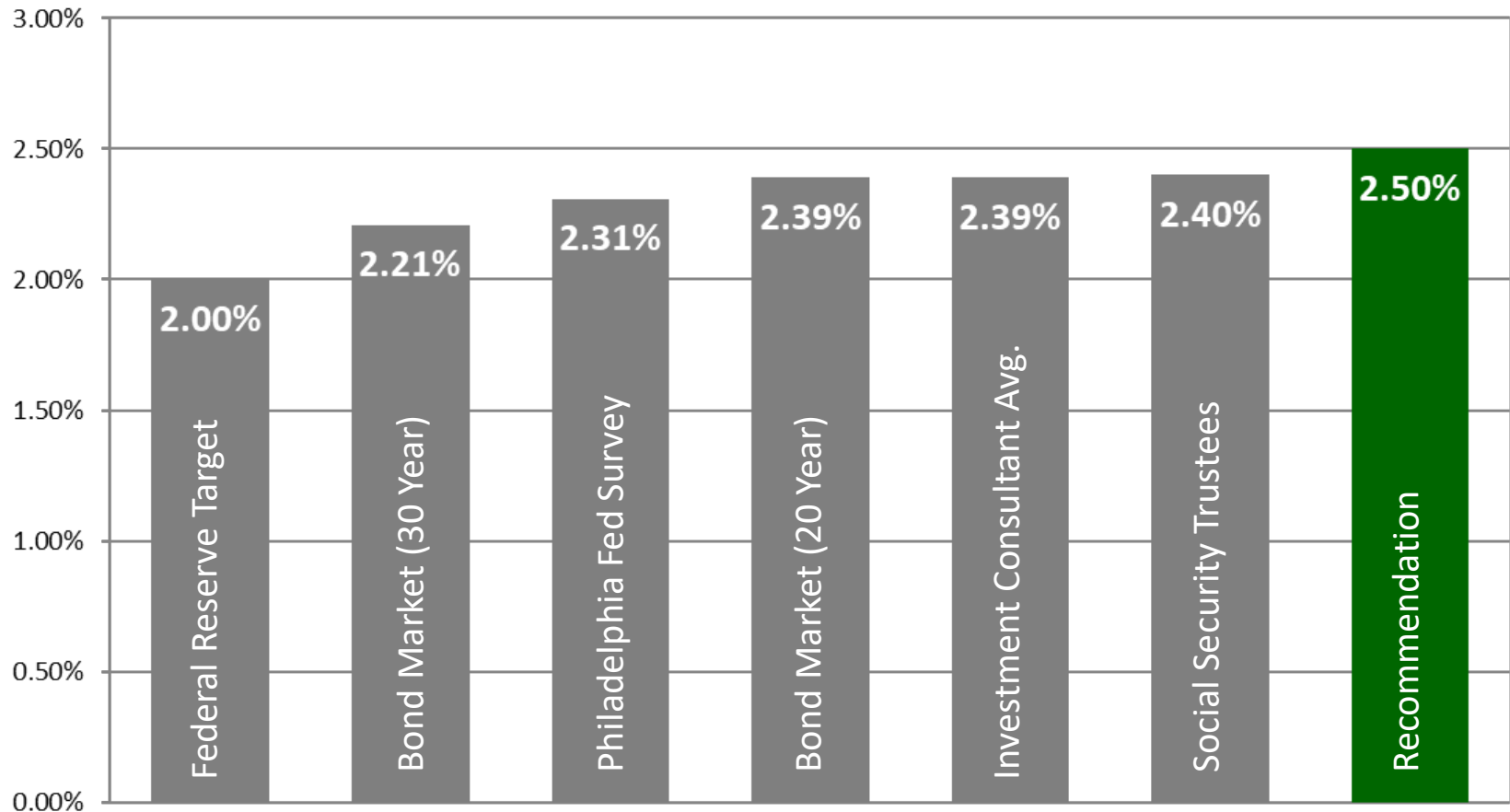
We recommend continued use of a 2.50% inflation assumption

Investment Return Assumption

- The investment return assumption is the most subjective and significant assumption used in an actuarial valuation
  - This assumption is used to predict what percentage of a future benefit payments will be covered by investment return and what percentage by contributions
- The current assumption is 7.25% return per annum
  - Net of investment expenses
- Assumption selection process
  - Identify a reasonable range of possible assumptions
  - Select a best-estimate from within that range
  - No single "correct" answer
- Information reviewed:
  - Historical investment performance
  - Comparison with peers
  - ERF's target asset allocation mapped to forward looking return expectations

History of ERF Returns (Market)
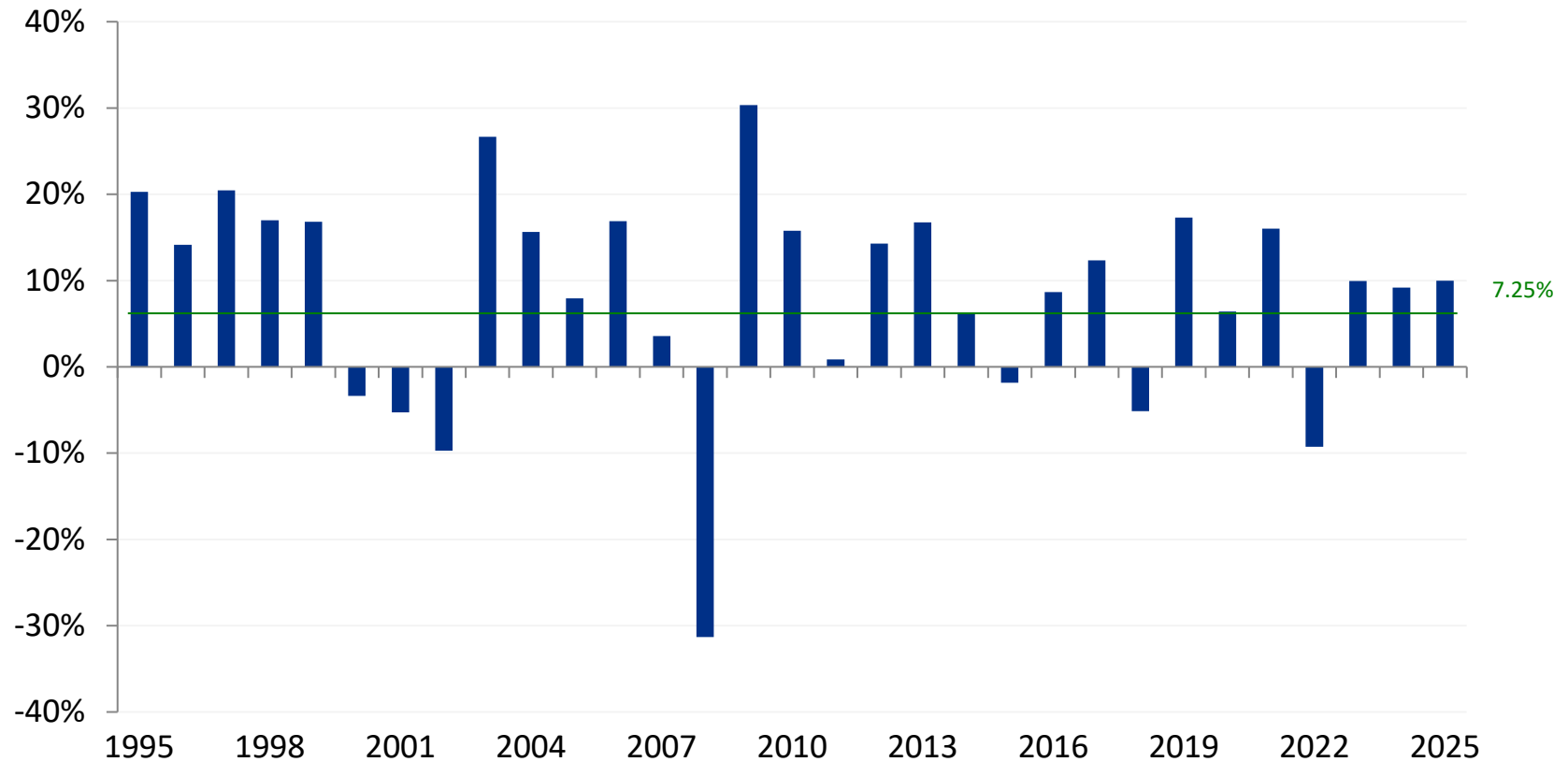
2025 return is Wilshire's year to date return for the Fund
10-year geometric average return as of 09-30-2025 (net of expenses): 7.23%
20-year geometric average return as of 09-30-2025 (net of expenses): 6.52%

Comparison to Other Systems

Distribution of Investment Return Assumptions FY 01 to present

Note: Comparison does not reflect differences in investment portfolios

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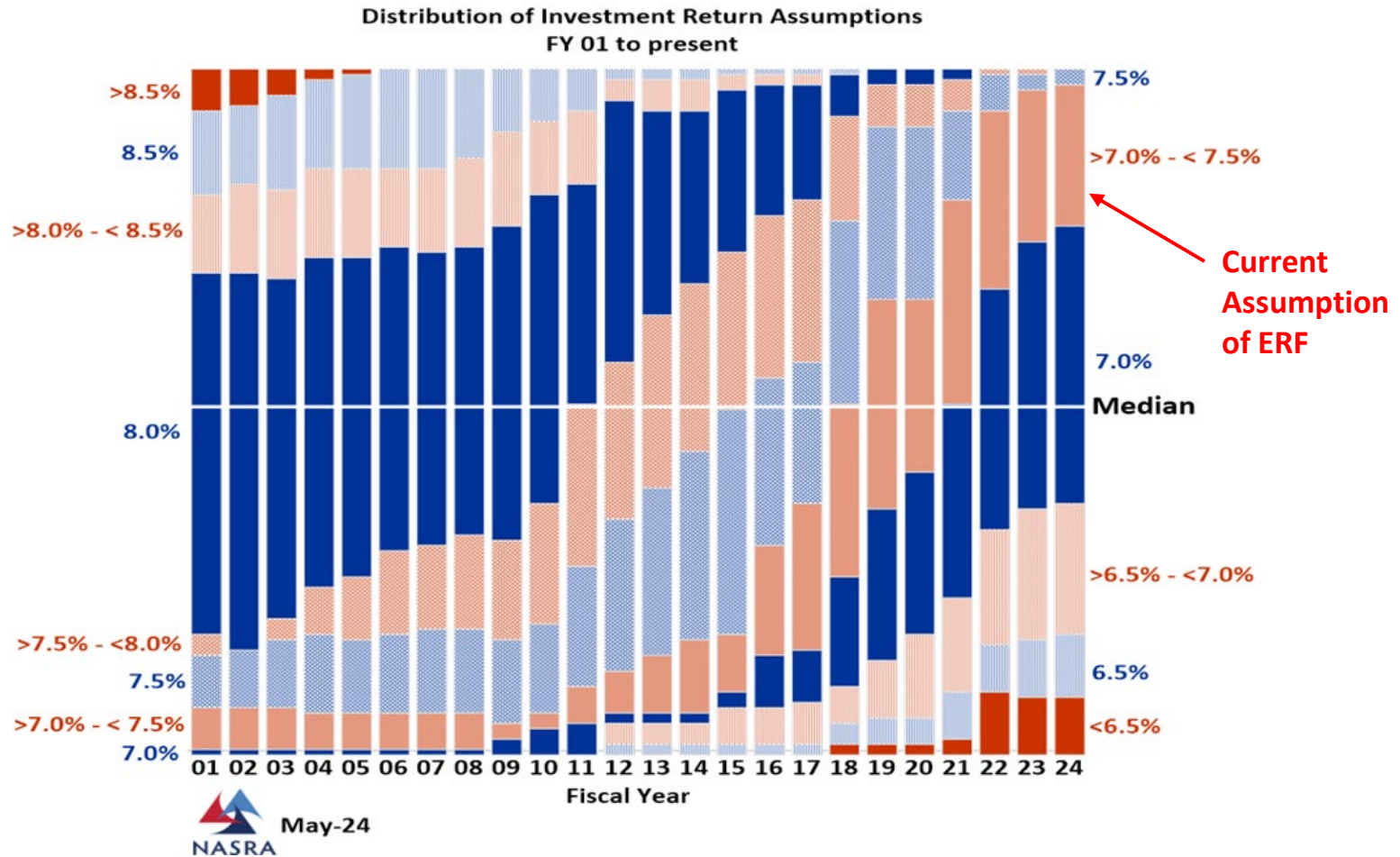
Forward-Looking Return Expectations

- Forward-looking returns were developed by mapping ERF's target investment allocation and most recent capital market return assumptions developed by the following investment consultants (listed in alphabetical order):

  - AON
  - BlackRock
  - BNY Mellon
  - Callan

  - Cambridge
  - JPM
  - Meketa
  - Mercer

  - NEPC
  - Northern Trust
  - RV Kuhns
  - Verus
  - Wilshire

Forward-Looking Return Expectations

Investment Consultant	Distribution of Geometric Net Nominal Return			Probability of Exceeding 7.25%
	40th	50th	60th	
(1)	(2)	(3)	(4)	(5)
7 to 10 Year Expectations				
1	5.4%	6.3%	7.2%	39%
2	5.3%	6.3%	7.3%	40%
3	5.7%	6.7%	7.6%	44%
4	5.8%	6.7%	7.7%	44%
5	6.1%	7.1%	8.1%	48%
6	6.1%	7.1%	8.2%	49%
7	6.3%	7.2%	8.0%	49%
8	6.2%	7.2%	8.1%	49%
9	6.5%	7.4%	8.4%	52%
10	6.6%	7.4%	8.3%	52%
11	6.6%	7.4%	8.3%	52%
12	6.8%	7.7%	8.5%	55%
20 to 30 Year Expectations				
1	5.4%	6.3%	7.2%	40%
2	6.1%	6.9%	7.7%	46%
3	6.2%	7.1%	8.1%	49%
4	6.4%	7.4%	8.4%	51%
5	6.7%	7.6%	8.4%	54%
6	6.7%	7.6%	8.4%	54%
7	6.6%	7.6%	8.7%	54%
8	7.2%	8.2%	9.1%	60%
7-10 Year Expectation Avg:	6.1%	7.0%	8.0%	48%
20-30 Year Expectation Avg:	6.4%	7.3%	8.3%	51%

Investment Return Recommendation

- The average forward-looking expectation of the target asset allocation is 7.0% over the next seven to ten years and 7.3% over the next 20 to 30 years.

- Benefit payments to current members in ERF will occur over the next 70-80 years
  - Supports a focus on the longer-term expectations

- Based on this analysis, we recommend the Board
  - Retain the current 7.25% return assumption

Salary Increase Rates for Individuals

- Used for projecting individual member's pay and benefits
- Current assumption
  - 2.50% inflation, 0.50% productivity
  - Additional promotion and performance related increases during first 19 years of service
- Typically we review experience over the last ten-years, however the actual experience during the last four years (2021 through 2024) were atypically high, which correlates to a high inflationary time period
  - As a result, we expanded the experience reviewed to include all years back to 2011

Salary Increase Rates for Individuals

- Average increase for long-term employees (20 years of service or more) was 3.55% over the period
  - Inflation was 2.64% over the same time period, which gives an apparent productivity component of 0.91%
- We are recommending a 25 basis point increase in the productivity component to 0.75%
- Experience shows the current service-related component of the salary scale should also be increased for many different service periods
- This is a long-term assumption and it is possible that actual salary increases for the next couple years may be greater than the recommended assumption

Salary Increase Rates by Years of Service
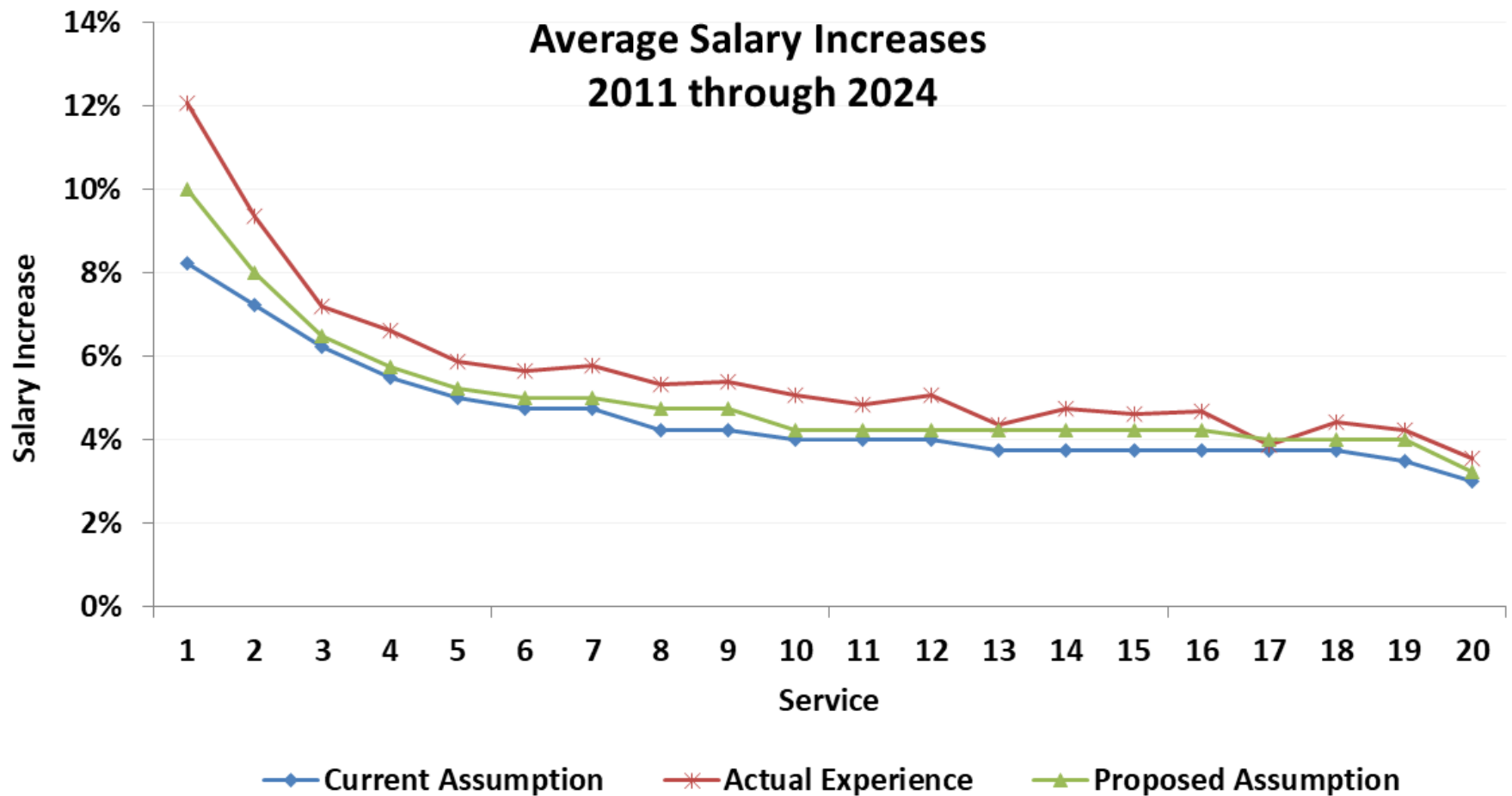
Administrative Expense Assumption

- Administrative Expense Assumption for the upcoming year is that they will equal the prior year administrative expenses increased by the payroll growth rate

- For actuarially determined contribution purposes future administrative expense are assumed to increase at the payroll growth rate
  - Special adjustments may be made for depreciation expense which are not expected to be on-going

- We are recommending no change to this procedure

GRS

Payroll Growth Rate Assumption

- Used in projected the total covered payroll on which contribution will be received, not in projecting benefits

- Current assumption is 3.00%

- Actual increases for the period from 2014 – 2024 have averaged 3.2% (normalized for membership changes)

  – However, inflation was higher than our 2.5% assumption

- We recommend no change in the assumption

- While the current funding policy is expected to bring ERF to a fully funded status by the end of 2054, the paying off of the UAAL is backloaded

Post-retirement mortality (Healthy)

- Current assumption
  - 2019 Municipal Retirees of Texas Mortality Tables for males and females
  - Generational mortality improvements projected from the year 2019 using the ultimate mortality improvement rates in the MP-2019 tables
- In setting the longevity assumption, the actuary must make two decisions:
  - How long are annuitants currently living?
    - Data dependent, provided the population is large enough
  - What improvement in longevity is expected in the future?
    - Expert dependent, more subjective decisions

Healthy Retiree Mortality

- Current tables are based on the assumptions used for the Texas Municipal Retirement Systems ("TMRS")

- TMRS recently updated their mortality assumptions

- Due to the relatively small retiree experience of ERF and given the consistency between ERF members and members in TMRS, we recommend continued use of the mortality assumption used by TMRS and that ERF adopt the new TMRS mortality assumptions

Healthy Retiree Mortality

- Male
  - Proposed assumption is the current base table multiplied by 103%, with fully generational mortality improvement using the ultimate improvement rates from the MP-2021 mortality improvement scales for males (base year 2019)
  - A/E ratio on ERF data of 107%
  - A/E ratio at core ages (60-85) of 105%
- Female
  - Proposed assumption is the current base table multiplied by 105%, with fully generational mortality improvement using the ultimate improvement rates from the MP-2021 mortality improvement scales for females (base year 2019)
  - A/E ratio on ERF data of 124%
  - A/E ratio at core ages (60-85) of 130%

Normal Retirement

- Eligibility under Tier A:
  - Unreduced
    - Age 60; or
    - Age 55 (if credited service began before May 9, 1972); or
    - Age 50, if sum of age and service is at least 78
- Analysis is based on the ten-year period ending 12/31/2024
- Current and proposed rates are gender-specific and make a distinction between members over 60 who have more/less than 18 years of service and for members in their first year of eligibility between ages 50 and 60
- Recommend small decreases in rates for males and females under age 60 to better match experience
- Recommend small increases in rates for males and females over age 60 to better match experience

Normal Retirement

A/E Ratios for Retirement Experience				
Age Based	Male		Female	
	Current	Proposed	Current	Proposed
50-59 (first year eligible)	89%	94%	88%	92%
50-59 (>1 year eligible)	95%	95%	84%	91%
60+ (<18 yrs. of service)	85%	80%	84%	80%
60+ (≥18 yrs. of service)	86%	87%	89%	86%
Total	88%	87%	86%	87%

Note: the A/E ratios for 60+ and Total are low due to 100% assumed retirement rate at age 70.
The A/E ratio for Total after removing those over age 70 is 93% for males and 92% for females.

Early Retirement

- Eligibility
  - Tier A – before age 50 with 30 years service
  - Tier B – sum of age and service is at least 80
- Experience: 6 actual vs. 4.7 expected (All Tier A)
  - Current A/E of 128%
- Currently assume 10% of members eligible for early retirement elect to retire
- Propose no change to current assumption
- We expect more members will elect early retirement as Group B members (i.e. post January 1, 2017 members) become retirement eligible

Termination Assumption

- Used 10 years of experience to reflect full economic cycles (also dampens the impact of COVID)

- Current assumption is based on years of service and is gender distinct

- Actual terminations have been slightly higher than expected for males and females

- We recommend minor adjustments to the assumption to recognize some of the experience

Termination Assumption (Males)
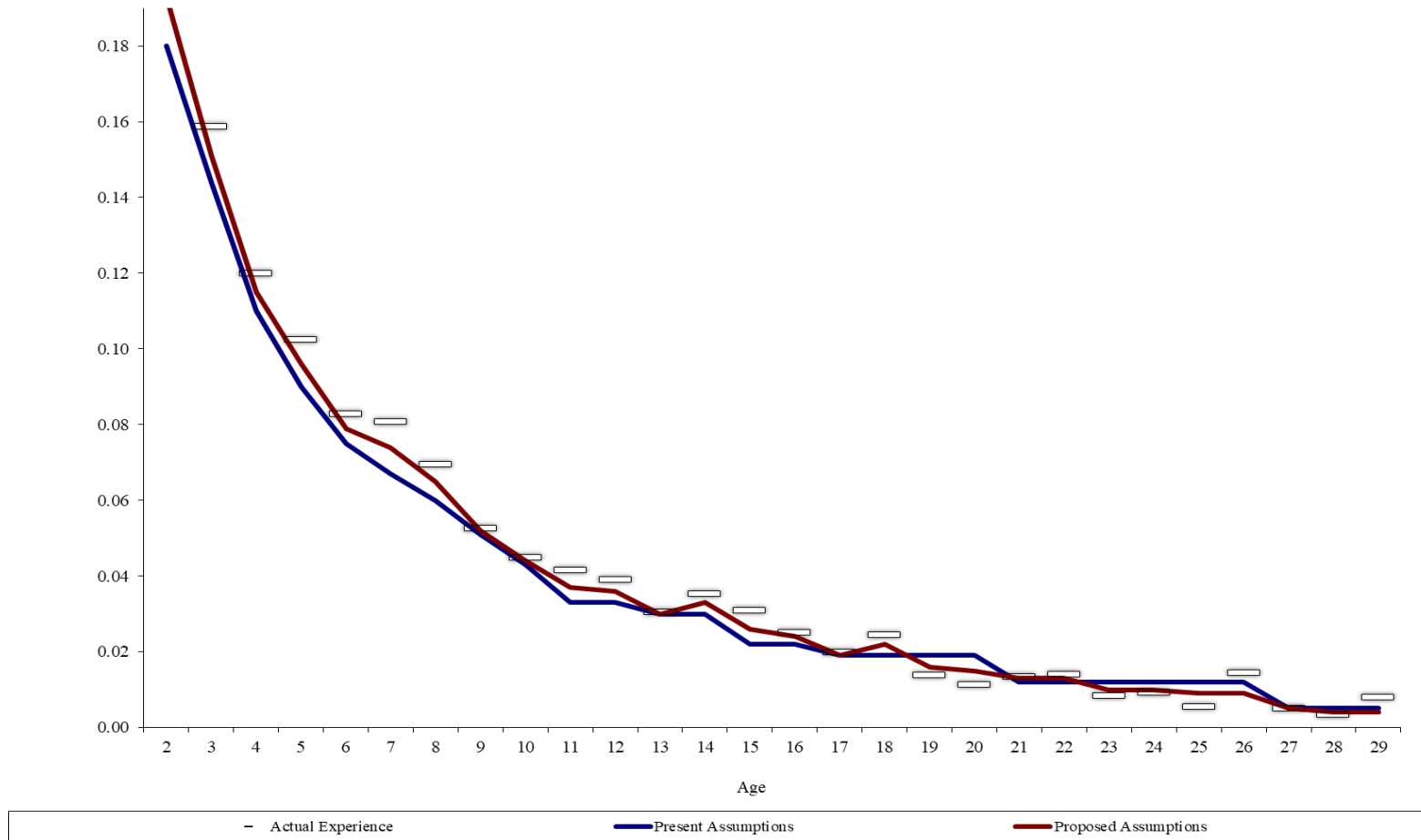
Termination Assumption (Females)
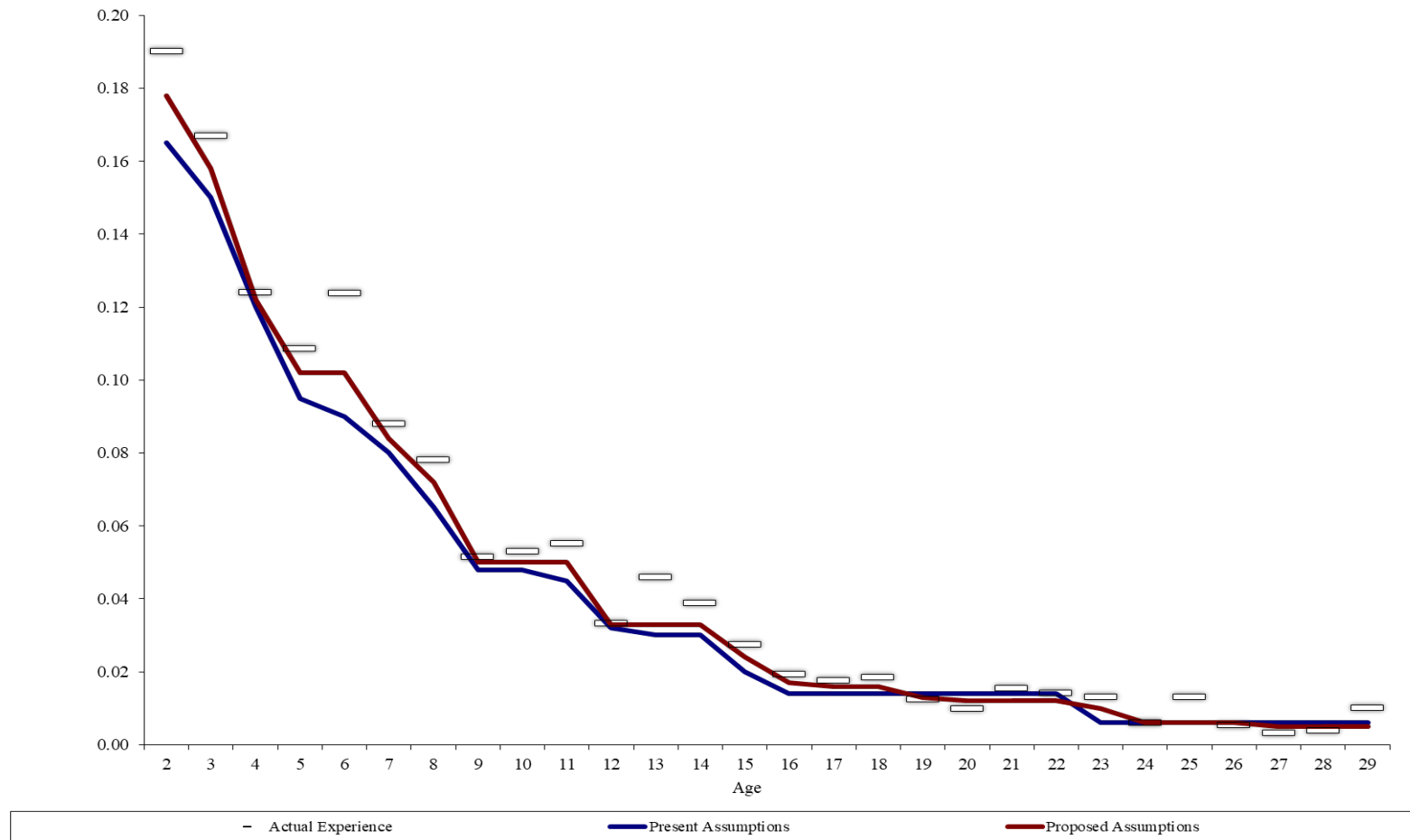
Disability Incidence Assumption

- Few actual disabilities (and expected) during study period
- 29 total disabilities during the study period
  - However, over 80% of these occurred in 2015-2019
- Plan design may also influence the disability incidence experience
  - Members eligible for normal retirement do not show up as disabilities even if disabled
- Current assumption based on TMRS experience
- Update assumption to be consistent with newly adopted TMRS assumption
  - Minimal impact on valuation

Determination of Contribution Rate

- The Actuarially Determined Contribution (ADC) rate is the total rate (member plus City) that pays the following:

  - Normal cost of the employees (including administrative expenses)

  - Debt service on Pension Obligation Bonds (POBs)

  - Payments towards the financing of the UAAL

Determination of Contribution Rate

- The average normal cost rate will decline over time as the membership moves from Tier A to Tier B
  - Currently 39% of members are earning Tier A benefits
- Debt service on the POBs will end after fiscal year 2035
- Therefore, since the ADC is the level contribution rate that finances the UAAL by a specific date, the portion of the contribution effort towards financing the UAAL will be increasing

Determination of Contribution Rate

- We will use an open group projection to determine the normal costs (dollars) of current and future members

- The debt service dollars are already known

- We assumed that covered payroll will grow at the payroll growth rate

- We solve for the total contribution rate that pays the normal costs, the debt service and amortizes the UAAL over the remaining amortization period

Cost Impact of Preliminary Findings

Actuarial Cost Items	Valuation December 31, 2024	Experience Study December 31, 2024	Increase/ (Decrease)
1. Present Value of Future Benefits			
a. Active Employees	$ 2,315,952,800	$ 2,339,767,008	$ 23,814,208
b. Inactive Members	164,273,393	163,349,445	(923,948)
c. Annuitants	3,872,845,121	3,821,147,845	(51,697,276)
d. Total	$ 6,353,071,314	$ 6,324,264,298	$ (28,807,016)
2. Actuarial Accrued Liability	$ 5,614,481,288	$ 5,568,673,637	$ (45,807,651)
3. Normal Cost as Percent of Pay			
a. Tier A	21.97%	22.31%	0.35%
b. Tier B	15.19%	15.27%	0.07%
c. Aggregate	18.25%	18.45%	0.20%
4. Actuarially Determined Contribution Rate	41.87%	42.07%	0.20%

Employees' Retirement Fund of the City of Dallas

Actuarial Experience Study
for the Five-Year Period Ending December 31, 2024

GRS

October 29, 2025

Board of Trustees
Employees' Retirement Fund of the City of Dallas
600 North Pearl Street
Suite 2450
Dallas, TX 75201

Subject: Results of 2024 Actuarial Experience Study

We are pleased to present our report on the results of the 2024 Actuarial Experience Study for the Employees' Retirement Fund of the City of Dallas (ERF). This report contains a written narrative of the information communicated in our presentation to the Board on October 14, 2025. It contains a discussion of the experience analysis and it presents our recommended actuarial assumptions to be used in the December 31, 2025 actuarial valuation.

As you are aware, the COVID-19 pandemic occurred during the 5-year period ending on December 31, 2024. For that reason, we have expanded the analysis for most assumptions to 10 years so as to dampen the possible variance in experience that may have occurred due to the pandemic for the purpose of our analysis and developing recommending forward-looking assumptions.

The report provides information about the actuarial impact of our recommendations on the funded status and contribution requirements of the retirement plan. With the Board's approval of the recommendations in this report, we believe the actuarial condition of ERF will be more accurately portrayed.

This study was conducted in accordance with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. The signing actuaries are independent of the plan sponsor. Daniel White is an Enrolled Actuary, a Fellow of the Society of Actuaries, and a Member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries. Finally, both of the undersigned are experienced in performing valuations for large public retirement systems. We wish to thank the ERF staff for their assistance in providing data for this study.

We wish to thank your staff for their assistance in this project.

Sincerely,

Lewis Ward
Consultant

Daniel J. White, FSA, EA, MAAA
Vice President

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Cover letter

SECTION I. EXECUTIVE SUMMARY

Executive Summary

- *Recommend no change in the inflation assumption, remains at 2.50%*

- *Recommend no change in the investment return assumption, remains at 7.25%*

- *Recommend changes to the promotional salary increase rates*

  - Three components analyzed: inflation, promotional/longevity, and general productivity.

  - Proposed service-based promotional increases are greater than those currently assumed.

  - Experience shows that the productivity component should be increased. We are recommending an increase from 0.50% to 0.75%.

- *Recommend modifying the post-retirement mortality rates*

  - Current post-retirement mortality assumptions are based on the mortality rates used by the Texas Municipal Retirement System (TMRS). These assumptions were recently updated by TMRS and we are recommending that ERF adopt these updated mortality assumptions for post-retirement.

  - For non-disabled-mortality, the proposed assumptions are based on the Gender-distinct 2019 Municipal Retirees of Texas Mortality Table (with an adjustment of 103% of the base table for males and 105% for females) and fully generational mortality using the ultimate mortality improvement rates of Scale MP-2021.

  - For disabled-mortality, we recommend continuing the current practice of using the mortality assumptions for non-disabled mortality, set forward 4 years for males and 3 years for females, with a minimum mortality rate of 3.5% for males and 3.0% for females. The mortality assumptions would also be fully generational mortality using the ultimate mortality improvement rates of Scale MP-2021.

  - These new assumptions result in a small decrease of the life expectancies for non-disabled lives at most ages for both males and females. However, the assumptions are still conservative when compared to actual experience.

- *Recommend modifying the active-member mortality rates*

  - New mortality tables for public sector employees have been recently released. While we don't believe they are a good fit for use as a post-retirement mortality assumption for ERF. We do believe they are appropriate for active member mortality. We are recommending the Gender-distinct PUB(16) Mortality Table for General Employees and fully generational mortality using the ultimate mortality improvement rates of Scale MP-2021.

- *Recommend changes in retirement rates*

  - Early retirement rates remained unchanged.

  - We are recommending small changes to the retirement rates at some ages. The proposed retirement rates for male members are slightly higher overall and the proposed rates for female members result in approximately the same number of expected retirements as the current assumptions, just in a slightly different pattern.

Executive Summary (Continued)

- *Recommend changes in termination rates*

  - Current termination rates are based on years of service and are gender distinct.

  - Experience shows rates of termination are higher than assumed for both males and females. Proposed assumptions increase the rates of termination for most years of service.

- *Recommend decreases in disability incidence rates*

  - The proposed rates are from the most recent TMRS experience study. We will continue to assume 20% of disabilities are duty related.

- *Recommend no change to marriage assumption*

  - Recommend no change in the current assumption that 75% of males and 50% of females are married at retirement.

  Recommend change in assumed form of payment

  - Based on plan experience continue adjusting form of payment assumption to reflect differences between actual conversion factors and factors derived from valuation assumptions.

  - Combining form of payment assumption with the marriage assumption produces the following valuation assumption:

    Value future male retirees as J & 28.5% Survivor (change from current 28.0%)

    Value future female retirees as J & 19.5% Survivor (no change)

- *Recommend small change to vacation leave conversion*

  - Current assumption is retirees with less than 20 years of service will have on average 1 month of unused vacation leave converted to credited service and retirees with 20 or more years will have 1.5 months converted to credited service. Proposed assumptions are 1.0 month of service for retirees with less than 20 years of service and 1.6 months for retirees with 20 or more years of service.

- *Recommend no change to refund election*

  - Current assumption is that the terminated employee will elect a refund or a deferred annuity based on which has the highest economic value.

- *Recommend no change to any liability or asset valuation method*

- *Recommend review and update of actuarial equivalent assumptions*

  - These assumptions are used for determining early retirement reduction factors and optional forms of payment factors.

SECTION II. INTRODUCTION

Introduction

A periodic review and selection of the actuarial assumptions is one of many important components of understanding and managing the financial aspects of the Employees' Retirement Fund of the City of Dallas (ERF). Use of outdated or inappropriate assumptions can result in: (1) understated costs which will lead to higher future contribution requirements or perhaps an inability to pay benefits when due; or, (2) overstated costs which place an unnecessarily large burden on the current generation of members, employers, and taxpayers.

A single set of assumptions is typically not expected to be suitable forever. As the actual experience unfolds or the future expectations change, the assumptions should be reviewed and adjusted accordingly.

It is important to recognize that the impact from various outcomes and the ability to adjust from experience deviating from the assumption are not symmetric. Due to compounding economic forces, legal limitations, and moral obligations, outcomes from underestimating future liabilities are much more difficult to manage than outcomes of overestimates. That asymmetric risk should be considered when the assumption set, investment policy and funding policy are created. As such, the assumption set used in the valuation process needs to represent the best estimate of the future experience of a retirement plan and be at least as likely, if not more than likely, to overestimate the future liabilities versus underestimate them.

Using this strategic mindset, each assumption was analyzed and compared to the actual experience of ERF and the general experience of other large public employee retirement systems. Changes in certain assumptions and methods are suggested, based upon this comparison, to remove any bias that may exist and to perhaps add in a slight margin for future adverse experience where appropriate. Next, the assumption set, as a whole, was analyzed for consistency and to ensure that the projection of liabilities was reasonable and consistent with historical trends.

Summary of Process

In determining liabilities and contribution rates for retirement plans, actuaries must make assumptions about the future. Among the assumptions that must be made include:

- Retirement rates
- Mortality rates
- Turnover rates
- Disability rates
- Investment return rate
- Salary increase rates
- Inflation rate

For some of these assumptions, such as the mortality rates, past experience provides important evidence about the future. For others, such as the investment return assumption, the link between past and future results is much weaker. In either case, actuaries should review the plan's assumptions periodically and determine whether these assumptions are consistent with actual past experience and with anticipated future experience.

In conducting experience studies, actuaries generally use data over a period of several years. This is necessary in order to gather enough data so that the results are statistically significant. In addition, if the study period is too short, the impact of the current economic conditions may lead to misleading results. It is known, for example, that the health of the general economy can impact salary increase rates and withdrawal rates. Using results gathered during a short-term boom or bust will not be representative of the long-term trends in these assumptions. Also, the adoption of legislation, such as plan improvements or changes in salary schedules, will sometimes cause a short-term distortion in the experience. For example, if an early retirement window was opened during the study period, we would usually see a short-term spike in the number of retirements followed by a dearth of retirements for the following two-to-four years. Using a longer period prevents giving too much weight to such short-term effects. On the other hand, using a much longer period could obscure real changes that may be occurring, such as mortality improvement or a change in the ages at which members retire.

For this experience study, we have reviewed ERF's experience for the period ending on December 31, 2024. Because the COVID-19 pandemic occurred in the 5-year period ending on December 31, 2024, we believe it was appropriate to look at a longer time horizon so as to dampen any of the short-term fluctuations in the experience caused by the pandemic. Thus, for all demographic assumptions we looked at the 10-year period ending on December 31, 2024.

In an experience study, we first determine the number of deaths, retirements, etc. that occurred during the period. Then we determine the number expected to occur, based on the current actuarial assumptions. The number of "expected" decrements is determined by multiplying the probability of the occurrence at the given age, by the "exposures" at that same age. The number of exposures can only be those members who are the given age and eligible for retirement at that time. Thus, they are considered "exposed" to that assumption. Finally, we calculate the A/E ratio, where "A" is the actual number (of retirements, for example) and "E" is the expected number. For example, if we look at the experience table for male retirements in their first year of eligibility (page 50) the actual number of retirements over the study period at age 55 is 28. There were 80 exposures (the number of employees age 55 who were first eligible to retire during the period) and there were 24 expected to retire based on the current 30% retirement rate assumption (80 x 30% = 24.0). The A/E ratio is 116.7% (28 / 24).

If the current assumptions were "perfect", the A/E ratio would be 100%. When it varies much from this figure, it is a sign that new assumptions may be needed. (However, in some cases we prefer to set our assumptions to produce an A/E ratio a little above or below 100%, in order to introduce some conservatism.) Of course, we not only look at the assumptions as a whole, but we also review how well they fit the actual results by gender, by age, and by service.

If the data leads the actuary to conclude that new tables are needed, the actuary may "graduate" or smooth the results, since the raw results can be quite uneven from age to age or from service to service.

Please bear in mind that, while the recommended assumption set represents our best estimate, there are other reasonable assumptions sets that could be supported. Some reasonable assumption sets would show higher or lower liabilities or costs.

Section VII of this report shows a summary of the data and experience during the study period for the primary assumptions (salary increase rates, withdrawal rates, retirement rates and healthy post-retirement mortality.

SECTION III. ANALYSIS OF EXPERIENCE AND RECOMMENDATIONS

Analysis of Experience and Recommendations

We will begin by discussing the economic assumptions: inflation, the investment return rate, the general wage increase assumption, the salary increase assumption for individuals, cost-of-living increases if applicable, and the payroll growth rate used for projecting total contributions. Then we will discuss the demographic assumptions: mortality, disability, termination and retirement. Finally we will discuss the actuarial methods used.

Actuarial Standards of Practice for Setting Economic Assumptions

Actuarial Standards of Practice (ASOP) No. 27, Selection of Assumptions for Measuring Pension Obligations, provides guidance to actuaries on giving advice on selecting economic assumptions for measuring obligations for defined benefit plans. ASOP No. 27 was revised and adopted by the Actuarial Standards Board (ASB) in December 2023 for an effective date of January 1, 2025.

As no one knows what the future holds, it is necessary for an actuary to estimate possible future economic outcomes. Recognizing that there is not one right answer, the current standard calls for an actuary to develop a reasonable economic assumption. A reasonable assumption is one that:

   a. Is appropriate for the purpose of the measurement,
   b. reflects the actuary's professional judgment,
   c. considers historical and current economic data that is relevant as of the measurement date,
   d. an estimate of future experience; an observation of market data; or a combination thereof, and
   e. has no significant bias except when provisions for adverse deviation or plan provisions that are difficult to measure are included.

However, the standard explicitly advises an actuary not to give undue weight to recent experience.

Each economic assumption should individually satisfy this standard. Furthermore, with respect to any particular valuation, each economic assumption should be consistent with every other economic assumption over the measurement period. Generally, the economic assumptions are much more subjective in nature than the demographic assumptions.

Inflation assumption

By "inflation," we mean price inflation, as measured by annual increases in the Consumer Price Index (CPI). This inflation assumption underlies all of the other economic assumptions we employ. It impacts investment return, salary increases, cost-of-living increases, and payroll growth rate. Our current annual inflation assumption is 2.50%.

The following chart shows the average annual inflation in each of the ten consecutive five-year periods over the last fifty years:

Average Annual Inflation
CPI-U, Five-Year Averages (December 31),
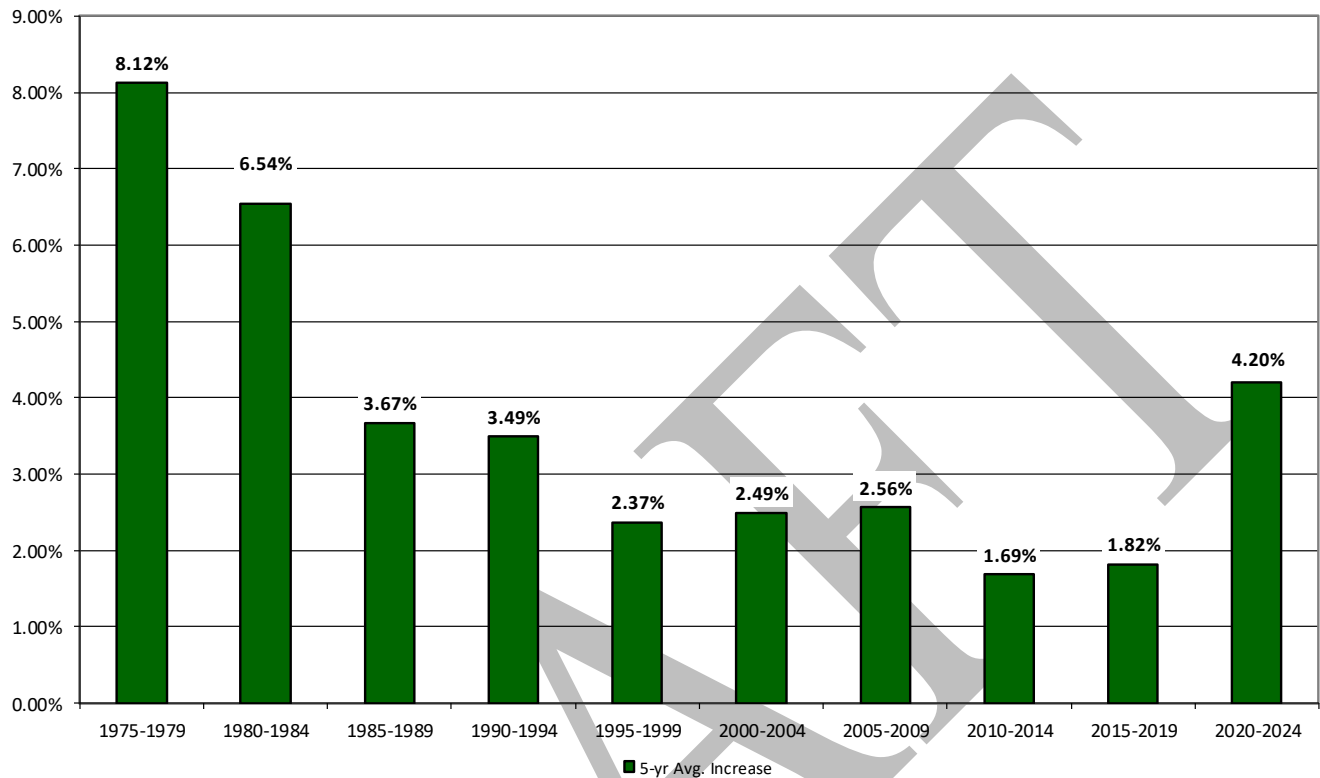
The table below shows the average inflation over various periods, ending December 31, 2024:

Periods Ending December 2024	Average Annual Increase in CPI-U
Last five (5) years	4.2%
Last ten (10) years	3.0%
Last twenty (20) years	2.6%
Last thirty (30) years	2.5%
Since 1913 (first available year)	3.2%

As we are all aware, there has been a recent spike in inflation. However, after significant inflation in 2021 and 2022, inflation in 2023 was below 3.40% and inflation in 2024 was below 2.90%. However, even with the recent spike in inflation we can see in the chart above that inflation for longer periods of time (20 and 30 years) is relatively close to our current assumption of 2.50%. In addition, most forward-looking indicators (see below) expect price inflation to be in line with our current assumption.

Forecasts from Investment Consulting Firms

We examined the 2025 capital market assumption sets for twelve investment consulting firms with short-term (approximately 10-year) forecasts and the average assumption for inflation was 2.39%, with a range of 2.10% to 2.70%. All but three of the investment consulting firms in our survey, in setting their capital market assumptions, currently assume that inflation will be 2.50% or less. Similarly, we examined the 2025 capital market assumption sets for eight investment consulting firms with long-term (approximately 20-30 years) forecasts and the average assumption for inflation was 2.48%, with a range of 2.20% to 2.74%.

Expectations Implied in the Bond Market

Another source of information about future inflation is the market for US Treasury bonds. Simplistically, the difference in yield between non-indexed and indexed treasury bonds should be a reasonable estimate of what the bond market expects on a forward-looking basis for inflation. As of the end of December 2024, the difference for 20-year bonds implies that inflation over the next twenty years would average 2.39%. The difference in yields for 30-year bonds at the end of 2024 implies 2.21% inflation over the next 30 years. The chart below shows the historical market implied inflation from January 1, 2018 through December 31, 2024.
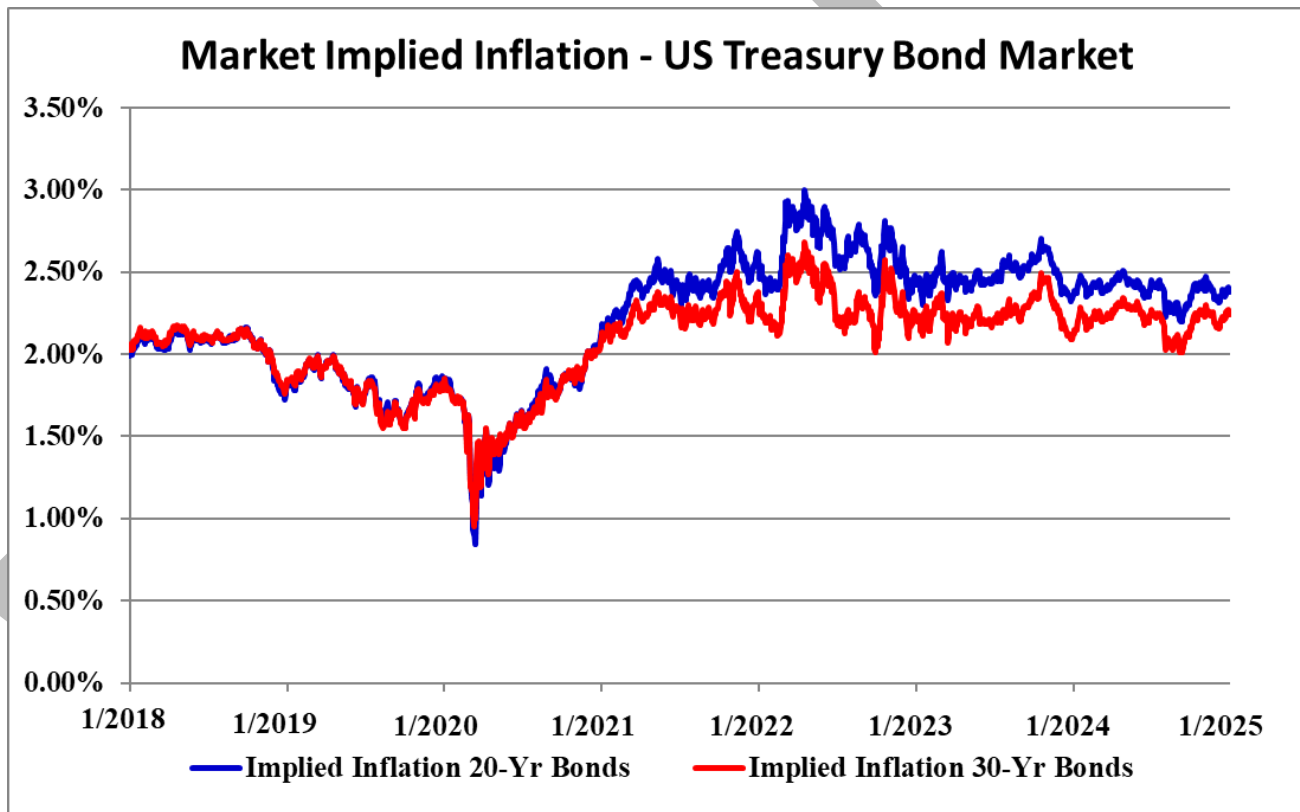
However, this analysis is known to be imperfect as it ignores the inflation risk premium that buyers of US Treasury bonds often demand as well as possible differences in liquidity between US Treasury bonds and TIPS.

Forecasts from Social Security Administration

In the Social Security Administration's 2025 Trustees Report, the Office of the Chief Actuary is projecting a long-term average annual inflation rate of 2.4% under the intermediate cost assumption. This remained unchanged from the five years prior (even with the recent increase in inflation in 2021 and 2022).

Survey of Professional Forecasters and Fed Policy

The Philadelphia Federal Reserve conducts a quarterly survey of the Society of Professional Forecasters. A recent forecast (third quarter of 2025) was for inflation over the next ten years (2025 to 2034) to average 2.31%.

Additionally, the Fed has openly stated that they have a target 2.00% inflation rate.

The table below summarizes all of these forward-looking assumptions and our recommendation.
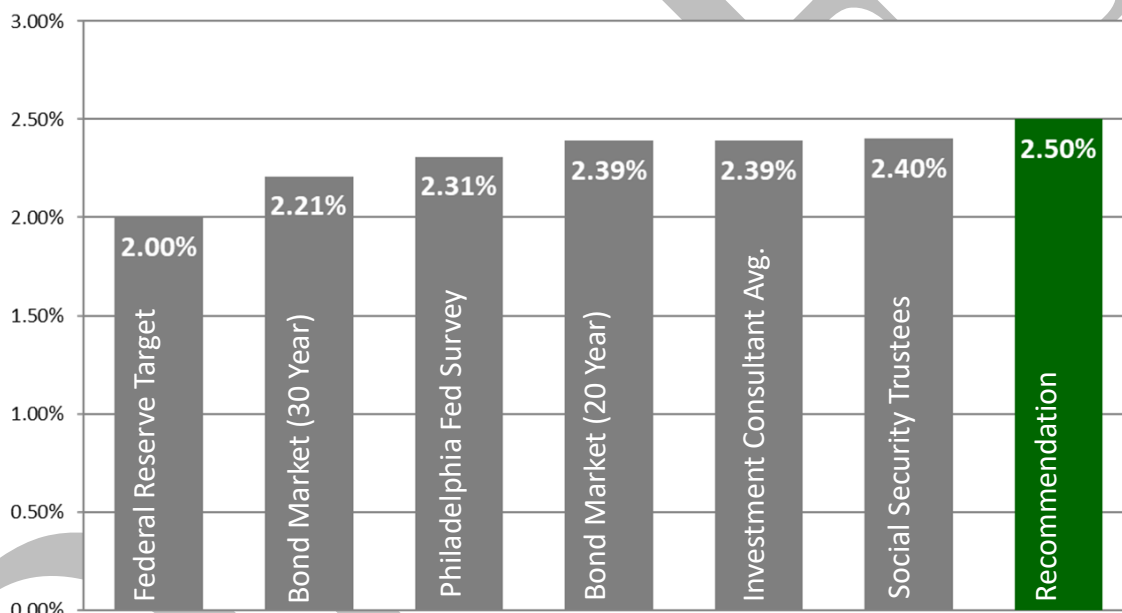
Recommendation

Based on this analysis, we are recommending remaining at the current assumption of 2.50%.

Investment and administrative expenses

Since the trust fund pays expenses in addition to member benefits and refunds, we must make some assumption about these. Almost all actuaries treat investment expenses as an offset to the investment return assumption. That is, the investment return assumption represents expected return after payment of investment expenses.

In regards to investment-related expenses, investment consulting firms periodically issue reports that describe their capital market assumptions. The estimates for core investments (i.e., fixed income,

equities, and real estate) are generally based on anticipated returns produced by passive index funds that are net of investment-related fees. The investment return expectations for an alternative asset class such as private equity and hedge funds are also net of investment expenses. Therefore, we are recommending that we do not make any explicit adjustments to account for investment-related expenses. Some of the retirement plans may also employ active management investment strategies that result in higher investment expenses compared to strategies that invest in passive index funds. We have assumed that active management strategies would result in the same returns, net of investment-related expenses, as passive management strategies.

On the other hand, there are a variety of acceptable approaches used to incorporate administrative expenses into the annual cost of a retirement plan. Some actuaries assume that administrative expenses will be some fixed or increasing dollar amount. Others assume that the administrative expenses will be some percentage of the plan's actuarial liabilities or normal cost. And others treat administrative expenses as an offset to the investment return assumption. For the ERF, the current practice is to use the prior year's actual administrative expenses increased by the payroll growth rate as the anticipated administrative expenses for the coming year and to add them to the normal cost of the plan. In other words, the investment return assumption is net of investment expenses but is not reduced for administrative expenses. We recommend no change in the current practice.

Investment Return Assumption

The investment return assumption is one of the principal assumptions in any actuarial valuation of a retirement plan. It is used to discount future expected benefit payments to the valuation date, in order to determine the liabilities of the plans. Even a small change to this assumption can produce significant changes to the liabilities and contribution rates. Currently, it is assumed that future investment returns will average 7.25% per year, net of investment-related expenses.

The chart below shows the annualized history of the ERF market returns for rolling periods ending December 31, 2024.

Rolling Periods Ending December 31, 2024
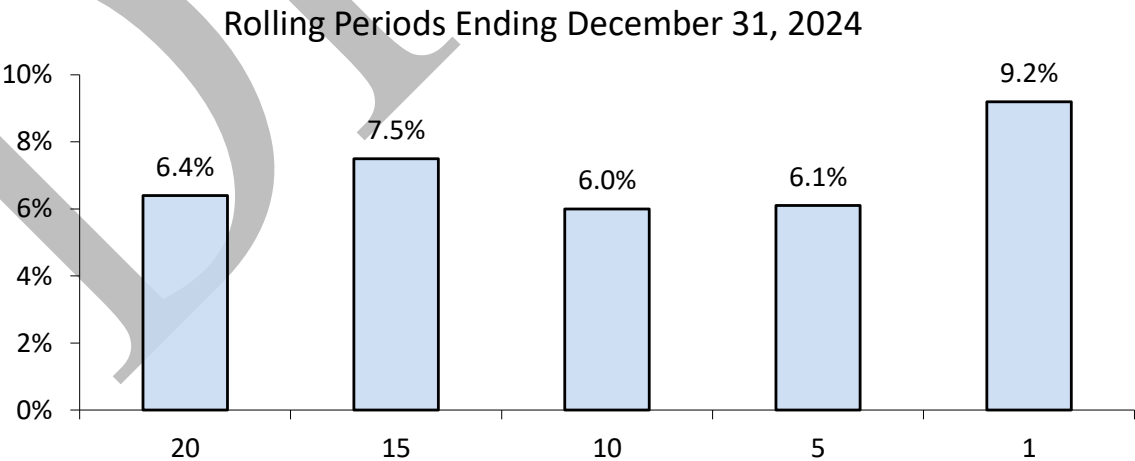
For this assumption, past performance, even averaged over a twenty-year period, is not a reliable indicator of future performance. The current asset allocation of the trust fund will significantly impact the overall performance, so returns achieved under a different allocation are not as meaningful.

More importantly, the real rates of return for many asset classes, especially equities, vary so dramatically from year to year that even a twenty-year period is not long enough to provide reasonable guidance. There are strong reasons to believe the next twenty years will be different than the last twenty, in large part because current bond yields are significantly lower than they were twenty years ago.

Assumption Comparison to Peers

We do not recommend the selection of an investment return assumption based on prevalence information. However, it is still informative to identify where the investment return assumption for ERF is compared to its peers. The chart below shows the distribution of the investment return assumptions in the National Association of State Retirement Administrators (NASRA) survey as of February 2025. It is important to note that variation among survey responses may result from differences in portfolio structures, investment policies, funding policies, and risk tolerance.

Distribution of Investment Return Assumptions
FY 01 to present
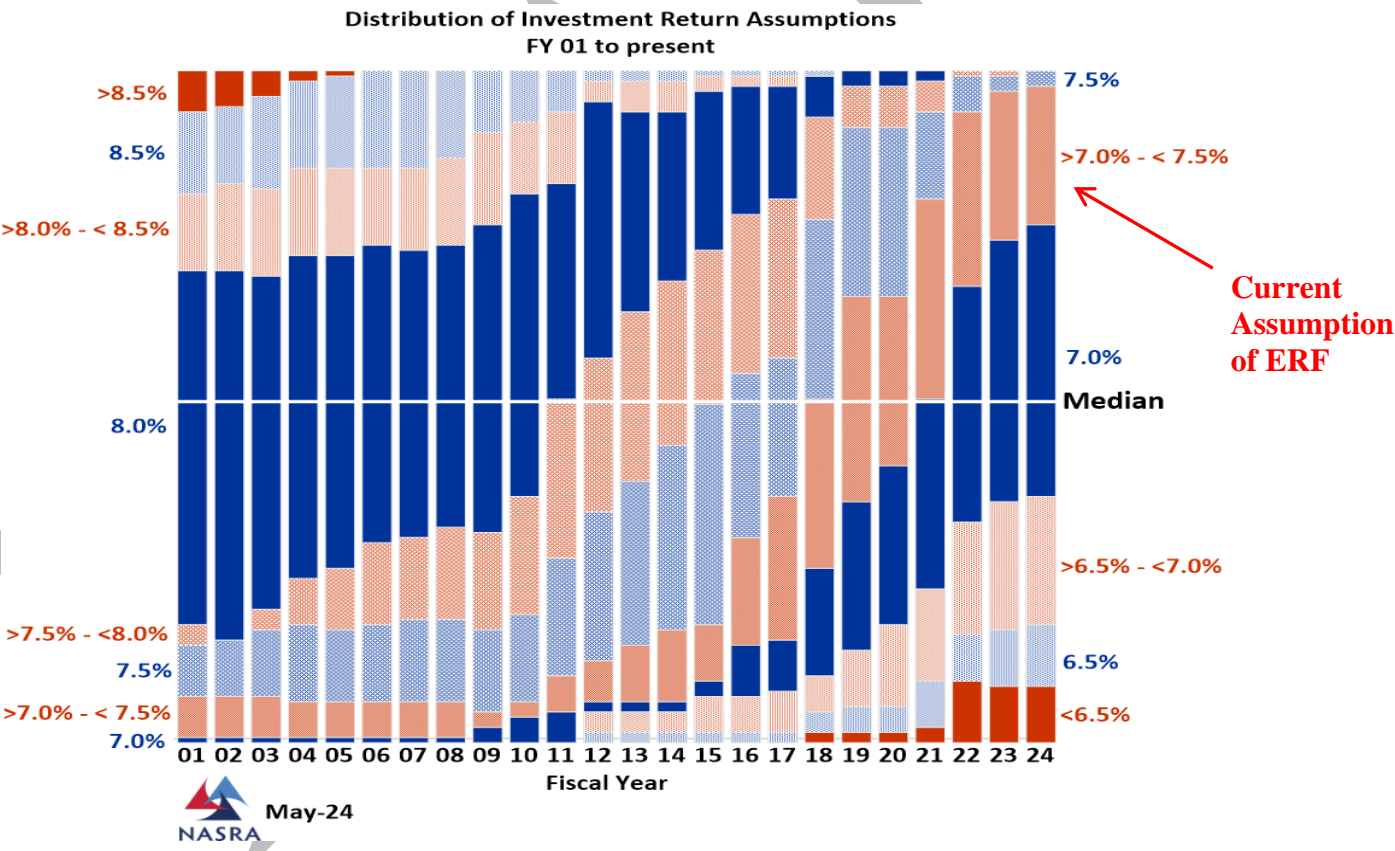
As indicated in the table, the most recent survey results indicate that the median investment return assumption is now 7.00%. The chart also indicates that the median investment return assumption was 8.00% just fourteen years earlier. The national trend has clearly been a shift to lower investment return assumptions over the past two decades, consistent with the decline in the capital market expectations from investment professionals and economists over that time period. However, with the increase in interest

rates over the past three years, the year to year changes in the capital market expectations have been negligible.

Asset Allocation

We believe the most appropriate approach to selecting an investment return assumption is to identify expected returns given the funds' target asset allocation mapped to forward-looking capital market assumptions. Below is a summary of the current target asset allocations for ERF.

- Domestic Equity - 12%
- International Equity - 11.5%
- Global Equity - 5%
- Private Equity - 10%
- Global Low Volatility Equity - 10%
- High Yield Fixed Income - 10%
- Private Credit Basket - 2.5%
- Credit Opportunities - 4%
- Core Fixed Income - 17.5%
- REITs - 2.5%
- Private Real Estate (Core) - 5%
- Private Real Estate (Value Added) - 2.5%
- MPLs - 3.75%
- Global Public Infrastructure - 1.25%
- Marketable Alternatives - 2.5%
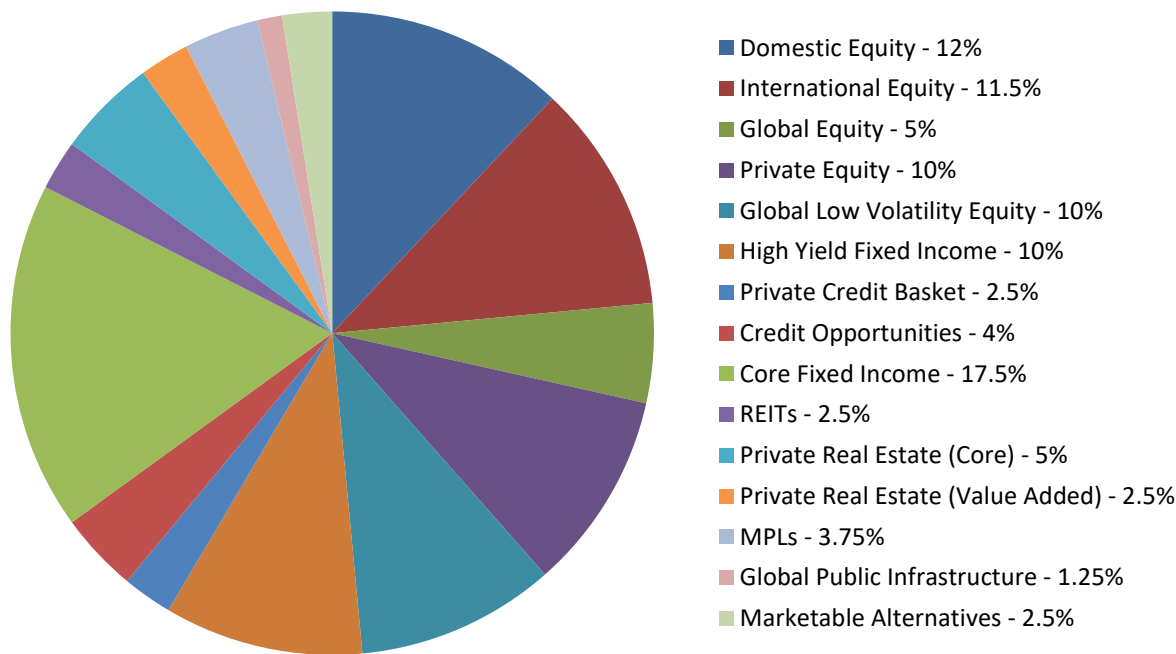
GRS is not an investment consultant firm and we do not develop our own capital market assumption set (CMAS). Instead, we request CMAS from many national investment consultant firms. We map ERF's asset allocation onto these firms CMAS to develop expected returns based on that firm's specific capital market assumptions and the ERF's asset allocation. This gives us a range of outcomes and we typically use the average of these outcomes as the benchmark. This process prevents one firm's set of CMAS from having an undue weight on the results.

Most investment consultants provide return expectations with a 7-year to 10-year time horizon, which we would describe as a "shorter time horizon" when discussing investing of pension plan assets. We did receive return expectations based on a "longer time horizon" of 20-30 years from eight investment consultants.

We know that the actual returns will not be smooth and will be volatile, which is why we focus on the geometric expectation (compound returns). The following table shows the expected geometric return (50th percentile) over the next ten years based on the CMAS of the different investment consultants and the "Current Policy" asset allocation. The table shows this information for both shorter-term (7-10 years) CMAS and longer-term (20-30 years) CMAS. We see that for the "Current Policy" target asset allocation the average of the investment consultant's expected return (50th percentile) for the shorter-

term CMAS (over the 10-year period) is 7.0%, with a range of outcomes from 6.3% to 7.7%. The average of the investment consultant's expected return (50th percentile) for the longer-term CMAS (over the 20 to 30-year period) is 7.3%, with a range of outcomes from 6.3% to 8.2%.

	Investment Consultant	Distribution of Geometric Net Nominal Return			Probability of Exceeding 7.25%
		40th	50th	60th	
	(1)	(2)	(3)	(4)	(5)
	1	5.4%	6.3%	7.2%	39%
	2	5.3%	6.3%	7.3%	40%
	3	5.7%	6.7%	7.6%	44%
	4	5.8%	6.7%	7.7%	44%
	5	6.1%	7.1%	8.1%	48%
7 to 10 Year Expectations	6	6.1%	7.1%	8.2%	49%
	7	6.3%	7.2%	8.0%	49%
	8	6.2%	7.2%	8.1%	49%
	9	6.5%	7.4%	8.4%	52%
	10	6.6%	7.4%	8.3%	52%
	11	6.6%	7.4%	8.3%	52%
	12	6.8%	7.7%	8.5%	55%
	1	5.4%	6.3%	7.2%	40%
	2	6.1%	6.9%	7.7%	46%
	3	6.2%	7.1%	8.1%	49%
20 to 30 Year Expectations	4	6.4%	7.4%	8.4%	51%
	5	6.7%	7.6%	8.4%	54%
	6	6.7%	7.6%	8.4%	54%
	7	6.6%	7.6%	8.7%	54%
	8	7.2%	8.2%	9.1%	60%
7-10 Year Expectation Avg:		6.1%	7.0%	8.0%	48%
20-30 Year Expectation Avg:		6.4%	7.3%	8.3%	51%

It is our understanding that ERF is conducting an asset liability study and is considering several alternative asset allocations. GRS was asked to determine the possible impact of these alternative asset allocations on the investment return assumption. In our analysis (please see our letter dated August 18, 2025), we determined that the different allocations being considered would not change our recommendation for the investment return assumption.

Recommendation

Based on this analysis, we recommend the Board maintain the current investment return assumption of 7.25%. This is greater than the average geometric return for the short-term CAMs and less than the average geometric mean for the long-term CAMs. This would be comprised of a 4.75% real return, net of investment-related expenses, and a 2.50% inflation assumption.

As previously discussed, there is a range of reasonableness for the assumption sets. We believe lowering the investment return assumption to 7.00% (2.50% inflation and 4.50% real return) would

also be a reasonable action for the Board.

COLA Assumption for Retirees

The COLA for retirees is equal to the greater of two measurements of the change in the consumer price index. However, the maximum increase is different if you are in Tier A or Tier B. The maximum COLA for Tier A retirees is 5.00% while the maximum COLA for Tier B retirees is 3.00%. These measurements are:

- The percentage change in the price index for October of the current year over October of the prior year.

- The percentage of average change for the price index for the latest 12 months available.

Although we assume price inflation will average 2.50%, inflation in any given year may be greater than or less than this. When it is less than or equal to maximum COLA percentage (based on tier), the full increase will be given, based on the change in the CPI. However, when inflation is greater than the maximum COLA percentage, only the maximum COLA percentage will be given. Therefore, the average COLA increase depends on the distribution of the CPI increases.

It is certainly possible that the average COLA increase could be less than the average increase in inflation due to the maximum COLA increase. However, based on the current outlooks for inflation and the fact that during the past twenty-five years we have exceeded the 5.00% COLA maximum only twice (and both of those occurred following the pandemic), we have decided not to adjust the average COLA increase for Tier A retirees for the possible impact of the 5.00% maximum. Therefore, we are recommending that the COLA assumption for Tier A retirees be equal to our recommended inflation assumption of 2.50%.

However, it is much more likely that the maximum percentage of 3.00% for Tier B retirees will impact the COLAs granted to these retirees. We have performed stochastic modeling using an average inflation assumption of 2.50% with a standard deviation of 1.30%. Based on this modeling the COLAs for Tier B retirees are expected to average 2.20% Therefore, we are recommending that the COLA assumption for Tier B retirees be maintained at the current assumption of 2.20%.

Salary Increase Rates

In order to project future benefits, the actuary must project future salary increases. Salaries may increase for a variety of reasons:

- Across-the-board increases for all employees;
- Across-the-board increases for a given group of employees;
- Increases to a minimum salary schedule;
- Additional pay for additional duties;
- Step or service-related increases;
- Increases for acquisition of advanced degrees or specialized training;
- Promotions; or
- Merit increases, if available.

Our salary increase assumption is meant to reflect all of these types of increases.

The actuary should not look at the overall increases in payroll in setting this assumption, because payroll can grow at a rate different from the average pay increase for individual members. There are two reasons for this. First, when older, longer-service employees terminate, retire or die, they are generally replaced with new employees who have a lower salary. Because of this, in most populations that are not growing in size, the growth in total payroll is smaller than the average pay increase for members. Second, payroll can change due to an increase or decrease in the size of the group. Therefore, to analyze salary increases, we examine the actual increase in salary for each member who is active in two consecutive fiscal years.

Salary increases for governmental employees can vary significantly from year to year. When the employer's tax revenues stall or increase slowly, salary increases often are small or nonexistent. During favorable economic conditions, salary increases can be larger. Our experience across many governmental plans also shows several occasions in which salary increases will be low for a period of several years followed by a significant increase in one year. Therefore, for this assumption in particular, we prefer to use data over a longer period in establishing our assumptions.

Like the other assumptions, we looked at a ten-year period for this analysis. However, because of the high inflation that occurred during the period we also looked at the experience including an additional four years of data (back to 2011) to give context to the results.

Most actuaries recommend salary increase assumptions that include an element that depends on the member's age or service, especially for large, public retirement systems. It is typical to assume larger pay increases for younger or shorter-service employees. This is done in order to reflect pay increases that accompany step increases, changes in job responsibility, promotions, demonstrated merit, etc. The experience shows salaries have been more closely correlated to service (rather than age), as promotions and productivity increases tend to be greater in the first few years of a career, even if the new employee is older than the average new hire.

We analyzed the salary increases based on the change in the member's reported pay from one year to the next. That is, we looked at each member who appeared as an active member in two consecutive valuations individually, and measured his/her salary increase. Then we grouped the increases for all members with the same service, and determined their average increase.

If we graph the increases by service, we usually get a graph where the increases are larger for shorter service employees and then level out at a lower level after a period that may be ten to twenty-five years in length.

The salary scale is composed of four pieces: price inflation, a general productivity component, a merit piece, and a service-based step-rate. Our recommended price inflation assumption is 2.50%, as discussed earlier. The productivity component represents the real wage growth over time in the general economy. The merit component is any additional salary increase of the longer-service employees (which could come from individual merit and promotions). The service-based component is the expected salary increase of the shorter-service members that is above this level. All four pieces are assessed independently and then added together to develop the ultimate salary schedule.

Productivity and Merit

The productivity component represents the real wage growth over time in the general economy, or, is the assumption on how much the payroll schedules themselves will change year to year, not necessarily how much the pay increases received by individuals are, or even necessarily how the payroll in total may change, which can be impacted by population changes, etc. This assumption should be applicable to a local economy, not necessarily one group inside a retirement plan. Nominally, the sum of price inflation and general productivity would be considered a General Wage Inflation (GWI).

Historically, GWI has almost always exceeded price inflation. This is because wage inflation is in theory the result of (a) price inflation, and (b) productivity gains being passed through to wages. Since 1951, for the national economy as a whole, wage inflation has been about 1.00% larger than price inflation each year. The current real productivity growth assumption for ERF is 0.50% in addition to the current price inflation assumption of 2.50%, or a nominal 3.00% GWI assumption.

To determine the merit component, we first calculated the average increase over the study period for members grouped by service. Members with approximately 20 or more years of service were selected because after that point the salary increase did not vary significantly with additional service.

The current assumption for pay increases for members with 20+ years of service is currently 3.00%, meaning no allowance for merit. Using data from 2015-2024, the average actual increase for ERF members with 20+ years of service is summarized in the table below. With the understanding that actual inflation during that period has been 2.88%, the actual productivity and merit for this group was closer to 1.36%.

	Increases for 20+ Years of Service	Inflation	Net Productivity and Merit
Active Employees	3.83%	2.88%	0.95%

As can be seen GWI over the 10-year period was near the national average. This continues a pattern seen in the last experience study. At that time GRS recommended an increase in the Net Productivity and Merit component of the salary scale, but also told the Board that due to the COVID-19 pandemic the Board could choose to wait and see if the pattern continued. The Board believed other outside forces would dampen salary increases and elected to retain the current assumption. Given the current study shows that experience continues to be near the national averages, we are recommending an increase in the net Productivity and Merit assumption to 0.75% which combined with the current 2.50% inflation component, produces a GWI assumption of 3.25%.

Salary increase assumptions for shorter-service employees

To analyze the service-related salary assumption, we looked at the excess in the average increases for shorter employees over the average for longer-service employees. For example, employees with three years of service received an average increase of 7.41%, which was 3.58% more than the average increase of 3.83% for employees with twenty or more years of service.

We then determined new service-related assumptions reflecting this data. The table below compares the actual salary increase with the assumed increases for the ten-year period ending December 31, 2024.

Salary Increases above Wage Inflation, by Service (2015 - 2024)
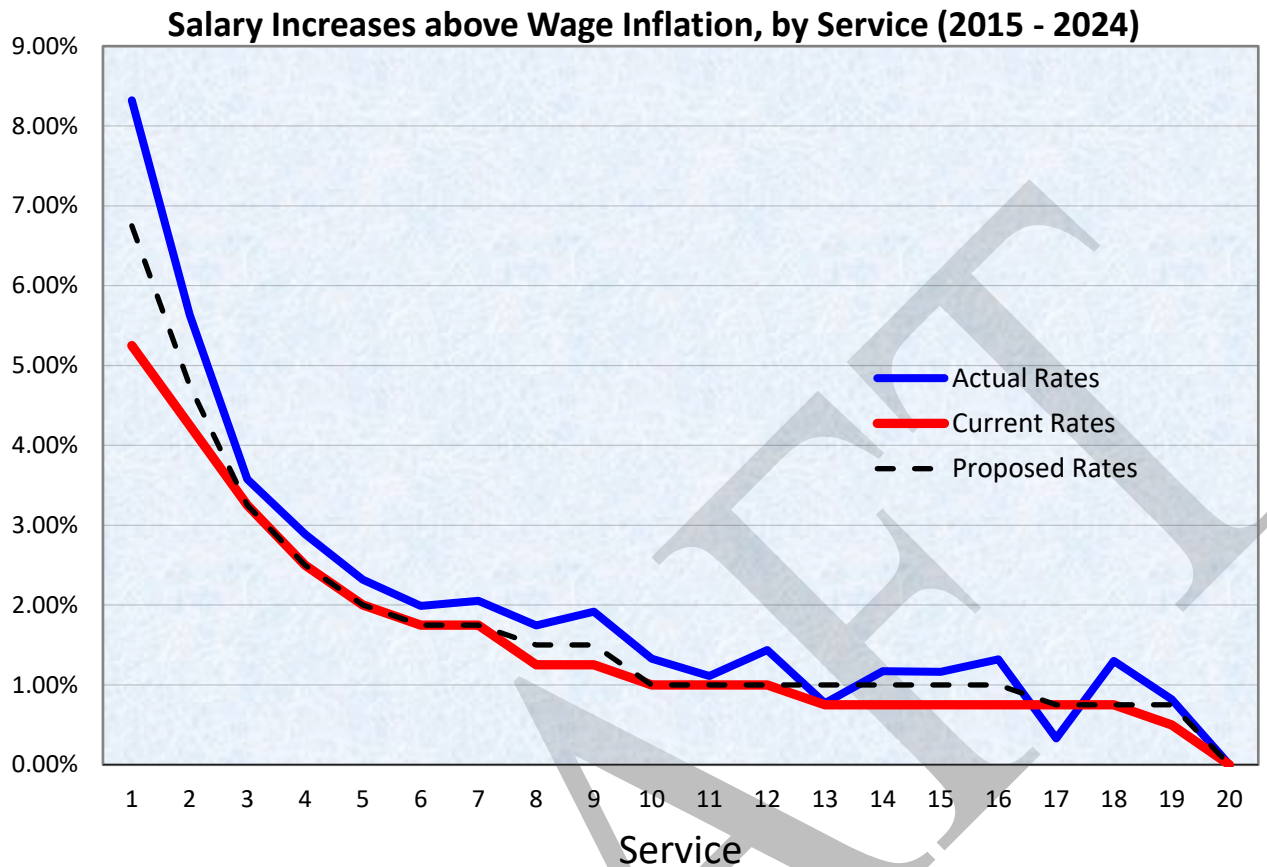
As seen in the graph, there are actual merit increases awarded until roughly twenty years of service. The increases are also greater than currently assumed. For this reason, we have increased the service-based component of the salary increase assumption for approximately ½ of the service bands with larger increases for the shorter service bands (years of service 1-2).

Combined with the change in the wage inflation assumption the salary increase assumption is increasing at least 25 basis points for all years of service and by 50 or more basis points for several other service levels.

Details of the new assumptions are shown in Section VI on page 37.

Payroll growth rate

The salary increase rates discussed above are assumptions applied to individuals and are used in projecting future benefits. We use a separate payroll growth assumption (currently 3.00% annually) in determining the rate at which future contribution dollars are expected to grow if the contribution rate remains the same. These contribution dollars are used to pay the normal costs of the plan and the debt service on the pension obligation bonds with all leftover monies contributed towards the unfunded actuarial accrued liability.

Payroll can grow at a rate different from the average pay increase for individual members. There are two reasons for this. First, when older, longer-service members terminate, retire or die, they are

generally replaced with new members who have a lower salary. Because of this, in most populations that are not growing in size, the growth in total payroll will be smaller than the average pay increase for members. Second, payroll can grow due to an increase in the size of the group. However, this assumption is long-term in nature and assuming long-term active membership growth is usually considered to be aggressive. Most actuaries assume a constant active member population when determining the payroll growth assumption.

Over the ten-year study period, from December 31, 2014 through December 31, 2024, the payroll has grown an average of 4.4% per year and the number of employees increased by 1.2% per year over this period. Backing out the growth in population, payroll would have grown on average by approximately 3.2% if the population had been constant.

This is near our proposed wage inflation assumption. However, actual inflation over the study period was 2.88% compared to our 2.5% assumption. Hence, our expected wage inflation over the period using actual CPI would have been 3.63% (2.88% + 0.75%). Payroll was growing faster than the actual inflation but slower than the actual wage inflation. This is most likely due to shifting demographics as the baby boomers continue to retire in large numbers. Also, due to the backloaded nature of the contributions paying off the unfunded liabilities of the Fund, it is appropriate to maintain a conservative assumption on the payroll growth rate, since higher payroll growth further backloads the contributions. For these reasons, we are recommending retaining the current payroll growth rate assumption of 3.00%.

Actuarial Standards of Practice for Setting Demographic Assumptions

Actuaries are guided by the Actuarial Standards of Practice (ASOP) adopted by the Actuarial Standards Board (ASB). Again, ASOP No. 27 that was previously referenced in this report provides guidance to actuaries giving advice on selecting noneconomic assumptions for measuring obligations under defined benefit plans. We believe the recommended assumptions in this report were developed in compliance with this standard.

Post-retirement mortality rates (service retirees)

Dallas ERF's liability depends in part on how long retirees live. If members live longer, benefits will be paid for a longer period of time, and the liability will increase.

The mortality tables currently being used for non-disabled retirees and for beneficiaries receiving benefits are the same tables as being used by the Texas Municipal Retirement System (TMRS) which covers over 800 municipalities and districts in Texas.

TMRS recently completed an experience study and updated their mortality assumptions. While they are using the same base mortality tables (referred to as the Gender-distinct 2019 Municipal Retirees of Texas Mortality Tables), they have made some small adjustments to these rates by adding a multiplier to better reflect actual experience, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis. TMRS also updated the mortality improvement scale used in generational mortality projection. The new mortality improvement rates are the ultimate mortality improvement rates in the mortality improvement scale MP-2021 (for both males and females).

To analyze the data, we compare the actual number of deaths (weighted by benefits) to the expected number in each year at each age for males and females. The A/E ratio of the deaths then tells us whether the assumptions are reasonable. When using generational mortality, we generally want to keep the ratio for this assumption around 100% or slightly higher. Because we use generational mortality improvement in our mortality assumption, there is no need to build additional conservatism in to the rates for future mortality improvement.

Although our proposed tables will be used to predict deaths for beneficiaries and QDRO's, we prefer not to use them in our analysis. Some beneficiaries leave the Fund due to death, some because their benefits end, and we felt that an attempt to incorporate their deaths could erroneously increase the observed rates of mortality. We have enough experience among retirees (without the beneficiaries) to make observations about the mortality rates. We believe that the retiree experience provides a reasonable predictor for beneficiaries.

The following table summarizes the A/E ratios we analyzed for healthy male mortality. As noted the analysis is weighted by benefits not by headcount.

Summary of Healthy Retirement Mortality for Males – 2015 to 2024					
		Expected Deaths*		Ratio A/E	
Age	Actual Deaths*	Current Rates	Proposed Rates	Current Rates	Proposed Rates
(1)	(2)	(3)	(4)	(5)	(6)
50-54	2.86	1.6	1.6	179%	175%
55-59	17.52	9.4	9.6	187%	182%
60-64	29.65	28.4	29.1	105%	102%
65-69	62.56	57.1	58.7	110%	107%
70-74	89.25	79.7	82.0	112%	109%
75-79	74.62	74.8	77.0	100%	97%
80-84	71.17	64.0	66.0	111%	108%
85-89	58.93	51.3	53.0	115%	111%
90 and over	45.06	42.6	44.0	106%	102%
Total	**451.6**	**409.0**	**420.9**	**110%**	**107%**

*Weighted by benefits (per $100,000)

Overall, the current rates are conservative with the number of actual deaths (on a benefit weighted basis) approximately 10% higher than expected. However, these results are based on the old assumptions used by TMRS. As noted above, TMRS has recently performed an experience study and updated their mortality assumptions. We are recommending the adoption of these new assumptions which produces an overall A/E ratio of 107%. The A/E ratio in the "core" age band from age 60-80 is 105%.

The following table summarizes the A/E ratios we analyzed for healthy female mortality.

Summary of Healthy Retirement Mortality for Females – 2015 to 2024					
		Expected Deaths*		Ratio A/E	
Age	Actual Deaths*	Current Rates	Proposed Rates	Current Rates	Proposed Rates
(1)	(2)	(3)	(4)	(5)	(6)
50-54	0.00	0.4	0.5	0%	0%
55-59	6.90	2.8	2.9	248%	237%
60-64	19.87	8.2	8.6	243%	232%
65-69	23.90	17.8	18.7	134%	128%
70-74	33.49	26.9	28.2	124%	119%
75-79	35.11	26.0	27.2	135%	129%
80-84	24.18	21.2	22.2	114%	109%
85-89	25.92	19.9	20.9	131%	124%
90 and over	26.51	27.4	28.9	97%	92%
Total	**195.9**	**150.6**	**158.1**	**130%**	**124%**

*Weighted by benefits (per $100,000)

The proposed rates produce an overall A/E ratio of 124%. As you may have noted the proposed rates for females are very conservative based on the experience of ERF. ERF does not have sufficient experience to develop its own mortality assumption which is why we must use a published table or a table built on similar populations or experience.

We do want to note that we did look at the newly published Pub-2016 mortality tables which are based on the experience of public sector retirees from across the country. These tables produced even larger A/E ratios (more conservative results) than the proposed tables. For that reason, we are recommending that ERS maintain the use of the current TMRS assumptions instead.

We did study the statistical credibility of the ERF experience to see if adjusting for partial credibility was a possible alternative. However, because of the small number of deaths, we decided the optimal alternative was to recommend the use the TMRS mortality assumptions.

Post-retirement mortality rates (disabled retirees)

The following table summarizes the A/E ratios (head count weighted basis) we analyzed for disabled mortality.

Summary of Disabled Mortality – 2015 to 2024					
		Expected Deaths		Ratio A/E	
Age	Actual Deaths	Current Assumptions	Proposed Assumptions	Current Assumptions	Proposed Assumptions
(1)	(2)	(3)	(4)	(5)	(6)
Males	69	42.0	42.5	164%	162%
Females	38	22.8	22.9	167%	166%
Total	**107**	**64.7**	**65.4**	**165%**	**163%**

The current rates for disabled mortality are based on the mortality assumption for healthy lives, and then further adjusted by setting forward the male rates by 4 years and the female rates by 3 years. In addition, a minimum mortality rate of 3.5% for males and 3.0% for females is applied at all ages. The current rates give an overall A/E ratio of 164% for males and 167% for females. We are recommending continuing the current process of using the healthy mortality assumption adjusted as described above. Since the underlying healthy mortality assumption was changed the disabled mortality assumption will be updated as well. The proposed rates produce a slightly smaller A/E ratio of 162% for males and 166% for females. While this is very conservative, the liability associated with this group is very small (less than 1% of the retiree liability) because of the few number of disabled retirees receiving benefits from the System.

Active mortality rates

The current assumptions are based on the PUB(10) General Employee Mortality Tables for males and females. Over the last ten years, the current assumptions produced an A/E ratio of 96% for males and 96% for females.

The following table summarizes the A/E ratios (headcount weighted basis) we analyzed for active mortality.

		Expected Deaths		Ratio A/E	
Age	Actual Deaths	Current Assumptions	Proposed Assumptions	Current Assumptions	Proposed Assumptions
(1)	(2)	(3)	(4)	(5)	(6)
Males	124	128.9	141.3	96%	88%
Females	41	42.6	45.4	96%	90%
Total	**165**	**171.5**	**186.8**	**96%**	**88%**

Table title: Active Mortality Summary – 2015 to 2024

Overall, the current rates approximate the number of deaths fairly closely. However, we are recommending that we move to the most recently published table PUB(16) General Employee Mortality Tables for males and females. We also propose using the ultimate improvement rates of improvement Scale MP-2021 to incorporate future expected improvements in mortality. The proposed rates produce an overall A/E ratio of 88%.

We also reviewed the incidence of duty death versus ordinary death. The current assumption is that 10% of active member deaths will be duty-related. Experience during the study period showed that slightly less than 10% of the deaths are duty-related. Therefore, we are recommending no change to the duty-related death assumption.

Retirement rates

The current rates of retirement vary by age and make a distinction for members retiring at their first eligible age for unreduced retirement. The rates for males and females are different. For retirement, an ideal A/E ratio is slightly below 100%. An A/E ratio of less than 100% implies that members retire less early in age than we expect, which is beneficial to the funding position of the plan.

We began our analysis by investigating the effect of first eligibility on retirement rates. In systems with unreduced retirement eligibility based on a total number of points (e.g. Rule of 78) or service cliffs (e.g. 25 years of service), we often see a larger number of retirements at ages when the eligibility is first met versus the same age for members who were already eligible to retire. In many cases, members are probably retiring from this job to go to work at another job. They are then able to increase their total income by working and receiving a retirement check at the same time. Experience showed that, for members in their fifties, there was a definite increase in retirement rates at first eligibility.

The following tables summarize the A/E ratios we analyzed for members retiring in their fifties.

Retirement Summary for Males aged 50 to 59 – 2015 to 2024					
		Expected Retirements		Ratio A/E	
Age	Actual Retirements	Current Assumptions	Proposed Assumptions	Current Assumptions	Proposed Assumptions
(1)	(2)	(3)	(4)	(5)	(6)
At First Eligibility	266	299.8	284.3	89%	94%
Past First Eligibility	340	359.8	359.8	95%	95%
Total	**606**	**659.6**	**644.0**	**92%**	**94%**

Retirement Summary for Females aged 50 to 59 – 2015 to 2024					
		Expected Retirements		Ratio A/E	
Age	Actual Retirements	Current Assumptions	Proposed Assumptions	Current Assumptions	Proposed Assumptions
(1)	(2)	(3)	(4)	(5)	(6)
At First Eligibility	172	195.7	187.4	88%	92%
Past First Eligibility	222	265.2	243.2	84%	91%
Total	**394**	**460.9**	**430.6**	**85%**	**91%**

In examining the experience, we noticed a distinct difference in the pattern of retirements for males and females. Hence, we are proposing to continue the use of gender-specific retirement rates. For males at first eligibility, the current rates predicted more retirements than are actually occurring. We would like for there to be some conservatism in this assumption, however the current rates are a little too conservative, so we are recommending a decrease in the retirement rates for this group. For males in their fifties and past first eligibility, the assumptions are in line with what we would like and we are recommending no changes. For the females we decreased the rates at both first eligibility and after first eligibility.

The retirement rates for members in their sixties (or older) make a distinction based on whether the member has at least eighteen years of service because this is the service point in the data where we noticed a significant change in the retirement rates. We propose to continue this structure and are recommending some adjustment to the patterns. You will note on the following tables that the overall A/E ratios are relatively low (less than 90%). However, this is distorted by the 100% retirement rate at

age 70 and above. If the data is analyzed excluding those age 70 and older then the A/E ratios for both the current and proposed assumptions exceed 90%.

The following tables summarize the A/E ratios we observed for members retiring in their sixties.

Retirement Summary for Males aged 60 to 70 – 2015 to 2024					
		Expected Retirements		Ratio A/E	
Age	Actual Retirements	Current Assumptions	Proposed Assumptions	Current Assumptions	Proposed Assumptions
(1)	(2)	(3)	(4)	(5)	(6)
Less than 18 yrs. of service	462	542.8	574.8	85%	80%
18 or more yrs. of service	453	527.6	522.6	86%	87%
Total	**915**	**1,070.4**	**1,097.3**	**85%**	**83%**

Retirement Summary for Females aged 60 to 70 – 2015 to 2024					
		Expected Retirements		Ratio A/E	
Age	Actual Retirements	Current Assumptions	Proposed Assumptions	Current Assumptions	Proposed Assumptions
(1)	(2)	(3)	(4)	(5)	(6)
Less than 18 yrs. of service	194	230.7	241.2	84%	80%
18 or more yrs. of service	299	337.2	348.2	89%	86%
Total	**493**	**567.9**	**589.4**	**87%**	**84%**

The following table summarizes the A/E ratios we analyzed for members retiring early.

Early Retirement Summary – 2015 to 2024			
Age	Actual Retirements	Current Assumptions	Current Assumptions
(1)	(2)	(3)	(4)
Males	3	2.6	115%
Females	3	2.1	143%
Total	**6**	**4.7**	**128%**

By early retirement, we mean a retirement where an early retirement reduction is applied. Tier A members with thirty years of service who are less than fifty years old are eligible to retire with a reduction. After age fifty, the retirement benefit would be unreduced. As shown in the table, the current assumptions produce expected retirements very close to the actual number of retirements. Given the small number of actual retirements (6 total retirements during the ten-year period), we believe the current assumption remains a good fit and are recommending no changes. Tier B members are eligible to retire prior to their normal retirement age if they have met the Rule of 80 (age plus

service). However, because Tier B membership is relatively new and there is no one currently eligible to retire from this group, we are recommending no changes to the assumed rates of retirement.

Termination

Termination rates cover all kinds of terminations from service, other than death, disability, and retirement. Termination rates apply to both vested and non-vested members, they apply whether a member takes a refund or a deferred benefit, and they are intended to cover terminations for both voluntary and involuntary causes. The current rates are based on service and the same rates are used for males and females.

The current assumption produces an A/E ratio of 113% for males and 114% for females when compared to the experience over the last ten years. As seen in the graphs below, the actual withdrawal rates are greater than the current expected rates. For this reason, we are proposing to increase the assumed withdrawal rates.

Withdrawal Rates Males
2015-2024

Years of Service

Actual Male — Current Male — Proposed Male

Withdrawal Rates Females
2015-2024

Years of Service

Actual Female — Current Female — Proposed Female
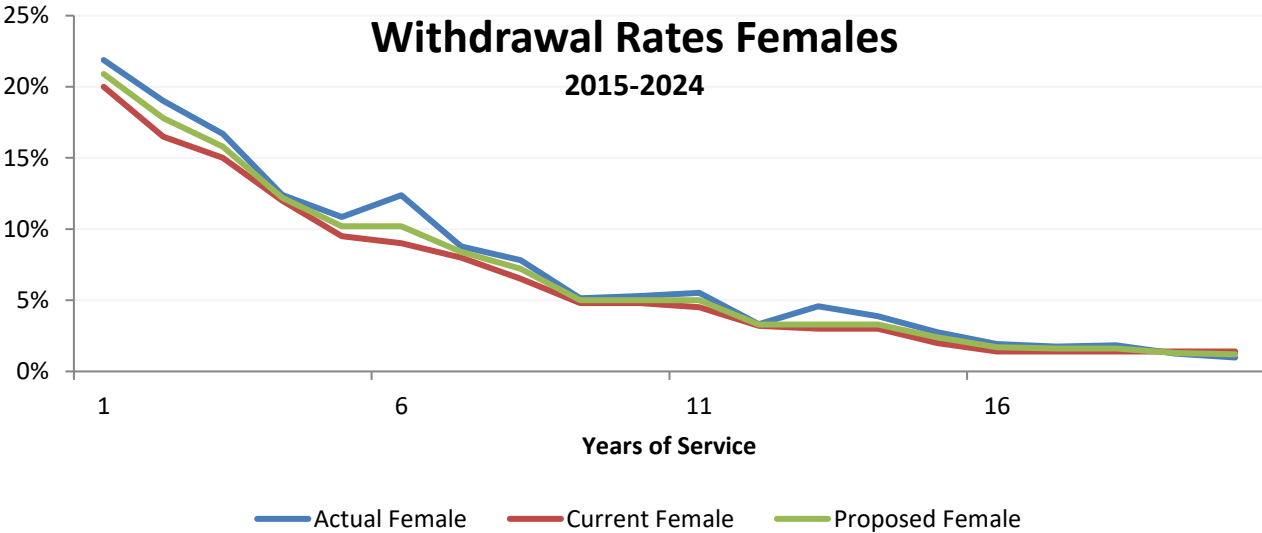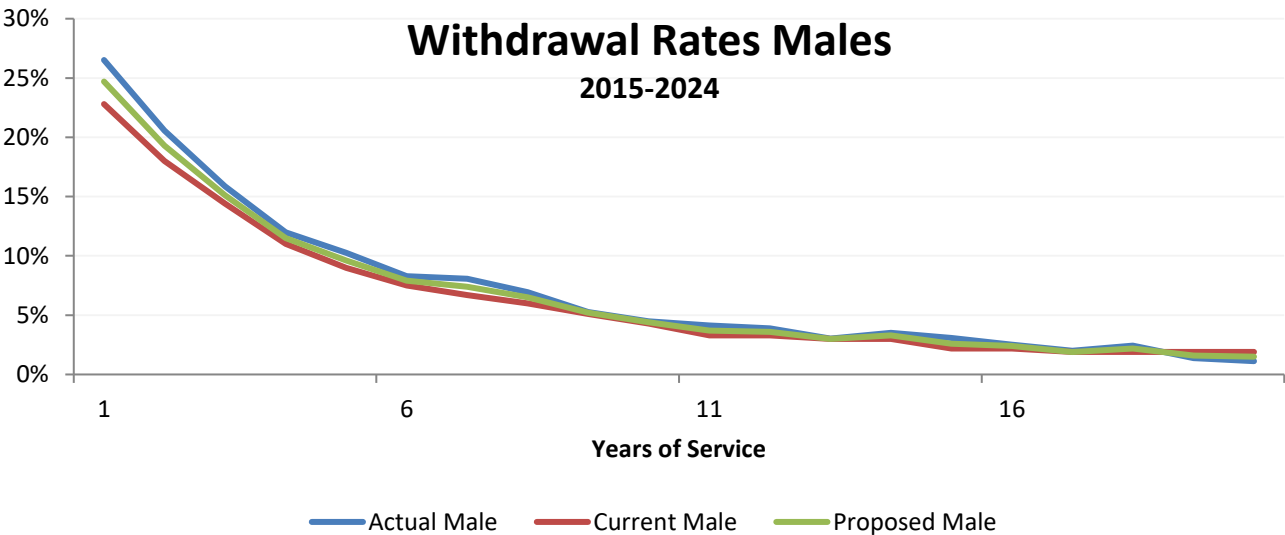
As the graphs above shows, ERF's termination rates have a strong relationship with service and we propose keeping the termination rates service based. While the overall pattern of termination rates are similar between males and females, we believe there is enough difference to continue to warrant separate rates based on gender. Overall, the recommended termination rates will be higher than the current rates. The following tables show how the current assumptions compared to the proposed assumptions.

Withdrawal Summary for Males – 2015 to 2024					
		Expected Turnover		Ratio A/E	
Service	Actual Turnover	Current Assumptions	Proposed Assumptions	Current Assumptions	Proposed Assumptions
(1)	(2)	(3)	(4)	(5)	(6)
1	823	707.7	766.7	116%	107%
2	1009	882.7	946.5	114%	107%
3	589	534.4	560.4	110%	105%
4	358	328.4	343.3	109%	104%
5	262	230.1	245.5	114%	107%
6	179	162.1	170.7	110%	105%
7	156	129.5	143.0	120%	109%
8	128	110.5	119.7	116%	107%
9	91	88.3	90.1	103%	101%
10	71	68.0	69.6	104%	102%
11-15	232	194.6	212.8	119%	109%
16-20	105	107.2	105.9	98%	99%
Over 20	64	54.0	49.2	119%	130%
Total	4,067	3,597.5	3,823.4	113%	106%

Withdrawal Summary for Females – 2015 to 2024					
		Expected Turnover		Ratio A/E	
Service	Actual Turnover	Current Assumptions	Proposed Assumptions	Current Assumptions	Proposed Assumptions
(1)	(2)	(3)	(4)	(5)	(6)
1	468	427.8	447.1	109%	105%
2	659	572.2	617.3	115%	107%
3	440	395.3	416.3	111%	106%
4	248	240.0	244.0	103%	102%
5	178	155.8	167.3	114%	106%
6	170	123.7	140.1	137%	121%
7	105	95.6	100.4	110%	105%
8	86	71.6	79.3	120%	108%
9	54	50.4	52.5	107%	103%
10	51	46.2	48.2	110%	106%
11-15	153	120.9	132.9	127%	115%
16-20	54	48.1	51.3	112%	105%
Over 20	43	32.1	31.1	134%	138%
Total	2,709	2,379.5	2,527.7	114%	107%

Disability rates

The current rates are based on the 2019 Texas Municipal Retirement System disability rates for males and females. There were 29 members approved for a disability benefit during the ten-year study period ending 12/31/2024, producing A/E ratios shown in the table below. However, over 90% of these occurred in the first five years of the study period. There have been very few disabilities in recent years. While TMRS is using the same base table for disabilities they are now multiplying those rates by 60% reflecting a pattern of decreased incidence of disability. We are recommending that ERF follow suit and adopt the current TMRS assumption which is 60% of the rates in the 2019 table.

Incidence of Disability Summary – 2015 to 2024					
		Expected Disabilities		Ratio A/E	
Age	Actual Disabilities	Current Assumptions	Proposed Assumptions	Current Assumptions	Proposed Assumptions
(1)	(2)	(3)		(4)	
Ordinary	26	31.0	18.6	84%	140%
Duty	3	11.5	6.9	26%	44%
Male	19	26.9	N/A	71%	N/A
Female	10	15.5	N/A	64%	N/A
Total	29	42.5	25.5	68%	114%

We also reviewed the incidence of duty disability versus ordinary disability. The current assumption is that 20% of disabilities will be duty related. The actual experience shows that during the study period duty related disabilities were around 10% of all disabilities. However, due to the small number of actual disabilities, we are recommending no change in the duty related assumption as it will provide some conservatism.

Marriage Assumption

Because the ERF provides a free 50% Joint and Survivor benefit for married participants, the marriage assumption is a significant one for ERF. We currently assume 75% of male members and 50% of female members are married at retirement. We examined the retirees to see how many of the members who retired during the past five years were married. Based on the data, the marriage rates resemble the current assumption. Over the past 5 years, 75% of male members who retired during the study period were married while only 47% of the female members who retired during the period were married. Therefore, we are recommending no change to this assumption.

Spousal age difference

Currently, we assume that male members are three years older than their spouses and female members are three years younger than their spouses. Reviewing the married members who retired during the study period, the male member is approximately 2.72 years older than their spouses, while female members are about 2.75 years younger than their spouses. Based on this information we have decided to recommend no change in this assumption.

Refund of contributions

We currently assume that members who are vested and terminate in the future will choose the more valuable of a refund or a deferred annuity. This is a bit conservative, since some people do choose a refund when the deferred benefit is worth more on an actuarial basis, but we are recommending no change in this assumption.

Form of Payment Assumption

We currently assume that 65% of married male members and 84% of married female members will elect a 50% Joint and Survivor form of payment and that other married members will elect a 100% Joint and Survivor form of payment. As you are aware, the Joint and 100% Survivor (with 10 years certain) form of payment conversion factors convert from a life annuity with 10 years certain. The actuarial assumptions used to determine the conversion factors are specified in Chapter 40-A.

Combined with the marriage assumption, we currently value the optional form of payment as a Joint and 28.0% for males and 19.5% for females Survivor (with 10 years certain) form of payment.

As part of the experience investigation, we examined the actuarial factors based on the assumptions in Chapter 40-A. We compared the expected benefits from these factors with the benefits expected by the valuation software based on the actuarial assumptions used in the valuation. We determined that there was a considerable difference, for retiring male members who elected the Joint and 100% Survivor option (with 10 years certain), in the expected benefits and the actual benefits.

Data for retirees during the study period indicates the current assumed percentage of married members electing the 50% Joint and Survivor form of payment should be increased to 68% for males and 87% for females. We are recommending this change in the form of payment election assumption.

In addition, we examined the continued appropriateness of the 28.0% and 19.5% optional forms of payment. Based on changes to the proposed mortality and the form of payment election, we propose to value the average future male retirees as Joint & 28.5% Survivor and the average future female retirees as Joint & 19.5% Survivor.

Vacation-leave Service Conversion

Members who receive a cash-out of their unused vacation leave upon termination receive service credit for the unused leave. We currently assume that on average members terminating with less than 20 years of service be assumed to receive 1 month of service credit and that members terminating with more than 20 years of service be assumed to receive 1.5 months of credited service on average. Based on our analysis of the data, we are recommending no change to the assumed service credit for members with less than 20 years of service but we are recommending increasing the assumed credit to 1.6 months for members with 20 or more years of service.

Other assumptions

There are other technical assumptions made in the course of a valuation, such as the timing of terminations and retirements during the year, and the timing of pay increases. We reviewed these and are recommending no changes.

Actuarial cost method

The individual Entry Age Normal cost method (EAN) is the current funding method being used to allocate the actuarial costs of the Fund. Under this method, the normal cost for each member is determined to be the level percentage of payroll which, if contributed from the date of entry to the date of retirement, would accumulate assets sufficient to pay the retirement benefits when due. Use of this method is required by statute. The Entry Age Normal method will generally produce relatively level contribution amounts as a percentage of payroll from year to year, and allocates costs among various generations of taxpayers in a reasonable fashion. It is by far the most commonly used actuarial cost method for large public retirement systems. We continue to believe this is the best funding method for ERF and recommend no change.

Actuarial Value of Assets

Actuaries generally recommend using a smoothed actuarial value of assets (AVA), rather than market value (MVA), in order to dampen the fluctuations in measurements such as the required contribution amount and the funded status of the system.

The current method smooths the differences between the expected returns on the beginning of year market value of assets adjusted for contributions, benefit payments and refunds (based on the annual investment return assumption) and the actual market value returns, net of investment expenses, over a five-year period.

The actual calculation is based on the difference between actual market value and the expected market value of assets each year, and recognizes the cumulative excess return (or shortfall) at a minimum rate of 20% per year. Each year, a base is set up to reflect this difference. If the current year's base is of opposite sign to the deferred bases, then it is offset dollar for dollar against the deferred bases. Any remaining bases are then recognized over the remaining period for the base (5 less the number of years between the base year and the valuation year).

We believe this method is reasonable. It does not distinguish between types of return (interest, dividends, realized gains/losses, and unrealized gains/losses) like some other methods. It treats different asset classes and different investment styles the same. We do not believe the method has a bias relative to market. In other words, we expect the ratio of the AVA to MVA to average about 100% over the very long term. We recommend no change.

Amortization period

In determining the actuarially calculated rate, the unfunded actuarial accrued liability (UAAL) as of December 31, 2024 is being amortized over a closed 30-year period. In future valuations, new amortization layers will be established for any unanticipated changes in the UAAL from the prior year. These will be amortized over a closed amortization period as well. That period will be the greater of the remaining amortization period of the December 31, 2024 UAAL or 20 years.

Currently, the actuarially determined contribution (ADC) is equal to total level rate that will pay the normal cost, the pension obligation bond debt and amortized the UAAL over the established periods. While the ADC is a level percentage of pay, the dollars being contributed to each of the individual pieces are not. With the adoption of the new Tier B we know that the average normal cost of the ERF will continue to decline over time until it reaches approximately 15% of pay. In addition, we know that the pension obligation bond debt payments will cease after fiscal year 2035. This means that the contributions towards paying the UAAL will steadily increase as a percentage of pay during the next 10 years as the average normal cost (as a % of pay) continues to decline while the debt service payments continue, and then will increase dramatically in fiscal year 2036 when the debt service payments cease.

Because the normal cost is not level, it is necessary to estimate the normal cost dollars over the remaining amortization period. For that reason, we use an open group projection to estimate the normal cost dollars for each year of the remaining amortization period. The current procedure is based on the actuarial assumptions and a one for one replacement methodology (each person who leaves employment is replaced by a new employee covered in Group B). Once these amounts are known, then total ADC is solved for assuming payroll grows at the assumed payroll growth rate. The ADC would then be the rate that pays for the projected normal costs dollars (including new entrants), the debt service on the pension obligations bonds, and to amortized the UAAL over the remaining amortization period. This calculation also reflects the delay between the valuation date and the date the new contribution rate goes into effect.

It should be noted that the remaining amortization period for all layers will be the same until the December 31, 2035 valuation. That valuation will also reflect the elimination of the debt service payments on the pension obligation bonds from the ADC.

The new entrants added to the projection will be based on the recent historical patterns of the ERF. Please see the assumption and methods in Section VI for a description of the new entrant profile.

Actuarial Equivalence

The current assumption used for actuarial equivalence in plan administration are an 8.0% interest rate and a mortality assumption based on a 60%-40% blending of the RP-2000 mortality tables for males and females with mortality improvement projected to 2026. Due to the changes in both the interest ate and the mortality assumptions that have occurred in recent studies, we are recommending that the Board consider updating these assumptions to reflect the recommended investment return assumption and mortality assumptions.

These assumptions are used in determining all of the optional forms of payment factors for Group B as well as the Joint and 100% option factor for Group A. In addition, these assumptions are used in determining the early retirement reduction factors for both groups.

SECTION IV. ACTUARIAL IMPACT OF RECOMMENDATIONS

Actuarial Impact of Recommendations

Shown below is a table that compares results from the December 31, 2024 actuarial valuation using the current assumptions and the recommended actuarial assumptions. As shown in column 4, the assumption changes increase the average normal cost by 20 basis points. However, the impact on the accrued liability is a small decrease of $46 million. The overall impact on the actuarially determined contribution is an increase of 20 basis points.

Actuarial Cost Items	Current Assumptions	Recommended Assumptions	Increase/ (Decrease)
(1)	(2)	(3)	(4)
Present Value of Future Benefits			
a. Active Employees	$2,315,952,800	$2,339,767,008	$23,814,208
b. Inactive Members	164,273,393	163,349,445	(923,948)
c. Annuitants	3,872,845,121	3,821,147,845	(51,697,276)
d. Total	$6,353,071,314	$6,324,264,298	$(28,807,016)
Actuarial Accrued Liability	$5,614,481,288	$5,568,673,637	$(45,807,651)
Normal Cost as % of Payroll			
a. Tier A	21.97%	22.31%	0.35%
b. Tier B	15.19%	15.27%	0.07%
c. Aggregate	18.25%	18.45%	0.20%
Actuarially Determined Contribution (ADC)	41.87%	42.07%	0.20%

The amounts above were calculated as of December 31, 2024, using the same benefit provisions and the same member and financial data that were used to prepare our December 31, 2024 actuarial valuation report. The ADC rate shown above reflect the phase-in of increases in the City Rate over the next five years.

SECTION V. SUMMARY OF RECOMMENDATIONS

Summary of Recommendations

Our recommendations may be summarized as follows:

1. Recommend no change in the price inflation assumption of 2.50% per year.

2. Recommend no change in the assumed net real return on investments of 4.75% per year. Combined with #1, this maintains the nominal assumed investment rate of return at 7.25%.

3. Recommend no change in the COLA assumptions for Group A (2.50%) and Group B (2.20%).

4. Increase the wage inflation assumption from 3.00% to 3.25%.

5. Increase many of the service-related components of the salary increase rates.

6. Recommend no change in the payroll growth rate of 3.00%.

7. Update the mortality assumptions for healthy and disabled members to the current TMRS assumptions. Update the active mortality to the PUB-2016 table for general employees.

8. Decrease the rates of disability for active employees.

9. Modify the retirement rates for active employees to better reflect patterns seen in the experience.

10. Increases the termination rates for active employees.

11. Maintain the percentage of members that are assumed to be married.

12. In the form of payment assumption, continue to reflect the subsidy in the Joint and 100% Survivor option. Small change in the assumed survivor percentage for male retirees.

13. Increase the sick-leave service conversion assumption from 1.5 months to 1.6 months for retirees with 20 or more years of service.

14. No change to the actuarial cost method or the method for calculating the actuarial value of assets.

15. Continued used of an open group methodology for determining the normal cost over the remaining amortization period. Total actuarial determined contribution is determined as a level percentage of payroll over the remaining amortization period.

16. Update the actuarial equivalence assumptions to reflect proposed assumptions. Primarily, the interest rate assumption and the mortality assumption.

17. No other changes are recommended for any of the other actuarial assumptions or any of the actuarial methods.

SECTION VI. SUMMARY OF RECOMMENDED ASSUMPTIONS AND METHODS

Summary of Recommended Assumptions and Methods

Entry Age Normal Method

The Entry Age Normal actuarial cost method is the actuarial valuation method used for all purposes under ERF. The concept of this method is that funding of benefits for each member should be affected as a, theoretically, level contribution (as a level percentage of pay) from entry into ERF to termination of active status.

The Normal Cost (NC) for a fiscal year under this method is determined as described in the prior paragraph for each member. The ERF NC for the year is the total of individual normal costs determined for each active member. The Actuarial Accrued Liability (AAL) under this method is the theoretical asset balance of the normal costs that would have accumulated to date based upon current actuarial assumptions. To the extent that the assets of the fund are insufficient to cover the AAL, an Unfunded Actuarial Accrued Liability (UAAL) develops.

Actuarially Required Contribution

The actuarially required contribution rate is developed using an open group projection. The total contribution rate (member plus City) is the level percentage of pay needed to fund the Normal Cost for each year and pay off the UAAL over 30 years.

In the open group projection, the demographic assumptions are applied to the current active employees and any employees that are assumed to leave employment are replaced one for one with a new employee. Over time this results in the change of the employee group from mostly Tier A members to Tier B members. The projection is built to assume no gains or losses on the actuarial accrued liability or the actuarial value of assets.

In the projection, new members' pay is assumed to increase at 3.00% year over year (i.e. a new employee in 2025 is assumed to be hired at a salary that is 3.00% greater than a new employee hired in 2024).

New Entrant Profile

For the purposes of determining the funding period, an open group projection is used which replaces on a one-to-one basis each active member who leaves employment with an average new hire. The average new hire is determined based on a new entrant profile, which is created from the valuation data by determining the entry age and entry pay for anyone with eight or less years of service as of the valuation date, with salaries normalized to the valuation date. A summary of the new entrant profile is shown in the

table below, with 25.9% of the population being male. The salaries below would be applicable for the year preceding the valuation date. Future cohorts of new hires have starting salaries that are assumed to grow at the General Wage Inflation of 3.25% over the salaries of the previous year.

New Entrant Profile

Entry Age	# of Employees	Average Salary
15-19	13	48,719
20-24	335	49,880
25-29	543	53,207
30-34	483	57,327
35-39	386	58,914
40-44	356	61,983
45-49	314	60,601
50-54	300	60,263
55-59	219	58,896
60-64	127	61,886
65-69	13	47,572
Total	3,089	57,369

Actuarial Value of Asset Method

The method for determining the actuarial value of assets in future years is equal to the market value of assets less a five-year phase in of the excess (shortfall) between expected investment return and actual income. The actual calculation is based on the difference between actual market value and the expected actuarial value of assets each year, and recognizes the cumulative excess return (or shortfall) at a minimum rate of 20% per year. Each year, a base is set up to reflect this difference. If the current year's base is of opposite sign to the deferred bases, then it is offset dollar for dollar against the deferred bases. Any remaining bases are then recognized over the remaining period for the base.

Annual Rate of Investment Return

For all purposes under the Fund, the rate of investment return is assumed to be 7.25% per annum, net of investment expenses. This rate includes an annual assumed rate of inflation of 2.50%. In addition, annual cost-of-living adjustments are assumed to occur on average at the rate of 2.50% per annum for Tier A members and 2.20% for Tier B members (due to the lower maximum on cost-of-living-adjustments).

Annual Compensation Increases

Each member's compensation is assumed to increase in accordance with a table based on actual ERF experience. Sample rates follow.

Years of Service	Merit, Promotion, Longevity	General	Total
1	6.75%	3.25%	10.00%
2	4.75	3.25	8.00
3	3.25	3.25	6.50
4	2.50	3.25	5.75
5	2.00	3.25	5.25
6	1.75	3.25	5.00
7	1.75	3.25	5.00
8	1.50	3.25	4.75
9	1.50	3.25	4.75
10	1.00	3.25	4.25
11	1.00	3.25	4.25
12	1.00	3.25	4.25
13	1.00	3.25	4.25
14	1.00	3.25	4.25
15	1.00	3.25	4.25
16	1.00	3.25	4.25
17	0.75	3.25	4.00
18	0.75	3.25	4.00
19	0.75	3.25	4.00
20 & Over	0.00	3.25	3.25

Mortality:
Disabled Lives:

a. Males – 103% of the gender-distinct 2019 Municipal Retirees of Texas Mortality Table, set forward 4 years, and fully generational mortality using the ultimate improvement rates of mortality improvement scale MP-2021.

b. Females – 105% of the gender-distinct 2019 Municipal Retirees of Texas Mortality Table, set forward 3 years, and fully generational mortality using the ultimate improvement rates of mortality improvement scale MP-2021.

Sample rates projected to 2020 (midpoint of study) follow (rate per 1,000):

	Disability Mortality Rate	
Age	Male	Female
20	35	30
30	35	30
40	35	30
50	35	30
60	35	30
70	35	30
80	86	53
90	246	171

Other Benefit Recipients:

    a. Males – 103% of the gender-distinct 2019 Municipal Retirees of Texas Mortality Table and fully generational mortality using the ultimate improvement rates of mortality improvement scale MP-2021.

    b. Females – 105% of the gender-distinct 2019 Municipal Retirees of Texas Mortality Table and fully generational mortality using the ultimate improvement rates of mortality improvement scale MP-2021.

Sample rates projected to 2020 (midpoint of study) follow (rate per 1,000):

	Mortality Rate	
Age	Male	Female
20	0.4	0.1
30	0.4	0.2
40	0.8	0.4
50	2.8	1.2
60	7.6	3.7
70	20.5	11.7
80	56.9	37.2
90	160.9	119.2

Mortality:

Active Members:

    a. Males – PUB(16) Mortality Table for General Employees and fully generational mortality using the ultimate improvement rates of mortality improvement scale MP-2021.

    b. Females – PUB(16) Mortality Table for General Employees and fully generational mortality using the ultimate improvement rates of mortality improvement scale MP-2021.

Sample rates projected to 2020 (midpoint of study) follow (rate per 1,000):

	Mortality Rate	
Age	Male	Female
20	0.3	0.1
30	0.5	0.2
40	0.7	0.4
50	1.4	0.9
60	3.2	2.0
70	6.9	4.5
80	17.8	10.5
90	146.5	113.6

10% of active deaths are assumed to be service related.

Disability: The 2019 Municipal Retirees of Texas disability incidence multiplied by 60%. with sample rates follows (rate per 1,000).

Age	Disability Rate
30	0.1
40	0.3
50	0.7
60	1.3

20% of disabilities are assumed to be service related. There is a 0% assumption of disability for members who have over 10 years of service and are eligible for retirement.

Mortality Improvement: The ultimate improvement rates in mortality improvement scale MP-2021 are used to project mortality improvements for retirees, disabled retirees and active employees on a fully generational basis.

Retirement: Upon eligibility, active members are assumed to retire as follows (rate per 1,000): Tier A

Age	Male		Female	
	First Year Eligible	Thereafter	First Year Eligible	Thereafter
48-49	100	100	100	100
50	450	550	450	350
51	450	450	350	250
52	450	300	350	250
53	450	300	350	250
54	350	250	330	250
55	350	250	330	250
56	350	250	330	200
57	350	250	330	200
58-59	200	250	270	200
	Service < 18 yrs.	Service ≥ 18 yrs.	Service < 18 yrs.	Service ≥ 18 yrs.
60	100	250	110	250
61	100	200	110	180
62	100	200	110	180
63	100	200	130	180
64	150	200	130	180
65	150	270	130	270
66	220	270	130	270
67	220	270	200	270
68	220	230	200	300
69	200	230	150	300
70	1,000	1,000	1,000	1,000

Retirement, continued: Upon eligibility, active members are assumed to retire as follows (rate per 1,000):
Tier B

Age	Male		Female	
	Service < 40 yrs.	Service 40 yrs. +	Service < 40 yrs.	Service 40 yrs. +
<55	10	350	10	350
55-56	20	350	20	350
57-58	30	350	30	350
59-60	40	350	40	350
61-62	50	350	50	350
63-64	60	350	60	350
65	180	600	200	450
66	200	250	250	250
67	200	250	250	250
68	200	250	150	250
69	200	250	150	250
70	1,000	1,000	1,000	1,000

*For service < 40 yrs, rates shown are for those who met the rule of 80.

Retirement of Deferred Vested Members:
All deferred vested members are assumed to commence payment at their normal retirement age, which is age 60 for Tier A members and age 65 for Tier B members.

General Turnover: Sample termination rates based on ERF experience are as follows (rate per 1,000):

Years of Service	Male	Female
1	247	209
2	193	178
3	151	158
4	115	122
5	96	102
6	79	102
7	74	84
8	65	72
9	52	50
10	44	50
11	37	50
12	36	33
13	30	33
14	33	33
15	26	24
16	24	17
17	19	16
18	22	16
19	16	13
20	15	12
21	13	12
22	13	12
23	10	10
24	10	6
25	9	6
26	9	6
27	5	5
28	4	5
29	4	5
30 & Over	0	0

There is a 0% assumption of termination for members eligible for retirement.

Refunds of Contributions: Members are assumed to choose the most valuable termination benefit.

Operational Expenses: The amount of estimated administrative expenses expected in the next year is assumed to be equal to the prior year's expenses and is incorporated in the Normal Cost.

Marital Status: 75% of active male members and 50% of active female employees are assumed to be married.

Vacation Leave Conversions: Members with 20 or more years of service are assumed to convert unused vacation leave to 1.5 months of service. Other members are assumed to convert unused vacation leave to 1 month of service. No vacation leave conversion is assumed for disability retirement.

Spouse Age: Female spouses are assumed to be 3 years younger than male spouses.

Payroll Growth Rate: In determining the level percent amortization of UAAL rate, the payroll of the entire Fund is assumed to increase at 3.00% each year.

Member's Pay: In determining the member's valuation salary, the greater of the prior calendar year's gross pay and the member's rate of compensation is used.

Form of Payment: It is assumed that 75% of married active male members and 50% of married active female employees will elect a Joint & 50% Survivor form of payment. Taking into consideration the marriage assumption and the inherent subsidy in the Find's Joint & 100% Survivor factors, the male employees are valued with Joint and 28.0% Survivor annuities and the female employees are valued with Joint and 19.5% Survivor annuities.

SECTION VII. SUMMARY OF DATA AND EXPERIENCE

DALLAS EMPLOYEES' RETIREMENT FUND
SALARY INCREASE EXPERIENCE

	Current Salary Scale		Actual Experience			Proposed Salary Scale	
Years of Service	Total	Step Rate/ Promotional	Total	Above Inflation	Step Rate/ Promotional	Total	Step Rate/ Promotional
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	8.25%	5.25%	**12.16%**	9.28%	8.32%	**10.00%**	6.75%
2	7.25%	4.25%	**9.47%**	6.59%	5.63%	**8.00%**	4.75%
3	6.25%	3.25%	**7.41%**	4.53%	3.58%	**6.50%**	3.25%
4	5.50%	2.50%	**6.72%**	3.84%	2.89%	**5.75%**	2.50%
5	5.00%	2.00%	**6.15%**	3.27%	2.32%	**5.25%**	2.00%
6	4.75%	1.75%	**5.82%**	2.94%	1.99%	**5.00%**	1.75%
7	4.75%	1.75%	**5.89%**	3.01%	2.05%	**5.00%**	1.75%
8	4.25%	1.25%	**5.58%**	2.70%	1.74%	**4.75%**	1.50%
9	4.25%	1.25%	**5.75%**	2.87%	1.92%	**4.75%**	1.50%
10	4.00%	1.00%	**5.16%**	2.28%	1.33%	**4.25%**	1.00%
11	4.00%	1.00%	**4.95%**	2.07%	1.11%	**4.25%**	1.00%
12	4.00%	1.00%	**5.27%**	2.39%	1.44%	**4.25%**	1.00%
13	3.75%	0.75%	**4.61%**	1.72%	0.77%	**4.25%**	1.00%
14	3.75%	0.75%	**5.01%**	2.13%	1.17%	**4.25%**	1.00%
15	3.75%	0.75%	**5.00%**	2.12%	1.16%	**4.25%**	1.00%
16	3.75%	0.75%	**5.16%**	2.28%	1.32%	**4.25%**	1.00%
17	3.75%	0.75%	**4.16%**	1.28%	0.33%	**4.00%**	0.75%
18	3.75%	0.75%	**5.13%**	2.25%	1.30%	**4.00%**	0.75%
19	3.50%	0.50%	**4.65%**	1.77%	0.82%	**4.00%**	0.75%
20	3.00%	0.00%	**3.83%**	0.95%	0.00%	**3.25%**	0.00%
21	3.00%	0.00%				**3.25%**	0.00%
22	3.00%	0.00%				**3.25%**	0.00%
23	3.00%	0.00%				**3.25%**	0.00%
24	3.00%	0.00%				**3.25%**	0.00%

Current Inflation Assumption	2.50%	Proposed Inflation Assumption	2.50%
Current Productivity Component	0.50%	Proposed Productivity Component	0.75%
Actual CPI-U Inflation for Jan/15 - Dec/24	2.88%		
Apparent Productivity Component	0.95%		

DALLAS EMPLOYEES' RETIREMENT FUND
SERVICE BASED MALE WITHDRAWAL EXPERIENCE

Service Index	Withdrawals	Exposure	Crude Rates	Sample Rates Old	Sample Rates New	Expected Withdrawals Old	Expected Withdrawals New	Ratio of Actuals/Expecteds Old	Ratio of Actuals/Expecteds New
1	823	3,104	0.2651	0.2280	0.2470	707.7	766.7	116.3%	107.3%
2	1,009	4,904	0.2058	0.1800	0.1930	882.7	946.5	114.3%	106.6%
3	589	3,711	0.1587	0.1440	0.1510	534.4	560.4	110.2%	105.1%
4	358	2,985	0.1199	0.1100	0.1150	328.4	343.3	109.0%	104.3%
5	262	2,557	0.1025	0.0900	0.0960	230.1	245.5	113.8%	106.7%
6	179	2,161	0.0828	0.0750	0.0790	162.1	170.7	110.4%	104.9%
7	156	1,933	0.0807	0.0670	0.0740	129.5	143.0	120.5%	109.1%
8	128	1,842	0.0695	0.0600	0.0650	110.5	119.7	115.8%	106.9%
9	91	1,732	0.0525	0.0510	0.0520	88.3	90.1	103.0%	101.0%
10	71	1,582	0.0449	0.0430	0.0440	68.0	69.6	104.4%	102.0%
11	62	1,497	0.0414	0.0330	0.0370	49.4	55.4	125.5%	111.9%
12	55	1,414	0.0389	0.0330	0.0360	46.7	50.9	117.9%	108.0%
13	39	1,285	0.0304	0.0300	0.0300	38.6	38.6	101.2%	101.2%
14	41	1,165	0.0352	0.0300	0.0330	35.0	38.4	117.3%	106.6%
15	35	1,136	0.0308	0.0220	0.0260	25.0	29.5	140.0%	118.5%
16	30	1,195	0.0251	0.0220	0.0240	26.3	28.7	114.1%	104.6%
17	23	1,156	0.0199	0.0190	0.0190	22.0	22.0	104.7%	104.7%
18	27	1,105	0.0244	0.0190	0.0220	21.0	24.3	128.6%	111.1%
19	14	1,018	0.0138	0.0190	0.0160	19.3	16.3	72.4%	86.0%
20	11	980	0.0112	0.0190	0.0150	18.6	14.7	59.1%	74.8%
21	12	899	0.0133	0.0120	0.0130	10.8	11.7	111.2%	102.7%
22	11	786	0.0140	0.0120	0.0130	9.4	10.2	116.6%	107.7%
23	6	717	0.0084	0.0120	0.0100	8.6	7.2	69.7%	83.7%
24	6	653	0.0092	0.0120	0.0100	7.8	6.5	76.6%	91.9%
25	3	560	0.0054	0.0120	0.0090	6.7	5.0	44.6%	59.5%
26	7	489	0.0143	0.0120	0.0090	5.9	4.4	119.3%	159.1%
27	2	396	0.0051	0.0050	0.0050	2.0	2.0	101.0%	101.0%
28	1	304	0.0033	0.0050	0.0040	1.5	1.2	65.8%	82.2%
29	2	251	0.0080	0.0050	0.0040	1.3	1.0	159.4%	199.2%
30 and over	14	1,083	0.0129	0.0000	0.0000	-	-	N/A	N/A
Totals	4,067	44,600	0.0912	0.0807	0.0857	3,597.5	3,823.4	113.0%	106.4%

DALLAS EMPLOYEES' RETIREMENT FUND
SERVICE BASED FEMALE WITHDRAWAL EXPERIENCE

Service Index	Withdrawals	Exposure	Crude Rates	Sample Rates		Expected Withdrawals		Ratio of Actuals/Expecteds	
				Old	New	Old	New	Old	New
1	468	2,139	0.2188	0.2000	0.2090	427.8	447.1	109.4%	104.7%
2	659	3,468	0.1900	0.1650	0.1780	572.2	617.3	115.2%	106.8%
3	440	2,635	0.1670	0.1500	0.1580	395.3	416.3	111.3%	105.7%
4	248	2,000	0.1240	0.1200	0.1220	240.0	244.0	103.3%	101.6%
5	178	1,640	0.1085	0.0950	0.1020	155.8	167.3	114.2%	106.4%
6	170	1,374	0.1237	0.0900	0.1020	123.7	140.1	137.5%	121.3%
7	105	1,195	0.0879	0.0800	0.0840	95.6	100.4	109.8%	104.6%
8	86	1,101	0.0781	0.0650	0.0720	71.6	79.3	120.2%	108.5%
9	54	1,049	0.0515	0.0480	0.0500	50.4	52.5	107.2%	103.0%
10	51	963	0.0530	0.0480	0.0500	46.2	48.2	110.3%	105.9%
11	49	889	0.0551	0.0450	0.0500	40.0	44.5	122.5%	110.2%
12	27	813	0.0332	0.0320	0.0330	26.0	26.8	103.8%	100.6%
13	33	721	0.0458	0.0300	0.0330	21.6	23.8	152.6%	138.7%
14	26	670	0.0388	0.0300	0.0330	20.1	22.1	129.4%	117.6%
15	18	655	0.0275	0.0200	0.0240	13.1	15.7	137.4%	114.5%
16	14	724	0.0193	0.0140	0.0170	10.1	12.3	138.1%	113.7%
17	13	742	0.0175	0.0140	0.0160	10.4	11.9	125.1%	109.5%
18	13	707	0.0184	0.0140	0.0160	9.9	11.3	131.3%	114.9%
19	8	646	0.0124	0.0140	0.0130	9.0	8.4	88.5%	95.3%
20	6	614	0.0098	0.0140	0.0120	8.6	7.4	69.8%	81.4%
21	9	583	0.0154	0.0140	0.0120	8.2	7.0	110.3%	128.6%
22	8	566	0.0141	0.0140	0.0120	7.9	6.8	101.0%	117.8%
23	7	535	0.0131	0.0060	0.0100	3.2	5.4	218.1%	130.8%
24	3	507	0.0059	0.0060	0.0060	3.0	3.0	98.6%	98.6%
25	6	457	0.0131	0.0060	0.0060	2.7	2.7	218.8%	218.8%
26	2	383	0.0052	0.0060	0.0060	2.3	2.3	87.0%	87.0%
27	1	319	0.0031	0.0060	0.0050	1.9	1.6	52.2%	62.7%
28	1	265	0.0038	0.0060	0.0050	1.6	1.3	62.9%	75.5%
29	2	201	0.0100	0.0060	0.0050	1.2	1.0	165.8%	199.0%
30 and over	4	908	0.0044	0.0000	0.0000	-	-	N/A	N/A
Totals	2,709	29,469	0.0919	0.0807	0.0858	2,379.5	2,527.7	113.8%	107.2%

Age	Retirements	Exposure	Crude Rates	Sample Rates		Expected Retirements*		Ratio of Actuals/Expecteds	
				Old	New	Old	New	Old	New
1st Yr Eligible									
50	39	86	0.4535	55%	45%	47.3	38.7	82.5%	100.8%
51	14	54	0.2593	50%	45%	27.0	24.3	51.9%	57.6%
52	29	65	0.4462	50%	45%	32.5	29.3	89.2%	99.1%
53	29	71	0.4085	40%	45%	28.4	32.0	102.1%	90.8%
54	25	70	0.3571	35%	35%	24.5	24.5	102.0%	102.0%
55	28	80	0.3500	30%	35%	24.0	28.0	116.7%	100.0%
56	29	102	0.2843	30%	35%	30.6	35.7	94.8%	81.2%
57	40	99	0.4040	30%	35%	29.7	34.7	134.7%	115.4%
58	11	79	0.1392	30%	20%	23.7	15.8	46.4%	69.6%
59	22	107	0.2056	30%	20%	32.1	21.4	68.5%	102.8%
Totals	266	813	0.3272			299.8	284.3	88.7%	93.6%
>18 Yrs of Service									
60	87	364	0.2390	23%	25%	83.7	91.0	103.9%	95.6%
61	58	314	0.1847	23%	20%	72.2	62.8	80.3%	92.4%
62	66	290	0.2276	23%	20%	66.7	58.0	99.0%	113.8%
63	34	238	0.1429	23%	20%	54.7	47.6	62.1%	71.4%
64	36	218	0.1651	23%	20%	50.1	43.6	71.8%	82.6%
65	55	205	0.2683	23%	27%	47.2	55.4	116.6%	99.4%
66	40	157	0.2548	23%	27%	36.1	42.4	110.8%	94.4%
67	32	126	0.2540	23%	27%	29.0	34.0	110.4%	94.1%
68	19	89	0.2135	23%	23%	20.5	20.5	92.8%	92.8%
69	15	71	0.2113	23%	23%	16.3	16.3	91.9%	91.9%
70	11	51	0.2157	100%	100%	51.0	51.0	21.6%	21.6%
Totals	453	2,123	0.2134			527.6	522.6	85.9%	86.7%

Age	Retirements	Exposure	Crude Rates	Sample Rates		Expected Retirements*		Ratio of Actuals/Expecteds	
				Old	New	Old	New	Old	New
More than 1 year Eligible									
50	-	-	N/A	55%	55%	-	-	N/A	N/A
51	23	55	0.4182	45%	45%	24.8	24.8	92.9%	92.9%
52	26	84	0.3095	30%	30%	25.2	25.2	103.2%	103.2%
53	28	96	0.2917	30%	30%	28.8	28.8	97.2%	97.2%
54	25	116	0.2155	25%	25%	29.0	29.0	86.2%	86.2%
55	36	145	0.2483	25%	25%	36.3	36.3	99.3%	99.3%
56	41	170	0.2412	25%	25%	42.5	42.5	96.5%	96.5%
57	49	206	0.2379	25%	25%	51.5	51.5	95.1%	95.1%
58	55	235	0.2340	25%	25%	58.8	58.8	93.6%	93.6%
59	57	252	0.2262	25%	25%	63.0	63.0	90.5%	90.5%
Total	340	1,359	0.2502			359.8	359.8	94.5%	94.5%
< 18 Years of Service									
60	77	676	0.1139	8%	10%	54.1	67.6	142.4%	113.9%
61	41	577	0.0711	9%	10%	51.9	57.7	79.0%	71.1%
62	55	523	0.1052	10%	10%	52.3	52.3	105.2%	105.2%
63	39	444	0.0878	10%	10%	44.4	44.4	87.8%	87.8%
64	38	370	0.1027	15%	15%	55.5	55.5	68.5%	68.5%
65	48	340	0.1412	15%	15%	51.0	51.0	94.1%	94.1%
66	65	288	0.2257	20%	22%	57.6	63.4	112.8%	102.6%
67	34	195	0.1744	20%	22%	39.0	42.9	87.2%	79.3%
68	31	151	0.2053	20%	22%	30.2	33.2	102.6%	93.3%
69	19	114	0.1667	20%	20%	22.8	22.8	83.3%	83.3%
70	15	84	0.1786	100%	100%	84.0	84.0	17.9%	17.9%
Total	462	3,762	0.1228			542.8	574.8	85.1%	80.4%

Dallas ERF
Retirement Experience, 1st Yr & >18YOS, Female

Age	Retirements	Exposure	Crude Rates	Sample Rates		Expected Retirements*		Ratio of Actuals/Expecteds	
				Old	New	Old	New	Old	New
1st Yr Eligible									
50	28	61	0.4590	45%	45%	27.5	27.5	102.0%	102.0%
51	20	64	0.3125	40%	35%	25.6	22.4	78.1%	89.3%
52	15	50	0.3000	40%	35%	20.0	17.5	75.0%	85.7%
53	20	75	0.2667	35%	35%	26.3	26.3	76.2%	76.2%
54	14	43	0.3256	35%	33%	15.1	14.2	93.0%	98.7%
55	18	57	0.3158	35%	33%	20.0	18.8	90.2%	95.7%
56	15	54	0.2778	35%	33%	18.9	17.8	79.4%	84.2%
57	20	60	0.3333	35%	33%	21.0	19.8	95.2%	101.0%
58	10	40	0.2500	25%	27%	10.0	10.8	100.0%	92.6%
59	12	46	0.2609	25%	27%	11.5	12.4	104.3%	96.6%
Totals	172	550	0.3127			195.7	187.4	87.9%	91.8%
>18 Yrs of Service									
60	52	238	0.2185	20%	25%	47.6	59.5	109.2%	87.4%
61	36	201	0.1791	18%	18%	36.2	36.2	99.5%	99.5%
62	25	185	0.1351	20%	18%	37.0	33.3	67.6%	75.1%
63	32	173	0.1850	15%	18%	26.0	31.1	123.3%	102.8%
64	20	163	0.1227	13%	18%	21.2	29.3	94.4%	68.2%
65	38	150	0.2533	30%	27%	45.0	40.5	84.4%	93.8%
66	29	114	0.2544	30%	27%	34.2	30.8	84.8%	94.2%
67	23	88	0.2614	30%	27%	26.4	23.8	87.1%	96.8%
68	21	64	0.3281	30%	30%	19.2	19.2	109.4%	109.4%
69	15	45	0.3333	30%	30%	13.5	13.5	111.1%	111.1%
70	8	31	0.2581	100%	100%	31.0	31.0	25.8%	25.8%
Totals	299	1,452	0.2059			337.2	348.2	88.7%	85.9%

Dallas ERF
Retirement Experience, Ult Yr & <18YOS, Female

Age	Retirements	Exposure	Crude Rates	Sample Rates		Expected Retirements*		Ratio of Actuals/Expecteds	
				Old	New	Old	New	Old	New
More than 1 year Eligible									
50	-	-	N/A	35%	35%	-	-	N/A	N/A
51	8	41	0.1951	35%	25%	14.4	10.3	55.7%	78.0%
52	19	81	0.2346	30%	25%	24.3	20.3	78.2%	93.8%
53	25	102	0.2451	30%	25%	30.6	25.5	81.7%	98.0%
54	24	122	0.1967	20%	25%	24.4	30.5	98.4%	78.7%
55	33	138	0.2391	25%	25%	34.5	34.5	95.7%	95.7%
56	26	141	0.1844	25%	20%	35.3	28.2	73.8%	92.2%
57	32	155	0.2065	25%	20%	38.8	31.0	82.6%	103.2%
58	32	157	0.2038	20%	20%	31.4	31.4	101.9%	101.9%
59	23	158	0.1456	20%	20%	31.6	31.6	72.8%	72.8%
Total	222	1,095	0.2027			265.2	243.2	83.7%	91.3%
< 18 Years of Service									
60	33	278	0.1187	9%	11%	25.0	30.6	131.9%	107.9%
61	24	248	0.0968	9%	11%	22.3	27.3	107.5%	88.0%
62	17	205	0.0829	9%	11%	18.5	22.6	92.1%	75.4%
63	23	187	0.1230	15%	13%	28.1	24.3	82.0%	94.6%
64	16	152	0.1053	12%	13%	18.2	19.8	87.7%	81.0%
65	19	144	0.1319	12%	13%	17.3	18.7	110.0%	101.5%
66	13	110	0.1182	15%	13%	16.5	14.3	78.8%	90.9%
67	21	98	0.2143	25%	20%	24.5	19.6	85.7%	107.1%
68	12	74	0.1622	15%	20%	11.1	14.8	108.1%	81.1%
69	7	55	0.1273	15%	15%	8.3	8.3	84.8%	84.8%
70	9	41	0.2195	100%	100%	41.0	41.0	22.0%	22.0%
Totals	194	1,592	0.1219			230.7	241.2	84.1%	80.4%

Dallas ERF
Healthy Mortality - Male

Age	Deaths	Exposures	Crude Rates	Sample Rates*		Expected Deaths**		Ratio of Actuals/Expecteds	
				Old	New	Old	New	Old	New
50-54	2.86	432	0.006620	0.003353	0.003441	1.6	1.6	179.1%	174.5%
55-59	18	1,621	0.010808	0.005557	0.005703	9.4	9.6	187.0%	182.2%
60-64	30	3,048	0.009731	0.009061	0.009300	28.4	29.1	104.6%	101.9%
65-69	63	3,813	0.016410	0.014777	0.015177	57.1	58.7	109.5%	106.6%
70-74	89	3,273	0.027270	0.024488	0.025169	79.7	82.0	111.9%	108.9%
75-79	75	1,874	0.039816	0.040746	0.041910	74.8	77.0	99.7%	97.0%
80-84	71	962	0.073980	0.067801	0.069828	64.0	66.0	111.1%	107.9%
85-89	59	464	0.127104	0.113311	0.116946	51.3	53.0	114.8%	111.3%
90-94	34	183	0.185444	0.192534	0.199031	34.0	35.1	99.8%	96.5%
95-99	11	28	0.379878	0.327313	0.338526	8.3	8.6	128.7%	124.4%
100-104	0	1	0.705460	0.497250	0.513661	0.3	0.3	149.0%	144.2%
105-109	-	-	N/A	0.498300	0.514176	-	-	N/A	N/A
Other	0	1	0.068324			-	-	N/A	N/A
Totals	452	15,698	0.028775	0.026053	0.026813	409.0	420.9	110.4%	107.3%

Dallas ERF
Healthy Mortality - Female

Age	Deaths	Exposures	Crude Rates	Sample Rates*		Expected Deaths**		Ratio of Actuals/Expecteds	
				Old	New	Old	New	Old	New
50-54	-	267	0.000000	0.001444	0.001511	0.4	0.5	0.0%	0.0%
55-59	6.90	1,049	0.006571	0.002533	0.002650	2.8	2.9	248.3%	237.3%
60-64	19.87	1,799	0.011040	0.004425	0.004630	8.2	8.6	242.6%	231.8%
65-69	23.90	2,216	0.010784	0.007888	0.008259	17.8	18.7	134.0%	128.0%
70-74	33.49	1,926	0.017392	0.014061	0.014733	26.9	28.2	124.3%	118.7%
75-79	35.11	1,066	0.032942	0.025063	0.026278	26.0	27.2	135.1%	128.9%
80-84	24.18	483	0.050097	0.044675	0.046904	21.2	22.2	114.1%	108.7%
85-89	25.92	255	0.101642	0.079655	0.083807	19.9	20.9	130.5%	124.1%
90-94	15.81	110	0.143335	0.143817	0.151556	15.4	16.3	102.4%	97.2%
95-99	7.79	34	0.230679	0.261905	0.276136	8.5	9.0	91.4%	86.7%
100-104	2.84	8	0.374001	0.497250	0.523635	3.2	3.3	89.6%	85.1%
105-109	0.07	1	0.111749	0.498300	0.524160	0.3	0.3	22.4%	21.3%
Other	0.14	10	0.013403			-	-	N/A	N/A
Totals	196.00	9,224	0.021250	0.016331	0.017142	150.6	158.1	130.1%	124.0%

Wilshire

Quarterly Market Review

September 30, 2025

Market Commentary

U.S. Equity

The U.S. stock market was up 8.2% for the third quarter and 14.4% for the past nine months. Sector performance was mostly positive for the quarter, with all but one sector producing a gain. The two best performing sectors were information technology (+13.1%) and communication services (+12.5%). Small-cap underperformed large-cap by 130 basis points while growth stocks generally outperformed value by a large margin.

There has been no shortage of discussion this year concerning tariffs, including their effect on the broadest measure of economic growth – real Gross Domestic Product (GDP). Many have argued that the on-again/off-again usage of tariffs distorted the official GDP reading both during the first and second quarters. Fortunately for both market analysts and economists, the combined results of the first six months of 2025 appear to provide an honest assessment of current conditions. When combined, the annualized real GDP growth equals 1.6%, with consumer spending contributing 1.0% and private/business investment equaling 0.5%. This modest economic growth rate (1.6% annualized) is supported by an array of other data that abated during the first half of the year.

Non-U.S. Equity

In the United Kingdom, the blue-chip FTSE 100 Index ended the quarter at an all-time high after government leaders reaffirmed their commitment to fiscal responsibility and official figures showed that the economy grew during the second quarter. Real economic growth in Germany was negative during the second quarter, continuing a general downward trend that started in late 2022. Economic conditions in China suggest a general slowdown as retail sales and industrial output are growing but at subdued rates.

Fixed Income

The U.S. Treasury yield curve was down across the maturity spectrum during the quarter with the 10-year Treasury yield finishing at 4.15%, down eight basis points from June. Credit spreads were also down with high-yield bond spreads down 23 basis points, to end the quarter at 2.67%. The FOMC dropped the overnight rate by 25 basis points at the September meeting, targeting a range of 4.00% to 4.25%. The Fed's "dot plot" is messaging that the current expectation is for a continued decrease in rates in 2025, by -0.50% as signaled following the meeting.

September 2025 Asset Class Assumptions

	Equity						Fixed Income							Real Assets					
															Real Estate				
	U.S. Stock	Dev ex-U.S. Stock	Emg Stock	Global ex-U.S. Stock	Global Stock	Private Equity	Cash	Core Bond	LT Core Bond	TIPS	High Yield	Private Credit	Dev ex-U.S. Bond (Hdg)	U.S. RES	Global RES	Private RE	Cmdty	Real Assets	U.S. CPI
Compound Return (%)	4.10	5.10	5.35	5.45	4.65	6.00	3.30	4.90	5.10	4.35	6.05	7.45	3.15	5.65	5.80	6.45	4.85	6.90	2.35
Arithmetic Return (%)	5.45	6.60	8.35	7.10	6.00	9.80	3.30	5.00	5.55	4.50	6.50	8.20	3.25	7.05	7.05	7.35	6.05	7.65	2.35
Risk (%)	17.00	18.00	26.00	19.05	17.00	29.65	0.75	4.75	9.90	6.00	10.00	12.75	4.00	17.50	16.55	13.95	16.00	12.60	1.75
Yield (%)	1.20	2.85	2.15	2.65	1.70	0.00	3.30	5.70	5.75	5.00	9.70	4.70	4.25	3.90	3.90	2.90	3.30	3.75	0.00
Growth Factor Exposure	8.00	8.00	8.00	8.00	8.00	14.00	0.00	-0.95	-2.55	-3.00	4.00	5.10	-1.00	6.00	6.00	3.70	0.00	2.85	0.00
Inflation Factor Exposure	-3.00	-1.00	3.00	0.15	-1.95	-4.25	0.00	-2.60	-6.95	2.50	-1.00	-1.50	-3.00	1.00	1.65	1.00	12.00	5.20	1.00

Correlations

	U.S. Stock	Dev ex-U.S. Stock	Emg Stock	Global ex-U.S. Stock	Global Stock	Private Equity	Cash	Core Bond	LT Core Bond	TIPS	High Yield	Private Credit	Dev ex-U.S. Bond (Hdg)	U.S. RES	Global RES	Private RE	Cmdty	Real Assets	U.S. CPI
U.S. Stock	1.00																		
Dev ex-U.S. Stock (USD)	0.81	1.00																	
Emerging Mkt Stock	0.74	0.74	1.00																
Global ex-U.S. Stock	0.84	0.96	0.89	1.00															
Global Stock	0.98	0.90	0.83	0.93	1.00														
Private Equity	0.72	0.63	0.61	0.66	0.73	1.00													
Cash Equivalents	-0.05	-0.09	-0.05	-0.08	-0.06	0.00	1.00												
Core Bond	0.27	0.13	0.00	0.08	0.21	0.30	0.18	1.00											
LT Core Bond	0.30	0.15	0.00	0.10	0.24	0.31	0.11	0.95	1.00										
TIPS	-0.05	0.00	0.15	0.06	-0.01	-0.03	0.20	0.60	0.47	1.00									
High Yield Bond	0.54	0.39	0.49	0.46	0.53	0.31	-0.10	0.24	0.32	0.05	1.00								
Private Credit	0.68	0.55	0.58	0.60	0.68	0.44	0.00	0.23	0.30	0.00	0.76	1.00							
Dev ex-U.S. Bond (Hdg)	0.16	0.25	-0.01	0.16	0.17	0.26	0.10	0.68	0.66	0.39	0.26	0.22	1.00						
U.S. RE Securities	0.57	0.47	0.44	0.49	0.56	0.49	-0.05	0.17	0.22	0.10	0.56	0.62	0.05	1.00					
Global RE Securities	0.62	0.55	0.52	0.58	0.63	0.54	-0.05	0.17	0.21	0.11	0.61	0.67	0.04	0.99	1.00				
Private Real Estate	0.55	0.45	0.45	0.48	0.55	0.50	-0.05	0.18	0.24	0.09	0.58	0.63	0.05	0.79	0.79	1.00			
Commodities	0.25	0.34	0.39	0.38	0.31	0.28	0.00	-0.03	-0.04	0.25	0.29	0.29	-0.10	0.25	0.28	0.25	1.00		
Real Assets	0.62	0.63	0.65	0.68	0.67	0.57	-0.03	0.24	0.25	0.32	0.64	0.69	0.06	0.79	0.83	0.77	0.63	1.00	
Inflation (CPI)	-0.10	-0.15	-0.13	-0.15	-0.12	-0.10	0.10	-0.12	-0.12	0.15	-0.08	0.00	-0.08	0.05	0.04	0.05	0.44	0.21	1.00

The Past: Falling Rates & Low/Disinflation

Legend:
- 10Y Treasury Yield 4.12
- CPI (YoY) on 8/31/25 2.92

"This can't be repeated... what's next?"

USGG10YR Index (US Generic Govt 10 Yr) Tsy Yld & CPI Monthly 31DEC1970-07OCT2025   Copyright© 2025 Bloomberg Finance L.P.   07-Oct-2025 15:25:26
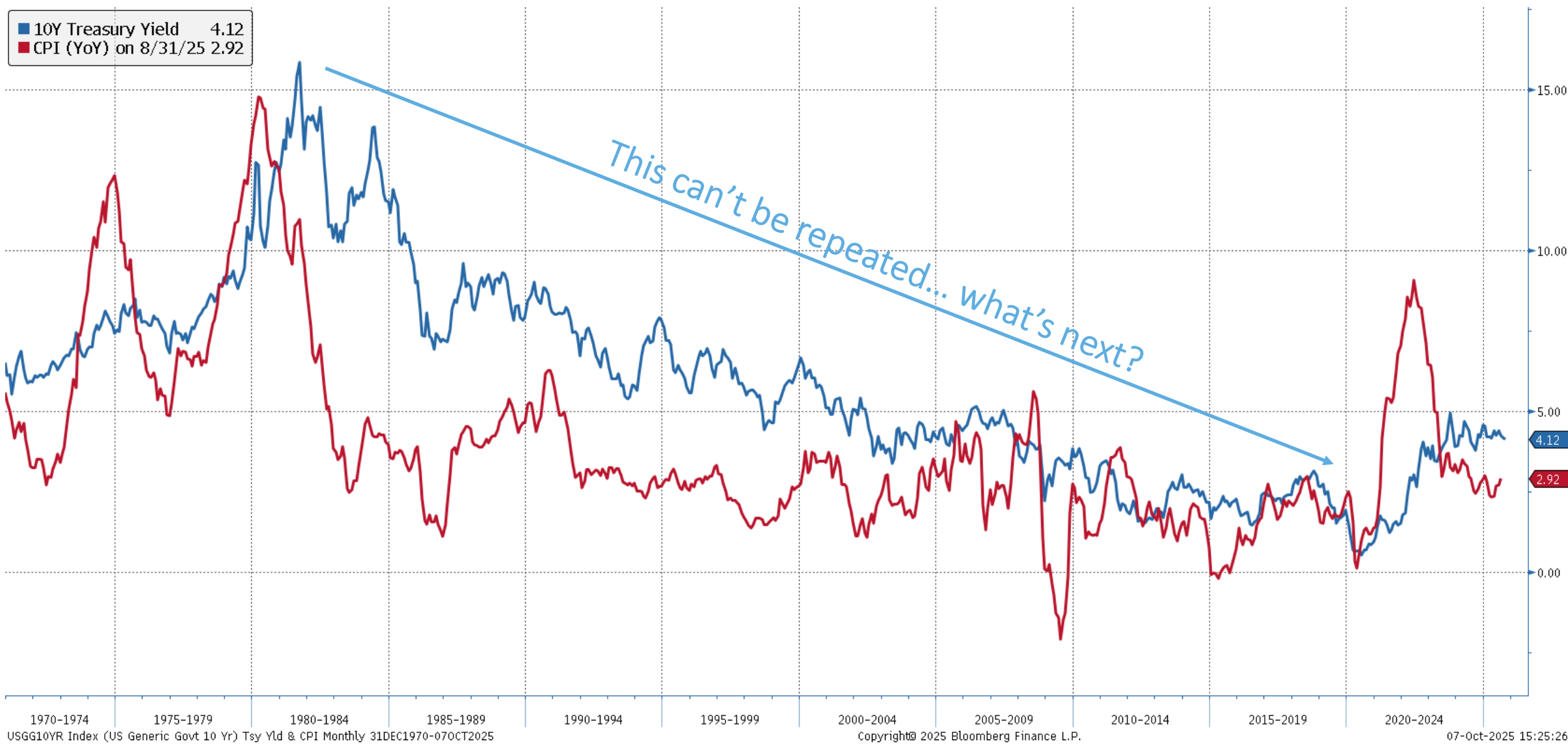
Data Source: Bloomberg

Fiscal Picture: How Sustainable are Deficit and/or Debt Levels?

Legend: US Annual Deficit/Suprlus ($B) (R1) -1973 ■ US Total Public Debt (% of GDP) on 6/30/25 (L2) 119

Debt ($T)				
President	Start	End	Change	Change/Year
Bush	$5.7	$10.6	$4.9	$0.6
Obama	$10.6	$19.9	$9.3	$1.2
Trump	$19.9	$27.8	$7.8	$2.0
Biden	$27.8	$36.2	$8.4	$2.1
Total	$5.7	$36.2	$30.5	$1.3

"I think I'm drowning
Asphyxiated
I wanna break this spell
That you've created"

– Muse, "Time Is Running Out"
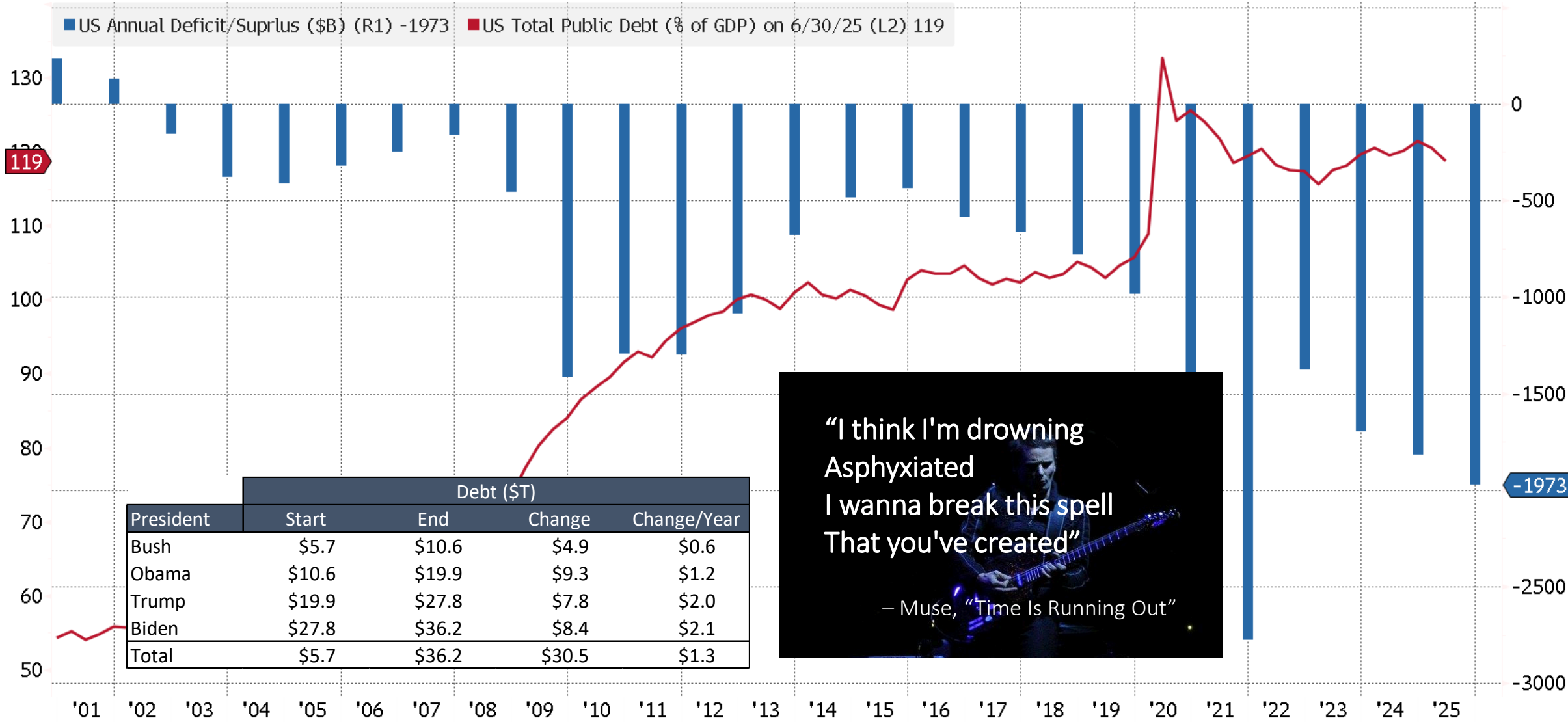
FDEBTY Index (US Treasury Federal Budget Yearly Summary Deficit Or Surplus) Debt & Deficits Quarterly 13OCT2000-07OCT2025   Copyright© 2025 Bloomberg Finance L.P.   07-Oct-2025 15:32:19

Data Source: Bloomberg

Monetary Picture: Unprecedented (i.e., Dr. Frankenstein) Levels of Support
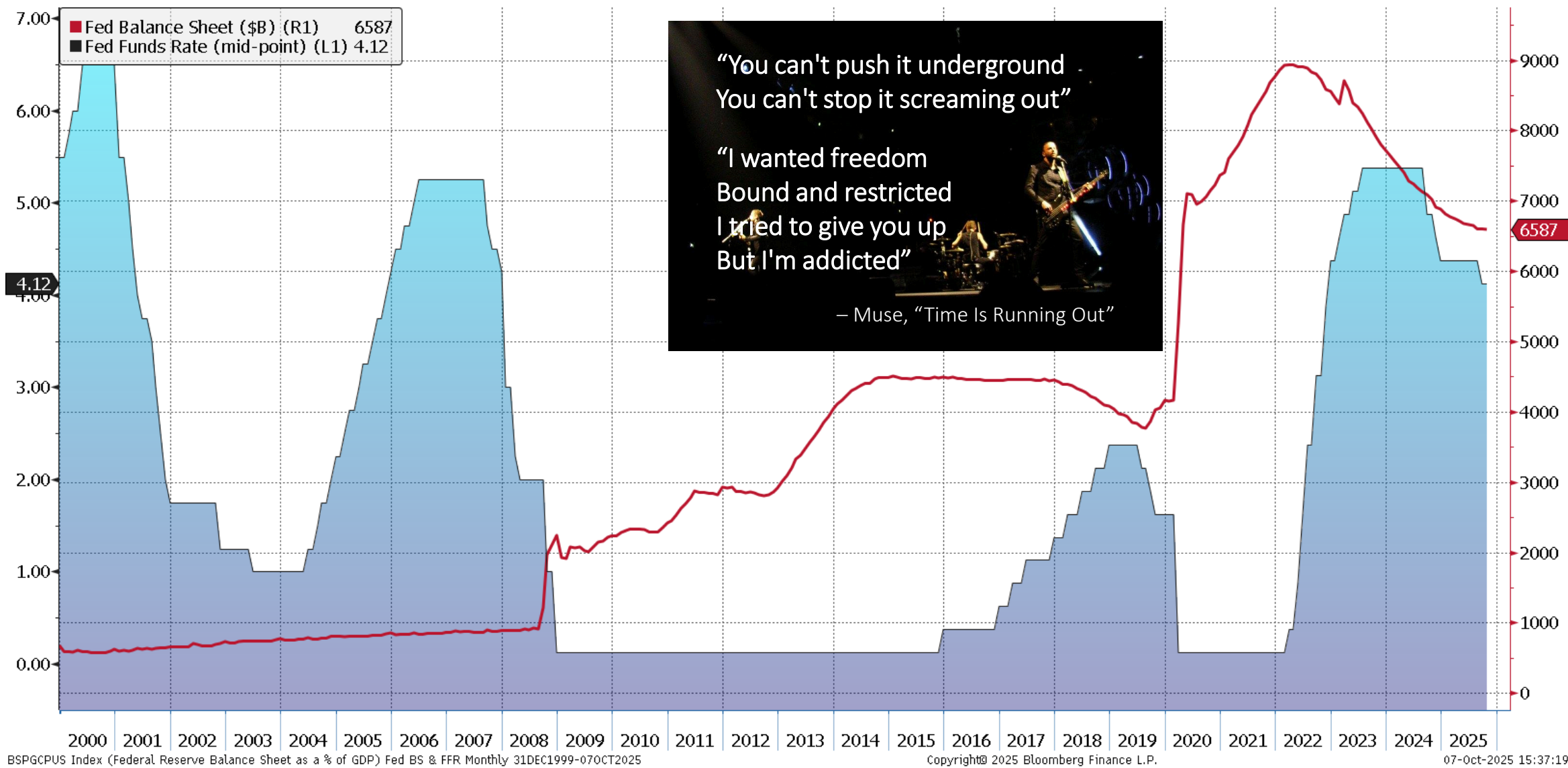
Data Source: Bloomberg

Asset Class Expected Economic Exposures

Bubble Size: Compounded Return (%)

Chart — X axis: Growth Exposure (from (15) to 15); Y axis: Inflation Exposure (from (15) to 15).

Labeled bubbles: Commodities, Gold, Real Assets (Public), TIPS, HF Basket, Private RE, Global RE Securities, Cash, Global Stocks, Private Equity, Core Bonds, Treasury Bonds, High Yield Bonds, Private Credit, US Stocks, LT Core Bonds, LT Treasury Bonds.

Data Source: Wilshire September 2025 Capital Market Assumptions

Asset Class Expected Economic Exposures

Bubble Size: Compounded Return (%)

Chart axes: X-axis "Growth Exposure" ranging from (15) to 15; Y-axis "Inflation Exposure" ranging from (15) to 15.

Asset classes plotted: Commodities, Gold, Real Assets (Public), TIPS, HF Basket, Private RE, Global RE Securities, Cash, Core Bonds, Treasury Bonds, High Yield Bonds, Private Credit, Global Stocks, US Stocks, LT Core Bonds, LT Treasury Bonds, Private Equity

Assets with no or negative sensitivity to inflation have benefited from the historical environment

Data Source: Wilshire September 2025 Capital Market Assumptions

Asset Class Expected Economic Exposures

Bubble Size: Compounded Return (%)

Inflation-sensitive (i.e., "Real") Assets provided limited utility during much of this historical economic environment

Assets with no or negative sensitivity to inflation have benefited from the historical environment

Data Source: Wilshire September 2025 Capital Market Assumptions

The Monetary Debasement "Trade" (4.75 years: 12/31/20 – 09/30/25)

■ S&P 500	90.7
■ NASDAQ 100	99.4
■ S&P 500 / CPI on 8/31/25	49.4
■ NASDAQ 100/ CPI on 8/31/25	52.8
■ S&P 500 / Gold	-14.2
■ NASDAQ 100/ Gold	-10.2
■ S&P 500 / Bitcoin	-50.0
■ NADDAQ 100/ Bitcoin	-47.7

<-- Nominal
<-- vs CPI
<-- vs Gold
<-- vs Bitcoin

SPXT Index (S&P 500 Total Return Index) GLD BTC Ret Scale US Monthly 31DEC2020-15OCT2025   Copyright© 2025 Bloomberg Finance L.P.   15-Oct-2025 17:49:43
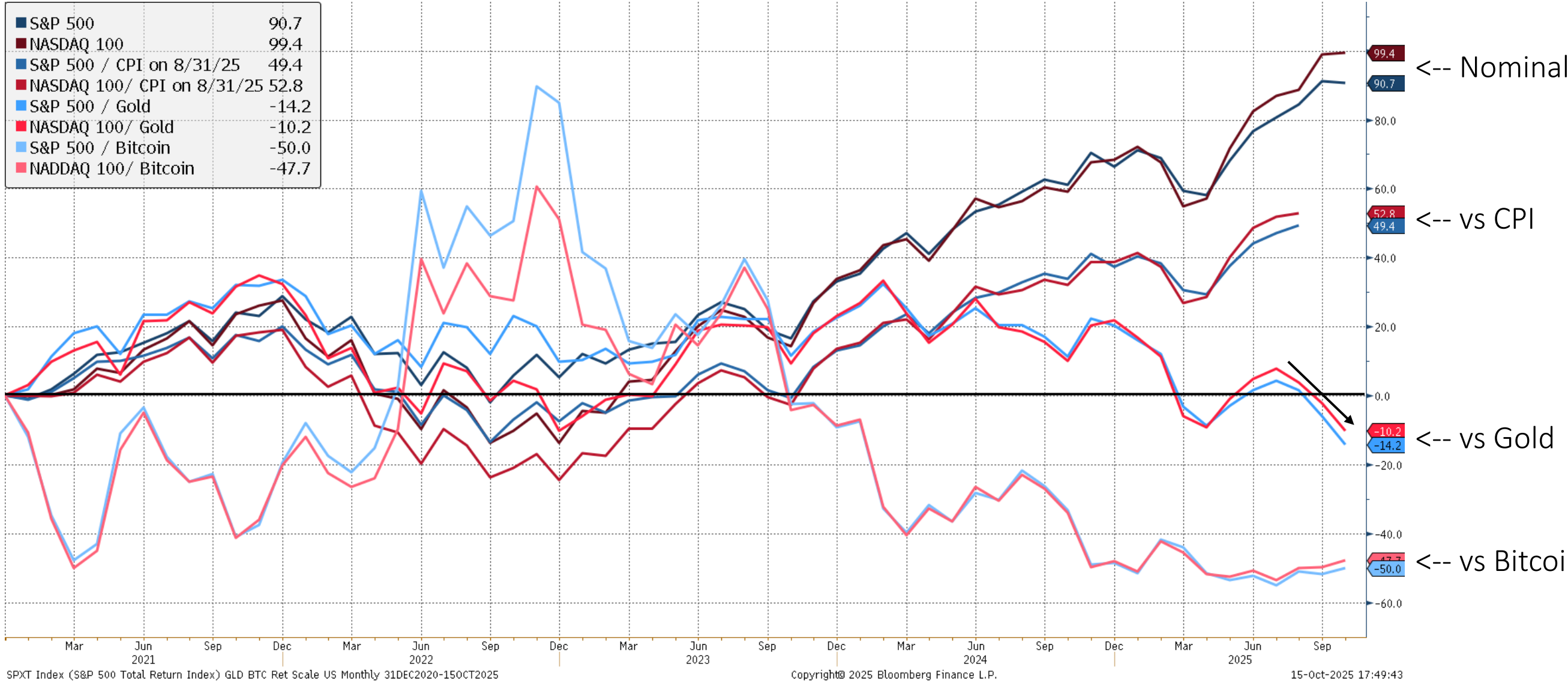
Data Source: Bloomberg

More Easing is Coming (Fed seems to be data <u>in</u>dependent): Priced In

Oct 2025 Imp Cuts/Hikes -1.0
Dec 2025 Imp Cuts/Hikes -1.9
Mar 2026 Imp Cuts/Hikes -3.0
Jun 2026 Imp Cuts/Hikes -3.9
Sep 2026 Imp Cuts/Hikes -4.6
Dec 2026 Imp Cuts/Hikes -4.9

US0AFR OCT2025 Index (WIRP Implied Overnight Rate for the US – Futures Model) FFR Implied Daily 01JAN2025-15OCT2025   Copyright© 2025 Bloomberg Finance L.P.   15-Oct-2025 17:58:43
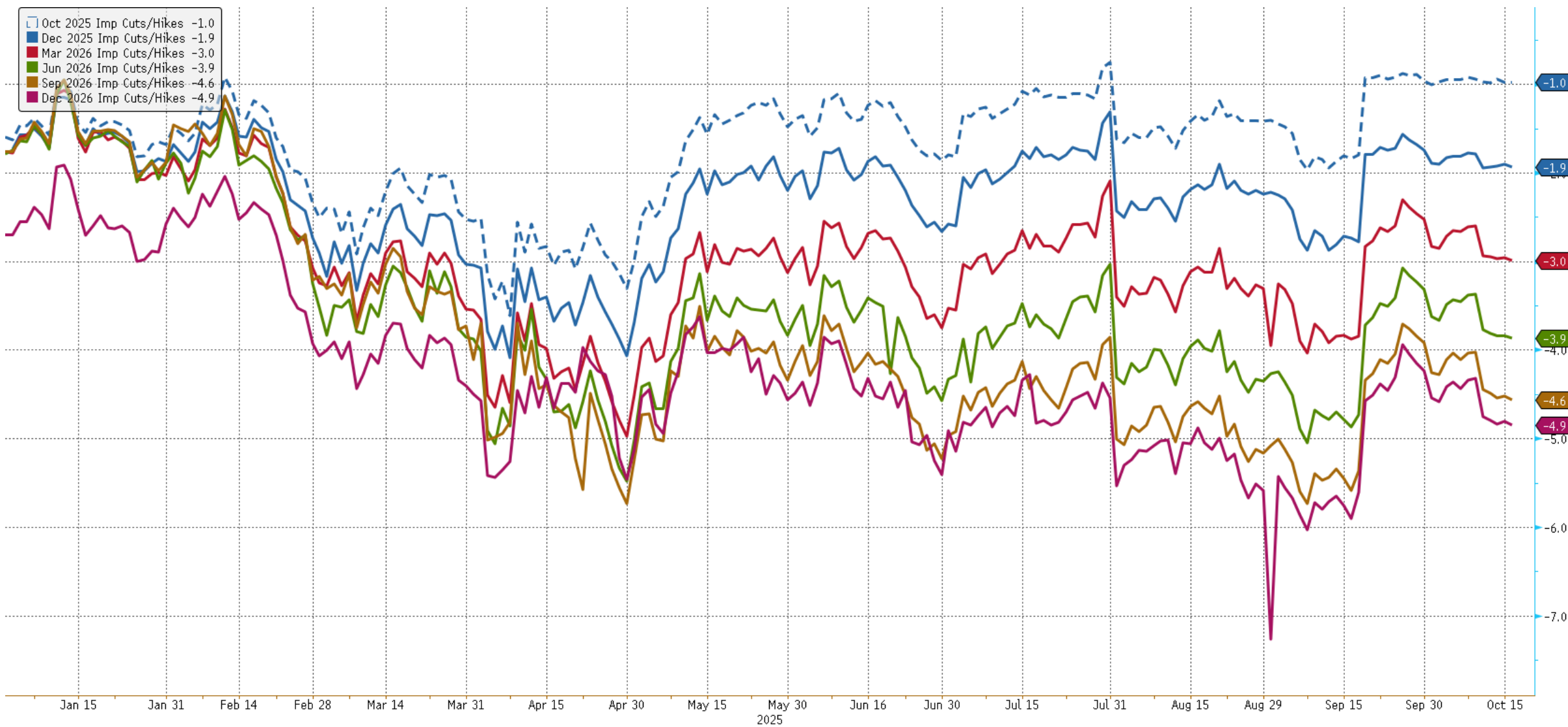
Data Source: Bloomberg

More Easing is Coming: U.S. Can't Afford Higher Rates (Yield Curve Control?)

■Interest Payments ($B) on 6/30/25 (R1) 1161 □Int Pay (% of GDP) on 6/30/25 (L1) 3.8

■Int Pay / Debt on 6/30/25 3.2
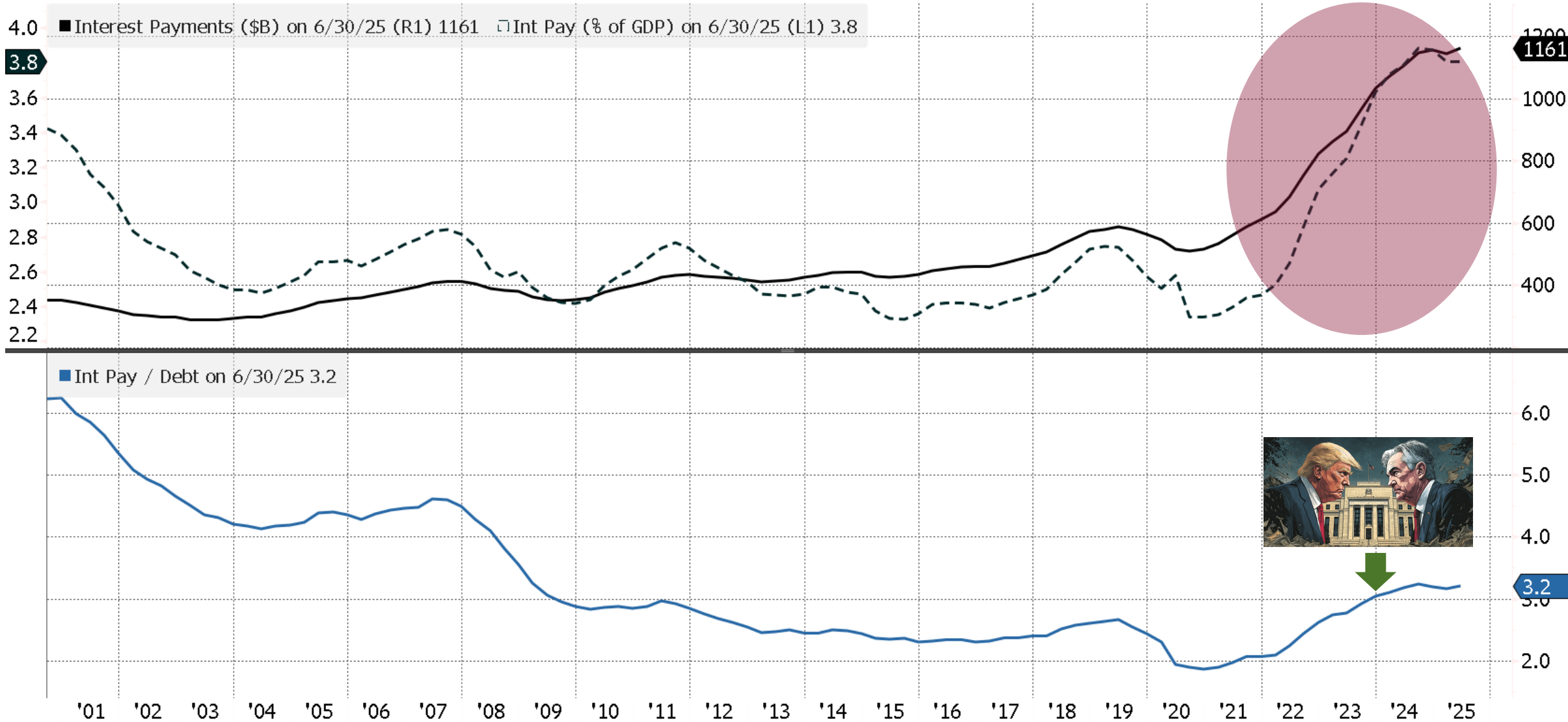
PUBLDEBT Index (US Treasury Total Public Debt Outstanding) Int Payments Quarterly 16JUL2000-04OCT2025   Copyright© 2025 Bloomberg Finance L.P.   04-Oct-2025 13:01:42

Data Source: Bloomberg

Easing Seems to be Supported by Labor Picture

NFP Change on 8/31/25 22
SMAVG (3) (NFP TCH)   29
ADP NFP Change   -32
SMAVG (3) (ADP CHNG) 23
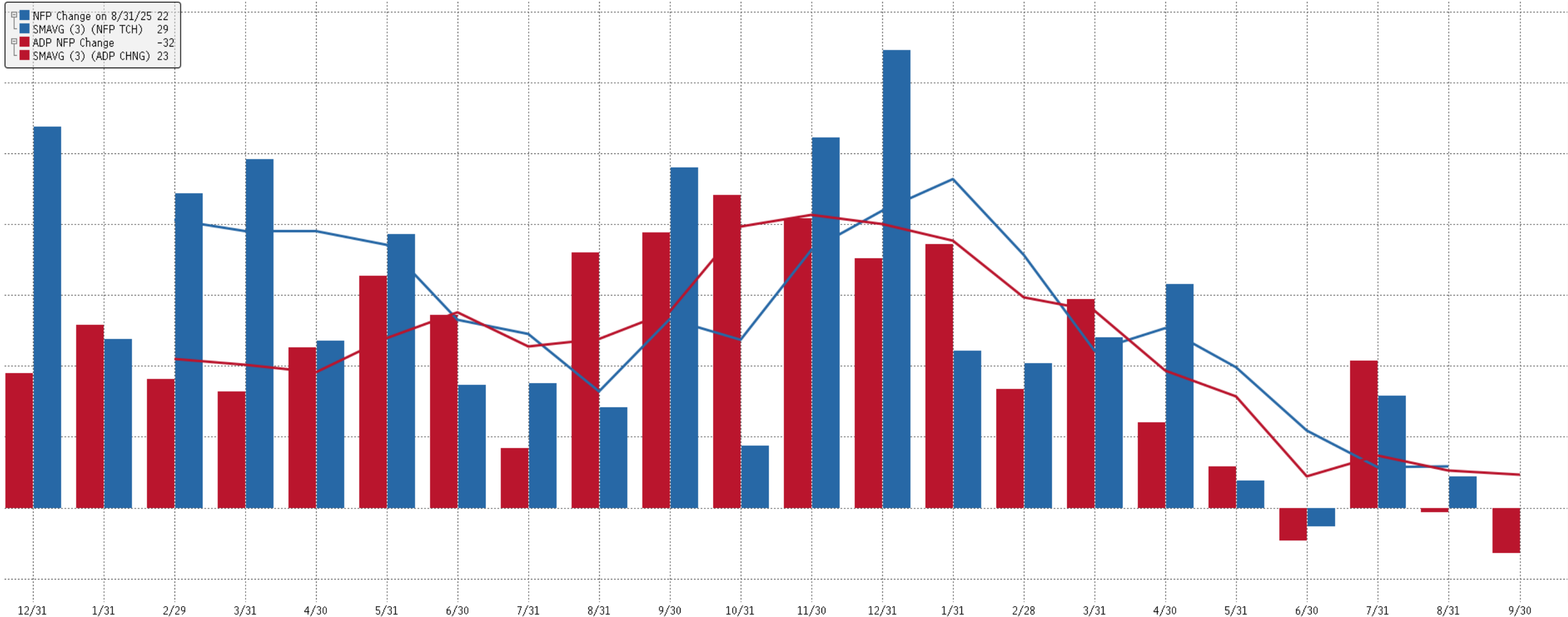
NFP TCH Index (US Employees on Nonfarm Payrolls Total MoM Net Change SA) NFP v ADP CHG Daily 31DEC2023-30SEP2025   Copyright© 2025 Bloomberg Finance L.P.   05-Oct-2025 11

Data Source: Bloomberg

Easing Seems to be Supported by Labor Picture: Jobs Hard to Find

CONCJOBH Index (Conference Board Consumer Confidence Jobs Hard to Get SA) Jobs Hard-2-Get Monthly 14JUL1991-05OCT2025   Copyright© 2025 Bloomberg Finance L.P.   05-Oct-2025 12:04:08
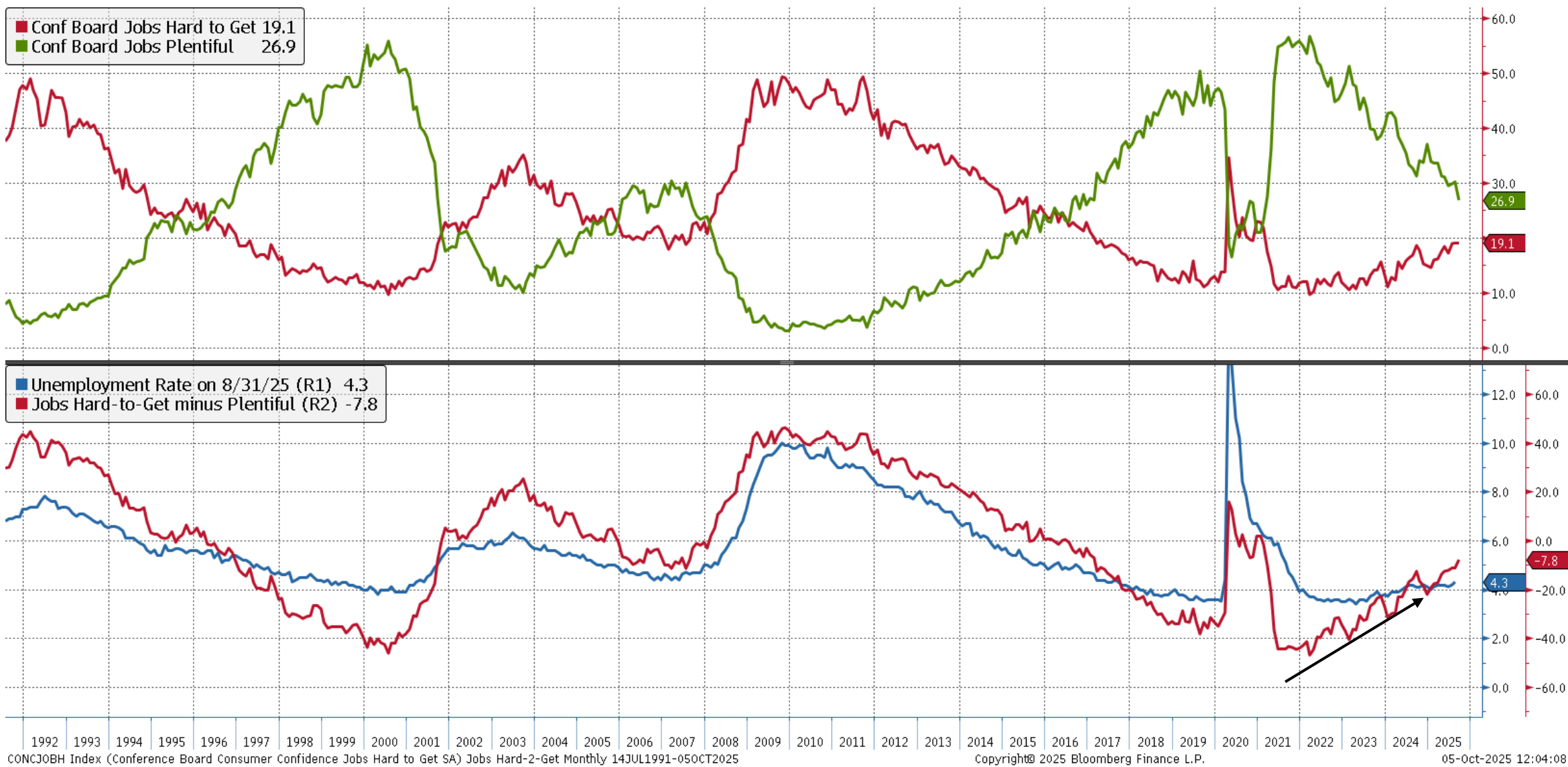
Data Source: Bloomberg

Easing into This Backdrop IS Not Without Risk

ISM Prices Paid (L1) 69.4   CPI (YoY) on 8/31/25 (R1) 2.9

NAPMNPRC Index (ISM Services PMI Report on Business Prices SA) ISM Prices v CPI Monthly 20OCT2005-15OCT2025   Copyright© 2025 Bloomberg Finance L.P.   15-Oct-2025 18:10:09
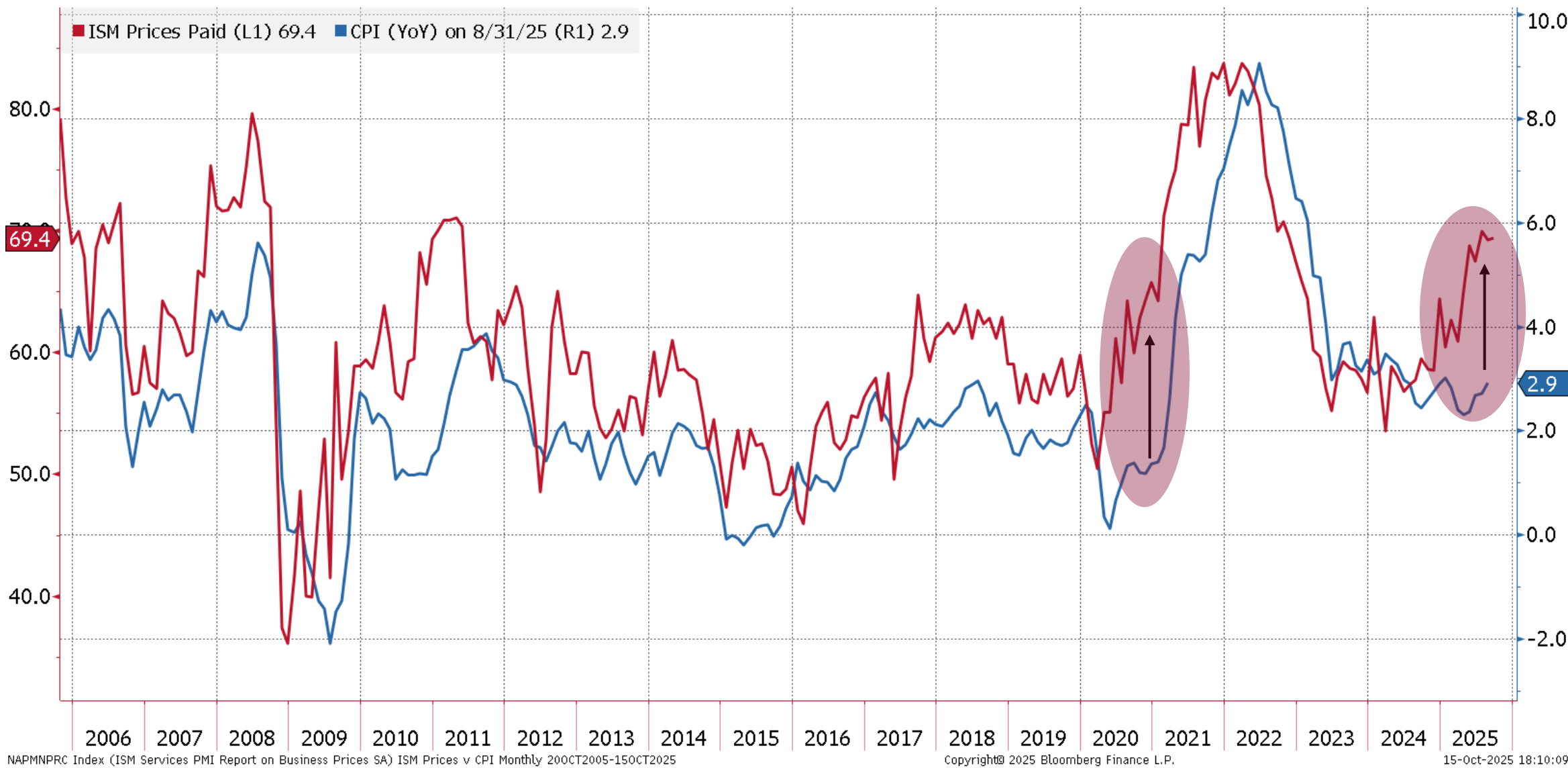
Data Source: Bloomberg

Economic/Market Activity

Economic Growth

Real GDP Growth

3.8%

Quarterly — Rolling 1-Year

Chicago Fed. National Activity Index (3M MA)

Significant likelihood that a recession has ended

Increasing likelihood that a recession has begun
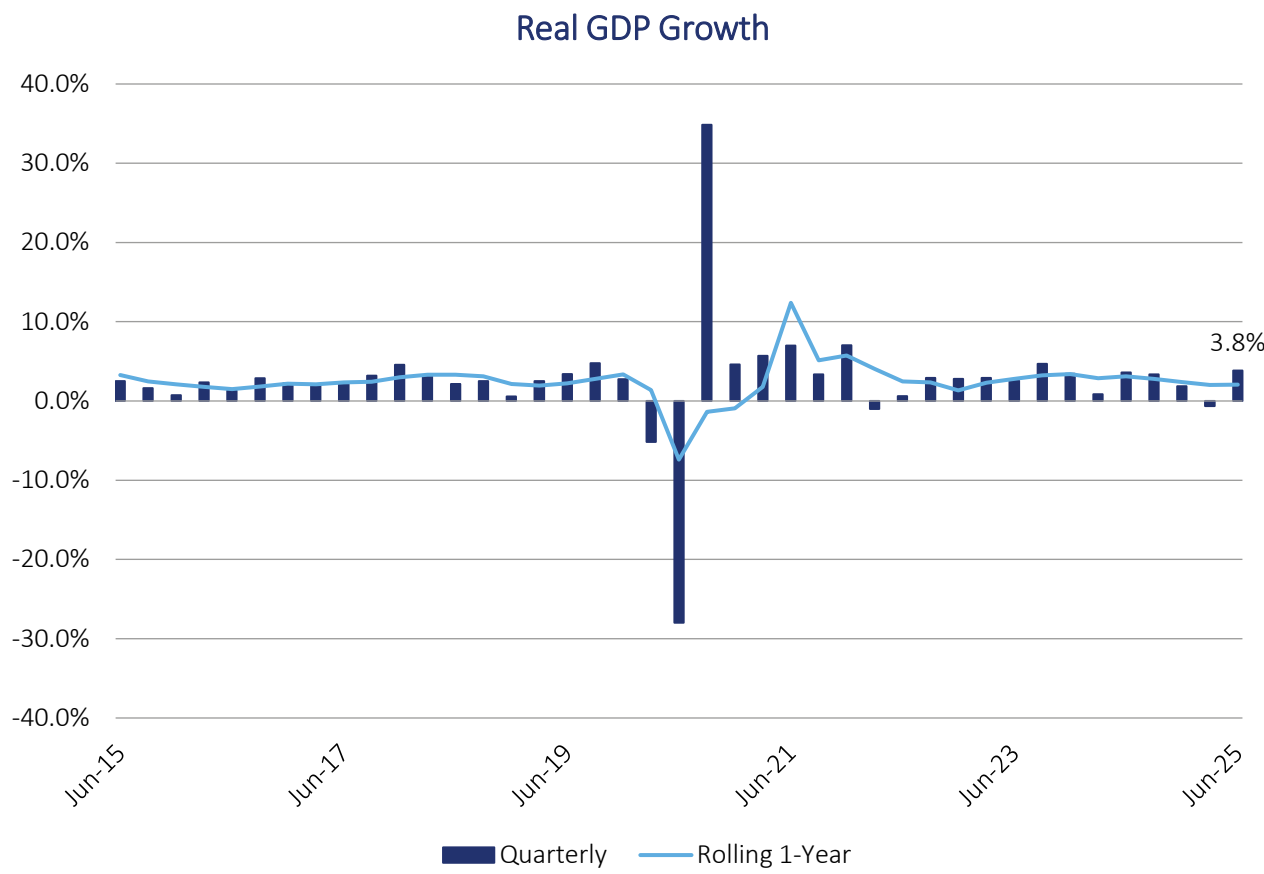
Data Source: Bloomberg

Consumer Activity

University of Michigan: Consumer Sentiment

10-Yr High

10-Yr Avg

10-Yr Low

Real Personal Consumption Expenditures

— Real PCE (6-mo annualized)

Average Hourly Earnings

— Wage Growth (6-mo annualized)
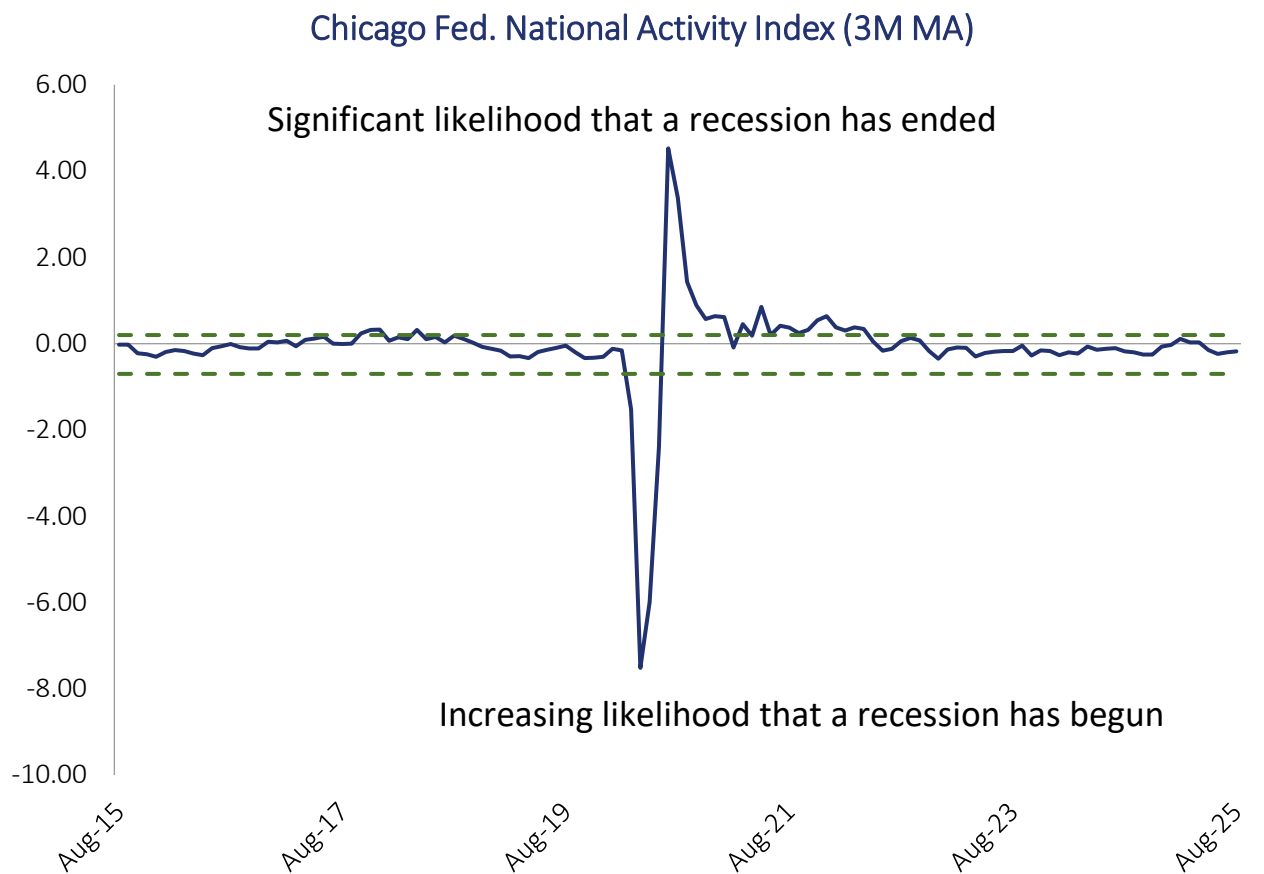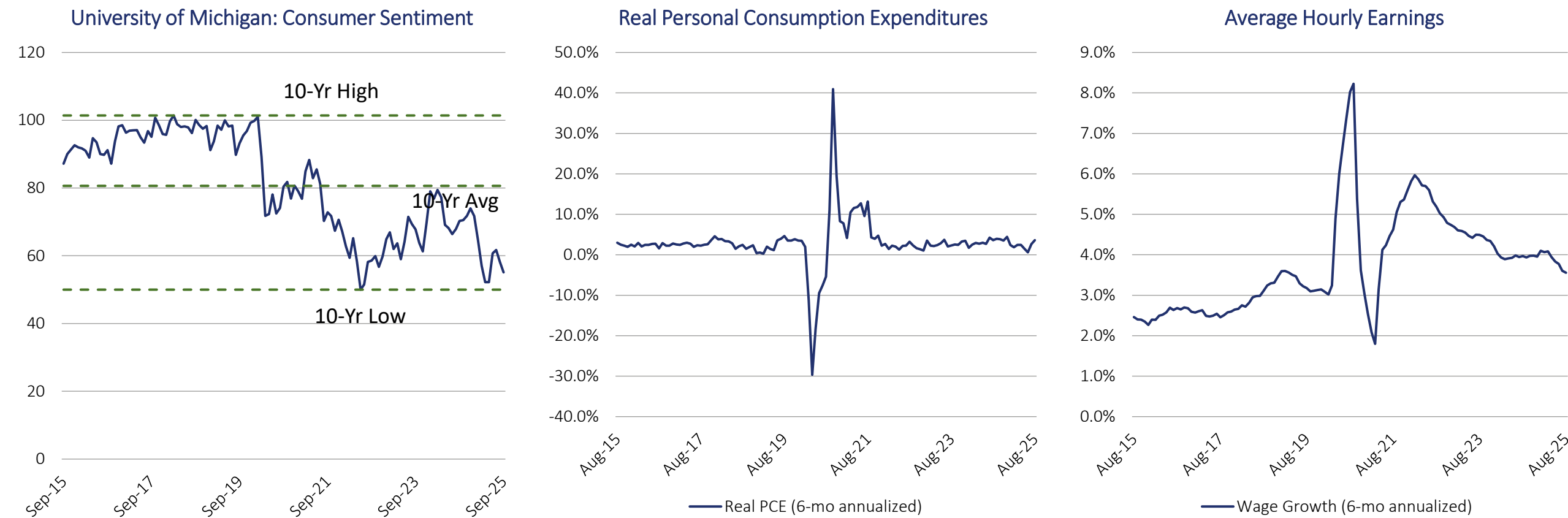
Data Source: Bloomberg

Business Activity

ISM Report on Business

65
Indicates expansion

50

35

Indicates contraction

Sep-15 Sep-17 Sep-19 Sep-21 Sep-23 Sep-25

— ISM Manufacturing PMI   — ISM Services PMI

Industrial Production Index

40.0%
30.0%
20.0%
10.0%
0.0%
-10.0%
-20.0%
-30.0%
-40.0%

Aug-15 Aug-17 Aug-19 Aug-21 Aug-23 Aug-25

— Index Change (6-mo annualized)

Durable Goods New Orders

120.0%
100.0%
80.0%
60.0%
40.0%
20.0%
0.0%
-20.0%
-40.0%
-60.0%

Aug-15 Aug-17 Aug-19 Aug-21 Aug-23 Aug-25

— Durable Goods (6-mo annualized)

Data Source: Bloomberg

Inflation and Employment

Inflation: Actual & Expected

— Headline CPI (6-mo annualized)   - - - Core CPI (6-mo annualized)   — 10-year Breakeven

Employment Gains/Losses

Job Growth (Loss)   — Unemployment Rate   — 6M MA
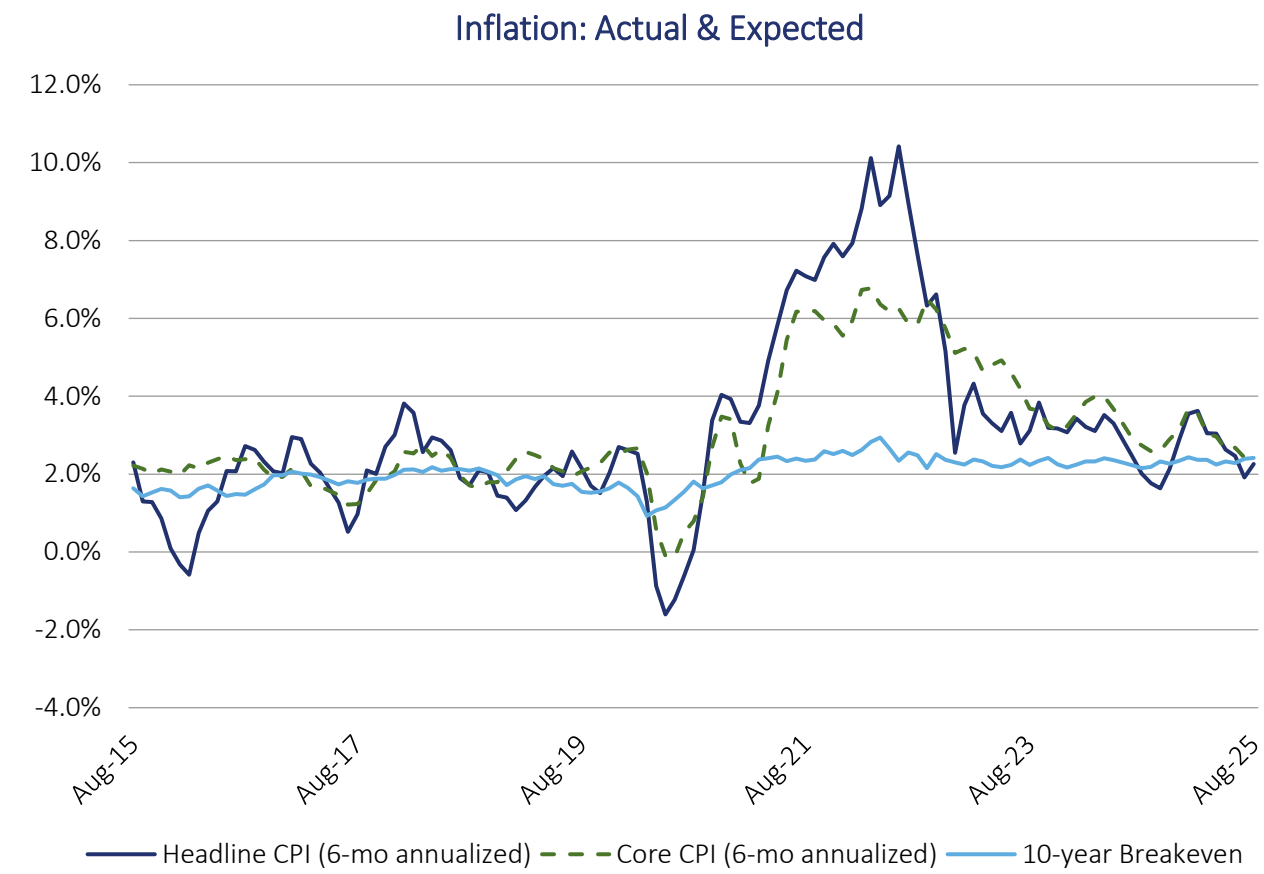
Data Source: Bloomberg
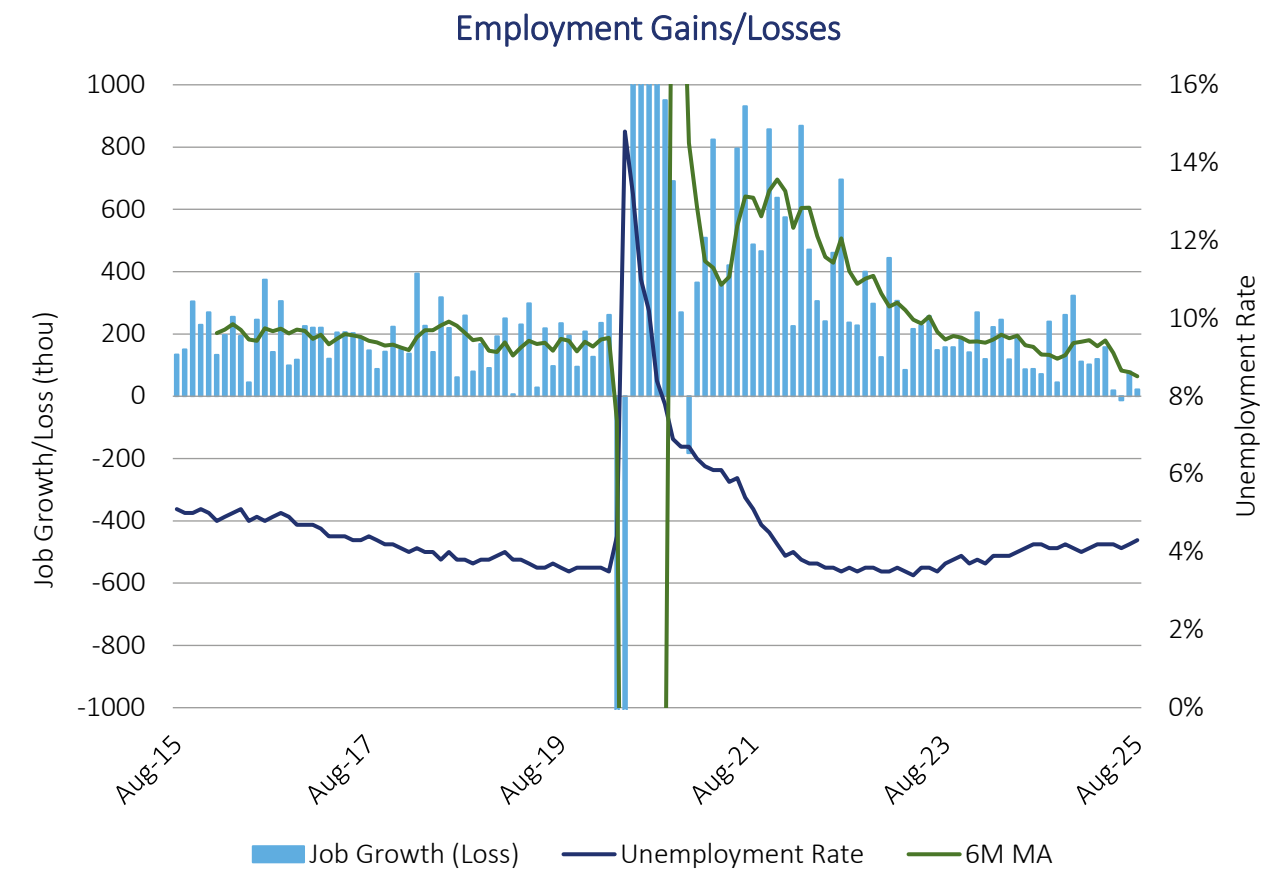
U.S. Equity Market

As of 9/30/2025	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
FT Wilshire 5000	8.2	14.4	17.5	24.1	16.0	14.9
FT Wilshire U.S. Large Cap	8.3	15.5	18.8	25.4	16.4	15.7
FT Wilshire U.S. Small Cap	6.9	6.8	7.9	16.2	12.7	11.0
FT Wilshire U.S. Large Growth	10.7	18.4	26.9	33.1	18.1	n/a
FT Wilshire U.S. Large Value	5.7	12.6	10.8	17.8	14.4	n/a
FT Wilshire U.S. Small Growth	7.0	6.7	9.3	16.6	9.2	n/a
FT Wilshire U.S. Small Value	7.0	7.1	6.6	15.8	16.1	n/a
Wilshire REIT Index	4.7	4.5	-0.8	11.3	9.4	6.5
MSCI USA Min. Vol. Index	1.8	8.4	5.9	14.9	10.2	11.3
FTSE RAFI U.S. 1000 Index	7.0	12.6	12.3	19.9	17.0	13.1

Large Cap vs. Small Cap

Quarterly Excess ▪ | Rolling 3-Year Excess —

U.S. Sector Weight and Return (%)

Sector	Weight	Quarter	Year-to-Date
Information Technology	32.3	13.1	21.6
Financials	14.1	3.6	13.4
Consumer Discretionary	10.6	9.1	5.4
Communication Services	9.7	12.5	24.2
Health Care	9.3	5.0	3.8
Industrials	9.3	6.2	17.6
Consumer Staples	4.7	-2.4	3.5
Energy	3.1	6.2	6.1
Real Estate	2.4	3.7	5.7
Utilities	2.3	8.2	18.7
Materials	2.2	6.0	11.2
FT Wilshire 5000		8.2	14.4

▪ Quarter | ▪ Year-to-Date

Large Growth vs Large Value

Quarterly Excess ▪ | Rolling 3-Year Excess —

Data Sources: Bloomberg, Wilshire Atlas
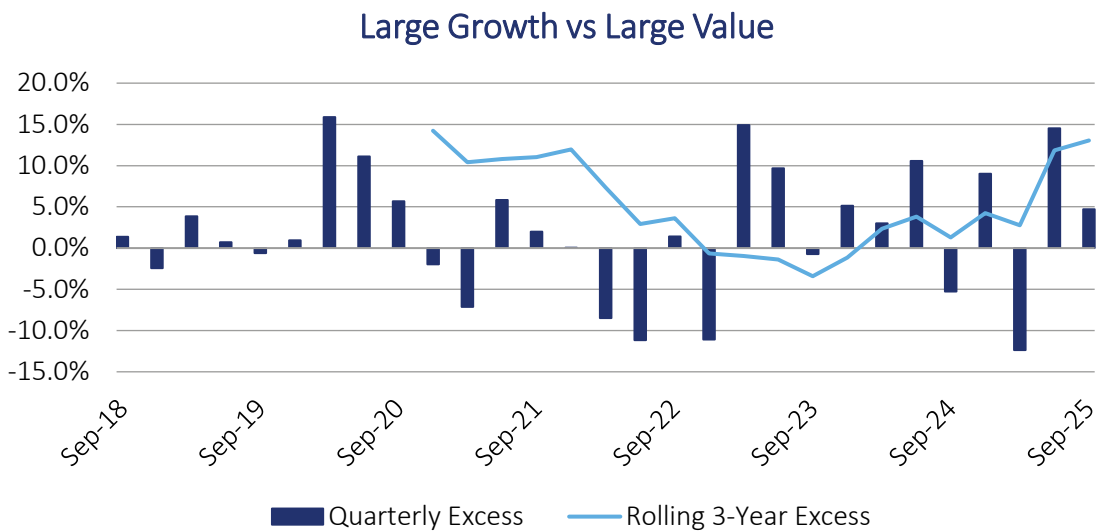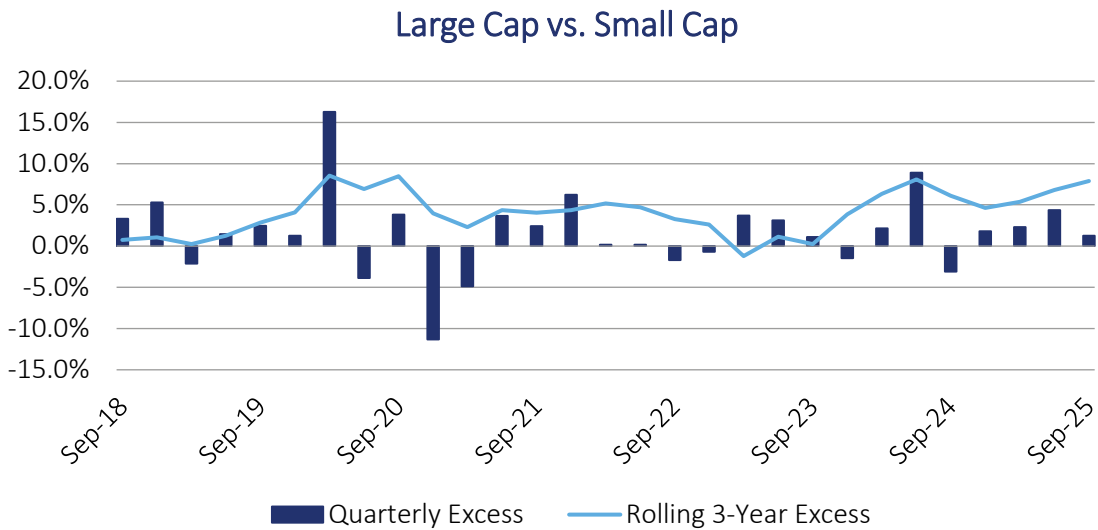
U.S. Factor Returns

Factor returns represent the contribution from large cap, value, etc. stocks within Bloomberg's Portfolio & Risk Analytics module

Momentum and volatility contributed meaningfully during Q3

Bloomberg U.S. Pure Factor Returns

Legend: Quarter, YTD, 1 Year, 3 Year, 5 Year

Categories: Size (LC vs. SC), Value (vs. Growth), Quality (High vs. Low), Momentum (High vs. Low), Volatility (High vs. Low)
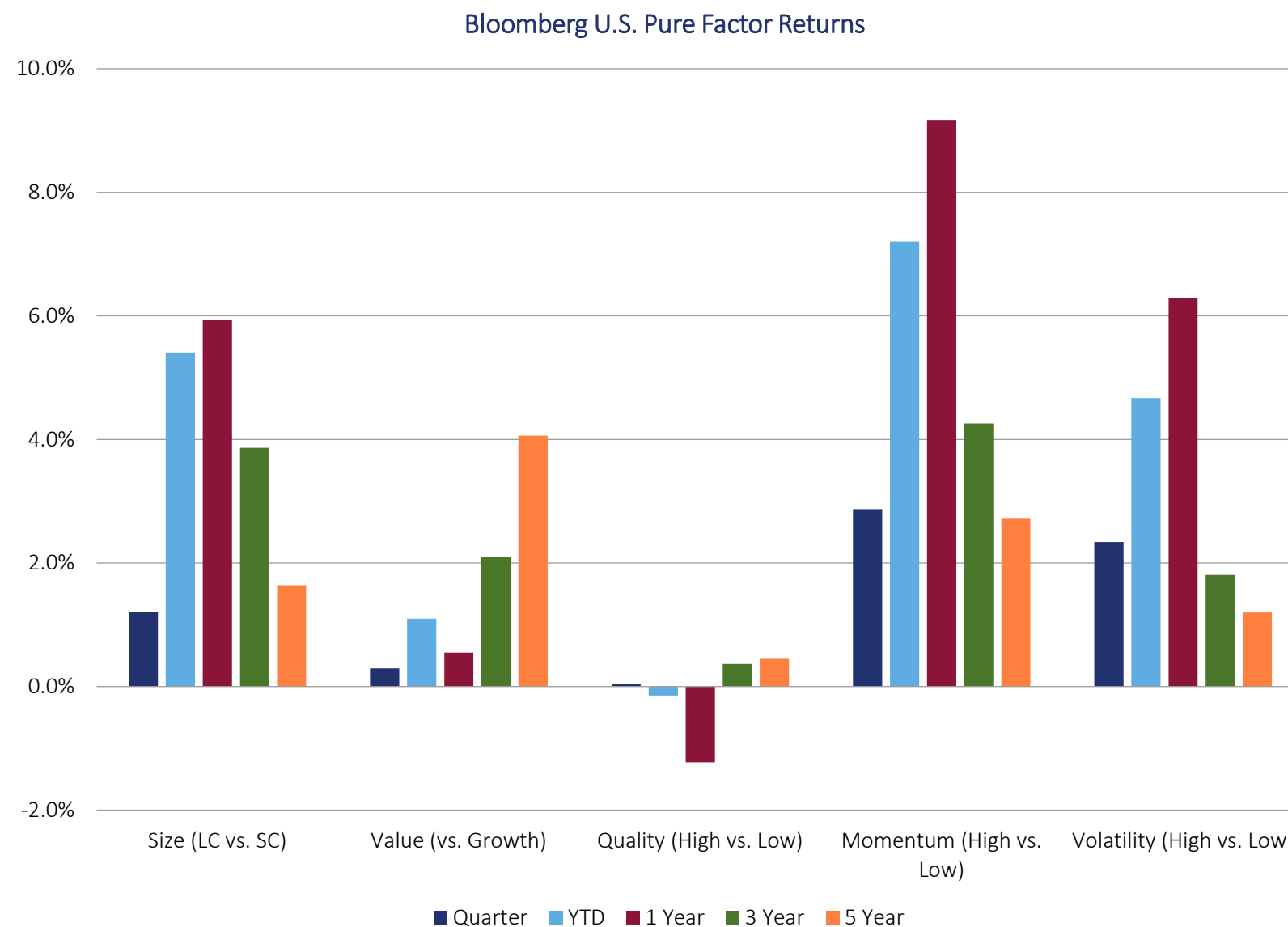
Data Source: Bloomberg

Risk Monitor

Yield Curve Slope vs Recessions (IN GRAY)
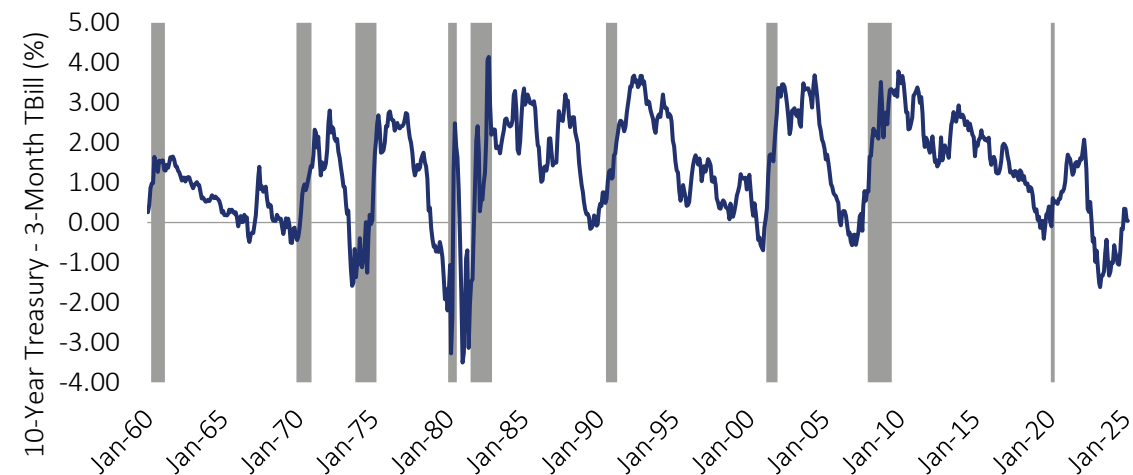
Bloomberg Credit Indexes
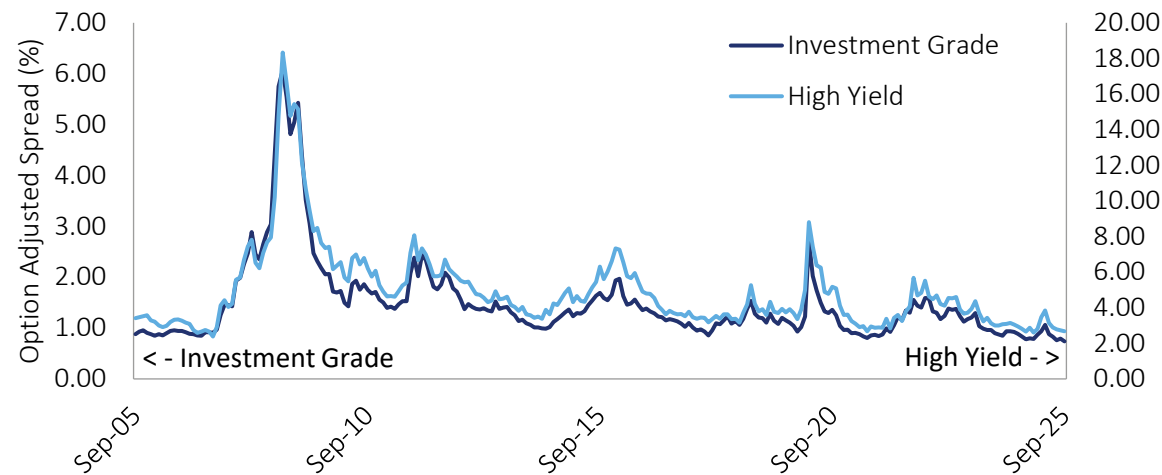
St. Louis Fed. Financial Stress Index
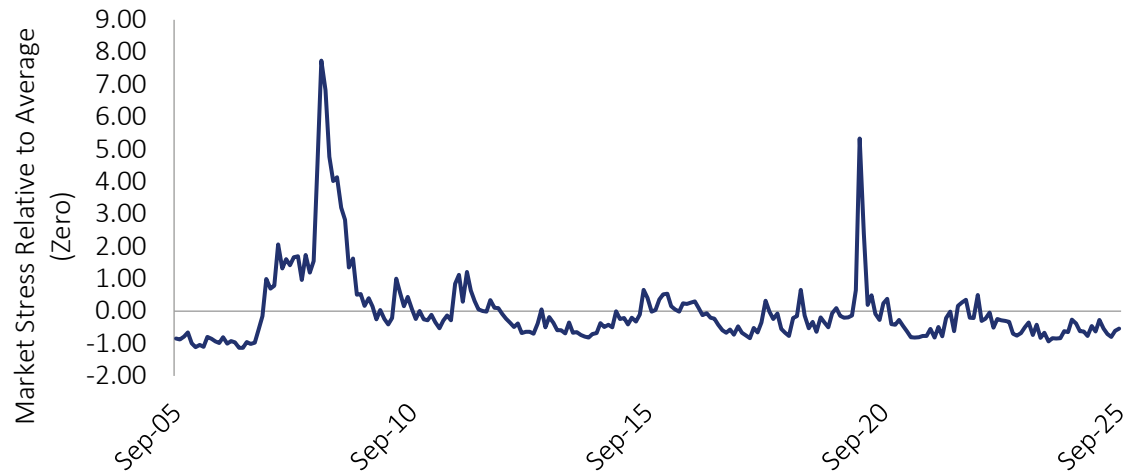
CBOE Volatility Index
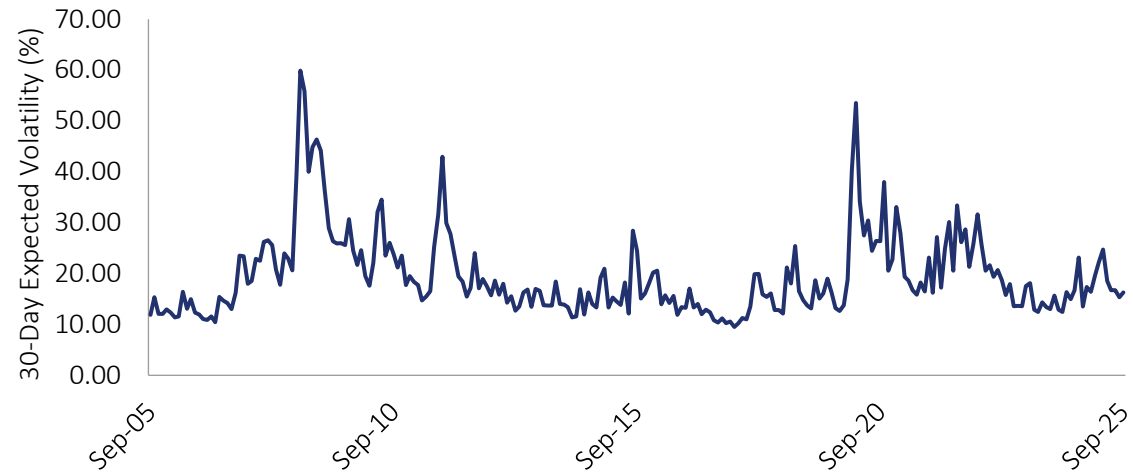
Data Source: Bloomberg

Non-U.S. Growth and Inflation

Developed Markets Real GDP Growth YoY (%)
USA — Eurozone — Japan — UK

Emerging Markets Real GDP Growth YoY (%)
China — India — Brazil — Russia — South Korea

Developed Markets CPI Growth YoY (%)
USA — Eurozone — Japan — UK

Emerging Markets CPI Growth YoY (%)
China — India — Brazil — Russia — South Korea
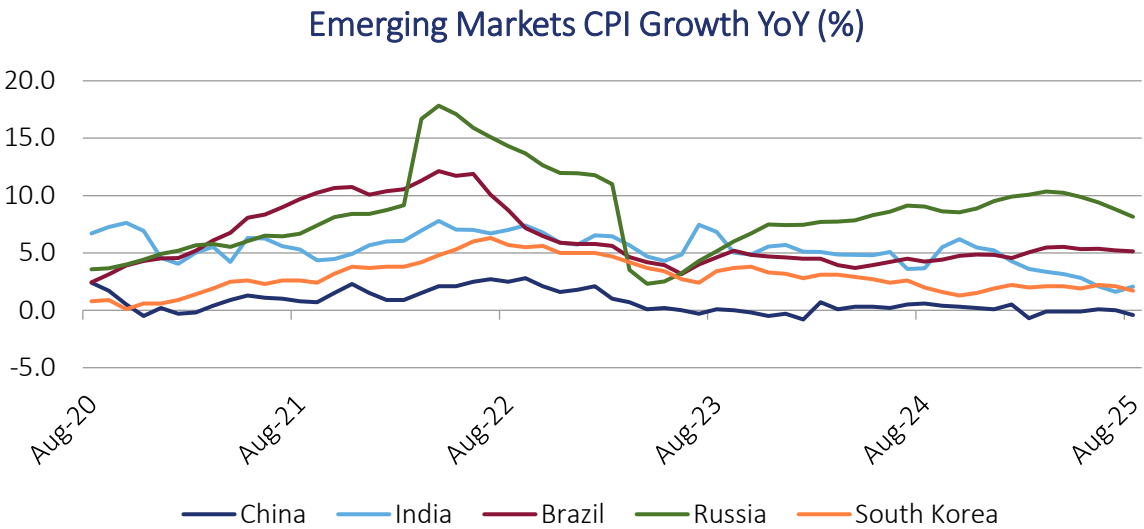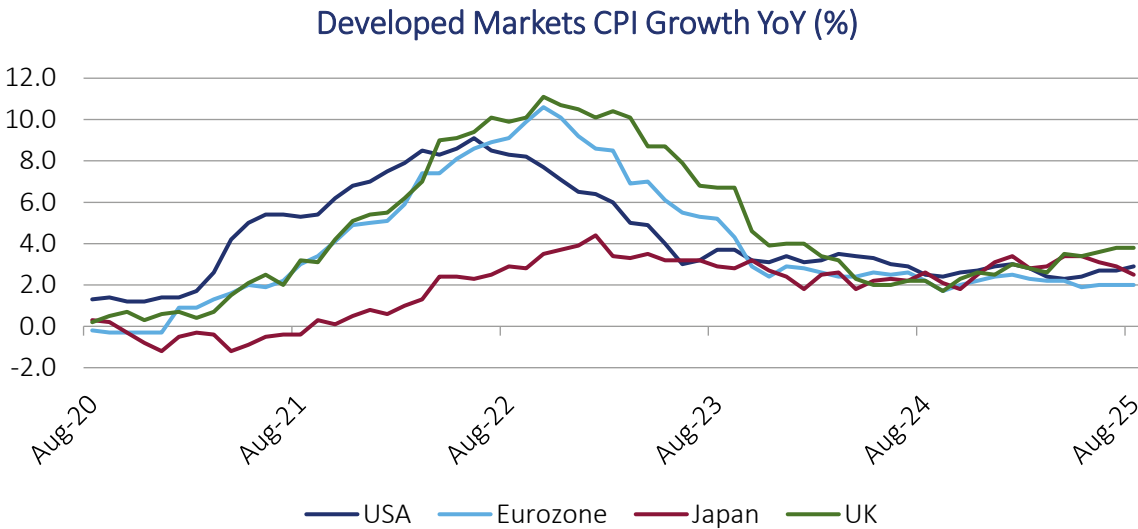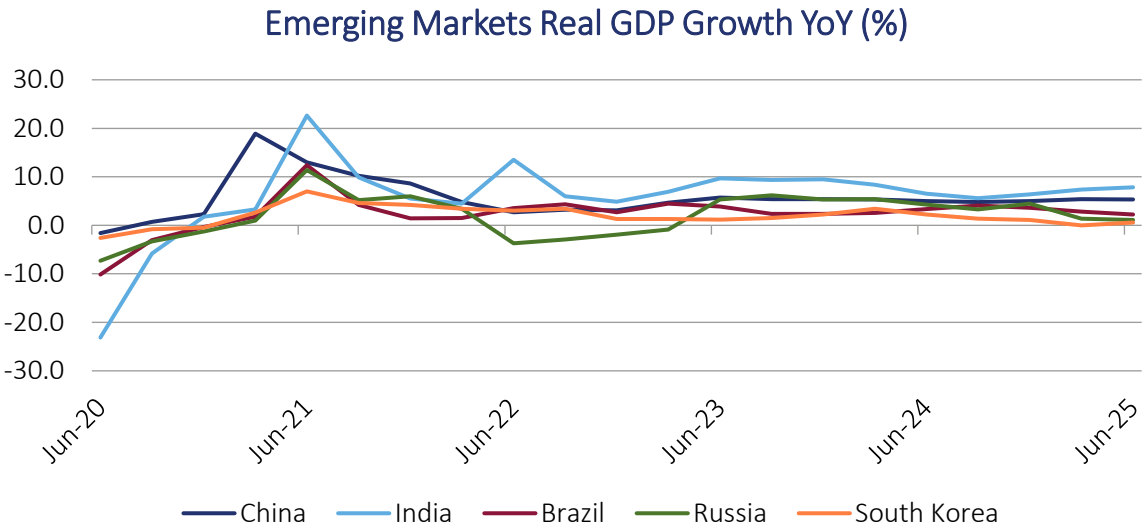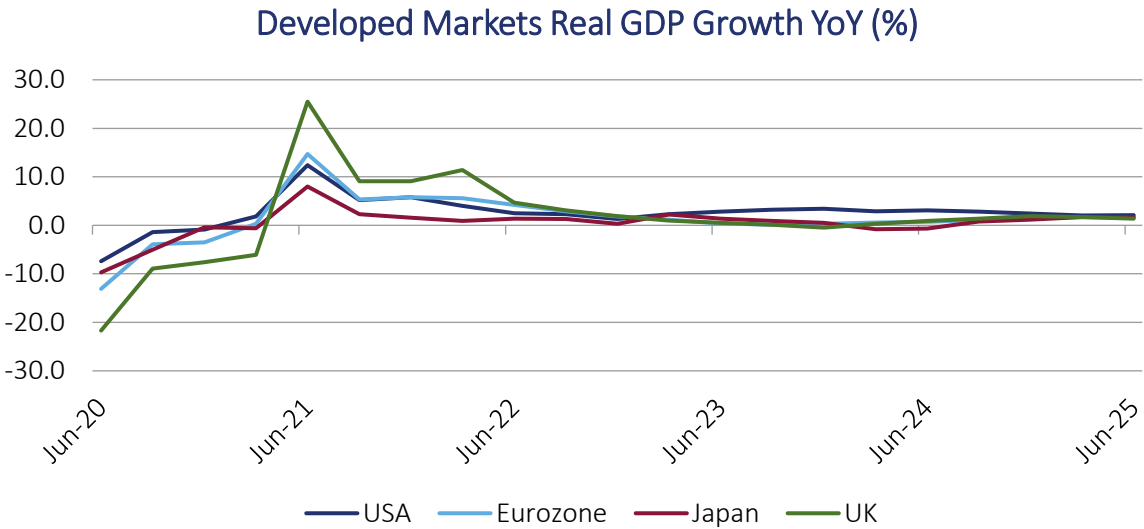
Data Source: Bloomberg

Non-U.S. Equity Market

As of 9/30/2025	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
MSCI ACWI ex-US ($G)	7.0	26.6	17.1	21.3	10.8	8.8
MSCI EAFE ($G)	4.8	25.7	15.6	22.3	11.7	8.7
MSCI Emerging Markets ($G)	10.9	28.2	18.2	18.8	7.5	8.4
MSCI Frontier Markets ($G)	12.4	33.4	26.7	20.5	10.1	5.6
MSCI ACWI ex-US Growth ($G)	5.8	22.9	13.2	18.7	6.5	8.5
MSCI ACWI ex-US Value ($G)	8.2	30.2	20.7	23.7	15.0	8.9
MSCI ACWI ex-US Small ($G)	6.8	26.1	16.5	19.9	10.5	8.8
MSCI All Country World Index	7.7	18.9	17.8	23.7	14.1	12.5
MSCI ACWI Minimum Volatility	1.2	11.0	7.2	13.5	8.2	8.9
MSCI EAFE Minimum Volatility	1.3	22.6	14.3	18.0	7.7	6.7
FTSE RAFI Developed ex-US	7.2	30.8	21.3	24.4	15.7	9.3
MSCI EAFE LC (G)	5.4	14.2	13.5	17.5	13.1	9.2
MSCI Emerging Markets LC (G)	12.5	25.0	19.7	18.7	9.1	9.6

Data Source: Bloomberg

Developed Markets Weight and Return (%)

	Weight	Quarter	Year-to-Date
Japan	22.3	8.2	21.1
United Kingdom	14.7	5.9	26.3
France	10.9	3.2	25.2
Germany	9.9	-1.0	33.8
Switzerland	9.3	1.5	22.9
Australia	6.8	3.5	16.1
MSCI EAFE		4.8	25.7
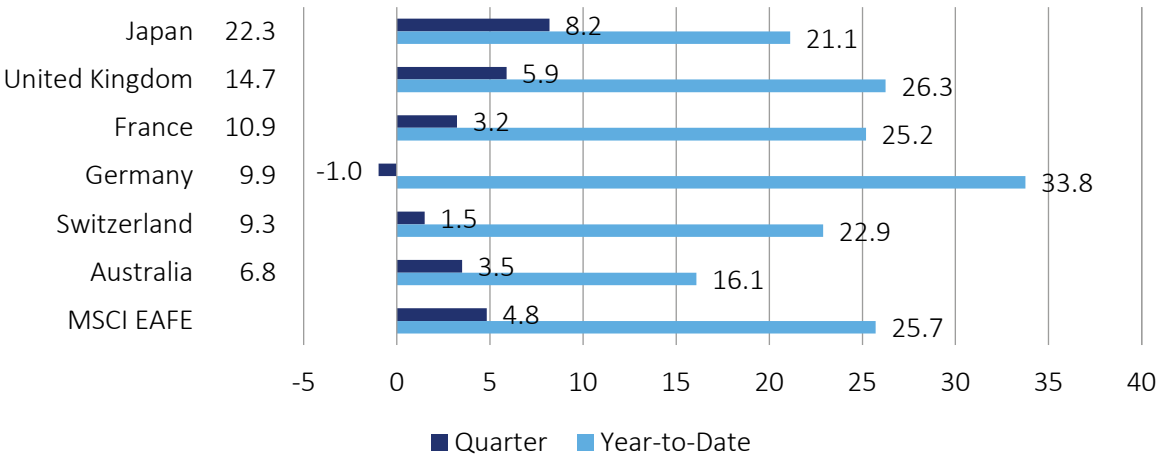
Emerging Markets Weight and Return (%)

	Weight	Quarter	Year-to-Date
China	31.2	20.7	41.7
Taiwan	19.4	14.7	26.6
India	15.2	-6.6	-0.6
South Korea	11.0	12.9	57.7
Brazil	4.3	8.5	40.4
South Africa	3.5	20.7	56.4
MSCI Emrg Mrkts		10.9	28.2
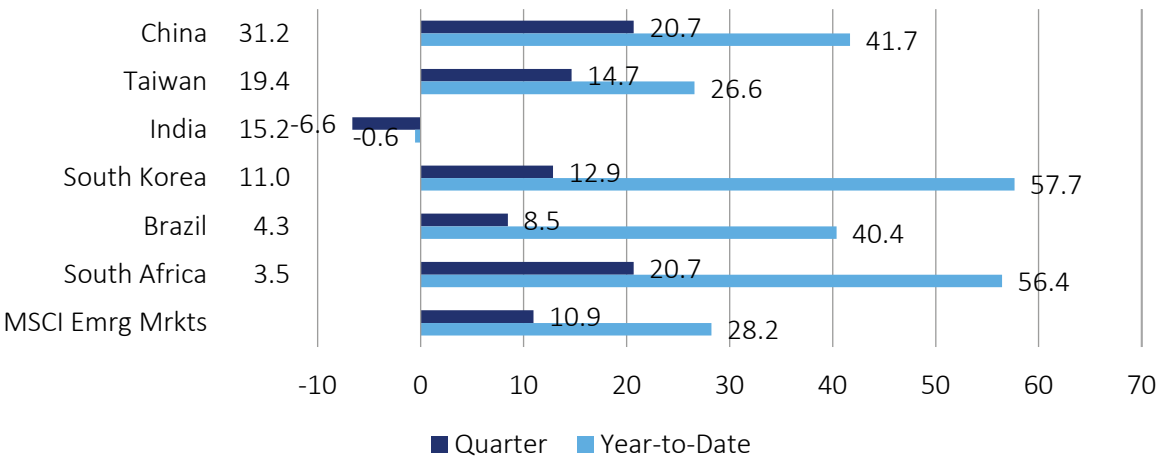
U.S. Fixed Income

As of 9/30/2025	YTW	Dur.	QTR	YTD	1 YR	3 YR	5 YR	10 YR
Bloomberg Aggregate	4.4	6.0	2.0	6.1	2.9	4.9	-0.4	1.8
Bloomberg Treasury	3.9	5.9	1.5	5.4	2.1	3.6	-1.3	1.2
Bloomberg Gov't-Rel.	4.3	5.4	2.2	6.7	3.8	5.4	0.3	2.2
Bloomberg Securitized	4.7	5.6	2.4	6.7	3.5	5.1	-0.1	1.5
Bloomberg Corporate	4.8	6.9	2.6	6.9	3.6	7.1	0.3	3.1
Bloomberg LT Gov't/Credit	5.1	13.7	3.2	6.6	-1.3	4.0	-4.6	1.9
Bloomberg LT Treasury	4.7	14.7	2.5	5.6	-3.5	0.4	-7.8	-0.1
Bloomberg LT Gov't-Rel.	5.5	11.7	4.6	9.5	2.1	6.6	-1.9	2.9
Bloomberg LT Corporate	5.5	12.8	3.8	7.6	0.9	7.2	-2.0	3.3
Bloomberg U.S. TIPS*	3.9	6.1	2.1	6.9	3.8	4.9	1.4	3.0
Bloomberg High Yield	6.7	2.8	2.5	7.2	7.4	11.1	5.5	6.2
S&P/LSTA Leveraged Loan	7.4	0.3	1.8	4.6	7.0	9.9	7.0	5.5
Treasury Bills	3.9	0.3	1.1	3.2	4.4	4.9	3.0	2.1

*Yield and Duration statistics are for a proxy index based on similar maturity, the Bloomberg Barclays U.S. Treasury 5-10 Year Index.
Data Source: Bloomberg

Fixed Income Option Adjusted Spread (bps)

Securitized — Aa Corporate — IG Corporate — High Yield

Treasury Yield Curve (%)

— 9/30/2025 — 6/30/2025 — 9/30/2024
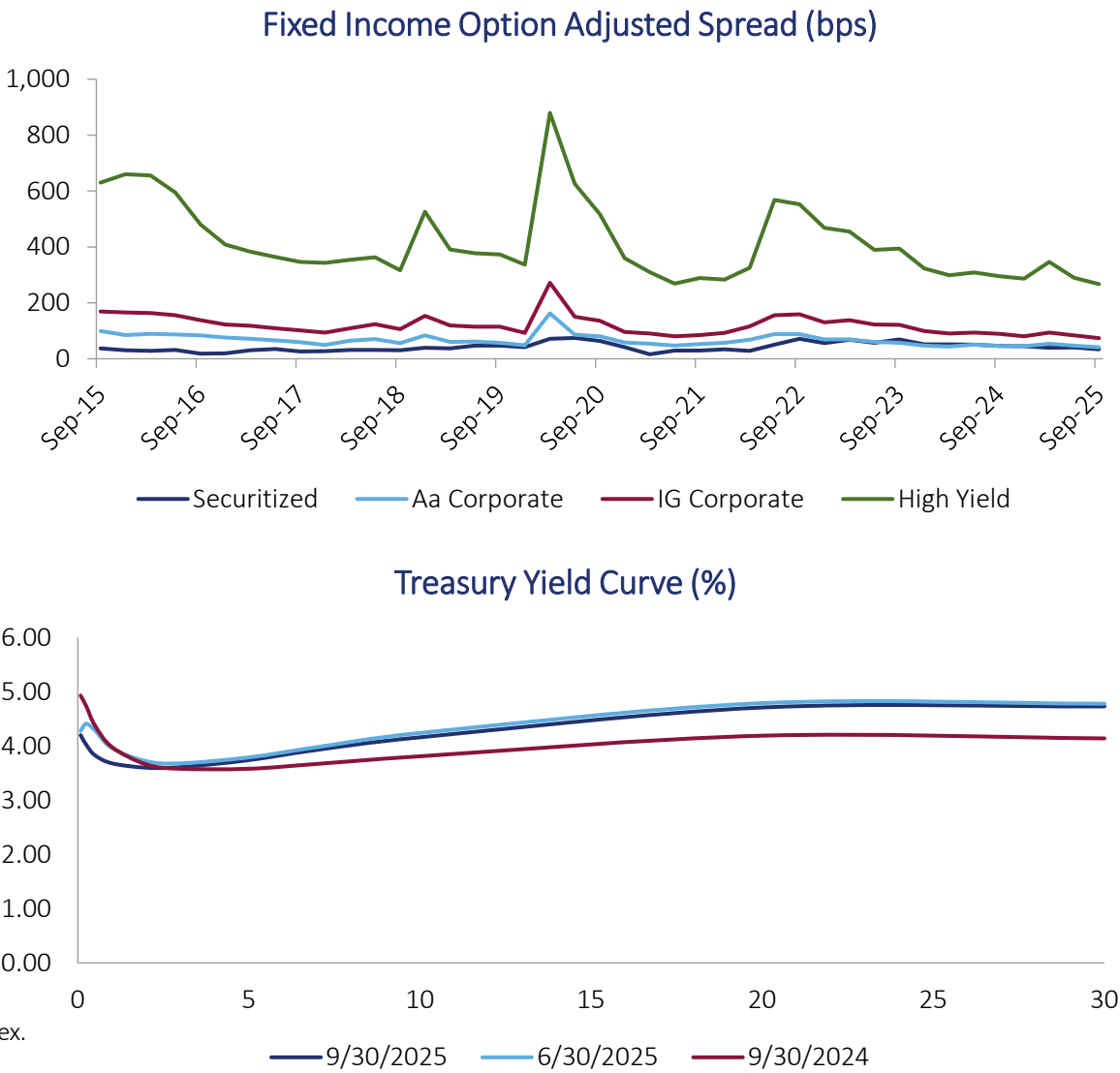
Federal Reserve

The Federal Open Market Committee decreased their overnight rate by 0.25% during Q3

QE4 was larger than the 3 phases of quantitative easing – combined – following the global financial crisis

The Fed's current balance sheet is roughly equal to its level following the COVID spike

	Announced	Closed	Amount (bil)
QE1	11/25/2008	3/31/2010	$1,403
QE2	11/3/2010	6/29/2012	$568
QE3	9/13/2012	10/29/2014	$1,674
QE4	3/23/2020	3/15/2022	$4,779

Data Source: Bloomberg

Federal Funds Rate (Mid %)
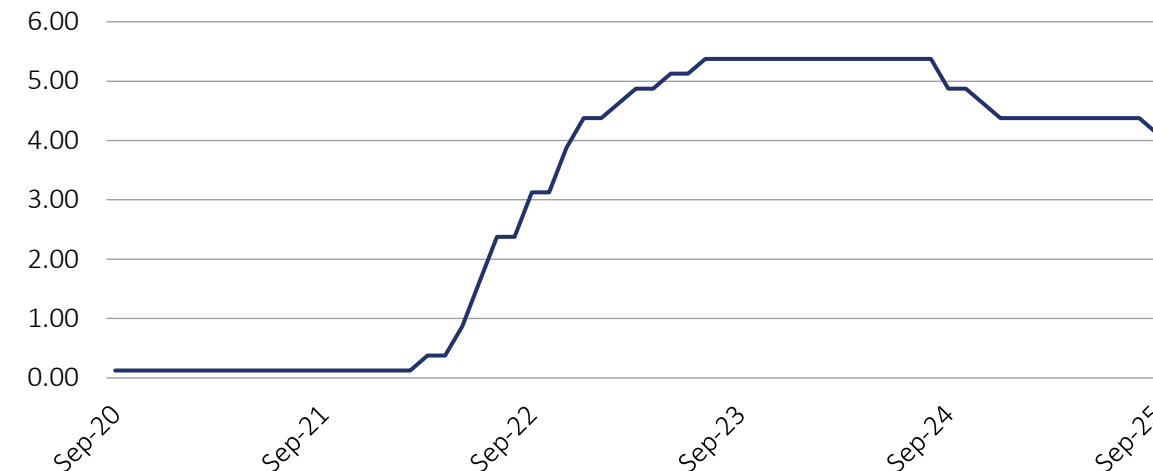
Federal Reserve Balance Sheet ($T)

U.S. Treasuries   Mortgage-backed Securities   Loans   Other
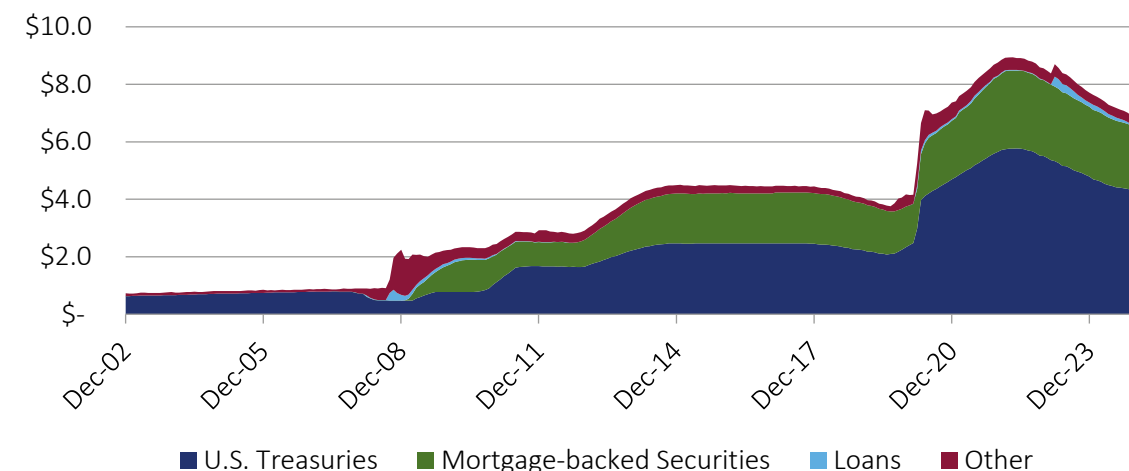
Non-U.S. Fixed Income

As of 9/30/2025	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
Developed Markets						
Bloomberg Global Aggregate xUS	-0.6	9.4	1.9	5.8	-2.5	0.5
Bloomberg Global Aggregate xUS*	0.5	2.3	3.0	5.2	0.9	2.6
Bloomberg Global Inflation Linked xUS	-1.7	9.6	-1.2	4.5	-3.9	-0.1
Bloomberg Global Inflation Linked xUS*	-0.5	0.5	-2.1	0.5	-2.7	1.7
Emerging Markets (Hard Currency)						
Bloomberg EM USD Aggregate	3.4	8.5	6.9	10.4	1.9	4.0
Emerging Markets (Foreign Currency)						
Bloomberg EM Local Currency Gov't	0.4	7.5	3.4	7.4	2.4	3.7
Bloomberg EM Local Currency Gov't*	0.6	3.8	6.1	7.9	3.6	3.9
Euro vs. Dollar	-0.4	13.3	5.4	6.2	0.0	0.5
Yen vs. Dollar	-2.6	6.3	-2.9	-0.7	-6.5	-2.1
Pound vs. Dollar	-2.1	7.4	0.5	6.4	0.8	-1.2

*Returns are reported in terms of local market investors, which removes currency effects.
Data Source: Bloomberg

Global Fixed Income Yield to Worst (%)

U.S. Treasury — Global xUS Gov't — EM USD Sovereign — EM Foreign Gov't

U.S. Dollar Index: Advanced Economies

Rolling 1-Year Return — Index Level
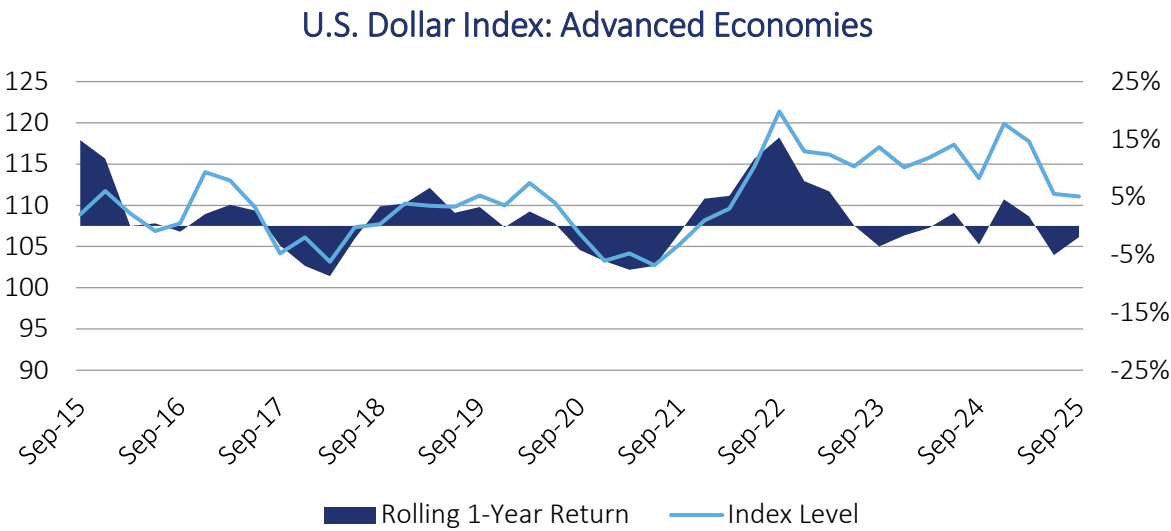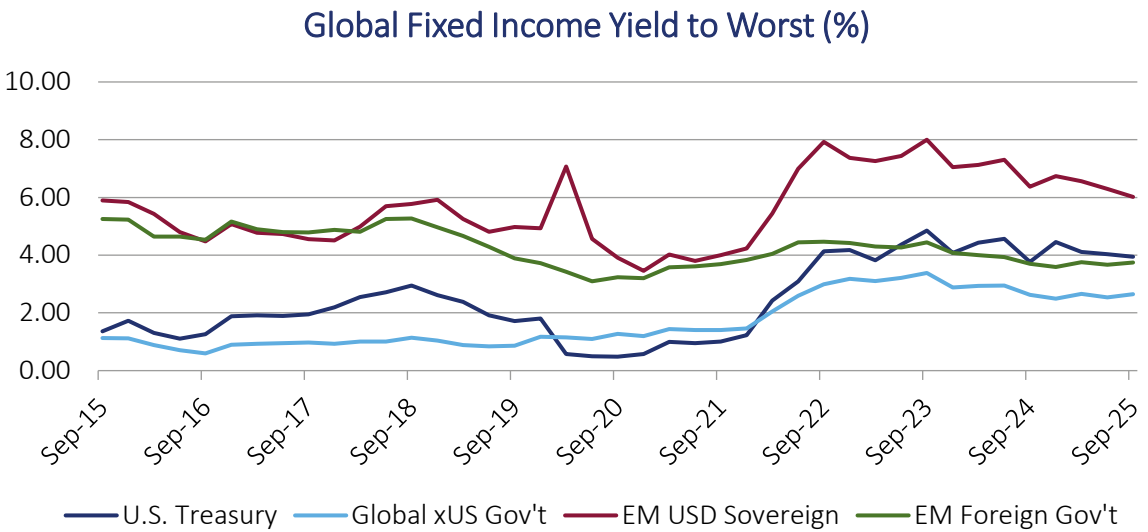
Global Interest Rates

Short-term rates remain positive across the globe; longer-term rates above 4.0% in the U.S., U.K. and Australia

Government Bond Yields
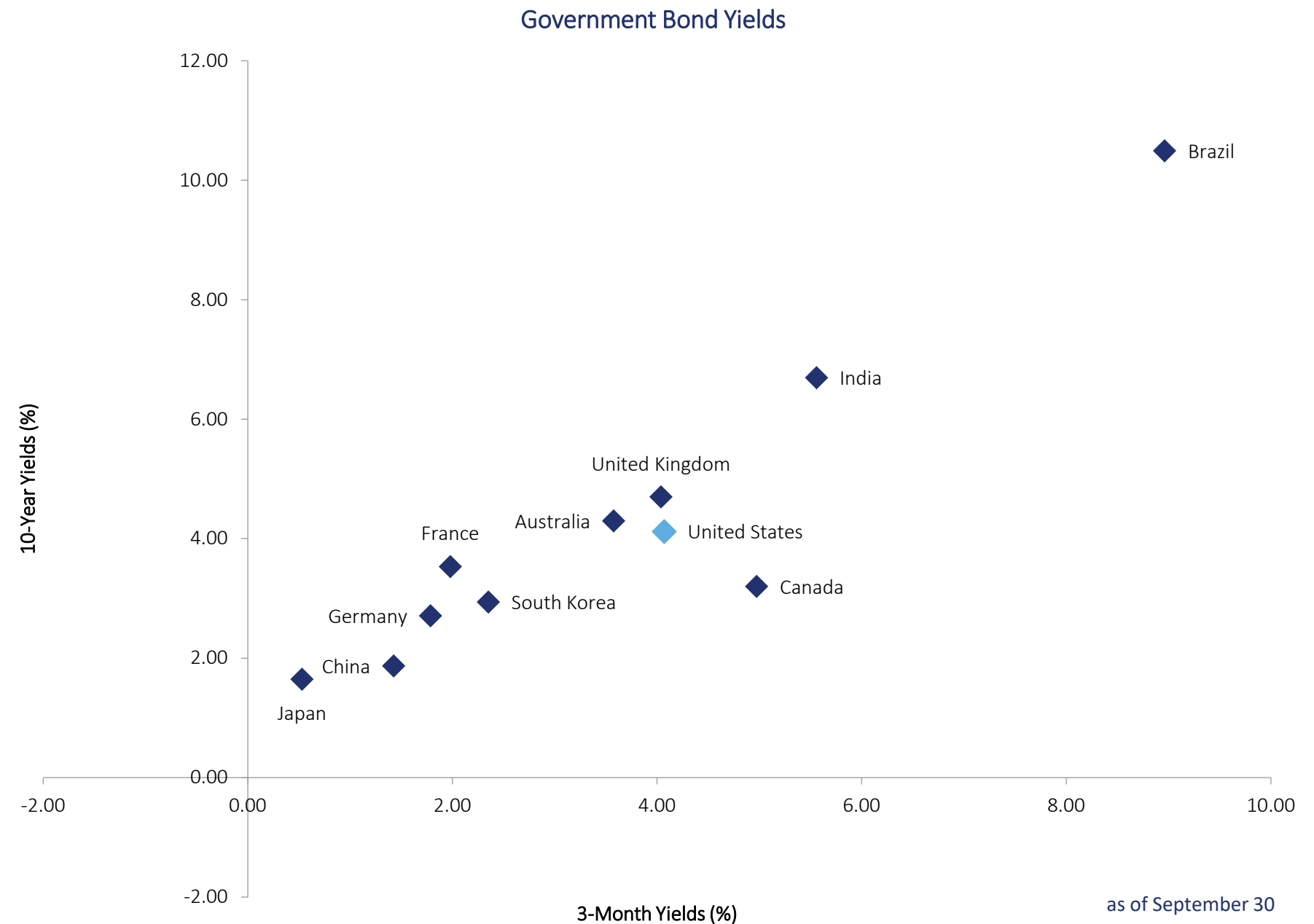
Data Source: Bloomberg

High Yield Bond Market

As of 9/30/2025

	Weight	YTW	QTR	YTD	1 YR	3 YR	5 YR	10 YR
Bloomberg High Yield		6.7	2.5	7.2	7.4	11.1	5.5	6.2
S&P LSTA Leveraged Loan		7.4	2.0	5.3	7.9	10.4	6.6	5.4
High Yield Quality Distribution								
Ba U.S. High Yield	52.8%	5.7	2.3	7.4	6.9	9.9	4.7	6.0
B U.S. High Yield	34.8%	6.7	2.3	6.8	7.1	11.0	5.4	5.8
Caa U.S. High Yield	11.5%	10.0	4.4	8.1	10.5	14.4	8.3	7.0
Ca to D U.S. High Yield	1.0%	21.5	2.0	4.3	6.6	27.0	19.5	11.5

Fixed Income Option Adjusted Spread (bps)

Data Source: Bloomberg
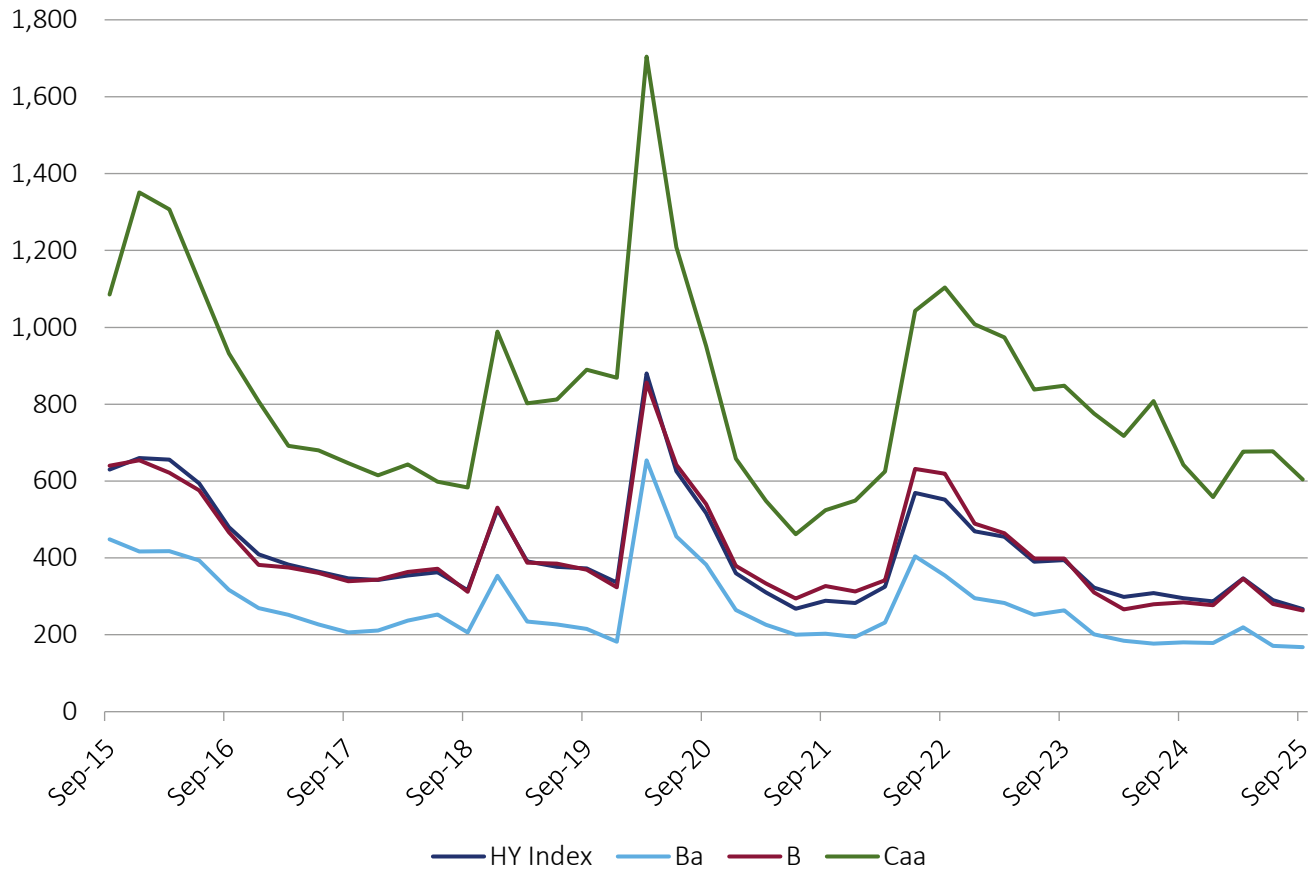
Real Assets

As of 9/30/2025	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg U.S. TIPS	2.1	6.9	3.8	4.9	1.4	3.0
Bloomberg Commodity Index	-3.1	5.1	5.8	0.1	12.7	2.0
Bloomberg Gold Index	16.4	44.8	44.1	31.3	14.4	12.2
Wilshire Global RESI Index	3.4	7.9	-0.2	11.6	8.3	5.6
NCREIF ODCE Fund Index	0.7	2.8	4.0	-5.4	3.5	5.0
NCREIF Timberland Index	0.7	2.9	4.4	8.1	8.4	5.4
FTSE Global Core Infrastructure	4.0	14.2	7.8	12.4	9.4	8.5
Alerian Midstream Energy	1.3	6.5	20.8	23.9	28.8	10.9
Bitcoin	6.5	22.3	79.7	80.7	60.7	85.5
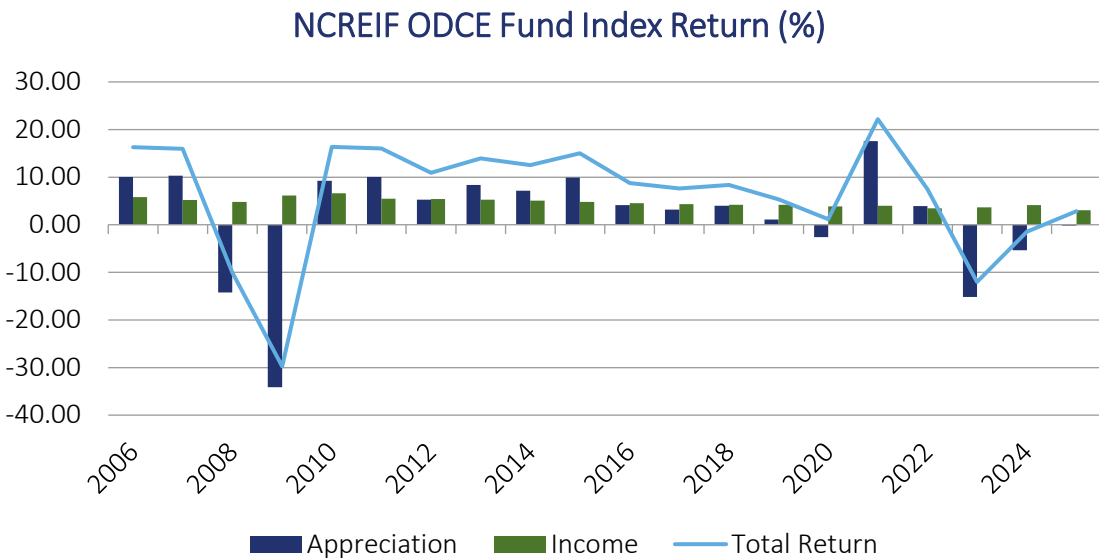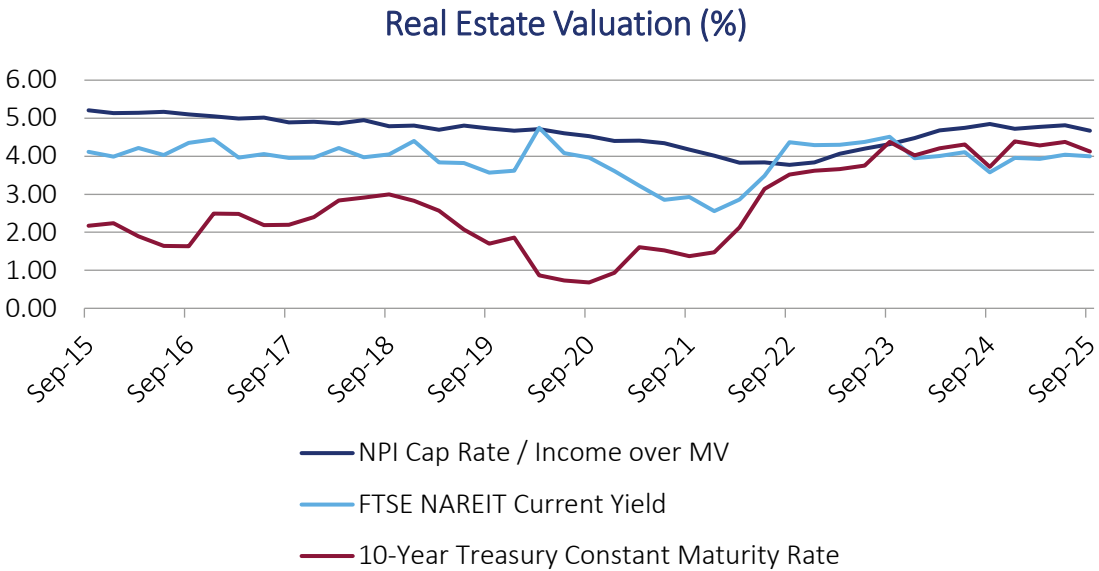
Data Sources: Bloomberg, National Council of Real Estate Investment Fiduciaries

Real Estate Valuation (%)

- NPI Cap Rate / Income over MV
- FTSE NAREIT Current Yield
- 10-Year Treasury Constant Maturity Rate

NCREIF ODCE Fund Index Return (%)

- Appreciation
- Income
- Total Return

Asset Class Performance

Asset Class Returns - Best to Worst

2020	2021	2022	2023	2024	2025 YTD	Annualized 5-Year as of 9/25
U.S. Equity 20.8%	REITs 46.2%	Commodities 16.1%	U.S. Equity 26.1%	U.S. Equity 23.8%	Emrg Mrkts 28.2%	U.S. Equity 16.0%
Emrg Mrkts 18.7%	Commodities 27.1%	T-Bills 1.3%	Developed 18.9%	REITs 9.1%	Developed 25.7%	Developed 11.7%
U.S. TIPS 11.0%	U.S. Equity 26.7%	High Yield -11.2%	REITs 16.1%	High Yield 8.2%	U.S. Equity 14.4%	Commodities 11.5%
Developed 8.3%	Developed 11.8%	U.S. TIPS -11.8%	High Yield 13.4%	Emrg Mrkts 8.1%	Commodities 9.4%	REITs 9.4%
Core Bond 7.5%	U.S. TIPS 6.0%	Core Bond -13.0%	Emrg Mrkts 10.3%	Commodities 5.4%	High Yield 7.2%	Emrg Mrkts 7.5%
High Yield 7.1%	High Yield 5.3%	Developed -14.0%	Core Bond 5.5%	T-Bills 5.3%	U.S. TIPS 6.9%	High Yield 5.5%
T-Bills 0.7%	T-Bills 0.0%	U.S. Equity -19.0%	T-Bills 5.1%	Developed 4.3%	Core Bond 6.1%	T-Bills 3.0%
Commodities -3.1%	Core Bond -1.5%	Emrg Mrkts -19.7%	U.S. TIPS 3.9%	U.S. TIPS 1.8%	REITs 4.5%	U.S. TIPS 1.4%
REITs -7.9%	Emrg Mrkts -2.2%	REITs -26.8%	Commodities -1.3%	Core Bond 1.3%	T-Bills 3.2%	Core Bond -0.4%

Data Sources: Bloomberg

Note: Developed asset class is developed equity markets ex-U.S., ex-Canada

Wilshire

ERF of the City of Dallas

Executive Summary - 3Q 2025

September 2025

Asset Allocation Compliance

Dallas Total Fund
Periods Ended As of September 30, 2025

Executive Summary

	Policy		Recommended		Target		In Policy		In Recommended		Outside Policy
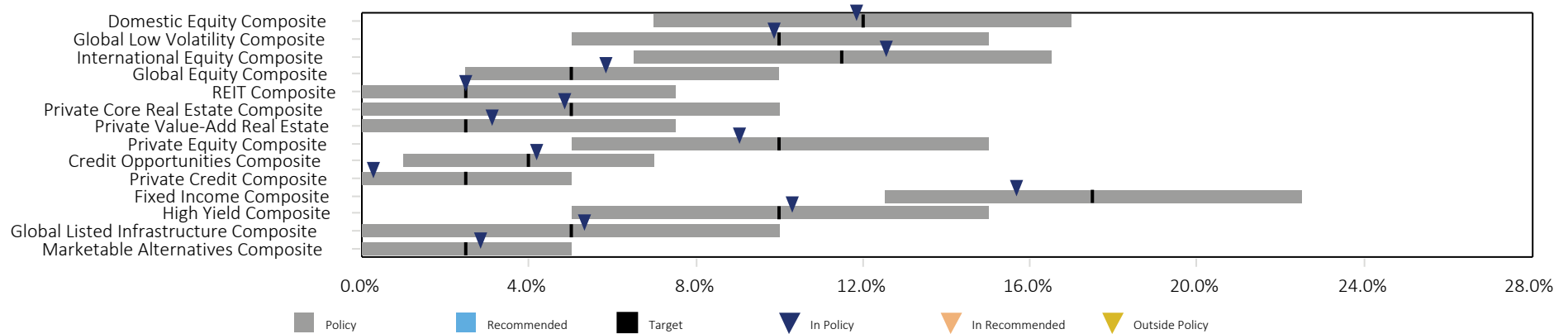
	Asset Allocation $	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Rebalance $
Dallas Total Fund	3,965,859,130	100.0	100.0			
Domestic Equity Composite	470,055,125	11.9	12.0	7.0	17.0	5,847,970
Global Low Volatility Composite	392,023,365	9.9	10.0	5.0	15.0	4,562,548
International Equity Composite	497,594,530	12.5	11.5	6.5	16.5	-41,520,730
Global Equity Composite	231,427,841	5.8	5.0	2.5	10.0	-33,134,885
REIT Composite	98,472,795	2.5	2.5	0.0	7.5	673,683
Private Core Real Estate Composite	192,506,898	4.9	5.0	0.0	10.0	5,786,058
Private Value-Add Real Estate	123,503,857	3.1	2.5	0.0	7.5	-24,357,379
Private Equity Composite	358,261,926	9.0	10.0	5.0	15.0	38,323,987
Credit Opportunities Composite	165,714,529	4.2	4.0	1.0	7.0	-7,080,164
Private Credit Composite	10,662,224	0.3	2.5	0.0	5.0	88,484,254
Fixed Income Composite	621,239,536	15.7	17.5	12.5	22.5	72,785,811
High Yield Composite	409,431,317	10.3	10.0	5.0	15.0	-12,845,404
Global Listed Infrastructure Composite	212,012,649	5.3	5.0	0.0	10.0	-13,719,693
Marketable Alternatives Composite	112,882,324	2.8	2.5	0.0	5.0	-13,735,846

Composite Performance Summary
Dallas Total Fund
Periods Ended September 30, 2025

Comparative Performance

	1 Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Inc. 1/1/85
Dallas Total Fund	3.3	10.0	9.1	11.6	9.0	7.7	8.8
Policy Index	4.4	10.9	10.2	14.1	9.4	8.1	9.4

Added Value History

- Quarterly Added Value (up market)
- Quarterly Added Value (down market)
- Annualized Added Value
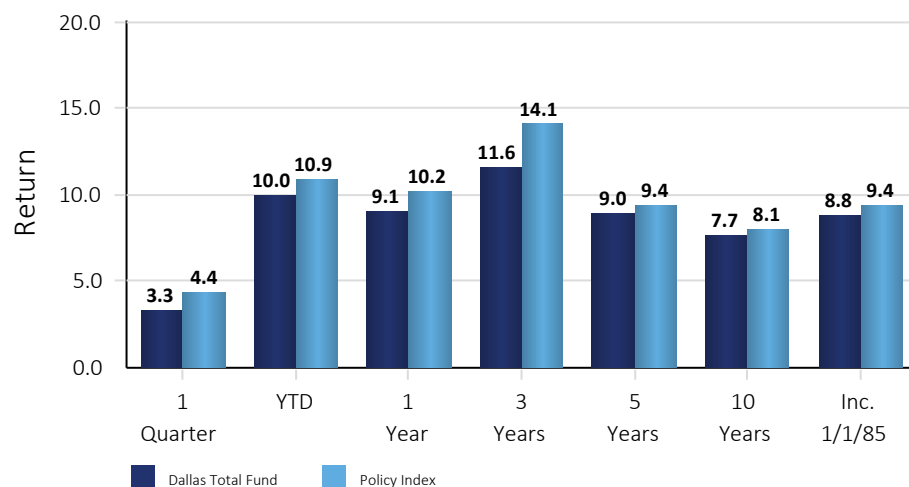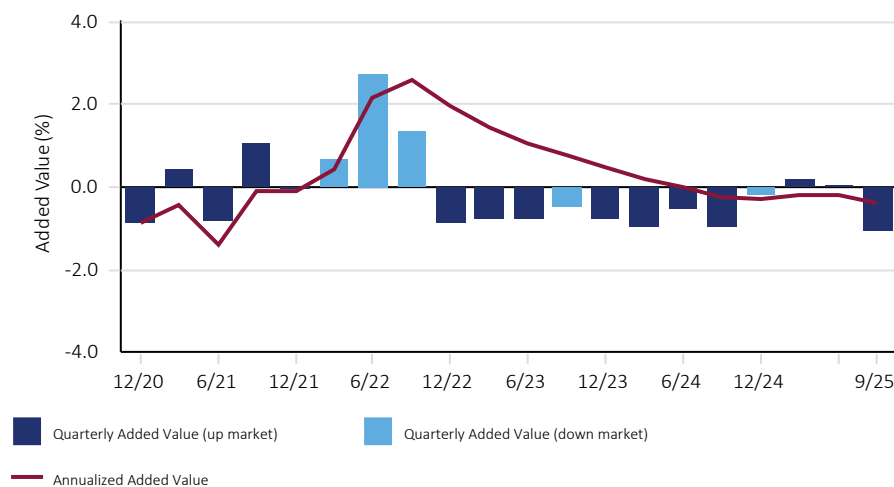
Rolling Percentile Rank: All Public Plans > $1B-Total Fund

	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Dallas Total Fund	10	1 (10%)	4 (40%)	2 (20%)	3 (30%)
Benchmark	10	3 (30%)	3 (30%)	1 (10%)	3 (30%)
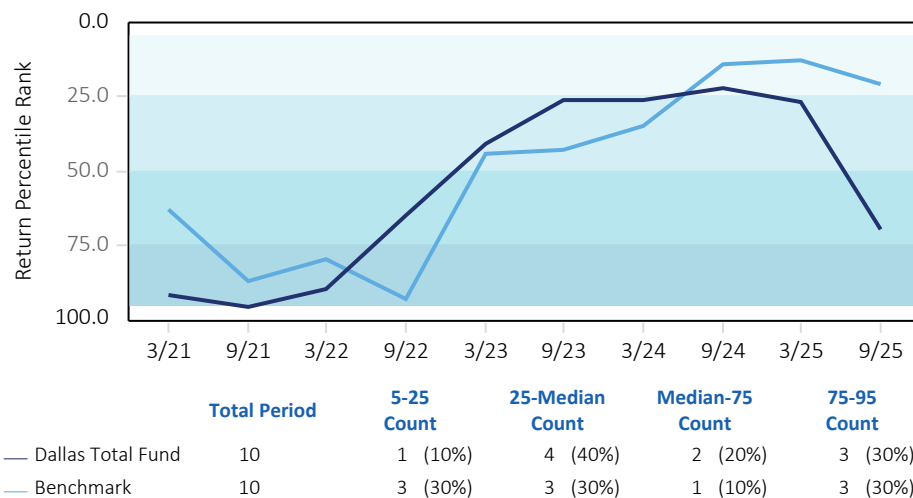
Risk and Return 10/1/20 - 09/30/25

- Dallas Total Fund
- Policy Index
- 90 Day U.S. Treasury Bill
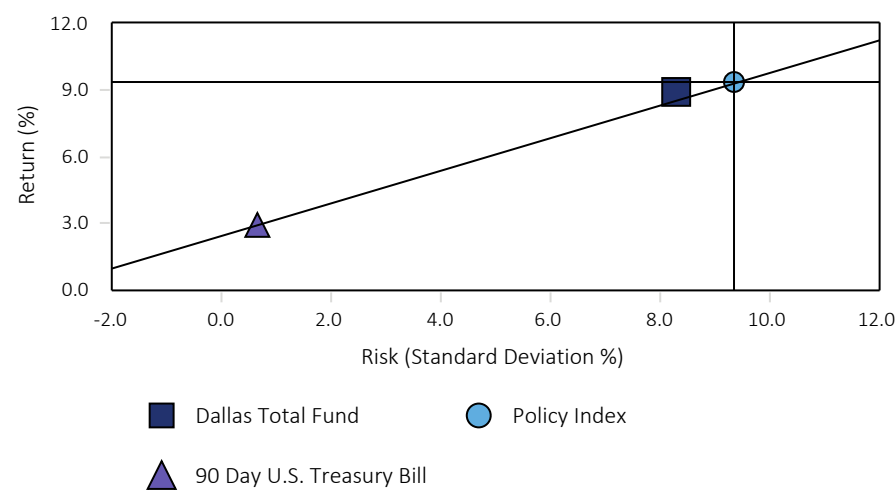
Total Fund Attribution

Dallas Total Fund
Periods Ended 1 Quarter Ending September 30, 2025

Total Fund Performance

Total Value Added: -1.0 %
Total Fund Benchmark: 4.4%
Total Fund: 3.3%

Total Value Added:-1.0 %

Asset Allocation: 0.0%
Manager Value Added: -1.0 %
Other: -0.1 %
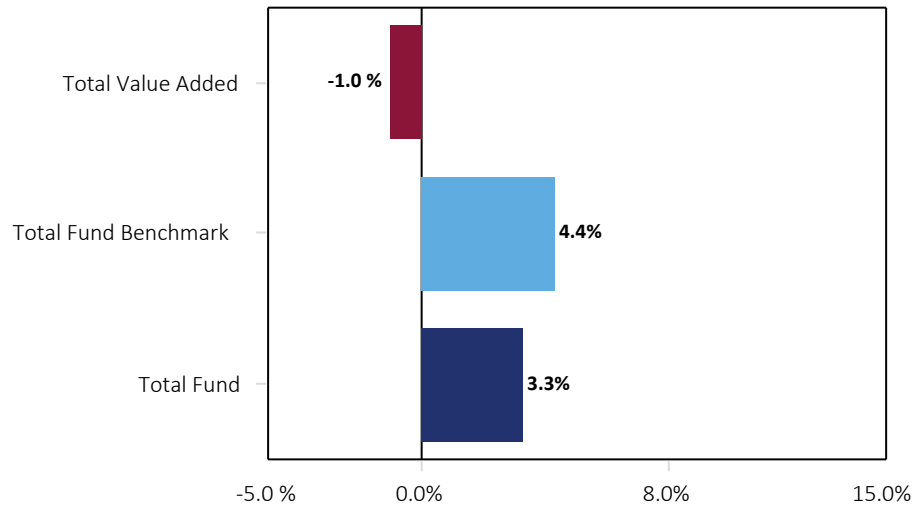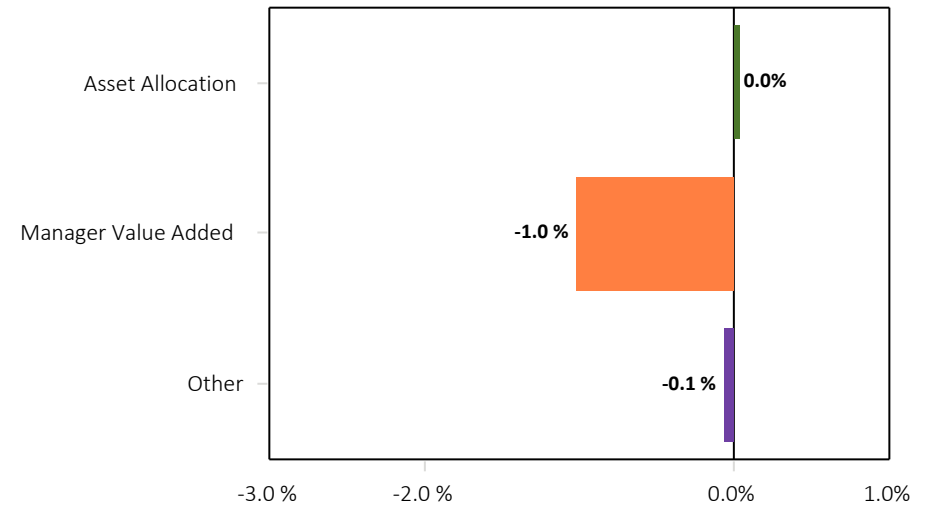
Total Asset Allocation:0.0%
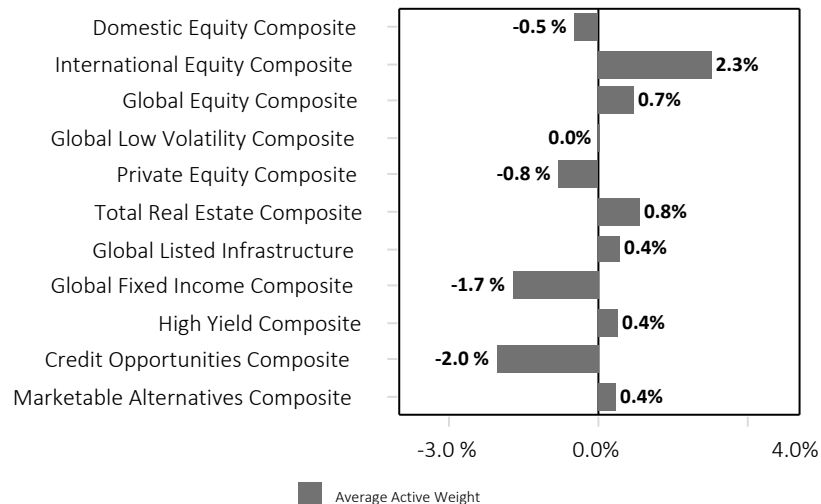
Asset Allocation Value Added:0.0%

Total Manager Value Added:-1.0 %

Composite	Average Active Weight	Asset Allocation Value Added	Manager Value Added
Domestic Equity Composite	-0.5 %	0.0%	0.0%
International Equity Composite	2.3%	0.1%	-0.1 %
Global Equity Composite	0.7%	0.0%	-0.1 %
Global Low Volatility Composite	0.0%	0.0%	0.1%
Private Equity Composite	-0.8 %	0.0%	-0.8 %
Total Real Estate Composite	0.8%	0.0%	0.0%
Global Listed Infrastructure	0.4%	0.0%	0.0%
Global Fixed Income Composite	-1.7 %	0.0%	0.0%
High Yield Composite	0.4%	0.0%	0.0%
Credit Opportunities Composite	-2.0 %	0.0%	0.0%
Marketable Alternatives Composite	0.4%	0.0%	0.0%

■ Average Active Weight ■ Asset Allocation Value Added ■ Manager Value Added

Total Fund Attribution

Dallas Total Fund
Periods Ended 1 Year Ending September 30, 2025

Total Fund Performance

Total Value Added	-1.1 %
Total Fund Benchmark	10.2%
Total Fund	9.1%

(axis: -5.0%, 0.0%, 8.0%, 15.0%)

Total Value Added:-1.1 %

Asset Allocation	0.1%
Manager Value Added	-1.1 %
Other	-0.2 %

(axis: -3.0%, -2.0%, 0.0%, 1.0%)

Total Asset Allocation:0.1%

Asset Allocation Value Added:0.1%

Total Manager Value Added:-1.1 %

Composite	Average Active Weight	Asset Allocation Value Added	Manager Value Added
Domestic Equity Composite	-0.7 %	-0.1 %	-0.3 %
International Equity Composite	1.4%	0.1%	0.5%
Global Equity Composite	0.4%	0.0%	-0.1 %
Global Low Volatility Composite	0.4%	0.0%	0.3%
Private Equity Composite	-0.5 %	0.0%	-1.2 %
Total Real Estate Composite	1.3%	-0.1 %	0.0%
Global Listed Infrastructure	0.5%	0.0%	-0.2 %
Global Fixed Income Composite	-1.6 %	0.1%	0.0%
High Yield Composite	0.3%	0.0%	0.0%
Credit Opportunities Composite	-2.0 %	0.1%	0.0%
Marketable Alternatives Composite	0.3%	0.0%	0.0%

(axes: -3.0% 0.0% 4.0% | -0.8% -0.5% 0.0% 0.5% 0.8% | -4.0% -2.0% 0.0% 1.0%)

■ Average Active Weight   ■ Asset Allocation Value Added   ■ Manager Value Added

Total Fund Attribution

Dallas Total Fund
Periods Ended 3 Years Ending September 30, 2025

Total Fund Performance

Total Value Added	-2.6 %
Total Fund Benchmark	14.1%
Total Fund	11.6%

(x-axis: -5.0%, 0.0%, 8.0%, 15.0%)

Total Value Added:-2.6 %

Asset Allocation	-0.2 %
Manager Value Added	-2.1 %
Other	-0.3 %

(x-axis: -3.0%, -2.0%, 0.0%, 1.0%)

Total Asset Allocation:-0.2 %

	Average Active Weight
Domestic Equity Composite	-0.7 %
International Equity Composite	0.4%
Global Equity Composite	0.0%
Global Low Volatility Composite	0.7%
Private Equity Composite	0.8%
Total Real Estate Composite	1.9%
Global Listed Infrastructure	0.0%
Global Fixed Income Composite	-2.1 %
High Yield Composite	0.1%
Credit Opportunities Composite	-1.3 %
Marketable Alternatives Composite	0.2%

(x-axis: -3.0%, 0.0%, 4.0%)

Asset Allocation Value Added:-0.2 %

	Asset Allocation Value Added
Domestic Equity Composite	-0.1 %
International Equity Composite	0.0%
Global Equity Composite	0.0%
Global Low Volatility Composite	0.0%
Private Equity Composite	0.0%
Total Real Estate Composite	-0.3 %
Global Listed Infrastructure	0.0%
Global Fixed Income Composite	0.2%
High Yield Composite	0.0%
Credit Opportunities Composite	0.0%
Marketable Alternatives Composite	0.0%

(x-axis: -0.8%, -0.5%, 0.0%, 0.5%, 0.8%)

Total Manager Value Added:-2.1 %

	Manager Value Added
Domestic Equity Composite	-0.2 %
International Equity Composite	0.2%
Global Equity Composite	-0.1 %
Global Low Volatility Composite	0.3%
Private Equity Composite	-2.2 %
Total Real Estate Composite	0.2%
Global Listed Infrastructure	-0.3 %
Global Fixed Income Composite	0.0%
High Yield Composite	0.0%
Credit Opportunities Composite	0.0%
Marketable Alternatives Composite	0.0%

(x-axis: -4.0%, -2.0%, 0.0%, 1.0%)

Legend: ■ Average Active Weight ■ Asset Allocation Value Added ■ Manager Value Added

Plan Sponsor Peer Group Analysis

Dallas Total Fund vs All Public Plans > $1B-Total Fund
Periods Ended September 30, 2025

	QTD	YTD	1 Year	2 Years	3 Years	5 Years	10 Years
■ Dallas Total Fund	3.32 (84)	10.03 (72)	9.12 (70)	12.82 (66)	11.56 (70)	8.96 (38)	7.68 (78)
● Policy Index	4.36 (47)	10.91 (51)	10.22 (43)	15.15 (28)	14.14 (21)	9.37 (22)	8.09 (55)
5th Percentile	5.57	14.34	11.95	17.03	15.45	10.60	9.53
1st Quartile	4.90	11.86	10.60	15.32	13.92	9.30	8.58
Median	4.25	10.93	9.88	13.58	12.52	8.85	8.22
3rd Quartile	3.71	9.65	8.93	12.47	11.48	8.25	7.77
95th Percentile	2.86	5.84	7.71	10.07	9.11	7.49	7.15
Population	82	81	80	80	79	75	71
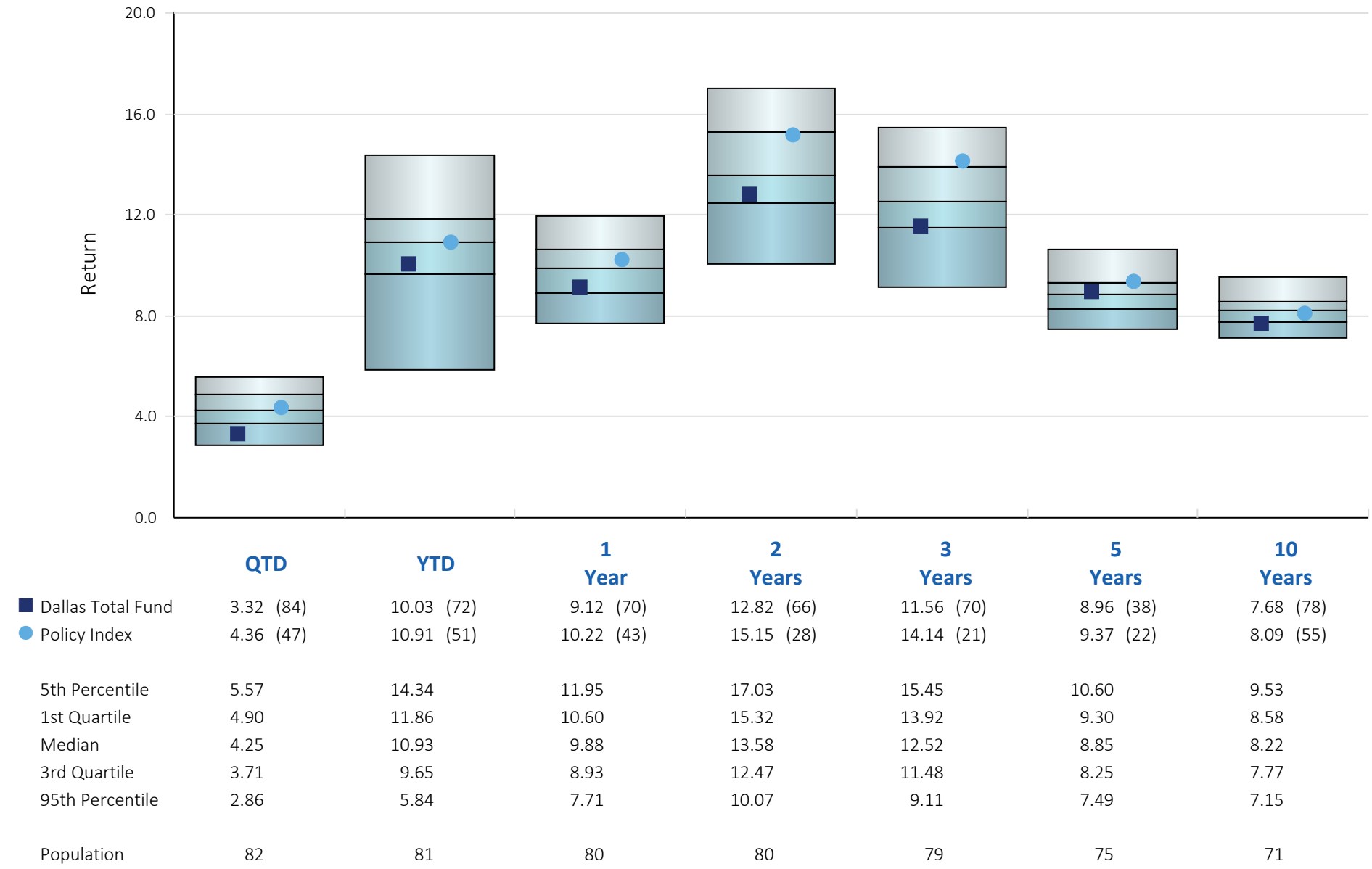
Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Plan Sponsor TF Asset Allocation

Dallas Total Fund vs All Public Plans > $1B-Total Fund
Periods Ended September 30, 2025

	Global Equity	US Equity	Global ex-US Equity	US Fixed	Hedge Funds	Private Equity	Real Assets/Commod	Real Estate - Public	Real Estate - Private	Cash & Equivalents
■ Dallas Total Fund	15.72	11.85	12.55	30.17	2.85	9.30	5.35	2.48	7.97	1.77
5th Percentile	36.26	50.14	24.63	80.62	15.38	30.41	14.38	5.78	11.53	6.39
1st Quartile	13.36	35.53	20.62	27.35	8.98	17.95	5.86	2.70	9.60	3.24
Median	8.95	29.40	15.98	21.09	6.15	11.87	3.93	1.83	7.16	1.51
3rd Quartile	5.92	22.37	11.60	17.25	3.67	6.11	2.27	0.48	4.78	0.67
95th Percentile	3.43	10.82	3.81	11.32	0.03	0.63	1.23	0.02	1.84	0.20
Population	33	121	120	129	34	70	52	22	68	111

8

Asset Allocation & Performance

Dallas Total Fund
Periods Ended September 30, 2025

	Performance (%) Net of Fees								Allocation	
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value $	%
Domestic Equity Composite	8.15	12.30	14.45	21.94	16.54	13.71	10.76	1/1/1990	470,055,125	11.85
International Equity Composite	6.08	28.00	20.65	22.31	11.44	9.25	6.21	1/1/1990	497,594,530	12.55
Global Equity Composite	6.05	17.24	16.20	21.09	12.04	10.91	10.07	9/1/2012	231,427,841	5.84
Global Low Volatility Composite	1.56	12.53	9.72	15.58	9.67	8.93	8.27	7/1/2015	392,023,365	9.88
Private Equity Composite	0.71	2.53	4.03	1.26	12.32	10.69	12.25	6/1/2009	358,261,926	9.03
Total Real Estate Composite	1.41	2.10	1.40	0.65	6.56	5.73	6.36	1/1/1990	414,483,551	10.45
Global Listed Infrastructure Composite	1.06	7.16	12.91	19.95	24.07	7.31	7.39	1/1/2012	212,012,649	5.35
Fixed Income Composite	2.15	6.41	2.71	5.06	-0.07	2.23	4.29	10/1/1995	621,239,536	15.66
High Yield Composite	2.65	7.08	7.13	10.82	5.61	5.74	6.23	1/1/1997	409,431,317	10.32
Credit Opportunities Composite	3.10	7.46	8.40	11.70	5.14		5.63	2/1/2016	165,714,529	4.18
Private Credit Composite	1.32	4.14	11.34				13.00	5/1/2024	10,662,224	0.27
Marketable Alternatives Composite	3.06	6.62	10.41	7.84			7.84	10/1/2022	112,882,324	2.85
Managed Short Term Composite	1.10	3.19	4.40	4.80	2.99	2.09	2.90	1/1/1990	70,070,213	1.77
Dallas Total Fund	3.32	10.03	9.12	11.56	8.96	7.68	8.80	1/1/1985	3,965,859,130	100.00
Policy Index	4.36	10.91	10.22	14.14	9.37	8.09	9.40			

Asset Allocation & Performance
Domestic Equity
Periods Ended September 30, 2025

	Performance (%) Net of Fees								Allocation	
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value $	%
Systematic Financial	9.91	5.65	4.67	14.87	15.25	10.89	10.46	8/1/2003	60,578,011	12.89
Russell 2000 Index	12.39	10.39	10.76	15.21	11.56	9.77	9.09			
Channing Capital	8.51	5.39	5.06	14.23	13.20	8.64	7.18	12/1/2013	34,960,067	7.44
Russell 2000 Value Index	12.60	9.04	7.88	13.56	14.59	9.23	7.32			
Domestic Equity Small Cap Composite	9.39	5.56	4.81	13.30	12.06	9.56	9.22	6/1/2003	95,538,078	20.32
T. Rowe Price	7.53	13.48	16.68	25.89	17.20	15.96	11.50	4/1/2006	183,823,129	39.11
S&P 500 Index	8.12	14.83	17.60	24.94	16.47	15.30	10.91			
Northern Trust S&P 500 (Lending)	8.12	14.82	17.59	24.91	16.47	15.30	11.18	1/1/1995	190,693,919	40.57
S&P 500 Index	8.12	14.83	17.60	24.94	16.47	15.30	11.14			
Domestic Equity Composite	8.15	12.30	14.45	21.94	16.54	13.71	10.76	1/1/1990	470,055,125	100.00
Custom Benchmark[1]	8.24	14.45	17.46	24.15	15.97	14.90	11.00			

[1] Domestic Equity Composite Custom Benchmark: FT Wilshire 5000 (2Q99-Present); S&P 500 (1Q90-1Q99)

Asset Allocation & Performance
International Equity
Periods Ended September 30, 2025

| | Performance (%) Net of Fees | | | | | | | | Allocation | |
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value $	%
Acadian International	8.64	31.59	25.51	21.84	13.57	10.87	8.80	4/1/1989	121,071,246	24.33
Custom Benchmark[1]	6.68	25.54	15.93	19.36	9.97	8.37	6.30			
Ativo International	5.56	29.27	19.81	21.29	9.81		6.15	1/1/2018	34,134,405	6.86
MSCI EAFE (Net)	4.77	25.14	14.99	21.70	11.15		6.74			
AQR Capital Management	7.32	31.53	23.85	24.97	12.04	8.70	5.16	4/1/2006	159,665,384	32.09
Custom Benchmark[2]	6.89	26.02	16.45	20.67	10.26	8.23	4.55			
Baillie Gifford	-0.20	17.72	8.58	19.29	4.02		7.12	4/1/2019	82,097,194	16.50
MSCI AC World ex USA (Net)	6.89	26.02	16.45	20.67	10.26		8.48			
Baillie Gifford - Sanctioned Assets									33,179	0.01
Earnest Partners	6.66	27.04	21.00	22.00	14.97		10.80	4/1/2019	100,593,122	20.22
MSCI AC World ex USA (Net)	6.89	26.02	16.45	20.67	10.26		8.48			
International Equity Composite	6.08	28.00	20.65	22.31	11.44	9.25	6.21	1/1/1990	497,594,530	100.00
Custom Benchmark[3]	6.86	25.97	16.39	20.50	10.22	8.24	5.18			

[1] Acadian Custom Benchmark: MSCI ACWI x-US Small Cap (3Q09-Present); MSCI EAFE Small Cap (4Q99-2Q09); S&P/Citigroup Eur/Pac EMI Index (2Q96-3Q99); MSCI EAFE (2Q89-1Q96)

[2] AQR Custom Benchmark: MSCI ACWI x-US (2Q10-Present); MSCI EAFE (1Q06-1Q10)

[3] International Equity Composite Custom Benchmark: MSCI ACWI x-US IMI (2Q10-Present); MSCI ACWI x-US (1Q99-1Q10); Wilshire Non-US/Non-SA (2Q96-4Q98; MSCI EAFE (4Q89-1Q96)

Asset Allocation & Performance

Global Equity
Periods Ended September 30, 2025

| | Performance (%) Net of Fees | | | | | | | | Allocation | |
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value $	%
Ariel Global	4.84	19.80	15.11	17.07	11.46		8.41	1/1/2018	49,465,873	21.37
MSCI AC World Index (Net)	7.62	18.44	17.27	23.12	13.54		10.67			
NT ACWI IMI Fund	7.77	18.64	17.26				17.26	10/1/2024	63,202,070	27.31
MSCI AC World IMI Index (Net)	7.67	18.25	16.79				16.79			
Wellington	5.65	15.49	15.96	23.79	11.83	11.06	11.82	9/1/2012	118,759,898	51.32
MSCI AC World Index (Net)	7.62	18.44	17.27	23.12	13.54	11.91	10.94			
Global Equity Composite	6.05	17.24	16.20	21.09	12.04	10.91	10.07	9/1/2012	231,427,841	100.00
MSCI AC World Index (Net)	7.62	18.44	17.27	23.12	13.54	11.91	10.94			

Private Equity Summary
Periods Ended as of September 30, 2025

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Hamilton Lane Secondary Fund II	4,589	25,000,000	22,058,532	31,298,964	Jul-09	13.4%	1.4
Hamilton Lane Secondary Fund III	159,006	30,000,000	23,372,292	29,807,176	Nov-12	8.7%	1.3
Hamilton Lane Secondary Fund IV	8,757,525	30,000,000	25,907,343	30,952,910	Mar-17	14.0%	1.5
Hamilton Lane Secondary Fund V	46,049,138	65,000,000	43,128,993	22,309,049	Mar-20	13.7%	1.6
Hamilton Lane Secondary Fund VI-A	15,110,043	30,000,000	13,478,933	2,978,825	Feb-23	30.4%	1.3
Hamilton Lane Fund VII Composite	7,603,409	50,000,000	45,600,834	58,945,119	Jan-10	5.0%	1.5
Hamilton Lane Fund VIII (Global)	11,087,215	30,000,000	22,270,594	22,006,680	Nov-12	6.0%	1.5
GCM Grosvenor - Partnership, L.P.	18,167,470	75,000,000	95,722,822	141,900,528	Jun-11	13.8%	1.7
GCM Grosvenor - Partnership II, L.P. (2014)	27,347,260	60,000,000	73,566,185	85,410,872	Jul-14	13.3%	1.5
GCM Grosvenor - Partnership II, L.P. (2015)	61,995,657	55,000,000	49,450,168	16,236,253	Dec-15	12.7%	1.6
GCM Grosvenor - Partnership II, L.P. (2017)	29,780,301	30,000,000	32,380,286	17,644,180	Jan-18	11.2%	1.5
GCM Grosvenor - Advance Fund, L.P.	8,682,411	10,000,000	7,575,041	345,493	Jun-21	7.9%	1.2
GCM Grosvenor - Partnership II, L.P. (2022)	8,064,645	20,000,000	7,070,263	5,461	May-22	7.0%	1.1
Fairview Capital - Lone Star Fund I	48,835,753	40,000,000	33,903,847	21,600,300	Aug-15	11.9%	2.1
Fairview Capital - Lone Star Fund II	35,150,184	30,000,000	23,900,777	8,195,837	Dec-18	13.3%	1.8
Fairview Capital - Lone Star Fund III - A	22,179,620	25,000,000	20,511,666	1,135,551	Apr-21	4.2%	1.1
Fairview Capital - Lone Star Fund III - B	3,697,298	20,000,000	4,173,406	-	Dec-22	-20.8%	0.9
Fairview Capital - Private Markets Fund VI	5,590,402	10,000,000	5,586,841	210,556	Apr-22	2.5%	1.0
Total Private Equity Composite	**358,261,926**	**635,000,000**	**549,658,821**	**490,983,754**	**Jul-09**	**12.0%**	**1.5**
Public Market Equivalent (PME) [2]	**757,424,352**					**17.7%**	

[1] Total Value to Paid-in Capital ("TVPI") multiple calculation = *(market value + distributions) / capital called*

[2] The Public Market Equivalent (PME) approach creates a hypothetical investment vehicle that mimics the private equity composite cash flows. The performance difference between the PME vehicle and the private equity portfolio is determined by their net asset value (NAV) at the end of the benchmarking period. The performance of the "public market" is simulated using the monthly Wilshire 5000 index returns, plus a 300 BPs annual hurdle rate.

Private Real Estate Summary
Periods Ended as of September 30, 2025

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Invesco II	73,605,293	65,188,333	65,188,333	19,614,151	Jan-14	4.4%	1.4
Total Direct Private Real Estate	**73,605,293**	**65,188,333**	**65,188,333**	**19,614,151**	**Jan-14**	**4.4%**	**1.4**

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
Heitman America Real Estate Trust	71,482,290	75,000,000	88,210,161	113,968,716	Dec-10	6.3%	2.1
Invesco Core Real Estate USA	47,419,315	75,000,000	76,921,500	114,913,039	Oct-10	9.7%	2.1
Total Core Private Real Estate	**118,901,605**	**150,000,000**	**165,131,661**	**228,881,755**	**Oct-10**	**8.2%**	**2.1**

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
AEW Partners Real Estate Fund IX	32,149,143	45,000,000	38,222,222	13,735,303	Mar-21	5.7%	1.2
AEW PIX MM Co-Invest	4,430,376	10,000,000	5,460,377	1,460,161	Nov-21	0.9%	1.1
AEW PIX Oakland Park Co-Invest	4,570,472	5,000,000	5,000,000	764,960	Feb-22	1.4%	1.1
Virtus Real Estate Capital III	51,687,633	43,281,585	44,340,405	5,459,897	Jan-21	8.0%	1.3
Brasa Real Estate Fund II	20,386,830	20,000,000	19,681,894	1,133,526	Jul-22	4.2%	1.1
Long Wharf Real Estate Partners VII	10,279,403	20,000,000	13,564,121	3,426,328	Mar-23	-1.0%	1.0
Total Value-Add Private Real Estate	**123,503,857**	**143,281,585**	**126,269,019**	**25,980,175**	**Jan-21**	**5.8%**	**1.2**

[1] Total Value to Paid-in Capital ("TVPI") multiple calculation = *(market value + distributions) / capital called*

Private Credit Summary

Periods Ended as of September 30, 2025

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Silver Point DOF II	2,522,076	20,000,000	2,702,822	693,438	May-24	20.4%	1.2
MGG Structured Solutions	6,047,728	20,000,000	6,017,584	276,615	Jul-24	6.0%	1.1
Vista Credit Partners Fund IV	2,092,420	20,000,000	2,000,727		Jul-25	4.6%	1.0
Total Private Credit Composite	**10,662,224**	**40,000,000**	**8,720,406**	**970,053**	**May-24**	**11.4%**	**1.3**

[1] Total Value to Paid-in Capital ("TVPI") multiple calculation = *(market value + distributions) / capital called*

Asset Allocation & Performance
Low Volatility
Periods Ended September 30, 2025

	Performance (%) Net of Fees								Allocation	
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value $	%
Acadian Global Low Vol.	1.90	14.26	12.49	17.89	11.41	9.29	8.66	7/1/2015	200,159,341	51.06
MSCI AC World Index (Net)	7.62	18.44	17.27	23.12	13.54	11.91	10.53			
MSCI AC World Minimum Volatility Index (Net)	1.07	10.50	6.64	12.88	7.59	8.24	7.56			
Acadian Global Low Vol - Sanctioned Assets									46,406	0.01
BlackRock Global Low Vol.	1.21	10.82	6.99	13.28	7.94	8.54	7.87	7/1/2015	191,817,618	48.93
MSCI AC World Minimum Volatility Index (Net)	1.07	10.50	6.64	12.88	7.59	8.24	7.56			
Global Low Volatility Composite	1.56	12.53	9.72	15.58	9.67	8.93	8.27	7/1/2015	392,023,365	100.00
MSCI AC World Minimum Volatility Index (Net)	1.07	10.50	6.64	12.88	7.59	8.24	7.56			

Asset Allocation & Performance

Real Estate
Periods Ended September 30, 2025

	Performance (%) Net of Fees								Allocation	
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value $	%
Adelante Capital Management	1.50	3.91	-0.92	10.82	9.62	6.70	9.01	10/1/2001	48,856,224	49.61
Wilshire U.S. Real Estate Securities Index	3.66	5.46	0.21	11.68	9.66	6.73	9.15			
CenterSquare	4.54	4.00	-1.58	11.39	9.99		7.63	6/1/2018	49,616,571	50.39
FTSE NAREIT Equity REIT Index	4.77	4.51	-1.98	10.80	9.34		6.62			
REIT Composite	3.01	3.96	-1.25	11.10	9.81	6.84	9.13	10/1/2001	98,472,795	100.00
Wilshire U.S. Real Estate Securities Index	3.66	5.46	0.21	11.68	9.66	6.73	9.15			

Asset Allocation & Performance

Global Listed Infrastructure
Periods Ended September 30, 2025

	Performance (%) Net of Fees								Allocation	
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value $	%
CIBC	-0.80	3.55	16.48	25.34	32.34	10.61	9.84	1/1/2012	76,298,480	35.99
CIBC Policy[1]	1.31	6.46	20.80	30.47	37.43	10.23	7.12			
Harvest Fund Advisors MLP	0.33	6.44	18.24	23.97	32.65	11.13	9.91	1/1/2012	83,482,020	39.38
Harvest Policy[2]	1.31	6.46	20.80	30.47	37.43	10.23	7.12			
C&S Global Listed Infrastructure	5.18	14.19	6.29	12.68			9.74	11/1/2020	52,232,149	24.64
FTSE Global Core Infrastructure 50/50 (Net)	3.80	13.45	6.94	11.45			8.83			
Global Listed Infrastructure Composite	1.06	7.16	12.91	19.95	24.07	7.31	7.39	1/1/2012	212,012,649	100.00
Global Listed Infrastructure Benchmark[3]	1.93	8.23	17.44	25.72	30.30	7.33	5.06			

[1] CIBC Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

[2] Harvest Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

[3] Global Listed Infrastructure Benchmark: 75% Alerian Midstream Energy Index / 25% FTSE Global Core Infrastructure 50/50 (5/24-Present)
  75% Alerian MLP / 25% FTSE Global Core Infrastructure 50/50 (4Q20-4/24); Alerian MLP (1Q12-3Q20)

Asset Allocation & Performance

Fixed Income
Periods Ended September 30, 2025

	Performance (%) Net of Fees								Allocation	
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value $	%
Garcia Hamilton	2.22	7.01	2.30	4.59	-0.35	1.88	2.26	11/1/2013	202,266,483	32.56
Blmbg. U.S. Aggregate Index	2.03	6.13	2.88	4.93	-0.45	1.84	2.05			
Wellington Core Bond	2.21	6.15	2.96	5.68			3.58	7/1/2022	212,424,864	34.19
Blmbg. U.S. Aggregate Index	2.03	6.13	2.88	4.93			2.99			
NT Aggregate Bond Index	2.03	6.15	2.92				2.92	10/1/2024	206,548,146	33.25
Blmbg. U.S. Aggregate Index	2.03	6.13	2.88				2.88			
Fixed Income Composite	2.15	6.41	2.71	5.06	-0.07	2.23	4.29	10/1/1995	621,239,536	100.00
Blmbg. U.S. Aggregate Index	2.03	6.13	2.88	4.93	-0.45	1.84	4.32			

Asset Allocation & Performance

Opportunistic Credit
Periods Ended September 30, 2025

	Performance (%) Net of Fees								Allocation
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value $
Neuberger Berman	3.10	7.46	8.40	11.70	5.14		5.63	2/1/2016	165,714,529
Custom Benchmark[1]	2.97	7.43	7.60	11.09	4.97		5.68		

[1] Custom Benchmark: 33% Morningstar LSTA U.S. Leveraged Loan Index / 33% ICE BofA U.S. High Yield Constrained Index / 33% JPM EMBI Global Diversified

Asset Allocation & Performance

High Yield
Periods Ended September 30, 2025

	Performance (%) Net of Fees								Allocation	
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value $	%
Oaktree Capital Management	2.74	6.84	6.76	10.66	5.60	5.61	6.37	2/1/1997	207,254,142	50.62
FTSE High Yield Market Capped Index	2.48	7.16	7.40	11.19	5.67	5.99				
FTSE High Yield Cash Pay	2.40	7.13	7.36	11.11	5.65	6.06	6.50			
BlackRock	2.55	7.32	7.50	11.00	5.62	5.88	6.09	10/1/2006	202,177,174	49.38
FTSE High Yield Market Capped Index	2.48	7.16	7.40	11.19	5.67	5.99	6.31			
FTSE High Yield Cash Pay	2.40	7.13	7.36	11.11	5.65	6.06	6.38			
High Yield Composite	2.65	7.08	7.13	10.82	5.61	5.74	6.23	1/1/1997	409,431,317	100.00
FTSE High Yield Cash Pay	2.40	7.13	7.36	11.11	5.65	6.06	6.51			

Asset Allocation & Performance
Marketable Alternatives
Periods Ended September 30, 2025

	Performance (%) Net of Fees						Allocation	
	QTD	YTD	1 Year	3 Years	Since Inception	Inception Date	Market Value $	%
Davidson Kempner	2.81	7.36	11.09	8.24	8.24	10/1/2022	57,073,277	50.56
HFRI Event-Driven Total Index	5.64	7.38	11.58	10.43	10.43			
Value Added	-2.82	-0.02	-0.49	-2.19	-2.19			
Hudson Bay Capital	3.32	5.88	9.74	7.44	7.44	10/1/2022	55,809,047	49.44
HFRI Relative Value Total Index	2.48	5.21	7.99	7.37	7.37			
Value Added	0.84	0.66	1.74	0.07	0.07			
Marketable Alternatives Composite	3.06	6.62	10.41	7.84	7.84	10/1/2022	112,882,324	100.00
Marketable Alternatives Policy[1]	4.05	6.30	9.79	8.91	8.91			
Value Added	-0.99	0.32	0.63	-1.07	-1.07			

[1] Marketable Alternatives Policy: 50% HFRI Event-Driven Total Index / 50% HFRI Relative Value Total Index

Cash Flow Summary
Dallas Total Fund
1 Quarter Ending September 30, 2025

	Begin Value	Net Cash Flow	Fees	Expenses	Capital Apprec./ Deprec.	End Value
Dallas Total Fund	3,896,825,772	-59,447,740	-3,306,258	-1,433,665	133,221,021	3,965,859,130
Domestic Equity Composite	434,645,922	3,307	-304,618	-4,392	35,714,906	470,055,125
Northern Trust S&P 500 (Lending)	176,365,701	3,307		-3,307	14,328,217	190,693,919
Smith Graham						
T. Rowe Price	170,946,706		-117,424	-205	12,994,052	183,823,129
Domestic Equity Small Cap Composite	87,333,515		-187,194	-880	8,392,637	95,538,078
Systematic Financial	55,115,087		-114,665	-646	5,578,235	60,578,011
Channing Capital	32,218,428		-72,529	-233	2,814,402	34,960,067
Total Real Estate Composite	422,318,086	-13,697,837	-407,045	-255	6,270,602	414,483,551
REIT Composite	95,595,520		-131,388	-255	3,008,919	98,472,795
Adelante Capital Management	48,131,940		-72,164	-195	796,643	48,856,224
CenterSquare	47,463,580		-59,224	-61	2,212,276	49,616,571
Private Core Real Estate Composite	196,175,508	-5,300,475	-275,656		1,907,522	192,506,898
Heitman America Real Estate Trust, LP	72,255,385	-1,860,283	-166,296		1,253,484	71,482,290
Invesco Core Real Estate USA, LLC	51,063,174	-3,391,200	-109,360		-143,299	47,419,315
Invesco II	72,856,948	-48,992			797,337	73,605,293
Private Value-Add Real Estate	130,547,059	-8,397,362			1,354,160	123,503,857
Virtus Real Estate Capital III	50,267,238				1,420,395	51,687,633
AEW PARTNERS REAL ESTATE FUND IX	41,201,935	-8,366,804			-685,988	32,149,143
AEW PIX MM CO-INVEST	4,469,074	-49,362			10,664	4,430,376
AEW PIX OAKLAND PARK CO-INVEST	4,524,233				46,239	4,570,472
Brasa Real Estate Fund II	19,940,486				446,344	20,386,830
Private Equity Composite	354,417,795	1,331,502	-638,009	-47,621	3,198,259	358,261,926
Fairview Capital - Lone Star Fund I	48,911,992	80,000	-80,000		-76,239	48,835,753
Fairview Capital - Lone Star Fund II	34,736,482	-506,680	-75,000		995,382	35,150,184

Cash Flow Summary
Dallas Total Fund
1 Quarter Ending September 30, 2025

	Begin Value	Net Cash Flow	Fees	Expenses	Capital Apprec./ Deprec.	End Value
Fairview Capital - Lone Star Fund III - A	20,619,819	557,550	-62,500		1,064,752	22,179,620
Fairview Capital - Lone Star Fund III - B	3,701,699	60,000	-60,000		-4,401	3,697,298
Fairview Private Makets Fund VI	4,698,087	700,000			192,315	5,590,402
Grosvenor Composite	156,228,917	-893,726		-47,621	-1,249,826	154,037,744
Hamilton Lane Secondary Fund II	4,589					4,589
Hamilton Lane Secondary Fund III	164,832				-5,826	159,006
Hamilton Lane Secondary Fund IV	8,743,777				13,748	8,757,525
Hamilton Lane Secondary Fund V	44,481,558				1,567,580	46,049,138
Hamilton Lane Fund VIII (Global)	11,602,037	-402,808	-38,720		-73,294	11,087,215
Hamilton Lane Fund VII (Series B)	2,418,680	-147,817	-22,746		-35,169	2,212,948
Hamilton Lane Fund VII (Series A)	5,887,131	-382,404	-29,043		-85,223	5,390,461
International Equity Composite	**526,284,564**	**-60,000,000**	**-696,194**	**-2,863**	**32,009,023**	**497,594,530**
Acadian International	137,469,294	-28,000,000	-177,469	-154	11,779,575	121,071,246
Ativo International	32,336,025		-47,232	-108	1,845,720	34,134,405
AQR Capital Management	148,773,574		-191,047	-1,838	11,084,694	159,665,384
Earnest Partners	114,274,729	-21,000,000	-161,176	-350	7,479,919	100,593,122
Baillie Gifford	93,397,763	-11,000,000	-119,270	-413	-180,885	82,097,194
Baillie Gifford - Sanctioned Assets	33,179					33,179
Global Equity Composite	**218,225,665**	**5,497**	**-240,233**	**-6,855**	**13,443,767**	**231,427,841**
Ariel Global	47,184,107		-79,886	-81	2,361,734	49,465,873
NT ACWI IMI Fund	58,637,519	5,497		-5,497	4,564,551	63,202,070
Wellington	112,404,039		-160,346	-1,276	6,517,482	118,759,898
Global Low Volatility Composite	**385,973,138**	**18,694**	**-181,554**	**-333**	**6,213,420**	**392,023,365**
Acadian Global Low Vol.	196,419,161		-162,860	-333	3,903,374	200,159,341
Acadian Global Low Vol - Sanctioned Assets	46,406					46,406

Cash Flow Summary
Dallas Total Fund
1 Quarter Ending September 30, 2025

	Begin Value	Net Cash Flow	Fees	Expenses	Capital Apprec./ Deprec.	End Value
BlackRock Global Low Vol.	189,507,572	18,694	-18,694		2,310,046	191,817,618
Global Listed Infrastructure Composite	**209,781,814**		**-335,580**	**-838**	**2,567,253**	**212,012,649**
CIBC	76,915,833		-110,618	-402	-506,333	76,298,480
Harvest Fund Advisors MLP	83,205,051		-151,311	-327	428,607	83,482,020
C&S Global Listed Infrastructure	49,660,930		-73,651	-109	2,644,979	52,232,149
Fixed Income Composite	**608,133,750**	**10,122**	**-184,327**	**-11,394**	**13,291,387**	**621,239,536**
Garcia Hamilton	197,880,546		-91,608	-214	4,477,759	202,266,483
Wellington Core Bond	207,823,073		-92,720	-1,058	4,695,569	212,424,864
NT Aggregate Bond Index	202,430,088	10,122		-10,122	4,118,058	206,548,146
Western Asset Management	42				1	43
Credit Opportunities Composite	**170,447,948**	**-10,000,000**	**-100,525**	**-1,313**	**5,368,419**	**165,714,529**
Neuberger Berman	170,447,948	-10,000,000	-100,525	-1,313	5,368,419	165,714,529
Private Credit Composite	**8,055,096**	**2,497,481**			**109,647**	**10,662,224**
Silver Point DOF II	3,197,863	-597,436			-78,351	2,522,076
MGG Structured Solutions	4,857,233	1,094,190			96,305	6,047,728
High Yield Composite	**398,193,833**	**696,983**	**-218,173**	**-2,805**	**10,761,479**	**409,431,317**
Oaktree Capital Management	201,051,830	696,983		-1,903	5,507,233	207,254,142
BlackRock	197,142,004		-218,173	-902	5,254,246	202,177,174
Marketable Alternatives Composite	**109,526,954**				**3,355,370**	**112,882,324**
Davidson Kempner	55,511,837				1,561,440	57,073,277
Hudson Bay Capital	54,015,117				1,793,930	55,809,047

Cash Flow Summary

Dallas Total Fund
1 Quarter Ending September 30, 2025

	Begin Value	Net Cash Flow	Fees	Expenses	Capital Apprec./ Deprec.	End Value
Managed Short Term Composite	50,821,208	19,686,511		-1,354,996	917,490	70,070,213
Cash Account	50,821,208	19,686,511		-1,354,996	917,490	70,070,213

Risk Analysis & Performance Objectives

Expected Return and Risk
Periods Ended as of September 30, 2025

Bar chart legend: ■ Expected Return - 10 Yr ■ Expected Return - 30 Yr ■ Expected Risk ■ Expected Allocation Based TE

Actual Allocation: 5.95%, 6.91%, 11.35%, 0.28%
Target Allocation: 6.02%, 6.96%, 11.42%

Actual Asset Allocation
11.9%, 12.6%, 5.8%, 9.9%, 15.7%, 0.3%, 4.2%, 2.5%, 10.3%, 8.0%, 9.0%, 5.4%, 2.9%, 1.8%

Target Asset Allocation
12.0%, 11.5%, 5.0%, 10.0%, 17.5%, 2.5%, 4.0%, 2.5%, 10.0%, 7.5%, 10.0%, 5.0%, 2.5%, 0.0%

Pie chart legend:
■ Domestic Equity ■ International Equity ■ Global Equity ■ Global Low Volatility
■ US Fixed Income ■ Opportunistic Credit ■ Private Credit ■ High Yield
■ Public REITs ■ Private Real Estate ■ Private Equity ■ Global Public Infrastructure
■ Marketable Alternatives ■ Cash

Expected Return and Risk
Periods Ended as of September 30, 2025

Contribution to Total Risk - Actual Allocation

0.99% 0.00%
5.27%
16.49%
19.58%
18.66%
6.62%
8.31%
2.64%
5.81%
11.42%
0.23%
1.97%
2.01%
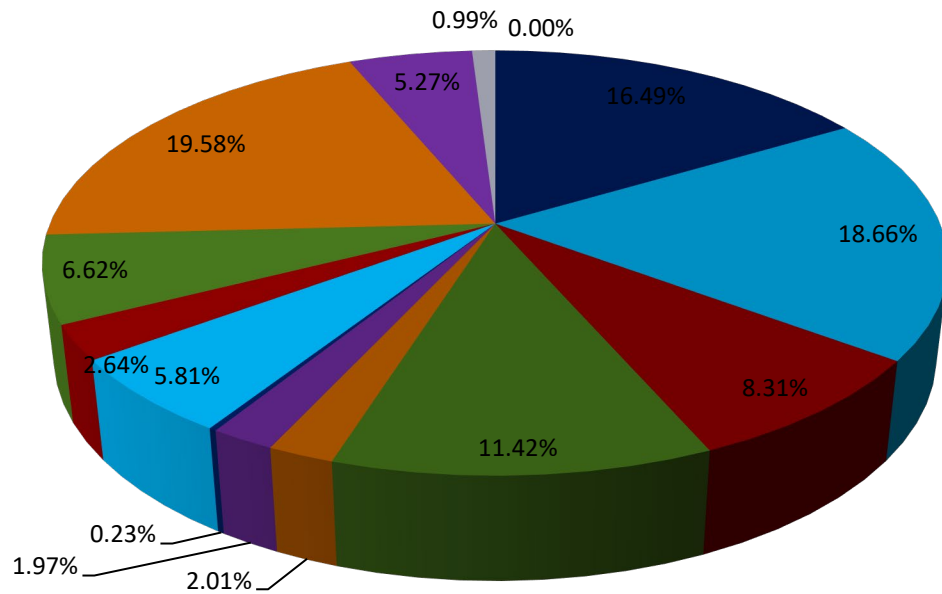
Contribution to Total Risk - Target Allocation

2.50% 0.00%
5.00%
12.00%
10.00%
11.50%
7.50%
5.00%
2.50%
10.00%
10.00%
4.00%
17.50%
2.50%

- Domestic Equity
- International Equity
- Global Equity
- Global Low Volatility
- US Fixed Income
- Opportunistic Credit
- Private Credit
- High Yield
- Public REITs
- Private Real Estate
- Private Equity
- Global Public Infrastructure
- Marketable Alternatives
- Cash

Expected Return and Risk

Periods Ended as of September 30, 2025

Asset Allocation Variance

Category	Value
Domestic Equity	-0.15%
International Equity	1.05%
Global Equity	0.84%
Global Low Volatility	-0.12%
US Fixed Income	-1.84%
Opportunistic Credit	0.18%
Private Credit	-2.23%
High Yield	0.32%
Public REITs	-0.02%
Private Real Estate	0.46%
Private Equity	-0.97%
Global Public Infrastructure	0.35%
Marketable Alternatives	0.35%
Cash	1.77%
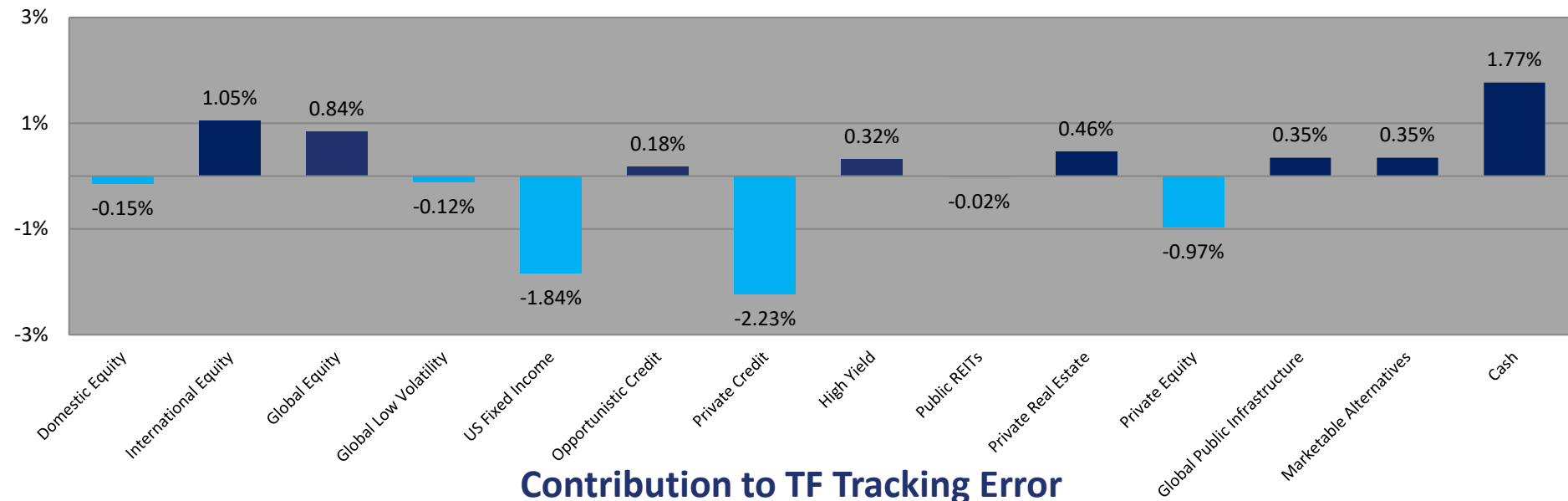
Contribution to TF Tracking Error
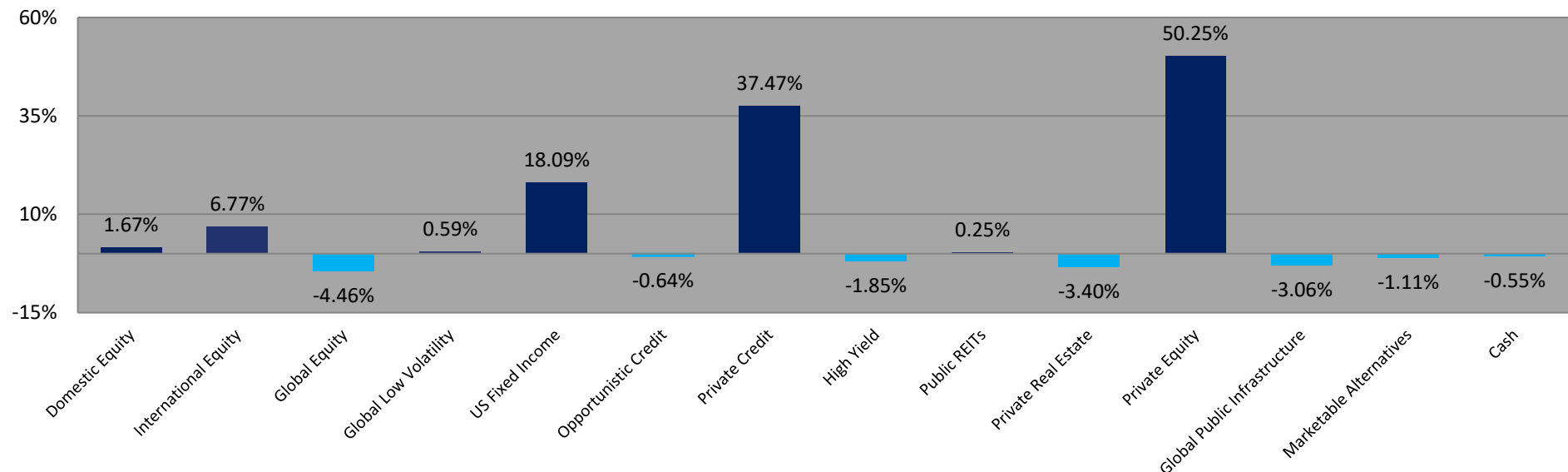
Category	Value
Domestic Equity	1.67%
International Equity	6.77%
Global Equity	-4.46%
Global Low Volatility	0.59%
US Fixed Income	18.09%
Opportunistic Credit	-0.64%
Private Credit	37.47%
High Yield	-1.85%
Public REITs	0.25%
Private Real Estate	-3.40%
Private Equity	50.25%
Global Public Infrastructure	-3.06%
Marketable Alternatives	-1.11%
Cash	-0.55%

1-Year Risk Statistics

Periods Ended September 30, 2025

	1 Year Standard Deviation	1 Year Sharpe Ratio	1 Year Tracking Error	1 Year Information Ratio
Dallas Total Fund	**4.95**	**0.92**	**0.89**	**-1.15**
Policy Index	5.24	1.07	0.00	
DOMESTIC EQUITY				
Domestic Equity Composite	12.99	0.78	1.03	-2.54
Custom Benchmark	12.95	0.98	0.00	
Systematic Financial	**16.69**	**0.10**	**4.20**	**-1.48**
Russell 2000 Index	19.68	0.40	0.00	
Channing Capital	**20.54**	**0.13**	**6.85**	**-0.33**
Russell 2000 Value Index	18.70	0.27	0.00	
T. Rowe Price	**12.04**	**0.99**	**0.70**	**-1.15**
S&P 500 Index	12.10	1.05	0.00	
INTERNATIONAL EQUITY				
International Equity Composite	9.55	1.57	1.89	1.91
Custom Benchmark	9.89	1.16	0.00	
Acadian International	**10.95**	**1.75**	**2.18**	**3.69**
MSCI AC World ex USA Small Cap (Net)	11.22	1.00	0.00	
AQR Capital Management	**9.56**	**1.85**	**3.93**	**1.59**
Custom Benchmark	9.83	1.17	0.00	
Ativo International	**10.38**	**1.39**	**3.45**	**1.19**
MSCI EAFE (Net)	10.92	0.95	0.00	
Baillie Gifford	**11.75**	**0.40**	**5.49**	**-1.25**
MSCI AC World ex USA (Net)	9.83	1.17	0.00	
Earnest Partners	**9.23**	**1.66**	**3.10**	**1.24**
MSCI AC World ex USA (Net)	9.83	1.17	0.00	

1-Year Risk Statistics

Periods Ended September 30, 2025

	1 Year Standard Deviation	1 Year Sharpe Ratio	1 Year Tracking Error	1 Year Information Ratio
GLOBAL EQUITY				
Global Equity Composite	9.69	1.16	1.86	-0.53
MSCI AC World Index (Net)	10.21	1.20	0.00	
Wellington	**9.70**	**1.14**	**2.08**	**-0.57**
MSCI AC World Index (Net)	10.21	1.20	0.00	
Ariel Global	**10.59**	**0.98**	**6.44**	**-0.29**
MSCI AC World Index (Net)	10.21	1.20	0.00	
GLOBAL LOW VOLATILITY				
Global Low Volatility Composite	7.31	0.72	1.61	1.79
MSCI AC World Minimum Volatility Index (Net)	7.14	0.34	0.00	
Acadian Global Low Vol.	**7.73**	**1.01**	**3.21**	**1.69**
MSCI AC World Minimum Volatility Index (Net)	7.14	0.34	0.00	
REIT's				
REIT Composite	11.10	-0.44	1.60	-0.94
Wilshire U.S. Real Estate Securities Index	11.33	-0.30	0.00	
Adelante Capital Management	**11.12**	**-0.41**	**2.30**	**-0.50**
Wilshire U.S. Real Estate Securities Index	11.33	-0.30	0.00	
CenterSquare	**11.28**	**-0.46**	**0.99**	**0.34**
FTSE NAREIT Equity REIT Index	11.90	-0.47	0.00	
FIXED INCOME				
Fixed Income Composite	5.02	-0.29	0.56	-0.25
Blmbg. U.S. Aggregate Index	4.48	-0.30	0.00	
Garcia Hamilton	**6.11**	**-0.30**	**1.69**	**-0.29**
Blmbg. U.S. Aggregate Index	4.48	-0.30	0.00	
Wellington Core Bond	**4.59**	**-0.27**	**0.42**	**0.19**
Blmbg. U.S. Aggregate Index	4.48	-0.30	0.00	

1-Year Risk Statistics

Periods Ended September 30, 2025

	1 Year Standard Deviation	1 Year Sharpe Ratio	1 Year Tracking Error	1 Year Information Ratio
HIGH YIELD				
High Yield Composite	3.13	0.85	0.55	-0.40
FTSE High Yield Cash Pay	3.09	0.93	0.00	
BlackRock	**3.09**	**0.97**	**0.56**	**0.23**
FTSE High Yield Cash Pay	3.09	0.93	0.00	
Oaktree Capital Management	**3.18**	**0.73**	**0.63**	**-0.89**
FTSE High Yield Cash Pay	3.09	0.93	0.00	
CREDIT OPPORTUNITIES				
Credit Opportunities Composite	2.79	1.37	0.61	1.22
Custom Benchmark	2.71	1.13	0.00	
Neuberger Berman	**2.79**	**1.37**	**0.61**	**1.22**
Custom Benchmark	2.71	1.13	0.00	
Global Listed Infrastructure				
Global Listed Infrastructure Composite	14.51	0.62	3.31	-1.18
Global Listed Infrastructure Benchmark	14.00	0.92	0.00	
Harvest Fund Advisors MLP	**17.86**	**0.79**	**9.70**	**0.59**
Alerian MLP Index	21.30	0.39	0.00	
CIBC	**19.68**	**0.66**	**8.20**	**0.55**
Alerian MLP Index	21.30	0.39	0.00	
C&S Global Listed Infrastructure	**9.19**	**0.24**	**2.02**	**-0.26**
FTSE Global Core Infra. 50/50 Index (Net)	8.13	0.34	0.00	
Marketable Alternatives				
Marketable Alternatives Composite	1.99	2.85	1.60	0.35
Marketable Alternatives Policy	2.80	1.83	0.00	
Davidson Kempner	**1.72**	**3.61**	**5.30**	**0.02**
HFRI Event-Driven (Total) Index	4.48	1.38	0.00	

1-Year Risk Statistics

Periods Ended September 30, 2025

	1 Year Standard Deviation	1 Year Sharpe Ratio	1 Year Tracking Error	1 Year Information Ratio
Hudson Bay Capital	**2.63**	**1.93**	**2.80**	**0.58**
HFRI Relative Value (Total) Index	1.34	2.57	0.00	

3-Year Risk Statistics

Periods Ended September 30, 2025

	3 Years Standard Deviation	3 Years Sharpe Ratio	3 Years Tracking Error	3 Years Information Ratio
Dallas Total Fund	6.64	0.98	1.12	-2.11
Policy Index	7.25	1.22	0.00	
DOMESTIC EQUITY				
Domestic Equity Composite	**14.49**	**1.13**	**2.75**	**-0.63**
Custom Benchmark	13.73	1.32	0.00	
Systematic Financial	**17.93**	**0.60**	**5.38**	**-0.16**
Russell 2000 Index	20.88	0.56	0.00	
Channing Capital	**21.20**	**0.51**	**6.26**	**0.09**
Russell 2000 Value Index	21.44	0.48	0.00	
T. Rowe Price	**13.09**	**1.48**	**1.01**	**0.76**
S&P 500 Index	13.18	1.41	0.00	
INTERNATIONAL EQUITY				
International Equity Composite	**12.57**	**1.30**	**2.27**	**0.65**
Custom Benchmark	12.93	1.15	0.00	
Acadian International	**12.41**	**1.29**	**3.44**	**0.59**
MSCI AC World ex USA Small Cap (Net)	12.99	1.07	0.00	
AQR Capital Management	**12.53**	**1.48**	**4.51**	**0.78**
Custom Benchmark	13.02	1.16	0.00	
Ativo International	**12.52**	**1.24**	**3.26**	**-0.14**
MSCI EAFE (Net)	13.36	1.19	0.00	
Baillie Gifford	**16.47**	**0.87**	**5.94**	**-0.12**
MSCI AC World ex USA (Net)	13.02	1.16	0.00	
Earnest Partners	**12.60**	**1.28**	**3.79**	**0.28**
MSCI AC World ex USA (Net)	13.02	1.16	0.00	

3-Year Risk Statistics

Periods Ended September 30, 2025

	3 Years Standard Deviation	3 Years Sharpe Ratio	3 Years Tracking Error	3 Years Information Ratio
GLOBAL EQUITY				
Global Equity Composite	11.13	1.36	2.61	-0.70
MSCI AC World Index (Net)	12.36	1.38	0.00	
Wellington	**11.73**	**1.49**	**2.56**	**0.19**
MSCI AC World Index (Net)	12.36	1.38	0.00	
Ariel Global	**11.25**	**1.05**	**5.69**	**-0.92**
MSCI AC World Index (Net)	12.36	1.38	0.00	
GLOBAL LOW VOLATILITY				
Global Low Volatility Composite	8.96	1.15	1.29	1.85
MSCI AC World Minimum Volatility Index (Net)	8.90	0.89	0.00	
Acadian Global Low Vol.	**9.14**	**1.34**	**2.53**	**1.75**
MSCI AC World Minimum Volatility Index (Net)	8.90	0.89	0.00	
REIT's				
REIT Composite	16.41	0.44	1.46	-0.42
Wilshire U.S. Real Estate Securities Index	16.93	0.46	0.00	
Adelante Capital Management	**16.06**	**0.43**	**2.01**	**-0.46**
Wilshire U.S. Real Estate Securities Index	16.93	0.46	0.00	
CenterSquare	**16.85**	**0.45**	**1.11**	**0.47**
FTSE NAREIT Equity REIT Index	16.90	0.42	0.00	
FIXED INCOME				
Fixed Income Composite	7.40	0.07	1.14	0.17
Blmbg. U.S. Aggregate Index	6.35	0.06	0.00	
Garcia Hamilton	**8.25**	**0.02**	**1.96**	**-0.10**
Blmbg. U.S. Aggregate Index	6.35	0.06	0.00	
Wellington Core Bond	**6.58**	**0.17**	**0.52**	**1.42**
Blmbg. U.S. Aggregate Index	6.35	0.06	0.00	

3-Year Risk Statistics

Periods Ended September 30, 2025

	3 Years Standard Deviation	3 Years Sharpe Ratio	3 Years Tracking Error	3 Years Information Ratio
HIGH YIELD				
High Yield Composite	5.13	1.12	0.73	-0.35
FTSE High Yield Cash Pay	4.96	1.21	0.00	
BlackRock	**4.77**	**1.24**	**0.83**	**-0.14**
FTSE High Yield Cash Pay	4.96	1.21	0.00	
Oaktree Capital Management	**5.59**	**1.01**	**1.30**	**-0.29**
FTSE High Yield Cash Pay	4.96	1.21	0.00	
CREDIT OPPORTUNITIES				
Credit Opportunities Composite	4.51	1.45	1.13	0.50
Custom Benchmark	4.34	1.37	0.00	
Neuberger Berman	**4.51**	**1.45**	**1.13**	**0.50**
Custom Benchmark	4.34	1.37	0.00	
MLP's				
Global Listed Infrastructure Composite	12.67	1.14	3.96	-1.20
Global Listed Infrastructure Benchmark	12.57	1.52	0.00	
Harvest Fund Advisors MLP	**14.38**	**1.25**	**7.14**	**0.14**
Alerian MLP Index	16.57	1.02	0.00	
CIBC	**16.05**	**1.20**	**6.80**	**0.34**
Alerian MLP Index	16.57	1.02	0.00	
C&S Global Listed Infrastructure	**12.63**	**0.64**	**1.98**	**0.58**
FTSE Global Core Infrastructure 50/50 Index (Net)	12.24	0.57	0.00	
Marketable Alternatives Composite				
Marketable Alternatives Composite	1.86	1.58	2.63	-0.39
Marketable Alternatives Policy	3.36	1.18	0.00	
Davidson Kempner	**2.25**	**1.47**	**5.78**	**-0.42**
HFRI Event-Driven (Total) Index	5.22	1.09	0.00	

3-Year Risk Statistics

Periods Ended September 30, 2025

	3 Years Standard Deviation	3 Years Sharpe Ratio	3 Years Tracking Error	3 Years Information Ratio
Hudson Bay Capital	**2.05**	**1.26**	**3.02**	**-0.09**
HFRI Relative Value (Total) Index	1.70	1.65	0.00	

5-Year Risk Statistics

Periods Ended September 30, 2025

	5 Years Standard Deviation	5 Years Sharpe Ratio	5 Years Tracking Error	5 Years Information Ratio
Dallas Total Fund	8.30	0.72	1.73	-0.27
Policy Index	9.35	0.70	0.00	
DOMESTIC EQUITY				
Domestic Equity Composite	**16.41**	**0.84**	**3.31**	**0.16**
Custom Benchmark	16.13	0.82	0.00	
Systematic Financial	**18.54**	**0.70**	**6.93**	**0.39**
Russell 2000 Index	21.58	0.48	0.00	
Channing Capital	**22.29**	**0.53**	**7.20**	**-0.16**
Russell 2000 Value Index	21.96	0.60	0.00	
T. Rowe Price	**15.77**	**0.91**	**1.06**	**0.61**
S&P 500 Index	15.71	0.87	0.00	
INTERNATIONAL EQUITY				
International Equity Composite	**15.34**	**0.60**	**2.34**	**0.50**
Custom Benchmark	14.96	0.53	0.00	
Acadian International	**15.85**	**0.70**	**3.86**	**0.84**
MSCI AC World ex USA Small Cap (Net)	15.90	0.50	0.00	
AQR Capital Management	**14.75**	**0.65**	**4.06**	**0.40**
Custom Benchmark	14.89	0.54	0.00	
Ativo International	**15.28**	**0.50**	**3.66**	**-0.35**
MSCI EAFE (Net)	15.81	0.57	0.00	
GLOBAL EQUITY				
Global Equity Composite	**12.81**	**0.73**	**3.44**	**-0.47**
MSCI AC World Index (Net)	14.88	0.74	0.00	
Wellington	**14.58**	**0.65**	**2.96**	**-0.53**
MSCI AC World Index (Net)	14.88	0.74	0.00	
Ariel Global	**11.84**	**0.73**	**7.48**	**-0.30**
MSCI AC World Index (Net)	14.88	0.74	0.00	

5-Year Risk Statistics

Periods Ended September 30, 2025

	5 Years Standard Deviation	5 Years Sharpe Ratio	5 Years Tracking Error	5 Years Information Ratio
GLOBAL LOW VOLATILITY				
Global Low Volatility Composite	10.61	0.65	1.34	1.45
MSCI AC World Minimum Volatility Index (Net)	10.43	0.48	0.00	
Acadian Global Low Vol.	**10.89**	**0.78**	**2.66**	**1.34**
MSCI AC World Minimum Volatility Index (Net)	10.43	0.48	0.00	
REIT's				
REIT Composite	18.44	0.44	1.37	0.04
Wilshire U.S. Real Estate Securities Index	18.87	0.43	0.00	
Adelante Capital Management	**18.19**	**0.44**	**1.73**	**-0.09**
Wilshire U.S. Real Estate Securities Index	18.87	0.43	0.00	
CenterSquare	**18.77**	**0.45**	**1.17**	**0.52**
FTSE NAREIT Equity REIT Index	18.76	0.41	0.00	
FIXED INCOME				
Fixed Income Composite	7.01	-0.40	1.03	0.42
Blmbg. U.S. Aggregate Index	6.32	-0.51	0.00	
Garcia Hamilton	**7.40**	**-0.41**	**1.64**	**0.11**
Blmbg. U.S. Aggregate Index	6.32	-0.51	0.00	
HIGH YIELD				
High Yield Composite	7.09	0.40	1.24	-0.03
FTSE High Yield Cash Pay	6.96	0.41	0.00	
BlackRock	**7.27**	**0.39**	**2.29**	**-0.01**
FTSE High Yield Cash Pay	6.96	0.41	0.00	
Oaktree Capital Management	**7.14**	**0.39**	**1.06**	**-0.04**
FTSE High Yield Cash Pay	6.96	0.41	0.00	
CREDIT OPPORTUNITIES				
Credit Opportunities Composite	6.04	0.38	1.39	0.12

5-Year Risk Statistics

Periods Ended September 30, 2025

	5 Years Standard Deviation	5 Years Sharpe Ratio	5 Years Tracking Error	5 Years Information Ratio
Custom Benchmark	5.88	0.37	0.00	
Neuberger Berman	**6.04**	**0.38**	**1.39**	**0.12**
Custom Benchmark	5.88	0.37	0.00	
MLP's				
Global Listed Infrastructure Composite	14.84	1.33	5.11	-1.04
Global Listed Infrastructure Benchmark	17.01	1.47	0.00	
Harvest Fund Advisors MLP	**17.38**	**1.55**	**7.29**	**-0.05**
Alerian MLP Index	21.01	1.30	0.00	
CIBC	**18.53**	**1.45**	**6.65**	**-0.06**
Alerian MLP Index	21.01	1.30	0.00	

10-Year Risk Statistics

Periods Ended September 30, 2025

	10 Years Standard Deviation	10 Years Sharpe Ratio	10 Years Excess Risk	10 Years Information Ratio
Dallas Total Fund	8.88	0.65	8.93	-0.28
Policy Index	10.01	0.62	10.04	
DOMESTIC EQUITY				
Domestic Equity Composite	**16.45**	**0.74**	**16.48**	**-0.32**
Custom Benchmark	15.73	0.84	15.75	
Systematic Financial	**18.83**	**0.54**	**18.90**	**0.11**
Russell 2000 Index	20.77	0.46	20.81	
Channing Capital	**21.96**	**0.39**	**22.02**	**-0.07**
Russell 2000 Value Index	21.32	0.43	21.38	
T. Rowe Price	**15.42**	**0.91**	**15.44**	**0.54**
S&P 500 Index	15.24	0.88	15.26	
INTERNATIONAL EQUITY				
International Equity Composite	**15.35**	**0.52**	**15.36**	**0.49**
Custom Benchmark	14.79	0.47	14.80	
Acadian International	**16.33**	**0.59**	**16.36**	**0.59**
MSCI AC World ex USA Small Cap (Net)	16.26	0.45	16.29	
AQR Capital Management	**15.16**	**0.49**	**15.15**	**0.15**
Custom Benchmark	14.64	0.47	14.65	
Ativo International				
MSCI EAFE (Net)	14.90	0.47	14.90	
GLOBAL EQUITY				
Global Equity Composite	**13.28**	**0.69**	**13.29**	**-0.38**
MSCI AC World Index (Net)	14.60	0.71	14.61	
Wellington	**15.09**	**0.64**	**15.09**	**-0.22**
MSCI AC World Index (Net)	14.60	0.71	14.61	
Ariel Global				
MSCI AC World Index (Net)	14.60	0.71	14.61	

10-Year Risk Statistics

Periods Ended September 30, 2025

	10 Years Standard Deviation	10 Years Sharpe Ratio	10 Years Excess Risk	10 Years Information Ratio
GLOBAL LOW VOLATILITY				
Global Low Volatility Composite	10.86	0.65	10.88	0.43
MSCI AC World Minimum Volatility Index (Net)	10.40	0.62	10.42	
Acadian Global Low Vol.	**11.36**	**0.66**	**11.38**	**0.35**
MSCI AC World Minimum Volatility Index (Net)	10.40	0.62	10.42	
REIT's				
REIT Composite	17.08	0.35	17.11	0.01
Wilshire U.S. Real Estate Securities Index	17.58	0.34	17.61	
Adelante Capital Management	**16.79**	**0.35**	**16.82**	**-0.09**
Wilshire U.S. Real Estate Securities Index	17.58	0.34	17.61	
CenterSquare				
FTSE NAREIT Equity REIT Index	17.78	0.34	17.82	
FIXED INCOME				
Fixed Income Composite	5.64	0.06	5.63	0.28
Blmbg. U.S. Aggregate Index	5.03	-0.02	4.97	
Garcia Hamilton	**5.65**	**-0.01**	**5.63**	**0.05**
Blmbg. U.S. Aggregate Index	5.03	-0.02	4.97	
HIGH YIELD				
High Yield Composite	7.21	0.53	7.22	-0.28
FTSE High Yield Cash Pay	7.52	0.55	7.54	
BlackRock	**7.20**	**0.55**	**7.21**	**-0.11**
FTSE High Yield Cash Pay	7.52	0.55	7.54	
Oaktree Capital Management	**7.35**	**0.50**	**7.38**	**-0.44**
FTSE High Yield Cash Pay	7.52	0.55	7.54	
CREDIT OPPORTUNITIES				
Credit Opportunities Composite				

10-Year Risk Statistics

Periods Ended September 30, 2025

	10 Years Standard Deviation	10 Years Sharpe Ratio	10 Years Excess Risk	10 Years Information Ratio
Custom Benchmark				
Neuberger Berman				
Custom Benchmark				
MLP's				
Global Listed Infrastructure Composite	24.47	0.34	24.51	-0.18
Global Listed Infrastructure Benchmark	29.05	0.33	29.09	
Harvest Fund Advisors MLP	**24.63**	**0.48**	**24.67**	**0.12**
Alerian MLP Index	30.38	0.35	30.44	
CIBC	**26.80**	**0.44**	**26.84**	**0.17**
Alerian MLP Index	30.38	0.35	30.44	

Asset Allocation & Performance

DOMESTIC EQUITY
Periods Ended September 30, 2025

	Performance (%) Net of Fees			
	3 Years	5 Years	Since Inception	Inception Date
DOMESTIC EQUITY				
T. Rowe Price	25.89	17.20	11.50	4/1/2006
Standard & Poor's 500 +1%	26.17	17.62	12.02	
Value Added	-0.28	-0.42	-0.52	
Systematic Financial	14.87	15.25	10.46	8/1/2003
Russell 2000 + 1.25%	16.65	12.95	10.46	
Value Added	-1.77	2.30	0.00	
Channing Capital	14.23	13.20	7.18	12/1/2013
Russell 2000 Value + 1.25%	14.98	16.02	8.67	
Value Added	-0.74	-2.82	-1.49	

Asset Allocation & Performance

INTERNATIONAL EQUITY
Periods Ended September 30, 2025

	Performance (%) Net of Fees			
	3 Years	**5 Years**	**Since Inception**	**Inception Date**
INTERNATIONAL EQUITY				
Acadian International	21.84	13.57	8.80	4/1/1989
Custom Benchmark + 2%	21.73	12.17	8.43	
Value Added	0.10	1.40	0.36	
AQR Capital Management	24.97	12.04	5.16	4/1/2006
Custom Benchmark +1.5%	22.48	11.91	6.11	
Value Added	2.49	0.13	-0.95	
Ativo International	21.29	9.81	6.15	1/1/2018
MSCI EAFE Index (N) + 2%	24.12	13.38	8.89	
Value Added	-2.83	-3.57	-2.74	
Baillie Gifford	19.29	4.02	7.12	4/1/2019
MSCI ACWI ex US + 2.00%	23.07	12.47	10.66	
Value Added	-3.78	-8.45	-3.54	
Earnest Partners	22.00	14.97	10.80	4/1/2019
MSCI ACWI ex US + 2.00%	23.07	12.47	10.66	
Value Added	-1.07	2.50	0.14	

Asset Allocation & Performance

GLOBAL EQUITY
Periods Ended September 30, 2025

	Performance (%) Net of Fees			
	3 Years	5 Years	Since Inception	Inception Date
GLOBAL EQUITY				
Wellington	23.79	11.83	11.82	9/1/2012
MSCI ACWI (N) + 2%	25.57	15.81	13.16	
Value Added	-1.77	-3.98	-1.34	
Ariel Global	17.07	11.46	8.41	1/1/2018
MSCI ACWI (N) + 1.5%	24.95	15.24	12.33	
Value Added	-7.88	-3.78	-3.92	
Acadian Global Low Vol.	17.89	11.41	8.66	7/1/2015
MSCI ACWI (N) + 2%	25.57	15.81	12.74	
Value Added	-7.67	-4.40	-4.08	

Asset Allocation & Performance
REAL ESTATE
Periods Ended September 30, 2025

	Performance (%) Net of Fees			
	3 Years	5 Years	Since Inception	Inception Date
REAL ESTATE				
Adelante Capital Management	10.82	9.62	9.01	10/1/2001
Wilshire Real Est. Secs + 1%	12.79	10.75	10.24	
Value Added	-1.97	-1.13	-1.23	
CenterSquare	11.39	9.99	7.63	6/1/2018
Wilshire Real Est. Secs + 1%	12.80	10.76	7.89	
Value Added	-1.41	-0.76	-0.27	

Asset Allocation & Performance

FIXED INCOME
Periods Ended September 30, 2025

	Performance (%) Net of Fees			
	3 Years	**5 Years**	**Since Inception**	**Inception Date**
FIXED INCOME				
Garcia Hamilton	4.59	-0.35	2.26	11/1/2013
Bloomberg Aggregate + 0.5%	5.45	0.05	2.56	
Value Added	-0.86	-0.40	-0.30	
HIGH YIELD				
Oaktree Capital Management	10.66	5.60	6.22	4/1/1988
FTSE HY Cash Pay + 1%	12.22	6.71		
Value Added	-1.56	-1.11		
BlackRock	11.00	5.62	6.09	10/1/2006
FTSE HY Cash Pay + 1%	12.21	6.70	7.44	
Value Added	-1.22	-1.09	-1.34	
CREDIT OPPORTUNITIES				
Neuberger Berman	11.70	5.14	5.63	2/1/2016
Custom Benchmark + 1%	12.19	6.02	6.74	
Value Added	-0.50	-0.88	-1.11	

Asset Allocation & Performance

MLP's
Periods Ended September 30, 2025

	Performance (%) Net of Fees			
	3 Years	**5 Years**	**Since Inception**	**Inception Date**
MLP's				
Harvest Fund Advisors MLP	23.97	32.65	9.91	1/1/2012
Alerian MLP Index + 1.5%	24.21	34.21	7.23	
Value Added	-0.23	-1.56	2.68	
CIBC	25.34	32.34	9.84	1/1/2012
Alerian MLP Index + 1.5%	24.21	34.21	7.23	
Value Added	1.13	-1.87	2.62	
Marketable Alternatives				
Davidson Kempner	8.24		8.24	10/1/2022
HFRI Event-Driven (Total) Index	10.74		10.74	
Value Added	-2.50		-2.50	
Hudson Bay Capital	7.44		7.44	10/1/2022
HFRI Relative Value (Total) Index	7.73		7.73	
Value Added	-0.29		-0.29	

Agenda

- Background and Overview (With Timeline and Stress Testing)

- Review asset allocation from October Board Meeting

- Discuss any capital market assumption changes

- Review any additional asset allocation scenarios the
  Investment Committee would like to either discuss or present
  to the Board in December

Background & Overview

Background & Overview

The asset allocation decision is the most important decision an investor can make

- The asset allocation decision drives 90% of return variability among portfolios

Wilshire recommends revisiting the asset allocation decision every three to five years, or sooner as market conditions warrant

- Dallas ERF last reviewed asset allocation in April 2023

- Increased Private Equity target by 2.5%

- Added Private Credit exposure of 2.5%

- Moderately improved expected risk-adjusted portfolio return

Timeline of Events Supporting 2025 SAA Decision

- 1/24/25 - Initial review of allocation strategy
- 2/6/25 – Scenario modeling discussion
- 3/14/25 – Asset allocation discussion
- 4/3/25 - Asset allocation discussion
- 4/22/25 – Reviewing optimized portfolios
- 5/30/25 – IC Meeting Preparation
- 6/9/25 – Meeting with ERF IC Committee
- 7/1/25 – Discussion around IC Questions
- 8/13/25 - IC Meeting Preparation
- 8/20/25 – Meeting with ERF IC Committee
- 9/26/25 – Updating liability information
- 10/6/25 – Preparations for board meeting
- 11/20/25 - Meeting with ERF IC Committee
- 12/2/25 – Additional portfolios reviewed

130+ Alternative Policy Portfolios
Combination of Staff Input and Wilshire Optimized Portfolios

10 Efficient Frontier Portfolios
Consolidated from 130 + portfolios

Additional Portfolio Suggestions

6

3 Candidate Portfolios
Wilshire/Staff & IC input, presented Board

3
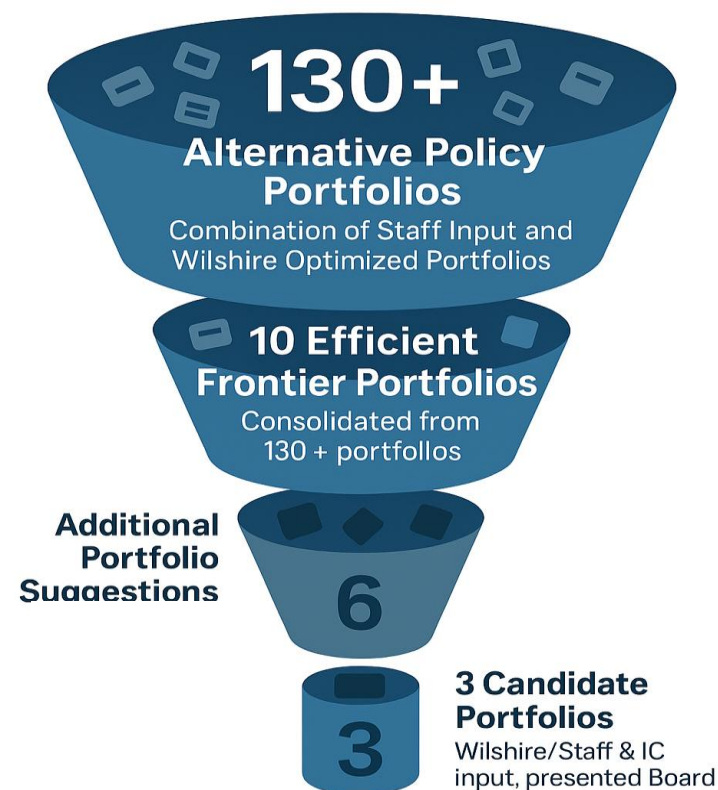
Stress Testing: Regime Assumptions

- In below trend and worse environments, the portfolio's return expectations is materially lower and the volatility is materially higher

- Volatility in the below trend and worse environments are left-skewed, i.e. negative-skewed

	US Stocks	Dev ex-US Stocks	Emg Mkt Stock	Private Equity	Cash	Core Bonds	LT Core Bonds	TIPS	High Yield Bonds	US RE Securities	Private RE	Commodities	Current Policy	Similar Return Policy	Similar Risk Policy	7.25% Return Policy
Expansionary/Above Trend Growth																
Return (%)	9.95	10.95	11.20	15.80	3.60	4.30	3.45	2.35	8.95	9.70	9.00	4.85	9.78	9.67	9.98	10.30
Risk (%)	12.00	13.00	21.00	22.15	0.75	5.25	10.90	6.50	8.00	13.50	10.75	16.00	8.40	8.05	8.44	8.71
Baseline/Trend Growth																
Return (%)	4.60	5.60	5.85	6.45	3.60	4.95	5.15	4.35	6.30	5.70	6.55	4.85	6.15	6.26	6.32	6.35
Risk (%)	17.00	18.00	26.00	29.65	0.75	4.75	9.90	6.00	10.00	17.50	13.95	16.00	11.25	10.71	11.27	11.65
Slow Growth/Below Trend																
Return (%)	1.95	2.95	3.20	1.80	3.60	5.25	6.00	5.35	4.95	3.70	5.30	4.85	4.46	4.68	4.61	4.50
Risk (%)	22.00	23.00	31.00	37.15	0.75	5.75	11.90	7.50	12.00	21.50	17.15	18.00	14.70	14.02	14.78	15.22
Recessionary/Negative Growth																
Return (%)	(5.40)	(4.40)	(4.15)	(11.05)	3.60	6.15	8.35	8.10	1.30	(1.80)	1.95	4.85	(0.52)	0.01	(0.41)	(0.93)
Risk (%)	27.00	28.00	36.00	44.65	0.75	6.75	13.90	9.00	15.00	27.50	21.95	21.00	18.28	17.52	18.48	18.93
Severe Recession/Crisis																
Return (%)	(43.40)	(42.40)	(42.15)	(50.00)	3.60	10.65	20.45	22.35	(17.70)	(30.30)	(15.65)	4.85	(23.76)	(21.68)	(23.47)	(25.08)
Risk (%)	42.00	43.00	51.00	54.65	0.75	14.75	29.90	21.00	20.00	42.50	33.95	26.00	27.06	25.85	27.13	27.45
Inflation Shock																
Return (%)	(10.90)	(4.90)	5.35	(18.20)	3.60	(0.60)	(9.65)	13.60	(0.20)	2.20	5.35	34.85	(3.40)	(2.67)	(2.98)	(3.73)
Risk (%)	22.00	23.00	31.00	36.15	0.75	9.05	18.50	10.75	14.25	22.75	18.15	21.00	15.01	14.35	14.97	15.32

Stress Testing: Regime Descriptions

Regime Descriptions

- **Expansionary/Above Trend Growth** – Regime when the economy is coming out of a recession or the economy is running above long-run capacity. Wilshire does not project the economy to remain in this regime over longer periods.

- **Baseline/Trend Growth** – The long term expected state of the economy. Wilshire's capital market assumptions are based on this regime.

- **Slow Growth/Below Trend** – Regime when the economy is running at less than full capacity.

- **Recessionary/Negative Growth** – Regime when the economy has below zero growth. Wilshire expects the economy would be in a recession.

- **Severe Recession/Deflation** – Regime when the economy defined by significantly negative growth. Wilshire does not project the economy to remain in this regime over longer periods.

Asset Allocation Approach

Focus on Decisions That Matter

OBJECTIVES

ASSET ALLOCATION
Biggest driver of the variation
of a portfolio's return
Drives 90% of return variation

INVESTMENT STRUCTURE
Secondary driver of
return variation
**Drives 5-7% of
return variation**

MANAGER SELECTION
Residual return

IMPLEMENTATION

EMERGING & LONG-TERM RISKS

BEHAVIORAL

SHORTFALL

INFLATION

DRAWDOWN

LIQUIDITY

ACTIVE
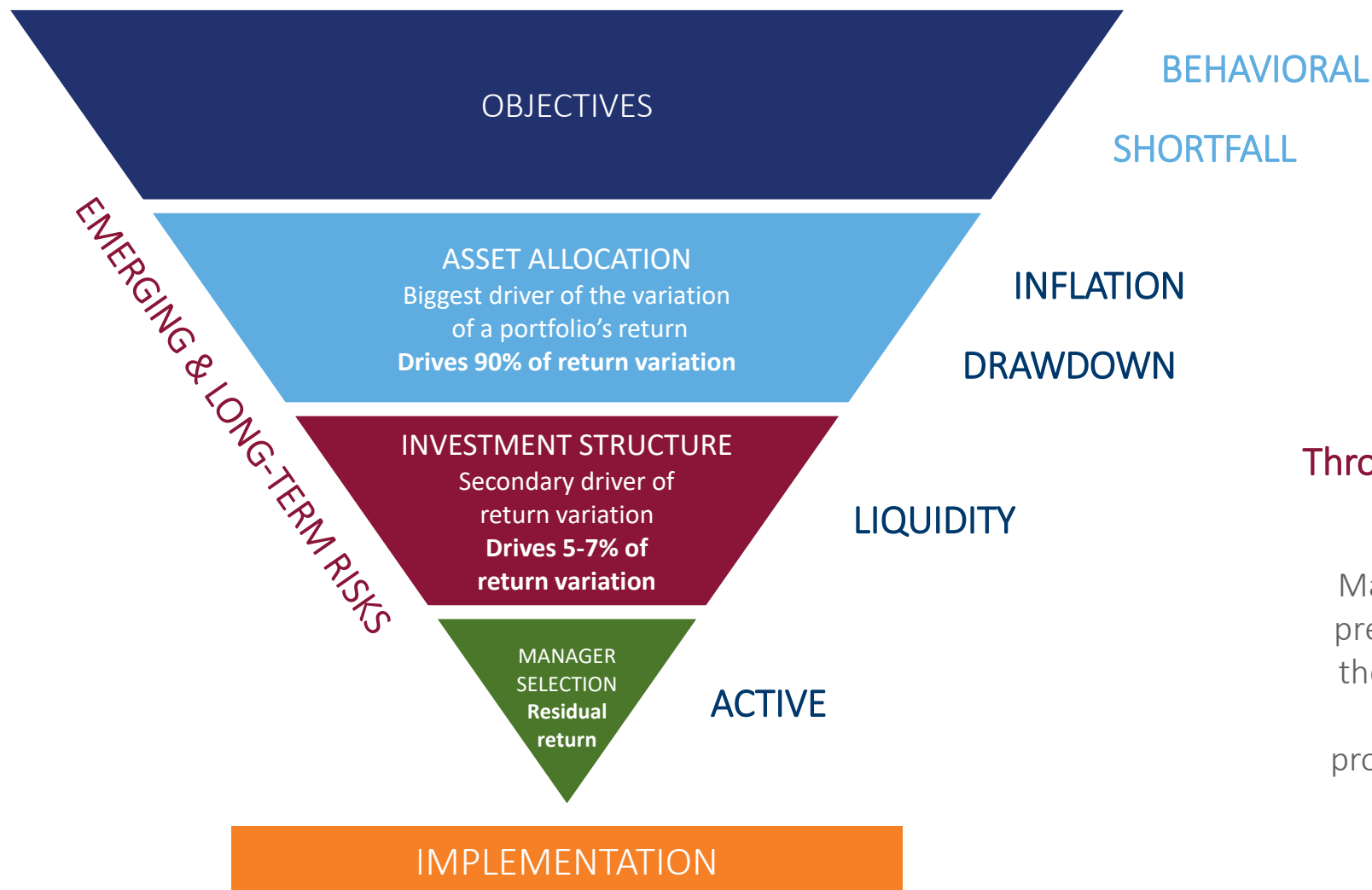
Address Key Risks Throughout the Investment Process

Many of the six key risks are present at multiple points in the investment process, but each distinct step in the process is focused on one or two primary risks.

Risk Assessment Framework

Wilshire's multi-dimensional view of risk integrates organizational and investment considerations into a comprehensive framework for evaluating strategic decisions.

- **Shortfall**: Support distributions and long-term growth

- **Behavioral**: Instill strong governance

- **Drawdown**: Limit portfolio losses

- **Inflation**: Preserve long-term purchasing power

- **Liquidity**: Balance near-term needs, long-term opportunities

- **Active**: Ensure unique exposures

- **Emerging & Long-Term**: Environmental, Social & Governance risks, such as externalities, intangibles and reputation may be linked to various risk lenses

INVESTMENT RISK

ORGANIZATIONAL RISK

DRAWDOWN

INFLATION

LIQUIDITY

Risk Lenses for Plan Governance

BEHAVIORAL

SHORTFALL

ACTIVE

EMERGING & LONG-TERM RISKS

Asset Allocation Process
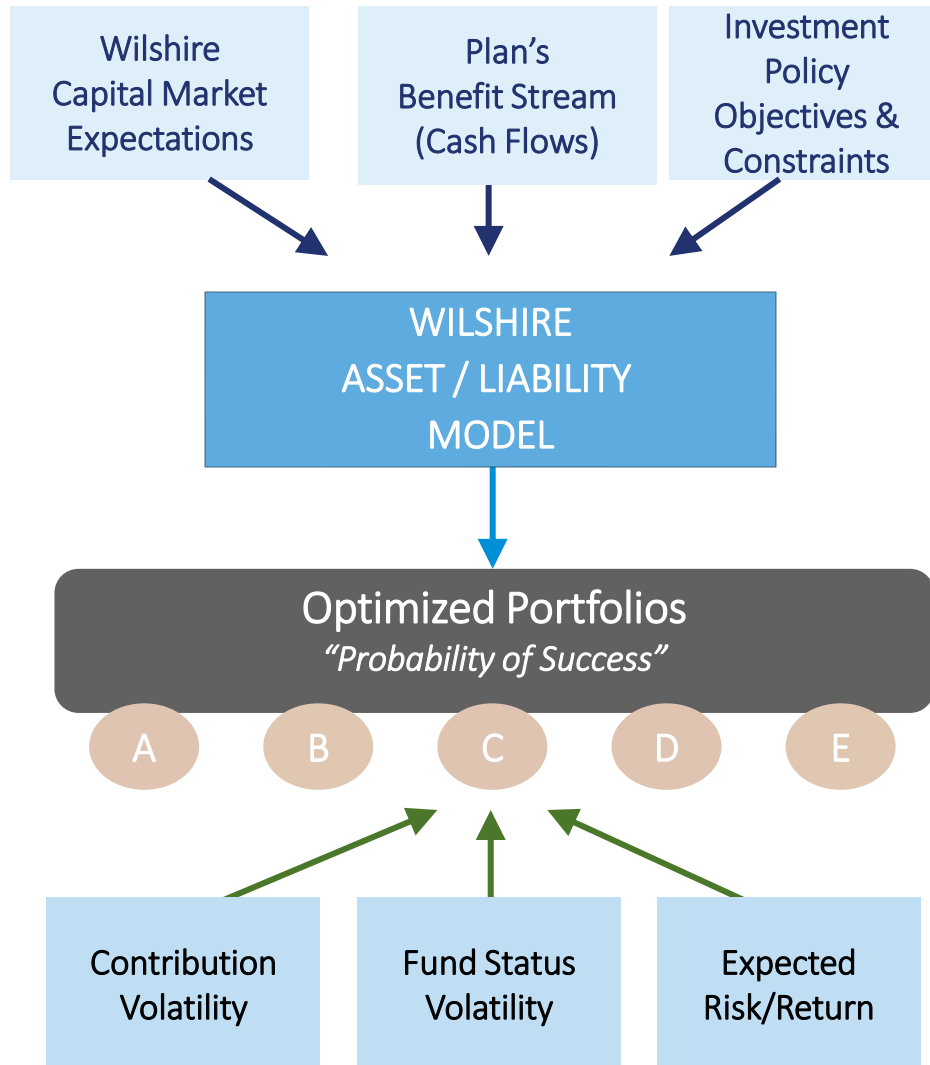
- Wilshire believes the mission of a defined benefit plan is to fund benefits promised to participants

- The role of asset allocation is to manage risk in order to fulfill that core mission
  - **Maximize safety** of promised benefits
  - **Minimize cost** of funding these benefits

- Wilshire's Asset Liability Model provides methodology for selecting a target portfolio that considers both goals

- Strategic asset allocation is not a guide to outperforming in every market ... but it should provide a roadmap for success over a market cycle

- Rigorously developed capital market assumptions for risk and return (see appendix)

- Given that short-term volatility is also important, we identify the impact of the asset allocation decision on funded ratios, annual contribution requirements, and other metrics

Asset Allocation Inputs

Plan Status

	December 31, 2023	December 31, 2024
Asset and Liability Data ($ - Millions)		
1. Market Value of Assets (MVA)	$3,649.10	$3,757.48
2. Actuarial Accrued Liability	5,483.25	5,614.48
3. Funded Status 1. / 2.	66.5%	66.9%
4. Unfunded Actuarial Accrued Liability (UAAL) (2. - 1.)	1,834.15	1,857.00
Economic Assumptions		
Discount Rate	7.25%	7.25%

- December 31, 2023, data was provided in the actuarial valuation reports by the plan actuary.
- December 31, 2024, data is an estimate provided by the plan actuary and final values may vary.

Projected Benefit Payments
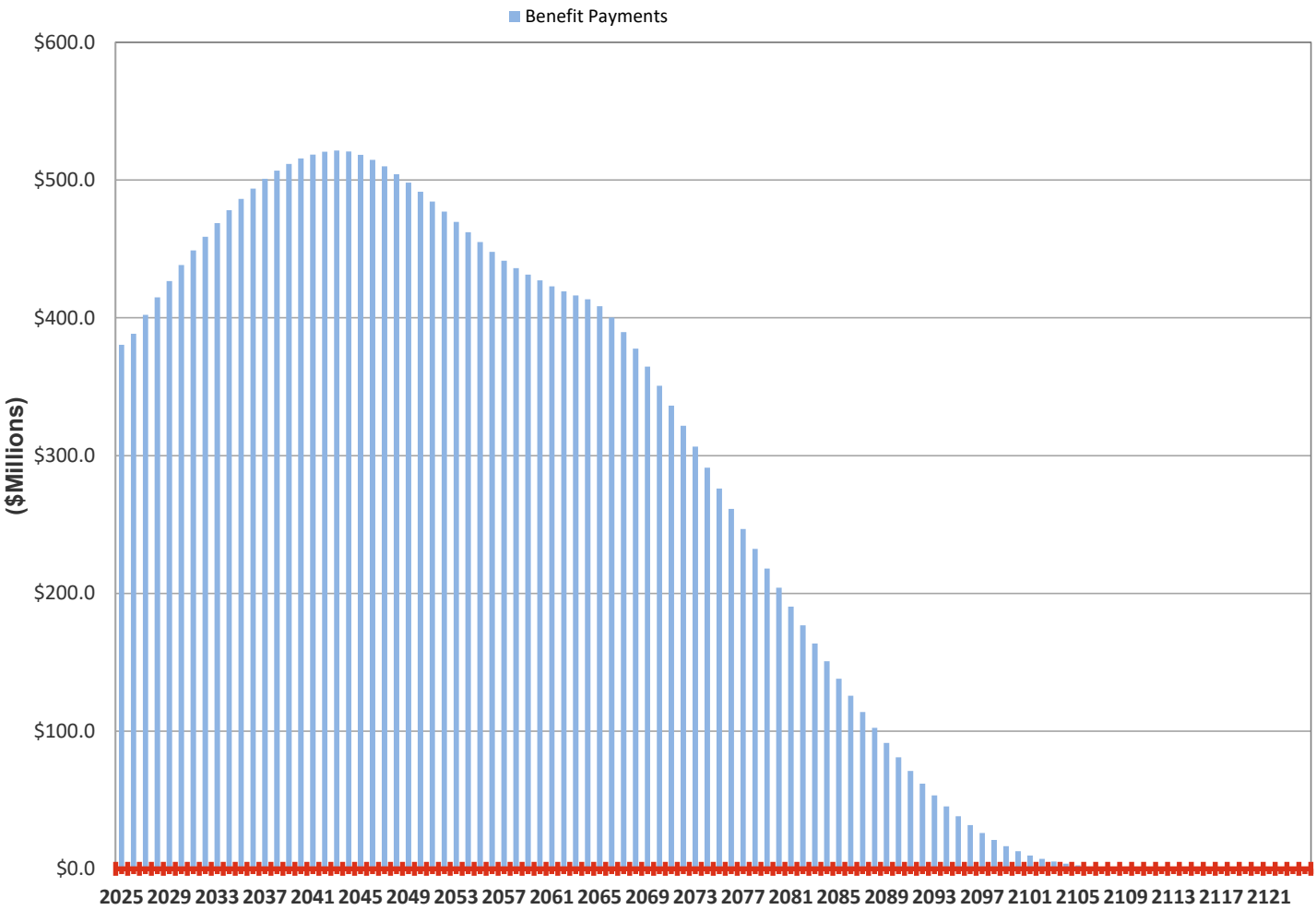
- *Benefit payments provided by plan actuary.*
- *Closed group population, i.e., no new entrants assumed*

Current cash flow needs have not peaked yet

The peak in liquidity needs (cash flow provided by actuary) for the current membership is in 19 years, when projected annual benefit payments increase from $380 million to $521 million.

Deterministic Cash Flow Projection

Legend: Benefit Payments · Difference · ER Contributions · EE Contributions
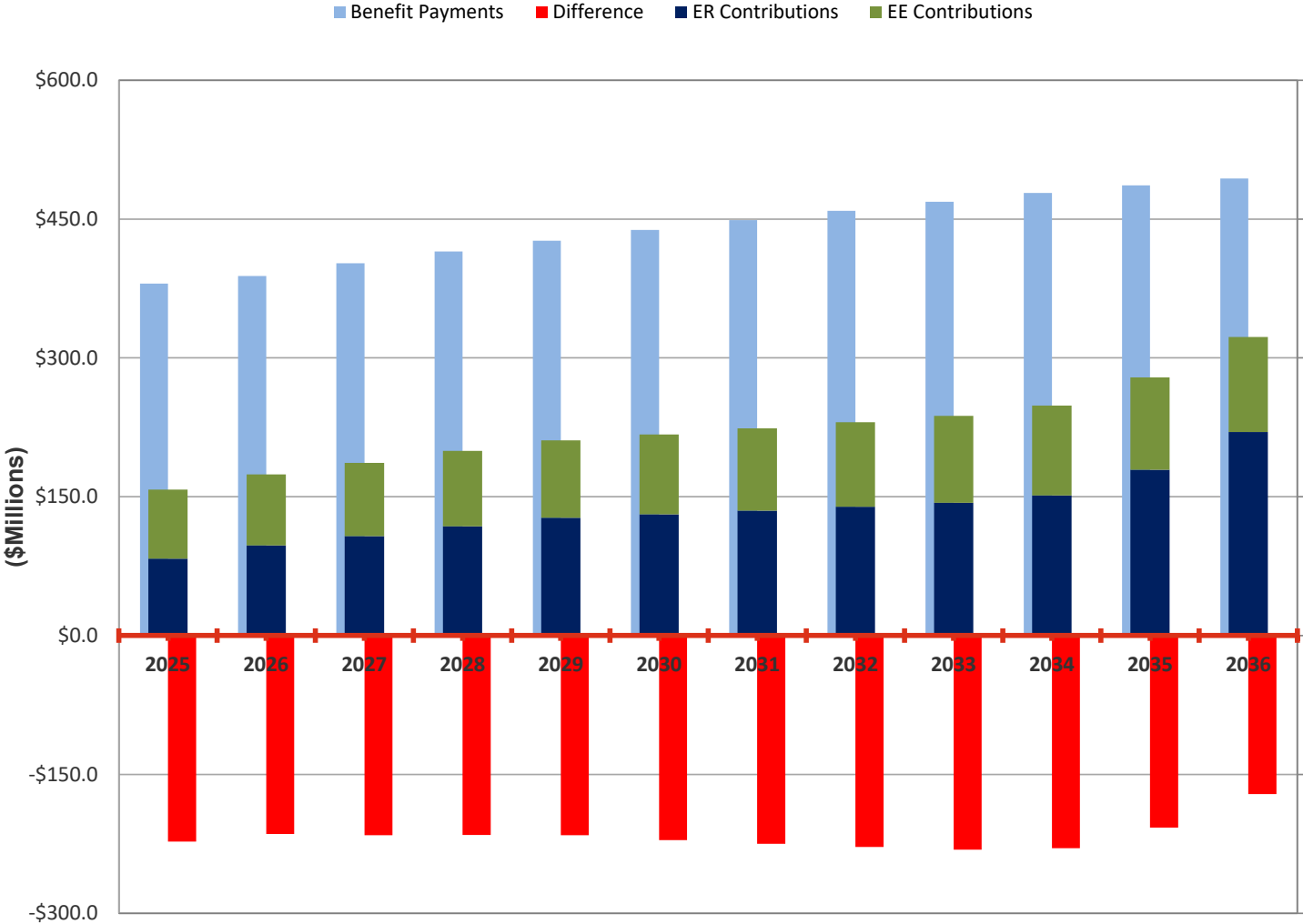
- *Benefit payments and Contributions (both employer and member) were provided by plan actuary.*

Capital Market Assumptions

- Using Wilshire's **June 30, 2025,** Capital Market Assumptions
- Wilshire's asset class return, risk and correlation assumptions are developed on multi-year forward looking expected rates of return and historical risk and correlation, adjusted to incorporate recent trends
- Public market return expectations represent a passive investment in the asset class (beta). They do not reflect value added from active management (alpha).

Asset Classes	Expected Return 10 Years	Expected Return 30 Years	Risk	Cash Yield	Factor Exposure Growth	Factor Exposure Inflation	Liquidity Market Level	Liquidity Stressed Metric
Domestic Equity	4.30	6.10	17.00	1.25	8.00	-3.00	100	0
International Equity	5.30	6.60	18.00	2.95	8.00	-1.00	95	0
Global Equity	4.85	6.45	17.00	1.75	8.00	-1.95	85	0
Private Equity	6.20	7.95	29.65	0.00	14.00	-4.25	0	0
Global Low Volatility Equity	5.55	6.65	13.70	2.25	6.40	-1.20	95	0
High Yield Fixed Income	6.30	6.65	10.00	9.90	4.00	-1.00	80	0
Private Credit Basket	7.70	7.85	12.75	4.90	5.10	-1.50	0	0
Credit Opportunities	6.25	6.20	7.40	8.70	3.00	0.65	85	30
Core Fixed Income	5.05	4.90	4.75	5.75	-0.95	-2.60	100	70
REITs	5.65	6.45	17.50	3.95	6.00	1.00	90	0
Private Real Estate - Core	5.90	6.30	12.00	3.75	4.00	1.00	0	0
Private Real Estate - Value Add	7.30	8.50	17.50	1.90	3.00	1.00	0	0
MLPs	6.65	7.70	19.00	4.95	5.00	6.00	90	0
Global Public Infrastructure	5.45	6.85	17.00	3.70	5.00	3.65	90	0
Marketable Alternatives	6.30	6.50	6.05	0.00	2.50	3.00	30	0

- Growth – Assets with significant growth factor exposure, high expected returns and high risk
- Defensive Growth – Assets with positive growth factor exposure with moderate risk
- Defensive/Rate Sensitive – Assets whose value/return is sensitive to changes in interest rates
- Real Assets/Inflation Sensitive – Assets whose value/return is sensitive to inflation
- Non-Directional/Diversifying – Assets with low growth and inflation factor exposure

Asset Only Efficient Frontier

- Given the asset classes and constraints, opportunities to enhance portfolio efficiency do exist
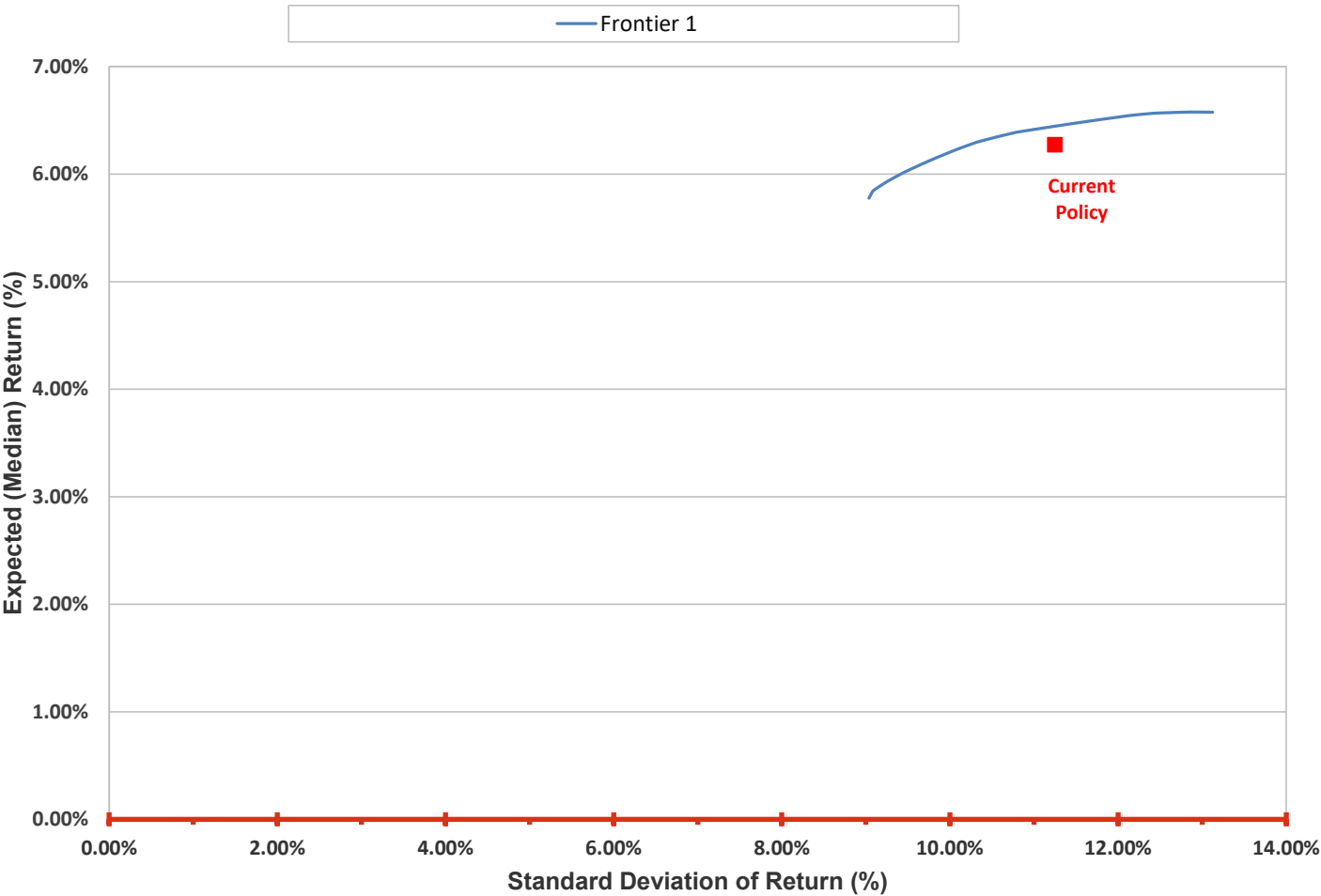
Portfolios Considered

[1] International Equity is constrained to be at most 48% of Total U.S. Equity and International Equity.
[2] Global Low Volatility Equity is constrained to not exceed 1/4 of Total Public Equity. Public Equity is defined as U.S. Equity, Non-U.S. Equity, Global Equity & Global Low Vol. Equity.
[3] MLPs and Global Listed Infrastructure are constrained to not exceed 5%.
[4] Global Listed Infrastructure is constrained to be at least 25% of Total MLPs and Global Listed Infrastructure.

Asset Class	Current Policy	Optimization Constraints	Similar Return Policy	Similar Risk Policy	7.25% Return Policy
Domestic Equity	12.00%	11% - 100% [1,2]	11.00%	11.00%	12.00%
International Equity	11.50%	0% - 100% [1,2]	10.25%	10.25%	11.00%
Global Equity	5.00%	0% - 100% [2]	5.00%	5.00%	5.00%
Private Equity	10.00%	10% - 15%	10.00%	12.00%	12.00%
Total Growth Assets	**38.50%**		**36.25%**	**38.25%**	**40.00%**
Global Low Volatility Equity	10.00%	0% - 100% [2]	5.00%	5.00%	5.00%
High Yield Fixed Income	10.00%	0% - 10%	10.00%	10.00%	10.00%
Private Credit Basket	2.50%	0% - 2.5% / 4%	2.50%	2.50%	4.00%
Credit Opportunities	4.00%	0% - 7.5%	7.50%	7.50%	4.00%
Total Defensive Growth Assets	**26.50%**		**25.00%**	**25.00%**	**23.00%**
Core Fixed Income	17.50%	0% - 100%	17.25%	14.25%	13.00%
Total Defensive / Rate Sensitive Assets	**17.50%**		**17.25%**	**14.25%**	**13.00%**
REITs	2.50%	2.5% - 5%	2.50%	2.50%	2.50%
Private Real Estate - Core	5.00%	5% - 7.5%	5.00%	5.00%	5.00%
Private Real Estate - Value Add	2.50%	0% - 5% / 6%	5.00%	5.00%	6.00%
MLPs	3.75%	0% - 5% [3,4]	3.00%	3.75%	4.25%
Global Public Infrastructure	1.25%	0% - 5% [3,4]	1.00%	1.25%	1.25%
Total RA / Inflation Sensitive Assets	**15.00%**		**16.50%**	**17.50%**	**19.00%**
Marketable Alternatives	2.50%	0% - 5%	5.00%	5.00%	5.00%
Total Non-Directional / Diversifiers Assets	**2.50%**		**5.00%**	**5.00%**	**5.00%**
Total Assets	**100.0%**		**100.0%**	**100.0%**	**100.0%**
Expected Return - 10 Years (%)	**6.15**		**6.26**	**6.32**	**6.35**
Expected Return - 30 Years (%)	**7.01**		**7.05**	**7.17**	**7.25**
Standard Deviation of Return (%)	**11.25**		**10.71**	**11.27**	**11.65**
+/(-) in Expected Return - 10 Years (bps)			**11**	**17**	**20**
+/(-) in Expected Return - 30 Years (bps)			**4**	**16**	**24**
+/(-) in SD of Return (bps)			**(54)**	**2**	**40**
Sharpe Ratio	**0.23**		**0.25**	**0.25**	**0.24**

Portfolios Considered

Asset Class	Current Policy	Similar Return Policy	Similar Risk Policy	7.25% Return Policy
Total Growth Assets	38.50%	36.25%	38.25%	40.00%
Total Defensive Growth Assets	26.50%	25.00%	25.00%	23.00%
Total Defensive / Rate Sensitive Assets	17.50%	17.25%	14.25%	13.00%
Total RA / Inflation Sensitive Assets	15.00%	16.50%	17.50%	19.00%
Total Non-Directional / Diversifiers Assets	2.50%	5.00%	5.00%	5.00%
Total Assets	100.0%	100.0%	100.0%	100.0%
Expected Return - 10 Years (%)	6.15	6.26	6.32	6.35
Expected Return - 30 Years (%)	7.01	7.05	7.17	7.25
Standard Deviation of Return (%)	11.25	10.71	11.27	11.65
Contribution to Asset Volatility (%):				
Growth	61.6	60.6	62.3	62.7
Defensive Growth	21.2	18.3	17.2	16.2
Defensive/Rate Sensitive	2.5	2.6	2.0	1.7
RA/Inflation Sensitve	13.8	16.6	16.7	17.7
Nondirectional/Diversifier	0.9	1.9	1.8	1.7
Cash Yield	3.8	4.0	3.8	3.6
Growth Factor	5.5	5.2	5.6	5.8
Inflation Factor	-1.2	-1.1	-1.0	-1.0
Liquidity				
Market	73.1	68.7	66.6	64.6
Stressed	13.5	14.3	12.2	10.3

Asset Only Efficient Frontier

- Given the asset classes and constraints, opportunities to enhance portfolio efficiency do exist
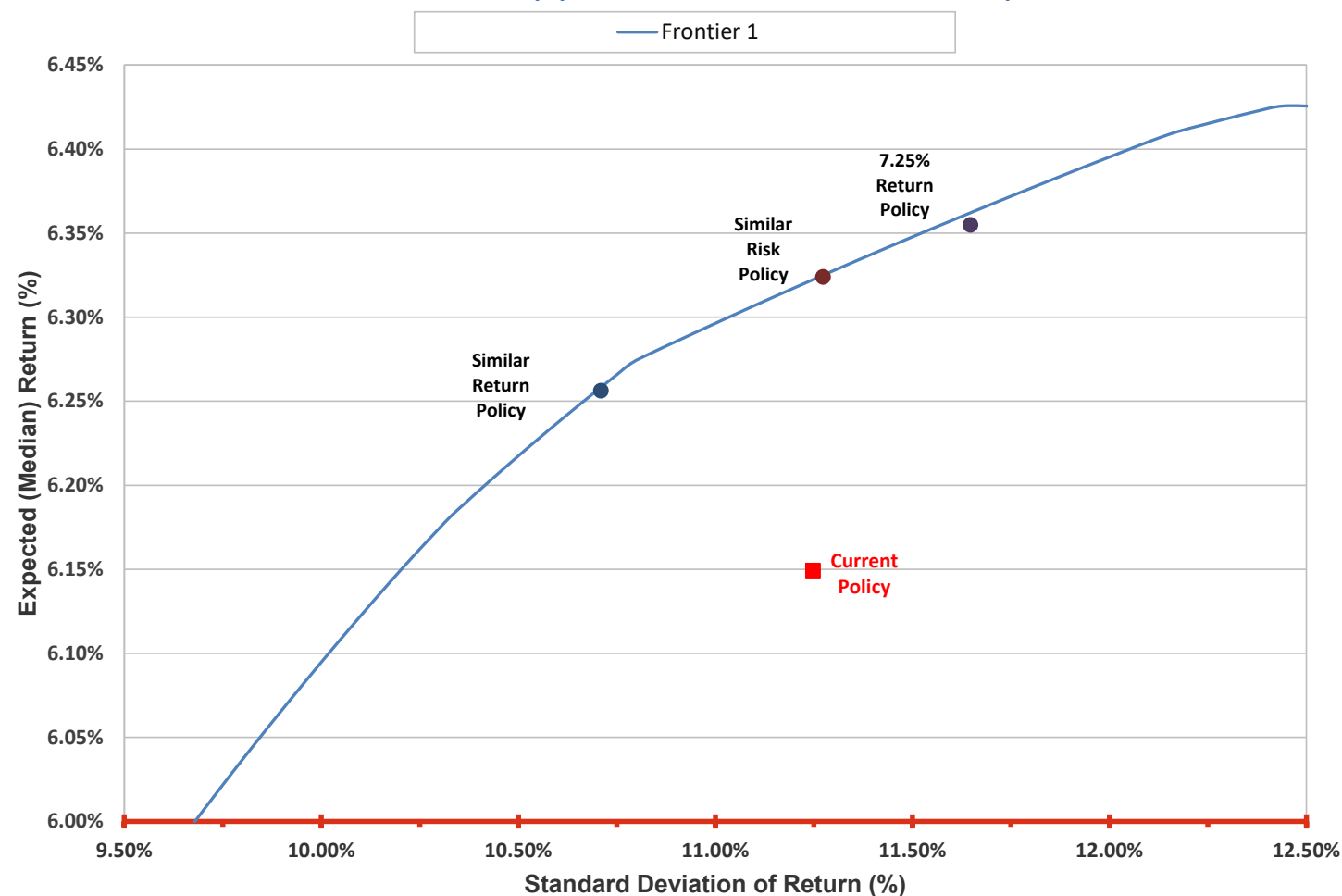
Economic Factor Exposure – Asset Classes

Concentrated factor tilts can represent portfolio vulnerability (e.g., reliance on growth markets)

To the extent possible, a portfolio with factor neutrality is desirable for weathering unexpected future market environments
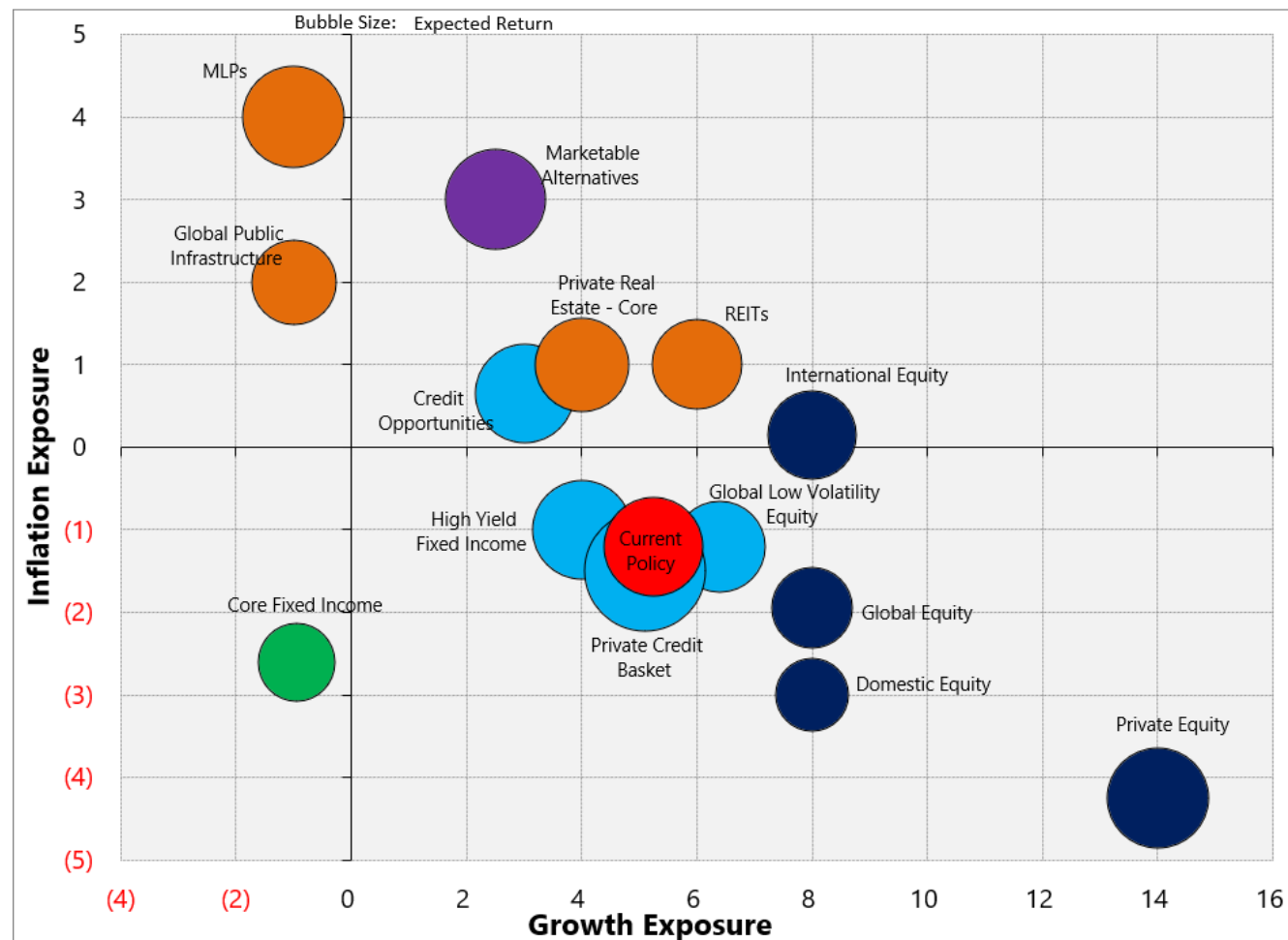
Distribution of Returns*
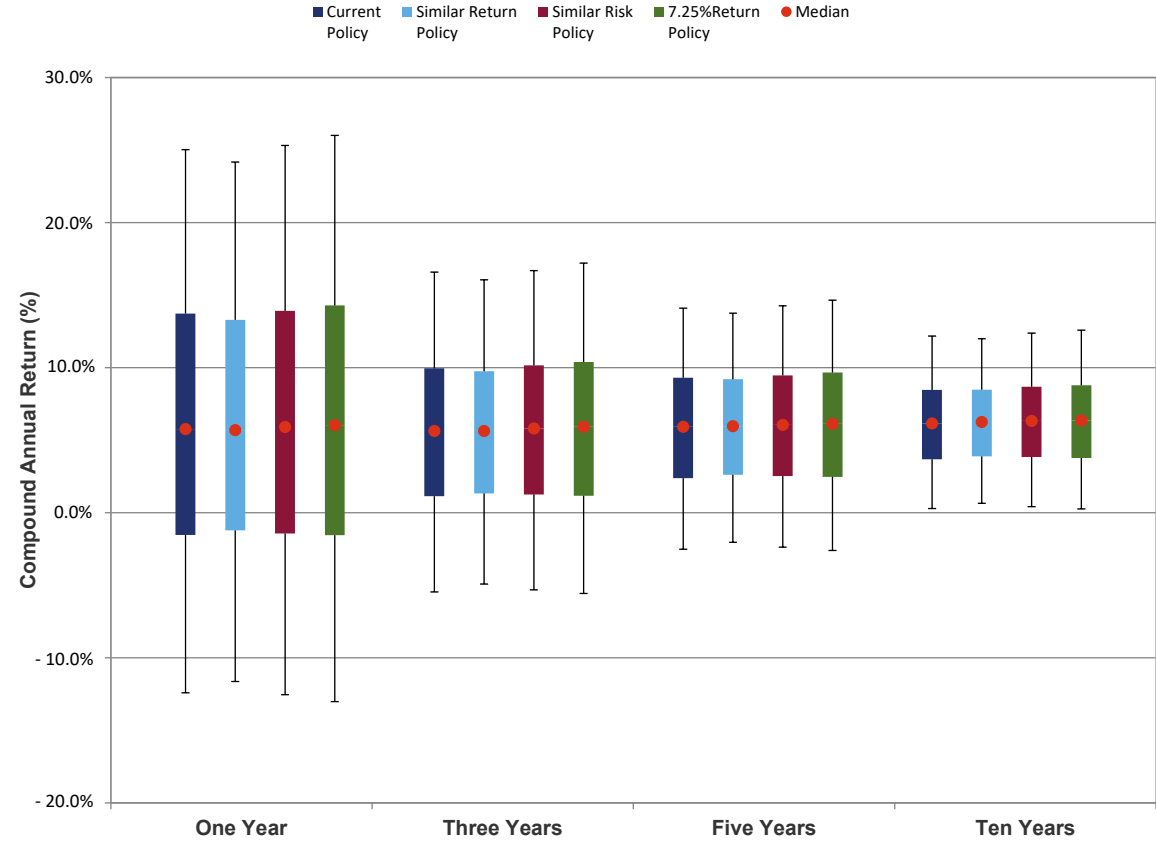
(%)	One Year				Three Years				Five Years				Ten Years			
	Current Policy	Similar Return Policy	Similar Risk Policy	7.25%Return Policy	Current Policy	Similar Return Policy	Similar Risk Policy	7.25%Return Policy	Current Policy	Similar Return Policy	Similar Risk Policy	7.25%Return Policy	Current Policy	Similar Return Policy	Similar Risk Policy	7.25%Return Policy
Very Optimistic	25.03	24.18	25.32	26.01	16.59	16.05	16.69	17.21	14.10	13.76	14.26	14.66	12.18	12.00	12.38	12.58
Optimistic	13.72	13.29	13.92	14.29	9.95	9.76	10.15	10.38	9.30	9.20	9.46	9.66	8.47	8.48	8.68	8.79
Median (Expected)	**5.76**	**5.69**	**5.92**	**6.05**	**5.63**	**5.64**	**5.80**	**5.92**	**5.92**	**5.96**	**6.06**	**6.12**	**6.15**	**6.26**	**6.32**	**6.35**
Pessimistic	-1.53	-1.21	-1.43	-1.55	1.14	1.33	1.26	1.17	2.39	2.61	2.52	2.46	3.68	3.89	3.84	3.77
Very Pessimistic	-12.42	-11.64	-12.55	-13.03	-5.46	-4.91	-5.31	-5.57	-2.52	-2.04	-2.37	-2.60	0.29	0.65	0.42	0.26

For periods longer than one year, returns are compound annual.

AAL MVA Funded Ratio – Deterministic Projection Over 30-Years
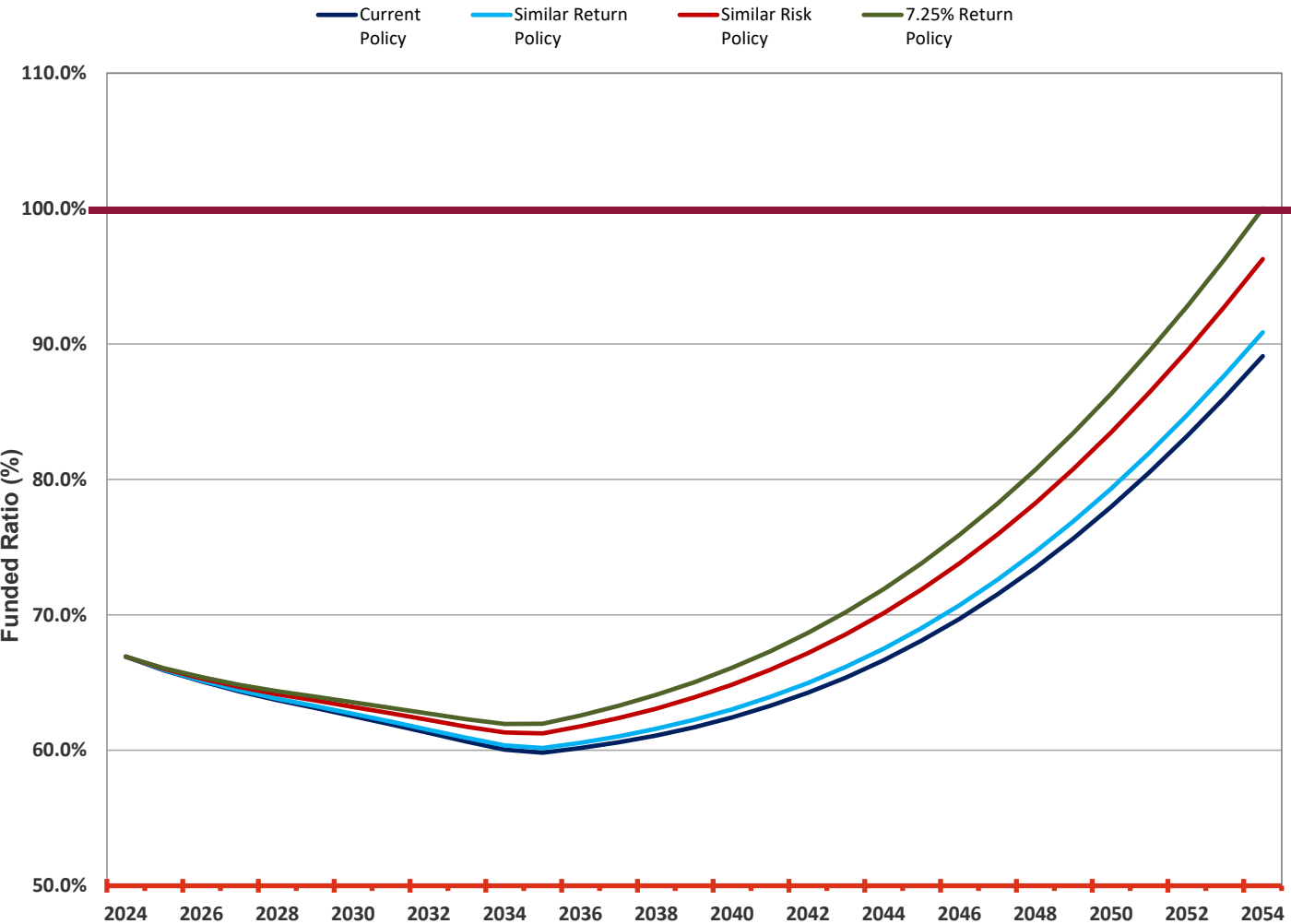
Assets (MVA) were projected over the period based on the 30 Years expected returns for each policy and Liabilities were based on the Actuarial Accrued Liability (AAL) projections provided by the actuary .

Initial Funded Ratio = 66.9%

Plan's Discount Rate is 7.25%

Asset Class	Current Policy	Similar Return Policy	Similar Risk Policy	7.25% Return Policy
Total Growth Assets	38.50%	36.25%	38.25%	40.00%
Total Defensive Growth Assets	26.50%	25.00%	25.00%	23.00%
Total Defensive / Rate Sensitive Assets	17.50%	17.25%	14.25%	13.00%
Total RA / Inflation Sensitive Assets	15.00%	16.50%	17.50%	19.00%
Total Non-Directional / Diversifiers Assets	2.50%	5.00%	5.00%	5.00%
Total Assets	100.0%	100.0%	100.0%	100.0%
Expected Return - 10 Years (%)	6.15	6.26	6.32	6.35
Expected Return - 30 Years (%)	7.01	7.05	7.17	7.25
Standard Deviation of Return (%)	11.25	10.71	11.27	11.65

Observations

- Markets exhibited significant volatility in 2025 and have rebounded exceptionally strongly

- Muted forward expected returns over 10-year horizon

- Modeled alternative target asset allocations can increase expected return and improve efficiency of the Policy

- Continue to build out private equity, credit, and real asset exposure

- Increasing Private Market exposure should factor in implementation considerations:
  - 7.25% portfolio decreases liquidity available in stressed environment
  - Large increases in exposures to private asset can create unintended tracking error due to the time it takes to fund those assets

Additional Portfolios

Asset Class	Current	7.25% Return	Alt 1	Alt 2	Alt 3	Alt 4	Alt 5	Alt 6
Domestic Equity	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	14.0%
International Equity	11.5%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	10.0%
Emerging Markets Equity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Global Equity	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.3%
Global Low Volatility Equity	10.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Private Equity	10.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	13.5%
Total Growth	**48.5%**	**45.0%**	**45.0%**	**45.0%**	**45.0%**	**45.0%**	**45.0%**	**47.8%**
Core Fixed Income	17.5%	13.0%	10.0%	10.0%	13.0%	13.0%	13.0%	11.0%
High Yield Fixed Income	10.0%	10.0%	10.0%	10.0%	5.0%	10.0%	10.0%	8.0%
Private Credit Basket	2.5%	4.0%	7.0%	4.0%	6.5%	6.5%	4.0%	7.0%
Credit Opportunities	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.5%
Total Fixed Income	**34.0%**	**31.0%**	**31.0%**	**28.0%**	**28.5%**	**33.5%**	**31.0%**	**33.5%**
REITs	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Private Real Estate - Core	5.0%	5.0%	5.0%	5.0%	5.0%	2.5%	2.5%	2.5%
Private Real Estate - Value Add	2.5%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	5.0%
MLPs	3.8%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%
Global Public Infrastructure	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	2.0%
Total Inflation Hedging Assets	**15.0%**	**19.0%**	**19.0%**	**19.0%**	**19.0%**	**16.5%**	**16.5%**	**16.3%**
Marketable Alternatives	2.5%	5.0%	5.0%	8.0%	7.5%	5.0%	7.5%	2.5%
Total Diversifying Assets	**2.5%**	**5.0%**	**5.0%**	**8.0%**	**7.5%**	**5.0%**	**7.5%**	**2.5%**
Total Private Assets	**20.0%**	**27.0%**	**30.0%**	**27.0%**	**29.5%**	**27.0%**	**24.5%**	**28.00%**
Total Assets	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Asset Class	Current	7.25% Return	Alt 1	Alt 2	Alt 3	Alt 4	Alt 5	Alt 6
Cash Yield (%)	3.8	3.6	3.6	3.4	3.2	3.6	3.5	3.5
Expected Return - 30 Years (%)	7.01	7.25	7.33	7.29	7.28	7.29	7.26	7.23
Standard Deviation of Return (%)	11.24	11.65	11.89	11.72	11.67	11.68	11.53	12.03
Return\Risk Ratio	0.62	0.62	0.62	0.62	0.62	0.62	0.63	0.60
Growth Factor	5.5	5.8	6.0	5.9	5.8	5.8	5.7	6.0
Inflation Factor	-1.2	-1.0	-1.0	-0.9	-0.9	-1.1	-1.0	-1.2
Portfolio Stressed Liquidity Score	13.5	10.3	8.2	8.2	10.0	10.3	10.3	12.3
Number of Years of Stressed Liquidity (5% Spending Rate)	2.7	2.1	1.6	1.6	2.0	2.1	2.1	2.5

- As part of ongoing discussion with the Investment Committee Wilshire modeled several portfolios that work off the 7.25% portfolio that is being considered

- Additional portfolios examine the effect on risk, return, factor scores, and liquidity for 5 portfolios that extend exposure to Private Credit and Marketable Alts

- Funding for those shifts comes from different combinations of Core Fixed Income, High Yield, and Core Real Estate

- Varying results displayed in the table, but the general takeaways are:
  - Return moves up marginally, as does risk (Flat Return/Risk ratio)
  - In some cases, stressed liquidity decrease under two years
  - Moving up to 6.5-7% in private credit would be challenging to do within the time frame of typical SAA review – 3 Years
  - These portfolios could be suitable for consideration in the longer term with the 7.25% option considered as a step towards those shifts

Appendix – Asset Liability Modeling

Portfolios Considered

Asset Class	Current Policy	Optimization Constraints	Similar Return Policy	Similar Risk Policy	7.25% Return Policy
Domestic Equity	12.00%	11% - 100% [1,2]	11.00%	11.00%	12.00%
International Equity	11.50%	0% - 100% [1,2]	10.25%	10.25%	11.00%
Global Equity	5.00%	0% - 100% [2]	5.00%	5.00%	5.00%
Private Equity	10.00%	10% - 15%	10.00%	12.00%	12.00%
Total Growth Assets	**38.50%**		**36.25%**	**38.25%**	**40.00%**
Global Low Volatility Equity	10.00%	0% - 100% [2]	5.00%	5.00%	5.00%
High Yield Fixed Income	10.00%	0% - 10%	10.00%	10.00%	10.00%
Private Credit Basket	2.50%	0% - 2.5% / 4%	2.50%	2.50%	4.00%
Credit Opportunities	4.00%	0% - 7.5%	7.50%	7.50%	4.00%
Total Defensive Growth Assets	**26.50%**		**25.00%**	**25.00%**	**23.00%**
Core Fixed Income	17.50%	0% - 100%	17.25%	14.25%	13.00%
Total Defensive / Rate Sensitive Assets	**17.50%**		**17.25%**	**14.25%**	**13.00%**
REITs	2.50%	2.5% - 5%	2.50%	2.50%	2.50%
Private Real Estate - Core	5.00%	5% - 7.5%	5.00%	5.00%	5.00%
Private Real Estate - Value Add	2.50%	0% - 5% / 6%	5.00%	5.00%	6.00%
MLPs	3.75%	0% - 5% [3,4]	3.00%	3.75%	4.25%
Global Public Infrastructure	1.25%	0% - 5% [3,4]	1.00%	1.25%	1.25%
Total RA / Inflation Sensitive Assets	**15.00%**		**16.50%**	**17.50%**	**19.00%**
Marketable Alternatives	2.50%	0% - 5%	5.00%	5.00%	5.00%
Total Non-Directional / Diversifiers Assets	**2.50%**		**5.00%**	**5.00%**	**5.00%**
Total Assets	**100.0%**		**100.0%**	**100.0%**	**100.0%**
Expected Return - 10 Years (%)	**6.15**		**6.26**	**6.32**	**6.35**
Expected Return - 30 Years (%)	**7.01**		**7.05**	**7.17**	**7.25**
Standard Deviation of Return (%)	**11.25**		**10.71**	**11.27**	**11.65**
+/(-) in Expected Return - 10 Years (bps)			**11**	**17**	**20**
+/(-) in Expected Return - 30 Years (bps)			**4**	**16**	**24**
+/(-) in SD of Return (bps)			**(54)**	**2**	**40**
Sharpe Ratio	**0.23**		**0.25**	**0.25**	**0.24**

Portfolios Considered

Asset Class	Current Policy	Similar Return Policy	Similar Risk Policy	7.25% Return Policy
Total Growth Assets	38.50%	36.25%	38.25%	40.00%
Total Defensive Growth Assets	26.50%	25.00%	25.00%	23.00%
Total Defensive / Rate Sensitive Assets	17.50%	17.25%	14.25%	13.00%
Total RA / Inflation Sensitive Assets	15.00%	16.50%	17.50%	19.00%
Total Non-Directional / Diversifiers Assets	2.50%	5.00%	5.00%	5.00%
Total Assets	100.0%	100.0%	100.0%	100.0%
Expected Return - 10 Years (%)	6.15	6.26	6.32	6.35
Expected Return - 30 Years (%)	7.01	7.05	7.17	7.25
Standard Deviation of Return (%)	11.25	10.71	11.27	11.65
Contribution to Asset Volatility (%):				
Growth	61.6	60.6	62.3	62.7
Defensive Growth	21.2	18.3	17.2	16.2
Defensive/Rate Sensitive	2.5	2.6	2.0	1.7
RA/Inflation Sensitve	13.8	16.6	16.7	17.7
Nondirectional/Diversifier	0.9	1.9	1.8	1.7
Cash Yield	3.8	4.0	3.8	3.6
Growth Factor	5.5	5.2	5.6	5.8
Inflation Factor	-1.2	-1.1	-1.0	-1.0
Liquidity				
Market	73.1	68.7	66.6	64.6
Stressed	13.5	14.3	12.2	10.3

Box and Whisker Graphs

Very Pessimistic/
(Optimistic)

Pessimistic/
(Optimistic)

Expected

Optimistic/
(Pessimistic)

Very Optimistic/
(Pessimistic)
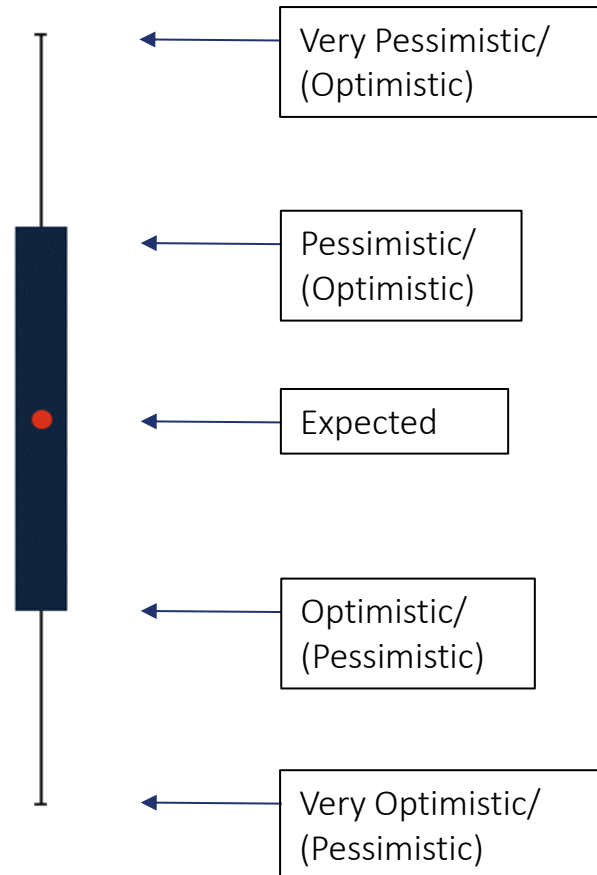
In each year of the simulation, there are 5,000 independent economic trial results. We summarize these trial results by percentiles and use the following labeling (return and funded ratio labeling in parentheses):

- Very Pessimistic (Optimistic): 95th percentile

- Pessimistic (Optimistic): 75th percentile

- Expected: 50th percentile

- Optimistic (Pessimistic): 25th percentile

- Very Optimistic (Pessimistic): 5th percentile

AAL MVA Funded Ratio

Legend: Current Policy | Similar Return Policy | Similar Risk Policy | 7.25% Return Policy | ····· Initial Funded Ratio | ● Median
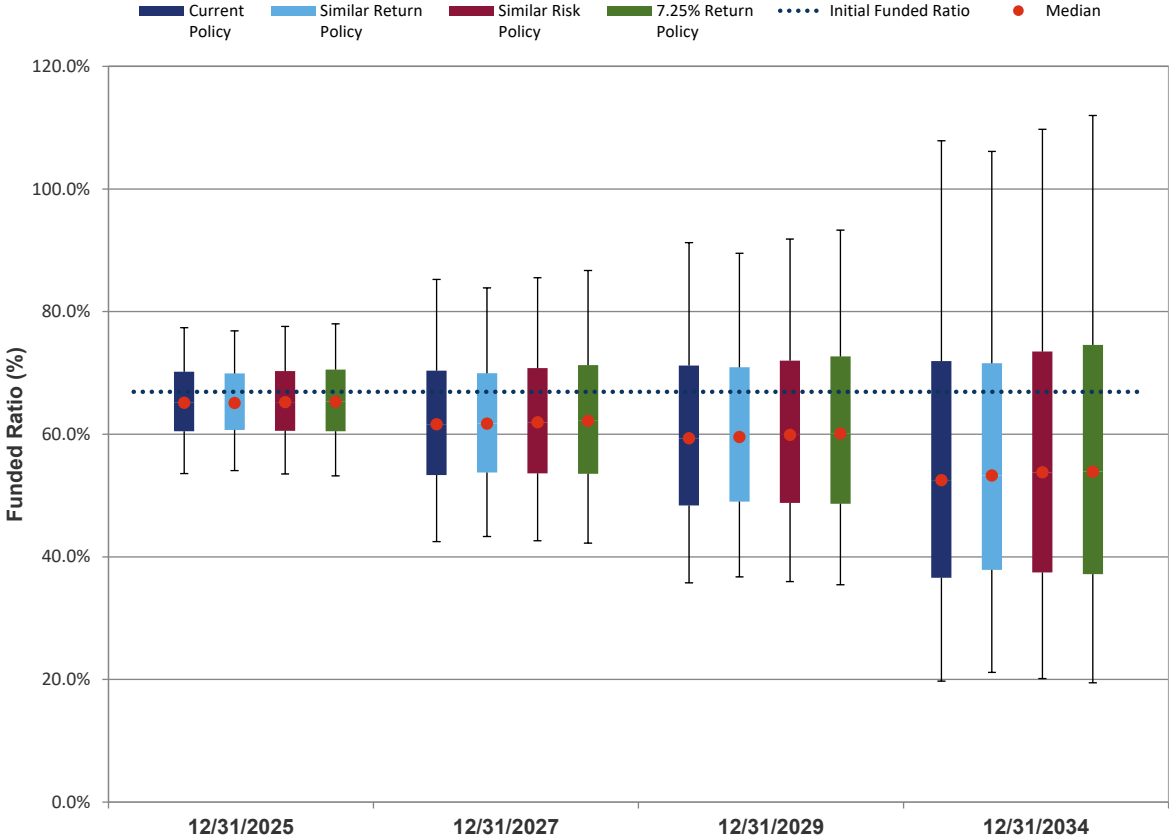
Shortfall Risk:

The potential for the current policy to have a lower median funded ratio than the alternative policies.

Drawdown Risk:

The potential for the current policy to have a lower "very pessimistic" funded ratio than the alternative policies.

Initial Funded Ratio = 66.9%

One Year Simulation (12/31/2025) reflects 6/30/2025 Fiscal Year to Date Return of 6.50%.

(%)	12/31/2025				12/31/2027				12/31/2029				12/31/2034			
	Current Policy	Similar Return Policy	Similar Risk Policy	7.25% Return Policy	Current Policy	Similar Return Policy	Similar Risk Policy	7.25% Return Policy	Current Policy	Similar Return Policy	Similar Risk Policy	7.25% Return Policy	Current Policy	Similar Return Policy	Similar Risk Policy	7.25% Return Policy
Very Optimistic	77.39	76.84	77.57	78.01	85.24	83.88	85.53	86.69	91.25	89.52	91.84	93.30	107.88	106.12	109.75	111.98
Optimistic	70.19	69.92	70.31	70.55	70.37	69.95	70.78	71.28	71.19	70.91	72.00	72.69	71.92	71.59	73.49	74.56
Median (Expected)	65.13	65.08	65.22	65.31	61.63	61.75	61.96	62.17	59.33	59.56	59.91	60.12	52.52	53.26	53.79	53.90
Pessimistic	60.49	60.70	60.56	60.48	53.36	53.74	53.63	53.53	48.37	49.00	48.81	48.67	36.58	37.88	37.46	37.16
Very Pessimistic	53.59	54.08	53.50	53.20	42.47	43.32	42.61	42.24	35.75	36.73	35.98	35.45	19.72	21.14	20.16	19.47

Employer Plan Year Contributions

Shortfall Risk:
The potential for the current policy to have higher median contributions than the alternative policies.

Drawdown Risk:
The potential for the current policy to have higher "very pessimistic" contributions than the alternative policies.

($ Millions)	2025				2027				2029				2034			
	Current Policy	Similar Return Policy	Similar Risk Policy	7.25% Return Policy	Current Policy	Similar Return Policy	Similar Risk Policy	7.25% Return Policy	Current Policy	Similar Return Policy	Similar Risk Policy	7.25% Return Policy	Current Policy	Similar Return Policy	Similar Risk Policy	7.25% Return Policy
Very Pessimistic	97.3	97.3	97.3	97.3	118.1	118.1	118.1	118.1	131.1	131.1	131.1	131.1	179.2	179.2	179.2	179.2
Pessimistic	97.3	97.3	97.3	97.3	118.1	118.1	118.1	118.1	131.1	131.1	131.1	131.1	179.2	179.2	179.2	179.2
Median (Expected)	97.3	97.3	97.3	97.3	118.1	118.1	118.1	118.1	131.1	131.1	131.1	131.1	179.2	179.2	179.2	179.2
Optimistic	97.3	97.3	97.3	97.3	118.1	118.1	118.1	118.1	131.1	131.1	131.1	131.1	179.2	179.2	179.2	179.2
Very Optimistic	97.3	97.3	97.3	97.3	118.1	118.1	118.1	118.1	131.1	131.1	131.1	131.1	0.0	0.0	0.0	0.0

Total Plan Year Contributions

Legend: ■ Current Policy ■ Similar Return Policy ■ Similar Risk Policy ■ 7.25% Return Policy ● Median

Shortfall Risk:

The potential for the current policy to have higher median contributions than the alternative policies.

Drawdown Risk:

The potential for the current policy to have higher "very pessimistic" contributions than the alternative policies.

($ Millions)	2025				2027				2029				2034			
	Current Policy	Similar Return Policy	Similar Risk Policy	7.25% Return Policy	Current Policy	Similar Return Policy	Similar Risk Policy	7.25% Return Policy	Current Policy	Similar Return Policy	Similar Risk Policy	7.25% Return Policy	Current Policy	Similar Return Policy	Similar Risk Policy	7.25% Return Policy
Very Pessimistic	174.1	174.1	174.1	174.1	199.5	199.5	199.5	199.5	217.3	217.3	217.3	217.3	279.0	279.0	279.0	279.0
Pessimistic	174.1	174.1	174.1	174.1	199.5	199.5	199.5	199.5	217.3	217.3	217.3	217.3	279.0	279.0	279.0	279.0
Median (Expected)	174.1	174.1	174.1	174.1	199.5	199.5	199.5	199.5	217.3	217.3	217.3	217.3	279.0	279.0	279.0	279.0
Optimistic	174.1	174.1	174.1	174.1	199.5	199.5	199.5	199.5	217.3	217.3	217.3	217.3	279.0	279.0	279.0	279.0
Very Optimistic	174.1	174.1	174.1	174.1	199.5	199.5	199.5	199.5	217.3	217.3	217.3	217.3	99.8	99.8	99.8	99.8

Employer Present Value of Contributions

Legend: ■ Current Policy ■ Similar Return Policy ■ Similar Risk Policy ■ 7.25% Return Policy ● Median

($ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Return Policy	Similar Risk Policy	7.25% Return Policy	Current Policy	Similar Return Policy	Similar Risk Policy	7.25% Return Policy
Very Pessimistic	443.5	443.5	443.5	443.5	857.6	857.6	857.6	857.6
Pessimistic	443.5	443.5	443.5	443.5	857.6	857.6	857.6	857.6
Median (Expected)	**443.5**	**443.5**	**443.5**	**443.5**	**857.6**	**857.6**	**857.6**	**857.6**
Optimistic	443.5	443.5	443.5	443.5	857.6	857.6	857.6	857.6
Very Optimistic	443.5	443.5	443.5	443.5	700.7	764.7	696.2	672.3

Shortfall Risk:

The potential for the current allocation to have higher median present value of contributions than the alternative policies.

Drawdown Risk:

The potential for the current allocation to have higher "very pessimistic" present value of contributions than the alternative policies.

EROA = 7.25%
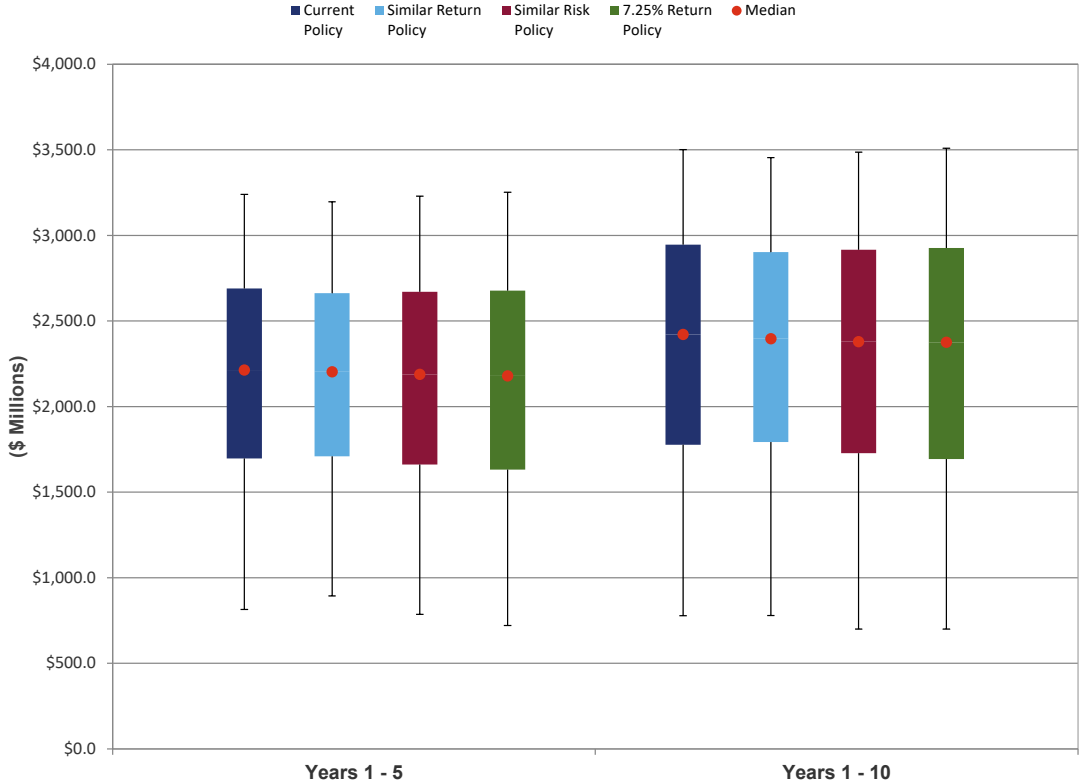
MVA Economic Cost

Shortfall Risk:

The potential for the current allocation to have a higher median economic cost than the alternative policies.

Drawdown Risk:

The potential for the current allocation to have a higher "very pessimistic" economic cost than the alternative policies.

EROA = 7.25%

Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.

($ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Return Policy	Similar Risk Policy	7.25% Return Policy	Current Policy	Similar Return Policy	Similar Risk Policy	7.25% Return Policy
Very Pessimistic	3,239.4	3,196.9	3,229.6	3,252.4	3,501.6	3,454.8	3,486.9	3,509.7
Pessimistic	2,690.4	2,662.7	2,671.2	2,677.1	2,946.2	2,903.2	2,917.1	2,926.9
Median (Expected)	2,213.3	2,203.2	2,188.1	2,179.1	2,421.2	2,396.2	2,379.0	2,375.4
Optimistic	1,697.0	1,709.3	1,661.8	1,631.7	1,776.6	1,793.1	1,728.2	1,693.2
Very Optimistic	814.4	893.9	786.3	721.2	778.6	779.7	700.7	700.7

Appendix – Correlation Matrix

Capital Market Assumptions

- Using Wilshire's **June 30, 2025,** Capital Market Assumptions
- Wilshire's asset class return, risk and correlation assumptions are developed on multi-year forward looking expected rates of return and historical risk and correlation, adjusted to incorporate recent trends
- Public market return expectations represent a passive investment in the asset class (beta). They do not reflect value added from active management (alpha).

	Domestic Equity	International Equity	Global Equity	Private Equity	Global Low Volatility Equity	High Yield Fixed Income	Private Credit Basket	Credit Opportunities	Core Fixed Income	REITs	Private Real Estate - Core	Private Real Estate - Value Add	MLPs	Global Public Infrastructure	Marketable Alternatives
Return - 10-Year (%)	4.30	5.30	4.85	6.20	5.55	6.30	7.70	6.25	5.05	5.65	5.90	7.30	6.65	5.45	6.30
Return - 30-Year (%)	6.10	6.60	6.45	7.95	6.65	6.65	7.85	6.20	4.90	6.45	6.30	8.50	7.70	6.85	6.50
Risk (%)	17.00	18.00	17.00	29.65	13.70	10.00	12.75	7.40	4.75	17.50	12.00	17.50	19.00	17.00	6.05
Correlations															
Domestic Equity	1.00														
International Equity	0.81	1.00													
Global Equity	0.98	0.90	1.00												
Private Equity	0.72	0.63	0.73	1.00											
Global Low Volatility Equity	0.94	0.88	0.97	0.76	1.00										
High Yield Fixed Income	0.54	0.39	0.53	0.31	0.52	1.00									
Private Credit Basket	0.68	0.55	0.68	0.44	0.67	0.76	1.00								
Credit Opportunities	0.60	0.55	0.63	0.37	0.63	0.89	0.83	1.00							
Core Fixed Income	0.27	0.13	0.21	0.30	0.19	0.24	0.23	0.26	1.00						
REITs	0.57	0.47	0.56	0.49	0.64	0.56	0.62	0.63	0.17	1.00					
Private Real Estate - Core	0.55	0.45	0.55	0.49	0.65	0.57	0.62	0.63	0.17	0.85	1.00				
Private Real Estate - Value Add	0.50	0.40	0.49	0.46	0.59	0.54	0.59	0.60	0.17	0.70	0.85	1.00			
MLPs	0.40	0.35	0.41	0.42	0.40	0.50	0.55	0.53	0.12	0.45	0.45	0.42	1.00		
Global Public Infrastructure	0.67	0.72	0.73	0.59	0.72	0.58	0.66	0.64	0.12	0.60	0.50	0.45	0.55	1.00	
Marketable Alternatives	0.53	0.50	0.34	0.00	0.61	0.66	0.67	0.58	0.71	0.37	0.00	0.56	0.47	0.49	1.00

Appendix – Efficient Frontier

Efficient Frontier Portfolios

Asset Class	Current Policy	Optimization Constraints	Minimum Risk	Portfolio 2	Portfolio 3	Portfolio 4	Portfolio 5	Portfolio 6	Portfolio 7	Portfolio 8	Portfolio 9	Maximum Risk
Domestic Equity	12.00%	11% - 100% [1,2]	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	12.00%
International Equity	11.50%	0% - 100% [1,2]	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	11.00%
Global Equity	5.00%	0% - 100% [2]	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Private Equity	10.00%	10% - 15%	10.00%	10.00%	10.00%	10.00%	10.00%	12.00%	14.00%	15.00%	15.00%	15.00%
Total Growth Assets	**38.50%**		**36.00%**	**36.00%**	**36.00%**	**36.00%**	**36.00%**	**38.00%**	**40.00%**	**41.00%**	**41.00%**	**43.00%**
Global Low Volatility Equity	10.00%	0% - 100% [2]	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	7.00%	9.00%
High Yield Fixed Income	10.00%	0% - 10%	0.00%	1.50%	5.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Private Credit Basket	2.50%	0% - 2.5%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Credit Opportunities	4.00%	0% - 7.5%	0.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Total Defensive Growth Assets	**26.50%**		**5.00%**	**16.50%**	**20.00%**	**25.00%**	**25.00%**	**25.00%**	**25.00%**	**25.00%**	**27.00%**	**29.00%**
Core Fixed Income	17.50%	0% - 100%	51.50%	35.00%	28.00%	20.50%	16.50%	14.50%	11.50%	8.00%	4.50%	0.50%
Total Defensive / Rate Sensitive Assets	**17.50%**		**51.50%**	**35.00%**	**28.00%**	**20.50%**	**16.50%**	**14.50%**	**11.50%**	**8.00%**	**4.50%**	**0.50%**
REITs	2.50%	2.5% - 5%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	3.50%	5.00%	5.00%
Private Real Estate - Core	5.00%	5% - 7.5%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	6.00%	7.50%	7.50%	7.50%
Private Real Estate - Value Add	2.50%	0% - 5%	0.00%	0.00%	3.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
MLPs	3.75%	0% - 5% [3,4]	0.00%	0.00%	0.00%	0.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Global Public Infrastructure	1.25%	0% - 5% [3,4]	0.00%	0.00%	0.00%	0.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Total RA / Inflation Sensitive Assets	**15.00%**		**7.50%**	**7.50%**	**11.00%**	**13.50%**	**17.50%**	**17.50%**	**18.50%**	**21.00%**	**22.50%**	**22.50%**
Marketable Alternatives	2.50%	0% - 5%	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Total Non-Directional / Diversifiers Assets	**2.50%**		**0.00%**	**5.00%**	**5.00%**	**5.00%**	**5.00%**	**5.00%**	**5.00%**	**5.00%**	**5.00%**	**5.00%**
Total Assets	**100.0%**		**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Expected Return - 10 Years (%)	**6.15**		**5.71**	**5.94**	**6.08**	**6.20**	**6.28**	**6.33**	**6.37**	**6.41**	**6.42**	**6.41**
Standard Deviation of Return (%)	**11.25**		**9.04**	**9.50**	**9.95**	**10.40**	**10.84**	**11.28**	**11.78**	**12.24**	**12.65**	**13.13**
+/(-) in Expected Return - 10 Years (bps)			**(44)**	**(21)**	**(7)**	**5**	**13**	**18**	**22**	**26**	**27**	**26**
+/(-) in SD of Return (bps)			**(221)**	**(175)**	**(130)**	**(85)**	**(41)**	**3**	**53**	**99**	**140**	**188**
Sharpe Ratio	**0.23**		**0.24**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.24**	**0.23**	**0.23**	**0.22**

[1] International Equity is constrained to be at most 48% of Total U.S. Equity and International Equity.

[2] Global Low Volatility Equity is constrained to not exceed 1/4 of Total Public Equity. Public Equity is defined as U.S. Equity, Non-U.S. Equity, Global Equity & Global Low Vol. Equity.

[3] MLPs and Global Listed Infrastructure are constrained to not exceed 5%.

[4] Global Listed Infrastructure is constrained to be at least 25% of Total MLPs and Global Listed Infrastructure.

Appendix – Asset Allocation Ranges

Allowable Asset Allocation Ranges

Wilshire's Asset Allocation Committee (WAAC) maintains standard asset allocation parameters which reflect generally observed market practices for institutional asset owners. While Wilshire expects most client portfolios will fall within these asset allocation ranges. Wilshire recognizes and occasionally recommends portfolio allocations that may diverge from these general ranges based on a client's particular circumstances, goals or needs.

Asset Segment	Corporate DB	Public DB	E&F
Total Equity (Public+Private)	0% - 80%		
Private Equity (Aggregate)	0% - 15%	0% - 20%	0% - 30%
Fixed Income (Core/High-quality - Liquid IG)	10% - 100%	10% - 50%	
Other Fixed Income/Credit (Aggregate)	0% - 25%		
Private/Illiquid Credit (Aggregate)	0% - 15%		
High Yield	0% - 10%		
Other: EMD, Loans, Convertibles	0% - 7.5%		
Total Real Assets (Public + Private)	0% - 25%		
Total Real Estate (Public + Private)	0% - 25%		
RA Other: Commodities, Gold, Infra, GLI, MLPs, O&G, Timber	0% - 5%		
Marketable Alternatives (Aggregate)	0% - 12.5%		0% - 20%
Cash	0% - 5%		
Leverage	0% - 20%		
Total Private/Illiquid	0% - 25%	0% - 35%	0% - 50%

These thresholds were informed by allocation information from Greenwich Associates, and Wilshire Advisors, LLC, universe data and will be reviewed for reasonableness from time to time.

Last Updated 04/2024

Appendix – Asset Allocation Evolution

Asset Allocation Evolution

The evolution of asset allocation

Foundations
1930s–1980
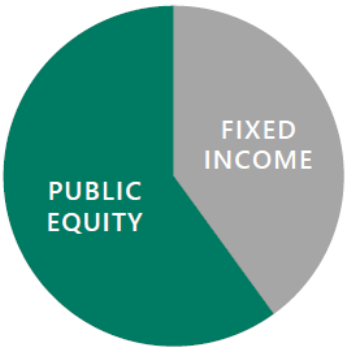
Age of 60/40
1980s–2000
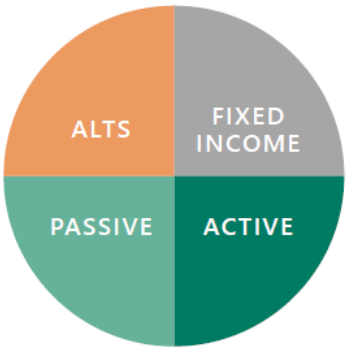
Barbell Portfolio
2001–2020
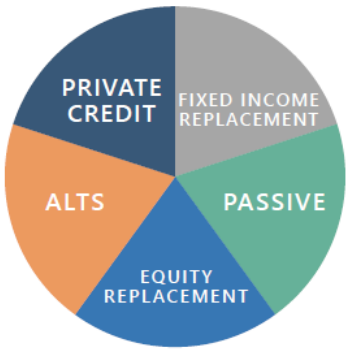
Replacement
Now

Source: Apollo Chief Economist

Appendix – Economic Factor Exposures

Why Introduce Factors?

- **Risk Assessment:** Including factors within the asset allocation process provides an opportunity to measure asset class (and portfolio) exposures to key economic factors

- **Economic Efficiency:** If the underlying economic activity that drives asset performance can be identified, perhaps it can be used to assist in building economically-efficient portfolios

- **Portfolio Stability:** Macroeconomic risk factors – when separated from the valuation component inherent in investment pricing – may exhibit more stable correlations and, therefore, can better inform the allocation process

Growth Proxy

- Interest rates contain information and can reflect economic factors

- Nominal yields aggregate two important and distinct sources of economic information – real yields and expected inflation

- Disaggregating these factors should prove beneficial in developing a set of factors with improved explanatory power

Data Source: Bloomberg

Real Yield vs Economic Growth (%)

Legend: Real GDP 5-Year Roll, 10-Year Real Yield
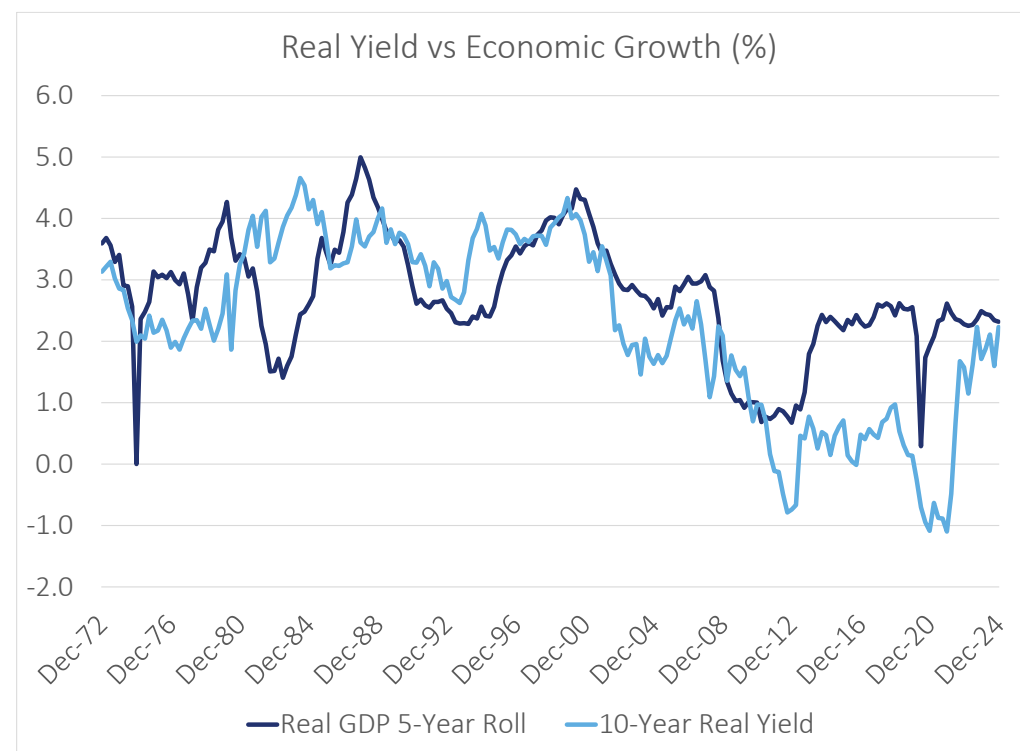
Inflation Proxy

- Breakeven inflation is the market's expectation for inflation
- Tends to follow closely with actual, recent inflation and can act as a timely signal of trends in consumer prices

Actual Inflation & Breakeven (%)
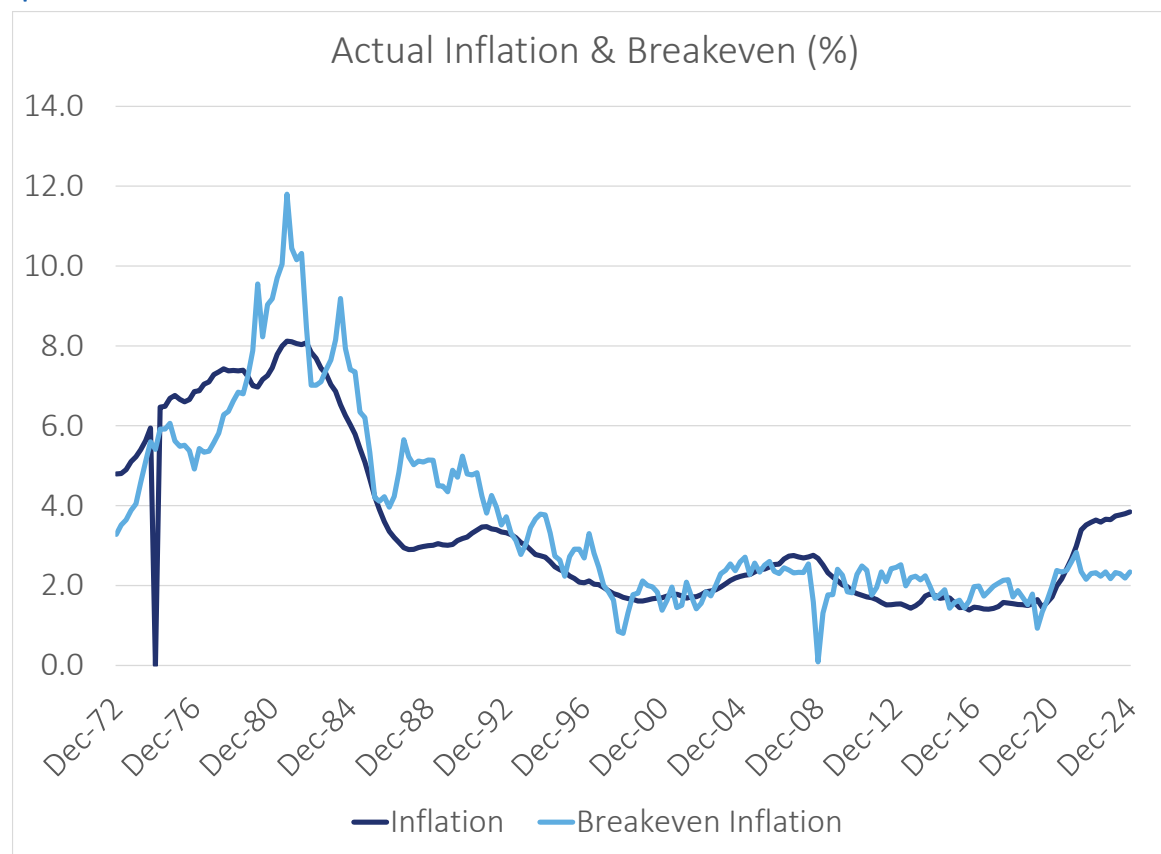
Data Source: Bloomberg

Wilshire's Approach

- Employ a 2-factor regression model (growth and inflation) to formulate factor assumptions

- Growth proxy is enhanced by high yield bond spreads to better capture shifts in growth forecasts
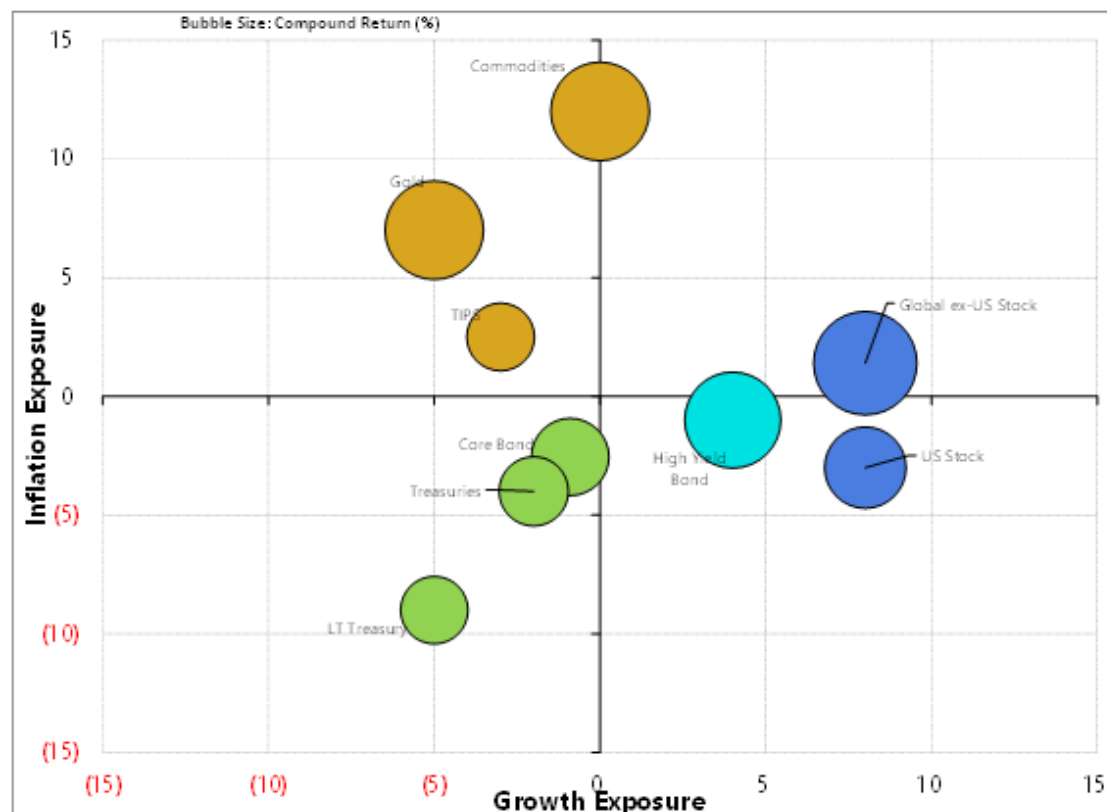
Appendix – Liquidity

Liquidity Risk: What Are The Consequences?

Default/Insolvency is the most severe outcome from having insufficient liquidity, but...
There are many other, more likely, disruptive impacts that a lack of liquidity can impose on an investment portfolio

- Liquidity breaches can rob an investor of their biggest advantage: a long-term investment horizon

- The timing and price of such sales dictated by liquidity needs rather than by explicit investment rationale

- Can destroy portfolio value and effectively strip a portfolio from its ability to recover from market sell-offs
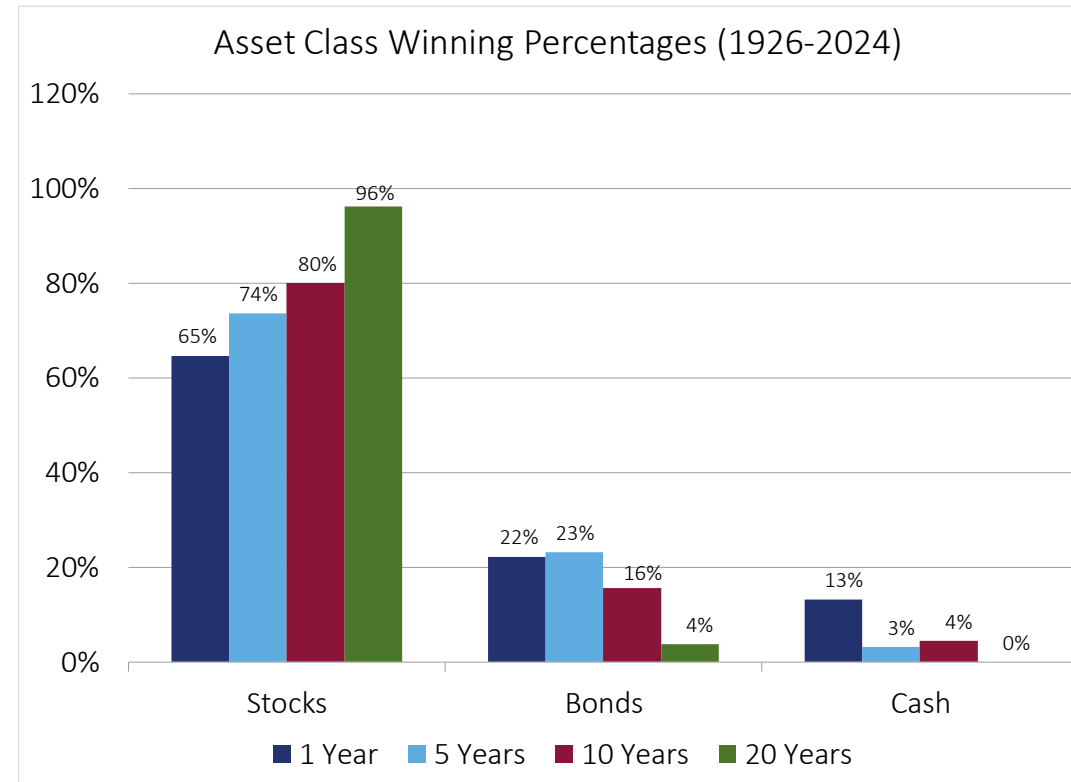
Asset Class Winning Percentages (1926-2024)

Stocks: 1 Year 65%, 5 Years 74%, 10 Years 80%, 20 Years 96%
Bonds: 1 Year 22%, 5 Years 23%, 10 Years 16%, 20 Years 4%
Cash: 1 Year 13%, 5 Years 3%, 10 Years 4%, 20 Years 0%

Legend: 1 Year, 5 Years, 10 Years, 20 Years

Wilshire Liquidity Metric

Wilshire's Liquidity Metric framework has two levels:
- **Market Level of Liquidity**
- **Stressed Level of Liquidity**

Market Level of Liquidity

- Quantified on scale from 0% (low liquidity) to 100% (high liquidity)

- Designed to capture general notion of marketable versus private/off-market transactions

  - Marketable asset classes typically reflect a 90% or 100%

  - Private asset classes reflect 0%

- Goal is to reflect the tradability of assets, which is helpful in connecting these values back to our definitional framework (i.e., to quantify the differences between Convertible Liquidity and Delayed Liquidity)

Wilshire Liquidity Metric

Wilshire's Liquidity Metric framework has two levels:

- **Market Level of Liquidity**
- **Stressed Level of Liquidity**

Stressed Liquidity Metric

Includes a penalty process to reflect the loss in practical liquidity due to asset class volatility and sensitivity to particular economic environments

Penalty components:

1. **Growth Penalty**:

   - Impacts asset classes with vulnerability to slowing growth
   - Recognizes the hit to liquidity that can occur during growth related bear markets

2. **Inflation Penalty**:

   - Impacts asset classes with vulnerability to rising inflation
   - Recognizes the hit to liquidity that can occur during inflation driven bear markets

3. **Volatility Penalty**:

   - Impacts higher volatility asset classes
   - Recognizes the hit to liquidity that can occur from any form of volatility

Wilshire Stressed Liquidity Metric

Stressed Level of Liquidity Metric

Asset Class	Market Liquidity	Liquidity Penalty Components			Applied Penalty	Stressed Liquidity
		Growth	Inflation	Volatility		
US Equity	100	50		24	50	0
Dev ex-US Equity	100	50		26	50	0
EM Equity	90	50		40	50	0
Private Equity	0	50		40	0	0
Cash Equivalents	100				0	100
Core Bonds	100		8		8	86
High Yield Bonds	80	40		10	40	0
US Real Estate Securities	90	50		24	50	0
Private Real Estate	0	50		18	0	0
Commodities	90			20	20	55

Applied Penalty = Min(Max(Growth + Inflation, Volatility), Market Liquidity)

Stressed Liquidity * = Market Liquidity - (1.75 x Applied Penalty)

If less than 20, Stressed Liquidity is assumed to be 0

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ASSET ALLOCATION COMPARISON

OCTOBER 31, 2025

	Market Value	% of Total Fund	Allocation Policy	% Difference from Allocation	Prior Period Market Value	Prior Period % of Total Fund
Equity						
CHANNING CAPITAL	35,218,281.98	0.89			34,960,067.37	0.88
SYSTEMATIC	59,978,713.61	1.51			60,578,010.56	1.53
Total Small Cap	**95,196,995.59**	**2.40**			**95,538,077.93**	**2.41**
T. ROWE PRICE	188,523,737.61	4.76			183,823,128.62	4.64
Total Domestic/Enhanced equity	**188,523,737.61**	**4.76**			**183,823,128.62**	**4.64**
NTGI S&P 500 EQUITY INDEX	195,158,350.08	4.93			190,693,918.62	4.81
Total Index	**195,158,350.08**	**4.93**			**190,693,918.62**	**4.81**
Total Domestic	**478,879,083.28**	**12.09**	**12.00**	**0.09**	**470,055,125.17**	**11.86**
ACADIAN	119,427,872.69	3.01			121,071,246.06	3.05
AQR CAPITAL	160,856,516.05	4.06			159,665,383.55	4.03
ATIVO	33,694,808.68	0.85			34,134,337.44	0.86
BAILLIE GIFFORD	82,858,814.62	2.09			82,097,194.03	2.07
EARNEST PARTNERS	102,964,093.98	2.60			100,592,951.02	2.54
Total International	**499,802,106.02**	**12.61**	**11.50**	**1.11**	**497,561,112.10**	**12.55**
ARIEL	51,247,609.29	1.29			49,465,849.69	1.25
NTAM ACWI IMI	64,497,641.16	1.63			63,202,070.43	1.59
WELLINGTON MGMT	121,020,293.72	3.05			118,759,897.72	3.00
Total Global Equity	**236,765,544.17**	**5.98**	**5.00**	**0.98**	**231,427,817.84**	**5.84**
ACADIAN-LVG	197,601,504.48	4.99			200,159,341.42	5.05
BLACKROCK	189,010,218.23	4.77			191,817,618.03	4.84
SANCTIONED ASSET PORTFOL	79,628.07	0.00			79,627.76	0.00
Total Global Low Volatility Equity	**386,691,350.78**	**9.76**	**10.00**	**-0.24**	**392,056,587.21**	**9.89**
FAIRVIEW CAPITAL	116,443,356.00	2.94			113,832,142.00	2.87
GROSVENOR GCM - CFIG	154,527,886.00	3.90			154,167,034.00	3.89
HAMILTON LANE	88,770,925.00	2.24			88,970,437.00	2.24
Total Private Equity	**359,742,167.00**	**9.08**	**10.00**	**-0.92**	**356,969,613.00**	**9.01**
Total Equity	**1,961,880,251.25**	**49.51**	**48.50**	**1.01**	**1,948,070,255.32**	**49.15**
Fixed Income						
GARCIA HAMILTON	204,046,503.86	5.15			202,266,482.71	5.10
NTAM AGG BOND INDEX FUND	207,835,250.73	5.25			206,548,146.44	5.21
WELLINGTON-CORE BOND	213,450,391.67	5.39			211,844,769.71	5.34
Total Core Fixed Income	**625,332,146.26**	**15.78**	**17.50**	**-1.72**	**620,659,398.86**	**15.66**
BLACKROCK-HY	203,112,700.98	5.13			202,177,174.22	5.10
OAKTREE	206,756,912.14	5.22			207,254,142.28	5.23
Total High Yield	**409,869,613.12**	**10.34**	**10.00**	**0.34**	**409,431,316.50**	**10.33**
NEUBERGER BERMAN	167,011,740.79	4.22			165,503,775.75	4.18
Total Credit Opportunities	**167,011,740.79**	**4.22**	**4.00**	**0.22**	**165,503,775.75**	**4.18**
SILVER POINT - DOIP II	2,522,076.00	0.06			2,522,076.00	0.06
MGG STRUCTURED SOLUTIONS	6,047,728.00	0.15			6,047,728.00	0.15
VISTA CREDIT PARTNERS FUND IV	2,092,420.00	0.05			2,092,420.00	0.05
Total Private Credit	**10,662,224.00**	**0.27**	**2.50**	**-2.23**	**10,662,224.00**	**0.27**
Total Fixed Income	**1,212,875,724.17**	**30.61**	**34.00**	**-3.39**	**1,206,256,715.11**	**30.43**
Real Assets						
ADELANTE CAPITAL	48,145,337.92	1.22	`		48,856,224.18	1.23
CENTERSQUARE-SL	49,053,770.36	1.24			49,616,571.05	1.25
Total REITS	**97,199,108.28**	**2.45**	**2.50**	**-0.05**	**98,472,795.23**	**2.48**
ATLANTIC TRUST	73,337,268.18	1.85			76,298,480.27	1.92
HARVEST FUND	79,302,672.66	2.00			83,482,020.19	2.11
COHEN & STEERS	51,690,228.81	1.30			52,232,148.76	1.32
Total Global Listed Infratructure	**204,330,169.65**	**5.16**	**5.00**	**0.16**	**212,012,649.22**	**5.35**
AEW PARTNERS	41,149,991.00	1.04			41,103,752.00	1.04
BRASA CAPITAL MGMT	20,386,830.00	0.51			19,940,486.00	0.50
HEITMAN	67,382,164.53	1.70			71,482,290.47	1.80
INVESCO	42,877,846.19	1.08			47,419,314.89	1.20
INVESCO - SL	73,605,293.00	1.86			73,605,293.00	1.86
LONG WHARF CAPITAL	10,179,062.00	0.26			10,608,951.00	0.27
VIRTUS REAL ESTATE CAP	51,687,633.00	1.30			51,687,633.00	1.30
Total Real Estate	**307,268,819.72**	**7.76**	**7.50**	**0.26**	**315,847,720.36**	**7.97**
Total Real Assets	**608,798,097.65**	**15.37**	**15.00**	**0.37**	**626,333,164.81**	**15.80**
Diversifying Strategies						
DAVIDSON KEMPNER INST PTRS	57,814,822.00	1.46			57,073,277.00	1.44
HUDSON BAY CAPITAL	56,267,002.00	1.42			55,809,047.00	1.41
Total Marketable Alternatives	**114,081,824.00**	**2.88**	**2.50**	**0.38**	**112,882,324.00**	**2.85**
Total Diversifying Strategies	**114,081,824.00**	**2.88**	**2.50**	**0.38**	**112,882,324.00**	**2.85**
Cash	64,527,916.28	1.63			70,070,212.80	1.77
Total Cash Account	**64,527,916.28**	**1.63**	**0.00**	**1.63**	**70,070,212.80**	**1.77**
TOTAL FUND	$ **3,962,163,813.35**	**100.00**	**100.00**		$ **3,963,612,672.04**	**100.00**

Market Value YE 2024 $3,843,436,988.55

Change from YE 2024: $ 118,726,824.80

Change from prior month: $ (1,448,858.69)

Market Value Variance

Asset Allocation: Actual vs. Target

OCTOBER 31, 2025

	Market Value	Gross Actual Allocation	Target Allocation	% Difference from Allocation
EQUITY				
CHANNING CAPITAL	35,218,281.98	0.89		
SYSTEMATIC	59,978,713.61	1.51		
Total Small Cap	**95,196,995.59**	**2.40**		
T. ROWE PRICE	188,523,737.61	4.76		
Total Domestic/Enhanced equity	**188,523,737.61**	**4.76**		
NTGI S&P 500 EQUITY INDEX	195,158,350.08	4.93		
Total Index	**195,158,350.08**	**4.93**		
Total Domestic	**478,879,083.28**	**12.09**	**12.00**	**0.09**
ACADIAN	119,427,872.69	3.01		
AQR CAPITAL	160,856,516.05	4.06		
ATIVO	33,694,808.68	0.85		
BAILLIE GIFFORD	82,858,814.62	2.09		
EARNEST PARTNERS	102,964,093.98	2.60		
Total International	**499,802,106.02**	**12.61**	**11.50**	**1.11**
ARIEL	51,247,609.29	1.29		
NTAM ACWI IMI	64,497,641.16	1.63		
WELLINGTON MGMT	121,020,293.72	3.05		
Total Global Equity	**236,765,544.17**	**5.98**	**5.00**	**0.98**
ACADIAN-LVG	197,601,504.48	4.99		
BLACKROCK	189,010,218.23	4.77		
SANCTIONED ASSET PORTFOL	79,628.07	0.00		
Total Global Low Volatility Equity	**386,691,350.78**	**9.76**	**10.00**	**-0.24**
FAIRVIEW CAPITAL	116,443,356.00	2.94		
GROSVENOR GCM - CFIG	154,527,886.00	3.90		
HAMILTON LANE	88,770,925.00	2.24		
Total Private Equity	**359,742,167.00**	**9.08**	**10.00**	**-0.92**
TOTAL EQUITY	**1,961,880,251.25**	**49.51**	**48.50**	**1.01**
FIXED INCOME				
GARCIA HAMILTON	204,046,503.86	5.15		
NTAM AGG BOND INDEX FUND	207,835,250.73	5.25		
WELLINGTON-CORE BOND	213,450,391.67	5.39		
Total Core Fixed Income	**625,332,146.26**	**15.78**	**17.50**	**-1.72**
BLACKROCK-HY	203,112,700.98	5.13		
OAKTREE	206,756,912.14	5.22		
Total High Yield	**409,869,613.12**	**10.34**	**10.00**	**0.34**
NEUBERGER BERMAN	167,011,740.79	4.22		
Total Credit Opportunistic	**167,011,740.79**	**4.22**	**4.00**	**0.22**
SILVER POINT - DOIP II	2,522,076.00	0.06		
MGG STRUCTURED SOLUTIONS	6,047,728.00	0.15		
VISTA CREDIT PARTNERS FUND IV	2,092,420.00	0.05		
Total Private Credit	**10,662,224.00**	**0.27**	**2.50**	**-2.23**
Total Fixed Income	**1,212,875,724.17**	**30.61**	**34.00**	**-3.39**
REAL ESTATE				
ADELANTE CAPITAL	48,145,337.92	1.22		
CENTERSQUARE-SL	49,053,770.36	1.24		
Total REITS	**97,199,108.28**	**2.45**	**2.50**	**-0.05**
ATLANTIC TRUST	73,337,268.18	1.85		
HARVEST FUND	79,302,672.66	2.00		
COHEN & STEERS	51,690,228.81	1.30		
Total Global Listed Infratructure	**204,330,169.65**	**5.16**	**5.00**	**0.16**
AEW PARTNERS	41,149,991.00	1.04		
BRASA CAPITAL MGMT	20,386,830.00	0.51		
HEITMAN	67,382,164.53	1.70		
INVESCO	42,877,846.19	1.08		
INVESCO - SL	73,605,293.00	1.86		
LONG WHARF CAPITAL	10,179,062.00	0.26		
VIRTUS REAL ESTATE CAP	51,687,633.00	1.30		
Total Real Estate	**307,268,819.72**	**7.76**		
Total Real Assets	**608,798,097.65**	**15.37**	**15.00**	**0.37**
DAVIDSON KEMPNER INST PTRS	57,814,822.00	1.46		
HUDSON BAY CAPITAL	56,267,002.00	1.42		
Total Diversifying Strategies	**114,081,824.00**	**2.88**	**2.50**	**0.38**
CASH ACCOUNT	64,527,916.28	1.63		
TOTAL FUND	**$ 3,962,163,813.35**	**$ 100.00**	**$ 100.00**	**$ (0.00)**

Gross Actual Allocation
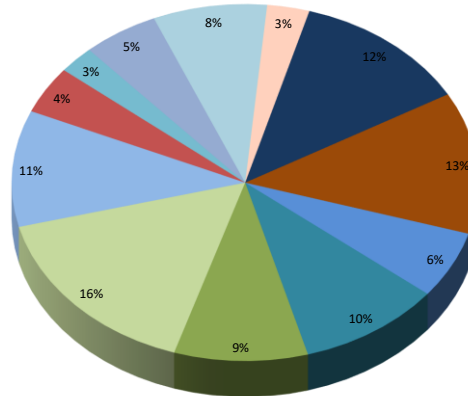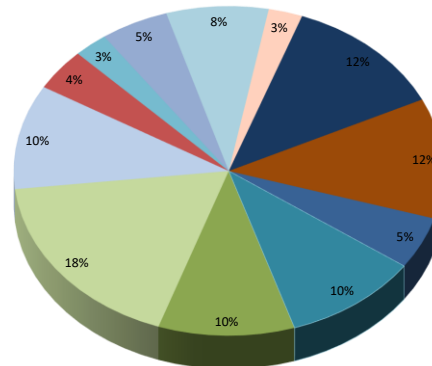
Target Allocation

ASSET ALLOCATION COMPARISON

NOVEMBER 30, 2025

	Market Value	% of Total Fund	Allocation Policy	% Difference from Allocation	Prior Period Market Value	Prior Period % of Total Fund
Equity						
CHANNING CAPITAL	36,023,653.28	0.91			35,218,281.98	0.89
SYSTEMATIC	62,160,991.71	1.57			59,978,713.61	1.51
Total Small Cap	**98,184,644.99**	*2.47*			**95,196,995.59**	*2.40*
T. ROWE PRICE	188,632,148.05	4.75			188,523,737.61	4.76
Total Domestic/Enhanced equity	**188,632,148.05**	*4.75*			**188,523,737.61**	*4.76*
NTGI S&P 500 EQUITY INDEX	195,636,905.06	4.93			195,158,350.08	4.93
Total Index	**195,636,905.06**	*4.93*			**195,158,350.08**	*4.93*
Total Domestic	**482,453,698.10**	*12.15*	*12.00*	*0.15*	**478,879,083.28**	*12.09*
ACADIAN	119,711,086.90	3.01			119,427,872.69	3.01
AQR CAPITAL	161,686,033.75	4.07			160,856,516.05	4.06
ATIVO	34,458,144.37	0.87			33,694,808.68	0.85
BAILLIE GIFFORD	81,554,834.04	2.05			82,858,814.62	2.09
EARNEST PARTNERS	101,312,312.52	2.55			102,964,093.98	2.60
Total International	**498,722,411.58**	*12.56*	*11.50*	*1.06*	**499,802,106.02**	*12.61*
ARIEL	50,178,217.00	1.26			51,247,609.29	1.29
NTAM ACWI IMI	64,590,677.86	1.63			64,497,641.16	1.63
WELLINGTON MGMT	121,744,947.80	3.07			121,020,293.72	3.05
Total Global Equity	**236,513,842.66**	*5.96*	*5.00*	*0.96*	**236,765,544.17**	*5.98*
ACADIAN-LVG	199,617,345.42	5.03			197,601,504.48	4.99
BLACKROCK	193,444,328.80	4.87			189,010,218.23	4.77
SANCTIONED ASSET PORTFOL	79,628.10	0.00			79,628.07	0.00
Total Global Low Volatility Equity	**393,141,302.32**	*9.90*	*10.00*	*-0.10*	**386,691,350.78**	*9.76*
FAIRVIEW CAPITAL	113,470,519.00	2.86			116,443,356.00	2.94
GROSVENOR GCM - CFIG	151,296,424.00	3.81			154,527,886.00	3.90
HAMILTON LANE	85,677,476.00	2.16			88,770,925.00	2.24
Total Private Equity	**350,444,419.00**	*8.83*	*10.00*	*-1.17*	**359,742,167.00**	*9.08*
Total Equity	**1,961,275,673.66**	**49.39**	**48.50**	**0.89**	**1,961,880,251.25**	**49.51**
Fixed Income						
GARCIA HAMILTON	205,524,734.29	5.18			204,046,503.86	5.15
NTAM AGG BOND INDEX FUND	209,085,194.54	5.27			207,835,250.73	5.25
WELLINGTON-CORE BOND	214,749,143.32	5.41			213,450,391.67	5.39
Total Core Fixed Income	**629,359,072.15**	*15.85*	*17.50*	*-1.65*	**625,332,146.26**	*15.78*
BLACKROCK-HY	204,375,609.27	5.15			203,112,700.98	5.13
OAKTREE	207,420,459.10	5.22			206,756,912.14	5.22
Total High Yield	**411,796,068.37**	*10.37*	*10.00*	*0.37*	**409,869,613.12**	*10.34*
NEUBERGER BERMAN	168,076,344.99	4.23			167,011,740.79	4.22
Total Credit Opportunities	**168,076,344.99**	*4.23*	*4.00*	*0.23*	**167,011,740.79**	*4.22*
SILVER POINT - DOIP II	3,401,593.00	0.09			2,522,076.00	0.06
MGG STRUCTURED SOLUTIONS	6,816,236.00	0.17			6,047,728.00	0.15
VISTA CREDIT PARTNERS FUND IV	2,256,807.00	0.06			2,092,420.00	0.05
Total Private Credit	**12,474,636.00**	*0.31*	*2.50*	*-2.19*	**10,662,224.00**	*0.27*
Total Fixed Income	**1,221,706,121.51**	**30.77**	**34.00**	**-3.23**	**1,212,875,724.17**	**30.61**
Real Assets						
ADELANTE CAPITAL	49,122,649.89	1.24	`		48,145,337.92	1.22
CENTERSQUARE-SL	50,087,737.45	1.26			49,053,770.36	1.24
Total REITS	**99,210,387.34**	*2.50*	*2.50*	*0.00*	**97,199,108.28**	*2.45*
ATLANTIC TRUST	77,610,714.81	1.95			73,337,268.18	1.85
HARVEST FUND	83,606,022.40	2.11			79,302,672.66	2.00
COHEN & STEERS	53,640,721.54	1.35			51,690,228.81	1.30
Total Global Listed Infratructure	**214,857,458.75**	*5.41*	*5.00*	*0.41*	**204,330,169.65**	*5.16*
AEW PARTNERS	40,986,057.00	1.03			41,149,991.00	1.04
BRASA CAPITAL MGMT	21,151,895.00	0.53			20,386,830.00	0.51
HEITMAN	67,382,164.53	1.70			67,382,164.53	1.70
INVESCO	42,877,846.19	1.08			42,877,846.19	1.08
INVESCO - SL	74,430,806.00	1.87			73,605,293.00	1.86
LONG WHARF CAPITAL	10,392,679.16	0.26			10,179,062.00	0.26
VIRTUS REAL ESTATE CAP	52,534,260.00	1.32			51,687,633.00	1.30
Total Real Estate	**309,755,707.88**	*7.80*	*7.50*	*0.30*	**307,268,819.72**	*7.76*
Total Real Assets	**623,823,553.97**	**15.71**	**15.00**	**0.71**	**608,798,097.65**	**15.37**
Diversifying Strategies						
DAVIDSON KEMPNER INST PTRS	58,353,201.00	1.47			57,814,822.00	1.46
HUDSON BAY CAPITAL	56,452,110.00	1.42			56,267,002.00	1.42
Total Marketable Alternatives	**114,805,311.00**	*2.89*	*2.50*	*0.39*	**114,081,824.00**	*2.88*
Total Diversifying Strategies	**114,805,311.00**	**2.89**	**2.50**	**0.39**	**114,081,824.00**	**2.88**
Cash	49,382,304.64	1.24			64,527,916.28	1.63
Total Cash Account	**49,382,304.64**	*1.24*	*0.00*	*1.24*	**64,527,916.28**	*1.63*
TOTAL FUND	**$ 3,970,992,964.78**	**100.00**	**100.00**		**$ 3,962,163,813.35**	**100.00**

Market Value YE 2024 $3,843,436,988.55

Market Value Variance

Change from YE 2024: $ 127,555,976.23

Change from prior month: $ 8,829,151.43

Asset Allocation: Actual vs. Target

NOVEMBER 30, 2025

	Market Value	Gross Actual Allocation	Target Allocation	% Difference from Allocation
EQUITY				
CHANNING CAPITAL	36,023,653.28	0.91		
SYSTEMATIC	62,160,991.71	1.57		
Total Small Cap	**98,184,644.99**	**2.47**		
T. ROWE PRICE	188,632,148.05	4.75		
Total Domestic/Enhanced equity	**188,632,148.05**	**4.75**		
NTGI S&P 500 EQUITY INDEX	195,636,905.06	4.93		
Total Index	**195,636,905.06**	**4.93**		
Total Domestic	**482,453,698.10**	**12.15**	**12.00**	**0.15**
ACADIAN	119,711,086.90	3.01		
AQR CAPITAL	161,686,033.75	4.07		
ATIVO	34,458,144.37	0.87		
BAILLIE GIFFORD	81,554,834.04	2.05		
EARNEST PARTNERS	101,312,312.52	2.55		
Total International	**498,722,411.58**	**12.56**	**11.50**	**1.06**
ARIEL	50,178,217.00	1.26		
NTAM ACWI IMI	64,590,677.86	1.63		
WELLINGTON MGMT	121,744,947.80	3.07		
Total Global Equity	**236,513,842.66**	**5.96**	**5.00**	**0.96**
ACADIAN-LVG	199,617,345.42	5.03		
BLACKROCK	193,444,328.80	4.87		
SANCTIONED ASSET PORTFOL	79,628.10	0.00		
Total Global Low Volatility Equity	**393,141,302.32**	**9.90**	**10.00**	**-0.10**
FAIRVIEW CAPITAL	113,470,519.00	2.86		
GROSVENOR GCM - CFIG	151,296,424.00	3.81		
HAMILTON LANE	85,677,476.00	2.16		
Total Private Equity	**350,444,419.00**	**8.83**	**10.00**	**-1.17**
TOTAL EQUITY	**1,961,275,673.66**	**49.39**	**48.50**	**0.89**
FIXED INCOME				
GARCIA HAMILTON	205,524,734.29	5.18		
NTAM AGG BOND INDEX FUND	209,085,194.54	5.27		
WELLINGTON-CORE BOND	214,749,143.32	5.41		
Total Core Fixed Income	**629,359,072.15**	**15.85**	**17.50**	**-1.65**
BLACKROCK-HY	204,375,609.27	5.15		
OAKTREE	207,420,459.10	5.22		
Total High Yield	**411,796,068.37**	**10.37**	**10.00**	**0.37**
NEUBERGER BERMAN	168,076,344.99	4.23		
Total Credit Opportunistic	**168,076,344.99**	**4.23**	**4.00**	**0.23**
SILVER POINT - DOIP II	3,401,593.00	0.09		
MGG STRUCTURED SOLUTIONS	6,816,236.00	0.17		
VISTA CREDIT PARTNERS FUND IV	2,256,807.00	0.06		
Total Private Credit	**12,474,636.00**	**0.31**	**2.50**	**-2.19**
Total Fixed Income	**1,221,706,121.51**	**30.77**	**34.00**	**-3.23**
REAL ESTATE				
ADELANTE CAPITAL	49,122,649.89	1.24		
CENTERSQUARE-SL	50,087,737.45	1.26		
Total REITS	**99,210,387.34**	**2.50**	**2.50**	**0.00**
ATLANTIC TRUST	77,610,714.81	1.95		
HARVEST FUND	83,606,022.40	2.11		
COHEN & STEERS	53,640,721.54	1.35		
Total Global Listed Infratructure	**214,857,458.75**	**5.41**	**5.00**	**0.41**
AEW PARTNERS	40,986,057.00	1.03		
BRASA CAPITAL MGMT	21,151,895.00	0.53		
HEITMAN	67,382,164.53	1.70		
INVESCO	42,877,846.19	1.08		
INVESCO - SL	74,430,806.00	1.87		
LONG WHARF CAPITAL	10,392,679.16	0.26		
VIRTUS REAL ESTATE CAP	52,534,260.00	1.32		
Total Real Estate	**309,755,707.88**	**7.80**		
Total Real Assets	**623,823,553.97**	**15.71**	**15.00**	**0.71**
DAVIDSON KEMPNER INST PTRS	58,353,201.00	1.47		
HUDSON BAY CAPITAL	56,452,110.00	1.42		
Total Diversifying Strategies	**114,805,311.00**	**2.89**	**2.50**	**0.39**
CASH ACCOUNT	49,382,304.64	1.24		
TOTAL FUND	**$ 3,970,992,964.78**	**$ 100.00**	**$ 100.00**	**$ (0.00)**

Gross Actual Allocation
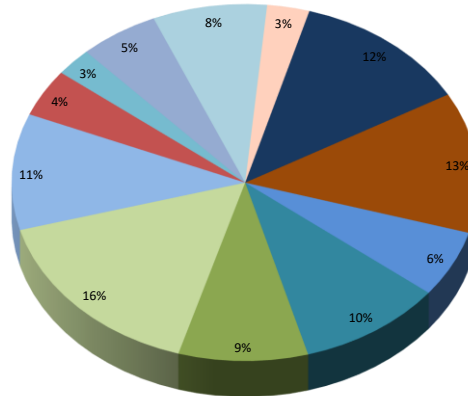
Target Allocation
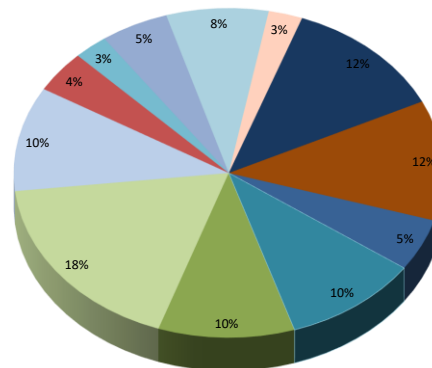
DISCUSSION SHEET

Employees' Retirement Fund
Board of Trustees Meeting

December 9, 2025

Issue: Third Quarter Cash Rebalance

Attachment: None, informational purposes

Discussion: During the month of September, ERF staff rebalanced fund managers by $70 million in cash to pay benefits for the Fourth Quarter of 2025.

Redemptions for Fourth Quarter cash needs were as follows: $28 million from Acadian Asset Management, $21 million from BlackRock Asset Management, $11 million from Baillie Gifford, and $10 million from Neuberger Berman.

Wilshire

ERF of the City of Dallas

Monthly Investment Summary

October 31, 2025

Monthly Index Performance
Periods Ended October 31, 2025

	1 Month	YTD	1 Year	3 Years	5 Years	10 Years
Performance (%) Net of Fees						
U.S. Equity						
FT Wilshire 5000 Index	2.15	16.91	20.86	21.78	16.98	14.26
S&P 500 Index	2.34	17.52	21.45	22.68	17.64	14.64
FT Wilshire 4500 Index	0.12	7.56	9.59	12.27	12.22	10.00
MSCI USA Minimum Volatility Index	-2.02	6.21	5.33	11.26	10.48	10.45
U.S. Equity by Size/Style						
FT Wilshire U.S. Large Cap Index	2.44	18.30	22.56	23.22	17.67	14.88
FT Wilshire US Large Cap Growth Index	5.11	24.42	33.64	33.52	20.05	18.20
FT Wilshire US Large Cap Value Index	-0.30	12.31	11.86	13.41	14.94	11.31
FT Wilshire U.S. Small Cap Index	-0.04	6.79	8.64	12.60	12.27	10.13
FT Wilshire US Small Cap Growth Index	1.56	8.34	11.59	14.14	9.40	10.57
FT Wilshire US Small Cap Value Index	-1.67	5.26	5.70	11.06	15.00	9.46
FT Wilshire U.S. Micro Cap Index	1.36	13.18	16.72	9.46	11.46	8.90
Non-U.S. Equity (USD)						
MSCI AC World ex USA (Net)	2.02	28.57	24.93	20.30	11.18	7.67
MSCI ACWI ex USA Minimum Volatility Index (Net)	0.14	15.63	13.28	14.43	7.95	6.02
MSCI EAFE (Net)	1.18	26.61	23.03	20.06	12.33	7.48
MSCI Emerging Markets (Net)	4.18	32.86	27.91	21.10	7.46	7.69
MSCI AC World ex USA Small Cap (Net)	0.21	25.81	22.58	18.18	10.61	7.77
U.S. Fixed Income						
Blmbg. U.S. Aggregate Index	0.62	6.80	6.16	5.60	-0.24	1.90
Blmbg. U.S. Treasury: Long	1.28	6.99	3.14	2.79	-6.99	0.07
Blmbg. U.S. Long Corporate Index	0.40	7.99	5.69	8.20	-1.80	3.29
Blmbg. U.S. TIPS Index	0.35	7.25	6.06	4.58	1.63	3.02
Blmbg. U.S. Credit Index	0.44	7.37	6.68	7.39	0.46	3.00
Blmbg. U.S. Corp: High Yield Index	0.16	7.39	8.16	10.20	5.47	5.90
Morningstar LSTA U.S. Leveraged Loan	0.22	4.86	6.32	9.57	6.96	5.52

Asset Allocation & Performance
Dallas Total Fund
Periods Ended October 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Global Equity Composite	2.31	8.35	19.95	22.39	19.52	13.16	10.19	9/1/2012	236,766,862	5.98
Global Low Volatility Composite	-1.37	1.34	10.99	10.99	13.15	9.96	8.06	7/1/2015	386,658,128	9.76
Domestic Equity Composite	1.88	7.87	14.41	17.68	19.01	16.96	10.79	1/1/1990	478,879,083	12.09
International Equity Composite	0.45	6.49	28.57	26.81	20.89	12.02	6.21	1/1/1990	499,837,551	12.62
Fixed Income Composite	0.72	3.27	7.18	6.51	5.89	0.17	4.31	10/1/1995	625,736,994	15.80
High Yield Composite	0.28	2.33	7.37	8.21	9.75	5.95	6.22	1/1/1997	409,869,613	10.35
Credit Opportunities Composite	0.84	3.31	8.37	9.61	11.74	5.25	5.67	2/1/2016	167,110,494	4.22
Private Credit Composite	0.00	0.12	4.14	11.34			13.00	6/1/2024	10,662,224	0.27
Total Real Estate Composite	-0.97	0.50	1.11	1.09	0.01	6.55	6.31	1/1/1990	405,637,876	10.24
Global Listed Infrastructure Composite	-3.62	-2.11	3.27	7.23	14.98	23.04	7.06	1/1/2012	204,330,170	5.16
Private Equity Composite	-0.13	0.58	2.40	3.88	1.46	12.08	12.18	6/1/2009	355,877,695	8.99
Marketable Alternatives Composite	1.06	3.13	7.76	10.50	8.22		7.99	10/1/2022	114,081,824	2.88
Managed Short Term Composite	0.36	1.09	3.56	4.38	4.87	3.06	2.90	1/1/1990	64,527,916	1.63
Dallas Total Fund	0.19	3.36	10.24	11.08	10.47	9.23	8.78	1/1/1985	3,959,976,430	100.00
Policy Index	0.61	4.68	11.58	12.41	12.91	9.69	9.39			

Asset Allocation & Performance
Domestic Equity
Periods Ended October 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Systematic Financial	-0.99	7.39	4.61	5.49	10.18	14.16	10.37	8/1/2003	59,978,714	12.52
Russell 2000 Index	1.81	12.48	12.39	14.41	11.94	11.50	9.15			
Channing Capital	0.74	6.93	6.17	5.66	10.29	12.45	7.20	12/1/2013	35,218,282	7.35
Russell 2000 Value Index	0.25	10.93	9.32	9.87	9.25	13.85	7.29			
Domestic Equity Small Cap Composite	-0.36	7.22	5.18	5.56	9.13	11.26	9.16	6/1/2003	95,196,996	19.88
T. Rowe Price	2.56	7.84	16.38	20.68	23.89	18.38	11.60	4/1/2006	188,523,738	39.37
S&P 500 Index	2.34	8.23	17.52	21.45	22.68	17.64	11.00			
Northern Trust S&P 500 (Lending)	2.34	8.23	17.51	21.44	22.66	17.65	11.23	1/1/1995	195,158,350	40.75
S&P 500 Index	2.34	8.23	17.52	21.45	22.68	17.64	11.19			
Domestic Equity Composite	1.88	7.87	14.41	17.68	19.01	16.96	10.79	1/1/1990	478,879,083	100.00
Custom Benchmark[1]	2.15	8.13	16.91	20.86	21.79	16.99	11.04			
Domestic Equity Blended Benchmark[2]	2.16	9.01	16.36	19.88	19.06	15.64				

[1] Domestic Equity Composite Custom Benchmark: FT Wilshire 5000 (2Q99-Present); S&P 500 (1Q90-1Q99)
[2] Blended Benchmark is a target-weighted blend of individual manager benchmarks. For comparison purposes only and does not roll into Total Fund Policy.

Asset Allocation & Performance
International Equity
Periods Ended October 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Acadian International	-1.36	6.05	29.80	29.47	19.93	13.75	8.73	4/1/1989	119,427,873	23.89
Custom Benchmark[1]	0.21	6.73	25.81	22.58	18.18	10.61	6.29			
Ativo International	-1.29	5.10	27.61	24.49	18.42	10.62	5.91	1/1/2018	33,695,319	6.74
MSCI EAFE (Net)	1.18	7.51	26.61	23.03	20.06	12.33	6.83			
AQR Capital Management	0.75	7.71	32.51	30.40	23.69	12.80	5.18	4/1/2006	160,856,516	32.18
Custom Benchmark[2]	2.02	9.36	28.57	24.93	20.30	11.18	4.63			
Baillie Gifford	0.93	3.10	18.81	15.07	18.82	4.57	7.17	4/1/2019	82,858,815	16.58
MSCI AC World ex USA (Net)	2.02	9.36	28.57	24.93	20.30	11.18	8.70			
Baillie Gifford - Sanctioned Assets									33,179	0.01
Earnest Partners	2.36	8.48	30.03	29.32	20.81	15.63	11.05	4/1/2019	102,965,850	20.60
MSCI AC World ex USA (Net)	2.02	9.36	28.57	24.93	20.30	11.18	8.70			
International Equity Composite	0.45	6.49	28.57	26.81	20.89	12.02	6.21	1/1/1990	499,837,551	100.00
Custom Benchmark[3]	1.77	8.99	28.20	24.62	20.00	11.10	5.22			

[1] Acadian Custom Benchmark: MSCI ACWI x-US Small Cap (3Q09-Present); MSCI EAFE Small Cap (4Q99-2Q09); S&P/Citigroup Eur/Pac EMI Index (2Q96-3Q99); MSCI EAFE (2Q89-1Q96)

[2] AQR Custom Benchmark: MSCI ACWI x-US (2Q10-Present); MSCI EAFE (1Q06-1Q10)

[3] International Equity Composite Custom Benchmark: MSCI ACWI x-US IMI (2Q10-Present); MSCI ACWI x-US (1Q99-1Q10); Wilshire Non-US/Non-SA (2Q96-4Q98; MSCI EAFE (4Q89-1Q96)

Asset Allocation & Performance
Global Equity
Periods Ended October 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Ariel Global	3.60	10.36	24.12	25.34	16.33	13.09	8.81	1/1/2018	51,248,927	21.65
MSCI AC World Index (Net)	2.24	8.56	21.09	22.64	21.64	14.61	10.86			
MSCI AC World Index Value (Net)	-0.01	5.54	17.66	14.98	15.33	14.01	7.23			
NT ACWI IMI Fund	2.05	8.54	21.07	22.60			18.02	10/1/2024	64,497,641	27.24
MSCI AC World IMI Index (Net)	2.05	8.43	20.67	22.00			17.58			
Wellington	1.90	7.42	17.69	21.07	21.75	12.68	11.90	9/1/2012	121,020,294	51.11
MSCI AC World Index (Net)	2.24	8.56	21.09	22.64	21.64	14.61	11.05			
Global Equity Composite	2.31	8.35	19.95	22.39	19.52	13.16	10.19	9/1/2012	236,766,862	100.00
MSCI AC World Index (Net)	2.24	8.56	21.09	22.64	21.64	14.61	11.05			

Asset Allocation & Performance
Global Low Volatility
Periods Ended October 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Acadian Global Low Vol.	-1.28	1.30	12.80	13.84	15.11	11.73	8.45	7/1/2015	197,601,504	51.10
MSCI AC World Index (Net)	2.24	8.56	21.09	22.64	21.64	14.61	10.68			
MSCI AC World Minimum Volatility Index (Net)	-1.44	1.31	8.91	7.82	10.82	7.85	7.35			
Acadian Global Low Vol - Sanctioned Assets									46,406	0.01
BlackRock Global Low Vol.	-1.46	1.38	9.20	8.16	11.20	8.20	7.65	7/1/2015	189,010,218	48.88
MSCI AC World Minimum Volatility Index (Net)	-1.44	1.31	8.91	7.82	10.82	7.85	7.35			
Global Low Volatility Composite	-1.37	1.34	10.99	10.99	13.15	9.96	8.06	7/1/2015	386,658,128	100.00
MSCI AC World Minimum Volatility Index (Net)	-1.44	1.31	8.91	7.82	10.82	7.85	7.35			

Private Equity Summary

Periods Ended as of October 31, 2025

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Hamilton Lane Secondary Fund II	4,589	25,000,000	22,058,532	31,298,964	Jul-09	13.4%	1.4
Hamilton Lane Secondary Fund III	159,006	30,000,000	23,372,292	29,807,176	Nov-12	8.7%	1.3
Hamilton Lane Secondary Fund IV	8,757,525	30,000,000	25,907,343	30,952,910	Mar-17	13.9%	1.5
Hamilton Lane Secondary Fund V	46,049,138	65,000,000	43,128,993	22,309,049	Mar-20	13.5%	1.6
Hamilton Lane Secondary Fund VI-A	15,110,043	30,000,000	13,478,933	2,978,825	Feb-23	28.5%	1.3
Hamilton Lane Fund VII Composite	7,603,409	50,000,000	45,600,834	58,945,119	Jan-10	5.0%	1.5
Hamilton Lane Fund VIII (Global)	11,087,215	30,000,000	22,270,594	22,006,680	Nov-12	6.0%	1.5
GCM Grosvenor - Partnership, L.P.	17,742,192	75,000,000	95,722,822	141,900,528	Jun-11	13.8%	1.7
GCM Grosvenor - Partnership II, L.P. (2014)	27,347,260	60,000,000	73,566,185	85,410,872	Jul-14	13.3%	1.5
GCM Grosvenor - Partnership II, L.P. (2015)	61,995,657	55,000,000	49,450,168	16,236,253	Dec-15	11.0%	1.6
GCM Grosvenor - Partnership II, L.P. (2017)	29,780,301	30,000,000	32,380,286	17,644,180	Jan-18	11.2%	1.5
GCM Grosvenor - Advance Fund, L.P.	8,682,411	10,000,000	7,575,041	345,493	Jun-21	7.9%	1.2
GCM Grosvenor - Partnership II, L.P. (2022)	8,554,787	20,000,000	7,560,405	5,461	May-22	7.0%	1.1
Fairview Capital - Lone Star Fund I	46,398,551	40,000,000	33,903,847	24,022,364	Aug-15	11.8%	2.1
Fairview Capital - Lone Star Fund II	35,051,347	30,000,000	23,900,777	8,293,697	Dec-18	13.1%	1.8
Fairview Capital - Lone Star Fund III - A	21,276,465	25,000,000	20,511,666	2,029,061	Apr-21	4.1%	1.1
Fairview Capital - Lone Star Fund III - B	4,687,397	20,000,000	5,163,505	-	Dec-22	-19.1%	0.9
Fairview Capital - Private Markets Fund VI	5,590,402	10,000,000	6,053,198	210,556	Apr-22	2.4%	1.0
Total Private Equity Composite	**355,877,695**	**635,000,000**	**551,605,419**	**494,397,187**	**Jul-09**	**11.9%**	**1.5**
Public Market Equivalent (PME) [2]	**773,660,254**					**17.7%**	

[1] Total Value to Paid-in Capital ("TVPI") multiple calculation = *(market value + distributions) / capital called*

[2] The Public Market Equivalent (PME) approach creates a hypothetical investment vehicle that mimics the private equity composite cash flows. The performance difference between the PME   vehicle and the private equity portfolio is determined by their net asset value (NAV) at the end of the benchmarking period. The performance of the "public market" is simulated using the monthly Wilshire 5000 index returns, plus a 300 BPs annual hurdle rate.

Private Real Estate Summary

Periods Ended as of October 31, 2025

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Invesco II	74,430,806	65,188,333	65,188,333	19,614,151	Jan-14	4.4%	1.4
Total Direct Private Real Estate	**74,430,806**	**65,188,333**	**65,188,333**	**19,614,151**	**Jan-14**	**4.4%**	**1.4**

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
Heitman America Real Estate Trust	67,382,165	75,000,000	88,210,161	118,518,240	Dec-10	6.3%	2.1
Invesco Core Real Estate USA	42,877,846	75,000,000	76,921,500	114,913,039	Oct-10	9.5%	2.1
Total Core Private Real Estate	**110,260,011**	**150,000,000**	**165,131,661**	**233,431,279**	**Oct-10**	**8.1%**	**2.1**

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
AEW Partners Real Estate Fund IX	32,149,143	45,000,000	38,222,222	13,735,303	Mar-21	5.6%	1.2
AEW PIX MM Co-Invest	4,503,553	10,000,000	5,460,377	1,460,161	Nov-21	0.8%	1.1
AEW PIX Oakland Park Co-Invest	4,628,032	5,000,000	5,000,000	764,960	Feb-22	1.4%	1.1
Virtus Real Estate Capital III	51,687,633	43,281,585	44,340,405	5,459,897	Jan-21	7.8%	1.3
Brasa Real Estate Fund II	20,386,830	20,000,000	19,681,894	1,133,526	Jul-22	4.1%	1.1
Long Wharf Real Estate Partners VII	10,392,760	20,000,000	13,564,121	3,426,328	Mar-23	-1.6%	1.0
Total Value-Add Private Real Estate	**123,747,951**	**143,281,585**	**126,269,019**	**25,980,175**	**Jan-21**	**5.7%**	**1.2**

[1] Total Value to Paid-in Capital ("TVPI") multiple calculation = *(market value + distributions) / capital called*

Private Credit Summary
Periods Ended as of October 31, 2025

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Silver Point DOF II	2,522,076	20,000,000	2,702,822	693,438	May-24	19.0%	1.2
MGG Structured Solutions	6,047,728	20,000,000	6,017,584	276,615	Jul-24	5.4%	1.1
Vista Credit Partners Fund IV	2,092,420	20,000,000	2,000,727		Jul-25	4.6%	1.0
Total Private Credit Composite	**10,662,224**	**40,000,000**	**8,720,406**	**970,053**	**May-24**	**10.3%**	**1.3**

[1] Total Value to Paid-in Capital ("TVPI") multiple calculation = *(market value + distributions) / capital called*

Asset Allocation & Performance

Real Estate
Periods Ended October 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Adelante Capital Management	-1.46	1.76	2.40	-0.17	9.28	9.79	8.91	10/1/2001	48,145,338	49.53
Adelante Blended Policy[1]	-1.61	3.87	2.82	0.20	9.21	9.65	9.00			
CenterSquare	-1.13	4.03	2.82	-0.15	9.57	10.34	7.37	6/1/2018	49,053,770	50.47
CenterSquare Blended Policy[1]	-1.61	3.87	2.82	0.20	9.21	9.65	6.38			
REIT Composite	-1.29	2.89	2.61	-0.16	9.42	10.07	9.04	10/1/2001	97,199,108	100.00
REIT Composite Blended Policy[1]	-1.61	3.87	2.82	0.20	9.21	9.65	9.00			

[1] Blended Policy: Wilshire U.S. Real Estate Securities Index (Inception-4Q24); FTSE NAREIT Equity REIT Index (1Q25-Present)

Asset Allocation & Performance
Global Listed Infrastructure
Periods Ended October 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
CIBC	-3.88	-4.33	-0.47	7.68	18.54	30.60	9.47	1/1/2012	73,337,268	35.89
CIBC Policy¹	-6.43	-3.97	-0.38	6.99	22.05	34.46	6.56			
Harvest Fund Advisors MLP	-5.01	-3.51	1.11	8.58	17.69	30.70	9.44	1/1/2012	79,302,673	38.81
Harvest Policy²	-6.43	-3.97	-0.38	6.99	22.05	34.46	6.56			
C&S Global Listed Infrastructure	-1.04	3.60	13.01	8.19	10.99	9.34	8.51	10/1/2020	51,690,229	25.30
FTSE Global Core Infrastructure 50/50 (Net)	-0.73	2.72	12.62	9.05	9.96	8.52	8.23			
Global Listed Infrastructure Composite	-3.62	-2.11	3.27	7.23	14.98	23.04	7.06	1/1/2012	204,330,170	100.00
Global Listed Infrastructure Benchmark³	-5.00	-2.31	2.82	7.71	19.15	27.87	4.64			

¹ CIBC Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

² Harvest Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

³ Global Listed Infrastructure Benchmark: 75% Alerian Midstream Energy Index / 25% FTSE Global Core Infrastructure 50/50 (5/24-Present)
   75% Alerian MLP / 25% FTSE Global Core Infrastructure 50/50 (4Q20-4/24); Alerian MLP (1Q12-3Q20)

Asset Allocation & Performance

Fixed Income
Periods Ended October 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Garcia Hamilton	0.88	3.74	7.95	7.02	5.48	-0.11	2.32	11/1/2013	204,046,504	32.61
Blmbg. U.S. Aggregate Index	0.62	2.94	6.80	6.16	5.60	-0.24	2.09			
NT Aggregate Bond Index	0.62	2.93	6.81	6.18			3.28	10/1/2024	207,835,251	33.21
Blmbg. U.S. Aggregate Index	0.62	2.94	6.80	6.16			3.25			
Wellington Core Bond	0.67	3.14	6.86	6.41	6.41		3.70	7/1/2022	213,855,196	34.18
Blmbg. U.S. Aggregate Index	0.62	2.94	6.80	6.16	5.60		3.10			
Fixed Income Composite	0.72	3.27	7.18	6.51	5.89	0.17	4.31	10/1/1995	625,736,994	100.00
Blmbg. U.S. Aggregate Index	0.62	2.94	6.80	6.16	5.60	-0.24	4.33			

Asset Allocation & Performance

Opportunistic Credit
Periods Ended October 31, 2025

| | Performance (%) Net of Fees | | | | | | | | Allocation | |
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Neuberger Berman	0.84	3.31	8.37	9.61	11.74	5.25	5.67	2/1/2016	167,110,494	
Custom Benchmark[1]	0.85	2.97	8.34	9.02	10.91	5.11	5.72			

[1] Custom Benchmark: 33% Morningstar LSTA U.S. Leveraged Loan Index / 33% ICE BofA U.S. High Yield Constrained Index / 33% JPM EMBI Global Diversified

Asset Allocation & Performance
High Yield
Periods Ended October 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Oaktree Capital Management	0.09	2.18	6.94	7.76	9.45	5.53	6.35	2/1/1997	206,756,912	50.44
FTSE High Yield Cash Pay	0.20	2.20	7.35	8.10	10.04	5.60	6.48			
BlackRock	0.46	2.49	7.81	8.66	10.07	6.39	6.09	10/1/2006	203,112,701	49.56
FTSE High Yield Cash Pay	0.20	2.20	7.35	8.10	10.04	5.60	6.36			
High Yield Composite	0.28	2.33	7.37	8.21	9.75	5.95	6.22	1/1/1997	409,869,613	100.00
FTSE High Yield Cash Pay	0.20	2.20	7.35	8.10	10.04	5.60	6.49			

Asset Allocation & Performance

Marketable Alternatives
Periods Ended October 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Davidson Kempner	1.30	3.09	8.76	11.15	8.71		8.47	10/1/2022	57,814,822	50.68
HFRI Event-Driven Total Index	0.85	4.17	8.29	10.88	10.74		10.44			
Hudson Bay Capital	0.82	3.17	6.75	9.84	7.73		7.52	10/1/2022	56,267,002	49.32
HFRI Relative Value Total Index	1.00	2.56	6.27	8.01	7.73		7.51			
Marketable Alternatives Composite	1.06	3.13	7.76	10.50	8.22		7.99	10/1/2022	114,081,824	100.00
Marketable Alternatives Policy[1]	0.93	3.36	7.29	9.45	9.25		8.99			

[1] Marketable Alternatives Policy: 50% HFRI Event-Driven Total Index / 50% HFRI Relative Value Total Index

Asset Allocation & Performance

Cash
Periods Ended October 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Cash Account	0.36	1.09	3.56	4.38	4.87	3.06	3.20	1/1/1988	64,527,916	100.00
Managed Short Term Composite	0.36	1.09	3.56	4.38	4.87	3.06	2.90	1/1/1990	64,527,916	100.00

ERF of the City of Dallas

Monthly Investment Summary

November 30, 2025

Monthly Index Performance
Periods Ended November 30, 2025

	1 Month	YTD	1 Year	3 Years	5 Years	10 Years
	Performance (%) Net of Fees					
U.S. Equity						
FT Wilshire 5000 Index	0.26	17.21	13.66	19.86	14.41	14.23
S&P 500 Index	0.25	17.81	15.00	20.57	15.28	14.63
FT Wilshire 4500 Index	1.64	9.32	1.30	11.49	9.12	9.97
MSCI USA Minimum Volatility Index	2.31	8.66	2.59	10.03	9.25	10.73
U.S. Equity by Size/Style						
FT Wilshire U.S. Large Cap Index	0.06	18.38	15.56	21.12	15.18	14.86
FT Wilshire US Large Cap Growth Index	-1.56	22.48	24.19	30.78	17.31	18.01
FT Wilshire US Large Cap Value Index	1.82	14.35	7.12	11.92	12.73	11.47
FT Wilshire U.S. Small Cap Index	1.63	8.53	0.49	11.67	9.26	10.12
FT Wilshire US Small Cap Growth Index	0.09	8.43	0.51	12.95	6.49	10.35
FT Wilshire US Small Cap Value Index	3.25	8.68	0.49	10.41	11.90	9.67
FT Wilshire U.S. Micro Cap Index	1.67	15.07	7.36	9.76	7.73	8.70
Non-U.S. Equity (USD)						
MSCI AC World ex USA (Net)	-0.03	28.54	26.04	15.89	8.41	7.89
MSCI ACWI ex USA Minimum Volatility Index (Net)	1.83	17.75	16.32	12.28	6.81	6.50
MSCI EAFE (Net)	0.62	27.40	24.50	16.11	9.27	7.72
MSCI Emerging Markets (Net)	-2.39	29.69	29.51	14.72	5.06	7.85
MSCI AC World ex USA Small Cap (Net)	0.77	26.78	24.08	14.93	7.94	7.93
U.S. Fixed Income						
Blmbg. U.S. Aggregate Index	0.62	7.46	5.70	4.56	-0.31	1.99
Blmbg. U.S. Treasury: Long	0.42	7.45	1.73	0.62	-7.13	0.20
Blmbg. U.S. Long Corporate Index	0.54	8.58	3.91	5.30	-2.72	3.40
Blmbg. U.S. TIPS Index	0.18	7.44	5.74	4.01	1.44	3.04
Blmbg. U.S. Credit Index	0.62	8.04	6.00	5.89	0.08	3.09
Blmbg. U.S. Corp: High Yield Index	0.58	8.01	7.55	9.63	4.78	6.20
Morningstar LSTA U.S. Leveraged Loan	0.36	5.23	5.83	9.27	6.57	5.65

Asset Allocation & Performance
Dallas Total Fund
Periods Ended November 30, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Global Equity Composite	-0.11	5.40	19.82	17.54	16.76	11.12	10.11	9/1/2012	236,512,997	5.96
Global Low Volatility Composite	1.67	1.00	12.85	8.82	11.45	8.82	8.16	7/1/2015	393,110,412	9.90
Domestic Equity Composite	0.74	5.64	15.26	11.48	17.44	14.26	10.79	1/1/1990	482,453,698	12.15
International Equity Composite	-0.18	3.27	28.34	26.17	16.93	9.26	6.19	1/1/1990	498,936,254	12.56
Fixed Income Composite	0.58	2.51	7.80	5.90	4.62	-0.02	4.32	10/1/1995	629,358,778	15.85
High Yield Composite	0.47	1.54	7.87	7.42	9.32	4.94	6.22	1/1/1997	411,793,309	10.37
Credit Opportunities Composite	0.58	2.58	8.99	8.75	10.47	4.56	5.68	2/1/2016	168,076,411	4.23
Private Credit Composite	10.85	10.85	15.44	15.58			20.21	6/1/2024	12,474,636	0.31
Total Real Estate Composite	0.82	0.15	1.94	0.42	-0.28	5.87	6.32	1/1/1990	408,966,095	10.30
Global Listed Infrastructure Composite	5.15	2.47	8.59	1.52	15.67	20.93	7.40	1/1/2012	214,857,459	5.41
Private Equity Composite	-0.19	0.65	2.21	3.65	1.44	11.10	12.10	6/1/2009	350,444,419	8.82
Marketable Alternatives Composite	0.63	2.79	8.44	10.29	8.44		7.99	10/1/2022	114,805,311	2.89
Managed Short Term Composite	0.28	1.01	3.85	4.27	4.85	3.12	2.90	1/1/1990	49,382,305	1.24
Dallas Total Fund	0.77	2.49	11.09	9.17	9.28	7.86	8.78	1/1/1985	3,971,172,085	100.00
Policy Index	0.91	3.49	12.60	10.51	11.57	8.15	9.40			

Asset Allocation & Performance
Domestic Equity
Periods Ended November 30, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Systematic Financial	3.64	3.83	8.41	1.02	9.63	11.80	10.50	8/1/2003	62,160,992	12.88
Russell 2000 Index	0.96	5.99	13.47	4.09	11.43	7.99	9.16			
Channing Capital	2.29	2.70	8.60	0.16	9.83	8.91	7.35	12/1/2013	36,023,653	7.47
Russell 2000 Value Index	2.81	5.14	12.39	3.02	9.17	10.51	7.49			
Domestic Equity Small Cap Composite	3.14	3.42	8.48	0.70	8.98	8.77	9.28	6/1/2003	98,184,645	20.35
T. Rowe Price	0.06	6.12	16.45	14.07	21.72	15.79	11.55	4/1/2006	188,632,148	39.10
S&P 500 Index	0.25	6.34	17.81	15.00	20.57	15.28	10.96			
Northern Trust S&P 500 (Lending)	0.24	6.33	17.80	14.99	20.55	15.28	11.20	1/1/1995	195,636,905	40.55
S&P 500 Index	0.25	6.34	17.81	15.00	20.57	15.28	11.17			
Domestic Equity Composite	0.74	5.64	15.26	11.48	17.44	14.26	10.79	1/1/1990	482,453,698	100.00
Custom Benchmark[1]	0.26	5.95	17.21	13.66	19.87	14.42	11.02			
Domestic Equity Blended Benchmark[2]	0.48	6.23	16.92	12.76	17.51	12.89				

[1] Domestic Equity Composite Custom Benchmark: FT Wilshire 5000 (2Q99-Present); S&P 500 (1Q90-1Q99)
[2] Blended Benchmark is a target-weighted blend of individual manager benchmarks. For comparison purposes only and does not roll into Total Fund Policy.

Asset Allocation & Performance
International Equity
Periods Ended November 30, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Acadian International	0.24	2.36	30.11	28.00	16.63	11.32	8.72	4/1/1989	119,711,087	23.99
Custom Benchmark[1]	0.77	3.15	26.78	24.08	14.93	7.94	6.30			
Ativo International	2.26	2.71	30.49	27.33	16.02	8.83	6.14	1/1/2018	34,457,184	6.91
MSCI EAFE (Net)	0.62	3.75	27.40	24.50	16.11	9.27	6.84			
AQR Capital Management	0.63	5.57	33.34	31.35	20.00	10.41	5.19	4/1/2006	161,867,658	32.44
Custom Benchmark[2]	-0.03	5.67	28.54	26.04	15.89	8.41	4.61			
Baillie Gifford	-1.57	-0.53	16.94	13.80	13.07	1.95	6.83	4/1/2019	81,554,834	16.35
MSCI AC World ex USA (Net)	-0.03	5.67	28.54	26.04	15.89	8.41	8.58			
Baillie Gifford - Sanctioned Assets									33,179	0.01
Earnest Partners	-1.61	4.24	27.95	26.63	16.46	11.38	10.64	4/1/2019	101,312,313	20.31
MSCI AC World ex USA (Net)	-0.03	5.67	28.54	26.04	15.89	8.41	8.58			
International Equity Composite	-0.18	3.27	28.34	26.17	16.93	9.26	6.19	1/1/1990	498,936,254	100.00
Custom Benchmark[3]	0.08	5.31	28.30	25.78	15.76	8.34	5.21			

[1] Acadian Custom Benchmark: MSCI ACWI x-US Small Cap (3Q09-Present); MSCI EAFE Small Cap (4Q99-2Q09); S&P/Citigroup Eur/Pac EMI Index (2Q96-3Q99); MSCI EAFE (2Q89-1Q96)

[2] AQR Custom Benchmark: MSCI ACWI x-US (2Q10-Present); MSCI EAFE (1Q06-1Q10)

[3] International Equity Composite Custom Benchmark: MSCI ACWI x-US IMI (2Q10-Present); MSCI ACWI x-US (1Q99-1Q10); Wilshire Non-US/Non-SA (2Q96-4Q98; MSCI EAFE (4Q89-1Q96)

Asset Allocation & Performance

Global Equity
Periods Ended November 30, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Ariel Global	-2.09	4.76	21.52	19.69	13.14	10.97	8.42	1/1/2018	50,177,372	21.22
MSCI AC World Index (Net)	-0.01	5.93	21.07	18.21	18.64	11.97	10.74			
MSCI AC World Index Value (Net)	1.76	4.04	19.74	13.46	13.13	11.31	7.39			
NT ACWI IMI Fund	0.14	5.74	21.23	17.96			16.77	10/1/2024	64,590,678	27.31
MSCI AC World IMI Index (Net)	0.12	5.69	20.82	17.57			16.35			
Wellington	0.60	5.50	18.40	16.46	18.98	10.60	11.87	9/1/2012	121,744,948	51.47
MSCI AC World Index (Net)	-0.01	5.93	21.07	18.21	18.64	11.97	10.98			
Global Equity Composite	-0.11	5.40	19.82	17.54	16.76	11.12	10.11	9/1/2012	236,512,997	100.00
MSCI AC World Index (Net)	-0.01	5.93	21.07	18.21	18.64	11.97	10.98			

Asset Allocation & Performance

Global Low Volatility
Periods Ended November 30, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Acadian Global Low Vol.	1.02	0.63	13.95	10.20	13.09	10.37	8.49	7/1/2015	199,619,678	50.78
MSCI AC World Index (Net)	-0.01	5.93	21.07	18.21	18.64	11.97	10.58			
MSCI AC World Minimum Volatility Index (Net)	2.33	1.36	11.45	7.19	9.44	6.95	7.53			
Acadian Global Low Vol - Sanctioned Assets									46,406	0.01
BlackRock Global Low Vol.	2.35	1.38	11.76	7.46	9.81	7.27	7.83	7/1/2015	193,444,329	49.21
MSCI AC World Minimum Volatility Index (Net)	2.33	1.36	11.45	7.19	9.44	6.95	7.53			
Global Low Volatility Composite	1.67	1.00	12.85	8.82	11.45	8.82	8.16	7/1/2015	393,110,412	100.00
MSCI AC World Minimum Volatility Index (Net)	2.33	1.36	11.45	7.19	9.44	6.95	7.53			

Private Equity Summary
Periods Ended as of November 30, 2025

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Hamilton Lane Secondary Fund II	4,589	25,000,000	22,058,532	31,298,964	Jul-09	13.4%	1.4
Hamilton Lane Secondary Fund III	159,006	30,000,000	23,372,292	29,807,176	Nov-12	8.7%	1.3
Hamilton Lane Secondary Fund IV	8,757,525	30,000,000	25,907,343	30,952,910	Mar-17	13.9%	1.5
Hamilton Lane Secondary Fund V	42,955,689	65,000,000	43,128,993	25,180,465	Mar-20	13.2%	1.6
Hamilton Lane Secondary Fund VI-A	15,110,043	30,000,000	13,478,933	2,978,825	Feb-23	26.9%	1.3
Hamilton Lane Fund VII Composite	7,603,409	50,000,000	45,600,834	58,945,119	Jan-10	5.0%	1.5
Hamilton Lane Fund VIII (Global)	11,087,215	30,000,000	22,270,594	22,006,680	Nov-12	6.0%	1.5
GCM Grosvenor - Partnership, L.P.	16,636,933	75,000,000	95,722,822	142,941,484	Jun-11	13.8%	1.7
GCM Grosvenor - Partnership II, L.P. (2014)	26,369,748	60,000,000	73,566,185	85,999,250	Jul-14	13.3%	1.5
GCM Grosvenor - Partnership II, L.P. (2015)	60,583,082	55,000,000	49,450,168	17,647,070	Dec-15	11.0%	1.6
GCM Grosvenor - Partnership II, L.P. (2017)	29,780,301	30,000,000	32,380,286	17,644,180	Jan-18	11.2%	1.5
GCM Grosvenor - Advance Fund, L.P.	8,682,411	10,000,000	7,575,041	345,493	Jun-21	7.9%	1.2
GCM Grosvenor - Partnership II, L.P. (2022)	9,243,949	20,000,000	8,249,567	5,461	May-22	7.0%	1.1
Fairview Capital - Lone Star Fund I	46,398,551	40,000,000	33,903,847	24,022,364	Aug-15	11.7%	2.1
Fairview Capital - Lone Star Fund II	35,051,347	30,000,000	23,900,777	8,293,697	Dec-18	12.9%	1.8
Fairview Capital - Lone Star Fund III - A	21,276,465	25,000,000	20,511,666	2,029,061	Apr-21	3.9%	1.1
Fairview Capital - Lone Star Fund III - B	4,687,397	20,000,000	5,163,505	-	Dec-22	-17.5%	0.9
Fairview Capital - Private Markets Fund VI	6,056,759	10,000,000	6,053,198	210,556	Apr-22	2.3%	1.0
Total Private Equity Composite	**350,444,419**	**635,000,000**	**552,294,581**	**500,308,755**	**Jul-09**	**11.7%**	**1.5**

Public Market Equivalent (PME) [2]	772,617,783					**17.6%**	

[1] Total Value to Paid-in Capital ("TVPI") multiple calculation = *(market value + distributions) / capital called*

[2] The Public Market Equivalent (PME) approach creates a hypothetical investment vehicle that mimics the private equity composite cash flows. The performance difference between the PME vehicle and the private equity portfolio is determined by their net asset value (NAV) at the end of the benchmarking period. The performance of the "public market" is simulated using the monthly Wilshire 5000 index returns, plus a 300 BPs annual hurdle rate.

Private Real Estate Summary
Periods Ended as of November 30, 2025

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Invesco II	74,430,806	65,188,333	65,188,333	19,969,093	Jan-14	4.4%	1.4
Total Direct Private Real Estate	**74,430,806**	**65,188,333**	**65,188,333**	**19,969,093**	**Jan-14**	**4.4%**	**1.4**

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
Heitman America Real Estate Trust	67,382,165	75,000,000	88,210,161	118,518,240	Dec-10	6.3%	2.1
Invesco Core Real Estate USA	42,877,846	75,000,000	76,921,500	114,913,039	Oct-10	9.5%	2.1
Total Core Private Real Estate	**110,260,011**	**150,000,000**	**165,131,661**	**233,431,279**	**Oct-10**	**8.1%**	**2.1**

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
AEW Partners Real Estate Fund IX	31,854,472	45,000,000	38,222,222	13,735,303	Mar-21	5.3%	1.2
AEW PIX MM Co-Invest	4,503,553	10,000,000	5,460,377	1,460,161	Nov-21	1.3%	1.1
AEW PIX Oakland Park Co-Invest	4,628,032	5,000,000	5,000,000	764,960	Feb-22	1.7%	1.1
Virtus Real Estate Capital III	52,534,260	43,281,585	44,340,405	5,459,897	Jan-21	8.1%	1.3
Brasa Real Estate Fund II	21,151,895	20,000,000	19,681,894	1,133,526	Jul-22	5.5%	1.1
Long Wharf Real Estate Partners VII	10,392,679	20,000,000	13,564,121	3,426,328	Mar-23	-0.2%	1.0
Total Value-Add Private Real Estate	**125,064,891**	**143,281,585**	**126,269,019**	**25,980,175**	**Jan-21**	**5.9%**	**1.2**

[1] Total Value to Paid-in Capital ("TVPI") multiple calculation = *(market value + distributions) / capital called*

Private Credit Summary

Periods Ended as of November 30, 2025

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Silver Point DOF II	3,401,593	20,000,000	2,702,822	693,438	May-24	46.5%	1.5
MGG Structured Solutions	6,816,236	20,000,000	6,663,690	276,615	Jul-24	7.0%	1.1
Vista Credit Partners Fund IV	2,256,807	20,000,000	2,000,727		Jul-25	12.8%	1.1
Total Private Credit Composite	**12,474,636**	**40,000,000**	**9,366,512**	**970,053**	**May-24**	**21.2%**	**1.4**

[1] Total Value to Paid-in Capital ("TVPI") multiple calculation = *(market value + distributions) / capital called*

Asset Allocation & Performance

Real Estate
Periods Ended November 30, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Adelante Capital Management	2.03	1.05	4.48	-3.16	8.20	8.13	8.97	10/1/2001	49,122,650	49.51
Adelante Blended Policy[1]	2.43	1.90	5.31	-2.33	8.02	8.02	9.08			
CenterSquare	2.11	1.82	4.99	-2.40	8.17	8.44	7.59	6/1/2018	50,087,737	50.49
CenterSquare Blended Policy[1]	2.43	1.90	5.31	-2.33	8.02	8.02	6.65			
REIT Composite	2.07	1.44	4.74	-2.78	8.18	8.29	9.10	10/1/2001	99,210,387	100.00
REIT Composite Blended Policy[1]	2.43	1.90	5.31	-2.33	8.02	8.02	9.08			

[1] Blended Policy: Wilshire U.S. Real Estate Securities Index (Inception-4Q24); FTSE NAREIT Equity REIT Index (1Q25-Present)

Asset Allocation & Performance

Global Listed Infrastructure
Periods Ended November 30, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
CIBC	5.83	1.11	5.33	-1.57	19.99	27.39	9.85	1/1/2012	77,610,715	36.12
CIBC Policy[1]	5.69	0.49	5.29	-1.13	23.88	30.28	6.94			
Harvest Fund Advisors MLP	5.43	1.48	6.60	-0.14	19.41	27.76	9.80	1/1/2012	83,606,022	38.91
Harvest Policy[2]	5.69	0.49	5.29	-1.13	23.88	30.28	6.94			
C&S Global Listed Infrastructure	3.77	6.16	17.27	9.36	9.46	8.78	9.15	10/1/2020	53,640,722	24.97
FTSE Global Core Infrastructure 50/50 (Net)	3.32	4.56	16.36	9.56	8.40	7.60	8.77			
Global Listed Infrastructure Composite	5.15	2.47	8.59	1.52	15.67	20.93	7.40	1/1/2012	214,857,459	100.00
Global Listed Infrastructure Benchmark[3]	5.10	1.53	8.06	1.54	20.05	24.57	4.99			

[1] CIBC Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

[2] Harvest Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

[3] Global Listed Infrastructure Benchmark: 75% Alerian Midstream Energy Index / 25% FTSE Global Core Infrastructure 50/50 (5/24-Present)
   75% Alerian MLP / 25% FTSE Global Core Infrastructure 50/50 (4Q20-4/24); Alerian MLP (1Q12-3Q20)

Asset Allocation & Performance

Fixed Income
Periods Ended November 30, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Garcia Hamilton	0.72	2.94	8.74	6.36	4.14	-0.14	2.36	11/1/2013	205,524,734	32.66
Blmbg. U.S. Aggregate Index	0.62	2.35	7.46	5.70	4.56	-0.31	2.13			
NT Aggregate Bond Index	0.60	2.34	7.44	5.70			3.57	10/1/2024	209,085,195	33.22
Blmbg. U.S. Aggregate Index	0.62	2.35	7.46	5.70			3.56			
Wellington Core Bond	0.42	2.26	7.31	5.70	5.24		3.73	7/1/2022	214,748,806	34.12
Blmbg. U.S. Aggregate Index	0.62	2.35	7.46	5.70	4.56		3.21			
Fixed Income Composite	0.58	2.51	7.80	5.90	4.62	-0.02	4.32	10/1/1995	629,358,778	100.00
Blmbg. U.S. Aggregate Index	0.62	2.35	7.46	5.70	4.56	-0.31	4.34			

Asset Allocation & Performance

Opportunistic Credit
Periods Ended November 30, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Neuberger Berman	0.58	2.58	8.99	8.75	10.47	4.56	5.68	2/1/2016	168,076,411	
Custom Benchmark[1]	0.42	2.28	8.80	8.34	9.78	4.50	5.72			

[1] Custom Benchmark: 33% Morningstar LSTA U.S. Leveraged Loan Index / 33% ICE BofA U.S. High Yield Constrained Index / 33% JPM EMBI Global Diversified

Asset Allocation & Performance

High Yield
Periods Ended November 30, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Oaktree Capital Management	0.32	1.19	7.29	6.78	8.93	4.82	6.34	2/1/1997	207,420,459	50.37
FTSE High Yield Cash Pay	0.44	1.42	7.82	7.40	9.62	4.88	6.48			
BlackRock	0.62	1.89	8.48	8.07	9.72	5.06	6.10	10/1/2006	204,372,850	49.63
FTSE High Yield Cash Pay	0.44	1.42	7.82	7.40	9.62	4.88	6.36			
High Yield Composite	0.47	1.54	7.87	7.42	9.32	4.94	6.22	1/1/1997	411,793,309	100.00
FTSE High Yield Cash Pay	0.44	1.42	7.82	7.40	9.62	4.88	6.49			

Asset Allocation & Performance

Marketable Alternatives
Periods Ended November 30, 2025

| | Performance (%) Net of Fees | | | | | | | | Allocation | |
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Davidson Kempner	0.93	3.07	9.77	10.94	9.03		8.55	10/1/2022	58,353,201	50.83
HFRI Event-Driven Total Index	0.60	3.23	8.94	11.90	10.08		10.36			
Hudson Bay Capital	0.33	2.50	7.10	9.62	7.85		7.42	10/1/2022	56,452,110	49.17
HFRI Relative Value Total Index	0.63	2.46	6.95	8.03	7.89		7.52			
Marketable Alternatives Composite	0.63	2.79	8.44	10.29	8.44		7.99	10/1/2022	114,805,311	100.00
Marketable Alternatives Policy[1]	0.62	2.85	7.95	9.97	9.00		8.95			

[1] Marketable Alternatives Policy: 50% HFRI Event-Driven Total Index / 50% HFRI Relative Value Total Index

Asset Allocation & Performance

Cash
Periods Ended November 30, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value $	%
Cash Account	0.28	1.01	3.85	4.27	4.85	3.12	3.20	1/1/1988	49,382,305	100.00
Managed Short Term Composite	0.28	1.01	3.85	4.27	4.85	3.12	2.90	1/1/1990	49,382,305	100.00

At A Glance

For period ended October 31, 2025

	2024		2025	
Retirements	**This Month**	**YTD**	**This Month**	**YTD**
Age	11	156	13	157
Service	2	15	2	10
Rule of 78	4	77	2	74
QDRO	0	1	1	8
Total	17	249	18	249
Disability Retirements				
Service	0	0	0	0
Non-service	0	0	0	0
Total	0	0	0	0
Benefits Paid	$ 29,111,479.26	$ 290,623,922.63	$ 30,489,959.60	$ 298,737,183.70
Refunds	$ 1,372,758.34	$ 10,299,451.06	$ 1,417,781.60	$ 12,874,781.23
Number of refunds	78	838	66	699
*Contributions	$ 17,859,149.27	$ 130,425,567.58	$ 13,414,100.03	$ 136,675,947.89

Members on record at month end

	Retirees & beneficiaries	Disabilities	Actives	Tier A Actives	Tier B Actives
Jan	8,022	118	8,113	3,077	5,036
Feb	8,033	117	8,160	3,046	5,114
Mar	8,049	117	8,190	3,036	5,154
April	8,062	117	8,185	2,988	5,197
May	8,078	117	8,143	2,963	5,180
June	8,086	117	8,206	2,936	5,270
July	8,092	117	8,220	2,904	5,316
Aug	8,094	117	8,234	2,882	5,352
Sep	8,118	117	8,189	2,850	5,339
Oct	8,123	117	8,186	2,829	5,357
Nov					
Dec					

Employees' Retirement Fund
of the City of DALLAS ®

At A Glance

For period ended November 30, 2025

	2024		2025	
Retirements	**This Month**	**YTD**	**This Month**	**YTD**
Age	27	183	12	169
Service	1	16	1	11
Rule of 78	10	87	3	77
QDRO	1	2	2	10
Total	39	288	18	267
Disability Retirements				
Service	0	0	0	0
Non-service	0	0	0	0
Total	0	0	0	0
Benefits Paid	$ 29,656,395.25	$ 320,280,317.88	$ 30,906,630.24	$ 329,643,813.94
Refunds	$ 1,194,757.10	$ 11,494,208.16	$ 1,480,033.52	$ 14,354,814.75
Number of refunds	62	900	71	770
*Contributions	$ 12,078,324.58	$ 142,503,892.16	$ 13,620,008.45	$ 150,295,956.34

Members on record at month end

	Retirees & beneficiaries	Disabilities	Actives	Tier A Actives	Tier B Actives
Jan	8,022	118	8,113	3,077	5,036
Feb	8,033	117	8,160	3,046	5,114
Mar	8,049	117	8,190	3,036	5,154
April	8,062	117	8,185	2,988	5,197
May	8,078	117	8,143	2,963	5,180
June	8,086	117	8,206	2,936	5,270
July	8,092	117	8,220	2,904	5,316
Aug	8,094	117	8,234	2,882	5,352
Sep	8,118	117	8,189	2,850	5,339
Oct	8,123	117	8,186	2,829	5,357
Nov	8,131	116	8,170	2,803	5,367
Dec					

Employees' Retirement Fund
of the City of DALLAS ®

2026 ERF Board Calendar

January

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

*No Board Meeting

Febuary

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

* Board Meeting February 10th

March

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

*No Board Meeting

April

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

* Board Meeting April 14th

May

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

*Board Meeting May 12th

June

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

*Board Meeting June 9th

July

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

*No Board Meeting

August

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

*No Board Meeting

September

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

*Board Meeting September 8th

October

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

*Board Meeting October 13th

November

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

*No Board Meeting

December

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

*Board Meeting December 8th

*This document titled "ERF Board Calendar" provides the 2026 meeting schedule for the Employees' Retirement Fund (ERF) Board of the City of Dallas. It outlines the months and specific dates of Board meetings, with notation distinguishing regular meetings and months when no meeting is scheduled. The meetings are set for February 10, April 14, May 12, June 9, September 8, October 13, and December 8, 2026, while January, March, July, August, and November are marked as non-meeting months. The layout features a monthly calendar format for easy reference throughout the year.

2026 ERF Board Schedule

January 13th, 2026	**No Board Meeting**	
Tuesday, February 10th, 2026	Board Meeting	9:00AM
March 10th, 2026	**No Board Meeting**	
Tuesday, April 14th, 2026	Board Meeting	9:00AM
Tuesday, May 12th, 2026	Board Meeting	9:00AM
Tuesday, June 9th, 2026	Board Meeting	9:00AM
July 14th, 2026	**No Board Meeting**	
August 11th, 2026	**No Board Meeting**	
Tuesday, September 8th, 2026	Board Meeting	9:00AM
Tuesday, October 13th, 2026	Board Meeting	9:00AM
November 10th, 2026	**No Board Meeting**	
Tuesday, December 8th 2026	Board Meeting	9:00AM

*This document titled "ERF Board Schedule" provides the 2026 meeting schedule for the Employees' Retirement Fund (ERF) Board of the City of Dallas. It outlines the months and specific dates of Board meetings, with notation distinguishing regular meetings and months when no meeting is scheduled. The meetings are set for February 10, April 14, May 12, June 9, September 8, October 13, and December 8, 2026, while January, March, July, August, and November are marked as non-meeting months. The layout features a monthly calendar format for easy reference throughout the year.

December 9, 2025

Dear T. Dupree Scovell – ERF Board Chair,

Pursuant to Section 40A-2(c)(1)(B), the seven members of the Board include three employees from different departments of the city who are elected by members of the ERF and who are themselves members of the ERF. On October 15, 2025, the ERF's Nominating Committee convened to select nominees for the position on the Board whose current term expires on December 31, 2025. This position on the Board is currently occupied by John Jenkins, who was elected to fill the unexpired term that was previously held by Carla Brewer before her retirement. The Nominating Committee is comprised by city employees and their alternates from all city departments.

In accordance with the nomination and election rules and procedures that have been established by the Board in accordance with its duties and responsibilities under Chapter 40A-4(a)(11), following the selection by the Nominating Committee of a Chair to officiate the meeting, the floor was opened up for nominations of employee members of the ERF to be placed on the ballot. Following deliberations, only one city employee, John Jenkins, was nominated to be placed on the ballot. After no additional nominations were made, a motion was made, seconded, and passed to close the nominations.

Chapter 40A-2(c)(2) provides that if only one eligible employee is nominated for an elected Board position, that employee will be declared elected to that position by the Board without requiring an election by the members of the ERF. This provision was added to Chapter 40A as a cost-saving measure to prevent the expending of time, resources, and materials on an election with only one candidate.

Based on the aforementioned provisions of Chapter 40A and the associated Board election rules and procedures, the Board is being asked to certify the election of John Jenkins to serve as an elected member of the Board for a three-year term commencing on January 1, 2026 based on the recommendations made and the actions previously taken by the Nominating Committee.

Sincerely,

David K. Etheridge
Executive Director