

**South Central Connecticut Regional Water Authority**  
90 Sargent Drive, New Haven, Connecticut  
Or  
**\*Dial in by phone**  
**+1 469-965-2517, 647030205#** United States, Northlake  
Phone conference ID: 647 030 205#

**AGENDA**

**Regular Meeting of Thursday, January 22, 2026 at 12:30 p.m.**

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1. Call to Order
  1. Safety Moment
2. Public Comment: The time limit granted to each speaker shall be three (3) minutes. Residents and customers may address the Board.
3. Meet as Pension & Benefit Committee: C. LaMarr
  1. Approve Minutes – October 23, 2025 regular meeting
  2. Quarterly Investment Performance Review – Pension and VEBA: S. Kelliher, J. McLaughlin, and N. Pulli
  3. 401K Amendment
  4. Discussion regarding RFI, RFQ, or RFP for investment management services - *Upon 2/3 vote, convene in possible executive session pursuant to C.G.S. Section 1-200(6)(E) to discuss matters covered by Section 1-210(b)(5)(B), pertaining to commercial and financial information.*
4. Consent Agenda
  1. Approve Minutes of December 18, 2025 regular meeting
  2. Capital Budget Authorization – February 2026
  3. Capital Budget Transfers (no authorization required) – February 2026
  4. Monthly Financial Report – December 2025
  5. Accounts Receivable Update – December 2025
  6. Bid Exemptions
  7. Customer Assistance Program
5. Finance: R. Kowalski
  1. Type B3 Amendments – Filter Media and Project Reserve Transfers
6. Reports on RPB Committee meetings
7. Meet as Compensation Committee: K. Curseaden
  1. Approve Minutes – October 23, 2025 regular meeting
  2. FY 2027 Work Plan
8. Act on matters arising from Committee meetings
9. Business Updates: S. Lakshminarayanan
  1. Monthly Business Highlights: S. Lakshminarayanan
  2. \*AWA Update: S. Lakshminarayanan and R. Kowalski - *Upon 2/3 vote, convene in executive session pursuant to C.G.S. Section 1-200(6)(E) to discuss matters covered by Section 1-210(b)(5)(A)(B), pertaining to trade secrets and commercial and financial information.*
10. Presentation on Issuance Test Rate Application: R. Kowalski - *Upon 2/3 vote, convene in executive session pursuant to G.S. Section 1-200(6)(E) to discuss matters covered by Section 1-210(b)(5)(B), pertaining to commercial and financial information.*
  1. Consider and act on Issuance of Bonds to approve Proposed Issuance of Water System Revenue Bonds and DWSRF
  2. Consider and act on Resolution to approve Issuance Test Rate Application and submit to the Representative Policy Board

\*Members of the public may attend the meeting in person or by conference call. To view meeting documents please visit [www.rwater.com](http://www.rwater.com). For questions, contact the board office at 203-401-2515 or by email at [islubowski@rwater.com](mailto:islubowski@rwater.com).

\*RPB Member (P. Betkoski) is excused at Item 8.2.

**South Central Connecticut Regional Water Authority  
Pension & Benefit Committee**

**Minutes of the October 23, 2025 Meeting**

The regular meeting of the South Central Connecticut Regional Water Authority (“RWA”) Pension & Benefit Committee took place on Thursday, October 23, 2025, at the South Central Connecticut Regional Water Authority, 90 Sargent Drive, New Haven, Connecticut, and via remote access. Chair LaMarr presided.

Present: Committee – Mss. LaMarr(R) and Sack, and Messrs. Borowy, Curseaden, and Ricozzi Management – Mss. Kowalski and Calo(R), and Messrs. Lakshminarayanan, Hill(R), and Singh  
RPB – Ms. Young(R)  
Morgan Stanley – Messrs. Kelliher(R), McLaughlin(R), and Pulli(R)  
Staff – Mrs. Slubowski

**3. MEET AS PENSION & BENEFIT COMMITTEE**

The Chair called the meeting to order at 12:30 p.m.

**3.1 APPROVE MINUTES**

On motion made by Mr. Ricozzi and seconded by Mr. Curseaden, the Committee voted unanimously to approve the minutes of its special meeting held on July 29, 2025.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

**3.2 QUARTERLY INVESTMENT PERFORMANCE REVIEW**

Messrs. Kelliher, McLaughlin, and Pulli of Morgan Stanley, RWA’s Plan Advisor, reported on the Authority’s investment performance for the pension plans and the Voluntary Employees’ Beneficiary Association (VEBA), for the period ended September 30, 2025, which included:

- Market commentary
- Asset allocations
- Investment results
- Liability analysis

Mr. Kelliher reported that the market is performing well as are RWA’s plans. He noted that the Committee may want to consider a special meeting to discuss future asset allocations, inviting Angell Pension Group, the RWA’s actuary for the retirement plans.

The Committee discussed various investment alternatives, focusing on performance, risk reduction, and environmental, social, and governance (ESG) factors. Mr. Kelliher provided historical perspective and expressed his intention to explore investment opportunities specifically

South Central Connecticut Regional Water Authority  
Pension & Benefit Committee  
October 23, 2025

related to water and clean water initiatives and environmentally sustainable practices among others for future consideration.

At 1:24 p.m., Messrs. Kelliher, McLaughlin, and Pulli withdrew from the meeting and on motion made by Mr. Ricozzi and seconded by Mr. Curseaden, the Committee voted unanimously to adjourn the meeting.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

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Catherine LaMarr, Chair

(R) = Attended remotely.

**UNAPPROVED**

# Morgan Stanley

THE KELLIHER CORBETT GROUP  
AT MORGAN STANLEY

January 22, 2026



## SC CT Regional Water Authority

### **Stephen P. Kelliher, QPFC®**

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 **Regional Water Authority**  
Tapping the Possibilities™

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# Morgan Stanley

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AT MORGAN STANLEY

SECTION 1

## Market Commentary



Data as of December 31, 2025

Index	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Calendar Year 2025
Russell 3000	-4.72%	10.99%	8.18%	2.40%	<b>17.15%</b>
S&P 500	-4.27%	10.94%	8.12%	2.66%	<b>17.88%</b>
S&P 500 Equal Weighted	-0.61%	5.46%	4.84%	1.39%	<b>11.43%</b>
Russell 1000 Value	2.14%	3.79%	5.33%	3.81%	<b>15.91%</b>
Russell 1000 Growth	-9.97%	17.84%	10.51%	1.12%	<b>18.56%</b>
Morningstar Dividend Yield Focus	8.63%	-2.42%	5.35%	0.33%	<b>12.03%</b>
MSCI ACWI Ex USA	5.23%	12.03%	6.89%	5.05%	<b>32.39%</b>
Bloomberg US Aggregate Bond	2.78%	1.21%	2.03%	1.10%	<b>7.30%</b>
Bloomberg US Govt/Credit Interm	2.42%	1.67%	1.51%	1.20%	<b>6.97%</b>
FTSE Treasury Bill 3-Month	1.10%	1.09%	1.11%	1.02%	<b>4.40%</b>

Source: Morningstar, Morgan Stanley

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material

An investment cannot be made directly in a market index

Indices are unmanaged and investors cannot directly invest in them. Composite index results are shown for illustrative purposes and do not represent the performance of a specific investment. Past performance is no guarantee of future results. Actual results may vary. Diversification does not assure a profit or protect against loss in a declining market. Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and/or investment objective(s) associated with the account(s). Indices are unmanaged and not available for direct investment.

Index returns do not take into account fees or other charges. Such fees and charges would reduce performance.

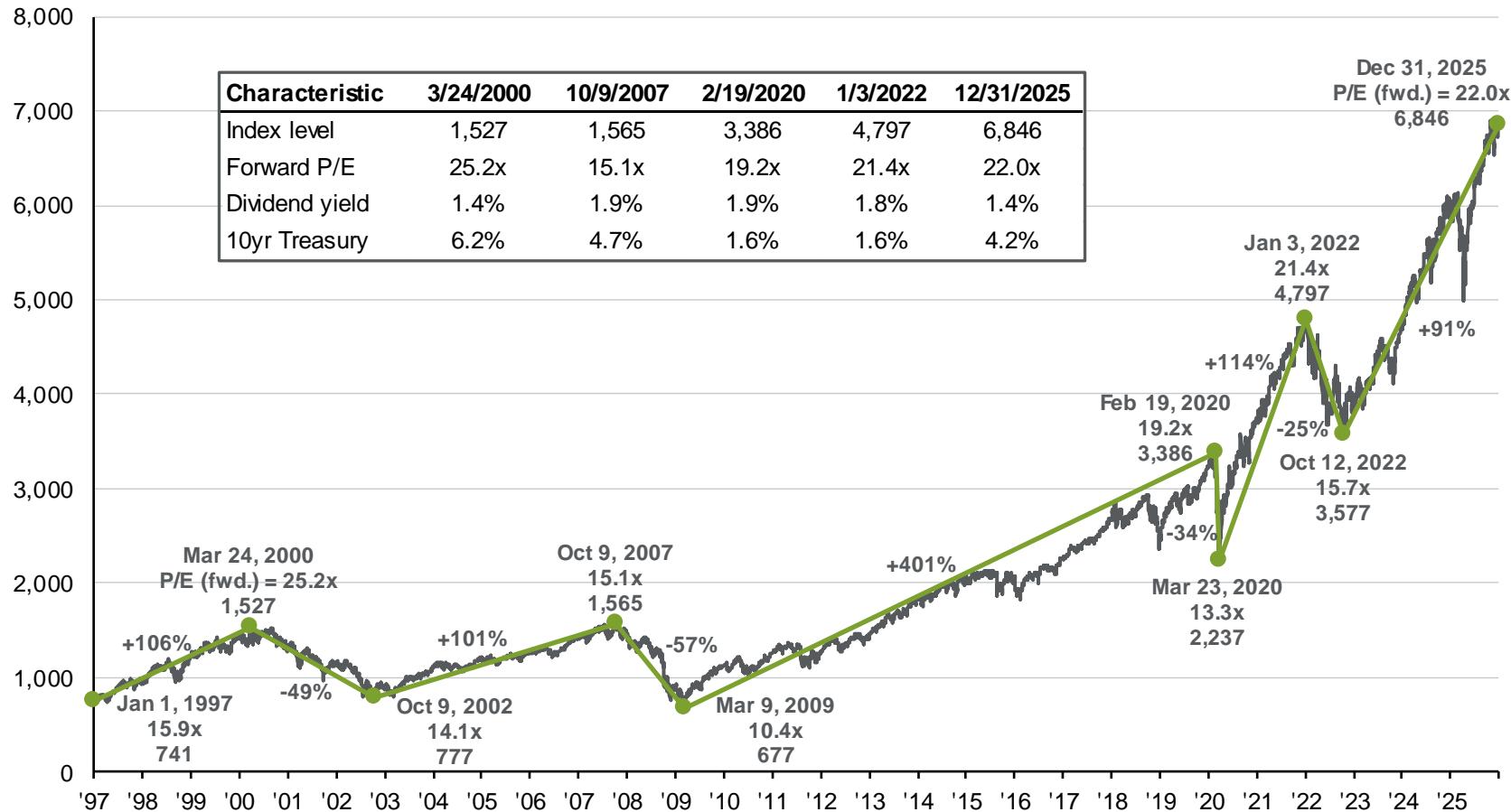


# S&P 500 index at inflection points

GTM U.S. 4

Equities

## S&P 500 Price Index



Source: FactSet, Federal Reserve, Refinitiv Datastream, Standard & Poor's, J.P. Morgan Asset Management.

Dividend yield is calculated as consensus analyst estimates of dividends in the next 12 months, provided by FactSet, divided by the most recent S&P 500 index price. Forward P/E ratio is the most recent S&P 500 index price divided by consensus estimates for earnings in the next 12 months, provided by IBES since January 1997 and FactSet since January 2022. Returns are cumulative and do not include the reinvestment of dividends. Past performance is no guarantee of future results.

Guide to the Markets – U.S. Data are as of December 31, 2025.

**J.P.Morgan**  
ASSET MANAGEMENT



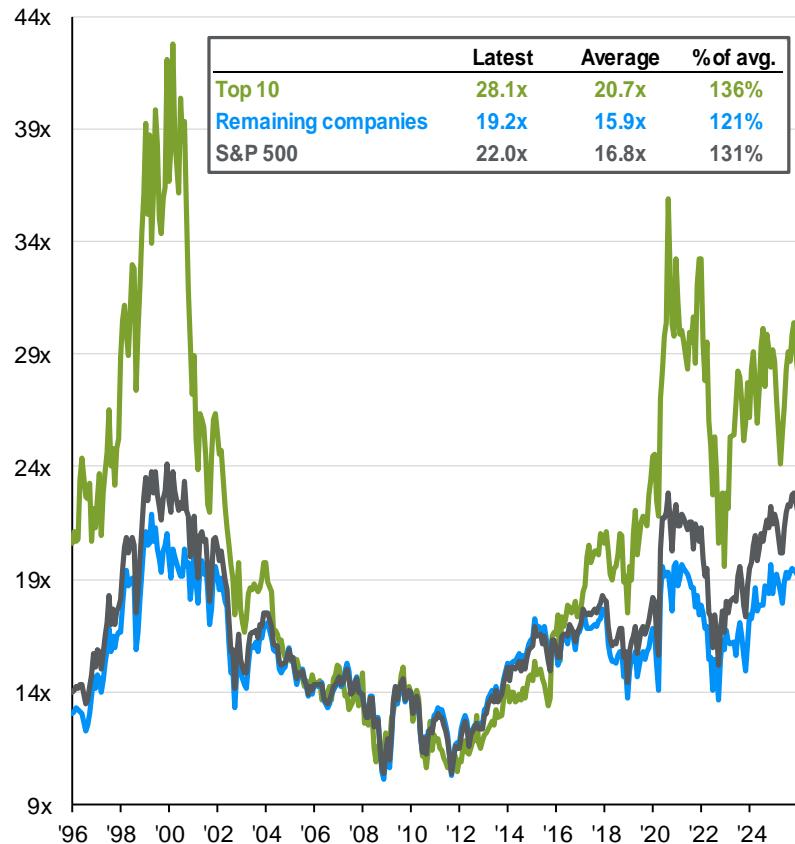
# S&P 500: Index concentration

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Equities

## P/E of top 10 and remaining companies in S&P 500

Next 12 months



## Weight of the top 10 companies in the S&P 500

% of market capitalization, % of last 12 months' earnings



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.

Forward P/E ratio is the most recent price divided by consensus estimates for earnings in the next 12 months, provided by IBES since January 1996 and FactSet since January 2022. The remaining stocks represent the rest of the 490 companies in the S&P 500, and their P/E ratio is calculated by backing out the nominal earnings and market cap of the top 10 from that of the S&P 500.

Guide to the Markets – U.S. Data are as of December 31, 2025.



# Magnificent 7: Performance, earnings and dispersion

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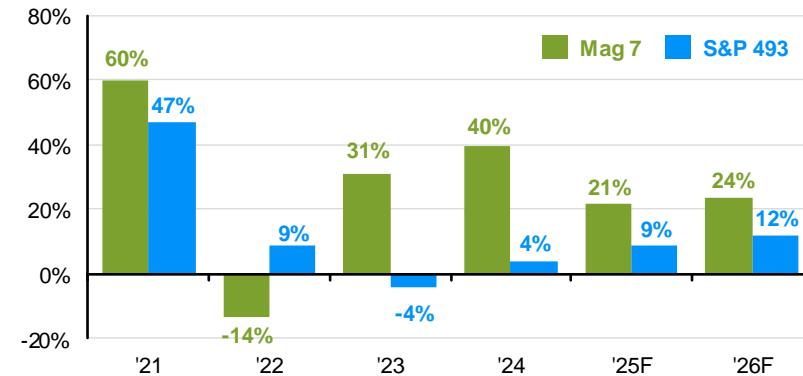
Equities

## Magnificent 7 performance in the S&P 500

Indexed to 100 on 1/1/2021, price return

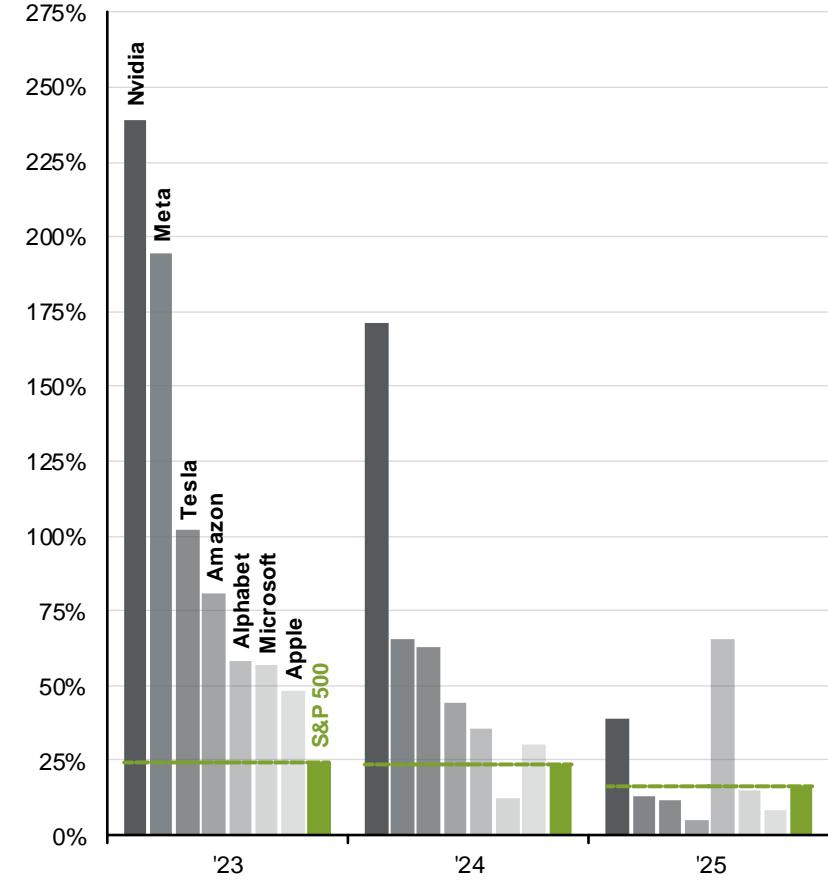


## Year-over-year earnings growth



## Magnificent 7 performance dispersion

Price return



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.

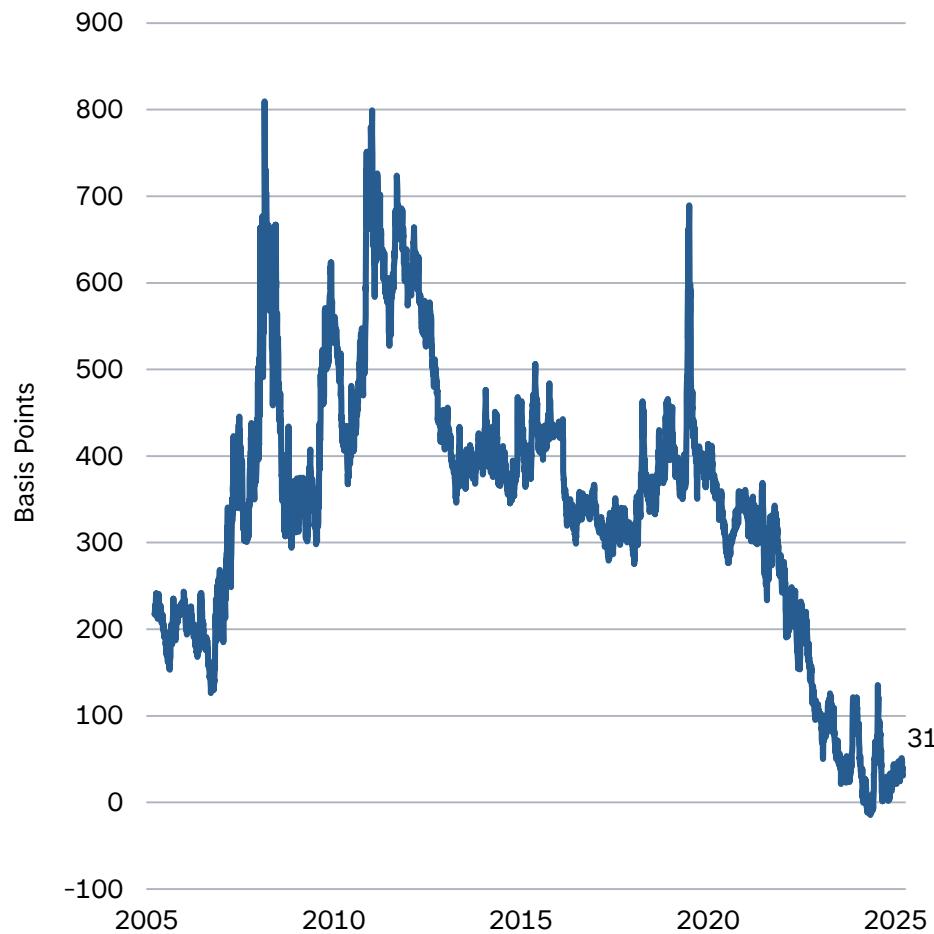
Magnificent 7 (Mag 7) includes AAPL, AMZN, GOOGL/GOOG, META, MSFT, NVDA and TSLA. The S&P 500 ex-Mag 7 (S&P 493) is calculated by backing out a weighted average Mag 7 price return from the S&P 500 price return. \*Share of returns represents the Mag 7's contribution to the index return. Past performance is no guarantee of future results.

Guide to the Markets – U.S. Data are as of December 31, 2025.

# Markets Appear Expensive Any Way You Look at It

## EQUITY RISK PREMIUM

AS OF DECEMBER 5, 2025



## S&P 500 VALUATION PERCENTILE RANKING

AS OF DECEMBER 8, 2025



## BUFFETT INDICATOR: MARKET CAP TO GDP RATIO

AS OF DECEMBER 5, 2025



Source: Morgan Stanley Wealth Management GIO, Bloomberg, Strategas. Equity risk premium is the excess return that an individual stock or the overall stock market provides over a risk-free rate. The risk-free rate represents the interest an investor would expect from an absolutely risk-free investment over a specified period of time.

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# Yield curve

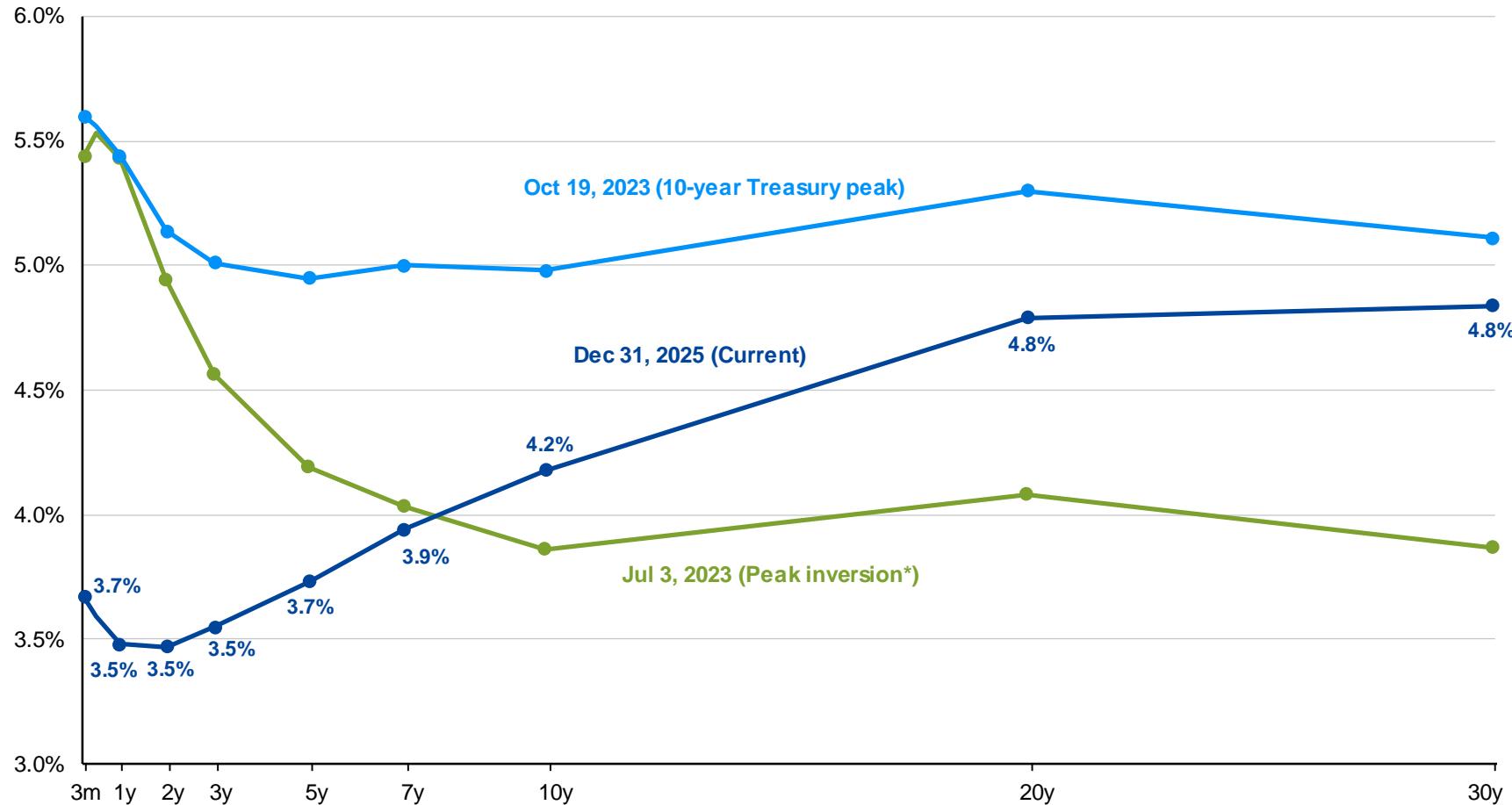
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33

Fixed Income

## U.S. Treasury yield curve



Source: FactSet, Federal Reserve, J.P. Morgan Asset Management.

Analysis references data back to 2020. \*Peak inversion is measured by the spread between the yield on a 10-year Treasury and 2-year Treasury.  
Guide to the Markets – U.S. Data are as of December 31, 2025.

J.P.Morgan  
ASSET MANAGEMENT

# Morgan Stanley

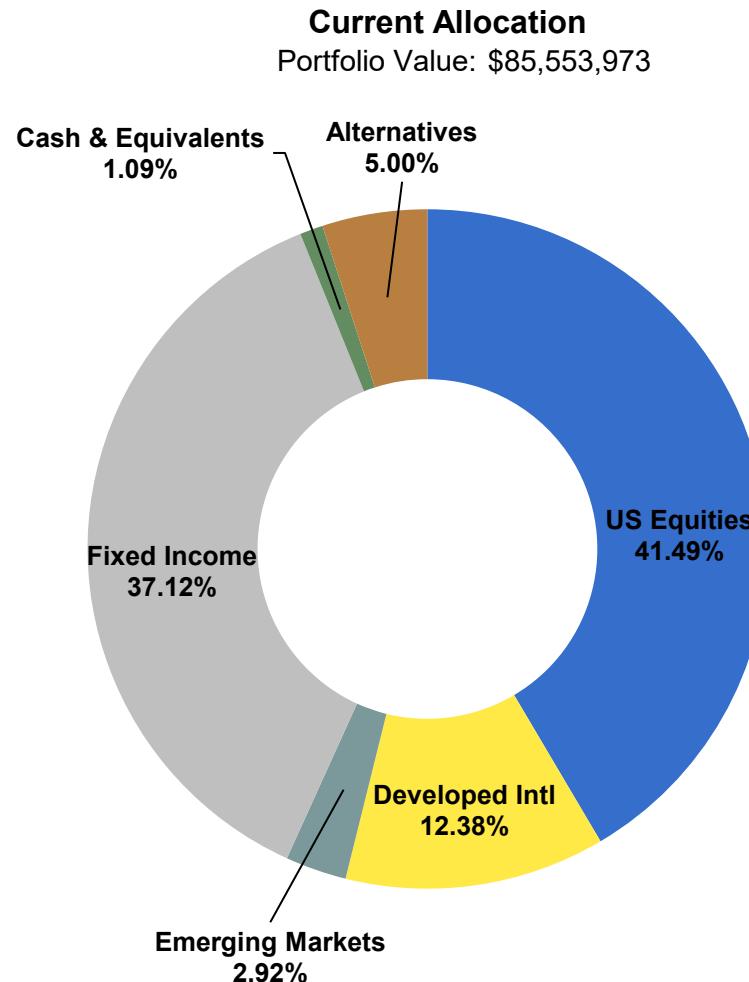
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SECTION 2

## Asset Allocation & Investment Matrices



# SCCT Regional Water Authority - Salary & Union Plans



<b>Total Equity</b>	<b>56.79%</b>
<b>% of Total Equity</b>	
US Equity	= 73.05%
Intl Equity	= 26.95%
<b>% of Intl Equity</b>	
Developed Intl	= 80.92%
Emerging Markets	= 19.08%
<b>Sal &amp; Uni Overall Style Analysis*</b>	
Value	= 35.15%
Core	= 43.26%
Growth	= 21.59%
<b>Sal &amp; Uni US Style Analysis*</b>	
Value	= 39.82%
Core	= 43.25%
Growth	= 16.93%
<b>Russell 3000 Style Analysis*</b>	
Value	= 28.26%
Core	= 47.04%
Growth	= 24.70%

Assets as of 12/31/2025

Asset Allocation does not assure a profit or protect against loss in declining financial markets

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\*Equity Style Analysis provided by Morningstar "Asset Scan"

Data Source: Morgan Stanley & Morningstar

SCCT Regional Water Authority - Salary & Union Plans  
 Asset Allocation Matrix Summary  
 As of 12/31/2025

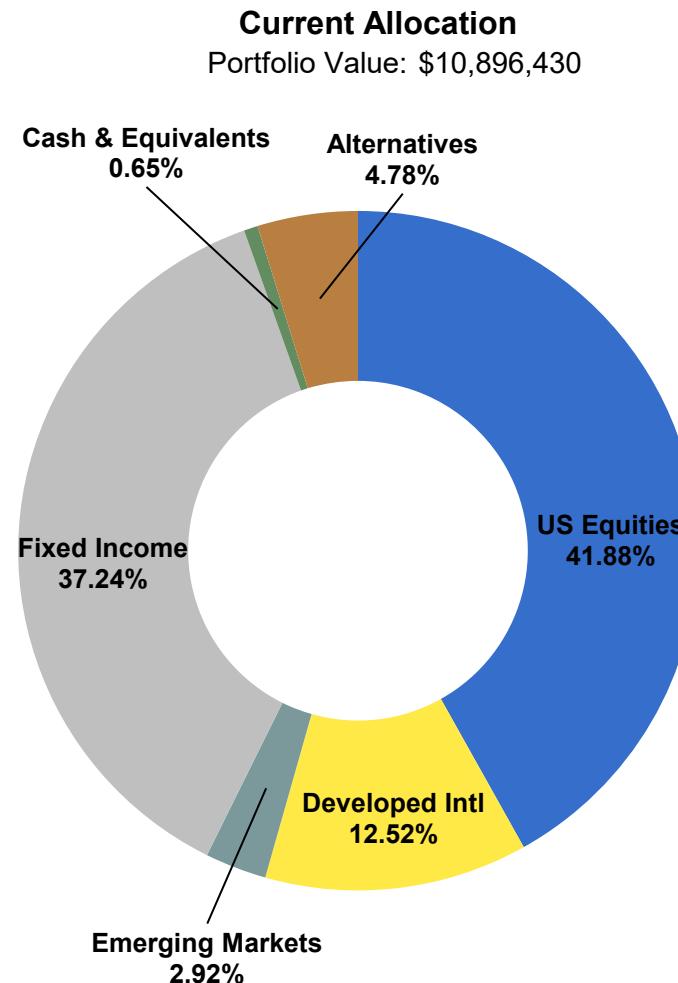
Benchmark vs Actual

	Benchmark	Actual	+/-
Russell 3000	42.00%	41.96%	-0.04%
MSCI ACWI ex US	15.00%	14.91%	-0.09%
Bloomberg US Aggregate	31.00%	37.04%	6.04%
FTSE WGBI	3.00%	0.00%	-3.00%
HFRI FOF	5.00%	4.01%	-0.99%
Global Real Estate	2.00%	0.99%	-1.01%
Cash & Equivalents/T-Bills	2.00%	1.09%	-0.91%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>

Cash & Equivalents/T-Bills: Any Government Security with less than 1 year to maturity

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# SCCT Regional Water Authority - VEBA Plan



<b>Total Equity</b>	57.32%
<b>% of Total Equity</b>	
US Equity	= 73.06%
Intl Equity	= 26.94%
<b>% of Intl Equity</b>	
Developed Intl	= 81.08%
Emerging Markets	= 18.92%
<b>VEBA Overall Style Analysis*</b>	
Value	= 35.78%
Core	= 42.89%
Growth	= 21.33%
<b>VEBA US Style Analysis*</b>	
Value	= 40.70%
Core	= 42.81%
Growth	= 16.49%

<b>Russell 3000 Style Analysis*</b>
Value = 28.26%
Core = 47.04%
Growth = 24.70%

Assets as of 12/31/2025

Asset Allocation does not assure a profit or protect against loss in declining financial markets

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\*Equity Style Analysis provided by Morningstar "Asset Scan"

Data Source: Morgan Stanley & Morningstar

SCCT Regional Water Authority - VEBA Plan  
 Asset Allocation Matrix Summary  
 As of 12/31/2025

Benchmark vs Actual

	Benchmark	Actual	+/-
Russell 3000	42.00%	42.37%	0.37%
MSCI ACWI ex US	15.00%	15.03%	0.03%
Bloomberg US Aggregate	31.00%	37.17%	6.17%
FTSE WGBI	3.00%	0.00%	-3.00%
HFRI FOF	5.00%	3.09%	-1.91%
Global Real Estate	2.00%	1.69%	-0.31%
Cash & Equivalents/T-Bills	2.00%	0.65%	-1.35%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>

Cash & Equivalents/T-Bills: Any Government Security with less than 1 year to maturity

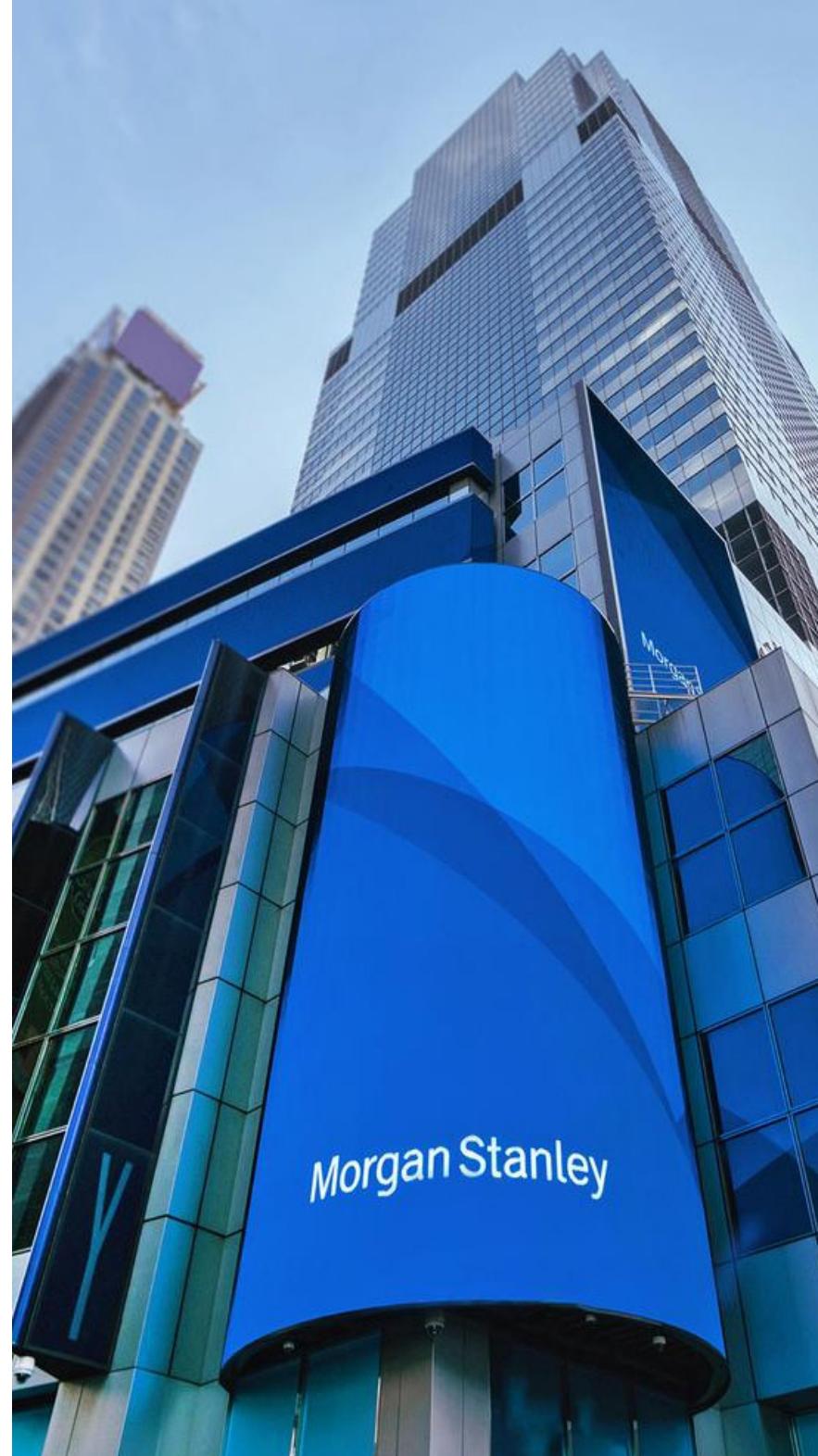
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SECTION 3

## Investment Results



**SCCT Regional Water Authority**  
**Since Inception (Fully Invested) Investment Results**  
**December 31, 2015 - December 31, 2025**

Account Number	Account Type	Beg. Asset Value 31-Dec-2015	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-Dec-2025	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$22,078,953	\$0	\$2,893,353	\$24,972,306	\$53,506,113	\$28,533,807	7.70%	8.10%
447-xxx451	Union	\$16,143,219	\$0	(\$2,061,656)	\$14,081,564	\$32,047,860	\$17,966,296	7.76%	8.16%
447-xxx456	VEBA	\$2,919,401	\$0	\$2,236,575	\$5,155,976	\$10,896,430	\$5,740,454	7.54%	7.94%
447-xxx626	Skybridge (Salaried)	\$0	\$0	(\$153,806)	(\$153,806)	\$0	\$153,806	2.87%	2.87%
447-xxx627	Skybridge (Union)	\$0	\$0	(\$107,539)	(\$107,539)	\$0	\$107,539	2.88%	2.88%
axx15	Matrix Trust (Master Trust)**	\$0	(\$38,066)	\$38,066	\$0	\$0	\$0	-	-
axx15a	Matrix Trust (Salaried)**	\$202,978	\$1,422,843	(\$1,265,821)	\$360,000	\$360,000	\$0	-	-
axx15b	Matrix Trust (Union)**	\$147,576	(\$3,260,713)	\$3,303,136	\$190,000	\$190,000	\$0	-	-
axx16	Matrix Trust(VEBA)**	\$269,858	\$4,748,058	(\$4,882,308)	\$135,608	\$135,608	\$0	-	-
Consolidated		\$41,761,987	\$2,872,122	\$0	\$44,634,109	\$97,136,011	\$52,501,902	7.67%	8.06%

**December 31, 2015 - December 31, 2025**

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75%	6.75%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00%	7.00%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	7.08%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	8.26%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	8.90%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	6.21%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	7.17%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	7.77%

Russell 3000	14.29%
S&P 500	14.82%
S&P 500 Equal Weight	11.71%
Russell 1000 Value	10.53%
Russell 1000	14.59%
Russell 1000 Growth	18.13%
Russell 2000	9.62%
MSCI All Country World ex. US	8.41%
MSCI EAFE	8.18%
MSCI EM	8.42%
Bloomberg Aggregate	2.01%
Bloomberg Govt/Credit Intermediate	2.29%
HFRI Fund of Funds Index	4.53%
DJ Global World Real Estate	4.24%
FTSE WGBI Index	0.54%
30 Day T-Bill	2.17%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

\*447-xxx626 closed May 2022

\*447-xxx627 closed July 2022

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Data Source: Morgan Stanley, Broadridge, Morningstar

**SCCT Regional Water Authority**  
**Trailing Seven Year Investment Results**  
**December 31, 2018 - December 31, 2025**

Account Number	Account Type	Beg. Asset Value 31-Dec-2018	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-Dec-2025	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$30,370,008	\$0	(\$1,634,204)	\$28,735,804	\$53,506,113	\$24,770,310	8.79%	9.18%
447-xxx451	Union	\$19,480,341	\$0	(\$2,638,471)	\$16,841,870	\$32,047,860	\$15,205,990	8.88%	9.27%
447-xxx456	VEBA	\$5,904,957	\$0	(\$38,568)	\$5,866,388	\$10,896,430	\$5,030,041	8.64%	9.03%
447-xxx626	Skybridge (Salaried)	\$630,172	\$0	(\$704,240)	(\$74,069)	\$0	\$74,069	1.60%	1.60%
447-xxx627	Skybridge (Union)	\$423,144	\$0	(\$472,852)	(\$49,708)	\$0	\$49,708	1.60%	1.60%
axx15	Matrix Trust (Master Trust)**	\$0	(\$38,066)	\$38,066	\$0	\$0	\$0	-	-
axx15a	Matrix Trust (Salaried)**	\$500,000	(\$3,540,210)	\$3,400,210	\$360,000	\$360,000	\$0	-	-
axx15b	Matrix Trust (Union)**	\$350,000	(\$4,068,106)	\$3,908,106	\$190,000	\$190,000	\$0	-	-
axx16	Matrix Trust(VEBA)**	\$284,962	\$1,708,692	(\$1,858,046)	\$135,608	\$135,608	\$0	-	-
Consolidated		\$57,943,584	(\$5,937,690)	\$0	\$52,005,894	\$97,136,011	\$45,130,117	8.74%	9.12%

**December 31, 2018 - December 31, 2025**

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75%	6.75%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00%	7.00%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	8.21%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	9.57%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	10.48%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	7.08%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	8.18%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	9.02%

Russell 3000	16.64%
S&P 500	17.29%
S&P 500 Equal Weight	13.32%
Russell 1000 Value	12.10%
Russell 1000	17.03%
Russell 1000 Growth	21.25%
Russell 2000	10.60%
MSCI All Country World ex. US	10.15%
MSCI EAFE	10.54%
MSCI EM	8.06%
Bloomberg Aggregate	1.99%
Bloomberg Govt/Credit Intermediate	2.54%
HFRI Fund of Funds Index	6.42%
DJ Global World Real Estate	4.10%
FTSE WGBI Index	-0.37%
30 Day T-Bill	2.70%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

\*447-xxx626 closed May 2022

\*447-xxx627 closed July 2022

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Data Source: Morgan Stanley, Broadridge, Morningstar

**SCCT Regional Water Authority**  
**Trailing Five Year Investment Results**  
**December 31, 2020 - December 31, 2025**

Account Number	Account Type	Beg. Asset Value 31-Dec-2020	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-Dec-2025	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$40,737,707	\$0	(\$2,200,744)	\$38,536,963	\$53,506,113	\$14,969,150	6.51%	6.88%
447-xxx451	Union	\$25,201,563	\$0	(\$2,228,653)	\$22,972,910	\$32,047,860	\$9,074,950	6.63%	7.00%
447-xxx456	VEBA	\$8,388,467	\$0	(\$559,263)	\$7,829,204	\$10,896,430	\$3,067,226	6.36%	6.73%
447-xxx626	Skybridge (Salaried)	\$624,695	\$0	(\$704,240)	(\$79,545)	\$0	\$79,545	2.43%	2.43%
447-xxx627	Skybridge (Union)	\$419,473	\$0	(\$472,852)	(\$53,379)	\$0	\$53,379	2.43%	2.43%
axx15	Matrix Trust (Master Trust)**	\$0	(\$38,066)	\$38,066	\$0	\$0	\$0	-	-
axx15a	Matrix Trust (Salaried)**	\$173,424	(\$3,495,668)	\$3,682,244	\$360,000	\$360,000	\$0	-	-
axx15b	Matrix Trust (Union)**	\$102,411	(\$3,173,910)	\$3,261,499	\$190,000	\$190,000	\$0	-	-
axx16	Matrix Trust(VEBA)**	\$579,055	\$372,608	(\$816,056)	\$135,608	\$135,608	\$0	-	-
Consolidated		\$76,226,796	(\$6,335,035)	\$0	\$69,891,761	\$97,136,011	\$27,244,250	6.54%	6.91%

**December 31, 2020 - December 31, 2025**

Actuarial Assumed Rate of Return

**Actuarial Assumed Rate of Return (Current): 6.75%** 6.75%

**Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00%** 7.00%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills 5.61%

Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills 6.86%

Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills 7.88%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills 4.71%

Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills 5.74%

Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills 6.71%

Russell 3000	13.15%
S&P 500	14.42%
S&P 500 Equal Weight	10.48%
Russell 1000 Value	11.33%
Russell 1000	13.59%
Russell 1000 Growth	15.32%
Russell 2000	6.09%
MSCI All Country World ex. US	7.91%
MSCI EAFE	8.92%
MSCI EM	4.20%
Bloomberg Aggregate	-0.36%
Bloomberg Govt/Credit Intermediate	0.96%
HFRI Fund of Funds Index	5.16%
DJ Global World Real Estate	2.41%
FTSE WGBI Index	-3.53%
30 Day T-Bill	3.25%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

\*447-xxx626 closed May 2022

\*447-xxx627 closed July 2022

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Data Source: Morgan Stanley, Broadridge, Morningstar

**SCCT Regional Water Authority**  
**Trailing Three Year Investment Results**  
**December 31, 2022 - December 31, 2025**

Account Number	Account Type	Beg. Asset Value 31-Dec-2022	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-Dec-2025	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$39,989,740	\$0	(\$2,672,532)	\$37,317,208	\$53,506,113	\$16,188,905	12.16%	12.55%
447-xxx451	Union	\$23,779,677	\$0	(\$1,500,185)	\$22,279,493	\$32,047,860	\$9,768,367	12.34%	12.73%
447-xxx456	VEBA	\$8,443,859	\$0	(\$959,263)	\$7,484,596	\$10,896,430	\$3,411,833	12.20%	12.59%
axx15	Matrix Trust (Master Trust)**	\$0	(\$38,066)	\$38,066	\$0	\$0	\$0	-	-
axx15a	Matrix Trust (Salaried)**	\$46,129	(\$2,815,165)	\$3,129,036	\$360,000	\$360,000	\$0	-	-
axx15b	Matrix Trust (Union)**	\$15,732	(\$1,654,810)	\$1,829,078	\$190,000	\$190,000	\$0	-	-
axx16	Matrix Trust(VEBA)**	\$584,218	(\$584,410)	\$135,800	\$135,608	\$135,608	\$0	-	-
Consolidated		\$72,859,355	(\$5,092,450)	\$0	\$67,766,905	\$97,136,011	\$29,369,106	12.23%	12.61%

**December 31, 2022 - December 31, 2025**

Actuarial Assumed Rate of Return

**Actuarial Assumed Rate of Return (Current): 6.75%** 6.75%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills 12.36%

Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills 14.15%

Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills 15.11%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills 9.13%

Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills 10.17%

Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills 10.93%

Russell 3000	22.25%
S&P 500	23.01%
S&P 500 Equal Weight	12.76%
Russell 1000 Value	13.90%
Russell 1000	22.74%
Russell 1000 Growth	31.15%
Russell 2000	13.73%
MSCI All Country World ex. US	17.33%
MSCI EAFE	17.22%
MSCI EM	16.40%
Bloomberg Aggregate	4.66%
Bloomberg Govt/Credit Intermediate	5.06%
HFRI Fund of Funds Index	8.56%
DJ Global World Real Estate	7.06%
FTSE WGBI Index	3.19%
30 Day T-Bill	4.95%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

\*447-xxx626 closed May 2022

\*447-xxx627 closed July 2022

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Data Source: Morgan Stanley, Broadridge, Morningstar

# SCCT Regional Water Authority

## 2025 Investment Results

**December 31, 2024 - December 31, 2025**

Account Number	Account Type	Beg. Asset Value 31-Dec-2024	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-Dec-2025	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$49,083,979	\$0	(\$2,372,017)	\$46,711,961	\$53,506,113	\$6,794,152	14.31%	14.68%
447-xxx451	Union	\$29,071,284	\$0	(\$1,183,325)	\$27,887,959	\$32,047,860	\$4,159,901	14.66%	15.02%
447-xxx456	VEBA	\$10,430,659	\$0	(\$959,263)	\$9,471,396	\$10,896,430	\$1,425,033	14.36%	14.72%
axx15a	Matrix Trust (Salaried)**	\$110,235	(\$2,260,804)	\$2,510,569	\$360,000	\$360,000	\$0	-	-
axx15b	Matrix Trust (Union)**	\$15,856	(\$1,155,335)	\$1,329,479	\$190,000	\$190,000	\$0	-	-
axx16	Matrix Trust(VEBA)**	\$475,052	(\$1,014,001)	\$674,557	\$135,608	\$135,608	\$0	-	-
Consolidated		\$89,187,065	(\$4,430,141)	\$0	\$84,756,924	\$97,136,011	\$12,379,087	14.43%	14.80%

**December 31, 2024 - December 31, 2025**

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75% x (12/12)	6.75%
Guidelines/Benchmarks - Market Cap Weighted	
Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	13.68%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	15.37%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	16.22%
Guidelines/Benchmarks - Equal Weighted	
Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	11.73%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	12.96%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	13.70%
Russell 3000	17.15%
S&P 500	17.88%
S&P 500 Equal Weight	11.43%
Russell 1000 Value	15.91%
Russell 1000	17.37%
Russell 1000 Growth	18.56%
Russell 2000	12.81%
MSCI All Country World ex. US	32.39%
MSCI EAFE	31.22%
MSCI EM	33.57%
Bloomberg Aggregate	7.30%
Bloomberg Govt/Credit Intermediate	6.97%
HFRI Fund of Funds Index	10.52%
DJ Global World Real Estate	10.06%
FTSE WGBI Index	7.55%
30 Day T-Bill	4.35%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

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Data Source: Morgan Stanley, Broadridge, Morningstar

**SCCT Regional Water Authority**  
**Fiscal Year Investment Results**  
**May 31, 2025 - December 31, 2025**

Account Number	Account Type	Beg. Asset Value 31-May-2025	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-Dec-2025	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$49,017,071	\$0	(\$555,684)	\$48,461,387	\$53,506,113	\$5,044,726	10.26%	10.46%
447-xxx451	Union	\$29,351,898	\$0	(\$365,295)	\$28,986,603	\$32,047,860	\$3,061,257	10.42%	10.62%
447-xxx456	VEBA	\$10,274,642	\$0	(\$443,321)	\$9,831,321	\$10,896,430	\$1,065,109	10.41%	10.61%
axx15a	Matrix Trust (Salaried)**	\$818,305	(\$1,101,990)	\$643,685	\$360,000	\$360,000	\$0	-	-
axx15b	Matrix Trust (Union)**	\$448,410	(\$678,697)	\$420,286	\$190,000	\$190,000	\$0	-	-
axx16	Matrix Trust(VEBA)**	\$62,447	(\$227,168)	\$300,329	\$135,608	\$135,608	\$0	-	-
Consolidated		\$89,972,773	(\$2,007,854)	\$0	\$87,964,919	\$97,136,011	\$9,171,092	10.33%	10.53%

**May 31, 2025 - December 31, 2025**

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75% x (7/12)	3.94%
Guidelines/Benchmarks - Market Cap Weighted	
Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	10.20%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	11.43%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	12.23%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	8.01%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	8.72%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	9.40%

Russell 3000	16.40%
S&P 500	16.64%
S&P 500 Equal Weight	9.95%
Russell 1000 Value	13.08%
Russell 1000	16.20%
Russell 1000 Growth	18.88%
Russell 2000	21.10%
MSCI All Country World ex. US	16.10%
MSCI EAFE	12.28%
MSCI EM	22.84%
Bloomberg Aggregate	4.74%
Bloomberg Govt/Credit Intermediate	3.82%
HFRI Fund of Funds Index	9.25%
DJ Global World Real Estate	4.08%
FTSE WGBI Index	2.13%
30 Day T-Bill	2.49%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

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Data Source: Morgan Stanley, Broadridge, Morningstar

**SCCT Regional Water Authority**  
**Fourth Quarter Investment Results**  
**September 30, 2025 - December 31, 2025**

Account Number	Account Type	Beg. Asset Value 30-Sep-2025	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-Dec-2025	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$52,735,889	\$0	(\$377,355)	\$52,358,534	\$53,506,113	\$1,147,579	2.17%	2.25%
447-xxx451	Union	\$31,704,224	\$0	(\$350,552)	\$31,353,672	\$32,047,860	\$694,188	2.20%	2.28%
447-xxx456	VEBA	\$11,112,815	\$0	(\$456,117)	\$10,656,698	\$10,896,430	\$239,732	2.21%	2.29%
axx15a	Matrix Trust (Salaried)**	\$348,947	(\$425,146)	\$436,200	\$360,000	\$360,000	\$0	-	-
axx15b	Matrix Trust (Union)**	\$86,111	(\$283,336)	\$387,226	\$190,000	\$190,000	\$0	-	-
axx16	Matrix Trust(VEBA)**	\$23,279	(\$248,269)	\$360,598	\$135,608	\$135,608	\$0	-	-
Consolidated		\$96,011,264	(\$956,752)	\$0	\$95,054,512	\$97,136,011	\$2,081,499	2.19%	2.27%

**September 30, 2025 - December 31, 2025**

Actuarial Assumed Rate of Return

**Actuarial Assumed Rate of Return (Current): 6.75% x (3/12)** 1.69%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills 2.10%

Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills 2.26%

Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills 2.47%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills 1.75%

Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills 1.84%

Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills 2.03%

Russell 3000 2.40%

S&P 500 2.66%

S&P 500 Equal Weight 1.39%

Russell 1000 Value 3.81%

Russell 1000 2.41%

Russell 1000 Growth 1.12%

Russell 2000 2.19%

MSCI All Country World ex. US 5.05%

MSCI EAFE 4.86%

MSCI EM 4.73%

Bloomberg Aggregate 1.10%

Bloomberg Govt/Credit Intermediate 1.20%

HFRI Fund of Funds Index 3.18%

DJ Global World Real Estate -1.33%

FTSE WGBI Index 0.11%

30 Day T-Bill 1.02%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

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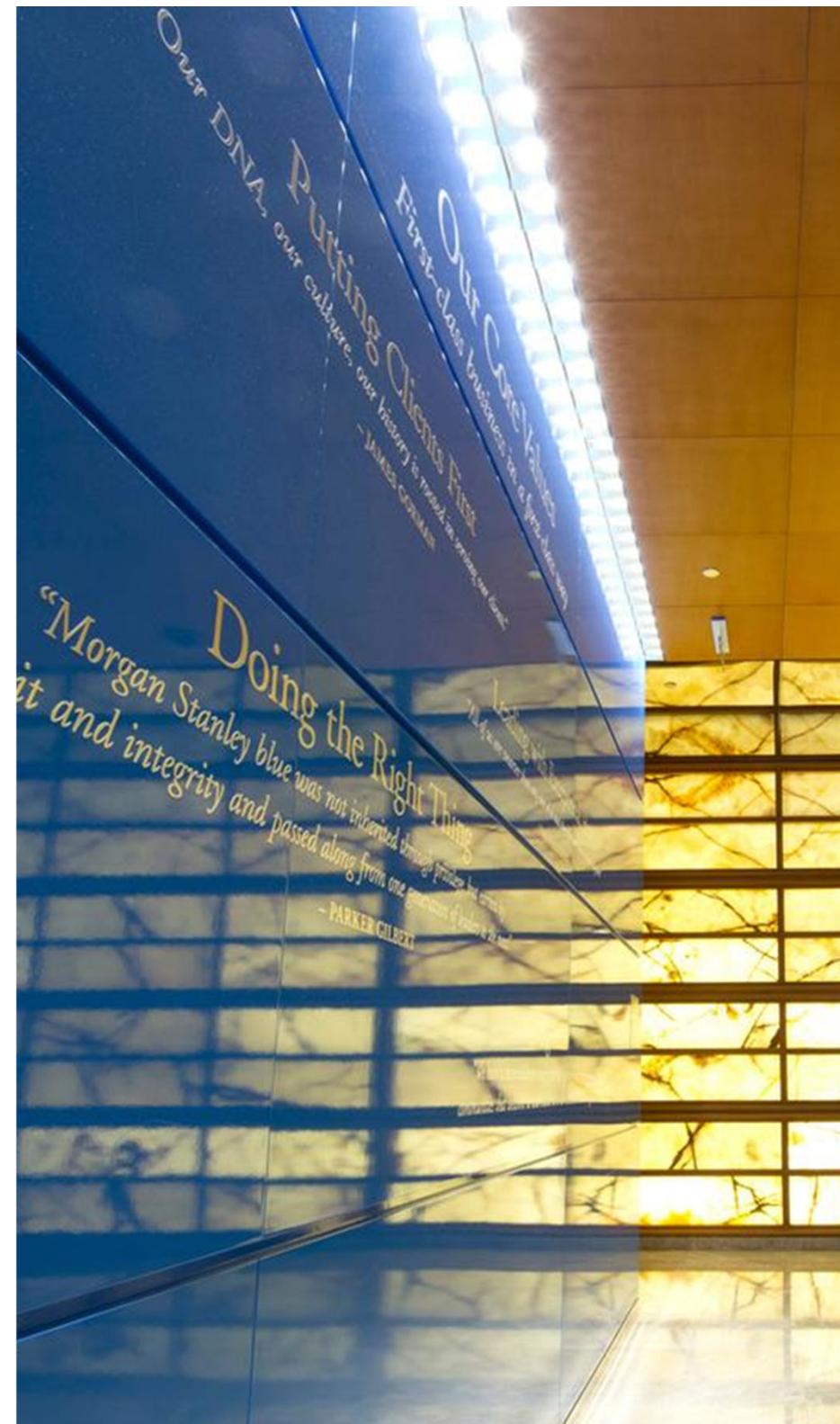
Data Source: Morgan Stanley, Broadridge, Morningstar

# Morgan Stanley

THE KELLIHER CORBETT GROUP  
AT MORGAN STANLEY

## SECTION 4

## Appendix



# Mutual Funds/ETFs

## Results

Data as of 12/31/2025	Morningstar Category	Market Returns (%)							\$ Assets	% of Total
		3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr			
<b>Cash &amp; Equivalents</b>										
<b>Cash &amp; Equivalents</b>		-	-	-	-	-	-	\$ 1,007,960	1.05%	
<b>Fixed Income</b>										
Vanguard Short-Term Treasury ETF	Short Government	1.12	5.11	5.11	4.48	1.72	1.79	\$ 206,142	0.21%	
Cat: Short Government	Short Government	1.16	5.08	5.08	4.55	1.49	1.70			
Guggenheim Limited Duration Instl	Short-Term Bond	1.33	5.99	5.99	6.41	2.94	3.27	\$ 336,310	0.35%	
Vanguard Short-Term Bond ETF	Short-Term Bond	1.15	6.05	6.05	4.90	1.54	2.12	\$ 215,939	0.22%	
Cat: Short-Term Bond	Short-Term Bond	1.14	5.96	5.96	5.56	2.24	2.51			
Vanguard Interm-Term Bond ETF	Intermediate Core Bond	1.13	8.62	8.62	5.39	-0.17	2.49	\$ 2,352,365	2.44%	
iShares Core US Aggregate Bond ETF	Intermediate Core Bond	1.00	7.19	7.19	4.69	-0.38	1.97	\$ 655,712	0.68%	
Cat: Intermediate Core Bond	Intermediate Core Bond	1.02	7.07	7.07	4.81	-0.31	2.00			
Fidelity Total Bond ETF	Intermediate Core-Plus Bond	0.95	7.58	7.58	5.57	0.46	3.10	\$ 3,198,193	3.32%	
Loomis Sayles Core Plus Bond Y	Intermediate Core-Plus Bond	0.96	8.09	8.09	4.94	-0.12	3.01	\$ 2,033,072	2.11%	
Cat: Intermediate Core-Plus Bond	Intermediate Core-Plus Bond	1.03	7.33	7.33	5.38	0.18	2.52			
PIMCO Income I2	Multisector Bond	2.51	10.93	10.93	8.46	3.79	4.99	\$ 4,939,997	5.12%	
Cat: Multisector Bond	Multisector Bond	1.29	7.75	7.75	7.40	2.89	4.07			
Idx: Bloomberg US Agg Bond TR USD	-	1.10	7.30	7.30	4.66	-0.36	2.01			
Idx: Bloomberg US Govt/Credit Interm TR USD	-	1.20	6.97	6.97	5.06	0.96	2.29			
Idx: FTSE WGBI USD	-	0.11	7.55	7.55	3.19	-3.53	0.54			
<b>Sub-Total Fixed Income</b>								\$ 13,937,731	14.45%	

● Green = exceeds peer group

● Yellow = trails peer group

● Red = fails to meet criteria (on watch/remove and/or replacement)

Orange = Fund position only held in VEBA

Assets as of 12/31/2025

See last page for important disclosure/disclaimer

Data Source: Morgan Stanley & Morningstar

# Mutual Funds/ETFs

## Results

Data as of 12/31/2025	Morningstar Category	Market Returns (%)						\$ Assets	% of Total
		3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr		
<b>US Equity</b>									
Columbia Dividend Income Inst	Large Value	2.48	15.85	15.85	13.77	12.06	12.33	\$ 3,860,435	4.00%
Vanguard Value ETF	Large Value	2.95	15.27	15.27	13.47	12.60	11.67	\$ 6,695,154	6.94%
Invesco S&P 100 Equal Weight ETF	Large Value	3.49	17.67	17.67	18.69	13.70	14.02	\$ 2,860,490	2.97%
Cat: Large Value	Large Value	3.15	14.97	14.97	13.88	11.66	10.74		
Invesco S&P 500® Equal Weight ETF	Large Blend	1.34	11.22	11.22	12.54	10.26	11.47	\$ 2,866,957	2.97%
Vanguard S&P 500 ETF	Large Blend	2.65	17.84	17.84	22.97	14.38	14.78	\$ 3,367,688	3.49%
Vanguard Total Stock Market ETF	Large Blend	2.44	17.14	17.14	22.25	13.08	14.25	\$ 6,244,404	6.47%
Cat: Large Blend	Large Blend	2.21	15.54	15.54	20.08	12.67	13.32		
MFS Massachusetts Inv Gr Stk I	Large Growth	1.30	10.15	10.15	16.90	10.36	14.60	\$ 2,416,658	2.51%
Vanguard Russell 1000 Growth ETF	Large Growth	1.11	18.48	18.48	31.07	15.25	18.03	\$ 3,337,776	3.46%
Cat: Large Growth	Large Growth	0.55	16.10	16.10	27.59	11.28	15.25		
iShares Core S&P Small-Cap ETF	Small Blend	1.66	5.95	5.95	10.12	7.23	9.76	\$ 1,875,649	1.94%
Cat: Small Blend	Small Blend	1.53	7.89	7.89	11.84	7.63	9.42		
Idx: Russell 3000 TR USD	-	2.40	17.15	17.15	22.25	13.15	14.29		
Idx: S&P 500 TR USD	-	2.66	17.88	17.88	23.01	14.42	14.82		
Idx: Russell 1000 Value TR USD	-	3.81	15.91	15.91	13.90	11.33	10.53		
Idx: Russell 1000 TR USD	-	2.41	17.37	17.37	22.74	13.59	14.59		
Idx: Russell 1000 Growth TR USD	-	1.12	18.56	18.56	31.15	15.32	18.13		
Idx: Morningstar DYF TR USD	-	0.33	12.03	12.03	9.24	10.79	9.16		
Idx: Russell 2000 TR USD	-	2.19	12.81	12.81	13.73	6.09	9.62		
<b>Sub-Total US Equity</b>								<b>\$ 33,525,212</b>	<b>34.76%</b>

● Green = exceeds peer group

Assets as of 12/31/2025

● Yellow = trails peer group

See last page for important disclosure/disclaimer

□ Red = fails to meet criteria (on watch/remove and/or replacement)

Data Source: Morgan Stanley & Morningstar

# Mutual Funds/ETFs

## Results

Data as of 12/31/2025	Morningstar Category	Market Returns (%)						\$ Assets	% of Total
		3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr		
<b>Global/International Equity</b>									
MFS Intl Diversification I	Foreign Large Blend	3.66	27.81	27.81	15.85	6.78	9.12	\$ 3,411,824	3.54%
Vanguard Total International Stock ETF	Foreign Large Blend	4.51	32.23	32.23	17.14	7.98	8.55	\$ 6,212,484	6.44%
Cat: Foreign Large Blend	Foreign Large Blend	4.35	30.40	30.40	16.73	8.12	8.05		
Capital Group International Focus Eq ETF	Foreign Large Growth	4.49	26.12	26.12	15.09	-	-	\$ 2,817,297	2.92%
Cat: Foreign Large Growth	Foreign Large Growth	0.74	20.29	20.29	13.71	3.44	7.54		
First Eagle Global I	Global Moderately Aggressive Allocation	5.42	31.89	31.89	18.66	12.00	10.32	\$ 3,896,271	4.04%
Cat: Global Moderately Aggressive Allocation	Global Moderately Aggressive Allocation	2.54	18.30	18.30	14.77	8.25	8.83		
Idx: MSCI ACWI Ex USA NR USD	-	5.05	32.39	32.39	17.33	7.91	8.41		
Idx: MSCI ACWI NR USD	-	3.29	22.34	22.34	20.65	11.19	11.72		
Idx: MSCI EAFE NR USD	-	4.86	31.22	31.22	17.22	8.92	8.18		
Idx: MSCI EM NR USD	-	4.73	33.57	33.57	16.40	4.20	8.42		
<b>Sub-Total Global/International Equity</b>								\$ 16,337,876	16.94%
<b>Balanced</b>									
Capital Group Core Balanced ETF	Moderate Allocation	2.34	15.41	15.41	-	-	-	\$ 3,850,405	3.99%
Janus Henderson Balanced I	Moderate Allocation	1.68	15.01	15.01	15.28	8.43	10.14	\$ 3,900,777	4.04%
Cat: Moderate Allocation	Moderate Allocation	1.96	12.50	12.50	12.90	7.25	8.35		
Idx: Bloomberg US Agg Bond TR USD	-	1.10	7.30	7.30	4.66	-0.36	2.01		
Idx: S&P 500 TR USD	-	2.66	17.88	17.88	23.01	14.42	14.82		
<b>Sub-Total Balanced</b>								\$ 7,751,181	8.04%
<b>Alternative</b>									
BlackRock Event Driven Equity Instl	Event Driven	1.61	8.43	8.43	5.30	3.55	4.81	\$ 1,444,592	1.50%
Cat: Event Driven	Event Driven	1.96	9.03	9.03	6.56	3.98	4.57		
JPMorgan Hedged Equity I	Equity Hedged	2.50	7.49	7.49	13.83	9.00	9.32	\$ 1,464,653	1.52%
Cat: Equity Hedged	Equity Hedged	1.38	11.19	11.19	11.92	6.57	5.79		
Cohen & Steers Realty Shares L	Real Estate	-2.69	2.82	2.82	7.26	5.72	6.33	\$ 941,443	0.98%
Cat: Real Estate	Real Estate	-1.80	1.60	1.60	6.61	4.51	4.91		
Cohen & Steers Global Realty I	Global Real Estate	-0.61	10.61	10.61	7.29	3.24	4.87	\$ 949,259	0.98%
Cat: Global Real Estate	Global Real Estate	-0.54	11.19	11.19	6.85	2.55	3.84		
Idx: S&P 500 TR USD	-	2.66	17.88	17.88	23.01	14.42	14.82		
Idx: Bloomberg US Agg Bond TR USD	-	1.10	7.30	7.30	4.66	-0.36	2.01		
Idx: Russell 3000 TR USD	-	2.40	17.15	17.15	22.25	13.15	14.29		
Idx: MSCI ACWI NR USD	-	3.29	22.34	22.34	20.65	11.19	11.72		
Idx: DJ Global World Real Estate TR USD	-	-1.33	10.06	10.06	7.06	2.41	4.24		
<b>Sub-Total Alternative</b>								\$ 4,799,947	4.98%
<b>Total</b>								\$ 77,359,907	80.21%

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● Red = fails to meet criteria (on watch/remove and/or replacement)

Assets as of 12/31/2025

See last page for important disclosure/disclaimer

Data Source: Morgan Stanley & Morningstar

# Mutual Funds/ETFs

## Statistics

	Prospectus Net Expense Ratio	Prospectus Adj Expense Ratio	Beta 3 Yr vs. S&P or BBg Agg	Alpha 3 Yr vs. S&P or BBg Agg	Std Dev 3 Yr	R2 3 Yr vs. S&P or BBg Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap \$MM	Mstar Risk 5 Yr
Data as of 12/31/2025										
<b>Fixed Income</b>										
<b>Vanguard Short-Term Treasury ETF</b>	<b>0.03</b>	<b>0.03</b>	<b>0.26</b>	<b>-0.44</b>	<b>1.87</b>	<b>68</b>	-	-	-	<b>Below Avg</b>
<b>Cat: Short Government</b>	<b>0.54</b>	<b>0.54</b>	<b>0.32</b>	<b>-0.36</b>	<b>2.17</b>	<b>75</b>	<b>22.8</b>	<b>3.1</b>	<b>93752</b>	-
<b>Guggenheim Limited Duration Instl</b>	<b>0.50</b>	<b>0.46</b>	<b>0.29</b>	<b>1.41</b>	<b>1.90</b>	<b>88</b>	-	-	-	<b>Average</b>
<b>Vanguard Short-Term Bond ETF</b>	<b>0.03</b>	<b>0.03</b>	<b>0.40</b>	<b>0.01</b>	<b>2.65</b>	<b>85</b>	-	-	-	<b>Above Avg</b>
<b>Cat: Short-Term Bond</b>	<b>0.63</b>	<b>0.63</b>	<b>0.33</b>	<b>0.61</b>	<b>2.26</b>	<b>81</b>	<b>23.1</b>	<b>4.0</b>	<b>136635</b>	-
<b>Vanguard Interm-Term Bond ETF</b>	<b>0.03</b>	<b>0.03</b>	<b>1.05</b>	<b>0.72</b>	<b>6.41</b>	<b>99</b>	-	-	-	<b>High</b>
<b>iShares Core US Aggregate Bond ETF</b>	<b>0.03</b>	<b>0.03</b>	<b>1.00</b>	<b>0.02</b>	<b>6.05</b>	<b>100</b>	-	-	-	<b>Average</b>
<b>Cat: Intermediate Core Bond</b>	<b>0.54</b>	<b>0.54</b>	<b>0.97</b>	<b>0.13</b>	<b>5.93</b>	<b>98</b>	-	-	-	-
<b>Fidelity Total Bond ETF</b>	<b>0.36</b>	<b>0.36</b>	<b>0.97</b>	<b>0.86</b>	<b>5.93</b>	<b>99</b>	-	-	-	<b>Average</b>
<b>Loomis Sayles Core Plus Bond Y</b>	<b>0.48</b>	<b>0.48</b>	<b>1.13</b>	<b>0.34</b>	<b>6.88</b>	<b>99</b>	-	-	-	<b>Above Avg</b>
<b>Cat: Intermediate Core-Plus Bond</b>	<b>0.76</b>	<b>0.76</b>	<b>0.96</b>	<b>0.68</b>	<b>5.94</b>	<b>96</b>	-	-	-	-
<b>PIMCO Income I2</b>	<b>0.64</b>	<b>0.60</b>	<b>0.76</b>	<b>3.48</b>	<b>4.82</b>	<b>90</b>	-	-	<b>7563</b>	<b>Average</b>
<b>Cat: Multisector Bond</b>	<b>0.92</b>	<b>0.92</b>	<b>0.68</b>	<b>2.48</b>	<b>4.61</b>	<b>78</b>	-	-	-	-

See last page for important disclosure/disclaimer

Orange = Fund position only held in VEBA

The Prospectus Adjusted Operating Expense Ratio is the percentage of fund assets paid for operating expenses and management fees. The expense ratio typically includes the following types of fees: accounting, administrator, advisor, auditor, board of directors, custodial, distribution (12b-1), legal, organizational, professional, registration, shareholder reporting, sub-advisor, and transfer agency. The ratio does reflect fee waivers in effect during the time period, and does not include interest and dividends on borrowed securities. The expense ratio does not reflect the fund's brokerage costs or any investor sales charges.

Data Source: Morgan Stanley & Morningstar

# Mutual Funds/ETFs

## Statistics

	Prospectus Net Expense Ratio	Prospectus Adj Expense Ratio	Beta 3 Yr vs. S&P or BBg Agg	Alpha 3 Yr vs. S&P or BBg Agg	Std Dev 3 Yr	R2 3 Yr vs. S&P or BBg Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap \$MM	Mstar Risk 5 Yr
Data as of 12/31/2025										
<b>US Equity</b>										
Columbia Dividend Income Inst	0.65	0.65	0.72	-3.43	10.14	72	21.1	3.6	220043	Low
Vanguard Value ETF	0.04	0.04	0.78	-4.57	11.58	65	20.2	2.8	141988	Average
Invesco S&P 100 Equal Weight ETF	0.25	0.25	0.89	-1.88	11.61	85	21.8	3.6	224565	Average
Cat: Large Value	0.85	0.85	0.82	-4.83	12.25	65	19.8	2.9	171395	-
Invesco S&P 500® Equal Weight ETF	0.20	0.20	1.00	-8.86	13.75	76	22.0	2.9	46698	Above Avg
Vanguard S&P 500 ETF	0.03	0.03	1.00	-0.03	11.96	100	27.6	5.1	465428	Average
Vanguard Total Stock Market ETF	0.03	0.03	1.05	-1.32	12.56	99	26.7	4.6	291256	Average
Cat: Large Blend	0.73	0.73	0.98	-2.16	12.44	90	27.3	5.1	539433	-
MFS Massachusetts Inv Gr Stk I	0.46	0.46	1.02	-5.36	12.44	95	33.2	7.3	363298	Low
Vanguard Russell 1000 Growth ETF	0.07	0.07	1.16	4.25	14.92	86	37.2	13.3	909375	Average
Cat: Large Growth	0.90	0.90	1.21	0.73	16.16	82	35.1	9.6	717299	-
iShares Core S&P Small-Cap ETF	0.06	0.06	1.23	-13.92	19.59	56	17.3	1.8	3273	Above Avg
Cat: Small Blend	0.97	0.97	1.20	-12.07	18.49	60	17.8	2.1	5921	-

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Data Source: Morgan Stanley & Morningstar

# Mutual Funds/ETFs

Statistics											
	Prospectus Net	Prospectus Adj	Beta 3 Yr vs.	Alpha 3 Yr vs.	Std Dev	R2 3 Yr vs.	P/E	P/B	Geo Avg	Mstar	
Data as of 12/31/2025	Expense Ratio	Expense Ratio	S&P or BBg Agg	S&P or BBg Agg	3 Yr	S&P or BBg Agg	Ratio	Ratio	Mkt Cap \$MM	Risk 5 Yr	
<b>Global/International Equity</b>											
MFS Intl Diversification I	0.83	0.83	0.94	-0.63	11.30	95	17.9	2.2	46974	Below Avg	
Vanguard Total International Stock ETF	0.05	0.05	1.00	-0.18	11.87	98	17.1	2.0	40411	Below Avg	
Cat: Foreign Large Blend	0.86	0.86	0.97	-0.14	12.15	88	18.6	2.3	77031	-	
Capital Group International Focus Eq ETF	0.54	0.54	1.10	-2.88	13.96	86	19.0	2.8	95350	-	
Cat: Foreign Large Growth	0.99	0.99	1.09	-3.92	14.38	80	22.9	3.5	89451	-	
First Eagle Global I	0.86	0.86	1.00	5.58	9.91	80	19.0	2.2	76320	Below Avg	
Cat: Global Moderately Aggressive Allocation	1.01	1.01	1.12	1.37	10.79	88	22.5	3.1	123468	-	
<b>Balanced</b>											
Capital Group Core Balanced ETF	0.33	0.33	-	-	-	-	28.1	5.0	276422	-	
Janus Henderson Balanced I	0.66	0.66	0.92	3.10	9.08	82	30.4	7.6	680910	Above Avg	
Cat: Moderate Allocation	0.99	0.99	0.92	1.00	8.95	84	24.1	3.9	248098	-	
<b>Alternative</b>											
BlackRock Event Driven Equity Instl	1.29	1.29	0.23	-2.98	3.64	50	21.2	3.1	22334	Average	
Cat: Event Driven	1.88	1.88	0.19	-1.25	4.47	23	-	2.3	11495	-	
JPMorgan Hedged Equity I	0.57	0.57	0.63	-2.03	8.04	87	27.9	5.1	486048	Average	
Cat: Equity Hedged	1.19	1.19	0.56	-2.60	8.46	67	28.0	5.3	619678	Average	
Cohen & Steers Realty Shares L	0.88	0.88	1.17	-13.70	16.73	63	34.4	2.5	32840	Average	
Cat: Real Estate	1.10	1.10	1.16	-14.10	16.93	61	30.1	2.6	36590	-	
Cohen & Steers Global Realty I	0.90	0.90	1.13	-13.19	15.74	66	24.2	1.5	19376	Average	
Cat: Global Real Estate	1.07	1.07	1.08	-12.94	15.72	61	20.9	1.5	17347	-	

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**Data Source: Morgan Stanley & Morningstar**

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Assets as of 12/31/2025

Data Source: Morningstar; as of 12/31/2025

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## Glossary of Terms

**Accrued Income:** The dividends and interest earned but not yet received at both the beginning and end of each reporting period.

**Advisory Account:** An investment advisory relationship is designed for clients who prefer that their Financial Advisor act as an investment consultant, with their assets invested in a mutual fund asset allocation program or in a Advisory account that is directed by a professional money manager either at Morgan Stanley or at an external money management firm. There are important differences in your relationship with your Financial Advisor and Morgan Stanley in brokerage accounts and in advisory accounts. Additional information about these differences is available at <http://www.morganstanley.com/ourcommitment>

**Annualized Standard Deviation:** A measure of volatility, it quantifies how much a series of numbers, such as portfolio returns, deviates around its average. Since it measures the portfolio's investment volatility, the account's gross rate of return is used.

**Brokerage Account:** In a brokerage relationship, your Financial Advisor will work with you to facilitate the execution of securities transactions on your behalf. Your Financial Advisor also provides investor education and professional, personalized information about financial products and services in connection with these brokerage services. You can choose how you want to pay for these services and you will receive the same services regardless of which pricing option you choose. There are important differences in your relationship with your Financial Advisor and Morgan Stanley in brokerage accounts and in advisory accounts. Additional information about these differences is available at <http://www.morganstanley.com/ourcommitment>

**Comparative Indices:** A complete description of the comparative indices included in this Performance Report is available upon request.

**Dollar-Weighted Return:** Rate of return calculation methodology that reflects both the timing and magnitude of external contributions and withdrawals and measures the portfolio's performance. The return for each month is calculated as the average return on all dollars invested.

**Gross Return:** The return of the portfolio before the deduction of fees/commissions and other expenses.

**Net Contributions/Withdrawals:** The total value of capital contributed to or withdrawn from the account during the reporting period. The dollar amount represented by contribution or withdrawal transactions is excluded from the calculation of Portfolio Appreciation.

**Net Invested Capital:** The sum of the Total Beginning Value and the net of additional capital Contributions and Withdrawals for each reporting period.

**Net Portfolio Appreciation:** The total dollar gain/loss of the portfolio for each reporting period. The Net Portfolio Appreciation includes the impact of income received and is calculated as the difference between Net Invested Capital and Total Ending Value.

**Net Return:** The return of the portfolio for the period reduced by the amount of fees/commissions paid. The net of fees return is calculated gross of certain custody fees.

**Time-Weighted Return:** Rate of return calculation methodology that eliminates the impact of external contributions and withdrawals to the portfolio value and measures the manager's performance. Portfolio returns are calculated at least monthly and individual monthly returns are geometrically linked to calculate total cumulative return.

**Total Beginning Value:** The total market value of the portfolio, valued on a trade date basis, at the beginning of each reporting period. The Total Beginning Value includes Accrued Income.

**Total Ending Value:** The total market value of the portfolio, valued on a trade date basis, at the end of each reporting period. The Total Ending Value includes Accrued Income.

**Weighted Average:** The average in which each yield to be averaged is assigned a weight. These weightings determine the relative importance or frequency of each yield on the average.

**This report is not an official account statement. The information in this report is not complete without the required disclaimer and glossary, which you should read carefully**



# J.P. Morgan Asset Management – Index definitions

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All indexes are unmanaged and an individual cannot invest directly in an index. Index returns do not include fees or expenses.

*Equities:*

The **Dow Jones Industrial Average** is a price-weighted average of 30 actively traded blue-chip U.S. stocks.

The **MSCI ACWI (All Country World Index)** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

The **MSCI EAFE Index (Europe, Australasia, Far East)** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

The **MSCI Europe Index** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe.

The **MSCI Pacific Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the Pacific region.

The **Russell 1000 Index**® measures the performance of the 1,000 largest companies in the Russell 3000.

The **Russell 1000 Growth Index**® measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 1000 Value Index**® measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

The **Russell 2000 Index**® measures the performance of the 2,000 smallest companies in the Russell 3000 Index.

The **Russell 2000 Growth Index**® measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 2000 Value Index**® measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

The **Russell 3000 Index**® measures the performance of the 3,000 largest U.S. companies based on total market capitalization.

The **Russell Midcap Index**® measures the performance of the 800 smallest companies in the Russell 1000 Index.

The **Russell Midcap Growth Index**® measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index.

The **Russell Midcap Value Index**® measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index.

The **S&P 500 Index** is widely regarded as the best single gauge of the U.S. equities market. The index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. The **S&P 500 Index** focuses on the large-cap segment of the market; however, since it includes a significant portion of the total value of the market, it also represents the market.

*Fixed income:*

The **Bloomberg 1-3 Month U.S. Treasury Bill Index** includes all publicly issued zero-coupon US Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars and must be fixed rate and non convertible.

The **Bloomberg Global High Yield Index** is a multi-currency flagship measure of the global high yield debt market. The index represents the union of the US High Yield, the Pan-European High Yield, and Emerging Markets (EM) Hard Currency High Yield Indices. The high yield and emerging markets sub-components are mutually exclusive. Until January 1, 2011, the index also included CMBS high yield securities.

The **Bloomberg Municipal Index**: consists of a broad selection of investment-grade general obligation and revenue bonds of maturities ranging from one year to 30 years. It is an unmanaged index representative of the tax-exempt bond market.

The **Bloomberg US Dollar Floating Rate Note (FRN) Index** provides a measure of the U.S. dollar denominated floating rate note market.

The **Bloomberg US Corporate Investment Grade Index** is an unmanaged index consisting of publicly issued US Corporate and specified foreign debentures and secured notes that are rated investment grade (Baa3/BBB or higher) by at least two ratings agencies, have at least one year to final maturity and have at least \$250 million par amount outstanding. To qualify, bonds must be SEC-registered.

The **Bloomberg US High Yield Index** covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.

The **Bloomberg US Mortgage Backed Securities Index** is an unmanaged index that measures the performance of investment grade fixed-rate mortgage backed pass-through securities of GNMA, FNMA and FHLMC.

The **Bloomberg US TIPS Index** consists of Inflation-Protection securities issued by the U.S. Treasury.

The **J.P. Morgan Emerging Market Bond Global Index (EMBI)** includes U.S. dollar denominated Brady bonds, Eurobonds, traded loans and local market debt instruments issued by sovereign and quasi-sovereign entities.

The **J.P. Morgan Domestic High Yield Index** is designed to mirror the investable universe of the U.S. dollar domestic high yield corporate debt market.

The **J.P. Morgan Corporate Emerging Markets Bond Index Broad Diversified (CEMBI Broad Diversified)** is an expansion of the **J.P. Morgan Corporate Emerging Markets Bond Index (CEMBI)**. The CEMBI is a market capitalization weighted index consisting of U.S. dollar denominated emerging market corporate bonds.

The **J.P. Morgan Emerging Markets Bond Index Global Diversified (EMBI Global Diversified)** tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds. The index limits the exposure of some of the larger countries.

The **J.P. Morgan GBI EM Global Diversified** tracks the performance of local currency debt issued by emerging market governments, whose debt is accessible by most of the international investor base.

The **U.S. Treasury Index** is a component of the U.S. Government index.



# J.P. Morgan Asset Management – Definitions

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## *Other asset classes:*

The **Alerian MLP Index** is a composite of the 50 most prominent energy Master Limited Partnerships (MLPs) that provides investors with an unbiased, comprehensive benchmark for the asset class.

The **Bloomberg Commodity Index** and related sub-indices are composed of futures contracts on physical commodities and represents twenty two separate commodities traded on U.S. exchanges, with the exception of aluminum, nickel, and zinc

The **Cambridge Associates U.S. Global Buyout and Growth Index®** is based on data compiled from 1,768 global (U.S. & ex-U.S.) buyout and growth equity funds, including fully liquidated partnerships, formed between 1986 and 2013.

The **CS/Tremont Hedge Fund Index** is compiled by Credit Suisse Tremont Index, LLC. It is an asset-weighted hedge fund index and includes only funds, as opposed to separate accounts. The Index uses the Credit Suisse/Tremont database, which tracks over 4500 funds, and consists only of funds with a minimum of US\$50 million under management, a 12-month track record, and audited financial statements. It is calculated and rebalanced on a monthly basis, and shown net of all performance fees and expenses. It is the exclusive property of Credit Suisse Tremont Index, LLC.

The **HFRI Monthly Indices (HFRI)** are equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. The HFRI are broken down into 4 main strategies, each with multiple sub strategies. All single-manager HFRI Index constituents are included in the HFRI Fund Weighted Composite, which accounts for over 2200 funds listed on the internal HFR Database.

The **NAREIT EQUITY REIT Index** is designed to provide the most comprehensive assessment of overall industry performance, and includes all tax-qualified real estate investment trusts (REITs) that are listed on the NYSE, the American Stock Exchange or the NASDAQ National Market List.

The **NFI-ODCE**, short for NCREIF Fund Index -Open End Diversified Core Equity, is an index of investment returns reporting on both a historical and current basis the results of 33 open-end commingled funds pursuing a core investment strategy, some of which have performance histories dating back to the 1970s. The NFI-ODCE Index is capitalization-weighted and is reported gross of fees. Measurement is time-weighted.

## *Definitions:*

Investing in **alternative assets** involves higher risks than traditional investments and is suitable only for sophisticated investors. Alternative investments involve greater risks than traditional investments and should not be deemed a complete investment program. They are not tax efficient and an investor should consult with his/her tax advisor prior to investing. Alternative investments have higher fees than traditional investments and they may also be highly leveraged and engage in speculative investment techniques, which can magnify the potential for investment loss or gain. The value of the investment may fall as well as rise and investors may get back less than they invested.

**Bonds** are subject to interest rate risks. Bond prices generally fall when interest rates rise.

Investments in **commodities** may have greater volatility than investments in traditional securities, particularly if the instruments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Use of leveraged commodity-linked derivatives creates an opportunity for increased return but, at the same time, creates the possibility for greater loss.

**Derivatives** may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions than other types of investments and could result in losses that significantly exceed the original investment. The use of derivatives may not be successful, resulting in investment losses, and the cost of such strategies may reduce investment returns.

**Distressed Restructuring Strategies** employ an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings.

Investments in **emerging markets** can be more volatile. The normal risks of investing in foreign countries are heightened when investing in emerging markets. In addition, the small size of securities markets and the low trading volume may lead to a lack of liquidity, which leads to increased volatility. Also, emerging markets may not provide adequate legal protection for private or foreign investment or private property.

The price of **equity** securities may rise, or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries, or the securities market as a whole, such as changes in economic or political conditions. Equity securities are subject to "stock market risk" meaning that stock prices in general may decline over short or extended periods of time.

**Equity market neutral strategies** employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. Equity Market Neutral Strategies typically maintain characteristic net equity market exposure no greater than 10% long or short.

**Global macro strategies** trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets.

**International** investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Some overseas markets may not be as politically and economically stable as the United States and other nations.

There is no guarantee that the use of **long and short positions** will succeed in limiting an investor's exposure to domestic stock market movements, capitalization, sector swings or other risk factors. Using long and short selling strategies may have higher portfolio turnover rates. Short selling involves certain risks, including additional costs associated with covering short positions and a possibility of unlimited loss on certain short sale positions.

**Merger arbitrage strategies** which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are currently engaged in a corporate transaction.

**Mid-capitalization** investing typically carries more risk than investing in well-established "blue-chip" companies. Historically, mid-cap companies' stock has experienced a greater degree of market volatility than the average stock.

**Price to forward earnings** is a measure of the price-to-earnings ratio (P/E) using forecasted earnings. **Price to book value** compares a stock's market value to its book value. **Price to cash flow** is a measure of the market's expectations of a firm's future financial health. **Price to dividends** is the ratio of the price of a share on a stock exchange to the dividends per share paid in the previous year, used as a measure of a company's potential as an investment.

**Real estate** investments may be subject to a higher degree of market risk because of concentration in a specific industry, sector or geographical sector. Real estate investments may be subject to risks including, but not limited to, declines in the value of real estate, risks related to general and economic conditions, changes in the value of the underlying property owned by the trust and defaults by borrower.

**Relative Value Strategies** maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities.

**Small-capitalization** investing typically carries more risk than investing in well-established "blue-chip" companies since smaller companies generally have a higher risk of failure. Historically, smaller companies' stock has experienced a greater degree of market volatility than the average stock.



# J.P. Morgan Asset Management – Risks & disclosures

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Unless otherwise stated, all data are as of December 31, 2025 or most recently available.

**Guide to the Markets – U.S.**

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**J.P.Morgan**  
ASSET MANAGEMENT

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**Risks Associated With Investing**

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The value of **fixed income securities** will fluctuate and, upon a sale, may be worth more or less than their original cost or value at maturity. Bonds are subject to interest rate risk, call risk, reinvestment risk, liquidity risk, and credit risk of the issuer. Yields may change with economic conditions and should be considered alongside other factors when making investment decisions. Credit ratings are subject to change. **High yield bonds** carry additional risks, including increased risk of default and greater volatility due to lower credit quality of the issues. In the case of **municipal bonds**, income is generally exempt from federal income taxes, though some income may be subject to state and local taxes and to the federal alternative minimum tax. Capital gains, if any, are subject to tax. **Treasury Inflation Protection Securities (TIPS)** adjust coupon payments and underlying principal to compensate for inflation in line with the consumer price index (CPI). While the real rate of return is guaranteed, TIPS typically offer lower returns and may significantly underperform conventional U.S. Treasuries during periods of low inflation. There is no guarantee that investors will receive par if TIPS are sold prior to maturity. The **Ultrashort-term fixed income** asset class consists of high-quality securities with very short maturities and is therefore still subject to the risks associated with debt securities such as credit and interest rate risk.

**Money Market Funds:** You could lose money in money market funds. Although government money market funds (defined as investing 99.5% of total assets in cash and/or securities backed by the U.S. government) and retail funds (defined as money market funds open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee doing so. The price of other money market funds will fluctuate, and when you sell shares they may be worth more or less than originally paid. Money market funds may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A money market fund investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund and investors should not expect that the sponsor will provide financial support to the Fund at any time.

Investing in **Commodities:** Commodity prices may be affected by factors such as supply and demand, government policies, domestic or international political and economic events (including war or terrorism), changes in interest and exchange rates, trading activity in commodities and related contracts, pestilence, technological developments, weather, price volatility, and liquidity constraints. Physical precious metals are speculative, non-regulated products that may experience short- and long-term price volatility. Precious metals do not make interest or dividend payments and therefore may not be appropriate for investors who require current income. Precious metals must be stored, which may impose additional costs on investors.

**Master Limited Partnerships (MLPs):** Investments in MLPs are subject to the risks generally applicable to companies in the energy and natural resources sectors, including commodity price fluctuations, supply

and demand imbalances, resource depletion and exploration risk. MLPs also carry interest rate risk and may underperform in rising interest rate environments. In addition, MLP funds accrue deferred income taxes on net operating gains and capital appreciation; as a result their after-tax performance could differ significantly from that of its underlying assets.

**Exchange Funds** are private placement vehicles that enable holders of concentrated single-stock positions to exchange those stocks for a diversified portfolio. Investors may benefit from greater diversification.

**Alternative investments** are often speculative and include a high degree of risk. Investors can lose all or a substantial amount of their investment. They are appropriate only for eligible, long-term investors willing to forgo liquidity and put capital at risk for an indefinite period. They are often illiquid, may employ leverage, short-selling, or other speculative practices that increase volatility and risk of loss, and may require large minimum investments and initial lock-ups. Alternative investments may also involve complex tax structures, tax-inefficient investing, and delays in distributing important tax documents. Clients should consult their own tax and legal advisors, as Morgan Stanley Wealth Management does not provide tax or legal advice. They also typically carry higher fees and expenses than traditional investments, which can reduce overall returns.

**Sector investments**, due to their narrow focus, tend to be more volatile than broadly diversified investments. **Non-diversified portfolios:** Portfolios that hold a concentrated number of securities may experience greater overall declines when those securities lose value compared with more diversified portfolios. Portfolios that invest heavily in one or a few industry sectors are more vulnerable to price fluctuations than those diversified across a wider range of sectors.

**Environmental, Social and Governance (ESG)** investments in a portfolio may experience performance that is lower or higher than a portfolio not employing such practices. Portfolios with ESG restrictions and strategies as well as ESG investments may not be able to take advantage of the same opportunities or market trends as portfolios where ESG criteria is not applied. There are inconsistent ESG definitions and criteria within the industry, as well as multiple ESG ratings providers that provide ESG ratings of the same subject companies and/or securities that vary among the providers. Certain issuers of investments may have inconsistent views concerning ESG criteria where the ESG claims made in offering documents or other literature may overstate ESG impact. ESG designations are as of the date of this material, and no assurance is provided that the underlying assets have maintained or will maintain any such designation or any stated ESG compliance. As a result, it is difficult to compare ESG investment products or to evaluate an ESG investment product in comparison to one that does not focus on ESG. Investors should also independently consider whether the ESG investment product meets their own ESG objectives or criteria. There is no assurance that an ESG investing strategy or techniques employed will be successful. Past performance is not a guarantee or a dependable measure of future results.

**Buying, selling, and transacting in Bitcoin, Ethereum or other digital assets ("Digital Assets")**, and related funds and products, is highly speculative and may result in a loss of the entire investment. Risks and considerations include but are not limited to: Digital Assets have only been in existence for a short period of time and historical trading prices for Digital Assets have been highly volatile. The price of Digital Assets could decline rapidly, and investors could lose their entire investment. Although any Digital Asset product and its service providers have in place significant safeguards against loss, theft, destruction and inaccessibility, there is nonetheless a risk that some or all of a product's Digital Asset could be permanently lost, stolen, destroyed or inaccessible by virtue of, among other things, the loss or theft of the "private keys" necessary to access a product's Digital Asset. Digital Assets may not have an established track record of credibility and trust. Further, any performance data relating to Digital Asset products may not be verifiable as pricing models are not uniform.

For more information, please refer to additional Risks Associated With Investing here: [www.morganstanley.com/wealthbooks#risks-associated-with-investing](http://www.morganstanley.com/wealthbooks#risks-associated-with-investing).

#### Investment Advisory Programs

The sole purpose of this material is to inform, and it in no way is intended to be an offer or solicitation to purchase or sell any security, other investment or service, or to attract any funds or deposits. Investments mentioned may not be appropriate for all clients. MSWM offers investment program services through a variety of investment programs, which are opened pursuant to written client agreements. Each program offers investment managers, funds and features that are not available in other programs; conversely, some investment managers, funds or investment strategies may be available in more than one program. For more information, please see the Morgan Stanley Smith Barney LLC MSWM program disclosure brochure (the "Morgan Stanley ADV"). The Morgan Stanley ADV is available at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV).

**The Morgan Stanley Pathway Funds, Firm Discretionary UMA Model Portfolios, and other asset allocation or any other model portfolios** that are discussed in this material are available only to investors participating in Morgan Stanley Consulting Group advisory programs. For additional information on the Morgan Stanley Consulting Group advisory programs, see the applicable ADV brochure, available at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV) or request from your Morgan Stanley Financial Advisor or Private Wealth Advisor. To learn more about the Morgan Stanley Pathway Funds, visit the Funds' website at [www.morganstanley.com/wealth-investmentsolutions/cgcm](http://www.morganstanley.com/wealth-investmentsolutions/cgcm).

Generally, investment advisory accounts are subject to an **annual asset-based fee** (the "Fee") which is payable monthly in advance (some account types may be billed differently). In general, the Fee covers Morgan Stanley investment advisory services, custody of securities with Morgan Stanley, trade execution with or through Morgan Stanley or its affiliates, as well as compensation to any Morgan Stanley Financial Advisor.

In addition, each account that is invested in a program that is eligible to purchase certain investment products, such as mutual funds, will also pay a **Platform Fee** (which is subject to a Platform Fee offset) as described in the Morgan Stanley ADV. Accounts invested in the Select UMA program may also pay a separate Sub-Manager fee, if applicable.

If your account is invested in mutual funds or exchange traded funds (collectively "funds"), you will pay the fees and expenses of any funds in which your account is invested. **Fees and expenses are charged directly to the pool of assets** the fund invests in and are reflected in each fund's share price. These fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. The advisory program you choose is described in the Morgan Stanley ADV.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's SMA programs may effect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instances, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported

on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at: [www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf](http://www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf). For more information on trading and costs, please refer to the **Morgan Stanley ADV** or contact your Financial Advisor / Private Wealth Advisor.

**GIMA Conflicts of Interest:** Our business is subject to various conflicts of interest. For example, ideas and suggestions for which investment products should be evaluated by Global Investment Manager Analysis (GIMA) come from a variety of sources, including our MSWM Financial Advisors and their direct or indirect managers, and other business persons within MSWM or its affiliates. Such persons may have an ongoing business relationship with certain investment managers or mutual fund companies whereby they, MSWM or its affiliates receive compensation from, or otherwise related to, those investment managers or mutual funds or for which a portion of their clients' assets are already invested. Separately, certain strategies managed or sub-advised by us or our affiliates, including but not limited to MSIM and Eaton Vance Management ("EVM") and its investment affiliates, may be included in your account. See the conflicts of interest section in the applicable Morgan Stanley ADV brochure for a discussion of other types of conflicts that may be relevant to GIMA's evaluation of managers and funds. In addition, MSWM, Morgan Stanley & Co. LLC ("MS & Co."), managers and their affiliates provide a variety of services (including research, brokerage, asset management, trading, lending and investment banking services) for each other and for various clients, including issuers of securities that may be recommended for purchase or sale by clients or are otherwise held in client accounts, and managers in various advisory programs.

MSWM, managers, MS & Co., and their affiliates receive compensation and fees in connection with these services. MSWM believes that the nature and range of clients to which such services are rendered is such that it would be inadvisable to exclude categorically all these companies from an account.

Morgan Stanley charges each fund family we offer a **mutual fund support fee**, also called a "revenue-sharing payment," on client account holdings in fund families according to a tiered rate that increases along with the management fee of the fund so that lower management fee funds pay lower rates than those with higher management fees.

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**Residential mortgage loans and home equity lines of credit** are offered by MSPBNA, Member FDIC an Equal Housing Lender. Nationwide Mortgage Licensing System Unique Identifier #663185. **The proceeds from a residential mortgage loan (including draws and advances from a home equity line of credit) are not permitted to be used to purchase, trade, or carry eligible margin stock; repay margin debt that was used to purchase, trade, or carry margin stock; or to make payments on any amounts owed under the note, loan agreement, or loan security agreement; and cannot be deposited into a MSSB or other brokerage account.** The pledged-asset feature allows eligible securities to be used as a substitute for a cash down payment. The pledged-asset feature allows eligible securities to be used as an alternative to a cash down payment. Clients must maintain collateral levels and may be subject to liquidation if requirements are not met. Interest-only and adjustable-rate mortgages (ARMs) carry specific risks, including payment increases and higher total interest costs. ARMs are based on the SOFR 30-Day Average. Relationship-based pricing is available based on eligible household assets held at the Firm.

**Cards and Cash Management:** Debit Cards offered through the Firm are issued by MSPBNA under license from Mastercard. American Express Cards offered through the Firm include the Platinum Card®, Blue Cash Preferred®, and the Morgan Stanley Credit Card. Eligibility requires an "Eligible Account" at the Firm. Cards are issued by American Express National Bank. Terms, conditions, and restrictions apply. The Greenlight App and Debit Card is provided by Greenlight Financial Technologies, not the Firm or any of its affiliates. The Morgan Stanley CashPlus is a brokerage account offered through MSSB. Conditions and restrictions apply. For more information, see the CashPlus Disclosure Statement.

**Deposit Products and FDIC:** Under the Bank Deposit Program, free credit balances held in an account(s) at Morgan Stanley Smith Barney LLC are automatically deposited into an interest-bearing deposit account(s) at FDIC-insured banks. Certain conditions must be met. For more information, view the Bank Deposit Program Disclosure Statement. The Savings and Preferred Savings Programs offer FDIC-insured deposit accounts at Morgan Stanley Private Bank, National Association, Member FDIC or Morgan Stanley Bank, N.A., Member FDIC. The Savings programs are not intended for clients who need to have frequent access to funds and those funds will not be automatically accessed to reduce a debit or margin loan in your brokerage account. Withdrawals are limited to 10 per calendar month, and excess withdrawals may incur fees. Promotional rates may be offered from time to time and are subject to change at any time.

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