

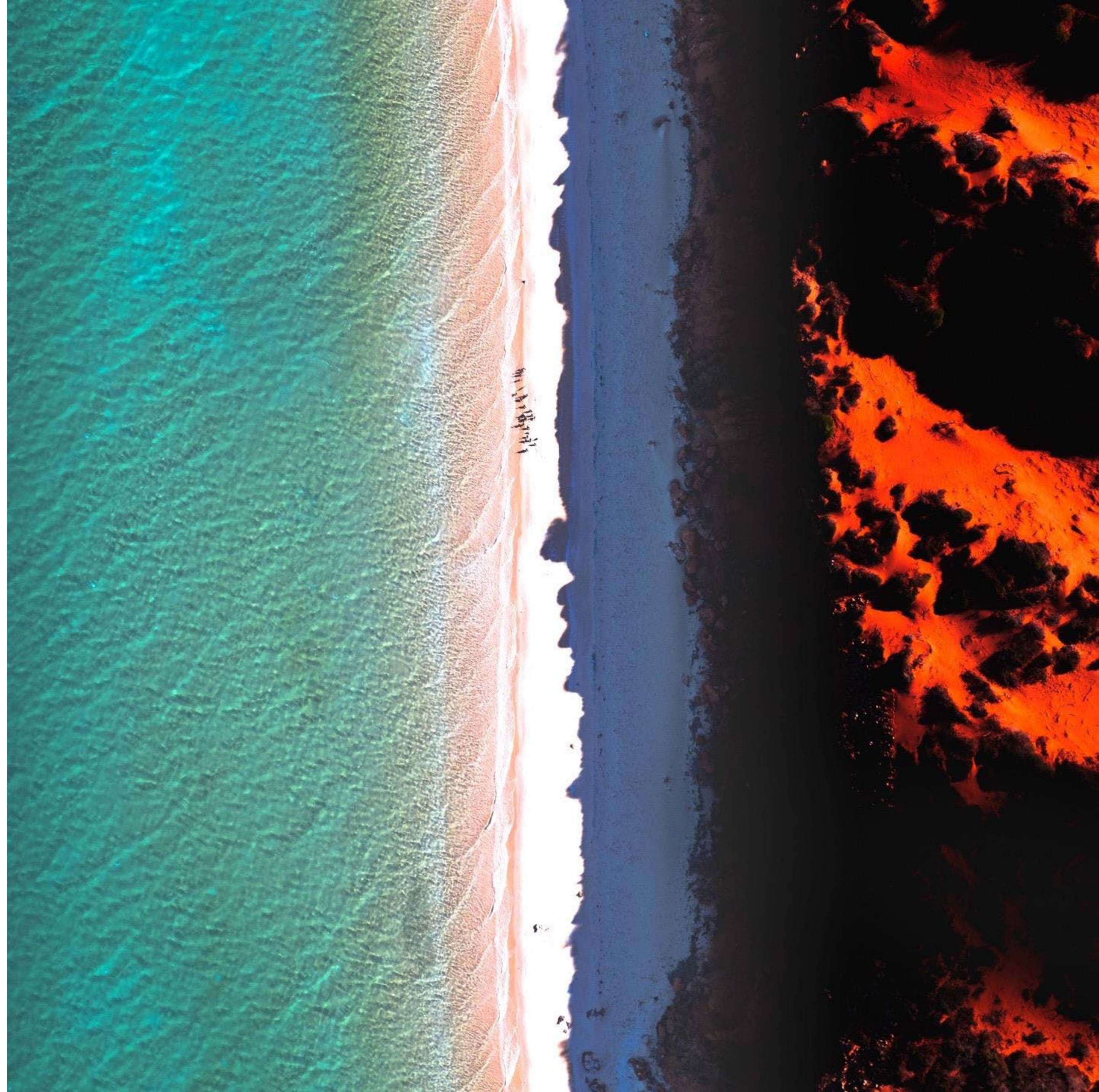


Nebraska Investment Council

Capital Market Assumptions

August 2026

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Capital Market Assumptions

- What are they?
 - Aon's asset class return, volatility, and correlation assumptions
 - Long-Term; based on 10-year and 30-year projection periods
 - Forward looking assumptions
 - Best estimate assumptions (50/50 better or worse)
 - Market returns; i.e., no manager alpha (other than hedge funds and private equity which are entirely actively managed)
 - Global geographic coverage
 - Updated quarterly

Current Assumptions (10-Year): Expected Returns and Volatility (as of June 30, 2026)

Asset Class	Expected Nominal Return	Expected Risk (Volatility)
U.S. Equity	7.3%	17.5%
Global Equity (Developed & Emerging)	7.5	16.1
International Equity (Developed)	7.5	17.8
Emerging Markets Equity	7.0	17.5
TIPS	4.7	4.3
Core Fixed Income (Market Duration)	5.0	5.0
High Yield Bonds	5.8	10.5
Bank Loans	6.3	7.0
Emerging Market Bonds (USD)	5.4	11.0
Emerging Market Bonds (LC)	5.6	13.0
Real Estate (Total Market)	6.3	17.3
Infrastructure (Open-End)	8.0	12.5
Private Equity	10.2	20.0
U.S. Inflation (CPI)	2.3	--

Current Assumptions (30-Year): Expected Returns and Volatility (as of June 30, 2026)

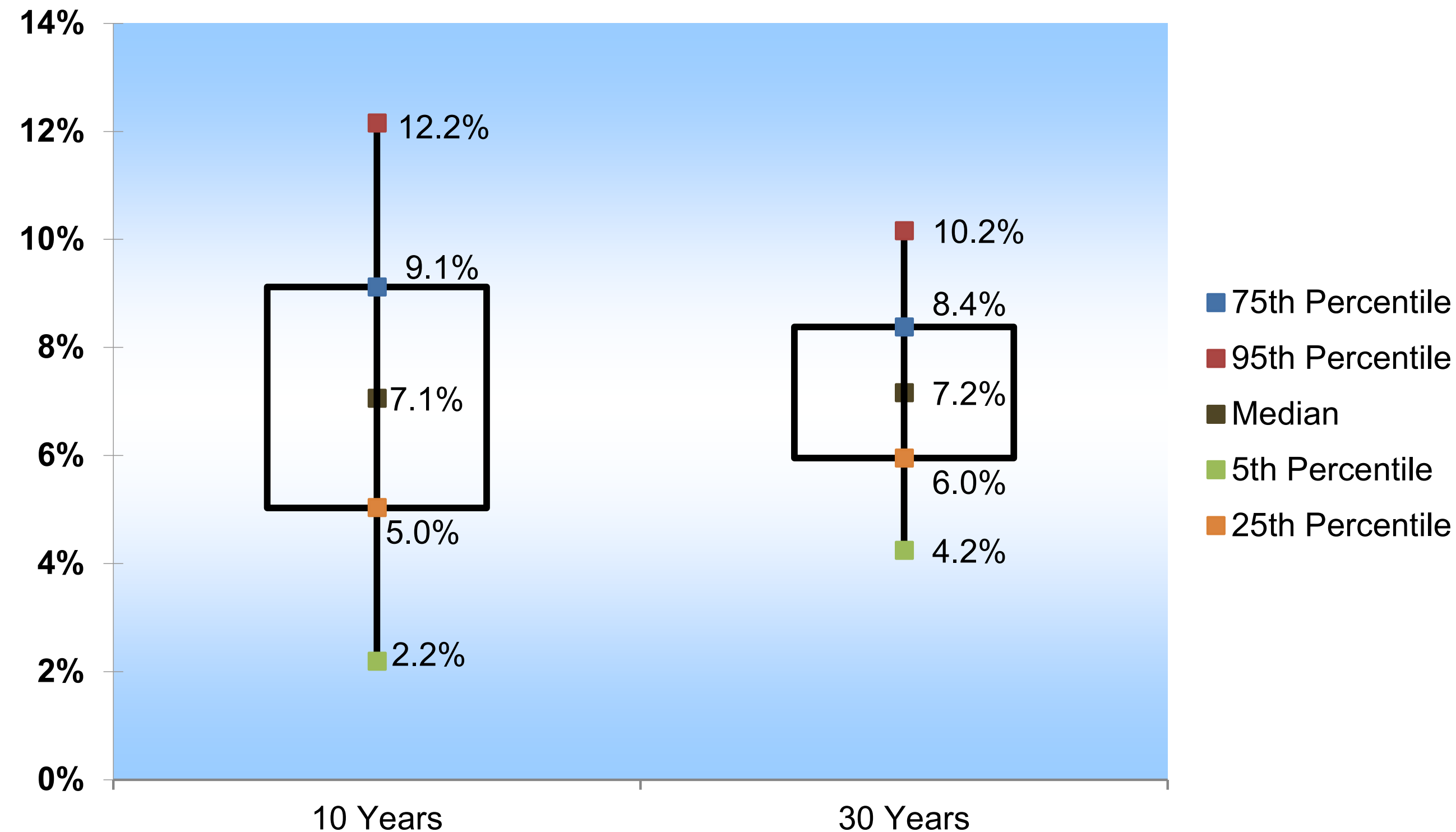
Asset Class	Expected Nominal Return	Expected Risk (Volatility)
U.S. Equity	7.3%	17.9%
Global Equity (Developed & Emerging)	7.4	16.5
International Equity (Developed)	7.5	18.5
Emerging Markets Equity	7.0	17.8
TIPS	4.6	4.5
Core Fixed Income (Market Duration)	5.2	5.5
High Yield Bonds	6.4	10.6
Bank Loans	6.2	7.5
Emerging Market Bonds (USD)	6.3	11.6
Emerging Market Bonds (LC)	5.6	13.3
Real Estate (Total Market)	6.2	17.6
Infrastructure (Open-End)	8.0	12.8
Private Equity	10.2	20.4
U.S. Inflation (CPI)	2.3	--

School + Judges DB Plans + CBB Plans – Projected Returns

	Long-Term Policy Allocation	Annualized Return (10 Year Forecast)	Standard Deviation (10 Year Forecast)	Annualized Return (30 Year Forecast)	Standard Deviation (30 Year Forecast)
U.S. Equity	20.5%	7.3%	17.5%	7.3%	17.9%
Non-U.S. Equity	10.0	7.5	16.8	7.5	17.4
Global Equity	18.5	7.5	16.1	7.4	16.5
Private Equity	5.0	10.2	20.0	10.2	20.4
Real Assets	7.5	7.1	13.6	7.0	13.8
RS Fixed Income*	8.5	5.8	7.1	6.3	7.5
RR Fixed Income	30.0	5.0	5.0	5.2	5.5
Total Fund	100.0%	7.1%	9.6%	7.2%	9.9%

- Assumed rates for the Nebraska School and Judges DB Plans and CBB Plans = 6.90%

School + Judges DB Plans + CBB Plans – Projected Returns (Cont'd)



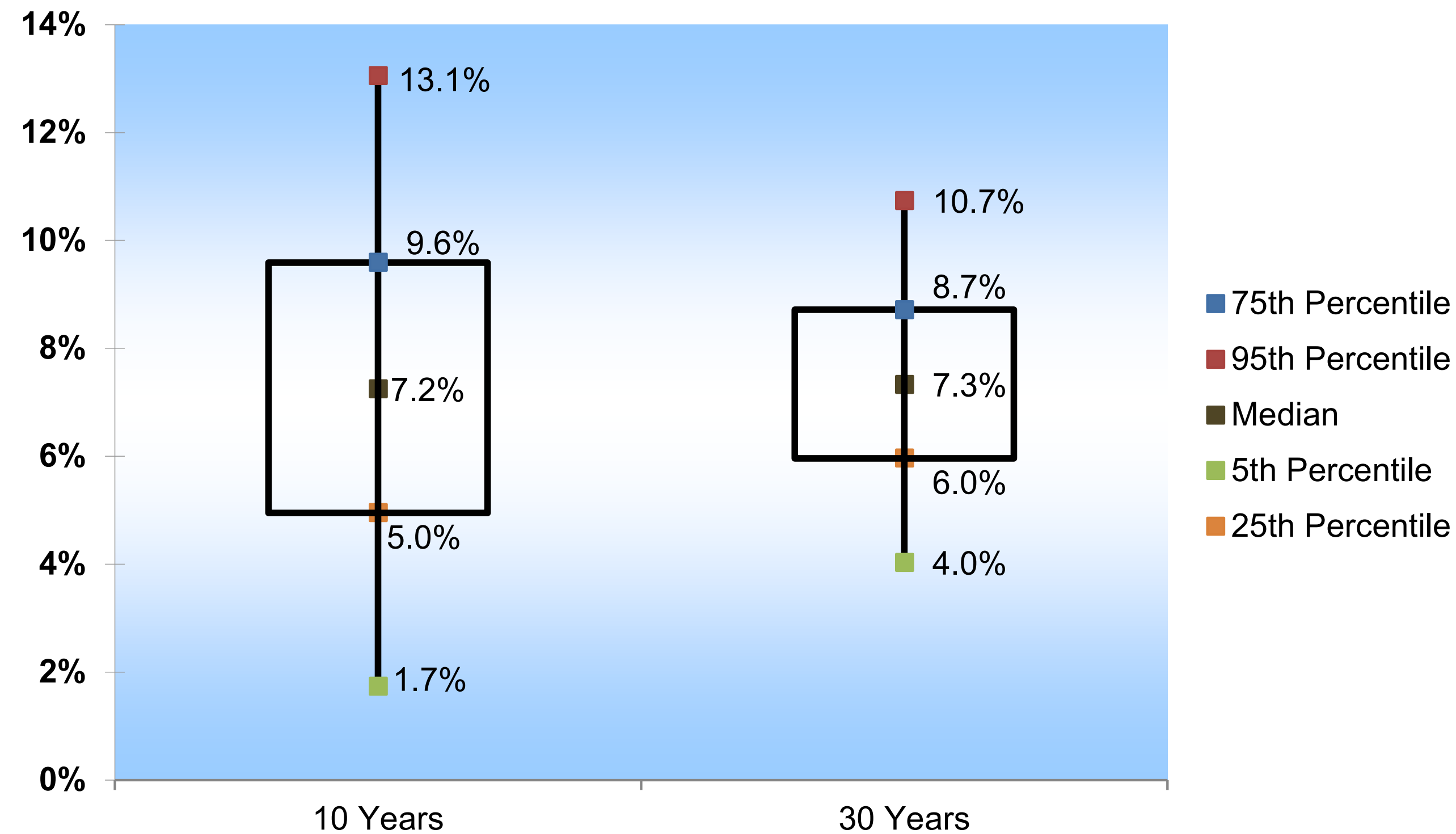
- Based on our capital market assumptions and the School + Judges defined benefit plans' and cash balance benefit (CBB) plans' asset allocation targets, the School + Judges defined benefit and CBB plans have a slightly better than average chance of meeting or exceeding the assumed rate of return of 6.90% over the next 10-to-30 years

State Patrol and OSERS DB Plans – Projected Returns

	Long-Term Policy Allocation	Annualized Return (10 Year Forecast)	Standard Deviation (10 Year Forecast)	Annualized Return (30 Year Forecast)	Standard Deviation (30 Year Forecast)
U.S. Equity	24.0%	7.3%	17.5%	7.3%	17.9%
Non-U.S. Equity	11.5	7.5	16.8	7.5	17.4
Global Equity	22.0	7.5	16.1	7.4	16.5
Private Equity	5.0	10.2	20.0	10.2	20.4
Real Assets	7.5	7.1	13.6	7.0	13.8
RS Fixed Income*	10.0	5.8	7.1	6.3	7.5
RR Fixed Income	20.0	5.0	5.0	5.2	5.5
Total Fund	100.0%	7.2%	11.0%	7.3%	11.3%

- Assumed rate for the Nebraska State Patrol DB Plan = 6.90%
- Assumed rate for the OSERS DB Plan = 7.00%

State Patrol and OSERS DB Plans – Projected Returns (Cont'd)



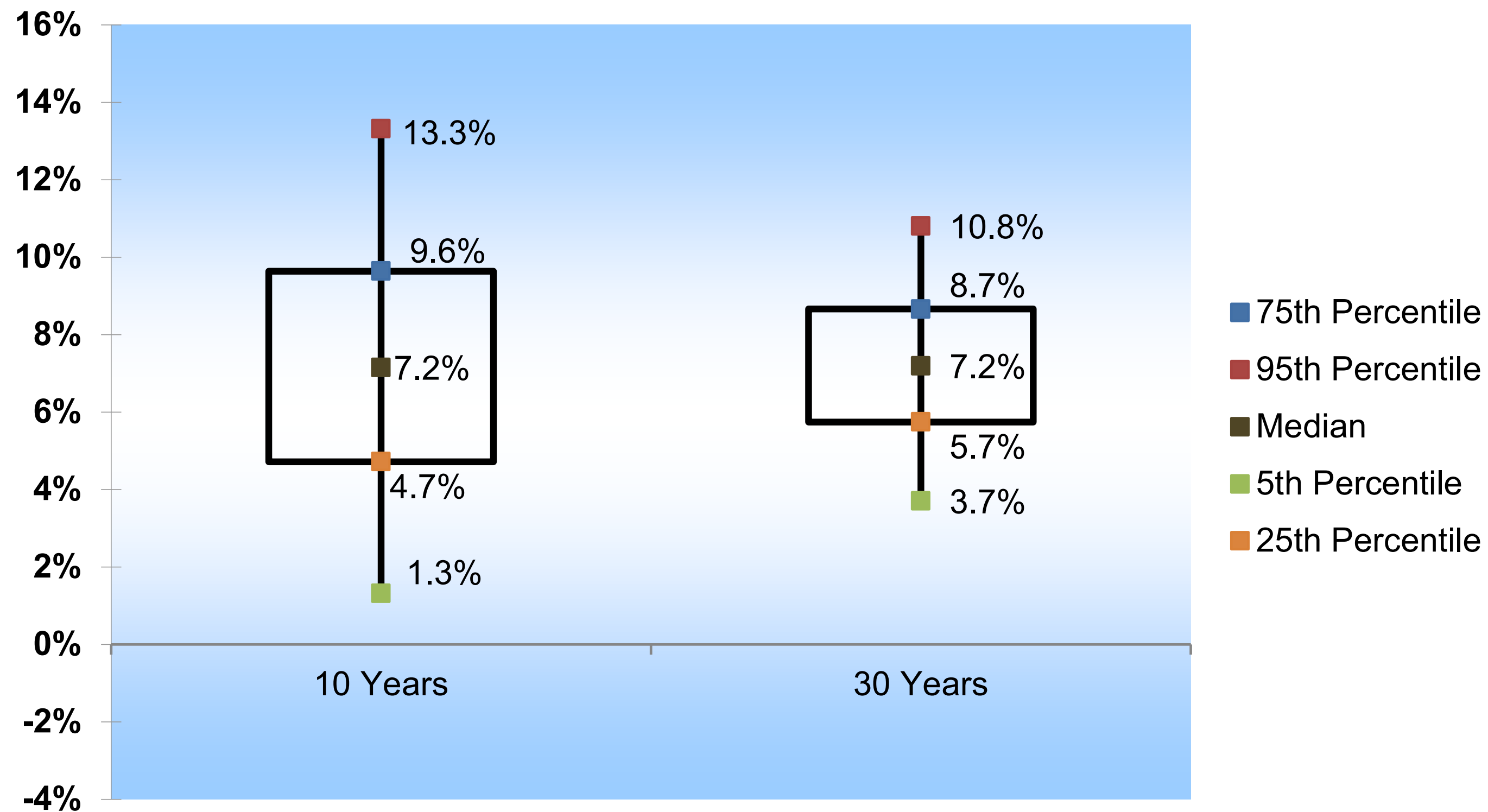
- Based on our capital market assumptions and the State Patrol plan's asset allocation targets, the plan has a slightly better than average chance of meeting or exceeding the assumed rate of return of 6.90% over the next 10-to-30 years
- OSERS' chances of meeting or exceeding its assumed rate of 7.00% are similar

Healthcare Endowment – Projected Returns

	Long-Term Policy Allocation	Annualized Return (10 Year Forecast)	Standard Deviation (10 Year Forecast)	Annualized Return (30 Year Forecast)	Standard Deviation (30 Year Forecast)
U.S. Equity	27.5%	7.3%	17.5%	7.3%	17.9%
Non-U.S. Equity	13.0	7.5	16.8	7.5	17.4
Global Equity	24.5	7.5	16.1	7.4	16.5
Private Equity	5.0	10.2	20.0	10.2	20.4
Real Estate	5.0	6.3	17.3	6.2	17.6
Fixed Income*	25.0	4.5	3.4	4.7	3.9
Total Fund	100.0%	7.2%	11.6%	7.2%	11.9%

- The table above presents our median return and volatility forecasts for the Health Care Endowment over 10- and 30-year periods

Healthcare Endowment – Projected Returns (cont'd)



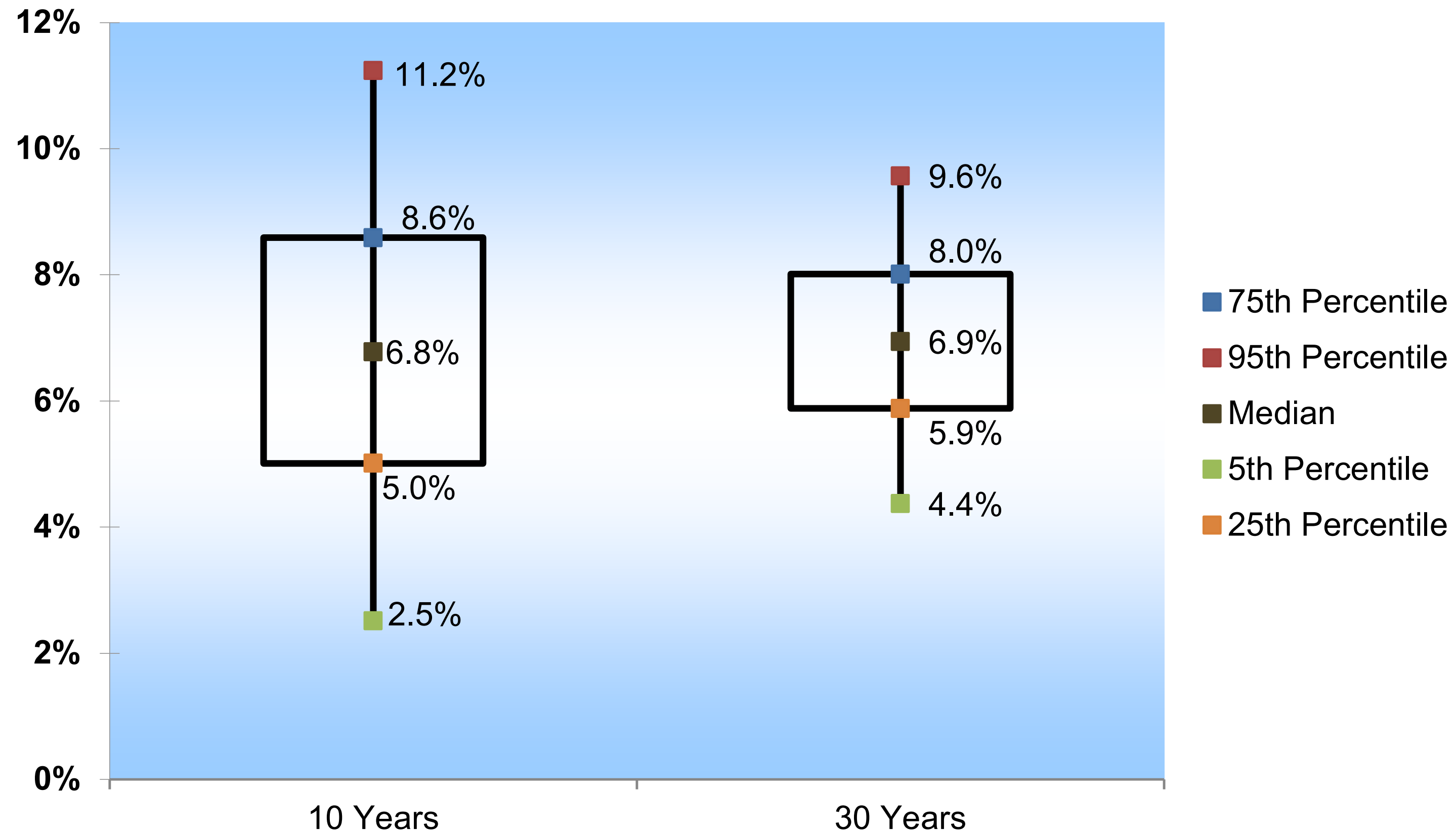
- The chart above presents a forecasted distribution of outcomes for the Health Care Endowment over 10- and 30-year periods

General Endowments – Projected Returns

	Long-Term Policy Allocation	Annualized Return (10 Year Forecast)	Standard Deviation (10 Year Forecast)	Annualized Return (30 Year Forecast)	Standard Deviation (30 Year Forecast)
U.S. Equity	17.0%	7.3%	17.5%	7.3%	17.9%
Non-U.S. Equity	8.0	7.5	16.8	7.5	17.4
Global Equity	15.0	7.5	16.1	7.4	16.5
Private Equity	5.0	10.2	20.0	10.2	20.4
Real Estate	5.0	6.3	17.3	6.2	17.6
RS Fixed Income*	15.0	5.6	6.7	6.1	7.2
RR Fixed Income	35.0	5.0	5.0	5.2	5.5
Total Fund	100.0%	6.8%	8.4%	6.9%	8.7%

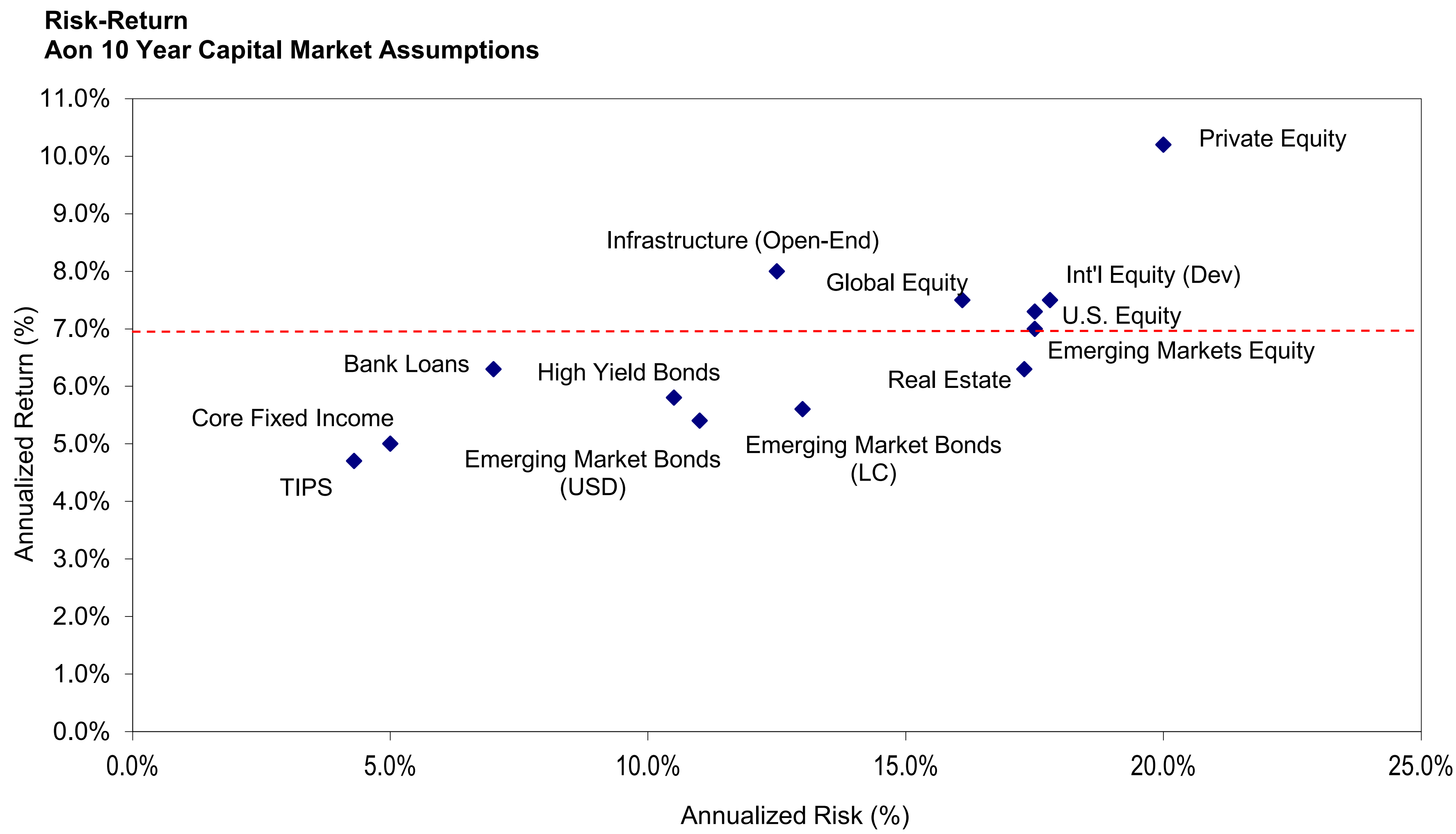
- The table above presents our median return and volatility forecasts for the General Endowments over 10- and 30-year periods

General Endowments – Projected Returns (cont'd)



- The chart above presents a forecasted distribution of outcomes for the General Endowments over 10- and 30-year periods

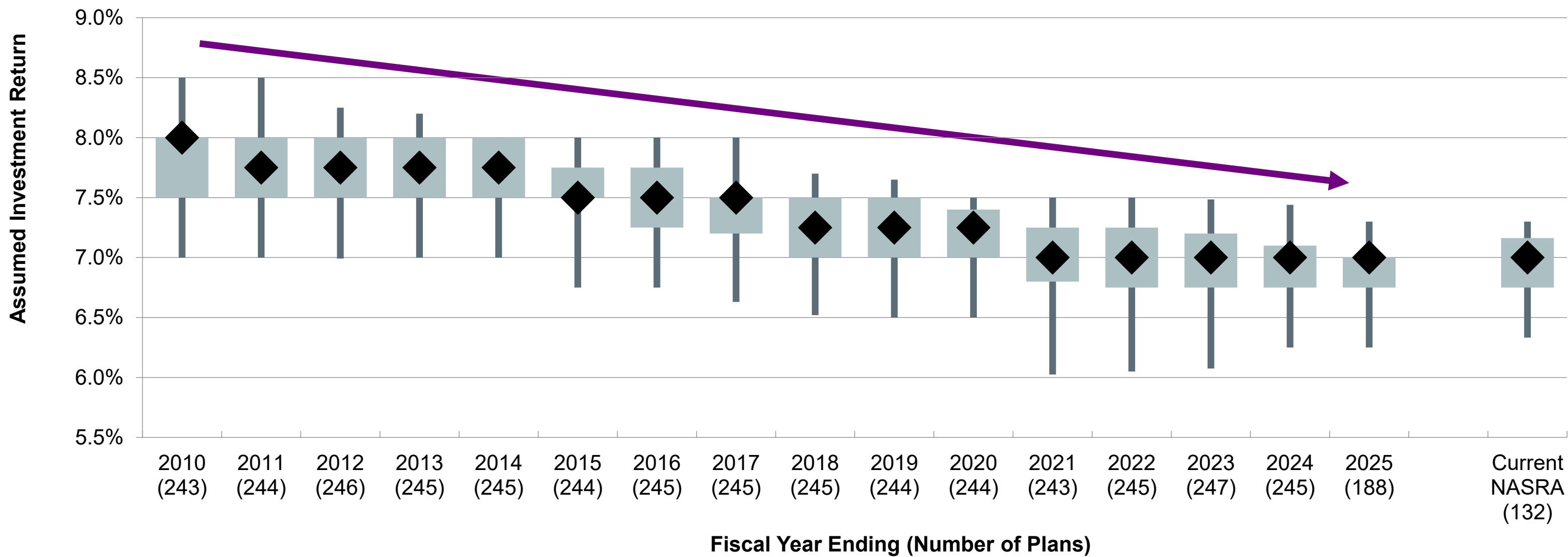
Appendix I: Aon Forward Looking Return / Volatility Expectations by Asset Class



Distribution of Investment Return Assumptions

U.S. public sector pension plans¹

Distribution of U.S. Public Pension Investment Return Assumptions



Source: Public Pensions Data

Source: NASRA

The actuarial investment return assumption is set by numerous factors including investment return assumptions, actuarial experience study recommendations, financial outcomes through asset-liability analysis, how the assumed rate of return is used, consideration to an acceptable return assumptions range to promote contribution stability, industry trends (e.g., Horizon survey), and peer data (e.g., NASRA assumptions)

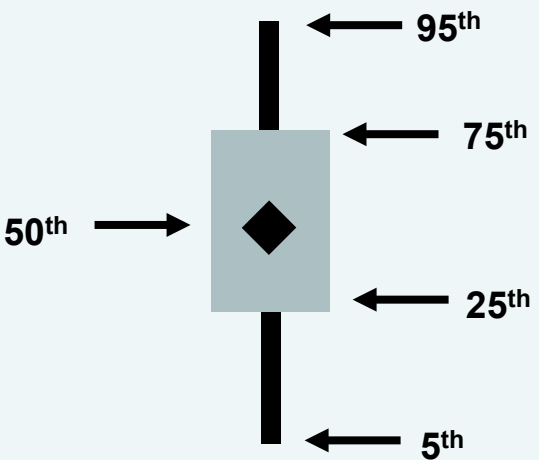
Sources: Data accessed from Public Plans Data (publicplansdata.org) as of August 2026 and NASRA as of August 2026

¹ Peers defined as public funds published within publicplansdata.org as of August 2026 and NASRA as of August 2026; Number of plans per year are shown in parentheses

Key Takeaways:

- Since FYE 2010, actuarial rates of return have declined from a median assumption of 8.00% down to 7.00%
- Current actuarial assumptions, as tracked by NASRA as of August 2026, have a median actuarial assumption of 7.00%

Legend: Distribution of Outcomes



Appendix III: Endowment -- Estimated Yields

Health Care Endowments		
	Policy Target	Yield*
U.S. Equity	27.5%	1.1%
Non-U.S. Equity	13.0%	2.4%
Global Equity	24.5%	1.6%
Fixed Income	25.0%	3.7%
Real Estate	5.0%	4.0%
Private Equity	5.0%	0.0%
Total Fund	100.0%	2.1%
General Endowments		
	Policy Target	Yield*
U.S. Equity	17.0%	1.7%
Non-U.S. Equity	8.0%	2.4%
Global Equity	15.0%	1.6%
RS Fixed Income	15.0%	5.3%
RR Fixed Income	35.0%	3.8%
Real Estate	5.0%	4.0%
Private Equity	5.0%	0.0%
Total Fund	100.0%	3.0%



*Based on Index information as of 6/30/2026. Estimates utilize dividend yield for stock indices, wtd. avg. coupon for bond indices, income component of real estate index.

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