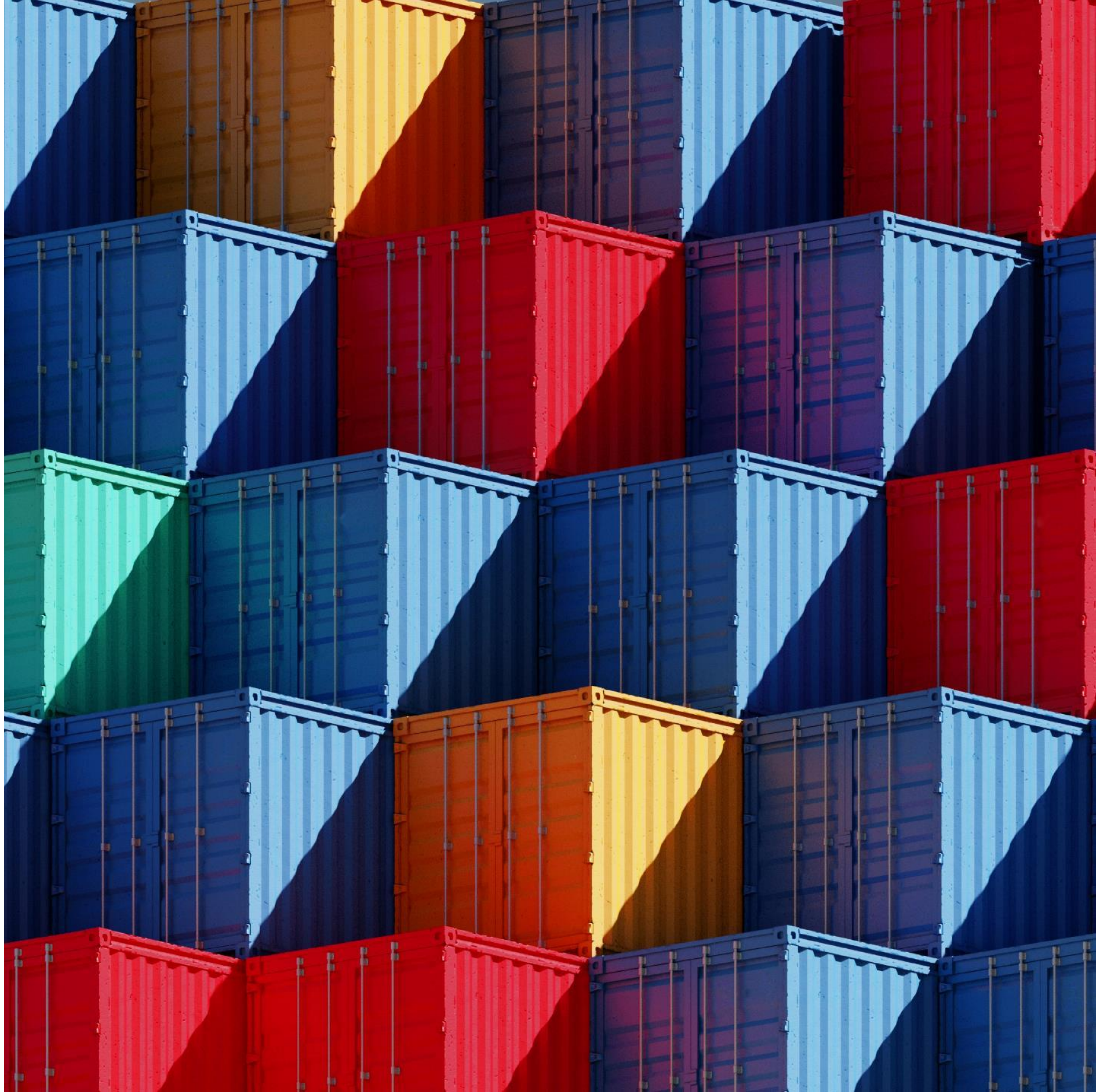
Asset-Liability Study Results

Nebraska Public Employees Retirement System (NPERS) & Omaha School Employees Retirement System (OSERS)

August 2025



Today's Agenda

1. Comprehensive Overview
2. Asset-Liability Projection Analysis
3. Liquidity Analysis
4. Summary of Results & Next Step
5. Appendix

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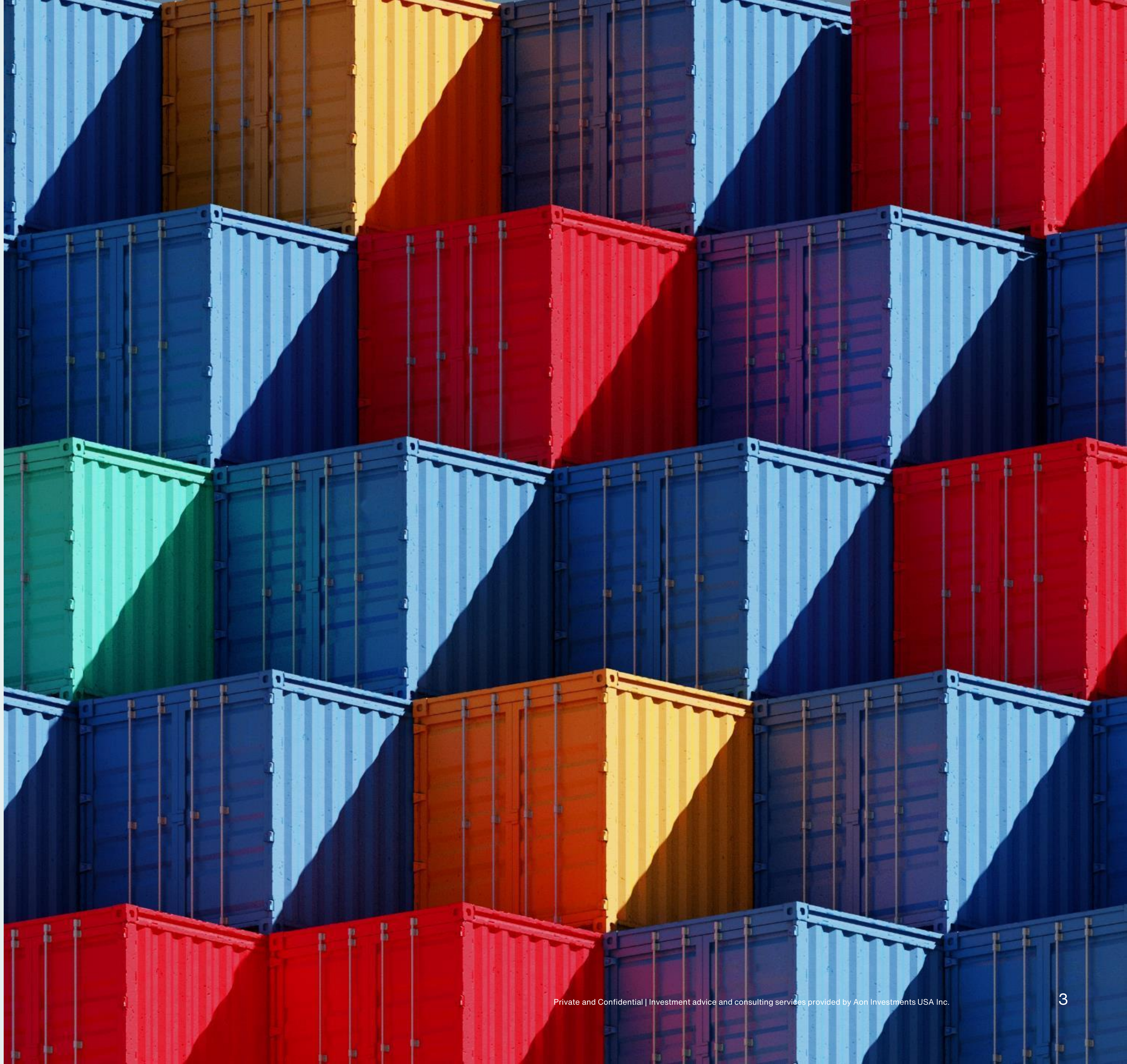
Comprehensive Overview



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Asset-Liability Management Overview

What is an asset-liability study?

What?

A comprehensive toolkit for making decisions on a **fund's asset allocation and investment risk that align with the liabilities** those funds support

Why?

Aon believes optimal decisions regarding pension plan management are made when they are based on a **clear understanding of the assets and liabilities** and how they interact

When?

Aon suggests conducting asset-liability studies every **3 to 5 years** depending on client specifics, or more frequently should circumstances dictate

How?

Identify future trends in the financial health of the fund based on economic uncertainties that may not be evident from an actuarial valuation

Asset-Liability Management Overview

Ultimate retirement benefit cost equation

The cost ultimately borne by the Plan will be represented by the financing equation shown below:

(Benefits Paid + Administrative Expenses) = (Investment Returns + Plan Funding (EE + ER))

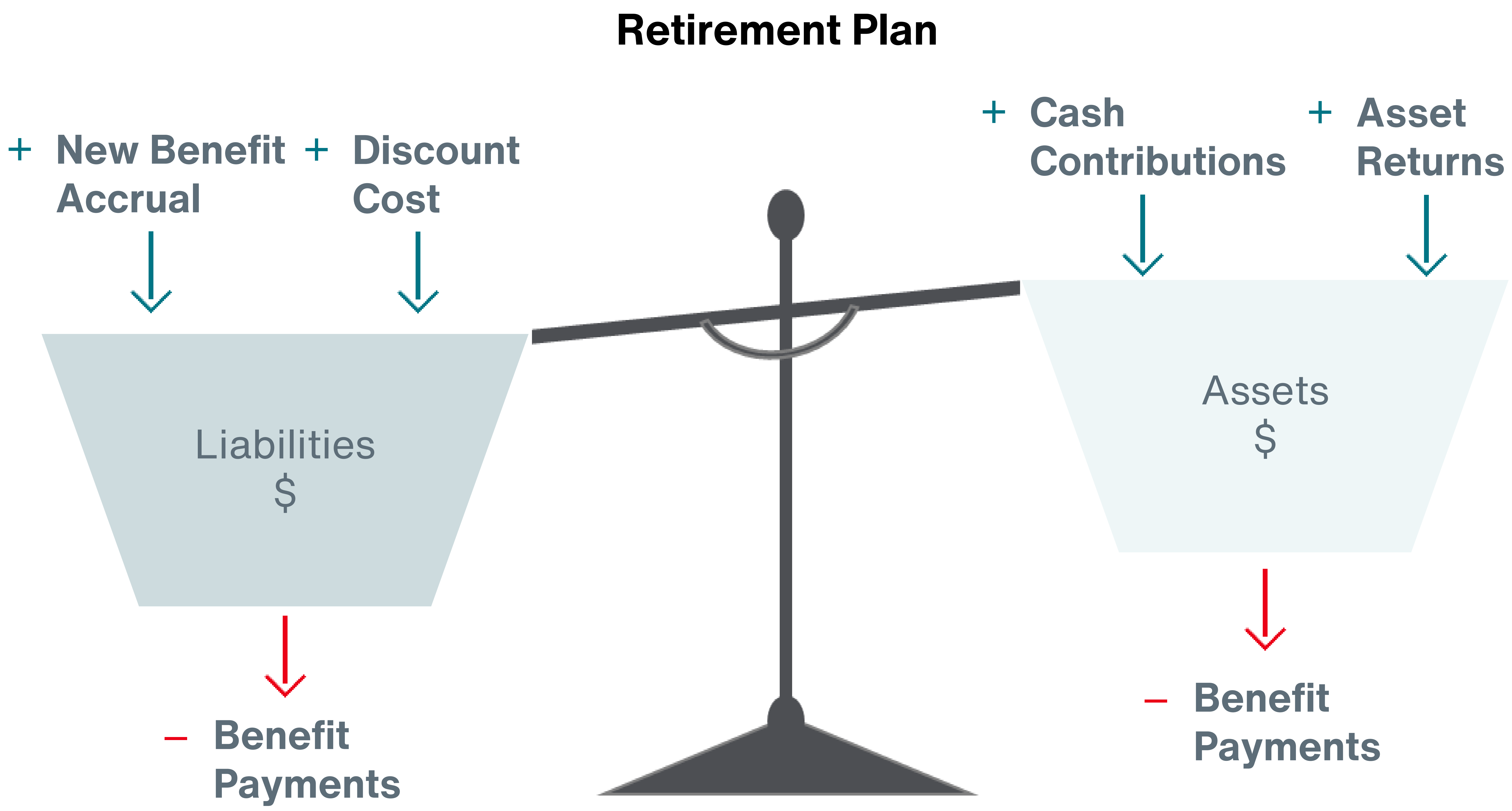
The asset-liability study will analyze the variability of future investment returns on the Plan financials

Higher than expected returns will result in lower future Plan costs

Lower than expected returns will result in higher future Plan costs

Asset-Liability Management Overview

Balance of liabilities and assets



Key Takeaways:

Plan Liabilities will grow in two ways:

- New benefit accruals (or Normal Cost)
- One less year of interest discounting (or Discount Cost)

Assets will grow in two ways:

- Cash Contributions to the Plan
- Asset Returns

Both liabilities and assets will be reduced by benefits paid to participants

Asset-Liability Management Overview

Hurdle rate analysis: How are assets and liability expected to move in the coming year?

What is the Asset Hurdle Rate?

Asset Hurdle Rate is the required rate of asset growth needed to keep pace with the growth of the Plan liabilities

- Assets must grow at this rate or more in order to maintain or reduce a potential funding shortfall
- **Formula = (Normal Cost + Discount Cost + Plan Expenses) / Funded Ratio**

Assets can grow in two ways:

- Investment returns
- Funding contributions

Asset hurdle rates are expected to decline as the funded status increases

Sample Calculation

(1) Assets (in $B)	$9
(2) Liabilities (in $B)	$10
(3) Funded Ratio (= 1 / 2)	90%
(4) Liability Growth Rate	9%
(5) Asset Hurdle Rate (= 4 / 3)	10%

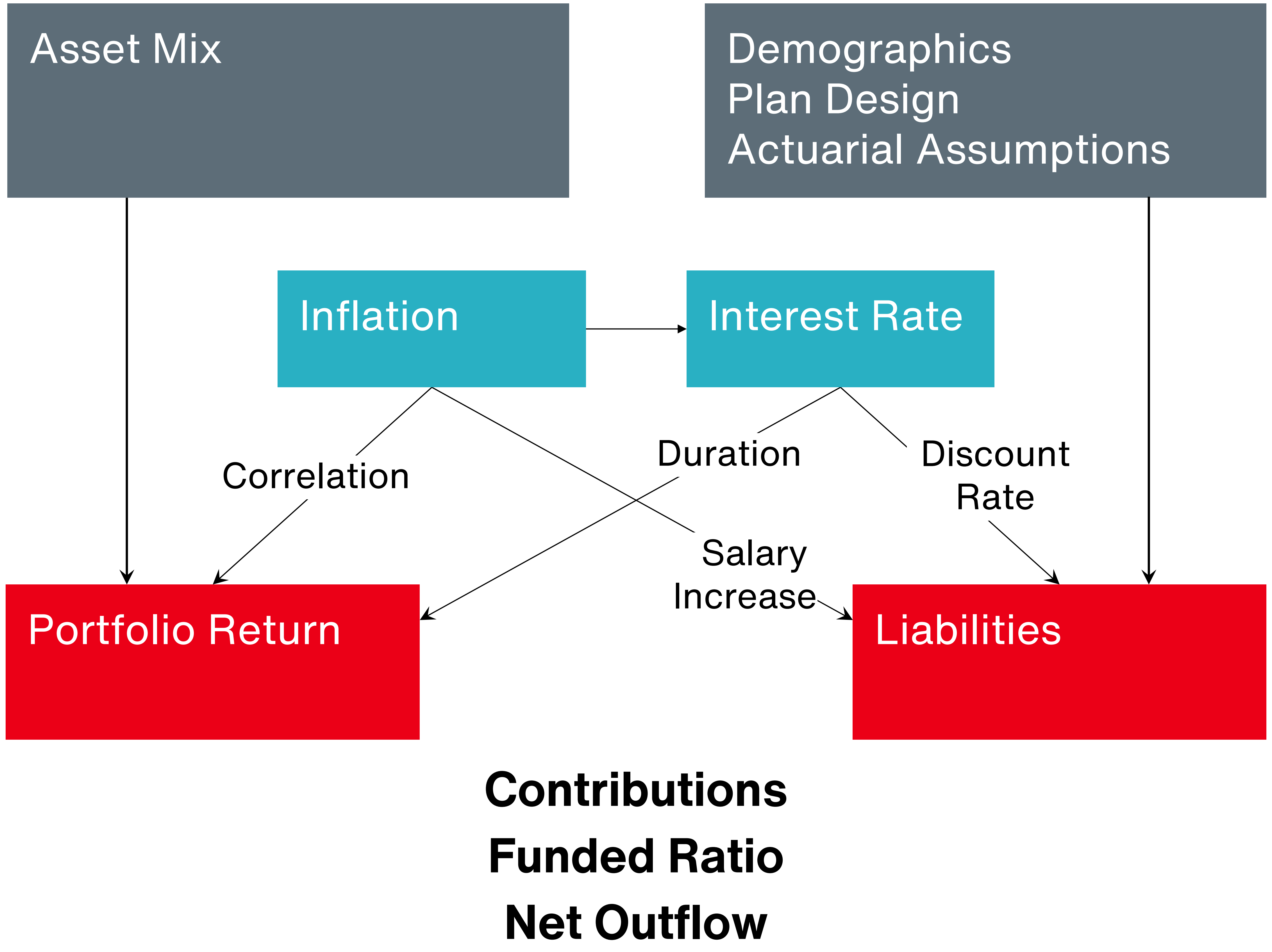
How Does the Asset Hurdle Rate Inform Future Projections?

Short-term funded ratio progress can be estimated from the asset hurdle rate analysis

- If investment returns + contributions exceed the asset hurdle rate, funded ratio can expect to grow
- If investment return + contributions fall short of the asset hurdle rate, funded ratio can expect to diminish

Asset-Liability Management Overview

Mechanics of the asset-liability modeling process



Key Features

Asset and liability modeling integrated in single platform

Integrates impact of key economic variables such as portfolio returns, inflation, and interest rates

Stochastic and deterministic modeling performed

Flexibility in modeling parameters and output to client preferences

Asset-Liability Management Overview

Future projection approaches: Deterministic vs. stochastic forecasting

Deterministic Forecasting

Places certainty in the path of future outcomes

- Assumes a single future path, often with the assumption that actual experience will equal all actuarial assumptions resulting in no unexpected (gain)/loss

Stochastic Forecasting

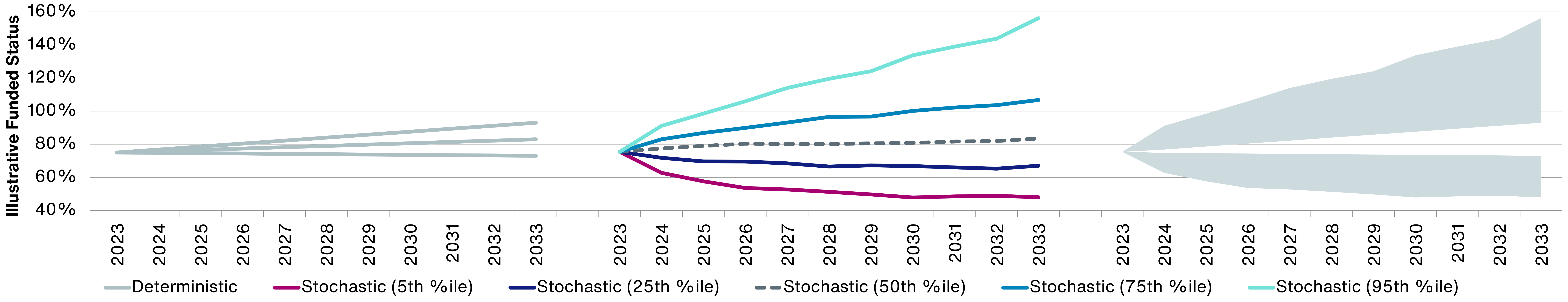
Embraces uncertainty by modeling a range of potential future outcomes

- Aon's approach utilizes up to 5,000 projection trials, representing a wide range of economic scenarios, and then ranks results of key variables into percentile distributions

Benefits of Stochastic Modeling

Encompasses a much broader view than deterministic forecasting alone (i.e., the shaded area below), especially in extreme cases which may potentially go unnoticed to stakeholders

- Shows impact of market expectations differing from actuarial assumptions
- Illustrates interplay of economic uncertainty with funding policies



Current State Asset-Liability Overview
Estimated as of March 31, 2025

	School	State Patrol	Judges	State Cash Balance	County Cash Balance	OSERS
(1) Funded Ratio Snapshot						
(a) Market Value of Assets (in $MM)	$17,410.5	$605.7	$267.3	$2,399.3	$826.4	$1,725.6
(b) Actuarial Liability (in $MM)	$16,774.1	$724.3	$252.7	$2,371.8	$808.7	$2,962.6
(c) MVA Funded Ratio (= 1a / 1b)	**103.8%**	**83.6%**	**105.8%**	**101.2%**	**102.2%**	**58.2%**
(2) Liability Growth Rate	8.85%	8.66%	9.61%	11.18%	11.90%	9.08%
(3) Asset Hurdle Rate (= 2 / 1c)	8.53%	10.35%	9.08%	11.05%	11.65%	15.60%
(4) Expected Asset Growth Rate						
(a) Expected Return on Assets[1]	7.05%	7.05%	7.05%	7.05%	7.05%	7.05%
(b) Expected Contributions	2.56%	3.93%	3.53%	5.13%	5.83%	8.29%
(c) Total (= 4a + 4b)	9.61%	10.98%	10.58%	12.18%	12.88%	15.34%
(5) Hurdle Rate Surplus/(Shortfall) (= 4c - 3)	**1.08%**	**0.63%**	**1.50%**	**1.13%**	**1.23%**	**-0.26%**

Initial Observations:

- Funded ratio and liability growth vary by plan
  - Plans with higher liability growth rates have a higher concentration of active employees
- Those plans with a hurdle rate surplus should see improvement in their near-term funded ratio
  - Conversely, a hurdle rate shortfall implies stalled funded ratio growth
- Investment strategy selection should consider desired level of asset growth and balance with other goals/objectives

[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

Plan Funding & Legislative Bill 645

Plan Funding

- Investment strategy, and the desired levels of asset returns needed, should consider Plan funding

- NPERS/OSERS employs a two-tier contribution policy which is unique in the public sector landscape
  - Contributions are the greater of (1) the actuarially-determined amount or (2) statutory, payroll-based amounts
    - In the Judges' case, statutory amounts are based on court fees rather than payroll
  - Plans where the statutory amount is greater than the actuarial amount are advancing funding into the plan
    - Placing more emphasis on plan funding could potentially lessen the need for asset returns over the long-term
  - Those plans where the actuarial contribution is greater – e.g., OSERS and State Patrol – can continue to benefit by higher risk allocations to mitigate future contributions

Impact of Legislative Bill 645 is included in our analysis

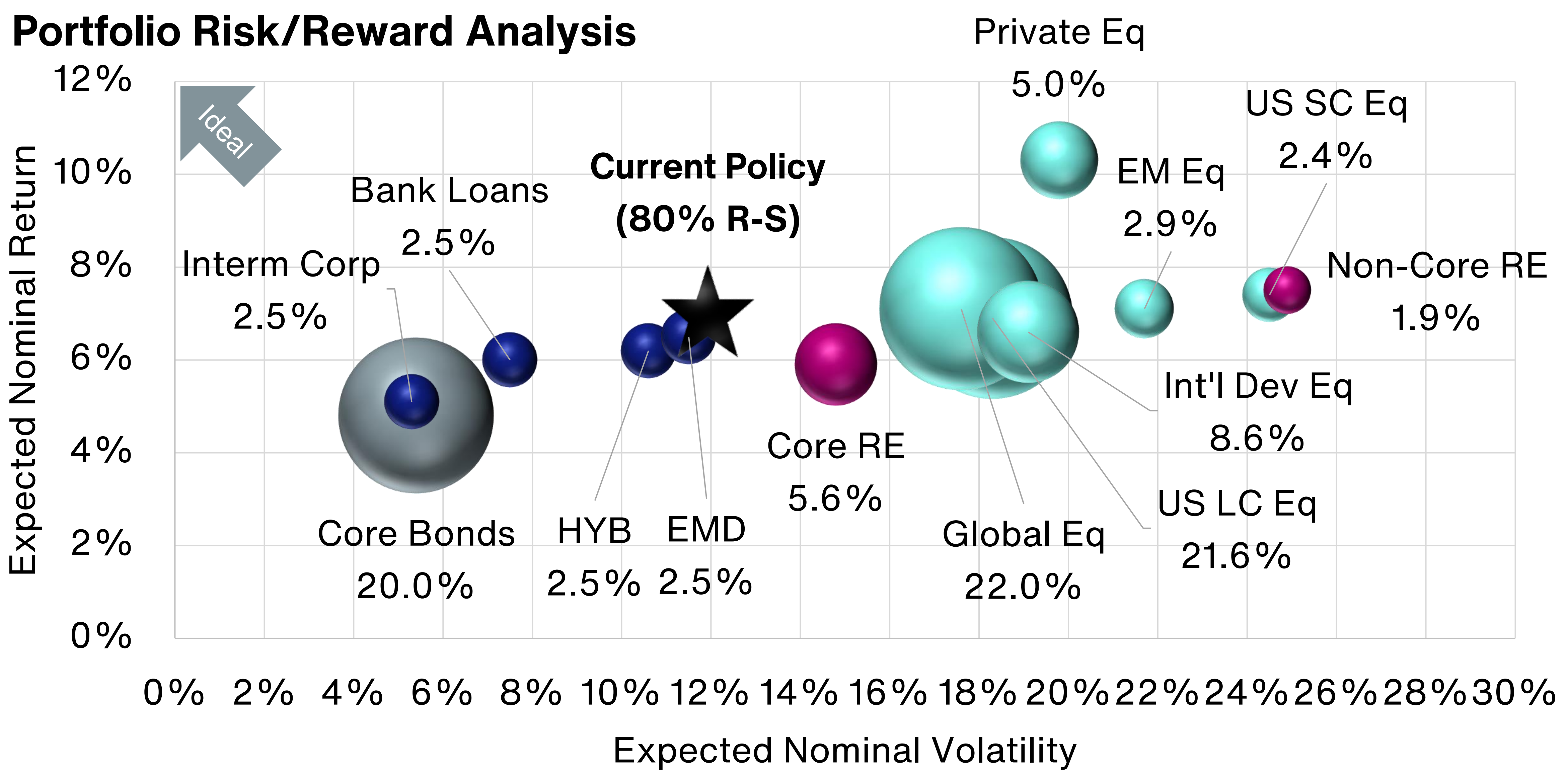
- **NPERS – State Patrol Retirement System**
  - Increases survivor benefits under the plan from 75% of a plan member's benefit to 100% of a plan member's benefit
    - The benefit change will apply to survivors of plan members who die after July 1, 2027

- **NPERS – School Retirement System**
  - Requires different contribution rates to the School Employees Retirement System from school plan participants, employers and the state, contingent on the funded ratio on the actuarial value of assets in the previous year

Funded Status	Employee	Employer	State	Total
100% or above	7.25%	7.32%	0.00%	14.57%
Between 98% and less than 100%	8.00%	8.08%	0.70%	16.78%
Between 96% and less than 98%	8.75%	8.84%	0.70%	18.29%
Less than 96%	9.75%	9.85%	2.00%	21.60%

Portfolio Analysis

Current diversification results in an expected return of 7.05%[1]



Bubble size proportional to current asset allocation (i.e., larger bubbles = larger allocations); Asset classes are color coded:

- Equities (teal), Liquid Alternatives (blue), Return-Seeking Fixed Income (navy blue), Real Assets (purple), Safety (gray)

Asset Class – Target %	Expected Real Return[1]	Expected Nominal Return[1]	Expected Nominal Volatility
Equity			
Large Cap U.S. Equity – 21.6%	4.5%	6.9%	18.3%
Small Cap U.S. Equity – 2.4%	5.0%	7.4%	24.5%
Global Equity IMI – 22.0%	4.7%	7.1%	17.6%
International Equity (Developed) – 8.6%	4.2%	6.6%	19.1%
Emerging Markets Equity – 2.9%	4.7%	7.1%	21.7%
Fixed Income			
Core Fixed Income – 20.0%	2.4%	4.8%	5.4%
Intermediate Corporate Bonds – 2.5%	2.7%	5.1%	5.3%
High Yield Bonds – 2.5%	3.8%	6.2%	10.6%
Bank Loans – 2.5%	3.6%	6.0%	7.5%
Emerging Market Bonds – 2.5%	4.1%	6.5%	11.5%
Alternatives			
Core Real Estate – 5.6%	3.5%	5.9%	14.8%
Non-Core Real Estate – 1.9%	5.1%	7.5%	24.9%
Private Equity – 5.0%	7.8%	10.3%	19.8%
Portfolio Metrics (30-Year Assumptions)			
Total Fund	**4.66%**	**7.05%**	**11.93%**

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Percentages may not sum to 100% due to rounding.

Spectrum of Our Model Portfolios

Reflects our best ideas for a typical pension plan

Aon's Model Portfolios reflect Aon's best ideas for a typical total return defined benefit plan across a range of circumstances noted below

Intended as a starting point for asset allocation analysis and decision-making and to be customized based on client-specific needs and circumstances

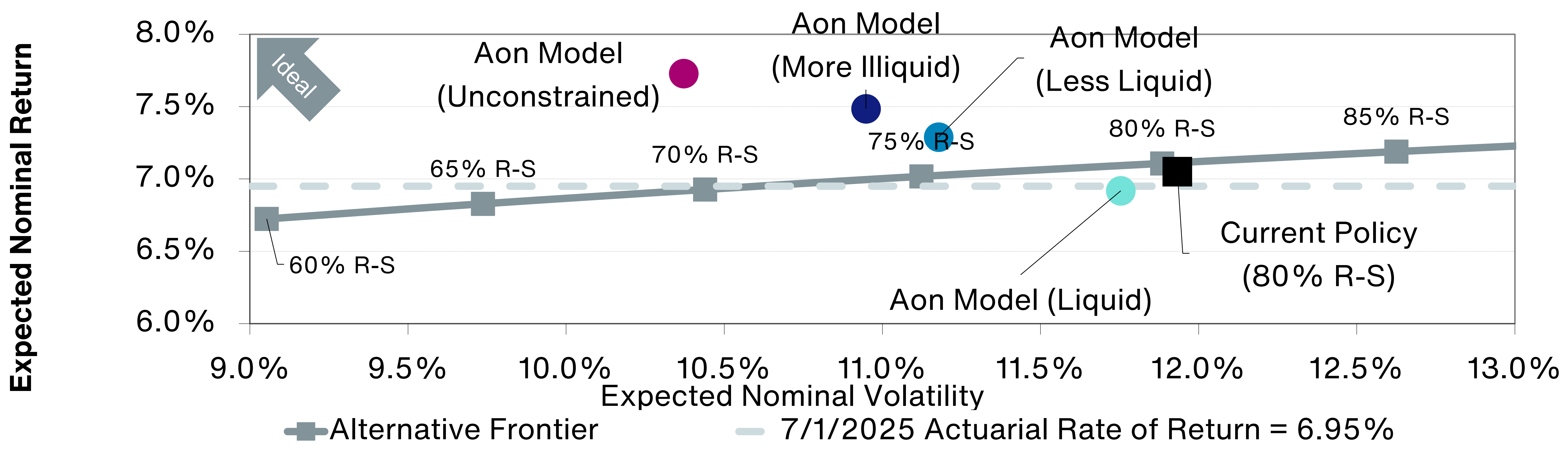
	Liquid	Less Liquid	More Illiquid	Unconstrained
Complexity	Simple			Complex
Costs	Low Cost			Higher Cost
Resources	Light Resources			Deep Resources
Governance	Modest Governance			Strong Governance
Liquidity	More Liquid			Less Liquid

As a general statement, moving from left-to-right on the above spectrum increases both investment portfolio return potential and risk-adjusted return potential, based on our capital markets modelling

- It also increases the reliance on "alpha" (manager skill) and reduces the emphasis on market "beta" (market risk premiums); alpha is not guaranteed

Portfolio Analysis – Risk/Reward Spectrum

Current policy has an expected return in excess of the actuarial assumed rate of return



Key Observations

- Current portfolio is diversified across return-seeking asset classes and expected to earn a 7.05% return
- The Alternative frontier replaces a portion of the existing real estate allocation with infrastructure and fixes the allocation to private equity and real assets while adjusting other asset classes up/down on a pro-rata basis

	Portfolio Metrics			Return-Seeking (R-S) Assets							Risk-Reducing/ Safety Assets
	Exp. Nominal Return[1]	Exp. Nominal Volatility	Sharpe Ratio	Public Equity	Private Equity	Liquid Alts	Liquid Return-Seeking Fixed Income	Illiquid Return-Seeking Fixed Income	Open-End Real Assets	Closed-End Real Assets	Core/Core Plus Bonds
Current Policy (80% R-S)	7.05%	11.93%	0.28	57.5%	5.0%	0.0%	10.0%	0.0%	5.6%	1.9%	20.0%
Aon Model (Liquid)	6.92%	11.75%	0.27	60.0%	0.0%	0.0%	7.5%	0.0%	12.5%	0.0%	20.0%
Aon Model (Less Liquid)	7.29%	11.18%	0.32	50.0%	5.0%	5.0%	7.5%	0.0%	7.5%	5.0%	20.0%
Aon Model (More Illiquid)	7.48%	10.95%	0.35	45.0%	10.0%	7.5%	5.0%	2.5%	5.0%	5.0%	20.0%
Aon Model (Unconstrained)	7.73%	10.37%	0.39	35.0%	15.0%	7.5%	5.0%	5.0%	5.0%	7.5%	20.0%
Alternative Frontier											
60% Return-Seeking	6.72%	9.05%	0.33	40.5%	5.0%	0.0%	7.0%	0.0%	4.1%	3.4%	40.0%
65% Return-Seeking	6.83%	9.74%	0.32	44.7%	5.0%	0.0%	7.8%	0.0%	4.1%	3.4%	35.0%
70% Return-Seeking	6.93%	10.44%	0.31	49.0%	5.0%	0.0%	8.5%	0.0%	4.1%	3.4%	30.0%
75% Return-Seeking	7.02%	11.12%	0.30	53.0%	5.0%	0.0%	9.5%	0.0%	4.1%	3.4%	25.0%
80% Return-Seeking	7.11%	11.88%	0.29	57.5%	5.0%	0.0%	10.0%	0.0%	4.1%	3.4%	20.0%
85% Return-Seeking	7.19%	12.63%	0.28	61.8%	5.0%	0.0%	10.7%	0.0%	4.1%	3.4%	15.0%

[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

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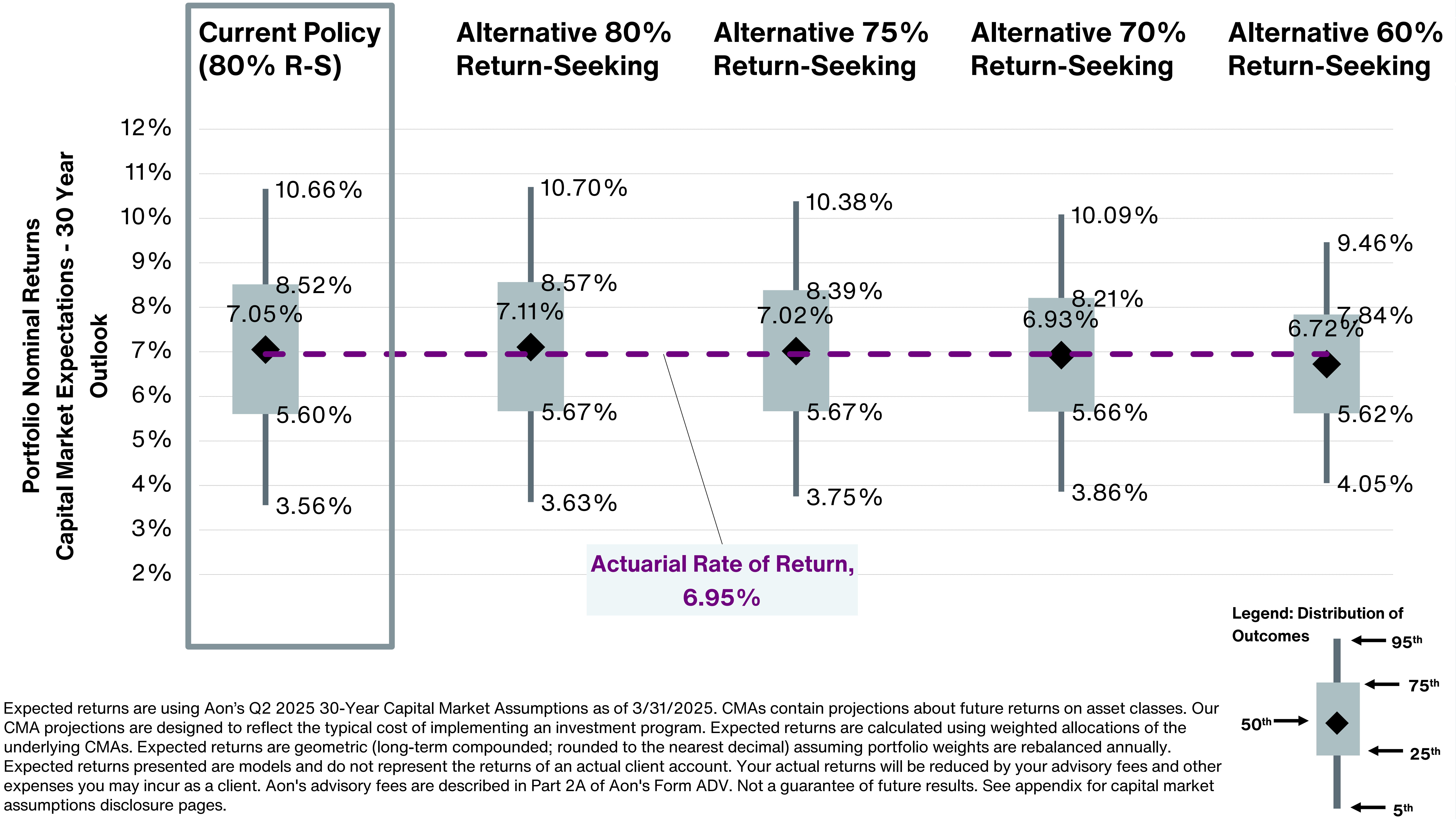
Portfolio Analysis – Range of Expected Returns

Portfolios have a wide range of potential future outcomes; lower risk portfolios have a narrower range with reduced expected return



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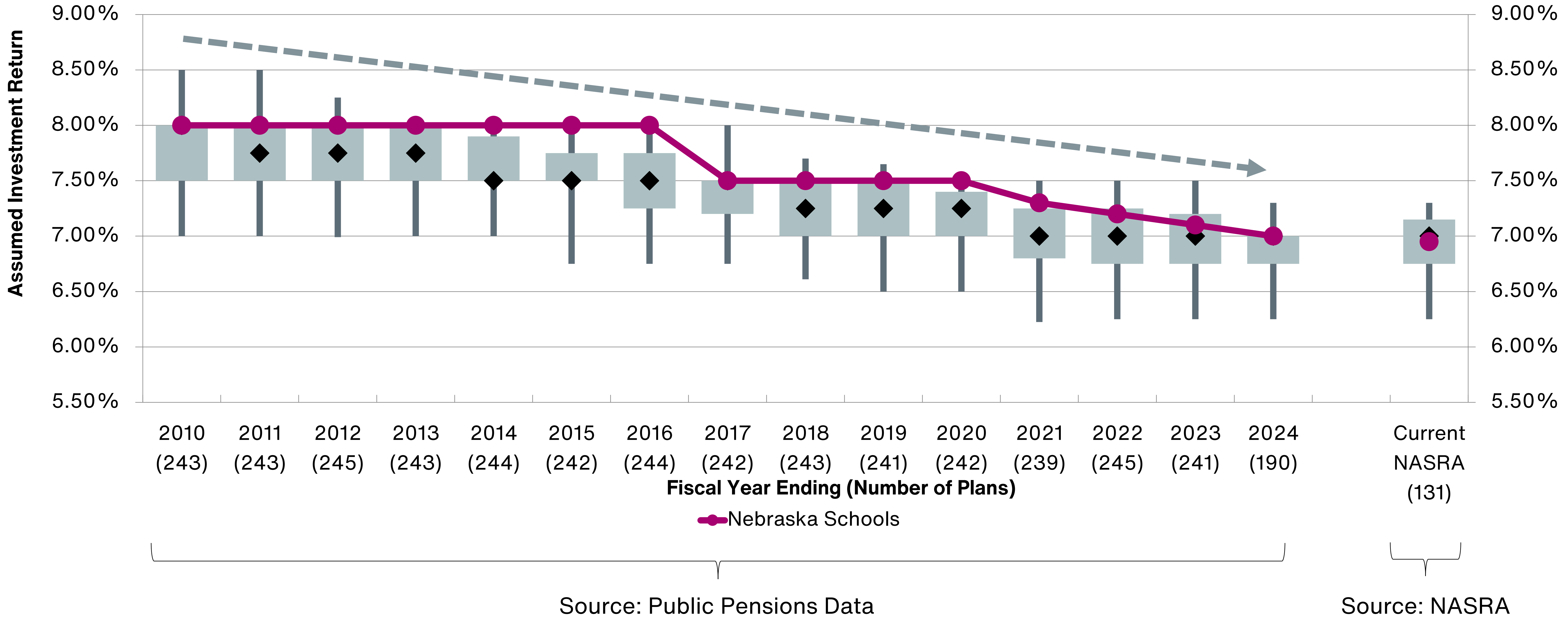
Key Observation

- Higher allocations to return-seeking assets increase the expected return[1] (50th percentile outcome) but with a wider range of outcomes
- The probability of meeting the actuarial rate of return by portfolio is the following:
  - **80% R-S (Current): 52%**
  - Alt. 80% R-S: 53%
  - Alt. 75% R-S: 51%
  - Alt. 70% R-S: 50%
  - Alt. 60% R-S: 45%

Peer Comparisons

Expected return assumption versus peers[1]

Distribution of U.S. Public Pension Investment Return Assumptions



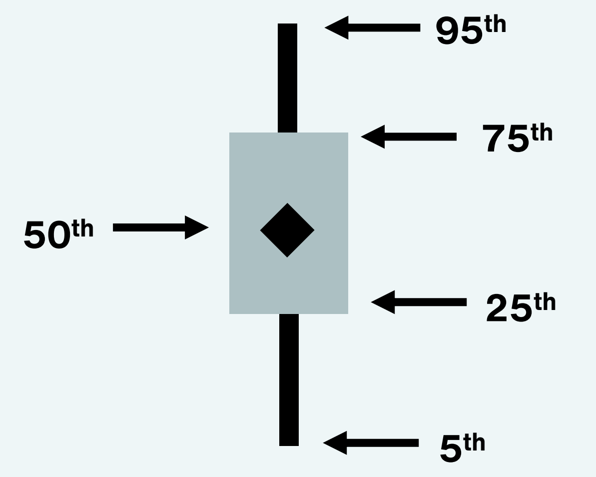
The actuarial investment return assumption is set by numerous factors including investment return assumptions, actuarial experience study recommendations, financial outcomes through asset-liability analysis, how the assumed rate of return is used, consideration to an acceptable return assumptions range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

Sources: Public Plans Data (publicplansdata.org) as of July 2025; NASRA downloadable investment return assumptions as of August 2025
[1] Peers defined as public funds published within publicplansdata.org as of July 2025 and NASRA as of August 2025; 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 2025, have a median actuarial assumption of 7.00%

Legend: Distribution of Outcomes



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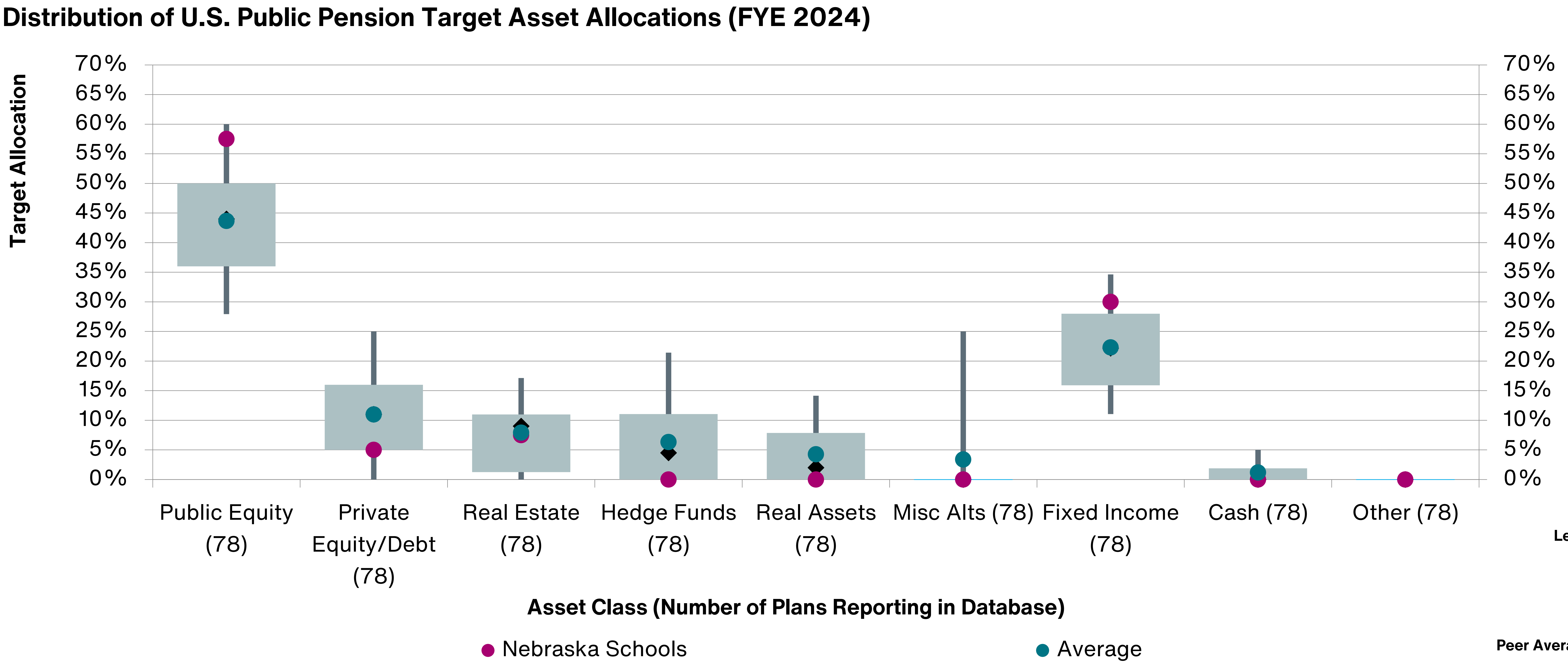
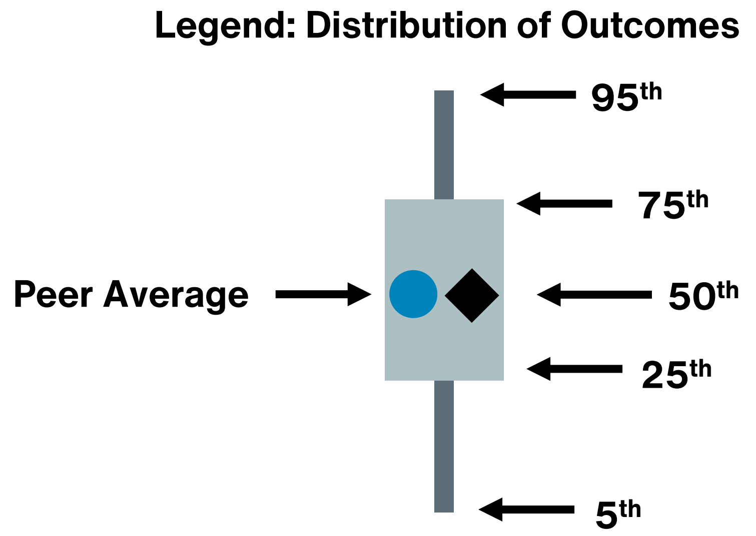
Peer Comparisons

Distribution of U.S. public pension target asset allocations (> $10B)[1]





Source: Public Plans Data (publicplansdata.org) as of July 2025

[1] Peers defined as public plans published within publicplansdata.org as of July 202; Number of plans per year are shown in parentheses

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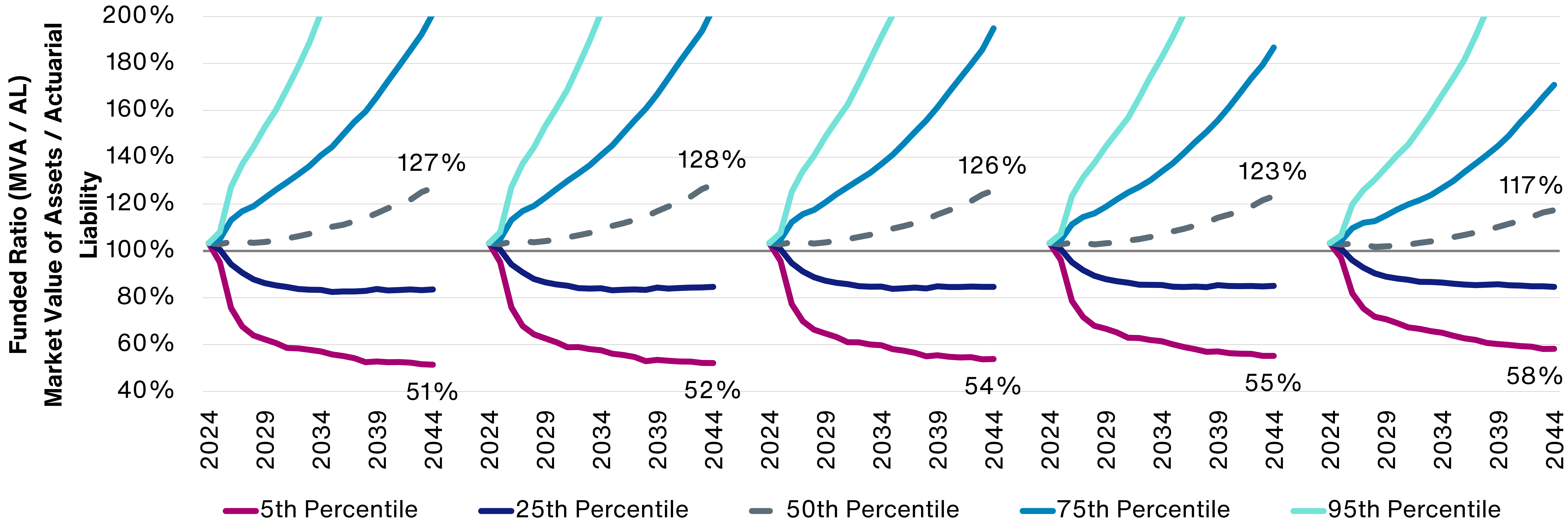
NPERS School Plan – Funded Ratio (MVA)

Plan is expected to remain fully funded over the projection period; lower risk portfolios maintain similar trend lines with reduced volatility



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**
5th Percentile	103%	57%	51%	103%	58%	52%	103%	60%	54%	103%	62%	55%	103%	65%	58%
25th Percentile	103%	83%	84%	103%	84%	85%	103%	85%	85%	103%	85%	85%	103%	86%	85%
50th Percentile	103%	108%	127%	103%	109%	128%	103%	108%	126%	103%	107%	123%	103%	105%	117%
75th Percentile	103%	141%	>200%	103%	141%	>200%	103%	137%	195%	103%	134%	187%	103%	127%	171%
95th Percentile	103%	>200%	>200%	103%	>200%	>200%	103%	191%	>200%	103%	183%	>200%	103%	167%	>200%
Probability > 100%	>99%	58%	66%	>99%	59%	66%	>99%	59%	66%	>99%	58%	65%	>99%	57%	63%

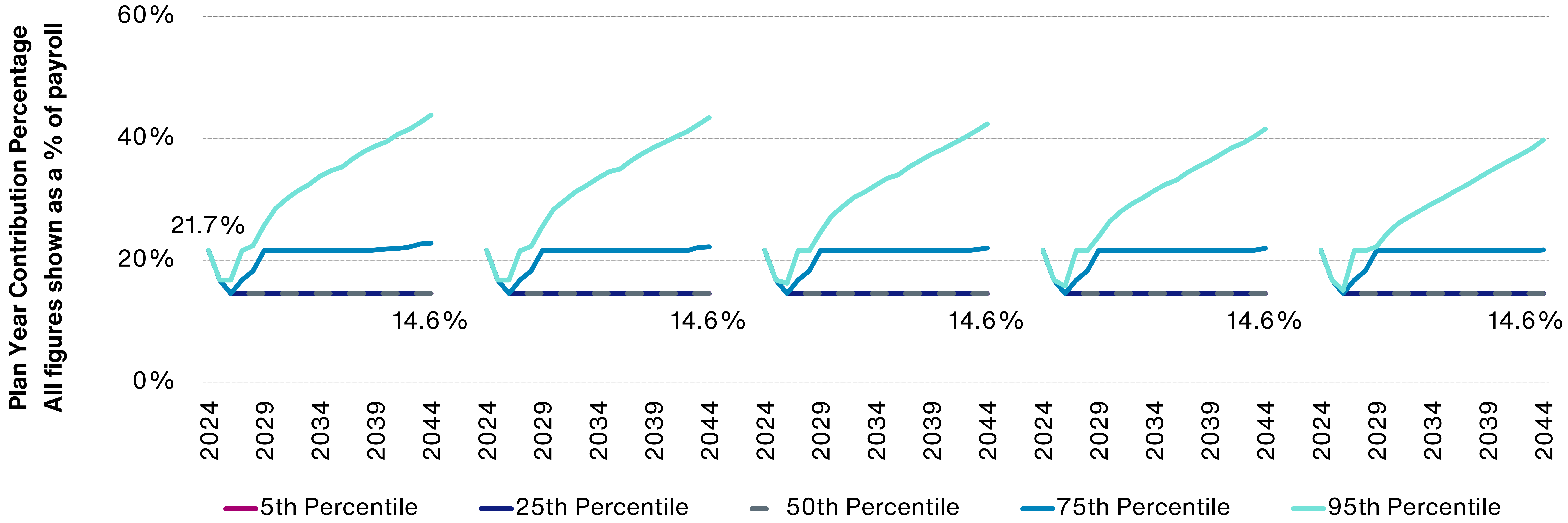
Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

- The Current Policy is expected to maintain a fully funded plan over the projection period
- Increased diversification is expected to gradually improve both the expected and downside funded ratios
- Lower return-seeking allocations are expected to have
  - Lower central expectations
  - Narrower ranges of potential outcomes

NPERS School Plan – Total Contributions

Contributions are similar across investment strategies; contributions are the greater of the actuarially-determined amount or the statutory floor



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**
5th Percentile	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%
25th Percentile	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%
50th Percentile	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%
75th Percentile	21.7%	21.6%	22.8%	21.7%	21.6%	22.2%	21.7%	21.6%	22.0%	21.7%	21.6%	22.0%	21.7%	21.6%	21.7%
95th Percentile	21.7%	33.8%	43.8%	21.7%	33.5%	43.4%	21.7%	32.4%	42.4%	21.7%	31.4%	41.5%	21.7%	29.3%	39.8%

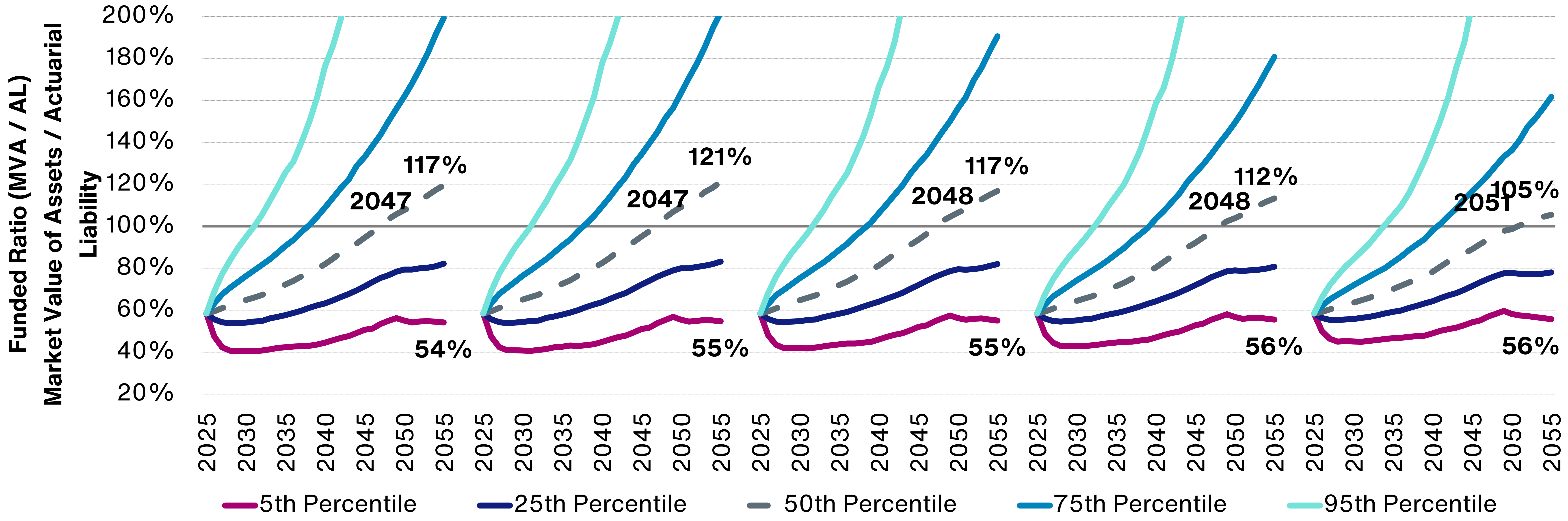
Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

- Contribution amounts in the central expectations (50th percentile outcome) are consistent across investment strategies as Legislative Bill 645 allows the statutory minimum amounts to fluctuate based on funded ratio
- Contribution amounts are higher in cases where the actuarial amount is greater than the statutory floor

OSERS – Funded Ratio (MVA)

Plan is expected to remain full funded over the projection period; lower risk portfolios maintain similar trend lines with reduced volatility



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Year	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**
5th Percentile	42%	51%	54%	43%	51%	55%	44%	52%	55%	45%	53%	56%	47%	54%	56%
25th Percentile	58%	71%	82%	58%	72%	83%	58%	72%	82%	59%	72%	81%	59%	72%	78%
50th Percentile	72%	95%	119%	73%	95%	121%	72%	94%	117%	71%	92%	113%	70%	89%	105%
75th Percentile	91%	133%	199%	91%	134%	>200%	89%	130%	190%	87%	125%	181%	83%	117%	162%
95th Percentile	126%	>200%	>200%	125%	>200%	>200%	120%	>200%	>200%	115%	>200%	>200%	105%	>200%	>200%
Probability > 100%	20%	46%	63%	20%	47%	64%	18%	46%	62%	16%	44%	60%	10%	40%	55%

Projections assume a constant 7.00% actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

- The Current Policy is expected to reach full funding by 2047
- Increased diversification is expected to gradually improve both the expected and downside funded ratios
- Lower return-seeking allocations are expected to have
  - Lower central expectations
  - Longer times to expected full funding
  - Narrower ranges of potential outcomes

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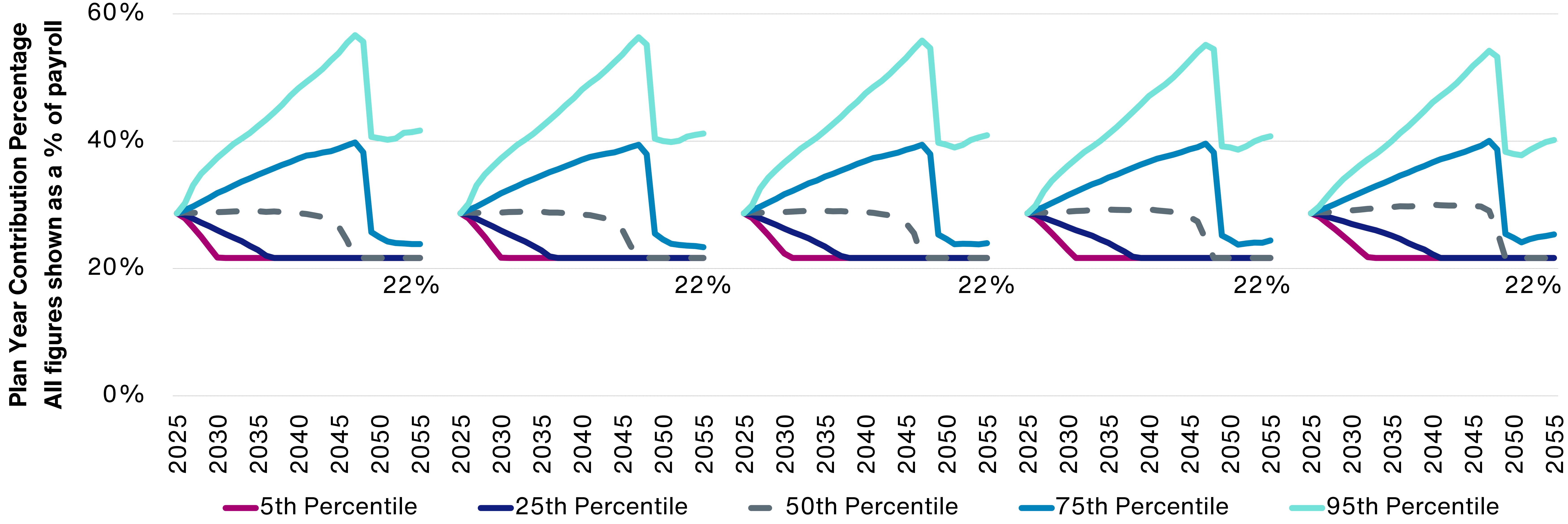
OSERS – Total Contributions

Contributions are actuarially-based with a statutory floor; lower risk portfolios take slightly longer to converge to the floor



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**
5th Percentile	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%
25th Percentile	22.9%	21.7%	21.7%	22.8%	21.7%	21.7%	23.5%	21.7%	21.7%	24.0%	21.7%	21.7%	25.2%	21.7%	21.7%
50th Percentile	29.0%	26.5%	21.7%	28.9%	26.0%	21.7%	29.1%	27.1%	21.7%	29.3%	28.1%	21.7%	29.6%	29.8%	21.7%
75th Percentile	34.7%	38.9%	23.8%	34.6%	38.6%	23.4%	34.4%	38.7%	24.0%	34.3%	38.7%	24.4%	34.0%	38.8%	25.4%
95th Percentile	42.4%	53.9%	41.7%	42.2%	53.6%	41.2%	41.6%	53.1%	40.9%	41.1%	52.6%	40.8%	40.1%	51.8%	40.2%

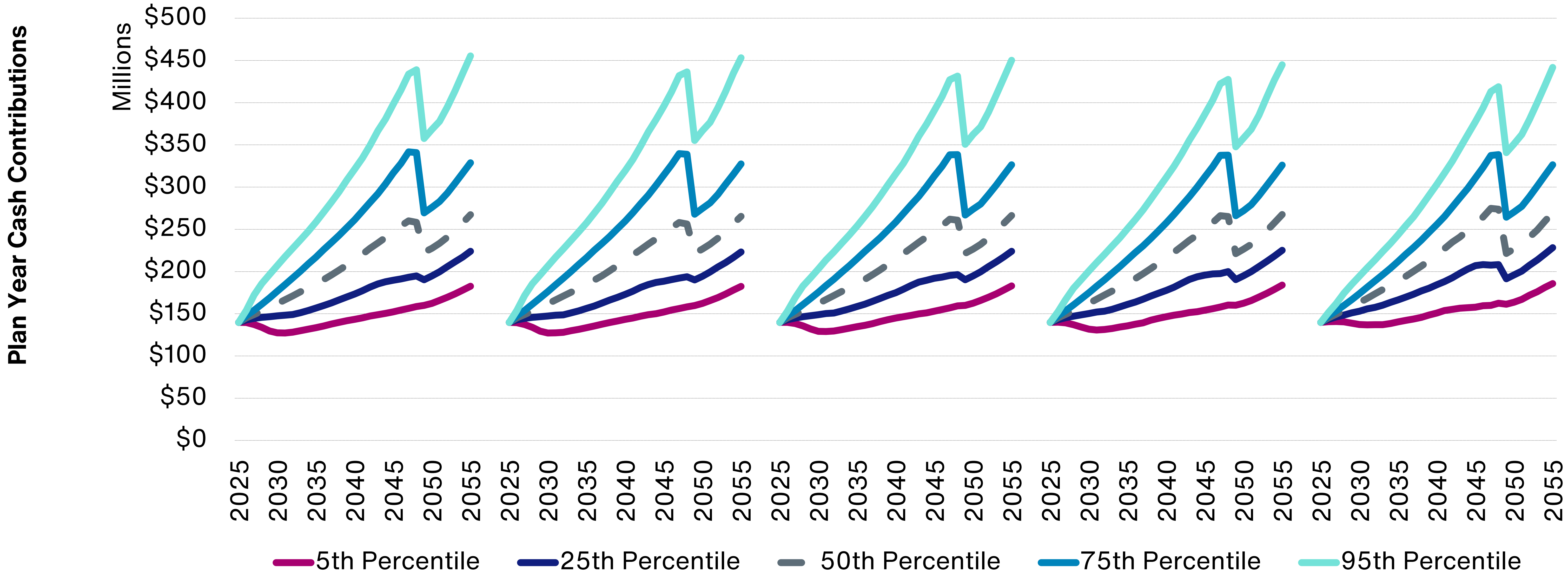
Projections assume a constant 7.00% actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

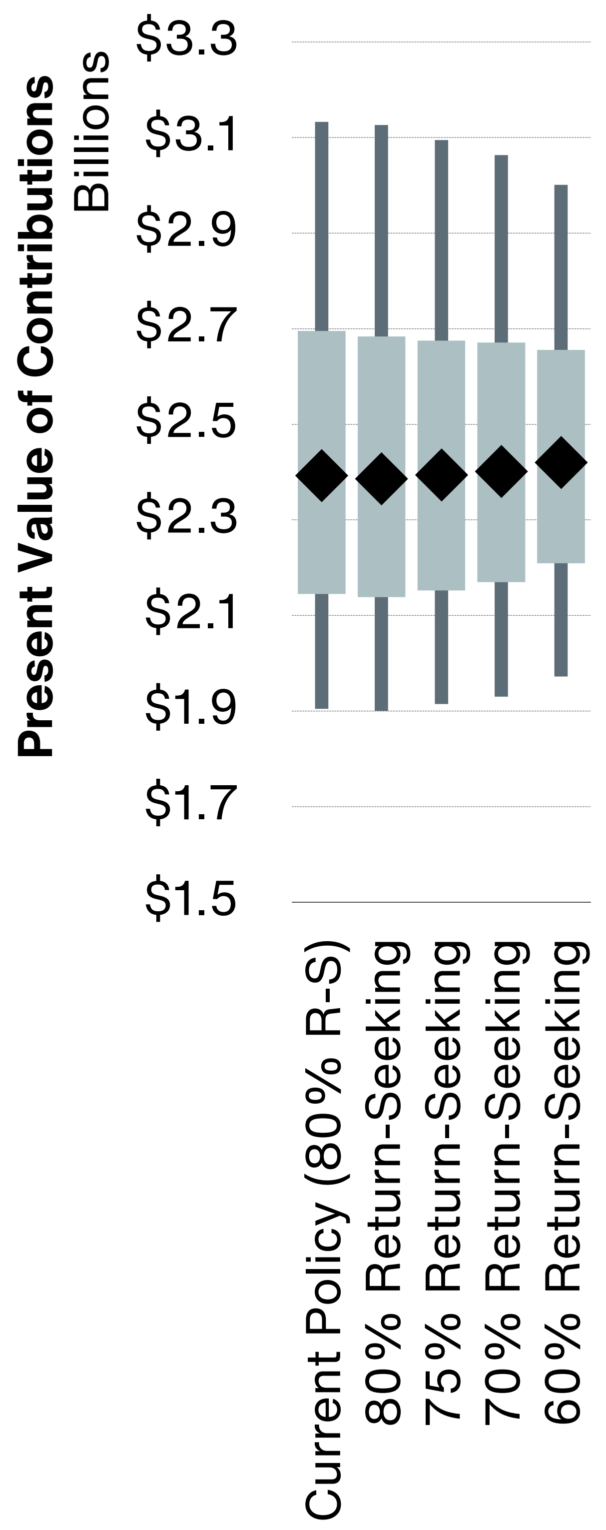
Key Observations

- Contribution amounts in the central expectations (50th percentile outcome) are largely consistent across investment strategies, higher than the statutory minimums
- Lower return-seeking strategies are projected to have slightly higher contributions for longer

OSERS – Total Contributions

Contributions are largely similar across investment strategies; lower risk has slightly higher expected costs with a narrower range of outcomes





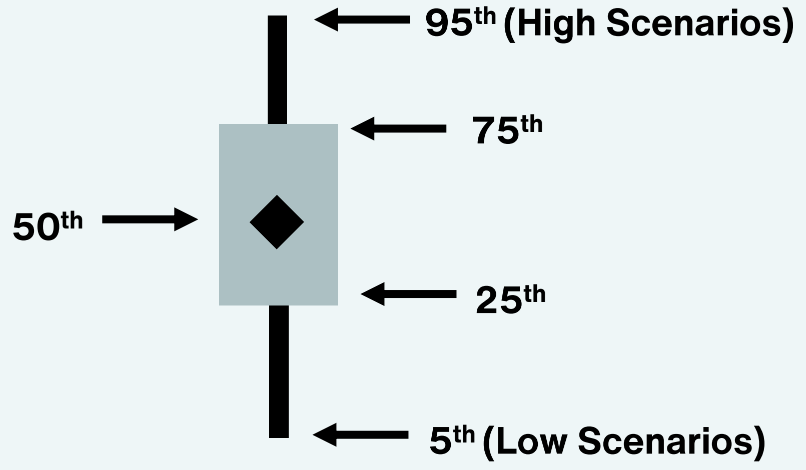
Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**
5th Percentile	$134	$152	$183	$133	$152	$182	$135	$153	$183	$136	$154	$184	$140	$158	$186
25th Percentile	$157	$190	$224	$156	$189	$223	$158	$192	$224	$161	$196	$225	$166	$207	$228
50th Percentile	$186	$247	$267	$185	$245	$265	$186	$248	$266	$187	$250	$267	$189	$256	$270
75th Percentile	$217	$317	$329	$217	$314	$327	$215	$313	$326	$214	$312	$326	$212	$311	$326
95th Percentile	$259	$398	$455	$258	$396	$453	$254	$391	$450	$251	$386	$445	$244	$377	$442

Projections assume a constant 7.00% actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

- Plan contributions are based on percentages of payroll and expected to increase with payroll growth
- Lower return-seeking allocations are expected to have
  - Higher central expectations
  - Narrower ranges of potential outcomes

Legend: Distribution of Outcomes



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Summary of Results

	School	State Patrol	Judges	State Cash Balance	County Cash Balance	OSERS
Est. Funded Position (as of 3/31/2025)	103.8%	83.6%	105.8%	101.2%	102.2%	58.2%
Current Investment Strategy (% Return-Seeking Assets)	80%	80%	80%	80%	80%	80%
Hurdle Rate Surplus/(Shortfall)	1.08%	0.63%	1.50%	1.13%	1.23%	-0.26%
Asset-Liability Projection Analysis	• Expected to maintain full funding	• Expected to reach full funding in 2040	• Expected to maintain full funding	• Expected to maintain full funding	• Expected to maintain full funding	• Expected to reach full funding in 2047
Investment Strategies to Consider	• Consider additional diversification by replacing a portion of the existing real estate allocation with infrastructure • Consider dialing back the return-seeking allocation to lower volatility while achieving a similar return	• Consider additional diversification by replacing a portion of the existing real estate allocation with infrastructure • Consider dialing back the return-seeking allocation to lower volatility while achieving a similar return	• Consider additional diversification by replacing a portion of the existing real estate allocation with infrastructure • Consider dialing back the return-seeking allocation to lower volatility while achieving a similar return	• Consider additional diversification by replacing a portion of the existing real estate allocation with infrastructure • Consider dialing back the return-seeking allocation to lower volatility while achieving a similar return	• Consider additional diversification by replacing a portion of the existing real estate allocation with infrastructure • Consider dialing back the return-seeking allocation to lower volatility while achieving a similar return	• Consider additional diversification by replacing a portion of the existing real estate allocation with infrastructure

Next Steps

Recommendations:

- **OSERS**
  - Funded status is low with an expected time to full funding of 2047
  - There is a case for staying at 80% with additional diversification to slightly improve the portfolio metrics

- **NPERS (School, Judges, State Cash Balance, County Cash Balance)**
  - Plans are over 100% funded and expected to remain there in our central expectations
  - A case can be made for lowering the risk in the portfolio to achieve similar expectations but do so with less risk – potentially selecting the 75% or 70% return-seeking levels

- **NPERS (State Patrol)**
  - Plan remains slightly underfunded with an expected time to full funding of 2040
  - A case can be made for either staying at the current risk level or slightly de-risking the plan

		Alternative Frontier		
	Current Target (80% R-S)	*80% Return-Seeking*	*75% Return-Seeking*	*70% Return-Seeking*
U.S. Equity	24.0%	24.0%	22.0%	20.5%
Global Equity	22.0%	22.0%	20.5%	18.5%
Non-U.S. Equity	11.5%	11.5%	10.5%	10.0%
Total Public Equity	**57.5%**	**57.5%**	**53.0%**	**49.0%**
Private Equity	**5.0%**	**5.0%**	**5.0%**	**5.0%**
Real Estate	7.5%	5.5%	5.5%	5.5%
Infrastructure	0.0%	2.0%	2.0%	2.0%
Total Real Assets	**7.5%**	**7.5%**	**7.5%**	**7.5%**
Return Seeking Fixed Income (Liquid)	10.0%	10.0%	9.5%	8.5%
Private Credit (Illiquid RS FI)	0.0%	0.0%	0.0%	0.0%
Total Return Seeking Fixed Income	**10.0%**	**10.0%**	**9.5%**	**8.5%**
Core Bonds	**20.0%**	**20.0%**	**25.0%**	**30.0%**
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Portfolio Metrics				
30-Year Expected Return[1]	7.05%	7.11%	7.02%	6.93%
30-Year Nominal Volatility	11.93%	11.88%	11.12%	10.44%
Sharpe Ratio	0.28	0.29	0.30	0.31
Total Quasi-Liquid/Illiquid Assets	12.5%	12.5%	12.5%	12.5%

[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

Rebalancing Ranges

	Current Target (80% R-S)	Acceptable Range	Alternative Frontier: 80% Return-Seeking	Acceptable Range	75% Return-Seeking	Acceptable Range	70% Return-Seeking	Acceptable Range
U.S. Equity	24.0%	19.0%-29.0%	24.0%	21.0%-27.0%	22.0%	19.0%-25.0%	20.5%	17.5%-23.5%
Global Equity	22.0%	17.0%-27.0%	22.0%	19.0%-25.0%	20.5%	17.5%-23.5%	18.5%	15.5%-21.5%
Non-U.S. Equity	11.5%	6.5%-16.5%	11.5%	8.5%-14.5%	10.5%	7.5%-13.5%	10.0%	7.0%-13.0%
Total Public Equity	**57.5%**		**57.5%**	**54.5%-60.5%**	**53.0%**	**50.0%-56.0%**	**49.0%**	**46.0%-52.0%**
Private Equity	**5.0%**		**5.0%**		**5.0%**		**5.0%**	
Real Estate	7.5%		5.5%		5.5%		5.5%	
Infrastructure	0.0%		2.0%		2.0%		2.0%	
Total Real Assets	**7.5%**		**7.5%**		**7.5%**		**7.5%**	
Total Return Seeking Fixed Income	**10.0%**	**5.0%-15.0%**	**10.0%**	**7.0%-13.0%**	**9.5%**	**6.5%-12.5%**	**8.5%**	**5.5%-11.5%**
Core Bonds	**20.0%**	**15.0%-25.0%**	**20.0%**	**17.0%-23.0%**	**25.0%**	**22.0%-28.0%**	**30.0%**	**27.0%-33.0%**
Total Fixed Income	**30.0%**		**30.0%**	**27.0%-33.0%**	**34.5%**	**31.5%-37.5%**	**38.5%**	**35.5%-41.5%**
Total	**100.0%**		**100.0%**		**100.0%**		**100.0%**	

Recommendations:

- **Narrow rebalancing ranges from +/-5% to +/-3%**
  - +/-5% is on the wider end of what we typically see; +/-3% is more common amongst peers
- **Add ranges for "Total Public Equity" and "Total Fixed Income"**
  - Consistent with industry standards; prevents a situation where equity sub-asset classes are all within range, but Total Public Equity is materially overweight/underweight relative to target

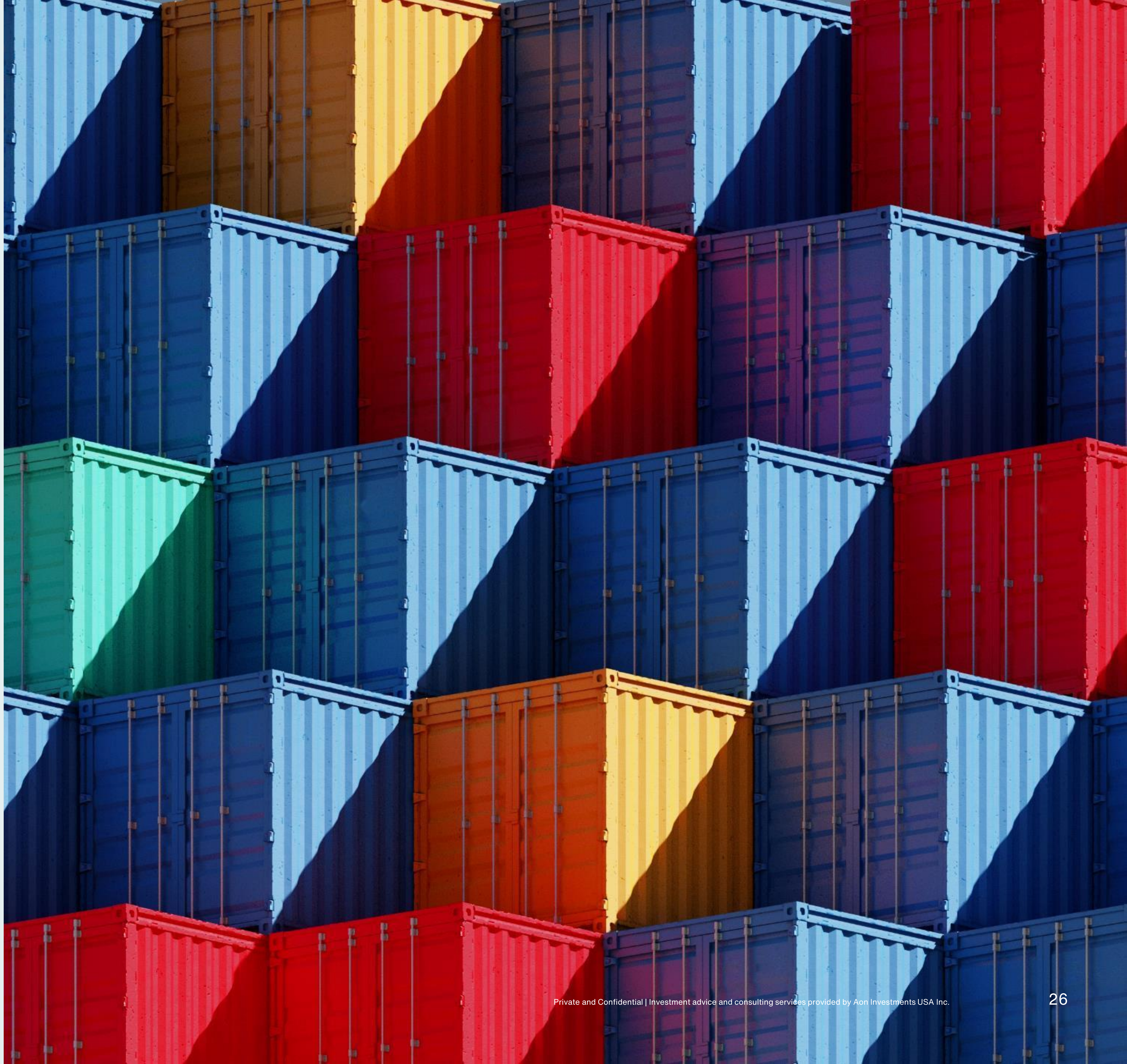
Existing NIC Policy Language on Rebalancing:

- ***"The State Investment Officer:"***
  - *"Rebalances the investments when necessary halfway back to target allocation and looks for efficient and opportunistic ways to get back to target."*
- ***"The allowable range for individual managers is ±3% of the target allocation established by the Council."***
  - We suggest removing the above bullet from NIC Policy Statements. Most typically, manager level rebalancing policy is not addressed in Investment Policy Statements.

2

Asset-Liability Projection Analysis

- NPERS – School Retirement System
- NPERS – State Patrol Retirement System
- NPERS – Judges Retirement System
- NPERS – State Cash Balance Plan
- NPERS – County Cash Balance Plan
- OSERS



NPERS – School Retirement System

Section 2: Asset-Liability Projection Analysis

School Retirement System – Current State Overview

Estimated as of March 31, 2025

103.8%

Funded ratio as of March 31, 2025

- Based on market value of assets using a blend of the July 1, 2024 actuarial discount rate (7.00%) and July 1, 2025 (6.95%)

7.05%

30-year expected return[1]

- Aon's assumption for the current target asset allocation as of March 31, 2025
- Expected return exceeds both the July 1, 2024 and July 1, 2025 actuarial assumed rates of return (7.00% and 6.95%, respectively)

8.53%

Asset Hurdle Rate

- Liabilities projected to grow each year primarily due to interest cost and normal cost
- Asset growth rate of 8.53% needed to keep pace with liability growth rate
  - Higher growth will improve the funded ratio
- Assets will grow via a combination of investment performance and contributions/funding

80%

Current target level of return-seeking assets

- Overall asset allocation strategy is generally considered the single most impactful investment decision

[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

Detailed Current State Asset-Liability Profile (as of March 31, 2025)

The School Retirement System projects to have a hurdle rate surplus, increasing near-term funded status

Asset-Liability Snapshot				
	As of 7/1/2024		Est. 3/31/2025	
Metric ($, Millions)	**Value**	**Fund %**	**Value**	**Fund %**
Market Value of Assets	$16,924.8	103.4%	$17,410.5	103.8%
Actuarial Value of Assets	$16,362.5	99.9%		
Liability Metrics				
Actuarial Liability (AL) – Funding[1]	$16,374.4		$16,774.1	

Key Takeaways:

- Pension plan is estimated to be **103.8%** funded on a market value of assets basis as of March 31, 2025
- Asset hurdle rate of **8.53%**, via cash funding and investment returns, needed to maintain or improve funded status
- The total expected asset growth rate (EROA plus contributions) exceeds the asset hurdle rate by **108 bps**

Asset-Liability Growth Metrics as of 3/31/2025			
Metric ($, Millions)	**Value**	**% Liability**	**% Assets**
AL Discount Cost	$1,165.8	6.95%	6.70%
AL Normal Cost	$315.7	1.88%	1.81%
Plan Expenses	$4.1	0.02%	0.02%
Total Liability Hurdle Rate	**$1,485.6**	**8.85%**	**8.53%**
Expected Return on Assets[2]	$1,227.4	7.32%	7.05%
Total Contributions	$446.1	2.66%	2.56%
Total Exp. Asset Growth	**$1,673.6**	**9.98%**	**9.61%**
Hurdle Rate Surplus/(Shortfall)	**$188.0**	**1.13%**	**1.08%**
Est. Benefit Payments	$927.6	5.53%	5.33%

Target Asset Allocation as of 3/31/2025		
Metric ($, Millions)	**Value**	**Alloc %**
Return-Seeking		
- Public Equity	$10,011.0	57.5%
- Private Equity	$870.5	5.0%
- Liquid Return-Seeking Fixed Income	$1,741.0	10.0%
- Open-End Real Assets	$979.3	5.6%
- Closed-End Real Assets	$326.4	1.9%
- Total	$13,928.4	80.0%
Risk-Reducing		
- Core Bonds	$3,482.1	20.0%
- Total	$3,482.1	20.0%
Total	$17,410.5	100.0%

[1] Based on a 7.00% discount rate consistent with the July 1, 2024 actuarial valuation results and a rate of 6.95% for July 1, 2025.

[2] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Analysis includes $4.1MM in expenses, assumed to be inclusive of investment consulting fees, paid from trust assets. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

Percentages may not sum to 100% due to rounding.

Asset Hurdle Rates

Growth needs of the plan adjust with funded status changes

What is the Asset Hurdle Rate?

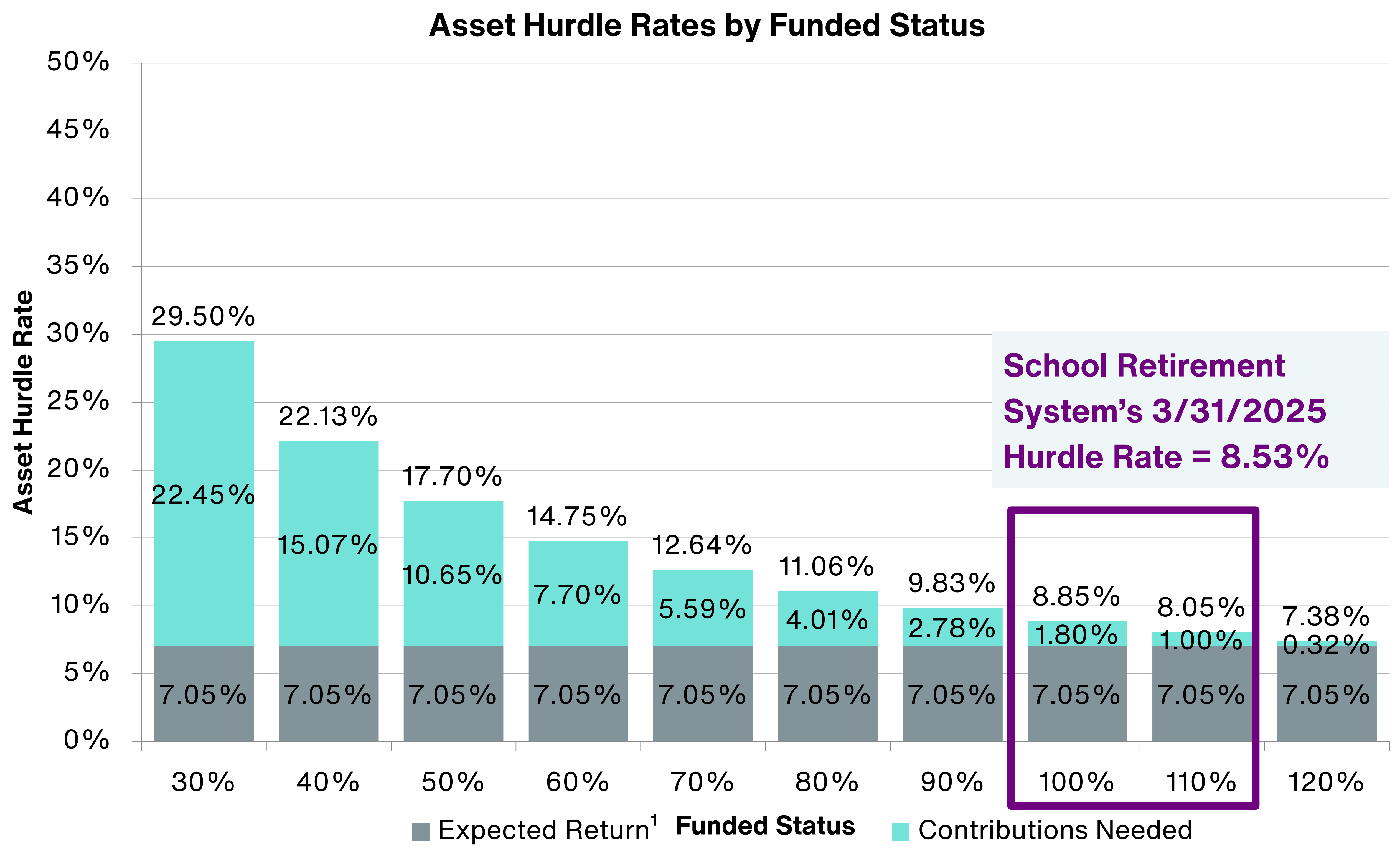
Asset Hurdle Rate is the required rate of asset growth needed to keep pace with the growth of the Plan liabilities

- Assets must grow at this rate or more in order to maintain or reduce a potential funding shortfall
- **Formula = (Normal Cost + Discount Cost + Expenses) / Funded Ratio**

Assets can grow in two ways:

- Investment returns
- Funding contributions

Asset hurdle rates are expected to decline as the funded status increases



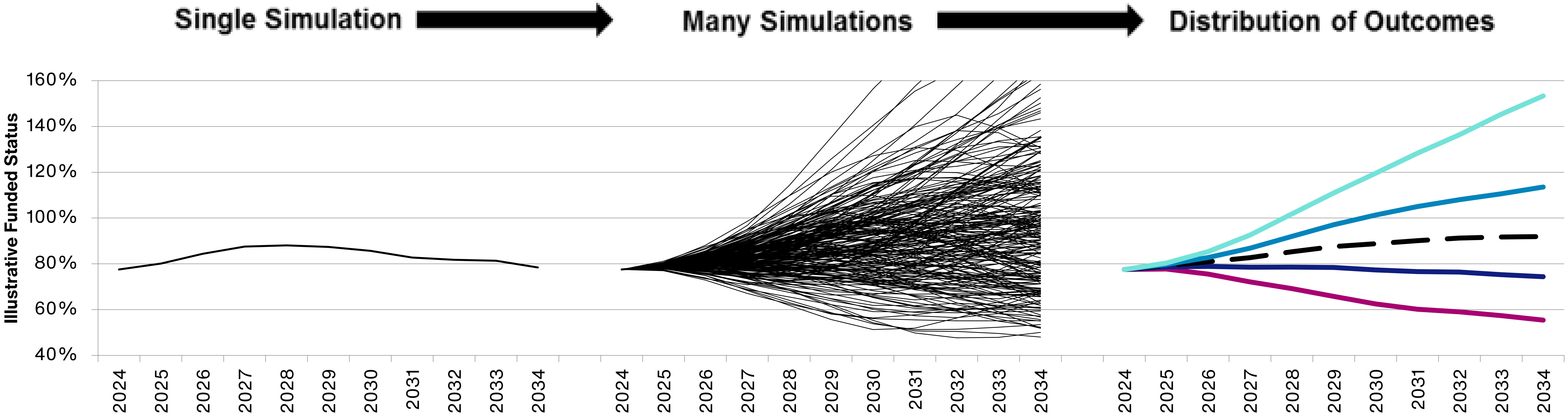
[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Analysis includes $4.1MM in expenses, assumed to be inclusive of investment consulting fees, paid from trust assets. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

Percentages may not sum to total due to rounding.

Asset-Liability Projection Analysis

Simulation overview (illustrative example)

- Thousands of simulations plotted in one graph would be impossible to interpret
- Instead, we rank the simulations at each point over the future
- This produces a distribution of outcomes illustrating the degree of uncertainty of a plan's financial position over the projection period
- Different investment strategies will produce different distributions of outcomes



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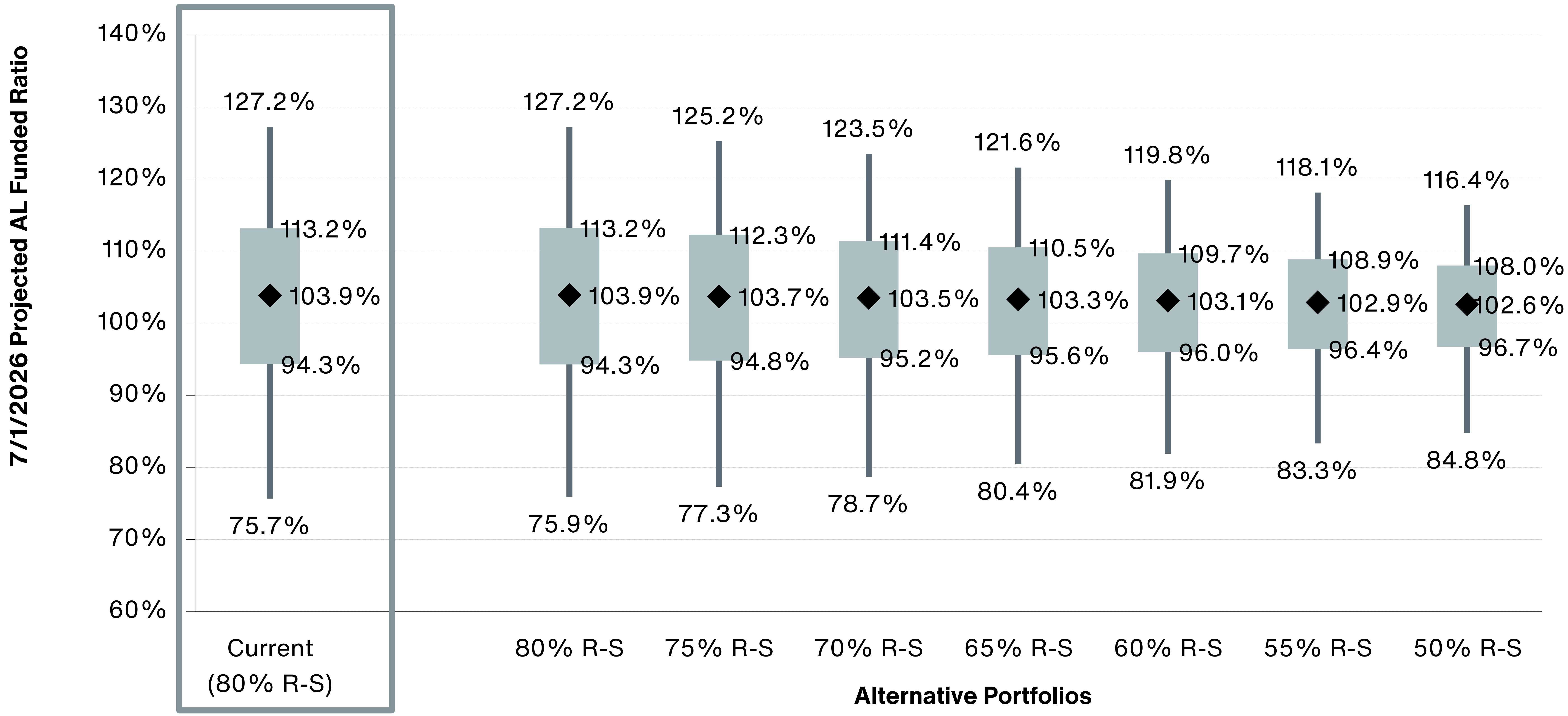
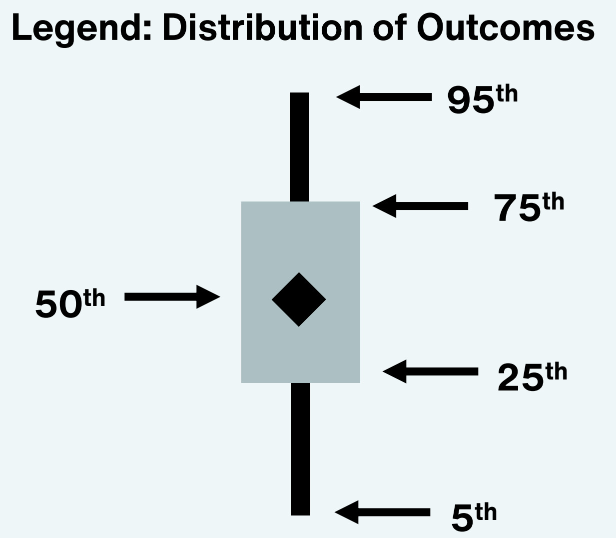
Asset-Liability Projection Analysis – Funded Ratio (MVA)

Short-term funded ratio sensitivity driven by investment risk



Key Observations

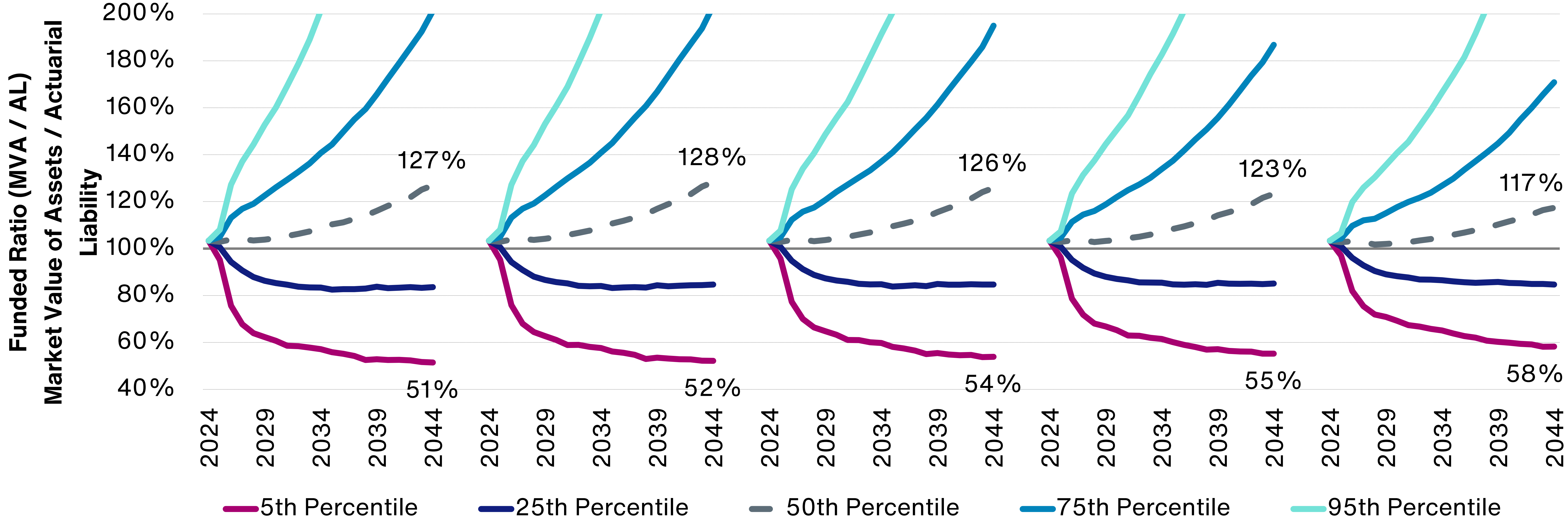
- Higher risk portfolios are projected to have both more upside and downside potential over a short time horizon
- Similarly, lower risk portfolios will have a narrower range of potential outcomes



Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Asset-Liability Projection Analysis – Funded Ratio (MVA)

Plan is expected to remain fully funded over the projection period; lower risk portfolios maintain similar trend lines with reduced volatility



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**
5th Percentile	103%	57%	51%	103%	58%	52%	103%	60%	54%	103%	62%	55%	103%	65%	58%
25th Percentile	103%	83%	84%	103%	84%	85%	103%	85%	85%	103%	85%	85%	103%	86%	85%
50th Percentile	103%	108%	127%	103%	109%	128%	103%	108%	126%	103%	107%	123%	103%	105%	117%
75th Percentile	103%	141%	>200%	103%	141%	>200%	103%	137%	195%	103%	134%	187%	103%	127%	171%
95th Percentile	103%	>200%	>200%	103%	>200%	>200%	103%	191%	>200%	103%	183%	>200%	103%	167%	>200%
Probability > 100%	>99%	58%	66%	>99%	59%	66%	>99%	59%	66%	>99%	58%	65%	>99%	57%	63%

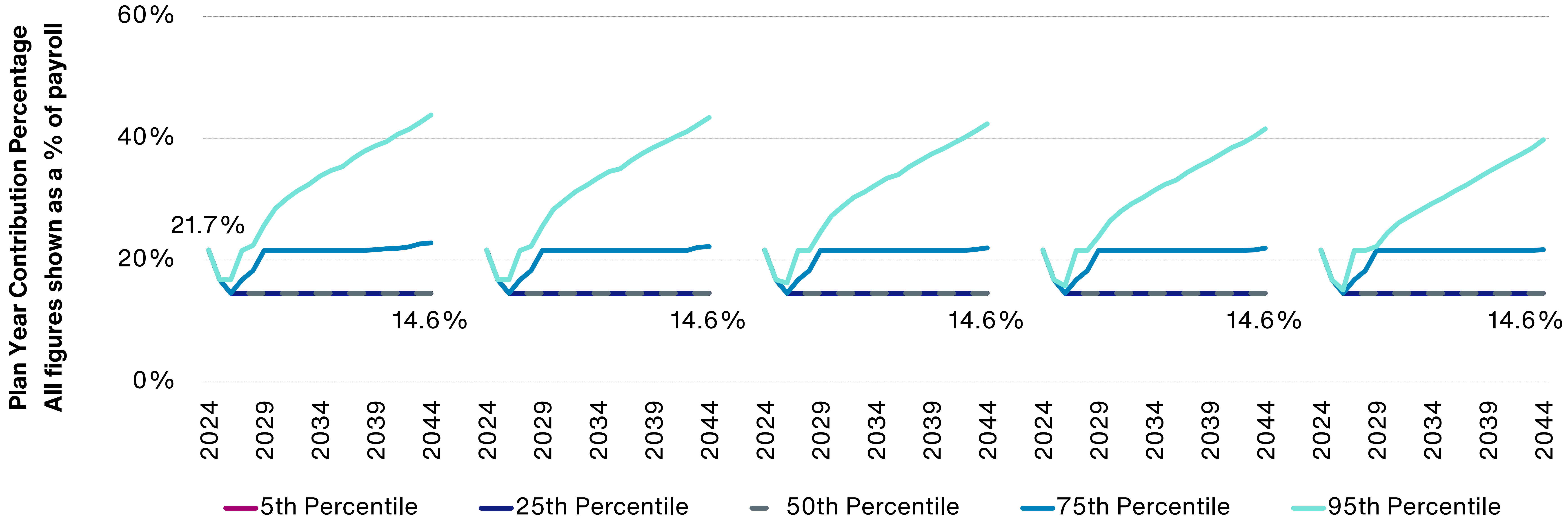
Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

- The Current Policy is expected to maintain a fully funded plan over the projection period
- Increased diversification is expected to gradually improve both the expected and downside funded ratios
- Lower return-seeking allocations are expected to have
  - Lower central expectations
  - Narrower ranges of potential outcomes

Asset-Liability Projection Analysis – Total Contributions

Contributions are similar across investment strategies; contributions are the greater of the actuarially-determined amount or the statutory floor



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**
5th Percentile	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%
25th Percentile	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%
50th Percentile	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%	21.7%	14.6%	14.6%
75th Percentile	21.7%	21.6%	22.8%	21.7%	21.6%	22.2%	21.7%	21.6%	22.0%	21.7%	21.6%	22.0%	21.7%	21.6%	21.7%
95th Percentile	21.7%	33.8%	43.8%	21.7%	33.5%	43.4%	21.7%	32.4%	42.4%	21.7%	31.4%	41.5%	21.7%	29.3%	39.8%

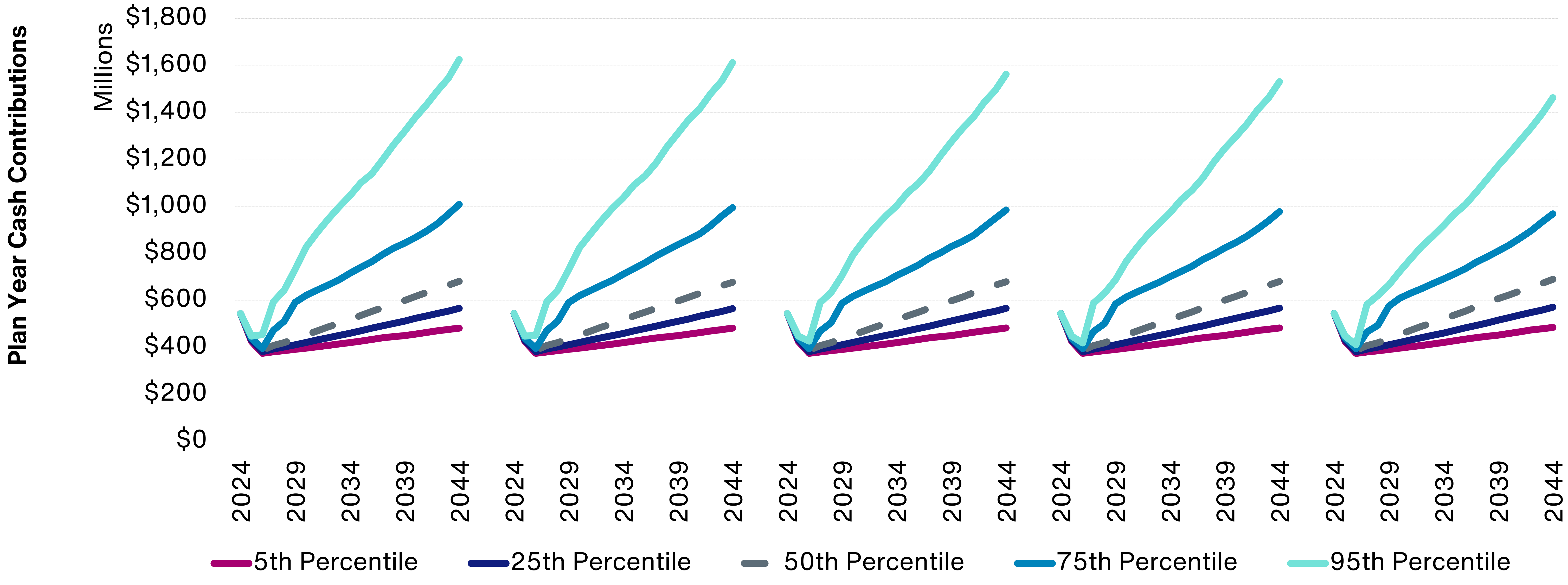
Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

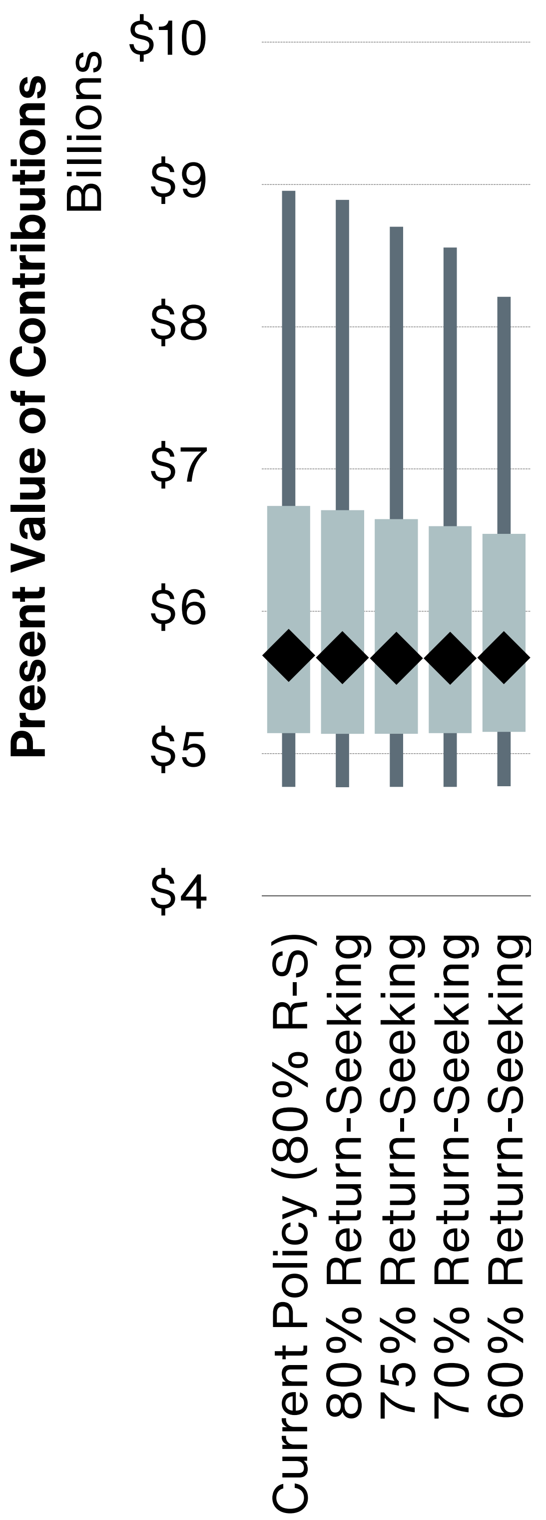
Key Observations

- Contribution amounts in the central expectations (50th percentile outcome) are consistent across investment strategies as Legislative Bill 645 allows the statutory minimum amounts to fluctuate based on funded ratio
- Contribution amounts are higher in cases where the actuarial amount is greater than the statutory floor

Asset-Liability Projection Analysis – Total Contributions

Contributions are similar across investment strategies due to the expectation of being overfunded with statutory minimum contributions



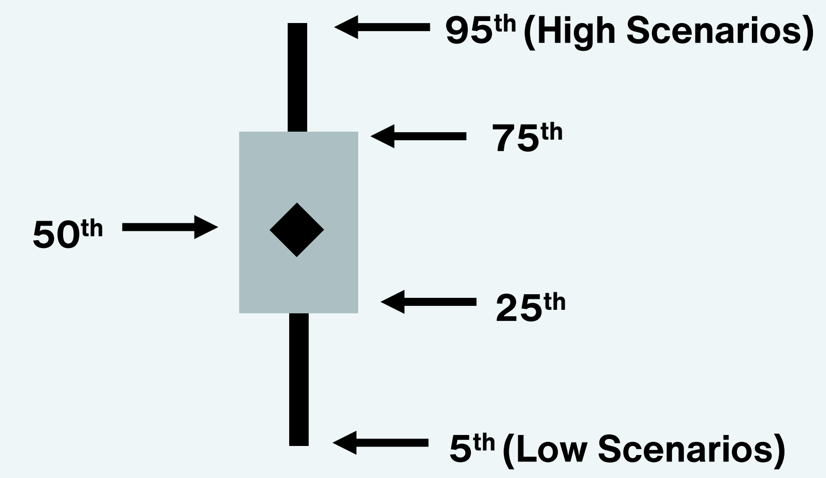


Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**
5th Percentile	$543	$419	$481	$543	$419	$481	$543	$419	$481	$543	$419	$481	$543	$419	$484
25th Percentile	$543	$458	$565	$543	$458	$563	$543	$458	$565	$543	$458	$566	$543	$459	$570
50th Percentile	$543	$517	$680	$543	$515	$676	$543	$515	$678	$543	$516	$679	$543	$519	$688
75th Percentile	$543	$714	$1,007	$543	$711	$994	$543	$705	$984	$543	$700	$977	$543	$690	$967
95th Percentile	$543	$1,044	$1,624	$543	$1,036	$1,611	$543	$1,002	$1,562	$543	$972	$1,530	$543	$917	$1,462

Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented. Present value calculated at 7.00%.

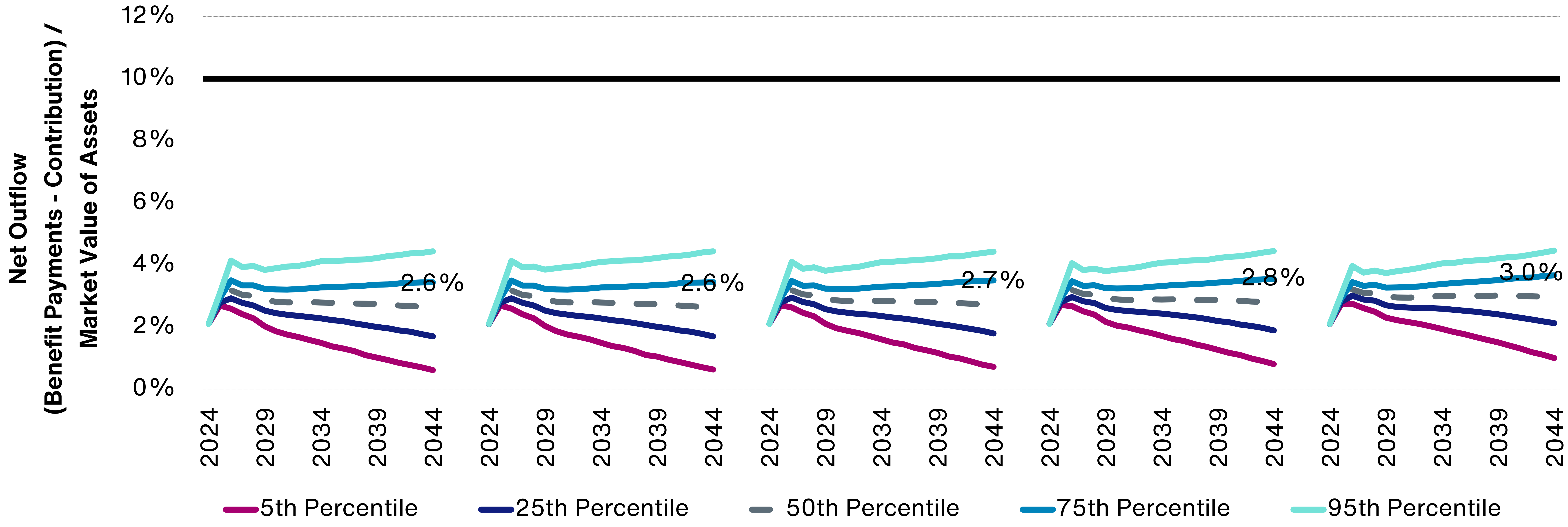
Key Observations

- Plan contributions are based on percentages of payroll and expected to increase with payroll growth
- Contributions have similar expectations across all investment strategies due to the statutory minimums



Asset-Liability Projection Analysis – Net Outflow

Net outflow grows initially due to legislative changes and then flatlines over the projection period



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**
5th Percentile	2.1%	1.5%	0.6%	2.1%	1.5%	0.6%	2.1%	1.6%	0.7%	2.1%	1.7%	0.8%	2.1%	1.9%	1.0%
25th Percentile	2.1%	2.3%	1.7%	2.1%	2.3%	1.7%	2.1%	2.4%	1.8%	2.1%	2.4%	1.9%	2.1%	2.6%	2.1%
50th Percentile	2.1%	2.8%	2.6%	2.1%	2.8%	2.6%	2.1%	2.8%	2.7%	2.1%	2.9%	2.8%	2.1%	3.0%	3.0%
75th Percentile	2.1%	3.3%	3.4%	2.1%	3.3%	3.4%	2.1%	3.3%	3.5%	2.1%	3.3%	3.6%	2.1%	3.4%	3.7%
95th Percentile	2.1%	4.1%	4.4%	2.1%	4.1%	4.4%	2.1%	4.1%	4.4%	2.1%	4.1%	4.4%	2.1%	4.0%	4.5%
Probability > 10%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%

Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

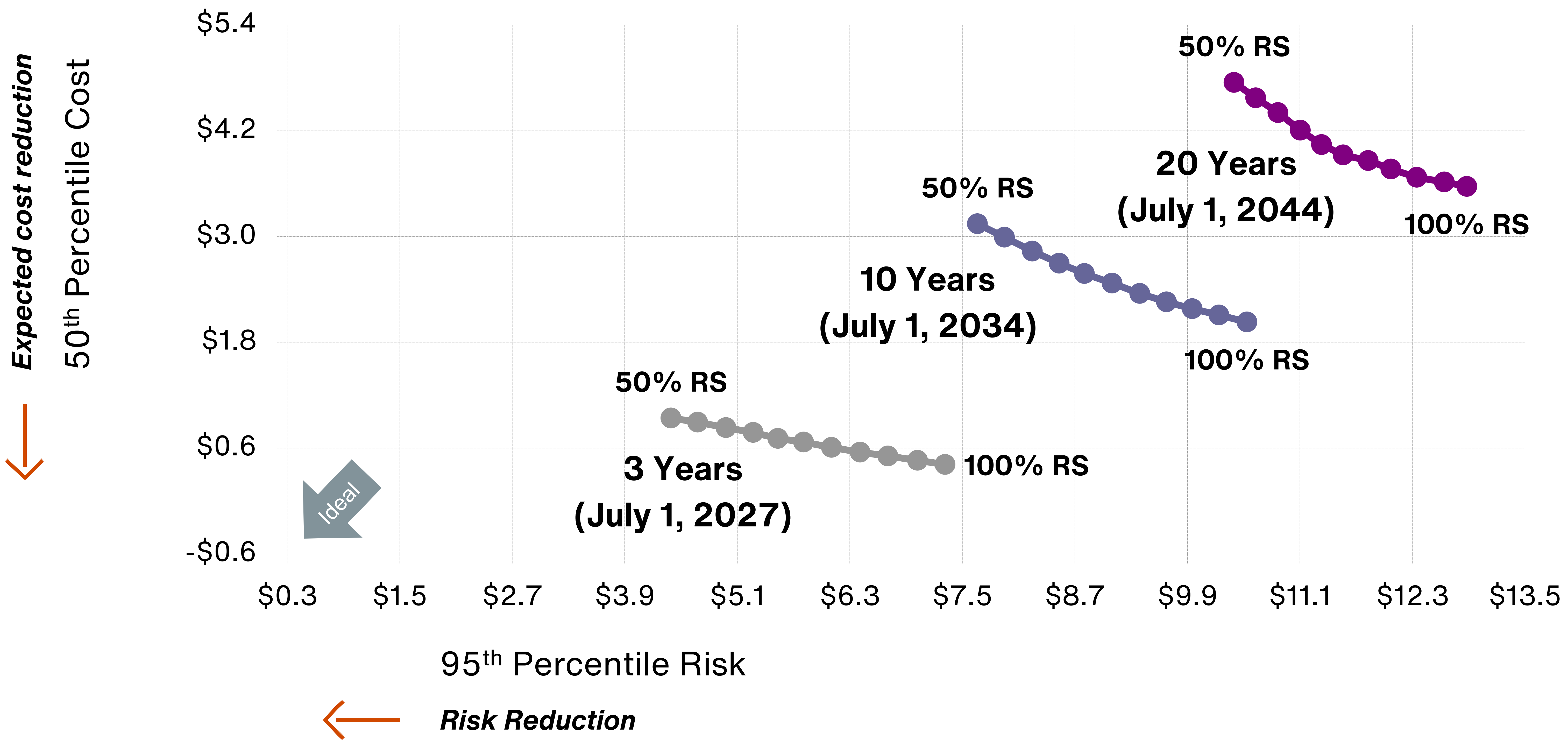
- Net outflow is consistent across the policies modeled with central expectations (50th percentile outcome) in the 2-3% range
- Net outflows of 10%+ can put stress on fund liquidity over time; however, it is not likely over the projection period

Economic Cost and Risk

Longer time horizons incentivize risk taking

Economic Cost

Present Value of Contributions plus Asset-Liability Funding Shortfall/(Surplus)* at 7.00%, $Billions



Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.
Note: Excludes 50% of surplus in excess of 120% of Actuarial liability, and includes twice the shortfall below 30% of Actuarial liability, on a market value basis.

Key Observations

- Horizontal economic cost curves imply that added risk does not result in a significant expected reward/economic cost reduction
- Vertical economic cost curves imply that added risk does result in a significant expected reward/economic cost reduction
- The economic curves over the projection periods shown are increasingly more vertical over longer time periods indicating that additional risk in the portfolio is more beneficial to economic cost reduction over time

Asset-Liability Projection Analysis
Summary of Results

Portfolios	Portfolio Metrics (30-year CMAs)				Financial Results (20-Year Figures)						
	Exp. Nominal Return[1]	Exp. Nominal Volatility	Sharpe Ratio	Prob. of achieving 6.95%	Exp. Year of Full Funding	Ending Funded Ratio (MVA / AL)		Present Value of Contributions (in $ millions)		Economic Cost (in $ millions)	
						Expected[2]	Downside[3]	Expected[2]	Downside[4]	Expected[2]	Downside[4]
Current Policy (80% R-S)	**7.05%**	**11.93%**	**0.28**	**52%**	**Achieved**	**127%**	**51%**	**$5,691**	**$8,955**	**$3,928**	**$11,893**
Alternative Portfolios											
80% Return-Seeking	7.11%	11.88%	0.29	53%	Achieved	128%	52%	$5,675	$8,892	$3,862	$11,829
75% Return-Seeking	7.02%	11.12%	0.30	51%	Achieved	126%	54%	$5,670	$8,702	$3,925	$11,562
70% Return-Seeking	6.93%	10.44%	0.31	50%	Achieved	123%	55%	$5,670	$8,557	$4,041	$11,332
65% Return-Seeking	6.83%	9.74%	0.32	47%	Achieved	120%	57%	$5,669	$8,387	$4,206	$11,106
60% Return-Seeking	6.72%	9.05%	0.33	45%	Achieved	117%	58%	$5,675	$8,210	$4,405	$10,867
55% Return-Seeking	6.61%	8.39%	0.35	41%	Achieved	114%	60%	$5,682	$8,022	$4,572	$10,629
50% Return-Seeking	6.50%	7.76%	0.36	37%	Achieved	111%	61%	$5,698	$7,855	$4,748	$10,398

[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions (CMAs) as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns may differ from model returns presented based on your plan's individual fees/expenses. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.
[2] Expected = 50th percentile outcome or central expectation across all 5,000 simulations
[3] Downside = 5th percentile outcome across all 5,000 simulations
[4] Downside = 95th percentile outcome across all 5,000 simulations

NPERS – State Patrol Retirement System

Section 2: Asset-Liability Projection Analysis

State Patrol Retirement System – Current State Overview

Estimated as of March 31, 2025

83.6%

Funded ratio as of March 31, 2025

- Based on market value of assets using a blend of the July 1, 2024 actuarial discount rate (7.00%) and July 1, 2025 (6.95%)

7.05%

30-year expected return[1]

- Aon's assumption for the current target asset allocation as of March 31, 2025
- Expected return exceeds both the July 1, 2024 and July 1, 2025 actuarial assumed rates of return (7.00% and 6.95%, respectively)

10.35%

Asset Hurdle Rate

- Liabilities projected to grow each year primarily due to interest cost and normal cost
- Asset growth rate of 10.35% needed to keep pace with liability growth rate
  - Higher growth will improve the funded ratio
- Assets will grow via a combination of investment performance and contributions/funding

80%

Current target level of return-seeking assets

- Overall asset allocation strategy is generally considered the single most impactful investment decision

[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

Detailed Current State Asset-Liability Profile (as of March 31, 2025)

The State Patrol Retirement System projects to have a hurdle rate surplus, increasing near-term funded status

Asset-Liability Snapshot				
	As of 7/1/2024		Est. 3/31/2025	
Metric ($, Millions)	**Value**	**Fund %**	**Value**	**Fund %**
Market Value of Assets	$588.3	83.5%	$605.7	83.6%
Actuarial Value of Assets	$568.8	80.7%		
Liability Metrics				
Actuarial Liability (AL) – Funding[1]	$704.6		$724.3	

Asset-Liability Growth Metrics as of 3/31/2025			
Metric ($, Millions)	**Value**	**% Liability**	**% Assets**
AL Discount Cost	$50.3	6.95%	8.31%
AL Normal Cost	$12.3	1.69%	2.02%
Plan Expenses	$0.1	0.02%	0.02%
Total Liability Hurdle Rate	**$62.7**	**8.66%**	**10.35%**
Expected Return on Assets[2]	$42.7	5.90%	7.05%
Total Contributions	$23.8	3.29%	3.93%
Total Exp. Asset Growth	**$66.5**	**9.19%**	**10.98%**
Hurdle Rate Surplus/(Shortfall)	**$3.8**	**0.53%**	**0.63%**
Est. Benefit Payments	$35.7	4.93%	5.90%

Key Takeaways:

- Pension plan is estimated to be **83.6%** funded on a market value of assets basis as of March 31, 2025
- Asset hurdle rate of **10.35%**, via cash funding and investment returns, needed to maintain or improve funded status
- The total expected asset growth rate (EROA plus contributions) exceeds the asset hurdle rate by **63 bps**

Target Asset Allocation as of 3/31/2025		
Metric ($, Millions)	**Value**	**Alloc %**
Return-Seeking		
- Public Equity	$348.3	57.5%
- Private Equity	$30.3	5.0%
- Liquid Return-Seeking Fixed Income	$60.6	10.0%
- Open-End Real Assets	$34.1	5.6%
- Closed-End Real Assets	$11.4	1.9%
- Total	$484.6	80.0%
Risk-Reducing		
- Core Bonds	$121.1	20.0%
- Total	$121.1	20.0%
Total	$605.7	100.0%

[1] Based on a 7.00% discount rate consistent with the July 1, 2024 actuarial valuation results – after inclusive of Legislative Bill 645 – and a rate of 6.95% for July 1, 2025.

[2] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Analysis includes $0.1MM in expenses, assumed to be inclusive of investment consulting fees, paid from trust assets. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

Percentages may not sum to 100% due to rounding.

Asset Hurdle Rates

Growth needs of the plan adjust with funded status changes

What is the Asset Hurdle Rate?

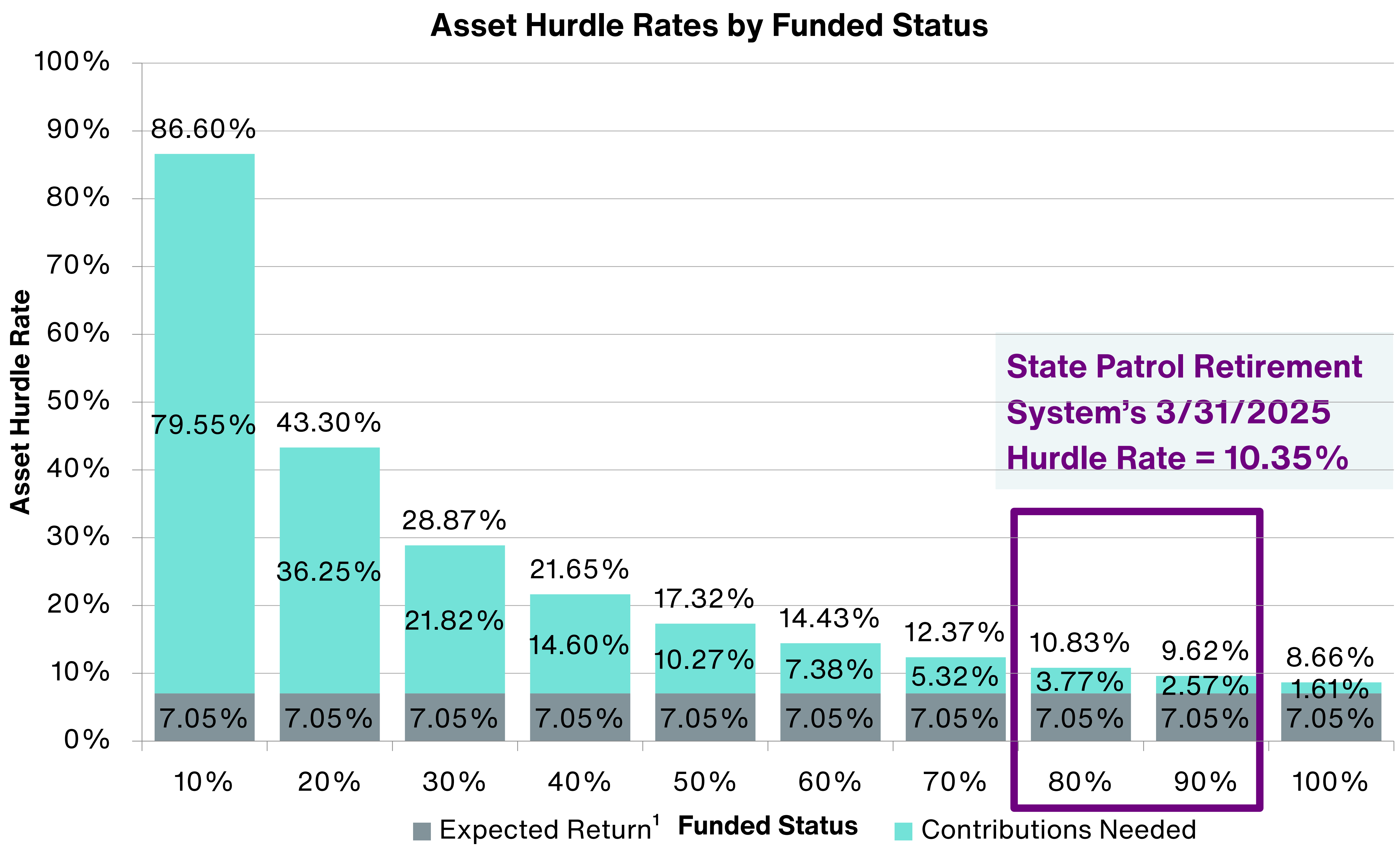
Asset Hurdle Rate is the required rate of asset growth needed to keep pace with the growth of the Plan liabilities

- Assets must grow at this rate or more in order to maintain or reduce a potential funding shortfall
- **Formula = (Normal Cost + Discount Cost + Expenses) / Funded Ratio**

Assets can grow in two ways:

- Investment returns
- Funding contributions

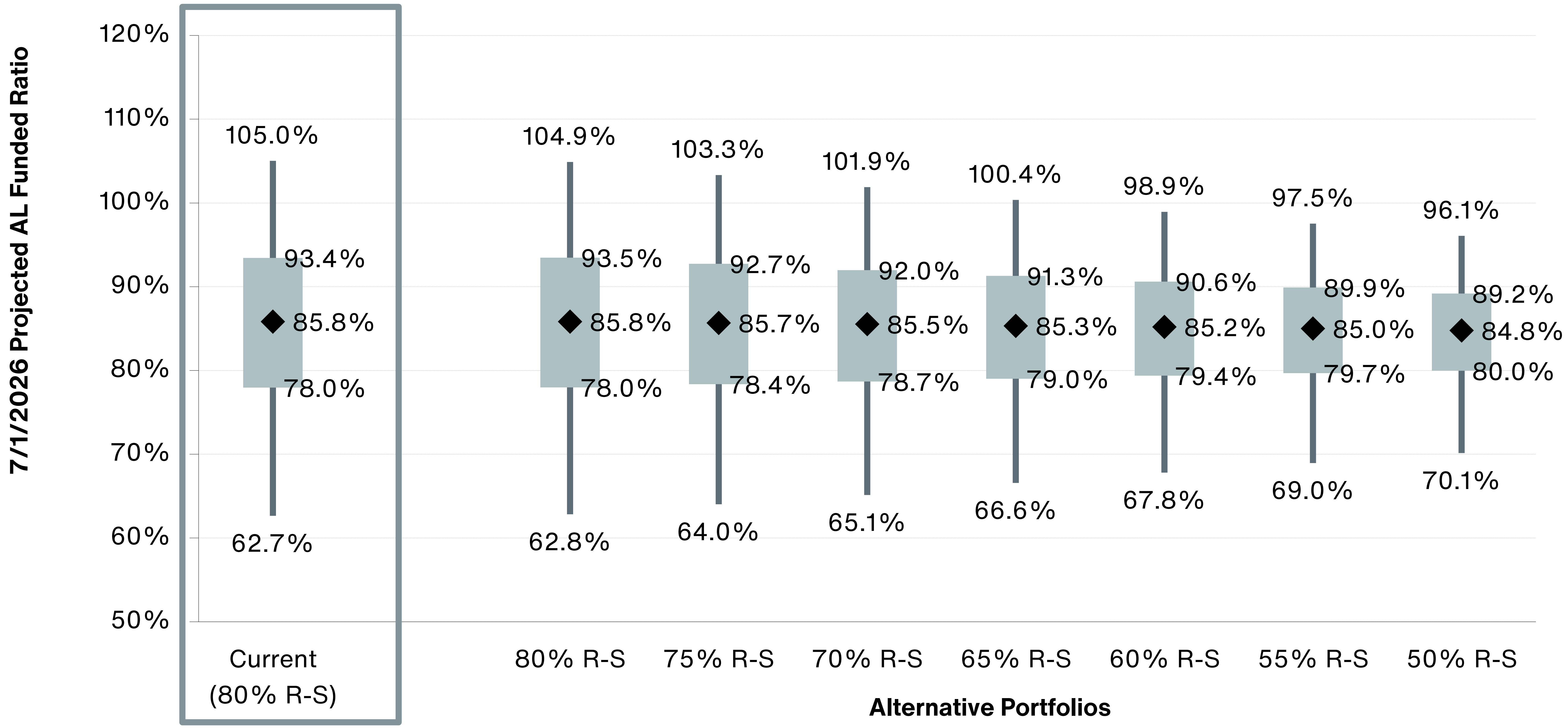
Asset hurdle rates are expected to decline as the funded status increases



[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Analysis includes $4.1MM in expenses, assumed to be inclusive of investment consulting fees, paid from trust assets. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.
Percentages may not sum to total due to rounding.

Asset-Liability Projection Analysis – Funded Ratio (MVA)

Short-term funded ratio sensitivity driven by investment risk



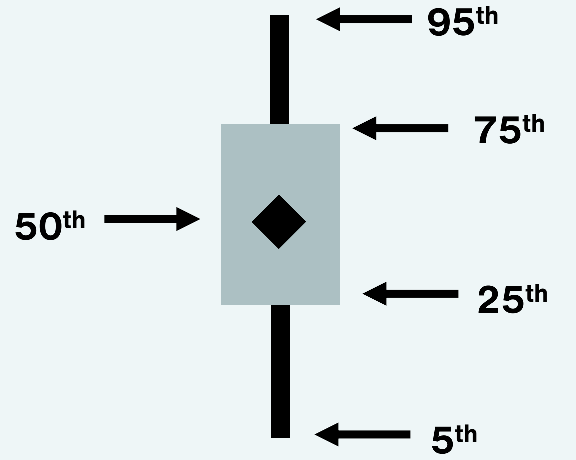
Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

- Higher risk portfolios are projected to have both more upside and downside potential over a short time horizon

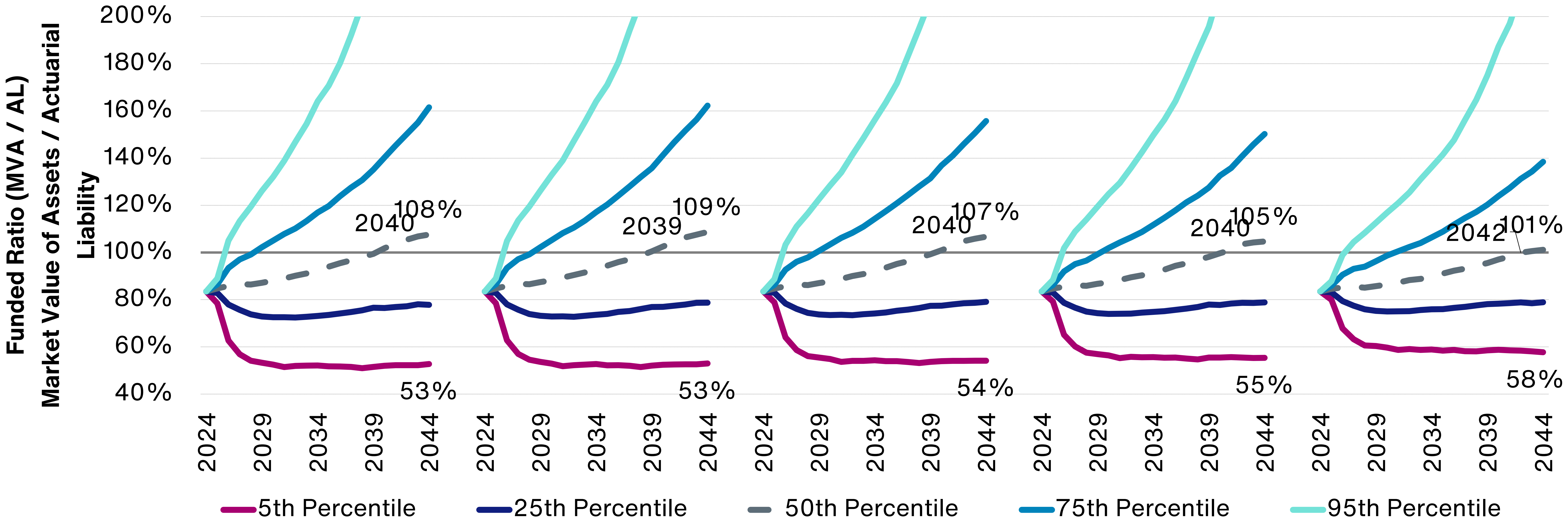
- Similarly, lower risk portfolios will have a narrower range of potential outcomes

Legend: Distribution of Outcomes



Asset-Liability Projection Analysis – Funded Ratio (MVA)

Plan is expected to reach full funding by 2040; alternative portfolios can adjust time to full funding and volatility of outcomes



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**
5th Percentile	83%	52%	53%	83%	53%	53%	83%	54%	54%	83%	56%	55%	83%	59%	58%
25th Percentile	83%	73%	78%	83%	74%	79%	83%	74%	79%	83%	75%	79%	83%	76%	79%
50th Percentile	83%	92%	108%	83%	93%	109%	83%	92%	107%	83%	91%	105%	83%	90%	101%
75th Percentile	83%	117%	162%	83%	117%	162%	83%	114%	156%	83%	112%	150%	83%	106%	138%
95th Percentile	83%	164%	>200%	83%	164%	>200%	83%	156%	>200%	83%	150%	>200%	83%	136%	>200%
Probability > 100%	<1%	42%	56%	<1%	43%	57%	<1%	41%	56%	<1%	39%	55%	<1%	35%	51%

Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

- The Current Policy is expected to reach full funding by 2040
- Increased diversification is expected to gradually improve both the expected funded ratio and time to full funding
- Lower return-seeking allocations are expected to have
  - Lower central expectations
  - Longer times to expected full funding
  - Narrower ranges of potential outcomes

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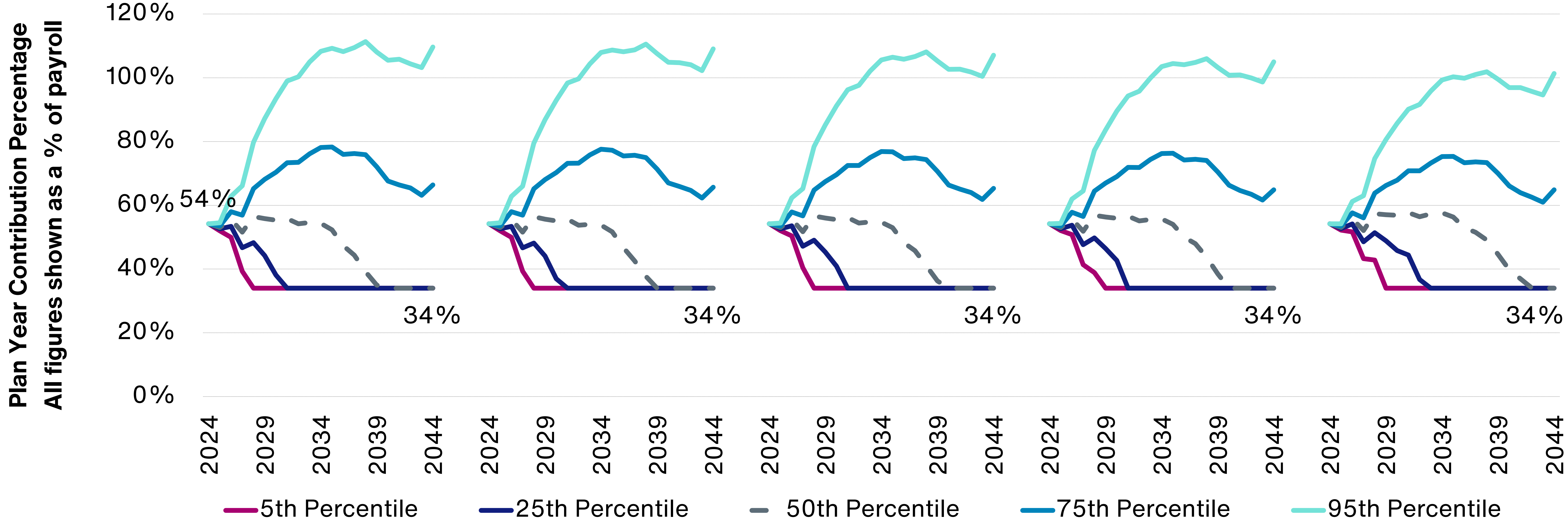
Asset-Liability Projection Analysis – Total Contributions

Contributions are actuarially-based with a statutory floor; lower risk portfolios take slightly longer to converge to the floor



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**
5th Percentile	54%	34%	34%	54%	34%	34%	54%	34%	34%	54%	34%	34%	54%	34%	34%
25th Percentile	54%	34%	34%	54%	34%	34%	54%	34%	34%	54%	34%	34%	54%	34%	34%
50th Percentile	54%	54%	34%	54%	54%	34%	54%	55%	34%	54%	56%	34%	54%	58%	34%
75th Percentile	54%	78%	66%	54%	78%	66%	54%	77%	65%	54%	76%	65%	54%	75%	65%
95th Percentile	54%	108%	110%	54%	108%	109%	54%	106%	107%	54%	103%	105%	54%	99%	101%

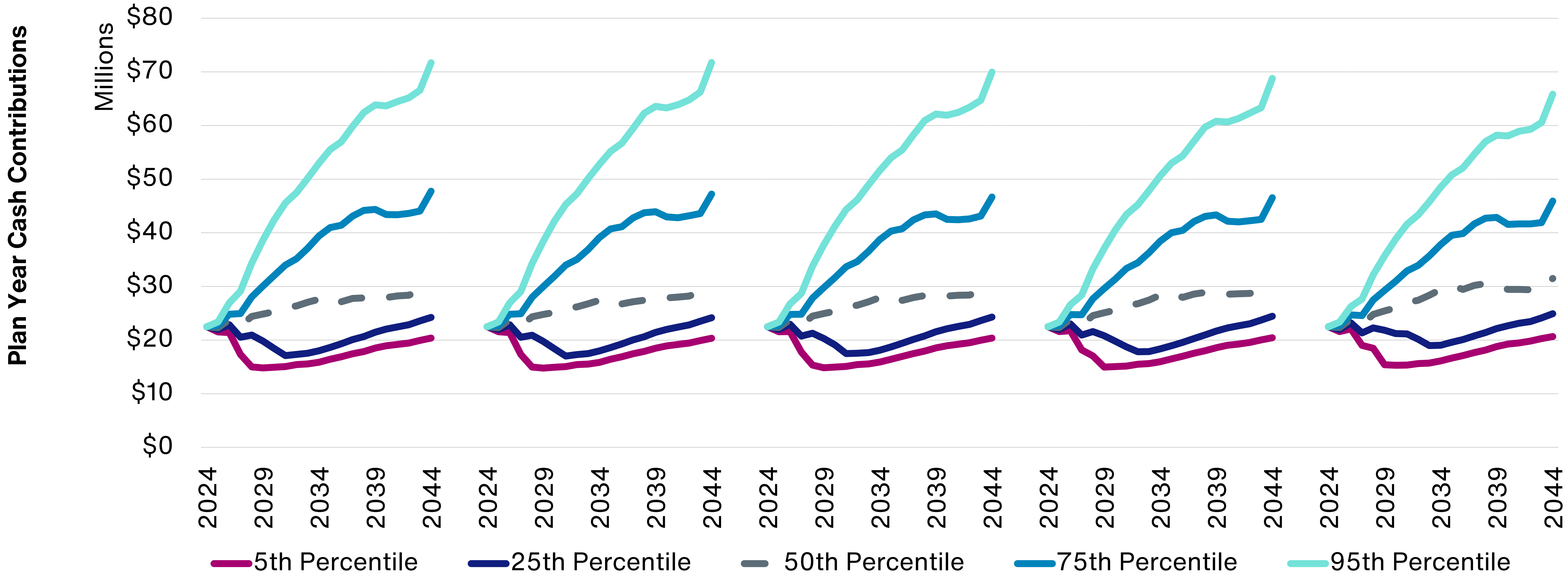
Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

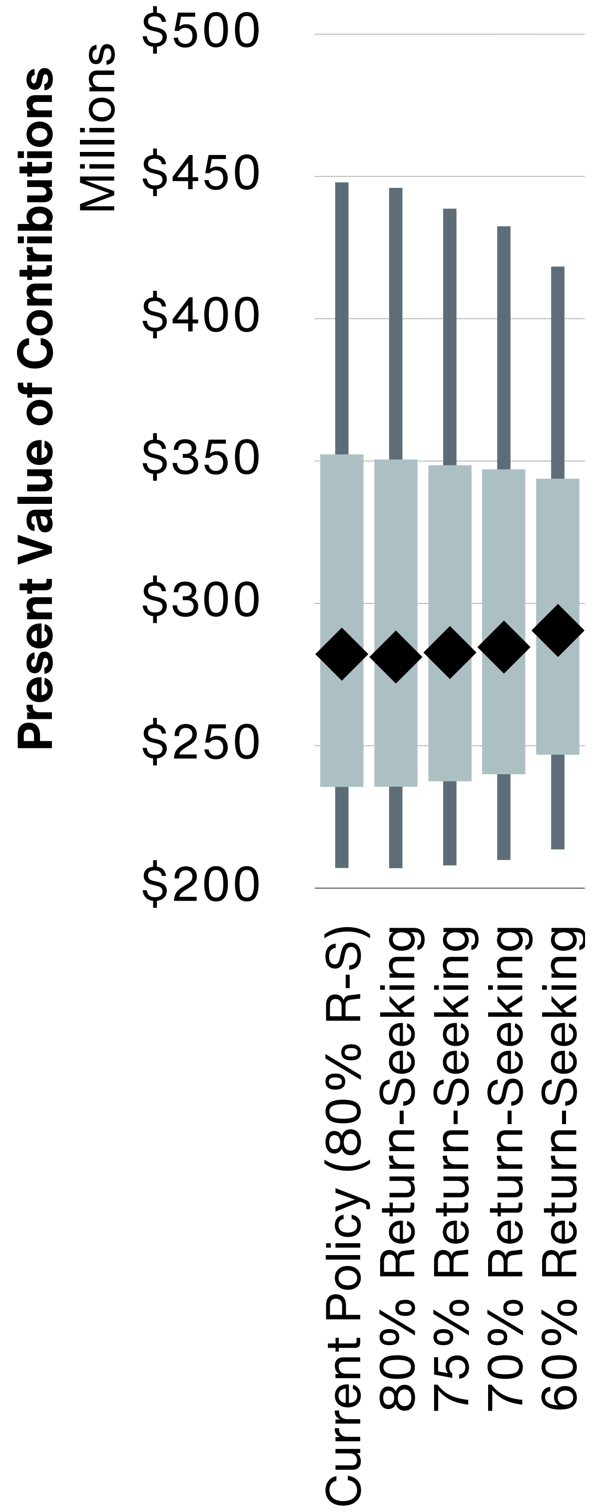
Key Observations

- Contribution amounts in the central expectations (50th percentile outcome) are largely consistent across investment strategies, higher than the statutory minimums
- Lower return-seeking strategies are projected to have slightly higher contributions for longer

Asset-Liability Projection Analysis – Total Contributions

Contributions are largely similar across investment strategies; lower risk has slightly higher expected costs with a narrower range of outcomes





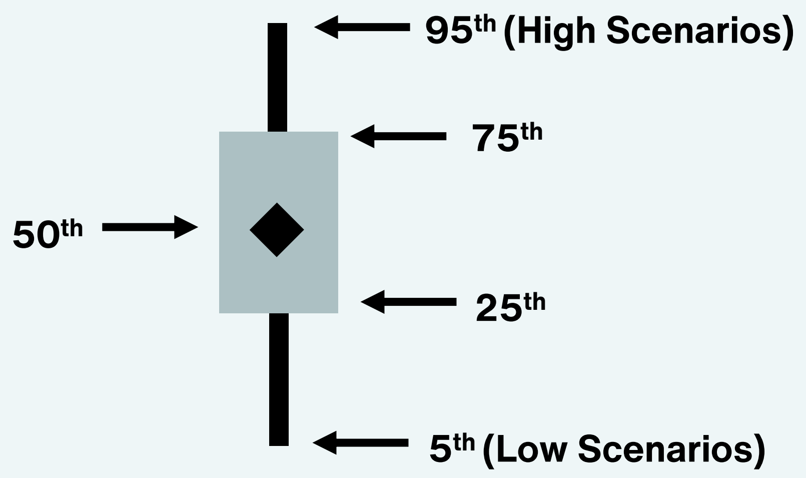
Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	2024	2034	2044	2024	2034	2044	2024	2034	2044	2024	2034	2044	2024	2034	2044
5th Percentile	$22	$16	$20	$22	$16	$20	$22	$16	$20	$22	$16	$20	$22	$16	$21
25th Percentile	$22	$18	$24	$22	$18	$24	$22	$18	$24	$22	$18	$24	$22	$19	$25
50th Percentile	$22	$28	$30	$22	$27	$30	$22	$28	$30	$22	$28	$31	$22	$29	$31
75th Percentile	$22	$39	$48	$22	$39	$47	$22	$39	$47	$22	$38	$47	$22	$38	$46
95th Percentile	$22	$53	$72	$22	$53	$72	$22	$52	$70	$22	$51	$69	$22	$48	$66

Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented. Present value calculated at 7.00%.

Key Observations

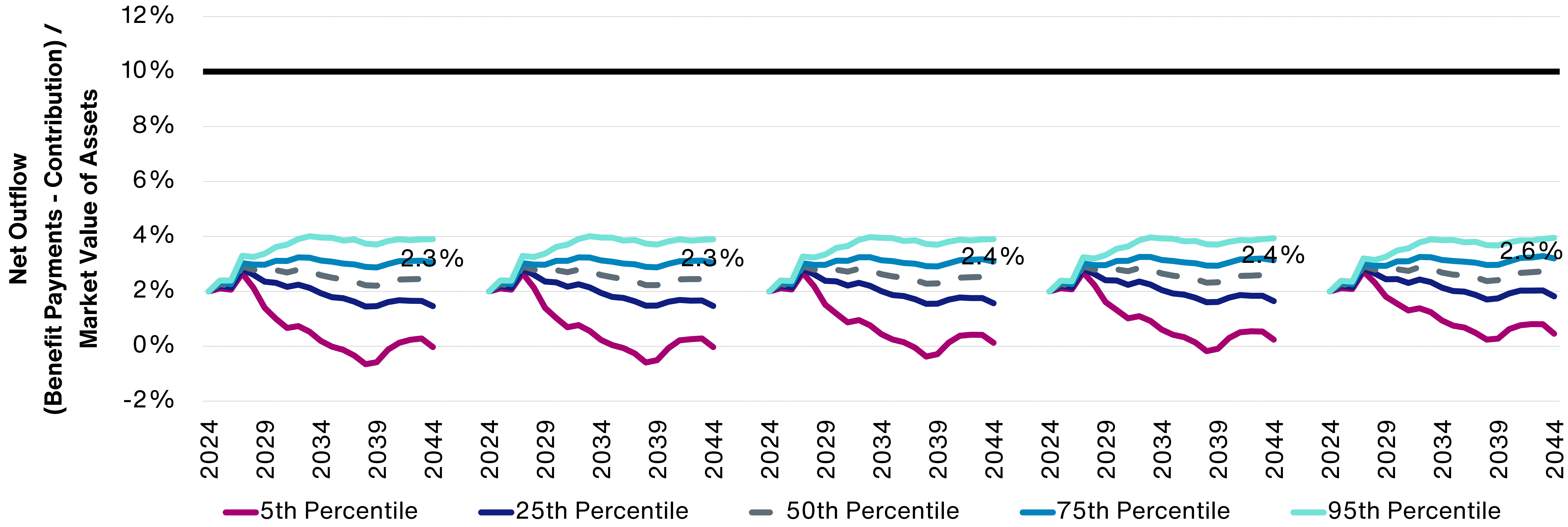
- Plan contributions are based on percentages of payroll and expected to increase with payroll growth
- Lower return-seeking allocations are expected to have
  - Higher central expectations
  - Narrower ranges of potential outcomes

Legend: Distribution of Outcomes



Asset-Liability Projection Analysis – Net Outflow

Net outflow is consistent across all investment strategies



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**
5th Percentile	2.0%	0.2%	0.0%	2.0%	0.2%	0.0%	2.0%	0.4%	0.1%	2.0%	0.6%	0.2%	2.0%	0.9%	0.5%
25th Percentile	2.0%	1.9%	1.5%	2.0%	1.9%	1.5%	2.0%	2.0%	1.6%	2.0%	2.0%	1.6%	2.0%	2.1%	1.8%
50th Percentile	2.0%	2.6%	2.3%	2.0%	2.6%	2.3%	2.0%	2.6%	2.4%	2.0%	2.7%	2.4%	2.0%	2.7%	2.6%
75th Percentile	2.0%	3.1%	3.0%	2.0%	3.1%	3.0%	2.0%	3.1%	3.1%	2.0%	3.1%	3.1%	2.0%	3.1%	3.2%
95th Percentile	2.0%	4.0%	3.9%	2.0%	4.0%	3.9%	2.0%	3.9%	3.9%	2.0%	3.9%	3.9%	2.0%	3.9%	3.9%
Probability > 10%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%

Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

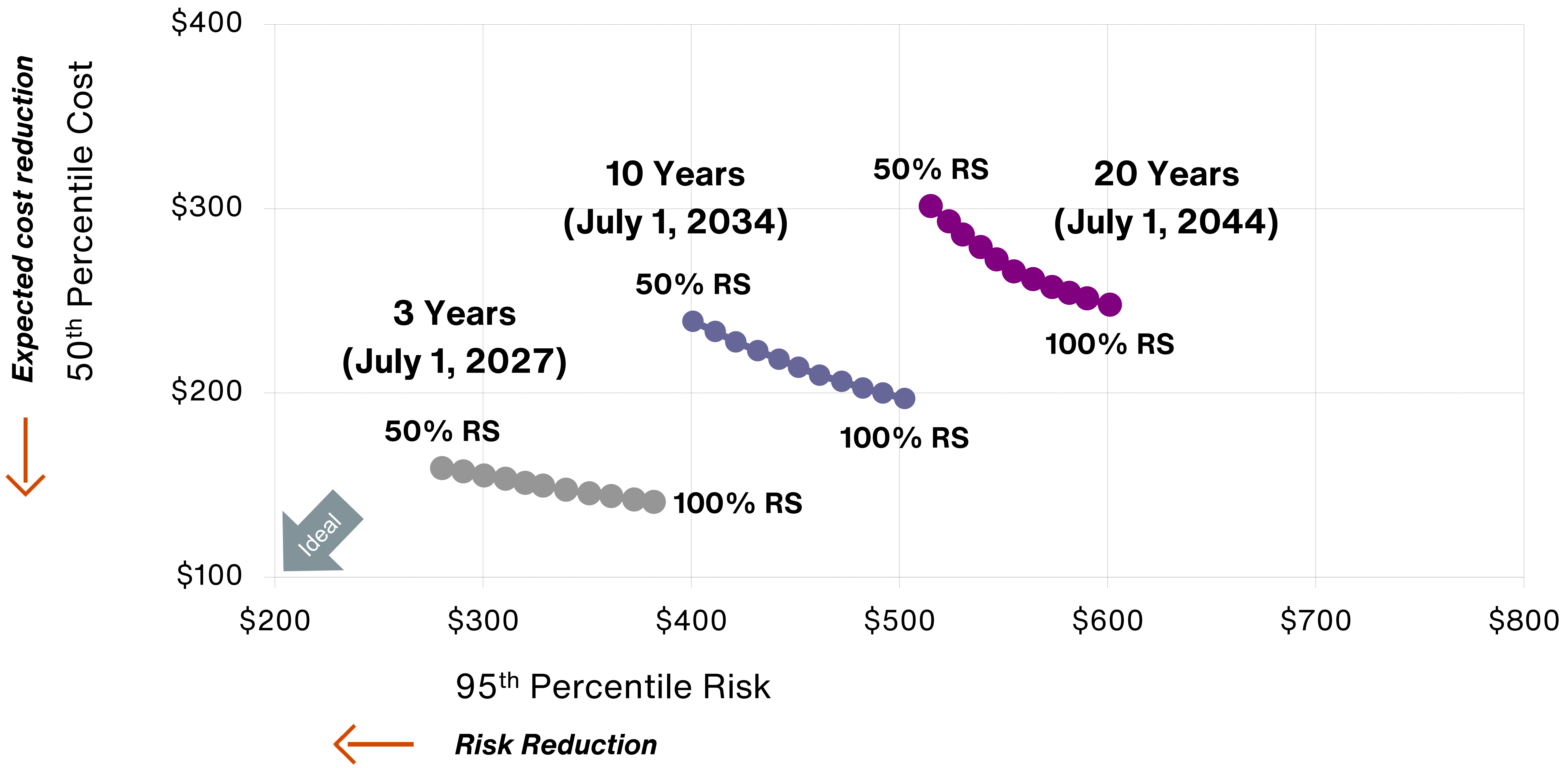
- Net outflow is consistent across the policies modeled with central expectations (50th percentile outcome) in the 2-3% range
- Net outflows of 10%+ can put stress on fund liquidity over time; however, it is not likely over the projection period

Economic Cost and Risk

Longer time horizons incentivize risk taking

Economic Cost

Present Value of Contributions plus Asset-Liability Funding Shortfall/(Surplus)* at 7.00%, $Millions



Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.
Note: Excludes 50% of surplus in excess of 110% of Actuarial liability, and includes twice the shortfall below 30% of Actuarial liability, on a market value basis.

Key Observations

- Horizontal economic cost curves imply that added risk does not result in a significant expected reward/economic cost reduction
- Vertical economic cost curves imply that added risk does result in a significant expected reward/economic cost reduction
- The economic curves over the projection periods shown are increasingly more vertical over longer time periods indicating that additional risk in the portfolio is more beneficial to economic cost reduction over time

Asset-Liability Projection Analysis

Summary of Results

Portfolios	Portfolio Metrics (30-year CMAs)				Financial Results (20-Year Figures)						
	Exp. Nominal Return[1]	Exp. Nominal Volatility	Sharpe Ratio	Prob. of achieving 6.95%	Exp. Year of Full Funding	Ending Funded Ratio (MVA / AL)		Present Value of Contributions (in $ millions)		Economic Cost (in $ millions)	
						Expected[2]	Downside[3]	Expected[2]	Downside[4]	Expected[2]	Downside[4]
Current Policy (80% R-S)	**7.05%**	**11.93%**	**0.28**	**52%**	**2040**	**108%**	**53%**	**$282**	**$448**	**$266**	**$566**
Alternative Portfolios											
80% Return-Seeking	7.11%	11.88%	0.29	53%	2039	109%	53%	$281	$446	$262	$564
75% Return-Seeking	7.02%	11.12%	0.30	51%	2040	107%	54%	$283	$439	$266	$555
70% Return-Seeking	6.93%	10.44%	0.31	50%	2040	105%	55%	$285	$432	$272	$547
65% Return-Seeking	6.83%	9.74%	0.32	47%	2041	103%	57%	$287	$425	$279	$539
60% Return-Seeking	6.72%	9.05%	0.33	45%	2042	101%	58%	$290	$418	$286	$531
55% Return-Seeking	6.61%	8.39%	0.35	41%	2046	99%	59%	$294	$412	$293	$524
50% Return-Seeking	6.50%	7.76%	0.36	37%	2051	97%	60%	$296	$405	$301	$515

[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions (CMAs) as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns may differ from model returns presented based on your plan's individual fees/expenses. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.
[2] Expected = 50th percentile outcome or central expectation across all 5,000 simulations
[3] Downside = 5th percentile outcome across all 5,000 simulations
[4] Downside = 95th percentile outcome across all 5,000 simulations

NPERS – Judges Retirement System

Section 2: Asset-Liability Projection Analysis

Judges Retirement System – Current State Overview

Estimated as of March 31, 2025

105.8%

Funded ratio as of March 31, 2025

- Based on market value of assets using a blend of the July 1, 2024 actuarial discount rate (7.00%) and July 1, 2025 (6.95%)

7.05%

30-year expected return[1]

- Aon's assumption for the current target asset allocation as of March 31, 2025
- Expected return exceeds both the July 1, 2024 and July 1, 2025 actuarial assumed rates of return (7.00% and 6.95%, respectively)

9.08%

Asset Hurdle Rate

- Liabilities projected to grow each year primarily due to interest cost and normal cost
- Asset growth rate of 9.08% needed to keep pace with liability growth rate
  - Higher growth will improve the funded ratio
- Assets will grow via a combination of investment performance and contributions/funding

80%

Current target level of return-seeking assets

- Overall asset allocation strategy is generally considered the single most impactful investment decision

[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

Detailed Current State Asset-Liability Profile (as of March 31, 2025)

The Judges Retirement System projects to have a hurdle rate surplus, increasing near-term funded status

Asset-Liability Snapshot				
	As of 7/1/2024		Est. 3/31/2025	
Metric ($, Millions)	**Value**	**Fund %**	**Value**	**Fund %**
Market Value of Assets	$260.5	105.6%	$267.3	105.8%
Actuarial Value of Assets	$251.9	102.1%		
Liability Metrics				
Actuarial Liability (AL) – Funding[1]	$246.7		$252.7	

Asset-Liability Growth Metrics as of 3/31/2025			
Metric ($, Millions)	**Value**	**% Liability**	**% Assets**
AL Discount Cost	$17.6	6.95%	6.57%
AL Normal Cost	$6.6	2.62%	2.47%
Plan Expenses	$0.1	0.04%	0.04%
Total Liability Hurdle Rate	**$24.3**	**9.61%**	**9.08%**
Expected Return on Assets[2]	$18.8	7.46%	7.05%
Total Contributions	$9.4	3.73%	3.53%
Total Exp. Asset Growth	**$28.3**	**11.19%**	**10.58%**
Hurdle Rate Surplus/(Shortfall)	**$4.0**	**1.58%**	**1.50%**
Est. Benefit Payments	$16.2	6.41%	6.06%

Key Takeaways:

- Pension plan is estimated to be **105.8%** funded on a market value of assets basis as of March 31, 2025
- Asset hurdle rate of **9.08%**, via cash funding and investment returns, needed to maintain or improve funded status
- The total expected asset growth rate (EROA plus contributions) exceeds the asset hurdle rate by **150 bps**

Target Asset Allocation as of 3/31/2025		
Metric ($, Millions)	**Value**	**Alloc %**
Return-Seeking		
- Public Equity	$153.7	57.5%
- Private Equity	$13.4	5.0%
- Liquid Return-Seeking Fixed Income	$26.7	10.0%
- Open-End Real Assets	$15.0	5.6%
- Closed-End Real Assets	$5.0	1.9%
- Total	$213.8	80.0%
Risk-Reducing		
- Core Bonds	$53.5	20.0%
- Total	$53.5	20.0%
Total	$267.3	100.0%

[1] Based on a 7.00% discount rate consistent with the July 1, 2024 actuarial valuation results and a rate of 6.95% for July 1, 2025.

[2] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Analysis includes $0.1MM in expenses, assumed to be inclusive of investment consulting fees, paid from trust assets. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

Percentages may not sum to 100% due to rounding.

Asset Hurdle Rates

Growth needs of the plan adjust with funded status changes

What is the Asset Hurdle Rate?

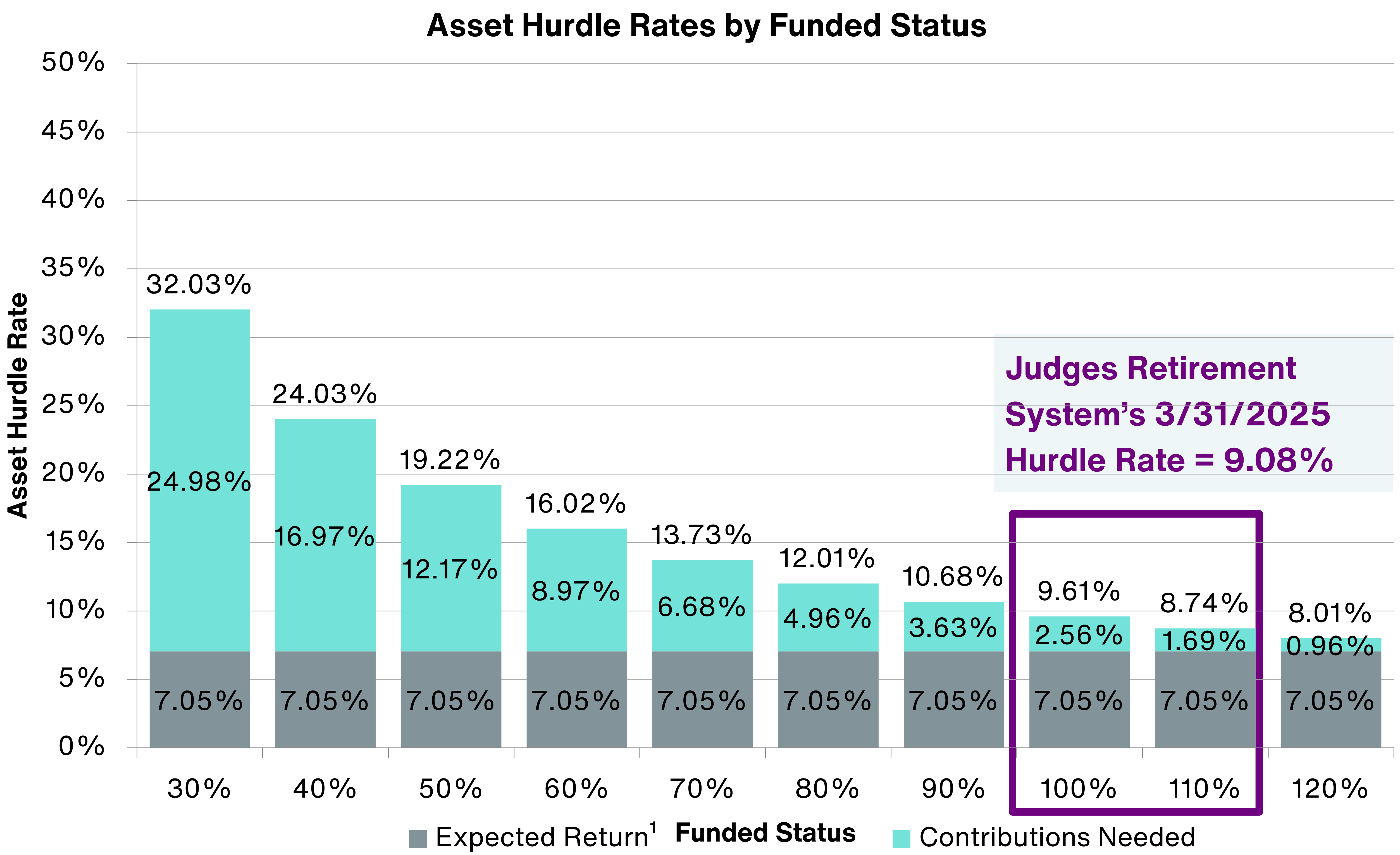
Asset Hurdle Rate is the required rate of asset growth needed to keep pace with the growth of the Plan liabilities

- Assets must grow at this rate or more in order to maintain or reduce a potential funding shortfall
- **Formula = (Normal Cost + Discount Cost + Expenses) / Funded Ratio**

Assets can grow in two ways:

- Investment returns
- Funding contributions

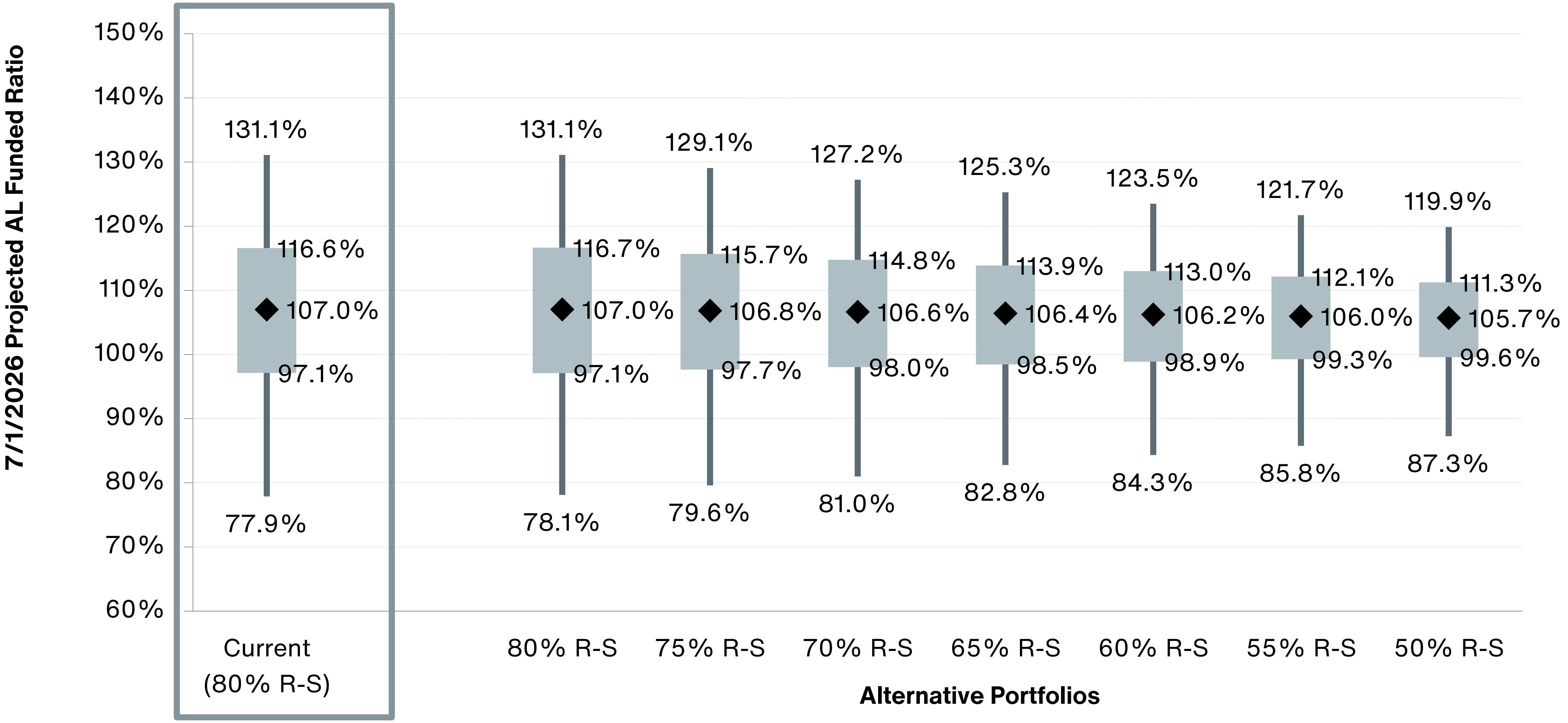
Asset hurdle rates are expected to decline as the funded status increases



[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Analysis includes $0.1MM in expenses, assumed to be inclusive of investment consulting fees, paid from trust assets. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.
Percentages may not sum to total due to rounding.

Asset-Liability Projection Analysis – Funded Ratio (MVA)

Short-term funded ratio sensitivity driven by investment risk

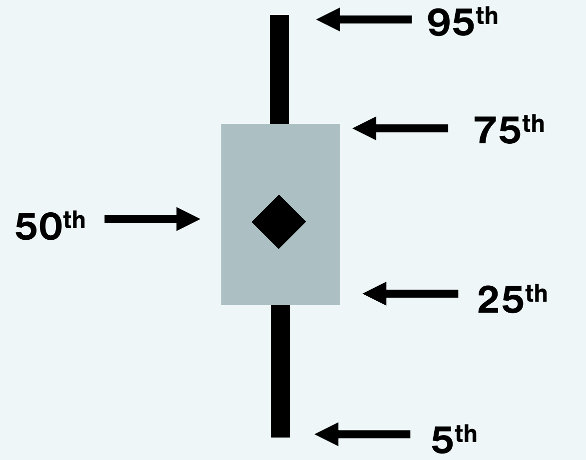


Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

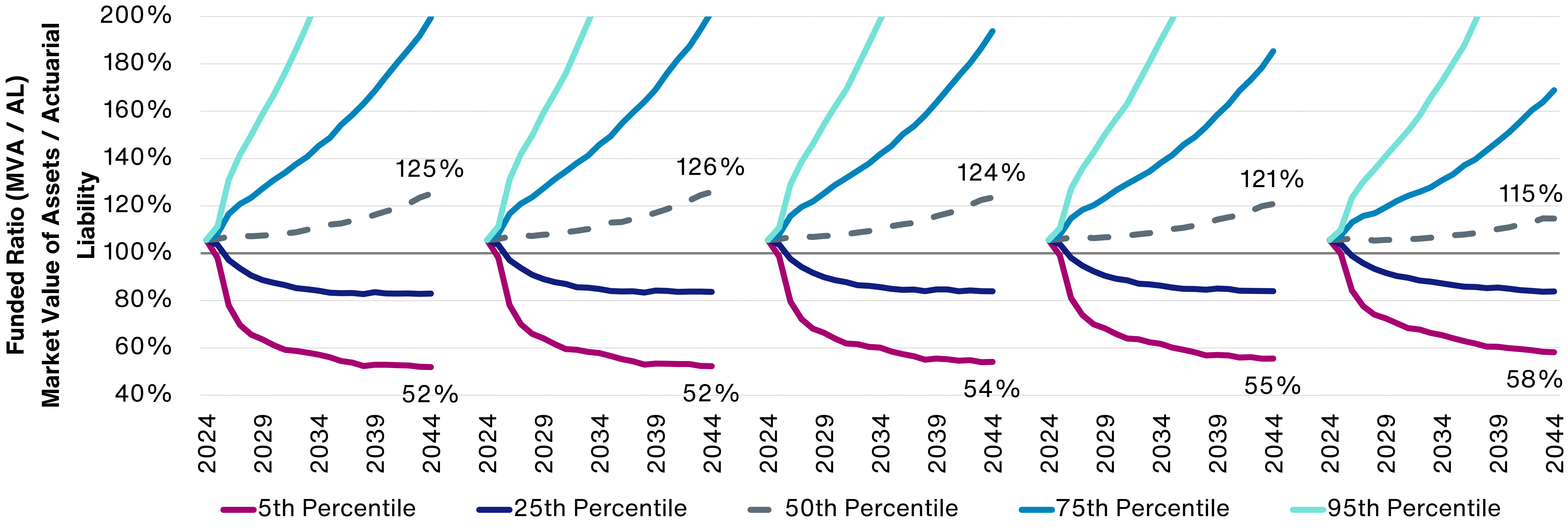
- Higher risk portfolios are projected to have both more upside and downside potential over a short time horizon
- Similarly, lower risk portfolios will have a narrower range of potential outcomes

Legend: Distribution of Outcomes



Asset-Liability Projection Analysis – Funded Ratio (MVA)

Plan is expected to remain fully funded over the projection period; lower risk portfolios maintain similar trend lines with reduced volatility



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**
5th Percentile	106%	57%	52%	106%	58%	52%	106%	60%	54%	106%	62%	55%	106%	65%	58%
25th Percentile	106%	84%	83%	106%	85%	84%	106%	86%	84%	106%	86%	84%	106%	87%	84%
50th Percentile	106%	111%	125%	106%	112%	126%	106%	110%	124%	106%	109%	121%	106%	107%	115%
75th Percentile	106%	145%	200%	106%	146%	>200%	106%	142%	194%	106%	138%	185%	106%	131%	169%
95th Percentile	106%	>200%	>200%	106%	>200%	>200%	106%	199%	>200%	106%	190%	>200%	106%	173%	>200%
Probability > 100%	>99%	60%	65%	>99%	61%	65%	>99%	61%	65%	>99%	60%	64%	>99%	59%	62%

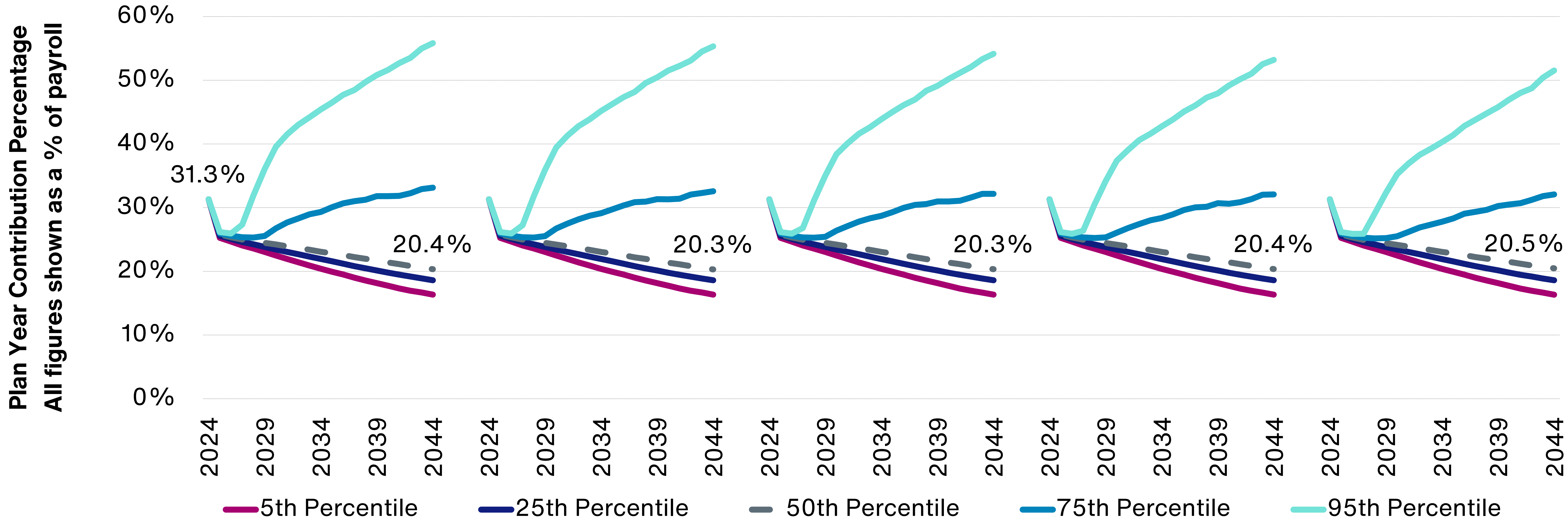
Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

- The Current Policy is expected to maintain a fully funded plan over the projection period
- Increased diversification is expected to gradually improve both the expected and downside funded ratios
- Lower return-seeking allocations are expected to have
  - Lower central expectations
  - Narrower ranges of potential outcomes

Asset-Liability Projection Analysis – Total Contributions

Contributions as a percent are expected to decline as court fees have been assumed to remain constant at 2024 levels



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**
5th Percentile	31.3%	20.4%	16.4%	31.3%	20.4%	16.4%	31.3%	20.4%	16.3%	31.3%	20.4%	16.3%	31.3%	20.4%	16.3%
25th Percentile	31.3%	21.9%	18.6%	31.3%	21.9%	18.6%	31.3%	21.9%	18.6%	31.3%	21.9%	18.6%	31.3%	21.9%	18.6%
50th Percentile	31.3%	23.1%	20.4%	31.3%	23.1%	20.3%	31.3%	23.1%	20.3%	31.3%	23.1%	20.4%	31.3%	23.1%	20.5%
75th Percentile	31.3%	29.3%	33.1%	31.3%	29.1%	32.6%	31.3%	28.7%	32.2%	31.3%	28.4%	32.1%	31.3%	27.8%	32.1%
95th Percentile	31.3%	45.4%	55.8%	31.3%	45.2%	55.3%	31.3%	43.9%	54.1%	31.3%	42.8%	53.2%	31.3%	40.3%	51.5%

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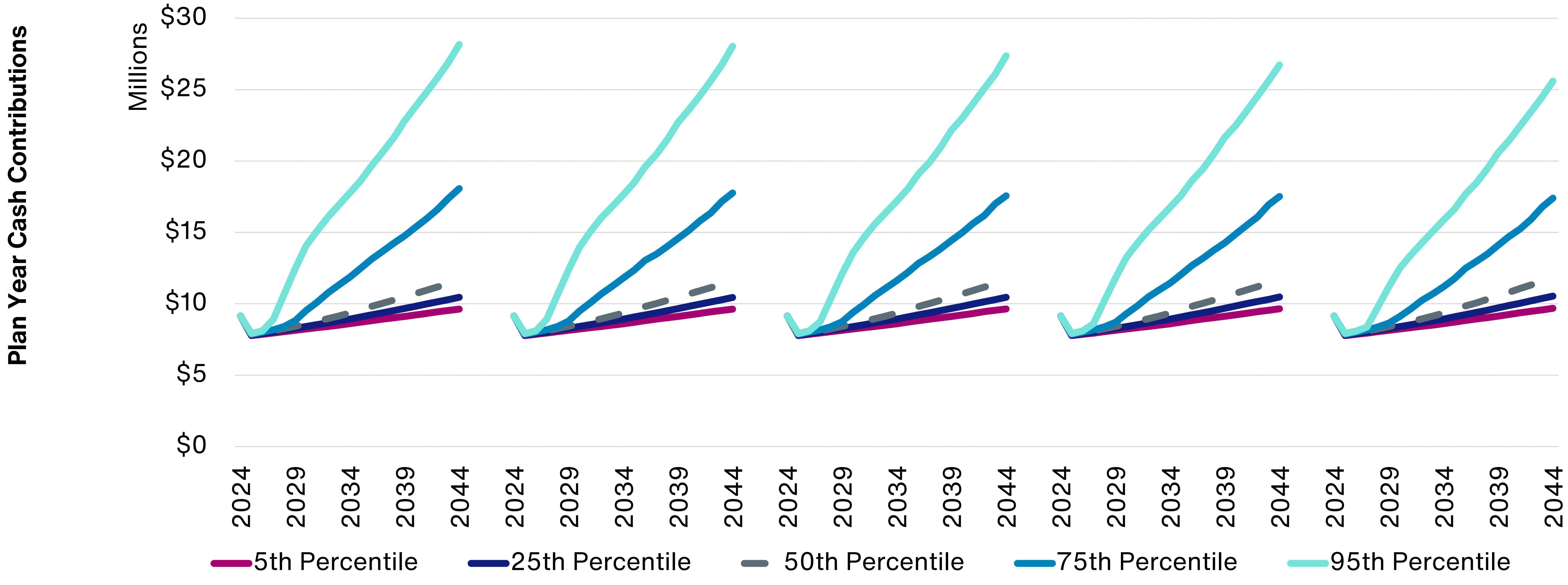
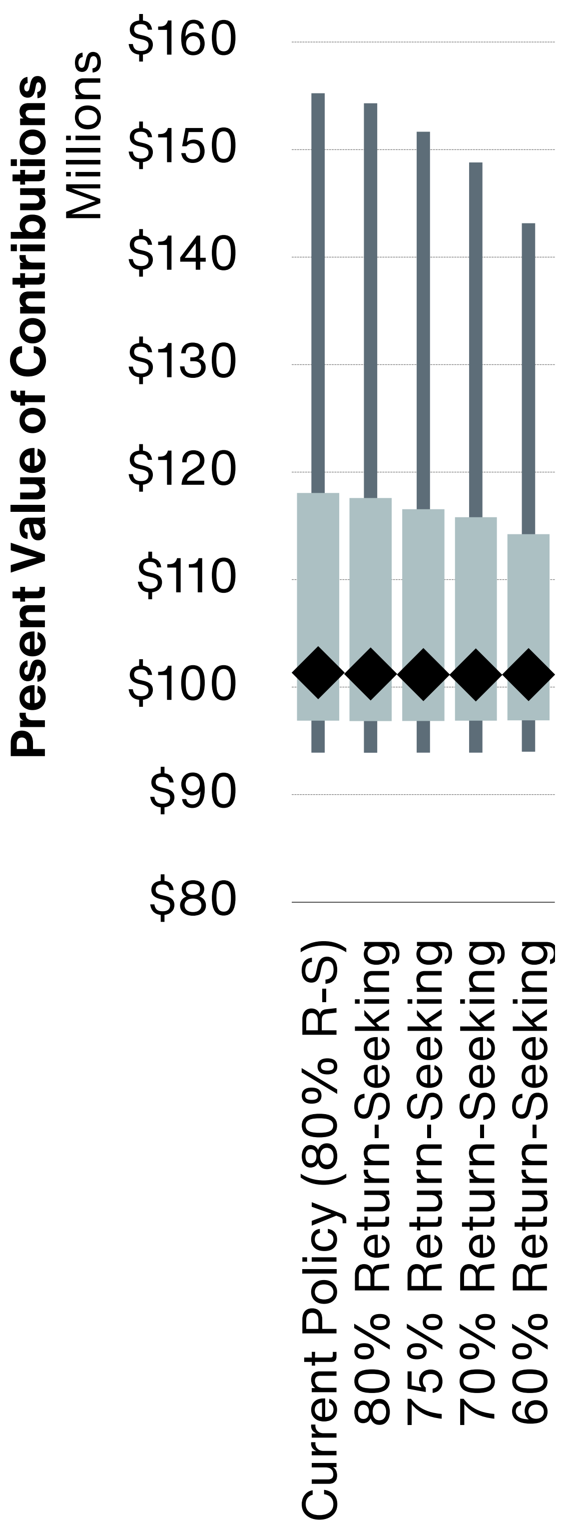
Key Observations

- In addition to employee contributions, employer contributions are the greater of assumed court fees or the actuarially-determined amounts
- Court fees have been assumed to be constant at 2024 levels, which creates a declining percent of payroll over the period

Asset-Liability Projection Analysis – Total Contributions

Contributions are similar across investment strategies due to assumed court fees generally in excess of actuarially-determined contributions



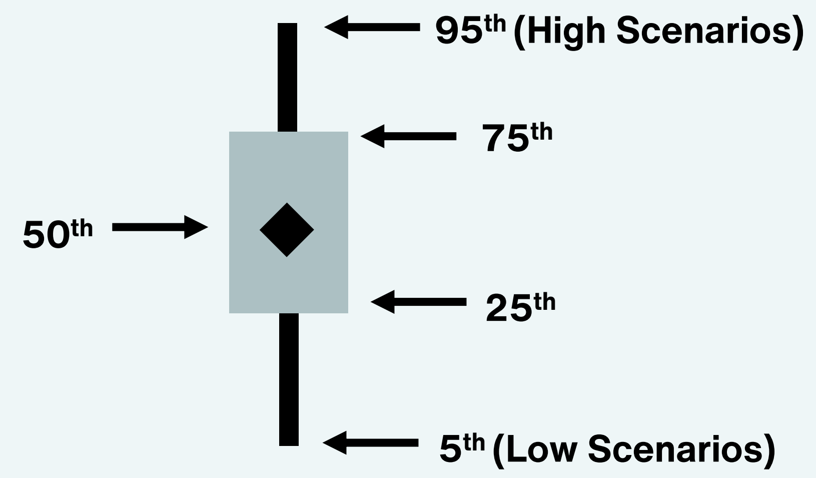


Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**
5th Percentile	$9	$9	$10	$9	$9	$10	$9	$9	$10	$9	$9	$10	$9	$9	$10
25th Percentile	$9	$9	$10	$9	$9	$10	$9	$9	$10	$9	$9	$10	$9	$9	$11
50th Percentile	$9	$9	$12	$9	$9	$12	$9	$9	$12	$9	$9	$12	$9	$9	$12
75th Percentile	$9	$12	$18	$9	$12	$18	$9	$12	$18	$9	$11	$18	$9	$11	$17
95th Percentile	$9	$18	$28	$9	$18	$28	$9	$17	$27	$9	$17	$27	$9	$16	$26

Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented. Present value calculated at 7.00%.

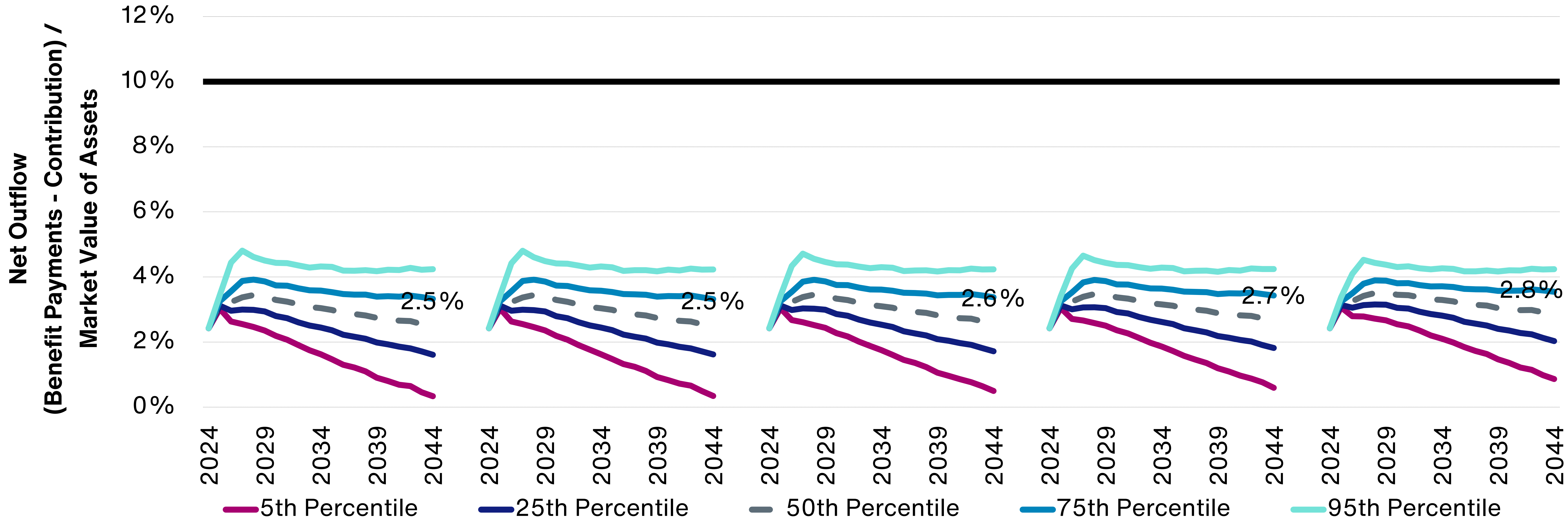
Key Observations

- In addition to employee contributions, employer contributions are the greater of assumed court fees or the actuarially-determined amounts
- Contributions have similar expectations across all investment strategies as court fees are generally higher than the actuarially-determined amounts



Asset-Liability Projection Analysis – Net Outflow

Net outflow is consistent across all investment strategies



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**	**2024**	**2034**	**2044**
5th Percentile	2.4%	1.6%	0.3%	2.4%	1.6%	0.3%	2.4%	1.8%	0.5%	2.4%	1.9%	0.6%	2.4%	2.1%	0.9%
25th Percentile	2.4%	2.4%	1.6%	2.4%	2.4%	1.6%	2.4%	2.5%	1.7%	2.4%	2.6%	1.8%	2.4%	2.8%	2.0%
50th Percentile	2.4%	3.0%	2.5%	2.4%	3.0%	2.5%	2.4%	3.1%	2.6%	2.4%	3.2%	2.7%	2.4%	3.3%	2.8%
75th Percentile	2.4%	3.6%	3.3%	2.4%	3.6%	3.3%	2.4%	3.6%	3.4%	2.4%	3.6%	3.4%	2.4%	3.7%	3.5%
95th Percentile	2.4%	4.3%	4.2%	2.4%	4.3%	4.2%	2.4%	4.3%	4.2%	2.4%	4.3%	4.2%	2.4%	4.3%	4.2%
Probability > 10%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%

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Key Observations

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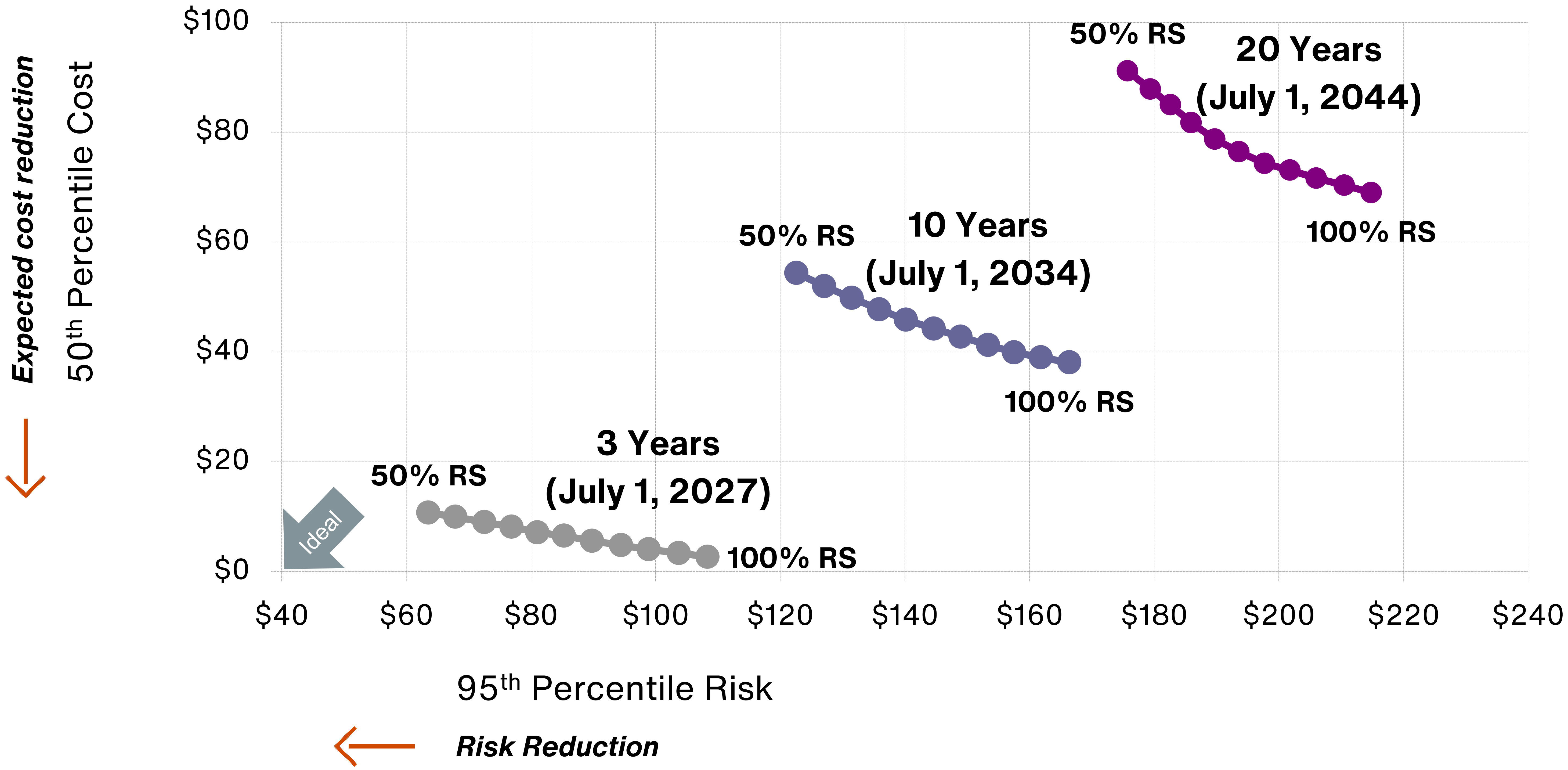
- Net outflows of 10%+ can put stress on fund liquidity over time; however, it is not likely over the projection period

Economic Cost and Risk

Longer time horizons incentivize risk taking

Economic Cost

Present Value of Contributions plus Asset-Liability Funding Shortfall/(Surplus)* at 7.00%, $Millions



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- Vertical economic cost curves imply that added risk does result in a significant expected reward/economic cost reduction
- The economic curves over the projection periods shown are increasingly more vertical over longer time periods indicating that additional risk in the portfolio is more beneficial to economic cost reduction over time

Asset-Liability Projection Analysis

Summary of Results

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	Exp. Nominal Return[1]	Exp. Nominal Volatility	Sharpe Ratio	Prob. of achieving 6.95%	Exp. Year of Full Funding	Ending Funded Ratio (MVA / AL)		Present Value of Contributions (in $ millions)		Economic Cost (in $ millions)	
						Expected[2]	Downside[3]	Expected[2]	Downside[4]	Expected[2]	Downside[4]
Current Policy (80% R-S)	**7.05%**	**11.93%**	**0.28**	**52%**	**Achieved**	**125%**	**52%**	**$101**	**$155**	**$76**	**$199**
Alternative Portfolios											
80% Return-Seeking	7.11%	11.88%	0.29	53%	Achieved	126%	52%	$101	$154	$74	$198
75% Return-Seeking	7.02%	11.12%	0.30	51%	Achieved	124%	54%	$101	$152	$76	$194
70% Return-Seeking	6.93%	10.44%	0.31	50%	Achieved	121%	55%	$101	$149	$79	$190
65% Return-Seeking	6.83%	9.74%	0.32	47%	Achieved	118%	57%	$101	$146	$82	$186
60% Return-Seeking	6.72%	9.05%	0.33	45%	Achieved	115%	58%	$101	$143	$85	$183
55% Return-Seeking	6.61%	8.39%	0.35	41%	Achieved	112%	59%	$101	$140	$88	$179
50% Return-Seeking	6.50%	7.76%	0.36	37%	Achieved	109%	60%	$101	$137	$91	$176

[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions (CMAs) as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns may differ from model returns presented based on your plan's individual fees/expenses. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.
[2] Expected = 50th percentile outcome or central expectation across all 5,000 simulations
[3] Downside = 5th percentile outcome across all 5,000 simulations
[4] Downside = 95th percentile outcome across all 5,000 simulations

NPERS – State Cash Balance Plan

Section 2: Asset-Liability Projection Analysis

State Cash Balance Plan– Current State Overview

Estimated as of March 31, 2025

101.2%

Funded ratio as of March 31, 2025

- Based on market value of assets using the January 1, 2025 actuarial discount rate (6.95%)

7.05%

30-year expected return[1]

- Aon's assumption for the current target asset allocation as of March 31, 2025
- Expected return exceeds the January 1, 2025 actuarial assumed rates of return (6.95%)

11.05%

Asset Hurdle Rate

- Liabilities projected to grow each year primarily due to interest cost and normal cost
- Asset growth rate of 11.05% needed to keep pace with liability growth rate
  - Higher growth will improve the funded ratio
- Assets will grow via a combination of investment performance and contributions/funding

80%

Current target level of return-seeking assets

- Overall asset allocation strategy is generally considered the single most impactful investment decision

[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

Detailed Current State Asset-Liability Profile (as of March 31, 2025)

The State Cash Balance Plan projects to have a hurdle rate surplus, increasing near-term funded status

Asset-Liability Snapshot				
	As of 1/1/2025		Est. 3/31/2025	
Metric ($, Millions)	**Value**	**Fund %**	**Value**	**Fund %**
Market Value of Assets	$2,401.4	102.0%	$2,399.3	101.2%
Actuarial Value of Assets	$2,370.1	100.7%		
Liability Metrics				
Actuarial Liability (AL) – Funding[1]	$2,354.1		$2,371.8	

Key Takeaways:

- Pension plan is estimated to be **101.2%** funded on a market value of assets basis as of March 31, 2025
- Asset hurdle rate of **11.05%**, via cash funding and investment returns, needed to maintain or improve funded status
- The total expected asset growth rate (EROA plus contributions) exceeds the asset hurdle rate by **113 bps**

Asset-Liability Growth Metrics as of 3/31/2025			
Metric ($, Millions)	**Value**	**% Liability**	**% Assets**
AL Discount Cost	$164.8	6.95%	6.87%
AL Normal Cost	$98.1	4.14%	4.09%
Plan Expenses	$2.1	0.09%	0.09%
Total Liability Hurdle Rate	**$265.0**	**11.18%**	**11.05%**
Expected Return on Assets[2]	$169.2	7.13%	7.05%
Total Contributions	$123.1	5.19%	5.13%
Total Exp. Asset Growth	**$292.3**	**12.32%**	**12.18%**
Hurdle Rate Surplus/(Shortfall)	**$27.2**	**1.14%**	**1.13%**
Est. Benefit Payments	$187.9	7.92%	7.83%

Target Asset Allocation as of 3/31/2025		
Metric ($, Millions)	**Value**	**Alloc %**
Return-Seeking		
- Public Equity	$1,379.6	57.5%
- Private Equity	$120.0	5.0%
- Liquid Return-Seeking Fixed Income	$239.9	10.0%
- Open-End Real Assets	$135.0	5.6%
- Closed-End Real Assets	$45.0	1.9%
- Total	$1,919.4	80.0%
Risk-Reducing		
- Core Bonds	$479.9	20.0%
- Total	$479.9	20.0%
Total	$2,399.3	100.0%

[1] Based on a 6.95% discount rate consistent with the January 1, 2025 actuarial valuation results.
[2] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Analysis includes $2.1MM in expenses, assumed to be inclusive of investment consulting fees, paid from trust assets. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.
Percentages may not sum to 100% due to rounding.

Asset Hurdle Rates

Growth needs of the plan adjust with funded status changes

What is the Asset Hurdle Rate?

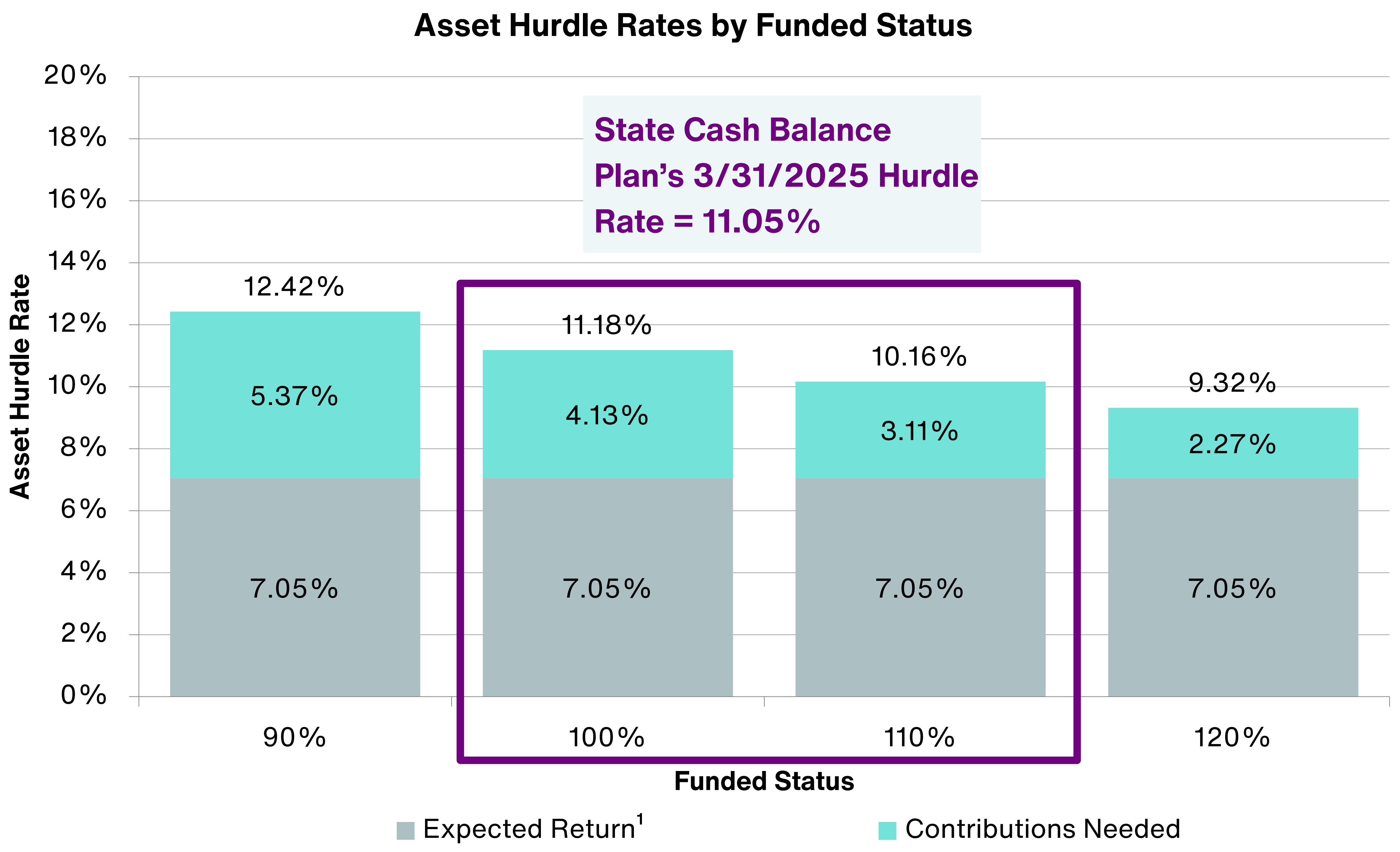
Asset Hurdle Rate is the required rate of asset growth needed to keep pace with the growth of the Plan liabilities

- Assets must grow at this rate or more in order to maintain or reduce a potential funding shortfall
- **Formula = (Normal Cost + Discount Cost + Expenses) / Funded Ratio**

Assets can grow in two ways:

- Investment returns
- Funding contributions

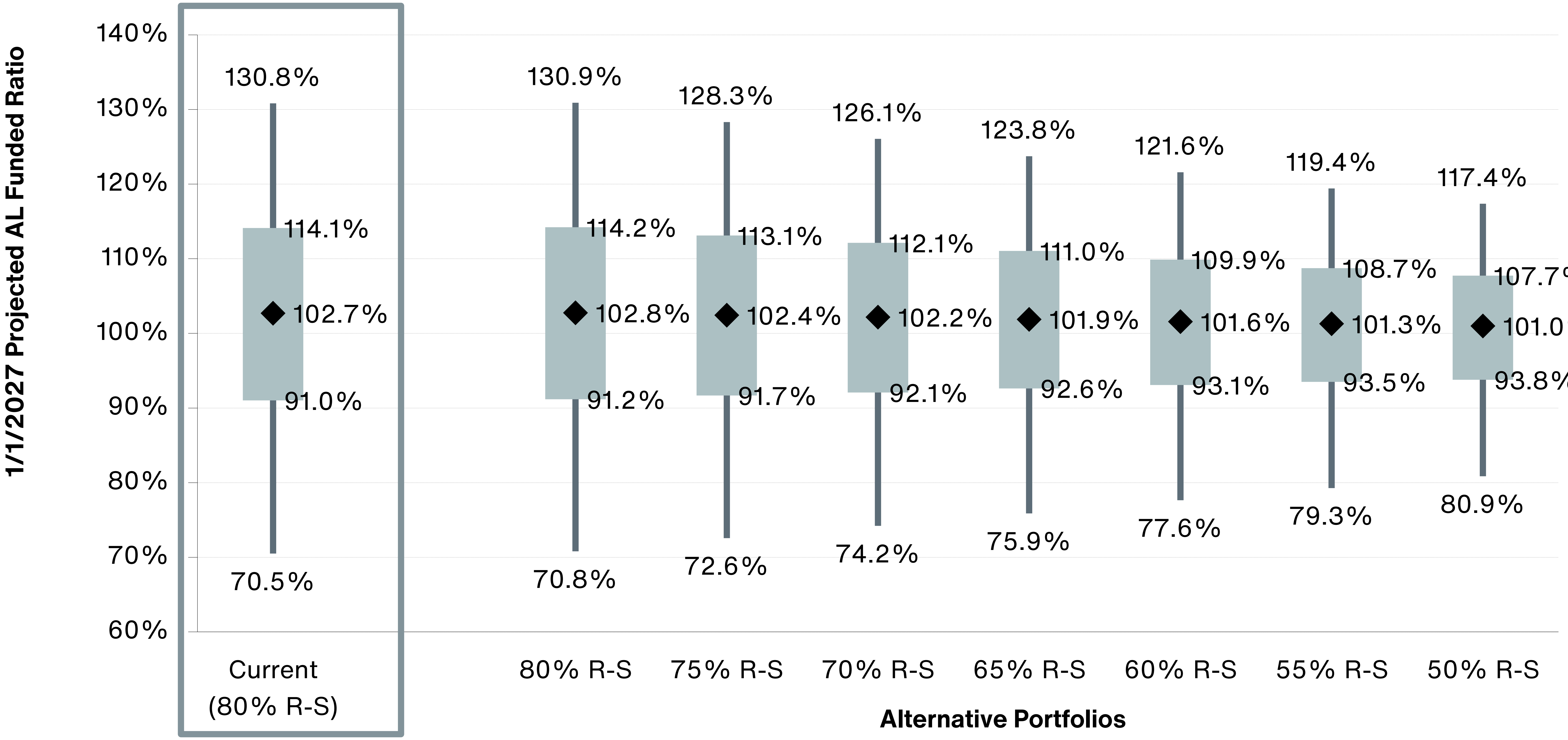
Asset hurdle rates are expected to decline as the funded status increases



[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Analysis includes $2.1MM in expenses, assumed to be inclusive of investment consulting fees, paid from trust assets. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.
Percentages may not sum to total due to rounding.

Asset-Liability Projection Analysis – Funded Ratio (MVA)

Short-term funded ratio sensitivity driven by investment risk

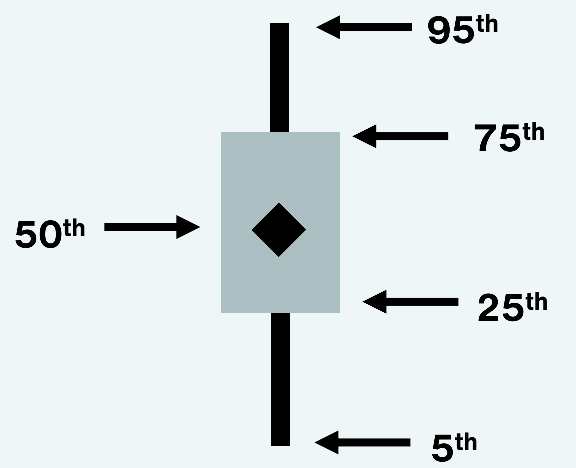


Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

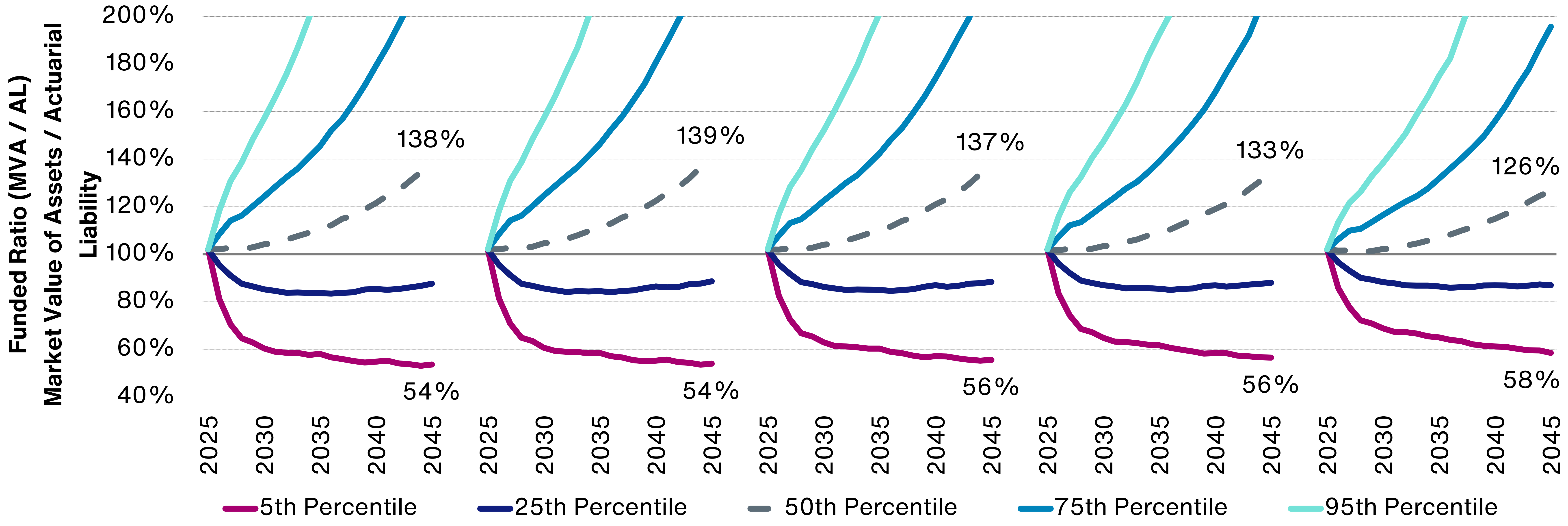
- Higher risk portfolios are projected to have both more upside and downside potential over a short time horizon
- Similarly, lower risk portfolios will have a narrower range of potential outcomes

Legend: Distribution of Outcomes



Asset-Liability Projection Analysis – Funded Ratio (MVA)

Plan is expected to remain fully funded over the projection period; lower risk portfolios maintain similar trend lines with reduced volatility



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**
5th Percentile	102%	58%	54%	102%	58%	54%	102%	60%	56%	102%	62%	56%	102%	65%	58%
25th Percentile	102%	84%	88%	102%	84%	89%	102%	85%	88%	102%	85%	88%	102%	86%	87%
50th Percentile	102%	111%	138%	102%	112%	139%	102%	111%	137%	102%	110%	133%	102%	107%	126%
75th Percentile	102%	145%	>200%	102%	146%	>200%	102%	142%	>200%	102%	139%	>200%	102%	132%	196%
95th Percentile	102%	>200%	>200%	102%	>200%	>200%	102%	>200%	>200%	102%	192%	>200%	102%	175%	>200%
Probability > 100%	>99%	60%	69%	>99%	61%	69%	>99%	60%	69%	>99%	60%	68%	>99%	59%	67%

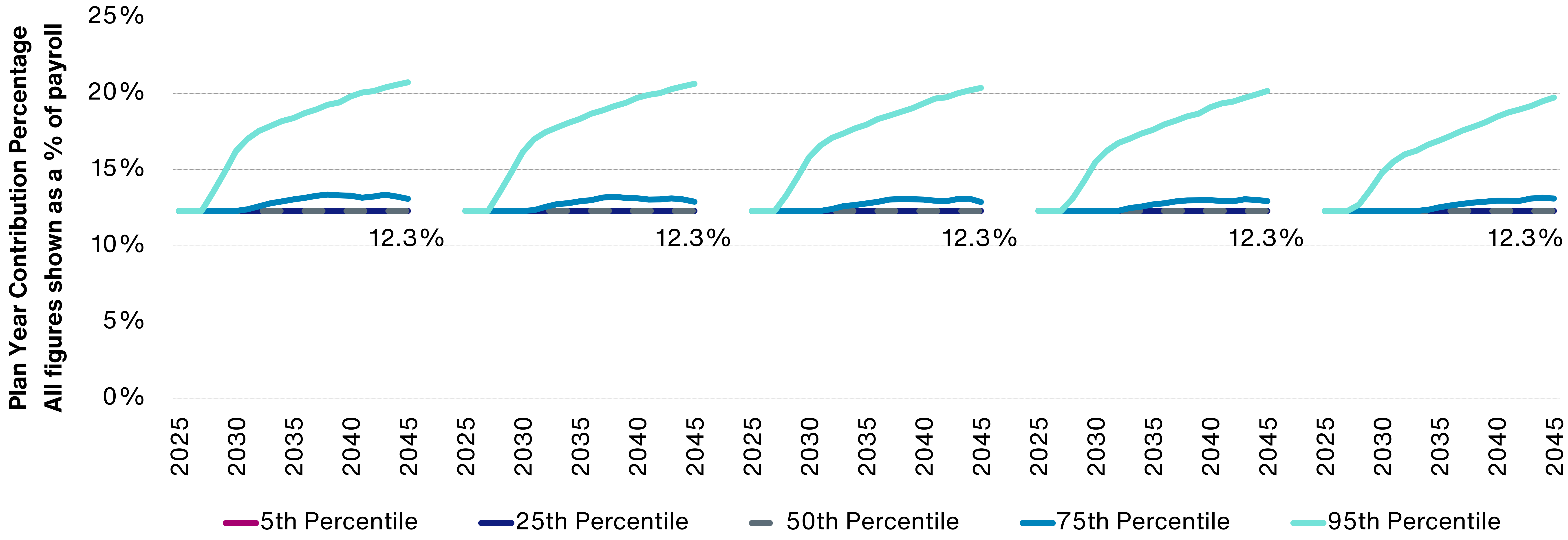
Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

- The Current Policy is expected to maintain a fully funded plan over the projection period
- Increased diversification is expected to gradually improve both the expected and downside funded ratio
- Lower return-seeking allocations are expected to have
  - Lower central expectations
  - Narrower ranges of potential outcomes

Asset-Liability Projection Analysis – Total Contributions

Contributions are similar across investment strategies; contributions are the greater of the actuarially-determined amount or the statutory floor



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**
5th Percentile	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
25th Percentile	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
50th Percentile	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
75th Percentile	12.3%	13.0%	13.1%	12.3%	12.9%	12.9%	12.3%	12.8%	12.9%	12.3%	12.7%	12.9%	12.3%	12.5%	13.1%
95th Percentile	12.3%	18.4%	20.7%	12.3%	18.3%	20.6%	12.3%	17.9%	20.4%	12.3%	17.6%	20.2%	12.3%	16.9%	19.7%

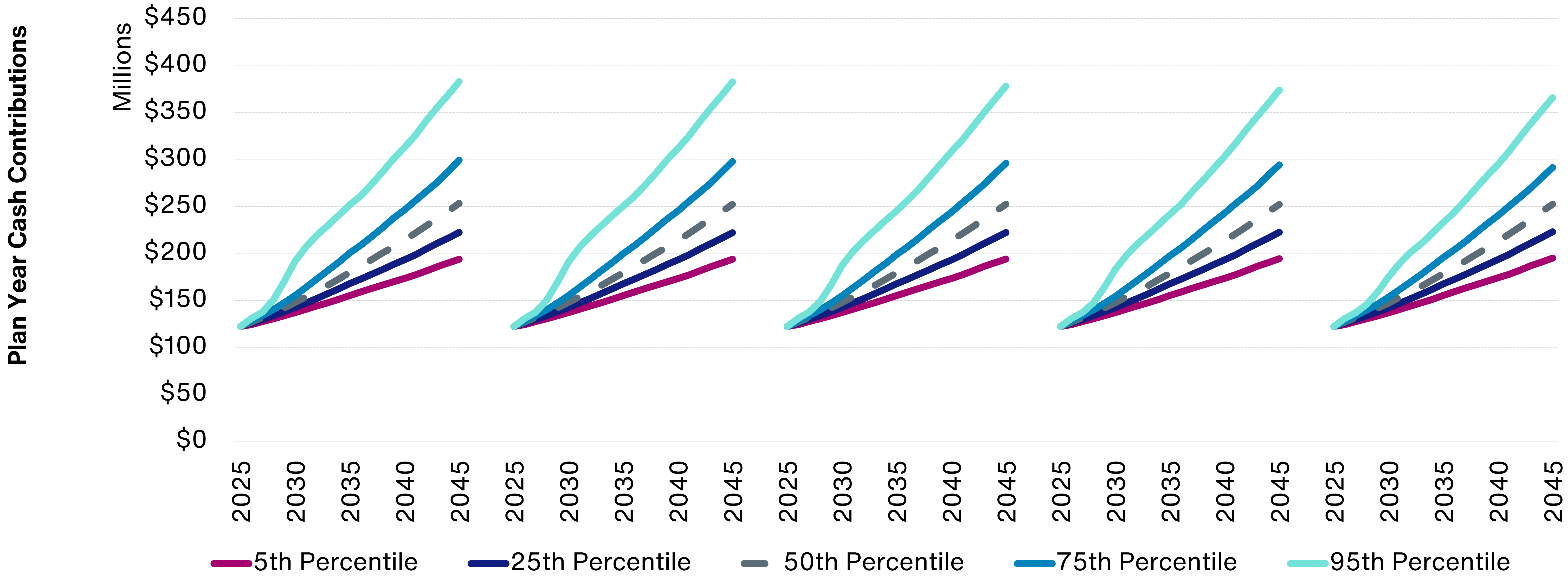
Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

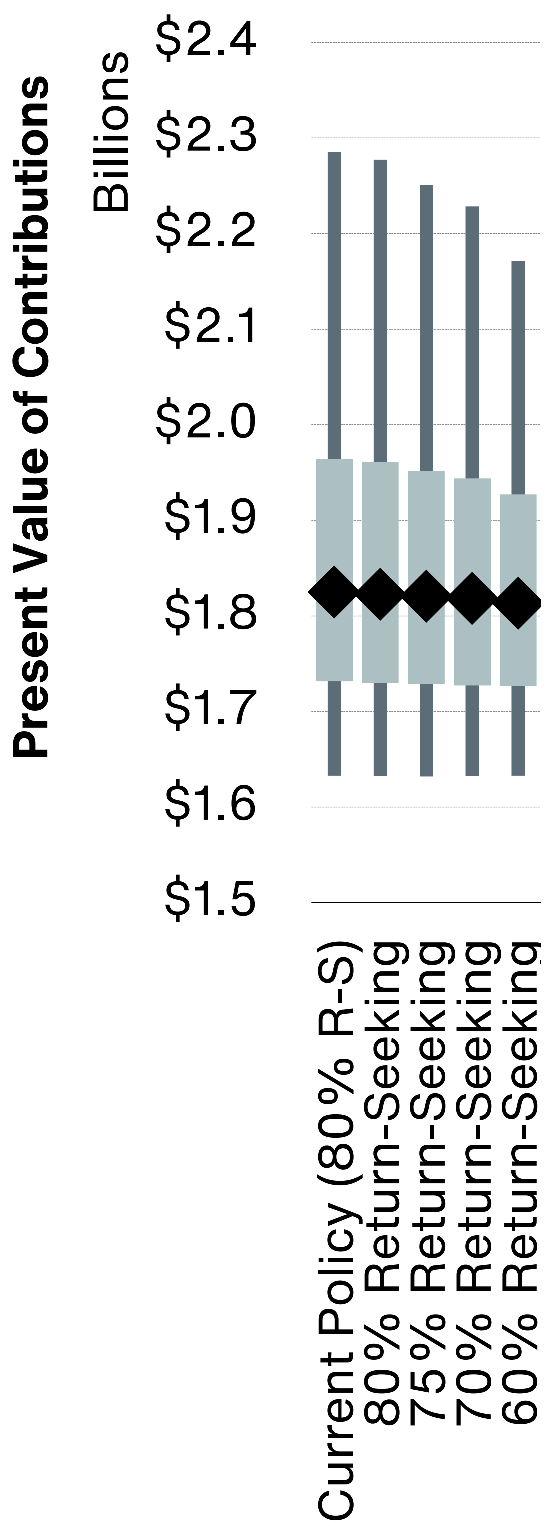
Key Observations

- Contribution amounts in the central expectations (50th percentile outcome) are largely consistent across investment strategies, representing the statutory minimums
- Contribution amounts are higher in cases where the actuarial amount is greater than the statutory floor

Asset-Liability Projection Analysis – Total Contributions

Contributions are largely similar across investment strategies; lower risk has a narrower range of outcomes



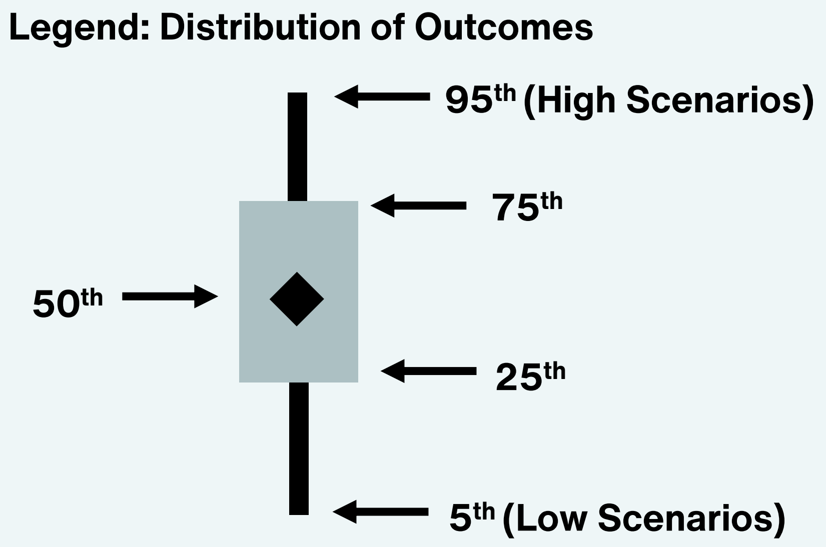


Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**
5th Percentile	$122	$155	$194	$122	$155	$194	$122	$155	$194	$122	$155	$194	$122	$155	$195
25th Percentile	$122	$168	$222	$122	$168	$222	$122	$168	$222	$122	$167	$222	$122	$167	$223
50th Percentile	$122	$180	$253	$122	$179	$252	$122	$179	$252	$122	$179	$252	$122	$178	$252
75th Percentile	$122	$200	$299	$122	$200	$297	$122	$198	$296	$122	$197	$294	$122	$195	$291
95th Percentile	$122	$252	$383	$122	$250	$382	$122	$245	$378	$122	$241	$374	$122	$233	$365

Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented. Present value calculated at 6.95%.

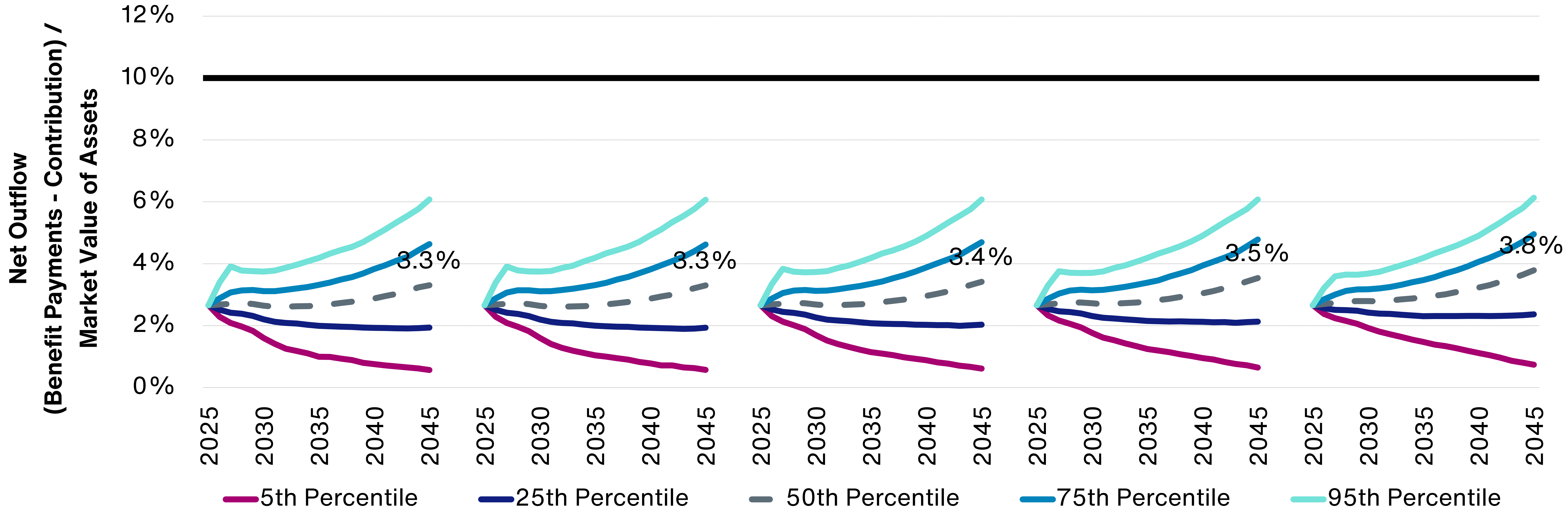
Key Observations

- Plan contributions are based on percentages of payroll and expected to increase with payroll growth
- Lower return-seeking allocations are expected to have a narrower ranges of potential outcomes



Asset-Liability Projection Analysis – Net Outflow

Net outflow is consistent across all investment strategies



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**
5th Percentile	2.7%	1.0%	0.6%	2.7%	1.0%	0.6%	2.7%	1.1%	0.6%	2.7%	1.2%	0.6%	2.7%	1.5%	0.7%
25th Percentile	2.7%	2.0%	1.9%	2.7%	2.0%	1.9%	2.7%	2.1%	2.0%	2.7%	2.2%	2.1%	2.7%	2.3%	2.4%
50th Percentile	2.7%	2.6%	3.3%	2.7%	2.6%	3.3%	2.7%	2.7%	3.4%	2.7%	2.8%	3.5%	2.7%	2.9%	3.8%
75th Percentile	2.7%	3.3%	4.6%	2.7%	3.3%	4.6%	2.7%	3.4%	4.7%	2.7%	3.4%	4.8%	2.7%	3.5%	5.0%
95th Percentile	2.7%	4.2%	6.1%	2.7%	4.2%	6.1%	2.7%	4.2%	6.1%	2.7%	4.2%	6.1%	2.7%	4.2%	6.1%
Probability > 10%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%

Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

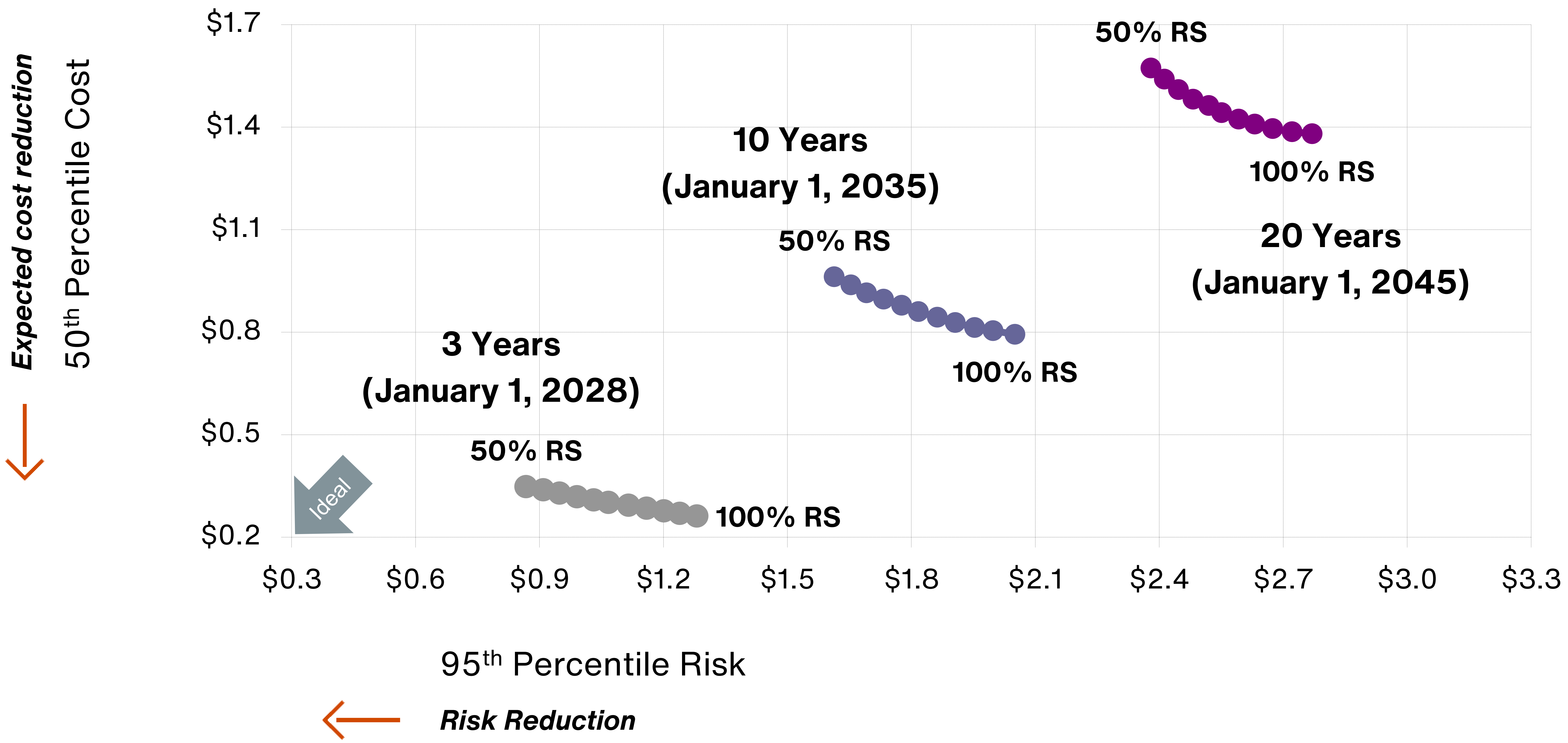
- Net outflow is consistent across the policies modeled with central expectations (50th percentile outcome) in the 2-4% range
- Net outflows of 10%+ can put stress on fund liquidity over time; however, it is not likely over the projection period

Economic Cost and Risk

Longer time horizons incentivize risk taking

Economic Cost

Present Value of Contributions plus Asset-Liability Funding Shortfall/(Surplus)* at 6.95%, $Billions



Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.
Note: Excludes 50% of surplus in excess of 140% of Actuarial liability, and includes twice the shortfall below 50% of Actuarial liability, on a market value basis.

Key Observations

- Horizontal economic cost curves imply that added risk does not result in a significant expected reward/economic cost reduction
- Vertical economic cost curves imply that added risk does result in a significant expected reward/economic cost reduction
- The economic curves over the projection periods shown are increasingly more vertical over longer time periods indicating that additional risk in the portfolio is more beneficial to economic cost reduction over time

Asset-Liability Projection Analysis
Summary of Results

Portfolios	Portfolio Metrics (30-year CMAs)				Financial Results (20-Year Figures)						
	Exp. Nominal Return[1]	Exp. Nominal Volatility	Sharpe Ratio	Prob. of achieving 6.95%	Exp. Year of Full Funding	Ending Funded Ratio (MVA / AL)		Present Value of Contributions (in $ millions)		Economic Cost (in $ millions)	
						Expected[2]	Downside[3]	Expected[2]	Downside[4]	Expected[2]	Downside[4]
Current Policy (80% R-S)	**7.05%**	**11.93%**	**0.28**	**52%**	**Achieved**	**138%**	**54%**	**$1,825**	**$2,285**	**$1,441**	**$2,610**
Alternative Portfolios											
80% Return-Seeking	7.11%	11.88%	0.29	53%	Achieved	139%	54%	$1,823	$2,277	$1,423	$2,592
75% Return-Seeking	7.02%	11.12%	0.30	51%	Achieved	137%	56%	$1,821	$2,251	$1,442	$2,551
70% Return-Seeking	6.93%	10.44%	0.31	50%	Achieved	133%	56%	$1,818	$2,228	$1,463	$2,520
65% Return-Seeking	6.83%	9.74%	0.32	47%	Achieved	130%	58%	$1,816	$2,200	$1,482	$2,482
60% Return-Seeking	6.72%	9.05%	0.33	45%	Achieved	126%	58%	$1,813	$2,171	$1,510	$2,447
55% Return-Seeking	6.61%	8.39%	0.35	41%	Achieved	123%	59%	$1,811	$2,147	$1,541	$2,412
50% Return-Seeking	6.50%	7.76%	0.36	37%	Achieved	119%	60%	$1,808	$2,127	$1,573	$2,380

[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions (CMAs) as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns may differ from model returns presented based on your plan's individual fees/expenses. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.
[2] Expected = 50th percentile outcome or central expectation across all 5,000 simulations
[3] Downside = 5th percentile outcome across all 5,000 simulations
[4] Downside = 95th percentile outcome across all 5,000 simulations

NPERS – County Cash Balance Plan

Section 2: Asset-Liability Projection Analysis

County Cash Balance Plan – Current State Overview

Estimated as of March 31, 2025

102.2%

Funded ratio as of March 31, 2025

- Based on market value of assets using the January 1, 2025 actuarial discount rate (6.95%)

7.05%

30-year expected return[1]

- Aon's assumption for the current target asset allocation as of March 31, 2025
- Expected return exceeds the January 1, 2025 actuarial assumed rates of return (6.95%)

11.65%

Asset Hurdle Rate

- Liabilities projected to grow each year primarily due to interest cost and normal cost
- Asset growth rate of 11.65% needed to keep pace with liability growth rate
  - Higher growth will improve the funded ratio
- Assets will grow via a combination of investment performance and contributions/funding

80%

Current target level of return-seeking assets

- Overall asset allocation strategy is generally considered the single most impactful investment decision

[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

Detailed Current State Asset-Liability Profile (as of March 31, 2025)

The County Cash Balance Plan projects to have a hurdle rate surplus, increasing near-term funded status

Asset-Liability Snapshot				
	As of 1/1/2025		Est. 3/31/2025	
Metric ($, Millions)	**Value**	**Fund %**	**Value**	**Fund %**
Market Value of Assets	$824.5	103.0%	$826.4	102.2%
Actuarial Value of Assets	$814.7	101.8%		
Liability Metrics				
Actuarial Liability (AL) – Funding[1]	$800.2		$808.7	

Key Takeaways:

- Pension plan is estimated to be **102.2%** funded on a market value of assets basis as of March 31, 2025
- Asset hurdle rate of **11.65%**, via cash funding and investment returns, needed to maintain or improve funded status
- The total expected asset growth rate (EROA plus contributions) exceeds the asset hurdle rate by **123 bps**

Asset-Liability Growth Metrics as of 3/31/2025			
Metric ($, Millions)	**Value**	**% Liability**	**% Assets**
AL Discount Cost	$56.2	6.95%	6.80%
AL Normal Cost	$38.9	4.81%	4.71%
Plan Expenses	$1.2	0.14%	0.14%
Total Liability Hurdle Rate	**$96.2**	**11.90%**	**11.65%**
Expected Return on Assets[2]	$58.3	7.20%	7.05%
Total Contributions	$48.2	5.96%	5.83%
Total Exp. Asset Growth	**$106.4**	**13.16%**	**12.88%**
Hurdle Rate Surplus/(Shortfall)	**$10.2**	**1.26%**	**1.23%**
Est. Benefit Payments	$59.4	7.35%	7.19%

Target Asset Allocation as of 3/31/2025		
Metric ($, Millions)	**Value**	**Alloc %**
Return-Seeking		
- Public Equity	$475.2	57.5%
- Private Equity	$41.3	5.0%
- Liquid Return-Seeking Fixed Income	$82.6	10.0%
- Open-End Real Assets	$46.5	5.6%
- Closed-End Real Assets	$15.5	1.9%
- Total	$661.1	80.0%
Risk-Reducing		
- Core Bonds	$165.3	20.0%
- Total	$165.3	20.0%
Total	$826.4	100.0%

[1] Based on a 6.95% discount rate consistent with the January 1, 2025 actuarial valuation results.
[2] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Analysis includes $1.2MM in expenses, assumed to be inclusive of investment consulting fees, paid from trust assets. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.
Percentages may not sum to 100% due to rounding.

Asset Hurdle Rates

Growth needs of the plan adjust with funded status changes

What is the Asset Hurdle Rate?

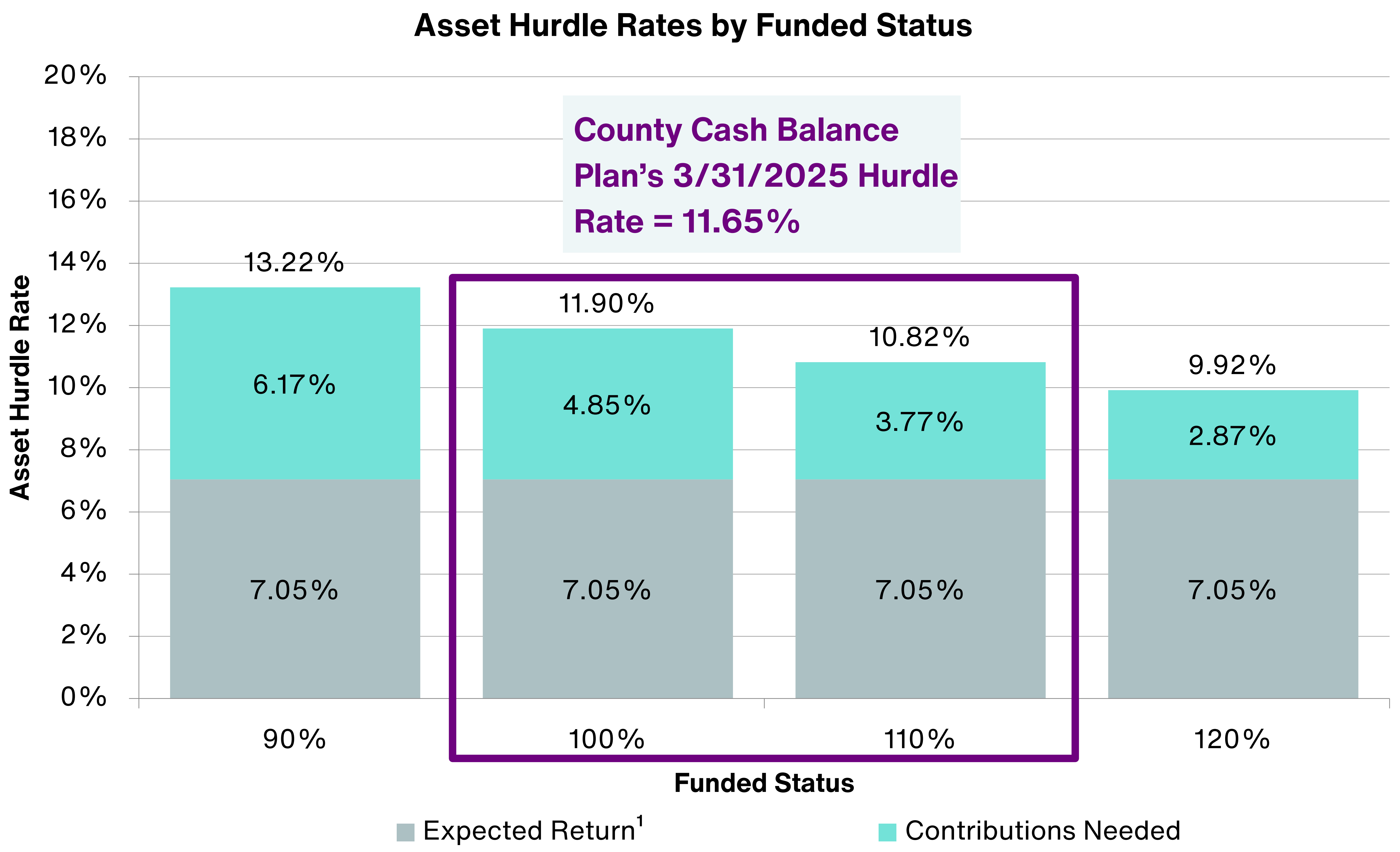
Asset Hurdle Rate is the required rate of asset growth needed to keep pace with the growth of the Plan liabilities

- Assets must grow at this rate or more in order to maintain or reduce a potential funding shortfall
- **Formula = (Normal Cost + Discount Cost + Expenses) / Funded Ratio**

Assets can grow in two ways:

- Investment returns
- Funding contributions

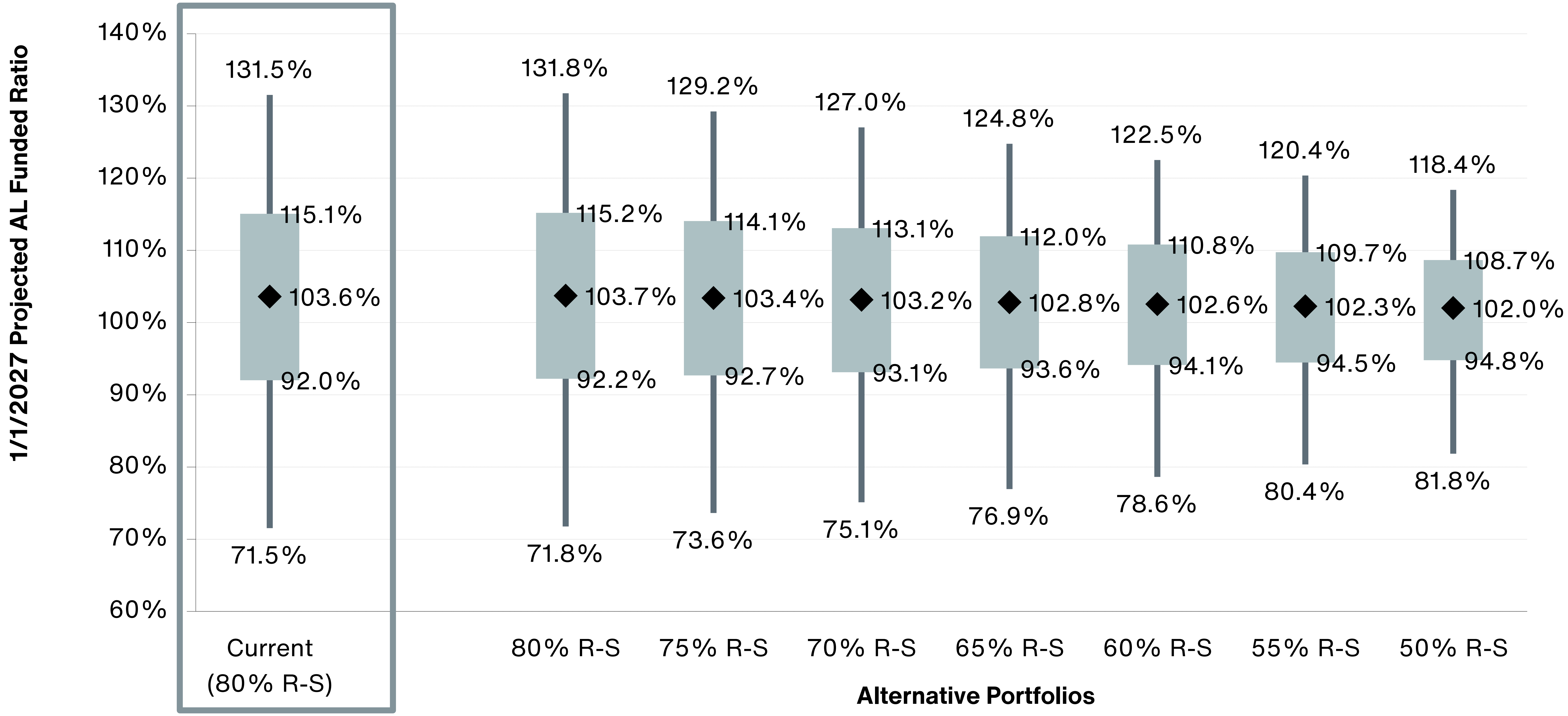
Asset hurdle rates are expected to decline as the funded status increases



[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Analysis includes $1.2MM in expenses, assumed to be inclusive of investment consulting fees, paid from trust assets. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.
Percentages may not sum to total due to rounding.

Asset-Liability Projection Analysis – Funded Ratio (MVA)

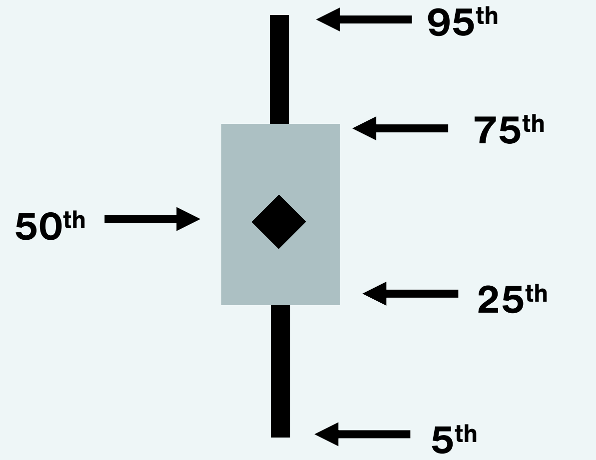
Short-term funded ratio sensitivity driven by investment risk



Key Observations

- Higher risk portfolios are projected to have both more upside and downside potential over a short time horizon
- Similarly, lower risk portfolios will have a narrower range of potential outcomes

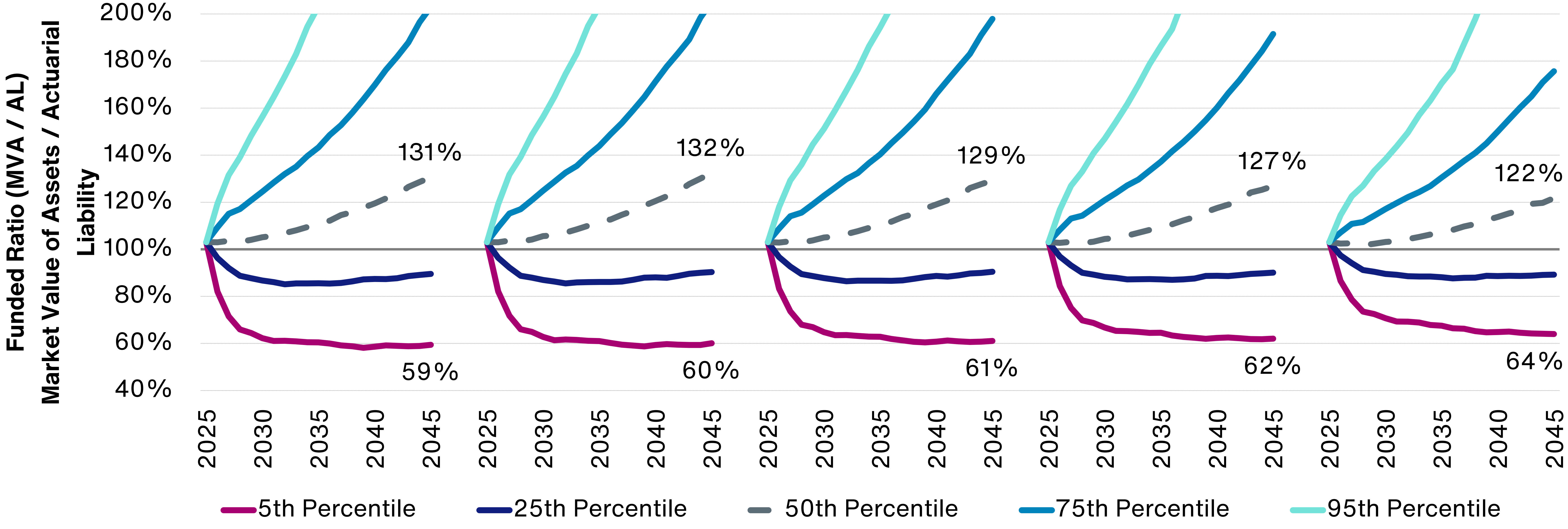
Legend: Distribution of Outcomes



Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Asset-Liability Projection Analysis – Funded Ratio (MVA)

Plan is expected to remain fully funded over the projection period; lower risk portfolios maintain similar trend lines with reduced volatility



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	2025	2035	2045	2025	2035	2045	2025	2035	2045	2025	2035	2045	2025	2035	2045
5th Percentile	103%	60%	59%	103%	61%	60%	103%	63%	61%	103%	65%	62%	103%	68%	64%
25th Percentile	103%	86%	90%	103%	86%	90%	103%	87%	90%	103%	87%	90%	103%	88%	89%
50th Percentile	103%	111%	131%	103%	112%	132%	103%	111%	129%	103%	110%	127%	103%	107%	122%
75th Percentile	103%	143%	>200%	103%	144%	>200%	103%	140%	198%	103%	137%	191%	103%	131%	176%
95th Percentile	103%	>200%	>200%	103%	>200%	>200%	103%	194%	>200%	103%	186%	>200%	103%	171%	>200%
Probability > 100%	>99%	61%	69%	>99%	62%	69%	>99%	61%	69%	>99%	61%	68%	>99%	60%	67%

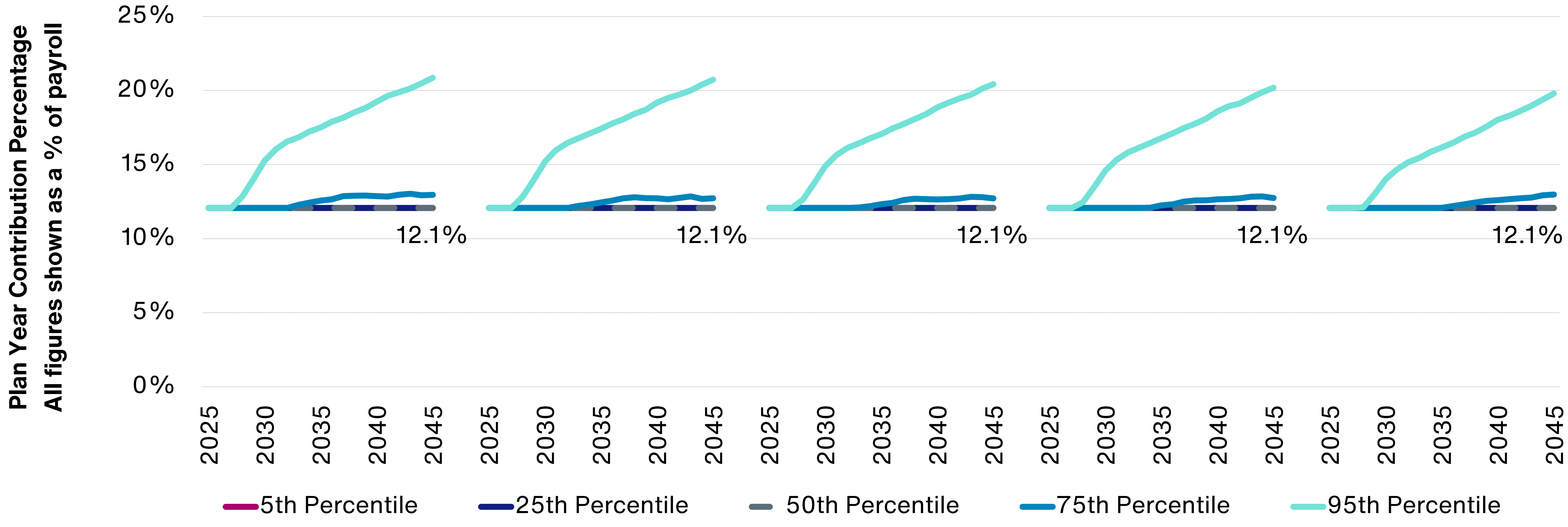
Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

- The Current Policy is expected to maintain a fully funded plan over the projection period
- Increased diversification is expected to gradually improve both the expected and downside funded ratio
- Lower return-seeking allocations are expected to have
  - Lower central expectations
  - Narrower ranges of potential outcomes

Asset-Liability Projection Analysis – Total Contributions

Contributions are similar across investment strategies; contributions are the greater of the actuarially-determined amount or the statutory floor



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**
5th Percentile	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%
25th Percentile	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%
50th Percentile	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%
75th Percentile	12.1%	12.6%	13.0%	12.1%	12.4%	12.7%	12.1%	12.3%	12.7%	12.1%	12.2%	12.7%	12.1%	12.1%	13.0%
95th Percentile	12.1%	17.5%	20.9%	12.1%	17.4%	20.7%	12.1%	17.1%	20.4%	12.1%	16.8%	20.2%	12.1%	16.2%	19.8%

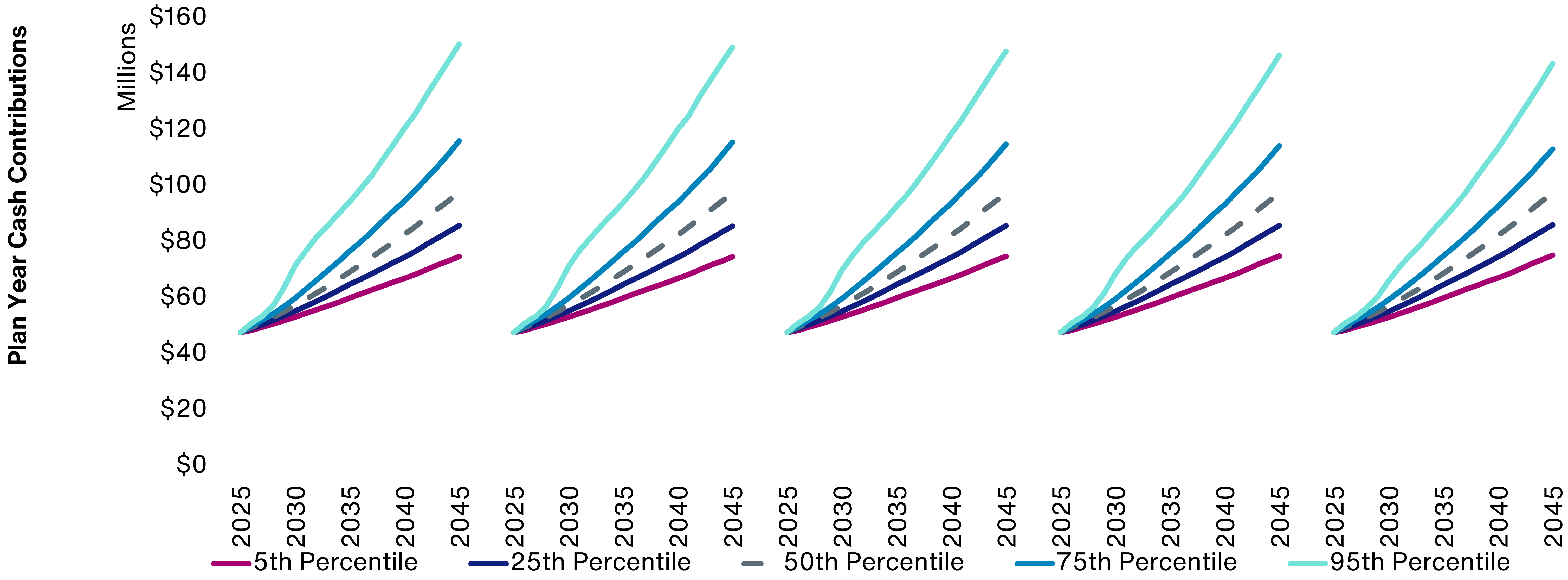
Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

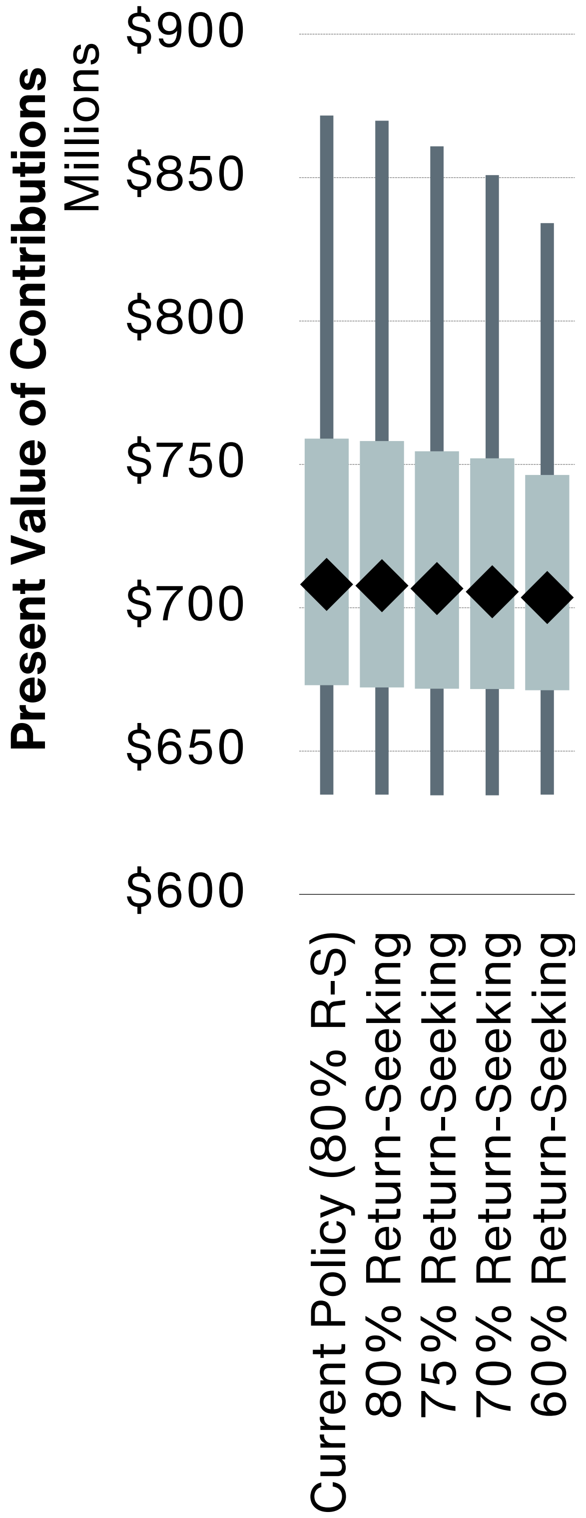
Key Observations

- Contribution amounts in the central expectations (50^{th} percentile outcome) are largely consistent across investment strategies, representing the statutory minimums
- Contribution amounts are higher in cases where the actuarial amount is greater than the statutory floor

Asset-Liability Projection Analysis – Total Contributions

Contributions are largely similar across investment strategies; lower risk has a narrower range of outcomes





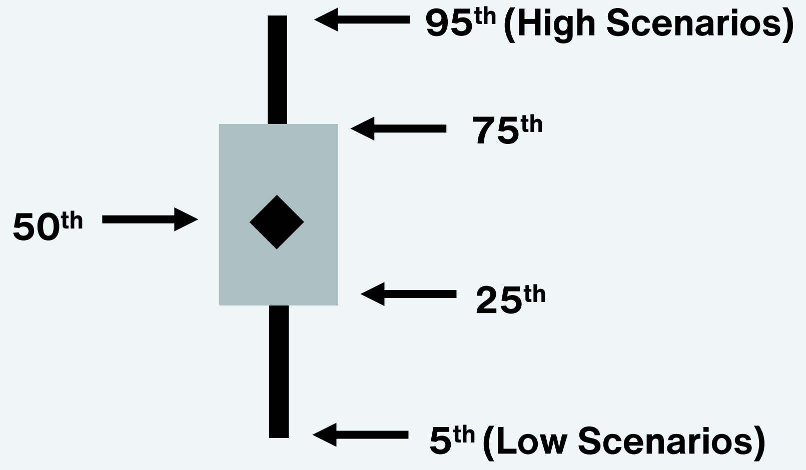
Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**
5th Percentile	$48	$60	$75	$48	$60	$75	$48	$60	$75	$48	$60	$75	$48	$60	$75
25th Percentile	$48	$65	$86	$48	$65	$86	$48	$65	$86	$48	$65	$86	$48	$65	$86
50th Percentile	$48	$69	$98	$48	$69	$98	$48	$69	$98	$48	$69	$98	$48	$69	$98
75th Percentile	$48	$77	$116	$48	$77	$116	$48	$76	$115	$48	$76	$114	$48	$75	$113
95th Percentile	$48	$94	$151	$48	$94	$150	$48	$93	$148	$48	$91	$147	$48	$88	$144

Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented. Present value calculated at 6.95%.

Key Observations

- Plan contributions are based on percentages of payroll and expected to increase with payroll growth
- Lower return-seeking allocations are expected to have a narrower ranges of potential outcomes

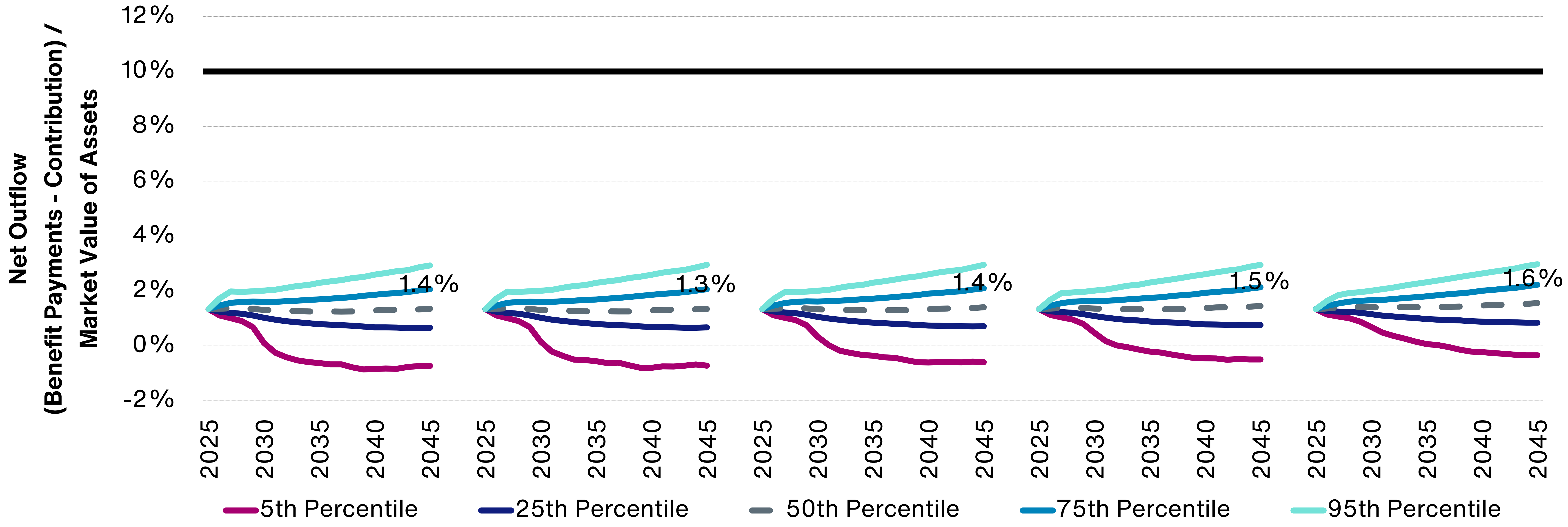
Legend: Distribution of Outcomes



AON

Asset-Liability Projection Analysis – Net Outflow

Net outflow is consistent across all investment strategies



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**	**2025**	**2035**	**2045**
5th Percentile	1.3%	-0.6%	-0.7%	1.3%	-0.6%	-0.7%	1.3%	-0.4%	-0.6%	1.3%	-0.2%	-0.5%	1.3%	0.1%	-0.3%
25th Percentile	1.3%	0.8%	0.7%	1.3%	0.8%	0.7%	1.3%	0.8%	0.7%	1.3%	0.9%	0.8%	1.3%	1.0%	0.8%
50th Percentile	1.3%	1.2%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.4%	1.3%	1.3%	1.5%	1.3%	1.4%	1.6%
75th Percentile	1.3%	1.7%	2.1%	1.3%	1.7%	2.1%	1.3%	1.7%	2.1%	1.3%	1.7%	2.1%	1.3%	1.8%	2.2%
95th Percentile	1.3%	2.3%	2.9%	1.3%	2.3%	3.0%	1.3%	2.3%	3.0%	1.3%	2.3%	3.0%	1.3%	2.3%	3.0%
Probability > 10%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%

Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

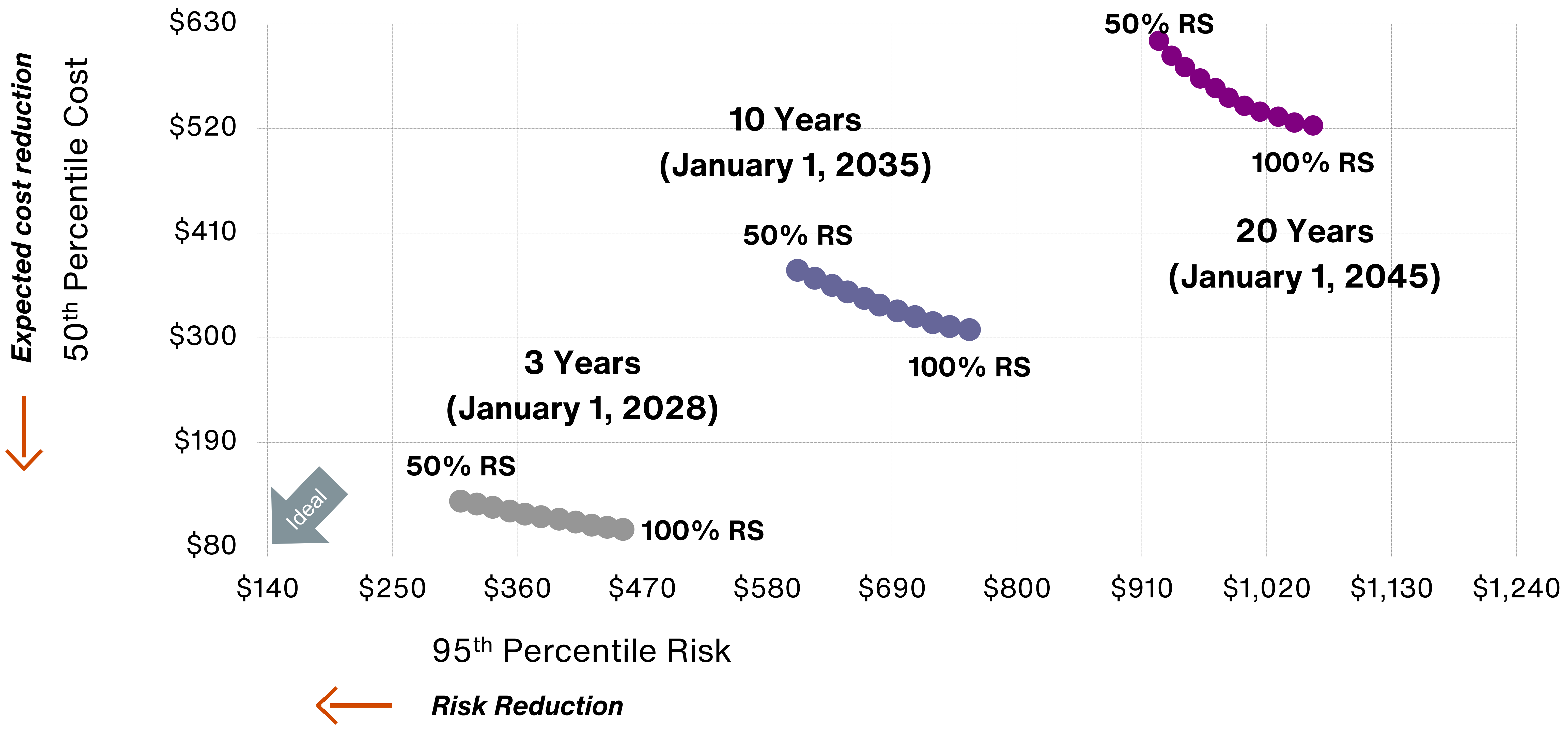
Key Observations

- Net outflow is consistent across the policies modeled with central expectations (50^{th} percentile outcome) in the 1-2% range
- Net outflows of 10%+ can put stress on fund liquidity over time; however, it is not likely over the projection period

Economic Cost and Risk

Longer time horizons incentivize risk taking

Economic Cost
Present Value of Contributions plus Asset-Liability Funding Shortfall/(Surplus)* at 6.95%, $Millions



Projections assume the declining actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.
Note: Excludes 50% of surplus in excess of 140% of Actuarial liability, and includes twice the shortfall below 50% of Actuarial liability, on a market value basis.

Key Observations

- Horizontal economic cost curves imply that added risk does not result in a significant expected reward/economic cost reduction
- Vertical economic cost curves imply that added risk does result in a significant expected reward/economic cost reduction
- The economic curves over the projection periods shown are increasingly more vertical over longer time periods indicating that additional risk in the portfolio is more beneficial to economic cost reduction over time

Asset-Liability Projection Analysis
Summary of Results

Portfolios	Portfolio Metrics (30-year CMAs)				Financial Results (20-Year Figures)						
	Exp. Nominal Return[1]	Exp. Nominal Volatility	Sharpe Ratio	Prob. of achieving 6.95%	Exp. Year of Full Funding	Ending Funded Ratio (MVA / AL)		Present Value of Contributions (in $ millions)		Economic Cost (in $ millions)	
						Expected[2]	Downside[3]	Expected[2]	Downside[4]	Expected[2]	Downside[4]
Current Policy (80% R-S)	**7.05%**	**11.93%**	**0.28**	**52%**	**Achieved**	**131%**	**59%**	**$708**	**$872**	**$550**	**$1,006**
Alternative Portfolios											
80% Return-Seeking	7.11%	11.88%	0.29	53%	Achieved	132%	60%	$708	$870	$544	$1,000
75% Return-Seeking	7.02%	11.12%	0.30	51%	Achieved	129%	61%	$707	$861	$552	$987
70% Return-Seeking	6.93%	10.44%	0.31	50%	Achieved	127%	62%	$706	$851	$562	$975
65% Return-Seeking	6.83%	9.74%	0.32	47%	Achieved	124%	63%	$705	$842	$573	$962
60% Return-Seeking	6.72%	9.05%	0.33	45%	Achieved	122%	64%	$704	$834	$584	$948
55% Return-Seeking	6.61%	8.39%	0.35	41%	Achieved	118%	65%	$703	$825	$596	$936
50% Return-Seeking	6.50%	7.76%	0.36	37%	Achieved	115%	65%	$701	$816	$612	$925

[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions (CMAs) as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns may differ from model returns presented based on your plan's individual fees/expenses. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.
[2] Expected = 50th percentile outcome or central expectation across all 5,000 simulations
[3] Downside = 5th percentile outcome across all 5,000 simulations
[4] Downside = 95th percentile outcome across all 5,000 simulations

OSERS

Section 2: Asset-Liability Projection Analysis

OSERS – Current State Overview

Estimated as of March 31, 2025

58.2%

Funded ratio as of March 31, 2025

- Based on market value of assets using the January 1, 2025 actuarial discount rate (7.00%)

7.05%

30-year expected return[1]

- Aon's assumption for the current target asset allocation as of March 31, 2025

- Expected return exceeds the January 1, 2025 actuarial assumed rate of return (7.00%)

15.60%

Asset Hurdle Rate

- Liabilities projected to grow each year primarily due to interest cost and normal cost

- Asset growth rate of 15.60% needed to keep pace with liability growth rate
  - Higher growth will improve the funded ratio

- Assets will grow via a combination of investment performance and contributions/funding

80%

Current target level of return-seeking assets

- Overall asset allocation strategy is generally considered the single most impactful investment decision

[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

Detailed Current State Asset-Liability Profile (as of March 31, 2025)

OSERS projects to have a slight hurdle rate shortfall, slowing near-term funded status growth

Asset-Liability Snapshot				
	As of 1/1/2025		Est. 3/31/2025	
Metric ($, Millions)	**Value**	**Fund %**	**Value**	**Fund %**
Market Value of Assets	$1,716.5	58.4%	$1,725.6	58.2%
Actuarial Value of Assets	$1,754.0	59.7%		
Liability Metrics				
Actuarial Liability (AL) – Funding[1]	$2,938.5		$2,962.6	

Asset-Liability Growth Metrics as of 3/31/2025			
Metric ($, Millions)	**Value**	**% Liability**	**% Assets**
AL Discount Cost	$207.4	7.00%	12.02%
AL Normal Cost	$58.7	1.98%	3.40%
Plan Expenses	$3.1	0.10%	0.18%
Total Liability Hurdle Rate	**$269.1**	**9.08%**	**15.60%**
Expected Return on Assets[2]	$121.7	4.11%	7.05%
Total Contributions	$143.1	4.83%	8.29%
Total Exp. Asset Growth	**$264.7**	**8.94%**	**15.34%**
Hurdle Rate Surplus/(Shortfall)	**-$4.4**	**-0.14%**	**-0.26%**
Est. Benefit Payments	$163.5	5.52%	9.47%

Key Takeaways:

- Pension plan is estimated to be **58.2%** funded on a market value of assets basis as of March 31, 2025
- Asset hurdle rate of **15.60%**, via cash funding and investment returns, needed to maintain or improve funded status
- The total expected asset growth rate (EROA plus contributions) trails the asset hurdle rate by **26 bps**

Target Asset Allocation as of 3/31/2025		
Metric ($, Millions)	**Value**	**Alloc %**
Return-Seeking		
- Public Equity	$992.2	58%
- Private Equity	$86.3	5%
- Liquid Return-Seeking Fixed Income	$172.6	10%
- Open-End Real Assets	$97.1	6%
- Closed-End Real Assets	$32.4	2%
- Total	$1,380.5	80%
Risk-Reducing		
- Core Bonds	$345.1	20%
- Total	$345.1	20%
Total	$1,725.6	100%

[1] Based on a 7.00% discount rate consistent with the January 1, 2025 actuarial valuation results.
[2] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Analysis includes $3.1MM in expenses, assumed to be inclusive of investment consulting fees, paid from trust assets. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.
Percentages may not sum to 100% due to rounding.

Asset Hurdle Rates

Growth needs of the plan adjust with funded status changes

What is the Asset Hurdle Rate?

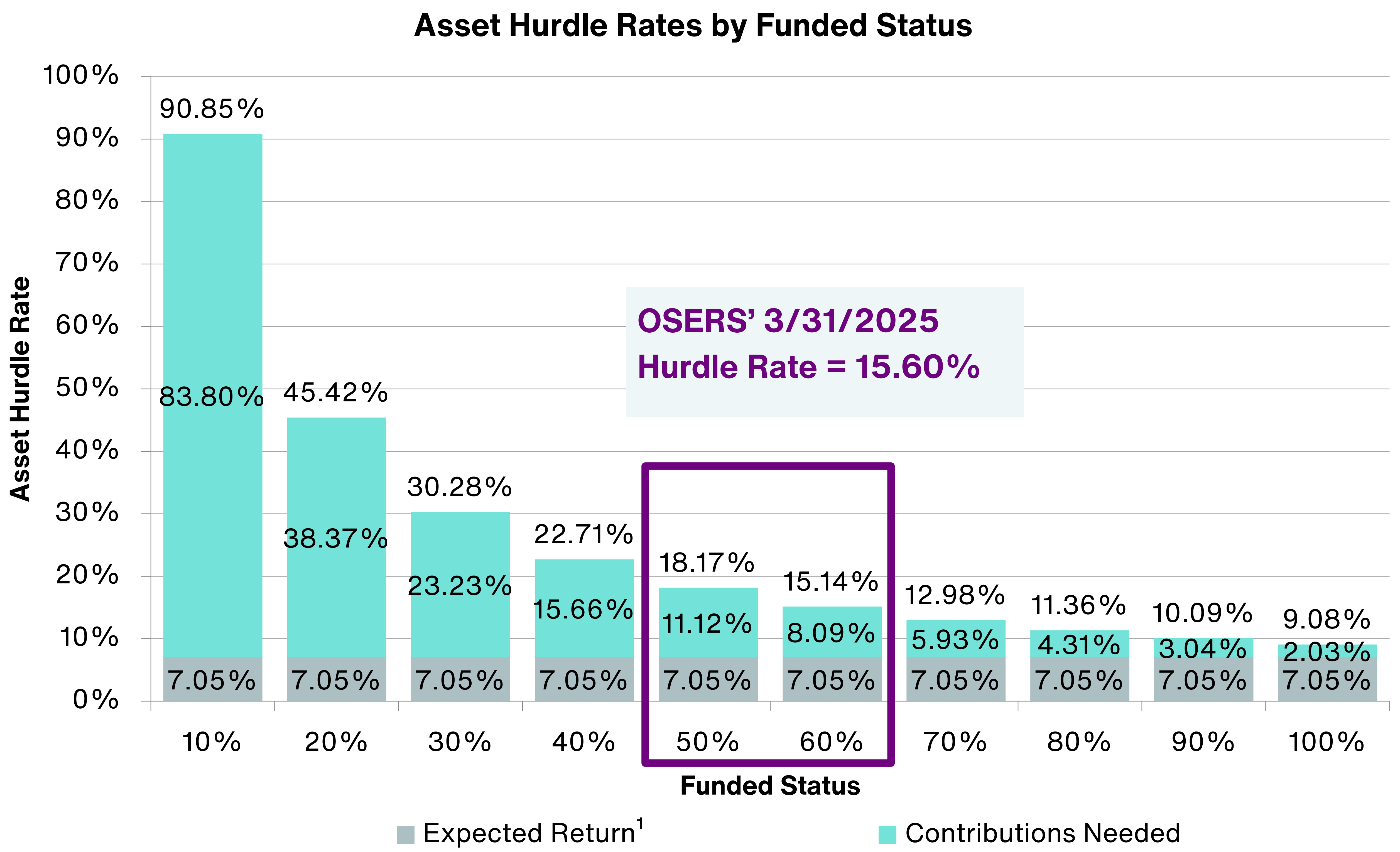
Asset Hurdle Rate is the required rate of asset growth needed to keep pace with the growth of the Plan liabilities

- Assets must grow at this rate or more in order to maintain or reduce a potential funding shortfall
- **Formula = (Normal Cost + Discount Cost + Expenses) / Funded Ratio**

Assets can grow in two ways:

- Investment returns
- Funding contributions

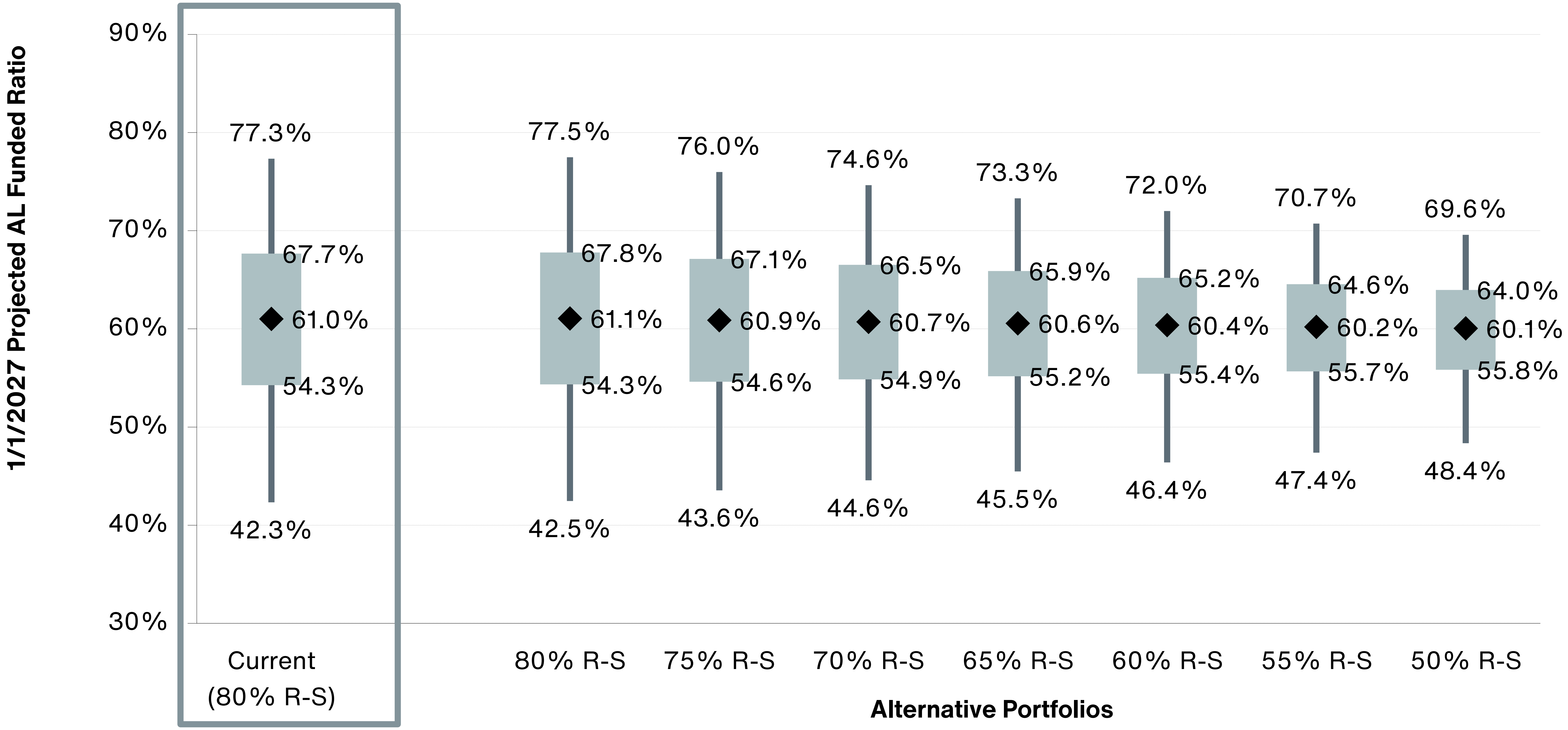
Asset hurdle rates are expected to decline as the funded status increases



[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Analysis includes $3.1MM in expenses, assumed to be inclusive of investment consulting fees, paid from trust assets. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.
Percentages may not sum to total due to rounding.

Asset-Liability Projection Analysis – Funded Ratio (MVA)

Short-term funded ratio sensitivity driven by investment risk

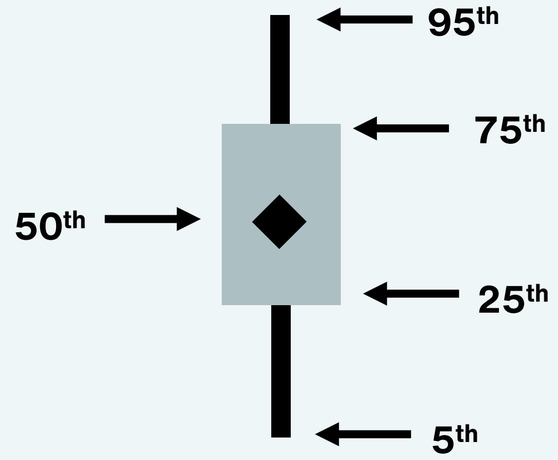


Projections assume a constant 7.00% actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

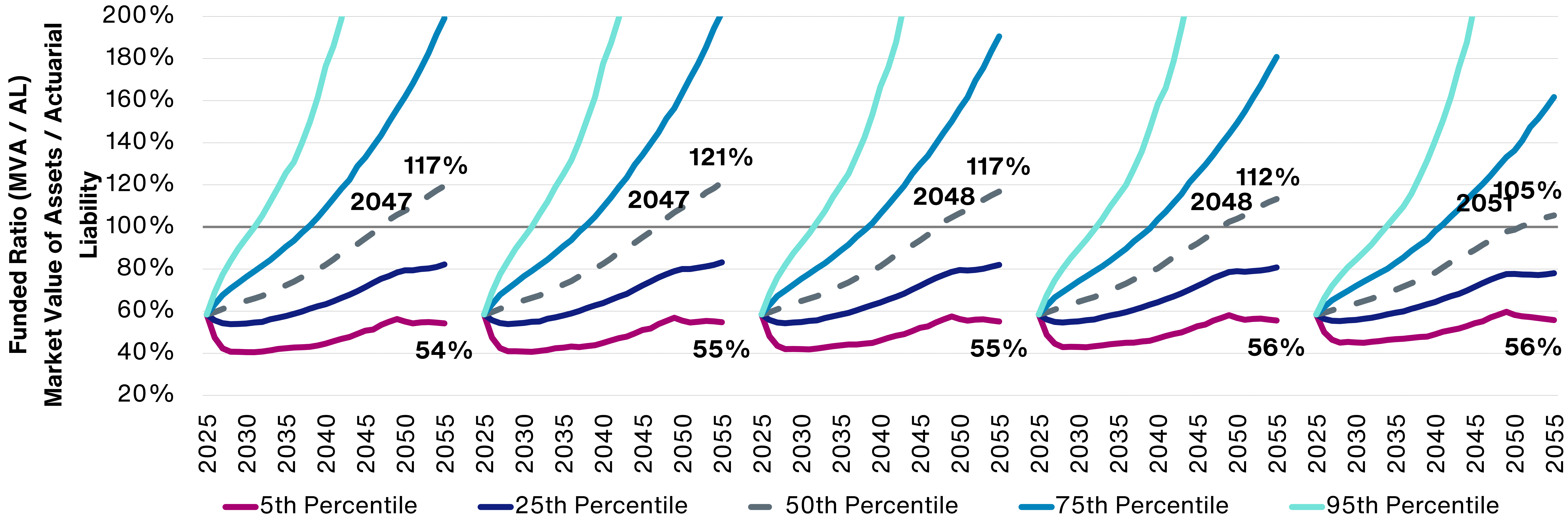
- Higher risk portfolios are projected to have both more upside and downside potential over a short time horizon
- Similarly, lower risk portfolios will have a narrower range of potential outcomes

Legend: Distribution of Outcomes



Asset-Liability Projection Analysis – Funded Ratio (MVA)

Plan is expected to remain full funded over the projection period; lower risk portfolios maintain similar trend lines with reduced volatility



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**
5th Percentile	42%	51%	54%	43%	51%	55%	44%	52%	55%	45%	53%	56%	47%	54%	56%
25th Percentile	58%	71%	82%	58%	72%	83%	58%	72%	82%	59%	72%	81%	59%	72%	78%
50th Percentile	72%	95%	119%	73%	95%	121%	72%	94%	117%	71%	92%	113%	70%	89%	105%
75th Percentile	91%	133%	199%	91%	134%	>200%	89%	130%	190%	87%	125%	181%	83%	117%	162%
95th Percentile	126%	>200%	>200%	125%	>200%	>200%	120%	>200%	>200%	115%	>200%	>200%	105%	>200%	>200%
Probability > 100%	20%	46%	63%	20%	47%	64%	18%	46%	62%	16%	44%	60%	10%	40%	55%

Projections assume a constant 7.00% actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

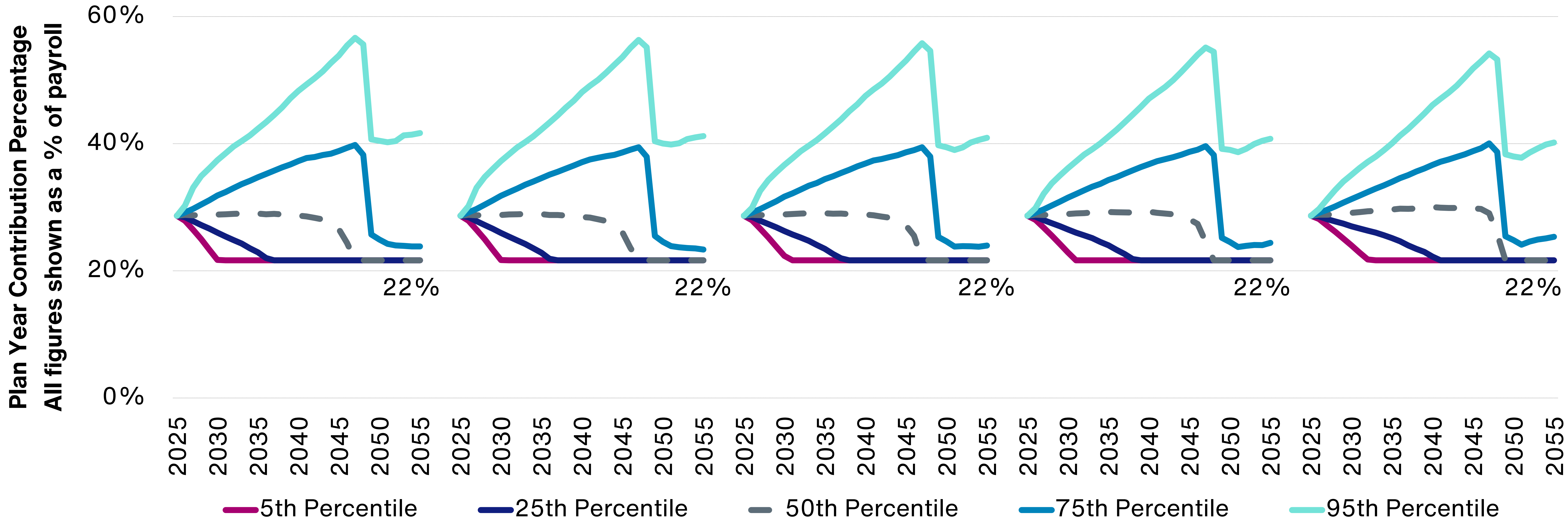
Key Observations

- The Current Policy is expected to reach full funding by 2047
- Increased diversification is expected to gradually improve both the expected and downside funded ratios
- Lower return-seeking allocations are expected to have
  - Lower central expectations
  - Longer times to expected full funding
  - Narrower ranges of potential outcomes

AON

Asset-Liability Projection Analysis – Total Contributions

Contributions are actuarially-based with a statutory floor; lower risk portfolios take slightly longer to converge to the floor



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**
5th Percentile	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%
25th Percentile	22.9%	21.7%	21.7%	22.8%	21.7%	21.7%	23.5%	21.7%	21.7%	24.0%	21.7%	21.7%	25.2%	21.7%	21.7%
50th Percentile	29.0%	26.5%	21.7%	28.9%	26.0%	21.7%	29.1%	27.1%	21.7%	29.3%	28.1%	21.7%	29.6%	29.8%	21.7%
75th Percentile	34.7%	38.9%	23.8%	34.6%	38.6%	23.4%	34.4%	38.7%	24.0%	34.3%	38.7%	24.4%	34.0%	38.8%	25.4%
95th Percentile	42.4%	53.9%	41.7%	42.2%	53.6%	41.2%	41.6%	53.1%	40.9%	41.1%	52.6%	40.8%	40.1%	51.8%	40.2%

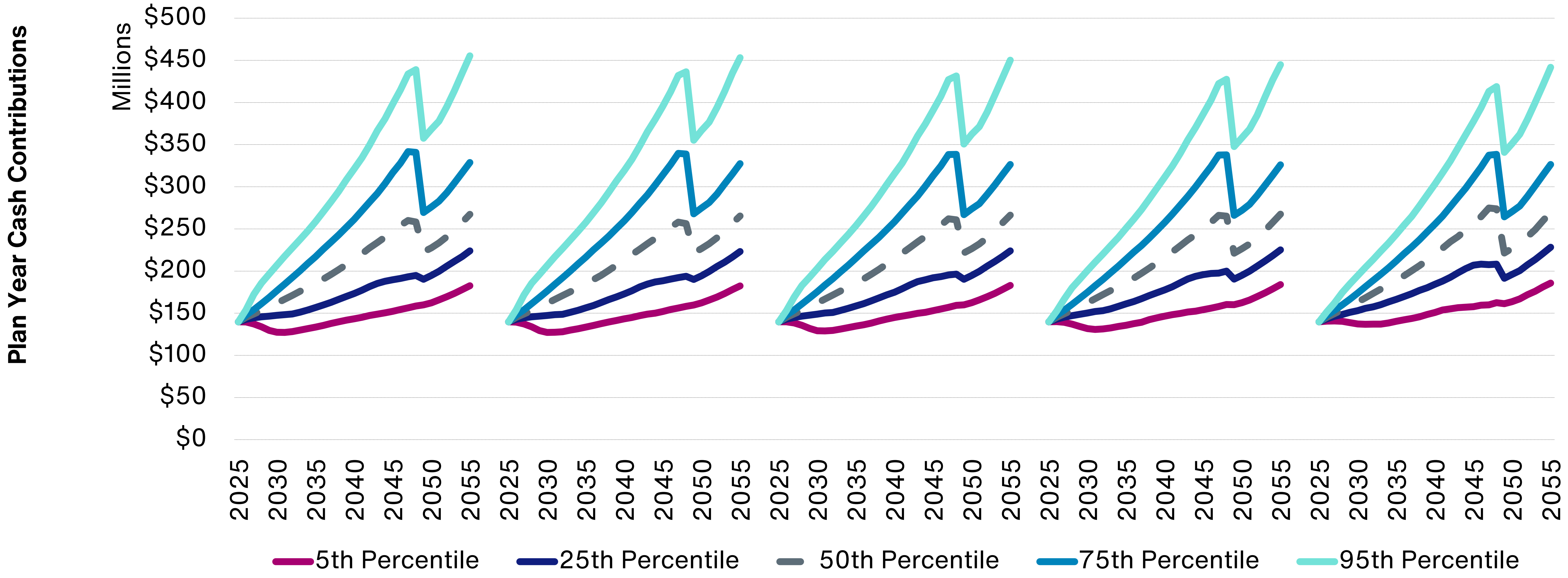
Projections assume a constant 7.00% actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

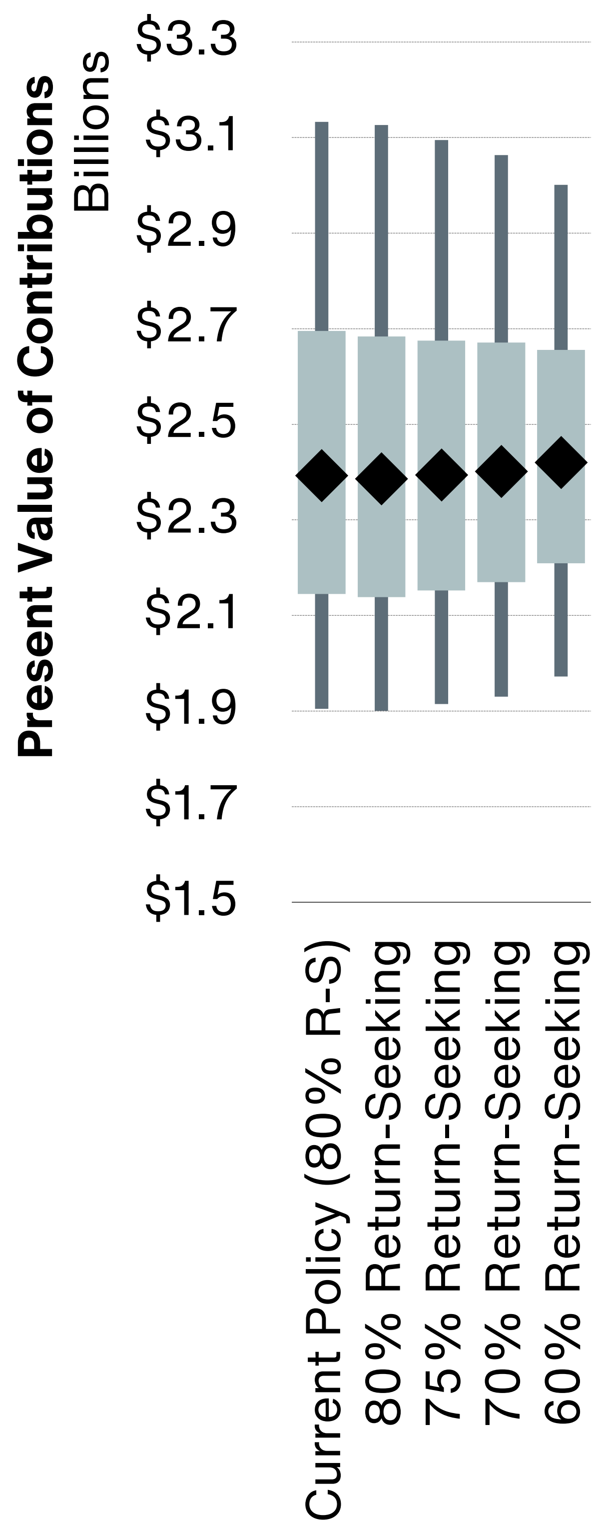
Key Observations

- Contribution amounts in the central expectations (50^{th} percentile outcome) are largely consistent across investment strategies, higher than the statutory minimums
- Lower return-seeking strategies are projected to have slightly higher contributions for longer

Asset-Liability Projection Analysis – Total Contributions

Contributions are largely similar across investment strategies; lower risk has slightly higher expected costs with a narrower range of outcomes





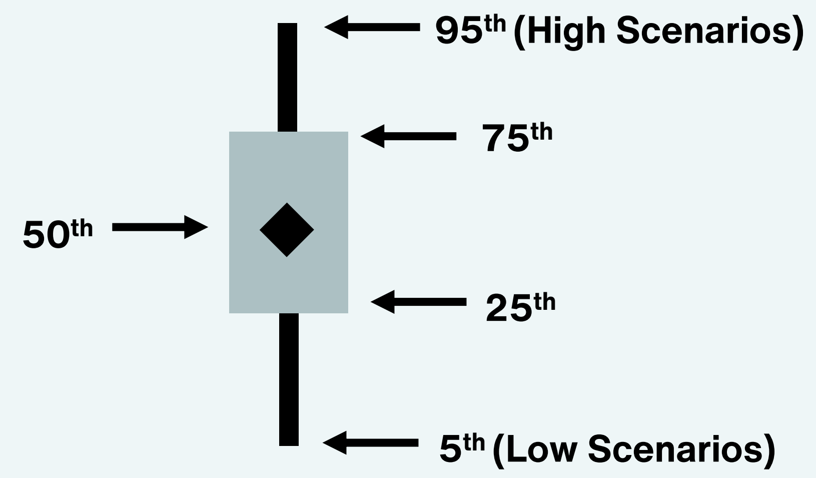
Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**
5th Percentile	$134	$152	$183	$133	$152	$182	$135	$153	$183	$136	$154	$184	$140	$158	$186
25th Percentile	$157	$190	$224	$156	$189	$223	$158	$192	$224	$161	$196	$225	$166	$207	$228
50th Percentile	$186	$247	$267	$185	$245	$265	$186	$248	$266	$187	$250	$267	$189	$256	$270
75th Percentile	$217	$317	$329	$217	$314	$327	$215	$313	$326	$214	$312	$326	$212	$311	$326
95th Percentile	$259	$398	$455	$258	$396	$453	$254	$391	$450	$251	$386	$445	$244	$377	$442

Projections assume a constant 7.00% actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

- Plan contributions are based on percentages of payroll and expected to increase with payroll growth
- Lower return-seeking allocations are expected to have
  - Higher central expectations
  - Narrower ranges of potential outcomes

Legend: Distribution of Outcomes



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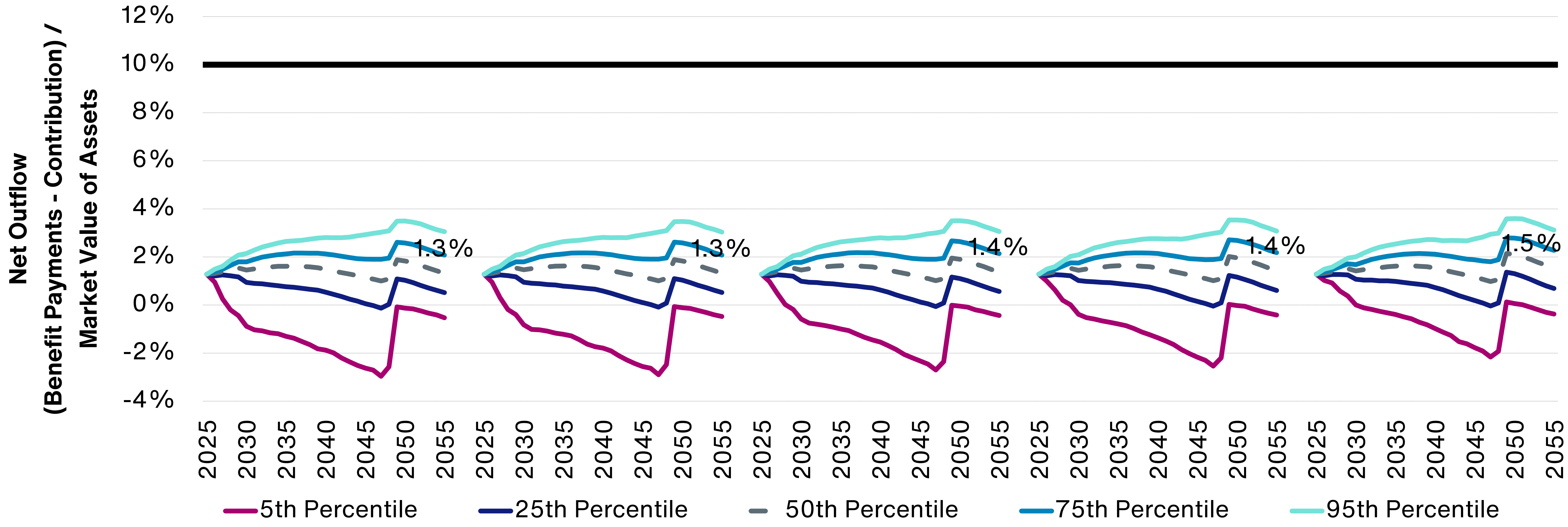
Asset-Liability Projection Analysis – Net Outflow

Net outflow is consistent across all investment strategies



Strategy	Current Policy (80% R-S)			80% Return-Seeking			75% Return-Seeking			70% Return-Seeking			60% Return-Seeking		
Year	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**	**2035**	**2045**	**2055**
5th Percentile	-1.3%	-2.6%	-0.5%	-1.2%	-2.6%	-0.5%	-1.0%	-2.3%	-0.4%	-0.8%	-2.2%	-0.4%	-0.4%	-1.8%	-0.4%
25th Percentile	0.8%	0.1%	0.5%	0.8%	0.1%	0.5%	0.8%	0.1%	0.6%	0.9%	0.2%	0.6%	1.0%	0.2%	0.7%
50th Percentile	1.6%	1.1%	1.3%	1.6%	1.1%	1.3%	1.6%	1.2%	1.4%	1.6%	1.2%	1.4%	1.6%	1.2%	1.5%
75th Percentile	2.1%	1.9%	2.1%	2.1%	1.9%	2.1%	2.1%	1.9%	2.1%	2.1%	1.9%	2.2%	2.1%	1.9%	2.3%
95th Percentile	2.6%	2.9%	3.1%	2.6%	2.9%	3.0%	2.6%	2.9%	3.1%	2.6%	2.9%	3.1%	2.5%	2.8%	3.1%
Probability > 10%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%

Projections assume a constant 7.00% actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

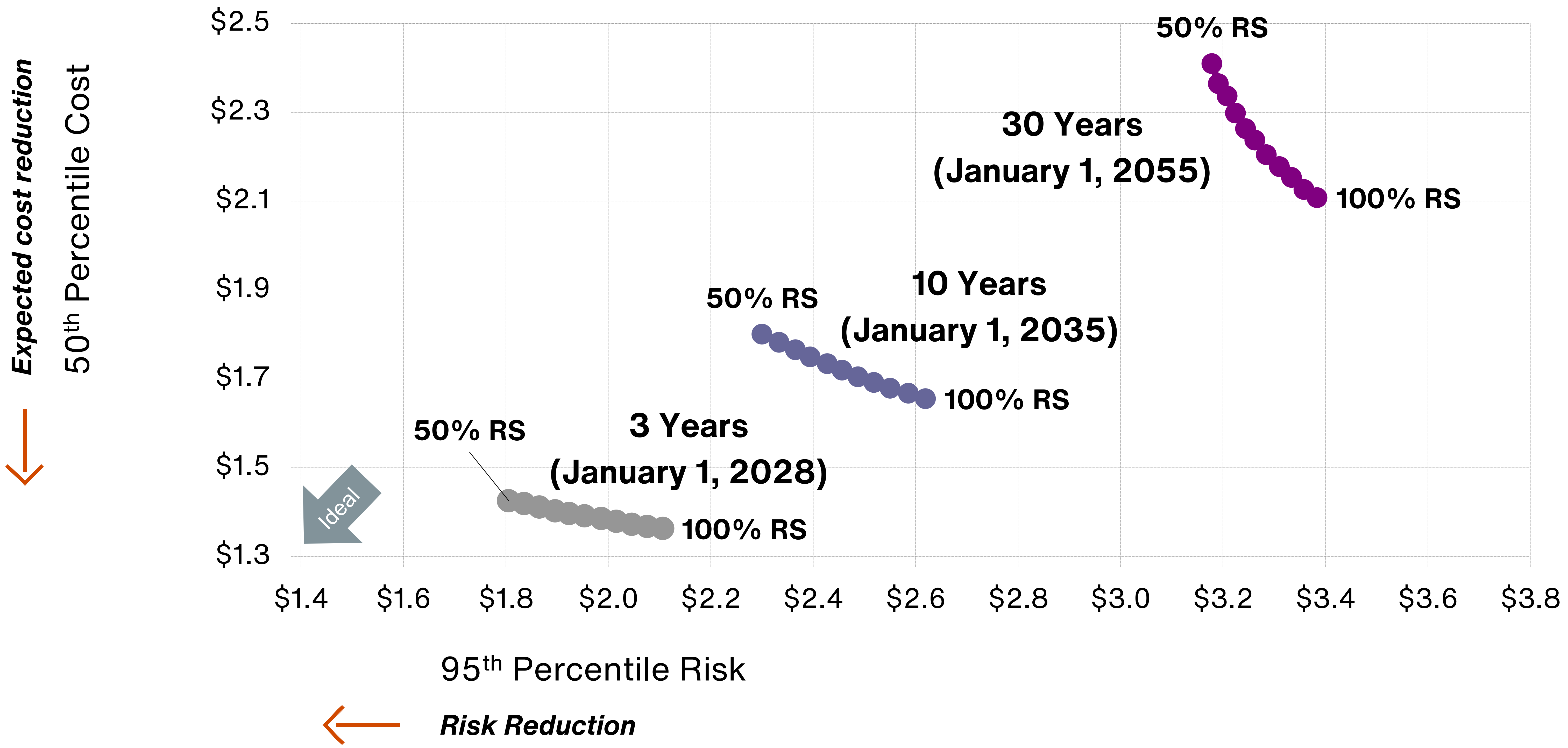
- Net outflow is consistent across the policies modeled with central expectations (50th percentile outcome) in the 1-2% range
- Net outflows of 10%+ can put stress on fund liquidity over time; however, it is not likely over the projection period

Economic Cost and Risk

Longer time horizons incentivize risk taking

Economic Cost

Present Value of Contributions plus Asset-Liability Funding Shortfall/(Surplus)* at 7.00%, $Billions



Projections assume a constant 7.00% actuarial assumed rate of return for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.
Note: Excludes 50% of surplus in excess of 120% of Actuarial liability, and includes twice the shortfall below 30% of Actuarial liability, on a market value basis.

Key Observations

- Horizontal economic cost curves imply that added risk does not result in a significant expected reward/economic cost reduction
- Vertical economic cost curves imply that added risk does result in a significant expected reward/economic cost reduction
- The economic curves over the projection periods shown are increasingly more vertical over longer time periods indicating that additional risk in the portfolio is more beneficial to economic cost reduction over time

Asset-Liability Projection Analysis

Summary of Results

Portfolios	Portfolio Metrics (30-year CMAs)				Financial Results (30-Year Figures)						
	Exp. Nominal Return[1]	Exp. Nominal Volatility	Sharpe Ratio	Prob. of achieving 6.95%	Exp. Year of Full Funding	Ending Funded Ratio (MVA / AL)		Present Value of Contributions (in $ millions)		Economic Cost (in $ millions)	
						Expected[2]	Downside[3]	Expected[2]	Downside[4]	Expected[2]	Downside[4]
Current Policy (80% R-S)	**7.05%**	**11.93%**	**0.28**	**52%**	**2047**	119%	54%	$2,392.5	$3,132.9	$2,221.6	$3,298.7
Alternative Portfolios											
80% Return-Seeking	7.11%	11.88%	0.29	53%	2047	121%	55%	$2,386.0	$3,126.6	$2,204.7	$3,284.7
75% Return-Seeking	7.02%	11.12%	0.30	51%	2048	117%	55%	$2,394.2	$3,094.8	$2,237.7	$3,262.5
70% Return-Seeking	6.93%	10.44%	0.31	50%	2048	113%	56%	$2,401.4	$3,063.7	$2,263.4	$3,244.3
65% Return-Seeking	6.83%	9.74%	0.32	47%	2049	110%	56%	$2,410.6	$3,031.0	$2,298.4	$3,224.5
60% Return-Seeking	6.72%	9.05%	0.33	45%	2051	105%	56%	$2,420.4	$3,001.4	$2,337.0	$3,208.4
55% Return-Seeking	6.61%	8.39%	0.35	41%	2053	101%	56%	$2,431.0	$2,973.6	$2,364.5	$3,191.2
50% Return-Seeking	6.50%	7.76%	0.36	37%	N/A	98%	56%	$2,446.1	$2,947.2	$2,409.8	$3,178.5

[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions (CMAs) as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns may differ from model returns presented based on your plan's individual fees/expenses. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

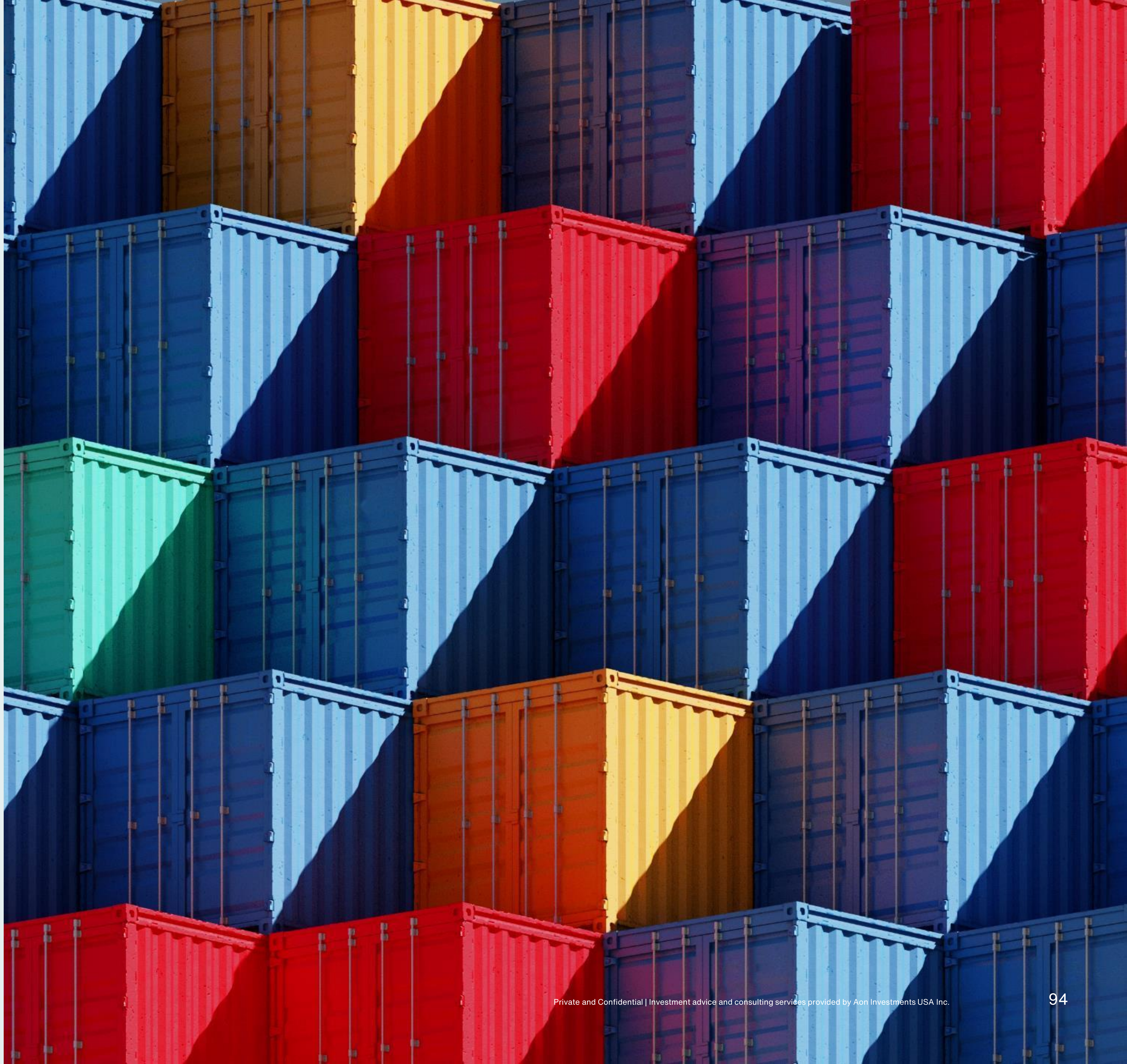
[2] Expected = 50th percentile outcome or central expectation across all 5,000 simulations

[3] Downside = 5th percentile outcome across all 5,000 simulations

[4] Downside = 95th percentile outcome across all 5,000 simulations

3

Liquidity Analysis



Liquidity Analysis Overview

Background

NPERS and OSERS' liquidity analysis is performed under the Current and Alternative target allocations

Intended as a stress-testing model, incorporating the profile of the liabilities as well as expected future contributions

Uses different scenarios for economic environments and other relevant events

Shows how the portfolio's liquidity profile could evolve with a given investment strategy

We categorized investments by liquidity into five buckets

Liquid (Risk-Reducing Assets): Less than 3 months needed for return of capital (e.g., publicly traded securities)

Liquid (Return-Seeking Assets): Less than 3 months needed for return of capital (e.g., publicly traded securities)

Quasi-Liquid: Typical lock-up of 3–12 months; Conservatively, we assumed a 1-year lock-up in most economic environments, 2 years in a Recession scenario, and 3 years in a Dark Skies scenario (e.g., many hedge funds, open-end real assets)

Illiquid: Potential lock-up of 5–10 years, depending on economic environment (e.g., closed-end real assets)

Illiquid: Potential lock-up of 10+ years (e.g., typical private equity)

This is intended to be a conservative approximation of the actual liquidity properties of the assets

Liquidity Analysis

Asset allocation, liquidity category, and economic scenarios

Liquidity Category	Asset Class	Current Target Allocation (80% R-S)	Alternative 80% R-S	Alternative 75% R-S	Alternative 70% R-S
Liquid (Risk-Reducing Assets)	Core Fixed Income	20.0%	20.0%	25.0%	30.0%
	Subtotal	**20.0%**	**20.0%**	**25.0%**	**30.0%**
Liquid (Return-Seeking Assets)	Public Equity	57.5%	57.5%	53.0%	49.0%
	Return-Seeking Fixed Income	10.0%	10.0%	9.5%	8.5%
	Subtotal	**67.5%**	**67.5%**	**62.5%**	**57.5%**
Quasi-Liquid Assets	Open-End Real Estate	5.6%	4.1%	4.1%	4.1%
	Subtotal	**5.6%**	**4.1%**	**4.1%**	**4.1%**
Illiquid 5-10 Years	Closed-End Real Estate	1.9%	1.4%	1.4%	1.4%
	Subtotal	**1.9%**	**1.4%**	**1.4%**	**1.4%**
Illiquid 10+ Years	Private Equity	5.0%	5.0%	5.0%	5.0%
	Closed-End Infrastructure	---	2.0%	2.0%	2.0%
	Subtotal	**5.0%**	**7.0%**	**7.0%**	**7.0%**
Totals	Asset Allocation	100.0%	100.0%	100.0%	100.0%
	Quasi + Illiquid Assets	**12.5%**	**12.5%**	**12.5%**	**12.5%**

Base Case Scenario

- Markets perform consistent with Aon's Capital Market Assumptions (~50th percentile)

Recession Scenario

- Somewhat pessimistic outlook for the markets
- Return-seeking assets decline in the first two years with a modest rebound in later years

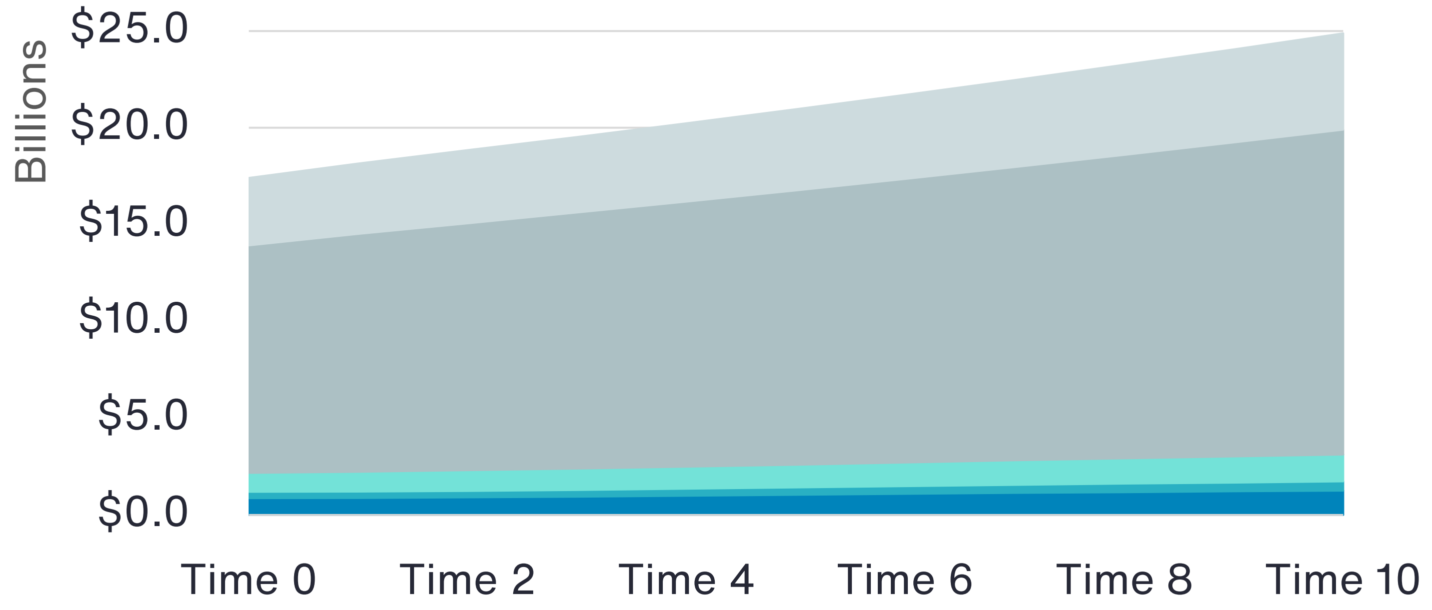
Dark Skies Scenario

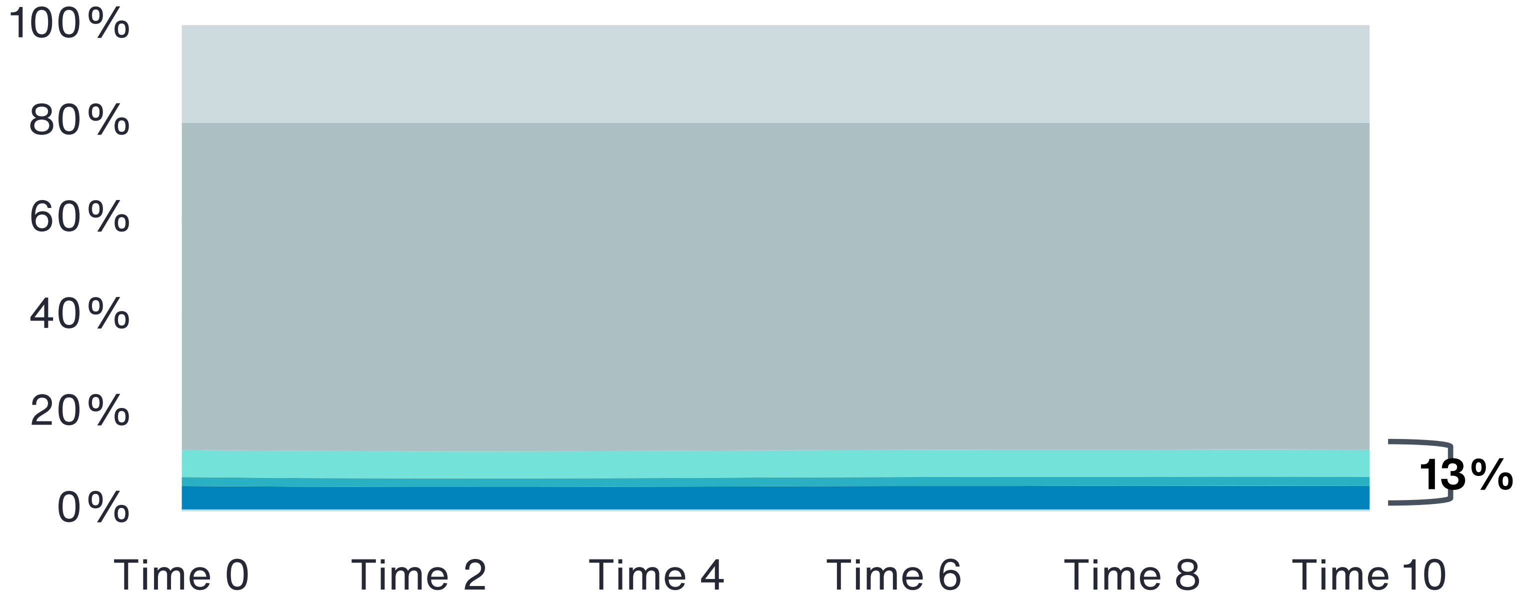
- Very pessimistic outlook for markets
- Return-seeking assets decline significantly
- The value of public equities declines approximately 50% over three years, without an immediate rebound

Liquidity Analysis – Results

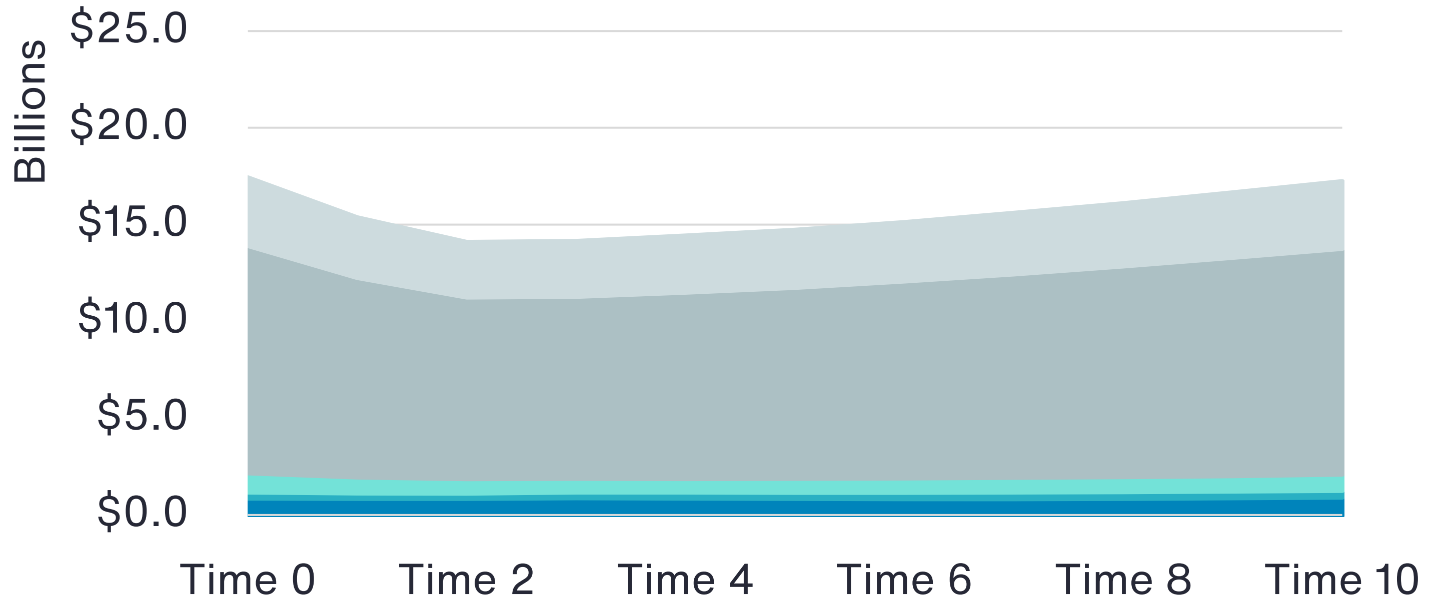
NPERS School Plan – Current Policy (80% R-S; 12.5% illiquid assets)

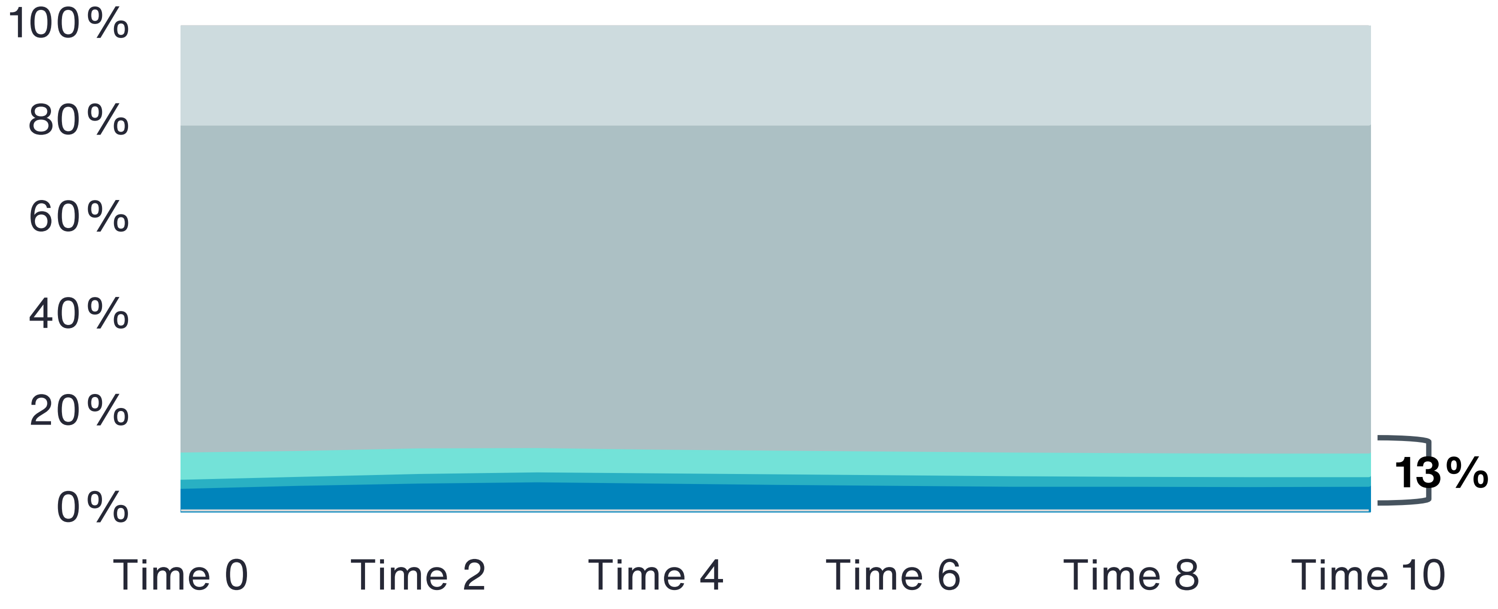
Base Case



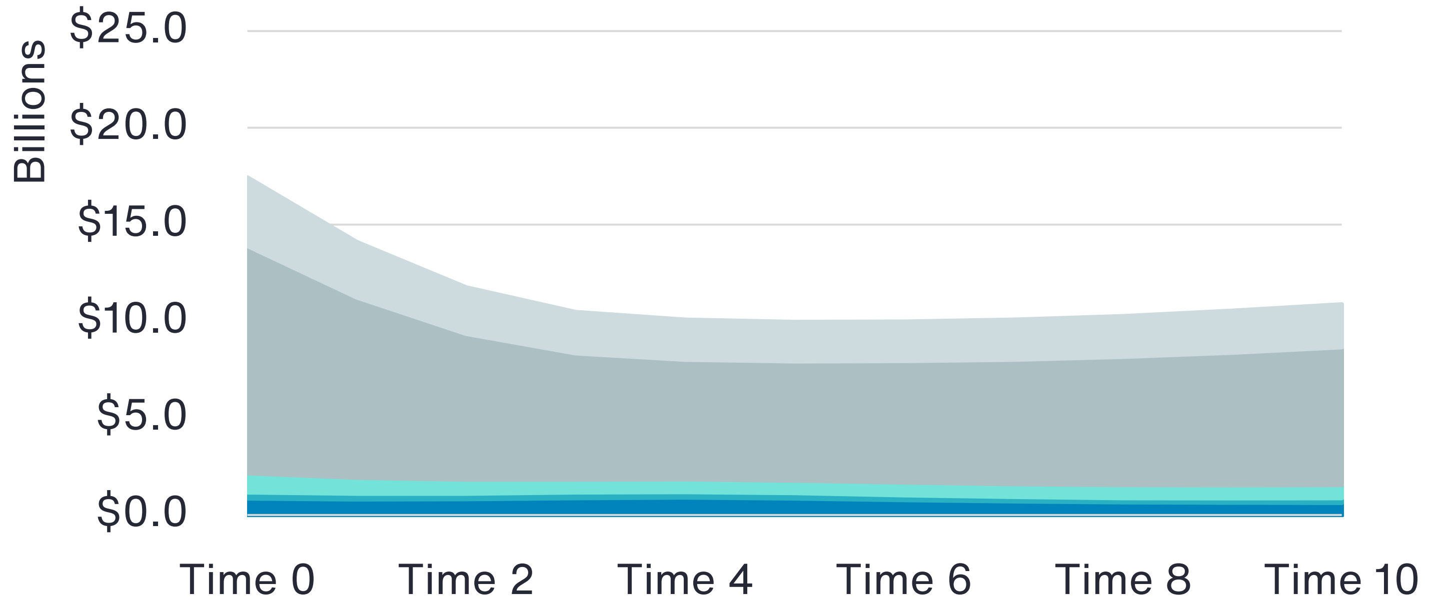


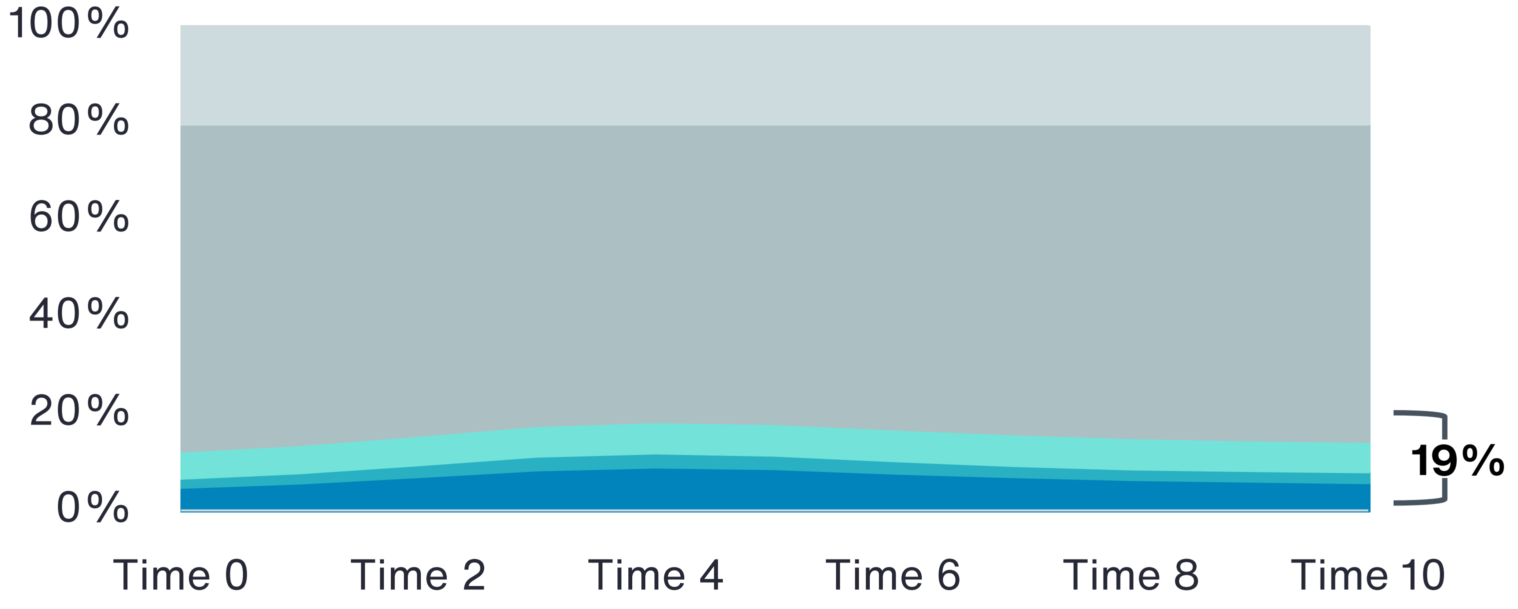
Recession





Dark Skies





Illiquid: 10+ Years | Illiquid: 5-10 Years | Quasi-Liquid | Liquid (Return-Seeking Assets) | Liquid (Risk-Reducing Assets)

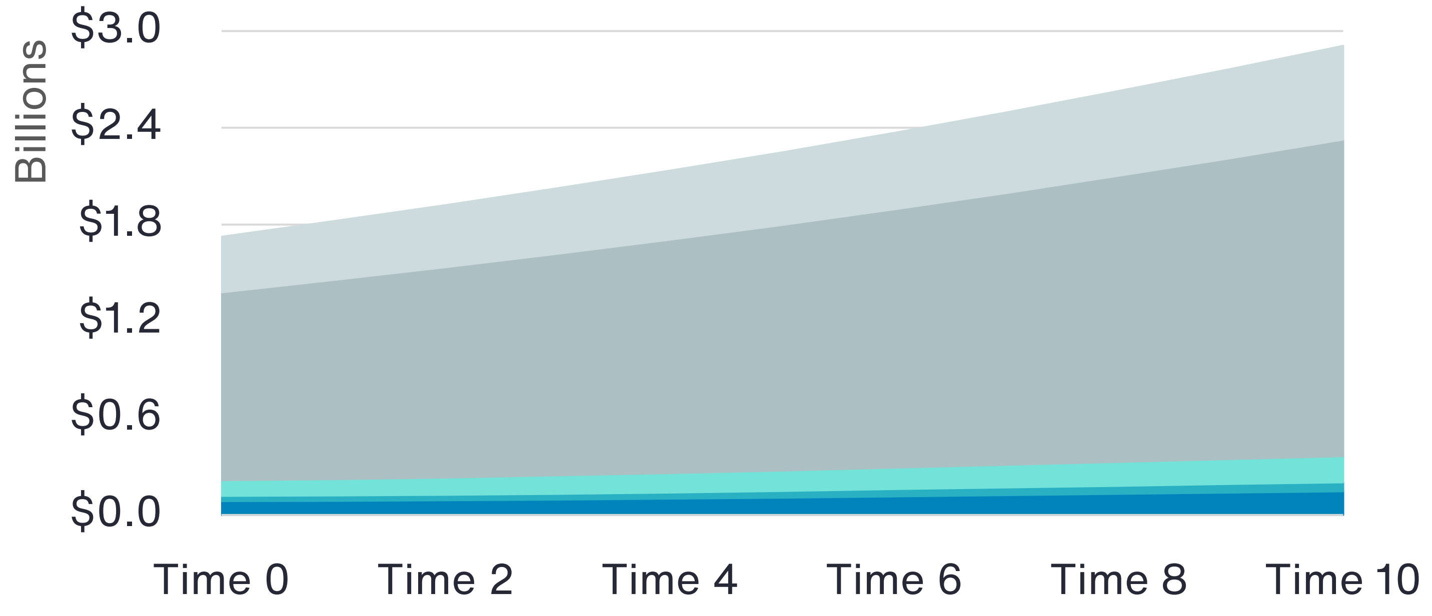
Note: Time 0 represents a starting point of March 31, 2025

Liquidity Analysis – Results

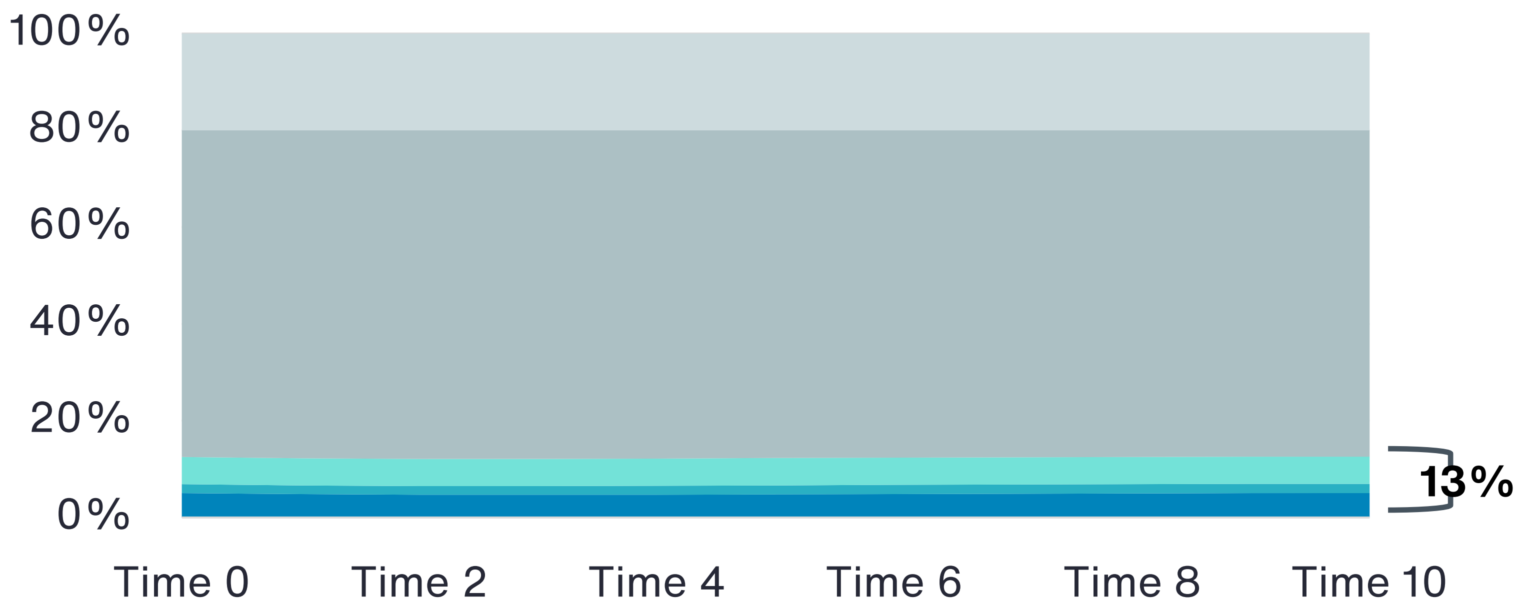
OSERS – Current Policy (80% R-S; 12.5% illiquid assets)

Base Case

Base Case - NAV ($)

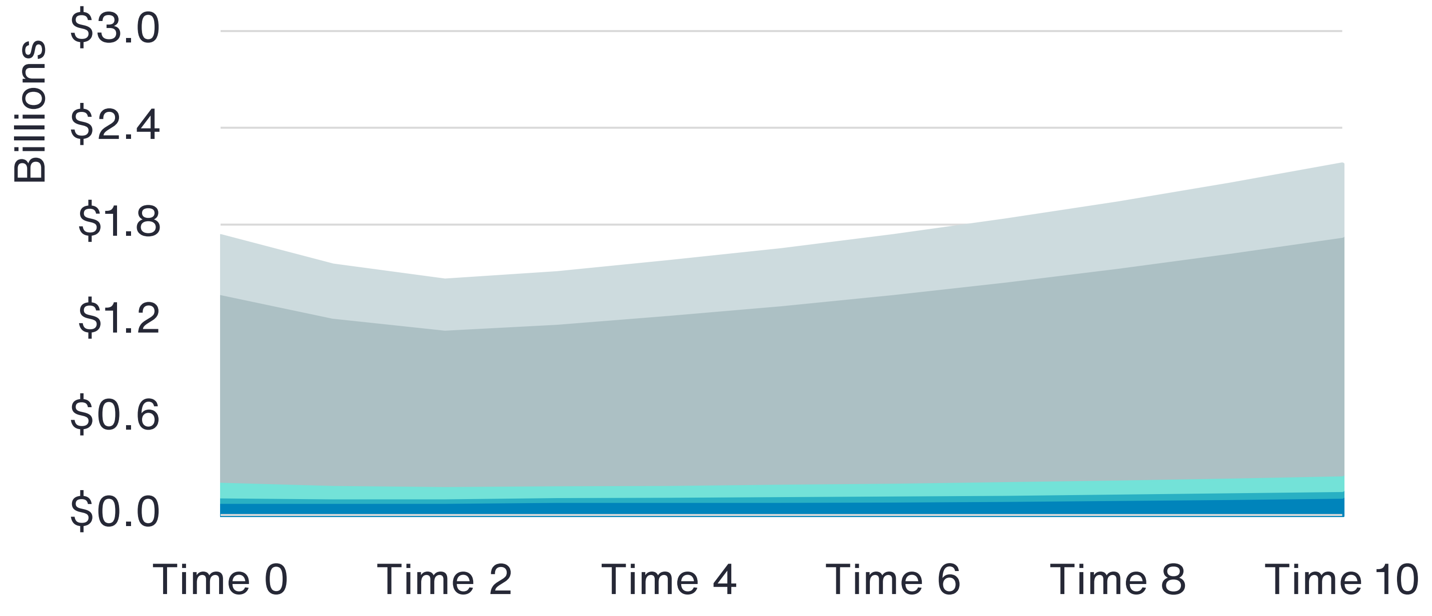


Base Case - NAV (%)

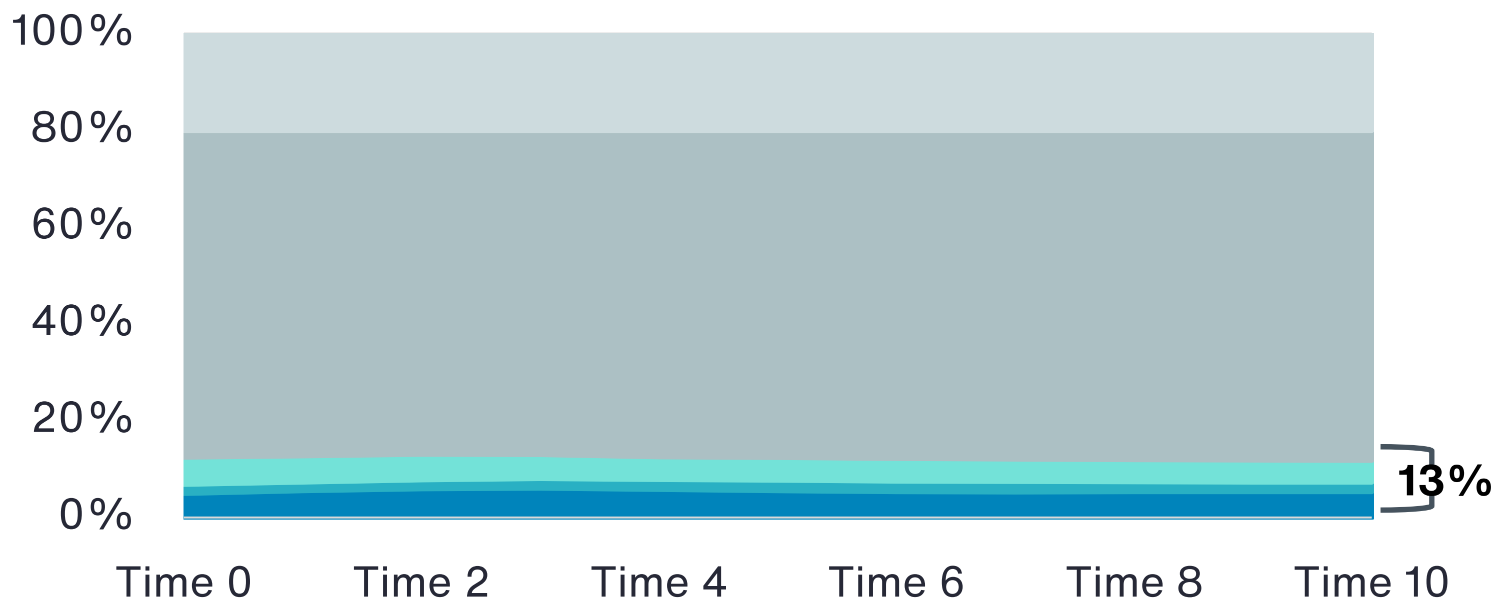


Recession

Recession - NAV ($)

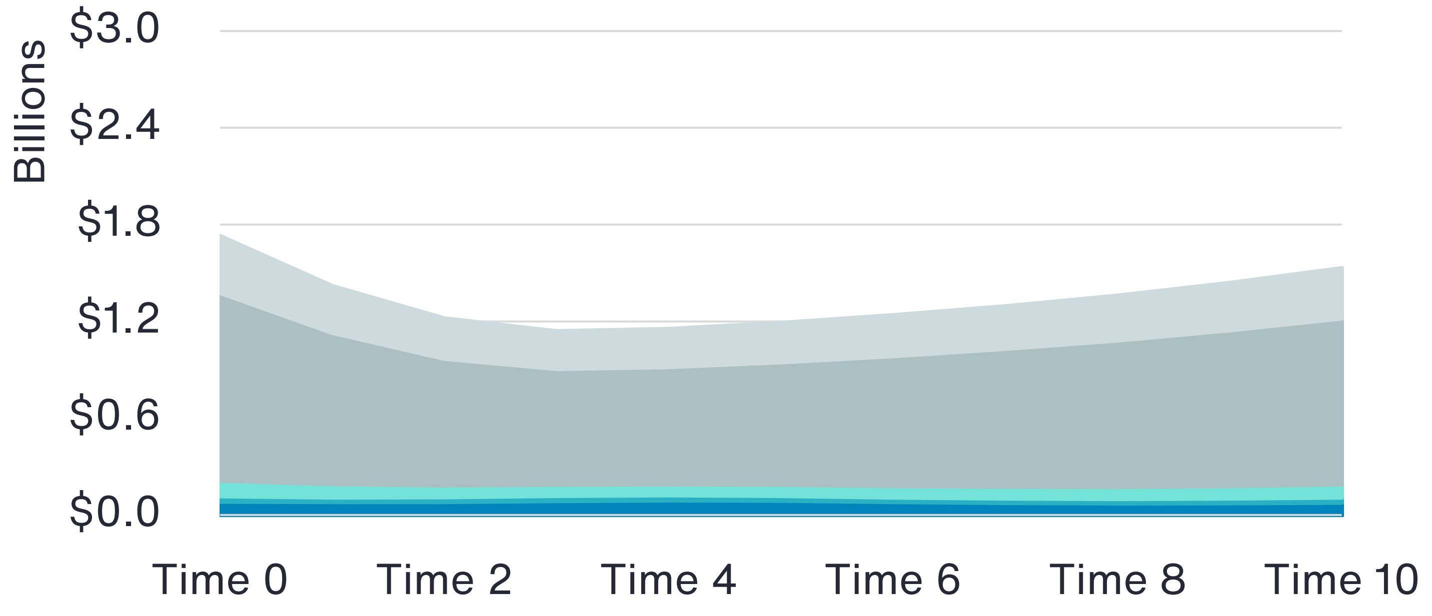


Recession - NAV (%)

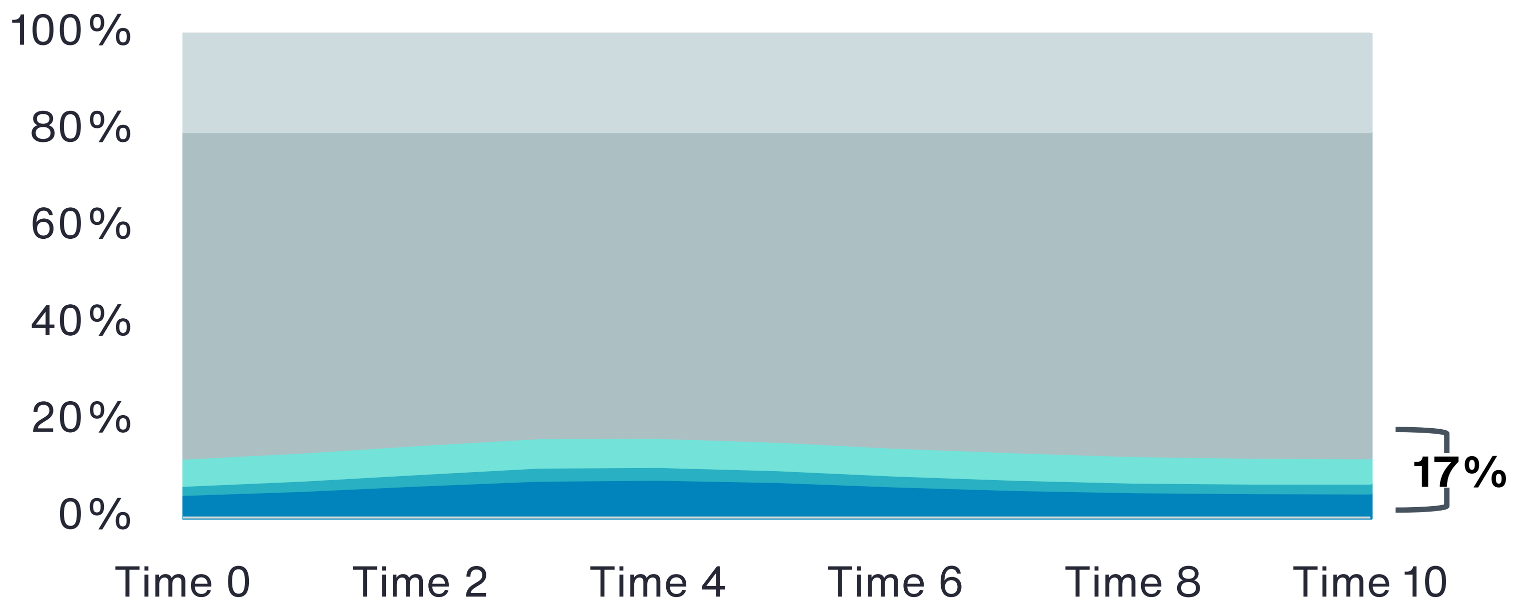


Dark Skies

Dark Skies - NAV ($)



Dark Skies - NAV (%)



Illiquid: 10+ Years Illiquid: 5-10 Years Quasi-Liquid Liquid (Return-Seeking Assets) Liquid (Risk-Reducing Assets)

Note: Time 0 represents a starting point of March 31, 2025

Liquidity Analysis – Summary of Results

Sufficient liquidity in base case, recession, and dark skies scenarios

	NPERS – School Current Policy (80% R-S)		OSERS Current Policy (80% R-S)	
	Max Illiquid Allocation	Ratio of Max Illiquids to Base Case	Max Illiquid Allocation	Ratio of Max Illiquids to Base Case
Base Case	13%	1.00	13%	1.00
Recession	13%	1.00	13%	1.00
Dark Skies	19%	1.46	17%	1.31

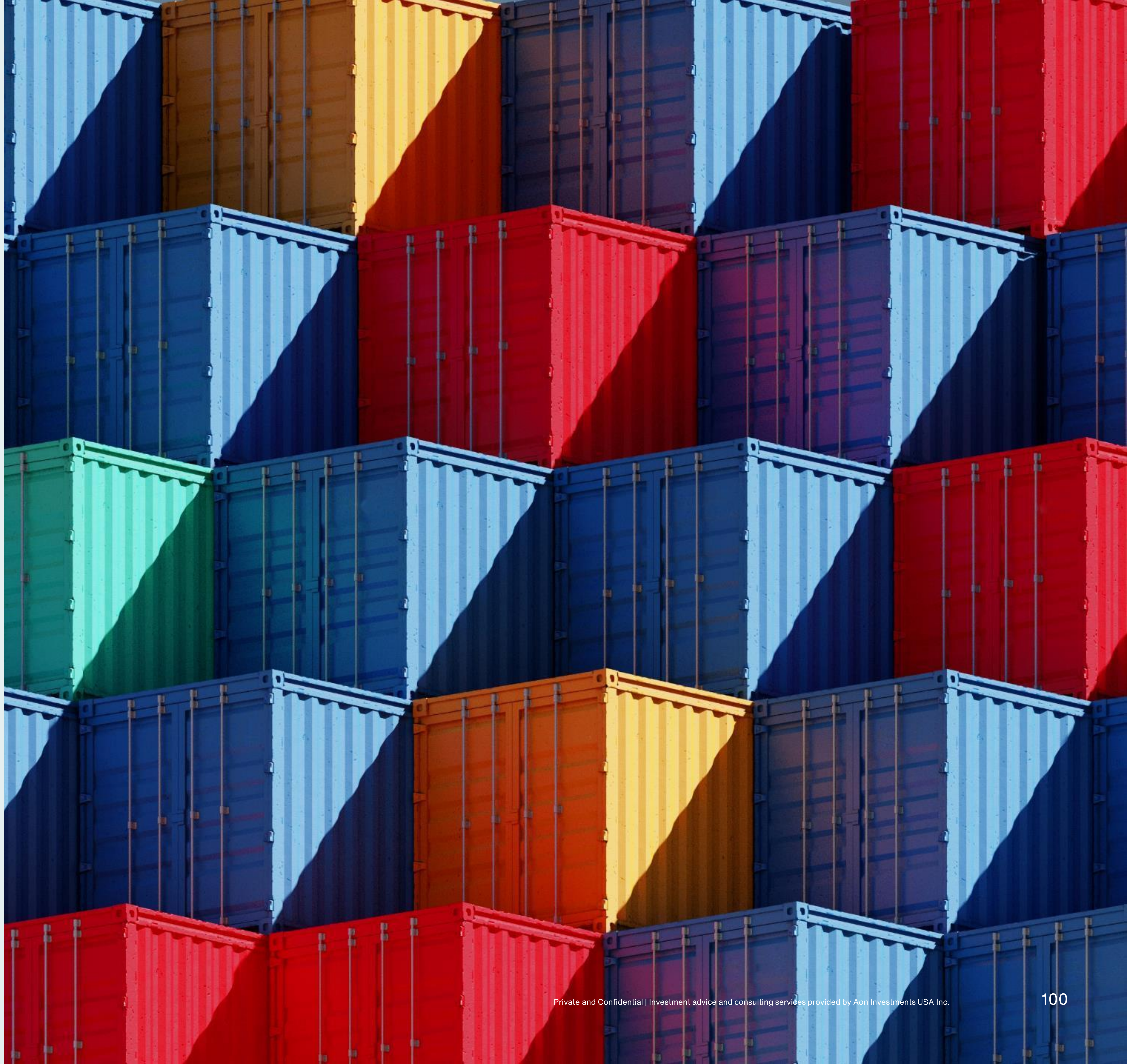
Key Takeaways

- Both NPERS – School and OSERS have sufficient liquidity in the modeled Base Case, Recession, and Dark Skies economic scenarios for the Current target allocations
  - The modeled scenarios show no problems paying benefits to participants
- In a Dark Skies economic scenario, assets are projected to decline increasing the proportion of illiquid assets
  - Potential remedies if the Dark Skies scenario occurs include:
    - Accepting this risk
    - Paring back commitments more than assumed in this analysis and/or selling on the secondary market
    - Adjusting the funding policy

Note: This analysis is highly sensitive to the assumed contributions. If NPERS/OSERS receives less contributions than assumed, especially in a Dark Skies environment, then illiquid and quasi-liquid investments would drift even further from target and the potential for liquidity issues increases

4

Summary of Results & Next Steps



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Summary of Results

	School	State Patrol	Judges	State Cash Balance	County Cash Balance	OSERS
Est. Funded Position (as of 3/31/2025)	103.8%	83.6%	105.8%	101.2%	102.2%	58.2%
Current Investment Strategy (% Return-Seeking Assets)	80%	80%	80%	80%	80%	80%
Hurdle Rate Surplus/(Shortfall)	1.08%	0.63%	1.50%	1.13%	1.23%	-0.26%
Asset-Liability Projection Analysis	• Expected to maintain full funding	• Expected to reach full funding in 2040	• Expected to maintain full funding	• Expected to maintain full funding	• Expected to maintain full funding	• Expected to reach full funding in 2047
Investment Strategies to Consider	• Consider additional diversification by replacing a portion of the existing real estate allocation with infrastructure • Consider dialing back the return-seeking allocation to lower volatility while achieving a similar return	• Consider additional diversification by replacing a portion of the existing real estate allocation with infrastructure • Consider dialing back the return-seeking allocation to lower volatility while achieving a similar return	• Consider additional diversification by replacing a portion of the existing real estate allocation with infrastructure • Consider dialing back the return-seeking allocation to lower volatility while achieving a similar return	• Consider additional diversification by replacing a portion of the existing real estate allocation with infrastructure • Consider dialing back the return-seeking allocation to lower volatility while achieving a similar return	• Consider additional diversification by replacing a portion of the existing real estate allocation with infrastructure • Consider dialing back the return-seeking allocation to lower volatility while achieving a similar return	• Consider additional diversification by replacing a portion of the existing real estate allocation with infrastructure

Next Steps

Recommendations:

- **OSERS**
  - Funded status is low with an expected time to full funding of 2047
  - There is a case for staying at 80% with additional diversification to slightly improve the portfolio metrics

- **NPERS (School, Judges, State Cash Balance, County Cash Balance)**
  - Plans are over 100% funded and expected to remain there in our central expectations
  - A case can be made for lowering the risk in the portfolio to achieve similar expectations but do so with less risk – potentially selecting the 75% or 70% return-seeking levels

- **NPERS (State Patrol)**
  - Plan remains slightly underfunded with an expected time to full funding of 2040
  - A case can be made for either staying at the current risk level or slightly de-risking the plan

		Alternative Frontier		
	Current Target (80% R-S)	*80% Return-Seeking*	*75% Return-Seeking*	*70% Return-Seeking*
U.S. Equity	24.0%	24.0%	22.0%	20.5%
Global Equity	22.0%	22.0%	20.5%	18.5%
Non-U.S. Equity	11.5%	11.5%	10.5%	10.0%
Total Public Equity	**57.5%**	**57.5%**	**53.0%**	**49.0%**
Private Equity	**5.0%**	**5.0%**	**5.0%**	**5.0%**
Real Estate	7.5%	5.5%	5.5%	5.5%
Infrastructure	0.0%	2.0%	2.0%	2.0%
Total Real Assets	**7.5%**	**7.5%**	**7.5%**	**7.5%**
Return Seeking Fixed Income (Liquid)	10.0%	10.0%	9.5%	8.5%
Private Credit (Illiquid RS FI)	0.0%	0.0%	0.0%	0.0%
Total Return Seeking Fixed Income	**10.0%**	**10.0%**	**9.5%**	**8.5%**
Core Bonds	**20.0%**	**20.0%**	**25.0%**	**30.0%**
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Portfolio Metrics				
30-Year Expected Return[1]	7.05%	7.11%	7.02%	6.93%
30-Year Nominal Volatility	11.93%	11.88%	11.12%	10.44%
Sharpe Ratio	0.28	0.29	0.30	0.31
Total Quasi-Liquid/Illiquid Assets	12.5%	12.5%	12.5%	12.5%

[1] Expected returns are using Aon's Q2 2025 30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

Rebalancing Ranges

	Current Target (80% R-S)	Acceptable Range	Alternative Frontier 80% Return-Seeking	Acceptable Range	75% Return-Seeking	Acceptable Range	70% Return-Seeking	Acceptable Range
U.S. Equity	24.0%	19.0%-29.0%	24.0%	21.0%-27.0%	22.0%	19.0%-25.0%	20.5%	17.5%-23.5%
Global Equity	22.0%	17.0%-27.0%	22.0%	19.0%-25.0%	20.5%	17.5%-23.5%	18.5%	15.5%-21.5%
Non-U.S. Equity	11.5%	6.5%-16.5%	11.5%	8.5%-14.5%	10.5%	7.5%-13.5%	10.0%	7.0%-13.0%
Total Public Equity	**57.5%**		**57.5%**	**54.5%-60.5%**	**53.0%**	**50.0%-56.0%**	**49.0%**	**46.0%-52.0%**
Private Equity	**5.0%**		**5.0%**		**5.0%**		**5.0%**	
Real Estate	7.5%		5.5%		5.5%		5.5%	
Infrastructure	0.0%		2.0%		2.0%		2.0%	
Total Real Assets	**7.5%**		**7.5%**		**7.5%**		**7.5%**	
Total Return Seeking Fixed Income	**10.0%**	**5.0%-15.0%**	**10.0%**	**7.0%-13.0%**	**9.5%**	**6.5%-12.5%**	**8.5%**	**5.5%-11.5%**
Core Bonds	**20.0%**	**15.0%-25.0%**	**20.0%**	**17.0%-23.0%**	**25.0%**	**22.0%-28.0%**	**30.0%**	**27.0%-33.0%**
Total Fixed Income	**30.0%**		**30.0%**	**27.0%-33.0%**	**34.5%**	**31.5%-37.5%**	**38.5%**	**35.5%-41.5%**
Total	**100.0%**		**100.0%**		**100.0%**		**100.0%**	

Recommendations:

- **Narrow rebalancing ranges from +/-5% to +/-3%**
  - +/-5% is on the wider end of what we typically see; +/-3% is more common amongst peers
- **Add ranges for "Total Public Equity" and "Total Fixed Income"**
  - Consistent with industry standards; prevents a situation where equity sub-asset classes are all within range, but Total Public Equity is materially overweight/underweight relative to target

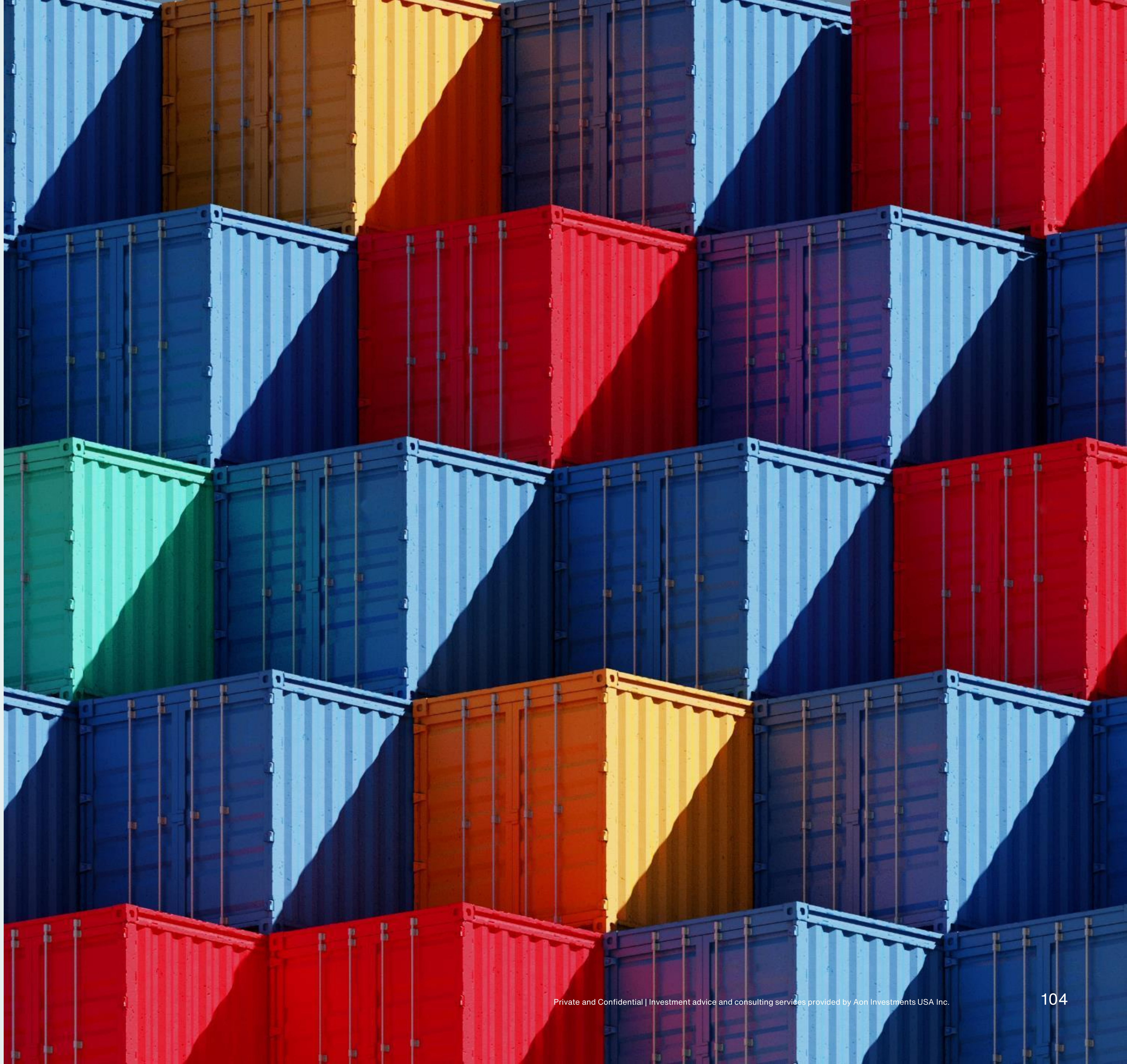
Existing NIC Policy Language on Rebalancing:

- ***"The State Investment Officer:"***
  - *"Rebalances the investments when necessary halfway back to target allocation and looks for efficient and opportunistic ways to get back to target."*
- ***"The allowable range for individual managers is ±3% of the target allocation established by the Council."***
  - We suggest removing the above bullet from NIC Policy Statements. Most typically, manager level rebalancing policy is not addressed in Investment Policy Statements.

5

Appendix

- Actuarial Assumptions & Methods
- Capital Market Assumptions
- 2024 Horizon Survey
- Additional Liquidity Analysis Detail
- Glossary of Terms
- About This Material



Actuarial Assumptions & Methods

Section 5: Appendix

Actuarial Assumptions & Methods

Data

Actuarial projections provided by the plan actuary as of the most recent valuation date:

- 7/1/2024 – NPERS – School, State Patrol, Judges
- 1/1/2025 – NPERS – State Cash Balance, County Cash Balance; OSERS

Actuarial Assumptions

Actuarial assumed rate of return were assumed as follows:

Valuation Date	NPERS – School, State Patrol, Judges	Valuation Date	NPERS – State Cash Balance, County Cash Balance	Valuation Date	OSERS
7/1/2024	7.00%				
7/1/2025	6.95%	1/1/2025	6.95%	1/1/2025+	7.00%
7/1/2026	6.90%	1/1/2026	6.90%		
7/1/2027	6.85%	1/1/2027	6.85%		
7/1/2028+	6.75%	1/1/2028+	6.75%		

Actuarial Assumptions (continued)

Inflation: 2.35%

Salary Scale 2.85%

Actuarial Value of Assets: smooth gains/losses relative to expected valuation rate of interest over 5 years

Actuarially Determined Contribution Calculation = Normal Cost plus an amortization of the unfunded liability with layered 25-year, closed periods

- Level dollar amortization is used by the State and County cash balance plans
- Level percent amortization is used by the non-cash balance plans
- When a surplus exists, it is assumed to be amortized over an open 25-year period

All other assumptions as documented in the July 1, 2024 or January 1, 2025 actuarial valuation reports

Asset returns

Actual asset performance through March 31, 2025 was incorporated into the analysis

Actuarial Assumptions & Methods

Funding Assumptions

Baseline funding assumptions were provided by the plan actuary and outlined in the table below:

System	Employee	Employer/State
NPERS – School	Subject to LB 645	Subject to LB 645, or Amount needed to fund ADC
NPERS – State Patrol	10.00%	24.00% or Amount needed to fund ADC
NPERS – Judges	8.90%	Max of Amount needed to fund ADC or Court Fees ($5.1MM as of 2024)
NPERS – State Cash Balance	4.80%	7.49% or Amount needed to fund ADC
NPERS – County Cash Balance	4.91%	7.16% or Amount needed to fund ADC
OSERS	9.78%	11.88%or Amount needed to fund ADC

For the Judges' plan, the following assumptions were made in our analysis:

- **Court fees** – the level of fees from the 2024 actuarial valuation report ($5.1MM) were assumed to be constant over the projection period
- **Additional payroll contributions** – if multiple years of 100%+ funding are achieve in a row, an additional contribution can be added. Because this contribution is ad hoc, it was not accounted for in our projection analysis outside of the first year of our projections where it has already been budgeted

Other

Granting of dividends for the cash balance plans is contingent upon the financial health of the plan and is voluntary; therefore, it has not been factored into our analysis beyond the baseline liability amounts communicated by the plan actuary

Capital Market Assumptions

Section 5: Appendix

Aon’s Capital Market Assumptions
Background

- Long-term (10- and 30-year forecasts) forward-looking assumptions (asset class geometric return, volatility, and correlations)
- Building Block approach, primarily based on consensus expectations and market-based inputs
- Best estimates of annualized returns (50/50 better or worse)
- Market returns: no active management value added (except for certain assets classes, such as hedge funds)
- Net of investment fees
- Updated quarterly

Summary of Capital Market Assumptions

As of March 31, 2025

		10-Year CMAs				30-Year CMAs			
		Expected Real Return[1]	Expected Nominal Return[1]	Expected Nominal Volatility	Assumed Global Equity Beta	Expected Real Return[1]	Expected Nominal Return[1]	Expected Nominal Volatility	Assumed Global Equity Beta
	Equity								
1	Large Cap U.S. Equity	4.5%	6.9%	18.5%	1.02	4.5%	6.9%	18.3%	1.02
2	Small Cap U.S. Equity	4.7%	7.1%	24.5%	1.26	5.0%	7.4%	24.5%	1.26
3	Global Equity IMI	4.7%	7.1%	17.7%	1.00	4.7%	7.1%	17.6%	1.00
4	International Equity (Developed)	4.2%	6.6%	18.8%	0.93	4.2%	6.6%	19.1%	0.95
5	Emerging Markets Equity	4.7%	7.1%	22.0%	0.99	4.7%	7.1%	21.7%	0.98
	Fixed Income								
6	Core Fixed Income	2.5%	4.9%	5.1%	0.01	2.4%	4.8%	5.4%	0.01
7	Core Plus Fixed Income	2.8%	5.2%	5.9%	0.02	2.8%	5.2%	6.4%	0.03
8	Intermediate Corporate Bonds	2.6%	5.0%	4.7%	0.01	2.7%	5.1%	5.3%	0.02
9	High Yield Bonds	3.6%	6.0%	10.5%	0.34	3.8%	6.2%	10.6%	0.35
10	Bank Loans	3.6%	6.0%	7.0%	0.18	3.6%	6.0%	7.5%	0.20
11	Multi-Asset Credit	3.8%	6.2%	8.4%	0.30	3.8%	6.2%	8.6%	0.31
12	Emerging Market Bonds	4.3%	6.7%	11.0%	0.26	4.1%	6.5%	11.5%	0.27
	Alternatives								
13	Direct Hedge Funds[2,3]	4.3%	6.7%	5.2%	0.22	4.3%	6.7%	5.5%	0.24
14	Core Infrastructure (Open-End)	5.6%	8.0%	12.5%	0.18	5.6%	8.0%	12.6%	0.19
15	Core Real Estate	3.5%	5.9%	15.0%	0.30	3.5%	5.9%	14.8%	0.29
16	Non-Core Real Estate	5.3%	7.7%	24.9%	0.65	5.1%	7.5%	24.9%	0.65
17	Private Equity	7.7%	10.2%	20.0%	0.68	7.8%	10.3%	19.8%	0.68
18	Infrastructure (Closed-End)	6.7%	9.2%	16.0%	0.31	6.7%	9.2%	15.9%	0.31
19	Open-End Real Assets	4.9%	7.3%	10.3%	0.24	4.8%	7.2%	10.4%	0.24
20	Closed-End Real Assets	6.7%	9.2%	16.1%	0.47	6.6%	9.1%	16.1%	0.48
21	Private Debt	5.0%	7.4%	9.7%	0.23	4.4%	6.8%	10.2%	0.24
	Inflation								
22	Inflation	0.0%	2.3%	1.7%		0.0%	2.3%	1.6%	

[1] Expected returns are using Aon's 10/30-Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results.

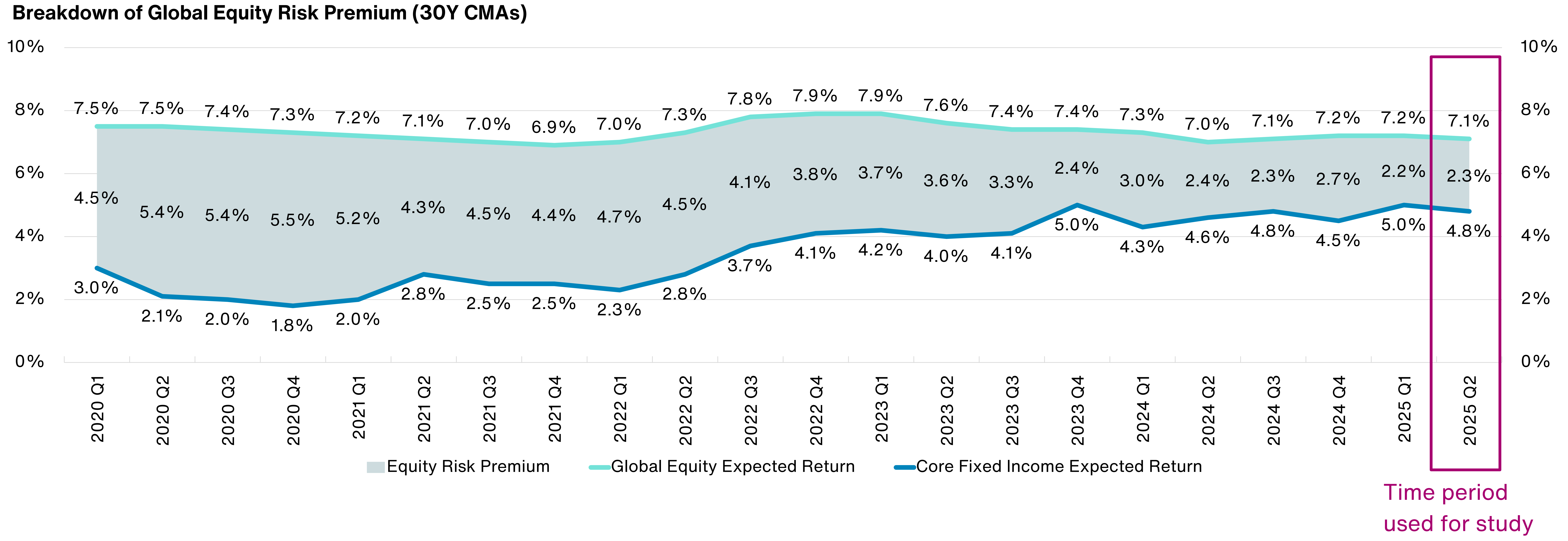
[2] Alpha incorporated in Expected Nominal Return

[3] Represents diversified portfolio of Direct hedge fund investments.

Aon's Capital Market Assumptions – Recent Trends

Equity risk premium[1] has decreased due to higher interest rates, fixed income returns

Below is a quarter-over-quarter historical look at the breakdown of the global equity risk premium[1] (defined as global public equity less core fixed income) using Aon's 30-year CMAs



[1] Equity Risk Premium is defined as the excess return earned over bonds that compensates investors for taking on higher risk

AON

Summary of Capital Market Assumptions

As of March 31, 2025

	Nominal Correlations	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1	Large Cap U.S. Equity	**1.00**	0.93	0.98	0.78	0.70	0.03	0.07	0.05	0.53	0.46	0.59	0.38	0.77	0.26	0.33	0.44	0.59	0.33	0.39	0.50	0.41	0.08
2	Small Cap U.S. Equity	0.93	**1.00**	0.91	0.73	0.66	0.02	0.06	0.05	0.50	0.43	0.54	0.36	0.71	0.25	0.31	0.41	0.57	0.32	0.37	0.48	0.38	0.08
3	Global Equity IMI	0.98	0.91	**1.00**	0.88	0.79	0.03	0.07	0.05	0.58	0.46	0.62	0.42	0.77	0.26	0.35	0.46	0.60	0.34	0.41	0.52	0.41	0.09
4	International Equity (Developed)	0.78	0.73	0.88	**1.00**	0.73	0.02	0.06	0.04	0.52	0.39	0.57	0.38	0.64	0.23	0.33	0.42	0.52	0.29	0.37	0.47	0.35	0.11
5	Emerging Markets Equity	0.70	0.66	0.79	0.73	**1.00**	0.03	0.07	0.06	0.62	0.38	0.60	0.44	0.59	0.21	0.31	0.39	0.49	0.28	0.35	0.44	0.34	0.08
6	Core Fixed Income	0.03	0.02	0.03	0.02	0.03	**1.00**	0.98	0.97	0.32	0.06	0.28	0.56	0.21	0.04	0.06	0.05	0.03	0.06	0.07	0.07	0.03	0.00
7	Core Plus Fixed Income	0.07	0.06	0.07	0.06	0.07	0.98	**1.00**	0.98	0.47	0.24	0.43	0.67	0.30	0.05	0.07	0.07	0.07	0.07	0.08	0.09	0.18	0.00
8	Intermediate Corporate Bonds	0.05	0.05	0.05	0.04	0.06	0.97	0.98	**1.00**	0.41	0.23	0.39	0.62	0.28	0.05	0.07	0.07	0.06	0.07	0.08	0.09	0.17	0.04
9	High Yield Bonds	0.53	0.50	0.58	0.52	0.62	0.32	0.47	0.41	**1.00**	0.72	0.94	0.82	0.68	0.17	0.22	0.28	0.39	0.22	0.26	0.32	0.63	0.17
10	Bank Loans	0.46	0.43	0.46	0.39	0.38	0.06	0.24	0.23	0.72	**1.00**	0.82	0.49	0.61	0.15	0.19	0.23	0.33	0.19	0.22	0.27	0.88	0.16
11	Multi-Asset Credit	0.59	0.54	0.62	0.57	0.60	0.28	0.43	0.39	0.94	0.82	**1.00**	0.82	0.71	0.15	0.20	0.27	0.36	0.20	0.24	0.31	0.73	0.13
12	Emerging Market Bonds	0.38	0.36	0.42	0.38	0.44	0.56	0.67	0.62	0.82	0.49	0.82	**1.00**	0.57	0.12	0.16	0.20	0.28	0.16	0.19	0.24	0.42	0.04
13	Direct Hedge Funds	0.77	0.71	0.77	0.64	0.59	0.21	0.30	0.28	0.68	0.61	0.71	0.57	**1.00**	0.23	0.31	0.38	0.50	0.30	0.36	0.44	0.53	0.13
14	Core Infrastructure (Open-End)	0.26	0.25	0.26	0.23	0.21	0.04	0.05	0.05	0.17	0.15	0.15	0.12	0.23	**1.00**	0.14	0.16	0.24	0.78	0.70	0.51	0.13	0.06
15	Core Real Estate	0.33	0.31	0.35	0.33	0.31	0.06	0.07	0.07	0.22	0.19	0.20	0.16	0.31	0.14	**1.00**	0.96	0.31	0.18	0.81	0.83	0.17	0.09
16	Non-Core Real Estate	0.44	0.41	0.46	0.42	0.39	0.05	0.07	0.07	0.28	0.23	0.27	0.20	0.38	0.16	0.96	**1.00**	0.36	0.21	0.79	0.87	0.21	0.09
17	Private Equity	0.59	0.57	0.60	0.52	0.49	0.03	0.07	0.06	0.39	0.33	0.36	0.28	0.50	0.24	0.31	0.36	**1.00**	0.31	0.36	0.43	0.29	0.07
18	Infrastructure (Closed-End)	0.33	0.32	0.34	0.29	0.28	0.06	0.07	0.07	0.22	0.19	0.20	0.16	0.30	0.78	0.18	0.21	0.31	**1.00**	0.60	0.66	0.17	0.08
19	Open-End Real Assets	0.39	0.37	0.41	0.37	0.35	0.07	0.08	0.08	0.26	0.22	0.24	0.19	0.36	0.70	0.81	0.79	0.36	0.60	**1.00**	0.90	0.20	0.10
20	Closed-End Real Assets	0.50	0.48	0.52	0.47	0.44	0.07	0.09	0.09	0.32	0.27	0.31	0.24	0.44	0.51	0.83	0.87	0.43	0.66	0.90	**1.00**	0.24	0.11
21	Private Debt	0.41	0.38	0.41	0.35	0.34	0.03	0.18	0.17	0.63	0.88	0.73	0.42	0.53	0.13	0.17	0.21	0.29	0.17	0.20	0.24	**1.00**	0.14
22	Inflation	0.08	0.08	0.09	0.11	0.08	0.00	0.00	0.04	0.17	0.16	0.13	0.04	0.13	0.06	0.09	0.09	0.07	0.08	0.10	0.11	0.14	**1.00**

Aon Investments' Capital Market Assumptions

Explanation of Capital Market Assumptions—3/31/2025

The following capital market assumptions were developed by Aon's Global Asset Allocation Team and represent the long-term capital market outlook (i.e., 30 years) based on data at the end of the first quarter of 2025. The assumptions were developed using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economics forecast and market data sources including, but not limited to MSCI, FactSet and Bloomberg. Our long-term assumptions for other asset classes are based on historical results, current market characteristics, and our professional judgment. Expected returns are using Aon 30 Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results.

Inflation – Expected Level (2.3%)

Based on Consensus Economics long-term estimates and our near-term economic outlook, we expect U.S. consumer price inflation to be approximately 2.3% during the next 30 years.

Fixed Income		
Cash	1.4%	Over the long run, we expect the real yield on cash and money market instruments to produce a real return of 1.4% in a moderate to low-inflationary environment.
TIPS	1.7%	We expect intermediate duration Treasury Inflation-Protected Securities to produce a real return of about 1.7%.
Core Fixed Income (i.e., Market Duration)	2.4%	We expect intermediate duration Treasuries to produce a real return of about 1.6%. We estimate the fair value credit spread (credit risk premium - expected losses from defaults and downgrades) to be 0.8%, resulting in a long-term real return of 2.4%.

Aon Investments' Capital Market Assumptions

Explanation of Capital Market Assumptions—3/31/2025

Fixed Income		
Core Plus Bonds	2.8%	Modeled as 20% 5-year duration gov't with real return of 1.7% and 80% 5-year duration corporate bonds with real return of 3.1%.
Long Duration Bonds – Government and Credit	3.2%	We expect Treasuries with a duration of ~16 years to produce a real return of 2.8%. We estimate the fair value credit spread (credit risk premium - expected losses from defaults and downgrades) to be 0.4%, resulting in an expected real return of 3.2%.
Long Duration Bonds – Credit	3.7%	We expect Treasuries with a duration of ~16 years to produce a real return of 2.8%. We estimate the fair value credit spread (credit risk premium - expected losses from defaults and downgrades) to be 0.9%, resulting in an expected real return of 3.7%.
Long Duration Bonds – Government	2.8%	We expect Treasuries with a duration of ~16 years to produce a real return of 2.8% during the next 30 years.
High Yield Bonds	3.8%	We expect intermediate duration Treasuries to produce a real return of about 1.6%. We estimate the fair value credit spread (credit risk premium - expected losses from defaults and downgrades) to be 2.2%, resulting in an expected real return of 4.0%.
Bank Loans	3.6%	We expect cash to produce a real return of about 1.4%. We estimate the fair value credit spread (credit risk premium - expected losses from defaults) to be 2.2%, resulting in an expected real return of 3.6%.
Non-U.S. Developed Bonds: 50% Hedged	2.0%	We forecast real returns for non-US developed market bonds to be 2.0% over a 30-year period after adjusting for a 50% currency hedge. We assume a blend of one-third investment grade corporate bonds and two-thirds government bonds. We also produce assumptions for 0% hedged and 100% hedged non-US developed bonds.
Emerging Market Bonds (Sovereign; USD)	4.1%	We forecast real returns for emerging market sovereign bonds denominated in US dollars to be 4.1% over a 30-year period.
Emerging Market Bonds (Corporate; USD)	3.6%	We forecast real returns for emerging market corporate bonds denominated in US dollars to be 3.6% over a 30-year period.

Aon Investments' Capital Market Assumptions

Explanation of Capital Market Assumptions—3/31/2025

Emerging Market Bonds (Sovereign; Local)	3.4%	We forecast real returns for emerging market sovereign bonds denominated in local currency to be 3.4% over a 30-year period.
Liquid Return-Seeking Fixed Income Institutional Quality	4.5%	We assume real returns from beta exposure to high yield, bank loans and emerging market debt to add 3.7% plus 0.8% from alpha for institutional quality managers, over a 30-year period.
Liquid Return-Seeking Fixed Income Universe	3.8%	We assume real returns from beta exposure to high yield, bank loans and emerging market debt to add 3.8%. We assume no alpha from universe funds, over a 30-year period.
Private Debt-Direct Lending	5.4%	The base building block is bank loans 3.6% + spread 1.8% (net of management fees and performance incentives). There is 100% leverage included in the assumption with the nominal cost of financing at LIBOR + 2.0%.
Equities		
Large Cap U.S. Equity	4.5%	This assumption is based on 1.03 beta to global equities plus inflation and real cash return
Small Cap U.S. Equity	5.0%	Adding a 0.5% return premium for small cap U.S. equity over large cap U.S. equity results in an expected real return of 5.0%. This return premium is theoretically justified by the higher risk inherent in small cap U.S. equity versus large cap U.S. equity and is also justified by historical data.
Global Equity (Developed & Emerging Markets)	4.7%	We employ a building block process to develop discounted cash flows using the developed and emerging markets that comprise the MSCI All-Country World Index. Our roll-up model produces an expected real return of 4.7% for global equity.
International (Non-U.S.) Equity, Developed Markets	4.2%	This assumption is based on 0.85 beta to global equities plus inflation and real cash return
Emerging Market Stocks	4.7%	This assumption is based on 1.14 beta to global equities plus inflation and real cash return
85% ACWI/15% Russell 3000	4.7%	Based on a mix of Global (Developed & Emerging Markets)/U.S. large and small caps

Aon Investments' Capital Market Assumptions

Explanation of Capital Market Assumptions—3/31/2025

Alternative Asset Classes		
Low Beta (Defensive) Hedge Funds	2.3%	Encompasses defensive/low volatility hedge fund strategies with low correlations to risk assets. This assumption represents median manager performance. 1% base fee + 10% performance fee is deducted from the return expectation.
Low Beta (Defensive) Hedge Funds Institutional Quality	3.3%	Represent defensive/low volatility hedge fund strategies with low correlations to risk assets. 1% base fee + 7% performance fee is deducted from return expectations. To use this category the funds must be institutional quality.
High Beta (Return Enhancing) Hedge Funds	3.3%	Encompasses return enhancing/higher volatility hedge fund strategies with higher correlations to risk assets. The assumption represents median manager performance. 1% base fee + 10% performance fee is deducted from the return expectations.
High Beta (Return Enhancing) Hedge Funds Institutional Quality	5.3%	Represents return enhancing/higher volatility hedge fund strategies with higher correlations to risk assets. 1% base fee + 7% performance fee is deducted from return expectations. To use this category the funds must be institutional quality.
Direct Hedge Funds Universe	2.8%	Generic hedge fund investments which represents a portfolio of diversified strategies. We assume 50% defensive/50% return enhancing strategies. 1% base fee + 10% performance fee is deducted from the return expectations.
Direct Hedge Funds Institutional Quality	4.3%	Generic hedge fund investments which represents a portfolio of top-tier diversified strategies. We assume 50% defensive institutional quality/50% return enhancing institutional quality strategies. To use this category the funds must be institutional quality. 1% base fee + 7% performance fee is deducted from the return expectations.
Core Real Estate	3.5%	Our real return assumption for core real estate is based a gross income of about 3.9%, management fees of roughly 1%, 25% leverage and future capital appreciation near the rate of inflation during the next 30 years. We assume a portfolio of equity real estate holdings that is diversified by property and by geographic region.
Non-Core Real Estate	5.1%	Core real estate is levered approximately 100% as the base building block for this assumption. We subtract financing costs for the leverage and 2% management costs. We also assume nominal alpha of 2% over core real estate. We assume a 50/50 mix of value-add and opportunistic investments.
U.S. REITs	4.2%	Our real return assumption for U.S. REITs is based on income of about 4.0% and future capital appreciation near the rate of inflation during the next 30 years. REITs are a sub-set of U.S. small/mid cap equity universe.

Aon Investments' Capital Market Assumptions

Explanation of Capital Market Assumptions—3/31/2025

Commodities	1.4%	Our commodity assumption is for a diversified portfolio of commodity futures contracts. Commodity futures returns are composed of three parts: spot price appreciation, collateral return, and roll return (positive or negative change implied by the shape of the future curve). We believe that spot prices will converge with CPI over the long run (i.e., 2.3%). Collateral is assumed to be Gov't cash (1.4%). Also, we believe the roll effect will be -2.3%, resulting in a real return of about 1.4% for commodities.
Private Equity	7.8%	Our private equity assumption reflects a diversified fund of funds with exposure to buyouts and venture capital.
Open-End Infrastructure	5.6%	Our open-end infrastructure assumption assumes a mix of 65% core, 25% value-add and 10% opportunistic strategies. Return formulated through estimates of income and capital growth, leverage, debt costs, taxes and management expenses.
Closed-End Infrastructure	6.7%	Our closed-end infrastructure assumption assumes a mix of 50% value-add, 35% opportunistic and 15% private equity strategies. Return formulated through estimates of income and capital growth, leverage, debt costs, taxes and management expenses.
eLDI	4.0%	Combination of various long credit strategies (1/6 real estate debt, 1/3 securitized debt, 1/6 CMOs, 1/3 private placements).
Open-End Real Assets	4.8%	Combination of 50% Core Real Estate and 50% Open-End Infrastructure
Closed-End Real Assets	6.6%	Combination of 50% Non-Core Real Estate and 50% Closed-End Infrastructure

Volatility/Correlation Assumptions

Assumed volatilities are formulated with reference to implied volatilities priced into option contracts of various terms, as well as with regard to historical volatility levels. For asset classes which are not marked to market (for example real estate), we "de-smooth" historical returns before calculating volatilities. Importantly, we consider expected volatility trends in the future – in recent years we assumed the re-emergence of an economic cycle and a loss of confidence in central bankers would lead to an increase in volatility. Correlation assumptions are generally similar to actual historical results; however, we do make adjustments to reflect our forward-looking views as well as current market fundamentals.

2024 Horizon Survey

Section 5: Appendix

2024 Horizon Survey Results

What is the Horizon Survey?

Since 2010, Horizon Actuarial Services, LLC has conducted a capital market assumption survey of investment firms to aid in determining reasonable assumptions for a pension plan's expected return on assets

- While Aon does not seek to change our approach based on how we stack up to peers, it is a helpful double-check to make sure we are not too far off from others in the industry

For the 2024 survey, 41 investment advisors participated.

How does Aon compare to the 2024 survey results?

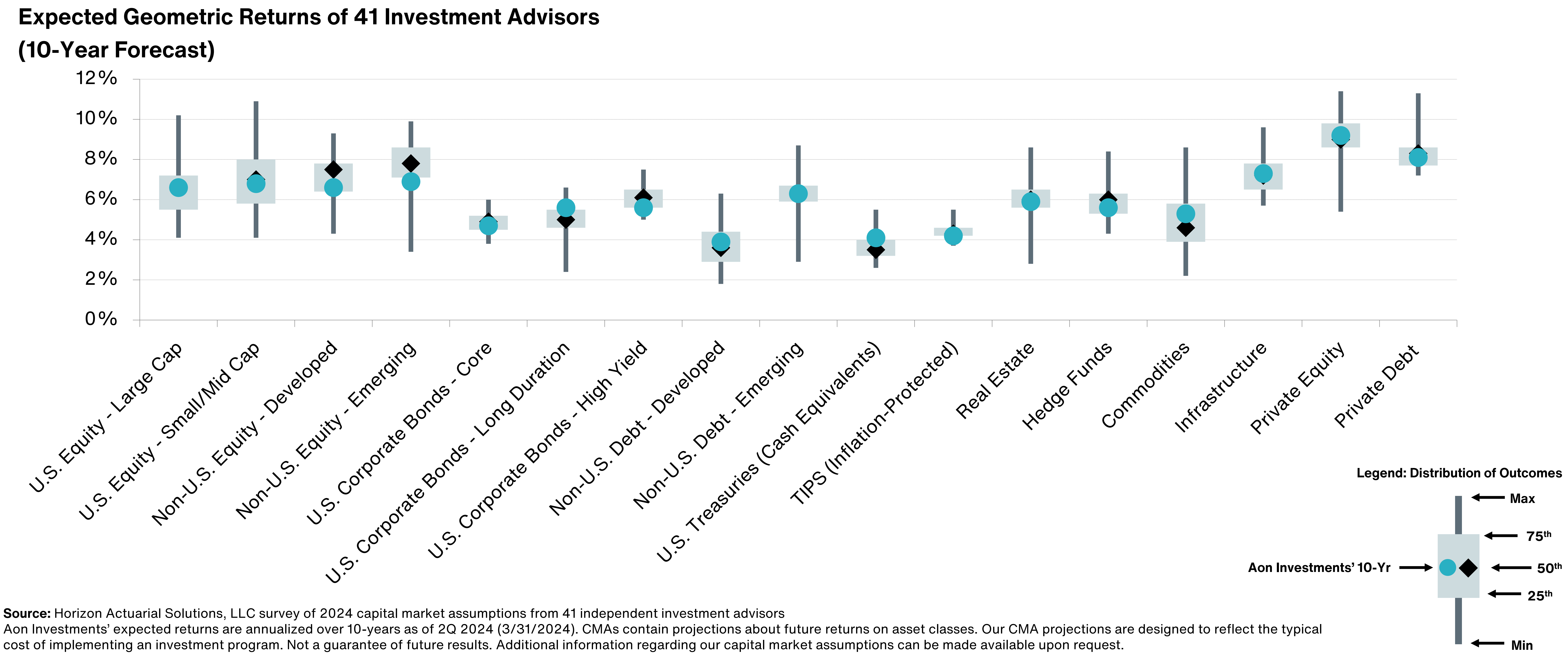
Aon Investments' 2024 10-year assumptions for expected returns (as of March 31, 2024)

- ***Equities:*** approximately middle of the pack for U.S. Equities; lower for Non-U.S. Equities
- ***Fixed Income:*** approximately middle of the pack relative to the survey's median level; lower for U.S. High Yield; higher for Cash and Long Duration Credit
- ***Alternatives:*** approximately middle of the pack relative to the survey's median level; higher for Commodities

Source: Horizon Actuarial Solutions, LLC survey of 2024 capital market assumptions from 41 independent investment advisors

Aon Investments' Capital Market Assumptions vs. Horizon Survey

10-Year Assumptions



Source: Horizon Actuarial Solutions, LLC survey of 2024 capital market assumptions from 41 independent investment advisors
Aon Investments' expected returns are annualized over 10-years as of 2Q 2024 (3/31/2024). CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Not a guarantee of future results. Additional information regarding our capital market assumptions can be made available upon request.

Aon Investments vs. Peers (2024 Horizon Survey)

10-Year Assumptions

	Horizon Survey[1]		Aon Investments[2]		Difference	
	10-Year Assumptions		10-Year Assumptions		Aon Investments – Horizon Survey	
Asset Class	**Expected Return**	**Expected Risk**	**Expected Return**	**Expected Risk**	**Expected Return**	**Expected Risk**
U.S. Equity - Large Cap	6.6%	16.5%	6.6%	18.0%	0.0%	1.5%
U.S. Equity - Small/Mid Cap	7.0%	20.6%	6.8%	24.0%	-0.2%	3.4%
Non-U.S. Equity – Developed	7.5%	18.1%	6.6%	19.1%	-0.9%	1.0%
Non-U.S. Equity – Emerging	7.8%	23.6%	6.9%	22.0%	-0.9%	-1.6%
U.S. Fixed Income – Core	4.9%	5.9%	4.7%	5.0%	-0.2%	-0.9%
U.S. Fixed Income - Long Duration Corp	5.0%	11.0%	5.6%	9.9%	0.6%	-1.1%
U.S. Fixed Income - High Yield	6.1%	9.9%	5.6%	10.5%	-0.5%	0.6%
Non-U.S. Fixed Income – Developed	3.6%	7.3%	3.9%	6.1%	0.3%	-1.2%
Non-U.S. Fixed Income – Emerging	6.3%	10.8%	6.3%	11.0%	0.0%	0.2%
Treasuries (Cash Equivalents)	3.5%	1.1%	4.1%	1.4%	0.6%	0.3%
TIPS (Inflation-Protected)	4.3%	6.1%	4.2%	4.3%	-0.1%	-1.8%
Real Estate	6.0%	16.6%	5.9%	15.0%	-0.1%	-1.6%
Hedge Funds	6.0%	8.0%	5.6%	5.2%	-0.4%	-2.8%
Commodities	4.6%	17.8%	5.3%	17.0%	0.7%	-0.8%
Infrastructure	7.2%	16.0%	7.3%	14.5%	0.1%	-1.5%
Private Equity	9.0%	22.6%	9.2%	20.0%	0.2%	-2.6%
Private Debt	8.3%	12.0%	8.1%	16.6%	-0.2%	4.6%
Inflation	2.4%	1.9%	2.2%	1.7%	-0.2%	-0.2%

[1] **Notes (Horizon Survey):**
Source: Horizon Actuarial survey of 2024 capital market assumptions from 41 independent investment advisors. The survey was conducted by Horizon Actuarial Services, LLC, an independent consulting firm specializing in providing actuarial and consulting services to multiemployer benefit plans. Aon does not guarantee the accuracy or completeness of this information and cannot be held accountable for inaccurate data provided by third parties. Reliance upon information in this material is at the sole discretion of the reader.

Expected returns are median annualized (geometric). Please see following slide for additional information on this survey methodology.

[2] **Notes (Aon Investments' Assumptions):**
Aon Investments' assumptions are for 3/31/2024

- U.S. Equity - Small/Mid Cap assumptions represents Aon's assumption for U.S. Small Cap
- U.S. Fixed Income - Long Duration assumptions represents Aon's assumption for Long Duration Credit
- Non-U.S. Fixed Income - Developed assumptions represents Aon's assumption for Non-U.S. Fixed Income - Developed (50% Hedged)
- Non-U.S. Fixed Income - Emerging assumptions represents Aon's assumption for Emerging Market Bonds - Sovereign USD
- Real Estate assumptions represents Aon's assumption for Core Real Estate
- Hedge Fund assumptions represents Aon's assumption for Direct Hedge Funds (Universe)

Expected returns are using Aon's Q2 2024 10-Year Capital Market Assumptions as of 3/31/2024. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are geometric (long-term compounded; rounded to the nearest decimal). Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. Additional information regarding our capital market assumptions can be made available upon request.

Survey Methodology

A description of the methodology used by Horizon Actuarial Services, LLC in conducting their survey is outlined in the 2024 version of the report found online at the link below:

- https://www.horizonactuarial.com/survey-of-capital-market-assumptions

The survey was conducted by Horizon Actuarial Services, LLC, an independent consulting firm specializing in providing actuarial and consulting services to multiemployer benefit plans. Aon Investments USA Inc. ("AIUSA") is not affiliated with Horizon Actuarial Services, LLC. AIUSA did not pay to participate in the survey and no direct or indirect compensation has been provided by AIUSA for participation. Please refer to the more thorough disclosure and additional information about the methodology used in compiling the survey results via the website of the publication. Clicking the above link will bring you to a site that contains information that has been created, published, maintained, or otherwise posted by an organization independent of AIUSA. AIUSA does not endorse, approve, certify, or control this website and does not assume responsibility for the accuracy, completeness, or timeliness of the information located there.

Additional Liquidity Analysis Detail

Section 5: Appendix

Liquidity Analysis Background

Aon Investments' approach to analysing liquidity risk from alternatives

Background

- Intended as a stress-testing model
- Develops multi-year projections of assets and spending needs
- Uses different scenarios for economic environments and other relevant events
- Shows how the portfolio's liquidity profile could evolve with a given investment strategy
- Incorporates the profile of the liabilities as well as expected future contributions

Assumptions

- Starting assets based on estimates market value of assets as of March 31, 2025
- The plan's contribution policy is actuarially-based, leveraging our asset-liability study projections
- Assumes the portfolio starts at the target asset allocation levels for illiquid assets, maintaining close to the portfolio targets over the next 10 years
- Illiquid asset commitments are assumed to continue under each economic scenario subject to the conditions below:
  - Should actual allocations exceed targets by 10%, future commitments are trimmed 15%
  - Should actual allocations exceed targets by 20%, future commitments are trimmed 30%
- Quasi-liquid assets are assumed to be redeemed under each economic scenario subject to the conditions below:
  - Should actual allocations exceed targets by 20%, 15% of assets are redeemed
  - Should actual allocations exceed targets by 50%, 25% of assets are redeemed
- Base case economic scenario assumptions equal the 10-year capital market assumptions used in the asset-liability projection analysis

Liquidity Analysis Background

Process inputs and outputs

Asset Level and Investment Strategy

Benefit Payments

(cash outflows)

Economic Scenarios

Contributions

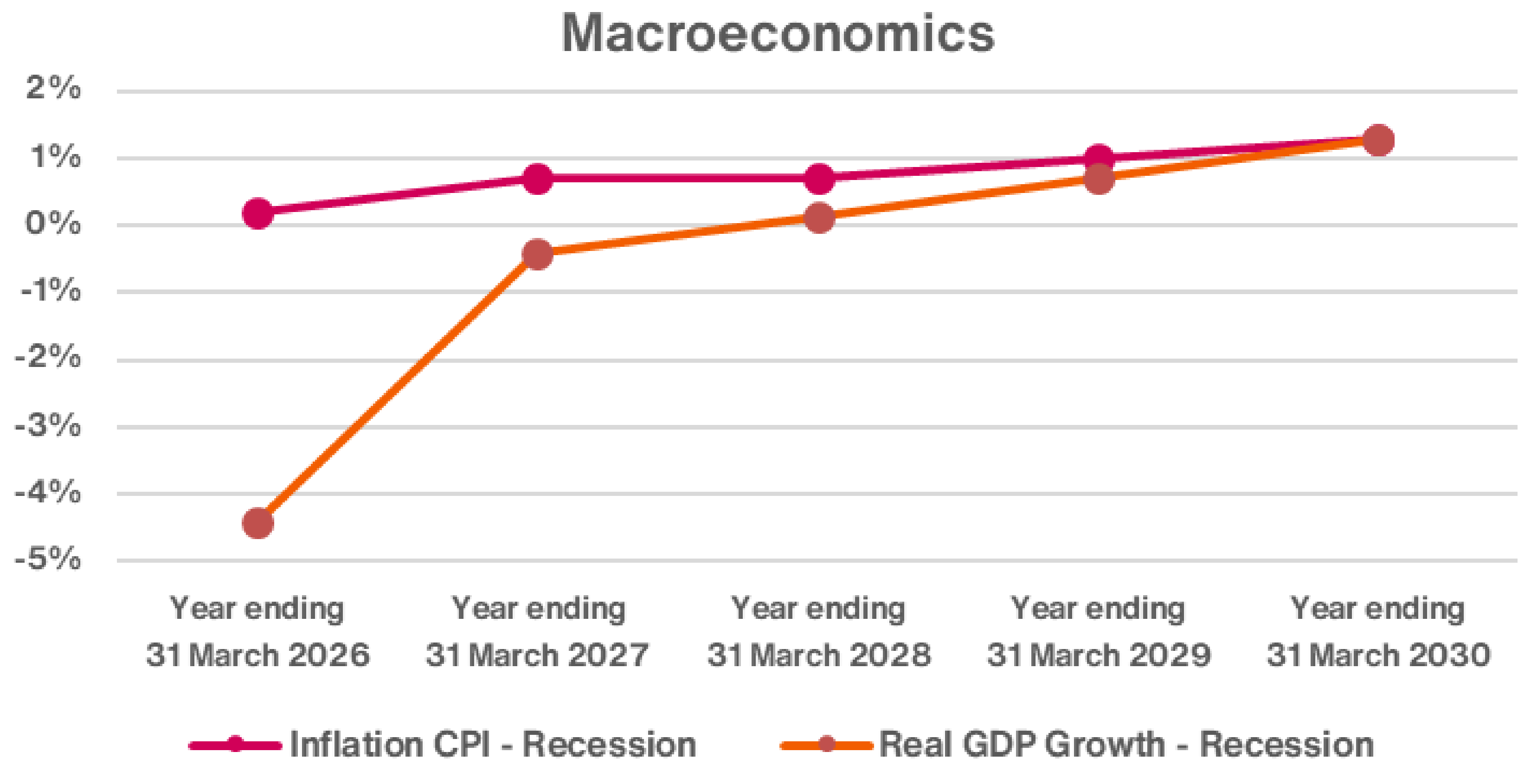
(cash inflows)

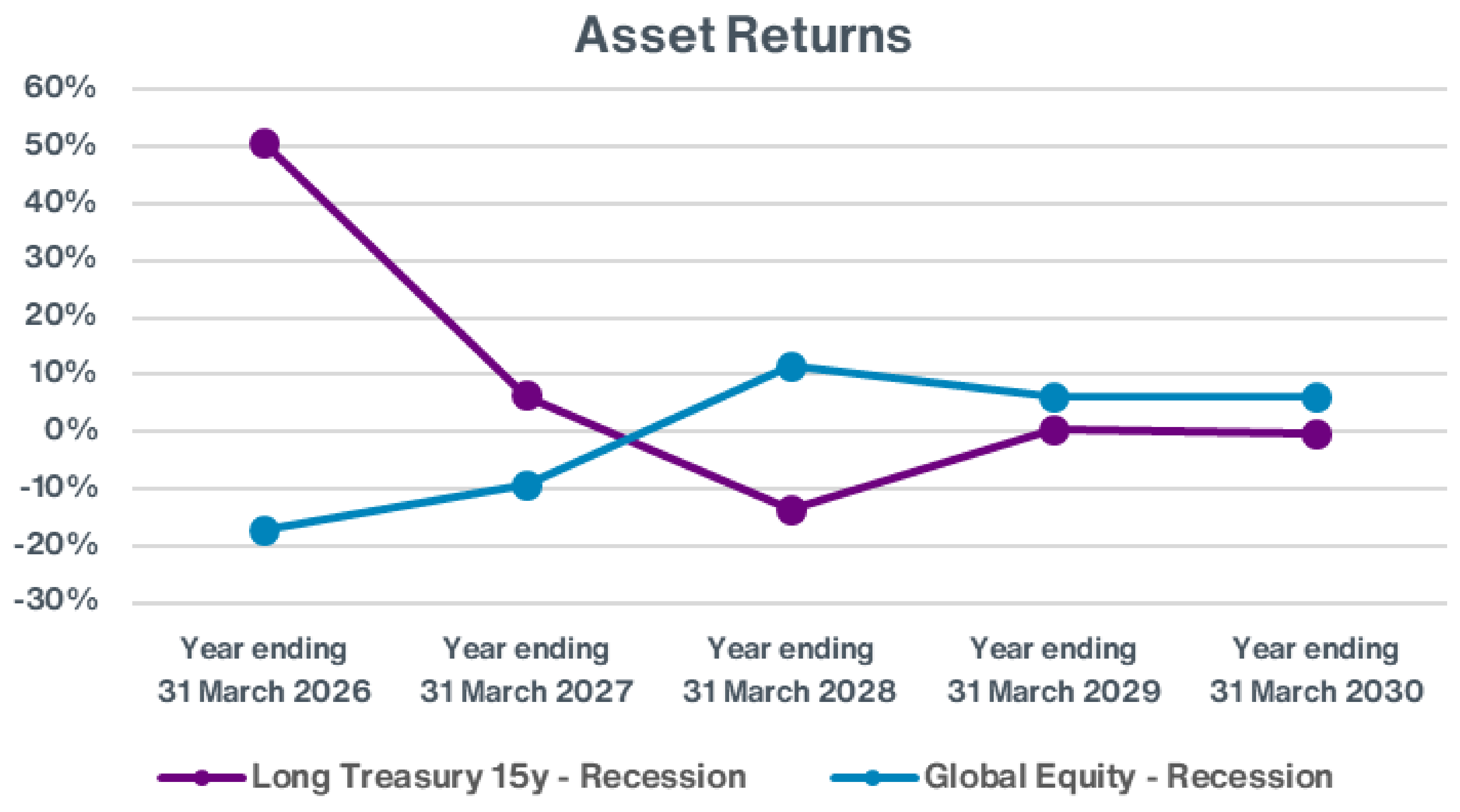
Asset Allocation Liquidity Profile

Recession Scenario
Description

The U.S. economy slips into a recession

- Global growth weakens as a tilt towards more protectionist trade and immigration policies outweighs productivity gains from technological advancements. Weaker global growth, combined with still relatively restrictive monetary policy, lead to a recession in the U.S.
- The economic slowdown leads to many large economies, including the U.S., choosing to continue to run large fiscal deficits and accumulate further government debt. Meanwhile, central banks make larger than expected policy rate cuts in an effort to stimulate consumption, increase business investment and support the labour market.
- These policy actions are only somewhat effective as they only improve the demand side of the economy. The U.S. exits recession around two years later, at which point global growth also starts to pick up. Protectionist policies then begin to reverse across the world as their negative economic impact becomes clearer and more widespread.
- Inflation is lower than the base case. However, inflation starts to rise in later years as the post-recession recovery gets underway.
- Treasury yields fall while TIPS yields remain at low levels as the U.S. enters recession. Yields rise in later years as a recovery gets underway. Corporate spreads rise significantly due to the poor economic situation, with increased incidences of downgrades and defaults.
- Most risk assets make losses in the first two years but rebound in later years as the economy recovers.





Source: Aon, as of March 31, 2025. Annual projection starts from March 31, 2025. Projections of general asset class returns and economic conditions are forward-looking expectations by Aon based on informed historical results and internal analysis. Forecasts, estimates and other information contained herein are based upon proprietary research and our framework of analyzing fundamental, valuation and long-term drivers of capital markets. This information is not intended as a recommendation to invest in any particular asset class or strategy or as a promise - or even estimate - of future performance. Such information is hypothetical in nature, does not reflect actual results, and is not a guarantee of future results. Economic factors and return assumptions depend on current market conditions and, as such, may change over time. Our economic scenario analysis is designed to reflect the typical cost of implementing an investment program. Asset return projections do not include the deduction of management fees and other expenses that may be incurred in managing an investment account.

Recession Scenario

Data

Recession Scenario		Time 0	Time 1	Time 2	Time 3	Time 4	Time 5	Time 6	Time 7	Time 8	Time 9	Time 10
Fixed Income Yields	Treasury yield 5y	4.1%	1.6%	1.3%	2.1%	2.5%	2.9%	3.0%	3.1%	3.3%	3.4%	3.5%
	Long Treasury yield 15y	4.7%	2.0%	1.7%	3.0%	3.2%	3.5%	3.5%	3.6%	3.6%	3.7%	3.7%
	TIPS yield 5y	1.5%	-0.2%	-0.4%	0.2%	0.5%	0.7%	0.8%	0.9%	1.0%	1.1%	1.1%
	Long TIPS yield 15y	2.1%	0.2%	0.0%	0.9%	1.1%	1.3%	1.3%	1.4%	1.5%	1.6%	1.7%
	Breakeven price inflation 15y	2.5%	1.9%	1.7%	2.1%	2.1%	2.2%	2.2%	2.1%	2.1%	2.1%	2.1%
	A Corporate bond yield 5y	4.9%	4.9%	5.1%	5.7%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.2%
	A Corporate spread 5y	0.8%	3.3%	3.8%	3.5%	2.8%	2.4%	2.3%	2.1%	2.0%	1.9%	1.7%
	Long A Corporate bond yield 10y	5.4%	4.7%	4.8%	5.8%	5.5%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%
	Long A Corporate spread 10y	1.0%	2.8%	3.2%	3.1%	2.5%	2.3%	2.2%	2.1%	2.0%	1.9%	1.8%
Expected Nominal Returns	Equity – U.S.		-15.0%	-8.0%	11.0%	6.0%	6.0%	6.0%	6.0%	6.0%	7.0%	7.0%
	Equity – Global		-17.0%	-9.0%	12.0%	6.0%	6.0%	6.0%	7.0%	7.0%	7.0%	7.0%
	EAFE		-19.0%	-10.0%	12.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
	EM Equity		-28.0%	-16.0%	14.0%	6.0%	6.0%	6.0%	6.0%	6.0%	7.0%	7.0%
	Cash		4.0%	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	3.0%
	Core Fixed Income		11.0%	3.0%	1.0%	4.0%	4.0%	5.0%	5.0%	5.0%	5.0%	5.0%
	U.S. Core Real Estate		-14.0%	-8.0%	-3.0%	1.0%	5.0%	5.0%	5.0%	5.0%	6.0%	6.0%
	U.S. Non-Core Real Estate		-18.0%	-11.0%	-3.0%	1.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
	U.S. REITs		-18.0%	-11.0%	-5.0%	0.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
	Private Equity Smoothed		-11.0%	-5.0%	7.0%	8.0%	8.0%	9.0%	10.0%	11.0%	10.0%	10.0%
	Private Credit Smoothed		-8.0%	-8.0%	3.0%	2.0%	3.0%	4.0%	4.0%	5.0%	5.0%	5.0%
	Closed-Ended Infrastructure		-4.0%	1.0%	4.0%	5.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
	Hedge Funds – Broad		-13.5%	-8.5%	8.5%	7.0%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
	U.S. High Yield		-13.0%	-11.0%	4.0%	5.0%	3.0%	5.0%	5.0%	5.0%	5.0%	6.0%
	Bank Loans		-10.0%	-7.0%	5.0%	3.0%	3.0%	3.0%	4.0%	4.0%	4.0%	4.0%
	USD Emerging Market Debt		-11.0%	-7.0%	8.0%	6.0%	6.0%	6.0%	6.0%	6.0%	7.0%	7.0%
	Local Emerging Market Debt		-12.0%	-8.0%	7.0%	5.0%	5.0%	5.0%	5.0%	6.0%	6.0%	6.0%

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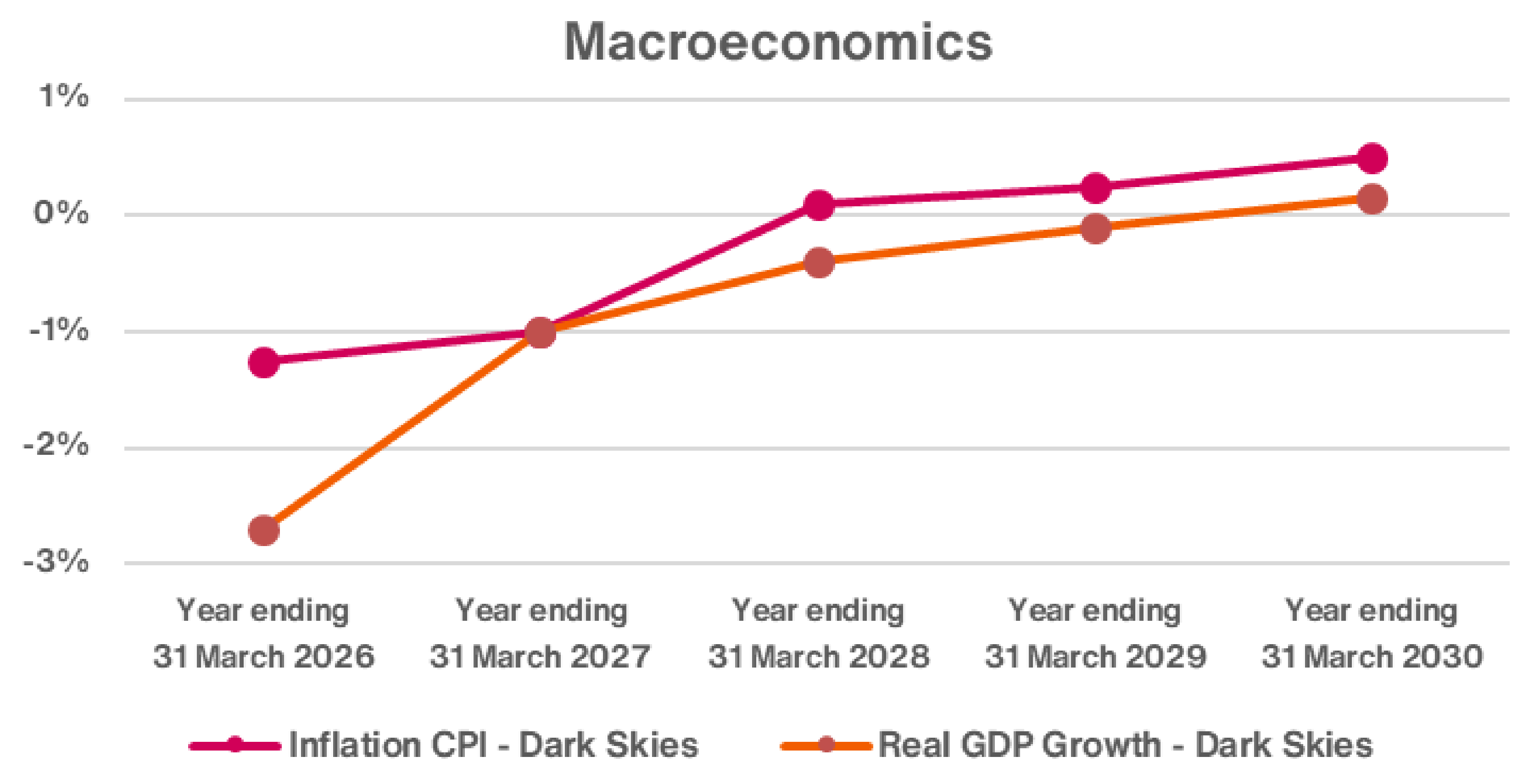
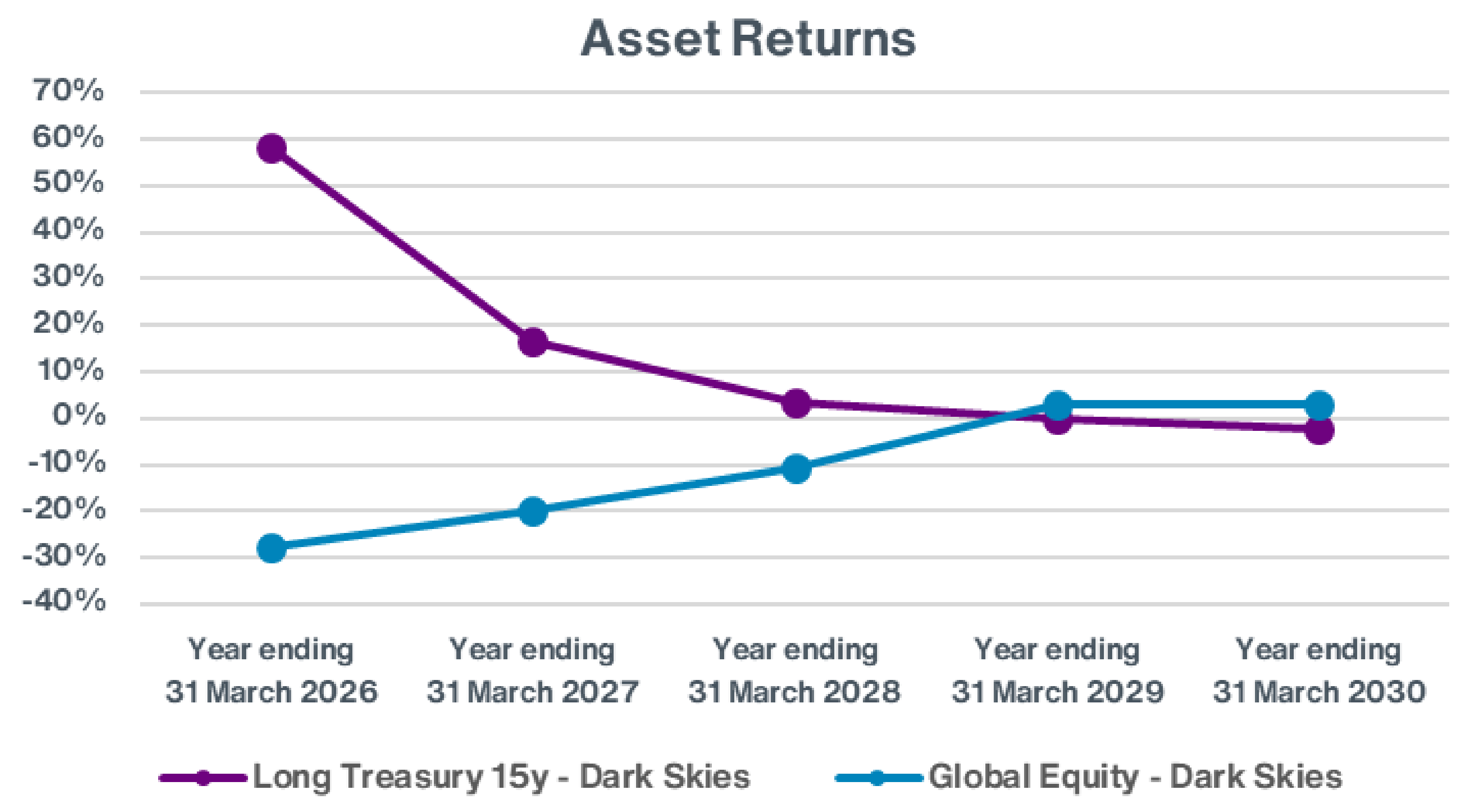
Dark Skies Scenario

Description

A deep recession followed by a longer period of stagnant growth

- Worsening geopolitical instability and central banks' still restrictive monetary policy has a severe impact on global growth leading to an economic depression.
- Global supply chains are disrupted on a prolonged basis due to geopolitical events. China experiences a sharp deterioration in economic growth following an abrupt decoupling from western economies caused by a severe global tilt towards protectionism.
- Failures of smaller banks along with widespread corporate bankruptcies lead to the collapse of some systematically important banks, triggering a new financial crisis, forcing central banks to cut rates to record low levels.
- Fiscal pressures force governments to unwind stimulus measures before economies fully recover.
- Weak demand means inflation falls sharply in 2025 and sluggish growth over the following years keeps inflation below target.
- Treasury yields fall and remain at low levels as the U.S. enters recession. Corporate spreads rise significantly due to the poor economic situation and increased risks of downgrades or defaults.
- Risk assets suffer losses as the economic situation remains poor for a long time, weighing on returns in later years.





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Dark Skies Scenario

Data

Dark Skies Scenario		Time 0	Time 1	Time 2	Time 3	Time 4	Time 5	Time 6	Time 7	Time 8	Time 9	Time 10
Fixed Income Yields	Treasury yield 5y	4.1%	1.4%	0.1%	-0.1%	0.0%	0.2%	0.5%	0.8%	1.2%	1.5%	1.8%
	Long Treasury yield 15y	4.7%	1.7%	0.7%	0.5%	0.6%	0.8%	1.1%	1.4%	1.6%	1.9%	2.2%
	TIPS yield 5y	1.5%	-0.1%	-1.0%	-1.2%	-1.1%	-0.9%	-0.7%	-0.5%	-0.3%	-0.1%	0.1%
	Long TIPS yield 15y	2.1%	-0.1%	-0.7%	-0.9%	-0.8%	-0.6%	-0.4%	-0.1%	0.1%	0.3%	0.5%
	Breakeven price inflation 15y	2.5%	1.7%	1.5%	1.4%	1.4%	1.4%	1.5%	1.5%	1.6%	1.6%	1.7%
	A Corporate bond yield 5y	4.9%	5.9%	5.2%	4.6%	3.7%	3.3%	3.4%	3.6%	3.7%	3.9%	4.1%
	A Corporate spread 5y	0.8%	4.4%	5.1%	4.7%	3.7%	3.1%	2.9%	2.7%	2.6%	2.4%	2.2%
	Long A Corporate bond yield 10y	5.4%	5.2%	4.8%	4.3%	3.7%	3.5%	3.6%	3.8%	4.0%	4.2%	4.4%
	Long A Corporate spread 10y	1.0%	3.7%	4.2%	3.9%	3.2%	2.8%	2.6%	2.5%	2.4%	2.3%	2.2%
Expected Nominal Returns	Equity – U.S.		-25.0%	-18.0%	-9.0%	3.0%	3.0%	4.0%	4.0%	4.0%	5.0%	5.0%
	Equity – Global		-28.0%	-20.0%	-10.0%	3.0%	3.0%	4.0%	4.0%	4.0%	5.0%	5.0%
	EAFE		-30.0%	-22.0%	-11.0%	3.0%	3.0%	3.0%	3.0%	4.0%	4.0%	5.0%
	EM Equity		-43.0%	-32.0%	-18.0%	1.0%	1.0%	2.0%	3.0%	3.0%	4.0%	4.0%
	Cash		4.0%	1.0%	0.0%	0.0%	0.0%	0.0%	1.0%	1.0%	1.0%	1.0%
	Core Fixed Income		9.0%	6.0%	2.0%	2.0%	1.0%	0.0%	0.0%	1.0%	1.0%	2.0%
	U.S. Core Real Estate		-15.0%	-11.0%	-5.0%	0.0%	2.0%	3.0%	3.0%	3.0%	4.0%	4.0%
	U.S. Non-Core Real Estate		-20.0%	-14.0%	-6.0%	0.0%	3.0%	3.0%	4.0%	4.0%	5.0%	5.0%
	U.S. REITs		-23.0%	-16.0%	-8.0%	-2.0%	2.0%	2.0%	3.0%	3.0%	4.0%	4.0%
	Private Equity Smoothed		-18.0%	-13.0%	-6.0%	-1.0%	0.0%	2.0%	3.0%	4.0%	8.0%	8.0%
	Private Credit Smoothed		-19.0%	-22.0%	-20.0%	-11.0%	-2.0%	-1.0%	-1.0%	0.0%	1.0%	2.0%
	Closed-Ended Infrastructure		-10.0%	-6.0%	-2.0%	3.0%	5.0%	6.0%	6.0%	6.0%	7.0%	7.0%
	Hedge Funds – Broad		-16.5%	-11.0%	-5.5%	2.0%	2.0%	2.5%	2.5%	3.0%	3.5%	4.0%
	U.S. High Yield		-18.0%	-13.0%	-11.0%	-1.0%	-4.0%	-5.0%	-4.0%	-3.0%	-1.0%	0.0%
	Bank Loans		-23.0%	-20.0%	-13.0%	-1.0%	-2.0%	-1.0%	0.0%	0.0%	1.0%	2.0%
	USD Emerging Market Debt		-18.0%	-12.0%	-8.0%	2.0%	2.0%	1.0%	2.0%	2.0%	3.0%	4.0%
	Local Emerging Market Debt		-19.0%	-13.0%	-9.0%	2.0%	1.0%	0.0%	1.0%	1.0%	2.0%	3.0%

Source: Aon, as of March 31, 2025. Annual projection starts from March 31, 2025. Projections of general asset class returns and economic conditions are forward-looking expectations by Aon based on informed historical results and internal analysis. Forecasts, estimates and other information contained herein are based upon proprietary research and our framework of analyzing fundamental, valuation and long-term drivers of capital markets. This information is not intended as a recommendation to invest in any particular asset class or strategy or as a promise - or even estimate - of future performance. Such information is hypothetical in nature, does not reflect actual results, and is not a guarantee of future results. Economic factors and return assumptions depend on current market conditions and, as such, may change over time. Our economic scenario analysis is designed to reflect the typical cost of implementing an investment program. Asset return projections do not include the deduction of management fees and other expenses that may be incurred in managing an investment account.

Glossary of Terms

Section 5: Appendix

Glossary of Terms

AVA	Actuarial value of assets (i.e., incorporates smoothing of gains and losses)
Asset Growth Rate or "Hurdle Rate"	The required rate of growth of the assets (through both contributions and investment returns) to keep pace with the growth of the liability
Current Frontier	Uses the Plan's mix of asset classes within the return-seeking allocation, then dials the return-seeking allocation up and down from 0% to 100% to illustrate forecasted returns at various return-seeking / safety asset mixes
Economic Cost	Present value of forecasted future contributions + present value of funding shortfall/(surplus) at the end of the projection period
Liability Growth Rate	The projected growth of the liability over the coming year as measured by the sum of the normal cost (new benefit accruals) and discount/interest cost (one less year of discounting at the time value of money)
MVA	Market value of assets (i.e., un-smoothed/economic reality)
Return-Seeking Assets ("R-S")	All non "safety" assets
Risk-Reducing/Safety Assets	Assets where the primary function is risk control/downside mitigation.
Target Asset Allocation	The allocation of assets between return-seeking assets and safety assets

About This Material

Section 5: Appendix

About This Material

This material includes a summary of calculations and consulting related to the finances of the **Nebraska Public Employees Retirement System (NPERS)** & **Omaha School Employees Retirement System (OSERS)**. The following variables have been addressed:

- Contributions, Economic Cost, Funded Ratio, Hurdle Rate, Liquidity, Net Outflow

This analysis is intended to assist the Investment Council with a review of the associated issues and options, and its use may not be appropriate for other purposes. This analysis has been prepared solely for the benefit of the Investment Council. Any further dissemination of this report is not allowed without the written consent of Aon Investments USA Inc.

Our calculations were generally based on the methodologies identified in the actuary's valuation report for NPERS/OSERS. We believe the methodology used in these calculations conforms to the applicable standards identified in the report.

Models are used to develop alternative scenarios based on the underlying valuation model and project financial results under those scenarios. The models were developed by experts outside and within Aon. Where outside models were used, the models were reviewed by experts within Aon. The models were selected as appropriate for these projections by the undersigned.

Experience different than anticipated could have a material impact on the ultimate costs of the benefits. In addition, changes in plan provisions or applicable laws could have a significant impact on cost. Actual experience may differ from our modeling assumptions.

Our calculations were based on data provided by the plan actuary. The actuarial assumptions and methods and plan provisions reflected in these projections are the same as those used for the 2024/2025 fiscal year actuarial valuations for NPERS/OSERS as noted in the actuarial reports, except where noted in this report. Unless specifically noted, our calculations do not reflect any other changes or events after the 2024/2025 valuation dates. Reflecting events after these dates would impact the results of the projection.

In conducting these projections, we have relied on plan design, demographic and financial information provided by other parties, including the plan's actuary and plan sponsor. While we cannot verify the accuracy of all of the information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy or completeness of the information and believe that it has produced appropriate results.

These projections have been conducted in accordance with generally accepted actuarial principles and practices, including applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. The undersigned actuary is familiar with the near-term and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no colleague of Aon Investments USA Inc. providing services to NPERS/OSERS has any direct financial interest or indirect material interest in NPERS/OSERS. Thus, we believe there is no relationship existing that might affect our capacity to prepare and certify this report for NPERS/OSERS.

Aon Investments USA Inc.

Phil Kivarkis FSA, CFA

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