



2025 Annual Report

1526 K Street, Suite 420 • Lincoln, NE 68508
Phone: 402-471-2043 • <https://nic.nebraska.gov/>
Email: nic.sio@nebraska.gov

TABLE OF CONTENTS

NEBRASKA INVESTMENT COUNCIL	2
ORGANIZATIONAL CHART	3
INVESTMENT PHILOSOPHY	3
TRANSACTION SUMMARY	6
ASSETS UNDER MANAGEMENT	6
2025 ADMINISTRATIVE REVIEW	8
2025 CAPITAL MARKETS REVIEW	9
DEFINED BENEFIT PLANS	10
OMAHA SCHOOL EMPLOYEES' RETIREMENT SYSTEM	14
STATE & COUNTY RETIREMENT & DEFFERED COMPENSATION	15
OPERATING INVESTMENT POOL	19
GENERAL ENDOWMENT PLANS	22
HEALTH CARE ENDOWMENT PLAN	25
STATE TRUSTS	26
NEBRASKA EDUCATIONAL SAVINGS PLAN TRUST	28
ENABLE SAVINGS PLAN	30
NEBRASKA INVESTMENT COUNCIL HISTORY	31

NEBRASKA INVESTMENT COUNCIL

The Nebraska Investment Council was established under the Nebraska State Funds Investment Act (Neb. Rev. Stat. 72-1237 to 72-1260) to act as fiduciary for the State of Nebraska. The Council oversees and manages investments for the State's Retirement Plans, the Operating Investment Pool, the Nebraska Educational Savings Plan Trust, the Achieving a Better Life Experience (ABLE) Plan, and various other trusts and endowments.

The Council consists of five voting members as well as two nonvoting, ex-officio members, the Nebraska State Treasurer and the Director of the Nebraska Public Employees Retirement Systems. The five voting members are appointed by the Governor and confirmed by the State Legislature for five-year terms.



Gail Werner-Robertson
Council Chairwoman
President, GWR Wealth Management, LLC
Omaha, NE
Term 2024–2028



Ellen Hung, CFA
State Investment Officer
Nebraska Investment Council
Lincoln, NE



Richard A. DeFusco, PhD, CFA
Council Member
Retired
Lincoln, NE
Term 2022–2026



Thomas Henning, CFA
Council Member
Henning LLC Companies
Lincoln, NE
Term 2023–2027



Brian Christensen, MBA
Council Member
OneNebraska Federal Credit Union
Columbus, NE
Term 2025–2029



Keith A. Olson, DBA, CFA
Council Member
Creighton University
Omaha, NE
Term 2026–2030

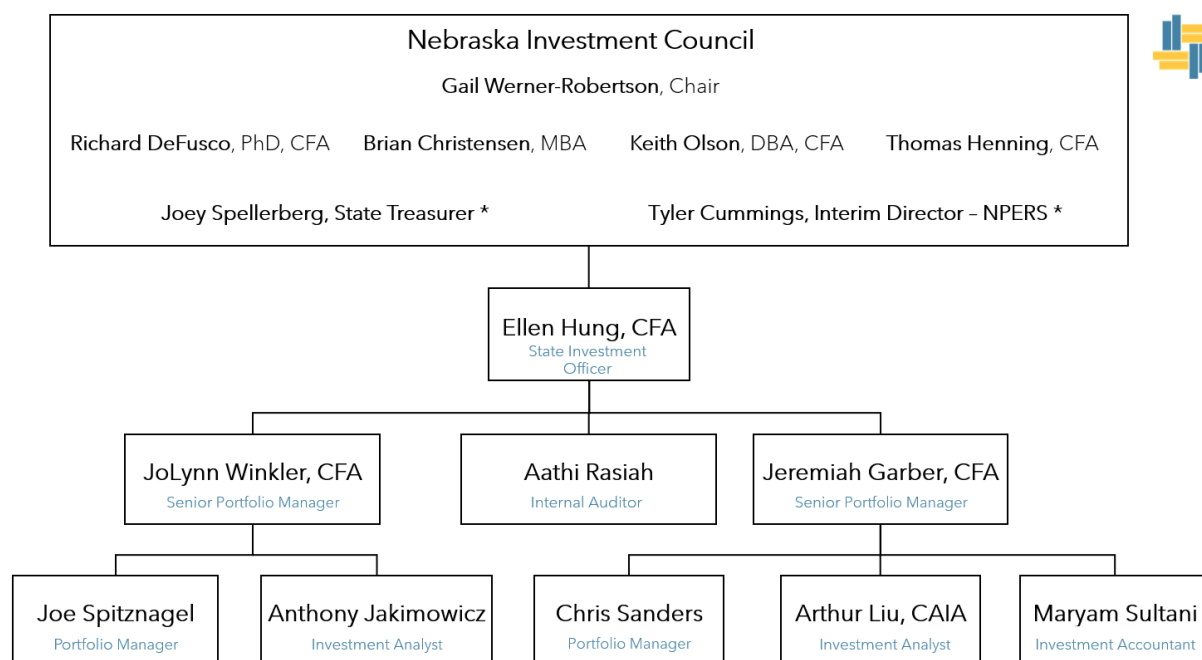


Joey Spellerberg
Nebraska State Treasurer
Lincoln, NE
Ex-Officio



Tyler Cummings
Interim Director – NPERS
Lincoln, NE
Ex-Officio

Organizational Chart



*Ex officio: non-voting board member

Information as of Feb 12, 2026

Investment Philosophy

The Council adopted a long-term investment philosophy regarding return and risk objectives for the various investment pools to which the Council has fiduciary obligations.

The Council's investment philosophy provides enough flexibility for effective management while maintaining reasonable parameters that ensure prudence and care. The Council adheres to all current and future applicable state and federal regulations. The Council administers its duties solely for the benefit of the plan participants and state agencies with the care, skill, prudence and diligence under the prevailing circumstances that a prudent person acting in like capacity and familiar with such matters would use and aims to diversify the investments of the assets so as to minimize the risk of large losses, unless in light of such circumstances it is clearly prudent not to do so.

The Council believes that its long-term investment objectives will be achieved through prudent management of risks. Investment strategies are developed to provide consistent value relative to appropriate market-based benchmarks. The Council's investment philosophy is based upon a set of factors that have been widely accepted on theoretical and empirical basis.

- Asset allocation has the most significant impact on investment results. The Council focuses significant efforts on the development and maintenance of asset allocation strategies which optimally fulfill investment objectives.
- Some markets are efficient, while others are inefficient. Investment strategies reflect a mix of active and passive investments, with passive investments emphasized in more efficient markets.
- Capital markets revert to the mean over long time periods. Investment strategies are generally long-term in nature and avoid ad hoc decision-making based upon short-term factors.
- Costs have a meaningful impact on returns. Investment strategies utilize cost effective approaches.
- Valuation and analysis based upon fundamentals generally produce superior risk/return results. Investment strategies focus on fundamentally based processes.

- Performance measurement and monitoring activities provide assessment of success of the Council's investment strategies and implementation of those strategies. Clear, unambiguous market-based benchmarks are selected for each investment strategy. Performance reviews of all investment strategies are conducted at least annually.
- When hiring investment managers, the Council prefers to utilize Nebraska-based investment advisors licensed by the State of Nebraska as long as the manager satisfies the criteria, State statutes, etc., established for the selection process.
- In order to achieve prudent diversification in the Defined Benefit Plans, the Cash Balance Benefit Plans, Omaha School Employees' Retirement System, the General Endowment Funds and the Health Care Endowment, the maximum target allocation allowed to any one active equity investment manager is 10% of the total portfolio of each plan/endowment, except in unusual, and most likely temporary circumstances.
- No contributions of any kind will be made to the portfolios of investment managers in the Defined Benefit Plans, the Cash Balance Benefit, Omaha School Employees' Retirement System, the General Endowment Funds and the Health Care Endowment which are on the Council's watch list. Instead, an index fund corresponding to the specific mandate of the manager on watch is used for future contributions.

NEBRASKA INVESTMENT COUNCIL

ANNUAL REPORT

I am pleased to present the Annual Report for the Nebraska Investment Council for the year ending December 31, 2025. The Nebraska Investment Council oversees \$45.5 billion across 32 investment plans. The funds are spread over 60 investment firms and over 150 investments.

Defined Benefit	4 plans	\$ 20.6 billion
OSERS		2.0 billion
Other Retirement	6 plans	5.0 billion
Operating Investment Pool		7.9 billion
Public Endowments	12 plans	2.0 billion
NE Educ. Savings Trust	4 plans	7.9 billion
Enable Savings		60.0 million
State Trusts	3 plans	72.0 million

The Nebraska Investment Council (the Council) was established in 1969 as a centralized state investment agency. Governing laws include Neb. Rev. Stat. 72-1237 through 72-1260, the Nebraska State Funds Investment Act, and Neb. Rev. Stat. 72-1261 through 72-1269, the Capital Expansion Act.

The Council is governed by a seven-member board of directors. The chair and four other private citizens are appointed by the Governor and confirmed by the State Legislature. There are two ex-officio members: the State Treasurer, and the Director of the Nebraska Public Employees Retirement Systems. The Council board appoints a State Investment Officer, subject to approval of the Governor and the State Legislature. The Investment Officer and eight other investment professionals make up the Council staff.

The Council board and staff are grateful for the support we receive from the Governor and other statewide elected officials. We appreciate the interest and encouragement of state legislators, particularly the Nebraska Retirement Systems Committee, Appropriations Committee, Banking, Commerce and Insurance Committee, and their staff. We value our close working relationship with other state agencies, and the Nebraska Public Employees Retirement Systems staff and board.

Our mission statement reflects our shared goals:

It is the mission of the Nebraska Investment Council to prudently manage the funds entrusted to us by the people of the State of Nebraska. We deliver investment management services to provide direct financial benefit exclusively to the owners of these funds. We are committed to thorough, sound, and informed analysis in order to achieve superior returns while maintaining prudent levels of risk.

This Annual Report is designed to give Nebraska citizens a summary of Council activity, and an overview of portfolio structure and performance for the assets entrusted to the Council as outlined in Neb. Rev. Stat. 72- 1243. This report and a wealth of other information about the Nebraska investment program— including specific manager detail in quarterly performance reports—can be found on the Nebraska Investment Council website at <http://nic.nebraska.gov>. Please contact me with any questions you have at 402-471-2001 or ellen.hung@nebraska.gov.



Ellen Hung, CFA
State Investment Officer

NEBRASKA INVESTMENT COUNCIL PORTFOLIO

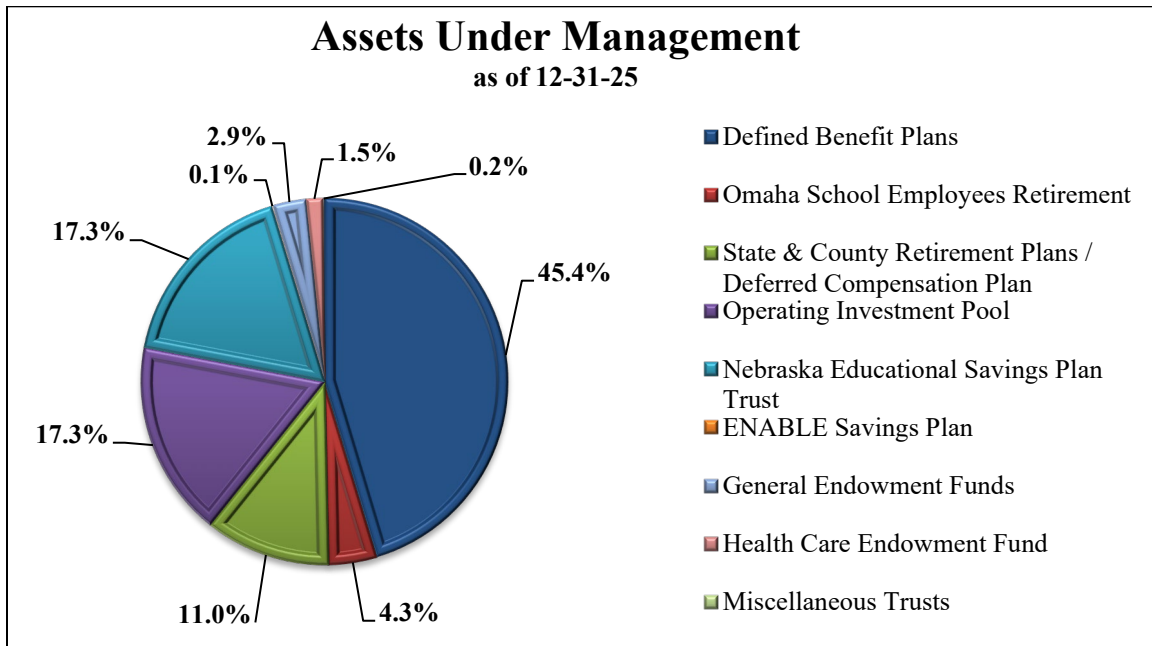
Transaction Summary

	Beginning Balance	Net Contributions	Investment Results	Closing Balance
	(millions of dollars)			
Defined Benefit Plans	\$ 18,248	- \$ 441	\$ 2,825	\$ 20,632
Omaha School Employees' Retirement	1,694	- 7	264	1,951
State & County Retirement Plans/ Deferred Compensation Plan	4,516	- 93	593	5,016
Operating Investment Pool	9,190	- 1,838	508	7,860
General Endowment Funds	1,195	- 17	153	1,331
Health Care Endowment Fund	589	- 18	91	662
NE Educational Savings Plan Trust	7,172	- 257	958	7,873
Nebraska ENABLE Savings Plan	48	8	4	60
Miscellaneous Trusts	70	- 3	5	72
2025 Totals	\$ 42,722	- \$ 2,666	\$ 5,401	\$ 45,457
2024 Totals	\$ 40,844	- \$ 1,825	\$ 3,703	\$ 42,722
2023 Totals	36,142	275	4,427	40,844
2022 Totals	39,658	1,013	-4,530	36,142
2021 Totals	33,985	1,445	4,228	39,658
2020 Totals	29,990	650	3,345	33,985
2019 Totals	25,695	75	4,220	29,990
2018 Totals	27,009 ¹	- 511	- 803	25,695
2017 Totals	24,279	- 459	3,189	27,009
2016 Totals	21,922	- 372	1,538	23,088

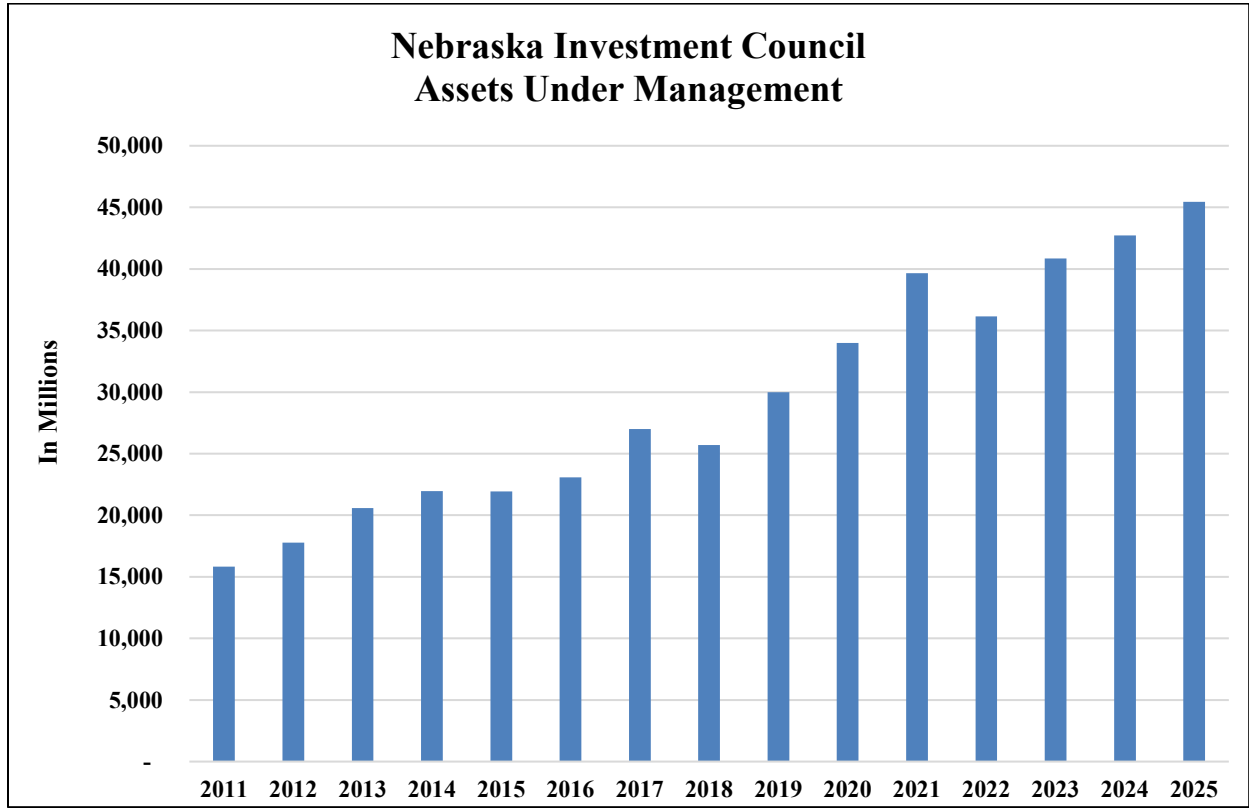
1. University Funds were removed in July 2018.

Assets Under Management

The pie chart below shows the percentage breakdown of the \$45.5 billion total across various programs.



The following bar graph depicts the growth in total assets under management over the past 15 years.



2025 ADMINISTRATIVE REVIEW

The Council portfolios performed well in 2025. The total return for the Nebraska School Employees and Nebraska Judges was 15.6% while the State & Country Cash Balance Benefit Plans was 15.5% for the year ending 2025, slightly trailing the benchmark return for both plans of 16.0%. Similarly, the Nebraska Patrol Plan and the Omaha School Employees' Retirement System (OSERS) had returns of 15.8% and 15.6%, with benchmark returns of 16.1% and 15.9% respectively. The underperformance to the benchmark was driven by the global equity managers and private equity allocations. All Council defined benefit plans performed in the top quartile when compared to a universe of large public plans for the 1-year, 3-year, 5-year and 10-year, except for OSERS. The total returns are more than the 6.95% actuarial return assumption.

The Council continues to monitor the portfolios and ensure investment strategies provide sufficient long-term rewards relative to appropriate levels of risk. Several projects were completed in 2025 to achieve the Council's mission of prudently managing State funds.

The Council completed an asset liability study and adopted new asset allocations that balance future liabilities and expected growth of assets. As the Retirement Plans for School and Judges, and Cash Balance Plans are 100% funded, the allocations to public equities and return-seeking fixed income were reduced and core bonds increased. The allocation to the Retirement Plans for Patrol and OSERS stayed the same for public equities and fixed income. Infrastructure was added to all plans as part of the real assets portfolio. The transition to the new asset allocations was completed in November 2025.

The Council completed a search for consulting services for the NIC portfolios. To allow for the selection of best-in-class consultants, the Council chose to stay with Aon for general consulting and hired Aksia as the private markets consultant.

The Council approved commitments to Northwood Investors US Real Estate Fund and New Enterprise Associates Fund 19 in 2025. The commitments were in line with the annual pacing studies that set the target allocations to private markets. The pacing studies consider liquidity risk, vintage year diversification, market environments and fund performance.

A retreat for the Council board, staff, consultants and other attendees, to explore in-depth investment topics, was held in October. The following topics were discussed.

- Macroeconomics – Brian Leung, CFA of KKR
- China – Tom Cooney of Capital Group
- Infrastructure – Sean Klimczak of Blackstone
- Fixed income – Mark Egan, CFA of Reams Asset Management
- Public equity – Brian Kersmanc of GQG Partners
- Private equity – Adam Weinstein of New Mountain Capital

The Council also oversees the important function of compliance. Throughout the year, the Council staff monitor each of the separate asset pools to ensure compliance with investment policies, confirm that investment objectives are being met, and analyze investment performance. The Council board and staff, through independent research, and support from investment consultant Aon, keep governance investment policies, processes, and procedures up to date, utilizing current best practices.

2025 CAPITAL MARKET REVIEW

2025 marked a third consecutive very strong year for capital markets. The year was defined by a pivot in U.S. monetary policy, easing inflation, a declining U.S. dollar, and the continued resilience of the U.S. economy despite volatility during the first half of the year driven by concerns surrounding trade policy.

Equity Markets

Global Equities ended 2025 up 22% and have now compounded at an annual rate of 20% over the past three years. The U.S. equity market (+17%) lagged international markets for the first time in four years, in part due to the declining U.S. Dollar. U.S. large-cap stocks, as measured by the S&P 500 Index, posted returns around 18%; smaller-cap stocks lagged, but were still up double digits. Developed international equities appreciated by over 30% in USD terms; emerging markets were stronger still, returning approximately 34%.

Within domestic equities, growth and value stocks produced similar returns, marking one of the only calendar years over the past decade where growth stocks have failed to meaningfully outperform value. The technology sector (+27%) was once again the best performing segment of the market; other segments of the market like consumer discretionary (+7%) and consumer staples (+5%) produced more modest gains.

Fixed Income Markets

With the exception of the very long end of the curve, U.S. Treasury yields were down in 2025. Out to seven years, Treasury yields were 50-75 basis points lower, year-over-year. This was driven by three 25 basis point rate cuts enacted by the Fed over the last 4 months of the year.

Bond market returns were buoyed by high prevailing yields to start the year and generally declining yields during the year. (There is an inverse relationship between the direction of bond yields and the price of bonds.) U.S. investment grade bonds, as measured by the Bloomberg Aggregate Index, were up 7% during the year. Non-investment grade bonds (+9%) performed modestly better, while the best returns available in the bond market came from emerging market issuance, which produced returns in the mid-to-high teens during 2025. 10-Year U.S. Treasury / TIPS Breakeven inflation was relatively unchanged year-over-year, finishing 2025 at 2.25%.

Alternatives (Real Estate and Private Equity)

U.S. private market real estate posted a positive (3%), albeit modest, return for the first time in three years. Higher interest rates, lower transaction volumes, and higher vacancy rates in certain segments of the market (notably office) continue to weigh on real estate markets.

While private equity performance through 12/31/2025 is not yet available, private equity results lagged the returns on publicly traded equities by a wide margin for the third consecutive year. The reset in market interest rates in 2022 has meaningfully impacted private equity transaction volumes and led to private equity valuations staying mostly stagnant over the past three years.

DEFINED BENEFIT PLANS

Plan	12/31/25 (in millions)
School Retirement System	\$ 19,631
Nebraska State Patrol	681
Nebraska Judges'	302
Omaha Schools' Service Annuity Fund	18
Total	\$ 20,632

The Defined Benefit Plans are comprised of the School Retirement System of the State of Nebraska, the Nebraska State Patrol Retirement System, the Nebraska Judges' Retirement System, and the Omaha Schools' Service Annuity Fund. For these plans, the benefit is determined by formula and does not depend on investment results.

School

- Prior to July 1, 2025, School Plan members contributed 9.78% of gross compensation to the retirement plan. This was matched by the employer at 101%.
- Beginning July 1, 2025, contribution rates for the School Retirement System are based on the funded status of the plan. Contribution rates are evaluated each July 1 based on the results of the most recent actuarial valuation results.
- School Plan members contribute 8% of gross compensation to the retirement plan as of July 1, 2025. This is matched by the employer at 101%.

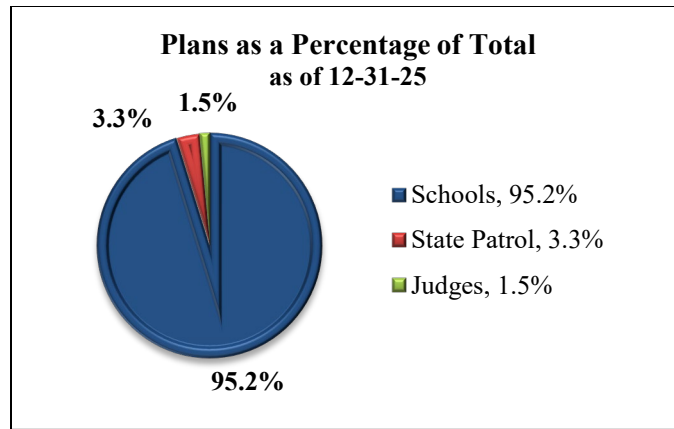
State Patrol

- Members hired on or after July 1, 2016, fall under Tier Two benefits. Benefits are capped at 75% of final average compensation for all members. Members contribute 10% of gross compensation to the retirement plan. The employer contributes 24% of monthly compensation amount.
- Tier One members (hired before July 1, 2016) contribute 10% of gross compensation to the retirement plan. The employer contributes 24% of monthly compensation amount. Tier One members have the option to invest in the DROP (Deferred Retirement Option).

Judges'

- Judges hired on or after July 1, 2015 (Tier 2 & 3) contribute 10% of compensation.
- Judges hired on or after July 1, 2004, or those who elected to participate in the provisions created by LB1097 contribute 9% of compensation. Upon reaching 20 years of service credit, this rate decreases to 5%.
- Judges hired before July 1, 2004, who elected not to participate in the provisions created by LB1097 contribute 7% of compensation. Upon reaching 20 years of service credit, this rate decreases to 1%.

The School plan continues to make up 95% of the entire Defined Benefit Plan, with the Judges and State Patrol plans rounding out the remaining 5%.



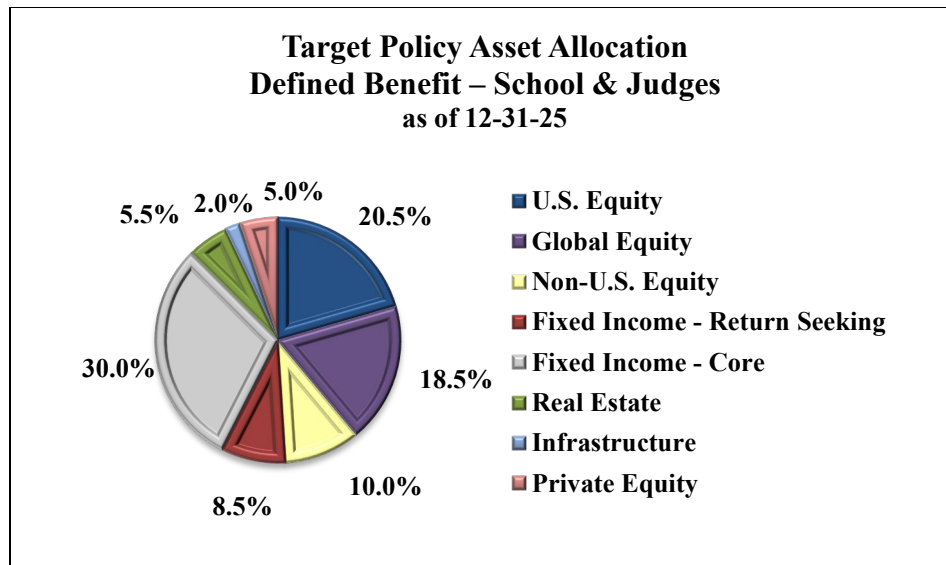
The following table outlines the actuarial report completed as of June 30, 2025. The School Plan has a funded ratio of 102.1% compared to 84.3% for the Patrol and 105.1% for the Judges plan.

As of June 30, 2025	School	Patrol	Judges	Total
	(millions of dollars)			
Assets (actuarial value)	\$ 17,662.38	\$ 617.51	\$ 272.09	\$ 18,551.98
Liabilities (AAL)	17,292.07	732.35	258.84	18,283.26
Surplus	\$ 370.31	- \$ 114.84	\$ 13.25	\$ 268.72
Funded Ratio	102.1%	84.3%	105.1%	101.5%

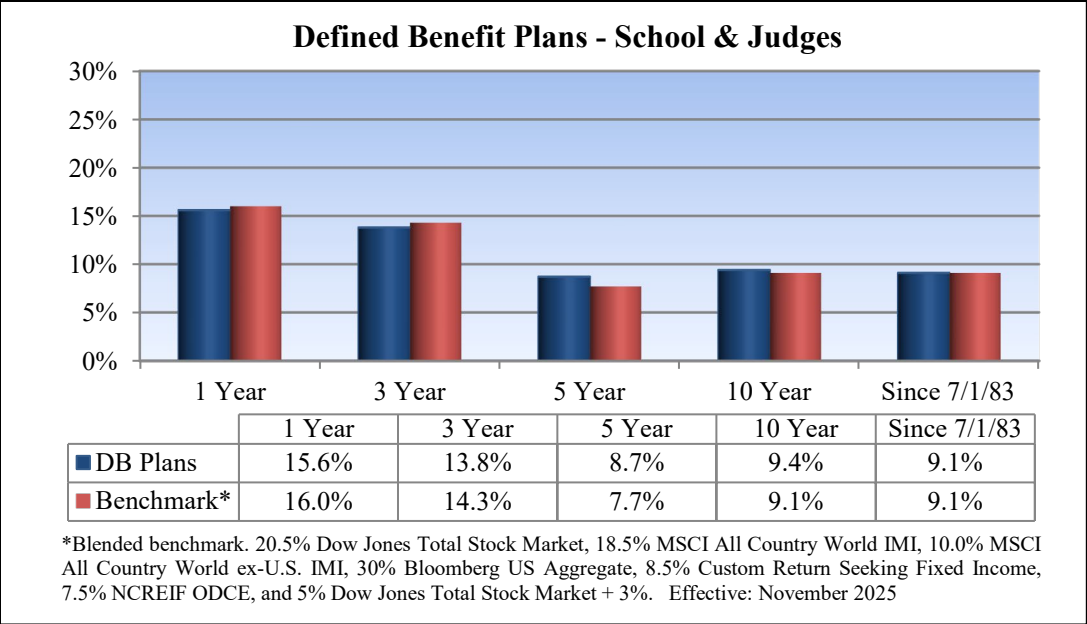
Historically, the School, State Patrol, and Judges retirement plans shared the same target asset allocation policy. In 2025, the Council updated the policy framework to better reflect the differing characteristics of the plans. The School and Judges plans continue to share a common target asset allocation, while the State Patrol plan now has a separate target asset allocation.

Defined Benefit Plan – School and Judges

The target policy asset allocation for the Defined Benefit – School and Judges plans is shown below.

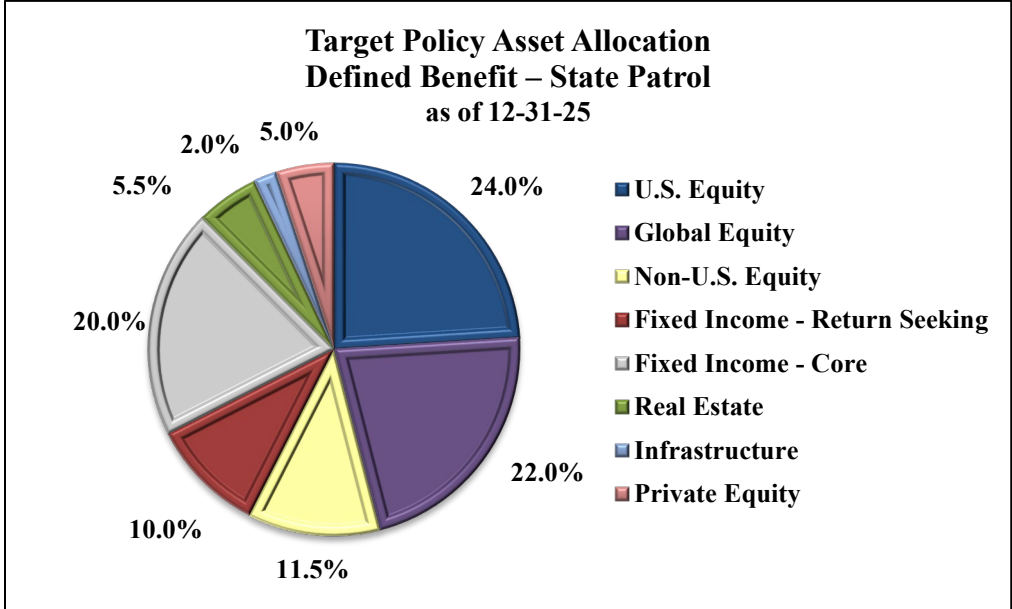


The Defined Benefit – School and Judges plans returned 15.6% in 2025 compared to 16.0% for the benchmark.

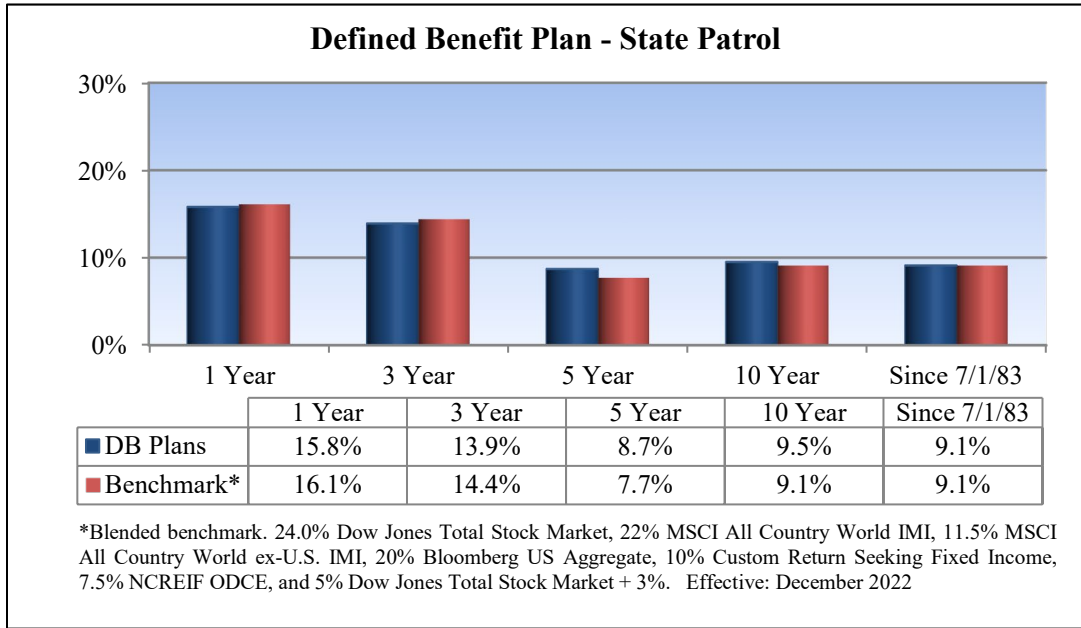


Defined Benefit Plan – State Patrol

The target policy asset allocation for the Defined Benefit – State Patrol plan is shown below.



The Defined Benefit – State Patrol plan returned 15.8% in 2025 compared to 16.1% for the benchmark.



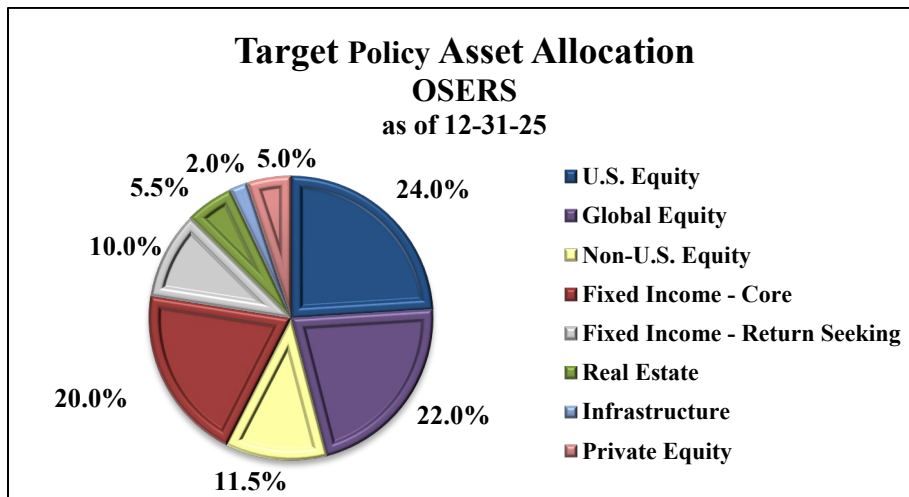
OMAHA SCHOOL EMPLOYEES' RETIREMENT SYSTEM (OSERS)

Plan	12/31/25 (in millions)
Omaha School Employees' Retirement	\$ 1,951

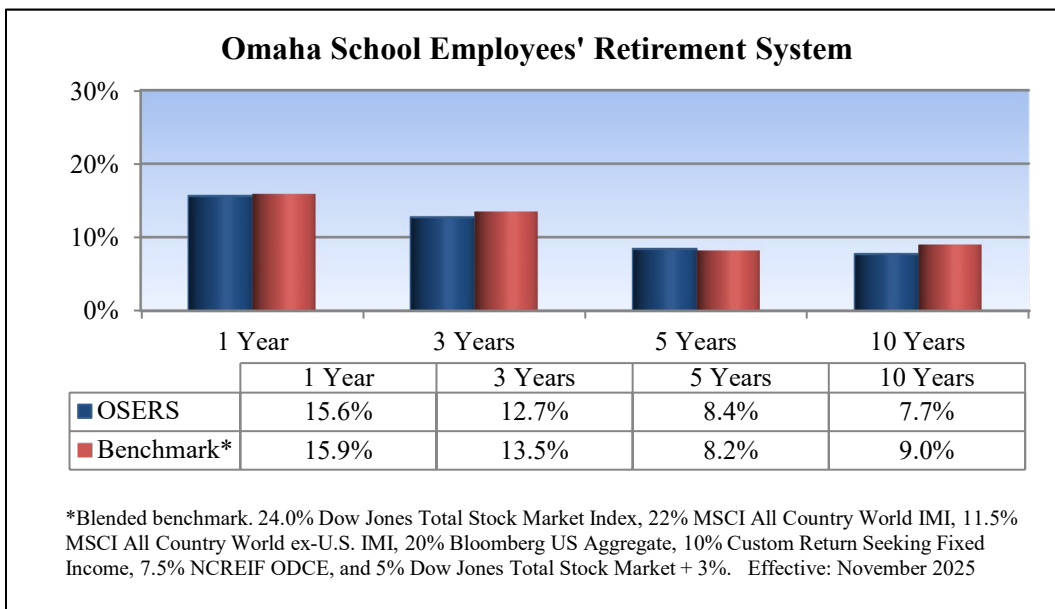
The Omaha School Employees' Retirement System (OSERS) is the second-oldest teacher retirement system in the United States, created in 1909. Since 1951, OSERS has served as the consolidated retirement system for all eligible district employees.

It is a defined benefit plan. Funding is split among three sources: 9.78% of gross compensation from plan members; a 101% match, or 9.88% from the employer; and 2.0% from the State of Nebraska.

The Council assumed investment management of OSERS assets in 2017. In 2025, the portfolio transition to the Council's long-term target allocation was completed, and the portfolio now mirrors the investment strategy of the Defined Benefit – State Patrol plan.

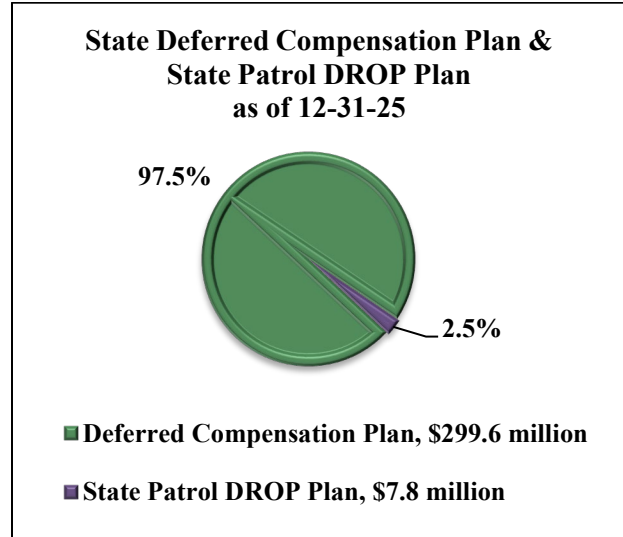
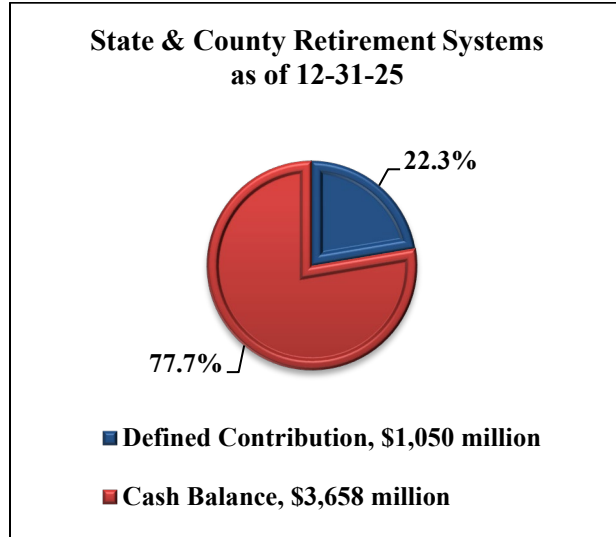


The OSERS plan returned 15.6% in 2025 compared to 15.9% for the benchmark.



STATE & COUNTY RETIREMENT PLANS / DEFERRED COMPENSATION PLAN

Plan	12/31/25 (in millions)
Cash Balance	\$ 3,658
Defined Contribution	1,050
Deferred Compensation / DROP	308
Total	\$ 5,016

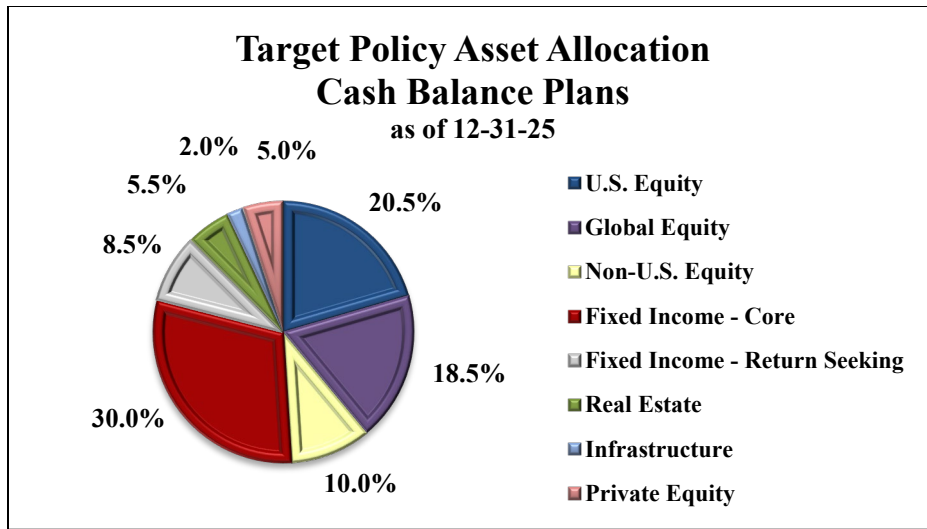


Cash Balance Plan

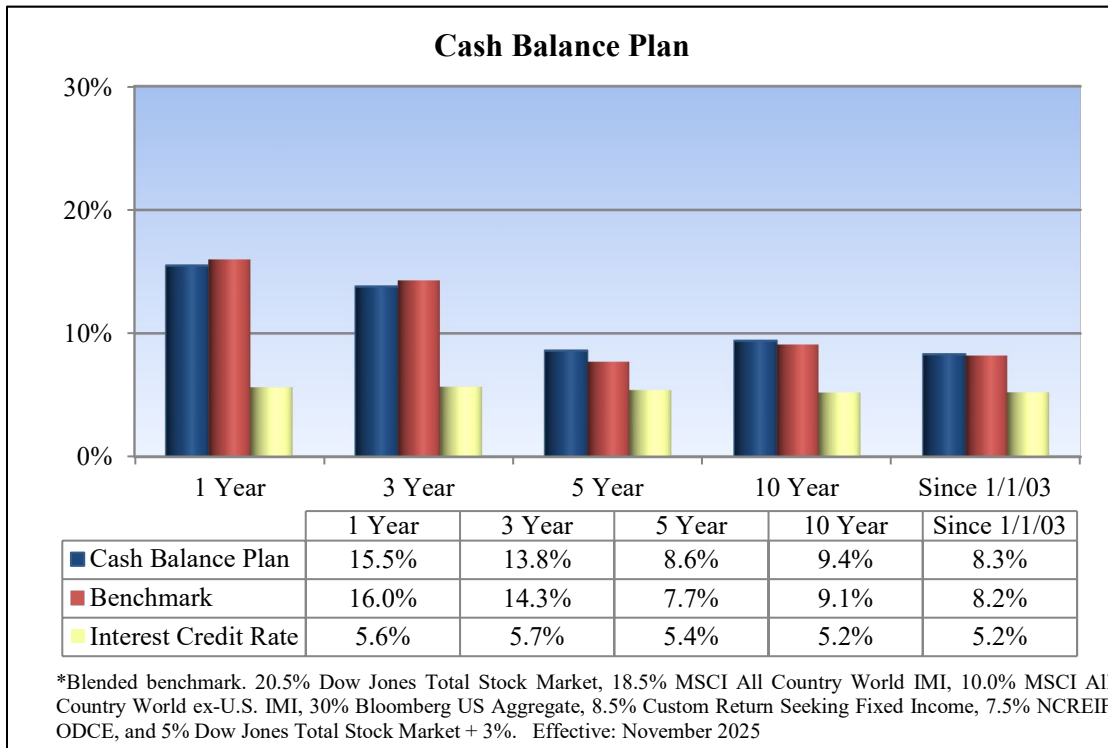
Since January 2003, the accounts for all new employees who participate in the State and County Retirement System Plans are automatically invested in the Cash Balance Plan. Members who participate in the Cash Balance Plan do not make their own investment choices. Contributions to these accounts come from both the employee and employer, and the rates are identical to those in the Defined Contribution Plan. State employees are required to contribute 4.8% of their salary. The State matches the employee contribution at 156%. County employees are required to contribute 4.5% of their salary. The county matches the employee contribution at 150%.

The assets are held in a trust fund which is managed by the Council. Cash Balance participants are guaranteed an annual interest credit rate which is defined in statute as the greater of 5% or the federal mid-term rate plus 1.5%. The interest credit rate resets each calendar quarter.

The Cash Balance Plan is structured to mirror the investment strategy of the Defined Benefit – School and Judges plans and therefore maintains the same asset allocation.



In 2025, the Cash Balance Plan returned 15.5% compared to 16.0% for the benchmark.



Defined Contribution Plan

Prior to 2003, the only option for employees in the State and County Retirement System Plans was the Defined Contribution plan. In December 2002 participants were given the option to remain in the Defined Contribution Plan or transfer to the Cash Balance Plan implemented in January 2003. LB 328 and LB 916 passed in 2007 and 2012 respectively, allowed Defined Contribution members opportunities to transfer to the Cash Balance Plan.

Members who remain in the Defined Contribution Plan make their own investment choices based on the funds offered. Contributions to these accounts come from both the employee and employer. State employees are required to contribute 4.8% of their salary. The State matches the employee contribution at

156%. County employees are required to contribute 4.5% of their salary. The county matches the employee contribution at 150%. The account balance for both State and County employees consist of accumulated contributions plus investment gains or losses.

State Deferred Compensation Plan and State Patrol DROP

Deferred Compensation Plan (current version)

The voluntary Deferred Compensation Plan for State employees offer the same investments as those offered in the State and County Retirement Systems’ Defined Contribution Plan. Combining the investment options of the State Deferred Compensation Plan and the State and County Defined Contribution Plan provides a reduction in costs for participants making voluntary contributions.

State Patrol DROP

A retirement payment option called “DROP” is available in the State Patrol Retirement Plan. DROP stands for Deferred Retirement Option Plan. The feature is voluntary and provides a way for a Patrol Plan member to receive a lump-sum amount at retirement in addition to an ongoing monthly retirement benefit, in exchange for working up to five more years (but not beyond age 60). The member assumes full responsibility for how the DROP account is invested and for any market gains or losses.

Investment Options (Defined Contribution, Deferred Comp and State Patrol DROP Plans)

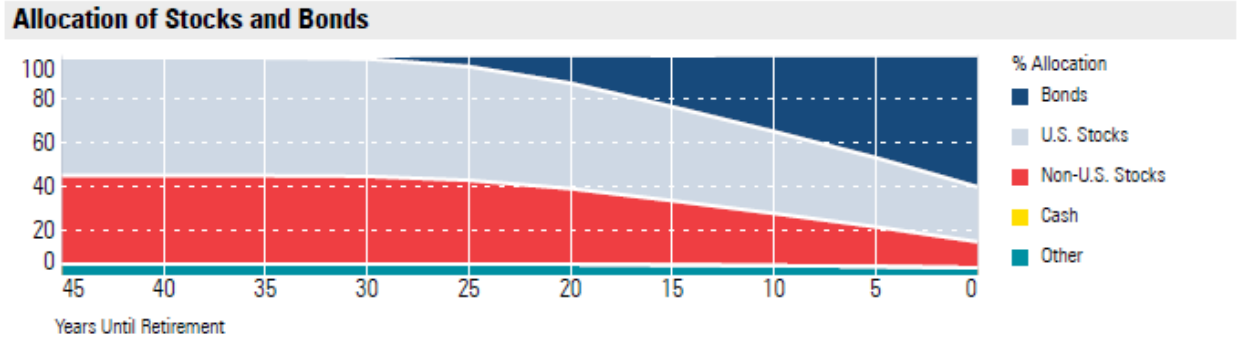
For both employee and employer contributions, a participant selects among investment funds offered by the Plans. The Council selects, monitors, and terminates, when necessary, these funds. Because participants direct the investment of these contributions, the participant determines the allocation to each of these funds.

The State Deferred Compensation Plan is voluntary and participants may choose to invest their assets in any of the available Defined Contribution investment funds. By offering the same investment funds for both the Defined Contribution Plan (mandatory contributions) and the State Deferred Compensation Plan (voluntary contributions), plan participants may find it easier to implement an integrated investment strategy. Combining the investment options also provides a reduction in costs for participants.

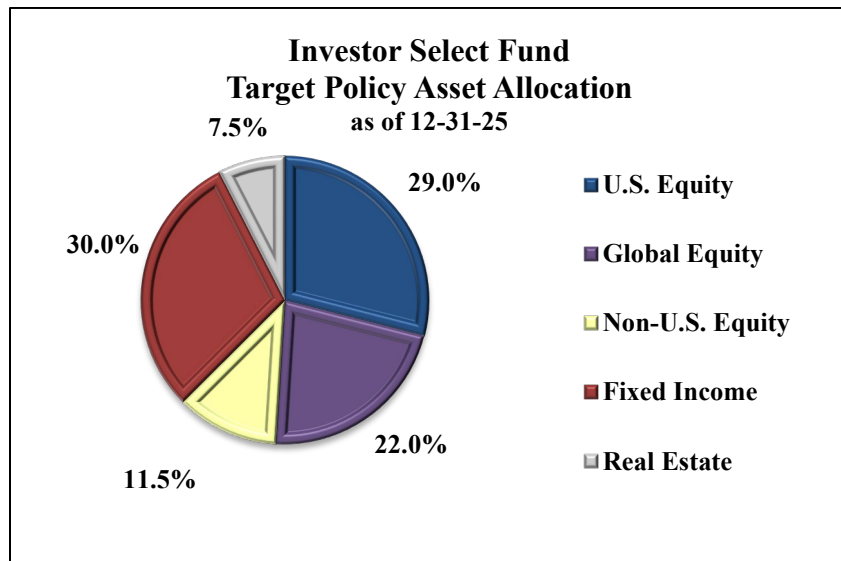
The current investment options are listed in the table below:

U.S. Equities	Premixed Fund
U.S. Total Stock Market Index Fund	Investor Select Fund
Non-U.S. Equities	Target Date Funds
International Stock Index Fund	LifePath Index 2070 Fund
	LifePath Index 2065 Fund
	LifePath Index 2060 Fund
Global Equities	LifePath Index 2055 Fund
Global Equity Fund	LifePath Index 2050 Fund
	LifePath Index 2045 Fund
Fixed Income	LifePath Index 2040 Fund
Stable Value Fund	LifePath Index 2035 Fund
U.S. Bond Index Fund	LifePath Index 2030 Fund
U.S. Core Plus Bond Fund	LifePath Index Retirement Fund

The LifePath Index Funds are target date funds that automatically adjust the asset allocation among stocks, bonds, and other investments from more aggressive to more conservative as the participant gets closer to retirement.



The Investor Select Fund is invested with an asset allocation and investment strategy similar to the investment allocations made for the Defined Benefit Plans, except that that it does not include private equity or infrastructure exposure.

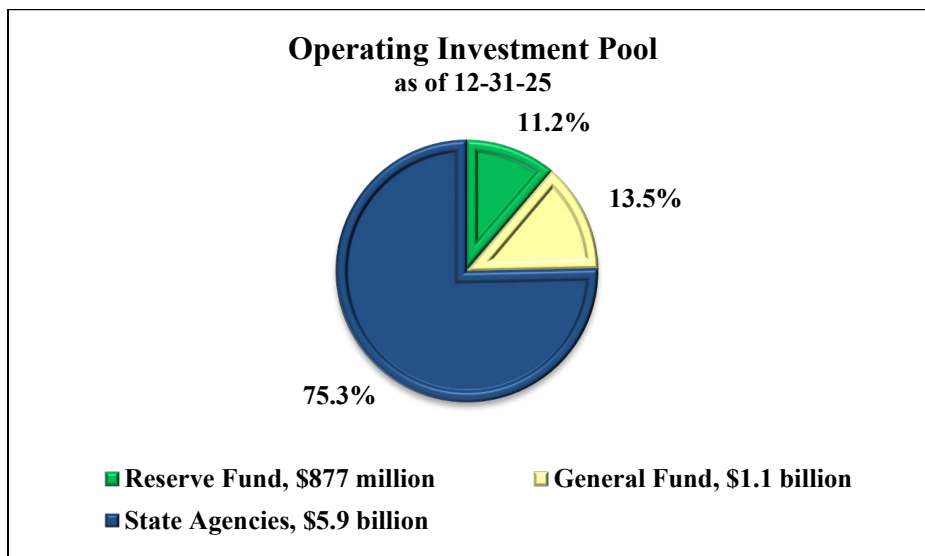


OPERATING INVESTMENT POOL (OIP)

Plan	12/31/25 (in millions)
Short Term Liquidity	\$ 1,535
Intermediate Gov. / Corp.	6,189
Time Deposit Open Account	145
Less: DB Assets	- 9
Total	\$ 7,860

The Council invests the available money from the State’s general fund, State boards, commissions, departments or agencies, and any other state funds not currently needed, into the Operating Investment Pool (OIP). The Department of Administrative Services calculates the average daily balance for each participant and distributes the earned income monthly on a pro-rata share basis.

The chart below shows the amounts in the OIP by source as of December 31, 2025.



Operating Investment Pool Investments

The OIP is managed internally, and is made up of high-quality U.S. Treasuries, government agencies, and investment grade corporate bonds with laddered maturities extending ten years. The Short-term Liquidity portion of the OIP is invested in money markets, and 1 year or shorter treasuries, government agencies, and commercial paper whereas the Intermediate Government / Corporate portion is invested in 10 year or shorter treasuries, government agencies, and domestic corporate bonds. Money market funds are used to provide liquidity for the daily cash needs of the participants. The Council established an Investment Policy Statement for the OIP that includes credit quality and diversification constraints to provide safety of principal, liquidity for the daily cash flow needs of the entities within the OIP, and return on investment.

Below are the Short-term Liquidity portfolio constraints.

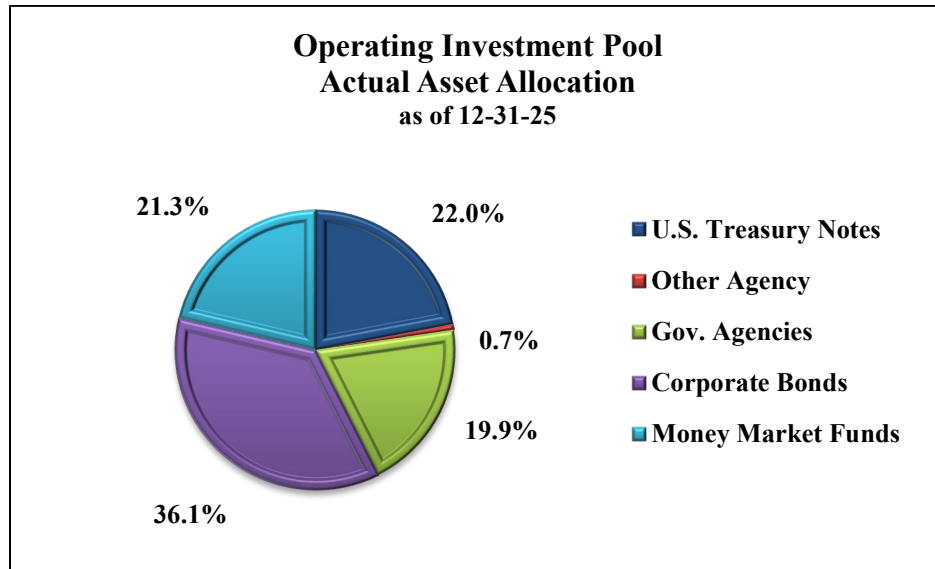
- Government Money Market Funds – 100% maximum, no more than 60% to any single Money Market Fund
- Commercial Paper – 5% maximum per issuer

The following are the constraints for the Intermediate Government / Corporate portfolio.

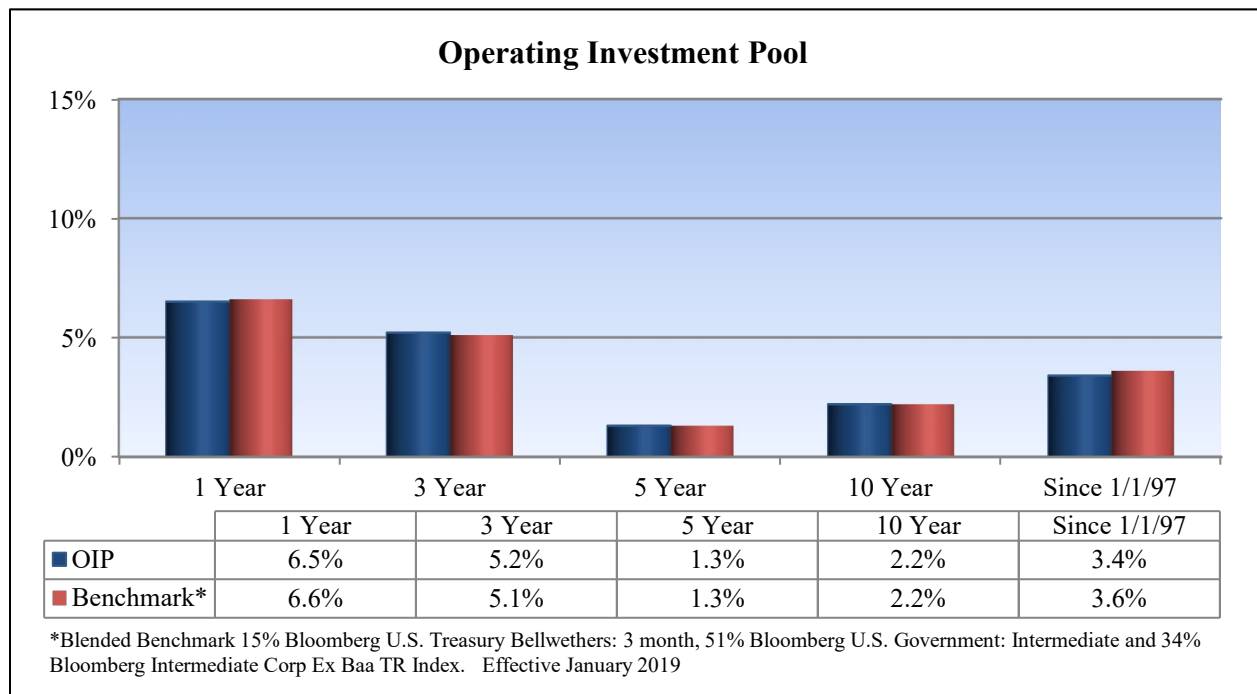
- U.S. Treasuries – 15% minimum

- U.S. Agency Notes & Debentures – 50% maximum in total, 20% maximum per agency issuer
- Government Money Market Funds – 5% maximum
- Corporate Bonds – 50% maximum for the total corporate sector
- AAA and AA rated corporate – 3% maximum per issuer
- A rated corporate – 30% maximum in total, 2% maximum per issuer
- Sector – 5% maximum per sector, except financials. Financials 25% maximum.

The actual asset allocation for the OIP (short term & intermediate term) as of December 31, 2025 is shown in the chart below.



The performance of the OIP is measured against a blended benchmark. As shown in the chart below, the performance has been in line with its benchmark over the long term.



Time Deposit Open Account Program (TDOA)

From the funds available for investment in the OIP, the Council is required, pursuant to the Nebraska Capital Expansion Act, to offer each qualifying bank and capital stock financial institution in the state a Time Deposit Open Account (TDOA) of one million dollars. To the extent that the total amount of funds initially offered to each bank or capital stock financial institution is not accepted by such institutions, the balance of the funds shall be reoffered to such banks and capital stock financial institutions that are willing to meet the rate and other requirements set forth for participation in the program. No single bank or capital stock financial institution may receive for deposit a sum of more than sixteen million dollars.

The first \$250,000 of the deposit is insured by the FDIC. The statute requires the pledging of collateral for deposits greater than \$250,000 with a minimum pledge of 102% of the amount deposited. However, when publicly traded fixed income securities are used for collateral, the Council requires 110% for adequate coverage due to fluctuating market values throughout the month. The Nebraska statute also allows institutions to pledge letters of credit. This type of collateral does not have a fluctuating value so when letters of credit are used, 102% is the coverage required by the Council.

There are two methods financial institutions can use to pledge collateral for public deposits. The first method, the direct method, requires the financial institution to pledge collateral to each public entity for its respective deposit. The second method is through the Single Bank Pooled Collateral Program, which allows a financial institution to pledge collateral against the total amount of its public deposits. The Nebraska Bankers Insurance and Services Company is the current administrator of the Single Bank Pooled Collateral Program.

GENERAL ENDOWMENTS

Plan	12/31/25 (in millions)
Permanent School Fund	\$ 1,175.690
Early Childhood Education	73.426
Veterans' Aid	56.988
Cultural Preservation	15.245
Agricultural Endowment	3.906
Environmental Endowment	2.501
Permanent Endowment	1.774
Capitol Preservation	1.147
Normal School Endowment	0.420
Bessey Memorial	0.035
Meadowlark Endowment	0.000
Total	\$ 1,331.132

Endowment funds are used to provide a perpetual source of funding for the activities of the entities they support. Generally, there are two investment objectives: providing some funds for the current year's operations and increasing the portfolio value to support future needs. The financial management of an endowment fund consists of a contribution strategy, a distribution strategy, and an investment strategy. Although these strategies are interrelated, the Council determines only the investment strategy for these endowments. The assets of the endowments described in this section are commingled to achieve administrative efficiencies and cost savings from economies of scale. The basic purpose of each endowment is described below.

The Permanent School Fund

The endowment receives proceeds from the sales of school land held in trust for K-12 public education, payments for easements and right-of-way over the lands, and royalties and severance taxes paid on oil, gas, and minerals produced from these lands.

The Nebraska Early Childhood Education Endowment Fund

The endowment provides funding for grants to schools and community partners to provide programs serving at-risk children from birth to age three.

The Nebraska Veterans' Aid Fund

The endowment provides emergency financial assistance to eligible veterans and dependents.

The Cultural Preservation Endowment Fund

The endowment supports the activities of the Nebraska Arts Council and the Nebraska Humanities Council. Distributions from this fund are conditioned on matching contributions from other sources.

The Agricultural Endowment Fund

The endowment receives proceeds from sales of land granted by the federal government. Investment income is distributed to the Institute of Agriculture and Natural Resources.

The Permanent University Endowment Fund

The endowment receives proceeds from the sales of land granted by the federal government. Investment income is distributed to the University of Nebraska.

The State College (Normal School) Endowment

The endowment receives proceeds from sales of land granted by the federal government. Investment income is distributed for the benefit of the state colleges.

The Nebraska Environmental Endowment Fund

The endowment is funded by the state lottery program and is part of the Nebraska Environmental Trust. The Trust provides grants for the purposes of environmental conservation in Nebraska.

The Bessey Memorial Fund

The endowment provides aid to widows of University of Nebraska professors.

The Meadowlark Endowment Fund

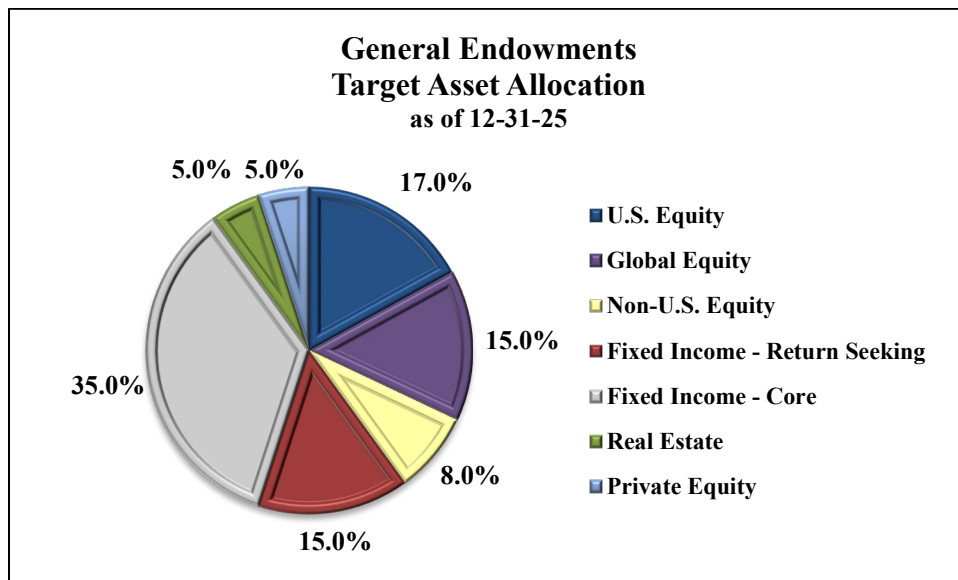
The endowment may receive qualified private contributions, and any amounts appropriated or transferred to the fund by the Legislature. Investment income earned each calendar year are distributed to the accounts opened that same calendar year in the Meadowlark Program. The purpose of the program is to promote access to postsecondary educational opportunities by providing funds to qualified individuals.

The Capitol Preservation, Restoration, & Enhancement Endowment Fund

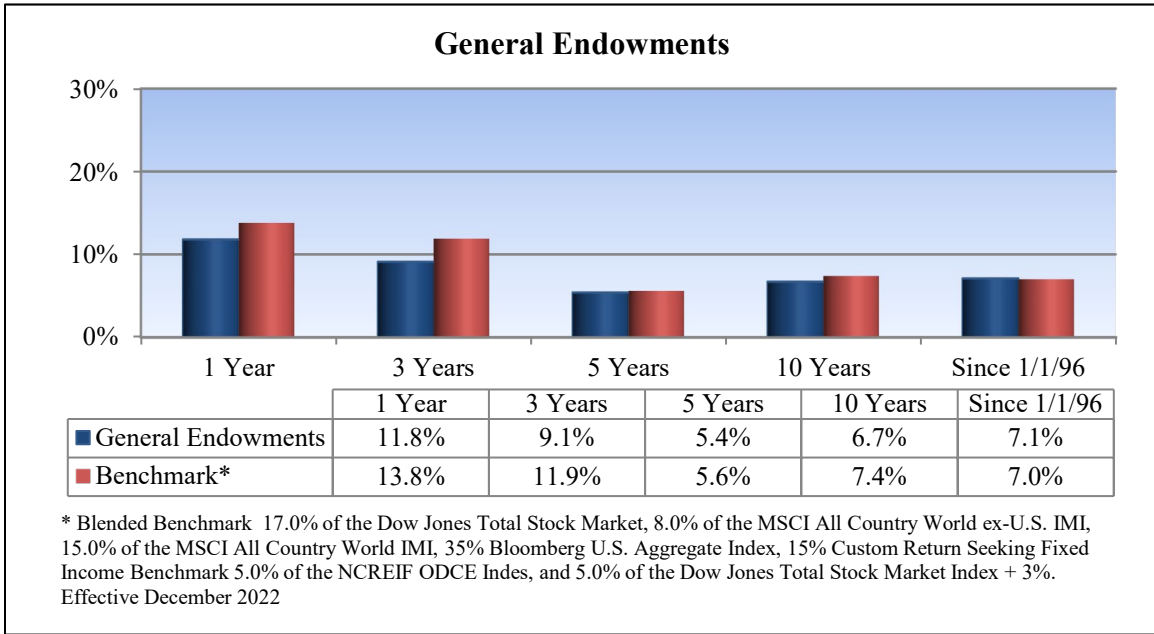
The endowment shall consist of money transferred to the fund by the Legislature and bequests, donations, gifts, grants, or other money received from any federal or state agency or public or private source. The money is used for preservation, restoration, and enhancement of the State Capitol and capitol grounds.

Asset Allocation

The following pie chart outlines the asset allocation for the endowments listed above.



The General Endowments returned 11.8% in 2025 compared to 13.8% for the benchmark.



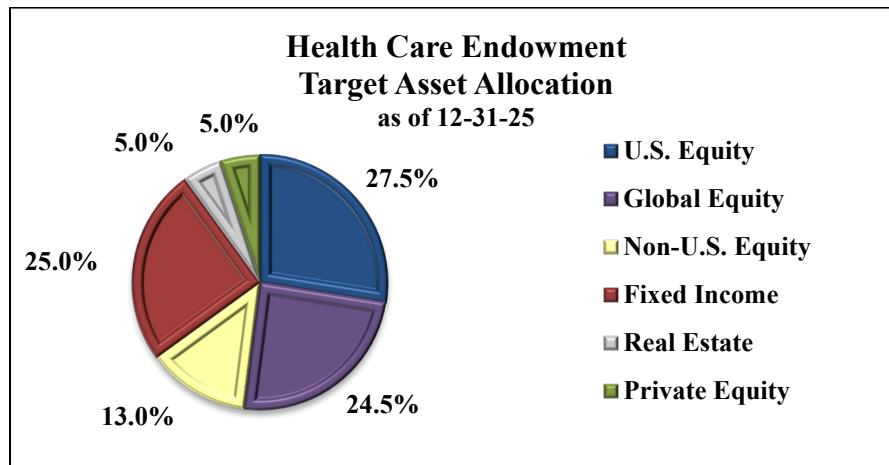
HEALTH CARE ENDOWMENT

Plan	12/31/25 (in millions)
Tobacco Settlement	\$ 662

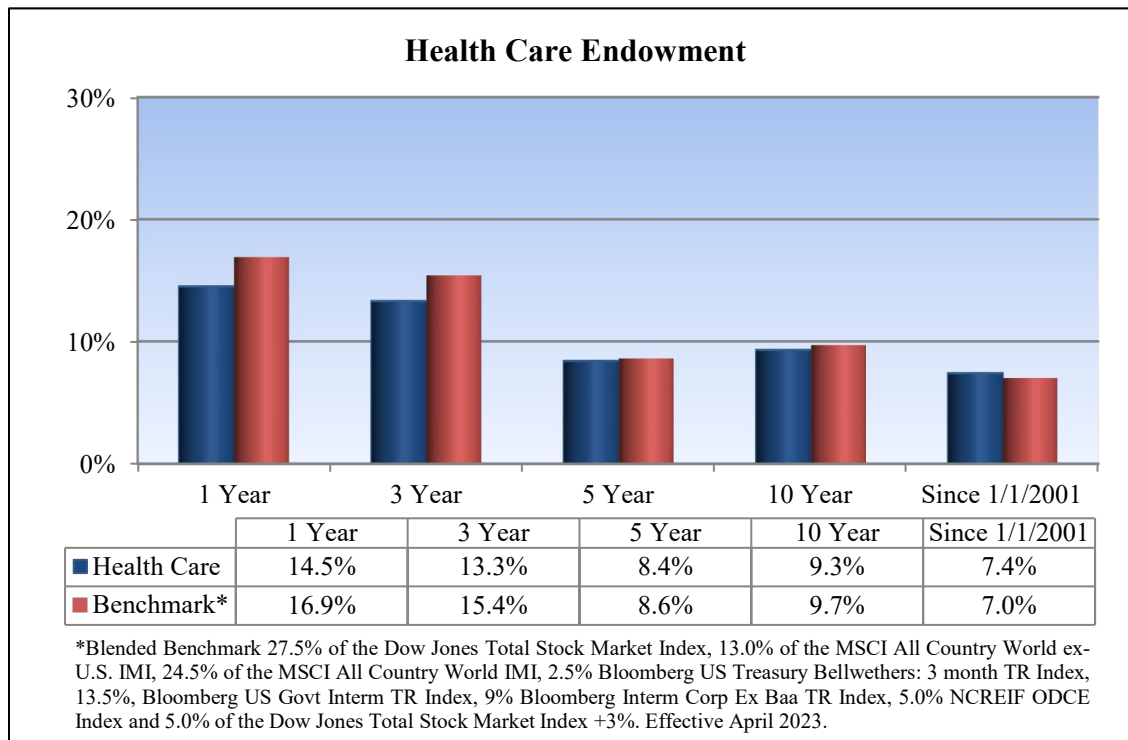
The Health Care Endowment fund is comprised of funds from the Nebraska Tobacco Settlement Trust. Funding comes from revenues received from tobacco related litigation.

Asset Allocation

The Health Care Endowment has a slightly different asset allocation than the General Endowments. As the chart below shows, fixed income is 25% of the total rather than 50% for the General Endowment.



The Health Care Endowment returned 14.5% in 2025 compared to 16.9% for the benchmark.



STATE TRUSTS

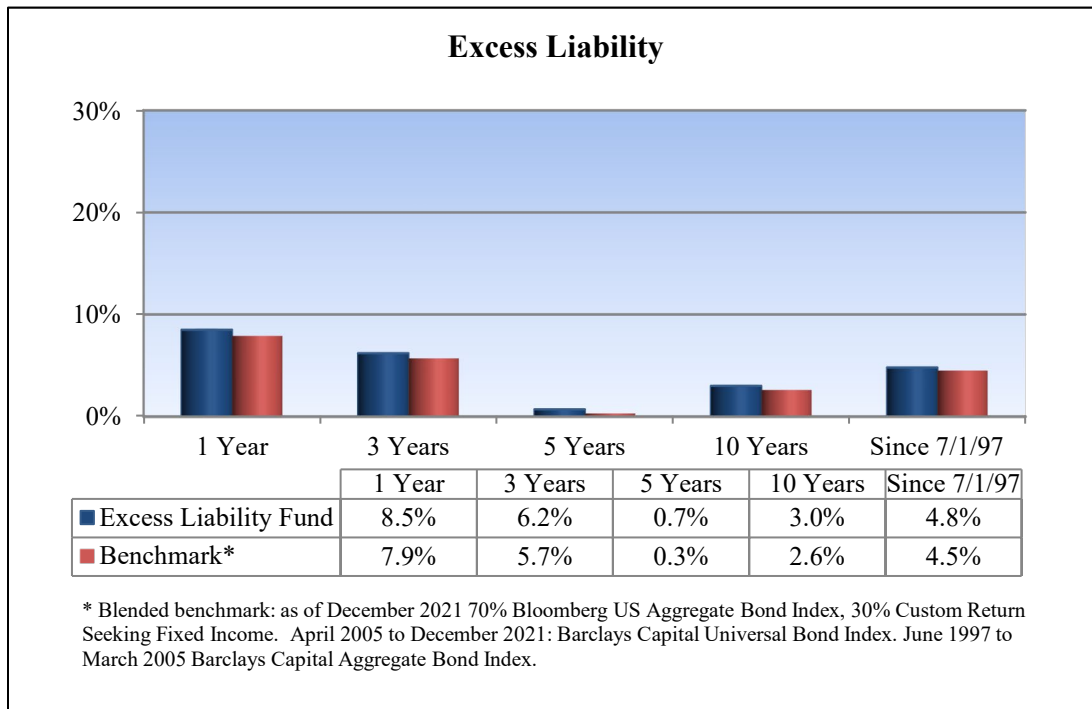
The State has three trusts: Excess Liability, Aeronautics Trust, and Agricultural Development Trust. All trust assets are invested in only fixed income securities.

Excess Liability

Plan	12/31/25 (in millions)
Excess Liability	\$ 63

This Fund was created by the Nebraska Hospital-Medical Liability Act. Contributions consist of insurance premiums from certain health care providers and a surcharge levied on all healthcare providers in the State. The funds are used to pay judgments imposed on insured health care providers. The Council does not determine the distribution policy.

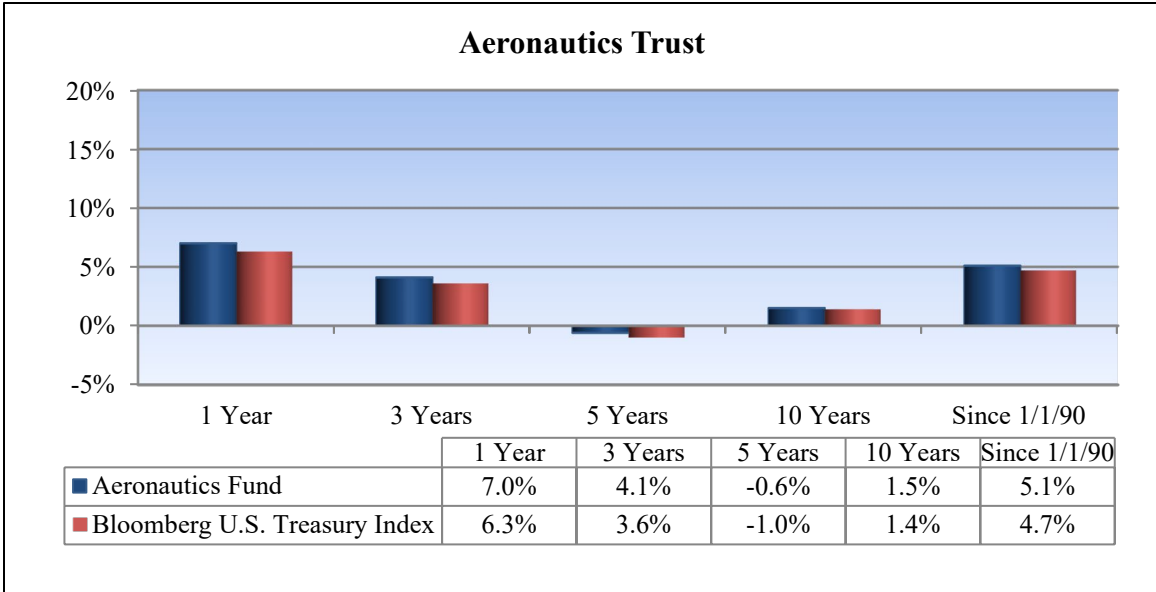
The Excess Liability program returned 8.5% in 2025 compared to 7.9% for the benchmark.



Aeronautics Trust

Plan	12/31/25 (in millions)
Aeronautics Trust Fund	\$ 6.1

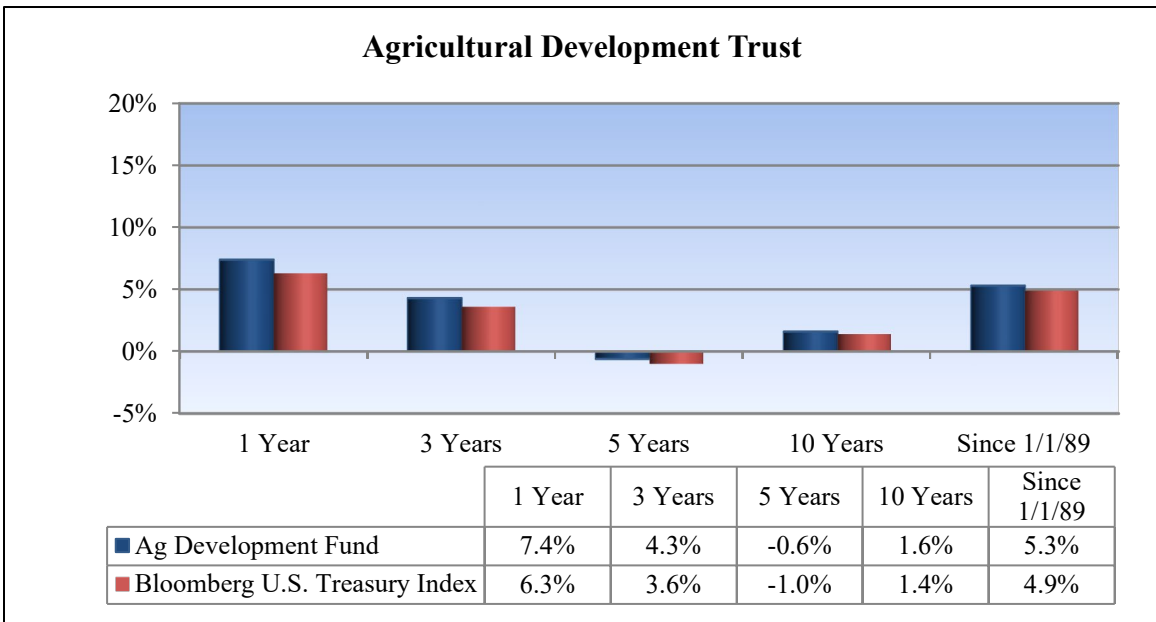
The Aeronautics Fund receives proceeds from the sale of state-owned airfields. Investment income is used to pay the expenses of the Aeronautics Trust Fund. The funds are used, in order of priority, for operations of the State-owned Airfields, the Navigational Aids Division, and grants to eligible Nebraska airports. The Aeronautics program returned 7.0% in 2025 compared to 6.3% for the benchmark.



Agricultural Development Trust

Plan	12/31/25 (in millions)
Agricultural Development	\$ 2.3

The Agricultural Development Fund consists of money received from the U.S. Department of Agriculture. Income from the Fund pays expenses of the Nebraska Department of Agriculture. The Council does not determine the distribution policy. The Agricultural Development Fund returned 7.4% in 2025 compared to 6.3% for the benchmark.



NEBRASKA EDUCATIONAL SAVINGS PLAN TRUST (NEST)

Plan	12/31/25 (in millions)
Direct	\$ 3,021
Advisor	1,612
Bloomwell	2,483
State Farm 529	757
Total Nebraska Educational Savings Plan	\$ 7,873

The Nebraska Educational Savings Plan Trust was established by the Nebraska State Legislature on January 1, 2001. The Plan is an Internal Revenue Code Section 529 Plan providing tax-deferred growth of funds for higher education costs. There are four plans within the Nebraska Educational Savings Plan Trust – NEST Direct College Savings Plan, NEST Advisor College Savings Plan, the Bloomwell 529 Education Savings Plan, and the State Farm 529 Savings Plan. The Nebraska State Treasurer serves as the Program Trustee and all investments are approved by the Council. Union Bank and Trust serves as the Program Manager as of December 4, 2020.

NEST Direct College Savings Plan

The NEST Direct Plan puts the account owner in charge of managing the account without guidance from a financial advisor. The account can be invested in the following investment options.

- Age Based Investment Options
- Static Investment Options
- Individual Fund Investment Options

NEST Advisor College Savings Plan

The NEST Advisor Plan is offered to individuals who use the expertise and guidance of a financial advisor. The financial advisor works with the Program Manager to open and transfer money to participant accounts. The account can be invested in the following investment options.

- Age Based Investment Options
- Static Investment Options
- Individual Fund Investment Options

Bloomwell 529 Education Savings Plan

The Bloomwell 529 Education Savings Plan offers a variety of investment options for participants including socially responsible funds.

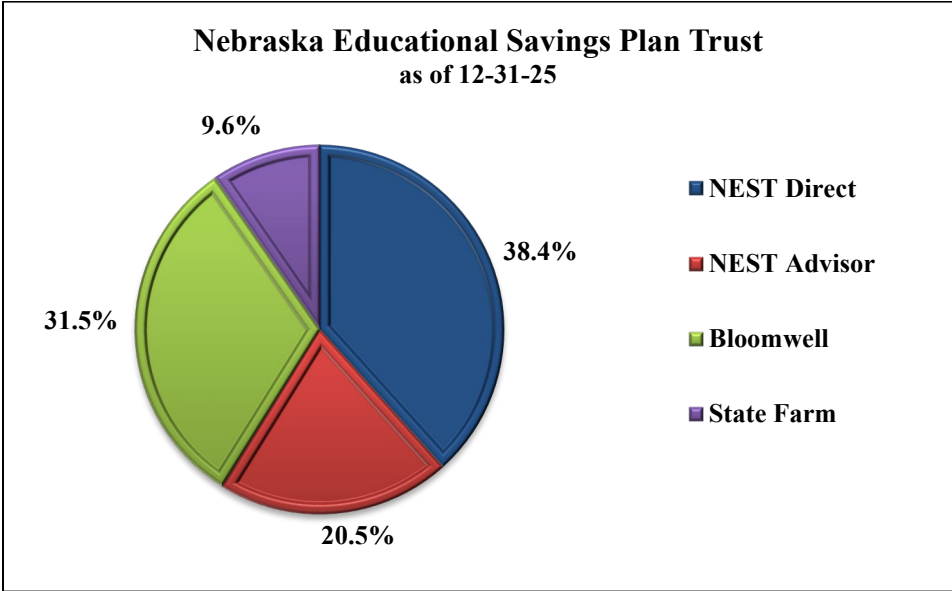
- Age Based Investment Options: Core and Socially Aware
- Static Investment Options: Core and Socially Aware
- Individual Fund Investment Options

State Farm 529 Savings Plan

State Farm agents market a series of the Nebraska Educational Savings Plan Trust under the State Farm name. Participants may choose from the following investment options.

- Age Based Investment Options
- Static Investment Options

The following chart shows the investments in the four plans within the NEST Trust.



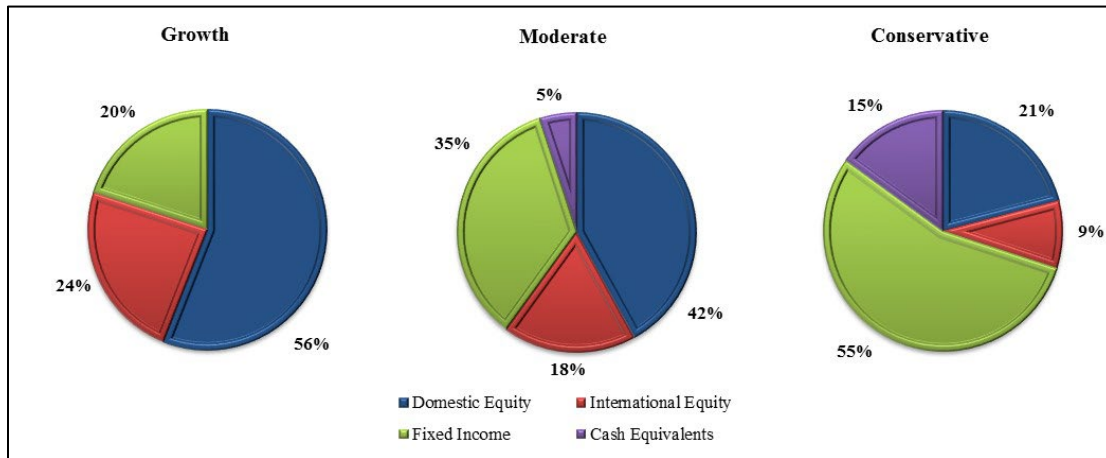
NEBRASKA ENABLE SAVINGS PLAN

Plan	12/31/25 (in millions)
ENABLE	\$ 60

The Nebraska Enable Savings Plan (Enable) is issued by The Nebraska Achieving a Better Life Experience Program Trust. The Plan is a qualified ABLÉ program to be used only to save for Qualified Disability Expenses, pursuant to the Achieving a Better Life Experience Act of 2014 and Section 529A of the U.S. Internal Revenue Code. The Nebraska State Treasurer serves as the Program Trustee and Ascensus College Savings Recordkeeping Services, LLC serves as the Program Manager. The Nebraska Investment Council has investment oversight.

ENABLE Plan Investment Options

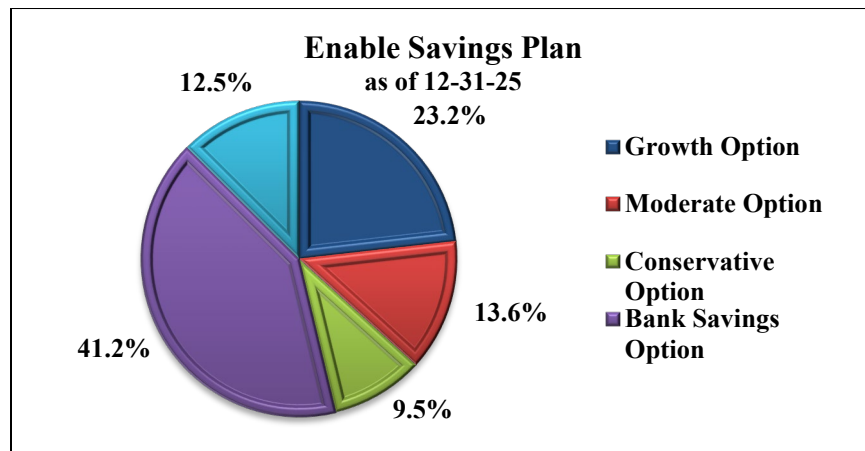
Target-Risk (Growth, Moderate, and Conservative) Options: Each option is invested in Vanguard index funds across various asset classes – equity, fixed income or cash equivalents.



Bank Savings Option: Investments earn interest based on market rates and provides FDIC insurance on a per participant, pass-through basis to each account owner up to the maximum amount set by federal law, currently \$250,000.

Checking Option: Investments are covered by FDIC insurance and allows the account owner to write checks or use a debit card to withdraw funds. This option was available to participants as of January 26, 2017.

The following chart shows investments in the five options.



NEBRASKA INVESTMENT COUNCIL HISTORY

The Nebraska Investment Council was established by the Legislature in 1969. The law called for the appointment of five Council board members by the Governor to staggered five-year terms with legislative approval. The Council board would hire a State Investment Officer, subject to the approval of the Governor and the Legislature.

1969 Fred S. Kuethe was appointed State Investment Officer.

1970 Management of state operating funds, state trusts, the Veterans' Aid Fund, State Patrol Retirement Plan, and the Judges' Retirement Plan transferred to the Council.

1971 School Retirement System and Permanent School Fund investment management transferred to the Council.

1972 James R. Marbach was appointed State Investment Officer.

1975 Donald J. Mathes was appointed State Investment Officer.

1976 The Short-Term Investment Pool (STIP) was established to pool cash funds of all agencies except the Treasurer's Cash Fund into one account for investment efficiencies. In the same year, the Time Deposit Open Account program for Nebraska banks and savings and loans was initiated.

1981 New statutory language removed many of the specific restrictions on investments made by the Council and instituted the "Prudent Man Rule," now referred to as the "Prudent Person Standard."

1983 The Council hired its first outside equity manager.

1986 The Treasurer's Cash Fund was merged into the STIP. The Council hired Wilshire Associates as investment consultant to provide performance analysis and assist in manager searches.

1989 The Miscellaneous Trusts Excess Liability Fund was created by the Nebraska Hospital-Medical Liability Act. Contributions consist of insurance premiums from certain healthcare providers and a surcharge levied on all healthcare providers in the State. The funds are used to pay judgments against the insured healthcare providers.

1994 Rex W. Holsapple was appointed State Investment Officer.

1997 Prior to 1997, the majority of the portfolios were managed internally. The Council discontinued internal management in 1997 for certain long-term fixed income portfolios and all of the equity portfolios. The Council also became responsible for asset management of the Defined Contribution investment options in the retirement plans for state and county employees, and the voluntary Deferred Compensation Plan for state employees.

2000 The Council became responsible for managing the investment of the Health Care Endowment Fund. This Fund was comprised of two distinct state trust funds—the Nebraska Tobacco Settlement Trust Fund and the Nebraska Medicaid Intergovernmental Trust Fund.

2001 The Legislature established the Nebraska Educational Savings Plan Trust that is an Internal Revenue Code Section 529 College Savings plan providing tax-deferred growth of funds for higher education costs.

2002 Carol L. Kontor was appointed State Investment Officer.

2003 The Cash Balance Benefit Plans were implemented in January 2003. In December 2002, participants in the Defined Contribution Plans had been given the option to transfer into the new Cash Balance Plan. The Legislature removed the remaining laundry list of restricted investments and adopted a modern prudent person investment standard.

2004 The Council hired Ennis Knupp investment consultant, replacing Wilshire Associates.

2006 David L. Bomberger was appointed State Investment Officer.

2009 Jeffrey W. States was appointed State Investment Officer.

2014 Michael Walden-Newman was appointed State Investment Officer.

2015 The Achieving a Better Life Experience Act (ABLE) was established allowing individuals with certain disabilities to create tax-advantaged savings accounts to pay for qualified expenses.

2016 In March 2016, the Legislature transferred to the Council investment management of the Omaha School Employees' Retirement System (OSERS) assets, effective January 1, 2017. In November, the Council approved the long-term asset allocation of OSERS to mirror the other defined benefit plans. The Council established a blank-sheet review process to holistically review the structure of its portfolios, asset class by asset class — beginning with global equity, followed by US and non-US equity.

2017 The Council assumed management of OSERS assets in January. The OSERS director became an ex-officio member of the Council. The Council approved implementation of the recommendations from the Equity reviews.

2018 The Council completed a year-long review of all Investment Policies, adopted updates where needed, and consolidated many previously stand-alone Governance and Administrative policies into two documents. In July 2018, the Legislature transferred management of the University of Nebraska Fund N and the Restricted Fund to the University of Nebraska.

2019 The Council approved the Defined Contribution/Deferred Compensation revised investment options that resulted from a blank-sheet review begun in 2017. The Meadowlark endowment fund was created.

2021 The Council approved the Fixed Income blank-sheet review which began in 2019, and adopted the new recommended investment options.

2022 The Council approved the Equity blank-sheet review which began in 2021, and adopted the new recommended investment options.

2023 The Council issued an RFP for custodian bank services. The Council approved Northern Trust as the new custodian bank. Michael Walden-Newman retired after 9 years as the State Investment Officer. Ellen Hung, CFA was appointed as the new State Investment Officer. The Capitol Preservation endowment fund was created.

2024 As of April 1st 2024 the custodian bank transition from State Street Bank to Northern Trust was completed. The Council issued an RFP for general and private markets consulting services.

2025 The Council retained Aon as its general consultant and hired Aksia as its private markets consultant.