PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
BOARD OF TRUSTEES INVESTMENT COMMITTEE MEETING

NOVEMBER 12, 2026
AGENDA

The Investment Committee Meeting of the Board of Trustees of the Public Safety Personnel Retirement System will be held in the public conference room of the administrative offices at 3010 E. Camelback Rd. Suite 200, Phoenix, AZ 85016. This meeting is open to the public, and all are invited to attend.

The meeting will begin at **9:30 a.m. on November 12, 2026,** and continue until 11:30 p.m. or until the matters outlined in this agenda are otherwise addressed. Investment Committee members will attend in person or remotely via Zoom. The Investment Committee may vote to hold an executive session, which will be closed to the public, to discuss specific matters. The Investment Committee reserves the right to consider agenda items in any order.

A copy of the agenda will be posted on the PSPRS website at least 24 hours prior to the meeting. To view the final agenda, visit www.psprs.com/about/board-of-trustees, scroll to the Board of Trustees Meetings, select 'Investment Agendas' or 'Investment Meeting Materials' in the box, and select the appropriate meeting date. The agenda is subject to revision up to 24 hours before the meeting.

Interested members of the public and stakeholders may submit comments on any matter within the Investment Committee's jurisdiction, including any item on the agenda for November 12, 2026.

Public comments may be submitted at any time before the meeting: PSPRSBoardMeetings@psprs.com. Commenters may elect to have comments presented by the staff or present comments themselves via phone or video through the live PSPRS Public Meeting Webstream: www.psprs.com/about/board-of-trustees. Commenters must provide their full name, phone number (if participating by phone), affiliation (or indicate if they are a public member), the agenda item they wish to comment on, and position.

NOTE: For technical reasons, staff will present electronically submitted comments to those not in attendance. Upon receipt of the comment and contact information, PSPRS Staff will facilitate and contact you, if necessary, before the Investment Committee meeting.

Media Contact: Christian Palmer, Communications Director at cpalmer@psprs.com

Notwithstanding the preceding procedures, the Chair reserves the right to control the duration of comments or impose other constraints to maintain an orderly meeting.

This meeting is open to the public via "GoToMeeting" online or in person. Please visit www.psprs.com for the link to join the meeting.

1. Call to Order; Pledge of Allegiance; Roll Call; Opening Remarks.

Mr. Harry A. Papp, Chairperson

2. Approval of the minutes of the Investment Committee meeting held on October 15, 2025.

Mr. Harry A. Papp

3. Call to the Public:

   This is the time for the public to comment. Members of the Committee may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01 (H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for a later date for further consideration and possible recommendations to the Board of Trustees.

4. Written report: Investment Manager Compliance Report for the first quarter of fiscal year 2026/2027.

   Ms. Angela Egelhoff, Chief Compliance Officer

5. Review and potential discussion regarding the September 30, 2026, staff reports.

   Mr. Mark Steed, Chief Investment Officer

   a. Written report: PSPRS Trust Performance.

   b. Written report: Asset Allocation and Capital Pacing.

   c. Written report: Cancer Insurance Program Performance.

   d. Written report: Risk Summary.

   e. Written report: Overview of Financial Markets.

   f. Written report: Securities Lending.

   g. Written report: Executed transactions in October 2026.

   h. Written report: Exception report.

6. Written report: Albourne Confidential report.

7. The Investment Committee may vote to enter an Executive Session, which is not open to the public. This session may be held to discuss matters under A.R.S. §§ 38-431.03(A)(1), (2), (3), (4), and (7), as applicable. This includes the opportunity to receive legal advice from the PSPRS General Counsel or the Board attorneys concerning any items listed on the agenda.

8. The Committee may discuss meeting dates and instruct staff to place items on future agendas. The next meeting is scheduled for **Thursday, January 21, 2027**.

   Mr. Harry A. Papp

9. Adjournment.

Individuals with disabilities may request reasonable accommodations, such as a sign language interpreter, by contacting Cheryl Cohen, Investment Chief of Staff, or Claudia Martinez, PSPRS Executive Assistant, at (602) 255-5575. Please submit your requests as early as possible to ensure proper arrangements.

D R A F T

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
BOARD OF TRUSTEES INVESTMENT COMMITTEE MEETING

October 15, 2026

MINUTES

Present:	Mr. Harry Papp, Chairperson
	Mr. Chris Hemmen, Trustee - remote, left at 10:16 am
	Mr. Dean Scheinert, Trustee - remote, joined at 10:15 am
	Ms. Randie Stein, Vice Chairperson
Staff Present:	Mr. Mark Steed, Chief Investment Officer
	Mr. James Ko, Deputy Chief Investment Officer - remote
	Mr. Alex Dorf , Deputy Chief Investment Officer - remote
	Mr. Jefferson Weston, Portfolio Manager
	Ms. Cheryl Cohen, Executive Assistant
	Ms. Susan Baker, Sr. Portfolio Manager - remote
	Mr. Brandon Turner, Sr. Portfolio Manager
	Mr. Edward Bozaan, Sr. Portfolio Manager - remote
	Ms. Katie Boligitz, Investment Analyst
	Ms. Nivedita Rajarajan, Investment Analyst
	Mr. Alexi Baptiste, Investment Analyst
	Mr. Willam Kelly, Investment Analyst
	Mr. Bradley Cipriano, Investment Analyst
	Mr. Noah Muhirwa, Investment Analyst
	Mr. Albert Romero, Technical Support Administrator
	Mr. Bret Parke, Assistant Administrator/General Counsel - remote
	Mr. Joel Cazares, Technical Support Administrator
	Mr. Owen Zhao, Sr. Quantitative Investment & Risk Analyst
	Ms. CG Schultz, Risk Analyst
	Ms. Angela Egelhoff, Chief Compliance Officer
	Ms. Claudia Martinez, Executive Assistant - remote
	Ms. Erin Higbee, Assistant Administrator - remote
	Ms. Jennifer Carlino, Investment Counsel - remote
	Ms. Rachel Chen, Operations Risk
	Mr. Ryan Estrada, Technical Support Administrator
	Ms. Vaida Maleckaite, Investment Operations Director
Attendees:	Ms. Rose Dean , NEPC
	Mr. Daren Wunderle, Trustee - remote

Mr. Trevor Lowman , Albourne - remote
Ms. Lauren Kupeus, Compliance
Ms. Meka Harris, Chief Auditor

1. Call to Order; Pledge of Allegiance; Roll Call; Opening Remarks.

The meeting was called to order at 9:32 a.m.; the Pledge of Allegiance was recited, and the roll was called.

Mr. Harry A. Papp, Chairperson

2. Approval of the minutes from the Investment Committee meeting held on September 17, 2026.

Motion to approve the minutes from the September 17, 2026, meeting.

Mr. Harry A. Papp

Moved by: Trustee - remote, left at 10:16 am Mr. Chris Hemmen
Second by: Vice Chairperson Ms. Randie Stein
Vote: 3 - 0 Passed

Other: Trustee - remote, joined at 10:15 am Mr. Dean Scheinert (ABSENT)

3. Call to the Public:

This is the time for the public to comment. Members of the Committee may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01 (H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for a later date for further consideration and possible recommendations to the Board of Trustees.

There was no response to the public call.

4. Acknowledgment of the investment team's industry award.

Mr. Harry A. Papp
Mr. Mark Steed, Chief Investment Officer

5. Review and potential discussion regarding the August 31, 2026, staff reports.

Mr. Mark Steed

a. Written report: PSPRS Trust Performance.

As of August 31, 2026, assets under management totaled $28.1 billion. The portfolio comprised 64.2% Capital Appreciation, 25.9% Contractual Income, 5.9% Diversifying Strategies, and 4.1% Cash. Private Credit and Diversifying Strategies outperformed their benchmarks, while US Public Equity and Global Private Equity underperformed.

b. Written report: Asset Allocation and Capital Pacing.

As of August 31, 2026, every asset class sits within its policy range. Public markets are close to target: U.S. equity is at 27.1% against 27%, and international equity is at 15.5% against 15%. Private equity (23.1% vs. 26%) and private credit (17.9% vs. 20%) remain underweight, because staff is funding them gradually to manage cash drag and spread out vintage years. The extra cash from additional employer contributions shows up as overweights in fixed income (7.0% vs. 5%), diversifying strategies (5.9% vs. 5%), and cash (4.1% vs. 2%).

c. Written report: Cancer Insurance Program Performance.

All three asset classes came in broadly in line with their respective benchmarks, with Global Equity at 60.8%, Fixed Income at 32.2%, and Cash at 6.9%. The AUM was 37.5 million.

d. Written report: Risk Summary.

The Trust returned 1.8% for the period and 1.7% FYTD. All asset classes gained FYTD except Fixed Income, which fell 90 bps; U.S. Equity, International Equity, and Private Credit each contributed about 50 bps. Portfolio risk and volatility were stable, with the Trust's volatility 56% below the S&P 500's. Public equities remained the largest contributor to downside risk. Stress tests showed the portfolio captured about 45% of equity-market gains while limiting roughly 70% of losses.

e. Written report: Overview of Financial Markets.

A labor market that is cooling rather than cracking keeps the Fed focused on inflation and the risk-free rate high. September payrolls rose by 29k, versus about 90k expected, while the 12-month average stands at 45k. Unemployment remains steady at 4.2%, within a 4.1%-4.3% range since March. Layoffs are contained, with jobless claims at 197k, but hiring remains subdued.

f. Written report: Executed transactions in September 2026.

No discussion took place.

6. Preliminary presentation and discussion regarding asset allocation for the PSPRS Trust.

The materials presented ask the Investment Committee to assess long-term return sources rather than time the market, since PSPRS invests steadily across market cycles. Current opportunities can largely be addressed within existing policy ranges; cross-sleeve concentration, such as AI exposure, warrants study; and diversifying strategies may merit a larger allocation. No targets will change until staff reruns the risk and liquidity model to account for employer pre-payments and reviews capital market assumptions with NEPC in Q1 2027.

Mr. Mark Steed

7. The Investment Committee may vote to enter an Executive Session, which is not open to the public. This session may be held to discuss matters under A.R.S. §§ 38-431.03(A)(1), (2), (3), (4), and (7), as applicable. This includes the opportunity to receive legal advice from the PSPRS General Counsel or the Board attorneys concerning any items listed on the agenda.

The option to enter the Executive Session was not utilized.

8. The Committee may discuss meeting dates and instruct staff to place items on future agendas. The next meeting is scheduled for **Thursday, November 12, 2026**.

Mr. Harry A. Papp

9. Adjournment.

Motion to adjourn at 10:58 AM.

Moved by: Vice Chairperson Ms. Randie Stein
Second by: Trustee - remote, joined at 10:15 am Mr. Dean Scheinert

Vote: 3 - 0 Passed

Other: Trustee - remote, left at 10:16 am Mr. Chris Hemmen (ABSENT)

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Mr. Harry A. Papp, Trustee, Chairman

MEMORANDUM

TO: HARRY PAPP, CHAIRMAN AND COMMITTEE MEMBERS

FROM: ANGELA EGELHOFF, CHIEF COMPLIANCE OFFICER

DATE: NOVEMBER 12, 2026

RE: INVESTMENT MANAGER COMPLIANCE REPORT

Agenda title:
Investment Manager Compliance Report

Purpose:
To confirm that the Compliance Officer has performed due diligence with regard to investment manager related activities in compliance with established guidelines.

Updates:

1. Fiscal Year 2026/2027 Q1 Investment Manager Compliance Quarterly Report

Public Safety Personnel Retirement System
Investment Manager Compliance Report
Fiscal Year 2027 – 1st Quarter

Purpose:

The purpose of this quarterly report is to confirm that the Compliance Officer has performed due diligence with regard to investment manager related activities in compliance with established guidelines.

Activity:

The investment activity reviewed during the 1st quarter of fiscal year 2027 (July through September) included:

Investment Manager Selections/De-Selections	4
New Bank Account Requests	1
Capital Call/Management Fee Invoices Completed	111

Capital Call Due Diligence Quality Control Review Findings:

11 (~10%) Pulled Randomly and Reviewed for Quality Control

Amount Accuracy	100%
Timely Completion	100%
Separation of Duties	100%

The activities listed above occurred throughout the 1st quarter and are influenced by investment management agreements, General Partner capital requests, internal portfolio manager due diligence & recommendations, investment consultant guidance, and certain other activity affecting the investment portfolios.

Policy Targets:

- There were no Policy Targets identified as out of range during the 1st quarter of fiscal year 2027.

At this time, I attest that the PSPRS investment managers are in compliance with established guidelines.

Angela Egelhoff

Angela Egelhoff
Chief Compliance Officer
November 3, 2026

THE ARIZONA PSPRS TRUST

Performance | Allocation | Cancer Insurance Program | Risk | Markets | Transactions

INVESTMENT TEAM | INVESTMENT COMMITTEE REPORT

Monthly Investment Report

For the period ending September 30, 2026

Portfolio results run through September 30, 2026. Market commentary runs through October 31, 2026, and looks ahead from there.

PSPRS

SERVING THOSE WHO SERVE OTHERS

Public Safety Personnel Retirement System

Introduction

Monthly and quarterly Investment Committee reports will reflect material provisions outlined in the board-approved Investment Policy Statement (IPS). Due to their unique characteristics, some items will be presented monthly, while others will be presented quarterly.

Staff research of national best practices, professional experience, and feedback from experts in fiduciary governance informed the format and content of these reports.

FROM THE IPS

A healthy investment program requires accountability. Accountability entails clear goals that support objective analysis. To that end, policies must consider two important factors. First, that certain developments in financial markets are unknowable and/or uncontrollable. Second, that successful programs must strike the right balance between economic and actuarial perspectives, between asset-only and asset-liability perspectives and between absolute and relative rates of return perspectives.

Assets of the Trust shall be invested in accordance with the following hierarchy

1

OBJECTIVE 1

Provide a rate of return that is equal to or above the actuarial assumed earnings rate (AER) currently set at 7.2 percent

2

OBJECTIVE 2

Ensure Trust assets are available to meet current and future obligations

3

OBJECTIVE 3

Manage performance volatility to mitigate loss of investment value and contribution rate volatility

4

OBJECTIVE 4

Minimize total expenses through negotiation and operational efficiency

How the Trust measures up on each objective

Each row reports on one objective from the hierarchy on the prior slide, in the same order.

1 OBJECTIVE 1

Provide a return on plan assets that is equal to or greater than the Actuarial Assumed Earnings Rate

Net of fees through 08/31/2026	7 Year	10 Year	15 Year	20 Year
Annualized return	**9.5%**	**8.7%**	**8.3%**	**6.5%**
Versus the 7.2% assumed rate	+2.3 pts	+1.5 pts	+1.1 pts	-0.7 pts

2 OBJECTIVE 2

Ensure Trust assets are available to meet current and future obligations when due

Fiscal year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Net cash outflow	-2.0%	-2.2%	-2.6%	-3.3%	-3.1%	-3.4%	-3.6%	-3.6%	-3.6%	-3.7%	-3.7%

The outflows are easily covered by the portfolio's income producing investments and liquid assets.

Cash outflow equals contributions minus benefit payments minus expenses, as a % of expected portfolio market value with an assumed rate of 7.2%.

3 OBJECTIVE 3

Manage performance volatility for a given return target to mitigate contribution rate volatility

As of 06/30/26	1 Year	3 Year	5 Year	7 Year	10 Year
Standard deviation	4.4%	6.0%	6.9%	7.1%	6.2%
Peer ranking	Top 30%	Top 20%	Top 25%	Top 20%	Top 20%

4 OBJECTIVE 4

Minimize total expenses through negotiation and operational efficiency

Fiscal year 2026	Gross return	Net return	Difference
Total portfolio	**14.7%**	**14.5%**	0.2 pts

The gap between gross and net return is the cost of fees and expenses.

Returns net of fees. Volatility and peer ranking as of 06/30/2026.

ITEM A

PSPRS Trust Performance

PURPOSE

The monthly report shows how each asset class did against its benchmark. It flags trends early, surfaces any shortfall against expectations, and gives stakeholders a clear view of how their capital is managed. The results feed decisions on asset allocation, managers and rebalancing.

A month is a short window for a plan that thinks in spans of twenty years or more. Private assets can take three months after quarter end to value, while public securities are priced every day, so short-term comparisons between the two can mislead.

Staff provide a detailed quarterly report two months after quarter end. The Trust's independent fiduciary consultant presents its own quarterly report to the Board at the same time.

Trust performance by asset class

$27.8B	-0.7%	1.0%	9.5%
AUM	MONTH	FISCAL YTD	7-YR ANNUALIZED

Asset class	Market value ($M)	% of Trust	Target	Range	Month	CYTD	FYTD	1 Year	3 Years*	5 Years*	7 Years*	10 Years*
Total Portfolio	**27,825**	**100.0%**			**-0.7%**	**7.7%**	**1.0%**	**10.8%**	**12.5%**	**8.0%**	**9.5%**	**8.7%**
Policy benchmark†					0.2%	11.7%	4.6%	17.6%	17.2%	9.9%	11.3%	10.1%
Capital Appreciation	**17,560**	**63.1%**			**-0.9%**	**9.8%**	**1.0%**	**13.4%**	**15.7%**	**9.5%**	**11.7%**	**10.5%**
US Public Equity[1]	6,965	25.0%	27%	22-32%	-1.3%	11.2%	0.5%	13.7%	21.4%	12.4%	15.4%	14.5%
Benchmark					-0.7%	12.0%	1.7%	14.6%	21.8%	12.2%	15.1%	14.2%
Int'l Public Equity	4,068	14.6%	15%	10-20%	-2.4%	15.8%	0.6%	23.0%	21.4%	10.0%	10.9%	9.6%
Benchmark					-2.3%	16.2%	0.5%	23.1%	21.0%	9.6%	10.8%	9.4%
Global Private Equity	6,526	23.5%	26%	21-31%	0.6%	4.0%	1.7%	6.5%	6.4%	5.7%	8.6%	7.5%
Benchmark					2.9%	18.6%	14.2%	33.7%	21.9%	12.7%	15.7%	14.9%
Buyouts & VC	3,601	12.9%			1.3%	3.7%	1.8%	7.5%	7.7%	3.7%	10.3%	10.1%
Real Estate	2,325	8.4%			-0.3%	3.1%	0.5%	3.8%	4.3%	6.6%	6.0%	4.0%
Real Assets	600	2.2%			-0.4%	10.0%	6.4%	12.6%	7.3%	10.7%	8.5%	7.1%
Contractual Income	**7,249**	**26.1%**			**-0.4%**	**2.9%**	**1.0%**	**4.9%**	**6.4%**	**5.5%**	**6.2%**	**6.6%**
Fixed Income	1,909	6.9%	5%	3-9%	-2.6%	-2.7%	-3.5%	-1.9%	2.9%	0.6%	0.8%	1.6%
Benchmark					-2.6%	-2.9%	-3.5%	-1.8%	4.1%	-0.6%	0.4%	1.1%
Private Credit	5,074	18.2%	20%	13-23%	0.4%	5.4%	2.7%	7.9%	8.1%	7.5%	8.2%	8.4%
Benchmark					0.4%	4.5%	2.4%	6.1%	8.7%	5.5%	5.5%	5.5%
Private Lending	2,241	8.1%			0.1%	5.4%	2.0%	8.0%	10.1%	9.2%	9.1%	8.4%
Special Credit	2,833	10.2%			0.7%	5.4%	3.3%	7.9%	7.3%	6.8%	7.8%	8.5%
Other Assets	266	1.0%			-0.4%	2.5%	2.1%	4.4%	6.2%	6.1%	6.9%	7.0%
Diversifying Strategies	**1,627**	**5.8%**	**5%**	**3-9%**	**-1.2%**	**7.4%**	**1.4%**	**12.1%**	**12.9%**	**7.6%**	**7.1%**	**6.7%**
Benchmark					0.5%	4.2%	1.4%	5.8%	6.8%	6.8%	6.2%	5.8%
PSPRS Cash[2]	**1,389**	**5.0%**	**2%**	**0-5%**	**0.3%**	**2.9%**	**0.9%**	**4.0%**	**4.9%**	**4.1%**	**3.1%**	**3.1%**
Benchmark					0.3%	2.7%	0.9%	3.8%	4.6%	3.9%	3.0%	2.6%

Returns over one year are annualized. Benchmarks and notes on the next slide.

Benchmark details

NOTES

*Please note that the returns for all time periods exceeding 1 year are annualized.

1. Please note that US Public Equity allocation above does not include additional $426 million in net futures exposure. When accounting for this exposure, percent allocation for US Public Equity equals 26.6%.

2. Returns for Cash include both the interest on cash holdings and the revenue from securities lending.

CURRENT POLICY BENCHMARK

July 1, 2026 to Current

- 27% Russell 1000 Index
- 15% Custom International Equity Benchmark
- 26% [65% × (Russell 2000 (1Q lag) + 200 bps) + 35% × NCREIF NFI ODCE (1Q lag)]
- 5% Bloomberg Barclays US Aggregate Index
- 20% Custom Private Credit Benchmark
- 5% SOFR + 200 bps
- 2% SOFR

PRIOR TARGET FUND BENCHMARKS AND EFFECTIVE DATES

July 1, 2025 to June 30, 2026 27% Russell 1000 Index, 15% Custom International Equity Benchmark, 26% Russell 2000 (1 QRT lag) + 200 bps, 5% Bloomberg Barclays US Aggregate Index, 20% Custom Private Credit Benchmark, 5% SOFR + 200 bps, and 2% SOFR.
July 1, 2024 to June 30, 2025 24% Russell 1000 Index, 16% MSCI ACWI Ex-US IMI Net Index, 27% Russell 2000 (1 QRT lag) + 200 bps, 6% Bloomberg Barclays US Aggregate Index, 20% Custom Private Credit Benchmark, 5% SOFR + 200 bps, and 2% SOFR.
July 1, 2023 to June 30, 2024 24% Russell 3000 Index, 16% MSCI ACWI Ex-US IMI Net Index, 27% Russell 3000 + 100 bps, 6% Bloomberg Barclays US Aggregate Index, 20% BofA-ML US HY BB-B Constrained Index (50%) & CSFB Leveraged Loan Index (50%), 5% SOFR + 300 bps, and 2% SOFR.
July 1, 2021 to June 30, 2023 24% Russell 3000 Index, 16% MSCI ACWI Ex-US IMI Net Index, 27% Russell 3000 + 100 bps, 2% Bloomberg Barclays Gov't Bond Index, 20% BofA-ML US HY BB-B Constrained Index (50%) & CSFB Leveraged Loan Index (50%), 10% LIBOR +400 bps, and 1% LIBOR.
January 1, 2021 to June 30, 2021 23% Russell 3000 Index, 15% MSCI ACWI Ex-US IMI Net Index, 25% Russell 3000 + 100 bps, 2% Bloomberg Barclays Gov't Bond Index, 22% BofA-ML US HY BB-B Constrained Index (50%) & CSFB Leveraged Loan Index (50%), 12% LIBOR + 400 bps and 1% LIBOR.
July 1, 2020 to December 31, 2021 23% Russell 3000 Index, 15% MSCI ACWI Ex-US IMI Net Index, 25% Russell 3000 + 100 bps, 2% Bloomberg Barclays US Aggregate Index, 22% BofA-ML US HY BB-B Constrained Index (50%) & CSFB Leveraged Loan Index (50%), 12% LIBOR + 400 bps and 1% LIBOR.
July 1, 2019 to June 30, 2020 20% Russell 3000 Index, 18% MSCI ACWI Ex-US IMI Net Index, 23% Russell 3000 + 100 bps, 3% Bloomberg Barclays US Aggregate Index, 22% BofA-ML US HY BB-B Constrained Index (50%) & CSFB Leveraged Loan Index (50%), 12% LIBOR +400 bps and 2% LIBOR.
July 1, 2018 to June 30, 2019 16% Russell 3000, 14% MSCI World Ex-US Net, 12% Russell 3000 + 100 bps, 5% Bloomberg Barclays Global Aggregate ex-US (20%) & Bloomberg Barclays U.S. Aggregate (80%), 16% Private Credit (fka Credit Opportunities) Benchmark, 12% 3-Month LIBOR + 300 bps, 9% CPI + 200 bps, 10% NCREIF NPI, 4% Risk Parity Benchmark and 2% BofA ML 3-Month T-Bill.
July 1, 2017 to June 30, 2018 16% Russell 3000, 14% MSCI World Ex-US Net, 12% Russell 3000 + 100 bps, 5% Bloomberg Barclays Global Aggregate Index, 16% Private Credit (fka Credit Opportunities) Benchmark, 12% 3-Month LIBOR + 300 bps, 9% CPI + 200 bps, 10% NCREIF NPI, 4% Risk Parity Benchmark and 2% BofA ML 3-Month T-Bill.
July 1, 2016 to June 30, 2017 16% Russell 3000, 14% MSCI World Ex-US Net, 11% Russell 3000 + 100 bps, 5% Bloomberg Barclays Global Aggregate Index, 15% Credit Opportunities Benchmark, 5% BofA ML 3-Month T-Bill + 200 bps, 10% 3-Month LIBOR + 300 bps, 8% CPI + 200 bps, 10% NCREIF NPI, 4% Risk Parity Benchmark and 2% BofA ML 3-Month T-Bill.
July 1, 2015 to June 30, 2016 16% Russell 3000, 14% MSCI World Ex-US Net, 11% Russell 3000 + 100 bps, 7% Bloomberg Barclays Global Aggregate Index, 13% Credit Opportunities Benchmark, 5% BofA ML 3-Month T-Bill + 200 bps, 10% 3-Month LIBOR + 300 bps, 8% CPI + 200 bps, 10% NCREIF NPI, 4% Risk Parity Benchmark and 2% BofA ML 3-Month T-Bill.
July 1, 2014 to June 30, 2015 16% Russell 3000, 14% MSCI World Ex-US Net, 11% Russell 3000 + 100 bps, 7% Bloomberg Barclays Global Aggregate Index, 13% Credit Opportunities Benchmark, 4% BofA ML 3-Month T-Bill + 200 bps, 10% 3-Month LIBOR + 300 bps, 8% CPI + 200 bps, 11% NCREIF NPI, 4% Risk Parity Benchmark and 2% BofA ML 3-Month T-Bill.

ITEM B

Asset Allocation and Capital Pacing

PURPOSE

An asset allocation and capital pacing report details the planned versus actual allocation of assets across portfolios and the pace of capital deployment into investments. The report enables adjustments to keep investments aligned with long-term policy targets at an appropriate and disciplined pace.

Asset allocation, actual versus target



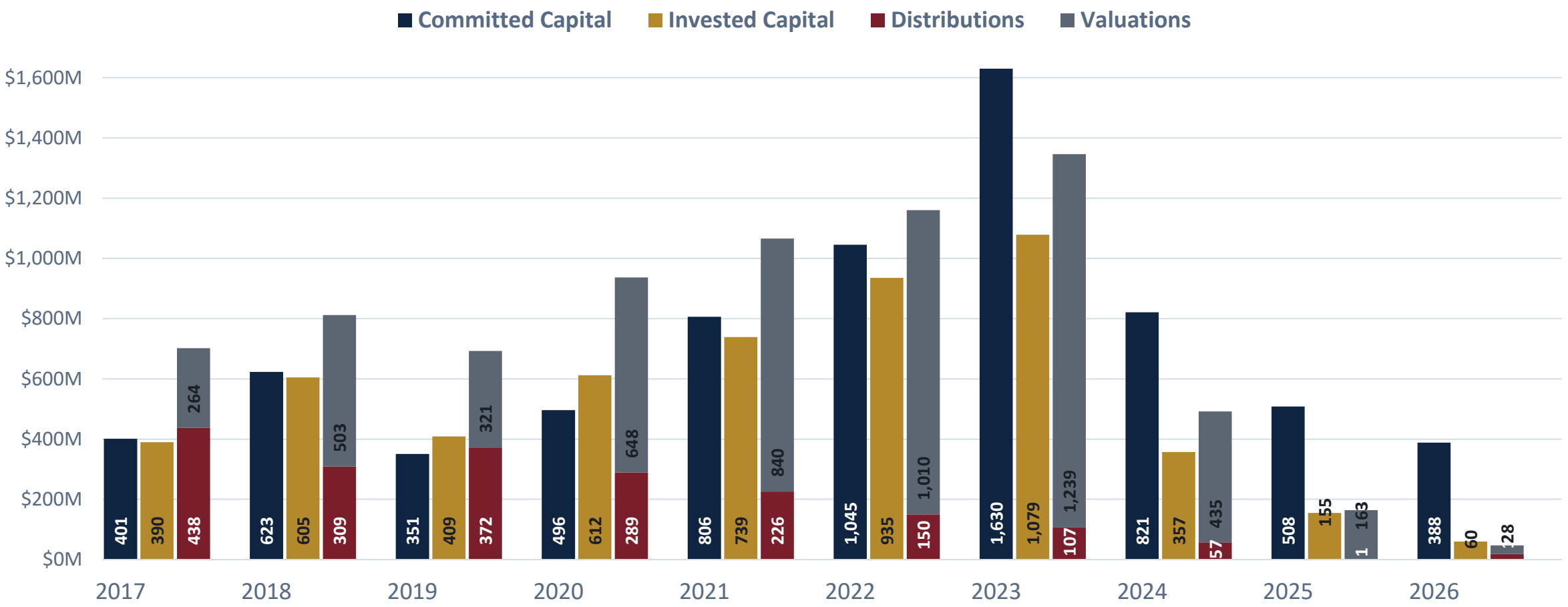
WHERE WE STAND

All asset class allocations are close to their targets or within defined ranges. Staff rebalance allocations and deploy excess cash (from additional employer contributions) in line with long-term allocation plans. Private equity and private credit are being funded incrementally to manage cash drag and vintage year diversification.

*US Public Equity allocation includes an additional $426 million in net futures exposure.

GPE Commitment and Exposure by Year of Investment

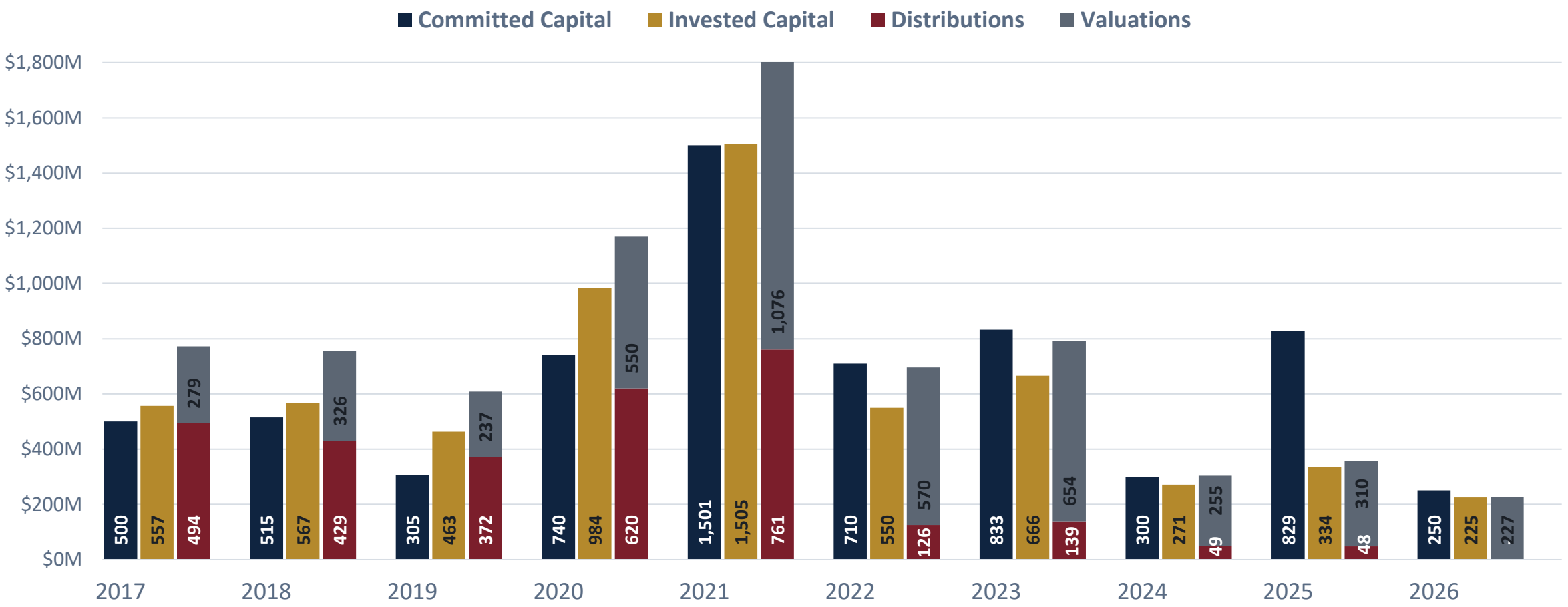
10 Year Lookback - as of 09/30/2026



1. Valuations are rolled forward from 06/30/2026 if 09/30/2026 valuations are unavailable.
2. The Trust established an SRA in 2023. Per the terms of the SRA, the Trust would receive fee-related discounts if $500 million of fund commitments were made. Since the inception of the SRA in 2023, the Trust has committed $350 million to relevant funds but is not contractually obligated to commit the entire $500 million. Fund investment opportunities continue to be evaluated on a case-by-case basis.
3. The Trust completed a commitment increase of $50 million to an existing Fund in Q1 2026. The Fund was originally established in 2023 and the commitment increase is reflected in the 2023 data.

Private Credit Commitment and Exposure by Year of Investment

10 Year Lookback - as of 09/30/2026



1. Valuations are rolled forward from 06/30/2026 if 09/30/2026 valuations are unavailable.
2. Please note that the chart represents commitments for drawdown investments only. The Trust committed a total of $400m in Q3 2024 to three SMAs that were all established in 2021 and 100M to a fund that was established in 2018. The Trust also committed a total of $500m in Q1 2025 to a non-drawdown fund.
3. In Q3 2026 the Trust committed an additional $100 million to a 2024 vintage evergreen vehicle fully funded by distributions from a 2021 vintage drawdown vehicle.

ITEM C

Performance for the Cancer Insurance Program

PURPOSE

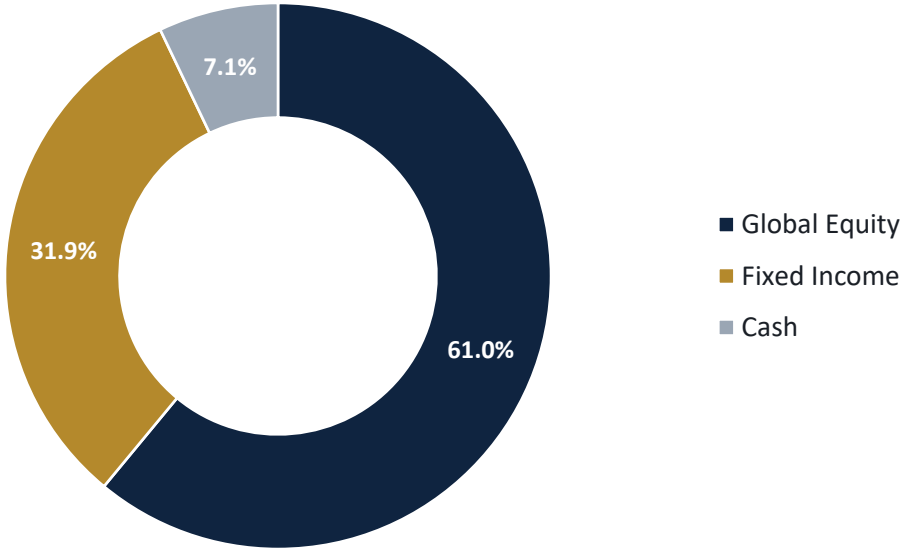
The primary investment objective of the CIP portfolio is to generate long-term growth and maintain liquidity according to its policy.

A minimum of two years' spending shall be held in cash and short-term, high-quality bonds to provide liquidity if there are more claims than the year's premiums can cover.

Cancer Insurance Program summary

$36.9M	-1.6%	0.0%	8.2%
AUM	MONTH	FISCAL YTD	7-YR ANNUALIZED

PORTFOLIO COMPOSITION



AGAINST THE BENCHMARK

Net of fees	Month	FYTD	1 Year	3 Years	7 Years
CIP portfolio	**-1.6%**	**0.0%**	**8.6%**	**13.5%**	**8.2%**
Benchmark	-1.5%	-0.1%	9.6%	13.9%	7.7%

All three asset classes came in broadly in line with their respective benchmarks.

Global equity, fixed income and cash each matched or came within a few tenths of a point of their benchmarks for the month. Detail by asset class is on the next slide.

Cancer Insurance Program performance

Asset class	Market value ($)	%	Month	CYTD	FYTD	1 Year	3 Years*	5 Years*	7 Years*	10 Years*
Performance FFCP	**36,952,468**	**100.0%**	**-1.6%**	**6.2%**	**0.0%**	**8.6%**	**13.5%**	**6.9%**	**8.2%**	**7.8%**
FFCIP Benchmark†			-1.5%	7.0%	-0.1%	9.6%	13.9%	6.4%	7.7%	7.2%
Global Equity	22,558,675	61.0%	-1.2%	11.7%	1.8%	15.2%				
MSCI All-World Index (Net)			-1.1%	13.0%	1.6%	16.8%	21.7%	11.6%	13.5%	12.4%
Fixed Income	11,782,142	31.9%	-2.6%	-2.7%	-3.5%	-1.8%	3.5%	0.5%	0.8%	1.6%
CIP Fixed Income Benchmark			-2.6%	-2.9%	-3.5%	-1.8%	3.9%	-1.1%	0.0%	0.7%
Cash**	2,611,651	7.1%	0.3%	2.7%	0.9%	3.7%	4.7%	5.1%	4.4%	4.7%
ICE BofA US 3 Month Treasury Bill Index			0.3%	2.7%	0.9%	3.7%	4.5%	3.7%	2.8%	2.4%

* Please note that the returns for all time periods exceeding 1 year are annualized.
** Returns for Cash include both the interest on cash holdings and the revenue from securities lending.

† TARGET FUND BENCHMARKS AND EFFECTIVE DATES

July 1, 2024 to Present 60% MSCI All-World Index (Net), 33% Bloomberg Barclays U.S. Aggregate Index, 7% BofA ML 3-Month T-Bill.
July 1, 2014 to June 30, 2024 25% Russell 3000, 25% MSCI ACWI Ex-US Net, 30% Fixed Income Blended Benchmark - CIP, 10% Barclays U.S. TIPS, 5% GLD Index Return, 5% BofA ML 3-Month T-Bill.
July 1, 2009 to June 30, 2014 30% Russell 3000, 30% MSCI ACWI Ex-US Net, 35% Fixed Income Blended Benchmark - CIP, 5% BofA ML 3-Month T-Bill.

ITEM D

Risk and Analytics Summary

PURPOSE

The purpose of this section is to see whether the portfolio is in line with overall risk expectations.

A portfolio risk report evaluates overall risk exposures to ensure alignment with acceptable risk levels. By quantifying portfolio risk and concentrations, steps can be taken to prudently adjust and manage risk. This disciplined process provides checks and balances to optimize risk-adjusted returns.

Risk and analytics summary

$27.8B
AUM

116
EXTERNAL MANAGERS

285
ACTIVE ACCOUNTS

VOLATILITY

The historical volatility for Fixed Income and International Public Equity increased by 30 bps and 20 bps, separately, while the forecasted volatility and downside risk were stable. The Trust's 12-month trailing volatility is 1.7%, compared with 2.3% for the policy benchmark and 3.8% for the S&P 500. Thus the Trust's volatility is approximately 56% below that of the equity market.

RISK COMPOSITION

Public equities are the largest source of risk. U.S. Equity is 27.0% of assets, including beta overlay, and gives 35.2% of the risk. The Russell 1000 is the main risk driver for the total portfolio and for U.S. public and private equities. It explains 88.3% of the risk of the total portfolio.

LIQUIDITY STUDY

The team has been monitoring the Trust's liquidity and associated risk. The refreshed study shows that the plan has a strong liquidity profile as of 6/30/2026. Daily liquidity was near $10 billion, and combined liquidity exceeded $16 billion. One of the most likely scenarios is a 20% decline in the public equity market. In that case, $1.1 billion would be required to rebalance the entire portfolio. Cash and fixed income could serve as the primary funding sources, allowing all asset classes to be rebalanced to their policy targets.

Asset allocation summary

Asset class	No. of accounts[1]	No. of managers[2]	Market value ($)	Allocation	Policy target	Lower range	Upper range
Capital Appreciation	**194**	**71**	**17,559,656,330**	**63.1%**			
US Public Equity	6	3	6,965,262,871	25.0%	27.0%	22.0%	32.0%
Int'l Public Equity	5	3	4,068,073,215	14.6%	15.0%	10.0%	20.0%
Global Private Equity	183	66	6,526,320,245	23.5%	26.0%	21.0%	31.0%
Buyouts & VC	109	36	3,601,292,720	12.9%			
Real Estate	49	19	2,325,143,102	8.4%			
Real Assets	25	14	599,884,423	2.2%			
Contractual Income	**70**	**37**	**7,248,817,073**	**26.1%**			
Fixed Income	2	1	1,908,601,450	6.9%	5.0%	3.0%	9.0%
Private Credit	67	36	5,074,153,122	18.2%	20.0%	13.0%	23.0%
Private Lending	21	14	2,241,050,539	8.1%			
Special Credit	46	24	2,833,102,583	10.2%			
Other Assets	1	0	266,062,501	1.0%			
Public Holdings	1	0	266,062,501	1.0%			
Diversifying Strategies	**20**	**13**	**1,627,135,552**	**5.9%**	5.0%	3.0%	9.0%
Cash	1	0	1,389,433,337	5.0%	2.0%	0.0%	5.0%
PSPRS Trust	**285**	**116**	**27,825,042,292**	**100%**	**100.0%**		

1. Number of accounts includes both internally and externally managed accounts. 2. Number of managers represents external partnerships.

Current status overview

Asset class	Portfolio weight	Historic volatility (12m std. dev.)	Monthly volatility (forecast)	Monthly VaR forecast (95% confidence)
Capital Appreciation	**63.1%**			
US Public Equity	25.0%	3.8%	4.1%	-6.0%
Int'l Public Equity	14.6%	5.2%	4.4%	-7.3%
Global Private Equity	23.5%			
Buyouts & VC	12.9%	0.8%	4.6%	-7.3%
Real Estate	8.4%	1.1%	2.8%	-3.7%
Real Assets	2.2%	2.0%	3.1%	-1.0%
Contractual Income	**26.1%**			
Fixed Income	6.9%	1.2%	1.5%	-2.4%
Private Credit	18.2%			
Private Lending	8.1%	0.7%	0.8%	-0.9%
Special Credit	10.2%	0.7%	1.7%	-1.0%
Other Assets	1.0%			
Public Holdings	1.0%	1.0%	2.9%	-2.1%
Diversifying Strategies	**5.9%**	1.9%	1.4%	-1.4%
PSPRS Trust	**95.0%**	**1.7%**	**2.9%**	**-3.8%**

Cash is excluded, so weights sum to 95.0%.

HOW TO READ THE COLUMNS

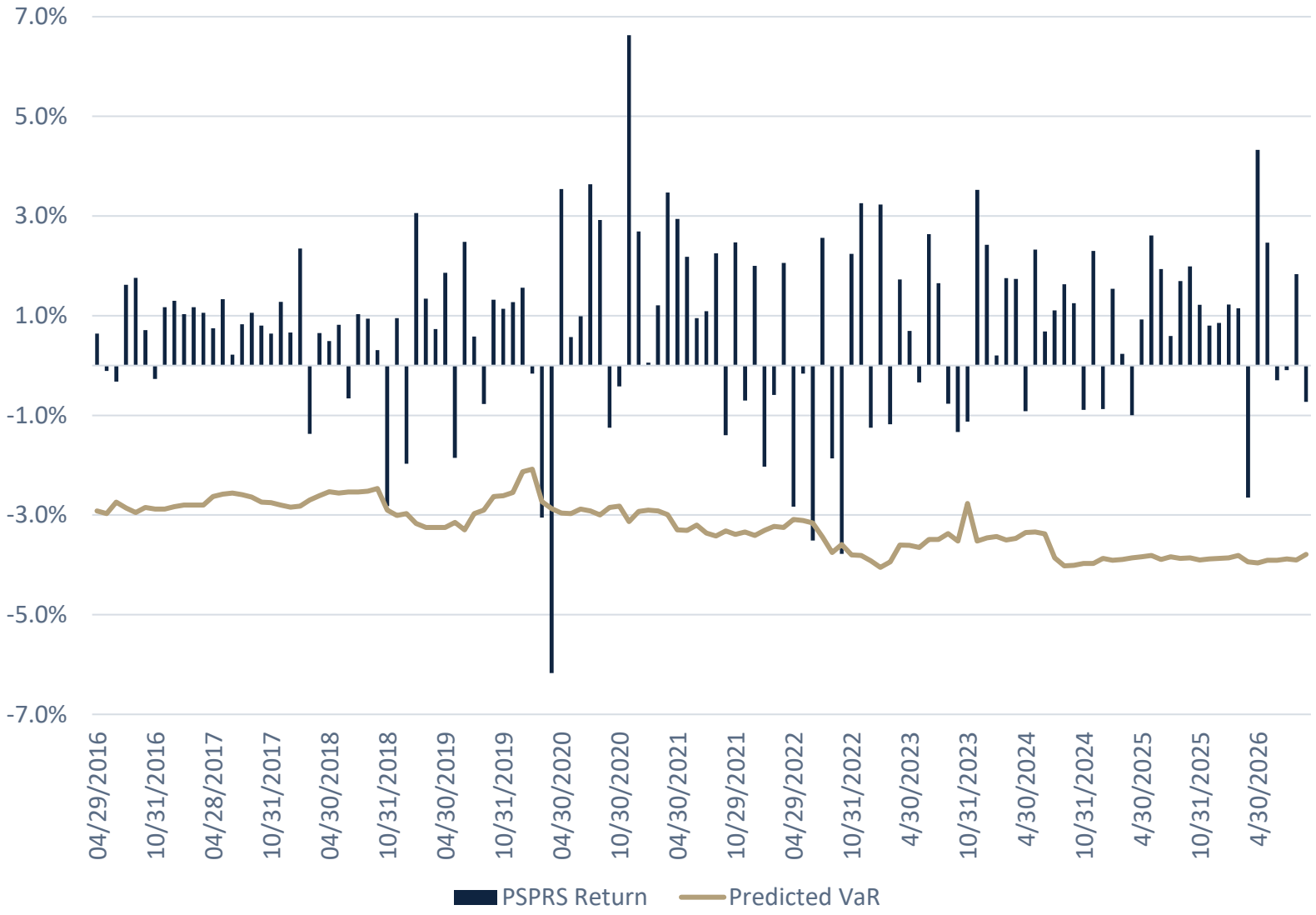
History versus forecast

Historic volatility measures how much reported returns have swung over the past twelve months. Private investments are valued by periodic appraisals that adjust slowly, so their track record appears smoother than the risk they actually carry. The forecast columns model each private holding with publicly traded equivalents, so they show the risk the market would price. That is why the Trust's forecast of 2.9% sits well above its 1.7% history.

Value at risk

VaR at 95% confidence is the monthly loss we expect to exceed in about one month out of twenty. For the Trust it is 3.9%, or roughly $1.1 billion on $28.1 billion of assets. It is a line we expect to cross now and then, not a worst case.

Actual return versus predicted value at risk



WHY THIS CHART EXISTS

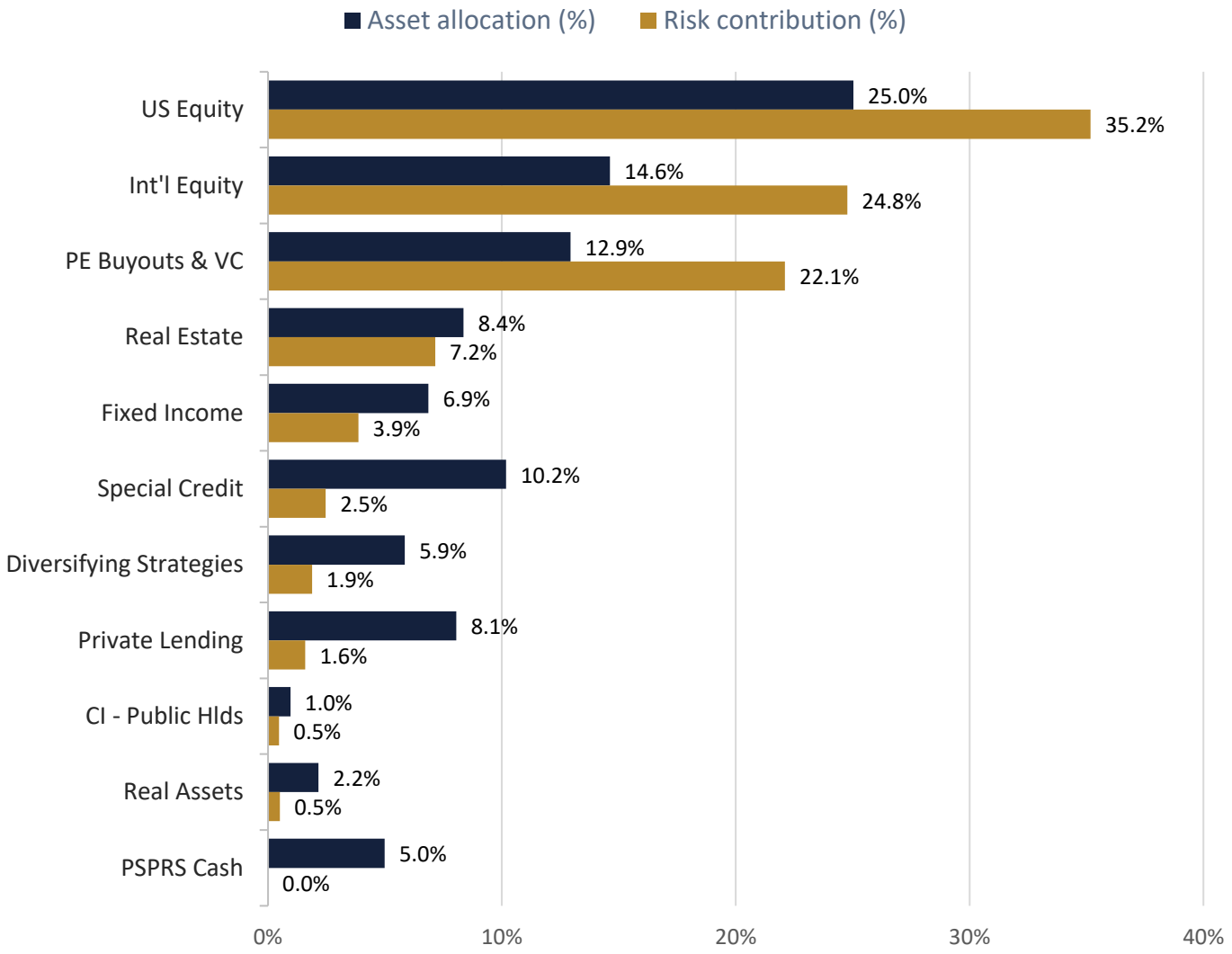
Value at Risk (VaR) is the monthly loss the Trust can expect to equal or exceed in roughly one month out of twenty.

A well-calibrated forecast should see the navy bars fall below the gold line roughly one month in twenty. More frequent breaches suggest the model is overly optimistic; none over a sustained period suggests it is overly cautious.

Since April 2016 returns fell below the line in 4 of 125 months, against about 6 expected. Two came in the February and March 2020 selloff, when the March loss of about 6% was twice the forecast. The other two came in June and September 2022.

Monthly returns, April 2016 to August 2026. Breach counts read from the chart series.

Risk decomposition



WHAT IT MEANS

Dollars and risk are not the same thing. Risk contribution counts how much each asset class adds to the swings of the whole portfolio. That depends on its own volatility and on how closely it moves with everything else.

Public equity is 41% of assets and 61% of risk. Add buyouts and venture, which move with stocks, and the equity family is 54% of assets and 83% of risk.

Fixed income, private credit, other assets and diversifying strategies are 32% of assets and about 10% of risk. They earn their place by moving apart from stocks.

At its core, the Trust's month-to-month risk is driven by equities. The rest of the portfolio is designed to cushion that exposure, and the stress tests that follow show how effectively it does.

Risk contribution is each asset class's share of total forecast portfolio risk.

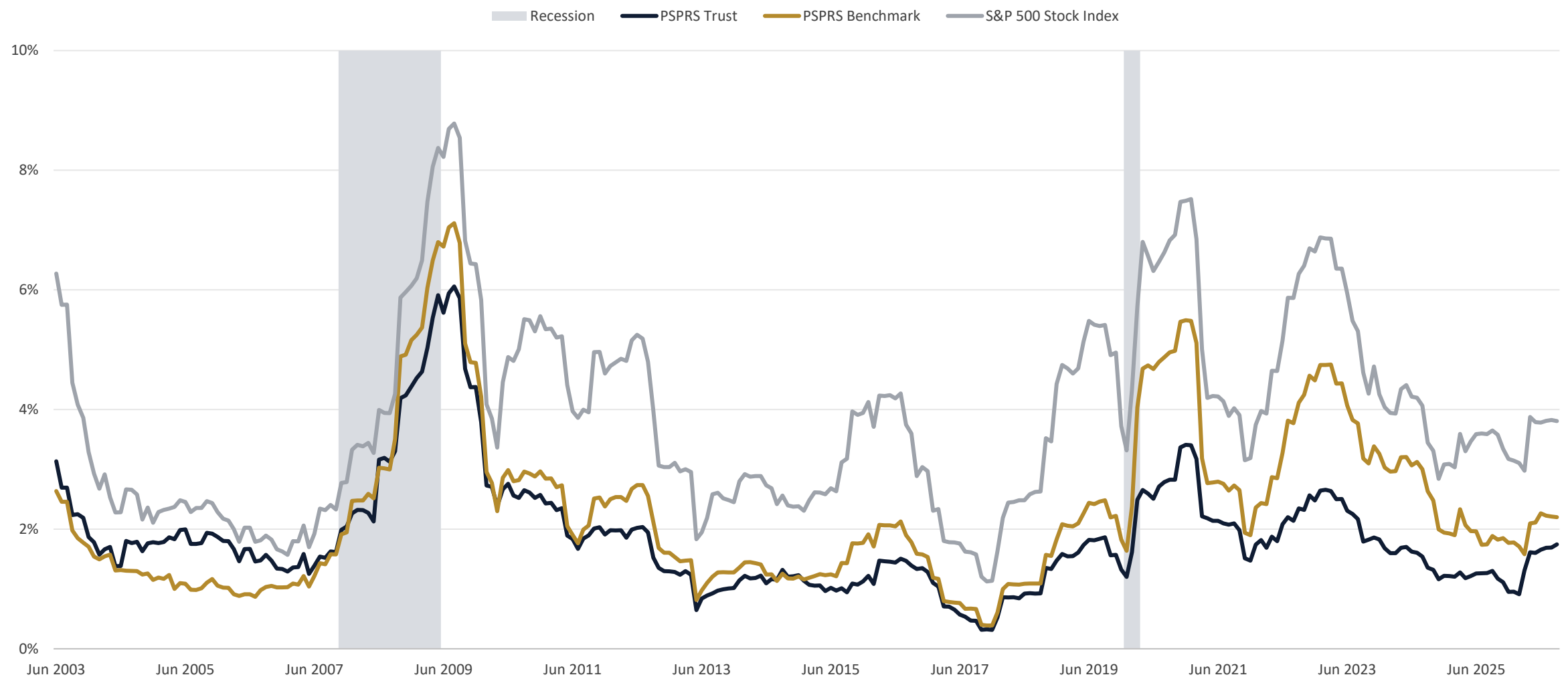
Notable drivers of asset class risk

Asset class	Portfolio weight	Primary driver	Secondary driver	Fraction explained
Capital Appreciation	**63.1%**			
US Public Equity	25.0%	Russell 1000 TR	--	99.2%
Int'l Public Equity	14.6%	MSCI ex US	▼ **S&P 500 TR**	63.6%
Global Private Equity	23.5%			
Buyouts & VC	12.9%	Russell 1000 TR	▼ **Commodity**	98.0%
Real Estate	8.4%	US RE ETF	▼ **Multisector RE ETF**	77.4%
Real Assets	2.2%	Commodity	▼ **Crude Oil WTI**	75.9%
Contractual Income	**26.1%**			
Fixed Income	6.9%	SHYG	▼ **JNK**	79.4%
Private Credit	18.2%			
Private Lending	8.1%	CCLFX	SRLN	99.9%
Special Credit	10.2%	CCLFX	▼ **FTSL**	99.9%
Other Assets	1.0%			
Public Holdings	1.0%	SRLN	--	99.8%
Diversifying Strategies	**5.9%**	HYLB	▼ **HYG**	60.5%
PSPRS Trust	**95.0%**	**Russell 1000 TR**	**Crude Oil WTI**	**88.3%**

Shaded maroon with ▼ marks a driver that moves inversely to the asset class.

Trailing volatility comparison

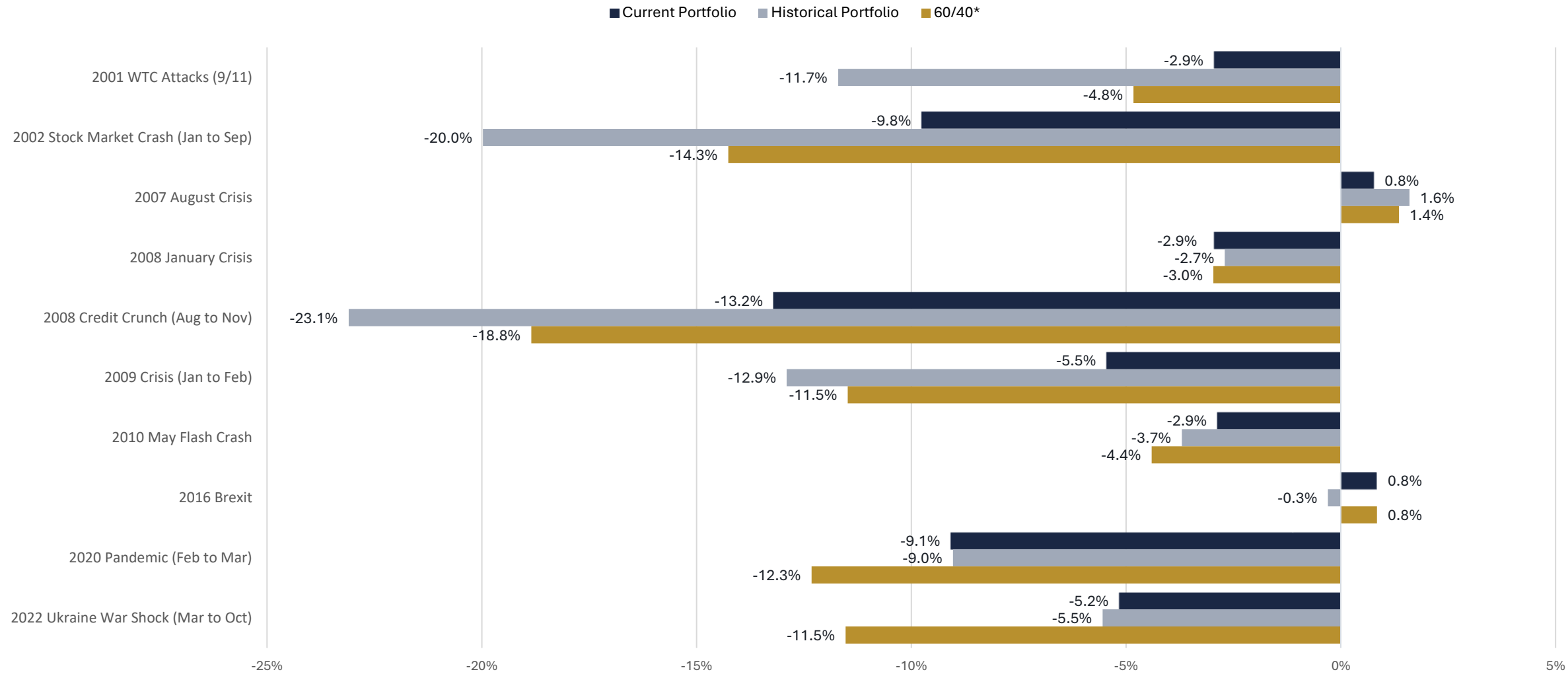
The Trust portfolio was 56% less volatile than the equity market.



Recession shading follows NBER dates (December 2007 to June 2009, February to April 2020).

Historical worst-case scenarios

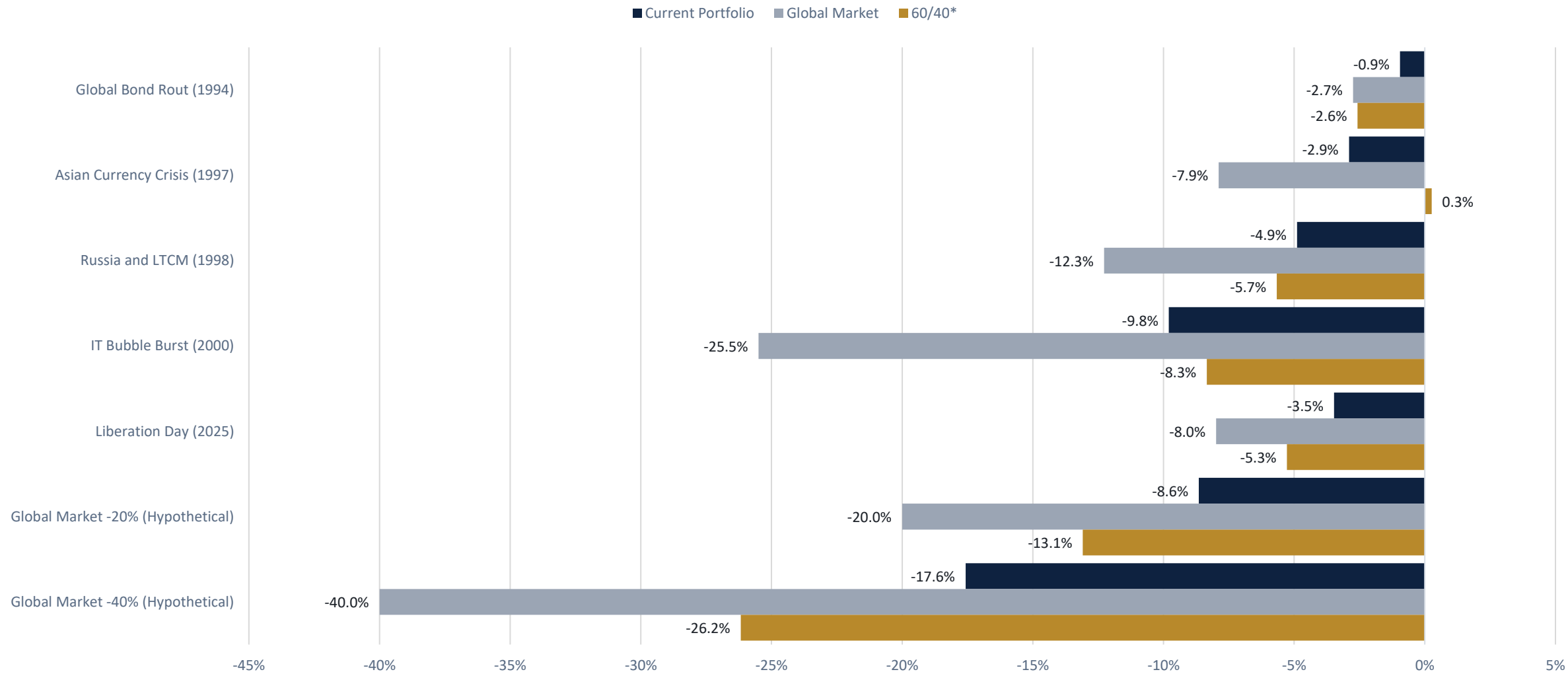
The style analysis models the performance of the current investment holdings in various stress scenarios.



**The 60/40 portfolio consists of 60% Russell 3000 Total Return and 40% Bloomberg US Aggregate.*

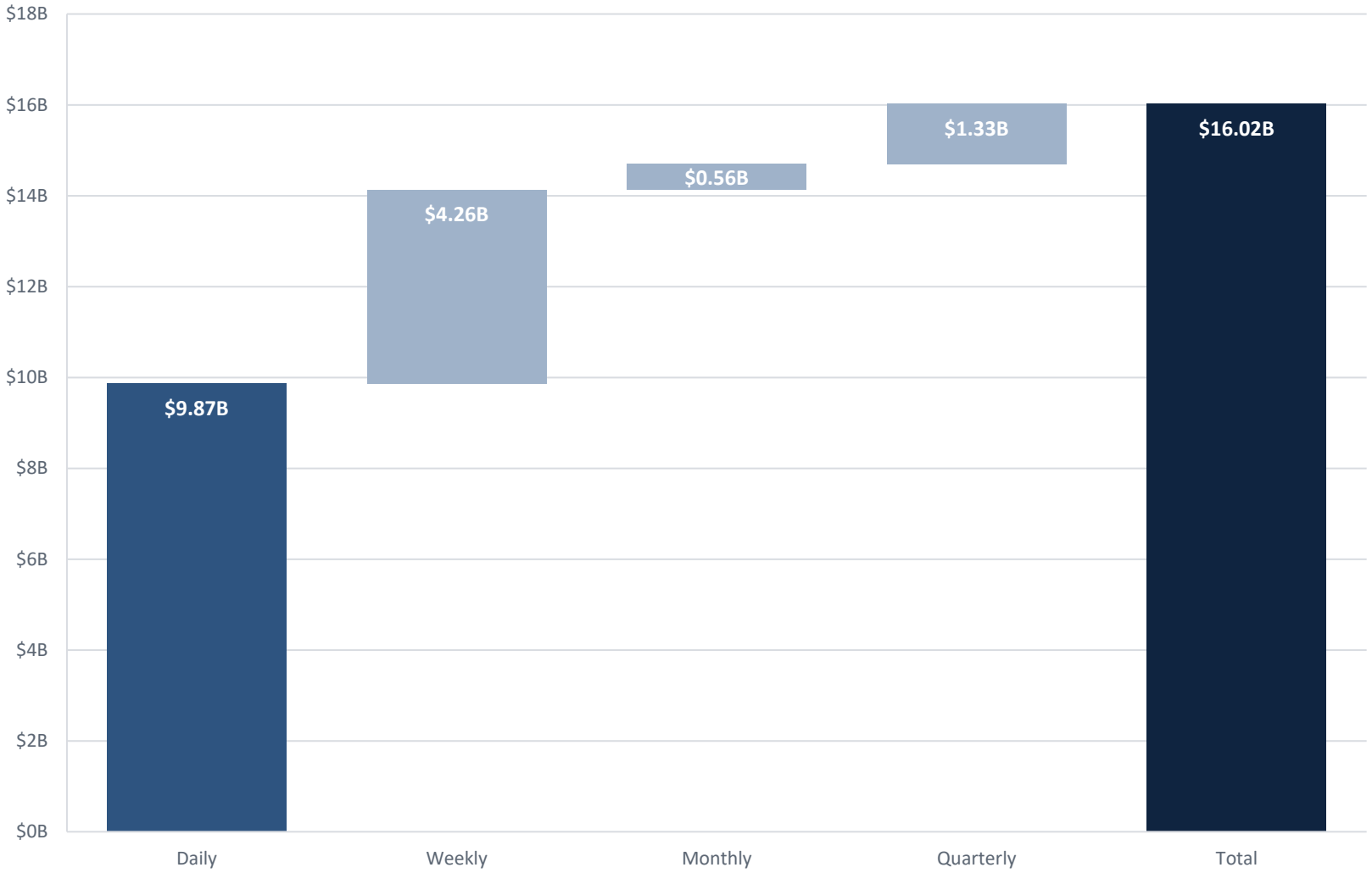
Additional scenarios

Stress-test the portfolio against pre-inception history and defined market shock events.



*The 60/40 portfolio consists of 60% Russell 3000 Total Return and 40% Bloomberg US Aggregate.

Trust Liquidity and Risk Study



CUMULATIVE LIQUIDITY

Daily:	$9.87B
+ Weekly:	$4.26B
+ Monthly:	$0.56B
+ Quarterly:	$1.33B
Total:	**$16.02B**

OTHER SOURCES OF LIQUIDITY

- **Cash release program:** up to $1.5 billion.
- **Leverage:** up to 10% of the portfolio's assets.

Holdings in each bucket are listed in Appendix 1.

Combined Scenario: Public Equities -20% and 50% Call Rate for One Year

Asset class	Market value ($)	Current allocation	Shock (-20%)	Market value after shock ($)	Allocation after shock	Policy Target	Contribution / Redemption ($)	New market value ($)	New allocation
Capital Appreciation	**18,006,899,762**	**65.4%**		**15,701,440,594**	**63.0%**			**16,964,176,128**	**69.5%**
US Public Equity	**7,505,567,536**	**27.3%**	**-20.5%**	**5,968,887,130**	**24.0%**	**27.0%**	**97,373,741**	**6,066,260,871**	**26.5%**
Int'l Public Equity	**4,210,610,329**	**15.3%**	**-20.3%**	**3,356,005,712**	**13.5%**	**15.0%**		**3,356,005,712**	**13.8%**
Global Private Equity	**6,290,721,898**	**22.9%**		**6,376,547,752**	**25.6%**	**26.0%**		**7,541,909,545**	**30.9%**
Buyouts & VC	3,448,423,686	12.5%	1.5%	3,501,568,048	14.1%		**950,154,002**	4,451,722,050	18.2%
Real Estate	2,313,997,815	8.4%	2.2%	2,365,718,269	9.5%		**91,197,045**	2,456,915,314	10.1%
Real Assets	528,300,397	1.9%	-3.6%	509,261,435	2.0%		**124,010,747**	633,272,181	2.6%
Contractual Income	**7,059,550,652**	**25.7%**		**6,797,226,629**	**27.3%**			**6,258,806,923**	**25.7%**
Fixed Income	**1,976,836,431**	**7.2%**	**-7.2%**	**1,834,480,456**	**7.4%**	**5.0%**	**(1,102,538,677)**	**731,941,779**	**3.0%**
Private Credit	**4,822,015,117**	**17.5%**		**4,732,882,843**	**19.0%**	**20.0%**		**5,526,865,144**	**22.7%**
Private Lending	2,130,144,462	7.7%	-3.1%	2,063,816,263	8.3%		**393,544,120** (139,544,750)	2,317,815,633	9.5%
Special Credit	2,691,870,655	9.8%	-0.8%	2,669,066,579	10.7%		**539,982,932**	3,209,049,511	13.2%
Other Assets	**260,699,104**	**0.9%**		**229,863,331**	0.9%			**-**	**0.0%**
Public Holdings	260,699,104	0.9%	-11.8%	229,863,331	0.9%		(229,863,331)	-	0.0%
Diversifying Strategies	**1,612,484,262**	**5.9%**	**-9.6%**	**1,457,434,859**	**5.8%**	**5.0%**	**56,333,733** **(49,885,035)**	**1,463,883,557**	**6.0%**
Cash	**1,368,232,624**	**5.0%**		**1,368,232,624**	**5.5%**	**2.0%**	**(1,248,517,924)**	**119,714,699**	**0.5%**
PSPRS Trust	**27,514,133,513**	**102%**		**24,915,812,689**	**102%**			**24,398,059,291***	**102%**

TAKEAWAY

Over one year, the portfolio shifts from approximately 60% liquid assets to a more illiquid structure, with illiquid assets accounting for 53% under the combined scenario. The trust's liquidity is sufficient to cover benefit payments, meet rebalancing needs, and accommodate the escalated capital calls.

** Nets out projected $517,753,395 of net cash flow for FY2027. Steel blue: escalated capital calls.*

ITEM E

Overview of Financial Markets

PURPOSE

This section is presented in two parts. The first reviews the performance of major markets over the past month and over longer periods, and places each movement in historical context to show whether it is ordinary or unusual for that market. This context helps the Trust avoid reacting to short-term movements.

The second part presents the developments staff are monitoring for tactical positioning, including earnings estimates, the expected path of policy rates, and the outlook implied by current index prices.

Markets summary, October 2026

S&P 500 (SPY)

-0.9% MTD

+11.6% YTD

RUSSELL 2000 (IWM)

+0.5% MTD

+14.2% YTD

LONG TREASURY (TLT)

+5.6% MTD

-2.8% YTD

GOLD (GLD)

-6.6% MTD

-10.2% YTD

CRUDE OIL (USO)

+15.9% MTD

+144.1% YTD

US DOLLAR (UUP)

+0.8% MTD

+7.3% YTD

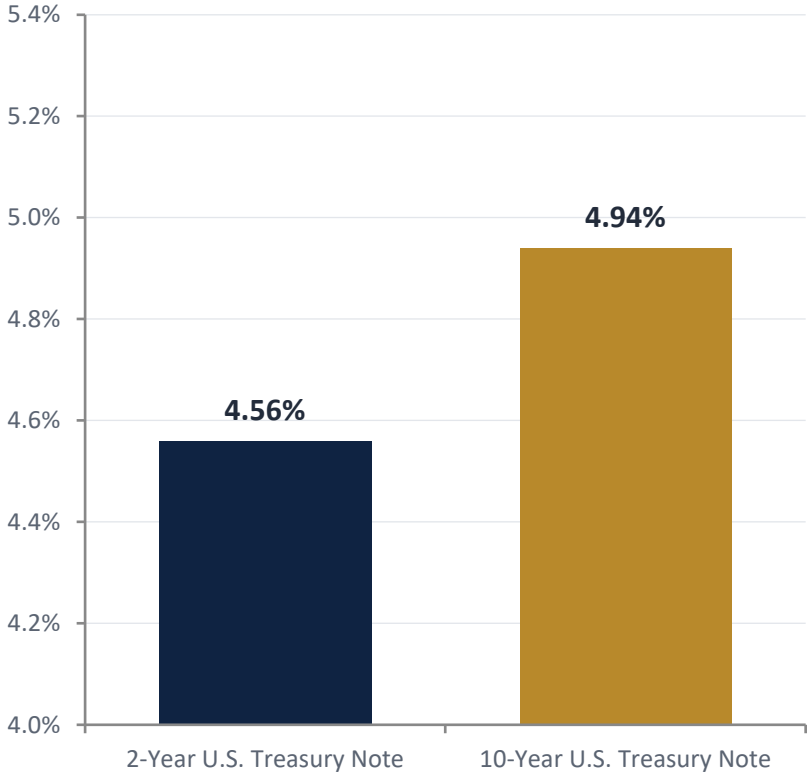
Name	MTD	YTD
Energy Select Sector SPDR	13.9%	59.2%
Consumer Staples Select Sector SPDR	10.9%	17.1%
Financial Select Sector SPDR	5.8%	4.3%
Communication Services Select Sector SPDR	-10.0%	-14.3%
iShares MSCI USA Momentum Factor ETF	-10.5%	14.0%
VanEck Semiconductor ETF	-14.2%	45.1%
iShares MSCI South Korea ETF	-16.4%	57.3%
iShares Silver Trust	-18.2%	-30.8%

October reversed the year's leaders: semiconductors, South Korea and momentum fell double digits while energy, staples and financials led.

FactSet data as of 10/31/2026. Total returns in USD.

U.S. Treasury yield curve spread

2-YEAR VERSUS 10-YEAR YIELD



10-YEAR LESS 2-YEAR SPREAD



The U.S. 10y/2y yield curve remains positively sloped but narrowed to 38 bps, as the 10-year yield fell to 4.94% from 5.29% and the 2-year yield eased to 4.56% from 4.88%.

Yields as of 10/30/2026 (U.S. Treasury via FRED). Spread series redrawn from the source chart.

Total return, stocks

	S&P 500 Total Return				Russell 1000				Russell 2000			
Start/End Date	02/29/1988 to 10/31/2026				01/31/1979 to 10/31/2026				01/31/1979 to 10/31/2026			
Timeframe	**1-Year**	**3-Year**	**5-Year**	**7-Year**	**1-Year**	**3-Year**	**5-Year**	**7-Year**	**1-Year**	**3-Year**	**5-Year**	**7-Year**
Rolling Average	12.6%	11.4%	10.9%	10.7%	13.6%	12.3%	12.0%	11.8%	12.7%	10.6%	10.2%	10.0%
Stdev.	15.9%	9.8%	7.7%	6.0%	16.6%	9.2%	7.2%	5.7%	20.8%	8.2%	5.9%	4.1%
Trailing Return	**13.5%**	**23.9%**	**12.3%**	**15.9%**	**11.8%**	**23.2%**	**11.4%**	**15.4%**	**14.8%**	**20.8%**	**5.6%**	**10.2%**
# of σ Away from Avg.	● 0.05	■ **1.27**	● 0.19	● 0.87	● -0.11	■ **1.18**	● -0.09	● 0.63	● 0.10	■ **1.24**	● -0.78	● 0.04
How Often This Happens	48%	10%	43%	19%	46%	12%	46%	27%	46%	11%	22%	48%

	STOXX Europe 600				Japan Nikkei 225				UK: FTSE 100			
Start/End Date	01/31/2001 to 10/31/2026				02/28/2007 to 10/31/2026				01/31/1986 to 10/31/2026			
Timeframe	**1-Year**	**3-Year**	**5-Year**	**7-Year**	**1-Year**	**3-Year**	**5-Year**	**7-Year**	**1-Year**	**3-Year**	**5-Year**	**7-Year**
Rolling Average	7.7%	7.3%	6.9%	6.3%	11.4%	10.6%	10.8%	11.1%	9.9%	8.7%	8.3%	8.0%
Stdev.	17.3%	8.8%	5.2%	3.5%	23.5%	11.1%	7.4%	4.4%	14.9%	8.5%	6.3%	4.9%
Trailing Return	**16.6%**	**18.0%**	**9.8%**	**10.5%**	**22.7%**	**29.3%**	**19.3%**	**17.8%**	**13.9%**	**17.6%**	**12.1%**	**9.6%**
# of σ Away from Avg.	● 0.52	■ **1.22**	● 0.55	■ **1.21**	● 0.48	■ **1.68**	■ **1.14**	■ **1.52**	● 0.27	■ **1.05**	● 0.61	● 0.32
How Often This Happens	30%	11%	29%	11%	32%	5%	13%	6%	39%	15%	27%	37%

	S&P/TSX 60				India S&P BSE Sensex				KOSPI Composite Index			
Start/End Date	02/29/2000 to 10/31/2026				09/30/1996 to 10/31/2026				02/28/1985 to 10/31/2026			
Timeframe	**1-Year**	**3-Year**	**5-Year**	**7-Year**	**1-Year**	**3-Year**	**5-Year**	**7-Year**	**1-Year**	**3-Year**	**5-Year**	**7-Year**
Rolling Average	9.0%	8.6%	8.5%	8.0%	15.9%	14.5%	14.4%	14.8%	15.2%	8.6%	6.2%	5.7%
Stdev.	15.7%	7.8%	4.8%	2.8%	26.3%	13.1%	9.8%	5.8%	39.1%	18.3%	9.7%	7.6%
Trailing Return	**22.2%**	**26.9%**	**14.3%**	**15.1%**	**-10.4%**	**6.5%**	**5.9%**	**10.5%**	**39.5%**	**36.0%**	**14.0%**	**15.6%**
# of σ Away from Avg.	● 0.84	■ **2.35**	■ **1.22**	■ **2.51**	● -1.00	● -0.62	● -0.86	● -0.74	● 0.62	■ **1.50**	● 0.80	■ **1.30**
How Often This Happens	20%	1%	11%	1%	16%	27%	19%	23%	27%	7%	21%	10%

■ More than one standard deviation from the rolling average, with its trailing figure shaded above it. ● Within one standard deviation.

FactSet data as of 10/31/2026

Commodities

	Brent Crude				WTI				Natural Gas			
Start/End Date	08/31/1989 to 10/31/2026				08/31/1989 to 10/31/2026				05/31/1990 to 10/31/2026			
Timeframe	**1-Year**	**3-Year**	**5-Year**	**7-Year**	**1-Year**	**3-Year**	**5-Year**	**7-Year**	**1-Year**	**3-Year**	**5-Year**	**7-Year**
Rolling Average	9.9%	5.2%	5.2%	5.1%	9.7%	4.8%	4.8%	4.6%	10.6%	3.0%	2.8%	2.3%
Stdev.	36.1%	15.5%	11.0%	9.7%	37.0%	15.1%	10.7%	9.3%	46.6%	16.6%	12.0%	10.0%
Trailing Return	**75.1%**	**10.1%**	**6.3%**	**9.6%**	**68.5%**	**8.4%**	**4.5%**	**9.8%**	**-33.7%**	**-8.7%**	**-12.1%**	**1.4%**
# of σ Away from Avg.	**• 1.81**	• 0.32	• 0.09	• 0.47	**• 1.59**	• 0.24	• -0.03	• 0.56	• -0.95	• -0.70	**• -1.24**	• -0.09
How Often This Happens	4%	38%	46%	32%	6%	40%	49%	29%	17%	24%	11%	46%

	Corn				Feeder Cattle Near Term				Soybeans			
Start/End Date	08/31/1989 to 10/31/2026				08/31/1989 to 10/31/2026				08/31/1989 to 10/31/2026			
Timeframe	**1-Year**	**3-Year**	**5-Year**	**7-Year**	**1-Year**	**3-Year**	**5-Year**	**7-Year**	**1-Year**	**3-Year**	**5-Year**	**7-Year**
Rolling Average	5.0%	2.5%	2.6%	2.3%	5.2%	4.1%	3.6%	3.4%	4.3%	2.5%	2.5%	2.4%
Stdev.	28.2%	13.1%	8.6%	7.0%	15.7%	8.9%	7.0%	4.4%	23.4%	11.0%	7.5%	6.1%
Trailing Return	**3.8%**	**-2.2%**	**-4.7%**	**2.0%**	**-0.3%**	**12.4%**	**16.6%**	**12.7%**	**10.7%**	**-2.0%**	**-0.2%**	**4.1%**
# of σ Away from Avg.	• -0.04	• -0.36	• -0.84	• -0.05	• -0.35	• 0.94	**• 1.87**	**• 2.10**	• 0.27	• -0.40	• -0.37	• 0.27
How Often This Happens	48%	36%	20%	48%	36%	17%	3%	2%	39%	34%	36%	39%

	Gold				Copper				Aluminum			
Start/End Date	08/31/1989 to 10/31/2026				08/31/1989 to 10/31/2026				08/31/1989 to 10/31/2026			
Timeframe	**1-Year**	**3-Year**	**5-Year**	**7-Year**	**1-Year**	**3-Year**	**5-Year**	**7-Year**	**1-Year**	**3-Year**	**5-Year**	**7-Year**
Rolling Average	8.2%	7.1%	6.6%	6.5%	8.6%	5.6%	5.3%	4.9%	4.3%	2.3%	2.2%	1.8%
Stdev.	16.9%	11.5%	9.3%	8.4%	31.0%	16.3%	12.1%	9.9%	22.4%	9.5%	5.9%	4.5%
Trailing Return	**-2.4%**	**25.0%**	**16.9%**	**14.5%**	**27.5%**	**21.0%**	**8.1%**	**13.7%**	**7.9%**	**11.7%**	**2.9%**	**8.6%**
# of σ Away from Avg.	• -0.63	**• 1.57**	**• 1.12**	• 0.95	• 0.61	• 0.95	• 0.23	• 0.88	• 0.16	• 0.99	• 0.12	**• 1.52**
How Often This Happens	26%	6%	13%	17%	27%	17%	41%	19%	44%	16%	45%	6%

■ More than one standard deviation from the rolling average, with its trailing figure shaded above it. • Within one standard deviation.

FactSet data as of 10/31/2026

Global treasury rates

	US 10Y T-Note Yield (TPI)				Canada Benchmark Bond (10Y)				UK 10Y Yield			
Start/End Date	08/31/1999 to 10/31/2026				03/31/2006 to 10/31/2026				04/28/2006 to 10/31/2026			
Timeframe	**1-Year**	**3-Year**	**5-Year**	**7-Year**	**1-Year**	**3-Year**	**5-Year**	**7-Year**	**1-Year**	**3-Year**	**5-Year**	**7-Year**
Rolling Average	3.3%	3.2%	3.1%	3.0%	2.5%	2.4%	2.2%	2.1%	2.6%	2.4%	2.2%	2.1%
Stdev.	1.2%	1.1%	1.0%	0.9%	0.9%	0.8%	0.6%	0.5%	1.4%	1.2%	0.9%	0.7%
Trailing Average	**4.5%**	**4.3%**	**3.9%**	**3.1%**	**3.5%**	**3.3%**	**3.2%**	**2.6%**	**4.8%**	**4.5%**	**3.9%**	**2.9%**
# of σ Away from Avg.	● 0.94	■ **1.06**	● 0.87	● 0.13	■ **1.07**	■ **1.26**	■ **1.57**	● 0.94	■ **1.51**	■ **1.70**	■ **1.82**	■ **1.20**
How Often This Happens	17%	14%	19%	45%	14%	10%	6%	17%	6%	4%	3%	11%

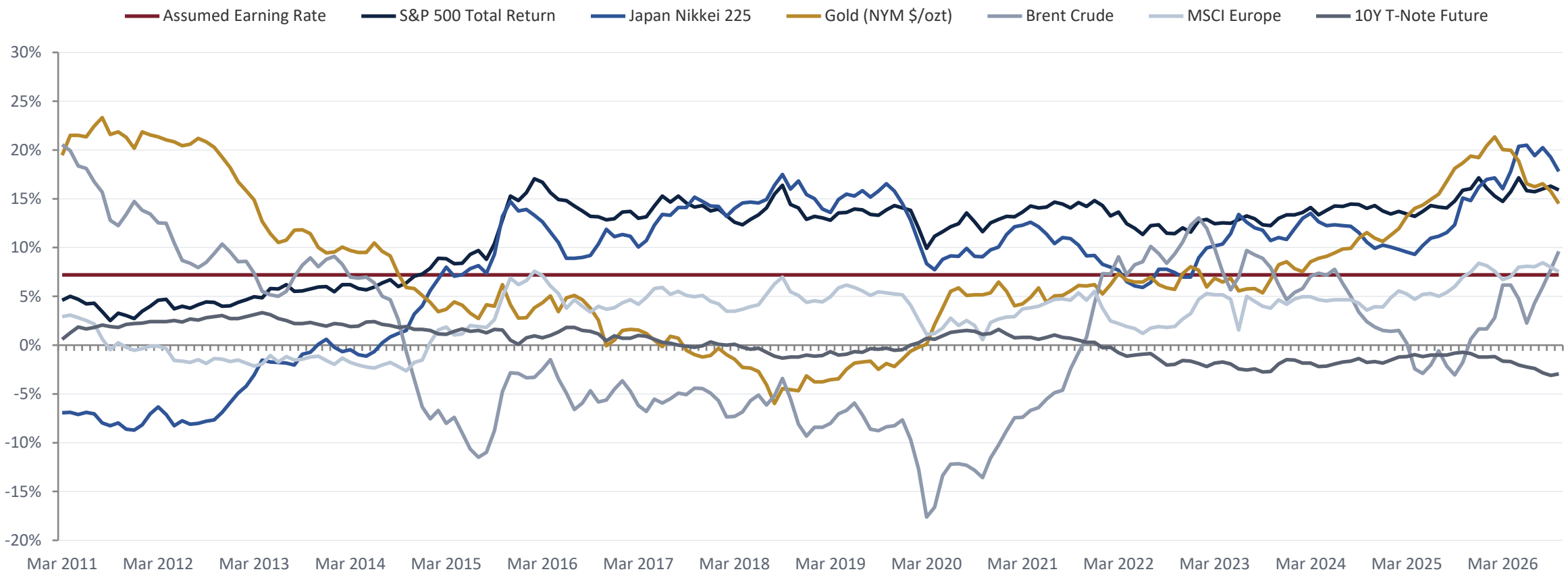
	Euro Benchmark Bond (10Y)				France Benchmark Bond (10Y)				Italy Benchmark Bond (10Y)			
Start/End Date	02/28/2006 to 10/31/2026				03/31/2006 to 10/31/2026				03/31/2006 to 10/31/2026			
Timeframe	**1-Year**	**3-Year**	**5-Year**	**7-Year**	**1-Year**	**3-Year**	**5-Year**	**7-Year**	**1-Year**	**3-Year**	**5-Year**	**7-Year**
Rolling Average	1.6%	1.3%	1.1%	1.0%	2.1%	1.9%	1.7%	1.6%	3.3%	3.2%	3.1%	3.0%
Stdev.	1.4%	1.2%	1.0%	0.8%	1.4%	1.3%	1.1%	0.9%	1.4%	1.2%	1.1%	0.9%
Trailing Average	**3.0%**	**2.6%**	**2.2%**	**1.5%**	**3.8%**	**3.4%**	**2.9%**	**2.0%**	**3.8%**	**3.7%**	**3.6%**	**2.9%**
# of σ Away from Avg.	■ **1.07**	■ **1.09**	■ **1.12**	● 0.58	■ **1.20**	■ **1.11**	■ **1.05**	● 0.49	● 0.42	● 0.44	● 0.52	● -0.10
How Often This Happens	14%	14%	13%	28%	11%	13%	15%	31%	34%	33%	30%	46%

	Japan 10Y Yield (TPI)				Korea Benchmark Bond (10Y)				Australia Benchmark Bond (10Y)			
Start/End Date	03/31/2006 to 10/31/2026				07/30/2010 to 10/31/2026				02/28/2006 to 10/31/2026			
Timeframe	**1-Year**	**3-Year**	**5-Year**	**7-Year**	**1-Year**	**3-Year**	**5-Year**	**7-Year**	**1-Year**	**3-Year**	**5-Year**	**7-Year**
Rolling Average	0.7%	0.6%	0.5%	0.5%	2.8%	2.7%	2.5%	2.5%	3.6%	3.5%	3.3%	3.2%
Stdev.	0.6%	0.5%	0.5%	0.4%	0.8%	0.6%	0.4%	0.3%	1.5%	1.3%	1.1%	0.9%
Trailing Average	**2.5%**	**1.6%**	**1.1%**	**0.8%**	**3.9%**	**3.3%**	**3.4%**	**2.9%**	**4.9%**	**4.5%**	**4.0%**	**3.2%**
# of σ Away from Avg.	■ **2.80**	■ **1.84**	■ **1.22**	● 0.79	■ **1.42**	■ **1.10**	■ **1.94**	■ **1.60**	● 0.86	● 0.76	● 0.65	● 0.05
How Often This Happens	0%	3%	11%	22%	8%	13%	3%	5%	19%	22%	26%	48%

■ More than one standard deviation from the rolling average, with its trailing figure shaded above it. ● Within one standard deviation.

FactSet data as of 10/31/2026

Rolling 7-year returns for major markets

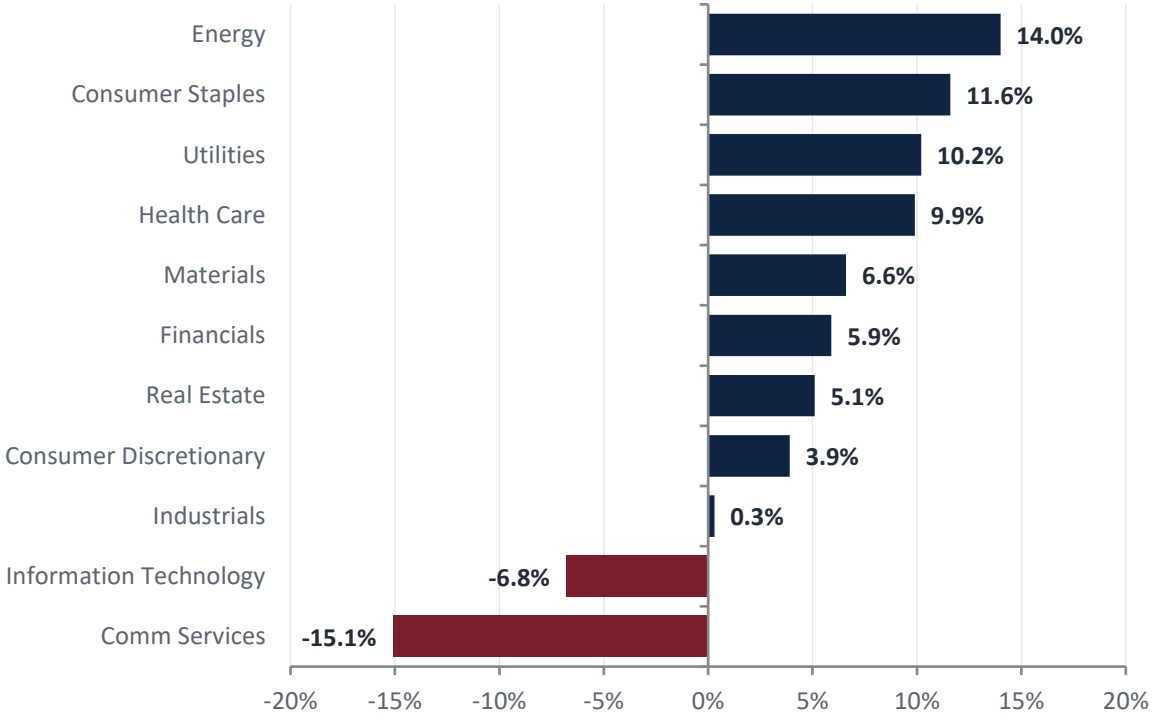


- In October, the trailing 7-year annualized return for Gold decreased to 14.5%, down from 16.1% in September.
- The S&P 500 Total Return Index's 7-year annualized return decreased to 15.9%, down from 16.2%.
- The Nikkei 225's 7-year annualized return fell to 17.8%, down from 19.6% in September.

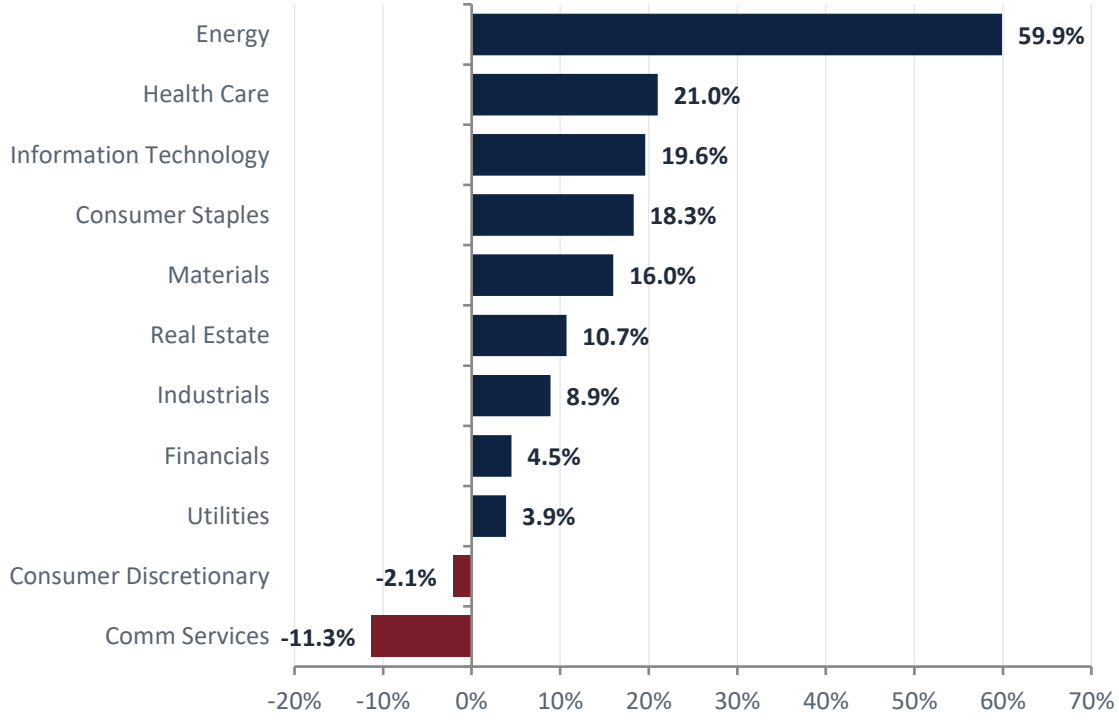
FactSet data as of 10/31/2026

S&P 500 sector performance

OCTOBER (MTD)



YEAR TO DATE



- Energy (+14.0%), Consumer Staples (+11.6%) and Utilities (+10.2%) led in October; only Comm Services (-15.1%) and Information Technology (-6.8%) declined.
- Energy remains the top sector year-to-date at 59.9%, ahead of Health Care at 21.0% and Information Technology at 19.6%.
- Comm Services is now the weakest sector year-to-date at -11.3%, followed by Consumer Discretionary at -2.1%; Financials and Utilities have turned positive.

FactSet data as of 10/31/2026

ITEM E | LOOKING FORWARD

What the market is pricing

PURPOSE

The slides that follow move from what happened to what the market expects. They cover earnings estimates for the S&P 500, the path of Federal Reserve policy priced into futures, what today's index level implies about growth and risk, and where the largest US and international companies sit.

None of this is a forecast of our own. It is simply what the market is pricing, and we do not assume the market is right. We consider it in the context of our tactical weights, and whether we are in a position to materially agree or disagree, consistent with our decision making framework.

Rate hikes on the horizon?

CME FedWatch tool, conditional meeting probabilities by target range in basis points.

Meeting date	350-375	375-400	400-425	425-450	450-475	475-500	500-525	525-550
12/9/2026	0.0%	20.8%	**79.2%**	0.0%	0.0%	0.0%	0.0%	
1/27/2027	0.0%	15.5%	**64.5%**	20.0%	0.0%	0.0%	0.0%	0.0%
3/17/2027	0.0%	6.5%	36.0%	**45.9%**	11.7%	0.0%	0.0%	0.0%
4/28/2027	0.0%	4.7%	28.1%	**43.2%**	20.8%	3.1%	0.0%	0.0%
6/9/2027	0.0%	3.1%	20.1%	**38.0%**	28.5%	9.2%	1.1%	0.0%
7/28/2027	0.0%	2.9%	18.9%	**36.8%**	29.2%	10.5%	1.6%	0.1%
9/15/2027	0.0%	2.6%	17.3%	**35.0%**	29.9%	12.4%	2.5%	0.2%
10/27/2027	0.1%	2.9%	17.7%	**34.9%**	29.5%	12.2%	2.5%	0.2%
12/8/2027	0.4%	4.5%	19.5%	**34.3%**	27.7%	11.1%	2.2%	0.2%

Most likely range at each meeting shaded in gold.

- Market pricing implies a 79.2% probability of a rate increase of 25 bps or more by December of 2026, with all of that pricing concentrated on a 25-bps increase.
- According to market prices, the most likely outcome by December 2027 is a 425-450 target range (34.3%), implying 50 bps of cumulative hikes.

Source: CME FedWatch

S&P 500 as a present value: cash flows above the line, a discount rate below it

Price of the S&P 500 =

Cash flows to owners

Earnings per share for 2026, 2027, 2028 and beyond, times the share paid out as dividends and buybacks. Analysts publish the first three years.

▲ **Higher cash flows raise the price**

(1 + discount rate) for each year of waiting

10-year Treasury
What a riskless dollar earns. Published daily.

+

Equity risk premium
Extra pay for owning stocks. Not published; solved from the price.

▼ **A higher rate or premium lowers the price**

Same arithmetic as the actuarial liability, run on a company's cash instead of benefit payments. A dollar due in 2028 is worth less today, and less still when the rate available elsewhere rises.

PRESENT VALUE IN ONE SENTENCE

Today's price is what the future cash is worth after charging for the wait and for the risk of not receiving it. More cash, higher price. A higher charge, lower price. Every move in the index is one of those two changing.

WHAT THE NEXT SLIDES DO

Part 1: what changed, Jan 1 to Oct 30, 2026

- Above the line: which earnings estimates surprised investors.
- Below the line: what the 10-year did, and what the solved premium did.

Part 2: where expectations stand now

- Today's assumptions above and below the line, each set against its own history.
- What markets themselves price, and where the index is two businesses.

Part 3: the seven-year return of 15.9% a year through the same lens.

PSPRS analysis.

S&P 500 inputs and expectations: January 1 versus September 30, 2026

Input	Jan 1, 2026	Sep 30, 2026	Change
Above the line: cash flows (analyst consensus)			
2026 EPS estimate	$311	$361	**+16.1%**
2027 EPS estimate	$360	$417	**+15.7%**
2028 EPS estimate	$403 (est.)	$487	**+20.8%**
Below the line: discount rate			
10-year Treasury	4.18%	5.29%	**+111 bp**
Equity risk premium (solved)	**4.1%**	**3.5%**	**-61 bp**
Discount rate, r (clairvoyant return)	**8.3%**	**8.8%**	**+50 bp**
Result			
S&P 500 level	6,845.50	7,651.54	**+11.8%**

Navy changes helped the price; maroon changes hurt it. Payout and growth after 2028 are the same on both dates.

JANUARY 1

If consensus is exactly right, the index earns

8.3%

4.18% Treasury + 4.1% premium

Price ÷ 2026 EPS: 22.0x

SEPTEMBER 30

If consensus is exactly right, the index earns

8.8%

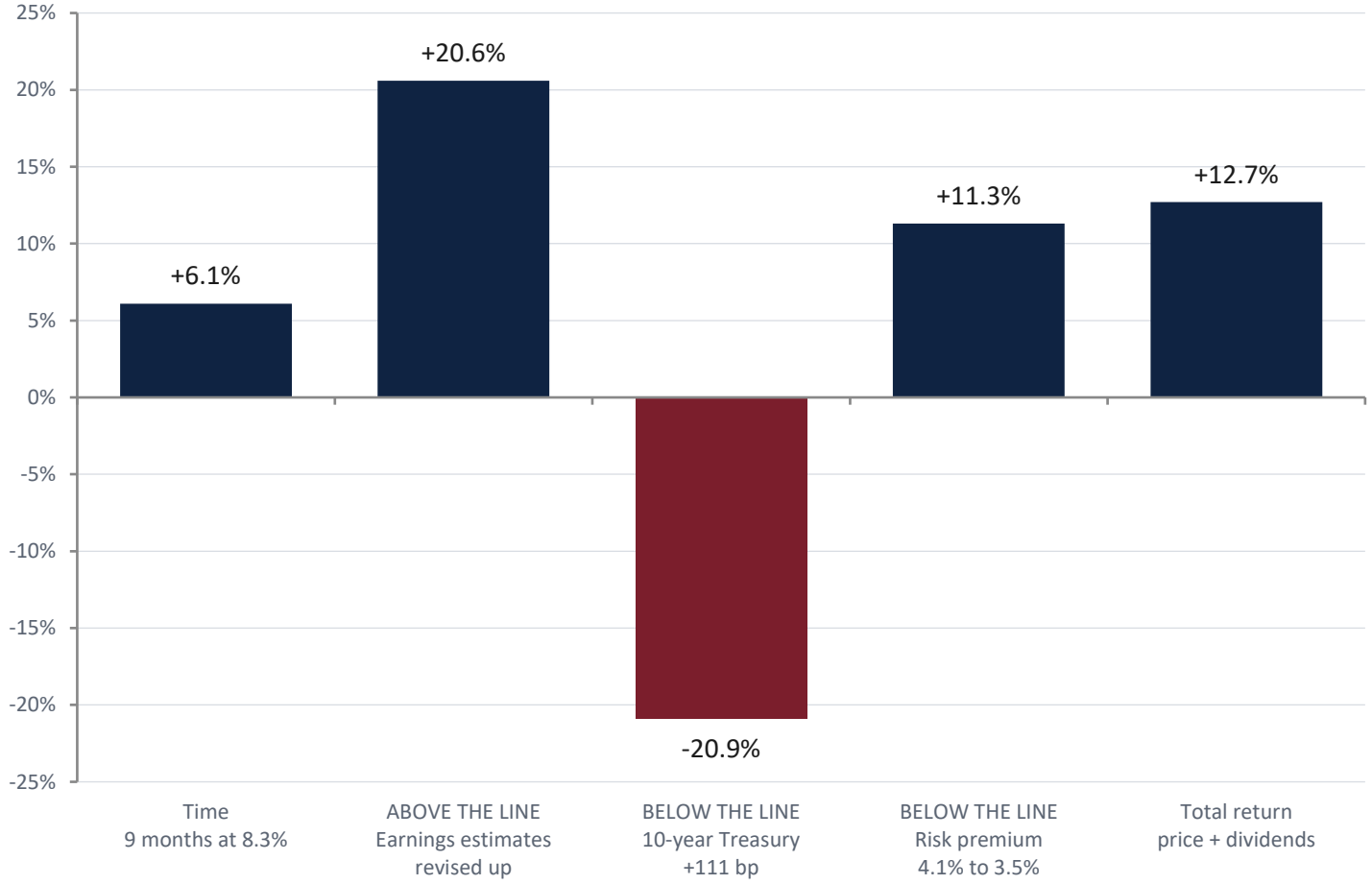
5.29% Treasury + 3.5% premium

Price ÷ 2026 EPS: 21.2x

FactSet consensus (Dec 31, 2025 and Oct 2, 2026), U.S. Treasury, PSPRS analysis. 2028 estimate on Jan 1 is a PSPRS estimate.

Why the S&P 500 returned 12.7% through September 30: four steps, one at a time

Contribution to total return, Jan 1 to Sep 30, 2026. Cash flows above the line, discount rate below it



EARNINGS

Analysts raised 2026 profits by a sixth and 2027 and 2028 with them. Alone, worth about 21% more in price.

RATES

The 10-year rose from 4.18% to 5.29%, the highest quarter end since 2007. Every future dollar was discounted harder, costing about 21%.

PREMIUM

The index still rose, so buyers accepted a 3.5% premium over Treasuries instead of 4.1%, worth about 11%. More of the expected return now comes from the Treasury leg.

PSPRS analysis. Total return is 11.8% price plus 0.9% dividends; the four steps compound to the total.

October: the 10-year eased, the index slipped, the premium returned to its average

Input	Sep 30	Oct 30	Change
S&P 500 level	7,651.54	7,580.07	**-0.9%**
2026 / 2027 / 2028 EPS	$361 / $417 / $487	$363 / $421 / $494	**+1.4%**
10-year Treasury	5.29%	4.93%	**-36 bp**
Equity risk premium (solved)	**3.5%**	**4.0%**	**+49 bp**
Discount rate, r (clairvoyant return)	**8.8%**	**8.9%**	**+13 bp**

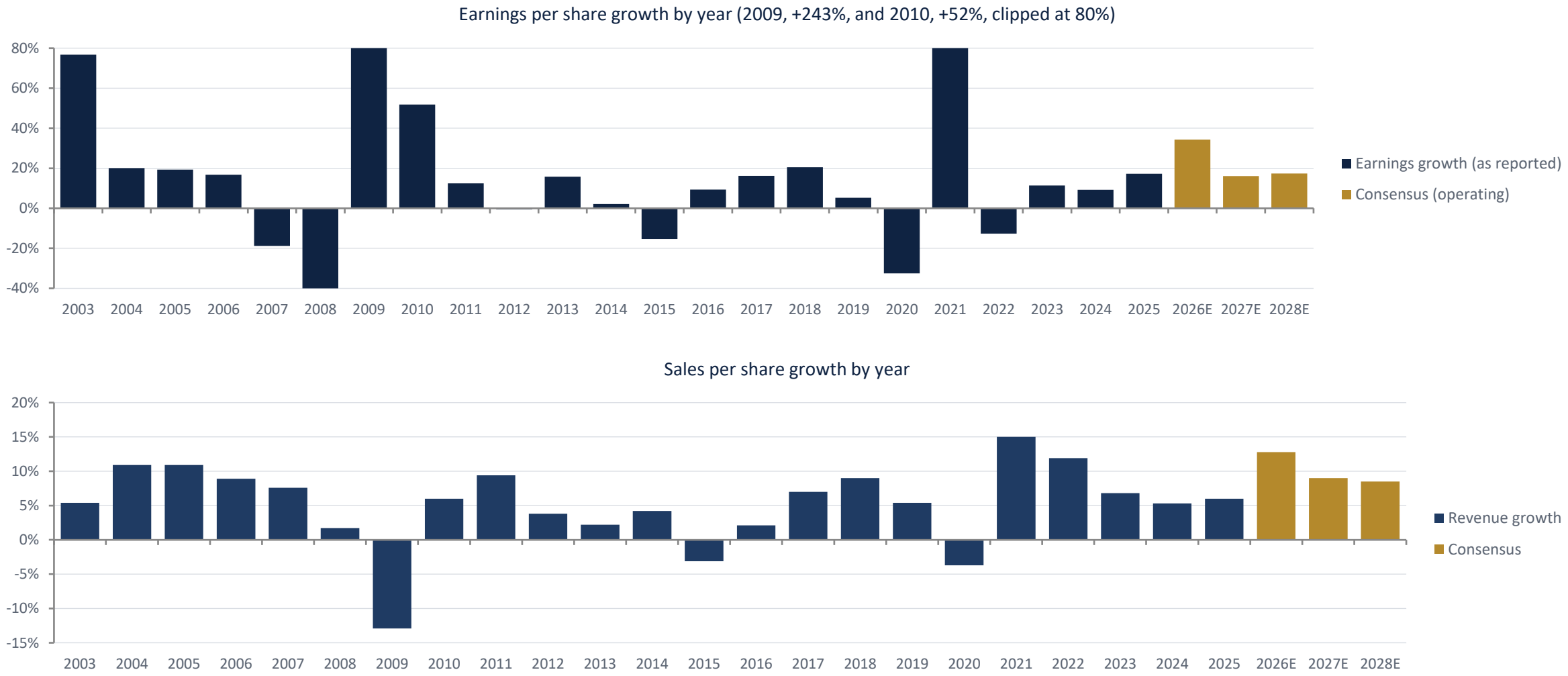
Contribution to total return	October	Jan 1 to Oct 30
Passage of time	**+0.7%**	**+6.9%**
Earnings estimates (above the line)	**+1.4%**	**+22.3%**
10-year Treasury (below the line)	**+8.3%**	**-15.1%**
Risk premium (below the line)	**-10.3%**	**+0.7%**
Total return (price + dividends)	**-0.8%**	**+11.8%**

WHAT MOVED THIS MONTH

- The 10-year fell 36 basis points. On its own that was worth about +8%. Earnings estimates edged up.
- The index slipped 0.9%. For the equation to balance, the premium had to widen: 3.5% became 4.0%, in line with its long-run average of 4.2%.
- A month in which rates fall and stocks also fall is, by construction, a wider premium.
- Ten months in: time +7%, earnings +22%, rates −15%, premium about +1%. Total return 11.8%.
- The clairvoyant return stands at 8.9%: 4.93% Treasury plus 4.0% premium.

FactSet consensus (Oct 2 and Nov 4, 2026), U.S. Treasury, PSPRS analysis.

Above the line: S&P 500 revenue and earnings growth by year, 2003 to 2028



Median year since 2000: revenue +5.4%, earnings +11.7%. Gold bars are consensus. History is as-reported GAAP and consensus is operating, so growth rates compare fairly but levels do not.

S&P Dow Jones sales per share (via multpl.com; 2025 estimated), as-reported EPS (dqydj.com), FactSet consensus as of Nov 4, 2026.

Base rates: how often history has delivered what the price now assumes

Consensus has S&P 500 earnings up 34% in 2026, then 16% and 17% in 2027 and 2028, on revenue growth of 9% and 9%. Each row compares that expectation with every comparable window in the record.

What the price assumes	Consensus	How often history has delivered it	Read
Two-year EPS growth, 2026 to 2028	+36%	12 of 34 two-year windows (35%). Median window +24%. Eight of the 12 were not rebounds from a down year.	**Ambitious, not rare**
Three-year EPS growth, 2025 to 2028	+83%	5 of 33 three-year windows (15%). Median window +24%. Every one of the 5 began in or just after a recession.	**Top sixth**
A year of EPS growth above 16%	2027 and 2028	13 of 35 years (37%). Back-to-back years above 16% without a prior collapse: 1994 to 1995, 2004 to 2006, 2017 to 2018.	**Common once, rarer twice**
Margins rising again from a record	+7%, +8%	Seven record-margin years since 2000. The next year margins rose 7% or more 3 times (2004 to 2006) and fell 4 times (2007, 2014, 2019, 2022).	**One precedent**
Revenue growth of 9% in 2027	+9.0%	6 of 25 years (24%). Median year +5.4%. Two-year revenue growth of 18% (2026 to 2028): 17% of windows; median 11%.	**Top fifth**

The earnings path sits around the 65th to 85th percentile of history: not without precedent, not the base case. The revenue leg is top-quintile. The margin leg has one precedent, 2003 to 2006, which started from a recession rather than a record.

As-reported GAAP EPS swings more than the operating numbers analysts forecast, which raises the frequency of big growth years. On an operating basis the base rates would be somewhat lower, so these figures lean in consensus' favor.

As-reported S&P 500 EPS 1990 to 2025, S&P sales per share 2000 to 2025, FactSet consensus as of Nov 4, 2026. PSPRS analysis.

Below the line: the 10-year and the risk premium, in a grid and against history

Value of the index versus 7,580 for other combinations of the 10-year and the premium, with consensus earnings held fixed.

10-year \ Premium	3.5%	4.0%	4.5%	5.0%
4.00%	+40.9%	+23.7%	+9.2%	-1.9%
4.50%	+23.0%	+9.7%	-1.9%	-10.9%
4.93% (Oct 30)	+11.0%	base	-9.8%	-17.5%
5.50%	-1.9%	-10.6%	-18.5%	-24.9%
6.00%	-10.9%	-18.2%	-24.9%	-30.3%

A 50 bp rise in the 10-year with the premium unchanged costs about 10%. The same rise offset by a 50 bp narrower premium costs almost nothing. Rates and the premium have tended to move against each other, as they did in October, so the diagonal of the grid matters more than its corners.

WHERE THE DISCOUNT RATE SITS IN HISTORY

	Oct 30, 2026	Average since 1990	Average since 2008
10-year Treasury	4.93%	4.1%	2.7%
Equity risk premium	4.0%	4.3%	5.3%
Discount rate, r	8.9%	8.5%	8.0%

- The total discount rate is close to its long-run average. The two pieces are not: the 10-year is about a point above its 36-year average and two points above the post-2008 era; the premium is about a point below the post-2008 era and near its long-run mean.
- A return to post-2008 conditions (lower yield, higher premium) is close to a wash for the price. A return to the 1990 to 2025 averages on both inputs is worth about +9%, almost all from the lower yield.
- Stocks are a real asset, so the relevant comparison is real against real: the index's 8.9% clairvoyant return is about 6.7% real; a 10-year TIPS pays about 2.6% real, the most since 2008.

Damodaran implied equity risk premium series (year-end readings, 1990 to 2025); PSPRS model for 2026.

What markets price: rates, inflation and the index itself

Analysts forecast earnings. Markets price everything else in the equation, and the index price is the market's own verdict on the earnings. Three traded readings.

THE 10-YEAR

Kalshi: 10-year at Dec 31, 2026	Odds
At or above 4.75%	66%
At or above 5.00%	44%
At or above 5.10%	30%

Implied median near 4.95%, against 4.93% on Oct 30 and 4.86% on Nov 6. Thin volume (about $64,000), so a check rather than a signal. Futures and swaps point the same way: the market expects the 10-year to hold near 5%, not to return to January's 4.2%.

INFLATION AND THE REAL YIELD

10-year breakeven: 2.23% (Nov 6)

With real growth near 2%, the market expects about 4% nominal growth, the rate earnings growth fades toward after 2028 in the model.

The 10-year splits into 2.6% real plus 2.2% inflation. The real yield is the highest since 2008. From 2012 to 2021 TIPS paid about zero and equities were the only source of real return; a riskless 2.6% real now sets the hurdle.

THE INDEX, ONE YEAR OUT

Odds	Jan 1	Sep 30	Oct 30	Nov 6
VIX	14.9	16.3	19.4	25.6
Down >20%	5%	6%	11%	19%
Down >10%	20%	21%	26%	34%
Within ±10%	49%	45%	39%	30%
Up >10%	30%	34%	35%	36%

Read from index option prices on each date. These odds carry the fear premium, so they overstate the downside tail. The VIX was 15 on Jan 1 and 16 at quarter end, then 26 on Nov 6: the market's odds of a 10% drop within a year rose from one in five to one in three.

Markets and analysts agree on rates and inflation and, judging by the price, on earnings: the index discounts consensus at a 4.0% premium. Since Oct 30 the index fell to 7,377 (Nov 6) and the VIX rose to 25.

Kalshi 10-year market (read Nov 8, 2026), FRED 10-year breakeven (Nov 6), CBOE VIX closes, PSPRS option-implied estimates.

Two worlds inside one index: the hyperscalers and the other 493

The equation treats the index as one company that earns, pays out 75% and grows. For about a third of the index by weight the picture is different. Firms are spending more than they earn in cash to build AI capacity. Their earnings are real; their cash to owners is deferred.

2026 capital spending guidance	Amount	Free cash flow, Q3 2026
Amazon	about $220bn	−$42bn trailing twelve months
Alphabet	$195bn to $205bn	−$9bn in the quarter
Microsoft	about $170bn	positive; the only one covering capex
Meta	$135bn to $145bn	−$2bn in the quarter
Four firms combined	**about $730bn**	**negative as a group in Q3**

At the Q3 run rate the four generate about $700bn a year of operating cash against roughly $810bn of capex. $730bn is about a quarter of the entire index's annual earnings. In Q3 the other 493 grew earnings 32.6%; the Magnificent 7 grew 22.6%.

WHERE THIS BEARS ON THE EQUATION

- Payout. The model pays owners 75% of earnings. A firm with negative free cash flow pays out of debt or not at all; for a third of the index, the cash the price discounts is further off than the earnings suggest.
- Depreciation. $730bn of equipment over a five to six year life is on the order of $120bn a year of new expense in 2027 and 2028, roughly 4% of index earnings a year, that consensus margin expansion must absorb.
- Earnings quality. FactSet flagged valuation gains on AI stakes held by Alphabet and Amazon within 2026 margins. These do not recur.
- Return on the spend. Whether $730bn earns its cost of capital is not knowable today. The 493 can be valued on margins and payout; the hyperscalers carry a venture-style uncertainty.

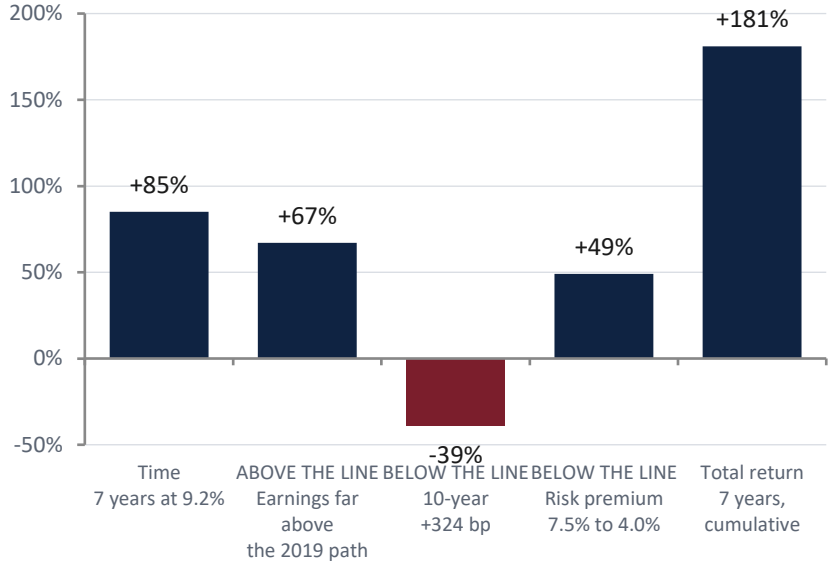
The 8.9% clairvoyant return reads in two parts: for the 493 it is a normal return at a normal premium; for the hyperscalers it is the return if the AI buildout pays. The index is fairly priced only if both hold.

Company Q3 2026 reports and guidance (Oct 21 to 29) via Yield Theory tracker; Decoding Discontinuity (Nov 3); FactSet via Gaining Green (Nov 5).

Seven years back: what the market assumed on Nov 1, 2019, and what changed

Input	Nov 1, 2019	Oct 30, 2026	Note
Above the line: cash flows			
Consensus EPS, next three years	$179 / $197 / $217	$363 / $421 / $494	2020 to 2022 then; 2026 to 2028 now
Expected vs actual EPS growth	+10% / +11% / +10%	−11% / +47% / +5%	2020 to 2022: a pandemic, then a surge
2026 to 2028 EPS, 2019 path vs today	$269 / $281 / $294	$363 / $421 / $494	Today's consensus is about 67% above the 2019 path
Price ÷ next-year EPS	17.0x	20.9x	
Below the line: discount rate			
10-year Treasury	1.69%	4.93%	up 324 bp
Equity risk premium (solved)	**7.5%**	**4.0%**	down 352 bp
Discount rate, r (clairvoyant return)	**9.2%**	**8.9%**	almost unchanged; the mix flipped
Result			
S&P 500 level	3,037.56	7,580.07	+150% price; 15.9% a year total

Contribution to the seven-year total return of 181% (15.9% a year). Steps compound



On Nov 1, 2019 the index promised 9.2% a year if consensus held, almost all of it premium: Treasuries paid 1.69%. It delivered 15.9%. Earnings ended up far above the 2019 path (+67%), the premium fell from 7.5% to 4.0% (+49%), and the 10-year rising 324 bp took back 39%. The discount rate ended where it began; only its composition changed.

FactSet Earnings Insight (Nov 2019) and FactSet data as of Nov 4, 2026, U.S. Treasury, PSPRS analysis. 2021 and 2022 estimates as of Nov 2019 are PSPRS estimates.

What would bring the trailing seven-year return back to its 10.7% rolling average

The seven-year return of 15.9% a year sits about 0.9 standard deviations above its 10.7% rolling average. The table shows the forward return that would pull the longer window back to 10.7% a year, depending on how long the market takes to get there.

If it takes	Window	Return needed, per year	Cumulative
1 year	8 years	**-19.7%**	-19.7%
2 years	9 years	**-5.7%**	-11.1%
3 years	10 years	**-0.5%**	-1.6%
5 years	12 years	**+3.8%**	+20.6%

Against this, the clairvoyant path promises 8.9% a year: consensus earnings arrive and the discount rate does not move. A flat three years implies a value about 24% below that path in 2029. The right-hand table asks which single input would have to absorb that gap.

READING THE TWO TABLES TOGETHER

A one-year reversion needs a 20% drop. A three-year reversion needs only a flat market, and a five-year one needs a 3.8% a year return, about what Treasury bills pay. None of these requires a recession; the equation produces a flat market from ordinary earnings growth alone.

ONE INPUT AT A TIME: A FLAT THREE YEARS

Input	Consensus / today	Needed	In words
2028 EPS	$494	**$376**	2027 to 2028 growth of 2% a year instead of 17%; below the long-run rate
10-year Treasury	4.93%	**6.44%**	Up about 151 bp; last seen in 2000
Equity risk premium	4.0%	**5.5%**	Up about 151 bp; near the post-2008 average of 5.3%

- Each row holds the other inputs at their Oct 30 values and asks what level of one input leaves the index roughly where it is in three years, after dividends.
- Earnings growing at a tenth of the consensus rate, a 10-year back at its 2000 level, or a premium back at its post-2008 average would each do it.
- Mixes are more likely than any single move: for instance, 2027 to 2028 growth near 9% with a premium of 4.5%.

PSPRS analysis. Rolling seven-year average from the Looking Back section (S&P 500 total return, 1988 to 2026).

Market observations, largest US equities

Company	Industry	YTD	3-Yr (Cum. Return)	5-Yr (Cum. Return)	Sales 1 Yr Gr (TTM)	Sales 1 Yr Gr (NTM)	EPS 1 Yr Gr (TTM)	EPS 1 Yr Gr (NTM)	Price / EPS Fcst (NTM)	Mkt cap ($ mm)	PSPRS NAV exposure ($ mm)
Apple Inc.	Technology Hardware	27%	105%	136%	10%	26%	26%	27%	35.4x	$5,029,592	**$413**
NVIDIA Corporation	Semis	10%	403%	704%	65%	90%	64%	95%	21.7x	$4,931,824	**$396**
Microsoft Corporation	Software	9%	58%	64%	17%	40%	29%	47%	25.3x	$3,875,805	**$322**
Alphabet Inc. Class A	Interactive Media	-10%	128%	91%	15%	24%	34%	82%	14.2x	$1,642,101	**$166**
Alphabet Inc. Class C	Interactive Media	-11%	124%	89%	15%	24%	34%	82%	14.1x	$1,537,722	**$134**
Amazon.com, Inc.	Broadline Retail	4%	81%	43%	12%	16%	29%	79%	19.1x	$2,598,938	**$193**
Tesla, Inc.	Automobiles	-11%	99%	8%	-3%	13%	-47%	1%	240.0x	$1,580,352	
Broadcom Inc.	Semis	-5%	300%	570%	25%	66%	178%	71%	27.6x	$1,556,585	
Meta Platforms Inc Class A	Interactive Media	-7%	106%	92%	22%	28%	-3%	24%	20.8x	$1,361,878	
Eli Lilly and Company	Pharmaceuticals	33%	161%	482%	45%	39%	96%	46%	40.0x	$1,333,544	
Berkshire Hathaway Inc. Class B*	Financial Services	8%	59%	89%	0%	9%	-25%	8%	24.9x	$1,190,703	
Space Exploration Technologies	Telecom	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$1,110,974	
Walmart Inc.	Consumer Staples	12%	134%	164%	5%	6%	15%	9%	44.2x	$979,897	
Micron Technology, Inc.	Semis	210%	1,236%	1,212%	59%	644%	281%	2,018%	4.7x	$943,143	
JPMorgan Chase & Co.	Banks	7%	158%	125%	0%	14%	1%	23%	13.8x	$895,915	
Advanced Micro Devices, Inc.	Semis	136%	412%	320%	34%	48%	164%	84%	61.0x	$824,073	
Exxonmobil Holdings Corporation	Oil & Gas	59%	95%	246%	-5%	29%	-14%	92%	13.4x	$769,956	
Visa Inc. Class A	Financial Services	19%	80%	103%	12%	28%	5%	31%	28.3x	$714,684	
Johnson & Johnson	Pharmaceuticals	34%	101%	93%	6%	7%	91%	3%	24.4x	$657,677	
AbbVie, Inc.	Pharmaceuticals	33%	131%	207%	9%	11%	-1%	40%	20.7x	$521,105	
Chevron Corporation	Oil & Gas	59%	83%	151%	-5%	33%	-32%	147%	12.7x	$465,334	

FactSet data as of 10/31/2026
**Combined Security*

Market observations, largest international equities

Company	Industry	YTD	3-Yr (Cum. Return)	5-Yr (Cum. Return)	Sales 1 Yr Gr (TTM)	Sales 1 Yr Gr (NTM)	EPS 1 Yr Gr (TTM)	EPS 1 Yr Gr (NTM)	Price / EPS Fcst (NTM)	Mkt cap ($ mm)	PSPRS NAV exposure ($ mm)
Taiwan Semiconductor Manufacturing Co.	Semis	48.6%	367.0%	274.3%	32%	47%	46%	68%	20.9x	$1,885,383	**$197**
Samsung Electronics Co., Ltd.	Technology Hardware	107.4%	264.0%	215.8%	11%	117%	33%	614%	4.9x	$1,090,538	**$93**
SK hynix Inc.	Semis	135.6%	1,158.0%	1,171.4%	47%	271%	116%	499%	4.1x	$776,316	**$74**
ASML Holding NV	Semis	46.6%	170.9%	104.2%	16%	36%	28%	67%	34.1x	$612,151	**$70**
Tencent Holdings Ltd	Interactive Media	-35.6%	36.2%	-10.7%	14%	14%	18%	7%	11.6x	$444,604	
HSBC Holdings Plc	Banks	12.5%	192.0%	282.7%	-10%	6%	-6%	14%	10.1x	$293,129	**$34**
Novartis AG	Pharmaceuticals	20.5%	93.9%	149.3%	2%	11%	15%	4%	18.1x	$330,743	
Shell Plc	Oil & Gas	49.9%	89.5%	185.2%	-9%	34%	15%	107%	8.1x	$308,337	
AstraZeneca PLC	Pharmaceuticals	2.6%	59.7%	66.6%	5%	9%	41%	14%	18.1x	$290,070	
SAP SE	Software	-2.6%	82.9%	76.4%	8%	10%	129%	15%	29.7x	$289,704	
Toyota Motor Corp.	Automobiles	-6.2%	25.1%	28.4%	8%	7%	-26%	7%	9.7x	$284,514	
Royal Bank of Canada	Banks	22.0%	181.1%	133.9%	1%	9%	21%	14%	17.5x	$282,048	
Nestle S.A.	Food Products	7.2%	6.1%	-9.3%	-2%	1%	-16%	2%	18.8x	$265,149	
Mitsubishi UFJ Financial Group, Inc.	Banks	41.2%	190.3%	376.7%	-2%	15%	2%	20%	13.2x	$259,758	
Alibaba Group Holding Limited	Broadline Retail	-31.9%	28.5%	-37.3%	4%	11%	-22%	66%	15.5x	$246,204	
Siemens AG	Industrial Conglomerate	7.6%	141.3%	107.7%	4%	5%	-17%	18%	24.0x	$231,898	
Toronto-Dominion Bank	Banks	35.5%	153.6%	112.8%	2%	8%	156%	21%	17.3x	$210,653	
BHP Group Ltd	Metals & Mining	39.1%	64.4%	124.1%	3%	5%	-8%	15%	16.0x	$205,876	
Commonwealth Bank of Australia	Banks	12.9%	111.1%	78.4%	1%	10%	6%	11%	24.6x	$196,276	
Shopify, Inc. Class A	IT Services	-2.1%	234.7%	8.3%	33%	36%	-38%	39%	80.9x	$190,769	

FactSet data as of 10/31/2026

ITEM F | SECURITIES LENDING

Security Lending

PURPOSE

This item is a specific request from the Investment Committee. Securities lending is the temporary transfer of idle equity or bond holdings to other financial institutions for a fee, with the borrower putting up collateral to secure the loan. It generates low-risk profit for the portfolio by lending securities that would otherwise be sitting dormant.

Securities lending earnings

$8.07B	11.04%	$263,177	3.93 bps	35.70 bps
AVG. LENDING POOL	AVG. UTILIZATION	AVG. MONTHLY EARNINGS	RETURN ON AVAIL. ASSETS	RETURN ON LOANED ASSETS

Month	Lending pool (avg./month)	Utilization (avg./month, %)	Net earnings	Reinvestment (collateral) income	Rebates / earnings on specials	Return on avail. assets (bps)	Return on loaned assets (bps)
Oct-25	$7,789,723,484	17.75	**$366,086**	$4,287,837	($3,857,156)	5.75	**29.15**
Nov-25	$7,762,830,766	9.42	**$216,622**	$2,101,216	($1,846,375)	3.38	**31.04**
Dec-25	$7,846,160,354	18.57	**$246,183**	$2,810,361	($2,520,743)	3.79	**22.07**
Jan-26	$7,974,893,306	16.94	**$218,543**	$2,058,790	($1,801,689)	3.32	**22.21**
Feb-26	$8,187,812,429	13.77	**$181,282**	$1,889,655	($1,676,392)	2.68	**18.07**
Mar-26	$7,655,605,875	12.97	**$601,330**	$2,850,863	($2,143,427)	9.08	**55.60**
Apr-26	$8,441,108,617	6.72	**$553,959**	$2,003,067	($1,351,359)	8.01	**82.00**
May-26	$8,275,497,228	8.80	**$215,351**	$1,358,842	($1,105,496)	3.08	**38.80**
Jun-26	$8,180,978,027	5.23	**$162,535**	$1,215,560	($1,024,351)	2.38	**36.61**
Jul-26	$8,168,800,875	7.42	**$153,401**	$1,316,508	($1,136,045)	2.24	**36.20**
Aug-26	$8,416,434,319	6.87	**$131,085**	$1,581,552	($1,427,344)	1.87	**30.23**
Sep-26	$8,190,610,148	8.00	**$111,746**	$1,600,249	($1,468,793)	1.62	**26.47**
Total portfolio earnings			**$3,158,123**	**$25,074,500**	**($21,359,169)**		

Figures in parentheses are rebate payments. Averages are simple averages of the monthly figures.

ITEM G

Executed Transactions

PURPOSE

Confidential minutes provided to Trustees to support governance and insight into decision making.

Executed transactions

No executed transactions for October.

This summary does not include co-investment and continuation vehicle transactions.

ITEM H

Exception Report

PURPOSE

An investment exception report highlights holdings and transactions that fall outside certain parameters and require additional review, which helps in the identification of outliers. This proactively focuses oversight where it is most relevant. Exception reports thus improve risk management and ensure alignment with investment policy and guidelines. Ultimately, they give management, committees, and boards better visibility into a portfolio to assess strategy and performance.

Public Equities NOF Performance

U.S. EQUITY

Account	Market value (%)	FYTD	1 Year	3 Years annualized	5 Years annualized	7 Years annualized
US Equity Blended Benchmark		1.7%	14.6%	21.8%	12.2%	15.1%
State Street Index Account	83.8%	1.8%	15.0%	22.4%	12.8%	15.6%
Active Strategies	**16.2%**	**-6.1%**	**7.3%**	**17.0%**	**10.8%**	**15.3%**

INTERNATIONAL EQUITY

Account	Market value (%)	FYTD	1 Year	3 Years annualized	5 Years annualized	7 Years annualized
Int'l Equity Blended Benchmark		0.5%	23.1%	21.0%	9.6%	10.8%
State Street Int'l Account	0.8%	12.7%	25.8%	20.0%	9.6%	10.5%
Dimensional FD Advisors*	98.5%	0.6%	23.1%			
Active Strategies	**0.7%**	**-4.0%**	**7.0%**	**13.3%**	**2.4%**	**5.5%**

DIMENSIONAL FD ADVISORS VERSUS BENCHMARK, MONTHLY

Account	3/31/2026	4/30/2026	5/31/2026	6/30/2026	7/31/2026	8/31/2026	9/30/2026	ITD
Dimensional FD Advisors	-10.7%	9.7%	5.3%	-0.6%	-0.1%	3.2%	-2.4%	**24.2%**
Custom Int'l Equity Benchmark	-11.1%	10.2%	5.5%	-0.5%	-0.5%	3.3%	-2.3%	**24.4%**

Since inception, Dimensional FD Advisors returned 24.2% versus 24.4% for its custom international equity benchmark.

** The Trust established an investment with DFA in August 2025.*

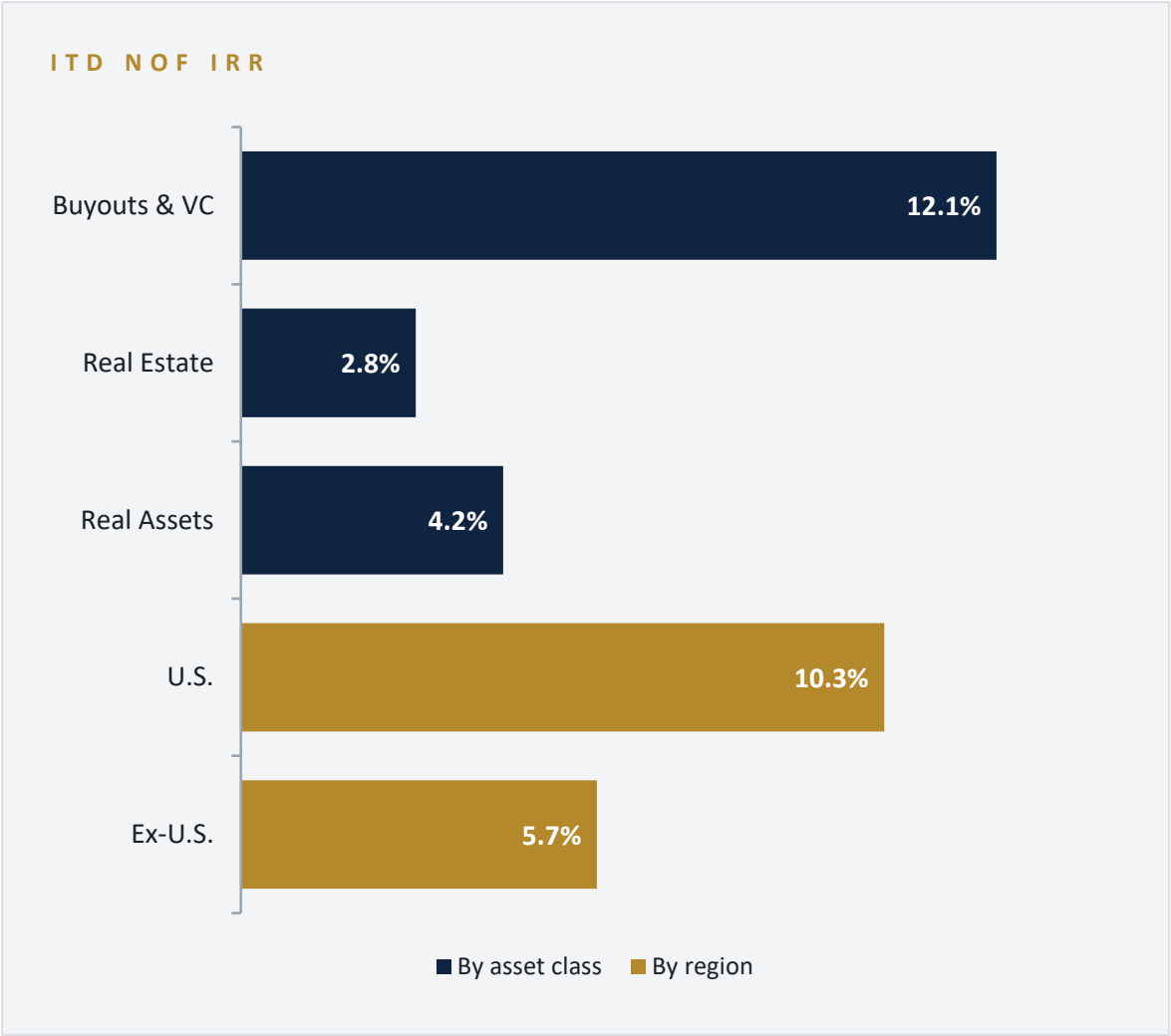
Global Private Equity (GPE) Performance

BY ASSET CLASS

Asset class	Market value ($ millions)	ITD NOF IRR
Buyouts & VC	3,601	**12.1%**
Real Estate	2,325	**2.8%**
Real Assets	600	**4.2%**

BY REGION

Region	Market value ($ millions)	ITD NOF IRR
U.S.	5,344	**10.3%**
Ex-U.S.	1,183	**5.7%**



ITD = inception to date. NOF = net of fees.

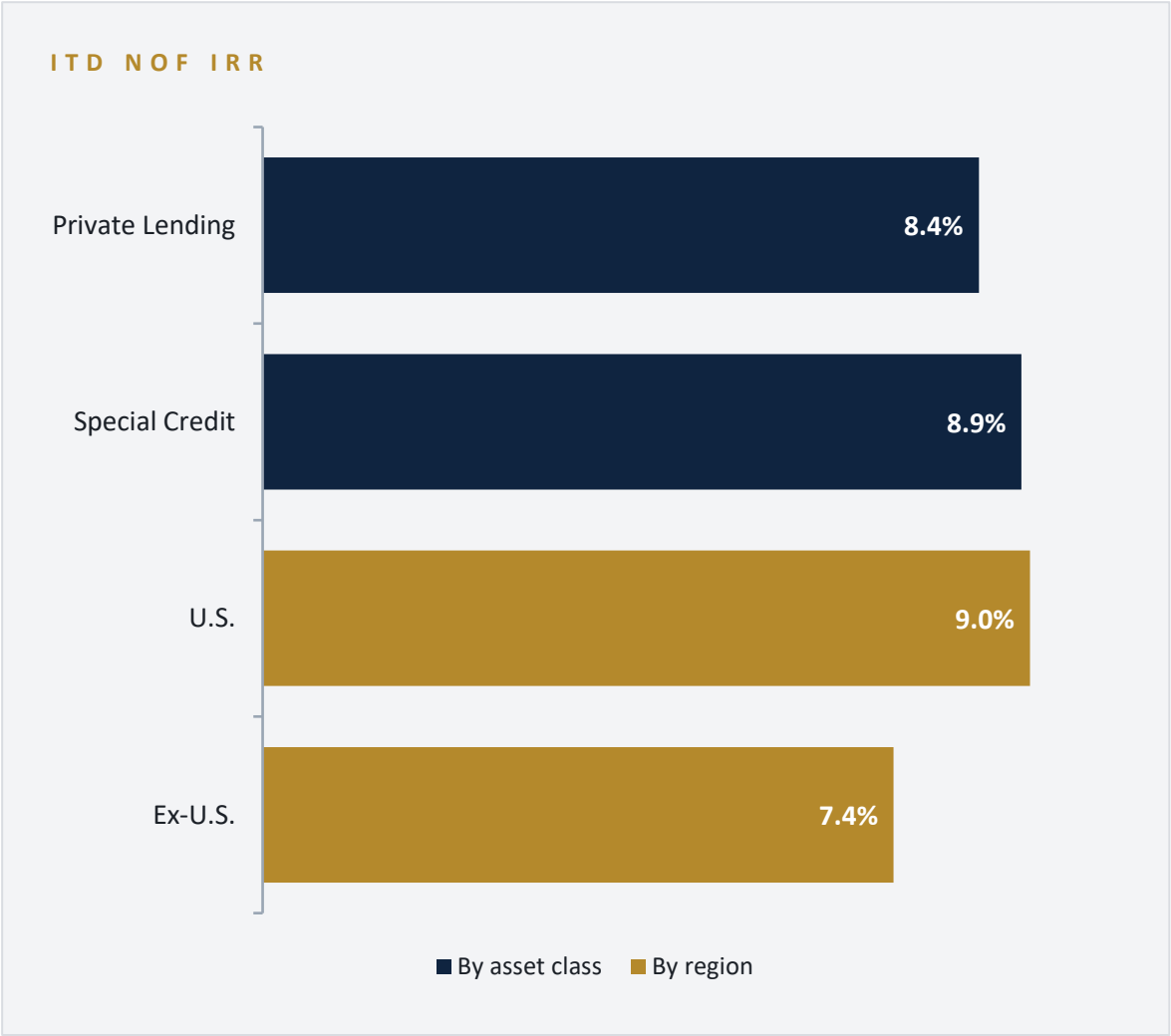
Private Credit Performance

BY ASSET CLASS

Asset class	Market value ($ millions)	ITD NOF IRR
Private Lending	2,241	**8.4%**
Special Credit	2,833	**8.9%**

BY REGION

Region	Market value ($ millions)	ITD NOF IRR
U.S.	4,178	**9.0%**
Ex-U.S.	896	**7.4%**



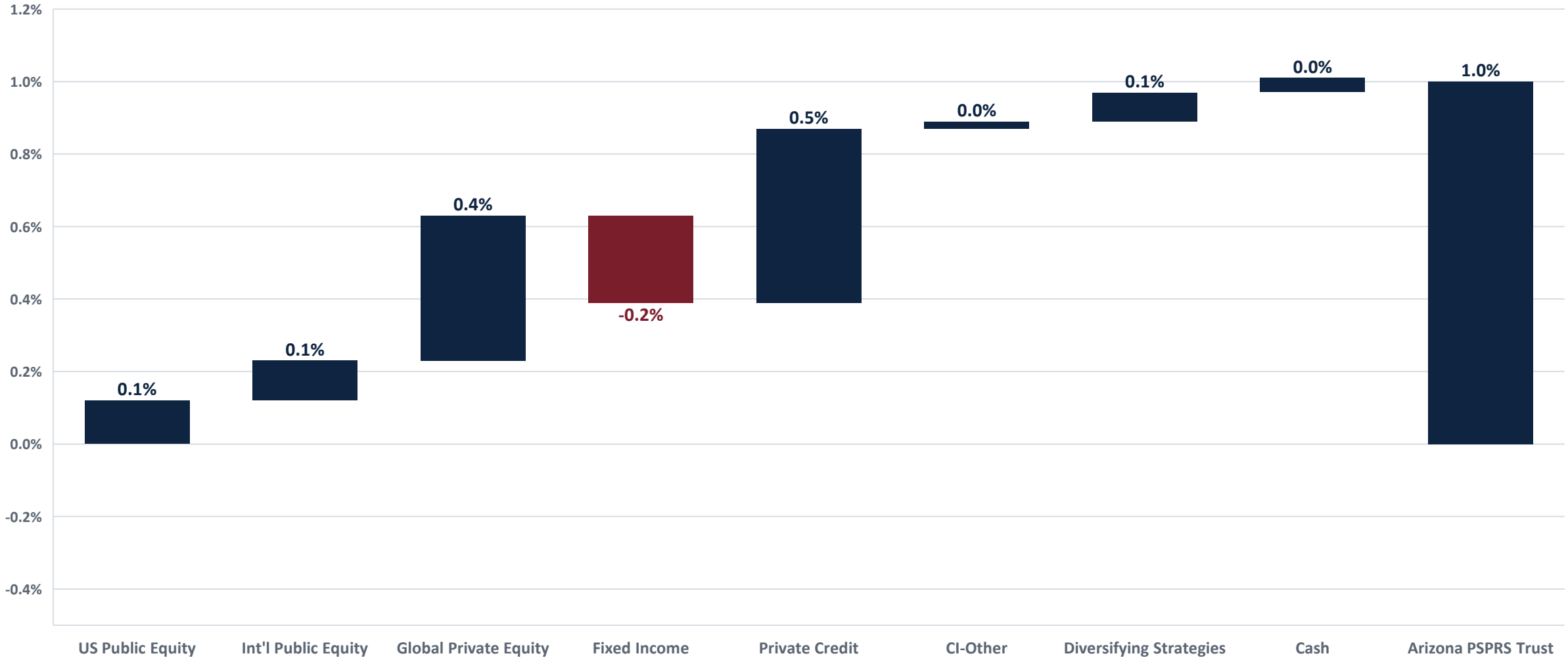
ITD = inception to date. NOF = net of fees.

Appendix A, Monthly market value changes

Account name	Beginning market value	Amount in	Amount out	Change in market value	Ending market value	Return
Arizona PSPRS Trust	**28,095**	**696**	**(761)**	**(205)**	**27,825**	**-0.7%**
Capital Appreciation	**18,026**	**79**	**(386)**	**(160)**	**17,560**	**-0.9%**
US Public Equity	7,200	0	(140)	(95)	6,965	-1.3%
Int'l Public Equity	4,344	0	(172)	(104)	4,068	-2.4%
Global Private Equity	6,482	79	(74)	39	6,526	0.6%
Contractual Income	**7,262**	**80**	**(64)**	**(29)**	**7,249**	**-0.4%**
Fixed Income	1,959	4	(4)	(50)	1,909	-2.6%
Private Credit	5,036	75	(58)	22	5,074	0.4%
Other Assets	267	2	(2)	(1)	266	-0.4%
Diversifying Strategies	**1,653**	**2**	**(9)**	**(19)**	**1,627**	**-1.2%**
Cash	**1,154**	**534**	**(303)**	**4**	**1,389**	**0.3%**

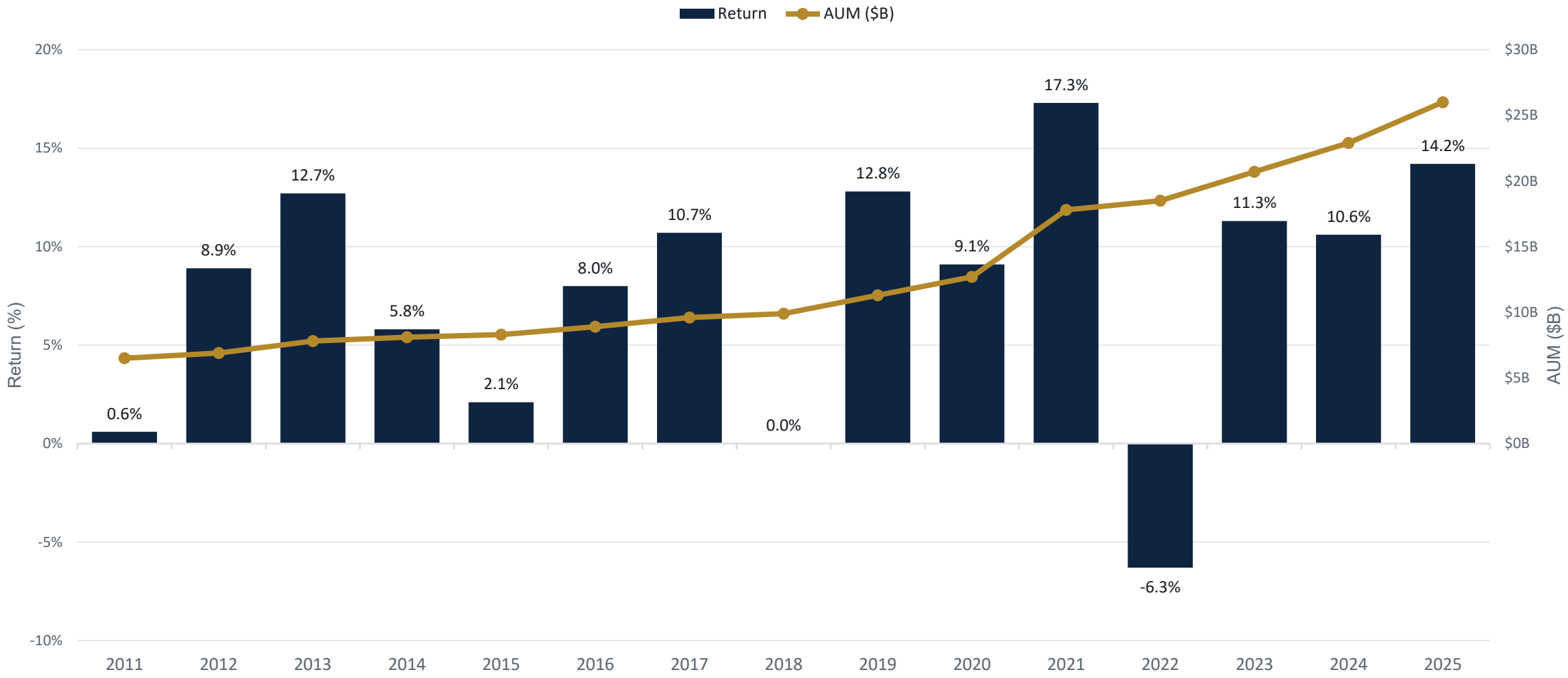
Outflows shown in parentheses and maroon.

Appendix B, Fiscal year to date contribution to return



Appendix C, Calendar year returns and AUM

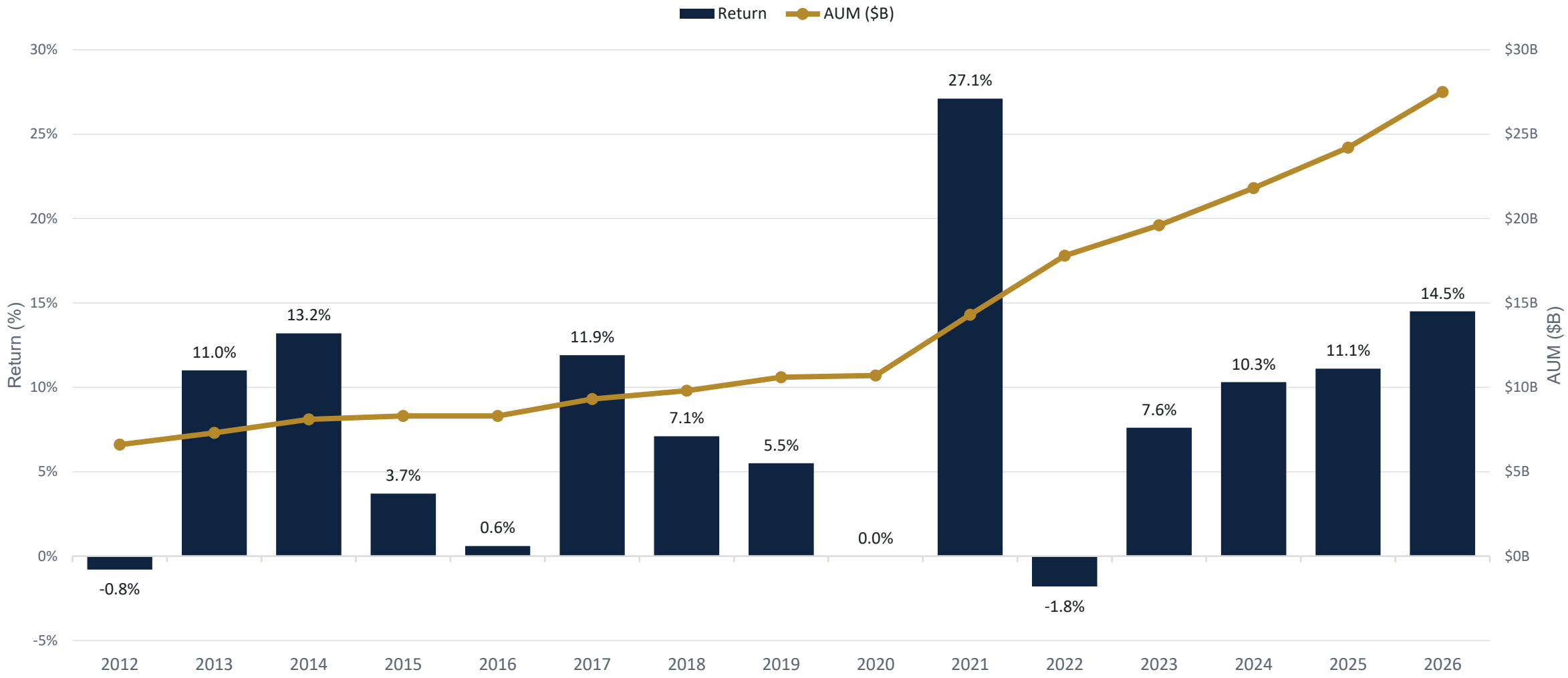
January 1 to December 31



Net of fees. AUM read from the source chart series.

Appendix D, Fiscal year returns and AUM

July 1 to June 30



Net of fees. AUM read from the source chart series.