



2nd Quarter 2025

Forest Preserve Fund

Investment Performance Review

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Forest Preserve Fund

2nd Quarter 2025

- **Total Fund ended the quarter with a market value of \$216.1 million, a \$10.2 million increase from the prior quarter ending value of \$205.9 million.**
- **Asset allocation of the Fund is in line with expectations. The largest overweights are to International Equity and Domestic Equity, which exceed their target weights by 4.4% and 3.8%, respectively. These overweights are offset by underweights to Private Equity and Private Credit. Managers have been selected, and these allocations are in the process of being implemented.**
- **For the quarter, Total Fund returned 7.41% (NOF) and outperformed the benchmark return of 7.11%. Over the last year, the Total Fund returned 10.92% versus the benchmark return of 11.86%.**
 - **Domestic Equity** returned 10.26% for the quarter and underperformed the benchmark return of 10.99%. Over the last year, the Domestic Equity allocation (+12.65%) underperformed the benchmark return (+15.30%).
 - **International Equity** returned 13.70% for the quarter and outperformed the benchmark return of 12.03%. Over the last year, the International Equity allocation (+16.45%) trailed the benchmark return (+17.72%).
 - **Fixed Income** returned 1.24% for the quarter, in line with the benchmark return of 1.21%. Over the last year, the Fixed Income allocation (+6.11%) edged out the benchmark return (+6.07%).
 - **Real Estate** returned 1.25% for the quarter and outperformed the benchmark return of 0.81%. Over the last year, the Real Estate allocation (+2.39%) underperformed the benchmark return (2.67%).
 - **Hedge Funds** returned 1.85% for the quarter and trailed the benchmark return of 2.06%. Over the last year, the Hedge Funds allocation (+9.03%) matched the benchmark return (+9.03%).
 - **Private Equity** returned 0.00% for the quarter. The allocation was funded in 1Q25.
- **Three-year period: Total Fund returned 10.13% (NOF) and underperformed the benchmark return of 10.62%.**
- **Five-year period: Total Fund returned 8.99% (NOF) and outperformed the benchmark return of 8.73%.**
- **Ten-year period: Total Fund returned 7.28% (NOF) and underperformed the benchmark return of 7.50%.**
- **Total Fund ranked in the top half of peers over the trailing five-year period and just below median for the trailing three- and ten-year periods.**

Note: Returns greater than one year are annualized; Returns presented are net of management fees (NOF)

U.S. Equity Markets Back Up Sharply in 2Q25

Global ex-U.S. markets led the way for the second quarter in a row, showing diversification

Big gains for U.S. stocks

- S&P 500 rose 10.9% in 2Q25. U.S. small cap gained 8.5%. Both markets were spooked by tariff policy early in the quarter, then recovered when the implementation was delayed.

Weaker 2Q for core fixed income

- The Bloomberg Aggregate rose 1.2%, down from the surge in 1Q. Long duration lost 0.2%.
- CPI-U came in at 2.7% (year-over-year) through June, and the core index rose 2.9%. Both figures are up from May. Energy continues to pull down the total headline number.

Solid economic growth resumed

- The job market keeps expanding and real incomes are rising. 1Q GDP came in at -0.5% but grew 3.0% in 2Q. Consumer spending held up while business spending has paused.

Returns for Periods ended 6/30/25

	Quarter	1 Year	3 Years	5 Years	10 Years	25 Years
U.S. Equity						
Russell 3000	10.99	15.30	19.08	15.96	12.96	8.04
S&P 500	10.94	15.16	19.71	16.64	13.65	7.98
Russell 2000	8.50	7.68	10.00	10.04	7.12	7.35
Global ex-U.S. Equity						
MSCI World ex USA	12.05	18.70	15.73	11.51	6.65	4.63
MSCI Emerging Markets	11.99	15.29	9.70	6.81	4.82	--
MSCI ACWI ex USA Small Cap	16.93	18.34	13.46	10.74	6.54	7.02
Fixed Income						
Bloomberg Aggregate	1.21	6.08	2.55	-0.73	1.76	3.94
90-day T-Bill	1.04	4.68	4.56	2.76	1.98	1.88
Bloomberg Long Gov/Credit	-0.18	3.32	-0.31	-4.93	1.79	5.24
Bloomberg Global Agg ex-US	7.29	11.21	2.74	-1.63	0.61	2.94
Real Estate						
NCREIF Property Index	1.20	4.23	-2.75	3.70	5.22	7.46
FTSE Nareit Equity	-1.16	8.60	5.35	8.63	6.32	9.29
NCREIF NFI-ODCE Val Wt Net	0.81	2.67	-6.21	2.54	4.42	5.93
Alternatives						
Cambridge Private Equity*	1.67	6.30	2.17	15.66	13.09	10.35
Cambridge Senior Debt*	2.68	6.08	7.06	8.75	7.71	4.62
HFRI Fund Weighted	4.32	8.43	7.78	8.56	5.40	5.46
Bloomberg Commodity	-3.08	5.77	0.13	12.68	1.99	1.73
Gold Spot Price	5.00	41.38	22.32	12.93	10.93	10.20
Inflation: CPI-U	0.86	2.67	2.87	4.58	3.06	2.54

*Cambridge Private Equity and Cambridge Senior Debt data as of 1Q25.

Returns greater than one year are annualized.

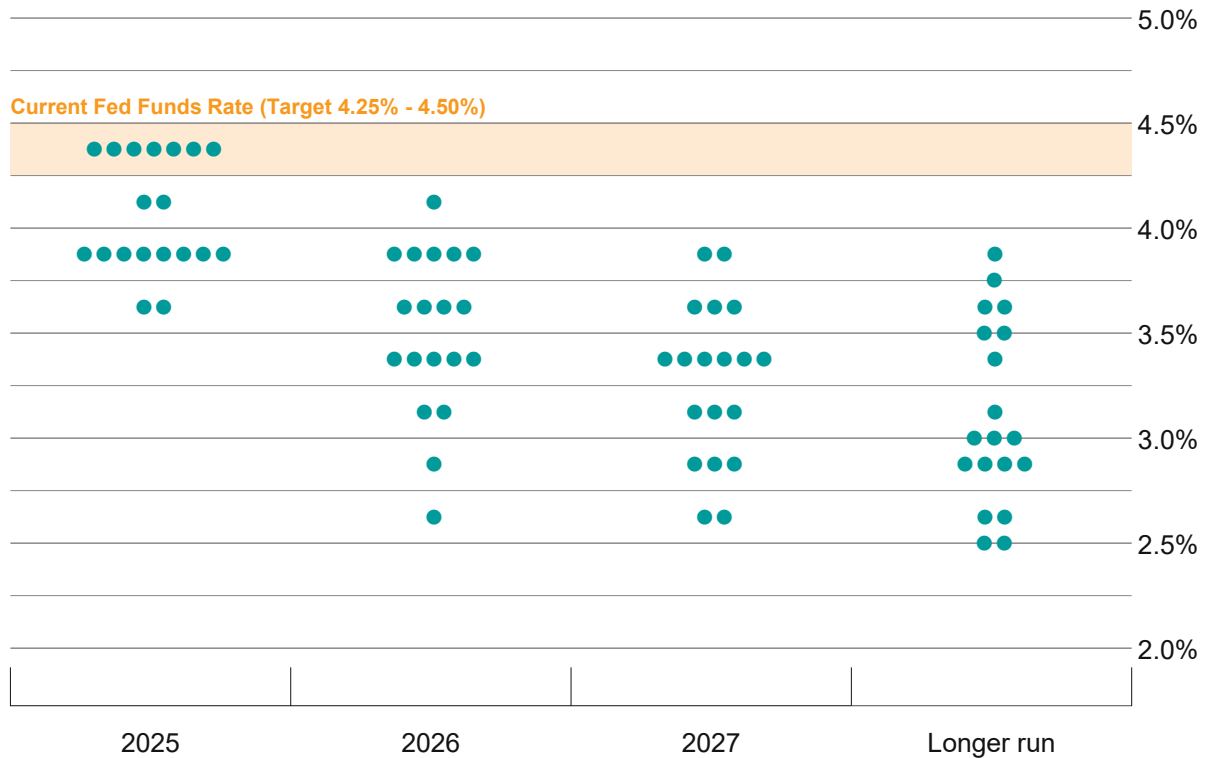
Sources: Bloomberg, Callan, Cambridge, FTSE Russell, HFRI, MSCI, NCREIF, S&P Dow Jones Indices

The Fed's 'Dot Plot'

June 18, 2025

Federal Open Market Committee (FOMC) participants' assessments of appropriate monetary policy

- Median year-end in 2025 = 3.9% (unchanged from December and March meetings)
- “Longer run” median held at 3.0%
 - Bias is toward higher rates; lower bound is 2.6% but higher bound is 3.6%.
- Dispersion of views widens in 2026 and beyond.
- Longer run unchanged from the March meeting.



Source: Federal Reserve

Callan Periodic Table of Investment Returns

As of June 30, 2025

Calendar Year Returns					Quarterly Returns				Monthly Returns		
2020	2021	2022	2023	2024	3Q24	4Q24	1Q25	2Q25	Apr	May	Jun
Small Cap Equity	Large Cap Equity	Private Real Estate	Large Cap Equity	Large Cap Equity	REITS	Hedge Funds	Dev Non-U.S. Equity	EM Equity	Dev Non-U.S. Equity	Large Cap Equity	EM Equity
19.96%	28.71%	6.55%	26.29%	25.02%	16.07%	3.07%	6.86%	11.99%	4.58%	6.29%	6.01%
Large Cap Equity	REITS	Hedge Funds	Dev Non-U.S. Equity	Small Cap Equity	Small Cap Equity	Large Cap Equity	EM Equity	Dev Non-U.S. Equity	EM Equity	Small Cap Equity	Small Cap Equity
18.40%	26.09%	-5.32%	18.24%	11.54%	9.27%	2.41%	2.93%	11.78%	1.31%	5.34%	5.44%
EM Equity	Private Real Estate	U.S. Fixed Income	Small Cap Equity	Hedge Funds	EM Equity	Private Real Estate	U.S. Fixed Income	Large Cap Equity	REITS	Dev Non-U.S. Equity	Large Cap Equity
18.31%	21.02%	-13.01%	16.93%	11.38%	8.72%	0.96%	2.78%	10.94%	0.95%	4.58%	5.09%
Hedge Funds	Small Cap Equity	Dev Non-U.S. Equity	EM Equity	EM Equity	Dev Non-U.S. Equity	Small Cap Equity	REITS	Small Cap Equity	U.S. Fixed Income	EM Equity	Dev Non-U.S. Equity
8.65%	14.82%	-14.45%	9.83%	7.50%	7.26%	0.33%	1.59%	8.50%	0.39%	4.27%	2.20%
Dev Non-U.S. Equity	Dev Non-U.S. Equity	Large Cap Equity	REITS	Dev Non-U.S. Equity	Large Cap Equity	U.S. Fixed Income	Hedge Funds	REITS	Private Real Estate	REITS	U.S. Fixed Income
7.82%	11.26%	-18.11%	9.67%	3.82%	5.89%	-3.06%	0.88%	4.41%	0.27%	2.52%	1.54%
U.S. Fixed Income	Hedge Funds	EM Equity	U.S. Fixed Income	U.S. Fixed Income	U.S. Fixed Income	EM Equity	Private Real Estate	U.S. Fixed Income	Large Cap Equity	Private Real Estate	Hedge Funds
7.51%	9.74%	-20.09%	5.53%	1.25%	5.20%	-8.01%	0.85%	1.21%	-0.68%	0.27%	1.43%
Private Real Estate	U.S. Fixed Income	Small Cap Equity	Hedge Funds	REITS	Hedge Funds	Dev Non-U.S. Equity	Large Cap Equity	Private Real Estate	Hedge Funds	Hedge Funds	REITS
0.34%	-1.54%	-20.44%	4.24%	0.94%	1.23%	-8.11%	-4.27%	0.81%	-1.17%	0.18%	0.88%
REITS	EM Equity	REITS	Private Real Estate	Private Real Estate	Private Real Estate	REITS	Small Cap Equity	Hedge Funds	Small Cap Equity	U.S. Fixed Income	Private Real Estate
-9.04%	-2.54%	-25.10%	-12.73%	-2.27%	0.02%	-9.69%	-9.48%	0.41%	-2.31%	-0.72%	0.27%

Sources: ● S&P 500 ● Russell 2000 ● MSCI EAFE ● MSCI Emerging Markets ● Bloomberg U.S. Aggregate ● HFRI Fund of Funds Index*

● NCREIF ODCE Value Weight Net ● FTSE EPRA/NAREIT Developed

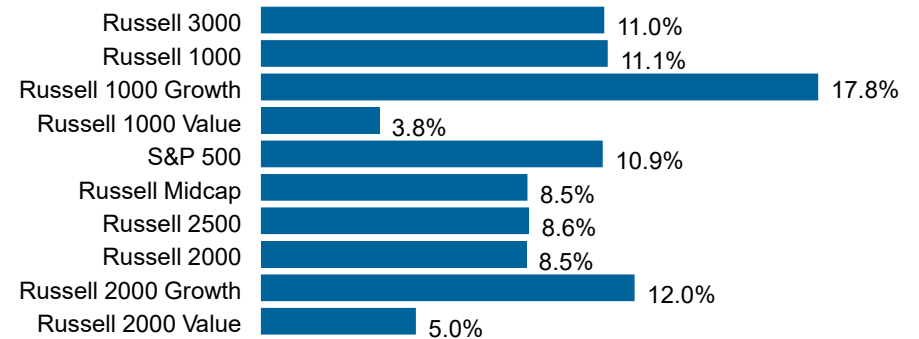
*Returns are lagged one month

U.S. Equity Performance: 2Q25

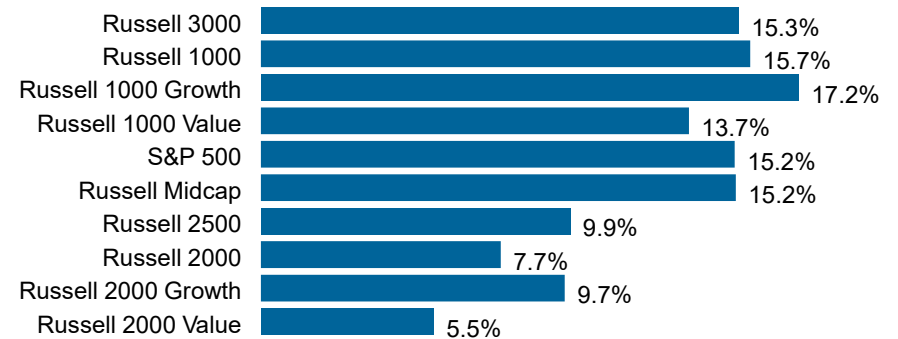
Reversal of fortune leads to gains across large and mid-cap indices YTD

- The U.S. equity market reversed 1Q25 losses in 2Q25 as the S&P 500 Index gained 10.9%, driven by a pause in tariff implementation, continued earnings growth, and stronger than expected economic indicators.
- Technology, Communication Services, Consumer Discretionary, and Industrials all gained over 10% during the quarter; Energy and Health Care performed the worst.
- Market cap performance was monotonic, with large cap stocks performing best followed by mid-cap and then small cap stocks.
- Growth outperformed value across the market cap spectrum, reversing the 1Q25 pattern and returning to the long-term trend of growth outperformance.
- Strong results in 2Q25 offset poor results in 1Q25, leading to gains of 6.2% YTD for the S&P 500.

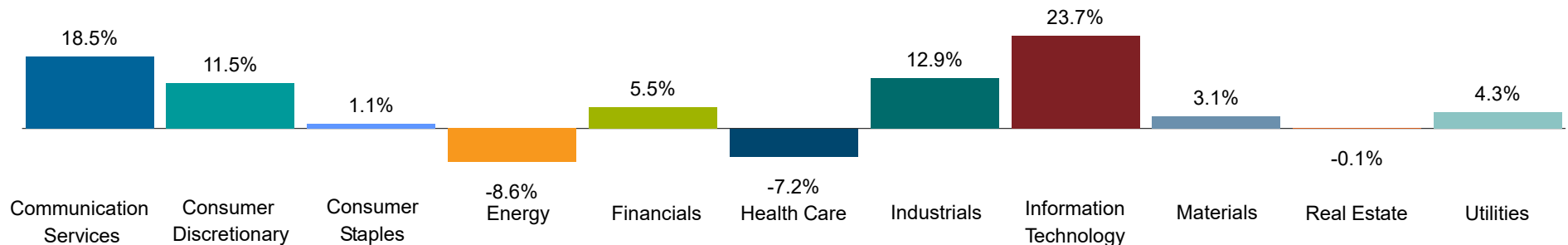
U.S. Equity: Quarter Ended 6/30/25



U.S. Equity: One Year Ended 6/30/25



Industry Sector Quarterly Performance (S&P 500) as of 6/30/25



Sources: FTSE Russell, S&P Dow Jones Indices

Global/Global ex-U.S. Equity Performance: 2Q25

Modest edge for global ex-U.S. markets

Broad market

- Global ex-U.S. equities outperformed the U.S. Both had strong absolute results as tariff concerns subsided, and Technology stocks led the market rally.

Emerging markets

- Emerging markets rose 12%, supported by a weaker U.S. dollar and strong gains in Tech and Industrials; year-to-date returns (MSCI Emerging Markets: +15.3%) are more than double those of the S&P 500 (+6.2%).
- India gained 9%, though investor caution is rising due to high valuations and slowing earnings after a multi-year rally.
- China underperformed, up only 2%, with modest gains offset by weakness in consumer discretionary stocks.

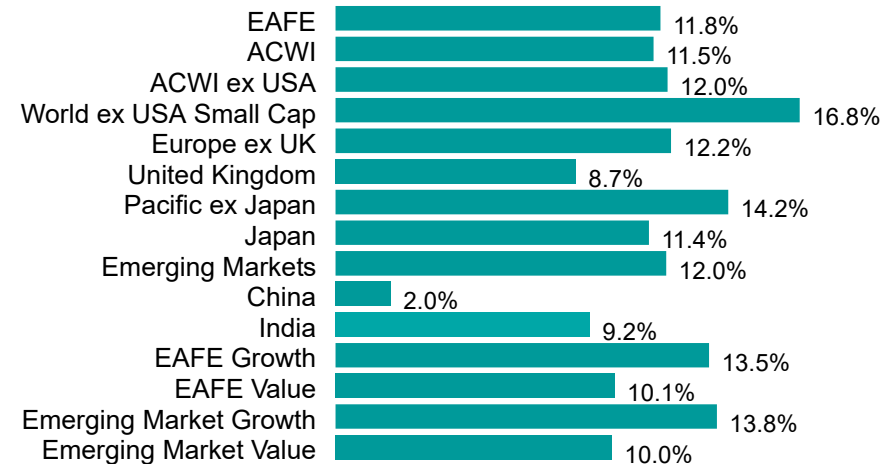
Growth vs. value

- Growth outperformed value as markets favored risk, with high-volatility stocks leading the way. Technology was a standout, while quality lagged and Energy fell due to lower oil prices.

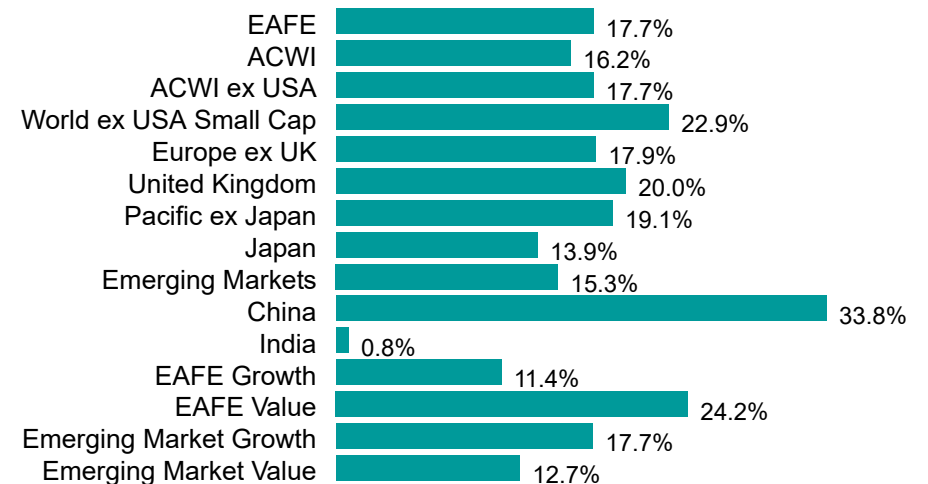
U.S. dollar

- The U.S. dollar posted its worst start to a year since 1973, falling about 10% year to date amid trade tensions, Fed policy-easing expectations, fiscal concerns, and global efforts to reduce dollar reliance.

Global Equity Returns: Quarter Ended 6/30/25



Global Equity Returns: One Year Ended 6/30/25



Source: MSCI

U.S. Fixed Income Performance: 2Q25

With Fed on hold, yield curve steepens as intermediate and long-end rates diverge

Macro environment

- The Fed held rates steady at both meetings during the quarter, citing persistent inflation and economic uncertainty.
- U.S. Treasury yields were mixed, with intermediate rates declining while yields at the long end moved higher.
- The yield curve steepened, with the 2s/10s spread-widening as much as 67 bps—the steepest level since the curve first inverted in 2022—before ending at 52 bps.

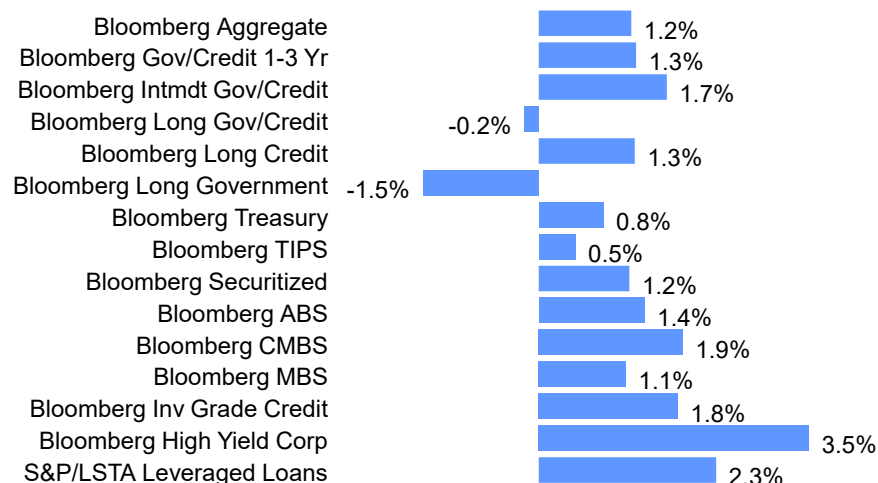
Performance and drivers

- Despite the rise in long-term rates, the Bloomberg US Aggregate Bond Index rose 1.2%, supported by the rate declines between one- and seven-year maturities.
- IG corporates outperformed Treasuries on a duration-adjusted basis amid modestly tighter spreads; securitized also outperformed, though by a smaller margin.
- HY and bank loans delivered the strongest returns as non-investment grade spreads tightened, though dispersion across quality tiers was relatively modest.

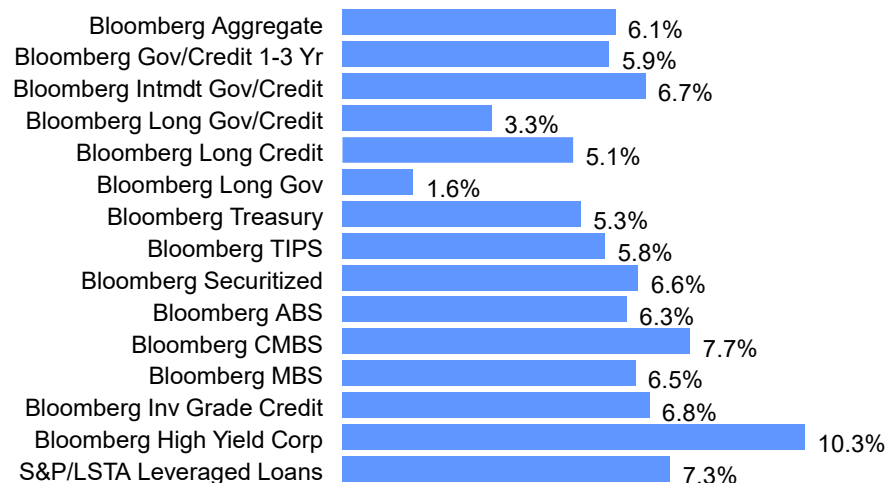
Valuations

- Corporate credit spreads widened sharply following Liberation Day but retraced in the second half, ending below 1Q levels.
- New issuance slowed from 1Q, but volumes remained healthy with \$396 billion in IG and \$73 billion in HY, contributing to strong YTD totals.

U.S. Fixed Income Returns: Quarter Ended 6/30/25



U.S. Fixed Income Returns: One Year Ended 6/30/25



Sources: Bloomberg, Callan, J.P. Morgan, S&P Dow Jones Indices, U.S. Treasury

U.S. Private Real Estate Performance: 2Q25

Sector appreciation turns positive, outside of Office and Hotel

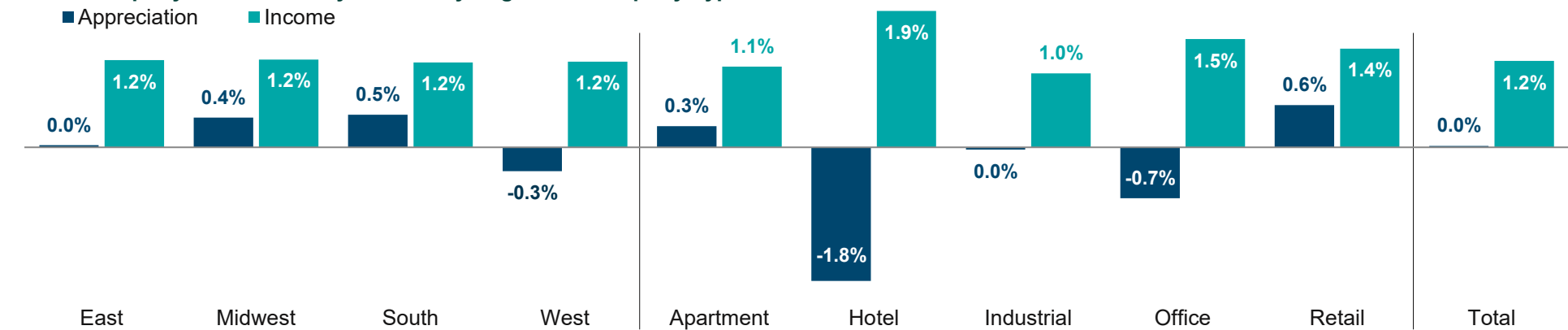
Valuations reflect higher interest rates

- Valuations appear to have bottomed and are in the very early stages of a recovery.
- Income returns were positive across sectors and regions.
- Property sectors were mixed; Office and Hotel experienced negative appreciation, while the remaining sectors had positive appreciation.
- West region underperformance was driven by repricing of industrial in Southern California.
- Return dispersion by manager within the ODCE Index was due to the composition of underlying portfolios.

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
NCREIF ODCE	0.8%	2.7%	-6.2%	2.5%	4.4%
Income	0.8%	3.3%	3.0%	3.0%	3.2%
Appreciation	0.0%	-0.6%	-9.0%	-0.4%	1.4%
NCREIF Property Index	1.2%	4.2%	-2.8%	3.7%	5.2%
Income	1.2%	4.8%	4.5%	4.3%	4.5%
Appreciation	0.0%	-0.6%	-7.0%	-0.6%	0.7%

Returns are geometrically linked

NCREIF Property Index Quarterly Returns by Region and Property Type



Source: NCREIF; ODCE return is net

Hedge Fund Performance: 2Q25

Managers ended a volatile quarter with strong performance

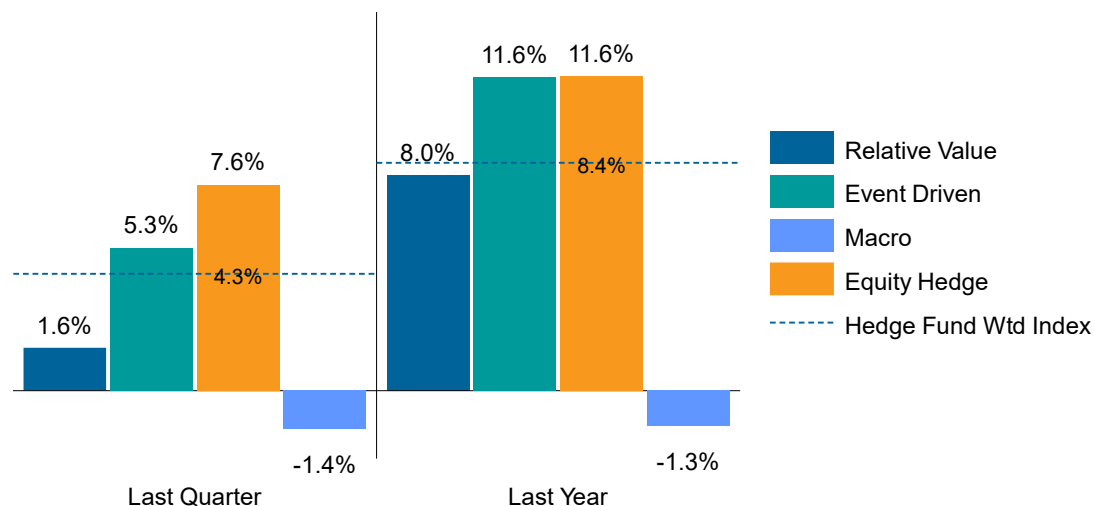
Equities had a strong rally to end 1H25

- Equity hedge led performance during the quarter, as large gains came from sector-focused strategies in Technology and Industrials.
- Event-driven strategies gained momentum throughout the quarter on speculation around M&A situations.
- Relative value strategies also had a positive quarter, as they were able to profit from volatility around credit and equity positions.
- Macro strategies ended lower, as some had difficulty trading around interest rate volatility, while commodity trading offset some of the losses.

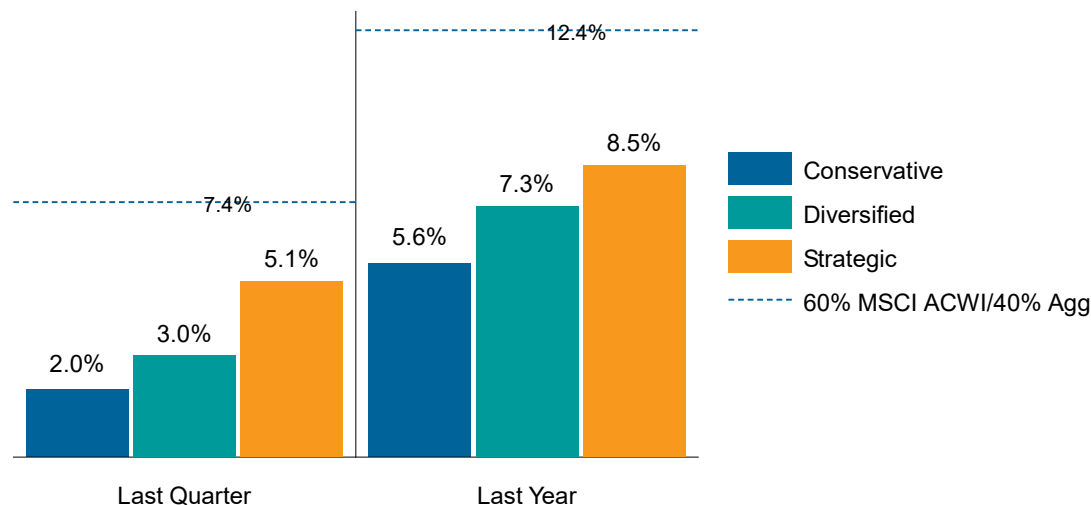
FOFs saw strong 2Q performance

- FOFs with more exposure to equity hedge strategies performed better.
- FOFs with more diversification across credit strategies saw performance that lagged those with more equity beta.

HFRI Strategy Index Returns vs. Broad Hedge Fund Universe as of 6/30/25



HFRI Fund-of-Funds Returns vs. 60% Stock/40% Bond Mix as of 6/30/25



Source: Hedge Fund Research

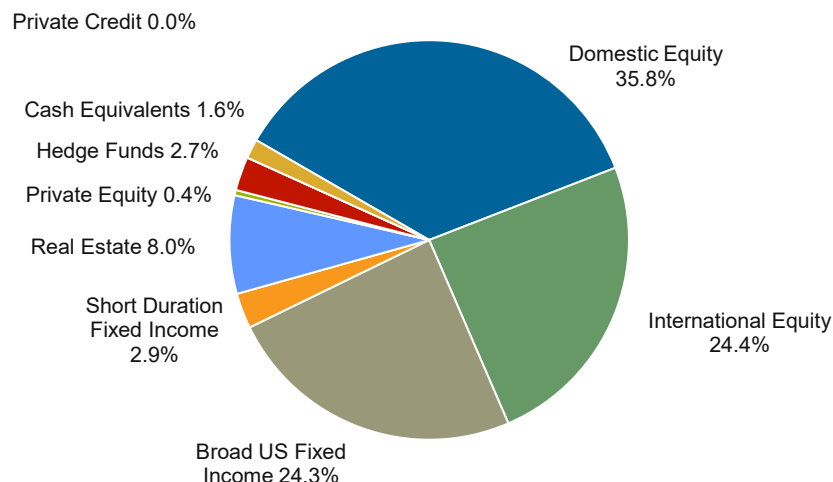
Forest Preserve Fund

2nd Quarter Investment Performance

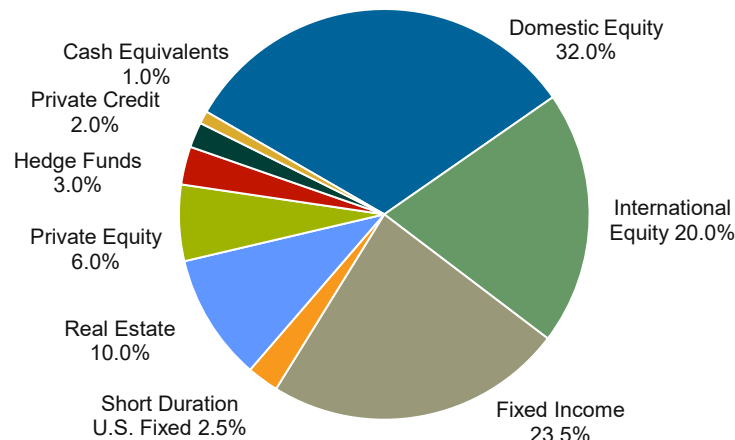
Asset Allocation vs Policy Target*

As of June 30, 2025

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Min Target	Target	Max Target	Percent Difference	\$000s Difference
Domestic Equity	77,319	35.8%	28.0%	32.0%	36.0%	3.8%	8,167
International Equity	52,727	24.4%	16.0%	20.0%	24.0%	4.4%	9,507
Broad US Fixed Income	52,463	24.3%	19.5%	23.5%	27.5%	0.8%	1,679
Short Duration Fixed Income	6,192	2.9%	0.0%	2.5%	4.5%	0.4%	789
Real Estate	17,186	8.0%	6.0%	10.0%	14.0%	(2.0%)	(4,424)
Private Equity	920	0.4%	0.0%	6.0%	10.0%	(5.6%)	(12,046)
Hedge Funds	5,908	2.7%	0.0%	3.0%	6.0%	(0.3%)	(575)
Private Credit	-	0.0%	0.0%	2.0%	4.0%	(2.0%)	(4,322)
Cash Equivalents	3,387	1.6%	0.0%	1.0%	5.0%	0.6%	1,226
Total	216,102	100.0%		100%			

- The Forest Preserve Fund's largest overweights are to International Equity (+4.4%) and Domestic Equity (+3.8). These are offset by the underweights to Private Equity (-5.6%) and Private Credit (-2.0%). Managers have been selected, and the allocations are in the process of being implemented.

*The target allocation was approved in September 2023. The Total Fund benchmark will be modified in accordance with the actual implementation. This process reflects the practical implementation of non-publicly traded investments.

Total Fund Asset Summary (\$)

As of June 30, 2025

Last Quarter

	June 30, 2025				March 31, 2025	
	Market Value	Weight	Net Cash Activity	Inv. Return	Market Value	Weight
Domestic Equity	\$77,319,317	35.78%	\$0	\$7,231,036	\$70,088,281	34.04%
International Equity	\$52,727,296	24.40%	(\$4,109,943)	\$6,756,955	\$50,080,284	24.32%
Domestic Fixed Income	\$58,654,839	27.14%	\$0	\$727,027	\$57,927,812	28.13%
Real Estate	\$17,186,011	7.95%	(\$405,939)	\$250,371	\$17,341,579	8.42%
Hedge Funds	\$5,908,339	2.73%	(\$14,805)	\$122,179	\$5,800,966	2.82%
Private Equity	\$920,000	0.43%	\$0	\$0	\$920,000	0.45%
Miscellaneous Assets	\$0	0.00%	(\$1,400)	\$1,400	\$0	0.00%
Cash Equivalents	\$3,386,595	1.57%	(\$390,268)	\$20,691	\$3,756,172	1.82%
Total Forest Preserve Fund	\$216,102,398	100.00%	(\$4,922,355)	\$15,109,659	\$205,915,094	100.00%

Last Year

	June 30, 2025				June 30, 2024	
	Market Value	Weight	Net Cash Activity	Inv. Return	Market Value	Weight
Domestic Equity	\$77,319,317	35.78%	(\$10,258,000)	\$9,568,600	\$78,008,718	38.89%
International Equity	\$52,727,296	24.40%	(\$9,186,538)	\$8,298,566	\$53,615,269	26.73%
Domestic Fixed Income	\$58,654,839	27.14%	\$13,124,419	\$2,913,697	\$42,616,724	21.25%
Real Estate	\$17,186,011	7.95%	(\$1,626,105)	\$536,906	\$18,275,209	9.11%
Hedge Funds	\$5,908,339	2.73%	(\$57,415)	\$546,772	\$5,418,984	2.70%
Private Equity	\$920,000	0.43%	\$920,000	\$0	\$0	0.00%
Miscellaneous Assets	\$0	0.00%	(\$5,667)	\$5,667	\$0	0.00%
Cash Equivalents	\$3,386,595	1.57%	\$616,049	\$110,164	\$3,756,172	1.33%
Total Forest Preserve Fund	\$216,102,398	100.00%	(\$6,473,258)	\$21,980,370	\$200,595,286	100.00%

Real Estate, Hedge Fund, and Private Equity information represents trailing data..

NOTE: Net Cash Activity column includes contributions, withdrawals, transfers, and manager fee payments.

Asset Class Performance Returns (NOF)

As of June 30, 2025

	Market Value \$(Dollars)	Ending Weight	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity	\$77,319,317	35.78%	10.26%	12.65%	17.28%	15.15%	12.07%
Domestic Equity Benchmark (2)	-	-	10.99%	15.30%	19.08%	15.96%	12.91%
International Equity	\$52,727,296	24.40%	13.70%	16.45%	14.18%	10.42%	6.61%
International Equity Bnmk (4)	-	-	12.03%	17.72%	13.99%	10.13%	6.12%
Fixed Income	\$58,654,839	27.14%	1.24%	6.11%	2.64%	(0.03%)	1.91%
Fixed Income Benchmark (3)	-	-	1.21%	6.07%	2.68%	(0.49%)	1.85%
**Real Estate	\$17,186,011	7.95%	1.25%	2.39%	(4.69%)	2.26%	4.68%
NFI-ODCE Value Weight Net	-	-	0.81%	2.67%	(6.21%)	2.54%	4.42%
**Hedge Funds	\$5,908,339	2.73%	1.85%	9.03%	8.62%	7.84%	5.20%
90-Day Average SOFR + 4% (5)	-	-	2.06%	9.03%	8.87%	7.04%	6.27%
HFRI Fund of Funds Index (6)	-	-	0.35%	5.61%	5.42%	6.24%	3.52%
**Private Equity	\$920,000	0.43%	0.00%	-	-	-	-
*Private Credit	\$0	0.00%	-	-	-	-	-
Cash Equivalents	\$3,386,595	1.57%	1.09%	4.75%	4.71%	2.86%	2.24%
3-month Treasury Bill	-	-	1.04%	4.68%	4.56%	2.76%	1.98%
Total Forest Preserve Fund	\$216,102,398	100.00%	7.41%	10.92%	10.13%	8.99%	7.28%
Total Fund Benchmark (1)	-	-	7.11%	11.86%	10.62%	8.73%	7.50%

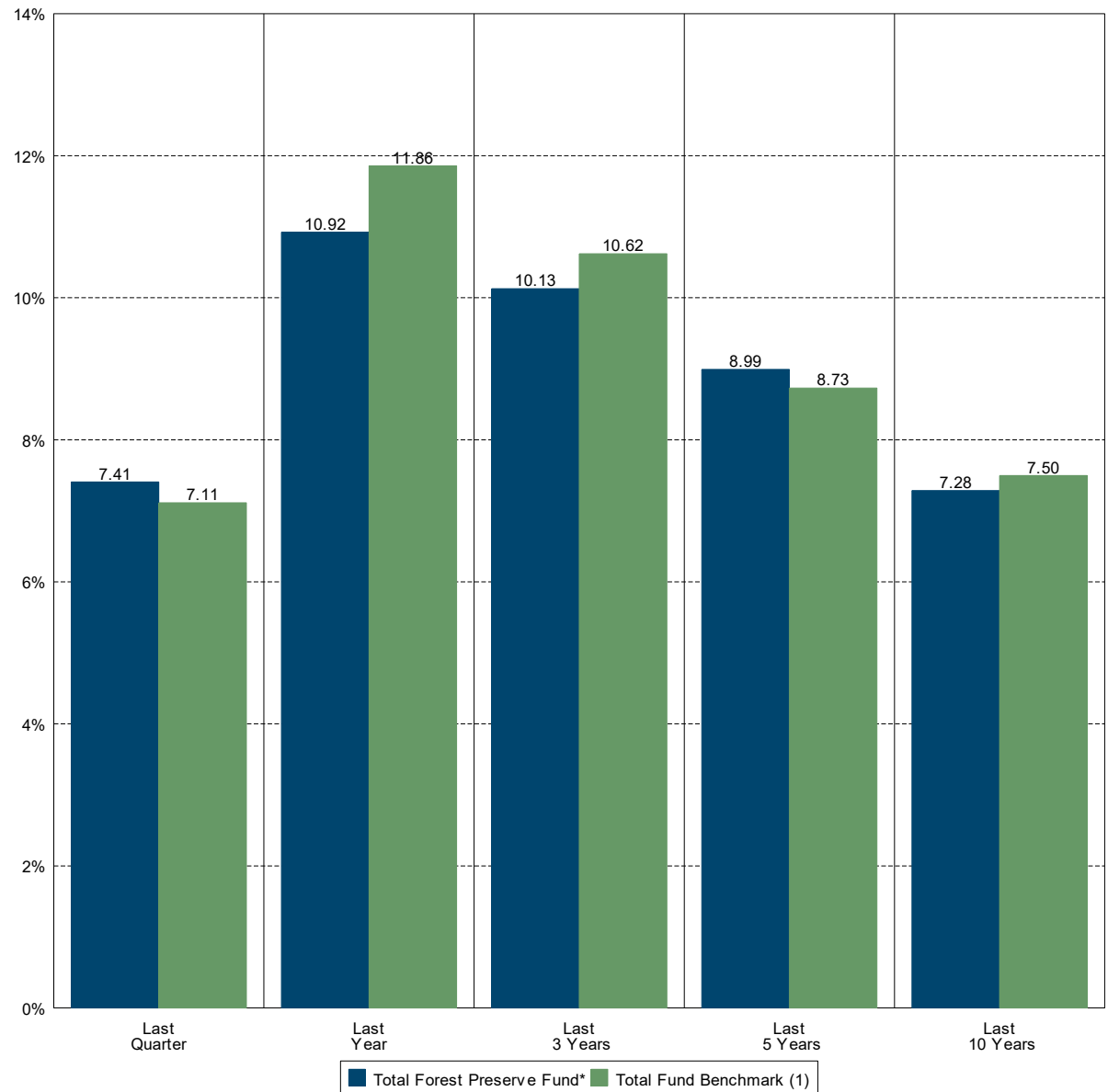
*Private Credit investment approved by the Board in September and is in the process of being implemented.

**Real Estate, Private Equity, and Hedge Fund information reflects trailing market values. Benchmark detail included in the Appendix.

Total Fund Performance*

As of June 30, 2025

- 2nd Quarter: The Total Fund outperformed its benchmark for the quarter. Active management in International Equity was the primary contributor.
- One Year: The Total Fund underperformed its benchmark. Active management in Domestic Equity was the largest detractor.
- Three Years: The Total Fund underperformed its benchmark. Active management in Domestic Equity was the largest detractor.
- Five Years: The Total Fund outperformed its benchmark. An underweight to Fixed Income and active management in Hedge Funds and International Equity were the largest contributors.
- Ten Years: The Total Fund lagged its benchmark over the trailing ten-year period. International Equity, Fixed Income, and Real Estate outperformed their respective benchmarks, while Domestic Equity, and Hedge Funds underperformed.



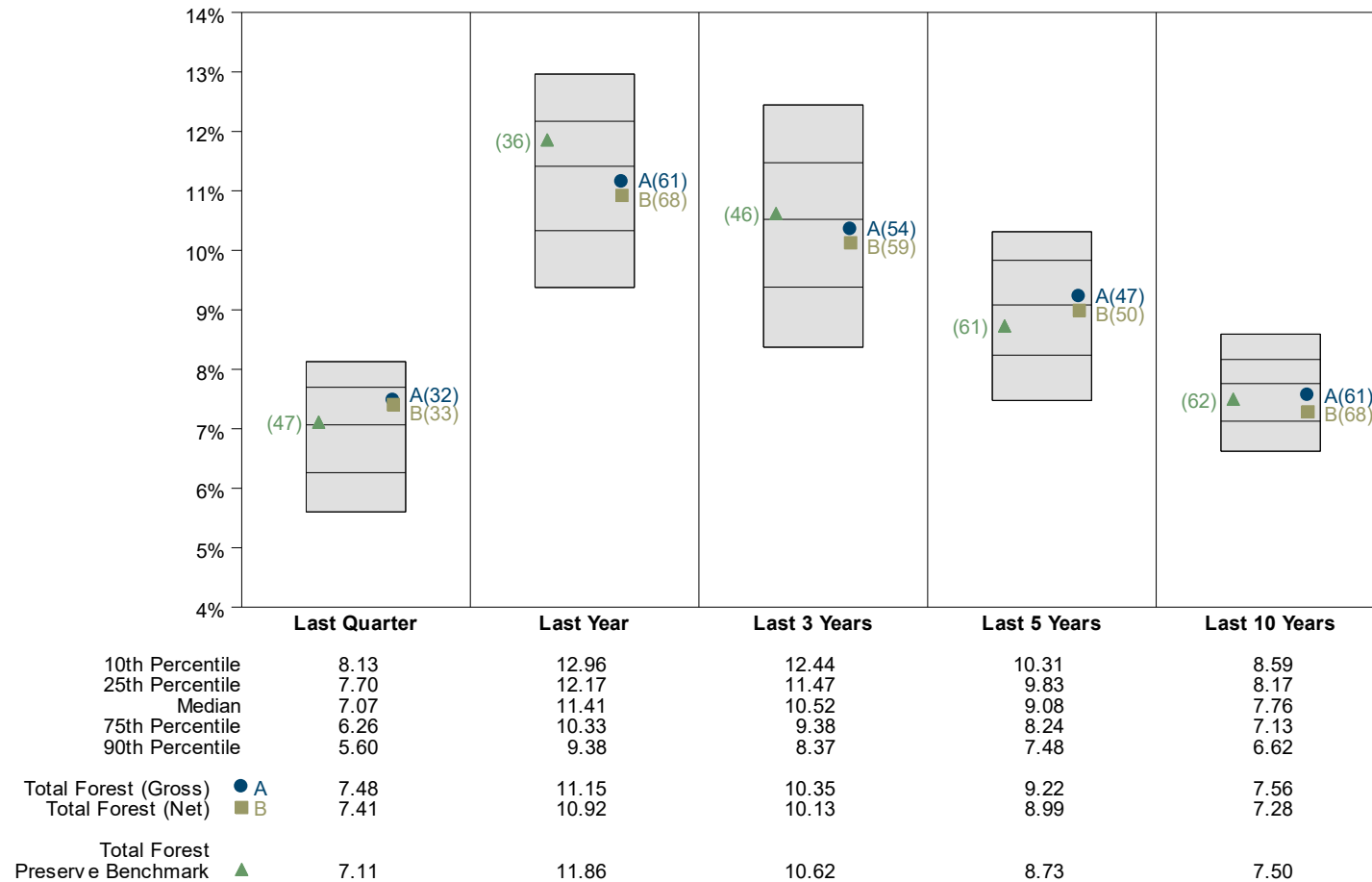
*Net of Fee Returns

(1) Benchmark detail included in the Appendix

Total Fund Performance Summary*

As of June 30, 2025

Performance vs Callan Public Fund Spons- Mid (100M-1B) (Gross)

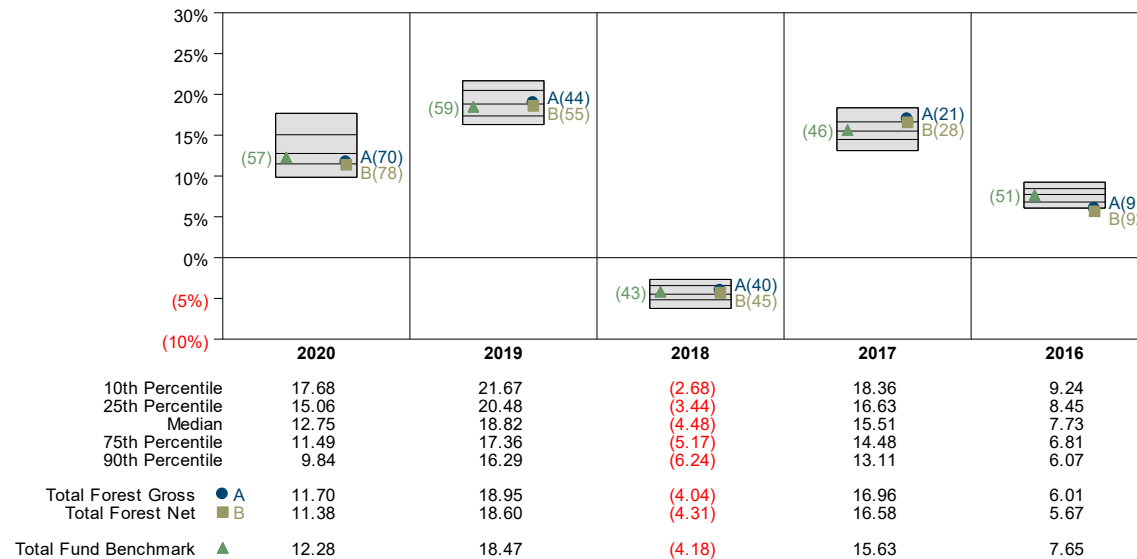
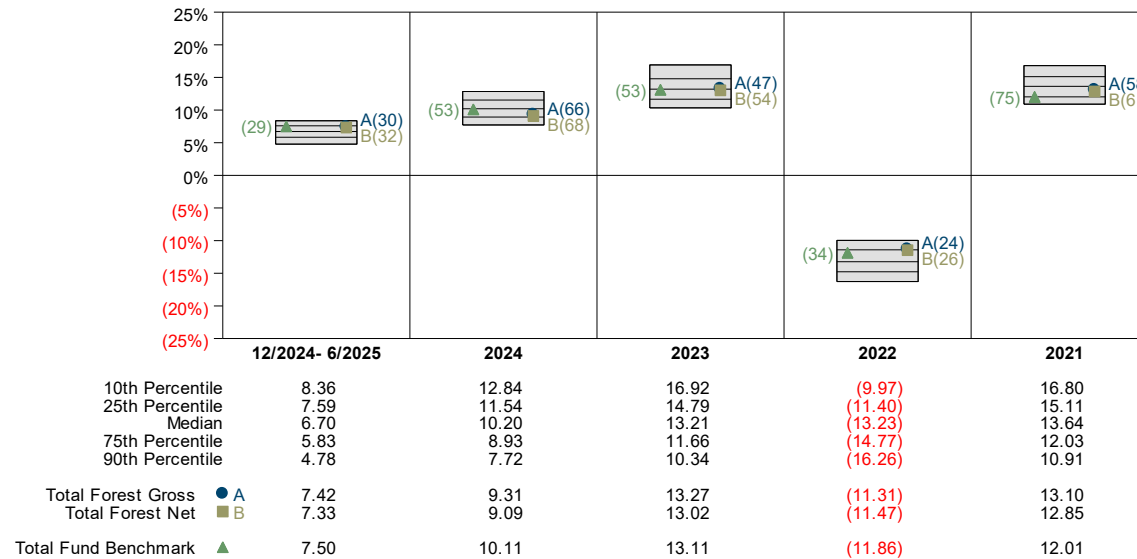


- Over the last year, the Fund trailed its benchmark and ranked at the 61st percentile of peers.
- Over the last five-year period, the Fund outperformed its benchmark and ranked at the 47th percentile of peers.
- The Fund trailed its benchmark over the last three- and ten-year periods and ranked just below its peer group median.

*Peer Group ranking: 1st percentile = best; 100th percentile = worst. The peer universe is Gross of Fees. Benchmark detail included in the Appendix.

Total Fund Calendar Year Performance

Callan Public Fund Mid-Size Peer Universe (GOF)



*Peer Group ranking: 1st percentile = best; 100th percentile = worst. The peer universe is Gross of Fees. Benchmark detail included in the Appendix.

Performance Detail (NOF)

As of June 30, 2025

	Market Value \$(Dollars)	Ending Weight	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity	\$77,319,317	35.78%	10.26%	12.65%	17.28%	15.15%	12.07%
Domestic Equity Benchmark (2)	-	-	10.99%	15.30%	19.08%	15.96%	12.91%
Rhumbline Large Cap Core	61,951,318	28.67%	10.93%	15.17%	19.34%	16.55%	13.54%
S&P 500 Index	-	-	10.94%	15.16%	19.71%	16.64%	13.65%
Small/Mid Cap	\$15,367,999	7.11%	7.61%	3.36%	9.21%	9.05%	7.41%
William Blair Small/Mid Cap	7,415,519	3.43%	5.17%	2.48%	9.71%	6.38%	8.94%
Russell 2500 Growth Index	-	-	11.31%	8.81%	12.05%	7.50%	8.53%
Channing Small/Mid Cap	7,952,481	3.68%	10.00%	4.21%	8.77%	11.85%	5.65%
Russell 2500 Value Index	-	-	7.29%	10.47%	10.69%	13.96%	7.73%
International Equity	\$52,727,296	24.40%	13.70%	16.45%	14.18%	10.42%	6.61%
International Equity Bnmk (4)	-	-	12.03%	17.72%	13.99%	10.13%	6.12%
Lazard Asset Mgmt	34,920,944	16.16%	14.48%	15.79%	14.22%	10.48%	6.69%
SSGA MSCI ACWI ex US	17,806,352	8.24%	12.09%	17.95%	14.14%	10.29%	-
MSCI ACWI ex US	-	-	12.03%	17.72%	13.99%	10.13%	6.12%
Fixed Income	\$58,654,839	27.14%	1.24%	6.11%	2.64%	(0.03%)	1.91%
Fixed Income Benchmark (3)	-	-	1.21%	6.07%	2.68%	(0.49%)	1.85%
Broad US Fixed Income	\$52,462,974	24.28%	1.20%	6.01%	2.52%	(0.78%)	1.69%
Mellon Capital	52,462,974	24.28%	1.20%	6.01%	2.52%	(0.78%)	1.69%
Bloomberg Aggregate Index	-	-	1.21%	6.08%	2.55%	(0.73%)	1.76%
Short Duration	\$6,191,864	2.87%	1.57%	6.34%	3.57%	1.91%	-
Garcia Hamilton	6,191,864	2.87%	1.57%	6.34%	3.57%	1.91%	-
Blimbg Gov/Cred 1-3 Yr	-	-	1.27%	5.94%	3.75%	1.58%	1.84%

Benchmark detail included in the Appendix.

Performance Detail (NOF)

As of June 30, 2025

	Market Value \$(Dollars)	Ending Weight	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
**Real Estate	\$17,186,011	7.95%	1.25%	2.39%	(4.69%)	2.26%	4.68%
Clarion Lion Industrial Trust	2,451,165	1.13%	1.91%	0.45%	5.53%	-	-
JP Morgan Strategic Property Fd	5,654,072	2.62%	1.19%	4.26%	(7.64%)	0.84%	3.54%
Prudential PRISA	9,080,774	4.20%	1.12%	1.68%	(4.59%)	2.17%	-
NCREIF NFI-ODCE Val Wt Nt	-	-	0.81%	2.67%	(6.21%)	2.54%	4.42%
**Hedge Funds	\$5,908,339	2.73%	1.85%	9.03%	8.62%	7.84%	5.20%
Blackstone Burnham Fd	5,908,339	2.73%	1.85%	9.03%	8.62%	7.84%	5.20%
90-Day Average SOFR + 4% (5)	-	-	2.06%	9.03%	8.87%	7.04%	6.27%
HFRI Fund of Funds Index (6)	-	-	0.35%	5.61%	5.42%	6.24%	3.52%
**Private Equity	\$920,000	0.43%	0.00%	-	-	-	-
*Private Credit	\$0	0.00%	-	-	-	-	-
Cash Equivalents	\$3,386,595	1.57%	1.09%	4.75%	4.71%	2.86%	2.24%
3-month Treasury Bill	-	-	1.04%	4.68%	4.56%	2.76%	1.98%
Total Forest Preserve Fund	\$216,102,398	100.00%	7.41%	10.92%	10.13%	8.99%	7.28%
Total Fund Benchmark (1)	-	-	7.11%	11.86%	10.62%	8.73%	7.50%

*Private Credit investment approved by the Board in September and is in the process of being implemented.

**Real Estate, Private Equity, and Hedge Fund information reflects trailing market values. Benchmark detail included in the Appendix.

Manager Updates

2nd Quarter 2025

J.P. Morgan Real Estate Americas – Private Real Estate

July 2025 – J.P. Morgan Real Estate Americas will extend the 30% Fee Credit Program for both the Strategic Property Fund (SPF) and Special Situation Property Fund (SSPF) for an additional six-month period, running January 1, 2026, to June 30, 2026. Terms of the program remain unchanged, as investors automatically receive the credit on their entire investment management fee provided that cumulative redemption requests stay at or below 20 % of NAV during the credit period. Eligibility is assessed at period-end and paid via wire no later than December 31, 2026.

The Forest Preserve Fund has approximately \$5.7 million invested in the J.P. Morgan Strategic Property Fund.

Callan views the announcement as notable, but not actionable at this time.

Appendix

Performance Detail (GOF)

As of June 30, 2025

	Market Value \$(Dollars)	Ending Weight	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity	\$77,319,317	35.78%	10.32%	12.83%	17.45%	15.31%	12.29%
Domestic Equity Benchmark (2)	-	-	10.99%	15.30%	19.08%	15.96%	12.91%
Rhumbline Large Cap Core	61,951,318	28.67%	10.93%	15.18%	19.36%	16.56%	13.55%
S&P 500 Index	-	-	10.94%	15.16%	19.71%	16.64%	13.65%
Small/Mid Cap	\$15,367,999	7.11%	7.90%	4.16%	9.95%	9.73%	8.10%
William Blair Small/Mid Cap	7,415,519	3.43%	5.58%	3.41%	10.57%	7.15%	9.75%
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MSCI ACWI ex US	-	-	12.03%	17.72%	13.99%	10.13%	6.12%
Fixed Income	\$58,654,839	27.14%	1.26%	6.14%	2.67%	(0.01%)	1.96%
Fixed Income Benchmark (3)	-	-	1.21%	6.07%	2.68%	(0.49%)	1.85%
Broad US Fixed Income	\$52,462,974	24.28%	1.21%	6.04%	2.54%	(0.76%)	1.72%
Mellon Capital	52,462,974	24.28%	1.21%	6.04%	2.54%	(0.76%)	1.71%
Bloomberg Aggregate Index	-	-	1.21%	6.08%	2.55%	(0.73%)	1.76%
Short Duration	\$6,191,864	2.87%	1.61%	6.43%	3.70%	2.04%	-
Garcia Hamilton	6,191,864	2.87%	1.61%	6.43%	3.70%	2.04%	-
Bimbg Gov/Cred 1-3 Yr	-	-	1.27%	5.94%	3.75%	1.58%	1.84%

Benchmark detail included in the Appendix.

Performance Detail (GOF)

As of June 30, 2025

	Market Value \$(Dollars)	Ending Weight	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
**Real Estate	\$17,186,011	7.95%	1.47%	3.15%	(3.99%)	2.84%	5.31%
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NCREIF NFI-ODCE Val Wt Nt	-	-	0.81%	2.67%	(6.21%)	2.54%	4.42%
**Hedge Funds	\$5,908,339	2.73%	2.11%	10.15%	9.73%	8.94%	6.27%
Blackstone Burnham Fd	5,908,339	2.73%	2.11%	10.15%	9.73%	8.94%	6.27%
90-Day Average SOFR + 4% (5)	-	-	2.06%	9.03%	8.87%	7.04%	6.27%
HFRI Fund of Funds Index (6)	-	-	0.35%	5.61%	5.42%	6.24%	3.52%
**Private Equity	\$920,000	0.43%	0.00%	-	-	-	-
*Private Credit	\$0	0.00%	-	-	-	-	-
Cash Equivalents	\$3,386,595	1.57%	1.09%	4.75%	4.71%	2.86%	2.24%
3-month Treasury Bill	-	-	1.04%	4.68%	4.56%	2.76%	1.98%
Total Forest Preserve Fund	\$216,102,398	100.00%	7.48%	11.15%	10.35%	9.22%	7.56%
Total Fund Benchmark (1)	-	-	7.11%	11.86%	10.62%	8.73%	7.50%

*Private Credit investment approved by the Board in September and is in the process of being implemented.

**Real Estate, Private Equity, and Hedge Funds information reflects trailing market values. Benchmark detail included in the Appendix.

Performance Attribution (GOF) – 2nd Quarter

As of June 30, 2025

Relative Attribution Effects for Quarter ended June 30, 2025

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	34%	36%	10.32%	10.99%	(0.22%)	(0.06%)	(0.28%)
International Equity	25%	23%	13.76%	12.03%	0.41%	0.10%	0.52%
Broad US Fixed Income	25%	24%	1.21%	1.21%	0.00%	(0.03%)	(0.03%)
Short Duration	3%	3%	1.61%	1.27%	0.01%	(0.02%)	(0.01%)
Real Estate	8%	10%	1.47%	0.81%	0.06%	0.13%	0.18%
Private Equity	0%	0%	0.00%	0.00%	0.00%	(0.00%)	(0.00%)
Hedge Funds	3%	3%	2.11%	2.06%	0.00%	0.01%	0.01%
Cash Equivalents	1%	1%	1.09%	1.04%	0.00%	(0.03%)	(0.02%)
Total			7.48%	7.11%	+ 0.27%	+ 0.09%	0.36%

- **Total Fund Return:** The Fund returned 7.48% for the quarter and outperformed the benchmark by 0.36%.
 - International Equity earned the highest absolute return during the quarter and added the most value on a relative basis.
- **Manager Performance:** The manager effect was positive overall for the quarter.
 - Active management in International Equity, Short Duration Fixed Income, and Real Estate added value.
 - Active management in Domestic Equity was negative.
- **Actual Allocation:** Variance from policy weights had a modest positive impact on relative performance.
 - An overweight to International Equity and underweight to Real Estate were the largest contributors.
 - Underweights to Domestic Equity and overweights to Fixed Income and Cash detracted.

Performance Attribution (GOF) – One Year

As of June 30, 2025

One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	37%	36%	12.83%	15.30%	(0.87%)	0.02%	(0.85%)
International Equity	25%	23%	16.65%	17.72%	(0.26%)	0.17%	(0.09%)
Broad US Fixed Income	23%	24%	6.04%	6.08%	(0.01%)	(0.01%)	(0.02%)
Short Duration	2%	2%	6.43%	5.94%	0.01%	0.02%	0.03%
Real Estate	8%	10%	3.15%	2.67%	0.04%	0.15%	0.19%
Hedge Funds	3%	3%	10.15%	9.03%	0.03%	0.00%	0.04%
Cash Equivalents	1%	1%	4.75%	4.68%	0.00%	(0.02%)	(0.02%)
Private Equity	0%	0%	-	-	0.00%	(0.00%)	(0.00%)
Total			11.15% = 11.86% + (1.05%) + 0.35%				(0.71%)

- **Total Fund Return:** For the last year, the Fund returned 11.15% and underperformed the benchmark return by 0.71%.
 - International Equity contributed the highest absolute return.
 - Real Estate added the most value on a relative basis.
- **Manager Performance:** Active Management detracted over the last year.
 - Active management in Domestic Equity and International Equity were the primary detractors.
 - Real Estate managers added value.
- **Actual Allocation:** Variance from policy weights had a positive impact on relative performance.
 - An overweight to International Equity and underweight to Real Estate added the most value.
 - Overweights to Fixed Income and Cash detracted modestly.

Performance Attribution (GOF) – Three Years

As of June 30, 2025

Three Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	36%	35%	17.45%	19.08%	(0.56%)	(0.01%)	(0.57%)
International Equity	26%	24%	14.35%	13.99%	0.08%	0.11%	0.19%
Broad US Fixed Income	21%	23%	2.54%	2.55%	(0.00%)	0.17%	0.16%
Short Duration	2%	2%	3.70%	3.75%	(0.00%)	0.03%	0.03%
Real Estate	10%	10%	(3.99%)	(6.21%)	0.31%	(0.14%)	0.17%
Hedge Funds	4%	4%	9.73%	8.87%	0.02%	(0.22%)	(0.20%)
Cash Equivalents	1%	1%	4.71%	4.56%	0.00%	(0.05%)	(0.05%)
Private Equity	0%	0%	-	-	0.00%	(0.00%)	(0.00%)
Total			10.35%	10.62%	+	(0.15%) + (0.11%)	(0.27%)

- **Total Fund Return:** Over the last three years, the Fund returned 10.35% and trailed the benchmark by 0.27%.
 - Domestic Equity earned the highest absolute return.
 - International Equity added the strongest relative contribution.
- **Manager Performance:** The manager effect was muted overall for the last three years.
 - Active management in Domestic Equity was the primary detractor.
 - Active management in Real Estate was the largest contributor.
- **Actual Allocation:** Variance from policy weights had a muted overall impact on relative results.
 - The Fund benefited from underweights to Fixed Income and an overweight to International Equity.
 - An underweight to Hedge Funds and overweights to Real Estate were the largest detractors.

Performance Attribution (GOF) – Five Years

As of June 30, 2025

Five Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return			
Domestic Equity	35%	34%	15.31%	15.96%	(0.24%)	0.10%	(0.14%)			
International Equity	27%	25%	10.57%	10.13%	0.12%	0.06%	0.18%			
Broad US Fixed Income	18%	22%	(0.75%)	(0.73%)	(0.00%)	0.27%	0.27%			
Short Duration	3%	2%	2.04%	1.58%	0.02%	0.08%	0.11%			
Real Estate	9%	10%	2.84%	2.54%	0.09%	(0.01%)	0.08%			
Hedge Funds	7%	6%	8.94%	7.04%	0.16%	(0.15%)	0.02%			
Cash Equivalents	1%	1%	2.86%	2.76%	0.00%	(0.02%)	(0.02%)			
Private Equity	0%	0%	-	-	0.00%	(0.00%)	(0.00%)			
Total			9.22%	=	8.73%	+	0.16%	+	0.34%	0.49%

- **Total Fund Return:** Over the last five years, the Fund returned 9.22% and outperformed the benchmark return by 0.49%.
 - Domestic Equity posted the highest absolute return.
 - Fixed Income and International Equity added the largest relative contributions.
- **Manager Performance:** Overall, the manager effect was positive over the last five years.
 - Active management in Hedge Funds and International Equity were the largest contributors.
 - Active management in Domestic Equity detracted.
- **Actual Allocation:** The variance from policy weights had a positive impact overall.
 - An underweight to Broad US Fixed Income added the most value.
 - An underweight to Hedge Funds was the primary detractor.

Benchmark Definitions

1. **Total Fund Benchmark:** Blend of asset class benchmarks at policy weights. The target allocation was approved in September 2023; however, the benchmark will be modified in accordance with the actual implementation. This process reflects the practical implementation of non-publicly traded investments.

	<u>Target</u>
Domestic Equity	32.0%
International Equity	20.0
Broad US Fixed Income	23.5
Short Duration Fixed Income	2.5
Real Estate	10.0
Private Equity*	6.0
Hedge Funds	3.0
Private Credit*	2.0
Cash (90 day T-Bill)	1.0
Total Target	100.0%

2. **Domestic Equity Benchmark:** Russell 3000 Index; Prior to 6/30/2016 Blend of 70% S&P 500 and 30% Russell 2500 Index; Prior to 12/31/2012 Blend of 55.6% S&P 500, 11.0% Russell 2000 Value, 16.7% Russell 1000 Growth, and 16.7% Russell 1000 Value.
3. **Fixed Income Benchmark:** Blend of 90% Bloomberg Aggregate Index, and 10% Bloomberg Gov/Credit 1-3 Year Index; Prior to 12/31/2019 BloomBarc Aggregate Index; Prior to 12/31/2012 Blend of 75% Bloomberg Aggregate Index, and 25% Bloomberg Gov/Credit Intermediate Index.
4. **International Equity Benchmark:** MSCI ACWI ex U.S.
5. **Hedge Funds Benchmark:** (1) 90-Day Average SOFR + 4% (prior to 12/31/2022 - LIBOR + 4%; (2) HFRI Fund of Funds Composite Index (returns lagged one month)
6. **Real Estate Benchmark:** NCREIF NFI-ODCE Val Wt Nt

*Private Equity and Private Credit investment approved by the Board in September 2023 to be implemented at a future date. The appropriate benchmark will be determined at that time.

Current Quarter Target = 36.0% Russell 3000 Index, 24.5% Blmbg:Aggregate, 22.6% MSCI ACWI xUS (Net), 10.0% NCREIF NFI-ODCE Val Wt Nt, 3.0% 90-Day Avg. SOFR +4%, 2.5% Bloomberg Gov/Cred 1-3 Yr, 1.0% 3-Month T-Bill, and 0.4% Private Equity Actual Returns

Benchmark Definitions

- Russell: 1000 Index is comprised of the top 1000 domestic equities, representing 88% of the U.S. equity market capitalization.
- Russell: 2000 Index is comprised of the 2000 smallest stocks in the Russell 3000 Index, representing approximately 11% of the U.S. equity market capitalization.
- MSCI: EAFE Index is comprised of stocks traded in the developed markets of Europe, Asia, and the Far East. The index tries to capture at least 60% of investable capitalization in said markets subject to constraints governed by industry representation, maximum liquidity, maximum float, and minimum cross-ownership (companies with exposure in multiple countries). The index is capitalization weighted.
- MSCI: EM Index is comprised of stocks traded in the emerging markets of the world that are open to foreign investment. Emerging markets are defined to be countries that exhibit low GDP levels, limitations on foreign investment, lax regulation, irregular trading hours, less sophisticated back office operations, greater perceived risk, restrictions on repatriation of initial capital, dividends, interest, and/or capital gains, and a general perception of the investment community that a country should be considered emerging. The index tries to capture at least 60% of investable capitalization in said markets subject to constraints governed by industry representation, maximum liquidity, maximum float, and minimum cross-ownership (companies with exposure in multiple countries). The index is capitalization weighted.
- Bloomberg Barclays Aggregate Index includes fixed rate debt issues rated investment grade or higher by Moody's Investors Service, Standard and Poor's, or Fitch Investor's Service, in that order. All issues must have at least 1 year left to maturity and have an outstanding par value of at least \$100 million. The Aggregate Index is comprised of the Government/Credit, the Mortgage-Backed Securities, and the Asset-Backed Securities indices.
- NCREIF: NFI-ODCE Val Wt Index is a time-weighted return Index with an inception date of 12/31/1977. The Index is comprised of 33 open-end commingled funds, in which 23 are still actively investing. Inclusion within the Index requires (a) minimum of 80% of net fund assets invested in the multifamily, retail, industrial, office, or hotel property type, (b) maximum of 20% of net fund assets invested in real estate debt or private/public company equity, (c) at least 80% of net assets invested in properties with a minimum occupancy of 60%, (d) no more than 70% of real estate net assets invested in a single property type or region, (e) maximum of 40% leverage, and (f) at least 95% of net real estate assets invested within the U.S. market.
- HFRI Fund of Funds Index invest with multiple managers through funds or managed accounts. The strategy designs a diversified portfolio of managers with the objective of significantly lowering the risk (volatility) of investing with an individual manager. The Fund of Funds manager has discretion in choosing which strategies to invest in for the portfolio. A manager may allocate funds to numerous managers within a single strategy, or with numerous managers in multiple strategies. The minimum investment in a Fund of Funds may be lower than an investment in an individual hedge fund or managed account. The investor has the advantage of diversification among managers and styles with significantly less capital than investing with separate managers.

Published Research Highlights: 2Q25

Office-to-Residential Conversions Update



2025 Cost of Doing Business Study



Nuclear Power's Rebound and Institutional Investors



2025 DC Trends Survey



Recent Blog Posts

Wait on Changing Market Cap Weights

Adam Lozinski

Navigating Volatility: An Expert Guide for Nonprofits

Tony Lissuzzo

Historic Market Volatility and Our 10-Year CMAs

Jay Kloepper

Additional Reading

Active vs. Passive quarterly charts
Capital Markets Review quarterly newsletter
Monthly Updates to the Periodic Table
Market Pulse Flipbook quarterly markets update
Market Intelligence (clients-only)
Real Estate Indicators market outlook

Key Findings of the 2025 Callan Cost of Doing Business Study

Callan's 2025 Cost of Doing Business Study reflects 2024 investment management fees for **180 asset pools** with more than **\$772 billion in assets**, including public defined benefit (DB) plans, corporate DB plans, nonprofits, and insurance pools. These pools generate **\$4.2 billion in fees** per year. In addition to 2024 results, it reveals trends and changes since 2010.

40 bps

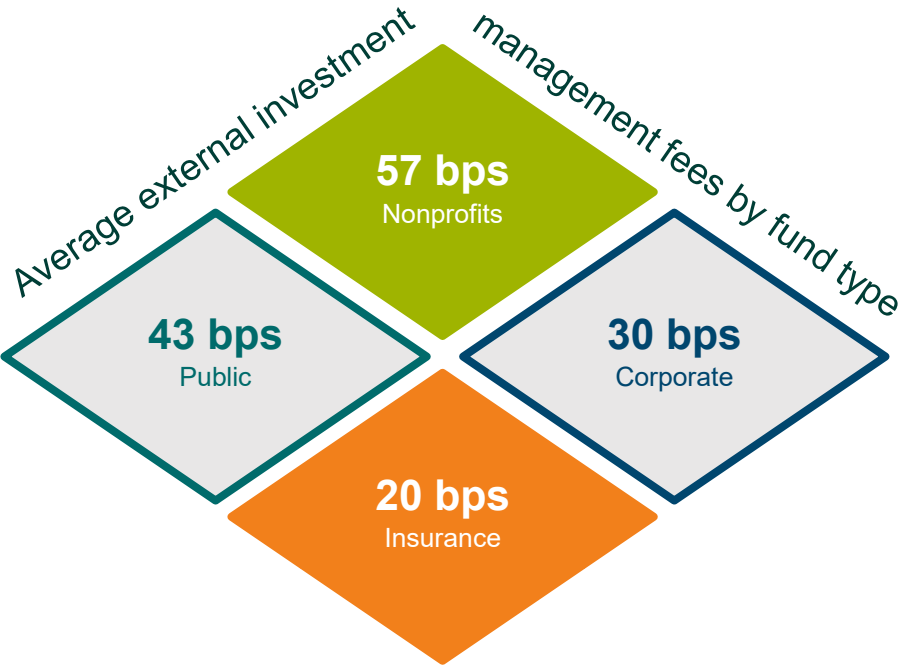
Average total investment fees paid by all institutional investors

\$

Custody Fees by Fund Size		
	Core Fee	Flat Fee Arrangement
< \$500 million	3.7 bps	7%
\$500 million to < \$2 billion	1.2 bps	12%
\$2 to < \$10 billion	0.9 bps	13%
> \$10 billion	0.6 bps	19%

On average larger funds have 24%–37% higher fees than smaller funds

Corporate TR funds have 50% higher fees than corporate LDI funds



Average Passive Weight

Corporate 32%

Public 31%

Nonprofit 22%

Insurance 23%

↑

Change to average investment management fees since 2020

Corporate -17%

Public -4%

Nonprofit +16%

Average Alternatives Weight

Corporate 8%

Public 15%

Nonprofit 19%

Insurance 4%

↘

Callan Institute Events

Upcoming conferences, workshops, and virtual events

2025 October Workshop

Assessing the Role of Alternatives in Modern Plan Design

As defined contribution (DC) plans evolve beyond traditional core menus, there is increased interest in exploring alternative investments to enhance outcomes—particularly within target date funds (TDFs) and custom solutions. In this workshop, we will explain why alternatives are being considered, discuss which are most feasible and how to implement, and provide opportunities and challenges with these investments.

Workshop Dates

- October 28, 2025 – Chicago
- October 30, 2025 – San Francisco

Workshop Agenda

- 8:00 - 9:00 AM | Continental Breakfast
- 9:00 - 10:15 AM | Workshop and Q&A
- 10:15 - 11:00 AM | Roundtable Discussions

Mark Your Calendar

2026 National Conference

April 20-22, 2026 – Scottsdale, Arizona

Watch your email for further details and an invitation.

Upcoming Virtual Events

August 21, 2025

Research Café: Modeling Returns and Managing Market Cap Weights

Introducing Callan On-Demand Education (CODE)

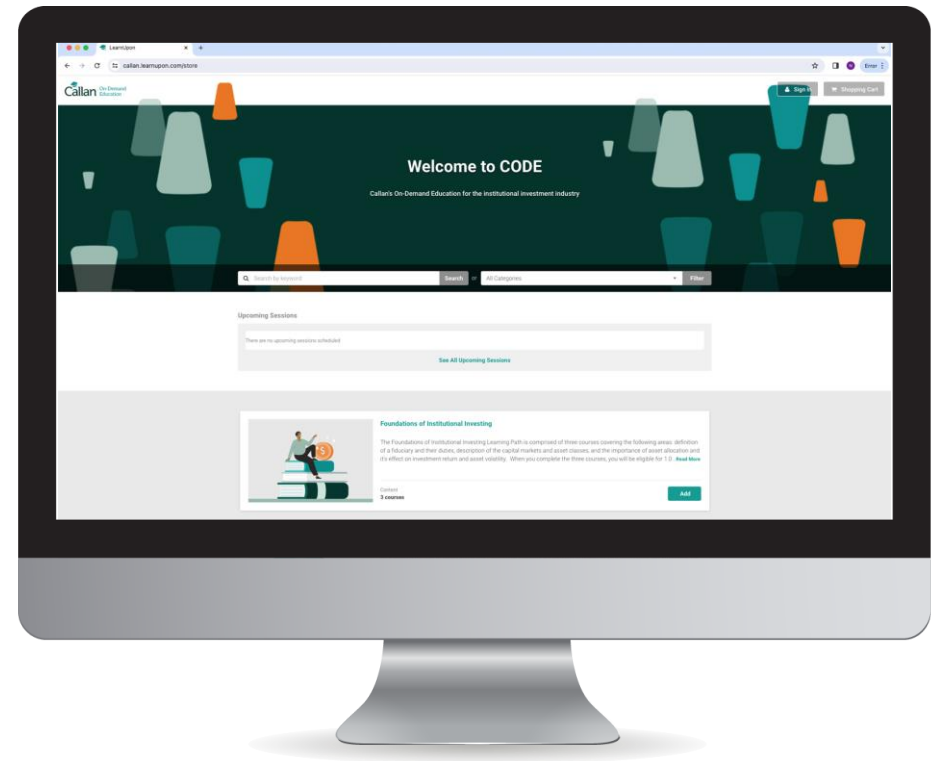


- ▶ Variety of educational courses
- ▶ Interactive and engaging
- ▶ Self-guided modules
- ▶ Eligible for continuing education credits
- ▶ Learning at your own pace

CODE courses are designed for investment professionals of all levels—and they're self-guided. Access them anytime, from anywhere, and get continuing education credits for each completed course.

CODE is for you, your colleagues, your new hires, and your interns. It's for anyone interested in learning about institutional investing.

callan.com/code



3 Reasons to Take CODE Courses

- 1 Become a better fiduciary
- 2 Showcase your skills and knowledge
- 3 Learn from Callan's investment experts

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