



PENSION

BlackRock

US Public Pension Peer Risk Study

FY 2025 Allocations and Reporting

**San Bernardino County Employees'
Retirement Association**

Important Disclosures

Source: BlackRock, Public Plan Database (PPD), and Pensions & Investments (P&I), May 2026. BlackRock does not verify the information reported by each plan or data provider.

Longer-term trend data:

Funded ratio, assumed return, and realized return trends are sourced from PPD and are stated as reported. Data is based on availability and the cohort of plans included in trend data presented may change over time. BlackRock performs calculations using the PPD data to illustrate topical trends affecting public pensions through time. Allocation trend data includes approximately 90 plans with granular and consistent data from PPD. Actual plan allocations may differ based on reporting and proxying methodology and changes in exposure may represent modifications to reporting instead of an actual change in allocation. FY 2024 segmentation slides are based on peer study coverage universe and differ from trend data shown on prior slides; charts and calculations exclude outliers (MO Local Gov Empl Ret Sys, MO State Empl Ret Sys, South Dakota Inv Council) and plans missing data (ERS of the State of Hawaii - returns only).

FY 2025 information used in peer comparisons:

Actuarial, return, and allocation data for each plan is sourced from public reports, data provided by plans, P&I and PPD. Details on the full peer universe is available on the "BlackRock's Public Pension Plan Coverage Universe" slide at the end of this presentation. In some instances, fund level modeled data, reported actuarial data, and returns data are reported at different entity levels based on information availability. The asset allocation of each plan is aligned to a defined asset allocation for comparability between plans and mapped to BlackRock's Capital Market Assumptions (CMA) to estimate the risk and return. Aggregate average metrics (peer group and all plans) is the simple average of the cohort.

Hypothetical Expected Return and Stress Testing Returns:

Expected returns are based upon BlackRock's March 2026 Capital Market Assumptions (CMA). Stress Test Returns are based upon BlackRock Solutions Aladdin risk model.

There is no guarantee that results of BlackRock's CMA or Aladdin risk model will be achieved and all returns could be significantly higher or lower than those shown. **All hypothetical results are not a guarantee of future returns.** Hypothetical returns are shown net of fees and expenses and include reinvestment of dividends, capital gains, and interest. The results shown are for illustrative discussion purposes only and no representation is being made that any account, product or strategy will achieve results shown. All hypothetical returns deduct advisory level and underlying asset class level fees and expenses. The advisory level model fee of 0.05% represents the highest advisory fee charged for the institutional client type. **Please read Appendix slides entitled Capital Markets Modeling Assumption (CMA) for table listing the underlying fees applied for each underlying asset class.**

Risk modeling uses a 84% confidence interval and 306 constant weighted monthly observations. Stress scenarios are instantaneous and fees are divided by 365 and deducted from the modeled scenario output. Stress scenario results do not represent any account, product or strategy and there is no guarantee that a proxy or portfolio will achieve results similar to those shown. The historical scenarios simulate each portfolio shown through hypothetical large market shocks and geopolitical stresses, with implied shocks. Scenario analysis is performed by parametrically shocking the underlying risk factor exposures of the portfolios by a set of instantaneous changes to derive the resulting hypothetical returns. The returns in the scenarios are expressed as a hypothetical percentage change in value if those shocks were to be realized and are based on criteria that have been applied retroactively with the benefit of hindsight and therefore cannot account for all financial risk that may affect actual performance.

Hypothetical Expected Risk

BlackRock, as of May 2026. Ex-ante risk is defined as annual expected volatility and is calculated using data derived from portfolio holdings, using the Aladdin portfolio risk model. This proprietary multi-factor model can be applied across multiple asset classes to analyze the impact of different characteristics of securities on their behaviors in the market place. In analyzing risk factors, the Aladdin portfolio risk model attempts to capture and monitor these attributes that can influence the risk/return behavior of a particular security/asset. Risk: Monthly Constant Weighted (MTC model) with 306 monthly observations; 1 standard deviation; 1yr horizon.

Definitions and Abbreviations:

Assumed return is the target return the plan believes it can achieve and is set by the plans advisors; assumed returns reflect the latest return available and are stated as reported

Realized return is the actual return the plan reported it achieved in the period of measurement; return methodology may differ plan to plan and are stated as reported. Net of fee returns are used where available.

YoY: Year-over-year, Exp: Expected, FI: Fixed Income, Gov: Governments, Tsy: Treasuries, MBS: Mortgage Backed Securities, Corp: Corporates, IG/Inv Grade: Investment Grade, HY: High Yield, BL: Bank Loans, EM: Emerging Market, HF: Hedge Funds, PE: Private Equity, PC/Prv Credit: Private Credit, RE: Real Estate, Opp: Opportunistic, Dstrsd: Distressed, Special Sits: Special Situations, Infra: Infrastructure, Cmdty: Commodity, RA: Real Assets, Sys: Systematic, NAV: Net Asset Value.

Read the Macro Factors Glossary, CMA disclosures, Asset Class Mapping, Stress testing disclosures and scenario definitions, and other information in the Appendix.

What

is the US Public Pension Peer Risk Study

Who

is included in the analysis

Where

is the data sourced from

How

is the analysis compiled

When

is the data as of

Industry thought leadership

Our annual study provides a holistic overview of the pension investment landscape, including asset allocation, expected returns, risk factor decomposition, and stress testing

Coverage

Our analysis covers 149 plans ranging in size from \$487m to \$573B; peer groups are selected based on AUM, funded ratio, location, as well as other factors

Sourcing

Plan data is sourced from public reports, data provided by plans, Pensions & Investments (P&I) and the Public Plans Database (PPD); PPD data is also leveraged for trend analysis which covers a different cohort of plans

Capital market assumptions (CMAs)

Asset allocation data is mapped to an asset class represented by an index/proxy with an associated expected risk and return using the Aladdin® platform and our 10yr CMAs (May '26)

Latest annual reports

While most peer data is as of June 2025, some plans report actuarial, return, or holdings data on another date. Refer to “Peer Group Summary” for the reporting dates of each plan

Important Info

Source: BlackRock, Pensions & Investments (P&I), Public Plan Data (PPD), May 2026. Plan data is sourced from fiscal year end Annual Reports as of 2025. There is no guarantee that the Capital Market Assumptions will be achieved, and actual returns could be significantly higher or lower than those shown. **Please refer to the “Capital Market and Modeling Assumptions” and “Asset Class Mapping” slides in the appendix for more information.** All aggregate average metrics (peer group and all plans) is the simple average of the cohort.

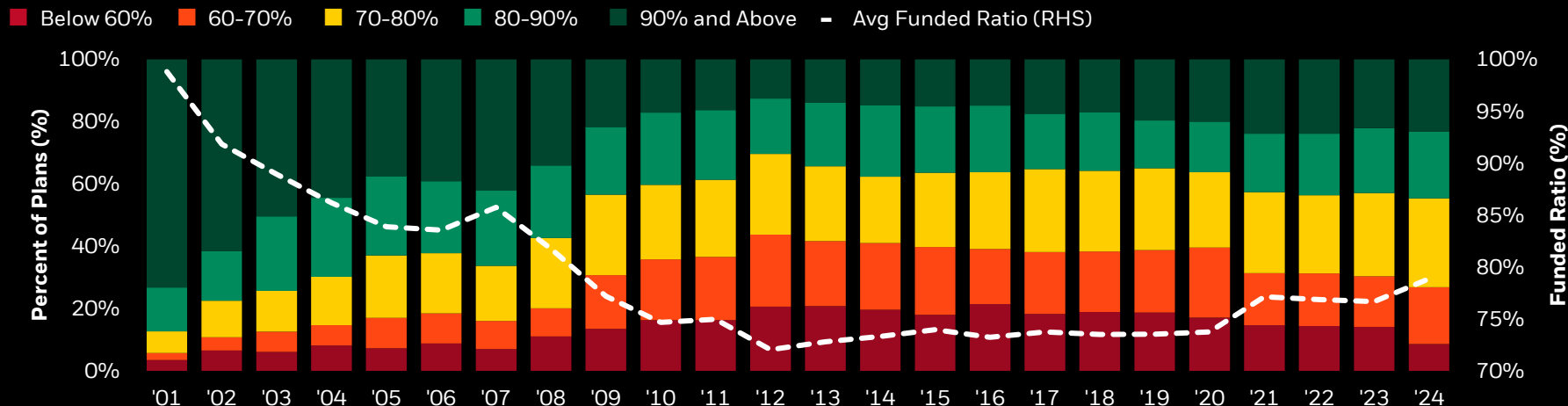
Public Pension

Trends

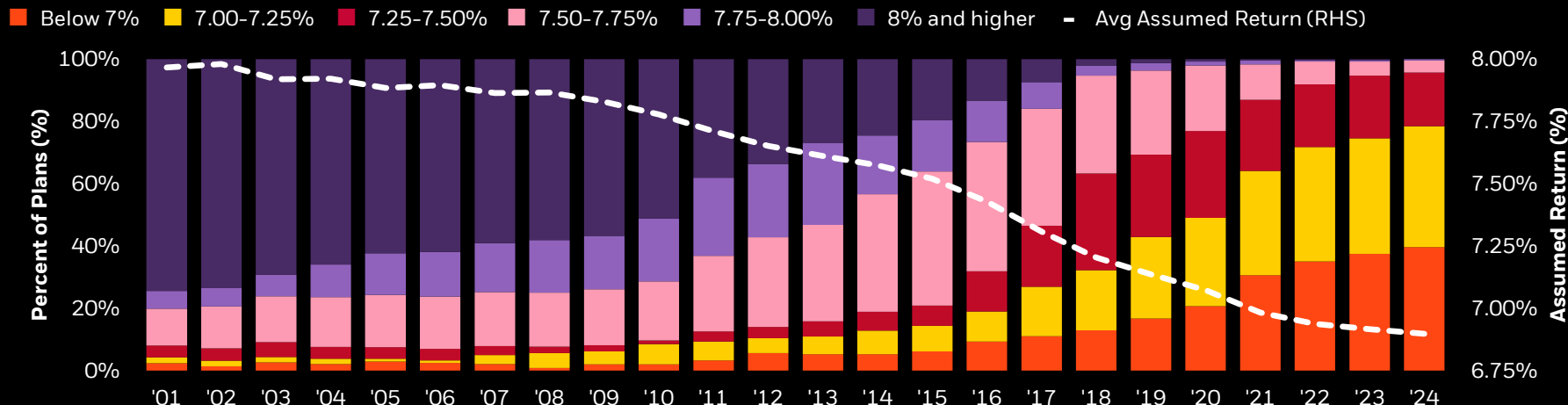
Funded Ratio and Assumed Returns: Trending Along

Funded Ratios have slowly edged higher following years of significant declines after the Global Financial Crisis; assumed returns have shifted from around 8% to 7%, a headwind for Funded Ratio improvement

Funded Ratio



Assumed Return

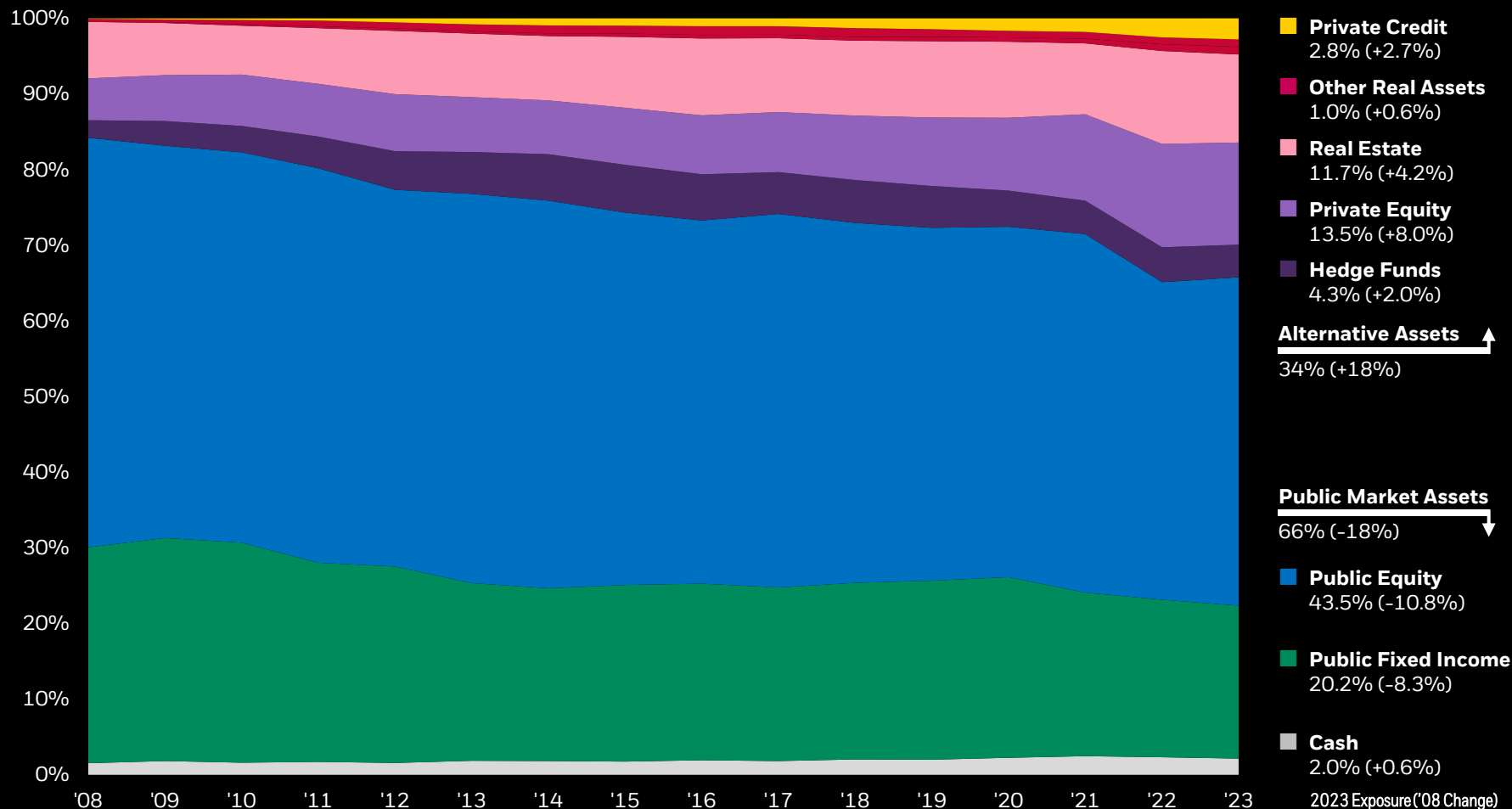


Source: PPD and BlackRock, June 2026. Read important disclosures on slide 2 for more information.

Allocations Through Time: A Moving Target

Trend data highlights a large rotation from public markets into Alternative asset classes

Reported Actual Exposure, Total Portfolio



Source: PPD and BlackRock, June 2026. Neither asset allocation nor diversification can guarantee profit nor prevent loss of money invested. Read important disclosures on slide 2 for more information.

Funded Ratios: Smoothing Things Over

More than 70% of plans hold deferred funded ratio gains as market value (MVA) exceeds actuarial value (AVA) of assets

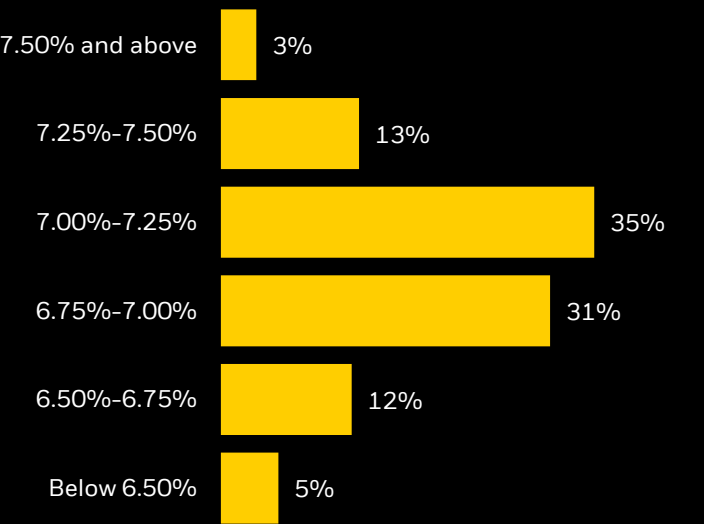


Source: BlackRock, June 2026. Funded ratios calculated based on reported AVA and MVA; NAV of investments used for select plans where MVA was not reported. Read slide 2 and the Appendix for details.

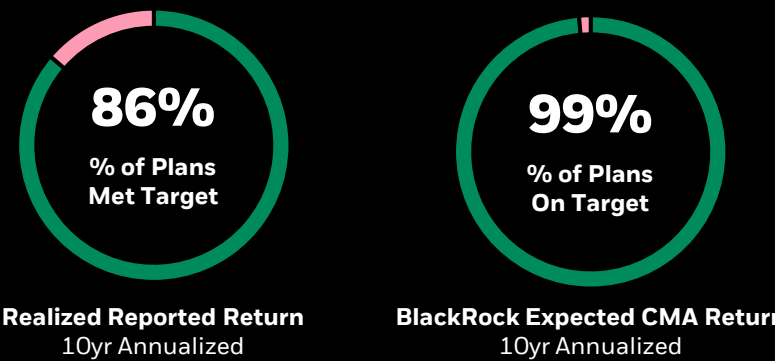
Returns: Closing the Gap

Over three-quarters of plans have an assumed return between 6.75% and 7.25%; nearly all plans are expected to outperform target, with no clear relationship between expected return, size, and funded ratio

FY '25 Reported Assumed Returns



Realized and Expected Returns vs. Assumed Returns



Number of Plans Rotating Projections

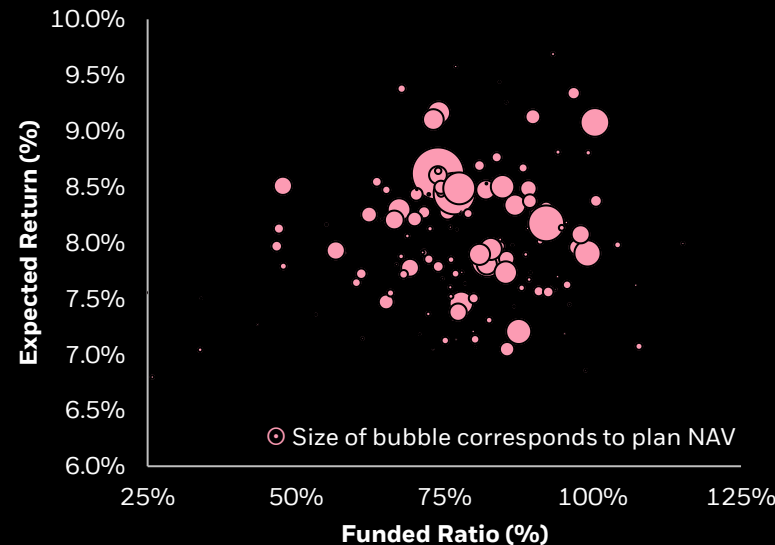


Average Magnitude



■ Plans Decreasing ■ Plans Increasing

Expected Return vs. Funded Ratio and NAV

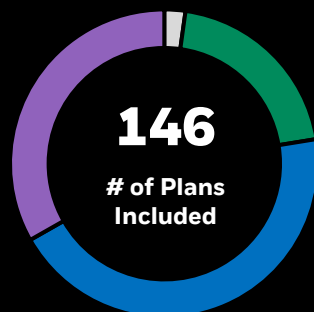


Source: BlackRock, June 2026. Realized/assumed (target) returns are stated as reported (net where available). Hypothetical results are net of fees and expenses and are for illustrative purposes only. Read slide 2 and the Appendix for details.

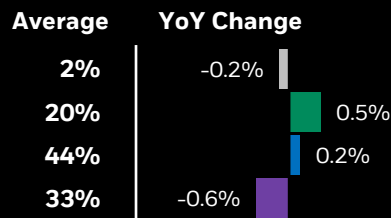
Asset Allocation: Looking Under the Surface

Headline exposures remain consistent, masking meaningful differences beneath the surface

2025 FY Asset Allocation

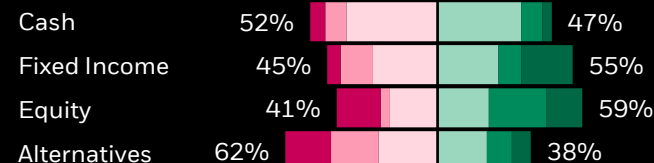


- Cash
- Fixed Income
- Equity
- Alternatives

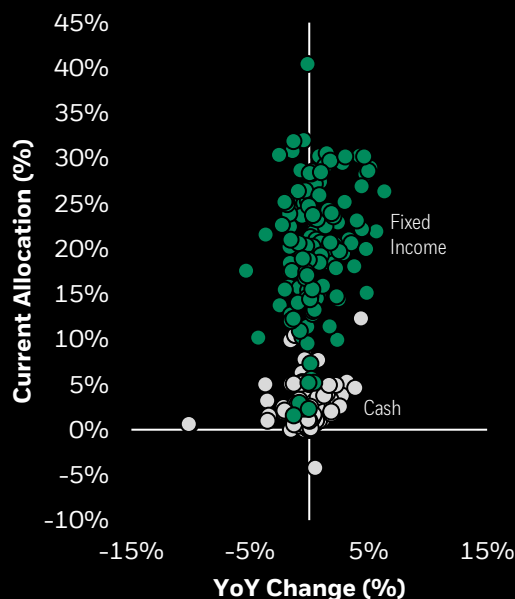


YoY Changes in Asset Allocation

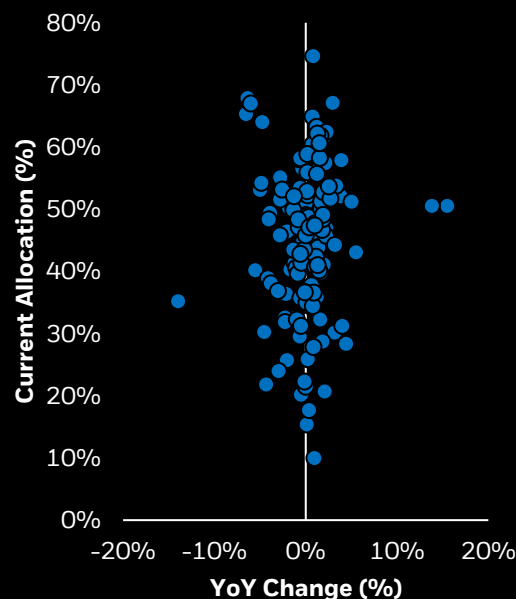
0-1% 1-2% 2%+



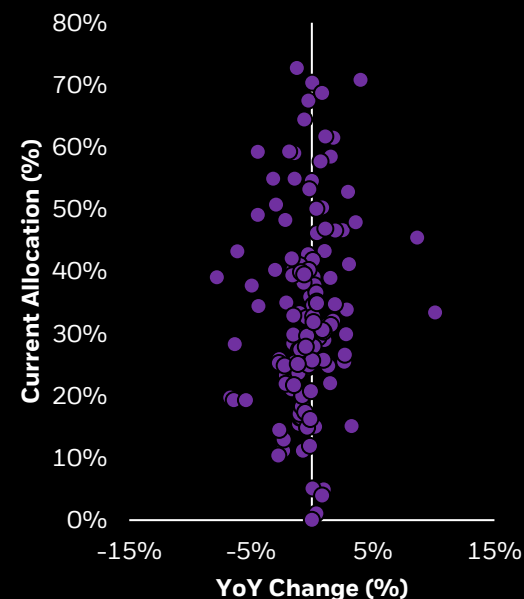
Cash and Fixed Income



Public Equity



Alternatives



Source: BlackRock, June 2026. Neither asset allocation nor diversification can guarantee profit or prevent loss. Read slide 2 and the Appendix for details.

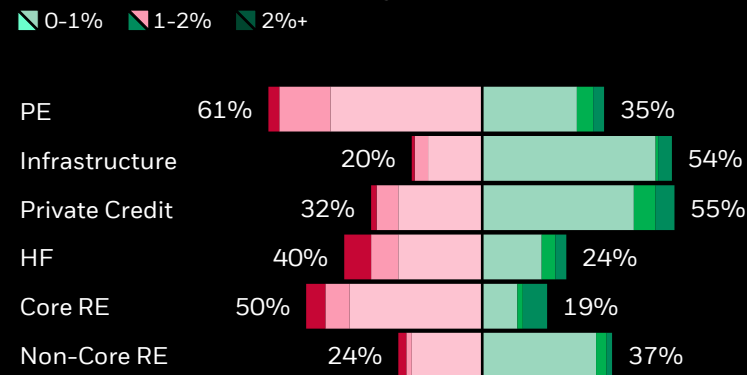
Asset Allocation: Shifting Priorities

Rotations within Alternatives underscore a growing focus on diversification within private market exposures

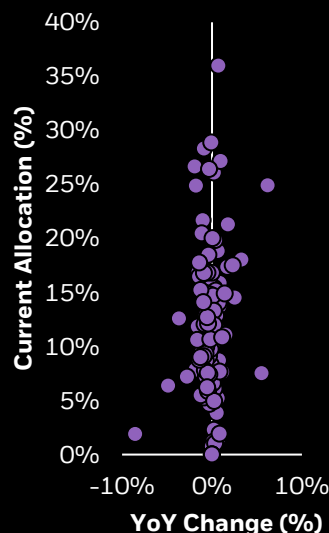
Allocator Statistics

Asset Class	% with Exposure	Average Allocation	5% and Higher
PE	97%	12%	88%
Infrastructure	75%	4%	31%
Private Credit	86%	6%	46%
HF	64%	6%	51%
Core RE	71%	5%	40%
Non-Core RE	61%	3%	10%

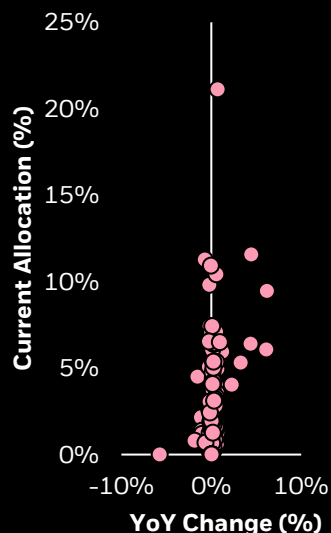
YoY Asset Allocation Changes



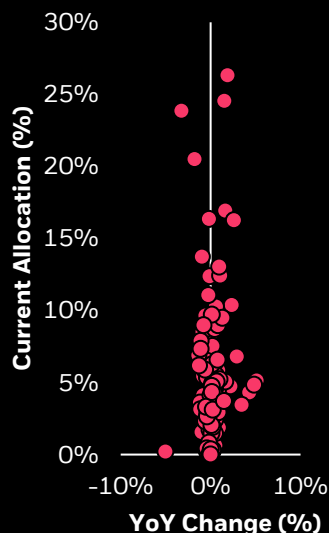
Private Equity



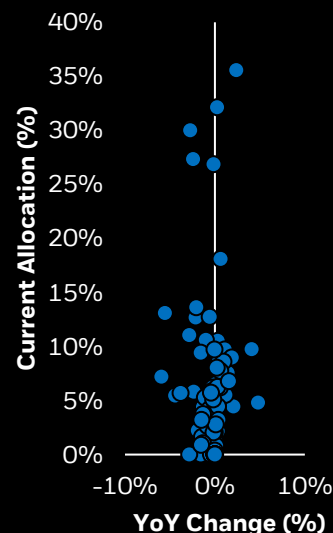
Infrastructure



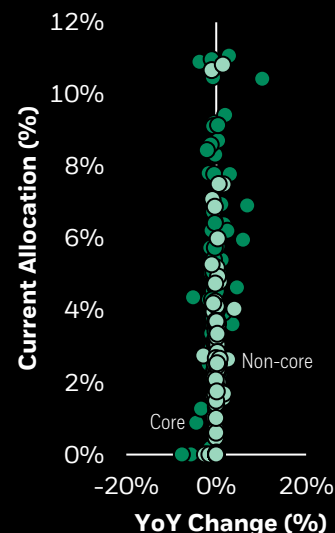
Private Credit



Hedge Funds



Real Estate



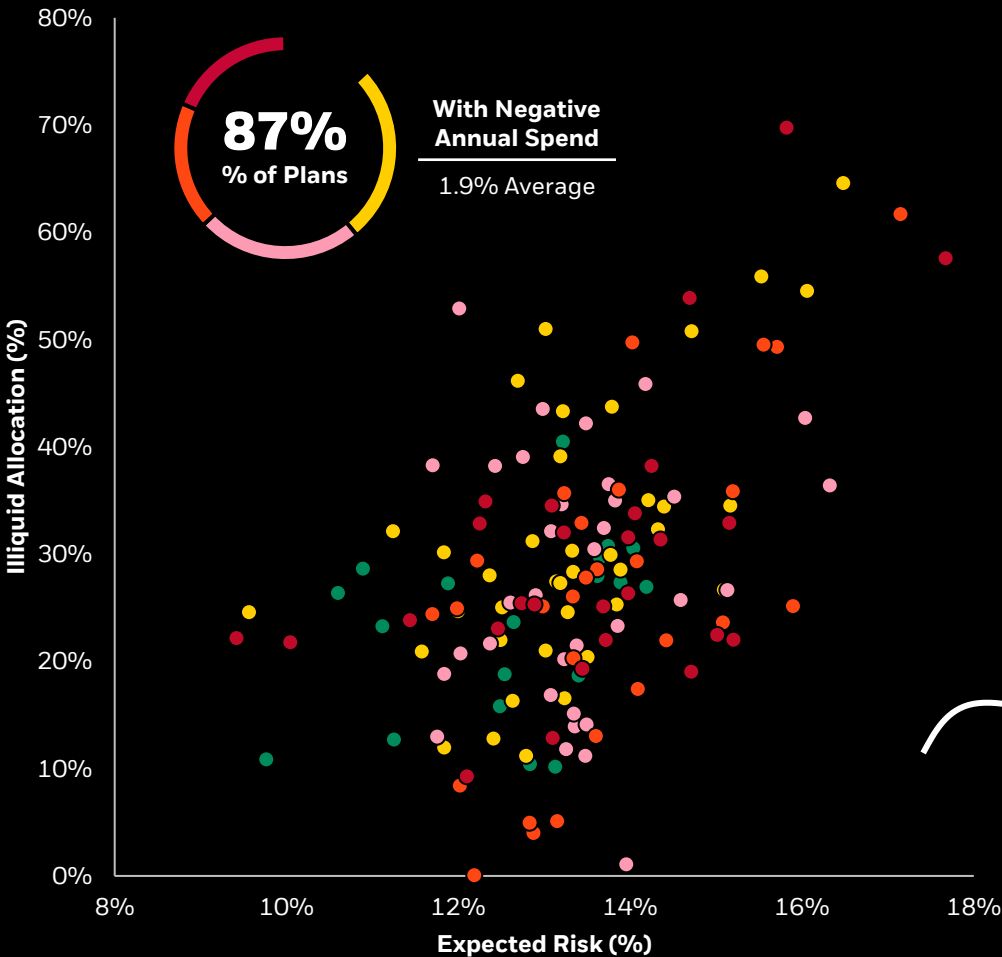
Source: BlackRock, June 2026. Neither asset allocation nor diversification can guarantee profit or prevent loss. Allocator statistics only refer to plans with exposure to specified asset class. Real Estate excludes RE debt, REITs, and unclassified Real Estate. Read slide 2 and the Appendix for details.

Risk: Broadening Definitions

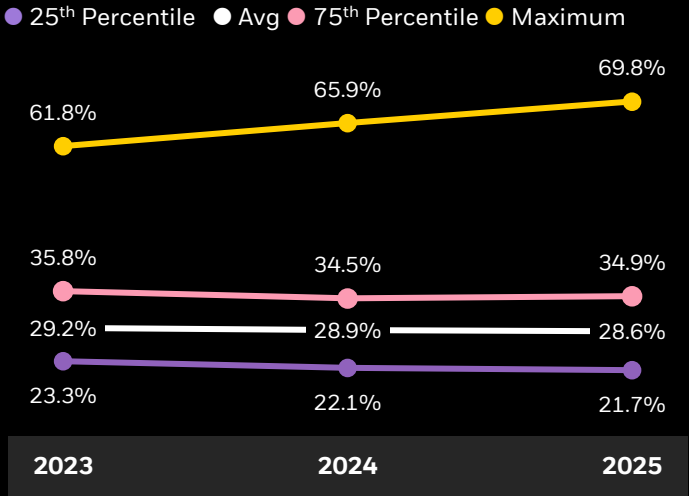
Higher illiquid exposure does not necessarily translate to greater risk, highlighting potential risk diversification benefits; substantial plan-level shifts underlie relatively stable aggregate allocations

Illiquidity Exposure vs. Risk and Net Annual Spend

Liquidity Tiering: ● None ● 0-1% ● 1-2% ● 2-3% ● 3%+



Illiquid Exposure (%): FY 2023-2025



YoY Change in Risk

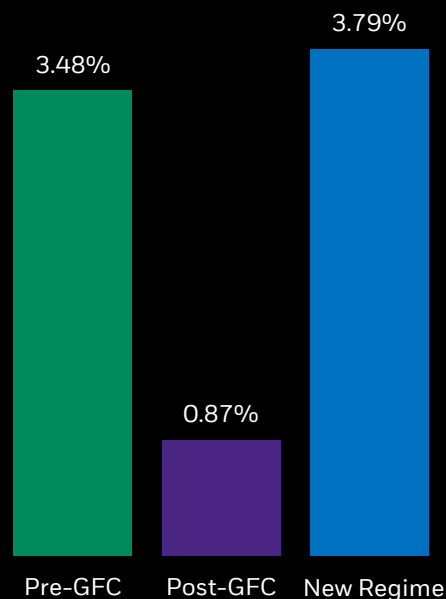


Source: BlackRock, June 2026. Expected risk is a hypothetical estimate based on 84% confidence interval, 306 constant weighted monthly observations. Read slide 2 and the Appendix for details.

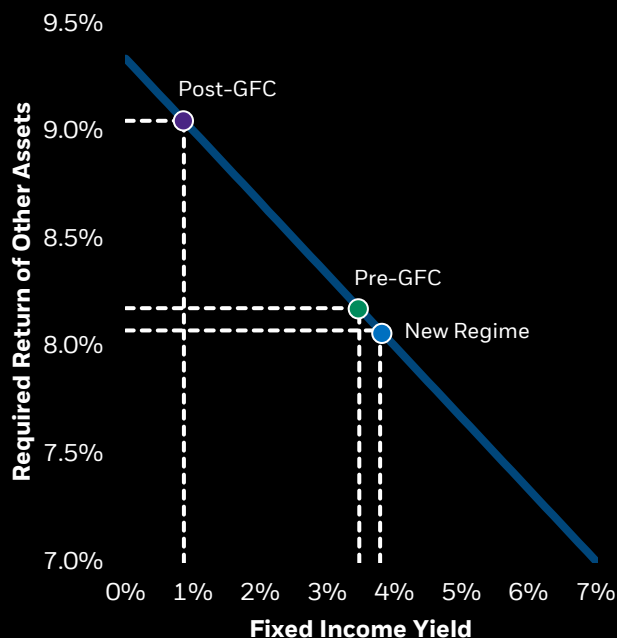
Fixed Income: With Great Yield Comes Great Purpose

The rate of change in today's yield environment brings new meaning to fixed income's role in a pension portfolio; enhanced income potential – across public and private markets – may reduce the pressure for growth assets to outperform and gives plans greater flexibility to reduce risk and diversify factor concentration

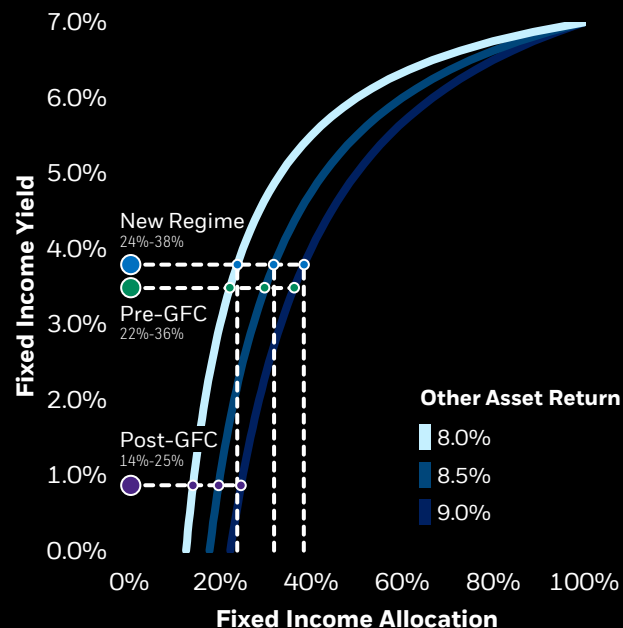
Average 1yr US Treasury Yield
Based on Daily 1yr US Treasury Rates



Required Return to Meet 7% Return Target
Assuming 25% Allocation to FI, Yield as Return Proxy



Projected FI Allocation to Meet 7% Return Target
Assuming Stated Yield and Other Asset Return



Source: U.S. Department of Treasury, BlackRock, June 2025. Pre-GFC: 2000-2007, Post-GFC: 2008-2022, New Regime: May 31, 2026. Required return of other assets is calculated by solving for the return needed to hit a 7% return target given a 25% allocation to the yield. The allocation to fixed income is calculated by projecting for the allocation needed to hit a 7% return target given the stated yield and other asset return. **Actual and Hypothetical returns are not a guarantee of future results.** All returns are net of fees and expenses. The results shown are for illustrative purposes only. Any interpretation of results should take into consideration inherent limitations and risks of the model and assumptions used. Results may be higher or lower than shown. Read slide 2 and the Appendix for disclosures.

Market

Viewpoints

Inflating Concerns

Markets are adjusting to a new macro regime characterized by **structurally higher inflation volatility, elevated geopolitical risk, and tighter financial conditions**. Even before the recent Middle East conflict, inflation progress had begun to stall (Chart 1), reinforcing our view that **central banks may have limited flexibility to ease policy meaningfully in the near term**. Rising energy prices risk compounding existing inflation pressures and could keep rates higher for longer.

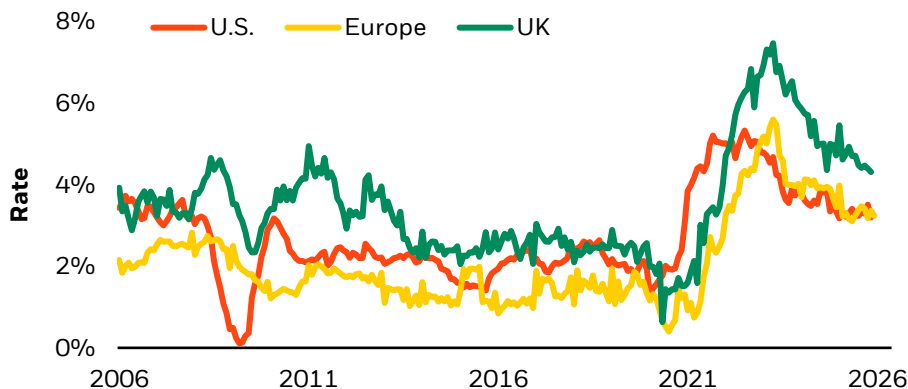
We continue to see the **AI mega force as a defining driver of markets** and the economy over the coming decade. The current phase of AI adoption is centered on large-scale infrastructure investment - including semiconductors, power, and data centers - which may contribute to inflationary pressure before productivity benefits fully emerge. We believe investors should **differentiate between the near-term inflationary effects** of the AI buildout and the longer-term efficiency gains it could ultimately deliver (Chart 2).

Labor markets remain historically tight despite slower hiring trends. In the U.S., measures of labor underutilization remain relatively contained, and we do not yet see AI materially softening labor demand in a way that changes the broader inflation outlook (Chart 3). This supports our conviction that **inflation is likely to remain above pre-pandemic norms**.

Recent geopolitical events further reinforced the **challenges of portfolio diversification in the current regime**. Traditional safe havens provided limited protection as both equities and bonds came under pressure amid rising inflation expectations and fading hopes for rate cuts (Charts 4 and 5). We believe the **diversification benefits of U.S. Treasuries may remain constrained**, particularly with term premium still low and yields vulnerable to further upside (Chart 6).

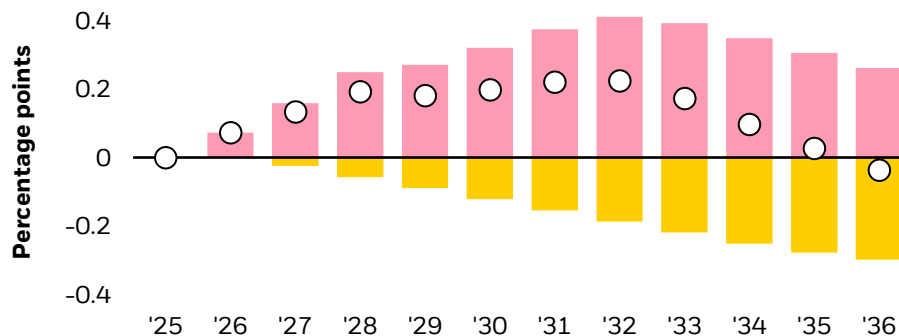
We continue to favor a more **dynamic and selective investment approach**, with an emphasis on structural growth themes, resilience, and active portfolio construction.

Chart 1: Annual core services inflation, 2006-2026



Source: BlackRock, U.S. Bureau of Economic Analysis, Eurostat, UK Office of National Statistics, with data from Haver Analytics, April 2026. Note: The line for the U.S. shows core services excluding shelter PCE inflation.

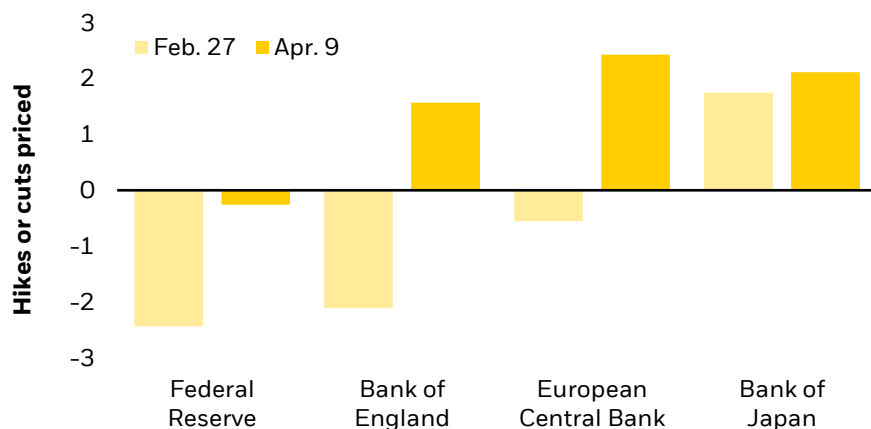
Chart 2: Estimated impact of the AI buildout on U.S. inflation



■ Disinflationary impact of AI productivity boost
 ■ Inflationary impact of AI capex and macro adjustment
 ○ Net effect

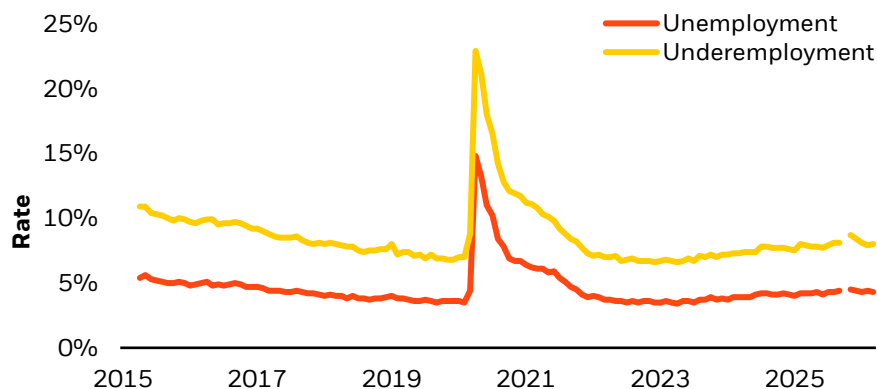
Forward-looking estimates may not come to pass. Source: BlackRock, April 2026. Note: The orange bars show hypothetical projections of the impact of AI capital expenditure (capex) on U.S. inflation, assuming that global capex is in line with projections of just under \$6 trillion through 2025-2030 inclusive, and assuming AI capex crowds out some other activity in the economy. The yellow bars show hypothetical impact of AI-driven efficiency improvements on U.S. inflation under assumptions about the speed and extent of AI-driven productivity growth and resulting impact on inflation. Black dots show the net effect of the two together. These are estimates and there is material uncertainty around the timing and size of productivity-related effects particularly.

Chart 3: Estimated impact of the AI buildout on U.S. inflation



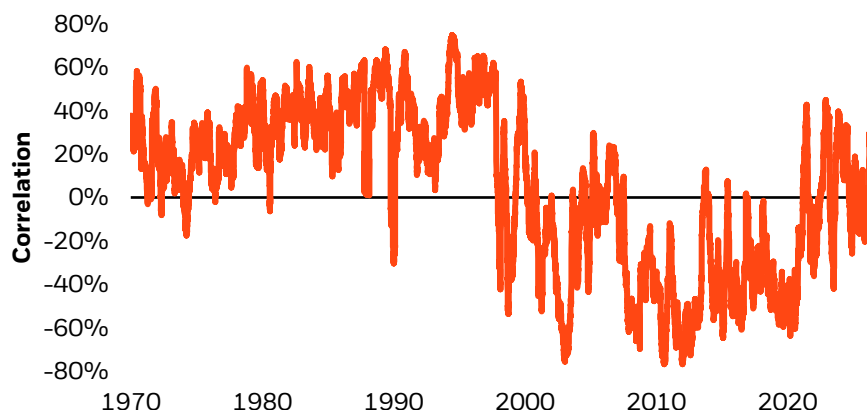
Forward-looking estimates may not come to pass. Source: BlackRock Investment Institute with data from Bloomberg, April 2026. Note: The bars show the market-implied number of 25-basis point moves by major central banks in 2026. Negative numbers represent rate cuts and positive numbers represent rate hikes.

Chart 4: U.S. employment, 2015-2026



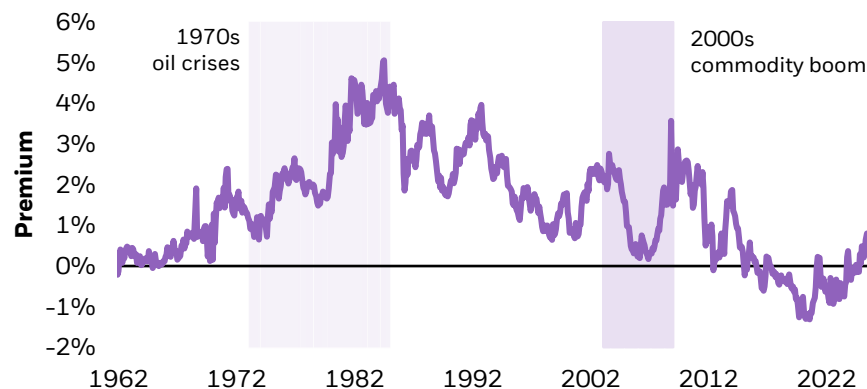
Source: BlackRock Investment Institute, U.S. Bureau of Labor Statistics, with data from Haver Analytics, April 2026. Note: The lines show U.S. unemployment and underemployment rates. Underemployment captures those unemployed for economic reasons.

Chart 5: U.S. stock-bond correlation, 1970-2026



The figures shown relate to past performance which is not a reliable indicator of current or future results. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Source: BlackRock with data from LSEG Datastream, April 2026. Note: The line shows the rolling 90-day correlation between daily returns of the S&P 500 and U.S. 10-year Treasuries.

Chart 6: U.S. 10-year term premium, 1962-2026

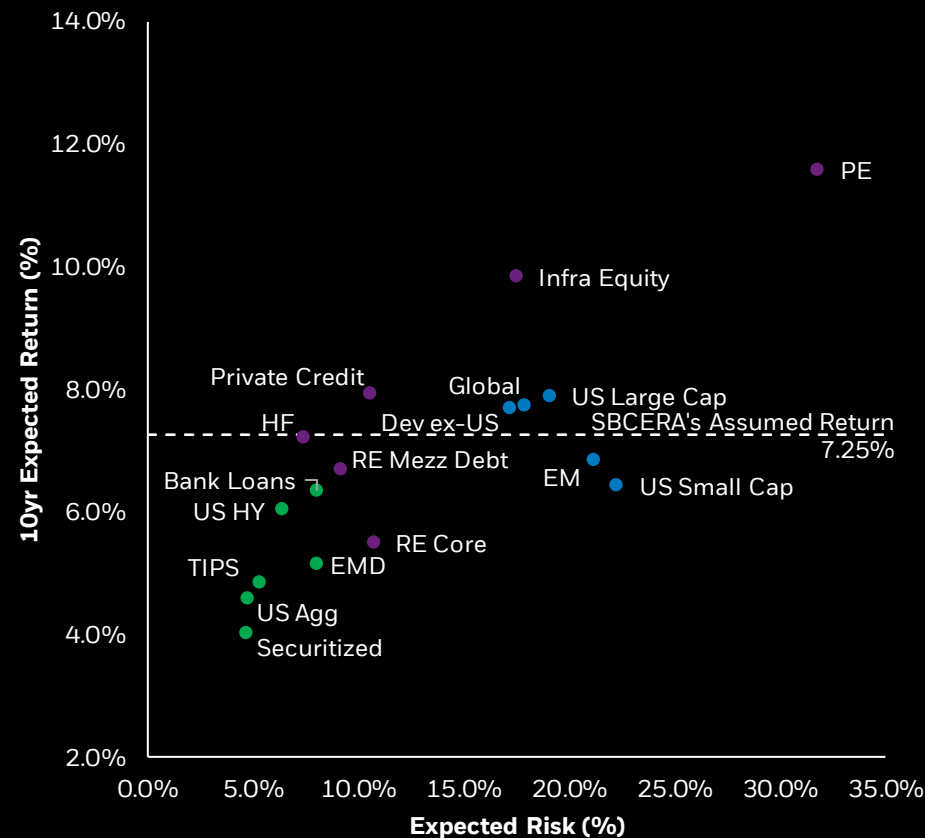


The figures shown relate to past performance which is not a reliable indicator of current or future results. Source: BlackRock, New York Federal Reserve, with data from LSEG Datastream, April 2026. Note: The chart shows the NY Fed's estimate of U.S. term premium – the extra compensation investors demand for the risk of holding long-term bonds. The shaded bands cover the 1970s oil crises and the 2000s commodity boom.

Predictably Unpredictable

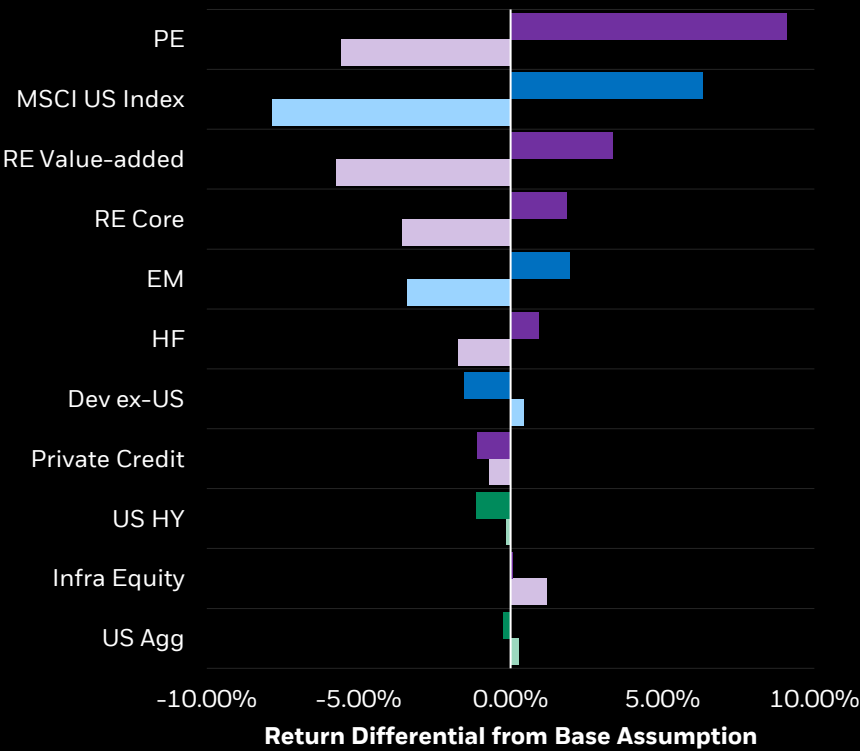
Structurally higher rates intensifies the difficulty of balancing underwriting growth and curbing inflation; the global economic impact of geopolitical fragmentation and AI makes the macro outlook less predictable.

BlackRock Capital Market Assumptions – May 2026



Thinking Differently

We publish alternative scenarios to our baseline assumptions to illustrate the range of potential outcomes amid uncertainty.



● Fixed Income ● Equities ● Alternatives ● AI Upside Assumptions ● Lower Risk Premia Assumptions

Source: BlackRock as of May 2026. Hypothetical results are net of expenses and are not a guarantee of future results. For illustrative purposes only; no representation is being made that the results shown will be achieved. The hypothetical results are based on criteria applied retroactively with the benefit of hindsight and knowledge of factors that may affect actual performance. Interpretation of any results should take into consideration inherent limitations and risks of the model and assumptions used. Hypothetical results may be higher or lower than shown. Please note MSCI USA was used to represent US Large Cap in the "Thinking Differently" chart which may differ from other CMA related content throughout this presentation. Read slide 2 and the Appendix for details.

Peer Analysis

Executive Summary

Peer Group Summary

We selected your peer group based on size of assets and funded ratio

Plan Information		Modeled Data	Actuarial & Participant Information					Reported Dates		
Plan Name	Label	Cash & Inv (\$m)	Funded Ratio (%)	Total Participants	Active (%)	Inactive (%)	Retired (%)	Returns Data	Actuarial Data	Holdings Data
Modeled Public Pension Universe	All Plans	5,800,550	77.7%	34,016,160	41%	24%	35%			
Peer Average	Peer Avg	17,800	81.8%	46,974	43%	16%	42%			
San Bernardino Cnty ERA	SBCERA	16,301	88.8%	52,150	46%	22%	31%	Jun 2025	Jun 2025	Jun 2025
Alameda County Empl Ret Assoc	ACERA	12,005	88.0%	27,156	44%	15%	41%	Jun 2025	Dec 2024	Jun 2025
AZ Public Safety	AZ PS	24,212	70.5%	42,087	45%	14%	41%	Jun 2025	Jun 2025	Jun 2025
Contra Costa Cnty ERA	CCCERA	12,026	91.1%	25,946	42%	16%	42%	Jun 2025	Dec 2024	Jun 2025
LA City Empl Ret Sys	LACERS	25,224	74.6%	62,180	43%	20%	37%	Jun 2025	Jun 2025	Jun 2025
Louisiana Empl Ret Sys	LASERS	16,335	74.5%	94,373	42%	5%	53%	Jun 2025	Jun 2025	Jun 2025
Orange Cnty ERS	OCERS	25,819	83.8%	54,485	43%	17%	40%	Jun 2025	Dec 2024	Jun 2025
Sacramento Cnty ERS	SCERS	14,539	90.1%	33,660	41%	15%	43%	Jun 2025	Jun 2025	Jun 2025
San Diego Cnty ERA	SDCERA	19,394	80.2%	52,065	39%	17%	44%	Jun 2025	Jun 2025	Jun 2025
San Diego City ERS	SDCERS	12,140	76.1%	25,636	42%	13%	45%	Jun 2025	Jun 2025	Jun 2025

Source: BlackRock, Pensions & Investments (P&I), Public Plan Data (PPD), June 2026.

For more details on the full peer universe, see "BlackRock's Public Pension Plan Coverage Universe" at the end of this presentation. Returns data refers to the realized return quoted later in this presentation; actuarial data includes the actuarial assets, liabilities, funded ratio, and assumed return. In some instances, fund level modeled data, reported actuarial data, and returns data are reported at different entity levels based on information availability.

Key Themes for SBCERA

Total Portfolio

- > SBCERA's 10 year expected return of 8.50% exceeds the assumed return target of 7.25% by 125bps.
- > The economic growth risk factor comprises 68% of SBCERA's total portfolio risk of 13%.

Fixed Income

- > SBCERA has a 13.3% allocation to fixed income relative to the peer average of 18.4%.
- > SBCERA's fixed income portfolio is 66% allocated to core exposures, with the 34% to non-core entirely allocated to EM.

Alternatives

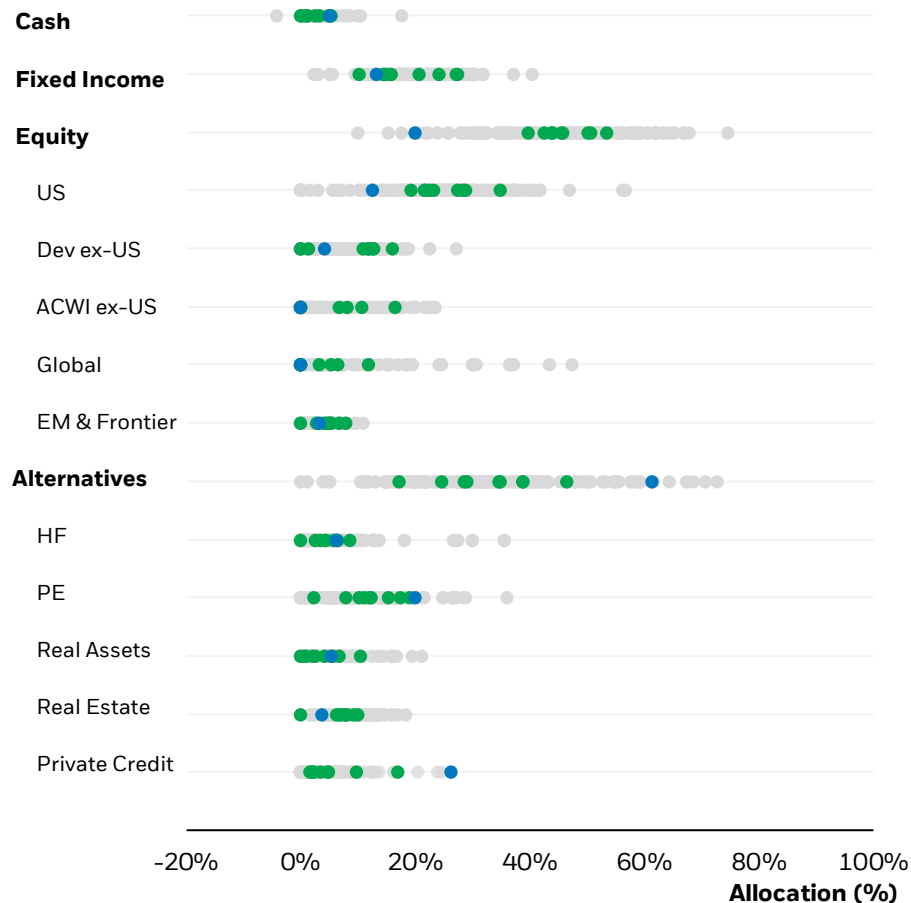
- > SBCERA's alternatives allocation is overweight relative to the peer average by 26%.
- > SBCERA's alternatives exposure is primarily focused on private credit (43%) and PE (32%).

The views expressed are as of May 2026 and subject to change with market conditions. The ideas included in this material should not be construed as investment advice or a recommendation regarding any investment or investment strategy. For important notes regarding the risk and expected returns, please read important disclosures on slide 2 and the Appendix for more information.

Executive Dashboard – SBCERA vs. Peers

SBCERA has a 81.6% allocation to growth assets (vs. 79.2% peers) which is driving its expected return of 8.50% (vs. 8.13% peers) and risk of 13.0% (vs. 13.5% peers); the portfolio's 20.1% allocation to Equity (23.5% UW average) and 61.5% allocation to Alternatives (26.0% OW average) largely explains its divergence from the peers.

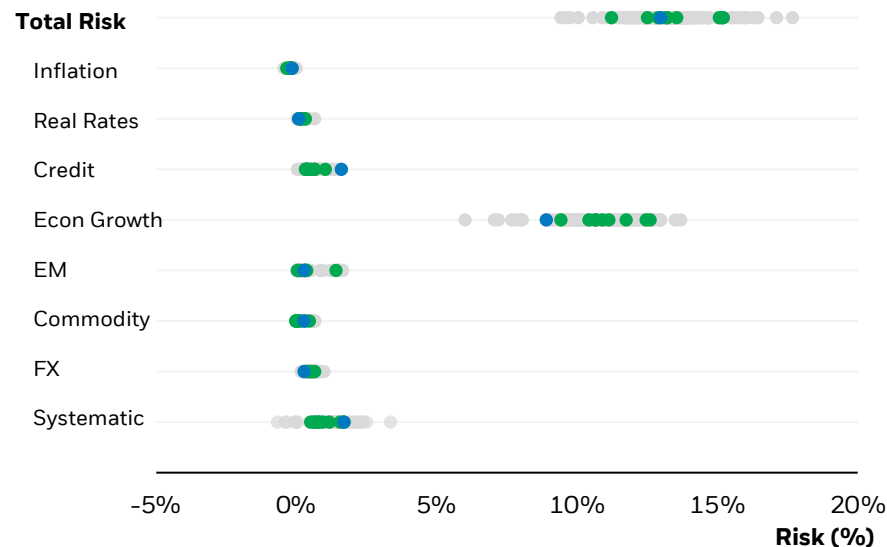
Asset Allocation



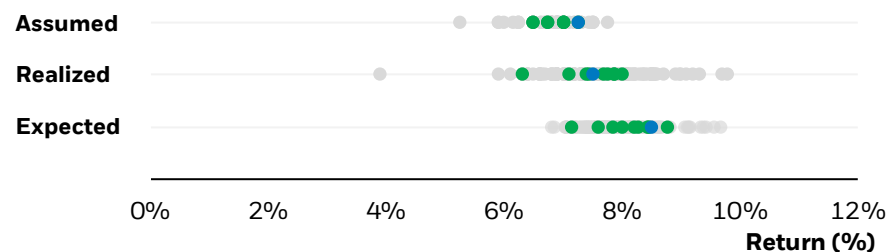
Legend: ● All Plans ● Peers ● SBCERA

Sources: BlackRock as of May 2026 based on BlackRock's CMA. Neither diversification nor asset allocation can guarantee a profit or prevent loss. **Actual and hypothetical results are not a guarantee of future results and may be higher or lower than shown.** Expected returns are shown net of fees and expenses; realized returns are stated as reported. The results shown are for illustrative discussion purposes only and no representation is being made that any account, product or strategy will achieve results shown. The hypothetical results are based on criteria applied retroactively with the benefit of hindsight and with knowledge of factors that may positively affect performance and that cannot account for risk factors that may affect actual performance. Interpretation of any results should take into consideration inherent limitations and risks of the model and assumptions used. [Read slide 2 and the Appendix for details.](#)

Risk Factor Decomposition



Returns (10yr Annualized) vs. Assumed Return



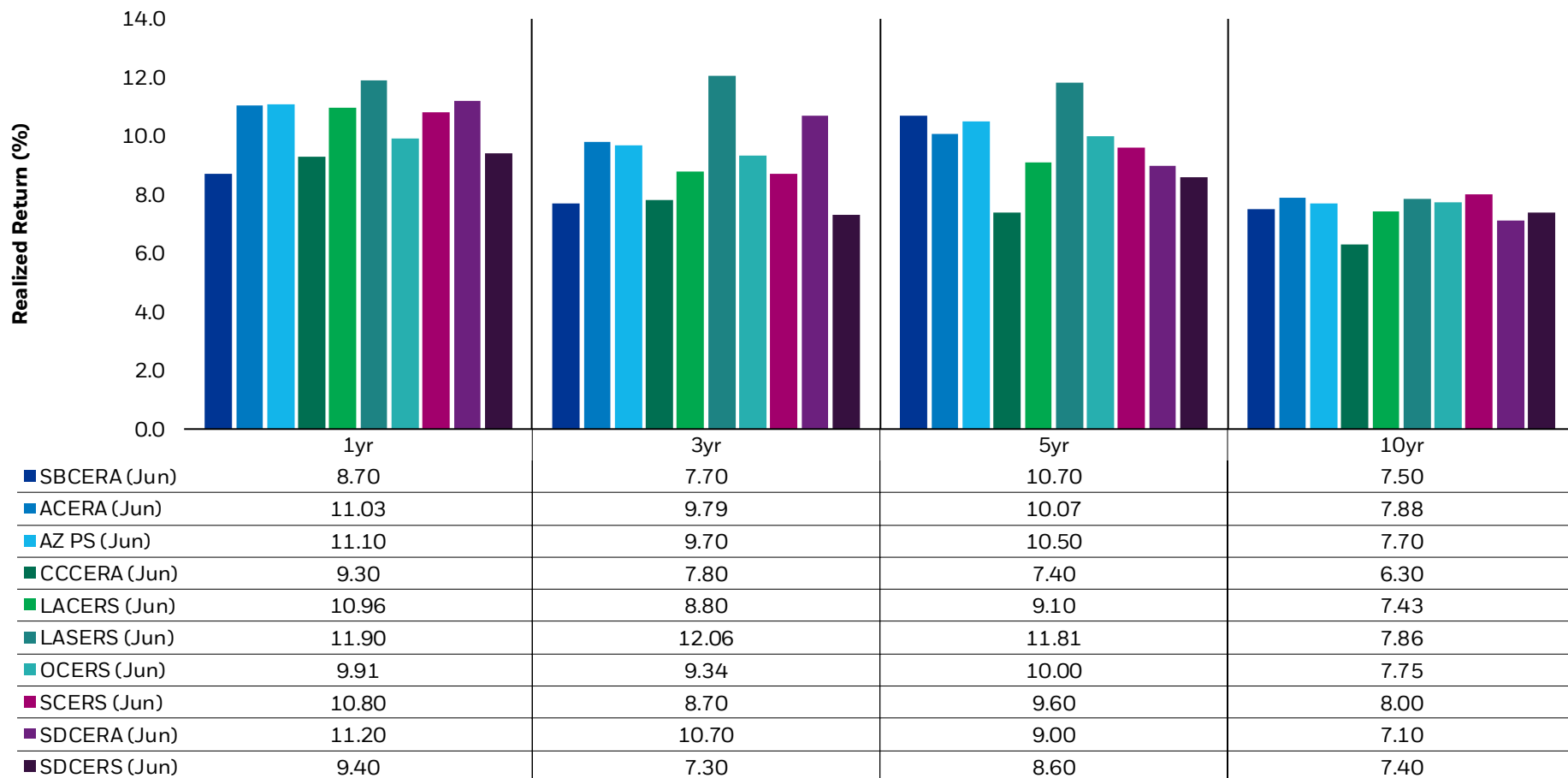
Peer Analysis

Total Portfolio

Broadening Horizons

Reported investment returns over different periods of measurement

1, 3, 5, and 10yr Annualized Realized Returns (as reported)

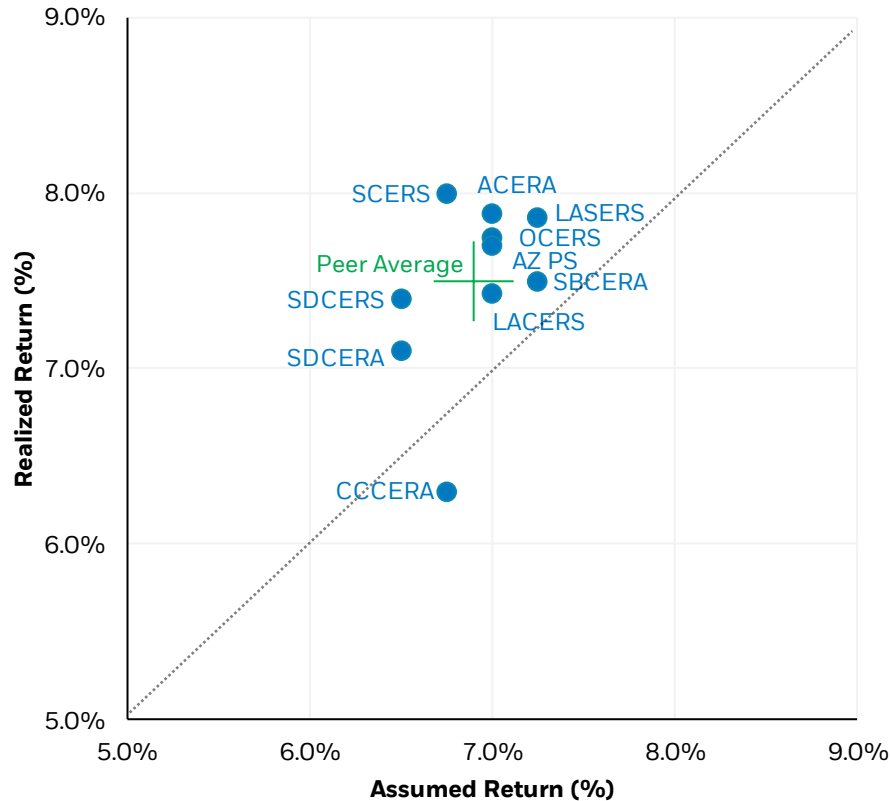


Source: BlackRock, PPD, P&I as of May 2026. See the slide titled "Peer Group Summary" at the beginning of this presentation for reporting date of each plan. Realized returns are stated as reported, based on availability, and are not a guarantee of future results. Read additional disclosures on page 2.

The Realization of Assumptions

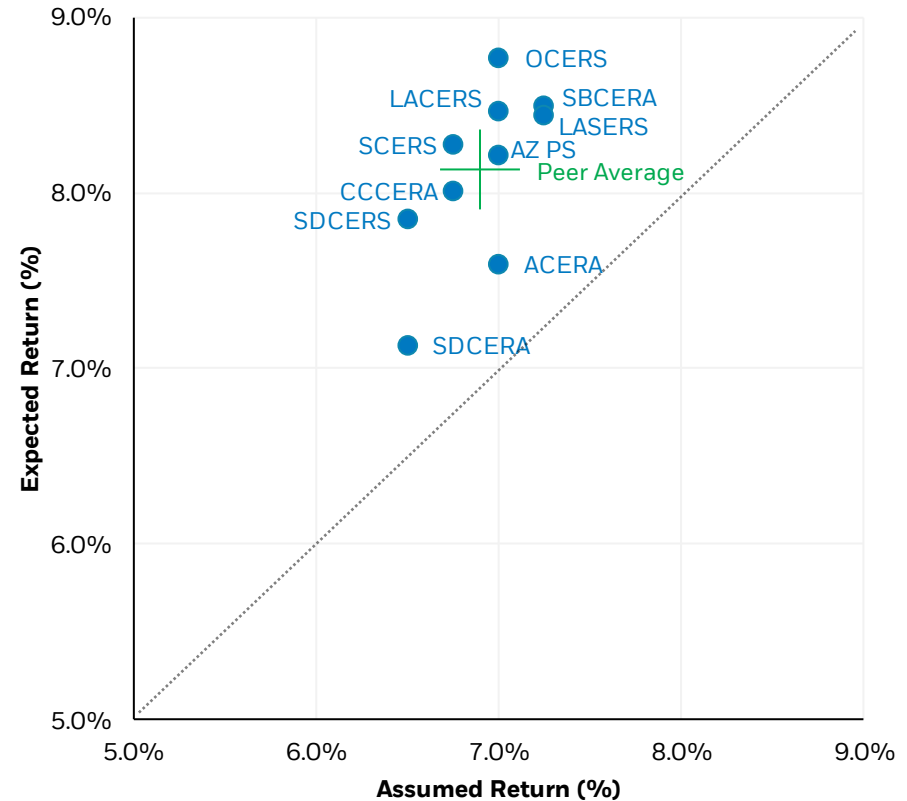
SBCERA's 10yr annualized realized return of 7.50% exceeded current assumed return (7.25%) by 25bps; looking forward, we estimate SBCERA's return over the next 10 years will be 8.50%, 125bps above its assumed return target

10 Year Annualized Realized Return vs. Assumed Return



Return Information	Peer Average	vs. Avg	All Plans	% Rank
Assumed Return	6.9%	0.3%	6.9%	85
Realized Return	7.5%	0.0%	7.6%	41

10 Year Annualized Expected Return vs. Assumed Return



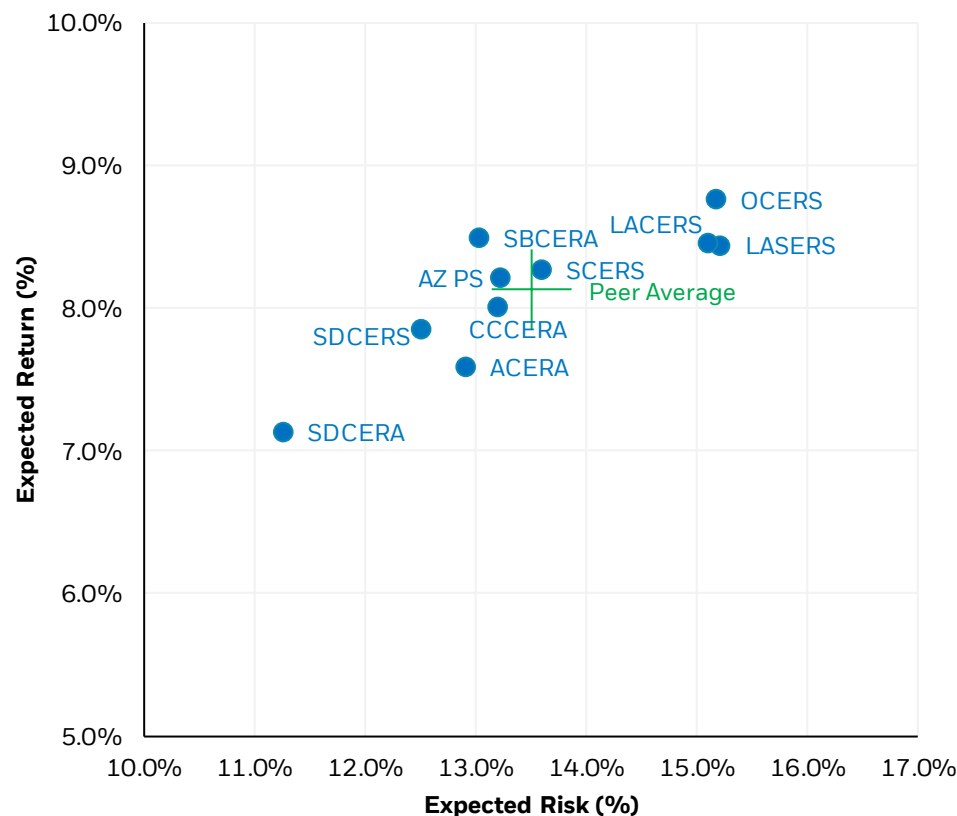
Return Information	Peer Average	vs. Avg	All Plans	% Rank
Assumed Return	6.9%	0.3%	6.9%	85
Expected Return	8.1%	0.4%	8.0%	85

Source: BlackRock, PPD, P&I as of May 2026. Actual and hypothetical results are not a guarantee of future results. Realized/assumed returns (LHS) are stated as reported. Hypothetical results (RHS) are net of fees and expenses. The returns shown are for illustrative purposes only; no representation is being made that the results shown will be achieved. The hypothetical results are based on criteria applied retroactively with the benefit of hindsight and knowledge of factors that may affect actual performance. Interpretation of any results should take into consideration inherent limitations and risks of the model and assumptions used. Hypothetical results may be higher or lower than shown. Read slide 2 and the Appendix for details.

“The Future Depends on What you do Today”

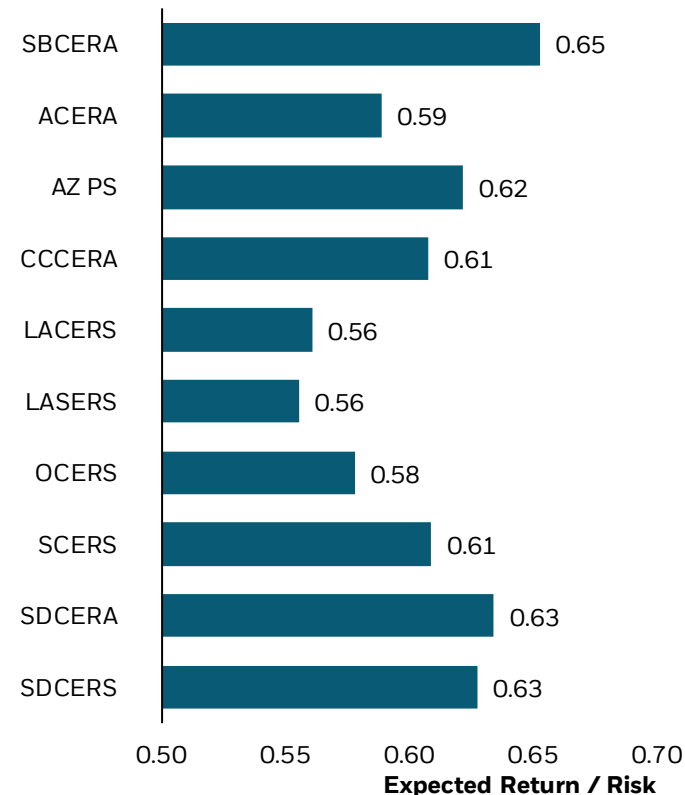
Expected returns vs. expected risk: Are you being compensated for the risk you’re taking?

10 Year Annualized Expected Return vs. Expected Risk



Return Information	Peer Average	vs. Avg	All Plans	% Rank
Expected Risk	13.5%	-0.5%	13.2%	39
Expected Return	8.1%	0.4%	8.0%	85

Finding Efficiencies



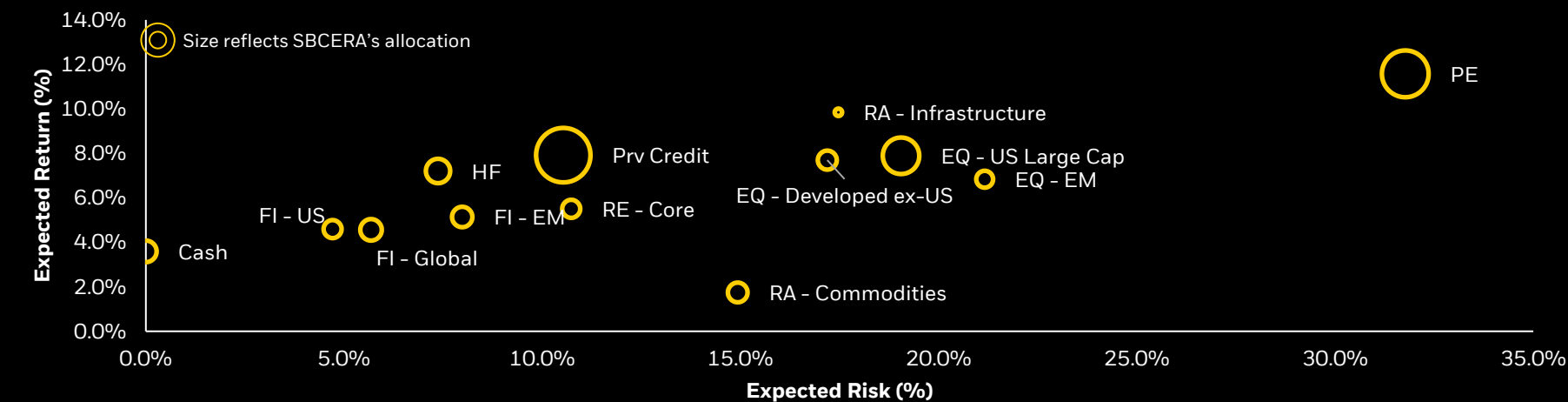
Portfolio Return/Risk	Peer Average	vs. Avg	All Plans	% Rank
Return/Risk	0.60	0.05	0.61	87

Source: BlackRock, PPD, P&I as of May 2026. **Hypothetical results are net of expenses and are not a guarantee of future results.** The hypothetical results shown are for illustrative purposes only; no representation is being made that the results shown will be achieved. The hypothetical results are based on criteria applied retroactively with the benefit of hindsight and knowledge of factors that may affect actual performance. Interpretation of any results should take into consideration inherent limitations and risks of the model and assumptions used. Hypothetical results may be higher or lower than shown. **Read slide 2 and the Appendix for details.**

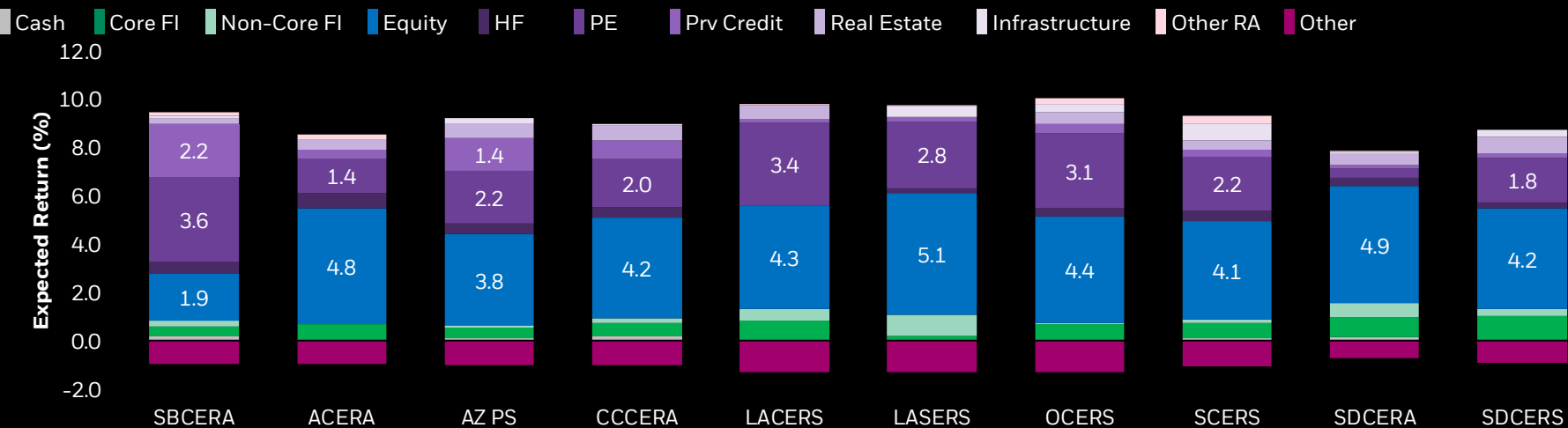
Deeper Reflections

Expected return drivers and attribution

Expected Return and Risk – SBCERA’s Exposure



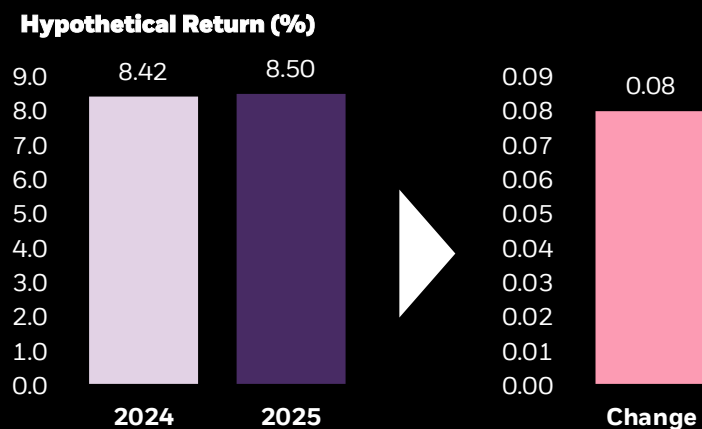
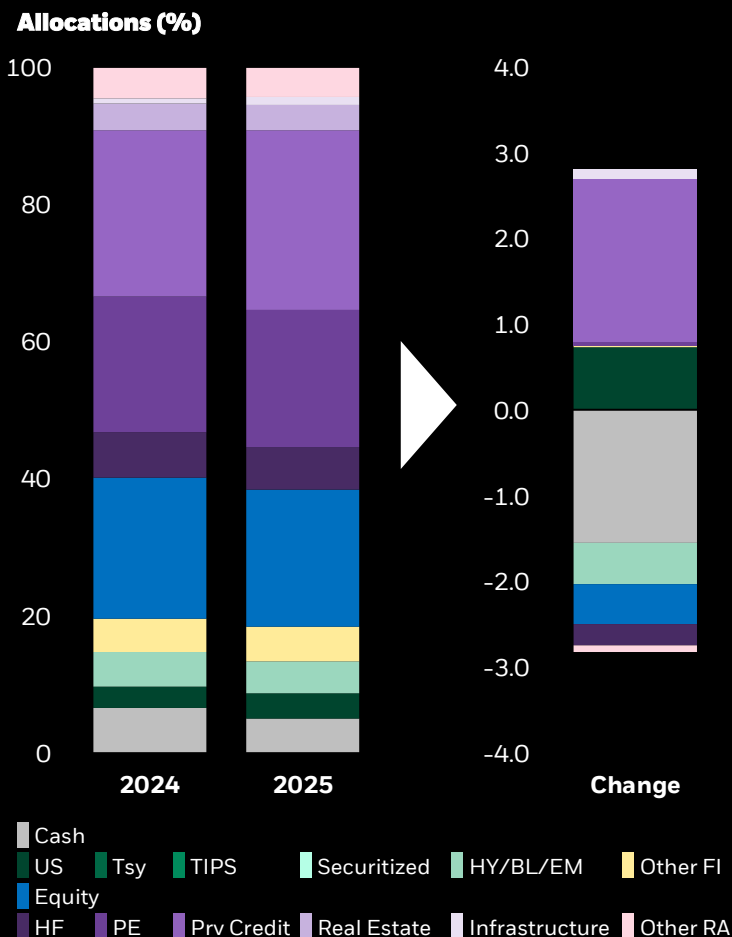
Expected Return Attribution



Source: BlackRock, PPD, P&I as of May 2026. Source: BlackRock as of May 2026. Hypothetical results are net of expenses and are not a guarantee of future results. Hypothetical results are for illustrative purposes only; no representation is being made that the results shown will be achieved. The hypothetical results are based on criteria applied retroactively with the benefit of hindsight and knowledge of factors that may affect actual performance. Interpretation of any results should take into consideration inherent limitations and risks of the model and assumptions used. Hypothetical results may be higher or lower than shown. Non-core fixed income includes FI asset classes other than US, TIPS, Long Duration, and Intl/Global. 'Other' is the difference between the total portfolio geometric return and the decomposed arithmetic returns shown above. Read slide 2 and the Appendix for details.

Summary Analytics

A comparison of SBCERA's allocation in 2025 vs. 2024 – and the potential implications to risk and return

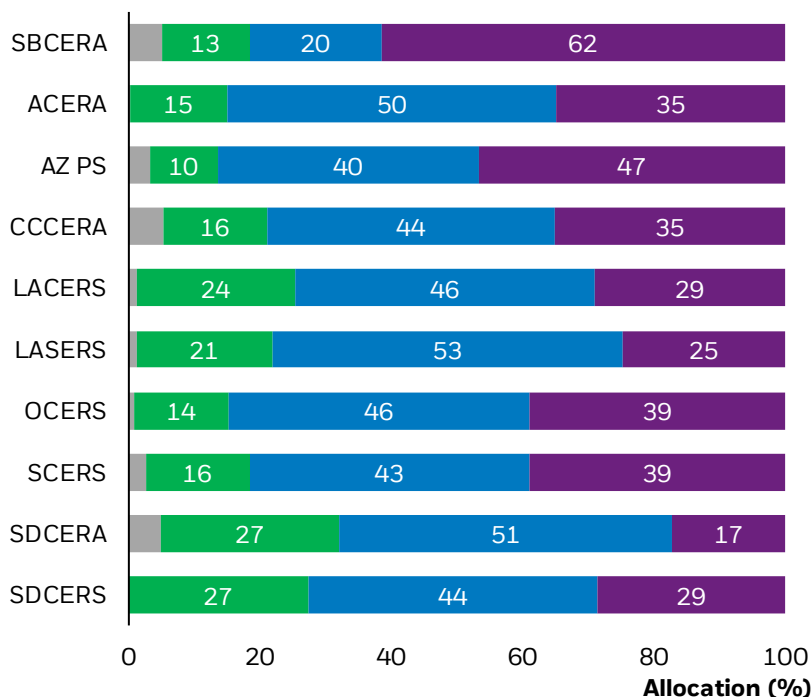


Source: BlackRock, May 2026. Neither asset allocation nor diversification can guarantee profit nor prevent loss of money invested. **Hypothetical results are not a guarantee or indicative of future results.** Hypothetical expected returns are shown net of fees and expenses. The results shown are for illustrative discussion purposes only and no representation is being made that results shown will be achieved. The hypothetical results are based on criteria applied retroactively with the benefit of hindsight and with knowledge of factors that may positively affect performance and that cannot account for risk factors that may affect actual performance. Interpretation of any results should take into consideration inherent limitations and risks of the model and assumptions used. Hypothetical risk and return results may be higher or lower than shown. Exposure changes/differences may represent differences in reporting, and/or proxying instead of an actual change in allocation. Returns are hypothetical. **Read important disclosures on slide 2 for more information.**

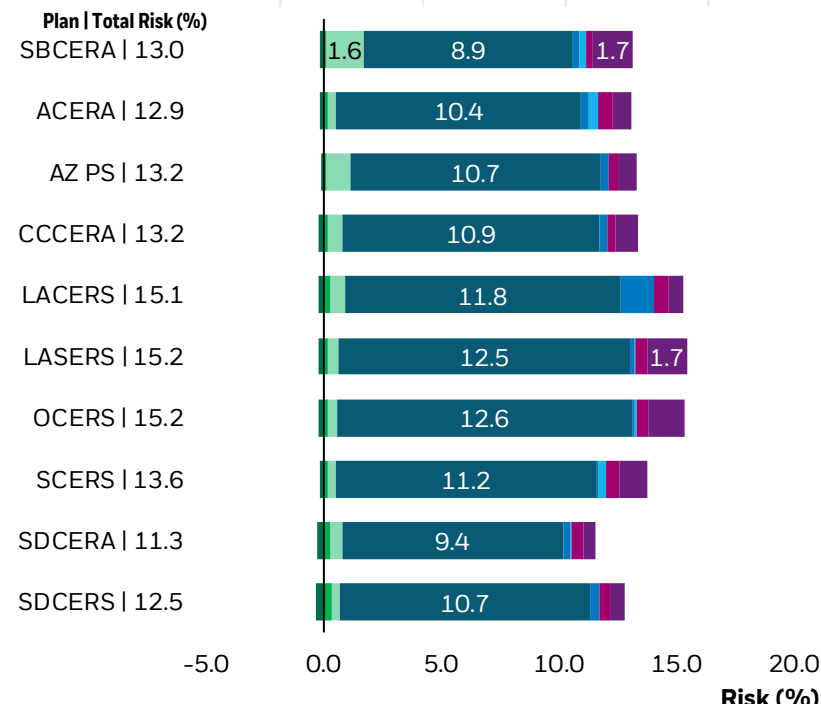
Asset Allocation Relative to Peers

Economic growth comprises 69% of SBCERA's total risk of 13.0%; the peer group has an average total risk of 13.5% and ranges from 11.3% to 15.2%

Total Portfolio Allocation (%)	Peer Average	vs. Avg	All Plans	% Rank
Cash	2	3	2	90
Fixed Income	18	-5	20	13
Equity	44	-24	44	2
Alternatives	36	26	33	95
Other	0	0	0	1



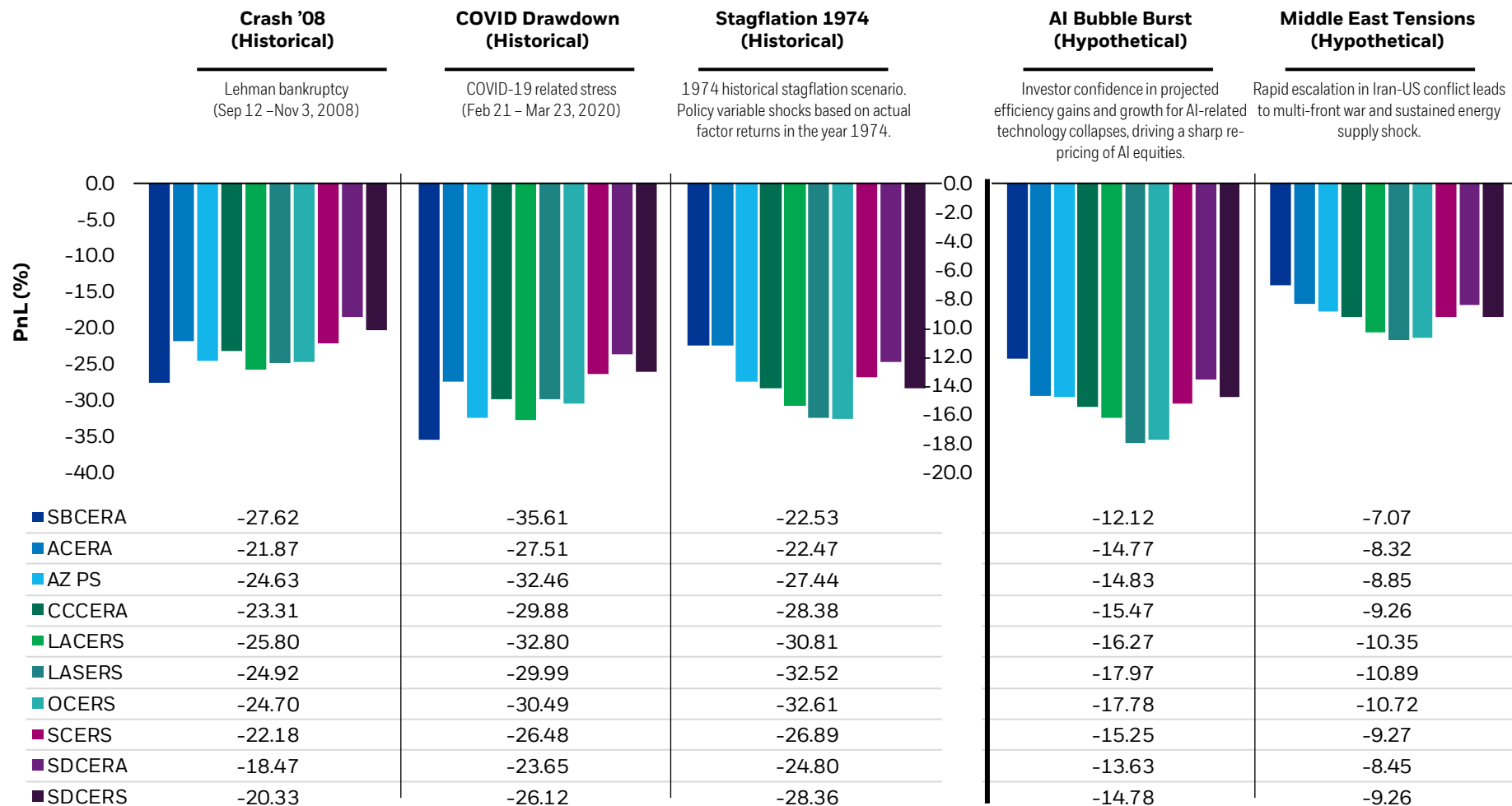
Macro Factor Risk Decomp (%)	Peer Average	vs. Avg	All Plans	% Rank
Inflation	-0.2	0.1	-0.2	87
Real Rates	0.2	-0.1	0.2	10
Credit	0.6	1.0	0.5	100
Economic Growth	10.9	-2.0	10.9	5
EM	0.4	-0.1	0.1	76
Commodity	0.1	0.2	0.2	83
FX	0.5	-0.2	0.5	5
Systematic	1.0	0.6	1.1	92
Total Risk	13.5	-0.5	13.2	39



Source: BlackRock, PPD, P&I as of May 2026. Neither asset allocation nor diversification can guarantee profit or prevent loss. Risk: 84% confidence interval, 306 constant weighted monthly observations. Read the "Peer Group Summary" for reporting date of each plan, the "Macro Factors Glossary" for additional risk details; and regarding the indexes used to represent each asset class, see the Asset Class Mapping slides at the end of this presentation.

Total Portfolio: Scenario Analysis

Historical and hypothetical scenarios offer insight into downside risk protection; BlackRock's proprietary market-driven scenarios estimate the PnL impact of ensuing geo-political, environmental, and market catalysts



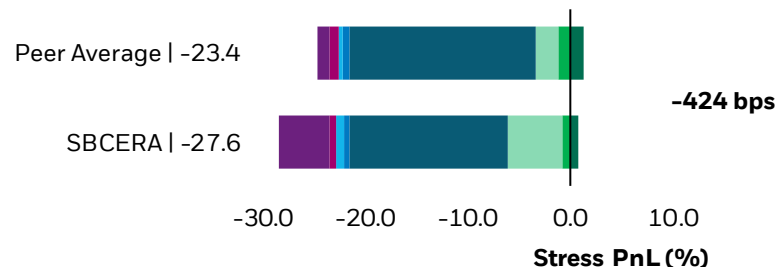
Source: BlackRock as of May 2026, based on BlackRock's CMA. **The hypothetical performance shown is net of fee and is not a guarantee of future results.** Given the instantaneous nature of applied shocks, fees are divided by 365 and deducted from the modeled scenario output. Stress scenario results are for illustrative purposes and no representation is being made that results shown will be achieved. The historical scenarios simulate each portfolio shown through hypothetical large market shocks and geopolitical stresses, with implied shocks. Scenario analysis is performed by parametrically shocking the underlying risk factor exposures of the portfolios by a set of instantaneous changes to derive the resulting hypothetical returns. The returns in the scenarios are expressed as a hypothetical percentage change in value if those shocks were to be realized and are based on criteria that have been applied retroactively with the benefit of hindsight and therefore cannot account for all financial risk that may affect actual performance. Interpretation of any results should take into consideration inherent limitations and risks of the model and assumptions used. All results may be higher or lower than shown. **Read important disclosures on slide 2 and appendix for more information.**

Total Portfolio: Scenario Analysis

We expect greater costs associated with getting the asset mix wrong in the new regime compared with the Great Moderation; the larger dispersion of public plan returns more recently underscores the need to focus on tail risks

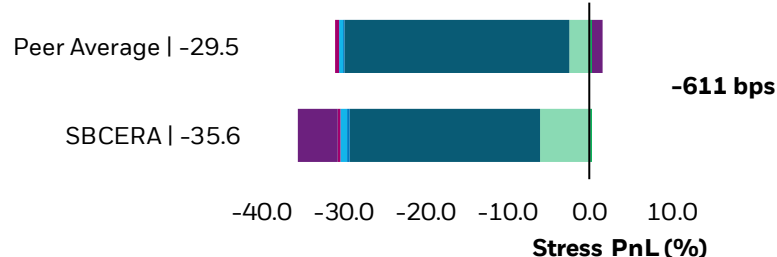
Crash '08

Implied change in funded status of -25% may result in a new funded status of 64%



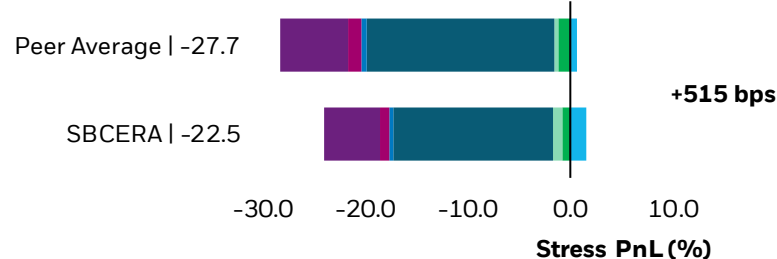
COVID Drawdown

Implied change in funded status of -32% may result in a new funded status of 57%



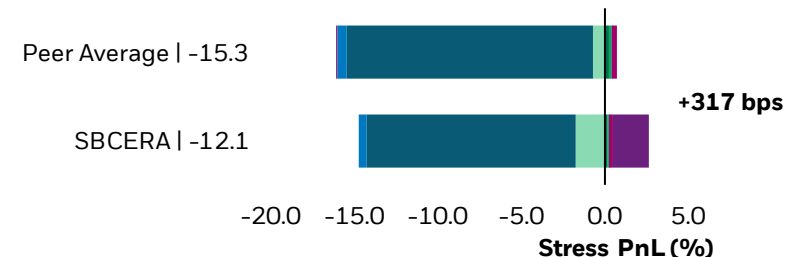
Stagflation 1974

Implied change in funded status of -20% may result in a new funded status of 69%



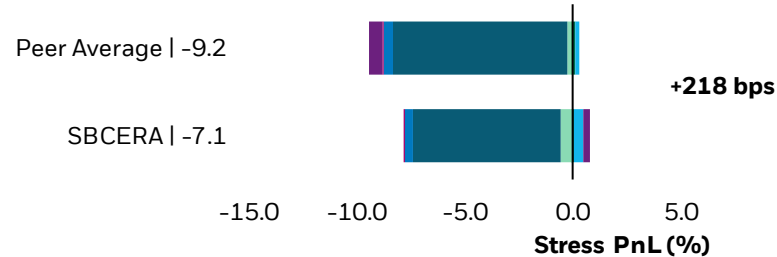
AI Bubble Burst

Implied change in funded status of -11% may result in a new funded status of 78%



Middle East Tensions

Implied change in funded status of -6% may result in a new funded status of 82%



Source: BlackRock as of May 2026, based on BlackRock's CMA. The hypothetical performance shown is net of fee and is not a guarantee of future results. Given the instantaneous nature of applied shocks, fees are divided by 365 and deducted from the modeled scenario output. Stress scenario results are for illustrative purposes and no representation is being made that results shown will be achieved. The historical scenarios simulate each portfolio shown through hypothetical large market shocks and geopolitical stresses, with implied shocks. Scenario analysis is performed by parametrically shocking the underlying risk factor exposures of the portfolios by a set of instantaneous changes to derive the resulting hypothetical returns. The returns in the scenarios are expressed as a hypothetical percentage change in value if those shocks were to be realized and are based on criteria that have been applied retroactively with the benefit of hindsight and therefore cannot account for all financial risk that may affect actual performance. Interpretation of any results should take into consideration inherent limitations and risks of the model and assumptions used. All results may be higher or lower than shown. Read important disclosures on slide 2 and appendix for more information.

Calibrating Liquidity Constraints

Peer perspectives

Inputs Considered

- Target allocation to private markets
- Quarterly NAVs and cash flows for private market funds (all fund types and geographies from Preqin)
- Age of private markets portfolio
- Annual spending requirement from total portfolio
- Mix of liquid assets

Zoning Rules

Liquidity Event

For the purposes of this analysis, a liquidity event is defined as a scenario in which liquid assets fall below two years of spending requirements

Less Aggressive

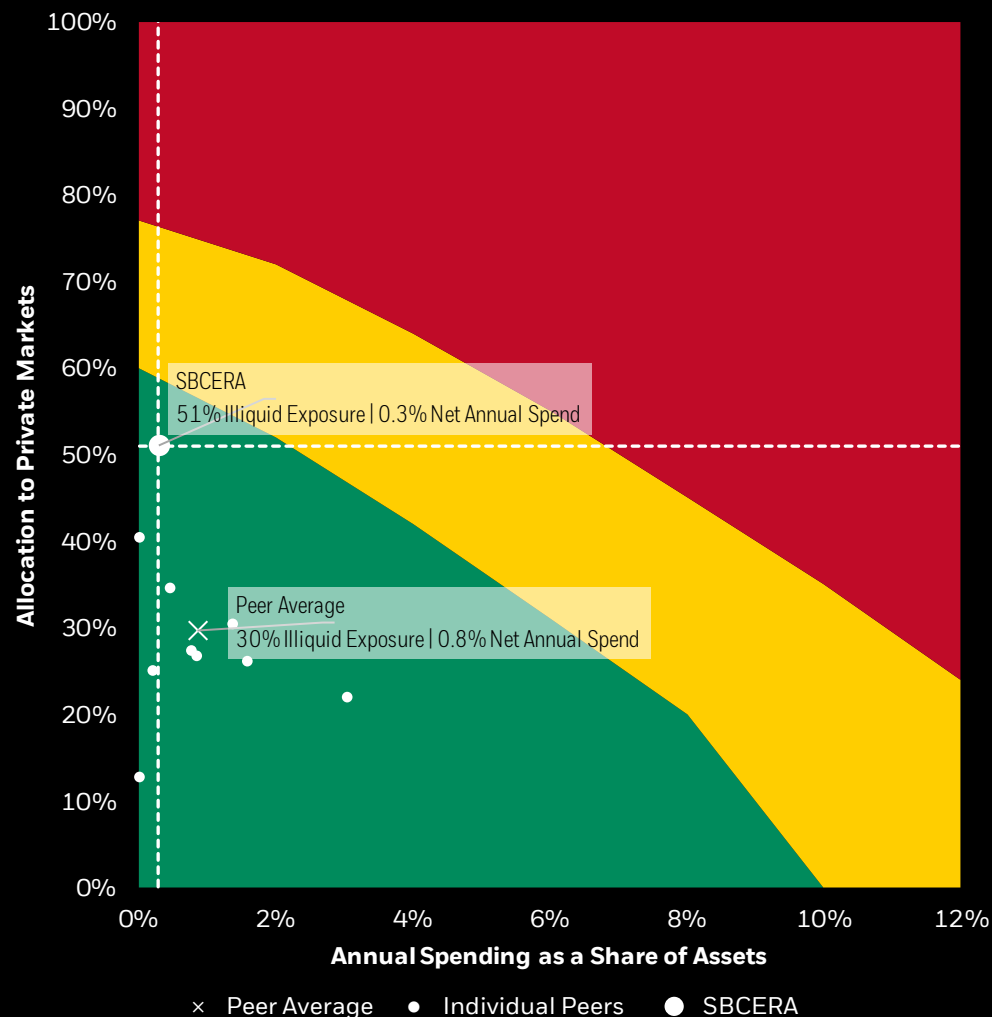
The range of allocations to private markets given any combination of the other input parameters that result in less than a 5% chance of a liquidity event

Moderate

The range of allocations to private markets where some combinations of other input parameters result in more than a 5% chance of a liquidity event

More Aggressive

The range of allocations to private markets in which all combinations of other input parameters lead to at least a 5% chance of a liquidity event



Source: BlackRock as of May 2026, based on BlackRock Investment Institute paper from March 2019. Labels for each plan is based on FY2025 plan information from Annual Reports. Net Flows is calculated as benefits payments less total contributions. This information is not intended as a recommendation to invest in any particular asset class or strategy or as a promise – or even as an estimate – of future performance.

Addressing Your **Target** Outcomes

In Summary

SBCERA's Relative Positioning

Asset Class	SBCERA Allocation	Peer Avg	All Plans	vs. Peer Avg	vs. All Plans
Cash	5%	2%	2%	3%	3%
Fixed Income	13%	18%	20%	-5%	-7%
US	4%	10%	12%	-7%	-8%
TIPS	0%	0%	1%	0%	-1%
Tsy / Long Duration	0%	1%	2%	-1%	-2%
Intl/Global	5%	1%	0%	4%	5%
Non-Core	5%	5%	5%	-1%	0%
Equity	20%	44%	44%	-24%	-24%
US	13%	24%	24%	-11%	-11%
Devex-US	4%	8%	7%	-4%	-3%
International	0%	4%	5%	-4%	-5%
EM	3%	5%	3%	-1%	0%
Global	0%	3%	5%	-3%	-5%
Alternatives	62%	36%	33%	26%	28%
HF	6%	5%	4%	1%	2%
Real Estate	4%	7%	8%	-3%	-5%
Core/Core+	2%	2%	3%	-1%	-2%
Non-Core	2%	2%	2%	0%	0%
Debt	0%	0%	0%	0%	0%
REITs	0%	0%	1%	0%	-1%
Other	0%	2%	2%	-2%	-2%
Other Real Assets	5%	4%	4%	2%	1%
Infrastructure	1%	2%	3%	-1%	-2%
Other	4%	2%	2%	2%	3%
Private Equity	20%	13%	12%	7%	8%
Private Credit	26%	7%	5%	19%	22%
Liquid	49%	70%	72%	-21%	-23%
Illiquid	51%	30%	28%	21%	23%

Neither asset allocation nor diversification can guarantee profit or prevent loss.

Ideas for Consideration for SBCERA

Revisiting Real Assets

- > Infrastructure equity can be a source of idiosyncratic risk and return and hedge against inflation. Infrastructure debt may provide a risk-adjusted yield enhancement relative to similarly-rated corporate debt.

Positioning within Private Credit

- > Private credit remains elevated relative to peers and industry given SBCERA's income focus; wide dispersion within private credit may create opportunities to reposition within the asset class.

Focusing on Fixed Income

- > Consider an unconstrained multi-sector approach to fixed income; allowing for more flexibility to adapt to rising inflation and rates, and the changing bond markets more nimbly.

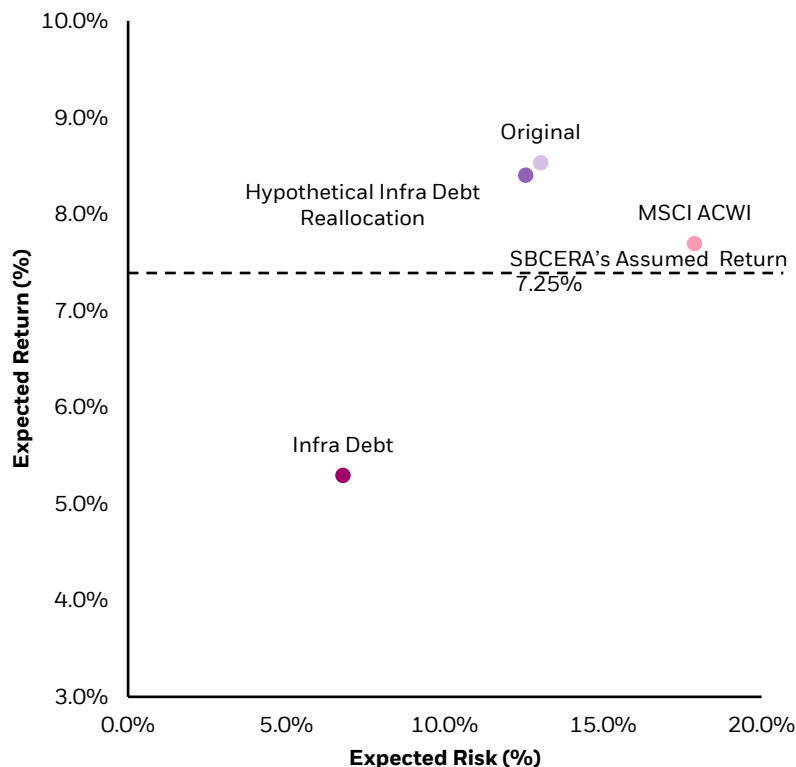
Source: BlackRock as of May 2026

Reallocating to Infrastructure Debt

Funding source: 5% out of MSCI ACWI exposure

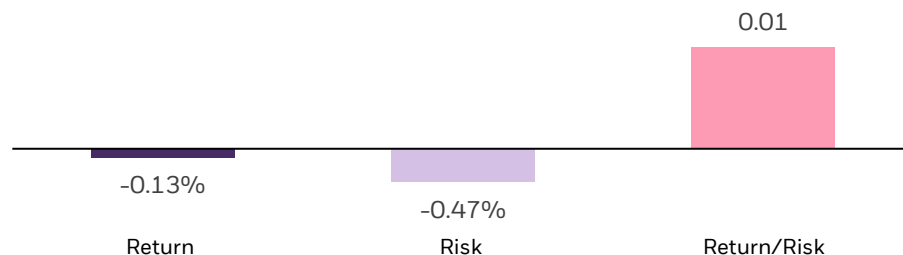
Allocation: 5% into Infrastructure Debt exposure

Expected Return and Risk

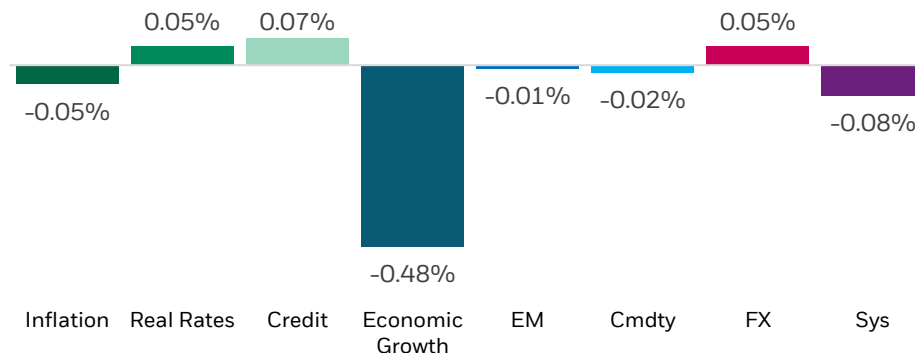


Measuring the Impact

Changes to Risk, Return, and Efficiency Score



Changes to Risk Factor Exposure



Source: BlackRock as of May 2026, based on BlackRock's CMA. **Hypothetical Expected Returns and Risk shown are not guarantees of future results. All investing is subject to risk, including possibility of loss.** Neither asset allocation nor diversification can guarantee profit or prevent loss. The hypothetical expected returns for proposed portfolios are net of fees and expenses and deducts the highest advisory fee charged for the institutional client type. The hypothetical returns and risk shown are for illustrative purposes only. There is no guarantee that the hypothetical results shown will be achieved, and actual returns may be significantly higher or lower than the performance shown. The hypothetical returns and risk results are based on criteria applied retroactively with the benefit of hindsight and knowledge of factors that may have positively affected its performance and cannot account for risk factors that may affect actual portfolio performance. In interpreting hypothetical results, one should take into consideration any inherent limitations and risks of the models used. An inherent limitation is that the allocations reflected in the performance were not made under actual market conditions and, therefore, cannot completely account for the impact of financial risk in actual portfolio management. Expected risk is defined as annual expected volatility and is calculated using data derived from portfolio asset class mappings, using the Aladdin portfolio risk model. The Aladdin portfolio risk model attempts to capture and monitor attributes that can influence the risk/return behavior of a particular security/asset. **Read important disclosures on slide 2 and appendix for more information.**

The private debt ecosystem is now broader and more diverse

Continued growth has expanded opportunities in compelling and less-trafficked segments of the asset class

Asset-Based Lending

Loans secured by assets such as inventory, accounts receivables or other balance sheet assets

Cash Flow Lending

Loans backed by expected future cash flows of a business, rather than hard collateral

Structured Credit

Financial instruments that pool cash flow-generating assets and redistribute the risks and returns into tranches

Specialty Finance

Non-traditional financing solutions provided to niche markets and underserved sectors

Sub-Categories:

- | | | | |
|---|---|--|---|
| <ul style="list-style-type: none">• Growth Lending• Infrastructure Lending• NAV Lending• Opportunistic Lending• Real Estate Lending | <ul style="list-style-type: none">• Mezzanine & Structured Equity• Non-Sponsor Backed Direct Lending• Sponsor Backed Direct Lending• Venture Capital Lending | <ul style="list-style-type: none">• Asset Backed• Commercial Real Estate• Residential Real Estate• Structured Corporate | <ul style="list-style-type: none">• Equipment Leasing• Insurance Linked• Legal Assets• Royalties• Trade Finance |
|---|---|--|---|

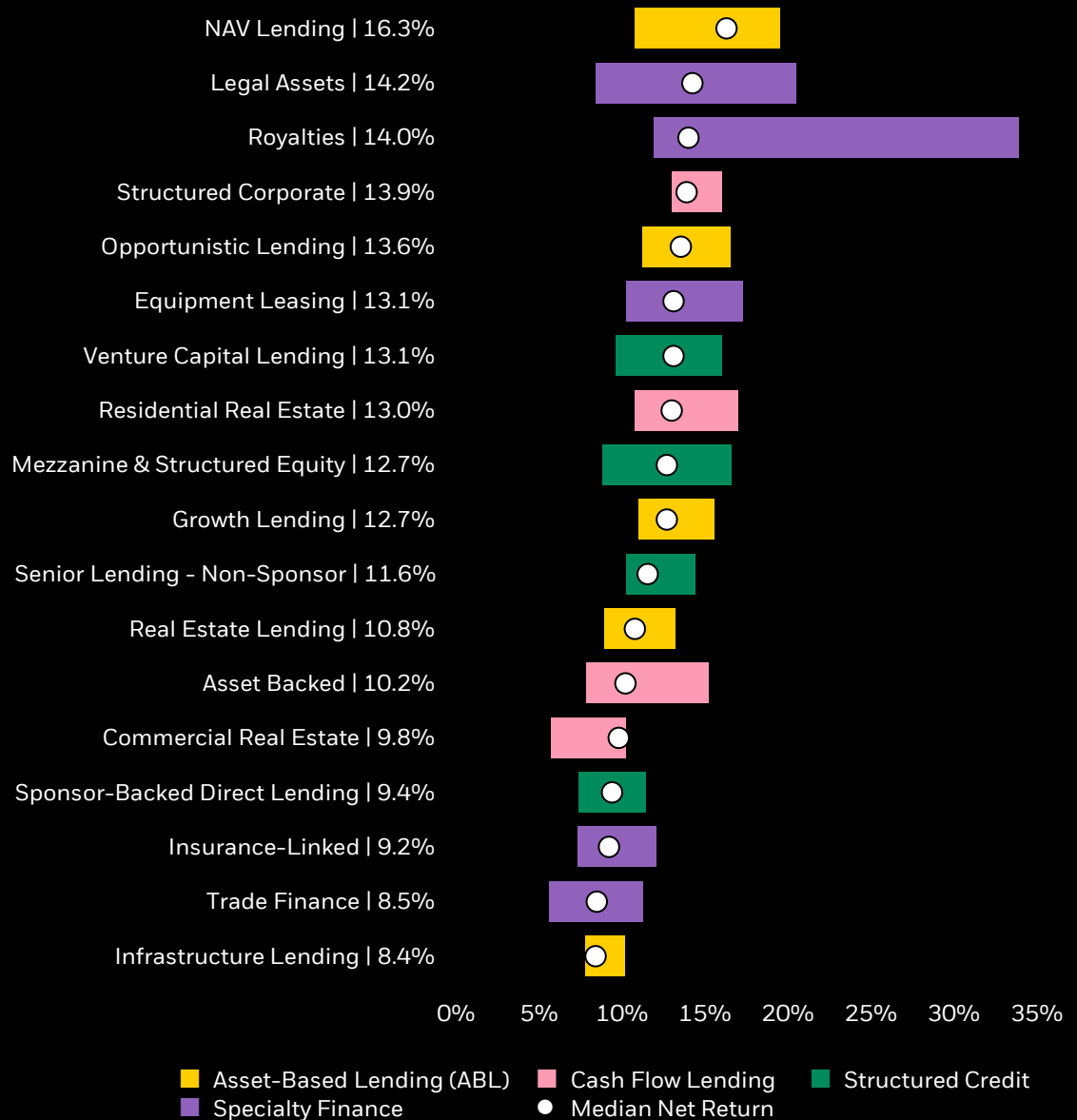
Source: BlackRock, May 2026.

Private Debt

An expansive asset class that can be dynamically constructed based on investor return targets, risk budgets, and liquidity requirements

The data reflected in the above table is sourced from over 700 underlying Private Credit funds across the investment universe. The return ranges are sourced from closed-end Private Credit funds with vintages ranging from 1994 to 2025, or the annualized returns of open-end Private Credit funds active during this timeframe. Each Sub-Strategy return range is represented by available data from a minimum of four underlying funds. The reflected range represents the 25th – 75th percentile of net realized returns for funds within each Sub-Strategy. The median return represents the median net realized return across funds in each Sub-Strategy. Please refer to the Appendix for additional detail on each Private Credit Sub-Strategy. **Past performance does not guarantee or indicate future performance.**

Private Debt Net Return Ranges (sorted by median net return)

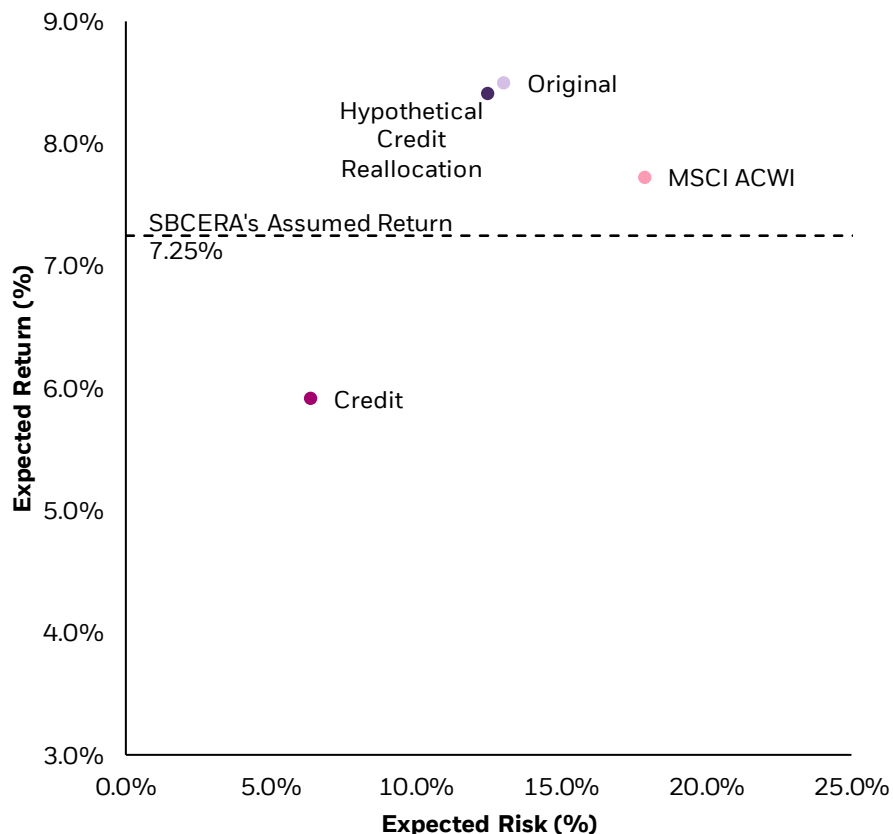


Reallocating to Public Credit

Funding source: 5% out of MSCI ACWI exposure

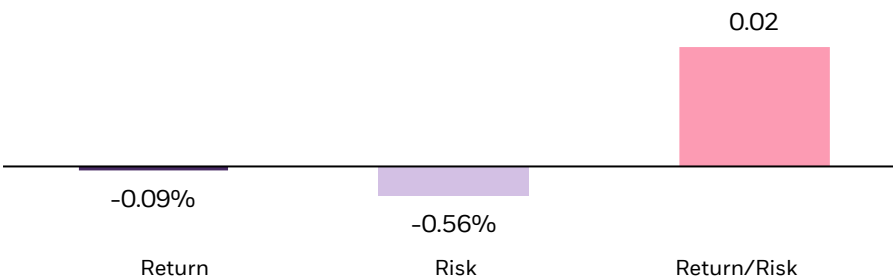
Allocation: 5% into Public Credit exposure (High Yield, Bank Loans, EMD)

Expected Return and Risk

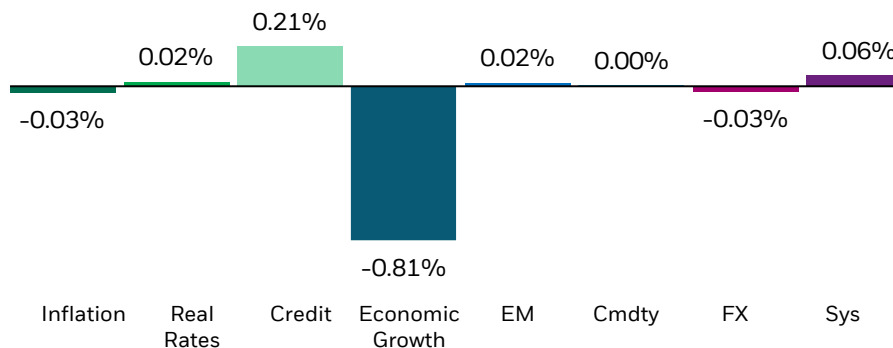


Measuring the Impact

Changes to Risk, Return, and Efficiency Score



Changes to Risk Factor Exposure



Source: BlackRock as of May 2026, based on BlackRock's CMA. Hypothetical Expected Returns and Risk shown are not guarantees of future results. All investing is subject to risk, including possibility of loss. Neither asset allocation nor diversification can guarantee profit or prevent loss. The hypothetical expected returns for proposed portfolios are net of fees and expenses and deducts the highest advisory fee charged for the institutional client type. The hypothetical returns and risk shown are for illustrative purposes only. There is no guarantee that the hypothetical results shown will be achieved, and actual returns may be significantly higher or lower than the performance shown. The hypothetical returns and risk results are based on criteria applied retroactively with the benefit of hindsight and knowledge of factors that may have positively affected its performance and cannot account for risk factors that may affect actual portfolio performance. In interpreting hypothetical results, one should take into consideration any inherent limitations and risks of the models used. An inherent limitation is that the allocations reflected in the performance were not made under actual market conditions and, therefore, cannot completely account for the impact of financial risk in actual portfolio management. Expected risk is defined as annual expected volatility and is calculated using data derived from portfolio asset class mappings, using the Aladdin portfolio risk model. The Aladdin portfolio risk model attempts to capture and monitor attributes that can influence the risk/return behavior of a particular security/asset. Read important disclosures on slide 2 and appendix for more information.

Additional Content

Asset Class Deep Dives – Equities, Fixed Income, Alternatives

Equities

Equities

Market Overview

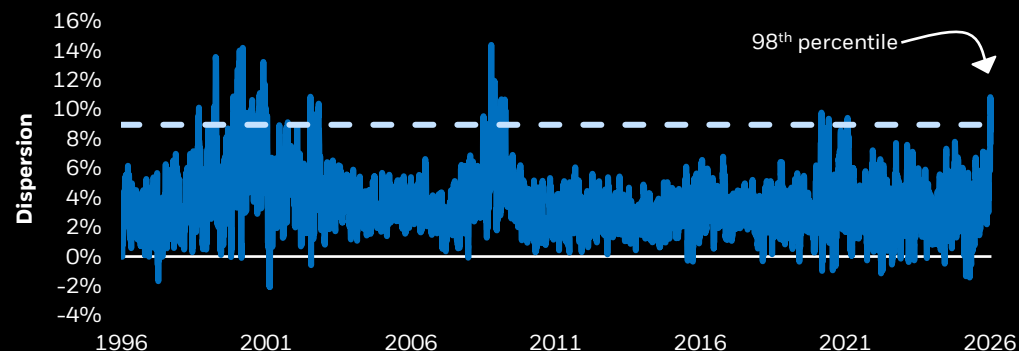
Equities remain supported by resilient earnings and the structural tailwinds of the AI mega force, but leadership is beginning to broaden beyond the narrow group of mega-cap technology winners that drove the early AI rally. While index concentration remains elevated, earnings growth is increasingly spreading across a wider set of companies and sectors – improving market breadth and contributing to greater dispersion beneath the surface of headline indexes. In our view, this backdrop is creating more opportunities for active stock selection as the next phase of the AI cycle expands beyond semiconductors and hyperscalers toward power infrastructure, industrial buildout, digitization, and productivity adoption. This broadening AI ecosystem could create a wider set of equity winners as capital spending accelerates across the real economy.

Meanwhile, sticky inflation, higher energy costs, and geopolitical fragmentation reinforce our expectation that rates may remain higher for longer – favoring companies with pricing power, durable cash flows, and strong balance sheets over more speculative and rate-sensitive segments of the market.

As traditional diversification becomes less reliable amid inflation volatility and geopolitical shocks, we believe active security selection and dynamic portfolio construction will become increasingly important drivers of equity returns.

The opinions expressed are of BlackRock and as of May 2026 and can change with market conditions. Index performance is shown for illustrative purposes only. **Past performance is not indicative of future results. Indexes are unmanaged; direct investment is not possible.**

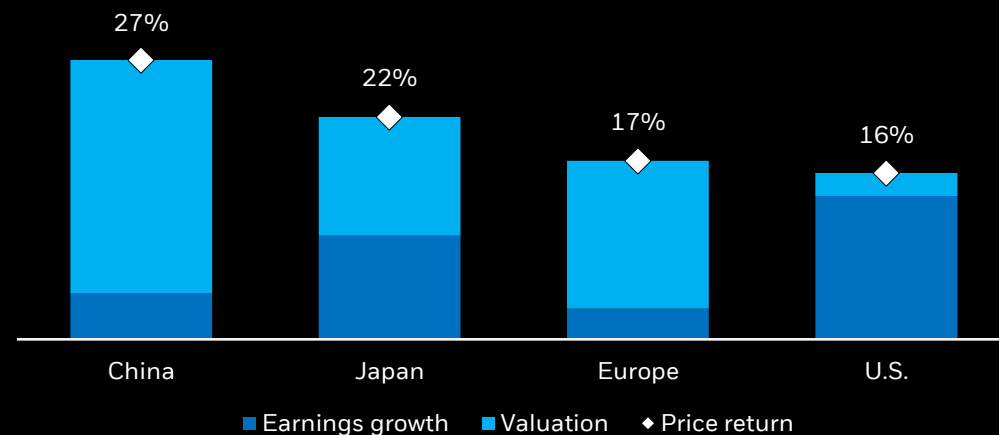
S&P 500 Dispersion - Last 30 Years



— Constituent Avg 30d Move Minus SPX Absolute Move
- - Current

Source: Goldman Sachs (GS), as of 02/27/2026.

Sources of 2025 Return by Region



The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Source: BlackRock, with data from FactSet as of Dec. 31, 2025. Chart shows the composition of returns for the MSCI China, MSCI Japan, MSCI Europe and MSCI USA indexes for calendar year 2025.

Total Equity Portfolio

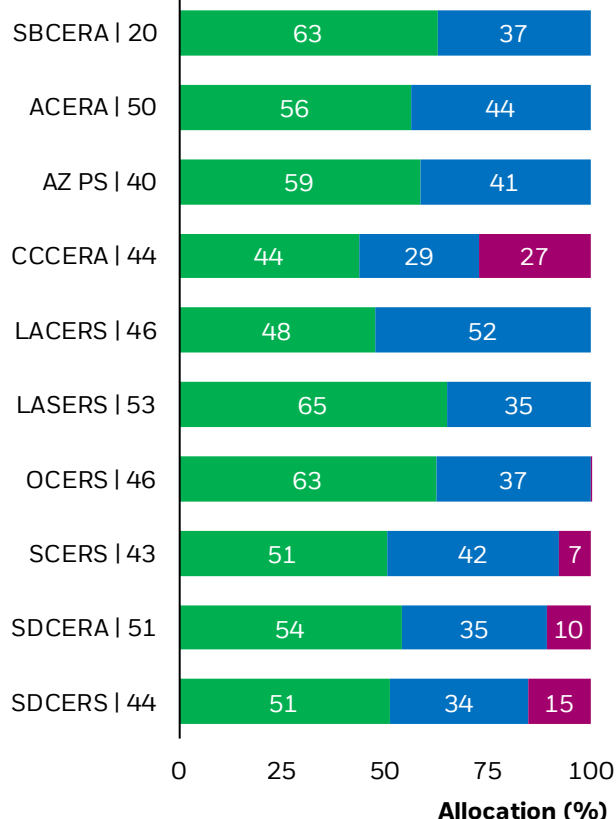
SBCERA's 20% allocation to equity is 23.5% underweight the peer average; changing market dynamics may warrant revisiting equity exposures to identify active style factor tilts and the potential for overlapping exposures

Total EQ Regional (%)	Peer Average	% Rank
US	55	81
Non-US	39	54
Global	6	0
Equity	44	2

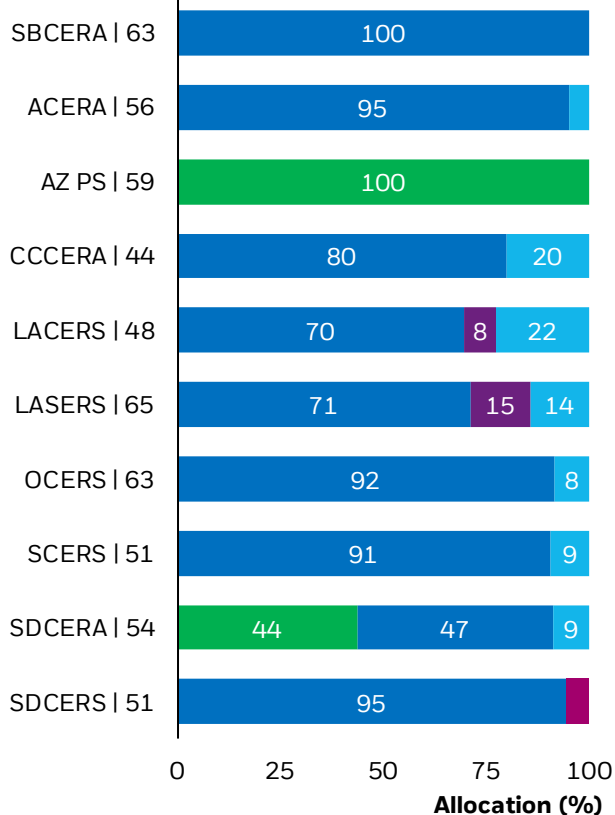
US EQ Market Cap (%)	Peer Average	% Rank
All Cap	14	1
Large Cap	74	98
Mid Cap	2	0
SMid Cap	1	0
Small Cap	9	0

Intl EQ Regional Allocation (%)	Peer Average	% Rank
Developed ex-US	46	49
ACWI ex-US	27	1
Emerging	28	93
Frontier	0	0

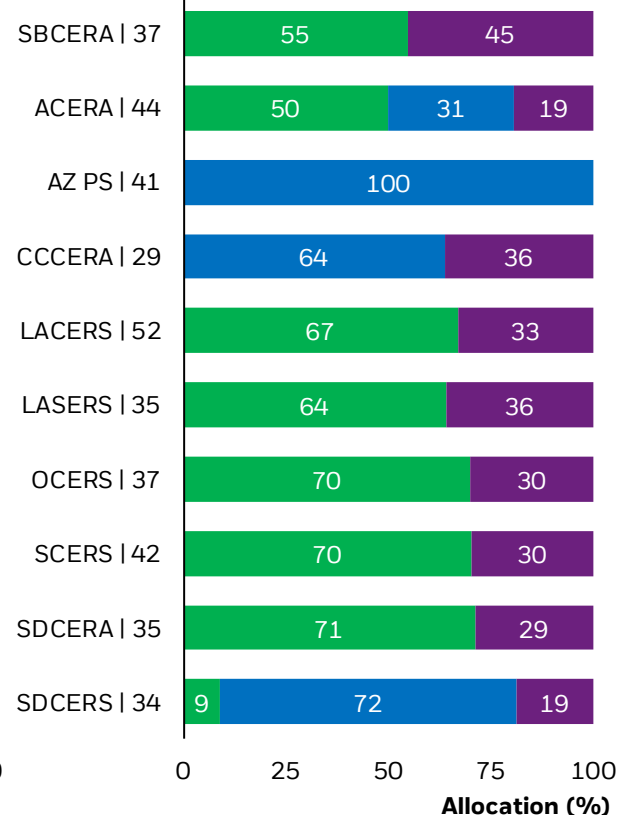
Plan | EQ (% Total)



Plan | US (% EQ)



Plan | Non-US (% EQ)



Source: BlackRock as of May 2026. Neither asset allocation nor diversification can guarantee profit or prevent loss.

Fixed Income

Fixed Income Market Overview

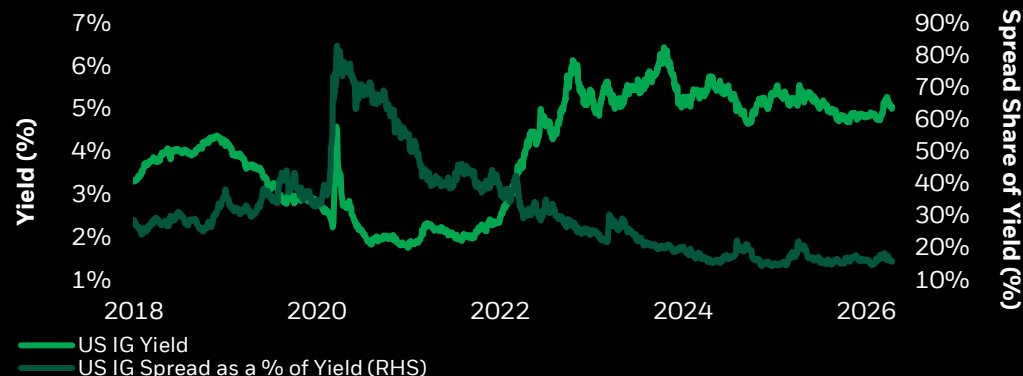
Fixed income is positioned to play a more meaningful role in portfolios, driven by higher starting yields and a broader opportunity set across global markets. We believe investors can now generate attractive income without moving significantly down in credit quality or out on the duration curve. At the same time, the market environment has become more fragmented, creating opportunities for active sector rotation, security selection and tactical duration management.

We do still believe fixed income can serve as a portfolio ballast - but not in the same way it did during the low-rate era. In our view, long-duration government bonds may no longer consistently provide the same diversification benefits during periods of inflation or supply-driven shocks, particularly when both equities and bonds reprice simultaneously. Instead, we see resilience coming from diversified sources of income, shorter-duration exposures and higher-quality credit where carry can help cushion volatility and drawdowns.

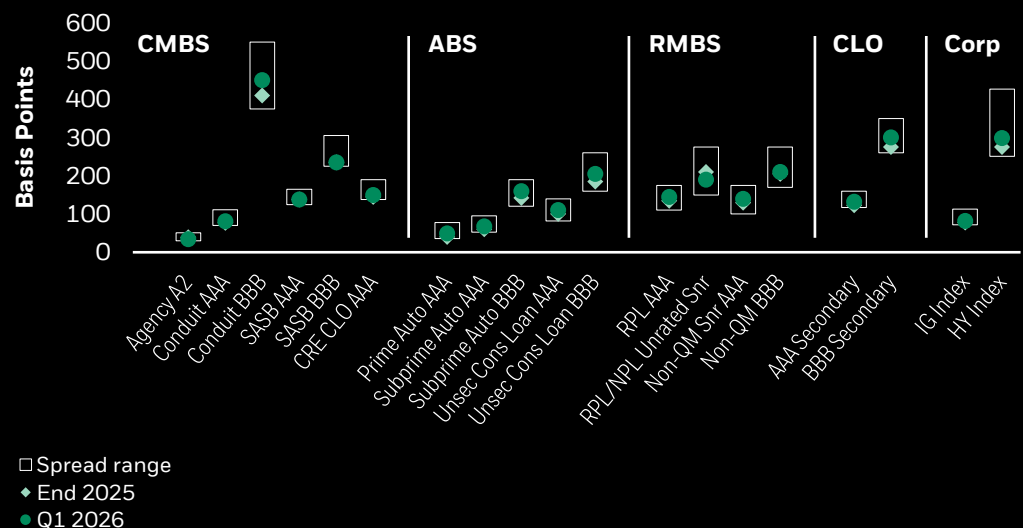
Against this backdrop, we favor a flexible and selective approach across fixed income markets. We continue to see opportunities in US high yield and European credit, securitized assets, and select emerging market debt where fundamentals remain healthy and valuations attractive. Overall, we believe today's environment rewards investors who focus on income generation, downside resilience and active risk management rather than relying solely on broad duration exposure for diversification.

The opinions expressed are of BlackRock and as of May 2026 and can change with market conditions. Index performance is shown for illustrative purposes only. **Past performance is not indicative of future results. Indexes are unmanaged; direct investment is not possible.**

Yield and Spread Share in US Investment Grade



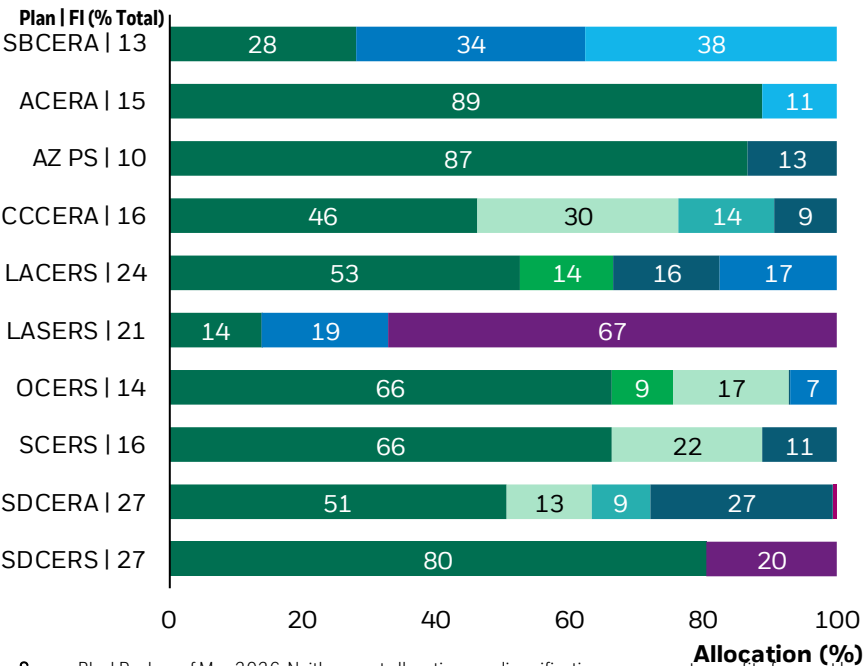
Corporate and Securitized Yield and Dispersion



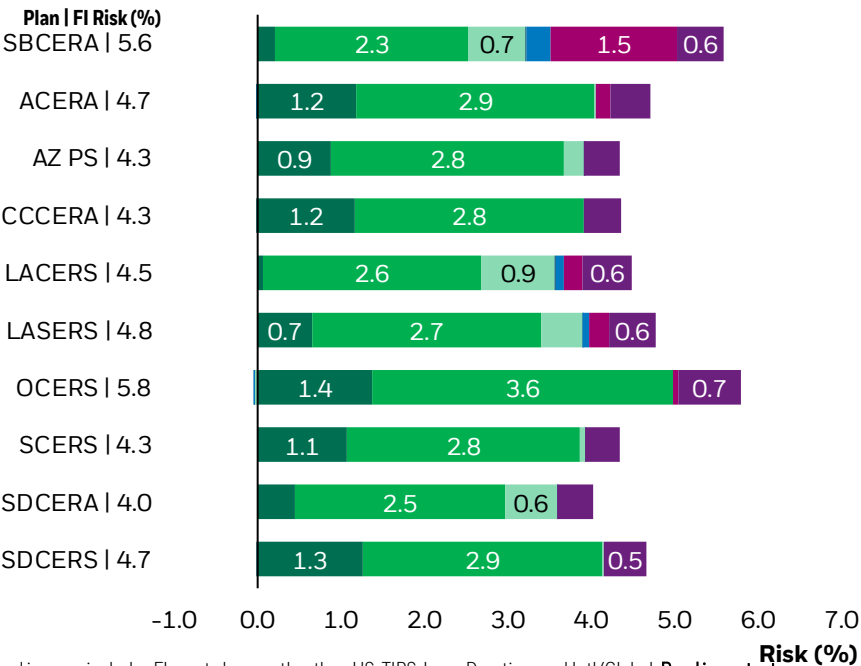
Fixed Income Portfolio – Asset Allocation & Risk

SBCERA's 13.3% allocation to fixed income has approximately 34% to non-core spread sectors; today's higher yield environment may provide opportunities to reduce risk by increasing fixed income exposure

Fixed Income Allocation (%)	Peer Average	vs. Avg	All Plans	% Rank
US	58	-30	59	18
TIPS	2	-2	5	0
Tsy/Long Dur	8	-8	9	0
Securitized	2	-2	3	0
HY/BL	8	-8	13	0
EM	8	27	3	100
Intl/Global	5	33	1	99
Multi-Strat	9	-9	5	0
Conv	0	0	0	0
Total Fixed Income	18	-5	20	13



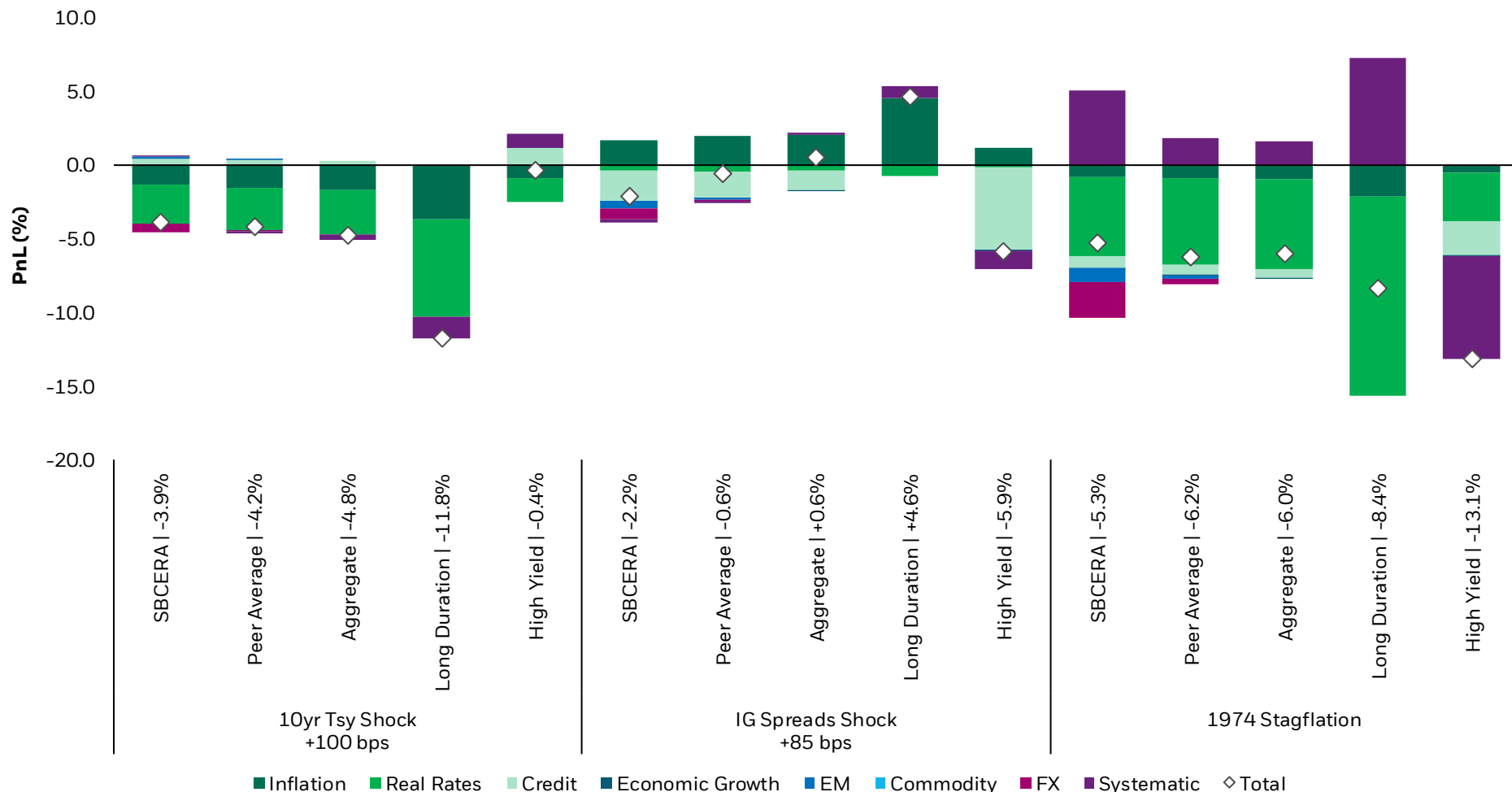
FI Macro Factor Risk Decomp (%)	Peer Average	vs. Avg	All Plans	% Rank
Inflation	0.8	-0.6	0.7	19
Real Rates	2.8	-0.5	2.9	13
Credit	0.3	0.4	0.3	79
Economic Growth	0.0	0.0	0.0	66
EM	0.0	0.2	0.0	100
Commodity	0.0	0.0	0.0	0
FX	0.2	1.3	0.1	100
Systematic	0.5	0.0	0.5	65
Total Risk	4.7	0.9	4.4	97



Source: BlackRock as of May 2026. Neither asset allocation nor diversification can guarantee profit or prevent loss. Non-core fixed income includes FI asset classes other than US, TIPS, Long Duration, and Intl/Global. Read important disclosures on slide 2 and appendix for more information.

Fixed Income Portfolio – Scenario Analysis

We prefer very short-term government paper for income given the potential for a sharp jump in Fed rate expectations and see long-term yields moving up further as investors demand a greater term premium



Source: BlackRock as of May 2026, based on BlackRock's CMA. **The hypothetical performance shown is net of fee and is not a guarantee of future results.** Given the instantaneous nature of applied shocks, fees are divided by 365 and deducted from the modeled scenario output. Stress scenario results are for illustrative purposes and no representation is being made that results shown will be achieved. The historical scenarios simulate each portfolio shown through hypothetical large market shocks and geopolitical stresses, with implied shocks. Scenario analysis is performed by parametrically shocking the underlying risk factor exposures of the portfolios by a set of instantaneous changes to derive the resulting hypothetical returns. The returns in the scenarios are expressed as a hypothetical percentage change in value if those shocks were to be realized and are based on criteria that have been applied retroactively with the benefit of hindsight and therefore cannot account for all financial risk that may affect actual performance. Interpretation of any results should take into consideration inherent limitations and risks of the model and assumptions used. All results may be higher or lower than shown. Index returns do not reflect deduction of fee and expenses. Indexes are unmanaged; direct investment is not possible. **Read important disclosures on slide 2, FI section header and appendix for more information.**

Alternatives

Alternatives Overview

Alternatives are no longer simply a portfolio complement - they are increasingly becoming a core source of growth, income and diversification in a changing global economy. As companies remain private longer and public markets represent a shrinking share of overall corporate value creation, investors increasingly need access to private markets to capture the full opportunity set. We also believe private markets are well positioned to benefit from long-term structural trends that require significant, patient capital and may be less sensitive to short-term market volatility. In our view, relying solely on traditional public equity and bond exposures risks missing many of the most dynamic areas of innovation and long-term growth.

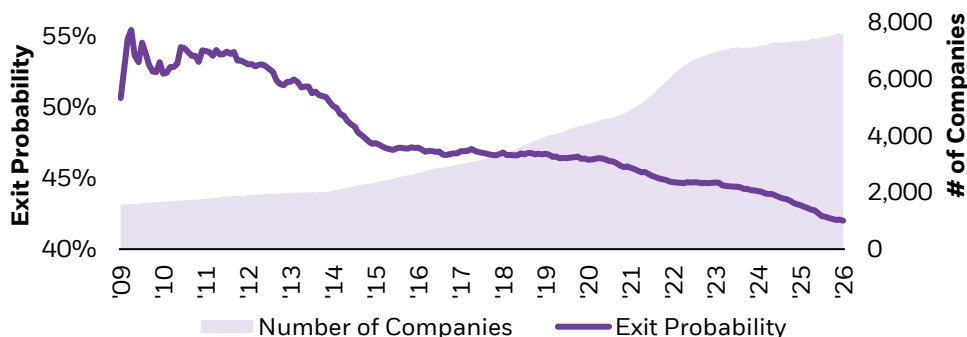
We see particularly strong opportunities across private credit, private equity and secondaries as companies continue to seek flexible financing solutions amid slower IPO and M&A activity. At the same time, AI is accelerating demand for private capital across the economy, with many emerging AI leaders and enabling technologies accessible primarily through venture capital, growth equity and private credit. We believe this shift reinforces the importance of a blended public-private investment approach.

We also believe the next wave of infrastructure investment is only beginning. The rapid expansion of data centers, fiber networks, transmission systems and energy infrastructure required to power the digital economy is creating compelling long-term opportunities across infrastructure and real estate. In our view, private markets are increasingly where investors can access structural growth, differentiated income streams and some of the most transformative investment themes shaping the global economy.

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Fewer Needles, Bigger Haystack

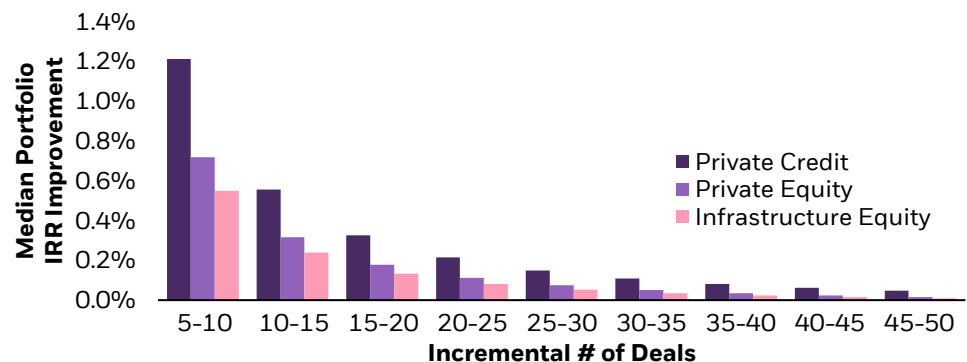
The volume of companies in the venture and growth universe has swelled while quality of deals has fallen.



Source: BlackRock and CB Insights, as of December 2024. RHS: Data from various publications released over several years: '18-'19 as of '18; '20 as of May '21; '21-'25 as of March '21 based on figure for '20 provided by the source. Figures rounded to provide better understanding of the statistic. The figures from '21-'25 calculated by Statista based on the '20 forecast figure and the five-year compound annual growth rate of 23 percent provided by the source. The figures prior to '20 based on IDC's forecast from late '18. Forecasts are based on estimates and assumptions and should not be relied upon as actual results may vary significantly and may not be achieved. Additional information available upon request.

Incremental Benefits

IRR improvement from incremental increases in deal diversification.



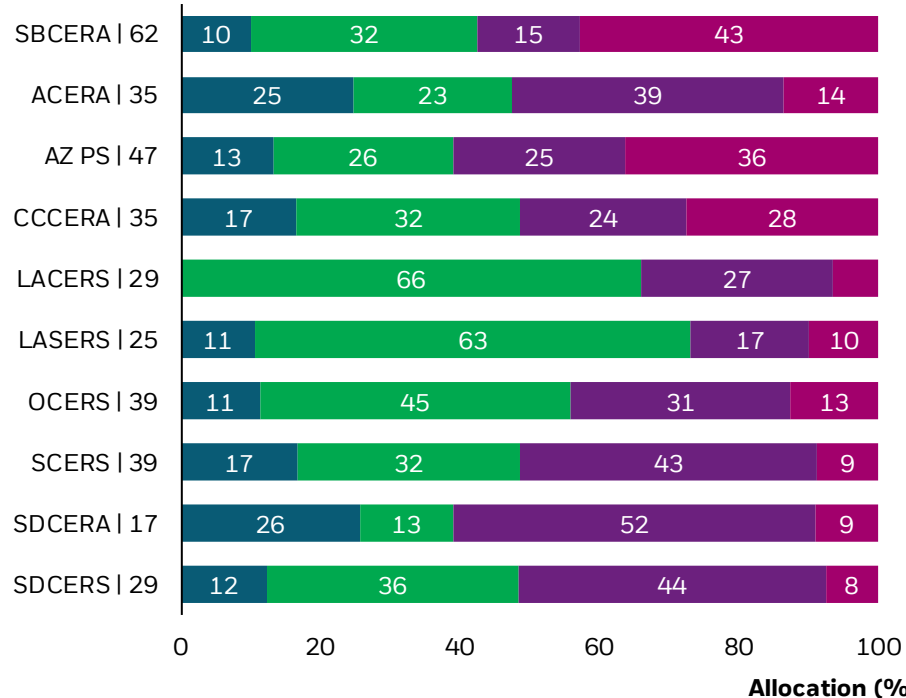
Source: BlackRock Alternative Portfolio Solutions, Preqin & BlackRock Analysis as of March 2024. Model using 100,000 simulations based on custom distributions fitted on the universes of liquidated buyout investments (2000-2010) and liquidated private credit and infrastructure equity investments (2000-2011). This information is not intended as a recommendation to invest in any particular asset class or strategy or as a promise or even an estimate of future performance. Past performance is not a reliable indicator of future performance.

Alternatives Portfolio

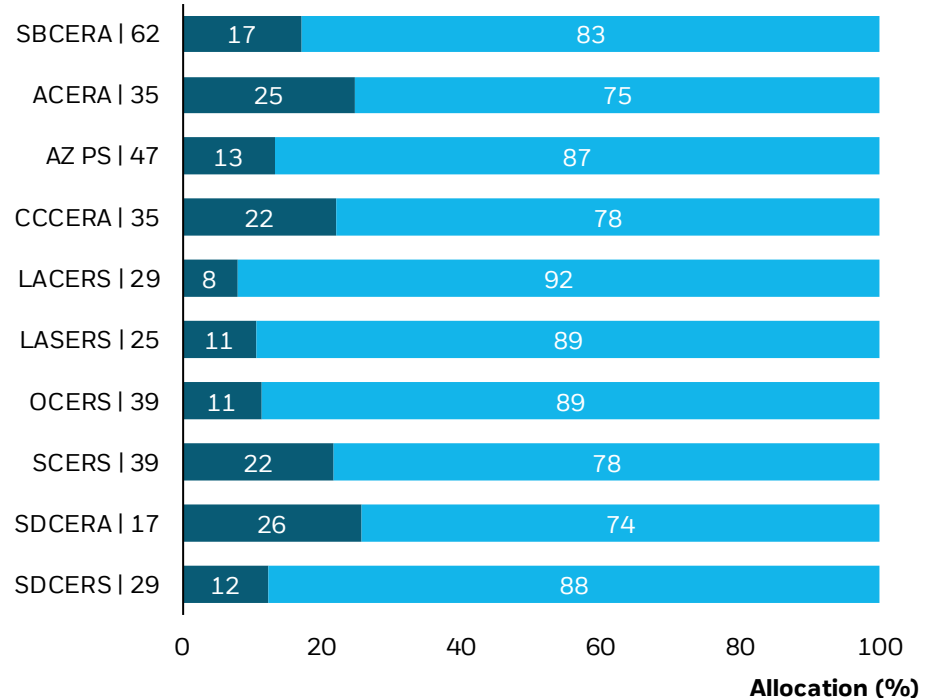
SBCERA has a 62% allocation to alternatives relative to the peer average of 36%; PE is the largest alternative exposure across the peer group at 37% of the alternatives portfolio

Alternatives Asset Allocation (%)	Peer Average	vs. Avg	All Plans	% Rank
HF	14	-4	11	60
Risk Parity	0	0	1	0
Portable Alpha	0	0	1	0
PE	37	-4	35	40
Real Assets	32	-17	38	1
Private Credit	17	25	14	100
Alternatives	36	26	33	95

Plan | Alts (% Total)



Alternatives Liquidity Profile (%)	Peer Average	vs. Avg	All Plans	% Rank
Liquid Alternatives	17	0	15	69
Illiquid Alternatives	83	0	85	31



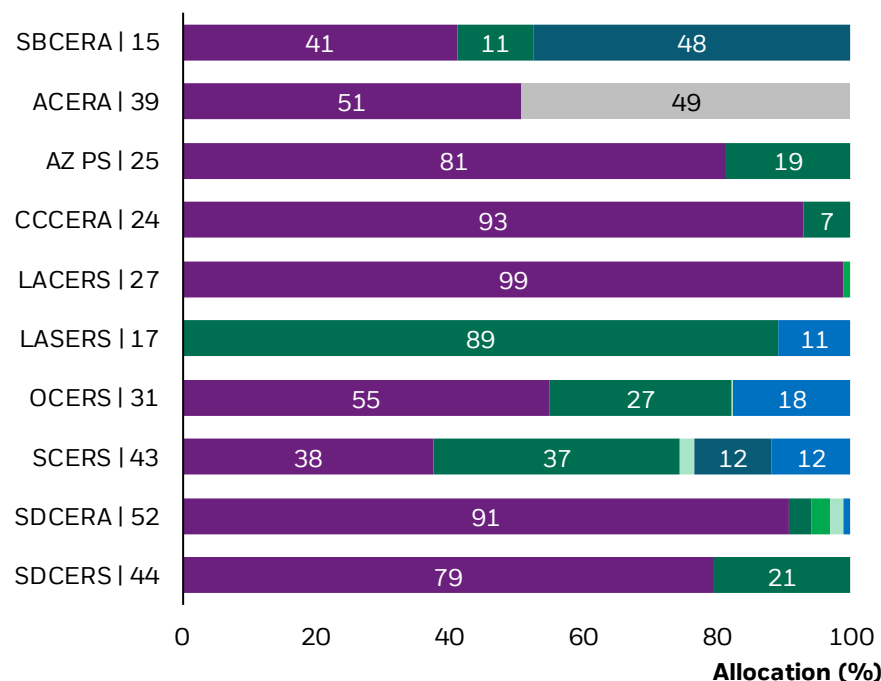
Neither asset allocation nor diversification can guarantee profit or prevent loss. Liquid Alternatives include HF, Risk Parity, Portable Alpha, REITs (Real Assets - Real Estate), MLPs (Real Assets), and Commodities (Real Assets)

Revisiting Real Assets

In addition to its role as a diversifier, Real Assets can also serve as a reliable income stream and as an effective inflation hedge

Real Assets Asset Allocation (%)	Peer Average	vs. Avg	All Plans	% Rank
Real Estate	63	-22	65	9
Infrastructure	21	-10	23	38
Timber	0	0	1	0
Farmland	0	0	2	0
Commodities	6	42	3	100
Energy	4	-4	3	0
MLPs	0	0	1	0
Other	5	-5	3	0
Real Assets	32	-17	38	1

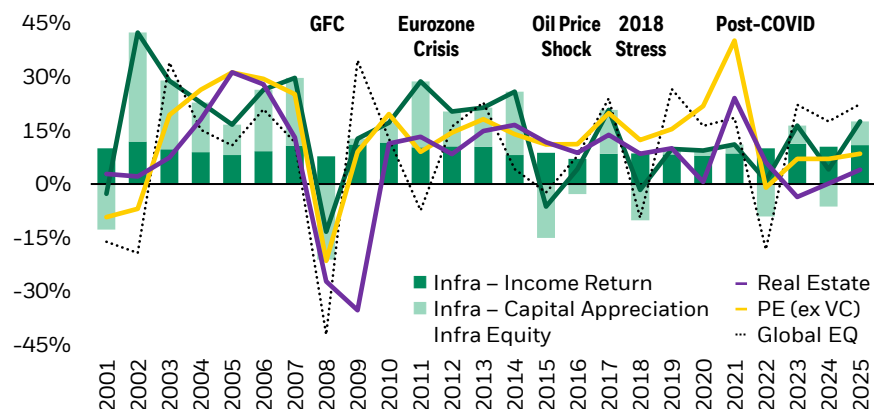
Plan | Real Assets (% Alts)



Source: BlackRock as of May 2026. Neither asset allocation nor diversification can guarantee profit of prevent loss.

Cycling Through Performance

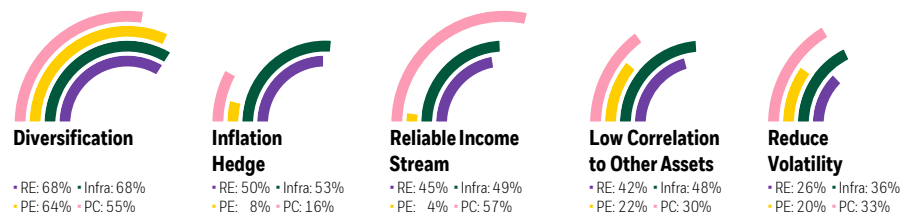
Performance of select asset classes through various market cycles



Source: GIP, BlackRock, Bloomberg and EDHEC, March 2026. The green stacked area shows the breakdown of the EDHEC Infra300 index into income return and capital appreciation. Direct infra is represented by the EDHEC Infra 300 index; Global Equities - MSCI ACWI Index, Fixed Income - BBG Global Aggregate Index, PE ex VC and RE are represented by the Preqin quarterly indices. **Past performance is not indicative of future results.** All investing is subject to risk, including possible loss of money invested. Performance results will vary and may be higher or lower than cited. Index returns are for illustrative purposes only and does not reflect any management fees, transaction costs or expenses. Indexes are unmanaged; direct investment in an index is not possible.

Surveying The Crowd

Potential purposes of select private asset classes based on survey responses

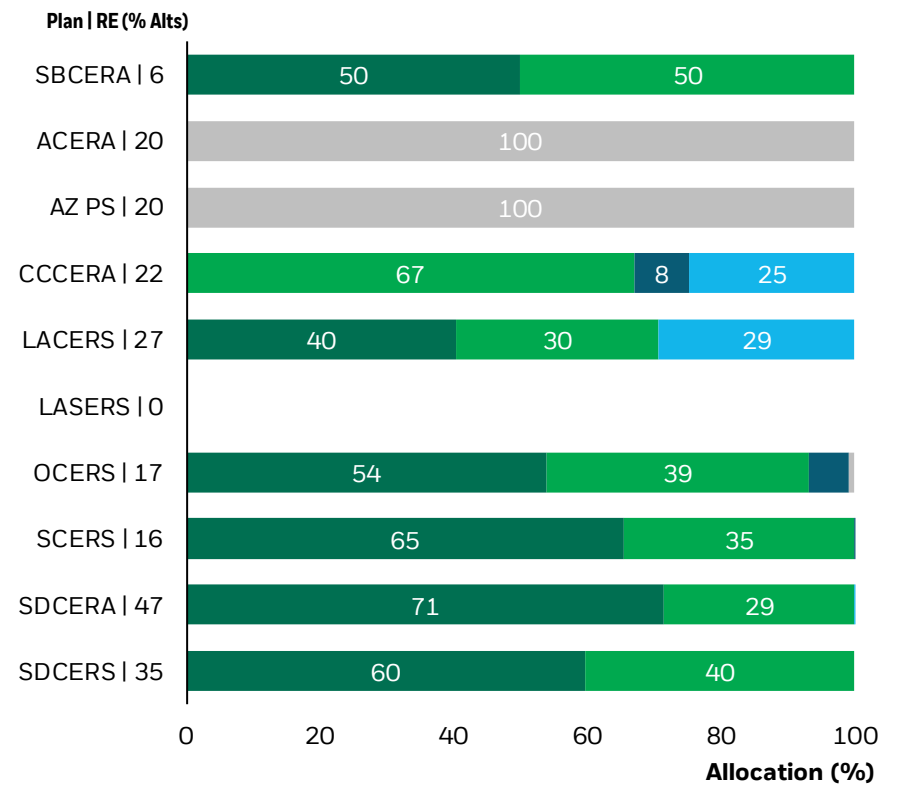


Source: Preqin Investor Surveys, June 2025 (interim); based on survey responses which do not equal 100%. Other options (%): High-risk adjusted returns | High absolute return (RE: 18|12, I: 30|12, PE: 61|50, PC: 44|21).

Real Estate

Real Estate exposure is a foundational component of the average pension portfolio and generally exhibits lower correlation to other asset classes.

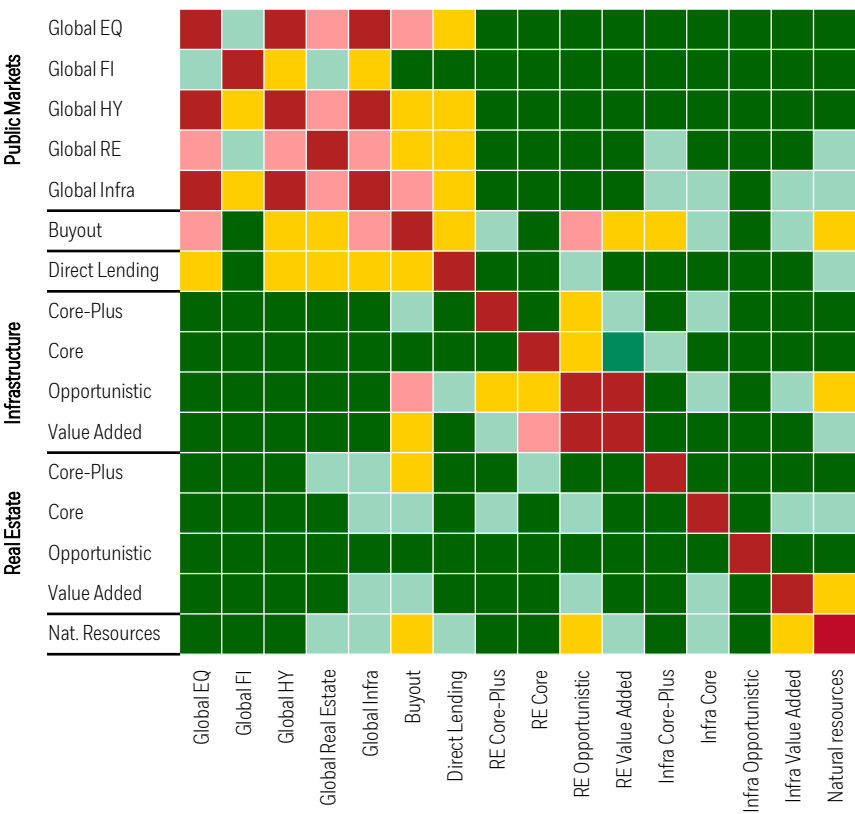
RE Allocation by Strategy (%)	Peer Average	vs. Avg	All Plans	% Rank
Core/Core+	38	12	42	51
Non-Core	32	18	21	89
Debt	2	-2	3	0
REITs	6	-6	6	0
Other	22	-22	27	1
Real Estate	21	-15	25	2



Source: BlackRock as of May 2026. Neither asset allocation nor diversification can guarantee profit or prevent loss.

Complex Relationships

Correlation between public and private markets, Q3 2007 to Q3 2025



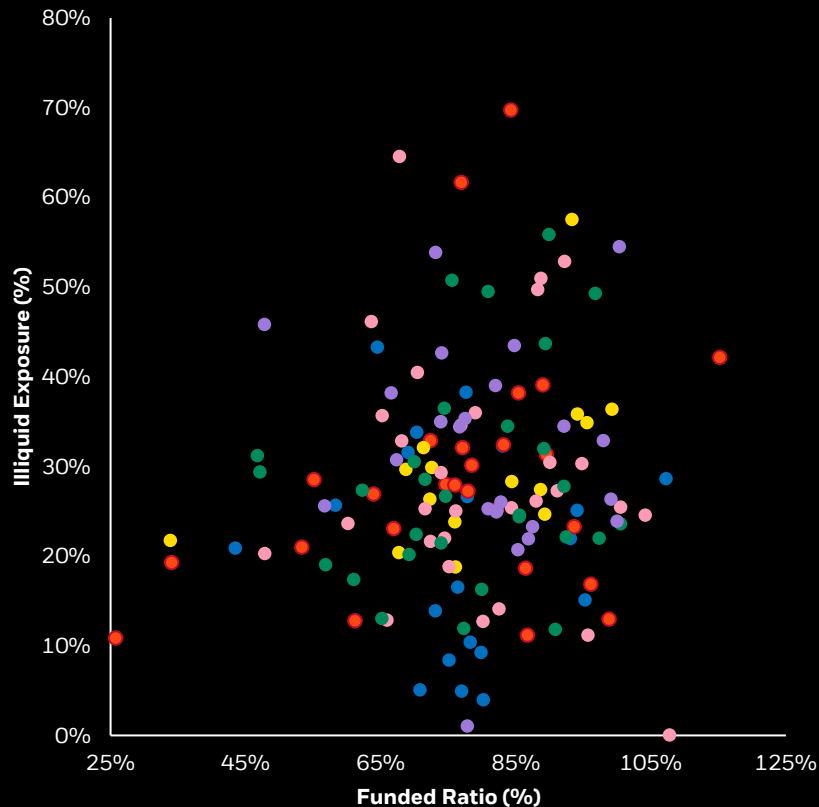
Correlation Ranges:
■ -1.00, 0.25 ■ 0.25, 0.40 ■ 0.40, 0.60 ■ 0.60, 0.80 ■ 0.80, 1.00

Source: Preqin, Aladdin. Data as of December 2025. Correlations are based on raw quarterly returns: global equities - MSCI ACWI IMI index, global fixed income - BBG Global Aggregate Index, Global High Yield - BBG HY Bond index, Global RE - MSCI Global REIT Index, Global Infra - S&P Global Infrastructure Index, Private market - Preqin quarterly indices.

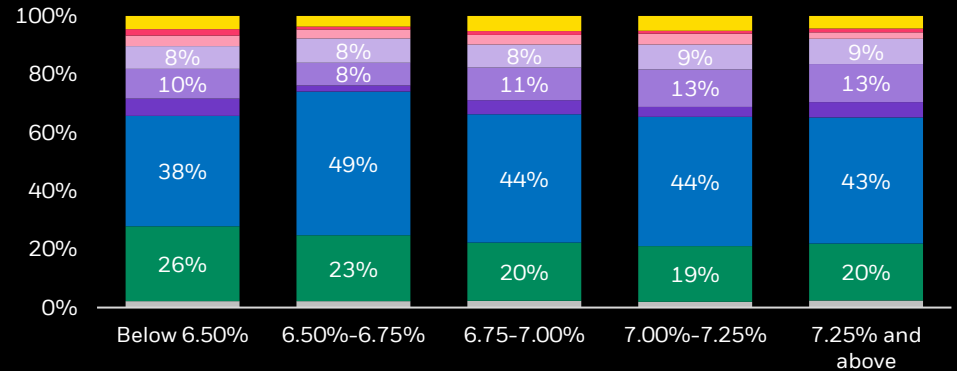
Appendix

Asset Allocation – FY 2025

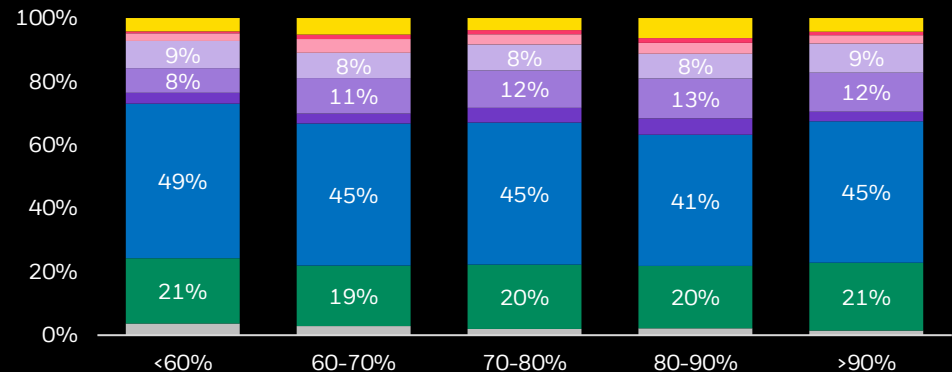
Illiquid Exposure by Funded Ratio and NAV



Asset Allocation by Assumed Return



Asset Allocation by Funded Ratio



Cash Public FI Public Equity HF
 Private Equity Real Estate Infrastructure Other Real Assets
 Private Credit

Source: BlackRock, June 2026. Neither asset allocation nor diversification can guarantee profit or prevent loss. Read slide 2 and the Appendix for details.

BlackRock's Public Pension Plan Coverage Universe

Over coverage universe includes 149 plans with total assets over \$5.8 trillion; average plan size in \$39.5 billion and ranges from \$487 million to \$573 billion

Alameda County ERA	ERS of Texas	Milwaukee County ERS	Sacramento County ERS
Alaska Retirement Management Board	ERS of the State of Hawaii	Minnesota State Board of Investment	San Bernardino County ERA
Arizona Public Safety Personnel Retirement Sys.	ERS of Rhode Island	Missouri Local Government ERS	San Diego City ERS
Arizona State Retirement System	Fairfax County - Employees System	Missouri State ERS	San Diego County ERA
Arkansas Public ERS	Fairfax County - Police System	Montana Board of Investments	San Joaquin County ERA
Arkansas Teachers Retirement System	Fairfax County - Uniformed System	Montgomery County ERS	San Jose Federated City ERS
Austin Police Retirement System	Firefighters' Retirement System of Louisiana	Montgomery County Public Schools Rtmt System	San Luis Obispo County Pension Trust
Boston Retirement System	Firemen's Annuity and Benefit Fund of Chicago	Muni ERS of Michigan	San Mateo County ERA
California Public ERS	Florida Retirement System	Muni Fire & Police Retirement System of Iowa	Santa Barbara County ERS
California State Teachers' Retirement System	Fort Worth Employees' Retirement Fund	Nebraska Public ERSs	School ERS of Ohio
Chicago Muni Empl. Annuity and Benefit Fund	Fresno County ERA	New Hampshire Retirement System	Seattle City ERS
Chicago Policemen's Annuity and Benefit Fund	Grand Rapids General Retirement System	New Jersey Division of Investment	Sonoma County ERA
Chicago Teachers Pension Fund	Grand Rapids Police and Fire Retirement System	New Mexico Educational Retirement Board	South Carolina Retirement System
City & County of San Francisco ERS	Houston Firefighters' Relief and Retirement Fund	New York State Common Retirement Fund	South Dakota Investment Council
City of Ann Arbor ERS	Houston Muni Employees Pension System	New York State Teachers' Retirement System	Stanislaus County ERA
City of Atlanta Firefighters' Pension Fund	Houston Police Officers' Pension System	North Carolina Retirement Systems	State of Michigan Retirement Systems
City of Atlanta General Employees Pension Fund	Illinois Muni Retirement Fund	North Dakota State Investment Board	State of Wisconsin Investment Board
City of Atlanta Police Officers' Pension Fund	Illinois State Board of Investments	NYCRS - Board of Education Retirement System	State Teachers Retirement System of Ohio
City of Austin ERS	Imperial County ERS	NYCRS - New York City ERS	State Universities Retirement System of Illinois
City of Baltimore Fire & Police	Indiana Public Retirement System	NYCRS - New York City Fire Dept. Pension Fund	Teacher Retirement System of Texas
City of Dallas Employee Retirement Fund	Iowa Public ERS	NYCRS - New York City Police Pension Fund	Teachers Retirement System of Georgia
City of El Paso Employees Retirement Trust	Kansas Public ERS	NYCRS - Teachers' Retirement System of NYC	Teachers' Retirement System of Kentucky
City of Fresno Retirement Systems	Kentucky County ERS	Ohio Police & Fire Pension Fund	Teachers' Retirement System of Louisiana
City of Hartford Muni Employees Retirement Fund	Kentucky Retirement Systems	Ohio Public ERS	Teachers' Retirement System of Oklahoma
City of Jacksonville ERS	Kern County ERA	Oklahoma Muni Retirement Fund	TRS of The State of Illinois
City of LA Department of Fire & Police Pensions	LABF of Chicago	Oklahoma Public ERS	Tennessee Consolidated Retirement System
City of Milwaukee Employees' Retirement System	Los Angeles City ERS	Orange County ERS	Texas County & District Retirement System
City of Phoenix ERS	Los Angeles County ERA	Oregon Public Employees Retirement Fund	Texas Muni Retirement System
City of San Jose P&F Dept. Retirement Plan	LA Water and Power Employees Retirement Plan	Pennsylvania Muni Retirement System	Tulare County ERA
City of Tallahassee Retirement System	Louisiana School ERS	Pennsylvania Public School ERS	Ventura County ERA
Commonwealth of Pennsylvania State ERS	Louisiana State ERS	Philadelphia Public ERS	Vermont State Retirement System
Connecticut Retirement Plans & Trust Funds	Maine Public ERS	Public Employee Retirement System of Idaho	Virginia Retirement System
Contra Costa County ERA	Marin County ERA	Public ERA of Colorado	Washington State Investment Board
Cook County Annuity & Benefit Fund	Maryland State Retirement & Pension System	Public ERA of New Mexico	Weld County Retirement Plan
County Employees' Retirement Fund of Missouri	Massachusetts PRIM	Public ERS of Mississippi	West Virginia Investment Management Board
Dallas Police & Fire Pension System	Mendocino County ERA	Public ERS of Nevada	
District of Columbia Retirement Board	Merced County ERA	Public School & Education ERS of Missouri	
El Paso Fire & Police Pension Fund	Miami Beach Fire & Police Pension Fund	Retirement Systems of Alabama	

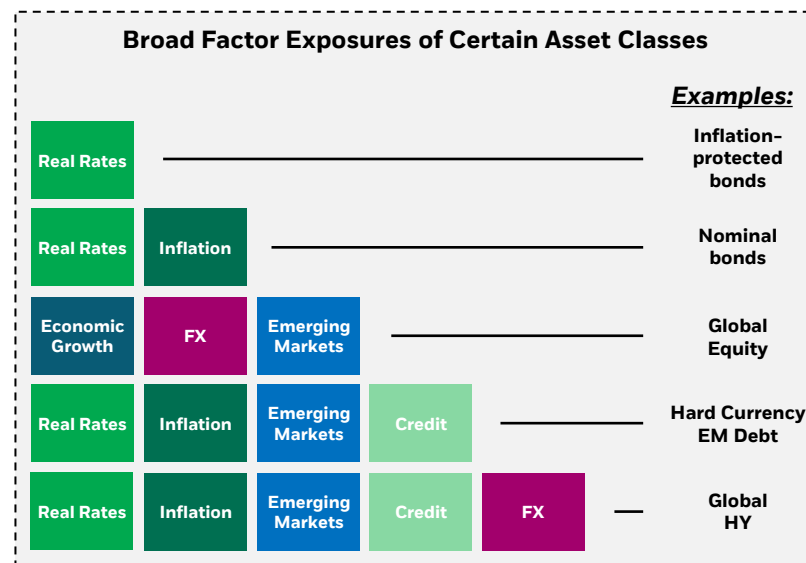
Source: BlackRock, Pensions & Investments (P&I) as of May 2026.

Macro Factors Glossary

Drivers of Portfolio Return and Risk

These common economic factors are intuitive, applicable across all asset classes, and explain the majority of asset class risk

Inflation	Risk of bearing exposure to changes in nominal prices <i>Return of long nominal bonds, short inflation-linked bonds portfolio</i>
Real Rates	Risk of bearing exposure to real interest rate changes <i>Inflation-linked bond returns</i>
Credit	Risk of default or spread widening <i>Return of long corporate bonds, short nominal government bonds portfolio</i>
Economic Growth	Risk associated with global economic growth <i>Broad-market equity index returns</i>
Emerging Markets	Risk that emerging sovereign governments will change capital market rules <i>Equally weighted basket of EM asset classes: EM CDX, EM FX, and long EM equity short DM equity</i>
Commodity	Risk associated with commodity markets <i>Weighted GSCI commodity index returns</i>
FX	Risk associated with developed foreign currency exposure <i>USD-denominated basket of EUR, JPY, GBP, CAD and AUD</i>



Source: BlackRock as of May 2026. Ex-ante risk is defined as annual expected volatility and is calculated using data derived from representative indices, using the Aladdin portfolio risk model. This proprietary multi-factor model can be applied across multiple asset classes to analyze the impact of different characteristics of securities on their behaviors in the market place. In analyzing risk factors, the Aladdin portfolio risk model attempts to capture and monitor these attributes that can influence the risk/return behavior of a particular security/asset. Systematic reflects the portion of the risk that is undefined by the other factors.

Capital Market and Modeling Assumptions

Asset Class	Asset Description	BlackRock CMA Proxy	Fee Deducted	10yr Ann. (Net) Expected Return	Expected Risk
Cash	Cash	US Cash	-	3.59%	-
Fixed Income	US	BBG US Aggregate Index	0.11%	4.60%	4.71%
Fixed Income	HY	BBG US Corporate High Yield 2% Issuer Capped Index	0.29%	6.03%	6.36%
Fixed Income	EM	50% JPMGBIEGDV 50% EMBIGLOBAL Index	0.46%	5.14%	7.98%
Fixed Income	Treasuries	BBG Government Index	0.11%	4.46%	4.81%
Fixed Income	Long Duration	BBG Treasury 10+ Yr. Index	0.12%	5.24%	11.95%
Fixed Income	TIPS	BBG US Government Inflation-Linked Bond Index	0.11%	4.84%	5.29%
Fixed Income	Global	BBG Global Aggregate Index	0.13%	4.56%	5.68%
Fixed Income	Bank Loans	S&P/LSTA Leveraged Loan Index	0.54%	6.35%	8.00%
Fixed Income	Convertibles	BBG US Aggregate Index	0.11%	4.60%	4.71%
Fixed Income	Multi-Strat	BBG US Universal Index	0.06%	4.71%	4.54%
Fixed Income	Securitized	BBG Securitized Index	0.07%	4.03%	4.64%
Equity	US Large Cap	Russell 1000 Index	0.12%	7.89%	19.05%
Equity	US Mid Cap	Russell Midcap Index	0.12%	6.77%	18.66%
Equity	US Small/Mid Cap	Russell 2500 Index	0.13%	6.71%	20.96%
Equity	US Small Cap	Russell 2000 Index	0.13%	6.43%	22.24%
Equity	US All Cap	Russell 3000 Index	0.12%	7.82%	19.13%
Equity	Non-US / Developed (World-ex US)	MSCI World ex-US Index	0.12%	7.70%	17.19%
Equity	Non-US (ACWI ex-US)	MSCI All Country World ex-US Index	0.25%	7.43%	17.67%
Equity	EM	MSCI Emerging Markets Index	0.19%	6.84%	21.16%
Equity	Global (ACWI)	MSCI All Country World Index	0.35%	7.73%	17.89%

Source: BlackRock as of May 2026. Expected returns shown are net of fees and expenses. The representative indices listed above may differ from those that are publicly available, but the underlying methodology and assumptions are consistent. BlackRock expected market return information is based on BlackRock's capital market assumptions as of May 2026 which are subject to change. Capital market assumptions contain forward-looking information that is not purely historical in nature. **They should not be construed as guarantees of future returns.** The projections in the chart above are based on BlackRock's proprietary capital markets assumptions for risk and geometric return (above) and correlations between major asset classes. These asset class assumptions are passive only and do not consider the impact of active management. The assumptions are presented for illustrative purposes only and should not be used, or relied upon, to make investment decisions. The assumptions are not meant to be a representation of, nor should they be interpreted as BlackRock's investment recommendations. Allocations, assumptions, and expected returns are not meant to represent BlackRock performance. Capital markets assumptions are subject to high levels of uncertainty regarding future economic and market factors that may affect actual future performance. Ultimately, the value of these assumptions is not in their accuracy as estimates of future returns, but in their ability to capture relevant relationships and changes in those relationships as a function of economic and market influences. Please note all information shown is based on assumptions, therefore, exclusive reliance on these assumptions is incomplete and not advised. The individual asset class assumptions are not a promise of future performance. Indexes are unmanaged and used for illustrative purposes only and are not intended to be indicative of any fund's performance. It is not possible to invest directly in an index.

The hypothetical returns shown are net of all fees and expenses. Please see the expense column for additional details on each asset class.

Please continue reading disclosure on the following slide.

Capital Market and Modeling Assumptions (continued)

Asset Class	Asset Description	BlackRock CMA Proxy	Fee Deducted	10yr Ann. (Net) Expected Return	Expected Risk
Alternatives	Hedge Funds	BlackRock Proxy: HFRI Composite index	2.00%	7.21%	7.37%
Alternatives	Private Equity	BlackRock Proxy: US Buyout Private Equity – eFront Insights Research US Buyout Private Equity Index	4.38%	11.58%	31.77%
Alternatives	Commodities	BBG Commodities Index (Unhedged)	0.75%	1.75%	14.93%
Alternatives	Energy	BlackRock Proxy: Global Diversified Infrastructure – eFront Insights Research Global Infrastructure Index	3.10%	9.85%	17.47%
Alternatives	Infrastructure	BlackRock Proxy: Global Diversified Infrastructure – eFront Insights Research Global Infrastructure Index	3.10%	9.85%	17.47%
Alternatives	Listed Infrastructure	FTSE Developed Core Infrastructure Net Index	0.45%	6.63%	12.61%
Alternatives	Timber	BBG Commodities Index (Unhedged)	0.75%	1.75%	14.93%
Alternatives	Farmland	FTSE Nareit Equity Diversified	0.25%	7.71%	19.59%
Alternatives	MLPs	BBG Commodities Index (Unhedged)	0.75%	1.75%	14.93%
Alternatives	Real Assets: Other	BBG Commodities Index (Unhedged)	0.75%	1.75%	14.93%
Alternatives	Real Estate: Core/Core-Plus	BlackRock Proxy: US Core Real Estate – NCREIF ODCE Index	0.87%	5.51%	10.73%
Alternatives	Real Estate: Non-Core	BlackRock Proxy: US Value-Added Real Estate – NCREIF Index/ S&P Global/Refinitiv	0.91%	6.75%	16.40%
Alternatives	Real Estate: Debt	BlackRock Proxy: Real Estate Mezzanine Debt (Unhedged)	1.20%	6.69%	9.11%
Alternatives	Real Estate: REITs	FTSE EPRA Nareit United States Index	0.31%	6.38%	17.99%
Alternatives	RE – Other	BlackRock Proxy: US Core Real Estate – NCREIF ODCE Index	0.87%	5.51%	10.73%
Alternatives	Private Credit: Direct Lending	BlackRock Proxy: Direct Lending – Lincoln Senior Debt Index	3.87%	7.92%	10.53%
Alternatives	Portable Alpha	BlackRock Proxy: HFRI Composite index	2.00%	7.21%	7.37%
Alternatives	Risk Parity	15.25% Long Dur, US HY, TIPS, EMD 18% MSCI ACWI 21% Cmtty	-	5.48%	7.48%

For additional details on Private Market asset class proxies, see the following slide titled “Alternative Risk Proxy Descriptions.” Disclosure continued from prior slide, please read full disclosure.

The Risk Parity proxy above was constructed by blending seven capital market assumptions together; please see prior page for more information on each component. Expected returns shown are net of fees and expenses and are for informational purposes only. The CMAs for private markets reflect a broad market view across all deployed capital, rather than the expected returns of a specific new vintage. As such, the CMA represents a “beta” or benchmark return for the asset class representative of the median manager inclusive of alpha. Based on data from Preqin (PE, HF) Pitchbook (PE), NCREIF (RE), Lincoln International (PC), EDHEC (Infrastructure).

Alternative Risk Proxy Descriptions

Asset Class	Risk Proxy Description
Private Equity	The private equity risk proxy estimates the economic risks of a private equity fund, within the context of a multi-asset portfolio, using the Aladdin Private Equity Risk Model. The proxy uses average observed fund exposures spanning vintages 2000 to present day (or the latest available). These averaged exposures consider capital deployed along with geographic, industry and size dimensions. The risk proxy also uses a leverage adjustment based on average observed deal equity contributions and the leveraged loan market. Data inputs to this proxy's construction include Bloomberg, MSCI, Refinitiv, S&P and BlackRock proprietary data.
Real Estate	The real estate risk proxy estimates the economic risks of a real estate private equity fund, within the context of a multi-asset portfolio, using the Aladdin Real Estate Risk Model. The proxy uses average observed fund exposures and real estate transactions. These exposures consider both geographies and property types while, depending on investment strategy, adjusting for average Loan-to-Value ratios. Data inputs to this proxy's construction include Asian Association for Investors in Non-Listed Real Estate Vehicles (ANREV), Investors in Non-Listed Real Estate Vehicles (INREV), National Council of Real Estate Investment Fiduciaries (NCREIF), Real Capital Analytics, S&P SNL and BlackRock proprietary data.
Infrastructure	The infrastructure risk proxy estimates the economic risks of an infrastructure private equity fund, within the context of a multi-asset portfolio, using the Aladdin Private Infrastructure Risk Model. The proxy uses average observed fund exposures as well as transactions from Insight Research Infrastructure transactions. These averaged exposures consider capital deployed along with geographic and industry dimensions. Data inputs to this proxy's construction include eFront Insight Research, BlackRock Proprietary data and BFRE factors.
Hedge Funds	The hedge fund risk proxies estimate the economic risks of a given hedge fund strategy, within the context of a multi-asset portfolio, using the Aladdin Hedge Fund Risk Model. The proxy uses a regression-based analysis to identify key risk factor exposures for each hedge fund strategy cohort. This analysis considers equity, fixed income, commodity and strategy-specific effects. Data inputs to the construction of these proxies include Hedge Fund Research, Lipper TASS and BlackRock proprietary data.
Direct Lending	The direct lending capital market assumption risk proxy is a blend of Business Development Company (BDC) equity and bank loan exposure to estimate the risk level of a direct lending investment.

Source: BlackRock as of May 2026.

BlackRock Capital Market Assumptions Methodology and Limitations

BlackRock Capital Market Assumptions

This information is not intended as a recommendation to invest in any particular asset class or strategy or as a promise of future performance. Note that these asset class assumptions are passive, and do not consider the impact of active management. All estimates in this document are in U.S. dollar terms unless noted otherwise. Given the complex risk-reward trade-offs involved, we advise clients to rely on judgment as well as quantitative optimization approaches in setting strategic allocations to all the asset classes and strategies.

References to future returns are not promises or even estimates of actual returns a client portfolio may achieve. Assumptions, opinions and estimates are provided for illustrative purposes only. They should not be relied upon as recommendations to buy or sell securities. Forecasts of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. This material has been prepared for information purposes only and is not intended to provide, and should not be relied on for, accounting, legal, or tax advice.

The outputs of the assumptions are provided for illustration purposes only and are subject to significant limitations. "Expected" return estimates are subject to uncertainty and error. Expected returns for each asset class can be conditional on economic scenarios; in the event a particular scenario comes to pass, actual returns could be significantly higher or lower than forecasted. Because of the inherent limitations of all models, potential investors should not rely exclusively on the model when making an investment decision. The model cannot account for the impact that economic, market, and other factors may have on the implementation and ongoing management of an actual investment portfolio. Unlike actual portfolio outcomes, the model outcomes do not reflect actual trading, liquidity constraints, fees, expenses, taxes and other factors that could impact future returns.

BlackRock 10-year asset return and long-term volatility assumptions

Annualized return assumptions are in geometric terms and reflect total nominal returns. Return assumptions for all asset classes are shown in unhedged terms unless otherwise noted. We use long-term volatility assumptions. We break down each asset class into factor exposures and analyze those factors' historical volatilities and correlations over the past 15+ years. We combine the historical volatilities with the current factor makeup of each asset class to arrive at our forward-looking assumptions. This approach takes into account how asset classes evolve over time. Example: Some fixed income indices are of shorter or longer duration than they were in the past. Our forward-looking assumptions reflect these changes, whereas a volatility calculation based only on historical monthly index returns would fail to capture the shifts. We have created BlackRock proxies to represent asset classes where historical data is either lacking or of poor quality. Expected return estimates are subject to uncertainty and error. Expected returns for each asset class can be conditional on economic scenarios; in the event a particular scenario comes to pass, actual returns could be significantly higher or lower than forecasted. The geometric return, sometimes called the time-weighted rate of return, takes into account the effects of compounding over the investment period. The arithmetic return can be thought of as a simple average calculated by taking the individual annual returns divided by the number of years in the investment period.

Index returns are for illustrative purposes only and do not represent any actual fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

This material is prepared by BlackRock and is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The opinions expressed are as of May 2026 and may change as subsequent conditions vary. The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by BlackRock to be reliable, are not necessarily all-inclusive and are not guaranteed as to accuracy. As such, no warranty of accuracy or reliability is given and no responsibility arising in any other way for errors and omissions (including responsibility to any person by reason of negligence) is accepted by BlackRock, its officers, employees or agents. This material may contain "forward-looking" information that is not purely historical in nature. Such information may include, among other things, projections and forecasts. There is no guarantee that any forecasts made will come to pass. Reliance upon information in this material is at the sole discretion of the reader.

The information provided here is neither tax nor legal advice. Investors should speak to their tax professional for specific information regarding their tax situation. Investment involves risk including possible loss of principal. International investing involves risks, including risks related to foreign currency, limited liquidity, less government regulation, and the possibility of substantial volatility due to adverse political, economic or other developments. These risks are often heightened for investments in emerging/developing markets or smaller capital markets.

BlackRock Capital Market Assumptions Scenarios

	Starting Point	AI upside	US risk premia worsen
Description	A regime of transformation in which investment opportunities are linked to mega forces that drive the macroeconomy and financial markets	Broad-based productivity boost triggered by faster than anticipated buildout and adoption of AI globally, with US leadership	U.S.'s role as a stabilising anchor weakens. Recurring geopolitical tensions fuel a stagflationary shock. Broad US risk premia widening led by U.S., big impact on energy importers
Impact of AI adoption	Gradual buildout and adoption over the near term. Temporary growth increase from AI productivity boost between 5 and 15yr from now.	Faster than anticipated build out and adoption. Permanent increase in productivity due to faster innovation speed, with US leadership	Same as starting point scenario
Impact of Middle East crisis	Near term adverse growth and inflation shock considered. The conflict is assumed to fade with no impact on 5yr or long horizon CMAs	Same as starting point scenario	Near term recession is considered. Conflict is considered to escalate in the long horizon, leaving long term adverse growth and inflation impact.
Oil path*	No impact considered on the 5yr horizon.	No impact considered on the 5yr horizon.	Oil price rises to \$150, and stays elevated between 1-3 years, beyond that is unlikely given some equilibrating forces

* There is no mechanical relationship between the assumed oil price and our CMA forecasting models. However, based on extensive analysis the oil path assumed is consistent with the macro projections in the various scenarios.

Reallocation Risk Assumptions

Asset Class	Asset	Index Proxy / Product Proxy	Expected Risk	10yr Annualized Expected Return
Fixed Income	Credit	33% BBG US Corporate High Yield 2% Issuer Capped Index 33% BlackRock Proxy, based on S&P/LSTA Leveraged Loan Index 33% 50% JPM GBI-EM Global Diversified Index 50% JPM Global EMBI Index	6.37%	4.10%
Alternatives	Hedge Funds	BlackRock Proxy: HFRI Composite Index	7.37%	7.21%
Alternatives	Infrastructure	BlackRock Proxy: Global Diversified Infrastructure – eFront Insights Research Global Infrastructure Index	17.47%	9.85%
Alternatives	Listed Infrastructure	FTSE Developed Core Infrastructure Net Index	12.61%	6.63%
Alternatives	Core Real Estate	BlackRock Proxy: US Core Real Estate - NCREIF ODCE Index	10.73%	5.51%
Alternatives	Value Add Real Estate	BlackRock Proxy: US Value-Added Real Estate	16.40%	6.75%
Alternatives	Private Equity	BlackRock Proxy: US Buyout Private Equity – eFront Insights Research US Buyout Private Equity Index	31.77%	11.58%
Alternatives	Private Credit	BlackRock Proxy: Direct Lending – Lincoln Senior Debt Index	10.53%	7.92%

Expected risk and return calculations based on BlackRock's capital market assumptions (CMA) as of May 2026. See slide titled "Capital Market and Modeling Assumptions" for additional details. There is no guarantee that the CMAs will be achieved, and actual returns could be significantly higher or lower than those shown. This information is not intended as a recommendation to invest in any particular asset class or strategy or as a promise of future performance. Note that these asset class assumptions are passive, and do not consider the impact of active management. All estimates in this document are in U.S. dollar terms unless noted otherwise. Given the complex risk-reward trade-offs involved, we advise clients to rely on judgment as well as quantitative optimization approaches in setting strategic allocations to all the asset classes and strategies. It is not possible to invest directly in an index.

Assumptions, opinions and estimates are provided for illustrative purposes only. They should not be relied upon as recommendations to buy or sell securities. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. This material has been prepared for information purposes only and is not intended to provide, and should not be relied on for, accounting, legal, or tax advice.

Asset Class Mapping: Traditional Assets

■ Cash: 2.2% ■ Fixed Income: 20.2% ■ Public Equity: 44.3%

Asset Class	Asset Description	Benchmark / Proxy Description	All Plans Avg Allocation
Cash	Cash	US Cash	2.2%
Fixed Income	Domestic	BBG US Aggregate Index	12.0%
Fixed Income	Long Duration	BBG Treasury 10+ Yr Index	0.4%
Fixed Income	Treasuries	BBG Government Index	1.4%
Fixed Income	TIPs	BBG US Government Inflation-Linked Bond Index	1.1%
Fixed Income	Securitized	BBG Securitized Index	0.6%
Fixed Income	Emerging markets	50% JPM GBI-EM Global Diversified Index 50% JPM Global EMBI Index	0.7%
Fixed Income	International/Global	BBG Global Aggregate Index	0.3%
Fixed Income	High yield	BBG US Corporate High Yield 2% Issuer Capped Index	2.2%
Fixed Income	Bank Loans	BlackRock Proxy, based on S&P/LSTA Leveraged Loan Index	0.5%
Fixed Income	Multi-Strategy	BBG US Universal Index	1.0%
Fixed Income	Convertibles	BBG U.S. Aggregate Index	0.1%
Equity	US All-Cap	Russell 3000 Index	7.5%
Equity	US Large-Cap	Russell 1000 Index	12.8%
Equity	US Mid-Cap	Russell Midcap Index	0.8%
Equity	US SMID-Cap	Russell 2500 Index	0.9%
Equity	US Small-Cap	Russell 2000 Index	1.8%
Equity	Developed ex-US	MSCI World ex-US	7.2%
Equity	International	MSCI All Country World ex-US	5.3%
Equity	Emerging markets	MSCI Emerging Markets Index	3.0%
Equity	Global Equity	MSCI All Country World Index	5.2%

Indices are unmanaged; direct investment is not possible. Neither asset allocation nor diversification can guarantee profit or prevent loss.

Asset Class Mapping: Alternative Assets

Alternatives: 33.2%

Asset Class	Asset Description	Benchmark / Proxy Description	All Plans Avg Allocation
Alternatives	HF	BlackRock Proxy: HFRI Composite Index	3.5%
Alternatives	Portable Alpha	BlackRock Proxy: HFRI Composite Index	0.2%
Alternatives	Risk Parity	14.75% Long Dur 14.75% US HY 14.75% TIPS 14.75% EMD 20% MSCI ACWI 21% Cmdty	0.4%
Alternatives	Private Equity	BlackRock Proxy: US Buyout Private Equity – eFront Insights Research US Buyout Private Equity Index	11.6%
Alternatives	Real Estate: REITs	FTSE EPRA Nareit United States Index	0.5%
Alternatives	Real Estate: Debt	BlackRock Proxy: Real Estate Mezzanine Debt (Unhedged)	0.3%
Alternatives	Real Estate: Core/Core-Plus	BlackRock Proxy: US Core Real Estate – NCREIF ODCE Index	3.5%
Alternatives	Real Estate: Non-Core	BlackRock Proxy: US Value-Added Real Estate – NCREIF Index/ S&P Global/Refinitiv	1.7%
Alternatives	Real Estate: Other	BlackRock Proxy: US Core Real Estate – NCREIF ODCE Index	2.3%
Alternatives	Real Assets: Commodities	BBG Commodities Index (Unhedged)	0.4%
Alternatives	Real Assets: Energy	BlackRock Proxy: Global Diversified Infrastructure – eFront Insights Research Global Infrastructure Index	0.3%
Alternatives	Real Assets: MLPs	BBG Commodities Index (Unhedged)	0.1%
Alternatives	Real Assets: Infrastructure	BlackRock Proxy: Global Diversified Infrastructure – eFront Insights Research Global Infrastructure Index	2.9%
Alternatives	Real Assets: Farmland	FTSE Nareit Equity Diversified	0.2%
Alternatives	Real Assets: Timber	BBG Commodities Index (Unhedged)	0.2%
Alternatives	Real Assets: Other	BBG Commodities Index (Unhedged)	0.3%
Alternatives	Alt Credit: Direct Lending	BlackRock Proxy: Direct Lending – Lincoln Senior Debt Index	4.7%

Indices are unmanaged; direct investment is not possible. Neither asset allocation nor diversification can guarantee profit or prevent loss.

Stress Test Scenario Definitions

Scenario	Scenario Type	Historical Period	Implied Shock	Description and Catalysts of Event
2020 Covid Shock	Historical	2/19-3/23/20	N/A	Peak to trough returns from the March 2020 Covid shock.
Crash '08	Historical	9/12-11/3/08	N/A	Credit & liquidity crisis and equity market crash set off by Lehman Brothers bankruptcy. Significant credit spreads widening caused by massive deleveraging. Shocks for DxS Factors are percentages of spread.
Stagflation 1974	Historical	1/1-12/31/74	N/A	1974 Historical Stagflation Scenario. Policy variable shocks are based on actual factor returns in the year 1974. BFRE USAM equity factors are proxied by Fama French factors with volatility adjustment.
AI Bubble Burst	Hypothetical	N/A	WRLD Semiconductors & Equipment: -25% WRLD Software & Services x Data processing: -15% VIX: +20% US Tech IG - US IG Market: +20bps TSY 2Y: -50bps DXY: -5% Gold COMEX 1: +15%	Rationale: Investor confidence in projected efficiency gains and growth for AI-related technology collapses, driving a sharp repricing of AI equities. Heightened U.S. China tension exacerbate already challenging business conditions, amplifying uncertainty across global supply chains. Major AI stocks plunge, trigger a broad tech-led sell-off, and spark systemic risk concerns. The Federal Reserve responds with two emergency 25bp rate cuts to stabilize markets – mirroring its crisis playbook from the Dotcom bubble era. Catalysts: - Enterprise software vendors and AI integrators deliver consistently poor ROI as anticipated productivity gains fail to materialize, and generative AI remains in the "trough of disillusionment." - Semiconductor manufacturers and platform providers report negative earnings, weighted down by mounting debt obligations stemming from prior heavy AI capital expenditures. - Big tech AI-giants start to halt financing within their circular financing loops as they refocus their investment strategy. - Market sell-off forces Fed to holds emergency meetings and delivers two intra-month front-end cuts totaling 50bps. Current cooling labor market and lower inflation conditions persist, providing Fed room to ease. Calibration: - AI-driven sectors lag the broader market, with both semiconductor and software stocks posting sharp declines amid an absence of recovery signals. - AI and tech collapse triggers NASDAQ decline and spills over into broader indices, such as S&P 500. - Investment-grade tech spreads widen sharply amid volatility spikes. - Safe-haven assets rally, while USD depreciates. - Yield curve steepens from near-term easing and recession fear.
Middle East Tensions	Hypothetical	N/A	MSCI Europe: -10% MS Emerging Markets: -15% NAMR Aerospace & Defense: +10% USD 10Y: +20bps EUR 10Y: +30bps USD INF 1Y: +75bps EUR INF 1Y: +100bps EM Middle East: +100bps US HY: +50 bps DXY: +4% Gold: +10% Brent Crude ICE 1: +30%	Rationale: - A rapid escalation of hostilities between Iran, Israel, and the U.S. evolves into a multi-front regional war involving direct participation or proxy action by multiple Gulf states and regional non-state actors. The conflict inflicts sustained damage to critical energy infrastructure and leads to the extended effective closure of the Strait of Hormuz, the world's most important oil and LNG transit route. Catalysts: - Iranian missile and drone strikes provoke direct military responses from Saudi Arabia, UAE, and Bahrain, expanding the conflict into a multi-month regional war. Involvement from local ethnic groups in Iran and Iraqi Kurds heightens regional tensions. - Naval mines and anti-ship missile deployments render the Strait of Hormuz impassable to commercial shipping. U.S. and allies fail to ensure security. - Coordinated strikes disable key LNG and refinery hubs. - Persistent proxy attacks and uncertainty over an Iranian regime change reduce credible pathway to negotiations. Calibration: - Oil prices spike as shipping routes and production facilities from the region are directly impacted. - Global equity markets selloff and spreads widen as markets re-price the impact of rising oil prices on global growth. Inflation expectations rise in tandem. - Europe and parts of Asia underperform U.S. and MSCI World given higher dependence on regional gas.
10yr Tsy Shock	Hypothetical	N/A	US 10yr Tsy: +100bps	10yr treasury rises by 100bps.
IG Spreads Shock	Hypothetical	N/A	Leh Credit: +85bps	Investment grade spreads widen by an absolute 85 bps (<1% event).

Stress Test Scenarios Methodology, Assumptions and Limitations

Methodology and Assumptions

Risk calculations performed using BlackRock Solutions Aladdin risk model. Each portfolio component is mapped to a broad set of risk factors; the parametric sensitivity to changes in key interest rates, spreads, and other risk factors is calculated for each portfolio component. The parametric exposures are then summed using the appropriate portfolio weights to compute the portfolio's exposure to systematic market risk factors. BlackRock Solutions' parametric return model then uses the risk factor changes and exposures in the specified time period to estimate the return of the portfolio.

Historical scenarios are calibrated to historical markets and the shocks used are representative of the actual market moves during these periods. Each portfolio component is mapped to a broad set of risk factors; the parametric sensitivity to changes in key interest rates, spreads, and other risk factors is calculated for each portfolio component. Market-Driven scenarios simulate current portfolio through hypothetical large market shocks and geopolitical stresses. These are also defined by a set of risk factors with carefully calibrated shocks. The remaining market shocks are implied using a covariance matrix.

Stress test scenarios were performed using Portfolio Risk Tools, a proprietary BlackRock Solutions software. Scenarios have been chosen based on risks relevant to the peer group based on the composition of the portfolios and desire to protect against downside risk. Stress test performance is determined by the implied shock to each risk factor that the security or portfolio is exposed to. Shocks for unconstrained risk factors (i.e. implied interest rate moves, economic and market volatility, etc. in the risk model were derived using their historical correlations with the constrained factors). Implied shock scenarios provide the ability to perform hypothetical stress tests with the full risk factor set. Relationships between risk factors and implied shocks are derived using historical correlations and BlackRock analysis.

Please note that this list of assumptions does not include all assumptions that may have been applied to a particular model and that the models themselves do not factor in every performance factor that can have a significant impact on a portfolio. Since many potential scenarios may exist, it is impossible to show all of the potential circumstances that would yield similar results. Actual events will vary and may differ materially from those assumed. It is provided to illustrate the estimated investment P&L of a company in a specific stress scenario. Actual returns may vary. The model is based purely on assumptions using available data, based on past and current market conditions, and assumptions relating to available investment opportunities, each of which are subject to change. The model is subject to significant limitations. It cannot account for the impact that economic, market, and other factors may have on the implementation of an actual investment. In addition to the variables identified above, the return of any portfolio will vary materially from the return shown based on numerous factors including, but not limited to, current market conditions, the specific securities in the portfolio, and the current leverage costs, among others. While leverage can increase returns, it also increases risk of loss. This model is not intended to provide, and should not be relied upon for investment, accounting, legal or tax advice, nor used with any third-parties.

Limitations

Hypothetical performance has inherent limitations. Such results do not represent actual trading, and thus may not reflect material economic and market factors, such as liquidity constraints, that may have had an impact on our actual decision-making. No representation is made that a portfolio will achieve results similar to those shown, and performance of actual portfolios may vary significantly from the hypothetical results.

No representation is made as to the accuracy or completeness of the scenario analysis shown in this material or the validity of the underlying methodology, and results are provided for informational purposes only. The shocks specified give more color as to the magnitude of the moves, but are not the comprehensive set of moves that occur in each stress test. In addition, the models themselves do not factor in every performance factor that can have a significant impact on a portfolio. The scenario analysis should not be misinterpreted as constituting the actual performance of the portfolios nor should it be relied upon in connection with any investment decision relating to any product or strategy. All investments involve a risk of loss of capital, and no guarantee or representation can be made that an investment will generate profits or will avoid losses.

We would be happy to further discuss our methodology and assumptions at your request.

Private Debt Sub-Strategy Definitions

Asset Based Lending: Category of Private Credit that encompasses loans and other forms of financing backed by assets as opposed to cashflows.

Trade Finance: Trade finance includes strategies such as receivables factoring, invoice discounting, supply chain management, export finance and other esoteric forms of financing where a financial firm provides an advance against a receivable payment to be received in the future.

NAV Lending: NAV Lending incorporates both senior loans to private market funds collateralized by diversified portfolios of assets at 10-20% LTVs, as well as preferred solutions backed by things like GP commitments, management fees and carried interest at 30-60% LTVs.

Real Estate Lending: Real estate lending encompasses bridge loans, mezzanine loans, preferred equity and note purchases which are collateralized by real estate. The use of proceeds for the strategy can range from development or construction to asset conversions and repositionings.

Infrastructure Lending: Infrastructure lending strategies involve financing a range of infrastructure projects including renewable energy, transportation, water, waste, and digital and social infrastructure, such as data centers, hospitals, and education facilities, amongst others, with types of senior and junior debt.

Asset-Based Lending (General): General asset-based lending strategies focus on providing first lien lending facilities collateralized by hard assets via a bankruptcy remote structure.

Equipment Leasing: Equipment leasing strategies involve the purchase and subsequent lease-out of equipment ranging from heavy trucks to aircraft to medical devices in exchange for regular lease payments.

Mining Finance: Mining finance involves providing loans to mining companies focused on extracting base and precious metals, as well minerals in the natural resources sector. The loans may also include enhancements such as warrants and/or royalty streams.

Cash Flow Lending: Category of Private Credit that encompasses loans and other forms of financing backed by cash flows rather than assets.

Senior Lending – Sponsor: Sponsor-backed direct lending refers to extending loans directly to companies wholly or partially owned by private equity managers.

Senior Lending – Non-Sponsor: Non-sponsor-backed direct lending strategies focus on providing private loans to companies that are not owned by private equity managers, typically family-run businesses that are smaller and less sophisticated than their PE-backed peers.

Mezzanine & Structured Equity: Mezzanine debt and structured equity strategies focus on creating hybrid capital solutions for companies. The solutions combine features of junior debt and equity instruments, offering higher potential returns than other forms of lending, but with more potential risk.

Venture Capital Lending: Venture capital lending strategies focus on providing debt financing to early-stage, high growth potential companies. In many cases, the loans are backed by companies that are unprofitable; venture lenders protect their investment through sophisticated debt structuring, as well as by relying on the resources and brand of the sponsor.

Structured Credit: Category of Private Credit that encompasses complex financial instruments created to meet the specific financing needs of large institutions or companies that cannot be satisfied with conventional financial products.

Residential Real Estate: Residential real estate structured credit strategies focus on investing in tranches of residential mortgage backed securities ("RMBS") or the securitization of pools of mortgages. Primary instruments traded within the strategy include collateralized mortgage obligations ("CMO"), mortgage pass-through securities, credit risk transfer ("CRT"), and stripped mortgage securities.

Asset Backed: Asset backed structured credit strategies involve investing in tranches of the securitization of pools of assets like loans, leases or receivables. There are a wide variety of collateral types of ABS securitizations including credit card receivables, automobile loans and leases, equipment loans and leases, student loans and others.

Commercial Real Estate: Structured credit commercial real estate strategies focus on investing in tranches of commercial mortgage backed securities ("CMBS") or the securitization of loans backed by real estate across sectors including multifamily, industrial, office and retail.

Structured Corporate: Structured corporate structured credit strategies focus on investing in tranches of securitizations of corporate credit including mainly collateralized debt obligations ("CDO") or collateralized loan obligations ("CLO"). Newer forms of financing such as Significant Risk Transfers ("SRTs") are included here as well.

Multi-Strategy Credit: Category of Private Credit that encompasses that includes Multi-Strategy Credit managers as well as Credit Solutions managers.

Multi-Strategy Credit: Multi-Strategy credit strategies invest across the full spectrum of credit strategies including Asset-Based Lending, Cashflow Lending, Credit Solutions, Structured Credit and Specialty Finance. These firms tend to be larger and better-known.

Credit Solutions: Credit solutions strategies involve structuring bespoke financing solutions for companies experiencing stress or distress as a result of mis-management, excessive leverage, liquidity or working capital issues. Such funds typically require locked-up capital in order to effectuate their strategy of recapitalizing and rehabilitating their target companies.

Specialty Finance: Category of Private Credit that encompasses non-traditional financing activity that is not covered in other categories.

Royalties: Royalty strategies focus on purchasing the rights to receive future royalty payments or a percentage of sales of a product via a licensing agreement. Popular fund strategies include music royalties, healthcare royalties, and mining royalties.

Insurance Linked: Insurance-linked strategies primarily focus on providing reinsurance of catastrophe or natural disaster risk to insurers. Instruments can include catastrophe bonds, industry loss warranties, and private retrocession.

Legal Assets: Legal asset strategies involve a multitude of investment strategies that invest in litigation outcomes and/or intellectual property. Investments may occur pre-trial, post-settlement or post-trial and may be credit-oriented with a fixed return or more equity-oriented, where the level of return depends on the resolution of a case.

Important Notes

Risk Warnings:

Past performance information indicated herein is neither a guarantee nor indicative of future performance or investment returns and actual events or conditions may not be consistent with, and may differ materially from, historical or forecasted events or conditions. There is no assurance that any strategy will achieve its investment objective or generate positive returns. Investing involves risk, including possible loss of principal. **All asset class characteristics and allocations shown are for informational purposes only.** Such characteristics and allocations are not intended to be predictions or projections of any portfolio's performance. Neither asset allocation nor diversification ensure profit or protect against loss of principal.

Equity Risk: Stock values may fluctuate in price so the value of your investment can go down depending on market conditions. Investing in small- and mid-cap companies may entail greater risk than large-cap companies, due to shorter operating histories, less seasoned management or lower trading volumes. International investing involves special risks including, but not limited to currency fluctuations, illiquidity and volatility. These risks may be heightened for investments in emerging markets. Investments in emerging markets may be considered speculative and are more likely to experience hyperinflation and currency deviations, which adversely affect returns. In addition, many emerging securities markets have lower trading volumes and less liquidity.

Bond Risk: Investing in the bond market is subject to certain risks including market, interest-rate, issuer, credit, and inflation risk. Mortgage and asset-backed securities may be sensitive to changes in interest rates, subject to early repayment risk, and while generally backed by a government, government-agency or private guarantor there is no assurance that the guarantor will meet its obligations. High-yield, lower-rated, securities involve greater risk than higher-rated securities; portfolios that invest in them may be subject to greater levels of credit and liquidity risk than portfolios that do not. Investors will, at times, incur a tax liability. Income from municipal bonds may be subject to state and local taxes and at times the alternative minimum tax.

Risks Associated with Private Equity:

Limited Regulatory Oversight: Since private equity funds are typically private investments, they do not face the same oversight and scrutiny from financial regulatory entities such as the Securities and Exchange Commission ("SEC") and are not subject to the same regulatory requirements as regulated investment companies, (i.e., open-end or closed-end mutual funds) including requirements for such entities to provide certain periodic pricing and valuation information to investors. Private equity offering documents are not reviewed or approved by the SEC or any US state securities administrator or any other regulatory body. Also, managers may not be required by law or regulation to supply investors with their portfolio holdings, pricing, or valuation information.

Strategy Risk: Many private equity funds employ a single investment strategy. Thus, a private equity funds may be subject to strategy risk, associated with the failure or deterioration of an entire strategy.

Use of Leverage and Other Speculative Investment Practices: Since many private equity fund managers use leverage and speculative investment strategies such as options, investors should be aware of the potential risks. When used prudently and for the purpose of risk reduction, these instruments can add value to a portfolio. However, when leverage is used excessively and the market goes down, a portfolio can suffer tremendously. When options are used to speculate (i.e., buy calls, short puts), a portfolio's returns can suffer and the risk of the portfolio can increase.

Valuations: Further there have been a number of high profile instances where private equity fund managers have mispriced portfolios, either as an act of fraud or negligence.

Limited Liquidity: Investors in private equity funds have limited rights to transfer their investments. In addition, since private equity funds are not listed on any exchange, it is not expected that there will be a secondary market for them. Repurchases may be available, but only on a limited basis. A private equity fund's manager may deny a request to transfer.

Risks Associated with Private Credit

Risks associated with an investment in a private credit strategy (the Strategy) include, but are not limited to, the following: (i) the Strategy is speculative and its investments are subject to a risk of total loss, (ii) the performance of the Strategy may be volatile, (iii) the general partner of the Strategy will retain ultimate authority over the Strategy's assets and investment decisions, (iv) there are restrictions on the ability of investors to withdraw capital and on the transferability of investor ownership interests in the Strategy, (v) the fees and expenses of the Strategy may offset any profits of the Strategy, (vi) investing the Strategy may involve complex tax structures and delays in distributing important tax information, (vii) the Strategy is not subject to the same regulatory requirements as mutual funds. Investors should also be aware that as a global provider of investment management, risk management and advisory services to institutional and retail clients, BlackRock engages in a broad spectrum of activities. Although the relationships and activities of BlackRock may help offer attractive opportunities and service to the Strategy, such relationships and activities create certain inherent conflicts of interest between BlackRock and the Strategy and/or the Strategy's investors. Further risks associated with the Strategy include, but are not limited to, the following: i.) Credit & Interest Rate risk ii.) Risks associated with high-yield, non-investment-grade debt securities ("high-yield bonds" or "junk bonds"); iii) Derivatives; iv) Foreign/International Markets; and v) Emerging market risk.

Risks Associated with Infrastructure

Infrastructure Funds invest exclusively or almost exclusively in equity or debt, or equity or debt related instruments, linked to infrastructure assets. Therefore, the performance of an Infrastructure Fund may be materially and adversely affected by risks associated with the related infrastructure assets including: construction and operator risks; environmental risks; legal and regulatory risks; political or social instability; governmental and regional political risks; sector specific risks; interest rate changes; currency risks; and other risks and factors which may or will impact infrastructure and as a result may substantially affect aggregate returns. Investments in Infrastructure assets are typically illiquid and investors seeking to redeem their holdings in an Infrastructure Fund can experience significant delays and fluctuations in value.

Important Notes (continued)

Risk Associated with Hedge Funds

An investment in a hedge fund is speculative and includes a high degree of risk, including the risk of a total loss of capital. A hedge fund is illiquid, subject to significant restrictions on transfer and investors should be aware that they may be required to bear the risks associated with holding such investment for an indefinite period of time. Investors should carefully review the confidential private placement memorandum and other offering documents for the hedge fund strategy prior to making an investment decision. Any investment decision with respect to a hedge fund should be made solely on the definitive and final version of the private placement memorandum, the governing agreements, subscription agreements and other ancillary documents.

Risks Associated with Real Estate

Funds that invest in real estate or property invest exclusively or almost exclusively in equity or debt, or equity or debt related instruments. Therefore, in addition to risks associated with investment in such equity or debt instrument, the performance of the real estate fund may be material and adversely affected by risks associated with the related real estate assets. Past performance of funds investing in real estate are not indicative of the performance of the real estate market as a whole and the value of real property will generally be a matter of a valuer's opinion rather than fact. The value of any real estate investment may be significantly diminished in the event of a downturn in the real estate market. Real estate investments are subject to many factors including adverse changes in economic conditions, adverse local market conditions and risks associated with the acquisition, financing, ownership, operation, and disposal of real estate.

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