



MINUTES

**Meeting of the Investment Committee
of the Board of Trustees of the
State Universities Retirement System
Thursday, April 17, 2025 9:00 a.m.
Northern Trust – Chicago, IL
*Optional Remote Connection for Members of the Public***

This meeting was held in person at Northern Trust in Chicago, IL.

The following trustees were present: Dr. Andry Bodnaruk; Mr. Richard Figueroa; Dr. Fred Giertz; Mr. Scott Hendrie, chair; Mr. Pranav Kothari; Mr. John Lyons; Mr. Herbert Pitman; Dr. Steven Rock; Mr. Collin Van Meter; and Mr. Antonio Vasquez.

Others present: Ms. Suzanne Mayer, Executive Director; Mr. Michael Schlachter, Chief Investment Officer (CIO); Ms. Jessica Pickens, Mr. Alex Ramos, Mr. Joe Duncan and Mr. Shane Willoughby, Sr. Investment Officers; Ms. Stephany Brinkman, Associate Investment Officer; Ms. Stephanie Jeffries, Mr. Al Lund, and Mr. Darian Saracevic, Investment Analysts; Ms. Tracy Bennett, Investment Compliance Analyst; Ms. Bianca Green, General Counsel; Ms. Tara Myers, Chief Financial Officer; Ms. Jackie Hohn, Chief Internal Auditor; Ms. Nichole Hemming, Chief Human Resources Officer; Mr. Jefferey Saiger, Chief Technology Officer; Ms. Anna Dempsey, Investment Counsel; Mr. Albert Lee, Associate Legal Counsel; Ms. Kristen Houch, Director of Legislative and Stakeholder Relations; Ms. Kelly Carson, Ms. Chelsea McCarty and Ms. Annette Ackerman, Executive Assistants; Mr. David Sancewich and Mr. Colin Bebee, of Meketa; and Mr. Michael Calabrese of Foley.

Investment Committee roll call attendance was taken. Trustee Bodnaruk, present; Trustee Figueroa, present; Trustee Giertz, present; Trustee Hendrie (chair), present; Trustee Kothari, present; Trustee Lyons, present; Trustee Pitman, present; Trustee Rock, present; Trustee Van Meter, present; and Trustee Vasquez, present.

APPROVAL OF MINUTES

Trustee Hendrie presented the minutes from the Investment Committee meeting of March 6, 2025.

Trustee Rock made the following motion:

- That the minutes from the March 6, 2025, Investment Committee meeting be approved as presented.

Trustee Vasquez seconded the motion which passed via the following roll call vote:

Trustee Bodnaruk	-	aye
Trustee Figueroa	-	aye
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Kothari	-	aye
Trustee Lyons	-	aye
Trustee Pitman	-	aye
Trustee Rock	-	aye
Trustee Van Meter	-	aye
Trustee Vasquez	-	aye

APPROVAL OF CLOSED MINUTES

Trustee Hendrie presented the closed minutes from the Investment Committee meeting of March 6, 2025.

Trustee Rock made the following motion:

- That the closed minutes from the March 6, 2025, Investment Committee meeting be approved as presented and remain closed.

Trustee Vasquez seconded the motion which passed via all trustees present voting in favor of the motion.

CHAIRPERSON'S REPORT

Trustee Hendrie did not have a formal Chairperson's report.

CIO REPORT

Mr. Michael Schlachter outlined the various items to be discussed during the meeting. He provided a brief asset update to the Board of Trustees and reviewed the status report of previous action items discussed during the March 6, 2025 meeting.

Copies of the staff memorandums titled "CIU Report from March 2025 Investment Committee Meeting," "CIO Report Regarding Actions Taken Under Delegated Authority," and "Investment Contracts Approved by Executive Director April 2025" are incorporated as part of these minutes as [Exhibit 1](#), [Exhibit 2](#), and [Exhibit 3](#).

MARKET OUTLOOK AND INVESTMENT OPPORTUNITIES (EDUCATIONAL SESSION)

Mr. Ashok Bhatia, Mr. Thomas Obaseki, and Ms. Cheryl Cannistra of Neuberger Berman provided an educational session to the Board of Trustees that focused on the current market outlook and investment opportunities.

The educational session lasted 55 minutes and concluded at 10:08 a.m.

A copy of Neuberger Berman's presentation titled "Neuberger Berman Market Outlook SURS" are incorporated in these minutes as [Exhibit 4](#).

ASSET ALLOCATION CHANGE IMPLEMENTATION PLAN

Mr. Michael Schlachter presented the new asset allocation target implementation plan, he highlighted changes being made to the plan and he discussed the current pacing plan.

A copy of the presentation titled "AL Implementation" is incorporated as part of these minutes as [Exhibit 5](#).

CLOSED SESSION

At 10:30 a.m. Trustee Bodnaruk moved that the Investment Committee go into closed session pursuant to §2(c)(7) of the Illinois Open Meetings Act to consider the sale or purchase of securities, investments or investment contracts. Trustee Van Meter seconded the motion which passed via the following roll call vote:

Trustee Bodnaruk	-	aye
Trustee Figueroa	-	aye
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Kothari	-	aye
Trustee Lyons	-	aye
Trustee Pitman	-	aye
Trustee Rock	-	aye
Trustee Van Meter	-	aye
Trustee Vasquez	-	aye

RETURN TO OPEN SESSION

The Investment Committee returned to open session at 11:10 a.m.

TRADITIONAL GROWTH ANNUAL REVIEW

Mr. Alex Ramos provided the annual review of the traditional growth asset class.

A copy of the presentation titled “Traditional Growth Asset Class Review” is incorporated as part of these minutes as [Exhibit 6](#).

PUBLIC COMMENT

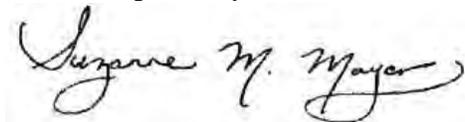
There were no public comments presented to the Investment Committee.

ADJOURN

There was no further business brought before the committee and Trustee Rock moved to adjourn the meeting. The motion was seconded by Trustee Giertz, and it passed via the following roll call vote:

Trustee Bodnaruk	-	aye
Trustee Figueroa	-	aye
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Kothari	-	aye
Trustee Lyons	-	aye
Trustee Pitman	-	aye
Trustee Rock	-	aye
Trustee Van Meter	-	aye
Trustee Vasquez	-	aye

Respectfully submitted,



Ms. Suzanne M. Mayer
Executive Director and Secretary, Board of Trustees

SMM:cm



To: Investment Committee
From: Michael C. Schlachter, CFA
Date: April 7, 2025
Subject: Report from the March 6, 2025, Investment Committee Meeting

Enclosed are the Minutes of the March 6 Investment Committee Meeting. The purpose of this memorandum is to provide a status report on the action items for Investments.

There were two motions approved by the Board of Trustees at the March meeting that required further action by SURS staff as all other agenda items were for education and/or information. Open motions from prior meetings requiring further action by SURS Staff are listed below.

1. **That based on the recommendation from SURS staff and Meketa, the Investment Committee approve the strategic policy allocation targets as presented in asset allocation Mix D, and give SURS staff the discretion to implement the updated policy targets by transitioning assets as needed.**

Investment staff will present an update on the implementation plan to the new asset allocation mix at the April Investment Committee meeting.

2. **That based on the recommendation from SURS Staff and CAPTRUST, the Investment Committee approve the revised Investment Policy document relating to the defined contribution plan, as presented.**

The defined contribution policy has been updated on the SURS website subsequent to committee approval.

Open items from December 5, 2024

1. **That based upon the recommendation from SURS Staff and Meketa, SURS retain JP Morgan for a US 130/30 equity extension mandate.**

Contract negotiations are underway and SURS Investment Staff anticipates funding this portfolio in the second calendar quarter of 2025.

2. **That based upon the recommendation from SURS Staff and Meketa, SURS retain Man Numeric for an international equity extension mandate.**

Contract negotiations are underway and SURS Investment Staff anticipates funding this portfolio in the second calendar quarter of 2025.

Please advise if you have any questions prior to the April 17, 2025, Investment Committee meeting.

To: Investment Committee
From: Michael C. Schlachter, CFA
Date: April 7, 2025
Subject: Actions Taken by the CIO under Delegated Authority

Since February 21, 2025, the following are actions taken by the SURS Chief Investment Officer that did not require approval from the Investment Committee.

Cash Movements

- To meet liquidity needs and fund benefit payments, \$100 million was redeemed from the Rhumblin Wilshire 5000 (US) index fund in February 2025.
- To meet liquidity needs and fund benefit payments, \$150 million was redeemed from the BlackRock Alpha Tilts non-US equity portfolio in March 2025.

Tail Hedge Portfolio

- The size of the tail hedge portfolio was adjusted in the last few quarterly “rolls” (option expiration / repurchase trades) as was discussed in closed session at the June 2024 Investment Committee meeting. An update regarding the current size and structure of the tail hedge portfolio, as well as Investment Staff’s intentions for the current “roll” cycle will be presented in closed session at the June Investment Committee meeting.

Follow-on Private Assets Funds

- On March 13, 2025, Investment Staff approved a \$75 million commitment to Basis Investment Group (“BIG”) Real Estate Debt Fund III, subject to successful contract negotiation. SURS is an investor in BIG Real Estate Debt Funds I and II. Callan supports this decision.

Please advise if you have any questions prior to the April 17, 2025, Investment Committee meeting.



To: Suzanne Mayer
From: Michael C. Schlachter, CFA and Anna M. Dempsey
Date: April 8, 2025
Subject: Investment Contracts Approved

The following investment agreements were approved by the Executive Director subsequent to February 16, 2025.

BLUE VISTA IV

An approval of Amendment No. 1 to the Seventh Amended and Restated Limited Partnership Agreement of Blue Vista Real Estate Partners IV, L.P. to provide for a fee reduction during an extension period of the fund was executed on February 17, 2025.

BLACKSTONE PROPERTY PARTNERS

A “most favored nations” election form for Blackstone Property Partners L.P., pursuant to which SURS elected certain terms granted to other limited partners, was executed on March 10, 2025.

HOMESTEAD III

A consent to Amendment No. 4 to the Agreement of Limited Partnership of Homestead Capital USA Farmland Fund III, L.P. to permit the General Partner or its affiliates to provide accounting and financial reporting services to portfolio companies was executed on March 11, 2025.

HOMESTEAD IV

A consent to Amendment No. 1 to the Agreement of Limited Partnership of Homestead Capital USA Farmland Fund IV, L.P. to permit the General Partner or its affiliates to provide accounting and financial reporting services to portfolio companies was executed on March 11, 2025.

LONG WHARF VII

A consent to Amendment No. 2 to the Amended and Restated Limited Partnership Agreement of Long Wharf Real Estate Partners VII, L.P. to make certain changes generally deemed favorable to the limited partners was executed on March 26, 2025.

A “most favored nations” election form for Long Wharf Real Estate Partners VII, L.P., pursuant to which SURS elected certain terms granted to other limited partners, was executed on March 27, 2025.

PANTHEON EUROPE VII

A consent to extend the term of Pantheon Europe Fund VII, L.P. for a period of one year (to April 12, 2026) was executed on March 31, 2025.



Market Outlook and Investment Opportunities

Presentation to State Universities Retirement System Board
April 17, 2025

Neuberger Berman Biography



Ashok K. Bhatia, CFA, Managing Director, joined the firm in 2017. Ashok is Chief Investment Officer and Global Head of Fixed Income, and a member of Neuberger Berman's Partnership and Asset Allocation Committees and Fixed Income's Investment Strategy Committee. Previously, Ashok has held senior investment and leadership positions in several asset management firms and hedge funds, including Wells Fargo Asset Management, Balyasny Asset Management and Stark Investments. Ashok has had investment responsibilities across global fixed income and currency markets. Ashok began his career in 1993 as an investment analyst at Morgan Stanley. Ashok received a BA with high honors in Economics from the University of Michigan, Ann Arbor, and an MBA with high honors from the University of Chicago. He has been awarded the Chartered Financial Analyst designation.



Thomas Obaseki, Managing Director, joined the firm in 2021. Thomas is a Client Advisor in the North American Institutional Client Group, working with public and corporate pensions, foundations, endowments, family offices and other institutions. Additionally, Thomas also serves as the US Public Funds client segment lead. Thomas joined the firm from Acadian Asset Management where he co-led the US public pensions practice nationally. Prior to Acadian, Thomas was with Wellington Management Company as a multi-asset investment specialist & a consultant relations officer. Earlier in his career, he held institutional investments & sales positions at Fidelity Investments and with J.P. Morgan's Investment Bank. Before business school, Thomas served as a Captain in the United States Army, leading a large combat unit in Baghdad, Iraq. He is a recipient of the Bronze Star Medal. Thomas received an M.B.A. from the University of Virginia Darden School of Business and a B.S. in Engineering Management from the United States Military Academy at West Point.



Cheryl L. Cannistra, Senior Vice President, joined the firm in 2011. Cheryl is the Head of North America Institutional Client Service and serves as a Client Service Advisor working with public and corporate pensions, foundations, endowments, family offices and other institutions. Prior to joining the firm, she worked at Driehaus Capital Management LLC for over 23 years, most recently as a vice president of relationship management. Prior to that role she was the director of client servicing and marketing, and before that she was a senior relationship manager. Cheryl received a BA in Economics from the University of Illinois.

Neuberger Berman / SURS Longstanding Partnership

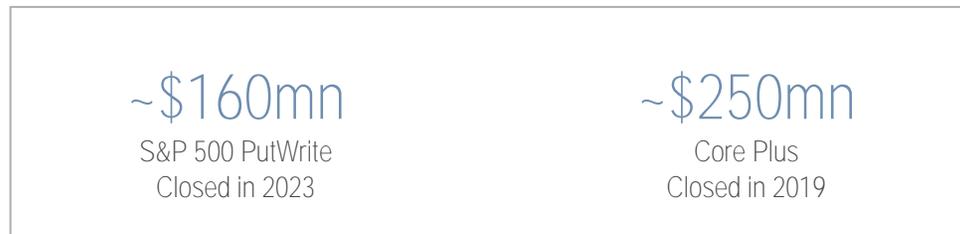
Neuberger Berman and the State Universities Retirement System of Illinois Relationship History



Open investments:

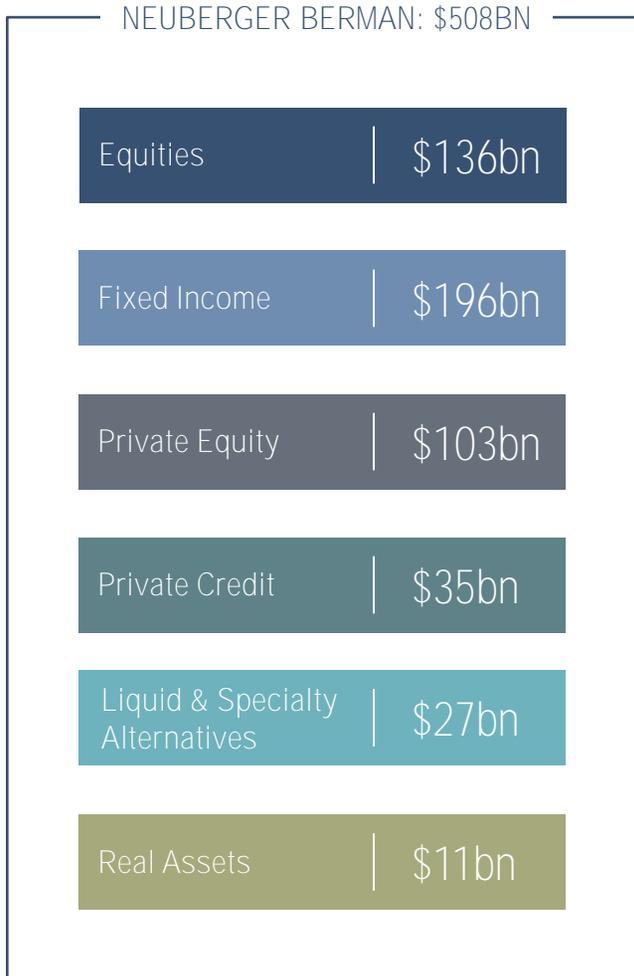


Closed investments:



Neuberger Berman Overview

Investing for clients for over 80 years



As of December 31, 2024. Figures may not sum up due to rounding. 1. Includes the firm's current and former employees, directors and, in certain instances, their permitted transferees 2. Retention of MD and SVP investment professionals since becoming an independent company in 2009 3. For illustrative and discussion purposes only. PRI grades are based on information reported directly by PRI signatories, of which investment managers totalled 2,651 for 2024. Please see Principles for Responsible Investment (PRI) Scores and end of this material for information regarding PRI scores shown. 4. Among organizations with over 1,000 employees by Pensions & Investments.

Table of Contents

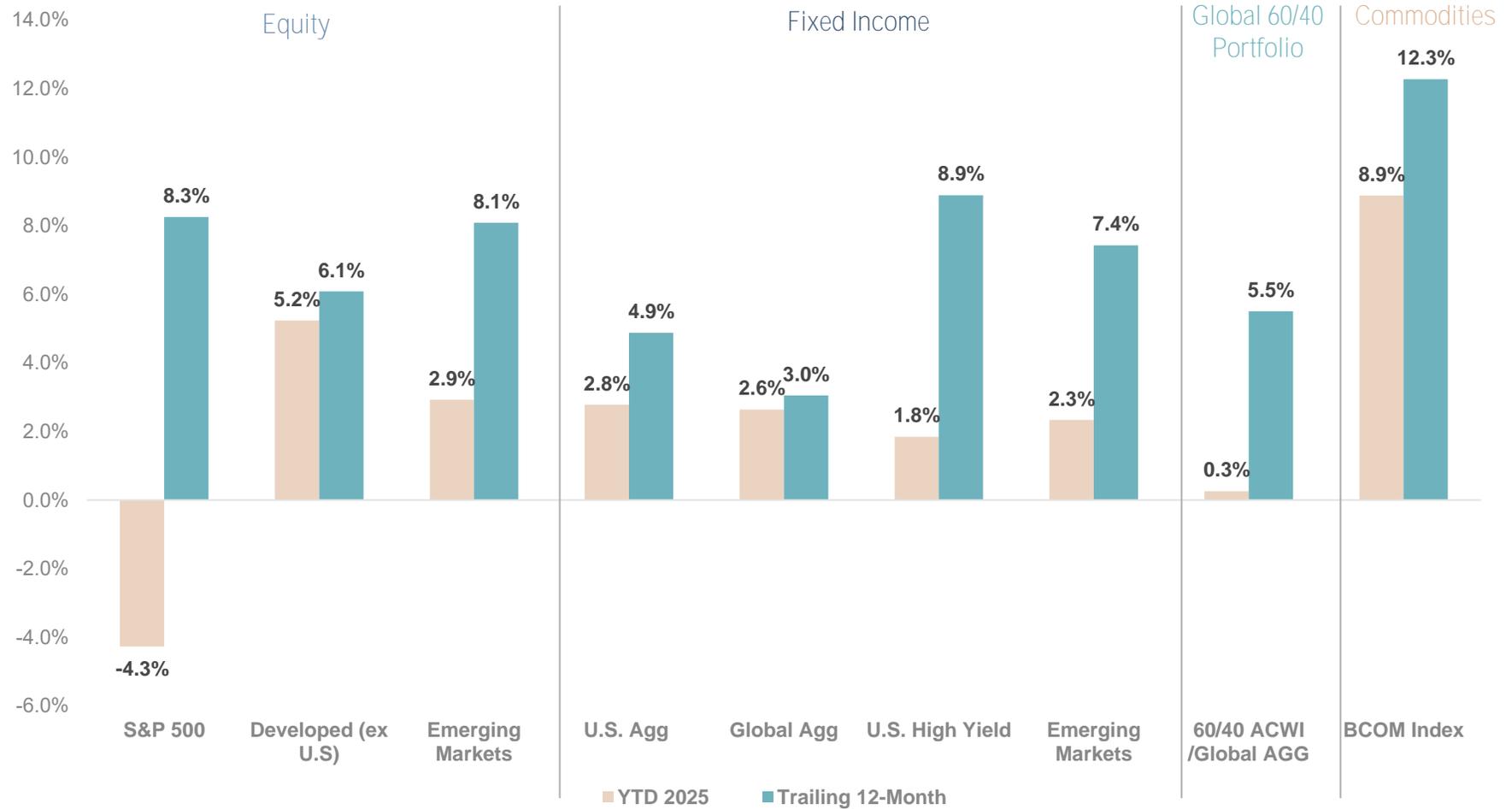
- I. Macroeconomics
- II. Multi-Asset Views and Positioning
- III. Equity
- IV. Fixed Income
- V. Alternatives
- VI. Appendix
- VII. Additional Disclosures

Ex-US Markets Outperformed in 1Q, with significant pickup in volatility in March

US policy uncertainty along with strong fiscal response in Europe led to shifting equity market leadership

Global Asset Class Returns

For periods ending March 31, 2025



Sources: Bloomberg, Neuberger Berman as of March 31, 2025. Nothing herein constitutes a prediction or projection of future events or future market behavior. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results. See Additional Disclosures at the end of this presentation.

Macroeconomic Framework – Key Themes Driving Global Markets

MACROECONOMIC THEMES

- Significant volatility and drawdown in risk assets resulting from worse than expected tariff announcement on April 2 and high uncertainty
 - GDP growth estimates reduced in US and rest of world, with growing risks recession under punitive tariff scenarios
 - Divergence in stimulative response of US (de-emphasizing fiscal) and Europe (loosening on deficit limits and infrastructure spending)
- Tariff policies add significant upside risks to inflation trajectory in near-term
- Unclear path for central banks as balance between rising inflation (through tariffs) must be weighed with growing risks to growth
- Liquidity still ample, but wealth effect mitigated by abrupt correction in equities
- Risk of geopolitical shocks beyond trade policy remain
 - Heightened political polarization
 - Middle East and Ukraine have possible resolution outcomes but remain uncertain

INVESTMENT IMPLICATIONS

- Continued equity and interest rate volatility due to policy-driven uncertainty
- In equities:
 - Lack of clarity on earnings, but growing opportunities to rebalance and incrementally buy at materially lower price levels
 - Stage still set for broadening equity market performance given valuation differentials and shifts in earnings growth
 - U.S. equities vulnerable in short-term; non-US markets may present opportunities given valuations and catalysts
 - Focus on quality at reasonable valuations with resilient earnings
- In fixed income:
 - US yields toward lower end of fair value range
 - Position for higher term premium, steeper curves
 - Begin to take advantage wider credit spreads in portfolios
- Exposure to uncorrelated strategies and inflation-sensitive assets important given current risk environment
- Private Markets
 - Potential attractive entry point in private equity
 - Private debt offers attractive yields but credit risks looming
 - Opportunities arising in real estate as valuations stabilize and fundamentals improve

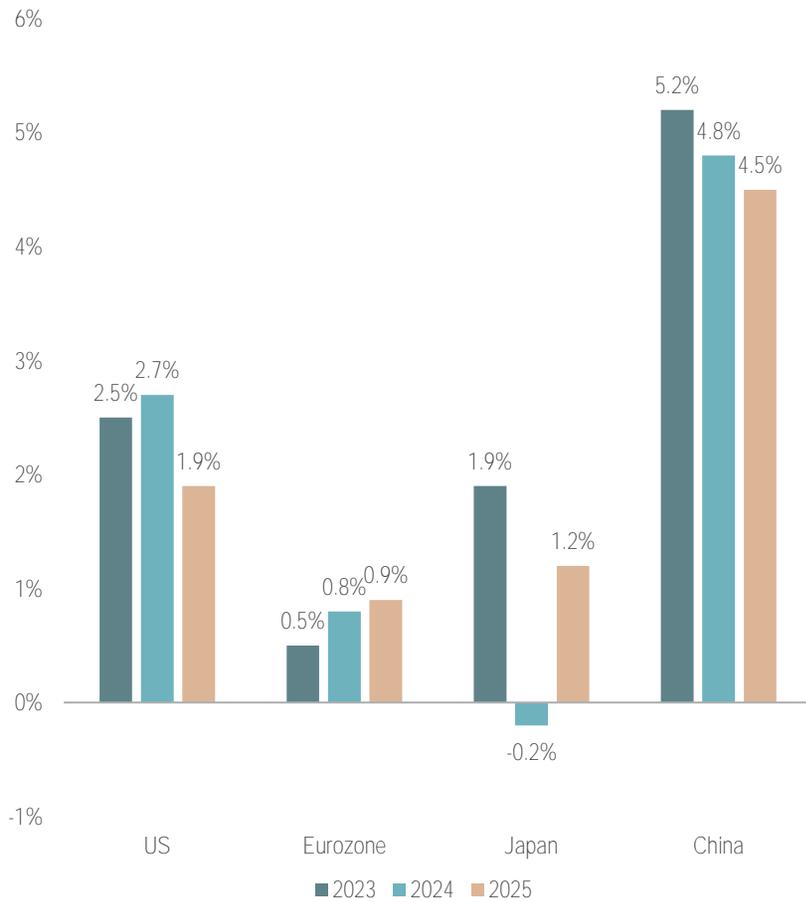
Source: Neuberger Berman, as of March 31, 2025. See "Additional Disclosures" at the end of this presentation, for additional information regarding the Neuberger Berman Multi-Asset Investment Team and Asset Allocation Committee and the views expressed. See Additional Disclosures at the end of this presentation.

Global Growth and Inflation Outlook

GDP estimates for 2025 have been declining with tariff pressure; inflation estimates rising

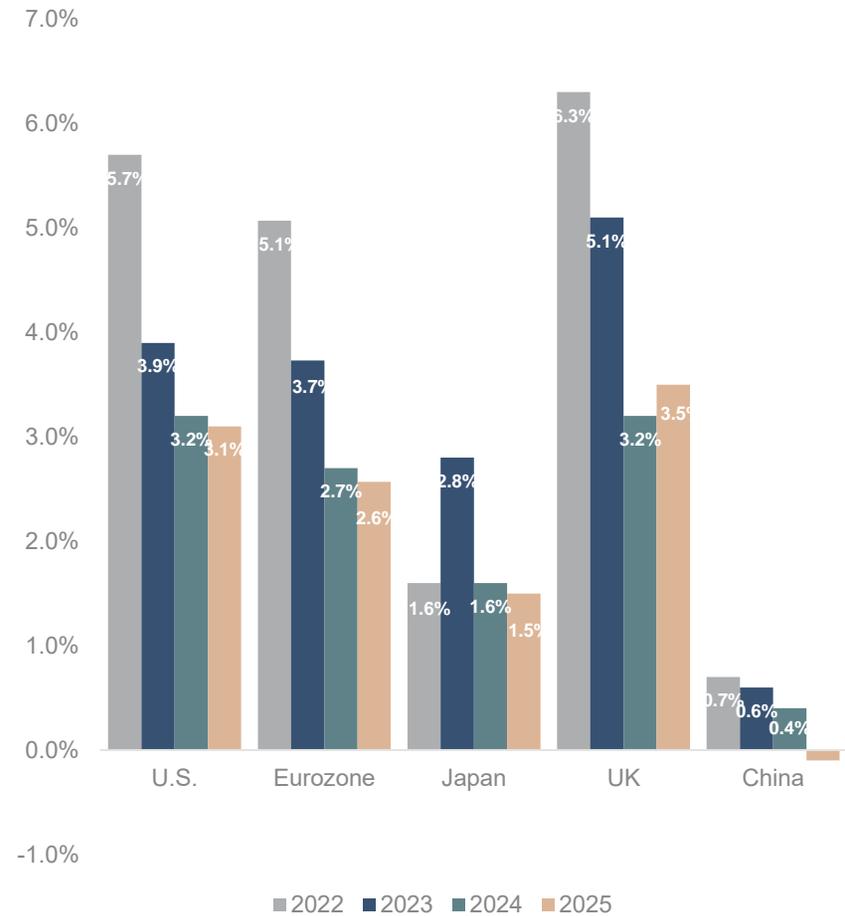
Real GDP By Country/Region

Year-over-year increase—2023/2024 actual, 2025 projected



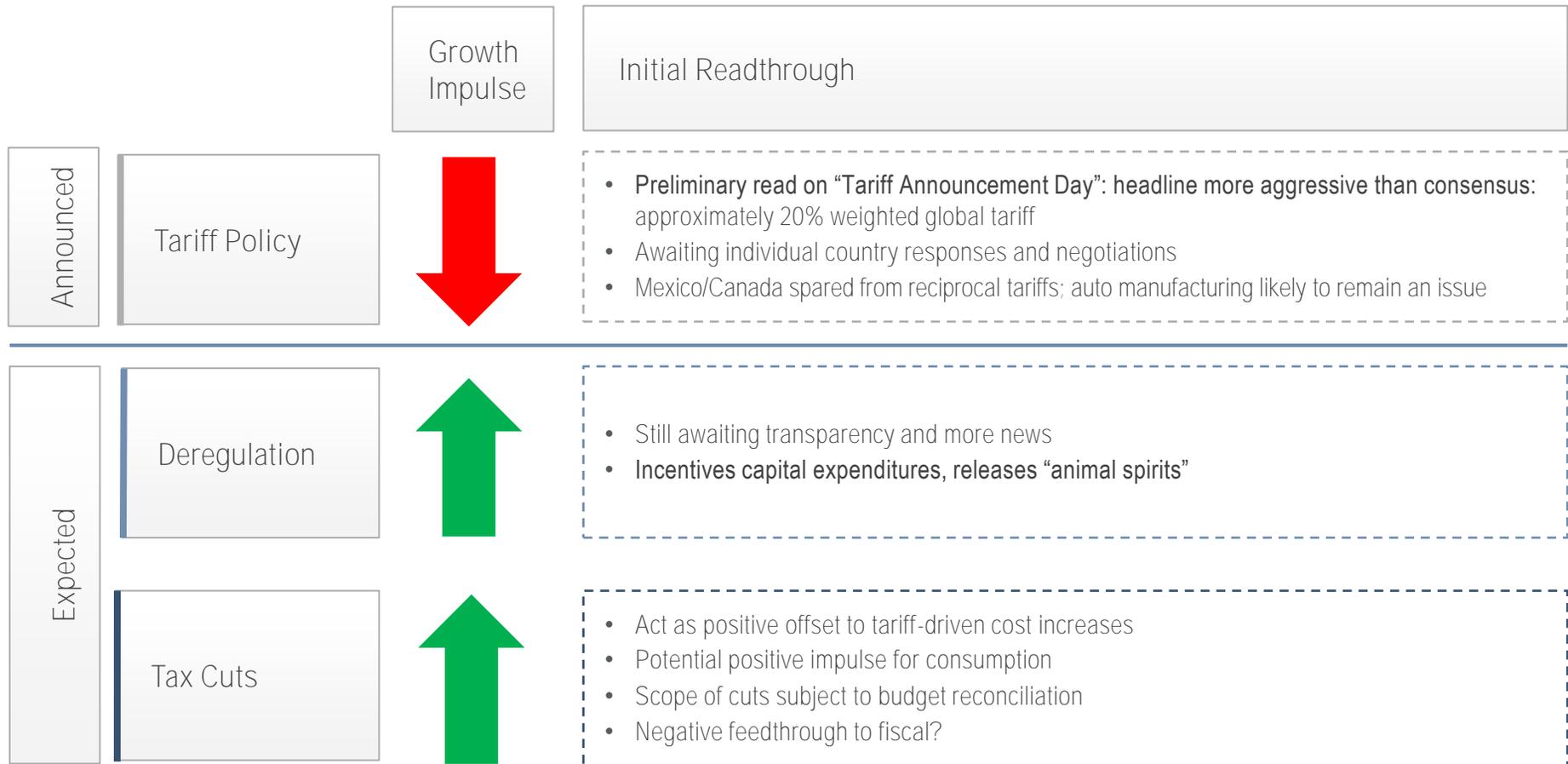
Core Change in Inflation (Year-over-Year)

Year End 2022, Year End 2023, Year End 2024, and YTD 2025



Source: Bloomberg. As of March 31, 2025. Nothing herein constitutes a prediction or projection of future events or future market behavior. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed or any historical results. See Additional Disclosures at the end of this presentation

US Administration Policy Tools

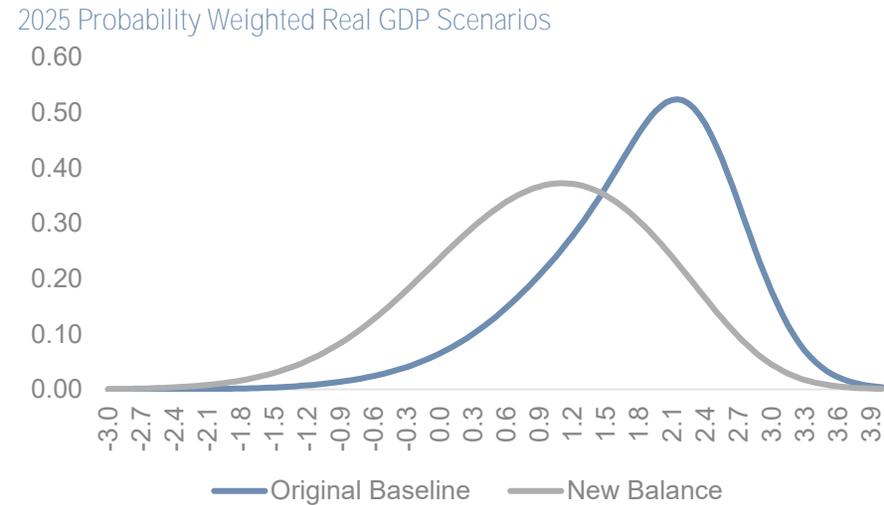
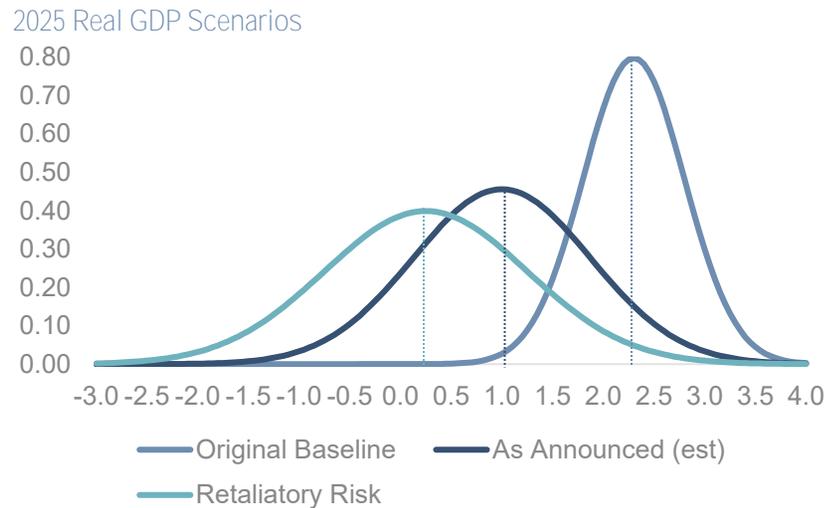
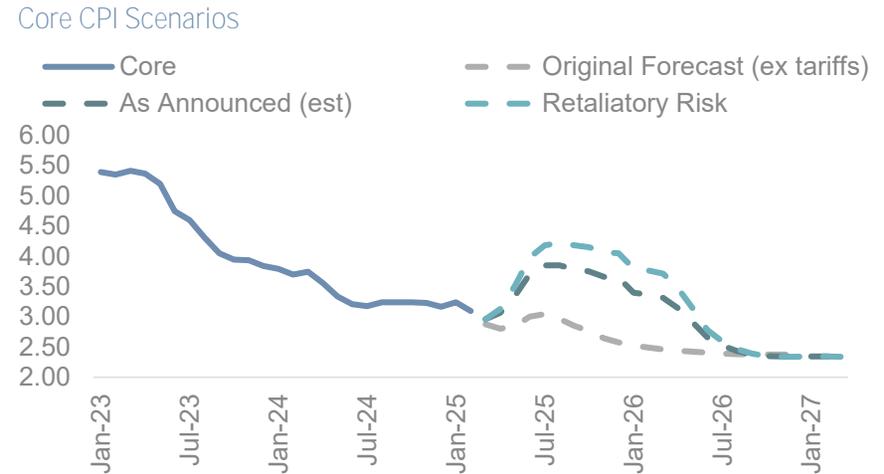
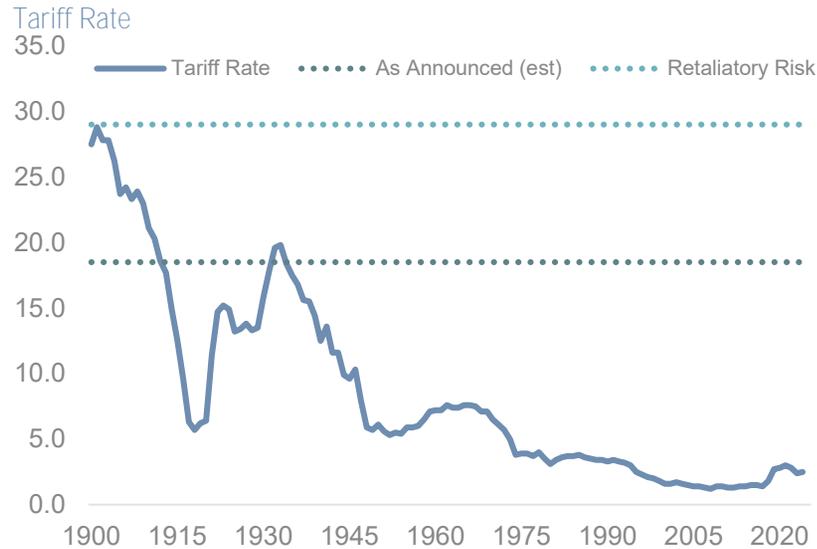


Source: Neuberger Berman views as of April 2, 2025.

Historical trends do not imply, forecast or guarantee future results. Information is as of the date indicated and subject to change without notice. For illustrative and discussion purposes only. Nothing herein constitutes a prediction or projection of future events or future market behavior. This material is intended as a broad overview of the Portfolio Manager's views and is subject to change without notice. Portfolio Manager's views may differ from that of other portfolio managers as well as the views of the firm. Nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed.

Tariff Policies: Evolving Policy Decisions Introduces Growth and Inflation Risks

Current tariff discussion set to push rates to highest levels in decades, uncertainty is delaying investment

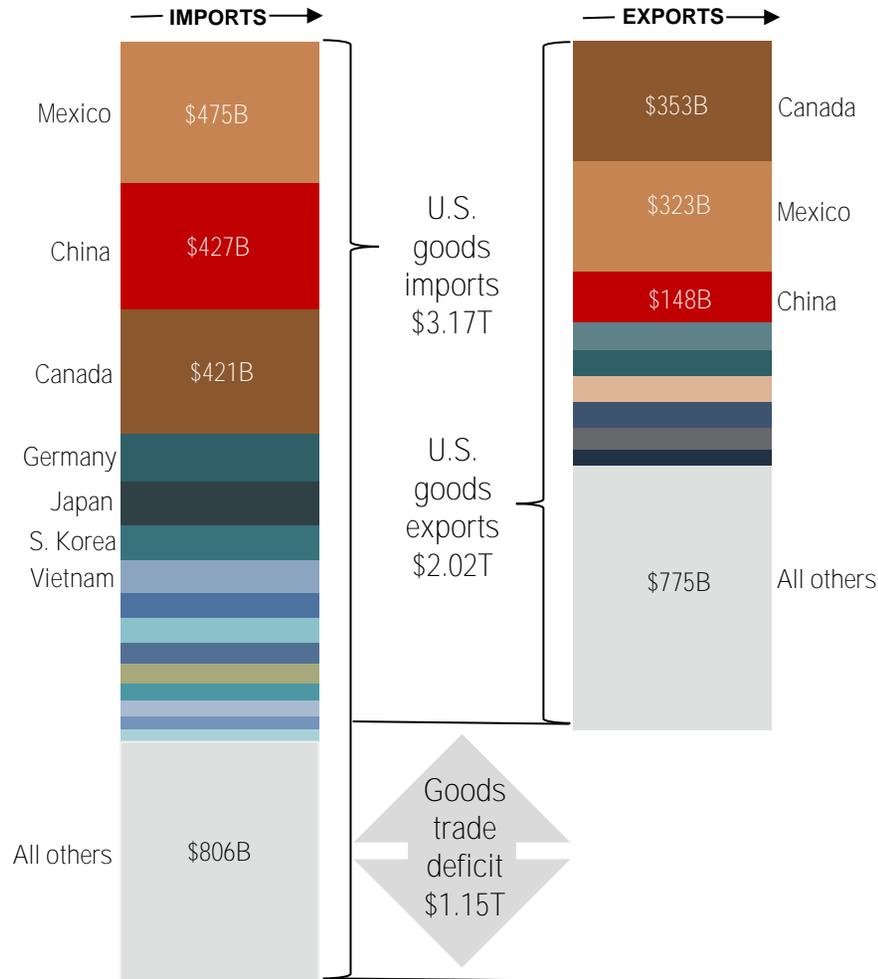


Source: US Census Bureau, Tax Foundation, Caldara, Dario, Matteo Iacoviello, Patrick Molligo, Andrea Prestipino, and Andrea Raffo (2020), "The Economic Effects of Trade Policy Uncertainty," Journal of Monetary Economics, 109, pp.38-59., NB Calculations

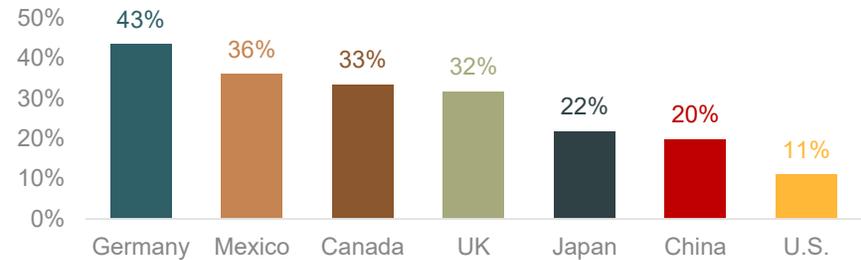
Tariffs in Focus – Increasing Uncertainty

Trump Administration has threatened (and at times implemented) tariffs, potential impact varies widely

Value of U.S Trade of Goods By Trade Partner
For Full Year 2023



Exports as a Percentage of GDP
For Full Year 2023



Real GDP Estimates After April 2nd Tariff Announcement
As of April 2nd, 2025

Country	U.S. Imports (\$B)	U.S. Exports (\$B)	Trade Balance (\$B)	New Tariff Rate	Tariff Impact (\$Bln)	% U.S. GDP	10% Retaliation Impact (\$B)	% U.S. GDP
China	443	141	-302	54%	239	0.81%	14	0.05%
Mexico*	510	335	-175	15%	76	0.26%	34	0.11%
Vietnam	140	13	-127	46%	64	0.22%	1	0.00%
Ireland	110	16	-93	20%	22	0.07%	2	0.01%
Germany	162	75	-87	20%	32	0.11%	8	0.03%
Taiwan	119	43	-76	32%	38	0.13%	4	0.01%
Canada*	418	349	-69	15%	63	0.21%	35	0.12%
Japan	148	80	-69	24%	36	0.12%	8	0.03%
S. Korea	131	66	-66	25%	33	0.11%	7	0.02%
Switz.	84	24	-60	31%	26	0.09%	2	0.01%
India	89	42	-46	26%	23	0.08%	4	0.01%
Italy	76	32	-44	20%	15	0.05%	3	0.01%
Malaysia	54	28	-25	24%	13	0.04%	3	0.01%
France	60	44	-16	20%	12	0.04%	4	0.01%
Others	787	778	-12		91	0.03%	77	0.03%
Total	3,332	2,067	-1,264		783	2.64%	207	0.70%

Sources: Bloomberg, Neuberger Berman, the U.S. International Trade Commission, and the Wall Street Journal as of December 31, 2023. Nothing herein constitutes a prediction or projection of future events or future market behavior. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results. See Additional Disclosures at the end of this presentation.

Global Labor Markets

Key will be upcoming (April and beyond) reports to monitor impact of government job cuts

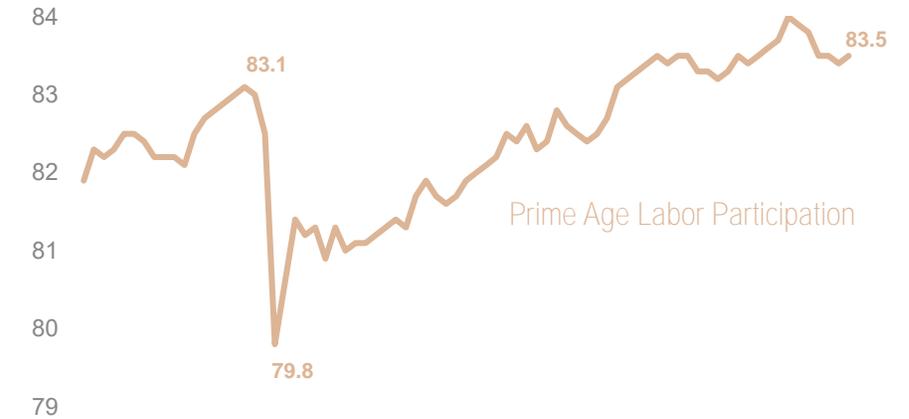
U.S Nonfarm Payrolls

Net Month-Over-Month Change (Thousands) – February 2022 through February 2025



U.S Labor Participation Rate

Total Participation and Prime-Age (25-54) – January 2019 through February 2025



U.S Unemployment Rate

U-3 (Unemployment) – February 2022 through February 2025

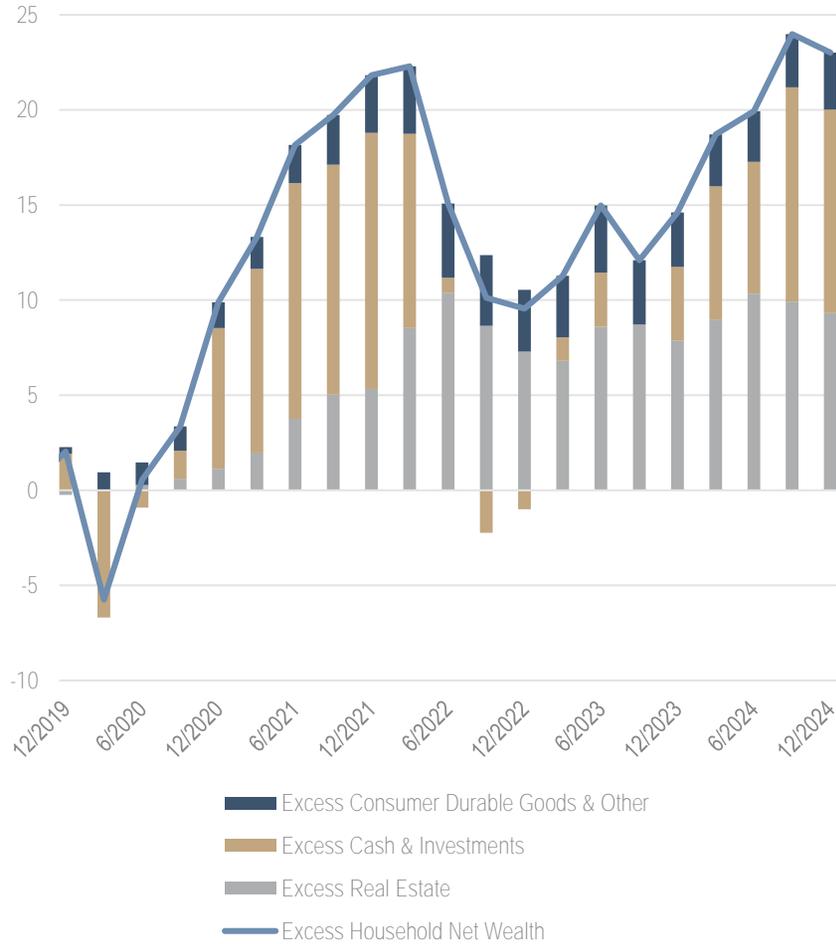


Source: Neuberger Berman, Bloomberg as of March 31, 2025. Nothing herein constitutes a prediction or projection of future events or future market behavior. Historical trends do not imply, forecast or guarantee future results. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed. See Additional Disclosures at the end of this presentation, which include additional information regarding the Neuberger Berman Asset Allocation Committee and the NB Private Wealth Investment Group and the views expressed. Investing entails risks, including possible loss of principal. Past performance is not indicative of future results.

Strong US Consumption Has Been Supported by “Excess” Net Wealth

Household net wealth has grown significantly over the past few years

Excess U.S. Household Net Wealth by Asset
From December 2019 to December 2024



Excess U.S. Household Net Wealthy by Income Percentile
From December 2019 to December 2024



Source: LHS, Bloomberg as of December 2024 and RHS, Bloomberg as of December 2024, the most recent available data. Nothing herein constitutes a prediction or projection of future events or future market behavior. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed or any historical results. See Additional Disclosures at the end of this presentation

Fiscal Policy – Deficit Spending Continues

Focus on European fiscal expansion and U.S. budget process

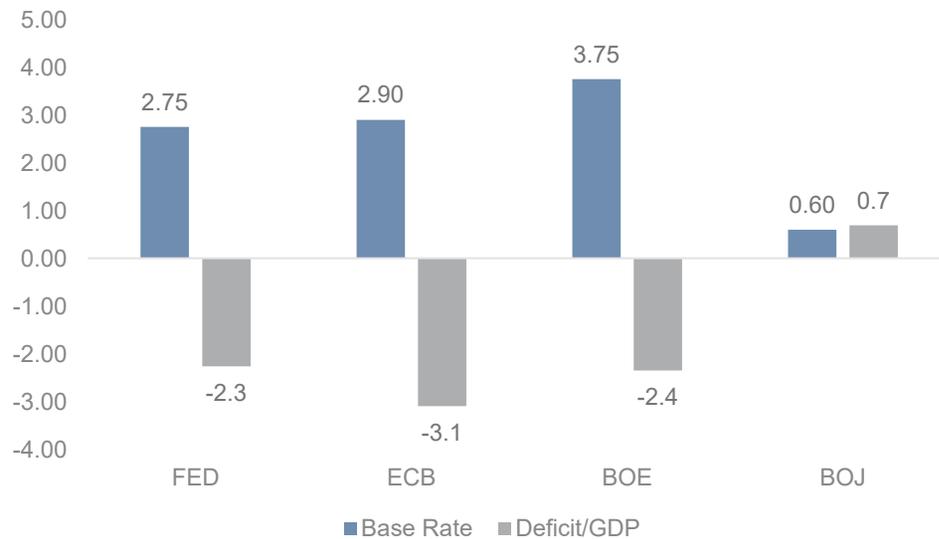
Policy Rates & Deficits

Policy base rate and deficit/GDP—December 2019 vs. March 2025

	Base Rate		Deficit/GDP		Change	
	Dec-19	Feb-25	Dec-19	Feb-25	Base Rate	Deficit/GDP
FED	1.75	4.50	-4.7	-6.9	2.75	-2.3
ECB	0.00	2.90	-0.5	-3.6	2.90	-3.1
BOE	0.75	4.50	-2.3	-4.7	3.75	-2.4
BOJ	-0.10	0.50	-3.0	-2.4	0.60	0.7

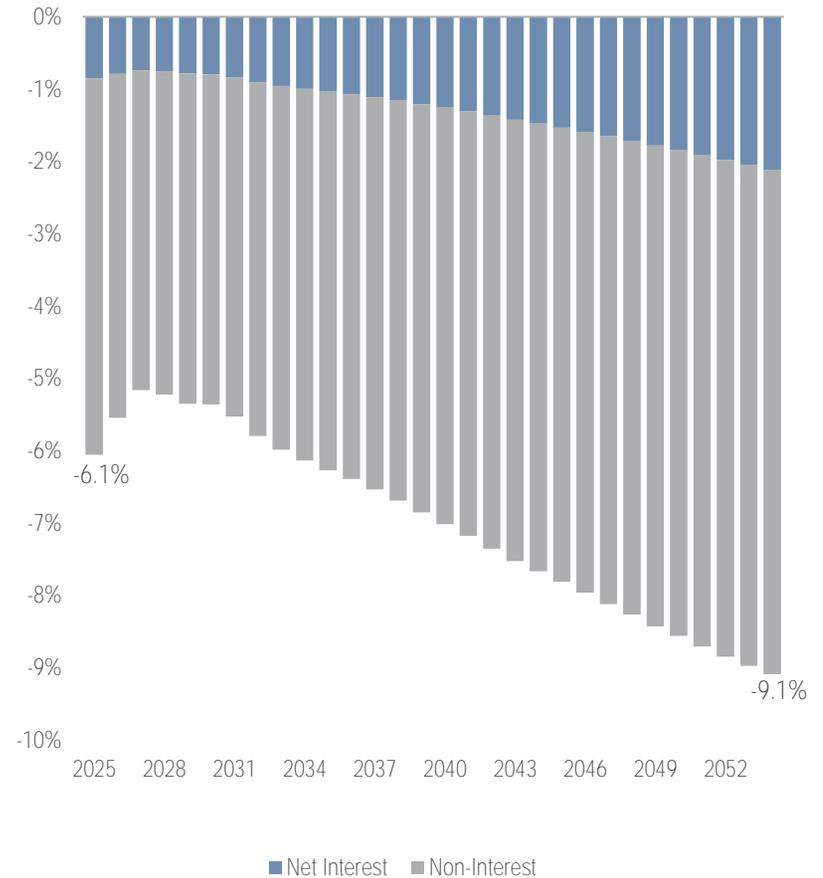
Change in Policy Rates & Deficits

Net change in policy base rate and deficit/GDP—December 2019 vs. March 2025



U.S. Budget Balance as % of GDP

CBO Projections of US Budget Balance as % of GDP—2025 through 2054



Source: Bloomberg from December 2019 to March 31, 2025. U.S deficit spending source CBO as of February 2025. Nothing herein constitutes a prediction or projection of future events or future market behavior. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed or any historical results. See Additional Disclosures at the end of this presentation

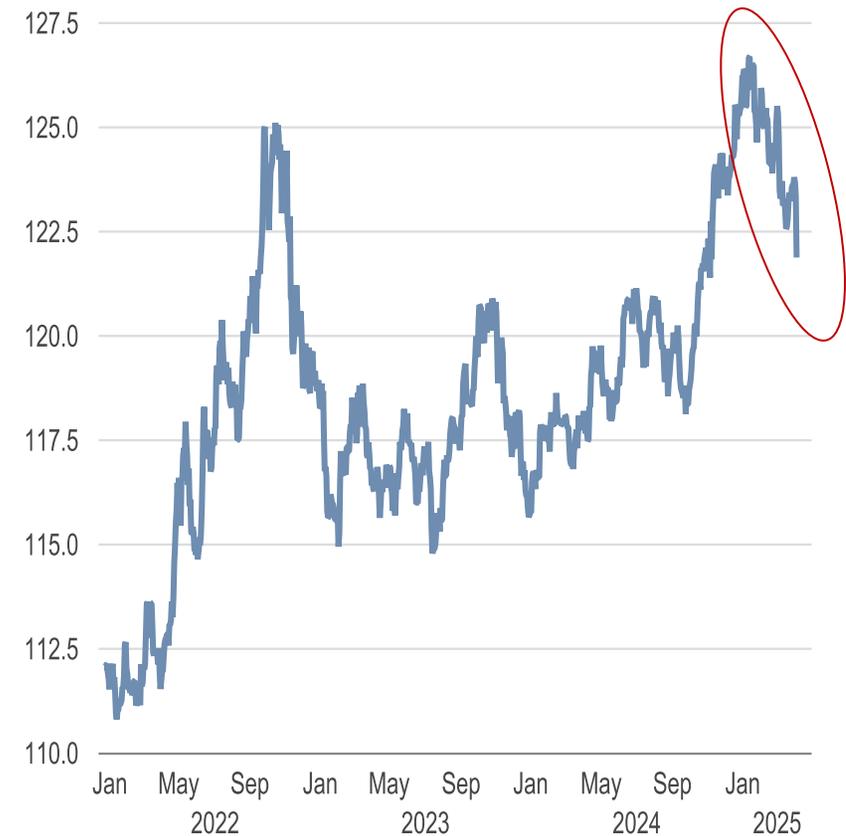
Repatriation of Capital Could Add Further Downwards Pressure on the US Dollar

Europe and Canada account for 60% of foreign allocations to US assets, at risk of repatriation

Change in Holdings of U.S. Assets
From 2013 through 2Q 2024

Change in Foreign Allocations to U.S. External Portfolio Assets, 2013-Q2 2024					
Region	Change in Holdings of U.S. Assets				
	All Assets (\$B)	Equity (\$B)	Total Debt (\$B)	Long Debt (\$B)	Short Debt (\$B)
World	12,325	--	3,867	3,640	230
G10	8,652	6,561	2,091	1,946	129
Euro Area	4,521	3,283	1,238	1,153	82
Japan	890	609	281	280	1
Canada	1,340	1,009	331	327	4
Norway	497	405	92	92	0
Switzerland	311	201	110	95	15
Australia	277	261	15	-9	15
United Kingdom	528	519	9	-25	34
Sweden	231	228	3	3	-1
New Zealand	56	45	11	13	0
Korea	506	401	105	102	3
Singapore	322	153	170	159	10
Hong Kong	244	79	165	145	20
Saudi Arabia	118	117	1	0	1
China	174	86	88	86	3
Brazil	74	61	13	12	1
Russia	23	19	3	4	0

USD Trade Weighted Index
From January 2022 through March 2025



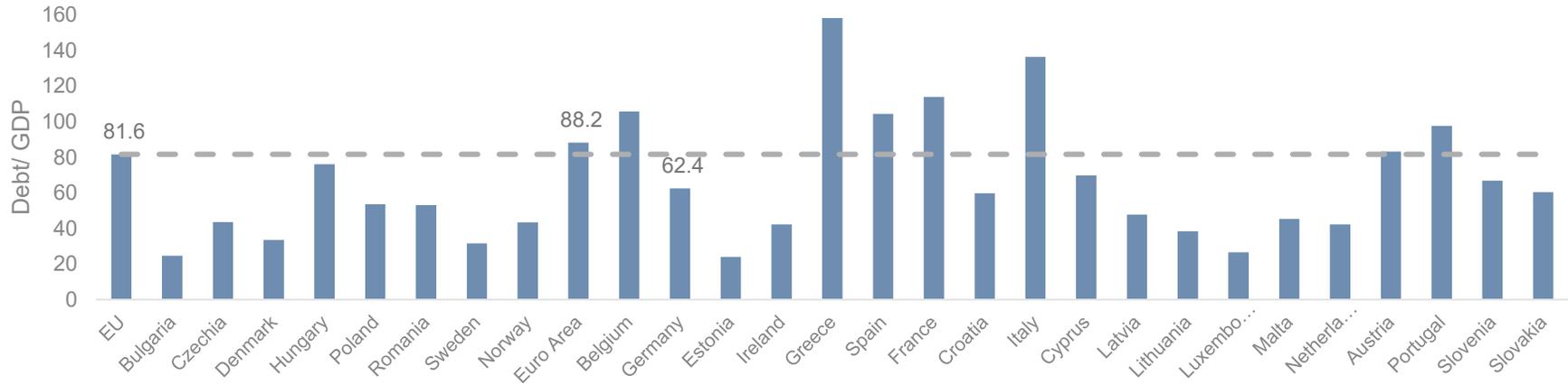
Source: NB, Bloomberg, Macrobond

European union Activates National Escape Clause, but Will Countries Be Able to Spend?

Many countries may not have similar scope as Germany to spend in Europe, though savings could be a tailwind

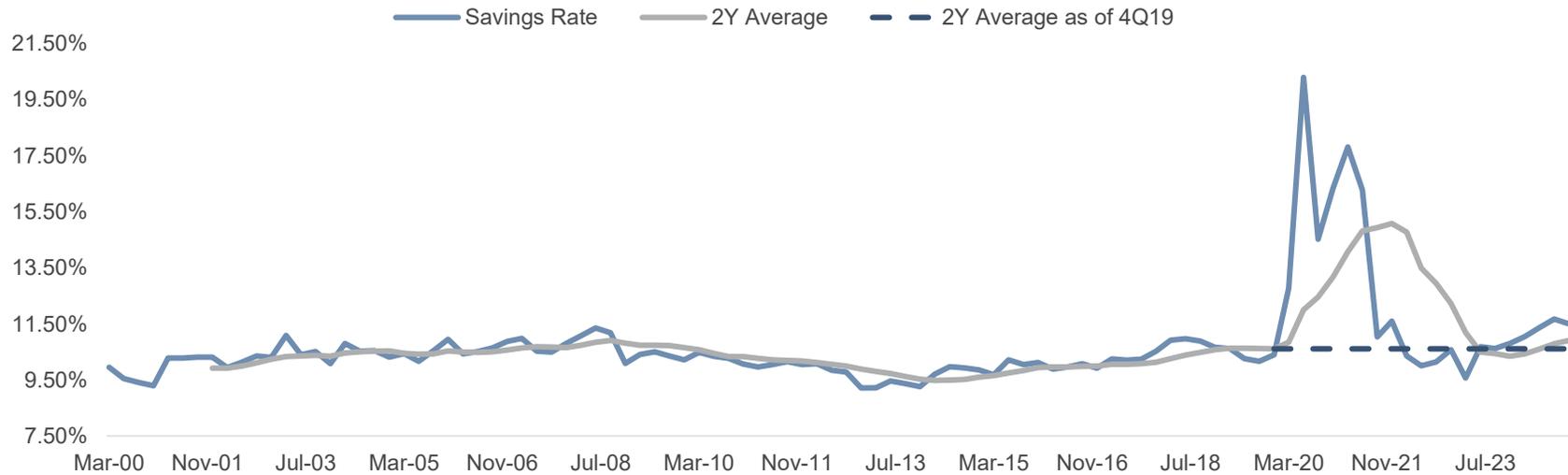
Global Debt/GDP

As of 3Q24



Savings as a % of Disposable Income, Seasonally Adjusted

As of 3Q24



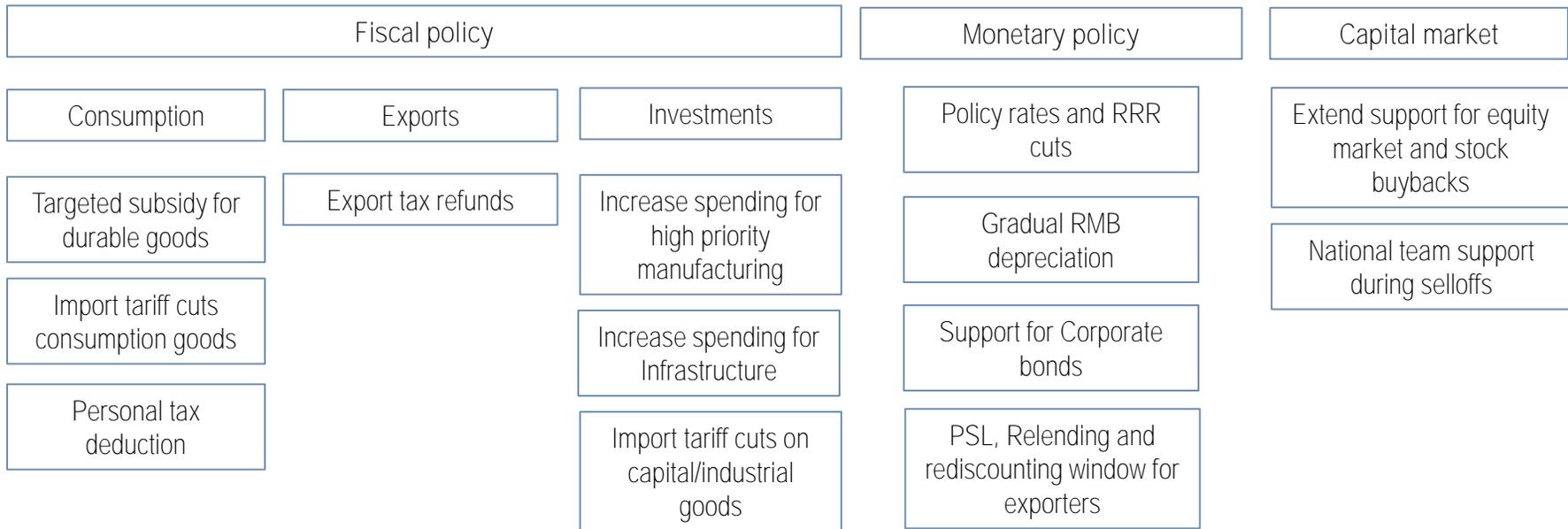
Source: Eurostat. As of 3Q24 with the exception of Norway which is 2Q24

China Stimulus – Focus Has Been On Consumer Confidence and Stabilizing the Property Market

Tariff announcements may accelerate previously announced RMB 2trn stimulus package

China Stimulus Roadmap Across Fiscal, Monetary, and Capital Market Measures

As of April 3, 2025



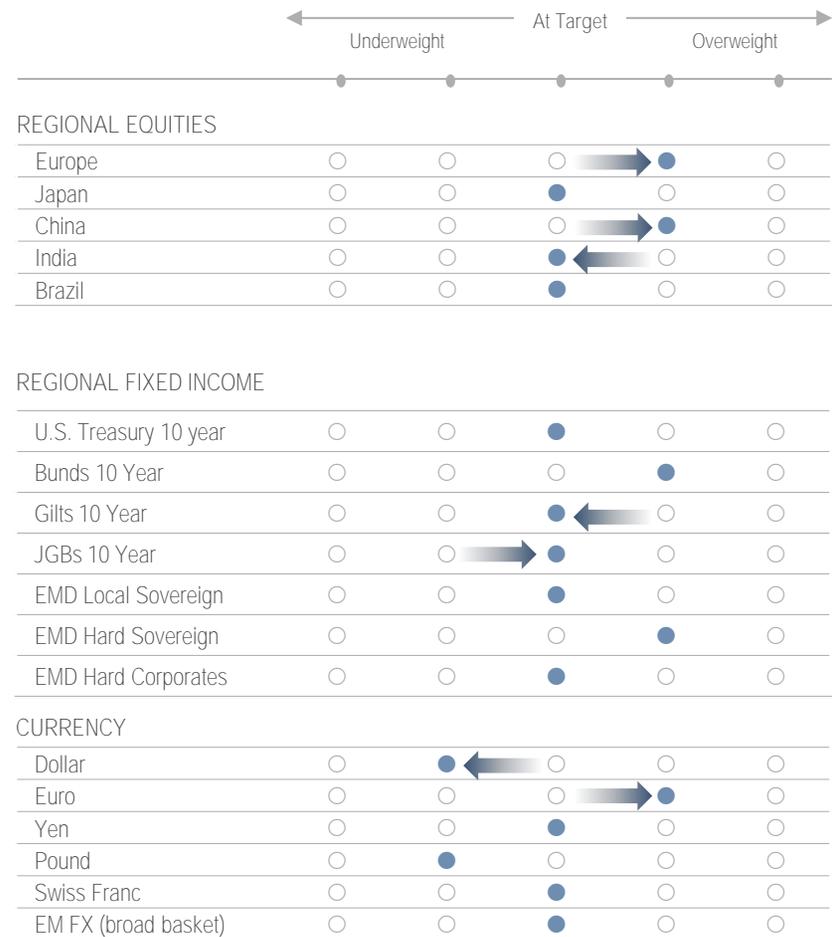
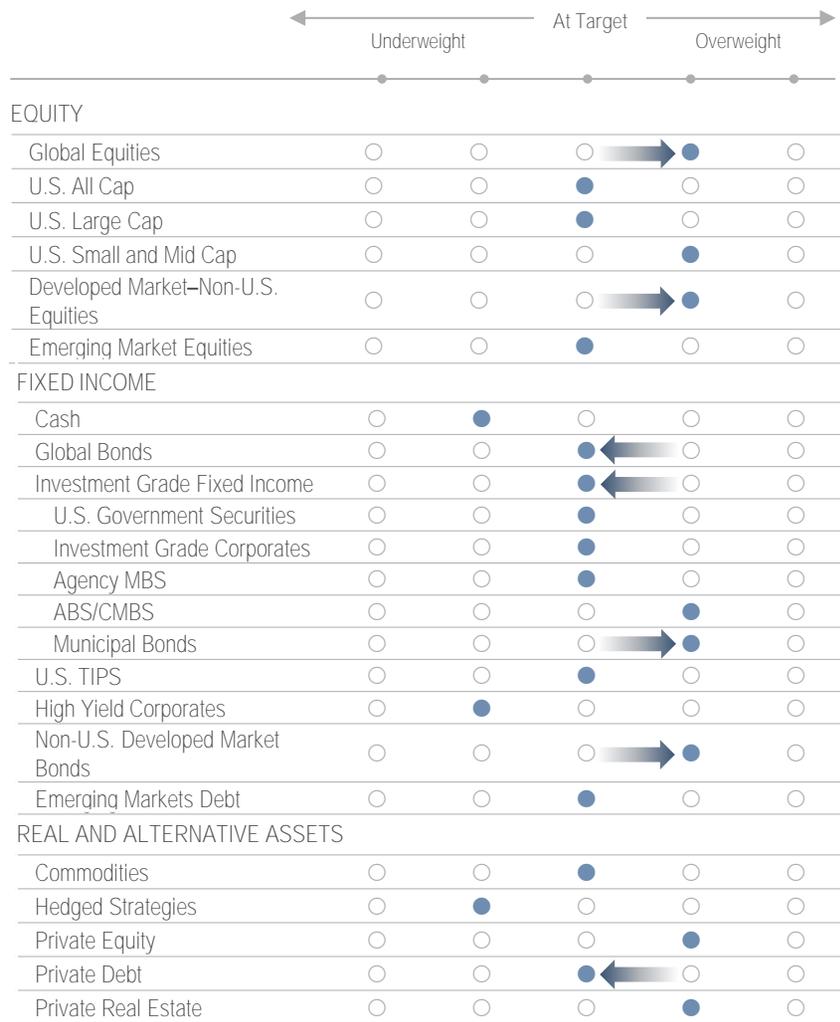
Key challenges remain: Weak household spending, high local government debt, deflationary pressures, ongoing trade tensions

Sources: NB as of April 3, 2025.

This material is intended as a broad overview of the portfolio managers' current style, philosophy and process, is as of the date hereof and is subject to change without notice. For illustrative and discussion purposes only. Nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. This material is not intended as a formal research report and should not be relied upon as a basis for making an investment decision. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results. Historical trends do not imply, forecast or guarantee future results.

Asset Allocation Committee: 6-18 Month Outlook as of 2Q 2025

A multidisciplinary committee is polled quarterly for its asset class return outlook and allocation views



As of 2Q 2025. Views shown reflect near-term tactical asset allocation views and are based on a hypothetical reference portfolio. Nothing herein constitutes a recommendation, investment advice or a suggestion to engage in or refrain from any investment-related course of action. See disclosures at the end of this publication, which include additional information regarding the Asset Allocation Committee and the views expressed.

Key Equity Views

Heightened uncertainty in current environment can create opportunities to build exposure to equity markets

Overall – Stay At or Near Target



— Opportunity with Caution —

- Valuations coming down toward historical averages
- Volatility may create attractive entry points as uncertainty subsides

Sector and Style



— Dispersion Under the Hood —

- **Leadership shifts to “S&P 493”**
- Attractive valuations for Non-US Developed, Small Cap & Mid Cap Equities

Regional Opportunities



— Long-Term Reform —

- Improving Europe outlook given fiscal initiatives
- Favorable outlook for China given stimulus potential

Source: Neuberger Berman views. As of March 2025. Information is as of the date indicated and subject to change without notice. For illustrative and discussion purposes only. Nothing herein constitutes a prediction or projection of future events or future market behavior. This material is intended as a broad overview of the Portfolio Manager's views and is subject to change without notice. Portfolio Manager's views may differ from that of other portfolio managers as well as the views of the firm. Nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed.

April 2nd Tariff Announcements Have Had Major Impact on Market Pricing

Recession probability has increased while forward earning revisions decline

Sensitivity of S&P 500 Returns to EPS and P/E Scenarios
Returns relative to S&P 500 closing price of \$5,581 on March 28th, 2025

		2025 EPS Scenario		
		Recession Scenario	Growth Slowdown	Bottom-Up Consensus
		\$220	\$253	\$269
YoY Growth		-11%	3%	9%
22x	Jan. 2025	-13%	-1%	6%
		4850	5550	5900
20x	5-Year Avg.	-21%	-10%	-3%
		4400	5050	5400
18x	10-Year Avg.	-29%	-18%	-13%
		3950	4550	4850
16x	30-Year Avg.	-37%	-27%	-23%
		3500	4050	4300
14x	2018 Low	-44%	-36%	-33%
		3100	3550	3750

12-Month Forward P/E Revisions
From April 4th 2024 to April 4th 2025



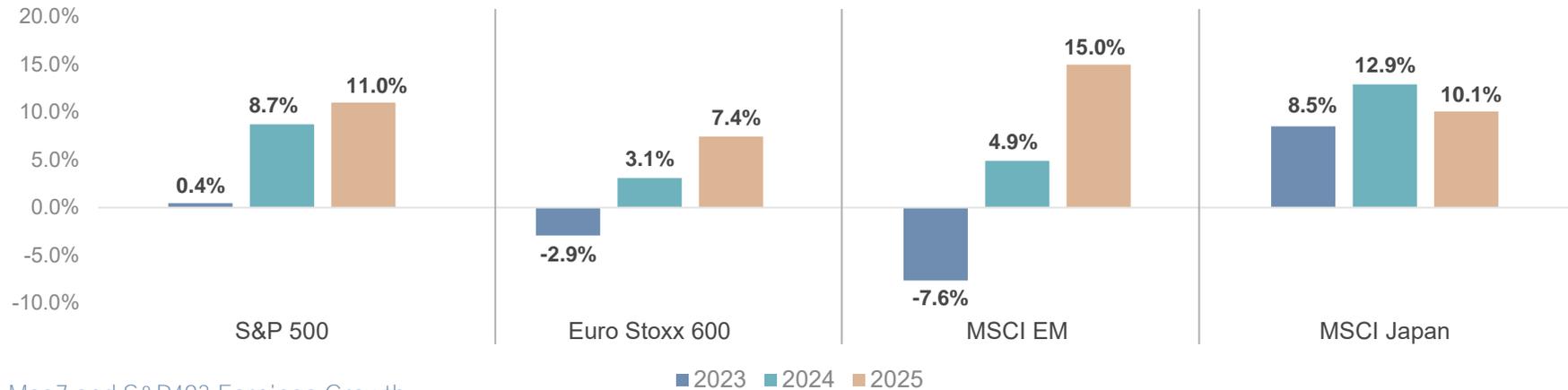
Source: Goldman Sachs and Bloomberg

Global Equity Earnings and the Convergence of Mag7 and S&P 493

Earnings estimates have been slow to adjust – upside for Europe and downside for the US?

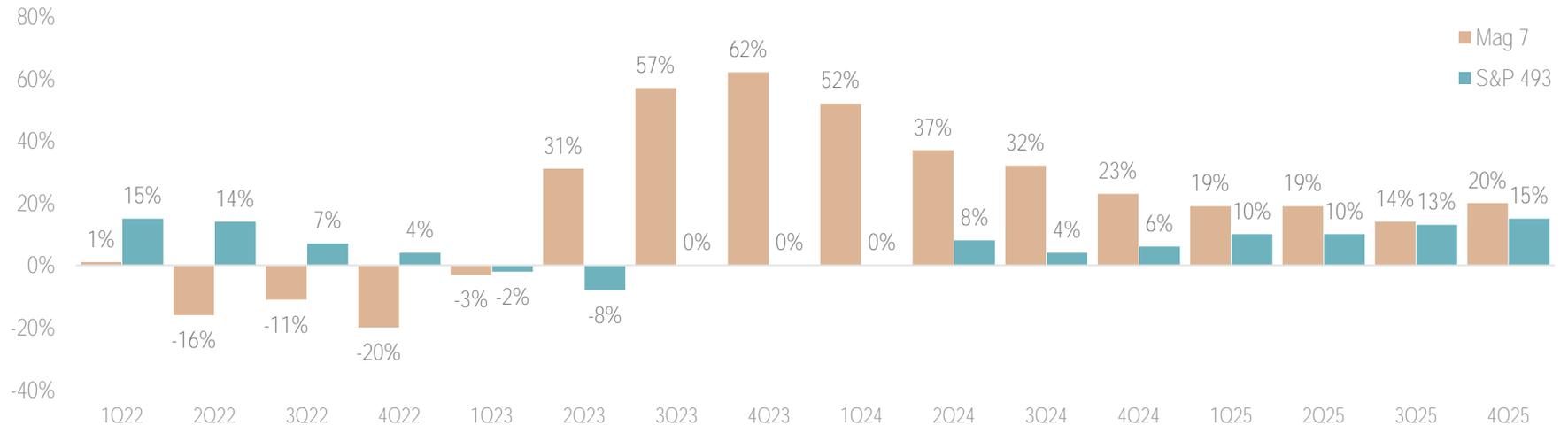
S&P 500, Euro Stoxx 600, MSCI EM, and MSCI Japan

From December 2021 through March 2025



Mag7 and S&P493 Earnings Growth

From 2022 through 2025(Estimated)



Source: FactSet. As of March 31, 2025. Nothing herein constitutes a prediction or projection of future events or future market or economic behavior. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed or any historical results. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results. See Additional Disclosures at the end of this piece, which are an important part of this presentation.

Valuation Differentials Across Regions and Styles

Recent market rotations may be start of opportunities for active investors with a medium-term view

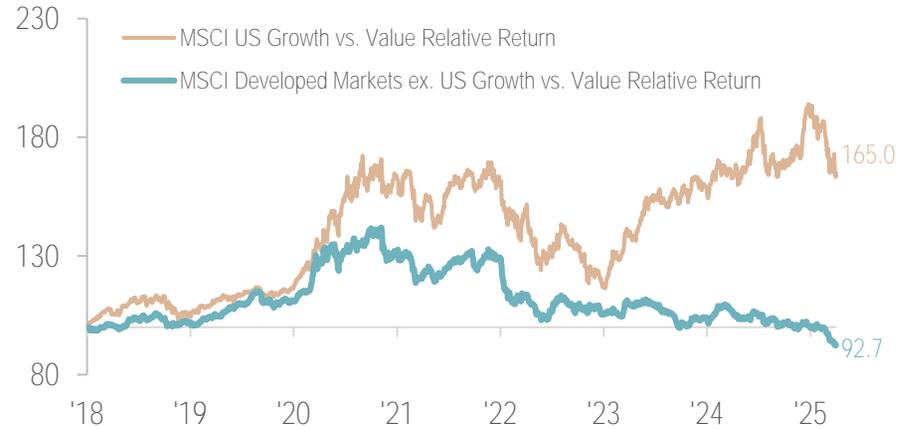
Global Forward P/E: Growth vs. Value

MSCI World Growth vs. Value—2009 through Mar. 2025



Cumulative Return of Growth vs. Value

Relative returns of MSCI US/Developed Indices—2018 through March 2025



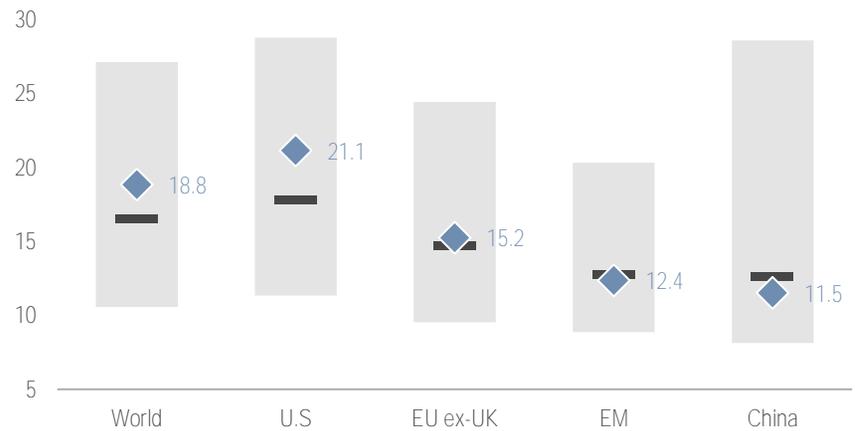
S&P 500 Forward P/E: Top 10 vs. the Rest

S&P 500 Top 10 vs Other 490—1996 through Feb. 2025



Global Forward P/E by Region

Forward PE Current vs. Average (mean) Since 2006

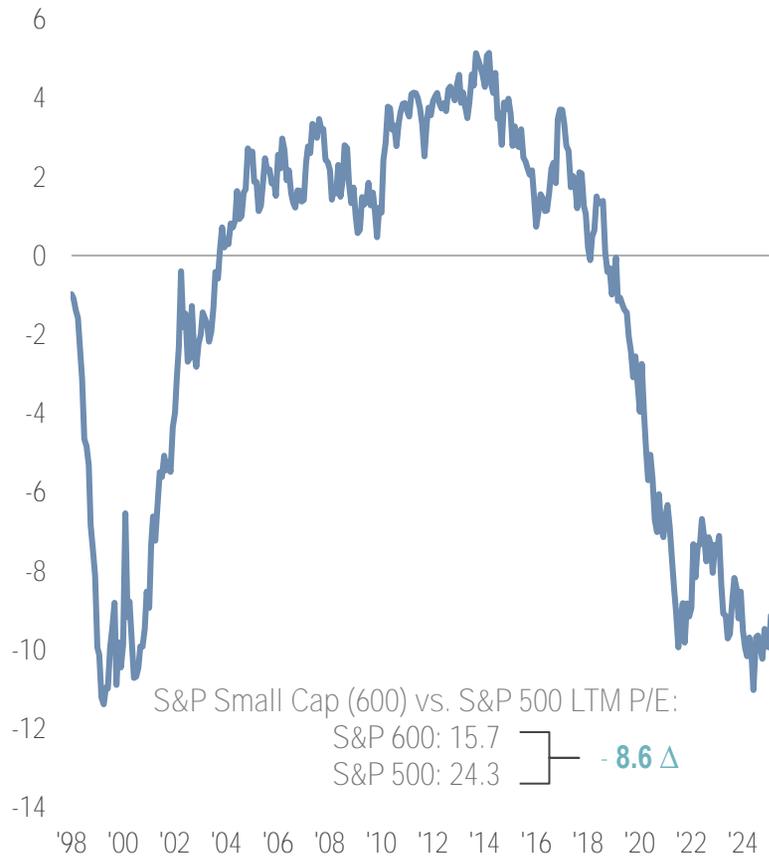


Source: RHS and middle charts Bloomberg as of March 31, 2025, LHS FactSet as of March 31, 2025. Nothing herein constitutes a prediction or projection of future events or future market or economic behavior. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed or any historical results. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results. See Additional Disclosures at the end of this piece, which are an important part of this presentation.

U.S. Equity – Size and Quality

Quality smaller company stocks look attractive in current environment

S&P Small Cap (600) vs. S&P 500: LTM P/E Ratio Difference
1998 through March 2025



S&P Small Cap (600) vs. S&P 500: Subsequent 10-Year Annualized Return
1994 through March 2025



Source: Neuberger Berman Research and FactSet. Data as of March 31, 2025. Nothing herein constitutes a prediction or projection of future events or future market behavior. Historical trends do not imply, forecast or guarantee future results. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed or any historical results. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results. See Additional Disclosures at the end of this presentation.

Developed Markets Central Banks Policy Rates Outlook

Methodical easing cycle across central banks has started with peak coordination expected in 2025

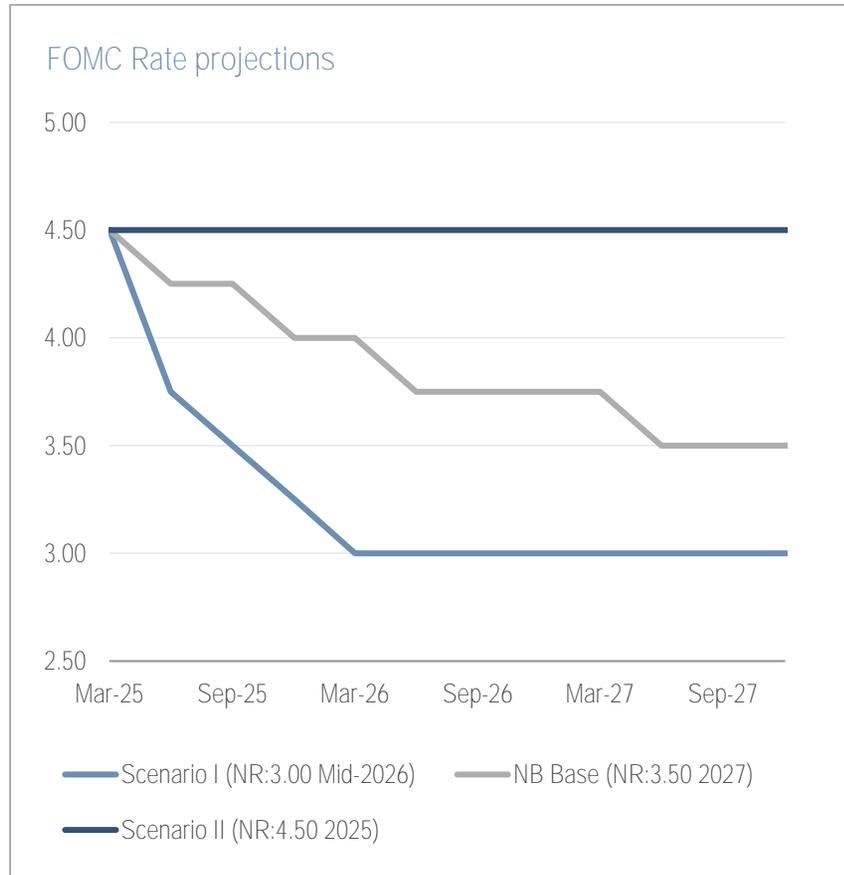
Central Bank	Market Expectations	NB Expectations	NB Outlook
FED 	<ul style="list-style-type: none"> • 2025: 3 Cuts • 2026: 1 Cuts • 2027: 0 Cuts • NR¹: 3.50% 	<ul style="list-style-type: none"> • 2025: 2 Cuts • 2026: 1 Cuts • 2027: 1 Cuts • NR¹: 3.50% 	<ul style="list-style-type: none"> • After recalibrating policy rates, the Fed has pivoted to a gradual phase of the easing cycle. Higher upside risks to inflation should keep the committee data dependent for near term policy adjustment. • We anticipate Fed to be on hold but retain easing bias, eventually delivering two (2) cuts in 2025 and cautiously thereafter until neutral rate settles around 3.25 – 3.75%. We acknowledge the increasing uncertainty on timing of reaching neutral rate due to tariff-related inflationary and economic volatility.
ECB 	<ul style="list-style-type: none"> • 2025: 2 Cuts • 2026: 0 Cuts • 2027: 1 Hike • NR¹: 2.00% 	<ul style="list-style-type: none"> • 2025: 2 Cuts • 2026: 2 Cuts • 2027: 1 Hike • NR¹: 2 % 	<ul style="list-style-type: none"> • Weak potential growth (switching from export to domestic model), U.S. trade tariff war weighting on global activity, ongoing core inflation normalization should lead the ECB to cautiously adopt an accommodative monetary policy. • We anticipate the ECB to cut its key rates up to reach the neutral rate of 2% by summer 2025.
BOE 	<ul style="list-style-type: none"> • 2025: ~2 Cuts • 2026: ~1 Cuts • 2027: 0 Cuts • NR¹: 3.75% 	<ul style="list-style-type: none"> • 2025: 3 Cuts • 2026: 2 Cuts • 2027: 0 Cuts • NR¹: 3.25% 	<ul style="list-style-type: none"> • BoE commentary has pointed toward more willingness to ease even with some persistent inflation pressures given lower growth dynamics. Concerns about stagflation due to fiscal policies are risks to the forecast. • We now expect a continuation of the rate cutting cycle at a quarterly pace into 2025 and 2026, with the policy rate settling at around 3.25 – 3.50%.
BOJ 	<ul style="list-style-type: none"> • 2025: 2 Hikes • 2026: 1 Hike • 2027: 0 Hikes • NR¹: 1.00% 	<ul style="list-style-type: none"> • 2025: 3 Hikes • 2026: 0 Hikes • 2027: 0 Hikes • NR¹: 1.00% 	<ul style="list-style-type: none"> • BoJ raised rates by 25bps at the January MPC, in line with their stated goal of moving policy to a neutral level gradually. • We expect the BOJ to raise rates twice more in 2025 with the next hike following the Spring wage negotiations to bring their policy rate to a neutral rate around 1.00%.

NR¹ = Neutral Rate. Source: Bloomberg, Neuberger Berman. As of April 02, 2025.

Information is as of the date indicated and subject to change without notice. Nothing herein constitutes a prediction or projection of future events or future market behavior. For illustrative and discussion purposes only.

U.S. Rates Outlook: Fed Path Analysis

Front end provides a hedge to growth-driven tail risk with limited risk of higher yields unless Fed pivots to hiking



US Nominal Rates Valuation Analysis

	Current	Scenario I (2025 - -5 2026 - -1 2027 - 0)	NB Base (2025 - 2 2026 - 1 2027 - 1)	Scenario II (2025 - 0 2026 - 0 2027 - 0)
		NR=3.00 2026	NR = 3.50 2027	NR = 4.50 2025
2Y	3.89	3.15	3.82	4.28
5Y	3.95	3.40	3.98	4.72
10Y	4.20	3.80	4.33	4.90
30Y	4.56	4.21	4.72	5.11

Historical trends do not imply, forecast or guarantee future results.

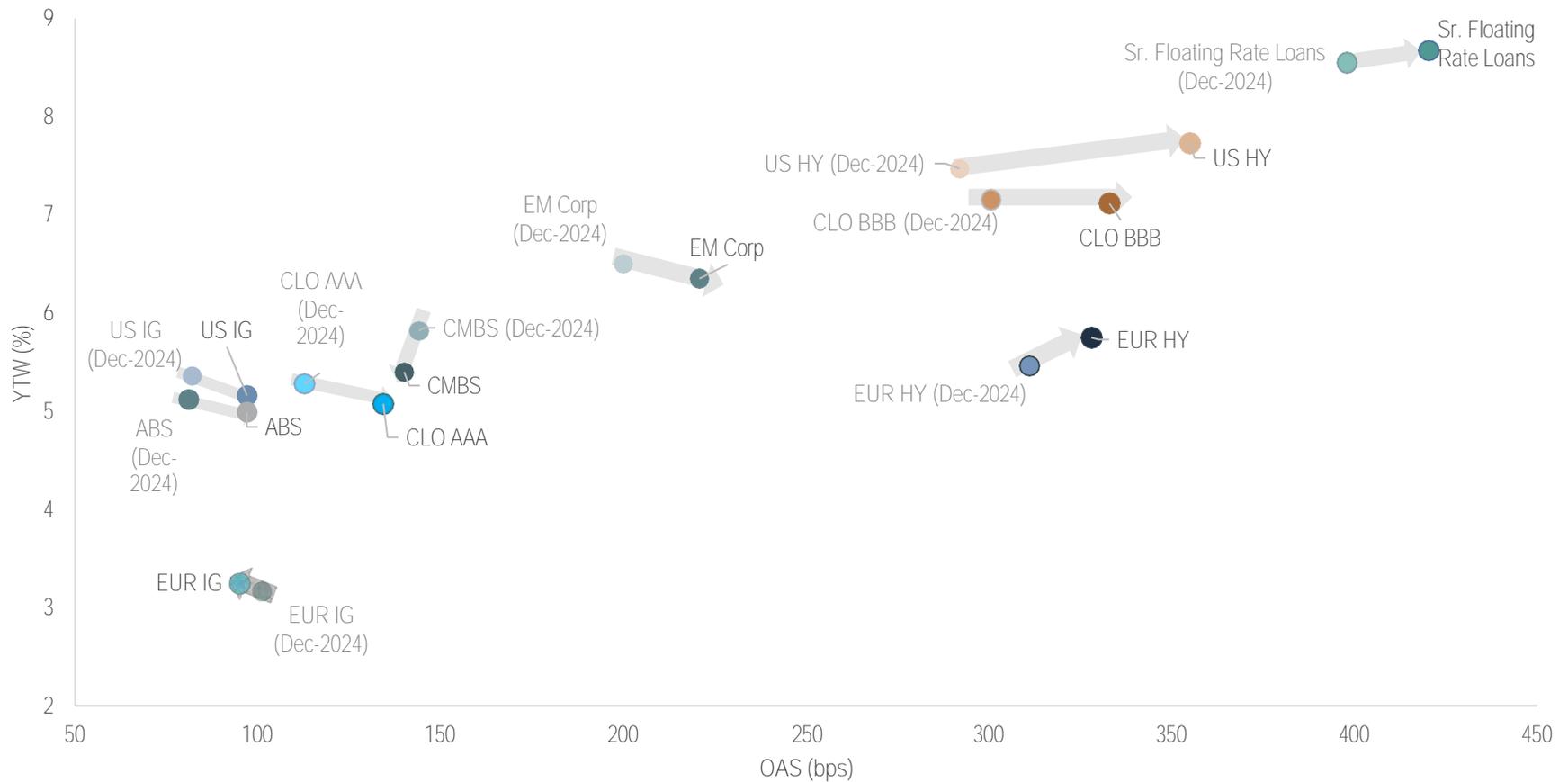
As of March 31, 2025. One Year Horizon.

Source: Neuberger Berman (NB's scenario analysis of various potential FOMC policy paths to determine the interest rate levels across the yield curve associated with each scenario). As of March 31, 2025. One Year Horizon. For illustrative and discussion purposes only. Information is as of the date indicated and subject to change without notice. Projections or other forward-looking statements regarding future events, targets or expectations are only current as of the date indicated. There is no assurance that such events or projections will occur, and may be significantly different than that shown here. Historical trends do not imply, forecast or guarantee future results. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed

Tight Credit Spreads Make for A More Challenging Starting Point for Fixed Income Investors

Yields remain attractive, but there is less spread buffer today – security selection will drive results

Yield to Worst / Option-Adjusted Spread: Current vs. Dec-2024



Source: ICE BofA, JPMorgan and Morningstar, as of March 31, 2025. Yields are in local terms (USD for EM Corp). ICE Indices shown: US IG – COA0; EUR IG – ER00; US HY – H0A0; EUR HY – HE00; CMBS – CMBS; ABS – ROA0. JPMorgan: JPMorgan CEMBI Diversified Index (EM Corp); JPM CLOIE AAA Post-Crisis Index; JPM CLOIE BBB Post-Crisis Index. LSTA/Morningstar Leveraged Loans Index.

Government Policy: Idiosyncratic Risks & Opportunities on the Rise

Anticipated regulatory changes, fiscal policy, and trade/tariff negotiations under the new administration may add to volatility



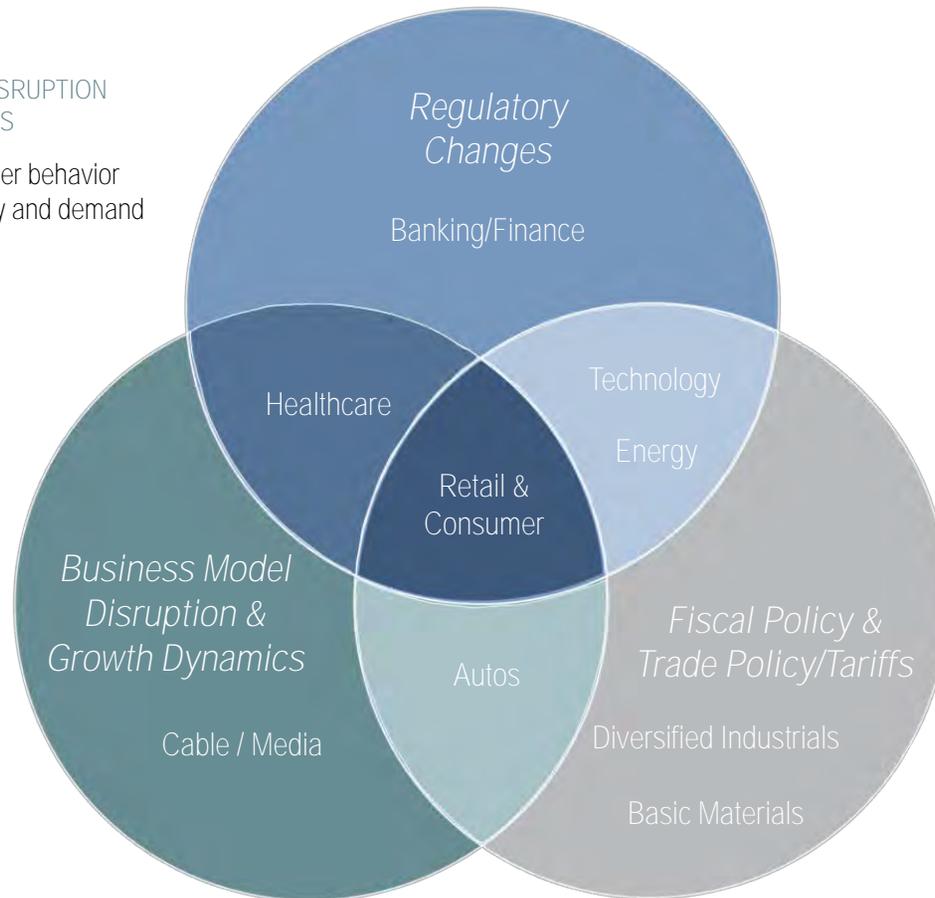
BUSINESS MODEL DISRUPTION & GROWTH DYNAMICS

- Changing consumer behavior
- Changes to supply and demand dynamics



PROJECTED REGULATORY CHANGES

- Increased scrutiny over high profile industries
- Deregulation
- Potential health policy changes
- New antitrust leadership



FISCAL POLICY & TRADE POLICY/TARIFFS

- Potential trade wars
- Tariffs impacting supply chains
- Corporates impacted by retaliatory behavior

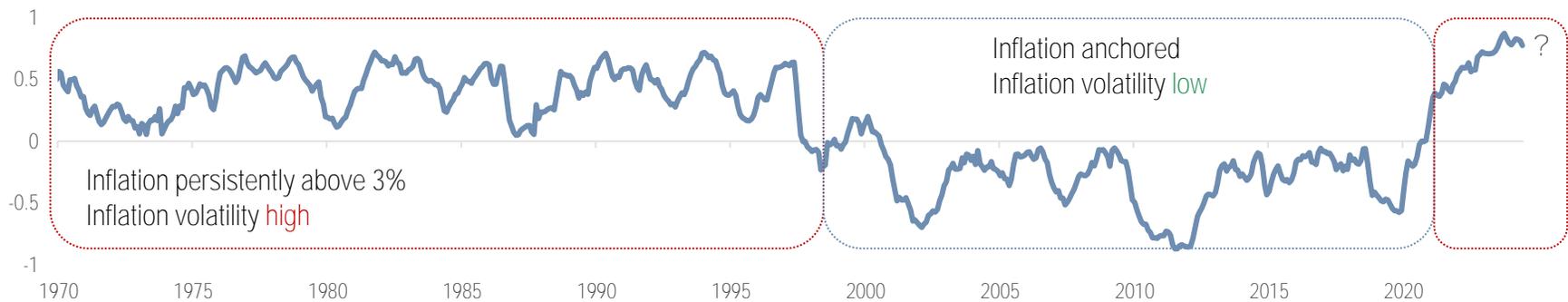
Sources: Barclays, Bloomberg, Neuberger Berman Global Investment Grade Credit Team views.

Information is as of the date indicated and subject to change without notice. For illustrative and discussion purposes only. **This material is intended as a broad overview of the Portfolio Manager's views and is subject to change without notice. Portfolio Manager's views may differ from that of other portfolio managers as well as the views of the firm.** Nothing herein constitutes a prediction or projection of future events or future market behavior. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed.

What Diversifies in the Current Environment?

Inflation driven stock-bond coupling may cause challenges for asset allocation

Stock/Bond Correlations Have Switched Signs (Rolling 1-Year Monthly Return Correlations Between the S&P 500 and US 10Y Treasury)



Non-Traditional Diversifiers

Inflation-Sensitive Assets

- Commodities
- Inflation-Linkers, Floating Rate, Short Duration Bonds
- Private Real Estate and REITs
- Infrastructure

Less-Correlated Strategies

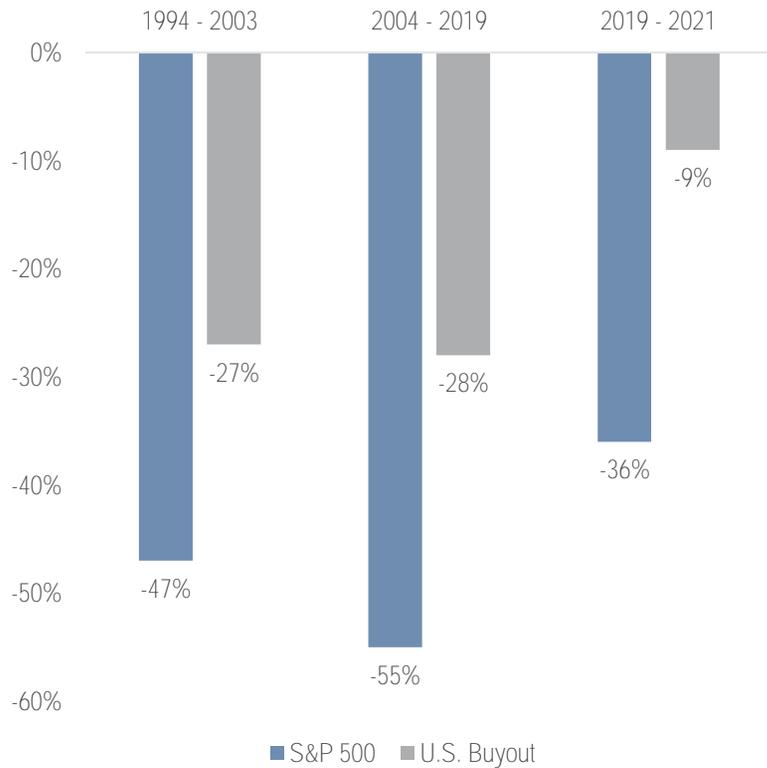
- Insurance-Linked Securities
- Hedged Strategies
- Gold and Precious Metals
- Private Equity and Credit

Source: Bloomberg as of March 31, 2025, Neuberger Berman. Nothing herein constitutes a prediction or projection of future events or future market behavior. Historical trends do not imply, forecast or guarantee future results. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results. See "Additional Disclosures" at the end of this presentation.

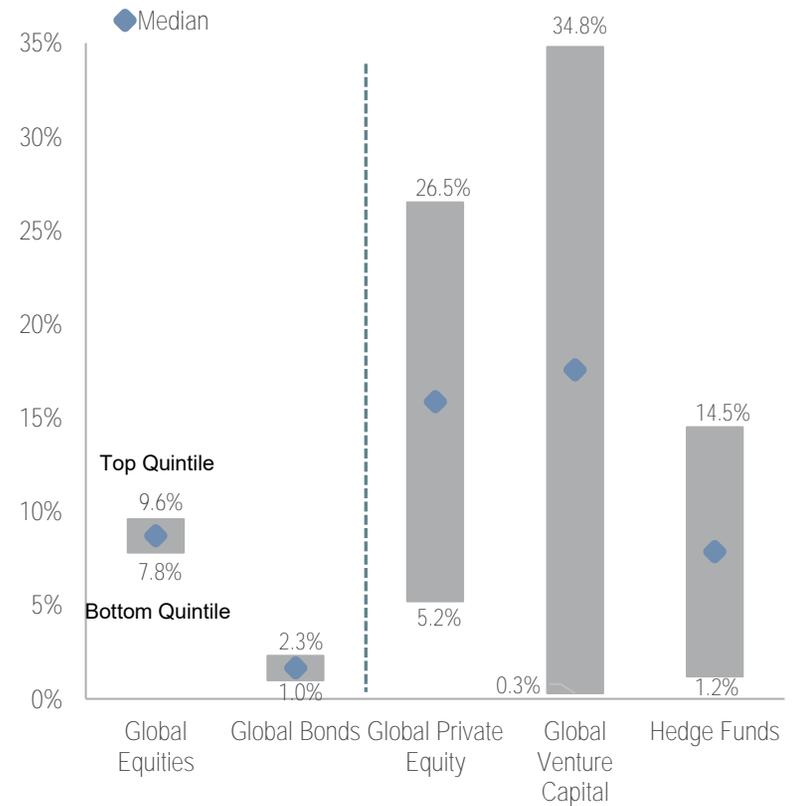
Alternatives – More Dispersion and Tactical Potential

Private markets tend to decline less and recover faster during drawdowns; manager selection can be a key differentiator

Historical Public vs. private market drawdowns



Private and public market performance dispersion – last 10 years

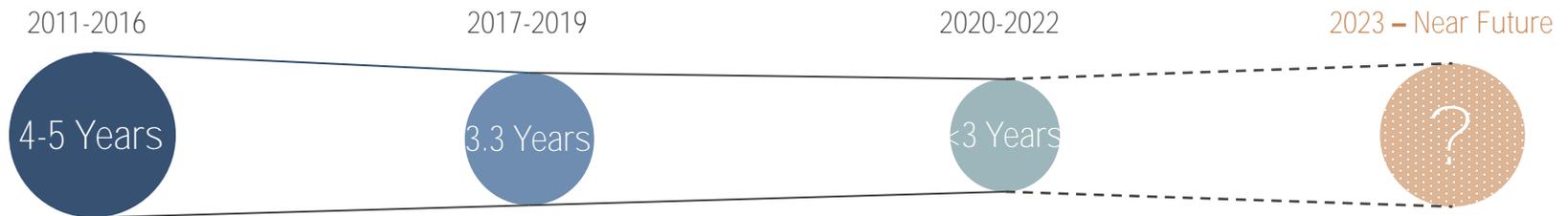


Source: Neuberger Berman, Bloomberg, LHS: Tech Bubble timeframe: 1994 – 2003, Global Financial Crisis timeframe: 2004-2019, COVID Pandemic timeframe: 2019-2021 JPMorgan Guide To Alternatives: Manager Dispersion (RHS) is based on annual returns for US Fund Global Equities and US Fund Global Bonds over a 10-year periods ending 2Q 2022. Hedge Fund returns are based on annual returns over a 10-year period ending 3Q 2022. Global Private Equity and Global Venture Capital are represented by the 10-year horizon IRR ending 2Q 2022.

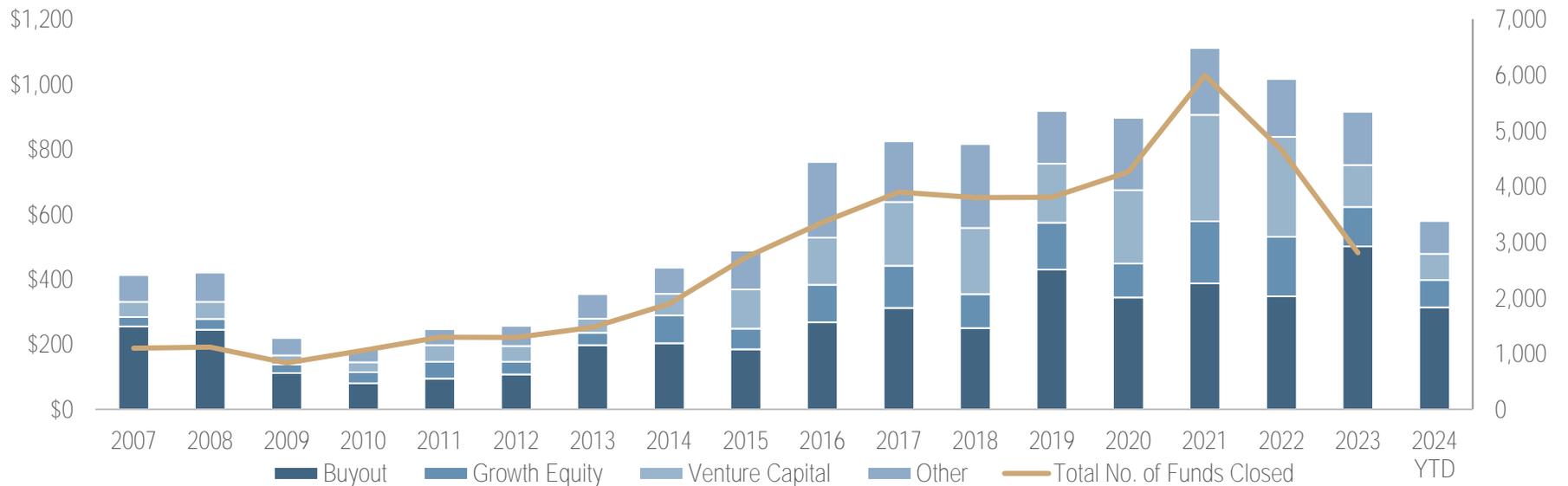
Global Private Equity Fundraising

Capital formation in the PE industry has slowed from prior year record levels, reflecting market conditions and **overexposure issues in certain investors' portfolios**. Impact unevenly distributed amongst managers, and asset classes (venture more impacted)

Time Between Fundraises



Annual Fundraising by Asset Class

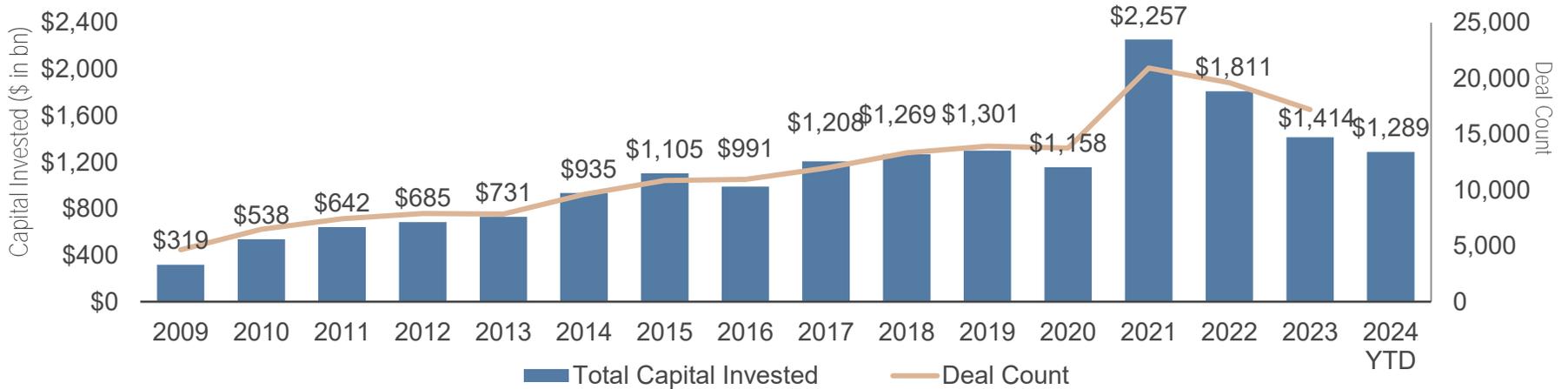


Source: Preqin as of 2024 Q3.

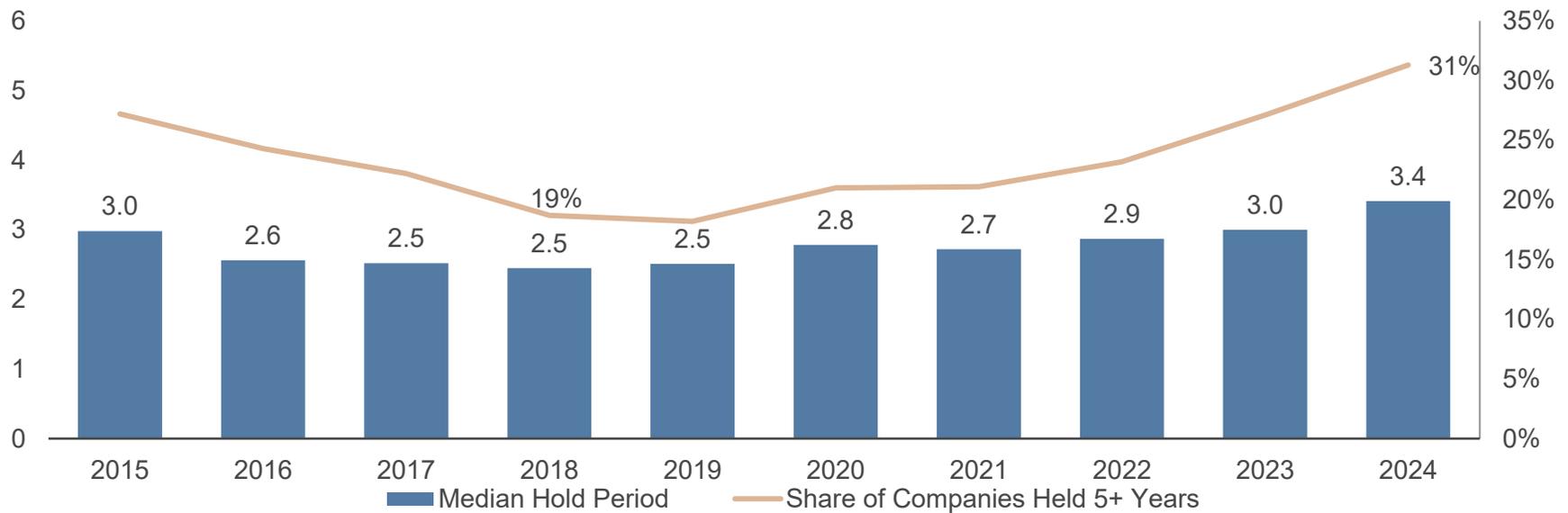
Global Private Equity Investment Activity

Activity is slowing from recent record levels; markets becoming quality focused while hold periods increasing

Global Private Equity Capital Invested and Deal Count



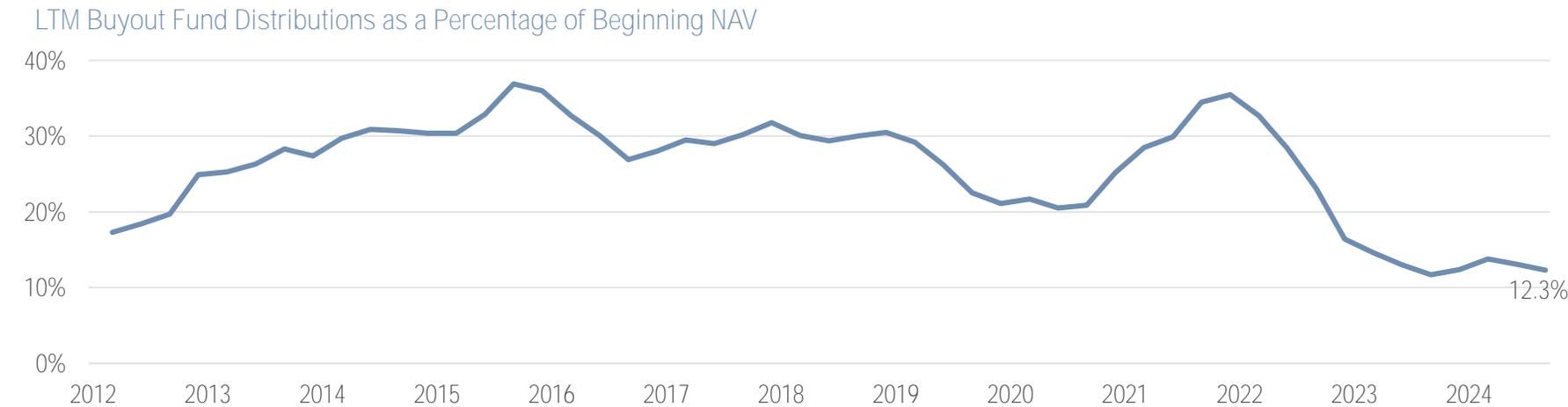
Private Equity Hold Periods



Source: Pitchbook as of 2024 Q3. Includes buyout and growth equity. Includes completed deals only.

Deals, Distributions, and Exit Values

Deal and exit value exhibit peaks and troughs within 1-2 quarters; while distributions have historically lagged exits

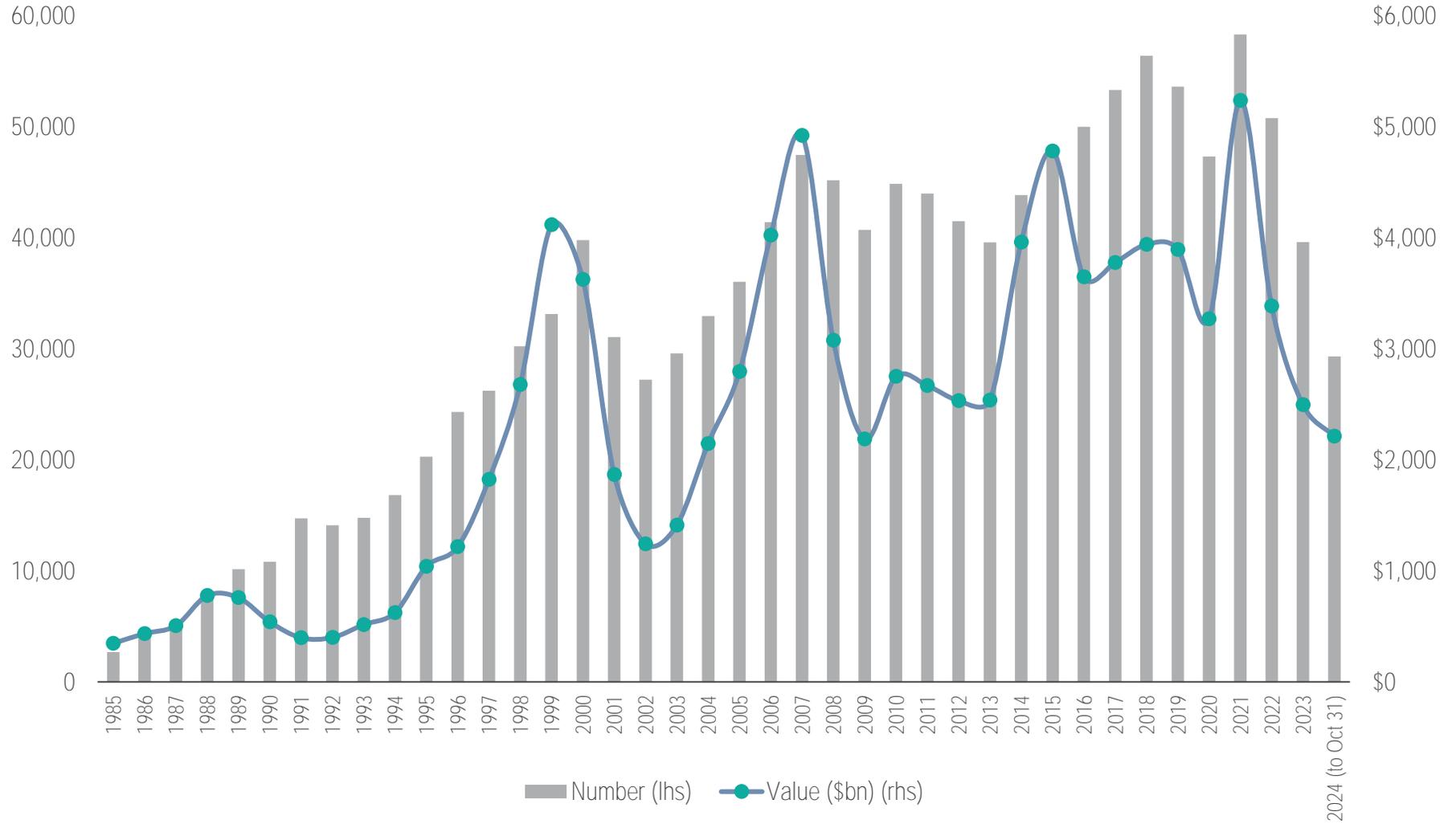


Source: Pitchbook as of 2024 Q3, which is the latest available.

The Art of the Deal

Mergers & acquisitions may increase back to normal levels with policies more friendly toward transactions

Number and value of Worldwide M&A Transactions
From 1985 to 2024

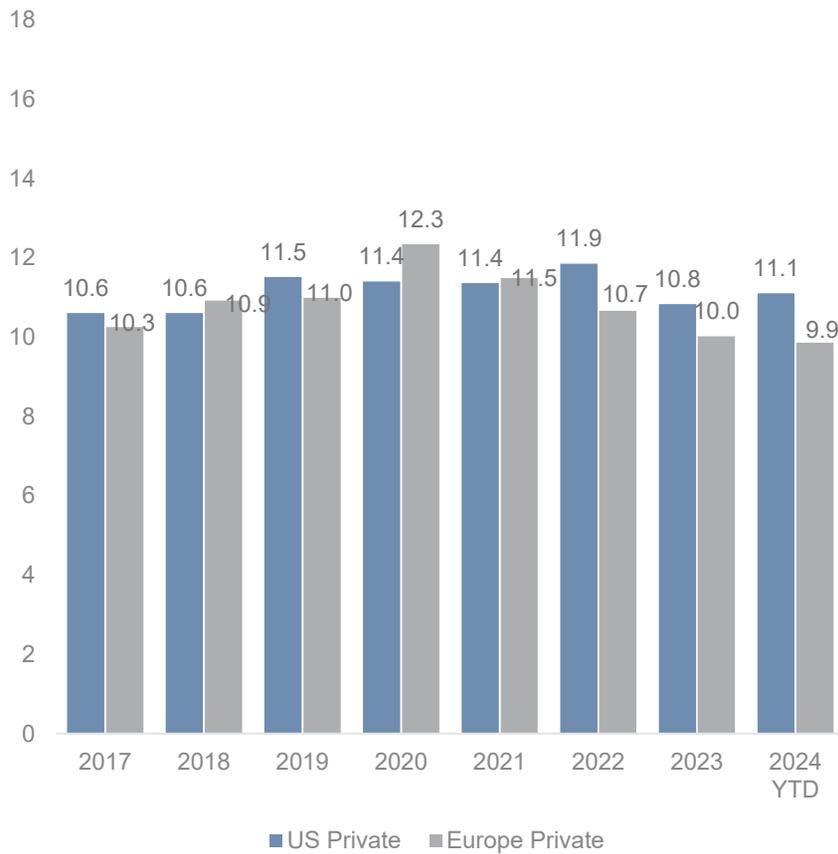


Source: Pitchbook as of 2024 Q3, which is the latest available.

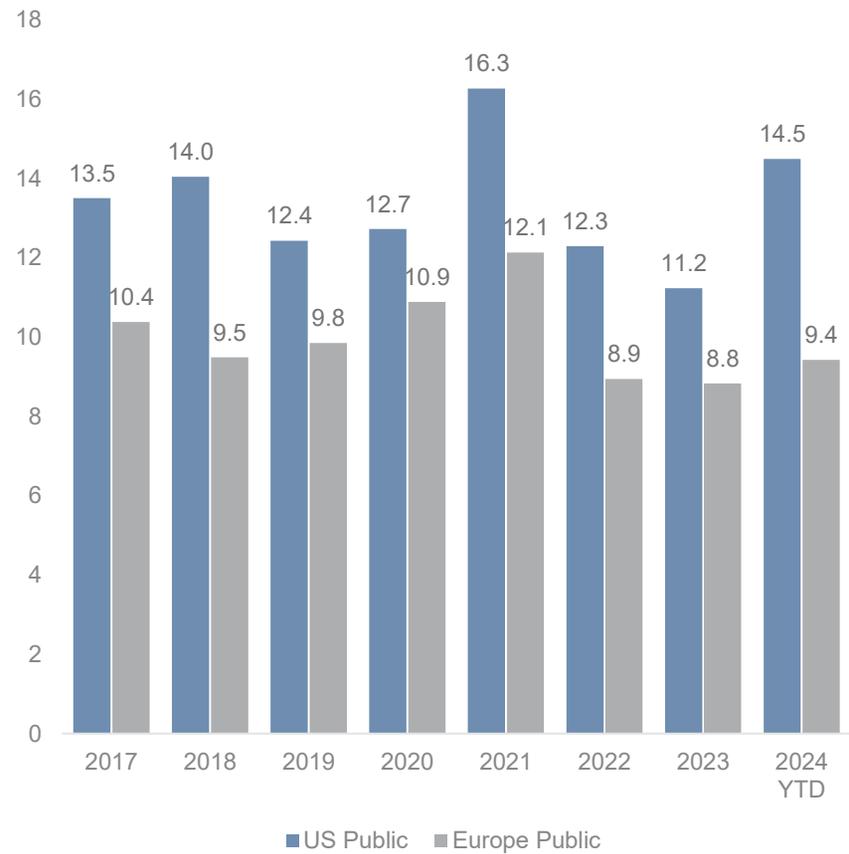
U.S. and Europe Private Equity Valuation Multiples

Purchase price multiples of private equity-owned companies versus publicly-held companies in the US and Europe

Private Equity – EV/EBITDA Multiple



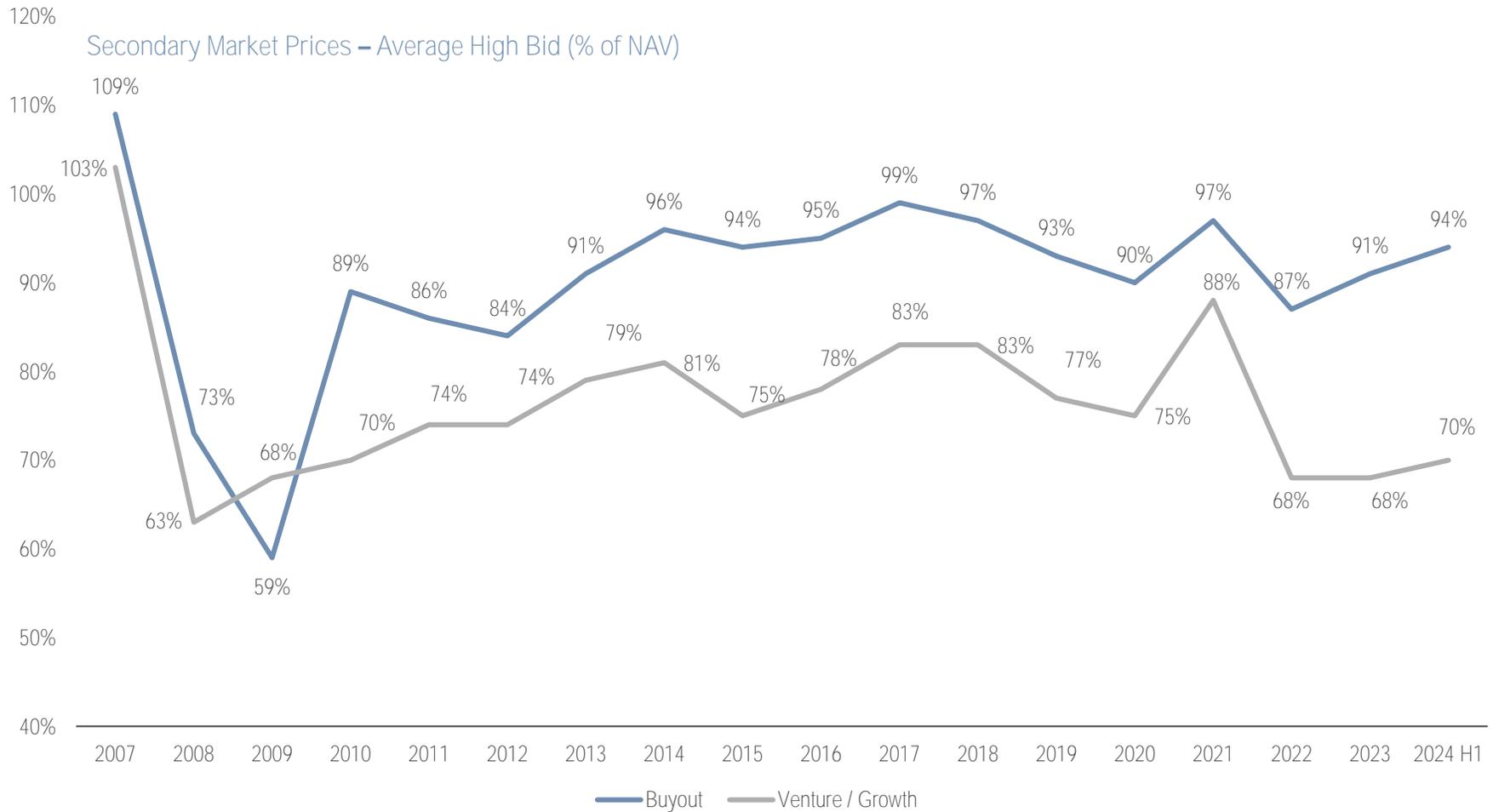
Public Equity – EV/EBITDA Multiple



Source: Pitchbook LCD and S&P Capital IQ. As of 2024 Q3. Note: U.S. public multiples are based on the Russell 2000 Index. Europe public multiples based on FTSE All World Developed Europe Index.

Secondary Market Pricing Responds Rapidly to Market and Macro Corrections

Secondary discounts widened in 2022 reflecting both volatility in the public markets coupled with the lag-effect in pricing adjustments. Secondary pricing has however recovered in H1-2023 as public markets recovered and NAVs adjusted, reducing buyer-seller bid-ask spreads. This is expected to bode well for transaction volumes near term

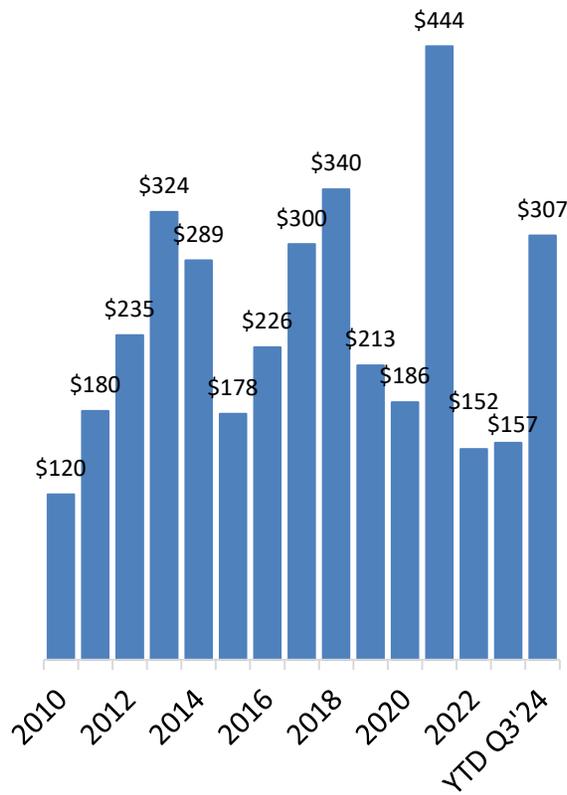


Source: Jefferies. Data is as of 2024 Q2, which is the latest available..

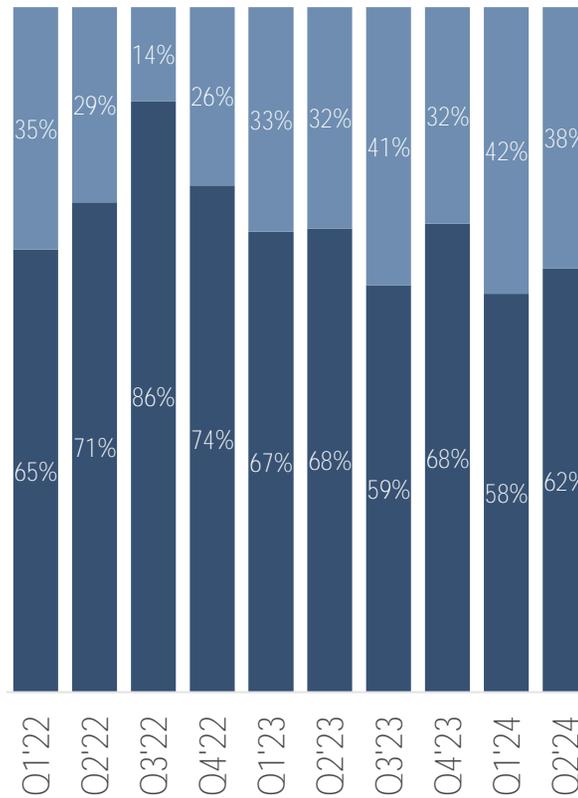
Private Equity Financing – Debt Market Conditions

With broadly syndicated loan (BSL) activity very slow, direct lenders have been the primary source of financing for sponsor-backed LBOs. Unlike in prior cycles, the significant growth of private credit and available dry powder should support material transaction volumes especially for lower and mid market buyouts, even during economic disruption

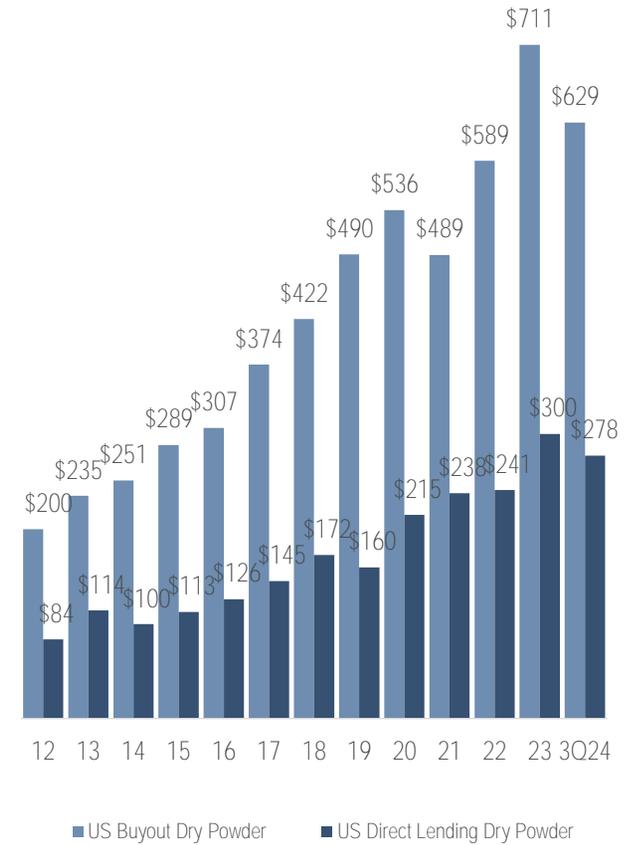
BSL - Annual New Issuance Volume (\$B)



Count of LBOs Financed (%)



US Dry Powder (\$B)



Left hand side US BSL Sponsored New Issuance Volume. Source: S&P LCD as of May 31, 2024. Middle and Right-hand side source S&P LCD, Preqin.

Private Debt Indicative Financing Terms – Market is Tightening

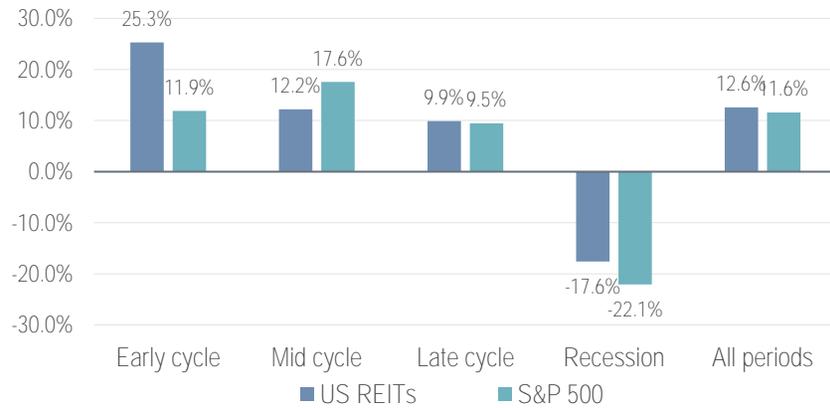
	Q4 2021	Q4 2022	Current
Leverage	7.0-7.5x	4.75-5.75x	6.0-6.5x
3M SOFR	0.1%	4.1%	4.6%
Floor	1.0%	1.0%	1.0%
Spread	5.0-5.75%	6.0-7.0%	4.75-5.75%
OID	1-2%	2-3%	1-1.5%
Market Indicative Return	6.3-7.4%	10.8-12.1%	9.9-10.9%

Source: Lincoln International. As of September 2024. These estimates are based on market observations and no party provides any guarantee or assurance that these projections are accurate. Note, total return does not include management fees, performance fees, and other expenses and net return for an investor will be lower.

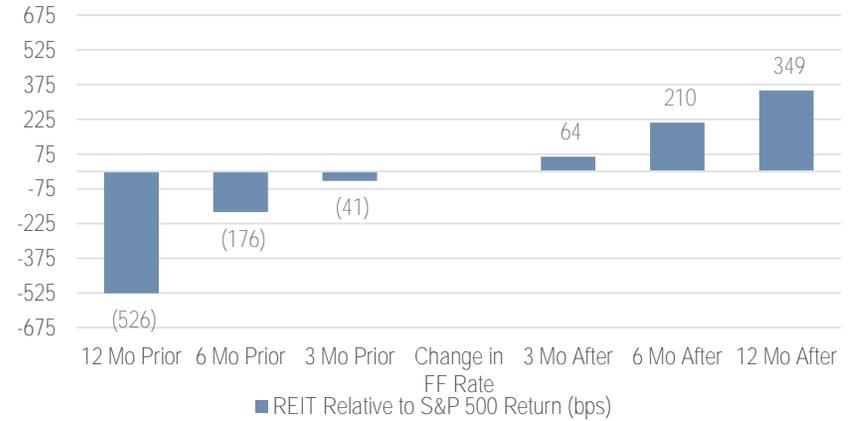
Real Estate Market

REIT metrics – attractive valuations with the potential to outperform equities

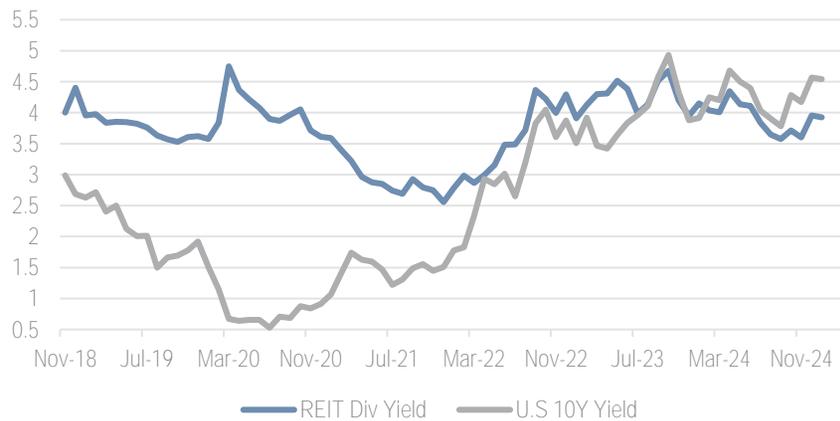
Annualized Return by Cycle Phase, 1991– 1Q 2023



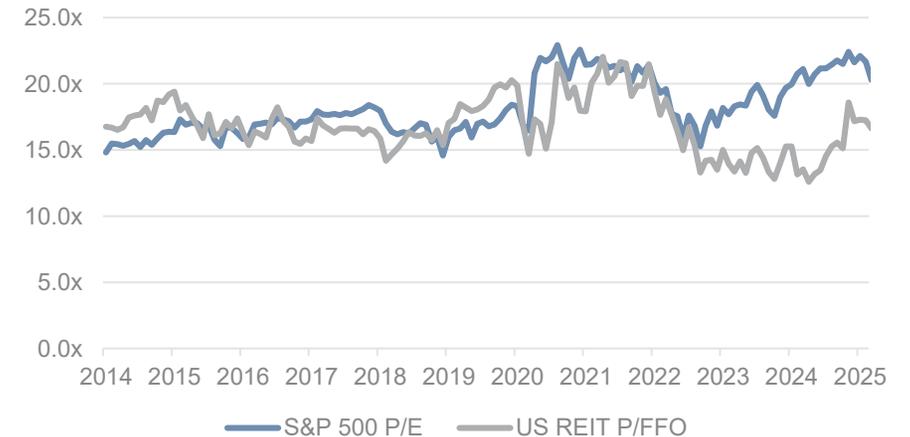
REIT's have outperformed after Fed Funds rate peaks



U.S. REIT dividend yield vs. U.S 10Y



US Stocks P/E vs. US REITS P/FFO



Bottom charts Bloomberg as of March 2025. Top charts, Citi research, Bloomberg, Datastream, UBS. US REITs: FTSE Nareit ALL EQUITY REITS ; Equities: S&P 500. Monthly returns are annualized. Based on total returns. Please note we have assumed 'Mid cycle' from 1/19 – 1/20. Early cycle—CBCI accelerating (104 of 387 months: 3/91–12/94, 11/01–12/04, 6/09–1/11), Mid cycle—CBCI stable (193 of 387 months: 1/95–4/00, 1/05–9/06, 2/11–12/19), Late cycle—CBCI decelerating (60 of 387 months: 5/00–2/01, 10/06–11/07, 4/20 – 3/23), Recessions as reported by NBER (30 of 381 months: 1/91–2/91, 3/01–10/01, 12/07–5/09, 2/20-3/20). Past performance is not indicative of future results, which may vary

Private Real Estate Outlook and Opportunity Set

Market Trends

- Prices have fallen unevenly across sectors and geographies but are unevenly rebounding
- Replacement costs have continued to hold steady, creating a disparity between values and cost
- Interest rates are slowly coming down, supporting a pickup in transaction volumes in 2024 and 2025
- While certain markets/sectors experienced some oversupply, leading to softening operating fundamentals, supply has started to fall dramatically and will result in firmer operating background in the next 24-48 months
- Stressed/distressed buying opportunities with select groups that are facing liquidity issues
- Many established operating companies lacking necessary capital and deal volumes to transact

Overall, certain trends continue to make real estate an attractive long-term investment opportunity:

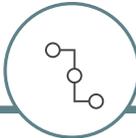
- Consistently strong fundamentals supporting investment in real estate
- Consolidation of the industry continues to increase, with institutionalization of the industry across all sectors
- The current market environment offers a larger margin of safety

We believe investing in vertically integrated operating companies provides management teams and investors with significant alignment of interests, strong governance, increased transparency, immediate access to capital and economies of scale

Almanac analysis as of February 2025. The opinions expressed herein reflect the current opinions of Almanac as of the date of the materials. This information discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice. It is not intended to be an offer or the solicitation of an offer. Investors are urged to consult with their financial advisors before buying or selling any securities.

Infrastructure Themes

Key, long-term trends with significant tailwinds driving Neuberger Berman’s infrastructure focus

 <h3>Digitalization</h3> <ul style="list-style-type: none"> • Significant proliferation in internet access and utilization is driving demand globally • Demand for decreased latency, increased computing power, and wireless connectivity requires significant datacenter, broadband, and tower investments • Key Themes: Artificial Intelligence, 5G, Internet of Things, Cloud Computing, Big Data 	 <h3>Energy Transition</h3> <ul style="list-style-type: none"> • Decarbonization as well as energy resiliency are key elements of the global energy transition road map • Investments are necessary to change the power mix while also expanding total electricity generation • Net Zero initiatives necessitate generational investments • Key Themes: Renewables, Storage, LNG, Grid Resiliency, EVs 	 <h3>Supply Chain & Logistics</h3> <ul style="list-style-type: none"> • Complex supply chain dynamics have driven economic incentives for increasingly robust transportation infrastructure • Supply chain failures illustrate the need for investments in technology improvements and capacity • Key Themes: Transportation, E-commerce, Logistics Hubs, (De)Globalization 	 <h3>Urbanization</h3> <ul style="list-style-type: none"> • Unwavering trends in the way people move and consume • Densifying populations strain highway systems and public transit while global trade & travel test airports and seaports • Municipal infrastructure needs repair as well as expansion to support growing populations • Key Themes: Public Transit, Tollways, Transportation, Utilities, Social
---	---	---	---

For illustrative and discussion purposes only. There is no guarantee that the opportunities that may be acquired, nor that the opportunities that may eventually be sourced will have similar characteristics to the opportunities described herein.

Appendix



Multi-Asset Detailed View

Beta attractiveness: 6-18 month outlook as of 1Q 2025

	LIQUID LONG-ONLY			LIQUID ALTS / HEDGED		PRIVATE
Equity	Global +			Long/Short Equity Event Driven		VC Growth Equity Buyout Equity Co-Invest Secondaries
Debt	Global +			Credit Long/Short Distressed Credit	Mortgage Whole Loans CLO Mezzanine CLO Equity	Private Debt Asset-Backed Lending Opportunistic
	US Governments	IG Corporate Structured Credit High Yield/ Bank Loans+	Non-US Developed Governments			
Inflation-linked Bonds	TIPS		Global ILBs			Private Real Assets Energy (Expl, Infr) Core/Core+ Infrastructure Value Add Infrastructure
Commodities Real Assets		Commodities+ Energy Infrastructure+		Commodity Long/Short		
Real Estate		REITs+		REIT Absolute Return		Real Estate Core Value Add/Opportunistic Secondaries
Uncorrelated	Global Tactical Asset Allocation+ Alternative Risk Premia – Value, Momentum, Quality, Carry, Volatility			Global Macro CTA		Insurance Linked Securities

— Above Target View
 — At Target View
 — Below Target View
 + High Alpha Potential Category (Liquid Long-Only Categories Only)

Source: Neuberger Berman. As of 1Q 2025. For illustrative and discussion purposes only. The Asset Allocation framework illustrated incorporates a variety of internal Neuberger Berman views but are not reflective of any formal investment process or approach. Neuberger Berman does not manage any products or strategies in accordance with such frameworks.

Our G10 Relative Value Currency Views – March 2025

USD Underweight



- There has been a deterioration in US economic data since the start of the year which has led to a questioning of the US exceptionalism narrative.
- Tariff policy whilst still a net positive for the dollar has not materialised to the extent that market participants had anticipated.
- These factors combined with the dollar trading towards the top of its multi-year range means the strategy is underweight the US dollar.

EUR Overweight



- The prospect of increased fiscal spending in Europe whilst US economic data are declining would be a significant challenge to the start-of-year consensus of US exceptionalism and a struggling Europe.
- This potential boost to European economic growth and narrowing of interest rate differentials, given the starting point of 1.04 versus the US dollar, could lead the euro to appreciate materially versus other major currencies.
- The strategy holds an overweight in the euro

JPY Overweight



- The yield disadvantage which has hurt the yen since 2020 has continued to narrow into the start of 2025.
- Whilst yields have been rising in Japan as the Bank of Japan continues to suggest a degree of policy normalisation. Japanese yields remain below nominal GDP growth and inflation suggesting the extent to which the rise in yields is restrictive has been limited.
- The improvement in nominal yield differentials suggests the yen can strengthen further versus other major currencies.

CAD Small Underweight



- The economic picture in Canada has been poor and the possibility of US tariffs further weakens the outlook.
- However, this outlook is largely priced in the Canadian dollar and following 1.75% of policy rate cuts last year, economic data have started to improve.
- Given this outlook, at current levels the risk-reward for CAD does not warrant a significant position and therefore the strategy has a small tactical underweight.

GBP Underweight



- The UK is struggling with weak economic growth, sticky inflation and little to no room for fiscal stimulus.
- The high yield relative to other major economies has supported the GBP, however, should economic growth in the UK continue to deteriorate, this high level of yield will work against the UK as the economy suffers from tight financial conditions and little fiscal room for the government to support economic activity.

AUD Overweight



- The Australian labour market remains solid and data on economic activity have started to improve which could result in a shallower cutting cycle by the RBA than is currently expected.
- Global commodity prices have started to inch higher and could feed through to an improved terms-of-trade
- Australia and the Australian dollar is likely to be the main beneficiary of Chinese fiscal stimulus out of all major currencies.

CHF Neutral



- Increasing political uncertainty in Europe combined with geopolitical uncertainty in Ukraine and the Middle East could escalate leading to safe-haven currencies like the franc appreciating.
- If high levels of government debt put pressure on countries within the eurozone, capital could flow to the Swiss franc as a safe-haven with low levels of debt.
- However, the franc is already trading towards the top of its range versus the euro and therefore at this juncture the strategy is neutral.

NOK Small underweight



- Terms of trade have moved sharply against the krone and could lead to currency weakness in the short-term.
- From a longer-term perspective, the picture on the krone is more mixed.
- The strategy has a small tactical underweight in the krone

SEK Underweight



- The Swedish krona appreciated sharply in February on the back of equity inflows to Swedish defence companies.
- The size and speed of the appreciation is historically abnormal, and we believe has been excessive. A questioning of the narrative or slowing of the equity buying could lead the krona to correct lower in the short term.
- We believe the risk/reward profile at this juncture is attractive and hold a tactical underweight in the krona

NZD Small Overweight



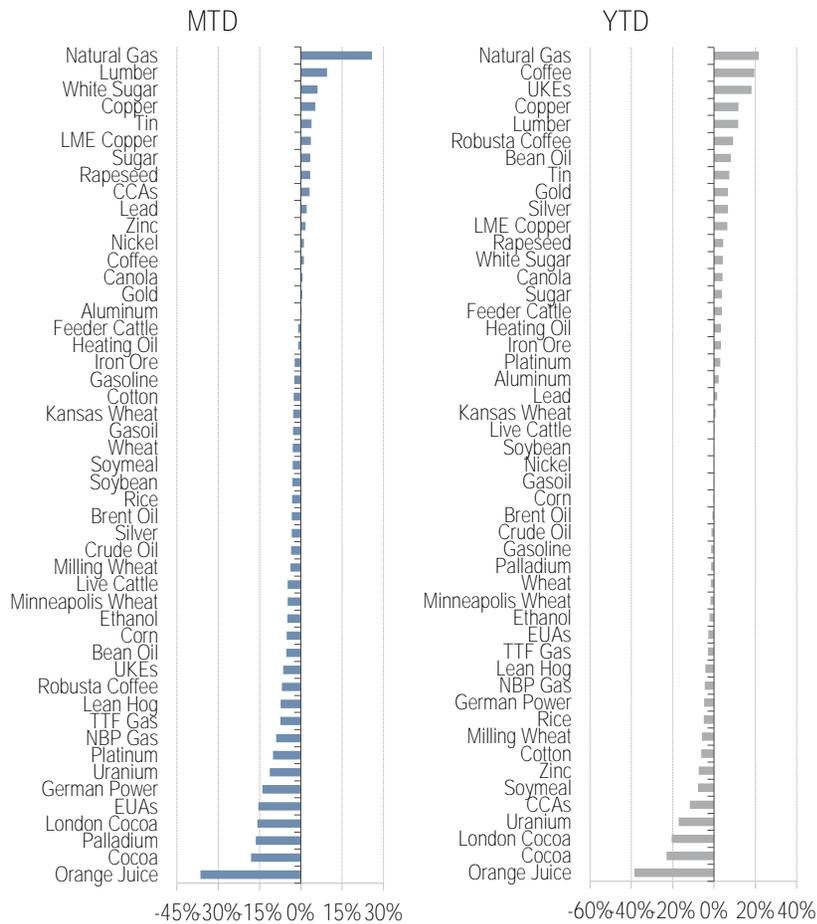
- There is a high degree of pessimism in the price of the New Zealand dollar leading to a high bar for further disappointment.
- The RBNZ have recently taken a more hawkish stance than was expected by market participants.
- Whilst the current economic environment does not warrant a large position in the New Zealand dollar, given the attractive risk-reward profile, the strategy has a small overweight.

For illustrative purposes only.

Commodities Performance and Views

The Bloomberg Commodity Index returned 1.02% in February and 5.38% YTD.

Recent Performance as of February 28, 2025



Energy (+)

Oil slid in February, amid uncertainty around global growth. Equity markets fell and U.S. consumer confidence declined. Trump announced plans of tariffs on Canada and Mexico, including Canadian energy. Energy products performed relatively better with inventories relatively light. The OPEC+ is meeting in March to discuss resuming supply increases. We remain optimistic on energy given the strong positive carry.



Power and Carbon (-)

Power was mixed in February. In the U.S., natural gas was the best-performing commodity amid cold winter weather, with inventories falling below the 5-year average. In Europe, power, carbon and TTF natural gas prices slipped, influenced by a potential end to the war in Ukraine, as Trump spoke with Putin and Zelensky.



Industrial Metals (0)

Industrial metals were higher in February. U.S. copper rallied, outperforming LME copper, amid news of potential U.S. tariffs on copper imports. Trump has also been discussing potential tariffs on Canadian aluminum, the source of the majority of U.S. imports. We are neutral on the sector amid uncertainty around global demand.



Precious Metals (+)

Precious metals were mixed in February. Gold moved to another all-time high while silver, platinum and palladium slipped. We like gold as a low beta geopolitical hedge, and we see it as a safe haven amid trade tensions and economic uncertainty.



Agriculture (-)

Agricultural commodities were lower in February. Corn and soybeans were lower, as China announced tariffs against various U.S. agricultural products in retaliation for U.S. tariffs. Oilseeds were mixed. Wheat was lower amid resilient crops. We are cautious on the sector.



Softs (+)

Soft commodities were mixed in February. Sugar rallied, as poor weather forced shutdowns of sugar mills in India. Arabica coffee hovered near all-time highs, as the market began to stabilize. Orange juice collapsed amid concentrated speculator positioning. We are cautious but optimistic and are carefully monitoring risk and scarcity.



Livestock (+)

Livestock were lower in February. Cattle slipped even as herd sizes continue to shrink. Lean hogs moved lower. We are optimistic amid tight supplies.

(+) and (-) indicate the team's views based on team's tactical signals.

Nothing herein constitutes a prediction or projection of future events or future market behavior. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results. See "Additional Disclosures" at the end of this presentation, which are an important part of this presentation

Additional Disclosures



Additional Disclosures

NEUBERGER BERMAN FIXED INCOME SECTOR VIEWS AND RETURN ESTIMATES

Return Estimates May Not Materialize. Neuberger Berman investment views and estimates are formulated by our specialty fixed income teams. For a variety of fixed income sectors we identify a range of outcomes that either may occur or alternatively be anticipated and then priced into the market. For each sector we formulate an investment view based on proprietary fundamental research and quantitative analysis which are used to project return estimates and a confidence level associated with the return outlook. Each sector team will establish an independent view based on internal research, and a level of confidence in the outlook. The sector view is formulated by identifying various states of the economy and market (i.e. outcomes) estimation typically over a 12-month horizon. Each state or outcome is probability weighted to determine the overall sector view. View Uncertainty quantifies the confidence of the **return estimate by measuring return standard deviation across the "states of the world". A wider dispersion of the states of the world**, represented by a larger standard deviation, indicates a lower degree of confidence, or, a higher degree of uncertainty. The reassessment of sector views is ongoing and formally updated at least monthly. Sector views should not be construed as research or investment advice and do not constitute a recommendation to buy, sell or hold securities in any sector.

The return estimates contained herein are being shown to illustrate the investment decision-making process and are not intended to provide any predictions or guarantee about the future returns of any security, asset class or portfolio. Projections or other forward-looking statements regarding future events, targets or estimations/expectations are only current as of the date indicated. There is no assurance that such events or projections will occur, and may be significantly different than that shown here. The information in this presentation, including statements concerning financial market trends, is based on current market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons.

The return estimates presented represent approximate mid-points within a range of targeted yields, spreads and returns and are presented only as an example of how Neuberger Berman may construct a portfolio based on its views of the credit markets and sub-markets. The returns presented are an economic prediction and are the views of the portfolio manager as of the date hereof and are subject to change. Return estimates are based on qualitative and quantitative analysis of historical and current information. There is no assurance that the returns presented will be realized or that an investment strategy will be successful. Investors should keep in mind that markets are volatile and unpredictable. There are no guarantees that the historical performance of an investment, portfolio, or asset class will have a direct correlation with its future performance. Generally, our 12-month and 24-month views and estimates are an input in our asset allocation decisions.

Neuberger Berman believes the return estimates set forth herein is reasonable based on a combination of factors, including the **investment team's general experience and assessment of prevailing market conditions and investment opportunities**. There are, however, numerous assumptions that factor into the return estimates that may not be consistent with future market conditions and that may significantly affect actual investment results. Such assumptions include, but are not limited to, 1) current monetary policy, inflation estimates and other fundamental and technical factors determine interest rate levels in the credit markets, 2) historical data and trends in the fixed income asset classes presented and 3) anticipated interest rate movements. Neuberger Berman does not make any representation as to the reasonableness of the assumptions or that all the assumptions used in calculating the return estimates **have been stated or fully considered. Neuberger Berman's ability to achieve investment results consistently, in the aggregate** or with regard to any particular fixed income sector, with the returns set forth herein depends significantly **on a number of factors in addition to the accuracy of its assumptions. These include Neuberger Berman's ability to identify a** sufficient number and mix of appropriate investments. Changes in the assumptions may have a material impact on the targeted returns presented. All data is shown before fees, transaction costs and taxes and does not account for the effects of inflation. Management fees, transaction costs and potential expenses are not considered and would reduce returns. Actual results experienced by clients may vary significantly from the illustrations shown.

Additional Disclosures (continued)

This material is provided for informational purposes only and nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. This material is general in nature and is not directed to any category of investors and should not be regarded as individualized, a recommendation, investment advice or a suggestion to engage in or refrain from any investment-related course of action. Neuberger Berman is not providing this material in a fiduciary capacity and has a financial interest in the sale of its products and services. Investment decisions and the appropriateness of this material should be made based on an investor's individual objectives and circumstances and in consultation with his or her advisors. Information is obtained from sources deemed reliable, but there is no representation or warranty as to its accuracy, completeness or reliability. All information is current as of the date of this material and is subject to change without notice. Any views or opinions expressed may not reflect those of the firm as a whole. Neuberger Berman products and services may not be available in all jurisdictions or to all client types. Investing entails risks, including possible loss of principal. Investments in hedge funds and private equity are speculative and involve a higher degree of risk than more traditional investments. Investments in hedge funds and private equity are intended for sophisticated investors only. Indexes are unmanaged and are not available for direct investment. Past performance is no guarantee of future results.

The information in this material contains projections, market outlooks or other forward-looking statements regarding future events, including economic, asset class and market outlooks or expectations, and is only current as of the date indicated. There is no assurance that such events, outlook and expectations will be achieved, and actual results may be significantly different than that shown here. The duration and characteristics of past market/economic cycles and market behavior, including any bull/bear markets, is no indication of the duration and characteristics of any current or future market/economic cycles or behavior. Information on historical observations about asset or sub-asset classes is not intended to represent or predict future events. Historical trends do not imply, forecast or guarantee future results. Information is based on current views and market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons. Models are discussed for informational and educational purposes only, and are based on various assumptions, projections or other information. Actual results can be significantly different than those predicted by the models. Nothing herein constitutes a prediction or projection of future events or future market or economic behavior. The duration and characteristics of past market/economic cycles and market behavior, including length and recovery time of past recessions and market downturns, is no indication of the duration and characteristics of any current or future market/economic cycles or behavior. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed or any historical results. Any discussion of environmental, social and governance (ESG) factor and ratings are for informational purposes only and should not be relied upon as a basis for making an investment decision. ESG factors are one of many factors that may be considered when making investment decisions.

Discussions of any specific sectors and companies are for informational purposes only. This material is not intended as a formal research report and should not be relied upon as a basis for making an investment decision. The firm, its employees and advisory accounts may hold positions of any companies discussed. Nothing herein constitutes a recommendation to buy, sell or hold a security. Specific securities identified and described do not represent all of the securities purchased, sold or recommended for advisory clients. It should not be assumed that any investments in securities, companies, sectors or markets identified and described were or will be profitable.

The views expressed herein are generally those of the Neuberger Berman Multi-Asset Class (MAC) team or Neuberger **Berman's** Asset Allocation Committee. The Asset Allocation Committee is comprised of professionals across multiple disciplines, including equity and fixed income strategists and portfolio managers. The Asset Allocation Committee reviews and sets long-term asset allocation models, establishes preferred near-term tactical asset class allocations and, upon request, reviews asset allocations for large diversified mandates. Tactical asset allocation views are based on a hypothetical reference portfolio. Any currency outlooks are not against the U.S. dollar but stated against the other major currencies. As such, the currency outlooks should be seen as relative value forecasts and not directional U.S. dollar pair forecasts. Currency outlooks are shorter-term in nature, with a duration of 1–3 months. Regional equity and fixed income views reflect a 1-year outlook. Asset Allocation Committee members are polled on asset classes and the positional views are representative of an Asset Allocation Committee consensus. The views of the MAC team or the Asset Allocation Committee may not reflect the views of the firm as a whole and Neuberger Berman advisers and portfolio managers may take contrary positions to the views of the MAC team or the Asset Allocation Committee. The MAC team and the Asset Allocation Committee views do not constitute a prediction or projection of future events or future market behavior.

This material is being issued on a limited basis through various global subsidiaries and affiliates of Neuberger Berman Group LLC. Please visit www.nb.com/disclosure-global-communications for the specific entities and jurisdictional limitations and restrictions.

The "Neuberger Berman" name and logo are registered service marks of Neuberger Berman Group LLC.

All rights reserved. WF # 2263020



New Asset Allocation Target Implementation Plan

April 17, 2025



Asset Allocation Targets

Composite/Asset Class /Strategy	Old Long-term Target	Current Allocation w/o overlay as of 4/1/25*	New Asset Allocation	Change from Current
Traditional Growth	35	33.18	30	-3.18
Public Equity	35	33.18	30	-3.18
Stabilized Growth	17	16.86	23	6.14
Core Real Assets	8	6.57	6	-0.57
Public Credit	4	5.99	10	4.01
Private Credit	5	4.30	7	2.70
Non-Traditional Growth	16	19.04	19	-0.04
Private Equity	11	14.05	12	-2.05
Non-Core Real Assets	5	4.99	7	2.01
Inflation Sensitive	5	4.77	0	-4.77
TIPS	5	4.77	0	-4.77
Principal Protection	10	9.71	8	-1.71
Intermediate Govt Bonds	10	9.66	8	-1.66
Crisis Risk Offset	17	14.48	20	5.52
Long U.S. Treasuries	2	1.71	4	2.29
Systematic Trend Following	10	7.58	6	-1.58
Alternative Risk Premia	3	3.55	8	4.45
Long Volatility	1.7	1.37	1.7	0.33
Tail Risk Hedge	0.3	0.27	0.3	0.03
Oppportunistic (0-5% range)	0	0	0	0



The new targets have some notable shifts in assets.

* Approx 2% in overlaid cash and settlement margin



Highlighted Changes

- Public Equities – proportionate decrease in equity managers, with selective terminations if warranted. Timed with other changes, below, as source of funds
- Public Credit – An RFP was posted prior to the March meeting in anticipation of this change. Staff and Meketa are reviewing responses and selecting candidates
- Private Credit – Updated pacing plan on next slide. Assets to be “parked” with Public Credit managers to be used as source of funds for future investments / capital calls
- Private Equities – the asset class remains over-allocated, with limited distributions. Updated pacing plan in this deck
- TIPS – Highly liquid treasury securities. Will be liquidated to fund credit managers and the increase in long duration treasurys.
- CRO – RFP(s) will be posted in the next few months for ARP and, possibly, Trend. The reallocation within CRO will likely follow the equity to fixed income shift by one or two quarters.

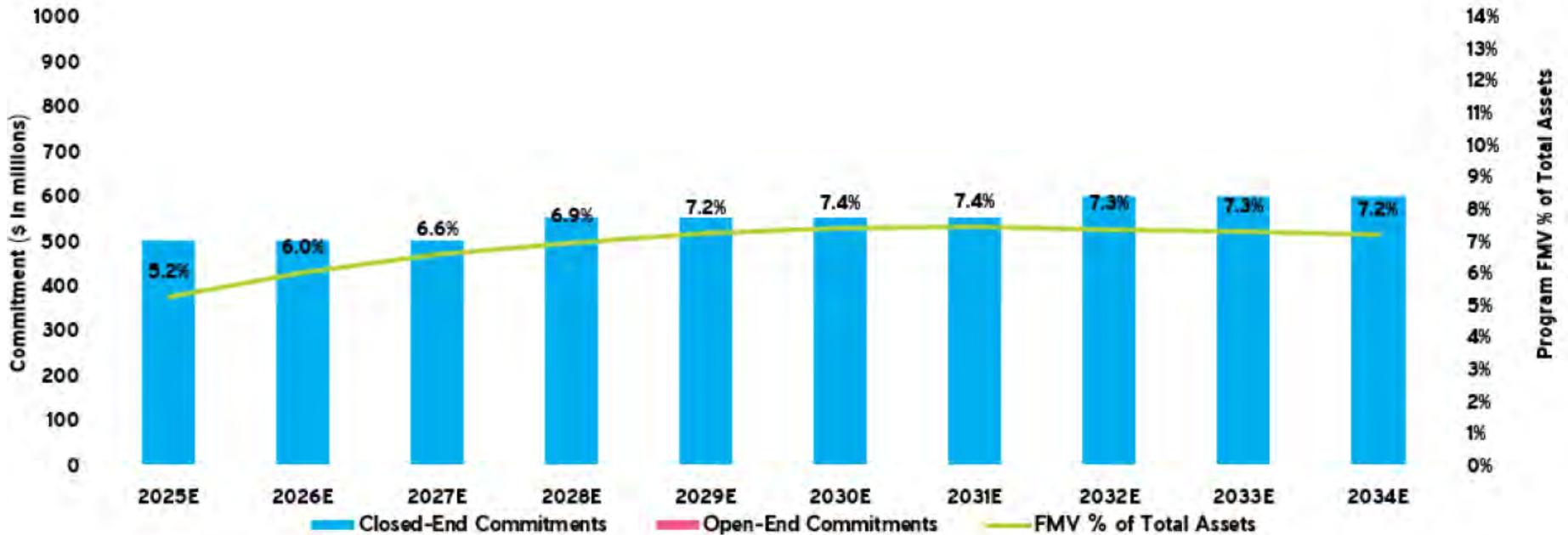
The shift from Public Equity to Public Credit, including the “earmarked” Private Credit allocation, will be implemented at one time, avoiding the need for interim asset allocation targets



Private Credit Pacing Plan

Commitment Pacing (7% Policy Target) - NEW

– Annual target of \$500 million in 2025



Assumptions: Long term target allocation of 7% to private credit. Total plan growth rate of 4.2% growth rate. Portfolio data as June 30, 2024.

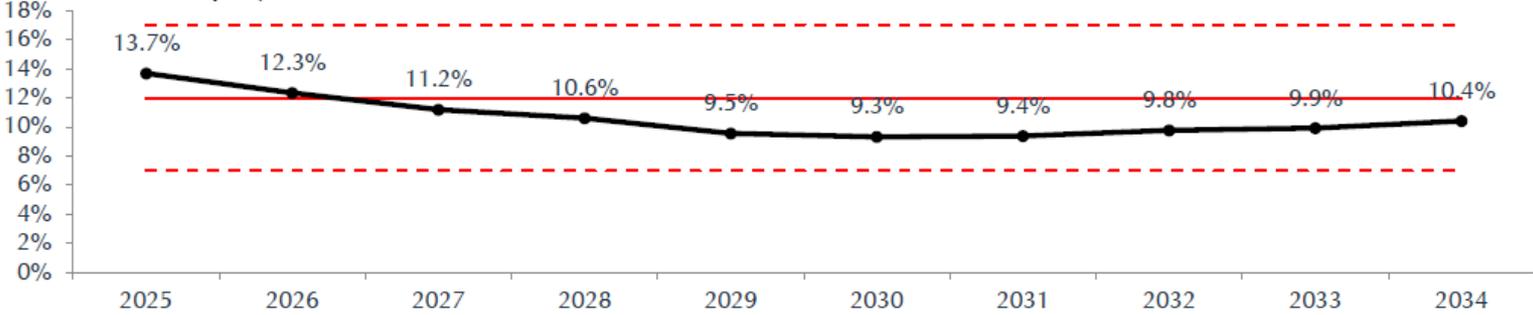


Private Equity Pacing Plan

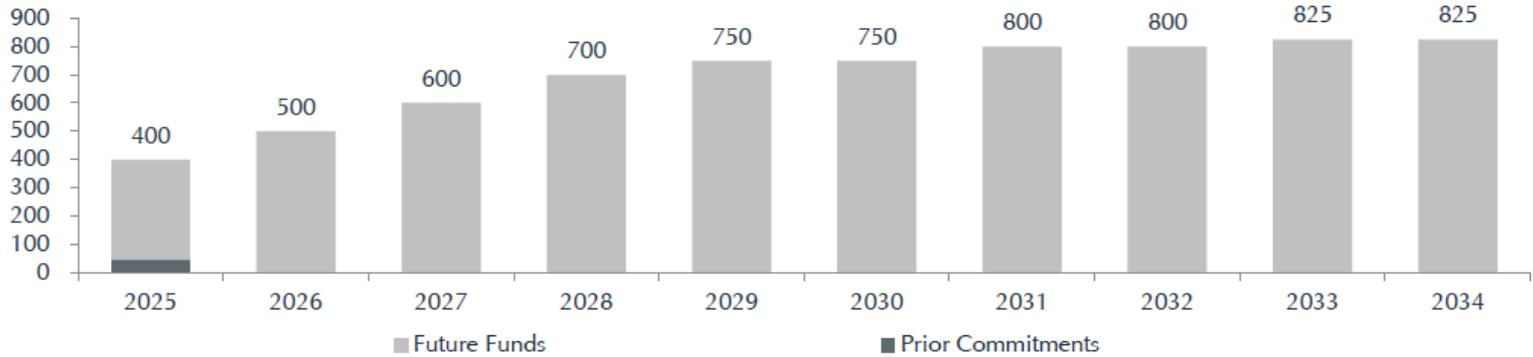


~\$50 million reduction per year vs December plan.
Balances near-term overweight with medium and longer term underweight.

Private Equity as a % of Total Assets – Aksia Base Case¹



Vintage Year Commitments
USD Millions



¹ Assumes net returns of 4.2% for the pension and gross IRRs of 16.0%, 17.0%, and 15.0% for buyouts, venture capital, and distressed & special situations, respectively. Assumes 70% of capital deployed to buyout funds, 15% to venture capital funds, 15% to distressed & special situations investments.



Pacing Plan - Summary

Commitments						
Year	Private Equity		Private Credit		Real Assets (SG and NTG)	Total
2024 Plan	\$325 - \$475M		\$500M		\$150 - \$250M	\$975M - \$1.2B
2024 Actual	\$329M		\$450M		\$205M	\$984M
2025 Plan (Dec. 24)	\$375 - \$525M		\$400M		\$200 - \$300M	
2025 Plan (Apr. 25)		\$400M		\$500M		\$1.1B - \$1.2B
2026 Plan (Dec. 24)	\$550M		\$400M		\$450 - \$650M	
2026 Plan (Apr. 25)		\$500M		\$500M		\$1.45B - \$1.65B
2027 Plan (Dec. 24)	<u>\$650M</u>		<u>\$400M</u>		<u>\$450 - \$650M</u>	
2027 Plan (Apr. 25)		<u>\$600M</u>		<u>\$500M</u>		<u>\$1.55B - \$1.75B</u>
3-Year Total	\$1.6 - \$1.7B	\$1.5B	\$1.2B	\$1.5B	\$1.1 - \$1.6B	\$4.1B - \$4.6B

Long term planning for pacing is difficult and depends on many factors.

Traditional Growth Asset Class Review

April 2025



Functional Asset Class Review Schedule

Meeting	Functional Asset Class	Strategies
September	Annual Review/Investment Plan	
October	Stabilized Growth, Principal Protection & Inflation Sensitive	Public Liquid Credit, Principal Protection & TIPS
December	Stabilized Growth, Non-Traditional Growth	Private Credit, Private Equity & Real Assets
March	Defined Contribution	
April	Traditional Growth	Public Equity
June	Crisis Risk Offset	Trend Following, Alternative Risk Premia

Policy Targets



Classes/Strategies	Current Long-Term Policy Target %	New Long-Term Policy Target %
Broad Growth	68%	68%
Traditional Growth	35%	30%
Public Equity	35%	30%
Stabilized Growth	17%	23%
Core Real Assets	8%	6%
Liquid Credit	4%	10%
Private Credit	5%	7%
Non-Traditional Growth	16%	19%
Private Equity	11%	12%
Non-Core Real Assets	5%	7%
Inflation Sensitive	5%	0%
TIPS	5%	0%
Principal Protection	10%	8%
Crisis Risk Offset	17%	20%
Long Duration	2%	4%
Long Volatility	1.7%	1.7%
Tail Risk	0.3%	0.3%
Trend Following	10%	6%
Alt. Risk Premia	3%	8%
Total	100%	100%

The Current Long-Term Policy Targets established in the 2021 Asset Liability Study were achieved. The most recently completed 2025 Asset Liability Study resulted in the approved new long-term targets.

Investment Beliefs

- SURS believes that an appropriately diversified strategic allocation policy is the primary policy tool for maximizing the investment program's long-term return in light of its risk profile. The timing and magnitude of projected SURS's employer contributions and future benefit payments (i.e., its funding policy) can have significant cash flow implications and thus should receive explicit consideration during SURS's risk-framing and asset allocation decision-making process.
- SURS believes that, in order to achieve its objectives, it must incur a certain amount of investment risk that is tied to economic performance. Exposure to economic growth comes about primarily through the equity risk premium which, while highly variable, produces a significantly positive long-term return.
- SURS believes that diversification within strategic classes helps to mitigate the risks of the class. Appropriate manager diversification helps to maximize the breadth of capturing alpha after accounting for the major biases in a portfolio. As a result, added value consistency should improve.
- SURS believes disciplined allocation of capital is necessary to manage the systematic risk of the portfolio and maximize the likelihood of achieving its long-term expectations. Key examples of maintaining disciplined capital allocation includes consistently rebalancing back to strategic targets where appropriate and dollar-cost averaging (and/or pacing) new capital allocations over time into both public-market and private-market portfolios.

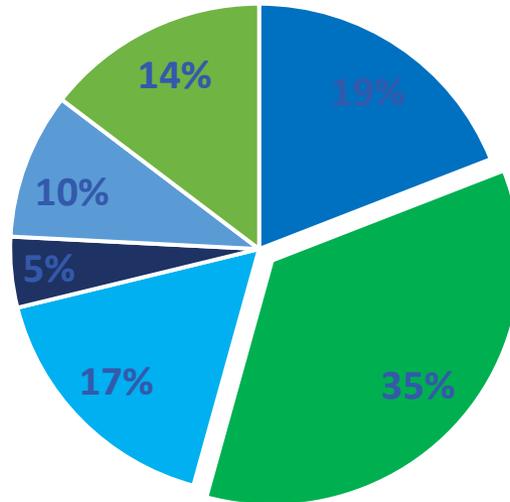
Investment Beliefs

- SURS believes that utilization of passive approaches in highly-efficient publicly-traded markets should take priority because it is extremely difficult to add consistent value, net of fees, in these markets. In addition, passive management typically provides for rapid, relatively liquid, low-cost exposure to the major risk premiums of the global investment markets.
- SURS believes active management can prove beneficial in certain market segments when there is evidence that active management can produce consistent significantly-positive, net of fee performance over various market cycles.
- SURS believes that investment costs (fees, expenses and frictional costs) directly impact investment returns and should be monitored and managed carefully. Such costs should be evaluated relative to both expected and realized returns and take into account appropriate alignment of interest considerations.
- SURS believes that the private markets should produce higher returns than public markets due to exposure to the illiquidity risk premium. While illiquidity risk can cause a portfolio's risk to increase, over the long-term the illiquidity risk premium is positive and material.
- SURS is committed to enhancing diversity by incorporating emerging (minority, woman-owned and disability-owned) investment managers into the portfolio.
- SURS believes that addressing material environmental, social and governance-related (ESG) issues can lead to positive portfolio and governance outcomes. To integrate ESG issues into its investment process SURS may apply certain investment and/or engagement strategies/approaches to its portfolio investments. In addition, proxy rights attached to shareholder interests in public companies are also "plan assets" of SURS and represent a key mechanism for expressing SURS's positions relating to specific ESG issues.

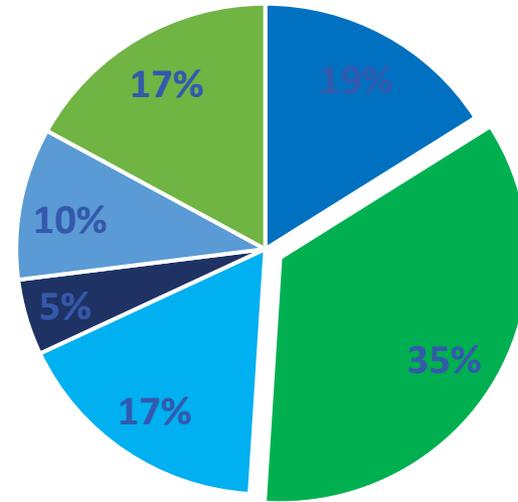
Traditional Growth

The role of the Traditional Growth asset class is to provide growth through public market equity strategies

Actual Allocation vs Target



- Non-Traditional Growth
- Traditional Growth
- Stabilized Growth
- Inflation Sensitive
- Principal Protection
- Crisis Risk Offset



- Non-Traditional Growth
- Traditional Growth
- Stabilized Growth
- Inflation Sensitive
- Principal Protection
- Crisis Risk Offset

Traditional Growth was in-line with its target allocation as of 12-31-24

Review of 2020 Restructuring

- Reduced Traditional Growth Exposure to fund the Crisis Risk Offset asset class and private equity asset class.
- Reduced and consolidated strategies to streamline portfolio towards a global equity benchmark. The equity portfolio was reorganized as follows:

45% US	→	23% US
45% Non-US		25% Non-US
10% Global		52% Global

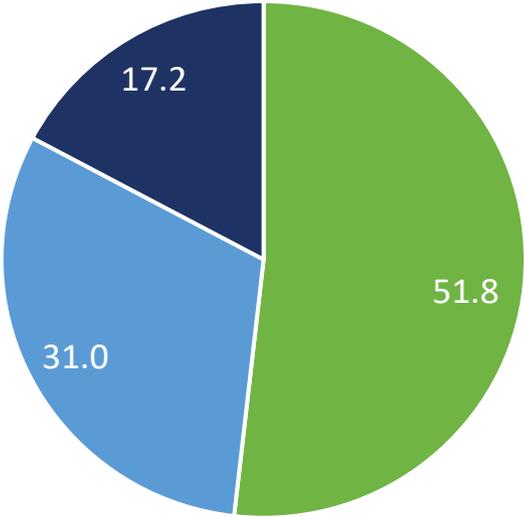
- As a result of the completed global equity manager search, SURS added two global managers, converted one U.S. equity mandate to global, and added a global mandate to a current International equity manager. As part of the restructuring, two International mandates and five U.S. equity mandates were eliminated.

Accomplishments & Initiatives

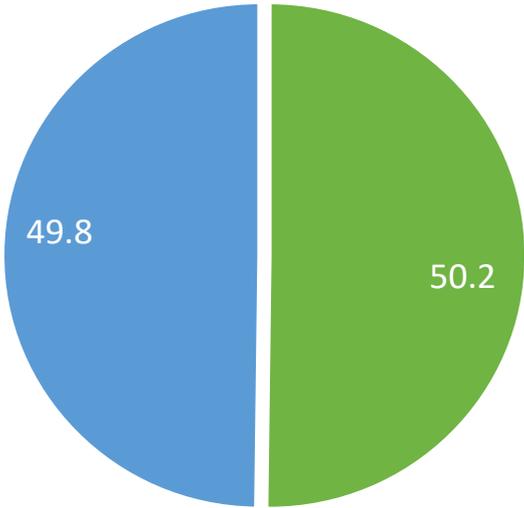
- **Fiscal Year 2024 / 2025 to date Accomplishments:**
 - Issued an RFP for Extended Equity strategies and completed the search in December of 2024. Contracts are being finalized, and funding is due for late April.
 - Monitored managers with Meketa, conducted periodic calls, and annual manager reviews.
 - Reviewed underlying managers in the Xponance program for possible graduation.
- **Fiscal Year 2025 Initiatives:**
 - Review manager lineup and prepare for 5% reduction in the Traditional Growth Portfolio's allocation.
 - Continue to monitor managers with Meketa, conduct periodic calls, and annual manager reviews.
 - Review underlying managers in the Xponance program for possible graduation.

Portfolio Breakdown

By Geographic Sub-Class



By Active/Passive

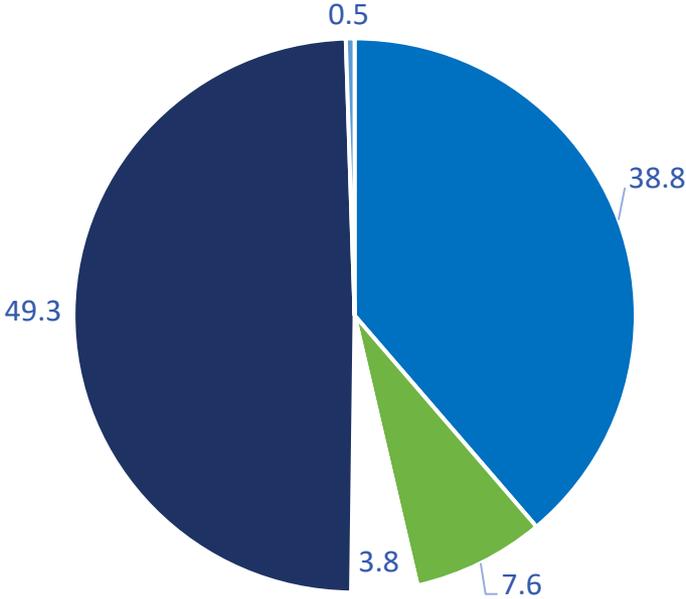


■ Global Equity ■ US Equity ■ Non US Equity ■ Total Passive ■ Total Active

As of 12-31-24

MWDBE Firm Exposure

MWDBE Breakdown as of 12-31-24



■ Non-MWDBE ■ African Am ■ Latin Am
■ Woman ■ Asian Am

Percentage	Category
38.8%	Non-MWDBE
7.6%	African American
3.8%	Latin American
49.3%	Non-Minority Woman
0.5%	Asian American
61.2%	Total MWDBE

Performance Summary

Net Returns as of December 31, 2024	1 Yr	3 Yr	5 Yr	10 Yr
Traditional Growth Portfolio	15.6	5.5	10.1	9.5
<i>MSCI ACWI IMI/Blend</i>	<i>16.4</i>	<i>4.9</i>	<i>9.7</i>	<i>9.1</i>
Total US Equity	23.6	8.4	13.8	12.3
<i>Dow Jones U.S. Total Stock</i>	<i>23.8</i>	<i>8.1</i>	<i>14.1</i>	<i>12.7</i>
Global Equity	14.2	5.3	10.8	10.7
<i>MSCI ACWI IMI/Blend</i>	<i>16.4</i>	<i>4.9</i>	<i>9.7</i>	<i>9.0</i>
Non-US Equity	7.4	1.5	4.4	5.1
<i>MSCI ACWI ex U.S. IMI/Blend</i>	<i>5.2</i>	<i>0.5</i>	<i>4.1</i>	<i>4.8</i>

Performance Attribution

- **U.S. Equity sub-category (31.0% of Traditional Growth):**
 - The U.S. equity portfolio is managed by one passive manager and returned 23.6% in 2024.
 - SURS is currently on-boarding one 130/30 active manager in this space.

Net Returns as of December 31, 2024	1 Yr	3 Yr	5 Yr	10 Yr
Rhumblin Passive US Manager	23.6	8.6	14.1	12.7
<i>Dow Jones U.S. Total Stock</i>	23.8	8.1	14.1	12.7

Performance Attribution

- **Global Equity sub-category (51.8% of Traditional Growth):**
 - The Global portfolio returned 14.2% in 2024.
 - 4 of 8 managers outperformed with value and core managers with a value tilt underperforming.

Net Returns as of December 31, 2024	% of Global	1 Yr	3 Yr	5 Yr	10 Yr
Global Equity		14.2	5.3	10.8	10.7
<i>MS AC Wid Index IMI Nt</i>		16.4	4.9	9.7	9.0
<u>Core</u>					
Blackrock Global Alpha Passive Tilts	37%	17.2	6.0	--	--
Wellington Global	15%	17.7	5.2	10.5	10.0
Xponance	8%	12.0	2.7	--	--
Earnest Global	7%	3.5	1.2	--	--
Strategic Global Advisors	5%	23.1	8.5	--	--
<u>Growth</u>					
T. Rowe Focused Growth	11%	17.5	2.5	12.6	13.6
<u>Value</u>					
Mondrian Global	10%	7.2	7.2	8.3	8.5
Ariel Global	6%	7.3	5.0	--	--

Performance Attribution

- **Non-U.S. Equity sub-category (17.2% of Traditional Growth):**
 - The Non-U.S. portion of the portfolio outperformed returning 7.4% vs 5.2% in 2024.
 - 4 of 6 managers outperformed the benchmark led by GlobeFlex and by Nipun in the emerging markets space.
 - SURS is on-boarding one 130/30 active manager in this space

Net Returns as of December 31, 2024	% of Non-US	1 Yr	3 Yr	5 Yr	10 Yr
Non-US Equity		7.4	1.5	4.4	5.1
<i>MSCI ACWI ex U.S. IMI/Blend</i>		5.2	0.5	4.1	4.8
<u>ACWI ex US</u>					
GlobeFlex	29%	11.0	3.8	6.6	6.2
Ativo Capital	22%	2.8	-1.1	2.2	3.8
<u>EAFE</u>					
Strategic Global Advisors	28%	7.4	3.1	5.0	5.2
Solstein Capital	7%	3.4	-1.1	4.9	--
<u>Emerging Markets</u>					
Nipun Capital	7%	12.2	--	--	--
William Blair	7%	10.8	--	--	--

Past Year Environment Review/Outlook

- The global equity benchmark returned 16.4% for the MSCI ACWI IMI that SURS utilizes.

Market Performance Total Returns - Equities	Total Return (%) for 1 Yr Ending 12/31/2024
MSCI ACWI IMI	16.4%
S&P 500	23.3%
Russell 1000 Growth	33.4%
Russell 1000 Value	14.4%
S&P Mid Cap 400	13.9%
Russell 2000	11.5%
MSCI EAFE	3.8%
MSCI Emerging Markets	7.5%

- In a repeat of 2023, U.S. equities outperformed the rest of the world led by large growth technology firms boosted by the AI narrative and continued earnings growth.
- Emerging markets outperformed International developed markets in 2024.
- Near-term risk comes from a combination of U.S. policy uncertainty and market concentration.

Past Year Environment Review/Outlook

- Abnormally high uncertainty in forecasts among the Fed's officials resulting in low confidence.
- Economists anticipate a 35% chance of recession in next twelve months (last outlook was only 15%).
- Goldman Sachs economists expect inflation to hit 3.5% while the Fed goal is 2%.
- Expected weak growth of a 1% year over year growth rate combined with tariffs expected to raise inflation and unemployment.
- Fed is prioritizing fighting inflation over supporting economic growth resulting in stagflation risks.
- Wide sweeping tariffs introduced on 4-2-25, greatly exceeded expectations resulting in forecasts increasing the chances for a recession and a spike of inflation.

Sector Exposure

Sector as of 12-31-24	Traditional Growth	MSCI ACWI IMI
Communication Services	7.22%	7.24%
Consumer Discretionary	11.00%	10.93%
Consumer Staples	6.48%	6.17%
Energy	4.04%	4.30%
Financials	15.39%	15.98%
Health Care	12.62%	10.81%
Industrials	11.03%	11.54%
Information Technology	23.27%	23.19%
Materials	3.44%	4.49%
Real Estate	2.36%	2.76%
Utilities	2.17%	2.57%

Geographic Breakdown

Country Allocation as of 12-31-24	% of Traditional Growth	% of MSCI ACWI
United States	60.71%	61.07%
Japan	6.12%	5.75%
United Kingdom	4.58%	3.76%
France	2.79%	2.28%
China	2.54%	2.19%
Switzerland	2.42%	2.42%
Germany	2.36%	1.88%
Netherlands	1.95%	1.34%
Taiwan (Republic of China)	1.94%	1.97%
Canada	1.40%	2.86%
Korea (South), Republic of	1.25%	1.23%
Ireland	1.20%	1.29%
India	1.18%	2.13%
Australia	1.15%	1.81%
Italy	1.14%	0.60%
Denmark	0.99%	0.80%
Spain	0.76%	0.58%
Brazil	0.59%	0.50%
Hong Kong	0.55%	0.57%
Israel	0.54%	0.25%
Sweden	0.51%	0.83%
Singapore	0.36%	0.42%
Belgium	0.23%	0.21%
Indonesia	0.23%	0.18%
Saudi Arabia	0.23%	0.43%
Bermuda	0.22%	0.15%
Luxembourg	0.22%	0.08%
Mexico	0.21%	0.23%
South Africa	0.19%	0.30%
Norway	0.18%	0.17%

Public Equity Top Holdings

Top Holdings as of 12-31-24	% of Traditional Growth	% of MSCI ACWI
APPLE INC	3.69%	4.39%
MICROSOFT CORP	3.45%	3.43%
NVIDIA CORP	3.33%	3.80%
AMAZON COM INC	2.37%	2.39%
ALPHABET INC CLASS A	1.52%	1.28%
META PLATFORMS INC CLASS A	1.47%	1.47%
BROADCOM INC	1.08%	1.19%
TESLA INC	1.05%	1.34%
TAIWAN SEMICONDUCTOR MANUFACTURING	0.98%	0.93%
ALPHABET INC CLASS C	0.91%	1.10%
ELI LILLY	0.84%	0.72%
JPMORGAN CHASE & CO	0.60%	0.79%
EXXON MOBIL CORP	0.60%	0.55%
UNITEDHEALTH GROUP INC	0.60%	0.54%
TENCENT HOLDINGS LTD	0.56%	0.40%
VISA INC CLASS A	0.55%	0.61%
BANK OF AMERICA CORP	0.53%	0.35%
MASTERCARD INC CLASS A	0.51%	0.50%
BERKSHIRE HATHAWAY INC CLASS B	0.48%	0.69%
WELLS FARGO	0.48%	0.28%
NETFLIX INC	0.46%	0.44%
PROCTER & GAMBLE	0.43%	0.45%
NOVARTIS AG	0.42%	0.22%
COSTCO WHOLESALE CORP	0.40%	0.47%
SAP	0.39%	0.29%
ASML HOLDING NV	0.38%	0.32%
KENVUE INC	0.37%	0.05%
MERCK & CO INC	0.37%	0.29%
CHECK POINT SOFTWARE TECHNOLOGIES	0.35%	0.02%
CHARLES SCHWAB CORP	0.35%	0.14%
NOVO NORDISK CLASS B	0.35%	0.32%