

City of Memphis Retirement System OPEB Report

Analysis of Investment Performance

Quarter Ending December 31, 2025

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Financial Market Conditions

Quarter In Review: Global Equity Overview

Equity Indices	QTD	1-Year	3-Year	5-Year	10-Year
S&P 500	2.66	17.88	23.01	14.42	14.82
MSCI Europe, Australasia and Far East (EAFE)*	4.86	31.22	17.22	8.92	8.18
MSCI Emerging Markets (EM)*	4.73	33.57	16.40	4.20	8.42

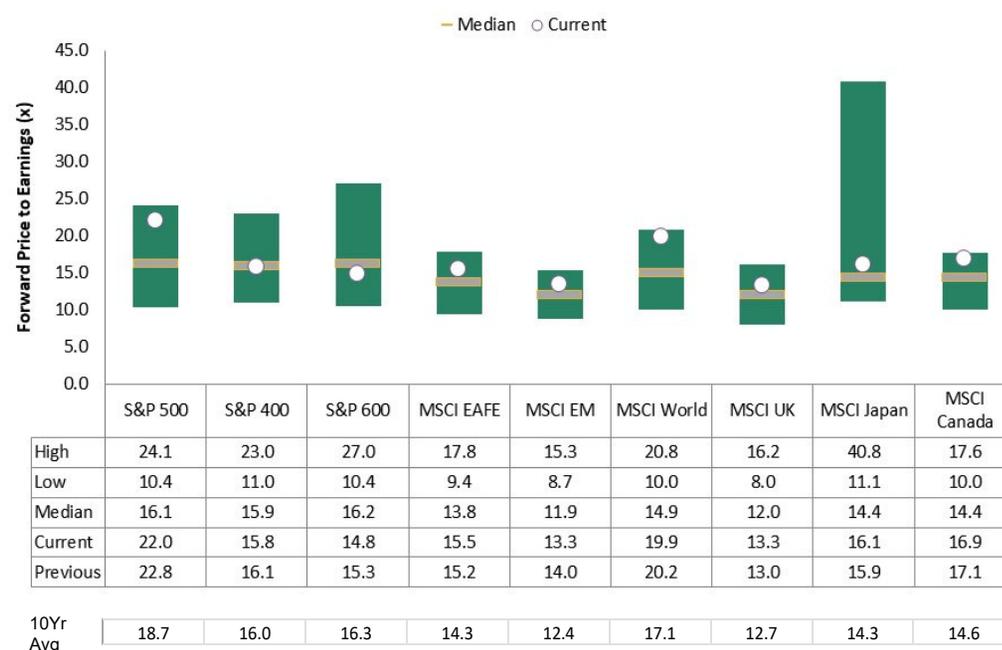
All data in the table are percentages.

* Net dividends reinvested

Performance and Valuations

- International Developed Markets (+4.9%) led global equity performance in the fourth quarter of 2025, followed by Emerging Markets (4.7%) and the U.S. (+2.7%). The U.S. significantly trailed international equity markets over 1-year as the weaker US Dollar Index (-9.4%) was a tailwind to international asset returns.
- International developed large cap equity, per the MSCI EAFE Index, valuations traded at a [12 month] forward P/E ratio of 15.5 in the fourth quarter. Valuations rose from the prior quarter at 15.2 and are higher than the 10-year average of 14.3.
- Emerging market equity, per the MSCI EM Index, valuations traded at a [12 month] forward P/E ratio of 13.3 in the fourth quarter. Valuations declined from the prior quarter at 14.0 and are higher than the 10-year average of 12.4.
- U.S. large cap equity, per the S&P 500 Index, valuations continue to trade at historically elevated [12 month] forward P/E ratio of 22.0 in the fourth quarter. Valuations declines from the prior quarter at 22.8 and are higher than the 10-year average of 18.7. US equity markets continue to trade at higher valuations compared to international developed and emerging markets.

Price to Earnings



Data range is from 3/31/00 – 12/31/25. P/E ratios are forward 12 months.

Quarter In Review: U.S. Equity

U.S. Equity Indices	QTD	1-Year	3-Year	5-Year	10-Year
S&P 500	2.66	17.88	23.01	14.42	14.82
Russell 1000	2.41	17.37	22.74	13.59	14.59
Russell 1000 Growth	1.12	18.56	31.15	15.32	18.13
Russell 1000 Value	3.81	15.91	13.90	11.33	10.53
Russell 2000	2.19	12.81	13.73	6.09	9.62
Russell 2000 Growth	1.22	13.01	15.59	3.18	9.57
Russell 2000 Value	3.26	12.59	11.73	8.88	9.27
Russell Midcap	0.16	10.60	14.36	8.67	11.01
Russell 3000	2.40	17.15	22.25	13.15	14.29

All data in the tables are percentages.

Performance

- Large-cap stocks (+2.4%) led the U.S. market due to resilient earnings, selective growth, and AI exposure. Small-cap stocks (+2.2%) and mid-cap stocks (+0.2%) lagged as normalized risk appetite and seasonal margin pressure increased earnings risk. Gains were muted compared to the prior quarter as AI leadership moderated, market breadth improved with better participation from value and non-mega-cap stocks. Investors shifted from rate-cut anticipation to digestion amid stable macro conditions.
- Healthcare (11.7%) posted the highest U.S. sector return as markets rotated toward defensive earnings visibility, while Information Technology (1.4%) lost momentum relative to earlier quarters. In contrast, Real Estate (-2.9%) and Utilities (-1.4%) sectors posted negative performance as rate-cut expectations were priced in with resurfaced concerns about balance-sheet health, valuation, and capex spending trend.
- Value led growth across the size spectrum this quarter. For the calendar year, growth marginally led value across the size spectrum.

S&P 500 Sector Returns	QTD	1-Year
Communication Services	7.26	33.55
Consumer Discretionary	0.71	6.04
Consumer Staples	0.01	3.90
Energy	1.53	8.68
Financials	2.02	15.02
Healthcare	11.68	14.60
Industrials	0.88	19.42
Information Technology	1.42	24.04
Materials	1.12	10.54
Real Estate	-2.86	3.15
Utilities	-1.42	10.01

Quarter In Review: International Equity

MSCI International Equity Indices	QTD	1-Year	3-Year	5-Year	10-Year
World ex. U.S.	5.20	31.85	17.64	9.46	8.55
EAFE	4.86	31.22	17.22	8.92	8.18
EAFE Local Currency	6.13	20.60	15.95	11.47	8.60
Europe	6.20	35.41	18.22	10.30	8.52
Europe ex U.K.	5.98	35.52	18.20	9.40	8.79
U.K.	6.99	35.11	18.35	13.33	7.83
Japan	3.23	24.60	17.54	6.60	7.62
Pacific ex Japan	-0.05	20.62	10.32	5.74	7.34

All data in the tables are percentages and net dividends reinvested.

Performance

- International developed markets (+4.9%) posted positive returns in consecutive quarters for all of 2025 and barely trailed EM for the 1-year top spot in returns. The weaker US Dollar Index (-9.4%) was a tailwind to international asset returns for the 1-year period.
- The U.K. (+7.0%) led Q4 contribution as investors favored value, income, and earnings durability over multiples expansion; lower gilt yields and a clearer BoE policy path widened the equity risk premium and supported rate-sensitive, dividend-rich companies.
- Europe ex U.K. (+6.0%) was also a top contributor, supported by inflation stabilizing near target and steadier ECB policy backdrop. Performance was led by defensive sector leadership over cyclical.
- Pacific ex Japan (-0.1%) posted the weakest returns as Australia's outsized index weight and concentration toward Financials and Real Estate left returns sensitive to rates - particularly late in the quarter when a hawkish RBA hold (cash rate unchanged at 3.6%) lifted yields and pressured rate-sensitive exposures.
- MSCI EAFE Index sectors were mostly positive this quarter, led by Utilities (+10.1%). Communication Services (-7.3%) was the only sector to post negative returns.

MSCI EAFE Sector Returns	QTD	1-Year
Communication Services	-7.32	26.34
Consumer Discretionary	1.30	13.05
Consumer Staples	3.68	19.79
Energy	5.64	26.69
Financials	7.56	52.78
Healthcare	9.71	16.85
Industrials	3.09	37.25
Information Technology	4.13	24.02
Materials	7.23	25.22
Real Estate	1.04	24.23
Utilities	10.13	46.47

Quarter In Review: Emerging Market Equity

MSCI EM Equity Indices	QTD	1-Year	3-Year	5-Year	10-Year
Emerging Markets	4.73	33.57	16.40	4.20	8.42
EM Local Currency	5.62	31.28	17.72	6.58	9.55
Asia	4.54	32.11	16.81	3.60	8.88
EMEA	3.96	31.82	14.61	4.96	5.56
Latin America	8.20	54.81	14.79	8.65	8.79

All data in the tables are percentages and net dividends reinvested.

Performance

- The MSCI EM index is dominated by just four countries (76.6%) according to market-cap weighting ranked as follows: 1) China (27.6%), 2) Taiwan (20.6%), 3) India (15.3%) and 4) Korea (13.3%).
- Emerging markets (+4.7%) barely trailed international developed markets in the fourth quarter. EM (+33.6%) led all global equities for 1-year period. The weaker US Dollar Index (-9.4%) was a tailwind to international asset returns for the 1-year period.
- South Korea (+27.4%) was the top performing country for the quarter, led by demand for AI-linked hardware across the semiconductor supply chain, as well as a new trade agreement with the US for tariff reductions and a major direct investment.
- MSCI EM sector performance was mixed with wide dispersion in the fourth quarter. Leading sectors were Information Technology (+16.4%) and Materials (+11.6%), while the weakest sectors were Consumer Discretionary (-9.1%), Healthcare (-6.7%) and Communication Services (-6.6%).

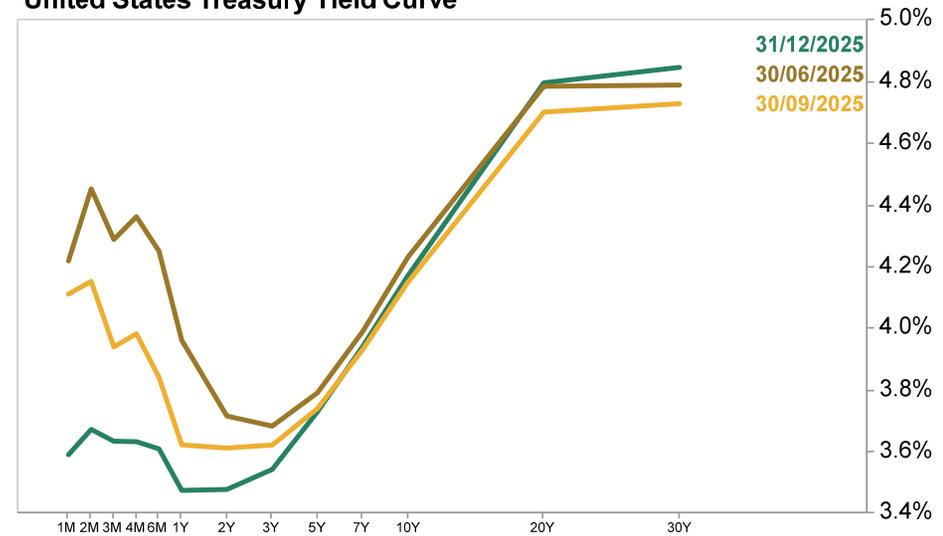
MSCI EM Sector Returns	QTD	1-Year
Communication Services	-6.62	37.29
Consumer Discretionary	-9.13	18.75
Consumer Staples	-2.07	6.55
Energy	6.82	16.68
Financials	6.14	27.69
Healthcare	-6.72	12.22
Industrials	6.31	35.68
Information Technology	16.39	54.26
Materials	11.62	62.49
Real Estate	-3.64	5.25
Utilities	1.96	12.84

Quarter In Review: Fixed Income Overview

Yield Curve

- The U.S. Treasury yield curve further steepened in the fourth quarter of 2025, following the third consecutive 25 bps rate cut by the Federal Reserve.
- The Fed cut interest rates by 25 basis points both in October and December of 2025. The *dot plot* suggested only one cut in 2026 as inflation remains slightly elevated.
- 3- and 6-month Treasury yields decreased the most by 31 bps and 23 bps respectively, ending the quarter at 3.63% and 3.61%. The 30-year yield increased by 11 bps to 4.84%.

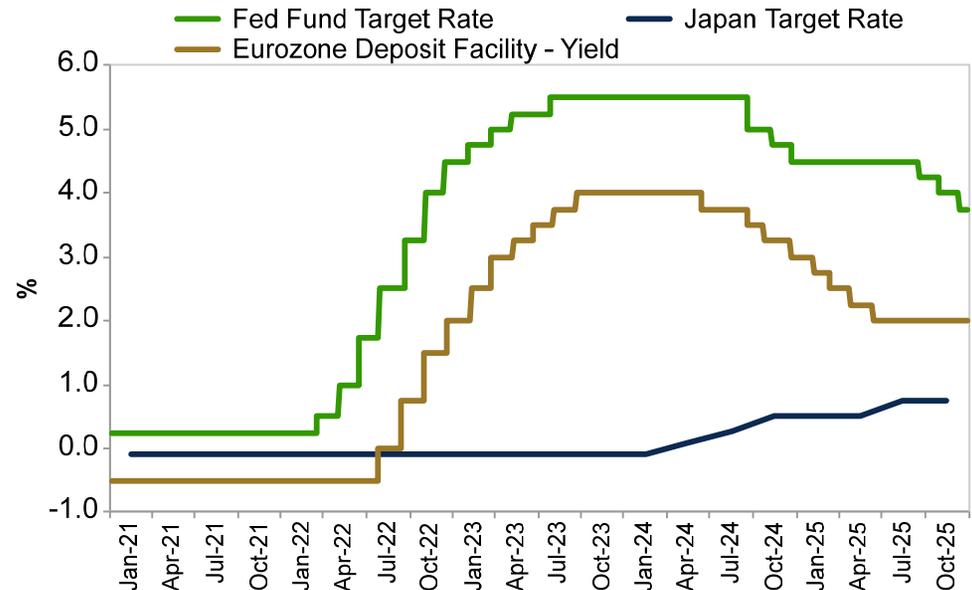
United States Treasury Yield Curve



Monetary Policies / Global Interest Rates

- The Bank of Japan increased its interest rate by 25 bps to 0.75%, its highest level in 30 years. The European Central Bank (ECB) kept its rate unchanged at 2.15%, committed to ensure that inflation remains at or near 2% target. The Bank of England (BOE) decreased its policy rate by 25 bps in December of 2025 to 3.75%. The future extent of monetary easing will depend on the inflation outlook.
- The U.S. policy rate is above those of the Eurozone and Japan and is equal to the policy rate in the United Kingdom.

Central Bank Target Rates



Interest Rates	Fed Funds Rate	EZ Deposit Facility Rate
Average	4.94	1.07
Max	20.00	4.00
Min	0.25	-0.50

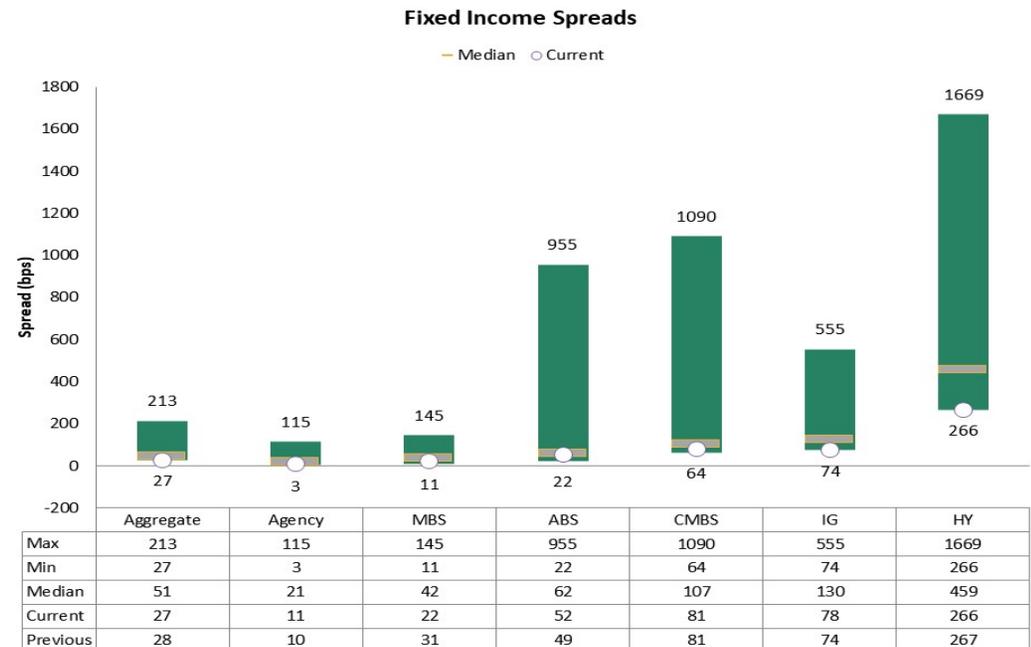
Quarter In Review: U.S. Fixed Income

U.S. Fixed Income Indices*	QTD	1-Year	3-Year	5-Year	10-Year
U.S. Aggregate	1.10	7.30	4.66	-0.36	2.01
Government/Credit	0.90	6.88	4.56	-0.59	2.16
Government	0.91	6.31	3.65	-0.94	1.38
Investment Grade Credit	0.84	7.77	6.10	-0.09	3.27
Investment Grade CMBS	1.36	7.76	5.99	1.00	2.86
U.S. Corporate High Yield	1.31	8.62	10.06	4.51	6.53
FTSE 3-Month T-Bill	1.02	4.40	5.03	3.31	2.23

* Bloomberg Indices, except for FTSE 3-month T-Bill
All data in the table are percentages.

Performance and Spreads

- The U.S. Aggregate Index was positive during the fourth quarter. All Bloomberg US Indices, represented in the table above, generated positive returns for the fourth quarter of 2025.
- On a sector basis for the fourth quarter, Investment Grade (IG) commercial mortgage backed-securities (CMBS) (+1.36%) had the strongest performance while IG Credit (+0.84%) lagged.
- Spreads for the fourth quarter were mixed. The US Aggregate Index, mortgage-backed securities (MBS), and high yield (HY) spreads narrowed. Agency, asset backed-securities (ABS) and IG credit spreads slightly widened, while CMBS spreads remained unchanged. The largest change was in the MBS sector with spreads narrowing by 9 basis points.



Data range is from 9/30/00-12/31/25

Quarter In Review: International Fixed Income

Global Fixed Income Indices	QTD	1-Year	3-Year	5-Year	10-Year
Bloomberg Global Aggregate	0.24	8.17	3.98	-2.15	1.26
Bloomberg Global Aggregate (Hedged)	0.78	4.86	5.12	0.34	2.39
FTSE Non-U.S. WGBI*	-0.48	8.47	2.82	-5.21	-0.16
FTSE Non-U.S. WGBI (Hedged)	0.50	1.98	4.51	-0.64	1.97
JPM EMBI Global Diversified**	3.29	14.30	10.60	1.78	4.40
JPM GBI-EM Global Diversified***	3.34	19.26	9.48	1.12	3.88

All data in the table are percentages.

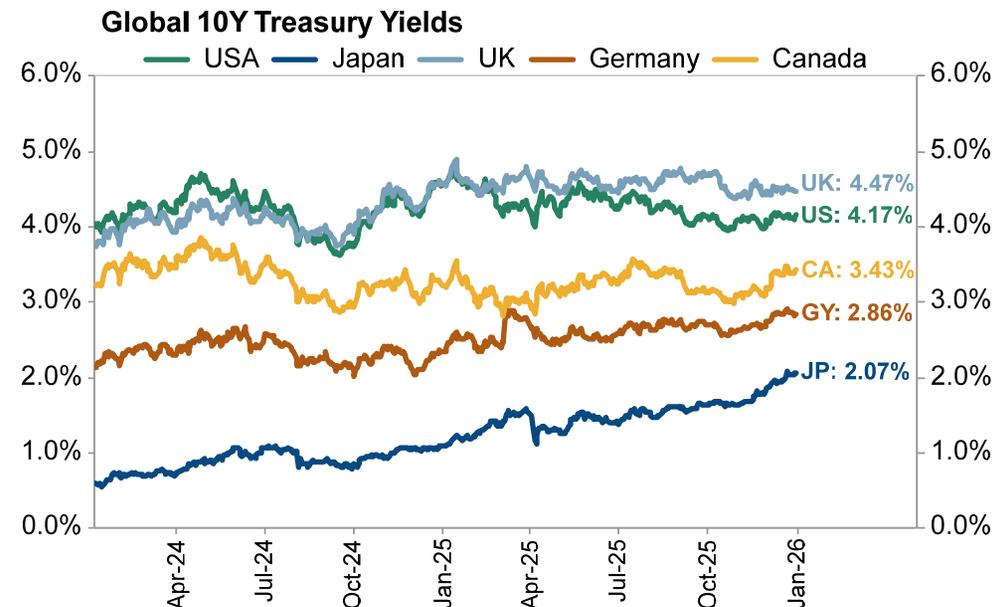
* FTSE Non-U.S. World Government Bond Index (WGBI) measures the performance of fixed-rate, local currency, investment grade sovereign bonds excluding the U.S.

** The JP Morgan Emerging Market Bond Index (EMBI) Global Diversified index measures government bonds in hard currencies.

*** The JP Morgan Government Bond Index – Emerging Markets (GBI-EM) Global Diversified index measures government bonds in local currencies.

Global Performance and Yields

- Yields increased in the U.S., Canada, Germany, and Japan and decreased in the UK during the fourth quarter.
- The U.S. dollar appreciated relative to the yen and narrowly depreciated relative to the euro and British pound. The weaker US Dollar Index (-9.4%) was a tailwind to international asset returns for the 1-year period.
- Global government bond returns were mostly positive in the fourth quarter, except for the FTSE Non-U.S. WGB Index (-0.48%). The JP Morgan GBI-EM Global Diversified Index that measures performance of government bonds in local currencies had the strongest return at +3.34%.



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Total Fund Composite

City of Memphis OPEB Trust

Asset Allocation Comparison

Portfolio Value 12/31/25

\$5,736,498

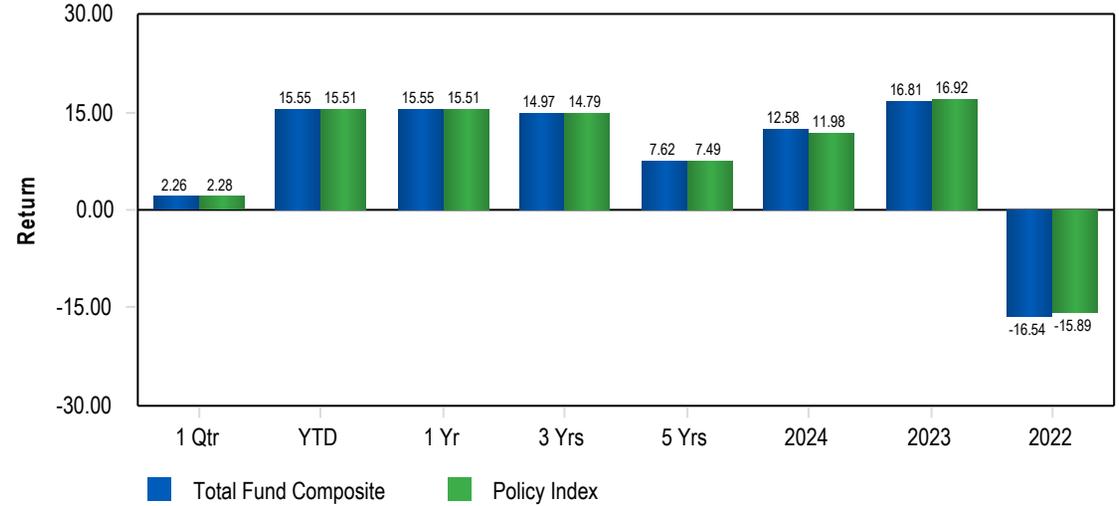
<u>Target Allocations</u>			<u>Current Managers & Allocations</u>			<u>Difference</u>	<u>Range</u>
Equity		(000)			(000)		
Domestic Equity	47.50%	\$2,725	Vanguard Total Stock Market Index	51.01%	\$2,926		40.0%-55.0%
International Equity	15.00%	\$860	Vanguard Developed Market Index	14.31%	\$821		10.0%-20.0%
Equity Total	62.50%	\$3,585	Equity Total	65.33%	\$3,748	2.83%	50.0%-65.0%¹
Fixed Income							
Fixed Income	37.50%	\$2,151	Vanguard Total Bond Market Index	34.67%	\$1,989		
Fixed Income Total	37.50%	\$2,151	Fixed Income Total	34.67%	\$1,989	-2.83%	30.0%-45.0%
Internal Account	0.00%	\$0	Fidelity Money Market Fund	0.00%	\$0		
Cash	0.00%	\$0	Cash	0.00%	\$0		0%-2%
Total	100%	\$5,736	Total	100%	\$5,736		

¹ Total Equity may not exceed 65%.

Asset Allocation by Segment

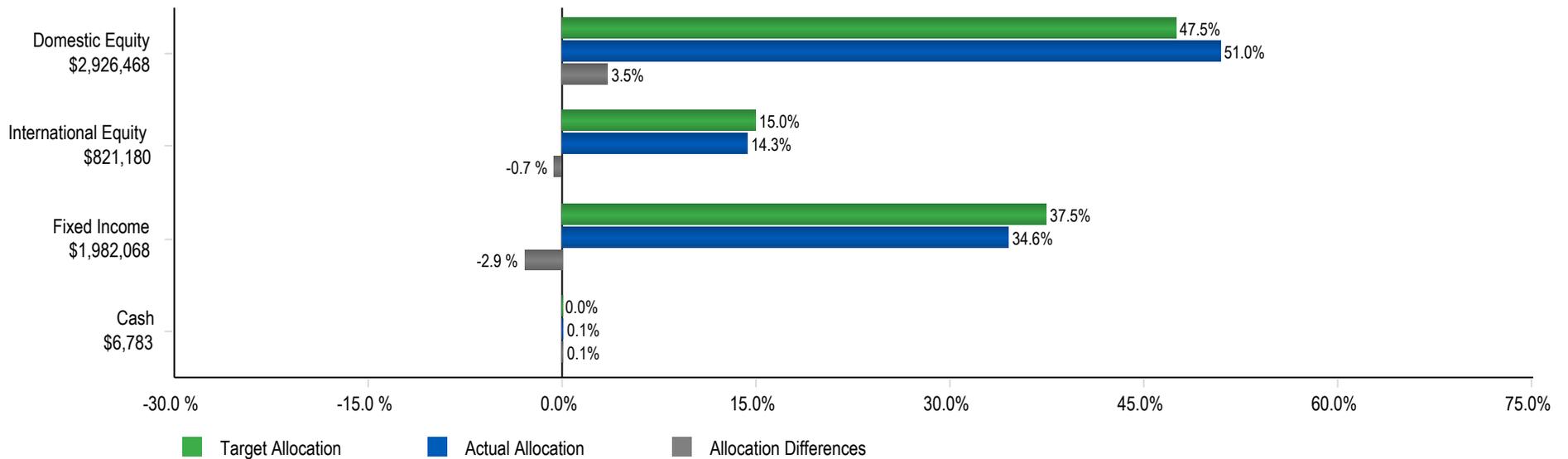
Segments	Market Value (\$)	Allocation (%)
Domestic Equity	2,926,468	51.0
Domestic Fixed Income	1,982,068	34.6
International Equity	821,180	14.3
Cash	6,783	0.1

Performance Bar Chart



Gain / Loss

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs
Total Fund Composite					
Beginning Market Value	5,603,347	4,959,052	4,959,052	3,774,005	3,969,622
Net Cash Flows	6,342	6,342	6,342	6,342	6,342
Income	12,954	68,978	68,978	189,354	330,105
Gain/Loss	113,856	702,127	702,127	1,766,797	1,430,429
Ending Market Value	5,736,498	5,736,498	5,736,498	5,736,498	5,736,498



	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)
Domestic Equity	2,926,468	51.0	47.5	3.5	40.0	55.0
International Equity	821,180	14.3	15.0	-0.7	10.0	20.0
Fixed Income	1,982,068	34.6	37.5	-2.9	30.0	45.0
Cash	6,783	0.1	0.0	0.1	0.0	2.0
Total Fund	5,736,498	100.0	100.0	0.0		

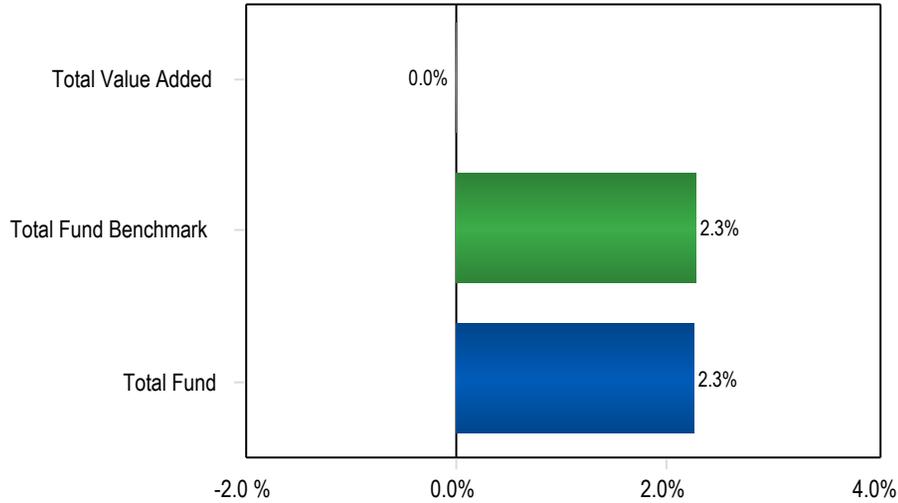
	(\$)	Total Fund	%
Total Fund Composite	5,736,498		100.0
Vanguard Total Stock Market	2,926,468		51.0
Vanguard Developed Markets Index	821,180		14.3
Vanguard Total Bond Market	1,988,679		34.7
Fidelity Money Market Fund	172		0.0

	Performance (%)								Inception Date
	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	
Total Fund Composite	2.3	15.5	15.5	15.0	7.6	10.5	9.0	8.3	07/01/2008
<i>Policy Index</i>	2.3	15.5	15.5	14.8	7.5	10.4	8.9	8.1	
All Public Plans-Total Fund Median	2.1	13.7	13.7	12.3	7.1	9.6	8.5	7.3	
Total Fund Composite Rank	31	16	16	4	35	17	26	5	
Vanguard Total Stock Market	2.4	17.1	17.1	22.2	13.0	16.5	14.2	11.9	07/01/2008
<i>Russell 3000 Index</i>	2.4	17.1	17.1	22.2	13.1	16.6	14.3	11.9	
U.S. Multi-Cap Equity (MF) Median	2.3	15.8	15.8	20.5	12.2	15.4	13.2	11.0	
Vanguard Total Stock Market Rank	46	36	36	41	36	37	35	31	
Vanguard Developed Markets Index	5.7	35.2	35.2	17.9	9.1	11.0	8.7	8.5	01/01/2012
<i>Developed Market Policy Index</i>	6.1	35.3	35.3	18.4	9.5	11.4	9.0	8.8	
International Equity (MF) Median	4.1	30.7	30.7	16.2	6.4	9.7	8.0	7.6	
Vanguard Developed Markets Index Rank	22	27	27	30	24	26	32	26	
Vanguard Total Bond Market	0.7	6.8	6.8	4.6	-0.5	1.9	2.0	3.0	07/01/2008
<i>Blmbg. U.S. Aggregate</i>	1.1	7.3	7.3	4.7	-0.4	2.0	2.0	3.0	
Intermediate Core Bond Median	1.0	7.1	7.1	4.7	-0.4	2.0	2.0	3.1	
Vanguard Total Bond Market Rank	98	74	74	67	61	60	58	61	
Fidelity Money Market Fund	0.9	4.0	4.0	4.6	3.0	2.5	2.0	1.7	10/01/2014
<i>90 Day U.S. Treasury Bill</i>	1.0	4.2	4.2	4.8	3.2	2.7	2.2	1.9	
Money Market-Taxable Median	0.9	4.0	4.0	4.6	3.0	2.5	1.9	1.7	
Fidelity Money Market Fund Rank	51	50	50	47	46	45	39	39	

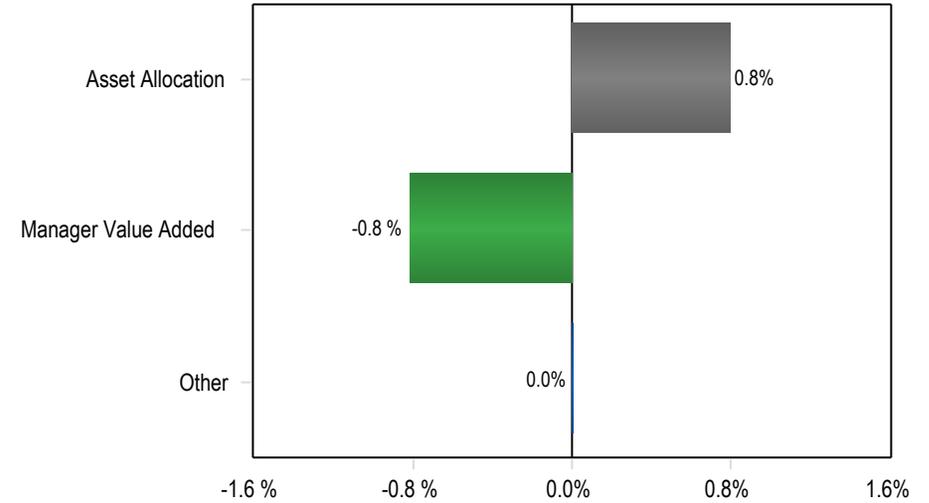
	Performance (%)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Fund Composite	12.6	16.8	-16.5	13.8	14.9	21.0	-4.7	15.0	7.4	0.3
<i>Policy Index</i>	12.0	16.9	-15.9	12.8	14.6	21.2	-4.4	14.8	7.3	0.6
Vanguard Total Stock Market	23.7	26.0	-19.5	25.7	21.0	30.8	-5.2	21.2	12.7	0.4
<i>Russell 3000 Index</i>	23.8	26.0	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5
Vanguard Developed Markets Index	3.0	17.7	-15.3	11.4	10.3	21.9	-14.6	26.3	2.4	-0.3
<i>Developed Market Policy Index</i>	3.7	18.3	-15.3	11.9	10.3	22.7	-14.5	26.7	2.7	0.0
Vanguard Total Bond Market	1.2	5.7	-13.2	-1.7	7.7	8.7	0.0	3.6	2.6	0.4
<i>Blmbg. U.S. Aggregate</i>	1.3	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	0.5
Fidelity Money Market Fund	5.0	4.9	1.4	0.0	0.3	1.9	1.6	0.6	0.1	0.0
<i>90 Day U.S. Treasury Bill</i>	5.3	5.0	1.5	0.0	0.7	2.3	1.9	0.9	0.3	0.0

	Performance (%)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Vanguard Total Stock Market	23.7	26.0	-19.5	25.7	21.0	30.8	-5.2	21.2	12.7	0.4
<i>Russell 3000 Index</i>	23.8	26.0	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5
U.S. Multi-Cap Equity (MF) Median	21.2	23.7	-18.1	25.5	16.9	29.3	-5.5	21.1	10.0	-0.1
Vanguard Total Stock Market Rank	41	41	60	48	37	38	46	49	31	46
Vanguard Developed Markets Index	3.0	17.7	-15.3	11.4	10.3	21.9	-14.6	26.3	2.4	-0.3
<i>Developed Market Policy Index</i>	3.7	18.3	-15.3	11.9	10.3	22.7	-14.5	26.7	2.7	0.0
International Equity (MF) Median	5.0	15.3	-19.1	8.5	13.9	22.1	-15.9	28.8	1.8	-2.2
Vanguard Developed Markets Index Rank	69	30	31	32	61	52	37	65	47	36
Vanguard Total Bond Market	1.2	5.7	-13.2	-1.7	7.7	8.7	0.0	3.6	2.6	0.4
<i>Blmbg. U.S. Aggregate</i>	1.3	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	0.5
Intermediate Core Bond Median	1.5	5.6	-13.4	-1.6	7.9	8.5	-0.4	3.5	2.6	0.2
Vanguard Total Bond Market Rank	70	44	35	55	55	38	28	43	53	36
Fidelity Money Market Fund	5.0	4.9	1.4	0.0	0.3	1.9	1.6	0.6	0.1	0.0
<i>90 Day U.S. Treasury Bill</i>	5.3	5.0	1.5	0.0	0.7	2.3	1.9	0.9	0.3	0.0
Money Market-Taxable Median	5.0	4.8	1.4	0.0	0.3	1.8	1.5	0.5	0.0	0.0
Fidelity Money Market Fund Rank	48	47	49	43	49	40	40	35	35	47

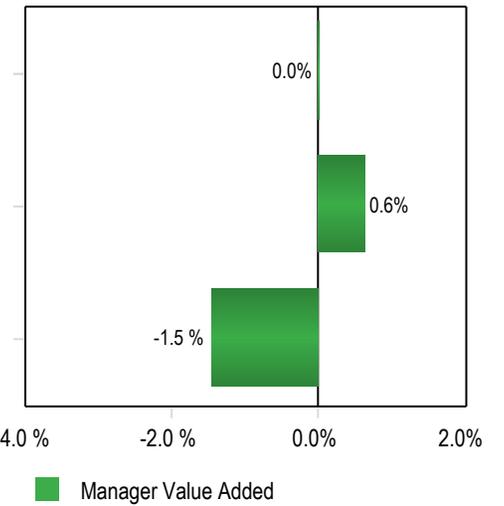
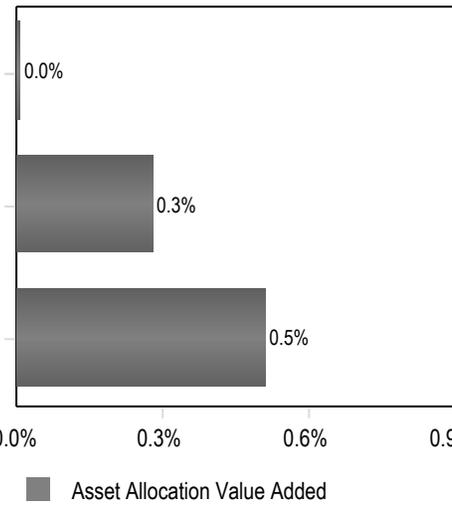
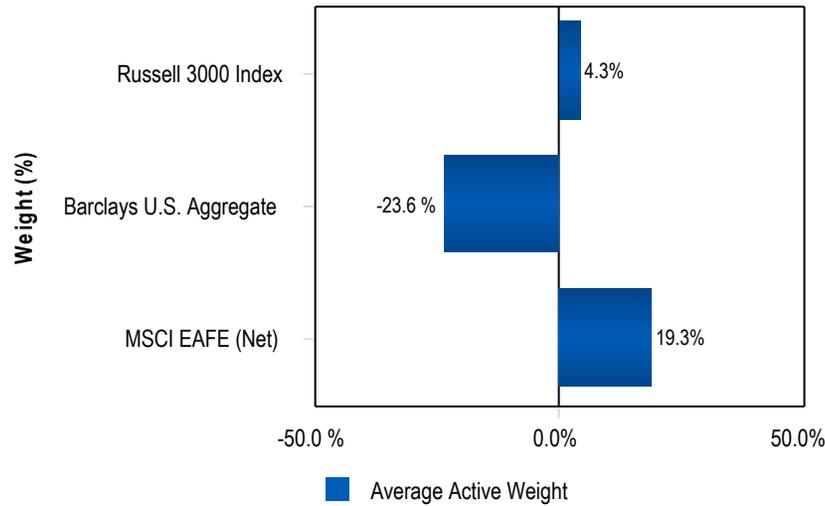
Total Fund Performance

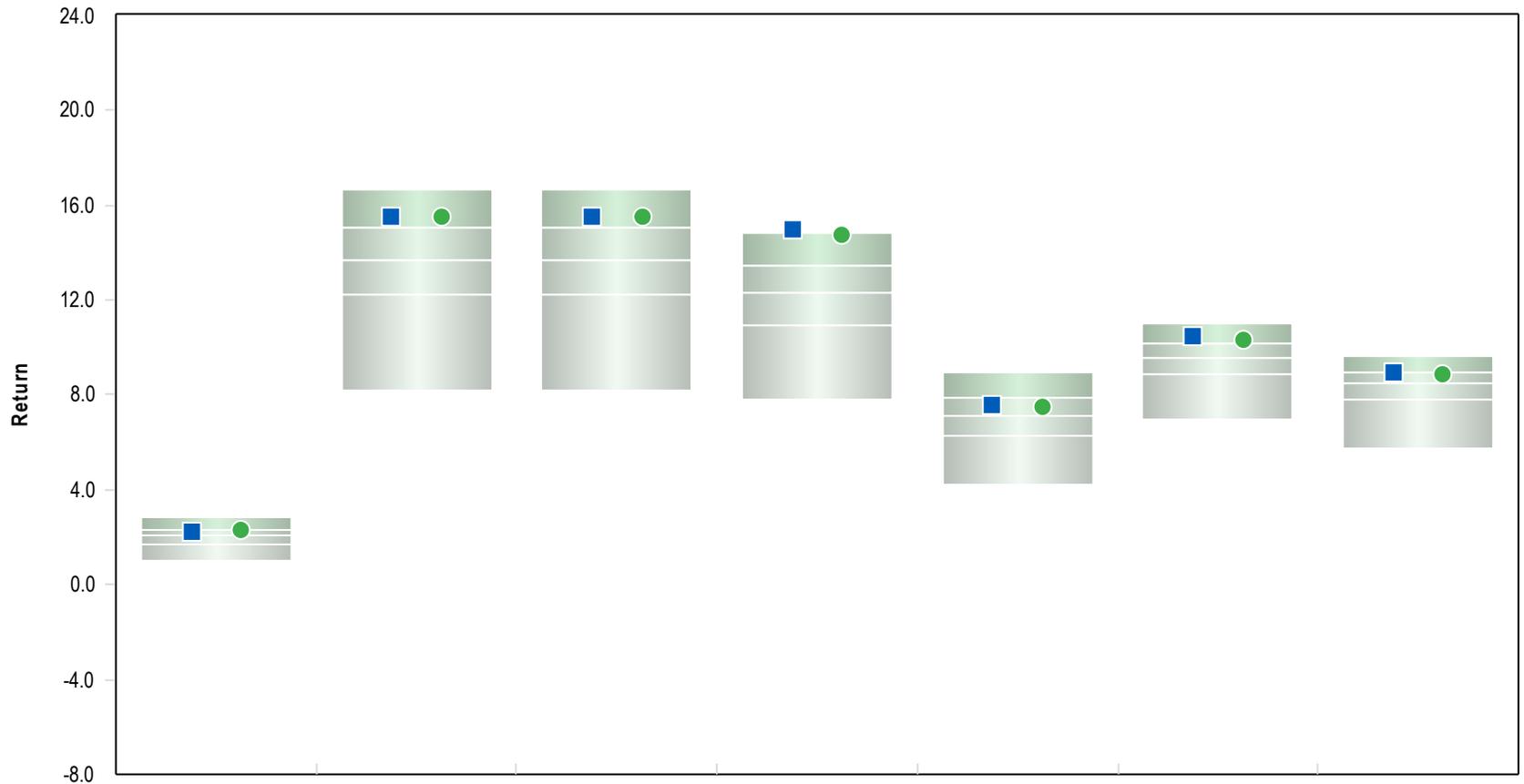


Total Value Added:0.0%



Total Asset Allocation:0.8% **Total Manager Value Added:-0.8%**

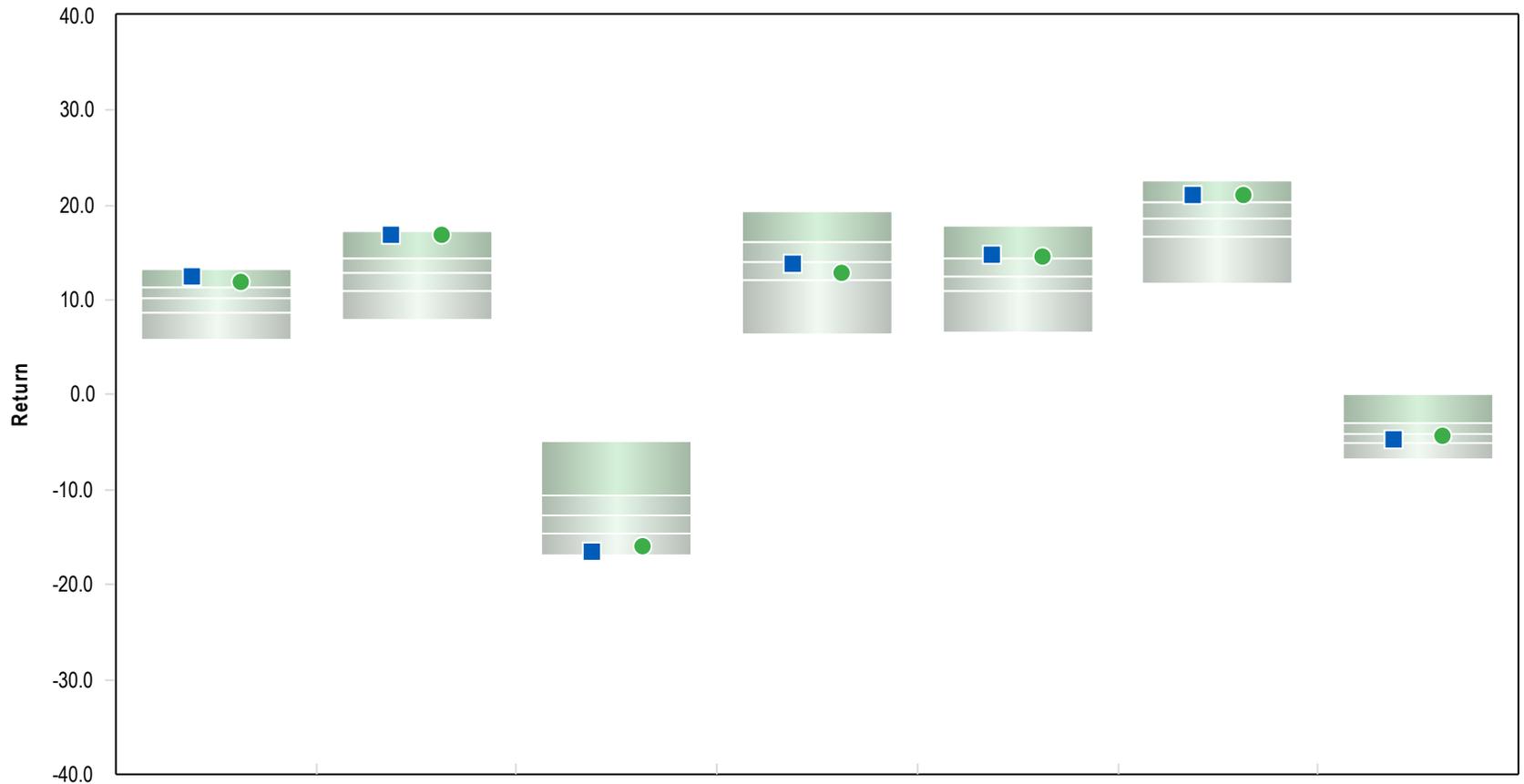




	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
■ Total Fund Composite	2.3 (31)	15.5 (16)	15.5 (16)	15.0 (4)	7.6 (35)	10.5 (17)	9.0 (26)
● Policy Index	2.3 (28)	15.5 (18)	15.5 (18)	14.8 (6)	7.5 (38)	10.4 (20)	8.9 (28)

5th Percentile	2.9	16.6	16.6	14.8	8.9	11.0	9.7
1st Quartile	2.3	15.1	15.1	13.4	7.9	10.2	9.0
Median	2.1	13.7	13.7	12.3	7.1	9.6	8.5
3rd Quartile	1.7	12.3	12.3	10.9	6.3	8.9	7.8
95th Percentile	1.0	8.2	8.2	7.8	4.3	6.9	5.7

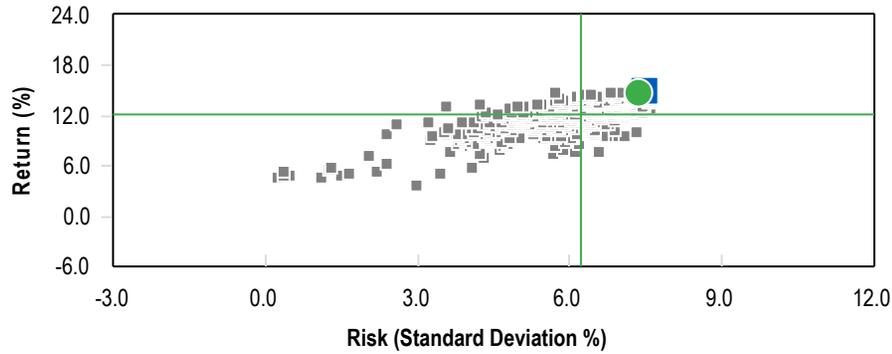
Parentheses contain percentile rankings.
Calculation based on monthly periodicity.



	2024	2023	2022	2021	2020	2019	2018
■ Total Fund Composite	12.6 (11)	16.8 (7)	-16.5 (93)	13.8 (56)	14.9 (21)	21.0 (17)	-4.7 (65)
● Policy Index	12.0 (17)	16.9 (7)	-15.9 (88)	12.8 (69)	14.6 (24)	21.2 (15)	-4.4 (56)
5th Percentile	13.3	17.3	-4.9	19.4	17.9	22.6	0.1
1st Quartile	11.4	14.5	-10.5	16.1	14.5	20.3	-2.9
Median	10.1	12.8	-12.7	14.1	12.5	18.7	-4.1
3rd Quartile	8.7	11.0	-14.7	12.2	10.9	16.8	-5.1
95th Percentile	5.9	7.9	-16.9	6.5	6.7	11.8	-6.8

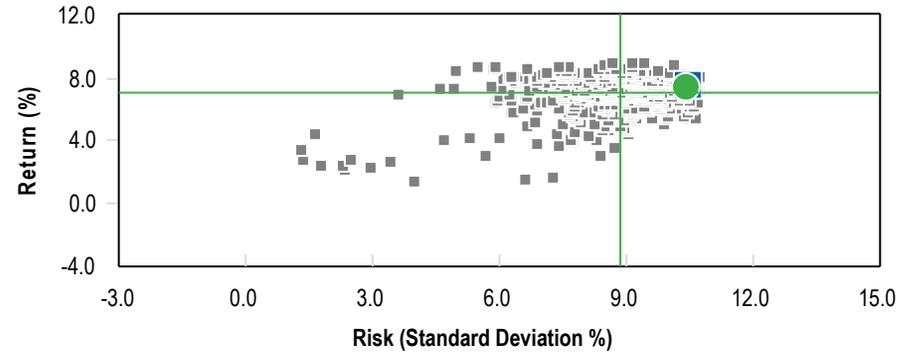
Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Risk & Return Plan Sponsor — 3 Years



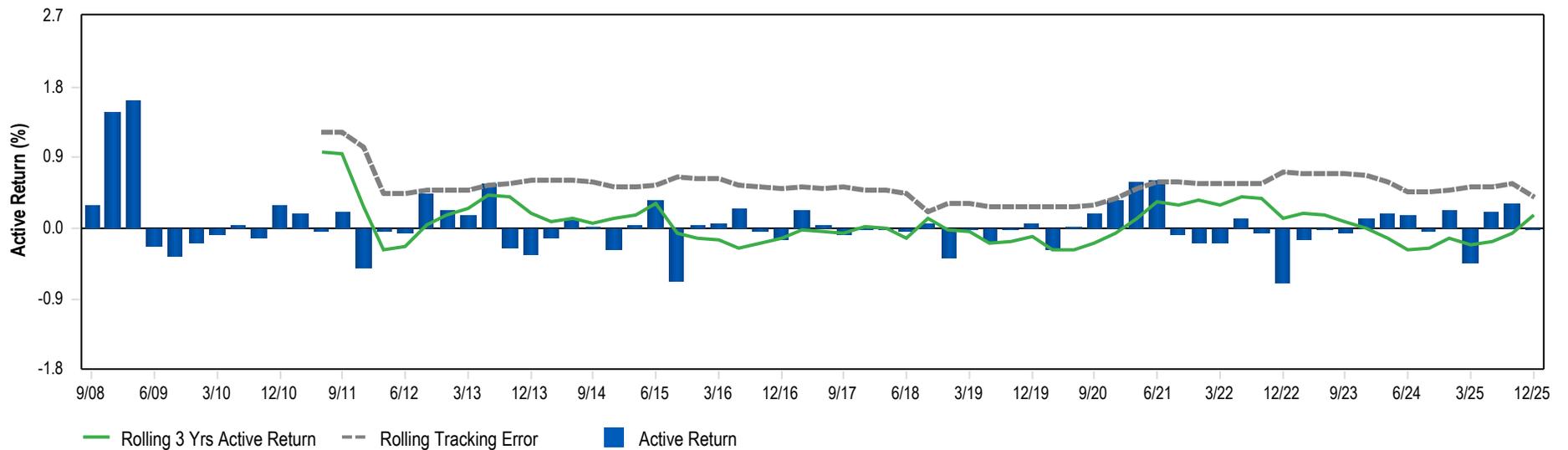
	Return	Standard Deviation
Total Fund Composite	15.0	7.5
Policy Index	14.8	7.3
Median	12.3	6.2

Risk & Return Plan Sponsor — 5 Years



	Return	Standard Deviation
Total Fund Composite	7.6	10.5
Policy Index	7.5	10.4
Median	7.1	8.8

Rolling Return and Tracking Error



Policy Index	Weight (%)
Jun-2003	
Russell 3000 Index	62.5
Blmbg. U.S. Aggregate	37.5
Jan-2012	
Russell 3000 Index	47.5
Blmbg. U.S. Aggregate	37.5
MSCI EAFE (Net)	15.0

Policy Index	Weight (%)
Jan-2012 MSCI EAFE Index	100.0
Jun-2013 FTSE Developed x North America Index	100.0
Jan-2016 FTSE Developed All-Cap ex US Transition Index	100.0
Jun-2016 FTSE Developed All Cap ex-U.S. Index	100.0

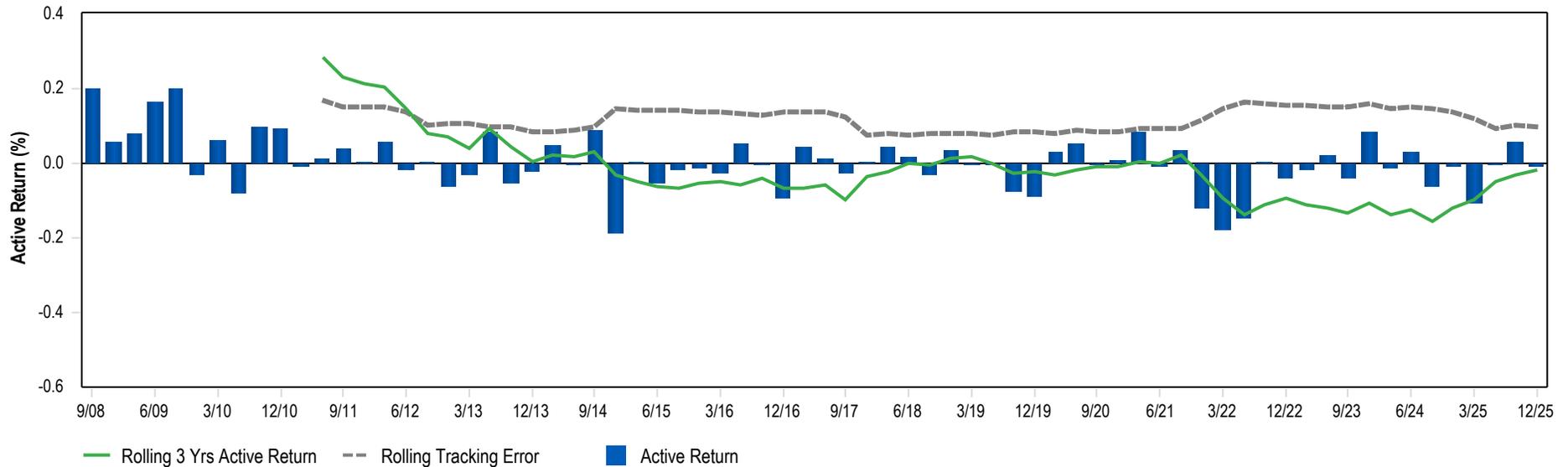
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return
From 06/2008	2,910,974		-474,478	2,436,496	-16.3
2009	2,436,496	6,000,000	1,023,156	9,459,652	21.3
2010	9,459,652	1,000,000	1,445,483	11,905,135	13.6
2011	11,905,135		455,833	12,360,968	3.8
2012	12,360,968	-929,020	2,479,823	13,911,771	12.7
2013	13,911,771	1,188,894	1,634,497	16,735,162	17.8
2014	16,735,162	-9,032,562	1,030,125	8,732,726	7.1
2015	8,732,726	-6,540,086	233,076	2,425,715	0.3
2016	2,425,715		179,552	2,605,267	7.4
2017	2,605,267	1	391,729	2,996,996	15.0
2018	2,996,996		-141,433	2,855,563	-4.7
2019	2,855,563		600,131	3,455,694	21.0
2020	3,455,694		513,928	3,969,622	14.9
2021	3,969,622		552,241	4,521,862	13.8
2022	4,521,862		-747,857	3,774,005	-16.5
2023	3,774,005		634,563	4,408,569	16.8
2024	4,408,569		550,483	4,959,052	12.6
2025	4,959,052	6,342	771,105	5,736,498	15.5

Gain/Loss includes income received and change in accrued income for the period.

Vanguard Total Stock Market Index Fund

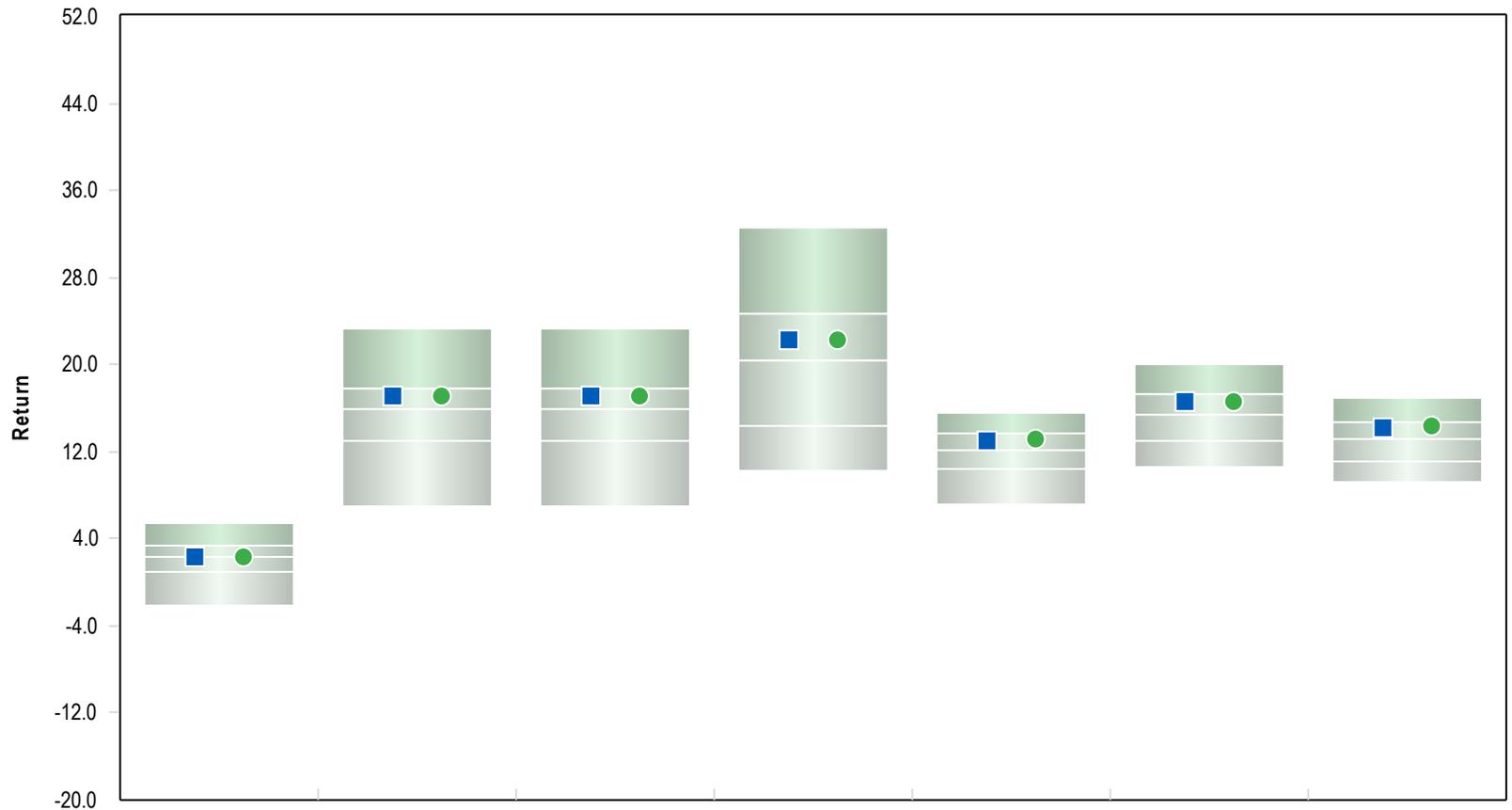
	Gain / Loss				
	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs
Vanguard Total Stock Market					
Beginning Market Value	2,912,721	2,547,646	2,547,646	1,769,976	2,142,628
Net Cash Flows	-56,000	-56,000	-56,000	-256,000	-714,894
Income		7,994	7,994	7,994	57,227
Gain/Loss	69,747	426,827	426,827	1,404,497	1,441,507
Ending Market Value	2,926,468	2,926,468	2,926,468	2,926,468	2,926,468

Rolling Return and Tracking Error



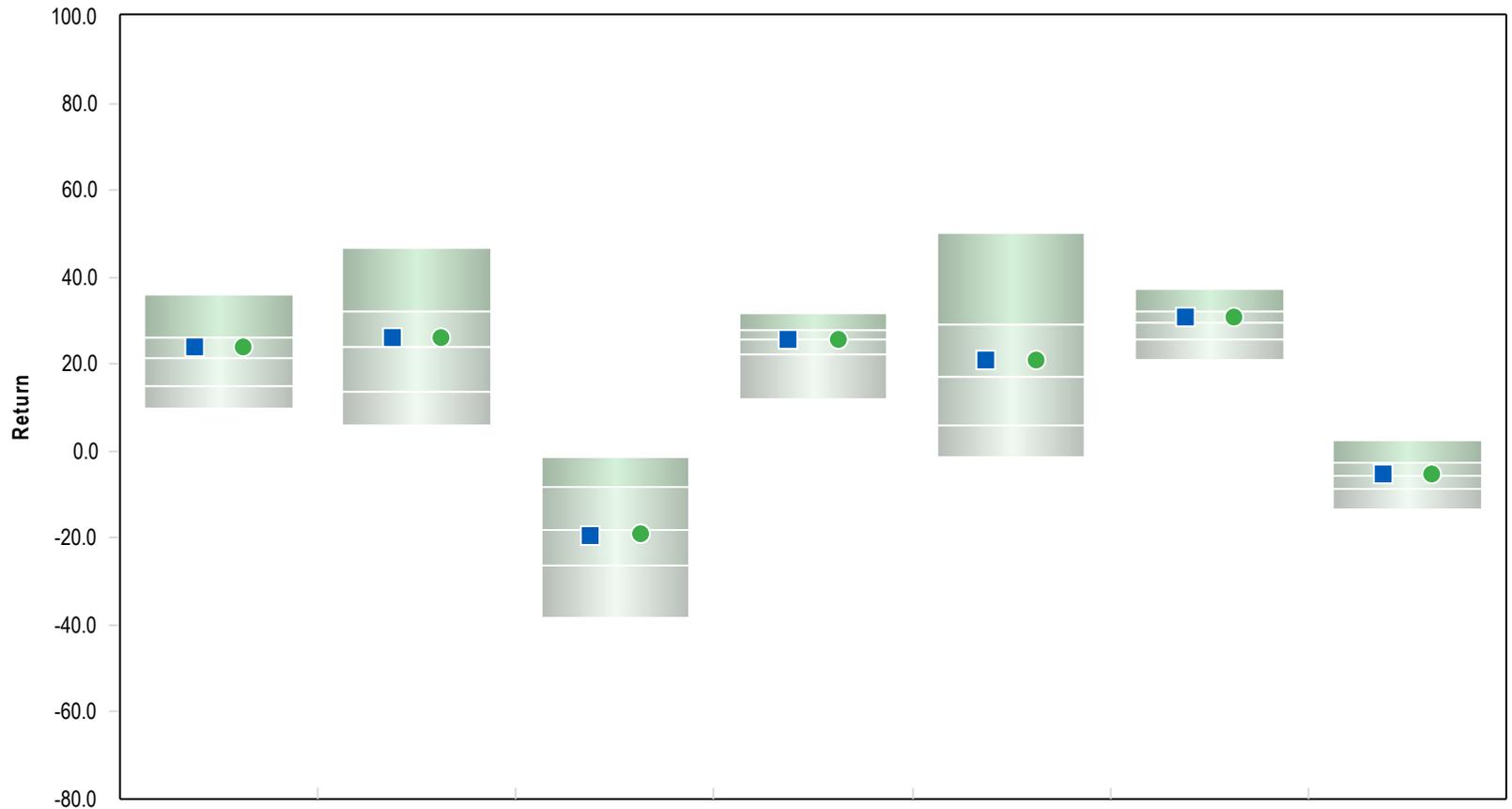
Performance

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Vanguard Total Stock Market	2.4	17.1	17.1	22.2	13.0	16.5	14.2
Russell 3000 Index	2.4	17.1	17.1	22.2	13.1	16.6	14.3
Difference	0.0	-0.1	-0.1	0.0	-0.1	-0.1	-0.1



	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
■ Vanguard Total Stock Market	2.4 (46)	17.1 (36)	17.1 (36)	22.2 (41)	13.0 (36)	16.5 (37)	14.2 (35)
● Russell 3000 Index	2.4 (46)	17.1 (35)	17.1 (35)	22.2 (41)	13.1 (34)	16.6 (35)	14.3 (33)
5th Percentile	5.4	23.3	23.3	32.6	15.5	20.1	16.9
1st Quartile	3.3	17.9	17.9	24.7	13.7	17.2	14.7
Median	2.3	15.8	15.8	20.5	12.2	15.5	13.2
3rd Quartile	0.9	13.0	13.0	14.4	10.5	12.9	11.1
95th Percentile	-2.2	7.0	7.0	10.2	7.1	10.5	9.2

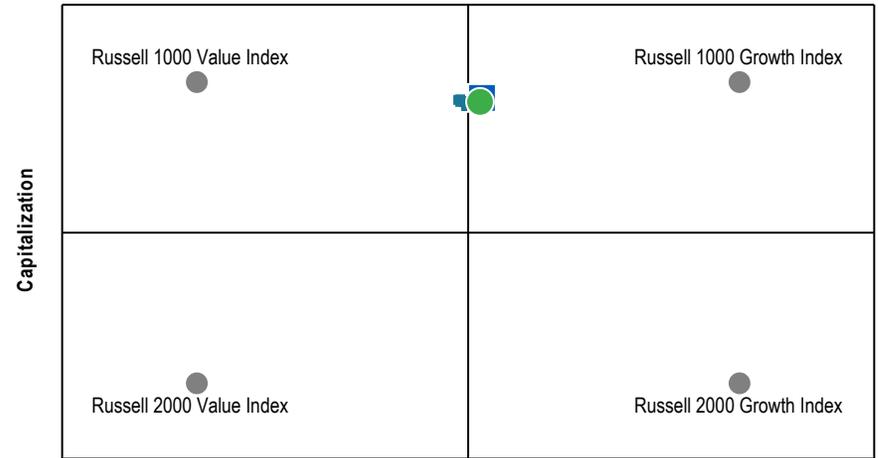
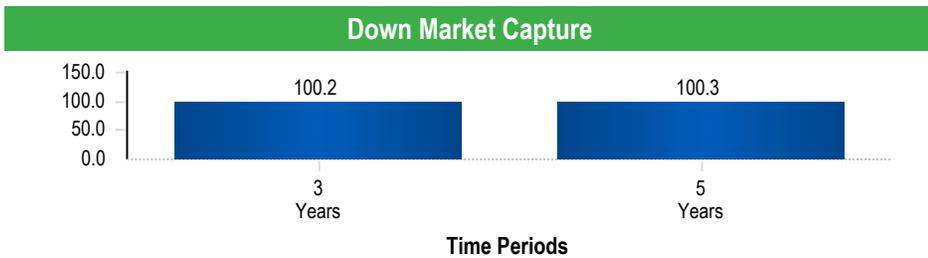
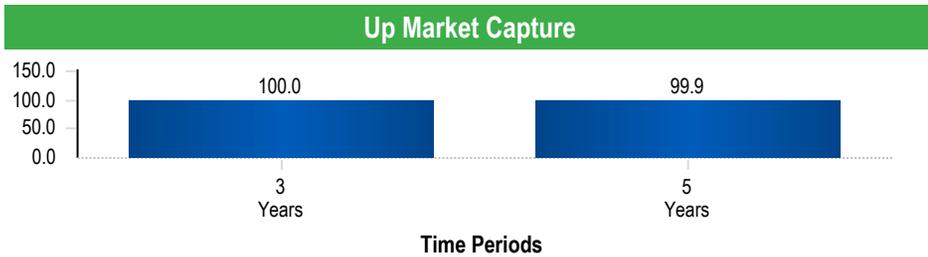
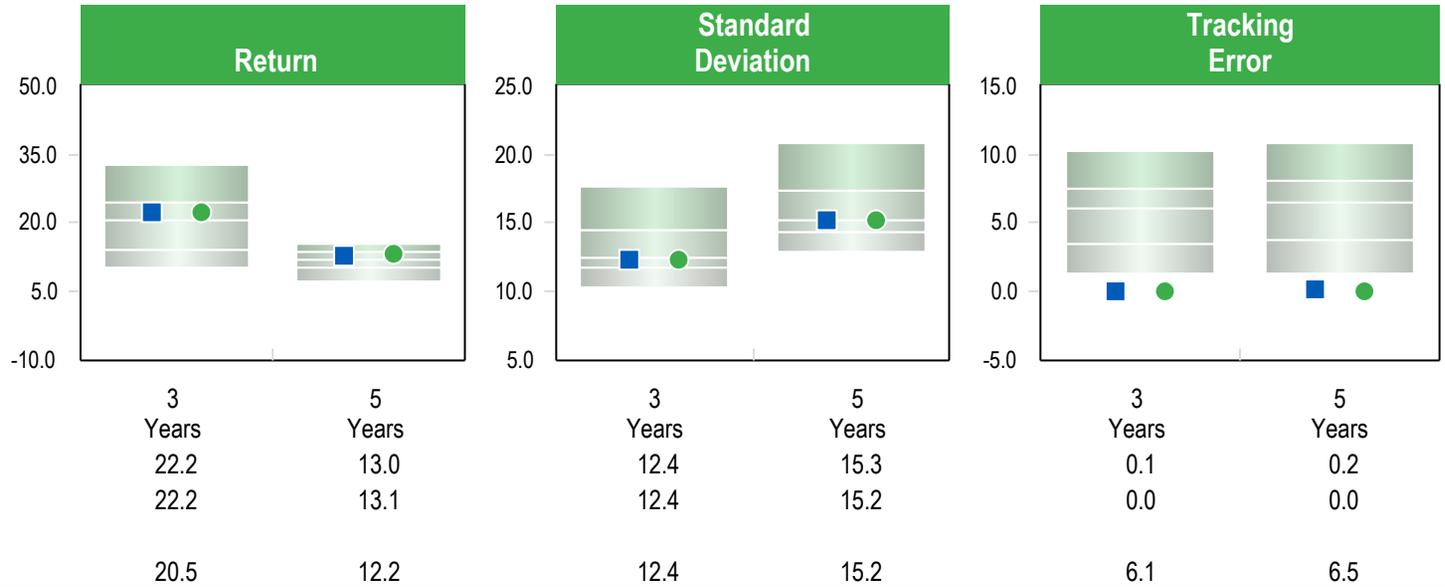
Parentheses contain percentile rankings.
Calculation based on monthly periodicity.



	2024	2023	2022	2021	2020	2019	2018
■ Vanguard Total Stock Market	23.7 (41)	26.0 (41)	-19.5 (60)	25.7 (48)	21.0 (37)	30.8 (38)	-5.2 (46)
● Russell 3000 Index	23.8 (41)	26.0 (41)	-19.2 (58)	25.7 (48)	20.9 (38)	31.0 (36)	-5.2 (47)

5th Percentile	35.8	46.8	-1.6	31.5	50.3	37.1	2.4
1st Quartile	26.3	32.1	-8.2	28.0	29.1	32.1	-2.7
Median	21.3	23.8	-18.1	25.5	16.9	29.3	-5.5
3rd Quartile	14.9	13.7	-26.4	22.2	6.0	25.9	-8.6
95th Percentile	9.8	6.0	-38.5	11.8	-1.4	21.1	-13.4

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.



■ Style History
 ■ Dec-2025
 ● Average Style Exposure

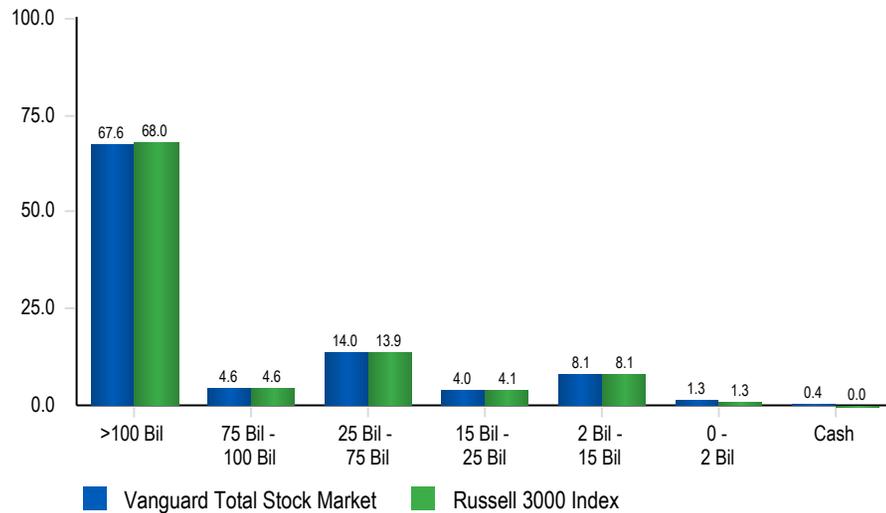
Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
NVIDIA Corporation	6.6	6.7	-0.1	0.0
Apple Inc	6.1	6.0	0.1	6.9
Microsoft Corp	5.5	5.5	0.0	-6.5
Amazon.com Inc	3.4	3.4	0.0	5.1
Google Inc [A]	2.8	2.8	0.0	28.8
Broadcom Inc	2.5	2.4	0.1	5.1
Alphabet Inc	2.2	2.3	-0.1	28.9
Meta Platforms Inc	2.2	2.2	0.0	-10.0
Tesla Inc	1.9	1.9	0.0	1.1
Eli Lilly and Co	1.4	1.3	0.1	41.1
% of Portfolio	34.6	34.5	0.1	

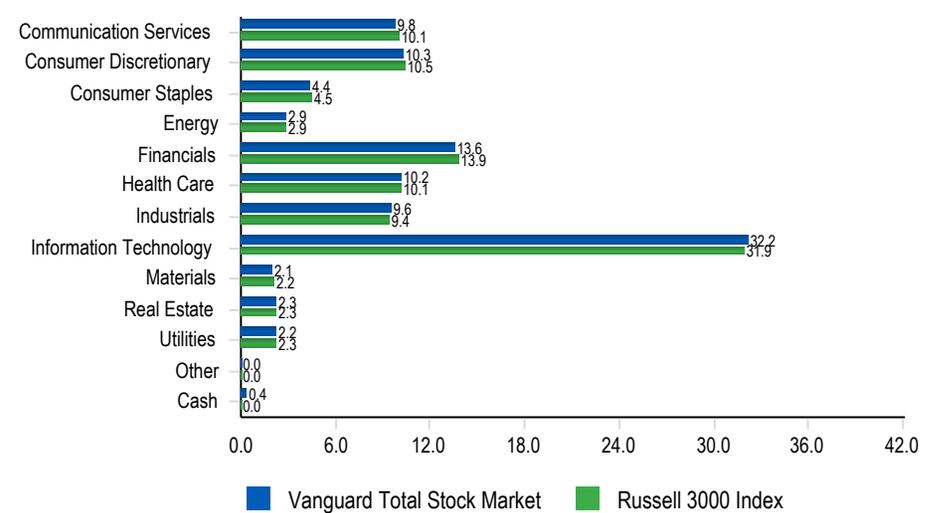
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$)	1,239,423,810,801	1,241,453,699,735
Median Mkt. Cap (\$)	1,468,106,675	2,333,385,570
Price/Earnings ratio	27.5	27.4
Price/Book ratio	4.9	4.8
5 Yr. EPS Growth Rate (%)	25.1	25.2
Current Yield (%)	1.2	1.2
Beta (5 Years, Monthly)	1.0	1.0
Number of Stocks	3,520	2,966

Distribution of Market Capitalization (%)



Sector Weights (%)



Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Praxis Precision Medicines Inc	0.0	0.0	0.0	456.1
Terns Pharmaceuticals Inc	0.0	0.0	0.0	438.0
Velo3D Inc	0.0	0.0	0.0	347.6
Alto Neuroscience Inc	0.0	0.0	0.0	342.8
Omeros Corp	0.0	0.0	0.0	318.9
Capricor Therapeutics Inc	0.0	0.0	0.0	300.3
Hycroft Mining Holding Corp	0.0	0.0	0.0	283.4
Mersana Therapeutics Inc	0.0	0.0	0.0	272.8
AXT Inc	0.0	0.0	0.0	264.1
T1 Energy Inc	0.0	0.0	0.0	206.4
% of Portfolio	0.0	0.0	0.0	

Ten Worst Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Tvardi Therapeutics Inc	0.0	0.0	0.0	-89.0
FAT Brands Inc	0.0	0.0	0.0	-83.9
Applied Therapeutics Inc	0.0	0.0	0.0	-83.5
Korro Bio Inc	0.0	0.0	0.0	-83.3
Vistagen Therapeutics Inc	0.0	0.0	0.0	-81.4
Skye Bioscience Inc	0.0	0.0	0.0	-80.9
AirSculpt Technologies Inc	0.0	0.0	0.0	-75.3
Rezolute Inc	0.0	0.0	0.0	-74.9
Focus Universal Inc	0.0	0.0	0.0	-73.8
Outset Medical Inc	0.0	0.0	0.0	-73.7
% of Portfolio	0.0	0.0	0.0	

Buy and Hold Portfolio	2.4
Portfolio Trading	0.0
Actual Return	2.4
Benchmark Return	2.4
Actual Active Return	0.0
Stock Selection	0.0
Sector Selection	0.0
Interaction	0.0
Total Selection	0.0
Portfolio Trading	0.0
Benchmark Trading	0.0
Active Trading Impact	0.0
Buy and Hold Active Return	0.0

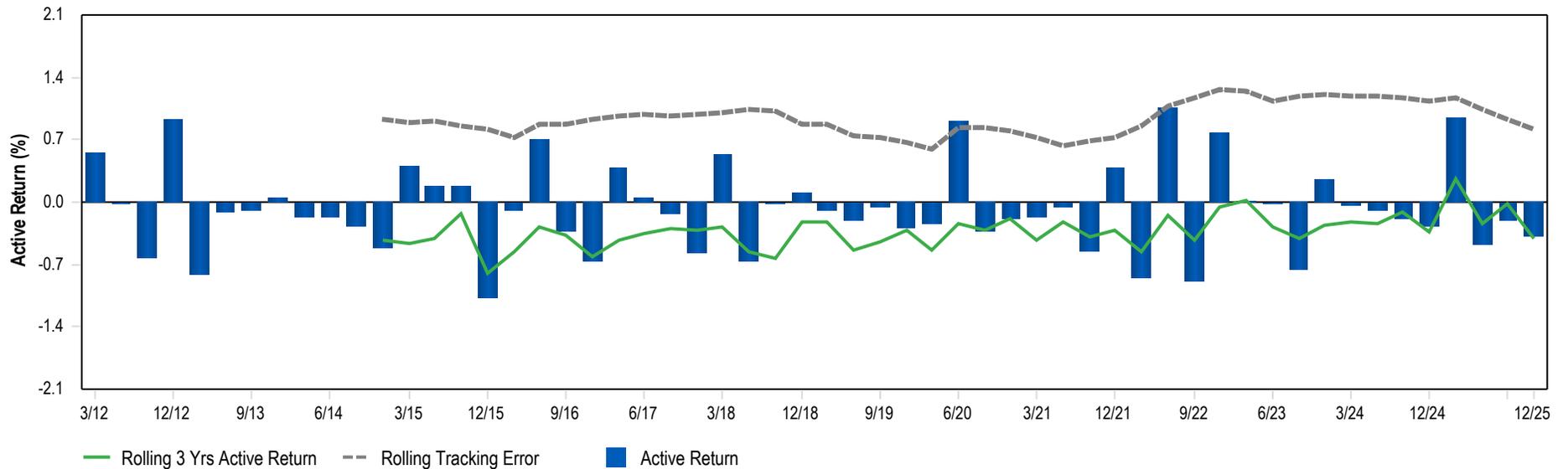
	Allocation-10/01/2025		Performance-1 Quarter Ending December 31, 2025		Stock	Attribution		Total
	Portfolio	Benchmark	Portfolio	Benchmark		Sector	Interaction	
Communication Services	9.5	9.7	6.3	6.0	0.0	0.0	0.0	0.0
Consumer Discretionary	10.5	10.7	0.3	0.3	0.0	0.0	0.0	0.0
Consumer Staples	4.7	4.7	-0.6	-0.5	0.0	0.0	0.0	0.0
Energy	3.0	3.0	1.0	1.1	0.0	0.0	0.0	0.0
Financials	13.7	14.0	2.0	2.1	0.0	0.0	0.0	0.0
Health Care	9.2	9.3	12.0	11.7	0.0	0.0	0.0	0.0
Industrials	9.3	9.5	0.6	1.0	0.0	0.0	0.0	0.0
Information Technology	32.6	32.2	1.1	1.1	0.0	0.0	0.0	0.0
Materials	2.1	2.2	1.9	2.6	0.0	0.0	0.0	0.0
Real Estate	2.4	2.4	-2.4	-2.3	0.0	0.0	0.0	0.0
Utilities	2.4	2.3	-1.6	-1.5	0.0	0.0	0.0	0.0
Other	0.0	0.0	-7.7	0.0	0.0	0.0	0.0	0.0
Cash	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Allocation-10/01/2025		Performance-1 Quarter Ending December 31, 2025		Stock	Attribution		Total
	Portfolio	Benchmark	Portfolio	Benchmark		Sector	Interaction	
Total	100.0	100.0	2.4	2.4	0.0	0.0	0.0	0.0

Vanguard Total Developed Markets Index Fund

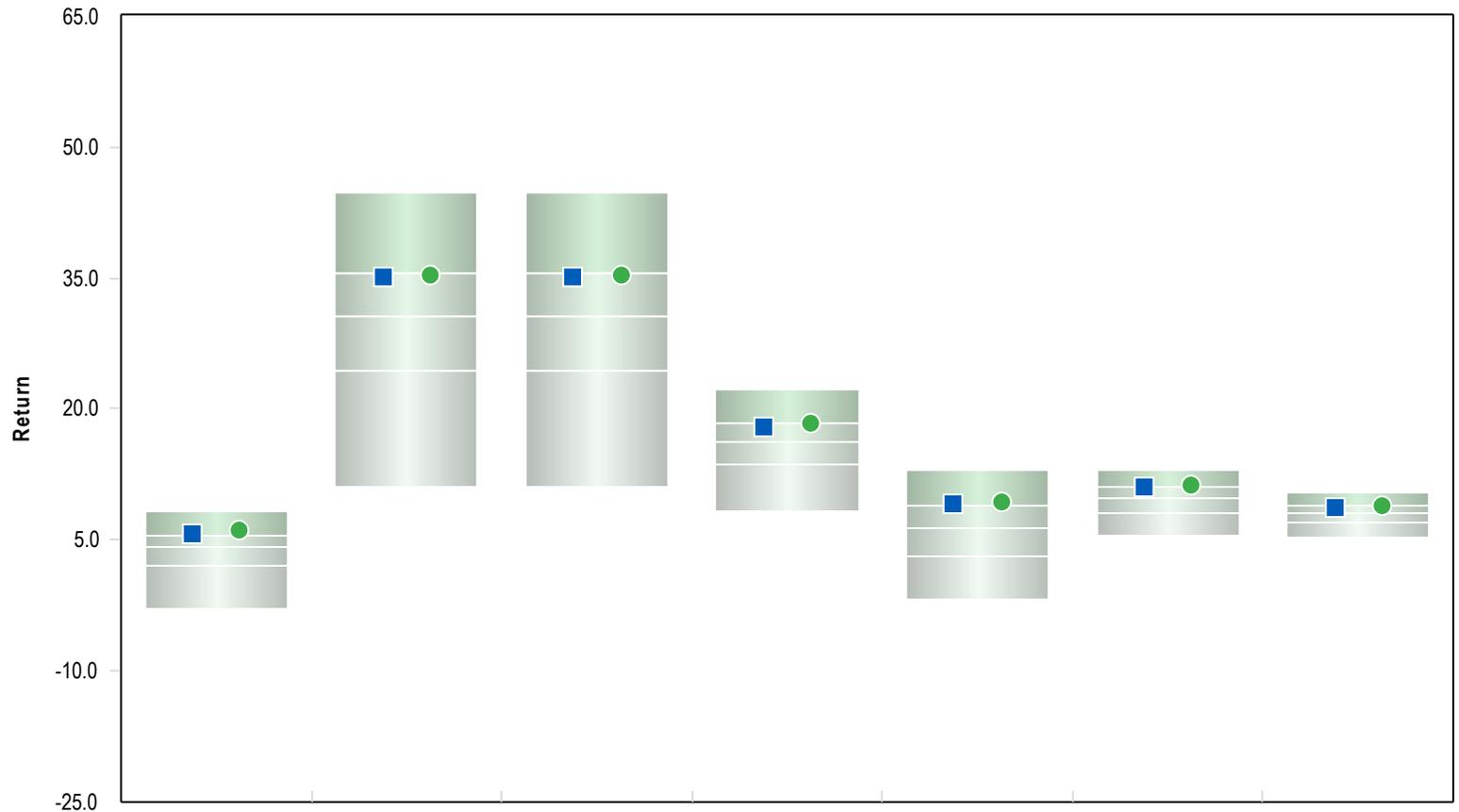
	Gain / Loss				
	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs
Vanguard Developed Markets Index					
Beginning Market Value	776,628	607,498	607,498	501,004	530,964
Net Cash Flows					
Income				12,542	39,128
Gain/Loss	44,552	213,681	213,681	307,634	251,088
Ending Market Value	821,180	821,180	821,180	821,180	821,180

Rolling Return and Tracking Error



Performance

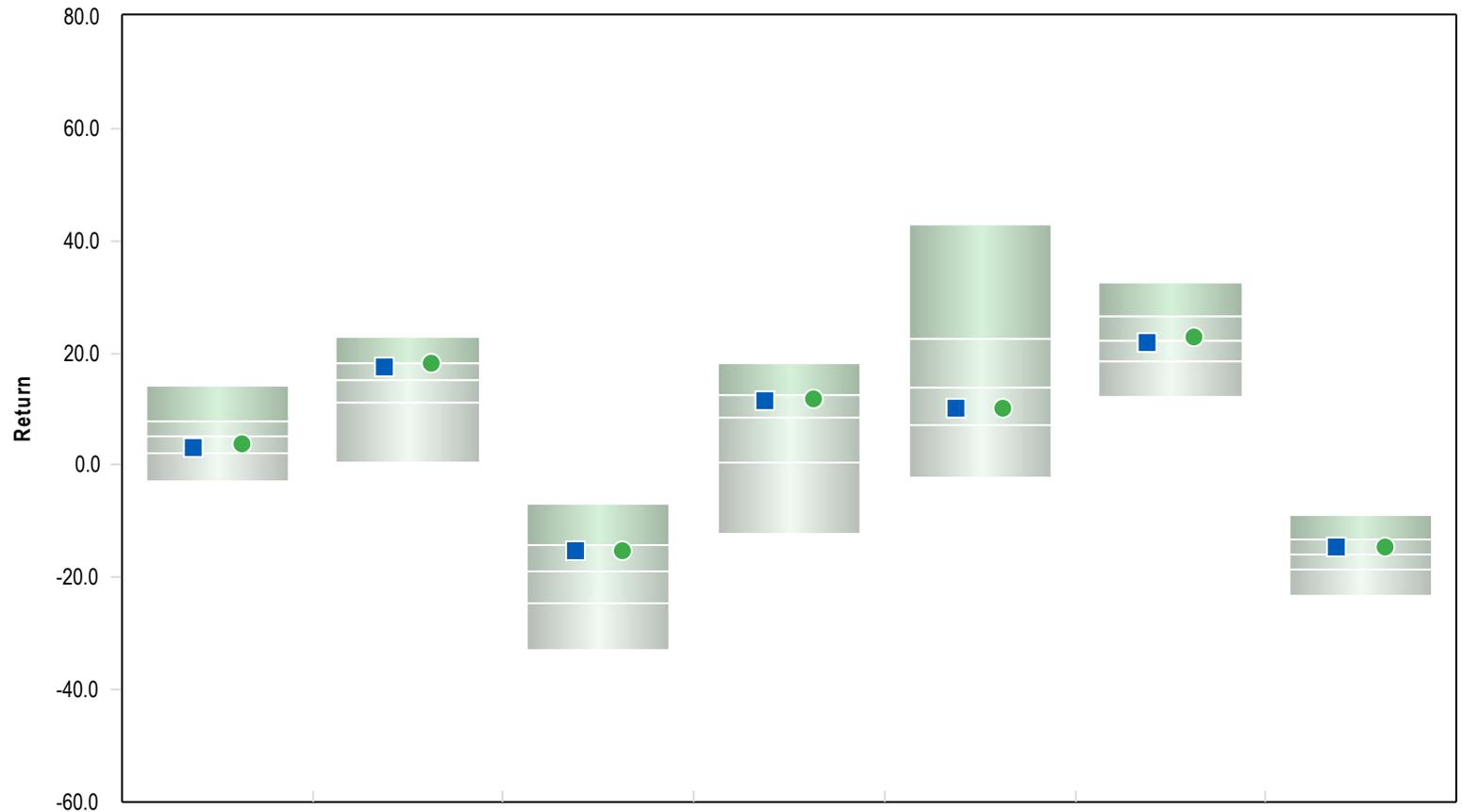
	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Vanguard Developed Markets Index	5.7	35.2	35.2	17.9	9.1	11.0	8.7
Developed Market Policy Index	6.1	35.3	35.3	18.4	9.5	11.4	9.0
Difference	-0.4	-0.1	-0.1	-0.5	-0.4	-0.4	-0.3



	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
■ Vanguard Developed Markets Index	5.7 (22)	35.2 (27)	35.2 (27)	17.9 (30)	9.1 (24)	11.0 (26)	8.7 (32)
● Developed Market Policy Index	6.1 (18)	35.3 (27)	35.3 (27)	18.4 (25)	9.5 (22)	11.4 (20)	9.0 (23)

5th Percentile	8.3	44.7	44.7	22.3	13.0	13.0	10.4
1st Quartile	5.5	35.6	35.6	18.3	9.0	11.0	8.9
Median	4.1	30.7	30.7	16.2	6.4	9.7	8.0
3rd Quartile	2.1	24.4	24.4	13.6	3.1	8.1	7.0
95th Percentile	-2.9	11.0	11.0	8.3	-1.7	5.5	5.2

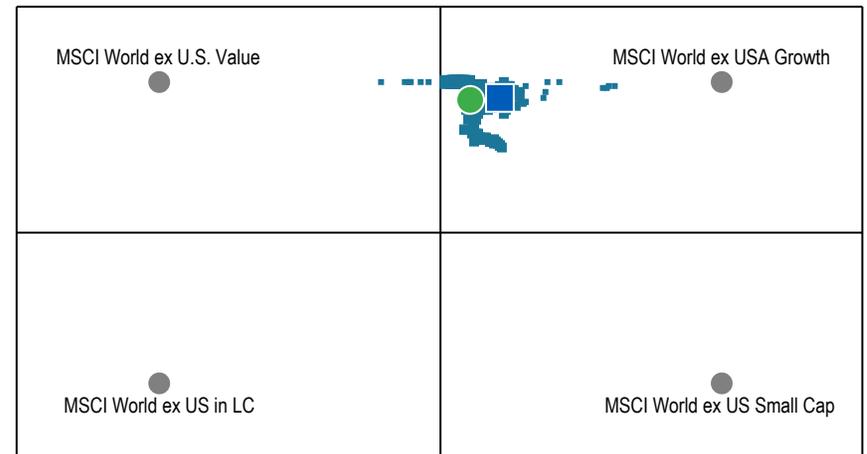
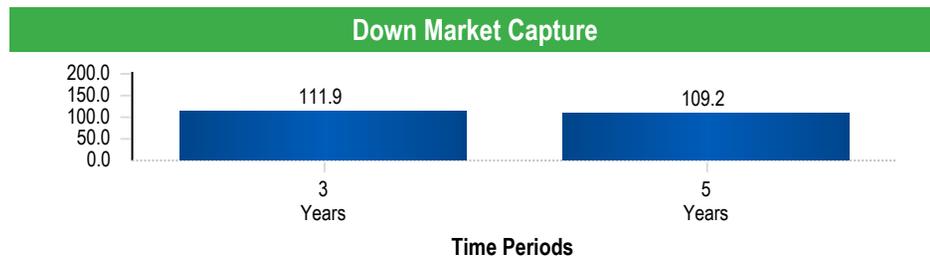
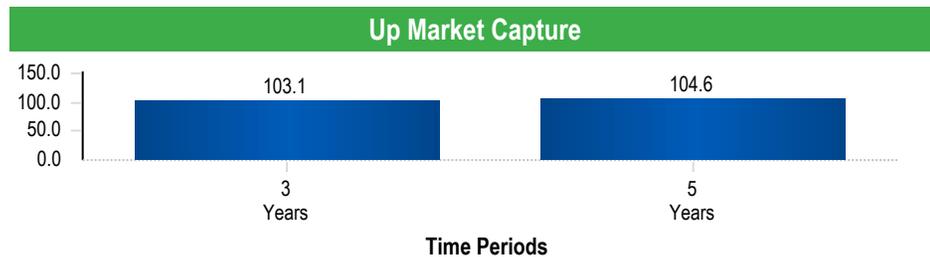
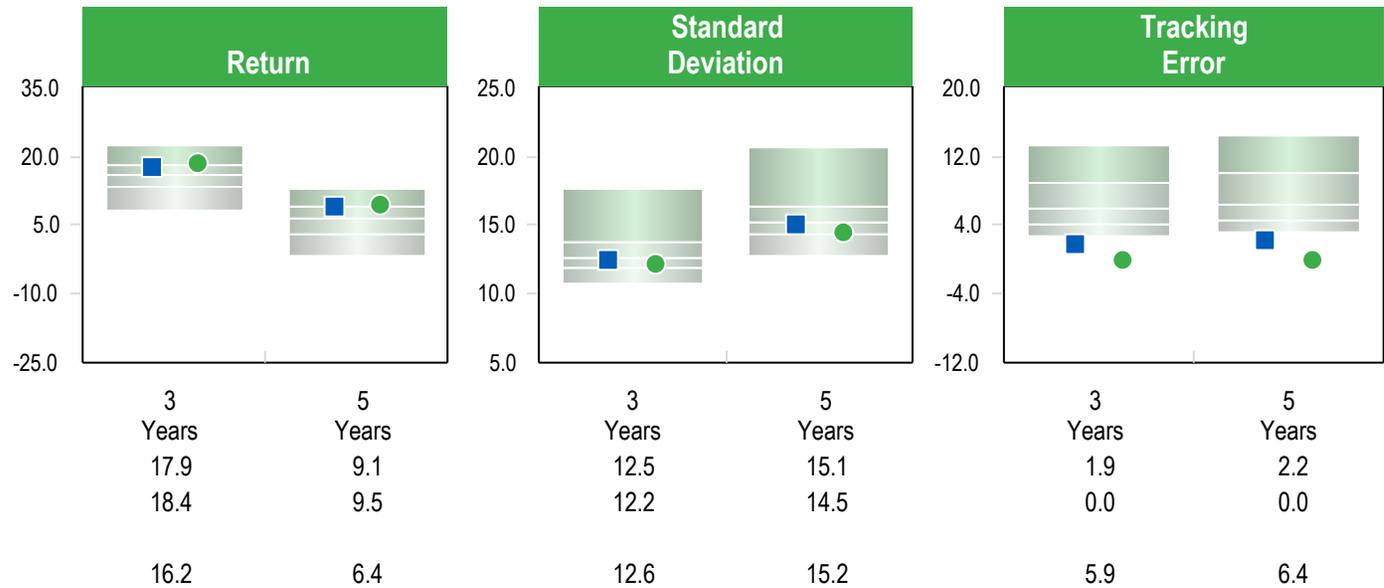
Parentheses contain percentile rankings.
Calculation based on monthly periodicity.



	2024	2023	2022	2021	2020	2019	2018
■ Vanguard Developed Markets Index	3.0 (69)	17.7 (30)	-15.3 (31)	11.4 (32)	10.3 (61)	21.9 (52)	-14.6 (37)
● Developed Market Policy Index	3.7 (63)	18.3 (25)	-15.3 (31)	11.9 (29)	10.3 (61)	22.7 (47)	-14.5 (37)

5th Percentile	14.2	22.8	-6.7	18.3	42.9	32.7	-9.0
1st Quartile	7.7	18.2	-14.4	12.3	22.5	26.6	-13.4
Median	5.0	15.3	-19.1	8.5	13.9	22.1	-15.9
3rd Quartile	2.3	11.1	-24.7	0.6	7.0	18.6	-18.5
95th Percentile	-2.8	0.4	-33.0	-12.1	-2.3	12.1	-23.2

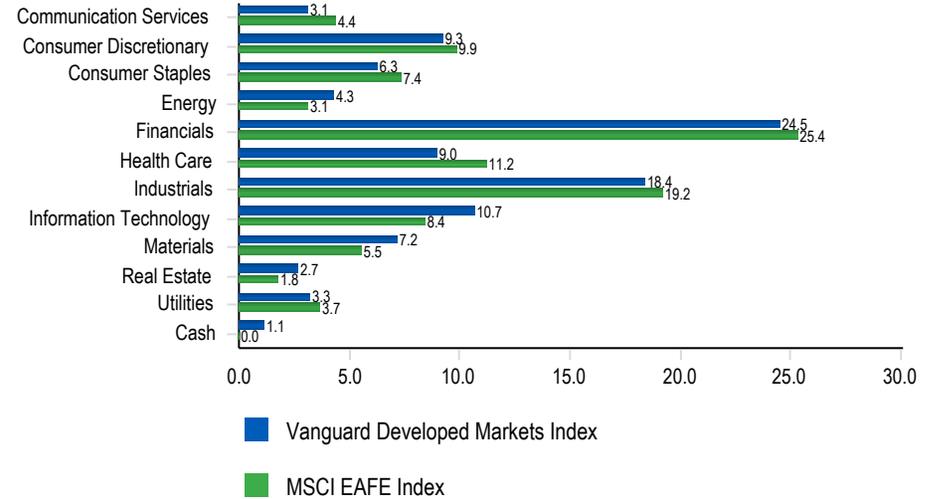
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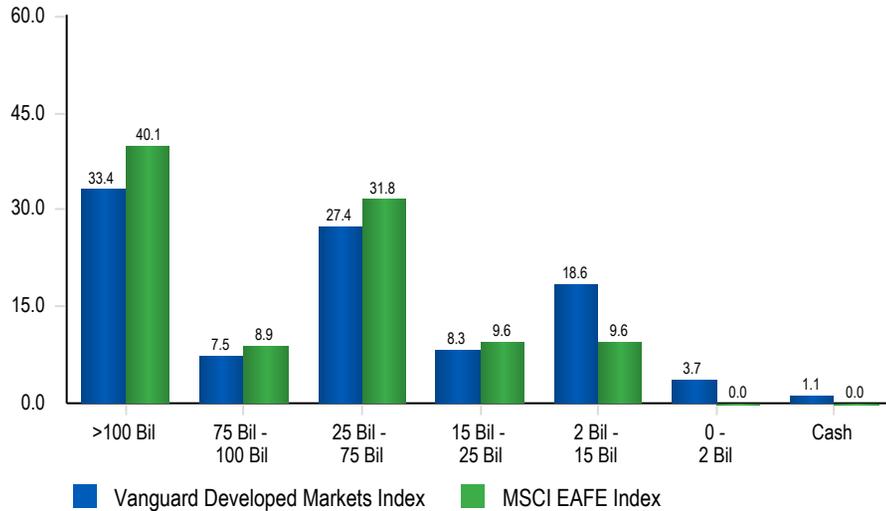
Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
ASML Holding NV	1.5	2.1	-0.6	9.8
Samsung Electronics Co Ltd	1.4	0.0	1.4	39.2
Roche Holding AG	1.0	0.1	0.9	25.1
HSBC Holdings PLC	1.0	1.3	-0.3	12.1
Astrazeneca PLC	0.9	1.4	-0.5	17.4
Novartis AG	0.9	1.3	-0.4	9.9
Nestle SA, Cham Und Vevey	0.9	1.3	-0.4	7.9
SAP SE	0.9	1.3	-0.4	-8.5
SK Hynix Inc	0.9	0.0	0.9	82.6
Royal Bank of Canada	0.9	0.0	0.9	16.6
% of Portfolio	10.3	8.8	1.5	

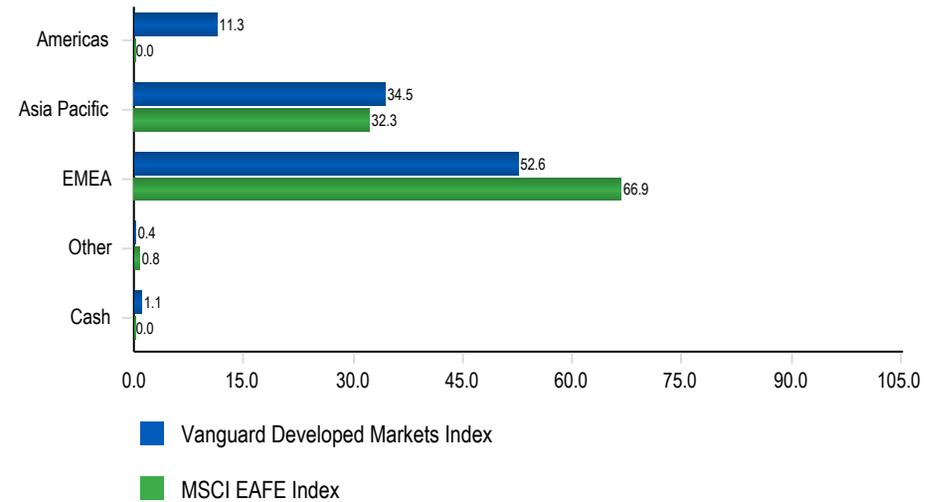
Sector Weights (%)



Distribution of Market Capitalization (%)



Region

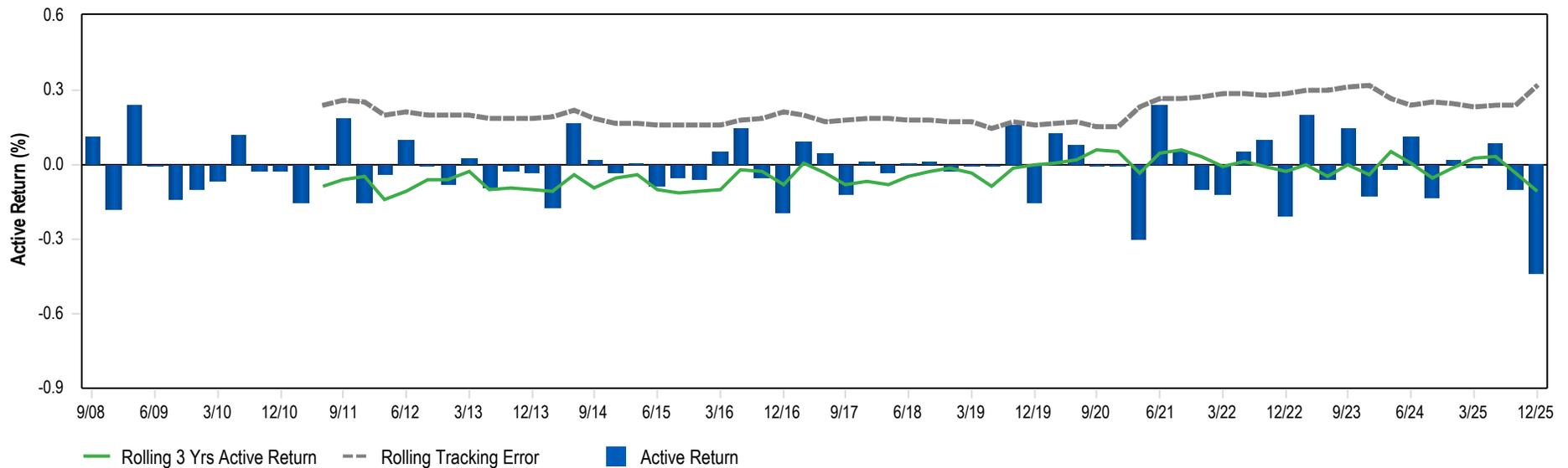


Vanguard Total Bond Market Index Fund

Gain / Loss

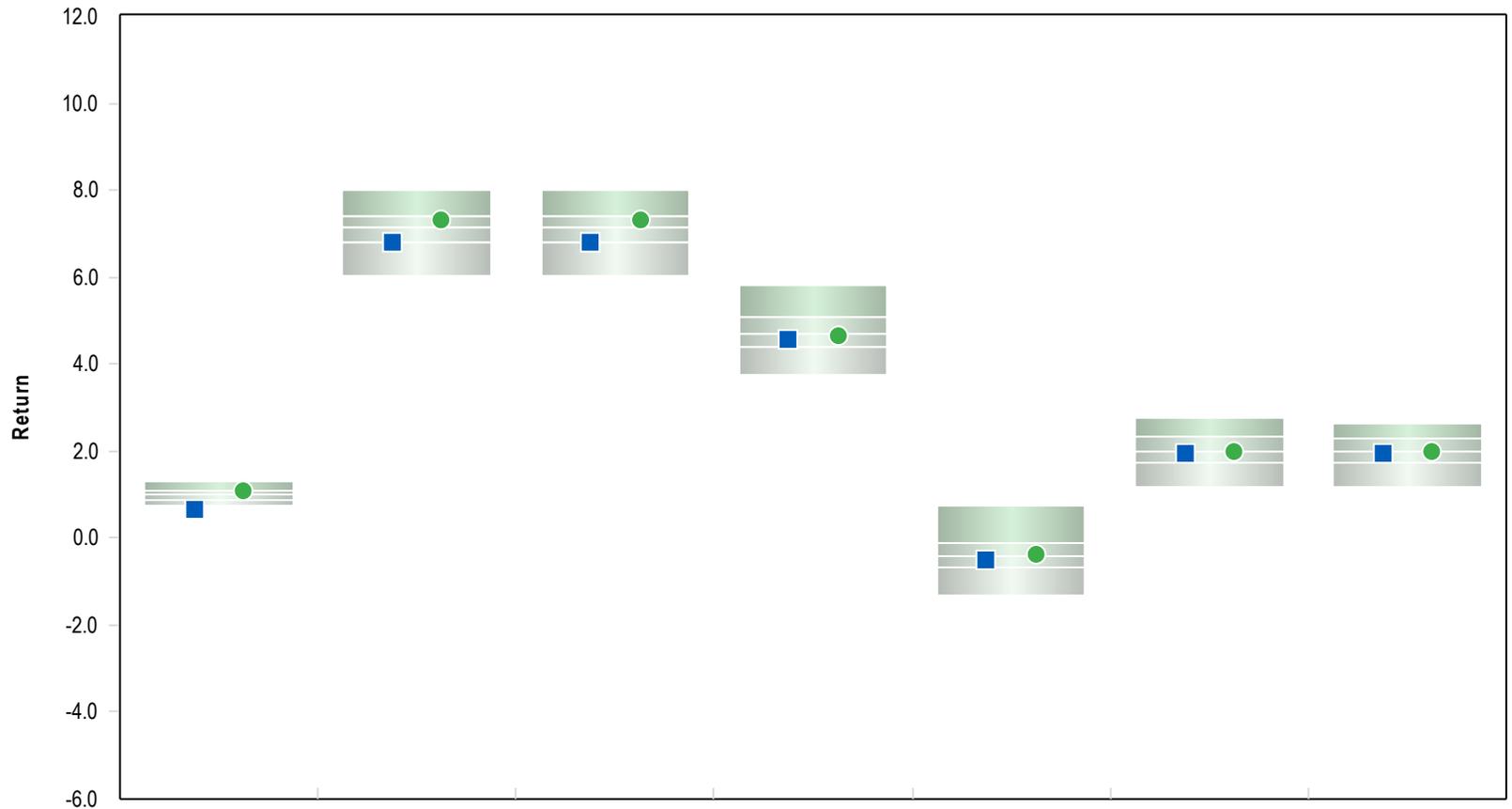
	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs
Vanguard Total Bond Market					
Beginning Market Value	1,913,828	1,803,742	1,803,742	1,502,876	1,295,417
Net Cash Flows	62,342	62,342	62,342	262,342	721,702
Income	461	48,425	48,425	156,252	221,183
Gain/Loss	12,048	74,169	74,169	67,210	-249,623
Ending Market Value	1,988,679	1,988,679	1,988,679	1,988,679	1,988,679

Rolling Return and Tracking Error



Performance

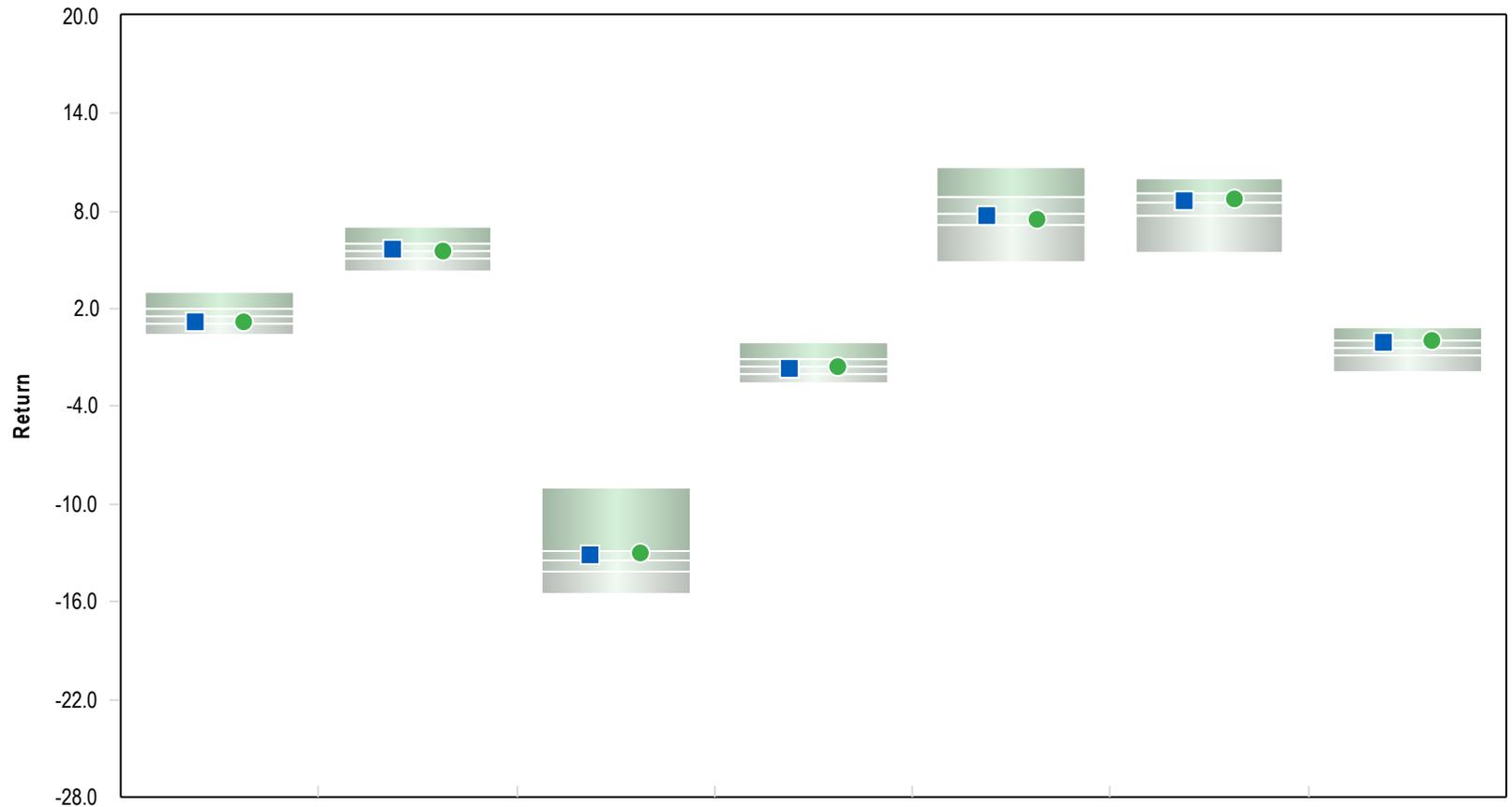
	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Vanguard Total Bond Market	0.7	6.8	6.8	4.6	-0.5	1.9	2.0
Blmbg. U.S. Aggregate	1.1	7.3	7.3	4.7	-0.4	2.0	2.0
Difference	-0.4	-0.5	-0.5	-0.1	-0.1	-0.1	0.0



	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
■ Vanguard Total Bond Market	0.7 (98)	6.8 (74)	6.8 (74)	4.6 (67)	-0.5 (61)	1.9 (60)	2.0 (58)
● Blmbg. U.S. Aggregate	1.1 (23)	7.3 (36)	7.3 (36)	4.7 (56)	-0.4 (45)	2.0 (52)	2.0 (51)

5th Percentile	1.3	8.0	8.0	5.8	0.7	2.8	2.6
1st Quartile	1.1	7.4	7.4	5.1	-0.1	2.3	2.3
Median	1.0	7.1	7.1	4.7	-0.4	2.0	2.0
3rd Quartile	0.9	6.8	6.8	4.4	-0.7	1.7	1.7
95th Percentile	0.7	6.0	6.0	3.7	-1.3	1.2	1.2

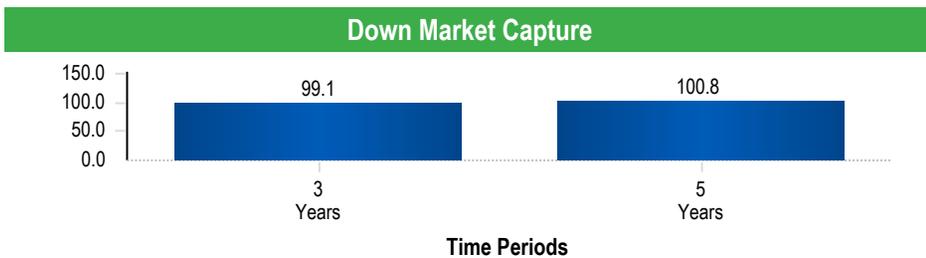
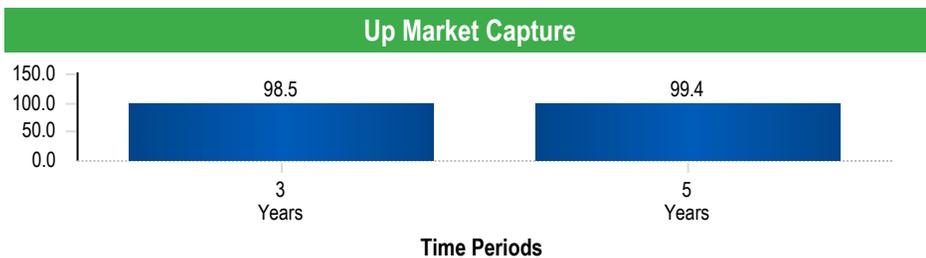
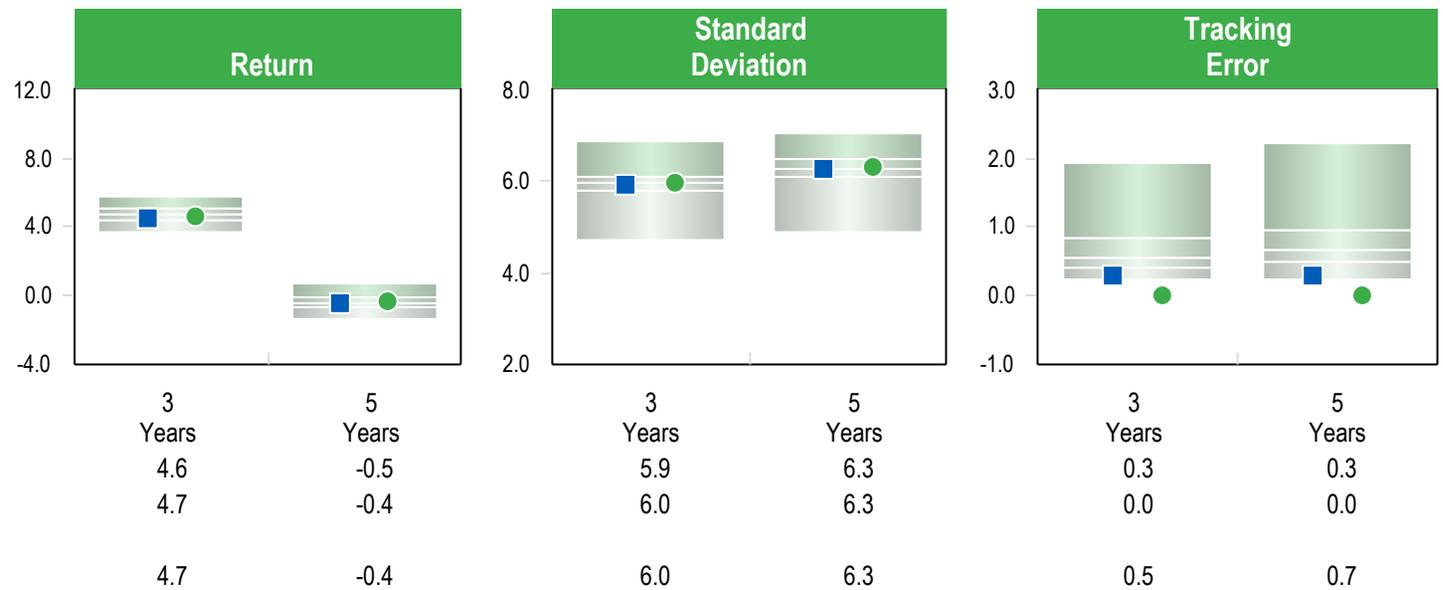
Parentheses contain percentile rankings.
Calculation based on monthly periodicity.



	2024	2023	2022	2021	2020	2019	2018
■ Vanguard Total Bond Market	1.2 (70)	5.7 (44)	-13.2 (35)	-1.7 (55)	7.7 (55)	8.7 (38)	0.0 (28)
● Blmbg. U.S. Aggregate	1.3 (69)	5.5 (57)	-13.0 (28)	-1.5 (49)	7.5 (61)	8.7 (37)	0.0 (25)

5th Percentile	3.1	7.0	-9.0	-0.1	10.8	10.0	0.8
1st Quartile	2.0	6.1	-12.9	-1.1	8.8	9.1	0.0
Median	1.5	5.6	-13.4	-1.6	7.9	8.5	-0.4
3rd Quartile	1.1	5.1	-14.1	-2.0	7.2	7.8	-0.9
95th Percentile	0.4	4.3	-15.5	-2.6	4.9	5.4	-1.9

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.



■ Style History ■ Dec-2025 ● Average Style Exposure

Appendix

**City of Memphis OPEB
Manager Roster
December 31, 2025**

Manager	Date	Assets Under Management	Assignment	Benchmark	Stated Style	Fee Structure	Annual Dollar Fee	Average Fee
Vanguard Total Stock Market Index	12/31/2025	\$2,926,468	Equity Only	Russell 3000 Index	All Cap Equity	4 bps on all assets	\$1,171	0.04%
Vanguard Developed Market Index	12/31/2025	\$821,180	Equity Only	FTSE Developed x North America	International Equity	16 bps on all assets	\$1,314	0.16%
Vanguard Total Bond Market Index	12/31/2025	\$1,988,679	Fixed Income	Barclays U.S. Aggregate	Core Fixed Income	3.5 bps on all assets	\$696	0.035%
Fidelity Money Market	12/31/2025	\$172	Cash	90 Day U.S. Treasury Bill	Cash	33 bps on all assets	\$1	0.33%
OPEB Total		\$5,736,498					\$3,181	0.06%