INVESTMENT SECTION

Chief Investment Officer's Report

MOSERS
MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM

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October 19, 2026

Dear Members,

During the fiscal year 2026, the total portfolio generated a time-weighted rate of return of 16.2%, net of all fees and expenses while, risk remained slightly below that of our policy benchmark. This result exceeded the policy benchmark of 14.3% by 1.9% for the fiscal year.

The outperformance led to approximately $181 million in additional value being added to the MOSERS portfolio above our policy benchmark expectation. Total trust fund assets as of June 30, 2026, reached an all-time high at just over $10.8 billion. In addition, MOSERS paid out more than $1.1 billion in benefits during the fiscal year to retirees and beneficiaries.

Portfolio returns were led by the global public equities allocation which came in at 27.2%, outperforming its benchmark by more than 2.6%. Private real assets was also a strong performer on both a nominal and relative basis, returning 20.5%, outperforming its policy benchmark by over 4.7%. All asset classes posted positive returns for the fiscal year with the exception of U.S. Treasuries. The Treasury portfolio posted a modestly negative return for the year, as rising interest rates pushed bond prices lower by more than the interest income they generated and the cost of financing the bonds. This higher inflation and increasingly volatile interest rate environment caused a slight drag on the portfolio performance for the fiscal year.

Over the most recent 20-year period, ending June 30, 2026, the total fund's actual performance outperformed the policy benchmark over all rolling time periods, adding approximately $2.7 billion in value to the trust fund versus an all-index strategy over that time.

As a long-term investor, MOSERS recognizes the importance of portfolio diversification and investment discipline both during times of uncertainty and over the long term. While the MOSERS portfolio is built to withstand all kinds of market uncertainties over time, the Board also undertakes a detailed portfolio review at least every five years for potential improvements and to reconfirm its soundness.

I look forward to working with the MOSERS Board and our highly talented and experienced staff while continuing to provide secure, reliable retirement benefits to all our plan members.

Sincerely,

TJ Carlson
Chief Investment Officer

Investment Policy Summary

The investment policy summary serves as a reference point for management of System assets and outlines MOSERS' investment philosophy and practices. Investments within this report are presented on the basis of fair value using a variety of sources, such as appraisals, valuations of underlying companies and assets for limited partnerships and commingled funds, and through fair values obtained from the investment custodian.

The purpose of MOSERS' investment program is to ensure that MOSERS' members and beneficiaries receive their benefits at a reasonable and predictable cost to their employers. Plan assets may be invested, reinvested, and managed by MOSERS' investment staff or third-party investment managers, subject to the terms, conditions, and limitations provided by law and contracts, where applicable.

The MOSERS Board is charged with the responsibility for investing the assets of the System in a manner consistent with fiduciary standards set forth in the prudent person rule and has adopted the following objectives and philosophies to guide all investment-related decisions.

Investment Objectives

- Develop a Real Return Objective (RRO) intended to keep contribution rates at a reasonable level over long periods of time, absent changes in actuarial assumptions.
- Establish an asset allocation policy that is expected to meet the RRO, while minimizing the impact of the portfolio investments' volatility on the contribution rate.
- Maximize long-term investment returns by exposing plan assets to a prudent level of risk in order to support the goal of having sufficient funds available to meet projected benefit payment obligations.
- Monitor costs associated with the efficient implementation of the asset allocation policy through the use of internal and external resources.

Investment Philosophy

- A key risk to the portfolio is asset shortfall where assets are insufficient to meet promised benefit obligations. As a result, the Board will strive to minimize the potential for long-term impact from disproportionate drawdowns.
- MOSERS is willing to take measured risks for which it expects to be compensated, and will seek to avoid risks which may not be appropriately rewarded.
- The Board will employ a disciplined, objective, and quantitatively-driven asset/liability analysis process with the goal of determining the optimal asset allocation policy to meet the investment objectives.
- In order to meet the RRO, it is necessary for the Plan to maintain a significant allocation to growth (i.e., equity) assets. As a result, equity risk is expected to be the key contributor to the overall risk of the Plan's investments (Total Fund). In recognition of this, the Board's asset allocation policy will seek to mitigate the risk from large equity market declines.
- Strategic asset allocation is a significant factor influencing long-term investment performance and asset volatility. The asset allocation targets, determined by the Board, will be adhered to through clearly defined rebalancing guidelines.
- The Board will seek to cause the total fund to be broadly diversified in view of the fact that not all strategies will add value at all times, which should mitigate the impact of negative market environments over its long-term investment horizon.
- Risk management and performance benchmarking are integral to the investment program. The Board will establish and regularly monitor appropriate absolute and relative return risk as well as other key risks that affect the total fund.
- The Board recognizes the importance of benchmarking for monitoring how well investment decisions are fulfilling the Plan's objectives and will employ industry-accepted benchmarks for all asset classes for which the Board sets policy, using published market indices where feasible.
- Costs meaningfully impact investment returns and will be a consideration in all investment program decisions. Investment performance shall be reported net of fees to incorporate the full impact of fees and costs.

Roles and Responsibilities

Board of Trustees

The Board bears the ultimate fiduciary responsibility for the investment of System assets. Members of the Board must adhere to state law and prudent standards of diligence with respect to their duties as investment fiduciaries. Accordingly, they are required to discharge their duties in the interest of plan participants. They must also "act with the same care, skill, prudence, and diligence under prevailing circumstances that a prudent person, acting in a similar capacity and familiar with those matters, would use in the conduct of a similar enterprise with similar aims."[1] Specifically related to investments, the Board is responsible for prudent oversight, governance, and management of the System's assets.

Executive Director

The executive director is appointed by and serves at the pleasure of the Board. Pursuant to its authority to delegate functions to employees of the System under Section 104.1069, RSMo, the Board of Trustees has delegated to the executive director the responsibility to manage the staff that oversees and executes MOSERS' investment program. The executive director selects, evaluates, and terminates the chief investment officer and is responsible for monitoring the investment program compliance, as established by policies set forth by the Board.

Chief Investment Officer (CIO) and Internal Staff

The CIO serves at the pleasure of the executive director and has primary responsibility for the overall direction of the investment program. The CIO works with the Board investment consultant and executive director in advising the Board on policies related to the investment program. The CIO has primary responsibility to make hiring and termination decisions related to money managers with the approval of the staff investment consultant. The CIO is also charged with the responsibility of making strategic allocation decisions within parameters established by Board policy. Other responsibilities of the CIO include monitoring the investment of System assets, oversight of external money managers and the internally managed portfolios, and keeping the Board apprised of situations that merit their attention. The internal investment staff is accountable to the CIO.

External Consultants

The Board investment consultant serves at the pleasure of the Board. The Board investment consultant's primary duty is to provide the Board with independent and objective investment advice and assist the Board in making decisions and overseeing the investment program. Specifically, the Board investment consultant assists the Board in developing investment policy, recommends asset allocation policy as requested by the Board, and assists the Board in oversight of the investment program.

Staff investment consultants serve at the pleasure of the CIO. The primary responsibilities of the staff investment consultants are to provide independent and objective investment advice to the staff. Among other duties, as applicable, each staff investment consultant agrees in writing to the CIO's proposed hiring or termination of external investment management firms and third-party plan administrators.

Chief Auditor

The chief auditor reports directly to the executive director and if, in the opinion of the chief auditor, circumstances warrant, may report directly to the Board. The chief auditor is independent of the System's investment operations and, among other duties, is responsible for providing objective audit and review services for investment operations. It is the chief auditor's objective to promote adequate and effective internal controls at a reasonable cost.

Master Custodian

BNY serves as the master custodian of the System's assets, except in cases where investments are held in partnerships, commingled accounts, or unique asset classes where it is impossible for them to do so. The master custodian is responsible for maintaining the official book of records, providing performance reports, and serving as an additional layer of risk control in the safekeeping of System assets.

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[1] *Section 105.688, RSMo - Investment Fiduciaries, Duties.*

Asset Allocation

Determining the System's asset allocation is one of the most important decisions in the investment management process. The Board, with advice from the Board investment consultant and the CIO, adopted a portfolio allocation in February 2024 that is designed to provide the highest probability of meeting or exceeding the System's investment objectives at a controlled level of risk and with liquidity that is acceptable to the Board. In determining the optimal mix of assets, the Board considers factors such as:

- The expected risk of each asset class.
- The expected rate of return for each asset class.
- The correlation between the rates of return of the asset classes.
- The investment objectives and risk constraints of the fund.
- The impact of the portfolio's volatility on the contribution rate.

While the Board maintains a set policy allocation mix, they have taken steps to provide flexibility by granting authority to the CIO to make strategic allocation decisions to capitalize on attractively valued opportunities within prudent risk constraints. This flexibility has allowed the System to take advantage of changing market conditions. The table below illustrates the policy asset allocation and ranges formally adopted by the Board.

In May 2024, the Board adopted a two-year transition period from the old asset allocation to the newly adopted asset allocation to begin in fiscal year 2025. The transition to the new asset allocation was completed at the end of fiscal year 2026. The table below represents the policy asset allocation as of June 30, 2026.

Asset Allocation

Asset Classes	Asset Allocation Policy	Asset Allocation Ranges[1]	Benchmark[2]
Global Public Equity	40.0%	30% - 50%	MSCI All Country World Index (ACWI) ex-China
Global Private Equity	15.0%	10% - 20%	Custom Private Equity Benchmark[3]
U.S. Treasuries	20.0%	15% - 25%	Bloomberg 7-10 Year Treasury Index
Private Real Estate	5.0%	0% - 10%	NCREIF ODCE
Private Real Assets	5.0%	0% - 10%	S&P Global Infrastructure
Alternative Beta	15.0%	10% - 20%	HFRX Macro/CTA
Private Credit	10.0%	5% - 15%	Morningstar LSTA U.S. Leveraged Loan + 1%

[1] *The Board has granted the CIO the authority to operate within the risk allocation and policy asset allocation ranges.*

[2] *Benchmarks are net of MOSERS' actual financing costs on borrowed assets.*

[3] *Custom Private Equity Benchmark is a weighted average roll-up of the underlying manager benchmarks which include Burgiss Global Buyout Fund Index, MSCI ACWI ex-China Index, and Legacy Private Equity Returns.*

Rebalancing

It is the responsibility of staff to ensure that the asset allocation adheres to the System's rebalancing policy. MOSERS utilizes a combination of cash market and derivative transactions to maintain the total portfolio's allocation at the broad policy level. Reviews are conducted at least monthly to bring the portfolio back within allowable ranges of the broad policy targets.

Risk Controls

MOSERS' investment program faces numerous risks; however, the primary risk to MOSERS is that the assets will not support the liabilities over long periods of time. In order to control this risk and numerous other risks that face the System, the Board has taken the following steps, on an ongoing basis, to help protect the System:

- Actuarial valuations are performed each year to ensure the System is on track to meet the funding objectives of the plan. In addition, every five years an external audit of the actuary is conducted to ensure that the assumptions being made and calculation methods being utilized are resulting in properly computed liabilities.
- Asset/liability studies are conducted at least once every five years. The purpose of these studies is to ensure that the current portfolio design is structured to meet the System's liabilities. During these studies, investment expectations are also re-examined in more detail.
- An investment policy statement is in place to ensure that Board policies are clearly identified. Within these documents, desired outcomes are identified, responsibilities for individuals are identified in relation to particular areas of the portfolio's management, and details are provided for measuring outcomes. Reporting requirements are clearly identified to ensure appropriate checks and balances are in place. In addition, annual performance audits are conducted to ensure the performance measurement tools and methodologies being utilized are proper.

Performance Objectives and Monitoring Process

Generating a total nominal rate of return net of expenses of at least 6.95% is the primary performance objective for the total portfolio. This return objective is equal to the RRO plus expected inflation.

The reason for the long-term focus on this objective is to preclude the temptation to overreact to events in the marketplace that have no relevance in the management of the relationship between the System's assets and liabilities. The resulting dilemma is the conflicting need to evaluate investment policy implementation decisions over shorter time frames while maintaining the longer-term focus necessary to manage and measure the fund's performance relative to the RRO. To address this problem, the Board evaluates performance relative to policy benchmarks. This helps to evaluate the Board's broad policy decisions and the staff and external consultants' implementation decisions. Policy benchmarks measure broad investment opportunities of each asset class in which MOSERS has chosen to invest. The difference between the policy benchmarks and the actual portfolio returns represent decisions made by the CIO to strategically deviate from the policy asset allocation for each asset class.

The policy benchmarks are used in the following manner to evaluate Board and staff decisions:

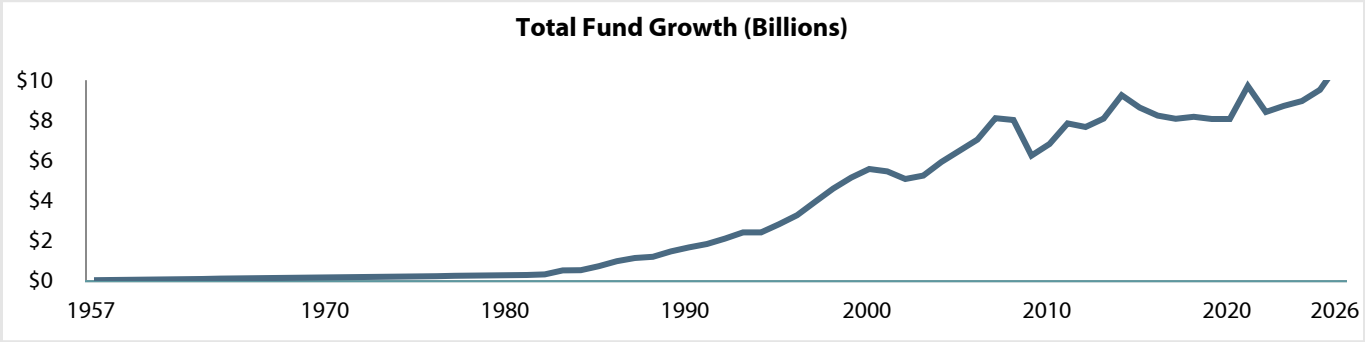
- **Board Decisions:** The value added through Board policy decisions is measured by the difference between the total fund policy benchmark return and the RRO plus expected inflation. This difference captures the value added by the Board through their policy asset allocation decisions relative to the return necessary to fund the System's liabilities. A policy benchmark return greater than the RRO reflects the achievement of the RRO goals. A policy benchmark return less than the RRO reflects losses or shortfalls in performance in funding the liabilities. These policy decisions are measured over long periods of time.
- **CIO and External Consultants' Decisions:** There are two components to decisions made by the CIO and external consultants, which are monitored by the Board on an ongoing basis. They are: 1) strategic allocation decisions, and 2) implementation decisions.

Strategy decisions are made by the CIO to deviate from the policy benchmark weight. Implementation decisions are money manager selection choices made by the CIO with the agreement of the appropriate external consultant and the acknowledgement from the executive director that the decision was made in accordance with the Board's adopted policy. The value added through both strategic and implementation decisions is measured by the difference between the actual portfolio return and the policy benchmark return. An actual portfolio return greater than the policy benchmark return reflects value added through these decisions of the CIO and the external consultants. An actual portfolio return less than the policy benchmark return reflects losses to the fund's performance based upon these decisions. These CIO and external consultant decisions should be measured over all periods of time with a majority weight placed on outcomes that have occurred over a market cycle.

The Board reviews performance information on a quarterly basis to help ensure adequate monitoring of the fund's overall performance objectives.

Total Fund Review

As of June 30, 2026, the MOSERS investment portfolio had a fair value of $10.8 billion. The graph below illustrates the growth of MOSERS' portfolio since the System's inception.



Investment Performance

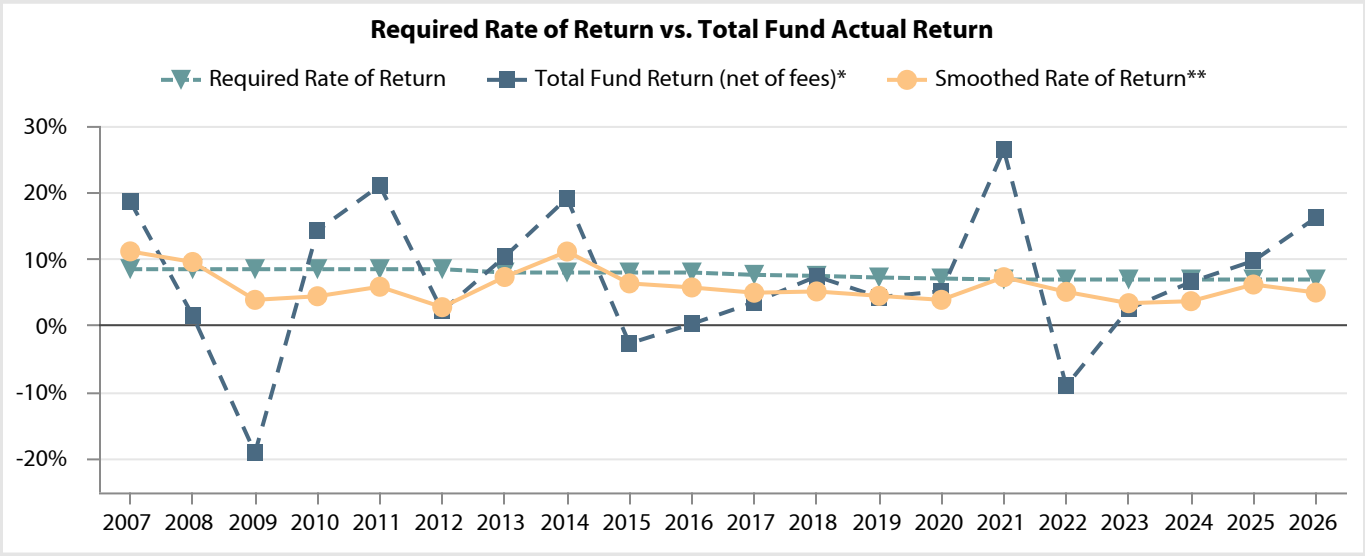
MOSERS' investments generated a time-weighted return of 16.2%, net of fees, for fiscal year 2026. The total fund return exceeded the 1-year policy benchmark of 14.3%. This additional 1.9% investment return produced approximately $181 million in excess of what would have been earned if the fund had been invested passively in the policy benchmark.

Investment Performance vs. Required Rate of Return

The total fund investment return is compared to a required rate of return. The required rate of return is established by the Board to determine how well the fund is performing over the long term in order to meet future plan obligations after accounting for inflation. The required rate of return is also used in our actuarial valuation as our assumed rate of return. The required rate of return for fiscal year 2026 is 6.95%.

Given the volatility of the investment markets, the portfolio should not be expected to meet the required rate of return every year. A review of long periods of time is best to evaluate whether or not the total return has kept pace with the System's funding objectives.

A common actuarial practice of "asset smoothing" is used to reduce volatility in employer and employee contribution rates. The following chart shows the relationship between fair value returns (actual rate of return earned by the total fund - Total Fund Return (net of fees)), the required rate of return used as our actuarially assumed rate of return, and the actuarially smoothed rate of return.

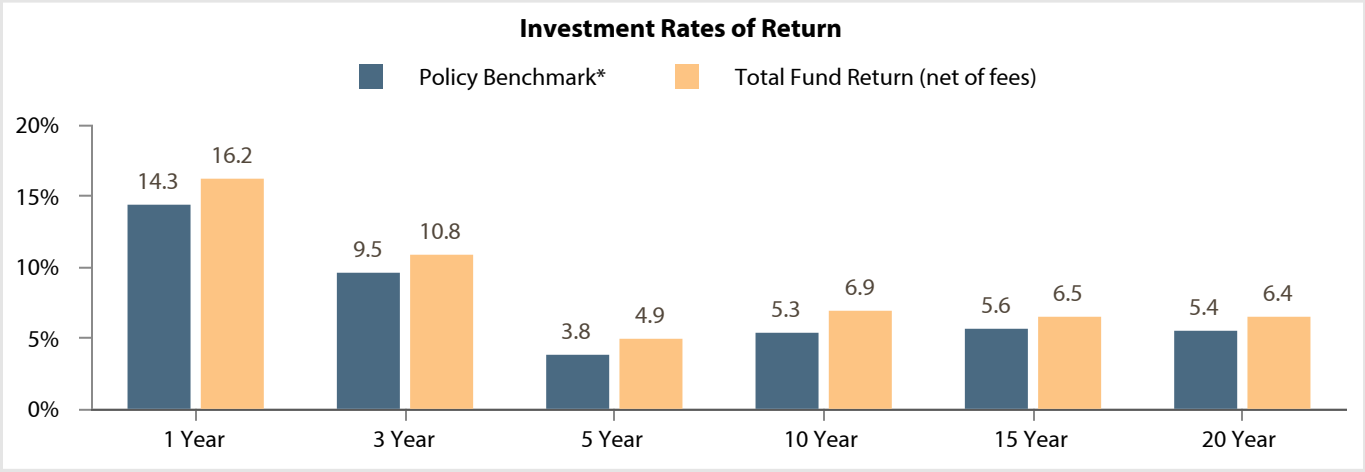


** Performance returns are calculated using a time-weighted rate of return on fair values.*

*** Investment earnings in excess or deficient of the required rate of return are smoothed over a fifth-year period for actuarial funding purposes.*

Investment Performance vs. Benchmark Comparisons

In addition to measuring performance relative to the required rate of return, the Board also compares fund returns to the policy benchmark. Returns for the total fund versus policy benchmarks are displayed in the following bar chart.



** As of June 30, 2026, the total fund policy benchmark was comprised of the following components: 40% global public equities policy, 15% global private equities policy, 20% U.S. Treasuries policy, 5% private real estate policy, 5% private real assets policy, 15% alternative beta policy, and 10% private credit policy.*

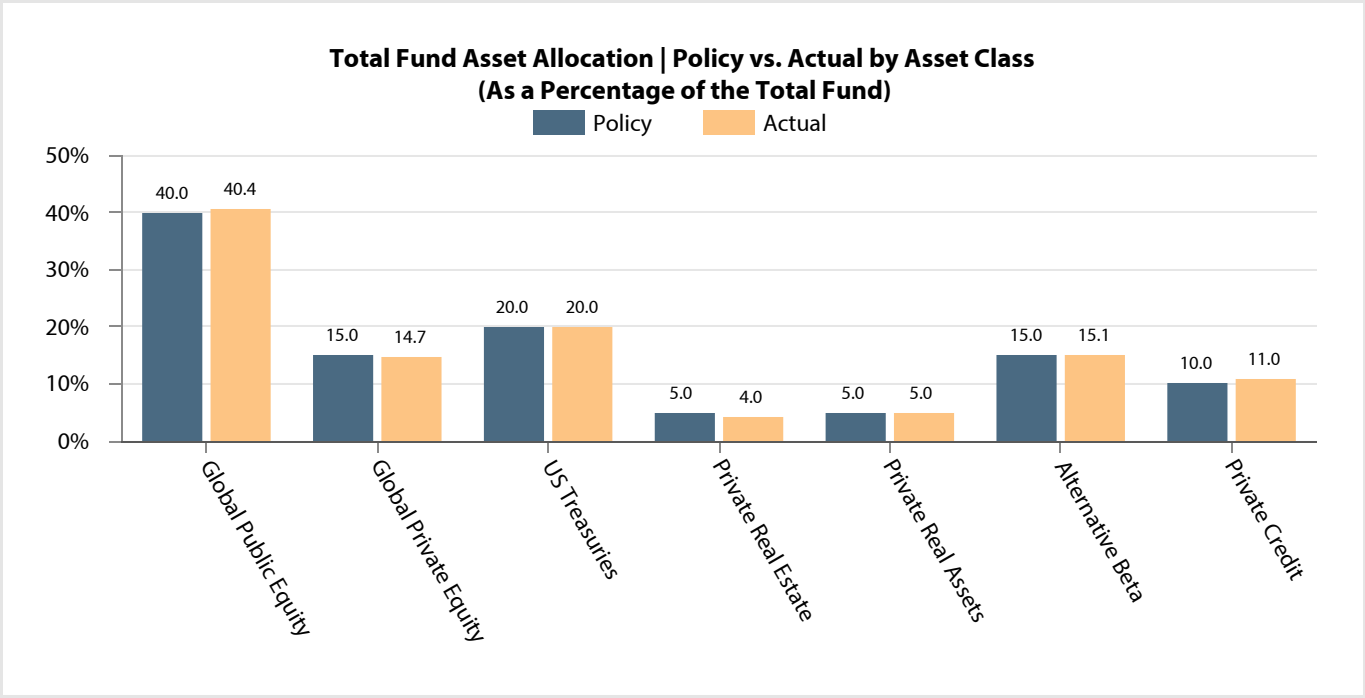
Policy return components are adjusted for financing costs associated with the program where applicable.

The policy benchmark provides an indication of the returns that could have been achieved (excluding transaction costs) by a portfolio invested in the designated benchmarks for each asset class at the percentage weights allocated to each asset class in MOSERS' policy asset allocation. Comparison of the total return to the policy benchmark reflects the total value added or detracted by the CIO through strategic and manager implementation decisions. Value is added when the total fund return exceeds the policy benchmark return. The total fund 1-, 3-, 5-, 10-, 15-, and 20-year actual performance outperformed its policy benchmark by 1.9%, 1.3%, 1.1%, 1.6%, 0.9%, and 1.0%, respectively.

Total Fund Policy Allocation Overview

As of June 30, 2026, the Board's policy allocation and the actual strategic allocation to each asset class is shown in the bar graph below.

The Board has granted authority to the CIO to make strategic decisions. A strategic decision should be thought of as any decision that might cause MOSERS' actual portfolio to differ from the policy asset allocation.



Schedule of Brokerage Commissions

	Commissions Paid	Volume of Trades	Shares Traded
Bank of America	$ 3,376	$ 62,113,099	1,350,376
Barclays Capital	1,015	4,715,818	213,785
BNP Paribas	3,628	71,182,077	1,450,834
BTIG	8,240	110,836,198	2,263,614
Jefferies & Co.	1,331	17,750,852	361,283
Morgan Stanley & Co.	14	128,686	5,570
Total	$ 17,604	$ 266,726,730	5,645,462

* *Volume does not include futures notional value.*

Schedule of Investment Portfolios by Asset Class

As of June 30, 2026

	Portfolio Value	Percentage of Portfolio	Market Exposure	Percentage of Investments at Market Exposure *
Global Public Equities	$ 4,365,388,020	40.5%	$ 4,365,387,910	40.4%
Global Private Equities	1,585,113,670	14.7	1,585,113,904	14.7
U.S. Treasuries	1,047,638,581	9.7	2,161,275,335	20.0
Private Real Estate	436,169,463	4.0	436,169,463	4.0
Private Real Assets	543,764,758	5.0	543,764,518	5.0
Alternative Beta	1,629,556,246	15.1	1,629,556,246	15.1
Private Credit	1,187,126,703	11.0	1,185,647,153	11.0
Total portfolio	10,794,757,441	100.0	11,906,914,529	110.2
Residual accounts	3,005,174	0.0	3,005,174	0.0
Cash	20,238	0.0	17,662	0.0
MOSERS Total Fund	$ 10,797,782,853	100.0%	$ 11,909,937,365	110.2%
Reconciliation to Statement of Fiduciary Net Position				
Total fund value	$ 10,797,782,853			
Obligations under repurchase agreements	498,095,554			
Receivable - investment income	(1,232,300,551)			
Receivable - investment sales	(907,190,929)			
Investment activities payable	1,022,267,487			
Management and incentive fee payable	1,193,335			
Payable for investments purchased	168,465,913			
Investments per *Statement of Fiduciary Net Position*	$ 10,348,313,662			

** Percentage total may not equal sum due to rounding.*

Total Fund – Top Ten Publicly Traded Separate Account Holdings

Ten Largest Holdings as of June 30, 2026*	Fair Value	Percent of the Total Fund
U. S. Treasury Bill - 2026	$ 149,382,000	1.38%
U. S. Treasury Bill - 2026	148,845,000	1.38
U. S. Treasury Bill - 2026	148,530,751	1.38
U. S. Treasury Bill - 2026	99,800,000	0.92
U. S. Treasury Bill - 2026	79,952,000	0.74
U. S. Treasury Bill - 2026	79,728,000	0.74
U. S. Treasury Note - 4.250% 2034	61,863,903	0.57
U. S. Treasury Note - 4.250% 2035	61,856,141	0.57
U. S. Treasury Note - 4.375% 2034	61,599,244	0.57
U. S. Treasury Note - 4.250% 2035	60,475,067	0.56

** For a complete list of holdings, contact MOSERS.*

Schedule of Investment Results

	1 Year	3 Year	5 Year	10 Year	15 Year	20 Year
Total Fund	16.2 %	10.8 %	4.9 %	6.9 %	6.5 %	6.4 %
Total Fund Policy Benchmark	14.3 %	9.5 %	3.8 %	5.3 %	5.6 %	5.4 %
Global Public Equities	27.2 %	21.8 %	12.8 %	13.2 %	11.1 %	9.6 %
Global Public Equities Policy Benchmark	24.6 %	20.1 %	11.3 %	13.0 %	10.4 %	8.4 %
Global Private Equities	11.4 %	8.9 %	4.2 %	N/A	N/A	N/A
Global Private Equities Policy Benchmark	7.1 %	7.8 %	4.6 %	N/A	N/A	N/A
Long Treasuries	0.4 %	(4.0)%	(8.3)%	(3.1)%	N/A	N/A
Long Treasuries Policy Benchmark	(0.3)%	(4.5)%	(8.6)%	(3.4)%	N/A	N/A
U.S. Treasuries	(1.3)%	N/A	N/A	N/A	N/A	N/A
U.S. Treasuries Policy Benchmark	(1.1)%	N/A	N/A	N/A	N/A	N/A
Core Bonds	5.5 %	5.7 %	1.6 %	N/A	N/A	N/A
Core Bonds Policy Benchmark	3.8 %	4.2 %	0.1 %	N/A	N/A	N/A
Commodities	20.7 %	6.6 %	5.4 %	3.8 %	(2.2)%	(2.3)%
Commodities Policy Benchmark	20.7 %	6.6 %	5.4 %	4.0 %	(2.4)%	(3.4)%
TIPS	1.6 %	1.4 %	(0.4)%	0.9 %	1.3 %	2.8 %
TIPS Policy Benchmark	1.3 %	1.2 %	(0.5)%	0.9 %	1.4 %	2.8 %
Private Real Estate	3.4 %	(1.1)%	3.1 %	N/A	N/A	N/A
Private Real Estate Policy Benchmark	3.8 %	(1.4)%	1.1 %	N/A	N/A	N/A
Private Real Assets	20.5 %	N/A	N/A	N/A	N/A	N/A
Private Real Assets Policy Benchmark	15.8 %	N/A	N/A	N/A	N/A	N/A
Public Real Assets	14.2 %	9.4 %	3.1 %	N/A	N/A	N/A
Public Real Assets Policy Benchmark	14.4 %	9.5 %	3.2 %	N/A	N/A	N/A
Hedge Funds	11.9 %	10.0 %	8.4 %	N/A	N/A	N/A
Hedge Funds Policy Benchmark	11.2 %	8.4 %	6.0 %	N/A	N/A	N/A
Alternative Beta	14.5 %	6.9 %	5.9 %	3.2 %	N/A	N/A
Alternative Beta Policy Benchmark	15.1 %	4.4 %	2.9 %	(0.7)%	N/A	N/A
Private Credit	7.5 %	9.2 %	8.2 %	N/A	N/A	N/A
Private Credit Policy Benchmark	5.4 %	8.9 %	7.6 %	N/A	N/A	N/A

Results are based on time-weighted rates of return on fair values adjusted for cash flows. Where applicable, benchmarks are calculated net of financing costs.
Asset class returns may show N/A if the returns for those years are not available based on the asset class start dates.
For details on the Board approved asset allocation, see the "Asset Allocation" section of this report.

Schedule of Investment Manager Fees

For the Year Ended June 30, 2026

	Portfolio Fair Value	Total Fees	Manager Fees	Fund Pass Through Expenses *	Incentive Fees Earned
Fixed Income					
BlackRock, Inc.	$ 0	$ 42,551	$ 42,551	$ 0	$ 0
Total fixed income	0	42,551	42,551	0	0
Multi-asset					
NISA Investment Advisors	1,134,151,306	5,245,381	5,245,381	0	0
Total Multi-Asset	1,134,151,306	5,245,381	5,245,381	0	0
Alternatives					
Aberdeen Standard Investments	366,403,791	1,336,511	477,662	858,849	0
Aberdeen Davi Alpha	196,886,382	981,531	813,612	167,919	0
Actis Emerging Markets 3	409,000	3,000	0	3,000	0
Actis Emerging Markets 4	560,000	20,000	55,000	(35,000)	0
Altas Partners Holdings III, L.P.	54,076,962	2,856,024	1,057,627	446,958	1,351,439
Appian Petra Co Investment	9,245,388	6,347	0	6,347	0
Appian Natural Resources Fund III	47,554,393	2,311,330	1,492,893	517,034	301,403
Ares Secondary Infrastructure Fund	59,018,172	2,922,751	2,869,440	53,311	0
Arlington Capital Partners VI, L.P.	82,645,689	3,445,804	1,277,949	26,496	2,141,359
Arlington Capital Partners VII, L.P.	11,962,164	561,212	456,522	104,690	0
Avista Healthcare Partners VI, L.P.	88,470,681	4,200,564	1,500,000	224,915	2,475,649
Avista Healthcare Partners Red Bird	2,824,720	0	0	0	0
Axiom Asia Fund 6, L.P.	40,871,414	582,265	500,000	82,265	0
Axiom Asia Private Capital Fund II, L.P.	1,202,973	101,153	122,385	34,162	(55,394)
Axiom Asia Private Capital Fund III, L.P.	31,005,240	220,623	209,853	45,750	(34,980)
Axxon Brazil Private Equity Fund II B, L.P.	979,544	39,343	6,960	32,383	0
BlackRock, Inc.	118,858,139	2,612,772	188,598	216,044	2,208,130
BlackRock STA Fund	201,700,157	703,881	569,356	41,404	93,121
Blackstone Graphite	345,490,461	0	0	0	0
Blackstone Macro Pod	251,279,613	2,631,101	1,314,480	775,814	540,807
Blackstone Real Estate Partners V	97,933	7,578	0	5,619	1,959
Blackstone Real Estate Partners VI	18,859	3,826	0	4,094	(268)
Blackstone Real Estate Partners VII	5,042,366	(47,114)	0	38,814	(85,928)
Blackstone Topaz Fund, L.P.	161,395,413	7,036,630	3,207,511	322,906	3,506,213
Blackstone Topaz Private Credit	265,233,513	2,000,793	1,521,766	174,703	304,324
Blue Diamond Non-Directional Fund	156,500,020	4,097,351	2,528,851	203,649	1,364,851
Brevan Howard Alpha Strategies Fund, L.P.	279,126,279	22,740,667	2,690,595	9,746,280	10,303,792
Catalyst Fund Limited Partnership III	13,854,095	37,028	0	37,028	0
Catalyst Fund Limited Partnership IV	7,045,445	112,783	96,582	16,201	0
Catalyst Fund Limited Partnership V	56,327,343	1,200,042	1,153,448	46,594	0
CBRE U.S. Core Partners, L.P.	100,007,696	940,486	809,974	130,512	0
Centiva Capital	40,113,778	16,616,818	0	6,141,042	10,475,776
Cogence	81,353,716	964,006	473,053	36,161	454,792
Comvest Credit Partners 2023, L.P.	116,623,146	2,387,837	1,212,606	203,010	972,221

Schedule of Investment Manager Fees continued on following page

Schedule of Investment Manager Fees (continued)

For the Year Ended June 30, 2026

	Portfolio Fair Value	Total Fees	Manager Fees	Fund Pass Through Expenses*	Incentive Fees Earned
DE Shaw Diopter Fund, LLC	$ 77,905,990	$ 4,627,607	$ 1,473,613	$ 581,206	$ 2,572,788
DE Shaw Diopter Fund II, LLC	32,660,347	467,623	151,686	139,113	176,824
Efficient	102,708,258	1,002,543	251,330	41,989	709,224
EIG Energy Fund XIV, L.P.	0	15,259	0	15,259	0
EIG Energy Fund XV, L.P.	180,255	17,141	0	17,141	0
EIG Energy Fund XVI, L.P.	13,768,150	74,706	17,039	57,667	0
Eisler Multi-Strategy Fund, L.P.	0	32,345,833	0	12,458,670	19,887,163
Elliott International Limited	329,356,288	11,759,588	4,751,575	2,448,900	4,559,113
Exodus Point Partners Fund	284,740,643	26,038,926	0	7,791,907	18,247,019
Farallon Capital Institutional Partners, L.P.	171,919	0	0	0	0
Garnet Point (Oaktree)	478,235	696	291	405	0
Gateway Energy & Resource Holdings, LLC	118,782	18,920	0	18,920	0
Gryphon Partners VI, L.P.	102,801,681	3,178,929	2,000,000	1,178,929	0
Gryphon VI Top-Up Co-Investment Partners, L.P.	19,916,907	479,043	0	479,043	0
Harrison Street Real Estate Core Property Fund, L.P.	53,456,665	709,446	577,829	131,617	0
HBK Merger Strategies Offshore Fund, Ltd.	142,168,933	3,670,535	1,043,919	250,317	2,376,299
HIG Middle Mkt LBO Fund IV, L.P.	33,979,051	3,380,568	1,500,000	213,889	1,666,679
HIG Capital Partners VII-A, L.P.	1,614,393	765,703	600,000	64,016	101,687
HIG Whitehorse Middle Market IV Co-Investment	65,114,549	299,013	0	299,013	0
HIG Whitehorse Mid Mkt Loan Fund IV	51,100,850	660,045	274,321	99,622	286,102
Jain Global Onshore Fund L.P.	135,226,450	18,058,883	0	9,767,316	8,291,567
JLL Partners Fund V, L.P.	2,622,223	32,558	0	4,882	27,676
JLL Partners Fund VI, L.P.	262,863	29,795	0	10,477	19,318
K6 Private Investors, L.P.	4,234,334	0	0	0	0
King Street Capital, L.P.	622,715	13,837	13,837	0	0
Kirkoswald Global Macro Fund II, L.P.	160,641,316	11,381,485	2,460,223	149,188	8,772,074
LaSalle Property Fund	71,817,846	551,291	474,731	76,560	0
Linden Capital Partners II, L.P.	1,507,983	(66,239)	0	8,909	(75,148)
McGinty Road	50,540,811	339,706	411,743	29,635	(101,672)
Mercato Partners Traverse IV, L.P.	108,093,490	9,457,211	1,130,347	127,447	8,199,417
MGG Evergreen Cardinal Fund, L.P.	141,242,623	3,242,262	1,204,297	914,211	1,123,754
MHR Institutional Partners IIA, L.P.	11,083,756	1,286,114	0	27,736	1,258,378
MHR Institutional Partners III, L.P.	11,216,064	26,288	0	26,288	0
MHR Institutional Partners IV, L.P.	66,374,352	(4,331,035)	646,001	88,775	(5,065,811)
Millennium Technology Value Partners II	5,188,289	(247,494)	188,870	11,286	(447,650)
Moon Capital	574,501	0	0	0	0
NS Partners	0	19,565	19,565	0	0
Oaktree Multi-Strategy Private Credit	95,168,455	138,643	57,968	80,675	0
Oaktree Real Estate Income Fund, L.P.	78,496,316	1,421,122	414,703	1,006,419	0
OCM Opportunities Fund VIIIb, L.P.	13,261	708,683	0	98,008	610,675
OCM Power Opportunities Fund III, L.P.	115,214	7,148	0	7,315	(167)

Schedule of Investment Manager Fees continued on following page

Schedule of Investment Manager Fees (continued)

For the Year Ended June 30, 2026

	Portfolio Fair Value	Total Fees	Manager Fees	Fund Pass Through Expenses*	Incentive Fees Earned
Partners Group Direct Equity IV A, L.P.	$ 102,151,637	$ (407,869)	$ 1,795,993	$ 139,841	$ (2,343,703)
Partners Group Direct Equity V A, L.P.	29,726,352	1,128,912	840,000	288,912	0
Partners Group Dogwood, L.P.	12,372,788	81,671	0	81,671	0
Portfolio Advisors Secondary Fund IV, L.P.	139,944,545	2,249,900	1,949,144	300,756	0
Portfolio Advisors Secondary Fund V, L.P.	68,741,635	3,770,710	2,500,000	1,270,710	0
Silver Creek Special Opportunities Fund I, L.P.	49,299	26,729	0	26,729	0
Silver Creek Special Opportunities Fund II, L.P.	562,606	32,327	0	32,327	0
Sixth Street Ironwood	4,884,880	2,518	0	2,518	0
Standard Investment Research Hedged Equity Fund	193,979,197	5,393,944	3,834,089	295,394	1,264,461
Stockbridge Core & Value Advisors, LLC	47,447,477	492,149	404,777	87,372	0
TA Realty Core Property Fund, L.P.	79,784,306	688,821	557,198	131,623	0
Thomas H. Lee Partners, L.P.	91,932,135	4,906,322	1,500,000	544,703	2,861,619
Tiverton Ag Legacy Holdings II, L.P.	22,626,401	298,523	190,625	107,898	0
TPG Axon	1,256,136	0	0	0	0
Verition Multi-Strategy Fund, Class A	109,820,726	11,213,968	1,388,190	1,301,067	8,524,711
Verition Multi-Strategy Fund, Class C	110,071,564	11,118,078	1,389,106	1,302,334	8,426,638
Vista Equity Partners VIII, L.P.	75,659,762	2,556,895	1,500,000	250,374	806,521
Vista Foundation Fund V, L.P.	20,384,415	1,825,961	570,652	1,255,309	0
Voleon Institutional Strategies Fund, L.P.	121,007,889	3,762,081	2,521,386	748,289	492,406
Voleon Investors Fund, L.P.	31,584,389	1,322,256	602,480	166,141	553,635
Warren Equity Partners ELIDO Fund II, L.P.	27,071,579	1,409,197	1,000,000	160,160	249,037
Warren Equity Partners IV, L.P.	87,815,428	6,564,964	1,500,000	187,398	4,877,566
Total Alternatives	$ 6,830,344,389	$273,654,947	$ 70,314,251	$ 68,113,230	$135,227,466
Total	$ 7,964,495,695	$278,942,879	$ 75,602,183	$ 68,113,230	$135,227,466

* *Fund pass-through expenses are administrative expenses charged to the fund and paid by the limited partners (including MOSERS), in addition to or in lieu of management and incentive fees. These expenses may include, but are not limited to, accounting, audit, legal, and custody expenses directly related to the administration of the underlying fund investments and pass-through management and incentive fees.*

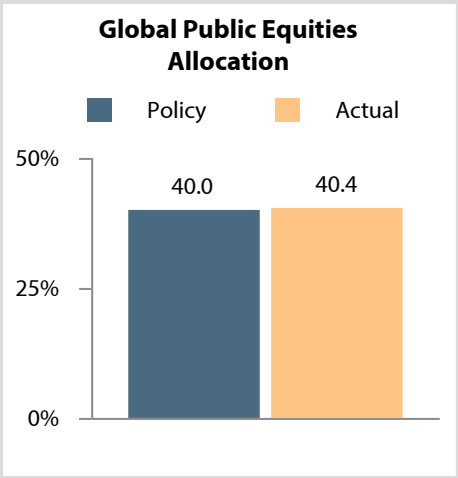
Asset Class Summary

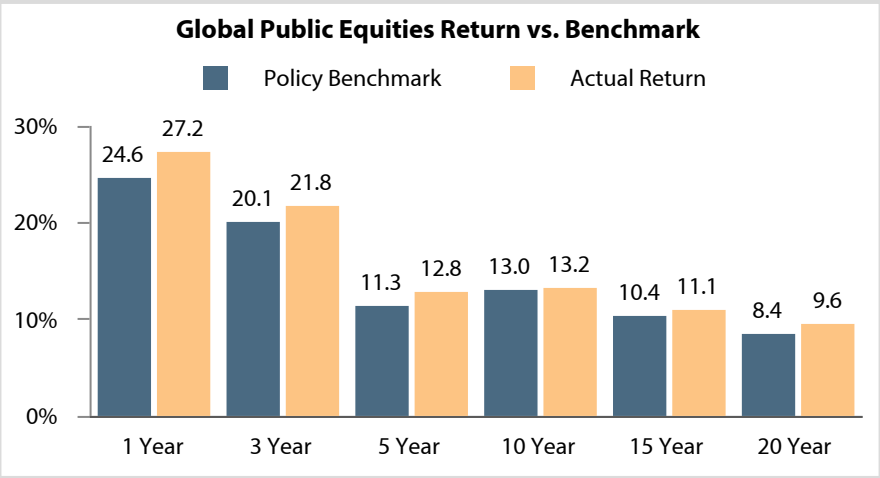
As of the end of fiscal year 2026, the portfolio consists of seven investment asset classes: global public equities, global private equities, U.S. Treasuries, private real estate, private real assets, alternative beta, and private credit. Of the 13 asset classes that existed at the beginning of the fiscal year, all but one had positive performance during the fiscal year. U.S. Treasuries was the only asset class with a negative annual return.

Global Public Equities

The global public equities allocation is designed to provide capital appreciation by accessing an equity risk premium. In addition, it is expected that investments in this category would perform well in periods of rising economic growth. Investments in this allocation include U.S. and non-U.S. equity investments with varying characteristics related to market capitalization and investment style. Because of the non-U.S. nature of some of these investments, this allocation is subject to some foreign currency exposure.

The market exposure of the global public equities allocation on June 30, 2026, was $4.37 billion, representing 40.4% of total market value of the portfolio. The bar chart below (left) illustrates the actual exposure compared to policy. For the fiscal year, the global public equities allocation returned 27.2% versus 24.6% for the policy benchmark. This outperformance was the result of portfolio implementation decisions that outperformed the benchmark. The bar chart below (right) illustrates actual performance as compared to the policy benchmark.

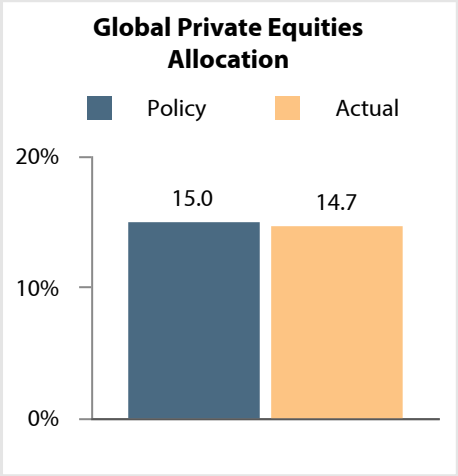


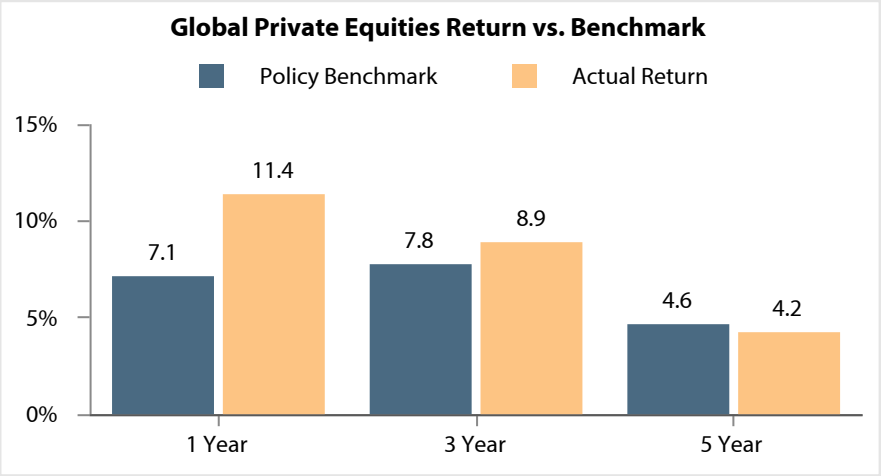


Global Private Equities

The global private equities allocation is designed to provide capital appreciation by accessing both an equity risk premium and an illiquidity risk premium. In addition, it is expected that investments in this category would perform well in periods of rising economic growth. Investments in this allocation include U.S. and non-U.S. equity investments with varying characteristics related to market capitalization and investment style. Because of the non-U.S. nature of some of these investments, this allocation is subject to some foreign currency exposure.

The market exposure of the global private equities allocation on June 30, 2026, was $1.59 billion, representing 14.7% of total market value of the portfolio. The bar chart below (left) illustrates the actual exposure compared to policy. For the fiscal year, the global private equities allocation returned 11.4% versus 7.1% for the policy benchmark. This outperformance was the result of portfolio and manager implementation decisions that outperformed the benchmark. The bar chart below (right) illustrates actual performance as compared to the policy benchmark.

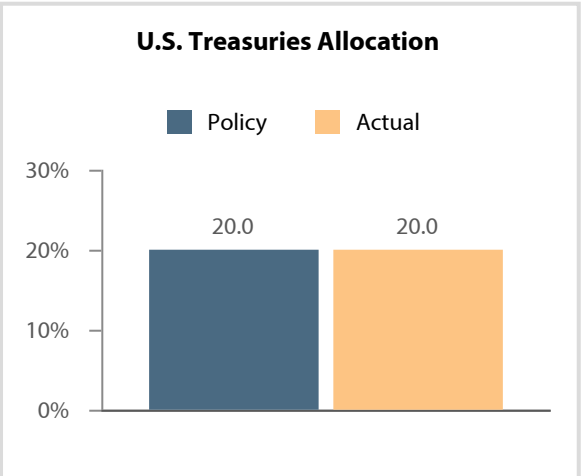


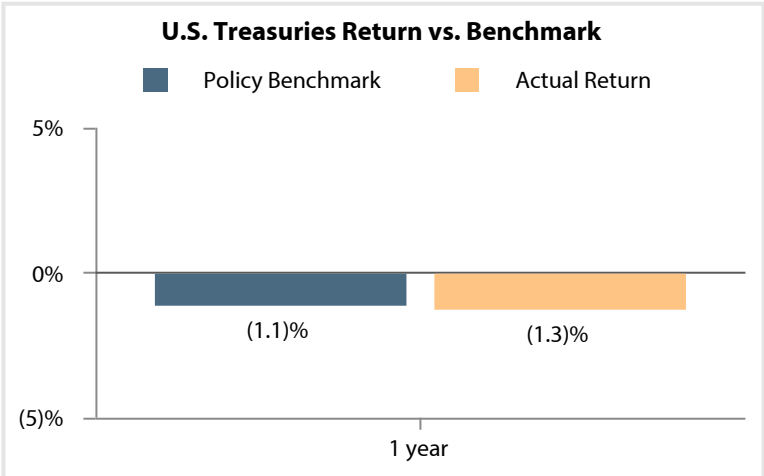


U.S. Treasuries

This allocation is designed to provide a source of current income and to reduce overall fund volatility. It is expected that investments in this asset class will perform well in periods of stable or falling economic growth and falling inflation. Investments in this asset class may include U.S. bonds that have been issued, collateralized, or guaranteed by the U.S. government, its agencies, or its instrumentalities. Because this asset class is invested in all U.S. bonds, there is currently not any foreign currency exposure as part of this allocation.

As of June 30, 2026, the market exposure of the U.S. Treasuries allocation was $2.16 billion, representing 20.0% of total market value of the portfolio. The bar chart below (left) illustrates the actual exposure compared to policy. For the fiscal year, the U.S. Treasuries allocation returned (1.3)% as compared to (1.1)% for the policy benchmark. The bar chart below (right) illustrates actual performance as compared to the policy benchmark.

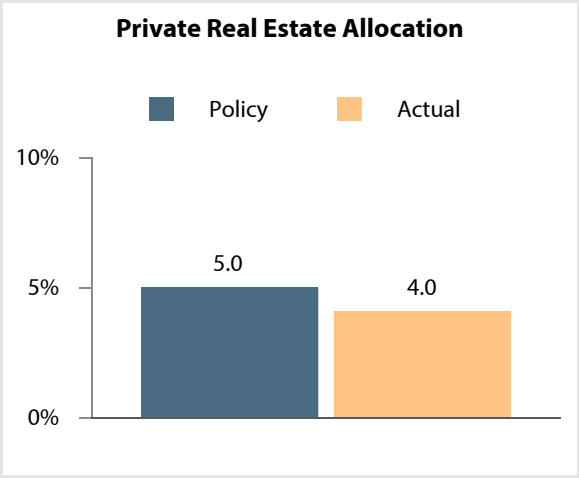


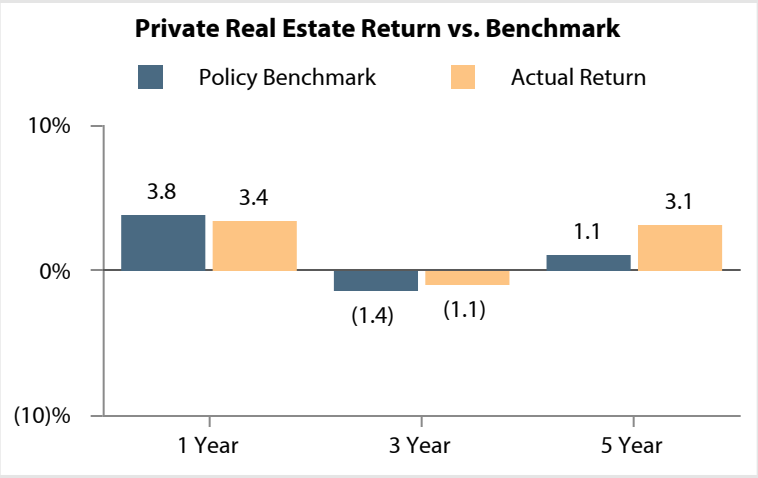


Private Real Estate

Private real estate is designed to provide capital appreciation and income and provide access to a form of equity risk premium and liquidity risk premium. It is expected that investments in this category would perform well in periods of rising economic growth and rising inflation. Because this asset class is invested primarily in U.S. denominated assets, there is not expected to be meaningful foreign currency exposure as part of this allocation.

As of June 30, 2026, the market exposure of the private real estate allocation was $436 million, representing 4.0% of total market value of the portfolio. The bar chart below (left) illustrates the actual exposure compared to policy. For the fiscal year, the private real estate allocation returned 3.4% versus 3.8% for the policy benchmark. The underperformance was mainly driven by manager implementation decisions that underperformed the policy benchmark. The bar chart below (right) illustrates actual performance as compared to the policy benchmark.

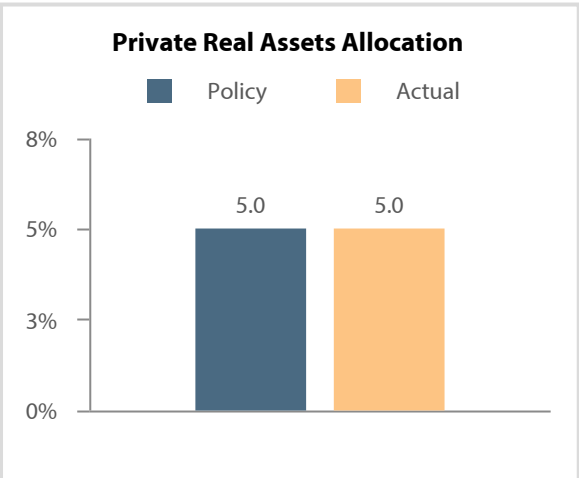


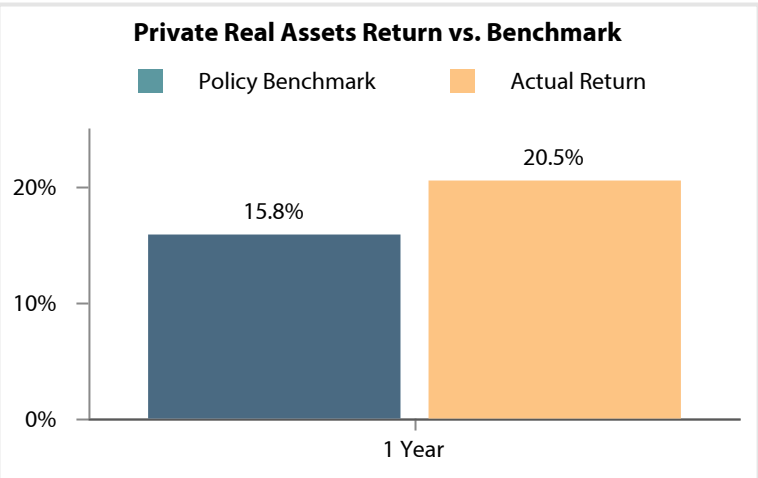


Private Real Assets

Private real assets are designed to provide capital appreciation and income while accessing a differentiated form of equity and credit risk premiums. In addition, it is expected that investments in this category would perform well in periods of rising economic growth and rising inflation. Because this asset class is invested primarily in U.S. denominated assets, there is not expected to be meaningful foreign currency exposure as part of this allocation.

As of June 30, 2026, the market exposure of the private real assets allocation was $544 million representing 5.0% of total market value of the portfolio. The bar chart below (left) illustrates the actual exposure compared to policy. For the fiscal year, the private real assets allocation returned 20.5% as compared to 15.8% for the policy benchmark. The underperformance was mainly driven by portfolio and manager implementation decisions that underperformed the policy benchmark. The bar chart below (right) illustrates actual performance as compared to the policy benchmark.

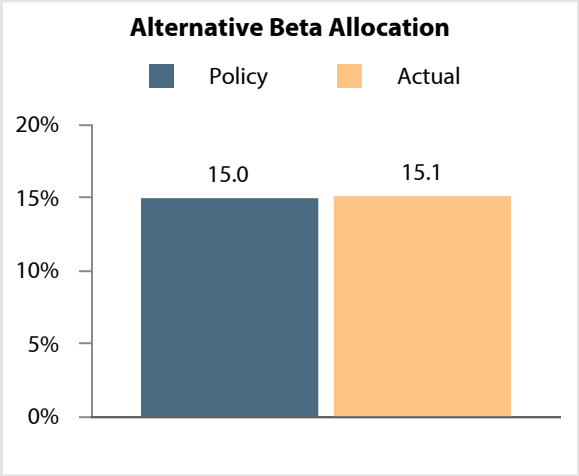


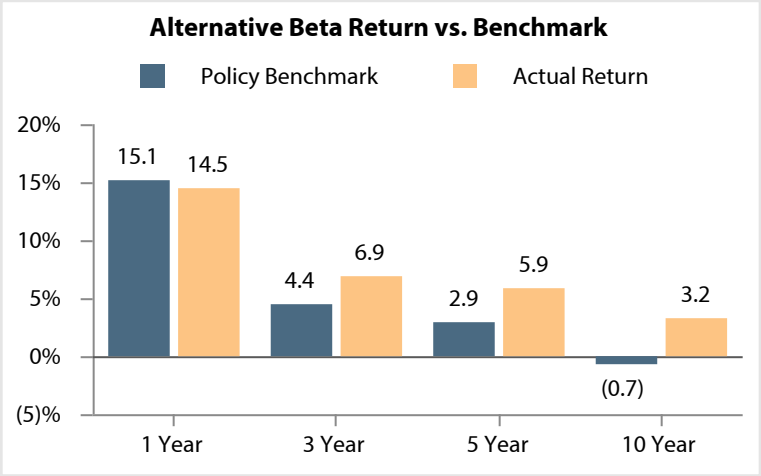


Alternative Beta

This asset class is designed to provide a source of stable returns and low correlations with traditional asset strategies. In addition, it is expected that investments in this category would perform well across multiple economic environments. As a result of the multitude of strategies being deployed, it is expected that this asset class will provide meaningful diversification to the portfolio. Because of the non-U.S. nature of some of these investments, this allocation is subject to some foreign currency exposure.

As of June 30, 2026, the market exposure of the alternative beta allocation was $1.63 billion, representing 15.1% of total market value of the portfolio. The bar chart below (left) illustrates the actual exposure compared to policy. For the fiscal year, alternative betas returned 14.5% versus 15.1% for the policy benchmark. The underperformance was primarily related to manager implementation decisions. The bar chart below (right) illustrates actual performance as compared to the policy benchmark.

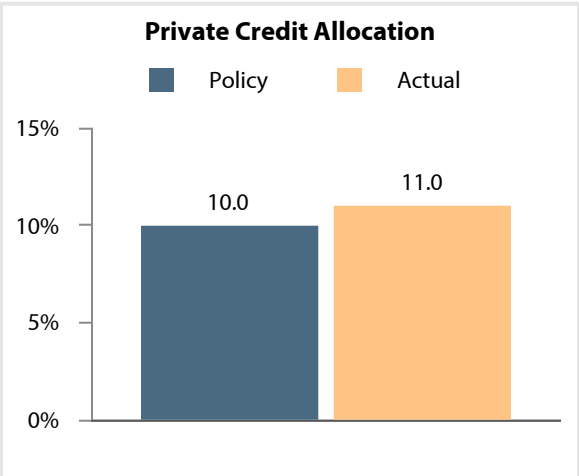


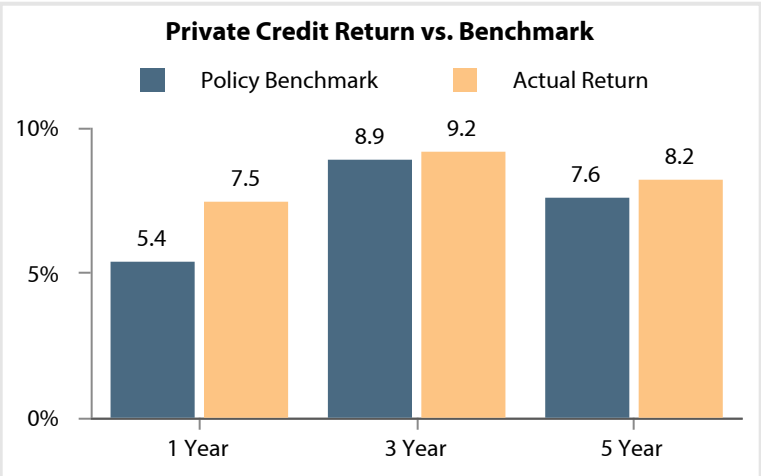


Private Credit

The private credit asset class is designed to provide a source of current income and provide access to a form of credit risk premium. In addition, it is expected that investments in this category would perform well in periods of rising economic growth. Because of the non-U.S. nature of some of these investments, this allocation is subject to some foreign currency exposure.

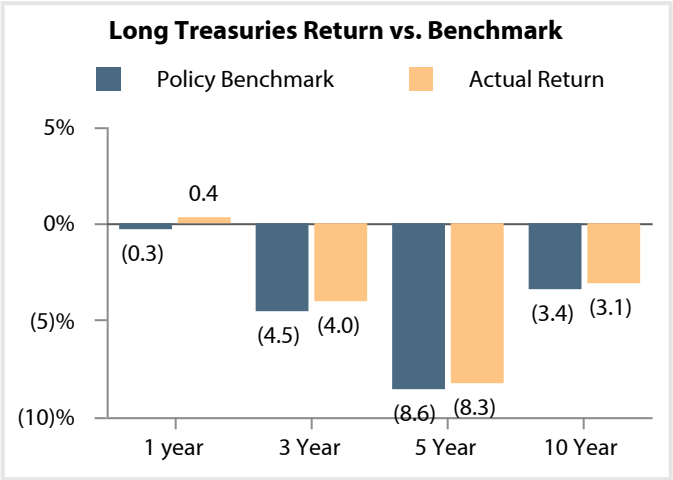
As of June 30, 2026, the market exposure of the private credit allocation was $1.19 billion, representing 11.0% of total market value of the portfolio. The bar chart below (left) illustrates the actual exposure compared to policy. The private credit allocation returned 7.5% for the fiscal year versus 5.4% for the policy benchmark. The outperformance was mainly driven by portfolio and manager implementation decisions that outperformed the policy benchmark. The bar chart below (right) illustrates actual performance as compared to the policy benchmark.

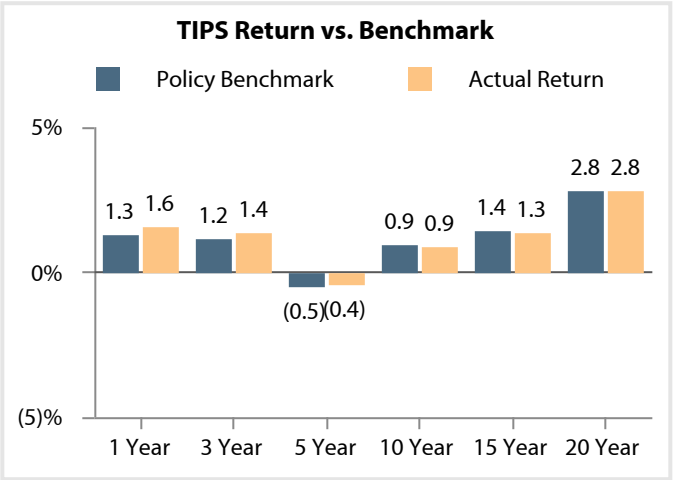


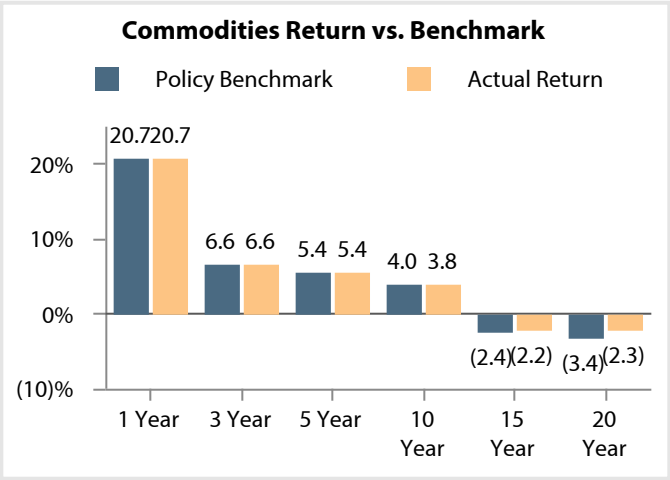


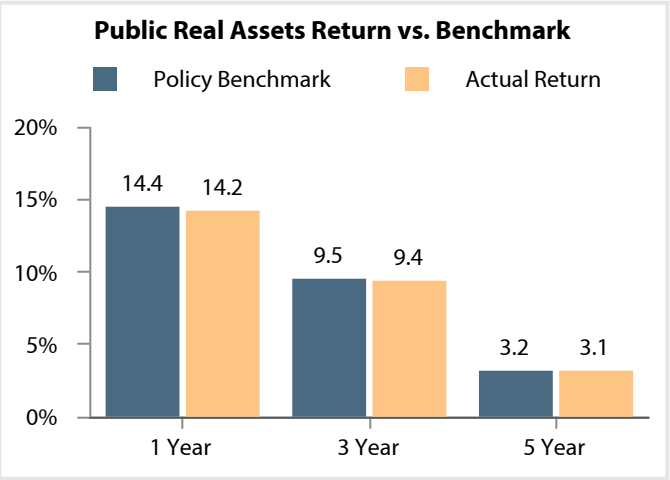
Eliminated Passively Managed Asset Classes

The following asset classes were eliminated as of fiscal year end as part of the transition to the new asset allocation established by the Board in 2024, and there was no internal or external active management strategies utilized for these asset classes, thus providing a return that closely matched the respective benchmarks. The bar charts below illustrate actual performance as compared to the policy benchmark.









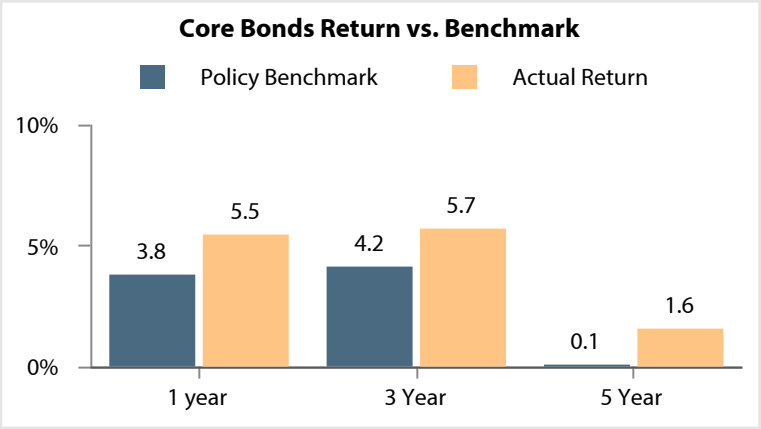
Eliminated Actively Managed Asset Classes

The following asset classes were also eliminated during the transition to the new asset allocation established by the Board in 2024; however, active management strategies were utilized for these asset classes.

Core Bonds

This allocation is designed to provide a source of current income and to reduce overall fund volatility.

For the fiscal year, the core bonds allocation returned 5.5% as compared to 3.8% for the policy benchmark. The outperformance was mainly driven by portfolio implementation decisions that outperformed the policy benchmark by 1.7%. The bar chart below illustrates actual performance as compared to the policy benchmark.



Hedge Funds

The hedge fund asset class was designed to provide a source of stable returns and low correlations with traditional asset strategies.

The hedge fund allocation returned 11.9% for the fiscal year versus 11.2% for the policy benchmark. The outperformance was mainly driven by manager implementation decisions that outperformed the policy benchmark. The bar chart below illustrates actual performance as compared to the policy benchmark.

