

**Tennessee School Boards Association
TSBA OPEB Trust Meeting
Franklin Marriott Cool Springs
Tuesday, February 11, 2025**

The TSBA OPEB Trustees met on Tuesday, February 11, 2025. The following members were present: .

Mark Hansen called the meeting to order at and welcomed everyone.

The meeting adjourned at

Respectfully submitted,

Mark Hansen, Chairman

Tammy Grissom, OPEB Trust Administrator



TSBA
TENNESSEE SCHOOL BOARDS ASSOCIATION

OPEB Trust Meeting

Agenda and Supporting Documents

Franklin Marriott Cool Springs

Clydesdale Room

Tuesday, February 11, 2025

7:00 a.m. – 8:00 a.m.



**OPEB Trust Meeting
Franklin Marriott Cool Springs
Clydesdale Room
Tuesday, February 11, 2025**

AGENDA

7:00 a.m.	Call to Order	Wright Cox, Chairman
7:02 a.m.	Approval of Agenda	
7:04 a.m.	Approval of November 9, 2024 Minutes	
7:06 a.m.	Approval of 6-month Financial Statements (December 31, 2024)	Dr. Tammy Grissom, Trust Administrator
7:10 a.m.	Report of Activities and Fiscal Condition of the Trust	
7:13 a.m.	Discussion Regarding Individual System Allocations and Submittal of Member Boards' Valuations	
7:20 a.m.	Review Investment Policy	
7:25 a.m.	Investment Report	Chris Sigmund, Morgan Stanley
7:45 a.m.	Public Comment	
7:55 a.m.	Other Business	
8:00 a.m.	Adjourn	

**Tennessee School Boards Association
OPEB Trust Meeting
Gaylord Opryland Resort and Convention Center
Magnolia Boardroom B
November 9, 2024**

The TSBA OPEB Trustees met on Saturday, November 9, 2024. The following members were present: **Wright Cox**, Collierville; **Tim Hobbs**, Hickman County; **Chris Denson**, Millington; **David Cook**, Bartlett; **Dr. Dale Viox**, Arlington; and **Dr. Tammy Grissom**, Trust Administrator. TSBA staff member present was **Emily Warren**. The following were also in attendance: **Michelle McKissack**, Memphis-Shelby County; **David Stephens**, Bartlett; **Chris Sigmund** with Morgan Stanley; and **Erica Saeger** with Crosslin.

Wright Cox called the meeting to order at 7:20 a.m. and welcomed everyone.

COOK/DENSON: Motion to approve the agenda. MOTION CARRIED.

COOK/DENSON: Motion to approve February 13, 2024 Minutes. MOTION CARRIED.

GRISSOM/DENSON: Motion to accept the 3-month Financial Statements (September 30, 2024).
MOTION CARRIED.

Dr. Tammy Grissom, the Trust Administrator, reported on the activities and fiscal condition of the Trust. She noted that no new members had joined the OPEB Trust, and no members had recently withdrawn funds from the OPEB Trust. Dr. Grissom mentioned that several members had deposited funds into the Trust and reiterated the importance of every school district understanding their OPEB liabilities.

Emily Warren, TSBA Consultant, reported that there were no proposed changes to the OPEB Trust Bylaws at this time.

Erica Saeger with Crosslin reviewed the June 30, 2024 OPEB Trust Audit. There was no discussion or questions as to the contents of the audit.

COOK/VIOX: Motion to approve the June 30, 2024 OPEB Trust Audit. MOTION CARRIED.

VIOX/COOK: Motion to select Crosslin as the audit company for the TSBA OPEB Trust for the years 2025, 2026, and 2027.

Discussion was held as to which companies were asked to submit a proposal and why Crosslin was the only company to respond. Additionally, a question was asked regarding Crosslin's auditing process.

Chris Sigmund with Morgan Stanley reported on the financial stability of the OPEB Trust and the performance of the Trust's investments in the current economy. He stated that the Trust is performing within the fiduciary guidelines as set forth by the investment policy. He went into detail as to the current trend of the market as well as the impact of the presidential election on the economy.

VIOX/HOBBS: Motion to approve the appointment of Michelle McKissack, Memphis-Shelby County to fulfill the vacated term of Kevin Woods, Memphis-Shelby County.

COX/DENSON: Motion to approve the appointments of the following Trustees: Chris Denson, Millington; David Cook, Bartlett; Michelle McKissack, Memphis-Shelby County; Tim Hobbs, Hickman County; and Wright Cox, Collierville. MOTION CARRIED.

COOK/VIOX: Motion to elect Wright Cox as Chairman. MOTION CARRIED.

VIOX/COOK: Motion to elect Tim Hobbs as Vice-Chairman. MOTION CARRIED.

There were no individuals present who wished to speak during the public comment portion of the meeting.

The meeting adjourned at 8:15 a.m.

Respectfully submitted,

Wright Cox, Chairman

Dr. Tammy Grissom, OPEB Trust Administrator

TSBA OPEB Trust
Balance Sheet
As of December 31, 2024

	<u>Dec 31, 24</u>
ASSETS	
Current Assets	
Checking/Savings	
1000-00 · Suntrust Operating Account	5,665.12
Total Checking/Savings	<u>5,665.12</u>
Other Current Assets	
1300-00 · Investments	
1300-10 · Hickman County Investments	3,104,612.32
1300-20 · Johnson County Investments	1,590,570.16
1300-30 · Shelby County Investments	150,213,725.32
1300-50 · Jackson-Madison Investments	564,132.99
1300-60 · Arlington Investments	5,223,577.35
1300-70 · Bartlett Investments	8,333,197.57
1300-80 · Collierville Investments	3,336,318.61
1300-90 · Lakeland Investments	3,518,943.18
1300-95 · Millington Investments	428,398.84
Total 1300-00 · Investments	<u>176,313,476.34</u>
Total Other Current Assets	<u>176,313,476.34</u>
Total Current Assets	<u>176,319,141.46</u>
TOTAL ASSETS	<u>176,319,141.46</u>
LIABILITIES & EQUITY	
Equity	
3200-00 · Unrestricted Net Assets	170,572,227.88
3200-50 · Unrestricted Net Assets - Audit	109,327.00
Net Income	5,637,586.58
Total Equity	<u>176,319,141.46</u>
TOTAL LIABILITIES & EQUITY	<u>176,319,141.46</u>

TSBA OPEB Trust
Profit & Loss
 July through December 2024

	Jul - Dec 24
Income	
4300-00 · Contributions	
4300-20 · Contributions - Johnson County	25,000.00
Total 4300-00 · Contributions	25,000.00
4400-00 · Unrealized Gain/Loss	
4400-10 · Unrealized Gain/Loss - Hickman	-21,240.04
4400-20 · Unrealized Gain/Loss - Johnson	-10,935.31
4400-30 · Unrealized Gain/Loss - Shelby	-1,130,531.21
4400-50 · Unrealized Gain/Loss - JMadison	-4,019.87
4400-60 · Unrealized Gain/Loss - Arlingto	-41,009.39
4400-70 · Unrealized Gain/Loss - Bartlett	-69,476.37
4400-80 · Unrealized Gain/Loss - Collierv	-26,762.03
4400-90 · Unrealized Gain/Loss - Lakeland	-28,775.03
4400-91 · Unrealized Gain/Loss - Millingt	-2,987.06
Total 4400-00 · Unrealized Gain/Loss	-1,335,736.31
4500-00 · Interest, Dividends&Capital Gn	
4500-10 · Interest, Div., & CG - Hickman	126,902.77
4500-20 · Interest, Div., & CG - Johnson	65,124.81
4500-30 · Interest, Div., & CG - Shelby	6,178,820.70
4500-50 · Interest, Div., & CG - JMadison	23,144.98
4500-60 · Interest, Div., & CG - Arlingto	216,340.55
4500-70 · Interest, Div., & CG - Bartlett	347,352.81
4500-80 · Interest, Div., & CG - Collierv	139,095.00
4500-90 · Interest, Div., & CG - Lakeland	146,374.79
4500-91 · Interest, Div., & CG - Millingt	17,576.40
Total 4500-00 · Interest, Dividends&Capital Gn	7,260,732.81
4800-00 · Interest Income	10.33
Total Income	5,950,006.83
Expense	
6400-00 · Administrative Fee	
6400-10 · Administrative Fee - Hickman	3,848.81
6400-20 · Administrative Fee - Johnson	1,956.27
6400-30 · Administrative Fee - Shelby	80,103.94
6400-50 · Administrative Fee -J. Madison	699.45
6400-60 · Administrative Fee - Arlington	6,479.01
6400-70 · Administrative Fee - Bartlett	10,338.78
6400-80 · Administrative Fee - Colliervil	4,138.28
6400-90 · Administrative Fee - Lakeland	4,365.57
6400-91 · Administrative Fee - Millington	531.11
Total 6400-00 · Administrative Fee	112,461.22
6500-00 · Investment Advisor Fees	
6500-10 · Investment Advisor Fees - Hickm	3,488.89
6500-20 · Investment Advisor Fees - Johns	1,787.74
6500-30 · Investment Advisor Fees - Shelb	170,217.09
6500-50 · Investment Advisor Fees - JMadi	632.22
6500-60 · Investment Advisor Fees - Arlin	5,951.38
6500-70 · Investment Advisor Fees - Bartl	9,572.33
6500-80 · Investment Advisor Fees - Colli	3,820.32
6500-90 · Investment Advisor Fees - Lakel	4,008.73
6500-91 · Investment Advisor Fees - Milli	480.33
Total 6500-00 · Investment Advisor Fees	199,959.03
Total Expense	312,420.25
Net Income	5,637,586.58

TSBA OPEB Trust

Descriptor Term: Investment	Descriptor Code: 3060	Revised: 10/21/20
	Rescinds: 3060	Previous Issued: 02/12/18

1 OBJECTIVES AND PERFORMANCE GOALS

2 The Trust's overall investment objective is to achieve a favorable total rate of return consistent
3 with prudent financial management. The goal is to meet stated financial needs of the Trust while
4 maintaining or increasing the real inflation adjusted value of the permanent funds for which the
5 Trust has been entrusted.

6 The performance of the Trust's financial assets and its investment managers will be monitored
7 on a quarterly basis. Portfolio asset allocation shall be reviewed at least annually. Individual
8 managers will be expected to exceed the performance of relevant market index benchmarks over
9 full market cycles. Risk-adjusted performance will also be measured against a peer group of
10 similar managers and evaluated over three (3) and five (5) year annualized time periods.

11 BOARD OF TRUSTEES

12 The Board of Trustees is responsible for overseeing the investments assets of the Trust and for
13 discharging its duties solely in the best interest of the Trust. These duties shall be discharged
14 with the care, skill, prudence, and diligence under the circumstances then prevailing that a
15 prudent man acting in a like capacity and familiar with such matters would use in the conduct of
16 an enterprise of a like character and with like aims. In addition, the Board of Trustees will
17 conduct a thorough review of any person or entity providing investment services to the Trust to
18 avoid any potential conflict of interest situations.

19 FINANCE COMMITTEE

20 The Board of Trustees will act as the Finance Committee. The duties of the Finance Committee
21 include, but are not limited to, the following:

- 22 1. Evaluating and selecting an investment consultant;
23
- 24 2. Developing investment objectives and performance measurement standards which are
25 consistent with the financial needs of the Trust and individual funds;

- 1 3. Periodically reviewing the policy guidelines, and if needed, making changes after
2 consideration of the advice and recommendations of the investment consultant and
3 others;
4
- 5 4. Determining an asset allocation strategy and investment management structure
6 designed to meet the Trust's investment objectives;
7
- 8 5. Evaluating and selecting investment managers;
9
- 10 6. Communicating investment objectives, portfolio guidelines, and performance
11 standards to the investment managers;
12
- 13 7. Holding biannual meetings for the review of performance reports and financial
14 statements and informational conference calls as needed;
15
- 16 8. Deploying existing assets and newly contributed funds to the investment managers;
17
- 18 9. Reviewing and evaluating investment results in the context of predetermined
19 performance standards;
20
- 21 10. Ensuring that investment managers are in compliance with all portfolio guidelines
22 and restrictions and that undo risk is not being undertaken to achieve objectives;
23
- 24 11. Taking necessary corrective action when investment managers fail to achieve
25 expected results; and
26
- 27 12. Engage in RFP process for all contracted services every three (3) years.

28 CUSTODIAN

29 Subject to approval by the Board of Trustees, the Finance Committee is authorized to hire a
30 custodian to safekeep the Trust's assets. The duties of the custodian include, but are not limited
31 to, the following:

- 32 1. Providing all normal custodial functions including security safekeeping, collection of
33 income, settlement of trades, collection of proceeds of maturing securities,
34 distribution of income, and daily investment of uninvested cash;
35
- 36 2. Providing reports detailing investment holdings and account transitions monthly and

1 an annual report summarizing the following to be submitted to the Finance
2 Committee within forty-five (45) days following each fiscal year end;

3
4 a. The reports will include the following:

- 5 1. Statement of all assets on hand;
- 6 2. Statement of all assets received representing contributions to the
7 account; and
- 8 3. Statement of all sales, redemptions, maturities, and principal
9 payments;

10
11
12 3. Establishing and maintaining directed account relationships with each investment
13 manager; and

14
15 4. Preparing accounting reports as requested.

16 **INVESTMENT MANAGEMENT**

17 The Board of Trustees is authorized to engage the services of investment managers, as defined
18 under the Investment Advisors Act of 1940, and other investment professionals to provide the
19 specialized management necessary to meet the Trust's investment objectives and guidelines.
20 Accordingly, the Board of Trustees requires the investment managers to adhere to the "prudent
21 man rule" under such state laws¹ as may be applicable or which may be applicable in the future
22 of the investment of Trust assets.

23 **DELEGATION OF AUTHORITY**

24 Investment managers retained by the Board of Trustees will be held responsible for making all
25 investment decisions regarding the assets under their direction. Each investment manager will be
26 provided with a copy of these investment policy objectives and guidelines. In addition, each
27 manager will be provided with any additional specific goals and objectives that are applicable to
28 the particular managed account that the manager is responsible for. Managers will be required to
29 observe and operate within all guidelines specified by the Trust.

30 **CAPITAL REQUIREMENTS**

31 The Board of Trustees is directed to maintain an Operating Reserve balance which may be
32 custodied in one or more accounts and must maintain a balance that is appropriate to meet the
33 annual distribution needs of the Trust. Such funds may only be invested in insured money market
34 instruments or in investments whose principal is guaranteed by the full faith and credit of the

1 United States Government or one of its agencies. Irrespective of the type of investment selected,
 2 funds may not be invested in any security with a maturity greater than one (1) year. The Board of
 3 Trustees is permitted to maintain all Trust funds in Operating Reserve investments until the Trust
 4 fund balance reaches a level where it is both economically prudent and fiscally appropriate to
 5 invest funds.

6
 7 The Board of Trustees may establish an account or accounts whose balances are restricted to a
 8 particular use or program. Such accounts may be invested according to the guidelines established
 9 in this policy or restricted to more conservative allocations pursuant to the timing of the need for
 10 the funds. Restricted fund balances may be expended at the direction of the Board of Trustees so
 11 long as such direction is not in conflict with agreements or restrictions attached to the receipt of
 12 such funds.

13
 14 All remaining funds owned or controlled by the Board of Trustees shall be considered Capital
 15 Reserves. At the end of each operating year, any and all reserves held in accounts designed as
 16 Operating Reserves which are in excess of the required balance for the upcoming operating year
 17 shall be reallocated to the Capital Reserves account or accounts. All funds held in Capital
 18 Reserve accounts shall be invested pursuant to the guidelines established in this policy.

19 INVESTMENT GUIDELINES

20 The Trust's investment policy objectives and guidelines will be reviewed and revised as needed
 21 from time to time by the Finance Committee. In conducting the review, the committee will
 22 consider applicable advice and recommendations of the Trust's attorneys, accountants,
 23 investment managers, consultants, or other professionals retained to render advice to the Trust.
 24 All modifications shall be in writing and shall be approved by the Board of Trustees.

25 ASSET ALLOCATION

26 The Trust's investment philosophy is that assets should be allocated with the goal of producing
 27 the highest total return consistent with prudent financial management. Unless otherwise specified
 28 by individual fund objectives, this philosophy should be adhered to within the constraints
 29 of the following asset allocation ranges:

30	<u>Maximum allocation</u>	<u>Minimum allocation</u>
31 Equity Investments	70%	35%
32 Fixed Income Investments	65%	20%
33 Cash & Equivalent	35%	0%

1	Alternative Investments – 40 Act Funds	15%	0%
2	Hedging Strategies		
3	Commodities ETF's		
4	Managed Futures Funds		

5 In cases where individual fund objectives require an exception to the above asset allocation
6 ranges, written statements detailing the reasoning for each specific fund will be provided as
7 supplements to this Investment Policy.

8 From time to time, the Finance Committee will determine specific asset allocation targets that it
9 feels are best suited for accomplishing the above total return objective. These specific asset
10 allocation targets will be communicated to individual investment managers in writing, and within
11 a reasonable time frame, managers are expected to reallocate assets in order to comply with the
12 target ranges established by the Committee. In the absence of specific asset allocation targets
13 from the Trust, individual managers will have the direct responsibility for settling and
14 maintaining an asset mix that they feel will best accomplish the Trust's total return objective. At
15 all times and in all cases, the above maximum and minimum limits or specific individual fund
16 maximum and minimum limits, where applicable, are to be adhered to.

17 **PROXY VOTING**

18 The Board of Trustees recognizes that proxy voting is a fiduciary responsibility and requires that
19 proxies be voted based on those factors which would enhance the value of the Trust's
20 investments. The Board of Trustees delegates their authority to vote proxies to the investment
21 managers employed by the Trust and instructs the managers to maintain accurate voting records
22 and to vote proxies for the exclusive benefit of the Trust.

23 **TYPES OF ASSETS**

24 In order to provide for adequate investment diversification across a broad range of assets, the
25 following types of assets are approved for investment:

- 26 U.S. Common Stock
- 27 Non U.S. Common Stock
- 28 U.S. Preferred Stock
- 29 Non U.S. Preferred Stock
- 30 U.S. Government and Agency Securities
- 31 Non U.S. Government and Agency Securities
- 32 Corporate Bonds with a minimum BAA rating or the equivalent Municipal Debt

- 1 Convertible Securities
- 2 Commercial Paper
- 3 Money Market Funds
- 4 Mutual Funds (open and closed-end)
- 5 Exchange Traded Funds
- 6 Passive Index Funds
- 7 Commodities Exchange Traded Funds
- 8 1940 Act Alternative Funds – Hedging Strategies
- 9 1940 Act Managed Futures Funds
- 10 Certificate of Deposits

11 *Additional Criteria*

12 All fixed income and preferred stock issues shall be investment grade and dollar denominated.
13 Mutual fund investment shall have investment objectives, rules, and regulations that are
14 consistent with the Trust's Investment Policy. All assets selected for the Trust shall have a
15 readily ascertainable market value and be readily marketable.

16 *Prohibited Investments*

17 Investment managers are prohibited from using the following assets and/or transactions:

- 18 Uncovered Options – Puts or Calls
- 19 Short Selling
- 20 Restricted Stock
- 21 Other Derivative Securities not specifically approved above

22 **CASH & CASH EQUIVALENTS**

23 All cash, wherever and whenever possible, should be invested in interest bearing instruments.
24 These investments should have stable pricing and instant liquidity.

25 **INVESTMENT MARKETS – EQUITY SECURITIES**

26 In order to broaden the investment opportunities for the investment manager(s) to achieve
27 specific objectives, the managers are permitted to invest in equity securities listed on the New
28 York Stock Exchange, the American Stock Exchange, principal regional exchanges, and in over-
29 the-counter securities for which there is a strong market providing ready liquidity of the specific
30 security.

1 The Board of Trustees believes it is necessary and desirable that equity securities held by the
2 Trust represent a diversified portfolio. In this regard, the Finance Committee and Investment
3 Consultant will select and continue to monitor equity investment managers that have
4 diversification and risk management strategies that are consistent with this focus.

5 **INVESTMENT MARKETS – FIXED INCOME SECURITIES**

6 In order to broaden the investment opportunities for the investment manager(s) to achieve
7 specific objectives, the managers are permitted to invest in fixed income issues offered in both
8 primary and secondary markets. Fixed income securities may include bonds, notes, and pass-
9 through securities issued or guaranteed by the U.S. Government or its agencies, corporate bonds,
10 notes, debentures, or asset-backed securities. Should the rating on a debt or preferred stock
11 security purchased subsequently fall below the minimum BAA (or equivalent) rating, a sale of
12 the issue shall be required except as warranted by investment considerations.

13 The Board of Trustees believes it is necessary and desirable that fixed income securities held by
14 the Trust represent a diversified portfolio. In this regard, the Finance Committee and Investment
15 Consultant will select and continue to monitor fixed income investment managers that have
16 diversification and risk management strategies that are consistent with this focus.

Legal References

1. TCA 35-14-101 *et seq.*

TSBA OPEB Trust

Descriptor Term: Investment	Descriptor Code: 3060	Revised: 10/21/20
	Rescinds: 3060	Previous Issued: 02/12/18

1 OBJECTIVES AND PERFORMANCE GOALS

2 The Trust's overall investment objective is to achieve a favorable total rate of return consistent
3 with prudent financial management. The goal is to meet stated financial needs of the Trust while
4 maintaining or increasing the real inflation adjusted value of the permanent funds for which the
5 Trust has been entrusted.

6 The performance of the Trust's financial assets and its investment managers will be monitored
7 on a quarterly basis. Portfolio asset allocation shall be reviewed at least annually. Individual
8 managers will be expected to exceed the performance of relevant market index benchmarks over
9 full market cycles. Risk-adjusted performance will also be measured against a peer group of
10 similar managers and evaluated over three (3) and five (5) year annualized time periods.

11 BOARD OF TRUSTEES

12 The Board of Trustees is responsible for overseeing the investments assets of the Trust and for
13 discharging its duties solely in the best interest of the Trust. These duties shall be discharged
14 with the care, skill, prudence, and diligence under the circumstances then prevailing that a
15 prudent man acting in a like capacity and familiar with such matters would use in the conduct of
16 an enterprise of a like character and with like aims. In addition, the Board of Trustees will
17 conduct a thorough review of any person or entity providing investment services to the Trust to
18 avoid any potential conflict of interest situations.

19 FINANCE COMMITTEE

20 The Board of Trustees will act as the Finance Committee. The duties of the Finance Committee
21 include, but are not limited to, the following:

- 22 1. Evaluating and selecting an investment consultant;
23
- 24 2. Developing investment objectives and performance measurement standards which are
25 consistent with the financial needs of the Trust and individual funds;

- 1 3. Periodically reviewing the policy guidelines, and if needed, making changes after
2 consideration of the advice and recommendations of the investment consultant and
3 others;
4
- 5 4. Determining an asset allocation strategy and investment management structure
6 designed to meet the Trust's investment objectives;
7
- 8 5. Evaluating and selecting investment managers;
9
- 10 6. Communicating investment objectives, portfolio guidelines, and performance
11 standards to the investment managers;
12
- 13 7. Holding biannual meetings for the review of performance reports and financial
14 statements and informational conference calls as needed;
15
- 16 8. Deploying existing assets and newly contributed funds to the investment managers;
17
- 18 9. Reviewing and evaluating investment results in the context of predetermined
19 performance standards;
20
- 21 10. Ensuring that investment managers are in compliance with all portfolio guidelines
22 and restrictions and that undo risk is not being undertaken to achieve objectives;
23
- 24 11. Taking necessary corrective action when investment managers fail to achieve
25 expected results; and
26
- 27 12. Engage in RFP process for all contracted services every three (3) years.

28 CUSTODIAN

29 Subject to approval by the Board of Trustees, the Finance Committee is authorized to hire a
30 custodian to safekeep the Trust's assets. The duties of the custodian include, but are not limited
31 to, the following:

- 32 1. Providing all normal custodial functions including security safekeeping, collection of
33 income, settlement of trades, collection of proceeds of maturing securities,
34 distribution of income, and daily investment of uninvested cash;
35
- 36 2. Providing reports detailing investment holdings and account transitions monthly and

1 an annual report summarizing the following to be submitted to the Finance
2 Committee within forty-five (45) days following each fiscal year end;

3
4 a. The reports will include the following:

- 5 1. Statement of all assets on hand;
- 6 2. Statement of all assets received representing contributions to the
7 account; and
- 8 3. Statement of all sales, redemptions, maturities, and principal
9 payments;

10
11
12 3. Establishing and maintaining directed account relationships with each investment
13 manager; and

14
15 4. Preparing accounting reports as requested.

16 **INVESTMENT MANAGEMENT**

17 The Board of Trustees is authorized to engage the services of investment managers, as defined
18 under the Investment Advisors Act of 1940, and other investment professionals to provide the
19 specialized management necessary to meet the Trust's investment objectives and guidelines.
20 Accordingly, the Board of Trustees requires the investment managers to adhere to the "prudent
21 man rule" under such state laws¹ as may be applicable or which may be applicable in the future
22 of the investment of Trust assets.

23 **DELEGATION OF AUTHORITY**

24 Investment managers retained by the Board of Trustees will be held responsible for making all
25 investment decisions regarding the assets under their direction. Each investment manager will be
26 provided with a copy of these investment policy objectives and guidelines. In addition, each
27 manager will be provided with any additional specific goals and objectives that are applicable to
28 the particular managed account that the manager is responsible for. Managers will be required to
29 observe and operate within all guidelines specified by the Trust.

30 **CAPITAL REQUIREMENTS**

31 The Board of Trustees is directed to maintain an Operating Reserve balance which may be
32 custodied in one or more accounts and must maintain a balance that is appropriate to meet the
33 annual distribution needs of the Trust. Such funds may only be invested in insured money market
34 instruments or in investments whose principal is guaranteed by the full faith and credit of the

1 United States Government or one of its agencies. Irrespective of the type of investment selected,
 2 funds may not be invested in any security with a maturity greater than one (1) year. The Board of
 3 Trustees is permitted to maintain all Trust funds in Operating Reserve investments until the Trust
 4 fund balance reaches a level where it is both economically prudent and fiscally appropriate to
 5 invest funds.

6
 7 The Board of Trustees may establish an account or accounts whose balances are restricted to a
 8 particular use or program. Such accounts may be invested according to the guidelines established
 9 in this policy or restricted to more conservative allocations pursuant to the timing of the need for
 10 the funds. Restricted fund balances may be expended at the direction of the Board of Trustees so
 11 long as such direction is not in conflict with agreements or restrictions attached to the receipt of
 12 such funds.

13
 14 All remaining funds owned or controlled by the Board of Trustees shall be considered Capital
 15 Reserves. At the end of each operating year, any and all reserves held in accounts designed as
 16 Operating Reserves which are in excess of the required balance for the upcoming operating year
 17 shall be reallocated to the Capital Reserves account or accounts. All funds held in Capital
 18 Reserve accounts shall be invested pursuant to the guidelines established in this policy.

19 INVESTMENT GUIDELINES

20 The Trust's investment policy objectives and guidelines will be reviewed and revised as needed
 21 from time to time by the Finance Committee. In conducting the review, the committee will
 22 consider applicable advice and recommendations of the Trust's attorneys, accountants,
 23 investment managers, consultants, or other professionals retained to render advice to the Trust.
 24 All modifications shall be in writing and shall be approved by the Board of Trustees.

25 ASSET ALLOCATION

26 The Trust's investment philosophy is that assets should be allocated with the goal of producing
 27 the highest total return consistent with prudent financial management. Unless otherwise specified
 28 by individual fund objectives, this philosophy should be adhered to within the constraints
 29 of the following asset allocation ranges:

30	<u>Maximum allocation</u>	<u>Minimum allocation</u>
31 Equity Investments	70%	35%
32 Fixed Income Investments	65%	20%
33 Cash & Equivalents	35%	0%

1	Alternative Investments – 40 Act Funds	15%	0%
2	Hedging Strategies		
3	Commodities ETF's		
4	Managed Futures Funds		

5 In cases where individual fund objectives require an exception to the above asset allocation
6 ranges, written statements detailing the reasoning for each specific fund will be provided as
7 supplements to this Investment Policy.

8 From time to time, the Finance Committee will determine specific asset allocation targets that it
9 feels are best suited for accomplishing the above total return objective. These specific asset
10 allocation targets will be communicated to individual investment managers in writing, and within
11 a reasonable time frame, managers are expected to reallocate assets in order to comply with the
12 target ranges established by the Committee. In the absence of specific asset allocation targets
13 from the Trust, individual managers will have the direct responsibility for settling and
14 maintaining an asset mix that they feel will best accomplish the Trust's total return objective. At
15 all times and in all cases, the above maximum and minimum limits or specific individual fund
16 maximum and minimum limits, where applicable, are to be adhered to.

17 **PROXY VOTING**

18 The Board of Trustees recognizes that proxy voting is a fiduciary responsibility and requires that
19 proxies be voted based on those factors which would enhance the value of the Trust's
20 investments. The Board of Trustees delegates their authority to vote proxies to the investment
21 managers employed by the Trust and instructs the managers to maintain accurate voting records
22 and to vote proxies for the exclusive benefit of the Trust.

23 **TYPES OF ASSETS**

24 In order to provide for adequate investment diversification across a broad range of assets, the
25 following types of assets are approved for investment:

- 26 U.S. Common Stock
- 27 Non U.S. Common Stock
- 28 U.S. Preferred Stock
- 29 Non U.S. Preferred Stock
- 30 U.S. Government and Agency Securities
- 31 Non U.S. Government and Agency Securities
- 32 Corporate Bonds with a minimum BAA rating or the equivalent Municipal Debt

- 1 Convertible Securities
- 2 Commercial Paper
- 3 Money Market Funds
- 4 Mutual Funds (open and closed-end)
- 5 Exchange Traded Funds
- 6 Passive Index Funds
- 7 Commodities Exchange Traded Funds
- 8 1940 Act Alternative Funds – Hedging Strategies
- 9 1940 Act Managed Futures Funds
- 10 Certificate of Deposits

11 *Additional Criteria*

12 All fixed income and preferred stock issues shall be investment grade and dollar denominated.
13 Mutual fund investment shall have investment objectives, rules, and regulations that are
14 consistent with the Trust's Investment Policy. All assets selected for the Trust shall have a
15 readily ascertainable market value and be readily marketable.

16 *Prohibited Investments*

17 Investment managers are prohibited from using the following assets and/or transactions:

- 18 Uncovered Options – Puts or Calls
- 19 Short Selling
- 20 Restricted Stock
- 21 Other Derivative Securities not specifically approved above

22 **CASH & CASH EQUIVALENTS**

23 All cash, wherever and whenever possible, should be invested in interest bearing instruments.
24 These investments should have stable pricing and instant liquidity.

25 **INVESTMENT MARKETS – EQUITY SECURITIES**

26 In order to broaden the investment opportunities for the investment manager(s) to achieve
27 specific objectives, the managers are permitted to invest in equity securities listed on the New
28 York Stock Exchange, the American Stock Exchange, principal regional exchanges, and in over-
29 the-counter securities for which there is a strong market providing ready liquidity of the specific
30 security.

1 The Board of Trustees believes it is necessary and desirable that equity securities held by the
2 Trust represent a diversified portfolio. In this regard, the Finance Committee and Investment
3 Consultant will select and continue to monitor equity investment managers that have
4 diversification and risk management strategies that are consistent with this focus.

5 **INVESTMENT MARKETS – FIXED INCOME SECURITIES**

6 In order to broaden the investment opportunities for the investment manager(s) to achieve
7 specific objectives, the managers are permitted to invest in fixed income issues offered in both
8 primary and secondary markets. Fixed income securities may include bonds, notes, and pass-
9 through securities issued or guaranteed by the U.S. Government or its agencies, corporate bonds,
10 notes, debentures, or asset-backed securities. Should the rating on a debt or preferred stock
11 security purchased subsequently fall below the minimum BAA (or equivalent) rating, a sale of
12 the issue shall be required except as warranted by investment considerations.

13 The Board of Trustees believes it is necessary and desirable that fixed income securities held by
14 the Trust represent a diversified portfolio. In this regard, the Finance Committee and Investment
15 Consultant will select and continue to monitor fixed income investment managers that have
16 diversification and risk management strategies that are consistent with this focus.

Legal References

1. TCA 35-14-101 *et seq.*

Custom Report

Prepared on January 23, 2025 for:

TSBA OPEB TRUST

TAMMY GRISSOM TTEE
TSBA OPEB TRUST U/T/A DTD
11/05/2012
525 BRICK CHURCH PARK DRIVE
NASHVILLE TN 37207-3219

The Acklen Park Group

Lee Burklow

Financial Advisor
Executive Director
Tel: +1 615 298-6556
Lee.Burklow@morganstanley.com

Christopher Sigmund

Financial Advisor
Senior Vice President
Tel: +1 615 298-6557
Chris.Sigmund@morganstanley.com

Andrew Mazzoni

Financial Advisor
Executive Director
Tel: +1 615 298-6544
Andrew.Mazzoni1@morganstanley.com

Jack Zager

Financial Advisor
Senior Vice President
Tel: +1 615 298-6543
Jack.Zager@morganstanley.com

Your Branch:

3102 WEST END AVE STE 200
NASHVILLE, TN 37203

Table of Contents

TSBA OPEB TRUST

Market Overview	3
Investment Summary Dollar Weighted Returns	4
Asset Allocation	5
Equities Asset Allocation	6
Fixed Income & Preferreds Asset Allocation	7
Projected 12 Month Income Summary	8
Time Weighted Performance Summary	9
Positions Time Weighted Performance Detail	10
Risk Vs. Return	12
Modern Portfolio Theory	13
Account(s) Included In This Report w/ Performance Since Inception	14
Disclosures	16

Please review the disclosures and definitions throughout this Document. For more information or questions, please contact your Financial Advisor.
Various sub-sections of this Document may not contain information on all accounts/positions covered in this Document and will be denoted on the page.

Morgan Stanley Wealth Management Global Investment Committee Commentary

As of January 08, 2025 Reporting Currency: USD

The fourth quarter of 2024 brought positive total returns of 2.4% for the S&P 500, as four of its 11 sectors posted gains quarter-over-quarter. Over the same time frame, the Russell 2000 Index, the small-cap benchmark, gained 0.3%, while the Bloomberg US Aggregate Index, a broad measure of the US bond market, decreased by 3.1%. The yield on the 10-year US Treasury note closed the fourth quarter at 4.57%, while the yield on 3-month Treasury bills was 4.31%.

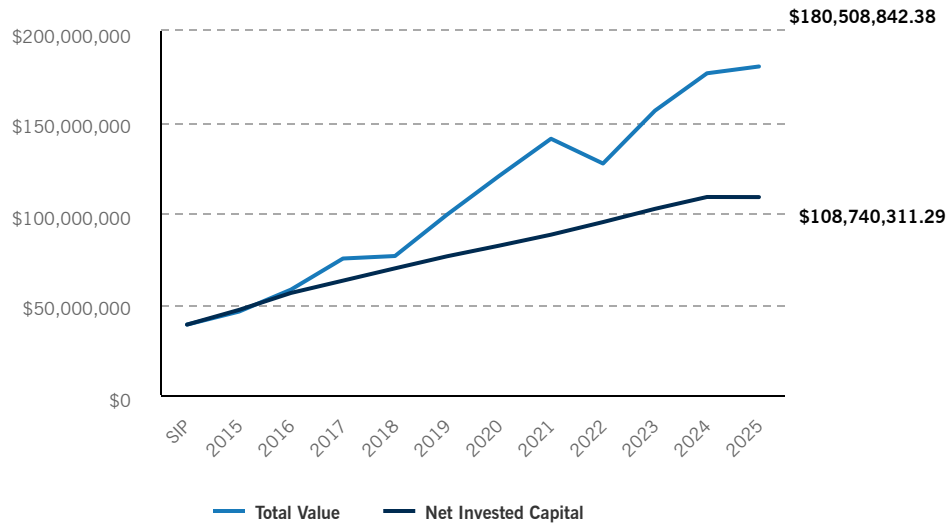
- During 4Q24, the **Federal Reserve cut the federal funds rate by 50 bps total, with one 25bp cut in November and another 25bp cut in December**. Labor market resilience, sticky inflation, and the potentially reflationary policies of the incoming Presidential Administration have turned the Fed increasingly hawkish. Payrolls surprised to the upside in November, but the overall unemployment rate rose slightly to 4.2%, in the same general range as the last few months.
- Throughout 4Q, the **US dollar increased by about 7.6%** and oil prices increased for the first time in two quarters. With the current economic backdrop, the Global Investment Committee is market-weight equities and market-weight fixed income. In equities, we recommend large-cap value and mid-cap growth, as they may be the biggest beneficiaries of the incoming administration's focus on deregulation and tax cuts.
- We **shifted to underweight for international developed and moved to overweight for emerging market equities**. The GIC **maintains neutral positioning in fixed income assets** and does not recommend taking relative duration risk as we believe current US Treasury yields are close to "fair value." We advocate that investors rely on higher-quality sectors for income and as a potential offset against the downside surprise of a slower growth trajectory.
- On the **labor market front**, the November payroll report came in stronger than expected, with 227,000 jobs added in the month vs. economists' consensus of 220,000, stalling the cooling labor market narrative. Inflation data was mixed throughout 4Q24, rising slightly to 2.7% in November, dampening the likelihood of aggressive Federal Reserve rate cuts in 2025. The Fed continues to weigh its dual mandate of keeping inflation low and maintaining strength in the job market while being sure to not overheat the economy by cutting rates too rapidly. MS & Co.'s Economics team believes that there will now be only two 25-bp cuts in 2025, one in March and one in June.

Investment Summary Dollar Weighted Returns

TSBA OPEB TRUST

Data as of January 22, 2025

TOTAL VALUE VS. NET INVESTED CAPITAL

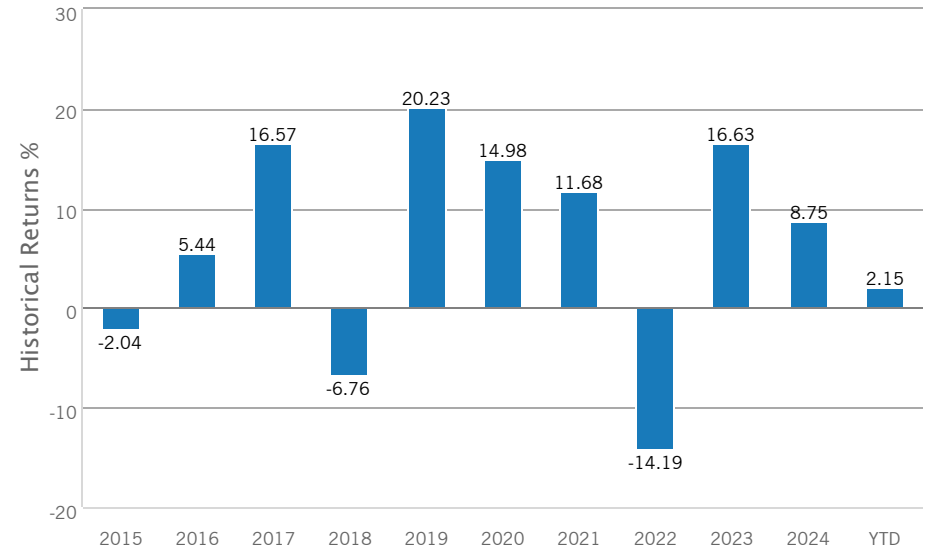


Does not include Performance Ineligible Assets.

DOLLAR-WEIGHTED RETURN % (NET OF FEES)

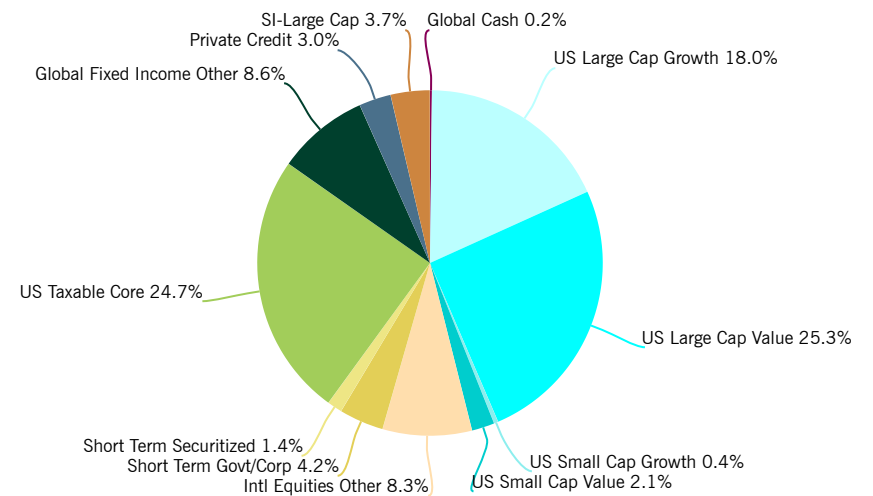
	Quarter to Date (\$) 12/31/24-01/22/25	Year to Date (\$) 12/31/24-01/22/25	Performance Inception (\$) 06/09/15-01/22/25
Beginning Total Value	176,763,530	176,763,530	38,680,482
Net Contributions/Withdrawals	-56,964	-56,964	70,059,829
Investment Earnings	3,802,276	3,802,276	71,768,531
Ending Total Value	180,508,842	180,508,842	180,508,842
DOLLAR WEIGHTED RATE OF RETURN (%) (Annualized for periods over 12 months)			
Return % (Net of Fees)	2.15	2.15	7.29
90-Day T-Bills	0.27	0.27	1.89

DOLLAR-WEIGHTED PERIOD RETURN % (NET OF FEES)



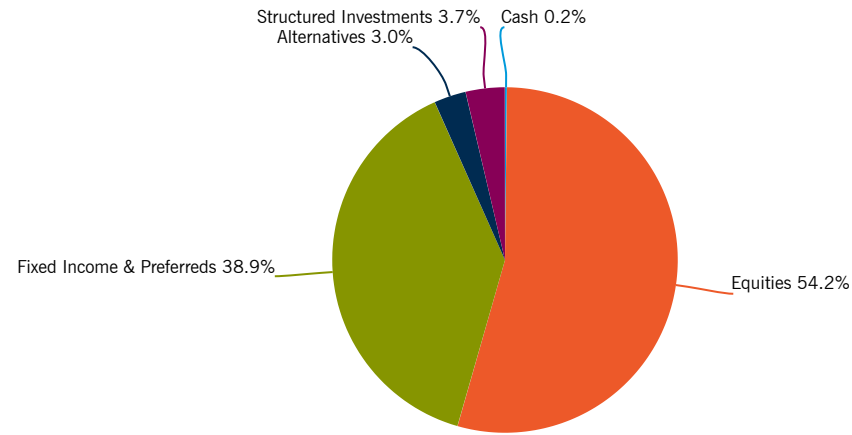
Does not include Performance Ineligible Assets.

ASSET ALLOCATION



Asset Allocation

ASSET ALLOCATION - ASSET CLASS



ASSET ALLOCATION

	Total Value (\$) 01/22/2025	% of Portfolio 01/22/2025
Cash	352,599.53	0.2
Equities	97,916,172.35	54.2
Fixed Income & Preferreds	70,211,678.84	38.9
Alternatives	5,396,903.95	3.0
Structured Investments	6,631,937.40	3.7
TOTAL PORTFOLIO	180,509,292.07	100.0

Equities Asset Allocation

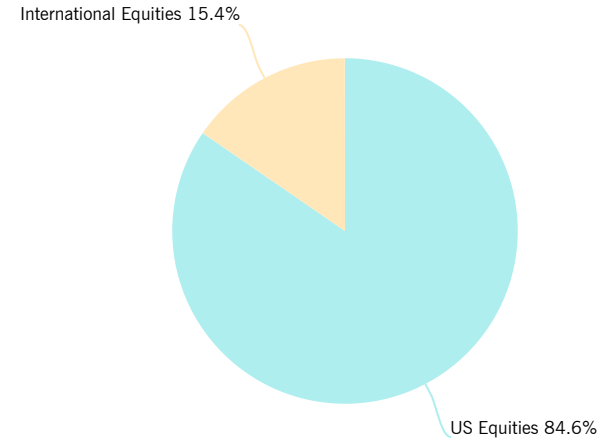
TSBA OPEB TRUST

Data as of January 22, 2025

TOP EQUITY POSITIONS BASED ON TOTAL VALUE

SECURITY DESCRIPTION	Total Value (\$) 01/22/2025	% of Equities 01/22/2025
PGIM JENNISON GROWTH Z	24,569,753.70	25.1
BLACKROCK HIGH EQ INCOME INST	14,722,082.91	15.0
JOHN HANCOCK DISPLND VAL INST	14,692,853.51	15.0
OAKMARK FUND INSTITUTIONAL	11,513,832.84	11.8
ISHARES CORE S&P U.S. GROWTH	7,990,701.92	8.2
AMERICAN EUROPACIFIC GRW F2	5,060,927.34	5.2
ISHARES CORE MSCI EAFE ETF	5,022,887.22	5.1
THORNBURG INTL GROWTH I	4,985,352.31	5.1
ISHARES CORE S&P U.S. VALUE	4,784,837.31	4.9
PACER US SML CAP CASH COWS ETF	3,160,676.31	3.2
Top Equity Positions	96,503,905.37	98.6
Other Equity Positions	1,412,266.98	1.4
Total Equities	97,916,172.35	100.0

ASSET ALLOCATION - EQUITIES



ASSET ALLOCATION - EQUITIES

	% of Equities 01/22/2025	Total Value (\$) 01/22/2025	% of Portfolio 01/22/2025
US Equities	84.6	82,847,005.48	45.9
US Large Cap Growth	33.3	32,560,455.62	18.0
US Large Cap Value	46.7	45,713,606.57	25.3
US Small Cap Growth	0.7	706,133.49	0.4
US Small Cap Value	3.9	3,866,809.80	2.1
International Equities	15.4	15,069,166.87	8.3
Intl Equities Other	15.4	15,069,166.87	8.3
TOTAL EQUITIES	100.0	97,916,172.35	54.2

Fixed Income & Preferreds Asset Allocation

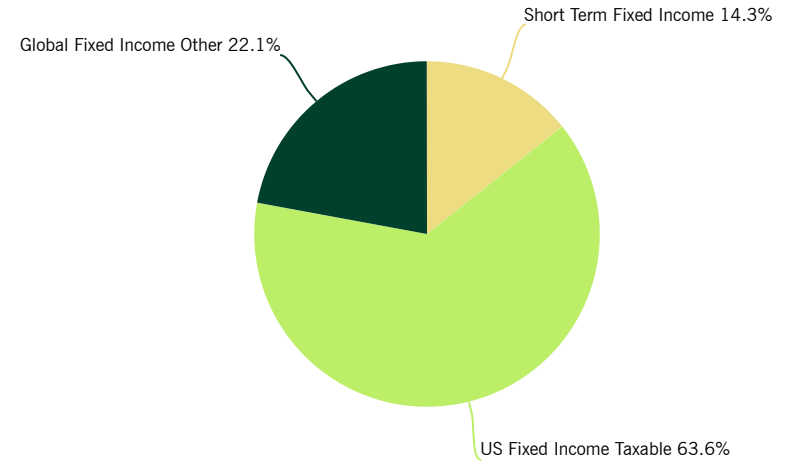
TSBA OPEB TRUST

Data as of January 22, 2025

TOP FIXED INCOME & PREFERRED POSITIONS BASED ON TOTAL VALUE

SECURITY DESCRIPTION	Total Value (\$) 01/22/2025	% of Fixed Income & Preferreds 01/22/2025
JOHN HANCOCK BOND I	33,061,969.43	47.1
JANUS HENDERSON MLT SEC INC I	15,512,286.59	22.1
PGIM TOTAL RETURN BOND Z	11,585,705.21	16.5
PGIM SHORT-TERM CORP BOND Z	10,051,717.61	14.3
Top Fixed Income & Preferred Positions	70,211,678.84	100.0
Other Fixed Income & Preferred Positions	-	-
Total Fixed Income & Preferred	70,211,678.84	100.0

ASSET ALLOCATION - FIXED INCOME & PREFERREDS

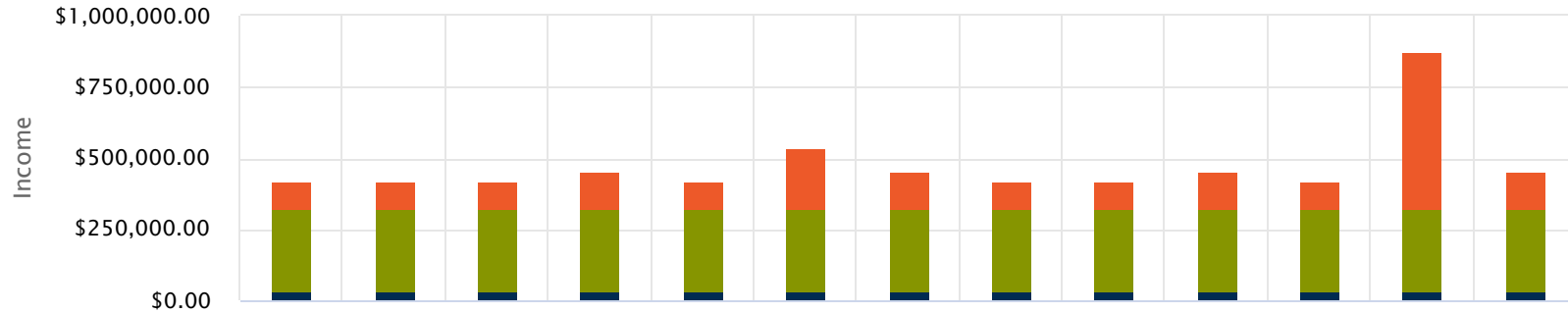


ASSET ALLOCATION - FIXED INCOME & PREFERREDS

	% of Fixed Income & Preferreds 01/22/2025	Total Value (\$) 01/22/2025	% of Portfolio 01/22/2025
Short Term Fixed Income	14.3	10,051,717.61	5.6
Short Term Govt/Corp	10.7	7,538,788.21	4.2
Short Term Securitized	3.6	2,512,929.40	1.4
US Fixed Income Taxable	63.6	44,647,674.64	24.7
US Taxable Core	63.6	44,647,674.64	24.7
Global Fixed Income Other	22.1	15,512,286.59	8.6
Global Fixed Income Other	22.1	15,512,286.59	8.6
TOTAL FIXED INCOME & PREFERREDS	100.0	70,211,678.84	38.9

Projected 12 Month Income Summary

12 MONTH INCOME SUMMARY

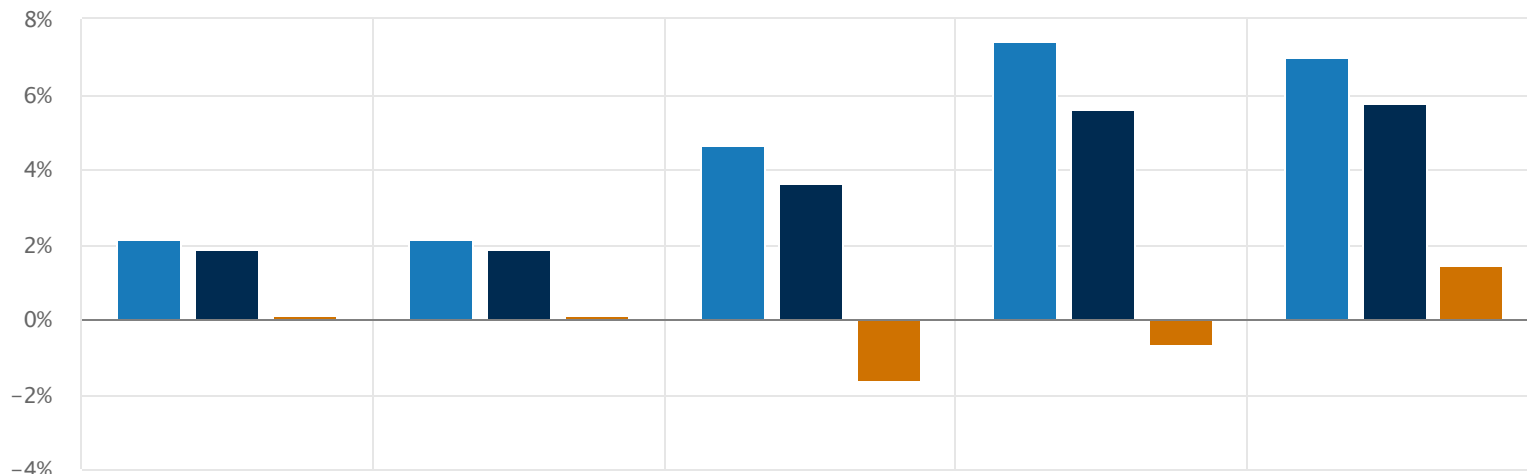


Asset Class	Total Value (\$) 01/22/2025	01/23/25 to 01/31/25 (\$)	Projected Income (\$) (02/01/25 - 01/31/26)												Total	% Yield	
			Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan			
Cash	352,600	587	587	587	587	587	587	587	587	587	587	587	587	587	587	7,043	2.00
Equities	97,916,172	91,532	91,532	91,532	124,858	91,532	212,158	124,858	91,532	91,532	124,858	91,532	546,521	124,858	1,852,048	1.89	
Fixed Income & Preferreds	70,211,679	289,298	289,298	289,298	289,298	289,298	289,298	289,298	289,298	289,298	289,298	289,298	289,298	289,298	3,471,580	4.94	
Alternatives	5,396,904	37,826	37,826	37,826	37,826	37,826	37,826	37,826	37,826	37,826	37,826	37,826	37,826	37,826	453,913	8.41	
Structured Investments	6,631,937	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	180,509,292	419,243	419,243	419,243	452,570	419,243	539,869	452,570	419,243	419,243	452,570	419,243	874,233	452,570	5,784,584	3.20	

Projected Income is calculated only for holdings where data is available. In instances whereby payment frequency and/or last payment date is not available, income is based on the current dividend or coupon rate, and will be displayed in the Total column only. Projected income is not available for Alternative Investment funds that do not have a share quantity.

Time Weighted Performance Summary

RETURN % (NET OF FEES) VS. BENCHMARKS (ANNUALIZED)



	Quarter to Date 12/31/24 - 01/22/25	Year to Date 12/31/24 - 01/22/25	Last 3 Years 01/31/22 - 01/22/25	Last 5 Years 01/31/20 - 01/22/25	Performance Inception 06/09/15 - 01/22/25
Beginning Total Value (\$)	176,763,530.14	176,763,530.14	136,243,092.36	98,413,459.50	38,680,482.15
Net Contributions/Withdrawals (\$)	-56,964.07	-56,964.07	20,697,954.53	32,570,730.09	70,059,829.14
Investment Earnings (\$)	3,802,276.31	3,802,276.31	23,567,795.49	49,524,652.78	71,768,531.08
Ending Total Value (\$)	180,508,842.38	180,508,842.38	180,508,842.38	180,508,842.38	180,508,842.38
Return % (Net of Fees)	2.15	2.15	4.64	7.40	6.96
TN TSBA Composite (%)	1.89	1.89	3.61	5.62	5.78
Bloomberg US Aggregate (%)	0.13	0.13	-1.67	-0.68	1.44

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

Positions Time Weighted Performance Detail

TSBA OPEB TRUST

Data as of January 22, 2025

RETURN % (GROSS OF FEES) (ANNUALIZED)

Product/ Security Description ▲	Account Number	Performance Inception Date	Ending Total Value (\$)	Year to Date (%) 12/31/24 - 01/22/25	Previous Year (%) 12/31/23 - 12/31/24	% of Portfolio
Total Portfolio (Gross of Fees)		06/09/2015	180,508,842.38	2.17	9.01	100.00
<i>TN TSBA Composite</i>				1.89	8.97	
Stock / Options						
GS PLUS SPX 25MH05(SPHQW)	Multiple	08/31/2022	1,702,274.60	0.39	10.92	0.94
Exchange Traded/ Closed End Funds						
ISHARES CORE MSCI EAFE ETF(IEFA)	Multiple	11/28/2018	5,022,887.22	3.22	3.39	2.78
ISHARES CORE S&P U.S. GROWTH(IUSG)	Multiple	11/28/2018	7,990,701.92	4.57	34.33	4.43
ISHARES CORE S&P U.S. VALUE(IUSV)	Multiple	11/28/2018	4,784,837.31	2.42	12.13	2.65
PACER US SML CAP CASH COWS ETF(CALF)	Multiple	11/28/2023	3,160,676.31	3.06	-7.28	1.75
Mutual Funds						
AMERICAN EUROPACIFIC GRW F2(AEPFX)	Multiple	07/14/2015	5,060,927.34	4.42	4.94	2.80
BLACKROCK HIGH EQ INCOME INST(BMCIX)	Multiple	09/02/2015	14,722,082.90	2.72	7.44	8.16
CION ARES DIVERSIFIED CREDIT U(CADZX)	Multiple	09/30/2024	5,396,903.96	0.00	-	2.99
DWS SMALL CAP CORE S(SSLCX)	Multiple	02/20/2018	1,412,266.99	4.72	9.88	0.78
JANUS HENDERSON MLT SEC INC I(JMUIX)	Multiple	08/12/2024	15,512,286.58	0.00	-	8.59
JOHN HANCOCK BOND I(JHBIX)	Multiple	04/24/2024	33,061,969.43	0.00	-	18.32
JOHN HANCOCK DISPLND VAL INST(JVLIX)	Multiple	07/24/2018	14,692,853.51	5.30	15.26	8.14
OAKMARK FUND INSTITUTIONAL(OANMX)	Multiple	07/12/2021	11,513,832.84	4.50	16.24	6.38
PGIM JENNISON GROWTH Z(PJFZX)	Multiple	09/02/2015	24,569,753.69	4.34	30.11	13.61
PGIM SHORT-TERM CORP BOND Z(PIFZX)	Multiple	09/02/2015	10,051,717.60	0.00	5.16	5.57
PGIM TOTAL RETURN BOND Z(PDBZX)	Multiple	04/06/2023	11,585,705.22	-0.08	3.10	6.42
THORNBURG INTL GROWTH I(TINGX)	Multiple	09/02/2015	4,985,352.32	2.66	2.42	2.76

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Position level performance detail is only available since 12/31/2014.

Positions Time Weighted Performance Detail

TSBA OPEB TRUST

Data as of January 22, 2025

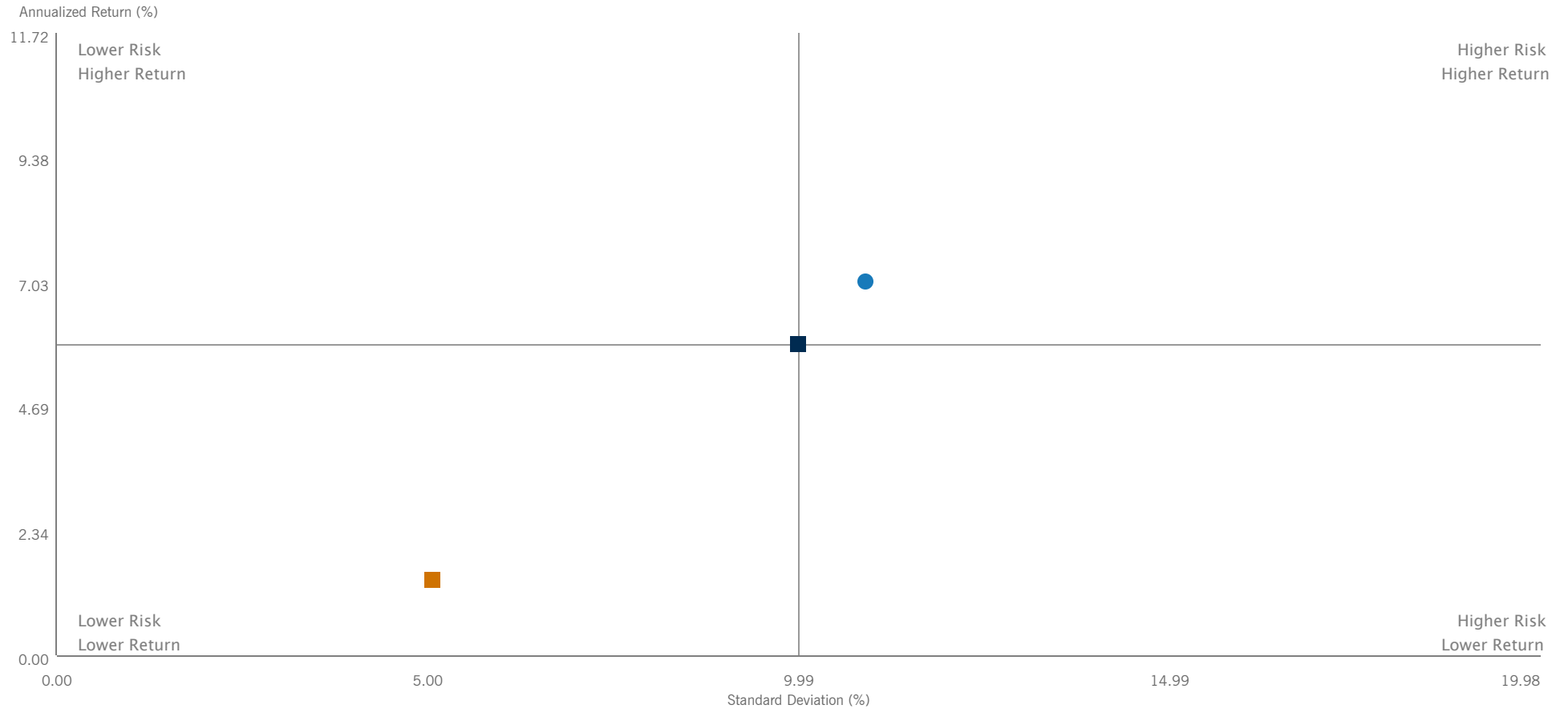
RETURN % (GROSS OF FEES) (ANNUALIZED) (Continued)

Product/ Security Description ▲	Account Number	Performance Inception Date	Ending Total Value (\$)	Year to Date (%) 12/31/24 - 01/22/25	Previous Year (%) 12/31/23 - 12/31/24	% of Portfolio
Corporate Fixed Income						
BCS PLUS SPX 00000 27JA06	Multiple	06/14/2024	1,496,526.60	1.21	-	0.83
MS PLUS SPX 00000 27MH03	Multiple	08/14/2024	1,622,081.50	1.39	-	0.90
UBS PLUS SPX 00000 26DE03	Multiple	05/15/2024	1,811,054.70	1.32	-	1.00
Cash, MMF and Bank Deposits						
BANK DEPOSIT PROGRAM(BDPS)	Multiple	06/18/2015	352,149.82	-	-	0.20

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Position level performance detail is only available since 12/31/2014.

Risk vs. Return

RETURN % (NET OF FEES) AND VOLATILITY VS. BENCHMARKS



	Return % (Net of Fees) 06/30/15-01/22/25	Standard Deviation (%) 06/30/15-01/22/25
● Portfolio	7.05	10.89
■ TN TSBA Composite	5.86	9.99
■ Bloomberg US Aggregate	1.43	5.07

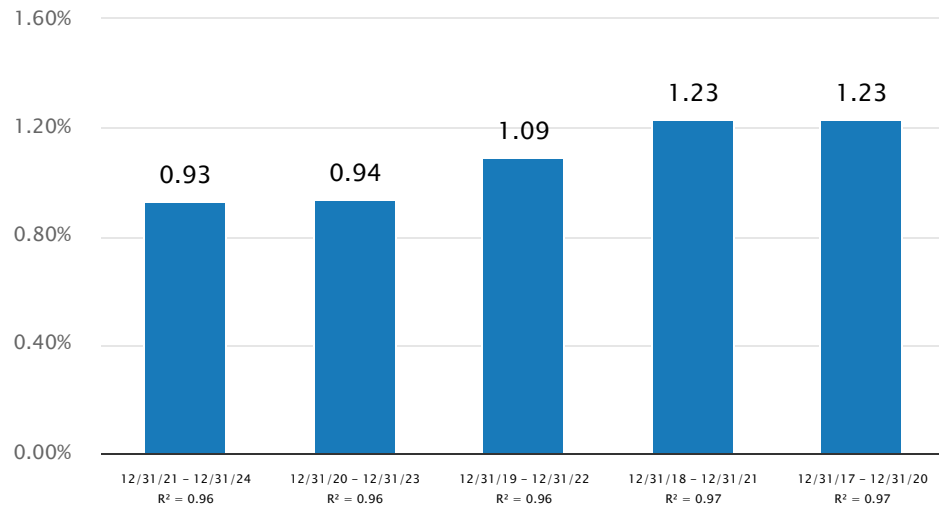
The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

Modern Portfolio Theory

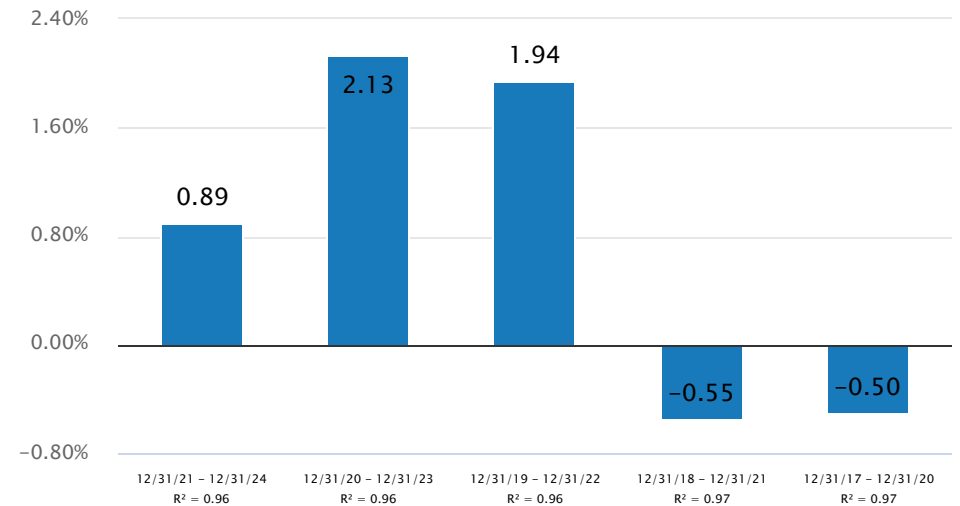
TSBA OPEB TRUST

Data as of December 31, 2024

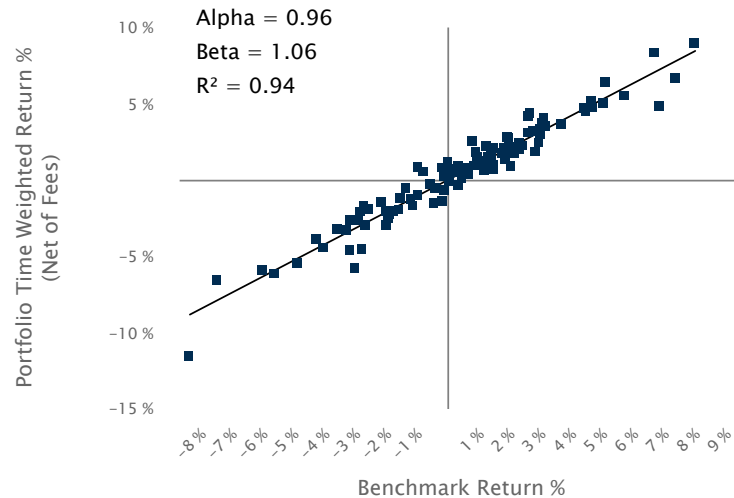
BETA - ROLLING PERIODS - TIME WEIGHTED RETURN %(NET OF FEES)



ALPHA - ROLLING PERIODS - TIME WEIGHTED RETURN %(NET OF FEES)



MONTHLY OBSERVATIONS SINCE 06/30/15 WITH SIMPLE REGRESSION LINE - TIME WEIGHTED RETURN %(NET OF FEES)



Alpha: Is a measure of a portfolio's time weighted net of fees return in excess of the market return, both adjusted for risk. A positive alpha indicates that the portfolio outperformed the market on a risk-adjusted basis, and a negative alpha indicates the portfolio did worse than the market.

Beta: Is a measure of the sensitivity of a portfolio's time weighted net of fees return against that of the market. A beta greater than 1.00 indicates volatility greater than the market.

Modern Portfolio Theory: Seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk.

R²: Is a measure that indicates the extent to which fluctuations in a portfolio's time weighted net of fees return is correlated with the return of the general market. An R² of 0.80 implies that 80% of the fluctuation of a portfolio's return is explained by the fluctuation in the market.

Graph Notes: Both the benchmark and portfolio returns are adjusted by the return of the 90-day Treasury Bills to illustrate the excess return above the Risk Free Rate for each period.

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

Account(s) Included in this Report

TSBA OPEB TRUST

MORGAN STANLEY WEALTH MANAGEMENT

Account Name	Account Number	Account Type/ Manager Name	Date Opened/ Date Closed	Perf Inception Date Perf (%) Incept - 01/22/25	Total Value (\$) 01/22/25	% of Portfolio 01/22/25
ARLINGTON CITY - Alternative Investment	471-XXX385	AAA	02/18/20 -	02/25/2020 4.68	352,462.66	0.20
ARLINGTON CITY BOE	471-XXX901	Consulting Group Advisor	06/17/15 -	06/18/2015 7.07	4,993,553.82	2.77
BARTLETT CITY - Alternative Investment	471-XXX383	AAA	02/18/20 -	02/25/2020 4.68	500,773.58	0.28
BARTLETT CITY BOE	471-XXX902	Consulting Group Advisor	06/17/15 -	07/01/2015 6.99	8,028,446.50	4.45
Collierville City - Alternative Invest.	471-XXX396	AAA	02/18/20 -	02/25/2020 4.72	205,203.05	0.11
COLLIERVILLE CITY BOE	471-XXX903	Consulting Group Advisor	06/17/15 -	07/01/2015 6.93	3,209,726.85	1.78
HICKMAN CO.	471-XXX866	Consulting Group Advisor	06/03/15 -	06/09/2015 7.11	2,948,676.79	1.63
Hickman Co. - Alternative Investment	471-XXX388	AAA	02/18/20 -	02/25/2020 4.85	228,935.39	0.13
JACKSON-MADISON	471-XXX864	Consulting Group Advisor	06/03/15 -	06/09/2015 7.10	536,819.38	0.30
JACKSON-MADISON - Alternative Investment	471-XXX403	AAA	02/18/20 -	02/25/2020 4.77	40,564.90	0.02
JOHNSON CO.	471-XXX869	Consulting Group Advisor	06/03/15 -	06/09/2015 7.10	1,512,088.97	0.84
JOHNSON CO. - Alternative Investment	471-XXX398	AAA	02/18/20 -	02/25/2020 4.86	115,844.59	0.06
Lakeland City - Alternative Investment	471-XXX393	AAA	02/18/20 -	02/25/2020 4.75	218,075.91	0.12
LAKELAND CITY BOE	471-XXX900	Consulting Group Advisor	06/17/15 -	06/18/2015 6.86	3,383,497.65	1.87
MILLINGTON	471-XXX583	Consulting Group Advisor	07/05/16 -	07/07/2016 7.96	407,590.04	0.23
MILLINGTON - Alternative Investment	471-XXX409	AAA	02/18/20 -	02/25/2020 4.65	30,886.13	0.02
SHELBY CO.	471-XXX863	Consulting Group Advisor	06/03/15 -	06/09/2015 7.05	143,460,050.71	79.48

The investment returns shown on this page are Net of Fees, time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated.

Account(s) Included in this Report

TSBA OPEB TRUST

MORGAN STANLEY WEALTH MANAGEMENT (Continued)

Account Name	Account Number	Account Type/ Manager Name	Date Opened/ Date Closed	Perf Inception Date Perf (%) Incept - 01/22/25	Total Value (\$) 01/22/25	% of Portfolio 01/22/25
SHELBY CO. - Alternative Investment	471-XXX380	AAA	02/18/20 -	02/25/2020 5.58	10,336,095.15	5.73
Morgan Stanley Wealth Management Total					180,509,292.07	100.00
Total Portfolio					180,509,292.07	100.00

The investment returns shown on this page are Net of Fees, time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated.

Disclosures

TSBA OPEB TRUST

Explanatory Notes and Disclosures: This document is designed to assist you and your Financial Advisor in understanding portfolio positions, composition and subsets thereof. It is designed solely for your individual use, is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. Do not take action relying on this information without confirming its accuracy and completeness. Please read carefully all accompanying notes and disclosures provided in this Document.

For convenience purposes, your Financial Advisor may have assigned a designated name for this Document. The list of the accounts covered in this document is noted herein and may not include all of your accounts with us or external custodians. Furthermore, the information included in this document may not include all asset classes/securities/liabilities held by you at the firm or external custodians. Please review this document carefully and discuss any questions you may have with your Financial Advisor. If you do not understand an entry, suspect an error, or want more details on current values or other information, contact your Financial Advisor. This document is based upon your Morgan Stanley account holdings and may include other holdings/information that you or a third party provided about assets custodied elsewhere. Morgan Stanley will not verify any other holdings/information. If any information reflects assets held away from Morgan Stanley that will be indicated. The information contained in this document is subject to, and does not supersede the confirmations and account statements you receive from us. Values shown in your official account statement may differ from the values shown in this document due to, among other things, different reporting methods, delays, market conditions and interruptions. If there are discrepancies between your official account statement and this document, rely on your official account statement.

The information in this document is approximate and subject to updating, correction and other changes. We are not obligated to notify you if information changes. Although the statements of fact and data in this document have been obtained from, and are based upon sources that we believe to be reliable, we do not guarantee their accuracy, or timeliness, and any such information may be incomplete or condensed. Percentage values shown in this document are subject to rounding, which may impact total values. The values of securities and other investments not actively traded may be estimated or may not be available.

This information is provided for informational purposes only and should not be used for tax preparation. The information reported on your Form(s) 1099 supersedes the information provided in this report and should be exclusively relied upon for tax preparation. Morgan Stanley, its affiliates and its employees are not in the business of providing tax or legal advice. Clients should seek advice based on their particular circumstances from an independent tax and legal advisor. Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services. SIPC insurance does not apply to precious metals, other commodities, or traditional alternative investments.

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

Money Market Fund: You could lose money in Money Market Funds (MMFs). Although MMFs classified as government funds (i.e., MMFs that invest 99.5% of total assets in cash and/or securities backed by the U.S government) and retail funds (i.e., MMFs open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee they will do so. The price of other MMFs will fluctuate and when you sell shares they may be worth more or less than originally paid. MMFs may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A MMF investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency.

AAA Accounts: The Active Assets Account is a brokerage account offered through Morgan Stanley Smith Barney LLC.

Consulting Group Advisory Accounts: Consulting Group is a business of Morgan Stanley Smith Barney LLC.

Important Regulation Best Interest Information: This report is being provided as a courtesy. By providing this report, we do not represent or agree that we will monitor the investments in your brokerage account(s) or deliver future reports.

Residential Mortgage loan information is excluded from this report. Please contact your Morgan Stanley team for more information.

Additional information about your Floating Rate Notes: For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

Important Information About Auction Rate Securities: For certain Auction Rate Securities there is no or limited liquidity. Therefore, the price(s) for these Auction Rate Securities are indicated as not available by a dash "-". There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security.

Important Pricing Information: Prices of securities not actively traded may not be available, and are indicated by a dash "-". Account values are based on the most recent security pricing available and may be prior to the date of this material.

Disclosures

TSBA OPEB TRUST

Asset Classification: We classify assets based on general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, allocations may be under or over inclusive. These classifications do not constitute a recommendation and may differ from the classification of instruments for regulatory or tax purposes. In addition, the Other asset class contains securities that are not included in the various asset class classifications. This can include, but is not limited to, non-traditional investments such as some Equity Unit Trusts, Index Options and Structured Investments issued outside of Morgan Stanley. Additionally, investments for which we are unable to procure market data to properly classify them will appear in the Other category.

Additional information about your Structured Products: Structured Investments are complex products and may be subject to special risks, which may include, but are not limited to: loss of initial investment; issuer credit risk and price volatility resulting from any actual or anticipated changes to issuer's and/or guarantor's credit ratings or credit spreads; limited or no appreciation and limits on participation in any appreciation of underlying asset(s); risks associated with the underlying reference asset(s); no periodic payments; call prior to maturity; early redemption fees for market linked deposits; lower interest rates and/or yield compared to conventional debt with comparable maturity; unique tax implications; limited or no secondary market; and conflicts of interest due to affiliation, compensation or other factors which could adversely affect market value or payout to investors. Investors also should consider the concentration risk of owning the related security and their total exposure to any underlying asset.

Performance: Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, dividends, interest and income. Depending on the opening or closing date of the account or position, the performance referenced may be for a portion of the time period identified. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Please contact your Financial Advisor for up-to-date performance information. Past performance is not a guarantee of future results. Quotations of performance appearing in this report may include performance experienced in legacy accounts which have been closed and purged, and as such are not included on the Accounts Included in This Report page.

Market values used for performance calculation do not include Performance Ineligible Assets and thus may differ from asset allocation market values. Common examples of Performance Ineligible Assets include liabilities, life insurance and annuities as well as Manually Added and External accounts for which Morgan Stanley does not receive data necessary to calculate performance.

Unless otherwise indicated, performance is an aggregated composite calculation of the entire portfolio and may include brokerage and investment advisory accounts as well as assets for different accounts included in this report. The accounts included in the composite may have (or have had) different investment objectives and strategies, been subject to different restrictions, and incurred different types of fees, markups, commissions and other charges. Accordingly, performance results may blend the performance of assets and strategies that may not have been available in all of the accounts at all times during the reporting period. In addition, accounts in the composite may have changed from brokerage to advisory or vice versa. Accounts may also have moved from one advisory program to another (including from a discretionary program to a non-discretionary program).

For Morgan Stanley Smith Barney LLC accounts, performance information may cover the full history of the account(s) or just the performance of an account(s) since the inception of the current program(s). Performance results on individual accounts will vary and may differ from the composite returns. Your Financial Advisor can provide you with individual account portfolio composition and performance information. For investment advisory accounts, please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 or applicable disclosure brochure. For brokerage accounts, please speak to your Financial Advisor for more information on commissions and other account fees and expenses. Performance inception date does not necessarily correspond to the account opening date. Where multiple accounts are included in performance calculations, the inception date is the oldest performance inception. Performance data may not be available for all periods as some accounts included in performance may have more recent performance inception dates. Consequently, the actual performance for a group of accounts may differ from reported performance. Please ask your Financial Advisor for the performance inception date for each account.

Sub Account and Security Level Performance: The performance return methodology described above and in the TWR and IRR definitions applies to both Account Level and Sub-Account (e.g. Asset Class or Security level) performance returns. The inputs consist of market values and net flows.

For example, TWR is calculated by taking the Change in Market Value (Ending MV – Beginning MV) less any net flows, divided by the beginning MV. $TWR = (Ending\ MV - Beginning\ MV - Net\ Flows) / Beginning\ MV$

The difference lies in what is or is not included in the Market Values and Flows. For account level performance, the total account market values and all flows within the account are taken into account.

For sub-account level performance, only those market values and flows associated with the specific securities included are taken into account.

Flows that are not security specific typically include account advisory fees, cash contributions or withdrawals, and any other flows that are not attributed to a specific security.

Flows that are security specific including purchases, sales, dividends, interest, partnership distributions, return of capital, fund sales charges, security transaction fees, and ongoing fund expenses are typically reflected in the security level returns.

Disclosures

TSBA OPEB TRUST

Gross of Fees: The impact of program fees can be material. These program fees are deducted based on your billing cycle and may have a compounding effect on performance. As fees are deducted periodically throughout the year, the compounding effect may increase the impact of the fees by an amount directly related to the gross account performance.

Indices: Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and/or investment objective(s) associated with the account(s). In some circumstances, the benchmark index may not be an appropriate benchmark for use with the specific composite portfolio. For instance, an index may not take into consideration certain changes that may have occurred in the portfolio since the inception of the account(s), (e.g., changes from a brokerage to an advisory account or from one advisory program to another, asset class changes, or index changes for individual managers). The volatility of the index used for comparison may be materially different from that of the performance shown. Indices are unmanaged and not available for direct investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance. Please see the Benchmark Definitions section of this material for additional information on the indices used for comparison.

Performance Inception Month End: Performance Inception Month End refers to performance calculated from the end of the month in which the accounts became eligible for performance. Calculating performance from the Performance Inception Month End allows for a comparison to be made to appropriate benchmarks. Performance Inception Month End does not necessarily correspond to the account opening date.

Projected 12 Month: Projected 12 Month Income is based upon cash income from interest, cash dividends, and partnership distributions. It is a hypothetical projection calculated using current yields. The projected income referenced is based upon certain market projections effective as at today's date only and can change at any time. Such projected income is hypothetical, do not reflect actual investment results, and is not a guarantee of future results. The projected income is referenced for illustrative purposes only. Morgan Stanley does not represent or guarantee that the projected income referenced will or can be attained. The actual income may be lower or higher than the projections based upon a variety of factors and assumptions. The projected income shown may under or over compensate for the impact of actual market conditions and other factors. We make no representation or warranty as to the reasonableness of the assumptions made, or that all assumptions used to construct this projected income information have been stated or fully considered. To the extent that the assumptions made do not reflect actual conditions, the illustrative value of the hypothetical projected income will decrease. Companies paying dividends can reduce or cut payouts at any time.

The projected income referenced may include income from Morgan Stanley & Co. and External Accounts, where data is available. Such information was obtained from third party sources which Morgan Stanley believes to be reliable. However, we make no representation or guarantee that the information is accurate or complete. You should not rely upon this information to make any investment decision. Please refer to the official account statements and performance reports you received from your custodian and/or financial institution for information about projected income in your External Accounts. The projected income referenced does not include income from assets in Manually Added External Accounts.

Additional information about your Alternative Investments: Your interests in Alternative Investments, which may have been purchased through us, are generally not held here, and are generally not covered by SIPC. The information provided to you: 1) is included as a service to you, and certain transactions may not be reported; 2) is derived from you or another external source for which we are not responsible, and may have been modified to take into consideration capital calls or distributions to the extent applicable; 3) may not reflect actual shares, share prices, or values; 4) may include invested or distributed amounts in addition to a fair value estimate; and 5) should not be relied upon for tax reporting purposes. Notwithstanding the foregoing, 1) to the extent this report displays Alternative Investment positions within a Morgan Stanley Individual Retirement Account ("IRA"), such positions are held by Morgan Stanley Smith Barney LLC as the custodian of your Morgan Stanley IRA; and 2) if your Alternative Investment position(s) is held by us and is registered pursuant to the Securities Act of 1933, as amended, your Alternative Investment position(s) is covered by SIPC.

Alternatives may be either traditional alternative investment vehicles or non-traditional alternative strategy vehicles. Traditional alternative investment vehicles may include, but are not limited to, Hedge Funds, Fund of Funds (both registered and unregistered), Exchange Funds, Private Equity Funds, Private Credit Funds, Real Estate Funds, and Managed Futures Funds. Non-traditional alternative strategy vehicles may include, but are not limited to, Open or Closed End Mutual Funds, Exchange-Traded and Closed-End Funds, Unit Investment Trusts, exchange listed Real Estate Investment Trusts (REITs), and Master Limited Partnerships (MLPs). These non-traditional alternative strategy vehicles also seek alternative-like exposure but have significant differences from traditional alternative investment vehicles. Non-traditional alternative strategy vehicles may behave like, have characteristics of, or employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives, and options, which can increase volatility and the risk of investment loss. Characteristics such as correlation to traditional markets, investment strategy, and market sector exposure can play a role in the classification of a traditional security being classified as alternative.

Traditional alternative investment vehicles are illiquid and usually are not valued daily. The estimated valuation provided will be as of the most recent date available and will be included in summaries of your assets. Such valuation may not be the most recent provided by the fund in which you are invested. No representation is made that the valuation is a market value or that the interest could be liquidated at this value. We are not required to take any action with respect to your investment unless valid instructions are received from you in a timely manner. Some positions reflected herein may not represent interests in the fund, but rather redemption proceeds withheld by the issuer pending final valuations which are not subject to the investment performance of the fund and may or may not

Disclosures

TSBA OPEB TRUST

accrue interest for the length of the withholding. Morgan Stanley does not engage in an independent valuation of your alternative investment assets. Morgan Stanley provides periodic information to you including the market value of an alternative investment vehicle based on information received from the management entity of the alternative investment vehicle or another service provider.

It is important to note in this report that Morgan Stanley makes a distinction between Alternative Investment products, and products classified as Alternatives by their asset class. Morgan Stanley categorizes traditional and non-traditional alternative investment vehicles under the category "Alternatives" in asset classification based view. For product based views, traditional alternative investments vehicles are classified under the category "Other"; this differs from your official Morgan Stanley account statement, which categorizes traditional alternative investment vehicles such as Hedge Funds under the category "Alternative Investments". Non-traditional alternative strategy vehicles are classified based on their investment type, such as Mutual Fund or Exchange-Traded Funds within both this report and your Morgan Stanley account statement.

Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Smith Barney LLC and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley or any of its affiliates, (3) are not guaranteed by Morgan Stanley and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank.

Bank Deposit Program: Under the Bank Deposit Program, free credit balances held in an account(s) at Morgan Stanley Smith Barney LLC are automatically deposited into an interest-bearing deposit account(s), at FDIC-insured banks. For more information, view the Bank Deposit Program Disclosure Statement:

https://www.morganstanley.com/content/dam/msdotcom/en/wealth-disclosures/pdfs/BDP_disclosure.pdf.

©2025 Morgan Stanley Smith Barney LLC. Member SIPC.

RISK ANALYSIS DISCLOSURES

Taxes, Fees, and Expenses: Except as otherwise noted in the Hypothetical Performance disclosure, this material does not include the effect of taxes, account fees, advisory program fees, performance fees, and commissions that could materially affect the illustrations provided and the decisions that you may make. The inclusion of these factors will reduce any hypothetical values referenced herein. Generally, investment advisory accounts are subject to an annual asset-based fee (the "Fee") which is payable monthly in advance (some account types may be billed differently). In general, the Fee covers Morgan Stanley investment advisory services, custody of securities with Morgan Stanley, trade execution with or through Morgan Stanley or its affiliates, as well as compensation to any Morgan Stanley Financial Advisor.

In addition, each account that is invested in a program that is eligible to purchase certain investment products, such as mutual funds, will also pay a Platform Fee (which is subject to a Platform Fee offset) as described in the applicable ADV brochure. Accounts invested in the Select UMA program may also pay a separate Sub-Manager fee, if applicable.

If your account is invested in mutual funds or exchange traded funds (collectively "funds"), you will pay the fees and expenses of any funds in which your account is invested. Fees and expenses are charged directly to the pool of assets the fund invests in and are reflected in each fund's share price. These fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. The advisory program you choose is described in the applicable Morgan Stanley Smith Barney LLC ADV Brochure, available at www.morganstanley.com/ADV.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's Separately Managed Account("SMA") programs may affect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instance, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at: www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf. For more information on trading and costs, please refer to the ADV Brochure for your program(s), available at www.morganstanley.com/ADV, or contact your Financial Advisor / Private Wealth Advisor.

GENERAL DEFINITIONS

Alpha: Is a measure of a portfolio's time weighted net of fees return in excess of the market return, both adjusted for risk. A positive alpha indicates that the portfolio outperformed the market on a risk-adjusted basis, and a negative alpha indicates the portfolio did worse than the market.

Annualized Standard Deviation: A statistical calculation that measures the volatility of returns over time; the larger the standard deviation, the greater the volatility.

Disclosures

TSBA OPEB TRUST

Beta: Is a measure of the sensitivity of a portfolio's time weighted net of fees return against that of the market. A beta greater than 1.00 indicates volatility greater than the market.

CCY: Represents the currency of the underlying instrument. Currency is a medium of exchange for goods and services.

Dollar-Weighted Return (Internal Rate of Return): A return calculation that measures the actual performance of a portfolio over the reporting period. Since dollar weighted returns include the impact of client contributions and withdrawals, they should not be compared to market indices or used to evaluate the performance of a manager, but can be used to evaluate progress toward investment goals. The investment returns shown within this report are dollar-weighted measurements where indicated.

Graph Notes: Both the benchmark and portfolio returns are adjusted by the return of the 90-day Treasury Bills to illustrate the excess return above the Risk Free Rate for each period.

Gross of Fees: Performance results depicted as "gross" of fees do not reflect the deduction of any wrap fee, investment management fee, trade commissions, and/or other account fees. Your actual returns are lower after deducting these expenses. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Investment Earnings: A combination of the income received and total portfolio value increase or decrease, excluding net contributions and withdrawals, over the reporting period.

Modern Portfolio Theory: Seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk.

Net Contributions/Withdrawals: The net value of cash and securities contributed to or withdrawn from the account(s) during the reporting period. Net contributions and withdrawals may include advisory fees for advisory accounts.

Net of Fees: Performance results depicted as "net" of fees shall mean that any wrap fee, investment management fees, trade commissions, and/or other account fees have been deducted. Any other fees or expenses associated with the account, such as third party custodian fees, may not have been deducted. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Performance ineligible assets: Performance returns are not calculated for certain assets because accurate valuations and transactions for these assets are not processed or maintained by Morgan Stanley Smith Barney LLC. Common examples of Performance Ineligible Assets include liabilities, life insurance and annuities as well as Manually Added and External accounts for which Morgan Stanley does not receive data necessary to calculate performance.

R²: Is a measure that indicates the extent to which fluctuations in a portfolio's time weighted net of fees return is correlated with the return of the general market. An R² of 0.80 implies that 80% of the fluctuation of a portfolio's return is explained by the fluctuation in the market.

Tax-Qualified Account(s): Accounts that qualify for favorable tax treatment under US federal tax law and may benefit from favorable tax treatment under applicable state tax law. Typically, these accounts benefit from tax deferred growth potential, meaning investment earnings (such as capital gains, dividends, and interest) are generally not subject to federal income tax while the earnings remain in the account. Capital gains rates generally do not apply. Distributions of taxable amounts are generally subject to ordinary income tax and, if made before age 59 1/2, may be subject to a 10% (25% for certain SIMPLE IRA distributions) penalty tax. Some tax-qualified accounts, such as traditional Individual Retirement Accounts ("IRA") and employer sponsored retirement plan accounts, may allow tax deductible and/or pre-tax contributions (subject to certain limitations and restrictions). Other tax-qualified accounts, such as Roth IRAs and Coverdell Education Savings Accounts, may allow income tax free distributions, but only if certain conditions are satisfied.

Taxable Account(s): Accounts that are not Tax-Qualified Account(s), meaning investment earnings (such as capital gains, dividends, and interest) are generally subject to current US federal income taxation when held by US taxable investors. Note, however, that this category may include specific assets that are generally not subject to US federal income tax such as municipal bonds.

Time-Weighted Return: A return calculation that measures the investment performance of a portfolio over the reporting period. Time weighted returns do not include the impact of client contributions and withdrawals and therefore, may not reflect the actual rate of return the client received. Time weighted returns isolate investment actions and can be compared to benchmarks and used to evaluate the performance of a manager.

Total Cost: The sum of all costs incurred by a firm in producing a certain level of output.

Total Value: "Total Value" represents the Market Value of the portfolio or Asset Class referenced and includes the accrual of interest and dividends. Total Value in the Asset Allocation view prior to January 2014 does not reflect the accrual of interest and dividends. Total Value for Morgan Stanley & Co. and External accounts also does not include accrued interest and dividends.

Disclosures

TSBA OPEB TRUST

BENCHMARK DEFINITIONS

TN TSBA Composite: The current allocation began as of 01/31/1976, and is comprised of 10.00% MSCI EAFE Net, 40.00% MSCI AC World Net, 40.00% Bloomberg US Aggregate, 5.00% MSCI EM Net, 5.00% MSCI AC World Net (Structured Inv). The historical constituents and allocations for this benchmark will be provided by your Financial Advisor to you upon request.

90-Day T-Bills: The FTSE 3-Month US T Bill Index Series is intended to track the daily performance of 3-month US Treasury bills. The indexes are designed to operate as a reference rate for a series of funds. The FTSE 3-Month US T Bill Index Series does not take account of ESG factors in its index design.

MSCI AC World Net: The MSCI ACWI captures large and mid-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries*. With 2,687 constituents, the index covers approximately 85% of the global investable equity opportunity set. * DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US. EM countries include: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkiye and United Arab Emirates.

MSCI EAFE Net: The MSCI EAFE Index is an equity index which captures large and mid-cap representation across 21 Developed Markets countries* around the world, excluding the US and Canada. With 732 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.* Developed Markets countries in the MSCI EAFE Index include: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK.

MSCI EM Net: The MSCI Emerging Markets Index captures large and mid-cap representation across 24 Emerging Markets (EM) countries*. With 1,277 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.* EM countries include: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkiye and United Arab Emirates.

MSCI AC World Net (Structured Inv): The MSCI ACWI captures large and mid-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries*. With 2,687 constituents, the index covers approximately 85% of the global investable equity opportunity set. * DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US. EM countries include: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkiye and United Arab Emirates.

Bloomberg US Aggregate: The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, fixed rate agency MBS, ABS and CMBS (agency and non-agency). Provided the necessary inclusion rules are met, US Aggregate-eligible securities also contribute to the multi-currency Global Aggregate Index and the US Universal Index.



**OPEB Trust Meeting
Franklin Marriott Cool Springs
Clydesdale Room
Tuesday, February 11, 2025**

AGENDA

7:00 a.m.	Call to Order	Wright Cox, Chairman
7:02 a.m.	Approval of Agenda	
7:04 a.m.	Approval of November 9, 2024 Minutes	
7:06 a.m.	Approval of 6-month Financial Statements (December 31, 2024)	Dr. Tammy Grissom, Trust Administrator
7:10 a.m.	Report of Activities and Fiscal Condition of the Trust	
7:13 a.m.	Discussion Regarding Individual System Allocations and Submittal of Member Boards' Valuations	
7:20 a.m.	Review Investment Policy	
7:25 a.m.	Investment Report	Chris Sigmund, Morgan Stanley
7:45 a.m.	Public Comment	
7:55 a.m.	Other Business	
8:00 a.m.	Adjourn	

**Tennessee School Boards Association
OPEB Trust Meeting
Gaylord Opryland Resort and Convention Center
Magnolia Boardroom B
November 9, 2024**

The TSBA OPEB Trustees met on Saturday, November 9, 2024. The following members were present: **Wright Cox**, Collierville; **Tim Hobbs**, Hickman County; **Chris Denson**, Millington; **David Cook**, Bartlett; **Dr. Dale Viox**, Arlington; and **Dr. Tammy Grissom**, Trust Administrator. TSBA staff member present was **Emily Warren**. The following were also in attendance: **Michelle McKissack**, Memphis-Shelby County; **David Stephens**, Bartlett; **Chris Sigmund** with Morgan Stanley; and **Erica Saeger** with Crosslin.

Wright Cox called the meeting to order at 7:20 a.m. and welcomed everyone.

COOK/DENSON: Motion to approve the agenda. MOTION CARRIED.

COOK/DENSON: Motion to approve February 13, 2024 Minutes. MOTION CARRIED.

GRISSOM/DENSON: Motion to accept the 3-month Financial Statements (September 30, 2024).
MOTION CARRIED.

Dr. Tammy Grissom, the Trust Administrator, reported on the activities and fiscal condition of the Trust. She noted that no new members had joined the OPEB Trust, and no members had recently withdrawn funds from the OPEB Trust. Dr. Grissom mentioned that several members had deposited funds into the Trust and reiterated the importance of every school district understanding their OPEB liabilities.

Emily Warren, TSBA Consultant, reported that there were no proposed changes to the OPEB Trust Bylaws at this time.

Erica Saeger with Crosslin reviewed the June 30, 2024 OPEB Trust Audit. There was no discussion or questions as to the contents of the audit.

COOK/VIOX: Motion to approve the June 30, 2024 OPEB Trust Audit. MOTION CARRIED.

VIOX/COOK: Motion to select Crosslin as the audit company for the TSBA OPEB Trust for the years 2025, 2026, and 2027.

Discussion was held as to which companies were asked to submit a proposal and why Crosslin was the only company to respond. Additionally, a question was asked regarding Crosslin's auditing process.

Chris Sigmund with Morgan Stanley reported on the financial stability of the OPEB Trust and the performance of the Trust's investments in the current economy. He stated that the Trust is performing within the fiduciary guidelines as set forth by the investment policy. He went into detail as to the current trend of the market as well as the impact of the presidential election on the economy.

VIOX/HOBBS: Motion to approve the appointment of Michelle McKissack, Memphis-Shelby County to fulfill the vacated term of Kevin Woods, Memphis-Shelby County.

COX/DENSON: Motion to approve the appointments of the following Trustees: Chris Denson, Millington; David Cook, Bartlett; Michelle McKissack, Memphis-Shelby County; Tim Hobbs, Hickman County; and Wright Cox, Collierville. MOTION CARRIED.

COOK/VIOX: Motion to elect Wright Cox as Chairman. MOTION CARRIED.

VIOX/COOK: Motion to elect Tim Hobbs as Vice-Chairman. MOTION CARRIED.

There were no individuals present who wished to speak during the public comment portion of the meeting.

The meeting adjourned at 8:15 a.m.

Respectfully submitted,

Wright Cox, Chairman

Dr. Tammy Grissom, OPEB Trust Administrator

TSBA OPEB Trust
Balance Sheet
As of December 31, 2024

	<u>Dec 31, 24</u>
ASSETS	
Current Assets	
Checking/Savings	
1000-00 · Suntrust Operating Account	5,665.12
Total Checking/Savings	<u>5,665.12</u>
Other Current Assets	
1300-00 · Investments	
1300-10 · Hickman County Investments	3,104,612.32
1300-20 · Johnson County Investments	1,590,570.16
1300-30 · Shelby County Investments	150,213,725.32
1300-50 · Jackson-Madison Investments	564,132.99
1300-60 · Arlington Investments	5,223,577.35
1300-70 · Bartlett Investments	8,333,197.57
1300-80 · Collierville Investments	3,336,318.61
1300-90 · Lakeland Investments	3,518,943.18
1300-95 · Millington Investments	428,398.84
Total 1300-00 · Investments	<u>176,313,476.34</u>
Total Other Current Assets	<u>176,313,476.34</u>
Total Current Assets	<u>176,319,141.46</u>
TOTAL ASSETS	<u>176,319,141.46</u>
LIABILITIES & EQUITY	
Equity	
3200-00 · Unrestricted Net Assets	170,572,227.88
3200-50 · Unrestricted Net Assets - Audit	109,327.00
Net Income	5,637,586.58
Total Equity	<u>176,319,141.46</u>
TOTAL LIABILITIES & EQUITY	<u>176,319,141.46</u>

TSBA OPEB Trust
Profit & Loss
 July through December 2024

	Jul - Dec 24
Income	
4300-00 · Contributions	
4300-20 · Contributions - Johnson County	25,000.00
Total 4300-00 · Contributions	25,000.00
4400-00 · Unrealized Gain/Loss	
4400-10 · Unrealized Gain/Loss - Hickman	-21,240.04
4400-20 · Unrealized Gain/Loss - Johnson	-10,935.31
4400-30 · Unrealized Gain/Loss - Shelby	-1,130,531.21
4400-50 · Unrealized Gain/Loss - JMadison	-4,019.87
4400-60 · Unrealized Gain/Loss - Arlingto	-41,009.39
4400-70 · Unrealized Gain/Loss - Bartlett	-69,476.37
4400-80 · Unrealized Gain/Loss - Collierv	-26,762.03
4400-90 · Unrealized Gain/Loss - Lakeland	-28,775.03
4400-91 · Unrealized Gain/Loss - Millingt	-2,987.06
Total 4400-00 · Unrealized Gain/Loss	-1,335,736.31
4500-00 · Interest, Dividends&Capital Gn	
4500-10 · Interest, Div., & CG - Hickman	126,902.77
4500-20 · Interest, Div., & CG - Johnson	65,124.81
4500-30 · Interest, Div., & CG - Shelby	6,178,820.70
4500-50 · Interest, Div., & CG - JMadison	23,144.98
4500-60 · Interest, Div., & CG - Arlingto	216,340.55
4500-70 · Interest, Div., & CG - Bartlett	347,352.81
4500-80 · Interest, Div., & CG - Collierv	139,095.00
4500-90 · Interest, Div., & CG - Lakeland	146,374.79
4500-91 · Interest, Div., & CG - Millingt	17,576.40
Total 4500-00 · Interest, Dividends&Capital Gn	7,260,732.81
4800-00 · Interest Income	10.33
Total Income	5,950,006.83
Expense	
6400-00 · Administrative Fee	
6400-10 · Administrative Fee - Hickman	3,848.81
6400-20 · Administrative Fee - Johnson	1,956.27
6400-30 · Administrative Fee - Shelby	80,103.94
6400-50 · Administrative Fee -J. Madison	699.45
6400-60 · Administrative Fee - Arlington	6,479.01
6400-70 · Administrative Fee - Bartlett	10,338.78
6400-80 · Administrative Fee - Colliervil	4,138.28
6400-90 · Administrative Fee - Lakeland	4,365.57
6400-91 · Administrative Fee - Millington	531.11
Total 6400-00 · Administrative Fee	112,461.22
6500-00 · Investment Advisor Fees	
6500-10 · Investment Advisor Fees - Hickm	3,488.89
6500-20 · Investment Advisor Fees - Johns	1,787.74
6500-30 · Investment Advisor Fees - Shelb	170,217.09
6500-50 · Investment Advisor Fees - JMadi	632.22
6500-60 · Investment Advisor Fees - Arlin	5,951.38
6500-70 · Investment Advisor Fees - Bartl	9,572.33
6500-80 · Investment Advisor Fees - Colli	3,820.32
6500-90 · Investment Advisor Fees - Lakel	4,008.73
6500-91 · Investment Advisor Fees - Milli	480.33
Total 6500-00 · Investment Advisor Fees	199,959.03
Total Expense	312,420.25
Net Income	5,637,586.58

TSBA OPEB Trust

Descriptor Term: Investment	Descriptor Code: 3060	Revised: 10/21/20
	Rescinds: 3060	Previous Issued: 02/12/18

1 OBJECTIVES AND PERFORMANCE GOALS

2 The Trust's overall investment objective is to achieve a favorable total rate of return consistent
3 with prudent financial management. The goal is to meet stated financial needs of the Trust while
4 maintaining or increasing the real inflation adjusted value of the permanent funds for which the
5 Trust has been entrusted.

6 The performance of the Trust's financial assets and its investment managers will be monitored
7 on a quarterly basis. Portfolio asset allocation shall be reviewed at least annually. Individual
8 managers will be expected to exceed the performance of relevant market index benchmarks over
9 full market cycles. Risk-adjusted performance will also be measured against a peer group of
10 similar managers and evaluated over three (3) and five (5) year annualized time periods.

11 BOARD OF TRUSTEES

12 The Board of Trustees is responsible for overseeing the investments assets of the Trust and for
13 discharging its duties solely in the best interest of the Trust. These duties shall be discharged
14 with the care, skill, prudence, and diligence under the circumstances then prevailing that a
15 prudent man acting in a like capacity and familiar with such matters would use in the conduct of
16 an enterprise of a like character and with like aims. In addition, the Board of Trustees will
17 conduct a thorough review of any person or entity providing investment services to the Trust to
18 avoid any potential conflict of interest situations.

19 FINANCE COMMITTEE

20 The Board of Trustees will act as the Finance Committee. The duties of the Finance Committee
21 include, but are not limited to, the following:

- 22 1. Evaluating and selecting an investment consultant;
23
- 24 2. Developing investment objectives and performance measurement standards which are
25 consistent with the financial needs of the Trust and individual funds;

- 1 3. Periodically reviewing the policy guidelines, and if needed, making changes after
2 consideration of the advice and recommendations of the investment consultant and
3 others;
4
- 5 4. Determining an asset allocation strategy and investment management structure
6 designed to meet the Trust's investment objectives;
7
- 8 5. Evaluating and selecting investment managers;
9
- 10 6. Communicating investment objectives, portfolio guidelines, and performance
11 standards to the investment managers;
12
- 13 7. Holding biannual meetings for the review of performance reports and financial
14 statements and informational conference calls as needed;
15
- 16 8. Deploying existing assets and newly contributed funds to the investment managers;
17
- 18 9. Reviewing and evaluating investment results in the context of predetermined
19 performance standards;
20
- 21 10. Ensuring that investment managers are in compliance with all portfolio guidelines
22 and restrictions and that undo risk is not being undertaken to achieve objectives;
23
- 24 11. Taking necessary corrective action when investment managers fail to achieve
25 expected results; and
26
- 27 12. Engage in RFP process for all contracted services every three (3) years.

28 CUSTODIAN

29 Subject to approval by the Board of Trustees, the Finance Committee is authorized to hire a
30 custodian to safekeep the Trust's assets. The duties of the custodian include, but are not limited
31 to, the following:

- 32 1. Providing all normal custodial functions including security safekeeping, collection of
33 income, settlement of trades, collection of proceeds of maturing securities,
34 distribution of income, and daily investment of uninvested cash;
35
- 36 2. Providing reports detailing investment holdings and account transitions monthly and

1 an annual report summarizing the following to be submitted to the Finance
2 Committee within forty-five (45) days following each fiscal year end;

3
4 a. The reports will include the following:

- 5 1. Statement of all assets on hand;
- 6 2. Statement of all assets received representing contributions to the
7 account; and
- 8 3. Statement of all sales, redemptions, maturities, and principal
9 payments;

10
11
12 3. Establishing and maintaining directed account relationships with each investment
13 manager; and

14
15 4. Preparing accounting reports as requested.

16 **INVESTMENT MANAGEMENT**

17 The Board of Trustees is authorized to engage the services of investment managers, as defined
18 under the Investment Advisors Act of 1940, and other investment professionals to provide the
19 specialized management necessary to meet the Trust's investment objectives and guidelines.
20 Accordingly, the Board of Trustees requires the investment managers to adhere to the "prudent
21 man rule" under such state laws¹ as may be applicable or which may be applicable in the future
22 of the investment of Trust assets.

23 **DELEGATION OF AUTHORITY**

24 Investment managers retained by the Board of Trustees will be held responsible for making all
25 investment decisions regarding the assets under their direction. Each investment manager will be
26 provided with a copy of these investment policy objectives and guidelines. In addition, each
27 manager will be provided with any additional specific goals and objectives that are applicable to
28 the particular managed account that the manager is responsible for. Managers will be required to
29 observe and operate within all guidelines specified by the Trust.

30 **CAPITAL REQUIREMENTS**

31 The Board of Trustees is directed to maintain an Operating Reserve balance which may be
32 custodied in one or more accounts and must maintain a balance that is appropriate to meet the
33 annual distribution needs of the Trust. Such funds may only be invested in insured money market
34 instruments or in investments whose principal is guaranteed by the full faith and credit of the

1 United States Government or one of its agencies. Irrespective of the type of investment selected,
 2 funds may not be invested in any security with a maturity greater than one (1) year. The Board of
 3 Trustees is permitted to maintain all Trust funds in Operating Reserve investments until the Trust
 4 fund balance reaches a level where it is both economically prudent and fiscally appropriate to
 5 invest funds.

6
 7 The Board of Trustees may establish an account or accounts whose balances are restricted to a
 8 particular use or program. Such accounts may be invested according to the guidelines established
 9 in this policy or restricted to more conservative allocations pursuant to the timing of the need for
 10 the funds. Restricted fund balances may be expended at the direction of the Board of Trustees so
 11 long as such direction is not in conflict with agreements or restrictions attached to the receipt of
 12 such funds.

13
 14 All remaining funds owned or controlled by the Board of Trustees shall be considered Capital
 15 Reserves. At the end of each operating year, any and all reserves held in accounts designed as
 16 Operating Reserves which are in excess of the required balance for the upcoming operating year
 17 shall be reallocated to the Capital Reserves account or accounts. All funds held in Capital
 18 Reserve accounts shall be invested pursuant to the guidelines established in this policy.

19 INVESTMENT GUIDELINES

20 The Trust's investment policy objectives and guidelines will be reviewed and revised as needed
 21 from time to time by the Finance Committee. In conducting the review, the committee will
 22 consider applicable advice and recommendations of the Trust's attorneys, accountants,
 23 investment managers, consultants, or other professionals retained to render advice to the Trust.
 24 All modifications shall be in writing and shall be approved by the Board of Trustees.

25 ASSET ALLOCATION

26 The Trust's investment philosophy is that assets should be allocated with the goal of producing
 27 the highest total return consistent with prudent financial management. Unless otherwise specified
 28 by individual fund objectives, this philosophy should be adhered to within the constraints
 29 of the following asset allocation ranges:

30	<u>Maximum allocation</u>	<u>Minimum allocation</u>
31 Equity Investments	70%	35%
32 Fixed Income Investments	65%	20%
33 Cash & Equivalent	35%	0%

1	Alternative Investments – 40 Act Funds	15%	0%
2	Hedging Strategies		
3	Commodities ETF's		
4	Managed Futures Funds		

5 In cases where individual fund objectives require an exception to the above asset allocation
6 ranges, written statements detailing the reasoning for each specific fund will be provided as
7 supplements to this Investment Policy.

8 From time to time, the Finance Committee will determine specific asset allocation targets that it
9 feels are best suited for accomplishing the above total return objective. These specific asset
10 allocation targets will be communicated to individual investment managers in writing, and within
11 a reasonable time frame, managers are expected to reallocate assets in order to comply with the
12 target ranges established by the Committee. In the absence of specific asset allocation targets
13 from the Trust, individual managers will have the direct responsibility for settling and
14 maintaining an asset mix that they feel will best accomplish the Trust's total return objective. At
15 all times and in all cases, the above maximum and minimum limits or specific individual fund
16 maximum and minimum limits, where applicable, are to be adhered to.

17 **PROXY VOTING**

18 The Board of Trustees recognizes that proxy voting is a fiduciary responsibility and requires that
19 proxies be voted based on those factors which would enhance the value of the Trust's
20 investments. The Board of Trustees delegates their authority to vote proxies to the investment
21 managers employed by the Trust and instructs the managers to maintain accurate voting records
22 and to vote proxies for the exclusive benefit of the Trust.

23 **TYPES OF ASSETS**

24 In order to provide for adequate investment diversification across a broad range of assets, the
25 following types of assets are approved for investment:

- 26 U.S. Common Stock
- 27 Non U.S. Common Stock
- 28 U.S. Preferred Stock
- 29 Non U.S. Preferred Stock
- 30 U.S. Government and Agency Securities
- 31 Non U.S. Government and Agency Securities
- 32 Corporate Bonds with a minimum BAA rating or the equivalent Municipal Debt

- 1 Convertible Securities
- 2 Commercial Paper
- 3 Money Market Funds
- 4 Mutual Funds (open and closed-end)
- 5 Exchange Traded Funds
- 6 Passive Index Funds
- 7 Commodities Exchange Traded Funds
- 8 1940 Act Alternative Funds – Hedging Strategies
- 9 1940 Act Managed Futures Funds
- 10 Certificate of Deposits

11 *Additional Criteria*

12 All fixed income and preferred stock issues shall be investment grade and dollar denominated.
13 Mutual fund investment shall have investment objectives, rules, and regulations that are
14 consistent with the Trust's Investment Policy. All assets selected for the Trust shall have a
15 readily ascertainable market value and be readily marketable.

16 *Prohibited Investments*

17 Investment managers are prohibited from using the following assets and/or transactions:

- 18 Uncovered Options – Puts or Calls
- 19 Short Selling
- 20 Restricted Stock
- 21 Other Derivative Securities not specifically approved above

22 **CASH & CASH EQUIVALENTS**

23 All cash, wherever and whenever possible, should be invested in interest bearing instruments.
24 These investments should have stable pricing and instant liquidity.

25 **INVESTMENT MARKETS – EQUITY SECURITIES**

26 In order to broaden the investment opportunities for the investment manager(s) to achieve
27 specific objectives, the managers are permitted to invest in equity securities listed on the New
28 York Stock Exchange, the American Stock Exchange, principal regional exchanges, and in over-
29 the-counter securities for which there is a strong market providing ready liquidity of the specific
30 security.

1 The Board of Trustees believes it is necessary and desirable that equity securities held by the
2 Trust represent a diversified portfolio. In this regard, the Finance Committee and Investment
3 Consultant will select and continue to monitor equity investment managers that have
4 diversification and risk management strategies that are consistent with this focus.

5 **INVESTMENT MARKETS – FIXED INCOME SECURITIES**

6 In order to broaden the investment opportunities for the investment manager(s) to achieve
7 specific objectives, the managers are permitted to invest in fixed income issues offered in both
8 primary and secondary markets. Fixed income securities may include bonds, notes, and pass-
9 through securities issued or guaranteed by the U.S. Government or its agencies, corporate bonds,
10 notes, debentures, or asset-backed securities. Should the rating on a debt or preferred stock
11 security purchased subsequently fall below the minimum BAA (or equivalent) rating, a sale of
12 the issue shall be required except as warranted by investment considerations.

13 The Board of Trustees believes it is necessary and desirable that fixed income securities held by
14 the Trust represent a diversified portfolio. In this regard, the Finance Committee and Investment
15 Consultant will select and continue to monitor fixed income investment managers that have
16 diversification and risk management strategies that are consistent with this focus.

Legal References

1. TCA 35-14-101 *et seq.*

Custom Report

Prepared on January 23, 2025 for:

TSBA OPEB TRUST

TAMMY GRISSOM TTEE
TSBA OPEB TRUST U/T/A DTD
11/05/2012
525 BRICK CHURCH PARK DRIVE
NASHVILLE TN 37207-3219

The Acklen Park Group

Lee Burklow

Financial Advisor
Executive Director
Tel: +1 615 298-6556
Lee.Burklow@morganstanley.com

Christopher Sigmund

Financial Advisor
Senior Vice President
Tel: +1 615 298-6557
Chris.Sigmund@morganstanley.com

Andrew Mazzoni

Financial Advisor
Executive Director
Tel: +1 615 298-6544
Andrew.Mazzoni1@morganstanley.com

Jack Zager

Financial Advisor
Senior Vice President
Tel: +1 615 298-6543
Jack.Zager@morganstanley.com

Your Branch:

3102 WEST END AVE STE 200
NASHVILLE, TN 37203

Table of Contents

TSBA OPEB TRUST

Market Overview	3
Investment Summary Dollar Weighted Returns	4
Asset Allocation	5
Equities Asset Allocation	6
Fixed Income & Preferreds Asset Allocation	7
Projected 12 Month Income Summary	8
Time Weighted Performance Summary	9
Positions Time Weighted Performance Detail	10
Risk Vs. Return	12
Modern Portfolio Theory	13
Account(s) Included In This Report w/ Performance Since Inception	14
Disclosures	16

Please review the disclosures and definitions throughout this Document. For more information or questions, please contact your Financial Advisor.
Various sub-sections of this Document may not contain information on all accounts/positions covered in this Document and will be denoted on the page.

Morgan Stanley Wealth Management Global Investment Committee Commentary

As of January 08, 2025 Reporting Currency: USD

The fourth quarter of 2024 brought positive total returns of 2.4% for the S&P 500, as four of its 11 sectors posted gains quarter-over-quarter. Over the same time frame, the Russell 2000 Index, the small-cap benchmark, gained 0.3%, while the Bloomberg US Aggregate Index, a broad measure of the US bond market, decreased by 3.1%. The yield on the 10-year US Treasury note closed the fourth quarter at 4.57%, while the yield on 3-month Treasury bills was 4.31%.

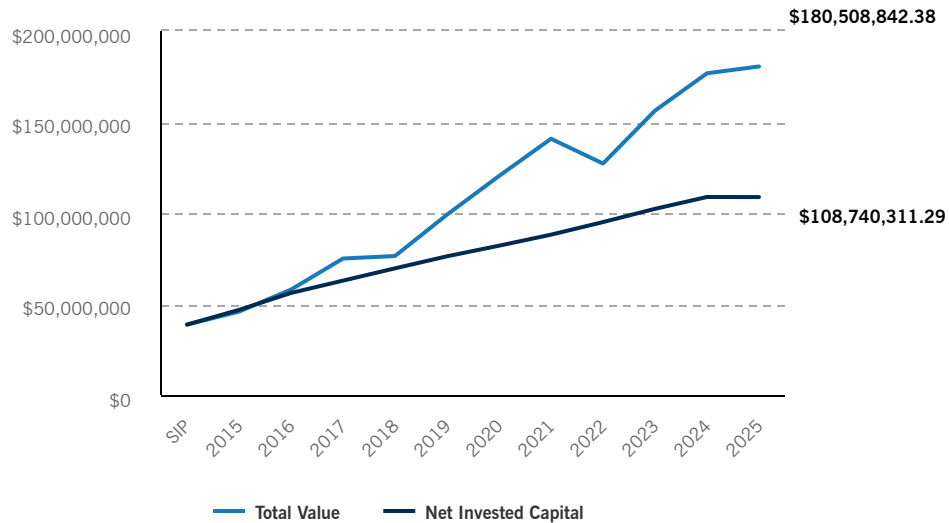
- During 4Q24, the **Federal Reserve cut the federal funds rate by 50 bps total, with one 25bp cut in November and another 25bp cut in December**. Labor market resilience, sticky inflation, and the potentially reflationary policies of the incoming Presidential Administration have turned the Fed increasingly hawkish. Payrolls surprised to the upside in November, but the overall unemployment rate rose slightly to 4.2%, in the same general range as the last few months.
- Throughout 4Q, the **US dollar increased by about 7.6%** and oil prices increased for the first time in two quarters. With the current economic backdrop, the Global Investment Committee is market-weight equities and market-weight fixed income. In equities, we recommend large-cap value and mid-cap growth, as they may be the biggest beneficiaries of the incoming administration's focus on deregulation and tax cuts.
- We **shifted to underweight for international developed and moved to overweight for emerging market equities**. The GIC **maintains neutral positioning in fixed income assets** and does not recommend taking relative duration risk as we believe current US Treasury yields are close to "fair value." We advocate that investors rely on higher-quality sectors for income and as a potential offset against the downside surprise of a slower growth trajectory.
- On the **labor market front**, the November payroll report came in stronger than expected, with 227,000 jobs added in the month vs. economists' consensus of 220,000, stalling the cooling labor market narrative. Inflation data was mixed throughout 4Q24, rising slightly to 2.7% in November, dampening the likelihood of aggressive Federal Reserve rate cuts in 2025. The Fed continues to weigh its dual mandate of keeping inflation low and maintaining strength in the job market while being sure to not overheat the economy by cutting rates too rapidly. MS & Co.'s Economics team believes that there will now be only two 25-bp cuts in 2025, one in March and one in June.

Investment Summary Dollar Weighted Returns

TSBA OPEB TRUST

Data as of January 22, 2025

TOTAL VALUE VS. NET INVESTED CAPITAL

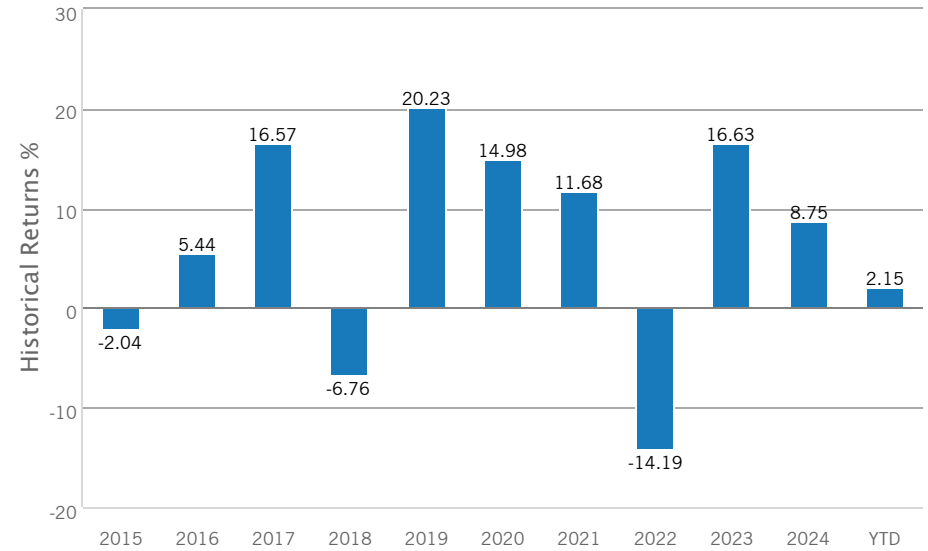


Does not include Performance Ineligible Assets.

DOLLAR-WEIGHTED RETURN % (NET OF FEES)

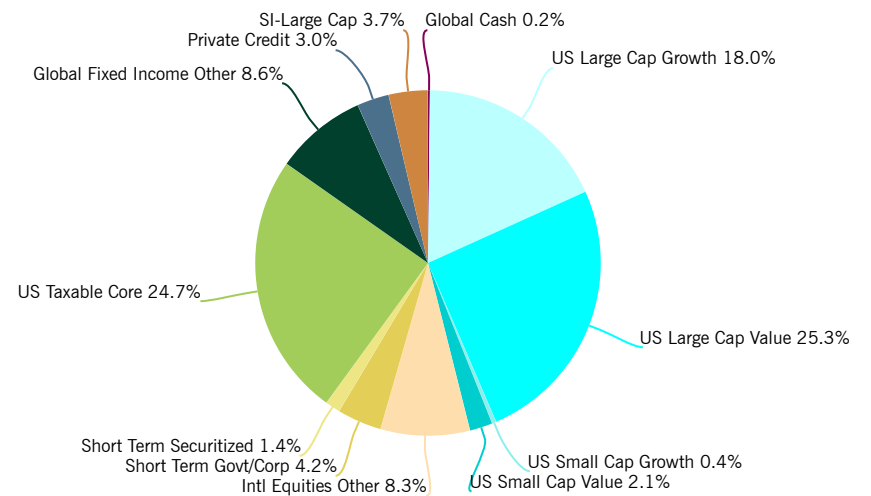
	Quarter to Date (\$) 12/31/24-01/22/25	Year to Date (\$) 12/31/24-01/22/25	Performance Inception (\$) 06/09/15-01/22/25
Beginning Total Value	176,763,530	176,763,530	38,680,482
Net Contributions/Withdrawals	-56,964	-56,964	70,059,829
Investment Earnings	3,802,276	3,802,276	71,768,531
Ending Total Value	180,508,842	180,508,842	180,508,842
DOLLAR WEIGHTED RATE OF RETURN (%) (Annualized for periods over 12 months)			
Return % (Net of Fees)	2.15	2.15	7.29
90-Day T-Bills	0.27	0.27	1.89

DOLLAR-WEIGHTED PERIOD RETURN % (NET OF FEES)



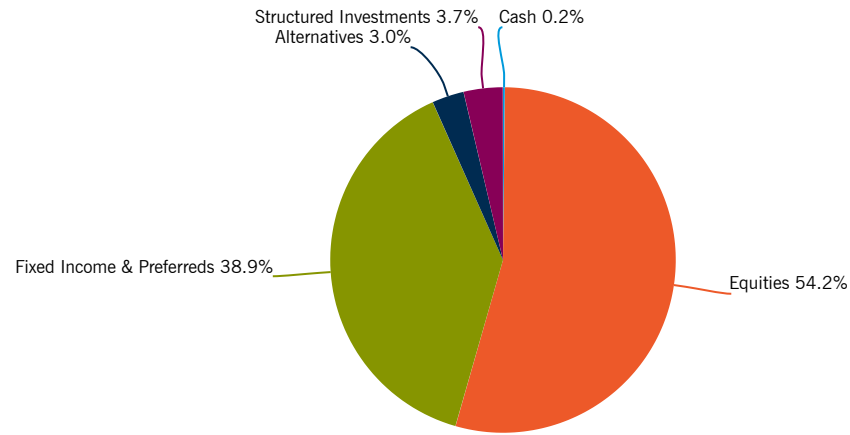
Does not include Performance Ineligible Assets.

ASSET ALLOCATION



Asset Allocation

ASSET ALLOCATION - ASSET CLASS



ASSET ALLOCATION

	Total Value (\$) 01/22/2025	% of Portfolio 01/22/2025
Cash	352,599.53	0.2
Equities	97,916,172.35	54.2
Fixed Income & Preferreds	70,211,678.84	38.9
Alternatives	5,396,903.95	3.0
Structured Investments	6,631,937.40	3.7
TOTAL PORTFOLIO	180,509,292.07	100.0

Equities Asset Allocation

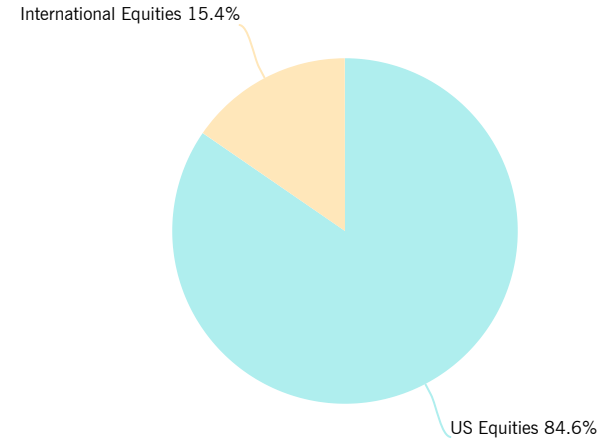
TSBA OPEB TRUST

Data as of January 22, 2025

TOP EQUITY POSITIONS BASED ON TOTAL VALUE

SECURITY DESCRIPTION	Total Value (\$) 01/22/2025	% of Equities 01/22/2025
PGIM JENNISON GROWTH Z	24,569,753.70	25.1
BLACKROCK HIGH EQ INCOME INST	14,722,082.91	15.0
JOHN HANCOCK DISPLND VAL INST	14,692,853.51	15.0
OAKMARK FUND INSTITUTIONAL	11,513,832.84	11.8
ISHARES CORE S&P U.S. GROWTH	7,990,701.92	8.2
AMERICAN EUROPACIFIC GRW F2	5,060,927.34	5.2
ISHARES CORE MSCI EAFE ETF	5,022,887.22	5.1
THORNBURG INTL GROWTH I	4,985,352.31	5.1
ISHARES CORE S&P U.S. VALUE	4,784,837.31	4.9
PACER US SML CAP CASH COWS ETF	3,160,676.31	3.2
Top Equity Positions	96,503,905.37	98.6
Other Equity Positions	1,412,266.98	1.4
Total Equities	97,916,172.35	100.0

ASSET ALLOCATION - EQUITIES



ASSET ALLOCATION - EQUITIES

	% of Equities 01/22/2025	Total Value (\$) 01/22/2025	% of Portfolio 01/22/2025
US Equities	84.6	82,847,005.48	45.9
US Large Cap Growth	33.3	32,560,455.62	18.0
US Large Cap Value	46.7	45,713,606.57	25.3
US Small Cap Growth	0.7	706,133.49	0.4
US Small Cap Value	3.9	3,866,809.80	2.1
International Equities	15.4	15,069,166.87	8.3
Intl Equities Other	15.4	15,069,166.87	8.3
TOTAL EQUITIES	100.0	97,916,172.35	54.2

Fixed Income & Preferreds Asset Allocation

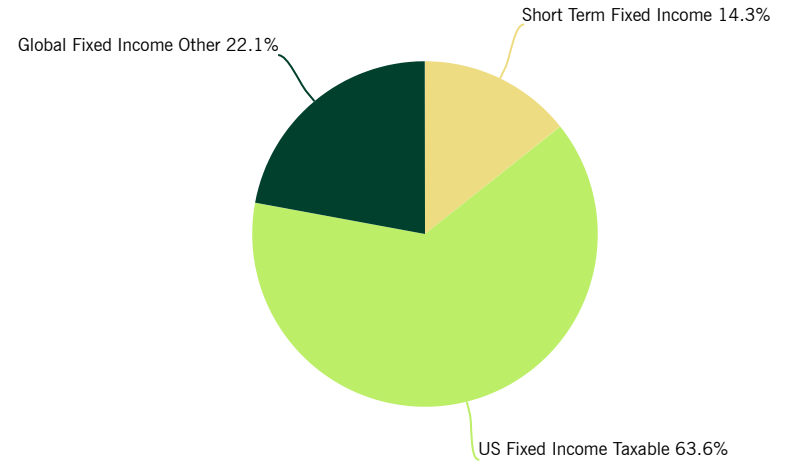
TSBA OPEB TRUST

Data as of January 22, 2025

TOP FIXED INCOME & PREFERRED POSITIONS BASED ON TOTAL VALUE

SECURITY DESCRIPTION	Total Value (\$) 01/22/2025	% of Fixed Income & Preferreds 01/22/2025
JOHN HANCOCK BOND I	33,061,969.43	47.1
JANUS HENDERSON MLT SEC INC I	15,512,286.59	22.1
PGIM TOTAL RETURN BOND Z	11,585,705.21	16.5
PGIM SHORT-TERM CORP BOND Z	10,051,717.61	14.3
Top Fixed Income & Preferred Positions	70,211,678.84	100.0
Other Fixed Income & Preferred Positions	-	-
Total Fixed Income & Preferred	70,211,678.84	100.0

ASSET ALLOCATION - FIXED INCOME & PREFERREDS

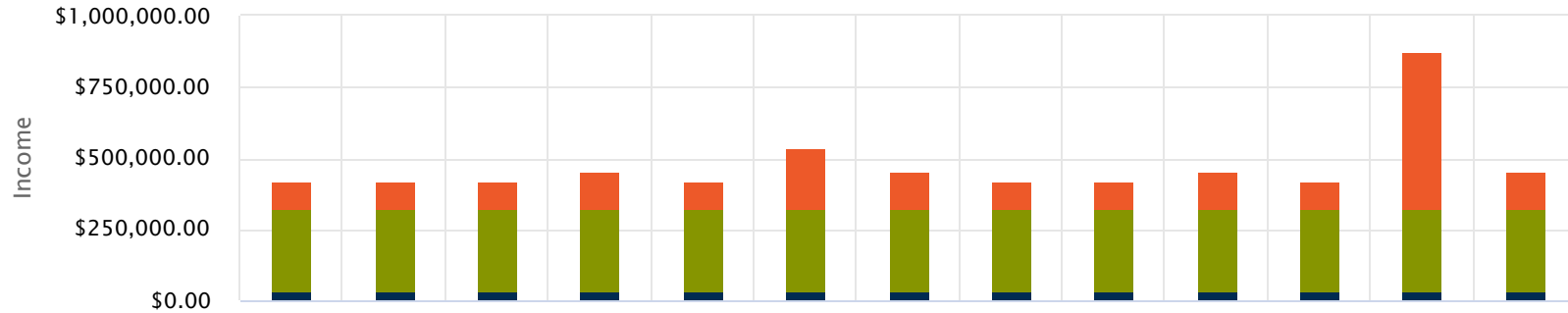


ASSET ALLOCATION - FIXED INCOME & PREFERREDS

	% of Fixed Income & Preferreds 01/22/2025	Total Value (\$) 01/22/2025	% of Portfolio 01/22/2025
Short Term Fixed Income	14.3	10,051,717.61	5.6
Short Term Govt/Corp	10.7	7,538,788.21	4.2
Short Term Securitized	3.6	2,512,929.40	1.4
US Fixed Income Taxable	63.6	44,647,674.64	24.7
US Taxable Core	63.6	44,647,674.64	24.7
Global Fixed Income Other	22.1	15,512,286.59	8.6
Global Fixed Income Other	22.1	15,512,286.59	8.6
TOTAL FIXED INCOME & PREFERREDS	100.0	70,211,678.84	38.9

Projected 12 Month Income Summary

12 MONTH INCOME SUMMARY

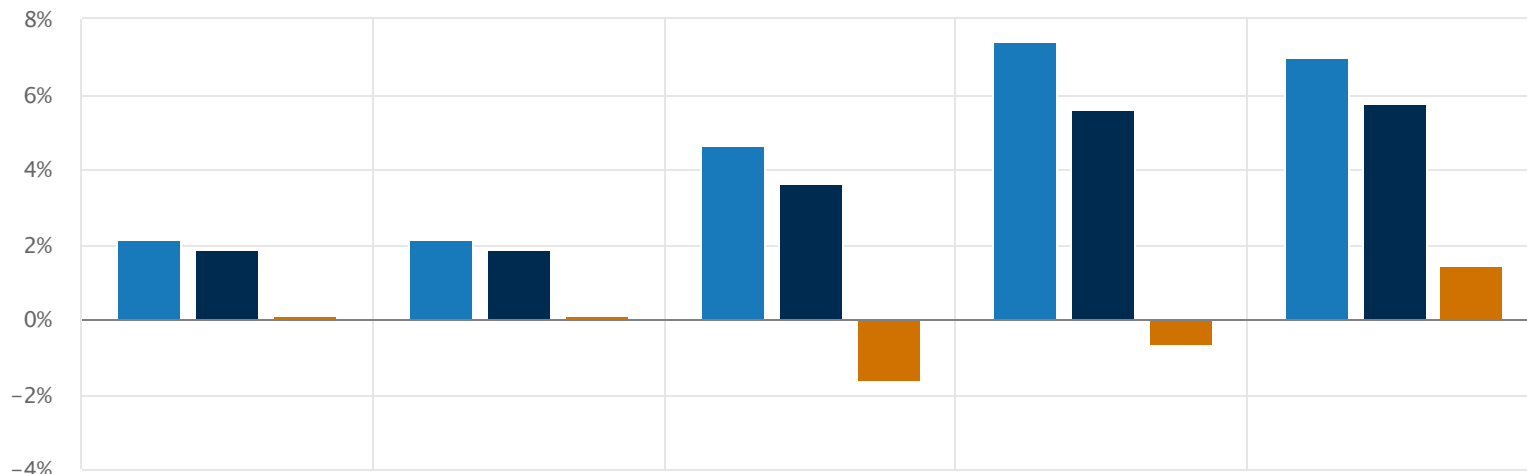


Asset Class	Total Value (\$) 01/22/2025	01/23/25 to 01/31/25 (\$)	Projected Income (\$) (02/01/25 - 01/31/26)												Total	% Yield	
			Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan			
Cash	352,600	587	587	587	587	587	587	587	587	587	587	587	587	587	587	7,043	2.00
Equities	97,916,172	91,532	91,532	91,532	124,858	91,532	212,158	124,858	91,532	91,532	124,858	91,532	546,521	124,858	1,852,048	1.89	
Fixed Income & Preferreds	70,211,679	289,298	289,298	289,298	289,298	289,298	289,298	289,298	289,298	289,298	289,298	289,298	289,298	289,298	3,471,580	4.94	
Alternatives	5,396,904	37,826	37,826	37,826	37,826	37,826	37,826	37,826	37,826	37,826	37,826	37,826	37,826	37,826	453,913	8.41	
Structured Investments	6,631,937	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	180,509,292	419,243	419,243	419,243	452,570	419,243	539,869	452,570	419,243	419,243	452,570	419,243	874,233	452,570	5,784,584	3.20	

Projected Income is calculated only for holdings where data is available. In instances whereby payment frequency and/or last payment date is not available, income is based on the current dividend or coupon rate, and will be displayed in the Total column only. Projected income is not available for Alternative Investment funds that do not have a share quantity.

Time Weighted Performance Summary

RETURN % (NET OF FEES) VS. BENCHMARKS (ANNUALIZED)



	Quarter to Date 12/31/24 - 01/22/25	Year to Date 12/31/24 - 01/22/25	Last 3 Years 01/31/22 - 01/22/25	Last 5 Years 01/31/20 - 01/22/25	Performance Inception 06/09/15 - 01/22/25
Beginning Total Value (\$)	176,763,530.14	176,763,530.14	136,243,092.36	98,413,459.50	38,680,482.15
Net Contributions/Withdrawals (\$)	-56,964.07	-56,964.07	20,697,954.53	32,570,730.09	70,059,829.14
Investment Earnings (\$)	3,802,276.31	3,802,276.31	23,567,795.49	49,524,652.78	71,768,531.08
Ending Total Value (\$)	180,508,842.38	180,508,842.38	180,508,842.38	180,508,842.38	180,508,842.38
Return % (Net of Fees)	2.15	2.15	4.64	7.40	6.96
TN TSBA Composite (%)	1.89	1.89	3.61	5.62	5.78
Bloomberg US Aggregate (%)	0.13	0.13	-1.67	-0.68	1.44

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

Positions Time Weighted Performance Detail

TSBA OPEB TRUST

Data as of January 22, 2025

RETURN % (GROSS OF FEES) (ANNUALIZED)

Product/ Security Description ▲	Account Number	Performance Inception Date	Ending Total Value (\$)	Year to Date (%) 12/31/24 - 01/22/25	Previous Year (%) 12/31/23 - 12/31/24	% of Portfolio
Total Portfolio (Gross of Fees)		06/09/2015	180,508,842.38	2.17	9.01	100.00
<i>TN TSBA Composite</i>				1.89	8.97	
Stock / Options						
GS PLUS SPX 25MH05(SPHQW)	Multiple	08/31/2022	1,702,274.60	0.39	10.92	0.94
Exchange Traded/ Closed End Funds						
ISHARES CORE MSCI EAFE ETF(IEFA)	Multiple	11/28/2018	5,022,887.22	3.22	3.39	2.78
ISHARES CORE S&P U.S. GROWTH(IUSG)	Multiple	11/28/2018	7,990,701.92	4.57	34.33	4.43
ISHARES CORE S&P U.S. VALUE(IUSV)	Multiple	11/28/2018	4,784,837.31	2.42	12.13	2.65
PACER US SML CAP CASH COWS ETF(CALF)	Multiple	11/28/2023	3,160,676.31	3.06	-7.28	1.75
Mutual Funds						
AMERICAN EUROPACIFIC GRW F2(AEPFX)	Multiple	07/14/2015	5,060,927.34	4.42	4.94	2.80
BLACKROCK HIGH EQ INCOME INST(BMCIX)	Multiple	09/02/2015	14,722,082.90	2.72	7.44	8.16
CION ARES DIVERSIFIED CREDIT U(CADZX)	Multiple	09/30/2024	5,396,903.96	0.00	-	2.99
DWS SMALL CAP CORE S(SSLCX)	Multiple	02/20/2018	1,412,266.99	4.72	9.88	0.78
JANUS HENDERSON MLT SEC INC I(JMUIX)	Multiple	08/12/2024	15,512,286.58	0.00	-	8.59
JOHN HANCOCK BOND I(JHBIX)	Multiple	04/24/2024	33,061,969.43	0.00	-	18.32
JOHN HANCOCK DISPLND VAL INST(JVLIX)	Multiple	07/24/2018	14,692,853.51	5.30	15.26	8.14
OAKMARK FUND INSTITUTIONAL(OANMX)	Multiple	07/12/2021	11,513,832.84	4.50	16.24	6.38
PGIM JENNISON GROWTH Z(PJFZX)	Multiple	09/02/2015	24,569,753.69	4.34	30.11	13.61
PGIM SHORT-TERM CORP BOND Z(PIFZX)	Multiple	09/02/2015	10,051,717.60	0.00	5.16	5.57
PGIM TOTAL RETURN BOND Z(PDBZX)	Multiple	04/06/2023	11,585,705.22	-0.08	3.10	6.42
THORNBURG INTL GROWTH I(TINGX)	Multiple	09/02/2015	4,985,352.32	2.66	2.42	2.76

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Position level performance detail is only available since 12/31/2014.

Positions Time Weighted Performance Detail

TSBA OPEB TRUST

Data as of January 22, 2025

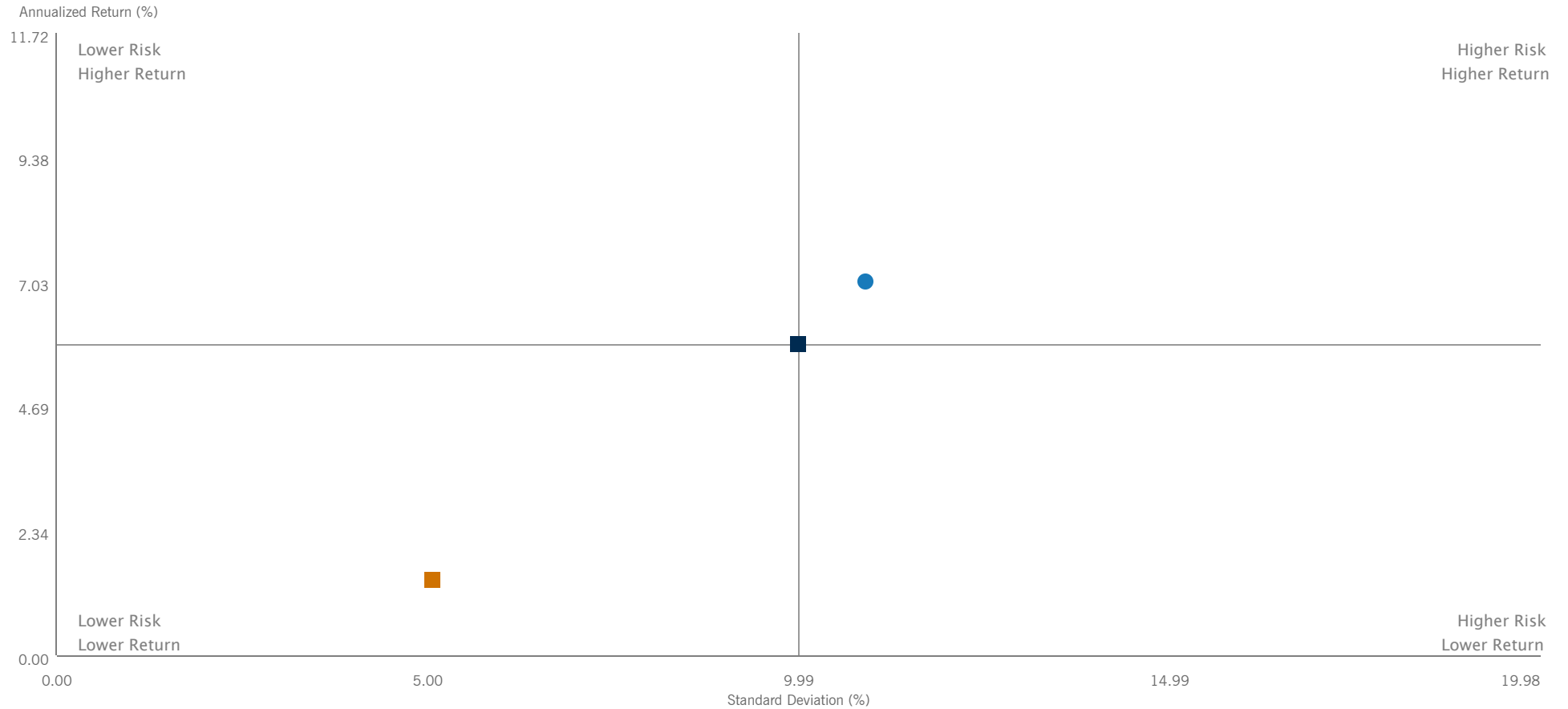
RETURN % (GROSS OF FEES) (ANNUALIZED) (Continued)

Product/ Security Description ▲	Account Number	Performance Inception Date	Ending Total Value (\$)	Year to Date (%) 12/31/24 - 01/22/25	Previous Year (%) 12/31/23 - 12/31/24	% of Portfolio
Corporate Fixed Income						
BCS PLUS SPX 00000 27JA06	Multiple	06/14/2024	1,496,526.60	1.21	-	0.83
MS PLUS SPX 00000 27MH03	Multiple	08/14/2024	1,622,081.50	1.39	-	0.90
UBS PLUS SPX 00000 26DE03	Multiple	05/15/2024	1,811,054.70	1.32	-	1.00
Cash, MMF and Bank Deposits						
BANK DEPOSIT PROGRAM(BDPS)	Multiple	06/18/2015	352,149.82	-	-	0.20

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Position level performance detail is only available since 12/31/2014.

Risk vs. Return

RETURN % (NET OF FEES) AND VOLATILITY VS. BENCHMARKS



	Return % (Net of Fees) 06/30/15-01/22/25	Standard Deviation (%) 06/30/15-01/22/25
● Portfolio	7.05	10.89
■ TN TSBA Composite	5.86	9.99
■ Bloomberg US Aggregate	1.43	5.07

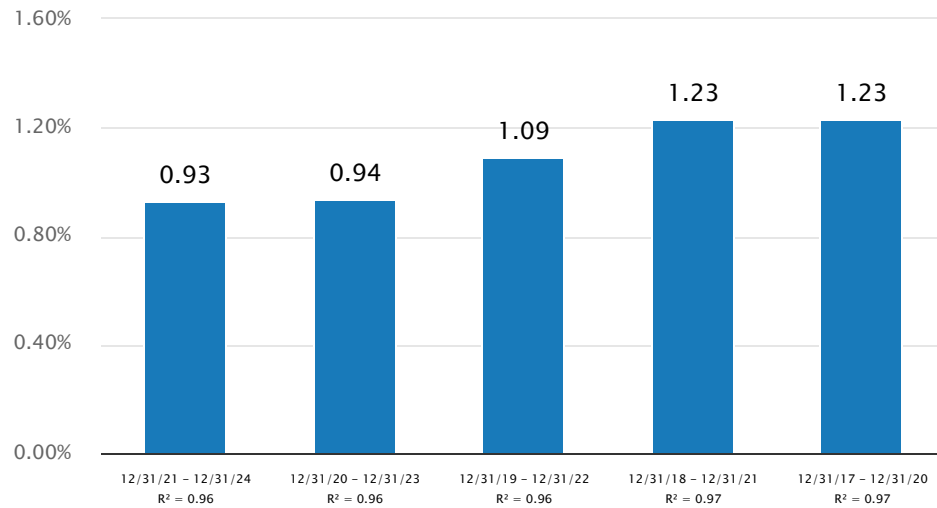
The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

Modern Portfolio Theory

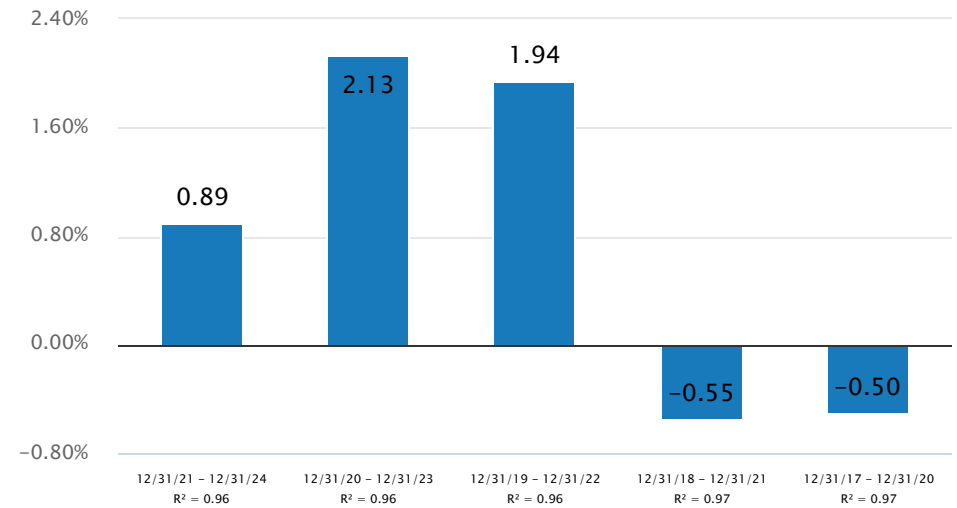
TSBA OPEB TRUST

Data as of December 31, 2024

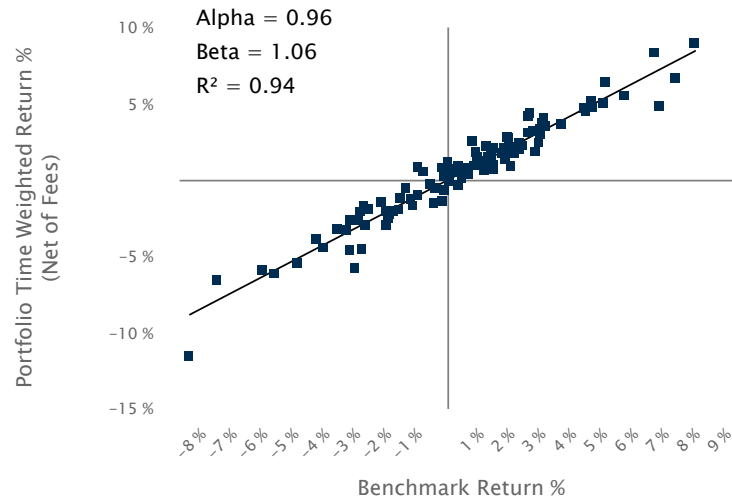
BETA - ROLLING PERIODS - TIME WEIGHTED RETURN %(NET OF FEES)



ALPHA - ROLLING PERIODS - TIME WEIGHTED RETURN %(NET OF FEES)



MONTHLY OBSERVATIONS SINCE 06/30/15 WITH SIMPLE REGRESSION LINE - TIME WEIGHTED RETURN %(NET OF FEES)



Alpha: Is a measure of a portfolio's time weighted net of fees return in excess of the market return, both adjusted for risk. A positive alpha indicates that the portfolio outperformed the market on a risk-adjusted basis, and a negative alpha indicates the portfolio did worse than the market.

Beta: Is a measure of the sensitivity of a portfolio's time weighted net of fees return against that of the market. A beta greater than 1.00 indicates volatility greater than the market.

Modern Portfolio Theory: Seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk.

R²: Is a measure that indicates the extent to which fluctuations in a portfolio's time weighted net of fees return is correlated with the return of the general market. An R² of 0.80 implies that 80% of the fluctuation of a portfolio's return is explained by the fluctuation in the market.

Graph Notes: Both the benchmark and portfolio returns are adjusted by the return of the 90-day Treasury Bills to illustrate the excess return above the Risk Free Rate for each period.

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

Account(s) Included in this Report

TSBA OPEB TRUST

MORGAN STANLEY WEALTH MANAGEMENT

Account Name	Account Number	Account Type/ Manager Name	Date Opened/ Date Closed	Perf Inception Date Perf (%) Incept - 01/22/25	Total Value (\$) 01/22/25	% of Portfolio 01/22/25
ARLINGTON CITY - Alternative Investment	471-XXX385	AAA	02/18/20 -	02/25/2020 4.68	352,462.66	0.20
ARLINGTON CITY BOE	471-XXX901	Consulting Group Advisor	06/17/15 -	06/18/2015 7.07	4,993,553.82	2.77
BARTLETT CITY - Alternative Investment	471-XXX383	AAA	02/18/20 -	02/25/2020 4.68	500,773.58	0.28
BARTLETT CITY BOE	471-XXX902	Consulting Group Advisor	06/17/15 -	07/01/2015 6.99	8,028,446.50	4.45
Collierville City - Alternative Invest.	471-XXX396	AAA	02/18/20 -	02/25/2020 4.72	205,203.05	0.11
COLLIERVILLE CITY BOE	471-XXX903	Consulting Group Advisor	06/17/15 -	07/01/2015 6.93	3,209,726.85	1.78
HICKMAN CO.	471-XXX866	Consulting Group Advisor	06/03/15 -	06/09/2015 7.11	2,948,676.79	1.63
Hickman Co. - Alternative Investment	471-XXX388	AAA	02/18/20 -	02/25/2020 4.85	228,935.39	0.13
JACKSON-MADISON	471-XXX864	Consulting Group Advisor	06/03/15 -	06/09/2015 7.10	536,819.38	0.30
JACKSON-MADISON - Alternative Investment	471-XXX403	AAA	02/18/20 -	02/25/2020 4.77	40,564.90	0.02
JOHNSON CO.	471-XXX869	Consulting Group Advisor	06/03/15 -	06/09/2015 7.10	1,512,088.97	0.84
JOHNSON CO. - Alternative Investment	471-XXX398	AAA	02/18/20 -	02/25/2020 4.86	115,844.59	0.06
Lakeland City - Alternative Investment	471-XXX393	AAA	02/18/20 -	02/25/2020 4.75	218,075.91	0.12
LAKELAND CITY BOE	471-XXX900	Consulting Group Advisor	06/17/15 -	06/18/2015 6.86	3,383,497.65	1.87
MILLINGTON	471-XXX583	Consulting Group Advisor	07/05/16 -	07/07/2016 7.96	407,590.04	0.23
MILLINGTON - Alternative Investment	471-XXX409	AAA	02/18/20 -	02/25/2020 4.65	30,886.13	0.02
SHELBY CO.	471-XXX863	Consulting Group Advisor	06/03/15 -	06/09/2015 7.05	143,460,050.71	79.48

The investment returns shown on this page are Net of Fees, time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated.

Account(s) Included in this Report

TSBA OPEB TRUST

MORGAN STANLEY WEALTH MANAGEMENT (Continued)

Account Name	Account Number	Account Type/ Manager Name	Date Opened/ Date Closed	Perf Inception Date Perf (%) Incept - 01/22/25	Total Value (\$) 01/22/25	% of Portfolio 01/22/25
SHELBY CO. - Alternative Investment	471-XXX380	AAA	02/18/20 -	02/25/2020 5.58	10,336,095.15	5.73
Morgan Stanley Wealth Management Total					180,509,292.07	100.00
Total Portfolio					180,509,292.07	100.00

The investment returns shown on this page are Net of Fees, time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated.

Disclosures

TSBA OPEB TRUST

Explanatory Notes and Disclosures: This document is designed to assist you and your Financial Advisor in understanding portfolio positions, composition and subsets thereof. It is designed solely for your individual use, is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. Do not take action relying on this information without confirming its accuracy and completeness. Please read carefully all accompanying notes and disclosures provided in this Document.

For convenience purposes, your Financial Advisor may have assigned a designated name for this Document. The list of the accounts covered in this document is noted herein and may not include all of your accounts with us or external custodians. Furthermore, the information included in this document may not include all asset classes/securities/liabilities held by you at the firm or external custodians. Please review this document carefully and discuss any questions you may have with your Financial Advisor. If you do not understand an entry, suspect an error, or want more details on current values or other information, contact your Financial Advisor. This document is based upon your Morgan Stanley account holdings and may include other holdings/information that you or a third party provided about assets custodied elsewhere. Morgan Stanley will not verify any other holdings/information. If any information reflects assets held away from Morgan Stanley that will be indicated. The information contained in this document is subject to, and does not supersede the confirmations and account statements you receive from us. Values shown in your official account statement may differ from the values shown in this document due to, among other things, different reporting methods, delays, market conditions and interruptions. If there are discrepancies between your official account statement and this document, rely on your official account statement.

The information in this document is approximate and subject to updating, correction and other changes. We are not obligated to notify you if information changes. Although the statements of fact and data in this document have been obtained from, and are based upon sources that we believe to be reliable, we do not guarantee their accuracy, or timeliness, and any such information may be incomplete or condensed. Percentage values shown in this document are subject to rounding, which may impact total values. The values of securities and other investments not actively traded may be estimated or may not be available.

This information is provided for informational purposes only and should not be used for tax preparation. The information reported on your Form(s) 1099 supersedes the information provided in this report and should be exclusively relied upon for tax preparation. Morgan Stanley, its affiliates and its employees are not in the business of providing tax or legal advice. Clients should seek advice based on their particular circumstances from an independent tax and legal advisor. Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services. SIPC insurance does not apply to precious metals, other commodities, or traditional alternative investments.

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

Money Market Fund: You could lose money in Money Market Funds (MMFs). Although MMFs classified as government funds (i.e., MMFs that invest 99.5% of total assets in cash and/or securities backed by the U.S government) and retail funds (i.e., MMFs open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee they will do so. The price of other MMFs will fluctuate and when you sell shares they may be worth more or less than originally paid. MMFs may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A MMF investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency.

AAA Accounts: The Active Assets Account is a brokerage account offered through Morgan Stanley Smith Barney LLC.

Consulting Group Advisory Accounts: Consulting Group is a business of Morgan Stanley Smith Barney LLC.

Important Regulation Best Interest Information: This report is being provided as a courtesy. By providing this report, we do not represent or agree that we will monitor the investments in your brokerage account(s) or deliver future reports.

Residential Mortgage loan information is excluded from this report. Please contact your Morgan Stanley team for more information.

Additional information about your Floating Rate Notes: For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

Important Information About Auction Rate Securities: For certain Auction Rate Securities there is no or limited liquidity. Therefore, the price(s) for these Auction Rate Securities are indicated as not available by a dash "-". There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security.

Important Pricing Information: Prices of securities not actively traded may not be available, and are indicated by a dash "-". Account values are based on the most recent security pricing available and may be prior to the date of this material.

Disclosures

TSBA OPEB TRUST

Asset Classification: We classify assets based on general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, allocations may be under or over inclusive. These classifications do not constitute a recommendation and may differ from the classification of instruments for regulatory or tax purposes. In addition, the Other asset class contains securities that are not included in the various asset class classifications. This can include, but is not limited to, non-traditional investments such as some Equity Unit Trusts, Index Options and Structured Investments issued outside of Morgan Stanley. Additionally, investments for which we are unable to procure market data to properly classify them will appear in the Other category.

Additional information about your Structured Products: Structured Investments are complex products and may be subject to special risks, which may include, but are not limited to: loss of initial investment; issuer credit risk and price volatility resulting from any actual or anticipated changes to issuer's and/or guarantor's credit ratings or credit spreads; limited or no appreciation and limits on participation in any appreciation of underlying asset(s); risks associated with the underlying reference asset(s); no periodic payments; call prior to maturity; early redemption fees for market linked deposits; lower interest rates and/or yield compared to conventional debt with comparable maturity; unique tax implications; limited or no secondary market; and conflicts of interest due to affiliation, compensation or other factors which could adversely affect market value or payout to investors. Investors also should consider the concentration risk of owning the related security and their total exposure to any underlying asset.

Performance: Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, dividends, interest and income. Depending on the opening or closing date of the account or position, the performance referenced may be for a portion of the time period identified. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Please contact your Financial Advisor for up-to-date performance information. Past performance is not a guarantee of future results. Quotations of performance appearing in this report may include performance experienced in legacy accounts which have been closed and purged, and as such are not included on the Accounts Included in This Report page.

Market values used for performance calculation do not include Performance Ineligible Assets and thus may differ from asset allocation market values. Common examples of Performance Ineligible Assets include liabilities, life insurance and annuities as well as Manually Added and External accounts for which Morgan Stanley does not receive data necessary to calculate performance.

Unless otherwise indicated, performance is an aggregated composite calculation of the entire portfolio and may include brokerage and investment advisory accounts as well as assets for different accounts included in this report. The accounts included in the composite may have (or have had) different investment objectives and strategies, been subject to different restrictions, and incurred different types of fees, markups, commissions and other charges. Accordingly, performance results may blend the performance of assets and strategies that may not have been available in all of the accounts at all times during the reporting period. In addition, accounts in the composite may have changed from brokerage to advisory or vice versa. Accounts may also have moved from one advisory program to another (including from a discretionary program to a non-discretionary program).

For Morgan Stanley Smith Barney LLC accounts, performance information may cover the full history of the account(s) or just the performance of an account(s) since the inception of the current program(s). Performance results on individual accounts will vary and may differ from the composite returns. Your Financial Advisor can provide you with individual account portfolio composition and performance information. For investment advisory accounts, please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 or applicable disclosure brochure. For brokerage accounts, please speak to your Financial Advisor for more information on commissions and other account fees and expenses. Performance inception date does not necessarily correspond to the account opening date. Where multiple accounts are included in performance calculations, the inception date is the oldest performance inception. Performance data may not be available for all periods as some accounts included in performance may have more recent performance inception dates. Consequently, the actual performance for a group of accounts may differ from reported performance. Please ask your Financial Advisor for the performance inception date for each account.

Sub Account and Security Level Performance: The performance return methodology described above and in the TWR and IRR definitions applies to both Account Level and Sub-Account (e.g. Asset Class or Security level) performance returns. The inputs consist of market values and net flows.

For example, TWR is calculated by taking the Change in Market Value (Ending MV – Beginning MV) less any net flows, divided by the beginning MV. $TWR = (Ending\ MV - Beginning\ MV - Net\ Flows) / Beginning\ MV$

The difference lies in what is or is not included in the Market Values and Flows. For account level performance, the total account market values and all flows within the account are taken into account.

For sub-account level performance, only those market values and flows associated with the specific securities included are taken into account.

Flows that are not security specific typically include account advisory fees, cash contributions or withdrawals, and any other flows that are not attributed to a specific security.

Flows that are security specific including purchases, sales, dividends, interest, partnership distributions, return of capital, fund sales charges, security transaction fees, and ongoing fund expenses are typically reflected in the security level returns.

Disclosures

TSBA OPEB TRUST

Gross of Fees: The impact of program fees can be material. These program fees are deducted based on your billing cycle and may have a compounding effect on performance. As fees are deducted periodically throughout the year, the compounding effect may increase the impact of the fees by an amount directly related to the gross account performance.

Indices: Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and/or investment objective(s) associated with the account(s). In some circumstances, the benchmark index may not be an appropriate benchmark for use with the specific composite portfolio. For instance, an index may not take into consideration certain changes that may have occurred in the portfolio since the inception of the account(s), (e.g., changes from a brokerage to an advisory account or from one advisory program to another, asset class changes, or index changes for individual managers). The volatility of the index used for comparison may be materially different from that of the performance shown. Indices are unmanaged and not available for direct investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance. Please see the Benchmark Definitions section of this material for additional information on the indices used for comparison.

Performance Inception Month End: Performance Inception Month End refers to performance calculated from the end of the month in which the accounts became eligible for performance. Calculating performance from the Performance Inception Month End allows for a comparison to be made to appropriate benchmarks. Performance Inception Month End does not necessarily correspond to the account opening date.

Projected 12 Month: Projected 12 Month Income is based upon cash income from interest, cash dividends, and partnership distributions. It is a hypothetical projection calculated using current yields. The projected income referenced is based upon certain market projections effective as at today's date only and can change at any time. Such projected income is hypothetical, do not reflect actual investment results, and is not a guarantee of future results. The projected income is referenced for illustrative purposes only. Morgan Stanley does not represent or guarantee that the projected income referenced will or can be attained. The actual income may be lower or higher than the projections based upon a variety of factors and assumptions. The projected income shown may under or over compensate for the impact of actual market conditions and other factors. We make no representation or warranty as to the reasonableness of the assumptions made, or that all assumptions used to construct this projected income information have been stated or fully considered. To the extent that the assumptions made do not reflect actual conditions, the illustrative value of the hypothetical projected income will decrease. Companies paying dividends can reduce or cut payouts at any time.

The projected income referenced may include income from Morgan Stanley & Co. and External Accounts, where data is available. Such information was obtained from third party sources which Morgan Stanley believes to be reliable. However, we make no representation or guarantee that the information is accurate or complete. You should not rely upon this information to make any investment decision. Please refer to the official account statements and performance reports you received from your custodian and/or financial institution for information about projected income in your External Accounts. The projected income referenced does not include income from assets in Manually Added External Accounts.

Additional information about your Alternative Investments: Your interests in Alternative Investments, which may have been purchased through us, are generally not held here, and are generally not covered by SIPC. The information provided to you: 1) is included as a service to you, and certain transactions may not be reported; 2) is derived from you or another external source for which we are not responsible, and may have been modified to take into consideration capital calls or distributions to the extent applicable; 3) may not reflect actual shares, share prices, or values; 4) may include invested or distributed amounts in addition to a fair value estimate; and 5) should not be relied upon for tax reporting purposes. Notwithstanding the foregoing, 1) to the extent this report displays Alternative Investment positions within a Morgan Stanley Individual Retirement Account ("IRA"), such positions are held by Morgan Stanley Smith Barney LLC as the custodian of your Morgan Stanley IRA; and 2) if your Alternative Investment position(s) is held by us and is registered pursuant to the Securities Act of 1933, as amended, your Alternative Investment position(s) is covered by SIPC.

Alternatives may be either traditional alternative investment vehicles or non-traditional alternative strategy vehicles. Traditional alternative investment vehicles may include, but are not limited to, Hedge Funds, Fund of Funds (both registered and unregistered), Exchange Funds, Private Equity Funds, Private Credit Funds, Real Estate Funds, and Managed Futures Funds. Non-traditional alternative strategy vehicles may include, but are not limited to, Open or Closed End Mutual Funds, Exchange-Traded and Closed-End Funds, Unit Investment Trusts, exchange listed Real Estate Investment Trusts (REITs), and Master Limited Partnerships (MLPs). These non-traditional alternative strategy vehicles also seek alternative-like exposure but have significant differences from traditional alternative investment vehicles. Non-traditional alternative strategy vehicles may behave like, have characteristics of, or employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives, and options, which can increase volatility and the risk of investment loss. Characteristics such as correlation to traditional markets, investment strategy, and market sector exposure can play a role in the classification of a traditional security being classified as alternative.

Traditional alternative investment vehicles are illiquid and usually are not valued daily. The estimated valuation provided will be as of the most recent date available and will be included in summaries of your assets. Such valuation may not be the most recent provided by the fund in which you are invested. No representation is made that the valuation is a market value or that the interest could be liquidated at this value. We are not required to take any action with respect to your investment unless valid instructions are received from you in a timely manner. Some positions reflected herein may not represent interests in the fund, but rather redemption proceeds withheld by the issuer pending final valuations which are not subject to the investment performance of the fund and may or may not

Disclosures

TSBA OPEB TRUST

accrue interest for the length of the withholding. Morgan Stanley does not engage in an independent valuation of your alternative investment assets. Morgan Stanley provides periodic information to you including the market value of an alternative investment vehicle based on information received from the management entity of the alternative investment vehicle or another service provider.

It is important to note in this report that Morgan Stanley makes a distinction between Alternative Investment products, and products classified as Alternatives by their asset class. Morgan Stanley categorizes traditional and non-traditional alternative investment vehicles under the category "Alternatives" in asset classification based view. For product based views, traditional alternative investments vehicles are classified under the category "Other"; this differs from your official Morgan Stanley account statement, which categorizes traditional alternative investment vehicles such as Hedge Funds under the category "Alternative Investments". Non-traditional alternative strategy vehicles are classified based on their investment type, such as Mutual Fund or Exchange-Traded Funds within both this report and your Morgan Stanley account statement.

Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Smith Barney LLC and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley or any of its affiliates, (3) are not guaranteed by Morgan Stanley and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank.

Bank Deposit Program: Under the Bank Deposit Program, free credit balances held in an account(s) at Morgan Stanley Smith Barney LLC are automatically deposited into an interest-bearing deposit account(s), at FDIC-insured banks. For more information, view the Bank Deposit Program Disclosure Statement:

https://www.morganstanley.com/content/dam/msdotcom/en/wealth-disclosures/pdfs/BDP_disclosure.pdf.

©2025 Morgan Stanley Smith Barney LLC. Member SIPC.

RISK ANALYSIS DISCLOSURES

Taxes, Fees, and Expenses: Except as otherwise noted in the Hypothetical Performance disclosure, this material does not include the effect of taxes, account fees, advisory program fees, performance fees, and commissions that could materially affect the illustrations provided and the decisions that you may make. The inclusion of these factors will reduce any hypothetical values referenced herein. Generally, investment advisory accounts are subject to an annual asset-based fee (the "Fee") which is payable monthly in advance (some account types may be billed differently). In general, the Fee covers Morgan Stanley investment advisory services, custody of securities with Morgan Stanley, trade execution with or through Morgan Stanley or its affiliates, as well as compensation to any Morgan Stanley Financial Advisor.

In addition, each account that is invested in a program that is eligible to purchase certain investment products, such as mutual funds, will also pay a Platform Fee (which is subject to a Platform Fee offset) as described in the applicable ADV brochure. Accounts invested in the Select UMA program may also pay a separate Sub-Manager fee, if applicable.

If your account is invested in mutual funds or exchange traded funds (collectively "funds"), you will pay the fees and expenses of any funds in which your account is invested. Fees and expenses are charged directly to the pool of assets the fund invests in and are reflected in each fund's share price. These fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. The advisory program you choose is described in the applicable Morgan Stanley Smith Barney LLC ADV Brochure, available at www.morganstanley.com/ADV.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's Separately Managed Account("SMA") programs may affect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instance, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at: www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf. For more information on trading and costs, please refer to the ADV Brochure for your program(s), available at www.morganstanley.com/ADV, or contact your Financial Advisor / Private Wealth Advisor.

GENERAL DEFINITIONS

Alpha: Is a measure of a portfolio's time weighted net of fees return in excess of the market return, both adjusted for risk. A positive alpha indicates that the portfolio outperformed the market on a risk-adjusted basis, and a negative alpha indicates the portfolio did worse than the market.

Annualized Standard Deviation: A statistical calculation that measures the volatility of returns over time; the larger the standard deviation, the greater the volatility.

Disclosures

TSBA OPEB TRUST

Beta: Is a measure of the sensitivity of a portfolio's time weighted net of fees return against that of the market. A beta greater than 1.00 indicates volatility greater than the market.

CCY: Represents the currency of the underlying instrument. Currency is a medium of exchange for goods and services.

Dollar-Weighted Return (Internal Rate of Return): A return calculation that measures the actual performance of a portfolio over the reporting period. Since dollar weighted returns include the impact of client contributions and withdrawals, they should not be compared to market indices or used to evaluate the performance of a manager, but can be used to evaluate progress toward investment goals. The investment returns shown within this report are dollar-weighted measurements where indicated.

Graph Notes: Both the benchmark and portfolio returns are adjusted by the return of the 90-day Treasury Bills to illustrate the excess return above the Risk Free Rate for each period.

Gross of Fees: Performance results depicted as "gross" of fees do not reflect the deduction of any wrap fee, investment management fee, trade commissions, and/or other account fees. Your actual returns are lower after deducting these expenses. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Investment Earnings: A combination of the income received and total portfolio value increase or decrease, excluding net contributions and withdrawals, over the reporting period.

Modern Portfolio Theory: Seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk.

Net Contributions/Withdrawals: The net value of cash and securities contributed to or withdrawn from the account(s) during the reporting period. Net contributions and withdrawals may include advisory fees for advisory accounts.

Net of Fees: Performance results depicted as "net" of fees shall mean that any wrap fee, investment management fees, trade commissions, and/or other account fees have been deducted. Any other fees or expenses associated with the account, such as third party custodian fees, may not have been deducted. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Performance ineligible assets: Performance returns are not calculated for certain assets because accurate valuations and transactions for these assets are not processed or maintained by Morgan Stanley Smith Barney LLC. Common examples of Performance Ineligible Assets include liabilities, life insurance and annuities as well as Manually Added and External accounts for which Morgan Stanley does not receive data necessary to calculate performance.

R²: Is a measure that indicates the extent to which fluctuations in a portfolio's time weighted net of fees return is correlated with the return of the general market. An R² of 0.80 implies that 80% of the fluctuation of a portfolio's return is explained by the fluctuation in the market.

Tax-Qualified Account(s): Accounts that qualify for favorable tax treatment under US federal tax law and may benefit from favorable tax treatment under applicable state tax law. Typically, these accounts benefit from tax deferred growth potential, meaning investment earnings (such as capital gains, dividends, and interest) are generally not subject to federal income tax while the earnings remain in the account. Capital gains rates generally do not apply. Distributions of taxable amounts are generally subject to ordinary income tax and, if made before age 59 1/2, may be subject to a 10% (25% for certain SIMPLE IRA distributions) penalty tax. Some tax-qualified accounts, such as traditional Individual Retirement Accounts ("IRA") and employer sponsored retirement plan accounts, may allow tax deductible and/or pre-tax contributions (subject to certain limitations and restrictions). Other tax-qualified accounts, such as Roth IRAs and Coverdell Education Savings Accounts, may allow income tax free distributions, but only if certain conditions are satisfied.

Taxable Account(s): Accounts that are not Tax-Qualified Account(s), meaning investment earnings (such as capital gains, dividends, and interest) are generally subject to current US federal income taxation when held by US taxable investors. Note, however, that this category may include specific assets that are generally not subject to US federal income tax such as municipal bonds.

Time-Weighted Return: A return calculation that measures the investment performance of a portfolio over the reporting period. Time weighted returns do not include the impact of client contributions and withdrawals and therefore, may not reflect the actual rate of return the client received. Time weighted returns isolate investment actions and can be compared to benchmarks and used to evaluate the performance of a manager.

Total Cost: The sum of all costs incurred by a firm in producing a certain level of output.

Total Value: "Total Value" represents the Market Value of the portfolio or Asset Class referenced and includes the accrual of interest and dividends. Total Value in the Asset Allocation view prior to January 2014 does not reflect the accrual of interest and dividends. Total Value for Morgan Stanley & Co. and External accounts also does not include accrued interest and dividends.

Disclosures

TSBA OPEB TRUST

BENCHMARK DEFINITIONS

TN TSBA Composite: The current allocation began as of 01/31/1976, and is comprised of 10.00% MSCI EAFE Net, 40.00% MSCI AC World Net, 40.00% Bloomberg US Aggregate, 5.00% MSCI EM Net, 5.00% MSCI AC World Net (Structured Inv). The historical constituents and allocations for this benchmark will be provided by your Financial Advisor to you upon request.

90-Day T-Bills: The FTSE 3-Month US T Bill Index Series is intended to track the daily performance of 3-month US Treasury bills. The indexes are designed to operate as a reference rate for a series of funds. The FTSE 3-Month US T Bill Index Series does not take account of ESG factors in its index design.

MSCI AC World Net: The MSCI ACWI captures large and mid-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries*. With 2,687 constituents, the index covers approximately 85% of the global investable equity opportunity set. * DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US. EM countries include: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkiye and United Arab Emirates.

MSCI EAFE Net: The MSCI EAFE Index is an equity index which captures large and mid-cap representation across 21 Developed Markets countries* around the world, excluding the US and Canada. With 732 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.* Developed Markets countries in the MSCI EAFE Index include: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK.

MSCI EM Net: The MSCI Emerging Markets Index captures large and mid-cap representation across 24 Emerging Markets (EM) countries*. With 1,277 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. *EM countries include: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkiye and United Arab Emirates.

MSCI AC World Net (Structured Inv): The MSCI ACWI captures large and mid-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries*. With 2,687 constituents, the index covers approximately 85% of the global investable equity opportunity set. * DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US. EM countries include: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkiye and United Arab Emirates.

Bloomberg US Aggregate: The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, fixed rate agency MBS, ABS and CMBS (agency and non-agency). Provided the necessary inclusion rules are met, US Aggregate-eligible securities also contribute to the multi-currency Global Aggregate Index and the US Universal Index.