ARAPAHOE COUNTY
BOARD OF COUNTY COMMISSIONERS
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REVIEW OF RETIREMENT PLAN INVESTMENTS

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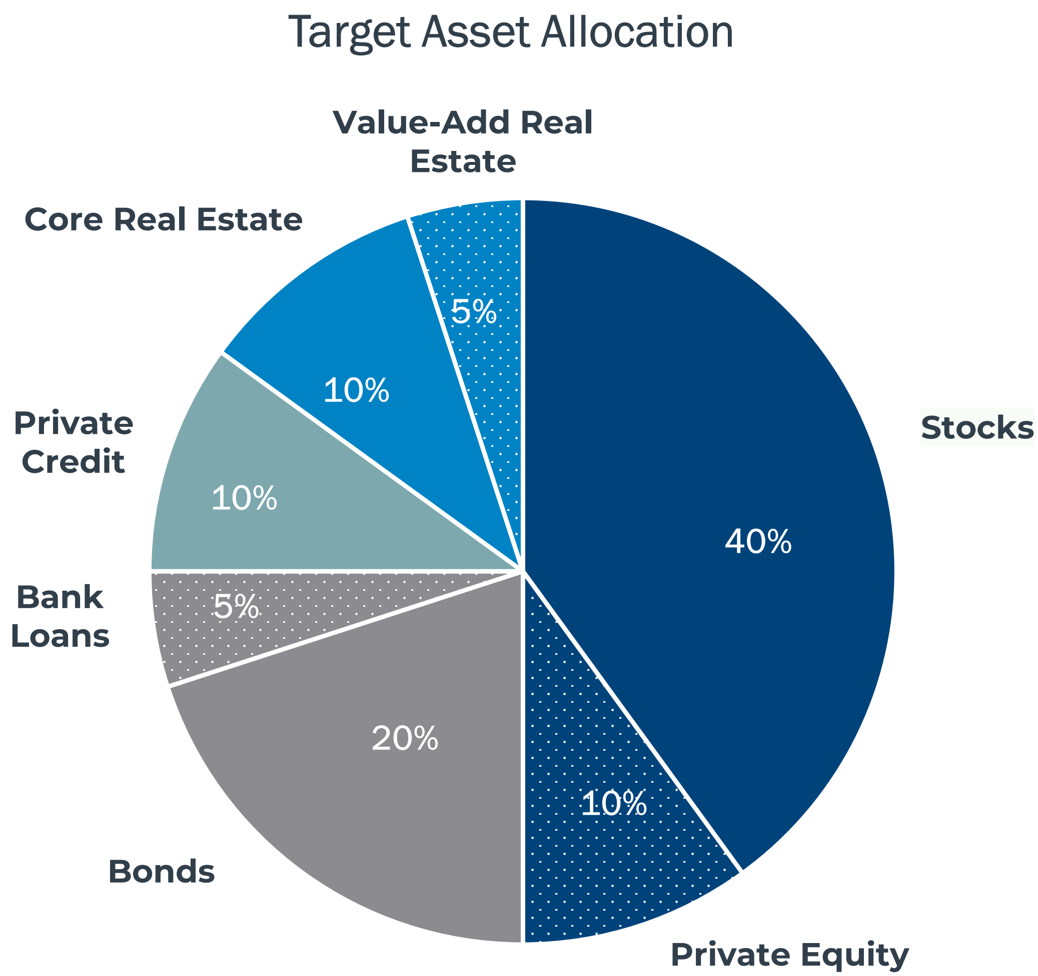
Our mission is to enrich the lives of our clients, colleagues and communities through sound financial advice, integrity, and commitment to service beyond expectation.

PLAN OVERVIEW: INVESTMENT OBJECTIVES AND ASSET ALLOCATION

- The investment objective of the Plan is to grow the assets over time at a rate of return that, together with the participant and County Contributions, will assure payment of benefits stipulated by the Plan.
- The actuarial assumption is that the investment of the assets will produce an annualized 7.25% return, net of investment expenses.
- The Plan's investments are well diversified to minimize the potential for large losses. The plan currently invests with 15+ different investment management firms.
- Based on target allocations and our recently updated capital market assumptions, the investments are expected to return 7.6% with a standard deviation of 9.9% over the next 10 years.
    - ➢ For comparison, public equities have a 7.6% return expectation with 17% expected standard deviation while bonds have a 4.4% expected return with 4% expected standard deviation.

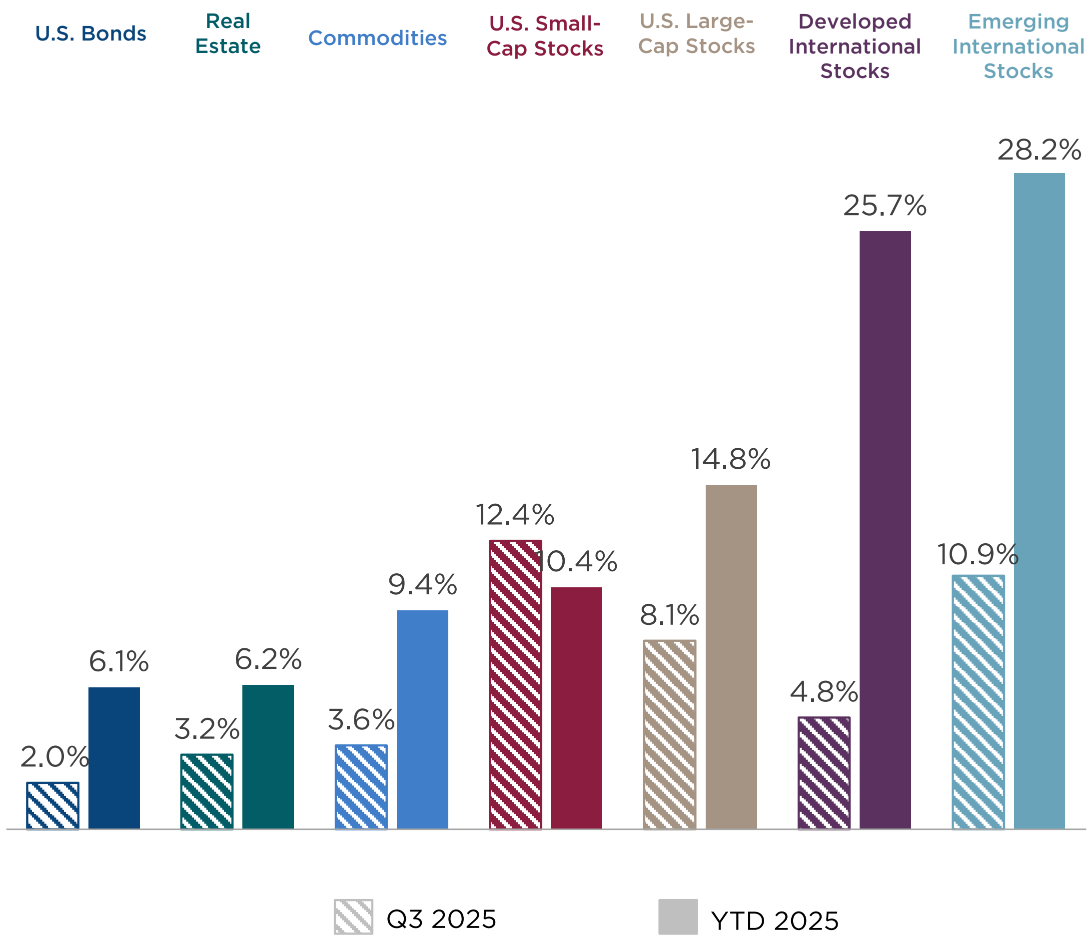


CURRENT MARKET UPDATE AND OUTLOOK

MARKETS FOCUSED ON THE POSITIVES IN STRONG QUARTER

Markets rallied in the third quarter as trade tensions abated, AI-infrastructure investment abounded, and the Federal Reserve delivered its first cut of 2025. While signs of U.S. labor market softening raised concerns, other indicators point toward economic stability. U.S. market breadth improved, and dollar weakness helped international stocks.

- U.S. stocks posted a strong quarter, buoyed by tech spending, expectations for additional rate cuts, and solid earnings as tariff costs were largely mitigated.
- AI investment, an easing regulatory backdrop, and reduced trade frictions lifted emerging market stocks, with China leading the way.
- Bonds generated modest returns, underpinned by falling short-term yields and a pivot toward Fed rate cuts, despite fiscal-debt concerns and an uptick in inflation.
- Commodities rebounded, led by gold's impressive rally as investors sought safe-haven assets amid economic and geopolitical uncertainty.
- Real estate moved higher on falling rate expectations.



Asset class returns are represented by the following indexes: Bloomberg U.S. Aggregate Bond Index (U.S. bonds), S&P 500 Index (U.S. large-cap stocks), Russell 2000® (U.S. small-cap stocks), MSCI EAFE Index (international developed market stocks), MSCI Emerging Market Index (emerging market stocks), Dow Jones U.S. Real Estate Index (real estate), and Bloomberg Commodity Index (commodities). Past performance is no guarantee of future results. Indexes are unmanaged; do not incur management fees, costs, and expenses; and cannot be invested in directly. Please refer to the index definitions and other important disclosures provided at the end of this presentation.

ECONOMIC OUTLOOK

The U.S. economy continues to exceed expectations, supported by fiscal stimulus and a long-awaited Fed rate cut. Despite tariff concerns and stubborn inflation, businesses are plowing profits into investments for the future, and consumers continue to spend. Yet a long list of uncertainties remains, including unproven payoffs from AI investments, the future path of rate cuts, geopolitical conflicts, and political tensions.

HEADWINDS

Labor Market Equilibrium

- The labor market is in a relatively fragile state of balance, as both the supply of and demand for workers has decreased. Weakness is not widespread, but public sector layoffs are a risk.

Consumer Concerns

- Sentiment has weakened as consumers grapple with a softening labor market, unknown tariff impacts, and political tensions. Still, retail spending remains positive, driven by higher-income households.

Elevated Investment, Elevated Expectations

- As innovation and investment continue at a rapid pace, valuations for AI-related stocks have climbed. Expectations are lofty, and any setbacks could bring outsized impacts.
- The One Big Beautiful Bill Act (OBBBA), the largest fiscal package in a decade, will exacerbate an already-concerning public debt burden.

TAILWINDS

Corporate Profitability Provides Catalyst

- Corporations have managed to drive earnings higher despite higher input prices and tariff uncertainty. Strong fundamentals support elevated equity prices and ongoing investment.
- Investment in AI infrastructure continues to rise, supported by corporate earnings growth and tax incentives. Massive capital spending supports the economy today, while the prospect of productivity gains brightens the outlook.

Fiscal and Monetary Policy Rescue

- The OBBBA will provide near-term fiscal stimulus to consumers, small businesses, and corporations through far-reaching tax breaks and incentives.
- Meanwhile, the Federal Reserve has begun easing monetary policy, prompted by labor market conditions. Although rate cuts during periods of strength are unusual, investors are optimistic that September's cut is the first of many.

Financial markets are seemingly priced to perfection in an imperfect world. Because the full impact of rapid innovation and fast-moving policy is difficult to predict; investors should focus on the longer term and keep their portfolios aligned.

U.S. ECONOMY	Return	Risk
U.S. Economic Growth (Nominal GDP)	4.2%	2.7%
U.S. Economic Growth (Real GDP)	2.0%	2.4%
U.S. Inflation (CPI)	2.2%	1.0%
EQUITY MARKETS	**Return**	**Risk**
U.S. Large Cap Equity	7.75%	16.8%
U.S. Mid Cap Equity	7.5%	17.2%
U.S. Small Cap Equity	7.0%	20.2%
U.S. Small/Mid Cap Equity	7.25%	18.8%
U.S. Equity	7.75%	16.9%
International Stocks-Developed Markets	7.25%	16.2%
International Stocks-Emerging Markets	7.0%	21.5%
Non-U.S. Equity	7.2%	16.6%
Global Equity	7.6%	16.7%
FIXED INCOME	**Return**	**Risk**
U.S. Short Term T-Bills (Cash)	3.1%	0.6%
U.S. Short-Term Govt/Credit	3.5%	1.5%
U.S. Intermediate-Term Govt/Credit	4.0%	3.1%
U.S. Core Fixed Income	4.4%	4.1%
U.S. Intermediate-Term Treasury Bonds	3.8%	3.1%
U.S. Long-Term Treasury Bonds	4.9%	13.8%
U.S. Intermediate-Term Corporate Bonds	4.4%	4.4%
U.S. Investment Grade Corporate Bonds	4.6%	5.8%
U.S. Long-Term Corporate Bonds	5.0%	9.9%
U.S. High-Yield Corporate Bonds	5.9%	8.5%
U.S. Municipal Bonds	3.6%	5.1%
Global Bonds	3.6%	5.9%
Treasury Inflated-Protected (TIPS)	3.7%	5.7%
Floating Rate Bonds	5.0%	5.9%
REAL ASSETS	**Return**	**Risk**
U.S. Public Real Estate	7.0%	20.2%
Core Private Real Estate	6.5%	10.1%
Private Real Estate - Opportunistic/Value-add	9.0%	24.2%
Commodities	2.6%	15.3%
Core Private Real Assets	6.5%	7.9%
ALTERNATIVES	**Return**	**Risk**
Private Equity - Fund of Funds	9.25%	15.3%
Private Equity - Direct	10.75%	18.3%
Hedged Strategies - Low Volatility	4.7%	5.1%
Hedged Strategies - Hedged Equity	6.1%	11.5%
Core Private Credit	7.9%	9.4%

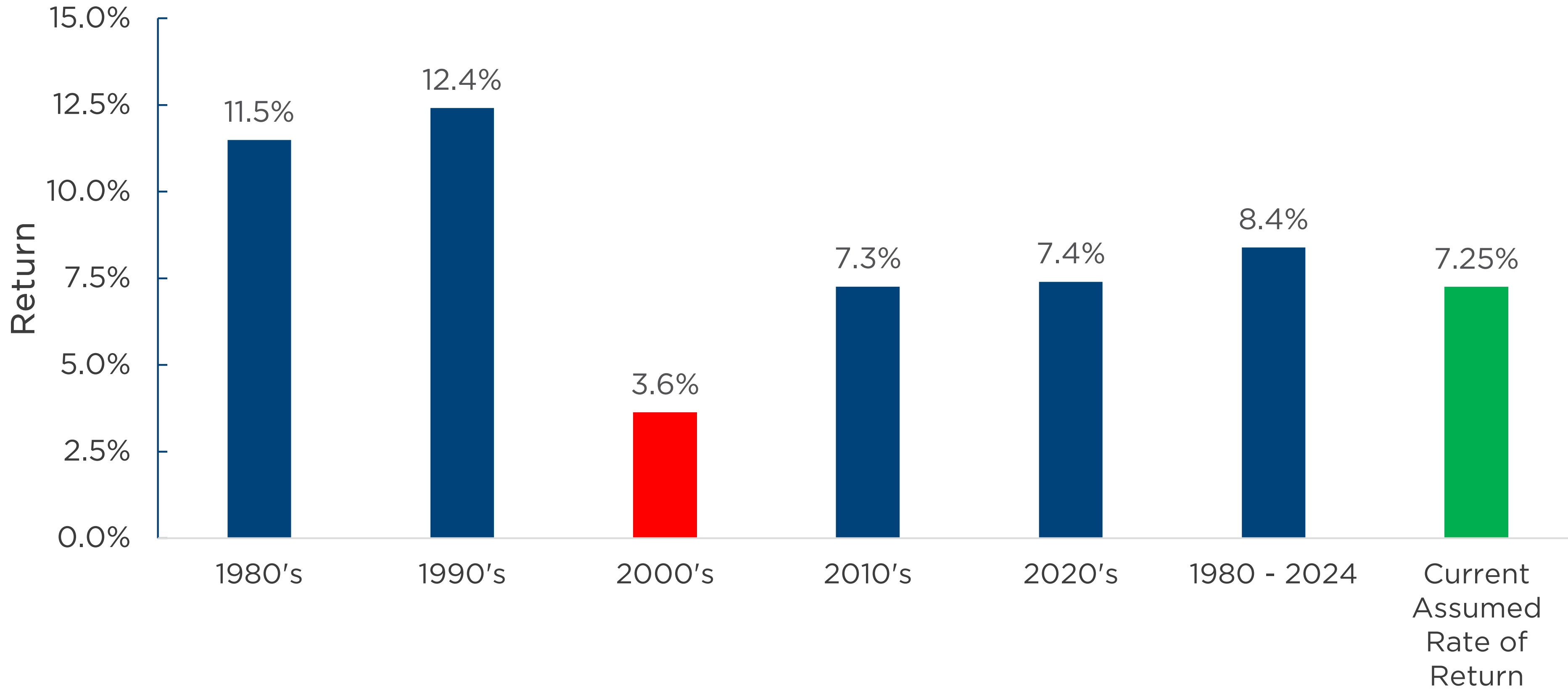
Formulating risk and return assumptions for asset classes offers investors a guide to the probable range of investment performance. These assumptions can guide the asset allocation and risk levels that should be chosen to meet your investment goals.

At CAPTRUST, we believe setting realistic capital market assumptions for a 7- to 10-year period helps manage expectations and better frames successful investment strategies.

Source: CAPTRUST Research 2025

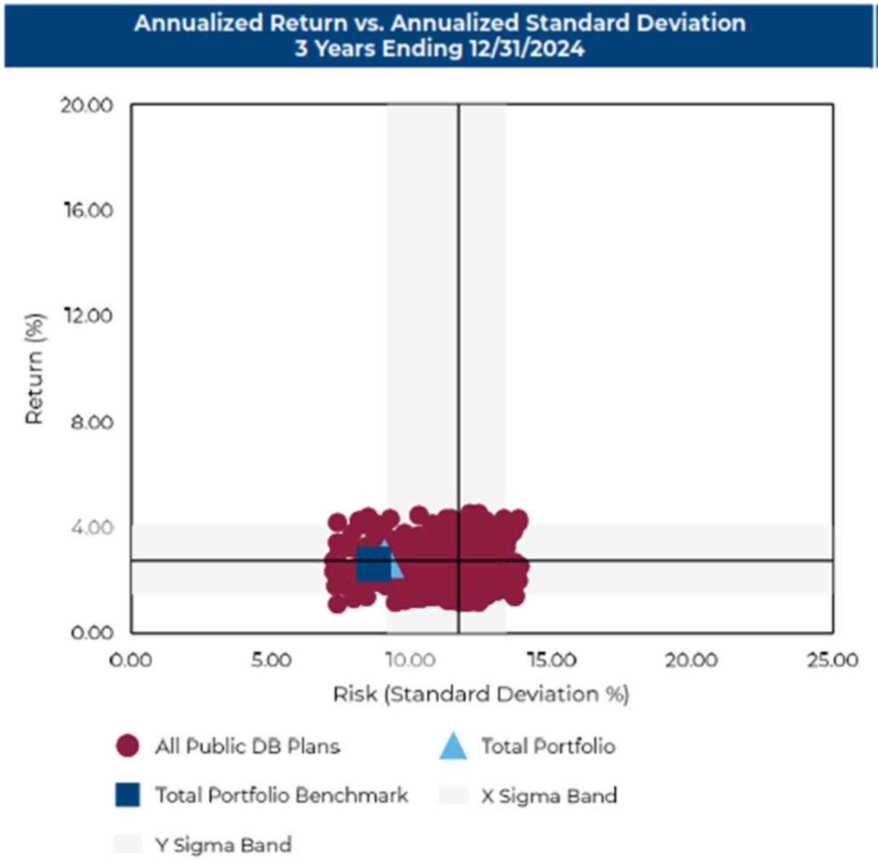
PLAN PERFORMANCE REVIEW

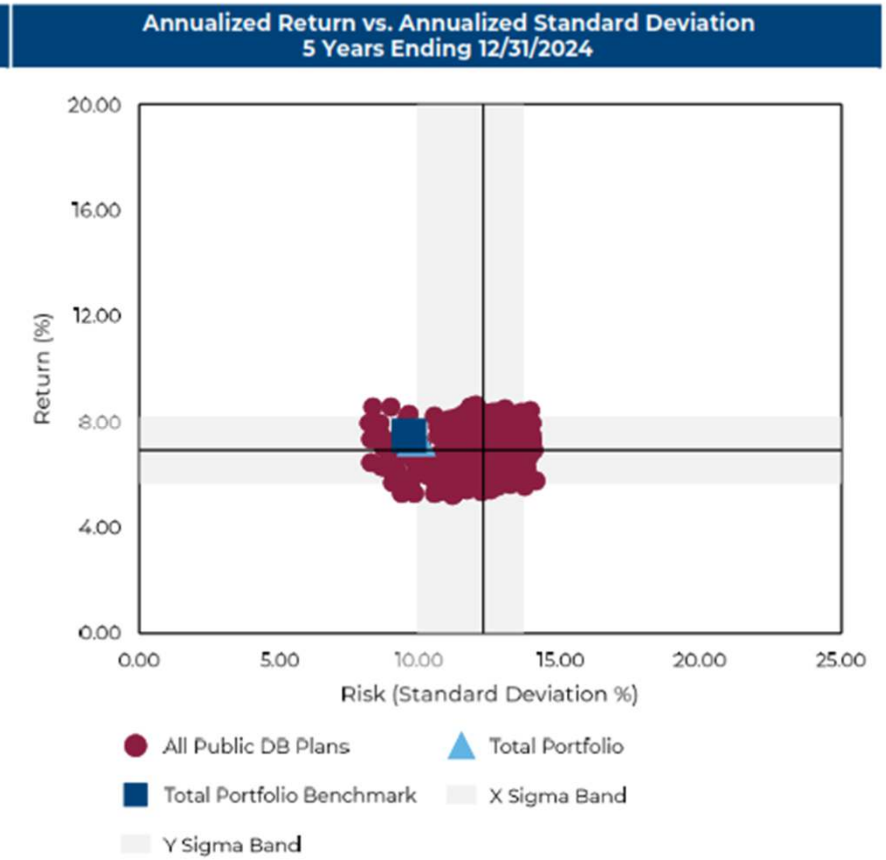
Historical plan investment returns
As of 12.31.24



- In the 1980's and 1990's, returns for the Plan's investments far outpaced the assumed rate of return, producing well-funded results which led to approvals of benefit increases.
- The decades of the 2000's experienced two significant bear markets producing one of the lowest returning decades in history. The lower than assumed investment returns combined with the increased benefits strained the funded status of the Plan.
- Over this 45-year history, Plan investments have returned an annualized at ~8.4%, outpacing the 7.25% current assumed rate of return.

RISK VS. RETURN ANALYSIS
AS OF 12.31.24





- The Plan met the investment objective over the trailing 5-years through 2024; generating an annualized return of 7.4%, net of investment manager fees. Performance was in-line with the benchmark index and higher (ranking in the 33rd %-tile) than the median public defined benefit plan over the period.

- The standard deviation of returns over that 5-year time frame was 9.8%, in-line with the benchmark index and lower than the median public defined benefit plan over the period.

Arapahoe County Board of Retirement

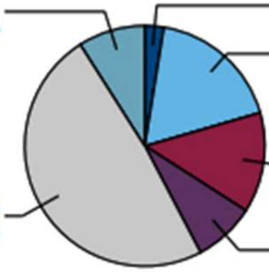
Total Portfolio Performance

	3 MTHS	CYTD	1 YR	5 YRS	10 YRS	Inception	Inception Date
Total Portfolio	3.77	9.65	9.33	9.07	8.27	7.89	12/01/1990
Total Portfolio Benchmark	3.62	9.93	9.59	8.93	8.32	7.47	

Cash Flow

	Last 3 Months	CYTD	1 YR	5 YRS	10 YRS
Total Portfolio					
Beginning Market Value	438,405,202	417,060,929	420,297,768	323,201,348	260,558,348
Net Flows	-390,951	-2,534,010	-4,533,278	-34,702,969	-75,695,813
Gain/Loss	16,462,968	39,950,300	38,712,729	165,978,840	269,614,684
Ending Market Value	454,477,219	454,477,219	454,477,219	454,477,219	454,477,219

Asset Allocation



Index Performance

	3 MTHS	CYTD	1 YR	3 YRS	5 YRS	10 YRS
90 Day U.S. Treasury Bill	1.08	3.17	4.38	4.77	2.98	2.07
Blmbg. U.S. Aggregate Index	2.03	6.13	2.88	4.93	-0.45	1.84
S&P 500 Index	8.12	14.83	17.60	24.94	16.47	15.30
Russell 1000 Index	7.99	14.60	17.75	24.64	15.99	15.04
Russell 2000 Index	12.39	10.39	10.76	15.21	11.56	9.77
MSCI EAFE (Net)	4.77	25.14	14.99	21.70	11.15	8.17
MSCI Emerging Markets (Net)	10.64	27.53	17.32	18.21	7.02	7.99
Dow Jones U.S. Real Estate	3.12	6.24	-2.03	9.31	6.98	6.80

	TOTAL	TARGET (%)	ACTUAL (%)	VARIANCE (%)
Public Equities	221,027,005	40.00	48.63	8.63
Private Equities	37,566,585	10.00	8.27	-1.73
Fixed Rate Debt	81,602,138	20.00	17.96	-2.04
Floating Rate Debt	61,545,330	15.00	13.54	-1.46
Real Estate	41,124,252	15.00	9.05	-5.95
Cash	11,611,908	0.00	2.56	2.56
Total	454,477,219	100.00	100.00	0.00

This summary has been prepared by CAPTRUST to assist you with your investment planning and is for information purposes only. Data and statistics have been obtained from sources believed to be reliable but cannot be guaranteed to be accurate or complete. Portfolio performance returns are net of fees.

Arapahoe County Retirement Plan

	Market Value $	%	Last 3 Months	CYTD	2024	2023	2022	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Total Portfolio	**454,477,219**	**100.00**	**3.77**	**9.65**	**9.75**	**10.88**	**-10.57**	**9.33**	**11.24**	**9.07**	**8.27**	**7.89**	**12/01/1990**
Total Portfolio Benchmark			3.62	9.93	8.96	10.76	-10.00	9.59	11.51	8.93	8.32	7.47	
All Public DB Plans Rank			87	84	70	83	17	74	90	40	61	55	
Equity	**258,593,590**	**56.90**											
Public Equity	**221,027,005**	**48.63**	**6.73**	**16.84**	**17.22**	**24.23**	**-17.92**	**15.97**	**22.99**	**14.32**	**12.12**	**10.28**	**07/01/2014**
MSCI AC World Index (Net)			7.62	18.44	17.49	22.20	-18.36	17.27	23.12	13.54	11.91	9.62	
Private Equity	**37,566,585**	**8.27**	**0.00**	**2.42**	**7.27**	**-0.78**	**-3.88**	**4.65**	**1.98**	**14.38**	**15.08**	**16.65**	**12/01/2014**
MSCI Private Capital U.S. Private Equity			0.00	4.52	7.39	5.87	-8.91	6.83	5.50	13.49	14.48	14.61	
Debt	**143,147,468**	**31.50**											
Fixed Rate Debt	**81,602,138**	**17.96**	**2.31**	**6.72**	**1.85**	**6.50**	**-15.60**	**3.34**	**5.80**	**-0.31**	**2.23**	**2.20**	**07/01/2014**
Blmbg. U.S. Aggregate Index			2.03	6.13	1.25	5.53	-13.01	2.88	4.93	-0.45	1.84	1.91	
Floating Rate Debt	**61,545,330**	**13.54**	**1.24**	**4.38**	**8.95**	**11.95**	**-1.36**	**6.71**	**9.11**	**7.58**	**6.73**	**6.11**	**07/01/2014**
Floating Rate Debt Custom Index			0.56	3.72	8.76	10.64	3.10	5.93	8.36	7.75	5.87	5.29	
Alternatives	**41,124,252**	**9.05**											
Real Estate	**41,124,252**	**9.05**	**-0.41**	**-1.93**	**0.25**	**-12.65**	**2.70**	**-0.91**	**-7.75**	**2.15**	**4.23**	**4.80**	**07/01/2014**
Real Estate Custom Index			0.74	2.70	-1.38	-11.17	6.22	3.67	-4.97	2.99	4.43	5.40	
Operating Account	**11,611,908**	**2.56**	**1.04**	**3.18**	**5.15**	**4.94**	**1.39**	**4.35**	**4.72**	**2.92**	**1.89**	**2.90**	**02/01/1989**
FTSE 3 Month T-Bill			1.11	3.34	5.45	5.26	1.50	4.61	4.98	3.10	2.12	2.94	

Performance returns over one-year are annualized. Information and statistics have been provided by the custodian and are not guaranteed to be accurate or complete. This is not a substitute for the official custodial account statement; please refer to the custodial statement for verification. Fiscal Year ending December.