

## **MPLT RESOLUTION 26-002**

### **A RESOLUTION TO IMPLEMENT ASSET ALLOCATION REBALANCING OF THE MPLT GENERAL FUND PORTFOLIO TO SUPPORT PORTFOLIO GROWTH WHILE MEETING FUND CASH FLOW/DEBT SERVICE OBLIGATIONS**

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#### **RECITALS**

WHEREAS, in the Fall of 2025 the Marianas Public Land Trust executed Investment Resolution 25-001 approving a \$29 million dollar investment with the CNMI Government to pay for the NMI Settlement Fund obligation through a margin account loan at 7.5% interest.

WHEREAS, following that transaction the Trustees directed MPLT's Investment Consultant Raymond James & Associates to undertake a portfolio review with respect to asset allocation and rebalancing of the portfolio.

WHEREAS, on January 12-13, 2026, the Trustees met with Raymond James & Associates on Guam and received the market optimization analysis as to potential rebalancing options and considerations. All Trustees were present along with MPLT's Administrator, Financial Officer and Administrative/Board Assistant. Amanda Gima and Jason Miyashita presented the Trustees with eight proposals for the General Fund (referenced as Proposals 1 through 8) and four proposals for the American Memorial Park Fund (referenced as proposals 1 through 4). Attached to this Investment Resolution as Exhibit A are all of the proposals for reference.

WHEREAS, the purpose of the meeting was to review the General Fund and American Memorial Park Fund asset allocation including proposed rebalancing strategies; review Monte Carlo simulations and consider potential adjustments to support portfolio growth while meeting cash flow obligations. Discussions focused on the portfolio strategy, Diversified Local Investments (DLI), local investment exposure, and potential government funding requests.

WHEREAS, the MPLT Investment Policy Statement sets forth investment objectives as to the type of asset classes; the amounts or percentages allocated into each asset class and a rebalancing practice or review as part of the Trust's compliance with standards of prudent investment;

Whereas, with respect to Asset Allocation the Trustees maintain and believe that the Trust's risk and liquidity posture are, in large part, a function of asset class mix. By engaging in a review and analysis of balancing risks and rewards of market behavior in consultation with their Investment Consultant Raymond James and Associates, the Trustees have reviewed the long-term performance characteristics of various asset classes.

WHEREAS, following review the following asset classes are now in place:

- Domestic Large Value Equities

- Domestic Core Fixed Income
- Intermediate Fixed Income
- High Yield Fixed Income
- Alternatives
  - Private Equity: 3%
  - Private Credit (Debt): 7%
  - Private Real Estate: 3%
- Cash Equivalents
- Diversified Local Investments (“DLI”) (local MPLT investments in the CNMI)

WHEREAS, based on the Trust’s time horizon, risk tolerances, performance expectations and asset class preferences, an efficient and optimal portfolio was identified. Indeed, the Trustees directed Raymond James & Associates to undertake a market asset analysis for optimization in the Fall of 2025.

WHEREAS, the Trustees as part of their fiduciary duties must engage in an asset allocation review and rebalancing process on a periodic and regular basis in monitoring investments. The percentage allocation to each asset class may vary as much as approximately 10% depending upon the market conditions. When necessary and/or available, cash flow will be distributed following the strategic asset allocation of the Trust. If there is no cash flow, the allocation of the Trust will be reviewed quarterly. If the Trustees determine cash flow to be insufficient in bringing the Trust within the strategic allocation ranges or for debt service (as to margin accounts), the Trustees may decide whether to effect transactions so that the Trust would fall within the allocated threshold ranges.

WHEREAS, in two instances portfolio rebalancing will be necessary to remain within the target asset allocation ranges: 1) Cash Flow Requirements including for debt service (for margin account) and operating expenses/fees and 2) Significant Market Action. Positive cash flows should be directed to the under-weighted asset class, while negative cash flows (disbursements) should be directed away from the over-weighted asset class. Significant Market Action requires immediate action to restore asset allocation.

WHEREAS, on January 12, 2026 at their meeting with Raymond James & Associates the Trustees discussed the asset allocation and rebalancing review. One of the subjects involved the discussion between portfolio growth and investing in government projects or ventures. Chairman Long emphasized the importance of focusing on long-term growth rather than serving as a funding source for government operations. As to the allocation for Diversified Local Investments, the Trustees confirmed to maintain a 38% cap to balance local support and diversification. As to the margin loan transaction relative to the \$29 Million NMI Settlement Fund loan with the CNMI Government, the Trustees discussed loan servicing parameters and cash flow management.

WHEREAS, in the discussions the Trustees expressed their perspectives and views. Trustee Sablan was of the view that it was important to limit local exposure and focus on sustainable growth of the General Fund. Trustee Dela Cruz expressed the view that the Trust is not a bank or financial institution but an investing entity/trustee of public land income. Trustee Dela Cruz wished to avoid speculative allocation to meet government needs on an ad hoc basis. Trustee Camacho inquired about balancing DLI allocation with portfolio performance. Trustee Santos informed that it was important to invest by assisting the CNMI the government without jeopardizing long-term growth.

WHEREAS, Raymond James & Associates clarified that DLI allocations are Trust-directed and are not SEC regulated. Thus, increasing DLI exposure impacts liquidity and diversification. Instead, Raymond James & Associates recommended a consistent allocation strategy aligned with the Trust's overall goal (income vs. growth), with periodic reviews (annually or biennially). There was emphasis on avoiding frequent portfolio changes based on government requests on an *ad hoc* basis as this could compromise fiduciary integrity and disrupt long-term strategy. As Investment Consultant, Raymond James & Associates supported strategic portfolio management to ensure that yield generation covers loan servicing, while also safeguarding long-term growth and protecting the beneficiaries.

WHEREAS, after discussion of the general parameters of policy objectives regarding asset allocation and growth considerations, on January 13, 2026 the Trustees reviewed the presentations by Raymond James & Associates as to the General Fund as follows:

**A. Proposal #6 & Proposal #7 Discussion:**

- Private Equity & High Yield Adjustments:
  - The Trustees discussed the rebalancing strategy, including increasing private equity to 25% (approximately \$25 million), slightly decreasing high yield to maintain a balance of risk and growth.
  - The Trustees would proceed to allocate to private equity, with adjustments to the high yield allocation and a focus on private credit (Blackstone) for yield generation.
  - Raymond James & Associates would implement these allocation changes and provide updates on the performance of private credit investments.
  
- Risk Considerations:
  - As to risk considerations, the Trustees acknowledged the risks associated with having one-third (1/3) of the portfolio concentrated in private credit and high yield. This concentration increases volatility and reduces diversification. The Trustees discussed the implications for liquidity and cash flow, and while they were concerned, they decided to accept the higher risk in order to capture greater growth.
  - After consideration, the Trustees acknowledged that increased risk is acceptable for higher growth potential but requires active oversight and monitoring.
  - With respect to actions, the Trustees will actively monitor private credit and high yield investments, with regular reporting on performance. Raymond James & Associates will ensure that capital calls and market conditions are tracked regularly.
  
- Due Diligence:
  - The Trustees discussed the need for continuous due diligence on high-risk assets, especially private credit, Pacific Income, and hold to maturity portfolios. They agreed that tracking capital calls, market conditions, and liquidity would be crucial for ongoing oversight.

- The Trustees affirmed that increased monitoring is necessary to ensure investments are performing as expected and risks are managed.
- As part of monitoring, Raymond James & Associates will provide quarterly performance reports to the Trustees with specific emphasis on private credit managers, Pacific Income, and other high yield investments. The Trustees will review the reports and act when necessary to protect the funds.

## **B. Proposal #8 – (Approved) Asset Allocation**

- Adjustments to Portfolio Allocation:
- In consultation with Raymond James & Associates, the Trustees reviewed the final proposal for rebalancing, which includes the following allocations:
  1. Domestic Equities:
    - U.S. Equity Large Core: Liquidate and remove as an asset class. Place funds into Private Equity.
    - U.S. Equity Large Value: Increase from IPS Asset Allocation of 3.3% to 4% (currently overweight so increase allocation and transfer \$1 million to place into Private Credit/Debt .5%)
  2. Domestic Fixed Income
    - Barrow Hanley: Decrease from actual of 11.8% to 7.5%
    - Fixed Income Intermediate Core: Liquidate and Remove as an Asset Class (Garcia Hamilton). Place funds into Private Equity.
    - High Yield: Decrease from actual 17.7% to 7%. Place funds (10%) into Private Equity.
  3. Alternatives:
    - Private Equity: Increase from IPS Asset Allocation of 13% to 25% (\$33 million)
    - Private Real Estate: Liquidate and remove as an asset class. Place funds into Private Equity.
    - Private Credit/Debt: Increase overall from 7% to 8%. Funds drawn from Hamlin and Barrow Hanley.
    - Blackstone Fund: Increase from IPS Asset Allocation of 3.5% to 4%
    - Blue Owl: Increase from IPS Asset Allocation of 3.5% to 4%
    - Total alternatives: Approximately 33%, tilting towards growth.

After presentation by Raymond James & Associates, the Trustees discussed the Evergreen credit facility. This credit facility is designed to commit funds to long-term investments in private equity and private credit, similar to a Harvard-style endowment mandate. The facility involves ongoing commitments over multiple years (capital calls), meaning the funds will be illiquid for the duration of the lock-up period, but are expected to contribute to total return over time. The Evergreen structure allows the portfolio to reinvest distributions and maintain target allocations without frequent rebalancing, supporting a long-term growth trajectory.

- a. After review and consideration, the Trustees confirmed to the final allocation adjustments, maintaining a yield target of \$450,000 per month of income. The yield target of \$450,000 monthly is based on a 7-year amortization schedule for the BOH margin loan resulting in monthly debt service of \$349,834 and estimated MPLT operational expenses of \$100,000 per month. Raymond James & Associates' Jason Miyashita further explained the evergreen investment vehicle.
- b. Raymond James & Associates will implement these allocation changes and provide regular updates on progress.

#### 4. Portfolio Risk:

- a. As to risk to the General Fund portfolio, the Trustees discussed the increased risk associated with the portfolio following the allocation changes. Specifically, the Trustees discussed the increase in standard deviation currently at 6.77% to 10.31%. while the geometric mean which is the compounded growth rate increase currently from 5.86% to 7.48%. The liquidity risks associated with private credit and high yield investments were highlighted. Liquidity gaps may arise, especially if the Trustees face capital calls or need funds for unforeseen circumstances.
  - b. Raymond James emphasized the risk of concentrating the portfolio in fewer asset classes (such as private credit and high-yield bonds), which could result in heavy risk concentration. This could leave the portfolio more vulnerable to fluctuations in those specific markets. The Trustees discussed how a more concentrated portfolio, with higher allocations to private equity and private credit could reduce diversification in the portfolio. While it might yield higher returns, this would come with a trade-off in terms of risk, as the portfolio would be more vulnerable.
  - c. The Trustees discussed falling yields from private credit investments could reduce the expected income generated by the portfolio, which would affect the ability to meet obligations or cover payments. The Trustees aim to maintain an income yield of \$450,000 monthly, and falling yields from private credit would necessitate adjusting the strategy or potentially extending the loan amortization period.
  - d. After consideration and discussion, the Trustees accepted the increased volatility but emphasized the importance of active management and regular risk assessments. The Trustees emphasized the need for continuous monitoring of the portfolio's performance, particularly focusing on credit markets, liquidity and capital call risks.
  - e. In order to mitigate or address the risk, Raymond James & Associates will provide a quarterly risk analysis showing the impact of the portfolio's exposure to private credit and high yield. The Trustees will closely monitor the risk status at all times.
- Portfolio Structure and Cash Flow Management
    - Raymond James & Associates outlined that the General Fund portfolio is structured to cover operational expenses and margin loan obligations first, then to pursue growth. This is a high-risk, high-reward strategy.
    - After discussion, the Trustees agreed on the high-risk approach but will monitor it closely.
    - Internally within MPLT, the Financial Officer will track monthly cash flow and adjust the amortization schedule as needed to ensure the portfolio can meet obligations. The Trustees will similarly review reports regarding cash flow and adjustment requirements.

- Risk vs. Reward Strategy
  - Raymond James & Associates emphasized that, while the risk is higher with private credit and high yield investments, the yield targets justify the risk. Based on this guidance an commentary, the Trustees agreed to pursue this strategy, knowing MPLT would need to stay on top of developments.
  - The Trustees confirmed that after review the risk is prudent given the potential returns.
  - The Trustees will continue to ask questions about project-level risks and underlying investment health.
  
- Monte Carlo Simulations and Projections
  - Raymond James & Associates presented the Monte Carlo simulations. The simulations indicate that the new allocation will meet the portfolio's objectives, but the volatility and concentration risk are significantly higher compared to traditional diversified portfolios.
  - The Trustees acknowledged the risk but are comfortable with the strategy, provided they stay diligent in monitoring the portfolio.
  - Raymond James & Associates shall provide updates on performance vs. Monte Carlo projections at the next quarterly meeting.

## RESOLUTION

RESOLVED, after consideration of the foregoing Asset Allocation and Rebalancing Analysis in consultation with its investment consultant Raymond James & Associates, the Trustees hereby adopt and approve the following asset allocation and rebalancing of the General Fund Portfolio:

1. Domestic Equities:
  - U.S. Equity Large Core: Liquidate and remove as an asset class. Place funds into Private Equity.
  - U.S. Equity Large Value: Increase from IPS Asset Allocation of 3.3% to 4% (currently overweight so increase allocation and transfer \$1 million to place into Private Credit/Debt .5%)
  
2. Domestic Fixed Income
  - Barrow Hanley: Decrease from actual of 11.8% to 7.5%
  - Fixed Income Intermediate Core: Liquidate and Remove as an Asset Class (Garcia Hamilton). Place funds into Private Equity.
  - High Yield: Decrease from actual 17.7% to 7%. Place funds (10%) into Private Equity.
  
3. Alternatives:
  - Private Equity: Increase from IPS Asset Allocation of 13% to 25% (\$33 million)
  - Private Real Estate: Liquidate and remove as an asset class. Place funds into Private Equity.
  - Private Credit/Debt: Increase overall from 7% to 8%. Funds drawn from Hamlin and Barrow Hanley.
    - Blackstone Fund: Increase from IPS Asset Allocation of 3.5% to 4%

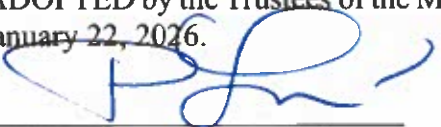
- Blue Owl: Increase from IPS Asset Allocation of 3.5% to 4%
  - Total alternatives: Approximately 33%, tilting towards growth.
4. Proceed with Evergreen credit facility in Private Equity
  5. Maintaining a yield target of \$450,000 per month of income for margin account debt service and operations income.

BE IT FURTHER RESOLVED, with respect to the General Fund Asset Allocation and Rebalancing Policy Review, the Trustees confirm the following responsibilities and action plan/monitoring plan for the Trustees with these changes:

1. Implement allocation changes (private equity, private credit, high yield) and provide performance updated to the Trustees.
2. Active monitoring of private credit and high yield investments, with quarterly reports on performance and any capital calls.
3. Track cash flow and adjust amortization schedules (7 vs 10 years) as needed.
4. Review risks associated with concentrated exposure and increase due diligence on private credit managers.
5. Provide quarterly risk assessments and Monte Carlo projections to ensure portfolio is meeting expectations.
6. Ensure fiduciary oversight by asking targeted questions during meeting about the health of the investments and portfolio performance.
7. Implement allocation changes and begin active monitoring as per the discussion
8. Update Investment Policy Statement (IPS) to reflect changes
9. The MPLT Financial Officer will track monthly cash flow and adjust amortization schedules (7 vs 10 years) as needed to meet margin loan obligations and ensure liquidity.
10. The MPLT Administrator with the Trustees shall engage in the active tracking DPL funding deposits for lease income and ensuring that the \$1 million expected from the Department of Public Lands is remitted annually. This process should include the engagement through a Memorandum of Agreement as to such remittances from the Department of Public Lands.

**SIGNATURE PAGE**

SO ADOPTED by the Trustees of the Marianas Public Land Trust at a duly-noticed meeting of the Trustees on January 22, 2026.



PHILLIP MENDIOLA-LONG  
Chairman



RITA A. SABLAN  
Trustee



ALVARO A. SANTOS  
Trustee



CARLA NAOG CAMACHO  
Trustee



PEDRO Q. DELA CRUZ  
Trustee

# Proposals #1-3

#1-3 X

# Marianas Public Land Trust General Fund

## Current Allocation as January 7, 2026

01.12.2026

Investment Manager		Investment Style	Actual Allocation	IPS Asset Allocation	Proposed Rebalance	Market Value (\$)	Change (\$)	New Value (\$)	New Allocation	Change (%)	Expected Current Yield (%)	Expected Current Yield Return (\$)
U.S. Equity (7%)	Atalanta Sosnoff Capital	Large Core	3.2%	3.00%	3.00%	\$ 3,988,017	\$ -	\$ 3,988,017	3.00%	0.0%	0.73%	\$ 29,113
	Hamlin Capital Advisors	Large Value	3.3%	4.00%	4.00%	\$ 4,101,567	\$ -	\$ 4,101,567	4.00%	0.0%	3.05%	\$ 125,098
BOT (20%)	MPLT	Tinian Shipping	0.8%	1.00%	1.00%	\$ 1,050,110	\$ -	\$ 1,050,110	1.00%	0.0%	0.00%	\$ -
	MPLT	CNMI Gov't Loan	0.0%	6.50%	6.50%	\$ -	\$ -	\$ -	6.50%	0.0%	0.00%	\$ -
	MPLT	NMHC	2.4%	3.00%	3.00%	\$ 2,934,123	\$ -	\$ 2,934,123	3.00%	0.0%	0.00%	\$ -
	MPLT	CNMI LOC	3.4%	9.50%	9.50%	\$ 4,224,377	\$ -	\$ 4,224,377	9.50%	0.0%	3.25%	\$ 137,292
Fixed Income (60%)	Hold to Maturity	Core	28.6%	28.50%	28.50%	\$ 35,644,327	\$ -	\$ 35,644,327	28.50%	0.0%	4.81%	\$ 1,714,492
	Barrow Hanley	Core	11.8%	8.00%	8.00%	\$ 14,716,804	\$ -	\$ 14,716,804	8.00%	0.0%	4.50%	\$ 662,256
	Garcia Hamilton and Associates	Intermediate Core	6.1%	6.00%	6.00%	\$ 7,623,021	\$ -	\$ 7,623,021	6.00%	0.0%	3.20%	\$ 243,937
	Pacific Income	High Yield	17.7%	17.50%	17.50%	\$ 22,107,142	\$ -	\$ 22,107,142	17.50%	0.0%	8.30%	\$ 1,834,893
Alternatives (13%)	Blackstone	BTAS VI	2.5%	1.50%	1.50%	\$ 3,112,173	\$ -	\$ 3,112,173	1.50%	0.0%	0.00%	\$ -
	Blackstone	BTAS VIII	4.0%	1.50%	1.50%	\$ 5,004,893	\$ -	\$ 5,004,893	1.50%	0.0%	0.00%	\$ -
	Blackstone	Private Real Estate	3.4%	3.00%	3.00%	\$ 4,200,793	\$ -	\$ 4,200,793	3.00%	0.0%	4.70%	\$ 197,437
	Blackstone	Private Credit	5.4%	3.50%	3.50%	\$ 6,795,271	\$ -	\$ 6,795,271	3.50%	0.0%	9.65%	\$ 655,744
	Blue Owl	Private Credit	7.4%	3.50%	3.50%	\$ 9,256,923	\$ -	\$ 9,256,923	3.50%	0.0%	9.65%	\$ 893,293
<b>Total</b>			<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>\$ 124,759,541</b>	<b>\$ -</b>	<b>\$ 124,759,541</b>	<b>100%</b>	<b>0%</b>	<b>5.20%</b>	<b>\$ 6,493,554</b>

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## Marianas Public Land Trust General Fund

### Current Allocation as January 7, 2026

Investment Manager		Investment Style	Actual Allocation	IPS Asset Allocation	Proposed Rebalance	Market Value (\$)	Change (\$)	New Value (\$)	New Allocation	Change (%)	Expected Current Yield (%)	Expected Current Yield Return (\$)
U.S. Equity (13%)	Atalanta Sosnoff Capital	Large Core	3.2%	3.00%	3.00%	\$ 3,988,017	\$ -	\$ 3,988,017	2.76%	-0.2%	0.73%	\$ 29,113
	Hamlin Capital Advisors	Large Value	3.3%	4.00%	10.00%	\$ 4,101,567	\$ 9,124,377.00	\$ 13,225,944	9.15%	5.2%	3.05%	\$ 403,391
BOT (20%)	MPLT	Tinian Shipping	0.8%	1.00%	1.00%	\$ 1,050,110	\$ -	\$ 1,050,110	0.73%	-0.3%	0.00%	\$ -
	MPLT	CNMI Gov't Loan	0.0%	6.50%	15.00%	\$ -	\$ 29,000,000.00	\$ 29,000,000	20.07%	0.0%	0.00%	\$ -
	MPLT	NMHC	2.4%	3.00%	2.00%	\$ 2,934,123	\$ -	\$ 2,934,123	2.03%	-1.0%	0.00%	\$ -
	MPLT	CNMI LOC	3.4%	9.50%	2.00%	\$ 4,224,377	\$ (1,224,377.00)	\$ 3,000,000	2.08%	-7.4%	3.25%	\$ 97,500
Fixed Income (44%)	Hold to Maturity	Core	28.6%	28.50%	28.50%	\$ 35,644,327	\$ -	\$ 35,644,327	24.67%	-3.8%	4.81%	\$ 1,714,492
	Barrow Hanley	Core	11.8%	8.00%	5.00%	\$ 14,716,804	\$ (8,500,000.00)	\$ 6,216,804	4.30%	-3.7%	4.50%	\$ 279,756
	Garcia Hamilton and Associates	Intermediate Core	6.1%	6.00%	5.00%	\$ 7,623,021	\$ (1,400,000.00)	\$ 6,223,021	4.31%	-1.7%	3.20%	\$ 199,137
	Pacific Income	High Yield	17.7%	17.50%	5.50%	\$ 22,107,142	\$ (10,000,000.00)	\$ 12,107,142	8.38%	-9.1%	8.30%	\$ 1,004,893
Alternatives (23%)	TBD	Emerging Debt	0.0%	0.00%	10.00%	\$ -	\$ 12,000,000.00	\$ 12,000,000	8.30%	10.0%	5.80%	\$ 696,000
	Blackstone	BTAS VI	2.5%	1.50%	1.50%	\$ 3,112,173	\$ -	\$ 3,112,173	2.15%	0.7%	0.00%	\$ -
	Blackstone	BTAS VIII	4.0%	1.50%	1.50%	\$ 5,004,893	\$ -	\$ 5,004,893	3.46%	2.0%	0.00%	\$ -
	Blackstone	Private Real Estate	3.4%	3.00%	3.00%	\$ 4,200,793	\$ -	\$ 4,200,793	2.91%	-0.1%	4.70%	\$ 197,437
	Blackstone	Private Credit	5.4%	3.50%	3.50%	\$ 6,795,271	\$ -	\$ 6,795,271	4.70%	1.2%	9.65%	\$ 655,744
	Blue Owl	Private Credit	7.4%	3.50%	3.50%	\$ 9,256,923	\$ -	\$ 9,256,923	6.41%	2.9%	9.65%	\$ 893,293
<b>Total</b>			<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>\$ 124,759,541</b>	<b>\$ 29,000,000.00</b>	<b>\$ 144,502,618</b>	<b>100%</b>	<b>-8%</b>	<b>4.27%</b>	<b>\$ 6,170,756</b>
<b>Total (W/ Margin Loan)</b>			<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>\$ 124,759,541</b>	<b>\$ 29,000,000.00</b>	<b>\$ 124,759,541</b>	<b>106%</b>	<b>-5%</b>	<b>4.95%</b>	<b>\$ 6,170,756</b>

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# Marianas Public Land Trust General Fund

## Current Allocation as January 7, 2026

Investment Manager		Investment Style	Actual Allocation	IPS Asset Allocation	Proposed Rebalance	Market Value (\$)	Change (\$)	New Value (\$)	New Allocation	Change (%)	Expected Current Yield (%)	Expected Current Return (\$)
U.S. Equity (7%)	Atalanta Sosnoff Capital	Large Core	3.2%	3.00%	3.00%	\$ 3,988,017	\$ -	\$ 3,988,017	2.76%	-0.2%	0.73%	\$ 29,113
	Hamilin Capital Advisors	Large Value	3.3%	4.00%	4.00%	\$ 4,101,567	\$ -	\$ 4,101,567	2.84%	-1.2%	3.05%	\$ 125,098
BOT (20%)	MPLT	Tinian Shipping	0.8%	1.00%	1.00%	\$ 1,050,110	\$ -	\$ 1,050,110	0.73%	-0.3%	0.00%	\$ -
	MPLT	CNMI Gov't Loan	0.0%	6.50%	15.00%		\$ 29,000,000.00	\$ 29,000,000	20.07%	0.0%	0.00%	\$ -
	MPLT	NMHC	2.4%	3.00%	2.00%	\$ 2,934,123	\$ -	\$ 2,934,123	2.03%	-1.0%	0.00%	\$ -
	MPLT	CNMI LOC	3.4%	9.50%	2.00%	\$ 4,224,377	\$ (1,224,377.00)	\$ 3,000,000	2.08%	-7.4%	3.25%	\$ 97,500
Fixed Income (44%)	Hold to Maturity	Core	28.6%	28.50%	28.50%	\$ 35,644,327	\$ -	\$ 35,644,327	24.67%	-3.8%	4.81%	\$ 1,714,492
	Barrow Hanley	Core	11.8%	8.00%	5.00%	\$ 14,716,804	\$ (8,500,000.00)	\$ 6,216,804	4.30%	-3.7%	4.50%	\$ 279,756
	Garcia Hamilton and Associates	Intermediate Core	6.1%	6.00%	5.00%	\$ 7,623,021	\$ (1,400,000.00)	\$ 6,223,021	4.31%	-1.7%	3.20%	\$ 199,137
	Pacific Income	High Yield	17.7%	17.50%	5.50%	\$ 22,107,142	\$ (10,000,000.00)	\$ 12,107,142	8.38%	-9.1%	8.30%	\$ 1,004,893
Alternatives (29%)	TBD	Private Infrastructure	0.0%	0.00%	10.00%	\$ -	\$ 12,000,000.00	\$ 12,000,000	8.30%	8.3%	5.00%	\$ 600,000
	TBD	Private Market	0.0%	0.00%	6.00%	\$ -	\$ 9,124,377.00	\$ 9,124,377	6.31%	6.3%	0.00%	\$ -
	Blackstone	BTAS VI	2.5%	1.50%	1.50%	\$ 3,112,173	\$ -	\$ 3,112,173	2.15%	0.7%	0.00%	\$ -
	Blackstone	BTAS VIII	4.0%	1.50%	1.50%	\$ 5,004,893	\$ -	\$ 5,004,893	3.46%	2.0%	0.00%	\$ -
	Blackstone	Private Real Estate	3.4%	3.00%	3.00%	\$ 4,200,793	\$ -	\$ 4,200,793	2.91%	-0.1%	4.70%	\$ 197,437
	Blackstone	Private Credit	5.4%	3.50%	3.50%	\$ 6,795,271	\$ -	\$ 6,795,271	4.70%	1.2%	9.65%	\$ 655,744
	Blue Owl	Private Credit	7.4%	3.50%	3.50%	\$ 9,256,923	\$ -	\$ 9,256,923	6.41%	2.9%	9.65%	\$ 893,293
Total			100%	100%	100%	\$ 124,759,541	\$ 29,000,000.00	\$ 144,502,618	100%	-10%	4.01%	\$ 5,796,462
Total (W/ Margin Loan)			100%	100%	100%	\$ 124,759,541	\$ 29,000,000.00	\$ 124,759,541	106%	-7%	4.65%	\$ 5,796,462

## Marianas Public Land Trust General Fund

### Current Allocation as January 7, 2026

Investment Manager		Investment Style	Actual Allocation	IPS Asset Allocation	Proposed Rebalance	Market Value (\$)	Change (\$)	New Value (\$)	New Allocation	Change (%)	Expected Current Yield (%)	Expected Current Yield Return (\$)
U.S. Equity (7%)	Atalanta Sosnoff Capital	Large Core	3.2%	3.00%	3.00%	\$ 3,988,017	\$ -	\$ 3,988,017	2.76%	-0.2%	0.73%	\$ 29,113
	Hamlin Capital Advisors	Large Value	3.3%	4.00%	4.00%	\$ 4,101,567	\$ -	\$ 4,101,567	2.84%	-1.2%	3.05%	\$ 125,098
BOT (20%)	MPLT	Tinian Shipping	0.8%	1.00%	1.00%	\$ 1,050,110	\$ -	\$ 1,050,110	0.73%	-0.3%	0.00%	\$ -
	MPLT	CNMI Gov't Loan	0.0%	6.50%	15.00%	\$ -	\$ 29,000,000.00	\$ 29,000,000	20.07%	0.0%	0.00%	\$ -
	MPLT	NMHC	2.4%	3.00%	2.00%	\$ 2,934,123	\$ -	\$ 2,934,123	2.03%	-1.0%	0.00%	\$ -
	MPLT	CNMI LOC	3.4%	9.50%	2.00%	\$ 4,224,377	\$ (1,224,377.00)	\$ 3,000,000	2.08%	-7.4%	3.25%	\$ 97,500
Fixed Income (44%)	Hold to Maturity	Core	28.6%	28.50%	28.50%	\$ 35,644,327	\$ -	\$ 35,644,327	24.67%	-3.8%	4.81%	\$ 1,714,492
	Barrow Hanley	Core	11.8%	8.00%	5.00%	\$ 14,716,804	\$ (8,500,000.00)	\$ 6,216,804	4.30%	-3.7%	4.50%	\$ 279,756
	Garcia Hamilton and Associates	Intermediate Core	6.1%	6.00%	5.00%	\$ 7,623,021	\$ (1,400,000.00)	\$ 6,223,021	4.31%	-1.7%	3.20%	\$ 199,137
	Pacific Income	High Yield	17.7%	17.50%	5.50%	\$ 22,107,142	\$ (10,000,000.00)	\$ 12,107,142	8.38%	-9.1%	8.30%	\$ 1,004,893
Alternatives (29%)	TBD	Private Infrastructure	0.0%	0.00%	6.00%	\$ -	\$ 9,124,377.00	\$ 9,124,377	6.31%	6.3%	5.00%	\$ 456,219
	TBD	Emerging Markets Debt	0.0%	0.00%	10.00%	\$ -	\$ 12,000,000.00	\$ 12,000,000	8.30%	8.3%	5.80%	\$ 696,000
	Blackstone	BTAS VI	2.5%	1.50%	1.50%	\$ 3,112,173	\$ -	\$ 3,112,173	2.15%	0.7%	0.00%	\$ -
	Blackstone	BTAS VIII	4.0%	1.50%	1.50%	\$ 5,004,893	\$ -	\$ 5,004,893	3.46%	2.0%	0.00%	\$ -
	Blackstone	Private Real Estate	3.4%	3.00%	3.00%	\$ 4,200,793	\$ -	\$ 4,200,793	2.91%	-0.1%	4.70%	\$ 197,437
	Blackstone	Private Credit	5.4%	3.50%	3.50%	\$ 6,795,271	\$ -	\$ 6,795,271	4.70%	1.2%	9.65%	\$ 655,744
Blue Owl	Private Credit	7.4%	3.50%	3.50%	\$ 9,256,923	\$ -	\$ 9,256,923	6.41%	2.9%	9.65%	\$ 893,293	
<b>Total</b>			<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>\$ 124,759,541</b>	<b>\$ 29,000,000.00</b>	<b>\$ 144,502,618</b>	<b>100%</b>	<b>-10%</b>	<b>4.39%</b>	<b>\$ 6,348,681</b>
<b>Total (W/ Margin Loan)</b>			<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>\$ 124,759,541</b>	<b>\$ 29,000,000.00</b>	<b>\$ 124,759,541</b>	<b>106%</b>	<b>-7%</b>	<b>5.09%</b>	<b>\$ 6,348,681</b>

The information in this report is provided for your convenience, but should not be used as a substitute for the account's monthly statements or trade confirmations. The prices and valuations provided in this report have been obtained from sources deemed to be reliable, and every attempt has been made to make it as possible. Nevertheless, its accuracy is not guaranteed, and independent verification of its contents is recommended.

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# ASSET ALLOCATION STUDY MONTE CARLO ANALYSIS

Prepared for:

## Marianas Public Land Trust General Fund

Prepared by:

Asia Pacific Group of Raymond James

January 2026

The results of this asset allocation study are intended for the sole use of the client herein named and not to be distributed to any other party.

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**RAYMOND JAMES**

Source: Morningstar Direct.

# Efficient Frontier – Asset Allocation

1/13/2025 10:00 AM

Efficient Frontier

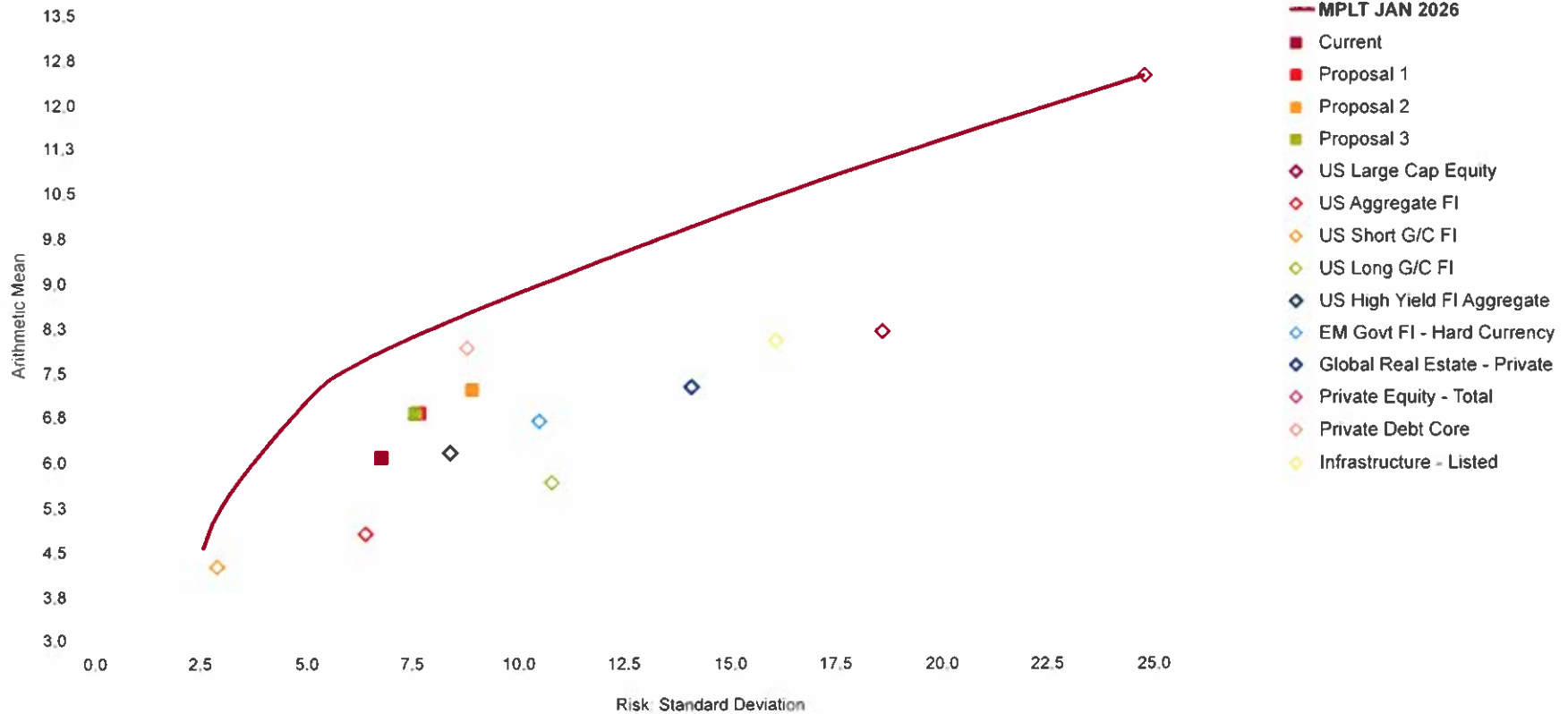


Chart is for illustrative purposes only and is not representative of the future performance of any particular portfolio or security. Please see asset class descriptions beginning on page 10. Arithmetic inputs are utilized in the optimizer to calculate the Efficient Frontier and Geometric assumptions are calculated in the simulations. For explanations and additional information regarding Arithmetic Mean, Geometric Mean, Standard Deviation, Sharpe Ratio, and Asset Classes see important disclosures beginning on page 8.

Capital Market Assumptions (CMAs) are forward looking data and subject to change at any time. There is no assurance that the projections will be realized. Variations to capital market assumptions are expected and specific sectors or industries are more susceptible due to their increased vulnerability to any single economic, political or regulatory development. Please see important information regarding CMAs beginning on page 6.

The Efficient Frontier: Generally, investors seek to receive a higher return for assuming additional levels of risk. With the addition of asset classes that do not move in lock step (meaning correlation is less than one), the risk/return relationship changes to a theoretical "Efficient Frontier" – a curve along which returns would be maximized at each level of risk. The Efficient Frontier illustration used herein does not take into account fees, state or federal income taxes or specific securities.

# Asset Allocation – Structure & Inputs

As of July 2025

## Asset Class Statistics

	Geometric Mean	Standard Deviation
US Large Cap Equity	6.45	18.60
US Aggregate FI	4.61	6.40
US Short G/C FI	4.23	2.90
US Long G/C FI	5.08	10.80
US High Yield FI Aggregate	5.81	8.40
EM Govt FI - Hard Currency	6.13	10.50
Global Real Estate - Private	6.25	14.10
Private Equity - Total	9.53	24.80
Private Debt Core	7.54	8.80
Infrastructure - Listed	6.74	16.10

## Asset Class Correlation Matrix

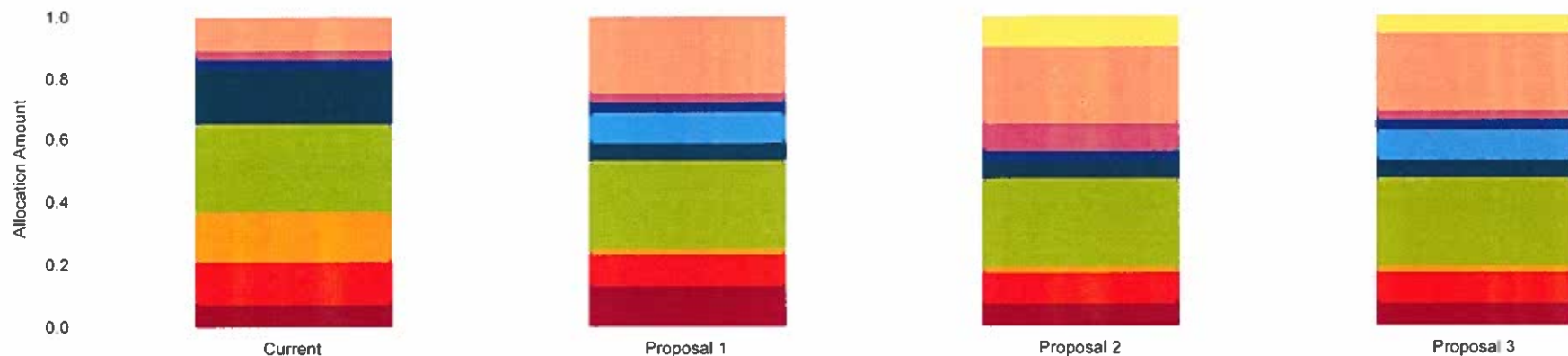
Asset Class	1	2	3	4	5	6	7	8	9	10
1 US Large Cap Equity	1.00									
2 US Aggregate FI	0.56	1.00								
3 US Short G/C FI	0.34	0.21	1.00							
4 US Long G/C FI	0.51	0.88	0.37	1.00						
5 US High Yield FI Aggregate	0.31	0.85	-0.18	0.75	1.00					
6 EM Govt FI - Hard Currency	0.43	0.88	-0.20	0.64	0.90	1.00				
7 Global Real Estate - Private	0.46	0.18	0.80	0.33	-0.16	-0.14	1.00			
8 Private Equity - Total	0.47	0.20	0.81	0.35	-0.13	-0.13	0.99	1.00		
9 Private Debt Core	0.22	-0.05	0.64	0.10	-0.29	-0.30	0.83	0.81	1.00	
10 Infrastructure - Listed	0.41	0.30	0.79	0.43	-0.03	-0.02	0.97	0.95	0.81	1.00

All investing involves risk. Asset allocation and diversification do not ensure a profit or protect against a loss.

**Information presented is for illustrative purposes only and is not representative of the future performance of any particular portfolio or security. Diversification does not ensure a profit or protect against a loss. Arithmetic inputs are utilized in the optimizer to calculate the Efficient Frontier and Geometric assumptions are calculated in the simulations. For explanations and additional information regarding Arithmetic Mean, Geometric Mean, Standard Deviation, Sharpe Ratio, and asset classes see important disclosures beginning on page 8.**

Capital Market Assumptions (CMAs) are forward looking data and subject to change at any time. There is no assurance that the projections will be realized. Variations to capital market assumptions are expected and specific sectors or industries are more susceptible due to their increased vulnerability to any single economic, political or regulatory development. Please see important information regarding CMAs beginning on page 6.

# Asset Allocation – Structure & Inputs



- ◆ US Large Cap Equity
- ◆ US Aggregate FI
- ◆ US Short G/C FI
- ◆ US Long G/C FI
- ◆ US High Yield FI Aggregate
- ◆ EM Govt FI - Hard Currency
- ◆ Global Real Estate - Private
- ◆ Private Debt Core
- ◆ Infrastructure - Listed
- ◆ Private Equity - Total

Asset Class	Current Allocation %	Proposal 1 Allocation %	Proposal 2 Allocation %	Proposal 3 Allocation %
US Large Cap Equity	7.0%	13.0%	7.0%	7.0%
US Aggregate FI	14.0%	10.0%	10.0%	10.0%
US Short G/C FI	16.0%	2.0%	2.0%	2.0%
US Long G/C FI	28.5%	28.5%	28.5%	28.5%
US High Yield FI Aggregate	17.5%	5.5%	5.5%	5.5%
EM Govt FI - Hard Currency	0.0%	10.0%	0.0%	10.0%
Global Real Estate - Private	3.0%	3.0%	3.0%	3.0%
Private Equity - Total	3.0%	3.0%	9.0%	3.0%
Private Debt Core	11.0%	25.0%	25.0%	25.0%
Infrastructure - Listed	0.0%	0.0%	10.0%	6.0%
<b>Total Portfolio</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

	Current	Proposal 1	Proposal 2	Proposal 3
Geometric Mean	5.86	6.54	6.83	6.54
Standard Deviation	6.77	7.67	8.92	7.57
Sharpe Ratio	0.90	0.89	0.81	0.90

**IMPORTANT:** The projections or other information generated by Morningstar's Direct Asset Allocation software regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Each scenario is randomly generated and as a result, the software's results will vary with each use and over time as markets change. Asset classes listed above are not available for direct investment and projected returns do not reflect either management fees or costs.

For a complete description of the Monte Carlo analysis provided above please see important definitions and disclosures beginning on page 8.

## Simulation Models – Return Analysis

The simulated Return Percentiles table displays the range of return possibilities (broken down by percentiles) of possible future annualized returns for the selected allocation mixes resulting from the Monte Carlo simulation.

As of July 2025

Return Percentiles

	95th	Percentile 50th	5th
<b>Current</b>			
5 Year	11.09%	5.96%	0.90%
10 Year	9.55%	5.93%	2.30%
20 Year	8.53%	5.91%	3.59%
<b>Proposal 1</b>			
5 Year	12.43%	6.63%	1.00%
10 Year	10.90%	6.58%	2.57%
20 Year	9.62%	6.58%	3.85%
<b>Proposal 2</b>			
5 Year	13.67%	6.91%	0.46%
10 Year	11.79%	6.82%	2.41%
20 Year	10.34%	6.82%	3.68%
<b>Proposal 3</b>			
5 Year	12.42%	6.61%	1.08%
10 Year	10.79%	6.58%	2.66%
20 Year	9.62%	6.54%	3.92%

**IMPORTANT:** The projections or other information generated by Morningstar's Direct Asset Allocation software regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Each scenario is randomly generated and as a result, the software's results will vary with each use and over time as markets change. Asset classes listed above are not available for direct investment and projected returns do not reflect either management fees or costs.

For a complete description of the Monte Carlo analysis provided above please see important definitions and disclosures beginning on page 8.

## Simulation Models – Probability Analysis

The Target Return Probabilities Table displays the probability of achieving the listed target returns over the displayed investment periods resulting from the Monte Carlo Simulation.

April 11, 2025

Monte Carlo Simulation

	Target Return		
	0%	8%	15%
<b>Current</b>			
5 Year	97.30	25.50	0.30
10 Year	99.75	16.55	0.00
20 Year	100.00	9.35	0.00
<b>Proposal 1</b>			
5 Year	97.00	34.40	0.90
10 Year	99.85	28.25	0.05
20 Year	100.00	22.15	0.00
<b>Proposal 2</b>			
5 Year	96.10	39.05	2.45
10 Year	99.45	34.35	0.35
20 Year	100.00	29.15	0.00
<b>Proposal 3</b>			
5 Year	97.05	34.50	0.70
10 Year	99.90	27.70	0.05
20 Year	100.00	21.55	0.00

**IMPORTANT:** The projections or other information generated by Morningstar's Direct Asset Allocation software regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Each scenario is randomly generated and as a result, the software's results will vary with each use and over time as markets change.

For a complete description of the Monte Carlo analysis provided above please see important definitions and disclosures beginning on page 8.

## IMPORTANT DISCLOSURES AND DEFINITIONS

The information provided in this report should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that any security transactions, holdings, or sectors discussed were or will be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance discussed herein.

Past performance is not a guarantee of future results. Indices are not available for direct investment. Any investor who attempts to mimic the performance of an index would incur fees and expenses which would reduce returns. All investing involves risk. Diversification and asset allocation do not ensure a profit or protect against a loss.

### Capital Market Assumptions:

Capital Market Assumptions are forward looking data and are subject to change at any time and there is no assurance that the projections mentioned herein will be realized. Variations to capital market assumptions are expected and specific sectors or industries are more susceptible due to their increased vulnerability to any single economic, political or regulatory development.

Proposal Generation was developed by Raymond James in part using Mercer's Capital Markets Assumptions ("CMA") as a factor and includes such CMA in the report.

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### Mercer's CMA Methodology

The CMA provided to Raymond James has been developed by Mercer Investments LLC ("Mercer Investments"). Assumptions, views, and opinions are as of the date that the CMA was provided to Raymond James and are subject to change.

Actual performance may be lower or higher than the performance data quoted. Actual statistics may be lower or higher than the statistics quoted.

The expectations for the modelled portfolio are a compilation of return, volatility, and correlation expectations of the underlying asset classes. Portfolio expectations are forward looking and reflective of Mercer Investments' CMA, as defined by asset class and incorporation return, standard deviation, and correlations. Mercer Investments' process for asset class expected returns begins with developing an estimate of the long term normal level of economic growth and inflation. From these two key assumptions, Mercer Investments develops an estimate for corporate earnings growth and equilibrium interest rates. Mercer Investments also develops equilibrium levels for P/E ratios, credit spreads, and other market indicators. When developing its 20-year return assumptions, Mercer Investments incorporates current conditions and assumes a reversion to equilibrium levels. When developing volatility and correlation assumptions Mercer Investments reviews historical relationships and then adjusts based on expected forward looking conditions. The expected return on traditional assets generally reflects returns for a passive strategy, while alternative asset classes incorporate an assumption for alpha.

The views expressed are provided for discussion purposes and do not provide any assurance or guarantee of future returns.

# IMPORTANT DISCLOSURES AND DEFINITIONS

See page 3 for asset mixes for the below chart.

## Asset Mix Statistics

	Current	Proposal 1	Proposal 2	Proposal 3
Arithmetic Mean	6.10	6.84	7.23	6.83

## Asset Class Statistics

	Arithmetic Mean
US Large Cap Equity	8.20
US Aggregate FI	4.82
US Short G/C FI	4.27
US Long G/C FI	5.68
US High Yield FI Aggregate	6.17
EM Govt FI - Hard Currency	6.70
Global Real Estate - Private	7.27
Private Equity - Total	12.49
Private Debt Core	7.93
Infrastructure - Listed	8.05

## IMPORTANT DISCLOSURES AND DEFINITIONS

### Monte Carlo Simulations:

**IMPORTANT:** The projections or other information generated by Morningstar's Direct Asset Allocation software regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Each scenario is randomly generated and as a result, the software's results will vary with each use and over time as markets change.

The Change of a particular portfolio ending value was projected using Monte Carlo simulation. It attempts to show the probability that a particular return can be achieved after a particular number of years. Probabilities are calculated by projecting simulated returns into the future for many iterations and determining the percentage of time the iterations result in a value that is above or below a specific threshold. Standard deviation is a measure of central tendency, that is, the spread of the difference of returns from their average. Return percentages referenced are average annual returns. We do not adjust for any state or federal income taxes or fees.

Results are based on the simulated performance of the major market indices that represent the asset classes in the target allocations. Return and standard deviation assumptions utilized to simulate various market scenarios are based upon forward-looking capital market assumptions provided by an outside institution. Numerous asset classes are utilized in developing risk and return assumptions for diversified portfolios. Utilizing this data, 500 – 5,000 Monte Carlo simulations of investment scenarios are generated in an effort to determine the probability of achieving certain returns, the default is 2,000 simulations.

Limitations of this analysis include, but are not restricted to, the possibility that market extremes may occur more frequently than projected, that return assumptions for asset classes may not reflect actual investment returns of the asset classes and that inflation is assumed to be constant when it is unlikely it will be so over the simulated periods.

While the Morningstar Direct Asset Allocation system runs many simulations in an effort to develop statistically reliable data, it cannot foresee or account for all possible situations that could negatively impact an investor's financial situation. The "5th Percentile (Worst)" Annual Average Returns is represented as the simulations showing the simulations in that percentile yielding the worst returns. While we believe that this is a suitable level for planning purposes, there is no guarantee that a portfolio will not perform worse than the simulations in the 5th percentile. Therefore, this performance should only be used in conjunction with the sound judgment of a financial advisor. Due to the ever-changing nature of investment and retirement objectives, it is critical that an advisor revisit an investor's retirement investment and income plans at least once a year and more frequently if possible.

For the purposes of this report the software does not analyze any specific mutual funds or other securities, nor does it favor any particular asset classes other than those previously stated. There may be investments with characteristics similar or superior to those being analyzed by the software.

### Definitions:

**Efficient Frontier** – Generally, investors seek to receive a higher return for assuming additional levels of risk. With the addition of asset classes that do not move in lock step (meaning correlation is less than one), the risk/return relationship changes to a theoretical "Efficient Frontier" – a curve along which returns would be maximized at each level of risk. The Efficient Frontier illustration used herein does not take into account fees, state or federal income taxes or specific securities. Various indices represent asset classes and it is important to note that any investor who attempts to mimic the performance of an index would incur fees and expenses which would reduce returns.

**Correlation** – The relationship between two variables during a period of time. For example, all utility stocks tend to have a high degree of correlation because their share prices are influenced by the same forces. Conversely, gold stock price movements are not closely correlated with utility stock price movements because they are influenced by different factors.

**Arithmetic Mean** – The arithmetic mean return is the measure of reward in conventional mean-variance optimization (MVO). The conventional MVO is a single-period model in which the expected arithmetic mean return is a forecast of return over the next period of investment.

**Geometric Mean** – The return measures how fast wealth accumulates. It is a more familiar statistic than arithmetic mean return because it is a more standard measure of performance. By selecting this reward measure, the user is taking a multi-period viewpoint, in contrast to the conventional MVO which is a single-period model concerned with maximizing expected return just for the next period. In other words, the geometric mean is a more relevant measure of performance for an investor who is investing for a long time and will be rebalancing their portfolio back to the same asset allocation every period. Optimizing on expected geometric mean return rather than expected arithmetic mean return can lead to meaningful differences in the efficient asset mixes, especially at the riskier end of the efficient frontier. The geometric mean is the same as the arithmetic mean when returns are constant. When returns vary it is always below the arithmetic mean.

## IMPORTANT DISCLOSURES AND DEFINITIONS

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**Standard Deviation** – A measure of volatility, commonly viewed as risk. Regarding quarterly returns, it is the square root of the variance, which equals the expected value of the squared deviation from the mean value.

**Sharpe Ratio** – A risk statistic that measure the excess return per unit of Total Risk taken in a portfolio. The excess return is the total excess return without adjustment for risk. The ratio is equal to the excess return divided by the Standard Deviation of a portfolio.

**CVaR** – Conditional value at risk is the average loss in adverse times. Set what is considered to be adverse times by specifying what percentage of the outcomes to look at. This is the CVAR cutoff %. The cutoff is set to 5%, getting the average loss in the worst 5% of outcomes. This means that an undesirable outcome occurs 1 out of 20 times.

**Value at Risk (VaR)** – VaR is a single point estimate of risk. A 5% VaR expresses the return expected in the 5th percentile. CVaR 5% gives the average return expected if in the 5th percentile or lower. Two asset classes with the same VaR could have very different CVaR. Because VaR is only a single point estimate it can be misleading when used as a measure of risk. For this reason and due to some favorable mathematical properties CVaR is a better measure of downside risk for optimization.

**Skewness** – Skewness reflects the degree of asymmetry of a distribution. If the distribution has a longer left tail, the function has negative skewness. Otherwise, it has positive skewness. A normal distribution is symmetric with skewness 0. In lognormal case, the curve has a long right tail so the skewness is positive.

**Excess Kurtosis** – Kurtosis is a property of a model that controls the ratio of occurrences in the model that occur around the peak of the distribution and in the tails versus those that are just below and above the peak of the distribution. A normally distributed set of returns naturally has a kurtosis of 3. If an asset class has a kurtosis of 4, it has an excess kurtosis of 1. If an asset class has a kurtosis of 2.5, it has an excess kurtosis of -0.5. Excess kurtosis means more peakedness; relative to a normal distribution, a highly kurtotic distribution has a taller head, fatter tails, and smaller shoulders, so more small moves, more extreme events, and fewer moderate moves.

### **Risks:**

- Fixed-income securities (or "bonds") are exposed to various risks including but not limited to credit (risk of default or principal and interest payments), market and liquidity, interest rate, reinvestment, legislative (changes to the tax code), and call risks.
- There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise. Short-term bonds with maturities of three years or less will generally have lower yields than long term bonds which are more susceptible to interest rate risk.
- International investing involves special risks, including currency fluctuations, different financial accounting standards, and possible political and economic volatility.
- Investing in emerging markets can be riskier than investing in well-established foreign markets. Emerging and developing markets may be less liquid and more volatile because they tend to reflect economic structures that are generally less diverse and mature and political systems that may be less stable than those in more developed countries.
- Investing in small-cap stocks generally involves greater risks, and therefore, may not be appropriate for every investor. Stocks of smaller or newer or mid-sized companies may be more likely to realize more substantial growth as well as suffer more significant losses than larger or more established issuers.
- Commodities trading is generally considered speculative because of the significant potential for investment loss. Among the factors that could affect the value of the fund's investments in commodities are cyclical economic conditions, sudden political events, changes in sectors affecting a particular industry or commodity, and adverse international monetary policies. Markets for precious metals and other commodities are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.
- Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks to real estate investments.
- Some accounts may invest in Master Limited Partnership ("MLP") units, which may result in unique tax treatment. MLPs may not be appropriate for ERISA or IRA accounts, and cause K-1 tax treatment. Please consult your tax adviser for additional information regarding the tax implications associated with MLP investments.

## IMPORTANT DISCLOSURES AND DEFINITIONS

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- Alternative investments are generally considered speculative in nature and may involve a high degree of risk, particularly if concentrating investments in one or few alternative investments. These risks are potentially greater and substantially different than those associated with traditional equity or fixed income investments. The investment strategies used by certain Funds may require a substantial use of leverage. The investment strategies employed and associated risks are more fully disclosed in each Fund's prospectus, which is available from your financial advisor.
- Changes in the value of a hedging instrument may not match those of the investment being hedged.
- These portfolios may be subject to international, small-cap and sector-focus exposures as well. Accounts may have over weighted sector and issuer positions, and may result in greater volatility and risk
- Companies in the technology industry are subject to fierce competition, and their products and services may be subject to rapid obsolescence.
- Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks to real estate investments. In a rising interest rate environment REITs (real estate investment trusts) may experience an increase in rent rates or mortgage rates or may experience higher acquisition costs.

### Asset Class Descriptions

U.S. All Cap Equity - U.S. equity securities with no capitalization constraints.

U.S. Large Cap Equity - U.S. equity securities with a market capitalization of more than \$10 Billion.

U.S. Mid Cap Equity - U.S. equity securities with a market capitalization of approximately \$2 Billion to \$10 Billion.

U.S. Small/Mid Cap Equity (Smid) - U.S. equity securities with a market capitalization of approximately \$300 Million to \$10 Billion.

U.S. Small Cap Equity - U.S. equity securities with a market capitalization of approximately \$300 Million to \$2 Billion.

Non-U.S. Developed All Cap Equity Unhedged - Non-U.S. equity securities of developed countries with any market capitalization not protected against loss by balancing or compensating contracts or transactions.

Non-U.S. Developed Large Cap Equity Unhedged - Non-U.S. equity securities of developed countries with a market capitalization of more than \$10 Billion not protected against loss by balancing or compensating contracts or transactions.

Non-U.S. Developed Small Cap Equity Unhedged - Non-U.S. equity securities with a market capitalization of approximately \$300 Million to \$2 Billion not protected against loss by balancing or compensating contracts or transactions.

Emerging Markets Equity Unhedged - Non-U.S. equity securities of developing countries not protected against loss by balancing or compensating contracts or transactions.

AC World ex-U.S. All Cap Equity Unhedged - Non-U.S. equity securities with no capitalization constraints not protected against loss by balancing or compensating contracts or transactions.

Global AC All Cap Equity Unhedged - U.S. and Non-U.S. equity securities with no capitalization constraints not protected against loss by balancing or compensating contracts or transactions.

U.S. Intermediate Government FI - Intermediate-term fixed income are bonds that include government U.S. fixed-income issues and typically have maturity dates that are between two and 10 years.

U.S. Inflation Indexed FI - An inflation-indexed security is a security that has a return higher than the rate of inflation if it is held to maturity. Inflation-indexed securities link their capital appreciation, or coupon payments, to inflation rates.

# IMPORTANT DISCLOSURES AND DEFINITIONS

## Asset Class Descriptions Continued:

U.S. Intermediate Inflation Indexed FI - An inflation-indexed security is a security that has a return higher than the rate of inflation if it is held to maturity. Typically with maturity dates between 2 and 10 years, inflation-indexed securities link their capital appreciation, or coupon payments, to inflation rates.

U.S. Long Inflation Indexed FI - An inflation-indexed security is a security that has a return higher than the rate of inflation if it is held to maturity. Typically with maturity dates longer than 10 years, inflation-indexed securities link their capital appreciation, or coupon payments, to inflation rates.

U.S. Municipal FI Tax Exempt- Municipal bonds are debt securities issued by states, cities, counties and other governmental entities to fund day-to-day obligations and to finance capital projects such as building schools, highways or sewer systems. Generally, the interest on municipal bonds is exempt from federal income tax. The interest may also be exempt from state and local taxes if the investor resides in the state where the bond is issued.

U.S. Credit FI - U.S. fixed income securities that include corporate investment-grade fixed income and have at least one year to maturity.

U.S. Intermediate Credit FI - Intermediate-term fixed income are bonds that include corporate U.S. fixed-income issues and typically have maturity dates that are between two and 10 years.

U.S. Govt/Credit FI - U.S. fixed income securities that include government, corporate and other investment-grade fixed income and have at least one year to maturity.

U.S. Aggregate FI - U.S. fixed income securities that include government, corporate and other investment-grade fixed income and have at least one year to maturity.

U.S. Short G/C FI - Short-term fixed income are bonds that include government, corporate U.S. fixed-income issues and typically have durations of 1.0 to 3.5 years.

U.S. Intermediate G/C FI - Intermediate-term fixed income are bonds that include government, corporate U.S. fixed-income issues and typically have maturity dates that are between two and 10 years.

U.S. Long G/C FI - Long-term fixed income are bonds that include government, corporate U.S. fixed-income issues and typically have maturity dates that greater than 10 years.

U.S. CMBS FI (Mortgage-backed Securities) - Mortgage-backed securities are bonds secured by home and other real estate loans. These securities are created when a number of these loans, usually with similar characteristics, are pooled together.

U.S. High Yield FI Aggregate - High-yield bonds are bonds that pay higher interest rates because they have lower credit ratings than investment-grade bonds.

US Senior/Leveraged Loans - A Senior leveraged loan is a type of loan that is extended to companies that already have considerable amounts of debt or lower credit history, with a senior claim to the company's cash flows, usually collateralized by assets.

Multi-Asset Credit - Multi-asset credit (MAC) is a diversified investment discipline that aims to capture global credit risk premiums by investing in a range of geographies, asset classes and credit instruments.

Core Plus Fixed Income - Core plus funds are typically associated with core fixed income, adding alternative investments such as high-yield, global, and emerging market debt to a core portfolio of investment-grade bonds.

Unconstrained Fixed Income - Unconstrained Fixed Income focuses on performance over time, rather than on short-term gains. With no adherence to specific bond ratings, currencies, or sectors.

U.S. Cash - U.S. Cash includes cash and cash equivalent securities of high quality and liquidity including money market instruments, certificates of deposit, T-bills and other cash instruments.

Non-U.S. Govt FI Unhedged - Non-U.S. fixed income securities issued by foreign governments that are typically investment grade not protected against loss by balancing or compensating contracts or transactio...

## IMPORTANT DISCLOSURES AND DEFINITIONS

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### Asset Class Descriptions Continued:

Non-U.S. Broad FI Unhedged - Non-U.S. fixed income securities issued by foreign governments and corporations that are typically investment grade not protected against loss by balancing or compensating contracts or transactions.

EM Govt FI - Hard Currency - Non-U.S. fixed income are debt instruments issued by developing countries with currencies issued by nations seen as politically and economically stable.

EM Govt FI - Local Currency - Non-U.S. fixed income are debt instruments issued by developing countries in local currencies.

Global Broad FI Unhedged - U.S. and Non-U.S. fixed income securities issued by governments and corporations that are typically investment grade not protected against loss by balancing or compensating contracts or transactions.

Convertibles - Securities can be converted into a predetermined amount of the company's equity at certain times, usually at the discretion of the holder. A convertible security has a value-added component built into it; it is essentially a security with a stock option hidden inside.

U.S. Real Estate – Core - Investment in real estate and real estate securities, typically involving stable properties that generate income.

U.S. Real Estate - REITS - A U.S. real estate investment trust (REIT) is a company that owns, operates, or finances income-generating real estate in U.S. markets.

Non-U.S. Real Estate - Private - Foreign Non-Publicly traded real estate investments designed to reduce tax while providing returns on real estate. Does not trade on an exchange so may be illiquid for long periods of time.

Non-U.S. Real Estate - REITS - A Foreign real estate investment trust (REIT) is a company that owns, operates, or finances income-generating real estate in Foreign markets.

Global Real Estate - Private - A Global Non-Publicly traded real estate investments designed to reduce tax while providing returns on real estate. Does not trade on an exchange so may be illiquid for long periods of time.

Global Real Estate – REITS - A Global real estate investment trust (REIT) is a company that owns, operates, or finances income-generating real estate in in U.S. and Non-U.S. markets.

Farmland & Timberland - Investment that include lands managed for timber and other pooled timber securities.

Private Equity – Total - These strategies are intended to capture returns in the equity arena from companies that are not yet public. Leveraged buyouts, venture capital, growth capital, distressed investments, mezzanine capital, merger and acquisition and secondary strategies are acceptable strategies. Illiquid and volatile investments are to be expected due to the nature of the strategies.

Private Equity - Venture Cap - Investments in the early stage development of start-up businesses perceived to have excellent growth prospects, but not necessarily access to capital markets

Private Debt Core - Private debt includes any debt held by or extended to privately held companies. It most commonly involves non-bank institutions making loans to private companies or buying those loans on the secondary market.

Private Debt – Opportunistic - Opportunistic private debt involves lending strategies that seek higher yields by investing in complex or less liquid credit opportunities. These may include distressed debt, special situations, or niche lending markets. Investments are typically made in non-investment-grade borrowers and may involve higher risk and return potential compared to core private debt strategies.

Infrastructure – Listed - Listed infrastructure consists of publicly traded companies that own or operate essential infrastructure assets such as utilities, transportation networks, or communications systems. These securities provide investors with access to infrastructure investment characteristics—such as stable cash flows and inflation sensitivity—while offering daily liquidity through public markets.

## IMPORTANT DISCLOSURES AND DEFINITIONS

### Asset Class Descriptions Continued:

Infrastructure – Core - Core infrastructure refers to private, long-duration investments in essential services and physical assets that are typically regulated or contracted, such as roads, bridges, water systems, and energy utilities. These investments aim to deliver stable, inflation-linked cash flows with low correlation to traditional asset classes and are often considered low-to-moderate risk within the infrastructure spectrum.

MLPs - Master Limited Partnerships are publicly traded partnerships primarily involved in the energy sector, such as oil and gas transportation, storage, and processing. MLPs offer tax-advantaged income and attractive yields due to their pass-through structure, which requires them to distribute most of their earnings to investors. However, they can be sensitive to energy prices and regulatory changes.

Defensive Hedge Funds - Defensive hedge funds focus on capital preservation and risk mitigation during periods of market stress. These strategies often use low net equity exposure, market-neutral positioning, or protective hedging techniques. Common sub-strategies include equity market neutral, global macro, and volatility arbitrage, aiming to generate positive returns with low correlation to traditional markets.

Diversified Hedge Funds - Limited partnerships of investors with unique risk/return characteristics often with lower correlations to traditional equity investment classes. Categories include market neutral, risk/merger arbitrage, macro, long/short, distressed securities, futures, real estate investment trusts, multi-strategy, non-U.S. markets, and fund of funds. They also use a much wider range of investment techniques, such as leverage, short selling and derivatives to achieve their objectives.

Commodities - Long Only - This asset class is included within the alternatives category as it historically has had a very low correlation to traditional asset classes while providing a positive correlation to inflation. Strategies include investments in agricultural goods, metals, minerals, energy products and foreign currencies.

Natural Resources- Listed - Investment and securities of materials or substances such as minerals, forests, water, and fertile land that occur in nature and can be used for economic gain.

Gold - Investment in gold and gold securities.

# Proposal #4

# Marianas Public Land Trust General Fund

X #4

## Current Allocation as January 7, 2026

Investment Manager		Investment Style	Actual Allocation	IPS Asset Allocation	Proposed Rebalance	Market Value (\$)	Change (\$)	New Value (\$)	New Allocation	Change (%)	Expected Current Yield (%)	Expected Current Yield Return (\$)
U.S. Equity (13%)	Atalanta Sosnoff Capital	Large Core	3.2%	3.00%	5.00%	\$ 3,988,017	\$ 2,000,000.00	\$ 5,988,017	4.14%	2.0%	0.73%	\$ 43,713
	Hamlin Capital Advisors	Large Value	3.3%	4.00%	8.00%	\$ 4,101,567	\$ 3,847,398.00	\$ 7,948,965	5.50%	4.0%	3.05%	\$ 242,443
BOT (20%)	MPLT	Tinian Shipping	0.8%	1.00%	1.00%	\$ 1,050,110	\$ -	\$ 1,050,110	0.73%	0.0%	0.00%	\$ -
	MPLT	CNMI Gov't Loan	0.0%	6.50%	15.00%	\$ -	\$ 29,000,000.00	\$ 29,000,000	20.07%	8.5%	0.00%	\$ -
	MPLT	NMHC	2.4%	3.00%	2.00%	\$ 2,934,123	\$ -	\$ 2,934,123	2.03%	-1.0%	0.00%	\$ -
	MPLT	CNMI LOC	3.4%	9.50%	2.00%	\$ 4,224,377	\$ (1,224,377.00)	\$ 3,000,000	2.08%	-7.5%	3.25%	\$ 97,500
Fixed Income (44%)	Hold to Maturity	Core	28.6%	28.50%	28.50%	\$ 35,644,327		\$ 35,644,327	24.67%	0.0%	4.81%	\$ 1,714,492
	Barrow Hanley	Core	11.8%	8.00%	10.00%	\$ 14,716,804		\$ 14,716,804	10.18%	2.0%	4.50%	\$ 662,256
	Garcia Hamilton and Associates	Intermediate Core	6.1%	6.00%	0.00%	\$ 7,623,021	\$ (7,623,021.00)	\$ -	0.00%	-6.0%	3.20%	\$ -
	Pacific Income	High Yield	17.7%	17.50%	5.50%	\$ 22,107,142	\$ (10,000,000.00)	\$ 12,107,142	8.38%	-12.0%	8.30%	\$ 1,004,893
Alternatives (23%)	TBD	Emerging Debt	0.0%	0.00%	5.00%	\$ -	\$ 6,000,000.00	\$ 6,000,000	4.15%	5.0%	5.80%	\$ 348,000
	TBD	Private Equity	0.0%	0.00%	5.00%	\$ -	\$ 7,000,000.00	\$ 7,000,000	4.84%	5.0%	0.00%	\$ -
	Blackstone	BTAS VI	2.5%	1.50%	1.50%	\$ 3,112,173	\$ -	\$ 3,112,173	2.15%	0.0%	0.00%	\$ -
	Blackstone	BTAS VIII	4.0%	1.50%	1.50%	\$ 5,004,893	\$ -	\$ 5,004,893	3.46%	0.0%	0.00%	\$ -
	Blackstone	Private Real Estate	3.4%	3.00%	3.00%	\$ 4,200,793	\$ -	\$ 4,200,793	2.91%	0.0%	4.70%	\$ 197,437
	Blackstone	Private Credit	5.4%	3.50%	3.50%	\$ 6,795,271	\$ -	\$ 6,795,271	4.70%	0.0%	9.65%	\$ 655,744
	Blue Owl	Private Credit	7.4%	3.50%	3.50%	\$ 9,256,923	\$ -	\$ 9,256,923	6.41%	0.0%	9.65%	\$ 893,293
<b>Total</b>			<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>\$ 124,759,541</b>	<b>\$ 29,000,000.00</b>	<b>\$ 144,502,618</b>	<b>100%</b>	<b>0%</b>	<b>4.06%</b>	<b>\$ 5,859,771</b>
<b>Total (W/ Margin Loan)</b>			<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>\$ 124,759,541</b>	<b>\$ 29,000,000.00</b>	<b>\$ 124,759,541</b>	<b>106%</b>	<b>0%</b>	<b>4.70%</b>	<b>\$ 5,859,771</b>



## **ASSET ALLOCATION STUDY MONTE CARLO ANALYSIS**

Prepared for:

**Marianas Public Land Trust General Fund**

Prepared by:

Asia Pacific Group of Raymond James

January 2026

The results of this asset allocation study are intended for the sole use of the client herein named and not to be distributed to any other party.

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**RAYMOND JAMES**

# Efficient Frontier – Asset Allocation

12/11/2025

Efficient Frontier

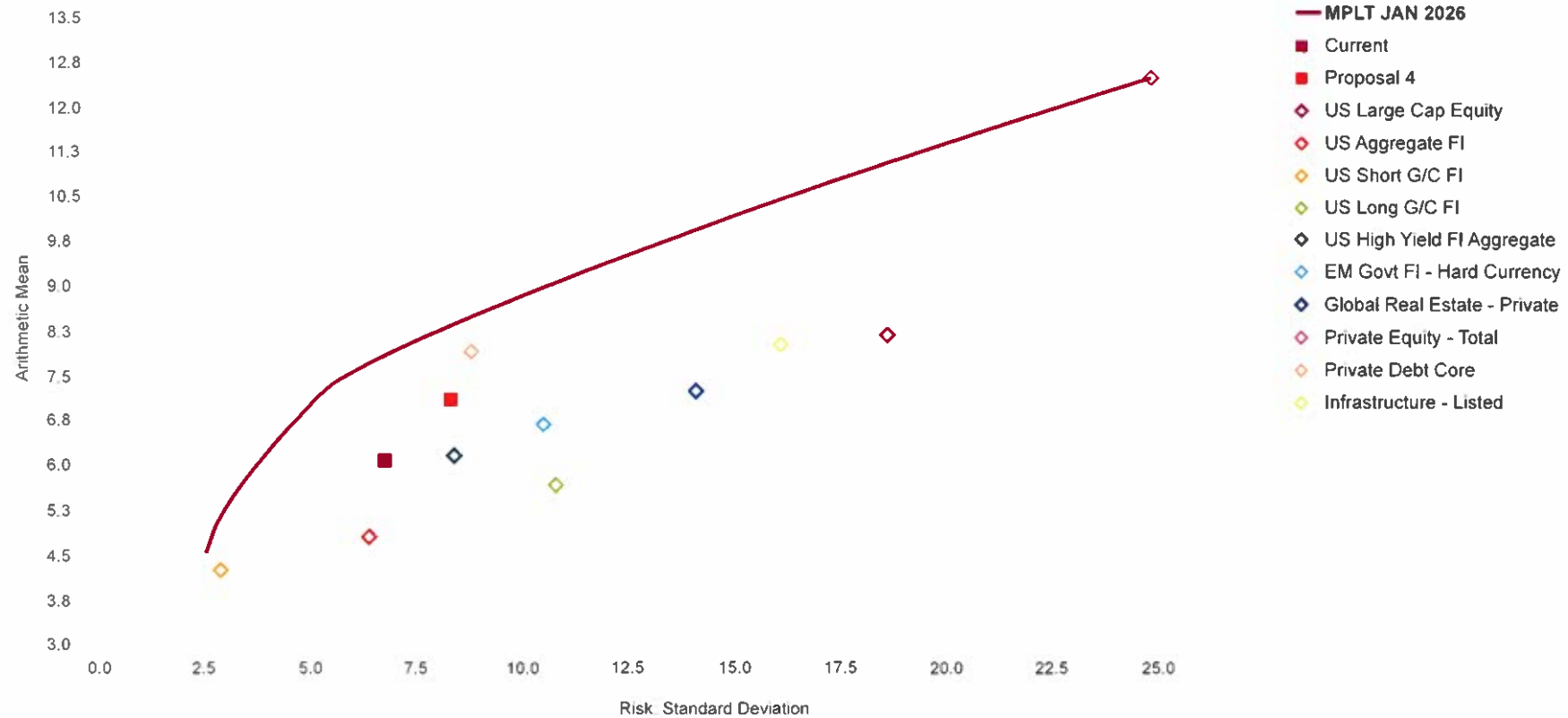


Chart is for illustrative purposes only and is not representative of the future performance of any particular portfolio or security. Please see asset class descriptions beginning on page 10. Arithmetic inputs are utilized in the optimizer to calculate the Efficient Frontier and Geometric assumptions are calculated in the simulations. For explanations and additional information regarding Arithmetic Mean, Geometric Mean, Standard Deviation, Sharpe Ratio, and Asset Classes see important disclosures beginning on page 8.

Capital Market Assumptions (CMAs) are forward looking data and subject to change at any time. There is no assurance that the projections will be realized. Variations to capital market assumptions are expected and specific sectors or industries are more susceptible due to their increased vulnerability to any single economic, political or regulatory development. Please see important information regarding CMAs beginning on page 6.

The Efficient Frontier: Generally, investors seek to receive a higher return for assuming additional levels of risk. With the addition of asset classes that do not move in lock step (meaning correlation is less than one), the risk/return relationship changes to a theoretical "Efficient Frontier" – a curve along which returns would be maximized at each level of risk. The Efficient Frontier illustration used herein does not take into account fees, state or federal income taxes or specific securities.

# Asset Allocation – Structure & Inputs

As of July 2025

## Asset Class Statistics

	Geometric Mean	Standard Deviation
US Large Cap Equity	6.45	18.60
US Aggregate FI	4.61	6.40
US Short G/C FI	4.23	2.90
US Long G/C FI	5.08	10.80
US High Yield FI Aggregate	5.81	8.40
EM Govt FI - Hard Currency	6.13	10.50
Global Real Estate - Private	6.25	14.10
Private Equity - Total	9.53	24.80
Private Debt Core	7.54	8.80
Infrastructure - Listed	6.74	16.10

## Asset Class Correlation Matrix

Asset Class	1	2	3	4	5	6	7	8	9	10
1 US Large Cap Equity	1.00									
2 US Aggregate FI	0.56	1.00								
3 US Short G/C FI	0.34	0.21	1.00							
4 US Long G/C FI	0.51	0.88	0.37	1.00						
5 US High Yield FI Aggregate	0.31	0.85	-0.18	0.75	1.00					
6 EM Govt FI - Hard Currency	0.43	0.88	-0.20	0.64	0.90	1.00				
7 Global Real Estate - Private	0.46	0.18	0.80	0.33	-0.16	-0.14	1.00			
8 Private Equity - Total	0.47	0.20	0.81	0.35	-0.13	-0.13	0.99	1.00		
9 Private Debt Core	0.22	-0.05	0.64	0.10	-0.29	-0.30	0.83	0.81	1.00	
10 Infrastructure - Listed	0.41	0.30	0.79	0.43	-0.03	-0.02	0.97	0.95	0.81	1.00

All investing involves risk. Asset allocation and diversification do not ensure a profit or protect against a loss.

**Information presented is for illustrative purposes only and is not representative of the future performance of any particular portfolio or security. Diversification does not ensure a profit or protect against a loss. Arithmetic inputs are utilized in the optimizer to calculate the Efficient Frontier and Geometric assumptions are calculated in the simulations. For explanations and additional information regarding Arithmetic Mean, Geometric Mean, Standard Deviation, Sharpe Ratio, and asset classes see important disclosures beginning on page 8.**

Capital Market Assumptions (CMAs) are forward looking data and subject to change at any time. There is no assurance that the projections will be realized. Variations to capital market assumptions are expected and specific sectors or industries are more susceptible due to their increased vulnerability to any single economic, political or regulatory development. Please see important information regarding CMAs beginning on page 6.

# Asset Allocation – Structure & Inputs

Asset ID: P229



- ◆ US Large Cap Equity
- ◆ US Aggregate FI
- ◆ US Short G/C FI
- ◆ US Long G/C FI
- ◆ US High Yield FI Aggregate
- ◆ EM Govt FI - Hard Currency
- ◆ Global Real Estate - Private
- ◆ Private Equity - Total
- ◆ Private Debt Core
- ◆ Infrastructure - Listed

Asset Class	Current Allocation %	Proposal 4 Allocation %
US Large Cap Equity	7.0%	13.0%
US Aggregate FI	14.0%	10.0%
US Short G/C FI	16.0%	2.0%
US Long G/C FI	28.5%	28.5%
US High Yield FI Aggregate	17.5%	5.5%
EM Govt FI - Hard Currency	0.0%	5.0%
Global Real Estate - Private	3.0%	3.0%
Private Equity - Total	3.0%	8.0%
Private Debt Core	11.0%	25.0%
Infrastructure - Listed	0.0%	0.0%
<b>Total Portfolio</b>	<b>100.0%</b>	<b>100.0%</b>

	Current	Proposal 4
Geometric Mean	5.86	6.78
Standard Deviation	6.77	8.31
Sharpe Ratio	0.90	0.86

**IMPORTANT:** The projections or other information generated by Morningstar's Direct Asset Allocation software regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Each scenario is randomly generated and as a result, the software's results will vary with each use and over time as markets change. Asset classes listed above are not available for direct investment and projected returns do not reflect either management fees or costs.

For a complete description of the Monte Carlo analysis provided above please see important definitions and disclosures beginning on page 8.

## Simulation Models – Return Analysis

The simulated Return Percentiles table displays the range of return possibilities (broken down by percentiles) of possible future annualized returns for the selected allocation mixes resulting from the Monte Carlo simulation.

As of July 2025

Return Percentiles

	95th	Percentile 50th	5th
<b>Current</b>			
5 Year	11.09%	5.96%	0.90%
10 Year	9.55%	5.93%	2.30%
20 Year	8.53%	5.91%	3.59%
<b>Proposal 4</b>			
5 Year	13.23%	6.89%	0.81%
10 Year	11.44%	6.80%	2.62%
20 Year	10.19%	6.80%	3.89%

**IMPORTANT:** The projections or other information generated by Morningstar's Direct Asset Allocation software regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Each scenario is randomly generated and as a result, the software's results will vary with each use and over time as markets change. Asset classes listed above are not available for direct investment and projected returns do not reflect either management fees or costs.

For a complete description of the Monte Carlo analysis provided above please see important definitions and disclosures beginning on page 8.



## IMPORTANT DISCLOSURES AND DEFINITIONS

The information provided in this report should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that any security transactions, holdings, or sectors discussed were or will be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance discussed herein.

Past performance is not a guarantee of future results. Indices are not available for direct investment. Any investor who attempts to mimic the performance of an index would incur fees and expenses which would reduce returns. All investing involves risk. Diversification and asset allocation do not ensure a profit or protect against a loss.

### Capital Market Assumptions:

Capital Market Assumptions are forward looking data and are subject to change at any time and there is no assurance that the projections mentioned herein will be realized. Variations to capital market assumptions are expected and specific sectors or industries are more susceptible due to their increased vulnerability to any single economic, political or regulatory development.

Proposal Generation was developed by Raymond James in part using Mercer's Capital Markets Assumptions ("CMA") as a factor and includes such CMA in the report.

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### Mercer's CMA Methodology

The CMA provided to Raymond James has been developed by Mercer Investments LLC ("Mercer Investments"). Assumptions, views, and opinions are as of the date that the CMA was provided to Raymond James and are subject to change.

Actual performance may be lower or higher than the performance data quoted. Actual statistics may be lower or higher than the statistics quoted.

The expectations for the modelled portfolio are a compilation of return, volatility, and correlation expectations of the underlying asset classes. Portfolio expectations are forward looking and reflective of Mercer Investments' CMA, as defined by asset class and incorporation return, standard deviation, and correlations. Mercer Investments' process for asset class expected returns begins with developing an estimate of the long term normal level of economic growth and inflation. From these two key assumptions, Mercer Investments develops an estimate for corporate earnings growth and equilibrium interest rates. Mercer Investments also develops equilibrium levels for P/E ratios, credit spreads, and other market indicators. When developing its 20-year return assumptions, Mercer Investments incorporates current conditions and assumes a reversion to equilibrium levels. When developing volatility and correlation assumptions Mercer Investments reviews historical relationships and then adjusts based on expected forward looking conditions. The expected return on traditional assets generally reflects returns for a passive strategy, while alternative asset classes incorporate an assumption for alpha.

The views expressed are provided for discussion purposes and do not provide any assurance or guarantee of future returns.

# IMPORTANT DISCLOSURES AND DEFINITIONS

2024-2025

See page 3 for asset mixes for the below chart.

## Asset Mix Statistics

	Current	Proposal 4
Arithmetic Mean	6.10	7.13

## Asset Class Statistics

	Arithmetic Mean
US Large Cap Equity	8.20
US Aggregate FI	4.82
US Short G/C FI	4.27
US Long G/C FI	5.68
US High Yield FI Aggregate	6.17
EM Govt FI - Hard Currency	6.70
Global Real Estate - Private	7.27
Private Equity - Total	12.49
Private Debt Core	7.93
Infrastructure - Listed	8.05

## IMPORTANT DISCLOSURES AND DEFINITIONS

### Monte Carlo Simulations:

**IMPORTANT:** The projections or other information generated by Morningstar's Direct Asset Allocation software regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Each scenario is randomly generated and as a result, the software's results will vary with each use and over time as markets change.

The Change of a particular portfolio ending value was projected using Monte Carlo simulation. It attempts to show the probability that a particular return can be achieved after a particular number of years. Probabilities are calculated by projecting simulated returns into the future for many iterations and determining the percentage of time the iterations result in a value that is above or below a specific threshold. Standard deviation is a measure of central tendency, that is, the spread of the difference of returns from their average. Return percentages referenced are average annual returns. We do not adjust for any state or federal income taxes or fees.

Results are based on the simulated performance of the major market indices that represent the asset classes in the target allocations. Return and standard deviation assumptions utilized to simulate various market scenarios are based upon forward-looking capital market assumptions provided by an outside institution. Numerous asset classes are utilized in developing risk and return assumptions for diversified portfolios. Utilizing this data, 500 – 5,000 Monte Carlo simulations of investment scenarios are generated in an effort to determine the probability of achieving certain returns, the default is 2,000 simulations.

Limitations of this analysis include, but are not restricted to, the possibility that market extremes may occur more frequently than projected, that return assumptions for asset classes may not reflect actual investment returns of the asset classes and that inflation is assumed to be constant when it is unlikely it will be so over the simulated periods.

While the Morningstar Direct Asset Allocation system runs many simulations in an effort to develop statistically reliable data, it cannot foresee or account for all possible situations that could negatively impact an investor's financial situation. The "5th Percentile (Worst)" Annual Average Returns is represented as the simulations showing the simulations in that percentile yielding the worst returns. While we believe that this is a suitable level for planning purposes, there is no guarantee that a portfolio will not perform worse than the simulations in the 5th percentile. Therefore, this performance should only be used in conjunction with the sound judgment of a financial advisor. Due to the ever-changing nature of investment and retirement objectives, it is critical that an advisor revisit an investor's retirement investment and income plans at least once a year and more frequently if possible.

For the purposes of this report the software does not analyze any specific mutual funds or other securities, nor does it favor any particular asset classes other than those previously stated. There may be investments with characteristics similar or superior to those being analyzed by the software.

### Definitions:

**Efficient Frontier** – Generally, investors seek to receive a higher return for assuming additional levels of risk. With the addition of asset classes that do not move in lock step (meaning correlation is less than one), the risk/return relationship changes to a theoretical "Efficient Frontier" – a curve along which returns would be maximized at each level of risk. The Efficient Frontier illustration used herein does not take into account fees, state or federal income taxes or specific securities. Various indices represent asset classes and it is important to note that any investor who attempts to mimic the performance of an index would incur fees and expenses which would reduce returns.

**Correlation** – The relationship between two variables during a period of time. For example, all utility stocks tend to have a high degree of correlation because their share prices are influenced by the same forces. Conversely, gold stock price movements are not closely correlated with utility stock price movements because they are influenced by different factors.

**Arithmetic Mean** – The arithmetic mean return is the measure of reward in conventional mean-variance optimization (MVO). The conventional MVO is a single-period model in which the expected arithmetic mean return is a forecast of return over the next period of investment.

**Geometric Mean** – The return measures how fast wealth accumulates. It is a more familiar statistic than arithmetic mean return because it is a more standard measure of performance. By selecting this reward measure, the user is taking a multi-period viewpoint, in contrast to the conventional MVO which is a single-period model concerned with maximizing expected return just for the next period. In other words, the geometric mean is a more relevant measure of performance for an investor who is investing for a long time and will be rebalancing their portfolio back to the same asset allocation every period. Optimizing on expected geometric mean return rather than expected arithmetic mean return can lead to meaningful differences in the efficient asset mixes, especially at the riskier end of the efficient frontier. The geometric mean is the same as the arithmetic mean when returns are constant. When returns vary it is always below the arithmetic mean.

## IMPORTANT DISCLOSURES AND DEFINITIONS

**Standard Deviation** – A measure of volatility, commonly viewed as risk. Regarding quarterly returns, it is the square root of the variance, which equals the expected value of the squared deviation from the mean value.

**Sharpe Ratio** – A risk statistic that measure the excess return per unit of Total Risk taken in a portfolio. The excess return is the total excess return without adjustment for risk. The ratio is equal to the excess return divided by the Standard Deviation of a portfolio.

**CVaR** – Conditional value at risk is the average loss in adverse times. Set what is considered to be adverse times by specifying what percentage of the outcomes to look at. This is the CVAR cutoff %. The cutoff is set to 5%, getting the average loss in the worst 5% of outcomes. This means that an undesirable outcome occurs 1 out of 20 times.

**Value at Risk (VaR)** – VaR is a single point estimate of risk. A 5% VaR expresses the return expected in the 5th percentile. CVaR 5% gives the average return expected if in the 5th percentile or lower. Two asset classes with the same VaR could have very different CVaR. Because VaR is only a single point estimate it can be misleading when used as a measure of risk. For this reason and due to some favorable mathematical properties CVaR is a better measure of downside risk for optimization.

**Skewness** – Skewness reflects the degree of asymmetry of a distribution. If the distribution has a longer left tail, the function has negative skewness. Otherwise, it has positive skewness. A normal distribution is symmetric with skewness 0. In lognormal case, the curve has a long right tail so the skewness is positive.

**Excess Kurtosis** – Kurtosis is a property of a model that controls the ratio of occurrences in the model that occur around the peak of the distribution and in the tails versus those that are just below and above the peak of the distribution. A normally distributed set of returns naturally has a kurtosis of 3. If an asset class has a kurtosis of 4, it has an excess kurtosis of 1. If an asset class has a kurtosis of 2.5, it has an excess kurtosis of -0.5. Excess kurtosis means more peakedness; relative to a normal distribution, a highly kurtotic distribution has a taller head, fatter tails, and smaller shoulders, so more small moves, more extreme events, and fewer moderate moves.

### Risks:

- Fixed-income securities (or "bonds") are exposed to various risks including but not limited to credit (risk of default or principal and interest payments), market and liquidity, interest rate, reinvestment, legislative (changes to the tax code), and call risks.
- There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise. Short-term bonds with maturities of three years or less will generally have lower yields than long term bonds which are more susceptible to interest rate risk.
- International investing involves special risks, including currency fluctuations, different financial accounting standards, and possible political and economic volatility.
- Investing in emerging markets can be riskier than investing in well-established foreign markets. Emerging and developing markets may be less liquid and more volatile because they tend to reflect economic structures that are generally less diverse and mature and political systems that may be less stable than those in more developed countries.
- Investing in small-cap stocks generally involves greater risks, and therefore, may not be appropriate for every investor. Stocks of smaller or newer or mid-sized companies may be more likely to realize more substantial growth as well as suffer more significant losses than larger or more established issuers.
- Commodities trading is generally considered speculative because of the significant potential for investment loss. Among the factors that could affect the value of the fund's investments in commodities are cyclical economic conditions, sudden political events, changes in sectors affecting a particular industry or commodity, and adverse international monetary policies. Markets for precious metals and other commodities are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.
- Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks to real estate investments.
- Some accounts may invest in Master Limited Partnership ("MLP") units, which may result in unique tax treatment. MLPs may not be appropriate for ERISA or IRA accounts, and cause K-1 tax treatment. Please consult your tax adviser for additional information regarding the tax implications associated with MLP investments.

## IMPORTANT DISCLOSURES AND DEFINITIONS

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- Alternative investments are generally considered speculative in nature and may involve a high degree of risk, particularly if concentrating investments in one or few alternative investments. These risks are potentially greater and substantially different than those associated with traditional equity or fixed income investments. The investment strategies used by certain Funds may require a substantial use of leverage. The investment strategies employed and associated risks are more fully disclosed in each Fund's prospectus, which is available from your financial advisor.
- Changes in the value of a hedging instrument may not match those of the investment being hedged.
- These portfolios may be subject to international, small-cap and sector-focus exposures as well. Accounts may have over weighted sector and issuer positions, and may result in greater volatility and risk
- Companies in the technology industry are subject to fierce competition, and their products and services may be subject to rapid obsolescence.
- Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks to real estate investments. In a rising interest rate environment REITs (real estate investment trusts) may experience an increase in rent rates or mortgage rates or may experience higher acquisition costs.

### Asset Class Descriptions

U.S. All Cap Equity - U.S. equity securities with no capitalization constraints.

U.S. Large Cap Equity - U.S. equity securities with a market capitalization of more than \$10 Billion.

U.S. Mid Cap Equity - U.S. equity securities with a market capitalization of approximately \$2 Billion to \$10 Billion.

U.S. Small/Mid Cap Equity (Smid) - U.S. equity securities with a market capitalization of approximately \$300 Million to \$10 Billion.

U.S. Small Cap Equity - U.S. equity securities with a market capitalization of approximately \$300 Million to \$2 Billion.

Non-U.S. Developed All Cap Equity Unhedged - Non-U.S. equity securities of developed countries with any market capitalization not protected against loss by balancing or compensating contracts or transactions.

Non-U.S. Developed Large Cap Equity Unhedged - Non-U.S. equity securities of developed countries with a market capitalization of more than \$10 Billion not protected against loss by balancing or compensating contracts or transactions.

Non-U.S. Developed Small Cap Equity Unhedged - Non-U.S. equity securities with a market capitalization of approximately \$300 Million to \$2 Billion not protected against loss by balancing or compensating contracts or transactions.

Emerging Markets Equity Unhedged - Non-U.S. equity securities of developing countries not protected against loss by balancing or compensating contracts or transactions.

AC World ex-U.S. All Cap Equity Unhedged - Non-U.S. equity securities with no capitalization constraints not protected against loss by balancing or compensating contracts or transactions.

Global AC All Cap Equity Unhedged - U.S. and Non-U.S. equity securities with no capitalization constraints not protected against loss by balancing or compensating contracts or transactions.

U.S. Intermediate Government FI - Intermediate-term fixed income are bonds that include government U.S. fixed-income issues and typically have maturity dates that are between two and 10 years.

U.S. Inflation Indexed FI - An inflation-indexed security is a security that has a return higher than the rate of inflation if it is held to maturity. Inflation-indexed securities link their capital appreciation, or coupon payments, to inflation rates.

# IMPORTANT DISCLOSURES AND DEFINITIONS

## Asset Class Descriptions Continued:

**U.S. Intermediate Inflation Indexed FI** - An inflation-indexed security is a security that has a return higher than the rate of inflation if it is held to maturity. Typically with maturity dates between 2 and 10 years, inflation-indexed securities link their capital appreciation, or coupon payments, to inflation rates.

**U.S. Long Inflation Indexed FI** - An inflation-indexed security is a security that has a return higher than the rate of inflation if it is held to maturity. Typically with maturity dates longer than 10 years, inflation-indexed securities link their capital appreciation, or coupon payments, to inflation rates.

**U.S. Municipal FI Tax Exempt**- Municipal bonds are debt securities issued by states, cities, counties and other governmental entities to fund day-to-day obligations and to finance capital projects such as building schools, highways or sewer systems. Generally, the interest on municipal bonds is exempt from federal income tax. The interest may also be exempt from state and local taxes if the investor resides in the state where the bond is issued.

**U.S. Credit FI - U.S. fixed income securities** that include corporate investment-grade fixed income and have at least one year to maturity.

**U.S. Intermediate Credit FI** - Intermediate-term fixed income are bonds that include corporate U.S. fixed-income issues and typically have maturity dates that are between two and 10 years.

**U.S. Govt/Credit FI** - U.S. fixed income securities that include government, corporate and other investment-grade fixed income and have at least one year to maturity.

**U.S. Aggregate FI** - U.S. fixed income securities that include government, corporate and other investment-grade fixed income and have at least one year to maturity.

**U.S. Short G/C FI** - Short-term fixed income are bonds that include government, corporate U.S. fixed-income issues and typically have durations of 1.0 to 3.5 years.

**U.S. Intermediate G/C FI** - Intermediate-term fixed income are bonds that include government, corporate U.S. fixed-income issues and typically have maturity dates that are between two and 10 years.

**U.S. Long G/C FI** - Long-term fixed income are bonds that include government, corporate U.S. fixed-income issues and typically have maturity dates that greater than 10 years.

**U.S. CMBS FI (Mortgage-backed Securities)** - Mortgage-backed securities are bonds secured by home and other real estate loans. These securities are created when a number of these loans, usually with similar characteristics, are pooled together.

**U.S. High Yield FI Aggregate** - High-yield bonds are bonds that pay higher interest rates because they have lower credit ratings than investment-grade bonds.

**US Senior/Leveraged Loans** - A Senior leveraged loan is a type of loan that is extended to companies that already have considerable amounts of debt or lower credit history, with a senior claim to the company's cash flows, usually collateralized by assets.

**Multi-Asset Credit** - Multi-asset credit (MAC) is a diversified investment discipline that aims to capture global credit risk premiums by investing in a range of geographies, asset classes and credit instruments.

**Core Plus Fixed Income** - Core plus funds are typically associated with core fixed income, adding alternative investments such as high-yield, global, and emerging market debt to a core portfolio of investment-grade bonds.

**Unconstrained Fixed Income** - Unconstrained Fixed Income focuses on performance over time, rather than on short-term gains. With no adherence to specific bond ratings, currencies, or sectors.

**U.S. Cash** - U.S. Cash includes cash and cash equivalent securities of high quality and liquidity including money market instruments, certificates of deposit, T-bills and other cash instruments.

**Non-U.S. Govt FI Unhedged** - Non-U.S. fixed income securities issued by foreign governments that are typically investment grade not protected against loss by balancing or compensating contracts or transactio...

## IMPORTANT DISCLOSURES AND DEFINITIONS

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### Asset Class Descriptions Continued:

Non-U.S. Broad FI Unhedged - Non-U.S. fixed income securities issued by foreign governments and corporations that are typically investment grade not protected against loss by balancing or compensating contracts or transactions.

EM Govt FI - Hard Currency - Non-U.S. fixed income are debt instruments issued by developing countries with currencies issued by nations seen as politically and economically stable.

EM Govt FI - Local Currency - Non-U.S. fixed income are debt instruments issued by developing countries in local currencies.

Global Broad FI Unhedged - U.S. and Non-U.S. fixed income securities issued by governments and corporations that are typically investment grade not protected against loss by balancing or compensating contracts or transactions.

Convertibles - Securities can be converted into a predetermined amount of the company's equity at certain times, usually at the discretion of the holder. A convertible security has a value-added component built into it; it is essentially a security with a stock option hidden inside.

U.S. Real Estate – Core - Investment in real estate and real estate securities, typically involving stable properties that generate income.

U.S. Real Estate - REITS - A U.S. real estate investment trust (REIT) is a company that owns, operates, or finances income-generating real estate in U.S. markets.

Non-U.S. Real Estate - Private - Foreign Non-Publicly traded real estate investments designed to reduce tax while providing returns on real estate. Does not trade on an exchange so may be illiquid for long periods of time.

Non-U.S. Real Estate - REITS - A Foreign real estate investment trust (REIT) is a company that owns, operates, or finances income-generating real estate in Foreign markets.

Global Real Estate - Private - A Global Non-Publicly traded real estate investments designed to reduce tax while providing returns on real estate. Does not trade on an exchange so may be illiquid for long periods of time.

Global Real Estate – REITS - A Global real estate investment trust (REIT) is a company that owns, operates, or finances income-generating real estate in U.S. and Non-U.S. markets.

Farmland & Timberland - Investment that include lands managed for timber and other pooled timber securities.

Private Equity – Total - These strategies are intended to capture returns in the equity arena from companies that are not yet public. Leveraged buyouts, venture capital, growth capital, distressed investments, mezzanine capital, merger and acquisition and secondary strategies are acceptable strategies. Illiquid and volatile investments are to be expected due to the nature of the strategies.

Private Equity - Venture Cap - Investments in the early stage development of start-up businesses perceived to have excellent growth prospects, but not necessarily access to capital markets

Private Debt Core - Private debt includes any debt held by or extended to privately held companies. It most commonly involves non-bank institutions making loans to private companies or buying those loans on the secondary market.

Private Debt – Opportunistic - Opportunistic private debt involves lending strategies that seek higher yields by investing in complex or less liquid credit opportunities. These may include distressed debt, special situations, or niche lending markets. Investments are typically made in non-investment-grade borrowers and may involve higher risk and return potential compared to core private debt strategies.

Infrastructure – Listed - Listed infrastructure consists of publicly traded companies that own or operate essential infrastructure assets such as utilities, transportation networks, or communications systems. These securities provide investors with access to infrastructure investment characteristics—such as stable cash flows and inflation sensitivity—while offering daily liquidity through public markets.

# IMPORTANT DISCLOSURES AND DEFINITIONS

## Asset Class Descriptions Continued:

Infrastructure – Core - Core infrastructure refers to private, long-duration investments in essential services and physical assets that are typically regulated or contracted, such as roads, bridges, water systems, and energy utilities. These investments aim to deliver stable, inflation-linked cash flows with low correlation to traditional asset classes and are often considered low-to-moderate risk within the infrastructure spectrum.

MLPs - Master Limited Partnerships are publicly traded partnerships primarily involved in the energy sector, such as oil and gas transportation, storage, and processing. MLPs offer tax-advantaged income and attractive yields due to their pass-through structure, which requires them to distribute most of their earnings to investors. However, they can be sensitive to energy prices and regulatory changes.

Defensive Hedge Funds - Defensive hedge funds focus on capital preservation and risk mitigation during periods of market stress. These strategies often use low net equity exposure, market-neutral positioning, or protective hedging techniques. Common sub-strategies include equity market neutral, global macro, and volatility arbitrage, aiming to generate positive returns with low correlation to traditional markets.

Diversified Hedge Funds - Limited partnerships of investors with unique risk/return characteristics often with lower correlations to traditional equity investment classes. Categories include market neutral, risk/merger arbitrage, macro, long/short, distressed securities, futures, real estate investment trusts, multi-strategy, non-U.S. markets, and fund of funds. They also use a much wider range of investment techniques, such as leverage, short selling and derivatives to achieve their objectives.

Commodities - Long Only - This asset class is included within the alternatives category as it historically has had a very low correlation to traditional asset classes while providing a positive correlation to inflation. Strategies include investments in agricultural goods, metals, minerals, energy products and foreign currencies.

Natural Resources- Listed - Investment and securities of materials or substances such as minerals, forests, water, and fertile land that occur in nature and can be used for economic gain.

Gold - Investment in gold and gold securities.

# Proposal #5

# Marianas Public Land Trust General Fund

## Current Allocation as January 7, 2026

Investment Manager	Investment Style	Actual Allocation	IPS Asset Allocation	Proposed Rebalance	Market Value (\$)	Change (\$)	New Value (\$)	New Allocation	Change (%)	Expected Current Yield (%)	Expected Current Yield Return (\$)	
U.S. Equity (13%)	Atalanta Sosnoff Capital	Large Core	3.2%	3.00%	5.00%	\$ 3,988,017	\$ 2,000,000.00	\$ 5,988,017	4.14%	2.0%	0.73%	\$ 43,713
	Hamlin Capital Advisors	Large Value	3.3%	4.00%	8.00%	\$ 4,101,567	\$ 3,847,398.00	\$ 7,948,965	5.50%	4.0%	3.05%	\$ 242,443
BOT (20%)	MPLT	Tinian Shipping	0.8%	1.00%	1.00%	\$ 1,050,110	\$ -	\$ 1,050,110	0.73%	0.0%	0.00%	\$ -
	MPLT	CNMI Gov't Loan	0.0%	6.50%	15.00%	\$ -	\$ 29,000,000.00	\$ 29,000,000	20.07%	8.5%	0.00%	\$ -
	MPLT	NMHC	2.4%	3.00%	2.00%	\$ 2,934,123	\$ -	\$ 2,934,123	2.03%	-1.0%	0.00%	\$ -
	MPLT	CNMI LOC	3.4%	9.50%	2.00%	\$ 4,224,377	\$ (1,224,377.00)	\$ 3,000,000	2.08%	-7.5%	3.25%	\$ 97,500
Fixed Income (44%)	Hold to Maturity	Core	28.6%	28.50%	28.50%	\$ 35,644,327	\$ -	\$ 35,644,327	24.67%	0.0%	4.81%	\$ 1,714,492
	Barrow Hanley	Core	11.8%	8.00%	8.00%	\$ 14,716,804	\$ (4,716,000.00)	\$ 10,000,804	6.92%	0.0%	4.50%	\$ 450,036
	Garcia Hamilton and Associates	Intermediate Core	6.1%	6.00%	0.00%	\$ 7,623,021	\$ (7,623,021.00)	\$ -	0.00%	-6.0%	3.20%	\$ -
	Pacific Income	High Yield	17.7%	17.50%	5.50%	\$ 22,107,142	\$ (10,000,000.00)	\$ 12,107,142	8.38%	-12.0%	8.30%	\$ 1,004,893
Alternatives (23%)	TBD	Emerging Debt	0.0%	0.00%	5.00%	\$ -	\$ 6,000,000.00	\$ 6,000,000	4.15%	5.0%	5.80%	\$ 348,000
	TBD	Private Equity	0.0%	0.00%	5.00%	\$ -	\$ 7,000,000.00	\$ 7,000,000	4.84%	5.0%	0.00%	\$ -
	TBD	Private Infrastructure	0.0%	0.00%	2.00%	\$ -	\$ 4,716,000.00	\$ 4,716,000	3.26%	2.0%	5.00%	\$ 235,800
	Blackstone	BTAS VI	2.5%	1.50%	1.50%	\$ 3,112,173	\$ -	\$ 3,112,173	2.15%	0.0%	0.00%	\$ -
	Blackstone	BTAS VIII	4.0%	1.50%	1.50%	\$ 5,004,893	\$ -	\$ 5,004,893	3.46%	0.0%	0.00%	\$ -
	Blackstone	Private Real Estate	3.4%	3.00%	3.00%	\$ 4,200,793	\$ -	\$ 4,200,793	2.91%	0.0%	4.70%	\$ 197,437
	Blackstone	Private Credit	5.4%	3.50%	3.50%	\$ 6,795,271	\$ -	\$ 6,795,271	4.70%	0.0%	9.65%	\$ 655,744
	Blue Owl	Private Credit	7.4%	3.50%	3.50%	\$ 9,256,923	\$ -	\$ 9,256,923	6.41%	0.0%	9.65%	\$ 893,293
<b>Total</b>			100%	100%	100%	\$ 124,759,541	\$ 29,000,000.00	\$ 144,502,618	100%	0%	4.07%	\$ 5,883,351
<b>Total (W/ Margin Loan)</b>			100%	100%	100%	\$ 124,759,541	\$ 29,000,000.00	\$ 124,759,541	106%	0%	4.72%	\$ 5,883,351

# Proposal #6

# Marianas Public Land Trust General Fund

## Current Allocation as January 7, 2026

Investment Manager	Investment Style	Actual Allocation	IPS Asset Allocation	Proposed Rebalance	Market Value (\$)	Change (\$)	New Value (\$)	New Allocation	Change (%)	Expected Current Yield (%)	Expected Current Yield Return (\$)	
U.S. Equity (13%)	Atalanta Sosnoff Capital	Large Core	3.2%	3.00%	3.00%	\$ 3,988,017		\$ 3,988,017	2.76%	0.0%	0.73%	\$ 29,113
	Hamlin Capital Advisors	Large Value	3.3%	4.00%	7.00%	\$ 4,101,567	\$ 3,847,398.00	\$ 7,948,965	5.50%	3.0%	3.05%	\$ 242,443
	TBD	Global Equity Yield	0.0%	0.00%	3.00%	\$ -	\$ 2,000,000.00	\$ 2,000,000	1.38%	3.0%	3.00%	\$ 60,000
BOT (20%)	MPLT	Tinian Shipping	0.8%	1.00%	1.00%	\$ 1,050,110	\$ -	\$ 1,050,110	0.73%	0.0%	0.00%	\$ -
	MPLT	CNMI Gov't Loan	0.0%	6.50%	15.00%	\$ -	\$ 29,000,000.00	\$ 29,000,000	20.07%	8.5%	0.00%	\$ -
	MPLT	NMHC	2.4%	3.00%	2.00%	\$ 2,934,123	\$ -	\$ 2,934,123	2.03%	-1.0%	0.00%	\$ -
	MPLT	CNMI LOC	3.4%	9.50%	2.00%	\$ 4,224,377	\$ (1,224,377.00)	\$ 3,000,000	2.08%	-7.5%	3.25%	\$ 97,500
Fixed Income (44%)	Hold to Maturity	Core	28.6%	28.50%	28.50%	\$ 35,644,327	\$ -	\$ 35,644,327	24.67%	0.0%	4.81%	\$ 1,714,492
	Barrow Hanley	Core	11.8%	8.00%	8.00%	\$ 14,716,804	\$ (4,716,000.00)	\$ 10,000,804	6.92%	0.0%	4.50%	\$ 450,036
	Garcia Hamilton and Associates	Intermediate Core	6.1%	6.00%	0.00%	\$ 7,623,021	\$ (7,623,021.00)	\$ -	0.00%	-6.0%	3.20%	\$ -
	Pacific Income	High Yield	17.7%	17.50%	5.50%	\$ 22,107,142	\$ (10,000,000.00)	\$ 12,107,142	8.38%	-12.0%	8.30%	\$ 1,004,893
Alternatives (23%)	TBD	Emerging Debt	0.0%	0.00%	5.00%	\$ -	\$ 6,000,000.00	\$ 6,000,000	4.15%	5.0%	5.80%	\$ 348,000
	TBD	Private Equity	0.0%	0.00%	5.00%	\$ -	\$ 7,000,000.00	\$ 7,000,000	4.84%	5.0%	0.00%	\$ -
	TBD	Private Infrastructure	0.0%	0.00%	2.00%	\$ -	\$ 4,716,000.00	\$ 4,716,000	3.26%	2.0%	5.00%	\$ 235,800
	Blackstone	BTAS VI	2.5%	1.50%	1.50%	\$ 3,112,173	\$ -	\$ 3,112,173	2.15%	0.0%	0.00%	\$ -
	Blackstone	BTAS VIII	4.0%	1.50%	1.50%	\$ 5,004,893	\$ -	\$ 5,004,893	3.46%	0.0%	0.00%	\$ -
	Blackstone	Private Real Estate	3.4%	3.00%	3.00%	\$ 4,200,793	\$ -	\$ 4,200,793	2.91%	0.0%	4.70%	\$ 197,437
	TBD	Income ETF (BIZD)	0.0%	0.00%	3.50%	\$ -	\$ 6,795,271.00	\$ 6,795,271	4.70%	3.5%	8.52%	\$ 578,957
	Blackstone	Private Credit	5.4%	3.50%	0.00%	\$ 6,795,271	\$ (6,795,271.00)	\$ -	0.00%	-3.5%	9.65%	\$ -
Blue Owl	Private Credit	7.4%	3.50%	3.50%	\$ 9,256,923	\$ -	\$ 9,256,923	6.41%	0.0%	9.65%	\$ 893,293	
<b>Total</b>			100%	100%	100%	\$ 124,759,541	\$ 29,000,000.00	\$ 144,502,618	100%	0%	4.05%	\$ 5,851,964
<b>Total (W/ Margin Loan)</b>			100%	100%	100%	\$ 124,759,541	\$ 29,000,000.00	\$ 124,759,541	106%	0%	4.69%	\$ 5,851,964

The information on this report is provided for your convenience, but should not be used as a substitute for the account's monthly statements or trade confirmations. The prices and valuations provided in this report have been obtained from sources deemed to be reliable, and every attempt has been made to make it as possible. Nevertheless, its accuracy is not guaranteed, and independent verification of its contents is recommended.

# Proposal #7

# Marianas Public Land Trust General Fund

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## Current Allocation as January 7, 2026

Investment Manager		Investment Style	Actual Allocation	IPS Asset Allocation	Proposed Rebalance	Market Value (\$)	Change (\$)	New Value (\$)	New Allocation	Change (%)	Expected Current Yield (%)	Expected Current Yield Return (\$)
U.S. Equity (13%)	Atalanta Sosnoff Capital	Large Core	3.2%	3.00%	0.00%	\$ 3,988,017	\$ (3,988,017.00)	\$ -	0.00%	-3.0%	0.73%	\$ -
	Hamlin Capital Advisors	Large Value	3.3%	4.00%	4.00%	\$ 4,101,567		\$ 4,101,567	3.55%	0.0%	3.05%	\$ 125,098
BOT (20%)	MPLT	Tinian Shipping	0.8%	1.00%	1.00%	\$ 1,050,110	\$ -	\$ 1,050,110	0.91%	0.0%	0.00%	\$ -
	MPLT	CNMI Gov't Loan	0.0%	6.50%	15.00%	\$ -		\$ -	0.00%	8.5%	0.00%	\$ -
	MPLT	NMHC	2.4%	3.00%	2.00%	\$ 2,934,123	\$ -	\$ 2,934,123	2.54%	-1.0%	0.00%	\$ -
	MPLT	CNMI LOC	3.4%	9.50%	2.00%	\$ 4,224,377	\$ (1,224,377.00)	\$ 3,000,000	2.60%	-7.5%	3.25%	\$ 97,500
Fixed Income (44%)	Hold to Maturity	Core	28.6%	28.50%	28.50%	\$ 35,644,327	\$ -	\$ 35,644,327	30.86%	0.0%	4.81%	\$ 1,714,492
	Barrow Hanley	Core	11.8%	8.00%	10.00%	\$ 14,716,804		\$ 14,716,804	12.74%	2.0%	4.50%	\$ 662,256
	Garcia Hamilton and Associates	Intermediate Core	6.1%	6.00%	0.00%	\$ 7,623,021	\$ (7,623,021.00)	\$ -	0.00%	-6.0%	3.20%	\$ -
	Pacific Income	High Yield	17.7%	17.50%	5.50%	\$ 22,107,142	\$ (7,963,792.00)	\$ 14,143,350	12.25%	-12.0%	8.30%	\$ 1,173,898
Private Equity	TBD	Private Equity	0.0%	0.00%	22.00%	\$ -	\$ 25,000,000.00	\$ 25,000,000	21.64%	22.0%	0.00%	\$ -
	Blackstone	BTAS VI	2.5%	1.50%	1.50%	\$ 3,112,173	\$ -	\$ 3,112,173	2.69%	0.0%	0.00%	\$ -
	Blackstone	BTAS VIII	4.0%	1.50%	1.50%	\$ 5,004,893	\$ -	\$ 5,004,893	4.33%	0.0%	0.00%	\$ -
	Blackstone	Private Real Estate	3.4%	3.00%	0.00%	\$ 4,200,793	\$ (4,200,793.00)	\$ -	0.00%	-3.0%	4.70%	\$ -
	Blackstone	Private Credit	5.4%	3.50%	3.50%	\$ 6,795,271		\$ 6,795,271	5.88%	0.0%	9.65%	\$ 655,744
	Blue Owl	Private Credit	7.4%	3.50%	3.50%	\$ 9,256,923	\$ -	\$ 9,256,923	8.01%	0.0%	9.65%	\$ 893,293
<b>Total</b>			<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>\$ 124,759,541</b>	<b>\$ -</b>	<b>\$ 115,502,618</b>	<b>100%</b>	<b>0%</b>	<b>4.61%</b>	<b>\$ 5,322,281</b>
<b>Total (W/ Margin Loan)</b>			<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>\$ 124,759,541</b>	<b>\$ -</b>	<b>\$ 95,759,541</b>	<b>108%</b>	<b>0%</b>	<b>5.56%</b>	<b>\$ 5,322,281</b>

The information on this report is provided for your convenience, but should not be used as a substitute for the account's monthly statements or trade confirmations. The prices and valuations provided in this report have been obtained from sources deemed to be reliable, and every attempt has been made to make it as possible. Nevertheless, its accuracy is not guaranteed, and independent verification of its contents is recommended.

**Proposal #8**  
**Approved**

# Marianas Public Land Trust General Fund

## Proposal 8 - Allocation as January 7, 2026

Investment Manager		Investment Style	Actual Allocation	IPS Asset Allocation	Proposed Rebalance	Market Value (\$)	Change (\$)	New Value (\$)	New Allocation	Change (%)	Expected Current Yield (%)	Expected Current Yield Return (\$)
U.S. Equity (13%)	Atalanta Sosnoff Capital	Large Core	3.2%	3.00%	0.00%	\$ 3,988,017	\$ (3,988,017.00)	\$ -	0.00%	-3.0%	0.73%	\$ -
	Hamlin Capital Advisors	Large Value	3.3%	4.00%	4.00%	\$ 4,101,567	\$ (1,000,000.00)	\$ 3,101,567	2.02%	0.0%	3.05%	\$ 94,598
BOT (20%)	MPLT	Tinian Shipping	0.8%	1.00%	1.00%	\$ 1,050,110	\$ -	\$ 1,050,110	0.68%	0.0%	0.00%	\$ -
	MPLT	CNMI Gov't Loan	0.0%	6.50%	15.00%	\$ -	\$ 29,000,000.00	\$ 29,000,000	18.86%	8.5%	0.00%	\$ -
	MPLT	NMHC	2.4%	3.00%	2.00%	\$ 2,934,123	\$ -	\$ 2,934,123	1.91%	-1.0%	0.00%	\$ -
	MPLT	CNMI LOC	3.4%	9.50%	2.00%	\$ 4,224,377	\$ (1,224,377.00)	\$ 3,000,000	1.95%	-7.5%	3.25%	\$ 97,500
Fixed Income (44%)	Hold to Maturity	Core	28.6%	28.50%	28.50%	\$ 35,644,327	\$ -	\$ 35,644,327	23.18%	0.0%	4.81%	\$ 1,714,492
	Barrow Hanley	Core	11.8%	8.00%	7.50%	\$ 14,716,804	\$ (1,000,000.00)	\$ 13,716,804	8.92%	-0.5%	4.50%	\$ 617,256
	Garcia Hamilton and Associates	Intermediate Core	6.1%	6.00%	0.00%	\$ 7,623,021	\$ (7,623,021.00)	\$ -	0.00%	-6.0%	3.20%	\$ -
	Pacific Income	High Yield	17.7%	17.50%	7.00%	\$ 22,107,142	\$ (7,963,792.00)	\$ 14,143,350	9.20%	-10.5%	8.30%	\$ 1,173,898
TBD	Private Equity		0.0%	0.00%	22.00%	\$ -	\$ 25,000,000.00	\$ 25,000,000	16.26%	22.0%	0.00%	\$ -
	Blackstone	BTAS VI	2.5%	1.50%	1.50%	\$ 3,112,173	\$ -	\$ 3,112,173	2.02%	0.0%	0.00%	\$ -
	Blackstone	BTAS VIII	4.0%	1.50%	1.50%	\$ 5,004,893	\$ -	\$ 5,004,893	3.26%	0.0%	0.00%	\$ -
	Blackstone	Private Real Estate	3.4%	3.00%	0.00%	\$ 4,200,793	\$ (4,200,793.00)	\$ -	0.00%	-3.0%	4.70%	\$ -
	Blackstone	Private Credit	5.4%	3.50%	4.00%	\$ 6,795,271	\$ 1,000,000.00	\$ 7,795,271	5.07%	0.5%	9.65%	\$ 752,244
	Blue Owl	Private Credit	7.4%	3.50%	4.00%	\$ 9,256,923	\$ 1,000,000.00	\$ 10,256,923	6.67%	0.5%	9.65%	\$ 989,793
<b>Total</b>			<b>100%</b>	<b>100%</b>	<b>100.00%</b>	<b>\$ 124,759,541</b>	<b>\$ 29,000,000.00</b>	<b>\$ 153,759,541</b>	<b>100%</b>	<b>0%</b>	<b>3.54%</b>	<b>\$ 5,439,781</b> <b>\$ 453,315</b>
<b>Total (W/ Margin Loan)</b>			<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>\$ 124,759,541</b>	<b>\$ 29,000,000.00</b>	<b>\$ 124,759,541</b>	<b>100%</b>	<b>0%</b>	<b>4.36%</b>	<b>\$ 5,439,781</b>

The information on this report is provided for your convenience, but should not be used as a substitute for the account's monthly statements or trade confirmations. The prices and valuations provided in this report have been obtained from sources deemed to be reliable, and every attempt has been made to make it as possible. Nevertheless, its accuracy is not guaranteed, and independent verification of its contents is recommended.



# ASSET ALLOCATION STUDY MONTE CARLO ANALYSIS

Prepared for:

## Marianas Public Land Trust General Fund

Prepared by:

Asia Pacific Group of Raymond James and Associates

January 2026

The results of this asset allocation study are intended for the sole use of the client herein named and not to be distributed to any other party.

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**RAYMOND JAMES**

# Efficient Frontier – Asset Allocation

As of July 2025

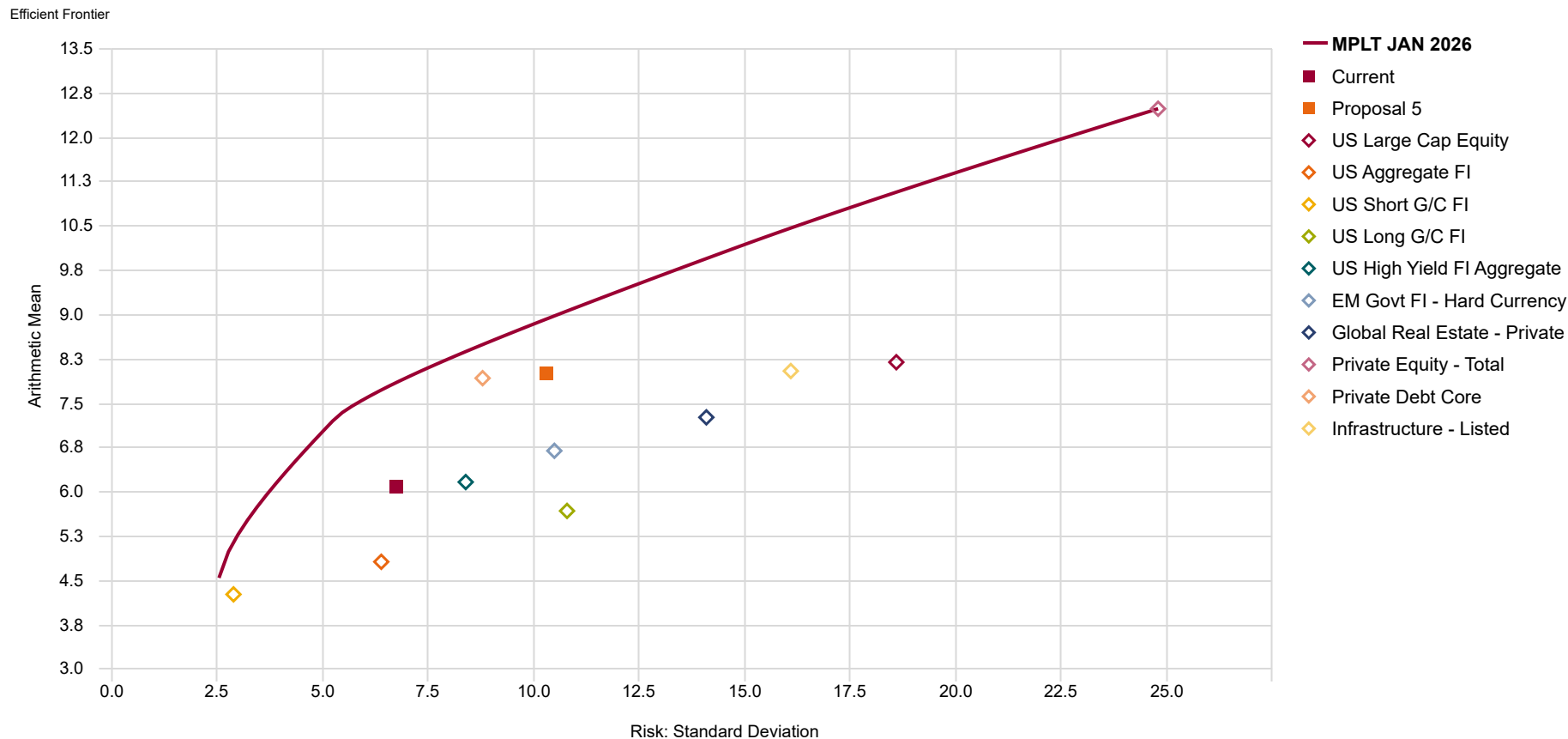


Chart is for illustrative purposes only and is not representative of the future performance of any particular portfolio or security. Please see asset class descriptions beginning on page 10. Arithmetic inputs are utilized in the optimizer to calculate the Efficient Frontier and Geometric assumptions are calculated in the simulations. For explanations and additional information regarding Arithmetic Mean, Geometric Mean, Standard Deviation, Sharpe Ratio, and Asset Classes see important disclosures beginning on page 8.

Capital Market Assumptions (CMAs) are forward looking data and subject to change at any time. There is no assurance that the projections will be realized. Variations to capital market assumptions are expected and specific sectors or industries are more susceptible due to their increased vulnerability to any single economic, political or regulatory development. Please see important information regarding CMAs beginning on page 6.

The Efficient Frontier: Generally, investors seek to receive a higher return for assuming additional levels of risk. With the addition of asset classes that do not move in lock step (meaning correlation is less than one), the risk/return relationship changes to a theoretical “Efficient Frontier” – a curve along which returns would be maximized at each level of risk. The Efficient Frontier illustration used herein does not take into account fees, state or federal income taxes or specific securities.

# Asset Allocation – Structure & Inputs

As of July 2025

## Asset Class Statistics

	Geometric Mean	Standard Deviation
US Large Cap Equity	6.46	18.60
US Aggregate FI	4.61	6.40
US Short G/C FI	4.23	2.90
US Long G/C FI	5.08	10.80
US High Yield FI Aggregate	5.81	8.40
EM Govt FI - Hard Currency	6.13	10.50
Global Real Estate - Private	6.25	14.10
Private Equity - Total	9.54	24.80
Private Debt Core	7.53	8.80
Infrastructure - Listed	6.74	16.10

## Asset Class Correlation Matrix

Asset Class	1	2	3	4	5	6	7	8	9	10
1 US Large Cap Equity	1.00									
2 US Aggregate FI	0.56	1.00								
3 US Short G/C FI	0.34	0.21	1.00							
4 US Long G/C FI	0.51	0.88	0.37	1.00						
5 US High Yield FI Aggregate	0.31	0.85	-0.18	0.75	1.00					
6 EM Govt FI - Hard Currency	0.43	0.88	-0.20	0.64	0.90	1.00				
7 Global Real Estate - Private	0.46	0.18	0.80	0.33	-0.16	-0.14	1.00			
8 Private Equity - Total	0.47	0.20	0.81	0.35	-0.13	-0.13	0.99	1.00		
9 Private Debt Core	0.22	-0.05	0.64	0.10	-0.29	-0.30	0.83	0.81	1.00	
10 Infrastructure - Listed	0.41	0.30	0.79	0.43	-0.03	-0.02	0.97	0.95	0.81	1.00

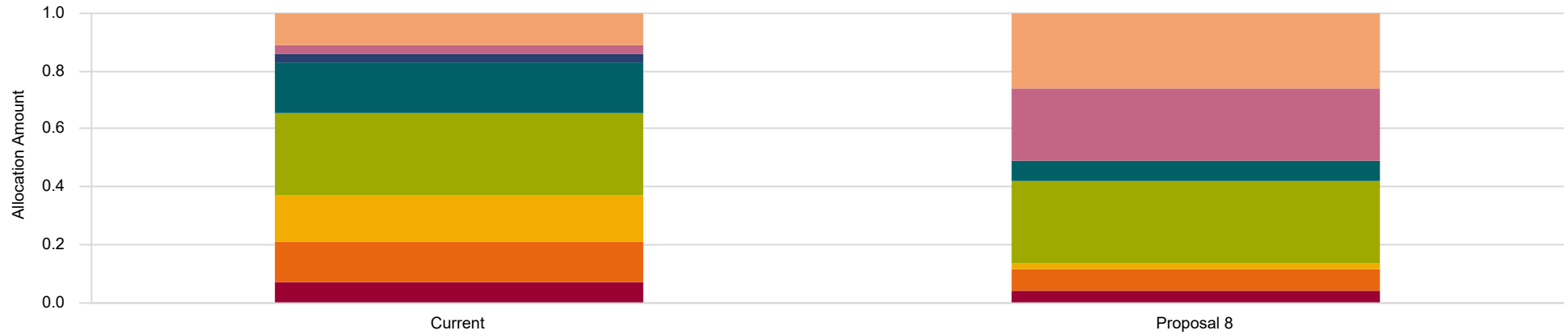
All investing involves risk. Asset allocation and diversification do not ensure a profit or protect against a loss.

**Information presented is for illustrative purposes only and is not representative of the future performance of any particular portfolio or security. Diversification does not ensure a profit or protect against a loss. Arithmetic inputs are utilized in the optimizer to calculate the Efficient Frontier and Geometric assumptions are calculated in the simulations. For explanations and additional information regarding Arithmetic Mean, Geometric Mean, Standard Deviation, Sharpe Ratio, and asset classes see important disclosures beginning on page 8.**

Capital Market Assumptions (CMAs) are forward looking data and subject to change at any time. There is no assurance that the projections will be realized. Variations to capital market assumptions are expected and specific sectors or industries are more susceptible due to their increased vulnerability to any single economic, political or regulatory development. Please see important information regarding CMAs beginning on page 6.

# Asset Allocation – Structure & Inputs

As of July 2025



- ◆ US Large Cap Equity
- ◆ US Aggregate FI
- ◆ US Short G/C FI
- ◆ US Long G/C FI
- ◆ US High Yield FI Aggregate
- ◆ EM Govt FI - Hard Currency
- ◆ Global Real Estate - Private
- ◆ Private Equity - Total
- ◆ Private Debt Core
- ◆ Infrastructure - Listed

Asset Class	Current Allocation %	Proposal 8 Allocation %
US Large Cap Equity	7.0%	4.0%
US Aggregate FI	14.0%	7.5%
US Short G/C FI	16.0%	2.0%
US Long G/C FI	28.5%	28.5%
US High Yield FI Aggregate	17.5%	7.0%
EM Govt FI - Hard Currency	0.0%	0.0%
Global Real Estate - Private	3.0%	0.0%
Private Equity - Total	3.0%	25.0%
Private Debt Core	11.0%	26.0%
Infrastructure - Listed	0.0%	0.0%
Total Portfolio	100.0%	100.0%

	Current	Proposal 8
Geometric Mean	5.86	7.48
Standard Deviation	6.77	10.31
Sharpe Ratio	0.90	0.78

**IMPORTANT:** The projections or other information generated by Morningstar's Direct Asset Allocation software regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Each scenario is randomly generated and as a result, the software's results will vary with each use and over time as markets change. Asset classes listed above are not available for direct investment and projected returns do not reflect either management fees or costs.

For a complete description of the Monte Carlo analysis provided above please see important definitions and disclosures beginning on page 8.

# Simulation Models – Return Analysis

The simulated Return Percentiles table displays the range of return possibilities (broken down by percentiles) of possible future annualized returns for the selected allocation mixes resulting from the Monte Carlo simulation.

As of July 2025

Return Percentiles

	Percentile		
	95th	50th	5th
<b>Current</b>			
5 Year	10.94%	5.80%	1.04%
10 Year	9.34%	5.74%	2.38%
20 Year	8.37%	5.83%	3.49%
<b>Proposal 5</b>			
5 Year	15.32%	7.41%	0.28%
10 Year	12.99%	7.39%	2.33%
20 Year	11.17%	7.46%	3.81%

**IMPORTANT:** The projections or other information generated by Morningstar's Direct Asset Allocation software regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Each scenario is randomly generated and as a result, the software's results will vary with each use and over time as markets change. Asset classes listed above are not available for direct investment and projected returns do not reflect either management fees or costs.

For a complete description of the Monte Carlo analysis provided above please see important definitions and disclosures beginning on page 8.

# Simulation Models – Probability Analysis

The Target Return Probabilities Table displays the probability of achieving the listed target returns over the displayed investment periods resulting from the Monte Carlo Simulation.

As of July 2025

Monte Carlo Simulation

	Target Return		
	0%	8%	15%
<b>Current</b>			
5 Year	98.20	21.60	0.05
10 Year	99.85	15.35	0.00
20 Year	100.00	7.60	0.00
<b>Proposal 5</b>			
5 Year	95.45	45.10	5.85
10 Year	99.55	42.15	1.20
20 Year	99.95	40.90	0.00

**IMPORTANT:** The projections or other information generated by Morningstar's Direct Asset Allocation software regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Each scenario is randomly generated and as a result, the software's results will vary with each use and over time as markets change.

For a complete description of the Monte Carlo analysis provided above please see important definitions and disclosures beginning on page 8.

# IMPORTANT DISCLOSURES AND DEFINITIONS

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The information provided in this report should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that any security transactions, holdings, or sectors discussed were or will be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance discussed herein.

Past performance is not a guarantee of future results. Indices are not available for direct investment. Any investor who attempts to mimic the performance of an index would incur fees and expenses which would reduce returns. All investing involves risk. Diversification and asset allocation do not ensure a profit or protect against a loss.

## **Capital Market Assumptions:**

Capital Market Assumptions are forward looking data and are subject to change at any time and there is no assurance that the projections mentioned herein will be realized. Variations to capital market assumptions are expected and specific sectors or industries are more susceptible due to their increased vulnerability to any single economic, political or regulatory development.

Proposal Generation was developed by Raymond James in part using Mercer's Capital Markets Assumptions ("CMA") as a factor and includes such CMA in the report.  
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## **Mercer's CMA Methodology**

The CMA provided to Raymond James has been developed by Mercer Investments LLC ("Mercer Investments"). Assumptions, views, and opinions are as of the date that the CMA was provided to Raymond James and are subject to change.

Actual performance may be lower or higher than the performance data quoted. Actual statistics may be lower or higher than the statistics quoted.

The expectations for the modelled portfolio are a compilation of return, volatility, and correlation expectations of the underlying asset classes. Portfolio expectations are forward looking and reflective of Mercer Investments' CMA, as defined by asset class and incorporation return, standard deviation, and correlations. Mercer Investments' process for asset class expected returns begins with developing an estimate of the long term normal level of economic growth and inflation. From these two key assumptions, Mercer Investments develops an estimate for corporate earnings growth and equilibrium interest rates. Mercer Investments also develops equilibrium levels for P/E ratios, credit spreads, and other market indicators. When developing its 20-year return assumptions, Mercer Investments incorporates current conditions and assumes a reversion to equilibrium levels. When developing volatility and correlation assumptions Mercer Investments reviews historical relationships and then adjusts based on expected forward looking conditions. The expected return on traditional assets generally reflects returns for a passive strategy, while alternative asset classes incorporate an assumption for alpha.

The views expressed are provided for discussion purposes and do not provide any assurance or guarantee of future returns.

# IMPORTANT DISCLOSURES AND DEFINITIONS

As of July 2025

See page 3 for asset mixes for the below chart.

## Asset Mix Statistics

	Current	Proposal 8
Arithmetic Mean	6.10	8.01

## Asset Class Statistics

	Arithmetic Mean
US Large Cap Equity	8.20
US Aggregate FI	4.82
US Short G/C FI	4.27
US Long G/C FI	5.68
US High Yield FI Aggregate	6.17
EM Govt FI - Hard Currency	6.70
Global Real Estate - Private	7.27
Private Equity - Total	12.49
Private Debt Core	7.93
Infrastructure - Listed	8.05

# IMPORTANT DISCLOSURES AND DEFINITIONS

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## **Monte Carlo Simulations:**

**IMPORTANT:** The projections or other information generated by Morningstar's Direct Asset Allocation software regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Each scenario is randomly generated and as a result, the software's results will vary with each use and over time as markets change.

The Change of a particular portfolio ending value was projected using Monte Carlo simulation. It attempts to show the probability that a particular return can be achieved after a particular number of years. Probabilities are calculated by projecting simulated returns into the future for many iterations and determining the percentage of time the iterations result in a value that is above or below a specific threshold. Standard deviation is a measure of central tendency, that is, the spread of the difference of returns from their average. Return percentages referenced are average annual returns. We do not adjust for any state or federal income taxes or fees.

Results are based on the simulated performance of the major market indices that represent the asset classes in the target allocations. Return and standard deviation assumptions utilized to simulate various market scenarios are based upon forward-looking capital market assumptions provided by an outside institution. Numerous asset classes are utilized in developing risk and return assumptions for diversified portfolios. Utilizing this data, 500 – 5,000 Monte Carlo simulations of investment scenarios are generated in an effort to determine the probability of achieving certain returns, the default is 2,000 simulations.

Limitations of this analysis include, but are not restricted to, the possibility that market extremes may occur more frequently than projected, that return assumptions for asset classes may not reflect actual investment returns of the asset classes and that inflation is assumed to be constant when it is unlikely it will be so over the simulated periods.

While the Morningstar Direct Asset Allocation system runs many simulations in an effort to develop statistically reliable data, it cannot foresee or account for all possible situations that could negatively impact an investor's financial situation. The "5th Percentile (Worst)" Annual Average Returns is represented as the simulations showing the simulations in that percentile yielding the worst returns. While we believe that this is a suitable level for planning purposes, there is no guarantee that a portfolio will not perform worse than the simulations in the 5th percentile. Therefore, this performance should only be used in conjunction with the sound judgment of a financial advisor. Due to the ever-changing nature of investment and retirement objectives, it is critical that an advisor revisit an investor's retirement investment and income plans at least once a year and more frequently if possible.

For the purposes of this report the software does not analyze any specific mutual funds or other securities, nor does it favor any particular asset classes other than those previously stated. There may be investments with characteristics similar or superior to those being analyzed by the software.

## **Definitions:**

**Efficient Frontier** – Generally, investors seek to receive a higher return for assuming additional levels of risk. With the addition of asset classes that do not move in lock step (meaning correlation is less than one), the risk/return relationship changes to a theoretical "Efficient Frontier" – a curve along which returns would be maximized at each level of risk. The Efficient Frontier illustration used herein does not take into account fees, state or federal income taxes or specific securities. Various indices represent asset classes and it is important to note that any investor who attempts to mimic the performance of an index would incur fees and expenses which would reduce returns.

**Correlation** – The relationship between two variables during a period of time. For example, all utility stocks tend to have a high degree of correlation because their share prices are influenced by the same forces. Conversely, gold stock price movements are not closely correlated with utility stock price movements because they are influenced by different factors.

**Arithmetic Mean** – The arithmetic mean return is the measure of reward in conventional mean-variance optimization (MVO). The conventional MVO is a single-period model in which the expected arithmetic mean return is a forecast of return over the next period of investment.

**Geometric Mean** – The return measures how fast wealth accumulates. It is a more familiar statistic than arithmetic mean return because it is a more standard measure of performance. By selecting this reward measure, the user is taking a multi-period viewpoint, in contrast to the conventional MVO which is a single-period model concerned with maximizing expected return just for the next period. In other words, the geometric mean is a more relevant measure of performance for an investor who is investing for a long time and will be rebalancing their portfolio back to the same asset allocation every period. Optimizing on expected geometric mean return rather than expected arithmetic mean return can lead to meaningful differences in the efficient asset mixes, especially at the riskier end of the efficient frontier. The geometric mean is the same as the arithmetic mean when returns are constant. When returns vary it is always below the arithmetic mean.

# IMPORTANT DISCLOSURES AND DEFINITIONS

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**Standard Deviation** – A measure of volatility, commonly viewed as risk. Regarding quarterly returns, it is the square root of the variance, which equals the expected value of the squared deviation from the mean value.

**Sharpe Ratio** – A risk statistic that measure the excess return per unit of Total Risk taken in a portfolio. The excess return is the total excess return without adjustment for risk. The ratio is equal to the excess return divided by the Standard Deviation of a portfolio.

**CVaR** – Conditional value at risk is the average loss in adverse times. Set what is considered to be adverse times by specifying what percentage of the outcomes to look at. This is the CVAR cutoff %. The cutoff is set to 5%, getting the average loss in the worst 5% of outcomes. This means that an undesirable outcome occurs 1 out of 20 times.

**Value at Risk (VaR)** – VaR is a single point estimate of risk. A 5% VaR expresses the return expected in the 5th percentile. CVaR 5% gives the average return expected if in the 5th percentile or lower. Two asset classes with the same VaR could have very different CVaR. Because VaR is only a single point estimate it can be misleading when used as a measure of risk. For this reason and due to some favorable mathematical properties CVaR is a better measure of downside risk for optimization.

**Skewness** – Skewness reflects the degree of asymmetry of a distribution. If the distribution has a longer left tail, the function has negative skewness. Otherwise, it has positive skewness. A normal distribution is symmetric with skewness 0. In lognormal case, the curve has a long right tail so the skewness is positive.

**Excess Kurtosis** – Kurtosis is a property of a model that controls the ratio of occurrences in the model that occur around the peak of the distribution and in the tails versus those that are just below and above the peak of the distribution. A normally distributed set of returns naturally has a kurtosis of 3. If an asset class has a kurtosis of 4, it has an excess kurtosis of 1. If an asset class has a kurtosis of 2.5, it has an excess kurtosis of -0.5. Excess kurtosis means more peakedness; relative to a normal distribution, a highly kurtotic distribution has a taller head, fatter tails, and smaller shoulders, so more small moves, more extreme events, and fewer moderate moves.

## **Risks:**

- Fixed-income securities (or “bonds”) are exposed to various risks including but not limited to credit (risk of default or principal and interest payments), market and liquidity, interest rate, reinvestment, legislative (changes to the tax code), and call risks.
- There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise. Short-term bonds with maturities of three years or less will generally have lower yields than long term bonds which are more susceptible to interest rate risk.
- International investing involves special risks, including currency fluctuations, different financial accounting standards, and possible political and economic volatility.
- Investing in emerging markets can be riskier than investing in well-established foreign markets. Emerging and developing markets may be less liquid and more volatile because they tend to reflect economic structures that are generally less diverse and mature and political systems that may be less stable than those in more developed countries.
- Investing in small-cap stocks generally involves greater risks, and therefore, may not be appropriate for every investor. Stocks of smaller or newer or mid-sized companies may be more likely to realize more substantial growth as well as suffer more significant losses than larger or more established issuers.
- Commodities trading is generally considered speculative because of the significant potential for investment loss. Among the factors that could affect the value of the fund's investments in commodities are cyclical economic conditions, sudden political events, changes in sectors affecting a particular industry or commodity, and adverse international monetary policies. Markets for precious metals and other commodities are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.
- Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks to real estate investments.
- Some accounts may invest in Master Limited Partnership (“MLP”) units, which may result in unique tax treatment. MLPs may not be appropriate for ERISA or IRA accounts, and cause K-1 tax treatment. Please consult your tax adviser for additional information regarding the tax implications associated with MLP investments.

## IMPORTANT DISCLOSURES AND DEFINITIONS

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- Alternative investments are generally considered speculative in nature and may involve a high degree of risk, particularly if concentrating investments in one or few alternative investments. These risks are potentially greater and substantially different than those associated with traditional equity or fixed income investments. The investment strategies used by certain Funds may require a substantial use of leverage. The investment strategies employed and associated risks are more fully disclosed in each Fund's prospectus, which is available from your financial advisor.
- Changes in the value of a hedging instrument may not match those of the investment being hedged.
- These portfolios may be subject to international, small-cap and sector-focus exposures as well. Accounts may have over weighted sector and issuer positions, and may result in greater volatility and risk
- Companies in the technology industry are subject to fierce competition, and their products and services may be subject to rapid obsolescence.
- Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks to real estate investments. In a rising interest rate environment REITs (real estate investment trusts) may experience an increase in rent rates or mortgage rates or may experience higher acquisition costs.

### Asset Class Descriptions

U.S. All Cap Equity - U.S. equity securities with no capitalization constraints.

U.S. Large Cap Equity - U.S. equity securities with a market capitalization of more than \$10 Billion.

U.S. Mid Cap Equity - U.S. equity securities with a market capitalization of approximately \$2 Billion to \$10 Billion.

U.S. Small/Mid Cap Equity (Smid) - U.S. equity securities with a market capitalization of approximately \$300 Million to \$10 Billion.

U.S. Small Cap Equity - U.S. equity securities with a market capitalization of approximately \$300 Million to \$2 Billion.

Non-U.S. Developed All Cap Equity Unhedged - Non-U.S. equity securities of developed countries with any market capitalization not protected against loss by balancing or compensating contracts or transactions.

Non-U.S. Developed Large Cap Equity Unhedged - Non-U.S. equity securities of developed countries with a market capitalization of more than \$10 Billion not protected against loss by balancing or compensating contracts or transactions.

Non-U.S. Developed Small Cap Equity Unhedged - Non-U.S. equity securities with a market capitalization of approximately \$300 Million to \$2 Billion not protected against loss by balancing or compensating contracts or transactions.

Emerging Markets Equity Unhedged - Non-U.S. equity securities of developing countries not protected against loss by balancing or compensating contracts or transactions.

AC World ex-U.S. All Cap Equity Unhedged - Non-U.S. equity securities with no capitalization constraints not protected against loss by balancing or compensating contracts or transactions.

Global AC All Cap Equity Unhedged - U.S. and Non-U.S. equity securities with no capitalization constraints not protected against loss by balancing or compensating contracts or transactions.

U.S. Intermediate Government FI - Intermediate-term fixed income are bonds that include government U.S. fixed-income issues and typically have maturity dates that are between two and 10 years.

U.S. Inflation Indexed FI - An inflation-indexed security is a security that has a return higher than the rate of inflation if it is held to maturity. Inflation-indexed securities link their capital appreciation, or coupon payments, to inflation rates.

# IMPORTANT DISCLOSURES AND DEFINITIONS

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## Asset Class Descriptions Continued:

U.S. Intermediate Inflation Indexed FI - An inflation-indexed security is a security that has a return higher than the rate of inflation if it is held to maturity. Typically with maturity dates between 2 and 10 years, inflation-indexed securities link their capital appreciation, or coupon payments, to inflation rates.

U.S. Long Inflation Indexed FI - An inflation-indexed security is a security that has a return higher than the rate of inflation if it is held to maturity. Typically with maturity dates longer than 10 years, inflation-indexed securities link their capital appreciation, or coupon payments, to inflation rates.

U.S. Municipal FI Tax Exempt- Municipal bonds are debt securities issued by states, cities, counties and other governmental entities to fund day-to-day obligations and to finance capital projects such as building schools, highways or sewer systems. Generally, the interest on municipal bonds is exempt from federal income tax. The interest may also be exempt from state and local taxes if the investor resides in the state where the bond is issued.

U.S. Credit FI - U.S. fixed income securities that include corporate investment-grade fixed income and have at least one year to maturity.

U.S. Intermediate Credit FI - Intermediate-term fixed income are bonds that include corporate U.S. fixed-income issues and typically have maturity dates that are between two and 10 years.

U.S. Govt/Credit FI - U.S. fixed income securities that include government, corporate and other investment-grade fixed income and have at least one year to maturity.

U.S. Aggregate FI - U.S. fixed income securities that include government, corporate and other investment-grade fixed income and have at least one year to maturity.

U.S. Short G/C FI - Short-term fixed income are bonds that include government, corporate U.S. fixed-income issues and typically have durations of 1.0 to 3.5 years.

U.S. Intermediate G/C FI - Intermediate-term fixed income are bonds that include government, corporate U.S. fixed-income issues and typically have maturity dates that are between two and 10 years.

U.S. Long G/C FI - Long-term fixed income are bonds that include government, corporate U.S. fixed-income issues and typically have maturity dates that greater than 10 years.

U.S. CMBS FI (Mortgage-backed Securities) - Mortgage-backed securities are bonds secured by home and other real estate loans. These securities are created when a number of these loans, usually with similar characteristics, are pooled together.

U.S. High Yield FI Aggregate - High-yield bonds are bonds that pay higher interest rates because they have lower credit ratings than investment-grade bonds.

US Senior/Leveraged Loans - A Senior leveraged loan is a type of loan that is extended to companies that already have considerable amounts of debt or lower credit history, with a senior claim to the company's cash flows, usually collateralized by assets.

Multi-Asset Credit - Multi-asset credit (MAC) is a diversified investment discipline that aims to capture global credit risk premiums by investing in a range of geographies, asset classes and credit instruments.

Core Plus Fixed Income - Core plus funds are typically associated with core fixed income, adding alternative investments such as high-yield, global, and emerging market debt to a core portfolio of investment-grade bonds.

Unconstrained Fixed Income - Unconstrained Fixed Income focuses on performance over time, rather than on short-term gains. With no adherence to specific bond ratings, currencies, or sectors.

U.S. Cash - U.S. Cash includes cash and cash equivalent securities of high quality and liquidity including money market instruments, certificates of deposit, T-bills and other cash instruments.

Non-U.S. Govt FI Unhedged - Non-U.S. fixed income securities issued by foreign governments that are typically investment grade not protected against loss by balancing or compensating contracts or transactio...

# IMPORTANT DISCLOSURES AND DEFINITIONS

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## Asset Class Descriptions Continued:

Non-U.S. Broad FI Unhedged - Non-U.S. fixed income securities issued by foreign governments and corporations that are typically investment grade not protected against loss by balancing or compensating contracts or transactions.

EM Govt FI - Hard Currency - Non-U.S. fixed income are debt instruments issued by developing countries with currencies issued by nations seen as politically and economically stable.

EM Govt FI - Local Currency - Non-U.S. fixed income are debt instruments issued by developing countries in local currencies.

Global Broad FI Unhedged - U.S. and Non-U.S. fixed income securities issued by governments and corporations that are typically investment grade not protected against loss by balancing or compensating contracts or transactions.

Convertibles - Securities can be converted into a predetermined amount of the company's equity at certain times, usually at the discretion of the holder. A convertible security has a value-added component built into it; it is essentially a security with a stock option hidden inside.

U.S. Real Estate – Core - Investment in real estate and real estate securities, typically involving stable properties that generate income.

U.S. Real Estate - REITS - A U.S. real estate investment trust (REIT) is a company that owns, operates, or finances income-generating real estate in U.S. markets.

Non-U.S. Real Estate - Private - Foreign Non-Publicly traded real estate investments designed to reduce tax while providing returns on real estate. Does not trade on an exchange so may be illiquid for long periods of time.

Non-U.S. Real Estate - REITS - A Foreign real estate investment trust (REIT) is a company that owns, operates, or finances income-generating real estate in Foreign markets.

Global Real Estate - Private - A Global Non-Publicly traded real estate investments designed to reduce tax while providing returns on real estate. Does not trade on an exchange so may be illiquid for long periods of time.

Global Real Estate – REITS - A Global real estate investment trust (REIT) is a company that owns, operates, or finances income-generating real estate in in U.S. and Non-U.S. markets.

Farmland & Timberland - Investment that include lands managed for timber and other pooled timber securities.

Private Equity – Total - These strategies are intended to capture returns in the equity arena from companies that are not yet public. Leveraged buyouts, venture capital, growth capital, distressed investments, mezzanine capital, merger and acquisition and secondary strategies are acceptable strategies. Illiquid and volatile investments are to be expected due to the nature of the strategies.

Private Equity - Venture Cap - Investments in the early stage development of start-up businesses perceived to have excellent growth prospects, but not necessarily access to capital markets

Private Debt Core - Private debt includes any debt held by or extended to privately held companies. It most commonly involves non-bank institutions making loans to private companies or buying those loans on the secondary market.

Private Debt – Opportunistic - Opportunistic private debt involves lending strategies that seek higher yields by investing in complex or less liquid credit opportunities. These may include distressed debt, special situations, or niche lending markets. Investments are typically made in non-investment-grade borrowers and may involve higher risk and return potential compared to core private debt strategies.

Infrastructure – Listed - Listed infrastructure consists of publicly traded companies that own or operate essential infrastructure assets such as utilities, transportation networks, or communications systems. These securities provide investors with access to infrastructure investment characteristics—such as stable cash flows and inflation sensitivity—while offering daily liquidity through public markets.

# IMPORTANT DISCLOSURES AND DEFINITIONS

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## Asset Class Descriptions Continued:

Infrastructure – Core - Core infrastructure refers to private, long-duration investments in essential services and physical assets that are typically regulated or contracted, such as roads, bridges, water systems, and energy utilities. These investments aim to deliver stable, inflation-linked cash flows with low correlation to traditional asset classes and are often considered low-to-moderate risk within the infrastructure spectrum.

MLPs - Master Limited Partnerships are publicly traded partnerships primarily involved in the energy sector, such as oil and gas transportation, storage, and processing. MLPs offer tax-advantaged income and attractive yields due to their pass-through structure, which requires them to distribute most of their earnings to investors. However, they can be sensitive to energy prices and regulatory changes.

Defensive Hedge Funds - Defensive hedge funds focus on capital preservation and risk mitigation during periods of market stress. These strategies often use low net equity exposure, market-neutral positioning, or protective hedging techniques. Common sub-strategies include equity market neutral, global macro, and volatility arbitrage, aiming to generate positive returns with low correlation to traditional markets.

Diversified Hedge Funds - Limited partnerships of investors with unique risk/return characteristics often with lower correlations to traditional equity investment classes. Categories include market neutral, risk/merger arbitrage, macro, long/short, distressed securities, futures, real estate investment trusts, multi-strategy, non-U.S. markets, and fund of funds. They also use a much wider range of investment techniques, such as leverage, short selling and derivatives to achieve their objectives.

Commodities - Long Only - This asset class is included within the alternatives category as it historically has had a very low correlation to traditional asset classes while providing a positive correlation to inflation. Strategies include investments in agricultural goods, metals, minerals, energy products and foreign currencies.

Natural Resources- Listed - Investment and securities of materials or substances such as minerals, forests, water, and fertile land that occur in nature and can be used for economic gain.

Gold - Investment in gold and gold securities.