

MEKETA

INVESTMENT GROUP



ERSRI Hedge Fund Annual Review

January 2026

BOSTON CHICAGO LONDON MIAMI NEW YORK PORTLAND SAN DIEGO



ERSRI | Employees'
Retirement System
of Rhode Island

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Agenda / Topics

- **Crisis Protection Class and Absolute Return Overview**
- **Program Evaluations**
- **2026 Focus Areas**
- **Appendix**
 - Performance Review

Crisis Protection Class and Absolute Return Overview

Crisis Protection Class

Purpose:

- Protect the portfolio during significant and sustained equity market crises by appreciating in value when equities decline significantly.

Return Profile:

- Negatively correlated with equity risk and sufficiently volatile to generate meaningful positive returns during crises.

Liquidity Profile:

- Assets remain liquid during drawdowns, allowing benefit payments to be funded from appreciated positions rather than selling equities at depressed prices.

Design:

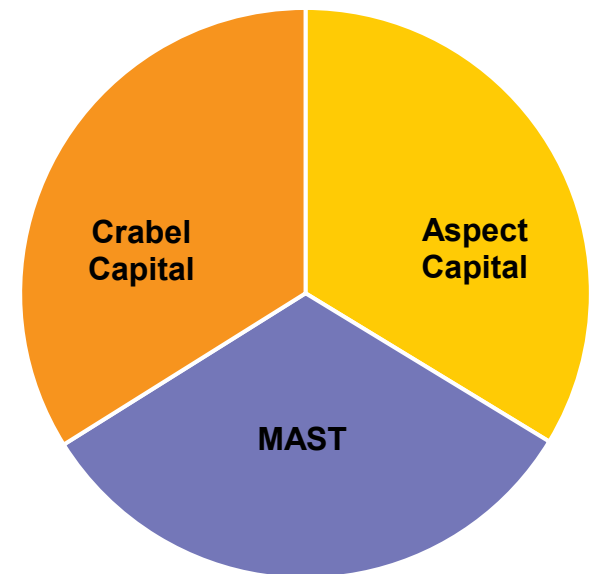
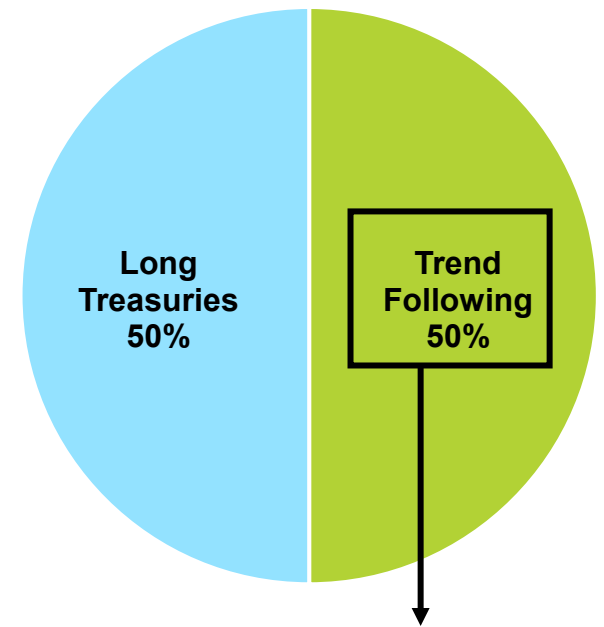
- Made up of systematic trend following and long duration treasuries
- Volatility similar to that of the Growth Bucket for substantial stress-period returns. May experience short-term negative returns in non-crisis periods but expected to enhance long-term risk-adjusted returns of the overall ERSRI portfolio

Allocation Policy:

- IPS target of 10% with a +/- range of 2%
- Targets a 50% / 50% split between treasuries and trend following, rebalanced if thresholds are breached

Framework Bucket:

- Crisis Protection Class



Absolute Return

Purpose:

- Generate performance and alpha through active selection of securities and asset classes
- Achieve return stability through exposures to diversifying strategies and short exposures

Return Profile:

- Strong all-weather performance with little-to-no consistent correlation to market beta

Liquidity Profile:

- Varying with strategy: redemptions available from quarterly to annually

Design:

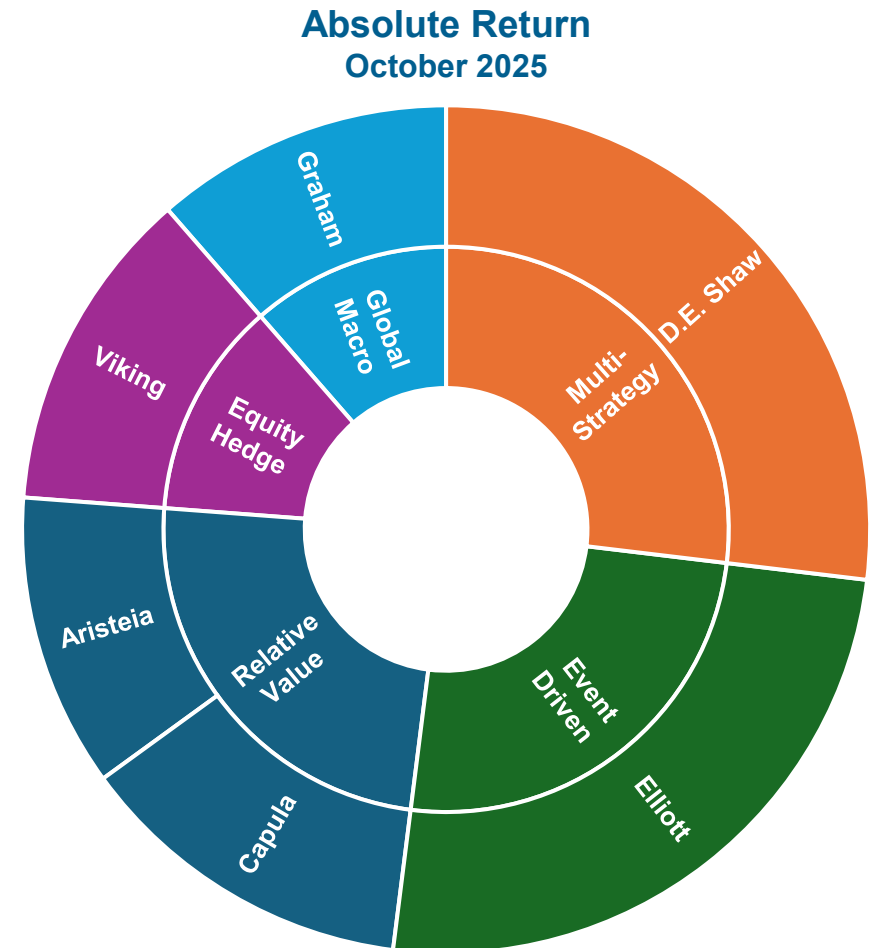
- Broad range of strategies including equities, fixed income, commodities, currency, and derivatives, absolute return funds serve as diversifiers, seeking returns from active long and short investment decisions (i.e., alpha)

Allocation Policy:

- IPS target of 6.5%

Framework Bucket:

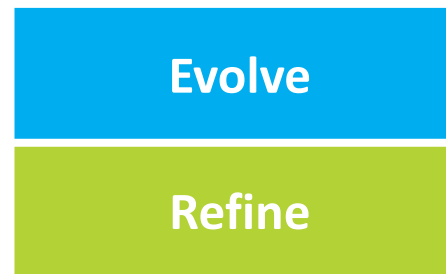
- Volatility Protection



Program Evaluations

Executive Summary

Overall Goals for 2026



→ CPC and Absolute Return portfolios have met their objectives thus far.

→ Further refinement may improve the ability to achieve SIC Investment Goals and Objectives:

1. On an annualized net-of-fee basis, it **meets or exceeds the assumed actuarial rate of return while exhibiting an appropriate level of volatility** over a 30-year time horizon. As of the IPS adoption date, the plan's actuarial return assumption is 7.0%, as determined by the ERSRI Retirement Board.
2. It is constructed to **mitigate the impact of a variety of risks, including extended equity market drawdowns, inflation, and market volatility.**
3. It **maintains sufficient liquidity required to sustain timely payment of benefits, capital calls, and other cash flow obligations in all market environments.**

Both the CPC and Absolute Return portfolios have historically been positive contributors to the accomplishment of these goals and objectives, but additional refinements could improve the probability of this remaining true.

Executive Summary – Evaluation (Goal 1)

Goal 1: On an annualized net-of-fee basis, it **meets or exceeds the assumed actuarial rate of return while exhibiting an appropriate level of volatility** over a 30-year time horizon. As of the IPS adoption date, the plan’s actuarial return assumption is 7.0%, as determined by the ERSRI Retirement Board.

While this goal refers to the overall ERSRI portfolio, both the CPC and Absolute Return portfolio programs can be evaluated against benchmarks and on a risk-adjusted basis. Absolute Return investments seek to **generate performance through active selection of securities and asset classes, with little-to-no consistent bias to broad markets.**

Trailing Period as of 10/2025 (Net of Fees)	YTD	1Y	3Y	5Y	SI (6/2017)
CPC Portfolio	-1.0%	-1.7%	-2.7%	0.0%	1.9%
<i>Bloomberg US Long Treasury</i>	7.0%	3.1%	2.8%	-7.0%	-0.5%
<i>Manteio Managed Futures Index</i>	-16.9%	-14.3%	-16.9%	2.1%	-1.6%

Trailing Period as of 10/2025 (Net of Fees)	YTD	1Y	3Y	5Y	SI (7/2017)
Absolute Return Portfolio	8.0%	11.1%	9.5%	10.3%	9.0%
<i>HFRI FoF Composite Index</i>	8.6%	10.6%	8.4%	6.4%	5.2%
<i>T-bills + 4%</i>	7.1%	8.7%	9.2%	7.3%	6.6%

Calendar Year Returns	2024	2023	2022	2021	2020	2019	2018
CPC Portfolio	-4.2%	-1.8%	0.5%	1.0%	15.5%	9.3%	-8.0%
<i>Bloomberg US Long Treasury</i>	-6.4%	3.1%	-29.3%	-4.6%	17.7%	14.8%	-1.8%
<i>Manteio Managed Futures Index</i>	-10.6%	-14.9%	40.9%	12.1%	2.2%	-9.9%	-10.0%

Calendar Year Returns	2024	2023	2022	2021	2020	2019	2018
Absolute Return Portfolio	11.3%	8.5%	9.8%	9.4%	10.9%	8.9%	4.5%
<i>HFRI Fund of Funds Composite Index</i>	9.2%	6.1%	-5.3%	6.2%	10.9%	8.4%	-4.0%
<i>T-bills + 4%</i>	9.7%	9.4%	5.6%	4.1%	4.5%	6.4%	6.0%

Evaluation: Strong

Executive Summary – Evaluation (Goal 1)

The CPC portfolio has provided valuable diversification and defensive properties to the portfolio. Meketa believes that the reliability and return convexity could be improved with the use of long volatility strategies.

5-Year Trailing Risk Statistics	CPC	Bloomberg US Long Treasury	Manteio Managed Futures Index	50% Treasury / 50% Managed Futures
Annualized Returns (%)	0.0	-7.0	2.1	-4.0
Annualized Standard Deviation (%)	7.6	13.9	20.0	8.6
Sharpe Ratio	-0.42	-0.73	-0.05	-0.83
Sortino Ratio	-0.54	-0.91	-0.07	-0.94
Correlation - MSCI ACWI	0.31	0.60	-0.29	0.17
Beta - MSCI ACWI	0.16	0.56	-0.39	0.10
Max Drawdown (%)	-16.9	-42.0	-48.9	-27.6
Batting Average - MSCI ACWI	0.38	0.23	0.37	0.32

Evaluation: Adequate

5-Year Trailing Risk Statistics	Absolute Return	HFRI FOF	T-bills + 4%	75% Bonds / 25% Stocks
Annualized Returns (%)	10.3	6.4	7.3	3.6
Annualized Standard Deviation (%)	1.9	4.4	0.7	7.8
Sharpe Ratio	3.73	0.73	--	0.05
Sortino Ratio	26.72	1.33	--	0.07
Correlation - MSCI ACWI	0.04	0.77	0.09	0.89
Beta - MSCI ACWI	0.00	0.23	0.00	0.47
Jensen Alpha - MSCI ACWI (%)	6.9	0.4	4.0	-4.9
Max Drawdown (%)	-0.4	-8.0	0.0	-17.3
Batting Average - MSCI ACWI	0.37	0.35	0.37	0.33

Evaluation: Strong

Executive Summary – Evaluation (Goal 2)

Goal 2: It is constructed to *mitigate the impact of a variety of risks, including extended equity market drawdowns, inflation, and market volatility. The CPC is expected to protect the portfolio during a significant and sustained equity market crisis by appreciating in value during extended periods of significant equity market declines.*

- Consistent Resilience: Since June 2017, both the Crisis Protection Class (CPC) and Absolute Return portfolios have shown strong resilience during the most severe single-month equity declines and extended drawdown periods.
- Positive Performance in Stress: These portfolios frequently delivered positive returns in challenging market environments, highlighting their effectiveness as risk-mitigating strategies.
- Comparative Strength: The data demonstrates that these allocations often outperformed the Fund of Fund Composite during significant equity stress.

Bottom Five Equity Months

Month	MSCI ACWI	ERSRI CPC	ERSRI Absolute Return	HFRI Fund of Fund Composite
March 2020	-13.4%	6.5%	-3.8%	-7.6%
September 2022	-9.5%	-0.3%	0.6%	-1.6%
June 2022	-8.4%	1.4%	0.6%	-1.3%
February 2020	-8.0%	4.2%	0.9%	-1.5%
April 2022	-8.0%	-1.2%	1.1%	-1.2%

Bottom Five Equity Periods – 6M Rolling

6-Month Period Ending	MSCI ACWI	ERSRI CPC	ERSRI Absolute Return	HFRI Fund of Fund Composite
September 2022	-21.2%	-0.5%	4.4%	-4.3%
June 2022	-20.0%	4.4%	5.8%	-6.6%
March 2020	-14.1%	8.9%	0.0%	-6.0%
April 2022	-11.4%	0.3%	6.1%	-5.0%
August 2022	-11.0%	3.3%	5.7%	-2.3%

Evaluation: **Strong**

Executive Summary – Evaluation (Goal 3)

Goal 3: *Maintains sufficient liquidity required to sustain timely payment of benefits, capital calls, and other cash flow obligations in all market environments. The CPC is designed to include assets that maintain liquidity during equity market drawdowns, enabling ERSRI to fund benefit payments with assets that have recently appreciated instead of selling depreciated equity investments.*

- The daily liquidity of CPC strategies are structured appropriately to meet its goal.
- While not stated as a goal of the absolute return portfolio, there is less relative liquidity in the absolute return portfolio and should be considered when underwriting future investment opportunities for that portfolio.

Evaluation: **Strong**

2026 Focus Areas

2026 Focus Areas: Roadmap / Summary

Crisis Protection Class:

- Consideration of functional framework
- Evaluation of complementary CPC strategies
- Evaluate the current manager roster
- Review benchmarking
- Review liquidity across strategies
- Evaluate potential for a market crisis action plan

Absolute Return:

- Exploration of potential complementary strategies:
 - Credit long / short
 - Equity market neutral
 - Insurance linked strategies
- Review benchmarking
- Review liquidity across strategies

2026 Focus Areas: CPC Guiding Questions

→ When considering potential changes to the CPC, there are three main questions to consider:

1. **Will it work** / produce positive returns in an equity drawdown?
 - *Does it provide enough coverage across different types of equity drawdowns?*
2. **Will it contribute enough** during the equity drawdown?
 - *Will the positive return be large enough to make a difference to the total portfolio?*
3. **Can the allocation be maintained** until a meaningful drawdown occurs?
 - *Can the exposure be held until an event occurs?*

2026 Focus Areas: CPC Strategic Framework

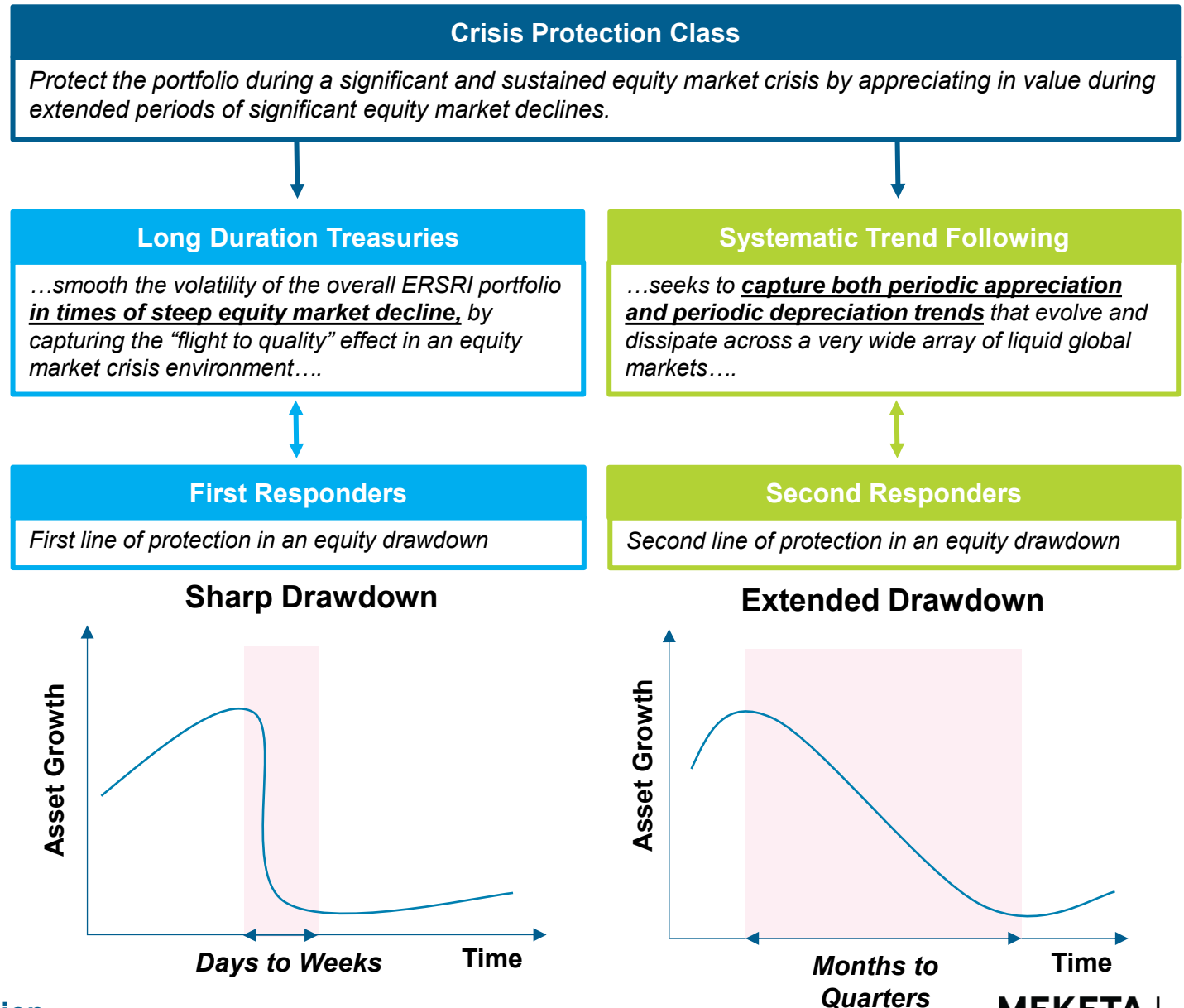
- ERSRI's current CPC framework is organized using strategy / asset class categories
- As markets evolve, a functional framework may provide implementation flexibility
- When making changes it is key to keep the end goal consistent – expand the number of tools that can be used to solve for the same end objective
- For example, each of the current sub asset classes of the CPC could be mapped to new functional groups
- Systematic Trend Following → Second Responders
 - Adjusting to this category does not necessitate any changes in strategies but may open up conversations for other strategies in the future which also provide similar qualities in periods of sustained equity drawdowns
- Long Duration Treasuries → First Responders
 - Adjusting this category to a functional “First Responders” role could provide latitude to consider a variety of strategies also meant to do well in volatility shocks, sharp drawdowns, and flight to quality events within markets

2026 Focus Areas: CPC Strategic Framework

Guide

Asset Class
Description
Underlying Asset Class
Description
Underlying Functional Class
Primary Role

ERSRI Portfolio Components



2026 Focus Areas: Complementary CPC Strategies

Evolve

Refine

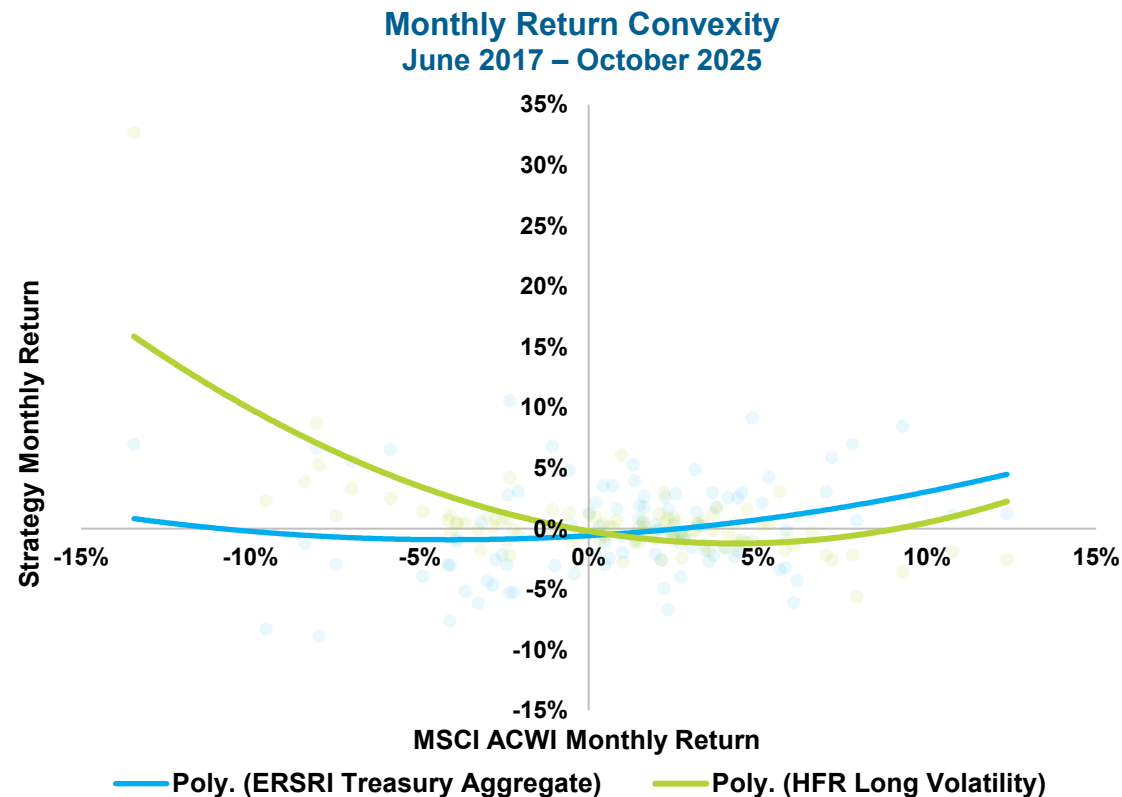
Consideration of Complementary Crisis Protection Strategies : Long Volatility

Why Long Volatility?

- Long volatility strategies profit from rising market volatility, offering asymmetric payoffs (“smile” convexity) that deliver outsized gains in adverse scenarios.
- These strategies typically use derivatives to benefit from large market moves in either direction.

Comparing First Responder Approaches:

- Long Treasuries: Historically reliable, low cost, but effectiveness may decline in rising rate environments or as correlations change.
- Long Volatility: High certainty of event payoffs, flexible implementation, but lower expected returns and higher complexity; most effective during volatility spikes.



2026 Focus Areas: Complementary CPC Strategies

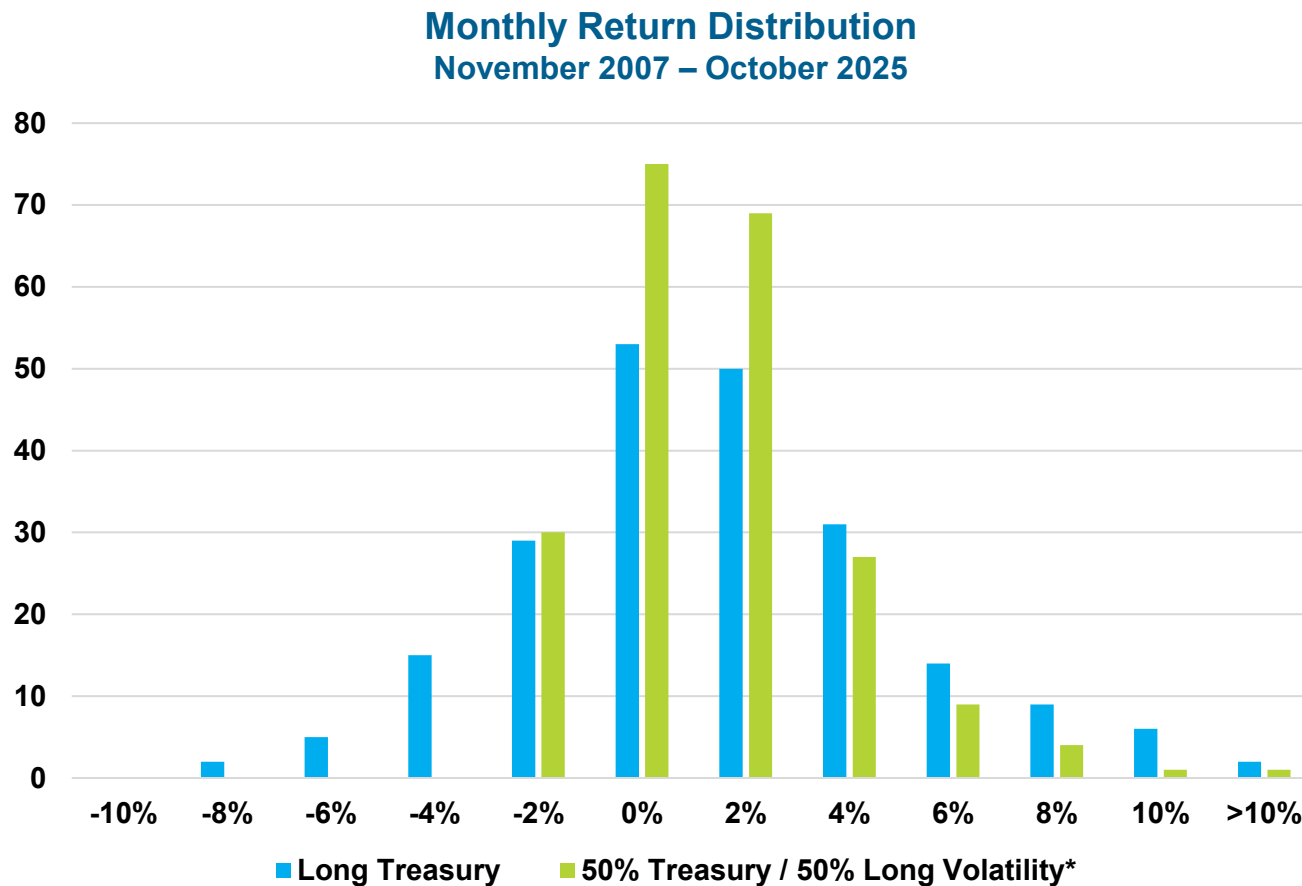
Evolve

Refine

Consideration of Complementary Crisis Protection Strategies : Long Volatility

Convexity & Portfolio Impact:

→ Combining long treasuries and long volatility narrows the range of return outcomes and increases reliability during market stress.



*Long Volatility represented by a blended return stream of the EurekaHedge Long Volatility Index, and the HFR Long Volatility Index. Returns are sourced from EurekaHedge from Nov. 2007 – Dec. 2014, and HFR from Jan. 2015 – Oct. 2025

2026 Focus Areas: Complementary CPC Strategies

Evolve

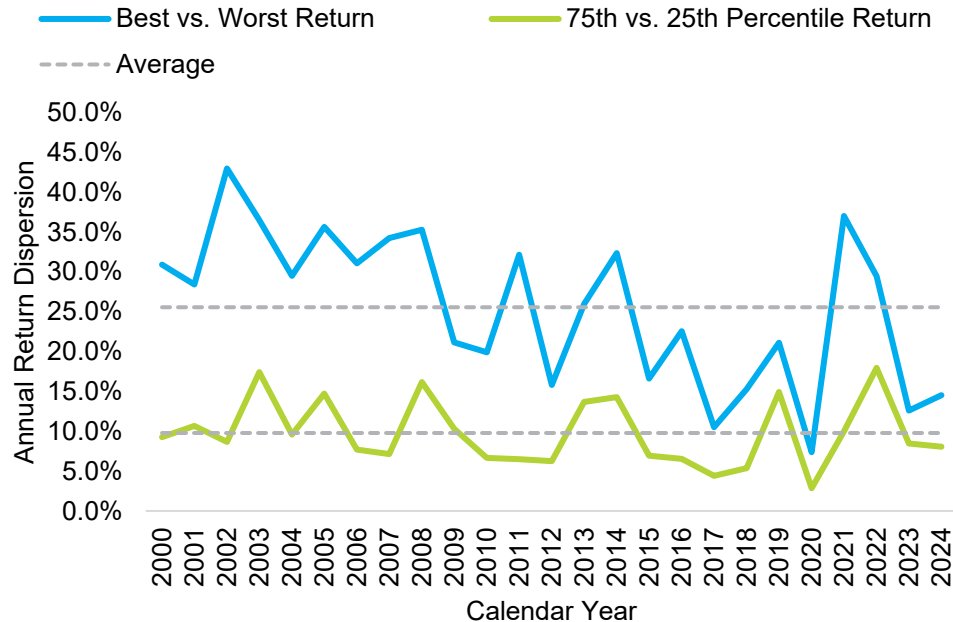
Refine

Systematic Trend Following: Evaluate the current manager roster and benchmark

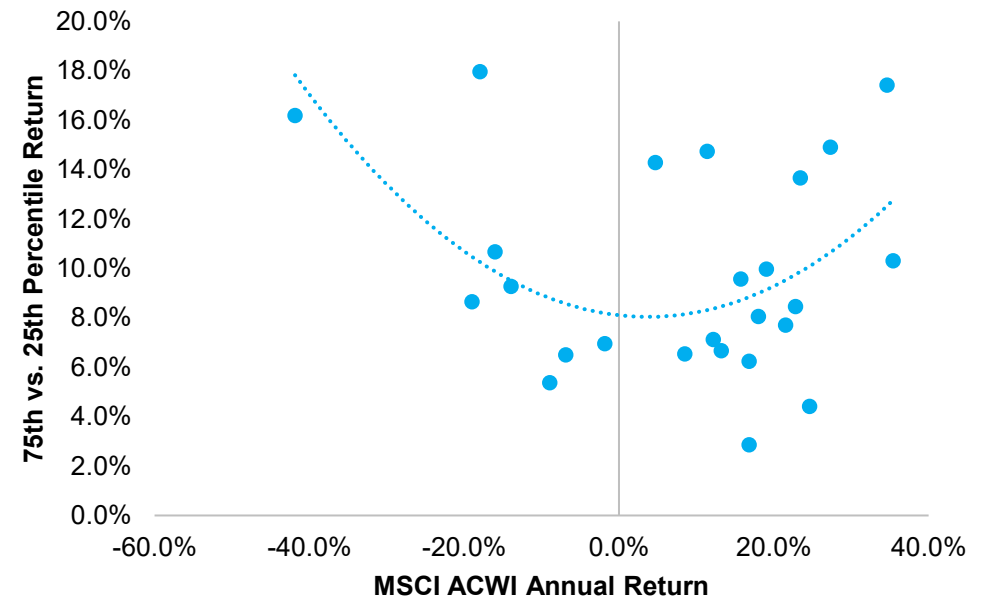
Portfolio Construction and Diversification:

- Seek a roster of trend managers that delivers the strongest possible combination of performance, risk management, and diversification by style and approach.
- There is a significant amount of dispersion in returns across trend following strategies
- Dispersion can be heavily influenced by signal lookbacks, markets traded, and volatility targets.
- It is challenging to precisely rank managers in this space; however, managers can be clearly grouped into distinct tiers such as high quality, average, and low quality.

SG Trend Constituent Annual Return Dispersion



SG Trend Constituent Annual Return Dispersion vs. MSCI ACWI Returns



Source: Societe Generale, as of 12/31/2024. Index used: SG Trend.

Sources: Societe Generale and InvMetrics, as of 12/31/2024. Indices used: MSCI ACWI, SG Trend. The blue trendline is a second-order polynomial regression.

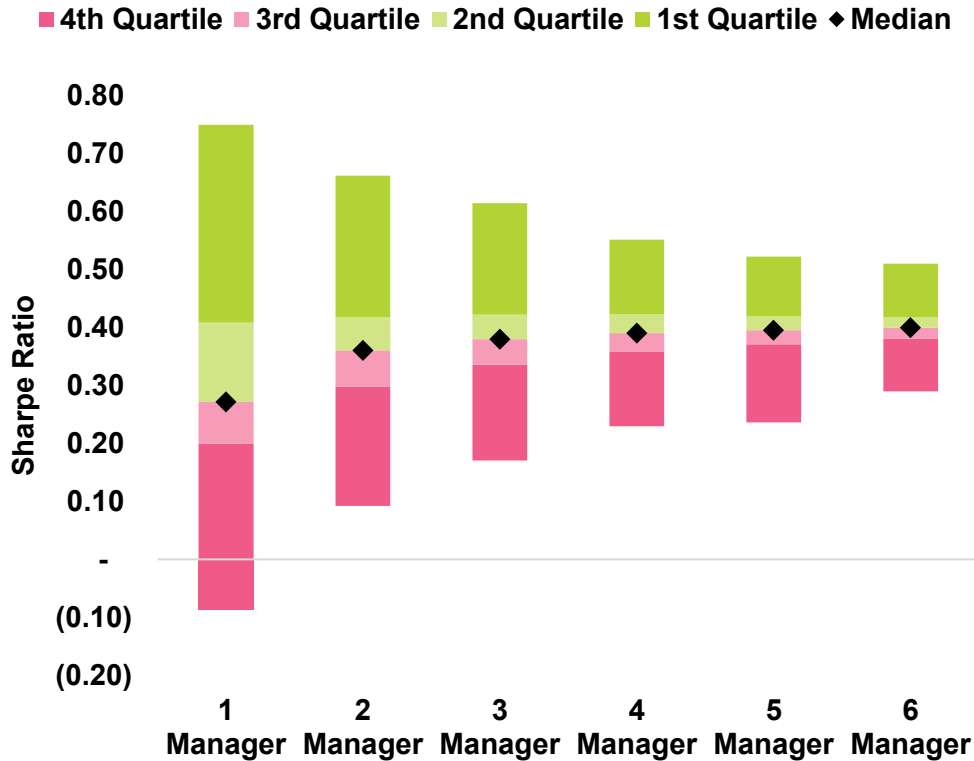
2026 Focus Areas: Systematic Trend Following Structure

Evolve

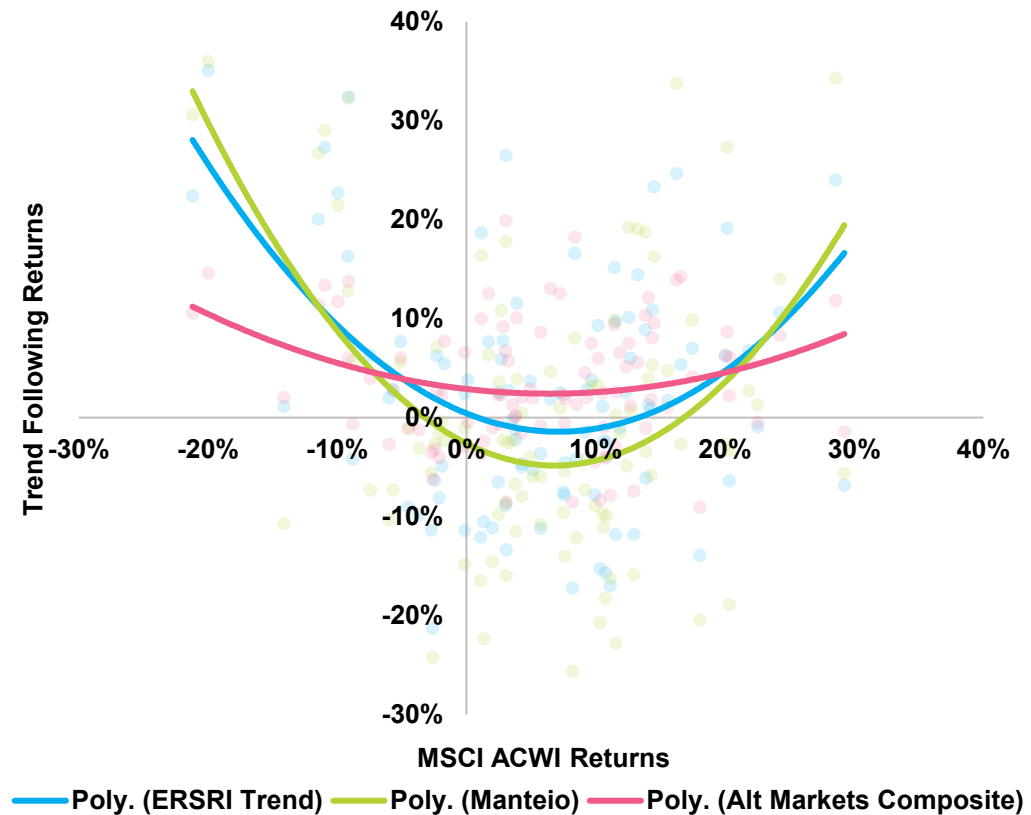
Refine

→ Adding more trend managers improves the risk-adjusted results over time and results in less dispersion across a full cycle

Historical Sharpe Ratio of Multi-Manager Portfolios



Rolling 6-Month Convexity Chart (Jun. 2017 – Oct. 2025): Traditional Market Trend v. Alternative Market Trend



Source: Efficient Capital Management. Methodology = 10,000 simulations of 1-6 manager portfolios using the 35 historic constituents of the SG Trend Index between 2000 and 2022.

Source: Meketa, eVestment

2026 Focus Areas: Complementary CPC Strategies

Evolve

Refine

Systematic Trend Following: Evaluate the current manager roster and benchmark

Portfolio Construction and Diversification:

- Review the current trend following managers to confirm fit and consider complementary trend following exposures like alternative markets and/or shorter-term trading.
- Alternative Markets trend applies trend signals to a broader, non-traditional market set
- Could be considered within the CPC as a complementary exposure to current trend following managers to diversify core trend exposures

Category	Traditional Trend Following	Alternative Market Trend Following
Market Universe	Major liquid futures: equities, bonds, FX, broad commodities	Niche/less-crowded markets: emissions, freight, power, dividend futures, volatility indices
Diversification	Diversifies vs. stocks/bonds but correlations spike in crises	Adds idiosyncratic trends; lower correlation to core markets
Trend Drivers	Global macro risk-on/off dynamics	Market-specific fundamentals
Convexity Profile	Strong in systemic crises (2008, 2022)	Lower in equity-driven crises; more persistent in niche regimes
Operational Complexity	Standardized execution; scalable capacity	Higher cost, capacity limits, specialized infrastructure
Role in CPC	Convexity	Improved Sharpe ratio

2026 Focus Areas: Absolute Return

Evolve

Refine

→ The current absolute return program features a strong variety of strategy types, with varying risk / return characteristics and beneficial cross-correlation

Diversifiers

Multi-Strategy

Summary

→ A diversified portfolio of multiple investment strategies or portfolio managers

Current Managers:

→ DE Shaw

Event Driven

Summary

→ Attempts to profit from market inefficiencies related to idiosyncratic events like mergers, acquisitions, and other corporate events

Current Managers:

→ Elliott

Relative Value

Summary

→ Attempts to profit from market inefficiencies related to idiosyncratic events or relative value opportunities

Current Managers:

→ Aristeia

→ Capula

Equity Hedge

Summary

→ Uses a fundamental or systematic approach to profit from pricing anomalies using both long and short trading

Current Managers:

→ Viking

Global Macro

Summary

→ Attempts to profit by predicting market moves or finding inefficiencies through systematic and / or discretionary analysis

Current Managers:

→ Graham

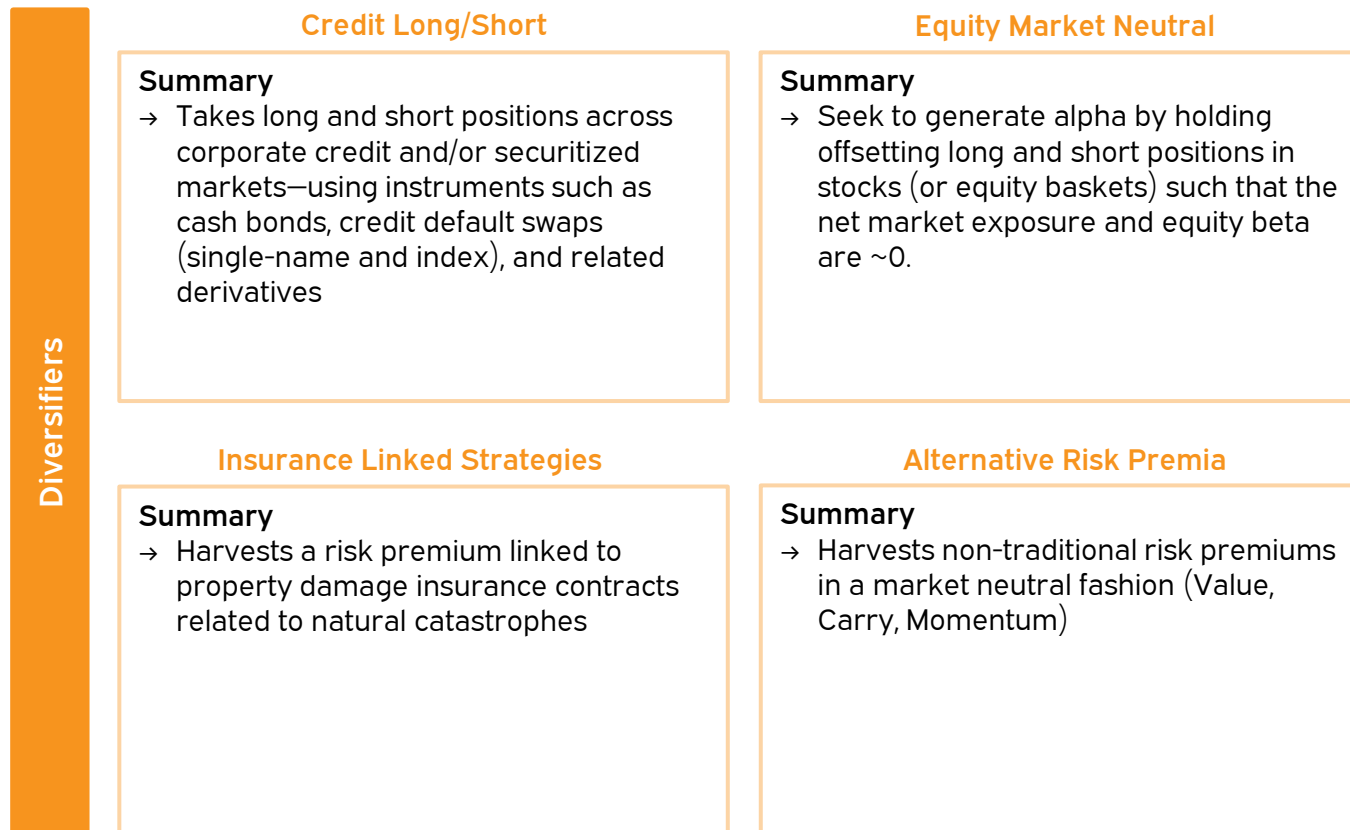
2026 Focus Areas: Absolute Return

Evolve

Refine

Explore complementary absolute return strategies

- Further diversification may help to increase risk-adjusted return during less volatile market periods and overall program resilience
 - Credit long / short
 - Equity market neutral
 - Insurance linked strategies
 - Alternative Risk Premia



2026 Focus Areas: Absolute Return

Evolve

Refine

Correlation Analysis: Diversifying Strategy Types

- Evaluating the Absolute Return portfolio's correlation with several diversifier strategy types may be useful in determining which strategy sets may offer the most benefit towards the overall program.
- Of note, the current portfolio's makeup is sensible given its moderate correlation to several of the underlying strategy types, no one strategy type is dominant. The correlation to the SG Trend Index is also low at 0.26 over the period, providing good diversification to the CPC portfolio.

Trailing Correlation Analysis July 2017 – October 2025

	Absolute Return Portfolio
Absolute Return Portfolio	1.00
ERSRI Trend	0.19
MSCI ACWI	0.40
<i>ILS Advisers Insurance Linked Securities Fund Index</i>	<i>0.11</i>
<i>SG Trend Index</i>	<i>0.26</i>
<i>Multi Alternative Risk Premia Index</i>	<i>0.27</i>
<i>HFRI Macro (Total) Index</i>	<i>0.46</i>
<i>HFRI EH: Equity Market Neutral Index</i>	<i>0.59</i>
<i>HFRI Event-Driven (Total) Index</i>	<i>0.63</i>
<i>HFRI Fund of Funds Composite Index</i>	<i>0.67</i>
<i>HFRI Credit Index</i>	<i>0.71</i>
<i>HFRI Relative Value (Total) Index</i>	<i>0.72</i>

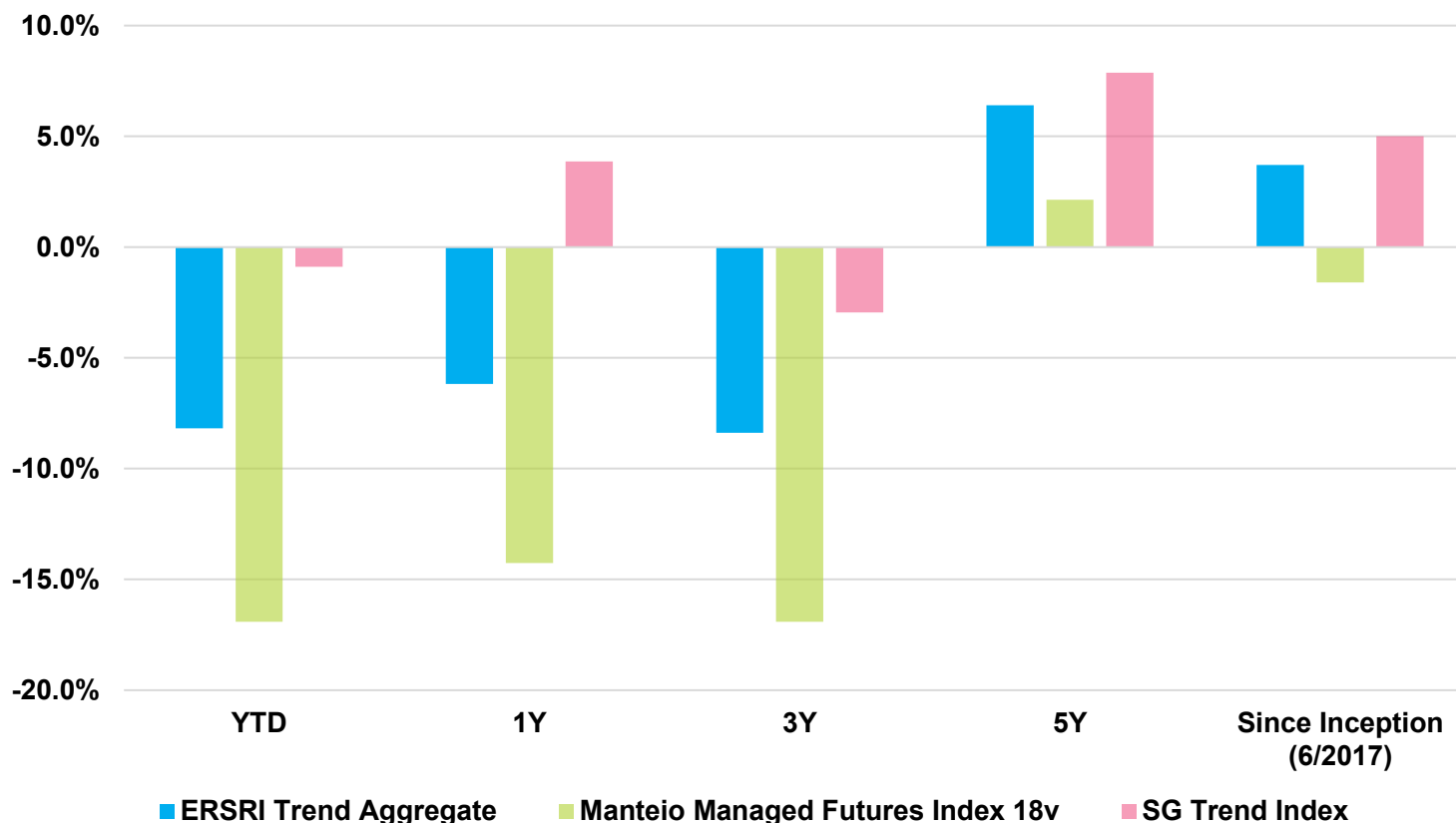
Appendix

2025 Performance Review

CPC Performance

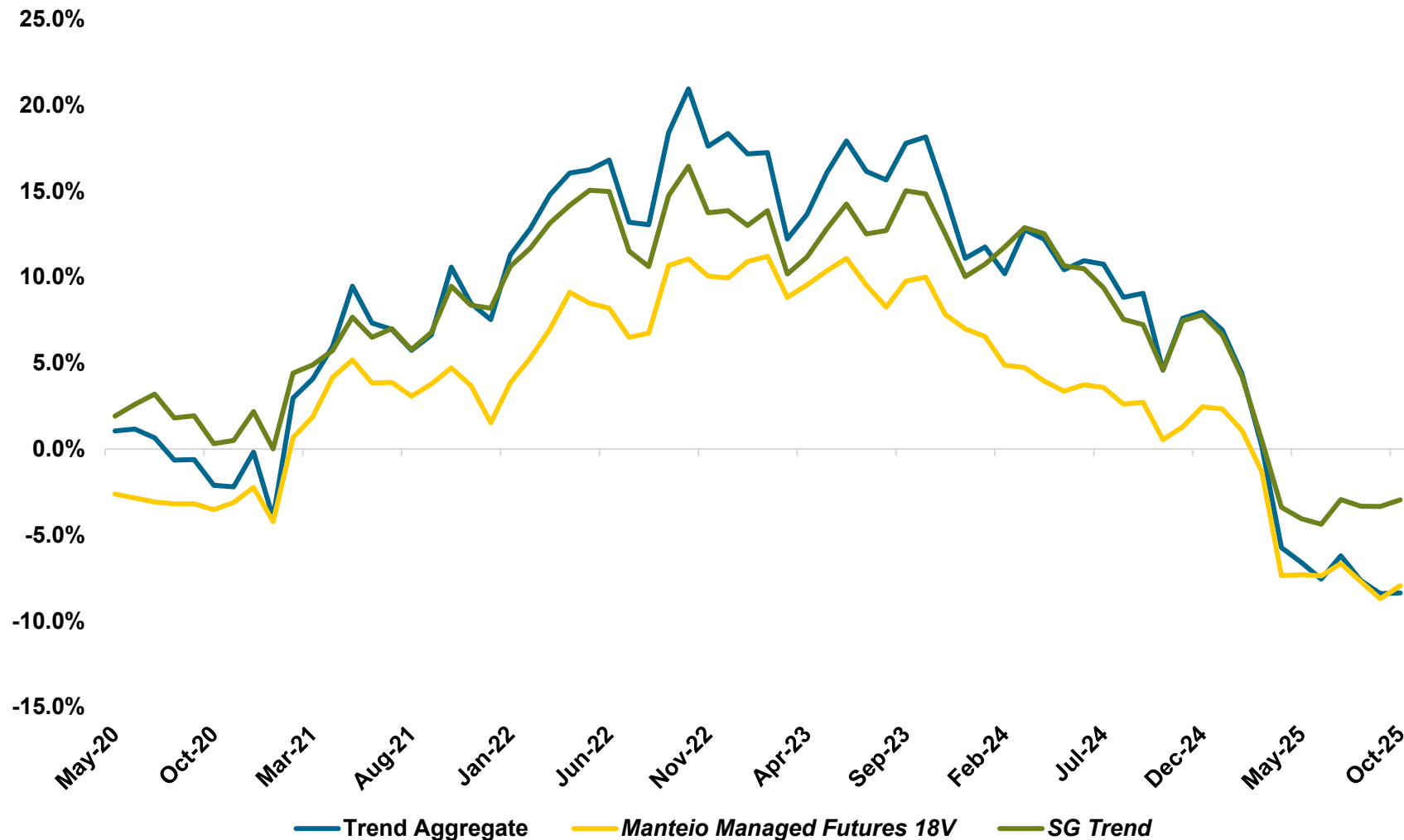
Systematic Trend Following Performance

Trailing Period Returns as of October 2025



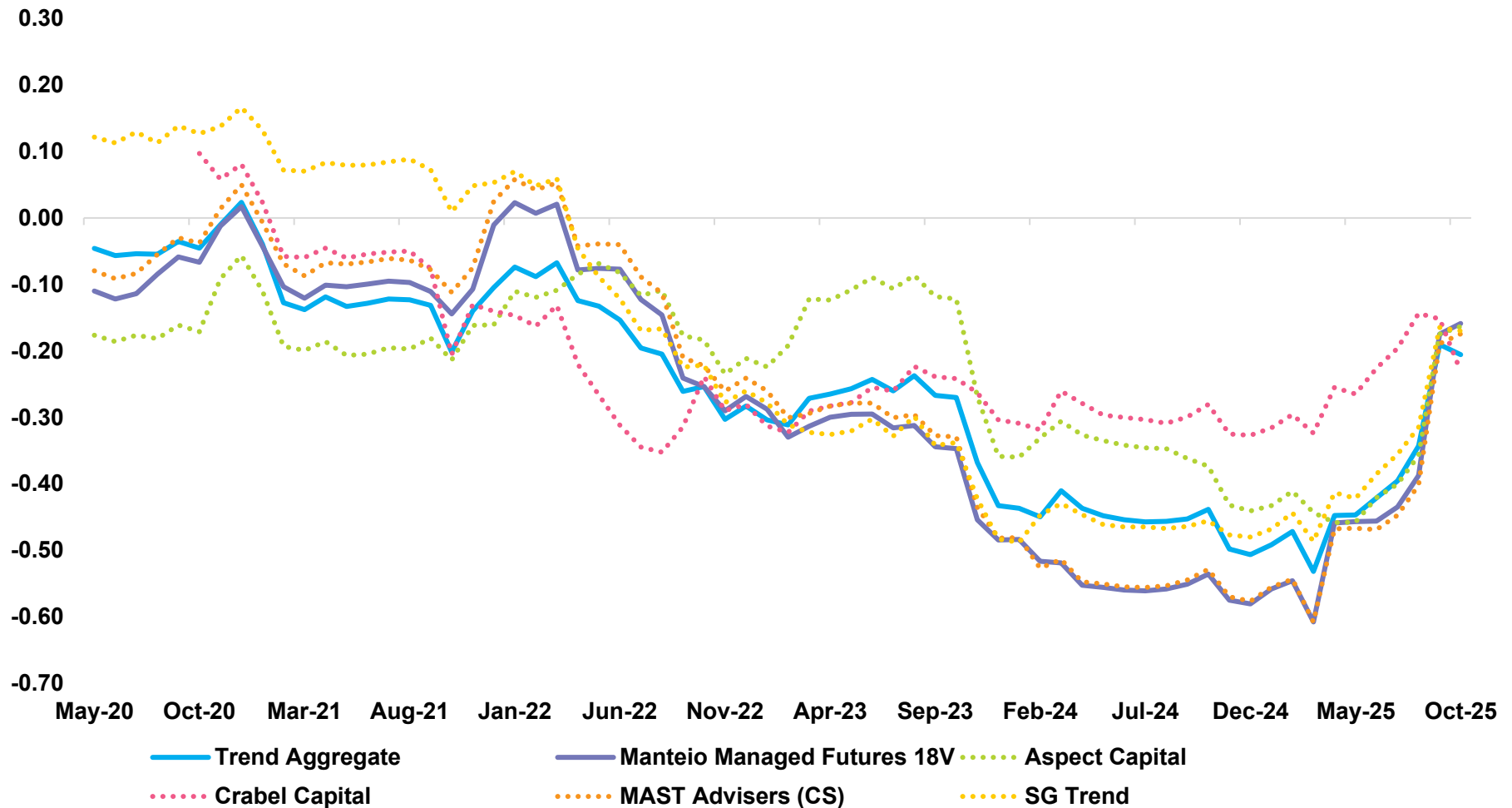
Trailing Period as of 10/2025 (Net of Fees)	YTD	1Y	3Y	5Y	Since Inception (6/2017)
Systematic Trend Following Portfolio	-8.2%	-6.2%	-8.4%	6.4%	3.7%
<i>Manteio Managed Futures Index 18v</i>	<i>-16.9%</i>	<i>-14.3%</i>	<i>-16.9%</i>	<i>2.1%</i>	<i>-1.6%</i>
<i>SG Trend Index</i>	<i>-0.9%</i>	<i>3.9%</i>	<i>-3.0%</i>	<i>7.9%</i>	<i>5.0%</i>

3-Year Rolling Annualized Returns (net of fees)



The Systematic Trend Following Portfolio has benefitted from a multi-manager approach, outpacing its main benchmark in virtually every three-year rolling period since inception of the program. The outperformance is pronounced during 2022, when trend was a key contributor to overall plan performance during a poor equity and bond market.

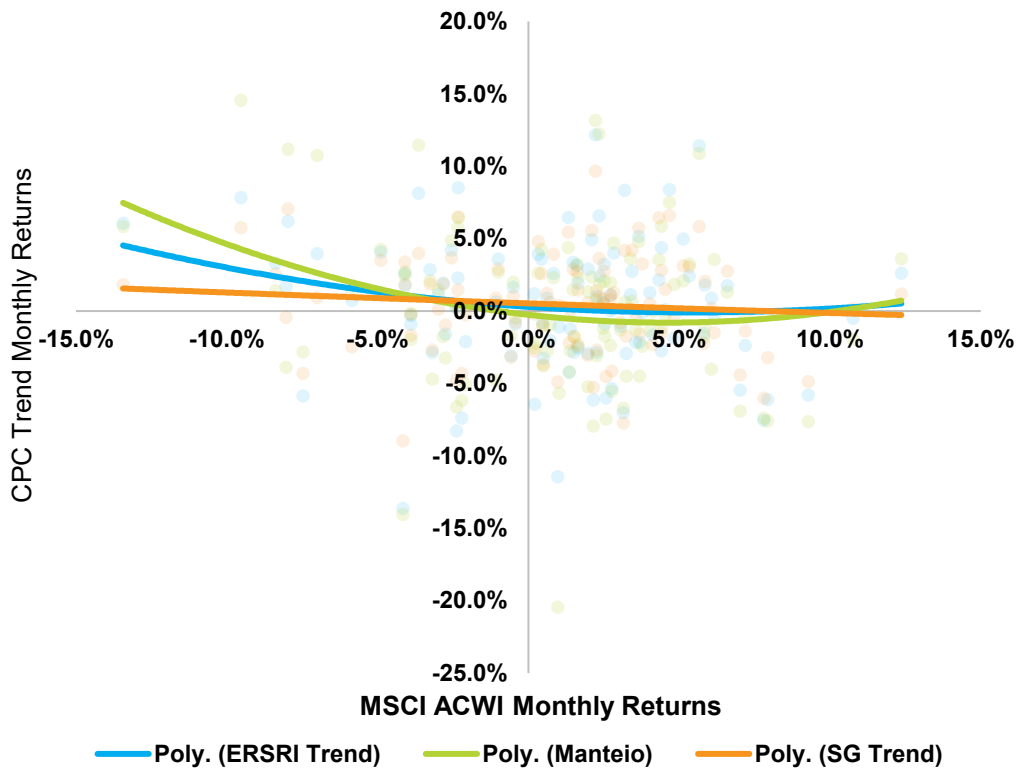
3-Year Rolling Correlation to Global Equities



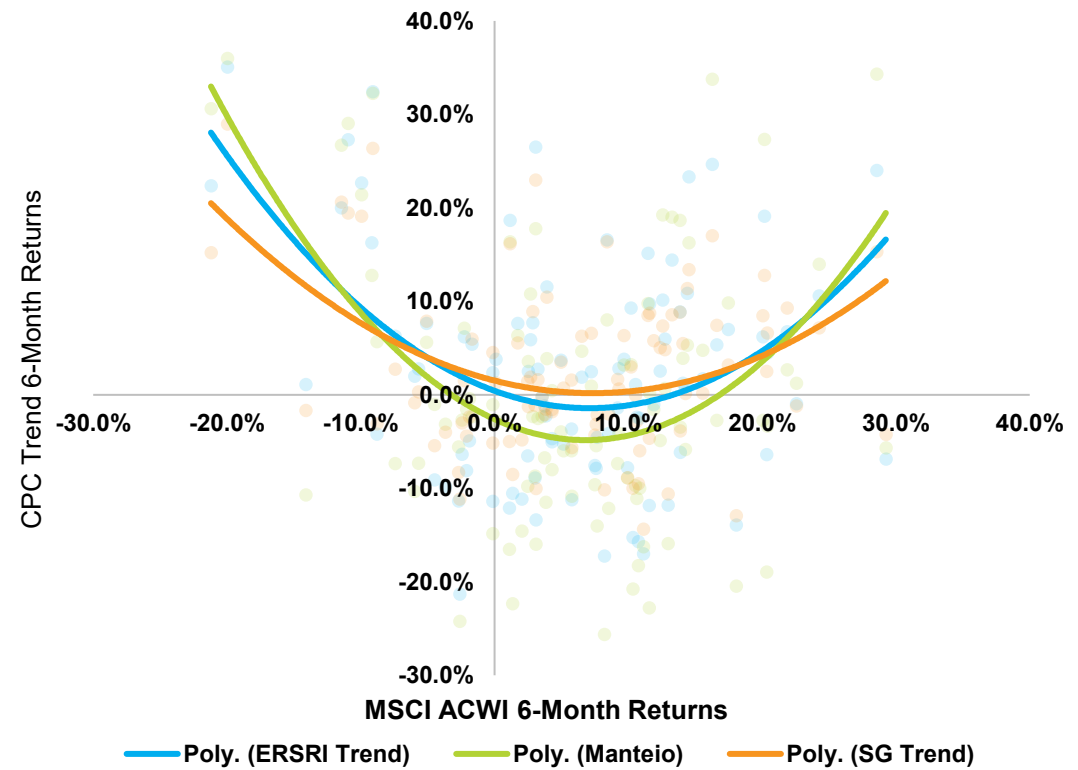
Systematic trend following remains uncorrelated and often negatively correlated to equity markets. Shifts in this negative correlation have tended to occur during equity market reversals, particularly when trend following managers held net long positions in equities

Trend Convexity Analysis

Monthly Convexity

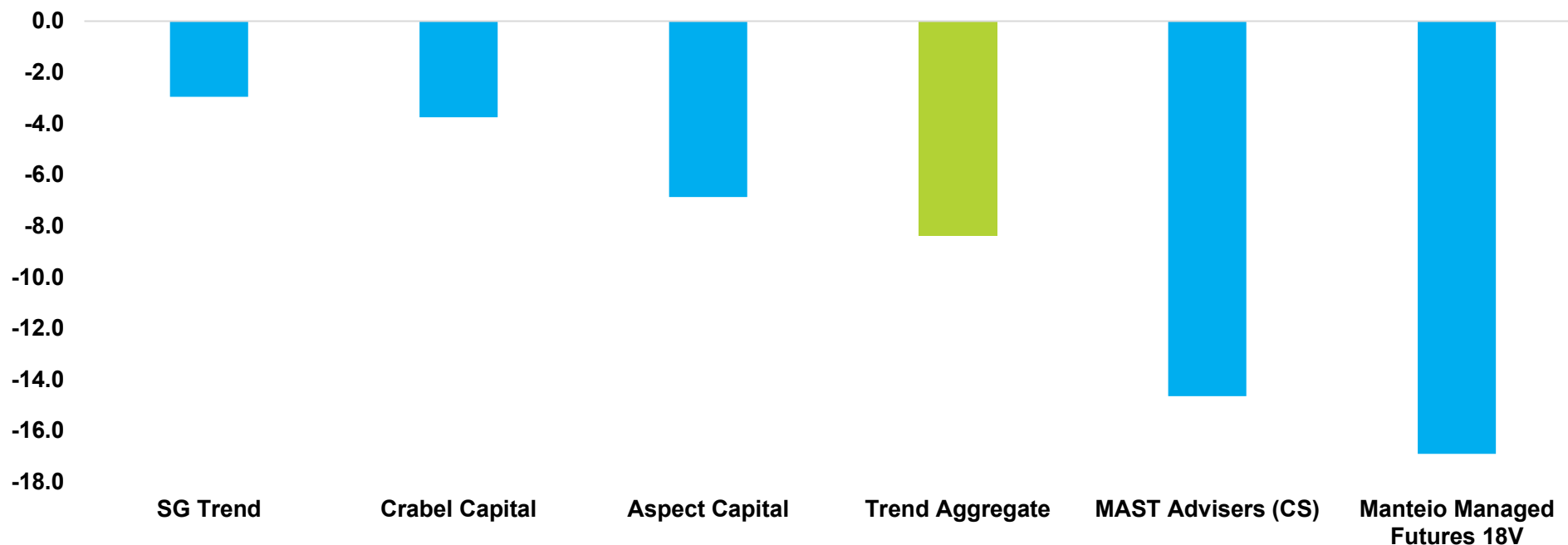


Rolling 6-Month Convexity



- Return convexity measures the non-linear sensitivity of an asset or portfolio to another asset or portfolio.
- Meketa considers return convexity an important metric for assessing how well an investment protects against equity market risk.
- Since trend following strategies are being utilized to defend against **extended market declines**, it is valuable to analyze convexity over longer rolling periods.
- Both monthly and 6-month data show that the trend benchmark has delivered slightly stronger performance in extreme equity market environments, with higher returns in both very negative and very positive periods
- Notably, the RI trend program has outperformed the benchmark on average, especially in the central range of outcomes

Trailing Period Manager Evaluation – 3 Year

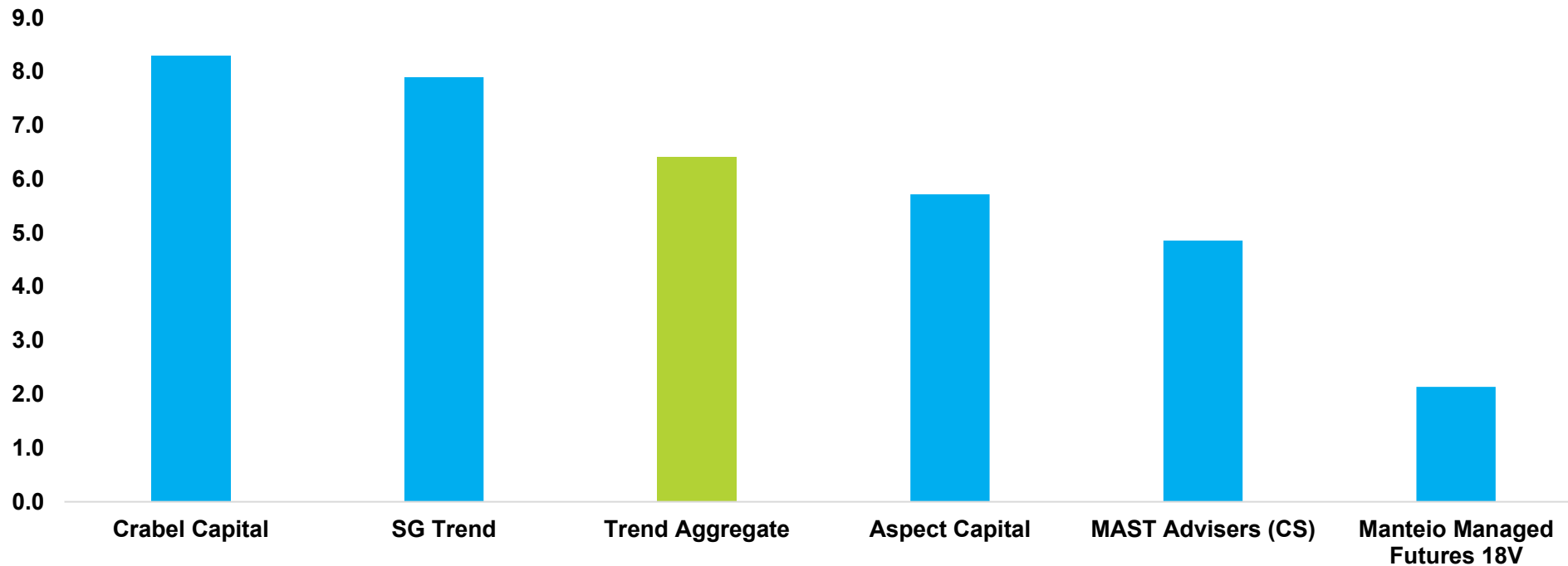


Net of Fees	SG Trend Index	Crabel Capital	Aspect Capital	Trend Aggregate	MAST Advisers (CS)	Manteio Managed Futures 18V
Annualized Returns (%)	-3.0	-3.8	-6.9	-8.4	-14.6	-16.9
Annualized Standard Deviation (%)	11.4	16.4	13.4	13.9	16.2	16.5
Sortino Ratio	-0.84	-0.71	-1.01	-1.07	-1.25	-1.32
Correlation - MSCI ACWI	-0.17	-0.23	-0.16	-0.21	-0.17	-0.16
Beta - MSCI ACWI	-0.16	-0.31	-0.18	-0.23	-0.23	-0.21
Max Drawdown (%)	-20.44	-29.26	-28.23	-29.88	-42.53	-46.79
Skewness	-0.2	0.4	-0.3	-0.5	-1.7	-1.9
Kurtosis	-0.3	0.8	-0.5	0.6	5.4	6.2

While the CPC portfolio and its managers have struggled in recent years, their structural characteristics (low correlation/beta to equities) remain valuable for crisis protection.

However, the risk-adjusted underperformance and high drawdowns underscore the importance of ongoing evaluation, diversification, and potentially evolving the portfolio mix to enhance resilience and reliability in future market environments.

Trailing Period Manager Evaluation – 5 Year

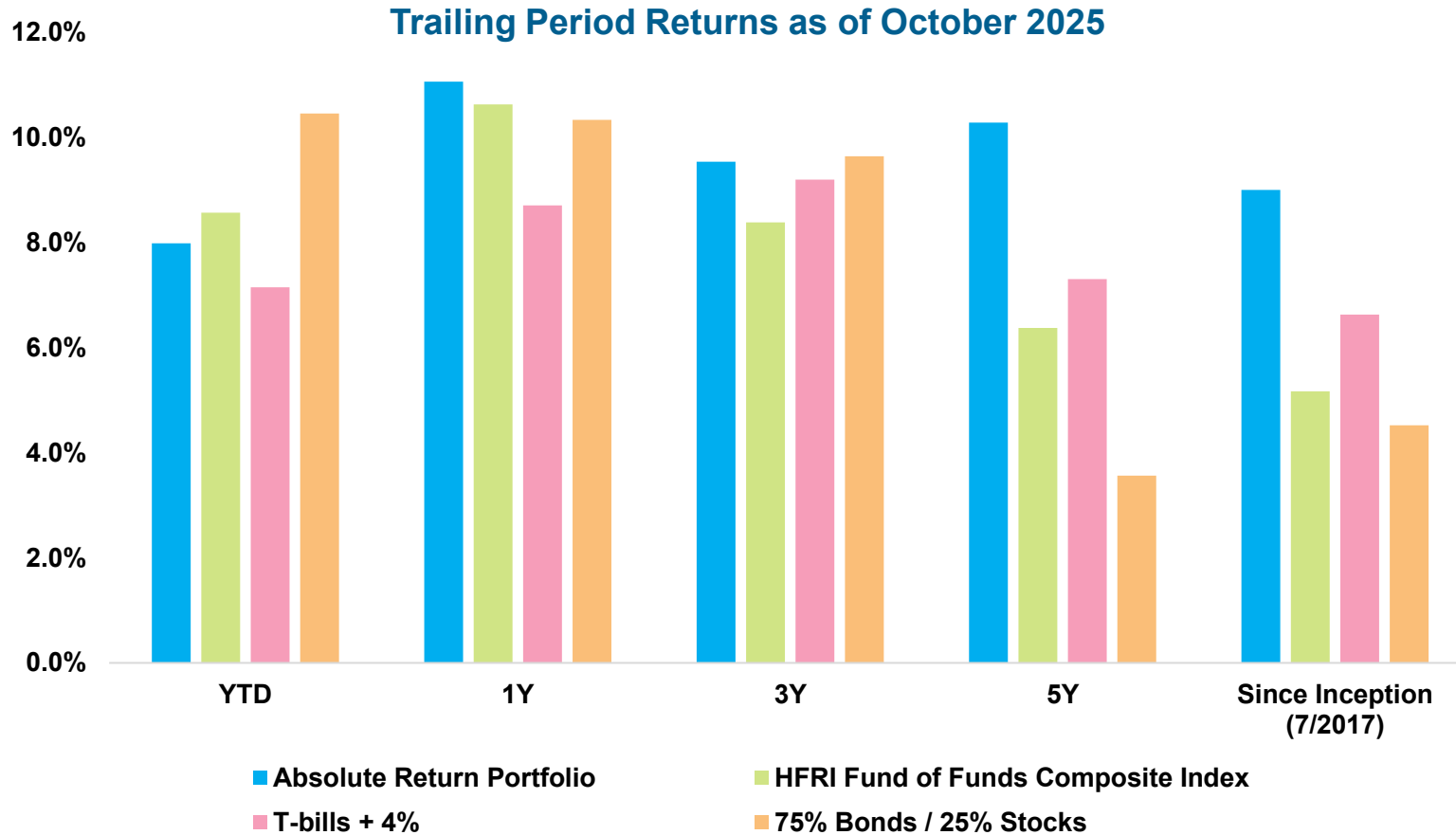


Net of Fees	Crabel Capital	SG Trend Index	Trend Aggregate	Aspect Capital	MAST Advisers (CS)	Manteio Managed Futures 18V
Annualized Returns (%)	8.3	7.9	6.4	5.7	4.9	2.1
Annualized Standard Deviation (%)	17.1	12.1	15.8	15.7	19.9	20.0
Sortino Ratio	0.47	0.59	0.30	0.24	0.13	-0.07
Correlation - MSCI ACWI	-0.19	-0.25	-0.22	-0.11	-0.28	-0.29
Beta - MSCI ACWI	-0.22	-0.20	-0.24	-0.11	-0.38	-0.39
Max Drawdown (%)	-29.26	-20.44	-29.88	-28.23	-44.60	-48.92
Skewness	0.2	-0.1	-0.2	0.0	-0.1	-0.2
Kurtosis	0.3	0.1	0.3	-0.4	2.1	2.5

The trailing 5-year data further demonstrates that while trend-following managers in the CPC allocation provide valuable diversification and crisis protection, their performance and risk profiles vary significantly.

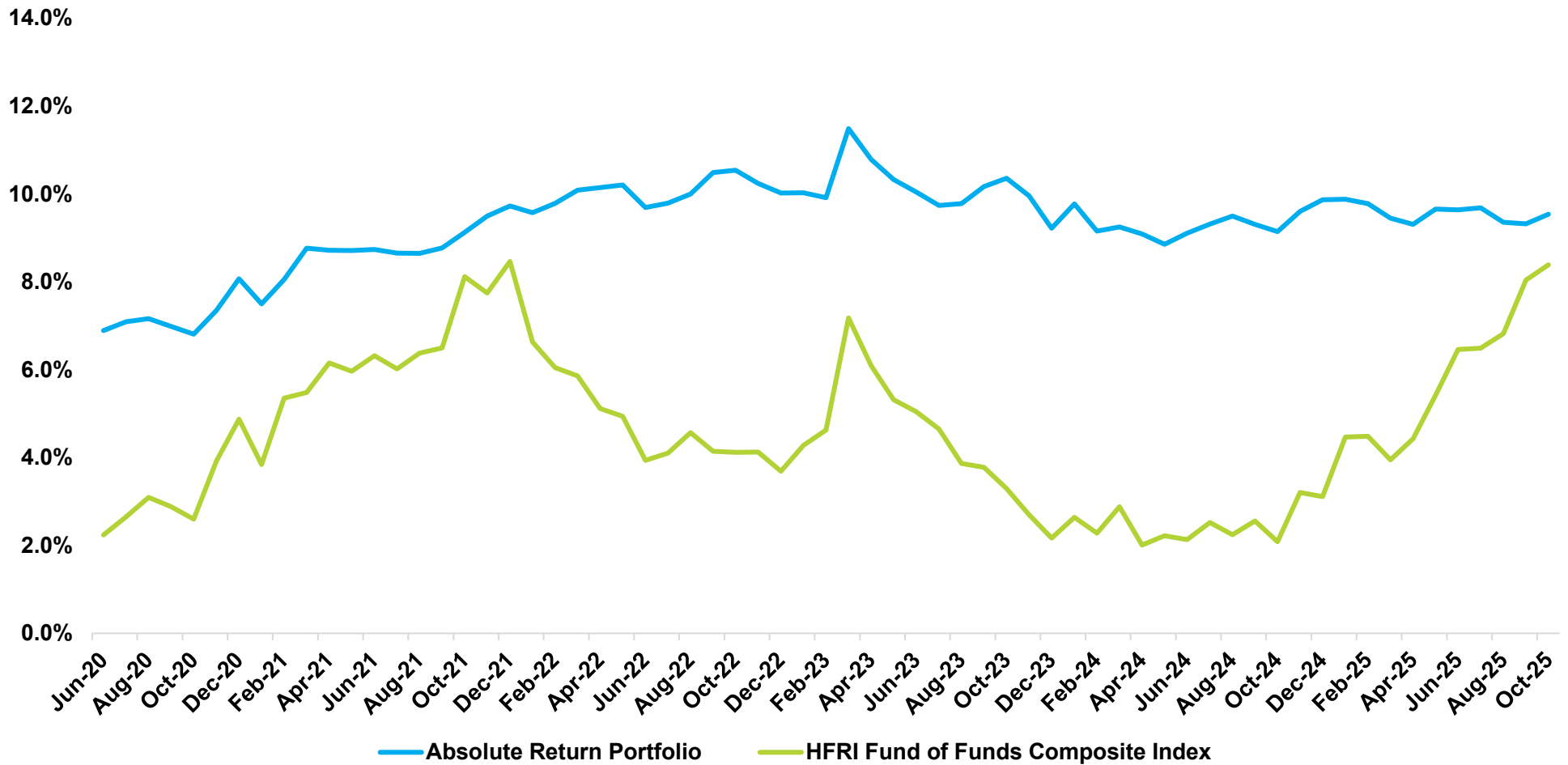
Absolute Return Performance

Absolute Return Performance



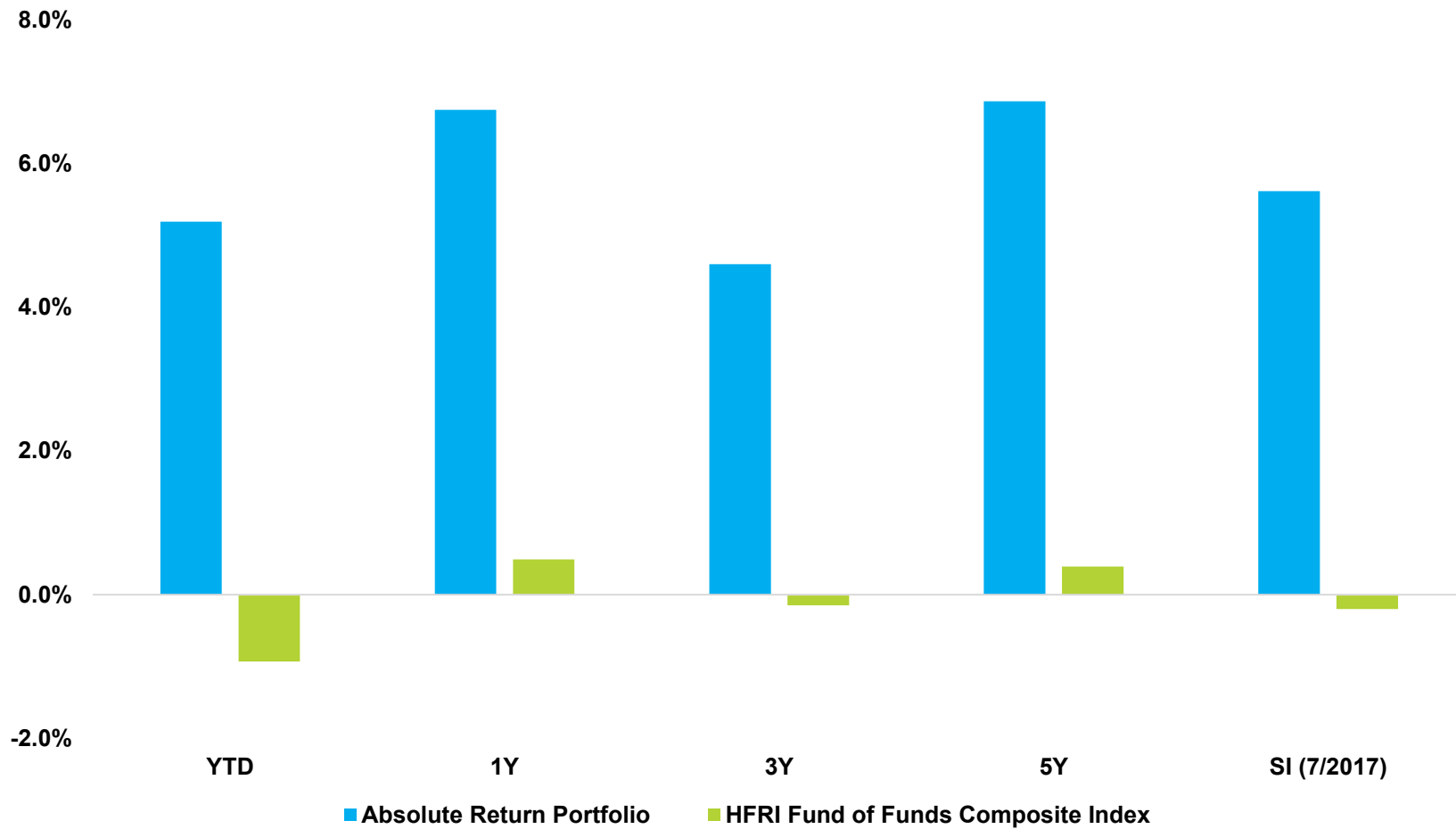
Trailing Period as of 10/2025 (Net of Fees)	YTD	1Y	3Y	5Y	Since Inception (7/2017)
Absolute Return Portfolio	8.0%	11.1%	9.5%	10.3%	9.0%
<i>HFRI FoF Composite Index</i>	8.6%	10.6%	8.4%	6.4%	5.2%
<i>T-bills + 4%</i>	7.1%	8.7%	9.2%	7.3%	6.6%
<i>75% Bonds / 25% Stocks</i>	10.5%	10.3%	9.6%	3.6%	4.5%

3-Year Rolling Annualized Returns (net of fees)



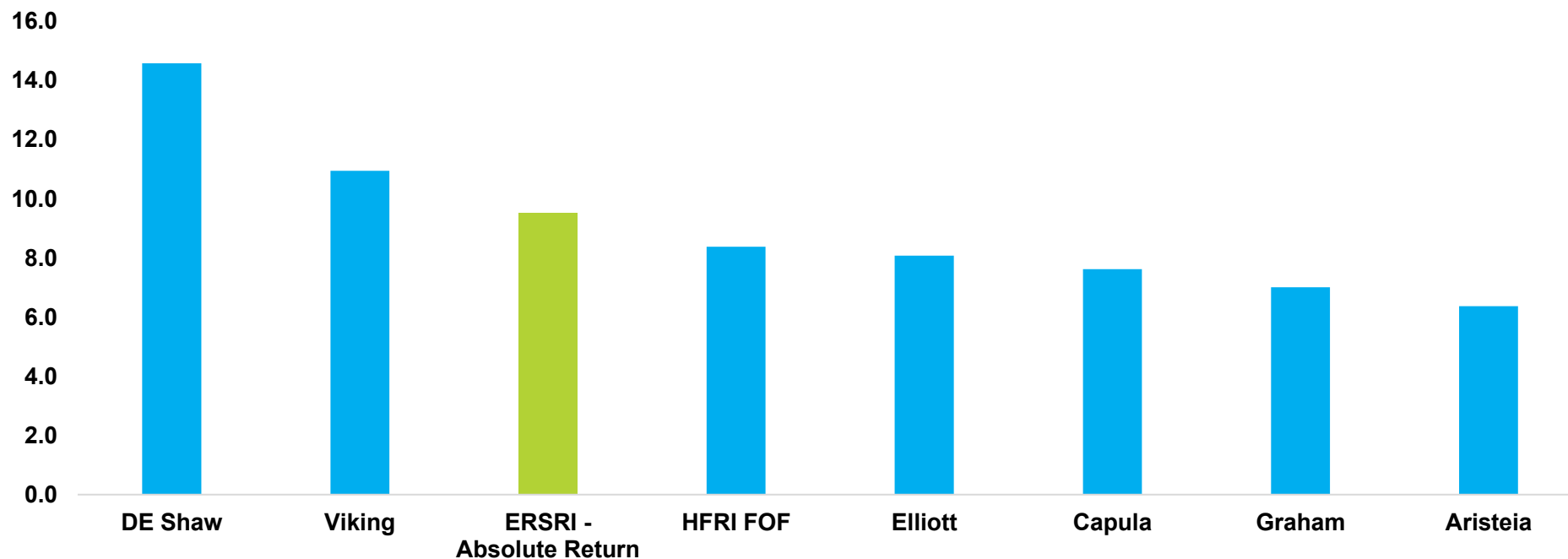
The Absolute Return portfolio has consistently outpaced the Fund of Fund Composite on a 3-year rolling basis

Jensen's Alpha (net of fees)



ERSRI's Absolute Return Portfolio continues to produce consistent alpha over global equities, especially compared to that of the Fund of Funds Index.

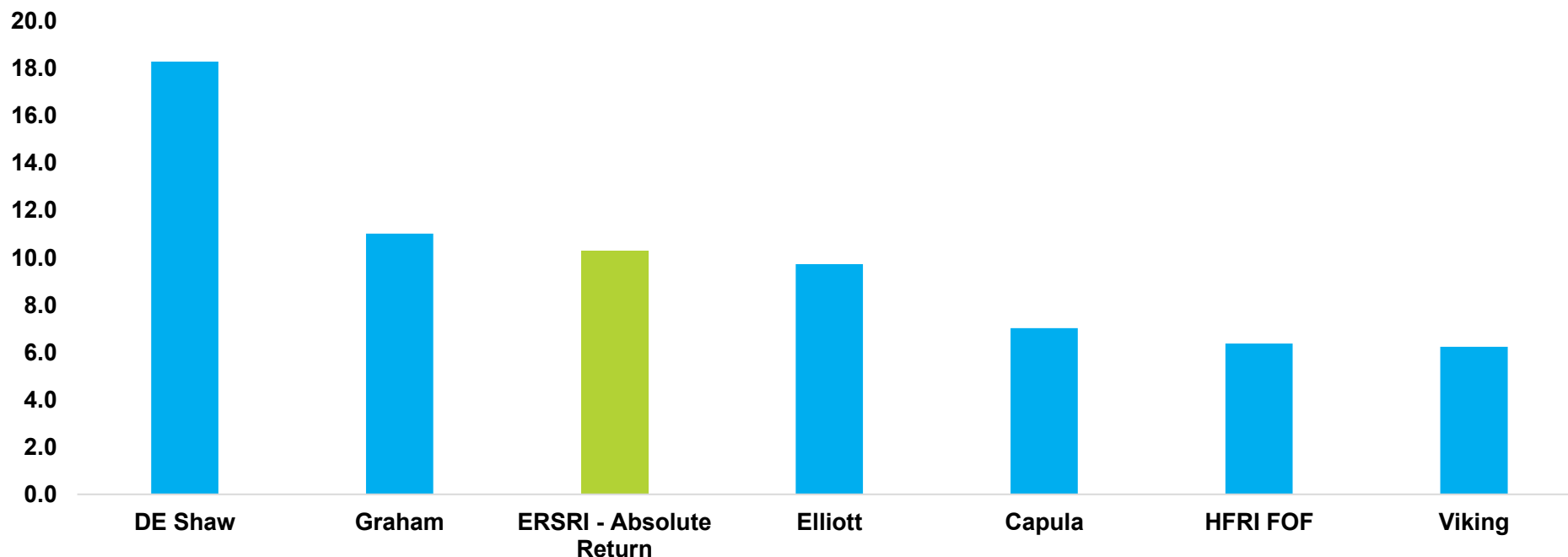
Trailing Period Manager Evaluation – 3 Year



Net of Fees	DE Shaw	Viking	ERSRI - Absolute Return	HFRI FOF	Elliott	Capula	Graham	Aristeia
Annualized Returns (%)	14.6	10.9	9.5	8.4	8.1	7.6	7.0	6.4
Annualized Standard Deviation (%)	3.2	3.7	1.2	3.2	2.1	1.1	5.1	1.9
Sharpe Ratio	3.01	1.60	3.74	1.04	1.46	2.31	0.39	0.72
Sortino Ratio	13.92	3.48	17.55	1.86	3.15	5.39	0.62	1.22
Correlation - MSCI ACWI	-0.25	0.29	-0.17	0.80	0.05	-0.50	-0.22	-0.34
Beta - MSCI ACWI	-0.06	0.09	-0.02	0.21	0.01	-0.05	-0.09	-0.05
Jensen Alpha - MSCI ACWI (%)	10.3	4.3	4.6	-0.1	2.8	3.3	3.5	2.2
Max Drawdown (%)	-0.4	-1.3	0.0	-1.7	-0.6	-0.1	-4.0	-0.6
Batting Average - MSCI ACWI	0.39	0.36	0.33	0.33	0.31	0.31	0.33	0.33

ERSRI's Absolute Return Portfolio has delivered exceptional risk-adjusted performance, as demonstrated by its strong Sharpe and Sortino ratios. Notably, D.E. Shaw has been a significant driver of this risk-adjusted return.

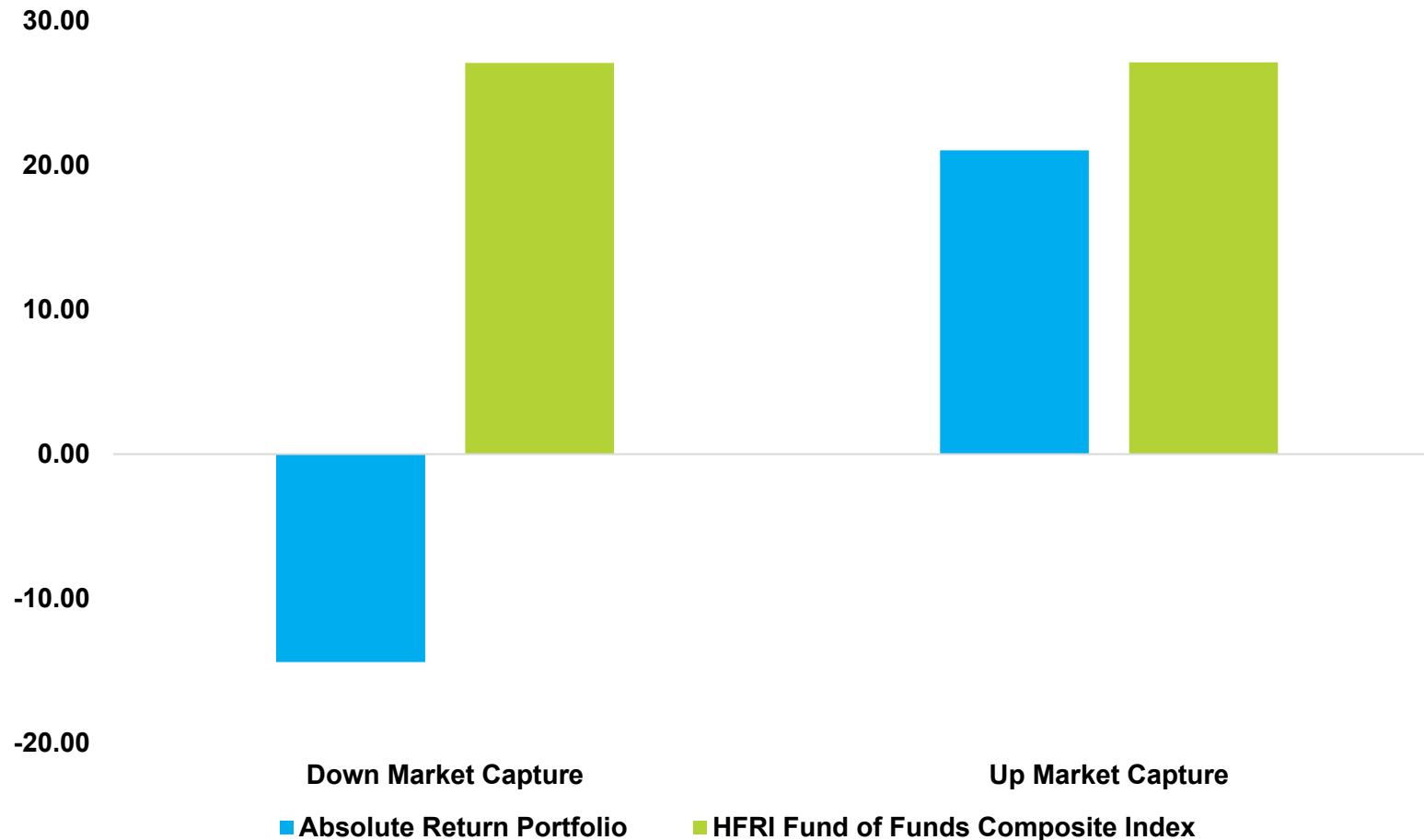
Trailing Period Manager Evaluation – 5 Year



Net of Fees	DE Shaw	Graham	ERSRI - Absolute Return	Elliott	Capula	HFRI FOF	Viking
Annualized Returns (%)	18.3	11.0	10.3	9.7	7.0	6.4	6.2
Annualized Standard Deviation (%)	3.6	6.6	1.9	3.1	1.6	4.4	7.4
Sharpe Ratio	4.19	1.19	3.73	2.09	2.44	0.73	0.41
Sortino Ratio	28.41	2.18	26.72	5.37	8.01	1.33	0.59
Correlation - MSCI ACWI	-0.15	-0.29	0.04	-0.10	-0.38	0.77	0.44
Beta - MSCI ACWI	-0.04	-0.13	0.00	-0.02	-0.04	0.23	0.22
Jensen Alpha - MSCI ACWI (%)	15.3	9.5	6.9	6.7	4.3	0.4	0.5
Max Drawdown (%)	-0.4	-7.1	-0.4	-2.3	-0.7	-8.0	-14.3
Batting Average - MSCI ACWI	0.45	0.37	0.37	0.33	0.35	0.35	0.35

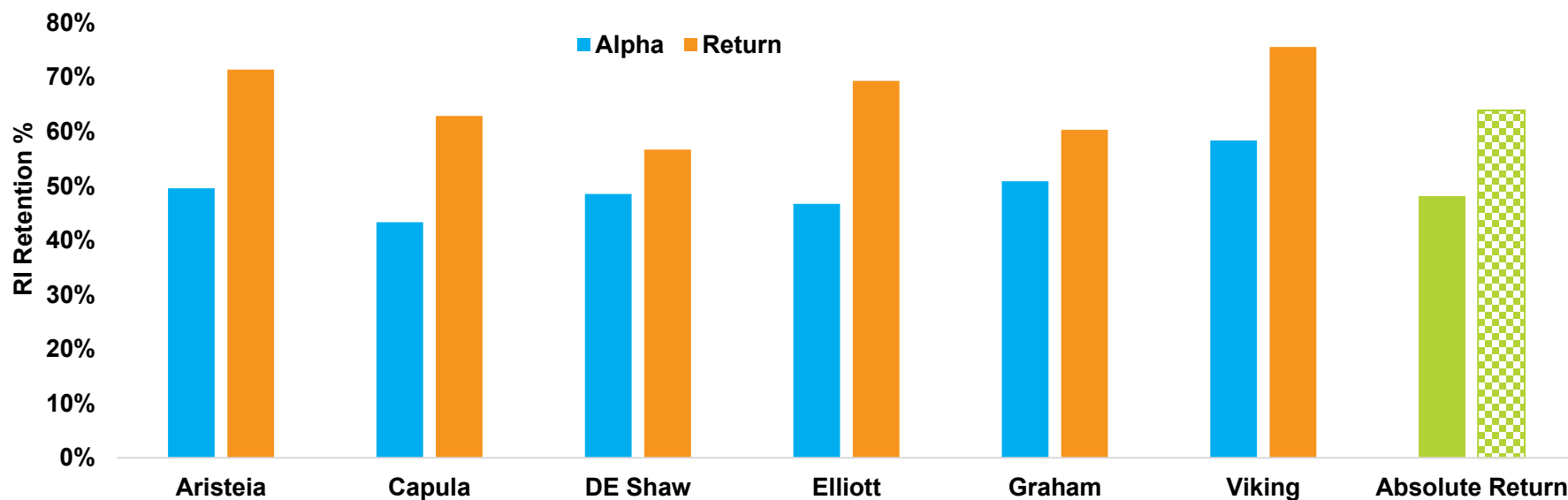
The exceptional risk adjusted performance is also present on a trailing 5-year basis, again led by D.E. Shaw but with strong contributions from multiple Absolute Return portfolio strategies.

Market Capture (July 2017 – October 2025)



The Absolute Return Portfolio's negative down market capture demonstrates that it has, on average, generated positive returns during equity market declines. However, this defensive positioning comes with a trade-off, as the portfolio has lagged the FOF composite in up markets

Fee Evaluation – Trailing 3Y

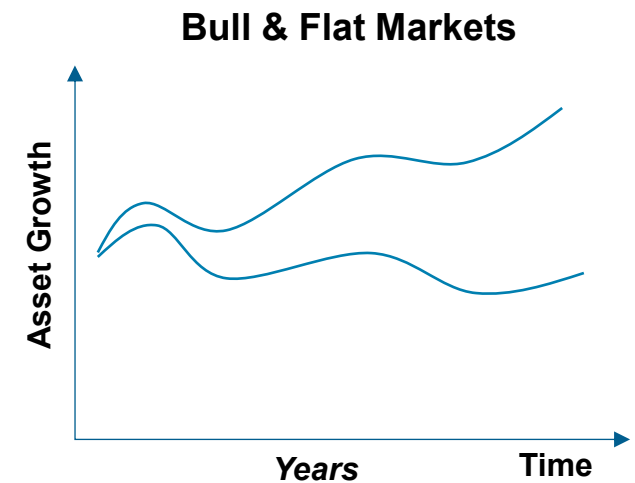
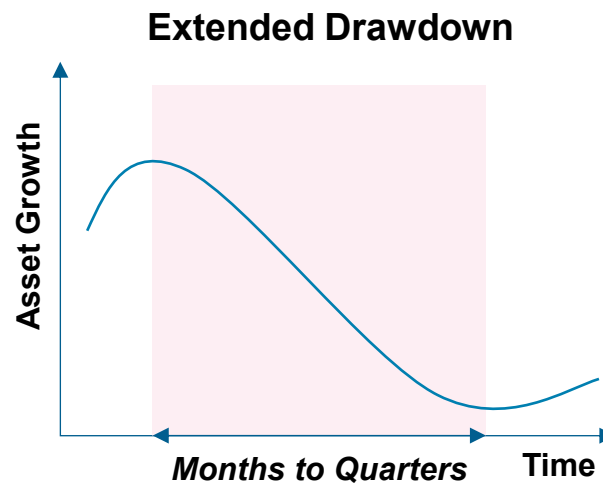
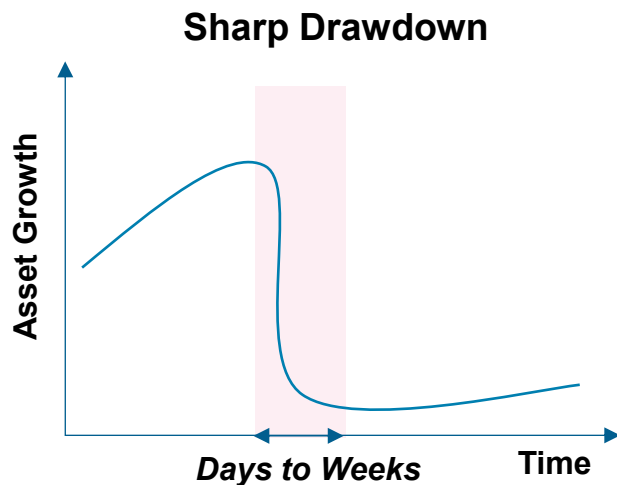


3Y As of 10/2025			Net of Fees		Gross of Fees		Gross Alpha Split		Annualized Return Split	
Manager	Management Fee	Performance Fee	Annualized Return	Alpha	Annualized Return	Alpha	Manager	Investor	Manager	Investor
Aristeia	1.0%	20.0%	6.4%	2.3%	8.9%	4.7%	50.4%	49.6%	28.6%	71.4%
Capula	2.0%	20.0%	7.6%	3.4%	12.1%	7.9%	56.7%	43.3%	37.1%	62.9%
DE Shaw	3.0%	30.0%	14.6%	10.5%	25.7%	21.7%	51.4%	48.6%	43.3%	56.7%
Elliott	1.5%	20.0%	8.1%	3.0%	11.7%	6.4%	53.3%	46.7%	30.7%	69.3%
Graham	2.0%	25.0%	7.0%	3.7%	11.6%	7.4%	49.1%	50.9%	39.6%	60.4%
Viking	1.5%	20.0%	10.9%	4.5%	14.5%	7.6%	41.6%	58.4%	24.4%	75.6%
ERSRI - Absolute Return	1.94%	23.3%	9.5%	4.8%	14.9%	9.9%	51.8%	48.2%	36.1%	63.9%

Summary of Crisis Protection + Absolute Return Framework

Crisis Protection + Absolute Return Program is designed to:

- Provide diversification properties that are difficult to achieve in traditional asset classes.
- Have a positive long-term expected return, particularly during equity drawdowns.
- Be scalable and capital efficient to have a material impact to asset allocation.
- Provide liquidity for rebalancing and improve probabilities of meeting spending/liability requirements.
- Provide customization to meet the specific needs of investors.



First Responders

Primary Role: First line of protection in an equity drawdown

Strategy Examples: Long Volatility, Long Duration US Treasuries, Tail Risk Strategies

Second Responders

Primary Role: Second line of protection in an equity drawdown

Strategy Examples: Trend Following, CTAs, Managed Futures

Diversifiers

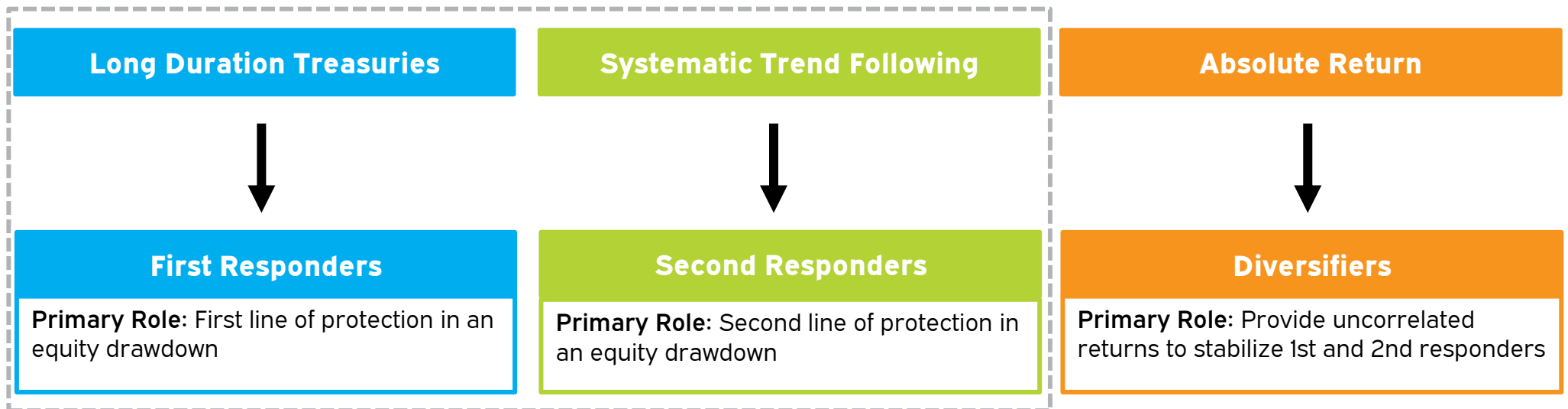
Primary Role: Provide uncorrelated returns to stabilize 1st and 2nd responders

Strategy Examples: Global Macro, Multi-Strategy, Equity Market Neutral, Relative Value, Event-Driven, Insurance Linked, Alternative Risk Premia, etc.

Mapping CPC to RMS

- Mapping ERSRI's CPC strategies to Meketa's RMS Framework is straight forward as indicated below with the key evolution being transitioning the CPC to a functional framework of first and second responders
- Absolute Return terminology is arguably interchangeable with diversifiers
- Systematic Trend Following maps seamlessly to Second Responders
 - Adjusting to this category does not necessitate any changes in strategies but may open up conversations for other strategies in the future which also provide similar qualities in periods of sustained equity drawdowns
- Long Duration Treasuries maps to First Responders
 - Adjusting this category to a functional "First Responders" role could provide latitude to consider a variety of strategies also meant to do well in volatility shocks, sharp drawdowns, and flight to quality events within markets

Crisis Protection Class



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