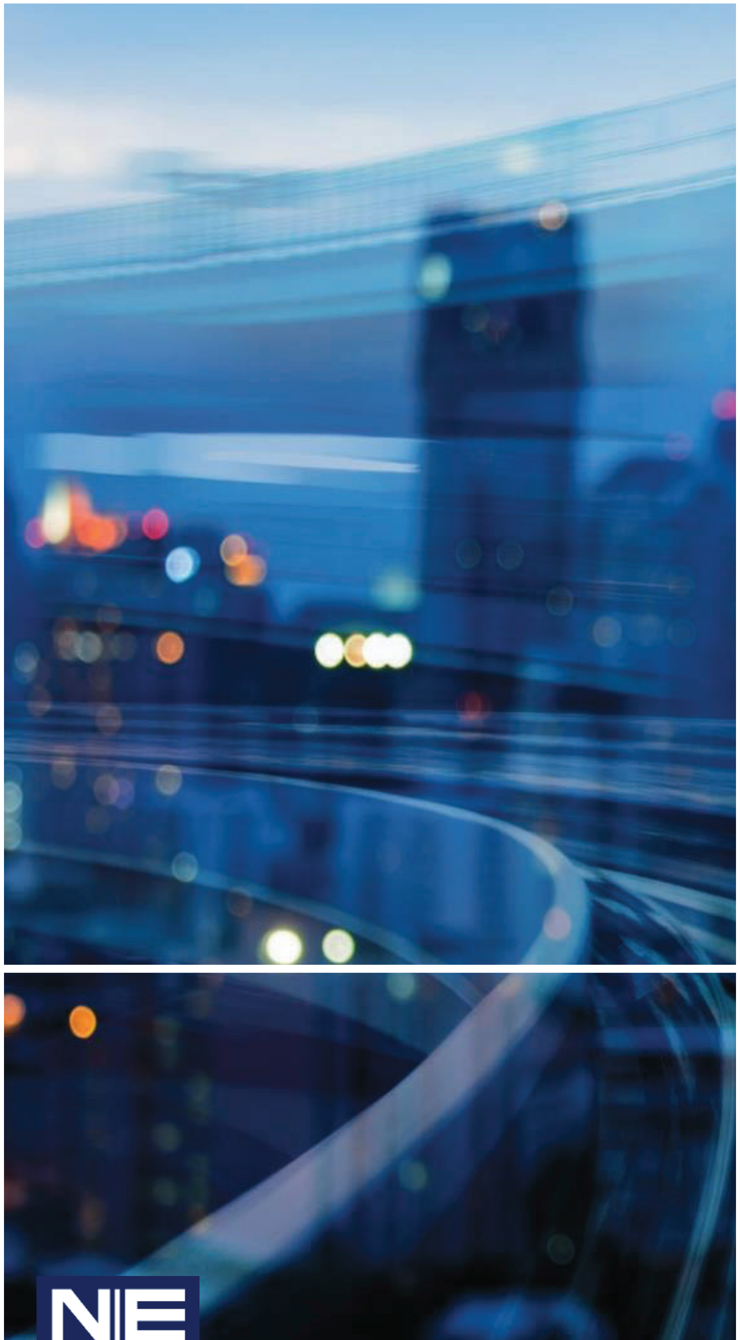


TMRS

1Q 2026 PERFORMANCE REPORT

JUNE 24, 2026

Samuel Austin, Partner
Emily Moran, CFA, CAIA, Senior Consultant

NEPC

TOTAL FUND PERFORMANCE SUMMARY – NET RETURNS AS OF MARCH 31, 2026

COMPARED TO TRUST FUND BENCHMARK

	Market Value ($)	1 Yr (%)	5 Yrs (%)
Total Fund, Net of Fees	**48,726,034,857**	**13.08**	**7.59**
Trust Fund Benchmark		12.27	5.47
Over/Under		0.81	2.12

- **For the one-year period ended March 31, 2026, the Trust Fund returned 13.08%, exceeding the Trust Fund Benchmark by 0.81%.**
  - Global Equity, Private Equity, Tactical Opportunities, and Real Assets exceeded their respective benchmarks, while Credit and Cash trailed.
- **For the five-year period ended March 31, 2026, the Trust Fund returned 7.59%, exceeding the Trust Fund Benchmark by 2.12%.**
  - Global Equity, Private Equity, Credit, Tactical Opportunities, Real Assets, and Cash exceeded their respective benchmarks.

TOTAL FUND PERFORMANCE SUMMARY – NET RETURNS AS OF MARCH 31, 2026

COMPARED TO OTHER PUBLIC PENSION PLANS GREATER THAN $10 BILLION IN ASSETS

	1 Yr (%)	Quartile Rank	5 Yrs (%)	Quartile Rank
Total Fund, Net of Fees	**13.08**	**2nd**	**7.59**	**1st**
Trust Fund Benchmark	12.27	2nd	5.47	4th
InvMetrics Public DB > $10 Billion Median	*12.10*		*6.93*	

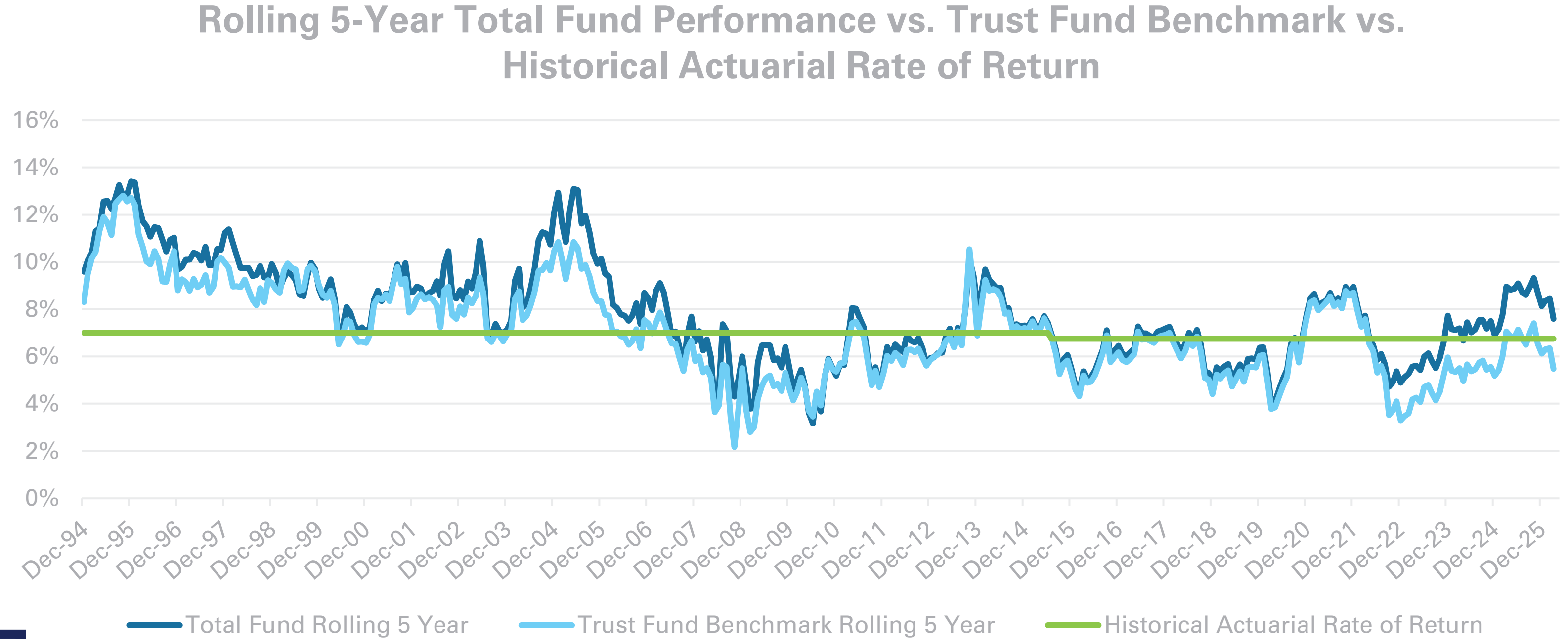
- **For the one-year period ended March 31, 2026, the Trust Fund returned 13.08% and ranked in the second quartile among other Public Defined Benefit Plans greater than $10 billion in assets.**

- **For the five-year period ended March 31, 2026, the Trust Fund returned 7.59% and ranked in the first quartile among other Public Defined Benefit Plans greater than $10 billion in assets.**

TOTAL FUND PERFORMANCE AS OF MARCH 31, 2026

VERSUS TRUST FUND BENCHMARK AND ASSUMED RATE OF RETURN

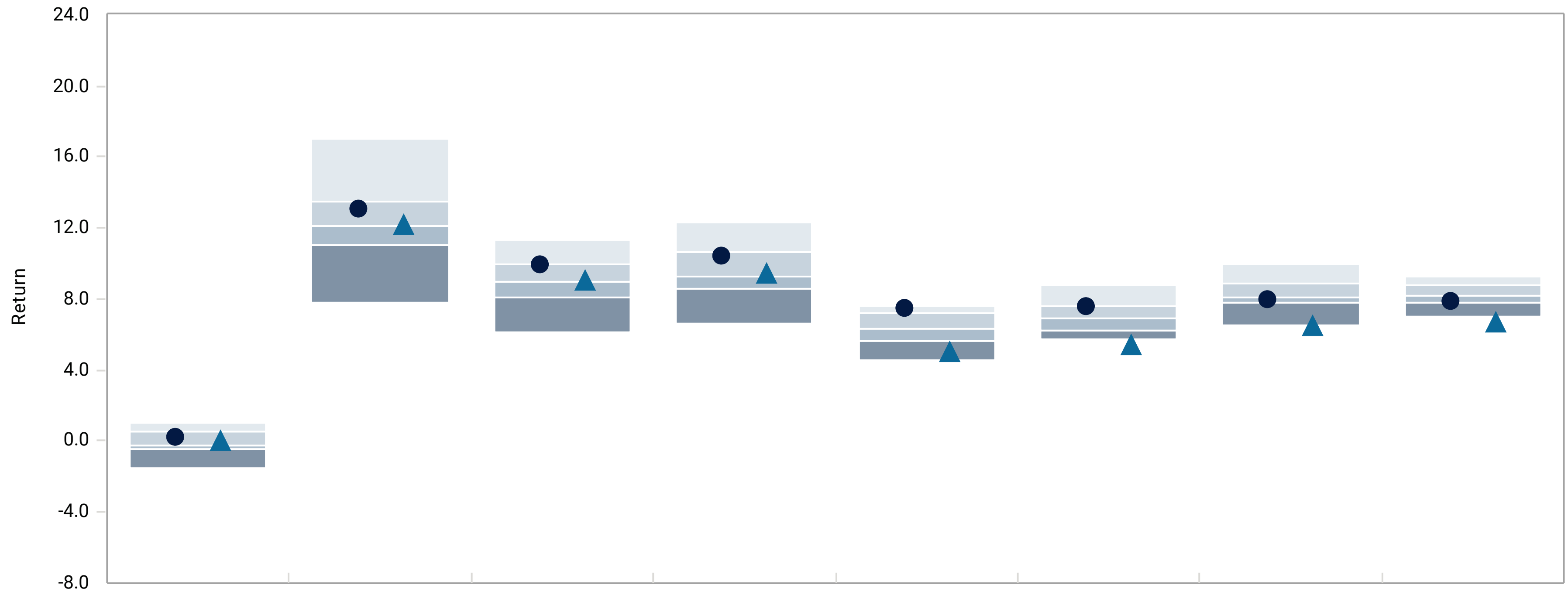
- **The Trust Fund performance expectation is to exceed the Trust Fund Benchmark over rolling five-year periods.**
- **In the five-year period ended March 31, 2026, the Trust Fund's net return of 7.59% outperformed the Trust Fund Benchmark by 2.12%. It also exceeded the Board's Assumed Long-Term Rate of Return of 6.75%.**



Texas Municipal Retirement System

RETURN SUMMARY VS. PEER UNIVERSE AS OF MARCH 31, 2026

Total Fund vs. InvMetrics Public DB > $10 Billion

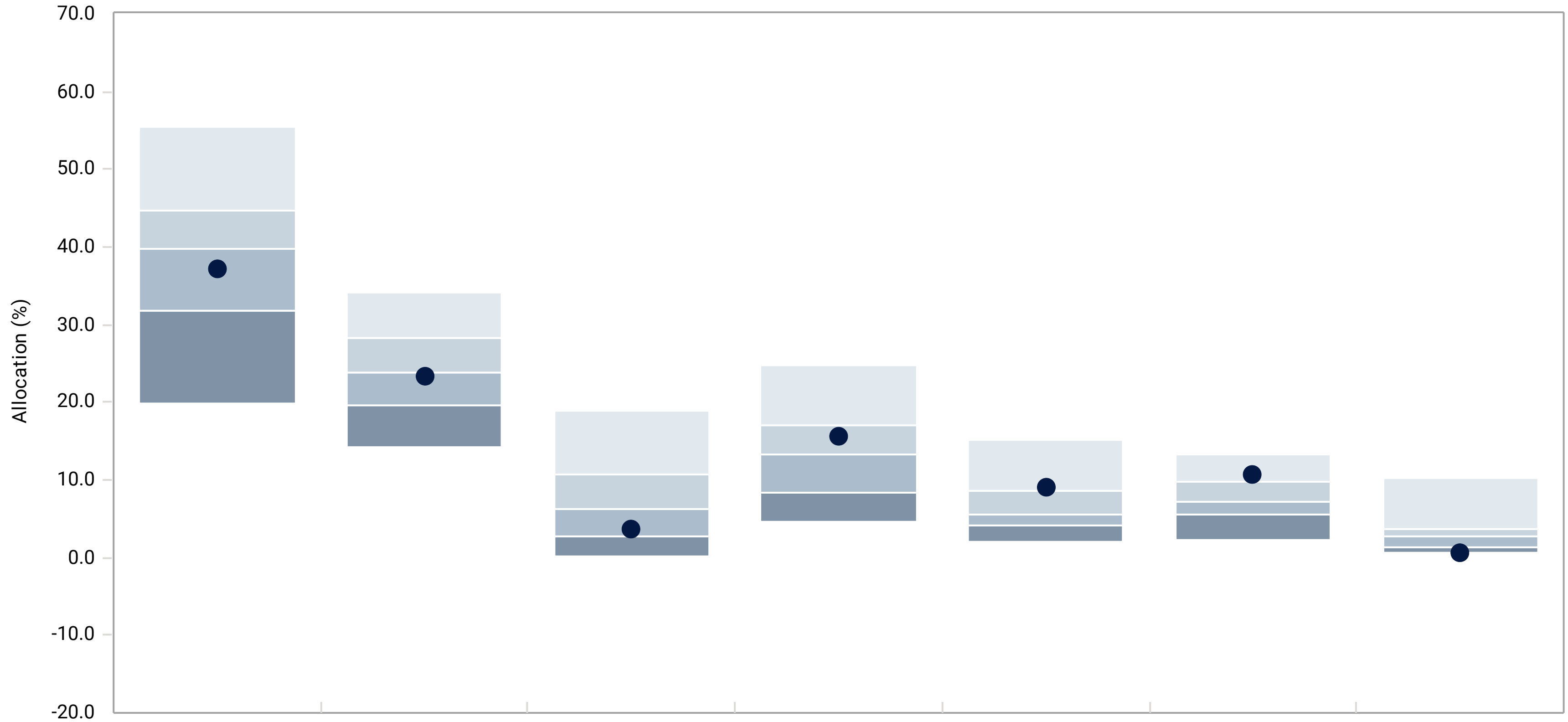


	3 Mo	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
● Total Fund	0.28 (30)	13.08 (42)	9.95 (26)	10.50 (31)	7.53 (9)	7.59 (24)	7.97 (58)	7.85 (67)
▲ *Trust Fund Benchmark*	*0.05 (38)*	*12.27 (46)*	*9.13 (42)*	*9.48 (46)*	*5.04 (88)*	*5.47 (96)*	*6.52 (97)*	*6.70 (97)*
5th Percentile	1.01	16.98	11.33	12.36	7.58	8.81	9.98	9.24
1st Quartile	0.49	13.50	9.95	10.61	7.18	7.59	8.86	8.80
Median	-0.23	12.10	8.96	9.26	6.31	6.93	8.12	8.18
3rd Quartile	-0.45	11.04	8.14	8.60	5.60	6.26	7.80	7.80
95th Percentile	-1.48	7.77	6.12	6.59	4.59	5.71	6.58	7.05
Population	25	25	25	24	24	22	20	19

March 31, 2026

ALLOCATIONS VS. PEER UNIVERSE

Total Fund Allocation vs. InvMetrics Public DB > $10 Billion



	Total Equity	Total Fixed Income	Hedge Funds	Private Equity	Real Assets/Commod	Total Real Estate	Cash & Equivalents
● Total Fund	37.1 (67)	23.3 (60)	3.6 (69)	15.6 (35)	9.1 (23)	10.7 (22)	0.7 (90)
5th Percentile	55.5	34.2	18.9	24.7	15.2	13.4	10.2
1st Quartile	44.7	28.4	10.7	16.9	8.7	9.9	3.8
Median	39.9	23.8	6.2	13.3	5.6	7.2	2.7
3rd Quartile	31.8	19.6	2.7	8.3	4.2	5.6	1.3
95th Percentile	19.8	14.3	0.0	4.7	2.0	2.2	0.6
Population	31	31	20	30	25	27	30

Total Fixed Income includes 11.8% of Private Debt.

ASSET ALLOCATION COMPLIANCE AS OF MARCH 31, 2026

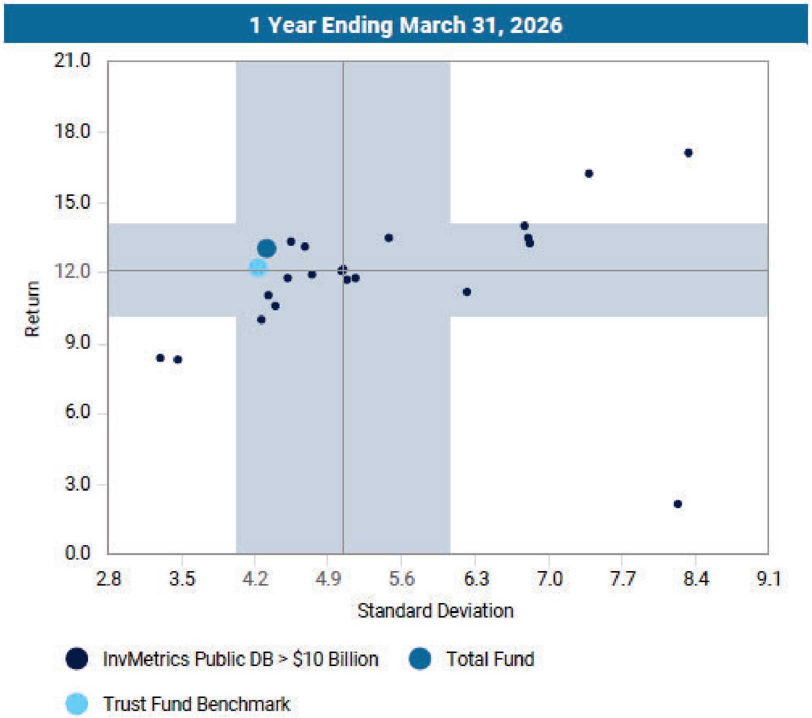
ACTUAL ASSET ALLOCATION VS. INVESTMENT POLICY ALLOCATION

	Current ($)	Current (%)	Policy (%)	Differences* (%)	Policy Range (%)	Within Range
Global Equity	18,075,073,809	37.1	35.0	2.1	25.0 - 45.0	Yes
Private Equity	7,613,205,919	15.6	20.0	-4.4	10.0 - 25.0	Yes
Credit	11,344,860,618	23.3	21.0	2.3	16.0 - 26.0	Yes
Tactical Opportunities	1,732,406,020	3.6	6.0	-2.4	0.0 - 11.0	Yes
Real Assets	9,631,189,205	19.8	18.0	1.8	13.0 - 23.0	Yes
Cash Composite	328,818,379	0.7	0.0	0.7		
Total Fund	**48,726,034,857**	**100.0**	**100.0**	**0.0**		

- **Actual asset class allocations are in compliance with Investment Policy ranges as of March 31, 2026.**

*Difference between Current and Policy allocation

TOTAL FUND RISK VS. NET RETURN: ONE YEAR AS OF MARCH 31, 2026

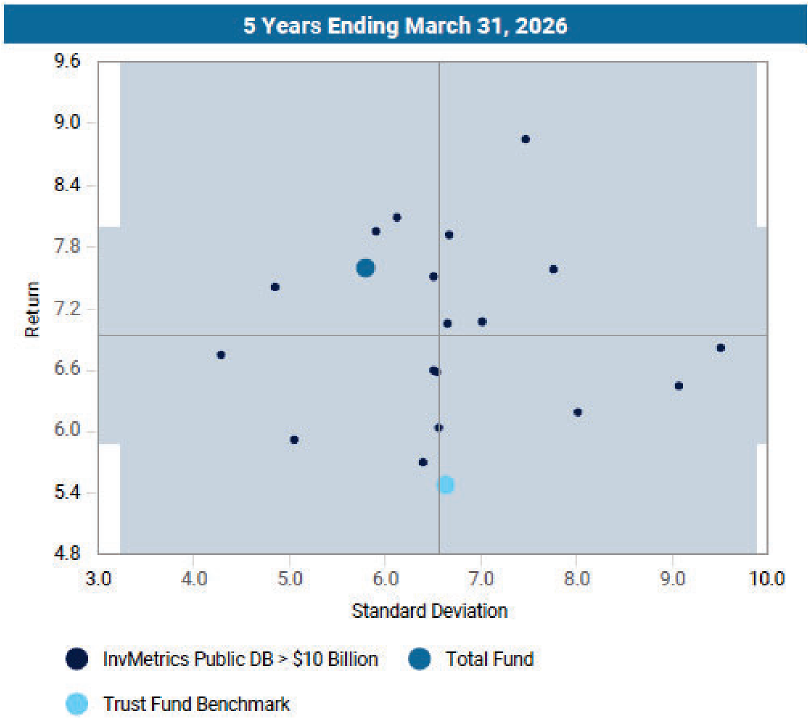


The Trust Fund generated a second quartile net investment return with one of the lower risk levels, as measured by standard deviation, among other Public Defined Benefit Plans with more than $10 billion in assets for the 1-year period ended March 31, 2026.

1 Year Ending March 31, 2026	Risk	Quartile Rank	Return	Quartile Rank	Sharpe Ratio	Quartile Rank
Total Fund	**4.31**	**1st**	**13.08**	**2nd**	**1.99**	**1st**
Trust Fund Benchmark	4.23	1st	12.27	2nd	1.86	1st
InvMetrics Public DB > $10 Billion Median	*5.04*		*12.10*		*1.45*	

– The Standard Deviation interquartile range is defined as the lowest Standard Deviation measuring in the first quartile.
– InvMetrics Public DB > $10B Median includes 25 observations.

TOTAL FUND RISK VS. NET RETURN: FIVE YEARS AS OF MARCH 31, 2026

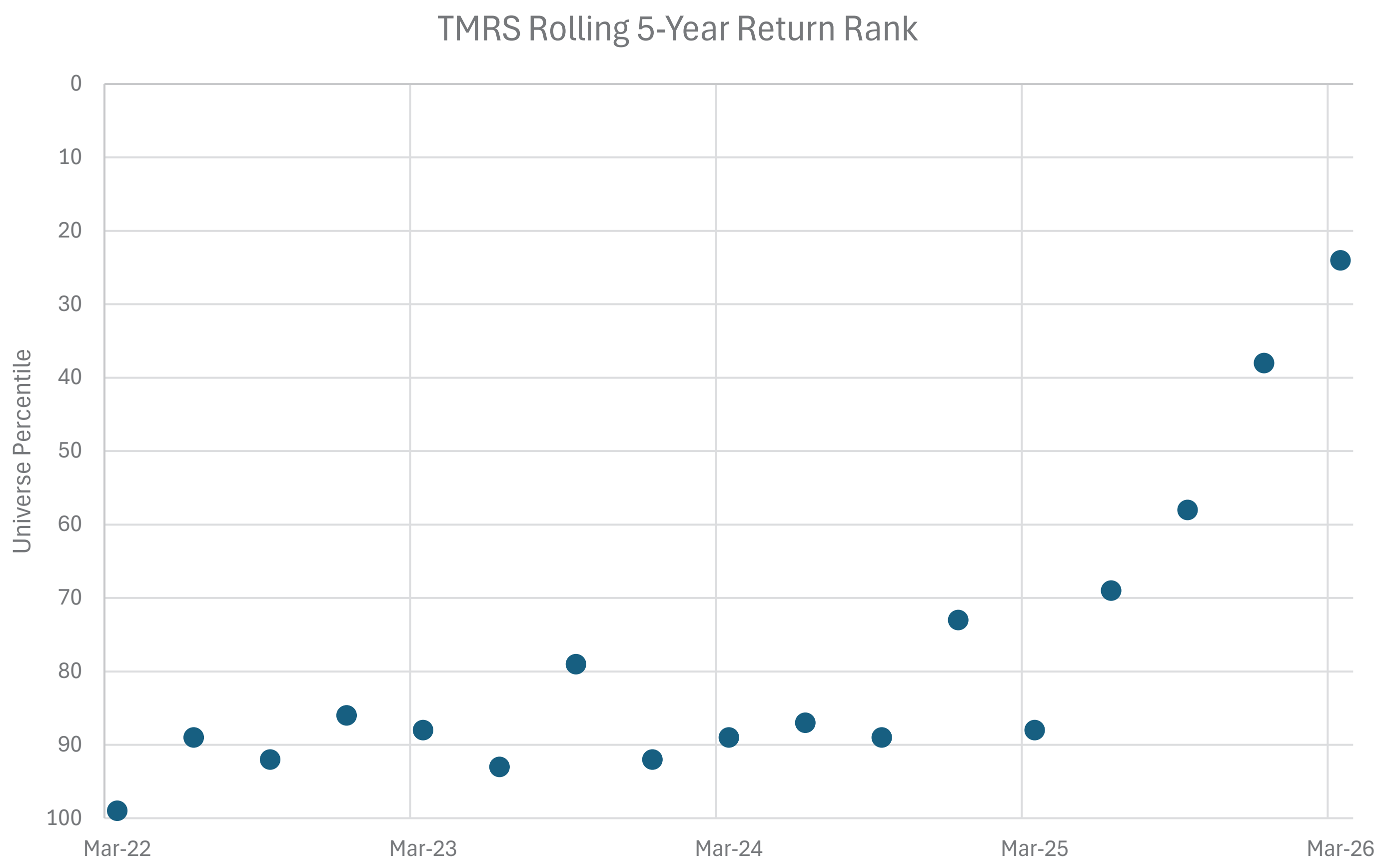


The Trust Fund generated a first quartile net investment return with one of the lower risk levels, as measured by standard deviation, among other Public Defined Benefit Plans with more than $10 billion in assets for the 5-year period ended March 31, 2026.

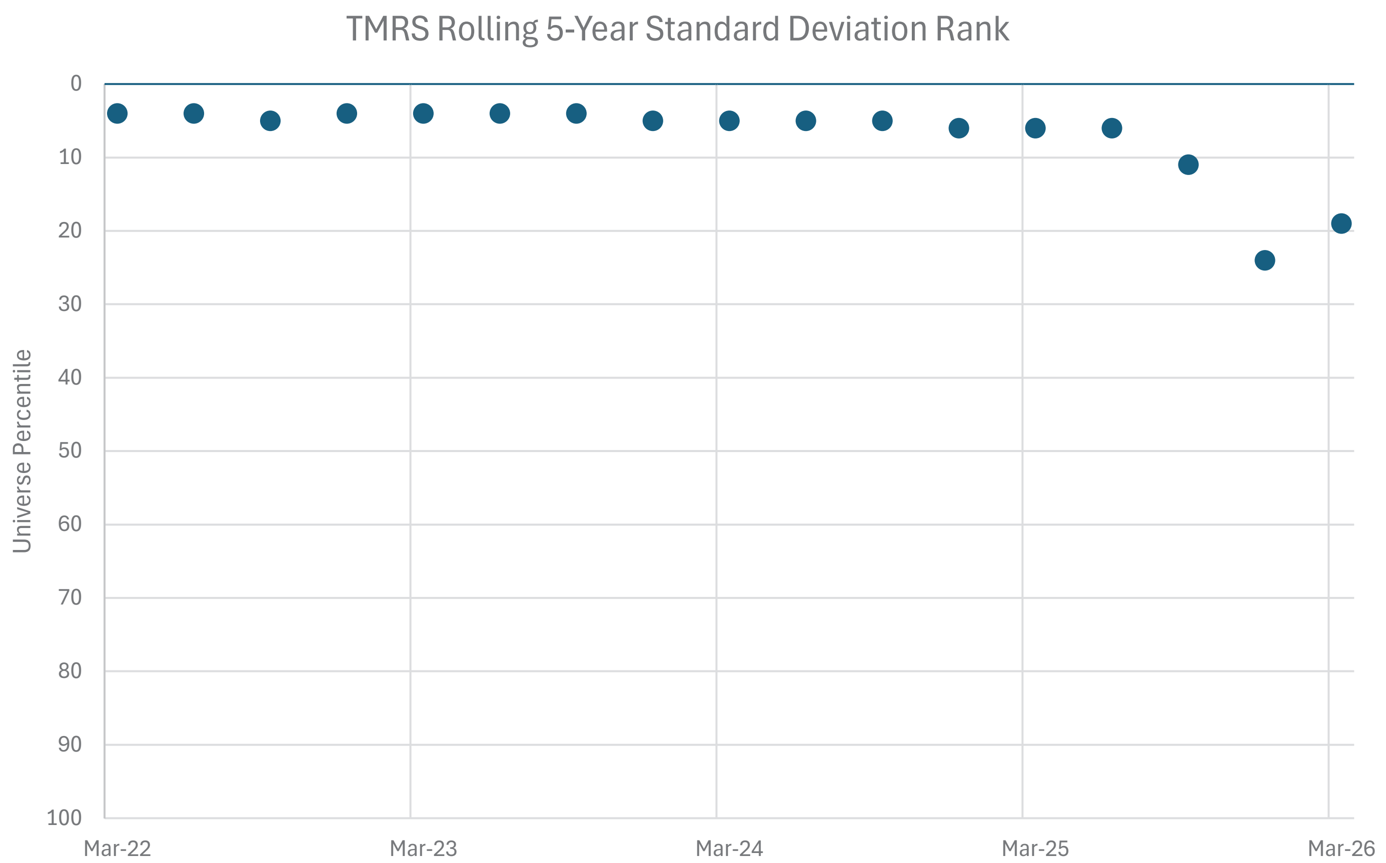
5 Year Ending March 31, 2026	Risk	Quartile Rank	Return	Quartile Rank	Sharpe Ratio	Quartile Rank
Total Fund	**5.81**	**1st**	**7.59**	**1st**	**0.74**	**1st**
Trust Fund Benchmark	6.63	3rd	5.47	4th	0.35	4th
InvMetrics Public DB > $10 Billion Median	*6.56*		*6.93*		*0.57*	

– The Standard Deviation interquartile range is defined as the lowest Standard Deviation measuring in the first quartile.
– InvMetrics Public DB > $10B Median includes 22 observations.

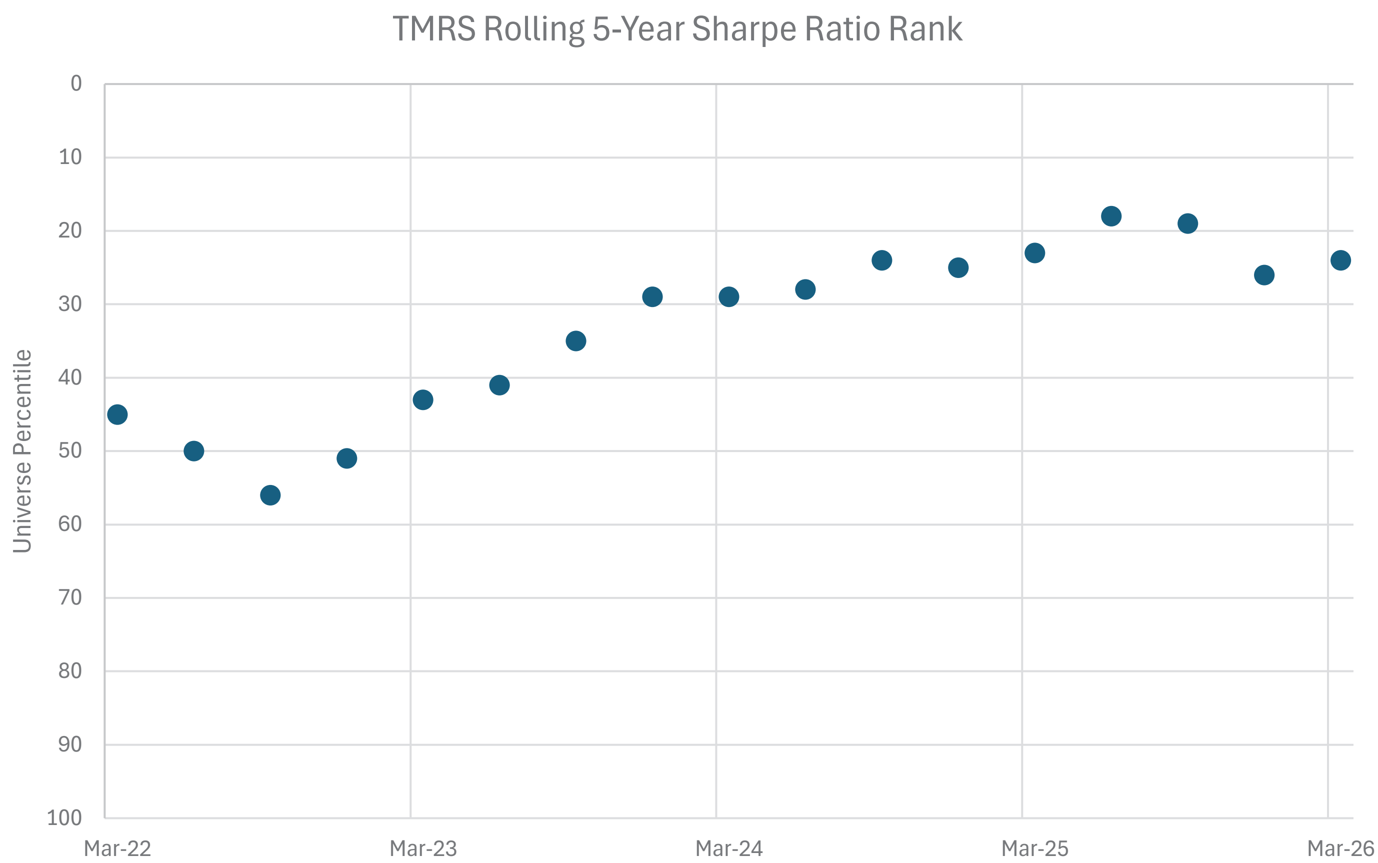
TOTAL FUND ROLLING 5-YR RETURN RANKINGS AS OF MARCH 31, 2026



TOTAL FUND ROLLING 5-YR STANDARD DEVIATION RANKINGS AS OF MARCH 31, 2026



TOTAL FUND ROLLING 5-YR SHARPE RATIO RANKINGS AS OF MARCH 31, 2026



Texas Municipal Retirement System

PERFORMANCE DETAIL AS OF MARCH 31, 2026

	Allocation		Performance (%)							
	Market Value ($)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund (Peer Comparison*)	**48,726,034,857**	**100.0**	**0.28 (30)**	**13.08 (42)**	**10.50 (31)**	**7.59 (24)**	**7.97 (58)**	**7.85 (67)**	**8.32**	**Jan-89**
Trust Fund Benchmark			*0.05*	*12.27*	*9.48*	*5.47*	*6.52*	*6.70*	*7.60*	
Over/Under			0.22	0.81	1.02	2.12	1.45	1.15	0.71	
Global Equity	**18,075,073,809**	**37.1**	**-2.31**	**21.85**	**16.77**	**9.18**	**11.10**	**10.99**	**7.37**	**Jan-08**
Total Equity Index			*-2.61*	*21.09*	*16.20*	*9.01*	*11.31*	*11.23*	*7.44*	
Over/Under			0.29	0.76	0.57	0.17	-0.21	-0.24	-0.07	
Private Equity	**7,613,205,919**	**15.6**	**4.85**	**14.85**	**10.53**	**14.15**	**15.97**	**13.90**	**14.70**	**Dec-15**
Private Equity Index			*3.20*	*12.60*	*10.17*	*6.46*	*10.62*	*13.02*	*12.85*	
Over/Under			1.65	2.25	0.36	7.70	5.35	0.88	1.84	
Credit	**11,344,860,618**	**23.3**	**0.10**	**5.39**	**7.42**	**4.59**	**4.90**	**4.59**	**7.10**	**Jan-89**
Credit Custom Blend			*0.90*	*5.64*	*5.93*	*1.85*	*2.81*	*2.84*	*6.21*	
Over/Under			-0.80	-0.25	1.49	2.74	2.08	1.75	0.89	
Tactical Opportunities	**1,732,406,020**	**3.6**	**3.94**	**13.83**	**11.36**	**7.64**	**7.54**	**7.24**	**6.08**	**Jul-14**
Tactical Opportunities Custom Blend			*4.22*	*11.63*	*8.10*	*5.96*	*6.63*	*5.68*	*4.65*	
Over/Under			-0.28	2.20	3.26	1.68	0.91	1.56	1.44	
Real Assets	**9,631,189,205**	**19.8**	**1.35**	**7.10**	**3.51**	**8.03**	**7.12**	**7.90**	**8.96**	**Nov-11**
Real Assets Custom Blend			*0.97*	*5.91*	*0.31*	*4.38*	*4.27*	*5.42*	*7.80*	
Over/Under			0.38	1.19	3.20	3.66	2.85	2.48	1.15	
Cash Composite	**328,818,379**	**0.7**	**0.90**	**4.04**	**4.95**	**3.60**	**2.87**	**2.32**	**1.46**	**Jun-08**
FTSE 1 Month US T-Bill index			*0.91*	*4.18*	*4.89*	*3.44*	*2.74*	*2.26*	*1.32*	
Over/Under			-0.01	-0.14	0.06	0.16	0.13	0.06	0.14	

* Peer comparison is expressed as a percentile. The lower the number, the better (e.g.,"1" is the top percentile).

COMPOSITE BENCHMARK DEFINITIONS AS OF MARCH 31, 2026

The Trust Fund Benchmark represents the Actual Allocation Benchmark through 12/31/2023; the Strategic Target Allocation weights through 12/31/2024; actual asset class weights as of 1/1/2025.

Strategic Target Allocation 1/1/2024-12/31/2024
- 35.0% Total Equity Benchmark
- 6.0% Core Fixed Income Benchmark
- 6.0% Non-Core Fixed Income Benchmark
- 5.0% Hedge Funds Benchmark
- 13.0% Private Equity Benchmark
- 12.0% Real Estate Benchmark
- 6.0% Infrastructure Benchmark
- 4.0% Other Private Markets Benchmark
- 13.0% Private Debt Benchmark

The Actual Allocation Benchmark was calculated monthly using the beginning of the month asset class weights applied to each corresponding benchmark return.

Asset Class Composite Benchmarks:

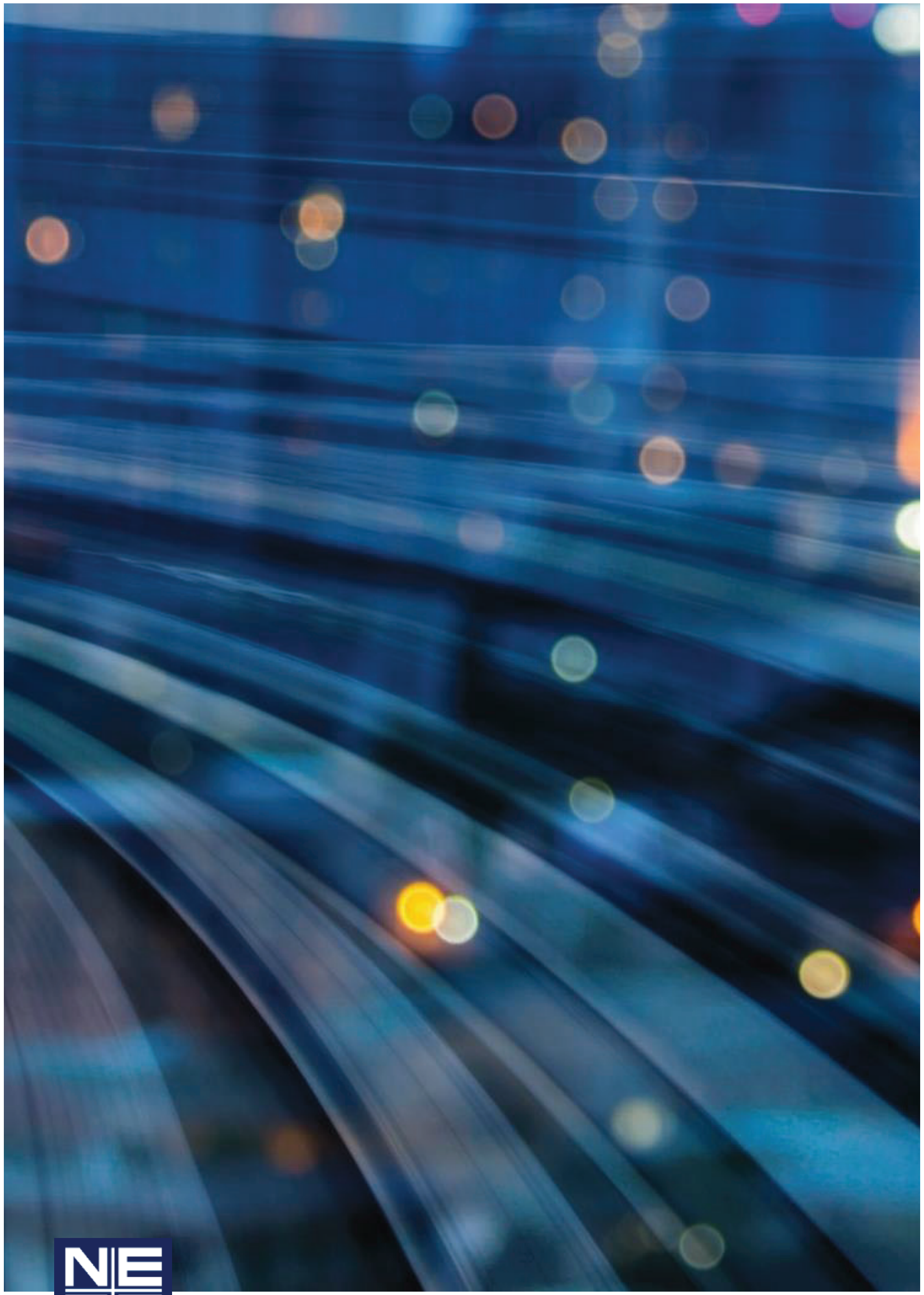
The Total Equity Benchmark is calculated monthly and consists of 50% Russell 3000 Index and 50% MSCI EAFE Index (USD) (Net) through 07/31/2010; a blend of the Russell 3000 Index, MSCI ACW Ex US IM Index (USD) (Net) and MSCI EAFE Index (USD) (Net) at beginning of month investment weights through 11/30/2012; and a blend of the Russell 3000 Index and MSCI ACW Ex US IM Index (USD) (Net) at beginning of the month weights through 12/31/2018; and MSCI ACW IM Index (USD) (Net) through 12/31/2024; and MSCI ACWI IMI ex-China ex-Hong Kong (Net) thereafter.

The Private Equity Benchmark is set equal to the Composite return through 6/30/2021; the MSCI ACW IM Index (USD) (Net), one quarter lag through 12/31/2023; the Cambridge US PE and Venture Capital, one quarter lag through 12/31/2024; and the Cambridge Global PE and Venture Capital, one quarter lag thereafter.

The Tactical Opportunities Benchmark is calculated monthly and consists of the HFRI FOF: Dvf'd Index (1 Mo Lag) through 6/30/2021, and HFRI Asset Weighted Composite Index (1 Mo Lag) thereafter.

The Credit Benchmark consists of 40% ICE BofA 1-3YR A-BBB US Corporate Index and 60% CS Leverage Loans Index +100bps.

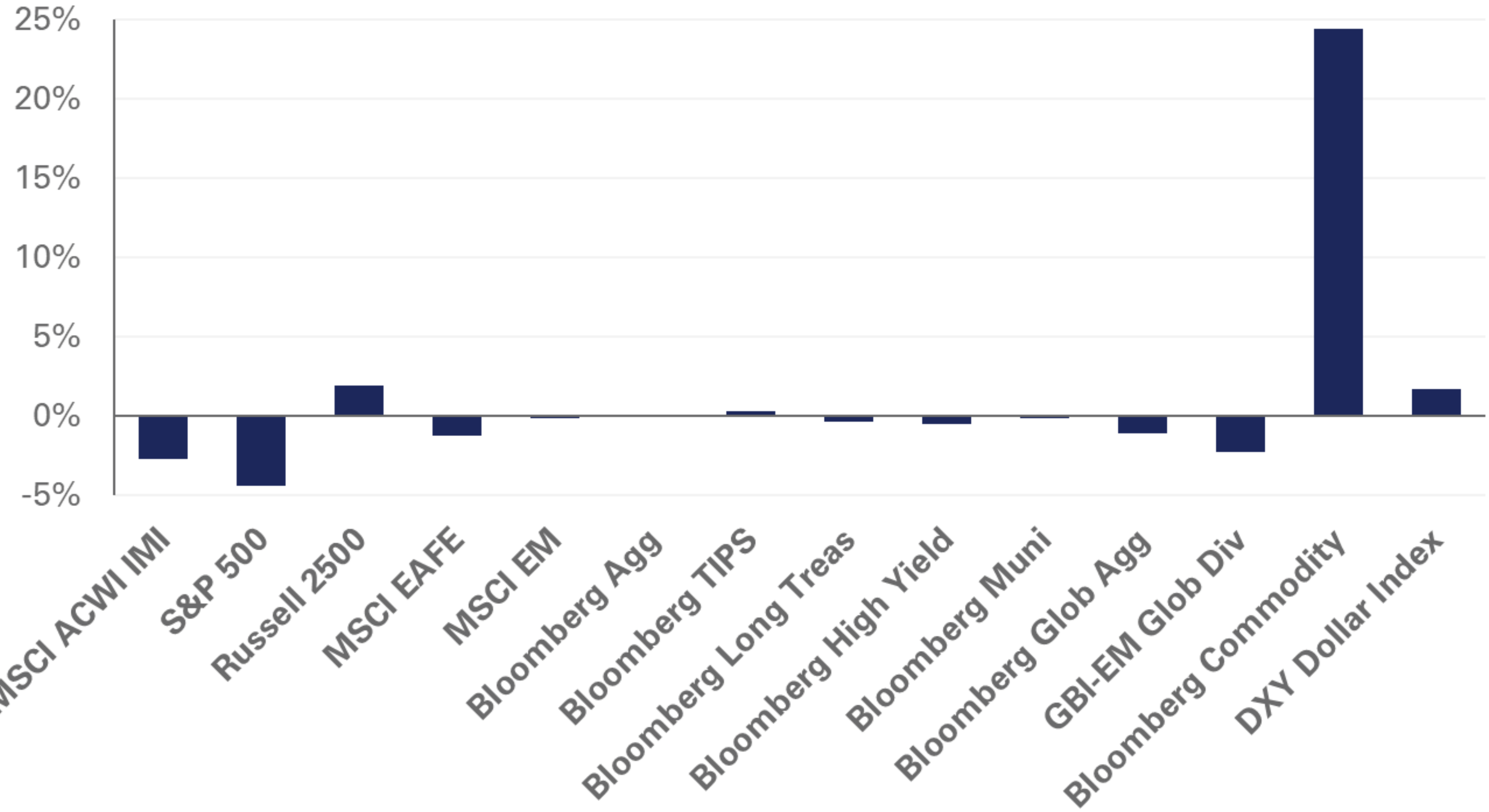
The Real Assets Benchmark consists of 50% Cambridge Infrastructure and 50% NCREIF NFI-ODCE (Net).



MARKET ENVIRONMENT

THE CONFLICT IN IRAN DOMINATED ASSET PRICING

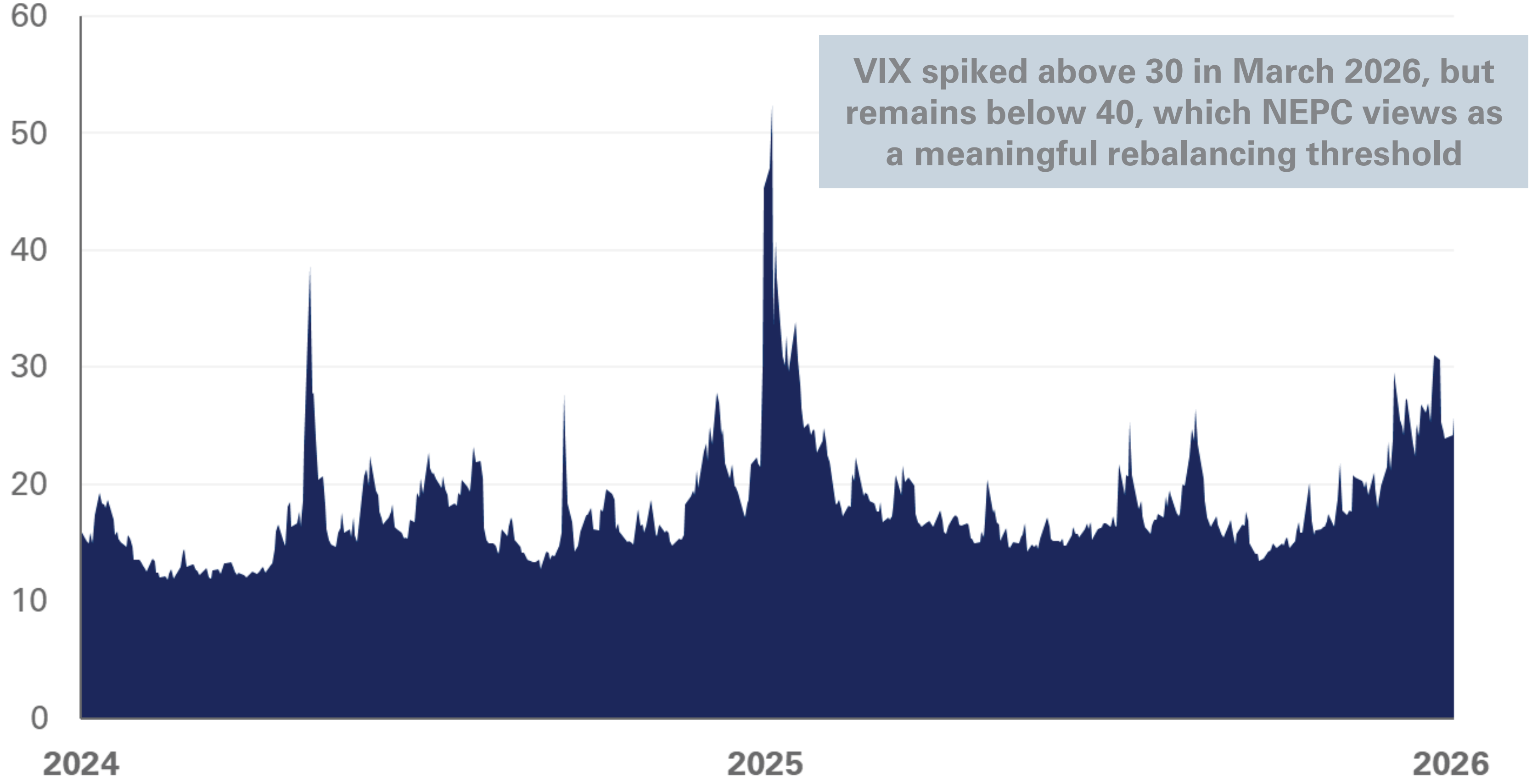
QUARTERLY TOTAL RETURNS



Sources: S&P, Russell, MSCI, JPM, Bloomberg, FactSet

MARKET VOL TICKED HIGHER, BUT STILL BELOW 40

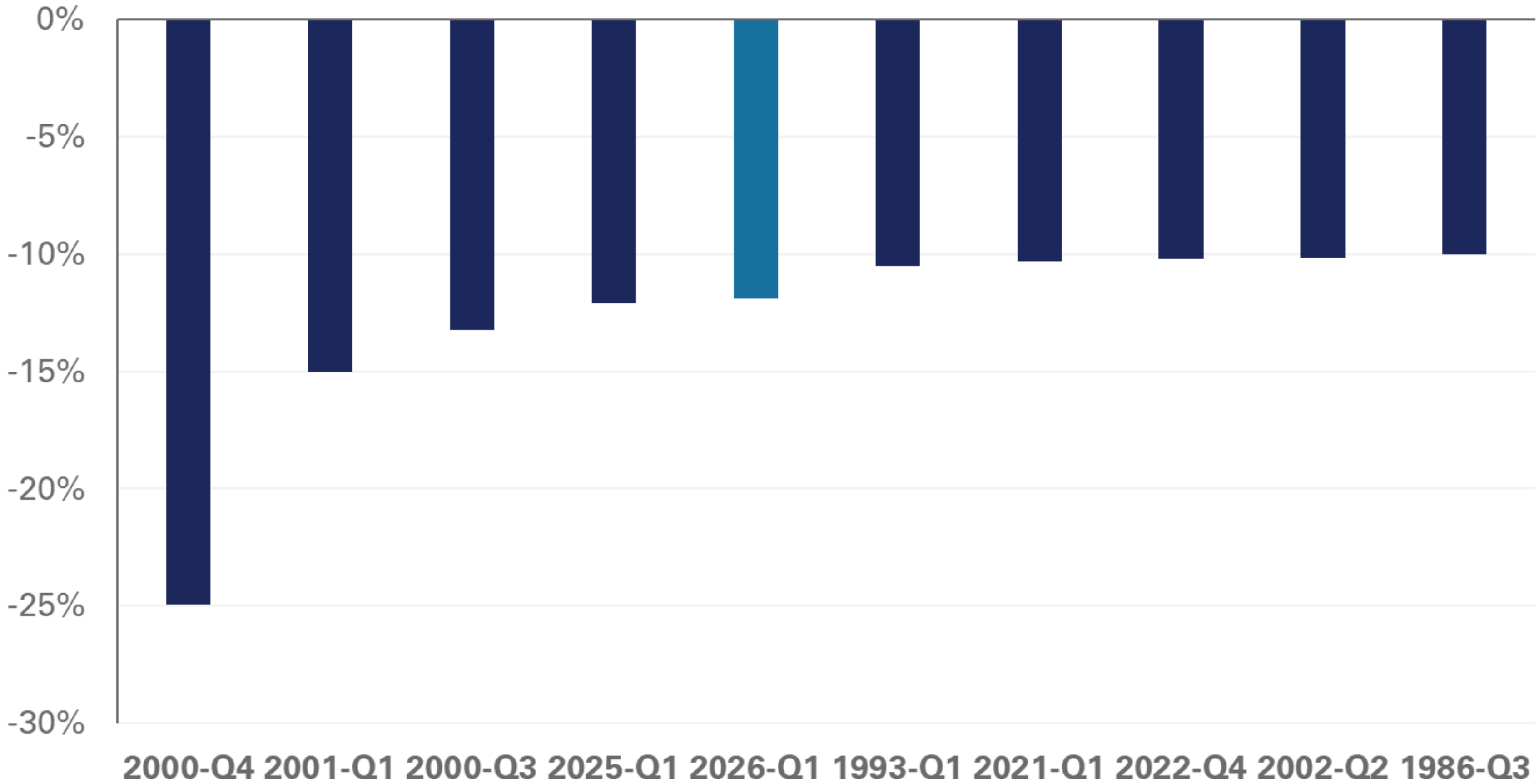
CBOE VOLATILITY INDEX (VIX)



Sources: CBOE, FactSet, NEPC

GROWTH UNDER PRESSURE AMID A.I. SCRUTINY

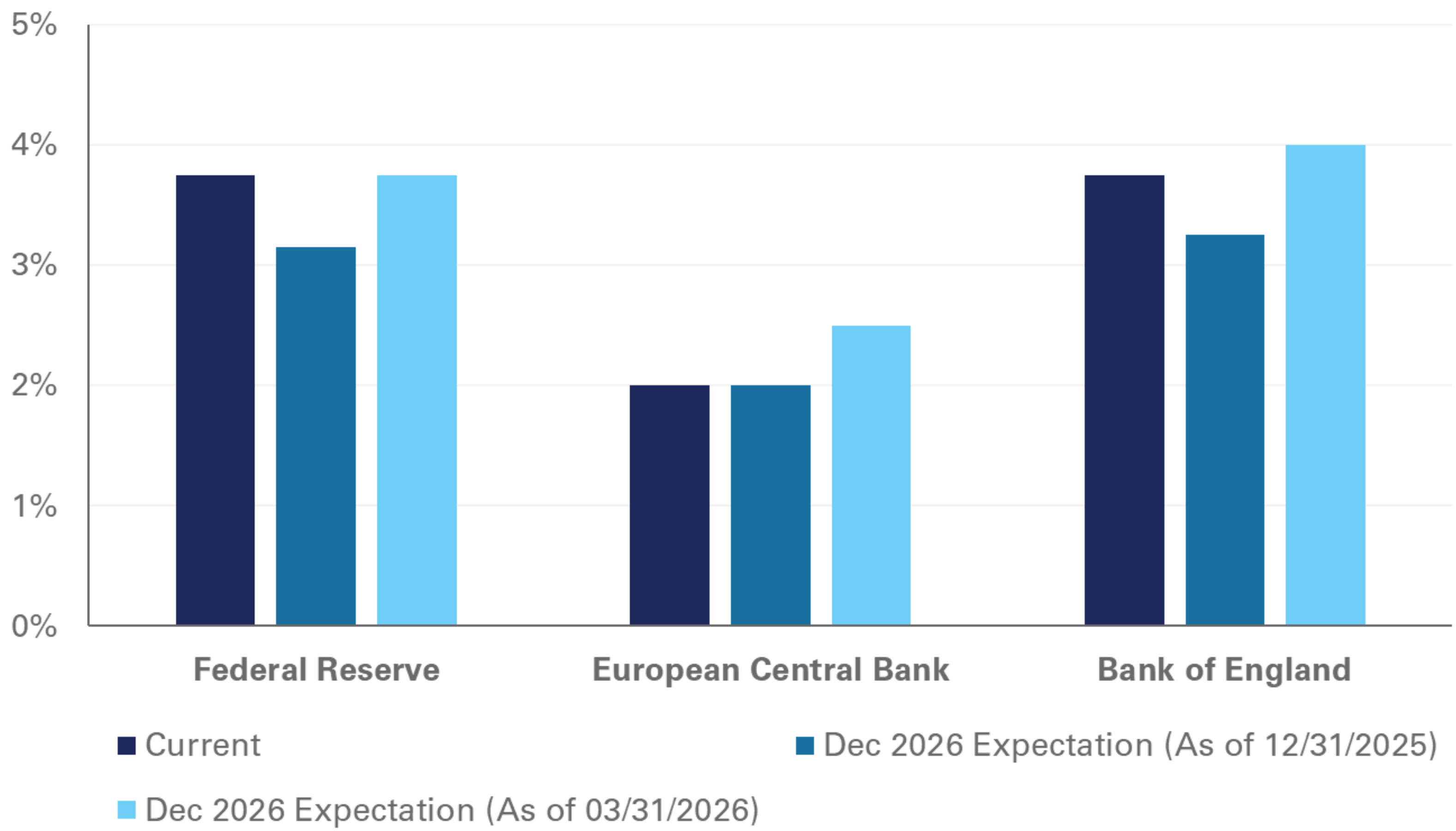
LARGEST QUARTERLY RETURN DIFFERENTIALS GROWTH VS. VALUE



Note: Calculated as Russell 1000 Growth quarterly return minus Russell 1000 Value quarterly return. Data reflects the ten largest discrepancies since 1979.
Sources: Russell, FactSet, NEPC

CENTRAL BANK UNCERTAINTY IS ELEVATED

MARKET EXPECTATIONS FOR CENTRAL BANK POLICY RATES



Sources: FactSet, ECB-Watch, Federal Reserve, Bank of England

DISCLAIMERS & DISCLOSURES

This report was prepared by NEPC, LLC, an affiliate of Hightower Advisors, LLC, and is intended for informational and discussion purposes only. The information herein involves views and judgment of NEPC's professionals and cannot be guaranteed and is subject to change without notice.

The opinions presented herein represent the good faith views of NEPC as of the date of receipt and are subject to change at any time. Performance information of any indices or strategies represented herein may be based on third-party sources.

The information in this material has been obtained from sources NEPC believes to be reliable.

Past performance is no guarantee of future results. All investments carry some level of risk. Diversification and other asset allocation techniques do not ensure profit or protect against losses.

Returns for pooled funds (e.g., mutual funds and collective investment trusts) are collected from third parties; they are not generally calculated by NEPC. Unless otherwise directed by the client, returns for separate accounts are calculated by NEPC. Returns are reported net of manager fees unless otherwise noted.

A "since inception" return reported, begins with the first full month after funding, although actual inception dates (e.g., the middle of a month) and the timing of cash flows are taken into account in composite return calculations.

Unless otherwise directed by the client, NEPC's data source is the client's custodian bank or recordkeeper. If data cannot be obtained from one of the preferred data sources, data provided by investment managers may be used. Market index data and security characteristics are sourced from additional providers and may be preliminary and subject to change.

This document may contain confidential or proprietary information and is intended only for the designated recipient(s). If you are not a designated recipient, you may not copy or distribute this document. If you have any questions about this report, please do not hesitate to reach out to your NEPC consultant.