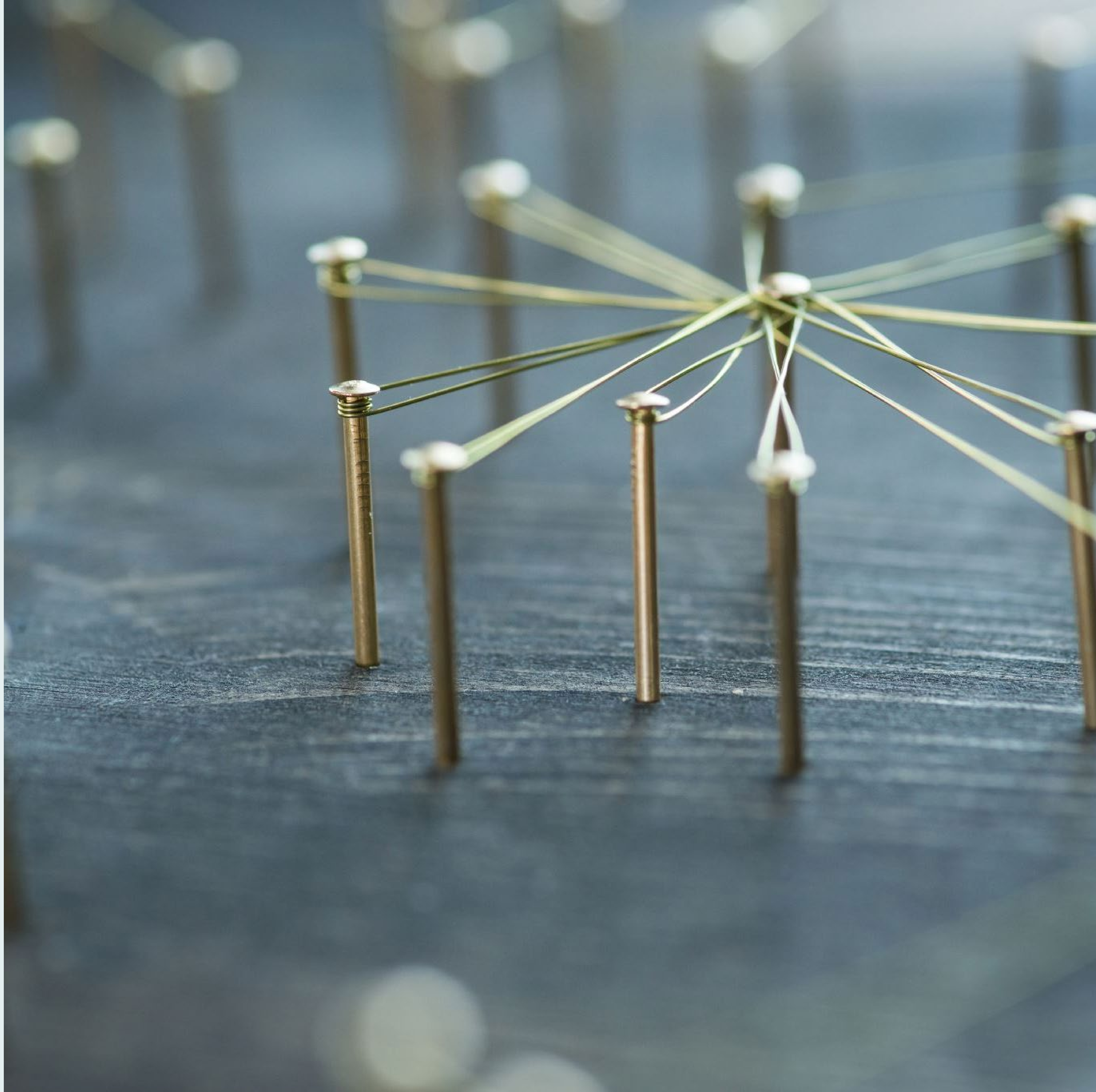
OERF

Spending Study Analysis

October 2025



Investment advice and consulting services provided by Aon Investments USA Inc.

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Affirming Objectives and Key Considerations

Affirming Objectives and Key Considerations/Assumptions

Purpose of Study

Develop a long-term asset allocation and spending policy to meet the funding objectives of the Oregon Environmental Restoration Fund (OERF) while maintaining purchasing power over the next 50+ years.

Current Situation

AUM: $560 million

Goal: To have funds available into perpetuity and to maintain purchasing power over time

Required Return: To maintain purchasing power, a nominal return of approximately 6.3% - 7.3% is required if the Fund has a 4-5% spending policy

Cash Inflows: No cash inflows expected

Restrictions: None

Objectives

Today: OERC to determine a spending policy that best aligns with OERF's long-term objectives

Next Steps: OIC to adopt an asset allocation that best meets OERF's stated spending policy while preserving the portfolio's real value. The portfolio mixes outlined in the analysis range across return objective, risk tolerance, and liquidity profiles.

OST Staff and Aon have narrowed down the potential portfolio mixes to three options which may be finetuned further once the spending policy is determined.

- **Model Portfolio 1:** – Inflation + 3% Spending Policy Target
- **Model Portfolio 2a:** – Inflation + 4% Spending Policy Target
- **Model Portfolio 2b:** – Inflation + 4% Spending Policy Target, without Private Credit

Note: Model Portfolio 2a was used for spending modelling purposes throughout this presentation. Results are directionally similar for all portfolio mixes analyzed.

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Spending Policy Decision

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Spending Methodologies

Impacts on Spending Volatility and Asset Growth

	Inflation-Based	Banded Inflation	Hybrid	Market-Value Based
Calculation	Base year spend x (1+CPI)	Base year spend x (1+CPI) with floor and ceiling based on prior year's market value	% weight of inflation based + % weight of market-value based policies	Percentage of prior years market values
Spending Volatility	Low	Low/Moderate	Low/Moderate	High
Depletion Risk	High	Low/Moderate	Moderate/High	Low
Considerations	Appropriate for those who require predictable spending and not concerned with preserving purchasing power	Appropriate for those who desire stable spending while limiting spending in market downturns and some degree of additional spending when markets are strong	Appropriate for organizations that generate significant revenue from sources that increase with inflation and draw heavily from their endowments. Most common for higher education. Spending volatility depends on the weight given to each component.	Appropriate for private foundations that require 5% spending and those that desire to preserve purchasing power. Calculating spending based on 3 or 5-year average market value will help lower spending volatility

Spending Model Assumptions

Monte Carlo Simulations Integrating Spending Policy and Investment Returns

Goals

- Stochastic analysis that integrates projected fund inflows, spending policy and investment returns to gain a better understanding of the likelihood of meeting OERF's goals
- Projects 5,000 annual simulations of spending and asset values, over the next 10 years
- The output consists of percentile values for asset values and spending for 95th (most optimistic), 75th, median (expected), 25th and 5th (most pessimistic) in both nominal and real terms
- Determine the probability of preserving purchasing power

Inputs

- Beginning asset value of $560 million as of 12/31/2025
- Model following scenarios;
  - Scenario 1: 4% spend with a $560 million principal floor
  - Scenario 2: 5% spend with a $560 million principal floor
  - Scenario 3: $30 million annual spend growing with 2.3% inflation
  - Scenario 4a: 4% spend with a $30 million annual spend ceiling and $15 million floor
  - Scenario 4b: First three years: $25m nominal spend a year

    Thereafter: 4% spend with a $30 million annual spend ceiling and $15 million floor
  - Scenario 5a: 5% spend with a $30 million annual spend ceiling and $15 million floor
  - Scenario 5b: First three years: $25m nominal spend a year

    Thereafter: 5% spend with a $30 million annual spend ceiling and $15 million floor
- Market Value based spending policies are applied to a 3-Year Market Value Average
- Spending policies are based on Model Portfolio 2a asset allocation mix
- Principal floor is the original principal value of $560 million
- Assume no cash inflows
- 2.3% expected inflation

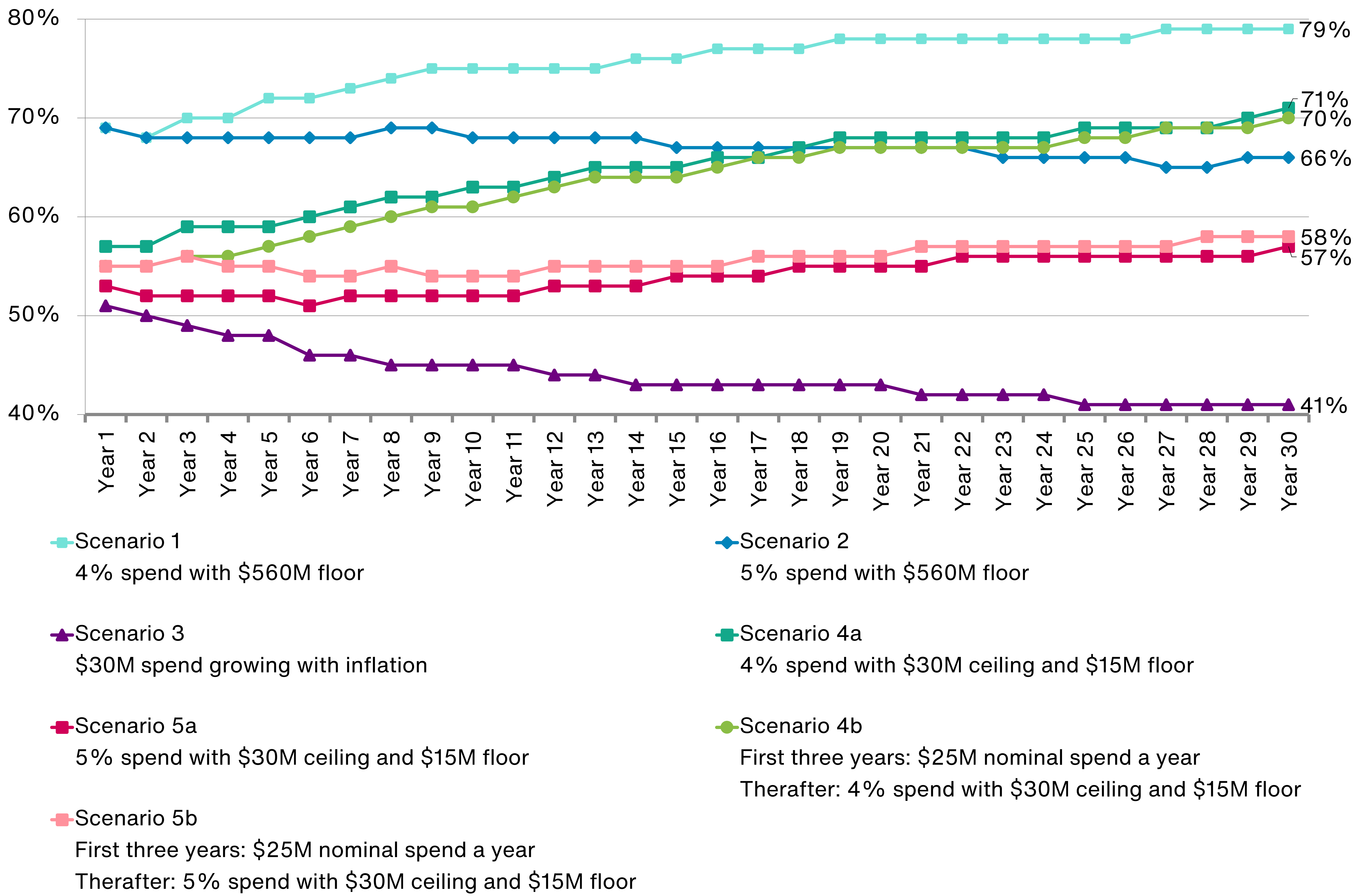
Summary of Spending Policy Results

Projections based Aon's 10 Year Capital Market Assumptions as of 3/31/2025	Real Asset Growth in Yr 10		Real Spend in Yr 10		Nominal Spend in Yr 10	Probability of Preserving Corpus in Yr 30*	Total Economic Value over 10 yrs		Total Cumulative Spend over 10 yrs	
$ (Millions)	Median	5th Percentile	Median	5th Percentile	Median	--	Median	5th Percentile	Median	5th Percentile
Scenario 1: 4% spend with a $560 million principal floor	$685	$428	$26	$0	$32	79%	$881	$521	$197	$93
Scenario 2: 5% spend with a $560 million principal floor	$639	$413	$30	$0	$38	66%	$872	$522	$233	$109
Scenario 3: $30 million annual spend growing with 2.3% inflation	$524	$200	$30	$30	$38	41%	$824	$500	$300	$300
Scenario 4a: 4% spend with a $30 million annual spend ceiling and $15 million floor	$631	$329	$24	$15	$30	71%	$856	$508	$225	$178
Scenario 4b: First three years: $25m nominal spend a year Thereafter: 4% spend with $30M ceiling and $15M floor	$623	$323	$23	$15	$30	70%	$852	$506	$229	$184
Scenario 5a: 5% spend with a $30 million annual spend ceiling and $15 million floor	$574	$299	$27	$15	$33	57%	$839	$507	$266	$208
Scenario 5b: First three years: $25m nominal spend a year Thereafter: 5% spend with $30M ceiling and $15M floor	$584	$303	$28	$15	$34	58%	$844	$506	$259	$203

Note: all ceilings and floors are expressed in real dollars (net of inflation)
Spending policies are based on Model Portfolio 2a asset allocation mix
*Based on Aon's 30-Year Capital Market Assumptions as of 6/30/2025

Color Key
The most optimal outcome
The least optimal outcome

Probability of Preserving Purchasing Power – 30 Year Projections



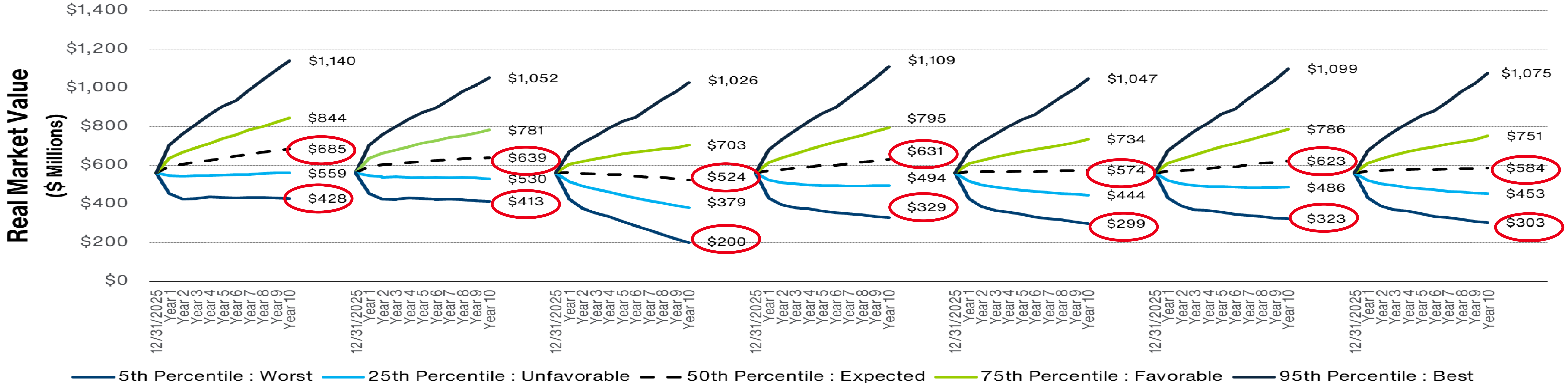
Key Takeaways

- All portfolios have high probabilities of maintaining purchasing power except Scenario 3
- Scenario 1 is expected to have the highest expected probability of 79% to maintain purchasing power followed by Scenarios 4a, 4b, and 2 at 71%, 70%, and 66%
- Scenarios 3 has the lowest expected probability of preserving purchasing power due to a high fixed payout amount regardless of market environment

Based on Aon's 30-Year Capital Market Assumptions as of 6/302025

Real Asset Growth (Today's Dollars)[1]

Scenario 1:	Scenario 2:	Scenario 3:	Scenario 4a:	Scenario 5a:	Scenario 4b:	Scenario 5b:
$560M floor with 4% spend	$560M floor with 5% spend	$30M spend growing with inflation	4% spend with $30M ceiling and $15M floor	5% spend with $30M ceiling and $15M floor	First 3 years: $25m nominal spend a yr, then 4% spend with $30M ceiling and $15M floor	First 3 years: $25m nominal spend a yr, then 5% spend with $30M ceiling and $15M floor

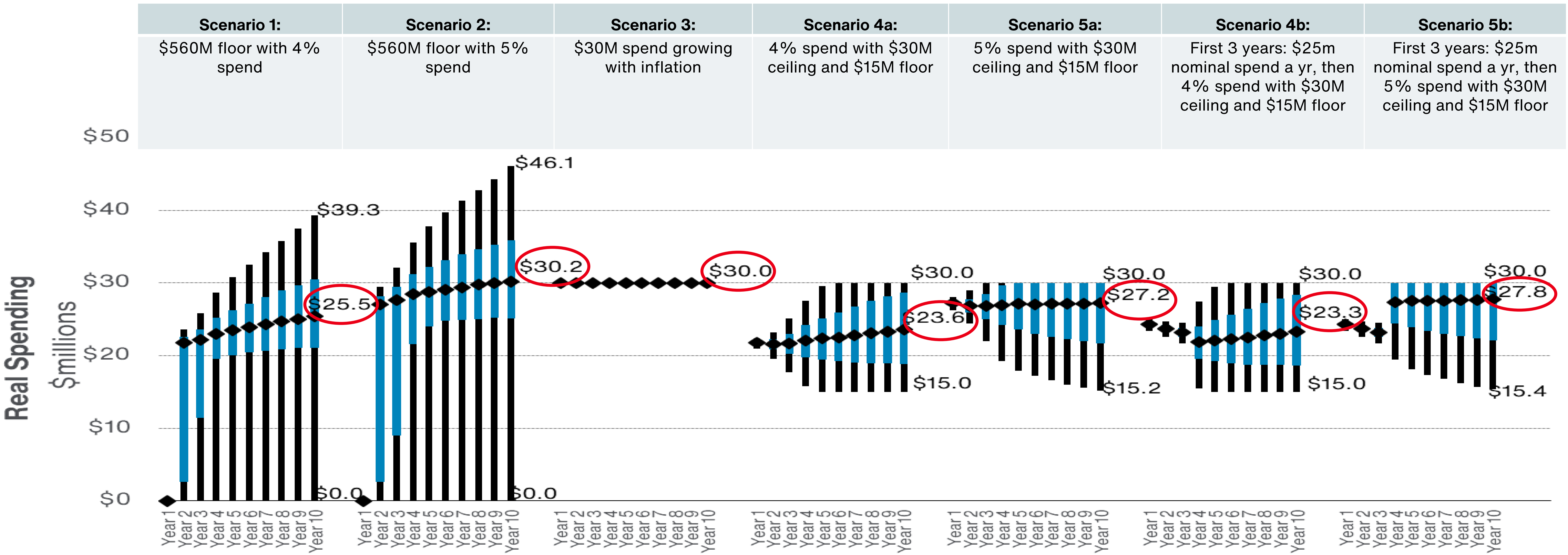


1) Starting market value $560 million as of 12/31/2025 with inflation expectation of 2.3%

Key Takeaways

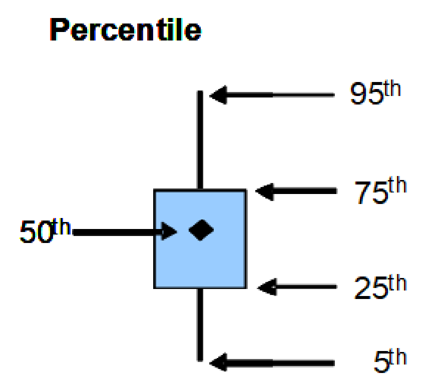
- Scenarios 1 and 2 are expected to grow the most in the median case on a real basis helped by the spending restrictions applied while providing the most downside protection
- Scenario 3 is expected to lose purchasing power in the median case due to the high spend amount with no restrictions
- Scenarios 4a and 4b expected growth and downside protection fall in the middle of range across the scenarios outlined
- Scenario 5a and 5b expected growth is the least in the median case, outside of scenario 3, as the spending policy allows for a spending floor of $15 million in down markets

Real Spending (Today's Dollars)



Key Takeaways

- Across all above spending policies, Scenario 2 is expected to payout the most with the median annual spend expected to grow from $27 million to $30 million on a real basis over 10 years
- Across all above spending policies, Scenario 3, inflation-based policy, is expected to payout $30 million while expected to deliver the most stable payout stream
- Scenarios 4a and 5a provide more stable payout streams than Scenarios 1 and 2 given the spending ceiling and floor restrictions applied while Scenarios 1 and 2 wont payout in stressed environments where the Fund's market value is expected to fall below the principal amount
- Scenarios 4b and 5b provide additional stability as the first three years payout is fixed at $25 million nominal



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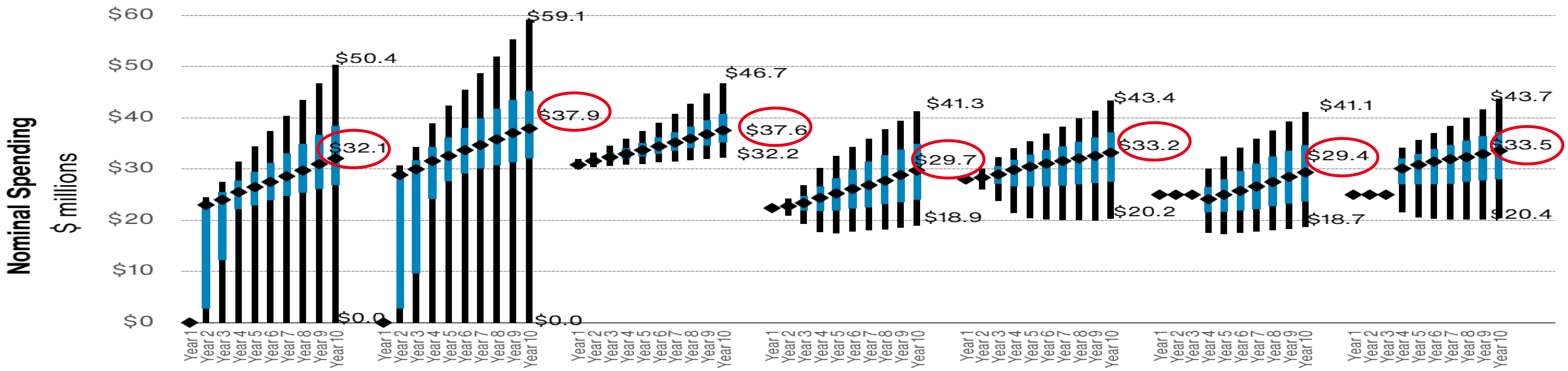
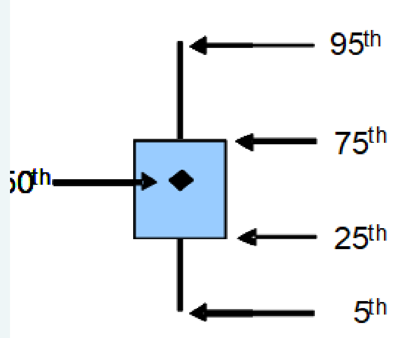
Nominal Spending

Scenario 1:	Scenario 2:	Scenario 3:	Scenario 4a:	Scenario 5a:	Scenario 4b:	Scenario 5b:
$560M floor with 4% spend	$560M floor with 5% spend	$30M spend growing with inflation	4% spend with $30M ceiling and $15M floor	5% spend with $30M ceiling and $15M floor	First 3 years: $25m nominal spend a yr, then 4% spend with $30M ceiling and $15M floor	First 3 years: $25m nominal spend a yr, then 5% spend with $30M ceiling and $15M floor



Key Takeaways

- Across all above spending policies, Scenario 2 is expected to payout the most with the median annual spend expected to grow from $30 million to $38 million on a nominal basis over 10 years
- Across all above spending policies, Scenario 3, inflation-based policy, is expected payout to grow based on long-term inflation from $31 million to $38 million while expected to deliver the most stable payout stream
- Scenarios 4a and 5a provide more stable payout streams than Scenarios 1 and 2 given the spending ceiling and floor restrictions applied while Scenarios 1 and 2 wont payout in stressed environments where the Fund's market value is expected to fall below the principal amount
- Scenarios 4b and 5b provide additional stability as the first three years, the payout is fixed at $25 million nominal



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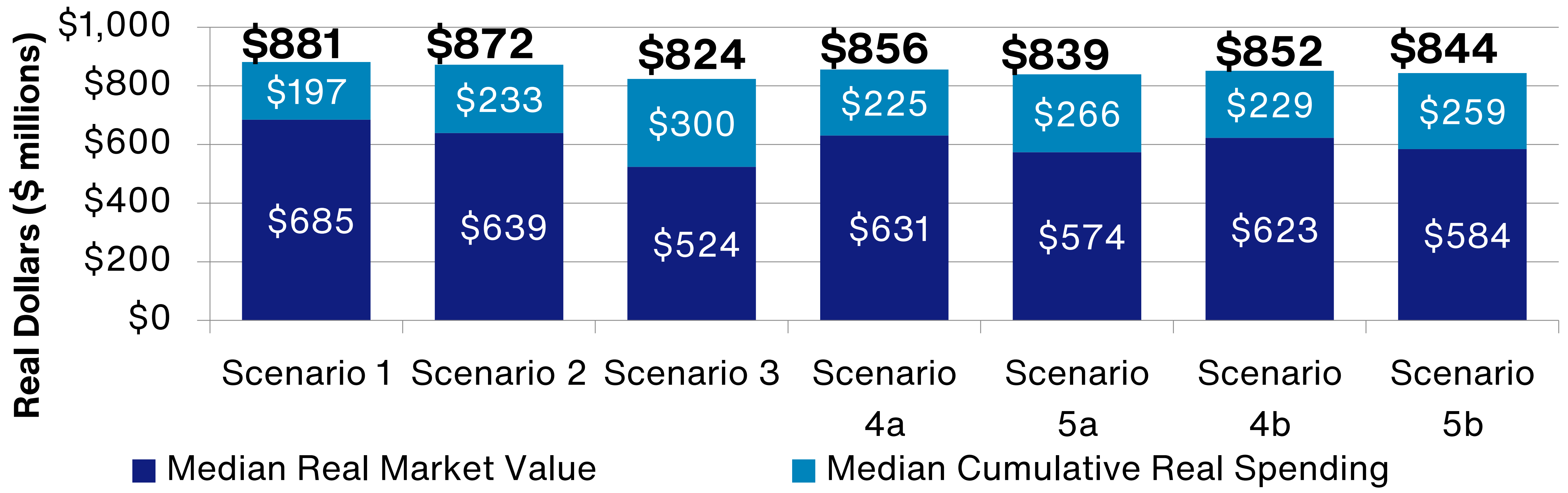
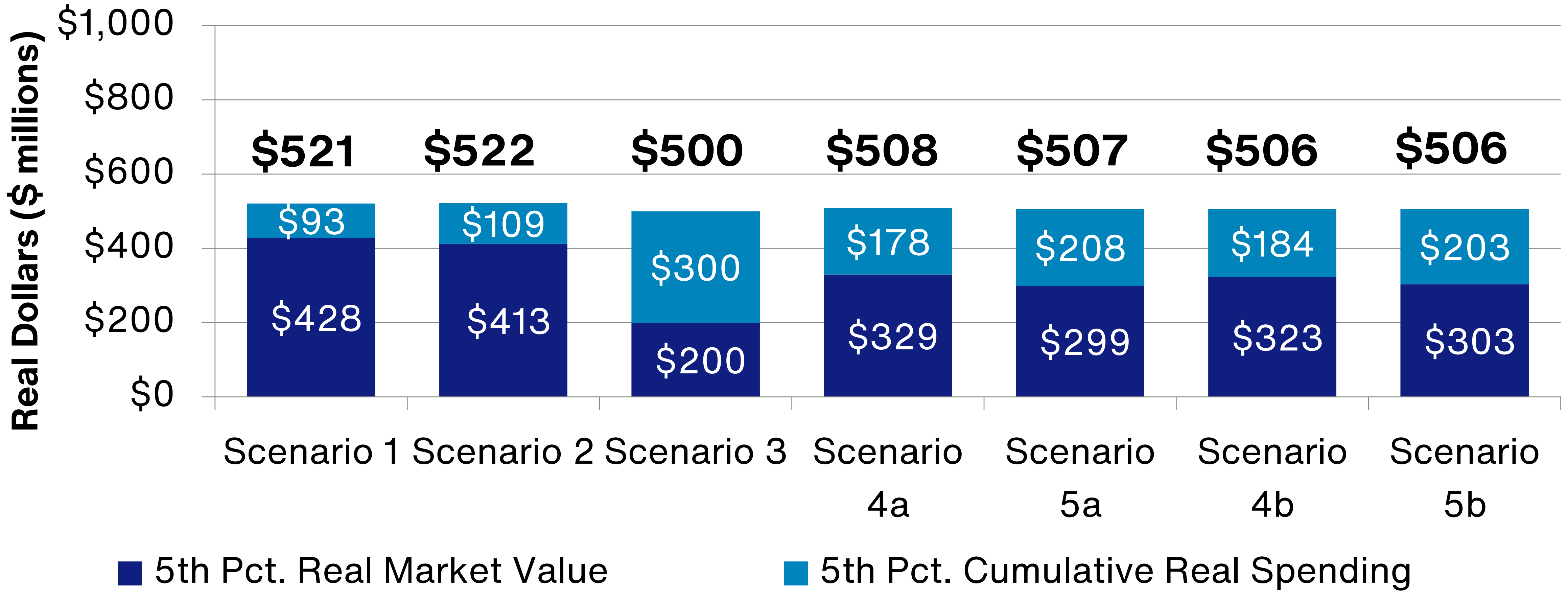
Economic Value – End of 10 Years

Cumulative Real Spending Plus Real Asset Values

Economic Value - Median



Economic Value - 5th Percentile



Key Takeaways

- In the median case, Scenarios 1 and 2 are expected to have the highest economic value (cumulative spending plus ending market value), after 10 years
- In the median case, Scenario 3 is expected to have the lowest economic value (cumulative spending plus ending market value), after 10 years since it is paying out the most with $300 million in cumulative spending
- Scenarios 1 and 2 are expected to provide the best downside (5th percentile) economic value, over the next 10 years

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Asset Allocation Analysis

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Investment Objectives – What are We Trying to Achieve?

Preserve Purchasing Power

4.0%	+	2.3%	≈	6.3%
Effective Spend Rate		**Inflation** Aon's 10-year assumption based on consensus estimates		**Required Return** allows purchasing power to be preserved

5.0%	+	2.3%	≈	7.3%
Effective Spend Rate		**Inflation** Aon's 10-year assumption based on consensus estimates		**Required Return** allows purchasing power to be preserved

- The required return objective will be driven by OERF's spending policy
- The analysis assumes expenses are paid as part of the spending policy

Proposed Allocations

Based on Aon's 10-Year Capital Market Assumptions as of 3/31/2025

	Aon MP #1	Aon MP #2a	Aon MP #2b
Public Equity	35%	40%	40%
Private Equity	10	15	17.5
Total Equity	**45%**	**55%**	**57.5%**
Multi-Asset Credit	10	10	10
Private Credit	5	5	--
Return-Seeking Fixed Income	**15%**	**15%**	**10%**
Open-End Real Assets	10	7.5	10
Closed-End Real Assets	--	--	--
Real Assets	**10%**	**7.5%**	**10%**
Hedge Funds	5	7.5	7.5
Liquid Alternatives	**5%**	**7.5%**	**7.5%**
Core Fixed Income	25	15	15
Risk-Reducing Assets	**25%**	**15%**	**15%**
Expected Nominal Return 10-Yr	**7.28%**	**7.64%**	**7.72%**
Expected Real Return 10-Yr	**4.87%**	**5.22%**	**5.30%**
Expected Volatility	**9.28%**	**10.78%**	**11.06%**
Sharpe Ratio	**0.386**	**0.366**	**0.363**
Illiquid Assets (>1 Yr. Lock)	**15%**	**20%**	**17.5%**

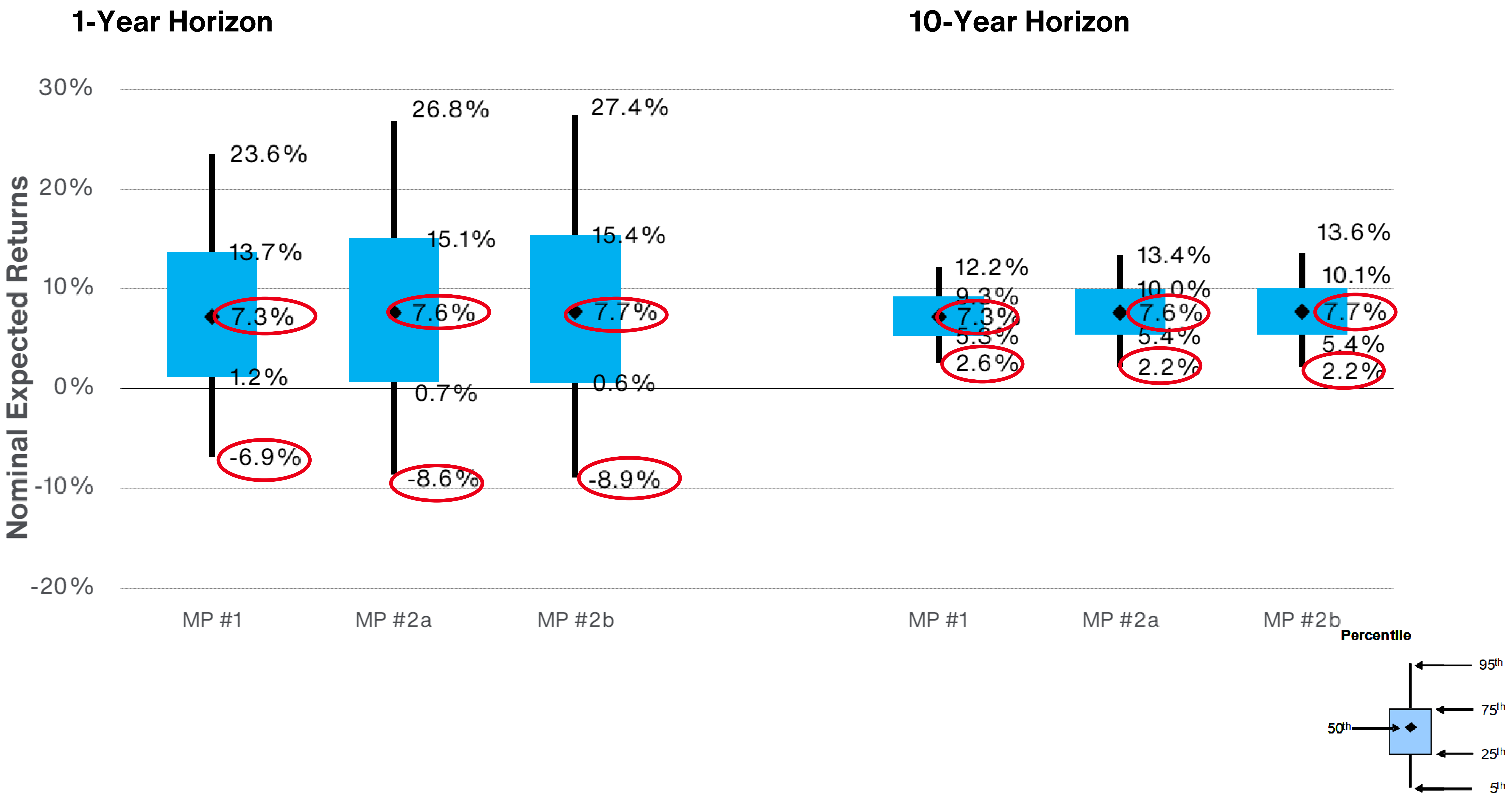
Key Takeaways

- Model Portfolio 1 is the most liquid portfolio with lowest level of risk and return across the three model portfolios
- Model Portfolio 2a is expected maintain the real value of portfolio with an expected real return above 5% with 20% exposure to illiquid assets (>1 Yr. Lock)
- Model Portfolio 2b is expected grow the real value of portfolio with an expected real return above 5% with a 17.5% allocation to illiquid assets (>1 Yr. Lock)
  - 2b has a slightly higher level of volatility than 2a as it's less diversified due to the removal of Private Credit from the portfolio

[1]Expected returns are using Aon Q1 2025 10 Year Capital Market Assumptions. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Expected return calculation includes Aon's 2025 investment advisory fees of 0.001%. Your actual returns may differ from model returns presented based on your plan's individual fees/expenses. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages and additional definitions related to nominal returns, real returns, standard deviation for expected volatility and Sharpe ratio.

Distribution of Nominal Returns

Based on Aon's 3/31/2025 Capital Market Assumptions



Key Takeaways

- Model Portfolio 1 provides the most downside protection over both 1 & 10-year time horizons
- Model Portfolio 2a and 2b provide higher expected return potential with similar downside risk over the 10-year period

[1]Expected returns are using Aon Q1 2025 10 Year Capital Market Assumptions. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Expected return calculation includes Aon's 2025 investment advisory fees of 0.001%. Your actual returns may differ from model returns presented based on your plan's individual fees/expenses. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages and additional definitions related to nominal returns, real returns, standard deviation for expected volatility and Sharpe ratio.

Capital Market Assumptions

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Aon Investments' Capital Market Assumptions

Explanation of Capital Market Assumptions—3/31/2025

The following capital market assumptions were developed by Aon's Global Asset Allocation Team and represent the long-term capital market outlook (i.e., 10 years) based on data at the end of the first quarter of 2025. The assumptions were developed using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economics forecast and market data sources including, but not limited to MSCI, FactSet and Bloomberg. Our long-term assumptions for other asset classes are based on historical results, current market characteristics, and our professional judgment. Expected returns are using Aon 10 Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results.

Inflation – Expected Level (2.3%)

Based on Consensus Economics long-term estimates and our near-term economic outlook, we expect U.S. consumer price inflation to be approximately 2.3% during the next 10 years.

Real Returns for Asset Classes

Fixed Income		
Cash	1.4%	Over the long run, we expect the real yield on cash and money market instruments to produce a real return of 1.4% in a moderate to high-inflationary environment.
TIPS	2.0%	We expect intermediate duration Treasury Inflation-Protected Securities to produce a real return of about 2.0%.
Core Fixed Income (i.e., Market Duration)	2.5%	We expect intermediate duration Treasuries to produce a real return of about 1.8%. We estimate the fair value credit spread (credit risk premium - expected losses from defaults and downgrades) to be 0.7%, resulting in a long-term real return of 2.5%.

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Aon Investments' Capital Market Assumptions

Explanation of Capital Market Assumptions—3/31/2025

Fixed Income		
Core Plus Bonds	2.8%	Modeled as 20% 5 duration gov't bonds real return of 1.9% and 80% 5 duration corporate bonds real return of 3.1%
Long Duration Bonds – Government and Credit	3.4%	We expect Treasuries with a duration of ~14 to produce a real return of 3.2%. We estimate the fair value credit spread (credit risk premium - expected losses from defaults and downgrades) to be 0.2%, resulting in an expected real return of 3.4%.
Long Duration Bonds – Credit	3.6%	We expect Treasuries with a duration of ~12 years comparable to produce a real return of 3.2%. We estimate the fair value credit spread (credit risk premium - expected losses from defaults and downgrades) to be 0.4%, resulting in an expected real return of 3.6%.
Long Duration Bonds – Government	3.2%	We expect Treasuries with a duration of ~16 years to produce a real return of 3.2% during the next 10 years.
High Yield Bonds	3.6%	We expect intermediate duration Treasuries to produce a real return of about 1.8%. We estimate the fair value credit spread (credit risk premium - expected losses from defaults and downgrades) to be 1.8%, resulting in an expected real return of 3.6%.
Bank Loans	3.6%	We expect cash to produce a real return of about 1.4%. We estimate the fair value credit spread (credit risk premium - expected losses from defaults) to be 2.2%, resulting in an expected real return of 3.6%.
Non-U.S. Developed Bonds: 50% Hedged	1.9%	We forecast real returns for non-US developed market bonds to be 1.9% over a 10-year period after adjusting for a 50% currency hedge. We assume a blend of one-third investment grade corporate bonds and two-thirds government bonds. We also produce assumptions for 0% hedged and 100% hedged non-US developed bonds.
Emerging Market Bonds (Sovereign; USD)	4.3%	We forecast real returns for emerging market sovereign bonds denominated in US dollars to be 4.3% over a 10-year period.
Emerging Market Bonds (Corporate; USD)	3.5%	We forecast real returns for emerging market corporate bonds denominated in US dollars to be 3.5% over a 10-year period.
Emerging Market Bonds (Sovereign; Local)	3.4%	We forecast real returns for emerging market sovereign bonds denominated in local currency to be 3.4% over a 10-year period.

Aon Investments' Capital Market Assumptions

Explanation of Capital Market Assumptions—3/31/2025

Liquid Return-Seeking Fixed Income Institutional Quality	4.5%	We assume real returns from beta exposure to high yield, bank loans and emerging market debt to add 3.7% plus 0.8% from alpha for institutional quality managers, over a 10-year period.
Liquid Return-Seeking Fixed Income Universe	3.8%	We assume real returns from beta exposure to high yield, bank loans and emerging market debt to add 3.8%. We assume no alpha from universe funds, over a 10-year period.
Private Debt-Direct Lending	5.0%	The base building block is bank loans 3.6% + spread 1.4% (net of management fees and performance incentives). There is 100% leverage included in the assumption with the cost of financing at LIBOR +2.0%.
Equities		
Large Cap U.S. Equity	4.5%	This assumption is based on 1.03 beta to global equities plus inflation and real cash return
Small Cap U.S. Equity	4.7%	Adding a 0.2% return premium for small cap U.S. equity over large cap U.S. equity results in an expected real return of 4.7%. This return premium is theoretically justified by the higher risk inherent in small cap U.S. equity versus large cap U.S. equity and is also justified by historical data. In recent years, higher small cap valuations relative to large cap equity has reduced the small cap premium.
Global Equity (Developed & Emerging Markets)	4.7%	We employ a building block process to develop discounted cash flows using the developed and emerging markets that comprise the MSCI All-Country World Index. Our roll-up model produces an expected real return of 4.7% for global equity.
International (Non-U.S.) Equity, Developed Markets	4.2%	This assumption is based on 0.85 beta to global equities plus inflation and real cash return
Emerging Market Stocks	4.7%	This assumption is based on 1.14 beta to global equities plus inflation and real cash return
85% ACWI/15% Russell 3000	4.7%	Based on a mix of Global (Developed & Emerging Markets)/U.S. Large and Small Caps

Aon Investments' Capital Market Assumptions

Explanation of Capital Market Assumptions—3/31/2025

Alternative Asset Classes		
Low Beta (Defensive) Hedge Funds	2.3%	Encompasses defensive/low volatility hedge fund strategies with low correlations to risk assets. This assumption represents median manager performance. 1% base fee + 10% performance fee is deducted from the return expectation.
Low Beta (Defensive) Hedge Funds Institutional Quality	3.3%	Represent defensive/low volatility hedge fund strategies with low correlations to risk assets. 1% base fee + 7% performance fee is deducted from return expectations. To use this category the funds must be institutional quality.
High Beta (Return Enhancing) Hedge Funds	3.3%	Encompasses return enhancing/higher volatility hedge fund strategies with higher correlations to risk assets. The assumption represents median manager performance. 1% base fee + 10% performance fee is deducted from the return expectations.
High Beta (Return Enhancing) Hedge Funds Institutional Quality	5.3%	Represents return enhancing/higher volatility hedge fund strategies with higher correlations to risk assets. 1% base fee + 7% performance fee is deducted from return expectations. To use this category the funds must be institutional quality.
Direct Hedge Funds Universe	2.8%	Generic hedge fund investments which represents a portfolio of diversified strategies. We assume 50% defensive/50% return enhancing strategies. 1% base fee + 10% performance fee is deducted from the return expectations.
Direct Hedge Funds Institutional Quality	4.3%	Generic hedge fund investments which represents a portfolio of diversified strategies. We assume 50% defensive institutional quality/50% return enhancing institutional quality strategies. To use this category the funds must be institutional quality. 1% base fee + 7% performance fee is deducted from the return expectations.
Core Real Estate	3.5%	Our real return assumption for core real estate is based a gross income of about 3.9%, management fees of roughly 1%, 25% leverage and future capital appreciation near the rate of inflation during the next 10 years. We assume a portfolio of equity real estate holdings that is diversified by property and by geographic region.
Non-Core Real Estate	5.3%	Core real estate is levered approximately 100% as the base building block for this assumption. We subtract financing costs for the leverage and 2% management costs. We also assume nominal alpha of 2% over core real estate. We assume a 50/50 mix of value-add and opportunistic investments.
U.S. REITs	4.2%	Our real return assumption for U.S. REITs is based on income of about 4.0% and future capital appreciation near the rate of inflation during the next 10 years. REITs are a sub-set of U.S. small/mid cap equity universe.

Aon Investments' Capital Market Assumptions

Explanation of Capital Market Assumptions—3/31/2025

Commodities	1.4%	Our commodity assumption is for a diversified portfolio of commodity futures contracts. Commodity futures returns are composed of three parts: spot price appreciation, collateral return, and roll return (positive or negative change implied by the shape of the future curve). We believe that spot prices will converge with CPI over the long run (i.e., 2.3%). Collateral is assumed to be Gov't cash (1.4%). Also, we believe the roll effect will be -2.3%, resulting in a real return of about 1.4% for commodities.
Private Equity	7.7%	Our private equity assumption reflects a diversified fund of funds with exposure to buyouts and venture capital
Open-End Infrastructure	5.6%	Our open-end infrastructure assumption assumes a mix of 65% core, 25% value-add and 10% opportunistic strategies. Return formulated through estimates of income and capital growth, leverage, debt costs, taxes and management expenses.
Closed-End Infrastructure	6.7%	Our closed-end infrastructure assumption assumes a mix of 50% value-add, 35% opportunistic and 15% private equity strategies. Return formulated through estimates of income and capital growth, leverage, debt costs, taxes and management expenses.
eLDI	3.9%	Combination of various long credit strategies (1/6 real estate debt, 1/3 securitized debt, 1/6 CMOs, 1/3 private placements).
Open-End Real Assets	4.9%	Combination of 50% Core Real Estate and 50% Open-End Infrastructure
Closed-End Real Assets	6.7%	Combination of 50% Non-Core Real Estate and 50% Closed-End Infrastructure

Volatility/Correlation Assumptions

Assumed volatilities are formulated with reference to implied volatilities priced into option contracts of various terms, as well as with regard to historical volatility levels. For asset classes which are not marked to market (for example real estate), we "de-smooth" historical returns before calculating volatilities. Importantly, we consider expected volatility trends in the future – in recent years we assumed the re-emergence of an economic cycle and a loss of confidence in central bankers would lead to an increase in volatility. Correlation assumptions are generally similar to actual historical results; however, we do make adjustments to reflect our forward-looking views as well as current market fundamentals.

Expected Returns and Risks

3/31/2025 Assumptions (10-Year)

	10-yr	10-yr	10-yr
Equity	Expected Real Return[1]	Expected Nominal Return[1]	Expected Volatility[1]
Large Cap U.S. Equity	4.5%	6.9%	18.5%
Small Cap U.S. Equity	4.7%	7.1%	24.5%
Global Equity (Developed & Emerging)	4.7%	7.1%	17.7%
International (Non-U.S.) Equity (Developed)	4.2%	6.6%	18.8%
Emerging Markets Equity	4.7%	7.1%	22.0%
Fixed Income			
Cash (Gov't)	1.4%	3.7%	1.3%
TIPS	2.0%	4.3%	4.2%
Core U.S. Fixed Income (Market Duration)	2.5%	4.9%	5.1%
Long Duration Bonds – Gov't / Credit	3.4%	5.8%	9.9%
Long Duration Bonds – Credit	3.6%	6.0%	11.5%
Long Duration Bonds – Gov't	3.2%	5.6%	10.1%
High Yield Bonds	3.6%	6.0%	10.5%
Bank Loans	3.6%	6.0%	7.0%
Non-US Developed Bond (100% Hedged)	2.2%	4.6%	3.5%
Short Duration Bonds - Gov't	1.6%	3.9%	2.0%
Short Duration Bonds - Credit	2.2%	4.5%	2.3%
Intermediate Duration Bonds - Gov't	1.8%	4.1%	3.7%
Intermediate Duration Bonds - Credit	2.6%	5.0%	4.7%
Market Duration Bonds - Gov't (Model Portfolios)	1.9%	4.2%	4.5%
Core Plus - Fixed Income (Model Portfolios)	2.8%	5.2%	5.9%
STRIPS (25 Duration)	3.1%	5.5%	15.0%
Emerging Market Bonds (Sov. USD)	4.3%	6.7%	11.0%
Emerging Market Bonds (Corporate USD)	3.5%	5.9%	11.0%
Emerging Market Bonds (Sov. Local)	3.4%	5.8%	13.0%
Alternative Investments			
Hedge Funds - Direct (Universe)	2.8%	5.2%	5.2%
Hedge Funds - Direct (Institutional Quality)	4.3%	6.7%	5.2%
eLDI	3.9%	6.3%	6.0%
Private Real Estate (Core)	3.5%	5.9%	15.0%
Private Real Estate (Non-Core)	5.3%	7.7%	24.9%
U.S. REITs	4.2%	6.6%	18.5%
Infrastructure (Open-End)	5.6%	8.0%	12.5%
Infrastructure (Closed-End)	6.7%	9.2%	16.0%
Open-End Real Assets (Model Portfolios)	4.9%	7.3%	10.3%
Closed-End Real Assets (Model Portfolio)	6.7%	9.2%	16.1%
Private Equity	7.7%	10.2%	20.0%
Commodities	1.4%	3.7%	17.0%
Hedge Funds - Low Beta (Universe)	2.3%	4.7%	4.0%
Hedge Funds - High Beta (Universe)	3.3%	5.7%	8.0%
Hedge Funds - Low Beta (Institutional Quality)	3.3%	5.7%	4.0%
Hedge Funds - High Beta (Institutional Quality)	5.3%	7.7%	8.0%
Private Debt -- Direct Lending	5.0%	7.4%	9.7%
Timberland	2.5%	4.9%	11.9%
Farmland	3.1%	5.5%	15.0%
Liquid Return-Seeking Fixed Income (Institutional Quality)	4.5%	6.9%	8.8%
Liquid Return-Seeking Fixed Income (Universe)	3.8%	6.2%	8.4%
Insurance-Linked Securities (Catastrophe Bonds)	4.4%	6.8%	5.5%
85% ACWI/15% Russell 3000	4.7%	7.1%	17.9%
7-10 Yr Capital Efficiency	2.8%	5.2%	24.6%
Long Treasury Capital Efficiency	4.1%	6.5%	29.2%
Inflation	0.0%	2.3%	1.7%

[1] Expected returns are using Aon 10 Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results.

Expected Nominal Correlations

3/31/2025 Assumptions (10-Year)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
1 Large Cap U.S. Equity	1.00	0.93	0.98	0.78	0.70	0.09	-0.01	0.03	-0.03	0.06	-0.10	0.53	0.46	0.02	0.03	0.06	-0.04	0.05	-0.05	0.07	-0.10	0.38	0.40	0.57	0.77
2 Small Cap U.S. Equity		1.00	0.91	0.73	0.66	0.08	-0.02	0.02	-0.03	0.06	-0.09	0.50	0.43	0.01	0.02	0.06	-0.04	0.05	-0.06	0.06	-0.10	0.36	0.37	0.51	0.71
3 Global Equity (Developed & Emerging)			1.00	0.88	0.79	0.09	-0.01	0.03	-0.03	0.07	-0.10	0.58	0.46	0.02	0.02	0.06	-0.04	0.05	-0.06	0.07	-0.10	0.42	0.43	0.61	0.77
4 International (Non-U.S.) Equity (Developed)				1.00	0.73	0.05	-0.01	0.02	-0.03	0.06	-0.10	0.52	0.39	0.02	0.00	0.03	-0.05	0.04	-0.07	0.06	-0.09	0.38	0.41	0.60	0.64
5 Emerging Markets Equity					1.00	0.07	-0.02	0.03	-0.02	0.08	-0.10	0.62	0.38	0.02	0.01	0.05	-0.05	0.06	-0.06	0.07	-0.10	0.44	0.45	0.52	0.59
6 Cash (Gov't)						1.00	0.47	0.42	0.24	0.20	0.24	0.12	0.15	0.57	0.85	0.78	0.55	0.44	0.47	0.36	0.17	0.17	0.06	0.02	0.23
7 TIPS							1.00	0.52	0.47	0.40	0.47	0.06	-0.07	0.25	0.59	0.54	0.58	0.48	0.56	0.46	0.39	0.17	0.02	-0.01	0.07
8 Core U.S. Fixed Income (Market Duration)								1.00	0.87	0.88	0.76	0.32	0.06	0.56	0.75	0.83	0.89	0.97	0.90	0.98	0.64	0.56	0.22	0.18	0.21
9 Long Duration Bonds - Gov't / Credit									1.00	0.91	0.95	0.12	-0.10	0.47	0.55	0.58	0.77	0.78	0.83	0.82	0.91	0.40	0.10	0.10	0.09
10 Long Duration Bonds - Credit										1.00	0.73	0.46	0.23	0.45	0.45	0.59	0.62	0.86	0.66	0.92	0.70	0.66	0.30	0.27	0.28
11 Long Duration Bonds - Gov't											1.00	-0.14	-0.34	0.43	0.55	0.50	0.79	0.63	0.85	0.66	0.97	0.16	-0.06	-0.03	-0.07
12 High Yield Bonds												1.00	0.72	0.15	0.09	0.27	0.01	0.41	-0.02	0.47	-0.18	0.82	0.62	0.61	0.68
13 Bank Loans													1.00	0.10	-0.08	0.20	-0.28	0.23	-0.31	0.24	-0.30	0.49	0.56	0.43	0.61
14 Non-US Developed Bond (100% Hedged)														1.00	0.62	0.64	0.55	0.56	0.53	0.53	0.37	0.30	0.14	0.16	0.17
15 Short Duration Bonds - Gov't															1.00	0.91	0.90	0.72	0.84	0.65	0.40	0.25	0.06	0.02	0.15
16 Short Duration Bonds - Credit																1.00	0.82	0.87	0.77	0.80	0.37	0.44	0.18	0.13	0.26
17 Intermediate Duration Bonds - Gov't																	1.00	0.80	0.99	0.77	0.64	0.26	0.02	0.01	0.04
18 Intermediate Duration Bonds - Credit																		1.00	0.80	0.98	0.51	0.62	0.27	0.23	0.28
19 Market Duration Bonds - Gov't (Model Portfolios)																			1.00	0.78	0.72	0.25	0.01	0.00	0.01
20 Core Plus - Fixed Income (Model Portfolios)																				1.00	0.55	0.67	0.30	0.26	0.30
21 STRIPS (25 Duration)																					1.00	0.11	-0.08	-0.05	-0.08
22 Emerging Market Bonds (Sov. USD)																						1.00	0.69	0.61	0.57
23 Emerging Market Bonds (Corporate USD)																							1.00	0.60	0.48
24 Emerging Market Bonds (Sov. Local)																								1.00	0.54
25 Hedge Funds - Direct (Universe)																									1.00

	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50
1 Large Cap U.S. Equity	0.77	0.15	0.33	0.44	0.70	0.26	0.33	0.39	0.50	0.59	0.46	0.40	0.82	0.40	0.82	0.41	0.02	0.02	0.56	0.59	0.03	0.99	-0.11	-0.11	0.08
2 Small Cap U.S. Equity	0.71	0.14	0.31	0.41	0.65	0.25	0.32	0.37	0.48	0.57	0.41	0.37	0.76	0.37	0.76	0.38	0.02	0.01	0.52	0.54	0.02	0.92	-0.10	-0.11	0.08
3 Global Equity (Developed & Emerging)	0.77	0.16	0.35	0.46	0.69	0.26	0.34	0.41	0.52	0.60	0.49	0.40	0.82	0.40	0.82	0.41	0.02	0.02	0.60	0.62	0.02	1.00	-0.11	-0.12	0.09
4 International (Non-U.S.) Equity (Developed)	0.64	0.13	0.33	0.42	0.57	0.23	0.29	0.37	0.47	0.52	0.49	0.35	0.67	0.35	0.67	0.35	0.02	0.02	0.55	0.57	0.01	0.87	-0.10	-0.11	0.11
5 Emerging Markets Equity	0.59	0.15	0.31	0.39	0.51	0.21	0.28	0.35	0.44	0.49	0.35	0.34	0.61	0.34	0.61	0.34	0.02	0.01	0.57	0.60	0.02	0.78	-0.11	-0.11	0.08
6 Cash (Gov't)	0.23	0.34	0.16	0.14	0.10	0.10	0.13	0.17	0.18	0.09	0.20	0.18	0.22	0.18	0.22	0.10	0.09	0.05	0.12	0.13	0.28	0.09	0.11	0.09	0.42
7 TIPS	0.07	0.42	0.05	0.04	0.01	0.04	0.05	0.06	0.05	-0.01	0.13	0.05	0.06	0.05	0.06	-0.09	0.06	0.04	0.01	0.02	0.13	-0.01	0.44	0.41	0.26
8 Core U.S. Fixed Income (Market Duration)	0.21	0.89	0.06	0.05	0.03	0.04	0.06	0.07	0.07	0.03	0.04	0.17	0.20	0.17	0.20	0.03	0.00	0.00	0.27	0.28	0.12	0.03	0.82	0.72	0.00
9 Long Duration Bonds - Gov't / Credit	0.09	0.79	0.01	0.00	-0.02	0.01	0.01	0.01	0.01	-0.02	-0.02	0.06	0.09	0.06	0.09	-0.11	-0.03	-0.01	0.09	0.10	0.07	-0.03	0.89	0.94	-0.14
10 Long Duration Bonds - Credit	0.28	0.89	0.04	0.05	0.05	0.04	0.05	0.06	0.06	0.06	0.00	0.22	0.26	0.22	0.26	0.18	-0.02	-0.01	0.41	0.43	0.06	0.07	0.70	0.72	-0.11
11 Long Duration Bonds - Gov't	-0.07	0.62	-0.02	-0.04	-0.06	-0.02	-0.02	-0.03	-0.04	-0.08	-0.04	-0.07	-0.05	-0.07	-0.05	-0.32	-0.03	-0.01	-0.16	-0.16	0.07	-0.10	0.93	0.99	-0.15
12 High Yield Bonds	0.68	0.51	0.22	0.28	0.38	0.17	0.22	0.26	0.32	0.39	0.38	0.49	0.66	0.49	0.66	0.63	0.03	0.02	0.90	0.94	0.04	0.57	-0.11	-0.17	0.17
13 Bank Loans	0.61	0.32	0.19	0.23	0.33	0.15	0.19	0.22	0.27	0.33	0.22	0.44	0.59	0.44	0.59	0.88	0.03	0.01	0.79	0.82	0.05	0.46	-0.41	-0.37	0.16
14 Non-US Developed Bond (100% Hedged)	0.17	0.49	0.06	0.06	0.03	0.04	0.05	0.07	0.07	0.02	0.11	0.14	0.16	0.14	0.16	0.05	0.03	0.02	0.18	0.18	0.16	0.02	0.37	0.35	0.17
15 Short Duration Bonds - Gov't	0.15	0.57	0.11	0.10	0.05	0.07	0.09	0.12	0.12	0.04	0.14	0.11	0.14	0.11	0.14	-0.11	0.06	0.04	0.05	0.05	0.24	0.02	0.55	0.44	0.27
16 Short Duration Bonds - Credit	0.26	0.72	0.12	0.11	0.07	0.08	0.10	0.13	0.13	0.07	0.14	0.20	0.24	0.20	0.24	0.14	0.05	0.03	0.26	0.27	0.22	0.06	0.50	0.40	0.24
17 Intermediate Duration Bonds - Gov't	0.04	0.67	0.05	0.03	-0.01	0.02	0.03	0.05	0.04	-0.03	0.06	0.02	0.04	0.02	0.04	-0.27	0.02	0.01	-0.05	-0.05	0.15	-0.04	0.86	0.73	0.06
18 Intermediate Duration Bonds - Credit	0.28	0.90	0.07	0.07	0.05	0.05	0.07	0.08	0.09	0.06	0.06	0.22	0.26	0.22	0.26	0.17	0.01	0.00	0.38	0.39	0.13	0.06	0.69	0.58	0.04
19 Market Duration Bonds - Gov't (Model Portfolios)	0.01	0.68	0.03	0.01	-0.03	0.01	0.02	0.03	0.02	-0.04	0.03	-0.01	0.02	-0.01	0.02	-0.30	0.00	0.00	-0.07	-0.08	0.13	-0.06	0.91	0.80	0.01
20 Core Plus - Fixed Income (Model Portfolios)	0.30	0.93	0.07	0.07	0.06	0.05	0.07	0.08	0.09	0.07	0.04	0.24	0.28	0.24	0.28	0.18	0.00	0.00	0.42	0.43	0.11	0.07	0.71	0.62	0.00
21 STRIPS (25 Duration)	-0.08	0.54	-0.03	-0.05	-0.07	-0.02	-0.03	-0.04	-0.05	-0.09	-0.05	-0.08	-0.06	-0.08	-0.06	-0.29	-0.04	-0.02	-0.17	-0.18	0.05	-0.10	0.84	0.97	-0.18
22 Emerging Market Bonds (Sov. USD)	0.57	0.66	0.16	0.20	0.27	0.12	0.16	0.19	0.24	0.28	0.20	0.41	0.55	0.41	0.55	0.42	0.01	0.00	0.79	0.82	0.05	0.41	0.19	0.14	0.04
23 Emerging Market Bonds (Corporate USD)	0.48	0.36	0.14	0.19	0.28	0.10	0.13	0.16	0.21	0.24	0.26	0.33	0.47	0.33	0.47	0.50	0.01	0.01	0.73	0.76	0.02	0.43	-0.04	-0.07	0.06
24 Emerging Market Bonds (Sov. Local)	0.54	0.30	0.09	0.18	0.37	0.06	0.08	0.10	0.18	0.17	0.46	0.34	0.55	0.34	0.55	0.38	0.00	0.00	0.74	0.77	0.01	0.61	-0.02	-0.04	0.00
25 Hedge Funds - Direct (Universe)	1.00	0.36	0.31	0.38	0.55	0.23	0.30	0.36	0.44	0.50	0.37	0.77	0.94	0.77	0.94	0.53	0.03	0.02	0.69	0.71	0.07	0.77	-0.09	-0.10	0.13
26 Hedge Funds - Direct (Institutional Quality)	1.00	0.36	0.31	0.38	0.55	0.23	0.30	0.36	0.44	0.50	0.37	0.77	0.94	0.77	0.94	0.53	0.03	0.02	0.69	0.71	0.07	0.77	-0.09	-0.10	0.13
27 eLDI		1.00	0.10	0.11	0.12	0.07	0.09	0.11	0.13	0.12	0.09	0.27	0.34	0.27	0.34	0.26	0.00	0.00	0.48	0.49	0.10	0.16	0.63	0.58	0.00
28 Private Real Estate (Core)			1.00	0.96	0.45	0.14	0.18	0.81	0.83	0.31	0.10	0.17	0.32	0.17	0.32	0.17	0.02	0.01	0.19	0.20	0.04	0.35	-0.04	-0.05	0.09
29 Private Real Estate (Non-Core)				1.00	0.48	0.16	0.21	0.79	0.87	0.36	0.17	0.21	0.40	0.21	0.40	0.21	0.02	0.01	0.26	0.27	0.04	0.46	-0.05	-0.06	0.09
30 U.S. REITs					1.00	0.19	0.25	0.44	0.50	0.45	0.31	0.29	0.59	0.29	0.59	0.29	0.03	0.01	0.39	0.41	0.03	0.69	-0.07	-0.08	0.07
31 Infrastructure (Open-End)						1.00	0.78	0.70	0.51	0.24	0.08	0.14	0.24	0.14	0.24	0.13	0.02	0.02	0.15	0.15	0.03	0.26	-0.03	-0.03	0.06
32 Infrastructure (Closed-End)							1.00	0.60	0.66	0.31	0.10	0.17	0.31	0.17	0.31	0.17	0.02	0.01	0.19	0.20	0.04	0.34	-0.04	-0.04	0.08
33 Open-End Real Assets (Model Portfolios)								1.00	0.90	0.36	0.12	0.21	0.38	0.21	0.38	0.20	0.03	0.02	0.23	0.24	0.05	0.41	-0.05	-0.05	0.10
34 Closed-End Real Assets (Model Portfolio)									1.00	0.43	0.18	0.25	0.47	0.25	0.47	0.24	0.03	0.01	0.30	0.31	0.05	0.52	-0.06	-0.07	0.11
35 Private Equity										1.00	0.13	0.28	0.53	0.28	0.53	0.29	0.02	0.01	0.34	0.36	0.03	0.60	-0.09	-0.10	0.07
36 Commodities											1.00	0.21	0.38	0.21	0.38	0.20	0.09	0.07	0.37	0.39	0.06	0.49	-0.05	-0.07	0.42
37 Hedge Funds - Low Beta (Universe)												1.00	0.51	1.00	0.51	0.39	0.02	0.01	0.48	0.50	0.05	0.40	-0.09	-0.10	0.11
38 Hedge Funds - High Beta (Universe)													1.00	0.51	1.00	0.52	0.03	0.02	0.67	0.70	0.06	0.82	-0.08	-0.09	0.12
39 Hedge Funds - Low Beta (Institutional Quality)														1.00	0.51	0.39	0.02	0.01	0.48	0.50	0.05	0.40	-0.09	-0.10	0.11
40 Hedge Funds - High Beta (Institutional Quality)															1.00	0.52	0.03	0.02	0.67	0.70	0.06	0.82	-0.08	-0.09	0.12
41 Private Debt -- Direct Lending																1.00	0.03	0.01	0.70	0.73	0.03	0.41	-0.38	-0.34	0.14
42 Timberland																	1.00	0.33	0.02	0.03	0.03	0.02	-0.04	-0.04	0.21
43 Farmland																		1.00	0.01	0.01	0.01	0.02	-0.02	-0.02	0.13
44 Liquid Return-Seeking Fixed Income (Institutional Quality)																			1.00	0.96	0.04	0.60	-0.15	-0.18	0.12
45 Liquid Return-Seeking Fixed Income (Universe)																				1.00	0.04	0.62	-0.16	-0.18	0.13
46 Insurance-Linked Securities (Catastrophe Bonds)																					1.00	0.02	0.03	0.03	0.12
47 85% ACWI/15% Russell 3000																						1.00	-0.11	-0.12	0.09
48 7-10 Yr Capital Efficiency																							1.00	0.94	-0.19
49 Long Treasury Capital Efficiency																								1.00	-0.22
50 Inflation																									1.00

Expected returns are using Aon 10 Year Capital Market Assumptions as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. Correlations based on expected returns on previous page.
The opinions referenced are as of the date of publication and are subject to change due to changes in the market or economic conditions and may not necessarily come to pass. Information contained herein is for informational purposes only and should not be considered investment advice.

Aon Investments' Capital Market Assumptions

Explanation of Capital Market Assumptions—6/30/2025

The following capital market assumptions were developed by Aon's Global Asset Allocation Team and represent the long-term capital market outlook (i.e., 30 years) based on data at the end of the second quarter of 2025. The assumptions were developed using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economics forecast and market data sources including, but not limited to MSCI, FactSet and Bloomberg. Our long-term assumptions for other asset classes are based on historical results, current market characteristics, and our professional judgment. Expected returns are using Aon 30 Year Capital Market Assumptions as of 6/30/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results.

Inflation – Expected Level (2.3%)

Based on Consensus Economics long-term estimates and our near-term economic outlook, we expect U.S. consumer price inflation to be approximately 2.3% during the next 30 years.

Fixed Income		
Cash	1.5%	Over the long run, we expect the real yield on cash and money market instruments to produce a real return of 1.5% in a moderate to low-inflationary environment.
TIPS	2.0%	We expect intermediate duration Treasury Inflation-Protected Securities to produce a real return of about 2.0%.
Core Fixed Income (i.e., Market Duration)	2.6%	We expect intermediate duration Treasuries to produce a real return of about 1.8%. We estimate the fair value credit spread (credit risk premium - expected losses from defaults and downgrades) to be 0.8%, resulting in a long-term real return of 2.6%.

Aon Investments' Capital Market Assumptions

Explanation of Capital Market Assumptions—6/30/2025

Fixed Income		
Core Plus Bonds	3.0%	Modeled as 20% 5 duration gov't with real return of 1.9% and 80% 5 duration corporate bonds with real return of 3.3%.
Long Duration Bonds – Government and Credit	3.5%	We expect Treasuries with a duration of ~16 years to produce a real return of 3.1%. We estimate the fair value credit spread (credit risk premium - expected losses from defaults and downgrades) to be 0.4%, resulting in an expected real return of 3.2%.
Long Duration Bonds – Credit	3.9%	We expect Treasuries with a duration of ~16 years to produce a real return of 3.1%. We estimate the fair value credit spread (credit risk premium - expected losses from defaults and downgrades) to be 0.8%, resulting in an expected real return of 3.7%.
Long Duration Bonds – Government	3.1%	We expect Treasuries with a duration of ~16 years to produce a real return of 3.1% during the next 30 years.
High Yield Bonds	3.9%	We expect intermediate duration Treasuries to produce a real return of about 1.8%. We estimate the fair value credit spread (credit risk premium - expected losses from defaults and downgrades) to be 2.1%, resulting in an expected real return of 4.0%.
Bank Loans	3.6%	We expect cash to produce a real return of about 1.5%. We estimate the fair value credit spread (credit risk premium - expected losses from defaults) to be 2.1%, resulting in an expected real return of 3.6%.
Non-U.S. Developed Bonds: 50% Hedged	2.1%	We forecast real returns for non-US developed market bonds to be 2.1% over a 30-year period after adjusting for a 50% currency hedge. We assume a blend of one-third investment grade corporate bonds and two-thirds government bonds. We also produce assumptions for 0% hedged and 100% hedged non-US developed bonds.
Emerging Market Bonds (Sovereign; USD)	4.2%	We forecast real returns for emerging market sovereign bonds denominated in US dollars to be 4.2% over a 30-year period.
Emerging Market Bonds (Corporate; USD)	3.8%	We forecast real returns for emerging market corporate bonds denominated in US dollars to be 3.8% over a 30-year period.

Aon Investments' Capital Market Assumptions

Explanation of Capital Market Assumptions—6/30/2025

Emerging Market Bonds (Sovereign; Local)	3.1%	We forecast real returns for emerging market sovereign bonds denominated in local currency to be 3.1% over a 30-year period.
Liquid Return-Seeking Fixed Income Institutional Quality	4.6%	We assume real returns from beta exposure to high yield, bank loans and emerging market debt to add 3.8% plus 0.8% from alpha for institutional quality managers, over a 30-year period.
Liquid Return-Seeking Fixed Income Universe	3.8%	We assume real returns from beta exposure to high yield, bank loans and emerging market debt to add 3.8%. We assume no alpha from universe funds, over a 30-year period.
Private Debt-Direct Lending	4.4%	The base building block is bank loans 3.6% + spread 0.8% (net of management fees and performance incentives). There is 100% leverage included in the assumption with the nominal cost of financing at LIBOR + 2.0%.
Equities		
Large Cap U.S. Equity	4.2%	This assumption is based on 1.03 beta to global equities plus inflation and real cash return
Small Cap U.S. Equity	4.7%	Adding a 0.5% return premium for small cap U.S. equity over large cap U.S. equity results in an expected real return of 5.0%. This return premium is theoretically justified by the higher risk inherent in small cap U.S. equity versus large cap U.S. equity and is also justified by historical data.
Global Equity (Developed & Emerging Markets)	4.4%	We employ a building block process to develop discounted cash flows using the developed and emerging markets that comprise the MSCI All-Country World Index. Our roll-up model produces an expected real return of 4.7% for global equity.
International (Non-U.S.) Equity, Developed Markets	3.9%	This assumption is based on 0.85 beta to global equities plus inflation and real cash return
Emerging Market Stocks	4.2%	This assumption is based on 1.14 beta to global equities plus inflation and real cash return
85% ACWI/15% Russell 3000	4.4%	Based on a mix of Global (Developed & Emerging Markets)/U.S. large and small caps

Aon Investments' Capital Market Assumptions

Explanation of Capital Market Assumptions—6/30/2025

Alternative Asset Classes		
Low Beta (Defensive) Hedge Funds	2.4%	Encompasses defensive/low volatility hedge fund strategies with low correlations to risk assets. This assumption represents median manager performance. 1% base fee + 10% performance fee is deducted from the return expectation.
Low Beta (Defensive) Hedge Funds Institutional Quality	3.4%	Represent defensive/low volatility hedge fund strategies with low correlations to risk assets. 1% base fee + 7% performance fee is deducted from return expectations. To use this category the funds must be institutional quality.
High Beta (Return Enhancing) Hedge Funds	3.4%	Encompasses return enhancing/higher volatility hedge fund strategies with higher correlations to risk assets. The assumption represents median manager performance. 1% base fee + 10% performance fee is deducted from the return expectations.
High Beta (Return Enhancing) Hedge Funds Institutional Quality	5.4%	Represents return enhancing/higher volatility hedge fund strategies with higher correlations to risk assets. 1% base fee + 7% performance fee is deducted from return expectations. To use this category the funds must be institutional quality.
Direct Hedge Funds Universe	2.9%	Generic hedge fund investments which represents a portfolio of diversified strategies. We assume 50% defensive/50% return enhancing strategies. 1% base fee + 10% performance fee is deducted from the return expectations.
Direct Hedge Funds Institutional Quality	4.4%	Generic hedge fund investments which represents a portfolio of top-tier diversified strategies. We assume 50% defensive institutional quality/50% return enhancing institutional quality strategies. To use this category the funds must be institutional quality. 1% base fee + 7% performance fee is deducted from the return expectations.
Core Real Estate	3.4%	Our real return assumption for core real estate is based a gross income of about 3.9%, management fees of roughly 1%, 25% leverage and future capital appreciation near the rate of inflation during the next 30 years. We assume a portfolio of equity real estate holdings that is diversified by property and by geographic region.
Non-Core Real Estate	4.9%	Core real estate is levered approximately 100% as the base building block for this assumption. We subtract financing costs for the leverage and 2% management costs. We also assume nominal alpha of 2% over core real estate. We assume a 50/50 mix of value-add and opportunistic investments.
U.S. REITs	4.0%	Our real return assumption for U.S. REITs is based on income of about 4.0% and future capital appreciation near the rate of inflation during the next 30 years. REITs are a sub-set of U.S. small/mid cap equity universe.

Aon Investments’ Capital Market Assumptions

Explanation of Capital Market Assumptions—6/30/2025

Commodities	1.5%	Our commodity assumption is for a diversified portfolio of commodity futures contracts. Commodity futures returns are composed of three parts: spot price appreciation, collateral return, and roll return (positive or negative change implied by the shape of the future curve). We believe that spot prices will converge with CPI over the long run (i.e., 2.3%). Collateral is assumed to be Gov’t cash (1.5%). Also, we believe the roll effect will be -2.3%, resulting in a real return of about 1.4% for commodities.
Private Equity	7.6%	Our private equity assumption reflects a diversified fund of funds with exposure to buyouts and venture capital.
Open-End Infrastructure	5.6%	Our open-end infrastructure assumption assumes a mix of 65% core, 25% value-add and 10% opportunistic strategies. Return formulated through estimates of income and capital growth, leverage, debt costs, taxes and management expenses.
Closed-End Infrastructure	6.6%	Our closed-end infrastructure assumption assumes a mix of 50% value-add, 35% opportunistic and 15% private equity strategies. Return formulated through estimates of income and capital growth, leverage, debt costs, taxes and management expenses.
eLDI	4.2%	Combination of various long credit strategies (1/6 real estate debt, 1/3 securitized debt, 1/6 CMOs, 1/3 private placements).
Open-End Real Assets	4.8%	Combination of 50% Core Real Estate and 50% Open-End Infrastructure
Closed-End Real Assets	6.5%	Combination of 50% Non-Core Real Estate and 50% Closed-End Infrastructure

Volatility/Correlation Assumptions

Assumed volatilities are formulated with reference to implied volatilities priced into option contracts of various terms, as well as with regard to historical volatility levels. For asset classes which are not marked to market (for example real estate), we “de-smooth” historical returns before calculating volatilities. Importantly, we consider expected volatility trends in the future – in recent years we assumed the re-emergence of an economic cycle and a loss of confidence in central bankers would lead to an increase in volatility. Correlation assumptions are generally similar to actual historical results; however, we do make adjustments to reflect our forward-looking views as well as current market fundamentals.

Expected Returns and Risks

6/30/2025 Assumptions (30-Year)

	30-yr	30-yr	30-yr
Equity	Expected Real Return[1]	Expected Nominal Return[1]	Expected Volatility[1]
Large Cap U.S. Equity	4.2%	6.6%	18.3%
Small Cap U.S. Equity	4.7%	7.1%	24.4%
Global Equity (Developed & Emerging)	4.4%	6.8%	17.6%
International (Non-U.S.) Equity (Developed)	3.9%	6.3%	19.1%
Emerging Markets Equity	4.2%	6.6%	21.2%
Fixed Income			
Cash (Gov't)	1.5%	3.8%	1.9%
TIPS	2.0%	4.3%	4.5%
Core U.S. Fixed Income (Market Duration)	2.6%	5.0%	5.4%
Long Duration Bonds – Gov't / Credit	3.5%	5.9%	9.5%
Long Duration Bonds – Credit	3.9%	6.3%	11.4%
Long Duration Bonds – Gov't	3.1%	5.5%	9.9%
High Yield Bonds	3.9%	6.3%	10.6%
Bank Loans	3.6%	6.0%	7.5%
Non-US Developed Bond (100% Hedged)	2.2%	4.6%	4.0%
Short Duration Bonds - Gov't	1.6%	3.9%	2.4%
Short Duration Bonds - Credit	2.2%	4.6%	2.8%
Intermediate Duration Bonds - Gov't	1.8%	4.1%	4.0%
Intermediate Duration Bonds - Credit	2.9%	5.3%	5.3%
Market Duration Bonds - Gov't (Model Portfolios)	1.9%	4.2%	4.7%
Core Plus - Fixed Income (Model Portfolios)	3.0%	5.4%	6.4%
STRIPS (25 Duration)	3.2%	5.6%	15.1%
Emerging Market Bonds (Sov. USD)	4.2%	6.6%	11.5%
Emerging Market Bonds (Corporate USD)	3.8%	6.2%	11.3%
Emerging Market Bonds (Sov. Local)	3.1%	5.5%	13.3%
Alternative Investments			
Hedge Funds - Direct (Universe)	2.9%	5.3%	5.6%
Hedge Funds - Direct (Institutional Quality)	4.4%	6.8%	5.6%
eLDI	4.2%	6.6%	6.4%
Private Real Estate (Core)	3.4%	5.8%	15.2%
Private Real Estate (Non-Core)	4.9%	7.3%	25.2%
U.S. REITs	4.0%	6.4%	18.9%
Infrastructure (Open-End)	5.6%	8.0%	12.7%
Infrastructure (Closed-End)	6.6%	9.1%	16.3%
Open-End Real Assets (Model Portfolios)	4.8%	7.2%	10.6%
Closed-End Real Assets (Model Portfolio)	6.5%	9.0%	16.3%
Private Equity	7.6%	10.1%	20.2%
Commodities	1.5%	3.8%	16.9%
Hedge Funds - Low Beta (Universe)	2.4%	4.8%	4.3%
Hedge Funds - High Beta (Universe)	3.4%	5.8%	8.4%
Hedge Funds - Low Beta (Institutional Quality)	3.4%	5.8%	4.3%
Hedge Funds - High Beta (Institutional Quality)	5.4%	7.8%	8.4%
Private Debt -- Direct Lending	4.4%	6.8%	10.1%
Timberland	2.5%	4.9%	12.3%
Farmland	3.2%	5.6%	15.4%
Liquid Return-Seeking Fixed Income (Institutional Quality)	4.6%	7.0%	9.0%
Liquid Return-Seeking Fixed Income (Universe)	3.8%	6.2%	8.7%
Insurance-Linked Securities (Catastrophe Bonds)	4.1%	6.5%	7.5%
85% ACWI/15% Russell 3000	4.4%	6.8%	17.7%
7-10 Yr Capital Efficiency	2.0%	4.3%	24.9%
Long Treasury Capital Efficiency	4.0%	6.4%	28.4%
Inflation	0.0%	2.3%	1.7%

[1] Expected returns are using Aon 30 Year Capital Market Assumptions as of 6/30/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results.

Expected Nominal Correlations

6/30/2025 Assumptions (10-Year)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50
1 Large Cap U.S. Equity	1.00	0.93	0.98	0.78	0.70	0.09	-0.02	0.03	-0.03	0.07	-0.10	0.53	0.45	0.02	0.03	0.06	-0.04	0.06	-0.06	0.07	-0.10	0.37	0.40	0.57	0.75	0.75	0.16	0.33	0.44	0.68	0.26	0.33	0.39	0.50	0.59	0.46	0.38	0.80	0.38	0.80	0.41	0.02	0.01	0.56	0.58	0.02	0.98	-0.11	-0.11	0.08
2 Small Cap U.S. Equity		1.00	0.91	0.72	0.66	0.07	-0.02	0.03	-0.03	0.07	-0.10	0.50	0.42	0.01	0.02	0.05	-0.04	0.05	-0.06	0.06	-0.10	0.35	0.37	0.50	0.69	0.69	0.15	0.31	0.41	0.63	0.25	0.32	0.37	0.47	0.57	0.41	0.36	0.74	0.36	0.74	0.39	0.02	0.01	0.51	0.53	0.02	0.92	-0.10	-0.11	0.07
3 Global Equity (Developed & Emerging)			1.00	0.88	0.79	0.08	-0.02	0.03	-0.03	0.08	-0.11	0.57	0.46	0.02	0.02	0.06	-0.05	0.06	-0.06	0.07	-0.10	0.41	0.44	0.61	0.75	0.75	0.16	0.35	0.45	0.67	0.26	0.34	0.40	0.52	0.60	0.49	0.39	0.80	0.39	0.80	0.42	0.02	0.01	0.59	0.62	0.02	1.00	-0.11	-0.12	0.09
4 International (Non-U.S.) Equity (Developed)				1.00	0.73	0.04	-0.02	0.02	-0.03	0.07	-0.10	0.52	0.39	0.02	-0.01	0.03	-0.06	0.04	-0.07	0.06	-0.10	0.36	0.41	0.60	0.62	0.62	0.13	0.33	0.42	0.55	0.22	0.29	0.37	0.47	0.52	0.49	0.34	0.66	0.34	0.66	0.36	0.03	0.01	0.54	0.56	0.01	0.86	-0.10	-0.11	0.10
5 Emerging Markets Equity					1.00	0.07	-0.02	0.03	-0.02	0.09	-0.10	0.60	0.38	0.02	0.01	0.05	-0.05	0.06	-0.06	0.08	-0.10	0.43	0.45	0.52	0.58	0.58	0.15	0.30	0.39	0.50	0.21	0.27	0.34	0.43	0.50	0.35	0.32	0.60	0.32	0.60	0.34	0.02	0.01	0.56	0.58	0.01	0.78	-0.11	-0.11	0.08
6 Cash (Gov't)						1.00	0.46	0.42	0.24	0.20	0.24	0.11	0.14	0.56	0.86	0.77	0.56	0.44	0.47	0.36	0.16	0.16	0.06	0.01	0.21	0.21	0.33	0.15	0.14	0.09	0.10	0.13	0.17	0.17	0.09	0.19	0.17	0.20	0.17	0.20	0.08	0.08	0.05	0.11	0.12	0.26	0.08	0.12	0.09	0.38
7 TIPS							1.00	0.52	0.47	0.39	0.47	0.05	-0.08	0.23	0.58	0.53	0.58	0.47	0.57	0.45	0.39	0.17	0.02	-0.02	0.05	0.05	0.41	0.04	0.03	0.00	0.03	0.04	0.05	0.05	-0.01	0.12	0.04	0.05	0.04	0.05	-0.09	0.05	0.03	0.01	0.01	0.12	-0.02	0.45	0.42	0.25
8 Core U.S. Fixed Income (Market Duration)								1.00	0.87	0.89	0.75	0.34	0.09	0.56	0.74	0.83	0.88	0.97	0.88	0.97	0.62	0.58	0.23	0.19	0.22	0.22	0.89	0.06	0.05	0.03	0.04	0.06	0.07	0.07	0.03	0.04	0.17	0.20	0.17	0.20	0.05	0.00	0.00	0.29	0.30	0.11	0.03	0.81	0.70	-0.01
9 Long Duration Bonds – Gov't / Credit									1.00	0.89	0.95	0.13	-0.09	0.47	0.55	0.58	0.77	0.78	0.83	0.83	0.90	0.41	0.11	0.11	0.09	0.09	0.79	0.01	0.00	-0.02	0.01	0.01	0.01	0.01	-0.02	-0.02	0.06	0.09	0.06	0.09	-0.10	-0.03	-0.02	0.10	0.11	0.07	-0.03	0.89	0.93	-0.14
10 Long Duration Bonds – Credit										1.00	0.70	0.49	0.28	0.46	0.44	0.61	0.61	0.88	0.64	0.93	0.65	0.69	0.33	0.29	0.29	0.29	0.91	0.05	0.05	0.05	0.04	0.06	0.06	0.07	0.07	0.01	0.24	0.27	0.24	0.27	0.22	-0.02	-0.01	0.45	0.47	0.06	0.08	0.67	0.68	-0.10
11 Long Duration Bonds – Gov't											1.00	-0.15	-0.34	0.43	0.55	0.49	0.79	0.61	0.85	0.64	0.96	0.16	-0.06	-0.04	-0.07	-0.07	0.61	-0.02	-0.04	-0.06	-0.02	-0.02	-0.03	-0.04	-0.09	-0.04	-0.07	-0.06	-0.07	-0.06	-0.32	-0.03	-0.02	-0.16	-0.16	0.06	-0.10	0.93	0.99	-0.15
12 High Yield Bonds												1.00	0.74	0.16	0.08	0.29	0.00	0.44	-0.03	0.49	-0.18	0.82	0.63	0.62	0.66	0.66	0.52	0.21	0.27	0.37	0.17	0.22	0.25	0.32	0.38	0.38	0.48	0.64	0.48	0.64	0.64	0.04	0.02	0.90	0.94	0.03	0.57	-0.11	-0.17	0.16
13 Bank Loans													1.00	0.10	-0.08	0.23	-0.27	0.27	-0.30	0.27	-0.30	0.51	0.57	0.46	0.60	0.60	0.35	0.18	0.23	0.32	0.14	0.18	0.22	0.26	0.32	0.24	0.43	0.58	0.43	0.58	0.88	0.04	0.02	0.80	0.84	0.04	0.46	-0.40	-0.37	0.15
14 Non-US Developed Bond (100% Hedged)														1.00	0.62	0.63	0.55	0.56	0.53	0.53	0.36	0.30	0.14	0.17	0.16	0.16	0.49	0.06	0.05	0.02	0.04	0.05	0.06	0.07	0.01	0.10	0.13	0.15	0.13	0.15	0.05	0.04	0.02	0.18	0.18	0.15	0.02	0.37	0.35	0.15
15 Short Duration Bonds - Gov't															1.00	0.90	0.89	0.70	0.84	0.64	0.39	0.24	0.05	0.02	0.14	0.14	0.55	0.11	0.10	0.04	0.07	0.09	0.12	0.12	0.04	0.13	0.10	0.13	0.10	0.13	-0.11	0.05	0.03	0.04	0.04	0.22	0.02	0.55	0.43	0.24
16 Short Duration Bonds - Credit																1.00	0.80	0.88	0.75	0.81	0.35	0.46	0.19	0.14	0.26	0.26	0.72	0.11	0.11	0.06	0.08	0.10	0.13	0.13	0.07	0.12	0.20	0.24	0.20	0.24	0.16	0.05	0.03	0.28	0.29	0.20	0.06	0.49	0.38	0.21
17 Intermediate Duration Bonds - Gov't																	1.00	0.78	0.99	0.75	0.63	0.25	0.02	0.00	0.03	0.03	0.65	0.04	0.03	-0.01	0.02	0.03	0.05	0.04	-0.03	0.05	0.01	0.04	0.01	0.04	-0.27	0.01	0.01	-0.05	-0.05	0.15	-0.05	0.86	0.73	0.05
18 Intermediate Duration Bonds - Credit																		1.00	0.77	0.98	0.48	0.64	0.29	0.24	0.29	0.29	0.90	0.07	0.07	0.05	0.05	0.07	0.08	0.09	0.06	0.06	0.23	0.27	0.23	0.27	0.21	0.01	0.00	0.40	0.42	0.12	0.06	0.66	0.56	0.03
19 Market Duration Bonds - Gov't (Model Portfolios)																			1.00	0.76	0.71	0.24	0.00	0.00	0.01	0.01	0.66	0.03	0.01	-0.03	0.01	0.02	0.03	0.02	-0.04	0.03	-0.01	0.01	-0.01	0.01	-0.30	0.00	0.00	-0.08	-0.08	0.13	-0.06	0.91	0.80	0.00
20 Core Plus - Fixed Income (Model Portfolios)																				1.00	0.53	0.69	0.32	0.27	0.30	0.30	0.93	0.07	0.07	0.06	0.05	0.07	0.08	0.09	0.07	0.04	0.24	0.28	0.24	0.28	0.21	0.00	0.00	0.44	0.46	0.10	0.07	0.69	0.60	-0.02
21 STRIPS (25 Duration)																					1.00	0.11	-0.08	-0.05	-0.08	-0.08	0.53	-0.04	-0.05	-0.07	-0.02	-0.03	-0.04	-0.05	-0.09	-0.06	-0.08	-0.07	-0.08	-0.07	-0.29	-0.04	-0.02	-0.17	-0.18	0.04	-0.10	0.84	0.96	-0.19
22 Emerging Market Bonds (Sov. USD)																						1.00	0.69	0.61	0.55	0.55	0.68	0.15	0.20	0.26	0.12	0.16	0.18	0.23	0.27	0.19	0.40	0.53	0.40	0.53	0.44	0.01	0.01	0.79	0.82	0.05	0.40	0.19	0.13	0.03
23 Emerging Market Bonds (Corporate USD)																							1.00	0.61	0.47	0.47	0.37	0.14	0.19	0.27	0.10	0.13	0.16	0.21	0.24	0.26	0.32	0.46	0.32	0.46	0.51	0.01	0.01	0.73	0.76	0.02	0.43	-0.04	-0.07	0.06
24 Emerging Market Bonds (Sov. Local)																								1.00	0.52	0.52	0.32	0.08	0.17	0.36	0.06	0.08	0.10	0.17	0.17	0.45	0.33	0.53	0.33	0.53	0.41	0.01	0.00	0.74	0.77	0.00	0.60	-0.02	-0.04	-0.01
25 Hedge Funds - Direct (Universe)																									1.00	1.00	0.36	0.30	0.38	0.53	0.23	0.30	0.36	0.44	0.50	0.35	0.76	0.94	0.76	0.94	0.53	0.02	0.02	0.67	0.69	0.06	0.75	-0.09	-0.10	0.11
26 Hedge Funds - Direct (Institutional Quality)																										1.00	0.36	0.30	0.38	0.53	0.23	0.30	0.36	0.44	0.50	0.35	0.76	0.94	0.76	0.94	0.53	0.02	0.02	0.67	0.69	0.06	0.75	-0.09	-0.10	0.11
27 eLDI																											1.00	0.09	0.10	0.12	0.07	0.10	0.11	0.13	0.12	0.09	0.27	0.34	0.27	0.34	0.28	0.00	0.00	0.49	0.51	0.09	0.16	0.62	0.57	-0.02
28 Private Real Estate (Core)																												1.00	0.96	0.43	0.14	0.18	0.81	0.83	0.31	0.10	0.17	0.32	0.17	0.32	0.16	0.02	0.01	0.18	0.19	0.04	0.34	-0.04	-0.05	0.08
29 Private Real Estate (Non-Core)																													1.00	0.47	0.16	0.21	0.79	0.87	0.35	0.17	0.20	0.40	0.20	0.40	0.20	0.02	0.01	0.25	0.26	0.03	0.45	-0.05	-0.06	0.08
30 U.S. REITs																														1.00	0.19	0.24	0.43	0.48	0.44	0.30	0.27	0.56	0.27	0.56	0.28	0.02	0.01	0.38	0.39	0.02	0.68	-0.07	-0.08	0.06
31 Infrastructure (Open-End)																															1.00	0.78	0.70	0.51	0.24	0.07	0.13	0.24	0.13	0.24	0.13	0.01	0.01	0.14	0.15	0.03	0.26	-0.03	-0.03	0.06
32 Infrastructure (Closed-End)																																1.00	0.60	0.66	0.31	0.10	0.17	0.31	0.17	0.31	0.16	0.01	0.01	0.19	0.20	0.04	0.34	-0.04	-0.04	0.07
33 Open-End Real Assets (Model Portfolios)																																	1.00	0.91	0.36	0.12	0.20	0.38	0.20	0.38	0.19	0.01	0.01	0.22	0.23	0.05	0.40	-0.05	-0.05	0.09
34 Closed-End Real Assets (Model Portfolio)																																		1.00	0.43	0.18	0.24	0.46	0.24	0.46	0.24	0.02	0.01	0.29	0.30	0.05	0.52	-0.06	-0.07	0.10
35 Private Equity																																			1.00	0.13	0.27	0.53	0.27	0.53	0.29	0.01	0.01	0.34	0.35	0.02	0.60	-0.09	-0.10	0.06
36 Commodities																																				1.00	0.20	0.36	0.20	0.36	0.21	0.09	0.05	0.37	0.39	0.05	0.49	-0.05	-0.07	0.42
37 Hedge Funds - Low Beta (Universe)																																					1.00	0.51	1.00	0.51	0.38	0.02	0.01	0.47	0.49	0.04	0.39	-0.09	-0.10	0.09
38 Hedge Funds - High Beta (Universe)																																						1.00	0.51	1.00	0.51	0.02	0.01	0.65	0.68	0.05	0.80	-0.07	-0.09	0.10
39 Hedge Funds - Low Beta (Institutional Quality)																																							1.00	0.51	0.38	0.02	0.01	0.47	0.49	0.04	0.39	-0.09	-0.10	0.09
40 Hedge Funds - High Beta (Institutional Quality)																																								1.00	0.51	0.02	0.01	0.65	0.68	0.05	0.80	-0.07	-0.09	0.10
41 Private Debt -- Direct Lending																																									1.00	0.03	0.02	0.71	0.73	0.02	0.42	-0.37	-0.34	0.13
42 Timberland																																										1.00	0.33	0.03	0.03	0.02	0.02	-0.04	-0.04	0.21
43 Farmland																																											1.00	0.02	0.02	0.02	0.01	-0.03	-0.03	0.13
44 Liquid Return-Seeking Fixed Income (Institutional Quality)																																												1.00	0.96	0.03	0.59	-0.15	-0.18	0.11
45 Liquid Return-Seeking Fixed Income (Universe)																																													1.00	0.03	0.61	-0.16	-0.18	0.12
46 Insurance-Linked Securities (Catastrophe Bonds)																																														1.00	0.02	0.03	0.03	0.10
47 85% ACWI/15% Russell 3000																																															1.00	-0.11	-0.12	0.09
48 7-10 Yr Capital Efficiency																																																1.00	0.94	-0.18
49 Long Treasury Capital Efficiency																																																	1.00	-0.21
50 Inflation																																																		1.00

Expected returns are using Aon 10 Year Capital Market Assumptions as of 6/30/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. Correlations based on expected returns on previous page.
The opinions referenced are as of the date of publication and are subject to change due to changes in the market or economic conditions and may not necessarily come to pass. Information contained herein is for informational purposes only and should not be considered investment advice.

Appendix: Glossary of Terms

Nominal Rate of Return: The amount of money generated by an investment before factoring in expenses such as taxes, investment fees, and inflation.

Rate of Return: The yield obtainable on a security based on its purchase price or its current market price. This may be amortized yield to maturity on a bond or the current income return.

Real Rate of Return: A return adjusted for inflation. For example, an investor earning 8% on a certificate of deposit during a period of 5% inflation is receiving a real rate of 3%.

Standard Deviation: A statistical gauge of risk which measures the spread of the difference of returns from their average. The more a portfolio's returns vary from its average, the higher the standard deviation.

Sharpe Ratio: This is a risk-adjusted measure calculated by using standard deviation and excess return to determine reward per unit of risk. In general, the higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe ratio is calculated by dividing the fund's annual excess return by the fund's annualized standard deviation.

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