

# NEW JERSEY DIVISION OF INVESTMENT



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**ANNUAL MEETING**  
State Investment Council  
January 28, 2026

*“The mission of the New Jersey Division of Investment is to achieve the best possible return at an acceptable level of risk using the highest fiduciary standards.”*

## Background: The New Jersey State Investment Council

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### New Jersey State Investment Council (the “Council”)

- **The Council is responsible for the formulation of policies that govern the investment of funds by the Division of Investment consistent with the fiduciary duties set forth by statute**
  - The Council provides fiduciary oversight for the assets managed by the Division
  - The Pension Fund, with \$84.1 billion in assets, comprises the bulk of assets managed by the Division
  - Pursuant to P.L. 2018, c. 55, the authority to direct investment policy of the Police and Firemen’s Retirement System of New Jersey (“PFRS”) was transferred from the Council to the Board of Trustees of the Police and Firemen's Retirement System of New Jersey.
  - The Council retains its oversight responsibility for the non-PFRS portion of the Pension Fund
- **The Council is NOT responsible for:**
  - Funding Policy (plan contributions)
  - Benefits Policy (plan design)
  - Actuarial Activities (setting actuarial expected return)

## Background: The State of New Jersey Division of Investment

### New Jersey Division of Investment (the “Division”)

Division of Investment Assets under Management	
Assets as of 6/30/2025	(\$ millions)
Pension Fund <sup>(1)</sup>	84,084
Cash Management Fund (CMF)	37,766
Deferred Compensation Plan funds (DCP)	869
NJBEST Funds (NJBEST)	57
Supplemental Annuity Collective Trust (SACT)	362
Trustees for the Support of Public Schools Fund (TSPSF)	180
<b>Total<sup>(2)</sup></b>	<b>\$123,318</b>

Division of Investment "At a Glance"
<ul style="list-style-type: none"> <li>• One of the largest U.S. pension plans<sup>(3)</sup></li> <li>• 61 active employees with a \$12.6 million personnel budget<sup>(4)</sup></li> <li>• During Fiscal Year 2025, the Division traded:               <ul style="list-style-type: none"> <li>➢ 284 million shares of stock worth \$11 billion</li> <li>➢ \$10.4 billion in fixed income securities<sup>(5)</sup></li> <li>➢ \$1.7 billion in foreign currency transactions</li> </ul> </li> <li>• During Fiscal Year 2025, the Pension Fund earned:               <ul style="list-style-type: none"> <li>➢ \$805 million in stock dividends</li> <li>➢ \$423 million in bond interest</li> </ul> </li> </ul>

Note: All figures are as of June 30, 2025, unless otherwise noted.

(1) Throughout this presentation, Pension Fund totals include PFRS assets managed in Common Funds.

(2) The total excludes \$5.4 billion held in CMF which is included in the totals for the Pension Fund, the DCP, NJBEST, SACT, and TSPSF.

(3) Reported by P&I in February 2025

(4) As of June 2025

(5) The total trades in fixed income securities include only the Pension Fund

## Division of Investment Update: 2025 Year in Review

### Pension Fund portfolio focus on diversification, downside protection & liquidity

- Fiscal year 2025 was volatile with financial markets primarily driven by news flow.
- Domestic and international policies played an increasing role in market behavior and return patterns.
- Despite volatility, the Pension Fund portfolio generated double-digit performance in fiscal year 2025.
- Diversification, ample liquidity and dry powder remained key characteristics of the Pension Fund portfolio during the year.
- Once again, throughout the fiscal and calendar year, the portfolio was managed with a cautiously optimistic approach, utilizing both long-term strategic and shorter-term tactical asset allocation.

<u>Asset Class</u>	Target Allocation	June 30, 2024 (Beg. FY 2025)	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025
U.S. Equity	28.00%	28.96%	26.08%	27.65%	28.41%	28.13%
Emerging Markets Equity Composite	5.50%	3.05%	3.07%	5.35%	5.71%	5.97%
Cash Equivalents	2.00%	11.44%	12.42%	10.29%	9.62%	7.23%

**Green** = increase; **Red** = decrease; **Black** = neutral.

## Division of Investment Update: 2025 Year in Review

### Active year for private market asset class investments

- The Division's private market asset class team remained extremely busy throughout the fiscal and calendar year.
- Hundreds of diligence & monitoring meetings and calls were conducted by the Division over the course of the year.
- Since the beginning of fiscal year 2025, the Division's private market asset class team has presented 27 investments to the SIC for an average of 4.5 presentations per SIC meeting.

<u>SIC Meeting Date</u>	Private Equity	Private Credit	Real Estate	Real Assets	Risk Mitigation Strategies	Total
July 24, 2024	2	1	-	-	1	4
October 30, 2024	2	1	1	1	-	5
January 29, 2025	4	2	1	-	-	7
April 30, 2025	4	-	1	-	-	5
July 30, 2025	-	-	-	1	-	1
October 29, 2025	2	-	1	-	2	5
<b>Total</b>	<b><u>14</u></b>	<b><u>4</u></b>	<b><u>4</u></b>	<b><u>2</u></b>	<b><u>3</u></b>	<b><u>27</u></b>

## Division of Investment Update: 2025 Year in Review

### Continued progress with the emerging managers platform

- The Division continued to make good progress on the emerging managers program.
- The quality and pace of portfolio construction and underlying allocations in all three sleeves (private equity, real estate and private credit) were strong throughout the year.

<u>Approval Date</u>	Asset Class Sleeve	Sleeve Commitment Amount	Commitments to GPs to date	Number of Underlying Funds
Apr-22	Private Equity Buyout	\$250 million	\$224 million	16
Apr-23	Private Real Estate	\$250 million	\$107 million	18
Jul-24	Private Credit	\$300 million	\$90 million	3
Apr-25	Private Equity Buyout II	\$250 million	Too early - closed in January 2026	-
Apr-25	Private Equity Buyout Transition Mgrs.	\$250 million	Too early - closed in January 2026	-
	<b>Total</b>	<b>\$1.3 billion</b>	-	-

The Division is currently seeking to add public markets investments through investment advisers.

RFPs in process for:

1. Emerging Investment Advisers for Emerging Markets Equity
2. Emerging Investment Advisers for International Small Cap Equity

## NJ Pension Fund Annual Performance: Fiscal Years 2006-2025<sup>(2)</sup>

Fiscal Year	NJ Pension Fund <sup>(1)</sup>	Policy Benchmark	Variance (in bps)
2025	10.96	11.70	-74
2024	10.74	10.81	-7
2023	9.06	8.43	63
2022	-7.90	-4.67	-323
2021	28.63	26.28	235
2020	1.21	4.13	-292
2019	6.27	7.07	-80
2018	9.06	8.65	41
2017	13.07	13.14	-7
2016	-0.93	0.23	-116
2015	4.09	2.93	116
2014	16.79	15.79	100
2013	11.72	10.96	76
2012	2.47	0.26	221
2011	17.97	17.13	84
2010	13.34	13.51	-17
2009	-15.49	-14.76	-73
2008	-2.61	-6.00	339
2007	17.14	16.49	65
2006	9.79	8.13	166
5 Year Annualized Returns	9.69	10.07	-38
10 Year Annualized Returns	7.63	8.30	-67
20 Year Annualized Returns	7.32	7.11	21

(1) Throughout this presentation, NJ Pension Fund returns exclude Police and Fire Mortgage program assets.

(2) Throughout this presentation, returns are preliminary, unaudited, and net of fees. Certain asset class returns, including private equity, real assets, real estate, and private credit do not include up-to-date valuations and benchmark returns for these asset classes are calculated on a lagged basis. This results in performance comparisons that may be less meaningful.

## Long-Term Capital Market Returns

### Annualized Returns for Periods Ending December 31, 2025 (%)

	One Year	Three Years	Five Years	Ten Years	Fifteen Years
<b>Global Equity Indices</b>					
MSCI ALL Country World Index	21.92	20.63	11.19	11.71	9.81
<b>US Equity Indices</b>					
MSCI USA	17.17	23.22	13.86	14.78	14.02
Russell 1000	16.80	22.70	13.56	14.56	13.85
Russell 2000	12.88	13.69	6.06	9.58	9.45
Russell 3000	11.92	13.71	7.23	10.37	10.36
Russell Growth	16.62	22.20	13.12	14.26	13.56
Russell Value	17.05	30.21	14.57	17.57	16.13
	15.86	13.73	11.14	10.43	10.61
<b>Non-US Equity Indices</b>					
MSCI EAFE					
MSCI EAFE + Canada	31.25	17.21	8.92	8.18	6.63
MSCI Emerging Markets	31.93	17.63	9.46	8.54	6.59
	33.10	16.38	4.19	8.41	3.81
<b>Private Equity Index</b>					
Cambridge Global PE and VC Index <sup>(1)</sup>	11.45	6.73	12.90	14.16	14.65

<sup>(1)</sup> Cambridge Global PE and VC Index returns are presented with a three-month lag and are calculated on an IRR basis.

Source: Bloomberg and Cambridge Associates

# Long-Term Capital Market Returns

## Annualized Returns for Periods Ending December 31, 2025 (%)

	One Year	Three Years	Five Years	Ten Years	Fifteen Years
<b><u>Fixed Income Indices</u></b>					
Bloomberg Barclays U.S. Aggregate	7.16	4.66	-0.36	2.01	2.42
Bloomberg Barclays U.S. Treasury	6.21	3.62	-0.99	1.36	1.87
Bloomberg Barclays U.S. Credit	7.62	5.97	-0.05	3.14	3.55
Bloomberg Barclays U.S. Credit (A or better)	7.36	5.40	-0.35	2.59	3.14
Bloomberg Barclays U.S. Credit (Baa)	7.98	6.72	0.35	3.85	4.13
Bloomberg Barclays U.S. High Yield	8.64	10.05	4.50	6.52	6.02
S&P/LSTA Leveraged Loan Index	5.90	9.34	6.42	5.82	5.01
Cliffwater BDC Index	-3.96	11.55	11.35	9.15	7.35
<b><u>Real Estate Indices</u></b>					
NCREIF ODCE Index <sup>(1)</sup>	3.19	-6.15	2.59	4.13	6.99
Bloomberg U.S. REIT Index	3.70	8.38	6.58	5.73	7.75
<b><u>Real Assets Index</u></b>					
Custom Cambridge Blend for Real Assets <sup>(1)</sup>	5.34	11.07	8.80	3.34	n/a

<sup>(1)</sup> NCREIF ODCE and Cambridge Associates real asset returns are presented with a three-month lag

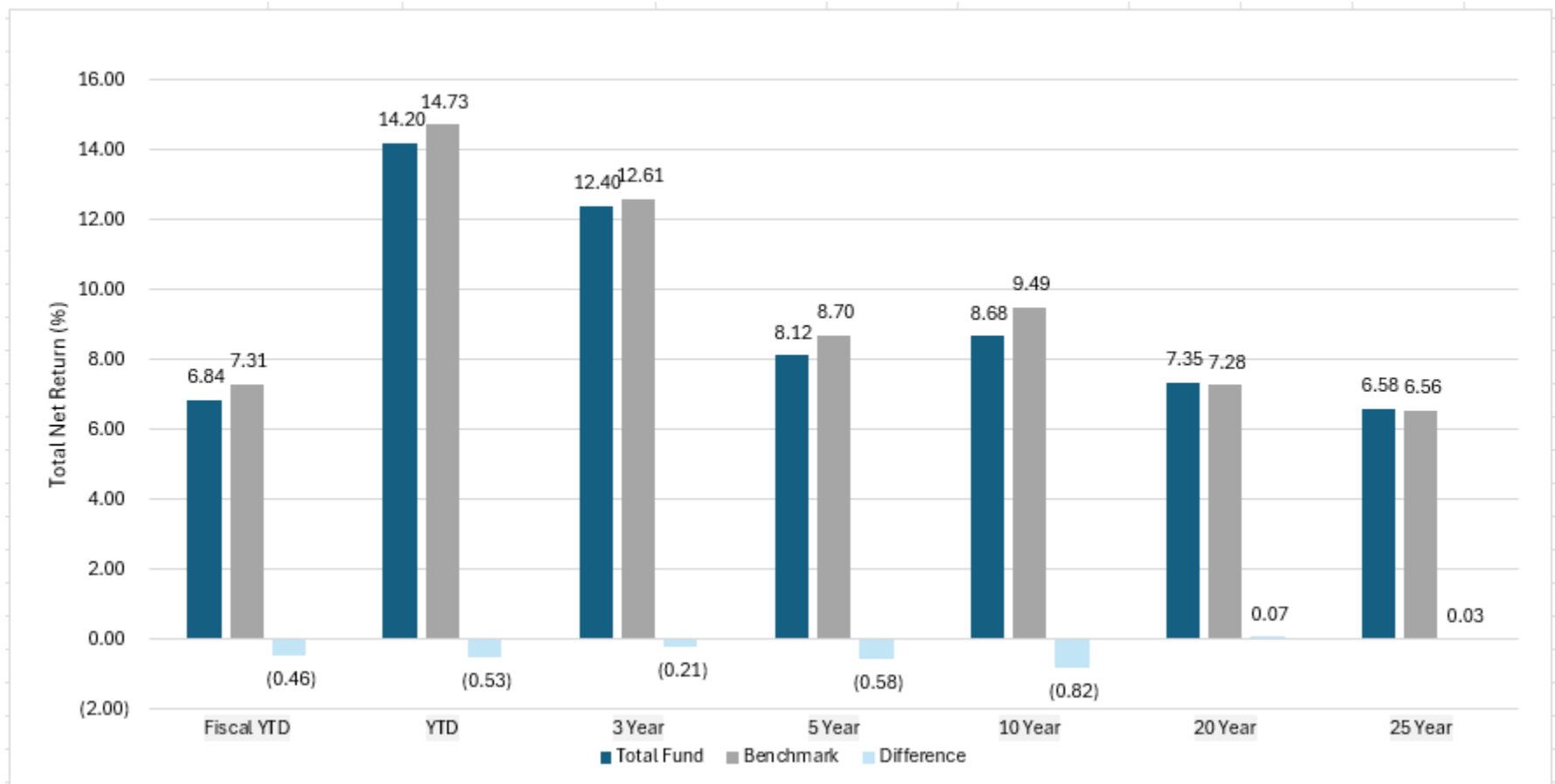
## Ten Year Periodic Table of Returns<sup>(1)</sup>

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-2025
High Yield	Emerging Markets	Private Equity	Russell 3000	Russell 3000	Private Equity	Commodities	Russell 3000	Russell 3000	Emerging Markets	Russell 3000
17.13	37.28	17.91	31.01	20.88	53.64	13.75	25.93	23.80	33.57	14.27
Real Estate	EAFE & Canada	Real Estate	EAFE & Canada	Private Equity	Commodities	Real Estate	Real Estate	High Yield	EAFE & Canada	Private Equity
13.86	24.21	6.70	22.49	20.37	27.05	13.64	20.96	8.19	31.85	13.52
Russell 3000	Russell 3000	Treasuries	Emerging Markets	Emerging Markets	Russell 3000	Private Equity	EAFE & Canada	Private Equity	Russell 3000	EAFE & Canada
12.72	21.12	0.86	18.42	18.31	25.64	-5.57	17.94	7.57	17.13	8.55
Commodities	Private Equity	High Yield	Corporates	Corporates	EAFE & Canada	High Yield	High Yield	Emerging Markets	Commodities	Emerging Markets
11.40	16.97	-2.08	14.54	9.89	12.62	-11.19	13.45	7.50	11.07	8.42
Emerging Markets	Real Estate	Corporates	High Yield	Treasuries	High Yield	Treasuries	Emerging Markets	EAFE & Canada	High Yield	High Yield
11.19	9.08	-2.51	14.32	8.00	5.28	-12.46	9.83	4.70	8.62	6.53
Private Equity	High Yield	Russell 3000	Private Equity	EAFE & Canada	Real Estate	EAFE & Canada	Corporates	Corporates	Corporates	Real Estate
9.46	7.50	-5.25	10.44	7.59	0.52	-14.29	8.52	2.13	7.77	5.16
Corporates	Corporates	Commodities	Real Estate	High Yield	Corporates	Corporates	Treasuries	Treasuries	Private Equity	Commodities
6.11	6.42	-12.99	7.71	7.11	-1.04	-15.76	4.05	0.58	7.57	3.40
EAFE & Canada	Treasuries	EAFE & Canada	Treasuries	Real Estate	Treasuries	Russell 3000	Private Equity	Commodities	Treasuries	Corporates
2.75	2.31	-14.09	6.86	4.64	-2.32	-19.22	3.68	0.12	6.32	3.27
Treasuries	Commodities	Emerging Markets	Commodities	Commodities	Emerging Markets	Emerging Markets	Commodities	Real Estate	Real Estate	Treasuries
1.04	0.75	-14.57	5.44	-3.50	-2.54	-20.09	-12.55	-12.88	-8.04	1.36

Over the past ten years, U.S. Equities, Private Equity and Non-U.S. International Developed Equities were the three best performing asset classes. The wide variation of returns amongst asset classes in each of the past ten years reinforces the important role of diversification in asset allocation.

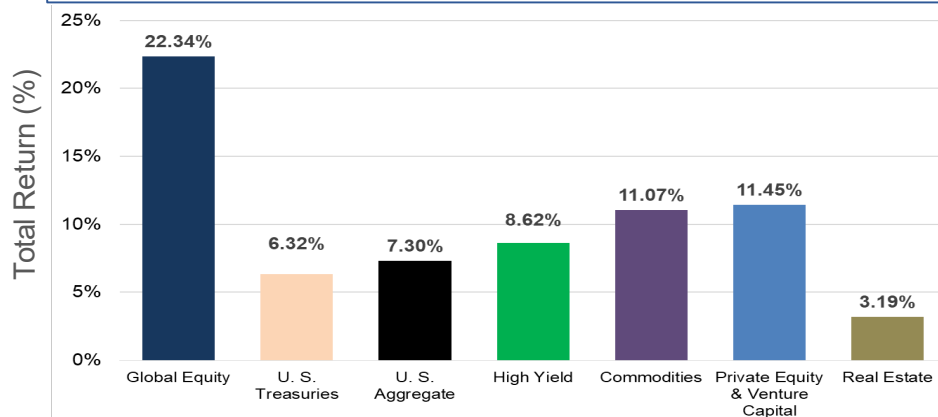
(1) Private Equity and Real Estate returns are presented with a three-month lag. Private Equity returns are calculated using an IRR methodology.  
Source: Bloomberg/DOI calculations, Cambridge Associates, and National Council of Real Estate Investment Fiduciaries

## Long-Term NJ Pension Fund Returns versus Policy Benchmark (as of December 31, 2025)

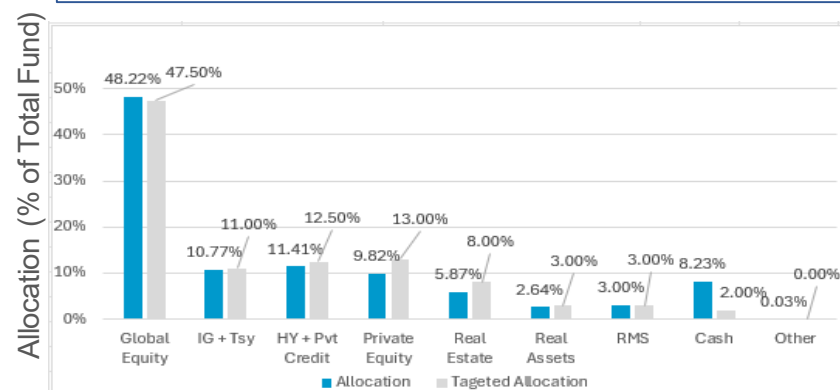


## 2025 Capital Markets Review: Asset Class Returns

CY 2025 Select Asset Class Returns (1)



CY 2025 Pension Fund Asset Allocation



In 2025 public risk markets surged as concerns regarding tariffs were overwhelmed by AI enthusiasm. Federal Reserve rate cuts helped to calm unemployment fears and drive risk assets higher. This risk-on enthusiasm did not completely filter through to the private markets though. Private Equity continued to struggle with lower distributions while Real Estate worked through the continued cap rate adjustments. Real Assets has performed well as energy and infrastructure dominate the investment narrative. Fixed income enjoyed the benefits of lower yields across the curve (save the long end).

In 2025, Cash continued to provide a solid cushion against market volatility (early in the year). This cash position, barbelled against a slightly overweight position to Public Equity allowed the Pension Fund to maintain exposure to the best performing asset class. Duration was an asset in 2025 as rates moved lower in the US as well as credit spreads tightening. Private Market asset class weightings continued to ebb and flow below targets as long term return expectations vs public assets improved due to recent Public Equity performance.

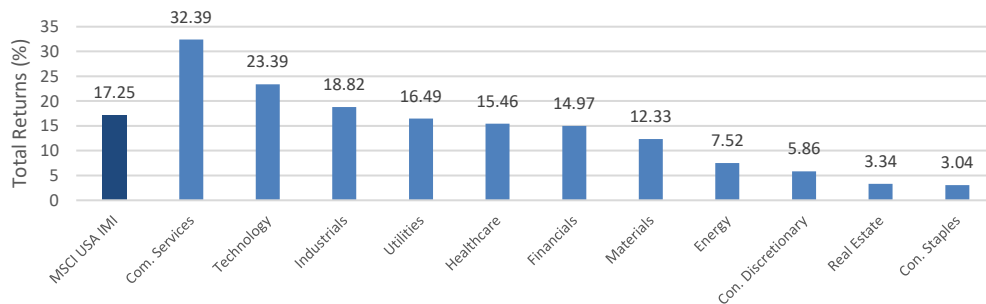
AI and rate cuts in 2025 provided the impetus for a continuation of risk taking in the all public equity markets and most fixed income and public credit markets.

(1) Private Equity (PE) and Real Estate (RE) returns reflect a three-month lag.

Source: Bloomberg, Cambridge Associates, National Council of Real Estate Investment Fiduciaries, State Street

## 2025 Capital Markets Review: U.S. Equity Returns

### CY 2025 U.S. Equity Sector Returns

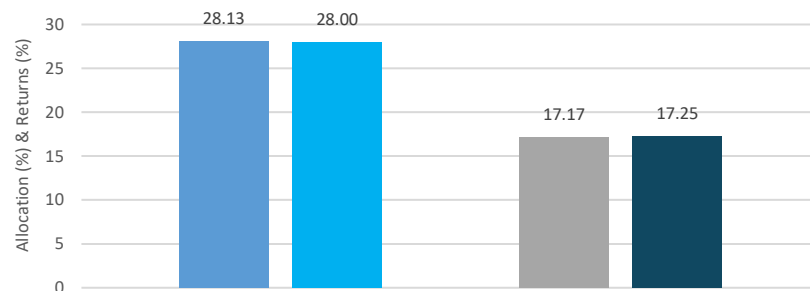


For the U.S. equity market, the year 2025 was historic, as equities rose to record levels and ended the period up 17.25% - the third consecutive year of annual double-digit returns for the MSCI USA IMI Index.

2025 was marked by sharp periods of volatility, as a strong artificial intelligence (AI) investing narrative countered economic uncertainty and concerns regarding changes in U.S. trade policy. Notable market-moving events included the unveiling of China's advancement in AI (DeepSeek), the announcement of a new tariff framework (Liberation Day), and the Federal Reserve's decision to cut interest rates in the latter half of the year.

The year also reflected a shift in the performance dynamics of the Magnificent 7 securities, which have come to dominate market returns. In contrast to the previous year, only 4 Magnificent members were among the top 10 contributors to the MSCI USA IMI Index return for 2025.

### CY 2025 U.S. Equity Asset Allocation and Returns



■ Allocation - % of Pension Fund ■ Target Allocation ■ Portfolio Return - USD ■ Benchmark Return

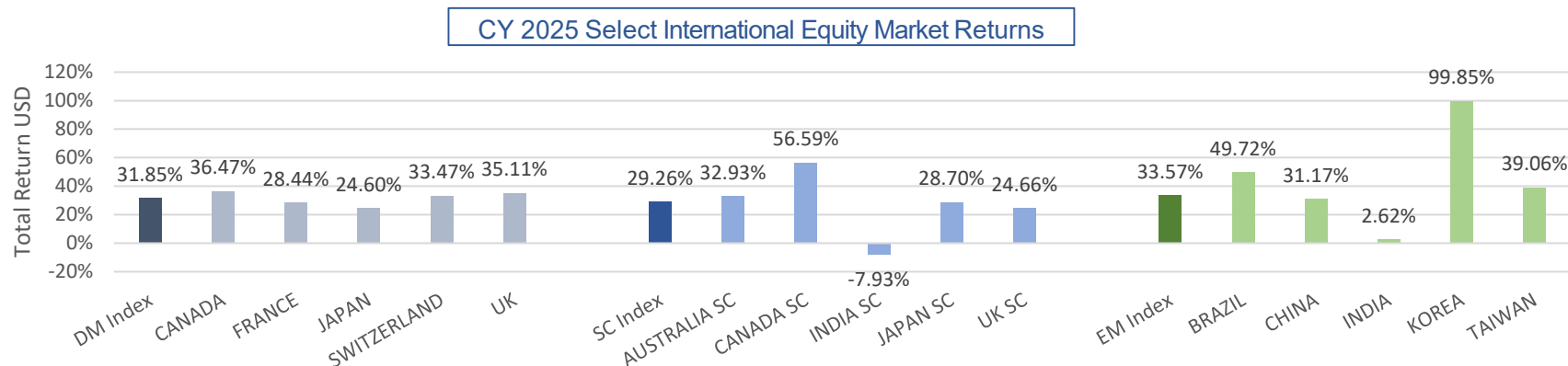
At the end of 2025, the allocation to U.S. Equity was at a slight overweight to the Policy Target.

This position level reflects actions taken to manage the U.S. Equity exposure amid the market's volatility, through both portfolio program trades and broad-market ETF investments. The allocation ranged from a 3% overweight to brief periods below a 1% underweight versus the Policy Target over the year.

For 2025, the optimization strategy informing the portfolio's construction performed as expected, as the portfolio return was closely aligned to the benchmark return.

In 2025, the U.S. market experienced sharp periods of volatility, including an almost 20% sell-off, but ultimately rallied strongly to finish the year with another double-digit return.

## 2025 Capital Markets Review: International Equity Market Returns



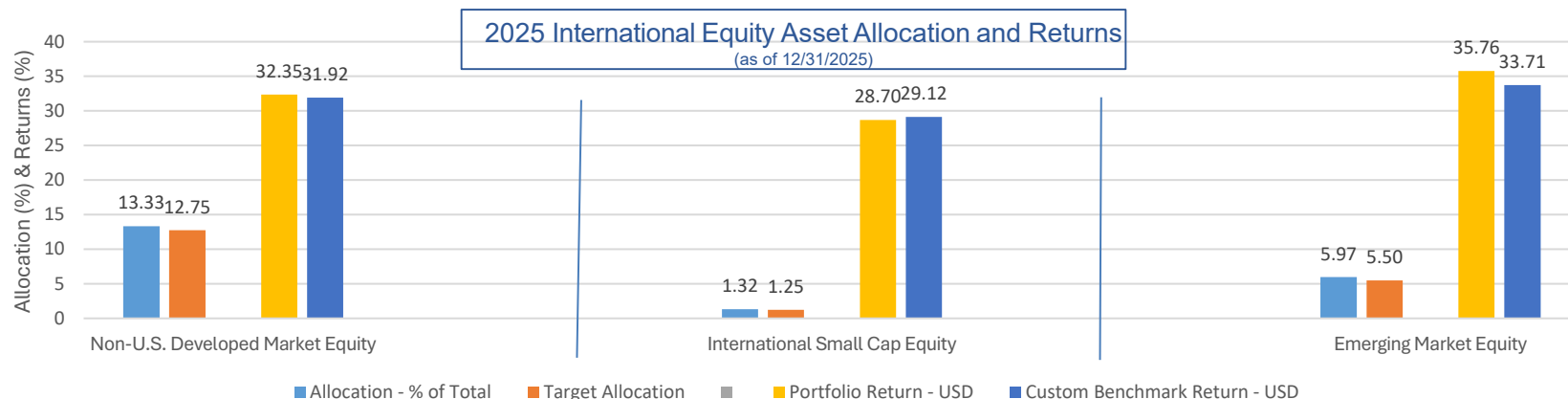
In 2025 the international equity markets not only experienced stellar returns as measured by the 32.39% gain of the MSCI AC World ex U.S. Index but outperformed the 17.25% return of the MSCI USA IMI index representing U.S. equities. Adding to the rally in the international equity markets was the 7% fall of the trade-weighted U.S. dollar, the steepest decline since 2009, which resulted in stronger U.S. dollar returns.

For the Developed Markets, the risk-on sentiment was spurred by a pivot of some European governments towards increasing fiscal budgets on defense spending, optimism for greater inflation and improved corporate governance in Japan, and encouraging prospects for economic and earnings growth for the UK and Canada. The Developed Markets index delivered 31.85% for 2025.

The artificial intelligence (AI) trade narrative was a dominant influence on performance for the international markets, particularly for Emerging Markets Asia, a region with notable exposure to technology companies. The excitement for AI was reflected in the nearly 100% return of South Korea and 34% return of Taiwan. China surprised with advances in its own AI models and showed economic resilience amid tariff burdens, resulting in a 31.17% gain in 2025. Not participating in the rally was India, which rose a paltry 2.62% for the year, a reflection of economic uncertainty and trade tensions.

The risk-on sentiment extended into the small cap asset class, resulting in the respective index rising 29.26% for the year. Small cap India fared worse than its larger cap cohorts, declining 7.93% in 2025.

## 2025 Capital Markets Review: International Equity Allocation and Portfolio Returns



In 2025, the Division added exposure to international markets beginning with an increase to the international developed markets weight to neutral weighting versus the benchmark at the beginning of 2025 and then increasing the emerging markets weight to neutral in the middle of the year. As international developed markets performed strongly, the Division reduced exposure to bring the portfolio weight to be in line with the benchmark.

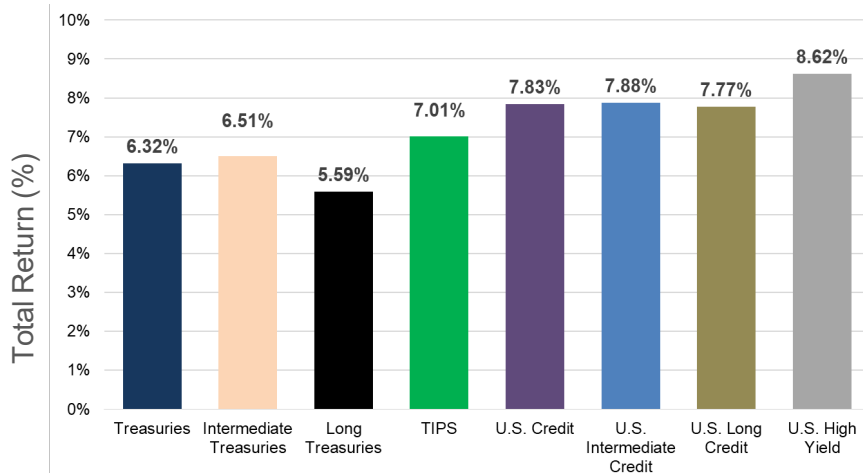
For 2025, the internally-managed Non-U.S. Developed Market Equity portfolio performed as expected, returning 32.35% versus a 31.92% gain for the benchmark, resulting in an excess return of 43 basis points.

The Emerging Market Equity portfolio returned 35.76%, 2.05% ahead of the benchmark return of 33.71%. The composite of active strategies delivered outsized returns of 40.46%, fueled by a large overweight to Brazil and a large underweight to India.

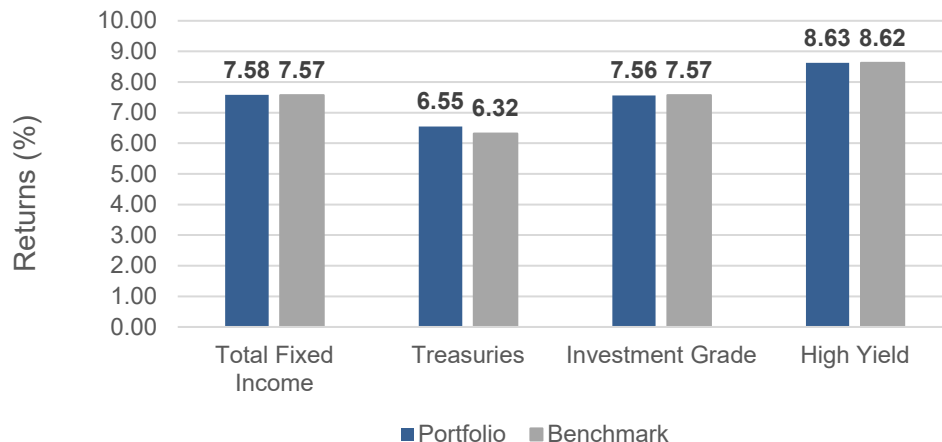
The International Small Cap Equity portfolio gained 28.70%, 42 basis points behind the benchmark return of 29.12%. The portfolio's performance was adversely impacted by an underweight to technology and the artificial intelligence (AI) trade.

## 2025 Capital Markets Review: Fixed Income Returns

### CY 2025 Select Fixed Income Returns



### CY 2025 NJDOI Fixed Income Returns

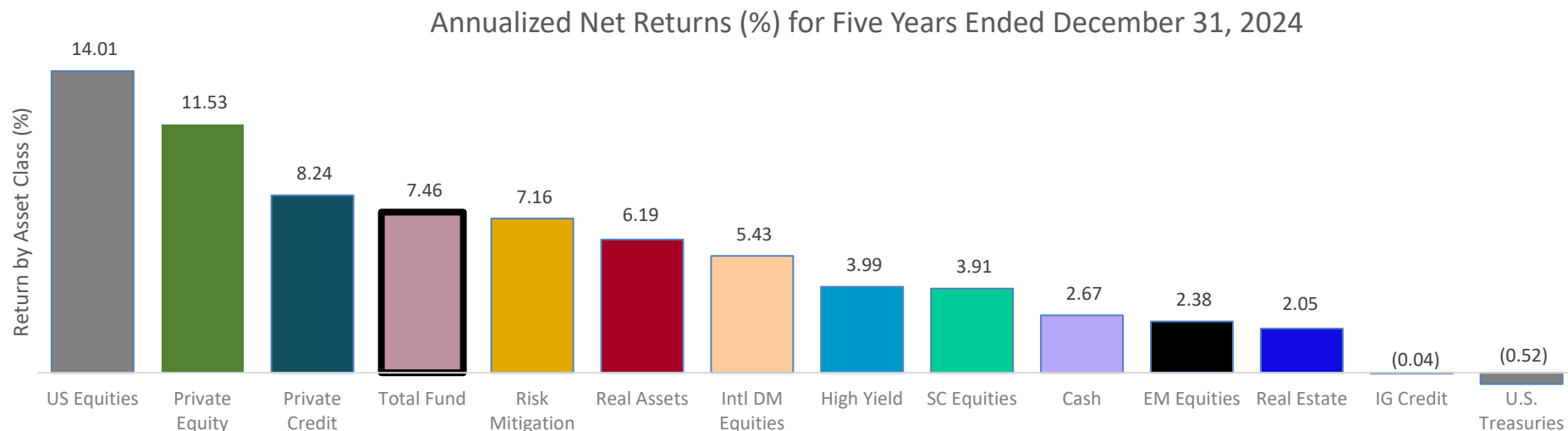


Fixed Income markets realized strong returns across all categories. While HY led by absolute levels, IG provided solid risk adjusted numbers. Rates outperformed Cash for the first time since 2020 as the yield curve continues to bull steepen and normalize. Credit spreads (sans the April shock) remained tight all year long.

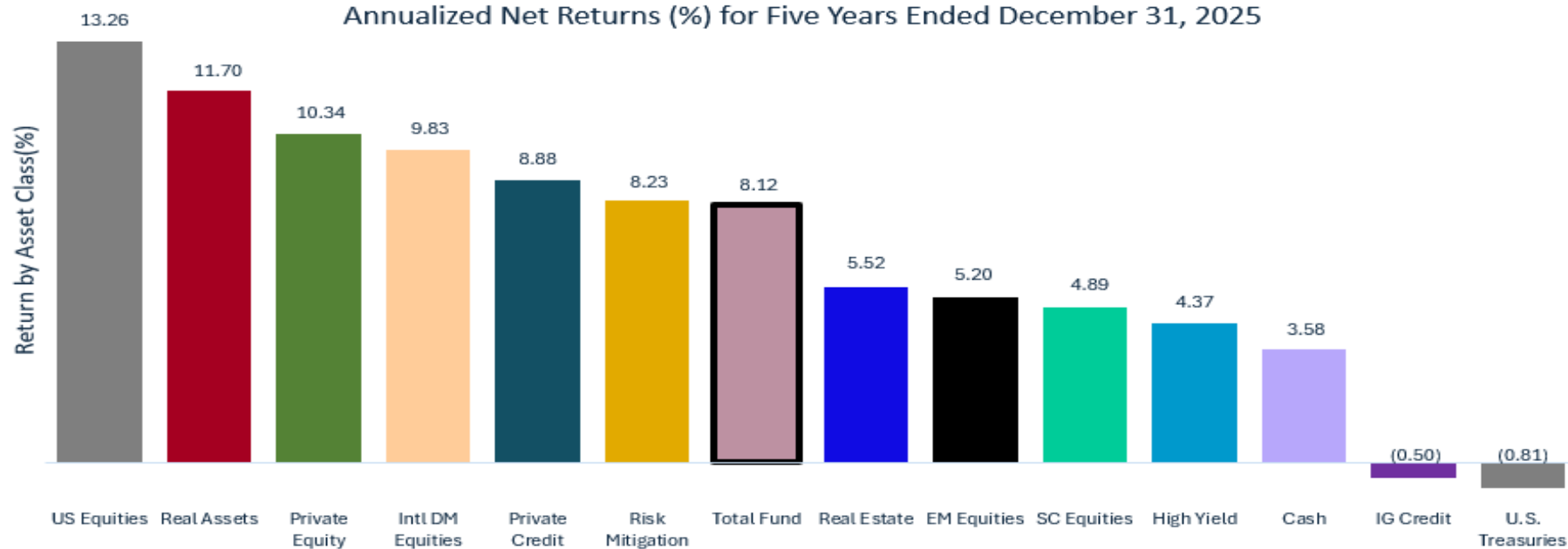
The Fixed Income portfolio slightly outperformed the index. The Credit portfolios were basically even while rates outperformed, mostly due to TIPS positioning. The HY Advisers were additive, bouncing back from a difficult environment in 2024.

The economic backdrop of 2025 is best defined in two phases: 1) The April tariff scare followed by; 2) surprising economic resiliency as policy uncertainty came into focus as the year moved on. Growth remained strong due to high-end consumers and AI capex spend while CPI remained pinned below 3% over the course of the year. Using labor concerns as the main reason, the Fed was able to cut three times in the second half. Valuations remain the biggest challenge to further performance as all-in yields have compressed over the past 3 years.

## Pension Fund Five Year Net Returns By Asset Class

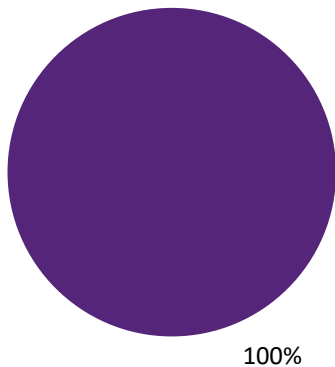


Annualized Net Returns (%) for Five Years Ended December 31, 2025

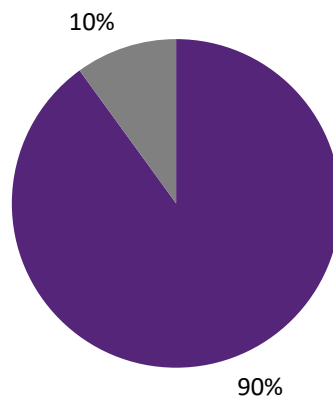


## Pension Fund Asset Allocation Target: A Long-Term Perspective

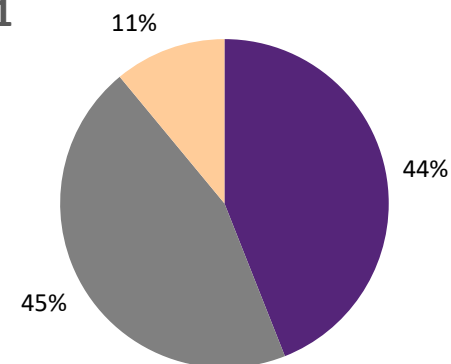
1951



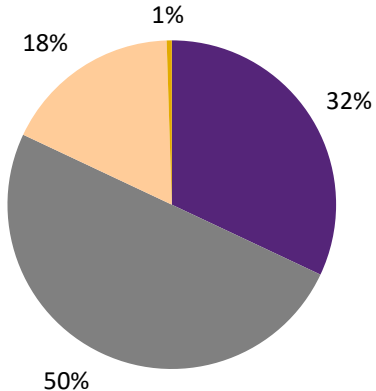
1975



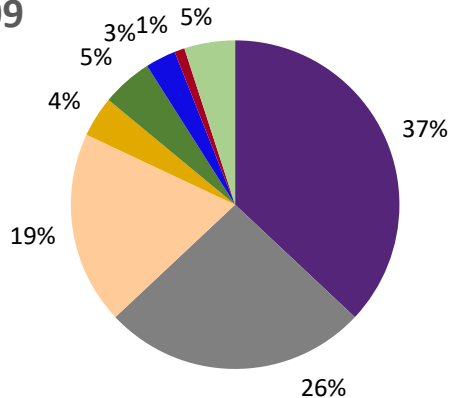
2001



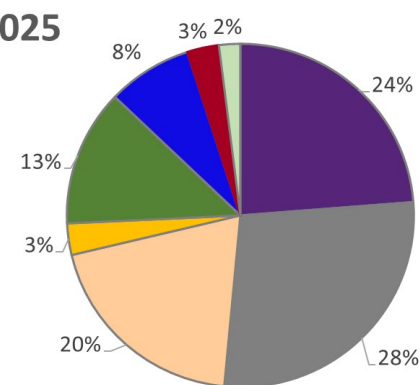
2006



2009



2025



### Legend:

Fixed Income	U.S. Equity	International Equity	Risk Mitigation	Private Equity	Real Estate	Real Assets	Cash
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The Pension Fund asset allocation has evolved over a period of decades from a portfolio comprised solely of fixed income securities to a well diversified portfolio.

(1) 2025 reflects the Council's current targeted asset allocation that took effect on October 1, 2023

Note: Totals may not equal 100% due to rounding

## Recent Trends in the Pension Fund's Targeted Asset Allocation<sup>(1)</sup>

Asset Class	FY 2016 Target <sup>(2)</sup>	2017-19 Target	FY 2020 Target	2021-22 Target	FY 2023 Target	2024-26 Target <sup>(3)</sup>
<b>GLOBAL GROWTH</b>	<b>54.75%</b>	<b>58.25%</b>	<b>59.00%</b>	<b>59.00%</b>	<b>59.00%</b>	<b>60.50%</b>
US Equity	26.00%	30.00%	28.00%	27.00%	27.00%	28.00%
Non-U.S. DM Equity	13.25%	11.50%	12.50%	13.50%	13.50%	12.75%
International Small Cap Equity <sup>(4)</sup>						1.25%
Emerging Market Eq	6.50%	6.50%	6.50%	5.50%	5.50%	5.50%
Private Equity	9.00%	10.25%	12.00%	13.00%	13.00%	13.00%
<b>REAL RETURN</b>	<b>8.55%</b>	<b>9.75%</b>	<b>10.00%</b>	<b>11.00%</b>	<b>11.00%</b>	<b>11.00%</b>
Real Estate	6.05%	7.25%	7.50%	8.00%	8.00%	8.00%
Real Assets	2.50%	2.50%	2.50%	3.00%	3.00%	3.00%
<b>INCOME</b>	<b>18.75%</b>	<b>18.50%</b>	<b>18.00%</b>	<b>18.00%</b>	<b>19.00%</b>	<b>19.50%</b>
High Yield	2.00%	2.50%	2.00%	2.00%	4.00%	4.50%
Private Credit	8.75%	6.00%	8.00%	8.00%	8.00%	8.00%
Investment Grade Credit	8.00%	10.00%	8.00%	8.00%	7.00%	7.00%
<b>DEFENSIVE</b>	<b>13.00%</b>	<b>13.50%</b>	<b>13.00%</b>	<b>12.00%</b>	<b>11.00%</b>	<b>9.00%</b>
Cash Equivalents	5.00%	5.50%	5.00%	4.00%	4.00%	2.00%
US Treasuries	3.00%	3.00%	5.00%	5.00%	4.00%	4.00%
Risk Mitigation Strategies	5.00%	5.00%	3.00%	3.00%	3.00%	3.00%
<b>TOTAL</b>	<b>95.05%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

- (1) Prior year targeted allocations have been restated to be consistent with the current asset allocation plan categories approved by the Council. Global Diversified Credit and Credit-Oriented Hedge Funds were combined into Private Credit. Buyouts/Venture Cap and Debt-Related Private Equity were combined into Private Equity. Equity-Related Real Estate and Debt-Related Real Estate were combined into Real Estate.
- (2) FY 2016 target excludes a 3.75% allocation to Equity-Oriented Hedge Funds and a 1.2% allocation to the PFRS mortgage program.
- (3) A new target asset allocation was approved effective October 1, 2023.
- (4) Prior year targeted allocations for Non-U.S. DM Equity included International Small Cap Equity. In the targeted allocation that went into effect October 1, 2023, the allocation to International Small Cap Equity is separate from Non-U.S. DM Equity.

## Division of Investment Update: 2026 Key Goals and Initiatives

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### **Continue to navigate uncertain market conditions**

- The global market environment remains fluid.
- The current landscape includes increasing levels of uncertainty, changing international trade policies, geopolitical challenges, interest rate movements, emerging new technologies and market concentration.
- New challenges will need to be addressed while continuing to take advantage of the opportunity set presented.
- Flexibility, access to liquidity and portfolio diversification will remain important factors going forward.
- International markets will likely play an increasing role in generating returns and therefore require greater attention.
- The Pension Fund portfolio will demand a keen and constant watch.

### **Establish access to the local financial public markets in India**

- Primary objective of accessing public securities traded in India is to avoid wholly relying on GDRs, ADRs and ETFs.
- Access to local securities will allow for greater access to investments across sectors and market cap, leading to more optimal portfolio construction.
- Meaningful progress was made in 2025 and we anticipate completion of this endeavor in 2026.

## Division of Investment Update: 2026 Key Goals and Initiatives

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### **Greater focus on system upgrades and procurements**

- Identify and procure a trade order management system.
- Identify and procure a document management tool to strengthen processes and organizational efficiency.
- Review the various systems and tools utilized in the management of the Division and the Pension Fund portfolio.
- Focus on legal processes with the objective of increasing efficiency.

### **Continue to strengthen the Division**

- Identify and onboard senior investment talent to replace retirements and resignations which took place in 2025, including asset class heads responsible for overseeing investments in private equity, real estate and real assets.
- Continue to work towards filling staffing gaps within the Division.