



**PENSION
RESERVE TRUST**

FIDEICOMISO DE RESERVA DE PENSIONES

Working to Preserve Pension Benefits

**Report of the Pension Reserve Trust for the Quarter ending
December 31, 2025**

February 18, 2026

Agenda

- **Since Our Last Meeting**
- **Investment Performance**
- **Operations & Expenses**
- **Next Steps**

Appendices

- A. Investment Detail
- B. Budget & Expense Detail

Since our Last Meeting

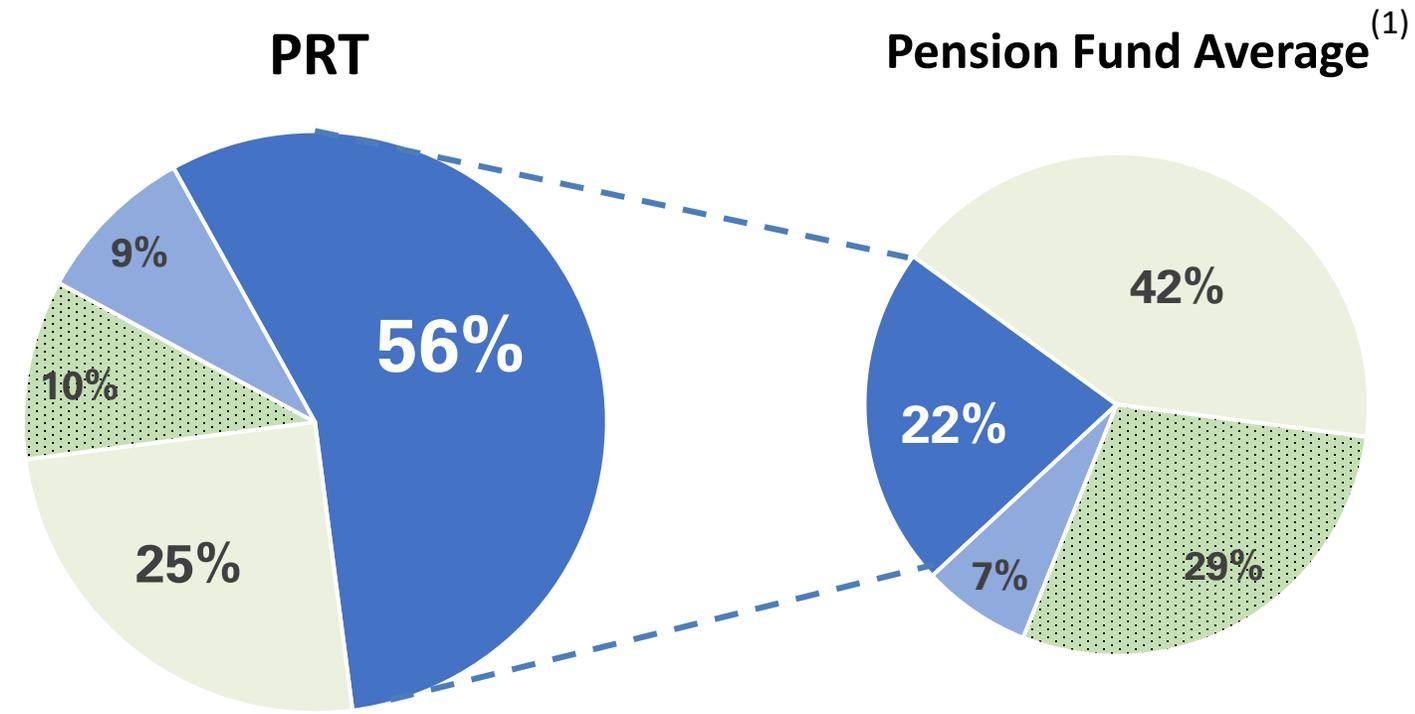
- Completed and published the [FY25 Annual Report](#)
- FY25 compliance audit completed. Waiting for auditor's final report.
- Provided information for Asset & Withdrawal Management study ("AWM").

Investment Performance

We continue to:

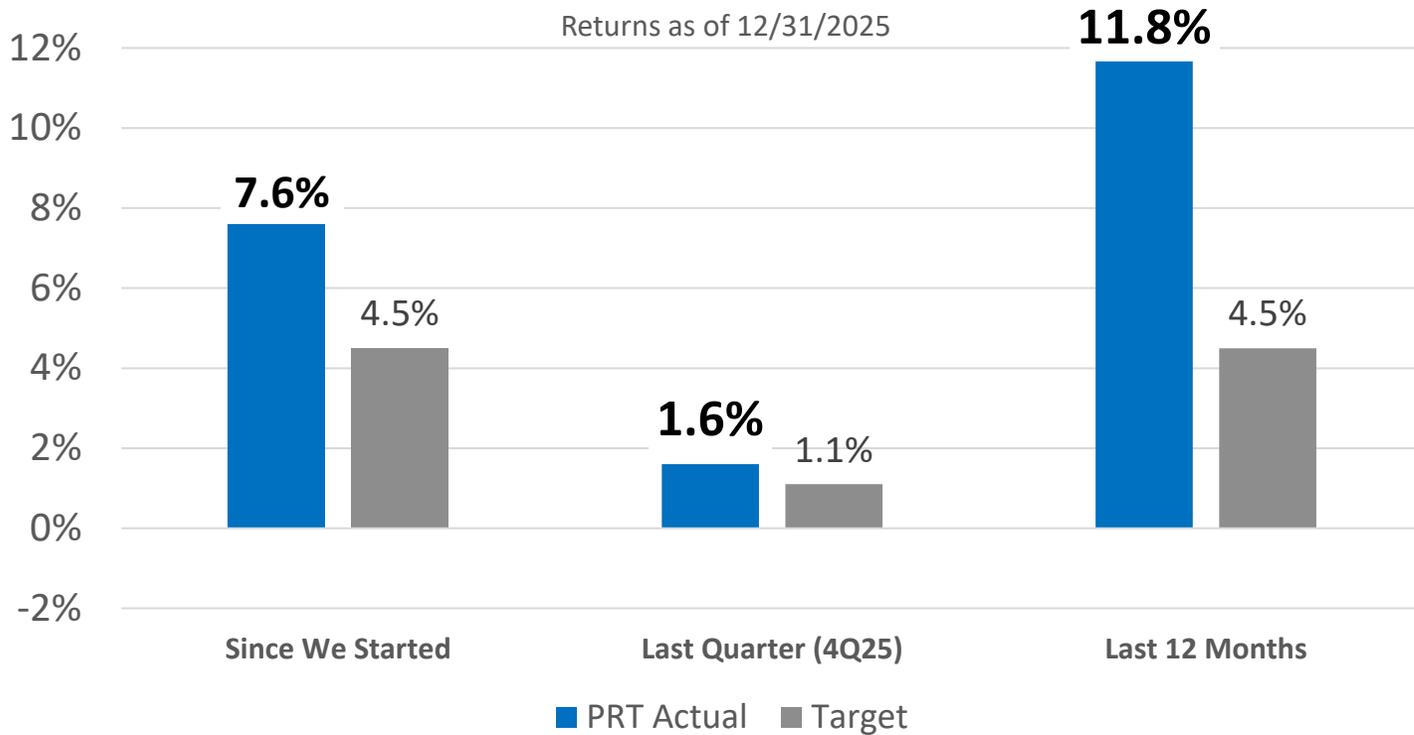
- **Invest conservatively.**
- **Diversify investments.**
- **Keep investment expenses low.**
- **Rely appropriately on professional investment advice.**
- **Aim for getting the necessary returns despite month to month & year to year fluctuations.**

PRT remains more conservatively invested than pension funds.

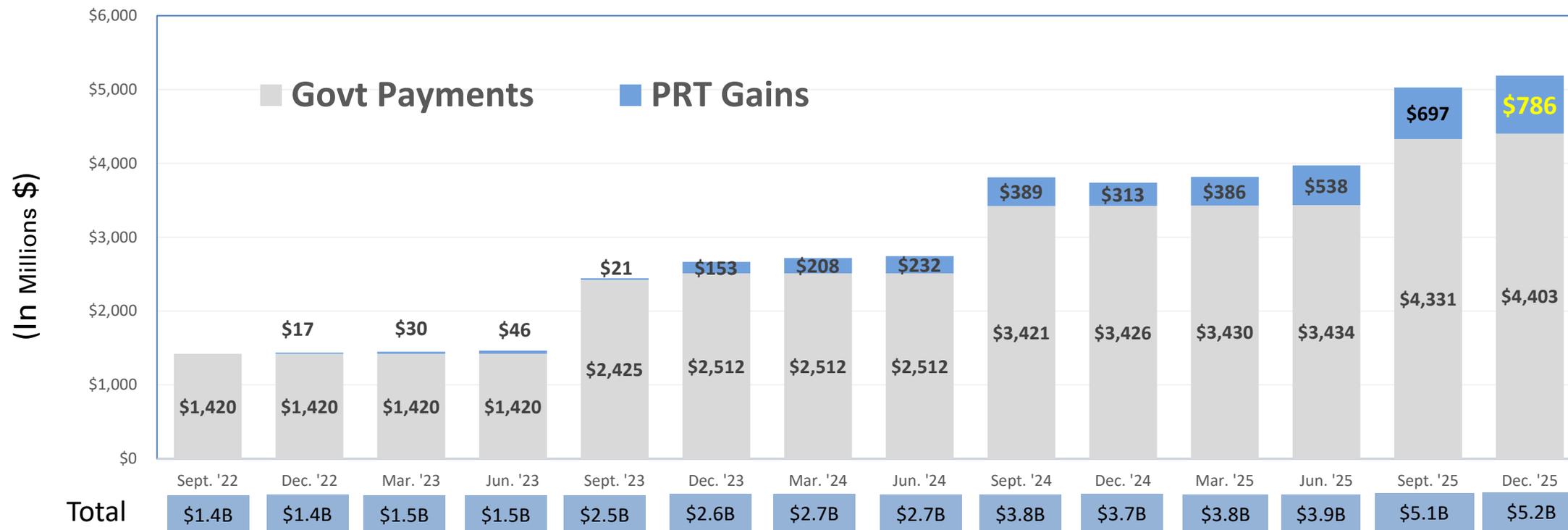


(1) 2025 NCPERS Public Fund Annual Survey

Despite continued global uncertainty, PRT returned **11.8%** in the last 12 months, **7.6%** since we started



PRT total investment returns almost \$790 million*



*Gains include income, realized, unrealized gains and net of fees and expenses.

Operations & Budget

As of December 31, 2025 ⁽¹⁾

FY 2026 – 2nd Quarter Budget v. Actual Results	Annual Budget	YTD Expenses ⁽¹⁾	% of Budget spent YTD
Administrative and Operating Expenses⁽²⁾	1,850,000	708,981	38%
Investment Related & Non-Ordinary Expenses⁽³⁾	7,500,000	3,699,225	49%
Total Expenses⁽¹⁾	9,350,000	4,408,206	47%

For more detailed information regarding these expenses, please refer to the Appendix B.

(1) Unaudited.

(2) Subject to budget cap in accordance with Section 7.3 of the Guidelines.

(3) Reflect ongoing implementation of the Investment Policy

PRT's expense ratio remains low

AUM v. Actual Expenses	YTD Expenses ⁽¹⁾	As % of AUM
Assets under Management (“AUM”)		\$5,189,044,678
Administrative & Operating Expenses	\$ 708,981	0.03%
Investment & Non-ordinary Expenses	<u>3,699,225</u>	<u>0.14%</u>
Ongoing Expenses	\$4,408,206	0.17%⁽²⁾

(1) Unaudited.

(2) NCPERS Annual Pension Survey 2025 average is 0.73%

As of December 31, 2025 ⁽¹⁾

A

Investments & Operations

- **Receive and Review the AWM Study.**
- **Review Investment Policy based on AWM & determine future asset allocations.**

B

Governance & Accountability

- **Publish the FY25 Compliance Audit**
- **Develop FY27 Budget.**

For further information contact:

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Appendix A

Investment Detail

Pension Reserve Trust

December 31, 2025

COMPOSITE PERFORMANCE DETAIL

	Allocation			Performance (%)							
	Market Value (\$)	% of Portfolio	Policy (%)	1 Mo (%)	3 Mo (%)	FYTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	Inception (%)	Inception Date
Total Composite	5,189,044,678	100.0	100.0	0.1	1.6	5.6	11.8	9.4	8.0	7.6	Oct-22
<i>Policy Index</i>				0.2	1.8	5.7	12.1	9.4	7.8	7.4	
<i>4.5% Target</i>				0.4	1.1	2.2	4.5	4.5	4.5	4.5	
Public Equity	1,338,493,012	25.8	25.0	0.9	3.3	11.0	20.9	18.7		16.6	Aug-23
<i>MSCI AC World IMI Index (Net)</i>				1.0	3.2	11.1	22.1	19.2		17.2	
High Quality Fixed Income	2,777,543,336	53.5	55.0	-0.3	0.9	2.9	7.3	4.4		5.1	Aug-23
<i>Blmbg. U.S. Aggregate Index</i>				-0.1	1.1	3.2	7.3	4.2		4.9	
Return Seeking Fixed Income	455,621,672	8.8	10.0	0.1	1.0	3.4	8.0	6.6		7.6	Aug-23
<i>Credit Custom BM</i>				0.2	1.1	3.5	7.5	6.4		7.5	
Diversification	515,173,135	9.9	10.0	0.6	3.7	10.4	19.9	15.6		13.9	Aug-23
<i>Diversification Custom BM</i>				0.5	3.9	10.6	21.1	15.5		13.7	
Cash	102,213,523	2.0	0.0	0.3	0.9	2.0	4.1	4.7	4.9	4.8	Oct-22
<i>90 Day U.S. Treasury Bill</i>				0.3	1.0	2.1	4.2	4.7	4.8	4.7	

Market values and returns are preliminary and subject to change.

Pension Reserve Trust

December 31, 2025

TOTAL FUND PERFORMANCE DETAIL

	Allocation			Performance (%)							
	Market Value (\$)	% of Portfolio	Policy (%)	1 Mo (%)	3 Mo (%)	FYTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	Inception (%)	Inception Date
Total Composite	5,189,044,678	100.0	100.0	0.1	1.6	5.6	11.8	9.4	8.0	7.6	Oct-22
<i>Policy Index</i>				0.2	1.8	5.7	12.1	9.4	7.8	7.4	
<i>4.5% Target</i>				0.4	1.1	2.2	4.5	4.5	4.5	4.5	
Public Equity	1,338,493,012	25.8	25.0	0.9	3.3	11.0	20.9	18.7		16.6	Aug-23
Domestic Equity	869,245,282	16.8		0.1	2.5	10.5	16.8	19.1		17.7	Aug-23
Vanguard S&P 500 ETF	638,099,131	12.3		0.1	2.7	11.0	17.8	21.4		19.6	Aug-23
<i>S&P 500 Index</i>				0.1	2.7	11.0	17.9	21.4		19.6	
Vanguard Value ETF	134,632,671	2.6		0.8	2.9	9.2	15.3	15.6		14.2	Aug-23
<i>CRSP U.S. Large Cap Value Index</i>				0.8	3.0	9.2	15.3	15.7		14.1	
Vanguard Extended Market ETF	96,513,481	1.9		-0.5	0.2	9.1	11.4	14.1		13.9	Aug-23
<i>S&P Completion Index</i>				-0.5	0.1	9.0	11.3	14.1		13.7	
International Developed Equity	338,688,721	6.5		2.7	6.2	12.2	30.7	18.7		16.5	Aug-23
Vanguard FTSE Developed Markets ETF	171,836,666	3.3		3.2	6.0	11.9	35.1	18.1		16.0	Aug-23
<i>FTSE Developed All Cap ex-US Index (Net)</i>				3.4	6.1	12.3	34.6	17.8		15.8	
State Street Hedged Intl Dev Eq Idx K	166,852,055	3.2		2.3	6.6	13.0	23.4	18.5		16.6	Aug-23
<i>MSCI EAFE Index (Hedged) (Net)</i>				2.3	6.7	13.1	23.1	18.5		16.7	
Emerging Markets Equity	130,559,009	2.5		0.9	1.2	11.4	25.6	17.8		13.7	Aug-23
Vanguard FTSE Emerging Markets ETF	130,559,009	2.5		0.9	1.2	11.4	25.6	17.8		13.7	Aug-23
<i>FTSE EM All Cap China A Inclusion Net Tax (US RIC)</i>				1.6	1.6	11.9	24.5	17.9		14.3	

Pension Reserve Trust

December 31, 2025

TOTAL FUND PERFORMANCE DETAIL

	Allocation			Performance (%)							
	Market Value (\$)	% of Portfolio	Policy (%)	1 Mo (%)	3 Mo (%)	FYTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	Inception (%)	Inception Date
Public Debt	3,233,165,008	62.3	65.0	-0.3	0.9	3.0	7.4	4.8		5.5	Aug-23
High Quality Fixed Income	2,777,543,336	53.5	55.0	-0.3	0.9	2.9	7.3	4.4		5.1	Aug-23
Treasuries	1,156,009,517	22.3		-0.9	0.4	2.3	6.4	2.9		3.5	Aug-23
Vanguard Short-Term Treasury ETF	117,066,450	2.3		0.3	1.1	2.2	5.1	4.5		5.0	Aug-23
<i>Blmbg. U.S. Treasury: 1-3 Year</i>				0.3	1.1	2.3	5.2	4.6		5.0	
Vanguard Intermediate-Term Trs	405,182,055	7.8		-0.2	1.1	2.5	7.4	4.3		4.8	Aug-23
<i>Bloomberg U.S. Treasury 3-10 Year Index</i>				-0.2	1.2	2.5	7.5	4.3		4.9	
Vanguard Long-Term Treasury ETF	433,175,791	8.3		-2.1	-0.4	2.0	5.3	-0.6		0.0	Aug-23
<i>Blmbg. U.S. Treasury: Long</i>				-1.7	0.0	2.4	5.6	-0.6		0.2	
Schwab US TIPS ETF	200,585,220	3.9		-0.5	0.0	2.1	6.8	4.3		4.3	Aug-23
<i>Blmbg. U.S. TIPS</i>				-0.4	0.1	2.2	7.0	4.4		4.4	
Corporate Bonds	1,621,533,819	31.2		0.1	1.2	3.3	7.9	6.0		6.7	Aug-23
Vanguard Short-Term Corporate Bond ETF	434,336,351	8.4		0.3	1.2	2.9	6.8	5.8		6.4	Aug-23
<i>Bloomberg US Corporate 1-5 Years</i>				0.3	1.3	2.9	6.8	5.9		6.4	
Vanguard Interm-Term Corp Bd ETF	510,319,319	9.8		-0.2	1.1	3.8	9.3	6.2		7.2	Aug-23
<i>Blmbg. U.S. Credit Corp 5-10 Year Index</i>				0.0	1.3	4.0	9.6	6.3		7.4	
IR&M Intermediate Credit Fund	676,878,150	13.0		0.2	1.3	3.3	7.8			7.8	Jan-25
<i>Blmbg. U.S. Intermediate Credit</i>				0.2	1.3	3.3	7.9			7.9	
Return Seeking Fixed Income	455,621,672	8.8	10.0	0.1	1.0	3.4	8.0	6.6		7.6	Aug-23
Vanguard Total Corporate Bond ETF	230,438,315	4.4		-0.4	0.6	3.3	7.6	4.8		5.9	Aug-23
<i>Bloomberg US Corporate</i>				-0.2	0.8	3.5	7.8	4.9		6.1	
iShares 0-5 Year High Yield Corp Bd ETF	112,845,972	2.2		0.7	1.3	3.5	7.9	8.1		8.7	Aug-23
<i>ICE BofA 0-5 Year U.S. High Yield Constrained</i>				0.7	1.2	3.5	7.6	8.1		9.0	
iShares Broad USD High Yield Corp Bd ETF	112,337,385	2.2		0.5	1.3	3.7	8.8	8.6		9.6	Aug-23
<i>ICE BofA US High Yield Master II Constrained</i>				0.7	1.3	3.8	8.5	8.4		9.5	

Pension Reserve Trust

December 31, 2025

TOTAL FUND PERFORMANCE DETAIL

	Allocation			Performance (%)							
	Market Value (\$)	% of Portfolio	Policy (%)	1 Mo (%)	3 Mo (%)	FYTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	Inception (%)	Inception Date
Diversification	515,173,135	9.9	10.0	0.6	3.7	10.4	19.9	15.6		13.9	Aug-23
Public Real Assets	255,466,671	4.9		0.6	5.0	12.8	26.6	17.0		14.4	Aug-23
<i>Diversification Real Assets Custom BM</i>				0.5	5.2	13.2	25.7	17.1		14.4	
SPDR Gold MiniShares	54,207,816	1.0		2.3	11.7	30.3	64.2	44.5		38.3	Aug-23
<i>Bloomberg Gold Subindex Total Return</i>				2.4	12.2	30.6	62.5	43.4		37.2	
Aberdeen Bloomberg All Commodity Strategy K-1 Free ETF	45,082,017	0.9		-0.5	5.4	9.3	14.9	10.1		5.3	Aug-23
<i>Bloomberg Commodity Index Total Return</i>				-0.3	5.8	9.7	15.8	10.5		5.8	
SPDR S&P Global Natural Resources ETF	54,076,527	1.0		3.4	6.6	16.4	28.6	8.7		6.8	Aug-23
<i>S&P Global Natural Resources Sector Index (Net)</i>				3.4	6.7	16.7	28.9	8.4		6.6	
iShares Global REIT ETF	50,916,438	1.0		-1.3	-0.9	3.4	7.9	5.3		6.1	Aug-23
<i>FTSE EPRA/NAREIT Global REITs Index</i>				-1.2	-0.8	3.5	8.4	5.6		6.5	
iShares Global Infrastructure ETF	51,183,874	1.0		-1.1	2.0	5.3	21.3	18.0		14.9	Aug-23
<i>S&P Global Infrastructure (Net)</i>				-0.7	2.2	5.8	21.5	17.7		14.7	
Multi-Asset	259,706,463	5.0		0.6	2.4	8.1	13.5	14.0		13.4	Aug-23
SSGA Moderate Strategic Balanced Strategy	259,706,463	5.0		0.6	2.4	8.1				15.7	Apr-25
<i>60% MSCI ACWI (Net) / 40% Bloomberg Aggregate</i>				0.6	2.4	7.9				15.8	
Cash	102,213,523	2.0	0.0	0.3	0.9	2.0	4.1	4.7	4.9	4.8	Oct-22
<i>90 Day U.S. Treasury Bill</i>				0.3	1.0	2.1	4.2	4.7	4.8	4.7	
Northern Trust Money Market Treasury NTPXX	102,213,523	2.0		0.3	0.9	2.0	4.1	4.8		5.3	May-23

Appendix B

Budget & Expense Detail

Administrative and Operating Expenses	Annual Budget	YTD Expenses ⁽¹⁾	% of Budget
Management & Staff	757,000	331,168	44%
Trustees	423,000	210,455	50%
Legal Counsel	85,000	1,475	2%
Accounting and Audit	255,000	71,740	28%
Other Professionals	95,000	8,857	9%
Ordinary Business (General)	110,000	54,894	50%
Travel and other reimbursable expenses	90,000	30,302	34%
Emergency and Contingency Reserve	35,000	-	0%
Total Administrative and Operating Expenses ⁽¹⁾	1,850,000	708,981	38%

As of December 31, 2025 ⁽¹⁾

⁽¹⁾ Unaudited.

Non-Ordinary Expenses & Investment Related	Annual Budget	YTD Expenses ⁽¹⁾	% of Budget
Management & Staff	298,000	130,693	44%
Custodian	250,000	92,835	37%
Insurance Policies (D&O, Cyber, etc.)	175,000	56,580	32%
Legal, Regulatory & Compliance	500,000	157,194	31%
Other	32,000	144	1%
Equipment, Software and Licenses	100,000	18,216	18%
Asset Withdrawal Management (AWM) study	145,000	28,000	19%
Investment consultant annual fee	1,700,000	819,353	48%
Investment management fees	4,300,000	2,396,210	56%
Total Non-Ordinary and Investment Related Expenses ⁽¹⁾	7,500,000	3,699,225	49%

As of December 31, 2025 ⁽¹⁾

⁽¹⁾ Unaudited.

Important Notices & Disclaimers

- ▶ *This presentation is being provided for the information and use of the Act 106 Board and the Pension Benefits Council. **It is not investment advice or legal advice.***
- ▶ *The objective of the Pension Reserve Trust is, if possible, to provide funds to the Government adequate to meet pension obligations by prudently investing its funds over the next several decades. The investment decisions of the Trust are made with that objective while minimizing unnecessary risks. However, **all investments carry some level of risk. Their performance in the future can and will differ from their past performance and the Trust's asset values will fluctuate from quarter to quarter and year to year.** Diversification and other asset allocation techniques do not ensure profit or protect against losses.*
- ▶ *The PRT and Board make investment decisions to implement the particular requirements of the Plan of Adjustment, the Deed of Trust, and the Guidelines. **This presentation and the Trust's investment decisions should not be relied on in any way by any other party for any other purpose, particularly (but not only) decisions about investment of pension funds and of individual retirement plans.** Every person should make their own analysis based on their own goals with independent financial professionals before making any investment.*
- ▶ *The views presented here represent the good faith views of the Pension Reserve Trust as of the publication date and are subject to change at any time. The presentation does not contain all the analysis and data examined by the Board in coming to its views.*
- ▶ *Some of the information presented here has been obtained from external sources including the FOMB, the Commonwealth Government, consultants, vendors, etc.. While the Board has exercised reasonable professional care in preparing this content, we cannot guarantee the accuracy of all source information. Any financial information is unaudited.*