April 2026

BUILDING THE TRUST

Investment Management

Teacher Retirement System of Texas
4655 Muller Blvd.
Austin, Texas
78723

TEACHER RETIREMENT SYSTEM OF TEXAS MEETING
BOARD OF TRUSTEES
AND
INVESTMENT MANAGEMENT COMMITTEE

April 30, 2026 – 10:00 a.m.

All or part of the April 30, 2026, meeting of the TRS Investment Management Committee and Board of Trustees may be held by telephone or video conference call as authorized under Sections 551.130 and 551.127 of the Texas Government Code. The Board intends to have a quorum and the presiding officer of the meeting physically present at the following location, which will be open to the public during the open portions of the meeting: ***4655 Mueller Blvd, 2nd Floor, Boardroom.***

The open portions of the April 30, 2026, meeting are being broadcast over the Internet. Access to the Internet broadcast and agenda materials of the meeting is provided at www.trs.texas.gov. A recording of the meeting will be available at www.trs.texas.gov.

AGENDA

1. Call roll of Committee members.

2. Consider the approval of the proposed minutes of the December 2025 committee meeting – Committee Chair.

3. CIO Update including Talent Management; Accomplishments; Notices; Awards; Key Dates and Upcoming Events – Jase Auby.

4. Discuss the Fourth Quarter 2025 Performance Review – Colin Bebee and Mika Malone, Meketa.

5. Semi-Annual Risk Report – James Nield and Stephen Kim.

6. Annual Review of Public Markets – Dale West, Brad Gilbert and Ashley Baum.

NOTE: The Board of Trustees (Board) of the Teacher Retirement System of Texas will not consider or act upon any item before the Investment Management Committee (Committee) at this meeting of the Committee. This meeting is not a regular meeting of the Board. However, because the full Committee constitutes a quorum of the Board, the meeting of the Committee is also being posted as a meeting of the Board out of an abundance of caution.

Minutes of the Investment Management Committee

December 4, 2025

The Investment Management Committee of the Board of Trustees of the Teacher Retirement System of Texas met on Thursday, December 4, 2025, in the boardroom located on the Second Floor of TRS' offices located at 4655 Mueller Blvd., Austin, Texas 78723.

Committee Members:
David Corpus, Chair
Michael Ball
John Elliott
Robert H. Walls, Jr.
Elvis Williams

Other TRS Board Members Present:
Brittny Allred
Laronda Graf
John R. Rutherford

Others Present:

Brian Guthrie, TRS
Caasi Lamb, TRS
Heather Traeger, TRS
Jase Auby, TRS
Don Green, TRS
Kendal Courtney, TRS
James Nield, TRS
Mr. Telschow, TRS
Katherine Farrell, TRS

Keith Brown, Investment Advisor
Colin Bebee, Meketa
Mika Malone, Meketa
Suzanne Dugan, Cohen Millstein
Kathy MacVarish, State Street
Dan Delaney, State Street

Investment Management Committee Chair, Mr. Corpus, called the meeting to order at 12:35 p.m.

1. Call roll of Committee members.

Ms. Farrell called the roll. A quorum was present.

2. Consider the approval of the proposed minutes of the September 2025 committee meeting.

On a motion by Mr. Williams, seconded by Mr. Ball, the Committee unanimously voted to approve the proposed minutes of the September 2025 Investment Management Committee meeting as presented.

3. CIO Update including Talent Management; Accomplishments; Notices; Awards; Key Dates and Upcoming Events – Jase Auby.

Mr. Auby provided the CIO update and reported strong investment performance through the third quarter of 2025, including a one-year return of 10.7 percent and a three-year return of 11.5 percent, with record three-year excess return versus the benchmark.

Mr. Auby discussed the SPN Summit held in New York City, noting that artificial intelligence was a major focus and that AI continues to be an internal priority. He also described annual planning activities underway for 2026, including capital planning and annual priorities, and he noted the 10th anniversary of TRICOT.

Mr. Auby concluded by sharing he had accepted an invitation to join the Financial Sector Advisory Council of the Federal Reserve Bank of Dallas.

4. Discuss the Third Quarter 2025 Performance Review - Colin Bebee and Mika Malone, Meketa.

Mr. Colin Bebee started noting this was Meketa's first performance presentation to the Committee and noted that Meketa worked to replicate the format previously provided, while identifying potential enhancements to consider in the future.

Mr. Bebee provided market context for the period noting global equity was strong across the board and it was the first time since the global financial crisis (GFC) that non-US markets outperformed the US markets. He noted real estate continued to struggle.

Ms. Mika Malone reviewed portfolio-level information, including discussion of cash flows. She stated the portfolio sits in line with the policy targets. She noted the majority of the outperformance was in the security selection. In response to Mr. Walls' inquiry about the appropriateness of the peer group comparison, being at $10 billion when TRS is $230 billion, Ms. Malone responded that Meketa would continue to evaluate options, noting the tradeoff between increasing minimum fund size and losing peers, and suggested comparing multiple peer-set options in a future meeting.

She concluded by reviewing the 14 subcategories across the portfolio, ten of which had performance above 10 percent, which was extraordinarily positive.

5. Update on Investment Operations – Kendall Courtney.

Ms. Kendall Courtney provided the Investment Operations update and described the mission, operating model, and team structure supporting investment execution, data, and operational processes. She reported operational results and described settlement activity which included successfully settling $1.6 trillion in trades, averaging $5 billion per day across 56 markets, achieving a 99 percent on-time settlement rate. She discussed "non-investment alpha" and the value of operational savings that provided an additional $541 million to the trust.

Ms. Courtney provided an update on the State Street custodian contract extension, stating that the extension was approved in September after evidence of progress and continued focus. She also provided an update on the Investment Data Modernization program (IDM), including schedule status, budget status, vendor selection, and implementation kickoff.

6. Annual Update on Risk and Portfolio Management – James Nield and Mark Telschow.

Mr. James Nield described the group's four mandates and stated that the presentation would focus on multi-asset strategies, trust management, and trust strategy.

Mr. Telschow summarized the performance of portfolios managed by the group and shared that government bonds contributed $33 million to alpha; risk parity contributed $126 million to alpha, and alternative risk premia (ARP) contributed $109 million to alpha. He noted ARP was new to the group but not new to the Trust.

Mr. Nield reviewed trust management, including examples of trust financing, cash management, and rebalancing. He discussed trust strategy considerations including capital market assumptions, peer activity observations, and macro considerations He stated that the asset allocation approved almost a year earlier continues to make sense based on the considerations reviewed.

There being no more business before the Investment Management Committee, the committee adjourned at 1:40 p.m.

Approved by the Investment Management Committee of the Board of Trustees of the Teacher Retirement System of Texas on April __, 2026.

_____________________________ ______________________

Katherine H. Farrell
Secretary to the Board of Trustees
Teacher Retirement System of Texas

Date

CIO Update

Jase Auby,

Chief Investment Officer

April 2026

TEACHER RETIREMENT SYSTEM OF TEXAS
INVESTMENT MANAGEMENT DIVISION

CIO Update

IMD at a Glance

Priorities

- **Performance.** The Trust ended 2025 with a 1-year return of 15.9% and +176 bp of excess return. The 3-year return is 11.1% with +208 bp of excess return

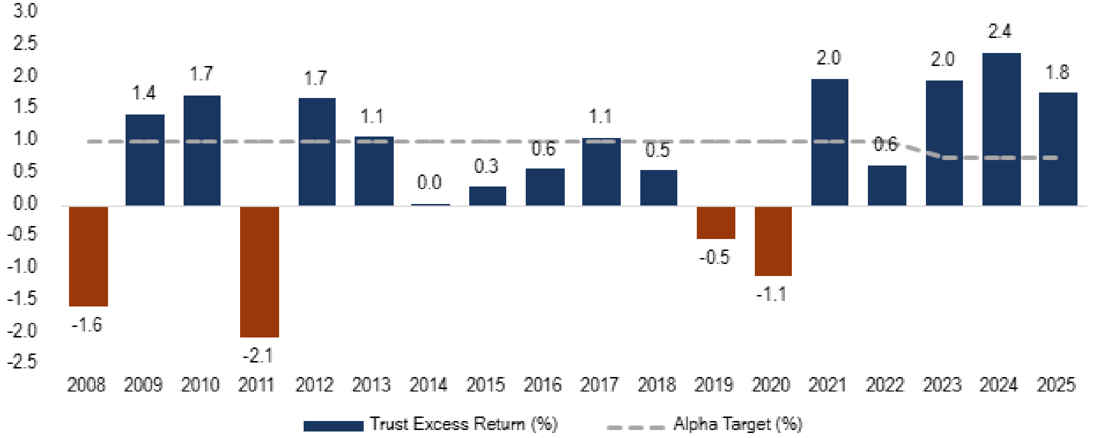
- **Artificial Intelligence.** A cross-functional working group is exploring the effects and implications of artificial intelligence on investments at TRS

- **Performance Reviews.** Annual director discussions will be used to improve transparency and visibility in performance and career growth, supporting development and succession planning for senior roles

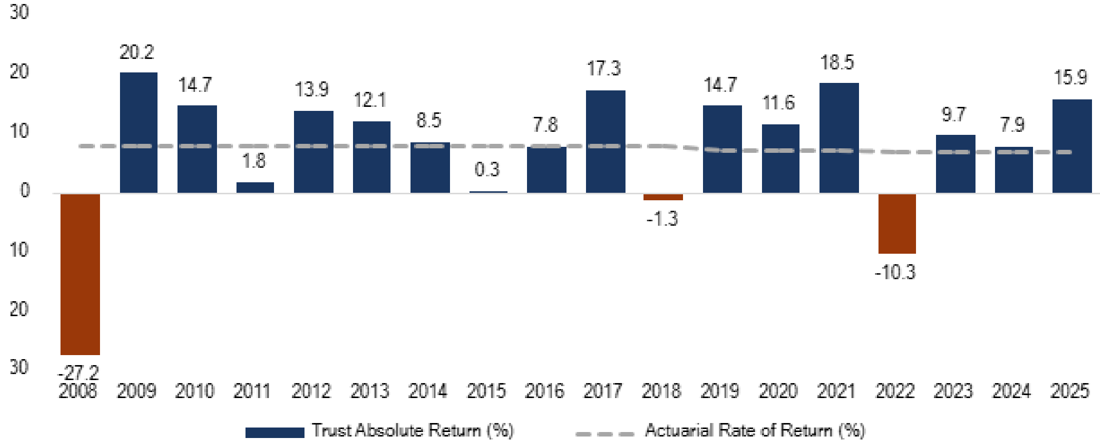
- **Awards.** The IMD Real Estate team won the PERE Award for Institutional Investor of the Year in North America

2025 In Review

Total Trust Excess Return • As of December 31st • Percent (%)



Total Trust Actual Return • As of December 31st • Percent (%)



Source: State Street Bank, TRS IMD

MEKETA

Teacher Retirement System of Texas

As of December 31, 2025

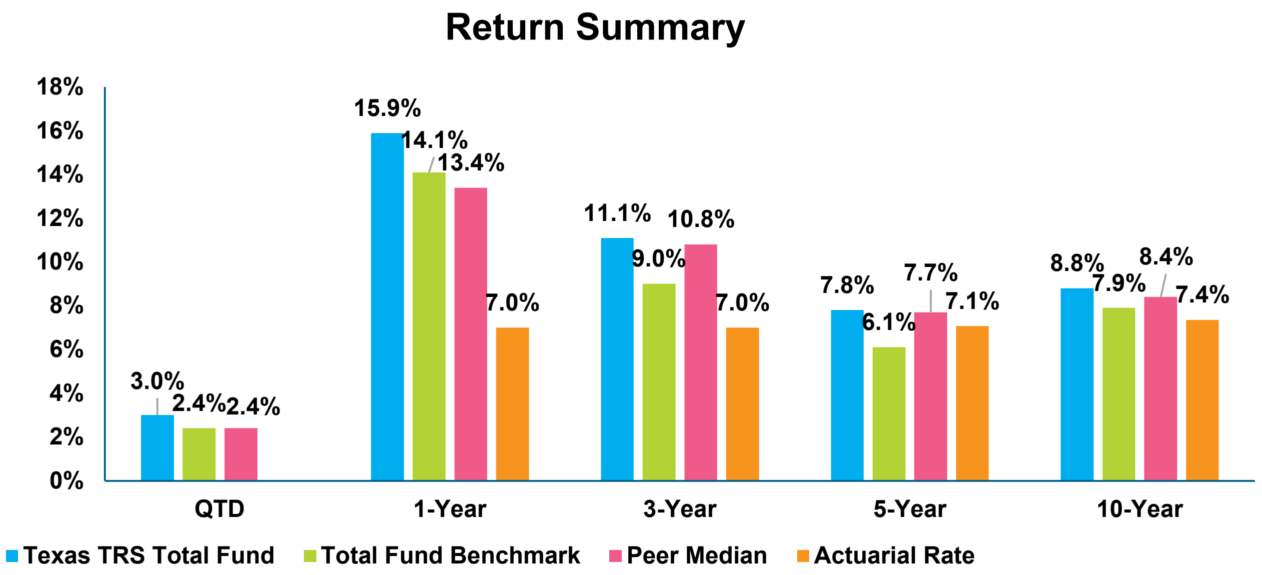
Performance Review

Fourth Quarter of 2025

Executive Summary

Executive Summary

- As of December 31, 2025, the Texas TRS Trust was valued at $235.2 billion, reflecting a $5.8 billion increase from the end of the third quarter. In the fourth quarter of 2025, the portfolio returned 3.0%, outpacing the Policy Benchmark and peer median[1] returns of 2.4% each. Benchmark relative outperformance was driven by moderate contributions across multiple asset classes, with security selection driving the majority of the outperformance.
- Over the trailing 3-year period, the Texas TRS Trust returned 11.1%, outpacing the Policy Benchmark and the peer median, which returned 9.0% and 10.8%, respectively. The strong performance, both absolute and relative to the Policy Benchmark, was attributable to multiple asset classes, as the majority of the Trust's components/classes outperformed their respective benchmarks.
- The portfolio's risk, as indicated by standard deviation, was 7.5% for the trailing 5-year period, below the Policy Benchmark at 7.7% but above the peer group median of 6.4%. The portfolio's risk-adjusted return, as indicated by the Sharpe Ratio, over the past 5-year period was 0.6, which was above the Policy Benchmark ratio of 0.4 but marginally below peer group median ratio of 0.7.



Summary of Cash Flows		
	QTD	1-Year
Beginning Market Value	**$229,352,149,013**	**$207,301,783,683**
Net Cash Flow	-$1,148,573,918	-$4,671,362,833
Net Investment Change	$6,962,638,557	$32,535,792,802
Ending Market Value	**$235,166,213,652**	**$235,166,213,652**

[1] InvMetrics All Public >$10B net.

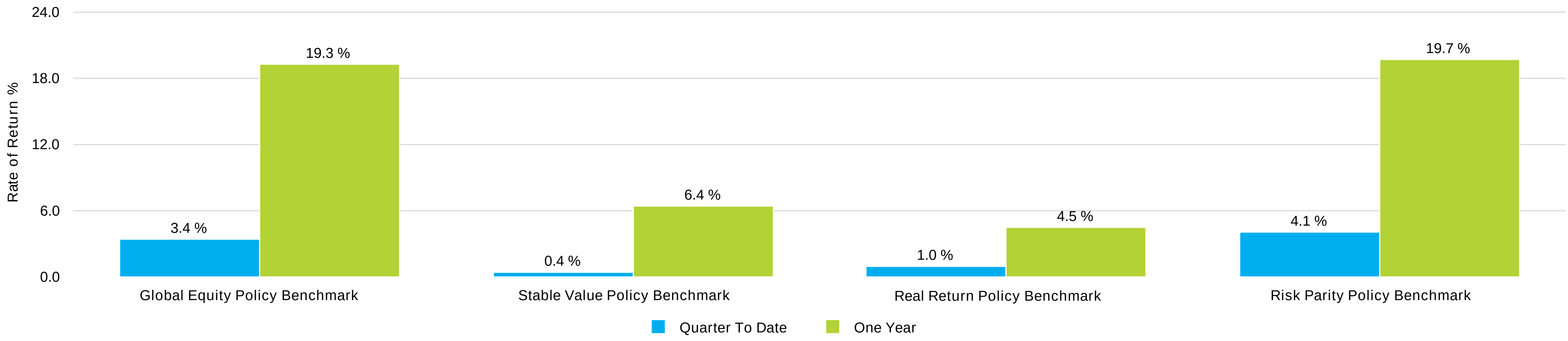
Report Card

Category	Results QTD	One-Year	Three-Year	Five-Year
Total Fund Absolute Performance	Positive	Positive	Positive	Positive
Return in Excess of Actuarial Target	NM	Yes	Yes	Yes
Total Fund Performance vs. Policy Benchmark	Outperformed	Outperformed	Outperformed	Outperformed
Total Fund Performance vs. Peers[1]	1st Quartile	1st Quartile	2nd Quartile	2nd Quartile
Compliance with Policy Target Weights	In Compliance			

- The Total Fund experienced positive returns over all trailing periods in this report. Relative to the Policy Benchmark, the fund outpaced over all measured trailing periods. The Total Fund outpaced the actuarial target over all trailing time periods.
- Relative to peers, the Total Fund returns have outperformed the peer group median, ranking the fund in the top 2 quartiles across all measured trailing periods. In the short-term (most recent quarter, trailing one-year), the fund ranks in the top quartile.
- The Total Fund's asset allocation is in compliance with asset class policy target weights across all asset classes.

[1] InvMetrics All Public >$10B net.

Performance Update
As of December 31, 2025



- In Q4 2025, the S&P 500 Index continued to climb due to a rally in the healthcare sector, despite growing valuation concerns regarding AI-related sectors. Non-U.S. equities continued to outpace U.S. equities, due to attractive valuations, a weaker US dollar and rotation out of US tech stocks. Global Equity Policy Benchmark returned 3.4% for Q4.
- Bonds returns were positive as declining short-term interest rates and relatively stable credit spreads yields served as tailwinds. The Stable Value Policy Benchmark posted a 0.4% return for the quarter.
- The Real Return Policy Benchmark posted a 1.0% return for the quarter, while the Risk Parity Policy Benchmark returned 4.1%.

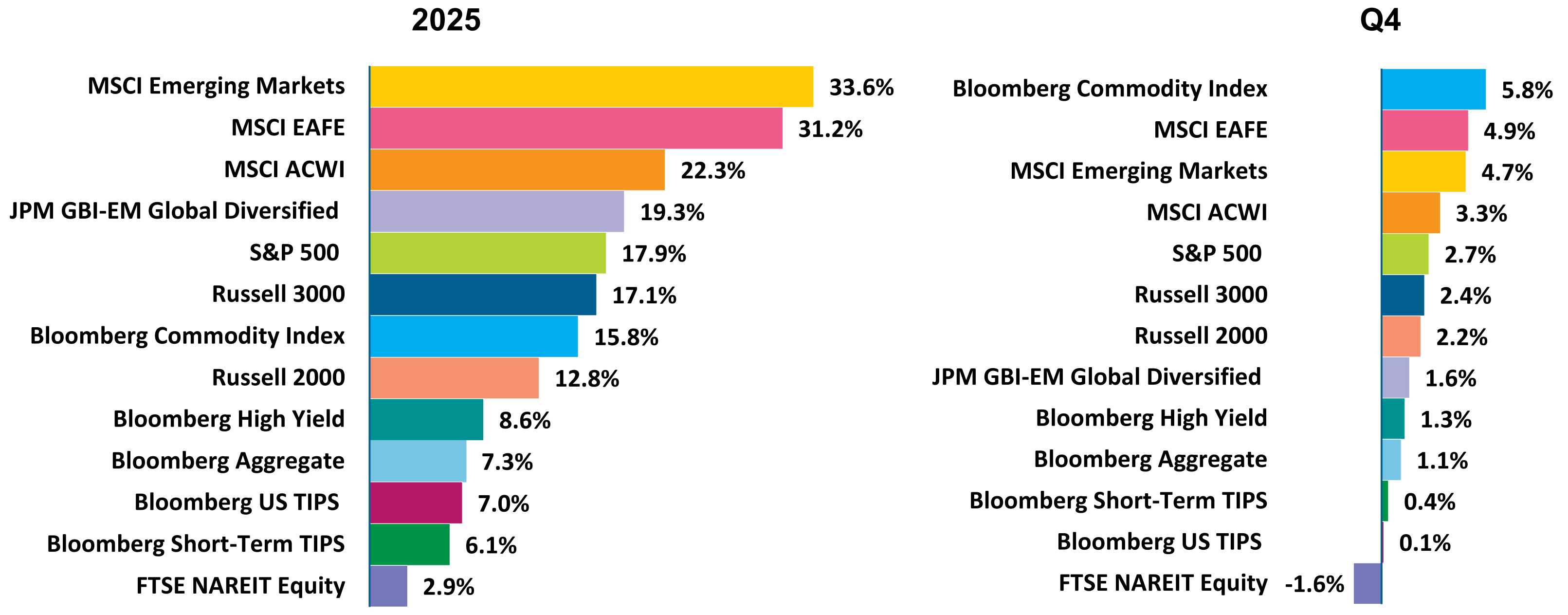
Note: The returns shown in this presentation may differ from State Street statements due entirely to rounding. These differences are generally within a few basis points and are not material.

Market Summary | As of December 31, 2025

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund					
TRS Policy Benchmark	*2.4*	*14.1*	*9.0*	*6.1*	*7.9*
Global Equity					
Global Equity Policy Benchmark	*3.4*	*19.3*	*15.6*	*10.8*	*11.4*
TRS All Country Benchmark	*3.6*	*21.7*	*--*	*--*	*--*
TRS USA Benchmark	*2.4*	*17.3*	*22.4*	*13.3*	*14.4*
TRS Non-US Developed Benchmark	*4.7*	*31.1*	*17.3*	*9.2*	*8.4*
TRS Emerging Markets Benchmark	*9.2*	*31.5*	*16.7*	*3.8*	*8.2*
Customized State Street Private Equity Index (1Q Lag)	*2.2*	*9.4*	*7.1*	*12.8*	*12.5*
Stable Value					
Stable Value Policy Benchmark	*0.4*	*6.4*	*2.8*	*-3.9*	*1.4*
Bloomberg Long Treasury Index	*0.0*	*5.6*	*0.6*	*-7.2*	*0.0*
Bloomberg US TIPS Benchmark	*0.1*	*7.0*	*--*	*--*	*--*
SOFR + 2.5%	*1.7*	*7.1*	*--*	*--*	*--*
Absolute Return Benchmark	*2.1*	*8.7*	*9.3*	*7.3*	*5.4*
Real Return					
Real Return Policy Benchmark	*1.0*	*4.5*	*-2.2*	*5.2*	*4.9*
NCREIF ODCE (1Q Lag)	*0.5*	*3.2*	*-6.1*	*2.6*	*4.1*
Energy, Natural Resources, & Infrastructure Benchmark (1Q Lag)	*2.0*	*7.1*	*7.3*	*11.4*	*--*
Goldman Sachs Commodities Index	*1.0*	*7.1*	*3.9*	*14.6*	*6.1*
Risk Parity					
Risk Parity Policy Benchmark	*4.1*	*19.7*	*10.7*	*2.5*	*6.3*
Cash					
FTSE 3 Month Treasury Bill	*1.0*	*4.4*	*5.0*	*3.3*	*2.2*

Note: The returns shown in this presentation may differ from State Street statements due entirely to rounding. These differences are generally within a few basis points and are not material.

Index Returns[1]

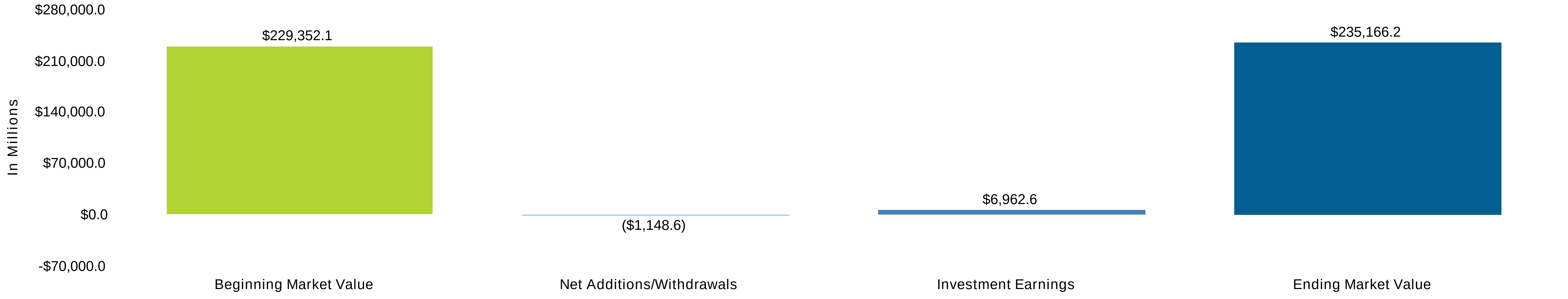


- In the fourth quarter, except for REITs, markets delivered positive returns. Non-US developed and emerging market stocks outperformed US stocks while bond markets benefited from stable inflation and lower interest rates. Commodities were the top performer given the significant run in precious and industrial metals.
- In 2025, all asset classes rose, with international equities leading the way. Key drivers of the strong performance last year include resilient earnings, AI optimism, a weaker US dollar, and expectations for lower interest rates.

[1] Source: Bloomberg. Data is as of December 31, 2025.

Summary of Market Value Change | As of December 31, 2025

1 Quarter Market Value Change



Total Fund Cash Flow Summary

	QTD	1 Yr	3 Yrs	5 Yrs
Total Fund				
Beginning Market Value	229,352,149,013	207,301,783,683	179,746,129,720	176,944,644,153
Net Cash Flows	-1,148,573,918	-4,671,362,833	-9,665,206,522	-18,214,029,640
Gain/Loss	6,962,638,557	32,535,792,802	65,085,290,454	76,435,599,140
Ending Market Value	235,166,213,652	235,166,213,652	235,166,213,652	235,166,213,652

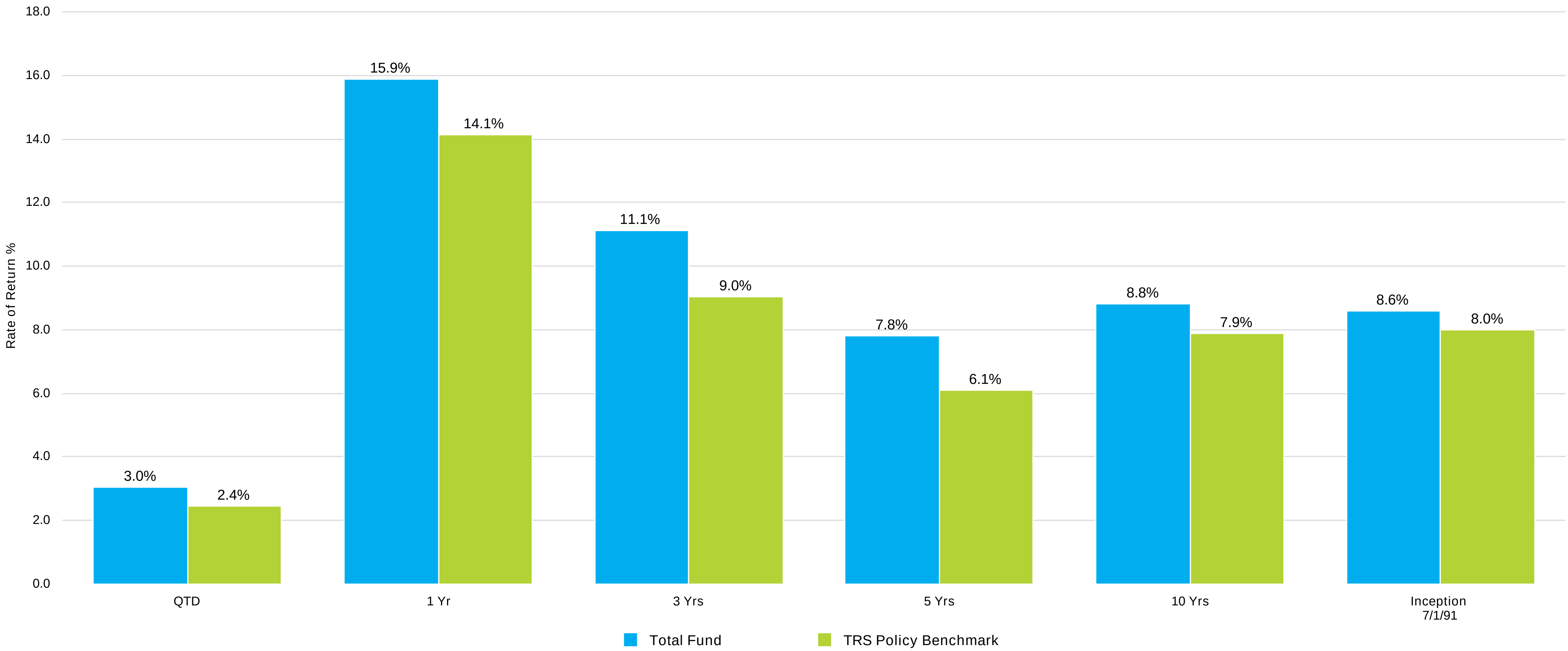
Total fund market value reflects the sum of all available underlying composites and sub-composites.

Asset Allocation Compliance | As of December 31, 2025

Allocation vs. Targets	Balance ($M)	Current Allocation (%)	Interim Policy Target (%)	Relative to Interim Policy Target (%)	Long-Term Policy Target (%)	Relative to Long-Term Policy Target (%)	Policy Range[1] (%)	Within IPS Range?
Investment Exposure		**103.2**	**104.0**	**-0.8**	**104.0**	**-0.8**	**93 – 115**	
Global Equity	**135,218**	**57.5**	**58.7**	**-1.2**	**57.0**	**0.5**	**50 – 64**	
All Country	87,297	37.1	37.9	-0.8	39.0	-1.9	29 – 44	Yes
USA	0	-	-	-	-	-	-5 – 5	Yes
Non-U.S. Developed	11,729	5.0	4.9	0.1	5.0	0.0	0 – 10	Yes
Emerging Markets	2,499	1.1	1.0	0.1	1.0	0.1	-4 – 6	Yes
Private Equity	33,693	14.3	15.0	-0.7	12.0	2.3	7 – 19	Yes
Stable Value	**48,449**	**20.6**	**20.4**	**0.2**	**21.0**	**-0.4**	**14 – 28**	
Government Bonds - Nominal	20,573	8.7	9.7	-1.0	10.0	-1.3	0 – 15	Yes
Government Bonds - Real	7,703	3.3	5.8	-2.5	6.0	-2.7	0 – 11	Yes
Stable Value Hedge Funds	11,850	5.0	4.9	0.1	5.0	0.0	0 – 10	Yes
Absolute Return	8,323	3.5	0.0	3.5	0.0	3.5	0 – 10	Yes
Real Return	**47,280**	**20.1**	**20.0**	**0.1**	**21.0**	**-0.9**	**14 – 28**	
Real Estate	30,650	13.0	13.3	-0.3	15.0	-2.0	10 – 20	Yes
ENRI	15,928	6.8	6.7	0.1	6.0	0.8	1 – 11	Yes
Commodities	703	0.3	0.0	0.3	0.0	0.3	0 – 5	Yes
Risk Parity	**11,831**	**5.0**	**4.9**	**0.1**	**5.0**	**0.0**	**0 – 10**	
Risk Parity	11,831	5.0	4.9	0.1	5.0	0.0	0 – 10	Yes
Net Asset Allocation	**-7,613**	**-3.2**	**-4.0**	**0.8**	**-4.0**	**0.8**	**--**	
Cash Equivalents	6,648	2.8	2.0	0.8	2.0	0.8	0 – 7	Yes
Asset Allocation Leverage	-14,261	-6.1	-6.0	-0.1	-6.0	-0.1	--	Yes
Total Fund	**235,166**	**100.0**	**100.0**	**0.0**	**100.0**	**0.0**	**--**	

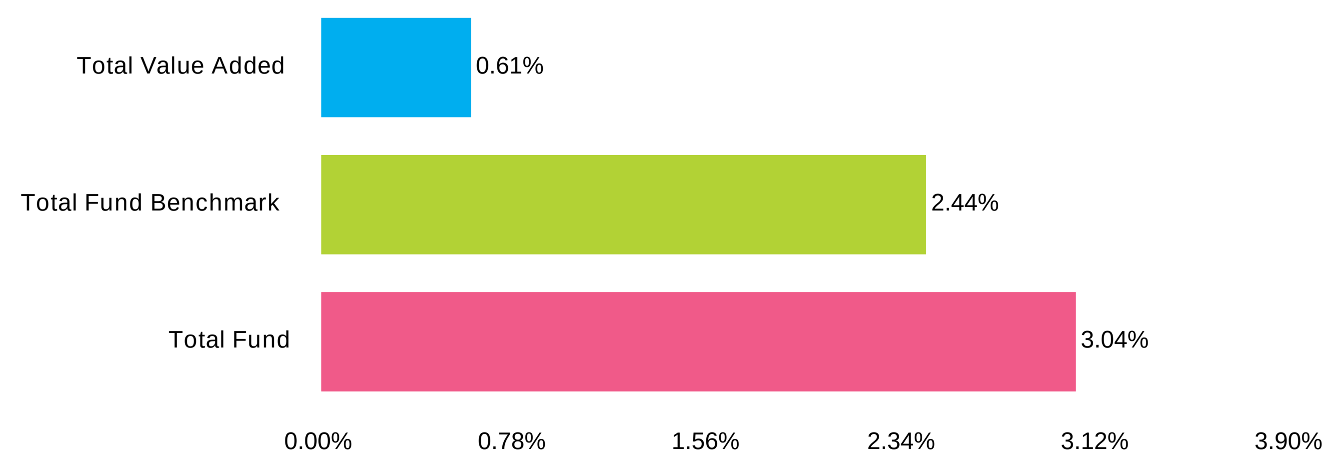
[1]Policy Range reflects ranges as noted in the TRS Investment Policy Statement

Return Summary
Ending December 31, 2025

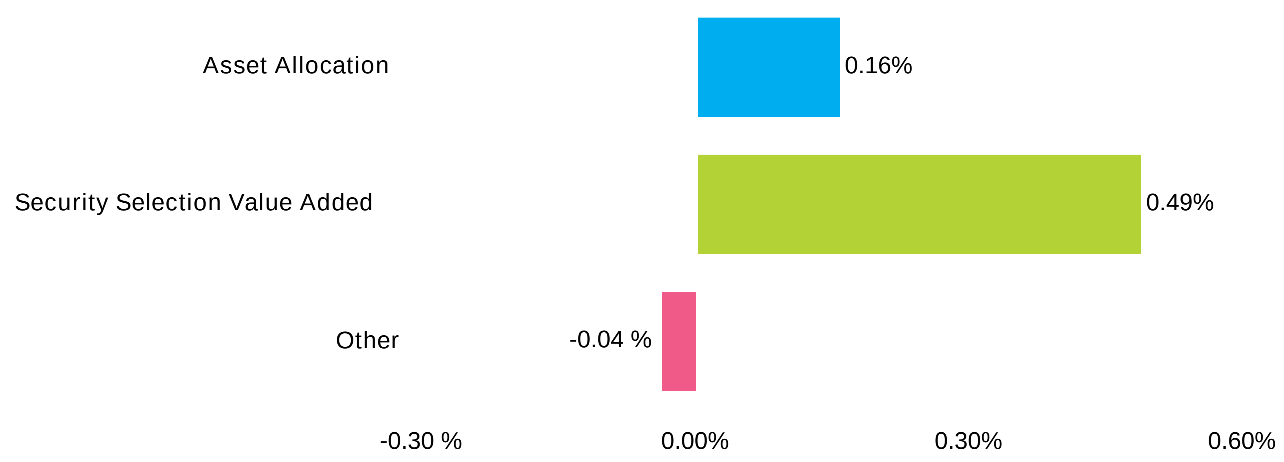


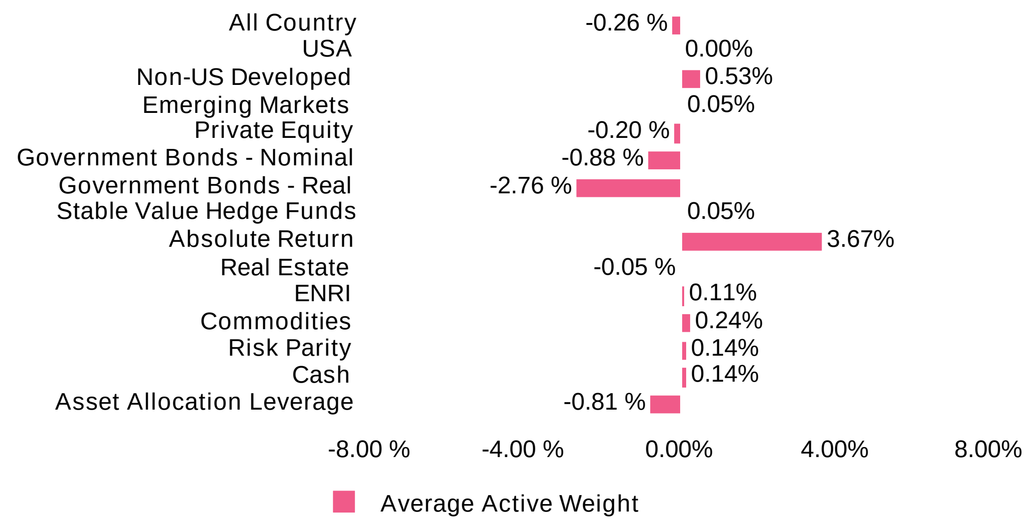
Total Fund Attribution | 1 Quarter Ending December 31, 2025

Total Fund Performance

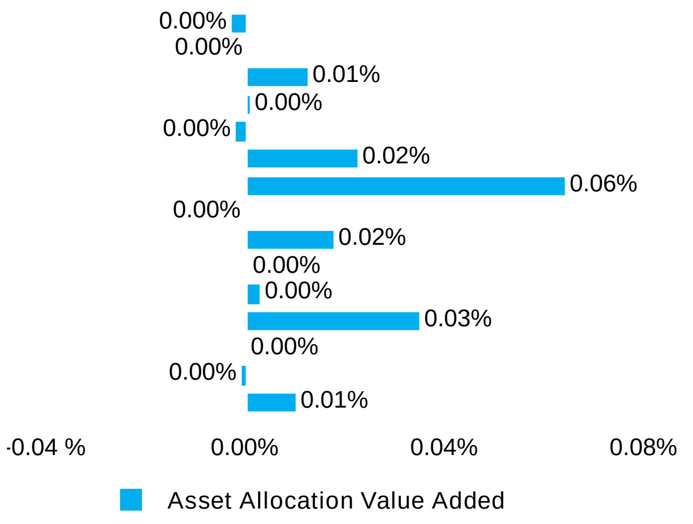


Total Value Added:0.61%





Asset Allocation Value Added: 0.16%

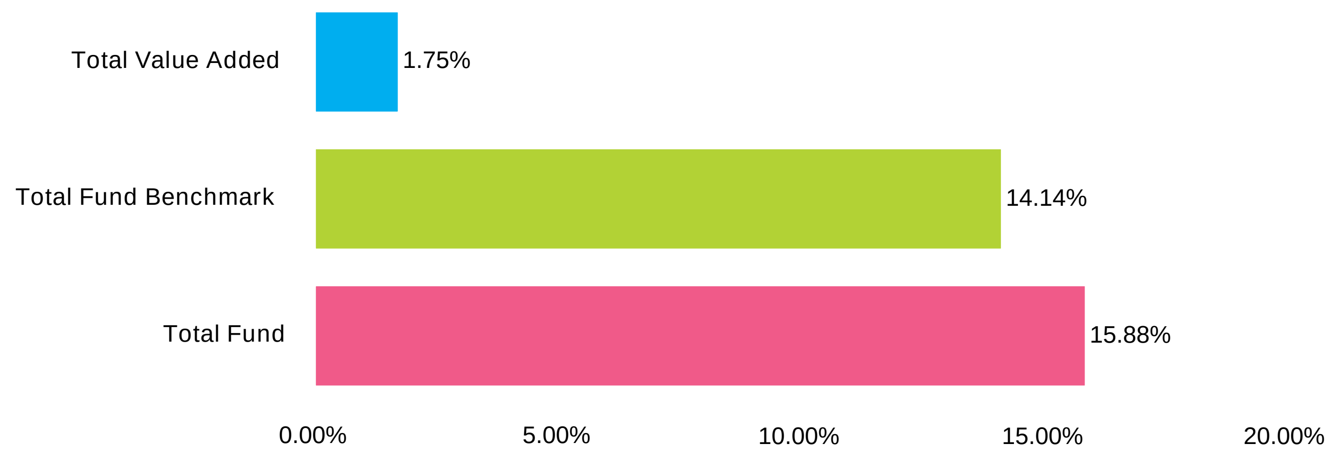


Total Security Selection Value Added:0.49%

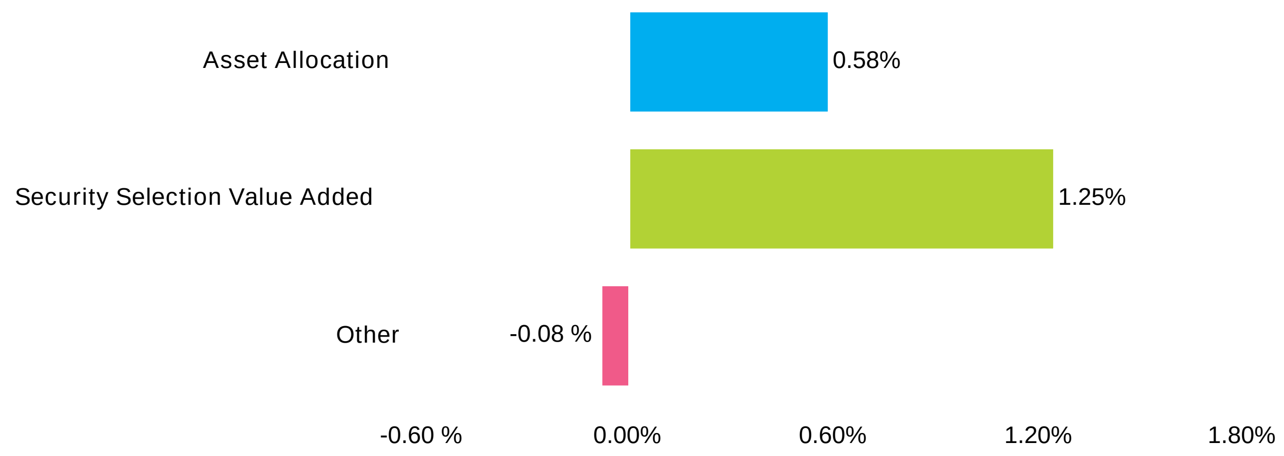
Note: The returns shown in this presentation may differ from State Street statements due entirely to rounding. These differences are generally within a few basis points and are not material.

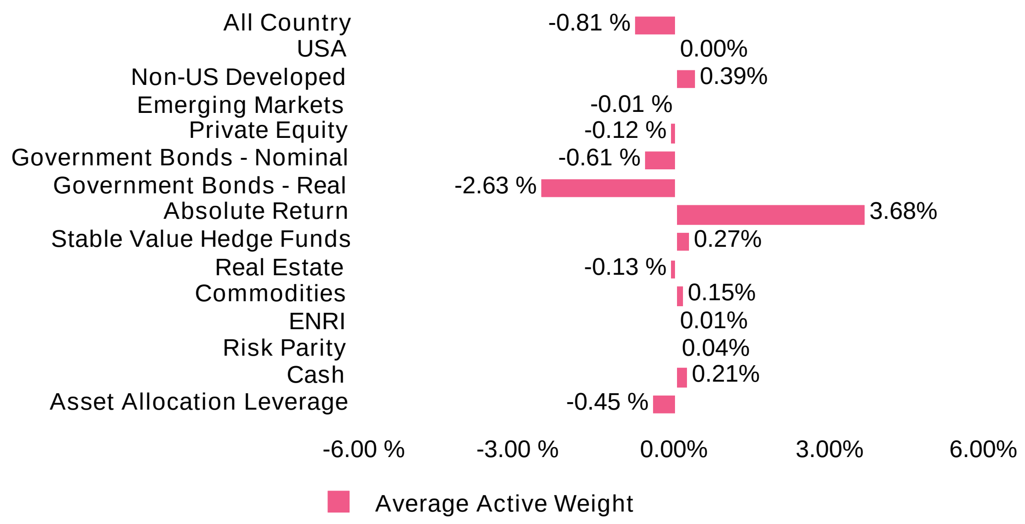
Total Fund Attribution | 1 Year Ending December 31, 2025

Total Fund Performance

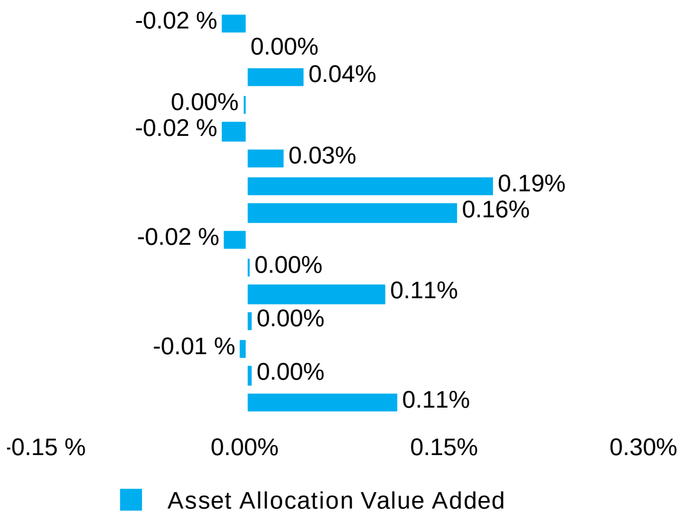


Total Value Added:1.75%

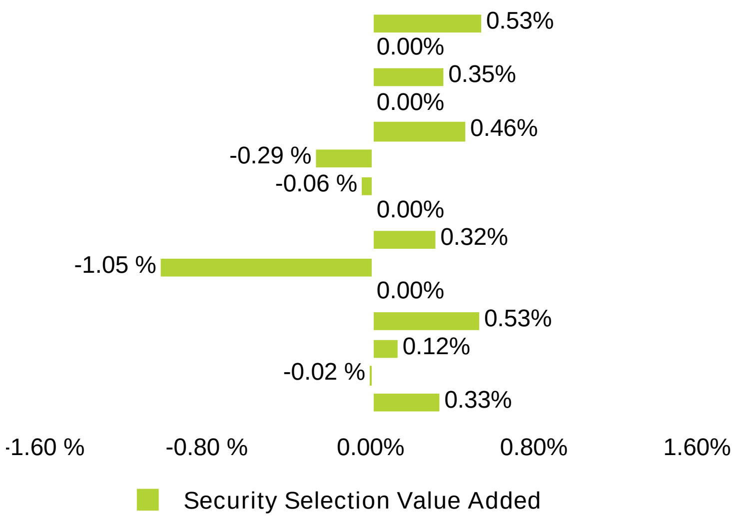




Asset Allocation Value Added: 0.58%

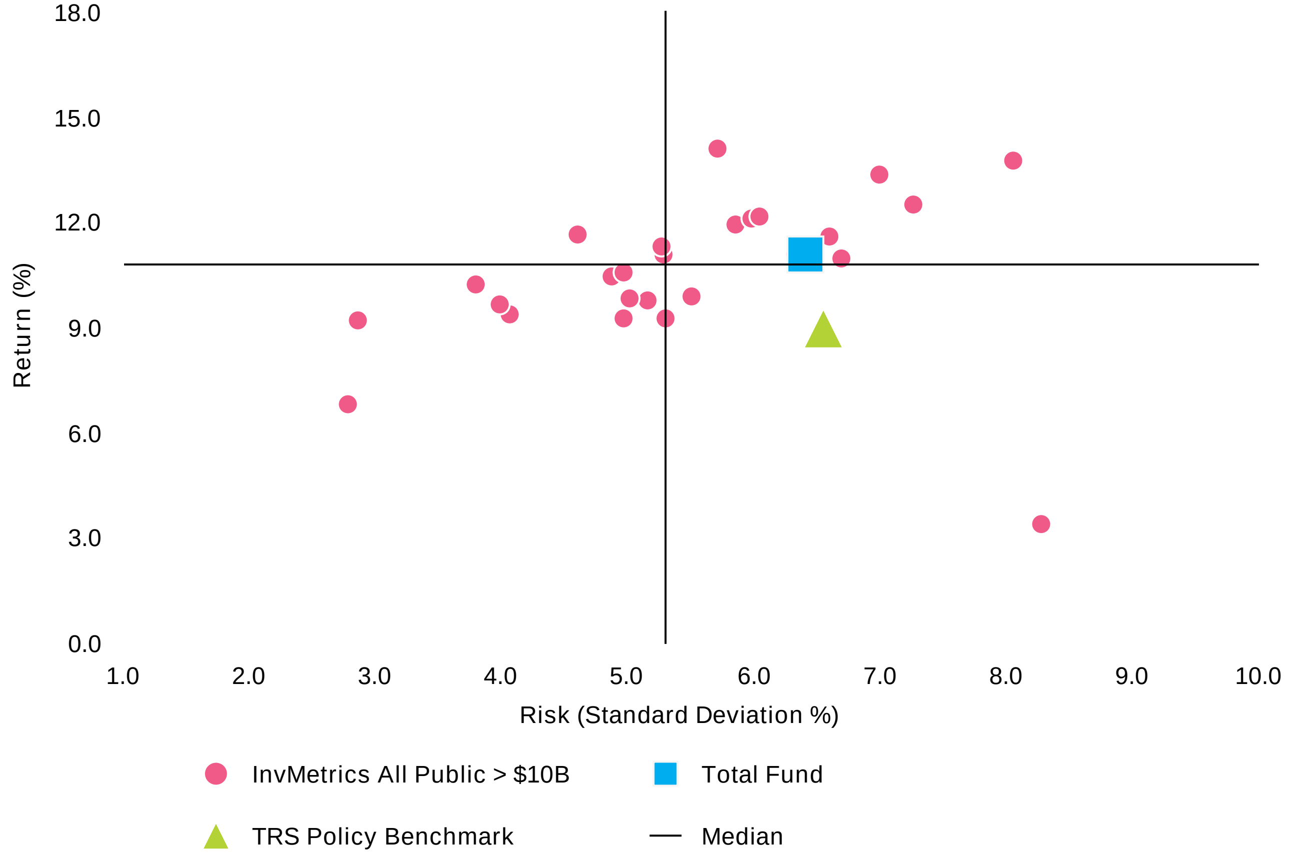


Total Security Selection Value Added:1.25%



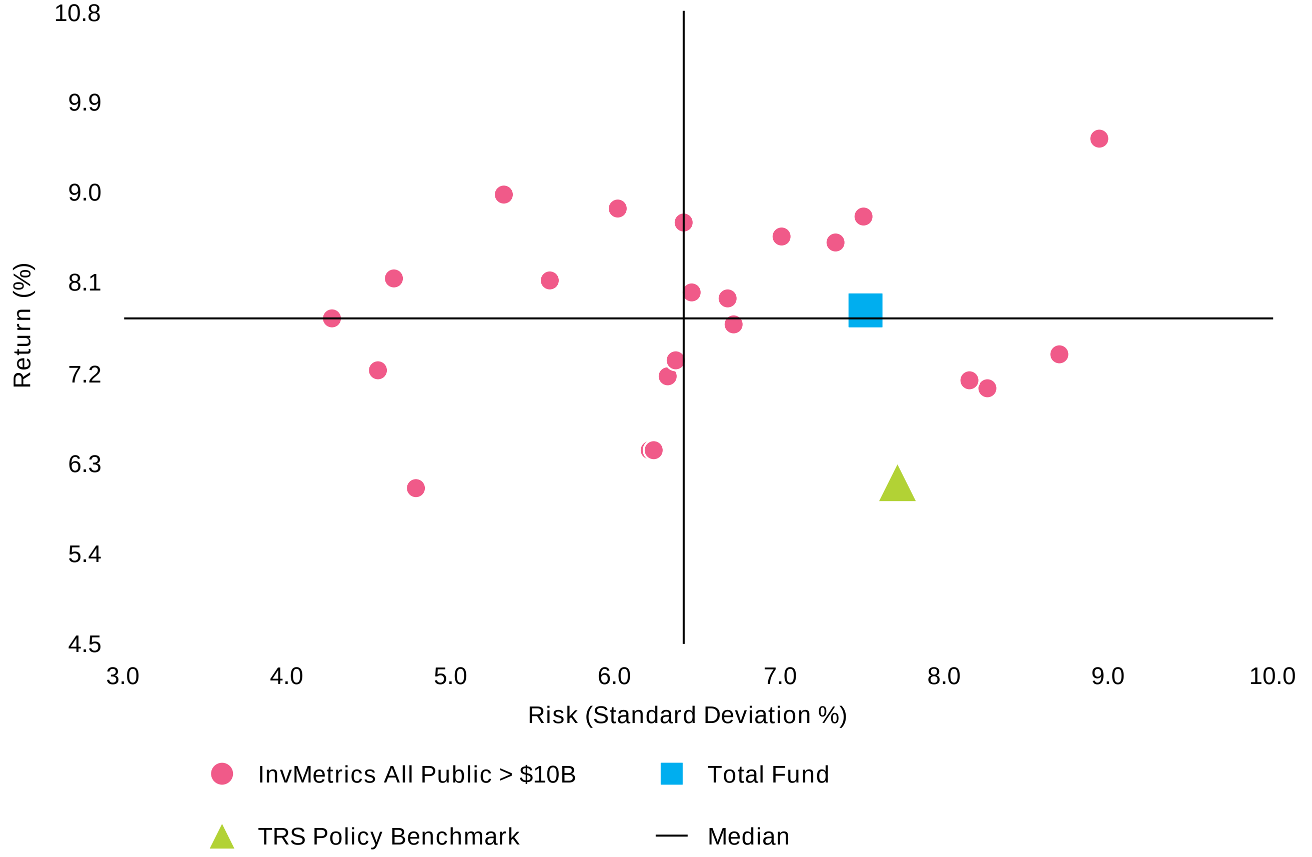
Note: The returns shown in this presentation may differ from State Street statements due entirely to rounding. These differences are generally within a few basis points and are not material.

Annualized Net Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2025



	Return	Standard Deviation
Total Fund	11.1	6.4
TRS Policy Benchmark	9.0	6.6
Median	10.8	5.3

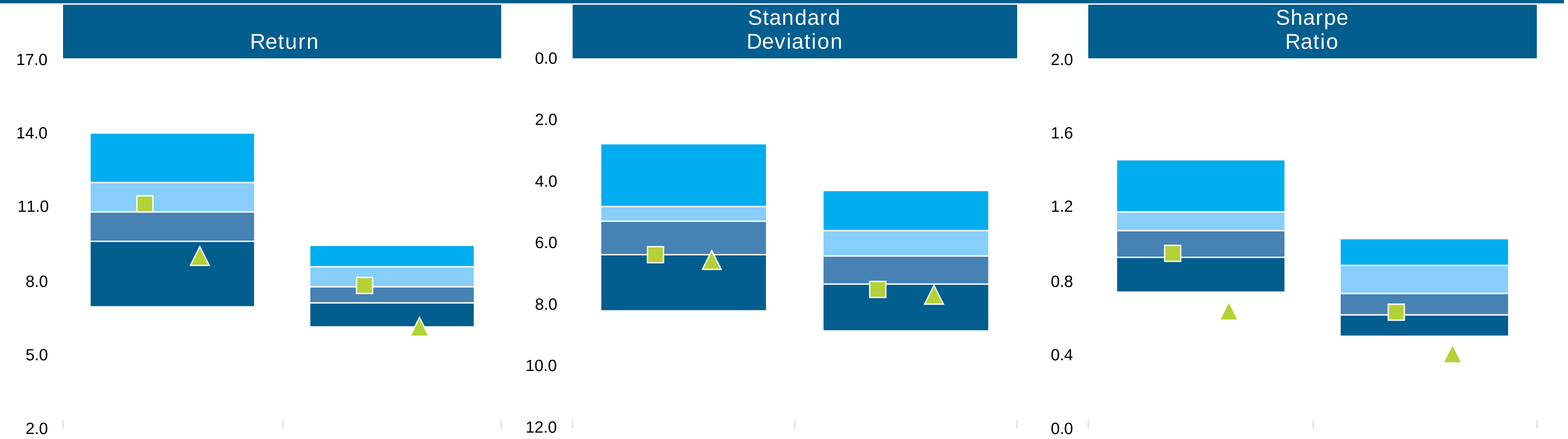
Annualized Net Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2025



	Return	Standard Deviation
Total Fund	7.8	7.5
TRS Policy Benchmark	6.1	7.7
Median	7.7	6.4

Risk Profile: Trailing 3-Year and 5-Year Risk Metrics Peer Comparison | As of December 31, 2025

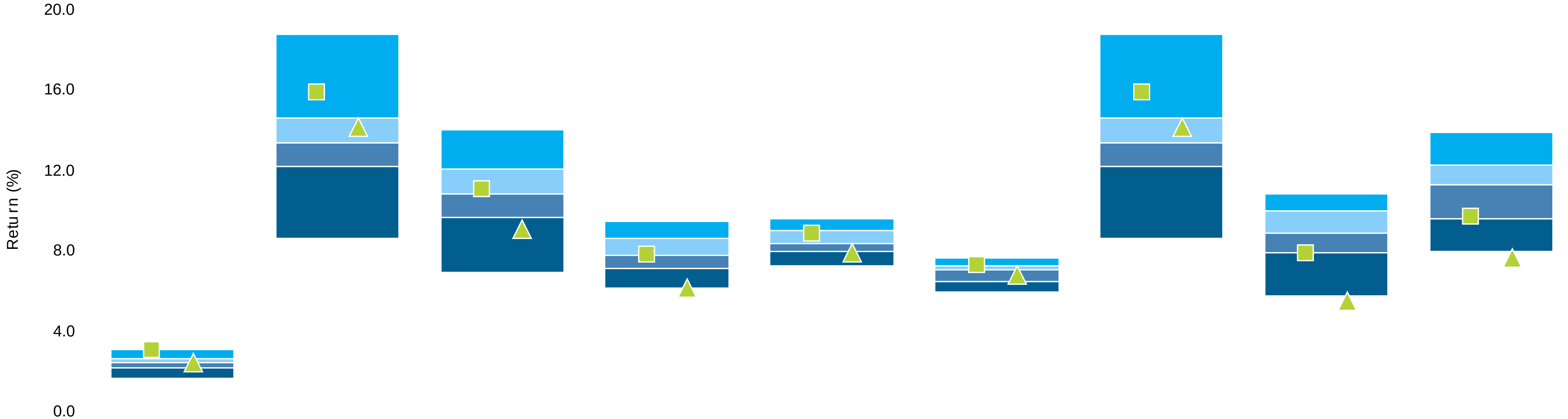
Total Fund vs. All Public Plans > $10B



	3 Yrs (%)	5 Yrs (%)	3 Yrs (%)	5 Yrs (%)	3 Yrs (%)	5 Yrs (%)
■ Total Fund	11.1 (45)	7.8 (49)	6.4 (75)	7.5 (79)	0.9 (73)	0.6 (73)
▲ TRS Policy Benchmark	9.0 (90)	6.1 (96)	6.6 (77)	7.7 (80)	0.6 (97)	0.4 (97)
5th Percentile	14.0	9.4	2.8	4.3	1.5	1.0
1st Quartile	12.0	8.6	4.8	5.6	1.2	0.9
Median	10.8	7.7	5.3	6.4	1.1	0.7
3rd Quartile	9.6	7.1	6.4	7.3	0.9	0.6
95th Percentile	6.9	6.1	8.2	8.9	0.7	0.5
Population	28	25	28	25	28	25

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Total Fund vs. All Public Plans > $10B



	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	20 Yrs (%)	2025 (%)	2024 (%)	2023 (%)
Total Fund	3.0 (5)	15.9 (14)	11.1 (45)	7.8 (49)	8.8 (38)	7.3 (18)	15.9 (14)	7.9 (74)	9.7 (72)
TRS Policy Benchmark	2.4 (50)	14.1 (41)	9.0 (90)	6.1 (96)	7.9 (81)	6.8 (62)	14.1 (41)	5.5 (96)	7.6 (97)
5th Percentile	3.0	18.7	14.0	9.4	9.6	7.6	18.7	10.8	13.8
1st Quartile	2.6	14.6	12.0	8.6	9.0	7.3	14.6	9.9	12.2
Median	2.4	13.4	10.8	7.7	8.4	7.0	13.4	8.8	11.3
3rd Quartile	2.2	12.2	9.6	7.1	8.0	6.4	12.2	7.9	9.6
95th Percentile	1.6	8.6	6.9	6.1	7.2	6.0	8.6	5.7	8.0
Population	28	28	28	25	22	18	28	62	65

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

IPS Stated Trust Return Objectives | As of December 31, 2025

	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	20 Yrs (%)
Total Fund	7.83	9.32	8.83	7.33
Total Fund Benchmark	*6.12*	*8.30*	*7.90*	*6.78*
Difference	1.71	1.03	0.93	0.55
Total Fund	7.83	9.32	8.83	7.33
Assumed Rate of Return	*7.08*	*7.13*	*7.36*	*7.68*
Difference	0.75	2.19	1.47	-0.35
Total Fund	7.83	9.32	8.83	7.33
CPI +5%	*9.67*	*8.87*	*8.34*	*7.62*
Difference	-1.84	0.45	0.48	-0.29

Note: The excess returns shown in this presentation may differ from State Street statements due entirely to rounding. These differences are generally within a few basis points and are not material.

	Market Value ($)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund	235,166,213,652	3.0	15.9	11.1	7.8	8.8
TRS Policy Benchmark		2.4	14.1	9.0	6.1	7.9
Over/Under		0.6	1.7	2.1	1.7	0.9
Global Equity	135,217,750,463	3.9	21.7	16.9	11.5	11.3
Global Equity Policy Benchmark		3.4	19.3	15.6	10.8	11.4
Over/Under		0.5	2.4	1.2	0.7	-0.1
Total Public Equity	101,525,149,598	4.2	25.3	20.7	11.1	10.9
Public Equity Benchmark		3.8	23.0	19.3	9.8	10.9
Over/Under		0.4	2.3	1.3	1.2	0.0
All Country	87,296,827,831	3.9	23.3	--	--	--
TRS All Country Benchmark		3.6	21.7	--	--	--
Over/Under		0.3	1.5	--	--	--
USA	--					
TRS USA Benchmark		2.4	17.3	22.4	13.3	14.4
Over/Under		--	--	--	--	--
Non-US Developed	11,729,463,889	5.6	39.2	21.3	11.1	9.1
TRS Non-US Developed Benchmark		4.7	31.1	17.3	9.2	8.4
Over/Under		0.9	8.2	4.0	1.9	0.7
Emerging Markets	2,498,857,877	8.9	31.8	17.2	4.9	9.0
TRS Emerging Markets Benchmark		9.2	31.5	16.7	3.8	8.2
Over/Under		-0.3	0.3	0.5	1.1	0.8
Private Equity	33,692,600,865	3.0	12.2	8.5	12.6	12.5
Customized State Street Private Equity Index (1Q Lag)		2.2	9.4	7.1	12.8	12.5
Over/Under		0.8	2.9	1.4	-0.2	0.0

Trailing Net Performance | As of December 31, 2025

	Market Value ($)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Stable Value	48,449,160,446	1.4	8.2	3.8	-1.8	2.8
Stable Value *Policy* Benchmark		0.4	6.4	2.8	-3.9	1.4
Over/Under		0.9	1.8	1.0	2.1	1.4
Government Bonds - Nominal	20,572,843,244	-0.7	2.7	-2.2	-9.1	-0.8
Blmbg. U.S. Treasury: Long		0.0	5.6	0.6	-7.2	0.0
Over/Under		-0.7	-2.9	-2.8	-1.9	-0.8
Government Bonds - Real	7,703,183,531	-0.2	5.3	--	--	--
Blmbg. U.S. TIPS Benchmark		0.1	7.0	--	--	--
Over/Under		-0.4	-1.7	--	--	--
Stable Value Hedge Funds	11,850,260,743	5.1	13.3	10.3	9.3	7.4
Stable Value Hedge Fund Benchmark		1.7	7.1	6.5	5.4	4.5
Over/Under		3.4	6.2	3.8	3.9	2.9
Absolute Return	8,322,872,928	3.0	18.4	16.3	11.7	9.6
Absolute Return Benchmark		2.1	8.7	9.3	7.3	5.4
Over/Under		0.9	9.7	6.9	4.4	4.3

Trailing Net Performance | As of December 31, 2025

	Market Value ($)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Real Return	47,280,483,995	1.2	2.8	1.1	7.9	7.4
Real Return Policy Benchmark		1.0	4.5	-2.2	5.2	4.9
Over/Under		0.2	-1.7	3.3	2.7	2.6
Real Estate	30,650,162,140	-0.6	-3.5	-4.1	4.8	6.9
NCREIF ODCE (1Q Lag)		0.5	3.2	-6.1	2.6	4.1
Over/Under		-1.2	-6.7	2.1	2.2	2.7
ENRI	15,927,590,885	4.3	14.6	13.0	15.1	--
Energy, Natural Resources, & Infrastructure Benchmark (1Q Lag)		2.0	7.1	7.3	11.4	--
Over/Under		2.4	7.6	5.6	3.7	--
Commodities	702,730,970	13.9	102.6	14.4	12.2	11.3
Goldman Sachs Commodities Benchmark		1.0	7.1	3.9	14.6	6.1
Over/Under		13.0	95.5	10.5	-2.4	5.2

Trailing Net Performance | As of December 31, 2025

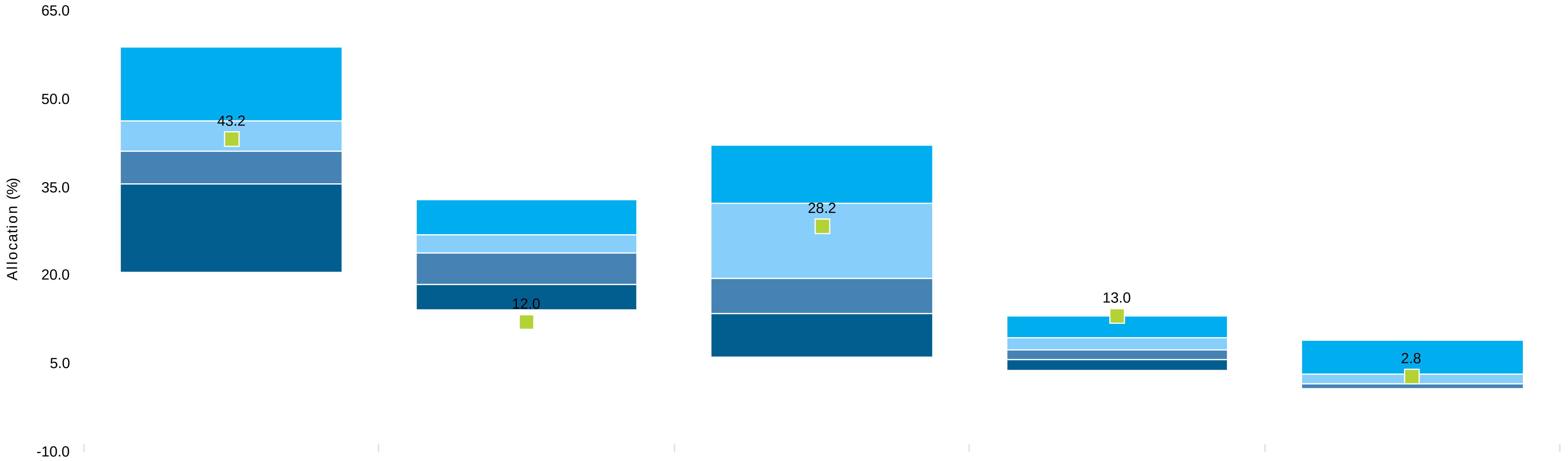
	Market Value ($)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Risk Parity	11,831,493,250	5.1	22.4	12.7	4.5	6.8
Risk Parity Policy Benchmark		4.1	19.7	10.7	2.5	6.3
Over/Under		1.0	2.7	2.0	2.0	0.6

Trailing Net Performance | As of December 31, 2025

	Market Value ($)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Cash	6,648,097,859	0.6	3.7	5.4	3.8	2.7
Cash Benchmark		1.0	4.4	5.0	3.3	2.2
Over/Under		-0.5	-0.7	0.4	0.5	0.5

Appendix

TRS Commitment Levels vs. Peers (>$10Billion) | As of December 31, 2025

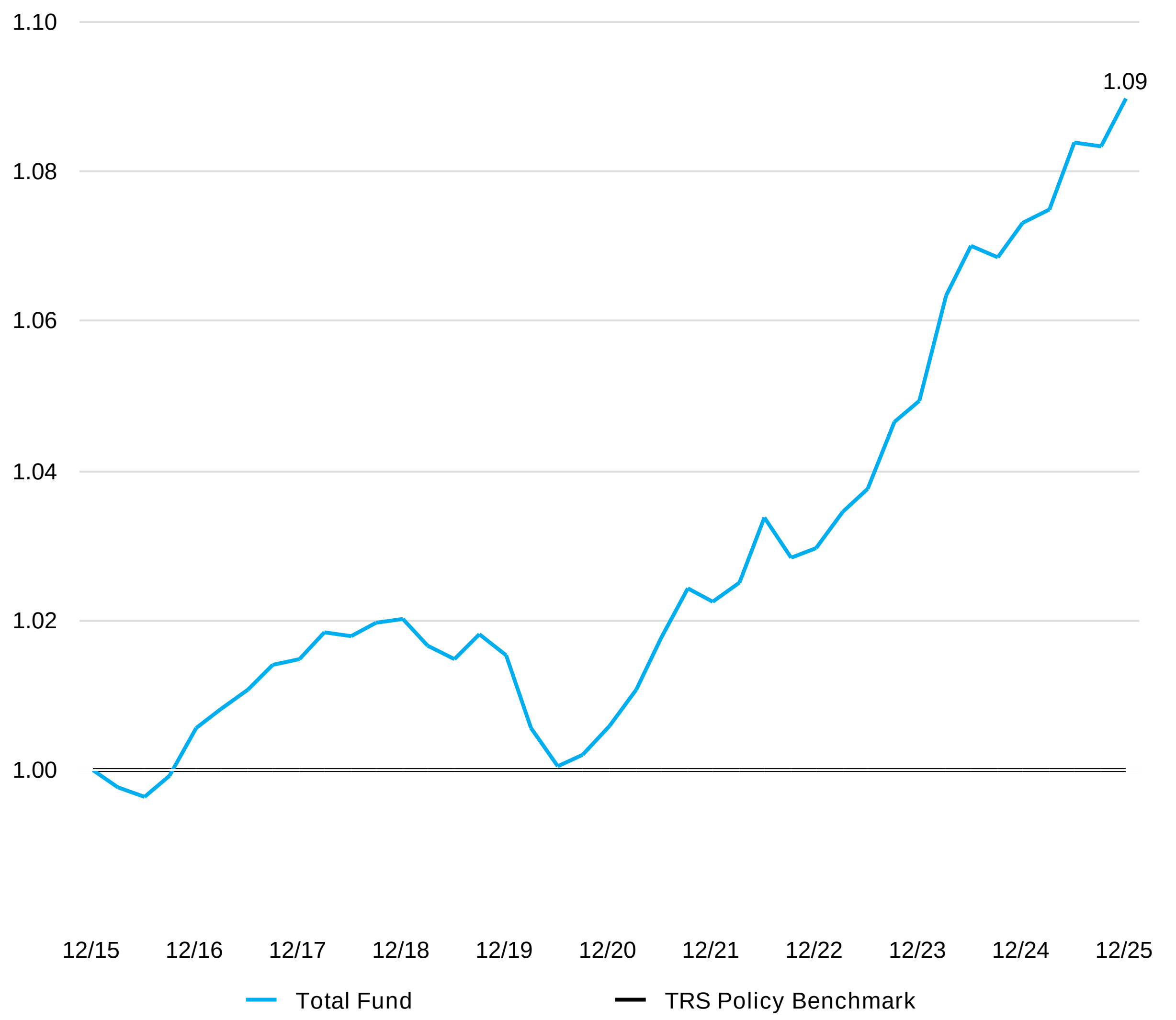


	Total Equity	Total Fixed Income	Alternatives	Total Real Estate	Cash & Equivalents
Total Fund	43.2 (41)	12.0 (100)	28.2 (40)	13.0 (6)	2.8 (30)
5th Percentile	58.8	33.0	42.2	13.1	8.9
1st Quartile	46.3	26.9	32.2	9.3	3.2
Median	41.1	23.7	19.5	7.2	1.6
3rd Quartile	35.5	18.4	13.4	5.6	0.8
95th Percentile	20.6	14.2	6.2	3.7	0.5
Population	32	32	31	27	30

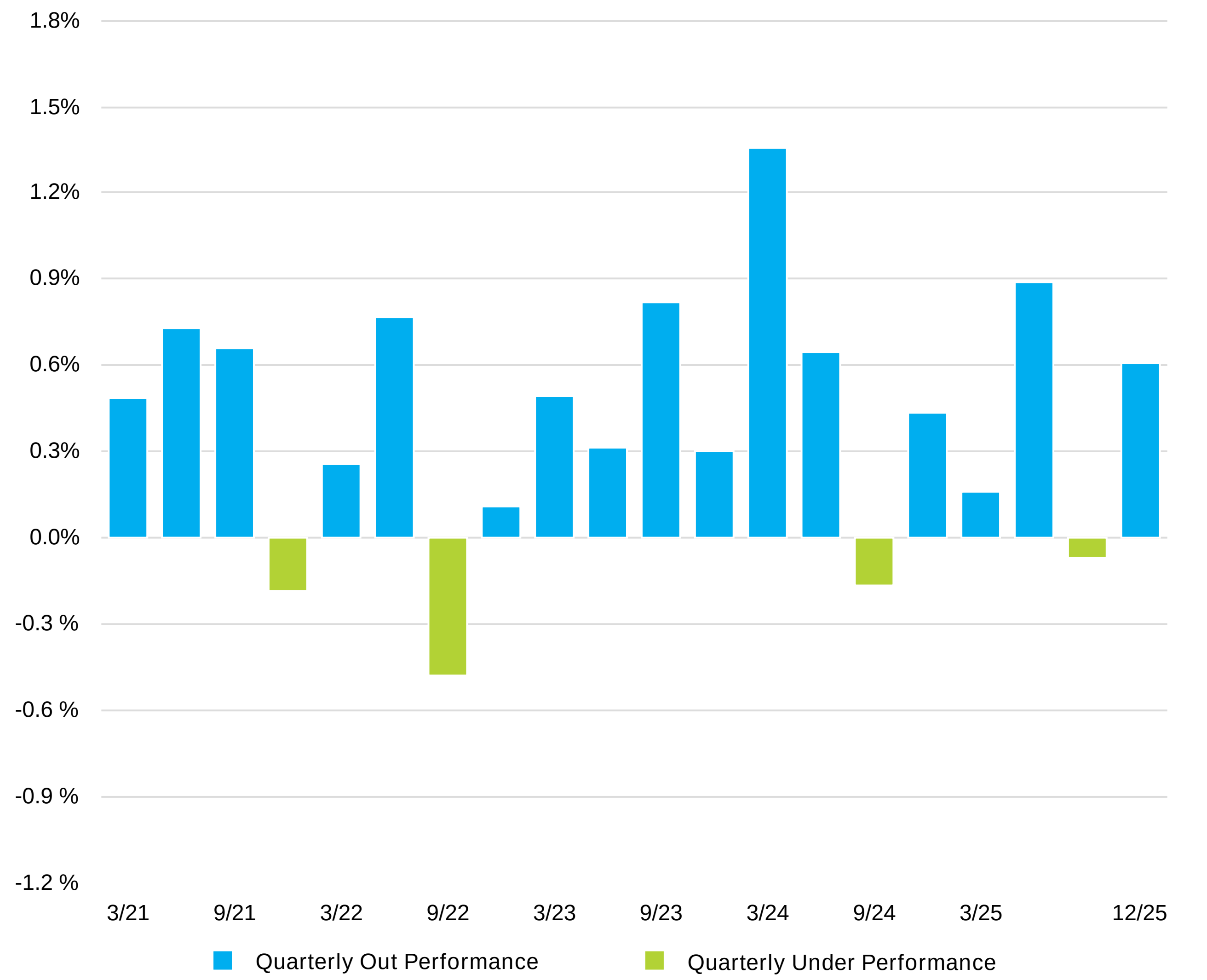
Parentheses contain percentile rankings.

Total Fund vs. Total Fund Benchmark | As of December 31, 2025

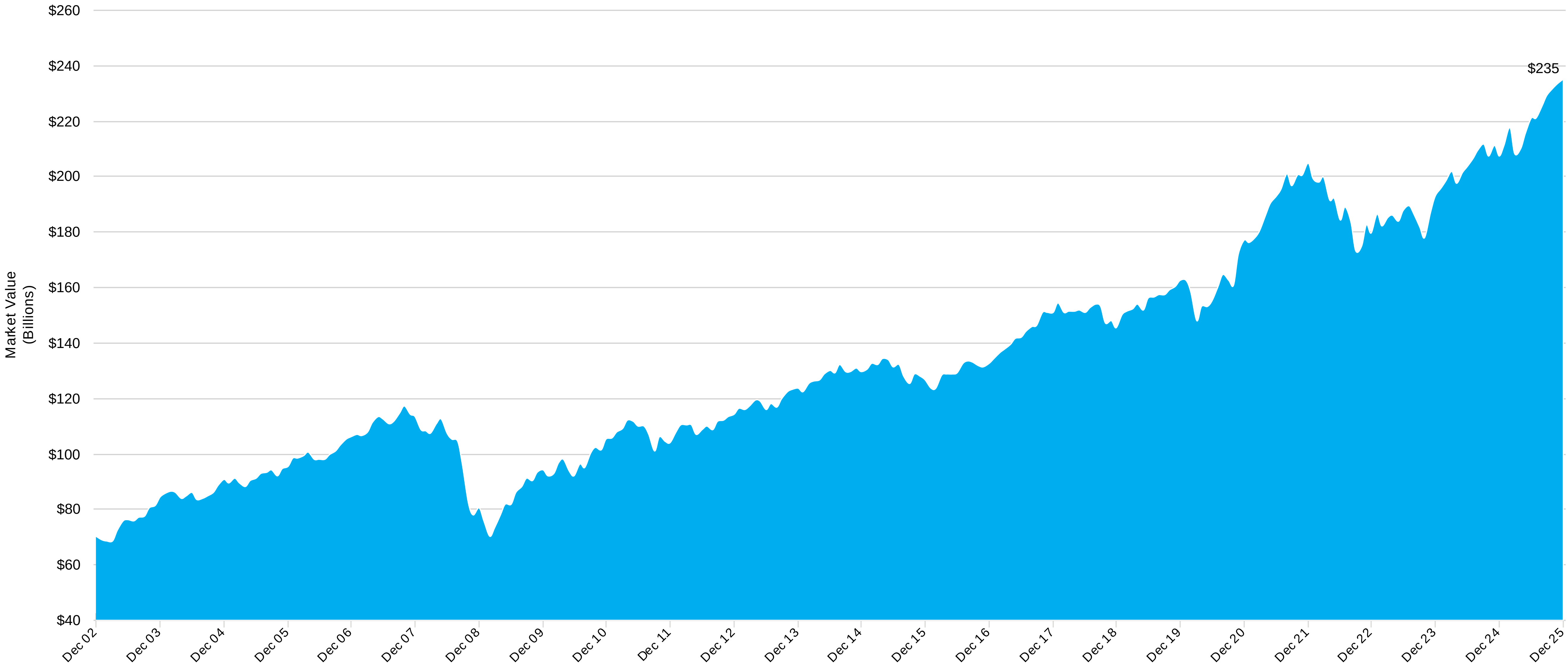
Ratio of Cumulative Wealth - 10 Years



Quarterly Excess Performance



Total Fund Historical Growth (December 2002 - December 2025)



Current Benchmark Weights | As of December 31, 2025

Current Benchmark Weights		
From Date	To Date	
Total Fund		
10/01/2025	Present	37.9% MSCI ACWI IMI ex CN ex HK, 4.9% TRS Non-US Developed Benchmark, 1.0% TRS Emerging Markets Benchmark, 15.0% Customized State Street Private Equity Index (1Q Lag), 9.7% Blmbg. U.S. Treasury: Long, 5.8% Blmbg. U.S. TIPS Index, 4.9% Hedge Fund Benchmark, 13.3% NCREIF ODCE (1Q Lag, Monthly), 6.7% Energy and Natural Resources Benchmark, 4.9% Risk Parity Benchmark, 2.0% Citigroup 3 Mo. T-Bill Index, -6.0% Asset Allocation Leverage Benchmark
Global Equity		
04/01/2025	Present	63.2% MSCI ACWI IMI ex CN ex HK, 8.0% TRS Non-US Developed Benchmark, 1.7% TRS Emerging Markets Benchmark, 27.0% Customized State Street Private Equity Index (1Q Lag)
Stable Value		
04/01/2025	Present	47.7% Blmbg. Long Term Treasury Index, 28.6% U.S. TIPS Daily, 23.6% SOFR + 2.5%
Real Return		
04/01/2025	Present	68.0% NCREIF ODCE (1Q Lag), 32.0% Energy and Natural Resources Benchmark
Risk Parity		
02/01/2012	Present	100% HFR Risk Parity Vol 12 Institutional Index

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Annual Review of Public Markets

Dale West, Senior Managing Director, Public Markets
Brad Gilbert, Managing Director, External Public Markets

April 2026

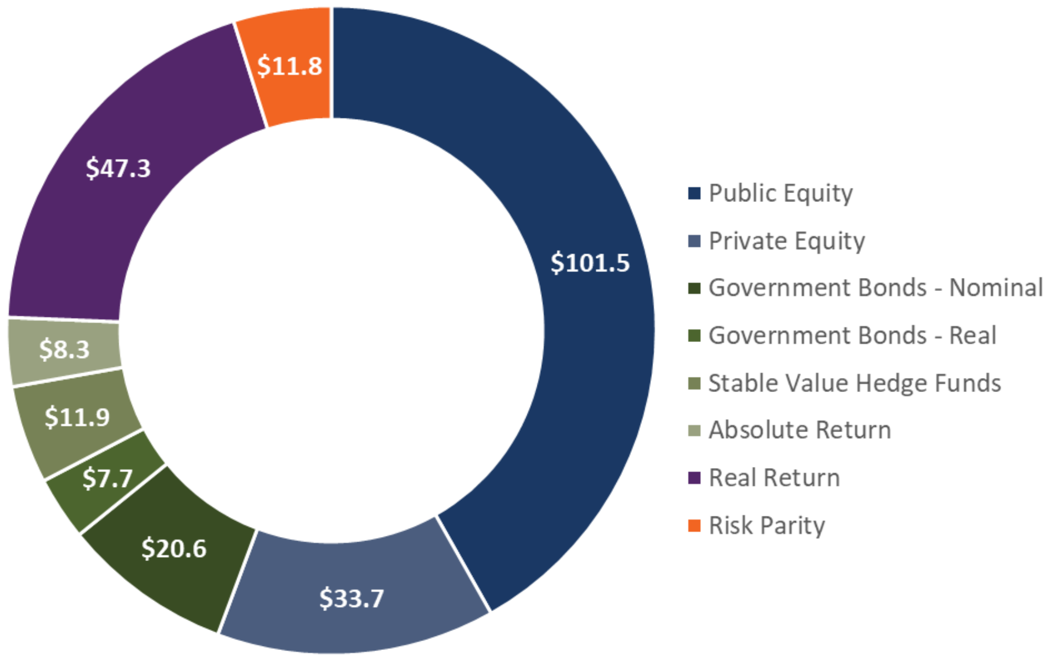
Agenda

I. Public Equity

II. Stable Value Hedge Fund

III. Absolute Return

TOTAL TRUST as of December 31, 2025



Trust Investment Exposure	$242.8
Asset Allocation Leverage	($7.6)
Total Trust	**$235.2 billion**

Source: State Street Bank

Public Markets Overview

External Public Markets (EPU)

No. of People: 12

AUM: $71.6B

Mission: Identify and invest with external managers to access strategies which complement internal TRS capabilities. Mandates include equity funds, hedge funds and Strategic Partnerships.

Quantitative Equity Group (QEG)

No. of People: 21

AUM: $12.9B

Mission: Create value managing equities, using quantitative analysis to systematically identify and capitalize on opportunities, while maintaining a disciplined and risk-managed approach.

Provide timely, high-quality quantitative analysis to enhance investment understanding and decisions across Public Markets.

Internal Fundamental (IFM)

No. of People: 20

AUM: $7.9B

Mission: Develop and invest across a collection of boutique strategies implemented by internal teams using predominantly fundamental research.

Special Opportunities (SO)

No. of People: 6

AUM: $8.5B

Mission: Capture unique and niche investments for the Trust. Investments are predominantly public market co-investments and illiquid credit.

Rotational Analyst Program (RAP)

No. of People: 5

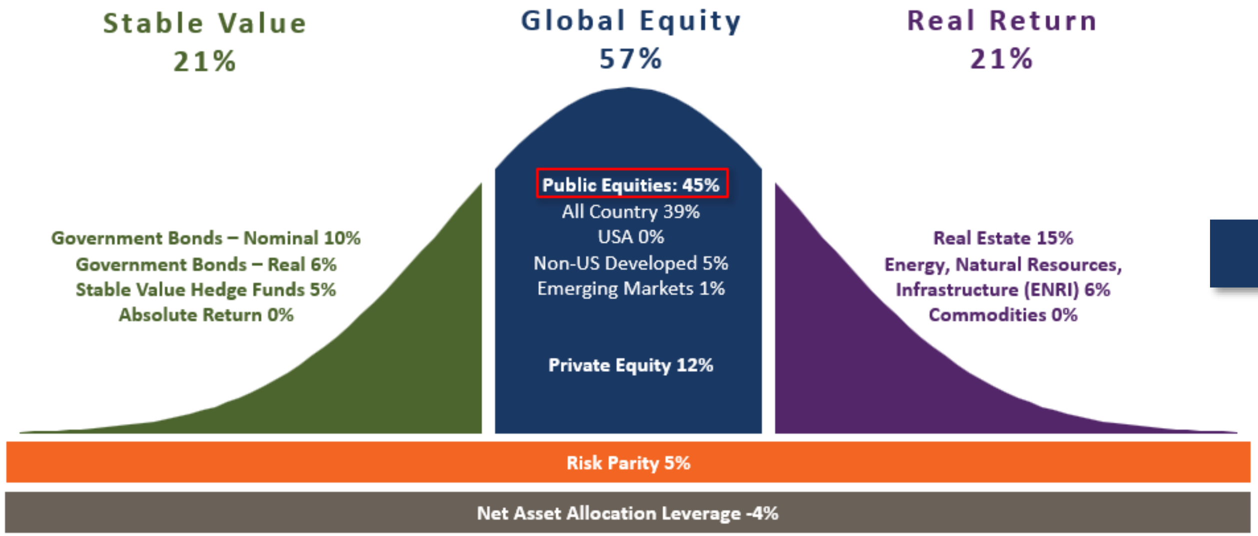
Mission: Attract and train high-potential early career investors who rotate among Public Markets groups during a 3-year program.

TRS TEACHER RETIREMENT SYSTEM OF TEXAS INVESTMENT MANAGEMENT DIVISION

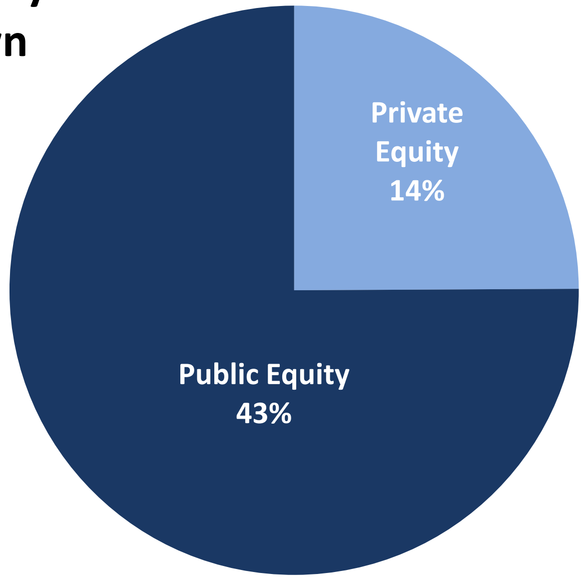
Source: State Street Bank, TRS IMD
Note: AUM as of 12/31/2025

Global Equity Overview

Global Equity's role in the Trust:



Global Equity Breakdown



Public Equity Portfolio		
As of 12/31/2025	**Assets (in billions)**	**Assets % of Trust**
External Manager/ Public SPN	$59.4	25%
Multi-Asset Strategies	12.9	5%
Internal Fundamental	7.9	3%
Passive & Transition	21.4	9%
Total Public Equity	**$101.5**	**43%**

Source: State Street Bank
Note: Public SPN values only include Global Equity assets.

Philosophy

Active Management	We believe active management will add value over time
Factors	Targeting factors that are compensated in the long run, such as value, is a key active strategy
Internal	We prefer to manage strategies internally when we have the resources and skills to compete with external managers
External	When we don't have internal capabilities, we can select external managers who will add value net of fees
Efficient Markets	Active management is most successful in less efficient markets, including international and small caps

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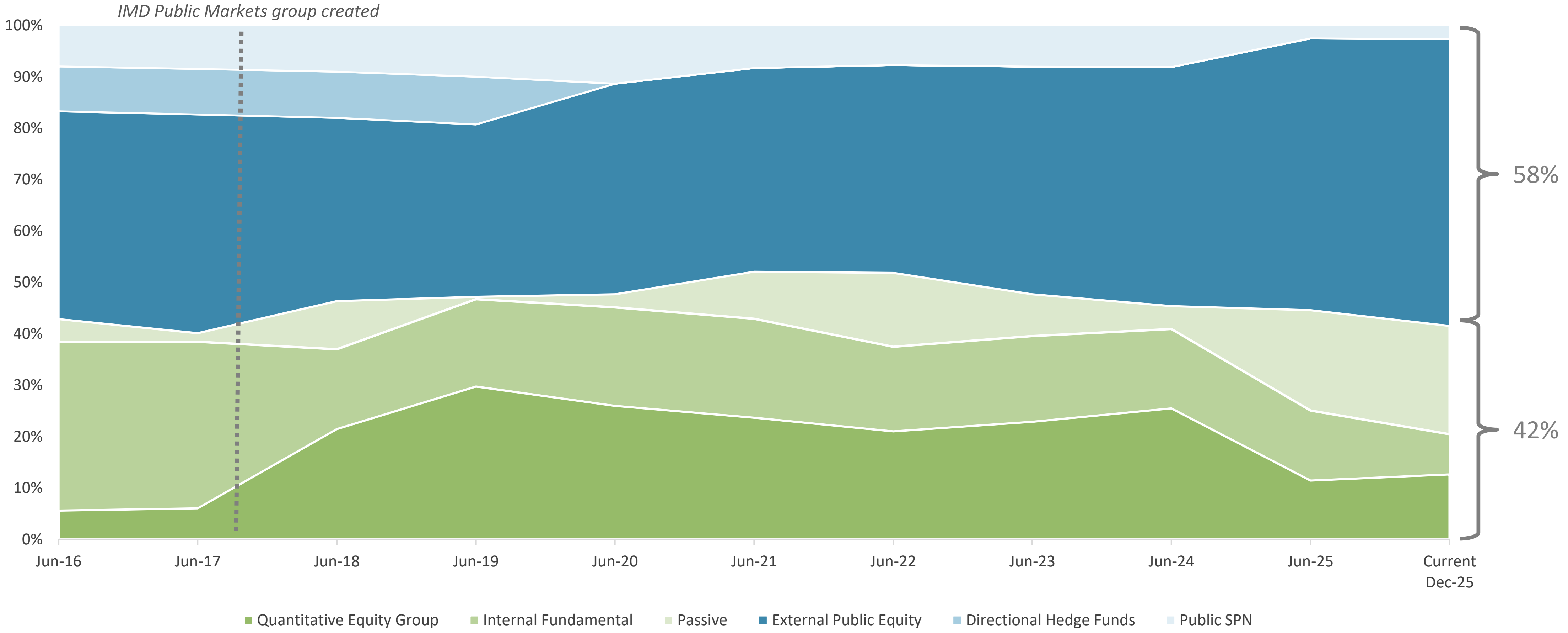
Internal & External Management

Public Equity Split by Strategy Group



Source: State Street Bank.

Note: Directional Hedge Funds are no longer a separate allocation and are included in External Public Equity. Public SPN values only include Global Equity assets.

Public Equity Performance

Public Equity Portfolios excluding Strategic Partnership TAA *As of December 31, 2025*	Assets ($ millions)	Assets (percent of Trust)	1-Year (Annualized) Return (%)	1-Year (Annualized) Alpha (bp)	3-Year (Annualized) Return (%)	3-Year (Annualized) Alpha (bp)
All Country	**$84,563**	**36.0**	**23.4**	**167**		
TRS All Country Benchmark			*21.7*			
Non-US Developed	**11,729**	**5.0**	**39.3**	**825**	**21.0**	**371**
TRS Non-US Developed Benchmark			*31.1*		*17.3*	
Emerging Markets	**2,499**	**1.1**	**31.8**	**31**	**17.2**	**48**
TRS Emerging Market Benchmark			*31.5*		*16.7*	
Total Public Equity	**$98,791**	**42.0**	**25.5**	**237**	**20.7**	**147**
TRS Public Equity Policy Benchmark			*23.2*		*19.3*	

- The equity portfolios earned $21B in 2025
- The portfolios generated $1.6B in relative dollar value added (RDVA) in 2025 and $2.7B over the last three years
- Hedge funds, along with internal and external quantitative strategies, performed particularly well

Source: State Street Bank, TRS IMD
Note: TRS benchmarks are adjusted for securities TRS is not authorized to buy because of IPS or statutory provisions, and where TRS has not exercised a fiduciary exemption.

Special Topic – Hedge Funds at TRS

What is a Hedge Fund?

- Flexible investment vehicles
    - Trade multiple asset classes, primarily in public markets
    - Invest long and short
    - Don't typically move in lockstep with markets
- Active trading
    - Positions change frequently
    - Employ leverage and derivatives to manage and express risk
- Less transparency than long-only portfolios
    - Since the GFC, frequent risk-level transparency is standard
- Fees are performance-based, and higher than long-only
- Investor liquidity varies widely by strategy and fund
- The Trust uses hedge funds in multiple asset classes, predominantly in public markets

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History of Hedge Funds at TRS

- The role of hedge funds has evolved over the 25 years that TRS has invested

2000

TRS adopts a 1.5% long-term target allocation to “Strategically Traded Securities” within the Alternatives portfolio.

2007

TRS adopts a 4% target allocation to “Hedge Funds” under a 5% Legislative cap within the Stable Value portfolio.

2011

The Texas Legislature approves an increase in the hedge fund cap to 10%. TRS splits the allocation into two distinct portfolios, Directional and Stable Value, serving different purposes.

2019

TRS integrates Directional Hedge Funds (DHF) into the Global Equity portfolio, as well as adding an overlay to put them on an equal risk footing with equities.

2023

Legislation transfers authority to limit the size of the hedge fund portfolio to the TRS Board of Trustees. The Board subsequently increases the hedge fund limit to 15%.

2024

Regional hedge fund portfolios (US, Non-US Developed, Emerging Markets and World) are combined into the All Country portfolio. This group of hedge funds and the overlay are renamed, “Portable Alpha.”

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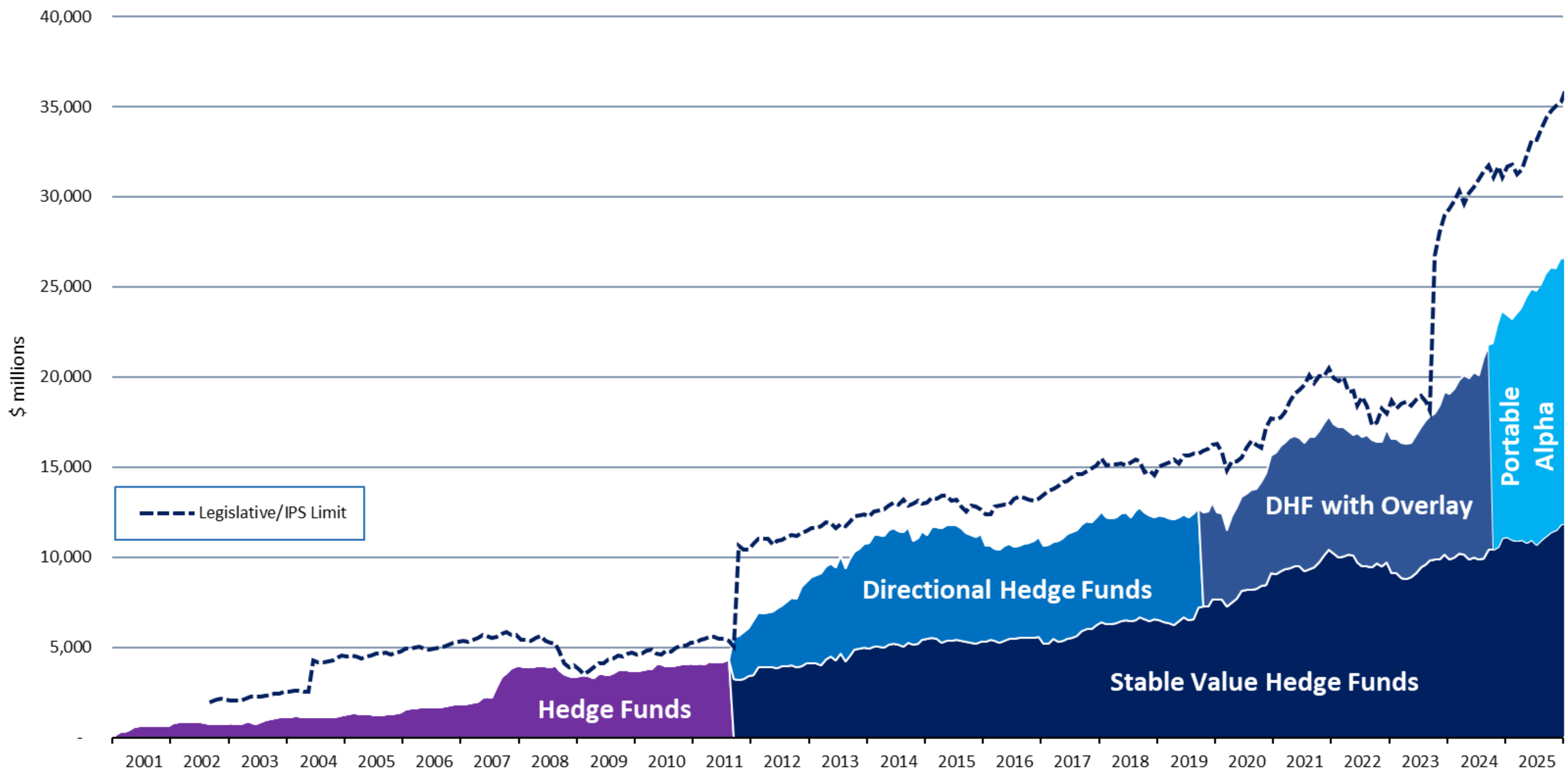
External Public Hedge Fund Historical Allocation



Source: State Street Bank, TRS IMD

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Two Hedge Fund Portfolios, Clear and Differentiated Roles

Portable Alpha

- Since 2019, integrated into the Trust's equity portfolios, with the same benchmarks
  - A derivative overlay brings the hedge funds to market-equivalent risk levels
  - In 2024 consolidated into the All Country asset class
  - 6.4% of Trust assets as of December 2025
- A variety of market-sensitive strategies
- Portable Alpha has been successful and generated $2.2 billion in RDVA since inception (Oct 2019)
  - These results are included in overall Public Equity performance

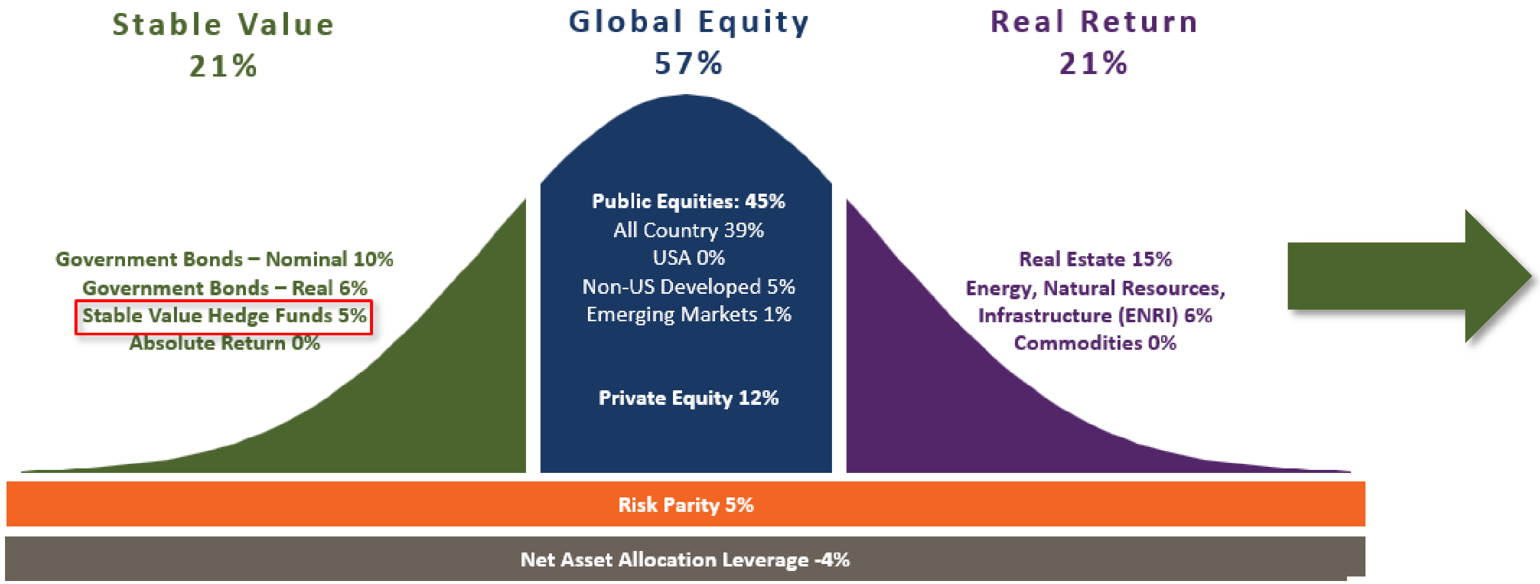
Stable Value Hedge Funds

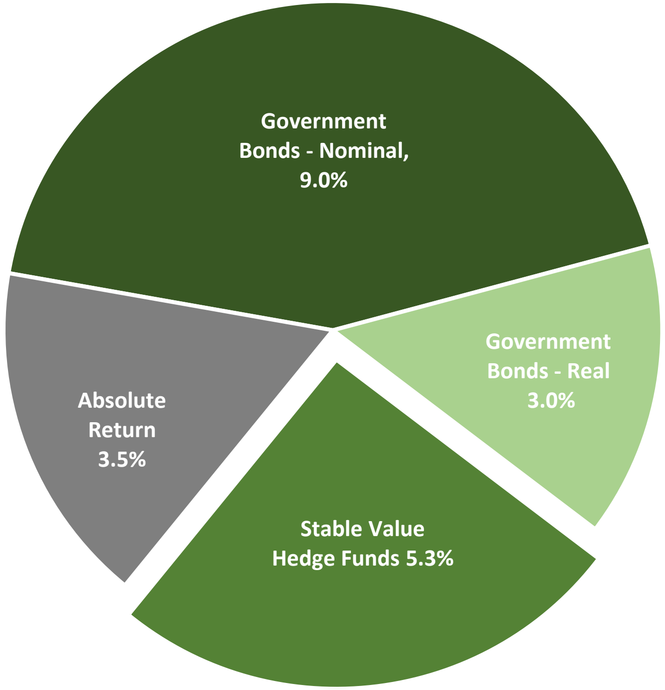
- Intended to generate returns independent of market direction
  - Invest in a wide range of assets including stocks and bonds on a market-neutral basis
  - Absolute return benchmark (SOFR + 2.5%)
- The portfolio is relatively liquid; redemptions allow Trust rebalancing into assets after markets decline
- Separate asset class, results reported separately

TRS TEACHER RETIREMENT SYSTEM OF TEXAS INVESTMENT MANAGEMENT DIVISION

Source: State Street Bank, TRS IMD

Stable Value in the Trust





Source: State Street Bank

Stable Value Hedge Fund Performance

Stable Value Hedge Funds
As of December 31, 2025

	Assets (in millions)	1-Year Return (%)	1-Year Alpha (bp)	3-Year Return (%)	3-Year Alpha (bp)	Since Inception October 2011 Return (%)	Since Inception October 2011 Alpha (bp)
Stable Value Hedge Funds	**$11,850**	**13.3**	**620**	**10.3**	**377**	**6.4**	**218**
Stable Value Hedge Funds Benchmark		*7.1*		*6.5*		4.2	

- SVHF generated its highest absolute return (+13.3%) and second highest alpha year (+620bp)
  - Performance was balanced across strategies
  - Strategies benefited from volatility and dispersion across markets creating a good environment for alpha generation
- SVHF has been a consistent outperformer
  - Over 3 years, SVHF added $1.1 billion in relative dollar value add (RDVA) versus the policy benchmark
  - Since inception, SVHF added $2.6 billion in RDVA versus the policy benchmark

TRS TEACHER RETIREMENT SYSTEM OF TEXAS INVESTMENT MANAGEMENT DIVISION

Source: State Street Bank, TRS IMD
Returns and excess returns are annualized for periods longer than one year
HFRI Fund of Funds Conservative Index through 9/30/2024, SOFR + 250 thereafter

Stable Value Hedge Fund Portfolio

Stable Value Hedge Fund Objectives	Status	Details
Hedge Fund Types Focus on absolute return hedge funds	✔	• Return: 6.4%[1] • Sharpe Ratio: 1.6
Market Sensitivity and Risk Core strategies have low to negative market sensitivity	✔	• Correlation to Global Equities[2]: 0.2 • Beta to Global Equities: 0.05
Market Regime Performance Expected to have positive returns when markets are down	✔	• Outperformed equities in every down month for stocks, by an average of 3.7% • Positive returns in 76% of 41 down equity months since October 2011
Performance versus US Treasuries Expected to outperform US Treasuries over the long term	✔	• 6.4% return versus Treasuries[3] 0.9% • 3.1% volatility versus Treasuries 12.2% • 12/31/25 10-year Treasury yield-to-maturity: 4.2%
Performance versus Benchmark Stable Value HF benchmark[4]	✔	• 2.2% ahead of Stable Value HF benchmark since inception • Tracking error of 2.6%

Source: State Street Bank, Bloomberg
Note: Performance is annualized and is net of fees.
[1]Dates: October 2011 (inception) to December 2025
[2]MSCI All Country World Index
[3]Bloomberg Barclays US Long Treasury Total Return Index
[4]HFRI Fund of Funds Conservative Index through 9/30/2024, SOFR + 250 thereafter

TRS Teacher Retirement System of Texas Investment Management Division

Hedge Funds at TRS

- Trust allocation for over 25 years
  - Diversifying
- Consistent return and alpha generator
  - Fees aligned with alpha
- Growing allocation subject to 15% IPS limit
  - Adding to equity strategies in Portable Alpha
  - Implementing a tactical overweight to Stable Value Hedge Funds

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Public Markets 2026 Priorities

- Managing risks and taking advantage of opportunities arising from greater market and macroeconomic volatility
  - AI winners and losers
  - International opportunity set
- Increasing the allocation to internal quantitative strategies as the team has rebuilt
- Improving equity portfolio risk management though use of an optimized completion portfolio
- Maintaining a culture that is collaborative and accountable

APPENDIX

Strategic Partnership Tactical Asset Allocation

Strategic Partnership Tactical Asset Allocation *As of December 31, 2025*							
		1-Year		3-Year		Since Inception July 2008	
	Assets (in millions)	Return (%)	Alpha (bp)	Return (%)	Alpha (bp)	Return (%)	Alpha (bp)
Public SPN	**$3,389**	**16.8**	**-120**	**13.5**	**-90**	**7.2**	**76**
Public SPN Benchmark		*18.0*		*14.4*		*6.4*	

- The Strategic Partnership Network is transforming, with a single partner in the historical low-breadth tactical asset allocation strategy
- The program goal is to work with our largest partners, whether labeled "Strategic" or not to generate:
  - Investment Alpha – Capital efficient delivery of the best that firm has to offer
  - Service Alpha – Research, conferences and special projects for TRS
  - Innovation Alpha – New and reengineered strategies that benefit TRS economically and reputationally

Source: State Street Bank, TRS IMD

External Public Markets

Brad Gilbert, CFA, CAIA
Managing Director
Head of External Public Markets
BBA, UT Austin

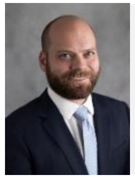
Experience Summary
- 8 CFA Charterholders
- 7 Master's Degrees
- 4 CAIA Charterholders
- 1 Certified FRM

Jean-Benoit Daumerie, CFA
Director
MBA, Rice University

Scott Gonsoulin, CFA
Director
MS, Texas A&M

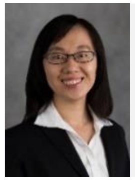
Joel Hinkhouse, CFA
Director
MBA, University of Chicago

Lulu Llano, CFA
Director
BBA, UT Austin



Steven Wilson, CAIA
Director
MBA, Rice University

John Hall, CFA
Investment Manager
MBA, London Business School



Sibei Wen, CFA, CAIA, FRM
Investment Manager
MS, UT Austin

McKenna Begala, CFA, CAIA
Sr. Associate
BBA, UT Austin

Mindu Dasanayake
Associate
BBA, UT San Antonio

Thomas Sharron
Sr. Analyst
MPA, UT Austin

Jon Klekman
Analyst
BA, SUNY Binghamton

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TEACHER RETIREMENT SYSTEM OF TEXAS
INVESTMENT MANAGEMENT DIVISION

Quantitative Equity Group

Experience Summary
- 2 PhD Degree
- 4 CFA Charterholders
- 12 Master's Degrees
- 1 CPA
- 1 Certified FRM

Kyle Wynne, CFA, FRM
Managing Director
Head of Quantitative Equity Group
MS, University of Chicago

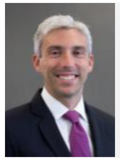
Mark Albert, CFA
Director
MBA, University of Michigan

Wayne Speer, CFA
Director
MBA, SMU

Khoi Tran
Director
BA, UT Austin

Farzin Barekat
Investment Manager
PhD, UCLA

Sandro Fusco
Investment Manager
PhD, York University



Solomon Gold
Investment Manager
MS, UT Austin

Paul Nguyen
Investment Manager
MS, University of Virginia

Anthony Paolini, CPA
Investment Manager
MPA, UT Austin

Kevin Taylor
Investment Manager
MS, UT Austin

Chad White
Investment Manager
MSF, Tulsa
MS, MS&T

Chris Steeves
Sr. Associate
MS, UT Austin

Lamont Colter
Associate
BS, Texas State University

Logan Deboo
Associate
BA, University of British Columbia

Cyrus Buhariwalla
Sr. Analyst
BS, Texas A&M

Joseph Cavazos, CFA
Sr. Analyst
BBA, UT Austin

Irma A. Martinez
Sr. Analyst
BBA, St. Edwards

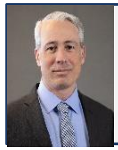
Caleb Scott
Sr. Analyst
BS, UT San Antonio

John Onyango
Analyst
BBA, Texas State University

Arjun Mudunuru
Contractor
MS, UT San Antonio

Gabriela Ramirez
Administrative Assistant

Internal Fundamental

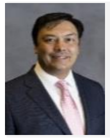


KJ Van Ackeren, CFA
Managing Director, Head of Internal Fundamental
MBA, Texas Christian University

EXPERIENCE SUMMARY
13 CFA Charterholders
17 Master's Degrees

Richard Campbell, CFA
Director
MBA, UT Austin

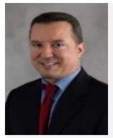
Lee Carter, CFA
Director
MBA, Rice University



Frank Crown, CFA
Director
BAA, Georgia State University

Marissa Hogan
Director
MBA, Babson College

Shayne McGuire
Director
MBA & MA, UT Austin



Stacey Peot, CFA
Director
MBA, UT Austin

Michael Poustovoi, CFA
Director
MBA, OCU

Derek Sbrogna, CFA
Director
MBA, UT Austin

John Watkins
Director
MS, Johns Hopkins
MBA, UT Austin

Jackson Wu, CFA
Director
MBA, Rice University

John DeMichele, CFA
Investment Manager
MBA, UT Austin

Ran Huo, CFA
Investment Manager
MBA, Rice University

Adam Kogler, CFA
Investment Manager
MSF, University of Florida

Marc Reber, CFA
Investment Manager
BA, University of Wisconsin

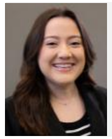
Jared Ryan
Investment Manager
BS, Trinity University

Jason Ng
Sr. Associate
BS, UC Davis

Laethitia Patadji, CFA
Sr. Associate
MBA, Columbia

Flora Zhao
Associate
MBA, Northwestern University

Ariel Furman
Sr. Analyst
BS, UT Dallas

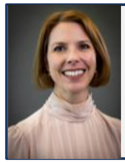


Gabriela Ramirez
Administrative Assistant

TRS TEACHER RETIREMENT SYSTEM OF TEXAS INVESTMENT MANAGEMENT DIVISION

Rotational Analyst Program

EXPERIENCE SUMMARY
2 Master's Degrees



Lulu Llano, CFA
Director, External Public Markets
BBA, UT Austin

Michael Poustovoi, CFA
Director, Internal Fundamental Management
MBA, OCU

Hunter Griffie
Sr. Analyst
MSF, University of Florida

Ben Woytek
Sr. Analyst
MFM, Texas A&M

Arman Ahmed
Analyst
BBA & BA, SMU

Joey Gillette
Analyst
BBA, Kansas State University

David Greenberg
Analyst
BS, UT Dallas

Legislative Authority Detail for Agency Agreements

As of December 31, 2025

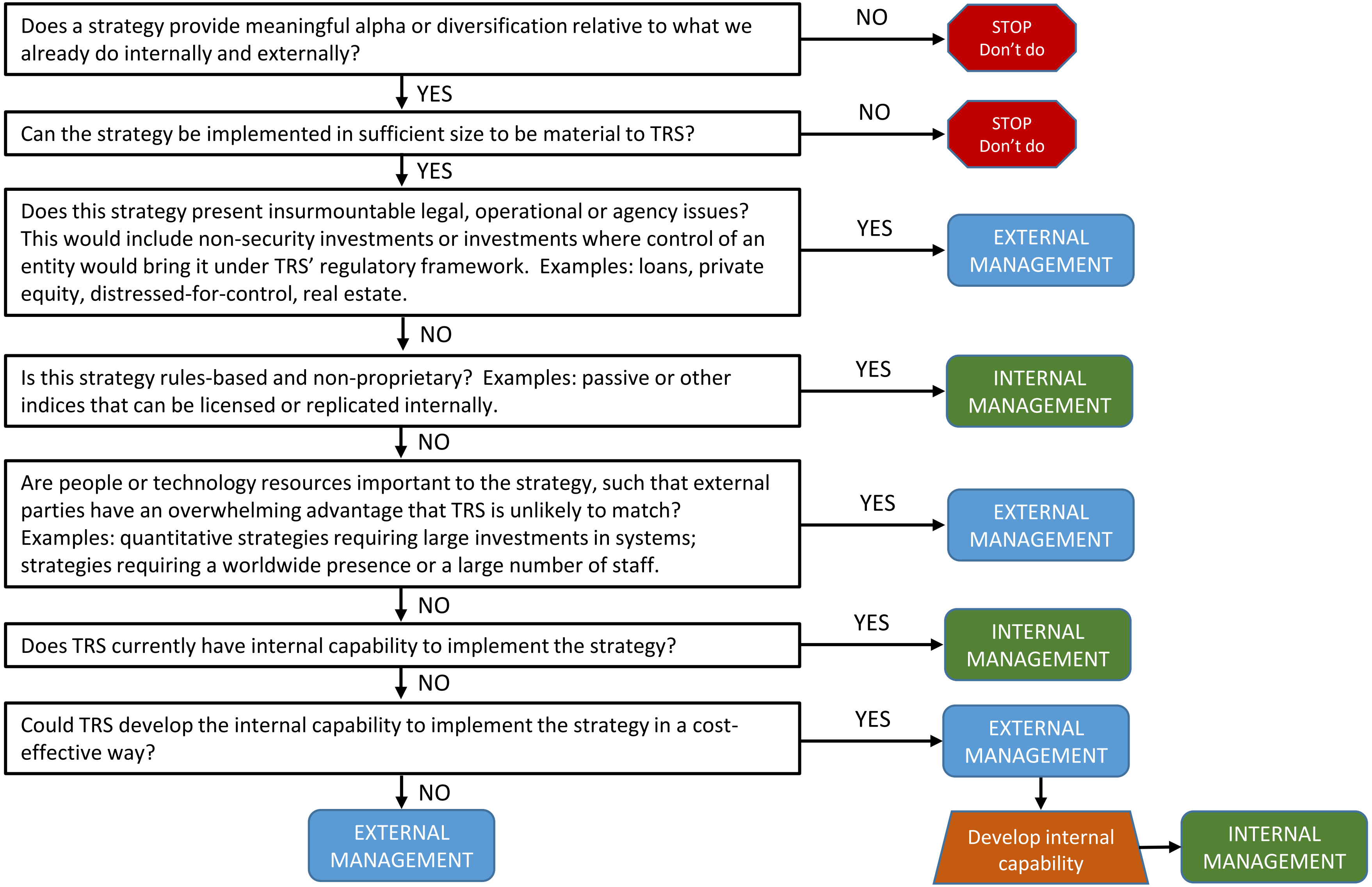
	# of Portfolios			Assets ($ billion)			Percentage of Trust		
External Managers	**Agency**	**LP**	**Total**	**Agency**	**LP**	**Total**	**Agency**	**LP**	**Total**
All Country	11	25	36	$11.9	$22.8	$34.7	5.1%	9.7%	14.8%
Non-US Developed	0	2	2	$0.0	$5.0	$5.0	0.0%	2.1%	2.1%
Emerging Markets	1	1	2	$0.3	$1.0	$1.3	0.1%	0.4%	0.5%
Total Equity	**12**	**28**	**40**	**$12.2**	**$28.8**	**$41.0**	**5.2%**	**12.2%**	**17.4%**
Public Markets SPN	**1**		**1**	**$3.4**		**$3.4**	**1.4%**		**1.4%**
Totals	**13**	**28**	**41**	**$15.6**	**$28.8**	**$44.4**	**6.6%**	**12.2%**	**18.9%**
Hedge Funds									
Global Equity					**$15.0**			**6.4%**	
Stable Value					**$11.9**			**5.0%**	
Special Opportunities					**$0.3**			**0.1%**	
Risk Parity					**$0.3**			**0.1%**	
Totals					**$27.4**			**11.7%**	

- TRS is limited by law to 30% Agency Agreement authority
  - Currently 18.9% utilized
- The Investment Policy Statement[1] limits the allocation to Hedge Funds to 15%
  - Current allocation is 11.7%

Source: State Street Bank

[1] The 88th Legislature passed legislation to delegate to the TRS Board of Trustees the authority to limit hedge fund investments.

Internal / External Decision Tree for Investment Strategies



Developing New Internal Portfolios

Development

- Design of strategy including source of return, implementation and time horizon
- MC sponsor
- Coordination with IMD Operations and Trading on resource needs
- Strategy description document
- Evaluation of strategy in PICT Committee for IFM

Paper Portfolio Stage

- Simulation of strategy with trade decisions documented but not implemented
- Independent oversight of performance calculation during test period
- Monthly reporting package to Management Committee
- Typically 4+ months

R&D Portfolio Stage

- Presentation to Internal Investment Committee (IIC)
- IIC approves an initial allocation, typically $100m-$250m
- IIC approves a ramp-up plan with timeline and milestones
- IMD Operations assists with account set-up, systems and infrastructure
- Compliance review of policy issues

Ramp-Up

- Monthly reporting on performance and milestones
- Detailed commentary during bi-annual portfolios reviews

- At the discretion of the CIO, the process and timeline may be shortened, for instance:
  - Minor extensions of existing strategies
  - Timely opportunities such as market dislocations

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Source: TRS Investment Management Division IIC Recommended Guidelines for Developing New Internal Portfolios

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MANAGEMENT DIVISION

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MANAGEMENT DIVISION

Annual Review of Absolute Return

Ashley Baum, Managing Director

April 2026

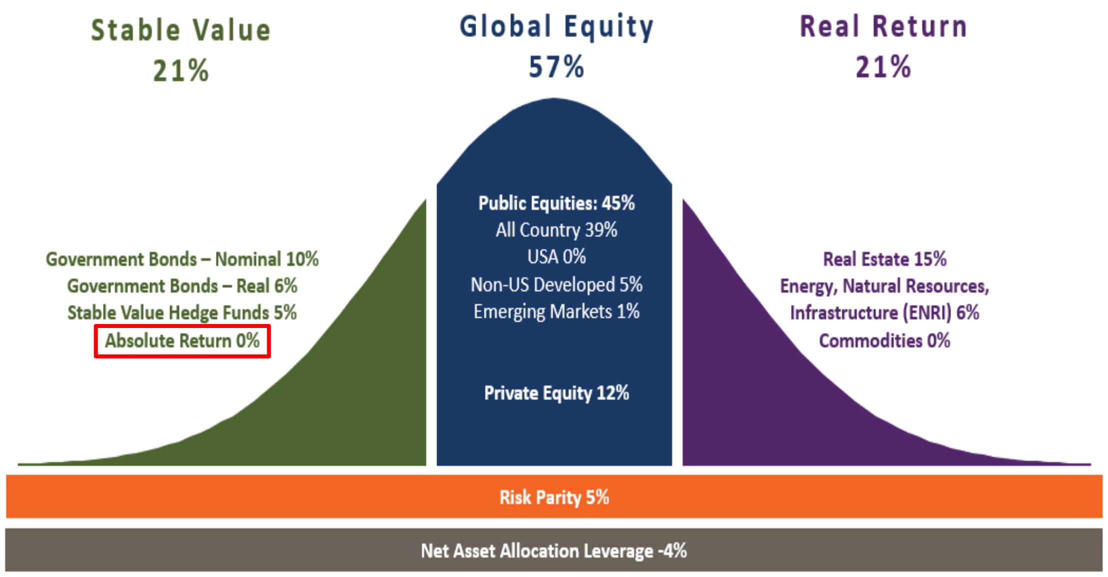
Role in the Trust

Absolute Return (AR)

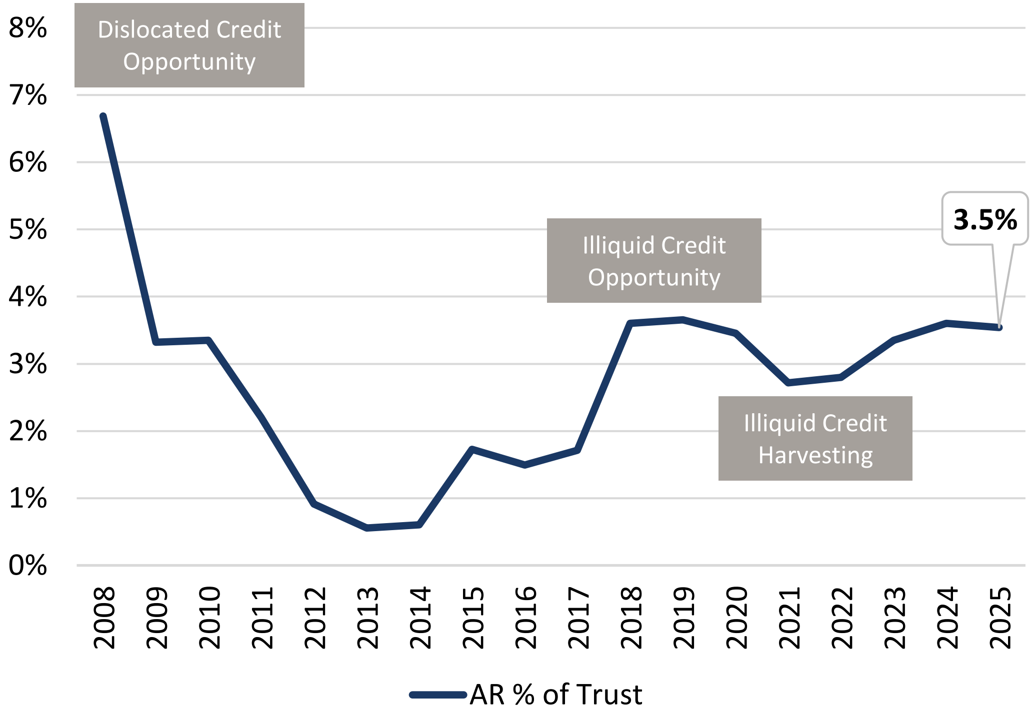
Absolute Return ("AR") is *"a broad category that includes all assets that have a high probability of generating a positive absolute return regardless of market conditions over a one- to three-year period"*

- Policy range of 0-20% with a target of 0%
- Actual size depends on the opportunities available

AR TARGET % OF TRUST



HISTORICAL TRUST ALLOCATION

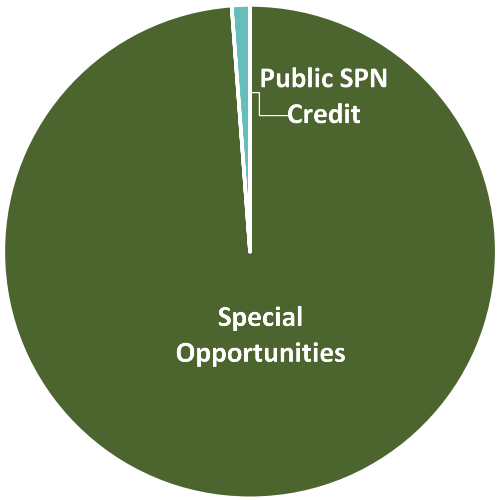


Source: State Street, TRS IMD

Absolute Return Portfolio Summary

- Absolute Return represents 3.5% of the Trust, composed mostly of investments made by the Special Opportunities team.

MARKET VALUE BY STRATEGY



AR Market Value $8.3B as of 12/31/25

Special Opportunities Portfolio Goals
Deliver an 8% IRR over a 3-year basis
Scale portfolio up/down opportunistically
Capture unique and niche investments
Act as innovation agent for the IMD

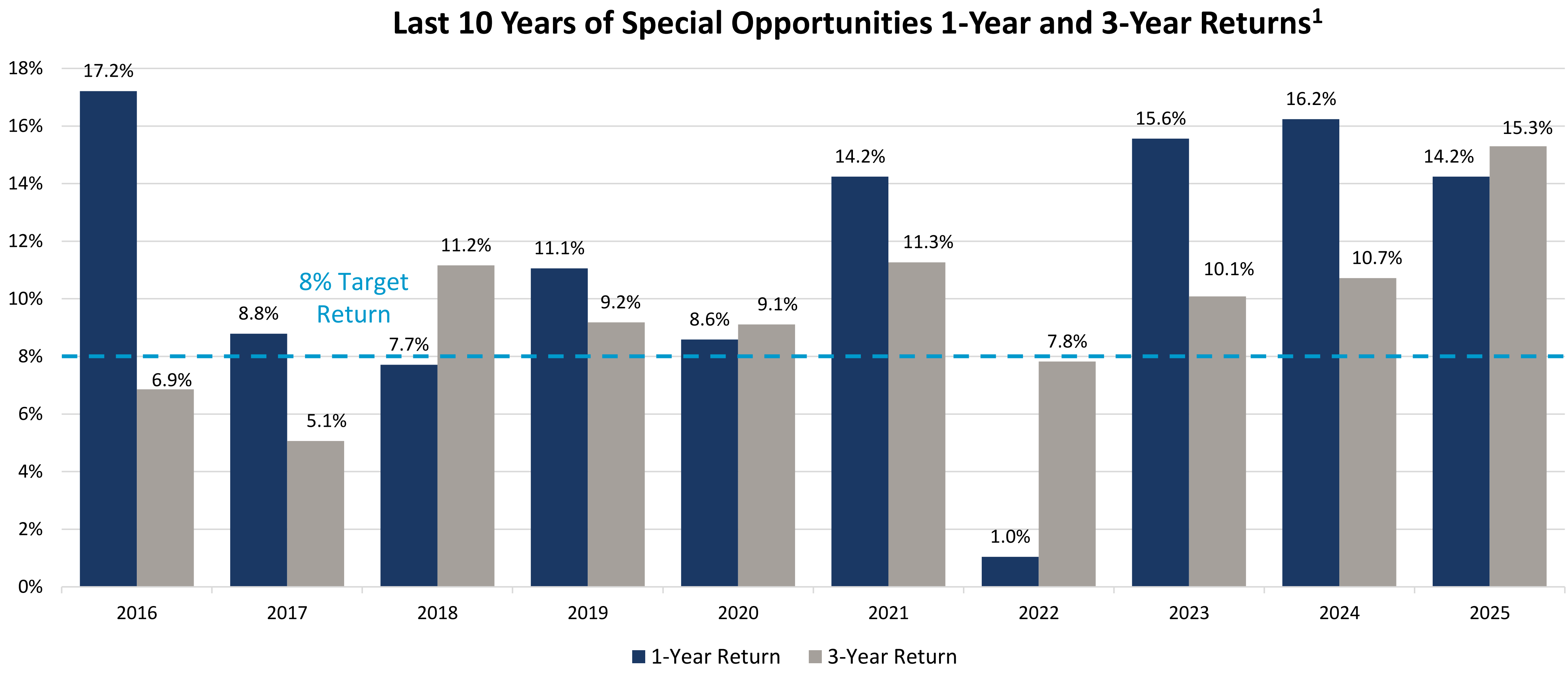
- Special Opportunities Portfolio launched in 2013 and includes fund and principal investments
- Since inception, TRS has deployed over $21.1B in these opportunities, resulting in a 16.1% time-weighted return and a 11.4% IRR since inception
- SO manages the portfolio to a maximum weight of 5% during normal environments, although it will often be well below that level

Source: State Street

Special Opportunities Portfolio Absolute Return

As of 12/31 each year

- The Special Opportunities team has historically targeted an 8% return over a 1- and 3-year basis
- Absolute Return has exceeded this target return on a 1-year basis 8 out of 10 periods and on a 3-year basis 7 out of 10 periods



Source: State Street

[1] Returns include Tactical Value from its inception in 2015. Special Opportunities began managing Tactical Value in March 2020

TRS Teacher Retirement System of Texas Investment Management Division

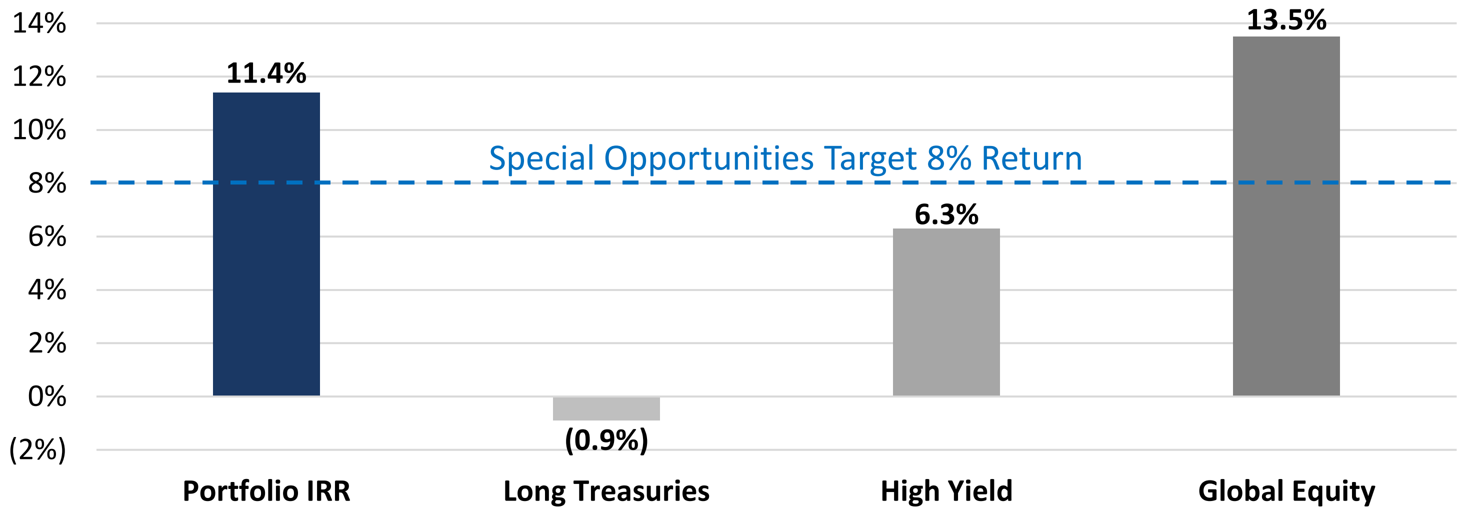
Special Opportunities Performance Summary

$ in Millions

PORTFOLIO INVESTMENTS PERFORMANCE as of 12/31/25													
	Market	Total	% of	Time-Weighted Return					Internal Rate of Return				
Portfolio	Value	Exposure	Exposure	1-Year	3-Year	5-Year	10-Year	Since Incept.	1-Year	3-Year	5-Year	10-Year	Since Incept.
Funds	$5,847	$8,331	68%	13.9%	14.1%	11.9%	11.0%	10.4%	13.0%	13.9%	11.8%	11.1%	11.1%
Principal Investments	$2,660	$3,883	32%	21.0%	20.6%	12.9%	12.5%	16.5%	20.5%	20.6%	14.0%	13.0%	16.6%
Special Opportunities Assets	**$8,507**	**$12,214**	**100%**	**14.2%**	**15.3%**	**12.1%**	**11.4%**	**16.1%**	**13.2%**	**15.1%**	**12.0%**	**11.3%**	**11.4%**

Public Market Equivalent ("PME") Benchmark Analysis Since Inception

Special Opportunities Assets as of 12/31/2025

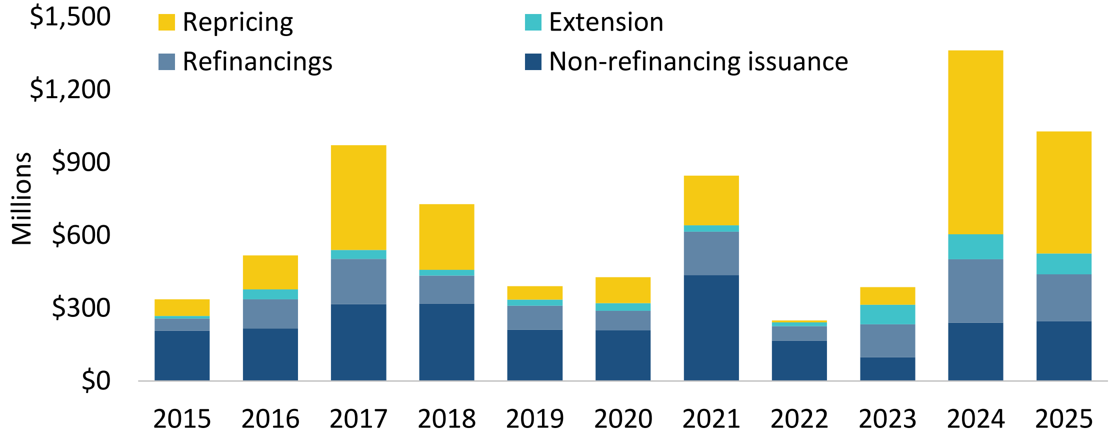


Source: State Street, TRS IMD

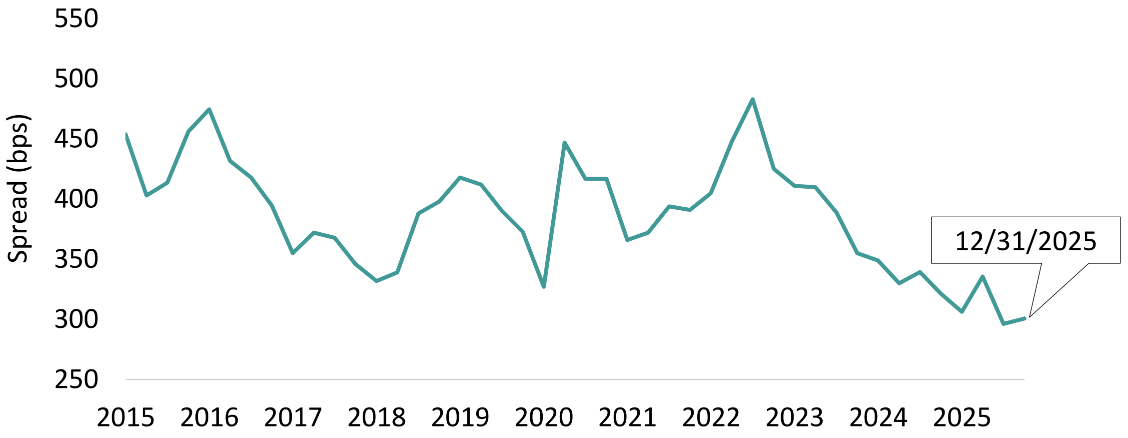
Public Market Equivalent ("PME") benchmark represents a hypothetical investment of cash flows in a public market index at the same time and amount as the cash flows for the portfolio. It is included to provide a comparison of how a public investment would have performed over the same period

Conflicting Signs in Credit—Lack of Supply But Also Fear

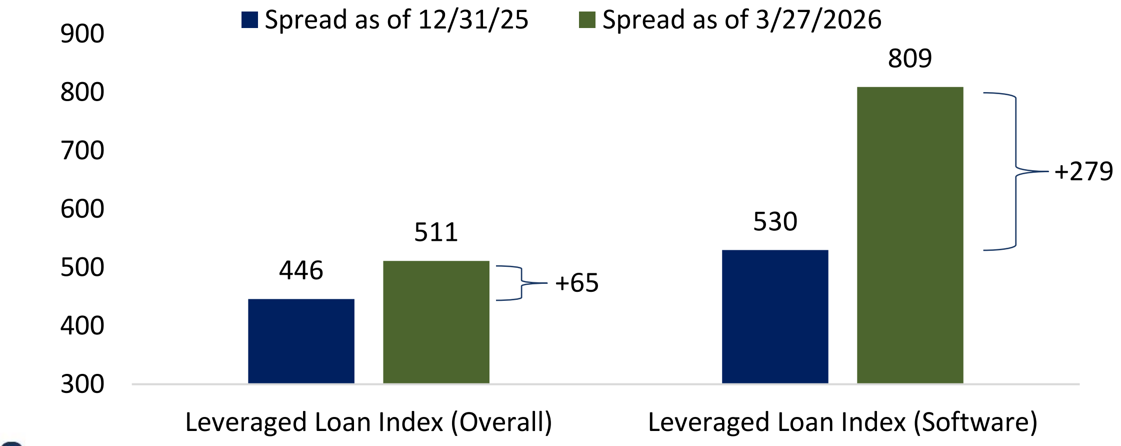
Leveraged Loan Activity Driven by Repricing



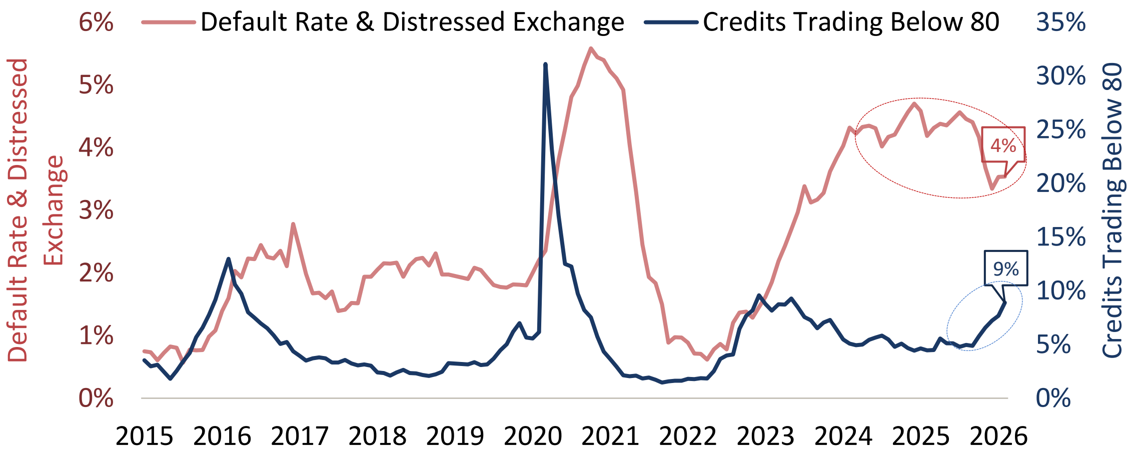
Tightened New-Issue Leveraged Loan Spreads



The Equity Selloff Spills Over Into Credit



Elevated Defaults and Distressed Ratios Rising



TEACHER RETIREMENT SYSTEM OF TEXAS INVESTMENT MANAGEMENT DIVISION

Source: Pitchbook LCD Q4 2025 Leveraged Loan, Pitchbook Global Leveraged Finance Trend Lines Q4 2025, Apollo Credit custom calculation using JPM Leveraged Loan data as of March 13 2026, Pitchbook LCD March 2026
Pitchbook Distressed Exchanges data started in Dec 2016

Summary: Special Opportunities Portfolio Assessment

Portfolio Goal	Status (12/31/25)
☑ Deliver an 8% IRR over a 3-year basis	• Exceeded the return target in 7 out of the 10 last periods • Since inception (2013) IRR of 11.4%
☑ Scale portfolio up/down opportunistically	• Invested $21.1B since inception with a NAV of $8.5B • Returned $3.1B of capital in 2025 • Designed capacity structures to be ready to invest when compelling ($4.9B dry powder available)
☑ Capture unique and niche investments	• Deployed in Activist Situations, Opportunistic Credit, Appraisal Rights, Warehousing, GP Lending, Preferred Equity, Asset-Backed Finance, Credit Risk Transfers, and Real Estate Construction Lending
☑ Act as innovation agent for the IMD	• Refining TRS custom fund mandates continually • Standardizing TRS legal agreement for co-investing • Exploring GP Solutions and Retail-related Opportunities • Sourcing investments for other IMD teams

TRS TEACHER RETIREMENT SYSTEM OF TEXAS INVESTMENT MANAGEMENT DIVISION

APPENDIX

Organization

Special Opportunities Team

11

Advanced degrees and certifications

Members of the Special Opportunities Investment Committee

Ashley Baum, CFA, CPA
Managing Director
Head of Special Opportunities
MPA, Accounting
University of Texas at Austin

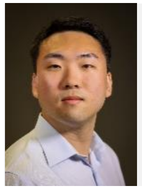
Shane Smith, CFA
Investment Manager
MS, Finance
University of Florida

Oscar Hakenaes
Senior Associate
BS, IT and Financial Mathematics
KTH Royal Institute of Technology

Carl Spansk, CFA, CAIA
Senior Associate
MS, Finance
University of Texas at Austin

Dave Seremek
Senior Associate
BS, Business
Indiana University

Drew Gambrell, CFA
Associate
MS, Finance
Texas A&M University

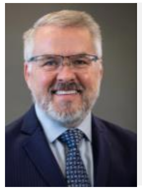


Zachary Hong
Senior Analyst
BBA, Finance
Emory University

Hunter Griffie
Rotational Analyst
MS, Finance
University of Florida

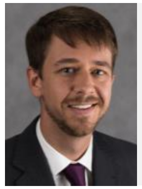
Jon Klekman
Shared Analyst
Relationship Management
BA, SUNY Binghamton

Advisors



Dale West, CFA
Senior Managing Director
Head of Public Markets, Member of IIC
MBA
Stanford University

K.J. Van Ackeren, CFA
Managing Director
Head of Internal Fundamental
MBA
Texas Christian University



Scott Gonsoulin, CFA
Director
External Public Markets
MS, Finance
Texas A&M University

John Watkins
Director
Internal Fundamental
MBA
University of Texas at Austin

Lulu Llano, CFA
Director
External Public Markets
BBA, Finance
UT Austin

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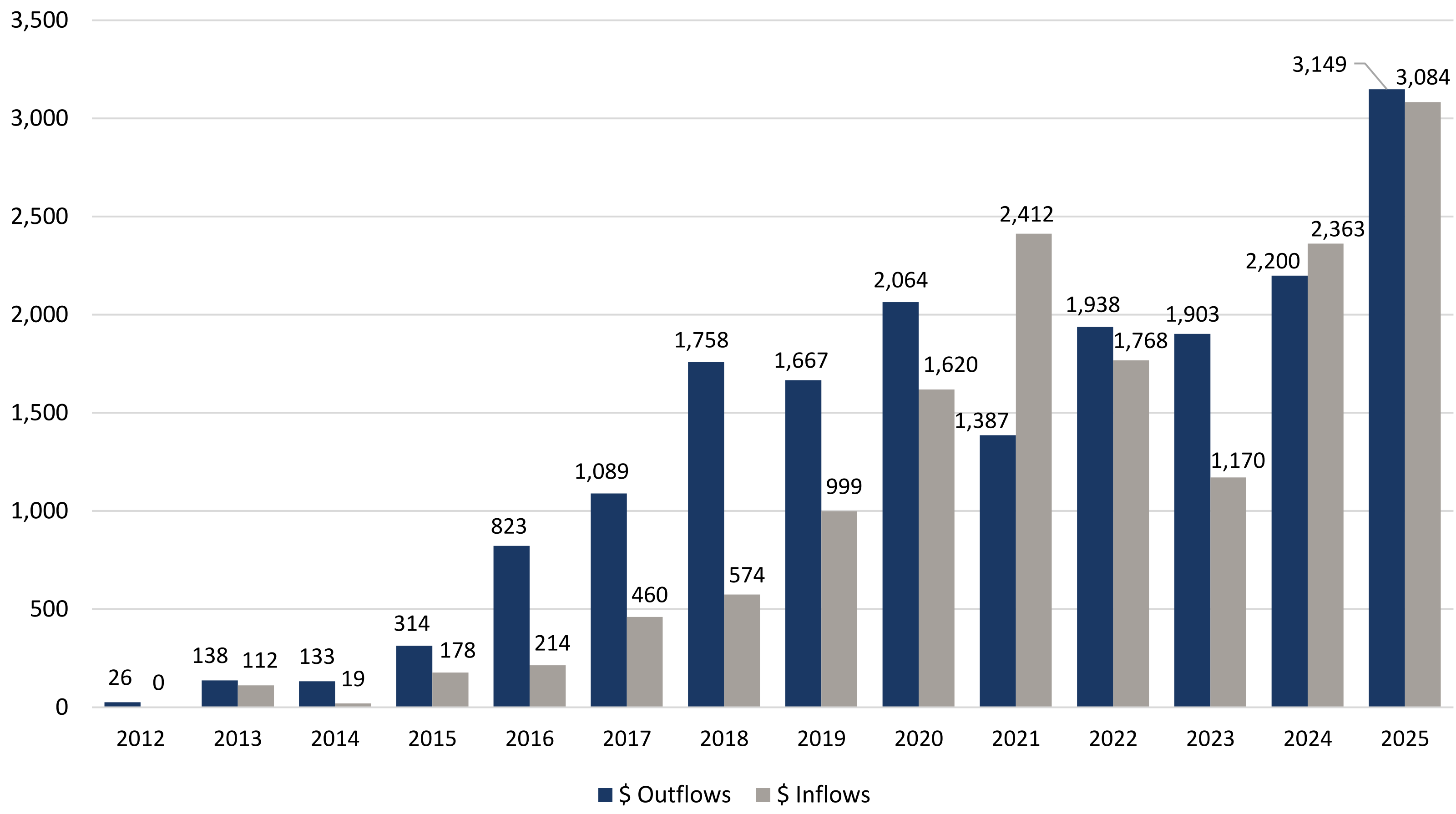
Opportunistic Deployment

Net Cash Outflows and Inflows by Year

- SO does not deploy capital unless the opportunity set is compelling
- This opportunistic and variable deployment is unique in the Trust
- SO investments have a faster cash flow cycle than private markets generally
- SO total invested amount ($21.1B) is much larger than market value ($8.5B) as of year end 2025
- SO saw a net cash outflow (contribution) of $65M for the 2025 calendar year

Historical Annual Cash Outflows and Inflows ($ Millions)[1]



Source: State Street, TRS IMD

[1] Cash flows presented include Tactical Value from its inception in 2015. Special Opportunities began managing Tactical Value in March 2020. The chart shows cash flows netted at the transaction level to remove the impact of capital recycling. [2] Cumulative net outflows shown in chart equal $18.6B; however total capital invested is $21.1B as of 12/31/25 as it includes capital recycling

Investment Risk Report

James Nield, Chief Risk Officer
Stephen Kim, Director

April 2026

TEACHER RETIREMENT SYSTEM OF TEXAS
INVESTMENT MANAGEMENT DIVISION

All metrics in compliance

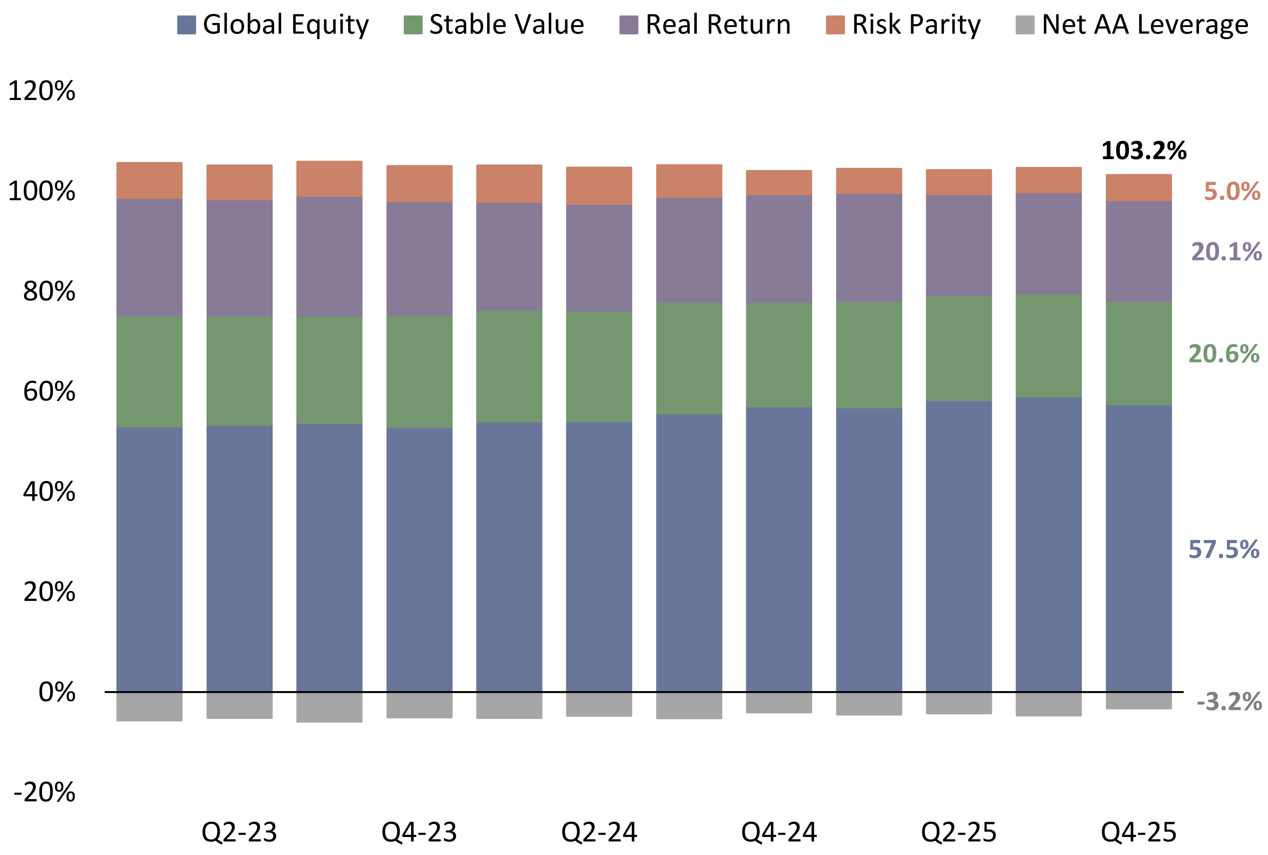
Risk Metric	Value	In Compliance?	Page(s)
1. Asset Allocation (AA): Underweight Global Equity	Underweight -1.2%	✓	3 - 4
2. Drawdown Risk: VaR estimate stable	5.7% VaR	✓	5 - 7
3. Tracking Error (TE): Public TE range bound	132 bp Realized	✓	8
4. Liquidity: Remained strong	6.9x Coverage Ratio	✓	9
5. Leverage: Trust gross leverage increased slightly	30.2% Gross	✓	10 - 11
6. Derivatives: Net notional exposure decreased	11.5% Net Notional	✓	11
7. Counterparty Risk: Within policy limits	Lowest Rating: A-	✓	12
8. Securities Lending: Utilization slightly increased	12.8% Utilization	✓	13

Unless otherwise noted, data presented as of December 31, 2025

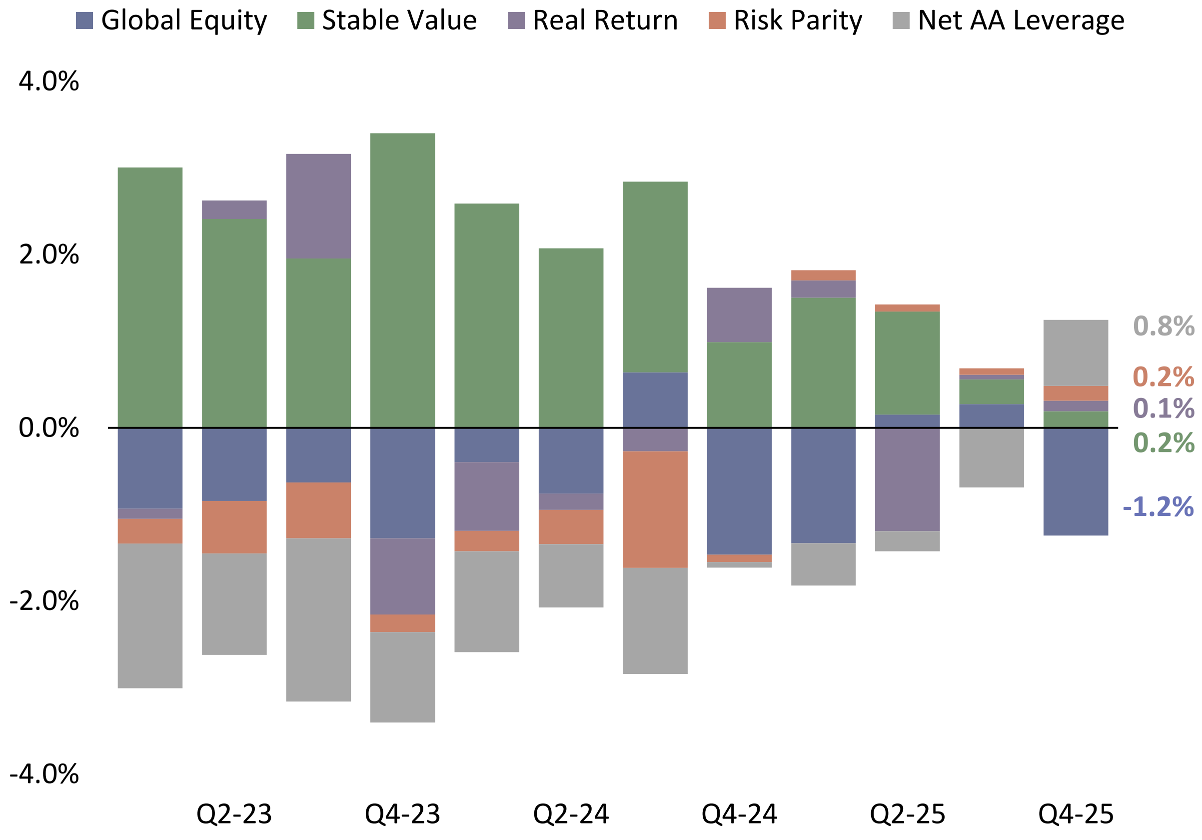
TRS TEACHER RETIREMENT SYSTEM OF TEXAS INVESTMENT MANAGEMENT DIVISION

Investment exposure declined below 104%

Asset Class Weights Trend

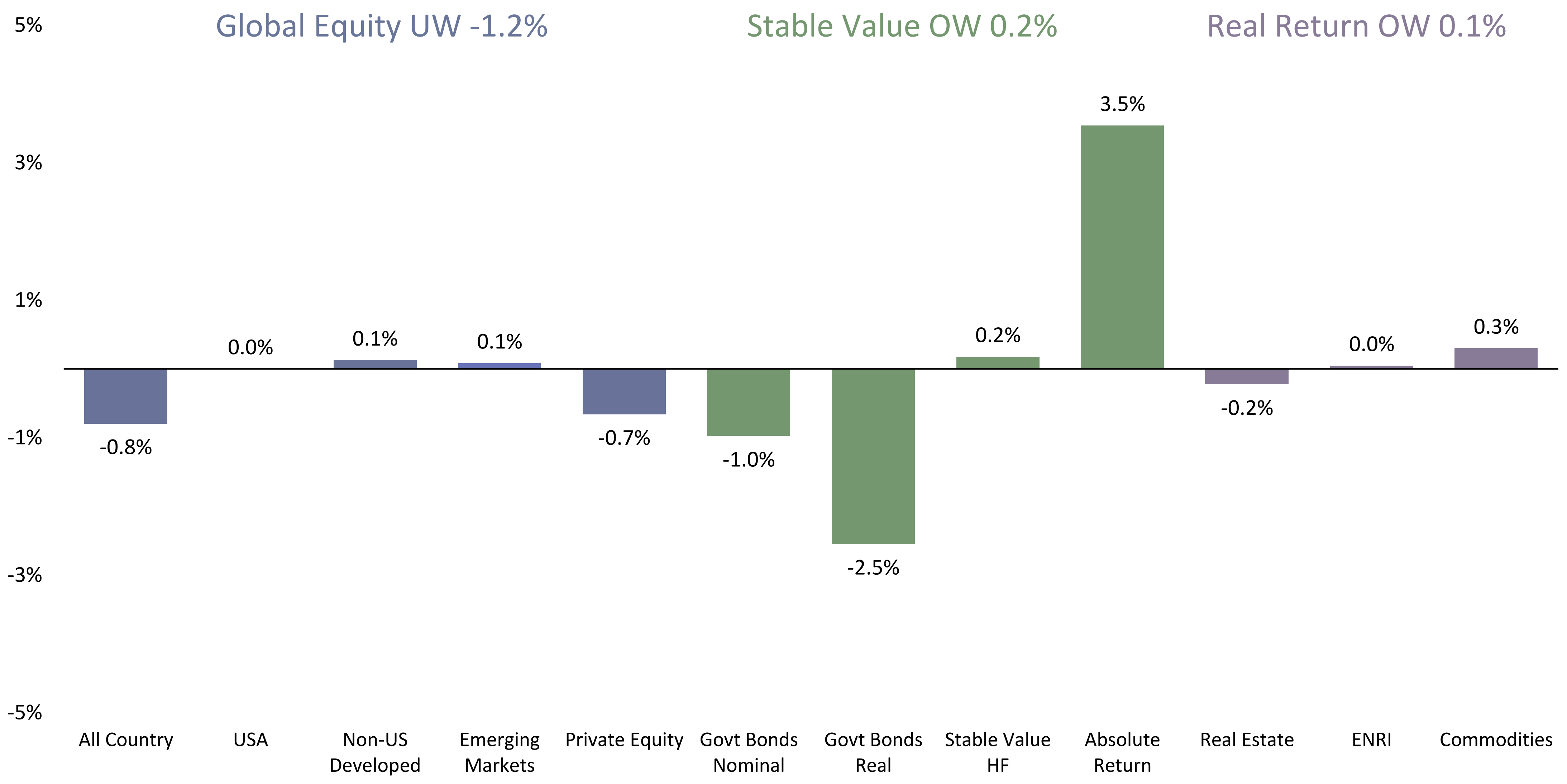


Asset Class Relative Weights



Source: State Street Bank; note: Net AA leverage is -3.2%, which indicates the Trust is levered by 3.2%. Relative positions shown in comparison to quarter-end Trust benchmark weights as defined in policy.

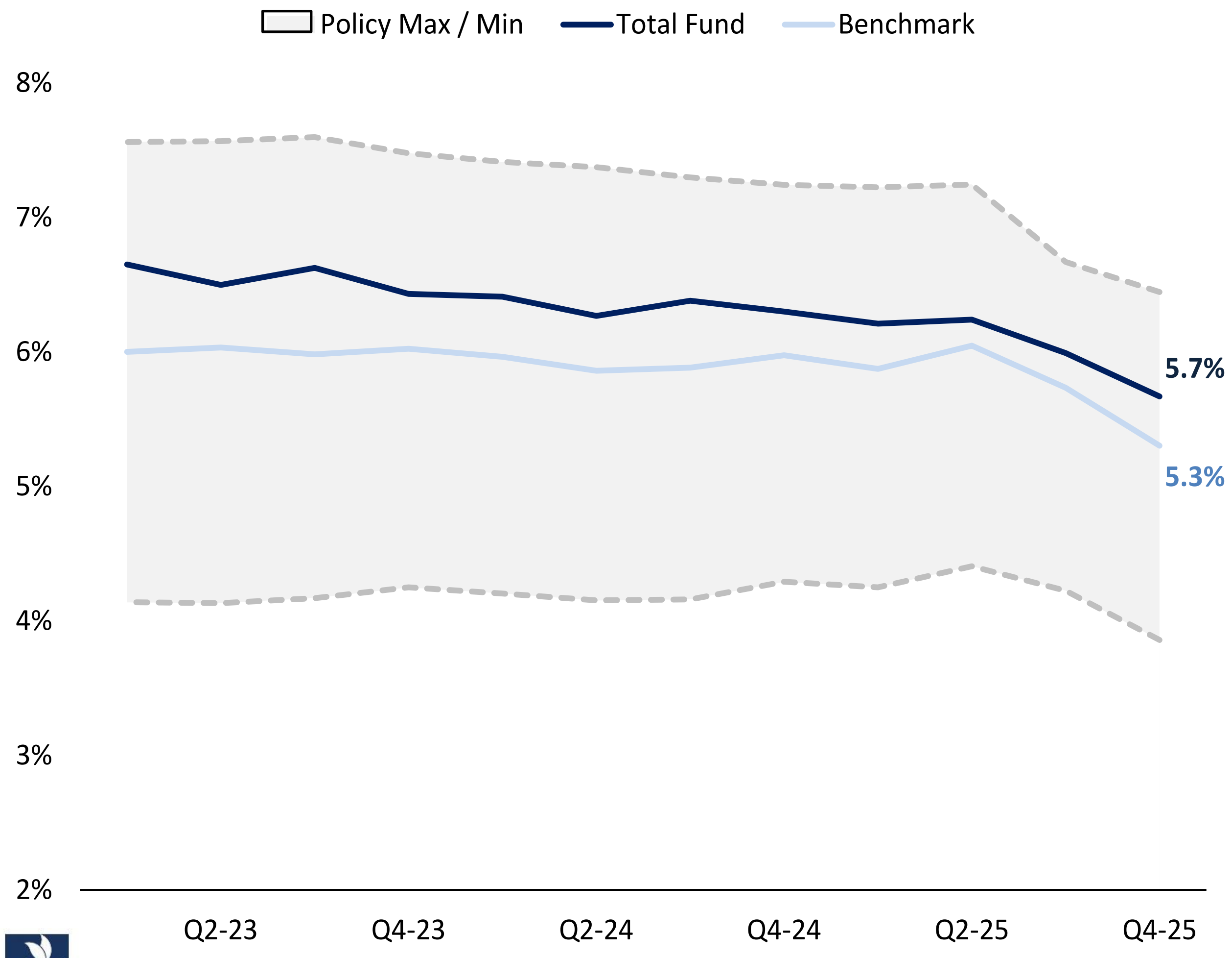
Private Equity distributions contributed to Global Equity underweight



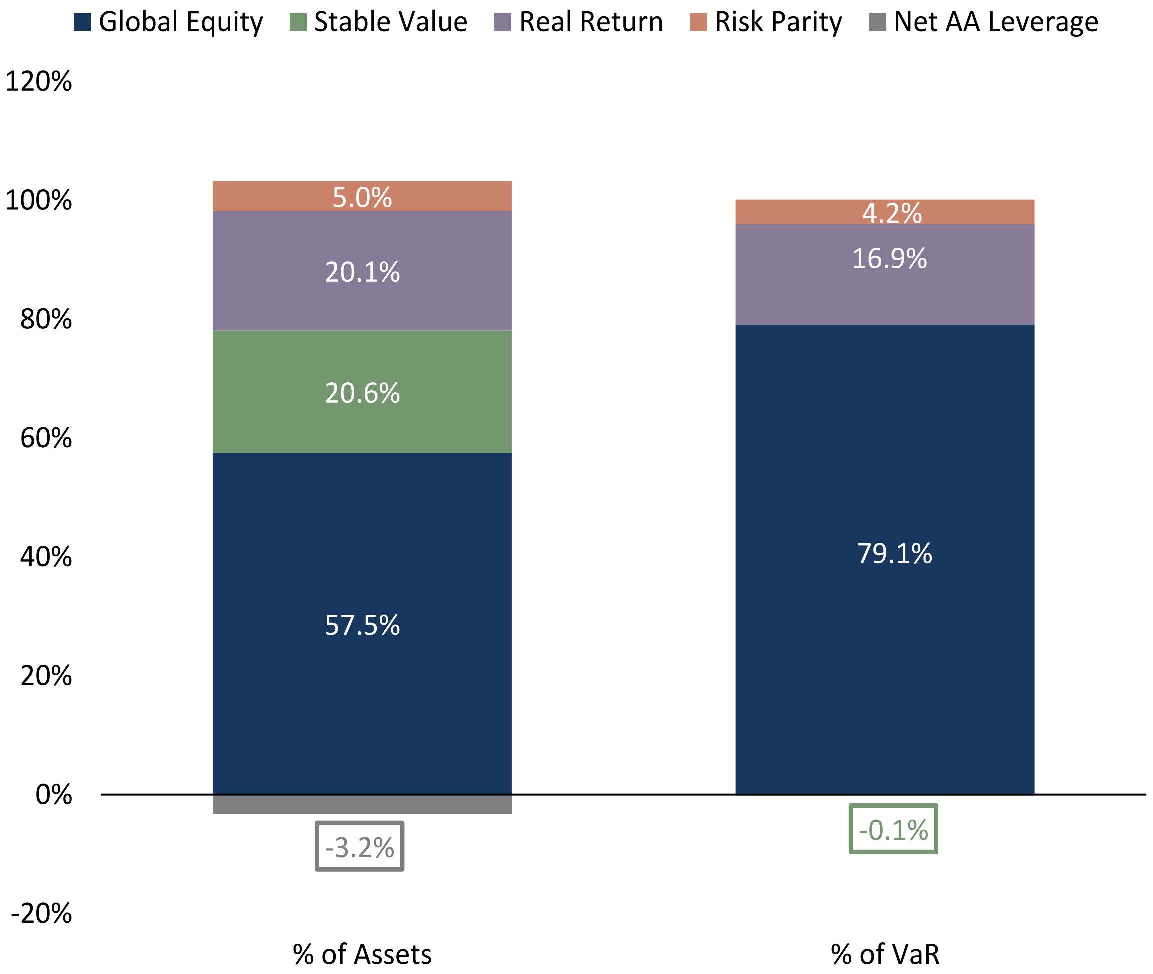
Source: State Street Bank

Value at Risk (VaR) estimate declined given low market volatility

VaR History

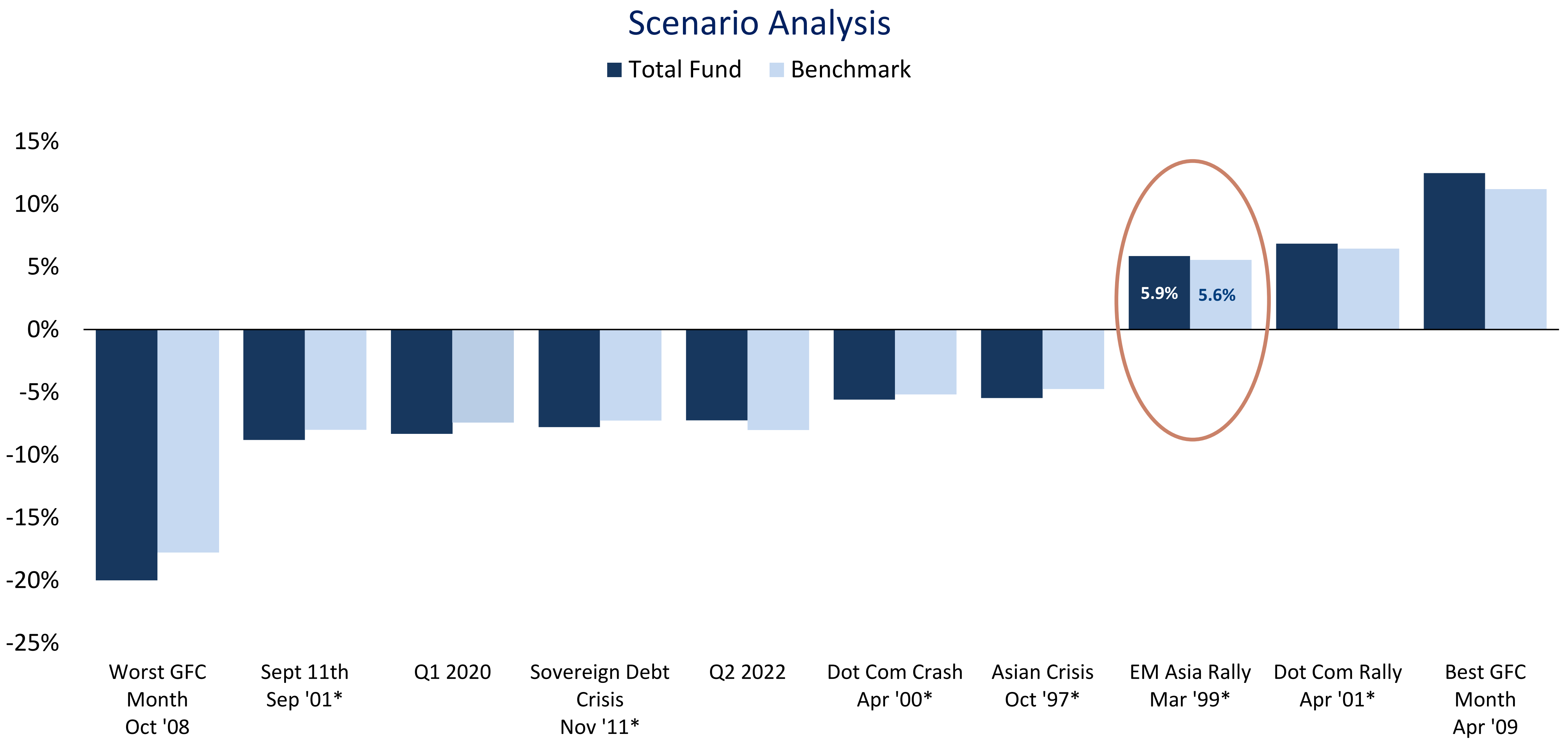


VaR Contribution



Source: State Street Bank through Q2 2025 and MSCI RiskMetrics starting Q3 2025. VaR calculating using an expanding window from 1/1/2008. VaR contribution from derivatives was 0.4%

Predicted Trust returns in line with expectations across different scenarios



**Stress tests represent 10-day return period. Source: MSCI RiskMetrics; note: data shown are predicted drawdowns given current allocation, except for Q1 2020 and Q2 2022, which reflect realized performance.*

Scenario analysis provides insight into Trust biases

Three steps to performing scenario analysis

1. Start with Trust holdings as of 12/31/25

$235b
(90k+ line items)

2. Map current assets to public proxies where needed

e.g. Rivian -> MSCI Auto Manufacturers

3. Apply proxied portfolio to historical event

Emerging Market Rally
(March 4 – 18, 1999)

US equities…	+5.7%
EM equities…	+10.0%
Treasuries…	+2.5%
Other…	

Scenario analysis helps us:

1. **Reveal biases within Trust holdings**
   - Trust has more assets that do well in an Emerging Market rally than the benchmark
2. **Validate tracking error estimates**
   - Gain of 0.3% in an Emerging Market rally is consistent with a monthly one standard deviation event
3. **Think through liquidity scenarios**
   - Which assets might be sources of liquidity at different times

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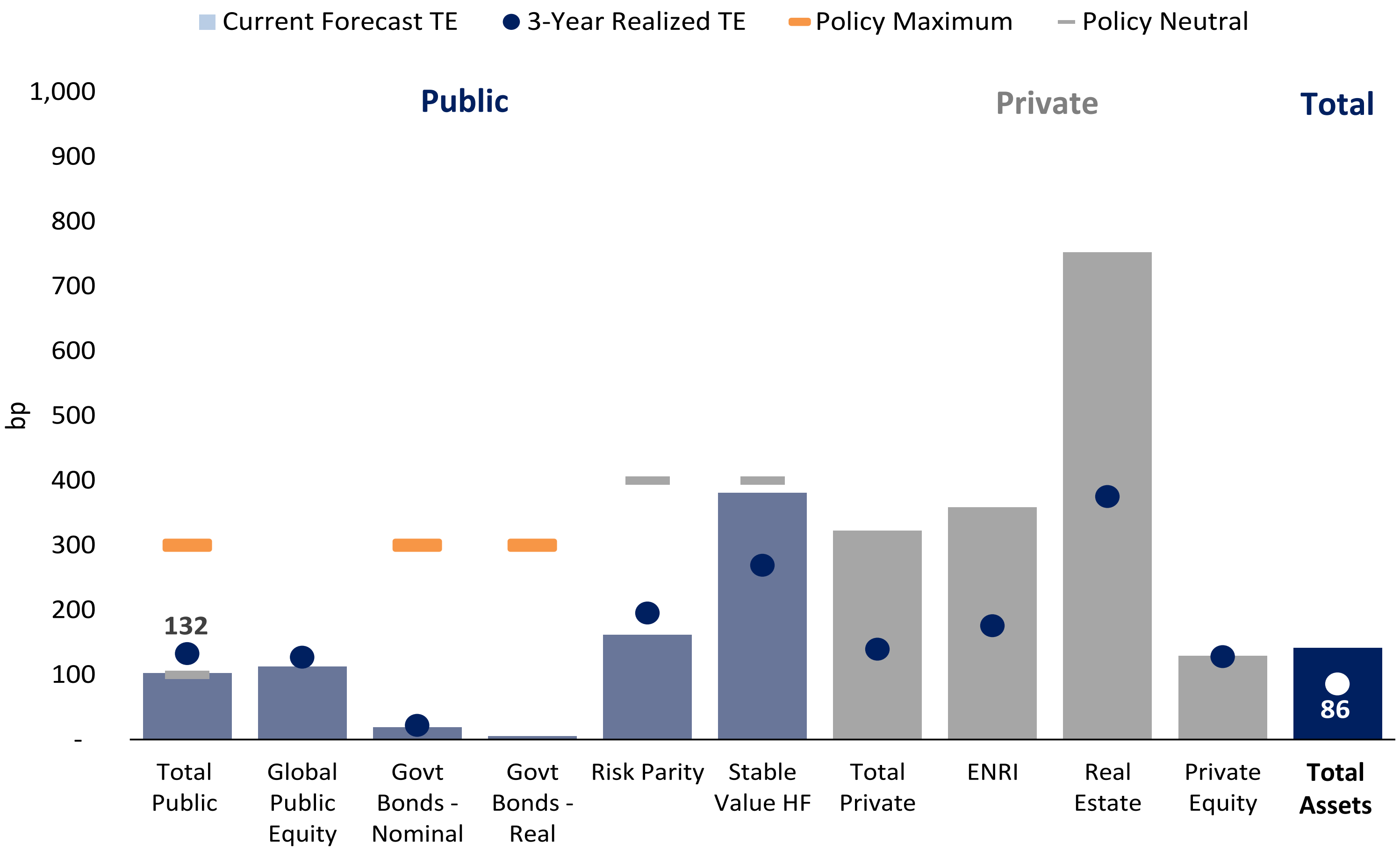
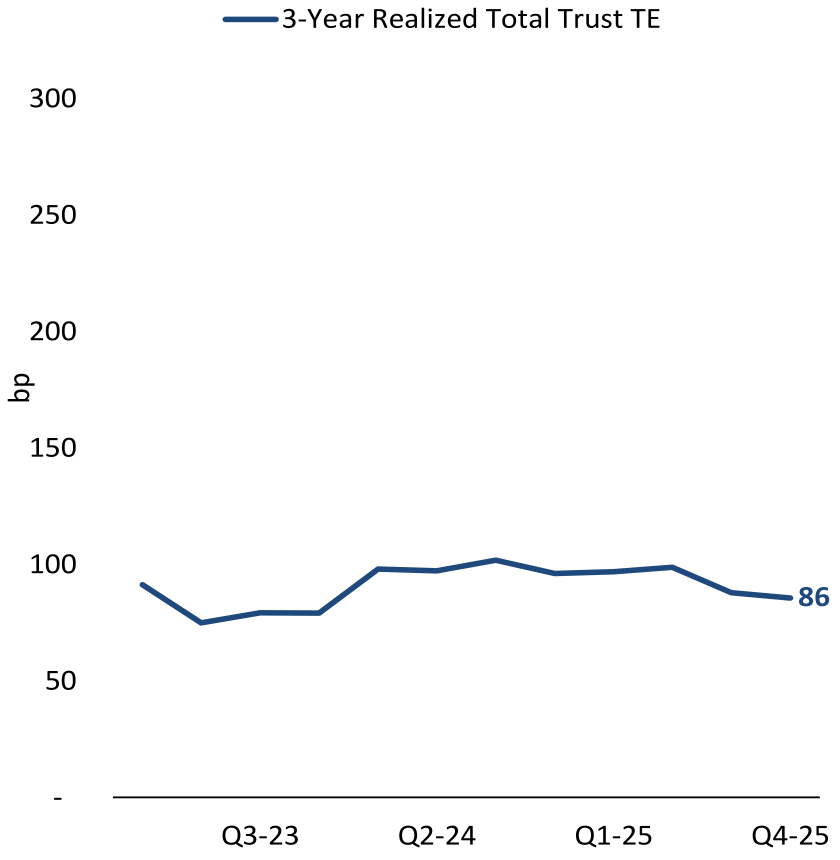
Realized tracking error near historical norms

Asset Class Tracking Error



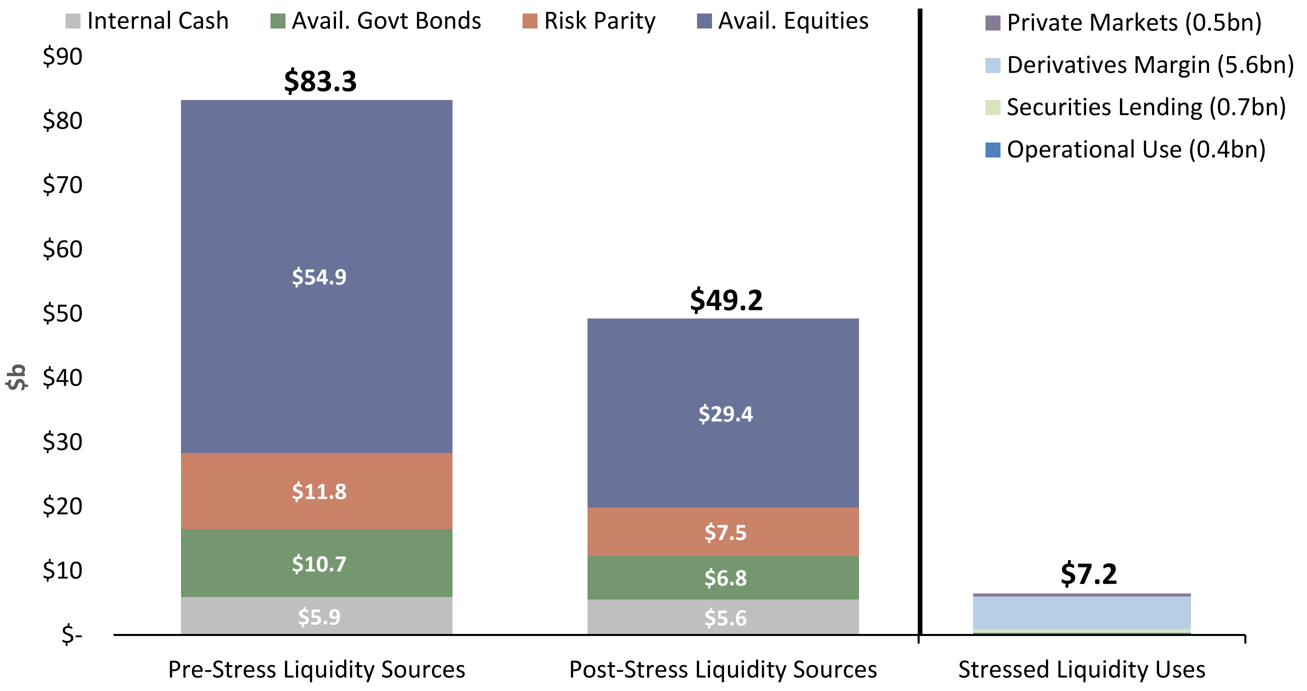
Historical Trust TE



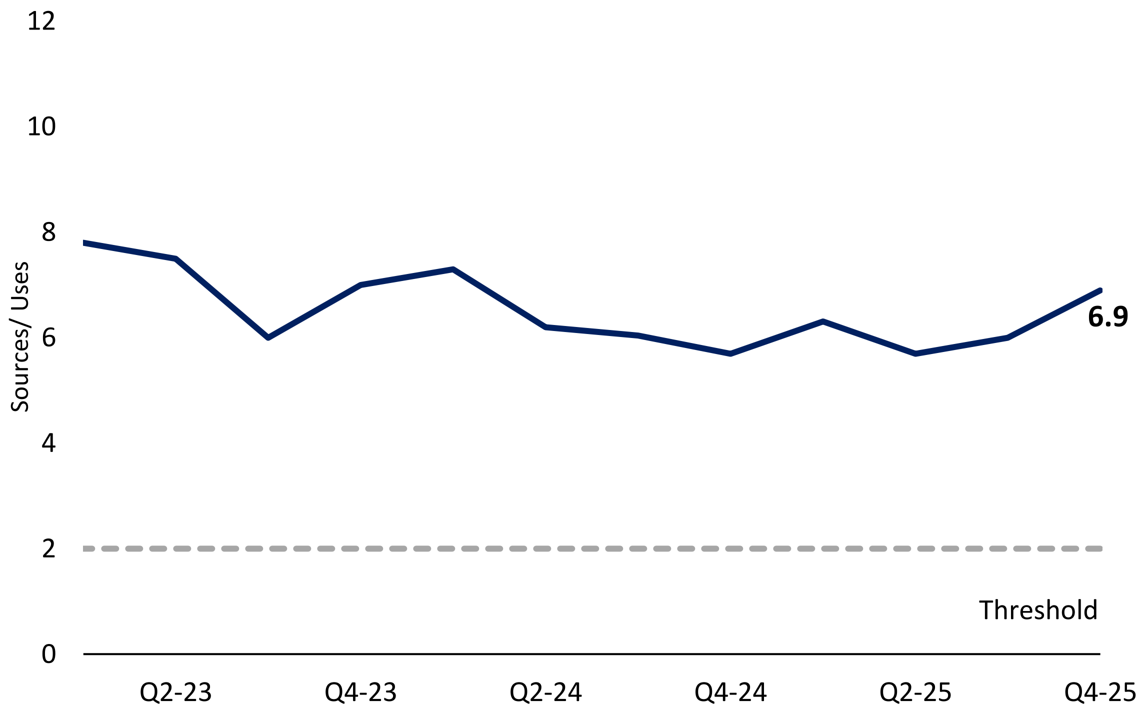
Source: State Street Bank and MSCI RiskMetrics; note: current forecast tracking error uses past experiences from January 1, 2008 to December 31, 2025 and therefore includes the effects of the Global Financial Crisis; Non-US Developed had tracking error of 186 bp realized, 133 bp forecasted with a policy neutral of 300. Emerging Markets had tracking error of 195 bp realized, 270 bp forecasted with a policy neutral of 300. All Country had 125 bp forecasted with a policy neutral of 300. USA has a policy neutral TE target of 300bp but is not reported above due to its immateral NAV balance. Govt Bonds - Real and All Country realized tracking error will be reported once 36 months of history is accumulated.

Trust held excess liquidity at year-end

Liquidity Sources and Uses



Liquidity Ratio



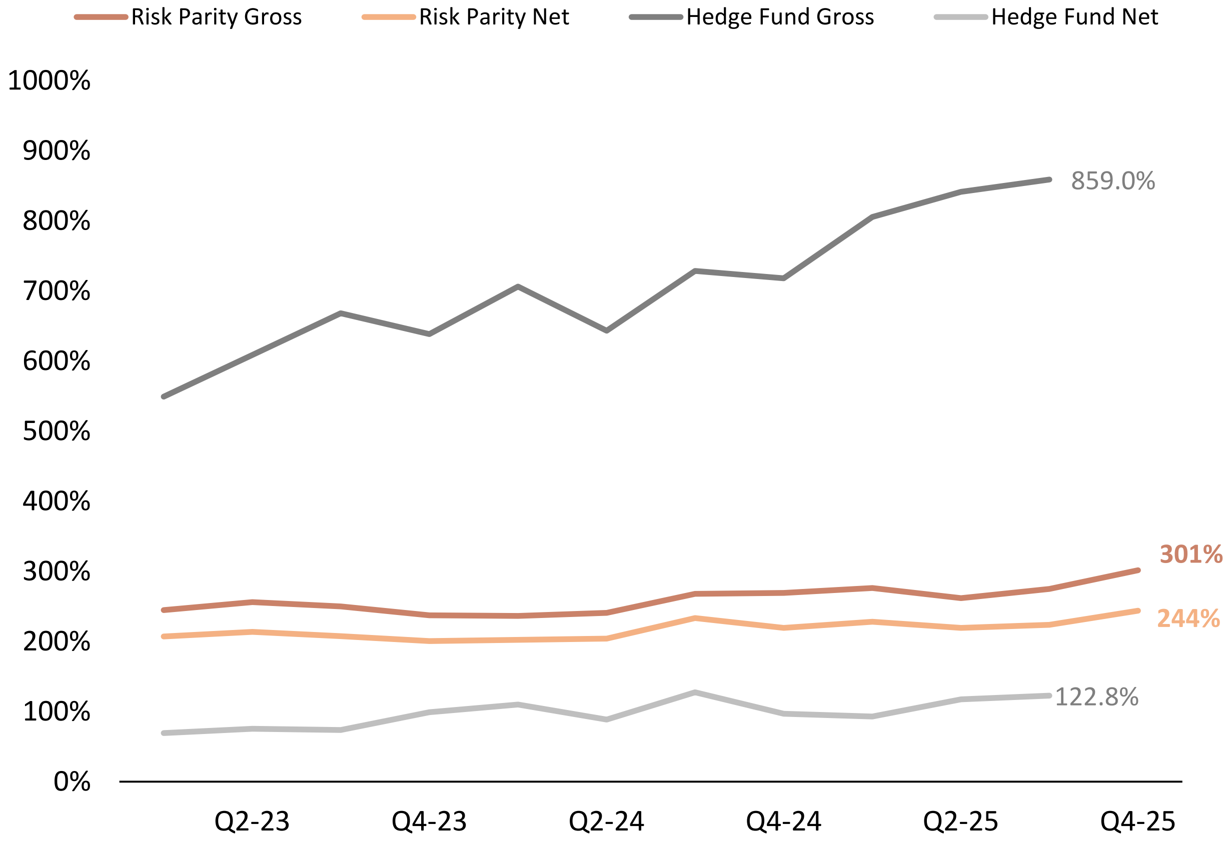
Sources ($49.2) / Uses ($7.2) = Liquidity Ratio (6.9)

Source: State Street Bank, TRS IMD

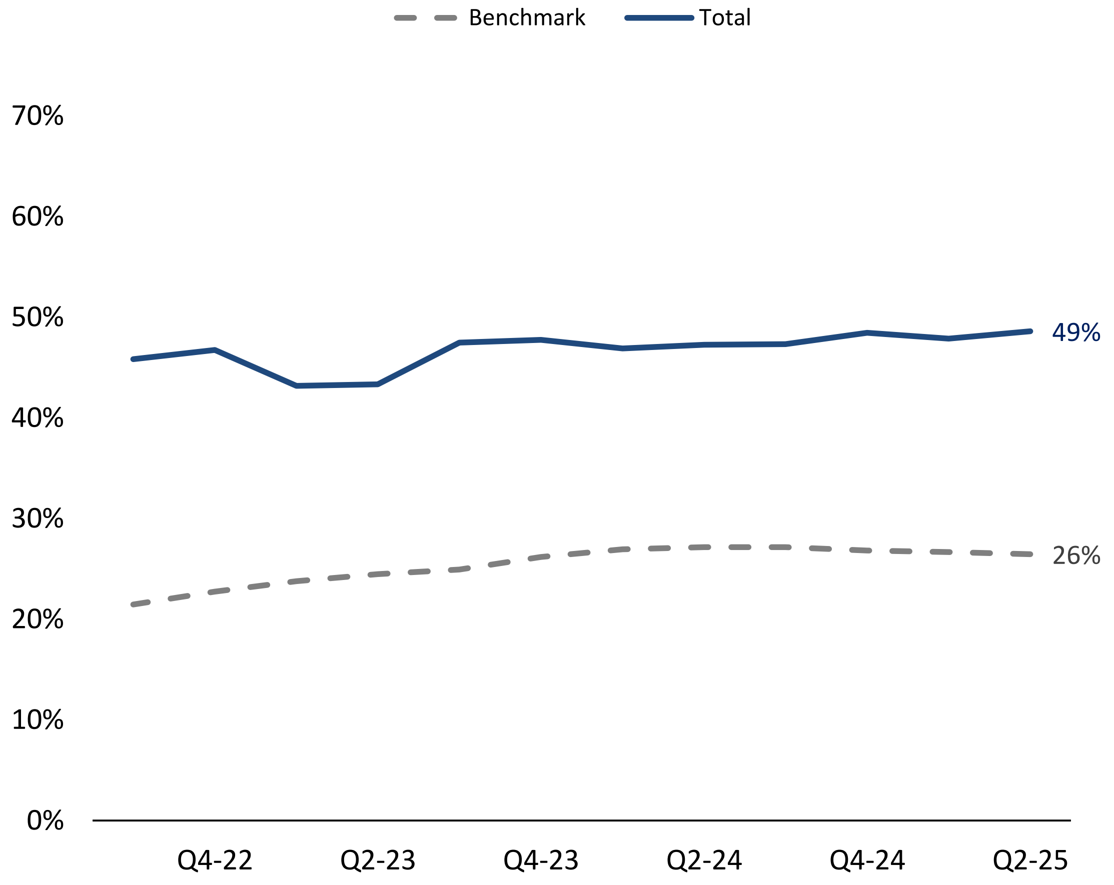
Assumptions: The stress case assumes liquid assets experience 1.5x the worst rolling monthly return since 2008. Operational uses of liquidity reflects forecasted monthly benefit payments. Stressed securities lending reflects potential costs associated with early termination. Stressed non-collateralized assets and derivatives reflect margin calls based on the same market stress applied to Liquid Assets. Stressed Private Market investment estimates are informed by historical capital calls and distributions. Pre-Stress Liquidity Sources = Total Trust NAV minus private assets, illiquid public equity external managers/hedge funds, and bonds pledged as collateral.

Hedge Fund gross leverage increased

Risk Parity and Hedge Funds



Real Estate Loan to Value



Source: MSCI RiskMetrics, State Street Bank, TRS RE manager data, NCREIF. HF leverage is reported on a quarter lag; DHF overlay was 82.9% of a total program size of 14.9bn; Real Estate Loan-to-Values are estimates based on self-reported manager data.

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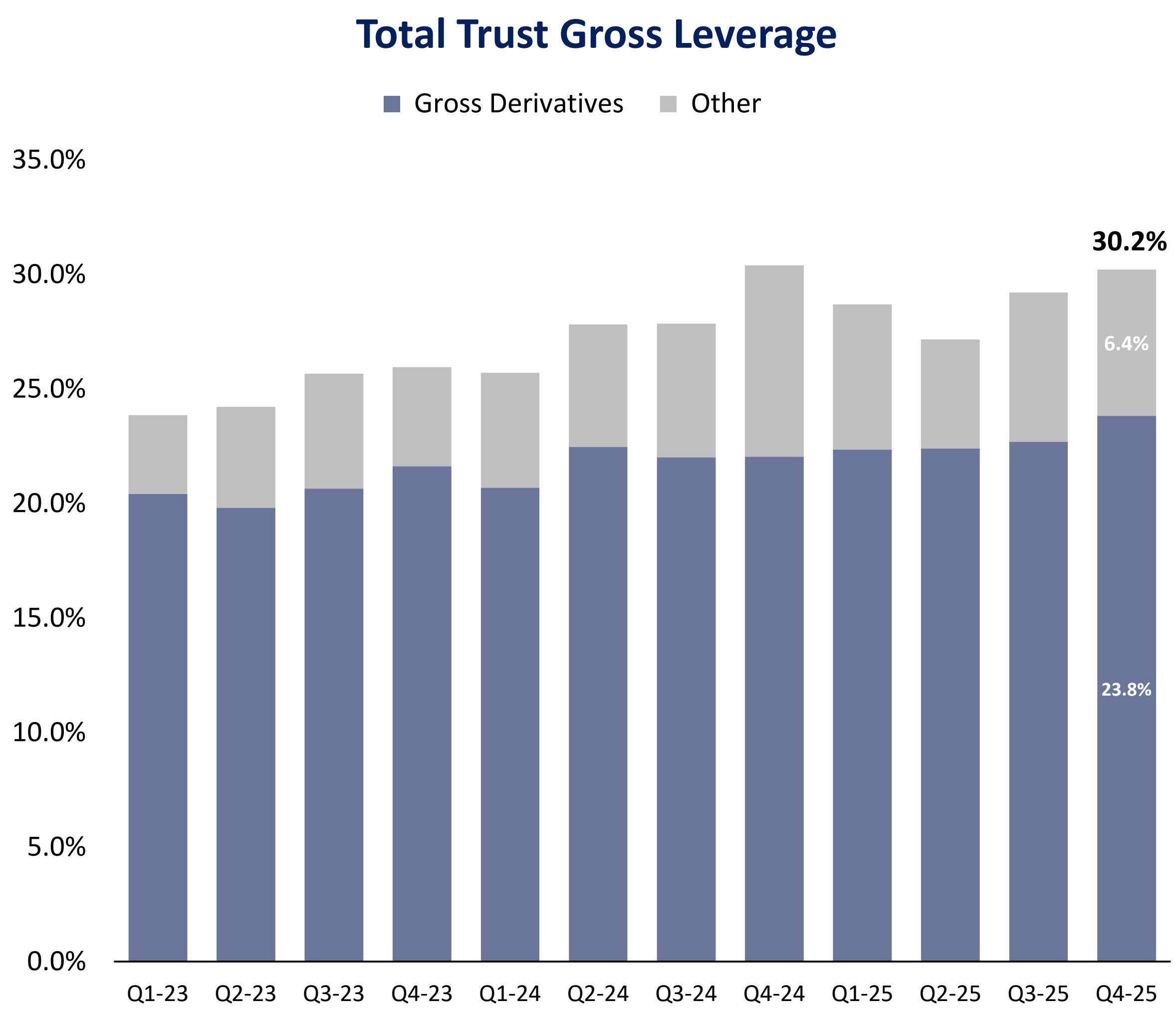
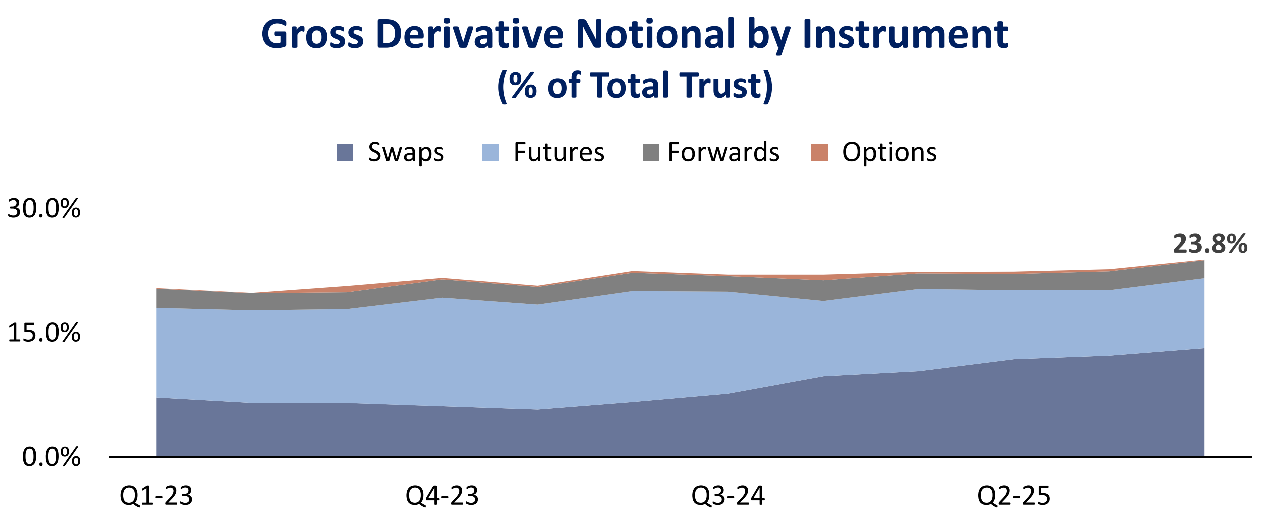
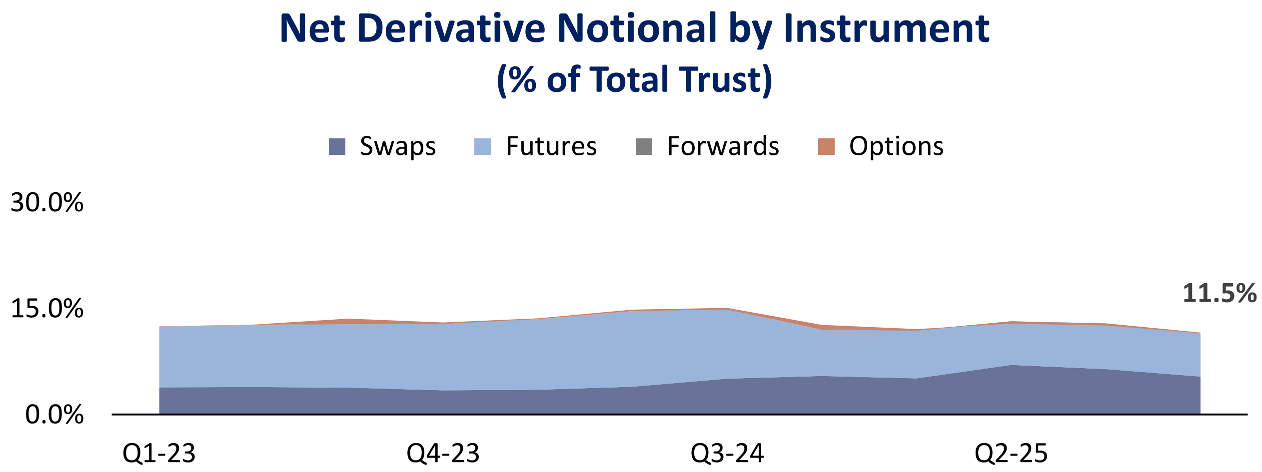
Gross derivative exposure nets down to 11.5%







Other sources of gross leverage include the absolute value of single-name short positions and any payables/receivables.

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In conclusion…

- Trust investment exposure below target
- Private Equity distributions contributed to Global Equity underweight
- Tracking error estimates in line with scenario analysis
- Trust held excess liquidity at year-end