



2023 Annual Performance Review

Omaha Public Power District

Retirement Plan

April 16, 2024

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Presenting Today



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Agenda

Market Environment

Total Fund Results

- Review of Retirement Fund Financial Objectives

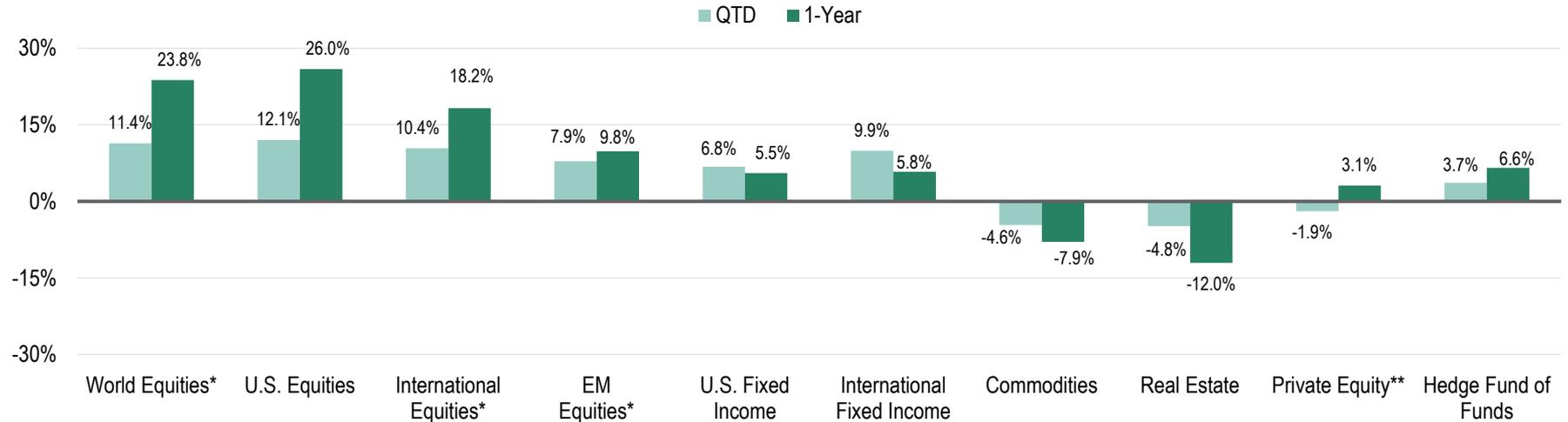
Individual Manager Results

- Domestic Equity
- International Equity
- Domestic Fixed Income
- Emerging Market Debt
- Private Real Estate
- Private Credit

Total Fund Summary

2023 Markets In Review

Summary of Investment Returns



- At year-end 2023, the U.S. and non-U.S. areas are on solid footing with regards to the economy and labor. One big 2023 surprise was the strength of the consumer. Following late-year support for more stocks than just the large cap technology-oriented companies that performed well throughout the year, 2023 was a positive year for equity markets around the globe, although non-U.S. stocks underperformed their U.S. counterparts.
- 2023 was another volatile year in the bond markets, but we ended the year almost where we started. Notably, there was less inverted yield curve in 2023 than we have experienced over the last two years. Treasuries remain a major anchor for the U.S. fixed income markets. Non-U.S. markets fared well in 2023.
- Private market assets had a large dichotomy in return profiles. Private equity provided a reasonable return and lower volatility profile, versus largely negative equity returns for a large part of 2023. Through September 2023, real estate returns were negative, with fourth quarter preliminary numbers reporting the most significant valuation declines for the year.
- Private credit faced both headwinds and tailwinds. The higher and more predictable cash flows associated with many infrastructure sub-sectors as well as the asset classes' inflation protection characteristics (particularly for segments such as power generation, transmission or bulk storage) have helped mitigate the impact of higher interest rates.

* Net Dividends Reinvested

** Performance as of Q3 2023 because more recent performance data is not yet available.

Sources: Investment Metrics, Cambridge Associates, FactSet

2023 Retirement Fund Asset Change

Asset Growth

(\$000'S)

December 31, 2022 – December 31, 2023

| | | |
|------------------------|-----------|-------------|
| Beginning Market Value | | \$1,064,147 |
| Net External Growth* | | 11,561 |
| Return on Investment | | |
| Income Received | \$3,709 | |
| Gain/Loss | \$122,388 | 126,097 |
| Ending Market Value | | \$1,201,804 |

*OPPD and employee contributions less benefit payments and Plan expenses.

Review of Retirement Fund Financial Objective #1

The District's Retirement Fund Objective #1 is to exceed its benchmark index, net of management fees.

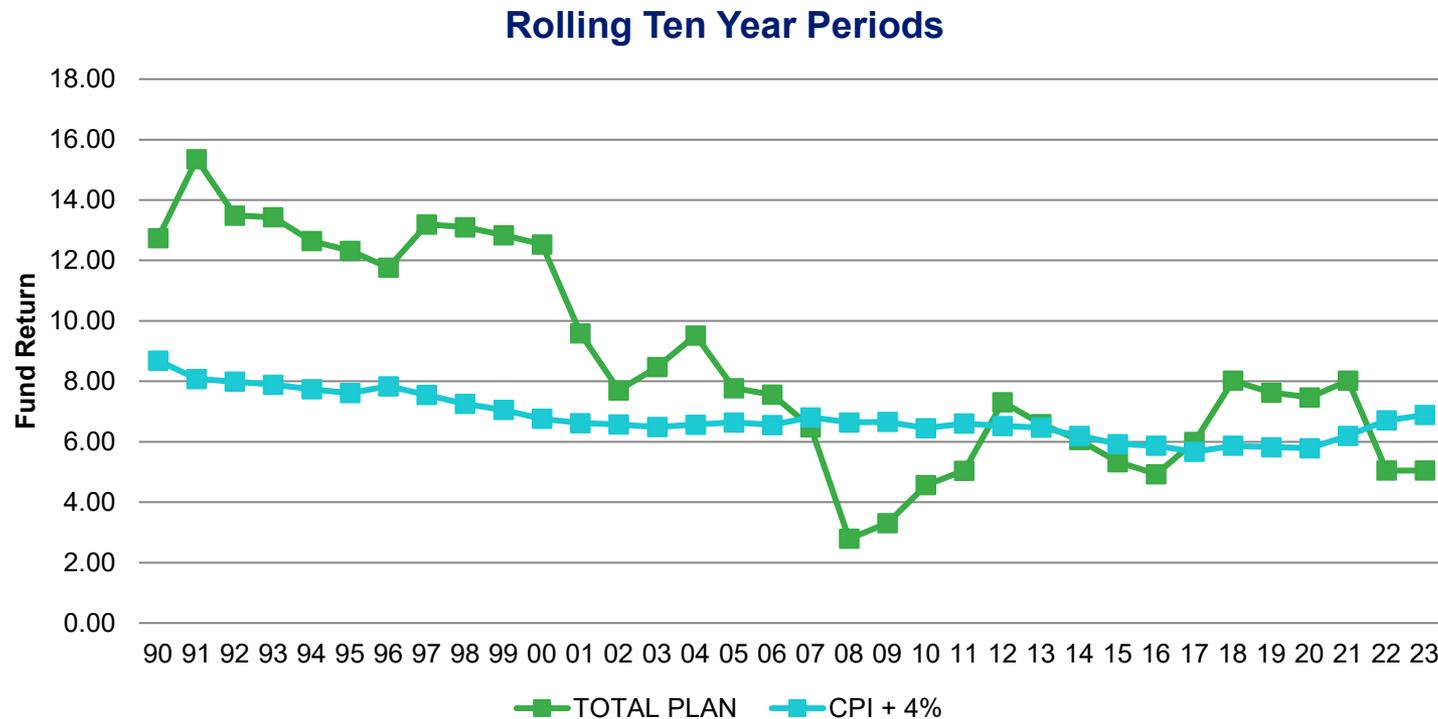
| | 1 Yr | 2 Yrs | 3 Yrs | 5 Yrs | 7 Yrs | 10 Yrs | 15 Yrs |
|--------------|-------------|--------------|--------------|--------------|--------------|---------------|---------------|
| TOTAL PLAN | 11.6 | -2.4 | 0.3 | 6.1 | 5.5 | 5.0 | 7.5 |
| Policy Index | 11.5 | -2.3 | 1.3 | 6.6 | 6.0 | 5.2 | 7.3 |
| Difference | 0.1 | -0.1 | -1.0 | -0.5 | -0.5 | -0.2 | 0.2 |

Note: One Year gross of fee return is 11.9%. Net of fee performance calculation started on 1/1/2017. Returns beyond 7 years are gross of fees.

Review of Retirement Fund Financial Objective #2

The District's Retirement Fund Objective #2 is to earn 4.0% above the rate of inflation.

- For the current 10-year period (2014-2023) the Retirement Fund has earned 5.0%, which is below the Objective of 6.9%.
- For the current 20-year period (2004-2023) the Retirement Fund has earned 5.8%, which is below the Objective of 6.7%.



Domestic Equity as of 12/31/23

| | Allocation | | Performance (%) | | | | | |
|----------------------------------|----------------------|------|-----------------|---------|---------|---------|----------|----------|
| | Market Value (\$000) | % | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | 15 Years |
| SSgA Russell 1000 Index SL | 203,346 | 16.9 | 26.5 | 9.0 | 15.5 | 13.2 | | |
| <i>Russell 1000 Index</i> | | | 26.5 | 9.0 | 15.5 | 13.2 | 11.8 | 14.0 |
| SSgA Russell 1000 Index SL Rank | | | 44 | 70 | 50 | 58 | | |
| Wellington | 75,578 | 6.3 | 12.6 | -1.6 | 9.8 | 9.4 | 9.0 | 12.5 |
| <i>S&P MidCap 400</i> | | | 16.4 | 8.1 | 12.6 | 9.4 | 9.3 | 13.3 |
| Wellington Rank | | | 93 | 100 | 97 | 74 | 79 | 96 |
| Frontier Small Cap Growth | 34,580 | 2.9 | 23.4 | | | | | |
| <i>Russell 2000 Growth Index</i> | | | 18.7 | -3.5 | 9.2 | 8.1 | 7.2 | 12.1 |
| Frontier Small Cap Growth Rank | | | 15 | | | | | |
| LSV Asset Management | 38,402 | 3.2 | 19.0 | 14.5 | 11.2 | | | |
| <i>Russell 2000 Value Index</i> | | | 14.6 | 7.9 | 10.0 | 6.1 | 6.8 | 10.3 |
| LSV Asset Management Rank | | | 31 | 19 | 60 | | | |

- SSgA Russell 1000 Index Fund posted expected results with minimal tracking error.
- Wellington underperformed both its benchmark and peer group median in 2023.
- Frontier outpaced both its benchmark and peer group median during the year.
- LSV posted a strong return for the year versus both its benchmark index and peer group median.

Note: Returns are gross of fees.

International Equity as of 12/31/23

| | Allocation | | Performance (%) | | | | | |
|---|----------------------|-----|-----------------|---------|---------|---------|----------|----------|
| | Market Value (\$000) | % | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | 15 Years |
| MFS International Equity Fund | 105,175 | 8.7 | 19.1 | | | | | |
| <i>MSCI EAFE(net)</i> | | | 18.2 | 4.0 | 8.2 | 6.9 | 4.3 | 6.9 |
| MFS International Equity Fund Rank | | | 33 | | | | | |
| Invesco | 55,020 | 4.6 | 11.5 | -7.7 | 3.2 | 5.2 | 2.3 | |
| <i>MSCI EM(net)</i> | | | 9.8 | -5.1 | 3.7 | 5.0 | 2.7 | 6.6 |
| Invesco Rank | | | 59 | 81 | 90 | 77 | 96 | |
| Allspring | 63,790 | 5.3 | 9.0 | -7.8 | 5.0 | 6.0 | 3.7 | |
| <i>MSCI EM(net)</i> | | | 9.8 | -5.1 | 3.7 | 5.0 | 2.7 | 6.6 |
| Allspring Rank | | | 72 | 81 | 62 | 62 | 56 | |
| Global Alpha International Small Cap | 43,233 | 3.6 | 7.3 | -0.2 | | | | |
| <i>MSCI EAFE Small Cap (Net)</i> | | | 13.2 | -0.7 | 6.6 | 6.0 | 4.8 | 9.2 |
| Global Alpha International Small Cap Rank | | | 88 | 61 | | | | |

- MFS outperformed its benchmark index and ranked above median for 2023.
- Invesco outpaced its benchmark but underperformed the median manager.
- Allspring underperformed both performance measurements during 2023.
- Global Alpha trailed both its benchmark and median manager for the year.

Note: Returns are gross of fees.

Domestic Fixed Income as of 12/31/23

| | Allocation | | Performance (%) | | | | | |
|--|----------------------|-----|-----------------|---------|---------|---------|----------|----------|
| | Market Value (\$000) | % | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | 15 Years |
| SSGA Passive Bond Market Index | 86,319 | 7.2 | 5.7 | -3.3 | 1.1 | 1.3 | 1.8 | 2.7 |
| <i>Blmbg. U.S. Aggregate</i> | | | 5.5 | -3.3 | 1.1 | 1.3 | 1.8 | 2.7 |
| SSGA Passive Bond Market Index Rank | | | 82 | 88 | 98 | 99 | 97 | 96 |
| Reams | 78,117 | 6.5 | 5.8 | -3.2 | 2.9 | 2.8 | 2.7 | 4.9 |
| <i>FTSE U.S. Broad Investment-Grade Bond</i> | | | 5.6 | -3.4 | 1.1 | 1.3 | 1.8 | 2.6 |
| Reams Rank | | | 64 | 66 | 5 | 5 | 11 | 3 |
| JPMorgan | 74,891 | 6.2 | 6.0 | -2.5 | 1.6 | 1.8 | 2.3 | |
| <i>FTSE U.S. Broad Investment-Grade Bond</i> | | | 5.6 | -3.4 | 1.1 | 1.3 | 1.8 | 2.6 |
| JPMorgan Rank | | | 52 | 19 | 56 | 44 | 47 | |
| Neuberger Berman | 39,361 | 3.3 | 12.3 | 1.4 | 4.9 | 4.1 | 4.2 | |
| <i>FTSE High Yield Market Index</i> | | | 13.5 | 2.1 | 5.3 | 4.4 | 4.4 | 8.8 |
| Neuberger Berman Rank | | | 57 | 86 | 74 | 81 | 80 | |
| SSgA US TIPS | 27,751 | 2.3 | 3.9 | -1.1 | 3.1 | 2.5 | 2.4 | |
| <i>Blmbg. U.S. TIPS</i> | | | 3.9 | -1.0 | 3.2 | 2.5 | 2.4 | 3.5 |
| SSgA US TIPS Rank | | | 73 | 82 | 85 | 91 | 70 | |

- Both passive SSgA Fixed Income strategies produced expected results with minimal tracking error.
- Core Fixed Income managers, Reams and J.P. Morgan, posted returns above their benchmark for all time periods.
- Neuberger Berman underperformed versus its historical performance measures, but provided the highest absolute performance for the year.
 - This manager will be replaced by MacKay Shields during the first half of 2024.

Note: Returns are gross of fees.

Emerging Market Debt as of 12/31/23

| | Allocation | | Performance (%) | | | | | |
|------------------------------|-------------------------|-----|-----------------|------------|------------|------------|-------------|-------------|
| | Market Value (\$000) | % | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | 15 Years |
| Stone Harbor | 50,485 | 4.2 | 14.8 | -3.5 | 2.1 | 1.8 | 2.8 | |
| <i>JPM EMBI Global (USD)</i> | | | 10.5 | -3.1 | 1.9 | 2.0 | 3.1 | 5.8 |
| Stone Harbor Rank | | | 4 | 75 | 52 | 66 | 36 | |

- Stone Harbor outpaced its benchmark index and ranked in the top decile of its peer group for 2023.

Private Real Estate as of 12/31/23

| | Allocation | | Performance (%) | | | | | |
|---|-------------------------|-----|-----------------|------------|------------|------------|-------------|-------------|
| | Market Value (\$000) | % | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | 15 Years |
| Harrison Street Core Property Fund | 45,147 | 3.8 | -3.9 | 6.0 | 6.2 | | | |
| <i>NCREIF Fund Index-Open End Diversified Core (EW)</i> | | | -12.7 | 5.2 | 4.6 | 5.6 | 7.5 | 6.1 |
| PGIM Real Estate PRISA | 42,060 | 3.5 | -10.2 | 5.3 | 4.9 | | | |
| <i>NCREIF Fund Index-Open End Diversified Core (EW)</i> | | | -12.7 | 5.2 | 4.6 | 5.6 | 7.5 | 6.1 |

- While Real Estate investing was challenging 2023, both managers led the benchmark for the year.

Fund Information

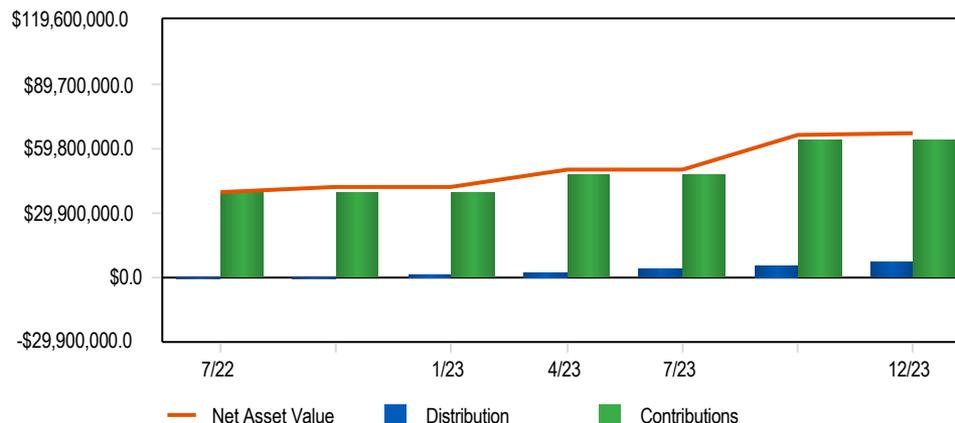
| | | | |
|--------------------------|----------------|----------------------|------------|
| Strategy Type: | Private Credit | Vintage Year: | 2021 |
| Preferred Return: | 7.0% | Inception: | 10/01/2020 |

Investment Strategy: The Fund’s investment objective is to invest in attractive risk-adjusted opportunities in the private debt capital of companies owned by private equity sponsors with a focus on senior secured first lien and unitranche loans. The Fund will seek a broad range of investment opportunities and to construct a highly diversified portfolio of over 100 loans to companies (predominantly in the U.S.) alongside over 40 private equity sponsors across industries and sizes. The loans are expected to range in size from \$25 million of EBITDA to over \$100 million of EBITDA. The General Partner expects that the majority of the Fund will be invested in directly originated transactions sourced as a result of occupying a differentiated place in the private equity ecosystem. The Fund may also invest selectively in second lien loans, PIK notes or in equity (alongside debt investments). The investment portfolio is targeted at providing the Fund with quarterly distributions of 7-10% per annum from contractual cash interest and targeted net IRRs of 8-11%

Cash Flow Summary

| | |
|--------------------------------------|--------------|
| Capital Committed: | \$80,000,000 |
| Total Contributions: | \$64,000,000 |
| Remaining Capital Commitment: | \$16,437,634 |
| | |
| Total Distributions: | \$7,234,786 |
| Market Value: | \$66,880,000 |
| | |
| Inception Date: | 07/21/2022 |
| Inception IRR: | 15.4 |
| TVPI: | 1.2 |
| DPI: | 0.1 |

Cash Flow Analysis



Due to the inconsistencies in reporting methodologies among managers, we do not report on Capital Invested, Management Fees, Expenses and Interest. However, the Market Value is net of all fees and expenses, and Total Contributions reflects interest paid.

Fund Information

Strategy Type: Private Credit
Preferred Return: 7.0%
Vintage Year: 2021
Inception: 01/01/2021

Investment Strategy: Corbin Private Credit Manager Fund II (CPCMF) will focus on lower middle market, non-sponsored investment opportunities, predominantly in the U.S.(80%) with the balance in Europe and Asia. The strategy will target 8 to 10 private credit managers and a return objective of low double digits. The fund will employ a flexible mandate that will strive to actively create value across the credit capital market spectrum. The Fund expects to use a range of implementation methods depending on the market opportunities available, including sector-focused funds, regional-focused funds, traditional generalist funds, and co-investment structures.

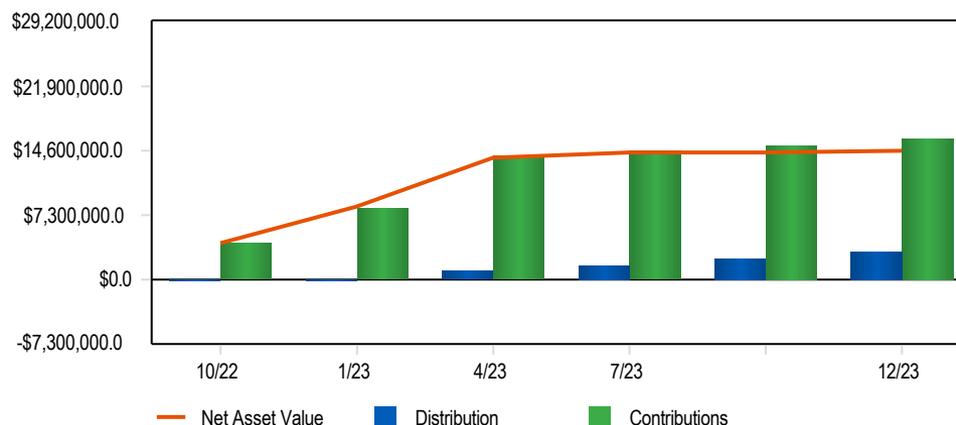
Cash Flow Summary

Capital Committed: \$20,000,000
Total Contributions: \$16,063,045
Remaining Capital Commitment: \$7,000,000

Total Distributions: \$3,149,469
Market Value: \$14,551,380

Inception Date: 10/03/2022
Inception IRR: 12.5
TVPI: 1.1
DPI: 0.2

Cash Flow Analysis



Due to the inconsistencies in reporting methodologies among managers, we do not report on Capital Invested, Management Fees, Expenses and Interest. However, the Market Value is net of all fees and expenses, and Total Contributions reflects interest paid.

Total Fund Summary

- The Total Fund returned 11.6%, net of fees, for the year ended December 31, 2023.
 - Assets increased by approximately \$138 million.
 - Year-end market value was \$1,201.8 million.
- The Total Fund outperformed its Policy Index by 10 basis points in 2023 net of fees.
 - Newer manager additions to the Fund have provided strong results, including Frontier U.S. Small Cap Growth, MFS International Equity, and Neuberger Berman and Corbin in Private Credit.
- The Total Fund continues to perform well longer-term, outpacing the policy index over the longer fifteen-year period.