OPEB Trust Meeting
Gaylord Opryland Resort and Convention Center
November 7, 2026

AGENDA

Call to Order 12:55 p.m.	Wright Cox, Chairman
Approval of Agenda 12:55 p.m.	
Approval of the February 17, 2026 Minutes 12:55 p.m.	
Acceptance of the 3-month Financial Statements - September 30, 2026 12:55 p.m.	Dr. Tammy Ganger, Trust Administrator
Report of Activities and Fiscal Condition of the Trust 12:55 p.m.	Dr. Tammy Ganger, Trust Administrator
Approval of June 30, 2026 Audit 12:55 p.m.	Erica Saeger, Audit Director Crosslin CPA
Investment Report 12:55 p.m.	Chris Sigmund, Morgan Stanley
Election of 2027 Trust Officers (Chairman and Vice-Chairman) 12:55 p.m.	
Other Business 12:55 p.m.	
Adjourn 12:55 p.m.	

TSBA
TENNESSEE SCHOOL BOARDS ASSOCIATION

OPEB Trustee Meeting

Agenda and Supporting Documents

Gaylord Opryland Resort and
Convention Center
Magnolia Mezzanine 1
Saturday, November 7, 2026
7:15 a.m. – 8:15 a.m.

OPEB Trustee Meeting
Gaylord Opryland Resort and Convention Center
Magnolia Mezzanine 1
November 7, 2026

AGENDA

7:15 a.m.	Call to Order	Wright Cox, Chairman
7:16 a.m.	Approval of Agenda	
7:17 a.m.	Approval of February 17, 2026 Minutes	
7:18 a.m.	Acceptance of 3-month Financial Statements – September 30, 2026	Dr. Tammy Ganger, Trust Administrator
7:19 a.m.	Report of Activities and Fiscal Condition of the Trust	Dr. Tammy Ganger
7:30 a.m.	Approval of June 30, 2026 Audit	Jennifer Manternach, Crosslin CPA
7:40 a.m.	Investment Report	Chris Sigmund, Morgan Stanley
7:55 a.m.	Election of 2027 Trust Officers (Chairman and Vice-Chairman)	Wright Cox
8:00 a.m.	Public Comment	
8:10 a.m.	Other Business	
8:15 a.m.	Adjourn	

Tennessee School Boards Association
OPEB Trustee Meeting
Franklin Marriott Cool Springs
Clydesdale Room
Tuesday, February 17, 2026

The TSBA OPEB Trustees met on Tuesday, February 17, 2026. The following members were present: **Tim Hobbs**, Hickman County; **Chris Denson**, Millington; **David Cook**, Bartlett; **Michelle McKissack**, Memphis-Shelby County; **David Baker**, Hardin County; and **Dr. Tammy Ganger**, Trust Administrator. Absent was **Wright Cox**, Collierville. The following were also in attendance: **Macie Campidilli**, TSBA Staff; and **Chris Sigmund**, Morgan Stanley.

Vice Chairman Tim Hobbs called the meeting to order at 7:14 a.m. and welcomed everyone.

COOK/DENSON: Motion to approve the agenda. MOTION CARRIED.

DENSON/COOK: Motion to approve November 15, 2025 Minutes. MOTION CARRIED.

DENSON/MCKISSACK: Motion to accept the 6-month Financial Statements as presented (December 31, 2025). MOTION CARRIED.

Dr. Tammy Ganger, the Trust Administrator, reported on the activities and fiscal condition of the Trust. She noted that no new members had joined the OPEB Trust, and no members had recently withdrawn funds from the OPEB Trust. She also stated the current balance of the trust. Dr. Ganger noted that Bartlett Superintendent, David Stephens, volunteered to reach out to TOSS in an effort to promote the OPEB Trust and to provide more information to superintendents.

A review of the OPEB Trust's investment policy 3060 took place. Dr. Ganger noted that the policy is reviewed annually in consultation with Morgan Stanley to ensure it aligns with the practices of the OPEB Trust. No changes were recommended at this time.

Chris Sigmund with Morgan Stanley presented the investment report and commented on the financial stability of the OPEB Trust and the performance of the Trust's investments in the current economy. He stated that the Trust is performing within the fiduciary guidelines as set forth by the investment policy. He discussed the potential impact of inflation and a new Federal Reserve Chair.

There were no individuals present who wished to speak during the public comment portion of the meeting, and no further business was discussed.

COOK/HOBBS: Motion to adjourn the meeting. MOTION CARRIED.

The meeting adjourned at 7:40 a.m.

Respectfully submitted,

Tim Hobbs, Vice Chairman

Dr. Tammy Ganger, OPEB Trust Administrator

TSBA OPEB Trust
Balance Sheet
As of September 30, 2026

	Sep 30, 26
ASSETS	
Current Assets	
Checking/Savings	
1000-00 · Suntrust Operating Account	5,430.02
Total Checking/Savings	5,430.02
Other Current Assets	
1300-00 · Investments	
1300-10 · Hickman County Investments	3,681,373.48
1300-20 · Johnson County Investments	1,886,420.74
1300-30 · Shelby County Investments	189,374,447.83
1300-50 · Jackson-Madison Investments	669,225.61
1300-60 · Arlington Investments	6,668,475.23
1300-70 · Bartlett Investments	11,054,044.87
1300-80 · Collierville Investments	4,064,892.35
1300-90 · Lakeland Investments	4,518,522.89
1300-95 · Millington Investments	508,321.17
Total 1300-00 · Investments	222,425,724.17
Total Other Current Assets	222,425,724.17
Total Current Assets	222,431,154.19
TOTAL ASSETS	**222,431,154.19**
LIABILITIES & EQUITY	
Equity	
3200-00 · Unrestricted Net Assets	222,114,301.06
3200-50 · Unrestricted Net Assets - Audit	109,327.00
Net Income	207,526.13
Total Equity	222,431,154.19
TOTAL LIABILITIES & EQUITY	**222,431,154.19**

TSBA OPEB Trust
Profit & Loss
July through September 2026

	Jul - Sep 26
Income	
4400-00 · Unrealized Gain/Loss	
4400-10 · Unrealized Gain/Loss - Hickman	-22,028.27
4400-20 · Unrealized Gain/Loss - Johnson	-11,181.79
4400-30 · Unrealized Gain/Loss - Shelby	-1,111,322.88
4400-50 · Unrealized Gain/Loss - JMadison	-3,954.28
4400-60 · Unrealized Gain/Loss - Arlingto	-39,093.78
4400-70 · Unrealized Gain/Loss - Bartlett	-63,900.33
4400-80 · Unrealized Gain/Loss - Colliery	-23,838.72
4400-90 · Unrealized Gain/Loss - Lakeland	-26,416.13
4400-91 · Unrealized Gain/Loss - Millingt	-2,981.71
Total 4400-00 · Unrealized Gain/Loss	-1,304,717.89
4500-00 · Interest, Dividends&Capital Gn	
4500-10 · Interest, Div., & CG - Hickman	28,208.62
4500-20 · Interest, Div., & CG - Johnson	14,323.97
4500-30 · Interest, Div., & CG - Shelby	1,416,686.98
4500-50 · Interest, Div., & CG - JMadison	5,058.92
4500-60 · Interest, Div., & CG - Arlingto	49,719.05
4500-70 · Interest, Div., & CG - Bartlett	81,095.99
4500-80 · Interest, Div., & CG - Colliery	30,174.04
4500-90 · Interest, Div., & CG - Lakeland	33,432.57
4500-91 · Interest, Div., & CG - Millingt	3,825.90
Total 4500-00 · Interest, Dividends&Capital Gn	1,662,526.04
4800-00 · Interest Income	6.23
Total Income	357,814.38
Expense	
6200-00 · Bank Charges	107.41
6400-00 · Administrative Fee	
6400-10 · Administrative Fee - Hickman	2,299.35
6400-20 · Administrative Fee - Johnson	1,178.26
6400-30 · Administrative Fee - Shelby	39,949.08
6400-50 · Administrative Fee -J. Madison	418.00
6400-60 · Administrative Fee - Arlington	4,165.44
6400-70 · Administrative Fee - Bartlett	6,905.16
6400-80 · Administrative Fee - Colliervil	2,539.21
6400-90 · Administrative Fee - Lakeland	2,822.60
6400-91 · Administrative Fee - Millington	317.50
Total 6400-00 · Administrative Fee	60,594.60
6500-00 · Investment Advisor Fees	
6500-10 · Investment Advisor Fees - Hickm	1,466.41
6500-20 · Investment Advisor Fees - Johns	752.85
6500-30 · Investment Advisor Fees - Shelb	76,226.14
6500-50 · Investment Advisor Fees - JMadi	268.09
6500-60 · Investment Advisor Fees - Arlin	2,691.57
6500-70 · Investment Advisor Fees - Bartl	4,500.36
6500-80 · Investment Advisor Fees - Colli	1,644.49
6500-90 · Investment Advisor Fees - Lakel	1,832.67
6500-91 · Investment Advisor Fees - Milli	203.66
Total 6500-00 · Investment Advisor Fees	89,586.24
Total Expense	150,288.25
Net Income	**207,526.13**

CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

October 6, 2026

The Board of Trustees and
Dr. Tammy Ganger
TSBA OPEB Trust
525 Brick Church Park Drive
Nashville, Tennessee 37207

Dear Trustees and Dr. Ganger:

We have audited the financial statements of Tennessee School Boards Association OPEB Trust (the "Trust") for the year ended June 30, 2026, and we will issue our report thereon dated October 6, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 17, 2026 Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Trust are described in Note B to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2026. We noted no transactions entered into by the Trust during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no particularly sensitive estimates affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 6, 2026, which is included with this letter as Appendix A.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Trust's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Trust's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, which is required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the other information (introductory section), which accompanies the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Board of Trustees and management of the Trust and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Jennifer Manternach
Audit Partner

TSBA OPEB TRUST

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2026

TSBA OPEB TRUST

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TSBA OPEB TRUST

LETTER OF INTRODUCTION

The TSBA OPEB Trust (the "Trust") is pleased to present its Annual Financial Report for the year ended June 30, 2026.

Responsibility and Controls

The Trust is responsible for the financial statements and related information included in this report. A system of internal accounting controls is maintained to provide reasonable assurance that assets are safeguarded and that the books and records reflect only authorized transactions. Limitations exist in any system of internal controls. However, based on recognition that the cost of the system should not exceed its benefits, management believes its system of internal accounting controls maintains an appropriate cost/benefit relationship.

Management believes that its policies and procedures provide guidance and reasonable assurance that the Trust's operations are conducted according to management's intentions and to a high standard of business ethics. In management's opinion, the financial statements present fairly, in all material respects, the net position of the Trust as of June 30, 2026, and the changes in its net position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Audit Assurance

The unmodified opinion of our independent external auditors, Crosslin, PLLC, is included in this report.

TSBA OPEB TRUST
BOARD OF TRUSTEES

David Baker, Ex-Officio, TBSA President

Dr. Tammy Ganger, Trust Administrator

Michelle McKissack

Wright Cox, Chairman

Tim Hobbs

Chris Denson

David Cook

CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Board of Trustees
TSBA OPEB Trust
Nashville, Tennessee

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the TSBA OPEB Trust (the "Trust") as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 6 through 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information, which comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August XX, 2026, on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Trust's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust's internal control over financial reporting and compliance.

Crosslin, PLLC

Nashville, Tennessee
October 6, 2026

Management offers the following discussion and analysis as a narrative introduction to the basic financial statements and an analytical overview of the Trust's financial activities for the fiscal year ended June 30, 2026. This narrative is intended as a supplement and should be read in conjunction with the financial statements.

Overview of the Financial Statements

The Trust's basic financial statements are designed to provide readers with information about the Trust's financial position and changes in financial position for the year ended June 30, 2026. The basic financial statements consist of the Statement of Net Position, the Statement of Changes in Net Position, and the Notes to Financial Statements.

The *Statement of Net Position* presents the Trust's assets and liabilities as of year-end, with the difference reported as net position restricted for other postemployment benefits of contributing members. This statement provides information about the resources held by the Trust at June 30, 2026, including cash and investments reported at fair value.

The *Statement of Changes in Net Position* explains how the Trust's net position changed during the year. This statement reports additions, including employer contributions and investment income, and deductions, including administrative expenses.

The *Notes to Financial Statements* are an integral part of the basic financial statements and provide additional information that is necessary to understand the amounts reported in the statements, including the Trust's significant accounting policies, investment-related disclosures, and other relevant financial information.

Financial Summary

- Net position is restricted for future benefit payments of participating members. Net position at June 30, 2026 totaled approximately $222.2 million.

- Net position increased approximately $27.7 million, which is mainly attributable to favorable financial market conditions compared to the prior year.

- Net investment return increased approximately $8.0 million, which is also mainly attributable to favorable financial market conditions compared to the prior year.

- Employer contributions decreased approximately $4.2 million primarily as a result of budgetary decisions. Additionally, contributions are discretionary at the individual school system level.

- The Trust did not have any unusual or infrequent items during the year ended June 30, 2026. Accordingly, no separate presentation of unusual or infrequent items is included in the financial summary or statement of changes in net position.

In order to ensure the participating employers' ability to properly fund the payment of other postemployment benefits to their employees in future years, it is advisable for employers to accumulate funds on a regular and systematic basis. The principal sources from which the Trust derives additions are employer contributions and earnings on investments.

Detailed Analyses

Comparative summary financial statements of the Trust are presented as follows:

NET POSITION
JUNE 30, 2026 AND 2025

	2026	2025
ASSETS		
Cash	$ 5,531	$ 5,682
Investments, at fair value	222,218,098	194,513,989
Total assets	222,223,629	194,519,671
NET POSITION RESTRICTED FOR OPEB	$222,223,629	$194,519,671

CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
ADDITIONS		
Employer contributions	$ 3,739,670	$ 7,863,937
Total additions	3,739,670	7,863,937
INVESTMENT RETURN, NET		
Investment return, net	24,203,728	16,200,717
Total investment return, net	24,203,728	16,200,717
DEDUCTIONS		
Administrative expenses	(239,440)	(226,539)
Total deductions	(239,440)	(226,539)
NET CHANGE	27,703,958	23,838,115
NET POSITION RESTRICTED FOR OPEB		
Beginning of year	194,519,671	170,681,556
End of year	$ 222,223,629	$ 194,519,671

The Trust's net position was approximately $222.2 million at June 30, 2026. During fiscal year 2026, contributions were made to four of the nine active participant accounts.

Current Trust participants and the fiscal year in which they joined the Trust are as follows:

Hickman County Board of Education (Active)	2008 - 2009
Johnson County Board of Education (Active)	2008 - 2009
Shelby County Board of Education (Active)	2008 - 2009
Claiborne County Board of Education (Non-active)	2009 - 2010
Jackson/Madison County Board of Education (Active)	2012 - 2013
Arlington Community Schools Board of Education (Active)	2014 - 2015
Bartlett City Schools Board of Education (Active)	2014 - 2015
Collierville Schools Board of Education (Active)	2014 - 2015
Lakeland City Board of Education (Active)	2014 - 2015
Millington Municipal Schools Board of Education (Active)	2015 - 2016

Significant Capital Asset and Long-Term Financing Activity

The Trust had no significant capital asset activity during the year ended June 30, 2026. The Trust also had no significant long-term financing activity, including debt, leases, public-private or public-public partnerships, or subscription-based information technology arrangements. Accordingly, there were no related additions, disposals, commitments, credit rating changes, or debt limitation changes to report.

Currently Known Facts, Decisions, or Conditions

Management is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the Trust's financial position or that are expected to produce significant differences from current-period results of operations.

TSBA OPEB TRUST
STATEMENT OF NET POSITION
JUNE 30, 2026

	Arlington Community Schools Plan	Bartlett City Schools Plan	Collierville Schools Plan	Hickman County Schools Plan	Jackson-Madison Schools Plan	Johnson County Schools Plan	Lakeland Schools System Plan	Millington Municipal Schools Plan	Shelby County Schools Plan	TSBA OPEB Trust Account	Total
ASSETS											
Cash	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,531	$ 5,531
Investments, at fair value	6,664,707	11,048,255	4,062,741	3,678,959	668,807	1,885,210	4,516,162	507,998	189,185,259	-	222,218,098
Total assets	6,664,707	11,048,255	4,062,741	3,678,959	668,807	1,885,210	4,516,162	507,998	189,185,259	5,531	222,223,629
NET POSITION											
RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS	$ 6,664,707	$ 11,048,255	$ 4,062,741	$ 3,678,959	$ 668,807	$ 1,885,210	$ 4,516,162	$ 507,998	$ 189,185,259	$ 5,531	$ 222,223,629

See accompanying notes to financial statements.

TSBA OPEB TRUST
STATEMENT OF CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2026

	Arlington Community Schools Plan	Bartlett City Schools Plan	Collierville Schools Plan	Hickman County Schools Plan	Jackson-Madison Schools Plan	Johnson County Schools Plan	Lakeland Schools System Plan	Millington Municipal Schools Plan	Shelby County Schools Plan	TSBA OPEB Trust Account	Total
ADDITIONS											
Employer contributions	$ 100,000	$ -	$ 100,000	$ -	$ -	$ -	$ 150,000	$ -	$ 3,389,670	$ -	$ 3,739,670
Total additions	100,000	-	100,000	-	-	-	150,000	-	3,389,670	-	3,739,670
INVESTMENT RETURN, NET											
Net appreciation in fair value of investments	402,962	678,199	240,020	217,419	39,794	111,601	275,863	30,341	11,149,561	-	13,145,760
Interest and dividends	344,363	574,257	207,843	193,705	35,151	99,220	229,404	26,670	9,733,727	28	11,444,368
Less investment expenses	(11,662)	(19,762)	(7,021)	(6,460)	(1,179)	(3,303)	(7,828)	(895)	(328,290)	-	(386,400)
Total investment return, net	735,663	1,232,694	440,842	404,664	73,766	207,518	497,439	56,116	20,554,998	28	24,203,728
DEDUCTIONS											
Administrative expenses	15,169	25,441	9,128	8,484	1,541	4,346	10,121	1,171	163,860	179	239,440
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Total deductions	15,169	25,441	9,128	8,484	1,541	4,346	10,121	1,171	163,860	179	239,440
NET INCREASE IN NET POSITION	820,494	1,207,253	531,714	396,180	72,225	203,172	637,318	54,945	23,780,808	(151)	27,703,958
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS:											
BEGINNING OF YEAR	5,844,213	9,841,002	3,531,027	3,282,779	596,582	1,682,038	3,878,844	453,053	165,404,451	5,682	194,519,671
END OF YEAR	$ 6,664,707	$ 11,048,255	$ 4,062,741	$ 3,678,959	$ 668,807	$ 1,885,210	$ 4,516,162	$ 507,998	$ 189,185,259	$ 5,531	$ 222,223,629

See accompanying notes to financial statements.

A. DESCRIPTION OF THE TRUST

The TSBA GASB 45 Trust was established on April 16, 2009 pursuant to the provisions of the Tennessee Interlocal Cooperation Act (Tenn. Code Ann. § 12-9-101, et seq.) and the policies and bylaws from time to time promulgated by the Board of Trustees (the "Board"). Effective February 15, 2016, the name of the Trust was changed to the TSBA OPEB Trust (the "Trust"). Membership in the Trust shall be open to all members of the Tennessee School Boards Association. Non-members and other governmental entities will be considered by the Trustees on a case by case basis. The purpose of the Trust is to establish a fund through the Trust, which will allow members to pre-fund the liability associated with other postemployment benefits other than pensions. The Trust is not a component unit of another governmental entity.

The Trust's Board of Trustees has fiduciary responsibility for the investment of monies and administration of the Trust pursuant to the Trust Agreement. The Board of Trustees is currently composed of seven members. Five of the Trustees are appointed from the governing boards of the participating members of the Trust for three-year terms and they may be reappointed. Additionally, the Executive Director and President of the Tennessee School Boards Association ("TSBA") are ex-officio members of the Board of Trustees. All seven Trustees are voting members.

For the year ended June 30, 2026, the Trust administered Plan assets for nine defined benefit postemployment plans - Arlington Community Schools Plan, Bartlett City Schools Plan, Collierville Schools Plan, Hickman County Schools Plan, Jackson-Madison Schools Plan, Johnson County Schools Plan, Lakeland Schools Systems Plan, Millington Municipal Schools Plan, and Shelby County Schools Plan (collectively the "Plans"). Although the assets of the Plans are commingled for investment purposes, each of the Plan's assets are held in an irrevocable trust and may be used only for the payment of benefits to the members of the respective Plan in accordance with the terms of the Plans. The TSBA OPEB Trust Account reflects the activity related to the administration of the Trust.

The Trust does not purport to present the financial status of each of the participating employer's postemployment benefit plans, nor do these statements contain information on accumulated plan benefits and other disclosures necessary for a fair presentation of the individual plans in accordance with accounting principles generally accepted in the United States of America.

Measurement Focus and Basis of Accounting

The financial statements of the Trust are presented as a fiduciary fund type. The economic resources measurement focus, and the accrual basis of accounting are used in the preparation of the financial statements. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each employer's Plan.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments

Investments are reported at fair value. Net investment return consists of realized and unrealized appreciation in the fair value of investments, interest and dividends earned, and investment expenses. In order to account for each participating member's activities, separate accounts are maintained by the Trust.

Fair Value of Financial Instruments

Assets and liabilities recorded at fair value in the statement of financial position are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs are as follows:

> Level 1 - Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.
>
> Level 2 - Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.
>
> Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The Trust's financial instruments consist of cash and investments. Cash is recorded at fair value using Level 1 inputs. Investments are recorded at fair value using Level 1 and Level 3 inputs. See Note D.

Administrative Expenses

Each Plan is responsible for its administrative expenses.

Withdrawals

The Trust is specifically authorized to make payments of legitimate reimbursements to member systems requesting their other post-employment benefit ("OPEB") assets. No other withdrawals may be made by member systems.

Taxes

The Trust is exempt from taxation under Section 115 of the Internal Revenue Code. Accordingly, the accompanying financial statements do not include a provision for federal or state income taxes.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from those estimates.

C. INVESTMENTS

The Trust's investments at June 30, 2026, consist of the following:

	Fair Value/ Carrying Amount	Cost
Cash and cash equivalents	$ 590,706	$ 590,706
Exchange-traded and closed-end funds	33,003,544	23,672,103
Mutual funds	171,620,337	156,413,194
Alternative investments	12,828,486	12,828,486
Structured Investments	4,175,025	4,170,000
Total	$222,218,098	$197,674,489

D. FAIR VALUE MEASUREMENTS

The Trust categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Trust has the following recurring fair value measurements as of June 30, 2026:

	Measured at Fair Value	Fair Value Measurements at Reporting Date Using (Level 1)	(Level 2)	(Level 3)
Investments:				
Cash and cash equivalents	$ 590,706	$ 590,706	$ -	$ -
Exchange-traded and closed-end funds	33,003,544	33,003,544	-	-
Mutual funds	171,620,337	171,620,337	-	-
Alternative investments	12,828,486	-	-	12,828,486
Structured Investments	4,175,025	-	-	4,175,025
	$222,218,098	$205,214,587	$ -	$17,003,511

D. FAIR VALUE MEASUREMENTS - Continued

In determining fair value, the Trust uses various valuation approaches. The following is a description of the valuation methodologies used for instruments measured at fair value and their classification within the valuation hierarchy:

Cash and Cash Equivalents

Cash and cash equivalents are in active markets and classified within Level 1 of the valuation hierarchy.

Exchange-Traded and Closed-End Funds

Investments in exchange-traded and closed-end funds represent securities which are traded on national markets or exchanges. These investments are classified within Level 1 of the valuation hierarchy.

Mutual Funds

Investments in mutual funds represent fixed income mutual funds which are listed on national markets or exchanges. These investments are classified within Level 1 of the valuation hierarchy.

Alternative Investments

Alternative investments may include interests in private equity funds, hedge funds, real estate funds, commodities, and other non-traditional investment vehicles. Each investment carries its own unique set of risks and uncertainties, including liquidity constraints and reliance on manager-reported valuations. These alternative investments are valued by the custodian based on net asset values provided by the underlying fund managers and are classified within Level 3 of the valuation hierarchy.

Structured Investments

Structured investments are investment contracts whose fair value may vary based on securities, commodities, or other market variables. These structured investments are classified within Level 3 of the valuation hierarchy.

E. RISKS AND UNCERTAINTIES

The Trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Trust's financial statements.

F. RELATED PARTY TRANSACTIONS

The Trust is administered by the Tennessee School Boards Association ("TSBA"). TSBA receives a quarterly administrative fee calculated individually for each participant on a sliding scale as a percentage of invested assets. The fee covers all administrative costs including personnel, office expense, legal, accounting, and promotion. The administrative fee during fiscal year 2026 totaled $239,440.

G. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 6, 2026, the date the financial statements were available for issuance, and has determined there were no subsequent events requiring disclosure.

CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
TSBA OPEB Trust
Nashville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the TSBA OPEB Trust (the "Trust"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements, and have issued our report thereon dated October 6, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Trust's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crosslin, PLLC

Nashville, Tennessee
October 6, 2026

TSBA OPEB TRUST
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2026

The Trust had no prior audit findings.

Morgan Stanley

WEALTH MANAGEMENT

Custom Report

Prepared on October 30, 2026 for:

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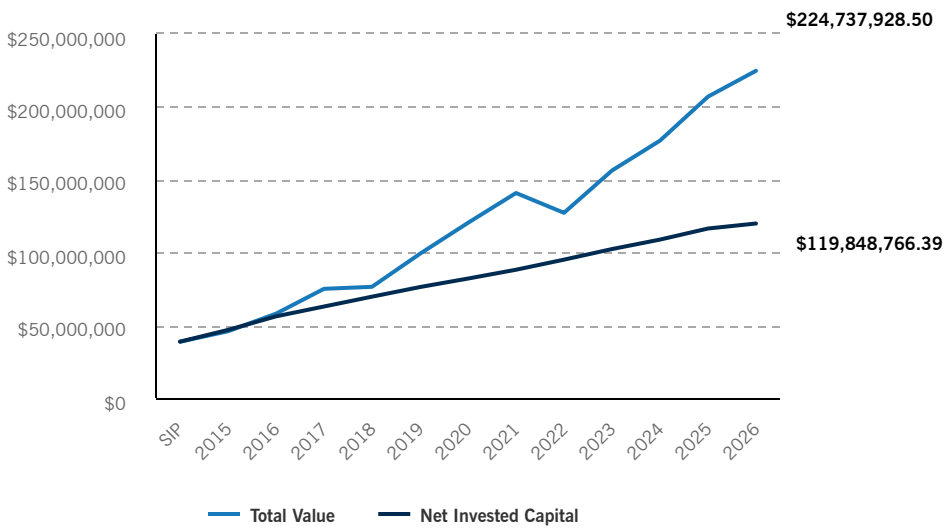
Please see the important disclosures and definitions throughout this Document. For more information or questions, please contact your Financial Advisor.
Various sub-sections of this Document may not contain information on all accounts/positions covered in this Document and will be denoted on the page.

Investment Summary Dollar Weighted Returns

TSBA OPEB TRUST

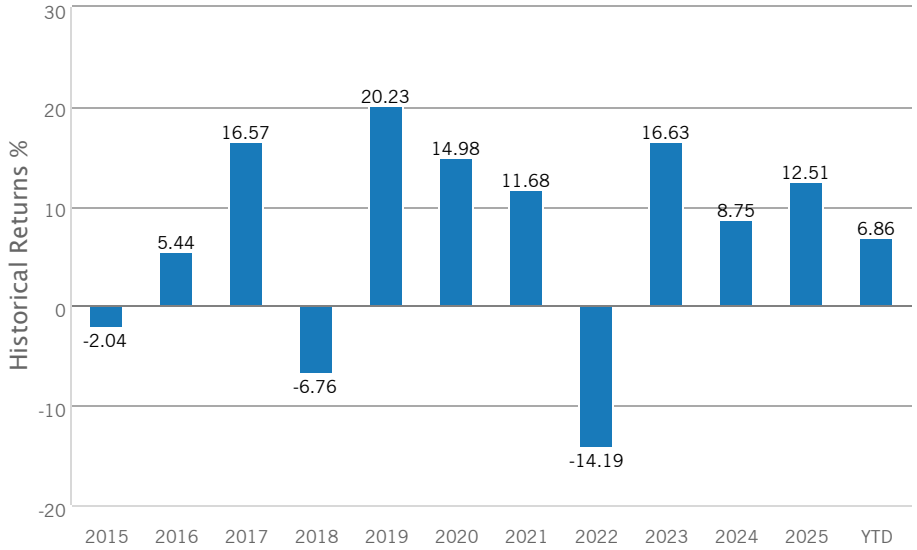
Data as of October 29, 2026

TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

DOLLAR-WEIGHTED PERIOD RETURN % (NET OF FEES)

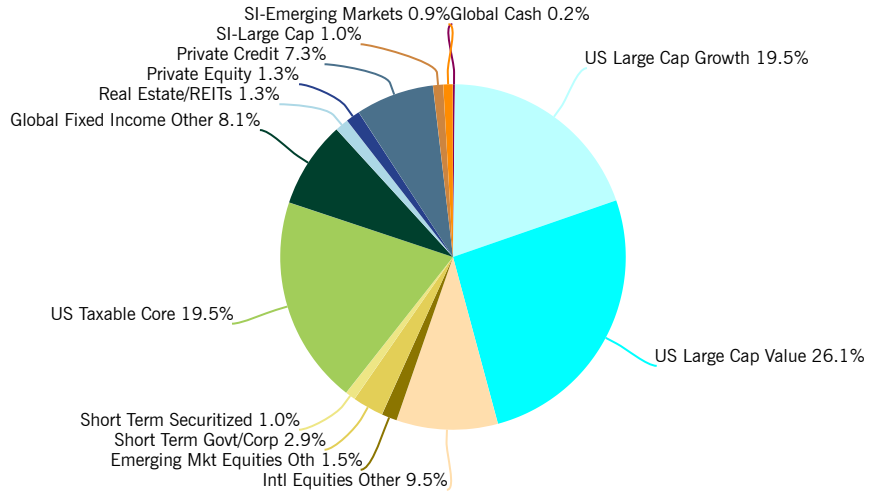


Does not include Performance Ineligible Assets.

DOLLAR-WEIGHTED RETURN % (NET OF FEES)

	Quarter to Date ($) 09/30/26-10/29/26	Year to Date ($) 12/31/25-10/29/26	Performance Inception ($) 06/09/15-10/29/26
Beginning Total Value	**222,946,691**	**206,978,157**	**38,680,482**
Net Contributions/Withdrawals	-113,183	3,449,658	81,168,284
Investment Earnings	1,904,420	14,310,113	104,889,162
Ending Total Value	**224,737,929**	**224,737,929**	**224,737,929**
DOLLAR WEIGHTED RATE OF RETURN (%) (Annualized for periods over 12 months)			
Return % (Net of Fees)	0.85	6.86	7.75
90-Day T-Bills	0.31	3.18	2.23

ASSET ALLOCATION

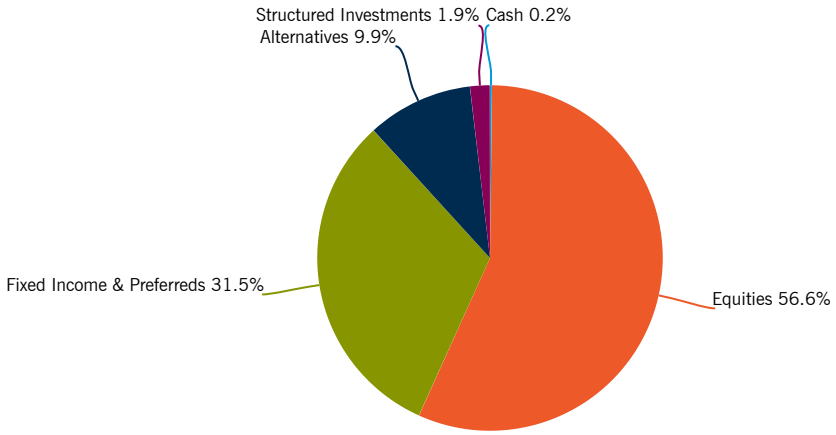


Asset Allocation

TSBA OPEB TRUST

Data as of October 29, 2026

ASSET ALLOCATION - ASSET CLASS



ASSET ALLOCATION

	Total Value ($) 10/29/2026	% of Portfolio 10/29/2026
Cash	421,227.14	0.2
Equities	127,133,777.33	56.6
Fixed Income & Preferreds	70,751,951.36	31.5
Alternatives	22,256,127.77	9.9
Structured Investments	4,176,255.00	1.9
TOTAL PORTFOLIO	224,739,338.60	100.0

Equities Asset Allocation

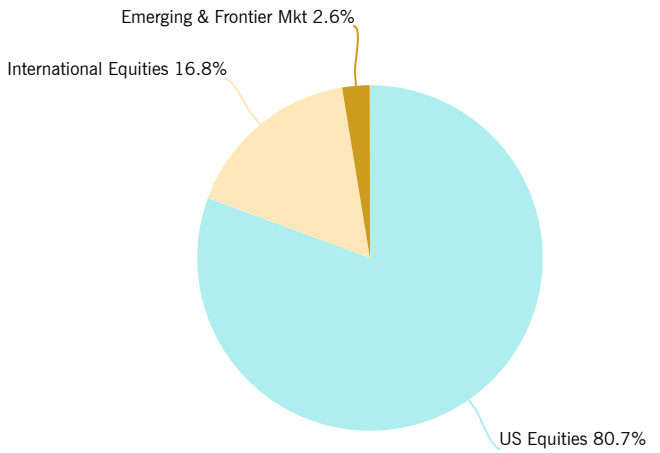
TSBA OPEB TRUST

Data as of October 29, 2026

TOP EQUITY POSITIONS BASED ON TOTAL VALUE

SECURITY DESCRIPTION	Total Value ($) 10/29/2026	% of Equities 10/29/2026
PGIM JENNISON GROWTH Z	30,090,299.38	23.7
BLACKROCK HIGH EQ INCOME INST	18,808,856.89	14.8
OAKMARK FUND INSTITUTIONAL	15,032,166.79	11.8
JOHN HANCOCK DISPLND VAL INST	14,259,298.29	11.2
ISHARES CORE S&P U.S. GROWTH	13,709,793.50	10.8
ISHARES CORE MSCI EAFE ETF	9,731,372.40	7.7
ISHARES CORE S&P U.S. VALUE	6,127,868.37	4.8
THORNBURG INTL GROWTH I	5,805,622.56	4.6
AMERICAN EUPAC F2	5,770,974.88	4.5
VICTORYSHARES FREE CASH FLOW	4,515,330.14	3.6
Top Equity Positions	**123,851,583.20**	**97.4**
Other Equity Positions	**3,282,194.13**	**2.6**
Total Equities	**127,133,777.33**	**100.0**

ASSET ALLOCATION - EQUITIES



ASSET ALLOCATION - EQUITIES

	% of Equities 10/29/2026	Total Value ($) 10/29/2026	% of Portfolio 10/29/2026
US Equities	**80.7**	**102,543,613.36**	**45.6**
US Large Cap Growth	34.5	43,800,092.88	19.5
US Large Cap Value	46.2	58,743,520.48	26.1
International Equities	**16.8**	**21,307,969.84**	**9.5**
Intl Equities Other	16.8	21,307,969.84	9.5
Emerging & Frontier Mkt	**2.6**	**3,282,194.13**	**1.5**
Emerging Mkt Equities Oth	2.6	3,282,194.13	1.5
TOTAL EQUITIES	**100.0**	**127,133,777.33**	**56.6**

Fixed Income & Preferreds Asset Allocation

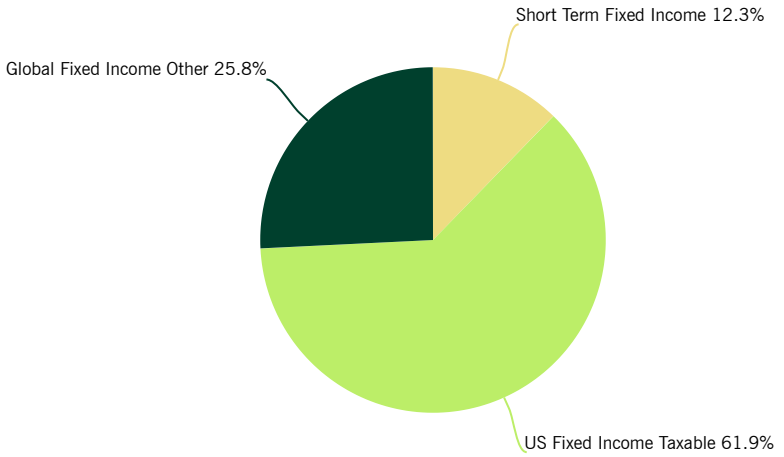
TSBA OPEB TRUST

Data as of October 29, 2026

TOP FIXED INCOME & PREFERRED POSITIONS BASED ON TOTAL VALUE

SECURITY DESCRIPTION	Total Value ($) 10/29/2026	% of Fixed Income & Preferreds 10/29/2026
JOHN HANCOCK BOND I	28,574,474.42	40.4
JANUS HENDERSON MLT SEC INC I	18,240,256.26	25.8
PGIM TOTAL RETURN BOND Z	15,242,459.10	21.5
PGIM SHORT-TERM CORP BOND Z	8,694,761.58	12.3
Top Fixed Income & Preferred Positions	**70,751,951.36**	**100.0**
Other Fixed Income & Preferred Positions	-	-
Total Fixed Income & Preferred	**70,751,951.36**	**100.0**

ASSET ALLOCATION - FIXED INCOME & PREFERREDS



ASSET ALLOCATION - FIXED INCOME & PREFERREDS

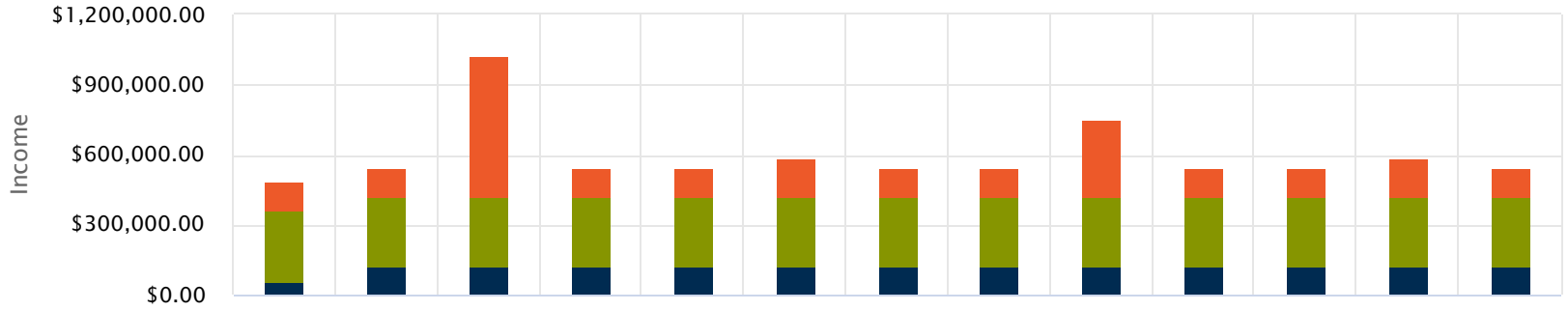
	% of Fixed Income & Preferreds 10/29/2026	Total Value ($) 10/29/2026	% of Portfolio 10/29/2026
Short Term Fixed Income	**12.3**	**8,694,761.58**	**3.9**
Short Term Govt/Corp	9.2	6,521,071.19	2.9
Short Term Securitized	3.1	2,173,690.40	1.0
US Fixed Income Taxable	**61.9**	**43,816,933.52**	**19.5**
US Taxable Core	61.9	43,816,933.52	19.5
Global Fixed Income Other	**25.8**	**18,240,256.26**	**8.1**
Global Fixed Income Other	25.8	18,240,256.26	8.1
TOTAL FIXED INCOME & PREFERREDS	**100.0**	**70,751,951.36**	**31.5**

Projected 12 Month Income Summary

TSBA OPEB TRUST

Data as of October 29, 2026

12 MONTH INCOME SUMMARY



Asset Class	Total Value ($) 10/29/2026	10/30/26 to 10/31/26 ($)	Projected Income ($) (11/01/26 - 10/31/27)												% Yield
			Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Total	
Cash	421,227	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Equities	127,133,777	120,470	124,494	597,742	124,494	124,494	165,959	124,494	124,494	330,602	124,494	124,494	165,959	124,494	**2,440,362.86**	1.92
Fixed Income & Preferreds	70,751,951	303,091	303,091	303,091	303,091	303,091	303,091	303,091	303,091	303,091	303,091	303,091	303,091	303,091	**3,637,086.60**	5.14
Alternatives	22,256,128	61,905	121,549	121,549	121,549	121,549	121,549	121,549	121,549	121,549	121,549	121,549	121,549	121,549	**1,458,583.08**	6.55
Structured Investments	4,176,255	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Total	**224,739,339**	**485,465**	**549,133**	**1,022,382**	**549,133**	**549,133**	**590,598**	**549,133**	**549,133**	**755,241**	**549,133**	**549,133**	**590,598**	**549,133**	**7,536,032.54**	**3.35**

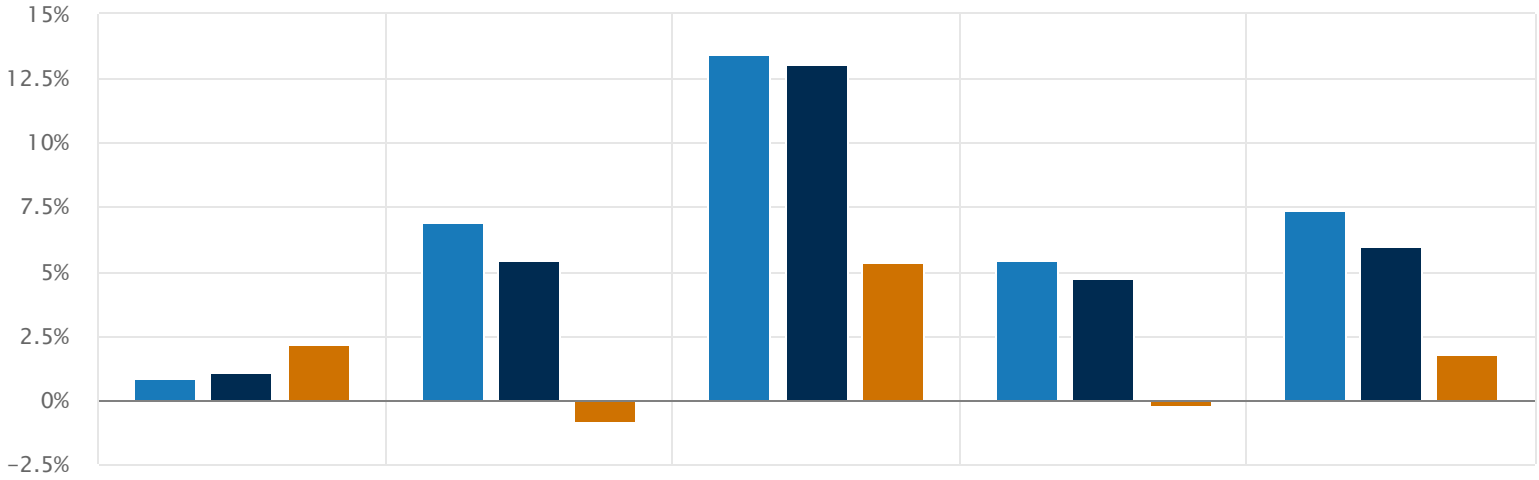
Monthly projected income numbers are rounded to the nearest dollar amount and may differ from the yearly total. Projected Income is calculated only for holdings where data is available. In instances whereby payment frequency and/or last payment date is not available, income is based on the current dividend or coupon rate, and will be displayed in the Total column only. Projected income is not available for Alternative Investment funds that do not have a share quantity.

Time Weighted Performance Summary

TSBA OPEB TRUST

Data as of October 29, 2026

RETURN % (NET OF FEES) VS. BENCHMARKS (ANNUALIZED)



	Quarter to Date 09/30/26 - 10/29/26	Year to Date 12/31/25 - 10/29/26	Last 3 Years 10/31/23 - 10/29/26	Last 5 Years 10/31/21 - 10/29/26	Performance Inception 06/09/15 - 10/29/26
Beginning Total Value ($)	222,946,691.33	206,978,157.36	140,089,359.38	140,694,079.54	38,680,482.15
Net Contributions/Withdrawals ($)	-113,182.73	3,449,658.19	17,561,474.83	31,757,518.27	81,168,284.24
Investment Earnings ($)	1,904,419.90	14,310,112.96	67,087,094.29	52,286,330.69	104,889,162.11
Ending Total Value ($)	224,737,928.50	224,737,928.50	224,737,928.50	224,737,928.50	224,737,928.50
Return % (Net of Fees)	0.85	6.89	13.43	5.46	7.37
TN TSBA Composite (%)	1.07	5.41	13.09	4.73	6.00
Bloomberg US Aggregate (%)	2.14	-0.83	5.36	-0.21	1.76

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

Positions Time Weighted Performance Detail

TSBA OPEB TRUST | Data as of October 29, 2026

RETURN % (GROSS OF FEES) (ANNUALIZED)

Product/ Security Description ▲	Account Number	Performance Inception Date	Ending Total Value ($)	Year to Date (%) 12/31/25 - 10/29/26	Last 12 Months (%) 10/31/25 - 10/29/26	Last 3 Years (%) 10/31/23 - 10/29/26	Last 5 Years (%) 10/31/21 - 10/29/26	Since Inception (%)	% of Portfolio
Total Portfolio (Gross of Fees)		**06/09/2015**	**224,737,928.50**	**7.06**	**8.23**	**13.65**	**5.66**	**7.56**	**100.00**
TN TSBA Composite				**5.41**	**6.20**	**13.09**	**4.73**	**6.00**	
Exchange Traded/ Closed End Funds									
ISHARES CORE MSCI EAFE ETF(IEFA)	Multiple	11/28/2018	9,731,372.40	10.32	14.19	19.87	8.44	9.97	4.33
ISHARES CORE S&P U.S. GROWTH(IUSG)	Multiple	11/28/2018	13,709,793.50	12.66	11.58	27.66	11.91	17.52	6.10
ISHARES CORE S&P U.S. VALUE(IUSV)	Multiple	11/28/2018	6,127,868.38	15.12	17.47	19.09	11.68	12.66	2.73
VICTORYSHARES FREE CASH FLOW(VFLO)	Multiple	07/18/2025	4,515,330.14	38.63	44.99	-	-	41.84	2.01
Mutual Funds									
AMERICAN EUPAC F2(AEPFX)	Multiple	07/14/2015	5,770,974.89	6.70	8.47	18.10	4.65	7.10	2.57
BLACKROCK HIGH EQ INCOME INST(BMCIX)	Multiple	09/02/2015	18,808,856.89	15.27	20.33	17.31	9.76	9.68	8.37
CION ARES DIVERSIFIED CREDIT U(CADZX)	Multiple	09/30/2024	9,147,318.76	-0.30	0.10	-	-	3.89	4.07
GOLDMAN SACHS EMER MKT EQ INST(GEMIX)	Multiple	04/14/2026	3,282,194.14	-0.49	-	-	-	-0.49	1.46
JANUS HENDERSON MLT SEC INC I(JMUIX)	Multiple	08/12/2024	18,240,256.26	-0.09	1.15	-	-	4.92	8.12
JOHN HANCOCK BOND I(JHBIX)	Multiple	04/24/2024	28,574,474.43	-1.40	-0.95	-	-	4.34	12.71
JOHN HANCOCK DISPLND VAL INST(JVLIX)	Multiple	07/24/2018	14,259,298.29	20.31	23.45	22.52	13.07	11.74	6.34

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.
Position level performance detail is only available since 12/31/2014.

Positions Time Weighted Performance Detail

TSBA OPEB TRUST | Data as of October 29, 2026

RETURN % (GROSS OF FEES) (ANNUALIZED) (Continued)

Product/ Security Description▲	Account Number	Performance Inception Date	Ending Total Value ($)	Year to Date (%) 12/31/25 - 10/29/26	Last 12 Months (%) 10/31/25 - 10/29/26	Last 3 Years (%) 10/31/23 - 10/29/26	Last 5 Years (%) 10/31/21 - 10/29/26	Since Inception (%)	% of Portfolio
OAKMARK FUND INSTITUTIONAL(OANMX)	Multiple	07/12/2021	15,032,166.79	10.36	17.75	19.77	10.62	11.34	6.69
PGIM JENNISON GROWTH Z(PJFZX)	Multiple	09/02/2015	30,090,299.38	8.18	5.10	24.01	8.38	15.90	13.39
PGIM SHORT-TERM CORP BOND Z(PIFZX)	Multiple	09/02/2015	8,694,761.59	0.44	1.21	5.48	2.37	2.60	3.87
PGIM TOTAL RETURN BOND Z(PDBZX)	Multiple	04/06/2023	15,242,459.10	-1.27	-0.86	6.03	-	3.48	6.78
THORNBURG INTL GROWTH I(TINGX)	Multiple	09/02/2015	5,805,622.56	5.88	3.18	11.74	0.08	6.04	2.58
Corporate Fixed Income									
GS PLUS SPX 00000 28NV03	Multiple	04/16/2026	2,151,720.00	3.20	-	-	-	3.20	0.96
JPM PLUS MXEF 00000 28NV03	Multiple	04/16/2026	2,024,535.00	-2.90	-	-	-	-2.90	0.90
Others									
BLACKSTONE - BXPE(BDP69)	Multiple	02/02/2026	2,954,529.22	13.03	-	-	-	13.03	1.31
BLACKSTONE BCRED(BCJ26)	Multiple	03/03/2025	7,337,043.42	1.30	2.18	-	-	4.19	3.26
BREIT CL S-P3(BER10)	Multiple	02/02/2026	2,817,236.35	7.77	-	-	-	7.77	1.25
Cash, MMF and Bank Deposits									
BANK DEPOSIT PROGRAM(BDPS)	Multiple	06/18/2015	419,817.04	-	-	-	-	-	0.19

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.
Position level performance detail is only available since 12/31/2014.

Alternative Investments Portfolio Analysis

TSBA OPEB TRUST | Data as of October 29, 2026

EVERGREEN INVESTMENTS

Asset Class / *Security Description* / Account Number ▲	Inception Date	Valuation Date	Beginning Total Value ($)	Net Contributions / Withdrawals ($)	Investment Earnings ($)	Ending Total Value ($)	Annualized Gross TWR			
							Quarter to Date (%)	Year to Date (%)	Last 12 Months (%)	Since Inception (%)
Real Estate/REITs	**02/02/26**		**0**	**2,614,000**	**203,236**	**2,817,236**	**0.00**	**7.77**	**-**	**7.77**
BREIT CL S-P3 Multiple Accounts *Symbol/Cusip: BER10*	02/02/26	09/30/26	0	2,614,000	203,236	2,817,236	0.00	7.77	-	7.77
Private Equity	**01/28/26**		**0**	**2,614,000**	**340,529**	**2,954,529**	**0.00**	**13.03**	**-**	**13.03**
BLACKSTONE - BXPE Multiple Accounts *Symbol/Cusip: BDP69*	02/02/26	09/30/26	0	2,614,000	340,529	2,954,529	0.00	13.03	-	13.03
Private Credit	**09/30/24**		**0**	**15,533,900**	**950,462**	**16,484,362**	**-0.35**	**0.40**	**1.01**	**4.26**
BLACKSTONE BCRED Multiple Accounts *Symbol/Cusip: BCJ26*	03/03/25	09/30/26	0	6,933,400	403,643	7,337,043	0.00	1.30	2.18	4.19
CION ARES DIVERSIFIED CREDIT U Multiple Accounts *Symbol/Cusip: CADZX*	09/30/24	10/29/26	0	8,600,500	546,819	9,147,319	-0.64	-0.30	0.10	3.89

The investment returns shown in the Evergreen Investments are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.
Position level performance detail is only available since 12/31/2014.

Morgan Stanley Wealth Management Global Investment Committee Commentary

As of October 08, 2026 Reporting Currency: USD

The third quarter of 2026 brought positive total returns of 2.3% for the S&P 500, while four of its 11 sectors posted gains quarter-over-quarter. US equities were mixed in the quarter, with the S&P 500 and Nasdaq Composite increasing, while the Dow Jones Industrial Average declined. Over the same timeframe, the Russell 2000 Index, the small-cap benchmark, declined by -7.2%, while the Bloomberg US Aggregate Index, a broad measure of the US bond market, dropped by -3.5%. The yield on the 10-year US Treasury note closed the quarter at 5.28%, while the three-month US Treasury bill yield ended at 4.11%.

- After keeping the federal funds rate unchanged in its July FOMC meeting, the Federal Reserve began tightening again at its September meeting, raising rates by 25 basis points to a terminal range of 3.75%-4.0% on renewed inflationary pressure. Gold prices increased by about 3.7% in the quarter, and the US dollar rose modestly by 0.3%.
- Headline Consumer Price Index inflation remained relatively flat throughout the quarter, measuring 3.4% in August. The labor market remained relatively stable throughout the quarter, with the unemployment rate measuring at 4.2% in September. MS & Co.'s US Economics team expects the Fed to hike rates again in December 2026 and in March 2027.

- With the current economic backdrop, the Global Investment Committee is overweight equities. In equities, prepare for some market narrowing around quality large-cap US stocks, amid headwinds for consumer-exposed cyclicals. Financials, health care, energy and some defensives work as overweights, along with select cloud-dominant hyperscalers.
- The GIC is modestly increasing exposure to high-quality fixed income. Current market pricing implies a more restrictive Fed path, creating an opportunity to extend duration beyond ultrashort, cash-like maturities, while maintaining caution toward the long end of the Treasury curve.

Source: Morgan Stanley Wealth Management GIO, Morgan Stanley & Co. Research, Bloomberg, FactSet

Account(s) Included in this Report

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MORGAN STANLEY WEALTH MANAGEMENT

Account Name	Account Number	Account Type/ Manager Name	Date Opened/ Date Closed	Perf Inception Date Perf (%) Incept - 10/29/26	Total Value ($) 10/29/26	% of Portfolio 10/29/26
ARLINGTON CITY - Alternative Investment	471-XXX385	AAA	02/18/20 -	02/25/2020 4.42	780,773.42	0.35
ARLINGTON CITY BOE	471-XXX901	Consulting Group Advisor	06/17/15 -	06/18/2015 7.58	5,956,440.00	2.65
BARTLETT CITY - Alternative Investment	471-XXX383	AAA	02/18/20 -	02/25/2020 4.48	1,209,502.94	0.54
BARTLETT CITY BOE	471-XXX902	Consulting Group Advisor	06/17/15 -	07/01/2015 7.50	9,959,367.64	4.43
Collierville City - Alternative Invest.	471-XXX396	AAA	02/18/20 -	02/25/2020 4.48	467,626.44	0.21
COLLIERVILLE CITY BOE	471-XXX903	Consulting Group Advisor	06/17/15 -	07/01/2015 7.45	3,639,264.78	1.62
HICKMAN CO.	471-XXX866	Consulting Group Advisor	06/03/15 -	06/09/2015 7.59	3,192,458.05	1.42
Hickman Co. - Alternative Investment	471-XXX388	AAA	02/18/20 -	02/25/2020 4.50	473,333.79	0.21
JACKSON-MADISON	471-XXX864	Consulting Group Advisor	06/03/15 -	06/09/2015 7.59	593,272.69	0.26
JACKSON-MADISON - Alternative Investment	471-XXX403	AAA	02/18/20 -	02/25/2020 4.45	82,815.98	0.04
JOHNSON CO.	471-XXX869	Consulting Group Advisor	06/03/15 -	06/09/2015 7.59	1,666,048.61	0.74
JOHNSON CO. - Alternative Investment	471-XXX398	AAA	02/18/20 -	02/25/2020 4.51	239,611.03	0.11
Lakeland City - Alternative Investment	471-XXX393	AAA	02/18/20 -	02/25/2020 4.50	509,573.81	0.23
LAKELAND CITY BOE	471-XXX900	Consulting Group Advisor	06/17/15 -	06/18/2015 7.40	4,055,728.09	1.81
MILLINGTON	471-XXX583	Consulting Group Advisor	07/05/16 -	07/07/2016 8.35	450,679.40	0.20
MILLINGTON - Alternative Investment	471-XXX409	AAA	02/18/20 -	02/25/2020 4.38	62,838.35	0.03
SHELBY CO.	471-XXX863	Consulting Group Advisor	06/03/15 -	06/09/2015 7.54	168,793,363.96	75.11

The investment returns shown on this page are Net of Fees, time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated.

Account(s) Included in this Report

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MORGAN STANLEY WEALTH MANAGEMENT (Continued)

Account Name	Account Number	Account Type/ Manager Name	Date Opened/ Date Closed	Perf Inception Date Perf (%) Incept - 10/29/26	Total Value ($) 10/29/26	% of Portfolio 10/29/26
SHELBY CO. - Alternative Investment	471-XXX380	AAA	02/18/20 -	02/25/2020 5.07	22,606,639.81	10.06
Morgan Stanley Wealth Management Total					**224,739,338.79**	**100.00**
Total Portfolio					**224,739,338.79**	**100.00**

The investment returns shown on this page are Net of Fees, time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated.

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Explanatory Notes and Disclosures: This document is designed to assist you and your Financial Advisor in understanding portfolio positions, composition and subsets thereof. It is designed solely for your individual use, is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. Do not take action relying on this information without confirming its accuracy and completeness. Please read carefully all accompanying notes and disclosures provided in this document.

For convenience purposes, your Financial Advisor may have assigned a designated name for this document. The list of the accounts covered in this document is noted herein and may not include all of your accounts with us or external custodians. Furthermore, the information included in this document may not include all asset classes/securities/liabilities held by you at the firm or external custodians. Please review this document carefully and discuss any questions you may have with your Financial Advisor. If you do not understand an entry, suspect an error, or want more details on current values or other information, contact your Financial Advisor. This document is based upon your Morgan Stanley account holdings and may include other holdings/information that you or a third party provided about assets custodied elsewhere. Morgan Stanley will not verify any other holdings/information. If any information reflects assets held away from Morgan Stanley that will be indicated.

The information contained in this document is subject to, and does not supersede the confirmations and account statements you receive from us. Values shown in your official account statement may differ from the values shown in this document due to, among other things, different reporting methods, delays, market conditions and interruptions. If there are discrepancies between your official account statement and this document, rely on your official account statement. Read your statement carefully.

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Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

Money Market Fund: You could lose money in Money Market Funds (MMFs). Although MMFs classified as government funds (i.e., MMFs that invest 99.5% of total assets in cash and/or securities backed by the U.S government) and retail funds (i.e., MMFs open to natural person investors only) seek to preserve value at $1.00 per share, they cannot guarantee they will do so. The price of other MMFs will fluctuate and when you sell shares they may be worth more or less than originally paid. MMFs may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A MMF investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency.

AAA Accounts: The Active Assets Account is a brokerage account offered through Morgan Stanley Smith Barney LLC.

Consulting Group Advisory Accounts: Consulting Group is a business of Morgan Stanley Smith Barney LLC.

Important Regulation Best Interest Information: This report is being provided as a courtesy. By providing this report, we do not represent or agree that we will monitor the investments in your brokerage account(s) or deliver future reports.

Residential Mortgage loan information is excluded from this report. Please contact your Morgan Stanley team for more information.

Additional information about your Floating Rate Notes: For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

Important Information About Auction Rate Securities: For certain Auction Rate Securities there is no or limited liquidity. Therefore, the price(s) for these Auction Rate Securities are indicated as not available by a dash "-". There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security.

Important Pricing Information: Prices of securities not actively traded may not be available, and are indicated by a dash "-". Account values are based on the most recent security pricing available and may be prior to the date of this material.

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Asset Classification: We classify assets based on general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, allocations may be under or over inclusive. These classifications do not constitute a recommendation and may differ from the classification of instruments for regulatory or tax purposes. In addition, the Other asset class contains securities that are not included in the various asset class classifications. This can include, but is not limited to, non-traditional investments such as some Equity Unit Trusts, Index Options and Structured Investments issued outside of Morgan Stanley. Additionally, investments for which we are unable to procure market data to properly classify them will appear in the Other category.

Additional information about your Structured Products: Structured Investments are complex products and may be subject to special risks, which may include, but are not limited to: loss of initial investment; issuer credit risk and price volatility resulting from any actual or anticipated changes to issuer's and/or guarantor's credit ratings or credit spreads; limited or no appreciation and limits on participation in any appreciation of underlying asset(s); risks associated with the underlying reference asset(s); no periodic payments; call prior to maturity; early redemption fees for market linked deposits; lower interest rates and/or yield compared to conventional debt with comparable maturity; unique tax implications; limited or no secondary market; and conflicts of interest due to affiliation, compensation or other factors which could adversely affect market value or payout to investors. Investors also should consider the concentration risk of owning the related security and their total exposure to any underlying asset.

Performance: Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, dividends, interest and income. Depending on the opening or closing date of the account or position, the performance referenced may be for a portion of the time period identified. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Please contact your Financial Advisor for up-to-date performance information. Past performance is not a guarantee of future results. Quotations of performance appearing in this report may include performance experienced in legacy accounts which have been closed and purged, and as such are not included on the Accounts Included in This Report page.

Market values used for performance calculation do not include Performance Ineligible Assets and thus may differ from asset allocation market values. Common examples of Performance Ineligible Assets include liabilities, life insurance and annuities as well as Manually Added and External accounts for which Morgan Stanley does not receive data necessary to calculate performance.
Unless otherwise indicated, performance is an aggregated composite calculation of the entire portfolio and may include brokerage and investment advisory accounts as well as assets for different accounts included in this report. The accounts included in the composite may have (or have had) different investment objectives and strategies, been subject to different restrictions, and incurred different types of fees, markups, commissions and other charges. Accordingly, performance results may blend the performance of assets and strategies that may not have been available in all of the accounts at all times during the reporting period. In addition, accounts in the composite may have changed from brokerage to advisory or vice versa. Accounts may also have moved from one advisory program to another (including from a discretionary program to a non-discretionary program).
For Morgan Stanley Smith Barney LLC accounts, performance information may cover the full history of the account(s) or just the performance of an account(s) since the inception of the current program(s). Performance results on individual accounts will vary and may differ from the composite returns. Your Financial Advisor can provide you with individual account portfolio composition and performance information. For investment advisory accounts, please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 or applicable disclosure brochure. For brokerage accounts, please speak to your Financial Advisor for more information on commissions and other account fees and expenses. Performance inception date does not necessarily correspond to the account opening date. Where multiple accounts are included in performance calculations, the inception date is the oldest performance inception. Performance data may not be available for all periods as some accounts included in performance may have more recent performance inception dates. Consequently, the actual performance for a group of accounts may differ from reported performance. Please ask your Financial Advisor for the performance inception date for each account.

Sub Account and Security Level Performance: The performance return methodology described above and in the TWR and IRR definitions applies to both Account Level and Sub-Account (e.g. Asset Class or Security level) performance returns. The inputs consist of market values and net flows.
For example, TWR is calculated by taking the Change in Market Value (Ending MV – Beginning MV) less any net flows, divided by the beginning MV. TWR = (Ending MV – Beginning MV – Net Flows) / Beginning MV
The difference lies in what is or is not included in the Market Values and Flows. For account level performance, the total account market values and all flows within the account are taken into account. For sub-account level performance, only those market values and flows associated with the specific securities included are taken into account.
Flows that are not security specific typically include account advisory fees, cash contributions or withdrawals, and any other flows that are not attributed to a specific security.
Flows that are security specific including purchases, sales, dividends, interest, partnership distributions, return of capital, fund sales charges, security transaction fees, and ongoing fund expenses are typically reflected in the security level returns.

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Gross of Fees: The impact of program fees can be material. These program fees are deducted based on your billing cycle and may have a compounding effect on performance. As fees are deducted periodically throughout the year, the compounding effect may increase the impact of the fees by an amount directly related to the gross account performance.

Indices: Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and/or investment objective(s) associated with the account(s). In some circumstances, the benchmark index may not be an appropriate benchmark for use with the specific composite portfolio. For instance, an index may not take into consideration certain changes that may have occurred in the portfolio since the inception of the account(s), (e.g., changes from a brokerage to an advisory account or from one advisory program to another, asset class changes, or index changes for individual managers). The volatility of the index used for comparison may be materially different from that of the performance shown. Indices are unmanaged and not available for direct investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance. Please see the Benchmark Definitions section of this material for additional information on the indices used for comparison.

Projected 12 Month: Projected 12 Month Income is based upon cash income from interest, cash dividends, cashless dividends, and partnership distributions. It is a hypothetical projection calculated using current yields. The projected income referenced is based upon certain market projections effective as at today's date only and can change at any time. Such projected income is hypothetical, do not reflect actual investment results, and is not a guarantee of future results. The projected income is referenced for illustrative purposes only. Morgan Stanley does not represent or guarantee that the projected income referenced will or can be attained. The actual income may be lower or higher than the projections based upon a variety of factors and assumptions. The projected income shown may under or over compensate for the impact of actual market conditions and other factors. We make no representation or warranty as to the reasonableness of the assumptions made, or that all assumptions used to construct this projected income information have been stated or fully considered. To the extent that the assumptions made do not reflect actual conditions, the illustrative value of the hypothetical projected income will decrease. Companies paying dividends can reduce or cut payouts at any time.
The projected income referenced may include income from Morgan Stanley & Co. and External Accounts, where data is available. Such information was obtained from third party sources which Morgan Stanley believes to be reliable. However, we make no representation or guarantee that the information is accurate or complete. You should not rely upon this information to make any investment decision. Please refer to the official account statements and performance reports you received from your custodian and/or financial institution for information about projected income in your External Accounts. The projected income referenced does not include income from assets in Manually Added External Accounts.

Additional information about your Alternative Investments: Your interests in Alternative Investments, which may have been purchased through us, are generally not held here, and are generally not covered by SIPC. The information provided to you: 1) is included as a service to you, and certain transactions may not be reported; 2) is derived from you or another external source for which we are not responsible, and may have been modified to take into consideration capital calls or distributions to the extent applicable; 3) may not reflect actual shares, share prices, or values; 4) may include invested or distributed amounts in addition to a fair value estimate; and 5) should not be relied upon for tax reporting purposes. Notwithstanding the foregoing, 1) to the extent this report displays Alternative Investment positions within a Morgan Stanley Individual Retirement Account ("IRA"), such positions are held by Morgan Stanley Smith Barney LLC as the custodian of your Morgan Stanley IRA; and 2) if your Alternative Investment position(s) is held by us and is registered pursuant to the Securities Act of 1933, as amended, your Alternative Investment position(s) is covered by SIPC.

Alternatives may be either traditional alternative investment vehicles or non-traditional alternative strategy vehicles. Traditional alternative investment vehicles may include, but are not limited to, Hedge Funds, Fund of Funds (both registered and unregistered), Exchange Funds, Private Equity Funds, Private Credit Funds, Real Estate Funds, and Managed Futures Funds. Non-traditional alternative strategy vehicles may include, but are not limited to, Open or Closed End Mutual Funds, Exchange-Traded and Closed-End Funds, Unit Investment Trusts, exchange listed Real Estate Investment Trusts (REITs), and Master Limited Partnerships (MLPs). These non-traditional alternative strategy vehicles also seek alternative-like exposure but have significant differences from traditional alternative investment vehicles. Non-traditional alternative strategy vehicles may behave like, have characteristics of, or employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives, and options, which can increase volatility and the risk of investment loss. Characteristics such as correlation to traditional markets, investment strategy, and market sector exposure can play a role in the classification of a traditional security being classified as alternative.

Traditional alternative investment vehicles are illiquid and usually are not valued daily. The estimated valuation provided will be as of the most recent date available and will be included in summaries of your assets. Such valuation may not be the most recent provided by the fund in which you are invested. No representation is made that the valuation is a market value or that the interest could be liquidated at this value. We are not required to take any action with respect to your investment unless valid instructions are received from you in a timely manner. Some positions reflected herein may not represent interests in the fund, but rather redemption proceeds withheld by the issuer pending final valuations which are not subject to the investment performance of the fund and may or may not accrue interest for the length of the withholding. Morgan Stanley does not engage in an independent valuation of your alternative investment assets. Morgan Stanley provides periodic information to you including the market value of an alternative investment vehicle based on information received from the management entity of the alternative investment vehicle or another service provider.

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It is important to note in this report that Morgan Stanley makes a distinction between Alternative Investment products, and products classified as Alternatives by their asset class. Morgan Stanley categorizes traditional and non-traditional alternative investment vehicles under the category "Alternatives" in asset classification based view. For product based views, traditional alternative investments vehicles are classified under the category "Other"; this differs from your official Morgan Stanley account statement, which categorizes traditional alternative investment vehicles such as Hedge Funds under the category "Alternative Investments". Non-traditional alternative strategy vehicles are classified based on their investment type, such as Mutual Fund or Exchange-Traded Funds within both this report and your Morgan Stanley account statement.

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In addition, each account that is invested in a program that is eligible to purchase certain investment products, such as mutual funds, will also pay a Platform Fee (which is subject to a Platform Fee offset) as described in the applicable ADV brochure. Accounts invested in the Select UMA program may also pay a separate Sub-Manager fee, if applicable.
If your account is invested in mutual funds or exchange traded funds (collectively "funds"), you will pay the fees and expenses of any funds in which your account is invested. Fees and expenses are charged directly to the pool of assets the fund invests in and are reflected in each fund's share price. These fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. The advisory program you choose is described in the applicable Morgan Stanley Smith Barney LLC ADV Brochure, available at www.morganstanley.com/ADV.
Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's Separately Managed Account ("SMA") programs may affect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instance, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at: www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf. For more information on trading and costs, please refer to the ADV Brochure for your program(s), available at www.morganstanley.com/ADV, or contact your Financial Advisor / Private Wealth Advisor.

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GENERAL DEFINITIONS

CCY: Represents the currency of the underlying instrument. Currency is a medium of exchange for goods and services.

Dollar-Weighted Return (Internal Rate of Return): A return calculation that measures the actual performance of a portfolio over the reporting period. Since dollar weighted returns include the impact of client contributions and withdrawals, they should not be compared to market indices or used to evaluate the performance of a manager, but can be used to evaluate progress toward investment goals. The investment returns shown within this report are dollar-weighted measurements where indicated.

Evergreen Funds: Evergreen Funds, also known as semi-liquid or perpetual investment vehicles, offer investors the opportunity to subscribe into funds that do not have a pre-defined end date, but provide access to liquidity at regular intervals, typically on a quarterly basis. Income for non-Interval Evergreen alternative funds will show under Income Received for income processed after 12/31/2025.

Gross of Fees: Performance results depicted as "gross" of fees do not reflect the deduction of any wrap fee, investment management fee, trade commissions, and/or other account fees. Your actual returns are lower after deducting these expenses. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade

confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Income Received: Income Received includes cash income such as interest, cash dividends, and partnership distributions. It may include income from Morgan Stanley & Co. and External accounts, where data is available. It does not include income from assets in Manually Added external accounts.

Investment Earnings: A combination of the income received and total portfolio value increase or decrease, excluding net contributions and withdrawals, over the reporting period.

Net Contributions/Withdrawals: The net value of cash and securities contributed to or withdrawn from the account(s) during the reporting period. Net contributions and withdrawals may include advisory fees for advisory accounts.

Net of Fees: Performance results presented as "net" of fees indicate that wrap fees, investment management fees, and/or Alternative Investment placement fees have been deducted. Other account-related fees or expenses, such as third-party custodian fees and/or trade commissions, have not been deducted. Please refer to the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or applicable brokerage account trade confirmation statements for a full disclosure of charges, fees, and expenses. Your Financial Advisor can provide these documents upon request.

Performance ineligible assets: Performance returns are not calculated for certain assets because accurate valuations and transactions for these assets are not processed or maintained by Morgan Stanley Smith Barney LLC. Common examples of Performance Ineligible Assets include liabilities, life insurance and annuities as well as Manually Added and External accounts for which Morgan Stanley does not receive data necessary to calculate performance.

Tax-Qualified Account(s): Accounts that qualify for favorable tax treatment under US federal tax law and may benefit from favorable tax treatment under applicable state tax law. Typically, these accounts benefit from tax deferred growth potential, meaning investment earnings (such as capital gains, dividends, and interest) are generally not subject to federal income tax while the earnings remain in the account. Capital gains rates generally do not apply. Distributions of taxable amounts are generally subject to ordinary income tax and, if made before age 59 1/2, may be subject to a 10% (25% for certain SIMPLE IRA distributions) penalty tax. Some tax-qualified accounts, such as traditional Individual Retirement Accounts ("IRA") and employer sponsored retirement plan accounts, may allow tax deductible and/or pre-tax contributions (subject to certain limitations and restrictions). Other tax-qualified accounts, such as Roth IRAs and Coverdell Education Savings Accounts, may allow income tax free distributions, but only if certain conditions are satisfied.

Taxable Account(s): Accounts that are not Tax-Qualified Account(s), meaning investment earnings (such as capital gains, dividends, and interest) are generally subject to current US federal income taxation when held by US taxable investors. Note, however, that this category may include specific assets that are generally not subject to US federal income tax such as municipal bonds.

Time-Weighted Return: A return calculation that measures the investment performance of a portfolio over the reporting period. Time weighted returns do not include the impact of client contributions and withdrawals and therefore, may not reflect the actual rate of return the client received. Time weighted returns isolate investment actions and can be compared to benchmarks and used to evaluate the performance of a manager.

Total Cost: Total Cost (also known as Cost Basis) represents the amount paid for the security, including commissions and fees if applicable, and excluding accrued interest on Fixed Income purchases.

Total Value: "Total Value" represents the Market Value of the portfolio or Asset Class referenced and includes the accrual of interest and dividends. Total Value in the Asset Allocation view prior to January 2014 does not reflect the accrual of interest and dividends. Total Value for Morgan Stanley & Co. and External accounts also does not include accrued interest and dividends.

BENCHMARK DEFINITIONS

TN TSBA Composite: The current allocation began as of 01/31/1976, and is comprised of 5.00% Bloomberg Stable Income Market, 50.00% Bloomberg US Aggregate, 45.00% MSCI AC World Net.The historical constituents and allocations for this benchmark will be provided by your Financial Advisor to you upon request.

90-Day T-Bills: The FTSE 3-Month US T Bill Index Series is intended to track the daily performance of 3-month US Treasury bills. The indexes are designed to operate as a reference rate for a series of funds. The FTSE 3-Month US T Bill Index Series does not take account of ESG factors in its index design.

MSCI AC World Net: The MSCI ACWI captures large and mid-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries*. With 2,687 constituents, the index covers approximately 85% of the global investable equity opportunity set. * DM countries countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US. EM countries countries include: Brazil, Chile, China, Colombia,

Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkiye and United Arab Emirates.

Bloomberg Stable Income Market: Weighted blend of 50% 5-Yr GIC Index, 30% 3-Yr GIC Index, and 20% 30-Day Prime Commercial Paper. It is rebalanced each month and is designed to provide 38% cash annually. It is a surrogate for 401(k) pooled funds and other stable value funds requiring significant liquidity. Index was discontinued as of 12/31/2011.

Bloomberg US Aggregate: The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, fixed rate agency MBS, ABS and CMBS (agency and non-agency). Provided the necessary inclusion rules are met, US Aggregate-eligible securities also contribute to the multi-currency Global Aggregate Index and the US Universal Index.

OPEB Trustee Meeting
Gaylord Opryland Resort and Convention Center
Magnolia Mezzanine 1
November 7, 2026

AGENDA

7:15 a.m.	Call to Order	Wright Cox, Chairman
7:16 a.m.	Approval of Agenda	
7:17 a.m.	Approval of February 17, 2026 Minutes	
7:18 a.m.	Acceptance of 3-month Financial Statements – September 30, 2026	Dr. Tammy Ganger, Trust Administrator
7:19 a.m.	Report of Activities and Fiscal Condition of the Trust	Dr. Tammy Ganger
7:30 a.m.	Approval of June 30, 2026 Audit	Jennifer Manternach, Crosslin CPA
7:40 a.m.	Investment Report	Chris Sigmund, Morgan Stanley
7:55 a.m.	Election of 2027 Trust Officers (Chairman and Vice-Chairman)	Wright Cox
8:00 a.m.	Public Comment	
8:10 a.m.	Other Business	
8:15 a.m.	Adjourn	

Tennessee School Boards Association
OPEB Trustee Meeting
Franklin Marriott Cool Springs
Clydesdale Room
Tuesday, February 17, 2026

The TSBA OPEB Trustees met on Tuesday, February 17, 2026. The following members were present: **Tim Hobbs**, Hickman County; **Chris Denson**, Millington; **David Cook**, Bartlett; **Michelle McKissack**, Memphis-Shelby County; **David Baker**, Hardin County; and **Dr. Tammy Ganger**, Trust Administrator. Absent was **Wright Cox**, Collierville. The following were also in attendance: **Macie Campidilli**, TSBA Staff; and **Chris Sigmund**, Morgan Stanley.

Vice Chairman Tim Hobbs called the meeting to order at 7:14 a.m. and welcomed everyone.

COOK/DENSON: Motion to approve the agenda. MOTION CARRIED.

DENSON/COOK: Motion to approve November 15, 2025 Minutes. MOTION CARRIED.

DENSON/MCKISSACK: Motion to accept the 6-month Financial Statements as presented (December 31, 2025). MOTION CARRIED.

Dr. Tammy Ganger, the Trust Administrator, reported on the activities and fiscal condition of the Trust. She noted that no new members had joined the OPEB Trust, and no members had recently withdrawn funds from the OPEB Trust. She also stated the current balance of the trust. Dr. Ganger noted that Bartlett Superintendent, David Stephens, volunteered to reach out to TOSS in an effort to promote the OPEB Trust and to provide more information to superintendents.

A review of the OPEB Trust's investment policy 3060 took place. Dr. Ganger noted that the policy is reviewed annually in consultation with Morgan Stanley to ensure it aligns with the practices of the OPEB Trust. No changes were recommended at this time.

Chris Sigmund with Morgan Stanley presented the investment report and commented on the financial stability of the OPEB Trust and the performance of the Trust's investments in the current economy. He stated that the Trust is performing within the fiduciary guidelines as set forth by the investment policy. He discussed the potential impact of inflation and a new Federal Reserve Chair.

There were no individuals present who wished to speak during the public comment portion of the meeting, and no further business was discussed.

COOK/HOBBS: Motion to adjourn the meeting. MOTION CARRIED.

The meeting adjourned at 7:40 a.m.

Respectfully submitted,

Tim Hobbs, Vice Chairman

Dr. Tammy Ganger, OPEB Trust Administrator

TSBA OPEB Trust
Balance Sheet
As of September 30, 2026

	Sep 30, 26
ASSETS	
Current Assets	
Checking/Savings	
1000-00 · Suntrust Operating Account	5,430.02
Total Checking/Savings	5,430.02
Other Current Assets	
1300-00 · Investments	
1300-10 · Hickman County Investments	3,681,373.48
1300-20 · Johnson County Investments	1,886,420.74
1300-30 · Shelby County Investments	189,374,447.83
1300-50 · Jackson-Madison Investments	669,225.61
1300-60 · Arlington Investments	6,668,475.23
1300-70 · Bartlett Investments	11,054,044.87
1300-80 · Collierville Investments	4,064,892.35
1300-90 · Lakeland Investments	4,518,522.89
1300-95 · Millington Investments	508,321.17
Total 1300-00 · Investments	222,425,724.17
Total Other Current Assets	222,425,724.17
Total Current Assets	222,431,154.19
TOTAL ASSETS	**222,431,154.19**
LIABILITIES & EQUITY	
Equity	
3200-00 · Unrestricted Net Assets	222,114,301.06
3200-50 · Unrestricted Net Assets - Audit	109,327.00
Net Income	207,526.13
Total Equity	222,431,154.19
TOTAL LIABILITIES & EQUITY	**222,431,154.19**

TSBA OPEB Trust
Profit & Loss
July through September 2026

	Jul - Sep 26
Income	
4400-00 · Unrealized Gain/Loss	
4400-10 · Unrealized Gain/Loss - Hickman	-22,028.27
4400-20 · Unrealized Gain/Loss - Johnson	-11,181.79
4400-30 · Unrealized Gain/Loss - Shelby	-1,111,322.88
4400-50 · Unrealized Gain/Loss - JMadison	-3,954.28
4400-60 · Unrealized Gain/Loss - Arlingto	-39,093.78
4400-70 · Unrealized Gain/Loss - Bartlett	-63,900.33
4400-80 · Unrealized Gain/Loss - Colliery	-23,838.72
4400-90 · Unrealized Gain/Loss - Lakeland	-26,416.13
4400-91 · Unrealized Gain/Loss - Millingt	-2,981.71
Total 4400-00 · Unrealized Gain/Loss	-1,304,717.89
4500-00 · Interest, Dividends&Capital Gn	
4500-10 · Interest, Div., & CG - Hickman	28,208.62
4500-20 · Interest, Div., & CG - Johnson	14,323.97
4500-30 · Interest, Div., & CG - Shelby	1,416,686.98
4500-50 · Interest, Div., & CG - JMadison	5,058.92
4500-60 · Interest, Div., & CG - Arlingto	49,719.05
4500-70 · Interest, Div., & CG - Bartlett	81,095.99
4500-80 · Interest, Div., & CG - Colliery	30,174.04
4500-90 · Interest, Div., & CG - Lakeland	33,432.57
4500-91 · Interest, Div., & CG - Millingt	3,825.90
Total 4500-00 · Interest, Dividends&Capital Gn	1,662,526.04
4800-00 · Interest Income	6.23
Total Income	357,814.38
Expense	
6200-00 · Bank Charges	107.41
6400-00 · Administrative Fee	
6400-10 · Administrative Fee - Hickman	2,299.35
6400-20 · Administrative Fee - Johnson	1,178.26
6400-30 · Administrative Fee - Shelby	39,949.08
6400-50 · Administrative Fee -J. Madison	418.00
6400-60 · Administrative Fee - Arlington	4,165.44
6400-70 · Administrative Fee - Bartlett	6,905.16
6400-80 · Administrative Fee - Colliervil	2,539.21
6400-90 · Administrative Fee - Lakeland	2,822.60
6400-91 · Administrative Fee - Millington	317.50
Total 6400-00 · Administrative Fee	60,594.60
6500-00 · Investment Advisor Fees	
6500-10 · Investment Advisor Fees - Hickm	1,466.41
6500-20 · Investment Advisor Fees - Johns	752.85
6500-30 · Investment Advisor Fees - Shelb	76,226.14
6500-50 · Investment Advisor Fees - JMadi	268.09
6500-60 · Investment Advisor Fees - Arlin	2,691.57
6500-70 · Investment Advisor Fees - Bartl	4,500.36
6500-80 · Investment Advisor Fees - Colli	1,644.49
6500-90 · Investment Advisor Fees - Lakel	1,832.67
6500-91 · Investment Advisor Fees - Milli	203.66
Total 6500-00 · Investment Advisor Fees	89,586.24
Total Expense	150,288.25
Net Income	**207,526.13**

TSBA OPEB TRUST

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2026

TSBA OPEB TRUST

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TSBA OPEB TRUST

LETTER OF INTRODUCTION

The TSBA OPEB Trust (the "Trust") is pleased to present its Annual Financial Report for the year ended June 30, 2026.

Responsibility and Controls

The Trust is responsible for the financial statements and related information included in this report. A system of internal accounting controls is maintained to provide reasonable assurance that assets are safeguarded and that the books and records reflect only authorized transactions. Limitations exist in any system of internal controls. However, based on recognition that the cost of the system should not exceed its benefits, management believes its system of internal accounting controls maintains an appropriate cost/benefit relationship.

Management believes that its policies and procedures provide guidance and reasonable assurance that the Trust's operations are conducted according to management's intentions and to a high standard of business ethics. In management's opinion, the financial statements present fairly, in all material respects, the net position of the Trust as of June 30, 2026, and the changes in its net position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Audit Assurance

The unmodified opinion of our independent external auditors, Crosslin, PLLC, is included in this report.

TSBA OPEB TRUST
BOARD OF TRUSTEES

David Baker, Ex-Officio, TBSA President

Dr. Tammy Ganger, Trust Administrator

Michelle McKissack

Wright Cox, Chairman

Tim Hobbs

Chris Denson

David Cook

CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Board of Trustees
TSBA OPEB Trust
Nashville, Tennessee

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the TSBA OPEB Trust (the "Trust") as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 6 through 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information, which comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August XX, 2026, on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Trust's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust's internal control over financial reporting and compliance.

Crosslin, PLLC

Nashville, Tennessee
October 6, 2026

Management offers the following discussion and analysis as a narrative introduction to the basic financial statements and an analytical overview of the Trust's financial activities for the fiscal year ended June 30, 2026. This narrative is intended as a supplement and should be read in conjunction with the financial statements.

Overview of the Financial Statements

The Trust's basic financial statements are designed to provide readers with information about the Trust's financial position and changes in financial position for the year ended June 30, 2026. The basic financial statements consist of the Statement of Net Position, the Statement of Changes in Net Position, and the Notes to Financial Statements.

The *Statement of Net Position* presents the Trust's assets and liabilities as of year-end, with the difference reported as net position restricted for other postemployment benefits of contributing members. This statement provides information about the resources held by the Trust at June 30, 2026, including cash and investments reported at fair value.

The *Statement of Changes in Net Position* explains how the Trust's net position changed during the year. This statement reports additions, including employer contributions and investment income, and deductions, including administrative expenses.

The *Notes to Financial Statements* are an integral part of the basic financial statements and provide additional information that is necessary to understand the amounts reported in the statements, including the Trust's significant accounting policies, investment-related disclosures, and other relevant financial information.

Financial Summary

- Net position is restricted for future benefit payments of participating members. Net position at June 30, 2026 totaled approximately $222.2 million.

- Net position increased approximately $27.7 million, which is mainly attributable to favorable financial market conditions compared to the prior year.

- Net investment return increased approximately $8.0 million, which is also mainly attributable to favorable financial market conditions compared to the prior year.

- Employer contributions decreased approximately $4.2 million primarily as a result of budgetary decisions. Additionally, contributions are discretionary at the individual school system level.

- The Trust did not have any unusual or infrequent items during the year ended June 30, 2026. Accordingly, no separate presentation of unusual or infrequent items is included in the financial summary or statement of changes in net position.

In order to ensure the participating employers' ability to properly fund the payment of other postemployment benefits to their employees in future years, it is advisable for employers to accumulate funds on a regular and systematic basis. The principal sources from which the Trust derives additions are employer contributions and earnings on investments.

Detailed Analyses

Comparative summary financial statements of the Trust are presented as follows:

NET POSITION
JUNE 30, 2026 AND 2025

	2026	2025
ASSETS		
Cash	$ 5,531	$ 5,682
Investments, at fair value	222,218,098	194,513,989
Total assets	222,223,629	194,519,671
NET POSITION RESTRICTED FOR OPEB	$222,223,629	$194,519,671

CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
ADDITIONS		
Employer contributions	$ 3,739,670	$ 7,863,937
Total additions	3,739,670	7,863,937
INVESTMENT RETURN, NET		
Investment return, net	24,203,728	16,200,717
Total investment return, net	24,203,728	16,200,717
DEDUCTIONS		
Administrative expenses	(239,440)	(226,539)
Total deductions	(239,440)	(226,539)
NET CHANGE	27,703,958	23,838,115
NET POSITION RESTRICTED FOR OPEB		
Beginning of year	194,519,671	170,681,556
End of year	$ 222,223,629	$ 194,519,671

The Trust's net position was approximately $222.2 million at June 30, 2026. During fiscal year 2026, contributions were made to four of the nine active participant accounts.

Current Trust participants and the fiscal year in which they joined the Trust are as follows:

Hickman County Board of Education (Active)	2008 - 2009
Johnson County Board of Education (Active)	2008 - 2009
Shelby County Board of Education (Active)	2008 - 2009
Claiborne County Board of Education (Non-active)	2009 - 2010
Jackson/Madison County Board of Education (Active)	2012 - 2013
Arlington Community Schools Board of Education (Active)	2014 - 2015
Bartlett City Schools Board of Education (Active)	2014 - 2015
Collierville Schools Board of Education (Active)	2014 - 2015
Lakeland City Board of Education (Active)	2014 - 2015
Millington Municipal Schools Board of Education (Active)	2015 - 2016

Significant Capital Asset and Long-Term Financing Activity

The Trust had no significant capital asset activity during the year ended June 30, 2026. The Trust also had no significant long-term financing activity, including debt, leases, public-private or public-public partnerships, or subscription-based information technology arrangements. Accordingly, there were no related additions, disposals, commitments, credit rating changes, or debt limitation changes to report.

Currently Known Facts, Decisions, or Conditions

Management is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the Trust's financial position or that are expected to produce significant differences from current-period results of operations.

TSBA OPEB TRUST
STATEMENT OF NET POSITION
JUNE 30, 2026

	Arlington Community Schools Plan	Bartlett City Schools Plan	Collierville Schools Plan	Hickman County Schools Plan	Jackson-Madison Schools Plan	Johnson County Schools Plan	Lakeland Schools System Plan	Millington Municipal Schools Plan	Shelby County Schools Plan	TSBA OPEB Trust Account	Total
ASSETS											
Cash	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,531	$ 5,531
Investments, at fair value	6,664,707	11,048,255	4,062,741	3,678,959	668,807	1,885,210	4,516,162	507,998	189,185,259	-	222,218,098
Total assets	6,664,707	11,048,255	4,062,741	3,678,959	668,807	1,885,210	4,516,162	507,998	189,185,259	5,531	222,223,629
NET POSITION											
RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS	$ 6,664,707	$ 11,048,255	$ 4,062,741	$ 3,678,959	$ 668,807	$ 1,885,210	$ 4,516,162	$ 507,998	$ 189,185,259	$ 5,531	$ 222,223,629

See accompanying notes to financial statements.

TSBA OPEB TRUST
STATEMENT OF CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2026

	Arlington Community Schools Plan	Bartlett City Schools Plan	Collierville Schools Plan	Hickman County Schools Plan	Jackson-Madison Schools Plan	Johnson County Schools Plan	Lakeland Schools System Plan	Millington Municipal Schools Plan	Shelby County Schools Plan	TSBA OPEB Trust Account	Total
ADDITIONS											
Employer contributions	$ 100,000	$ -	$ 100,000	$ -	$ -	$ -	$ 150,000	$ -	$ 3,389,670	$ -	$ 3,739,670
Total additions	100,000	-	100,000	-	-	-	150,000	-	3,389,670	-	3,739,670
INVESTMENT RETURN, NET											
Net appreciation in fair value of investments	402,962	678,199	240,020	217,419	39,794	111,601	275,863	30,341	11,149,561	-	13,145,760
Interest and dividends	344,363	574,257	207,843	193,705	35,151	99,220	229,404	26,670	9,733,727	28	11,444,368
Less investment expenses	(11,662)	(19,762)	(7,021)	(6,460)	(1,179)	(3,303)	(7,828)	(895)	(328,290)	-	(386,400)
Total investment return, net	735,663	1,232,694	440,842	404,664	73,766	207,518	497,439	56,116	20,554,998	28	24,203,728
DEDUCTIONS											
Administrative expenses	15,169	25,441	9,128	8,484	1,541	4,346	10,121	1,171	163,860	179	239,440
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Total deductions	15,169	25,441	9,128	8,484	1,541	4,346	10,121	1,171	163,860	179	239,440
NET INCREASE IN NET POSITION	820,494	1,207,253	531,714	396,180	72,225	203,172	637,318	54,945	23,780,808	(151)	27,703,958
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS:											
BEGINNING OF YEAR	5,844,213	9,841,002	3,531,027	3,282,779	596,582	1,682,038	3,878,844	453,053	165,404,451	5,682	194,519,671
END OF YEAR	$ 6,664,707	$ 11,048,255	$ 4,062,741	$ 3,678,959	$ 668,807	$ 1,885,210	$ 4,516,162	$ 507,998	$ 189,185,259	$ 5,531	$ 222,223,629

See accompanying notes to financial statements.

A. DESCRIPTION OF THE TRUST

The TSBA GASB 45 Trust was established on April 16, 2009 pursuant to the provisions of the Tennessee Interlocal Cooperation Act (Tenn. Code Ann. § 12-9-101, et seq.) and the policies and bylaws from time to time promulgated by the Board of Trustees (the "Board"). Effective February 15, 2016, the name of the Trust was changed to the TSBA OPEB Trust (the "Trust"). Membership in the Trust shall be open to all members of the Tennessee School Boards Association. Non-members and other governmental entities will be considered by the Trustees on a case by case basis. The purpose of the Trust is to establish a fund through the Trust, which will allow members to pre-fund the liability associated with other postemployment benefits other than pensions. The Trust is not a component unit of another governmental entity.

The Trust's Board of Trustees has fiduciary responsibility for the investment of monies and administration of the Trust pursuant to the Trust Agreement. The Board of Trustees is currently composed of seven members. Five of the Trustees are appointed from the governing boards of the participating members of the Trust for three-year terms and they may be reappointed. Additionally, the Executive Director and President of the Tennessee School Boards Association ("TSBA") are ex-officio members of the Board of Trustees. All seven Trustees are voting members.

For the year ended June 30, 2026, the Trust administered Plan assets for nine defined benefit postemployment plans - Arlington Community Schools Plan, Bartlett City Schools Plan, Collierville Schools Plan, Hickman County Schools Plan, Jackson-Madison Schools Plan, Johnson County Schools Plan, Lakeland Schools Systems Plan, Millington Municipal Schools Plan, and Shelby County Schools Plan (collectively the "Plans"). Although the assets of the Plans are commingled for investment purposes, each of the Plan's assets are held in an irrevocable trust and may be used only for the payment of benefits to the members of the respective Plan in accordance with the terms of the Plans. The TSBA OPEB Trust Account reflects the activity related to the administration of the Trust.

The Trust does not purport to present the financial status of each of the participating employer's postemployment benefit plans, nor do these statements contain information on accumulated plan benefits and other disclosures necessary for a fair presentation of the individual plans in accordance with accounting principles generally accepted in the United States of America.

Measurement Focus and Basis of Accounting

The financial statements of the Trust are presented as a fiduciary fund type. The economic resources measurement focus, and the accrual basis of accounting are used in the preparation of the financial statements. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each employer's Plan.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments

Investments are reported at fair value. Net investment return consists of realized and unrealized appreciation in the fair value of investments, interest and dividends earned, and investment expenses. In order to account for each participating member's activities, separate accounts are maintained by the Trust.

Fair Value of Financial Instruments

Assets and liabilities recorded at fair value in the statement of financial position are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs are as follows:

> Level 1 - Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.
>
> Level 2 - Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.
>
> Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The Trust's financial instruments consist of cash and investments. Cash is recorded at fair value using Level 1 inputs. Investments are recorded at fair value using Level 1 and Level 3 inputs. See Note D.

Administrative Expenses

Each Plan is responsible for its administrative expenses.

Withdrawals

The Trust is specifically authorized to make payments of legitimate reimbursements to member systems requesting their other post-employment benefit ("OPEB") assets. No other withdrawals may be made by member systems.

Taxes

The Trust is exempt from taxation under Section 115 of the Internal Revenue Code. Accordingly, the accompanying financial statements do not include a provision for federal or state income taxes.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from those estimates.

C. INVESTMENTS

The Trust's investments at June 30, 2026, consist of the following:

	Fair Value/ Carrying Amount	Cost
Cash and cash equivalents	$ 590,706	$ 590,706
Exchange-traded and closed-end funds	33,003,544	23,672,103
Mutual funds	171,620,337	156,413,194
Alternative investments	12,828,486	12,828,486
Structured Investments	4,175,025	4,170,000
Total	$222,218,098	$197,674,489

D. FAIR VALUE MEASUREMENTS

The Trust categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Trust has the following recurring fair value measurements as of June 30, 2026:

	Measured at Fair Value	Fair Value Measurements at Reporting Date Using (Level 1)	(Level 2)	(Level 3)
Investments:				
Cash and cash equivalents	$ 590,706	$ 590,706	$ -	$ -
Exchange-traded and closed-end funds	33,003,544	33,003,544	-	-
Mutual funds	171,620,337	171,620,337	-	-
Alternative investments	12,828,486	-	-	12,828,486
Structured Investments	4,175,025	-	-	4,175,025
	$222,218,098	$205,214,587	$ -	$17,003,511

D. FAIR VALUE MEASUREMENTS - Continued

In determining fair value, the Trust uses various valuation approaches. The following is a description of the valuation methodologies used for instruments measured at fair value and their classification within the valuation hierarchy:

Cash and Cash Equivalents

Cash and cash equivalents are in active markets and classified within Level 1 of the valuation hierarchy.

Exchange-Traded and Closed-End Funds

Investments in exchange-traded and closed-end funds represent securities which are traded on national markets or exchanges. These investments are classified within Level 1 of the valuation hierarchy.

Mutual Funds

Investments in mutual funds represent fixed income mutual funds which are listed on national markets or exchanges. These investments are classified within Level 1 of the valuation hierarchy.

Alternative Investments

Alternative investments may include interests in private equity funds, hedge funds, real estate funds, commodities, and other non-traditional investment vehicles. Each investment carries its own unique set of risks and uncertainties, including liquidity constraints and reliance on manager-reported valuations. These alternative investments are valued by the custodian based on net asset values provided by the underlying fund managers and are classified within Level 3 of the valuation hierarchy.

Structured Investments

Structured investments are investment contracts whose fair value may vary based on securities, commodities, or other market variables. These structured investments are classified within Level 3 of the valuation hierarchy.

E. RISKS AND UNCERTAINTIES

The Trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Trust's financial statements.

F. RELATED PARTY TRANSACTIONS

The Trust is administered by the Tennessee School Boards Association ("TSBA"). TSBA receives a quarterly administrative fee calculated individually for each participant on a sliding scale as a percentage of invested assets. The fee covers all administrative costs including personnel, office expense, legal, accounting, and promotion. The administrative fee during fiscal year 2026 totaled $239,440.

G. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 6, 2026, the date the financial statements were available for issuance, and has determined there were no subsequent events requiring disclosure.

CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
TSBA OPEB Trust
Nashville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the TSBA OPEB Trust (the "Trust"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements, and have issued our report thereon dated October 6, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Trust's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crosslin, PLLC

Nashville, Tennessee
October 6, 2026

TSBA OPEB TRUST
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2026

The Trust had no prior audit findings.

CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

October 6, 2026

The Board of Trustees and
Dr. Tammy Ganger
TSBA OPEB Trust
525 Brick Church Park Drive
Nashville, Tennessee 37207

Dear Trustees and Dr. Ganger:

We have audited the financial statements of Tennessee School Boards Association OPEB Trust (the "Trust") for the year ended June 30, 2026, and we will issue our report thereon dated October 6, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 17, 2026 Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Trust are described in Note B to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2026. We noted no transactions entered into by the Trust during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no particularly sensitive estimates affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 6, 2026, which is included with this letter as Appendix A.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Trust's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Trust's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, which is required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the other information (introductory section), which accompanies the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Board of Trustees and management of the Trust and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Jennifer Manternach
Audit Partner

Morgan Stanley

WEALTH MANAGEMENT

Custom Report

Prepared on October 30, 2026 for:

TSBA OPEB TRUST

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Your Branch:
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NASHVILLE, TN 37203

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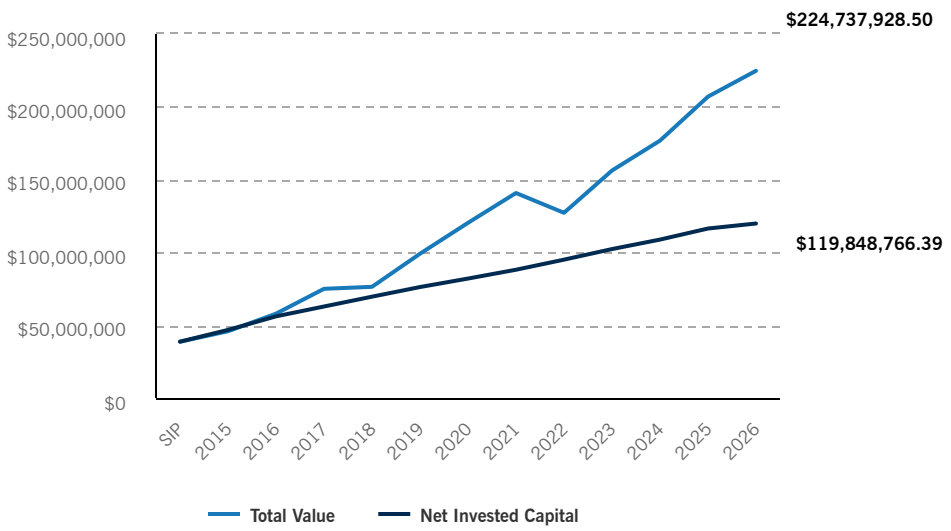
Please see the important disclosures and definitions throughout this Document. For more information or questions, please contact your Financial Advisor.
Various sub-sections of this Document may not contain information on all accounts/positions covered in this Document and will be denoted on the page.

Investment Summary Dollar Weighted Returns

TSBA OPEB TRUST

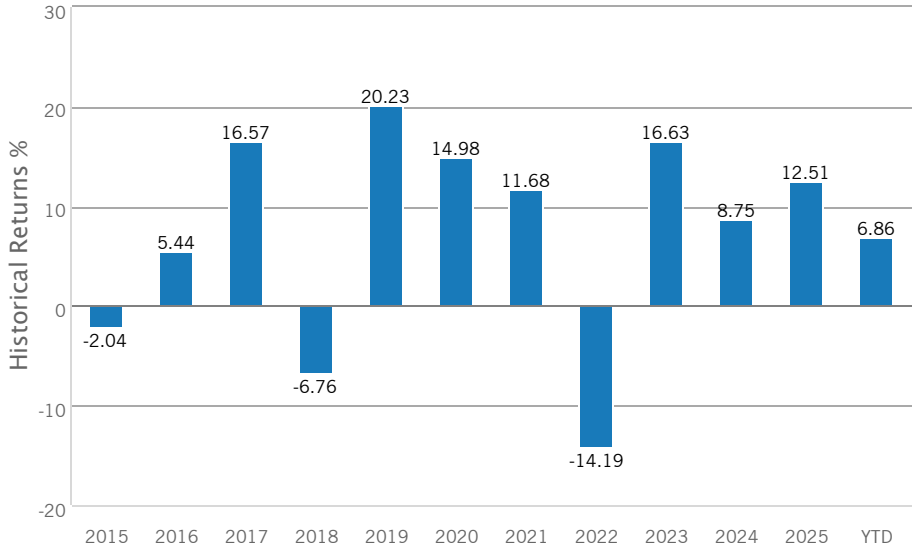
Data as of October 29, 2026

TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

DOLLAR-WEIGHTED PERIOD RETURN % (NET OF FEES)

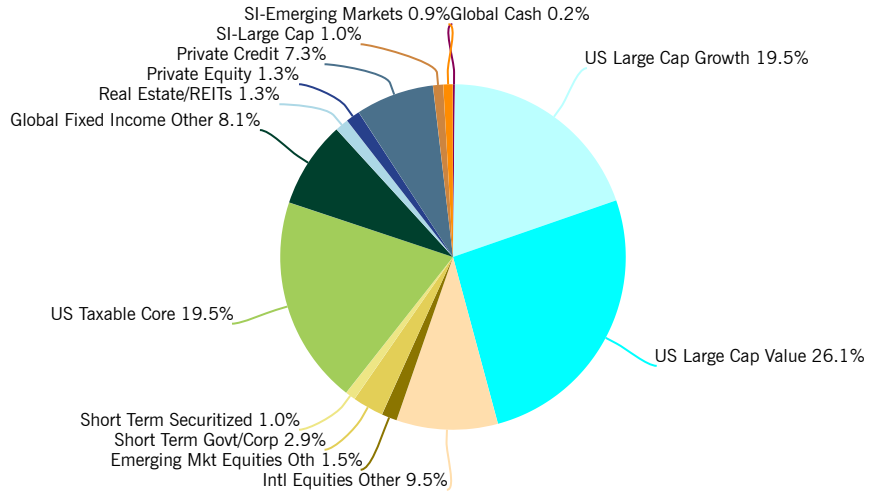


Does not include Performance Ineligible Assets.

DOLLAR-WEIGHTED RETURN % (NET OF FEES)

	Quarter to Date ($) 09/30/26-10/29/26	Year to Date ($) 12/31/25-10/29/26	Performance Inception ($) 06/09/15-10/29/26
Beginning Total Value	**222,946,691**	**206,978,157**	**38,680,482**
Net Contributions/Withdrawals	-113,183	3,449,658	81,168,284
Investment Earnings	1,904,420	14,310,113	104,889,162
Ending Total Value	**224,737,929**	**224,737,929**	**224,737,929**
DOLLAR WEIGHTED RATE OF RETURN (%) (Annualized for periods over 12 months)			
Return % (Net of Fees)	0.85	6.86	7.75
90-Day T-Bills	0.31	3.18	2.23

ASSET ALLOCATION

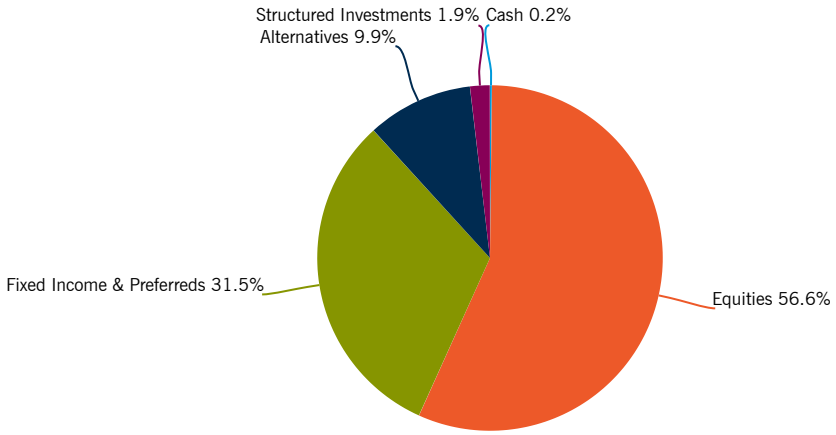


Asset Allocation

TSBA OPEB TRUST

Data as of October 29, 2026

ASSET ALLOCATION - ASSET CLASS



ASSET ALLOCATION

	Total Value ($) 10/29/2026	% of Portfolio 10/29/2026
Cash	421,227.14	0.2
Equities	127,133,777.33	56.6
Fixed Income & Preferreds	70,751,951.36	31.5
Alternatives	22,256,127.77	9.9
Structured Investments	4,176,255.00	1.9
TOTAL PORTFOLIO	224,739,338.60	100.0

Equities Asset Allocation

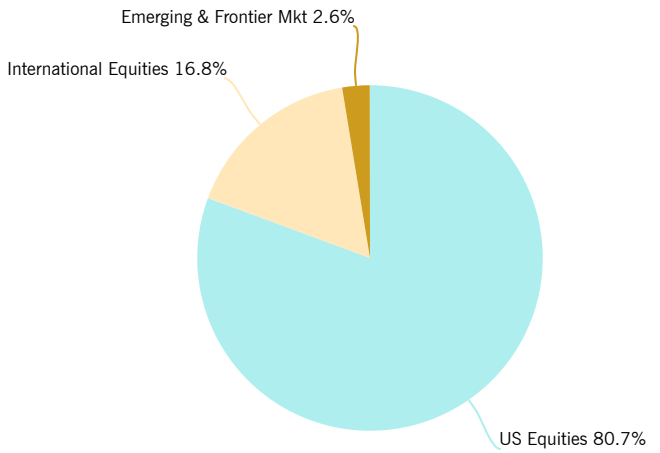
TSBA OPEB TRUST

Data as of October 29, 2026

TOP EQUITY POSITIONS BASED ON TOTAL VALUE

SECURITY DESCRIPTION	Total Value ($) 10/29/2026	% of Equities 10/29/2026
PGIM JENNISON GROWTH Z	30,090,299.38	23.7
BLACKROCK HIGH EQ INCOME INST	18,808,856.89	14.8
OAKMARK FUND INSTITUTIONAL	15,032,166.79	11.8
JOHN HANCOCK DISPLND VAL INST	14,259,298.29	11.2
ISHARES CORE S&P U.S. GROWTH	13,709,793.50	10.8
ISHARES CORE MSCI EAFE ETF	9,731,372.40	7.7
ISHARES CORE S&P U.S. VALUE	6,127,868.37	4.8
THORNBURG INTL GROWTH I	5,805,622.56	4.6
AMERICAN EUPAC F2	5,770,974.88	4.5
VICTORYSHARES FREE CASH FLOW	4,515,330.14	3.6
Top Equity Positions	**123,851,583.20**	**97.4**
Other Equity Positions	**3,282,194.13**	**2.6**
Total Equities	**127,133,777.33**	**100.0**

ASSET ALLOCATION - EQUITIES



ASSET ALLOCATION - EQUITIES

	% of Equities 10/29/2026	Total Value ($) 10/29/2026	% of Portfolio 10/29/2026
US Equities	**80.7**	**102,543,613.36**	**45.6**
US Large Cap Growth	34.5	43,800,092.88	19.5
US Large Cap Value	46.2	58,743,520.48	26.1
International Equities	**16.8**	**21,307,969.84**	**9.5**
Intl Equities Other	16.8	21,307,969.84	9.5
Emerging & Frontier Mkt	**2.6**	**3,282,194.13**	**1.5**
Emerging Mkt Equities Oth	2.6	3,282,194.13	1.5
TOTAL EQUITIES	**100.0**	**127,133,777.33**	**56.6**

Fixed Income & Preferreds Asset Allocation

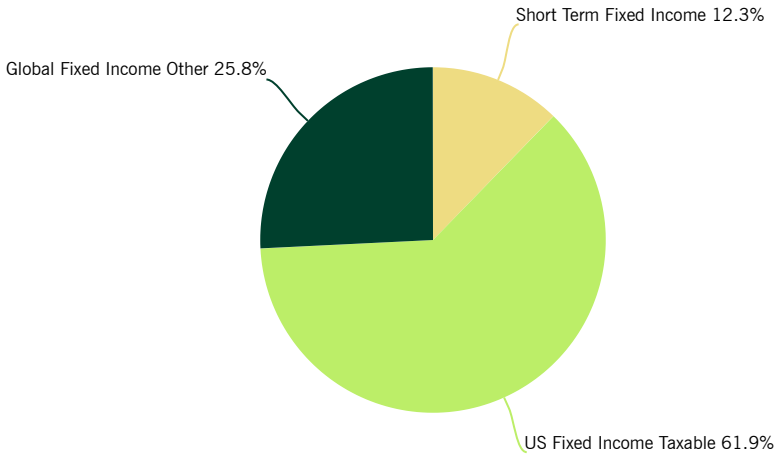
TSBA OPEB TRUST

Data as of October 29, 2026

TOP FIXED INCOME & PREFERRED POSITIONS BASED ON TOTAL VALUE

SECURITY DESCRIPTION	Total Value ($) 10/29/2026	% of Fixed Income & Preferreds 10/29/2026
JOHN HANCOCK BOND I	28,574,474.42	40.4
JANUS HENDERSON MLT SEC INC I	18,240,256.26	25.8
PGIM TOTAL RETURN BOND Z	15,242,459.10	21.5
PGIM SHORT-TERM CORP BOND Z	8,694,761.58	12.3
Top Fixed Income & Preferred Positions	**70,751,951.36**	**100.0**
Other Fixed Income & Preferred Positions	-	-
Total Fixed Income & Preferred	**70,751,951.36**	**100.0**

ASSET ALLOCATION - FIXED INCOME & PREFERREDS



ASSET ALLOCATION - FIXED INCOME & PREFERREDS

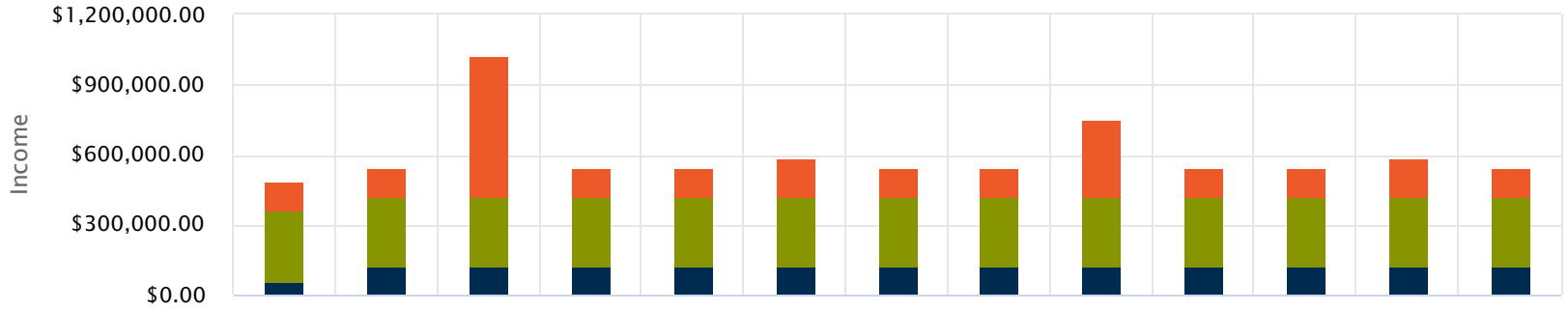
	% of Fixed Income & Preferreds 10/29/2026	Total Value ($) 10/29/2026	% of Portfolio 10/29/2026
Short Term Fixed Income	**12.3**	**8,694,761.58**	**3.9**
Short Term Govt/Corp	9.2	6,521,071.19	2.9
Short Term Securitized	3.1	2,173,690.40	1.0
US Fixed Income Taxable	**61.9**	**43,816,933.52**	**19.5**
US Taxable Core	61.9	43,816,933.52	19.5
Global Fixed Income Other	**25.8**	**18,240,256.26**	**8.1**
Global Fixed Income Other	25.8	18,240,256.26	8.1
TOTAL FIXED INCOME & PREFERREDS	**100.0**	**70,751,951.36**	**31.5**

Projected 12 Month Income Summary

TSBA OPEB TRUST

Data as of October 29, 2026

12 MONTH INCOME SUMMARY



Asset Class	Total Value ($) 10/29/2026	10/30/26 to 10/31/26 ($)	Projected Income ($) (11/01/26 - 10/31/27)												% Yield
			Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Total	
Cash	421,227	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Equities	127,133,777	120,470	124,494	597,742	124,494	124,494	165,959	124,494	124,494	330,602	124,494	124,494	165,959	124,494	**2,440,362.86**	1.92
Fixed Income & Preferreds	70,751,951	303,091	303,091	303,091	303,091	303,091	303,091	303,091	303,091	303,091	303,091	303,091	303,091	303,091	**3,637,086.60**	5.14
Alternatives	22,256,128	61,905	121,549	121,549	121,549	121,549	121,549	121,549	121,549	121,549	121,549	121,549	121,549	121,549	**1,458,583.08**	6.55
Structured Investments	4,176,255	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Total	**224,739,339**	**485,465**	**549,133**	**1,022,382**	**549,133**	**549,133**	**590,598**	**549,133**	**549,133**	**755,241**	**549,133**	**549,133**	**590,598**	**549,133**	**7,536,032.54**	**3.35**

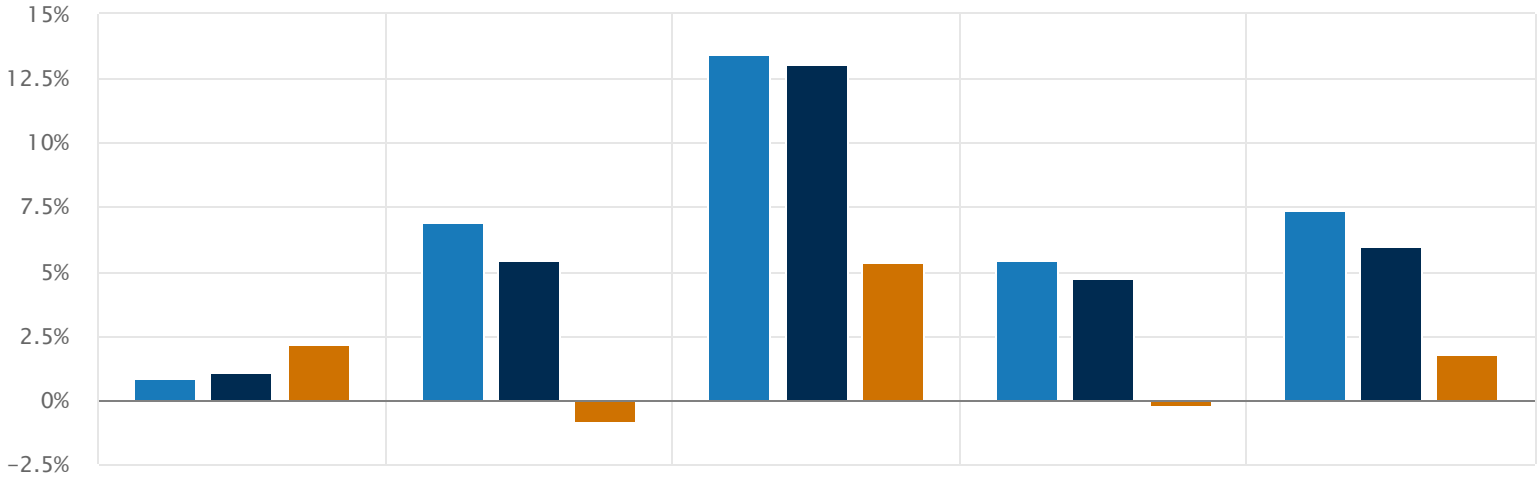
Monthly projected income numbers are rounded to the nearest dollar amount and may differ from the yearly total. Projected Income is calculated only for holdings where data is available. In instances whereby payment frequency and/or last payment date is not available, income is based on the current dividend or coupon rate, and will be displayed in the Total column only. Projected income is not available for Alternative Investment funds that do not have a share quantity.

Time Weighted Performance Summary

TSBA OPEB TRUST

Data as of October 29, 2026

RETURN % (NET OF FEES) VS. BENCHMARKS (ANNUALIZED)



	Quarter to Date 09/30/26 - 10/29/26	Year to Date 12/31/25 - 10/29/26	Last 3 Years 10/31/23 - 10/29/26	Last 5 Years 10/31/21 - 10/29/26	Performance Inception 06/09/15 - 10/29/26
Beginning Total Value ($)	222,946,691.33	206,978,157.36	140,089,359.38	140,694,079.54	38,680,482.15
Net Contributions/Withdrawals ($)	-113,182.73	3,449,658.19	17,561,474.83	31,757,518.27	81,168,284.24
Investment Earnings ($)	1,904,419.90	14,310,112.96	67,087,094.29	52,286,330.69	104,889,162.11
Ending Total Value ($)	224,737,928.50	224,737,928.50	224,737,928.50	224,737,928.50	224,737,928.50
Return % (Net of Fees)	0.85	6.89	13.43	5.46	7.37
TN TSBA Composite (%)	1.07	5.41	13.09	4.73	6.00
Bloomberg US Aggregate (%)	2.14	-0.83	5.36	-0.21	1.76

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

Positions Time Weighted Performance Detail

TSBA OPEB TRUST | Data as of October 29, 2026

RETURN % (GROSS OF FEES) (ANNUALIZED)

Product/ Security Description ▲	Account Number	Performance Inception Date	Ending Total Value ($)	Year to Date (%) 12/31/25 - 10/29/26	Last 12 Months (%) 10/31/25 - 10/29/26	Last 3 Years (%) 10/31/23 - 10/29/26	Last 5 Years (%) 10/31/21 - 10/29/26	Since Inception (%)	% of Portfolio
Total Portfolio (Gross of Fees)		**06/09/2015**	**224,737,928.50**	**7.06**	**8.23**	**13.65**	**5.66**	**7.56**	**100.00**
TN TSBA Composite				**5.41**	**6.20**	**13.09**	**4.73**	**6.00**	
Exchange Traded/ Closed End Funds									
ISHARES CORE MSCI EAFE ETF(IEFA)	Multiple	11/28/2018	9,731,372.40	10.32	14.19	19.87	8.44	9.97	4.33
ISHARES CORE S&P U.S. GROWTH(IUSG)	Multiple	11/28/2018	13,709,793.50	12.66	11.58	27.66	11.91	17.52	6.10
ISHARES CORE S&P U.S. VALUE(IUSV)	Multiple	11/28/2018	6,127,868.38	15.12	17.47	19.09	11.68	12.66	2.73
VICTORYSHARES FREE CASH FLOW(VFLO)	Multiple	07/18/2025	4,515,330.14	38.63	44.99	-	-	41.84	2.01
Mutual Funds									
AMERICAN EUPAC F2(AEPFX)	Multiple	07/14/2015	5,770,974.89	6.70	8.47	18.10	4.65	7.10	2.57
BLACKROCK HIGH EQ INCOME INST(BMCIX)	Multiple	09/02/2015	18,808,856.89	15.27	20.33	17.31	9.76	9.68	8.37
CION ARES DIVERSIFIED CREDIT U(CADZX)	Multiple	09/30/2024	9,147,318.76	-0.30	0.10	-	-	3.89	4.07
GOLDMAN SACHS EMER MKT EQ INST(GEMIX)	Multiple	04/14/2026	3,282,194.14	-0.49	-	-	-	-0.49	1.46
JANUS HENDERSON MLT SEC INC I(JMUIX)	Multiple	08/12/2024	18,240,256.26	-0.09	1.15	-	-	4.92	8.12
JOHN HANCOCK BOND I(JHBIX)	Multiple	04/24/2024	28,574,474.43	-1.40	-0.95	-	-	4.34	12.71
JOHN HANCOCK DISPLND VAL INST(JVLIX)	Multiple	07/24/2018	14,259,298.29	20.31	23.45	22.52	13.07	11.74	6.34

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.
Position level performance detail is only available since 12/31/2014.

Positions Time Weighted Performance Detail

TSBA OPEB TRUST | Data as of October 29, 2026

RETURN % (GROSS OF FEES) (ANNUALIZED) (Continued)

Product/ Security Description▲	Account Number	Performance Inception Date	Ending Total Value ($)	Year to Date (%) 12/31/25 - 10/29/26	Last 12 Months (%) 10/31/25 - 10/29/26	Last 3 Years (%) 10/31/23 - 10/29/26	Last 5 Years (%) 10/31/21 - 10/29/26	Since Inception (%)	% of Portfolio
OAKMARK FUND INSTITUTIONAL(OANMX)	Multiple	07/12/2021	15,032,166.79	10.36	17.75	19.77	10.62	11.34	6.69
PGIM JENNISON GROWTH Z(PJFZX)	Multiple	09/02/2015	30,090,299.38	8.18	5.10	24.01	8.38	15.90	13.39
PGIM SHORT-TERM CORP BOND Z(PIFZX)	Multiple	09/02/2015	8,694,761.59	0.44	1.21	5.48	2.37	2.60	3.87
PGIM TOTAL RETURN BOND Z(PDBZX)	Multiple	04/06/2023	15,242,459.10	-1.27	-0.86	6.03	-	3.48	6.78
THORNBURG INTL GROWTH I(TINGX)	Multiple	09/02/2015	5,805,622.56	5.88	3.18	11.74	0.08	6.04	2.58
Corporate Fixed Income									
GS PLUS SPX 00000 28NV03	Multiple	04/16/2026	2,151,720.00	3.20	-	-	-	3.20	0.96
JPM PLUS MXEF 00000 28NV03	Multiple	04/16/2026	2,024,535.00	-2.90	-	-	-	-2.90	0.90
Others									
BLACKSTONE - BXPE(BDP69)	Multiple	02/02/2026	2,954,529.22	13.03	-	-	-	13.03	1.31
BLACKSTONE BCRED(BCJ26)	Multiple	03/03/2025	7,337,043.42	1.30	2.18	-	-	4.19	3.26
BREIT CL S-P3(BER10)	Multiple	02/02/2026	2,817,236.35	7.77	-	-	-	7.77	1.25
Cash, MMF and Bank Deposits									
BANK DEPOSIT PROGRAM(BDPS)	Multiple	06/18/2015	419,817.04	-	-	-	-	-	0.19

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.
Position level performance detail is only available since 12/31/2014.

Alternative Investments Portfolio Analysis

TSBA OPEB TRUST | Data as of October 29, 2026

EVERGREEN INVESTMENTS

Asset Class / *Security Description* / Account Number ▲	Inception Date	Valuation Date	Beginning Total Value ($)	Net Contributions / Withdrawals ($)	Investment Earnings ($)	Ending Total Value ($)	Annualized Gross TWR			
							Quarter to Date (%)	Year to Date (%)	Last 12 Months (%)	Since Inception (%)
Real Estate/REITs	**02/02/26**		**0**	**2,614,000**	**203,236**	**2,817,236**	**0.00**	**7.77**	**-**	**7.77**
BREIT CL S-P3 Multiple Accounts *Symbol/Cusip: BER10*	02/02/26	09/30/26	0	2,614,000	203,236	2,817,236	0.00	7.77	-	7.77
Private Equity	**01/28/26**		**0**	**2,614,000**	**340,529**	**2,954,529**	**0.00**	**13.03**	**-**	**13.03**
BLACKSTONE - BXPE Multiple Accounts *Symbol/Cusip: BDP69*	02/02/26	09/30/26	0	2,614,000	340,529	2,954,529	0.00	13.03	-	13.03
Private Credit	**09/30/24**		**0**	**15,533,900**	**950,462**	**16,484,362**	**-0.35**	**0.40**	**1.01**	**4.26**
BLACKSTONE BCRED Multiple Accounts *Symbol/Cusip: BCJ26*	03/03/25	09/30/26	0	6,933,400	403,643	7,337,043	0.00	1.30	2.18	4.19
CION ARES DIVERSIFIED CREDIT U Multiple Accounts *Symbol/Cusip: CADZX*	09/30/24	10/29/26	0	8,600,500	546,819	9,147,319	-0.64	-0.30	0.10	3.89

The investment returns shown in the Evergreen Investments are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.
Position level performance detail is only available since 12/31/2014.

Morgan Stanley Wealth Management Global Investment Committee Commentary

As of October 08, 2026 Reporting Currency: USD

The third quarter of 2026 brought positive total returns of 2.3% for the S&P 500, while four of its 11 sectors posted gains quarter-over-quarter. US equities were mixed in the quarter, with the S&P 500 and Nasdaq Composite increasing, while the Dow Jones Industrial Average declined. Over the same timeframe, the Russell 2000 Index, the small-cap benchmark, declined by -7.2%, while the Bloomberg US Aggregate Index, a broad measure of the US bond market, dropped by -3.5%. The yield on the 10-year US Treasury note closed the quarter at 5.28%, while the three-month US Treasury bill yield ended at 4.11%.

- After keeping the federal funds rate unchanged in its July FOMC meeting, the Federal Reserve began tightening again at its September meeting, raising rates by 25 basis points to a terminal range of 3.75%-4.0% on renewed inflationary pressure. Gold prices increased by about 3.7% in the quarter, and the US dollar rose modestly by 0.3%.
- Headline Consumer Price Index inflation remained relatively flat throughout the quarter, measuring 3.4% in August. The labor market remained relatively stable throughout the quarter, with the unemployment rate measuring at 4.2% in September. MS & Co.'s US Economics team expects the Fed to hike rates again in December 2026 and in March 2027.

- With the current economic backdrop, the Global Investment Committee is overweight equities. In equities, prepare for some market narrowing around quality large-cap US stocks, amid headwinds for consumer-exposed cyclicals. Financials, health care, energy and some defensives work as overweights, along with select cloud-dominant hyperscalers.
- The GIC is modestly increasing exposure to high-quality fixed income. Current market pricing implies a more restrictive Fed path, creating an opportunity to extend duration beyond ultrashort, cash-like maturities, while maintaining caution toward the long end of the Treasury curve.

Source: Morgan Stanley Wealth Management GIO, Morgan Stanley & Co. Research, Bloomberg, FactSet

Account(s) Included in this Report

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MORGAN STANLEY WEALTH MANAGEMENT

Account Name	Account Number	Account Type/ Manager Name	Date Opened/ Date Closed	Perf Inception Date Perf (%) Incept - 10/29/26	Total Value ($) 10/29/26	% of Portfolio 10/29/26
ARLINGTON CITY - Alternative Investment	471-XXX385	AAA	02/18/20 -	02/25/2020 4.42	780,773.42	0.35
ARLINGTON CITY BOE	471-XXX901	Consulting Group Advisor	06/17/15 -	06/18/2015 7.58	5,956,440.00	2.65
BARTLETT CITY - Alternative Investment	471-XXX383	AAA	02/18/20 -	02/25/2020 4.48	1,209,502.94	0.54
BARTLETT CITY BOE	471-XXX902	Consulting Group Advisor	06/17/15 -	07/01/2015 7.50	9,959,367.64	4.43
Collierville City - Alternative Invest.	471-XXX396	AAA	02/18/20 -	02/25/2020 4.48	467,626.44	0.21
COLLIERVILLE CITY BOE	471-XXX903	Consulting Group Advisor	06/17/15 -	07/01/2015 7.45	3,639,264.78	1.62
HICKMAN CO.	471-XXX866	Consulting Group Advisor	06/03/15 -	06/09/2015 7.59	3,192,458.05	1.42
Hickman Co. - Alternative Investment	471-XXX388	AAA	02/18/20 -	02/25/2020 4.50	473,333.79	0.21
JACKSON-MADISON	471-XXX864	Consulting Group Advisor	06/03/15 -	06/09/2015 7.59	593,272.69	0.26
JACKSON-MADISON - Alternative Investment	471-XXX403	AAA	02/18/20 -	02/25/2020 4.45	82,815.98	0.04
JOHNSON CO.	471-XXX869	Consulting Group Advisor	06/03/15 -	06/09/2015 7.59	1,666,048.61	0.74
JOHNSON CO. - Alternative Investment	471-XXX398	AAA	02/18/20 -	02/25/2020 4.51	239,611.03	0.11
Lakeland City - Alternative Investment	471-XXX393	AAA	02/18/20 -	02/25/2020 4.50	509,573.81	0.23
LAKELAND CITY BOE	471-XXX900	Consulting Group Advisor	06/17/15 -	06/18/2015 7.40	4,055,728.09	1.81
MILLINGTON	471-XXX583	Consulting Group Advisor	07/05/16 -	07/07/2016 8.35	450,679.40	0.20
MILLINGTON - Alternative Investment	471-XXX409	AAA	02/18/20 -	02/25/2020 4.38	62,838.35	0.03
SHELBY CO.	471-XXX863	Consulting Group Advisor	06/03/15 -	06/09/2015 7.54	168,793,363.96	75.11

The investment returns shown on this page are Net of Fees, time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated.

Account(s) Included in this Report

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MORGAN STANLEY WEALTH MANAGEMENT (Continued)

Account Name	Account Number	Account Type/ Manager Name	Date Opened/ Date Closed	Perf Inception Date Perf (%) Incept - 10/29/26	Total Value ($) 10/29/26	% of Portfolio 10/29/26
SHELBY CO. - Alternative Investment	471-XXX380	AAA	02/18/20 -	02/25/2020 5.07	22,606,639.81	10.06
Morgan Stanley Wealth Management Total					**224,739,338.79**	**100.00**
Total Portfolio					**224,739,338.79**	**100.00**

The investment returns shown on this page are Net of Fees, time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated.

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Money Market Fund: You could lose money in Money Market Funds (MMFs). Although MMFs classified as government funds (i.e., MMFs that invest 99.5% of total assets in cash and/or securities backed by the U.S government) and retail funds (i.e., MMFs open to natural person investors only) seek to preserve value at $1.00 per share, they cannot guarantee they will do so. The price of other MMFs will fluctuate and when you sell shares they may be worth more or less than originally paid. MMFs may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A MMF investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency.

AAA Accounts: The Active Assets Account is a brokerage account offered through Morgan Stanley Smith Barney LLC.

Consulting Group Advisory Accounts: Consulting Group is a business of Morgan Stanley Smith Barney LLC.

Important Regulation Best Interest Information: This report is being provided as a courtesy. By providing this report, we do not represent or agree that we will monitor the investments in your brokerage account(s) or deliver future reports.

Residential Mortgage loan information is excluded from this report. Please contact your Morgan Stanley team for more information.

Additional information about your Floating Rate Notes: For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

Important Information About Auction Rate Securities: For certain Auction Rate Securities there is no or limited liquidity. Therefore, the price(s) for these Auction Rate Securities are indicated as not available by a dash "-". There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security.

Important Pricing Information: Prices of securities not actively traded may not be available, and are indicated by a dash "-". Account values are based on the most recent security pricing available and may be prior to the date of this material.

Disclosures

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Asset Classification: We classify assets based on general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, allocations may be under or over inclusive. These classifications do not constitute a recommendation and may differ from the classification of instruments for regulatory or tax purposes. In addition, the Other asset class contains securities that are not included in the various asset class classifications. This can include, but is not limited to, non-traditional investments such as some Equity Unit Trusts, Index Options and Structured Investments issued outside of Morgan Stanley. Additionally, investments for which we are unable to procure market data to properly classify them will appear in the Other category.

Additional information about your Structured Products: Structured Investments are complex products and may be subject to special risks, which may include, but are not limited to: loss of initial investment; issuer credit risk and price volatility resulting from any actual or anticipated changes to issuer's and/or guarantor's credit ratings or credit spreads; limited or no appreciation and limits on participation in any appreciation of underlying asset(s); risks associated with the underlying reference asset(s); no periodic payments; call prior to maturity; early redemption fees for market linked deposits; lower interest rates and/or yield compared to conventional debt with comparable maturity; unique tax implications; limited or no secondary market; and conflicts of interest due to affiliation, compensation or other factors which could adversely affect market value or payout to investors. Investors also should consider the concentration risk of owning the related security and their total exposure to any underlying asset.

Performance: Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, dividends, interest and income. Depending on the opening or closing date of the account or position, the performance referenced may be for a portion of the time period identified. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Please contact your Financial Advisor for up-to-date performance information. Past performance is not a guarantee of future results. Quotations of performance appearing in this report may include performance experienced in legacy accounts which have been closed and purged, and as such are not included on the Accounts Included in This Report page.

Market values used for performance calculation do not include Performance Ineligible Assets and thus may differ from asset allocation market values. Common examples of Performance Ineligible Assets include liabilities, life insurance and annuities as well as Manually Added and External accounts for which Morgan Stanley does not receive data necessary to calculate performance.
Unless otherwise indicated, performance is an aggregated composite calculation of the entire portfolio and may include brokerage and investment advisory accounts as well as assets for different accounts included in this report. The accounts included in the composite may have (or have had) different investment objectives and strategies, been subject to different restrictions, and incurred different types of fees, markups, commissions and other charges. Accordingly, performance results may blend the performance of assets and strategies that may not have been available in all of the accounts at all times during the reporting period. In addition, accounts in the composite may have changed from brokerage to advisory or vice versa. Accounts may also have moved from one advisory program to another (including from a discretionary program to a non-discretionary program).
For Morgan Stanley Smith Barney LLC accounts, performance information may cover the full history of the account(s) or just the performance of an account(s) since the inception of the current program(s). Performance results on individual accounts will vary and may differ from the composite returns. Your Financial Advisor can provide you with individual account portfolio composition and performance information. For investment advisory accounts, please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 or applicable disclosure brochure. For brokerage accounts, please speak to your Financial Advisor for more information on commissions and other account fees and expenses. Performance inception date does not necessarily correspond to the account opening date. Where multiple accounts are included in performance calculations, the inception date is the oldest performance inception. Performance data may not be available for all periods as some accounts included in performance may have more recent performance inception dates. Consequently, the actual performance for a group of accounts may differ from reported performance. Please ask your Financial Advisor for the performance inception date for each account.

Sub Account and Security Level Performance: The performance return methodology described above and in the TWR and IRR definitions applies to both Account Level and Sub-Account (e.g. Asset Class or Security level) performance returns. The inputs consist of market values and net flows.
For example, TWR is calculated by taking the Change in Market Value (Ending MV – Beginning MV) less any net flows, divided by the beginning MV. TWR = (Ending MV – Beginning MV – Net Flows) / Beginning MV
The difference lies in what is or is not included in the Market Values and Flows. For account level performance, the total account market values and all flows within the account are taken into account. For sub-account level performance, only those market values and flows associated with the specific securities included are taken into account.
Flows that are not security specific typically include account advisory fees, cash contributions or withdrawals, and any other flows that are not attributed to a specific security.
Flows that are security specific including purchases, sales, dividends, interest, partnership distributions, return of capital, fund sales charges, security transaction fees, and ongoing fund expenses are typically reflected in the security level returns.

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Gross of Fees: The impact of program fees can be material. These program fees are deducted based on your billing cycle and may have a compounding effect on performance. As fees are deducted periodically throughout the year, the compounding effect may increase the impact of the fees by an amount directly related to the gross account performance.

Indices: Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and/or investment objective(s) associated with the account(s). In some circumstances, the benchmark index may not be an appropriate benchmark for use with the specific composite portfolio. For instance, an index may not take into consideration certain changes that may have occurred in the portfolio since the inception of the account(s), (e.g., changes from a brokerage to an advisory account or from one advisory program to another, asset class changes, or index changes for individual managers). The volatility of the index used for comparison may be materially different from that of the performance shown. Indices are unmanaged and not available for direct investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance. Please see the Benchmark Definitions section of this material for additional information on the indices used for comparison.

Projected 12 Month: Projected 12 Month Income is based upon cash income from interest, cash dividends, cashless dividends, and partnership distributions. It is a hypothetical projection calculated using current yields. The projected income referenced is based upon certain market projections effective as at today's date only and can change at any time. Such projected income is hypothetical, do not reflect actual investment results, and is not a guarantee of future results. The projected income is referenced for illustrative purposes only. Morgan Stanley does not represent or guarantee that the projected income referenced will or can be attained. The actual income may be lower or higher than the projections based upon a variety of factors and assumptions. The projected income shown may under or over compensate for the impact of actual market conditions and other factors. We make no representation or warranty as to the reasonableness of the assumptions made, or that all assumptions used to construct this projected income information have been stated or fully considered. To the extent that the assumptions made do not reflect actual conditions, the illustrative value of the hypothetical projected income will decrease. Companies paying dividends can reduce or cut payouts at any time.
The projected income referenced may include income from Morgan Stanley & Co. and External Accounts, where data is available. Such information was obtained from third party sources which Morgan Stanley believes to be reliable. However, we make no representation or guarantee that the information is accurate or complete. You should not rely upon this information to make any investment decision. Please refer to the official account statements and performance reports you received from your custodian and/or financial institution for information about projected income in your External Accounts. The projected income referenced does not include income from assets in Manually Added External Accounts.

Additional information about your Alternative Investments: Your interests in Alternative Investments, which may have been purchased through us, are generally not held here, and are generally not covered by SIPC. The information provided to you: 1) is included as a service to you, and certain transactions may not be reported; 2) is derived from you or another external source for which we are not responsible, and may have been modified to take into consideration capital calls or distributions to the extent applicable; 3) may not reflect actual shares, share prices, or values; 4) may include invested or distributed amounts in addition to a fair value estimate; and 5) should not be relied upon for tax reporting purposes. Notwithstanding the foregoing, 1) to the extent this report displays Alternative Investment positions within a Morgan Stanley Individual Retirement Account ("IRA"), such positions are held by Morgan Stanley Smith Barney LLC as the custodian of your Morgan Stanley IRA; and 2) if your Alternative Investment position(s) is held by us and is registered pursuant to the Securities Act of 1933, as amended, your Alternative Investment position(s) is covered by SIPC.

Alternatives may be either traditional alternative investment vehicles or non-traditional alternative strategy vehicles. Traditional alternative investment vehicles may include, but are not limited to, Hedge Funds, Fund of Funds (both registered and unregistered), Exchange Funds, Private Equity Funds, Private Credit Funds, Real Estate Funds, and Managed Futures Funds. Non-traditional alternative strategy vehicles may include, but are not limited to, Open or Closed End Mutual Funds, Exchange-Traded and Closed-End Funds, Unit Investment Trusts, exchange listed Real Estate Investment Trusts (REITs), and Master Limited Partnerships (MLPs). These non-traditional alternative strategy vehicles also seek alternative-like exposure but have significant differences from traditional alternative investment vehicles. Non-traditional alternative strategy vehicles may behave like, have characteristics of, or employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives, and options, which can increase volatility and the risk of investment loss. Characteristics such as correlation to traditional markets, investment strategy, and market sector exposure can play a role in the classification of a traditional security being classified as alternative.

Traditional alternative investment vehicles are illiquid and usually are not valued daily. The estimated valuation provided will be as of the most recent date available and will be included in summaries of your assets. Such valuation may not be the most recent provided by the fund in which you are invested. No representation is made that the valuation is a market value or that the interest could be liquidated at this value. We are not required to take any action with respect to your investment unless valid instructions are received from you in a timely manner. Some positions reflected herein may not represent interests in the fund, but rather redemption proceeds withheld by the issuer pending final valuations which are not subject to the investment performance of the fund and may or may not accrue interest for the length of the withholding. Morgan Stanley does not engage in an independent valuation of your alternative investment assets. Morgan Stanley provides periodic information to you including the market value of an alternative investment vehicle based on information received from the management entity of the alternative investment vehicle or another service provider.

Disclosures

TSBA OPEB TRUST

It is important to note in this report that Morgan Stanley makes a distinction between Alternative Investment products, and products classified as Alternatives by their asset class. Morgan Stanley categorizes traditional and non-traditional alternative investment vehicles under the category "Alternatives" in asset classification based view. For product based views, traditional alternative investments vehicles are classified under the category "Other"; this differs from your official Morgan Stanley account statement, which categorizes traditional alternative investment vehicles such as Hedge Funds under the category "Alternative Investments". Non-traditional alternative strategy vehicles are classified based on their investment type, such as Mutual Fund or Exchange-Traded Funds within both this report and your Morgan Stanley account statement.

Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Smith Barney LLC and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley or any of its affiliates, (3) are not guaranteed by Morgan Stanley and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank.

Bank Deposit Program: Under the Bank Deposit Program, free credit balances held in an account(s) at Morgan Stanley Smith Barney LLC are automatically deposited into an interest-bearing deposit account(s), at FDIC-insured banks subject to jurisdictional and account type eligibility. For more information, view the Bank Deposit Program Disclosure Statement: https://www.morganstanley.com/content/dam/msdotcom/en/wealth-disclosures/pdfs/BDP_disclosure.pdf.

Taxes, Fees, and Expenses: Except where net of fees performance (which reflects your actual advisory fees) is included, this material does not include the effect of taxes, account fees, advisory fees, performance fees, and commissions that could materially affect the illustration provided and the decisions that you may make. The inclusion of these factors will reduce any values referenced herein. Generally, investment advisory accounts are subject to an annual asset-based fee (the "Fee") which is payable monthly in advance (some account types may be billed differently). In general, the Fee covers Morgan Stanley investment advisory services, custody of securities with Morgan Stanley, trade execution with or through Morgan Stanley or its affiliates, as well as compensation to any Morgan Stanley Financial Advisor.
In addition, each account that is invested in a program that is eligible to purchase certain investment products, such as mutual funds, will also pay a Platform Fee (which is subject to a Platform Fee offset) as described in the applicable ADV brochure. Accounts invested in the Select UMA program may also pay a separate Sub-Manager fee, if applicable.
If your account is invested in mutual funds or exchange traded funds (collectively "funds"), you will pay the fees and expenses of any funds in which your account is invested. Fees and expenses are charged directly to the pool of assets the fund invests in and are reflected in each fund's share price. These fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. The advisory program you choose is described in the applicable Morgan Stanley Smith Barney LLC ADV Brochure, available at www.morganstanley.com/ADV.
Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's Separately Managed Account ("SMA") programs may affect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instance, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at: www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf. For more information on trading and costs, please refer to the ADV Brochure for your program(s), available at www.morganstanley.com/ADV, or contact your Financial Advisor / Private Wealth Advisor.

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GENERAL DEFINITIONS

CCY: Represents the currency of the underlying instrument. Currency is a medium of exchange for goods and services.

Dollar-Weighted Return (Internal Rate of Return): A return calculation that measures the actual performance of a portfolio over the reporting period. Since dollar weighted returns include the impact of client contributions and withdrawals, they should not be compared to market indices or used to evaluate the performance of a manager, but can be used to evaluate progress toward investment goals. The investment returns shown within this report are dollar-weighted measurements where indicated.

Evergreen Funds: Evergreen Funds, also known as semi-liquid or perpetual investment vehicles, offer investors the opportunity to subscribe into funds that do not have a pre-defined end date, but provide access to liquidity at regular intervals, typically on a quarterly basis. Income for non-Interval Evergreen alternative funds will show under Income Received for income processed after 12/31/2025.

Gross of Fees: Performance results depicted as "gross" of fees do not reflect the deduction of any wrap fee, investment management fee, trade commissions, and/or other account fees. Your actual returns are lower after deducting these expenses. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade

confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Income Received: Income Received includes cash income such as interest, cash dividends, and partnership distributions. It may include income from Morgan Stanley & Co. and External accounts, where data is available. It does not include income from assets in Manually Added external accounts.

Investment Earnings: A combination of the income received and total portfolio value increase or decrease, excluding net contributions and withdrawals, over the reporting period.

Net Contributions/Withdrawals: The net value of cash and securities contributed to or withdrawn from the account(s) during the reporting period. Net contributions and withdrawals may include advisory fees for advisory accounts.

Net of Fees: Performance results presented as "net" of fees indicate that wrap fees, investment management fees, and/or Alternative Investment placement fees have been deducted. Other account-related fees or expenses, such as third-party custodian fees and/or trade commissions, have not been deducted. Please refer to the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or applicable brokerage account trade confirmation statements for a full disclosure of charges, fees, and expenses. Your Financial Advisor can provide these documents upon request.

Performance ineligible assets: Performance returns are not calculated for certain assets because accurate valuations and transactions for these assets are not processed or maintained by Morgan Stanley Smith Barney LLC. Common examples of Performance Ineligible Assets include liabilities, life insurance and annuities as well as Manually Added and External accounts for which Morgan Stanley does not receive data necessary to calculate performance.

Tax-Qualified Account(s): Accounts that qualify for favorable tax treatment under US federal tax law and may benefit from favorable tax treatment under applicable state tax law. Typically, these accounts benefit from tax deferred growth potential, meaning investment earnings (such as capital gains, dividends, and interest) are generally not subject to federal income tax while the earnings remain in the account. Capital gains rates generally do not apply. Distributions of taxable amounts are generally subject to ordinary income tax and, if made before age 59 1/2, may be subject to a 10% (25% for certain SIMPLE IRA distributions) penalty tax. Some tax-qualified accounts, such as traditional Individual Retirement Accounts ("IRA") and employer sponsored retirement plan accounts, may allow tax deductible and/or pre-tax contributions (subject to certain limitations and restrictions). Other tax-qualified accounts, such as Roth IRAs and Coverdell Education Savings Accounts, may allow income tax free distributions, but only if certain conditions are satisfied.

Taxable Account(s): Accounts that are not Tax-Qualified Account(s), meaning investment earnings (such as capital gains, dividends, and interest) are generally subject to current US federal income taxation when held by US taxable investors. Note, however, that this category may include specific assets that are generally not subject to US federal income tax such as municipal bonds.

Time-Weighted Return: A return calculation that measures the investment performance of a portfolio over the reporting period. Time weighted returns do not include the impact of client contributions and withdrawals and therefore, may not reflect the actual rate of return the client received. Time weighted returns isolate investment actions and can be compared to benchmarks and used to evaluate the performance of a manager.

Total Cost: Total Cost (also known as Cost Basis) represents the amount paid for the security, including commissions and fees if applicable, and excluding accrued interest on Fixed Income purchases.

Total Value: "Total Value" represents the Market Value of the portfolio or Asset Class referenced and includes the accrual of interest and dividends. Total Value in the Asset Allocation view prior to January 2014 does not reflect the accrual of interest and dividends. Total Value for Morgan Stanley & Co. and External accounts also does not include accrued interest and dividends.

BENCHMARK DEFINITIONS

TN TSBA Composite: The current allocation began as of 01/31/1976, and is comprised of 5.00% Bloomberg Stable Income Market, 50.00% Bloomberg US Aggregate, 45.00% MSCI AC World Net.The historical constituents and allocations for this benchmark will be provided by your Financial Advisor to you upon request.

90-Day T-Bills: The FTSE 3-Month US T Bill Index Series is intended to track the daily performance of 3-month US Treasury bills. The indexes are designed to operate as a reference rate for a series of funds. The FTSE 3-Month US T Bill Index Series does not take account of ESG factors in its index design.

MSCI AC World Net: The MSCI ACWI captures large and mid-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries*. With 2,687 constituents, the index covers approximately 85% of the global investable equity opportunity set. * DM countries countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US. EM countries countries include: Brazil, Chile, China, Colombia,

Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkiye and United Arab Emirates.

Bloomberg Stable Income Market: Weighted blend of 50% 5-Yr GIC Index, 30% 3-Yr GIC Index, and 20% 30-Day Prime Commercial Paper. It is rebalanced each month and is designed to provide 38% cash annually. It is a surrogate for 401(k) pooled funds and other stable value funds requiring significant liquidity. Index was discontinued as of 12/31/2011.

Bloomberg US Aggregate: The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, fixed rate agency MBS, ABS and CMBS (agency and non-agency). Provided the necessary inclusion rules are met, US Aggregate-eligible securities also contribute to the multi-currency Global Aggregate Index and the US Universal Index.