SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT MEETING NOTICE AND AGENDA

COMPENSATION COMMITTEE

Tuesday, January 23, 2024, No Sooner Than 9:50 AM

SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ 85288

Committee Members: Mark Pace, Chairman; Robert Arnett, Vice Chairman; and Mario Herrera, Kevin Johnson, Anda McAfee, Kathy Mohr-Almeida, Larry Rovey, and Paul Rovey

Call to Order
Roll Call

1. **CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Committee and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Committee Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item .... CHAIRMAN MARK PACE

   - Request for approval of the minutes for the meeting of December 7, 2023.

2. SRP Employees' Retirement Plan – Manager Presentation by Legal and General Investment Management America.......................CHALESE HARALDSEN; and CHRIS WITTEMANN and GRANT PODOLSKI, LEGAL AND GENERAL INVESTMENT MANAGEMENT AMERICA (LGIMA)

   Informational presentation by LGIMA, a fixed income manager in the SRP Employees' Retirement Plan. Discussion will include current performance, portfolio positioning, and market outlook relative to the Plan.

3. SRP Employees' Retirement Plan – Actuarial Update ......CHALESE HARALDSEN

   Informational presentation regarding the annual review of the Plan's funded status based on the most recent actuarial report.

4. Executive Session, Pursuant to A.R.S. §38-431.03(A)(1), to Discuss a Proposed Long-Term Incentive Plan for SRP's General Manager/Chief Executive Officer.. JASON OVERSTREET

5. Request for Approval Regarding the Proposed Executive Long-Term Incentive Plan for SRP's General Manager/Chief Executive Officer ... JASON OVERSTREET

6. Report on Current Events by the General Manager and Chief Executive Officer or Designees..JIM PRATT

7. Future Agenda Topics.. CHAIRMAN MARK PACE

The Committee may vote during the meeting to go into Executive Session, pursuant to A.R.S. §38-431.03 (A)(3), for the purpose of discussion or consultation for legal advice with legal counsel to the Committee on any of the matters listed on the agenda.

The Committee may go into Closed Session, pursuant to A.R.S. §30-805(B), for records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

Visitors: The public has the option to attend in-person or observe via Zoom and may receive teleconference information by contacting the Corporate Secretary's Office at (602) 236-4398. If attending in-person, all property in your possession, including purses, briefcases, packages, or containers, will be subject to inspection.

THE NEXT COMPENSATION COMMITTEE MEETING IS SCHEDULED FOR TUESDAY, FEBRUARY 20, 2024

MINUTES
COMPENSATION COMMITTEE

DRAFT

December 7, 2023

A meeting of the Compensation Committee of the Salt River Project Agricultural Improvement and Power District (the District) and the Salt River Valley Water Users' Association (the Association), collectively SRP, convened at 10:50 a.m. on Thursday, December 7, 2023, from the Hoopes Board Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines.

Committee Members present at roll call were M.V. Pace, Chairman; R.C. Arnett, Vice Chairman; and M.J. Herrera, K.J. Johnson, A.G. McAfee, K.L. Mohr-Almeida, and P.E. Rovey.

Committee Member absent at roll call was L.D. Rovey.

Also present were President D. Rousseau; Vice President C.J. Dobson; Board Members J.M. White Jr., S.H. Williams, and K.B. Woods; Council Vice Chairman J.R. Shelton; Council Liaison M.L. Farmer; Council Member G.E. Geiger and M.C. Pedersen; Mmes. I.R. Avalos, C. Haraldsen, L.F. Hobaica, T.A. Kaschak, G.A. Mingura, K.M. Montalvo, and C.M. Sifuentes; Messrs. J.M. Baran, A.C. Davis, M. Feder, J.M. Felty, C.R. Janick, R.T. Judd, B.J. Koch, K.J. Lee, A.J. McSheffrey, M.J. O'Connor, and J.M. Pratt; and Taylor Alan-Lee and Alessandro Valentini of Causeway Capital Management LLC.

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the Compensation Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Tuesday, December 5, 2023.

Chairman M.V. Pace called the meeting to order.

<u>Consent Agenda</u>

Chairman M.V. Pace requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member M.J. Herrera, and seconded by Board Member P.E. Rovey, the Committee unanimously approved and adopted the following item on the Consent Agenda:

- Minutes of the Compensation Committee meeting on November 14, 2023, as presented

Corporate Secretary J.M. Felty polled the Committee Members on Board Member M.J. Herrera's motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:

YES:	Board Members M.V. Pace, Chairman; R.C. Arnett, Vice Chairman; and M.J. Herrera, K.J. Johnson, A.G. McAfee, K.L. Mohr-Almeida, and P.E. Rovey	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member L.D. Rovey	(1)

SRP Employees' Retirement Plan – Manager Presentation by Causeway Capital Management LLC

Using a PowerPoint presentation, Chalese Haraldsen, SRP Assistant Treasurer of Financial Trust and Investments, said that Causeway Capital Management LLC, an international equity manager was hired January 2013 to manage assets in the SRP Employees' Retirement Plan (the Plan), and that the current market value of the Plan is $2.44 billion. She introduced Taylor Alan-Lee of Causeway Capital Management LLC.

Next, Mr. T. Alan-Lee provided a relationship overview, business background, and a brief portfolio update. He introduced Alessandro Valentini of Causeway Capital Management LLC.

Continuing, Mr. A. Valentini reviewed the materials distributed to the Members relative to the Plan's portfolio performance and investments outlook as of October 31, 2023.

Messrs. T. Alan-Lee and A. Valentini responded to questions from the Committee.

Copies of the handouts distributed and PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Board Member L.D. Rovey entered the meeting during the presentation.

Report on Current Events by the General Manager and Chief Executive Officer or Designees

There was no report on current events by Jim M. Pratt, SRP General Manager and Chief Executive Officer.

Future Agenda Topics

Chairman M.V. Pace asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Compensation Committee, the meeting adjourned at 11:09 a.m.

John M. Felty
Corporate Secretary

SRP Employees' Retirement Plan

Compensation Committee | January 23, 2024

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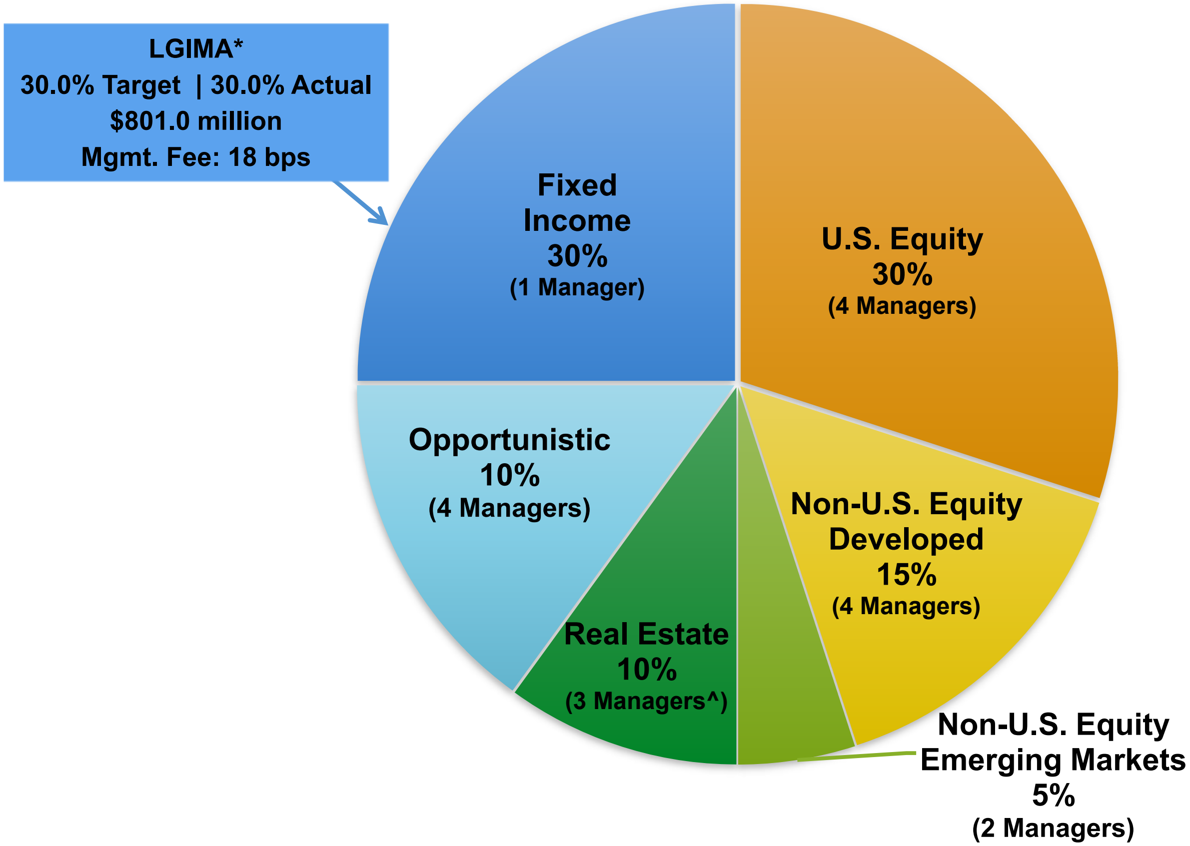
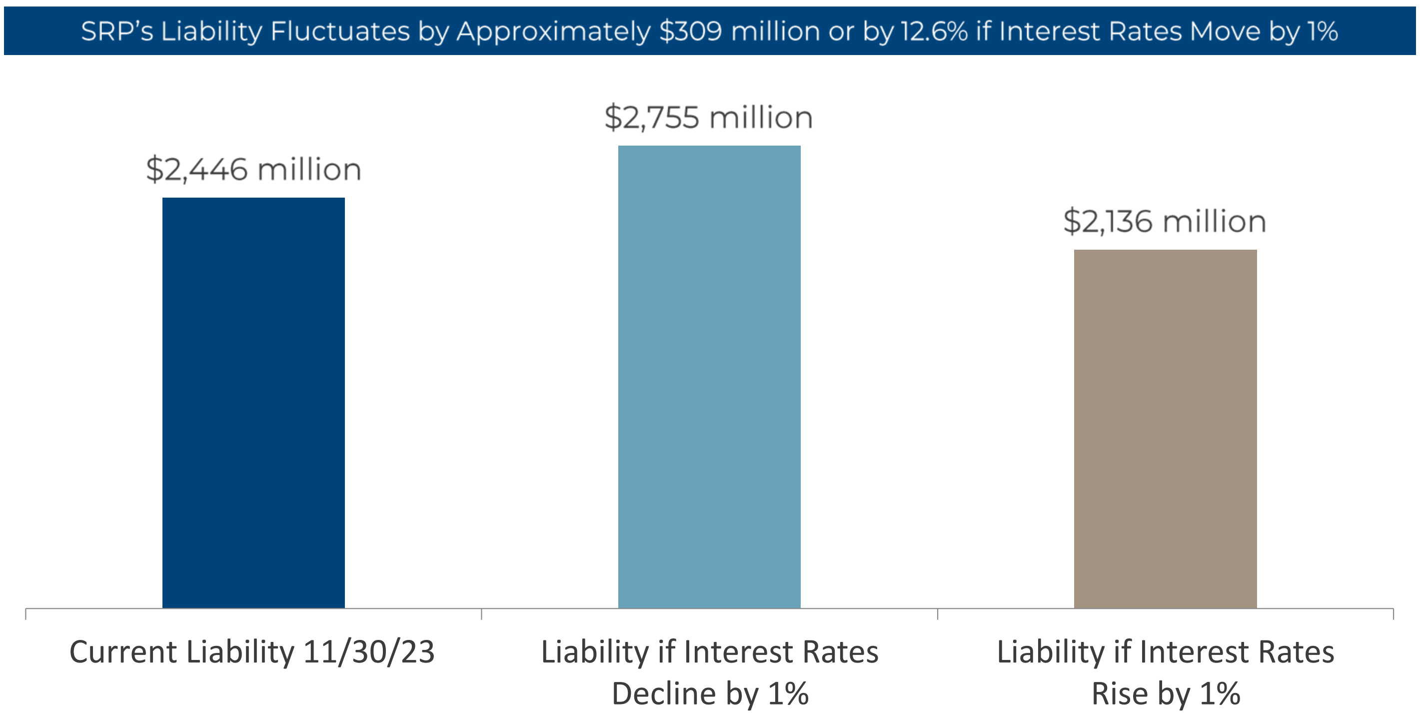
PRESENTING INVESTMENT MANAGER: LGIM AMERICA RETIREMENT PLAN MARKET VALUE: $2.68 BILLION*

- Hired April 2015
- Liability-Driven Investment (LDI) strategy; unique focus is liability hedge
- Seeks to manage portfolio's overall interest rate & credit spread exposure
- Tight tracking error; matches all key rate exposures of liability profile
- Focus on investment grade segment; performance driven by sector & individual issuer selection



*As of 01/15/2023
^ UBS Trumbull Property Income Fund LP in full redemption with ongoing distributions

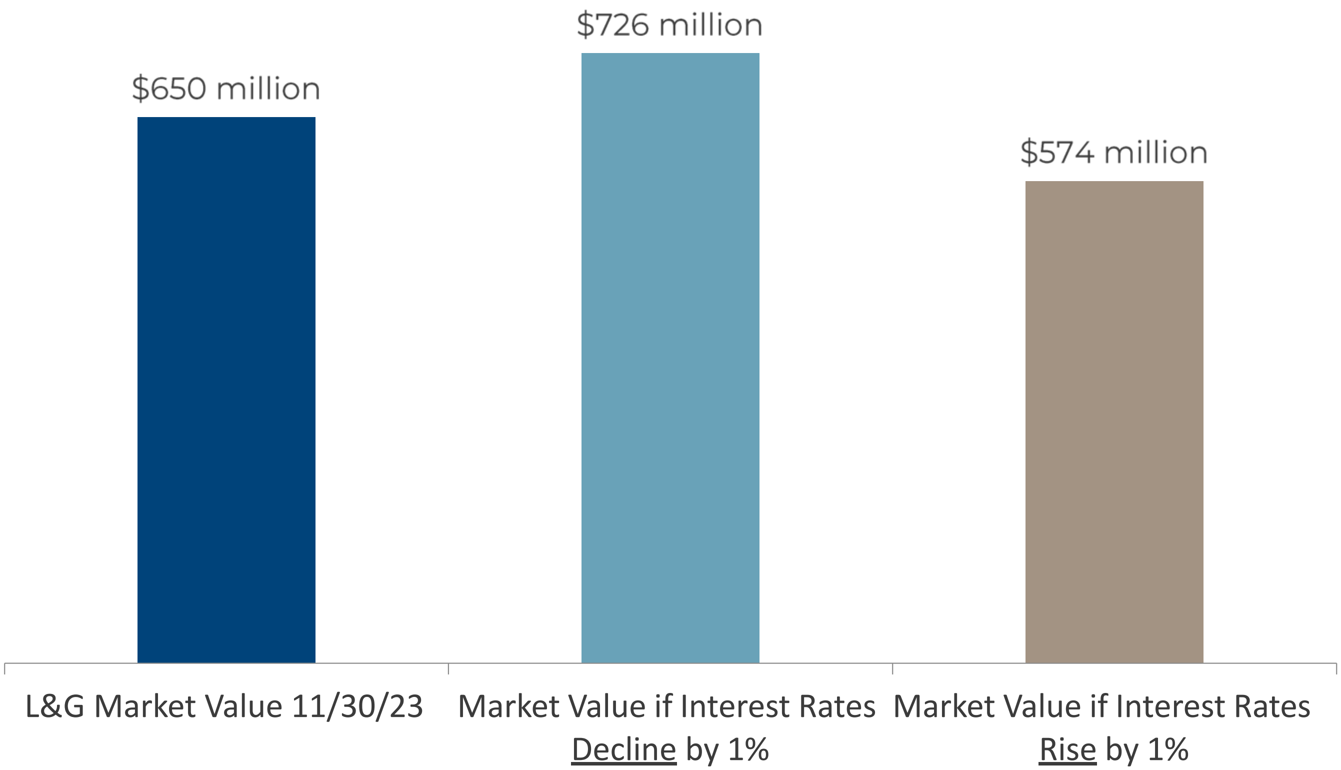
SRP PENSION LIABILITY CHANGE



Note: Duration, a measure of interest rate sensitivity, for the SRP plan was 12.6 years as of November 30, 2023.

FIXED INCOME SEGMENT EXPECTED MARKET VALUE CHANGE

SRP's Fixed Income Segment Market Value Fluctuates by Approximately $76 million if Interest Rates Move by 1%



Note: Duration, a measure of interest rate sensitivity, for the SRP plan was 11.7 years as of November 30, 2023.

Presentation to

Salt River Project Compensation Committee

January 23, 2024

Date of Meeting: 01/23/2024
Name of Meeting: SRP Compensation Committee
Presenter: LGIM America (Chris Wittemann and Grant Podolski)

LGIM America

Confidential

LGIMA's active fixed income value proposition

Experience	• 31 person Investment Grade Credit team with five senior portfolio managers averaging 24 years of experience • Eleven investment grade credit research analysts averaging 16 years of experience • Senior portfolio managers are not only connected to the market activity, but they are actively involved in managing portfolios as well as assessing sector risk
Performance	• Flagship Long Duration US Credit strategy has delivered a top-rated information ratio ranking since inception (2007)[1] • 16-year Long Duration US Credit track record outperforming the benchmark on a gross and net basis since inception (2007)[2] • Successfully avoided 90% of downgrades to high yield in the Long Credit benchmark since inception.[3]
Client-driven	• 32 Solutions and LDI team members dedicated to supporting clients to shape outcomes and help achieve their goals • An independent client survey ranked LGIM America's client service experience at 90.6% in 2022[4] • Has actively managed fixed income and custom solutions mandates tailored to unique client objectives for 17 years

As of September 30, 2023 unless otherwise noted below.

1 Inception date is June 30, 2007. Benchmark is Bloomberg Long Duration Credit Index. Peer ranking against eVestment's US Long Duration Credit universe of 10 members generated November 1, 2023 using LGIMA September 30, 2023 data. LGIMA is ranked 2nd out of 10 with a percentile ranking of 11 for information ratio gross data and in first position (top-1 percentile) for net data with 9 members reporting. Please see the attached GIPS Composite Report for detailed gross and net of fees performance.

2 Please see the attached GIPS Composite Report for detailed gross and net of fees performance.

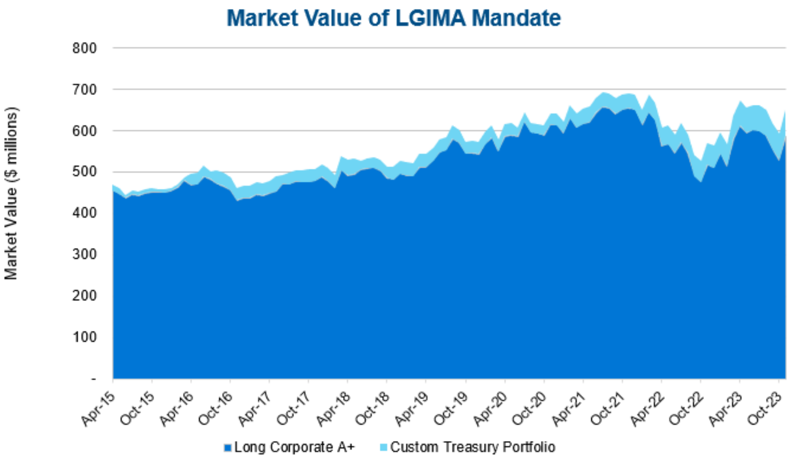
3 As of June 30, 2023. Downgrade percentage is based on the representative account which was selected for best depicting the strategy offered by LGIMA during the period. Various deviations can trigger a change in the representative account to another account that better exemplifies the strategy. Accordingly, multiple representative accounts may exist over time and will differ from any actual client experience historically or in the future. Past downgrade results are for illustrative purposes only and are not indicative of future outcomes. LGIMA representative account downgrades: 2008: Lehman; 2009: Continental Airlines; 2012: Rockies Express Pipeline; 2016: Kinross Gold, Ensco, FirstEnergy; 2019: Pacific Gas & Electric; 2020: Kraft Heinz, Occidental Petroleum, Petroleos Mexicanos, Huntington Bancshares Inc.; 2021: Colombia; 2022: HCA Inc.

4 Penhurst Associates is a research consultancy focused on delivering strategic market and client insight to asset managers and other organizations in the financial sector. LGIMA compensated Penhurst for its research services but did not direct or limit Penhurst's research process or engagement with LGIMA clients. Clients responding to the survey were not compensated by either LGIM America or Penhurst. Sixteen clients were contacted, a figure amounting to 3% of LGIMA's 538 funded clients and 4% of AUM.

LGIM America

Mandate overview

- Mandate began in April 2015 with funding of $488 million in cash and securities.
- Objective is to manage a high-quality fixed income portfolio to:
  1) Reduce **funded status volatility** of the Plan
  2) Provide **consistent income** to help pay pension benefits
  3) Actively manage the **credit selection** to avoid downgrade and defaults and take advantage of market opportunities
- Over the last year, $76mm was contributed to the mandate, and the market value of the account is $650 million as of November 30, 2023.



Portfolio	Market Value	
	11/30/2022	11/30/2023
Custom Credit Sub-Portfolio	$517,479,241	$586,781,047
Custom Treasury Sub-Portfolio	$52,441,851	$63,528,034
Total	**$569,921,092**	**$650,309,082**

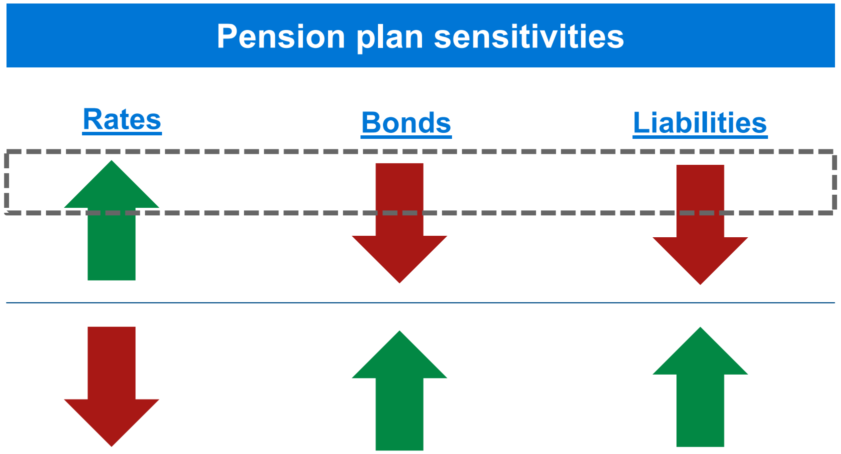
Date of Meeting: 01/23/2024
Name of Meeting: SRP Compensation Committee
Presenter: LGIM America (Chris Wittemann and Grant Podolski)

LGIM America

Review: Rates, Bonds, and Liabilities characteristics

Asset allocation solutions and implementation services customized to client needs

- Pension liabilities are similar to bonds in their exposure to interest rates
  - As interest rates rise, values fall (and vice versa)

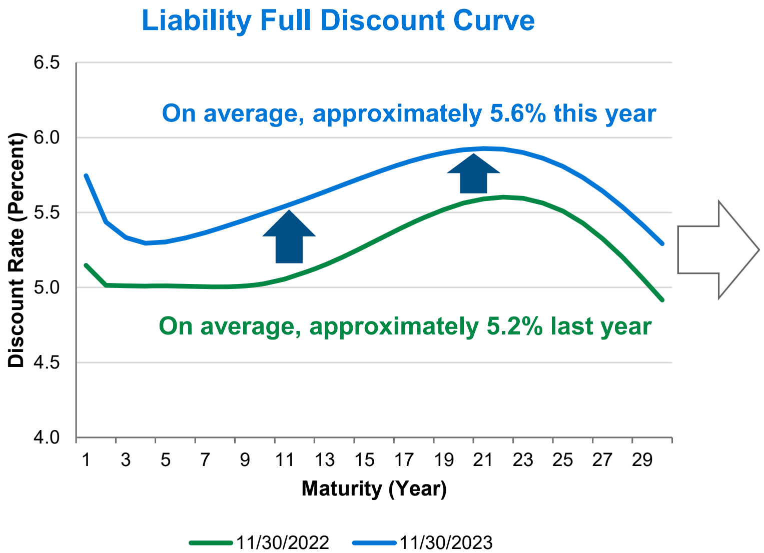


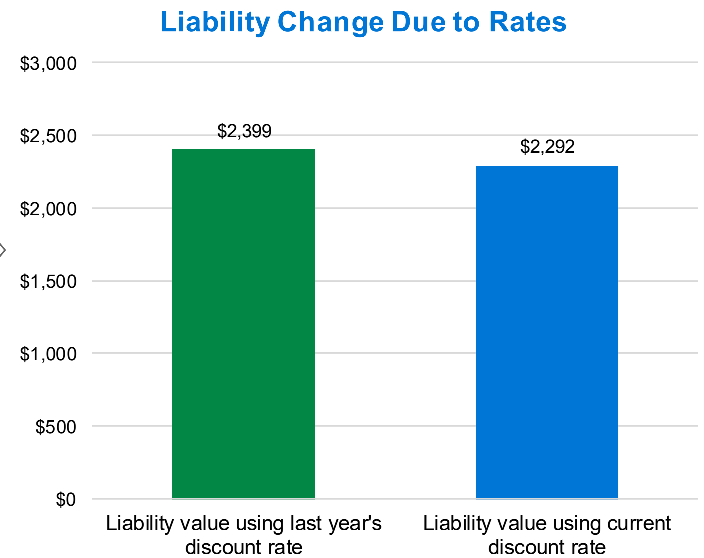
- Liabilities are not investable
  - Pensions are not allowed to pay less than 100 cents on the dollar when a bond defaults
  - Pension discount rates include an "actuarial" credit spread

LGIM America

Review: How a change in the discount rate impacts the liability

- The plan's liability value will increase as the liability discount rate decreases
- **The plan's liability value will decrease as the liability discount rate increases**
- This can occur through either a change in treasury rates or a change in spreads.





Holding all other factors constant, the liability value has **declined by $107m** over the last 12 months due to the higher discount rate (~ -5%). This has effectively offset the annual interest cost on the liability due to the passage of time (~ +5%).

Chart depicted above is intended for illustrative purposes only.
Date of Meeting: 01/23/2024
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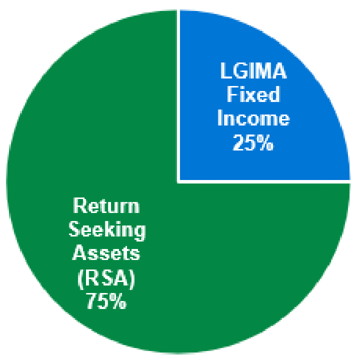
LGIM America

Asset and Liability Exposure Summary, 11/30/2023

- The Fixed Income asset allocation is designed to match the interest rate and credit spread sensitivity of the liability pro-rata to the dollars invested in fixed income vs the liability value
- Effectively, we have been hedging close to ~25% of the overall liability return due to discount rates over the last few years (more precisely, the target fixed income asset allocation % x Plan's funded status)
  - 28% as of 11/30/23 (i.e. 25% asset allocation x 113% funded status)
  - 28% means that if the liability return is $100m, our portfolio's benchmark return is $28m (28% of $100m)

Overall Asset Allocation



Overall Assets and Liabilities

	$ Millions	LGIMA Portfolio as %
LGIMA Assets	650	100%
Total Plan Assets	2,600	25%
SRP Liability Value	2,298	28%

Source: LGIMA, CAPTRUST, Salt River Project. Data as of 11/30/23.
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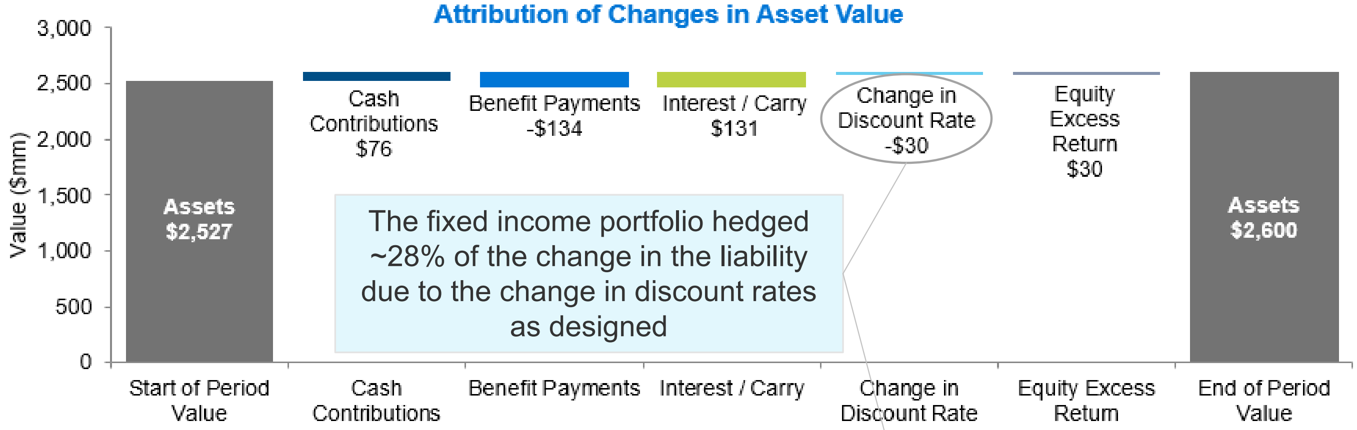
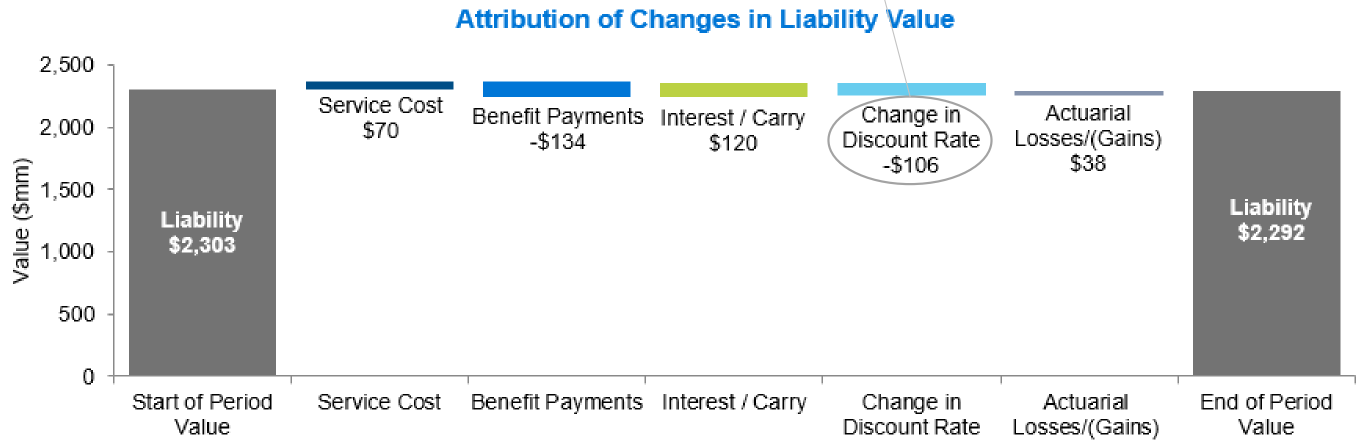
Assets vs Liabilities in the Pension

Below is an attribution of the changes in the overall assets and liabilities over the last 12 months



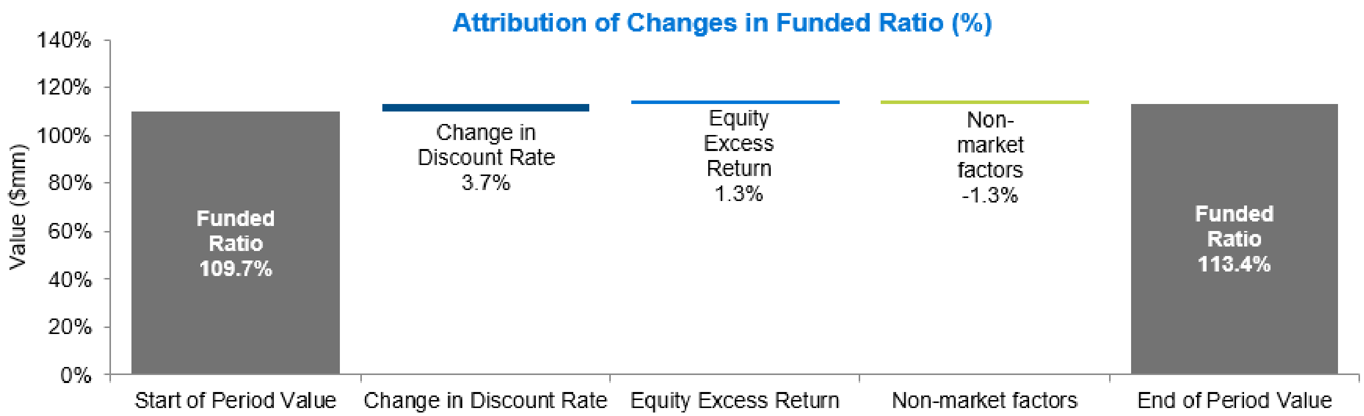


<u>As of November 30, 2023 using a one year period.</u>
Date of Meeting: 01/23/2024
Name of Meeting: SRP Compensation Committee
Presenter: LGIM America (Chris Wittemann and Grant Podolski)

LGIM America

Change in Funded Status Over the Last Year

- Despite volatile markets, the increase in the discount rate of the liability and the increase in return seeking assets values were the primary factors of improved funded status over the last year.
  - Due to the increase in discount rates, the liability fell in value by more than the assets.
  - It's important to note that all assets need to earn the discount rate over the year (i.e. "carry") to reflect passage of time
- Being under-hedged to the changes in the discount rate benefitted the funded status last year in a rising rate environment (i.e. vice versa in a potentially falling rate environment)



Source: LGIMA, CAPTRUST, Salt River Project
Data from 11/30/2022 to 11/30/2023.
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LGIM America

Overall strategy performance summary as of November 30, 2023

Performance Summary - Net of Fees	1 Year	2 Year	3 Year	Since Inception***
Corporate Fixed Income Portfolio (NOF)	0.47%	-13.53%	-9.80%	1.56%
Bloomberg US Long Corporate A or Better Index	0.68%	-13.44%	-9.81%	1.26%
Relative Return of Credit Portfolio (NOF)	**-0.22%**	**-0.10%**	**0.01%**	**0.30%**
SRP Total Hedging Strategy Return (NOF)	0.83%	-12.55%	-9.12%	1.56%
Custom Actuarial Liability Benchmark**	0.67%	-12.89%	-8.87%	1.68%
Relative Return of Overall Strategy (NOF)	**0.16%**	**0.35%**	**-0.25%**	**-0.12%**

-4 bps of under-performance due to Active management (e.g. credit selection), +38 bps due to tracking error relative to actuarial liability, and -18 bps of fees.

Fees are 0.22% for the first $100mm; 0.19% for the next $150mm ; 0.17% on next $250mm; and 0.14% thereafter.
Numbers may not foot due to rounding.
Inception date April 30, 2015. Returns numbers are annualized.
Liability benchmark is defined as the changes in the present value of the liability cashflows, discounted using the BofA Merrill Lynch A-AAA discount curve.

- Custom Investable Benchmark uses a blend of US Credit and US Treasury indices that most closely proxy the rate and credit spread exposure of the liability and is shown to illustrate performance vs an investable benchmark rather than an uninvestable liability.

Date of Meeting: 01/23/2024
Name of Meeting: SRP Compensation Committee
Presenter: LGIM America (Chris Wittemann and Grant Podolski)

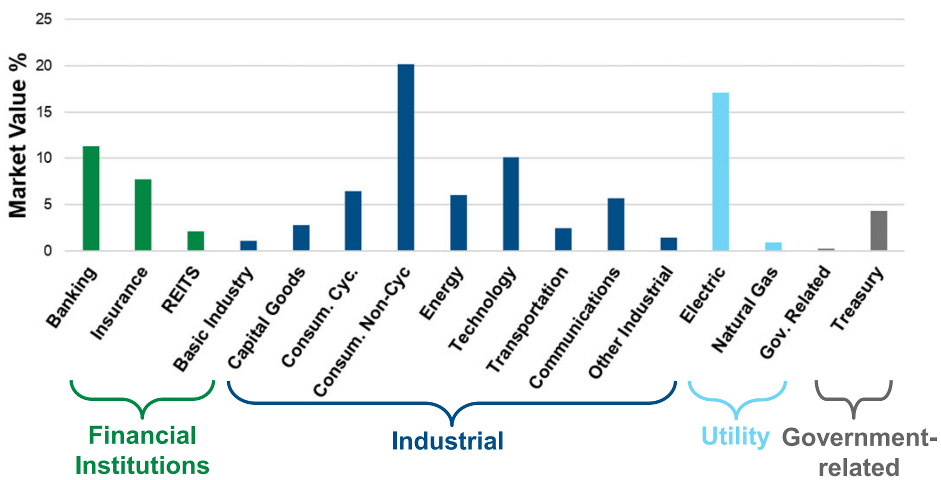
LGIM America

Overall Fixed Income Portfolio Characteristics

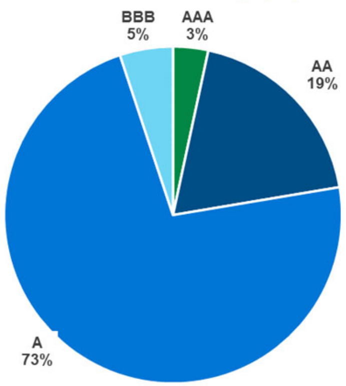
Characteristics	Portfolio
Market value ($mm)	587
Number of holdings	369
Number of Issuers	137
Duration (OAD)	13.17
Average rating	A1/A2
Yield to worst %	5.51

Top ten issuer names	
Issuer name	**Portfolio %**
United States of America	4.3
Anheuser-Busch InBev SA/NV	3.0
Berkshire Hathaway Inc	2.9
Duke Energy Corp	2.9
Pfizer Inc	2.9
UnitedHealth Group Inc	2.8
Apple Inc	2.5
Home Depot Inc/The	2.4
JPMorgan Chase & Co	2.3
Comcast Corp	2.1

Sector Allocation



Portfolio Quality (%)



As of November 30, 2023

Source: Bloomberg. Duration statistics from Bloomberg will differ from LDI duration statistics due to quantitative methodology differences.

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LGIM America

Supplementary Appendix Material

Overview of Salt River Project's solution

Objective (in aggregate) is to track the performance of the Client's liabilities, recognizing some excess return is necessary to offset the negative impact of downgrades and defaults on Client's funded status.

LGIMA Overall Strategy (with two building block portfolios)

Long Corporate A or better (~95%)

Objectives: Manage credit issuer selection (downgrades and defaults implicit in liabilities)

Benchmark: Bloomberg Barclays US Long Corporate A or better Index (~1000 holdings)

Performance target: Exceed the benchmark by basis points net of fees

LDI/Treasury Hedging Account (~5%)

Objectives: Manage overall interest rate risk relative to strategic hedge targets

Benchmark: Uninvestable on a stand-alone basis; responsible for making the overall solution track the liability

Performance target: Match the interest rate return of the liability (no excess performance target)

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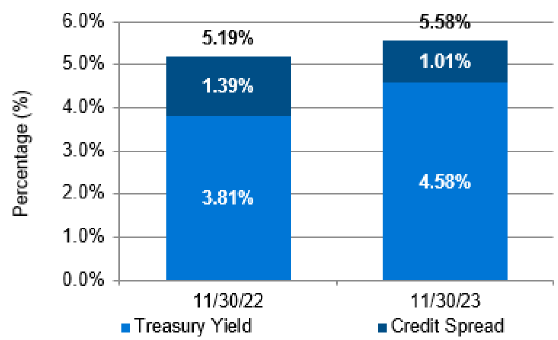
How Discount Rates Changed Since Last Year

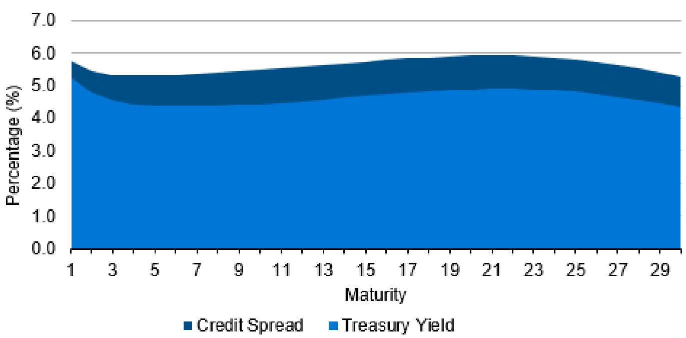
Discount rate Summary



Market summary

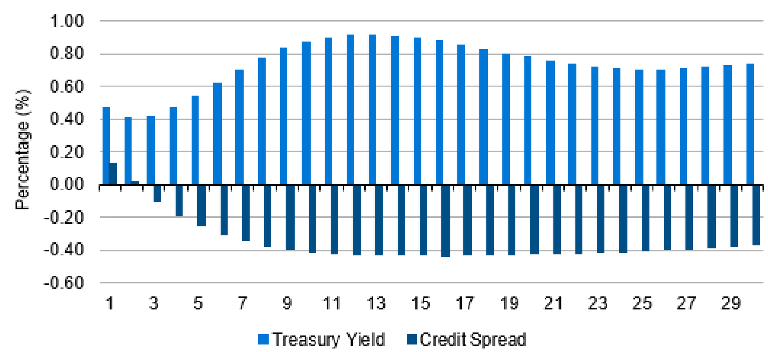
	11/30/2022	11/30/2023	Change (%)
Discount Rate	5.19	5.58	0.39
Treasury Yield	3.81	4.58	0.77
Credit Spread	1.39	1.01	-0.38
Treasury Indices			
10yr Treasury Yield	3.57	4.44	0.87
30yr Treasury Yield	3.60	4.34	0.74
Credit Spreads			
Market Credit	1.24	0.97	-0.27
Long Credit	1.59	1.14	-0.45
Liability Aware	1.28	0.89	-0.39
US Long Credit AA	1.08	0.71	-0.37
Equity Market Values			
S&P 500	4,080	4,568	11.95

Yield curve



Based on Merrill A-AAA Corporate Equal Weighted Curve

Changes in interest rates and credit spreads



Source: Bloomberg, ICE BofA, LGIMA Calculations.
Date of Meeting: 01/23/2024
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LGIM America

Credit portfolio overview

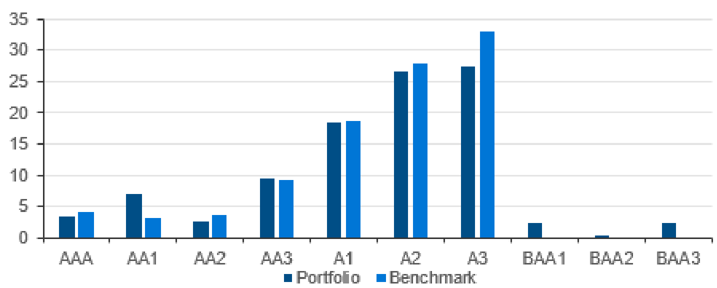
- **What credit portfolio does LGIMA manage for SRP?**
  - LGIMA manages a long duration corporate bond portfolio for SRP, benchmarked against the Bloomberg Long Duration Corporate A or better bond index
  - The benchmark consists of bonds rated A or better and have a maturity of 10 years and longer
- **Why was this benchmark chosen?**
  - It reflects the maturity range for and quality level of bonds that are used in the corporate discount rate determined by the IRS to calculate the present value of pension obligations
- **Will this market-based benchmark mirror the returns of the liability?**
  - No. The bonds held in the portfolio are different than the bonds that make up the basket of securities used to create the discount curve. However, over time, the two will behave similarly.

Confidential

Credit Portfolio Positioning: 11/30/23

Characteristics	Portfolio	Benchmark
Number of holdings	369	1641
Number of Issuers	137	286
Duration (OAD)	13.17	13.20
Average rating	A1/A2	A1/A2
Yield to worst	5.51	5.48

Characteristics



Largest ten issuer overweights - duration contribution

Issuer name	Portfolio	Benchmark
United States of America	0.66	0.00
Home Depot Inc/The	0.33	0.21
Gilead Sciences Inc	0.12	0.00
Roche Holding AG	0.11	0.00
Duke Energy Corp	0.33	0.22
Oglethorpe Power Corp	0.10	0.00
MetLife Inc	0.18	0.08
International Flavors & Fragra	0.09	0.00
Travelers Cos Inc/The	0.16	0.07
Pfizer Inc	0.39	0.31

Largest ten issuer underweights - duration contribution

Issuer name	Portfolio	Benchmark
Berkshire Hathaway Inc	0.36	0.57
Consolidated Edison Inc	0.02	0.15
Microsoft Corp	0.20	0.33
PepsiCo Inc	0.00	0.10
Comcast Corp	0.36	0.46
Bank of America Corp	0.24	0.33
Bristol-Myers Squibb Co	0.11	0.20
Intercontinental Exchange Inc	0.00	0.08
Coca-Cola Co/The	0.00	0.08
Wells Fargo & Co	0.21	0.28

Date of Meeting: 01/23/2024
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LGIM America

Current credit strategy outlook

	Nov	Dec	Comment
Valuations[2]			A remarkable November rally (~20bps) has pushed credit spreads to fresh YTD tights. The rally has made every sell-side forecaster a bear on spreads in 2024. For the second month in a row, nearly every asset class rallied except oil. Credit yields dropped sharply to July levels. US Long Credit remains the richest screening asset class and appears very rich relative to equity and rates vol.
Macro fundamentals			Heading into 2023, economists and investors were aligned in predicting a recession for this year. While the accord is not as strong, 2024 consensus seems to be largely spilt between a soft landing or a mild recession outcome. Disinflation progress has continued but the Fed remains wary of a reacceleration as its 2% target appears to be a long way away. The payrolls report released in November confirmed that the labor market remains relatively firm, However, the underlying details suggests continued cooling. Consumption has continued to surprise to the upside, with higher income cohorts leading the way while lower income cohorts are coming under increasing pressure as their delinquencies are rising and excess savings are near depletion – Millennials particularly stretched. The housing market remains paralyzed with existing home sales collapsing to the lowest levels since 2010 and homebuilder sentiment sits at the lowest levels of the year. Chapter 11 bankruptcy filings are at the highest level since 2010, while charge-offs on CRE loans are starting to pick up.
Liquidity / monetary policy			Financial conditions have loosened significantly in the last 2 months with the market pricing in ~100bps of cuts in 2024. The market now expects the Fed's rate cutting cycle to begin in the first half of next year. The Fed has continued to shrink its balance sheet, but quantitative tightening (QT) has been relatively painless for risk appetite as reserves have increased in the last few months at the expense of the drain in the reverse repo facility.
Corporate strength (fins/corp)[1]			Earnings outlooks for 2024 remain in double-digit territory, defying the cycle and current economic indicators. Recapping 3Q23 earnings, Revenue Growth continued to contract, EBITDA Growth contracted sharply – driven by commodities, EBITDA Margins deteriorated back to pre-covid levels, Gross & Net Leverage continued to increase YoY, Interest Expense rose at record pace as funding costs have increased, Interest Coverage continued to sharply deteriorate – now at the fasted pace since 4Q05, Capex increased sharply YoY but with only a moderate QoQ increase, Shareholder Payouts have declined significantly but have increased relative to EBITDA, and Cash Balances increased for the first time since 4Q20 and the post-covid buildup. Ratings continue an upward trajectory within the BBB space, but 2024 forecasts show fallen angels outpacing rising stars. Defaults continue to rise, but have largely been a CCC story, which investors expect to continue.
Supply / demand			Supply has exceeded expectations thus far in November and December but continues to be heavily skewed to the front end. Trading volumes in November were 31% above recent years, and this elevated level of trading has carried into December, outpacing the increase in supply. Mutual fund flows turned positive for the first time since August as total returns were sharply higher in November. Foreign demand has been the strongest since 2016, but attractiveness has declined since the beginning of last month. While the buying in October saw a defensive tilt, investors have become more bullish on BBB's despite being cautious on longer time horizons.

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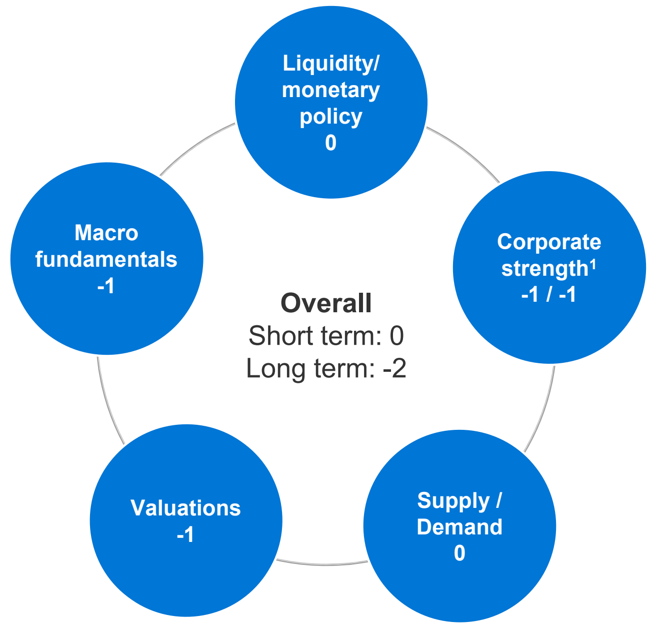
What this means for the portfolio

During the month of December, our strategy ranking is 0 short term and -2 long term

- Avoiding downgrades and event risk is vital at this point in the cycle.
- Our portfolios have a slight tactically overweight tilt – yet defensive for a large repricing of risk wider – given the resilient technicals at play, especially in the long-end.
- We carry a modest overweight to the most liquid portions of respective indices, an underweight to the less liquid portion, and an over-arching up-in-quality bias.
- In terms of issuer selection, our strategic overweights include[2]:
  - Boeing, AbbVie Inc, Anheuser-Busch InBev, META, Pfizer.



Strategic overweight	Strategic underweight
Media	Sovereigns
Utilities (OpCo)	Technology
Midsteam	P&C
REITs	Transportation

As of December 12, 2023.

1 Corporate strength rating is split between financials and non financials. LGIMA rankings are based on a -3 (maximum underweight) to +3 (maximum overweight) scale.

2 The issuer overweights herein are based on the top 5 overweights in the Long Duration Credit composite. Specific securities identified and described do not represent all securities purchased or sold for the portfolio, and it should not be assumed that investment in these securities were or will be profitable, or that investment recommendations or decisions that the firm makes in the future will be profitable. Portfolio holdings are subject to change daily. There can be no assurance that securities purchased remain in the portfolio or that securities sold have not been repurchased. There is no guarantee these investments or portfolio strategies will work under all market conditions or are suitable for all investors and each investor should evaluate their ability to invest over the long-term, especially during periods of increased market volatility. All information is provided for informational purposes only and should not be deemed as a recommendation to buy the securities mentioned. LGIMA rankings are based on a -3 (maximum underweight) to +3 (maximum overweight) scale.

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Appendix: ESG at LGIM America

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Name of Meeting: SRP Compensation Committee
Presenter: LGIM America (Chris Wittemann and Grant Podolski)

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ESG at LGIMA

- Credit analysts explicitly incorporate ESG considerations into their fundamental analysis, particularly as the importance of sustainability increases in the marketplace
- Risk factors are not weighted equally in each investment decision and can be influenced by security-specific features (maturity, covenants, etc.) as well as issuer specific characteristics (industry, country of domicile, etc.)

Example
Glencore bond investment rejected primarily due to ESG considerations

Environment	Social	Governance
One of the world's largest producers and exporters of thermal and coking coal	Ongoing investigation of financial reporting of DRC subsidiary and SFO investigation of related party	Lack of transparency of financial reporting for marketing business

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ESG at LGIMA – Focused on three basic fundamentals

Stewardship

- Engaging with some of the world's largest companies, driving change and raising standards
- Embracing positive corporate stewardship by actively voting proxies to promote sustainable business activities

Solutions

- Designing solutions that reflect clients' investment goals and values
- Using LGIM's analytical expertise to construct portfolios that reflect a client's preference for certain investment themes

Integration

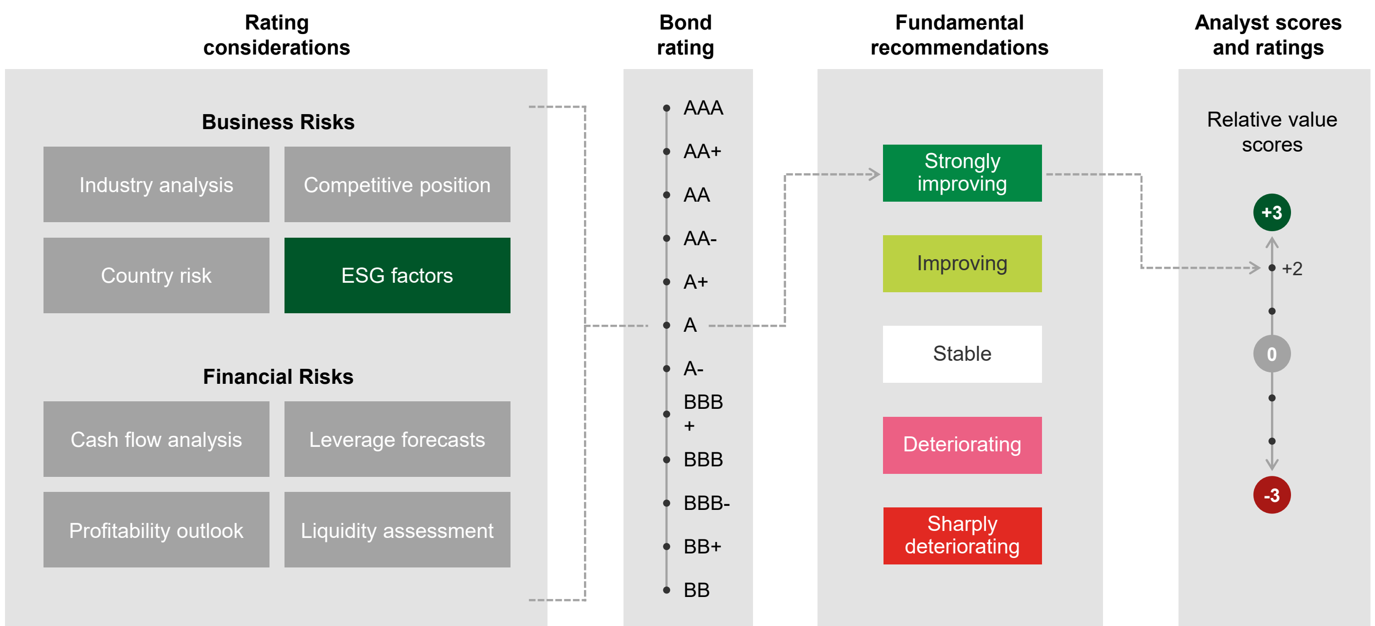
- Incorporating ESG factors into company and security valuation
- Ensuring a security's value adequately compensates for ESG risks/opportunities as they relate to the probability of default

Investment grade fixed income ESG integration

Credit analysts explicitly incorporate ESG considerations into their fundamental analysis, particularly as the importance of sustainability increases in the marketplace.

Risk factors are not weighted equally in each investment decision and can be influenced by security-specific features (maturity, covenants, etc.) as well as issuer specific characteristics (industry, country of domicile, etc.).

Research example



Absent client investment guidelines to the contrary, ESG considerations are not dispositive to the investment recommendations and decisions of fixed income credit and research analysts and portfolio managers. Different analysts and portfolio managers may take different views on, and/or differently integrate, ESG considerations within the portfolios they manage.

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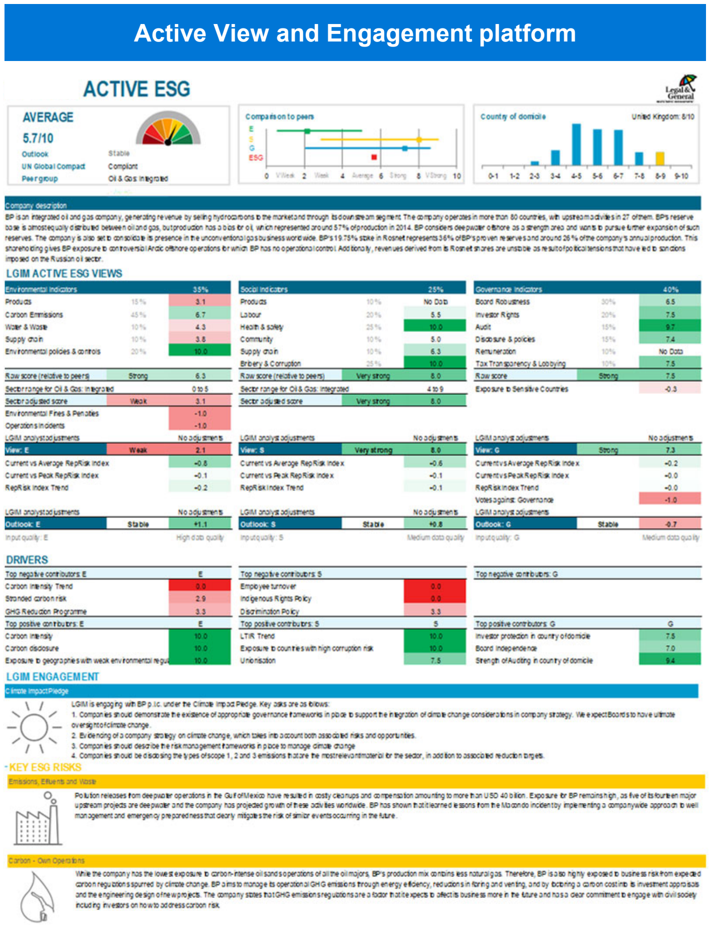
ESG research integration

ESG view is a proprietary tool that collates and synthesizes ESG-related data



1	Gather and synthesize data from both external data providers and proprietary analysis
2	Enrich investment analysis and utilize findings for more impactful issuer engagement
3	Disseminate high conviction recommendation across the investment team via the Active View Tool

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Team Biographies and Disclosures

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Biographies

Chris Wittemann, CFA, FSA, CERA, Head of Client Strategy

Chris Wittemann is the Head of Client Strategy at LGIM America. In his role, he leads our client engagement focusing on that we meet client expectations, listen for opportunities/challenges, and evolve our firm's solutions to successfully achieve clients' long-term objectives. He also focuses on investment research and thought leadership to enhance LGIM America's ability to provide innovative solutions to our clients into the future.

Chris joined LGIM America in 2012. Prior to joining LGIM America, Chris was a Senior Investment Consultant at Towers Watson, where he helped his clients implement their investment strategy within their context. Prior to Towers Watson, Chris worked at Gofen & Glossberg and Thomas White International.

Chris earned a BA in Mathematics from Cornell University and an MA in Applied Mathematics from The University of Chicago. He is a CFA charterholder, Fellow of the Society of Actuaries and Chartered Enterprise Risk Analyst. Chris also holds a Series 3 license registered with the NFA.

Grant Podolski, CFA, CAIA, Client Strategist

Grant Podolski is a Client Strategist at LGIM America. In his role, he focuses on client engagement and ensuring our custom investment solutions continue to successfully achieve clients' long-term objectives.

Grant joined LGIM America in 2020 as a Senior Strategy Associate. Prior to LGIM America, Grant was a Manager, Client Services at NISA Investment Advisors, LLC. During his tenure, he specialized in pitching, implementing and managing LDI and derivative overlay strategies for Public and ERISA DB pension clients. In addition, he's held various Analyst positions at the firm.

Grant earned a BS in Business Administration from Saint Louis University. He is a CFA charterholder, Chartered Alternative Investment Analyst (CAIA) and holds a Series 3 license registered with the NFA.

GIPS® Composite Report

Composite: **Long Duration US Credit**
Reporting currency: USD
Reporting date: December 31, 2012 to December 31, 2022
Benchmark: Bloomberg US Long Credit Total Return Index Value Unhedged USD

	Returns			Composite statistics					
Time period	Gross of fees return (%)	Net of fees return (%)	Benchmark return (%)	Number of accounts at end of period	Dispersion	Composite 3-year standard deviation (%)	Benchmark 3-year standard deviation (%)	Total composite assets (m)	Total firm assets (m)
2013	-4.73	-5.01	-6.62	14	n/a	8.40	8.28	$5,029.09	$37,690.68
2014	16.65	16.30	16.39	20	0.03	7.67	7.71	$10,986.84	$110,530.23
2015	-4.08	-4.36	-4.56	28	0.10	8.02	8.02	$12,382.14	$118,904.90
2016	11.00	10.66	10.22	32	0.18	7.95	7.86	$9,288.79	$140,028.29
2017	12.28	11.94	12.21	47	0.10	7.38	7.28	$20,324.98	$174,804.49
2018	-6.53	-6.81	-6.76	49	0.12	6.95	6.88	$21,285.10	$175,058.41
2019	23.87	23.50	23.36	59	0.07	6.76	6.65	$27,136.17	$218,803.87
2020	14.66	14.32	13.32	57	0.18	10.74	10.99	$26,415.25	$241,365.36
2021	-0.86	-1.15	-1.18	60	0.04	10.77	11.03	$26,331.90	$274,853.26
2022	-24.97	-25.20	-25.29	62	0.06	14.67	14.87	$19,839.89	$200,472.30

Legal & General Investment Management America, Inc. (LGIMA) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. LGIMA has been independently verified for the period February 1, 2007 to December 31, 2022. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

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Notes

Definition of the Firm
Legal & General Investment Management America, Inc. ("LGIM America", "LGIMA" or the "Firm") is a U.S.-registered investment advisor. Established in 2006, LGIM America provides investment management services to institutional clients across a range of strategies and security types.

Composite description
The composite comprises all segregated accounts and pooled funds that invest in a diversified pool of long duration US Investment grade predominantly credit assets, derivatives (primarily bond futures) and cash, with the aim to outperform the benchmark annually over a trailing 3-year period.

Benchmark
The Bloomberg US Long Credit Index measures the performance of investment grade, US dollar-denominated, fixed-rate, taxable corporate and government-related debt with at least ten years to maturity. It is composed of a corporate and a non-corporate component that includes non-US agencies, sovereigns, supranationals and local authorities.

Composite performance
Performance results presented are total time-weighted returns. Gross-of-fee performance results are presented before management fees, subscription charges by pooled funds and extraordinary expenses but after trading costs, non-reclaimable foreign withholding taxes and pooled fund operating expenses. Composite performance includes reinvestment of income and other earnings. Valuations and performance are reported in USD. Composites are created based on strategies and benchmarks and include all fee-paying, discretionary accounts/pooled funds with similar objectives and risk profiles. Accounts and pooled funds may be included or excluded from composites under systematic and consistent processes which are outlined in the LGIMA Policies & Procedures.

Composite information
The Long Duration US Credit composite was created on 06/01/2009 with an inception date of 06/30/2007.

Composite volatility
Composite dispersion is calculated using the asset-weighted standard deviation of all constituent gross return deviations from the overall composite return for the time period. Dispersion is not calculated where there are less than six portfolios in the composite at any point within the period. The three-year annualized standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period. If 36 consecutive monthly periods for the composite and/or benchmark are not available then the three-year annualized standard deviation is not presented.

Model fee / net returns
Net returns are calculated by deducting the model fee from the gross composite return, applied monthly. The model fee is the maximum potential management fee charged to an account in the composite for the respective period. Net returns are not further reduced by operating expenses because (1) the gross-of-fee performance is already net of the pooled fund operating expenses; and (2) segregated accounts clients pay custodial fees directly to their selected custodian. The model fee is as follows:
From 06/30/2011 to present: 0.30% per annum; and
From 06/30/2007 to 06/30/2011: 0.35% per annum

Standard fee schedule
The maximum standard fee schedule in effect for any segregated account or pooled fund in the composite is 0.30% per annum. Pooled funds are subject to operating expenses, which include custodial and trustee fees (as described in the offering documents), capped as noted below. Segregated account clients pay custodial fees directly to their selected custodian. The fee schedule is provided for information only as fees are negotiable and vary by client. The pooled funds in the composite and the maximum annual operating expenses (where applicable) are listed below:
Limited Distribution Pooled Fund (5596); Max Operating Expense Cap: 0.05%
Limited Distribution Pooled Fund (5803); Max Operating Expense Cap: 0.05%
Limited Distribution Pooled Fund (6234); Max Operating Expense Cap: 0.3%

Significant cash flow policy
Where a segregated account has a significant cash flow, it will be removed from the composite in that month and any subsequent month until the flow is fully invested. A significant cash flow is defined as a flow that is greater than the absolute value of aggregate external flows during the month, over the beginning of period market value.
07/01/2007 - 12/31/2021: 5%
12/31/2021 - present: 25%

General
A list of all composite and limited distribution pooled fund investment strategies offered by the firm, with a description of each strategy, is available upon request. The type of portfolios in which each strategy is available (segregated account or limited distribution pooled fund) is indicated in the description of each strategy. Policies for valuing investments, calculating performance and preparing GIPS Composite Reports are available upon request.

NOTE: Past performance should not be taken as an indication or guarantee of future performance and no representation, express or implied, is made regarding future performance or that LGIMA's investment or risk management process will be successful.

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Information obtained from third party sources, although believed to be reliable, has not been independently verified by LGIMA and its accuracy or completeness cannot be guaranteed.

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[redacted]

SRP Employees' Retirement Plan Actuarial Update

Compensation Committee | January 23, 2024

Chalese Haraldsen, Assistant Treasurer

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Agenda

- Actuarial Valuation Process
- Review Plan Demographics
- Review Plan Funded Status

Actuarial Valuation Process

Objective: To ensure benefits can be paid to those who have earned them

1

SRP and CAPTRUST Provide Inputs:

- Plan Assets
- Participant Demographics
- Certain Assumptions

2

Willis Towers Watson Performs Actuarial Analysis / Valuation:

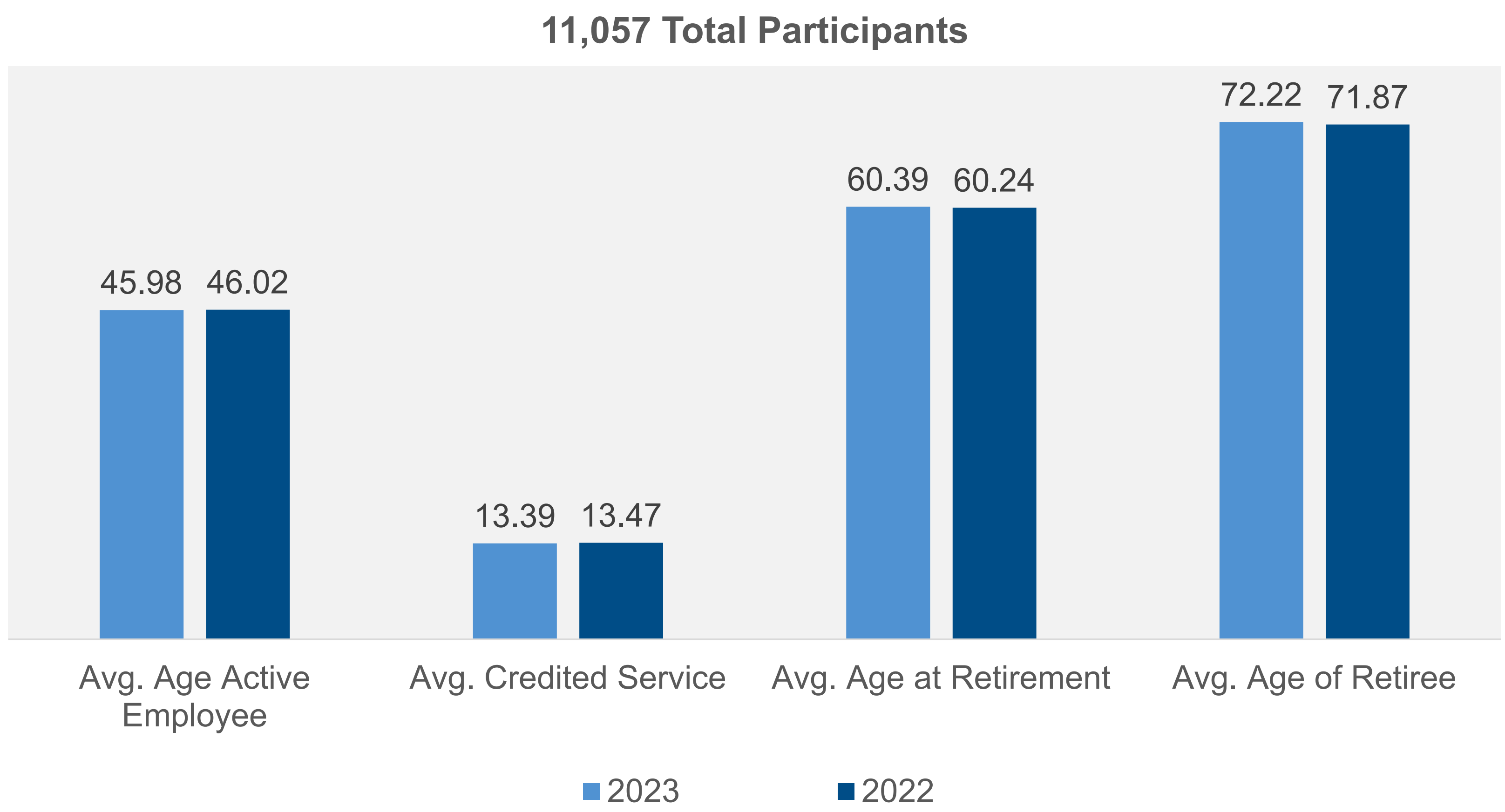
- Liabilities
- Funding Requirements
- Accounting Standards & Rules
- Legislation

3

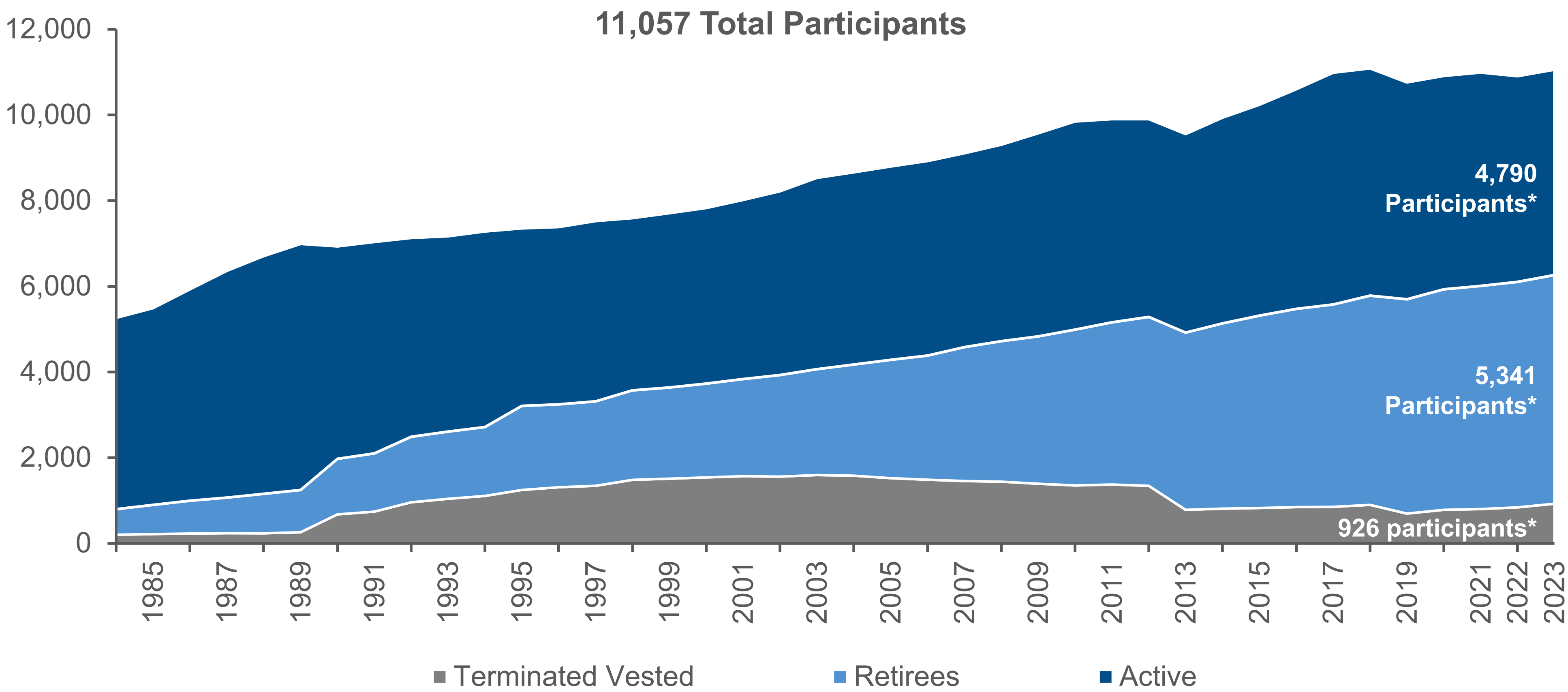
Independent Review and Assessment:

- Plan's Financial Health
- Regulatory Requirements

Plan Demographics



Plan Demographics



* Source: WTW IRS Valuation Report Participant data as of 1/1/2023

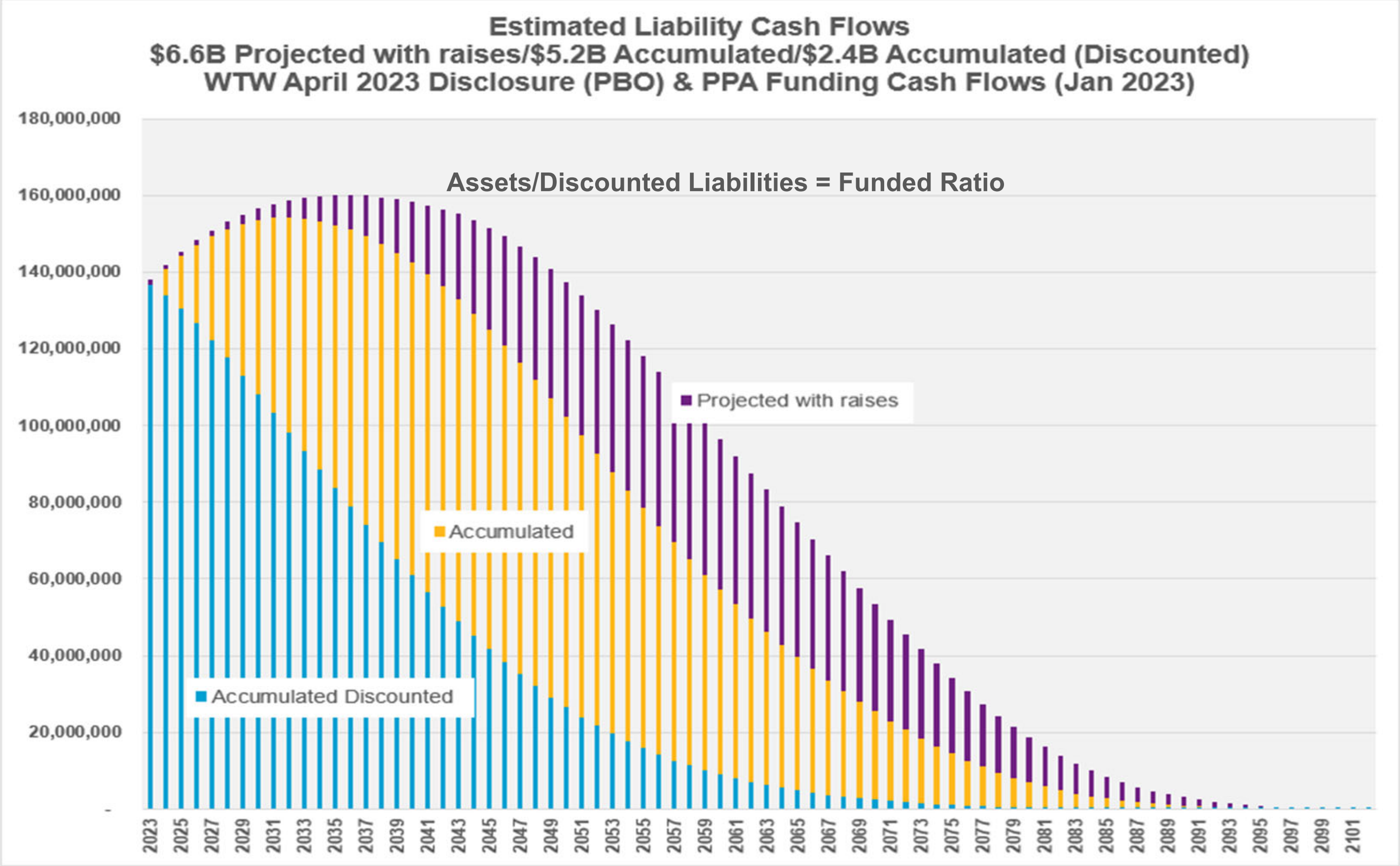
Annual Pension Benefit Payments (Snapshot in Time - No New Participants)

Participant Characteristics

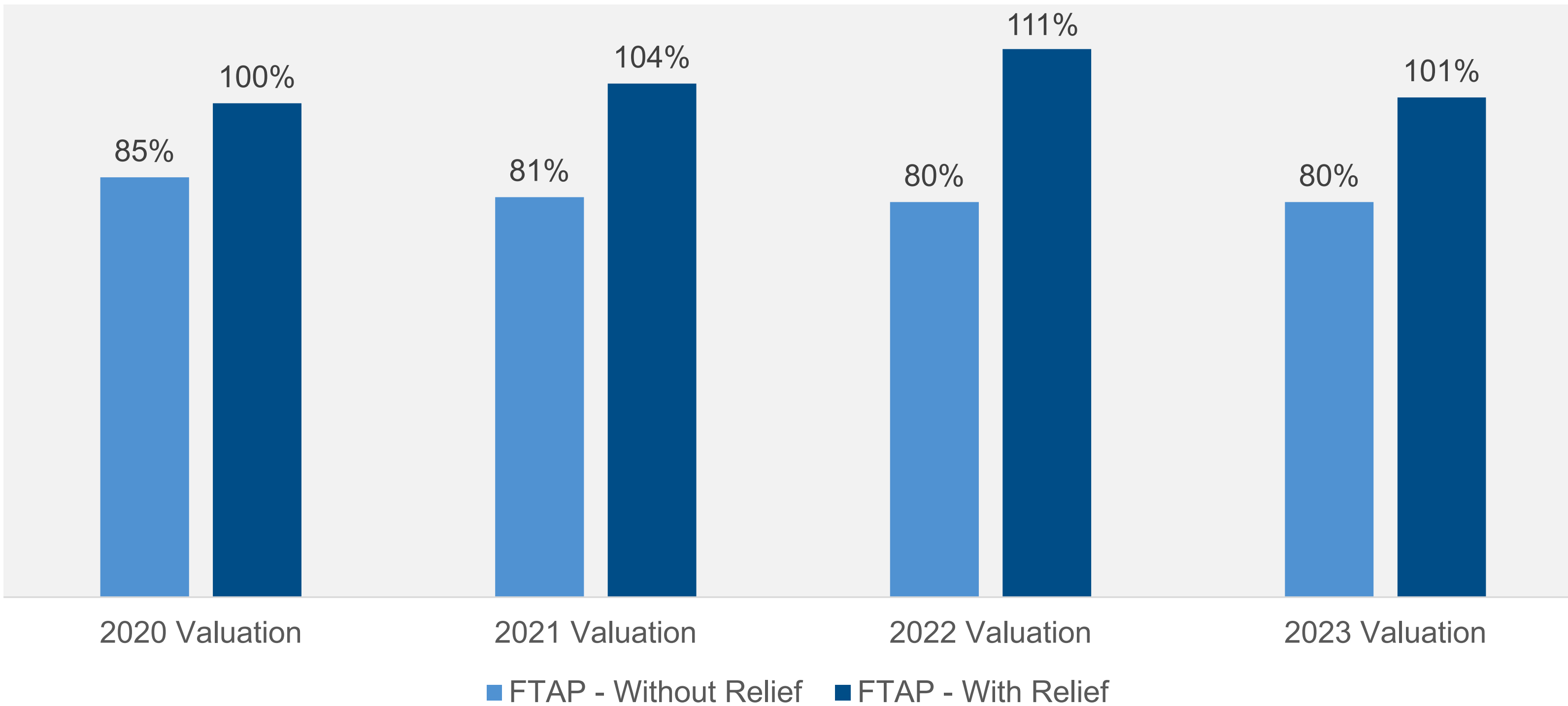
- Active / Retired / Term Vested
- Demographics
  - Age
  - Gender
  - Years of Service
  - Salary

Actuarial Assumptions

- Mortality
- Retirement Age
- Salary Growth Rate
- Termination Rate



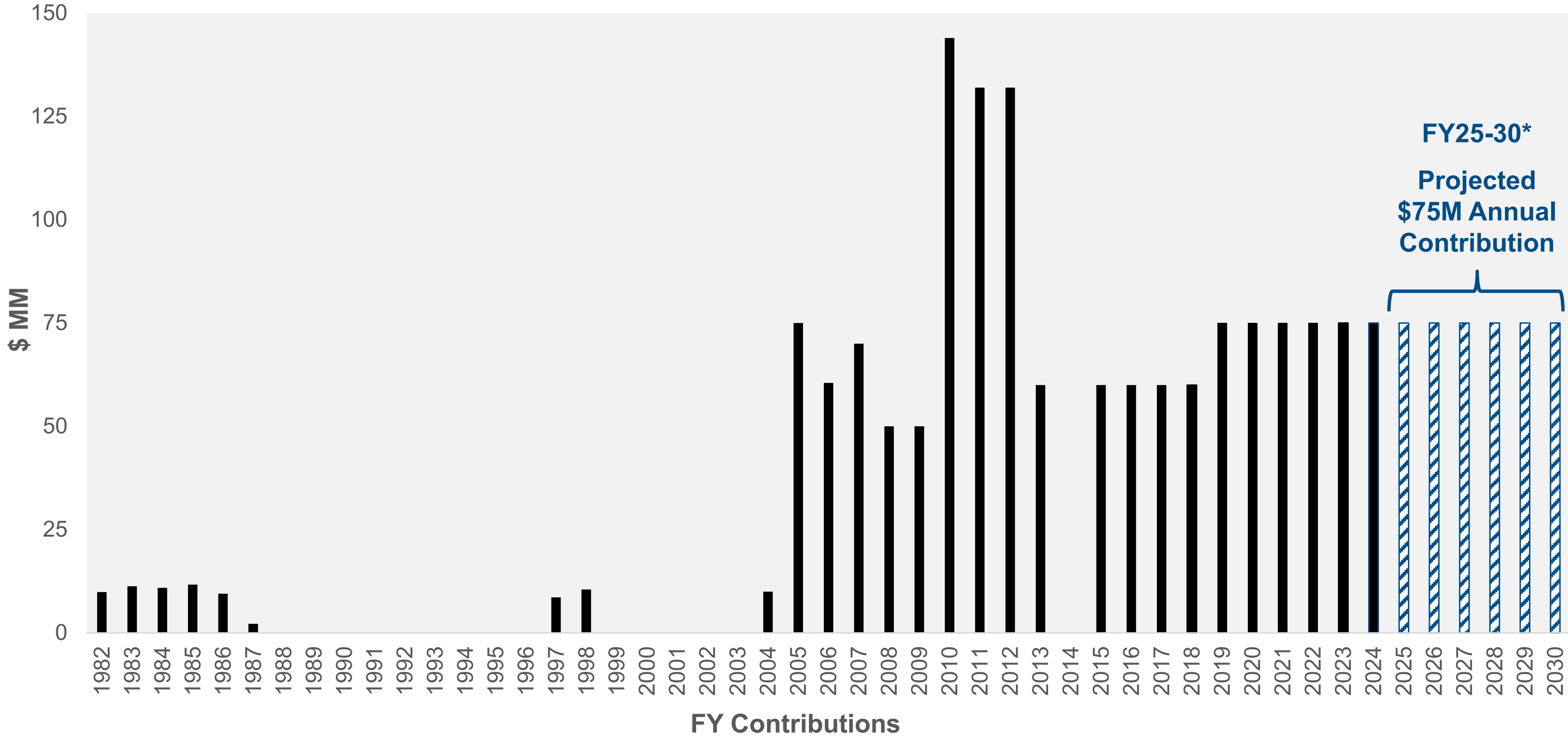
IRS Funded Status History (For Plan Years Beginning January 1)



Funding Target Attainment Percentage (FTAP) is used for funding calculations & reporting requirements

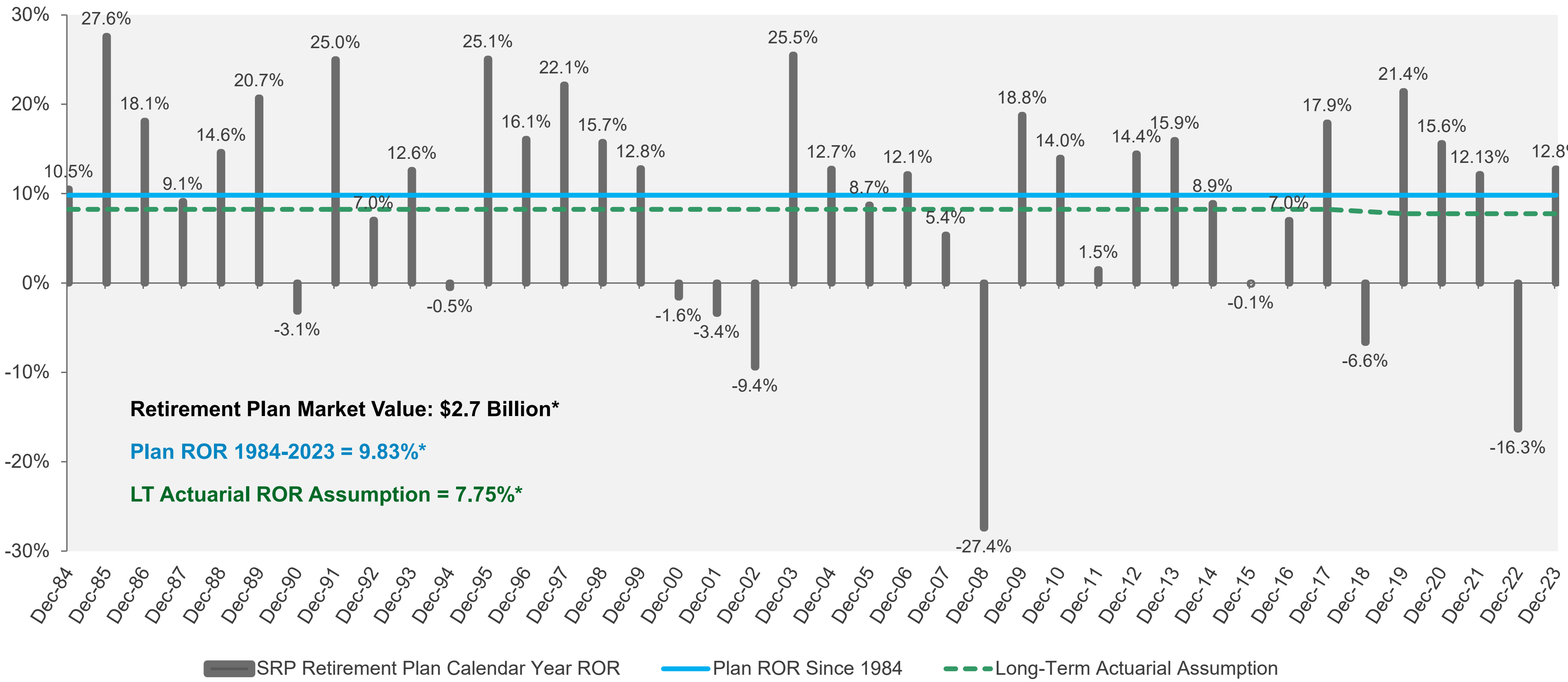
Source: Annual Funding Notice and WTW IRS Valuation Report

Retirement Plan Funding History



* Based on FP25 Baseline scenario Phase 1 Input
7.75% ROR, 6.03% DR, $75M annual contribution

Retirement Plan Historical Returns



* As of December 31, 2023. The Plan's long-term actuarial ROR Assumption was previously 8.25% an 8.0%; ROR lowered to 7.75% in 2019.

Questions?

Request for Approval Regarding the Executive Long Term Incentive Plan for SRP's GM/CEO

Presented by: Jason Overstreet
January 23, 2024

Long-Term Incentive (LTI) Program Proposal

- **Purpose** – Drive SRP's mission and strategy
- **Alignment** – Support stakeholder's interests
- **Accountability** – Setting objectives, directing behavior, assessing performance & determining rewards
- **Engagement / Retention** – Motivating people, attracting them to the organization and ensuring retention

Proposed SRP LTI Framework

Performance Period: Annual performance periods over 3 years

Performance Metrics: Strategic metrics tied to long-term corporate objectives

- Financial: Debt Ratio, Base Rate Price Increase, General Fund / Liquidity
- People: Succession Planning

Vesting: Paid out over multiple years on anniversary of award date subject to attainment of metrics

Potential Total Target Award Value: $500,000 over 3 years

Request for Approval

The President and Associate General Manager, Chief Human Resource Executive request approval of the Long-Term Incentive Plan for SRP's GM/CEO as proposed herein

thank you!