Agenda Item No. (6)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of November 19, 2026

From: Other Post-Employment Benefits ("OPEB") Retirement Investment Trust Board

Subject: **RECEIVE THE ANNUAL REPORT OF THE OPEB RETIREMENT INVESTMENT TRUST BOARD**

Recommendation

The Finance-Auditing Committee recommends that the Golden Gate Bridge, Highway and Transportation District ("District") receive the Annual Report of the OPEB Retirement Investment Trust Board. This report summarizes the OPEB Retirement Investment Trust Board's annual review of its investment policy, service personnel and Charter.

Summary

The OPEB Retirement Investment Trust was established by the Golden Gate Bridge, Highway and Transportation District ("District") in 2007 to provide for the funding of retiree health benefits and other post-employment benefits for the District's eligible retirees. In creating the OPEB Trust, the District also established the OPEB Retirement Investment Trust Board ("Trust Board") to oversee the investment of trust assets, with specific duties and responsibilities that are spelled out in the Trust Board's Charter and Bylaws. As required in the Charter and Bylaws, the Trust Board must review, on at least an annual basis, the OPEB Trust investment policy, the performance of the Trust Board's service providers, and the adequacy of the Trust Board Charter. The results of this annual review must be reported to the District Board of Directors. The purpose of this report is to cover these points.

1. Monitor Compliance with the Investment Policy Statement for the OPEB Trust

   The Investment Policy Statement ("Investment Policy") reflects the investment policy, objectives, and constraints of the Trust. The Trust Board monitors compliance with the Investment Policy for the OPEB Trust through review of periodic reports of the Trust as presented by PFM Asset Management ("PFMAM") as the Trust's Investment Advisor and Trust Administrator. These reports lay out the Trust's investment strategy, performance results, compliance with the Investment Policy Statement and the Trust Agreement, and track the progress of the Trust's funding per its actuarially determined target. An annual review of the Investment Policy was done at the March 2026 OPEB Trust meeting with recommended changes being approved at that meeting.

Attached is the Investment Advisor's Compliance Certificate as of June 30, 2026. The investment portfolio is in full compliance with the District's OPEB Investment Policy and Trust Agreement.

2. Review and Assess the Performance of Service Providers Appointed by the Trust Board or the District to Perform Services Related to the OPEB Trust

There are two service providers responsible for the administration of the OPEB Trust and implementation of the Trust investment policy, as designated under the Trust Agreement approved by the District: (1) PFMAM as the Investment Advisor and Trust Administrator, and (2) U.S. Bank National Association ("U.S. Bank") as the Trustee and Custodian.

In December 2021 PFMAM was acquired by U.S. Bank, so the Trust Board reviewed the roles and potential conflicts between the two providers and decided to maintain the relationship with both entities.

PFMAM's responsibilities include managing the assets in accordance with the Investment Policy, coordinating investment and funding planning activities with Actuary and Benefits Administrator, recommending policy and asset allocation changes to the Trust Board and Staff, reporting investment performance regularly and providing a variety of other OPEB and market related educational services.

U.S. Bank is responsible for asset safekeeping, contribution and distribution processing, investment transaction processing, monthly reporting of asset holdings and transactions, and providing reporting support for the annual audit.

The Trust's asset value at June 30, 2026 was **$163.4 million**.[1] The chart below provides a summary of the Trust activities by fiscal year since its inception in November 2007. Since inception through FY 25/26, the District has made $229.8 million in contributions into the Trust and has paid out $183 million in retiree benefits and administrative expenses. Cumulative return on investments has added $116.7 million into the Trust assets.

[1] June 30, 2026 Trust asset value of $163.4 million is preliminary, awaiting updated market values of private investments.

	Beginning Balance	Annual Contribution	Annual Payments	Investment Return	Ending Balance
Partial FY 07/08*	$ -	$ 10,209,037	$ (4,255,509)	$ 281,945	$ 6,235,474
FY 08/09	$ 6,235,474	$ 13,993,687	$ (8,975,702)	$ (1,434,092)	$ 9,819,367
FY 09/10	$ 9,819,367	$ 14,356,768	$ (9,554,010)	$ 1,529,365	$ 16,151,490
FY 10/11	$ 16,151,490	$ 14,850,545	$ (9,584,054)	$ 3,799,163	$ 25,217,143
FY 11/12	$ 25,217,143	$ 15,133,177	$ (9,491,712)	$ 255,634	$ 31,114,242
FY 12/13	$ 31,114,242	$ 14,519,520	$ (8,278,072)	$ 3,975,759	$ 41,331,449
FY 13/14	$ 41,331,449	$ 11,332,344	$ (8,478,331)	$ 7,565,266	$ 51,750,728
FY 14/15	$ 51,750,728	$ 11,724,682	$ (8,101,045)	$ 1,800,781	$ 57,175,145
FY 15/16	$ 57,175,145	$ 12,132,624	$ (8,480,853)	$ 1,146,494	$ 61,973,410
FY 16/17	$ 61,973,410	$ 11,649,415	$ (10,320,873)	$ 7,287,638	$ 70,589,590
FY 17/18	$ 70,589,590	$ 12,293,865	$ (10,516,715)	$ 6,274,272	$ 78,641,012
FY 18/19	$ 78,641,012	$ 12,701,935	$ (10,608,573)	$ 6,229,598	$ 86,963,973
FY 19/20	$ 86,963,973	$ 13,125,165	$ (10,507,493)	$ 4,955,497	$ 94,537,142
FY 20/21	$ 94,537,142	$ 11,681,681	$ (10,392,279)	$ 25,906,727	$ 121,733,271
FY 21/22	$ 121,733,271	$ 12,032,777	$ (10,478,412)	$ (14,938,891)	$ 108,348,745
FY 22/23	$ 108,348,745	$ 8,130,243	$ (10,028,078)	$ 9,833,578	$ 116,284,488
FY 23/24	$ 116,284,488	$ 8,109,235	$ (10,795,114)	$ 15,179,910	$ 128,778,520
FY 24/25	$ 128,778,520	$ 10,529,924	$ (11,534,980)	$ 15,022,114	$ 142,795,579
FY 25/26	$ 142,795,579	$ 11,257,687	$ (12,650,406)	$ 22,042,811	$ 163,445,671
Cumulative from Trust Inception		**$ 229,764,311**	**$ (183,032,211)**	**$ 116,713,570**	

*Inception Trust - 11/6/2007

At its October 23, 2026 meeting, the Trust Board conducted its performance review of both PFMAM and U.S. Bank and has determined that both have continued to consistently perform well since their engagement by the District, allowing for the most flexibility accompanied by good investment performance at a reasonable cost.

3. Review and Reassess the Adequacy of the Trust Board Charter and Recommend Proposed Changes, if any, to the District Board for its Approval

   The Trust Board has reviewed its Charter. No changes are recommended at this time.

Fiscal Impact

There is no fiscal impact associated with receiving this report.

Attachment A: OPEB Annual Report Compliance Certificate

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ATTACHMENT A

Golden Gate Bridge - Investment Assets **As of June 30, 2026**

Asset Allocation Targets **Compliance Certificate**

The investment portfolio is in compliance
with the District OPEB Trust's Investment Policy and Trust Agreement

Asset Class	Current Weight	Target	Minimum		Maximum	Within Range?
GROWTH						
Domestic Equity	37.2%	36.0%	26.0%	-	46.0%	Yes
International Equity	19.7%	19.0%	9.0%	-	29.0%	Yes
Other	0.0%	0.0%	0.0%	-	10.0%	Yes
INCOME						
Fixed Income	27.0%	25.0%	5.0%	-	45.0%	Yes
Other	0.0%	0.0%	0.0%	-	10.0%	Yes
Alternatives						
Private Equity	5.9%	6.7%	0.0%	-	10.0%	Yes
Private Debt	5.0%	6.7%	0.0%	-	10.0%	Yes
Real Assets	4.9%	6.6%	0.0%	-	10.0%	Yes
Cash	0.3%	0.0%	0.0%	-	20.0%	Yes

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