Agenda of the Joint Meeting of the MNAA and MPC Finance Committee

Date/Time: Wednesday, November 12, 2025, at 9:40 a.m.

Place: Nashville International Airport – Tennessee Board Room

Finance Committee Members: Andrew Byrd, Committee Chair
Dr. Glenda Glover, Committee Vice Chair
Glenn Farner

I. CALL TO ORDER

II. PUBLIC COMMENTS

No requests for public comment received to date. Deadline is November 10, 2025 at 9:00 a.m.

III. APPROVAL OF MINUTES

October 8, 2025 Minutes of the Joint Meeting of the MNAA and MPC Finance Committee

IV. CHAIR'S REPORT

V. ITEMS FOR APPROVAL

1. None

VI. INFORMATION ITEMS

1. Quarterly Retirement, Other Post Employment Benefits (OPEB) and Treasury Investment Reports
2. Quarterly BNA Concessions Program Update and Sales Report

VII. ADJOURN

Minutes of the Joint Meeting of the MNAA and MPC Finance Committee

Date: October 8, 2025	Location: Metropolitan Nashville Airport Authority Tennessee Boardroom
Time: 9:18 a.m.	
Committee Members Present:	Andrew Byrd, Committee Chair; Glenda Glover, Committee Vice Chair; Glenn Farner
Committee Members Absent:	None
Other Board Members Present:	Nancy Sullivan, Bobby Joslin, and Joycelyn Stevenson
MNAA Staff & Guests Present:	Doug Kreulen, Cindy Barnett, Lisa Lankford, Trish Saxman, Marge Basrai, John Cooper, Kristen Deuben, Adam Floyd, Eric Johnson, Captain Keene, Roman Keselman, Carrie Logan, Rachel Moore, Ted Morrissey, Stacey Nickens, Brandi Porter, Josh Powell, and Robert Ramsey Lauren Lowe (PFM); Cory Czyzewski (BofA Securities)

I. CALL TO ORDER

Chair Byrd called the Joint Meeting of the MNAA and MPC Finance Committee to order at 9:18 a.m. pursuant to Public Notice posted on the BNA website at flynashville.com.

II. PUBLIC COMMENT

Chair Byrd stated there were no public comment requests received.

III. APPROVAL OF MINUTES

Chair Byrd asked for a motion to approve the September 10, 2025, Minutes of the Joint Meeting of the MNAA & MPC Finance Committee. Vice Chair Glover made a motion, and Commissioner Farner seconded the motion.

Chair Byrd asked Ms. Saxman for a roll call:

Chair Byrd – Yes

Vice Chair Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 3 to 0.

IV. CHAIR'S REPORT

Chair Byrd stated there was no Chair's report.

V. ITEMS FOR APPROVAL

1. Purchase of Body-Worn and In-Car Cameras

President Kreulen introduced Alan Keene, Captain, Department of Public Safety (DPS), to brief the Committee on the Purchase of Body-Worn and In-Car Cameras. Captain Keene stated that currently DPS has both dash cameras (in each patrol car) and Body-Worn Cameras (BWC) issued to each officer. The current technology in use is nearing the end of life, and as a result it is time to replace/upgrade this equipment. He presented two photographs of each piece of new equipment.

Captain Keened requested the Finance Committee recommend to the Board of Commissioners that it: 1) accept the proposal to implement the Motorola Solutions Body-Worn Camera option to update/replace existing BWCs and video equipment, and 2) authorize amendment to the FY26 BNA Capital Improvement Plan (CIP) for Year 1 costs of $287,576, and 3) authorize the President & CEO to execute the purchase for $765,000 NTE.

Chair Byrd asked for a motion to approve as presented. Commissioner Farner made a motion, and Vice Chair Glover seconded the motion.

Chair Byrd asked Ms. Saxman for a roll call:

Chair Byrd – Yes

Vice Chair Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 3 to 0.

2. Eleventh Amendment to Fraport Lease & Concession Agreement

President Kreulen introduced Eric Johnson, EVP, Chief Revenue Officer, to brief the Committee on the 11th Amendment to the Fraport Lease & Concession Agreement. Mr. Johnson stated MNAA has a Lease and Concession Agreement (Agreement) with Fraport Nashville, LLC to develop and operate a concessions program, including food and beverage, services and retail and vending offerings in the main terminal. The agreement has a term of ten years expiring January 31, 2029, with two 5-year options to extend the Agreement beyond 2029, should the Authority choose to do so. The 11th amendment, if approved, authorizes Fraport to develop and manage the new concession locations on Concourse A that are scheduled to open on July 11, 2028, and grants Fraport the first 5-year extension on the entire program extending the contract expiration date to January 31, 2034.

Mr. Johnson stated some of the key terms include exercising the first 5-year option to renew, extending the Agreement to January 31, 2034, without a capital investment; it gives Fraport development rights to the 8 concessions locations in the new Concourse A that are scheduled to open on July 11, 2028; it increases the revenue split to MNAA from 70% rent to 85% rent from January 1, 2029, through the remainder of the term on the entire program; removes 15% limitation on ownership; changes the amount of area the Authority can reduce the concessions locations from 50% to 20% before contractor has a termination right; provides two Authority voting members on the committee to select concepts/subleases; provides Fraport the option to replace the Letter of Credit with a Surety Bond as of April 1, 2029; also grants 5-day cure period should Fraport fail to punctually pay Rent or other payments due, or fail to comply with insurance requirements; and it amends Exhibit G (locations, concepts, performance dates, contract penalties).

Commissioner Joslin asked if the 15% goes to Fraport. Mr. Johnson replied the 15% ownership is for concession operators. There is a limit as to how much a company could own within the program. MNAA reviewed it and realized part of the problem was that we did not want to have a situation where someone was a successful operator and were limited and could not grow their opportunities at BNA, so we are removing that limitation, so they have the opportunity to grow the program and have good operators. President Kreulen stated when we started the program in 2019 we did not want 3 large firms to have 1/3, 1/3 and 1/3, so we made a 15% restriction on diversity of businesses inside the airport and now some are so successful and may have 16% of the business and we do not want them to have to sell something to keep doing what they are doing to generate revenue. It had its intended effect in 2019 but is not useful for us at this point. Chair Byrd asked if the 15% limit is on the amount of volume of business. President Kreulen replied, it is 15% of the total, and that way we have all this versus 33% here, and 33% over here. Some are successful and growing beyond 15% and we do not want to penalize them for growing beyond that.

Chair Byrd stated the current Agreement expires in 2029, and this is 2025, so we are taking the opportunity to extend the option now, and asked what the rational is for this. Mr. Johnson replied the main reason is that we are going down the path of getting ready to do the development of Concourse A and for Fraport to be able to run that process to do the rebid for the new concessions. Chair Byrd asked if the two voting members on the Committee are two representatives of MNAA. Mr. Johnson replied that is correct, because of the fact that with this Agreement we are going to be signing new leases for the Concessions program of Concourse A, we want to make sure that the Airport Authority has representation on the Selection Committee, so we have to be able to say what kind of concessions we are bringing onboard. Chair Byrd asked if the expansion of participation of 85% begins immediately. Mr. Johnson replied it begins in 2029.

Mr. Johnson requested the Finance Committee recommend to the Board of Commissioners that it: 1) approve amending the term that requires additional capital investment to exercise the first 5-year option; 2) approve the terms negotiated for the first 5-year option; and 3) authorize the Chair and President & CEO to execute the Eleventh Amendment to the Lease and Concession Agreement with Fraport, consistent with these terms, extending the Term of the Agreement through January 31, 2034.

Chair Byrd asked for a motion to approve as presented. Commissioner Farner made a motion, and Vice Chair Glover seconded the motion.

Chair Byrd asked Ms. Saxman for a roll call:

Chair Byrd – Yes

Vice Chair Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 3 to 0.

3. First Amendment to Lease Agreement between MNAA & Metro Government for Luton Center

President Kreulen introduced Roman Keseslman, AVP, Real Estate to brief the Committee on the on the First Amendment to Lease Agreement between MNAA & Metro Government for the Luton Center. On November 6, 2019, a lease was approved between MNAA and Metro Government by Ordinance Bl2019-9 for 5240 Harding Place, Nashville, TN (Luton Center). That lease term is 5 years with two 1-year renewal options giving a total of 7 years. The Lessee exercised the first renewal option and recently informed MNAA they will exercise their second renewal option. Lessee requested three more 1-year renewal options, and informed MNAA they are starting a search for a new facility.

Mr. Keselman stated the initial lease was for 5 years, with two 1-year renewal options and the 1st Amendment provides three additional 1-year renewal options to a total of 10 years, extending the term up to October 31, 2029. The rental rate will have a Fair Market Value adjustment in Year 8 which is the Renewal Year 1, and will be escalated 3% in Years 9 and 10 (Renewal Years 2 and 3), as per the terms of the lease.

Vice Chair Glover asked how it would work, would we vote today for all 3 years and each year we will have to vote again. President Kreulen replied you are voting today to give permission to give them 3 options and each year the Authority will evaluate whether or not they deserve an option.

Chair Byrd asked what the Luton Center is. Mr. Keselman replied it is Metro Government's 911 call center, it is on the Southwest side of the airport, roughly a 12K SF building, also parking, single story office building. Chair Byrd asked if we need this in connection with our expansion plan. Mr. Keselman replied we do not require this building in the next 3 – 5 years. Vice Chair Glover asked if both parties have 30 days to get out. Mr. Keselman replied that they have to give us 90 days, as far as the other way, he will have to check.

Mr. Keselman requested the Finance Committee recommend to the Board of Commissioners that it 1) accept the 1st Amendment to the lease agreement between the Lessee and the Authority, granting Lessee three additional lease renewal options, and 2) authorize the Chair and President and CEO to execute the 1st Amendment.

Chair Byrd asked for a motion to approve as presented. Vice Chair Glover made a motion, and Commissioner Farner seconded the motion.

Chair Byrd asked Ms. Saxman for a roll call:

Chair Byrd – Yes

Vice Chair Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 3 to 0.

4. <u>First Amendment for Construction Term Extension & Leasehold Adjustment for HCA Management Services (HCA)</u>

Mr. Keselman stated he will present the First Amendment for Construction Term Extension & Leasehold Adjustment for HCA Management Services. On December 20, 2023, the Board approved the lease terms between MNAA and HCA. On January 15, 2024, the lease was executed, which included 111,792 sq. ft. of unimproved land at BNA Westside. The lease required HCA to complete improvements within 18 months, concluding on July 15, 2025. On August 1, 2024, the survey was updated and determined the actual square footage of the leased premises to be 111,551 sq ft. Due to issues pertaining to their design and permit submissions, HCA has only begun construction in September 2024 and therefore did not have improvements completed by July 15, 2025.

This Amendment will update the leasehold to 111,551 sq. ft, effective October 1, 2025, and will grant HCA 12 months to complete all proposed construction. This Amendment will impact fuel flowage fees and rental income due to the hangar becoming operational later than expected and the rentable square footage decreasing by 241 square feet, respectively. The initial 18-month construction period revenue was $406,475; and Year 1 of lease term revenue will be $279,274. The rate will increase 3% each year except in years 10 and 20 of the initial term, upon which rent will be increased based on an appraisal.

As of the Amendment execution date, the Tenant will be granted 12 months to complete all proposed construction. The 12-month extension includes contractual milestones, the first five months to complete site work, two months to complete hangar framing and five months to complete hangar interior finishes and apron work. If milestones 1 or 2 are missed, there will be contract penalties of $150/day until the contractual milestone is complete. If milestone 3 is missed, MNAA, in its sole discretion, will exercise remedies entitled to it in the executed lease, as amended. If the hangar is not complete after the 12-month extension, the executed lease includes the following; invest $5M by the Construction Deadline, or pay the difference between $5M and the amount spent, not to exceed 25% soft costs; and complete the improvements unless otherwise approved in writing by the Authority. The 12-month extension does not extend the lease term of 30 years + 18 months, with a 5-year renewal option (36.5 years total potential term).

Chair Byrd asked why it was delayed. Mr. Keselman replied that there were some disagreements on the design between their engineering firm and themselves and they submitted some plans through the Airport Improvement Request (AIR) process that the Authority had made comments on. Chair Byrd asked what AIR is. Mr. Keselman replied it is our review group for construction.

Commissioner Joslin asked if this is the one that was split. President Kreulen replied it was going to be one lease and now it is split into two leases. This one is HCA and the next one coming up is SFA. Vice Chair Glover asked if there was some discrepancy on the initial 241 SF. President Kreulen replied that we are updating the documents to reflect the land survey. Chair Byrd asked if the 111K SF is the raw land. Mr. Keselman replied yes sir. Chair Byrd asked if the actual SF of the lease premises is to be 111K plus, and asked again if that is the raw land again. Mr. Keselman stated that it is the land total and it is from an as-built survey.

Mr. Keselman requested the Finance Committee recommend to the Board of Commissioners that it: 1) accept the 1st Amendment to the lease agreement between MNAA and HCA, adjusting the leasehold square footage and extending the Construction Term, and 2) authorize Chair and President and CEO to execute the 1st Amendment.

Chair Byrd asked for a motion to approve as presented. Vice Chair Glover made a motion, and Commissioner Farner seconded the motion.

Chair Byrd asked Ms. Saxman for a roll call:

Chair Byrd – Yes

Vice Chair Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 3 to 0.

5. <u>First Amendment for Construction Term Extension & Leasehold Adjustment for SF Aviation (SFA)</u>

Mr. Keselman stated the First Amendment for Construction Term Extension & Leasehold Adjustment for SF Aviation (SFA) is similar to the one just approved. On December 20, 2023, the Board approved the lease terms between MNAA and SFA. On January 15, 2024, the lease was executed, which included 129,0022 sq. ft. of unimproved land and an easement agreement for 14,092 sq. ft. at BNA Westside. The lease required SFA to complete improvements within 18 months, concluding on July 15, 2025. On August 1, 2024, the survey was updated and determined the actual square footage of the leased premises to be 128,590 sq ft. and the actual square footage of the easement to be 14,119 sq. ft. Due to issues pertaining to their design and permit submissions and difficulties relating to sitework and utilities, SFA has only begun construction in September 2024 and therefore did not have improvements complete by July 15, 2025.

This Amendment will update the leasehold to 128,590 sq. ft, and the easement to 14,119 sq. ft., effective October 1, 2025, and will grant SFA 12 months to complete all proposed construction. This amendment will impact fuel flowage fees and rental income due to the hangar becoming operational later than expected and the rentable square footage decreasing by 432 sq. ft. and increasing the easement square footage by 27 sq. ft., respectively. The initial 18-month construction period revenue was $479,799. Year 1 of lease term revenue will be $329,370. The rate will increase 3% each year except in years 10 and 20 of the initial term, upon which rent will be increased based on an appraisal.

As of the amendment execution date, the Tenant will be granted 12 months to complete all proposed construction. The 12-month extension includes contractual milestones. Five months to complete site work; two months to complete hangar framing; five months to complete hangar interior finishes and apron work. If milestones 1 or 2 are missed, there will be contract penalties of $150/day until the contractual milestone is complete. If milestone 3 is missed, MNAA, in its sole discretion, will exercise remedies entitled to it in the executed lease, as amended. If the hangar is not complete after the 12-month extension, the executed lease includes the following; invest $9M by the Construction Deadline, or pay the difference between $9M and the amount spent, not to exceed 25% soft costs, and complete the improvements unless otherwise approved in writing by the Authority. The 12-month extension does not extend the lease term of 30 years + 18 months, with a 5-year renewal option (36.5 years total potential term).

Chair Byrd asked why this Amendment is running parallel to HCA. Mr. Keselman replied they are using the same general contractor and are being built at the same time, mostly with the same schedule.

Mr. Keselman requested the Finance Committee recommend to the Board of Commissioners that it: 1) accept the 1st Amendment to the lease agreement between MNAA and SFA, adjusting the leasehold square footage and extending the Construction Term, and 2) authorize Chair and President and CEO to execute the 1st Amendment.

Chair Byrd asked for a motion to approve as presented. Commissioner Farner made a motion, and Vice Chair Glover seconded the motion.

Chair Byrd asked Ms. Saxman for a roll call:

Chair Byrd – Yes

Vice Chair Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 3 to 0.

6. <u>Senior Airport Revenue Bonds, Series 2026; MNAA Resolution 2025-15; MNAA Resolution 2025-16; MNAA Resolution 2025-17; and MNAA Resolution 2025-18</u>

President Kreulen introduced Marge Basrai, EVP, Chief Financial Officer, to brief the Committee on the Senior Airport Revenue Bonds, Series 2026. Ms. Basrai introduced the Bond Financing Team members who are available today to help answer any questions: Lauren Lowe, PFM; Cory Czyzewski, BofA Securities, Inc.; and Cindy Barnett, Adams & Reese. Ms. Basrai stated the

Authority has been drawing on the Note Purchase Agreement that we have with Bank of America until the draws can be refinanced with bonds. We are expecting to price in early 2026 (January). The Bond Financing Team has been meeting to discuss the debt security and debt structure for this issuance. We've also been working on the feasibility study, rating agency presentations, and the preliminary official statement. Ms. Basrai presented a table that lists the full bond team: Municipal Advisor - PFM Financial Advisors LLC; Feasibility Consultant - Landrum & Brown; Senior Underwriter (U/W) – BofA Securities, Inc.; Co-Managing U/W - FHN Financial Capital Market; Jeffries; J.P. Morgan Securities; Loop Capital; Samuel A. Ramirez & Co.; Siebert, Williams, & Shank; Bond Counsel, Hawkins Delafield & Wood LLP; Disclosure Counsel – Kutak Rock LLP; Issuer's Counsel – Adams & Reese LLP; Underwriters' Counsel – Squire Patton Boggs LLP.

Ms. Basrai stated the first area we focused on was the security for the bonds. Our current bonds are secured by net airport revenues on two separate liens: Senior Lien, 1.25x legal coverage req. ($770.5M outstanding on this lien); Subordinate Lien, 1.10x coverage req. ($908.7M on this lien) second payment priority over the senior bond holders. We determined the best option for the 2026 bonds is to issue on a Senior Lien: 1) to use a sub lien to preserve capacity on your senior lien in the future for a time of higher interest rates and wider credit spreads; 2) in 2019, issued sub-lien (rates were lower; spread was 5 bps). In 2022, issued on a senior lien (higher rates and spreads (15-20 bps); and 3) Currently in higher interest rate environment with wider spreads, so a senior lien is preferred.

Lastly, we looked at debt structure. The current plan is to issue fixed rate bonds at a level debt service structure with a 30-year term. The marketing objective remains the same – drive demand across various investor groups to create competition for the bonds. In the current market, as investor demand is more uncertain, it's imperative we maintain as much flexibility as possible. Decisions will be based in part by market conditions and investor dynamics close to and on day of pricing. Given that, we are currently evaluating alternate amortization structures:

1) **<u>Final maturity of up to 35 years:</u>**

   We did this in 2019 because the demand was there for longer maturity bonds. If the demand is there and pricing is favorable, we may look to structure it over 35 years. This would result in lower annual debt payments since they are spread out longer.

2) **<u>Debt service that is not level debt service:</u>**

   If demand is strong for longer-dated maturities, we may "wrap" 2026 bonds around current debt service. Results in debt structure that is not "level debt service" but achieves approximately a level debt structure over all of the bonds together. We did this in 2019 with the bond issuance.

3) **<u>Defer initial principal payment:</u>**

   If demand in the early maturities is light, we could defer the initial principal payment on the 2026 bonds. Ms. Basrai stated these alternate amortization structures we are looking at fall under the Tennessee Code section that defines Balloon Indebtedness. The State defines this type of debt with a final maturity date of 31 or more years or debt that does not have substantially level or declining debt payments. If you are proposing to issue balloon indebtedness, you must request approval from the State Comptroller of the Treasury. Our planned structure for 2026 bonds is not considered balloon indebtedness; however, the alternate structures are. The structure for our 2019 bonds fell under this section since we issued 35-year bonds that was not substantially level debt service. The 2022 Bonds were not considered balloon indebtedness, but we wanted the flexibility and asked the State for approval, and they gave us the approval; however, we did not use any alternate structures and did not need that approval.

   On 9/12/25, MNAA and PFM submitted a Plan of Balloon Indebtedness to the Office of the Comptroller. On 9/22/25, we received the approval letter from the State. That approval letter was in your package.

   The Bond team identified the opportunity to refund the outstanding 2015AB bonds (~$166M) as long as market conditions remain stable. Aggregate PVS is $6.7M - $6.9M; or 4.06%-4.18% of refunded par amount. On 9/12/25, MNAA and PFM submitted a Plan of Refunding to the Office of the Comptroller of the Treasury (required for any refunding). On 9/23/25, MNAA received the letter acknowledging receipt of the Plan. They don't "approve" the plan, they just ensure you are showing savings and provides the Board with a report to assist them in understanding the refunding transaction. This is good for 90 days. Since this is good for only 90 days, we will need to ask for an extension of the plan. If the amounts remain economical, the team will include the refinancing of the 2015AB bonds as part of the issuance of the 2026 Bonds. Not part of the Balloon Indebtedness – average life of debt will not be extended.

Ms. Basrai stated the Total Authorization I am asking for is $2.17B – approval given in two amounts

First is the debt authorization of not-to-exceed amount of $1.77B: This breakdown shows you how we arrived at that number and the approval you are giving:

- Deposit for Future Construction payments & NPA paydown $1B
- Debt Service Reserve Deposit - $120M
- Capitalized Interest $130M
- Cost of Issuance (COI - pay the bond team) $6M
- Total Anticipated Bond Proceeds $1.256B
- Allowance for Upsizing $244M
  - market is good or spending faster than anticipated on the NPA
- Total Bond Proceeds with Upsizing $1.5B
- Potential to use Bond Funds at JWN $100M
  - Authorizing an ability for me to issue bonds or be able to use excess bond proceeds for JWN projects, if we determine there is a need and that's the most financially prudent
- Refinancing of the 2015AB Bonds and COI $170M
- Total of not-to-exceed $1.77B

Second is reauthorization to start using the NPA again of $400M. Allows us to start spending on the credit facility again until we go out for additional bonds in the future. State requirements on how to treat credit facilities.

Ms. Basrai presented the four resolutions needed for authorization of the 2026 bonds:

1) **MNAA Resolution No. 2025-15**
   Initial Resolution for the issuance of long-term revenue bonds and additional issuance under the NPA, to finance a portion of the cost of the Authority's CIP -- It is required by TN State

Law and notifies the public of our plans to issue debt secured by our revenues. This will be published in accordance with State Law following its adoption.

2) MNAA Resolution No. 2025-16

Twenty-Second Supplemental Resolution authorizing issuance of not to exceed $1.77 Billion Series 2026 Bonds under the Master Senior Resolution -- It authorizes the execution and delivery of our preliminary and final official statements and the bond purchase agreement with the underwriters.

3) MNAA Resolution No. 2025-17

Authorizing Resolution on the NPA – It authorizes pay off of ~ $350M on the Note Purchase Agreement (NPA) and allows us to use the NPA again for $400M going forward.

4) MNAA Resolution No. 2022-12

Official Intent Resolution for an issuance of senior bonds to finance a portion of the cost of our CIP and directs us to publish a notice and to conduct a public hearing in compliance with the US Internal Revenue Code -- This is required by Federal Law and memorializes our intent to reimburse ourselves for expenditures of our own funds by issuing long-term debt. It allows the Authority to hold the public TEFRA hearing (Tax Equity and Fiscal Responsibility Act) which is required for private activity bonds (AMT). It notifies the public of our plans to issue debt.

Ms. Basrai requested the Finance Committee recommend to the Board of Commissioners that it approve the following resolutions:

1) MNAA Resolution No. 2025-15, Initial Resolution
2) MNAA Resolution No. 2025-16, Twenty-Second Supplemental Resolution
3) MNAA Resolution No. 2025-17, Authorizing Resolution
4) MNAA Resolution No. 2025-18, Official Intent Resolution

Chair Byrd asked what the $1B is going to be used for. Ms. Basrai stated we are still finalizing the final projects, including Concourse A, TARI, Central Ramp, and the Baggage Handling System. President Kreulen stated with the Bonds that Ms. Basrai already mentioned ($900M) was BNA Vision, so she is hoping to issue Bonds in January of this year, and Bonds in January of next year. The combined total of those two initiatives will be $3B. Ms. Basrai stated the other $1.5B will be split between 2027 and 2029. President Kreulen stated there are 3 bond issuances coming up that are all related to New Horizon. Chair Byrd asked if the work is undergoing today. President

Kreulen replied yes, everything that we have in Horizon I, which is airside improvements, and Horizon II is landside today. Chair Byrd stated this is what we have done in the past. President Kreulen replied yes. Ms. Basrai stated the 2019 and 2022 Bonds are not available to refund; we cannot do anything with those yet. Chair Byrd asked if we are going to wrap them. Ms. Basrai replied we could wrap them if it gets us better pricing, we could wrap around with the 2019 and 2022 Bonds; that allows us to place the debt in year that we may have lower debt.

Ms. Basrai stated we looked at each project and for each project whatever you actually issue, you can use capitalized interest until that asset is placed in service. For the Concourse A project, we have borrowed enough to pay our debt service until July 2028 and then after that, revenues will pick it up. Chair Byrd asked about the $100M for JWN. Ms. Basrai stated we are not planning to issue $100M for JWN, we put that in, especially if we have extra Bond proceeds at the end. If something came in less than we thought, and there is a big project at JWN, and JWN's revenue can afford to pay the debt service over 30 years, this will allow us to use some Bonds for JWN. There is no plan in the model to do it; however, if another tornado comes through and hits JWN, we have something we can use to start a rebuild.

President Kreulen stated to get through Vision, Horizon I and Horizon II through 2028 and 2029, our total Bonds will be in the $4.5B range. We will talk more about it at the Board Retreat next week. Chair Byrd asked if there will be some amortization of these Bonds over time. Ms. Basrai replied yes. President Kreulen stated PFM, Bank of America, and Landrum & Brown have a new model for Ms. Basrai that they continue to update and can handle what we are doing.

Vice Chair Glover asked what the contingency plan is if our projected revenue falls short of the debt service obligations. Ms. Basrai replied if something occurs and we cannot make our debt service; we have debt service reserve funds that can be used. Commissioner Glover asked if it is separate from the cash. Ms. Basrai replied yes, for this Bond we have to issue $120M of debt service reserve. Vice Chair Glover how much is required. Ms. Lauren Lowe, PFM, replied 10% of how much you borrow. Vice Chair Glover asked if there are any derivatives. Ms. Basrai replied no, completely fixed rate bonds.

Ms. Basrai stated she is preparing for the Board Retreat next week, and that with everything that we are generating by the time we get to 2028, we are being very conservative when we are doing our model of what we think revenues will be. We are putting in higher O&M expenses than we think we will have to be able to show as part of the contingency that if we come in with less revenue and more expenses, we do not want that, we want to show much lower revenue and higher expenses and show we can afford the Bonds. Vice Chair Glover asked if there is not a balloon payment, as there was in the past. Ms. Basrai stated right now our structure is not balloon indebtedness. We can get better pricing and save us money.

Commissioner Farner asked to go back to slide 29, and asked Ms. Basrai to explain the potential Bond up-sizing. Ms. Basrai replied yes, we identified about $1B of project costs we want to issue in 2026. In 2019 we did this and we did not do this in 2022. If the pricing is really competitive, and people are buying our Bonds, then we have potential to sell more Bonds at a really good price. If PFM thinks these are really good rates and we should try to upsize and add another $100M to project costs, then we have the ability to do that. Also, that $1B is if engineering spends more on a particular project faster than we projected, we can include those project funds in the Bonds she is doing in 2026, knowing that she is running out of her Note Purchase Agreement faster so she will borrow a little more to cover it. Vice Chair Glover asked if higher investor demand means she will come back and consider it. Ms. Basrai replied yes, and in 2019 rates were a lot lower so we did upsize that transaction. In 2022 we asked for the ability to do it and still had very strong demand, and at that time it was at the height of interest rates, and we thought interest rates might start coming back down and we did not want to issue more Bonds at that period of time. It is really a day of pricing, what we are seeing, and what we are expecting to happen.

Commissioner Farner asked President Kreulen if there are a number of professionals, experts and entities that have reviewed the financial plans and are good with it. President Kreulen replied yes, Ms. Basrai has a really good team; three of them are here today, and you will see the 10-year spreadsheet at the Board Retreat. The financial team feels comfortable to get us through New Horizon I and New Horizon II. The other big one we want to leave you with at Board Retreat is about the runway extension; if we get approval for it, which would be great, but there is no money set aside for that yet. It is the same with Terminal II, which would open in 2038, 2039 or 2040, and there is no money for that yet. Commissioner Farner asked if this plan is in addition to the ones that are already issued equaling $4.5B, and if that gets us through everything minus the runway extension and a new terminal. President Kreulen replied yes. Ms. Basrai replied plus the 2027 and 2029 Bonds. She is bringing you the 2026 Bonds, and we will be issuing Bonds in 2027 and 2029. President Kreulen replied when we get to 2029, we would have built everything and issued everything and our total number in that area will be the $4.5B. Commissioner Sullivan asked if repairs and aging infrastructure comes out a different pot. President Kreulen replied yes, the MNAA finance, engineering and capital improvement programs and teams are running it in our model.

Chair Byrd asked for a motion to approve as presented. Vice Chair Glover made a motion, and Commissioner Farner seconded the motion.

Chair Byrd asked Ms. Saxman for a roll call:

Chair Byrd – Yes

Vice Chair Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 3 to 0.

VI. INFORMATION ITEMS

1. None.

President Kreulen concluded the presentation.

1) ADJOURN

There being no further business brought before the Finance Committee, Chair Byrd adjourned the meeting at 10:18 a.m.

____
Andrew W. Byrd, Board Secretary

As of July 31, 2025, all asset classes are in compliance with the Retirement Plan Investment Policy 41-011, effective May 21, 2025.

Pension - Asset Allocation as of 7/31/2025 (based on market values)

Category	Balance	Allocation*	Policy dated 5/21/25 Changes implemented 5/31/25 - Present Min-Target-Max	Compliance	Max Allocation	Allocation Variance
Cash and Cash Equivalents	$ 2,419,159.66	2.74%	0%-3%-100%	Yes	100.00%	97.26%
Bonds and Notes	$ 41,861,589.70	47.45%	0%-47%-57%	Yes	57.00%	9.55%
Equities - Large Cap[(a)]	$ 6,990,345.59	7.92%	0%-8%-10.40%	Yes	10.40%	2.48%
Equities - S&P 500 Funds[(a)]	$ 9,296,282.78	10.54%	0%-10.5%-17.40%	Yes	17.40%	6.86%
Equities - Large Cap Growth[(a)]	$ 7,151,824.72	8.11%	0%-8%-10.40%	Yes	10.40%	2.29%
Equities - Mid Cap[(a)]	$ 6,084,841.22	6.90%	0%-7.00%-9.10%	Yes	9.10%	2.20%
Equities - Small Cap[(a)]	$ 3,484,052.44	3.95%	0%-4.00%-5.20%	Yes	5.20%	1.25%
Equities - International[(a)]	$ 10,934,783.60	12.39%	0%-12.50%-16.10%	Yes	16.10%	3.71%
Total	$ 88,222,879.71	100.00%				
(a) Total Equities	$ 43,942,130.35	49.81%	0%-50%-60%	Yes	60.00%	10.19%

*Total Allocation Percentage may not equal 100% due to rounding

As of August 31, 2025, all asset classes are in compliance with the Retirement Plan Investment Policy 41-011, effective May 21, 2025.

Pension - Asset Allocation as of 8/31/2025 (based on market values)

Category	Balance	Allocation*	Policy dated 5/21/25 Changes implemented 5/31/25 - Present Min-Target-Max	Compliance	Max Allocation	Allocation Variance
Cash and Cash Equivalents	$ 2,104,211.93	2.35%	0%-3%-100%	Yes	100.00%	97.65%
Bonds and Notes	$ 42,384,342.87	47.29%	0%-47%-57%	Yes	57.00%	9.71%
Equities - Large Cap[(a)]	$ 7,271,159.80	8.11%	0%-8%-10.40%	Yes	10.40%	2.29%
Equities - S&P 500 Funds[(a)]	$ 9,484,741.16	10.58%	0%-10.5%-17.40%	Yes	17.40%	6.82%
Equities - Large Cap Growth[(a)]	$ 7,239,150.60	8.08%	0%-8%-10.40%	Yes	10.40%	2.32%
Equities - Mid Cap[(a)]	$ 6,291,119.97	7.02%	0%-7.00%-9.10%	Yes	9.10%	2.08%
Equities - Small Cap[(a)]	$ 3,636,905.00	4.06%	0%-4.00%-5.20%	Yes	5.20%	1.14%
Equities - International[(a)]	$ 11,210,224.96	12.51%	0%-12.50%-16.10%	Yes	16.10%	3.59%
Total	$ 89,621,856.29	100.00%				
(a) Total Equities	$ 45,133,301.49	50.36%	0%-50%-60%	Yes	60.00%	9.64%

*Total Allocation Percentage may not equal 100% due to rounding

As of September 30, 2025, all asset classes are in compliance with the Retirement Plan Investment Policy 41-011, effective May 21, 2025.

Pension - Asset Allocation as of 9/30/2025 (based on market values)

Category	Balance	Allocation*	Policy dated 5/21/25 Changes implemented 5/31/25 - Present Min-Target-Max	Compliance	Max Allocation	Allocation Variance
Cash and Cash Equivalents	$ 2,265,829.59	2.50%	0%-3%-100%	Yes	100.00%	97.50%
Bonds and Notes	$ 42,790,044.74	47.20%	0%-47%-57%	Yes	57.00%	9.80%
Equities - Large Cap[(a)]	$ 7,304,437.17	8.06%	0%-8%-10.40%	Yes	10.40%	2.34%
Equities - S&P 500 Funds[(a)]	$ 9,567,322.82	10.55%	0%-10.5%-17.40%	Yes	17.40%	6.85%
Equities - Large Cap Growth[(a)]	$ 7,330,041.91	8.09%	0%-8%-10.40%	Yes	10.40%	2.31%
Equities - Mid Cap[(a)]	$ 6,319,610.39	6.97%	0%-7.00%-9.10%	Yes	9.10%	2.13%
Equities - Small Cap[(a)]	$ 3,587,362.67	3.96%	0%-4.00%-5.20%	Yes	5.20%	1.24%
Equities - International[(a)]	$ 11,496,554.02	12.68%	0%-12.50%-16.10%	Yes	16.10%	3.42%
Total	$ 90,661,203.31	100.00%				
(a) Total Equities	$ 45,605,328.98	50.30%	0%-50%-60%	Yes	60.00%	9.70%

*Total Allocation Percentage may not equal 100% due to rounding

As of July 31, 2025, all asset classes are in compliance with the Retirement Plan Investment Policy, 41-011, effective May 21, 2025.

OPEB - Asset Allocation as of 7/31/2025 (based on market values)

Category	Balance	Allocation*	Policy dated 5/21/25 Changes implemented 5/31/25 - Present Min-Target-Max	Compliance	Max Allocation	Allocation Variance
Cash and Cash Equivalents	$ 1,151,712.82	2.49%	0%-3%-100%	Yes	100.00%	97.51%
Bonds and Notes	$ 21,990,462.21	47.55%	0%-47%-57%	Yes	57.00%	9.45%
Equities - Large Cap Value[(a)]	$ 3,684,964.00	7.97%	0%-8%-10.40%	Yes	10.40%	2.43%
Equities - S&P 500 Funds[(a)]	$ 4,877,100.10	10.54%	0%-10.50%-17.40%	Yes	17.40%	6.86%
Equities - Large Cap Growth[(a)]	$ 3,750,360.28	8.11%	0%-8%-10.40%	Yes	10.40%	2.29%
Equities - Mid Cap[(a)]	$ 3,193,180.86	6.90%	0%-7.00%-9.10%	Yes	9.10%	2.20%
Equities - Small Cap[(a)]	$ 1,898,121.50	4.10%	0%-4.00%-5.20%	Yes	5.20%	1.10%
Equities - International[(a)]	$ 5,704,861.28	12.33%	0%-12.5%-16.10%	Yes	16.10%	3.77%
Total	$ 46,250,763.05	100.00%				
(a) Total Equities	$ 23,108,588.02	49.96%	0%-50%-60%	Yes	60.00%	10.04%

*Total Allocation Percentage may not equal 100% due to rounding

As of August 31, 2025, all asset classes are in compliance with the Retirement Plan Investment Policy, 41-011, effective May 21, 2025.

OPEB - Asset Allocation as of 8/31/2025 (based on market values)

Category	Balance	Allocation*	Policy dated 5/21/25 Changes implemented 5/31/25 - Present Min-Target-Max	Compliance	Max Allocation	Allocation Variance
Cash and Cash Equivalents	$ 1,087,558.82	2.31%	0%-3%-100%	Yes	100.00%	97.69%
Bonds and Notes	$ 22,274,763.66	47.23%	0%-47%-57%	Yes	57.00%	9.77%
Equities - Large Cap Value[(a)]	$ 3,833,247.09	8.13%	0%-8%-10.40%	Yes	10.40%	2.27%
Equities - S&P 500 Funds[(a)]	$ 4,975,910.14	10.55%	0%-10.50%-17.40%	Yes	17.40%	6.85%
Equities - Large Cap Growth[(a)]	$ 3,797,234.75	8.05%	0%-8%-10.40%	Yes	10.40%	2.35%
Equities - Mid Cap[(a)]	$ 3,300,782.11	7.00%	0%-7.00%-9.10%	Yes	9.10%	2.10%
Equities - Small Cap[(a)]	$ 1,978,370.49	4.20%	0%-4.00%-5.20%	Yes	5.20%	1.00%
Equities - International[(a)]	$ 5,911,255.85	12.53%	0%-12.5%-16.10%	Yes	16.10%	3.57%
Total	$ 47,159,122.91	100.00%				
(a) Total Equities	$ 23,796,800.43	50.46%	0%-50%-60%	Yes	60.00%	9.54%

*Total Allocation Percentage may not equal 100% due to rounding

As of September 30, 2025, all asset classes are in compliance with the Retirement Plan Investment Policy, 41-011, effective May 21, 2025.

OPEB - Asset Allocation as of 09/30/2025 (based on market values)

Category	Balance	Allocation*	Policy dated 5/21/25 Changes implemented 5/31/25 - Present Min-Target-Max	Compliance	Max Allocation	Allocation Variance
Cash and Cash Equivalents	$ 1,263,320.41	2.64%	0%-3%-100%	Yes	100.00%	97.36%
Bonds and Notes	$ 22,532,263.86	47.05%	0%-47%-57%	Yes	57.00%	9.95%
Equities - Large Cap Value[(a)]	$ 3,851,027.99	8.04%	0%-8%-10.40%	Yes	10.40%	2.36%
Equities - S&P 500 Funds[(a)]	$ 5,051,488.39	10.55%	0%-10.50%-17.40%	Yes	17.40%	6.85%
Equities - Large Cap Growth[(a)]	$ 3,858,351.98	8.06%	0%-8%-10.40%	Yes	10.40%	2.34%
Equities - Mid Cap[(a)]	$ 3,315,937.21	6.92%	0%-7.00%-9.10%	Yes	9.10%	2.18%
Equities - Small Cap[(a)]	$ 1,951,358.01	4.07%	0%-4.00%-5.20%	Yes	5.20%	1.13%
Equities - International[(a)]	$ 6,067,199.00	12.67%	0%-12.5%-16.10%	Yes	16.10%	3.43%
Total	$ 47,890,946.85	100.00%				
(a) Total Equities	$ 24,095,362.58	50.31%	0%-50%-60%	Yes	60.00%	9.69%

*Total Allocation Percentage may not equal 100% due to rounding

STAFF ANALYSIS

Finance Committee

(Information Only)

Date: November 12, 2025

Facility: Nashville International Airport

Subject: FY 2026 – 1st Quarter – Treasury Investment Report (September 30, 2025)

I. Reports

The following Treasury Investment Report covers the period from July 1, 2025, through September 30, 2025.

II. Analysis

A. Summary

For FY 2026, the focus remains on minimizing cash in Demand Deposit Bank accounts. MNAA invests excess cash in authorized investments to maximize interest earnings. Funds are invested by MNAA Staff as well as by PFM Asset Management LLC ("PFMAM"). MNAA staff invests funds primarily in Treasury Money Market Funds and TN LGIP. PFMAM invests funds on MNAA's behalf in the MNAA Operating CORE Portfolio, the MNAA Common Debt Service Reserve Portfolio, the MNAA 2022A&B Construction Funds Portfolio, and the MNAA 2022A&B Capitalized Interest Portfolio.

The fund allocation for cash and investments (not including accrued interest) at the Authority for the quarters ending June 30, 2025, and September 30, 2025, was as follows:

	6/30/2025	9/30/2025	$ Change	% Change
NAE Fund	$ 422,297,336	$ 422,297,336	$ -	0.00%
Operating Cash	161,121,034	183,702,255	22,581,221	14.02%
Construction Accounts	127,596,116	163,352,097	35,755,981	28.02%
Debt Service Accounts	209,269,167	179,229,201	(30,039,966)	-14.35%
PFC Accounts	212,040,013	218,341,543	6,301,530	2.97%
CONRAC Accounts	98,002,059	104,874,035	6,871,976	7.01%
Total Funds	$ 1,230,325,725	$ 1,271,796,467	$ 41,470,742	3.37%

The asset allocation for cash and investments (not including accrued interest) at the Authority for the quarters ending June 30, 2025, and September 30, 2025, was as follows:

	6/30/2025	9/30/2025	$ Change	% Change
U.S. Treasuries	$ 413,435,651	$ 415,312,940	$ 1,877,289	0.45%
Federal Agency	144,300,963	145,098,077	797,114	0.55%
Agency Mortgage-Backed Securities	47,962,999	47,670,254	(292,745)	-0.61%
Certificates of Deposit	1,090,414	1,090,414	-	0.00%
Commercial Paper	90,208,301	56,836,973	(33,371,328)	-36.99%
Money Market Mutual Funds	284,569,198	314,454,073	29,884,875	10.50%
Tennessee Local Government Investment Pool	239,831,924	281,799,688	41,967,764	17.50%
Cash in Demand Deposit Accounts	8,926,275	9,534,048	607,773	6.81%
Total Funds	$ 1,230,325,725	$ 1,271,796,467	$ 41,470,742	3.37%

The listing of accounts on September 30, 2025, is shown in Attachment 1, which also shows the ending balances for each month in the quarter. PFMAM's Investment Performance Review Report for the quarter ended September 30, 2025, is also attached. Note the difference between these reports is due to Attachment 1 reporting investments on an accrual basis and the PFMAM report showing market values.

PFMAM portfolio yields for the quarter were 4.08% for the CORE Portfolio, 4.17% for the Common Debt Service Reserve Portfolio (DSR), and 4.22% for the 2022A&B Construction Funds Portfolio. The PFMAM CORE Portfolio benchmark yield, the ICE BofAML 1-3 Year U.S. Treasury Index Benchmark, was 3.77%. The PFMAM Common DSR, Construction Funds, and CAP-I benchmark, the ICE BofAML 3mo T-Bill, was 4.11%.

The MNAA managed funds yield was 4.22% as compared to the benchmark S&P Rated LGIP All Index yield of 4.42%. The combined yield for the MNAA managed and PFMAM Managed Portfolios was 3.59%.

The Authority earned a total of $13,184,584 on cash and investments for the first quarter of FY 2026. In comparison, the income received on cash and investments for the fourth quarter of FY 2025 ended June 30, 2025, was $12,531,596. Total available funds for the first quarter of 2026 were $1.272B vs $1.230B for the fourth quarter of 2025 ($41.4M more).

B. Investment Program Review

- DDA cash in 1Q FY 2026 was 0.7% of total cash, which outperforms our goal to minimize cash in Demand Deposit Accounts to no more than 8% of total funds.

- As of 1Q FY 2025, per the investment policy, the investment portfolio complies and meets the investment policy objectives in all areas.

Impact/Findings

No action is required by the Finance Committee as this staff analysis is presented for informational purposes.

C. Strategic Priorities

- Supports the strategic priority of maximizing financial assets while protecting invested principal and minimizing uninvested cash
- Invest in BNA/JWN
- Plan for the Future
- Prepare for the Unexpected

Attachments:

Attachment 1 - Listing of accounts and month-end balances for July 2025, August 2025, and September 2025

Attachment 2 – PFMAM Investment Performance Review as of September 30, 2025

STAFF ANALYSIS
Finance Committee
(Information Only)

Date: November 12, 2025

Facility: Nashville International Airport

Subject: FY2026 – 1st Quarter – MNAA Employee Retirement Plan and Other Post-Employment Benefits (OPEB) Investment Report

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I. Reports

Attached is the Performance Report prepared by Principal for the 1st Quarter of FY2026. The Principal report covers the period from July 1, 2025 through September 30, 2025.

II. Analysis

A. Summary

MNAA Retirement Plan

The quarter (three months) total portfolio return gross of fees was 4.10% compared to the designated Composite Benchmark of 4.83%. The three-month total portfolio return net of fees was 4.05%.

Asset Allocation Summaries – Retirement Plan

Principal resets the asset allocations mid-month. As a result, market fluctuations may result in month-end allocations being temporarily and slightly outside of the limits established in the policy. On the next month's reset date, Principal brings all asset classes back into compliance with the stated policy. All exceptions occurring during any quarter are reviewed by the Retirement Committee and additional action is taken, if needed.

As of July 31, 2025, all asset classes are in compliance with the Retirement Plan Investment Policy 41-011, effective May 21, 2025.

Pension - Asset Allocation as of 7/31/2025 (based on market values)

Category	Balance	Allocation*	Policy dated 5/21/25 Changes implemented 5/31/25 - Present Min-Target-Max	Compliance	Max Allocation	Allocation Variance
Cash and Cash Equivalents	$ 2,419,159.66	2.74%	0%-3%-100%	Yes	100.00%	97.26%
Bonds and Notes	$ 41,861,589.70	47.45%	0%-47%-57%	Yes	57.00%	9.55%
Equities - Large Cap[(a)]	$ 6,990,345.59	7.92%	0%-8%-10.40%	Yes	10.40%	2.48%
Equities - S&P 500 Funds[(a)]	$ 9,296,282.78	10.54%	0%-10.5%-17.40%	Yes	17.40%	6.86%
Equities - Large Cap Growth[(a)]	$ 7,151,824.72	8.11%	0%-8%-10.40%	Yes	10.40%	2.29%
Equities - Mid Cap[(a)]	$ 6,084,841.22	6.90%	0%-7.00%-9.10%	Yes	9.10%	2.20%
Equities - Small Cap[(a)]	$ 3,484,052.44	3.95%	0%-4.00%-5.20%	Yes	5.20%	1.25%
Equities - International[(a)]	$ 10,934,783.60	12.39%	0%-12.50%-16.10%	Yes	16.10%	3.71%
Total	$ 88,222,879.71	100.00%				
(a) Total Equities	$ 43,942,130.35	49.81%	0%-50%-60%	Yes	60.00%	10.19%

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Pension - Asset Allocation as of 8/31/2025 (based on market values)

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Cash and Cash Equivalents	$ 2,104,211.93	2.35%	0%-3%-100%	Yes	100.00%	97.65%
Bonds and Notes	$ 42,384,342.87	47.29%	0%-47%-57%	Yes	57.00%	9.71%
Equities - Large Cap[(a)]	$ 7,271,159.80	8.11%	0%-8%-10.40%	Yes	10.40%	2.29%
Equities - S&P 500 Funds[(a)]	$ 9,484,741.16	10.58%	0%-10.5%-17.40%	Yes	17.40%	6.82%
Equities - Large Cap Growth[(a)]	$ 7,239,150.60	8.08%	0%-8%-10.40%	Yes	10.40%	2.32%
Equities - Mid Cap[(a)]	$ 6,291,119.97	7.02%	0%-7.00%-9.10%	Yes	9.10%	2.08%
Equities - Small Cap[(a)]	$ 3,636,905.00	4.06%	0%-4.00%-5.20%	Yes	5.20%	1.14%
Equities - International[(a)]	$ 11,210,224.96	12.51%	0%-12.50%-16.10%	Yes	16.10%	3.59%
Total	$ 89,621,856.29	100.00%				
(a) Total Equities	$ 45,133,301.49	50.36%	0%-50%-60%	Yes	60.00%	9.64%

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As of September 30, 2025, all asset classes are in compliance with the Retirement Plan Investment Policy 41-011, effective May 21, 2025.

Pension - Asset Allocation as of 9/30/2025 (based on market values)

Category	Balance	Allocation*	Policy dated 5/21/25 Changes implemented 5/31/25 - Present Min-Target-Max	Compliance	Max Allocation	Allocation Variance
Cash and Cash Equivalents	$ 2,265,829.59	2.50%	0%-3%-100%	Yes	100.00%	97.50%
Bonds and Notes	$ 42,790,044.74	47.20%	0%-47%-57%	Yes	57.00%	9.80%
Equities - Large Cap[(a)]	$ 7,304,437.17	8.06%	0%-8%-10.40%	Yes	10.40%	2.34%
Equities - S&P 500 Funds[(a)]	$ 9,567,322.82	10.55%	0%-10.5%-17.40%	Yes	17.40%	6.85%
Equities - Large Cap Growth[(a)]	$ 7,330,041.91	8.09%	0%-8%-10.40%	Yes	10.40%	2.31%
Equities - Mid Cap[(a)]	$ 6,319,610.39	6.97%	0%-7.00%-9.10%	Yes	9.10%	2.13%
Equities - Small Cap[(a)]	$ 3,587,362.67	3.96%	0%-4.00%-5.20%	Yes	5.20%	1.24%
Equities - International[(a)]	$ 11,496,554.02	12.68%	0%-12.50%-16.10%	Yes	16.10%	3.42%
Total	$ 90,661,203.31	100.00%				
(a) Total Equities	$ 45,605,328.98	50.30%	0%-50%-60%	Yes	60.00%	9.70%

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Asset Valuation Summaries – Retirement Plan

Below are the Asset Valuation Summaries for the first quarter of fiscal year 2026.

Asset Valuation Summary Pension Plan

Month	Cost	Market	Unrealized Gain/Loss
7/31/2025	$ 68,232,220.80	$ 88,222,879.71	$ 19,990,658.91
8/31/2025	$ 67,870,092.27	$ 89,621,856.29	$ 21,751,764.02
9/30/2025	$ 67,731,537.01	$ 90,661,203.31	$ 22,929,666.30

Reconciliation Summary – Retirement Plan

Below is the Pension Reconciliation Summary for the first quarter of fiscal year 2026.

Pension Summary 1st QTR FY 2026 (market value)

	7/31/2025	8/31/2025	9/30/2025	1Q FY-to-Date
Beginning Market Value	88,451,222.69	88,222,879.71	89,621,856.29	88,451,222.69
Total Cash Receipts	447,853.40	85,215.86	303,003.47	836,072.73
Total Cash Disbursements	(489,010.90)	(447,344.39)	(441,558.73)	(1,377,914.02)
Change in Fair Market Value	(187,185.48)	1,761,105.11	1,177,902.28	2,751,821.91
Ending Market Value	88,222,879.71	89,621,856.29	90,661,203.31	90,661,203.31

MNAA OPEB

The quarter (three months) total portfolio return gross of fees was 4.09% compared to the designated Composite Benchmark of 4.83%. The three-month total portfolio return net of fees was 4.04%.

Asset Allocation Summaries – OPEB

Principal resets the asset allocations mid-month. As a result, market fluctuations may result in month-end allocations being temporarily and slightly outside of the limits established in the policy. On the next month's reset date, Principal brings all asset classes back into compliance with the stated policy. All exceptions occurring during any quarter are reviewed by the Retirement Committee and additional action is taken, if needed.

As of July 31, 2025, all asset classes are in compliance with the Retirement Plan Investment Policy, 41-011, effective May 21, 2025.

OPEB - Asset Allocation as of 7/31/2025 (based on market values)

Category	Balance	Allocation*	Policy dated 5/21/25 Changes implemented 5/31/25 - Present Min-Target-Max	Compliance	Max Allocation	Allocation Variance
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Bonds and Notes	$ 21,990,462.21	47.55%	0%-47%-57%	Yes	57.00%	9.45%
Equities - Large Cap Value[a]	$ 3,684,964.00	7.97%	0%-8%-10.40%	Yes	10.40%	2.43%
Equities - S&P 500 Funds[a]	$ 4,877,100.10	10.54%	0%-10.50%-17.40%	Yes	17.40%	6.86%
Equities - Large Cap Growth[a]	$ 3,750,360.28	8.11%	0%-8%-10.40%	Yes	10.40%	2.29%
Equities - Mid Cap[a]	$ 3,193,180.86	6.90%	0%-7.00%-9.10%	Yes	9.10%	2.20%
Equities - Small Cap[a]	$ 1,898,121.50	4.10%	0%-4.00%-5.20%	Yes	5.20%	1.10%
Equities - International[a]	$ 5,704,861.28	12.33%	0%-12.5%-16.10%	Yes	16.10%	3.77%
Total	$ 46,250,763.05	100.00%				
(a) Total Equities	$ 23,108,588.02	49.96%	0%-50%-60%	Yes	60.00%	10.04%

*Total Allocation Percentage may not equal 100% due to rounding

As of August 31, 2025, all asset classes are in compliance with the Retirement Plan Investment Policy, 41-011, effective May 21, 2025.

OPEB - Asset Allocation as of 8/31/2025 (based on market values)

Category	Balance	Allocation*	Policy dated 5/21/25 Changes implemented 5/31/25 - Present Min-Target-Max	Compliance	Max Allocation	Allocation Variance
Cash and Cash Equivalents	$ 1,087,558.82	2.31%	0%-3%-100%	Yes	100.00%	97.69%
Bonds and Notes	$ 22,274,763.66	47.23%	0%-47%-57%	Yes	57.00%	9.77%
Equities - Large Cap Value[a]	$ 3,833,247.09	8.13%	0%-8%-10.40%	Yes	10.40%	2.27%
Equities - S&P 500 Funds[a]	$ 4,975,910.14	10.55%	0%-10.50%-17.40%	Yes	17.40%	6.85%
Equities - Large Cap Growth[a]	$ 3,797,234.75	8.05%	0%-8%-10.40%	Yes	10.40%	2.35%
Equities - Mid Cap[a]	$ 3,300,782.11	7.00%	0%-7.00%-9.10%	Yes	9.10%	2.10%
Equities - Small Cap[a]	$ 1,978,370.49	4.20%	0%-4.00%-5.20%	Yes	5.20%	1.00%
Equities - International[a]	$ 5,911,255.85	12.53%	0%-12.5%-16.10%	Yes	16.10%	3.57%
Total	$ 47,159,122.91	100.00%				
(a) Total Equities	$ 23,796,800.43	50.46%	0%-50%-60%	Yes	60.00%	9.54%

*Total Allocation Percentage may not equal 100% due to rounding

As of September 30, 2025, all asset classes are in compliance with the Retirement Plan Investment Policy, 41-011, effective May 21, 2025.

OPEB - Asset Allocation as of 09/30/2025 (based on market values)

Category	Balance	Allocation*	Policy dated 5/21/25 Changes implemented 5/31/25 - Present Min-Target-Max	Compliance	Max Allocation	Allocation Variance
Cash and Cash Equivalents	$ 1,263,320.41	2.64%	0%-3%-100%	Yes	100.00%	97.36%
Bonds and Notes	$ 22,532,263.86	47.05%	0%-47%-57%	Yes	57.00%	9.95%
Equities - Large Cap Value[a]	$ 3,851,027.99	8.04%	0%-8%-10.40%	Yes	10.40%	2.36%
Equities - S&P 500 Funds[a]	$ 5,051,488.39	10.55%	0%-10.50%-17.40%	Yes	17.40%	6.85%
Equities - Large Cap Growth[a]	$ 3,858,351.98	8.06%	0%-8%-10.40%	Yes	10.40%	2.34%
Equities - Mid Cap[a]	$ 3,315,937.21	6.92%	0%-7.00%-9.10%	Yes	9.10%	2.18%
Equities - Small Cap[a]	$ 1,951,358.01	4.07%	0%-4.00%-5.20%	Yes	5.20%	1.13%
Equities - International[a]	$ 6,067,199.00	12.67%	0%-12.5%-16.10%	Yes	16.10%	3.43%
Total	$ 47,890,946.85	100.00%				
(a) Total Equities	$ 24,095,362.58	50.31%	0%-50%-60%	Yes	60.00%	9.69%

*Total Allocation Percentage may not equal 100% due to rounding

Asset Valuation Summaries - OPEB

Below are the Asset Valuation Summaries for the first quarter of fiscal year 2026.

Asset Valuation Summary OPEB

Month	Cost	Market	Unrealized Gain/Loss
7/31/2025	$ 42,258,163.64	$ 46,250,763.05	$ 3,992,599.41
8/31/2025	$ 42,249,068.29	$ 47,159,122.91	$ 4,910,054.62
9/30/2025	$ 42,449,959.18	$ 47,890,946.85	$ 5,440,987.67

Reconciliation Summary - OPEB

Below is the OPEB Reconciliation Summary for the first quarter of fiscal year 2026.

OPEB Summary 1st QTR FY 2026 (market value)

	7/31/2025	8/31/2025	9/30/2025	1Q FY-to-Date
Beginning Market Value	46,302,568.36	46,250,763.05	47,159,122.91	46,302,568.36
Total Cash Receipts	222,926.24	60,195.45	683,071.11	966,192.80
Total Cash Disbursements	(192,281.85)	(69,290.80)	(44,803.08)	(306,375.73)
Change in Fair Market Value	(82,449.70)	917,455.21	93,555.91	928,561.42
Ending Market Value	46,250,763.05	47,159,122.91	47,890,946.85	47,890,946.85

B. Impact/Findings

No action is required by the Finance Committee as this staff analysis is presented for informational purposes.

C. Strategic Priorities

- Supports the strategic priority of investing assets in the Pension and OPEB plans without undue risk while focusing on the total growth of capital and capital preservation while protecting against negative results.
- Invest in BNA/JWN
- Plan for the Future
- Prepare for the Unexpected