AIA Virginia

ASHWOOD FINANCIAL PARTNERS

Investment Portfolio Overview

AIA Virginia Board Update

June 20, 2025

AGENDA

I. Background and Long-Term Partnership
II. Asset Allocation and Market Review
III. IPS Overview
IV. Importance of Three Pillar Risk Management Process
V. AIA Virginia's Investment Overview
VI. Roadmap for Financial Success

Who We Are

ASHWOOD
FINANCIAL PARTNERS

Established Relationship with AIA Virginia

- Three Pillar Risk Management Process
- Fiduciary management for 401(k)
- Employee education
- Consultation during COVID
- Developed Investment Policy Statement (IPS)
- Incorporated ESG into the IPS framework to align investment strategy with mission
- Consulted with other AIA chapters, including IPS development
- Sponsorship (AIA Virginia Visions Design Awards)
- Prudent Investment Management

IMPORTANCE OF ASSET ALLOCATION

Asset allocation provides stability of investment returns over time while reducing **idiosyncratic risk**

2010–2024																	
Ann.	Vol.	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Large Cap 13.9%	Small Cap 20.6%	REITs 27.9%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 20.0%	REITs 41.3%	Comdty. 16.1%	Large Cap 26.3%	Large Cap 25.0%	DM Equity 18.8%
Small Cap 10.3%	EM Equity 17.9%	Small Cap 26.9%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	REITs 28.7%	EM Equity 18.7%	Large Cap 28.7%	Cash 1.5%	DM Equity 18.9%	Small Cap 11.5%	EM Equity 13.9%
REITs 9.4%	REITs 16.8%	EM Equity 19.2%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Small Cap 25.5%	Large Cap 18.4%	Comdty. 27.1%	High Yield -12.7%	Small Cap 16.9%	Asset Alloc. 10.0%	Comdty. 6.5%
Asset Alloc. 7.2%	DM Equity 16.5%	Comdty. 16.8%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	DM Equity 22.7%	Asset Alloc. 10.6%	Small Cap 14.8%	Fixed Income -13.0%	Asset Alloc. 14.1%	High Yield 9.2%	Asset Alloc. 5.4%
High Yield 5.9%	Comdty. 16.1%	Large Cap 15.1%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	Asset Alloc. 19.5%	DM Equity 8.3%	Asset Alloc. 13.5%	Asset Alloc. -13.9%	High Yield 14.0%	EM Equity 8.1%	High Yield 5.4%
DM Equity 5.7%	Large Cap 15.1%	High Yield 14.8%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	EM Equity 18.9%	Fixed Income 7.5%	DM Equity 11.8%	DM Equity -14.0%	REITs 11.4%	Comdty. 5.4%	Large Cap 3.0%
EM Equity 3.4%	Asset Alloc. 10.4%	Asset Alloc. 13.3%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.0%	High Yield 12.6%	High Yield 7.0%	High Yield 1.0%	Large Cap -18.1%	EM Equity 10.3%	Cash 5.3%	Fixed Income 2.7%
Fixed Income 2.4%	High Yield 9.4%	DM Equity 8.2%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 8.7%	Cash 0.5%	Cash 0.0%	EM Equity -19.7%	Fixed Income 5.5%	REITs 4.9%	REITs 2.4%
Cash 1.2%	Fixed Income 4.7%	Fixed Income 6.5%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Comdty. 7.7%	Comdty. -3.1%	Fixed Income -1.5%	Small Cap -20.4%	Cash 5.1%	DM Equity 4.3%	Cash 1.9%
Comdty. -1.0%	Cash 0.9%	Cash 0.1%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 2.2%	REITs -5.1%	EM Equity -2.2%	REITs -24.9%	Comdty. -7.9%	Fixed Income 1.3%	Small Cap -3.1%

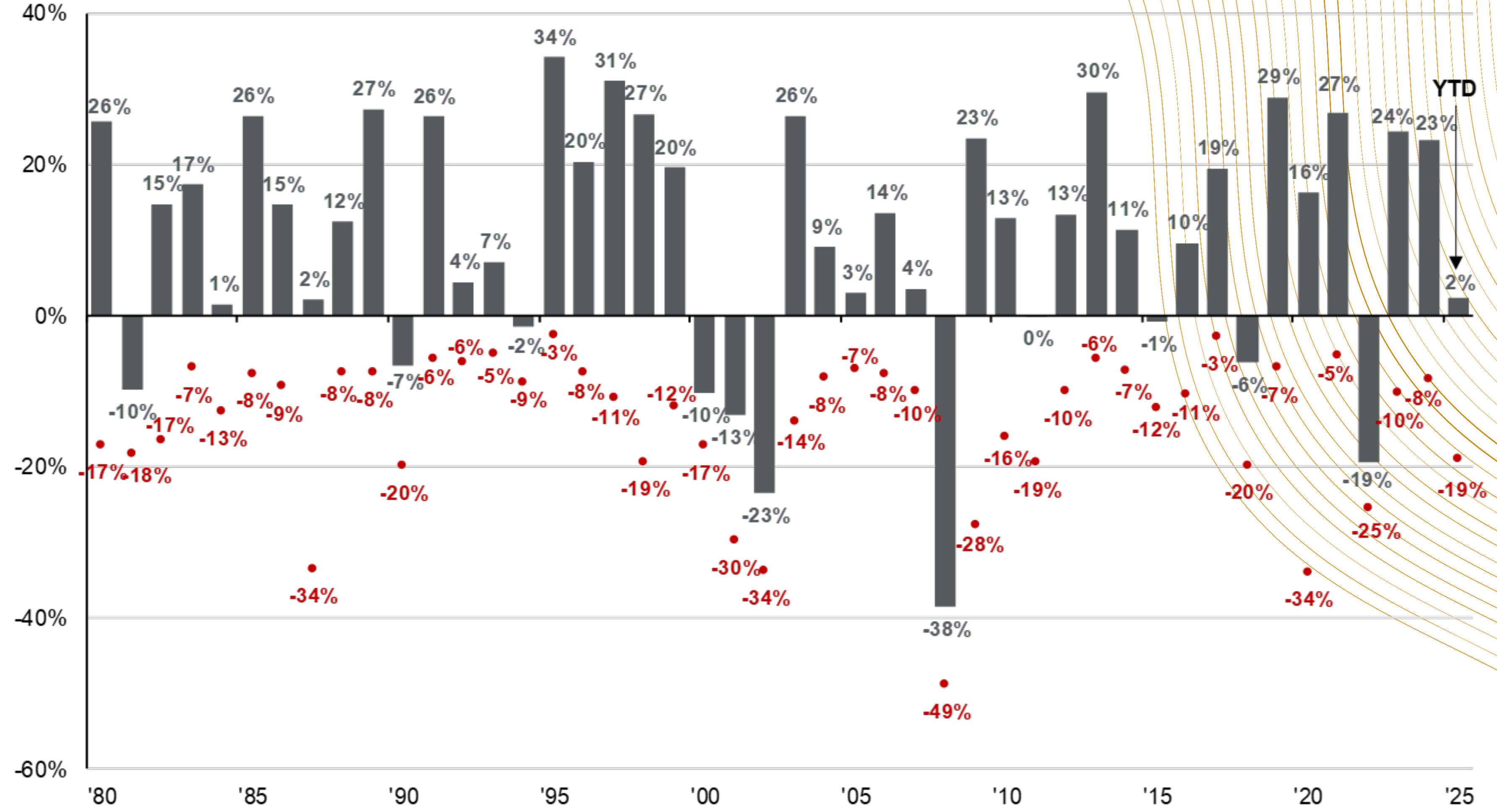
Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management. Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg U.S. Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg U.S. Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. Annualized (Ann.) return and volatility (Vol.) represents period from 12/31/2009 to 12/31/2024. Please see disclosure page at end for index definitions. All data represents total return for stated period. The "Asset Allocation" portfolio is for illustrative purposes only. Past performance is not indicative of future returns. Guide to the Markets – U.S. Data are as of June 11, 2025.

LONG TERM INVESTMENT STRATEGY REMAINS KEY DRIVER OF INVESTMENT SUCCESS

- Market declines are normal and expected
- Constraints in IPS take the emotion out of investing

S&P intra-year declines vs. calendar year returns

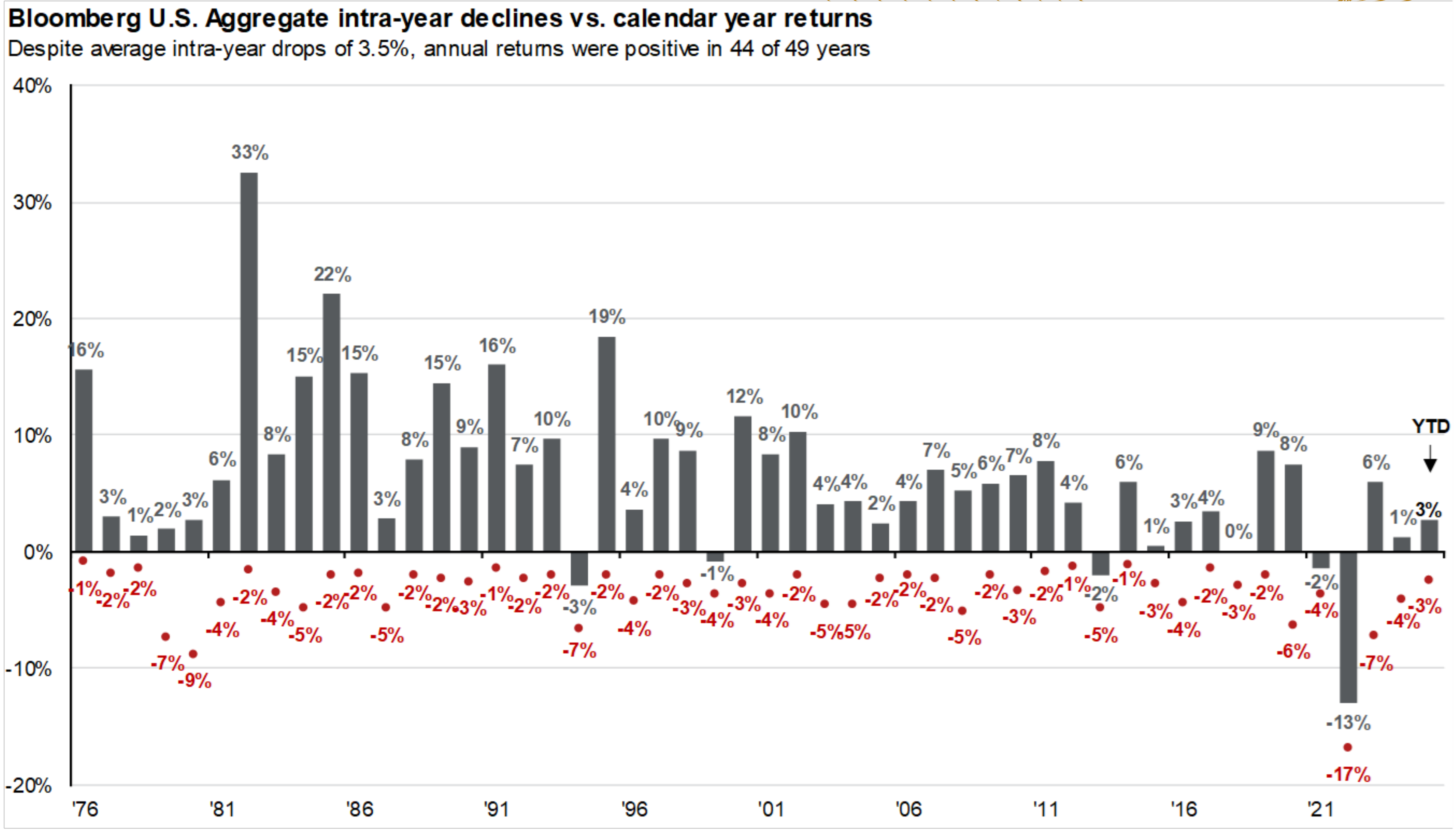
Despite average intra-year drops of 14.1%, annual returns were positive in 34 of 45 years



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management. Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2024, over which the average annual return was 10.6%. Guide to the Markets – U.S. Data are as of June 11, 2025

BECAUSE MARKETS ARE UNPREDICTABLE

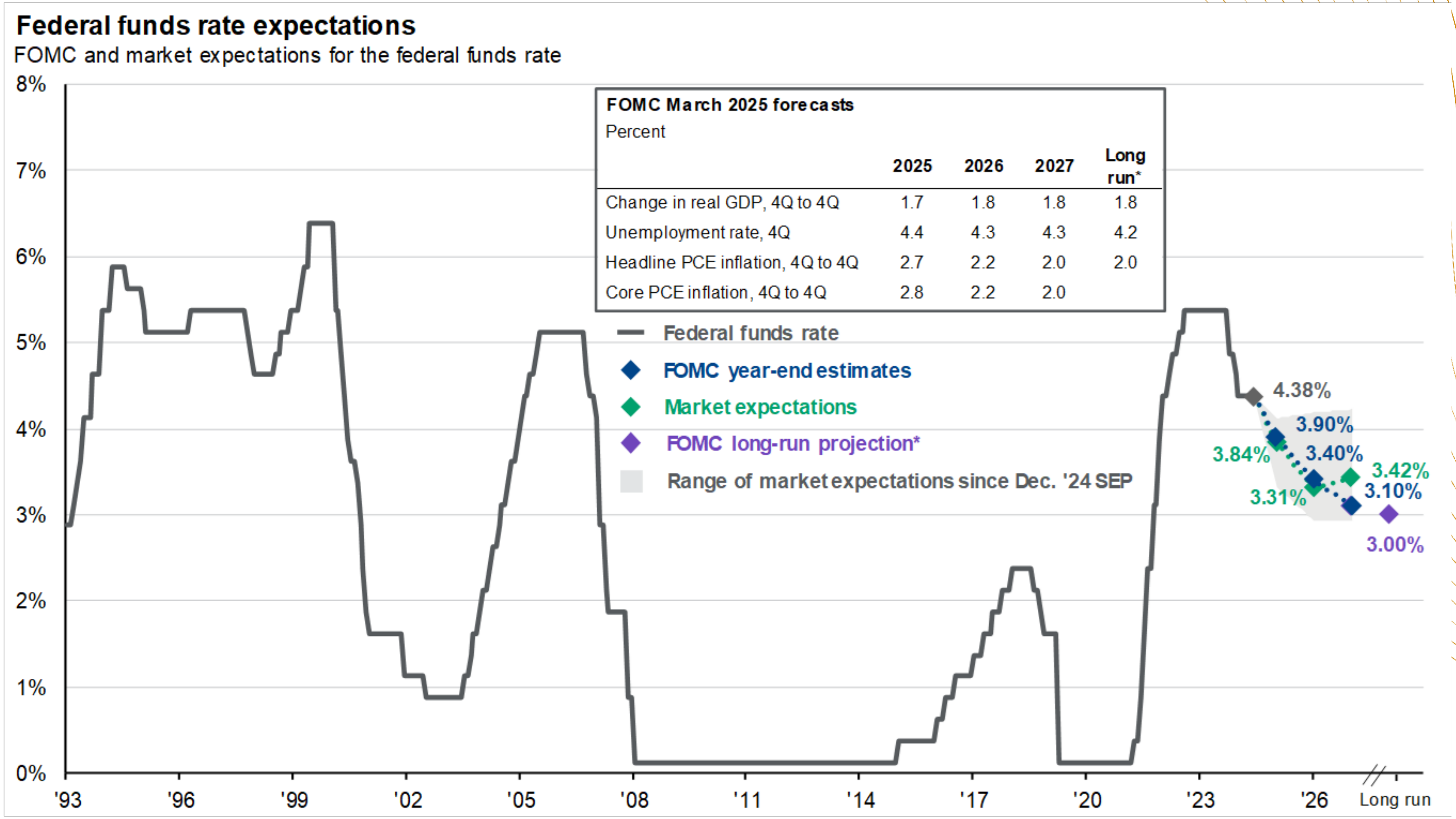
→ Bonds experienced one of the worst years on record in 2022



Source: Bloomberg, FactSet, J.P. Morgan Asset Management. Returns are based on total return. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1976 to 2024, over which time period the average annual return was 6.5%. Returns from 1976 to 1989 are calculated on a monthly basis; daily data are used afterward. Guide to the Markets – U.S. Data are as of June 11, 2025.

POLICY MEASURES ARE UNPREDICTABLE

- “Don’t fight the Fed.”



FOMC March 2025 forecasts
Percent

	2025	2026	2027	Long run*
Change in real GDP, 4Q to 4Q	1.7	1.8	1.8	1.8
Unemployment rate, 4Q	4.4	4.3	4.3	4.2
Headline PCE inflation, 4Q to 4Q	2.7	2.2	2.0	2.0
Core PCE inflation, 4Q to 4Q	2.8	2.2	2.0	

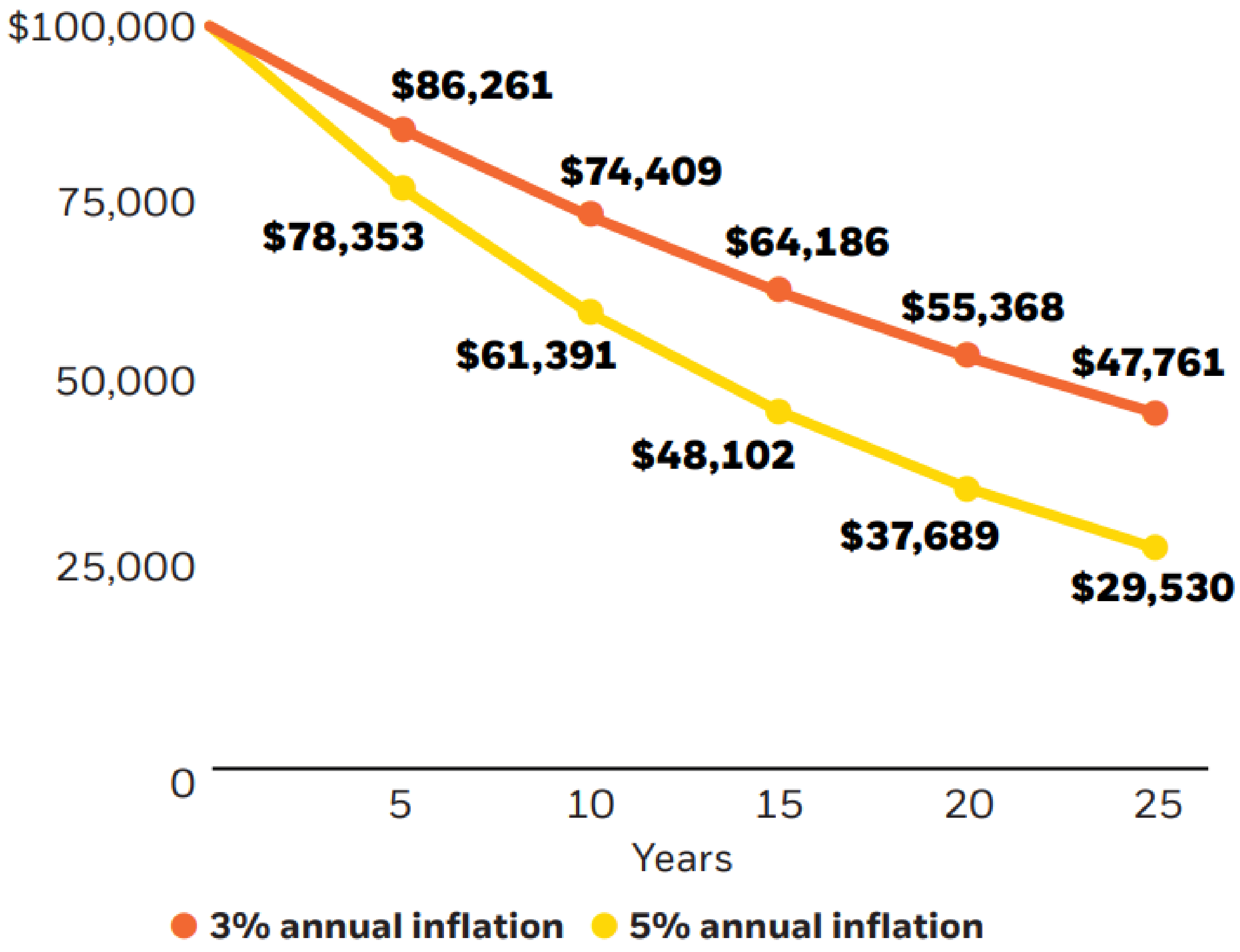
Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management. Market expectations are based off of USD Overnight Index Swaps. *Long-run projections are the rates of growth, unemployment and inflation to which a policymaker expects the economy to converge over the next five to six years in absence of further shocks and under appropriate monetary policy. Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated. Guide to the Markets – U.S. Data are as of June 11, 2025.

Why is prudent investment risk necessary?

→ Being too conservative can erode purchasing power over time and poses a long-term financial risk to investment portfolio

Erosion of purchasing power

Having $100,000 today would be worth the same as $47,761 in 25 years assuming 3% annual inflation, or $29,530 assuming 5% annual inflation.



Source: Blackrock

Investment Policy Statement (IPS) Review

AIA Virginia IPS

- Outlines goals and provides the framework for a disciplined approach to investing
- Established reasonable expectations, objectives, and guidelines for its investments
- Sets forth an investment structure detailing permitted asset classes and expected allocation among asset classes
- Encourages effective communication between a portfolio manager and AIA Virginia
- Creates a well-diversified asset mix that can be expected to generate acceptable long term returns at a suitable level of risk
- Establishes the criteria for monitoring performance of the investments

Importance of an IPS

"Most importantly, the IPS serves as a policy guide that can offer an objective course of action to be followed during periods of market disruption when emotional or instinctive responses might otherwise motivate less prudent actions." – CFA Institute

ESG INVESTING

→ Aligning investment strategy with mission of AIA Virginia

Environmental
Conservation of the natural world

- Climate change and carbon emissions
- Air and water pollution
- Biodiversity
- Deforestation
- Energy efficiency
- Waste management
- Water scarcity

Social
Consideration of people & relationships

- Customer satisfaction
- Data protection and privacy
- Gender and diversity
- Employee engagement
- Community relations
- Human rights
- Labor standards

Governance
Standard for running a company

- Board composition
- Audit committee structure
- Bribery and corruption
- Executive compensation
- Lobbying
- Political contributions
- Whistleblower schemes

AIA Virginia – IPS Asset Allocation

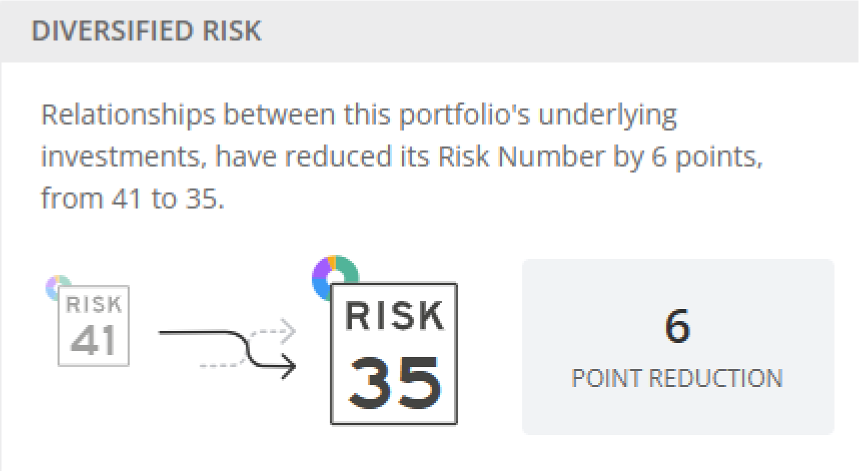
- Constraints defined in IPS
- Investments are managed according to disciplined process and within these constraints
- Investment portfolio in-line with IPS limits

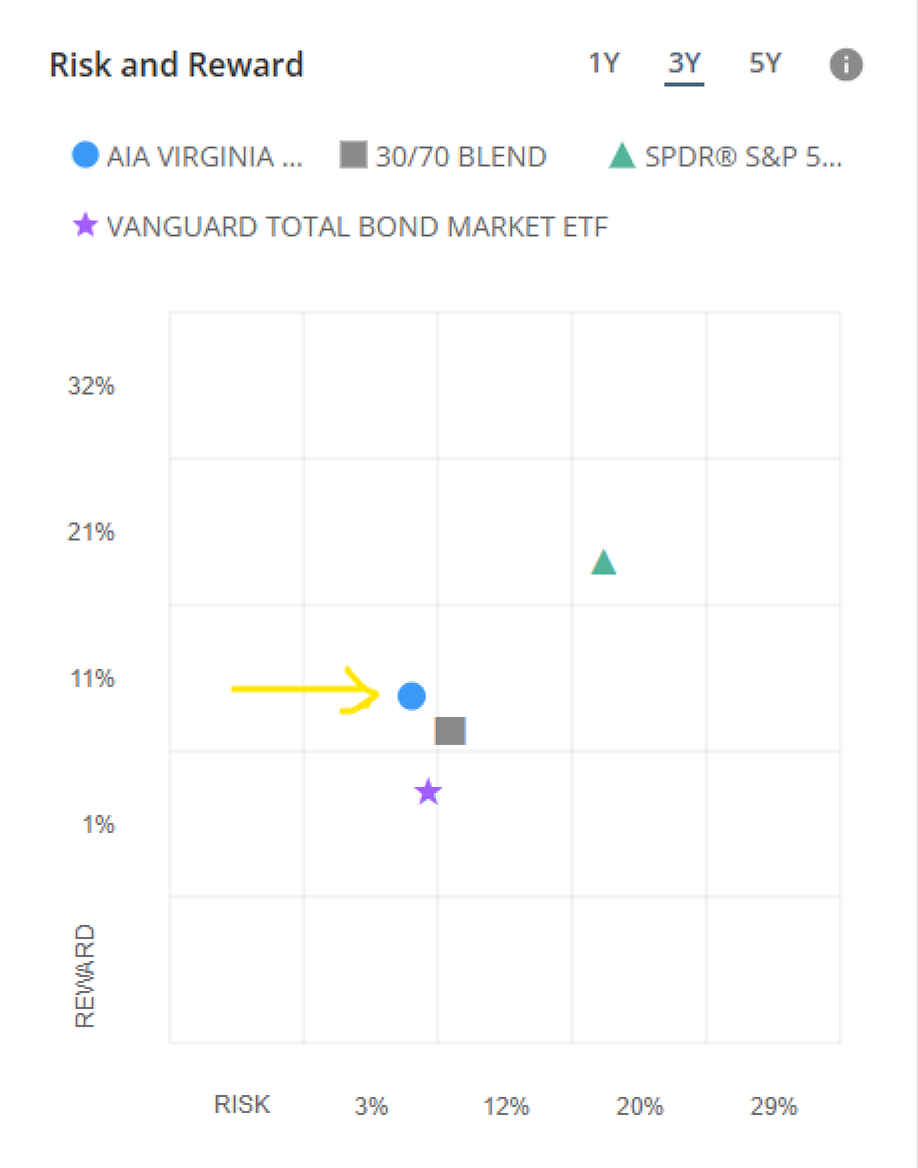
Stocks	40.09%
Bonds	45.80%
Other	6.73%
Cash	7.38%

Asset Allocation			
TRADITIONAL	Target	Lower Limit	Upper Limit
Equity	32%		
Domestic Large Cap Equity	20%	10%	50%
Domestic Mid Cap Equity	4%	0%	14%
Domestic Small Cap Equity	3%	0%	10%
International Equity	5%	0%	12%
Fixed Income	40%		
Investment Grade	30%	15%	55%
High Yield	3%	0%	6%
International Fixed Income	2%	0%	6%
Other Fixed Income	5%	0%	15%
Cash & Cash Alternatives	28%	15%	75%

Benefits of Asset Allocation

Prudent investment strategy and asset allocation significantly reduces risk as compared equity indices



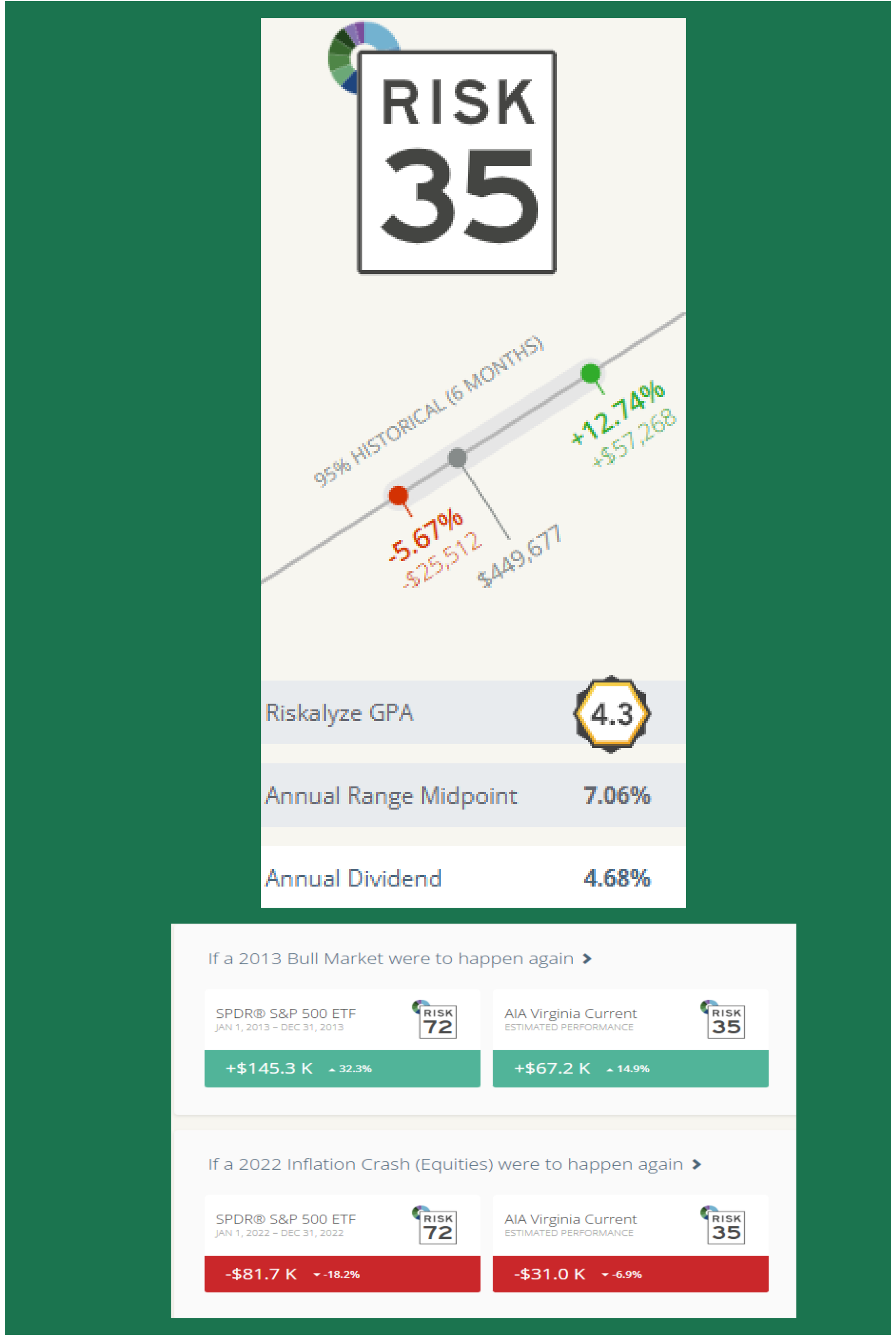


THREE PILLAR RISK MANAGEMENT PROCESS

Three Pillars:

- Define Investment Objectives and Risk Number
- Align Investment Portfolio with Objectives
- Chart a path to long-term investment success

- Helps optimize investment portfolio that fits risk tolerance and goals as outlined in the IPS
- Stress tests the portfolio against market conditions and sets expectations for the future
- Charts the probability of successful investment outcomes and can adjust as market conditions and unique circumstances change



Roadmap for AIA Virginia's Financial Success

ASHWOOD FINANCIAL PARTNERS

Our Roadmap helps drive better financial outcomes over time

Foundations: Asset Allocation Overview

Other organizations' investment structure indicate that risk is appropriate to meet investment objectives

numbers in percent (%)	Total Foundations		Over $500 Million		$101-$500 Million		Under $101 Million	
	Private	Community	Private	Community	Private	Community	Private	Community
	178	87	29	15	92	34	57	38
U.S. equities	27	33	23	30	36	36	36	43
Fixed income	9	18	7	17	15	18	20	23
Non-U.S. equities	18	24	17	24	22	25	20	21
Alternative strategies	42	23	49	27	24	18	20	10
Private equity (LBOs, mezzanine, M&A funds and non-U.S. private equity)	9	5	11	6	6	4	4	1
Private credit	1	1	0	1	1	1	1	1
Marketable alternative strategies (hedge funds, absolute return, market neutral, long/short, 130/30, event-driven and derivatives	14	11	16	13	8	10	9	4
Venture capital	8	1	11	2	2	0	1	0
Private real estate	4	2	4	2	3	2	2	2
Energy and natural resources	3	2	4	2	1	1	1	0
Commodities and managed futures	1	0	1	0	2	0	1	1
Distressed debt	2	1	2	1	1	0	1	1
Short-term securities/cash/other	4	2	4	2	3	3	4	3
Short-term securities/cash	3	2	3	2	2	2	3	3
Other	1	0	1	0	1	1	1	0

*dollar-weighted

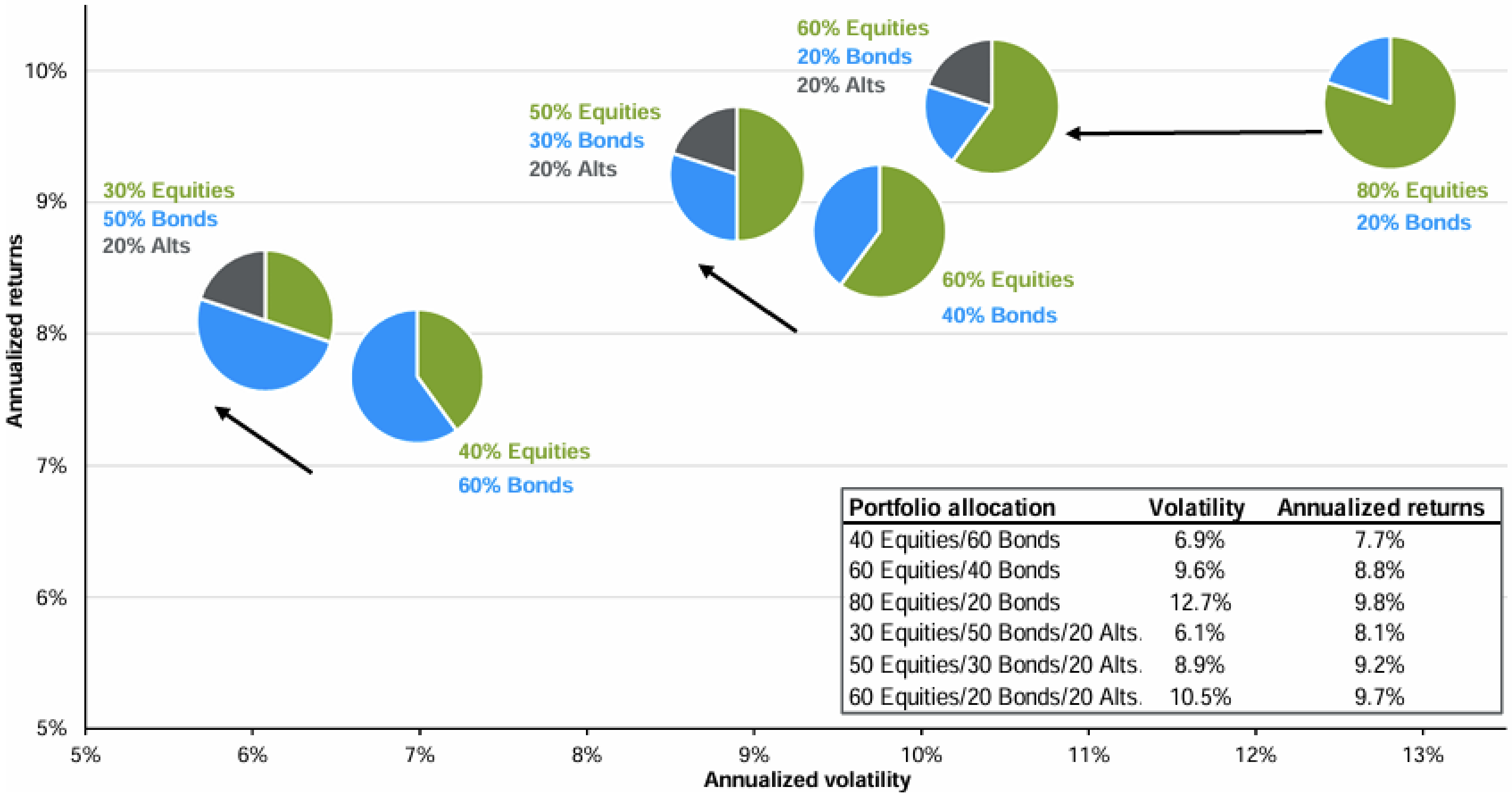
Source: Council on Foundations–Commonfund Study of Investment of Endowments for Private and Community Foundations

Benefits of "Alternative" Asset Classes

Better risk adjusted returns

Alternatives and portfolio risk/return

Annualized volatility and return, 1Q90 – 3Q24



Portfolio allocation	Volatility	Annualized returns
40 Equities/60 Bonds	6.9%	7.7%
60 Equities/40 Bonds	9.6%	8.8%
80 Equities/20 Bonds	12.7%	9.8%
30 Equities/50 Bonds/20 Alts.	6.1%	8.1%
50 Equities/30 Bonds/20 Alts.	8.9%	9.2%
60 Equities/20 Bonds/20 Alts.	10.5%	9.7%

Source: FactSet, Bloomberg, J.P. Morgan Asset Management.
Guide to the Markets – U.S. Data as of February 28, 2025

Blackstone BREIT

- Added to AIAVA portfolio in July 2022
- 4.8% annual distribution/income yield, more than 2x the yield of S&P 500

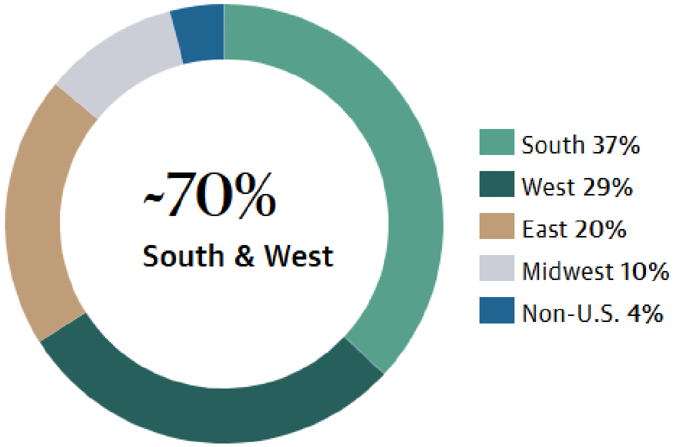
9.3%
annualized inception to date return[1]

2.1%
year to date return[1]

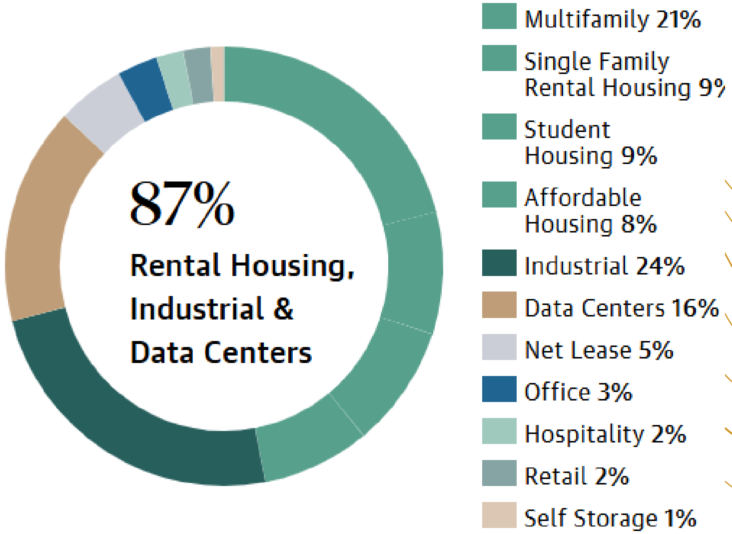
4.8% / 7.5%
annualized distribution rate[2] / tax-equivalent distribution rate[3*]

Portfolio of Blackstone Real Estate's Best Ideas

Geography[4]



Property Sector[4]



Source: Blackstone; Past performance is historical and not a guarantee of future returns.

Blackstone BREIT

- Invests in growth sectors in high conviction regions of the country.
- Rental adjustments can serve as an inflation hedge for cash flow growth.

Where you invest matters: picking the right sectors generated 4% cash flow growth in 2024

What We Own
~90% concentrated in high conviction sectors[1]

Rental Housing
49% of real estate asset value[2]

Industrial
25% of real estate asset value

Data Centers
13% of real estate asset value

What We Don't Own
0% concentrated in the following challenged sectors

For Sale Housing
0% of real estate asset value

Commodity Office[3]
0% of real estate asset value

Malls
0% of real estate asset value

Source: Blackstone; Past performance is historical and not a guarantee of future returns.

Blackstone BCRED

- Added to AIAVA portfolio in May 2024
- 10.5% annual distribution/income yield versus 4.5% for bond index

Class I Performance Summary [3]
As of April 30, 2025

Total Net Returns & Annualized Distribution Rate

April	YTD	1-YR	3-YR	Annualized Inception to Date	Annualized Distribution Rate [2]
0.6%	2.6%	9.4%	9.7%	10.2%	10.5%

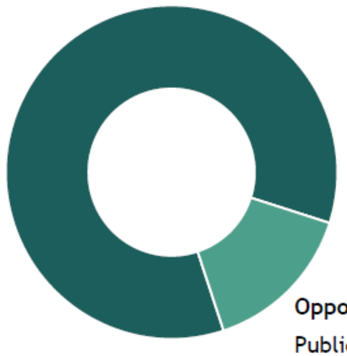
Seeks to capitalize on private credit opportunities

Portfolio Composition

Private Credit

Predominantly direct lending through first-lien senior secured loans to US companies

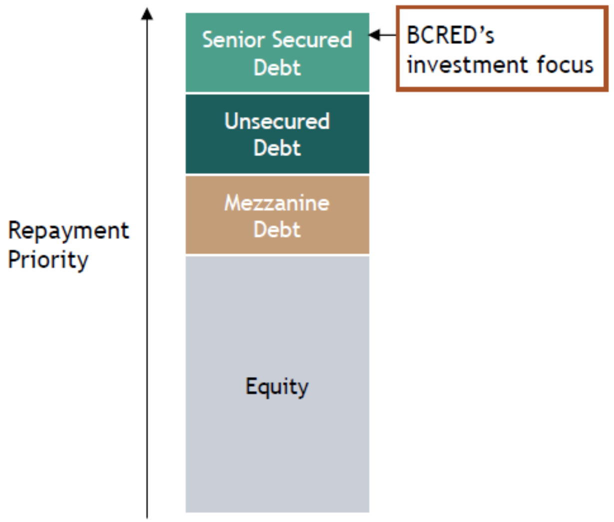
- Large Corporate Lending
- Upper-Middle Market Lending
- Anchor Investments



Opportunistic

Publicly traded securities of large corporate issuers

Illustrative Capital Structure



Source: Blackstone; Past performance is historical and not a guarantee of future returns.

Blackstone BCRED

- Private credit has historically provided better risk adjusted returns that public sectors

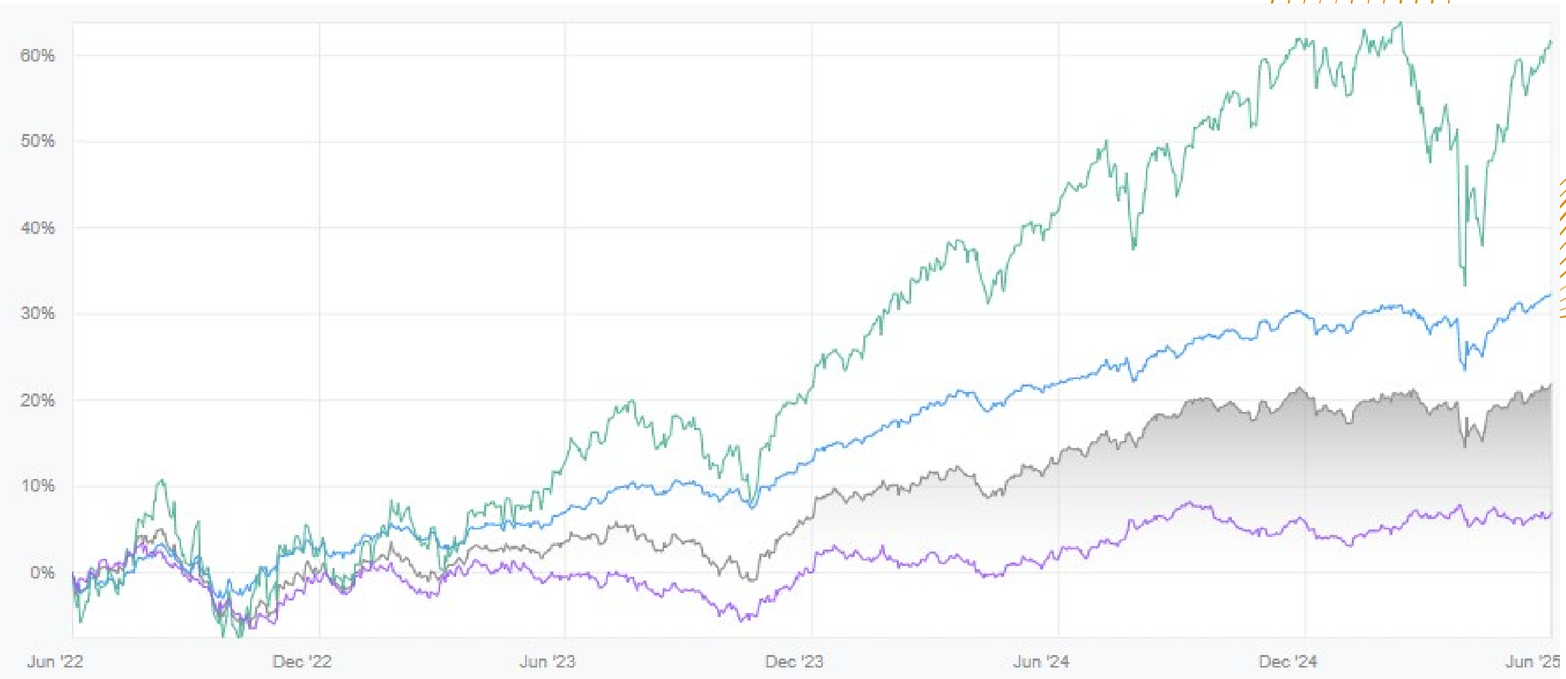
Source: Blackstone; Past performance is historical and not a guarantee of future returns.

AIA Virginia vs. Market Indices

Investment portfolio has historically displayed better downside protection than major market indices

Resulting in superior risk adjusted returns

Incorporating alternative investments enhances diversification and risk adjusted returns



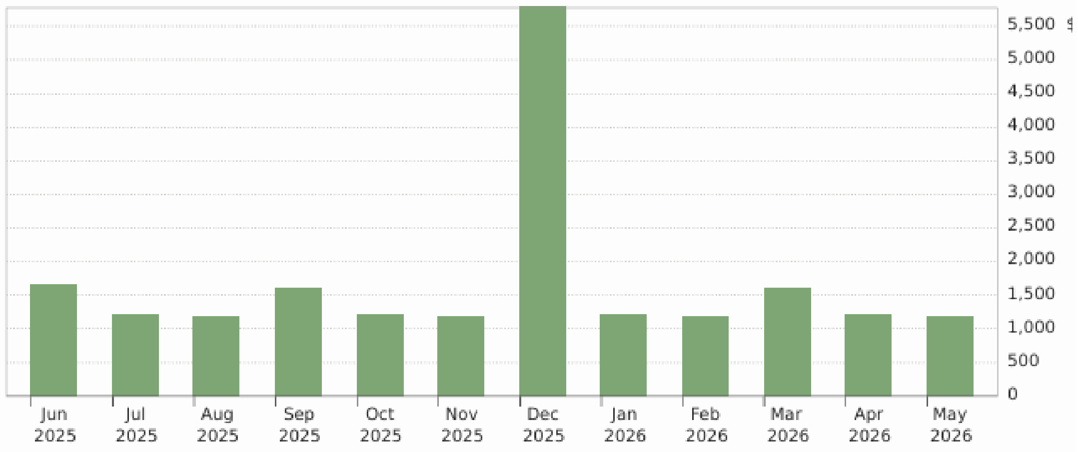
	JUN 13, 2022 - JUN 11, 2025	RISK NUMBER	STD. DEV.	DRAWDOWN	TOTAL RETURN
Risk Score Benchmark	Benchmark 30/70 Ble	RISK 33	8.01%	10.71%	21.81%
	AIA Virginia Current	RISK 35	5.96%	6.22%	32.19%
S&P 500	SPY	RISK 72	17.92%	18.76%	61.21%
Bond Index	BND	RISK 29	6.76%	9.60%	6.87%

TOTAL RETURN STRATEGY

- Income from investments helps mitigate risk from market declines
- Provides a steady source of income for investment portfolio
- Income stream expected to increase as cash is invested

Monthly Income [1 2]

Interest | Income



Summary [2]	Interest	Income	Total
June, 2025	$ 0	$ 1,659	$ 1,659
July, 2025	0	1,216	1,216
August, 2025	0	1,170	1,170
September, 2025	0	1,608	1,608
October, 2025	0	1,216	1,216
November, 2025	0	1,170	1,170
December, 2025	0	5,776	5,776
January, 2026	0	1,216	1,216
February, 2026	0	1,170	1,170
March, 2026	0	1,608	1,608
April, 2026	0	1,216	1,216
May, 2026	0	1,170	1,170
Total	**0**	**20,195**	**20,195**

Does not include capital gains distributions

High Probability of Success for AIA Virginia

Staying within the guidelines of the IPS is expected to result in overall financial success for the portfolio

Investment strategy is a combination of:

- Carefully developed IPS
- Roadmap to Success
- Three Pillar Risk Management Process

What this means for AIA Virginia:

- Reasonable expectations for investment outcomes
- Stakeholder protection and consistency of investment objectives
- High probability of financial success

Investment Amount is the starting principal amount of your portfolio today. Monthly Savings is the amount of assumed monthly savings from today until retirement date selected. The Retirement Year is the date at which the monthly savings stop and monthly withdrawals start. Retirement withdrawals are assumed to start in January of the stated year and the final savings occurs in December of the year prior to the stated year.

QUESTIONS?

Ashby W. Price, CFA, AIF, CRPS
(804) 622-1727
ashby@ashwoodfp.com

Kelsey L. Daugherty, CPFA
(713) 829-1196
kelsey@ashwoodfp.com

Chris Milligan, CFA
(804) 901-1377
chris@ashwoodfp.com

https://ashwoodfinancialpartners.com/