




University Health System Pension Plan

**A Fiduciary Component Unit of Bexar
County Hospital District d/b/a University
Health**

**Independent Auditor's Report, Financial Statements,
and Required Supplementary Information**

December 31, 2025 and 2024



**University Health System Pension Plan
A Fiduciary Component Unit of Bexar County Hospital District d/b/a University Health
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December 31, 2025 and 2024**

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Independent Auditor's Report

Board of Trustees
University Health System Pension Plan
San Antonio, Texas

Opinion

We have audited the financial statements of the University Health System Pension Plan (Plan), a fiduciary component unit of Bexar County Hospital District d/b/a University Health, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of December 31, 2025 and 2024, and the changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher

than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The schedule of investment expenses and investment manager information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we do not express an opinion on it or provide any assurance on it.

Forvis Mazars, LLP

Dallas, Texas
May 14, 2026

**University Health System Pension Plan
A Fiduciary Component Unit of Bexar County Hospital District d/b/a University Health
Management’s Discussion and Analysis
Years Ended December 31, 2025 and 2024**

Management’s Discussion and Analysis

This management’s discussion and analysis of the University Health System Pension Plan (Plan), a fiduciary component unit of Bexar County Hospital District d/b/a University Health, is for the years ended December 31, 2025 and 2024. This analysis provides a summary of the financial position of the Plan, including highlights and comparisons. It should be read in conjunction with the financial statements, including notes and supplementary schedules.

This financial report is designed to provide a general overview of the Plan’s finances and to demonstrate the Plan’s accountability for the contributions it receives. If you have any questions about this report or need additional financial information, contact the Plan’s Financial Offices at 4502 Medical Drive, San Antonio, Texas 78229.

Overview of the Financial Statements

The financial statements of the Plan include statements of fiduciary net position and statements of changes in fiduciary net position. The purpose of these statements is to present information about the Plan’s present and future ability to pay benefits as they become due. These statements are presented using an economic resource measurement focus and the accrual basis of accounting. The financial statements also include notes that explain the history and purpose of the Plan, significant accounting policies, investment details, and other required information regarding the financial position of the Plan.

Analysis of the Plan’s Finances

Table 1: Assets, Liabilities, and Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>Changes 2025–2024</u>	<u>Changes 2024–2023</u>
Assets	\$ 810,592,094	\$ 687,215,563	\$ 628,355,627	17.95%	9.37%
Liabilities	\$ 472,241	\$ 447,301	\$ 435,843	5.58%	2.63%
Net position	\$ 810,119,853	\$ 686,768,262	\$ 627,919,784	17.96%	9.37%

The assets of the Plan consist of cash and cash equivalents, investments, and receivables. The increase in net position is primarily a result of the fair value of investments increasing by an amount that exceeds benefits paid in 2025. Net position held in trust by the Plan totaled \$810,119,853 and \$686,768,262 at December 31, 2025 and 2024, respectively. The Plan’s net position increased by \$123,351,591 in 2025 compared to an increase of \$58,848,478 in 2024. The net position of the Plan is held exclusively for the benefit of plan participants, their beneficiaries, and reasonable administrative expenses for administering the Plan.

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Table 2: Changes in Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>Changes 2025-2024</u>	<u>Changes 2024-2023</u>
Contributions	\$ 45,514,083	\$ 40,758,845	\$ 36,898,384	11.67%	10.46%
Net investment income	119,310,381	54,366,655	72,332,081	119.46%	-24.84%
Total additions	<u>164,824,464</u>	<u>95,125,500</u>	<u>109,230,465</u>	<u>73.27%</u>	<u>-12.91%</u>
Benefits paid	40,294,455	35,601,432	35,454,897	13.18%	0.41%
Administrative expenses	1,178,418	675,590	555,064	74.43%	21.71%
Total deductions	<u>41,472,873</u>	<u>36,277,022</u>	<u>36,009,961</u>	<u>14.32%</u>	<u>0.74%</u>
Change in net position	<u>\$ 123,351,591</u>	<u>\$ 58,848,478</u>	<u>\$ 73,220,504</u>	<u>109.61%</u>	<u>-19.63%</u>

The additions to the Plan are comprised of contributions and investment returns, and the primary deductions from the Plan are for benefits paid to the Plan’s participants and their beneficiaries. Contributions made in 2025 totaled \$45,514,083, which was an increase of \$4,755,238 from the contributions made in 2024. Contributions made in 2024 totaled \$40,758,845, which was an increase of \$3,860,461 from the contributions made in 2023. Benefits payments made in 2025 totaled \$40,294,455, which was an increase of \$4,693,023 from the benefits payments made in 2024. Benefits payments made in 2024 totaled \$35,601,432, which was an increase of \$146,535 from the benefits payments made in 2023. Net investment income was \$119,310,381 in 2025, compared to net investment income of \$54,366,655 in 2024, which represents an increase in investment income of \$64,943,726 in 2025 due to positive performance in the markets. Net investment income was \$54,366,655 in 2024, compared to net investment income of \$72,332,081 in 2023, which represents a decrease in investment income of \$17,965,426 in 2024 due to less favorable market conditions.

University Health System Pension Plan
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Statements of Fiduciary Net Position
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and Cash Equivalents	\$ 5,221,583	\$ 5,070,968
Employer Contributions Receivable	765,551	1,351,114
Investments		
Marketable securities		
Common stocks – mid capitalization	47,023,866	46,447,016
Mutual funds – common stocks – large capitalization	143,191,059	141,015,186
Mutual funds – fixed income securities	81,689,743	68,866,038
International equity trust	108,772,372	86,800,216
Equity trust	39,795,675	48,337,390
Fixed income trust	82,483,408	70,739,886
Total marketable securities	<u>502,956,123</u>	<u>462,205,732</u>
Alternative investments		
Investment in Arrowstreet Capital, Ltd.	138,886,707	98,378,147
Investment in Portfolio Advisors Private Equity Fund VI, VII, VIII, IX, and XI, XII L.P.	33,265,569	35,191,839
Investment in CMMT Partners LP	12,500,000	-
Investment in Hines US Property Partners	12,792,660	-
Investment in Real Estate Trusts	42,626,653	37,924,500
Investment in Standard Life Investments	-	23,067
Investment in Newton Investment Management	40,539,775	31,736,044
Investment in Pantheon Access Luxembourg	21,037,473	15,334,152
Total alternative investments	<u>301,648,837</u>	<u>218,587,749</u>
Total Investments	<u>804,604,960</u>	<u>680,793,481</u>
Total Assets	<u>810,592,094</u>	<u>687,215,563</u>
LIABILITIES		
Accrued expenses	472,241	447,301
Total Net Position Restricted for Pensions	<u>\$ 810,119,853</u>	<u>\$ 686,768,262</u>

University Health System Pension Plan
A Fiduciary Component Unit of Bexar County Hospital District d/b/a University Health
Statements of Changes in Fiduciary Net Position
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Additions		
Contributions		
Plan members	\$ 17,439,828	\$ 14,615,220
Employer	28,074,255	26,143,625
Total contributions	<u>45,514,083</u>	<u>40,758,845</u>
Investment income		
Interest income	855,004	385,969
Dividend income	6,699,671	6,509,840
Net appreciation in fair value of investments	113,808,236	49,367,069
Investment expenses	<u>(2,052,530)</u>	<u>(1,896,223)</u>
Net investment income	<u>119,310,381</u>	<u>54,366,655</u>
Total Additions	<u>164,824,464</u>	<u>95,125,500</u>
Deductions		
Benefits paid to plan members	40,294,455	35,601,432
Administrative expenses	<u>1,178,418</u>	<u>675,590</u>
Total Deductions	<u>41,472,873</u>	<u>36,277,022</u>
Increase in Net Position	123,351,591	58,848,478
Net Position Restricted for Pensions, Beginning of Year	<u>686,768,262</u>	<u>627,919,784</u>
Net Position Restricted for Pensions, End of Year	<u>\$ 810,119,853</u>	<u>\$ 686,768,262</u>

University Health System Pension Plan
A Fiduciary Component Unit of Bexar County Hospital District d/b/a University Health
Notes to Financial Statements
December 31, 2025 and 2024

Note 1. Reporting Entity and Summary of Significant Accounting Policies

The University Health System Pension Plan (Plan) is a single-employer defined benefit pension plan that covers substantially all full-time and part-time employees of its sponsor, Bexar County Hospital District d/b/a University Health (University Health) and provides for pension and death benefits. Participation in the Plan is a condition of employment for all eligible employees. The Plan is administered by a Board of Trustees that is comprised of 7 to 9 individuals. Two Trustees are appointed from University Health's administrative staff, two Trustees are appointed from University Health's Board of Managers, and 3 to 5 Trustees are appointed from Bexar County residents.

Basis of Accounting

The financial statements of the Plan have been prepared in conformity with accounting principles generally accepted in the United States of America for local governmental units as prescribed by the Governmental Accounting Standards Board. The Plan's financial statements are prepared using the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and the actuarial present value of accumulated plan benefits at the date of the financial statements and changes therein. Actual results could differ from those estimates.

Federal Income Tax Status

The Plan was determined to be qualified pursuant to Section 401 of the Internal Revenue Code and is, therefore, exempt from income taxes. The Plan has obtained a favorable determination letter from the Internal Revenue Service and believes it continues to qualify and operate as designed.

Valuation of Investments and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Alternative investments are held in the form of nonmarketable limited partnerships and private equity funds. The fair valuation of these investments is based on net asset values (NAV) as set by the fund managers or general partners. These values may differ from the value that would have been used had a readily available market for the investments existed and such differences could be material.

The Plan's interest in the collective trusts is valued based on information reported by the investment advisor using the audited financial statements of the collective trust at year-end.

The Plan's investment policy is reviewed by the Plan Trustees annually with any amendments requiring the approval of University Health's Board of Managers. The policy includes target asset allocations and benchmark criteria. There were no changes to the policy in 2025.

Purchases and sale of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

University Health System Pension Plan
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Note 2. Description of Plan

Eligibility

University Health sponsors a single-employer defined benefit pension plan that covers substantially all of University Health's employees who work at least 20 hours per week or at least 1,000 hours annually. Employees are eligible for participation in the Plan after attaining the age of 21 and completing one year of service. Employees hired as of June 30, 2012 participate in the Defined Benefit aspect of the Plan, while those hired after June 30, 2012 participate in the Cash Balance portion of the Plan.

Plan Membership

Plan membership consisted of the following at December 31:

	<u>2025</u>	<u>2024</u>
Inactive participants		
Retirees and beneficiaries currently receiving benefits	1,566	1,513
Terminated employees with deferred benefits	<u>5,131</u>	<u>4,838</u>
Total inactive participants	<u>6,697</u>	<u>6,351</u>
Active participants		
Fully vested	4,676	4,460
Nonvested	<u>4,304</u>	<u>2,627</u>
Total active participants	<u>8,980</u>	<u>7,087</u>
Total participants	<u><u>15,677</u></u>	<u><u>13,438</u></u>

Contributions

University Health has agreed (but does not guarantee) to voluntarily contribute such amounts as are necessary to maintain the Plan on a sound actuarial basis. University Health has the right to discontinue such contributions and terminate the Plan at any time. However, under no condition may University Health withdraw its contributions or use them for any purpose other than the exclusive benefit of the plan participants and their beneficiaries and to pay for administrative expenses.

Participants in the Plan, hired before June 30, 2012, contribute 2% of gross pay upon achievement of eligibility and thereafter until the time of retirement or separation from employment with University Health. University Health makes contributions that are actuarially determined to pay the Plan's total cost (determined as a level of percentage of total participant compensation) less the projected employee contributions.

Participants in the Cash Balance portion of the Plan, which are those employees hired after June 30, 2012, contribute 3% of gross pay upon achievement of eligibility and thereafter until the time of retirement or separation from employment with University Health. University Health makes contributions to the Plan on behalf of the employee equal to 3% of the employee's gross pay. Benefits for Cash Balance participants are based on the actuarial equivalent of 6% of the participant's compensation plus interest earned. University Health began making contributions to the Cash Balance portion of the Plan effective January 1, 2014.

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University Health also deposits amounts to the Plan to fund a Match Savings Plan to encourage eligible employees to participate in a 457 Deferred Compensation Retirement Savings Plan (457 Plan or the Match Savings Plan). Under the Match Savings Plan, University Health will deposit 25% of an employee's contribution to the 457 Plan, up to the lower of 4% of compensation or \$12,000. Benefits will be distributed upon retirement or separation from service after satisfying the vesting requirements.

In the event of plan termination, the net position of the Plan is to be used to pay benefits in the following order:

- (A) to retired participants, contingent pensioners, and other beneficiaries who are receiving benefits on the date of termination, and to participants who have attained normal retirement age but who have not yet retired before the date of termination;
- (B) to retired participants whose early pension or deferred vested pension payments are deferred to commence after the date of termination;
- (C) to participants who have met the eligibility requirements for early retirement or deferred vested retirement but who have not yet retired before the date of termination;
- (D) to all other participants according to the respective actuarial values of their accrued benefits as of the date of termination.

The actuarially determined annual required contributions of University Health for the years ended December 31, 2025 and 2024 were \$24,644,000 and \$23,382,000, respectively, which were paid by the end of the respective fiscal year-ends.

Vesting

Plan participants have a 100% vested right in the accrued benefits derived from their accumulated contributions.

With regard to participants' accrued benefits derived from employer contributions, the participants become fully vested at the completion of 5 years of vesting service.

Retirement and Death Benefits

Participants are eligible for normal retirement benefits after attaining age 65 and completing five years of vesting service; or, after age 55 and the number of years of service needed to equal 85 (Rule of 85). Annual normal retirement benefits (accrued benefits) are equal to 1.5% of the participant's average five highest years' pay in the last 10 years, times the number of years of credited service.

An early retirement provision is available to participants who attain age 55 and 5-years vesting service, but do not satisfy the Rule of 85. The early retirement benefit equals the normal retirement benefit at actual retirement reduced at the rate of 1/15 for each of the first five years before age 65 and 1/30 for each of the next five years before age 65 and the participant's actual retirement age.

Pre-retirement death benefits before vesting or attainment of age 55 are equal to the amount of the participant's contributions plus 4.5% interest per annum and may be distributed in a lump sum or in installments up to 60 months.

Pre-retirement death benefits on or after eligibility for normal retirement are payable monthly to the named beneficiary and equal to 50% of the present actuarial value of the participant's accrued benefit otherwise payable on the participant's date of death.

University Health System Pension Plan
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Plan Amendments

On June 11, 2012, the Plan was amended to indicate that employees hired by University Health after June 30, 2012 are not eligible to participate in the Plan, except for the 457 Match Savings Plan. Other employees rehired after June 30, 2012 shall be treated as subject to this amendment unless they were vested in their accrual benefits prior to the date of being rehired.

On September 24, 2013, the Plan was amended to indicate that employees hired by University Health after June 30, 2012 and previously unvested rehires are eligible to participate in the contributory Cash Balance portion of the Plan.

Note 3. Investments

The Plan's assets are invested as authorized by the Plan's investment policy. The Plan utilizes investment consultants who make recommendations to the Plan as to the appropriate target portfolio (e.g., stocks, mutual funds, limited partnerships, cash, etc.) within the Plan. The majority of the Plan's assets, with the exception of alternative investments, are held by a custodian bank, Principal Bank. Cash equivalents are invested in a short-term money market fund administered by the Plan's custodian bank.

The Plan's investments (including investments bought and sold as well as held during the year) appreciated (depreciated) in value as follows:

	<u>2025</u>	<u>2024</u>
Mutual funds – common stocks – large capitalization	\$ 46,388,862	\$ 29,764,656
Common stocks – mid capitalization	3,588,081	10,083,656
Mutual funds – Fixed income securities	9,648,376	(326,022)
Arrowstreet Capital International Equity Fund	47,508,560	7,158,831
Portfolio Advisors Private Equity Funds	146,854	446,856
Pantheon Access Luxembourg	1,779,089	915,121
Real Estate Trusts	(32,250)	(1,167,084)
Newton Global Investments	4,780,664	2,491,055
	<u>\$ 113,808,236</u>	<u>\$ 49,367,069</u>
Total appreciation in value		

Foreign Currency Risk – Foreign currency risk is the risk of losses arising from foreign changes in exchange rates. The Plan's investment policy has a target allocation for foreign investments of 24% with a range of 15% to 29%. The Plan is subject to currency risk as currency exposures are unhedged. As international currencies gain or lose value in relation to the United States dollar, the fund will gain or lose value. The currency risk inherent in the fund's investments is mitigated as a result of the fund investing only in developed markets.

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The following schedule addresses foreign currency risk exposure and by specific currencies:

Currency	2025		2024	
	Fair Value	Allocation	Fair Value	Allocation
United Arab Emirates (AED)	\$ 555,547	0.22%	\$ (1,670,395)	-0.90%
Australia (AUD)	3,277,726	1.32%	4,623,666	2.50%
Bahrain (BHD)	(208,330)	-0.08%	(119,135)	-0.06%
Brazil (BRL)	1,736,084	0.70%	3,562,956	1.92%
Canada (CAD)	14,408,531	5.82%	9,023,458	4.87%
Switzerland (CHF)	11,989,486	4.84%	13,877,066	7.49%
Chile (CLP)	166,664	0.07%	(30,418)	-0.02%
China offshore (CNH)	(4,791,591)	-1.93%	4,068,549	2.20%
China (CNY)	23,880,762	9.64%	18,451,287	9.96%
Colombia (COP)	180,553	0.07%	(58,997)	-0.03%
Czech Republic (CZK)	(1,972,191)	-0.80%	(1,632,872)	-0.88%
Denmark (DKK)	(7,541,110)	-3.04%	(4,444,656)	-2.40%
Egypt (EGP)	(527,769)	-0.21%	(1,176,322)	-0.64%
European Union (EUR)	43,780,021	17.68%	33,838,490	18.27%
United Kingdom (GBP)	21,457,568	8.66%	14,611,963	7.89%
Hong Kong (HKD)	9,489,414	3.83%	1,017,513	0.55%
Hungary (HUF)	97,221	0.04%	(1,333,341)	-0.72%
Indonesia (IDR)	2,306,848	0.93%	1,421,332	0.77%
Israel (ILS)	1,347,201	0.54%	950,090	0.51%
India (INR)	7,013,779	2.83%	5,550,503	3.00%
Japan (JPY)	45,392,856	18.33%	36,972,291	19.97%
Korea (KRW)	7,914,855	3.20%	2,641,644	1.43%
Kuwait (KWD)	(1,097,205)	-0.44%	(935,018)	-0.50%
Morocco (MAD)	97,221	0.04%	119,848	0.06%
Mexico (MXN)	1,387,304	0.56%	2,783,648	1.50%
Malaysia (MYR)	41,666	0.02%	71,107	0.04%
Norway (NOK)	2,194,410	0.89%	474,192	0.26%
New Zealand (NZD)	(1,222,203)	-0.49%	(2,960,076)	-1.60%
Oman (OMR)	(472,215)	-0.19%	(567,252)	-0.31%
Peru (PEN)	277,773	0.11%	11,503	0.01%
Philippines (PHP)	361,105	0.15%	(21,489)	-0.01%
Pakistan (PKR)	13,889	0.01%	27,840	0.02%
Poland (PLN)	(680,545)	-0.27%	(1,216,732)	-0.66%
Qatar (QAR)	277,773	0.11%	(297,752)	-0.16%
Romania (RON)	(152,775)	-0.06%	(114,568)	-0.06%
Russia (RUB)	27,777	0.01%	17,359	0.01%
Saudi Arabia (SAR)	4,156,480	1.68%	(4,076,735)	-2.20%
Sweden (SEK)	6,282,450	2.54%	7,810,104	4.22%
Singapore (SGD)	388,883	0.16%	4,324,338	2.34%
Thailand (THB)	124,998	0.05%	114,392	0.06%
Turkey (TRY)	(1,640,077)	-0.66%	(4,418,449)	-2.39%
Taiwan (TWD)	35,477,477	14.33%	5,480,033	2.96%
United States (USD)	20,999,670	8.48%	38,443,808	20.76%
South Africa (ZAR)	861,098	0.35%	(36,410)	-0.02%
	<u>\$ 247,659,079</u>	<u>100%</u>	<u>\$ 185,178,363</u>	<u>100%</u>

University Health System Pension Plan
A Fiduciary Component Unit of Bexar County Hospital District d/b/a University Health
Notes to Financial Statements
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Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the Plan invests in high-quality, short-term money market instruments. These investments may have fixed, floating, or variable rates of interest. The security selection is based on several factors, including credit quality, yield, and maturity, while taking into account the fund's overall level of liquidity and weighted average maturity.

The Plan's fixed income mutual bond funds are also subject to interest rate risk. As indicated in the Plan's investment policy, investments in fixed income securities should range between 20% and 30% of the total investments. This target range helps limit its exposure to fair value losses arising from rising interest rates. The Plan invests in one fixed income mutual fund, Dodge Cox Income Fund, with values of \$81,689,743 and \$68,866,038 as of December 31, 2025 and 2024, respectively.

Custodial Credit Risk – The custodial credit risk for investments is the risk that, in the event of failure of the counterparty to an investment transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Plan's money market funds in the amount of \$5,221,583 and \$5,070,968 at December 31, 2025 and 2024, respectively, are held by Principal. Principal acts as the disbursing agent for benefits to participants and pays expenses approved by an authorized officer member of the Board of Trustees.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and significant to the fair value of the assets or liabilities

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Recurring Measurements

The following tables present the fair value measurements of assets recognized in the financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31:

Type	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2025				
Investments by fair value level				
Common stocks	\$ 47,023,866	\$ 47,023,866	\$ -	\$ -
Money market mutual fund	5,221,583	5,221,583	-	-
Mutual funds – equities	143,191,059	143,191,059	-	-
Mutual funds – fixed income securities	81,689,743	81,689,743	-	-
Total investments by fair value level	277,126,251	\$ 277,126,251	\$ -	\$ -
Investments measured at NAV				
Arrowstreet Capital, Ltd.	138,886,707			
Portfolio Advisors Private Equity Fund	33,265,569			
CMMT Partners LP	12,500,000			
Hines US Property Partners	12,792,660			
Real Estate Trusts	42,626,653			
Newton Investment Management	40,539,775			
Pantheon Access Luxembourg	21,037,473			
Equity trust	39,795,675			
International equity trust	108,772,372			
Fixed income trust	82,483,408			
Total investments measured at NAV	532,700,292			
Total cash, cash equivalents, and investments	\$ 809,826,543			

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Type	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2024				
Investments by fair value level				
Common stocks	\$ 46,447,016	\$ 46,447,016	\$ -	\$ -
Money market mutual fund	5,070,968	5,070,968	-	-
Mutual funds – common stocks	141,015,186	141,015,186	-	-
Mutual funds – fixed income securities	68,866,038	68,866,038	-	-
Total investments by fair value level	<u>261,399,208</u>	<u>\$ 261,399,208</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at NAV				
Arrowstreet Capital, Ltd.	98,378,147			
Portfolio Advisors Private Equity Fund	35,191,839			
Real Estate Trusts	37,924,500			
Standard Life Investments	23,067			
Newton Global Investments	31,736,044			
Pantheon Access Luxembourg	15,334,152			
Equity trust	48,337,390			
International equity trust	86,800,216			
Fixed income trust	<u>70,739,886</u>			
Total investments measured at NAV	<u>424,465,241</u>			
Total cash, cash equivalents, and investments	<u>\$ 685,864,449</u>			

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Investments measured at NAV, unfunded commitments, redemption frequency, and redemption notice period are as follows as of December 31:

<u>Investments Measured At NAV</u>	<u>Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
2025				
Arrowstreet Capital, Ltd.	\$ 138,886,707	N/A	Monthly	6 days
Portfolio Advisors Private Equity	33,265,569	\$ 24,026,414	N/A	N/A
CMMT Partners LP	12,500,000	N/A	Annual	90 days
Hines US Property Partners	12,792,660	N/A	Quarterly	90 days
Real Estate Trusts	42,626,653	N/A	Quarterly	60 days
Newton Global Investments	40,539,775	N/A	Daily	3 days
Pantheon Access Luxembourg Equity trust	21,037,473	\$ 11,449,000	N/A	N/A
International equity trust	39,795,675	N/A	Daily	1 day
Fixed income trust	108,772,372	N/A	Daily	5 days
	<u>82,483,408</u>	N/A	Daily	1 Day
	<u>\$ 532,700,292</u>			
2024				
Arrowstreet Capital, Ltd.	\$ 98,378,147	N/A	Monthly	30 days
Portfolio Advisors Private Equity	35,191,839	\$ 15,372,044	N/A	N/A
Real Estate Trusts	37,924,500	N/A	Quarterly	90 days
Standard Life Investments	23,067	N/A	Monthly	N/A
Newton Global Investments	31,736,044	N/A	Daily	3 days
Pantheon Access Luxembourg Equity trust	15,334,152	\$ 14,407,000	N/A	N/A
International equity trust	48,337,390	N/A	Daily	1 Day
Fixed income trust	86,800,216	N/A	Daily	1 Day
	<u>70,739,886</u>	N/A	Daily	1 Day
	<u>\$ 424,465,241</u>			

Arrowstreet Capital International Equity Fund invests in a risk-controlled core portfolio of international equities similar to the MSCI ACWixUS index. The fair values of the investments in this asset have been determined using the NAV per share (or its equivalents) based on the market value of securities held.

Portfolio Advisors Private Equity Funds VI, VII, VIII, IX, and XI and the Pantheon Access Luxembourg fund are private equity investments. These investments cannot be withdrawn or transferred without the consent of the General Partner. Instead, the nature of the investments in this type is that distributions are received through the liquidation of the underlying assets of each fund. The availability of observable inputs can vary from security to security and is affected by a wide variety of factors including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. Investments in the limited partnerships are valued at their NAV as reported by their underlying investment manager.

Real Estate Trusts are perpetual life, open-ended commingled funds for the objective and purpose of creating a high quality, low risk, diversified portfolio of stabilized, income-producing real estate investments. This asset is valued at their NAV per share (or its equivalent) based on an annual appraisal performed by an independent appraisal management firm.

Newton Global Real Return Fund invests primarily in a diversified group of equities, bonds, cash, as well as other assets held via tradeable securities, including real estate, commodities, currencies, and alternative strategies.

CMMT Partners LP is an open-ended, private debt fund targeting the origination of commercial real estate-based loans meeting the criteria described in the LPA. Limited partners hold interests in the Fund which invests directly or

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indirectly through parallel funds, one or more holding entities, feeder funds, and/or alternative vehicles. This asset is valued at their NAV per share (or its equivalent) based on an annual appraisal performed by an independent appraisal management firm.

Hines U.S. Property Partners LP is a diversified, open-end real estate investment fund that invests in income-producing real estate assets located in prime submarkets. This asset is valued at their NAV per share (or its equivalent) based on an annual appraisal performed by an independent appraisal management firm.

The Plan's interest in the collective trusts (NHIT: Core Plus Fixed Income Trust, Premier Advisor II CIF SER Conestoga Mid Cap, and Harding Loevner CIT) is valued based on information reported by the investment advisor using the audited financial statements of the collective trusts at year-end. The interest in the collective trust is measured at NAV per share (or its equivalent) and, therefore, is not classified in the fair value hierarchy.

Note 4. Capital Commitments

The Plan has a commitment to invest capital in two investment companies under investment capital agreements. These commitments are subject to periodic calls from the investment companies. Following are the changes in capital commitments:

	<u>2025</u>	<u>2024</u>
Commitment balance – beginning of year	\$ 29,779,044	\$ 37,526,592
Add amount committed during year	21,412,098	1,095,000
Less amount called during year	<u>(15,715,728)</u>	<u>(8,842,548)</u>
Commitment balance – end of year	<u>\$ 35,475,414</u>	<u>\$ 29,779,044</u>

Note 5. Net Pension Liability

The components of the net pension liability for University Health were as follows at December 31:

	<u>2025</u>	<u>2024</u>
Total pension liability	\$ 899,206,637	\$ 840,327,533
Plan fiduciary net position	<u>767,988,564</u>	<u>651,920,792</u>
Net pension liability	<u>\$ 131,218,073</u>	<u>\$ 188,406,741</u>
Plan fiduciary net position as a percentage of total pension liability	<u>85.41%</u>	<u>77.58%</u>

The Match Savings portion of the Plan is excluded from all liability and contribution calculations, and plan asset figures have been reduced to exclude the value of the Match Savings accounts.

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Actuarial Assumptions

The total pension liability as of December 31, 2025 was determined based on January 1, 2025 data using the following actuarial assumptions:

Actuarial cost method	Entry age normal cost
Amortization method	Closed
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	3.25%
Salary increases	5.25% (based on service, includes wage inflation at 3.25%)
Investment rate of return	7.0%, net of pension plan investment expense, including inflation
Retirement age	Based on age, ranging from age 55 to age 75, with 100% retirement at age 76. Higher rates apply when eligible for Rule of 85 prior to age 65.

Healthy mortality rates were based on the sex-distinct PubG-2010, projected with Generational Mortality (Scale MP-2021), with separate tables for males and females.

The Plan generally performs an experience study every 3 to 5 years. The assumptions used to generate the numbers in these statements were based on an experience study performed in 2024.

The long-term expected rate of return on pension fund investments was determined using a building-block method in which best-estimate ranges of future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric rates of return for each major asset class included in the pension fund's target asset allocation are summarized in the following table as of December 31, 2025:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.00%	4.85%
International Equity	26.00%	4.95%
Fixed Income	21.00%	2.25%
Real Estate	10.00%	3.75%
Private Equity	7.00%	6.00%
Absolute Return/Hedge Fund	5.00%	3.20%
	100.00%	

Discount Rate

The blended discount rate used to measure the total pension liability is 7.0%. The projection of SS cash flows used to determine the discount rate assumed that contributions from plan members and University Health will be made at the current contribution rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term

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expected rate of return on pension fund investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of University Health's calculation using the discount rate of 7.0%, as well as what University Health's net pension liability would be if it were calculated using a discount rate 1% higher and 1% lower than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
University Health's net pension liability	\$ 217,985,492	\$ 131,218,073	\$ 58,199,594

Note 6. Pension Plan Financial Statements

The following tables include financial information for the pension and Match Savings plans as of December 31:

	<u>2025</u>			<u>2024</u>		
	<u>Pension</u>	<u>Match Savings</u>	<u>Total</u>	<u>Pension</u>	<u>Match Savings</u>	<u>Total</u>
ASSETS						
Cash and Cash Equivalents	\$ 4,950,028	\$ 271,555	\$ 5,221,583	\$ 4,813,661	\$ 257,307	\$ 5,070,968
Employer Contributions Receivable	-	765,551	765,551	-	1,351,114	1,351,114
Investments						
Marketable securities						
Common stocks – mid capitalization	44,578,331	2,445,535	47,023,866	44,090,237	2,356,779	46,447,016
Mutual funds – common stocks – large capitalization	136,476,133	6,714,926	143,191,059	135,177,367	5,837,819	141,015,186
Mutual funds – fixed income securities	77,441,366	4,248,377	81,689,743	65,371,690	3,494,348	68,866,038
Mutual funds – international equity	103,115,530	5,656,842	108,772,372	82,395,866	4,404,350	86,800,216
Equity trust	37,726,052	2,069,623	39,795,675	45,884,691	2,452,699	48,337,390
Fixed income trust	78,193,756	4,289,652	82,483,408	67,150,457	3,589,429	70,739,886
Total marketable securities	<u>477,531,168</u>	<u>25,424,955</u>	<u>502,956,123</u>	<u>440,070,308</u>	<u>22,135,424</u>	<u>462,205,732</u>
Alternative investments						
Investment in Arrowstreet Capital, Ltd.	131,651,672	7,235,035	138,886,707	93,351,408	5,026,739	98,378,147
Investment in Portfolio Advisors Private Equity Fund VI, VII, VIII, IX, and XI, XII, L.P.	31,535,552	1,730,017	33,265,569	33,406,162	1,785,677	35,191,839
Investment in CMMT Partners LP	11,849,922	650,078	12,500,000	-	-	-
Investment in Hines US Property Partners	12,127,362	665,298	12,792,660	-	-	-
Investment in Real Estate Trusts	40,409,801	2,216,852	42,626,653	36,000,164	1,924,336	37,924,500
Investment in Standard Life Investments	-	-	-	21,897	1,170	23,067
Investment in Newton Investment Management	38,431,454	2,108,321	40,539,775	30,125,718	1,610,326	31,736,044
Investment in Pantheon Access Luxembourg	19,943,393	1,094,080	21,037,473	14,556,078	778,074	15,334,152
Total alternative investments	<u>285,949,156</u>	<u>15,699,681</u>	<u>301,648,837</u>	<u>207,461,427</u>	<u>11,126,322</u>	<u>218,587,749</u>
Total Investments	<u>763,480,324</u>	<u>41,124,636</u>	<u>804,604,960</u>	<u>647,531,735</u>	<u>33,261,746</u>	<u>680,793,481</u>
Total Assets	<u>768,430,352</u>	<u>42,161,742</u>	<u>810,592,094</u>	<u>652,345,396</u>	<u>34,870,167</u>	<u>687,215,563</u>
LIABILITIES						
Accrued expenses	447,682	24,559	472,241	424,604	22,697	447,301
Total Net Position Restricted for Pensions						

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	2025			2024		
	Pension	Match Savings	Total	Pension	Match Savings	Total
Additions						
Contributions						
Plan members	\$ 17,439,828	\$ -	\$ 17,439,828	\$ 14,615,220	\$ -	\$ 14,615,220
Employer	24,644,000	3,430,255	28,074,255	23,382,000	2,761,625	26,143,625
Total contributions	42,083,828	3,430,255	45,514,083	37,997,220	2,761,625	40,758,845
Investment Income						
Interest income	810,538	44,466	855,004	366,384	19,585	385,969
Dividend income	6,351,246	348,425	6,699,671	6,179,523	330,317	6,509,840
Net appreciation in fair value of investments	106,250,179	7,558,057	113,808,236	47,377,140	1,989,929	49,367,069
Investment expenses	(1,945,786)	(106,744)	(2,052,530)	(1,800,006)	(96,217)	(1,896,223)
Net investment income	111,466,178	7,844,203	119,310,381	52,123,041	2,243,614	54,366,655
Total Additions	153,550,006	11,274,458	164,824,464	90,120,261	5,005,239	95,125,500
Deductions						
Benefits paid to plan members	36,303,816	3,990,639	40,294,455	33,110,002	2,491,430	35,601,432
Administrative expenses	1,178,418	-	1,178,418	675,590	-	675,590
Total Deductions	37,482,234	3,990,639	41,472,873	33,785,592	2,491,430	36,277,022
Increase in Net Position	116,067,772	7,283,819	123,351,591	56,334,669	2,513,809	58,848,478
Net Position Restricted for Pensions, Beginning of Year	651,920,792	34,847,470	686,768,262	595,586,123	32,333,661	627,919,784
Net Position Restricted for Pensions, End of Year	\$ 767,988,564	\$ 42,131,289	\$ 810,119,853	\$ 651,920,792	\$ 34,847,470	\$ 686,768,262

Note 7. Subsequent Events

In January 2026, University Health amended the 457 Match Savings Plan to provide a match of up to 4% of eligible compensation at 50% for employees with 0 to 10 years of service and a match of up to 4% of eligible compensation at 100% for employees with 10 or more years of service. Additionally, eligibility under the plan was expanded to include UMA physicians. Plan amendments further provide a 403(b) match for certain executive team members.

Required Supplementary Information

University Health System Pension Plan
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Schedule of Changes in Net Pension Liability and Related Ratios
December 31,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	\$ 32,657,550	\$ 25,441,536	\$ 24,200,376	\$ 24,158,365	\$ 23,182,647	\$ 21,569,585	\$ 21,644,692	\$ 20,698,260	\$ 19,603,948	\$ 19,175,228
Interest	59,819,265	55,248,252	52,123,207	47,413,805	44,540,796	41,534,047	37,599,681	35,195,065	33,127,594	29,286,293
Effect of economic/demographic gains or losses	3,884,523	10,448,407	564,833	28,606,248	5,231,904	3,505,950	(659,022)	(1,304,127)	(6,090,546)	(4,243,338)
Changes of assumptions	-	2,548,629	-	-	(3,297,497)	-	20,879,114	-	-	26,890,274
Benefit payments, including refunds of employee contributions	(37,482,234)	(33,785,592)	(33,196,504)	(32,698,448)	(26,586,082)	(23,995,908)	(22,399,355)	(20,009,001)	(16,451,193)	(16,864,728)
Net Change in Total Pension Liability	58,879,104	59,901,232	43,691,912	67,479,970	43,071,768	42,613,674	57,065,110	34,580,197	30,189,803	54,243,729
Total Pension Liability – Beginning	840,327,533	780,426,301	736,734,389	669,254,419	626,182,651	583,568,977	526,503,867	491,923,670	461,733,867	407,490,138
Total Pension Liability – Ending (a)	<u>\$ 899,206,637</u>	<u>\$ 840,327,533</u>	<u>\$ 780,426,301</u>	<u>\$ 736,734,389</u>	<u>\$ 669,254,419</u>	<u>\$ 626,182,651</u>	<u>\$ 583,5</u>			
Plan Fiduciary Net Position										
Contributions – employer	\$ 24,644,000	\$ 23,382,000	\$ 21,868,000	\$ 21,503,000	\$ 21,734,000	\$ 21,502,000	\$ 23,431,000	\$ 24,110,000	\$ 24,296,000	\$ 17,891,000
Contributions – employee	17,439,828	14,615,220	12,468,394	11,132,696	10,877,323	9,750,999	8,795,716	8,045,526	7,325,068	6,588,545
Net investment income (loss)	111,466,178	52,123,041	67,112,030	(77,638,936)	85,090,343	70,099,819	65,939,213	(15,129,290)	53,558,684	19,943,600
Benefit payments, including refunds of employee contributions	(37,482,234)	(33,785,592)	(33,196,504)	(32,698,448)	(26,586,082)	(23,995,908)	(22,399,355)	(20,009,001)	(16,451,193)	(16,864,728)
Net Change in Plan Fiduciary Net Position	116,067,772	56,334,669	68,251,920	(77,701,688)	91,115,584	77,356,910	75,766,574	(2,982,765)	68,728,559	27,558,417
Plan Fiduciary Net Position – Beginning	651,920,792	595,586,123	527,334,203	605,035,891	513,920,307	436,563,397	360,796,823	363,779,588	295,051,029	267,492,612
Plan Fiduciary Net Position – Ending (b)	<u>\$ 767,988,564</u>	<u>\$ 651,920,792</u>	<u>\$ 595,586,123</u>	<u>\$ 527,334,203</u>	<u>\$ 605,035,891</u>	<u>\$ 513,920,307</u>	<u>\$ 436,5</u>			
Net Pension Liability – Ending (a) – (b)	<u>\$ 131,218,073</u>	<u>\$ 188,406,741</u>	<u>\$ 184,840,178</u>	<u>\$ 209,400,186</u>	<u>\$ 64,218,528</u>	<u>\$ 112,262,344</u>	<u>\$ 147,0</u>			
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.4%	77.6%	76.3%	71.6%	90.4%	82.1%	74.8%	68.5%	74.0%	63.9%
Covered Payroll	\$ 724,842,563	\$ 550,780,713	\$ 494,889,018	\$ 471,477,819	\$ 443,686,078	\$ 410,769,235	\$ 380,744,589	\$ 354,486,512	\$ 331,014,376	\$ 307,617,260
Plan's Net Pension Liability as a Percentage of Covered Payroll	18.1%	34.2%	37.3%	44.4%	14.5%	27.3%	38.6%	46.7%	38.7%	54.2%

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Schedule of Pension Contributions

Date	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
January 1, 2025	\$ 24,644,000	\$ 24,644,000	\$ -	\$ 724,842,563	3.4%
January 1, 2024	\$ 23,382,000	\$ 23,382,000	\$ -	\$ 550,780,713	4.2%
January 1, 2023	\$ 21,868,000	\$ 21,868,000	\$ -	\$ 494,889,018	4.4%
January 1, 2022	\$ 21,503,000	\$ 21,503,000	\$ -	\$ 471,477,819	4.6%
January 1, 2021	\$ 21,734,000	\$ 21,734,000	\$ -	\$ 443,686,078	4.9%
January 1, 2020	\$ 21,502,000	\$ 21,502,000	\$ -	\$ 410,769,235	5.2%
January 1, 2019	\$ 20,431,000	\$ 23,431,000	\$ (3,000,000)	\$ 380,744,589	6.2%
January 1, 2018	\$ 21,110,000	\$ 24,110,000	\$ (3,000,000)	\$ 354,486,512	6.8%
January 1, 2017	\$ 21,296,000	\$ 24,296,000	\$ (3,000,000)	\$ 331,014,376	7.3%
January 1, 2016	\$ 17,891,000	\$ 17,891,000	\$ -	\$ 307,617,260	5.8%

Notes to Schedule

Valuation date

Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry age normal cost
Amortization method	Closed
Remaining amortization period	20
Asset valuation method	5-year smoothed market
Inflation	3.25%
Salary increases	5.25% (based on service, includes wage inflation at 3.25%)
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Retirement age	Based on age, ranging from age 55 to age 76, with 100% retirement at age 76. Higher rates apply when eligible for Rule of 85 prior to age 65.
Mortality – Active Lives	PubG-2010 Sex Distinct Employee; projected with Generational Mortality (Scale MP-2021)
Mortality – Retired Lives	PubG-2010 Sex Distinct Healthy Retiree; projected with Generational Mortality (Scale MP-2021)
Mortality – Contingent Survivor Lives	PubG-2010 Sex Distinct Survivor; projected with Generational Mortality (Scale MP-2021)
Other information	Plan is frozen to new participants effective June 30, 2012

University Health System Pension Plan
A Fiduciary Component Unit of Bexar County Hospital District d/b/a University Health
Schedule of Investment Return
December 31,

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expense	15.7%	7.8%	11.7%	-14.6%	14.7%	14.3%	15.0%	-5.6%	16.9%	6.4%

Supplementary Information

University Health System Pension Plan
A Fiduciary Component Unit of Bexar County Hospital District d/b/a University Health
Schedule of Investment Expenses and Investment Manager Information
December 31, 2025

Investment Expenses

The Plan's investment expenses are summarized as follows for the year ended December 31, 2025:

	Direct and Indirect Fees and Commissions					Total
	Management Fees Paid From Trust	Management Fees Netted From Returns	Total Management Fees	Brokerage Fees/Commissions	Profit Share/Carried Interest	
Cash	\$ -	\$ 3,045	\$ 3,045	\$ -	\$ -	\$ 3,045
Equity securities	1,112,587	929,910	2,042,497	-	-	2,042,497
Fixed income securities	213,183	331,629	544,812	-	-	544,812
Real assets	555,609	137,581	693,190	-	-	693,190
Alternative/other	-	232,481	232,481	-	-	232,481
Total Direct and Indirect Fees and Commissions	<u>\$ 1,881,379</u>	<u>\$ 1,634,646</u>	<u>\$ 3,516,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,516,025</u>
Investment Services						
Custodial						92,531
Investment consulting						<u>171,151</u>
Total Investment Services						<u>263,682</u>
Total Investment Expenses						<u>\$ 3,779,707</u>

The following investment managers and funds are utilized by the Plan:

BNY Newton Global Investment Management
Portfolio Advisors Private Equity
Pantheon Ventures
Heitman American Real Estate Trust
Arrowstreet Capital
Principal Global Investors
Walthausen & Company, LLC
Systematic Financial Management
CMMT Partners LP
Hines US Property Partners