



2020 Annual Performance Review

Omaha Public Power District

Retirement Plan

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Presenting Today



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Agenda

Market Environment

Total Fund Results

- Review of Retirement Fund Financial Objectives

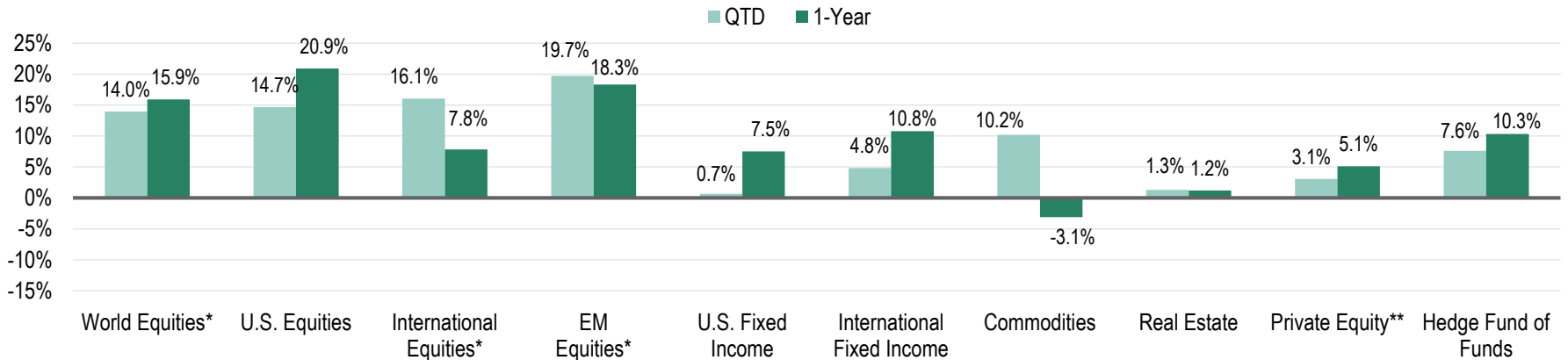
Individual Manager Results

- Domestic Equity
- International Equity
- Domestic Fixed Income
- Global Fixed Income/Emerging Market Debt
- Private Real Estate

Total Fund Summary

2020 In Review

Summary of Investment Returns



- As the COVID-19 pandemic engulfed societies, the global economy came to a crushing halt in 2020 due to government-mandated lockdowns.
- The U.S. endured the largest quarterly GDP decline in history, followed by the largest-ever rise in GDP as the economy emerged from the pandemic-induced shutdown.
- The unemployment rate began 2020 at a 50-year low (3.5%), surged to its highest level since the Great Depression (14.7%) before ending the year below 7%.
- The pandemic was the catalyst for the largest and most sudden global stock market crash since 1929. Exemplified by the S&P 500, which plunged 34% in just 23 trading days. It took just five months to regain the losses.
- The extreme moves were not confined to stocks, however, as oil prices briefly fell into negative territory, and the 10-year Treasury yield dropped to an all-time low near 0.30%.
- The financial markets and the U.S. economy weathered the roller coaster ride of 2020 better than many strategists had predicted.
- Both stocks and bonds posted positive returns for the year, with U.S. “growth oriented” stocks leading the way by returning 35% - 40% depending on market capitalization. By comparison, “value oriented: stocks were essentially flat for the year.
- Emerging-market equities dominated the international markets outpacing developed country equities by more than 10%.
- Diversified portfolios saw decent gains from bonds as well, as central bank stimulus pushed bond prices up and interest rates to historic lows.

* Net Dividends Reinvested

** Performance as of Q1 2020 because more recent performance data is not yet available.

Sources: Investment Metrics, Thomson One, FactSet

2020 Asset Change

Asset Growth

(\$000'S)

December 31, 2019 – December 31, 2020

Beginning Market Value		\$1,055,899
Net External Growth*		-33,119
Return on Investment		
Income Received	\$9,815	
Gain/Loss	125,599	135,414
Ending Market Value		\$1,158,194

*OPPD and employee contributions less benefit payments and Plan expenses.

Review of Retirement Fund Financial Objective #1

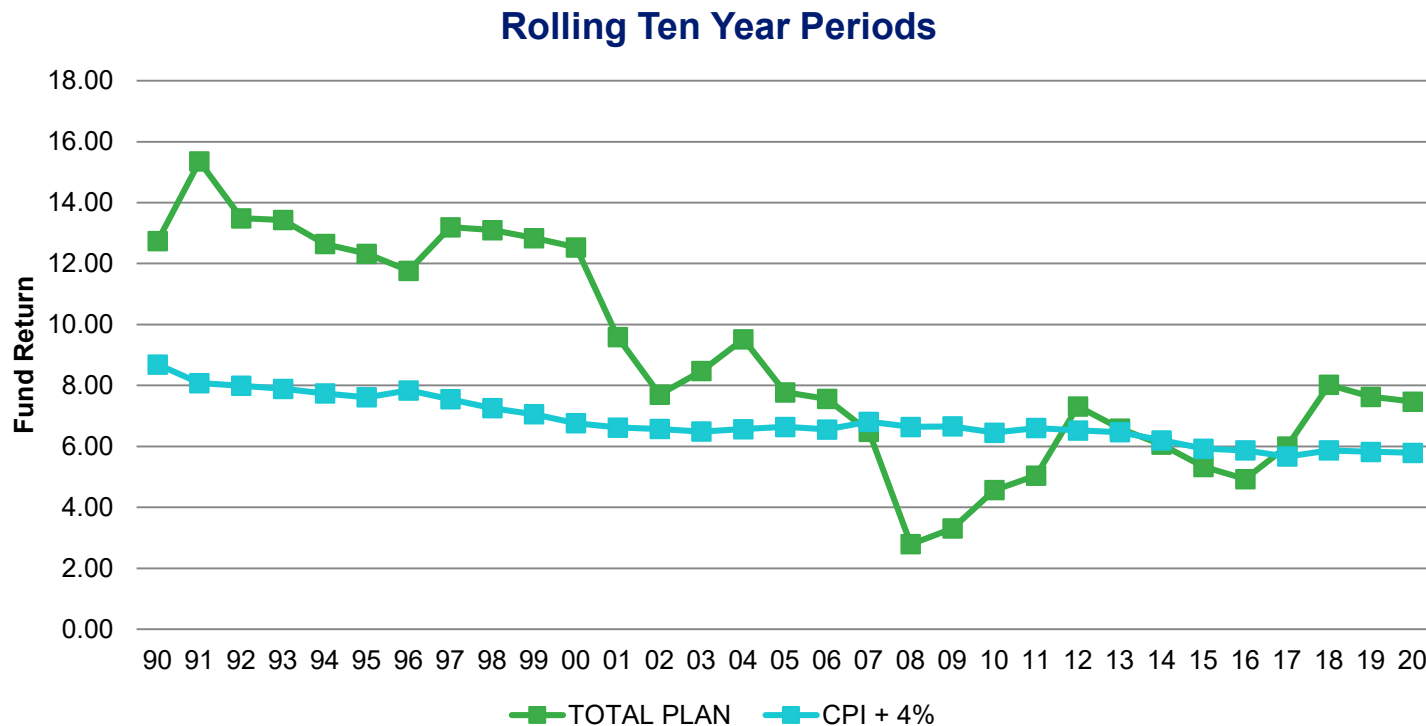
The District's Retirement Fund Objective #1 is to exceed its benchmark index net of management fees.

	1 Yr	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	15 Yrs
TOTAL PLAN	12.9	15.5	7.6	9.4	7.0	7.5	6.7
Policy Index	12.7	15.1	7.9	9.2	7.0	7.4	6.5
Difference	0.2	0.4	-0.3	0.2	0.0	0.1	0.2

Review of Retirement Fund Financial Objective #2

The District's Retirement Fund Objective #2 is to earn 4.0% above the rate of inflation.

- For the current 10 year period (2011-2020) the Retirement Fund has earned 7.5%, which is above the Objective of 5.8%.
- For the current 20 year period (2001-2020) the Retirement Fund has earned 6.0%, which is below the Objective of 6.1%.



Domestic Equity as of 12/31/20

	Allocation		Performance (%)					
	Market Value (\$000)	%	1 Year	3 Years	5 Years	7 Years	10 Years	15 Years
SSgA Russell 1000 Index SL	204,858	17.7	21.0	14.8				
<i>Russell 1000 Index</i>			21.0	14.8	15.6	13.0	14.0	10.1
SSgA Russell 1000 Index SL Rank			28	32				
Wellington	79,444	6.9	25.3	16.2	17.1	13.8	14.2	11.8
<i>S&P MidCap 400</i>			13.7	8.4	12.3	9.8	11.5	9.6
Wellington Rank			15	21	21	20	24	19
Voya Small Cap Growth	37,261	3.2	28.0	11.3				
<i>Russell 2000 Growth Index</i>			34.6	16.2	16.4	12.1	13.5	10.7
Voya Small Cap Growth Rank			76	89				
LSV Asset Management	25,587	2.2	-6.0	-2.2				
<i>Russell 2000 Value Index</i>			4.6	3.7	9.7	6.3	8.7	6.9
LSV Asset Management Rank			96	91				

- SSgA Russell 1000 Index Fund posted expected results with minimal tracking error.
- Wellington outperformed its benchmark and peer group median in 2020.
- Voya's relative value investment style was out of favor during a momentum driven market.
- LSV trailed its benchmark due to its deep value style.
- Both Voya and LSV are expected to outperform the benchmark over longer time periods.

Note: Returns are gross of fees.

International Equity as of 12/31/20

	Allocation		Performance (%)					
	Market Value (\$000)	%	1 Year	3 Years	5 Years	7 Years	10 Years	15 Years
AQR	84,344	7.3	5.0	0.6	5.7	3.3	5.1	4.4
<i>MSCI EAFE</i>			7.8	4.3	7.4	4.4	5.5	4.5
AQR Rank			77	80	74	69	63	52
OFI	70,675	6.1	18.7	9.9	14.2	7.0		
<i>MSCI EM</i>			18.3	6.2	12.8	6.2	3.6	6.6
OFI Rank			47	26	34	46		
Wells	81,446	7.0	25.6	11.8	16.8	9.1		
<i>MSCI EM</i>			18.3	6.2	12.8	6.2	3.6	6.6
Wells Rank			28	16	14	21		
Global Alpha International Small Cap	44,646	3.9						
<i>MSCI EAFE Small Cap (Net)</i>			12.3	4.9	9.4	7.2	7.8	6.1
Global Alpha International Small Cap Rank								

- AQR continued to lag its benchmark and rank in the bottom half of their peer group.
 - They have been on “Watch” since last year and candidates to replace them are currently being evaluated. It is expected that the replacement for AQR will be identified and funded later this summer.
- OFI and Wells both outperformed their benchmarks during 2020.
- Global Alpha replaced Lord Abbett during 2020.

Note: Returns are gross of fees.

Domestic Fixed Income as of 12/31/20

	Allocation		Performance (%)					
	Market Value (\$000)	%	1 Year	3 Years	5 Years	7 Years	10 Years	15 Years
SSGA Passive Bond Market Index	95,538	8.2	7.5	5.4	4.4	4.1	3.8	4.5
<i>Bloomberg, Barclays U.S. Aggregate</i>			7.5	5.3	4.4	4.1	3.8	4.5
SSGA Passive Bond Market Index Rank			88	89	93	92	94	93
Reams	70,831	6.1	17.7	9.0	6.6	5.4	5.2	6.0
<i>FTSE U.S. Broad Investment-Grade Bond</i>			7.7	5.5	4.5	4.1	3.9	4.6
Reams Rank			1	1	3	6	6	2
JPMorgan	65,779	5.7	7.7	5.6	4.7	4.4	4.3	
<i>FTSE U.S. Broad Investment-Grade Bond</i>			7.7	5.5	4.5	4.1	3.9	4.6
JPMorgan Rank			75	69	72	66	57	
Neuberger Berman	37,716	3.3	6.1	6.1	7.9	5.4		
<i>FTSE High Yield Market Index</i>			6.3	5.9	8.4	5.3	6.5	7.1
Neuberger Berman Rank			59	43	54	61		
SSgA US TIPS	28,645	2.5	11.0	5.9	5.1	3.9		
<i>Bloomberg, Barclays U.S. TIPS</i>			11.0	5.9	5.1	3.9	3.8	4.3
SSgA US TIPS Rank			55	56	69	54		

- Both passive SSgA fixed income strategies produced expected results with minimal tracking error.
- Core Fixed Income manager, Reams, posted returns well above its benchmarks for all time periods measured. The other Core Fixed Income manager, J.P. Morgan, either matched or outpaced its benchmark for all time periods.
- Neuberger Berman had mixed results versus its historical performance measures.

Note: Returns are gross of fees.

Global Fixed Income/Emerging Market Debt as of 12/31/20

	Allocation		Performance (%)					
	Market Value (\$000)	%	1 Year	3 Years	5 Years	7 Years	10 Years	15 Years
Colchester	88,026	7.6	11.6	6.2	6.3	3.7		
<i>Bimbg. Barc. Global Aggregate</i>			9.2	4.9	4.8	3.0	2.8	4.1
Colchester Rank			22	28	48	69		
Stone Harbor	56,177	4.9	7.0	4.1	7.6	5.6		
<i>JPM EMBI Global (USD)</i>			5.9	4.9	6.8	5.8	6.0	6.8
Stone Harbor Rank			27	57	19	15		

- Colchester and Stone Harbor outperformed their respective benchmarks and peer group median during 2020
- Longer-term results have Colchester ahead of their benchmark over all periods while Stone Harbor's results are mixed relative to their benchmark.
- Despite the mixed relative results against their benchmark, Stone Harbor ranked in the the top quartile of its peer group for the five- and ten-year periods.

Private Real Estate as of 12/31/20

	Allocation		Performance (%)					
	Market Value (\$000)	%	1 Year	3 Years	5 Years	7 Years	10 Years	15 Years
Harrison Street Core Property Fund	38,398	3.3	5.0					
<i>NCREIF Fund Index-Open End Diversified Core (EW)</i>			1.6	5.3	6.6	8.6	10.0	6.4
PGIM Real Estate PRISA	37,045	3.2	2.5	5.7				
<i>NCREIF Fund Index-Open End Diversified Core (EW)</i>			1.6	5.3	6.6	8.6	10.0	6.4

- Harrison Street was funded in January 4, 2018 with \$25 million.
- PGIM Real Estate was funded on September 29, 2017 with \$25 million.
- These investments provided strong absolute results for the Total Fund in 2020.

Total Fund Summary

- The Total Fund returned 12.9%, net of fees, for the year ended December 31, 2020.
 - Assets increased by approximately \$100 million.
 - Year-end market value was \$1,158.2 million.
- The Total Fund outperformed its Policy Index by 20 basis points in 2020 net of fees.
- The Total Fund continues to perform well longer-term, outpacing the policy index over the longer ten and fifteen-year periods.