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Best estimates of arithmetic real rates of return for each major asset class included in the MCRS's target asset allocation as of December 31, 2025, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	23.00%	5.76%
International developed markets equity	9.00%	5.85%
International emerging markets equity	4.00%	7.12%
Core fixed income	15.00%	1.85%
High-yield fixed income	9.00%	2.92%
Real estate	10.00%	3.71%
Timber	4.00%	4.19%
Hedge funds, GTAA, risk parity	10.00%	2.63%
Private equity	16.00%	9.27%
	100.00%	

Discount rate: The discount rate used to measure the total pension liability was 7.15% at December 31, 2025, and December 31, 2024. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the MCRS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan 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, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

	1% Decrease (6.15%)	Current Discount (7.15%)	1% Increase (8.15%)
Middlesex County Retirement System's net pension liability as of December 31, 2025	$ 1,990,191,753	$ 1,530,909,949	$ 1,144,711,199