

Meeting Date, Time, and Location

Thursday, April 9, 2026, at 7:30 a.m.
7979 East Tufts Avenue
Suite 900 – Thunderbird Conference Room
Denver, CO 80237

<u>Time</u>	<u>Topic / Speaker</u>
7:30 a.m.	Call to Order
7:30 a.m.	Consent Calendar <ul style="list-style-type: none">a. Approval of February 5, 2026, Board meeting minutesb. Approval of February 26, 2026, Ad Hoc Board meeting minutesc. Approval of March 12, 2026, Ad Hoc Board meeting minutesd. Resolution No. 2026-1-Authority of Executive Director
7:35 a.m.	Mission Moment <i>Chip Weule</i>
7:45 a.m.	Cambridge Market Update <i>Brian McDonnell, Cambridge Associates</i>
8:00 a.m.	Investment Report <i>Scott Simon</i> <ul style="list-style-type: none">a. Monthly Reportb. Proxy voting
8:30 a.m.	Investment Committee Report <i>Karen Frame, Committee Chair</i> <ul style="list-style-type: none">a. Old Hire Glide Path Expected Returnb. Incentive Compensation
9:00 a.m.	Break
9:15 a.m.	Self-Directed Plans Annual Review <ul style="list-style-type: none">a. Mariner <i>Annette Bidart, Joe Carter</i>b. Fidelity Investments <i>Suzanne Rogers, John Merritt</i>
10:15 a.m.	Great Place to Work – Annual Employee Engagement Survey <i>Elaine Gorton</i>
10:45 a.m.	Break
11:00 a.m.	Venture Capital (Educational Session) - Executive Session <i>Santiago Rodriguez & Kevin Deeth, Andreessen Horowitz</i>
12:00 p.m.	Pension Administration System Modernization – Status Report <i>Teresa Dupree, Adam Franklin, Kevin Lindahl</i>
12:20 p.m.	Ad Hoc COLA Board Committee Update – <i>Bill Clayton, Don Lombardi</i>
12:30 p.m.	Lunch

<u>Time</u>	<u>Topic / Speaker</u>
1:00 p.m.	Staff Reports <ul style="list-style-type: none"> a. Executive Director <i>Kevin Lindahl</i> b. CII Winter Conference Report, <i>Kevin Lindahl</i> c. General Counsel Report <i>Adam Franklin</i> d. Legislative Updates <i>Adam Franklin & Chip Weule</i> e. 2025 Budget Variance Memo <i>Ahni Smith</i> f. Update of COLA Discussions with Denver Police Retiree Group <i>Kevin Lindahl, Adam Franklin</i>
1:45 p.m.	Chair's Report <i>Jason Mantas, Board Chair</i> <ul style="list-style-type: none"> a. Board Education Opportunities <i>Kevin Lindahl</i> b. Senior Management Contingency Plan Policy c. Strategic Planning Meeting agenda - June
2:00 p.m.	Other Matters
2:05 p.m.	Adjournment

Memorandum**To:**

Board of Directors

From:

Executive Team

Regarding:

April Executive Team Report



Date:





April 9, 2026






It has been a busy two months here at the office, and I imagine busy for many of you as well. With Adam in place now as my successor, there are a lot of things in motion. The engagement with the Denver Police retirees has really added to the workload, but things are going well.


We have initiated the search process for a new General Counsel. We are working on plans for the Board's Strategic Planning Meeting in June. We have spent a lot of time with our consultant, Linea Solutions, looking at what our requirements will be for a new Pension Administration System and considering what we can do to prepare for and manage the change which the new system will bring.

The following is an update of progress on this year's objectives:

Objective	Updates
<p data-bbox="228 1163 380 1224">Artificial Intelligence</p> 	<p data-bbox="431 1163 1430 1396">Work continues with our AI Governance committee. We finalized our implementation of Varonis for document tagging and labeling. We have locked down our Copilot instance to not accept sensitive documents into the LLM through Microsoft Purview. We continue to work on implementing Data Loss Prevention (DLP) which will allow us to have more control over the sharing of sensitive information. We have started making ad hoc decisions about AI and data security as a committee and plan to finalize the charter soon.</p> <p data-bbox="431 1415 1430 1478">We worked on upskilling all staff at our first teaminar of the year held on March 31st. We focused on thorough prompting and responsible use of AI.</p>
<p data-bbox="207 1514 401 1604">Pension Administration System</p> 	<p data-bbox="431 1514 1430 1711">The Pension Administration System Modernization project is very active. We are close to completing Phase I, where the goal is to: do a business needs assessment, current state analysis, solution options analysis, organizational change management analysis, and get future state recommendations from our oversight partner, Linea Solutions. We will receive the final presentation and deliverable for this project on Friday, April 10th.</p>

Objective	Updates
<p data-bbox="203 241 406 331">COLA Communication Project</p> 	<p data-bbox="431 241 1433 443">We recently met with the President of the CPFF, Kevin Reichenbach, to answer his questions regarding funding, costs, historical decisions and events, investments, policies, communications, and ability to pay COLAs. We have also met twice with Jennifer Steck and other Denver police retirees to discuss COLAs. We have provided all documents in response to the Open Records Act Requests.</p> <p data-bbox="431 457 1271 491">A more thorough discussion will take place at the Board meeting.</p>
<p data-bbox="245 527 367 583">Study the SWDD</p> 	<p data-bbox="431 527 1433 741">Our D&D Legislation has passed both houses and is on the Governor's desk. We have recently focused our efforts on the rehab and retraining program, and mental health claim requirements. Milliman is interviewing other organizations that provide D&D benefits. We are interviewing our Independent Medical Exam doctors and other medical professionals regarding best practices for handling mental health disability claims.</p> <p data-bbox="431 758 1433 856">We intend to further socialize any changes in process or requirements as a result of these meetings and then subsequently bring any necessary rule changes to the Board for consideration.</p>
<p data-bbox="212 894 399 1014">Organizational Health / Employee Engagement</p> 	<p data-bbox="431 894 1433 1094">We completed our annual cribbage tournament on February 10th. More than half of the staff participated in this year's tournament and the competition was fierce. Chip Weule was the singles winner and Elaine Gorton & Travis Rosa were the doubles winners. The tournament was fun, and it helps create connections across the whole FPPA community as people from every division choose to participate.</p> <p data-bbox="431 1108 1433 1276">Per our succession planning committee, we rolled out the Emerging Leaders program to all middle managers with the first learning workshop taking place on April 7th. This program includes before and after 360 evaluations for all who choose to participate as well as workshops and cohort discussions to reinforce the learning and the connection of our managers across the organization.</p> <p data-bbox="431 1291 1433 1392">Our annual Employee Engagement survey launched on March 2nd and we are proud to announce that our staff again believe that FPPA is a Great Place to Work. A deeper dive in the results will be shared during this board meeting.</p> <p data-bbox="431 1407 1433 1507">We held our first Teaminar on March 30th and the focus was on Artificial Intelligence as we continue to focus on how to better serve our members through the responsible use of AI.</p>
<p data-bbox="228 1545 383 1602">Information Governance</p> 	<p data-bbox="431 1545 1433 1707">We continue to work closely with IT on data governance and security software related to AI and data management along with building out the taxonomy and business rules for the data on servers. The overarching goal is to create governance and structure for all tools that is consistent and meets the user and compliance related needs.</p> <p data-bbox="431 1722 1320 1755">We continue to work with staff on records and contract management.</p>

Objective	Updates
<p data-bbox="228 241 380 296">Board Governance</p> 	<p data-bbox="435 241 1435 386">We continue to implement the Executive Succession process, as Adam begins to assume additional responsibilities and work more directly with the Board leadership. NCPERS Annual conference is coming in May and provides several different opportunities for Board Education. At this month's meeting, we will have investment related educational session for the Board members.</p>
<p data-bbox="207 430 402 485">Legislation and Rulemaking</p> 	<p data-bbox="435 430 1435 575">SB26-039 successfully passed out of both the House and the Senate. The President of the Senate and the Speaker of the House both signed the bill on March 26, 2026. Our bill was sent to the Governor for his signature on March 27, 2026. We will work with our internal teams to update our rules, communications, policies, and administrative process to reflect the successful passage of our bill.</p> <p data-bbox="435 596 1435 680">Chip and Adam continue to connect with influential legislators, communicating our funded status, discussing COLAs, and educating them on our requested D&D statutory changes.</p>
<p data-bbox="207 722 402 806">IT Implementation & Integration</p> 	<p data-bbox="435 722 1435 932">We continue working on enhancements to the ASPEN pension administration system. We have been working on business process management in the system. We deployed the Terminated Members functionality for Colorado Springs. We improved the automation of the verification of eligibility. We have started working on the retirement application process in the member account portal (RAP on MAP) phase II. We have also been working to clean up technical debt, which will lead to readiness for the pension administration system modernization project.</p> <p data-bbox="435 953 1435 1100">Other updates include the implementation of Dev/Ops which will improve code management and overall management of the production environment for the pension system. We have also received all findings from our infrastructure review and are working to prioritize the work. And we are actively working on implementing Planview for Project & Portfolio Management.</p> <p data-bbox="435 1121 1435 1173">We are also applying for a grant that will allow us to make our member account portal and our employer portal ADA compliant.</p>
<p data-bbox="224 1213 386 1268">Investment Performance</p> 	<p data-bbox="435 1234 1435 1287">Please see the separate investment report for updates to performance, asset allocation, and investment activity.</p>
<p data-bbox="224 1352 386 1407">Stakeholder Engagement</p> 	<p data-bbox="435 1352 1435 1436">Fidelity and Mariner will present at this month's Board meeting to giving their annual reports on the Self-Directed Plans Program. This will include discussions of member usage and engagement with the program.</p> <p data-bbox="435 1457 1435 1488">The Relationship Management Team continues to visit every department annually.</p> <p data-bbox="435 1509 1435 1593">We have scheduled, and sent Hold the Date invites, for the Spring Retirement Readiness Seminar (May 14), the Retiree Appreciation Luncheon (August 20), and the Employer Summit (September 2).</p> <p data-bbox="435 1614 1435 1791">Ft. Lupton Police is currently going through the reentry process. Their tentative effective date of reentry is July 4, 2026. Clear Creek Country Sheriff is interested in affiliating with FPPA. Their Board of County Commissioners meets in early April to vote on this initiative. The relationship management team is currently engaged with both departments to help them understand the process, complete the appropriate paperwork, and answer any questions they may have.</p>

Objective	Updates
<p data-bbox="217 243 391 363">Actuarial Management, Auditing, and Reporting</p> 	<p data-bbox="431 243 1433 394">We are working through the actuarial valuation process with GRS for the 1/1/2026 valuations including the SRP, SWDD, CSNH and Old Hire plans. We have also been busy working with Volunteer and Old Hire departments on requested benefit improvements. The work will be presented to the Board and the Board's Strategic Planning Meeting in June.</p> <p data-bbox="431 415 1433 531">We have completed the first draft of the Annual Comprehensive Report and are wrapping up field work for the audit. The draft ACFR will be presented to the Audit Committee at the May 13 meeting and the final report at the Board strategic planning meeting in June.</p> <p data-bbox="431 552 1433 611">The Accounting team is in the middle of implementation of Microsoft Business Central 365 system for the General Ledger and have an expected go live date in May 2026.</p> <p data-bbox="431 632 1433 690">FPPA is hosting a national training meeting for new members of P2F2 – the accounting and operations professional organization for public pension funds in June.</p>

Meeting Date, Time, and Location

Thursday, February 5, 2026, at 7:30 a.m.

7979 East Tufts Avenue

1st Floor Conference Room 7:30 a.m. to 11:45 a.m.

Suite 900 – Thunderbird Conference Room 11:45 a.m. to 1:30 p.m.

Denver, CO 80237

Board Members Present

Chair Jason Mantas, Vice Chair William Clayton, Joan Brown, Karen Frame, Tammy Hitchens, John Hoehler, Caleb Sevian, Donald Lombardi, and Kim McDaniel.

Staff Members Present

Kevin Lindahl, Adam Franklin, Scott Simon, Ahni Smith, Chip Weule, Elaine Gorton, Teresa Dupree, Beth Hemenway, Cameron Turner, Lo Juarez, Clarissa Flynn, Riley Dinnison, Jack Wilson, Tim O'Connell, Nicole Moody, Sean Ross, Jim Payne, Heidi Smothers, Travis Rosa, Stefan Ruscitti, J'Aundre Gonzales, Ryan Woodhouse, and Andrea Koelzer.

Others Present

Brian McDonnell and Stuart Cameron, Cambridge Associates; Richard Clark, ISS; Jennifer Steck, Larry Mortimer, James Hart, Joe Hart, Tim Sullivan, Mike Walker, Kimalee Hull, Lawrence Pascale, Michael Delano, Mark Fiedler, Alan Buchwald, Jim Roybal, and Sylvia Sich, Denver Police and Fire Department Retirees; Dan Martinelli, Mike Bellio, and Tony Cito, Aurora Fire Rescue Retirees; Mark Rogers, South Metro Fire Rescue Retiree.

Notice of this meeting and a copy of the agenda were posted on the FPPA website and at 7979 East Tufts Avenue, at least twenty-four hours prior to the meeting.

Call to Order

At 7:31 a.m., Chair Mantas called the meeting to order.

At 7:31 a.m., Chair Mantas addressed public attendees requesting guests to sign the sign-in sheet and noted Ms. Steck's time for public comment was set for 8:45 a.m. on the Board agenda.

Consent Calendar

At 7:32 a.m., Mr. Clayton moved for the approval of the Consent Calendar which consisted of the December 11, 2025, Board meeting minutes. Mr. Lombardi seconded the motion. The motion passed.

Mission Moment

At 7:32 a.m., Mr. Weule and FPPA Staff presented the mission moment. Mr. Lindahl provided a brief update to the Board regarding a prior meeting he attended, along with Mr. Weule and Mr. Franklin, with the Local 858 Union regarding COLAs. Mr. Ruscitti and Mr. Gonzales spoke to the Board regarding their annual visits with departments across the state, including the academy classes, and an annual Fall Seminar to educate Members on retirement planning at all stages of their career.

Cambridge Market Update

At 7:41 a.m., Mr. Cameron and Mr. McDonnell presented the Cambridge Market Update.

Investment Report

At 8:08 a.m., Mr. Simon presented the November 2025 Investment Report.

At 8:15 a.m., Ms. Frame provided a summary of the January 30th Ad Hoc Investment Committee meeting.

At 8:17 a.m., Mr. McDonnell presented the 2026 Private Equity Commitment Pacing Plan.

Year-End Review

At 8:23 a.m., Mr. Lindahl recognized Ryan Woodhouse's recent award received from NCPERS as the Public Pension Communicator of the Year for plans under \$10 billion before the Board.

At 8:24 a.m., Mr. Woodhouse presented the 2025 Year in Review to the Board.

Public Comment

At 8:44 a.m., Chair Mantas opened the meeting to Jennifer Steck, Denver Police retiree, for public comment giving Ms. Steck ten (10) minutes to speak and the Board five (5) minutes to provide a follow-up to Ms. Steck's comments.

At 9:00 a.m., Chair Mantas called for a break.

At 9:20 a.m., the meeting reconvened.

Proxy Voting

At 9:21 a.m., Mr. Simon presented proxy voting to the Board. Mr. Clark from ISS was available to the Board to answer any questions raised following Mr. Simon's presentation.

Staff Reports

At 10:07 a.m., Mr. Lindahl briefly reviewed the Executive Team Report and provided a brief response to the comments heard at today's public comment, FPPA's forthcoming response to Ms. Steck's comments to be provided to the Board, and notice of the Public Pension Funding Forum's (P2F2) conference Ms. Smith is hosting.

At 10:11 a.m., Chair Mantas asked the Board for their level of interest in forming an ad hoc committee consisting of two Board members and FPPA staff to assist with providing a response to Ms. Steck's comments and requested that ad hoc committee report be presented by FPPA to the Board at the April Board meeting. The ad hoc committee would be formed with the goal of expediting a response to Ms. Steck's comments. Chair Mantas suggested Bill Clayton and Don Lombardi participate in the ad hoc committee with Mr. Clayton acting as Chair to meet after FPPA staff prepares its initial response to Ms. Steck's requests.

At 10:35 a.m., Mr. Franklin provided the General Counsel Report.

At 10:38 a.m., Mr. Franklin and Mr. Weule provided an update on legislation. Mr. Weule and Mr. Franklin also informed the Board of their recent testimony before the Senate Finance Committee at which time the Senate provided a unanimous vote to pass FPPA's SB26-039 D&D Improvement Bill.

Chair's Report

At 10:45 a.m., Chair Mantas introduced Kim McDaniel to the Board as FPPA's newest Board member.

At 10:47 a.m., Chair Mantas briefly reviewed the Board Education Opportunities.

At 10:50 a.m., Chair Mantas discussed the 2026 Board Retreat for the Strategic Planning meeting.

At 10:52 a.m., Chair Mantas briefly reviewed the 2025 Q4 Board Scorecard.

At 10:53 a.m., Chair Mantas called for a break at which time the meeting relocated to FPPA's Thunderbird conference room located within suite 900.

At 11:13 a.m., the meeting reconvened.

Succession Planning Committee Report

At 11:13 a.m., Ms. Brown moved the Board to adjourn into executive session for consideration of personnel matters as allowed under Section 24-6-402(4)(f) of the Colorado Revised Statutes. Mr. Clayton seconded the motion. The motion passed and the meeting entered executive session.

At 11:39 a.m., the meeting exited executive session. No motions were made, and no formal action was taken while in executive session.

At 11:40 a.m., Chair Mantas called for a lunch break.

At 12:18 p.m., the meeting reconvened.

Executive Director 2025 Evaluation

At 12:18 p.m., Ms. Hitchens moved the Board to adjourn into executive session to review and consider the Executive Director's evaluation as allowed under Section 24-6-402(4)(f) of the Colorado Revised Statutes. Ms. Brown seconded the motion. The motion passed and the meeting entered executive session.

At 1:29 p.m., the meeting exited executive session. No motions were made, and no formal action was taken while in executive session.

At 1:30 p.m., Ms. Brown moved the Board to increase Kevin's base pay by 3.5% and award Kevin a 100% performance incentive payout for the qualitative performance areas measured. A separate calculation and payout shall be made regarding the investment performance incentive. Mr. Sevia seconded the motion. The motion passed.

At 1:30 p.m., the meeting adjourned.



Fire & Police Pension Association Board of Directors Ad Hoc Meeting Minutes

Meeting Date, Time, and Location

Thursday, February 26, 2026, at 7:30 a.m.
7979 East Tufts Avenue
1st Floor Conference Room
Denver, CO 80237

Board Members Present

Chair Jason Mantas, Vice Chair William Clayton, Joan Brown, Karen Frame, Tammy Hitchens, John Hoehler, Caleb Sevian, Donald Lombardi, and Kim McDaniel.

Staff Members Present

Kevin Lindahl, Elaine Gorton, Andrea Koelzer, Adam Franklin, Ahni Smith, and Chip Weule.

Others Present

Kevin Paul, Esq., Range Law

Notice of this meeting and a copy of the agenda were posted on the FPPA website and at 7979 East Tufts Avenue, at least twenty-four hours prior to the meeting.

Call to Order

At 7:40 a.m., Chair Mantas called the meeting to order.

At 7:40 a.m., Kevin Lindahl and the FPPA Board presented the mission moment. Mr. Lindahl spoke to his time at FPPA as General Counsel and Executive Director as an introduction to the meetings scheduled interviews to select the finalist for the Deputy Executive Director and successor to the incumbent Executive Director upon Mr. Lindahl's retirement.

At 7:50 a.m., Chair Mantas recognized all three candidates for their work at FPPA in advance of their individual interviews.

At 7:54 a.m., Chair Mantas selected the order of interviews by drawing names out of a basket at random. Mr. Franklin was selected first, Mr. Weule was selected second, Ms. Smith was selected third.

At 7:56 a.m., Chair Mantas called for a break.

At 8:08 a.m., the meeting reconvened.

At 8:08 a.m., Mr. Lindahl and Chair Mantas introduced Mr. Paul to the Board.

Interview No. 1

At 8:09 a.m., Ms. Hitchens moved the Board to adjourn into executive session to discuss personnel matters regarding the Executive Director Candidate No. 1 interview as allowed under Section 24-6-402(4)(f) of the Colorado Revised Statutes. Ms. Brown seconded the motion. The motion passed.

At 9:44 a.m. the meeting exited executive session. No motions were made, and no formal action was taken while in executive session.

At 9:45 a.m., Chair Mantas called for a break.

At 10:02 a.m., the meeting reconvened.

Interview No. 2

At 10:02 a.m., Mr. Clayton moved the Board to adjourn into executive session to discuss personnel matters regarding the Executive Director Candidate No. 2 interview as allowed under Section 24-6-402(4)(f) of the Colorado Revised Statutes. Ms. Brown seconded the motion. The motion passed.

At 11:30 a.m. the meeting exited executive session. No motions were made, and no formal action was taken while in executive session.

At 11:30 a.m., Chair Mantas called for a break.

At 12:03 p.m., the meeting reconvened.

Interview No. 3

At 12:05 p.m., Ms. Hitchens moved the Board to adjourn into executive session to discuss personnel matters regarding the Executive Director Candidate No. 3 interview as allowed under Section 24-6-402(4)(f) of the Colorado Revised Statutes. Mr. Hoehler seconded the motion. The motion passed.

At 1:54 p.m. the meeting exited executive session. No motions were made, and no formal action was taken while in executive session.

At 1:55 p.m., Chair Mantas called for a break.

At 2:20 p.m., the meeting reconvened.

Deliberations

At 2:20 p.m., Ms. Hitchens moved the Board to adjourn into executive session to deliberate on personnel matters related to the Executive Director candidates and to establish a negotiation position relating to such filling the position as allowed under Section 24-6-402(4)(e) and (f) of the Colorado Revised Statutes. Mr. Clayton seconded the motion. The motion passed.

At 3:35 p.m. the meeting exited executive session. No motions were made, and no formal action was taken while in executive session.

Decision

At 3:35 p.m., Ms. Brown moved the Board to advance Adam Franklin as the finalist for the position of Deputy Executive Director and successor to the incumbent Executive Director upon his retirement for the Fire and Police Pension Association and that such action is hereby made public, pursuant to Section 24-6-402(3.5) of the Colorado Revised Statutes. Furthermore, the Board Succession Planning Commission is hereby authorized to pursue negotiations pursuant to the position delivered in executive session. Ms. Hitchens seconded the motion. The motion passed.

At 3:36 p.m., the meeting adjourned.



Fire & Police Pension Association Board of Directors Ad Hoc Meeting Minutes

Meeting Date, Time, and Location

Thursday, March 12, 2026, at 10:00 a.m.
Via Zoom

Board Members Present

Chair Jason Mantas, Vice Chair William Clayton, Joan Brown, Karen Frame, Tammy Hitchens, John Hoehler, Donald Lombardi, Caleb Sevia, and Kim McDaniel.

Staff Members Present

Kevin Lindahl, Adam Franklin, Elaine Gorton, and Andrea Koelzer.

Others Present

Kevin Paul, Esq., Range Law.

Notice of this meeting and a copy of the agenda were posted on the FPPA website and at 7979 East Tufts Avenue, at least twenty-four hours prior to the meeting.

Call to Order

At 10:03 a.m., Chair Mantas called the meeting to order.

Discussion and Approval of Terms and Conditions of Employment to be Offered to Deputy Executive Director / Executive Director Finalist

At 10:03 a.m., Ms. Brown moved the Board to adjourn into executive session to discuss personnel matters related to the employment of Adam Franklin as allowed under Section 24-6-402(4)(f) of the Colorado Revised Statutes. Mr. Franklin has indicated that he does not desire these matters to be discussed in a public meeting. Ms. Frame seconded the motion. The motion passed and the meeting entered executive session.

At 11:07 a.m., the meeting exited executive session. No motions were made, and no formal action was taken while in executive session.

At 11:08 a.m., Ms. Brown moved the Board to appoint finalist Adam Franklin as Deputy Executive Director of the Fire & Police Pension Association of Colorado, effective upon his acceptance of an offer of employment based upon the Term Sheet presented to the Board today. Ms. Frame seconded the motion. The motion passed.

At 11:10 a.m., Ms. Brown moved the Board to appoint finalist Adam Franklin as Executive Director of the Fire & Police Pension Association of Colorado, effective upon January 1, 2027, or upon such earlier date as Executive Director Kevin Lindahl may conclude his FPPA employment, in accordance with an offer of employment based upon the Term Sheet presented to the Board today. Ms. Frame and Ms. McDaniel seconded the motion. The motion passed.

At 11:11 a.m., Ms. Brown moved the Board to authorize the Chair, in consultation with legal counsel, to finalize and execute a written offer of employment directed to Adam Franklin that, consistent with the Term Sheet presented today, documents the terms and conditions in accordance with which he will serve as

Deputy Executive Director and, subsequently, as Executive Director of FPPA. Ms. Hitchens seconded the motion. The motion passed.

At 11:13 a.m., Ms. Brown moved the Board to authorize the Chair, in consultation with legal counsel, to finalize non-substantive administrative details related to Adam Frankin's appointment as Deputy Executive Director and, subsequently, as Executive Director of FPPA. Ms. McDaniel seconded the motion. The motion passed.

At 11:13 a.m., Ms. Brown moved the Board to authorize staff to issue a public announcement regarding the appointment of Adam Franklin as Deputy Executive Director and, subsequently, as Executive Director upon his acceptance of the offer of employment the Board has authorized today. Ms. Hitchens seconded the motion. The motion passed.

At 11:16 a.m., the meeting adjourned.

DRAFT

**FIRE AND POLICE PENSION ASSOCIATION
BOARD OF DIRECTORS**

RESOLUTION NO. 2026-01

AUTHORITY OF EXECUTIVE DIRECTOR

Whereas, the Fire and Police Pension Association (the Association) is an independent public body corporate and politic organized under the laws of the State of Colorado with broad authority to manage and administer certain benefit plans for its members; and

Whereas, the Board of Directors is established as the governing body of the Association and serves as the trustee of funds established thereunder; and

Whereas, the Board has full and unrestricted discretionary power and authority to invest and reinvest such portions of the funds as in its judgment may not be immediately required for the payment of refunds or benefits; and

Whereas, in exercising its discretionary authority with respect to the management and investment of fund assets, the Board shall be governed by the standard and other provisions for trustees set forth in the "Uniform Prudent Investor Act", Article 1.1 of Title 15, C.R.S.; and

Whereas, the Board desires to authorize an agent to perform certain actions on its behalf.

Now, therefore, the Board hereby resolves Kevin B. Lindahl, Executive Director, be and is hereby empowered to:

- (1) buy, sell and/or exchange any stocks and/or bonds now owned or that hereafter may be acquired by the Fire and Police Pension Association and to execute any and all written instruments, necessary and proper to carry into effect any and all such purchases, exchanges and/or sales;
- (2) execute any documents or agreements necessary to implement a decision of the Association, to make a particular investment, or to retain or terminate an investment relationship; and
- (3) execute any documents or agreements and amendments there to necessary to implement a decision by the Association regarding the terms or conditions applicable to a particular investment, partnership, fund or manager.

The Board hereby further resolves that J. Scott Simon, Chief Investment Officer, or Adam Franklin, Deputy Executive Director and General Counsel, be and hereby is empowered to take any action authorized herein of the Executive Director.

In witness whereof, I have hereunto set my hand this ___th day of April 2026.

FIRE AND POLICE PENSION ASSOCIATION,
a political subdivision of the State of Colorado

By: _____
Jason Mantas, Chair
Board of Directors

SPECIMEN SIGNATURES:

Kevin B. Lindahl _____

J. Scott Simon _____

Adam Franklin _____

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

The foregoing Resolution 2026-01 was acknowledged before me this ____ day of April 2026 by Jason Mantas, Chair of the Board of Directors, by Kevin B. Lindahl, Executive Director, by J. Scott Simon, Chief Investment Officer, and by Adam Franklin, Deputy Executive Director and General Counsel, all of the Fire and Police Pension Association, a political subdivision of the State of Colorado.

Witness my hand and official seal. My commission expires: _____

Notary Public



Mission Moment

MISSION



The Fire & Police Pension Association of Colorado is committed to our members. We will prudently invest their retirement funds, administer benefits impartially, and efficiently provide high quality service.

VISION



Being a trusted provider of financial security for Colorado police officers, firefighters, and first responders.

VALUES

How Do We Behave?



- **Professionalism**

We collaborate, communicate and innovate with respect and professionalism.

- **Commitment**

We commit to decisions made.

- **Community**

We are a community, and we care about each other, while acting in service of others.



Colorado FPPA

February 2026 Market Update

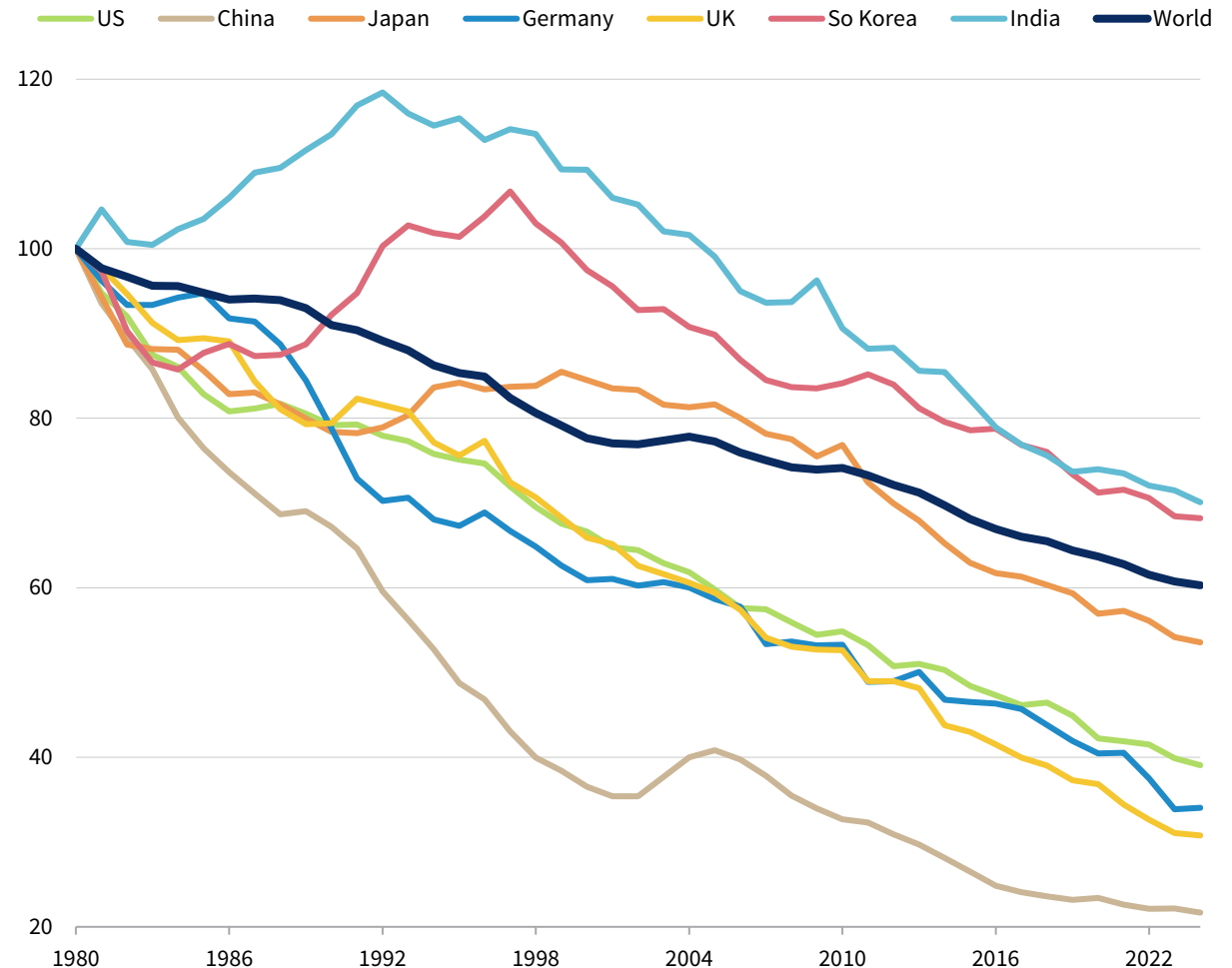
April 2026

Lower energy intensity reduces economic impact of energy price spikes compared to past decades

- The global economy has become far less energy intensive over time, using less energy per unit of GDP. This reflects technological advances, greater efficiency, and a shift toward service-based industries in many developed markets, which consume less energy than manufacturing.
- The adoption of energy-saving technologies and the expansion of less energy-dependent sectors have reduced reliance on oil. More efficient vehicles, buildings, industrial processes, and increased use of renewables have all played a role.
- As a result, oil price shocks now tend to have a smaller impact than in the 1970s, when economies were much more oil dependent and price spikes triggered severe inflation and disruption.
- Lower energy intensity allows economies to adapt more easily to energy disruptions, reducing the risk of recessions from oil supply shocks and helping to stabilize growth even when prices rise sharply.

Energy intensity

1980–2024 • Exajoules/GDP • 1980 = 100



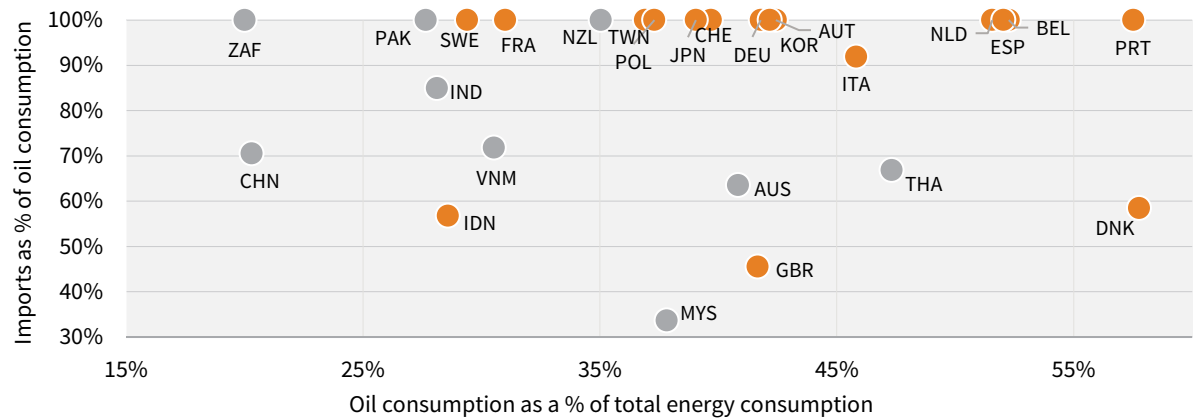
Sources: Energy Institute and Oxford Economics.

Import-dependent Europe and Asia are most exposed to the energy price spikes

- The impact of the recent rise in energy prices varies greatly by country and region.
- Countries with a high import share of oil or gas consumption and a large proportion of their energy mix reliant on these fuels are most exposed to price spikes. The economies most at risk tend to be those in continental Europe and east Asia ex China, as highlighted by the orange dots in the scatter plots on this slide.
- By contrast, North America's abundant oil & gas production and status as a net energy exporter has helped the region be less affected by recent price spikes.
- While mitigation efforts since the start of the war in Ukraine have reduced European consumption of gas since its 2021 peak, several countries retain a meaningful exposure to the gas market. It also highlights how energy demand is relatively insensitive to price changes in the short run.

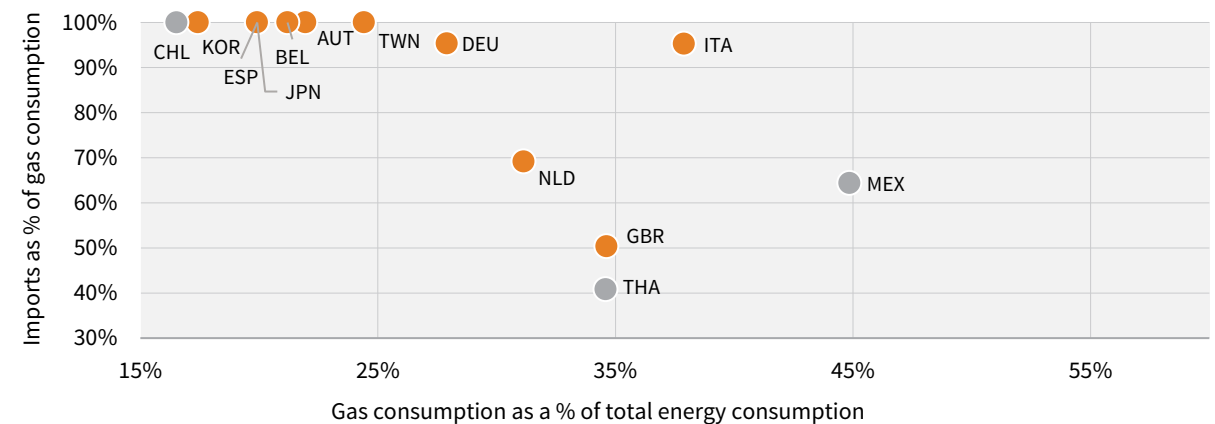
Exposure to oil supply disruption

2024



Exposure to gas supply disruption

2024



Sources: Energy Institute and J.P. Morgan Asset Management.

Notes: Net energy exporters are excluded from this chart. Total energy consumption is proxied by total energy supply, as defined by the Energy Institute for each respective country. That definition includes all energy required to meet a country's final end-use demand, accounting for production, imports, exports, and changes in stock.

Equities typically rebound quickly after military crises, except during sustained oil shocks

- Geopolitical conflicts can trigger short-term market sell-offs, but historically, markets have tended to recover quickly as investors refocus on broader economic and corporate fundamentals.
- Historically, equities have shown resilience following major military interventions, with many markets typically recovering within a few weeks. The duration of conflicts has not consistently affected market performance, though there are exceptions.
- Military events that disrupt oil supplies—such as the 1973 Arab oil embargo, the 1990 Iraq-Kuwait conflict, and Russia’s intervention in Ukraine—have led to more pronounced market declines.

US equity price returns in response to select geopolitical conflicts

Percent (%)

Event	Start of sell-off (peak date)	Duration of sell-off (trading days)	Size of sell-off (%)	Duration to recover to prior level (trading days)	12m from bottom
Israel Arab war/Oil embargo	10/26/1973	27	-17.3	1547	-27.1
Shah of Iran exiled	1/26/1979	21	-5.6	20	17.8
Soviet invasion of Afghanistan	12/17/1979	11	-3.8	5	29.0
Bombing of Libya	4/21/1986	20	-4.9	6	26.4
Iraqi invasion of Kuwait	8/2/1990	49	-15.9	81	27.5
First Gulf War	12/31/1990	6	-5.7	7	34.0
Kosovo bombing	3/18/1999	3	-4.1	8	15.4
9/11 attacks	9/10/2001	5	-11.6	15	-12.5
Iraq war	3/21/2003	6	-5.3	15	32.3
Arab Spring (Egypt)	1/27/2011	1	-1.8	3	3.1
Intervention in Libya	2/18/2011	17	-6.4	28	10.9
Ukraine conflict	3/7/2014	5	-2.0	12	11.5
Intervention in Syria	9/18/2014	19	-7.4	12	7.1
Russia/Ukraine War	2/9/2022	18	-9.1	15	-4.3
Gaza War	10/11/2023	12	-5.9	7	41.4
Iran War*	2/28/2026	14	-4.0	NA	NA
Median		12.0	-5.7	12.0	15.4

Sources: J.P. Morgan Securities, Inc. and Standard & Poor’s. Third-party data provided “as is” without any express or implied warranties.

Notes: This chart assumes that the geopolitical event was the primary driver of market movements, though other factors may have contributed. The start of the sell-off is defined as the market peak immediately preceding the onset of the decline associated with the conflict—i.e., the point where market momentum turned. In some cases, the sell-off may have begun before official action, reflecting anticipatory market positioning. Calculations are based on daily data. “12m from bottom” represents the price change in the 252 trading days after the bottom.

* Medians do not include the Iran War.

Key takeaways for February 2026 market action

Global equities continued their ascent in February

- The MSCI ACWI rose 1.3%, marking an 11th straight monthly gain despite ongoing software sector weakness. Financial conditions remained supportive, with government bond yields declining across major markets, while economic data were mixed. CY 2026 consensus EPS forecasts increased 0.6% amid a solid earnings season, though early March events could challenge these trends.

Economic activity was somewhat mixed but remained positive

- US nonfarm payrolls data suggested hiring activity may have bottomed, with the unemployment rate also ticking down, though hiring gains were mostly in the healthcare sector. Retail sales slowed, but ISM PMI data improved.
- Q4 GDP growth was a weaker-than-expected 1.4%, albeit largely attributable to the government shutdown.
- In the UK, the unemployment rate rose slightly to 5.2%. Core inflation slowed year-over-year but increased sequentially, mirroring trends in the US and Eurozone, where February also saw a sequential rise.

Broadening performance and rotating equity leadership continued last month as software stocks declined

- Both EM (5.5%) and DM ex US (4.8%) stocks outperformed US peers (-0.9%), with US stocks weighed down by software declines amid AI-driven obsolescence fears.
- Japan stood out among major markets (8.6%), boosted by the LDP election win and anticipated fiscal easing.
- Small-cap and value stocks continued to outperform, as energy, materials, and industrials continued to benefit from commodity market dynamics, infrastructure build out, and rotation in equity flows.

Duration boosted fixed income performance, though spreads widened

- High-quality fixed income outperformed as yields fell amid equity volatility and growth risks from both AI developments and economic data.
- Credit spreads widened (IG by 11 bps and HY by 26 bps) due to AI disruption and anticipated heavy new issuance.
- The US dollar was broadly flat in February but has rallied this month on the back of the US/Israel attack on Iran.

Commodities gains continued in February

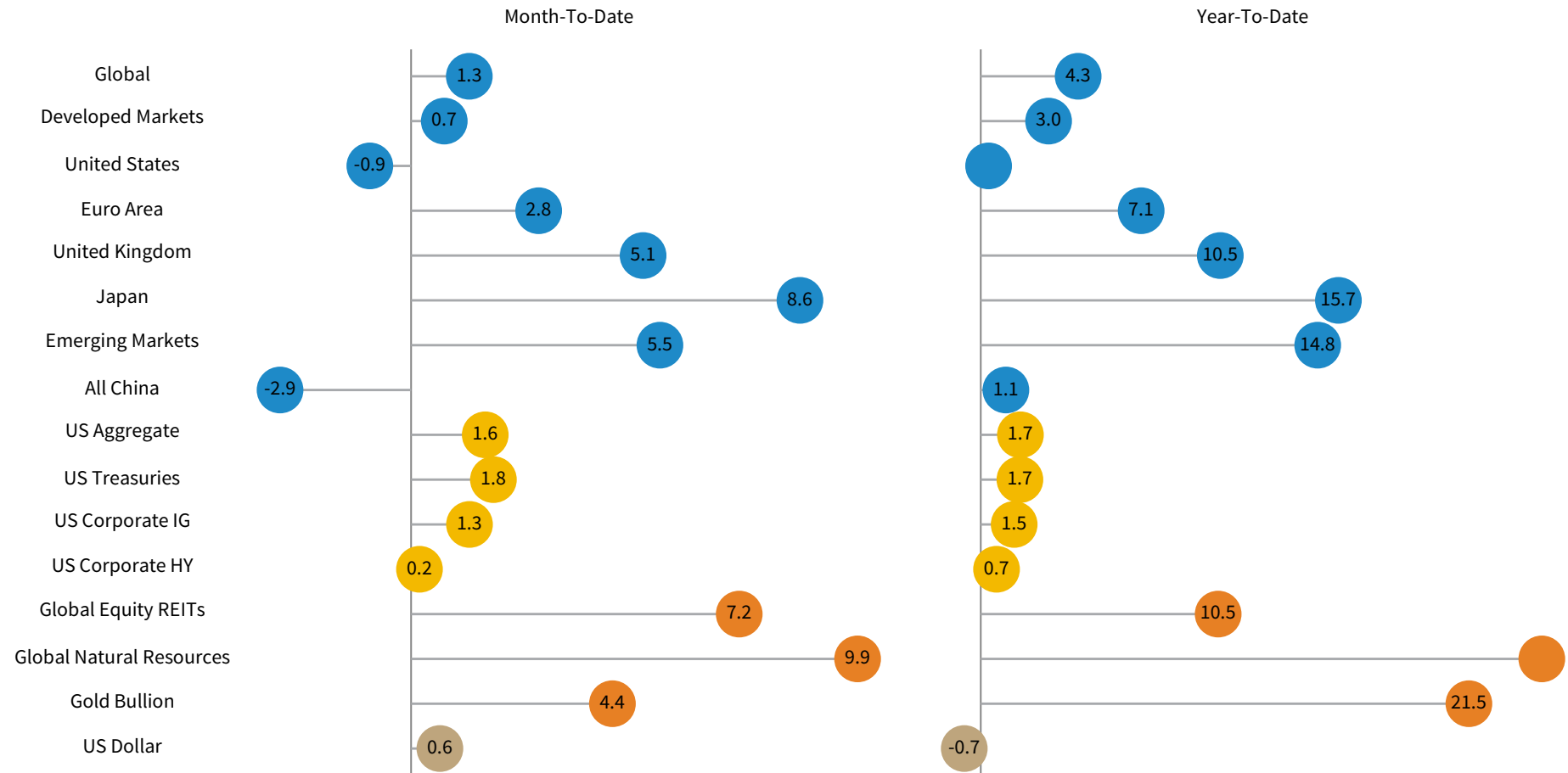
- Oil prices rose modestly in February (3%–4%) following a strong January (13%–16%), when a rising likelihood of an attack on Iran supported prices, in addition to some supply disruptions. The eruption of war has added about 12% in recent days.
- Gold followed a similar pattern, rising 4.4% in February bringing its year-to-date return to 21.5%. However, a stronger dollar and higher inflation expectations have recently weighed on prices.

AI, tariffs, and geopolitics drive early-year market volatility

Global asset class performance

As of February 28, 2026 • US dollar terms • Percent (%)

● Currency ● Equity ● Fixed Income ● Real Asset

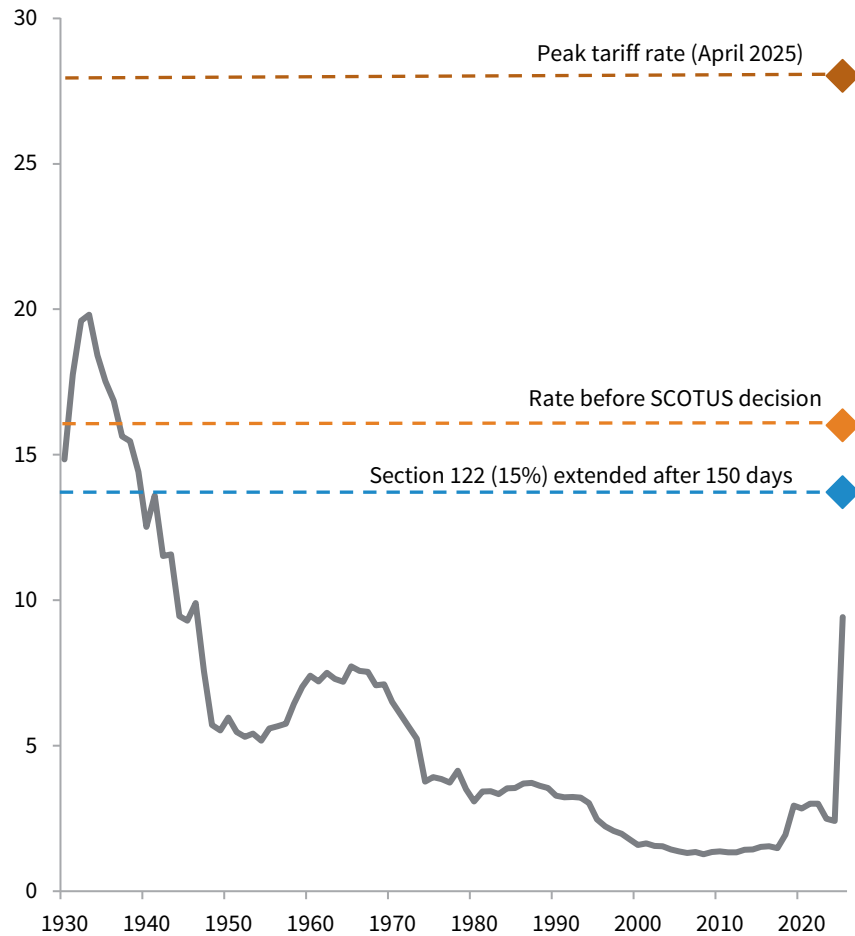


Sources: Bloomberg Index Services Limited., ICE Benchmark Administration Ltd., MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties. Notes: Equity data are total returns net of dividend taxes of MSCI indexes. Fixed income data are total returns of Bloomberg indexes. MSCI Global Equity REIT Index, the MSCI ACWI Commodity Producers Index, and LBMA gold prices are used to calculate real asset performances. The US Dollar Index (DXY) is used to calculate US dollar performance.

Supreme Court ruling on IEEPA tariffs adds uncertainty, but limited economic impact expected

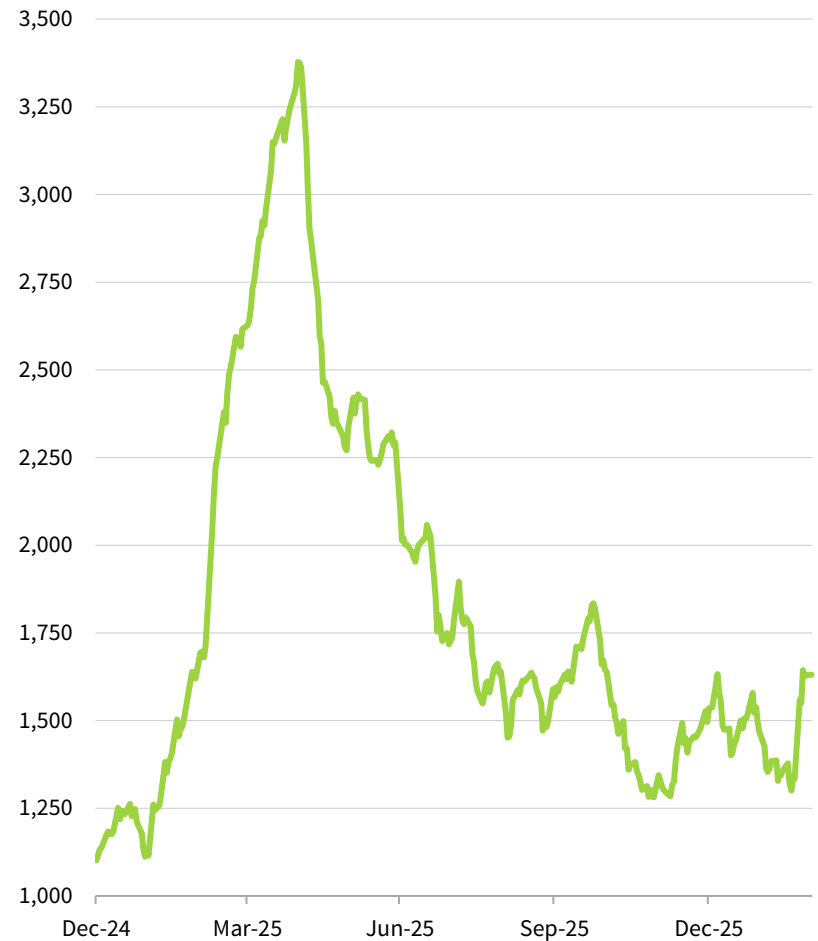
Weighted-average US effective tariff rate

1930–2025 • Percent (%)



US Daily Trade Policy Uncertainty Index

December 31, 2024 – March 2, 2026 • Rolling 30-day average index level



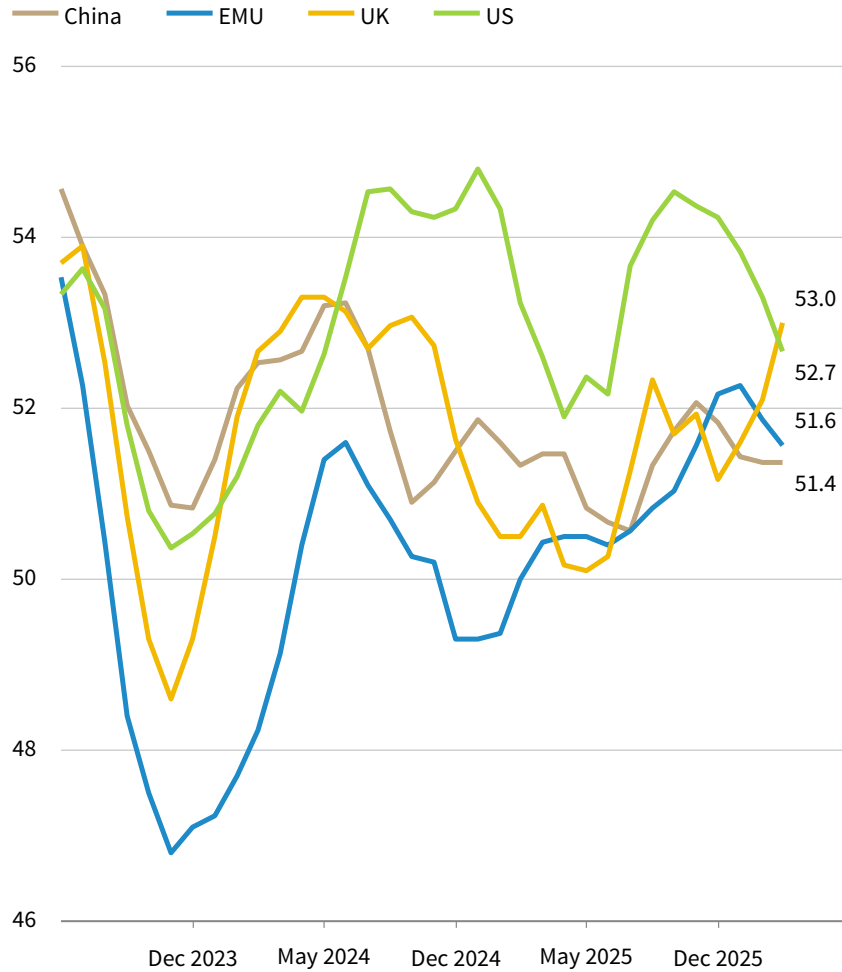
Sources: Bloomberg L.P., "Measuring Economic Policy Uncertainty" by Scott Baker, Nicholas Bloom, and Steven J. Davis (www.PolicyUncertainty.com); "State of US Tariffs: February 21, 2026" – The Budget Lab at Yale, and United States International Trade Commission.

Notes: The weighted effective US tariff rate represents customs revenue from all goods entering the US, expressed as a percentage of their import value. This measure assumes customs revenues are collected on the total value of all imports. As of February 21, the overall average effective tariff rate faced by consumers is 13.7%, down from a recent high of 16% prior to the SCOTUS ruling. These estimates do not account for potential substitution effects. The US Daily Trade Policy Uncertainty Index is shown as a 30-day rolling average and reflects the frequency of articles in American newspapers that discuss policy-related economic uncertainty and reference trade policy.

Growth outlook at risk if Iran conflict persists

Composite PMIs

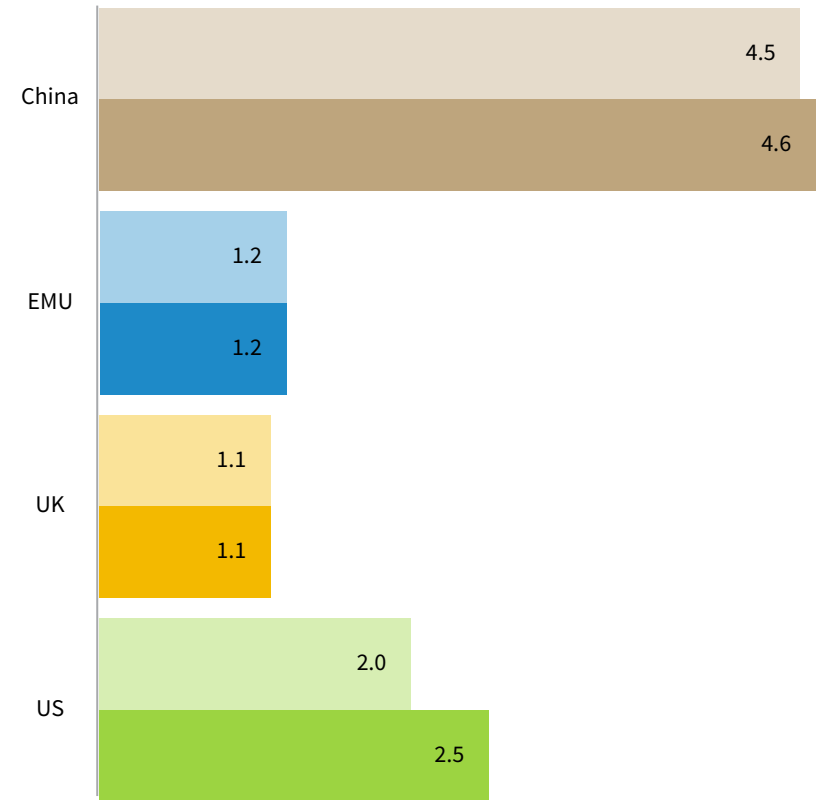
May 31, 2023 – February 28, 2026 • Index Value



2026 real GDP growth estimates

Percent (%)

As of February 28, 2026 (Dark Grey) | As of December 31, 2025 (Light Grey)



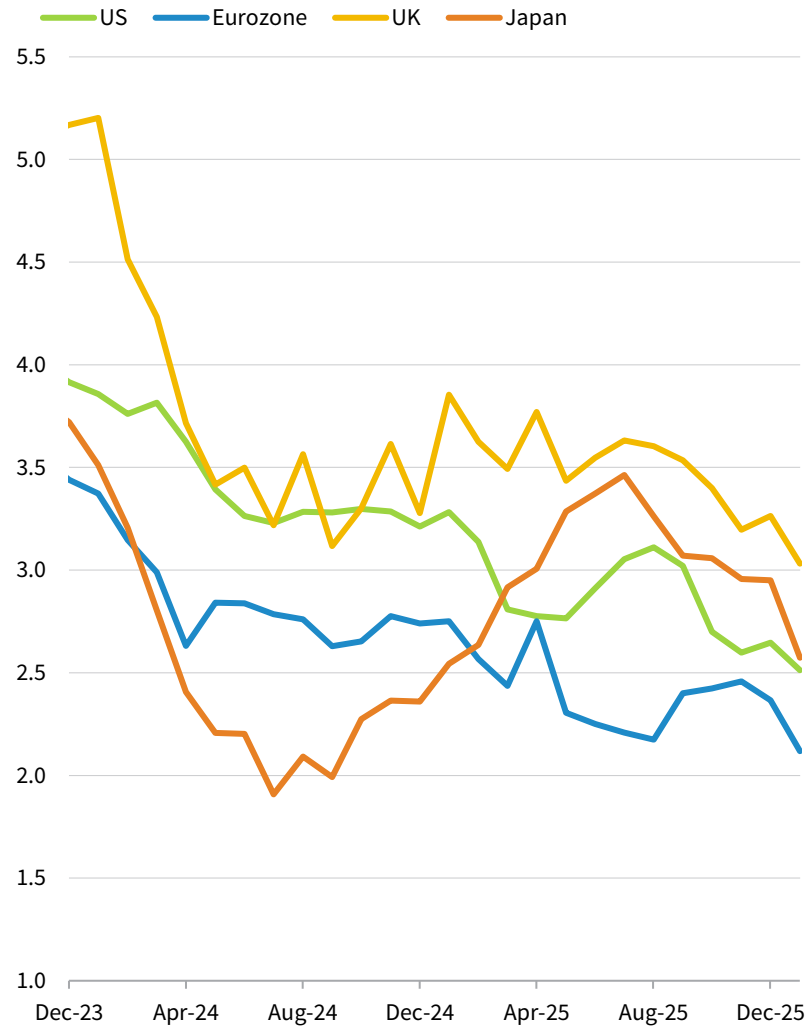
Sources: Bloomberg L.P., S&P Global, and Thomson Reuters Datastream.

Notes: Composite PMI data represent three-month averages. Composite PMI is a survey-based economic indicator that combines responses from purchasing managers in both the manufacturing and services sectors to gauge overall business activity. The index is calculated as a weighted average of the proportion of respondents reporting improvement, no change, or deterioration in key business metrics. A reading above 50 signals expansion in activity, while a reading below 50 indicates contraction. Data for China are as of January 2026.

Inflation progress threatened, with Europe and Asia facing heightened stagflation risks

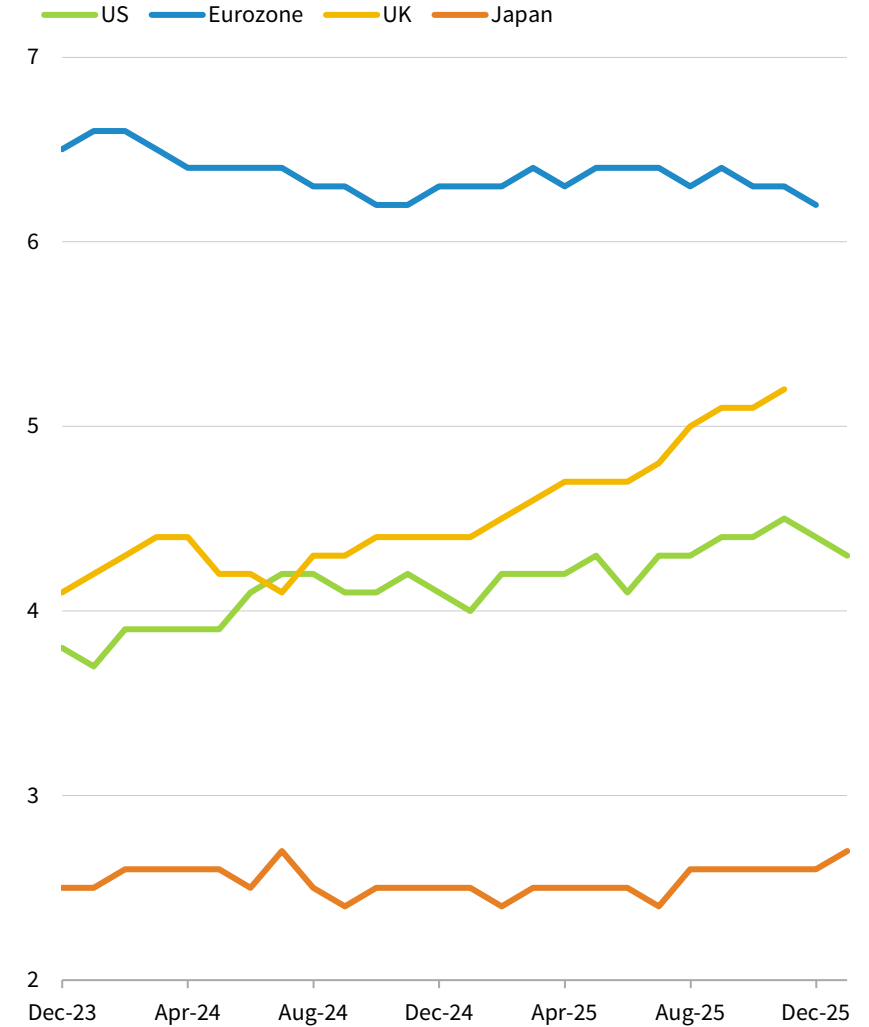
Core CPI for select regions

December 31, 2023 – January 31, 2026 • YOY percent change (%)



Unemployment rates for select regions

December 31, 2023 – January 31, 2026 • Percent (%)



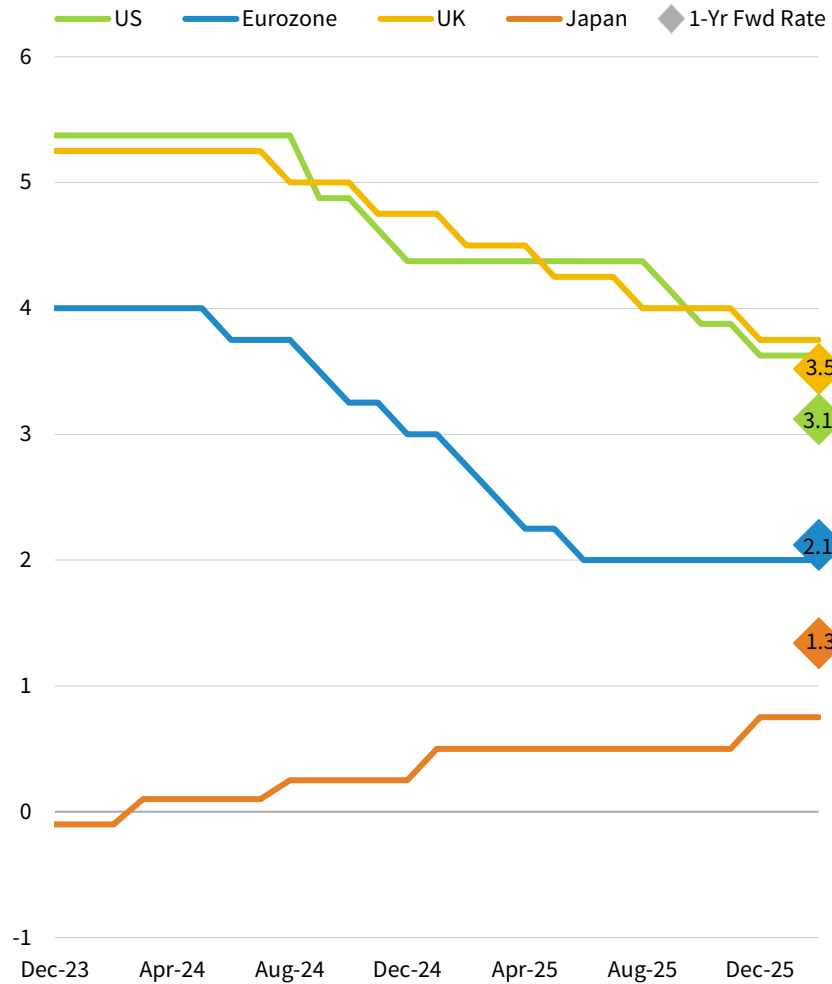
Sources: National Sources and Thomson Reuters Datastream.

Notes: The LHS chart shows the year-over-year growth rate. For the RHS chart, UK data are as of November 30, and Eurozone data are as of December 31.

Elevated uncertainty may delay major central bank policy moves

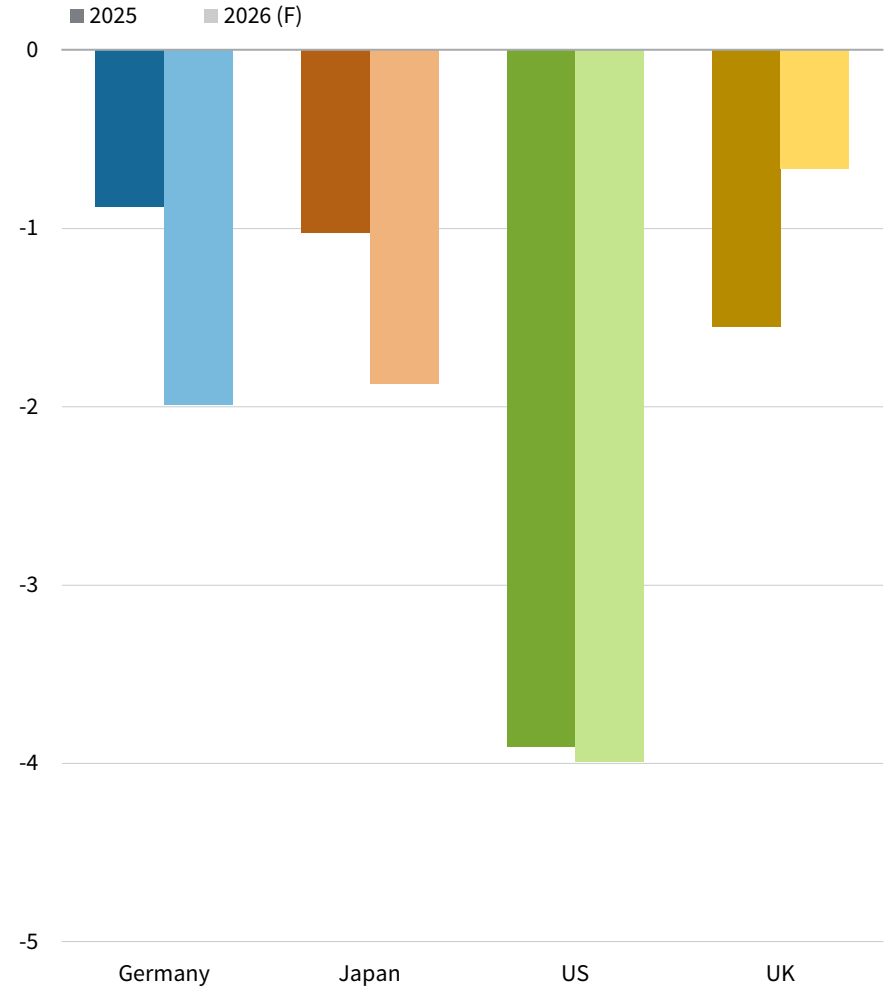
Policy rates for select regions and 1-yr forward rate

December 31, 2023 – February 28, 2026 • Percent (%)



Fiscal Balances

As of January 19, 2026 • Fiscal deficit ex interest expenses as a % of potential GDP

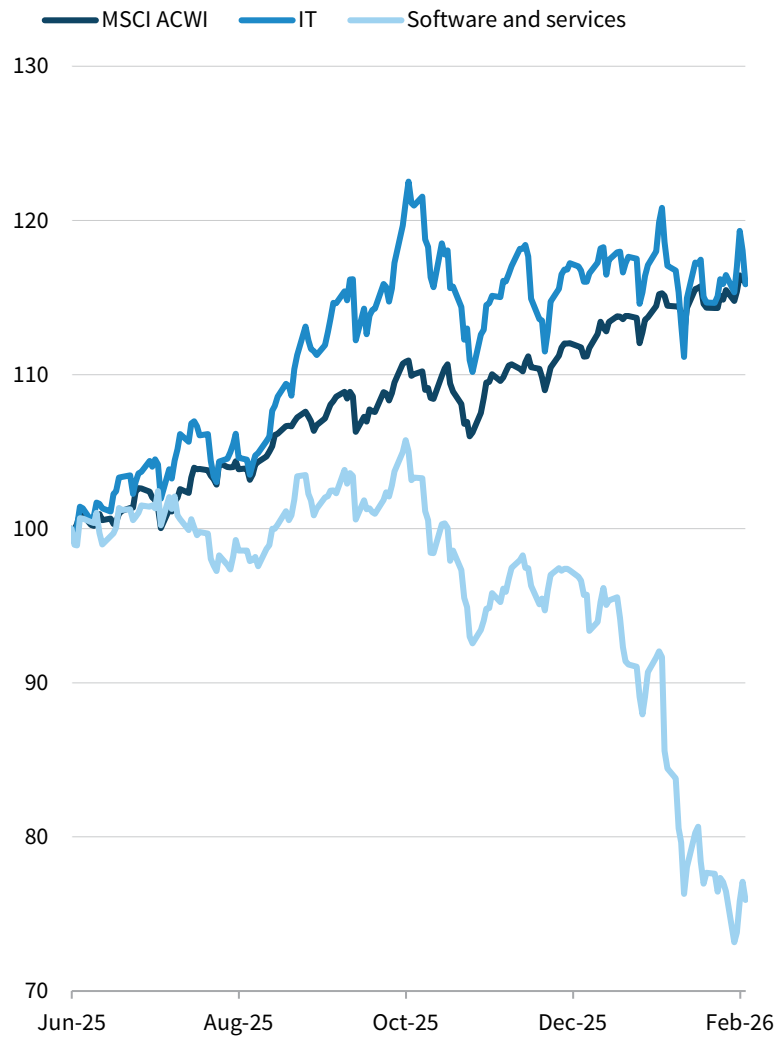


Sources: Bloomberg L.P., IMF, National Sources, and Thomson Reuters Datastream.

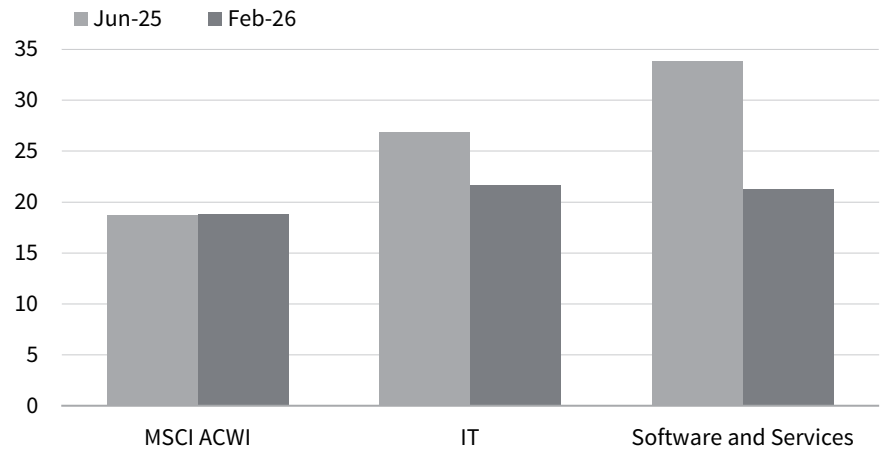
Notes: The federal funds target range is 3.50%–3.75%; the midpoint of 3.63% is used to represent future market expectations. Diamonds in the LHS chart indicate market-implied one-year forward rates. European Central Bank (ECB) data reflect the ECB overnight deposit rate. For the RHS chart, data for Germany, Japan, and the US are sourced from the IMF's January 2026 World Economic Outlook and UK from the October 2025 Fiscal Monitor. Fiscal balances refer to cyclically adjusted general government primary balances, further adjusted for a broader set of noncyclical factors, including changes in asset and commodity prices.

EPS expectations for software not yet reflecting the pessimism implied by recent AI-induced decline

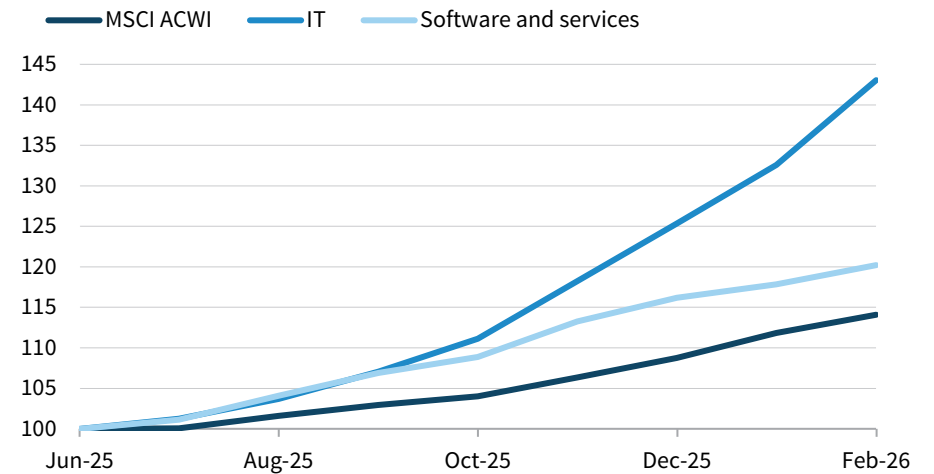
Cumulative wealth of MSCI ACWI and sub indexes
 June 30, 2025 – February 28, 2026 • June 30, 2025 = 100



12-month forward P/E for MSCI ACWI and sub indexes
 As of February 28, 2026



12-month forward EPS for MSCI ACWI and sub indexes
 June 30, 2025 – February 28, 2026 • June 30, 2025 = 100

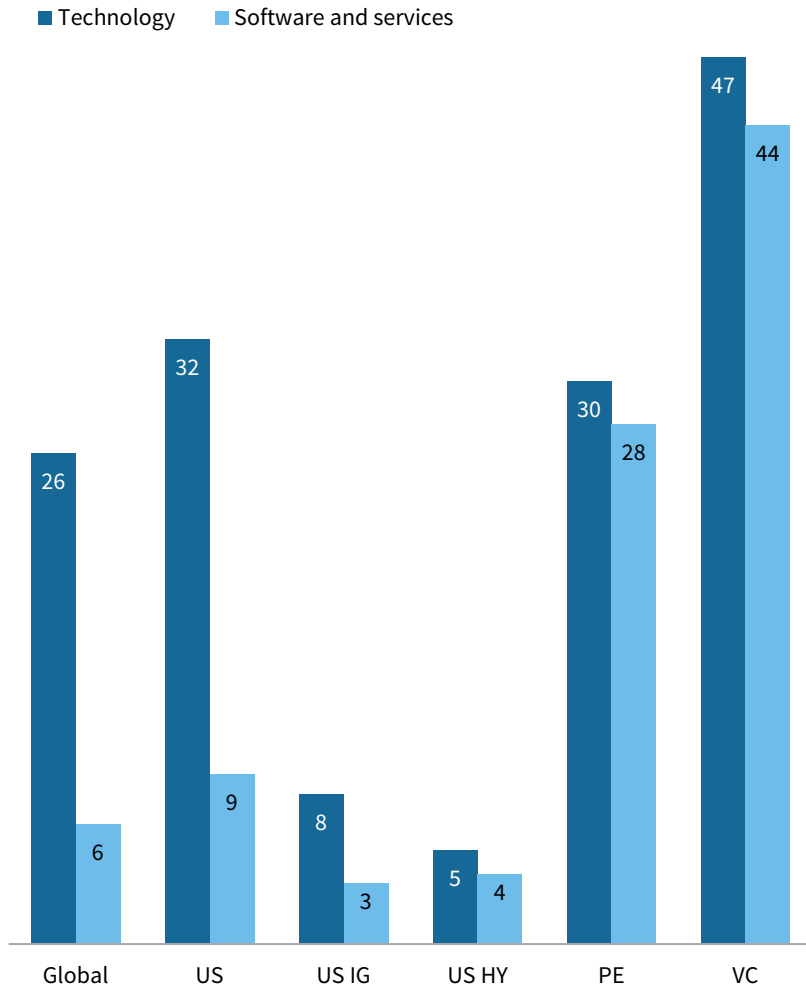


Sources: MSCI Inc. and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
 Note: Cumulative wealth data are total returns net of dividend taxes.

Elevated software exposure is also a concern within privates, with BDCs trading at a material discount

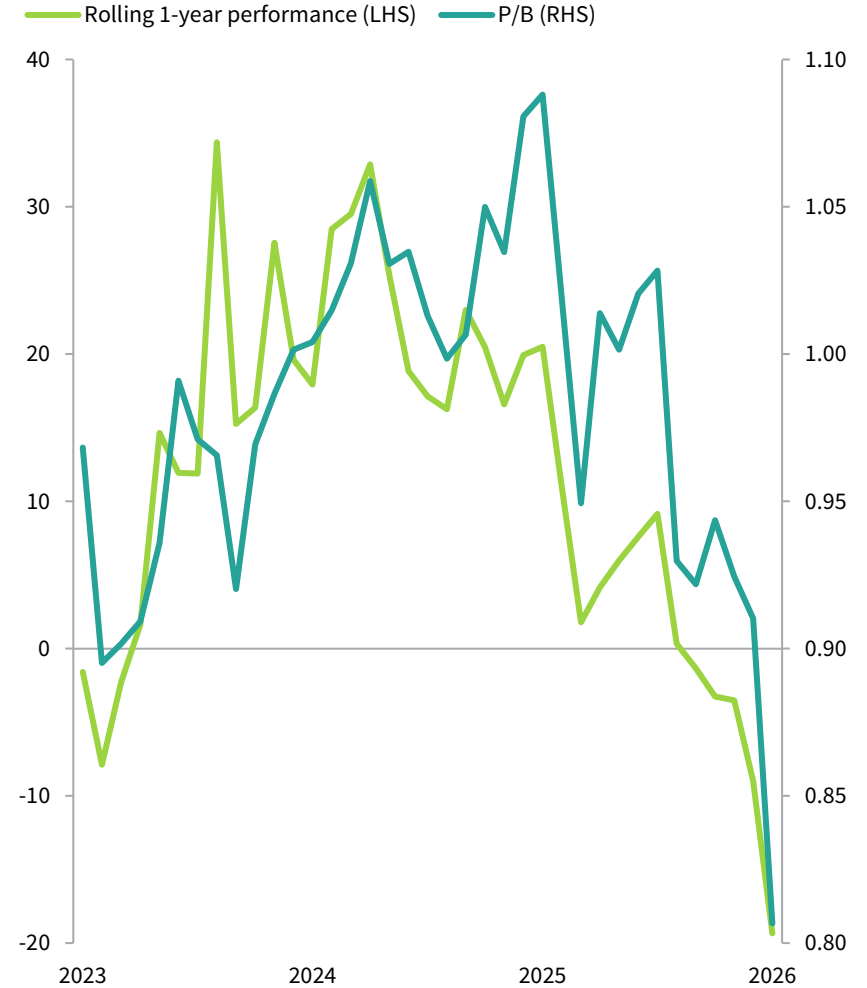
Exposure to technology and software for select indexes

As of February 26, 2026 • Percent (%)



Performance and discount to NAV of BDCs

February 28, 2023 – February 28, 2026 • Percent (%)

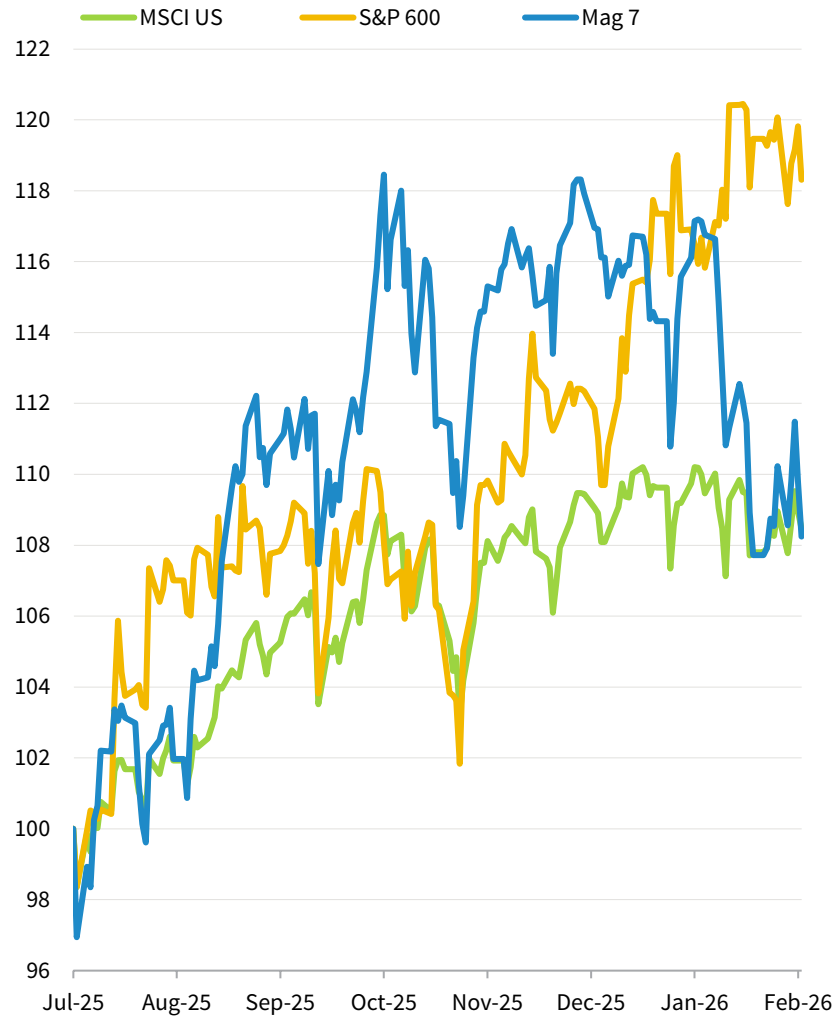


Sources: Cambridge Associates LLC, Bloomberg L.P., FactSet Research Systems, Standard & Poor's, and Thomson Reuters Datastream. Third-party data provided "as is" without any express or implied warranties.
 Notes: Asset classes are represented as follows: Global equities by the MSCI All Country World Index; US equities by the MSCI US Index; US IG bonds by the Bloomberg US Corporate Investment Grade Index; and US HY bonds by the Bloomberg US Corporate High Yield Index. PE and VC figures reflect the market value of investments made by global private equity and venture capital funds as of September 30, 2025. Business development companies are represented by the S&P BDC Index.

Expected rebound in earnings growth continues to support small-cap outperformance

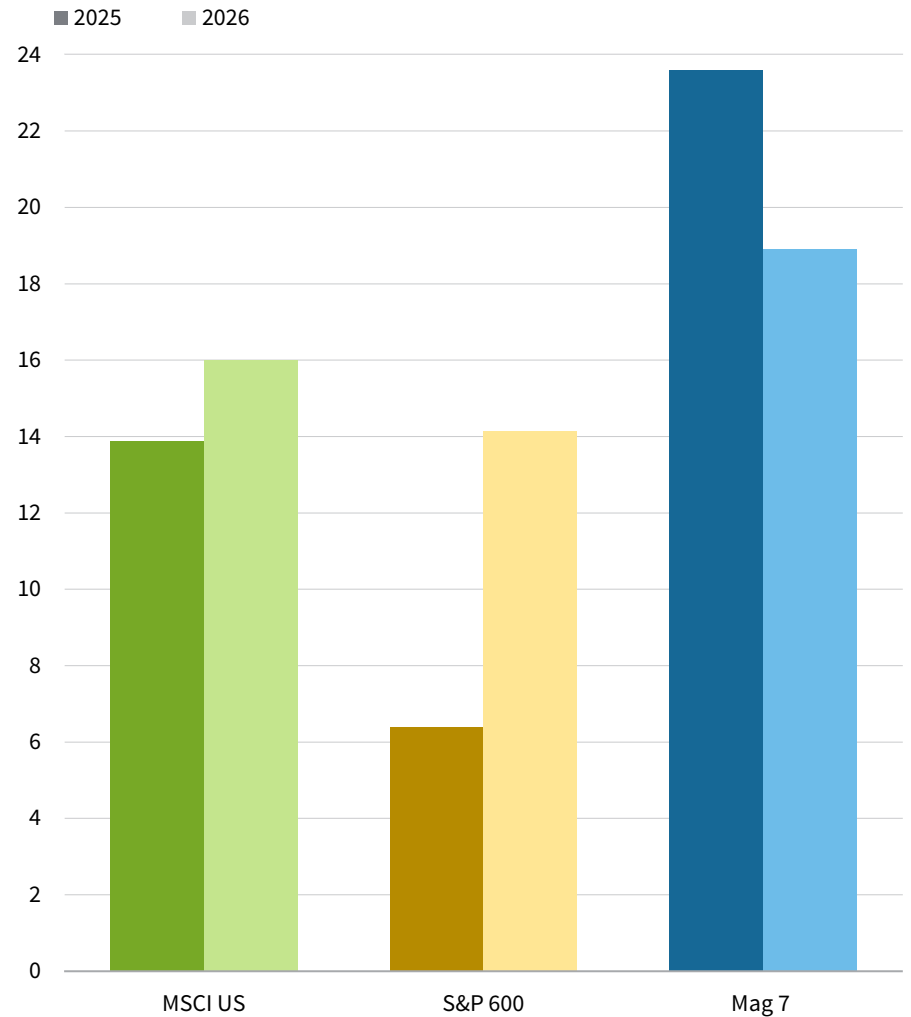
Cumulative wealth for select indexes

July 31, 2025 – February 28, 2026 • July 31, 2025 = 100



Expected EPS growth for select indexes

As of February 28, 2026 • Percent (%)

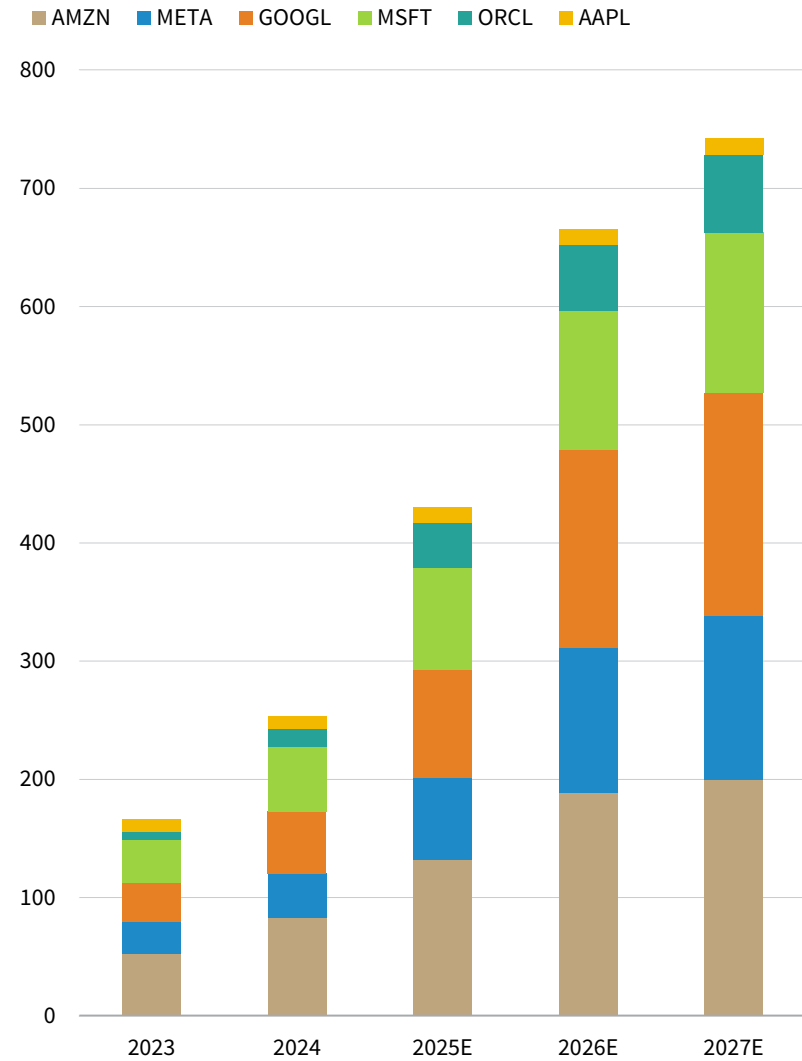


Sources: Bloomberg L.P, MSCI Inc., Standard & Poor's, and Thomson Reuters Datastream. Third-party data provided "as is" without any express or implied warranties. Notes: "Mag 7" reflects data for the Bloomberg Magnificent 7 Index. Cumulative wealth data are total returns net of dividend taxes.

Market remains cautious on hyperscalers' ever-rising capex intentions

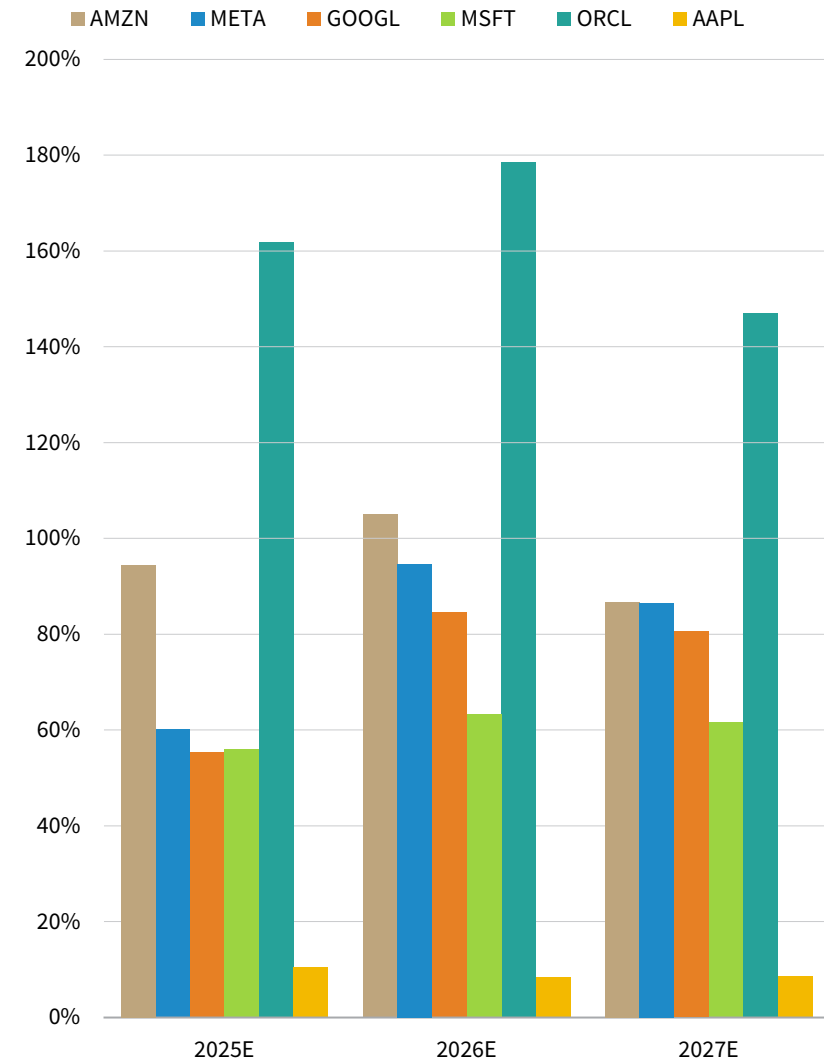
Hyperscaler CAPEX

As of February 28, 2026 • Billions (\$)



Hyperscaler CAPEX as a percent of operating cash flow

As of February 28, 2026 • Percent (%)



Source: FactSet Research Systems.
Note: Data for 2025-27 are year-end estimates.

While oil price spikes can impact growth, geopolitical conflicts tend to have short-lived equity impacts

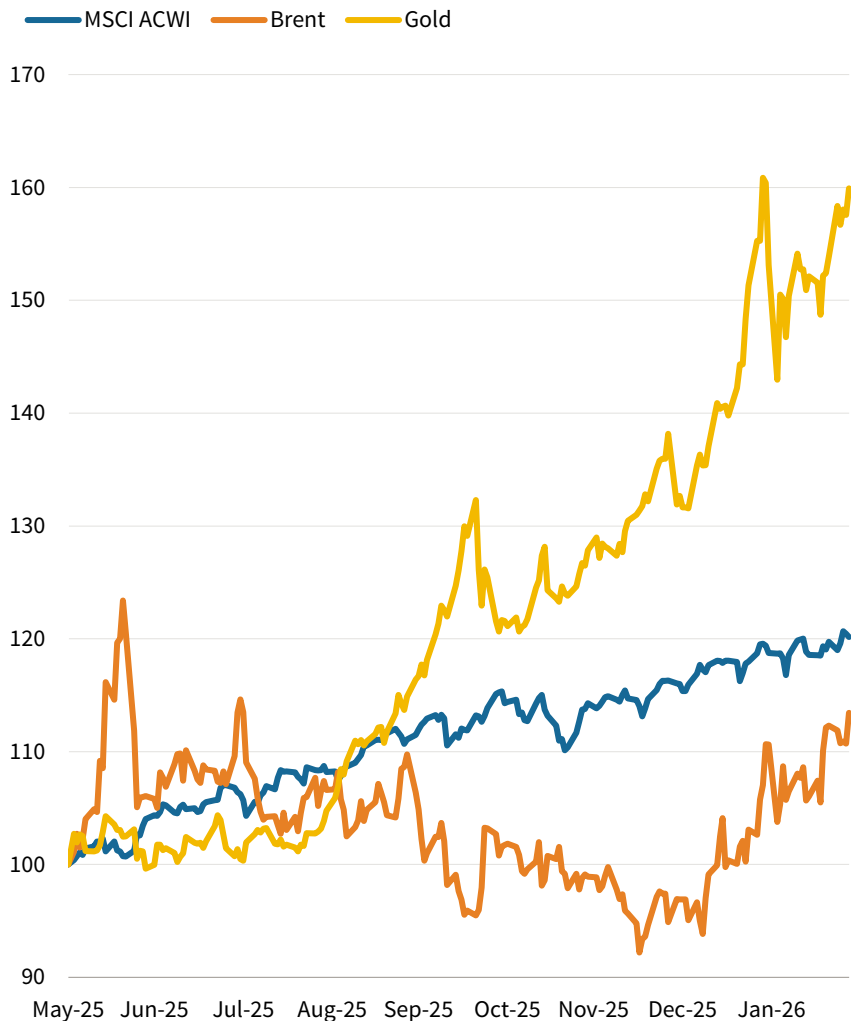
Global equity declines following geopolitical events were mild and short-lived

July 31, 2025 – January 31, 2026 • Local currency • July 31, 2025 = 100

Event Date sell off began	Sell-Off Duration (Trading Days)	Sell-Off Size (%)	1 mo from Bottom (%)
Bombing of Libya April 22, 1986	20	-3.7	3.2
First Gulf War December 14, 1990	24	-8.2	18.0
Kosovo Bombing March 22, 1999	3	-2.7	6.5
9/11 Attacks September 11, 2001	9	-11.7	10.7
Iraq War March 24, 2003	6	-4.7	8.6
Intervention in Libya February 21, 2011	18	-6.8	6.4
Annexation of Crimea March 7, 2014	6	-2.7	1.0
Intervention in Syria September 19, 2014	20	-8.6	7.2
Taliban Takeover of Kabul September 7, 2021	20	-5.7	7.1
Russian Invasion of Ukraine February 9, 2022	19	-10.6	7.1
Hamas Attacks on Israel October 7, 2023	15	-3.8	9.9
US-Israel Strike Iran June 13, 2025	6	-1.5	5.0
Median	18	-5.7	7.1

Cumulative wealth for select markets since US-Israel conflict with Iran

May 31, 2025 – February 28, 2026 • US Dollars • May 31, 2025 = 100



Notes: Data reflect MSCI All Country World from February 1988 to present and MSCI World prior to February 1988. MSCI Russia was removed from the MSCI Emerging Market Index after close on 3/9/2022. All geopolitical event returns reflect price changes in US dollars.

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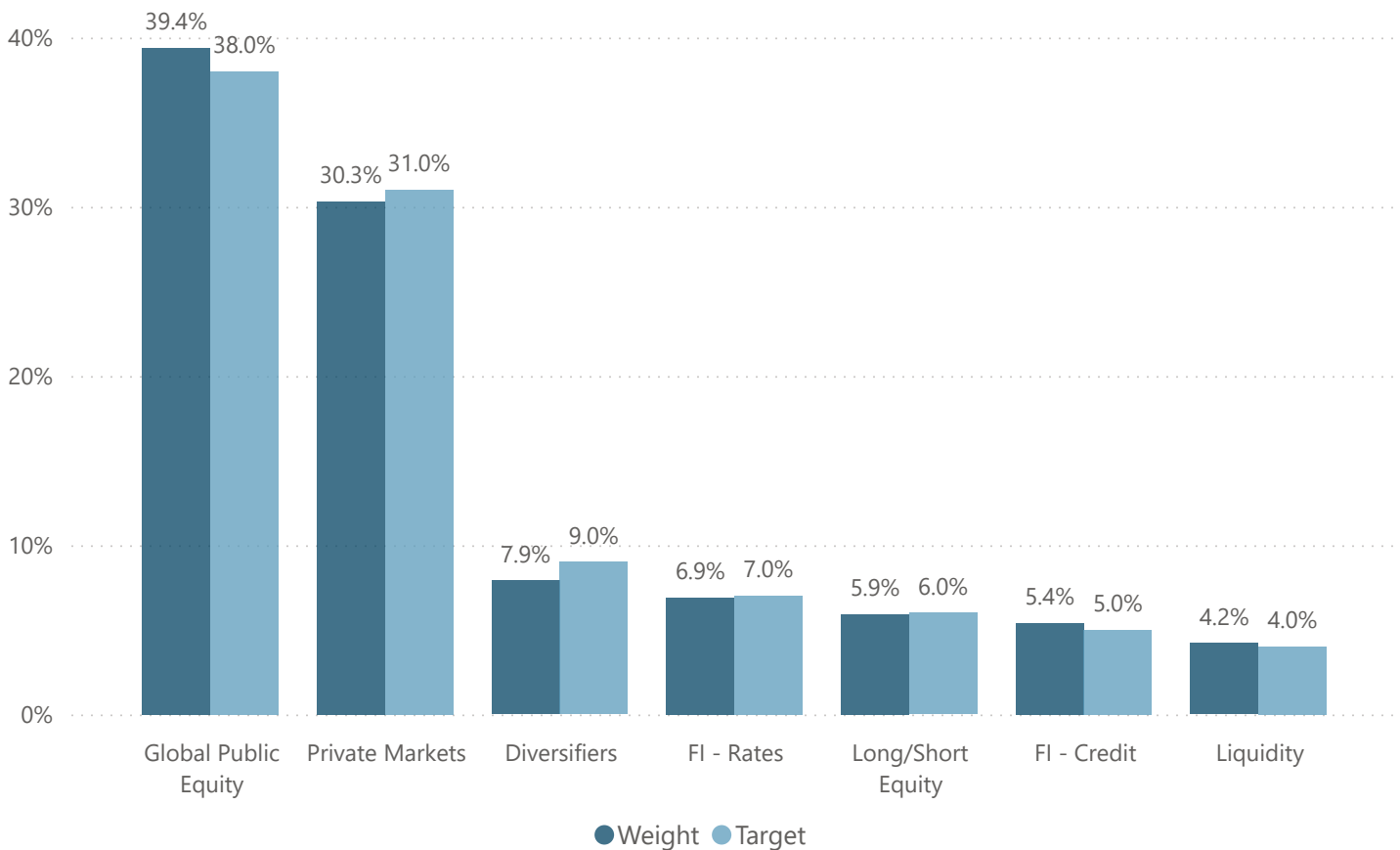
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Economic and Market Summary

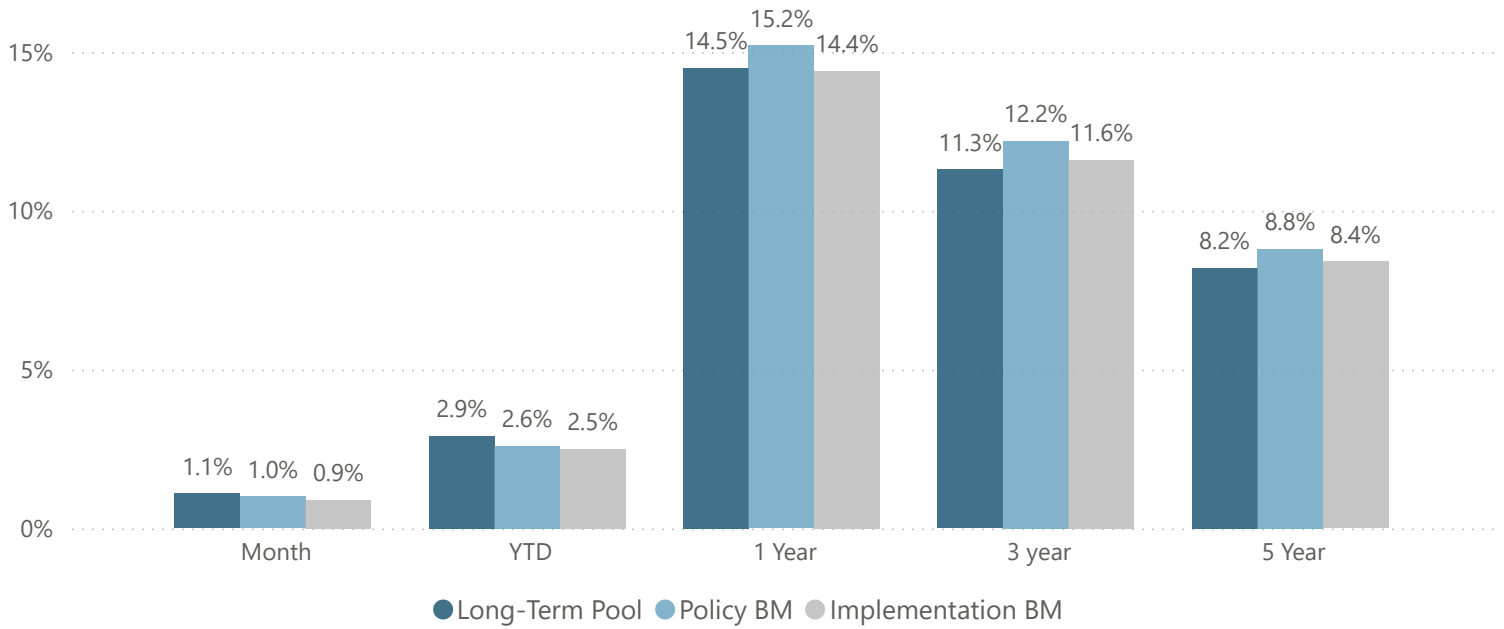
Global markets reflected a positive risk environment in February, supported by positive economic data and ongoing sector rotations. While geopolitical tensions and sector headwinds created volatility, most major equity and fixed income markets posted gains, with strong results in certain regional equity and real asset categories. Economic data releases continued to bolster risk sentiment. February PMI figures for major regions, including the US, euro area, and Japan, all signaled expanding activity. Software stocks underperformed as new AI tools raised concerns about long-term revenue streams. However, aggregate analyst growth expectations for the sector, both near and long term, remained unchanged. The rotation in equity markets continued, with value stocks generally outperforming growth stocks and small-cap equities tending to outperform large-cap equities. The US and Israel conducted strikes against Iran following escalating threats related to concerns over Tehran’s nuclear ambitions. US President Trump urged the Iranian people to overthrow their government.*

Asset Allocation

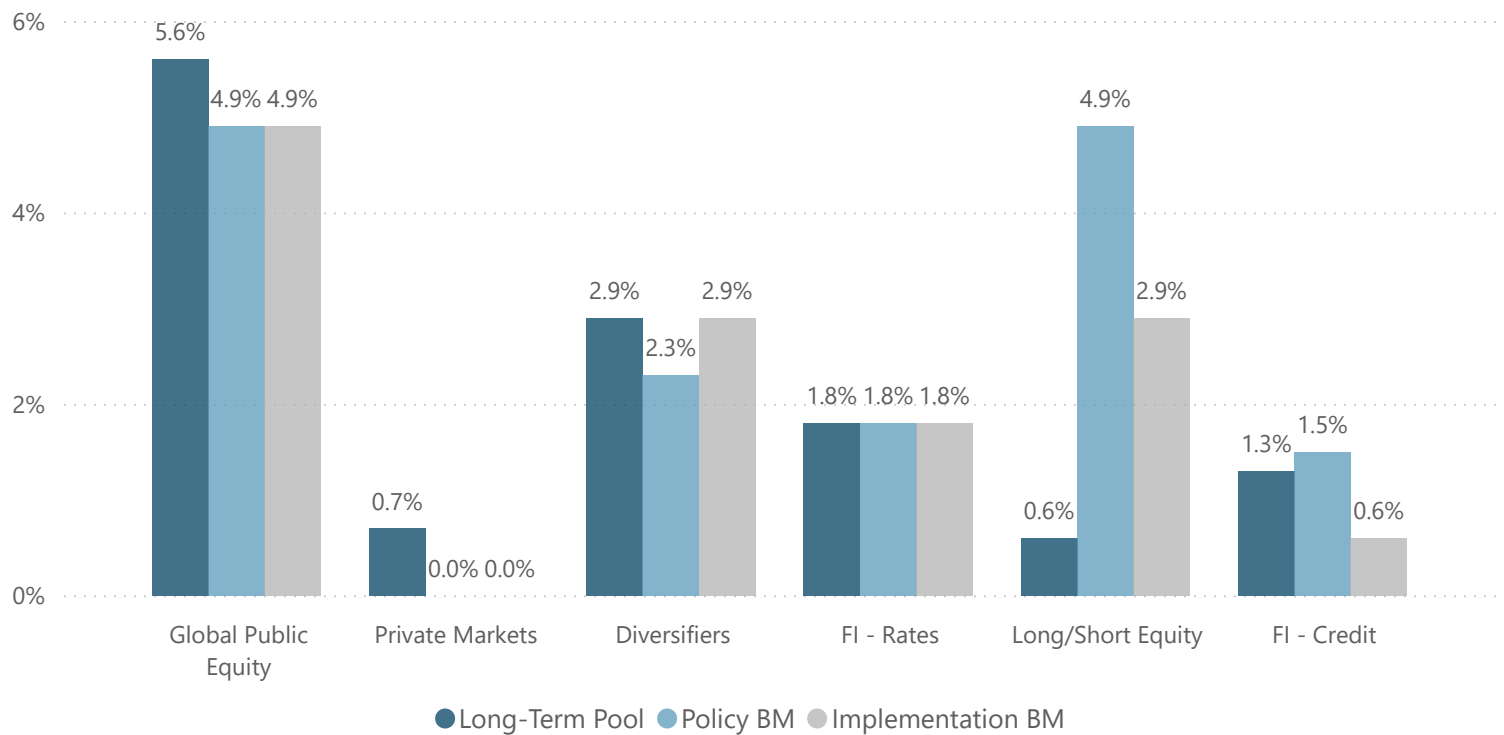
Long-Term Pool Asset Allocation (2/28/2025)



Long-Term Pool Performance (2/28/2025)



Asset Class Performance (YTD 2/28/2025)



Investment Activity

Rebalancing: The following rebalancing activity occurred since the last Board meeting:

Global Public Equity:

- \$100 million investment in Woodline Spire
- \$100 million investment in Life Cycle US Equity
- \$50 million investment in Atalan Long Only
- \$121.4 million full redemption from BLS Global Equity
- \$80 million partial redemption from MSCI World (passive)
- \$90 million partial redemption from Russell Completion
- \$10 million additional investment in Dorsal Special Opportunities, funded from a redemption from the Russell Completion Portfolio

Diversifiers

- \$50 million investment Merewether
- \$30 million investment in P/E Investments

Fixed Income – Credit:

- \$50 million redemption from Palmer Square (CLOs), proceeds to be reallocated near-term to multi-sector strategies

Glide-Path-Pool: Given the recent increased pace of private markets distributions, Staff shifted the interim asset allocation targets within the pool, reducing the Private Markets target from 24% down to 23%, and increasing the Global Public Equity target from 18% up to 19%.

Woodline (Global Public Equity): Staff approved a \$100 million investment to Woodline Spire, a 130/30 extension fund with the extension being invested in Woodline’s market-neutral strategy on top of the S&P 500. Based in San Francisco, Woodline is a \$12 billion firm established in 2018. Woodline is a new manager relationship for FPPA.

Life Cycle (Global Public Equity): Staff approved a \$100 million investment to the Life Cycle US Equity strategy. Based in London, Life Cycle is a \$20 billion, minority owned asset management firm established in 2024. Life Cycle is a new manager relationship for FPPA.

Atalan (Global Public Equity): Staff approved a \$50 million investment to the Atalan Long Master Fund, a concentrated, fundamental global equity strategy that replicates the long book of Atalan’s flagship long/short portfolio. Based in New York, Atalan is a \$2 billion firm established in 2015. Atalan is a new manager relationship for FPPA.

Merewether (Diversifiers): Staff approved a \$50 million investment to the Merewether Cyclical Master Fund, a low-net long/short equity strategy aimed at generating alpha by exploiting global energy value chain dispersions. Based in Dallas, Merewether is a \$4 billion firm established in 2018. Merewether is a new manager relationship for FPPA.

P/E Investments (Diversifiers): Staff approved a \$30 million investment to the P/E Investments White Elm FX Fund, a strategy targeting attractive risk-adjusted returns by investing in the global foreign exchange markets on a long/short basis. Based in Boston, P/E Investments is a \$22 billion firm established in 1995. P/E Investments is a new manager relationship for FPPA.

General Catalyst (Private Capital): Staff approved a \$30 million commitment to GC Customer Value Fund, a \$2.25 billion fund that will provide mature, growth-stage companies that have achieved product-market fit with capital to scale their businesses through customer acquisition. General Catalyst is a new manager relationship for FPPA.

Andreessen Horowitz (Private Capital): Staff approved a \$30 million commitment to AH 2026 Fund Multiplexer II, a \$4.5 billion venture capital fund that will invest in seven strategy verticals including AI Applications, AI Infrastructure, American Dynamism, Late-Stage Venture, Crypto, Games, and Bio + Health. Andreessen Horowitz is a new manager relationship for FPPA.

Climate Efficiency (Private Capital): Staff approved up to \$7 million commitment to CEP Co-Investment, an investment vehicle that will hold a majority equity interest alongside 424 Capital Fund II, in a current portfolio company, Climate Efficiency Partners, that will continue a heavy buy-and-build strategy targeting service companies operating in the heating, ventilation, air conditioning, refrigeration and boiler segments. 424 Capital is an existing manager relationship for FPPA.

Other Matters

Proxy Voting: See attached for FPPA's 2025 annual proxy voting stewardship report.

Investment Committee

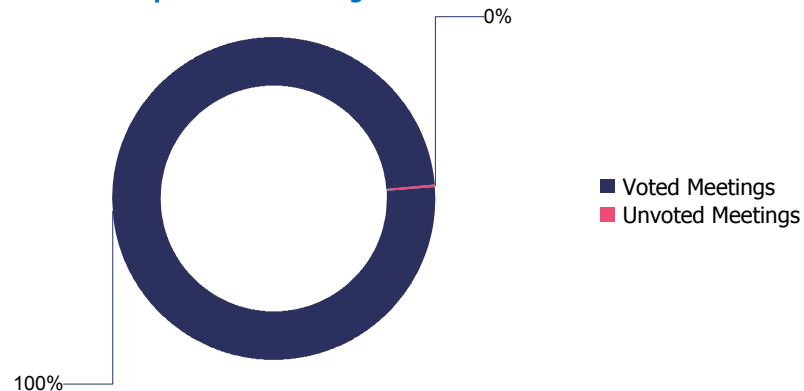
The Board Investment Committee met on April 8, 2026, to discuss the following agenda items.

- 4Q 2025 Risk Report
- Private Credit Markets Update
- 2025 Performance Attribution
- Capital Markets Expectations, including Glide-Path-Pool implications
- Hedge Fund Portfolio Construction

Meeting Overview

Category	Number
Votable Meetings	1,447
Meetings Voted	1,443
Proxy Contests Voted	2
Meetings with Against Management Votes	1,067
Meetings with Against ISS Votes	869

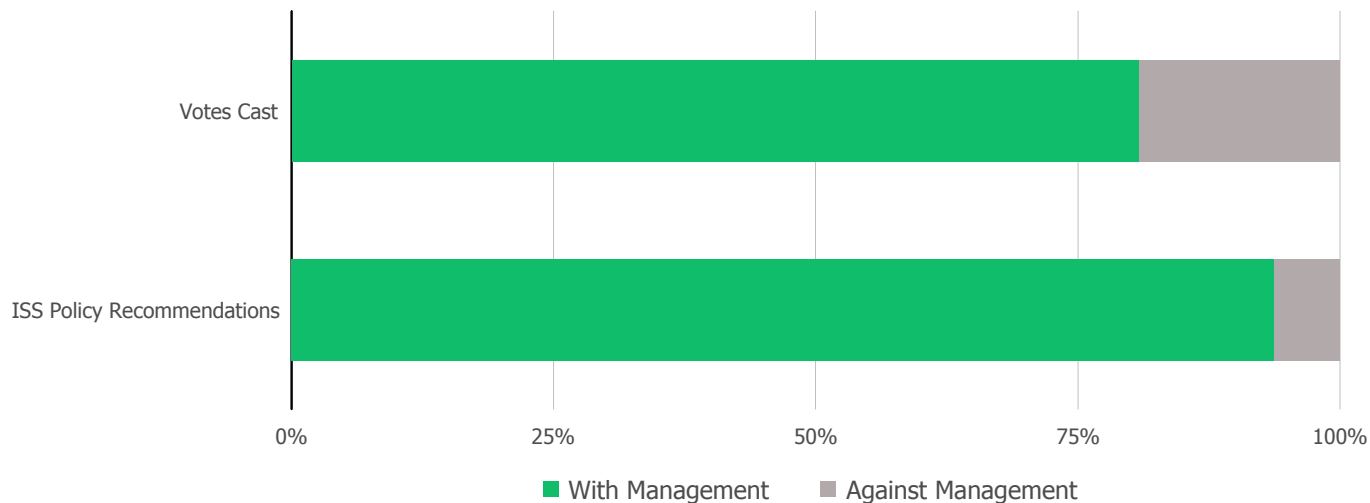
Comparison of Meetings Voted



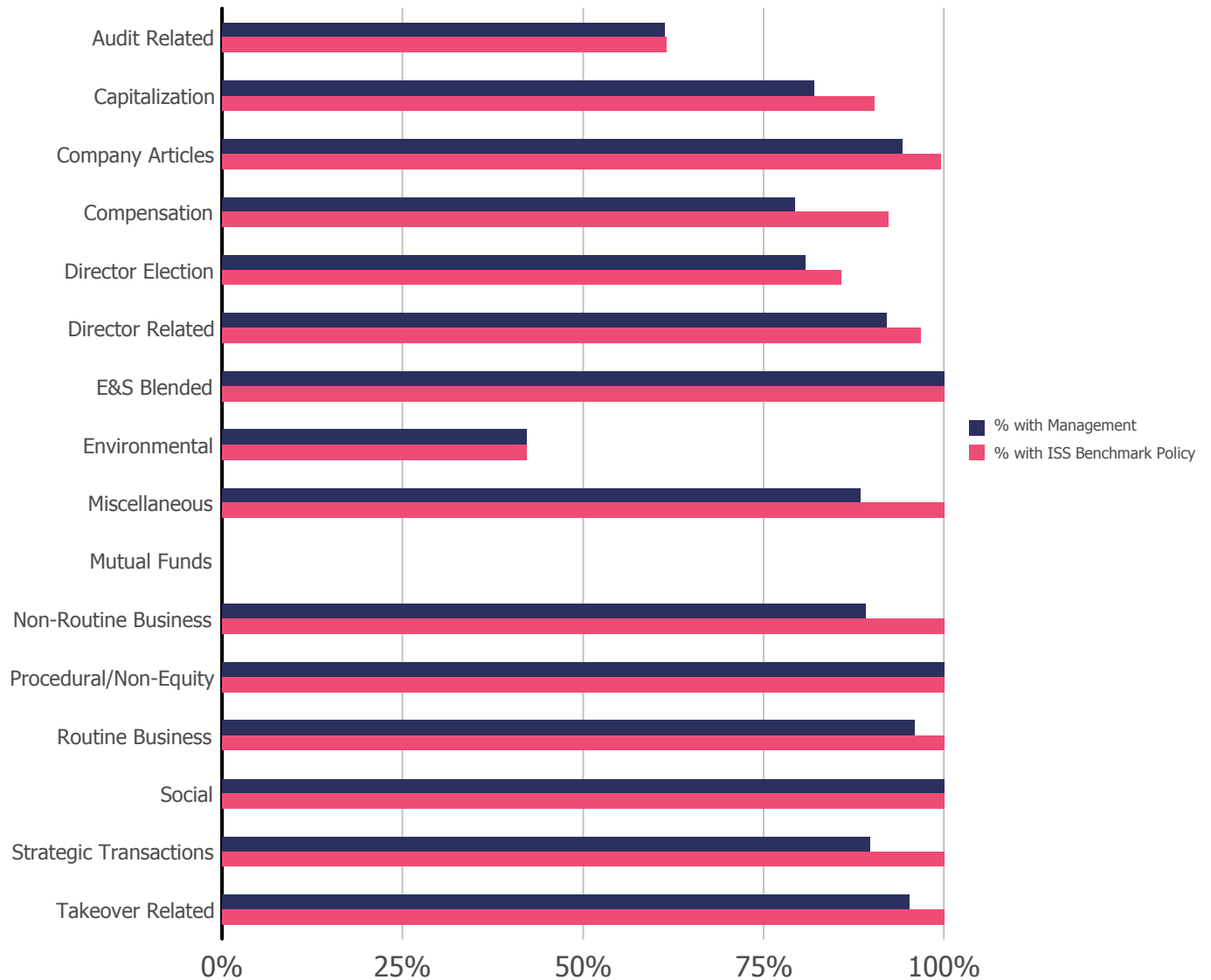
With 1,447 meetings available to vote during the period, 1,443 were voted, equating to approximately 100% of the votable meetings with close to 0% unvoted.

Alignment with Management

- > Comparing vote cast alignment with management recommendations highlights similarities and differences between your governance philosophies and the investee's approach to key corporate governance issues.
- > The votes cast on Fire and Police Pension Association of Colorado ballots during the reporting period are aligned with management recommendations in 81% of cases, while the ISS Benchmark Policy recommendations are at 94% alignment with management recommendations.



Votes Cast on Management Proposal Categories



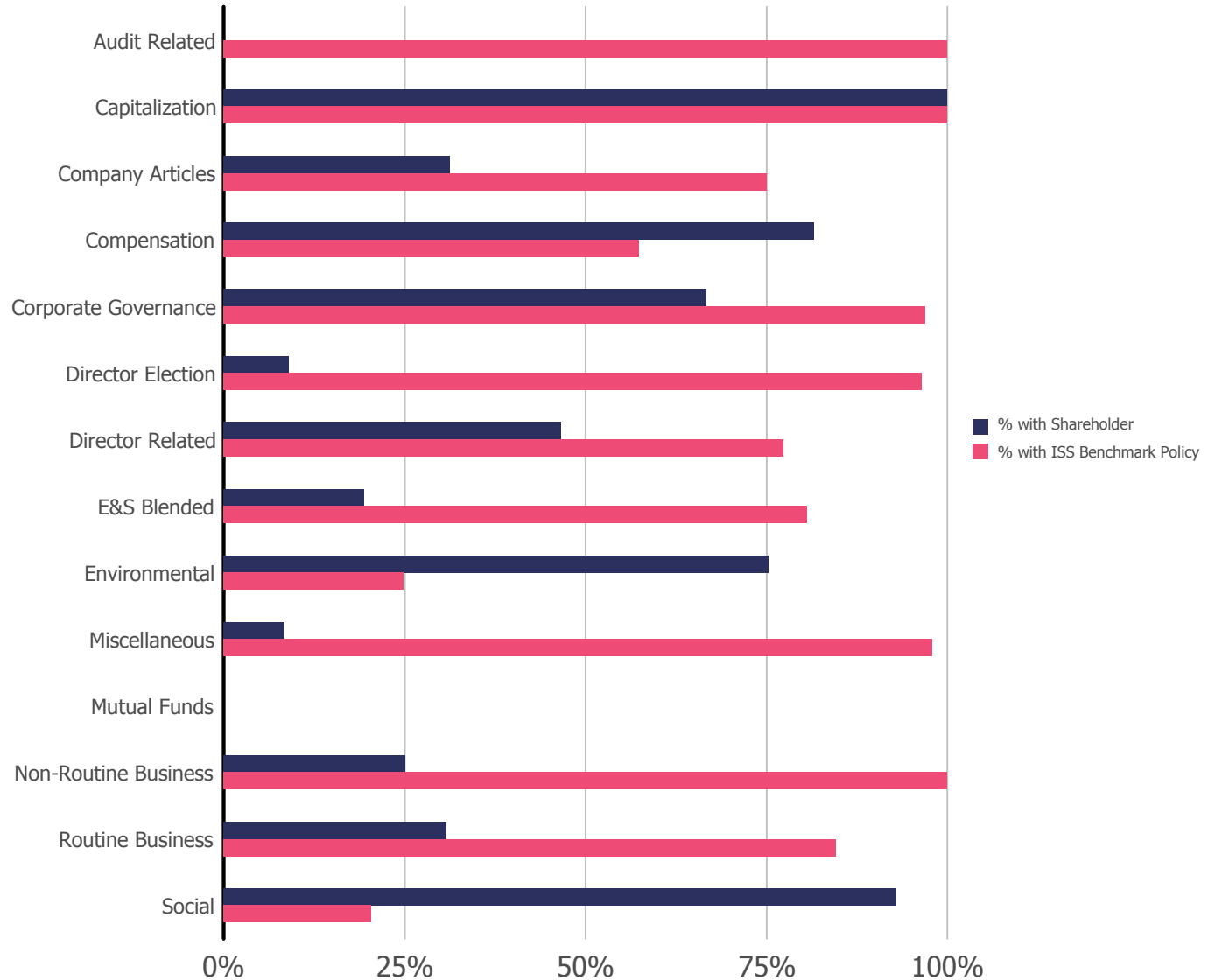
› Comparing the votes cast in support of Management proposals, ISS Benchmark Policy recommendations across the major proposal categories provides insight into the positioning of votes on proposals submitted by Shareholders against the aforementioned benchmarks.

› Votes cast during the reporting period were least in line with management on Environmental matters, where only 42% of votes followed management recommendations.

› Across categories, votes cast on management proposals show the closest alignment to the ISS Benchmark Policy guidelines.

Votes Cast on Shareholder Proposal Categories

- › Comparing the votes cast in support of Shareholder proposals, ISS Benchmark Policy recommendations across the major proposal categories provides insight into the positioning of votes on proposals submitted by Shareholders against the aforementioned benchmarks.
- › Votes cast during the reporting period show the highest level of support for shareholder proposals related to Capitalization, at 100% and the lowest level of support for shareholder proposals related to Audit Related, with 0% of proposals supported.
- › Across categories, votes cast on shareholder proposals show the closest alignment to the ISS Benchmark Policy guidelines.



Sector	% Meetings Voted	% of Companies with ISS Governance QualityScore of 8, 9 or 10 ¹	% of Votes Cast Against Management	% of Votes Cast Against ISS Benchmark Policy
Communication Services	99%	30%	23%	12%
Consumer Discretionary	99%	24%	22%	13%
Consumer Staples	100%	13%	18%	12%
Energy	100%	18%	20%	14%
Financials	100%	16%	19%	14%
Health Care	99%	18%	23%	16%
Industrials	100%	22%	17%	11%
Information Technology	100%	26%	22%	15%
Materials	100%	11%	12%	8%
Real Estate	100%	21%	23%	17%
Utilities	100%	5%	14%	12%
TOTALS	100%	19%	19%	13%

Region	% Meetings Voted	% of Companies with ISS Governance QualityScore of 8, 9 or 10 ¹	% of Votes Cast Against Management	% of Votes Cast Against ISS Benchmark Policy
Africa	100%	0%	0%	0%
Americas	100%	26%	31%	26%
Antarctica	N/A	N/A	N/A	N/A
Asia	100%	17%	9%	4%
Europe	99%	13%	13%	6%
North America	N/A	N/A	N/A	N/A
Oceania	100%	10%	19%	9%
Unknown	N/A	N/A	N/A	N/A
TOTALS	100%	19%	19%	13%

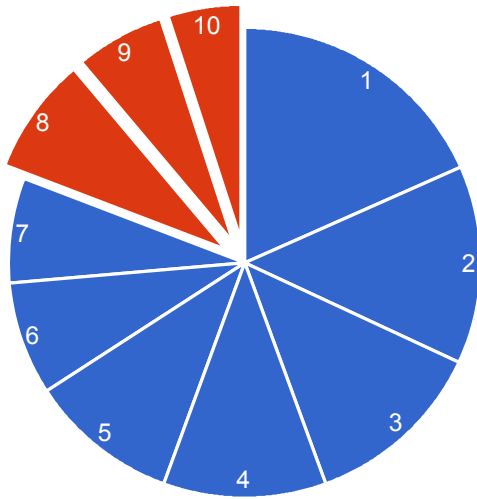
¹Percentages based on the universe of holdings within the ISS Governance QualityScore coverage universe.

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Largest Portfolio Positions with High Governance Risk

The table below highlights the top 15 largest positions for those companies deemed high-risk, as indicated by an ISS Governance QualityScore between 8 and 10. Companies are only shown if they held a meeting during the reporting period.

Portfolio Risk by ISS Governance QualityScore



19%² of the companies within your portfolio that held meetings during the reporting period are high risk, falling within the ISS Governance QualityScore range of **10** through **8**.

Company	Ticker	Estimated Position Value (USD) ¹	ISS Governance QualityScore	Board Structure	Compensation/Remuneration	Shareholder Rights & Takeover Defenses	Audit & Risk Oversight
NVIDIA Corporation	NVDA	46.5 M	8	10	4	8	5
Amazon.com, Inc.	AMZN	23.2 M	9	8	10	3	2
Alphabet Inc.	GOOGL	19.7 M	10	9	10	10	7
Meta Platforms, Inc.	META	14.5 M	10	10	10	10	9
Otis Worldwide Corporation	OTIS	10.4 M	8	3	10	4	2
Berkshire Hathaway Inc.	BRK.B	10.4 M	10	10	8	10	10
LVMH Moet Hennessy Louis Vuitton SE	MC	9.6 M	8	8	9	7	4
Eli Lilly and Company	LLY	8.7 M	8	6	6	9	8
Tesla, Inc.	TSLA	6.7 M	10	10	10	9	3
Texas Instruments Incorporated	TXN	4.5 M	8	9	9	6	6
Palantir Technologies, Inc.	PLTR	3.6 M	10	10	10	10	7
Christian Dior SE	CDI	3.5 M	9	9	8	9	5
UnitedHealth Group Incorporated	UNH	3.4 M	8	6	9	1	10
GE Aerospace	GE	3.3 M	9	7	10	2	9
Nordex SE	NDX1	3.3 M	8	7	7	1	4

ISS Governance QualityScore is a data driven scoring and screening solution designed to identify governance risk within companies. ISS Governance QualityScore is derived from publicly disclosed data on the company's governance practices. Scores indicate decile rank relevant to index or region. For more information on ISS Governance QualityScore, visit <https://www.issgovernance.com/solutions/iss-analytics/qualityscore/>.

¹Estimated values are based on shares held on record date for the company's most recently held meeting during the reporting period. Please contact your ISS Client Service Team with any questions related to how this value is calculated.

²Percentages based on the universe of holdings within the ISS Governance QualityScore coverage universe.

Contested Meetings Overview

Company	Ticker	ISS Governance QualityScore	Meeting Date	Position Value (USD)*	ISS Recommended Slate	Slate Voted	Key Takeaways
Air Products and Chemicals, Inc.	APD	2	23-Jan-2025	795,810.8	Dissident	Dissident	Mantle Ridge, a 1.8 percent shareholder, is seeking four seats on the nine-member board. Although Mantle Ridge is nominating a minority slate, this campaign is predicated on a management change. Mantle Ridge is seeking to remove the CEO and chairman, Seifi Gasemi, and the lead independent director, Ed Monser. Its campaign includes a proposed new CEO candidate, Eduardo Menezes, whom it is not nominating to the board. Another shareholder, D.E. Shaw, initiated a proxy contest in October 2024, prior to Mantle Ridge's campaign becoming public. D.E. Shaw withdrew its campaign and has since publicly expressed support for Mantle Ridge's slate. The dissident has made a compelling case for change and has proposed candidates that have experience to address the issues identified. Shareholders are recommended to vote for dissident nominees Reilley, Evans, and Hilal and to withhold from company nominees Ghasemi, Monser, and Cogut.
Phillips 66	PSX	8	21-May-2025	603,770.2	Dissident	Dissident	Elliott Investment Management L.P., a 4.9 percent shareholder, is seeking four seats on the 14-member classified board. This proxy contest is the culmination of a public campaign initiated in late 2023. Prior to last year's meeting, the parties reached a settlement. Robert Pease (who is on ballot) was added to the board immediately, and the parties agreed to work together to identify a second new director over the following months (a specific timeframe was not established). A second addition pursuant to this agreement was never made, as communication between the parties broke down over the course of last year. Elliott is now calling on PSX to evaluate alternatives for the midstream business and the chemicals joint venture, with the overarching goal of refocusing on the core refining business, where PSX has underperformed peers. Developments during the pandemic made it evident that PSX needed to make adjustments across the leadership team and the business. These adjustments took the form of board refreshment, a CEO transition, a focus on operational improvements in refining, and a restructuring of the asset portfolio through divestitures, the roll-up and consolidation of midstream operations, and M&A. These efforts have not been entirely successful, and there are serious concerns with the board's composition, leadership, and independence that will require change to rectify. The dissident has made a compelling case for change, and has proposed candidates possessing the experience and independence necessary to begin addressing the most important issues facing PSX. With that said, this is not an endorsement of a midstream and/or chemicals separation. Ultimately, that is a matter that should be deliberated by the reconstituted board. Shareholders are recommended to vote for dissident nominees Coffman, Cornelius, Heim, and Nieuwoudt, and withhold from company nominees Hearne, Lowe, Pease, and Ungerleider.

Contested Meetings & Largest Portfolio Positions with High Governance Risk Meeting Details

Company	Ticker	Meeting ID	Meeting Date	Proposal #	Proposal Text	Management Recommendation	Policy Recommendation	Vote Instruction	Rationale
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1a	Elect Management Nominee Director Tonit M. Calaway	For		Do Not Vote	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1b	Elect Management Nominee Director Charles "Casey" Cogut	For		Do Not Vote	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1c	Elect Management Nominee Director Lisa A. Davis	For		Do Not Vote	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1d	Elect Management Nominee Director Seifollah "Seifi" Ghasemi	For		Do Not Vote	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1e	Elect Management Nominee Director Jessica Trocchi Graziano	For		Do Not Vote	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1f	Elect Management Nominee Director Edward L. Monser	For		Do Not Vote	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1g	Elect Management Nominee Director Bhavesh V. "Bob" Patel	For		Do Not Vote	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1h	Elect Management Nominee Director Wayne T. Smith	For		Do Not Vote	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1i	Elect Management Nominee Director Alfred Stern	For		Do Not Vote	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1j	Elect Dissident Nominee Director Andrew Evans	Withhold		Do Not Vote	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1k	Elect Dissident Nominee Director Paul Hilal	Withhold		Do Not Vote	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1l	Elect Dissident Nominee Director Tracy McKibben	Withhold		Do Not Vote	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1m	Elect Dissident Nominee Director Dennis Reilley	Withhold		Do Not Vote	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	2	Advisory Vote to Ratify Named Executive Officers' Compensation	For		Do Not Vote	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	3	Ratify Deloitte & Touche LLP as Auditors	For		Do Not Vote	

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Company	Ticker	Meeting ID	Meeting Date	Proposal #	Proposal Text	Management Recommendation	Policy Recommendation	Vote Instruction	Rationale
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	4	Repeal Any Bylaw Provisions or Amendments Without Shareholder Approval Subsequent to September 17, 2023	Against		Do Not Vote	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1a	Elect Dissident Nominee Director Andrew Evans	For		For	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1b	Elect Dissident Nominee Director Paul Hilal	For		For	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1c	Elect Dissident Nominee Director Tracy McKibben	For		Withhold	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1d	Elect Dissident Nominee Director Dennis Reilley	For		For	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1e	Elect Management Nominee Director Charles "Casey" Cogut	Withhold		Withhold	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1f	Elect Management Nominee Director Lisa A. Davis	Withhold		For	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1g	Elect Management Nominee Director Seifollah "Seifi" Ghasemi	Withhold		Withhold	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1h	Elect Management Nominee Director Edward L. Monser	Withhold		Withhold	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1i	Elect Management Nominee Director Tonit M. Calaway	For		For	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1j	Elect Management Nominee Director Jessica Trocchi Graziano	For		For	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1k	Elect Management Nominee Director Bhavesh V. "Bob" Patel	For		For	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1l	Elect Management Nominee Director Wayne T. Smith	For		For	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	1m	Elect Management Nominee Director Alfred Stern	For		For	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	2	Ratify Deloitte & Touche LLP as Auditors	For		For	

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Company	Ticker	Meeting ID	Meeting Date	Proposal #	Proposal Text	Management Recommendation	Policy Recommendation	Vote Instruction	Rationale
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	3	Advisory Vote to Ratify Named Executive Officers' Compensation	None		For	
Air Products and Chemicals, Inc.	APD	1914881	23-Jan-2025	4	Repeal Any Bylaw Provisions or Amendments Without Shareholder Approval Subsequent to September 17, 2023	For		For	
Texas Instruments Incorporated	TXN	1935661	17-Apr-2025	1a	Elect Director Mark Blinn	For		Against	
Texas Instruments Incorporated	TXN	1935661	17-Apr-2025	1b	Elect Director Todd Bluedorn	For		For	
Texas Instruments Incorporated	TXN	1935661	17-Apr-2025	1c	Elect Director Janet Clark	For		For	
Texas Instruments Incorporated	TXN	1935661	17-Apr-2025	1d	Elect Director Carrie Cox	For		Against	
Texas Instruments Incorporated	TXN	1935661	17-Apr-2025	1e	Elect Director Martin Craighead	For		For	
Texas Instruments Incorporated	TXN	1935661	17-Apr-2025	1f	Elect Director Reginald DesRoches	For		For	
Texas Instruments Incorporated	TXN	1935661	17-Apr-2025	1g	Elect Director Curtis Farmer	For		For	
Texas Instruments Incorporated	TXN	1935661	17-Apr-2025	1h	Elect Director Jean Hobby	For		For	
Texas Instruments Incorporated	TXN	1935661	17-Apr-2025	1i	Elect Director Haviv Ilan	For		Against	
Texas Instruments Incorporated	TXN	1935661	17-Apr-2025	1j	Elect Director Ronald Kirk	For		Against	
Texas Instruments Incorporated	TXN	1935661	17-Apr-2025	1k	Elect Director Pamela Patsley	For		Against	
Texas Instruments Incorporated	TXN	1935661	17-Apr-2025	1l	Elect Director Robert Sanchez	For		Against	
Texas Instruments Incorporated	TXN	1935661	17-Apr-2025	1m	Elect Director Richard Templeton	For		Against	
Texas Instruments Incorporated	TXN	1935661	17-Apr-2025	2	Advisory Vote to Ratify Named Executive Officers' Compensation	For		For	
Texas Instruments Incorporated	TXN	1935661	17-Apr-2025	3	Ratify Ernst & Young LLP as Auditors	For		Against	
Texas Instruments Incorporated	TXN	1935661	17-Apr-2025	4	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against		For	

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Company	Ticker	Meeting ID	Meeting Date	Proposal #	Proposal Text	Management Recommendation	Policy Recommendation	Vote Instruction	Rationale
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	1	Approve Financial Statements and Statutory Reports	For		For	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	2	Approve Consolidated Financial Statements and Statutory Reports	For		For	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	3	Approve Allocation of Income and Dividends of EUR 13 per Share	For		For	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	4	Approve Auditors' Special Report on Related-Party Transactions Mentioning the Absence of New Transactions	For		Against	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	5	Ratify Appointment of Wei Sun Christianson as Director	For		For	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	6	Reelect Bernard Arnault as Director	For		Against	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	7	Reelect Sophie Chassat as Director	For		For	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	8	Reelect Clara Gaymard as Director	For		For	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	9	Reelect Hubert Védrine as Director	For		Against	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	10	Approve Compensation Report of Corporate Officers	For		Against	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	11	Approve Compensation of Bernard Arnault, Chairman and CEO	For		Against	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	12	Approve Compensation of Antonio Belloni, Vice-CEO	For		Against	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	13	Approve Remuneration Policy of Directors	For		For	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	14	Approve Remuneration Policy of Chairman and CEO	For		Against	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	15	Authorize Repurchase of Up to 10 Percent of Issued Share Capital	For		For	

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Company	Ticker	Meeting ID	Meeting Date	Proposal #	Proposal Text	Management Recommendation	Policy Recommendation	Vote Instruction	Rationale
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	16	Authorize Decrease in Share Capital via Cancellation of Repurchased Shares	For		For	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	17	Authorize Capitalization of Reserves of Up to EUR 20 Million for Bonus Issue or Increase in Par Value	For		For	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	18	Authorize Issuance of Equity or Equity-Linked Securities with Preemptive Rights (Rights Issue) up to Aggregate Nominal Amount of EUR 20 Million	For		For	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	19	Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to Aggregate Nominal Amount of EUR 20 Million	For		Against	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	20	Approve Issuance of Equity or Equity-Linked Securities Reserved for Qualified Investors, up to Aggregate Nominal Amount of EUR 20 Million	For		Against	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	21	Authorize Board to Increase Capital in the Event of Additional Demand Related to Delegation Submitted to Shareholder Vote Above	For		Against	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	22	Authorize Capital Increase of Up to EUR 20 Million for Future Exchange Offers	For		Against	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	23	Authorize Capital Increase of up to 20 Percent of Issued Capital for Contributions in Kind	For		Against	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	24	Authorize up to 1 Percent of Issued Capital for Use in Stock Option Plans Reserved for Employees and Corporate Officers	For		Against	

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Company	Ticker	Meeting ID	Meeting Date	Proposal #	Proposal Text	Management Recommendation	Policy Recommendation	Vote Instruction	Rationale
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	25	Authorize Capital Issuances for Use in Employee Stock Purchase Plans	For		For	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	26	Authorize Capital Issuances for Use in Employee Stock Purchase Plans Reserved for Employees of International Subsidiaries	For		For	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	27	Set Total Limit for Capital Increase to Result from All Issuance Requests at EUR 20 Million	For		For	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	28	Amend Articles 12 and 16 of Bylaws Re: Age Limit of Chairman of the Board and CEO	For		For	
LVMH Moet Hennessy Louis Vuitton SE	MC	1925336	17-Apr-2025	29	Amend Articles of Bylaws to Incorporate Legal Changes	For		Against	
Christian Dior SE	CDI	1937402	17-Apr-2025	1	Approve Financial Statements and Statutory Reports	For		For	
Christian Dior SE	CDI	1937402	17-Apr-2025	2	Approve Consolidated Financial Statements and Statutory Reports	For		For	
Christian Dior SE	CDI	1937402	17-Apr-2025	3	Approve Allocation of Income and Dividends of EUR 13 per Share	For		For	
Christian Dior SE	CDI	1937402	17-Apr-2025	4	Approve Auditors' Special Report on Related-Party Transactions Mentioning the Absence of New Transactions	For		Against	
Christian Dior SE	CDI	1937402	17-Apr-2025	5	Reelect Segolene Gallienne as Director	For		Against	
Christian Dior SE	CDI	1937402	17-Apr-2025	6	Reelect Nicolas Bazire as Director	For		Against	
Christian Dior SE	CDI	1937402	17-Apr-2025	7	Reelect Christian de Labriffe as Director	For		Against	
Christian Dior SE	CDI	1937402	17-Apr-2025	8	Renew Appointment of Deloitte & Associates as Auditor	For		For	

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Company	Ticker	Meeting ID	Meeting Date	Proposal #	Proposal Text	Management Recommendation	Policy Recommendation	Vote Instruction	Rationale
Christian Dior SE	CDI	1937402	17-Apr-2025	9	Appoint BDO Paris as Auditor	For		For	
Christian Dior SE	CDI	1937402	17-Apr-2025	10	Appoint Deloitte & Associates as Auditor for Sustainability Reporting	For		For	
Christian Dior SE	CDI	1937402	17-Apr-2025	11	Approve Compensation Report of Corporate Officers	For		For	
Christian Dior SE	CDI	1937402	17-Apr-2025	12	Approve Compensation of Bernard Arnault, Chairman	For		For	
Christian Dior SE	CDI	1937402	17-Apr-2025	13	Approve Compensation of Antoine Arnault, CEO	For		Against	
Christian Dior SE	CDI	1937402	17-Apr-2025	14	Approve Remuneration Policy of Directors	For		For	
Christian Dior SE	CDI	1937402	17-Apr-2025	15	Approve Remuneration Policy of Chairman	For		Against	
Christian Dior SE	CDI	1937402	17-Apr-2025	16	Approve Remuneration Policy of CEO	For		Against	
Christian Dior SE	CDI	1937402	17-Apr-2025	17	Authorize Repurchase of Up to 10 Percent of Issued Share Capital	For		For	
Christian Dior SE	CDI	1937402	17-Apr-2025	18	Authorize Decrease in Share Capital via Cancellation of Repurchased Shares	For		For	
Christian Dior SE	CDI	1937402	17-Apr-2025	19	Amend Articles 11 and 15 of Bylaws Re: Age Limit of Chairman and CEO	For		For	
Christian Dior SE	CDI	1937402	17-Apr-2025	20	Amend Articles of Bylaws to Incorporate Legal Changes	For		Against	
Berkshire Hathaway Inc.	BRK.B	1940972	03-May-2025	1.1	Elect Director Warren E. Buffett	For		Withhold	
Berkshire Hathaway Inc.	BRK.B	1940972	03-May-2025	1.2	Elect Director Gregory E. Abel	For		Withhold	
Berkshire Hathaway Inc.	BRK.B	1940972	03-May-2025	1.3	Elect Director Howard G. Buffett	For		Withhold	
Berkshire Hathaway Inc.	BRK.B	1940972	03-May-2025	1.4	Elect Director Susan A. Buffett	For		Withhold	
Berkshire Hathaway Inc.	BRK.B	1940972	03-May-2025	1.5	Elect Director Stephen B. Burke	For		Withhold	
Berkshire Hathaway Inc.	BRK.B	1940972	03-May-2025	1.6	Elect Director Kenneth I. Chenault	For		Withhold	

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Company	Ticker	Meeting ID	Meeting Date	Proposal #	Proposal Text	Management Recommendation	Policy Recommendation	Vote Instruction	Rationale
Berkshire Hathaway Inc.	BRK.B	1940972	03-May-2025	1.7	Elect Director Christopher C. Davis	For		Withhold	
Berkshire Hathaway Inc.	BRK.B	1940972	03-May-2025	1.8	Elect Director Susan L. Decker	For		Withhold	
Berkshire Hathaway Inc.	BRK.B	1940972	03-May-2025	1.9	Elect Director Charlotte Guyman	For		Withhold	
Berkshire Hathaway Inc.	BRK.B	1940972	03-May-2025	1.10	Elect Director Ajit Jain	For		Withhold	
Berkshire Hathaway Inc.	BRK.B	1940972	03-May-2025	1.11	Elect Director Thomas S. Murphy, Jr.	For		Withhold	
Berkshire Hathaway Inc.	BRK.B	1940972	03-May-2025	1.12	Elect Director Wallace R. Weitz	For		Withhold	
Berkshire Hathaway Inc.	BRK.B	1940972	03-May-2025	1.13	Elect Director Meryl B. Witmer	For		Withhold	
Berkshire Hathaway Inc.	BRK.B	1940972	03-May-2025	2	Report on Costs and Benefits of Voluntary Carbon Reduction Commitments	Against		Against	
Berkshire Hathaway Inc.	BRK.B	1940972	03-May-2025	3	Report on Pay Disparity	Against		For	
Berkshire Hathaway Inc.	BRK.B	1940972	03-May-2025	4	Report on Civil Rights and Non-Discrimination Audit	Against		Against	
Berkshire Hathaway Inc.	BRK.B	1940972	03-May-2025	5	Conduct and Report a Third-Party Racial Equity Audit on Risks Related to Race-based Initiatives	Against		Against	
Berkshire Hathaway Inc.	BRK.B	1940972	03-May-2025	6	Designate Board Committee to Oversee DEI Strategy	Against		For	
Berkshire Hathaway Inc.	BRK.B	1940972	03-May-2025	7	Report on Clean Energy Supply Financing Ratio	Against		For	
Berkshire Hathaway Inc.	BRK.B	1940972	03-May-2025	8	Establish Board Committee on Artificial Intelligence	Against		For	
Eli Lilly and Company	LLY	1943886	05-May-2025	1a	Elect Director Ralph Alvarez	For		Against	
Eli Lilly and Company	LLY	1943886	05-May-2025	1b	Elect Director Mary Lynne Hedley	For		For	
Eli Lilly and Company	LLY	1943886	05-May-2025	1c	Elect Director Kimberly H. Johnson	For		For	
Eli Lilly and Company	LLY	1943886	05-May-2025	1d	Elect Director Juan R. Luciano	For		For	

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Eli Lilly and Company	LLY	1943886	05-May-2025	2	Advisory Vote to Ratify Named Executive Officers' Compensation	For		For	
Eli Lilly and Company	LLY	1943886	05-May-2025	3	Ratify Ernst & Young LLP as Auditors	For		Against	
Eli Lilly and Company	LLY	1943886	05-May-2025	4	Declassify the Board of Directors	For		For	
Eli Lilly and Company	LLY	1943886	05-May-2025	5	Eliminate Supermajority Vote Requirement	For		For	
GE Aerospace	GE	1940156	06-May-2025	1a	Elect Director Stephen Angel	For		For	
GE Aerospace	GE	1940156	06-May-2025	1b	Elect Director Sebastien Bazin	For		For	
GE Aerospace	GE	1940156	06-May-2025	1c	Elect Director Margaret Billson	For		For	
GE Aerospace	GE	1940156	06-May-2025	1d	Elect Director H. Lawrence Culp, Jr.	For		For	
GE Aerospace	GE	1940156	06-May-2025	1e	Elect Director Thomas Enders	For		For	
GE Aerospace	GE	1940156	06-May-2025	1f	Elect Director Edward Garden	For		For	
GE Aerospace	GE	1940156	06-May-2025	1g	Elect Director Isabella Goren	For		For	
GE Aerospace	GE	1940156	06-May-2025	1h	Elect Director Thomas Horton	For		For	
GE Aerospace	GE	1940156	06-May-2025	1i	Elect Director Catherine Lesjak	For		For	
GE Aerospace	GE	1940156	06-May-2025	1j	Elect Director Darren McDew	For		For	
GE Aerospace	GE	1940156	06-May-2025	2	Advisory Vote to Ratify Named Executive Officers' Compensation	For		Against	
GE Aerospace	GE	1940156	06-May-2025	3	Ratify Deloitte & Touche LLP as Auditors	For		For	
GE Aerospace	GE	1940156	06-May-2025	4	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	Against		For	
Nordex SE	NDX1	1926188	06-May-2025	2	Approve Discharge of Management Board for Fiscal Year 2024	For		For	

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Nordex SE	NDX1	1926188	06-May-2025	3	Approve Discharge of Supervisory Board for Fiscal Year 2024	For		For	
Nordex SE	NDX1	1926188	06-May-2025	4	Approve Remuneration Report	For		Against	
Nordex SE	NDX1	1926188	06-May-2025	5.1	Approve Supervisory Board Remuneration Policy	For		For	
Nordex SE	NDX1	1926188	06-May-2025	5.2	Approve Remuneration of Supervisory Board	For		For	
Nordex SE	NDX1	1926188	06-May-2025	6	Approve Management Board Remuneration Policy	For		Against	
Nordex SE	NDX1	1926188	06-May-2025	7	Approve Stock Option Plan for Key Employees; Approve Creation of EUR 7 Million Pool of Conditional Capital to Guarantee Conversion Rights	For		For	
Nordex SE	NDX1	1926188	06-May-2025	8.1	Ratify KPMG AG as Auditors for Fiscal Year 2025	For		For	
Nordex SE	NDX1	1926188	06-May-2025	8.2	Appoint KPMG AG as Auditor for Sustainability Reporting for Fiscal Year 2025	For		For	
Otis Worldwide Corporation	OTIS	1951022	15-May-2025	1a	Elect Director Thomas A. Bartlett	For		For	
Otis Worldwide Corporation	OTIS	1951022	15-May-2025	1b	Elect Director Jeffrey H. Black	For		For	
Otis Worldwide Corporation	OTIS	1951022	15-May-2025	1c	Elect Director Jill C. Brannon	For		For	
Otis Worldwide Corporation	OTIS	1951022	15-May-2025	1d	Elect Director Nelda J. Connors	For		For	
Otis Worldwide Corporation	OTIS	1951022	15-May-2025	1e	Elect Director Kathy Hopinkah Hannan	For		For	
Otis Worldwide Corporation	OTIS	1951022	15-May-2025	1f	Elect Director Shailesh G. Jejurikar	For		For	
Otis Worldwide Corporation	OTIS	1951022	15-May-2025	1g	Elect Director Christopher J. Kearney	For		For	
Otis Worldwide Corporation	OTIS	1951022	15-May-2025	1h	Elect Director Judith F. Marks	For		For	
Otis Worldwide Corporation	OTIS	1951022	15-May-2025	1i	Elect Director Margaret M. V. Preston	For		For	

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Otis Worldwide Corporation	OTIS	1951022	15-May-2025	1j	Elect Director Shelley Stewart, Jr.	For		For	
Otis Worldwide Corporation	OTIS	1951022	15-May-2025	1k	Elect Director John H. Walker	For		For	
Otis Worldwide Corporation	OTIS	1951022	15-May-2025	2	Advisory Vote to Ratify Named Executive Officers' Compensation	For		Against	
Otis Worldwide Corporation	OTIS	1951022	15-May-2025	3	Ratify PricewaterhouseCoopers LLP as Auditors	For		For	
Otis Worldwide Corporation	OTIS	1951022	15-May-2025	4	Report on Political Contributions and Expenditures	Against		For	
Phillips 66	PSX	1950300	21-May-2025	1a	Elect Management Nominee Director A. Nigel Hearne	For		Do Not Vote	
Phillips 66	PSX	1950300	21-May-2025	1b	Elect Management Nominee Director John E. Lowe	For		Do Not Vote	
Phillips 66	PSX	1950300	21-May-2025	1c	Elect Management Nominee Director Robert W. Pease	For		Do Not Vote	
Phillips 66	PSX	1950300	21-May-2025	1d	Elect Management Nominee Director Howard I. Ungerleider	For		Do Not Vote	
Phillips 66	PSX	1950300	21-May-2025	1e	Elect Dissident Nominee Director Brian S. Coffman	Withhold		Do Not Vote	
Phillips 66	PSX	1950300	21-May-2025	1f	Elect Dissident Nominee Director Sigmund L. Cornelius	Withhold		Do Not Vote	
Phillips 66	PSX	1950300	21-May-2025	1g	Elect Dissident Nominee Director Michael A. Heim	Withhold		Do Not Vote	
Phillips 66	PSX	1950300	21-May-2025	1h	Elect Dissident Nominee Director Stacy D. Nieuwoudt	Withhold		Do Not Vote	
Phillips 66	PSX	1950300	21-May-2025	2	Declassify the Board of Directors	For		Do Not Vote	
Phillips 66	PSX	1950300	21-May-2025	3	Advisory Vote to Ratify Named Executive Officers' Compensation	For		Do Not Vote	
Phillips 66	PSX	1950300	21-May-2025	4	Advisory Vote on Say on Pay Frequency	One Year		Do Not Vote	

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Phillips 66	PSX	1950300	21-May-2025	5	Ratify Ernst & Young LLP as Auditors	For		Do Not Vote	
Phillips 66	PSX	1950300	21-May-2025	6	Adopt Policy Requiring Annual Director Resignations	Against		Do Not Vote	
Phillips 66	PSX	1950300	21-May-2025	1a	Elect Dissident Nominee Director Brian S. Coffman	For		For	
Phillips 66	PSX	1950300	21-May-2025	1b	Elect Dissident Nominee Director Sigmund L. Cornelius	For		For	
Phillips 66	PSX	1950300	21-May-2025	1c	Elect Dissident Nominee Director Michael A. Heim	For		For	
Phillips 66	PSX	1950300	21-May-2025	1d	Elect Dissident Nominee Director Stacy D. Nieuwoudt	For		For	
Phillips 66	PSX	1950300	21-May-2025	1a	Elect Management Nominee Director A. Nigel Hearne	Withhold		Withhold	
Phillips 66	PSX	1950300	21-May-2025	1b	Elect Management Nominee Director John E. Lowe	Withhold		Withhold	
Phillips 66	PSX	1950300	21-May-2025	1c	Elect Management Nominee Director Robert W. Pease	Withhold		Withhold	
Phillips 66	PSX	1950300	21-May-2025	1d	Elect Management Nominee Director Howard I. Ungerleider	Withhold		Withhold	
Phillips 66	PSX	1950300	21-May-2025	2	Declassify the Board of Directors	For		For	
Phillips 66	PSX	1950300	21-May-2025	3	Advisory Vote to Ratify Named Executive Officers' Compensation	None		Against	
Phillips 66	PSX	1950300	21-May-2025	4	Advisory Vote on Say on Pay Frequency	None		One Year	
Phillips 66	PSX	1950300	21-May-2025	5	Ratify Ernst & Young LLP as Auditors	None		Against	
Phillips 66	PSX	1950300	21-May-2025	6	Adopt Policy Requiring Annual Director Resignations	For		Against	
Amazon.com, Inc.	AMZN	1953358	21-May-2025	1a	Elect Director Jeffrey P. Bezos	For		For	
Amazon.com, Inc.	AMZN	1953358	21-May-2025	1b	Elect Director Andrew R. Jassy	For		For	

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Amazon.com, Inc.	AMZN	1953358	21-May-2025	1c	Elect Director Keith B. Alexander	For		For	
Amazon.com, Inc.	AMZN	1953358	21-May-2025	1d	Elect Director Edith W. Cooper	For		For	
Amazon.com, Inc.	AMZN	1953358	21-May-2025	1e	Elect Director Jamie S. Gorelick	For		Against	
Amazon.com, Inc.	AMZN	1953358	21-May-2025	1f	Elect Director Daniel P. Huttenlocher	For		For	
Amazon.com, Inc.	AMZN	1953358	21-May-2025	1g	Elect Director Andrew Y. Ng	For		For	
Amazon.com, Inc.	AMZN	1953358	21-May-2025	1h	Elect Director Indra K. Nooyi	For		For	
Amazon.com, Inc.	AMZN	1953358	21-May-2025	1i	Elect Director Jonathan J. Rubinstein	For		Against	
Amazon.com, Inc.	AMZN	1953358	21-May-2025	1j	Elect Director Brad D. Smith	For		For	
Amazon.com, Inc.	AMZN	1953358	21-May-2025	1k	Elect Director Patricia Q. Stonesifer	For		Against	
Amazon.com, Inc.	AMZN	1953358	21-May-2025	1l	Elect Director Wendell P. Weeks	For		For	
Amazon.com, Inc.	AMZN	1953358	21-May-2025	2	Ratify Ernst & Young LLP as Auditors	For		Against	
Amazon.com, Inc.	AMZN	1953358	21-May-2025	3	Advisory Vote to Ratify Named Executive Officers' Compensation	For		Against	
Amazon.com, Inc.	AMZN	1953358	21-May-2025	4	Adopt Mandatory Policy Separating the Roles of CEO and Board Chair	Against		For	
Amazon.com, Inc.	AMZN	1953358	21-May-2025	5	Report on Risks of Discrimination Against Ad Buyers and Sellers Based on Religious/Political Views	Against		Against	
Amazon.com, Inc.	AMZN	1953358	21-May-2025	6	Disclose All Material Scope 3 Emissions	Against		For	
Amazon.com, Inc.	AMZN	1953358	21-May-2025	7	Report on Impact of Data Centers on Climate Commitments	Against		For	
Amazon.com, Inc.	AMZN	1953358	21-May-2025	8	Commission Third Party Assessment of Board Oversight of Human Rights Risks of AI	Against		For	

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Amazon.com, Inc.	AMZN	1953358	21-May-2025	9	Report on Efforts to Reduce Plastic Packaging	Against		For	
Amazon.com, Inc.	AMZN	1953358	21-May-2025	10	Commission Independent Audit and Report on Warehouse Working Conditions	Against		For	
Amazon.com, Inc.	AMZN	1953358	21-May-2025	11	Report on Unethical Use of External Data in Development of AI Products	Against		For	
Meta Platforms, Inc.	META	1957711	28-May-2025	1.1	Elect Director Peggy Alford	For		Withhold	
Meta Platforms, Inc.	META	1957711	28-May-2025	1.2	Elect Director Marc L. Andreessen	For		Withhold	
Meta Platforms, Inc.	META	1957711	28-May-2025	1.3	Elect Director John Arnold	For		For	
Meta Platforms, Inc.	META	1957711	28-May-2025	1.4	Elect Director Patrick Collison	For		For	
Meta Platforms, Inc.	META	1957711	28-May-2025	1.5	Elect Director John Elkann	For		Withhold	
Meta Platforms, Inc.	META	1957711	28-May-2025	1.6	Elect Director Andrew W. Houston	For		Withhold	
Meta Platforms, Inc.	META	1957711	28-May-2025	1.7	Elect Director Nancy Killefer	For		For	
Meta Platforms, Inc.	META	1957711	28-May-2025	1.8	Elect Director Robert M. Kimmitt	For		For	
Meta Platforms, Inc.	META	1957711	28-May-2025	1.9	Elect Director Dina Powell McCormick	For		For	
Meta Platforms, Inc.	META	1957711	28-May-2025	1.10	Elect Director Charles Songhurst	For		For	
Meta Platforms, Inc.	META	1957711	28-May-2025	1.11	Elect Director Hock E. Tan	For		For	
Meta Platforms, Inc.	META	1957711	28-May-2025	1.12	Elect Director Tracey T. Travis	For		For	
Meta Platforms, Inc.	META	1957711	28-May-2025	1.13	Elect Director Dana White	For		For	
Meta Platforms, Inc.	META	1957711	28-May-2025	1.14	Elect Director Tony Xu	For		Withhold	
Meta Platforms, Inc.	META	1957711	28-May-2025	1.15	Elect Director Mark Zuckerberg	For		Withhold	
Meta Platforms, Inc.	META	1957711	28-May-2025	2	Ratify Ernst & Young LLP as Auditors	For		Against	
Meta Platforms, Inc.	META	1957711	28-May-2025	3	Approve Omnibus Stock Plan	For		Against	

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Meta Platforms, Inc.	META	1957711	28-May-2025	4	Advisory Vote to Ratify Named Executive Officers' Compensation	For		Against	
Meta Platforms, Inc.	META	1957711	28-May-2025	5	Advisory Vote on Say on Pay Frequency	Three Years		One Year	
Meta Platforms, Inc.	META	1957711	28-May-2025	6	Approve Recapitalization Plan for all Stock to Have One-vote per Share	Against		For	
Meta Platforms, Inc.	META	1957711	28-May-2025	7	Disclosure of Voting Results Based on Class of Shares	Against		For	
Meta Platforms, Inc.	META	1957711	28-May-2025	8	Report on Hate Targeting Marginalized Communities	Against		For	
Meta Platforms, Inc.	META	1957711	28-May-2025	9	Report on Child Safety and Harm Reduction	Against		For	
Meta Platforms, Inc.	META	1957711	28-May-2025	10	Report on Combatting Risks of Online Child Exploitation	Against		For	
Meta Platforms, Inc.	META	1957711	28-May-2025	11	Report on Risks of Unethical Use of External Data to Develop AI Products	Against		For	
Meta Platforms, Inc.	META	1957711	28-May-2025	12	Disclose a Climate Transition Plan Resulting in New Renewable Energy Capacity	Against		For	
Meta Platforms, Inc.	META	1957711	28-May-2025	13	Report on Investing in Bitcoin	Against		Against	
Meta Platforms, Inc.	META	1957711	28-May-2025	14	Report on Data Collection and Advertising Practices	Against		For	
UnitedHealth Group Incorporated	UNH	1958884	02-Jun-2025	1a	Elect Director Charles Baker	For		For	
UnitedHealth Group Incorporated	UNH	1958884	02-Jun-2025	1b	Elect Director Timothy Flynn	For		For	
UnitedHealth Group Incorporated	UNH	1958884	02-Jun-2025	1c	Elect Director Paul Garcia	For		For	
UnitedHealth Group Incorporated	UNH	1958884	02-Jun-2025	1d	Elect Director Kristen Gil	For		For	
UnitedHealth Group Incorporated	UNH	1958884	02-Jun-2025	1e	Elect Director Stephen Hemsley	For		For	
UnitedHealth Group Incorporated	UNH	1958884	02-Jun-2025	1f	Elect Director Michele Hooper	For		Against	

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UnitedHealth Group Incorporated	UNH	1958884	02-Jun-2025	1g	Elect Director F. William McNabb, III	For		For	
UnitedHealth Group Incorporated	UNH	1958884	02-Jun-2025	1h	Elect Director Valerie Montgomery Rice	For		For	
UnitedHealth Group Incorporated	UNH	1958884	02-Jun-2025	1i	Elect Director John Noseworthy	For		For	
UnitedHealth Group Incorporated	UNH	1958884	02-Jun-2025	2	Advisory Vote to Ratify Named Executive Officers' Compensation	For		Against	
UnitedHealth Group Incorporated	UNH	1958884	02-Jun-2025	3	Ratify Deloitte & Touche LLP as Auditors	For		Against	
UnitedHealth Group Incorporated	UNH	1958884	02-Jun-2025	4	Submit Severance Agreement to Shareholder Vote	Against		For	
Palantir Technologies, Inc.	PLTR	1962060	05-Jun-2025	1.1	Elect Director Alexander Karp	For		Withhold	
Palantir Technologies, Inc.	PLTR	1962060	05-Jun-2025	1.2	Elect Director Stephen Cohen	For		Withhold	
Palantir Technologies, Inc.	PLTR	1962060	05-Jun-2025	1.3	Elect Director Peter Thiel	For		Withhold	
Palantir Technologies, Inc.	PLTR	1962060	05-Jun-2025	1.4	Elect Director Alexander Moore	For		Withhold	
Palantir Technologies, Inc.	PLTR	1962060	05-Jun-2025	1.5	Elect Director Alexandra Schiff	For		Withhold	
Palantir Technologies, Inc.	PLTR	1962060	05-Jun-2025	1.6	Elect Director Lauren Friedman Stat	For		For	
Palantir Technologies, Inc.	PLTR	1962060	05-Jun-2025	1.7	Elect Director Eric Woersching	For		For	
Palantir Technologies, Inc.	PLTR	1962060	05-Jun-2025	2	Ratify Ernst & Young LLP as Auditors	For		Against	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	1a	Elect Director Larry Page	For		Against	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	1b	Elect Director Sergey Brin	For		Against	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	1c	Elect Director Sundar Pichai	For		Against	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	1d	Elect Director John L. Hennessy	For		Against	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	1e	Elect Director Frances H. Arnold	For		Against	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	1f	Elect Director R. Martin "Marty" Chavez	For		For	

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Alphabet Inc.	GOOGL	1962910	06-Jun-2025	1g	Elect Director L. John Doerr	For		Against	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	1h	Elect Director Roger W. Ferguson, Jr.	For		For	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	1i	Elect Director K. Ram Shriram	For		Against	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	1j	Elect Director Robin L. Washington	For		Against	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	2	Ratify Ernst & Young LLP as Auditors	For		Against	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	3	Provide Right to Act by Written Consent	Against		Against	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	4	Adjust Executive Compensation Metrics for Share Buybacks	Against		For	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	5	Report on Discrimination in Charitable Contributions	Against		Against	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	6	Consider Ending Participation in Human Rights Campaign's Corporate Equality Index	Against		Against	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	7	Report on Meeting 2030 Climate Goals	Against		For	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	8	Approve Recapitalization Plan for all Stock to Have One-vote per Share	Against		For	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	9	Report on Due Diligence Process to Assess Human Rights Risks in High-Risk Countries	Against		For	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	10	Report on Risks of Discrimination in GenAI	Against		Against	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	11	Report on Risks of Improper Use of External Data in Development of AI Products	Against		For	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	12	Publish a Human Rights Impact Assessment of AI Driven Targeted Advertising	Against		For	
Alphabet Inc.	GOOGL	1962910	06-Jun-2025	13	Report on Lobbying and Child Safety Online	Against		For	

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Alphabet Inc.	GOOGL	1962910	06-Jun-2025	14	Adopt Metrics Evaluating YouTube Child Safety Policies	Against		For	
NVIDIA Corporation	NVDA	1973102	25-Jun-2025	1a	Elect Director Robert K. Burgess	For		Against	
NVIDIA Corporation	NVDA	1973102	25-Jun-2025	1b	Elect Director Tench Coxe	For		Against	
NVIDIA Corporation	NVDA	1973102	25-Jun-2025	1c	Elect Director John O. Dabiri	For		For	
NVIDIA Corporation	NVDA	1973102	25-Jun-2025	1d	Elect Director Persis S. Drell	For		For	
NVIDIA Corporation	NVDA	1973102	25-Jun-2025	1e	Elect Director Jen-Hsun Huang	For		Against	
NVIDIA Corporation	NVDA	1973102	25-Jun-2025	1f	Elect Director Dawn Hudson	For		Against	
NVIDIA Corporation	NVDA	1973102	25-Jun-2025	1g	Elect Director Harvey C. Jones	For		Against	
NVIDIA Corporation	NVDA	1973102	25-Jun-2025	1h	Elect Director Melissa B. Lora	For		For	
NVIDIA Corporation	NVDA	1973102	25-Jun-2025	1i	Elect Director Stephen C. Neal	For		For	
NVIDIA Corporation	NVDA	1973102	25-Jun-2025	1j	Elect Director Ellen Ochoa	For		For	
NVIDIA Corporation	NVDA	1973102	25-Jun-2025	1k	Elect Director A. Brooke Seawell	For		Against	
NVIDIA Corporation	NVDA	1973102	25-Jun-2025	1l	Elect Director Aarti Shah	For		For	
NVIDIA Corporation	NVDA	1973102	25-Jun-2025	1m	Elect Director Mark A. Stevens	For		Against	
NVIDIA Corporation	NVDA	1973102	25-Jun-2025	2	Advisory Vote to Ratify Named Executive Officers' Compensation	For		Against	
NVIDIA Corporation	NVDA	1973102	25-Jun-2025	3	Ratify PricewaterhouseCoopers LLP as Auditors	For		Against	
NVIDIA Corporation	NVDA	1973102	25-Jun-2025	4	Eliminate Supermajority Vote Requirements	For		For	
NVIDIA Corporation	NVDA	1973102	25-Jun-2025	5	Amend Right to Call Special Meeting	Against		Against	
NVIDIA Corporation	NVDA	1973102	25-Jun-2025	6	Amend Bylaws to Adopt a New Director Election Resignation Governance Guideline	Against		For	

Reporting Period: 01-Jan-2025 to 31-Dec-2025

Company	Ticker	Meeting ID	Meeting Date	Proposal #	Proposal Text	Management Recommendation	Policy Recommendation	Vote Instruction	Rationale
NVIDIA Corporation	NVDA	1973102	25-Jun-2025	7	Enhance Workforce Data Reporting	Against		For	
Tesla, Inc.	TSLA	1994609	06-Nov-2025	1a	Elect Director Ira Ehrenpreis	For		Against	
Tesla, Inc.	TSLA	1994609	06-Nov-2025	1b	Elect Director Joe Gebbia	For		Against	
Tesla, Inc.	TSLA	1994609	06-Nov-2025	1c	Elect Director Kathleen Wilson-Thompson	For		For	
Tesla, Inc.	TSLA	1994609	06-Nov-2025	2	Advisory Vote to Ratify Named Executive Officers' Compensation	For		Against	
Tesla, Inc.	TSLA	1994609	06-Nov-2025	3	Amend Omnibus Stock Plan	For		Against	
Tesla, Inc.	TSLA	1994609	06-Nov-2025	4	Approve Issuance of Common Stock to Elon Musk Pursuant to CEO Performance Award	For		Against	
Tesla, Inc.	TSLA	1994609	06-Nov-2025	5	Ratify PricewaterhouseCoopers LLP as Auditors	For		Against	
Tesla, Inc.	TSLA	1994609	06-Nov-2025	6	Eliminate Supermajority Vote Requirement	None		For	
Tesla, Inc.	TSLA	1994609	06-Nov-2025	7	Authorize Board to Invest Company Funds in xAI	None		Against	
Tesla, Inc.	TSLA	1994609	06-Nov-2025	8	Assess Feasibility of Including Sustainability as a Performance Measure for Senior Executive Compensation	Against		For	
Tesla, Inc.	TSLA	1994609	06-Nov-2025	9	Report on the Use of Child Labor in Connection with Electric Vehicles	Against		For	
Tesla, Inc.	TSLA	1994609	06-Nov-2025	10	Amend the Bylaws To Repeal 3% Derivative Suit Ownership Threshold	Against		Against	
Tesla, Inc.	TSLA	1994609	06-Nov-2025	11	Amend Bylaws	Against		Against	
Tesla, Inc.	TSLA	1994609	06-Nov-2025	12	Declassify the Board of Directors	Against		For	
Tesla, Inc.	TSLA	1994609	06-Nov-2025	13	Reduce Supermajority Vote Requirement	Against		For	

Reporting Period: 01-Jan-2025 to 31-Dec-2025

Company	Ticker	Meeting ID	Meeting Date	Proposal #	Proposal Text	Management Recommendation	Policy Recommendation	Vote Instruction	Rationale
Tesla, Inc.	TSLA	1994609	06-Nov-2025	14	Require Shareholder Approval of Bylaw Amendments Adopted by the Board of Directors	Against		For	

PARAMETERS

Location(s): All Locations
Account Group(s): All Account Groups
Institution Account(s): All Institution Accounts
Custodian Account(s): All Custodian Accounts
ADR Meetings: All Meetings
Client Covered: – None –
Contrary Votes: All Votes
Date Format: DD-MMM-YYYY
ISS Governance QualityScore < =: None
ISS Governance QualityScore > =: None
Highlighted Meetings: Include Contested and High Risk Meeting Details
Industry Sectors: All Sectors
Market Cap (USD) < =: None
Market Cap (USD) > =: None
Markets: All Markets
Meeting ID's: All Meeting ID's
Meeting Types: All Meeting Types
PoA Markets: All Markets
Proposal Proponents: All Proponents
Recommendations: All Recommendations
Record Date Markets: All Markets
Reregistration Meetings: Exclude Reregistration Meetings
Shareblocking Markets: All Markets
Speciality Policy: - None -
Vote Instructions: All Instructions
Voting Policies: None
Zero (0) Share Ballots: Exclude 0 Share Ballots
Account Group Watchlist: None
Account Watchlist: None
Country Watchlist: None
Issuer Watchlist: None
Proposal Code Watchlist: None

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Meta Platforms, Inc. (META)

Meta Platforms, Inc. engages in the development of products that enable people to connect and share with friends and family through mobile devices, personal computers, virtual reality (VR) headsets, and AI glasses in the United States, Canada, Europe, Asia-Pacific, and internationally.

<http://www.meta.com>

REGION	LAST MEETING DATE
US - S&P500	MAY 28 2025
COUNTRY	LAST DATA PROFILE UPDATE
USA	JAN 20 2026
INDUSTRY GROUP	SCORES AS OF
Media & Entertainment	MAR 30 2026

QUALITYSCORE OVERVIEW

Board Structure 10

- ★ Board Composition
- ★ Key Committee Composition
- ★ Board Policies
- Board Commitments
- Board Practices
- Related-Party Transactions
- ★ Diversity, Equity, and Inclusion
- Board Structure Controversies

QualityScore

10

Low Risk
High Risk

Scores indicate decile rank relative to index or region. A decile score of 1 indicates lower governance risk, while a 10 indicates higher governance risk.

Compensation 10

- Pay-For-Performance
- Non-Performance-based Pay
- Use of Equity
- ★ Equity Risk Mitigation
- Communications and Disclosure
- ★ Termination
- Compensation Controversies

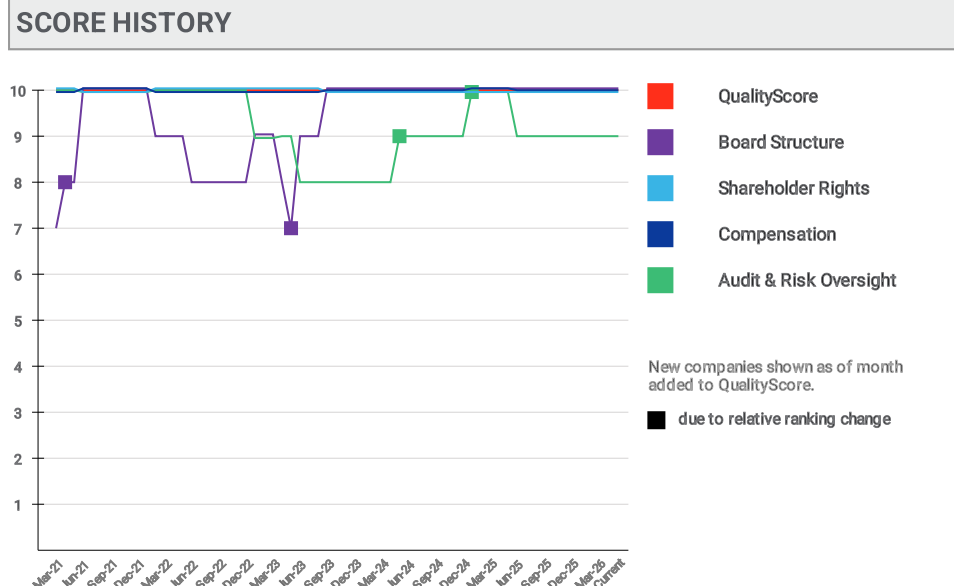
Shareholder Rights 10

- One Share, One Vote
- ★ Takeover Defenses
- Litigation Rights
- Meeting and Voting-related Issues
- Shareholder Rights - Other Issues

Audit & Risk Oversight 9

- ★ Environmental and Social Risk Management
- ★ Environmental and Social Risk Oversight
- ★ Risk Oversight - Other Issues
- External Auditor
- Audit and Accounting Controversies
- ★ Information Security Risk Oversight
- ★ Information Security Risk Management
- ★ Audit - Other Issues

★ (■) denotes positive (negative) absolute score impact, while ● denotes neutral impact.



KEY RISKS

Board Structure

- The board has taken or failed to take action which constitutes a governance failure. (Q345)
- The roles of Board Chair and CEO have not been separated. (Q14)

Compensation

- ISS has identified a pay-for-performance misalignment. (Q300)

Shareholder Rights

- The company has classes of stock with unequal voting rights or unequal ability to elect directors. (Q54)
- The company's unequal voting structure has a sunset provision, but its trigger is indeterminate or greater than the allowable years from the company's IPO. (Q56)
- The percentage of multiple voting rights or certificates relative to total voting rights is 61.14%. (Q57)
- The company does not have a majority vote standard. (Q224)
- Shareholders may act by written consent, and the company is controlled. (Q98)

The Key Risks section is company specific and highlights the most concerning issues at this company. This section will be different for each company and include factors where there is a potential misalignment with ISS policy and/or common market practices.

MORE ABOUT COMPANY

Market Data Snapshot	Earnings	2025	2024	Profitability	2025	2024
Market Cap (MM)	Revenue (MM)	200,966.00	164,501.00	Net Margin (%)	42.76	42.96
Shares Outstanding (MM)	Net Income (MM)	60,458.00	62,360.00	EBITDA Margin (%)	50.70	51.74
Closing Price	EBITDA (MM)	101,892.00	85,117.00	Return on Equity (%)	27.83	34.14
52-Week High	EPS	23.98	24.61	Return on Assets (%)	16.52	22.59
52-Week Low				Return on Invested Capital (%)	20.17	27.07
Annual Dividend						

Source: Compustat, as of March 27, 2026. All currency in USD.

Meta Platforms, Inc. (META)

BOARD STRUCTURE

10

Board Composition	QualityScore Impact	Market Alignment	Trend
The board is 85.71% independent. (Q10)	★	●	⊙
The roles of Board Chair and CEO have not been separated. (Q14)	🚩	●	
The company has identified a non-independent Lead Director. (Q16)	🚩	○	
The board is 85.71% independent according to the ISS global classification. (Q378)	★	●	⊙
The percentage of directors who are immediate family members of majority shareholders, executives, and former executives in the last five years is 0%. (Q205)		●	
The percentage of directors who are former or current employees of the company is 7.14%. (Q206) *		●	⊙
The number of directors on the board is 14. (Q9) *		○	⊙
The percentage of the board which has familial relationships with other directors is 0%. (Q401) *		●	

Key Committee Composition	QualityScore Impact	Market Alignment	Trend
The compensation committee chair is an independent director. (Q28)	★	●	
The nominating committee chair is an independent director. (Q23)	★	●	
The audit committee chair is an independent director. (Q34)	★	●	
There are no executive directors on the compensation committee. (Q27)		●	
The compensation committee is 100% independent according to the ISS global classification. (Q381)		●	
The audit committee is 100% independent. (Q31)		●	
The nominating committee is 100% independent according to the ISS global classification. (Q380)		●	
The compensation committee is 100% independent. (Q25)		●	
There are no executive directors on the audit committee. (Q33)		●	
There are no executive directors on the nominating committee. (Q306)		●	
The audit committee is 100% independent according to the ISS global classification. (Q382)		●	
The nominating committee is 100% independent. (Q19)		●	

Board Policies	QualityScore Impact	Market Alignment	Trend
The company has disclosed a CEO and key executive succession plan. (Q348)	★	●	
The company requires an annual and individual performance evaluation of the board. (Q41)	★	●	
The board has not disclosed whether it has set up a mechanism to encourage director refreshment. (Q349)	🚩	○	
The company has an anti-hedging policy for directors and executives. (Q244)	★	●	
Directors are subject to robust stock ownership guidelines but includes unexercised options or unearned performance awards. (Q143)		○	⊙
The company discloses governance guidelines. (Q46)	★	●	
The quorum for director meetings is at least 50%. (Q215)		●	

Meta Platforms, Inc. (META)

Board Commitments	QualityScore Impact	Market Alignment	Trend
The percentage of directors who attended less than 75% of board and applicable committee meetings is 0%. (Q44)		●	
The CEO is not overboarded. (Q37)		●	
The Board Chair is not overboarded. (Q39)		●	
The number of overboarded executive directors is 0. (Q36)		●	
The number of overboarded directors is 1. (Q309)	■	○	
The number of overboarded non-executive directors is 1. (Q38)	■	○	
All directors attended at least 75% of their board and applicable committee meetings or had a valid reason. (Q45)		●	
Board Practices	QualityScore Impact	Market Alignment	Trend
The average compensation of non-executive directors amounts to 1.97 times the median of company's peers. (Q315)	★	○	↕
The company has an anti-pledging policy that is not comprehensive or includes waivers, and directors or executives have actively pledged company stock. (Q435)		○	
The percentage of voting power directors and executives own is 61.05%. (Q140)		●	⊙
The company's directors and executives pledged 0.55% of outstanding shares. (Q437)	■	○	⊙
The aggregate value of pledged shares by directors and executives is 7032000000. (Q436)	■	○	⊙
The percentage of directors with more than one year tenure who own stock is 100%. (Q144)		●	
Related-Party Transactions	QualityScore Impact	Market Alignment	Trend
The percentage of directors involved in material related party transactions is 7.14%. (Q50)	■	📊	⊙
None of the directors with material related party transactions are on key board committees. (Q51)		●	
There are no material related party transactions involving the CEO. (Q216)		●	
The company has disclosed related party transactions. (Q336) *		●	
Diversity, Equity, and Inclusion	QualityScore Impact	Market Alignment	Trend
The leaders on the board exhibit ethnic diversity. (Q434)	★	●	
The executive or senior level officials and managers exhibit ethnic and racial diversity based on previous EEO-1 data. (Q430)	★	📊	⊙
The executive or senior level officials and managers exhibit gender diversity based on previous EEO-1 data. (Q431)	★	📊	⊙
The board is 21.43% composed of women. (Q354)	★	○	⊙
The number of women in board leadership roles is 2. (Q386)	★	●	
The number of women who are executives at the company is 1. (Q387)		📊	
The number of women on the board is 3. (Q304)	★	📊	⊙
The percentage of non-executive directors who have been on the board less than six years is 84.62%, and the company is controlled. (Q355)	★	○	⊙
The standard deviation of director age is 13.25. (Q388)	★	●	⊙

Meta Platforms, Inc. (META)

The standard deviation of director tenure is 6.27. (Q389)	★	🟡	↕
There is no information whether the company has a gender diversity policy with a target relating to the board. (Q415)	🚩	🟡	⬇️
There is no information whether the company has a gender diversity policy with a target relating to executives. (Q416)	🚩	🟢	
The board exhibits ethnic diversity. (Q390)		🟢	
The percentage of non-executive directors with lengthy tenure is 7.69%. (Q13)		🟢	🕒
The company does not have a gender diversity statement for the board and/or executives. (Q424) *		🟡	🕒
The company does not disclose board and executive aggregate diversity data. (Q413) *		🟡	🕒
The board does not exhibit diversity based on aggregate disclosure. (Q425) *		🟡	🕒
The executives do not exhibit diversity based on aggregate disclosure. (Q426) *		🟢	
The greatest percentage of vote support for diversity, equity, and inclusion shareholder proposals at the most recent annual meeting is not applicable. (Q414) *		🟢	
There are no LGBTQ+ directors on the board. (Q427) *		🟢	

Board Structure Controversies	QualityScore Impact	Market Alignment	Trend
The board has taken or failed to take action which constitutes a governance failure. (Q345)	🚩	🟡	
All management proposals of an advisory nature have received sufficient vote support, or the board has adequately responded to the issues underlying low support levels. (Q350)		🟢	
The percentage of vote support for the Board Chair at their most recent election was 92.66%. (Q392)		🟡	🕒
The percentage of vote support for the CEO at their most recent election was 92.66%. (Q391)		🟡	🕒
The lowest percentage of vote support for management-nominated directors at their most recent election was 85.99%. (Q383)	🚩	🟡	⬇️
The percentage of directors who received vote support below 80% at a recent annual general meeting is 0%. (Q312)		🟢	🕒
The number of directors that received majority of against or withhold votes at a recent annual general meeting is 0. (Q49)		🟢	🕒
The board has adequately addressed any majority-supported shareholder proposals, or there have been no such proposals, as of the most recent general meeting. (Q99)		🟢	

COMPENSATION

10

Pay-For-Performance	QualityScore Impact	Market Alignment	Trend
The CEO did not receive equity awards in the most recently concluded fiscal year. (Q432)		🟡	
There is low overall quantitative concern level for the CEO's pay-for-performance evaluation. (Q444)		🟢	
The degree of alignment between the company's total shareholder return and the change in CEO pay is 19.60. (Q229)		🟢	🕒
The degree of alignment between the company's annualized pay percentile rank and its annualized TSR rank, relative to peers, is 78.64. (Q329)		🟢	🕒
The size of the CEO's pay as a multiple of the median pay of the company's peers is 0.85. (Q228)		🟡	🕒
The degree of alignment between the CEO's pay and the company's financial performance, relative to its peers, is 65.90. (Q423)		🟢	🕒

Meta Platforms, Inc. (META)

There is low concern on the degree of alignment between the company's total shareholder return and the change in CEO pay. (Q450) *



There is low concern on the size of the CEO's pay as a multiple of the median pay of the company's peers. (Q449) *



There is low concern on the degree of alignment between the company's annualized pay percentile rank and its annualized TSR rank relative to its peers. (Q451) *



There is low initial quantitative concern level for the CEO's pay-for-performance evaluation. (Q453) *



Non-Performance-based Pay	QualityScore Impact	Market Alignment	Trend
The percentage of the CEO's non-performance-based compensation to base salary is not applicable. (Q237)			
The company has not made special grants for non-CEO executives in the most recently concluded fiscal year. (Q399)			
The percentage of the CEO's total compensation due to special grants in the most recently concluded fiscal year is 0%. (Q400)			
Executives are not granted multi-year guaranteed bonuses. (Q156)			

Use of Equity	QualityScore Impact	Market Alignment	Trend
The company's active equity plans prohibit options or stock appreciation rights repricing. (Q138)			
The company's active equity plans prohibit options or stock appreciation rights cash buyouts. (Q238)			
The company has at least one active equity plan that permits options or stock appreciation rights recycling. (Q129)			
The company's active equity plans have no liberal change-in-control vesting provisions. (Q240)			
The percentage of outstanding equity attributed to equity plans is 51.64%. (Q127)			
The company has not repriced options or exchanged them for stock, options, or cash without shareholder approval in the last three years. (Q139)			
The company has at least one active equity plan that has an evergreen provision. (Q239)			
The company's three-year average adjusted burn rate exceeds the threshold applicable to its industry and index peers. (Q130)			
The company's three-year average adjusted burn rate is 3.41%. (Q433) *			

Equity Risk Mitigation	QualityScore Impact	Market Alignment	Trend
The holding period for executive options is until the stock ownership guidelines are met. (Q134)			
The company has a clawback or malus provision for both cash and equity awards. (Q155)			
The holding period for granted executive restricted stock is until the stock ownership guidelines are met. (Q135)			
The company granted restricted stock but there is no information on the vesting period. (Q132)			
The company granted options or stock appreciation rights but has not disclosed information on the vesting period. (Q131)			
The percentage of the CEO's base salary subject to stock ownership guidelines is 4000000% but includes unexercised options or unearned performance awards. (Q145)			
The CEO's vesting period for time-based options or stock appreciation rights is not applicable. (Q475) *			

Meta Platforms, Inc. (META)

The CEO's performance measurement period for performance-based restricted stock is not applicable. (Q478) *



The CEO's vesting period for time-based restricted stock is not applicable. (Q476) *



The CEO's performance measurement period for performance-based options or stock appreciation rights is not applicable. (Q477) *



Communications and Disclosure	QualityScore Impact	Market Alignment	Trend
The company does not grant executive performance-based long-term incentives. (Q246)			
The company does not have relative performance measures for the executive short-term or any long-term incentive plan. (Q353)			
The company has no executive short-term incentive plan. (Q113)			
The company has no executive short-term incentive plan. (Q394)			
The company grants executive restricted stock without performance measures. (Q123)			
The company does not grant executive options. (Q122)			
The disclosed ratio of the CEO's total compensation to the total compensation of all employees is based on the median total compensation of all employees. (Q459) *			
Performance-based long-term incentives are not granted to executives. (Q395) *			
The company does not have information security-related performance measures in its executive short-term or any long-term incentive plan. (Q443) *			
The company does not have diversity, equity, and inclusion performance measures in its executive short-term or any long-term incentive plan. (Q398) *			
The CEO's total compensation is 65 times the total compensation of all employees. (Q458) *			
The company does not have climate-related performance measures in its executive short-term or any long-term incentive plan. (Q420) *			

Termination	QualityScore Impact	Market Alignment	Trend
There are no change-in-control agreements. (Q148)			
There are no change-in-control or severance agreements for non-CEO executives. (Q160)			
The company does not have equity awards. (Q153)			
There are no change-in-control or severance agreements for non-CEO executives. (Q248)			
The company does not provide excise tax gross-ups for change-in-control payments. (Q162)			
The CEO does not have a change-in-control or severance agreement. (Q247)			
The CEO does not have a change-in-control or severance agreement. (Q161)			
The CEO is employed at-will, or the employment agreement length is not disclosed. (Q163) *			

Compensation Controversies	QualityScore Impact	Market Alignment	Trend
The company's most recent Say-on-Pay proposal did not receive significant shareholder opposition. (Q328)			
ISS has not identified any problematic pay practice or policy. (Q301)			
The ratio of the CEO's total compensation to the next highest-paid executive is 106.72%. (Q232)			
The company's most recent Say-on-Pay proposal received a vote support of 89.54% and has a triennial Say-on-Pay frequency. (Q385)			

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ISS has identified a pay-for-performance misalignment. (Q300) ■ ○

AUDIT & RISK OVERSIGHT 9

Environmental and Social Risk Management	QualityScore Impact	Market Alignment	Trend
The company publicly disclosed EEO-1 data in the last three years. (Q428)	★	●	
The most recent EEO-1 data was as of 25 months ago. (Q429) *		●	⊙

Environmental and Social Risk Oversight	QualityScore Impact	Market Alignment	Trend
The sustainability committee is 100% independent. (Q396)	★	●	
There is no committee responsible for human capital management. (Q447)		○	
There is no committee responsible for health and safety. (Q417)		●	
There is no committee responsible for climate. (Q448) *		●	⊙
The number of directors with climate skills is 0. (Q438) *		●	
The number of directors with diversity, equity, and inclusion skills is 0. (Q439) *		●	

Risk Oversight - Other Issues	QualityScore Impact	Market Alignment	Trend
The committee responsible for risk is 100% independent. (Q418)	★	●	
The number of directors with artificial intelligence skills is 1. (Q469) *		●	
The average percentage of director skills is 27.02. (Q440) *		●	⊙
The company has not disclosed whether the board has oversight over artificial intelligence. (Q468) *		●	
The committee responsible for succession is 100% independent. (Q421) *		●	
There is no committee responsible for mergers and acquisitions. (Q446) *		●	
The company has disclosed policies and procedures related to artificial intelligence development, deployment, and monitoring. (Q470) *		●	

External Auditor	QualityScore Impact	Market Alignment	Trend
The auditor issued an unqualified opinion for the most recently concluded fiscal year. (Q2)		●	
Non-audit fees represent 21.23% of total fees. (Q1)		○	⊙
The tenure of the external auditor is 19 year(s). (Q347) *		●	⊙

Audit and Accounting Controversies	QualityScore Impact	Market Alignment	Trend
A regulator has taken enforcement action against the company within the last two years which has not resulted in a material penalty. Source: 10-K, 1/30/25, p. 41. (Q5)		○	⊙
The company has not disclosed its financial statements late. (Q4)		●	
A regulatory body has initiated a routine investigation of the company or any of its directors and executives in the last two years. Source: 10-Q, 10/30/25, pp. 20-22. (Q201)		●	
The company disclosed no material weaknesses in its internal controls within the last two years. (Q8)		●	
The company has not restated its financial statements for any period within the last two years. (Q3)		●	

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A regulator has not taken enforcement action against a director or executive within the last two years. (Q200)



Information Security Risk Oversight	QualityScore Impact	Market Alignment	Trend
The number of directors with information security skills is 1. (Q405)	★		
Senior leadership briefs the board and committee on information security matters, but the company has not disclosed the frequencies. (Q404)	★		
The committee responsible for information security risk is 100% independent. (Q403)	★		
The management has oversight over information security risks. (Q460)	★		
The board has oversight over information security risks. (Q461)	★		
The company does not disclose information on the Data Protection Officer. (Q464) *			

Information Security Risk Management	QualityScore Impact	Market Alignment	Trend
The company has a clear approach on identifying and mitigating information security risks. (Q402)	★		
The company has an information security training program at least annually, and the program is robust. (Q411)	★		
There is no information whether the company is externally audited or certified by top information security standards. (Q410)	🚩		
There is no information whether the company has an information security risk insurance policy. (Q409)	🚩		
The company has not disclosed whether it has experienced an information security breach within the last three years. (Q407)	🚩		
The company has disclosed a formal third-party information security risk management program. (Q462)	★		
The company has disclosed third-party information security risks. (Q441)	★		
The company has disclosed a third-party assessment of information security risks. (Q463)	★		
The company has not disclosed whether it has experienced a third-party information security breach. (Q442)	🚩		
The company has not disclosed whether it has experienced an information security breach. (Q412)	🚩		
The company has not disclosed whether it has experienced an information security breach within the last three years. (Q406)	🚩		
The company has not disclosed whether it has experienced an information security breach within the last three years. (Q408)	🚩		

Audit - Other Issues	QualityScore Impact	Market Alignment	Trend
The number of financial experts on the audit committee is 2. (Q6)	★		
The company is not conclusively identified under the Holding Foreign Companies Accountable Act. (Q445)			

SHAREHOLDER RIGHTS 10

One Share, One Vote	QualityScore Impact	Market Alignment	Trend
All common shareholders are entitled to vote on all directors standing for election. (Q55)			

Meta Platforms, Inc. (META)





The percentage of multiple voting rights or certificates relative to total voting rights is 61.14%. (Q57)	🚩	○	🕒
The percentage of issued share capital composed of non-voting shares relative to total nominal share capital is 0%. (Q63)		●	
The company's unequal voting structure has a sunset provision, but its trigger is indeterminate or greater than the allowable years from the company's IPO. (Q56)	🚩	○	
The company has classes of stock with unequal voting rights or unequal ability to elect directors. (Q54)	🚩	○	






Takeover Defenses	QualityScore Impact	Market Alignment	Trend
All directors are elected annually. (Q77)	★	●	
The implementation or renewal date of poison pill is not applicable. (Q222)		●	
The company does not have a majority vote standard. (Q224)	🚩	○	
The expiration date of the poison pill is not applicable. (Q91)		●	
The trigger threshold for the poison pill is not applicable. (Q79)		●	
The company has a controlling shareholder. (Q290)	🚩	○	
Whether the poison pill has a sunset provision is not applicable. (Q80)		●	
Whether the poison pill is designed to preserve the company's tax asset is not applicable. (Q220)		●	
Whether the poison pill has a qualified offer clause is not applicable. (Q82)		●	
The company does not have a poison pill. (Q78)		●	
Whether the poison pill includes a modified slow-hand or dead-hand provision is not applicable. (Q223)		●	
The board is authorized to issue blank check preferred stock. (Q83)	🚩	●	

Litigation Rights	QualityScore Impact	Market Alignment	Trend
The company has an exclusive venue or forum provision. (Q351)	🚩	🟡	
The company does not have a fee-shifting provision. (Q363)		●	
The company does not have a representative claim limitation or other significant litigation rights limitations. (Q364)		●	






Meeting and Voting-related Issues	QualityScore Impact	Market Alignment	Trend
The company has a plurality vote standard without a director resignation policy. (Q52)	🚩	○	
The proxy access shareholder aggregation limit to form a nominating group is not applicable. (Q362)		○	
The proxy access ownership threshold is not applicable. (Q359)		○	
The proxy access shareholder nominee limit is not applicable. (Q361)		○	
The proxy access ownership duration threshold is not applicable. (Q360)		○	
Shareholders do not have a proxy access right. (Q346)		○	
Whether there are material restrictions to call a special meeting is not applicable. (Q225)		🟡	
Shareholders may act by written consent, and the company is controlled. (Q98)	🚩	○	
The company's charter and bylaws may be amended by a simple majority vote. (Q89)	★	●	

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Shareholders may not call special meetings. (Q97)		
The company requires simple majority vote to approve mergers. (Q90)		
The company only allows virtual meeting participation. (Q465) *		






Shareholder Rights - Other Issues	QualityScore Impact	Market Alignment	Trend
The board cannot materially modify the company's capital structure without shareholder approval. (Q352)			
The greatest percentage of vote support for environmental or social shareholder proposals at the most recent annual general meeting was 14.61%. (Q393) *			
The greatest percentage of vote support for climate-related shareholder proposals at the most recent annual meeting was 3.25%. (Q419) *			

Data change indicators reflect recent governance data profile updates.

-  This data change represents a positive direction.
-  This data change represents a negative direction.
-  This data change had little/no impact.
-  This factor positively impacts the category's absolute score.
-  This factor negatively impacts the category's absolute score.
- * This factor data is NOT used in computing the company's QualityScore. This data is included for informational purposes.

No Star or Flag: This factor has no meaningful impact on the category's absolute score.

Market Alignment indicates how the Company's practice compares to other companies within its Country or Index.

Icons indicate practice is better than or equal to X% of companies:  80-100%  60-80%  40-60%  20-40%  0-20%.

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Data Change Details					
QID	Question	Date	Direction	Updated	Previous
347	What is the external auditor's tenure? *	21 Jan 2026	●	The tenure of the external auditor is 19 year(s). (Q347)	The tenure of the external auditor is 18 year(s). (Q347)
429	How long ago was the most recent EEO-1 report disclosure? *	21 Jan 2026	●	The most recent EEO-1 data was as of 25 months ago. (Q429)	The most recent EEO-1 data was as of 24 months ago. (Q429)
9	How many directors are on the board? *	26 Dec 2025	●	The number of directors on the board is 14. (Q9)	The number of directors on the board is 15. (Q9)
10	What percentage of the board is independent according to the ISS local market classification?	26 Dec 2025	●	The board is 85.71% independent. (Q10)	The board is 86.67% independent. (Q10)
13	What percentage of non-executive directors has lengthy tenure?	26 Dec 2025	●	The percentage of non-executive directors with lengthy tenure is 7.69%. (Q13)	The percentage of non-executive directors with lengthy tenure is 7.14%. (Q13)
50	What percentage of the directors are involved in material related party transactions?	26 Dec 2025	⊕	The percentage of directors involved in material related party transactions is 7.14%. (Q50)	The percentage of directors involved in material related party transactions is 6.67%. (Q50)
206	What percentage of the board consists of former or current employees of the company? *	26 Dec 2025	●	The percentage of directors who are former or current employees of the company is 7.14%. (Q206)	The percentage of directors who are former or current employees of the company is 6.67%. (Q206)
304	How many women are on the board?	26 Dec 2025	●	The number of women on the board is 3. (Q304)	The number of women on the board is 4. (Q304)
354	What is the percentage of women on the board?	26 Dec 2025	⊕	The board is 21.43% composed of women. (Q354)	The board is 26.67% composed of women. (Q354)
355	What percentage of non-executive directors has been on the board less than six years?	26 Dec 2025	●	The percentage of non-executive directors who have been on the board less than six years is 84.62%, and the company is controlled. (Q355)	The percentage of non-executive directors who have been on the board less than six years is 85.71%, and the company is controlled. (Q355)
378	What percentage of the board is independent according to the ISS global classification?	26 Dec 2025	●	The board is 85.71% independent according to the ISS global classification. (Q378)	The board is 86.67% independent according to the ISS global classification. (Q378)
388	What is the standard deviation of director age?	26 Dec 2025	●	The standard deviation of director age is 13.25. (Q388)	The standard deviation of director age is 12.79. (Q388)
389	What is the standard deviation of director tenure?	26 Dec 2025	⊕	The standard deviation of director tenure is 6.27. (Q389)	The standard deviation of director tenure is 6.18. (Q389)
440	What is the average percentage of director skills? *	26 Dec 2025	●	The average percentage of director skills is 27.02. (Q440)	The average percentage of director skills is 25.58. (Q440)
161	What is the multiple of pay in the change-in-control or the severance agreements for the CEO?	05 Dec 2025	●	The CEO does not have a change-in-control or severance agreement. (Q161)	There is no information on the multiple used in determining change-in-control payments for the CEO, or there is no change-in-control agreement. (Q161)
247	What is the basis for the change-in-control or severance payment for the CEO?	05 Dec 2025	●	The CEO does not have a change-in-control or severance agreement. (Q247)	The CEO does not have a golden parachute. (Q247)
429	How long ago was the most recent EEO-1 report disclosure? *	05 Dec 2025	●	The most recent EEO-1 data was as of 24 months ago. (Q429)	The most recent EEO-1 data was as of 23 months ago. (Q429)
460	Does the management have oversight over information security risks?	05 Dec 2025	⊕	The management has oversight over information security risks. (Q460)	The company has disclosed the role of the management in overseeing information security risks. (Q460)
461	Does the board have oversight over information security risks?	05 Dec 2025	⊕	The board has oversight over information security risks. (Q461)	The company has disclosed the role of the board in overseeing information security risks. (Q461)
468	Does the board have oversight over artificial intelligence? *	05 Dec 2025		The company has not disclosed whether the board has oversight over artificial intelligence. (Q468)	
469	How many directors have artificial intelligence skills? *	05 Dec 2025		The number of directors with artificial intelligence skills is 1. (Q469)	

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Data Change Details					
QID	Question	Date	Direction Updated	Previous	
470	Does the company have policies and procedures related to artificial intelligence development, deployment, and monitoring? *	05 Dec 2025		The company has disclosed policies and procedures related to artificial intelligence development, deployment, and monitoring. (Q470)	
475	What is the CEO vesting period for time-based options and/or stock appreciation rights? *	05 Dec 2025		The CEO's vesting period for time-based options or stock appreciation rights is not applicable. (Q475)	
476	What is the CEO vesting period for time-based restricted stock? *	05 Dec 2025		The CEO's vesting period for time-based restricted stock is not applicable. (Q476)	
477	What is the CEO performance measurement period for performance-based options and/or stock appreciation rights? *	05 Dec 2025		The CEO's performance measurement period for performance-based options or stock appreciation rights is not applicable. (Q477)	
478	What is the CEO performance measurement period for performance-based restricted stock? *	05 Dec 2025		The CEO's performance measurement period for performance-based restricted stock is not applicable. (Q478)	
429	How long ago was the most recent EEO-1 report disclosure? *	05 Nov 2025	●	The most recent EEO-1 data was as of 23 months ago. (Q429)	The most recent EEO-1 data was as of 20 months ago. (Q429)
429	How long ago was the most recent EEO-1 report disclosure? *	06 Aug 2025	●	The most recent EEO-1 data was as of 20 months ago. (Q429)	The most recent EEO-1 data was as of 18 months ago. (Q429)
135	What is the holding period for executive restricted stock?	04 Jun 2025	🔄	The holding period for granted executive restricted stock is until the stock ownership guidelines are met. (Q135)	There is insufficient information whether the company has holding period for granted executive restricted stock. (Q135)
49	How many directors received a majority of against or withhold votes?	02 Jun 2025	●	The number of directors that received majority of against or withhold votes at a recent annual general meeting is 0. (Q49)	A director election proposal is on the ballot, but the meeting is in progress. (Q49)
312	What percentage of directors received vote support below eighty percent?	02 Jun 2025	●	The percentage of directors who received vote support below 80% at a recent annual general meeting is 0%. (Q312)	A director election proposal is on the ballot, but the meeting is in progress. (Q312)
328	Did the most recent Say-on-Pay proposal receive significant shareholder opposition?	02 Jun 2025	●	The company's most recent Say-on-Pay proposal did not receive significant shareholder opposition. (Q328)	A Say-on-Pay proposal is on the ballot, but the meeting is in progress. (Q328)
383	What was the lowest percentage of vote support for management-nominated directors?	02 Jun 2025	🔄	The lowest percentage of vote support for management-nominated directors at their most recent election was 85.99%. (Q383)	The lowest percentage of vote support for management-nominated director is not available as meeting is in progress. (Q383)
385	What was the percentage of vote support for the most recent Say-on-Pay proposal?	02 Jun 2025	🔄	The company's most recent Say-on-Pay proposal received a vote support of 89.54% and has a triennial Say-on-Pay frequency. (Q385)	A Say-on-Pay proposal is on the ballot, but the meeting is in progress. (Q385)
391	What was the percentage of vote support for the CEO?	02 Jun 2025	●	The percentage of vote support for the CEO at their most recent election was 92.66%. (Q391)	The percentage of vote support for the CEO is not available as meeting is in progress. (Q391)
392	What was the percentage of vote support for the Board Chair?	02 Jun 2025	●	The percentage of vote support for the Board Chair at their most recent election was 92.66%. (Q392)	The percentage of vote support for the Board Chair is not available as meeting is in progress. (Q392)
393	What was the greatest percentage of vote support for environmental or social shareholder proposals? *	02 Jun 2025	●	The greatest percentage of vote support for environmental or social shareholder proposals at the most recent annual general meeting was 14.61%. (Q393)	An environmental or social shareholder proposal is on the ballot, but the meeting is in progress. (Q393)
419	What was the greatest percentage of vote support for climate-related shareholder proposals? *	02 Jun 2025	●	The greatest percentage of vote support for climate-related shareholder proposals at the most recent annual general meeting was 3.25%. (Q419)	A climate-related shareholder proposal is on the ballot, but the meeting is in progress. (Q419)
429	How long ago was the most recent EEO-1 report disclosure? *	02 Jun 2025	●	The most recent EEO-1 data was as of 18 months ago. (Q429)	The most recent EEO-1 data was as of 17 months ago. (Q429)
436	What is the aggregate value of pledged shares by directors and executives?	02 Jun 2025	🔄	The aggregate value of pledged shares by directors and executives is 7032000000. (Q436)	The aggregate value of pledged shares by directors and executives is not available as meeting is in progress. (Q436)

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Data Change Details					
QID	Question	Date	Direction Updated		Previous
437	What percentage of outstanding shares are pledged by directors and executives?	02 Jun 2025	🔴	The company's directors and executives pledged 0.55% of outstanding shares. (Q437)	The percentage of outstanding shares pledged by directors and executives is not available as meeting is in progress. (Q437)
1	What is the percentage of non-audit fees paid to the external auditor?	09 May 2025	●	Non-audit fees represent 21.23% of total fees. (Q1)	Non-audit fees represent 27.55% of total fees. (Q1)
5	Has a regulator initiated an enforcement action against the company?	09 May 2025	●	A regulator has taken enforcement action against the company within the last two years which has not resulted in a material penalty. Source: 10-K, 1/30/25, p. 41. (Q5)	A regulator has not taken action against the company in the past 2 years. (Q5)
6	How many financial experts are on the audit committee?	09 May 2025	🟢	The number of financial experts on the audit committee is 2. (Q6)	The company has identified 1 financial expert(s) serving on its audit committee. (Q6)
9	How many directors are on the board? *	09 May 2025	●	The number of directors on the board is 15. (Q9)	The number of directors on the board is 13. (Q9)
10	What percentage of the board is independent according to the ISS local market classification?	09 May 2025	●	The board is 86.67% independent. (Q10)	The board is 84.62% independent. (Q10)
13	What percentage of non-executive directors has lengthy tenure?	09 May 2025	●	The percentage of non-executive directors with lengthy tenure is 7.14%. (Q13)	The percentage of non-executive directors with lengthy tenure is 8.33%. (Q13)
49	How many directors received a majority of against or withhold votes?	09 May 2025	●	A director election proposal is on the ballot, but the meeting is in progress. (Q49)	The number of directors that received majority of against or withhold votes at a recent annual general meeting is 0. (Q49)
50	What percentage of the directors are involved in material related party transactions?	09 May 2025	🟢	The percentage of directors involved in material related party transactions is 6.67%. (Q50)	The percentage of directors involved in material related party transactions is 7.69%. (Q50)
57	What is the percentage of multiple voting rights or certificates relative to total voting rights?	09 May 2025	●	The percentage of multiple voting rights or certificates relative to total voting rights is 61.14%. (Q57)	The percentage of multiple voting rights or certificates relative to total voting rights is 61.18%. (Q57)
127	What percentage of outstanding equity is attributed to equity plans?	09 May 2025	●	The percentage of outstanding equity attributed to equity plans is 51.64%. (Q127)	The percentage of outstanding equity attributed to equity plans is 33.08%. (Q127)
134	What is the holding period for executive options?	09 May 2025	●	The holding period for executive options is until the stock ownership guidelines are met. (Q134)	The company is silent on holding/retention periods for exercised option shares. (Q134)
135	What is the holding period for executive restricted stock?	09 May 2025	●	There is insufficient information whether the company has holding period for granted executive restricted stock. (Q135)	The company is silent on holding/retention periods for stock awards. (Q135)
138	Does the company's equity plan prohibit options or stock appreciation rights repricing?	09 May 2025	🟢	The company's active equity plans prohibit options or stock appreciation rights repricing. (Q138)	The company has at least one active equity plan that permits options or stock appreciation rights repricing. (Q138)
140	What percentage of voting power do directors and executives own?	09 May 2025	●	The percentage of outstanding stock directors and executives own is 61.05%. (Q140)	The percentage of outstanding stock directors and executives own is 61.08%. (Q140)
143	Are directors subject to stock ownership guidelines?	09 May 2025	🟢	Directors are subject to robust stock ownership guidelines but includes unexercised options or unearned performance awards. (Q143)	The company has not disclosed the rigor of the non-executive director stock ownership guidelines. (Q143)
145	What salary multiple of the CEO is subject to stock ownership guidelines?	09 May 2025	🟢	The percentage of the CEO's base salary subject to stock ownership guidelines is 4000000% but includes unexercised options or unearned performance awards. (Q145)	There is no information on the percentage of the CEO's base salary or cash-fixed remuneration subject to stock ownership guidelines. (Q145)
206	What percentage of the board consists of former or current employees of the company? *	09 May 2025	●	The percentage of directors who are former or current employees of the company is 6.67%. (Q206)	The percentage of directors who are former or current employees of the company is 7.69%. (Q206)
228	What is the size of the CEO's pay as a multiple of the median pay of the company's peers (MOM)?	09 May 2025	●	The size of the CEO's one-year pay as a multiple of the median pay of the company's peers is 0.85. (Q228)	The size of the CEO's one-year pay as a multiple of the median pay of the company's peers is 0.73. (Q228)

Meta Platforms, Inc. (META)

Data Change Details					
QID	Question	Date	Direction Updated	Previous	
229	What is the degree of alignment between the company's total shareholder return and the change in CEO pay (PTA)?	09 May 2025	●	The degree of alignment between the company's total shareholder return and the change in CEO pay within the last five years is 19.60. (Q229)	The degree of alignment between the company's total shareholder return and the change in CEO pay within the last five years is 8.02. (Q229)
232	What is the ratio of the CEO's total compensation to the next highest-paid executive?	09 May 2025	●	The ratio of the CEO's total compensation to the next highest-paid executive is 106.72%. (Q232)	The ratio of the CEO's total compensation to the next highest-paid executive is 95.47%. (Q232)
238	Does the company's equity plan prohibit options or stock appreciation rights cash buyouts?	09 May 2025	⊕	The company's active equity plans prohibit options or stock appreciation rights cash buyouts. (Q238)	The company has at least one active equity plan that permits options or stock appreciation rights cash buyouts. (Q238)
301	Has ISS identified a problematic pay practice or policy that raises concerns?	09 May 2025	⊕	ISS has not identified any problematic pay practice or policy. (Q301)	ISS has identified at least one problematic pay practice or policy. (Q301)
304	How many women are on the board?	09 May 2025	●	The number of women on the board is 4. (Q304)	The number of women on the board is 3. (Q304)
312	What percentage of directors received vote support below eighty percent?	09 May 2025	●	A director election proposal is on the ballot, but the meeting is in progress. (Q312)	The percentage of directors who received vote support below 80% at a recent annual general meeting is 0%. (Q312)
315	What was the average total compensation for non-executive directors as a multiple of the median of the company's peers?	09 May 2025	⊕	The average compensation of non-executive directors amounts to 1.97 times the median of company's peers. (Q315)	The average compensation of non-executive directors amounts to 2.06 times the median of company's peers. (Q315)
328	Did the most recent Say-on-Pay proposal receive significant shareholder opposition?	09 May 2025	●	A Say-on-Pay proposal is on the ballot, but the meeting is in progress. (Q328)	A Say-on-Pay proposal was not presented to shareholders at the most recent annual general meeting. (Q328)
329	What is the degree of alignment between the company's annualized pay percentile rank, relative to its peers, and its annualized total shareholder return rank, relative to its peers (RDA)?	09 May 2025	●	The degree of alignment between the company's annualized three-year pay percentile rank and its three-year annualized TSR rank, relative to peers, is 78.64. (Q329)	The degree of alignment between the company's annualized three-year pay percentile rank and its three-year annualized TSR rank, relative to peers, is 44.53. (Q329)
354	What is the percentage of women on the board?	09 May 2025	⊕	The board is 26.67% composed of women. (Q354)	The board is 23.08% composed of women. (Q354)
355	What percentage of non-executive directors has been on the board less than six years?	09 May 2025	●	The percentage of non-executive directors who have been on the board less than six years is 85.71%, and the company is controlled. (Q355)	The percentage of non-executive directors who have been on the board less than six years is 91.67%, and the company is controlled. (Q355)
378	What percentage of the board is independent according to the ISS global classification?	09 May 2025	●	The board is 86.67% independent according to the ISS global classification. (Q378)	The board is 84.62% independent according to the ISS global classification. (Q378)
383	What was the lowest percentage of vote support for management-nominated directors?	09 May 2025	⊕	The lowest percentage of vote support for management-nominated director is not available as meeting is in progress. (Q383)	The lowest percentage of vote support for management-nominated directors at their most recent election was 81.58%. (Q383)
385	What was the percentage of vote support for the most recent Say-on-Pay proposal?	09 May 2025	●	A Say-on-Pay proposal is on the ballot, but the meeting is in progress. (Q385)	A Say-on-Pay proposal was not presented to shareholders at the most recent annual general meeting. (Q385)
388	What is the standard deviation of director age?	09 May 2025	●	The standard deviation of director age is 12.79. (Q388)	The standard deviation of director age is 13.65. (Q388)
389	What is the standard deviation of director tenure?	09 May 2025	⊖	The standard deviation of director tenure is 6.18. (Q389)	The standard deviation of director tenure is 6.35. (Q389)
391	What was the percentage of vote support for the CEO?	09 May 2025	●	The percentage of vote support for the CEO is not available as meeting is in progress. (Q391)	The percentage of vote support for the CEO at their most recent election was 92.87%. (Q391)
392	What was the percentage of vote support for the Board Chair?	09 May 2025	●	The percentage of vote support for the Board Chair is not available as meeting is in progress. (Q392)	The percentage of vote support for the Board Chair at their most recent election was 92.87%. (Q392)
393	What was the greatest percentage of vote support for environmental or social shareholder proposals? *	09 May 2025	●	An environmental or social shareholder proposal is on the ballot, but the meeting is in progress. (Q393)	The greatest percentage of vote support for environmental or social shareholder proposals at the most recent annual general meeting was 18.46%. (Q393)

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Data Change Details					
QID	Question	Date	Direction Updated	Previous	
406	What are the net expenses incurred from information security breaches over the last three years relative to total revenue?	09 May 2025	⬆️	The company has not disclosed whether it has experienced an information security breach within the last three years. (Q406)	There is insufficient information whether the company has experienced an information security breach within the last three years. (Q406)
407	Has the company experienced an information security breach in the last three years?	09 May 2025	⬆️	The company has not disclosed whether it has experienced an information security breach within the last three years. (Q407)	The company has experienced an information security breach within the last three years, and the costs and damages are not disclosed. (Q407)
408	What are the net expenses incurred from information security breach penalties and settlements over the last three years relative to total revenue?	09 May 2025	⬆️	The company has not disclosed whether it has experienced an information security breach within the last three years. (Q408)	There is insufficient information whether the company has experienced an information security breach within the last three years. (Q408)
412	How long ago did the most recent information security breach occur?	09 May 2025	⬆️	The company has not disclosed whether it has experienced an information security breach. (Q412)	The company has experienced an information security breach, but there is insufficient information on breach details. (Q412)
413	What is the disclosure level of the company's board and executive aggregate diversity data? *	09 May 2025	●	The company does not disclose board and executive aggregate diversity data. (Q413)	The company discloses diversity data in aggregate for the board only. (Q413)
415	Does the company have a board gender diversity policy with a target?	09 May 2025	⬇️	There is no information whether the company has a gender diversity policy with a target relating to the board. (Q415)	The company has a gender diversity policy relating to the board, but a target is not disclosed. (Q415)
419	What was the greatest percentage of vote support for climate-related shareholder proposals? *	09 May 2025	●	A climate-related shareholder proposal is on the ballot, but the meeting is in progress. (Q419)	The greatest percentage of vote support for climate-related shareholder proposals at the most recent annual meeting was 8.25%. (Q419)
423	What is the degree of alignment between the CEO's pay and the company's financial performance, relative to its peers (FPA)?	09 May 2025	●	The degree of alignment between the CEO's pay and the company's financial performance over the past three years, relative to its peers, is 65.90. (Q423)	The degree of alignment between the CEO's pay and the company's financial performance over the past three years, relative to its peers, is 58.45. (Q423)
424	Does the company have a gender diversity statement for the board and/or executives? *	09 May 2025	●	The company does not have a gender diversity statement for the board and/or executives. (Q424)	The company has a gender diversity policy for the board and/or executives. (Q424)
425	Does the board exhibit diversity based on aggregate disclosure? *	09 May 2025	●	The board does not exhibit diversity based on aggregate disclosure. (Q425)	The board exhibits diversity based on aggregate disclosure. (Q425)
429	How long ago was the most recent EEO-1 report disclosure? *	09 May 2025	●	The most recent EEO-1 data was as of 17 months ago. (Q429)	The most recent EEO-1 data was as of 15 months ago. (Q429)
430	Do executive or senior level officials and managers exhibit ethnic and racial diversity?	09 May 2025	⬇️	The executive or senior level officials and managers exhibit ethnic and racial diversity based on previous EEO-1 data. (Q430)	The executive or senior level officials and managers exhibit ethnic and racial diversity based on EEO-1 data. (Q430)
431	Do executive or senior level officials and managers exhibit gender diversity?	09 May 2025	⬇️	The executive or senior level officials and managers exhibit gender diversity based on previous EEO-1 data. (Q431)	The executive or senior level officials and managers exhibit gender diversity based on EEO-1 data. (Q431)
433	What is the company's three-year average adjusted burn rate? *	09 May 2025	●	The company's three-year average adjusted burn rate is 3.41%. (Q433)	The company's three-year average adjusted burn rate is 3.47%. (Q433)
436	What is the aggregate value of pledged shares by directors and executives?	09 May 2025	⬆️	The aggregate value of pledged shares by directors and executives is not available as meeting is in progress. (Q436)	The aggregate value of pledged shares by directors and executives is 5896200000. (Q436)
437	What percentage of outstanding shares are pledged by directors and executives?	09 May 2025	⬆️	The percentage of outstanding shares pledged by directors and executives is not available as meeting is in progress. (Q437)	The company's directors and executives pledged 0.55% of outstanding shares. (Q437)
440	What is the average percentage of director skills? *	09 May 2025	●	The average percentage of director skills is 25.58. (Q440)	A director has no profiled skills. (Q440)
448	What percentage of the committee responsible for climate is independent? *	09 May 2025	●	There is no committee responsible for climate. (Q448)	The committee responsible for climate is 100% independent. (Q448)
458	What is the disclosed ratio of the CEO total compensation to total compensation of employees? *	09 May 2025	●	The CEO's total compensation is 65 times the total compensation of all employees. (Q458)	The CEO's total compensation is 64 times the total compensation of all employees. (Q458)

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Data Change Details

QID	Question	Date	Direction Updated	Previous
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Data change indicators reflect recent governance data profile updates.

- ⊕ This data change represents a positive direction.
- ⊖ This data change represents a negative direction.
- This data change had little/no impact.
- ★ This factor positively impacts the category's absolute score.
- This factor negatively impacts the category's absolute score.
- * This factor data is NOT used in computing the company's QualityScore. This data is included for informational purposes.

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Key Takeaways

■ Compensation and Say-on-Pay:

- **There will be a slight increase in 2026 in the number of U.S. companies expected to demonstrate responsiveness to prior-year pay concerns.** The percentage of companies with failed say-on-pay votes only slightly increased from the record low of 1.1% in 2024 to 1.2% in 2025. However, median pay support decreased from 94.9% in 2024 to 94.5% in 2025, and the percentage of companies that received between 50% and 70% support increased from 5.1% in 2024 to 5.5% in 2025. There were several high-profile failed votes in 2025 that will warrant a closer look this year.
- **U.S. companies may receive limited shareholder feedback following the SEC's new 13G and 13D filing guidelines.** Following the new SEC filing guidelines for 13G and 13D forms, some investors have been wary of providing candid feedback on executive pay, particularly after a low say-on-pay vote result, due to the possibility of being reclassified as an "active" investor. As a result, in 2025 some companies disclosed in their proxy that they had difficulty receiving investor feedback following the SEC's updates, and it is expected that more companies will have similar disclosures in 2026.
- **Transition pay arrangements are expected to be a focus in the 2026 proxy season.** Following an unprecedented number of U.S. CEO changes in 2025, severance packages, sign-on bonuses, make-whole awards, and other transition pay issues are expected to play a prominent role in many executive compensation disclosures.
- **Investors may continue to see increases in security-related perquisites in 2026.** Over the last three years, the prevalence of security-related perks increased at a much larger rate than other common perks for S&P 500 CEOs, as many companies reevaluated the need for new or enhanced security protections for their top executives. The median value of security perks increased nearly 50% in the S&P 500 from FY22 to FY24, and this is expected to continue to rise in light of recent events sparking executive security concerns.
- **Canadian CEO compensation levels continued to further tick up in 2025 from 2024, following a decline in 2023.** Median CEO pay rose 17 percent in 2024, driven by annual bonus/STI payouts. Stock-based awards increased 10 percent. Say-on-pay resolutions saw three failed votes, down from five in 2024.
- **While the push for market competitiveness, across Europe and the U.K. in particular, is reshaping executive remuneration practices amid an uncertain economic environment that complicates target setting, issuers and investors are expected to monitor potential pay escalation in 2026.** More companies are leveraging global—often U.S.—peers in their pay benchmarks; however, questions remain as to whether proposals will meet case-by-case investor scrutiny regarding pay quantum and focus on realized pay. In light of many current global economic uncertainties, increased use of board discretion regarding pay outcomes is anticipated. Nevertheless, investor expectations remain unchanged: demands for 'ex ante' guardrails and transparent 'ex post' rationales.
- **Remuneration trends in Europe are increasingly characterized by a greater reliance on discretionary pay to mitigate market volatility, as well as the reframing of diversity metrics within performance-based pay structures.** Explicit diversity metrics are being reframed as leadership and cultural goals, particularly for companies with U.S. exposure. Boards are also placing renewed emphasis on discretion as a structured tool to adjust incentive outcomes in response to external volatility, and its transparent and disciplined use will remain a key expectation.

- **Executive remuneration keeps evolving in the U.K.** 2026 will likely see an increasing number of unconventional remuneration structures, including hybrid LTIPs, being put forward in the U.K. market, as companies respond to perceived competitiveness and retention concerns. Moreover, as many multinational companies increase their remuneration opportunities, this may in turn influence domestically based issuers, which will continue to benchmark against peers.
- **Director Elections:**
 - **The number of failed U.S. director elections decreased again in 2025.** Only 33 directors in the Russell 3000 failed to win a majority last year, compared to 34 in 2024. Notably, three of those failed director votes were at companies in the S&P 500, whereas in 2023 and 2024, only one S&P 500 company experienced a failed director vote.
 - **Director election support remained robust in Canada.** Support remained high at 96.9 percent for S&P/TSX Composite Index and 97.7 percent for S&P/TSX 60 companies in 2025. No director failed to secure majority support in 2025.
 - **In the U.K., it is anticipated that director elections will remain among the most controversial resolution type,** with concerns regarding director independence, board diversity and accountability for remuneration decisions likely contributing towards dissent. Recent updates to U.K. cornerstone guidance documents may also see more issuers deviate from U.K. best practice with regard to board structure due to perceived increased flexibility.
 - **Tenure caps and independence tightening are forcing observable refreshment decisions across Asia,** bringing committee leadership quality and succession planning into sharper relief.
- **Diversity:**
 - **Canadian CSA pauses diversity initiatives beyond gender diversity.** The Canadian Securities Administrators (“CSA”) has paused work on proposed amendments to expand diversity disclosures beyond those relating to women.
 - **In the EU, enforcement of the board gender diversity deadline remains uncertain as June 30, 2026, approaches, due to uneven transposition of the directive by EU member states.** The European Directive mandates that at least 40% of non-executive directors (NEDs) or 33% of all directors be of the underrepresented sex; however, inconsistent implementation across Member States creates uncertainty regarding enforcement. European average board gender diversity currently stands at approximately 30.5%, a slight increase compared to last year, with continued progress observed particularly in Eastern Europe.
- **Environmental & Social (E&S) Topics:**
 - **In 2025, the SEC’s issuance of Staff Legal Bulletin (SLB) 14M resulted in sharp increase of E&S shareholder proposal omissions in the U.S.** The guidance made it easier for companies to justify exclusion of proposals on E&S matters. At the end of the year, a record high of 111 E&S-related proposals had been omitted, up from 45 in 2024 and 36 in 2023.
 - **The Trump administration’s executive orders on DEI impacted U.S. corporate disclosures of diversity initiatives.** Many companies have scaled back or dismantled DEI initiatives, such as cutting back DEI-informed hiring policies and restructuring or eliminating employee resource groups. Many have edited or removed DEI-related policies and content from annual reports, proxy statements, and websites.
 - **Average support for E&S-related shareholder proposals in the U.S. continued to decline in 2025, a trend expected to persist into 2026.** This decrease was likely driven by the prescriptive nature of

some proposals, improvements in company disclosures, the rising number of so-called anti-ESG proposals with limited support, and the politicization of “ESG.”

- **The impact of the SEC’s November 2025 decision to not respond to most Rule 14a-8 no-action requests will likely have a significant impact on E&S-related shareholder proposals at U.S. companies in 2026.** It remains to be seen whether the number of E&S shareholder proposals that get on ballot will decline because companies now have the green light to omit proposals, or whether they will increase because companies will be more cautious in excluding proposals in order to avoid any potential lawsuits.
 - **Shareholder proposals at Canadian companies seek to tackle a variety of potential risks in 2026.** Early 2026 shareholder proposals focus on AGM formats, director expertise, physical climate change risks, shareholder participation at AGMs, and audit firm rotation.
 - **Response to market competitiveness has altered the EU’s course on sustainability rules.** As a result of the Omnibus directive (part of the Competitiveness Compass), EU institutions have reduced sustainability reporting requirements, narrowed the scope of affected companies, and delayed reporting disclosures for certain entities. Despite political agreements at the EU level, a degree of uncertainty remains for the 2026 reporting season, given the diverging local transpositions of the new sustainability rules.
 - **The total number of Say on Climate proposals (SoC) worldwide remains in the low thirties for the third consecutive year.** In 2025, many Australian companies were subject to a SoC vote, as they typically submit such proposals to shareholder vote every three years.
 - **ESG reporting has moved from consultation to application across Asia.** Board-approved sustainability information, clearer Scope 3 expectations, and phased assurance planning make disclosure integrity a governance matter.
- **Governance-related Shareholder Proposals:**
 - **In the US, more governance-related shareholder proposals appeared on ballots in 2025, and support rates increased over 2024.** This is expected to continue to 2026. The most common topics in 2025 were special meeting rights, elimination of supermajority vote requirements and independent board chair. Topics with the highest support rates were elimination of supermajority requirements and board declassification. Proposals to eliminate a one-year holding requirement to exercise the right to call a special meeting failed to gain traction with shareholders.
 - **SEC Guidance Impacting Investor Engagement and Shareholder Proposals in the U.S., With More to Come for 2026:**
 - **SEC announces it will object to voluntary exempt solicitation filings by a holder of less than \$5 million in company shares.** In a new Compliance & Disclosure Interpretation (CDI) issued in January 2026, the SEC stated that it will object to the filing of exempt solicitations by a holder of less than \$5 million worth of shares. This restricts the use of a communication channel widely used by shareholder proponents and others to urge support for or against proposals.
 - **New Staff Legal Bulletin 14M resulted in more shareholder proposals being excluded in 2025, though impact was limited to E&S-related proposals.**
 - **For 2026, SEC decides not to make no-action determinations.** This is expected to lead to further decline in the proposal count. Chairman Atkins endorses new theory that Delaware law provides no basis for non-binding proposals; invites companies to seek a DE court ruling.
 - **U.S. Compliance & Disclosure Interpretation throws engagement into turmoil.** Revised SEC guidance suggests that 5% shareholders may lose their right to be treated as passive investors (and therefore lose their eligibility to file on Schedule 13-G) if they condition proxy votes on actions

taken by the company. With large shareholders now reluctant to give candid feedback on their pain points, companies are left in the dark when deciding how to respond to a failed vote – and when deciding how to respond to an activist campaign.

- **SEC is making it a "priority" to eliminate the quarterly reporting requirement.** Unclear how many companies will take advantage of the new flexibility to report less often, or how investors will respond.
- **SEC reverses course on mandatory arbitration of securities law claims.** Chairman Atkins encourages Delaware to rethink its prohibition of mandatory arbitration. Securities class actions could become a thing of the past.
- **U.S. Inter-state Battle for Incorporations:**
 - **36 U.S. issuers proposed a reincorporation in 2025 (including failed or withdrawn proposals), double the number in 2024.** More than half choose Nevada as their new destination. Delaware saw the greatest loss, but more companies moved into Delaware than into any other state except Nevada.
- **M&A and Activism:**
 - **There were 27 proxy contests for board seats in the U.S. in 2025, a decrease from 32 in 2024. But, average market cap increased.** Despite the year-over-year decrease in the headline number, the median market cap of targeted companies increased nearly 175 percent to over \$400 million. Moreover, the universe of campaigns was particularly dynamic, featuring marquee contests at blue chip companies and several high-profile vote no campaigns.
 - **The number of proxy contests for board seats in Europe reached an all-time high of 31.** Of this record number, 18 took place in the U.K., where Saba Capital Management ran a coordinated campaign at seven investment trusts early in the year. The U.K. has only hosted more contests on one occasion – in 2009, when there were 19.
 - **Activism remained prominent in Canada, but the volume of proxy contests getting to a vote decreased year-over-year as several were averted by last minute developments.**
 - **In the U.S., M&A volume accelerated in 2025, particularly in the latter half of the year.** However, not all deals were welcomed by shareholders, and there were several high-profile contested transactions during the year.
 - **There were several notable hostile takeovers of Italian banks in 2025, and contested M&A also remained a theme in the U.K.**
- **Virtual Shareholder Meetings:**
 - **Following strong investor opposition, virtual-only meeting formats are declining in popularity among some Canadian companies.** There is a noticeable shift away from virtual-only AGMs in Canada, expected to continue in 2026. Forty-three percent of S&P/TSX Composite Index companies held virtual-only meetings in 2025, down from 54 percent in 2024.
 - **The U.K. Government previously indicated that, alongside the creation of a new regulator to replace the Financial Reporting Council, legislation would clarify the legality of virtual-only meetings.** However, in January 2026, the Government scrapped its Audit Reform Bill. Nonetheless, it stated that it would still press ahead with plans to allow virtual AGMs. This, alongside the recent publication of GC100 guidance on the subject, may encourage an increasing number of U.K. companies in 2026 to amend their articles to allow for meetings to be held exclusively by virtual means.

- **Regulatory, Competitiveness and Other Developments:**
 - **Recent changes to U.K. regulations and guidance will likely see some companies adapt their approaches.** This includes Provision 29 of the U.K. Corporate Governance Code, which comes into force for financial years beginning in 2026. The provision recommends that boards disclose a formal declaration on the effectiveness of material internal controls, which in turn will likely lead to greater consideration and more disclosure surrounding risk management and internal controls frameworks. In addition, we may see some companies listed in both the U.K. and Ireland begin to deviate from the norms of the U.K. market, as more choose to adopt the principles of the Irish Corporate Governance Code.
 - **Both sustainability and AI will continue to be key governance priorities in the U.K. market.** 2026 will likely see further consolidation in relation to sustainability, as part of a broader regulatory drive for consistent, comparable, and actionable reporting. For AI, the next year may see more regulation. The planned U.K. AI Bill will likely shape corporate governance practices around AI, with regulators and boards focusing on transparency, accountability, and ethical oversight, as AI becomes more embedded in business processes.
- **Other Developments in Asia**
 - **Meeting-season compression has not materially eased in key Asian markets,** reinforcing the need to judge issuer readiness ahead of formal compliance dates.
 - **The issuer universe across Asia is expanding structurally,** driven by venture-backed, founder-led IPOs in India, renewed listing momentum in Hong Kong including dual-listed Mainland Chinese “new economy” companies, and a secular broadening of ASEAN public markets. The sum of these pan-regional dynamics is an ongoing deepening of the governance perimeter and intensifying stewardship demands through the remainder of the decade.
 - **Across Asia ex Japan, governance practice is transitioning from frameworks to facts.** investors want evidence-based disclosure, credible readiness signals, and observable oversight capacity.
 - **Developing Asia-specific governance frameworks around AI implementation** (post-fact) and ESG (including explicit links to remuneration and data disclosure requirements along supply-chains) strongly point to Asia ex-Japan forging unique governance and stewardship profiles in coming years.

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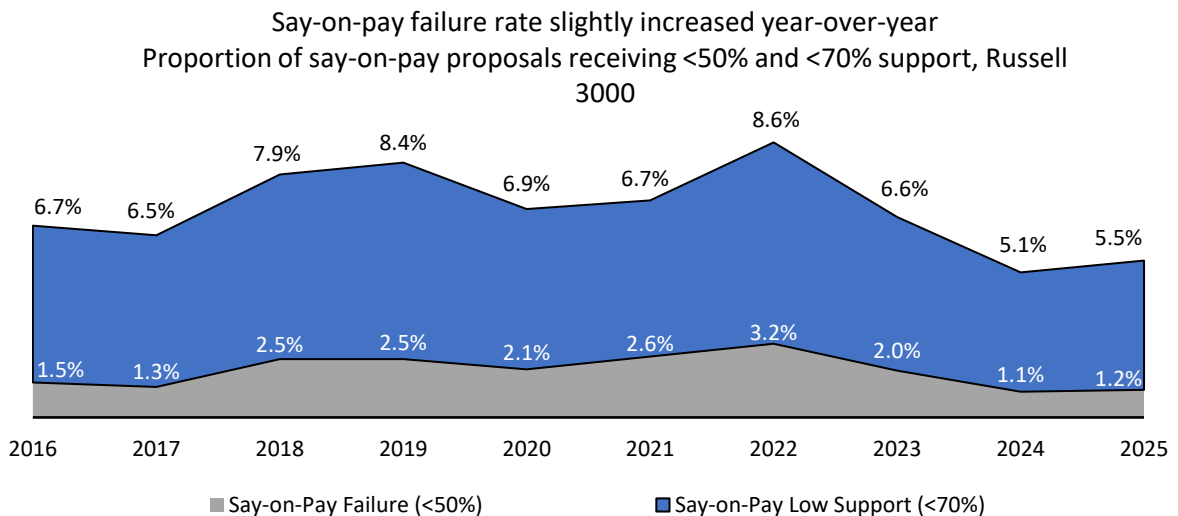
Introduction

The 2026 proxy season is unfolding against a backdrop of heightened geopolitical challenges, persistent trade, labor and industrial policy tensions, and accelerating regulatory focus—including concerning AI, data security, climate disclosures, national security, and shareholder rights. These factors, combined with ongoing regional conflicts and realignments in global supply chains, continue to inject uncertainty for both companies and investors. Institutional investors and their portfolio companies will have to navigate a complex interplay of economic and political uncertainties, with direct implications for governance and stewardship priorities. These pressures are sharpening the focus on corporate risk oversight, supply-chain resilience, M&A strategy, executive compensation alignment, climate and sustainability recalibrations, and human capital management, while simultaneously placing heightened emphasis on effective board oversight, accountability, and decision-making. This report summarizes some of the top governance and stewardship issues likely to be facing investors—and companies—throughout 2026, and particularly through this year’s main proxy seasons.

Compensation and Say-on-Pay

United States

In 2025, median say-on-pay support decreased to 94.5%, following 94.9% median support in 2024. Conversely, say-on-pay failure rates slightly increased from a record low of 1.1% in 2024 to 1.2% in 2025 and the percentage of companies receiving between 50% and 70% support rose from 5.1% in 2024 to 5.5% in 2025. Median CEO pay in both the S&P 500 and Russell 3000 also reached record highs. This year, more companies will be tasked with demonstrating robust responsiveness to a low vote result, and investors are expected to remain focused on issues that led to the failed votes in 2025, including problematic pay practices, large one-time awards, and excessive pay magnitudes.



Source: ISS Governance Research & Voting

In July 2025, the SEC updated its filing guidelines for Forms 13G and 13D whereby institutional investors typically considered "passive" and filing under 13G could be reclassified as "active" investors if they take steps such as conditioning their votes on specific actions by a company. These changes appear to have made some investors reluctant to provide feedback on executive pay, particularly after a company received a low say-on-pay vote result. Companies have already disclosed in their proxy statements that they have had difficulty receiving investor feedback, and it is expected that this issue will impact shareholder engagement practices and disclosures surrounding compensation committee responsiveness going forward.

The 2025 proxy season witnessed an unprecedented number of CEO turnovers, accompanied by a corresponding increase in transition-related pay decisions. Transition-related pay issues, particularly those concerning one-time awards and severance payments, are expected to continue to play a prominent role in executive compensation disclosure for the 2026 proxy season.

In addition, investors will likely continue to see increases in the prevalence and amounts of security-related perquisites in 2026, as companies reevaluate the need for new or enhanced security protections for their top executives in light of recent events. Many stakeholders are suggesting that security-related perquisites should no longer be viewed as perquisites for pay disclosures, and while the SEC may consider changes to disclosures later this year, changes are not expected for the 2026 proxy season.

Canada

Median CEO total compensation at S&P/TSX Composite Index ("Composite Index") companies rose nearly 17 percent in 2024 (as reported in 2025 proxy circulars), reaching a record high with the median exceeding \$5.7 million. Key drivers of this increase included:

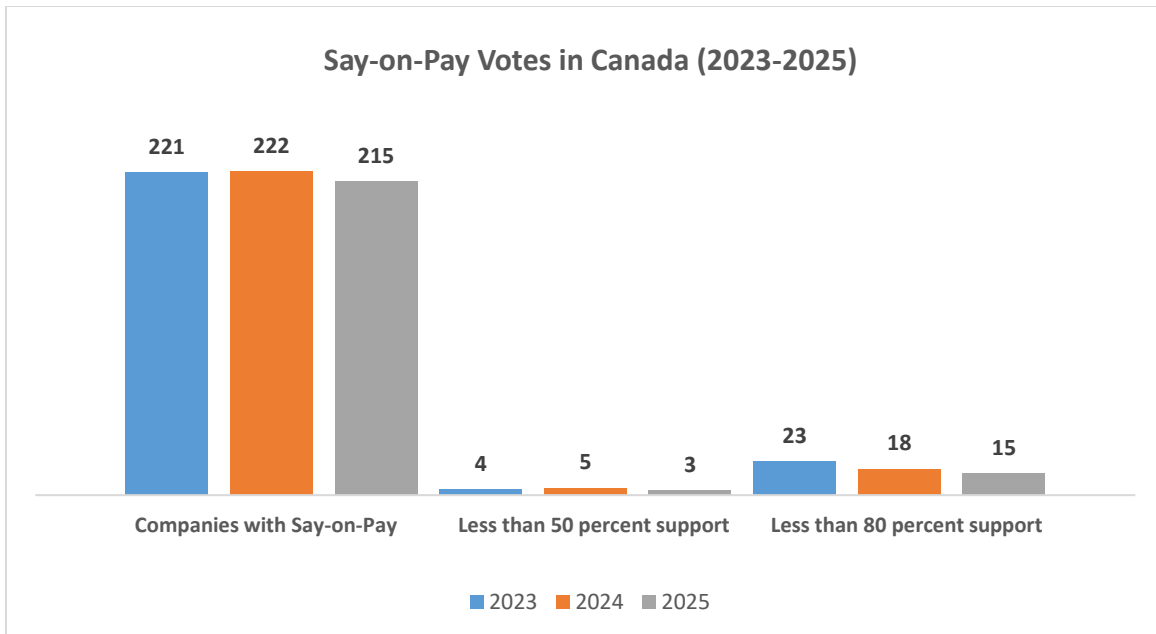
- Annual bonus/short-term incentive payouts, which increased 22 percent year-over-year, the largest increase in the past five years.
- Stock-based awards, up 10 percent.
- Base salary, which grew 6 percent.

In contrast, the median value of stock option grants declined, and their prevalence also decreased: only 51 percent of CEOs received stock options, down from 56 percent in the prior year.

The number of outsized equity grants to CEOs remained limited. A prominent exception was **Shopify Inc.**, which awarded its CEO an unprecedented US\$150 million equity package, comprising 75 percent stock options and 25 percent restricted share units.

The number of say-on-pay resolutions decreased slightly in 2025 compared with the prior year, with only two first-time adopters. However, shareholder support strengthened:

- Average support for say-on-pay proposals rose to 93 percent in 2025, the highest level recorded over the past five years.
- There were only three failed say-on-pay votes in 2025 (down from five in 2024).
- In total, 15 companies received less than 80 percent shareholder support for their executive compensation programs, a decrease from 18 in 2024 and 23 in 2023.



Source: ISS Governance Research & Voting; companies covered under ISS Canada Policy

Companies that receive low support are expected to provide detailed and robust responses in their 2026 proxy circulars, including enhanced disclosure of shareholder engagement efforts and any adjustments to compensation practices.

Europe

Competitive Pay

Executive and non-executive remuneration at European issuers continues to evolve driven largely by international competitiveness concerns. Throughout 2025, several companies expanded their use of global remuneration benchmarks, with U.S. peers often serving as an upper reference point for pay positioning. These changes were typically framed as necessary to attract and retain senior leadership in an increasingly international and specialized talent market. Whether these revised pay frameworks will result in materially higher realized pay in 2026 remains uncertain and will depend on performance delivery, shareholder alignment, and the credibility of company-specific rationales.

Early indications ahead of the 2026 season suggest that competitiveness-linked pay adjustments are already taking shape. **Deutsche Bank**, for example, [reportedly](#) plans to seek shareholder approval for a 40% pay increase for its Supervisory Board chair, citing both international competition and the increasing complexity of governing a globally systemic financial institution. Similar reviews are underway at other large European issuers, suggesting a broader shift from abstract competitiveness narratives toward concrete application in board and executive pay decisions.

For investors, these developments sharpen the focus on the tension between market positioning and pay discipline. While competitiveness-based arguments may carry weight in certain cases, they are unlikely to be accepted without scrutiny. The 2026 proxy season is thus expected to place greater emphasis on the robustness of remuneration rationales, particularly their alignment with role scope, performance outcomes, existing pay levels, and long-term value creation. Consequently, competitive pay will remain a salient but

contested theme, subject to case-by-case scrutiny and heightened expectations for transparent, evidence-based justification.

Use of Diversity Metrics and Discretion in Executive Remuneration

In 2025, a clear recalibration emerged in the United States, as many companies reduced the prominence of explicit diversity metrics in executive remuneration frameworks amid rising political and regulatory scrutiny. This shift was triggered by Executive Orders aimed at eliminating federal Diversity, Equity, and Inclusion (DEI) programs and tightening scrutiny of government contractors. These actions have raised compliance concerns, particularly regarding the potential for certain diversity practices to be [deemed](#) unlawful. In response, European companies with U.S. exposure have begun reassessing how diversity goals are incorporated into pay structures. Rather than abandoning diversity objectives altogether, many appear to be reframing them within broader categories such as leadership or culture, while placing less emphasis on standalone, formulaic targets.

Beyond companies with U.S. exposure, the response across Europe has been more measured but increasingly visible. While many large issuers continue to reference diversity-related objectives in executive pay—supported by regulatory guidance and investor expectations—some have begun reformulating or removing explicit metrics in light of shifting stakeholder sentiment. These adjustments appear aimed at balancing divergent investor views and preempting political scrutiny. Often, companies are rephrasing diversity aims within broader leadership or talent-related categories, preserving flexibility while reducing the potential for controversy.

More broadly, executive pay design is being shaped by an increasingly uncertain operating environment. Geopolitical developments, evolving trade and tariff regimes, and major investments in areas such as artificial intelligence and defense have complicated the setting of incentive targets. In response, boards are adopting more flexible frameworks, with a renewed emphasis on board discretion in performance assessment. Discretion is increasingly framed as a structured, two-way tool—allowing remuneration committees to adjust pay outcomes upward or downward where external events materially distort results, whether to avoid windfall gains or recognize effective leadership under adverse conditions. Investor expectations remain generally consistent: any use of discretion should be limited, well-justified, and transparently disclosed. As volatility persists, this calibrated approach to assessing performance metrics and exercising judgment is likely to remain central to executive pay frameworks in the 2026 proxy season.

United Kingdom

As in previous years, executive remuneration remained a central focus in 2025. Following the publication of the Investment Association (IA)'s updated Principles of Remuneration in late 2024, and given the debates surrounding executive remuneration and U.K. market competitiveness, attention centered on whether 2025 would mark a shift in standards regarding pay.

Findings in relation to the 2025 proxy season highlight more of a transitional phase, with a sizeable number of U.K.-listed companies proposing material increases in quantum and/or putting forward unconventional remuneration structures. The number of hybrid LTIPs among FTSE companies continued to rise, especially for those with considerable global operations. In some cases, material increases in overall remuneration opportunity, whether through salary increases or the addition of restricted shares alongside performance shares, attracted moderate dissent from investors. Where remuneration resolutions departed significantly from U.K. market practice, opposition for remuneration implementation was notably higher.

FTSE All-Share companies with material dissent against remuneration reports in 2025

Company	% of votes cast Against
Spirent Communications	85.5%
Melrose Industries	65.6%
XP Power	51.6%
Plus500	51.3%
Clarkson	47.3%
Pharos Energy	40.5%
Centrica	40.0%
Topps Tiles	39.5%
Direct Line	36.5%
Inchcape	35.5%
Playtech	34.9%
STV Group	32.6%
Cranswick	30.8%
London Stock Exchange	30.4%
Balfour Beatty	29.8%
Unilever	27.7%
PureTech Health	27.5%
Liontrust Asset Management	27.4%
Wizz Air Holdings	27.4%
Vistry Group	27.0%
Taylor Wimpey	26.1%
Anglo American	24.3%
Tate & Lyle	24.2%
InterContinental Hotels Group	21.0%
Serco Group	20.6%
Ceres Power Holdings	20.3%

Source: ISS Governance Research & Voting

As the table illustrates above, four remuneration reports failed to pass at FTSE All-Share companies in 2025. In total, 26 FTSE All-Share companies received at least 20 percent of votes cast against their remuneration reports. This represents a significant uptick compared to the 2024 proxy season, which saw only six FTSE All-Share companies receive such levels of dissent during the season peak (1 January – 31 June), and only one of those fail.

For remuneration policies, it is a different story. Various FTSE 350 policy votes received high levels of dissent. However, in contrast to 2024, when a small number of policies attracted c.40 percent of votes cast against, the 2025 season saw more diffuse levels of dissent, with a larger number of policy resolutions receiving 20-30 percent opposition.

FTSE All-Share companies with material dissent against remuneration policies in 2025

Company	% of votes cast Against
LSL Property Services	35.9%
RS Group Plc	34.4% ¹
Zigup Plc	33.9%
Convatec Group	33.0% ¹
Babcock International Group	32.3%
Intercontinental Hotel Group	30.5% ¹
Games Workshop	29.3% ²

International Workplace Group	28.6% ¹
Harworth Group	24.3% ¹
Berkeley Group Holdings Plc	22.8%
Deliveroo	22.4%
Computacenter	22.3% ¹
Lion Finance Group	22.1%
TP ICAP	21.6% ¹
Diversified Energy	21.3% ¹
Harbour Energy	21.2% ¹

Source: ISS Governance Research & Voting

¹Remuneration policies including hybrid LTIPs.

For many stakeholders, the upcoming proxy season is likely to represent a continuation of the more aggressively pitched remuneration arrangements observed over the past two years, as some companies push for pay opportunities to at least approach those available in other markets (especially the U.S.).

Given 2026 is when the three-year policy cycle comes around again for the U.K. market, we are to see a sizeable number of remuneration policy resolutions put forward this year. Many of these are likely to seek material increases in remuneration opportunity or put forward atypical pay structures that remain unusual in the U.K. market, including hybrid LTIPs, in an effort to address competitiveness and retention concerns.

Moreover, as globally based companies increase their remuneration opportunities, it is likely that they will in turn influence domestically based issuers, which will continue to benchmark against peers in an evolving U.K. market.

The IA recently published its annual [letter](#) to Remuneration Committee Chairs for 2026. It highlighted certain areas where the IA believed application of its 2024 Principles of Remuneration could be improved. These include the rationales behind the introduction of hybrid plans, the use of benchmarking and peer comparison, as well as bonus deferral and shareholding requirements. The letter also represented a subtle tightening of expectations, in response to perceived relaxations introduced in the updated 2024 principles. For instance, the IA's letter emphasized that its members remain cautious regarding hybrid LTIPs and that they only expect companies that have a significant U.S. footprint and/or compete for global talent to put them forward for shareholder approval.

Recent [guidance](#) from the Financial Reporting Council (FRC) clarified that shares are appropriate to remunerate non-executive directors, so long as they do not compromise a director's independence via the introduction of performance measures. While not a change per se, this removal of ambiguity may affect how non-executive directors are compensated during the 2026 proxy season

Asia

Executive compensation transparency is still a work in progress across Asia, with regulatory interventions driving change in select markets. The gap in say-on-pay mechanisms between Asia and jurisdictions such as the U.S. and Europe, where shareholder oversight on pay is stronger, remains significant. The dominance of controlling shareholders in Asia's corporate structures can diminish investor influence over executive pay decisions.

China

In China, particularly among SOEs and national champions, executive remuneration is increasingly linked to ESG-related performance metrics. This practice is emerging as a governance template that may extend throughout the broader business ecosystem. The stewardship focus is not merely on the presence of ESG-linked pay, but on whether the metrics are specific, evidence-based, and supported by credible strategy and oversight.

Director Elections

United States

Failed director elections continue to be rare in the U.S., with 33 failed votes at Russell 3000 companies in the first half of 2025, the lowest number since 2018. However, three S&P 500 companies saw a director fail to win a majority, compared to only one such company in 2023 and 2024. Some of the factors leading to failed votes include overboarding and poor attendance, on which most institutional investors have well-defined policies, as well as poor responsiveness to a vote result in the previous year. In addition, at companies with a dual-class capital structure where the two classes vote on separate director slates, directors elected by the holders of low-vote shares sometimes fail to win majority support. In contrast to prior years, it does not appear that adoption of a poison pill or a lack of board diversity led to any failed director votes in 2025. Failed director elections are expected to remain rare in 2026.

Canada

Support for director elections remained strong in 2025, with an average of 96.9 percent of votes cast in favor at Composite Index companies and 97.7 percent at S&P/TSX 60 Index companies. No director at an index company failed to secure majority support in an uncontested election in 2025, the same as in 2024. Four director nominees at index companies were withdrawn before the vote. Failed director elections at index companies are expected to remain rare, and the overall high level of support is anticipated to continue into 2026.

United Kingdom

As in previous years, it is anticipated that U.K. director elections will remain among the most contentious resolution types in 2026, with concerns regarding director independence, board diversity and accountability for remuneration decisions likely contributing towards dissent levels.

However, there has been a number of updates to U.K. cornerstone guidance documents in recent years to remove prescriptive wording and to emphasize the 'comply or explain' nature of U.K. corporate governance norms. This in turn may give some U.K. issuers greater confidence to deviate from best market practice when considering their board structures. For instance, in 2025 we saw a very small minority of companies decide to combine the roles of CEO and Board Chair, which remains a rarity in the U.K. market.

Some companies also continue to deviate from the independence recommendations of the U.K. Code with regard to tenure, instead emphasizing that the long-term experience of their non-executive directors proves essential for the success of their businesses. Indeed, U.K. asset manager Schroders in November 2025 called

for a [rethink](#) of the comply or explain principle and how it relates to board tenure, noting that recent evidence suggested that "longer cumulative tenures are associated with better performance".

As a result, this emphasis on the comply or explain principle and the perception of greater flexibility may have an impact on board structure in 2026. The FRC published its [Annual Review of Corporate Governance Reporting](#) in November 2025, which illustrated that the number of companies disclosing a departure from at least one of the U.K. Corporate Governance Code's provisions had decreased year-on-year since 2022. However, some specific provisions, including on board independence, and chair independence on appointment and the combined roles of chair and CEO, had seen increased deviations since 2024. It is yet to be seen if this will continue in 2026, and in turn if it will be reflected in higher levels of dissent on director election resolutions.

Asia

Board independence and director elections vary significantly across Asian countries, with regional governance landscapes differing from global norms. In 2026, many investors continue to distinguish between formal board independence and effective oversight. While independence thresholds remain important, greater emphasis is placed on leadership structure, committee composition, succession planning, and responsiveness to recurring concerns.

Tenure limits, where introduced, are increasingly consequential. They force boards to confront refreshment and succession choices that have often been deferred under principles-based regimes.

Hong Kong

Hong Kong's hard nine-year cap on INED tenure has sharpened investor focus on refreshment sequencing and committee leadership succession. For boards with entrenched long-tenured directors, the key stewardship question is whether transition plans deliver substantive renewal rather than mechanical compliance.

Philippines

The Philippines' SEC has exposed a draft memorandum circular that sets fixed three-year terms for independent directors and enforces a strict nine-year cumulative cap, removing exemptive relief beyond that limit. The draft also requires staggered initial terms to avoid concurrent expirations. The upshot for investors: anticipate material board turnover at issuers where long-tenured Independent Directors (IDs) breach the cap by implementation and scrutinize succession planning and committee leadership continuity through 2026.

This market call-out for the Philippines matters as it aligns the PH with international practice, strengthens independence in fact (not just form), and sets a clear stewardship lens on transition sequencing and board effectiveness in 2026.

Singapore

Singapore has institutionalized "Director Literacy" as a core governance pillar, mandating that all directors of listed issuers undergo training on climate-related risks. This move reinforces the regional thesis that independence is insufficient without specialized capability. In 2026, boards are expected to be assessed on

their "AI Readiness" and sustainability oversight, with a lack of mandated training or specialized literacy viewed as a failure of board-level risk discipline.

For many investors, the stewardship focus in 2026 will also be on whether governance arrangements evolve to enable meaningful shareholder influence and avoid reliance on legacy structures, procedural sequencing, or fragmented election cycles that dilute rights in practice.

Regional Implications

Across Asia ex-Japan, tightening independence criteria and hard tenure caps are forcing observable refreshment choices. Investors are increasingly differentiating between mechanical compliance and genuine renewal—evaluating whether boards enhance oversight capability, improve committee leadership, and maintain continuity where needed without perpetuating long-tenured structures. The stewardship lens therefore shifts toward effectiveness, readiness, and the credibility of succession planning under accelerated timelines.

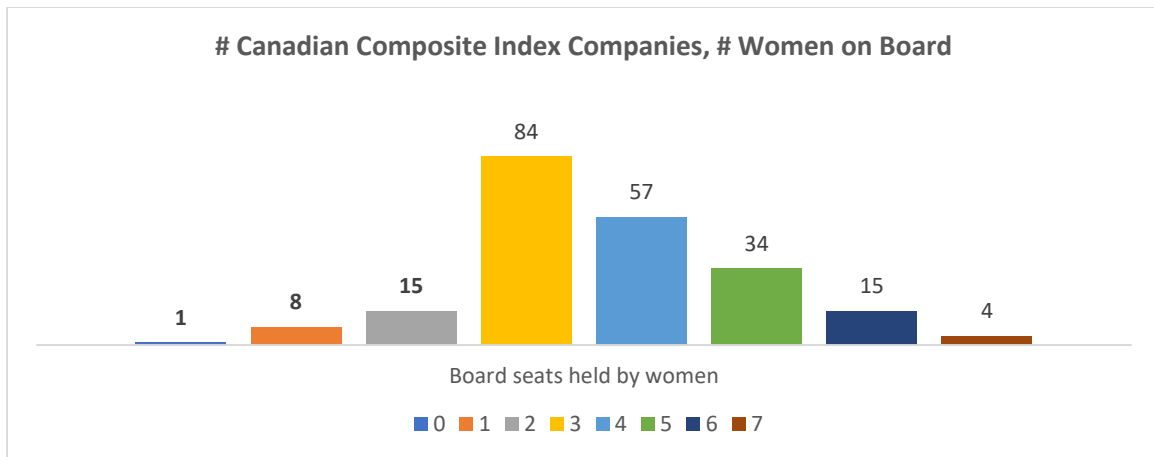
Board Diversity

Canada

In October 2024, the Canadian Securities Administrators (CSA) released its tenth and final [annual review](#) of women’s representation on boards and in executive roles, based on disclosures from hundreds of non-venture issuers. Over the years, the CSA’s reports demonstrated continued increases in female board representation.

In April 2025, the CSA paused work on proposed amendments to expand diversity disclosure beyond women (originally consulted on in 2023), citing the need to support Canadian markets amid evolving global and U.S. developments, including pushback against certain diversity initiatives.

ISS data indicates that currently only one constituent of the Composite Index does not have a woman on its board. The median Composite Index board has four women directors.



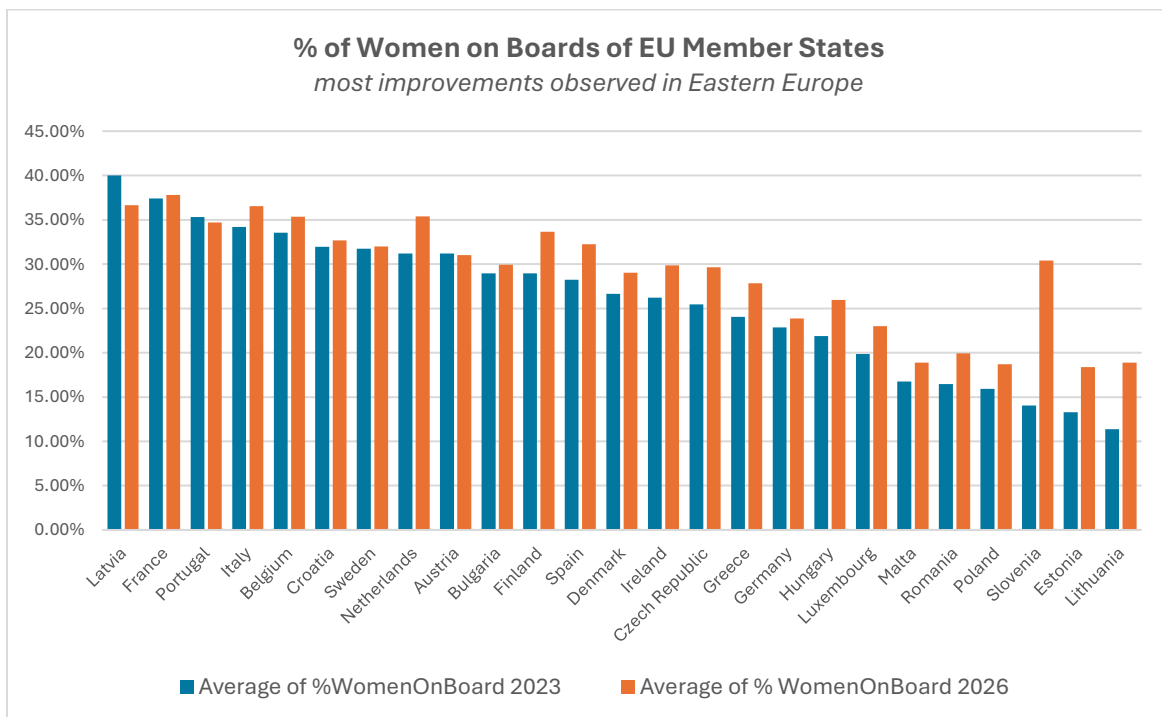
Source: ISS Governance Research & Voting

Europe

Board gender diversity remains a priority stewardship issue in Europe. With the transposition deadline for the EU Gender Balance on Company Boards Directive now passed (December 28, 2024) and the compliance deadline approaching (June 30, 2026), the 2026 AGM season is effectively the last full opportunity for many issuers to demonstrate progress toward compliance, contingent up how each Member State has transposed the Directive. Uneven transposition continues to drive divergence in expectations and enforcement across the EU.

The European Directive on Gender Balance on Company Boards was approved by the European Parliament on November 25, 2022. The Directive aimed to harmonize the patchwork of hard and soft rules concerning board gender diversity and to introduce minimum standards in many of the 27 Member States where such requirements were absent or lagging—particularly in parts of Eastern Europe. The European Parliament and the Council of the European Union—initially unsupportive—reached a provisional agreement on June 7, 2022, stipulating that listed companies will need to have 40 percent representation of the underrepresented sex among non-executive directors or 33 percent among all directors by June 30, 2026. While European Member States may adapt the Directive to local circumstances, Article 9 establishes a clear expectation that these requirements represent the minimum standard for gender representation across the EU. All Member States should have transposed the Directive by December 28, 2024, and listed companies must meet the standards by June 30, 2026.

Since the approval of the Directive, markets already operating with gender balance rules have generally experienced limited incremental progress, while the most substantial gains have been observed in Eastern Europe. Nonetheless, transposition remains incomplete in several jurisdictions, sustaining uncertainty regarding expectations and enforcement. In Hungary, no legislative proposals have yet been made; in Latvia, a recent bill was rejected by Parliament; in Czechia, the legislative project implementing the directive was suspended during the last parliamentary session; and in Poland, the bill has stalled within the Council of Ministers.



Source: ISS Diversity Data, January 2025

Over the past three years average board gender diversity has increased by 3 percentage points, from 28.5 percent in 2023 to 30.5 percent in 2026.

In Europe, gender diversity remains an important consideration in board composition, whereas ethnic diversity remains a sensitive topic particularly as restrictions on the recording and processing of racial and ethnic data exist in many European jurisdictions.

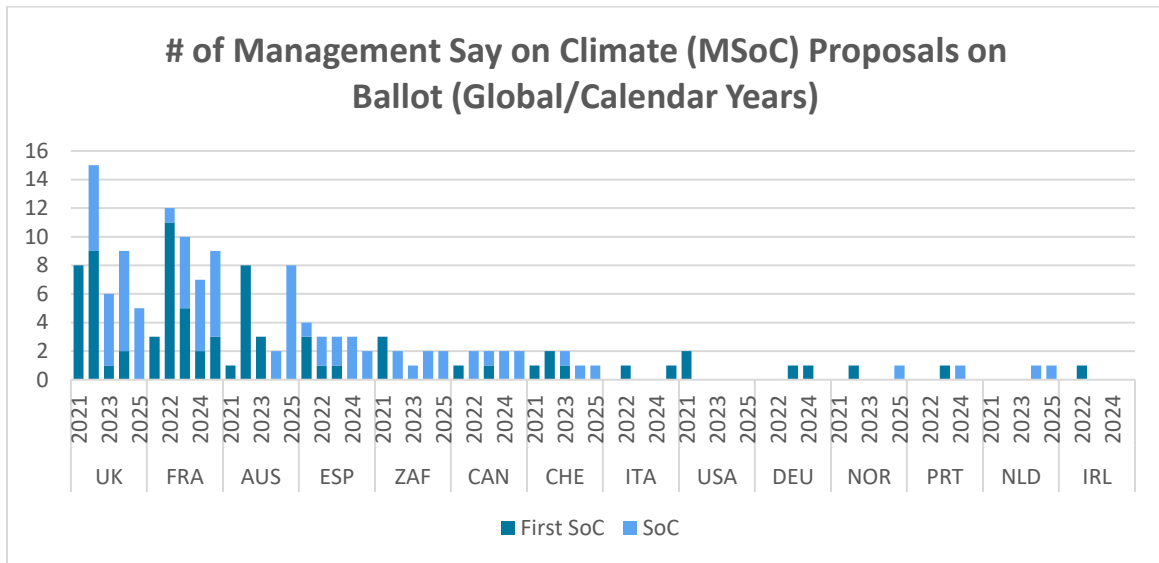
Global Environmental & Social Issues

Global

Management 'Say on Climate' Proposals

In 2025, companies globally tabled 32 Management Say on Climate (MSoC) proposals, a slight increase from 29 in both 2023 and 2024, following a peak of 47 in 2022. The number of first-time submitters was four in 2025 and five in 2024, compared to 14 in 2023 and 34 in 2022.

Average support stood at 88.5 percent in 2025, marginally higher than the 88.3 percent recorded in 2024.



Source: ISS Governance Research & Voting, Data as of December 2025.

At least twenty companies are expected to submit a MSoC vote in 2026, including five that have historically presented their climate transition plans annually since their initial MSoC vote. Several French real estate companies (e.g., **Unibail-Rodamco-Westfield SE**, **Nexity**, **Bouygues Immobilier**, **Argan SA**) may adopt the MSoC practice followed by some of their domestic peers. For the first time since 2021, no oil and gas company is currently expected to present a management say on climate proposal in 2026.

Following a record low for the U.K. in 2025 and Australia’s rebound consistent with its typical three-year MSoC cycle which is unlikely to be repeated in 2026, the U.K. may have the highest number of MSoC votes in 2026.

In several instances, the tabling of a MSoC resolution is uncertain, as some companies may retract prior commitments for a vote and instead present it as a discussion item. Others have altered the MSoC frequency

from annual to triennial vote (e.g., **Shell**, **Glencore**, and **SSE**), or to an ad hoc vote contingent upon material changes (e.g., **TotalEnergies**).

As 2025 was considered the first MSoC milestone by some companies, some are expected to report in 2026 on their short-term greenhouse gas (GHG) reduction targets and demonstrate their progress along their climate transition pathway. In this regard, several companies have scaled back their decarbonization commitments in the past two years, including rollbacks of climate strategies (BP, Equinor, APA Group) and removals of Science Based Targets initiative (SBTi) commitments (SSE, Unilever, National Grid). As the 2030 horizon approaches, further target changes remain possible; however, some companies, particularly within the EU following the European Commission's adoption of new 2040 EU Climate targets, may establish new intermediate targets.

Transition plans may increasingly include nature-related considerations or nature-related plans may even constitute a separate agenda item—as exemplified by French real estate company Icade—as the Task Force on Nature-related Financial Disclosure (TNFD), currently undergoing gradual adoption, has released its guidance on integrating nature-related disclosures into transition plans.

The Task Force on Climate-Related Financial Disclosures (TCFD) remains the most frequently utilized framework for climate transition plan reporting. However, other standards, such as the TCFD-inspired IFRS S2 Climate-related Disclosures or the Transition Plan Taskforce (TPT) may supersede TCFD. EFRAG's collaborative efforts to ensure [interoperability](#) between ESRS, ISSB, and TNFD reinforce this expectation.

European Union

On Dec. 11, 2025, the EU Commission adopted a provisional agreement on a 2040 climate target, reinforcing its path to target climate neutrality by 2050 and the 2030 goal of cutting net GHG emissions by at least 55 percent from 1990 levels. The agreement allows up to 5 percent in high-quality international credits toward the 90 percent emissions cut target by 2040 and permits domestic permanent removals under the EU Emissions Trading System to offset residual hard-to-abate emissions.

Following a lengthy process commencing in February 2025, the **European Parliament** and the **Council** reached a provisional political agreement on Dec. 9, 2025, concerning the EU Sustainability Omnibus. This aimed to simplify the directives on corporate sustainability reporting (CSRD) and corporate sustainability due diligence (CSDDD). The European Parliament voted in favor of the provisional political agreement on Dec. 16, 2025, concluding the legislative process. Aside from transpositions by the Member States, the only remaining formal step at the EU level is the publication of the final, amended legal texts of the CSRD and the CSDDD in the Official Journal of the EU.

Wave One companies (large public interest entities with more than 500 employees) already started reporting for the financial year 2024 despite this uncertain context. The European Commission adopted ["quick fix" amendments](#) to the first set of [European Sustainability Reporting Standards \(ESRS\)](#) in July 2025, enabling these Wave One companies to omit certain information for the financial years 2025 and 2026 including anticipated financial effects related to specific sustainability-related risks.

The European Parliament and Council approved the "stop-the-clock" proposal in April 2025, which the Commission had adopted in February 2025. This component of the [Omnibus I package](#) delays reporting until 2028 for companies required to report from the financial years 2025 and 2026 (referred to as Wave Two and Three companies).

Meanwhile, the Commission is revising the ESRS to reduce data requirements, clarify ambiguous provisions, and ensure alignment with other laws. On Dec. 3, 2025, [EFRAG](#) submitted its advice on simplified ESRS, reducing the mandatory datapoints by 61 percent. This review is expected to be completed by the financial year 2027.

Under a provisional agreement was reached by the European Parliament and the Council of the EU on December 9, 2025, the CSRD and CSDDD will now apply to companies with 1,000 employees and a net turnover of EUR 450 million, and companies with 5,000 employees and EUR 1.5 billion net turnover, respectively. The CSDDD obligation to adopt a climate change transition plan has been removed in addition to the harmonized EU liability regime. Damages payable by companies in breach of their due diligence obligations are capped at 3 percent of global turnover. Under CSRD, mandatory reporting against the EU Taxonomy has been retained for companies within scope. However, following amendments to the EU Taxonomy Disclosure Delegated Act (DA), Taxonomy-related reporting will only be required if a specific 'materiality' threshold is exceeded. Furthermore, other Taxonomy-related reporting requirements have been simplified.

Canada

As in previous years, the Mouvement d'éducation et de défense des actionnaires ("MÉDAC") is expected to submit several shareholder proposals, including some new ones, primarily targeting Canada's major banks and select other issuers. MÉDAC-submitted shareholder proposals were already voted on at **Cogeco Inc.**, **Metro Inc.**, and **CGI Inc.** (support percentages included):

- Cogeco (January 15):
 - holding annual meetings primarily in-person (with virtual as complement) – 6.36%, 59.65% of subordinate voting shares ("SVS");
 - disclosing director expertise in environment and climate change in the skills matrix – 0.71%, 6.65% of SVS; and
 - detailed reporting on physical climate change risks to operations – 2.26%, 21.18% of SVS.
- Metro (January 27):
 - measures to increase small shareholder participation in AGMs (e.g., simplified voting, better communications, attendance disclosures) – 0.55%; and
 - auditor firm rotation – 3.59%.
- CGI (January 28):
 - measures to increase small shareholder participation in AGMs – 1.59%;
 - enhancing transparency and shareholder dialogue in the multiple voting shares context – 12.07%, 33.99% excluding Class B shares (multiple voting);
 - adjusting governance practices in response to risks from U.S. trade tensions – 1.54%; and
 - holding annual meetings primarily in-person – 18.61%, 52.41% excluding Class B shares.

Asia

Across Asia, sustainability disclosure is moving decisively from voluntary reporting toward ISSB-aligned standards embedded within reporting architectures. This shift changes the stewardship focus from whether ESG information is disclosed to how it is governed.

Investors increasingly expect boards to demonstrate ownership of sustainability information, including clarity on oversight responsibilities, boundary setting (particularly for Scope 3 emissions), methodology

transparency, and credible timelines toward assurance. Where disclosure obligations arise through both statutory requirements and contractual supply-chain pressures, consistency and control become critical.

Regional Implications

In many Asian countries sustainability disclosure is converging toward financial-reporting discipline. As ISSB-aligned standards are phased in, investors are prioritizing data integrity, board-owned oversight, and credible plans for phased assurance. Stewardship expectations therefore extend beyond disclosure volume to the quality of methodologies, internal controls, and evidence-based linkages between sustainability data, strategy, and remuneration.

U.S. Environmental & Social Shareholder Proposals

Introduction

In 2025, both the number of environmental and social-related shareholder proposals (hereafter, “E&S proposals”) submitted and those that made it on to ballots decreased significantly. Several factors are likely behind the sharp drop in E&S proposal filings, including the current political environment, the evolving regulatory landscape, a multi-year decline in shareholder support of E&S proposals, and improved disclosures by many of the S&P 500 companies.

The movement against ESG continued, and the new U.S. administration came out with a number of anti-DEI focused executive orders in early 2025, which has contributed to a scaling back or removal of DEI-related disclosures by many corporations. In February 2025, the SEC issued Staff Legal Bulletin 14M, rescinding the previous Staff Legal Bulletin 14L. The new guidance shifted focus away from a proposal’s societal relevance and reinstated a company-specific approach to evaluating shareholder proposal exclusions. This shift made it more difficult for proponents to rely solely on broad societal relevance or categorically “significant” topics to avoid exclusion. The impact of SLB 14M resulted in a sharp increase in the omissions of E&S proposals in 2025.

For the fourth consecutive year, average support for E&S proposals decreased. The average support level was further decreased by the higher number of so-called anti-ESG proposals on ballot, which continue to receive low levels of support. The drop is also likely due to some proposals making it onto ballots that were considered to be more prescriptive and/or less likely to lead to long-term shareholder value. In addition, many companies have been increasing their E&S-related disclosures, which has led some investors to conclude that further disclosure is unnecessary.

A countervailing trend to the overall decrease in the numbers of E&S proposals has been the continued increase in the filing of so-called anti-ESG proposals. In 2025, collectively became the most frequently filed type of E&S proposal. They tended to focus on either alleged discriminatory impacts of DEI initiatives or criticisms of company efforts to mitigate climate change and/or implement sustainability programs.

Excluding anti-ESG proposals, climate change was the most frequent proposal topic in 2025, with many proposals requesting either adoption of targets or a report on how the company was adapting its targets to be in line with the goals of the Paris Agreement. The emerging topic of artificial intelligence remained a priority for some shareholder proponents as several proposals were filed at companies either asking for a report on risks, a third-party assessment of risks, or the establishment of a board committee to oversee related risks.

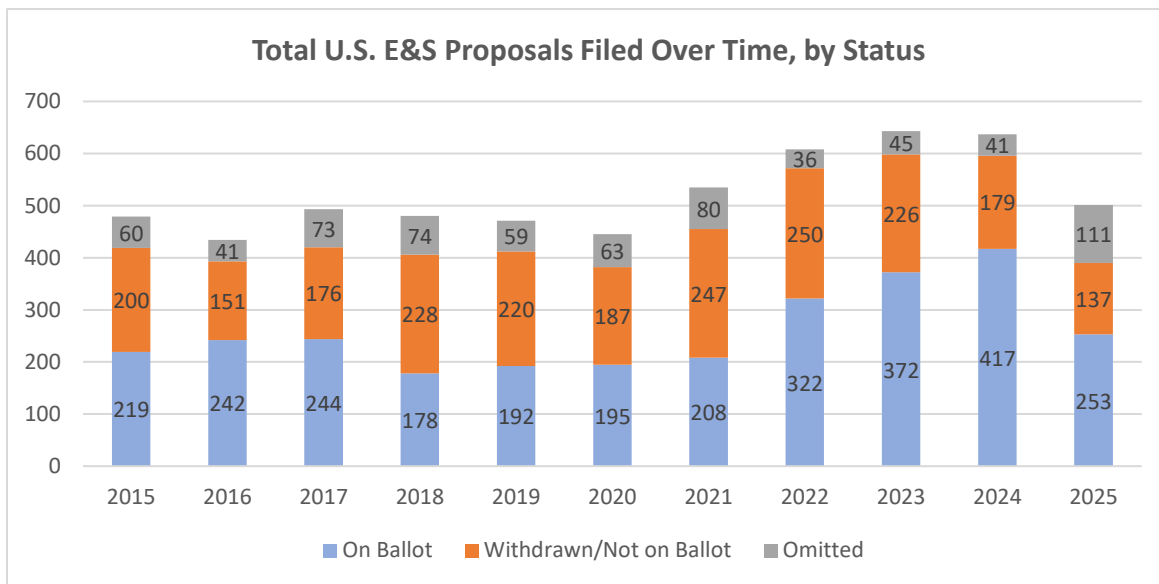
These trends would have likely continued in 2026, however, the SEC announced in November 2025 that for the 2026 proxy season it will not respond to most Rule 14a-8 no-action requests or express any views on companies’ rationale for excluding shareholder proposals under Rule 14a-8. This creates unprecedented circumstances for shareholder proposals. (See below for more details.) It is hard to predict how this development impact the number and types of E&S shareholder proposals that get on ballot in 2026. At this point, whether fewer proposals get to a vote because of companies getting a green light to exclude proposals, or more proposals make it onto ballots because companies will be more cautious about excluding proposals in order not to get embroiled in legal action, remains to be seen.

Developments From 2025 Proxy Season

E&S Proposals Filed and Voted On

In 2025, both the number of environmental and social shareholder proposals (hereafter, “E&S proposals”) submitted and those that made it on to ballots decreased significantly. In 2025, 504 E&S proposals were submitted to U.S. companies, of which 253 got on ballots. By comparison, by the end of 2024, 637 E&S proposals were filed and 417 went to a shareholder vote.

Several factors likely contributed to the sharp drop in E&S proposal filings, including the current political environment, the evolving regulatory landscape, a multiyear decline in shareholder support for E&S proposals, and improved disclosures by many S&P 500 companies.

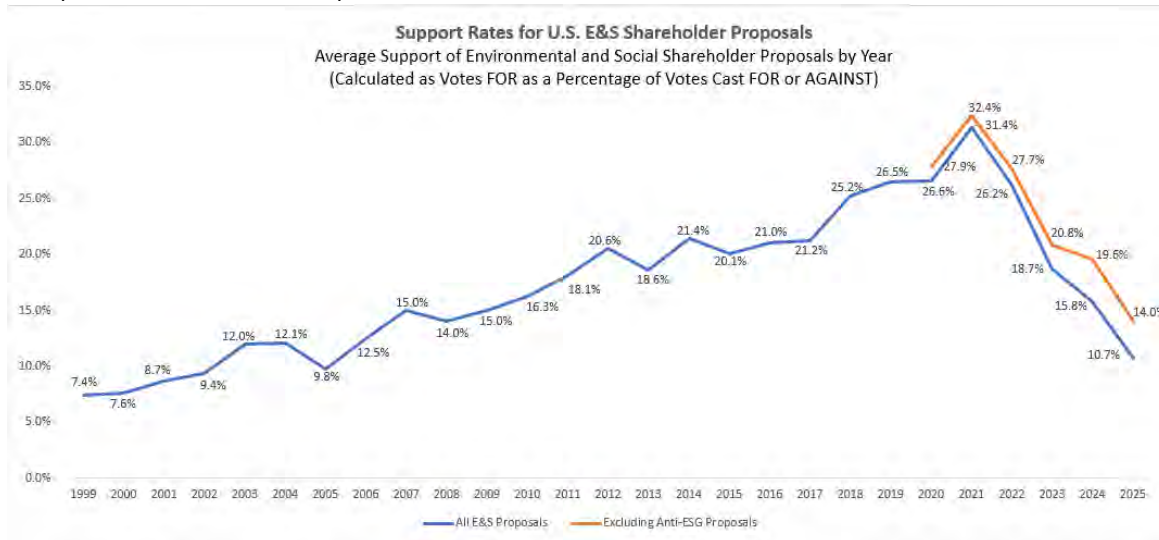


Source: ISS Governance Research & Voting

Vote Results

Average shareholder support for E&S shareholder proposals declined for the fourth consecutive year. In 2025, E&S proposals received an average of 10.7 percent support, down from 15.8 percent in 2024 and 18.7 percent in 2023. These results include so-called “anti-ESG” proposals, which garnered significantly lower levels of support and consequently contributed to the overall decline. However, even when “anti-ESG”

proposals are excluded, average support for E&S proposals still fell to 14.0 percent in 2025, compared with 19.6 percent in 2024 and 20.8 percent in 2023.

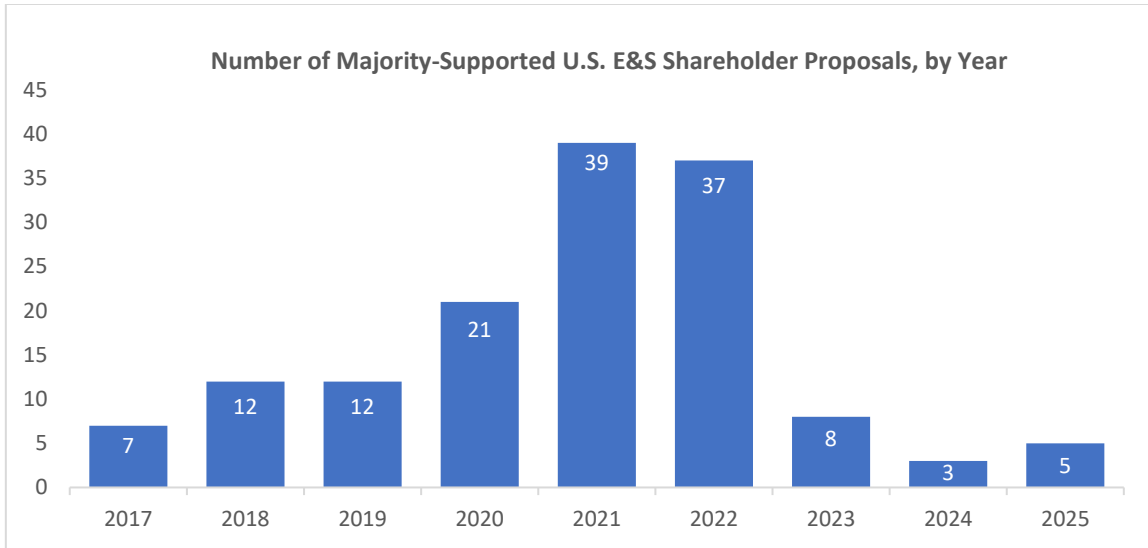


Source: ISS Governance Research & Voting

While average support for U.S. E&S shareholder proposals declined, the number of proposals receiving majority support increased modestly in 2025. Five E&S proposals passed, compared with three in 2024, though this remains below the eight that passed in 2023 (and 37 in 2022). All five majority-supported proposals focused on political spending, requesting greater transparency regarding corporate direct and indirect contributions. Two were at S&P 500 companies and three at other Russell 3000 companies. As many S&P 500 companies have improved their political spending disclosures, such proposals are increasingly being filed at small-to-mid cap companies. The proposals received support ranging from the low to upper 50 percentiles.

2025 Majority Supported U.S. E&S Proposals

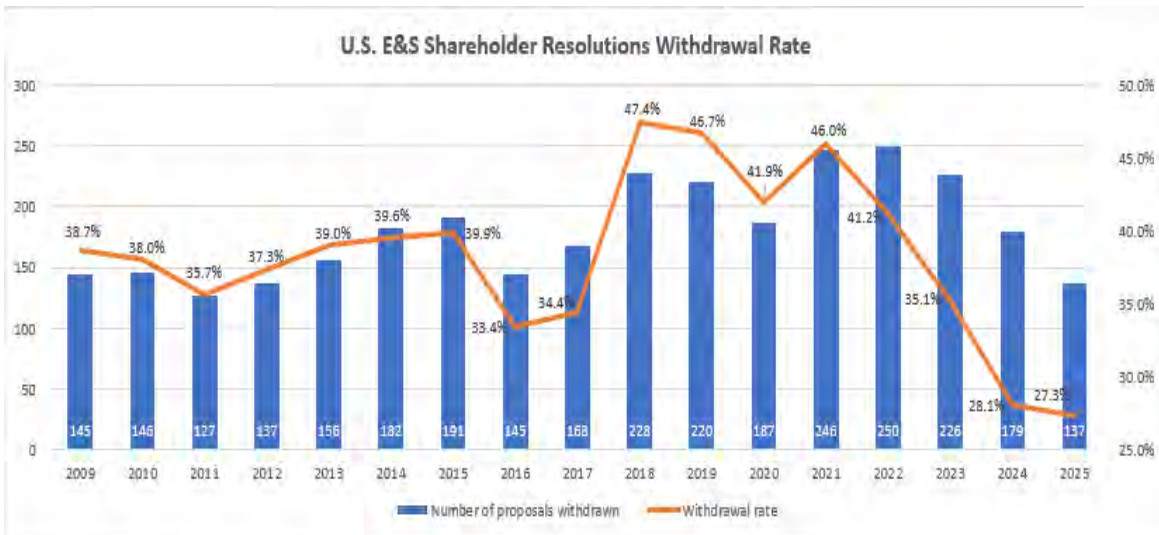
Issue	Company	Proposal Topic	Vote (For/For+Against%)	Result
Political Spending	Meritage Homes	Report on Political Contributions	57.9%	
Political Spending	CBOE Global Markets, Inc.	Report on Political Contributions	56.1%	
Political Spending	Spirit AeroSystems Holdings	Report on Political Contributions	52.7%	
Political Spending	Crown Holdings	Report on Political Contributions	52.7%	
Political Spending	Teradyne	Report on Political Contributions	51.0%	



Source: ISS Governance Research & Voting

Withdrawals & Omissions

The number of U.S. E&S shareholder proposals withdrawn by proponents continued to decrease in 2025. During the year, 137 proposals were withdrawn, down from 179 in 2024 and 226 in 2023. The withdrawal rate dropped to 27.3%, continuing its decline since 2021. Proposals may be withdrawn following negotiated agreements between proponents and target companies or due to low anticipated levels of shareholder support that could hinder refiling in subsequent years. This trend suggests that companies were less inclined to negotiate with shareholder proponents in 2025, due to SEC’s Staff Legal Bulletin (SLB) 14M which made it easier for companies to get proposals omitted from their ballots.



Source: ISS Governance Research & Voting

The number of E&S proposals excluded from ballots rose sharply in 2025, reaching 111, up from 45 in 2024 and 36 in 2023. This significant uptick in omissions reflect changes in how companies pursue exclusions under Rule 14a-8, with a growing preference for the SEC no-action process. The rise in omissions was directly

impacted by the February implementation of SEC Staff Legal Bulletin (SLB) 14M, which rescinded SLB 14L, previously considered more favorable to proponents.



Source: ISS Governance Research & Voting

Trends Likely to Impact 2026 U.S. Proxy Season

Impact of Recent SEC Decisions Related to the Shareholder Proposal Process

On November 17, 2025, the Securities and Exchange Commission’s (SEC) Division of Corporation Finance [announced](#) that due to “resource and timing considerations,” it will not respond to most Rule 14a-8 no-action requests or express any views on companies’ rationale for excluding shareholder proposals under Rule 14a-8. The new guidance applies to the current proxy season (October 1, 2025 – September 30, 2026). While companies wishing to exclude a proposal must still notify the SEC and the proponents, this is for information purposes only. The SEC states, “there is no requirement that companies seek the staff’s views regarding their intended exclusion of a proposal, and no response from the staff is required.” The SEC says that existing guidance and prior interpretations should be sufficient for company decisions utilizing the bases of exclusion. However, the SEC also states that companies can develop a reasonable basis to exclude a proposal even if the SEC previously did not agree with the exclusion of the same or similar proposal.

This development upends years of historical practice related to shareholder proposals and puts shareholder proponents and companies in uncharted waters. Shareholder proponents will likely closely scrutinize the bases used by companies for excluding their proposals, and there could potentially be an increase in legal challenges if investors feel they are being unduly silenced. Shareholder proponents may also opt to use media attention to raise their concerns or criticize companies for excluding their shareholder proposals. Another avenue for shareholder proponents to raise their concerns is by engaging in “vote no” campaigns against certain directors. As a result, companies may be cautious and selective in pursuing the exclusion of proposals despite the SEC’s allowance to keep shareholder proposals off their ballots.

In addition to the announcement above, in a [speech](#) on November 9, 2025, the Chair of the SEC, Paul Atkins, suggested a path for companies to be able to exclude precatory (non-binding) shareholder proposals, which in essence make up the vast majority of shareholder proposals under Rule 14a-8. He indicated that the SEC would defer to a Delaware court’s findings in deciding whether shareholders have the right to introduce precatory proposals. If the Delaware court finds that they do not, according to Chair Atkins, then all precatory proposals would be excludable from (Delaware incorporated) companies’ proxy statements under Rule 14a-

8(i)(1). While Atkins focused mainly on Delaware companies, it is likely that the SEC would take the same approach on companies incorporated in other states.

So far, as of mid-January 2026, there have been no cases of companies seeking to exclude shareholder proposals based on Rule 14a-8(i)(1). Should companies start taking this path to excluding shareholder proposals, this would force shareholder proponents to either submit binding proposals or find other ways to raise their concerns (as discussed above).

Impact of Trump Administration's Executive Orders on DEI

In January 2025, President Donald Trump issued Executive Order (E.O.) 14173, "Ending Illegal Discrimination and Restoring Merit-Based Opportunity", targeting diversity, equity, and inclusion (DEI) or diversity, equity, inclusion, and accessibility (DEIA) policies in federal agencies, among contractors, and in the private sector.

The order required agencies to terminate all DEI preferences, mandates, policies, programs, and activities, and discourage such practices in the private sector. It asserts that DEI practices violate civil rights and anti-discrimination laws and instructs agencies to promote "individual initiative, excellence, and hard work." It also directed the Attorney General to submit a report identifying the "most egregious" DEI practitioners for possible investigation, outlining strategies to deter DEI programs, and identifying potential targets for federal lawsuits, interventions, or statements of interest.

E.O. 14173 rescinds E.O. 11246, which mandated affirmative action for federal contractors and prohibited employment discrimination based on race, color, religion, sex, or national origin. It orders the Department of Labor to stop allowing or encouraging contractors and subcontractors to engage in workforce balancing on these bases.

E.O. 14173 has significantly reshaped corporate approaches to DEI. Harvard Law School's Forum on Corporate Governance reported that between January and June 2025, 59 percent of the S&P 500 significantly revised or removed DEI-related disclosure previously made in their Form 10-K filings. In response to legal and political pressures, many companies have scaled back or dismantled DEI initiatives, such as cutting back DEI hiring programs and restructuring or eliminating employee resource groups and removing diversity metrics from executive incentive programs. Others have edited or removed DEI-related content from annual reports, proxy statements, and ESG disclosures. Some companies are rebranding their DEI efforts, replacing explicit diversity language with alternative terms to describe diversity initiatives. The broad rollback of DEI language and initiatives suggests that companies see legal and reputational risks in maintaining prior approaches.

E&S Shareholder Proposal Topics in 2026

So-called anti-ESG proposals appear so far to be prominent again in 2026, with many challenging corporate DEI initiatives and climate commitments. Proposals that have gotten on ballot so far in 2026 are asking companies to report on expected return on investment of their diversity and inclusion programs or their GHG emissions reduction goals.

Other climate-related proposals in 2026 also appear to be prominent, continuing where they left off in 2025. The proposals seen so far continue to focus on greenhouse gas emissions (GHGs) disclosure, target-setting, climate-related risks, and transition planning. There seems to be an increase in the number of proposals filed that are asking technology companies to report on how they intend to meet their climate change-related commitments such as reducing GHGs, given the growing energy demand from artificial intelligence and data

centers. The 2025 proposals campaign asking companies to report on climate risk in retirement plans appears to be continuing with several proposals filed so far. In addition, several insurance companies have continued to receive proposal requests that are essentially centered on how they take into account climate risk in their insurance and underwriting activities.

Artificial Intelligence (AI) is emerging as an area of growing proponent focus, with proposals seen so far addressing board oversight, human rights, ethical data sourcing, and climate impacts from AI operations. Filings in this area are expected to continue as many investors (and others) monitor governance and risk implications of AI adoption.

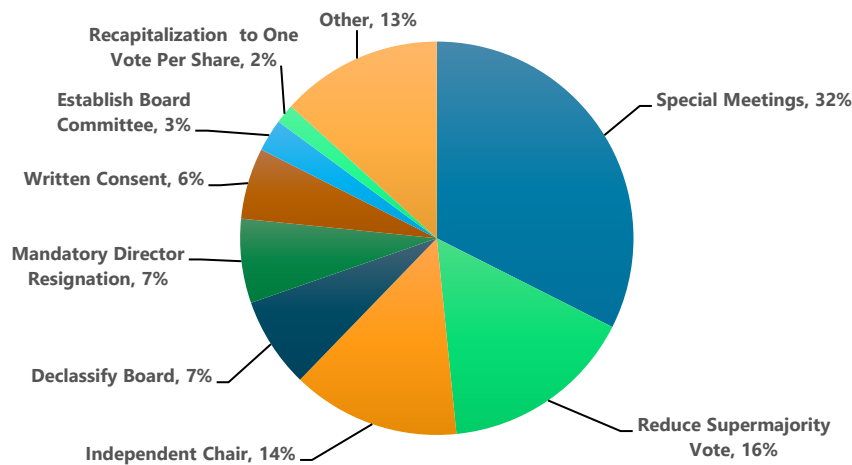
Governance Shareholder Proposals

United States

In contrast to environmental and social shareholder proposals, shareholder proposals on governance topics both increased in number and received greater support, compared to 2024. The SEC's new Staff Legal Bulletin, SLB 14M, resulted in a greater number of E&S proposals being excluded, but had little-to-no impact on governance proposals. All in all, 53 of the 188 governance-related shareholder proposals on ballots in the first half of 2025 received majority support. Shareholders' right to call a special meeting was the most common governance shareholder proposal topic in the U.S. in 2025. However, in contrast to prior years, when proposals on this topic either sought to introduce a special meeting right or lower the required ownership threshold, a large percentage of the proposals in 2025 sought instead to eliminate a one-year holding period that many companies impose on shareholders seeking to exercise the right. Many investors find such a holding period to be acceptable, and the shareholder proposals seeking to eliminate the holding period did not garner strong support.

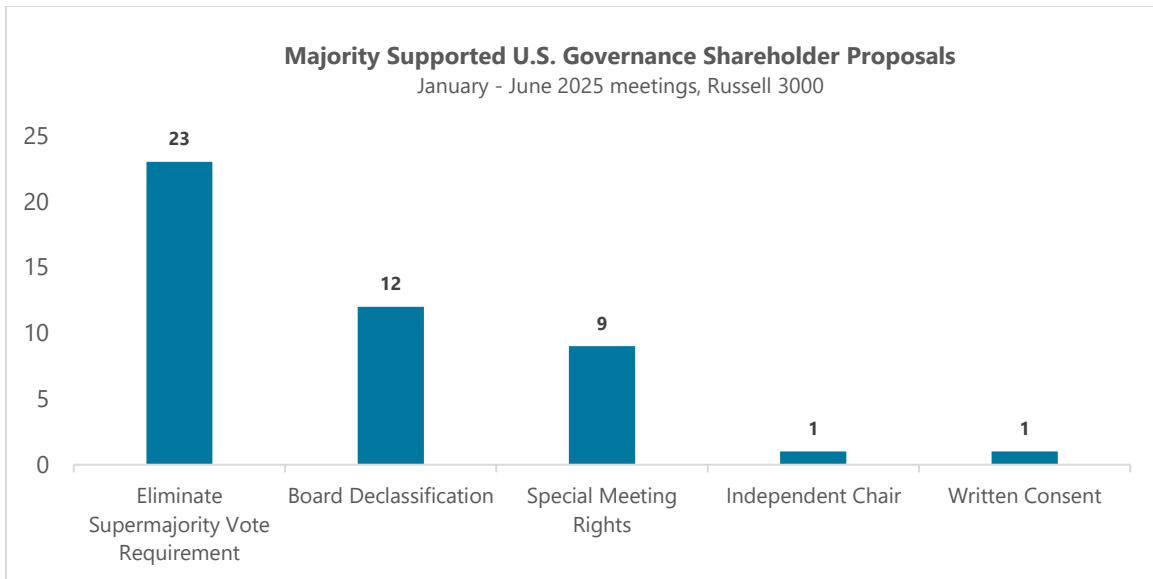
U.S. Governance-Related Shareholder Proposals, Proxy Season 2025

January-June meetings, Russell 3000



Source: ISS Governance Research & Voting

As in prior years, the governance proposal topics that received the highest levels of support were the elimination of supermajority vote requirements and board declassification.



Source: ISS Governance Research & Voting

For 2026, the SEC has announced that it will not issue "no action" rulings in most situations but will allow companies and their counsel to decide whether there are valid grounds for exclusion under Rule 14a-8. Preliminary indications are that the result will be a greater proportion of proposals being excluded – and that governance proposals as well as E&S proposals will be impacted. In their exclusion notices, companies are citing a wide variety of procedural and substantive bases for exclusion, including failure to prove ownership, micromanagement, substantial implementation and false and misleading statements by the proponent.

SEC Chairman Atkins has also endorsed an emerging (but controversial) theory that Delaware law provides no basis for the submission of non-binding shareholder proposals, and has invited Delaware companies to challenge proposals on that basis and try to obtain a Delaware court ruling endorsing this theory, which the SEC would then honor. As of this writing, it does not appear that any company has attempted to do so.

As a result of these developments, some observers predict that some shareholder proponents will shift to organizing "vote no" campaigns instead of submitting proposals. These campaigns could target individual directors, members of specified board committees, the say-on-pay proposal, or other resolutions. However, as discussed in more detail below, the SEC has moved to restrict the voluntary filing of notices of exempt solicitation, which has been the primary vehicle for publicizing a vote no campaign in recent years.

SEC Rulemaking Impacts Governance and Stewardship

United States

Shortly after the Trump administration took office, the SEC began to take steps to implement a pro-management agenda, with the stated goal of reducing disincentives for companies to go public and stay public. The first major initiative was to replace the Biden-era Staff Legal Bulletin 14L with the new SLB 14M, which had the effect of making it easier for companies to obtain "no action" relief on shareholder proposals, particularly on the basis of micromanagement/lack of materiality. Although SLB 14M was not released until

relatively late in the cycle, when many companies had already submitted no-action requests or in some cases had already finalized their 2025 proxy statements, it contributed to a sharp increase in the number of shareholder proposals omitted from the ballot, though the impact on governance shareholder proposals was negligible.

The SEC next issued a new Compliance & Disclosure Interpretation (CDI) regarding investors' eligibility to be treated as "passive" investors, and to file the simpler and less costly Schedule 13G, when they own more than 5 percent of a U.S. public company. Although it has long been understood that engaging with a company about governance, executive compensation or environmental or social issues did not equate to influencing control of that company, such that an investor would be required to declare itself an activist and file the more onerous Schedule 13D, the SEC's new CDI indicated that if an investor conditioned its vote on any agenda item on some action taken by the company, that might be sufficient to trigger such an obligation. The immediate result was that large investors, seeking to avoid the cost and administrative burden of filing 13Ds, became reluctant to candidly discuss their voting intentions or the "pain points" that might lead to an adverse vote. This in turn left companies attempting to respond to a failed say-on-pay vote, or facing an activist campaign, with little guidance as to how their largest shareholders might vote.

In response to remarks by President Trump, the SEC has said that it is making it a priority to eliminate the quarterly reporting requirement and allow companies to report their results on a semi-annual basis. It is possible that new rules could go into effect as early as 2026, though it is unclear whether the new flexibility would apply to all companies or just to small or newly-public companies. The SEC is also reassessing various other disclosure requirements, including those related to executive compensation and those contained in Regulation S-K, with the likely outcome being the streamlining or elimination of various currently-required disclosures.

In a reversal of long-standing policy, the SEC issued a policy statement in September 2025 indicating that it would no longer decline to accelerate a company's registration statement based on the presence of a provision requiring arbitration of investor claims arising under the federal securities laws. Companies that are already public would need to amend their charter or bylaws to include such an arbitration requirement, and in December **Zion Oil & Gas** became the first such company to do so. Notably, Delaware law does not permit mandatory arbitration provisions, but Zion Oil amended its bylaws shortly after reincorporating from Delaware to Texas. The greatest impact from requiring arbitration of securities law claims is that it would effectively prohibit securities class actions, thereby shut down any cases that are only viable as class actions.

In a surprise move in January 2026, the SEC issued a new CDI in which it said that it would "object to" the voluntary filing of notices of exempt solicitation. (Such filings will continue to be mandatory for the holders of \$5 million or more of stock in a given company.) These filings have long been used by shareholder proponents to expand on the rationale for their proposals (because they are not subject to the 500-word limit for proposals that appear in the proxy statement) and to reflect developments that have occurred since the proposal was originally submitted. They have often also been used to urge support for (or opposition to) a proposal submitted by a different shareholder, and to urge investors to vote against directors or say-on-pay proposals. However, the SEC stated in the CDI that "voluntary submission of such notices on EDGAR appears to be primarily a means to generate publicity. The staff is concerned by such widespread use of a Commission filing for reasons other than its intended purpose, and, accordingly, the staff will object to a voluntary submission of a Notice of Exempt Solicitation." Although the enforcement mechanism is still unclear, a strict application of the new guidance would restrict an avenue for shareholder communications that has been available at low cost to individuals and non-profit organizations.

M&A and Activism

United States

Activists had a busy year in 2025, as there were 27 proxy contests during the year. This was a decrease from the 32 that took place in 2024, but it was in line with the long-term average. The number of contests at large-cap companies also declined year-over-year, from six in 2024 to two in 2025. However, the median market cap of targeted companies increased nearly 175 percent to over \$400 million. In addition, the win rate for activists in 2025 was 41 percent, which is a slight increase from 2024, but generally in line with where it has been since the pandemic.

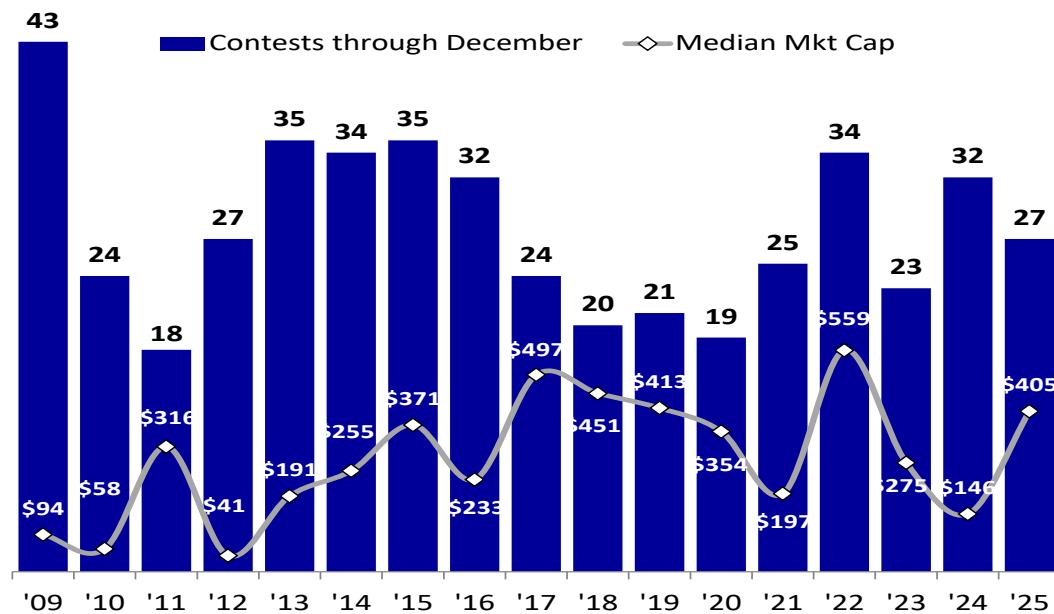
One of the most widely followed contests of the year took place at **Phillips 66** (PSX), where Elliott Management sought four seats on the 14-member classified board. The issues underlying the contest traced their roots to the pandemic, when developments made it evident PSX needed to adjust the leadership team and the business. These adjustments took the form of board refreshment, a CEO transition, a focus on operational improvements in refining, and a restructuring of the asset portfolio through divestitures, the roll-up and consolidation of midstream operations, and M&A. An important focus of these efforts centered on expanding the midstream business, with an aim to realize integration benefits when coupled with refining operations. These efforts were not entirely successful, and there were serious concerns with the board's composition, leadership, and independence, which led to ISS supporting Elliott and to shareholders electing two dissident nominees at the May meeting.

Another widely followed contest unfolded at **Dynavax Technologies** (DVAX), where Deep Track Capital sought four seats on the nine-member board. DVAX successfully cashed in on demand for its adjuvant during the pandemic, and it successfully commercialized a hepatitis B vaccine. As a result, DVAX had a large cash balance, which it was using as a funding source to explore other uses for its technology and platform. The key question was whether DVAX should continue in that direction, or whether the company should instead return capital to shareholders and manage the cash flows from its hepatitis B vaccine. ISS recommended in favor of, and shareholders elected, all four management nominees. In December, DVAX announced that it would be acquired by **Sanofi** (SNY) at a 40 percent premium, a positive outcome for shareholders.

Succession planning was an important focus of activism that carried over from 2024 to 2025. For example, H Partners ran a vote no campaign ("VNC") at **Harley-Davidson** (HOG), targeting CEO Jochen Zeitz, the board chair, and the head of the nominating and governance committee at the May AGM. The campaign took shape after Zeitz informed the board in September 2024 of his intention to retire, and a resulting CEO search process did not go as H Partners hoped. ISS supported management, which ultimately prevailed. HOG announced a new CEO in August, and the other two targeted directors retired in September. Succession planning was also a key theme in proxy contests at **Air Products and Chemicals** (APD) and **Brookdale Senior Living** (BKD).

The campaign at HOG was the first of three notable VNCs in 2025. The second VNC was at **Forward Air** (FWRD), where Ancora targeted three directors, including the chair. Ancora argued that the three directors could not be trusted to oversee an ongoing strategic review, given they had presided over the value-destructive acquisition of Omni Logistics in 2023. Due to the role these directors played in the Omni acquisition, along with other concerns, ISS supported Ancora's campaign. Ultimately, one of the targeted directors failed to receive majority support. The third VNC was at **Cracker Barrel Old Country Store** (CBRL), where Sardar Biglari targeted two directors, including the CEO, in his eighth campaign at the company since 2011. While Biglari's past campaigns had generally failed to resonate with other investors, the company's logo change earlier in the year resulted in a strong negative market reaction and social media firestorm. Even though the company reverted to its old logo shortly thereafter, the damage was apparently already done, in that CBRL was trading at a 15-year low heading into the November AGM. ISS supported the CEO, but recommended shareholders vote against the other targeted director. This recommendation aligned with the outcome of the meeting.

CHART FOCUS: U.S. PROXY CONTESTS



Source: ISS Governance Research & Voting, SSR Pipeline; \$ in millions

M&A volume also accelerated in 2025, particularly in the latter half of the year. However, not all deals were welcomed by shareholders. One of the most widely followed transactions of the year was the proposed sale of **Core Scientific (CORZ)** to **CoreWeave (CRWV)**, which was contested by Two Seas Capital. In summary, CORZ emerged from bankruptcy in January 2024. Shortly thereafter, it signed a contract to host a portion of CRWV’s high performance computing operations. The relationship between the parties expanded rapidly, and several months after its IPO in March 2025, CRWV offered to acquire CORZ. Following a short period of negotiations, the parties announced an all-stock deal in early July. At announcement, the offer implied a premium to the highest closing price since CORZ emerged from bankruptcy. This did not seem like the worst outcome for CORZ, but CRWV shares were still subject to an IPO lockup, and the CORZ board failed to secure a collar or other protective mechanism for shareholders. When the lockup expired, CORZ immediately began trading above the offer. Ultimately, CORZ share price between announcement and the special meeting signaled that the market believed the company's value was greater than the offer. Notwithstanding inherent execution risks, the company’s fundamentals provided support for the standalone, and there appeared to be limited downside risk of non-approval. ISS recommended against the transaction, and it was rejected by shareholders.

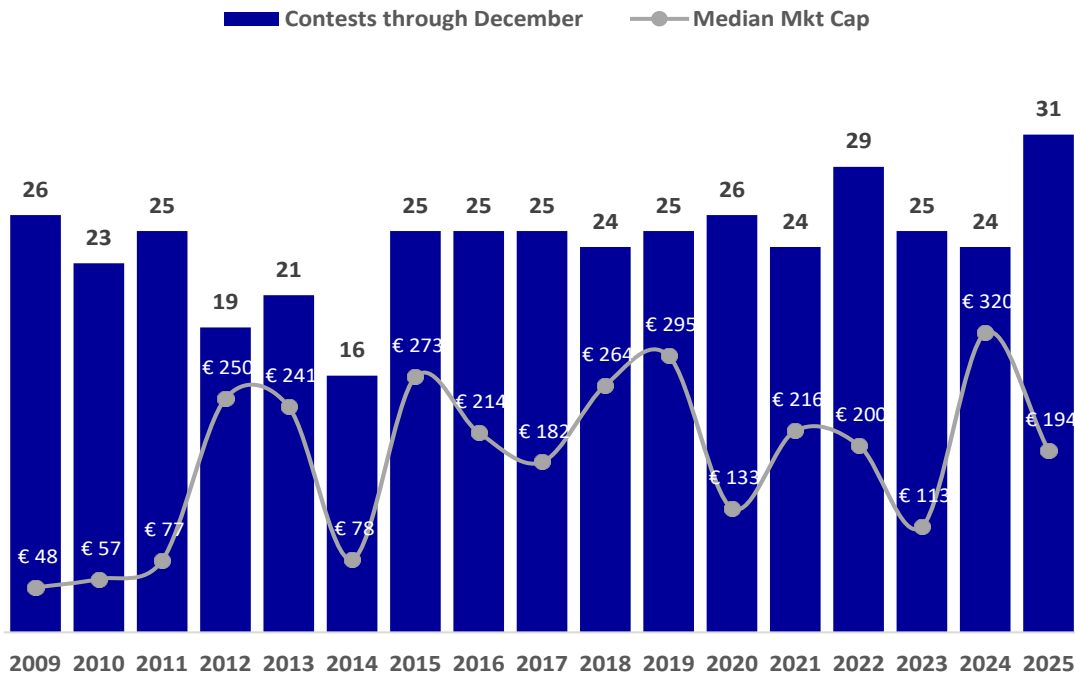
Europe

There were 31 proxy fights in Europe in 2025, 14 of which were control fights. Both tallies were new annual records. Despite the increased volume, the dissident success rate (23 percent) and the median market cap of target companies (EUR 194 million) declined year-over-year and were below the long-term averages of 40 percent and EUR 200 million, respectively.

The record totals were due primarily to a coordinated campaign run by Saba Capital Management at seven U.K. investment trusts. In all cases, Saba sought to remove the entire board and appoint its own candidates. Although Saba did not secure board seats in any of these contests, Saba did extract concessions in several cases (such as self-tender offers and open-end conversions) that allowed it to credibly claim partial victory. Activism in Denmark also contributed to the increase in overall volume. There were four proxy fights – including one for control – in Denmark in 2025. This is notable, considering the last proxy contest in the

market took place nearly 15 years ago, in 2011. Like Denmark, activism returned in 2025 to the southern European markets (Italy, Spain, and Portugal). With that said, the wait was not quite as long, seeing that 2024 was the first year in at least decade that the market was devoid of activist campaigns.

CHART FOCUS: EUROPEAN PROXY CONTESTS



Source: ISS Governance Research & Voting, SSR Pipeline; EUR in millions.

M&A volume was robust in 2025 as well. Italy was a particularly active market, as consolidation in the nation’s banking sector continued. Among other notable deals during the year, **BPER Banca** (BPE) launched a successful hostile takeover of **Banca Popolare di Sondrio** (BPSO). A similar hostile overture by **Banca Monte dei Paschi di Siena** (BMPS) at **Mediobanca** (MB) met with initial opposition from the target, before ultimately proceeding. Specifically, MB launched an all-stock offer for **Banca Generali** (BGN) to derail a tender offer from BMPS, but the maneuver failed when MB shareholders rejected a necessary capital increase at an EGM held in August. The following month, BMPS secured majority control of the Milanese investment bank after increasing its offer and reducing the minimum threshold. A different type of roadblock emerged for **UniCredit** (UCG) in its attempted takeover of **Banco BPM** (BAMI). In that case, the Italian government stepped in and imposed conditions to greenlight the combination that were deemed unacceptable. However, setbacks such as those faced by UCG were isolated, and ISS tracked a total of five bank mergers in Italy during 2025. Notable bank mergers were not contained to Italy. In fact, a situation with dynamics similar to those at UCG unfolded in Spain, where one of Europe’s largest banks, **Banco Bilbao Vizcaya Argentaria** (BBVA) launched a EUR 17 billion hostile bid for local rival **Banco de Sabadell** (SAB). The Spanish government stepped in and imposed conditions that would have delayed the merger for several years, ultimately blocking the deal.

MFE-MediaForEurope (MFE) is another company with links to Italy that completed a notable acquisition in 2025. After a long pursuit, MFE secured majority ownership of German media company **ProSiebenSat.1 Media** (PSM). The process started in March, when MFE (which held a 30 percent stake in PSM and had two board seats) launched a hostile cash-and-stock takeover offer valued at EUR 5.75 per share. In an unexpected turn of events, PPF Group (a Czech investment group that held a 13 percent stake in PSM, making it the company’s second-largest shareholder) launched a competing all-cash offer for up to 29.9 percent of PSM shares. PPF’s competing offer was valued at EUR 7.00 per share, which was a 22 percent premium to MFE’s

offer. In July, MFE made a revised offer valued at EUR 8.15 per share. In response, PPF tendered its shares and MFE secured a 75.6 percent stake. All in, MFE's final offer implied a 41.7 percent premium to its initial offer.

Deal opposition also emerged in the U.K., though this was not necessarily a surprise, seeing that shareholders have regularly opposed take-private transactions in the U.K. over the past several years. Early in the year, a broad group of investors opposed the buyout by Fortress Investment Group of **Loungers** (LGRS), a restaurant and pub operator. This cohort of shareholders, which collectively held nearly a 20 percent position, acquiesced after Fortress increased its offer by less than 5 percent in mid-January. Similarly, several shareholders of **Direct Line Insurance Group** (DLG) opposed an initial offer from **Aviva** (AV). After AV increased its offer by 10 percent, shareholders approved the transaction at a special meeting convened in March.

Canada

Three proxy contests reached a vote at Canadian companies in 2025, a decrease from 13 in 2024, seven in 2023, and four in 2022. The year-over-year decline does not tell the complete story, in that there was frequent activism at S&P/TSX Composite Index issuers, and several contests were only averted by last-minute developments.

For example, Simpson Oil initiated a campaign at **Parkland Corporation** (PKI) in 2024, which culminated in a control fight at the company's May 2025 AGM. On the date of the meeting, PKI announced an agreement to be acquired by **Sunoco LP** (SUN). With a market cap of approximately C\$5.8 billion, this would have been the largest proxy contest of the year, but the AGM was instead postponed due to the transaction. Ultimately, the sale went to a vote at a new meeting held in June, where it passed with the support of Simpson. This may have been a positive outcome for shareholders given the circumstances, but the range and severity of governance issues at PKI were exceptional for a Composite Index issuer. In 2024, the board undermined Simpson by scheduling that year's AGM six weeks earlier than historical practice, triggering provisions in a prior nomination agreement that required Simpson to vote with management. During and after this period, PKI also enforced a governance agreement, the validity of which Simpson contested. Simpson argued that the agreement had a chilling effect on the willingness of other shareholders to discuss important matters with it. The influence of the governance agreement was eventually dashed by a February 2025 court decision, which released Simpson from its voting and standstill restrictions. These corporate governance failings were accompanied by sustained underperformance, which fomented pressure that ultimately led to the CEO's resignation (an event that the board had apparently failed to adequately prepare for).

Canada also hosted a contested merger in 2025. After accumulating a significant position in Composite Index issuer **MEG Energy Corp.** (MEG) early in the year, E&P peer **Strathcona Resources Ltd.** (SCR) approached the company in late April with an at-the-market acquisition proposal. MEG rejected the overture, prompting Strathcona to increase its offer and launch a takeover bid several weeks later. In response, MEG's board established a special committee, which reviewed and rejected Strathcona's bid, while simultaneously initiating a broader strategic review process. MEG and Strathcona failed to agree on standstill terms, resulting in Strathcona remaining outside the process. Thus, while several other parties actively participated in the process, Strathcona pursued its bid independently. The process concluded with a definitive offer from what appeared to be the most logical counterparty, **Cenovus Energy Inc.** (CVE), another Composite Index issuer. Strathcona, however, continued to compete, amending its takeover bid in an effort to persuade shareholders to vote down the transaction with Cenovus and instead tender into its amended offer. Cenovus went on to amend its proposal twice before securing sufficient shareholder support. As part of the second amendment, Strathcona entered into a voting agreement, and Cenovus agreed to an asset sale with Strathcona that later became the subject of a regulatory inquiry.

2023 Outlook

United States

Proxy contest and M&A volumes are expected to remain strong in 2026. Among other developing situations is a potential M&A proxy contest/contested transaction at **Warner Bros. Discovery** (WBD), which agreed in December to be acquired by **Netflix** (NFLX) in a cash-and-stock deal with a headline value of \$27.75 per share. As part of the transaction, WBD will spin off its global networks division into a newly traded public company. Within a week of announcement, **Paramount Skydance** (PARA) launched an all-cash tender offer at \$30.00 per share. There have since been several important developments. These include a statement from PARA that it intends to nominate directors and solicit votes against a sale to NFLX, and an agreement between WBD and NFLX to modify the deal terms such that the offer is now all-cash.

Activism in the banking sector is also poised to accelerate in 2026, as HoldCo Asset Management has emerged as a public voice in the industry. HoldCo played an important role in prompting **Comerica** (CMA) to pursue a sale to **Fifth Third Bancorp** (FITB), and in subsequently pushing CMA to disclose the information necessary for shareholders to make a fully informed decision about the transaction. HoldCo has also placed public pressure on several other industry participants, including **Columbia Banking System** (COLB), **First Interstate BancSystem** (FIBK), and **KeyCorp** (KEY), among others. In November, HoldCo signaled that it no longer intended to run proxy contests at COLB or FIBK after the banks addressed certain requests. Similarly, KEY recently announced board refreshment and leadership changes.

Europe

Activism in Europe is expected to remain robust in 2026. The year started quickly, as Saba revisited the **Edinburgh Worldwide Investment Trust** (EWI), one of the seven U.K. investment trusts it targeted in 2025. Saba, which held a stake of approximately 30 percent, again sought to remove the entire board and appoint its own candidates. Saba was defeated by a narrow margin – 53.2 percent of the votes cast at the EGM opposed its proposals.

Like Saba, it appears that GreenWood Investors will continue a campaign it initiated last year, as it is expected to again seek board representation at Swiss watchmaker **The Swatch Group** (UHR). GreenWood's attempt last year may have been unsuccessful, but its nominee Steven Wood, who is the founder of the fund, received strong support from independent shareholders (62 percent excluding votes cast by the founding family). Look for another showdown in mid-May, when UHR has scheduled its AGM.

The U.K. market was particularly active in 2025, and that is expected to carry over into 2026. In addition to Saba's campaign at EWI, it appears that Hardwood Capital is advocating for a break-up of advertising agency **M&C Saatchi** (SAA), which recently rejected an approach from Brave Bison for its performance division, Browning West is advocating for **Domino's Pizza Group** (DOM) to increase share buybacks and explore a take-private transaction, Achilles is urging **Spire Healthcare Group** (SPI) to explore a sale, Lauro Asset Management is calling for **Greggs** (GRG) to pursue share buybacks, and Corvex is demanding **Whitbread** (WTB) conduct a strategic review (Corvex has also suggested it may seek board representation). There are several other campaigns developing outside the U.K. Notably, Anonym Capital is pushing for a strategic review of the wind business at **Siemens Energy** (ENR).

Canada

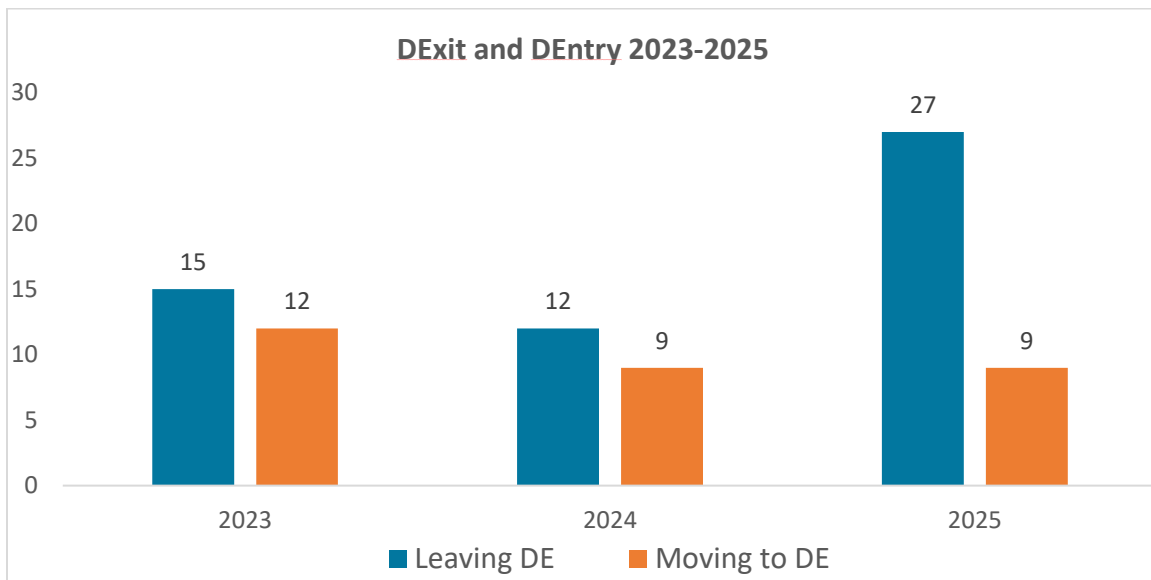
Activism is off to a fast start in 2026, as there are already four approaching proxy contests with confirmed meeting dates. Notably, Financière Outremont Inc. launched a campaign in late 2025 at **Air Transat** (TRZ) seeking to reduce the board's size from 11 to six members, add three new directors (including a new chairman), recapitalize the company, and immediately conduct a comprehensive strategic review. The contest follows a string of scuttled attempts by various parties to purchase the airline since 2019, including

a buyout from **Air Canada** (AC) that was terminated in 2021. The company's annual and special meeting is scheduled for March 10, 2026.

Interstate Battle for Incorporations Heats Up

United States

Thirty-five U.S. companies submitted proposals to change their jurisdiction of incorporation in 2025, while another company obtained approval for a reincorporation via written consent. This represents a nearly 100 percent increase from 2024. In addition, four Canadian companies sought approval to redomesticate to the United States. Delaware was the biggest loser, with 27 companies moving out (although nine U.S. and Canadian companies proposed to move into Delaware, meaning the net loss from reincorporations was 18). Nevada continued to be the biggest winner in the battle for reincorporations, gaining 21 companies from the U.S. and Canada and losing only two to other states. Despite amending its corporate law to appeal to executives, for example by allowing Texas companies to set minimum ownership thresholds for shareholders to initiate a derivative suit or submit a shareholder proposal, Texas only managed to lure two companies away from Delaware in 2025, with a third reincorporation proposal withdrawn before it went to a vote. However, given that the new Texas laws were enacted after proxy season, the primary impact is expected to be felt in 2026.



Source: ISS Governance Research & Voting

Notwithstanding the modest number of companies that have moved out of Delaware to date, the state has taken steps to stem the exodus—which is unsurprising given that revenue from companies incorporated in Delaware is estimated to account for at least 30 percent of the state's budget. As discussed last year, the Delaware legislature revised the Delaware General Corporation Law to make it more difficult for shareholder plaintiffs to establish that the "entire fairness" standard should apply to a transaction between a company and a controlling shareholder. The most prominent recent case in which the entire fairness standard was applied by the Delaware Court of Chancery—the *Tornetta v. Musk* case challenging the Tesla CEO's 2018 pay

package—was effectively reversed by the Delaware Supreme Court in December 2025, although the basis of the Supreme Court ruling was not that the transaction was entirely fair to shareholders but rather that rescinding it was unfair to Musk.

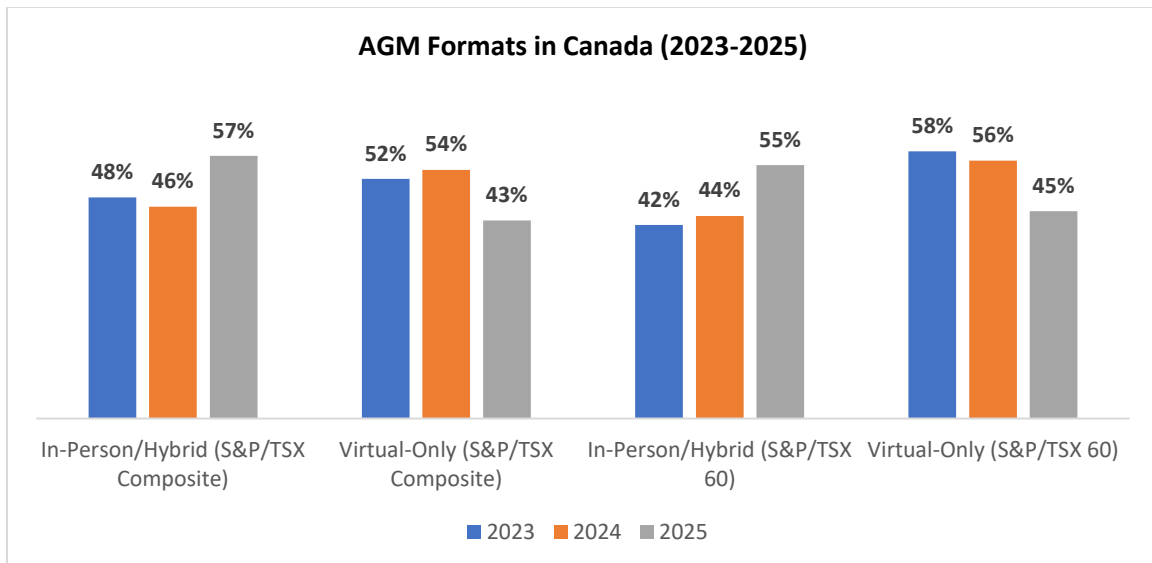
If the Delaware Supreme Court rules that non-binding shareholder proposals are not permitted at Delaware companies, it could be a powerful incentive for companies to remain in Delaware, and perhaps attract out-of-state companies to relocate there. On the other hand, the ability of companies in other states to require arbitration of securities law claims could be an incentive for companies to leave Delaware, unless Delaware amends its statutes to eliminate the prohibition on mandatory arbitration.

Virtual Meetings

Canada

The practice of virtual-only annual general meetings (“AGMs”) remains a contentious issue in Canada. In 2025, MÉDAC continued to submit shareholder proposals urging companies to hold in-person AGMs, with virtual participation offered as a complement rather than a replacement. Similar proposals (or the same one) appeared on the ballot at six companies, down from 17 in 2024.

The significant shareholder support these proposals received at multiple companies may have influenced some issuers to avoid holding virtual-only AGMs in 2025. While the majority of Canada’s largest companies held virtual-only AGMs in both 2023 and 2024, a noticeable decline occurred in 2025: 43 percent (down from 54 percent in 2024) of Composite Index companies and 45 percent (down from 56 percent in 2024) of S&P/TSX 60 companies held virtual-only meetings.



Source: ISS Governance Research & Voting; companies covered under ISS Canada Policy

The February 2024 update from the Canadian Securities Administrators (“CSA”) remains the most recent regulatory guidance on virtual shareholder meetings. In addition, the Canadian Coalition for Good Governance (“CCGG”), which published its Virtual Shareholder Meeting Policy in January 2024, submitted [comments](#) to the Ontario Securities Commission in November 2025 regarding investor experiences at virtual shareholder meetings during the 2025 proxy season.

Shareholders can expect this topic to continue generating discussion in 2026, including through additional shareholder proposals. It remains to be seen whether more companies will shift toward hybrid or in-person meetings this year.

United Kingdom

The U.K. Government previously indicated that, alongside the creation of a new regulator to replace the FRC, [upcoming](#) legislation would clarify the legality of virtual-only meetings. However, in January 2026, the Government [scrapped](#) its Audit Reform Bill. Nonetheless, it stated that it was still [pressing ahead](#) with plans to allow virtual AGMs. However, market practice continues to favour physical or hybrid meetings, and various investors generally oppose the flexibility to introduce virtual-only AGMs due to concerns over reduced accountability and limited opportunities for direct engagement.

In December 2025, the GC100, an association representing the General Counsel and Company Secretaries from the FTSE 100, published [guidance](#) for virtual meetings, alongside a corresponding [letter](#) to introduce the guidance. This guidance, which was in anticipation of the Government's legislation before it was scrapped, may lead to some companies seeking amendments to their Articles in 2026 to enable them to hold virtual-only AGMs, with commitments to apply the guidance issued by the GC100.

Regulation, Competitiveness & Other Developments

Europe

Europe enters the 2026 AGM season amid a shifting policy, economic, and geopolitical landscape, with competitiveness increasingly serving as the central framing of regulatory and boardroom debates. At the EU level, initiatives such as the Competitiveness Compass and the Omnibus simplification agenda signal a move toward reduced sustainability disclosure requirements—aimed at easing administrative burden while preserving core accountability objectives. At the issuer level, these developments coincide with renewed scrutiny of executive and board remuneration, adjustments in how diversity-related incentives are articulated, and greater reliance on board judgment and discretion in performance assessment amid heightened uncertainty. While local legal frameworks and market practice remain relevant, this broader European—and increasingly global—context is expected to shape governance expectations and shareholder voting outcomes across the 2026 proxy season.

Omnibus Directive

Europe continues to balance the objective of strengthening economic competitiveness with preserving the credibility of its sustainability framework. The Draghi Report in 2024 [identified](#) regulatory complexity and administrative burden among the factors weighing on EU innovation and growth. In response, the European Commission [launched](#) the Competitiveness Compass in January 2025, positioning regulatory simplification as a core competitiveness lever alongside investment, innovation, and strategic resilience. Within this agenda, sustainability regulation emerged as a key area for recalibration, particularly where overlapping reporting and due diligence requirements were seen as generating disproportionate spillover effects across value chains.

A central outcome of this agenda is the Sustainability Omnibus Package, [introduced](#) by the Commission in February 2025 as part of its Omnibus I proposals. The package included targeted legislative revisions to the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD), aimed at streamlining requirements and aligning obligations more closely with company size and risk exposure. Following months of political negotiation, a provisional agreement was [reached](#) by the European Parliament and the Council of the EU on December 9, 2025. The agreement materially narrows the scope and depth of EU sustainability obligations:

- CSRD: Reporting requirements would apply only to companies with more than 1,000 employees and annual turnover exceeding €450 million. Financial holding companies are excluded from the scope of the directive. A temporary transition exemption has been introduced for so-called wave-one companies—namely, those that reported under CSRD for the financial year 2024 but would fall outside the scope under the revised thresholds in 2025–2026.
- CSDDD: The directive would apply only to companies with more than 5,000 employees and €1.5 billion in net turnover. Requirements for mandatory climate transition plans and a harmonized EU liability regime have been removed. Companies must still assess and identify adverse impacts across their value chains but are granted discretion to prioritize action based on severity and likelihood.

In addition, EU Taxonomy disclosures remain mandatory for in-scope companies; however, thresholds [introduced](#) through amendments to the Delegated Acts in July 2025 allow companies to omit reporting on activities accounting for less than 10% of turnover, CapEx, or OpEx. The Commission estimates that the Omnibus I package could deliver over €6 billion in administrative relief, primarily by reducing the reporting burden and narrowing the number of in-scope entities.

While the provisional agreement concludes a protracted legislative process, several formal steps remain outstanding, including final Council approval, publication in the Official Journal of the EU, and national transposition by Member States. Moreover, political debate regarding the balance between competitiveness and sustainability ambition continues. Although the European Parliament voted to validate the agreement on December 16, 2025, parts of the Parliament and other stakeholders have called for stronger safeguards to ensure that simplification does not dilute core accountability standards.

For investors, the implications are twofold. On one hand, regulatory recalibration will reset the legal baseline for a significant number of companies, particularly mid-sized firms and those in less exposed sectors. On the other, the increased emphasis on proportionality and materiality will elevate the importance of issuer-specific judgment in assessing the credibility, consistency, and governance oversight of sustainability disclosures. As simplification advances, stewardship focus is expected to shift away from formal compliance toward how boards and management uphold transparency and accountability within a leaner regulatory framework.

CSRD

The implementation landscape for the Corporate Sustainability Reporting Directive (CSRD) continues to evolve as the 2026 AGM season approaches. As part of the Sustainability Omnibus Package, the European Parliament and the Council of the EU reached a provisional agreement in December 2025 to recalibrate the CSRD's scope and application. The agreement includes a significant narrowing of in-scope companies and a temporary deferral of reporting obligations for certain issuers that would otherwise have fallen within scope in 2026–2027. While the CSRD's double materiality principle remains intact, the agreement emphasizes greater proportionality, reduced compliance spillovers for smaller firms, and improved interoperability with global standards.

Despite this clearer political direction, significant implementation uncertainty remains, particularly with respect to national transposition timelines, the treatment of already-initiated reporting efforts, and the practical application of materiality thresholds. Many large European issuers are nevertheless proceeding with CSRD- and ESRS-aligned reporting. In the first wave of reports published in 2025, the vast majority originated from just five EU countries, including several where CSRD had not yet been fully transposed. This suggests that early adoption has been driven not only by legal obligation, but also by investor expectations regarding transparency, comparability, and value-chain engagement. This ongoing proactive reporting by issuers underscores a market dynamic in which investor and stakeholder pressure continues to shape disclosure behavior independently of legislation. For investors, variability in disclosure depth and quality is likely to persist as the framework matures, particularly concerning discipline in materiality assessment and governance oversight.

United Kingdom

Regulatory changes

The U.K. Corporate Governance Code, updated in 2024, introduced a new Provision 29 to come into force for financial years beginning on or after 1 January 2026. Provision 29 includes a requirement for boards to disclose a formal declaration on the effectiveness of material internal controls, which large U.K. companies will report against for the first time in 2026. This may, in turn, lead to greater consideration and disclosures in relation to companies' risk management and internal controls frameworks. For companies that follow the Association of Investment Companies (AIC) Code, the relevant provision is Provision 34, which mirrors Provision 29 of the U.K. Corporate Governance Code, and comes into force at the same time.

The second half of the 2025 proxy season witnessed smaller U.K. companies begin to report against the 2023 version of the QCA Corporate Governance Code. Implementation proved inconsistent, with some companies electing not to introduce remuneration reports and policies, nor to implement annual elections for directors, as recommended by the QCA Code. Whether a more widespread adoption of the Code's new features will occur during the forthcoming 2026 proxy season remains to be seen.

In addition, 2026 is expected to bring significant updates to the AIM Rules, following the London Stock Exchange's November 2025 [Feedback Statement](#) on its earlier Discussion Paper. The consultation intends to propose reforms aimed at enhancing AIM's appeal to founder-led and growth companies, including permitting dual-class share structures, streamlining the responsibilities of nominated advisers, and easing certain disclosure requirements. These changes reflect a broader effort to reduce regulatory friction and position AIM as a competitive growth market.

The introduction of an Irish Corporate Governance Code for financial years beginning 1 January 2025, may also see the deviation of some Irish companies from U.K. market norms in 2026. The Code, which applies to companies listed in Ireland, broadly aligns with the U.K. Corporate Governance Code. However, it diverges in several areas, including the following:

- The Irish Code recommends that the combined vesting and holding period for a long-term incentive should be three years or more, compared to the five years or more recommended by the U.K. Code.
- The threshold for reporting against shareholder dissent for resolutions supported by management has been set at 25% rather than the 20% set out in the U.K. Code.

Companies that are dual listed in the U.K. and Ireland may choose to adopt either the U.K. or Irish Codes. 2025 also saw the FRC update the U.K. Stewardship Code, which is to come into force for financial years

beginning on 1 January 2026. As with its updated U.K. Corporate Governance Code, the Stewardship Code has been streamlined to remove prescriptive wording and places greater emphasis on outcomes reporting. Moreover, unlike previous iterations, targeted principles were introduced for different types of signatories.

Sustainability and AI

In 2026, we expect to see further consolidation around ISSB-aligned sustainability through the introduction of U.K. Sustainability Reporting Standards. Regulators are also moving forward with plans for stricter assurance requirements on ESG disclosures and advancing transition plan mandates aligned with the Transition Plan Taskforce framework. For instance, in December, the Financial Conduct Authority [published](#) proposals to make ESG ratings more transparent, reliable and comparable. These developments reflect a broader regulatory drive for consistent, comparable, and actionable reporting.

Artificial Intelligence (AI) will also likely remain a key governance priority in 2026. In June 2025, the FRC issued its first [guidance](#) on the responsible use of AI in audit, setting expectations for documentation and quality management. Looking ahead, developments in AI and the anticipated introduction of a U.K. AI Bill are likely to shape corporate governance practices, with regulators and boards focusing on transparency, accountability, and ethical oversight as AI becomes more embedded in business processes.

Asia

Although 2024–25 saw a wide array of regulatory reforms and disclosure updates across the region, these regulatory flows show that Asia ex-Japan is not converging toward a single governance model, but it is converging toward a shared set of priorities: stronger oversight, clearer accountability, and credible sustainability reporting.

Compared with 2025, the center of gravity for stewardship has shifted in three important ways.

First, governance frameworks are increasingly in place, particularly around disclosure, independence, and shareholder rights. The stewardship question is no longer whether boards acknowledge these frameworks, but whether they are operationalized through credible governance processes.

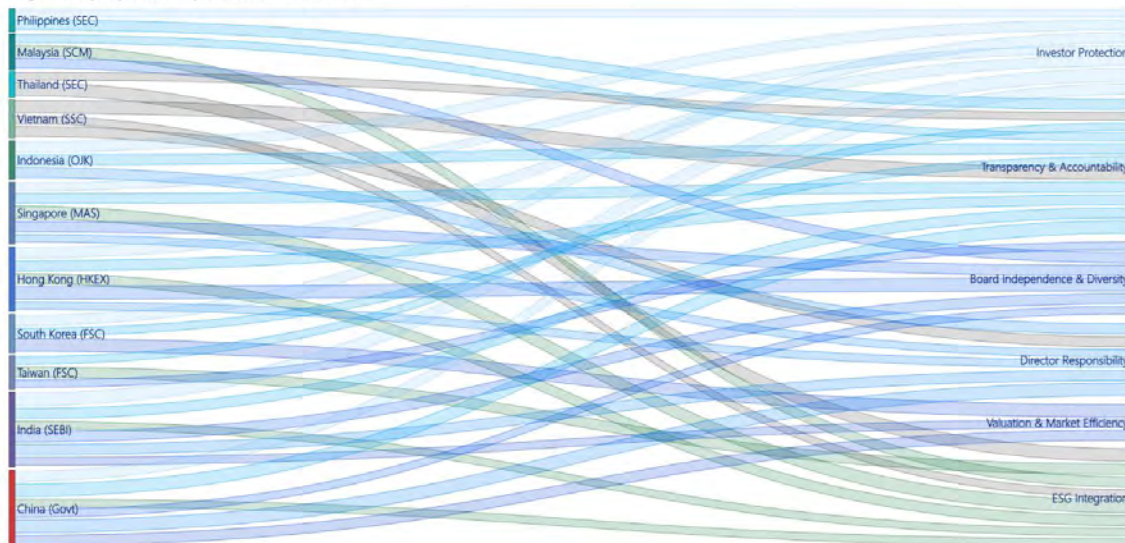
Second, sustainability disclosure expectations have moved closer to financial reporting discipline. With ISSB-aligned standards being phased in across several Asia-Pacific markets, investors are focusing less on narrative ambition and more on data integrity, controls, and assurance readiness.

Third, board accountability is assessed more dynamically. Independence remains a necessary condition, but investors are paying greater attention to effectiveness, responsiveness to prior concerns, succession planning, and the quality of oversight exercised through committees.

This creates a region-wide uplift in governance expectations, even as the sequencing and mechanics differ. It also explains the pivot in 2026 from understanding where reforms are heading to assessing whether boards can operationalize them under compressed timelines and uneven market infrastructure.

The flow of Regulatory Reforms Across Asia ex-Japan

Regulatory Updates by Theme - AXJ 2025



Source: ISS Governance Research & Voting

As markets move from frameworks to facts, the region's reforms increasingly reinforce principles many investors espouse.

The inexorable and ongoing rise of Asia ex-Japan Stewardship

Stepping back, a clear secular regional trend is emerging. One that underscores the growing necessity of a healthy stakeholder, issuer, and investor governance ecosystem as Asia ex-Japan's capital-formation landscape becomes broader, more complex, and more demanding.

A further structural shift shaping the post-2025 governance landscape is the widening frontier of Asia ex-Japan coverage. In India, the IPO pipeline is increasingly populated by venture-capital-backed issuers whose governance architectures often feature founder-executives, preferential share structures, and compressed listing timetables, expanding the scope of stewardship assessments into areas such as control rights, board independence calibration, and equitable treatment of non-promoter shareholders. At the same time, while several developed Asia markets have experienced elevated delisting activity—including Hong Kong, which recorded 49 delistings in 2024 and 64 delistings in 2025—this has coincided with a pronounced resurgence in IPO activity, underpinned by a rising stream of dual-listed and secondary-listed Mainland Chinese “new economy” issuers seeking deeper liquidity pools and more diversified investor bases. This dual dynamic is generating a fresh cohort of growth-oriented companies whose governance maturity, disclosure architecture, and sustainability oversight remain heterogenous, thereby creating new governance deltas at the point of listing.

Against this backdrop, the incremental coverage and issuer pipeline for the region is now increasingly concentrated in ASEAN and South Asia, where primary-market momentum remains robust. Indonesia, Malaysia, the Philippines, and Thailand continue to expand their listing bases through new economy, consumer, industrial, and infrastructure IPOs, while India remains one of the most active global markets for public offerings, supported by deepening household participation and record fundraising levels.

The result is a secular broadening of the region's stewardship perimeter: not only in 2026, but through to the end of the decade, the range, depth, and analytical intensity of Asia ex-Japan governance coverage will continue to deepen as the region's capital-formation map evolves across frontier, emerging, and newly-listed growth issuers.

Other Developments Across Asia

Forward-Looking Stewardship in Transition Years

A defining feature of 2026 is the growing misalignment between regulatory timelines and AGM calendars. Governance reforms are frequently promulgated with effective dates that fall after proxy seasons, requiring investors to make judgements in advance of formal compliance.

In this context, stewardship is likely to place greater weight on credible alignment signals, such as early amendments to governing documents, board-approved transition roadmaps, and clear disclosure of sequencing and milestones. Conversely, vague commitments or repeated deferral of implementation are likely to attract scrutiny, particularly where reforms affect shareholder rights or board accountability.

South Korea

Cumulative voting reform in Korea exemplifies the transitional challenge. Although the reform was promulgated on 9 September 2025, implementation will not be fully in force for the 2026 proxy season. Accordingly, stewardship assessments will focus on whether issuers provide credible alignment signals—such as amendments to Articles of Association and clear disclosure of readiness frameworks—rather than on formal compliance timelines.

Shareholder Rights and Structural Fairness

As governance reforms progress, attention increasingly turns to the architecture of shareholder rights and how voting outcomes are shaped in practice. This includes cumulative voting mechanics, election cycles, Articles of Association, and meeting structures.

Legacy features—such as staggered director elections—are common across Asian markets and can materially affect the efficacy of shareholder rights mechanisms. While stewardship should not penalize inherited structures in isolation, investors are likely to assess how boards approach the spirit of reform over time.

South Korea

In Korea, asynchronous director election cycles can mathematically limit the effectiveness of cumulative voting where few seats are contested at a given AGM. Investors are therefore likely to assess whether such structures are maintained as transitional legacies or functionally entrench control over time.

Korea's Ministry of Justice guidelines issued in late 2025 clarify that large companies must elect at least two audit committee members through separate elections no later than September 2026. This removes ambiguity around compliance sequencing and is intended to prevent issuers from deferring implementation of the amended Commercial Act. For stewardship assessments, this reinforces Korea's broader transition-year pattern: investors will judge whether companies adopt early-alignment practices or rely on procedural timing to delay implementation of these governance reforms.

India

India continues to refine its rights architecture through heightened scrutiny of Related Party Transactions (RPTs). The requirement for "majority of minority" approval serves as a critical substitute safeguard in a

market characterized by concentrated ownership. For the 2026 season, we will evaluate whether boards are providing deep, decision-useful rationales for these transactions or if they are attempting to use structural workarounds to bypass minority influence.

For investors, the stewardship focus in 2026 will be on whether governance arrangements evolve toward meaningful shareholder influence and avoid reliance on legacy structures, procedural sequencing, or fragmented election cycles that dilute rights in practice.

Regional Implications

Across Asia ex-Japan, enhancements to shareholder-rights frameworks are increasingly assessed through their practical operation rather than their formal design. Many investors are becoming more attentive to whether staggered election cycles, cumulative-voting mechanics, or RPT approval processes align with the spirit of reform and support meaningful minority influence. The stewardship emphasis, therefore, rests on structural fairness—how rights function in practice, not merely how they appear in governing documents.

Capital Stewardship and Treasury Shares

Capital allocation has emerged as a core governance issue in Asia ex-Japan. Investors increasingly expect boards to articulate how retained capital supports strategy, risk-adjusted returns, and long-term value creation.

South Korea

Treasury shares in Korea have historically served as takeover defenses and can represent a substantial proportion of issued capital. Proposed reforms requiring cancellation or explicitly justified retention elevate stewardship scrutiny, particularly where treasury shares account for 15–25% of outstanding equity. Investors will expect clear disclosure on intended use, sequencing, and fairness outcomes.

For many investors, the focus in 2026 will be on whether capital deployment decisions are transparent, strategically coherent, and aligned with equitable outcomes for all shareholders.

Regional Implications

Across Asia ex-Japan, capital stewardship is emerging as a defining governance issue. Many investors are assessing whether boards articulate how retained capital supports long-term value creation, disclose the rationale for treasury-share strategies, and avoid using latent capital as a de-facto control mechanism. Stewardship assessments will, therefore, prioritize transparency, sequencing, and fairness in capital-allocation decisions.

Asia's Unique AI Governance Moment

Asia has generally embedded AI earlier and more deeply than many other regions, not as an abstract innovation but as an operational necessity across logistics, manufacturing, financial screening, and digital-commerce infrastructure. AI became woven into business-critical systems before its global governance implications fully emerged. As a result, Asia is entering the governance phase from a position of operational integration rather than conceptual experimentation. Boards must now construct situational governance guardrails around systems that are already scaled, commercially material, and embedded within value-creation pathways. This is not a convergence story; frontier markets cannot retrofit slow, externally

derived models, nor can they unwind operational AI to align with Western sequencing. Asia will, therefore, have to develop its own governance architecture—one that reflects its generally early adoption, concentrated ownership structures, state-linked innovation roadmaps, and the region’s distinctive risk-governance expectations. This is Asia’s unique governance moment, and its stewardship trajectory will not mirror any other region.

Asia’s Frontier ESG Data Advantage

Asian countries generally early operational adoption of AI, automation, and digital logistics has created an unintended but material advantage in sustainability reporting: the region already possesses much of the granular, transaction-level supply-chain data that underpins credible Scope 3 disclosure. In many Asian markets, emissions and activity data originate from digitized manufacturing systems, transport networks, vendor platforms, and state-linked digital ecosystems that pre-date ISSB standards. This positions Asia ahead of regions where Scope 3 data remain fragmented, survey-driven, or model-based. As boards prepare for assurance, boundary setting, and data-integrity oversight, this operational data backbone becomes a frontier governance asset—elevating expectations and requiring governance structures that reflect Asia’s distinctive, system-level visibility across supply chains.

We empower investors and companies to build for long-term and sustainable growth by providing high-quality data, analytics, and insight.



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Date: March 3, 2026

To: Scott Simon, Chief Investment Officer
Ahn Smith, Chief Operations Officer
FPPA Board of Directors

From: Joe Newton

Re: **Investment Return Assumption for Glide Path Pool Asset Allocation**

Currently, the investment return assumption for Old Hire Plans in the Glide Path Pool (GPP) Asset Allocation for use in their funding and accounting valuations is 6.5% per year. It was brought to our attention by FPPA investment staff that it was no longer expected that the allocation could support those returns, particularly in the near term, because of some private equity investments with low return expectations remaining in the allocation.

Analysis provided by Cambridge showed that with an approach that avoided “re-risking” the allocation, intermediate return expectations were 4.82% in 2025 ramping up to 6.08% in 2030. Long-term return expectations were 5.17% in 2025 ramping up to 6.30% in 2030.

Although the near-term expectations are significantly depressed as compared to the current assumption of 6.50%, we recommend a measured approach in reducing the investment return assumption as the expectations are expected to recover over time, and many of the plans in this pool still have significant obligations over the next 15-20 years. **As such, we are recommending adopting a 6.0% investment return assumption for plans in the GPP for first use in the January 1, 2026 actuarial valuations.**

There are currently 14 plans in the GPP. The expected impact to the 2027 Required Contributions as a result of the proposed assumption change is as follows:

Increase	Employer Counts
None	6
0-4.99%	5
5-9.99%	1
10-11.99%	2*

*Both employers with an 11% increase from the assumption change are instances where the employer would see a 10% reduction in contribution were it not for the contribution change. No overall contribution increase is required. It is simply the loss of the contribution reduction.

Joe Newton, FSA and Dana Woolfrey, FSA are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

2026 Investment Professional Annual Incentive Program

The Fire & Police Pension Association of Colorado (FPPA) is committed to our members. We work on a daily basis to fulfill our mission:

We will prudently invest our members' retirement funds, administer benefits fairly, and provide superior, cost-effective service.

FPPA recognizes that our employees are our most important asset in fulfilling our responsibilities to our members. With the complexity of plans and services offered, retaining and motivating our employees is critical in our being able to fulfill our mission. We must attract, retain and engage a highly qualified work force to achieve our purpose. We reward employees who demonstrate capability and produce long-term results which support the association's goals and objectives.

We strive to fulfill our goals keeping our principles at the forefront:

- To act ethically and with integrity.
- To prudently manage the investment of fund assets for the benefit of the members.
- To provide timely and accurate information and benefits.
- To treat all people with respect.
- To encourage and support education and professional development for board and staff.
- To be receptive to, and an advocate for, improvement and innovation.

FPPA provides a comprehensive total rewards package which addresses our employees' health and welfare, growth opportunities, performance recognition, and capital accumulation needs or concerns. All programs are contributory in nature and designed in a flexible manner to enable employees to select those most consistent with their needs and circumstances.

All full-time staff members will be eligible for an annual pay increase based upon CIO discretion over the past year. Each staff member will be evaluated based upon their individual efforts in achieving overall Investment Department goals and will be eligible for a pay increase based upon those efforts. In keeping with our mission and guiding principles the performance management template will include definition around the following categories and employee efforts:

- (1) Distinguished – Individual results achieved far exceed **all** areas of responsibility. This individual is distinguished by skills and ability which have been repeated tested and proven despite obstacles. This individual is

capable of and looking to assume greater responsibility. This individual made certain unusually significant contributions resulting in major changes, i.e. new directions, new strategies and significant improvement.

- (2) Commendable – Individual results exceeded expectation in **most** areas of responsibility. This individual has exceeded the goals of the position and successfully met very difficult goals. Accomplishments exceed expectations in key areas but not necessarily in all areas. This individual is capable of assuming greater responsibility.
- (3) Solid Performer – Individual results and objectives have been met. In a few instances the individual may have exceeded some targets and missed some, but on balance the individual has competently performed the duties of the position. (This is not an average rating but an above average rating for a performer who has succeeded in mastering all, or nearly all facets of the job.) This consistent level of performance is a considerable achievement.
- (4) Developing Performer – Individual results have been reasonably adequate for most responsibilities. The individual has not been completely successful in achieving all the objectives of the position. The individual has met most goals, but on balance, has not completely reached the desired level of achievement. Performance is expected to improve over time.
- (5) Unsatisfactory – Individual results consistently fell below the positions objectives and requirements. Individual on balance has not been successful in performing position tasks and is in need of a Performance Improvement Plan.

Each employee who ranks as a Solid Performer or higher will also be eligible for incentive compensation. These incentives will be calculated prospectively and are subject to renewal by the Board annually. Target incentive levels may change in subsequent years due to economic and other factors. Target incentive levels will vary by position based on differing levels of accountability, responsibility and competitive pay requirements. Target incentive levels are expressed as a percentage of base salary at the end of the incentive fiscal year. For employees affected by a change to their position and base salary, the base salary will be prorated from the date of change. For new employees, the initial incentive period will be prorated from their first day of employment. Incentive payments will be made as soon as is practical after the fiscal year investment data becomes available. To account for the possibility of market swings and reduced capital, the Board may elect to defer all or a portion of the incentives owed. Any staff who voluntarily separates from service or is terminated for cause will not receive any incentive compensation. Appropriate performance measurement provides an important link between overall investment strategy and individual portfolio objectives. The Investment Consultant verifies all final performance calculations to ensure accuracy.

The Annual Incentive Program will be limited to the positions listed below:

Investment Position	Target Incentive Level
Executive Director	10%
Chief Investment Officer	65%
Investment Director	95%
Sr. Investment Officer	70%
Investment Officer	65%
Investment Associate	50%
Sr. Investment Analyst	30%
Investment Analyst	25%
Jr Investment Analyst	10%

Each participant is eligible for an incentive based on qualitative and quantitative components:

Qualitative: The qualitative component is based on each eligible staff’s overall contribution, considering results and behaviors, including professionalism, cooperation, teamwork, initiative, motivation as defined within the categories 1 – 5 above. This qualitative incentive for the Investment Staff is determined by the CIO. The qualitative incentive for the CIO is determined by the Executive Director.

Quantitative: Quantitative components are based on relative performance of asset classes and total Long-Term Pool performance (net of fees) relative to benchmarks. Benchmarks are approved by the Investment Committee and Board.

- **Time Periods:** Relative performance is measured and weighted against two time periods
 - 3-years (40% weight)
 - 5-years (60% weight)
- **Team Specific:** Quantitative components weighted specifically for a team and position
- **Thresholds:** A quantitative component is awarded for relative performance above a benchmark, pro-rated, up through a pre-determined threshold

The following table details specific qualitative and quantitative component weights comprising a total potential payout:

Team / Position	Public Markets	Private Markets	Total Pool	Qualitative	Total
Executive Director			100%		100%
Chief Investment Officer			75%	25%	100%
Public Markets Team	50%		25%	25%	100%
Private Markets Team		50%	25%	25%	100%
Portfolio Team			50%	50%	100%
Employees < 2 yrs				100%	100%

Asset Classes / Benchmarks / Thresholds

Public Markets: Team performance and benchmark performance (time-weighted returns) will be comprised of a weighted average (utilizing interim asset class weights) across the following classes. Threshold of 0.30%

Asset Class	Benchmark
Global Public Equity	MSCI ACWI IMI with USA (Gross) Index
Long/Short Equity	HFRI Equity Hedge Index
Diversifiers	HFRI FOF Diversified Index
Fixed Income - Rates	Bloomberg Barclays Capital US Aggregate Bond Index
Fixed Income - Credit	Bloomberg Barclays US Credit Index

Private Markets: Team performance will be comprised of a total private markets portfolio point-to-point internal rate of return (IRR). Benchmark performance will be comprised of a weighted average (utilizing actual asset class weights) of Median (50th percentile) quarterly point-to-point IRRs of various Cambridge Associates private markets indexes. The Threshold will be the same calculation for the 37.5th percentile of the indexes.

Total Pool: Outperformance will be determined from a weighted average of incentive payouts achieved from a Total Pool (excluding private markets) time-weighted rated return (Threshold of 0.30%) and the Private Markets payout.



Benchmarks & Investment Staff Incentive Compensation

January 2026

Private Markets Benchmarks

Current Structure

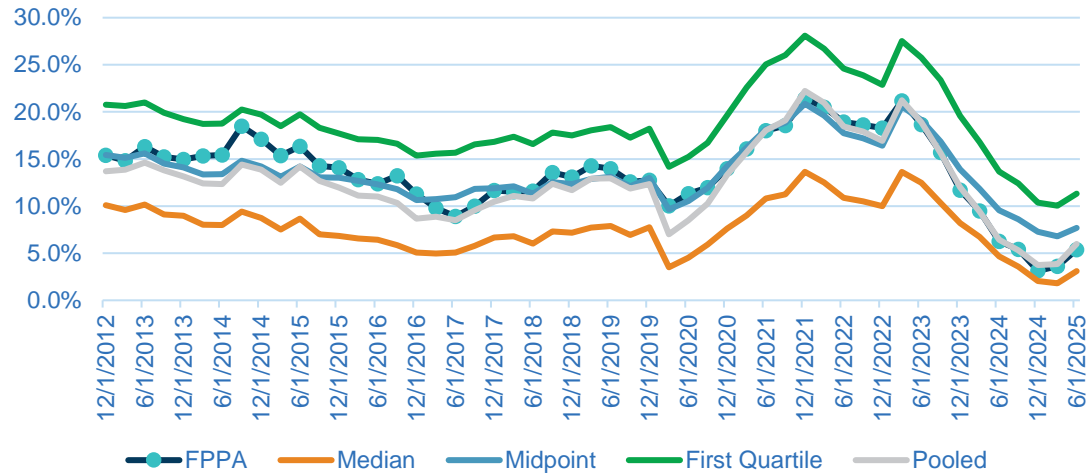
- FPPA Performance: BNY (custodian) calculates *time-weighted* performance
- Benchmarks:
 - Utilization of Cambridge Indexes
 - BNY utilizes quarterly point-to-point IRRs (Internal Rate of Return) as time-weighted performance
- Outperformance: measured as exceeding benchmark *Pooled* performance

Proposed Structure

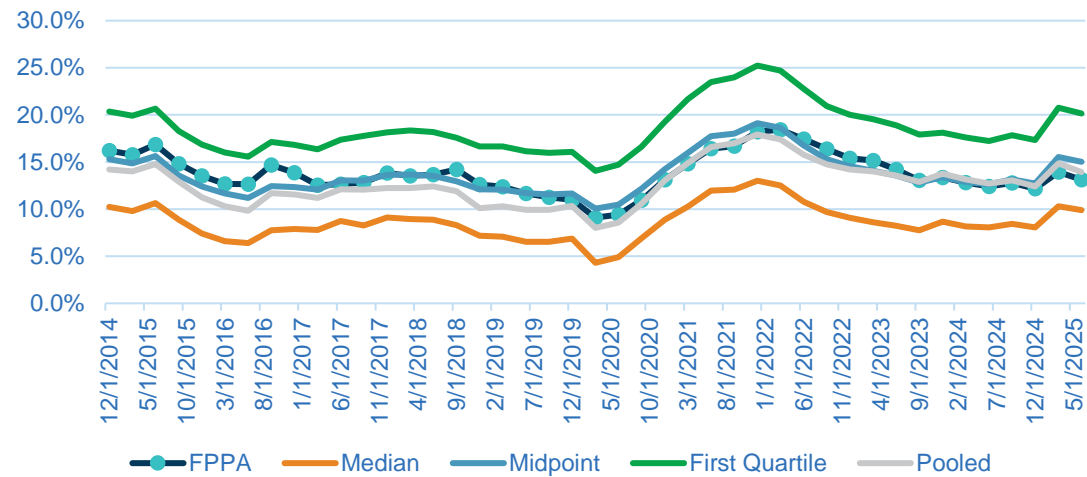
- FPPA Performance: Staff calculates annualized point-to-point *IRRs* from eFront (FPPA private markets data analytics system)
- Benchmarks:
 - Utilization of Cambridge Indexes
 - Utilization of Cambridge annualized point-to-point IRRs
- Outperformance: measured as exceeding benchmark *Median* (50th percentile) performance up through the mid-point of second quartile (37.5th percentile) performance

Private Markets – Historical Performance

3 Year Rolling



5 Year Rolling



Investment Staff Incentive Compensation

History

- 2014: the Board supported an incentive compensation program for the investment staff
 - Important tool in the recruitment and retention of quality investment professionals
 - Engaged compensation consultant (McLagan) to assist in designing FPPA's incentive compensation plan.
 - 2017: Resulting from a Board compensation study of the Executive Team, CIO incentive opportunity raised from 30% to 50% of base salary
 - 2021: Portfolio Team included in the program
 - 2025: Board approved the strategic objective to review the program
- ❖ Currently approximately half of public pension funds offer incentive compensation plans (up from one-third in 2014).

Investment Staff Incentive Compensation

Current Structure

- An investment staff member must achieve a solid performer status or higher to be eligible for incentive compensation
- Incentive Opportunity Limits (based as a percentage of base salary)
 - Ranges from 10% to 50% depending on the position
- Weighting
 - 25% Qualitative
 - 75% Quantitative
 - Long-Term Pool Performance exceeding Long-Term Pool Benchmarks over various time periods (1, 3, 5-years)
 - Maximum incentive achieved at .40% outperformance

Investment Staff Incentive Compensation

Recommendations – Structural Changes

- Benchmarks
 - Discontinue Implementation Benchmarks (just utilize Policy Benchmarks)
 - Modification of Private Markets Benchmark
- Eliminate the 1-year performance measurement period, move to just 3-year and 5-year (weighted 40% and 60% respectively)
- Asset Class Specific Benchmarks and Thresholds
 - Private Markets – (see slide pg. 2)
 - Public Markets – weighted average of policy benchmarks for Global Public Equity, Fixed Income – Rates, Fixed Income – Credit, Long/Short Equity and Diversifiers. Threshold of 0.30%¹
 - Total Fund – Total Fund ex-Private Markets Benchmark. Includes performance implications of the Liquidity Portfolio, Overlays (Russell and Currency) and Allocation effects. Threshold of 0.30%²

¹ Threshold derived from weighted average alpha expectations of asset classes: Global Public Equity (30 bps); Fixed Income – Rates (10 bps) Fixed Income – Credit (30 bps); Diversifiers (50 bps); Long/Short Equity (50 bps)

² Assumes no alpha expectations from Liquidity Portfolio, Overlays and Allocation effects

Investment Staff Incentive Compensation

Recommendations – Structural Changes (cont.)

- Different weightings (quantitative vs. qualitative) for different teams
 - Public Markets and Private Markets teams, include a quantitative component of relative investment class performance
 - 50% Asset Class, 25% Total Fund, 25% Qualitative
 - Portfolio Team, increase qualitative weighting
 - 50% Total Fund, 50% Qualitative
 - Newer staff, 100% Qualitative for first 2 years
 - CIO, 75% Total Fund, 25% Qualitative

Example Incentive Calculation for a Public Markets Employee

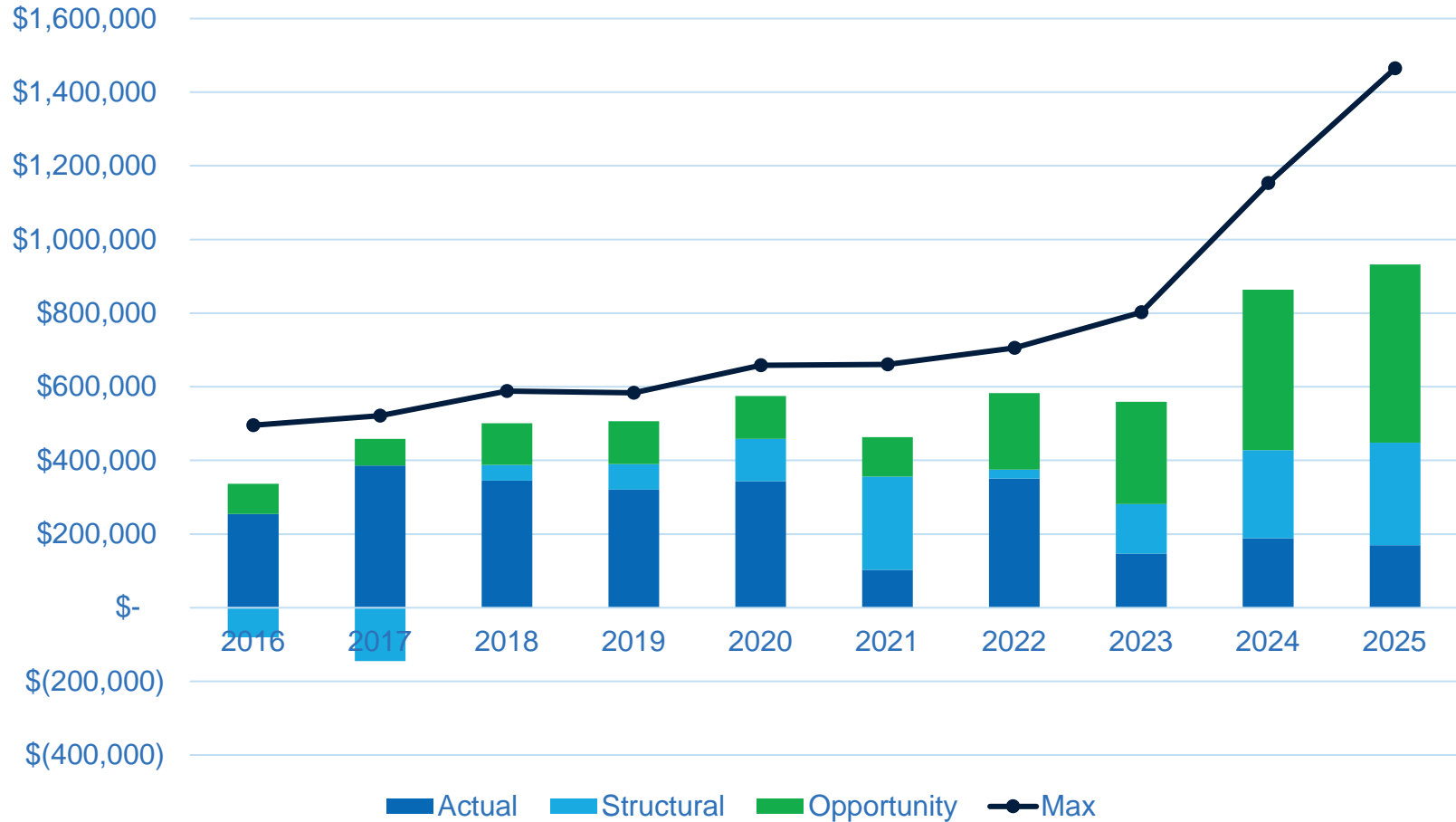
Sub Component	Weight	Performance		Excess (bps)	Max (bps)	% of Max	Total
		Portfolio	Benchmark				
Public Markets (3Y)	20.0%	7.5%	7.0%	50	30	100.0%	20.0%
Public Markets (5Y)	30.0%	6.3%	7.0%	-70	30	0.0%	0.0%
Asset Class	50.0%						20.0%
Total Fund ex-PM (3Y)	7.0%	7.2%	7.0%	20	30	66.7%	4.7%
Private Markets (3Y)	3.0%	13.0%	9.0%	400	500	80.0%	2.4%
Total Fund ex-PM (5Y)	10.5%	6.5%	7.0%	-50	30	0.0%	0.0%
Private Markets (5Y)	4.5%	13.0%	9.0%	283	300	94.3%	4.2%
Total Fund	25.0%						11.3%
Qualitative	25.0%					75.0%	18.8%
Total Possible	100.0%					% Max	50.1%
Excess Performance	Excess performance of Private Markets reduced for effect of Total Fund ex-PM underperformance						
Max (bps)	Range between 37.5% and 50% percentile private markets performance						
	Ranges are not static and will minimally fluctuate each quarter						

Investment Staff Incentive Compensation

Recommendations

- Incentive Opportunity Limits
- Utilizing McLagan Data (Manager of Managers)
 - Moving from bottom quartile to Median of Peers
 - Jr. Analyst – unchanged at 10%
 - Analyst – increase to 25% from 15%
 - Sr. Analyst – increase to 30% from 17.5%
 - Associate – 50% (new position level)
 - Officer – increase to 65% from 20%
 - Sr. Officer – increase to 70% from 25%
 - Director – increase to 95% from 30%
 - CIO – increase to 65% from 50%

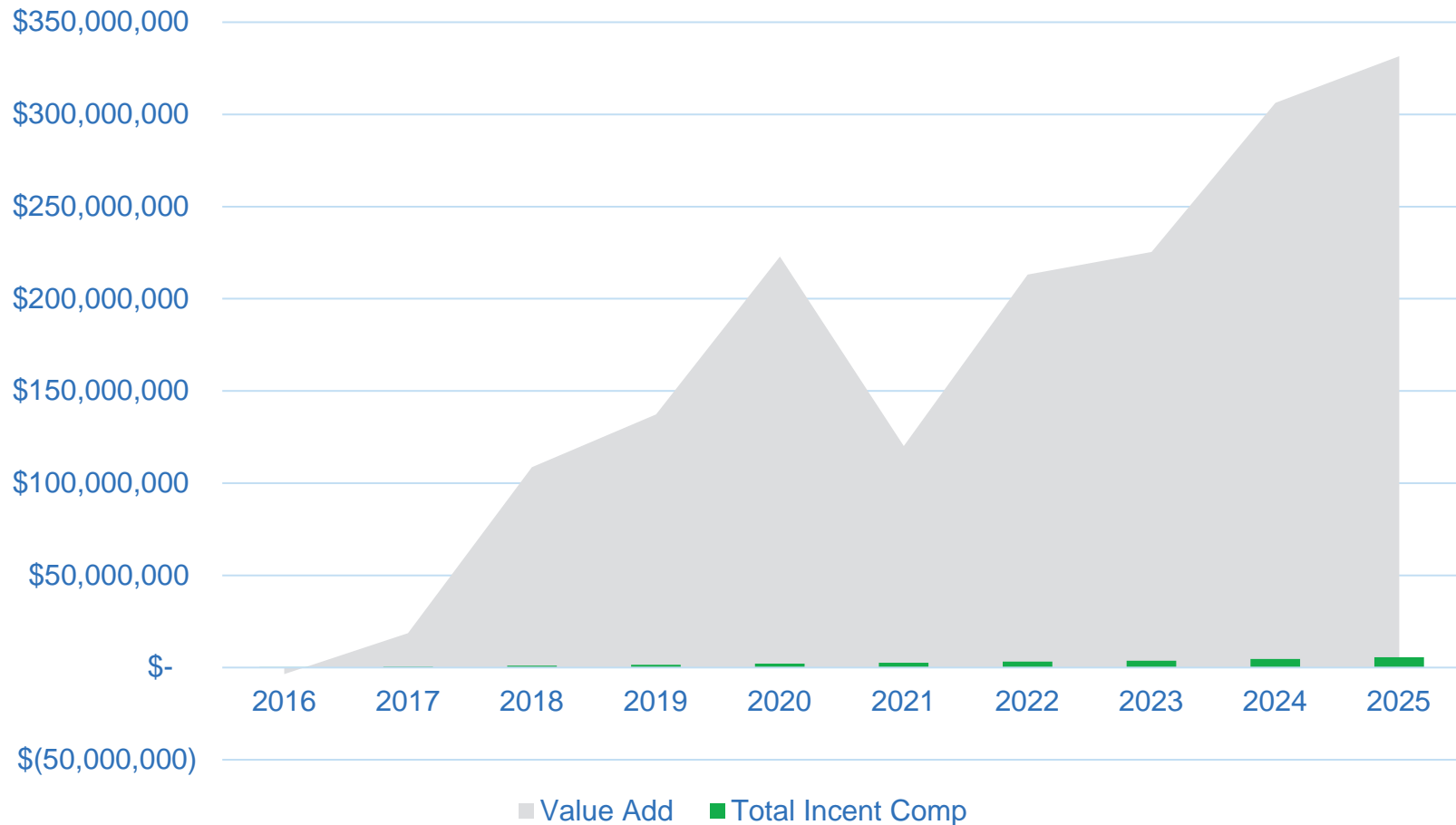
Investment Staff Incentive Compensation – Historical (annual)



# Staff	8	8	9	8	10	11	11	9	11	13
Avg Incent Comp	\$ 32,069	\$ 39,176	\$ 55,688	\$ 63,309	\$ 57,497	\$ 42,086	\$ 52,964	\$ 62,168	\$ 78,548	\$ 71,687

Actual: Historical / Actual Incentive Compensation Paid
 Structural: Move solely to Policy Benchmark, Eliminate 1-Year Period, Team Specific Benchmarks, Change in PM Benchmark
 Opportunity: Increase in Opportunity Limits to match the Median of Peer Public Pension Plans (McLagan)
 Max: What would have been paid if 100% metrics were met (exceeding every performance hurdle, for all time periods and awarding full qualitative components)

Value Add vs. Incentive Compensation – Historical (cumulative)



Incent Comp \$M	\$	0.26	\$	0.57	\$	1.07	\$	1.58	\$	2.15	\$	2.62	\$	3.20	\$	3.76	\$	4.62	\$	5.55
% of Value Add		-7.2%		3.1%		1.0%		1.1%		1.0%		2.2%		1.5%		1.7%		1.5%		1.7%

Value Add:

Total Incent Comp:

Performance above benchmarks in dollar terms

Incentive compensation incorporating structural changes and increased opportunity limits

Private Investment Benchmarking: Using the Right Return Metric

- The two most common measures of investment performance—time-weighted returns (TWRs) and money-weighted returns, typically an internal rate of return (IRR)—differ in meaningful ways.
- The use of TWRs is necessary to incorporate private performance into total portfolio returns and to construct the policy benchmark. **However, private investment performance is best evaluated using IRRs.**

Time-Weighted Returns (TWR)

- ❖ Measures the return of the same dollar invested continuously for a specific time period
 - ❖ Returns are calculated for a series of sub-periods that are then geometrically linked
 - ❖ Each period is given equal weight, regardless of how much money was invested
 - ❖ Returns depend only on the length of investment and do not incorporate the amount invested, so the impact of cash flows is neutralized
-
- ❖ **Accurate for calculating a multi-period return for a fixed initial investment amount**
 - ❖ **Most appropriate for marketable managers who do not have control over the size and timing of cash flows**

Dollar-Weighted Returns (IRR)

- ❖ Synonymous with internal rate of return (IRR), reflecting the discount rate that equates the ending value with the compounded value of the beginning investment, including all cash flows occurring during the time period
 - ❖ Measures the average return on all invested dollars for a specified time period
 - ❖ Takes into account changes in invested capital by weighting inflows and outflows for the amount of time the funds are invested
-
- ❖ **Accurate for calculating returns when there are periodic capital inflows and outflows**
 - ❖ **Most appropriate for private investment managers who control the size and timing of cash flows**

Private Investment Benchmarking: Illustrating the Difference between IRRs and TWRs

Figure 1. The Disconnect Between IRRs and TWRs for a Single Private Investment

Hypothetical Example

Period Date	Quarterly Contribution	Quarterly Distribution	Quarterly Net Cash Flow	Quarter Ending NAV	One-Quarter Return
Quarter 1	-150,000		-150,000	143,864	-8.0%
Quarter 2	-150,000		-150,000	278,709	-6.9%
Quarter 3	-100,000		-100,000	362,427	-4.9%
Quarter 4	-300,000		-300,000	645,672	-3.3%
Quarter 5	-200,000		-200,000	831,179	-1.9%
Quarter 6	-150,000		-150,000	999,139	2.0%
Quarter 7	-333,000		-333,000	1,570,269	20.6%
Quarter 8	-266,667	136,137	-130,530	1,733,789	2.0%
	-1,649,667	136,137			
			IRR	15.3%	
			TVPI	1.1x	
			TWR		-1.6%

- To highlight the differences in these calculations, Figure 1 shows an extreme, but not uncommon, example of how compounded TWRs can misrepresent the performance of private investments.
- In this example, the fund is valued at a 1.1x multiple of invested capital, so one would expect the return to exceed 0%, and it does with a positive IRR of 15.3%.
- However, negative returns in early periods result in a TWR of negative 1.6% over the full period, which is certainly not representative of actual performance—those early periods have little capital at work, which is accounted for in the IRR.

Private Investment Benchmarking: Choosing the most representative methodology

- Private investment benchmarks are commonly reported using various summary statistics, including pooled return and median return, which differ in meaningful ways. **Median returns are often most representative of the entire opportunity set.**

■ Pooled return

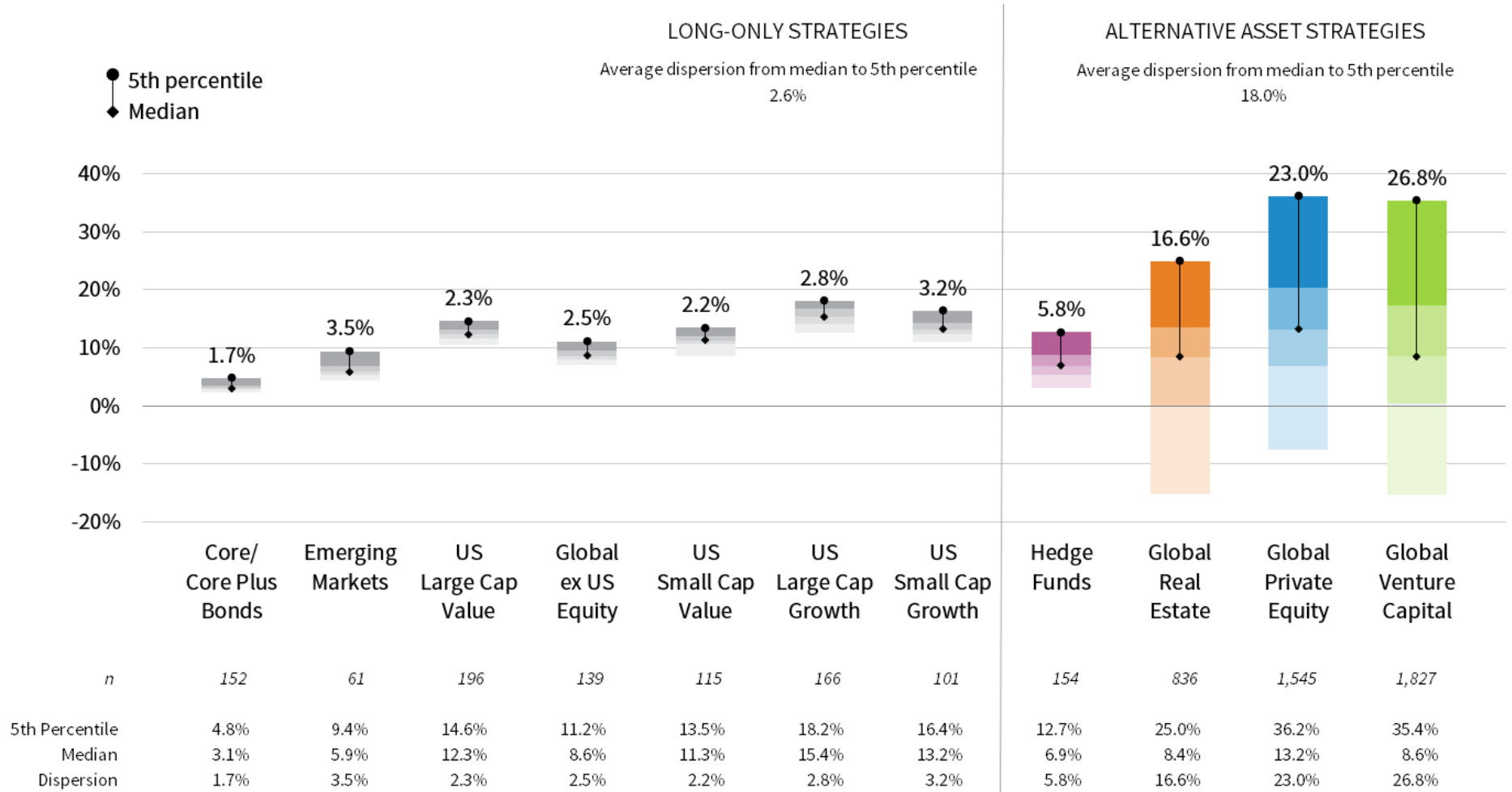
- Data for all funds in the universe are aggregated and the return is calculated on the single stream of aggregate cash flows and ending NAV
 - More like market-cap weighted index than other calculations
 - Returns skew toward the performance of larger funds, which tend to behave differently than small and mid-size funds

■ Median return

- Performance of each fund in the universe is calculated and the median performing fund is selected
 - Treats all funds equally regardless of size, so less sensitive to outliers; larger funds do NOT skew the results
 - Quartile breakpoints can be calculated and incorporated into findings

Manager selection alpha is a key driver in private markets

Average Annual Manager Returns by Asset Class

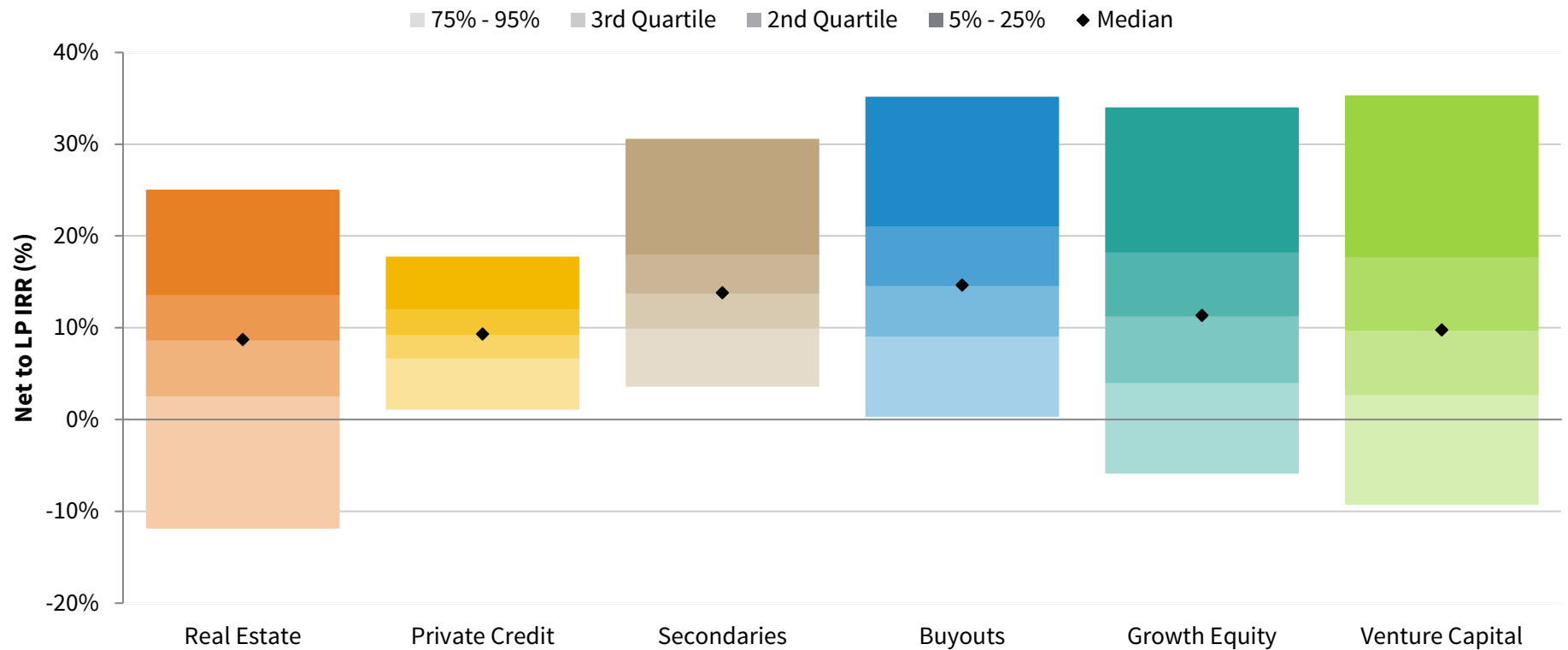


Sources: Cambridge Associates LLC and eVestment.

Notes: Returns for bond and equity managers are average annual compound returns (AACRs) for the fifteen years ended June 30, 2025, and only managers with performance available for the entire period are included. Returns for private investment managers are net internal rates of return (IRR) calculated since inception to June 30, 2025 for vintage years 2010-2024. Time-weighted returns (AACRs) and money-weighted returns (IRRs) are not directly comparable.

Private manager selection is critical

Return Dispersion by Asset Class



5%	25.0%	17.7%	30.5%	35.1%	33.9%	35.2%
25%	13.7%	12.1%	18.1%	21.1%	18.3%	17.8%
MEDIAN	8.7%	9.3%	13.8%	14.6%	11.3%	9.8%
75%	2.6%	6.8%	10.0%	9.1%	4.1%	2.8%
95%	-11.8%	1.2%	3.7%	0.4%	-5.8%	-9.2%

Sources: Cambridge Associates LLC

Notes: Returns are net internal rates of return (IRRs) calculated since inception to June 30, 2025 for vintage years 2010-2022.



Fire & Police Pension Association Board of Directors

Memorandum

To:

Board of Directors

From:

Chip Weule, Chief Benefits Officer

Regarding

March 2026 Self-Directed Plans Committee Summary

Date:

April 9, 2026

The items below highlight selected topics from our March 24, 2026, SDPC meeting:

Investment Matters

1. **Fidelity International Small Cap Fund-** Mariner discussed the change in management and reviewed the fund's performance during the March 24, 2026, SDPC meeting. There are no concerns and Mariner is not recommending a change at this time.
2. **Managed Account Deep Dive and Demo-** Mariner reviewed the results of their Managed Accounts fee survey. The results of the survey show that Fidelity is appropriately priced. Fidelity presented a deep dive into their Managed Accounts product, highlighting reporting specific to Managed. Accounts. Jeff White (Fidelity) provided a demonstration of the product during this SDPC meeting.

Recordkeeping and Operations

1. **Recordkeeping Fee Reductions-** Fidelity's recordkeeping fees were reduced from 0.07% to 0.0675% effective January 1, 2026. The \$10 fees were submitted in March, and the asset-based fees will be submitted in April.

Fidelity Managed Account (PP&A)- The fees for Managed Accounts will be reduced starting March 25, 2026, from 50/45/25 bps to 45/35/25 bps target net fee schedule with no adoption threshold. Fidelity will reduce the managed accounts fees, starting March 25, 2026, from a 50/45/30 target net fee to a 45/35/25 target net fee (\$0-\$100,000 / \$100,000 - \$250,000 / \$250,000+).

2. **2026 Self-Directed Plans Administrative Fees-** The SDPC met February 13, 2026, to review the proposed self-directed plan fees. Ahni Smith reviewed the calculation of the proposed fees and the committee then adopted those fees. The FPPA website and brochures were updated, and communications were sent to applicable stakeholders.
3. **New Client Services Manager-** Holli Drage has replaced Shaun Nielsen as our Client Services Manager. Holli has been with Fidelity for over 20 years and has a wealth of experience from her various roles and responsibilities. We are excited to work with her and FPPA staff feedback has been positive, reporting that things are running smoothly.
4. **Reentries and Affiliations-** Ft. Lupton PD filed a resolution for a partial reentry. All the documents have been submitted to Fidelity, and we are working on a final mapping strategy (Ft. Lupton is in the

process of moving to a new mutual fund platform). Mariner is working with Corebridge (their current record keeper) to get more information on the transition.

Clear Creek County Sheriff also expressed interest in partial affiliation. They currently use CRA (formerly CCOERA) for plan administration, and Colorado statutes require a vote to be conducted to leave CRA. The vote is scheduled for April 8, 2026.

Grand Junction PD has expressed interest in the reentry process. The Relationship Management Team met with representatives from the city and the police department on Tuesday, March 24th.

Legislative and Fiduciary

1. **SECURE Act Age 50 Roth Catch-up regulations-** this provision went into effect on January 1, 2026. It only applies to departments that pay into Social Security for retirement benefits. There are seven FPPA Members that this provision applies to. Jim Payne has manually updated their accounts and submitted the required indicators to Fidelity. Communications were sent on March 31, 2026.
2. **Managed Accounts-** Due to industry litigation regarding Managed Accounts, FPPA and Mariner drafted a questionnaire for Fidelity to complete. These questions focused on Fidelity's best practices and the administration of their Managed Accounts product. The committee talked about its fiduciary obligation and need for additional reporting. Fidelity presented some of their enhanced reporting. We will continue to monitor this product to ensure we continue meeting the needs of our Members.
3. **Upcoming Meeting Dates-**
 - a. April 8, 2026: Annual Business Planning Meeting
 - b. April 9, 2026: Presentation to the FPPA Board
 - c. June 2, 2026 (12:00pm–3:00pm MT)
 - d. September 22, 2026 (12:00pm–3:00pm MT)
 - e. November 3, 2026 (12:00pm–3:00pm MT)

Communication and Education

1. **Fidelity Workplace Financial Consultant-** Zach O'Hayre has contacted all departments on his list and is scheduled for 14 departments. He has been averaging 20 appointments per month. Arvada and Westminster were in March. He will focus on northern Colorado in April. Zach has commented that many Members are seeing how important it is to save in DC plans to augment and ensure reaching their retirement goals. The feedback we've received from our Members, Employers, and staff has been very positive.
2. **Campaigns-**
 - a. The Retirement Distributions Guide and Investment Options brochure has been updated for 2026.
 - b. We are working to update the Special Tax Notice for 2026. Updated document should be completed by late April/early May.
 - c. Women's History Month campaign, which is a three-part webinar series, was sent March 3rd. This year's presenters include Mindy Kaling (Tony Award winner and Emmy nominated writer, producer, and actor) and Shonda Rhimes (award winning writer, producer and CEO of Shondaland).
 - d. Financial Capability Month and America Saves Week are in April. FPPA received a toolkit of materials to post internally.
 - e. The April FidBits newsletter will launch the week of April 6th.

A complete list of discussion items and presentation materials can be found in the Self-Directed Plans materials.

Fire & Police Pension Association

BOARD PRESENTATION

APRIL 8, 2026

PRESENTED BY

ANNETTE BIDART AND JOE CARTER

MARINER

Board Presentation 2025

Agenda

- ① **Mariner Institutional**
- ② **SDPC Plan Governance**
- ③ **SDP Investment Information**

Who We Are

\$453.2B AUA*

**99% Client
Retention**

**Acting in a
fiduciary capacity**

**Open architecture
with vendors**

Focused Resources

- 153 associates dedicated to the Institutional unit

Our certifications, designations, memberships and more include, but are not limited to:

- 41 CFA[®] Charterholders
- 9 CAIA[®] Members
- 16 NAPA CPFA[®]
- 12 CIPM[®]
- 51 Advanced degrees

Client Service Culture

- Long Term Partnerships
- Dedicated Research and Performance Reporting Teams

ORGANIZATIONAL CHART

Mariner Associates By The Numbers

Mariner
2,011

Enterprise Corporate Functions

Business Units
1,907

Compliance & Legal
34

Accounting & Finance
27

Mariner Wealth

Human Resources
33

Information Technology
37

Mariner Ultra

Research
122

Performance Reporting
56

Mariner Institutional

Operations
83

Corporate Development & Strategy
36

Mariner Independent

Marketing
28

Practice Management
10

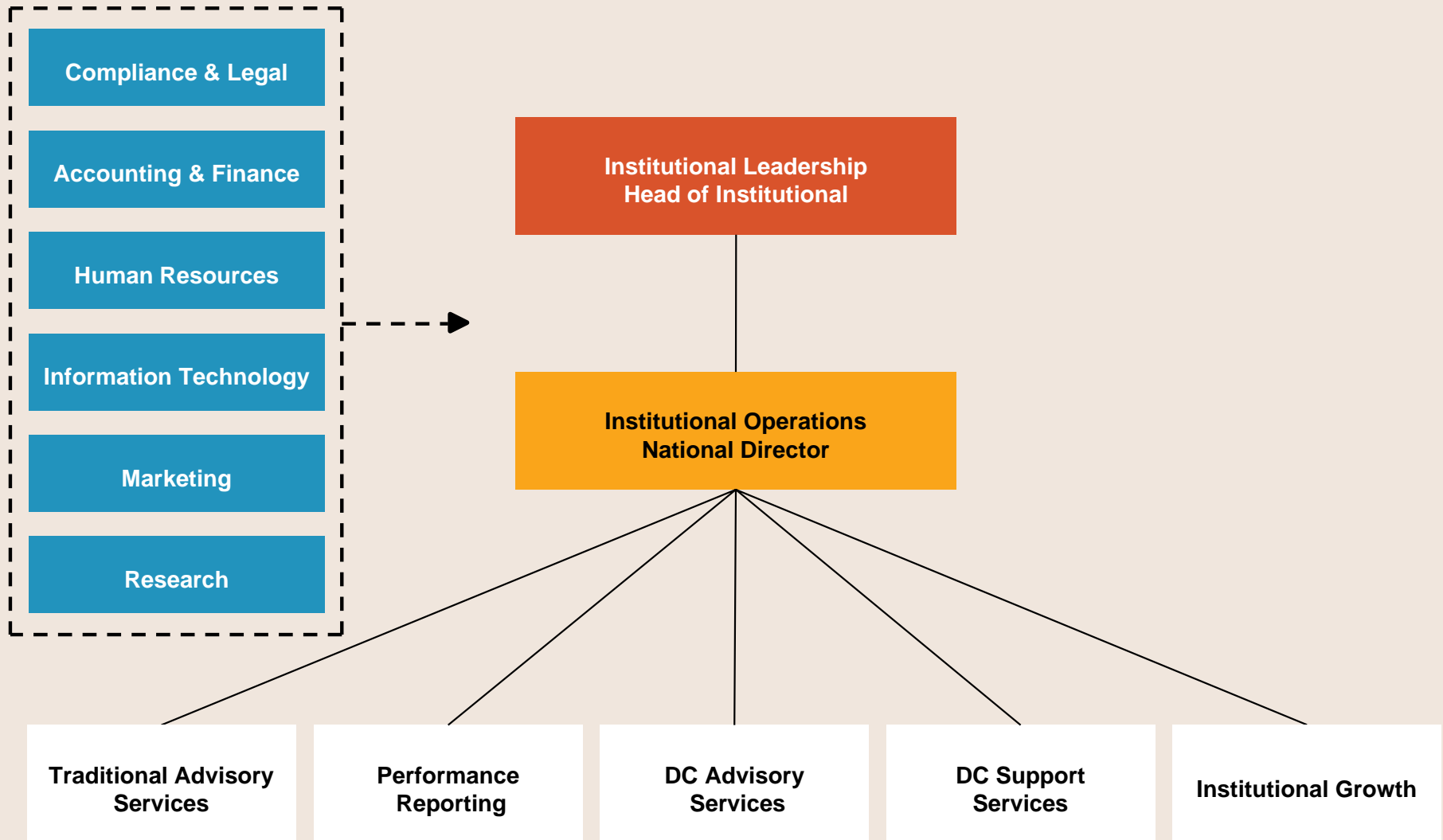
Mariner Workplace

Mariner enterprise-wide employee counts as of 06/30/2025.

This slide is intended as a high-level overview, representing the Mariner enterprise-wide functions, business units and associates. It should not be considered as any indication of organization structure relative to ownership. Certain functions may or may not be directly applicable to Mariner Institutional. Within the Mariner Institutional brand, some of the services are provided by affiliates and are subject to additional fees.

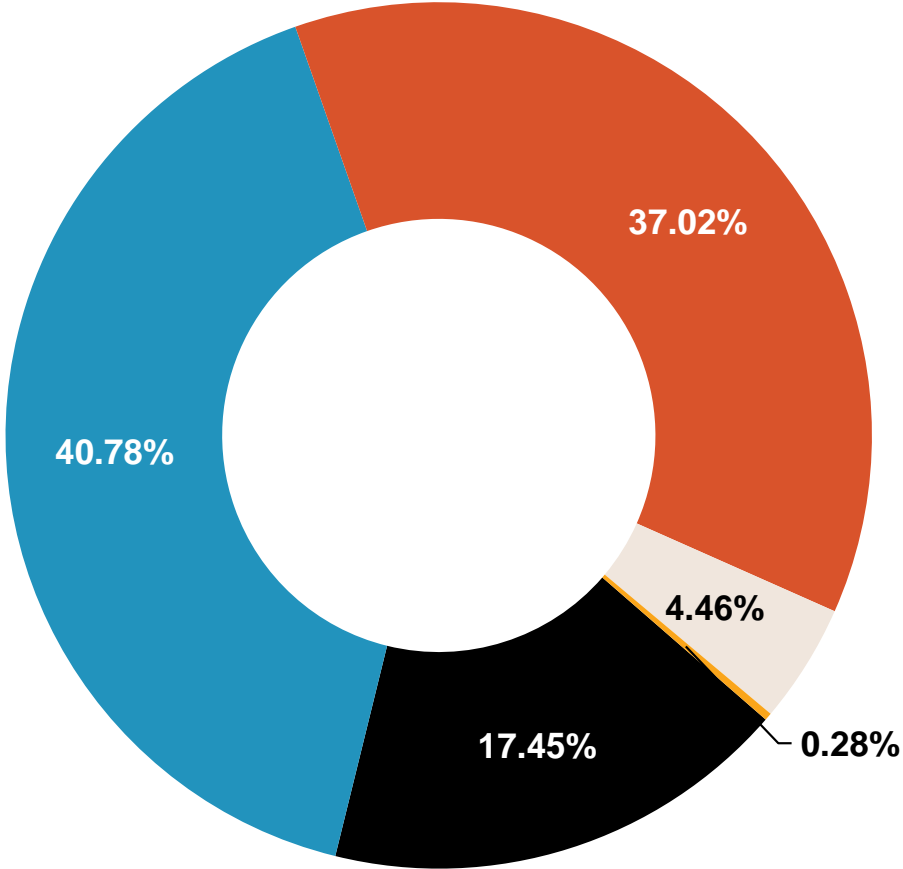
DEDICATED RESOURCES

Mariner Institutional Business Unit



This slide represents the specific organization structure, inclusive of reporting and departments, within the Mariner Institutional, LLC advisor. The blue boxes to the left represent the underlying associate counts within the enterprise-wide corporate functions which are dedicated to supporting Mariner Institutional, LLC.

Asset Distribution by Client Type



■ Government - 17.45% ■ Corporate - 40.78% ■ Non-profit - 37.02%
■ Taft-Hartley - 4.46% ■ Other - 0.28%

Assets are approximate as of September 30, 2025 and represent the combined assets across the Mariner Institutional brand, consisting of various Mariner affiliates. "Other" represents individual clients categorized as High Net Worth Retail assets.

Mariner Institutional – Fiduciary Services

- Establish and maintain the investment policy statement (annual)
 - Investment oversight and evaluation (quarterly)
 - Quarterly & monthly performance updates
 - Quarterly attendance at SDPC meetings
 - Participation in staff operational calls with Fidelity (monthly)
 - Mutual Fund/Collective Investment Trust searches (as needed)
 - Due diligence calls and onsite interviews with current investment managers (quarterly)
 - Review and assist with employee communication strategy
 - Educate committee, staff, and employees regarding investments, alternatives, fees and other issues
 - Assist with plan re-entry process
 - Provide staff with analysis of re-entry plans
 - Review of asset mapping strategies
 - Acknowledged as a plan co-fiduciary
-

Quarterly Topics Covered 2025

- Investment Policy Statement Best Practices
 - Understanding Plan Fees
 - Asset Allocation Tools and QDIA
 - Fiduciary Roles and Responsibilities
 - Real Estate in DC Plans
 - Updates on Litigation and Regulation
 - Plan Design Trends and Investment Vehicles
 - American Beacon Small Cap and Large Cap CITs
 - Fidelity Recordkeeping Site Visit
 - Committee Charter Education
-

Projects Completed 2025

- Participated on 36 manager calls
 - Completed monthly performance flash reports for the Board
 - Quarterly updates for staff newsletter
 - Conducted a Site Visit of Fidelity Recordkeeping
 - Corporate Overview
 - Cyber Security Review
 - Call Center Tour
 - Participant Education and Communication Review
 - Share class analysis for lower cost options of current funds
 - Mutual Fund Searches and Replacements
 - Emerging Market Search, replaced Invesco (ODVIX) at 0.84% with Vanguard (VMMSX) 0.78%
 - Small Cap Value Search, replaced BNY Mellon (STSVX) at 1.03% with American Beacon (AVFIX) at 0.79%
 - Managed Account Survey and Fee Review
-

SDPC Plan Governance



Roles & Responsibilities

- Board of Directors:
 - Ultimate responsibility for administration of the self-directed plans
 - Directs the self-directed plans committee (SDPC) to oversee the plans
 - Approves recommendations by the SDPC for the hiring of service providers
 - Approves any changes to the plans, provisions and investment structure
 - Self Directed Plans Committee:
 - Responsible for recommending and demonstrating compliance with the plans governing documents
 - Review and recommend the appropriate annual budget for plan revenues, expenses, and provider fees
 - Evaluate and recommend service providers including record-keepers and consultants
 - Recommend the fund structure to the board
 - Reviews and selects investment fund options
 - Consultant:
 - Provides investment advisory services to the SDPC
 - Measures fund performance and compliance with the IPS
 - Assist with the development of policies and procedures for plan governance
 - Analyze plan costs including:
 - investment fees, record-keeping costs and overall administrative costs
 - Conduct fund manager searches as needed
 - Assist with RFP's for record-keeping and plan administration services
 - Review plan communications and education services
 - Assist with the fund mapping recommendations as plans re-enter FPPA
-

Roles & Responsibilities

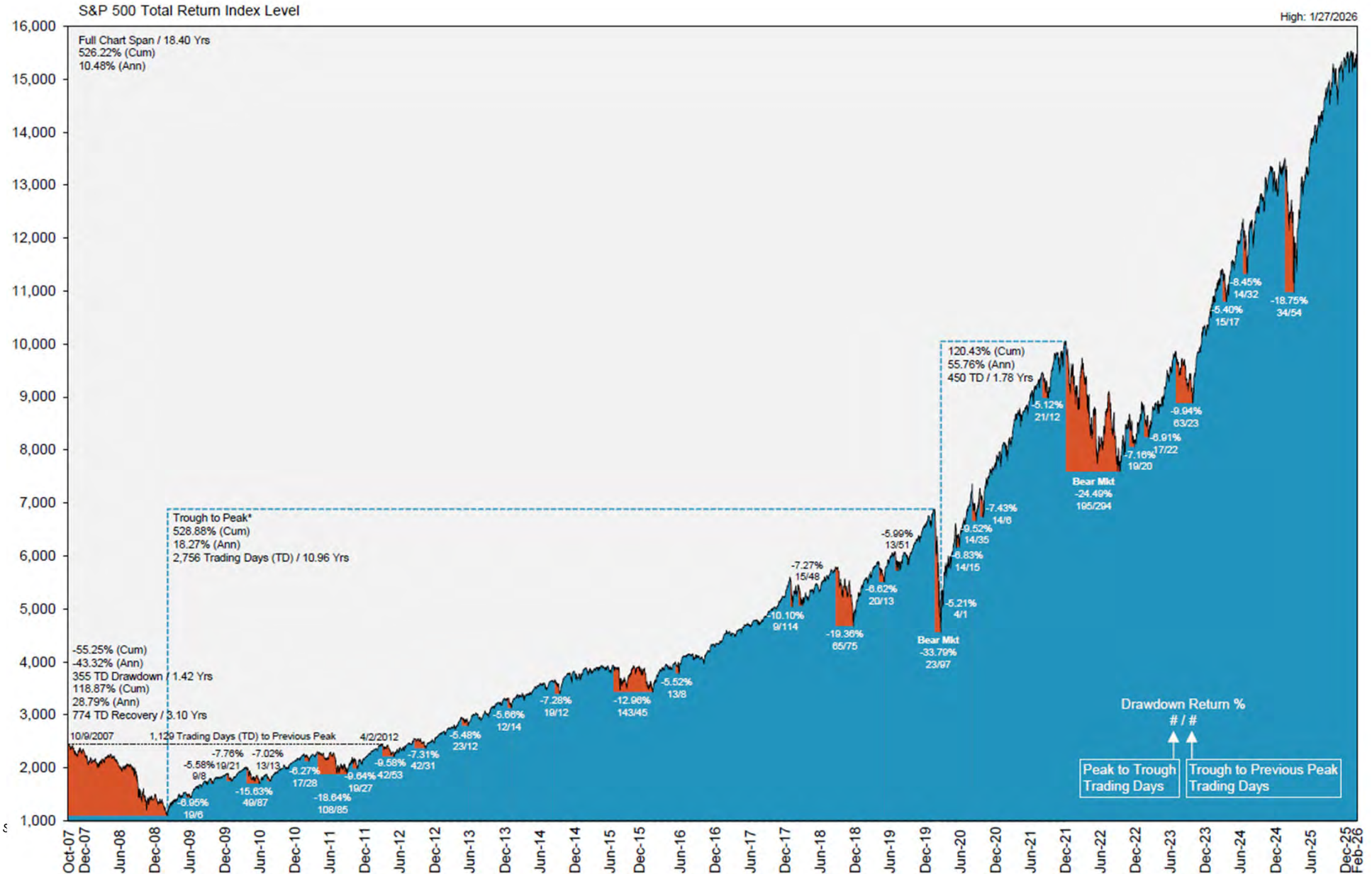
- FPPA Staff:
 - Effectuate decisions of the Board and the SDPC
 - Responsible for the day-to-day administration of the plans
 - Interact with plan participants
 - Review of plan communications and education strategies
 - Record-keeper/custodian:
 - Responsible for holding and investing the plan's assets
 - Maintains participant level and plan level records
 - Update participant account balances
 - Provides on-line and telephonic support for participants to make changes to their accounts
 - Administer plan contributions, withdrawals and distributions
-

SDP Investment Information



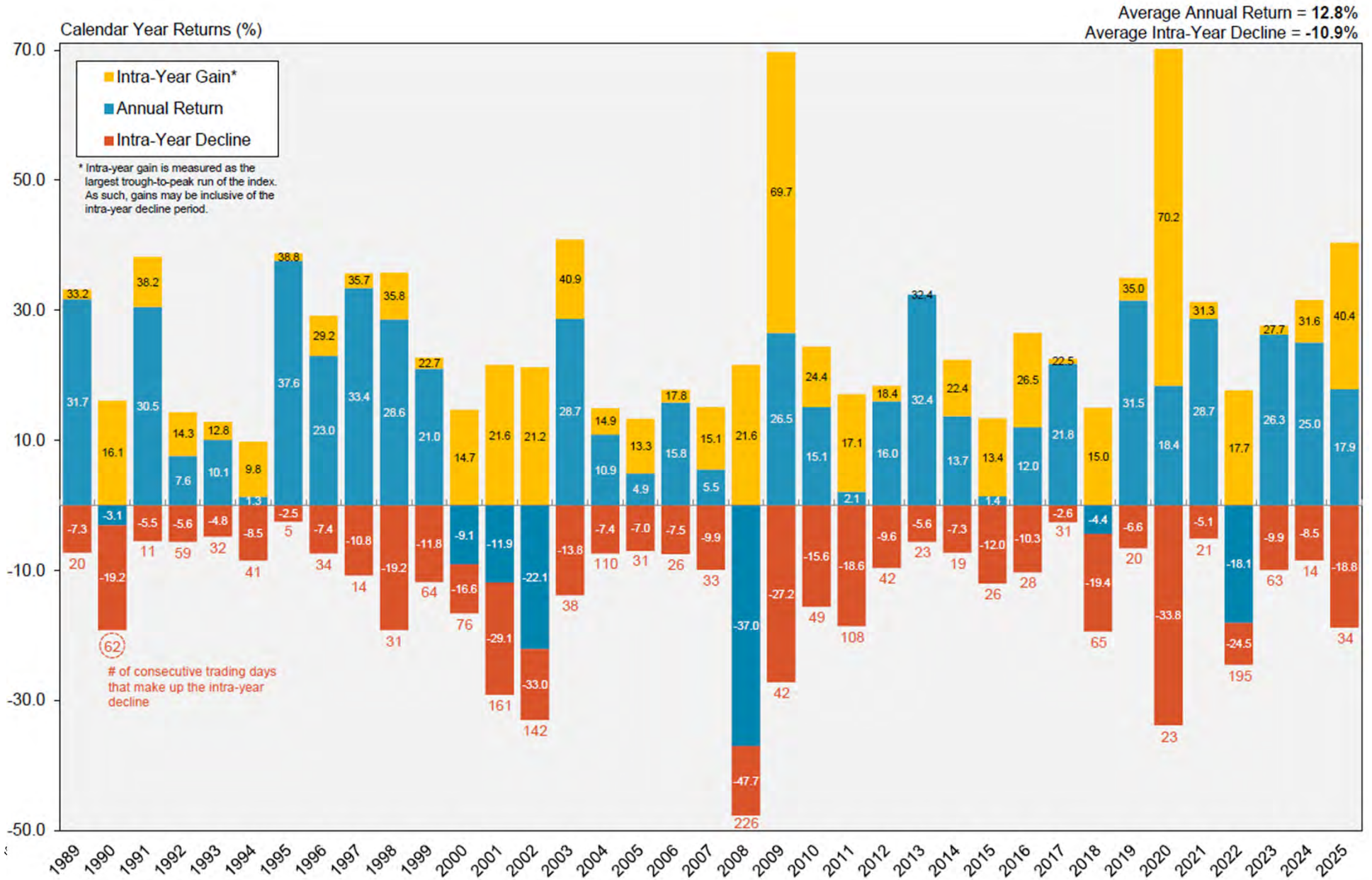
S&P 500 Total Return Index History

Drawdowns of Greater Than 5% Since Index Pre-Crisis Peak



S&P 500 Total Return Index

Calendar Intra-Year Gains. Intra-Year Declines, and Annual Returns



Performance through February 28, 2026

Comparative Performance

	MTH	QTR	YTD	1 YR	2 YR	3 YR	4 YR	5 YR	7 YR	10 YR
International Equity										
Vanguard Emerging Mkts Select Stock (VMMSX)	4.38 (70)	17.08 (60)	14.54 (55)	49.93 (49)	28.83 (27)	21.20 (41)	11.69 (33)	6.84 (35)	9.47 (41)	11.52 (22)
FTSE Emerging Index (Net)	2.50 (95)	10.03 (91)	8.34 (94)	34.94 (88)	23.55 (69)	18.40 (73)	9.28 (69)	5.67 (53)	8.30 (64)	10.16 (53)
Diversified Emerging Mkts Median	5.49	17.91	14.92	49.51	26.78	20.51	10.64	5.80	8.88	10.23
Fidelity International Small Cap Opp (FSCOX)	3.78 (58)	9.15 (50)	6.92 (64)	29.12 (45)	17.76 (41)	15.57 (31)	8.43 (15)	7.12 (10)	9.72 (20)	9.96 (15)
MSCI AC World ex USA Small Cap (Net)	5.26 (29)	14.23 (24)	12.03 (25)	44.45 (16)	22.79 (18)	18.34 (14)	10.61 (10)	8.63 (4)	10.31 (14)	10.21 (10)
Foreign Small/Mid Growth Median	3.99	9.14	8.57	26.19	14.29	12.41	5.55	2.97	6.67	7.77
American Funds EuroPacific Growth (RERGX)	2.07 (88)	10.64 (69)	7.69 (74)	31.64 (61)	18.72 (64)	17.34 (57)	10.27 (63)	6.01 (79)	9.92 (59)	10.27 (40)
MSCI AC World ex USA (Net)	5.02 (35)	14.64 (29)	11.30 (32)	39.71 (31)	23.77 (33)	19.90 (34)	12.46 (41)	9.76 (46)	10.38 (49)	10.48 (34)
Foreign Median	4.47	12.86	9.92	33.91	21.13	18.28	11.56	9.41	10.30	9.96
Spartan Total International Index Pool C	5.26 (24)	14.27 (27)	11.21 (30)	39.85 (24)	23.53 (29)	19.73 (36)	12.34 (47)	N/A	N/A	N/A
MSCI AC World ex USA IMI (Net)	5.05 (30)	14.58 (22)	11.40 (24)	40.36 (19)	23.64 (28)	19.68 (36)	12.20 (50)	9.61 (53)	10.37 (56)	10.44 (38)
Foreign Large Blend Median	4.54	12.95	10.00	34.04	21.66	18.73	12.17	9.75	10.51	10.09
American Funds New Perspective (RNPGX)	0.11 (83)	3.61 (77)	2.67 (79)	20.75 (66)	17.71 (38)	19.91 (33)	11.65 (47)	9.67 (64)	14.04 (7)	14.34 (2)
MSCI AC World Index (Net)	1.29 (56)	5.38 (50)	4.29 (52)	24.19 (33)	19.54 (23)	20.73 (19)	12.72 (24)	11.72 (24)	13.02 (27)	12.97 (20)
Global Large-Stock Blend Median	1.46	5.35	4.32	22.23	16.78	18.29	11.37	10.65	11.81	11.91
Domestic Equity										
Hood River Small Cap Growth (HRSIX)	3.07 (14)	11.01 (3)	11.23 (3)	47.86 (2)	31.58 (1)	28.53 (1)	17.34 (2)	12.41 (2)	18.94 (2)	18.87 (2)
Russell 2000 Growth Index	-0.24 (74)	2.40 (58)	3.72 (67)	21.88 (29)	13.57 (27)	13.77 (32)	7.91 (27)	2.30 (50)	8.47 (50)	11.32 (59)
Small Growth Median	1.01	3.33	5.03	17.52	10.64	11.51	5.55	2.29	8.44	11.90
American Beacon Small Cap Value CIT	3.69 (21)	12.27 (13)	11.45 (14)	19.87 (36)	12.36 (50)	10.44 (51)	8.32 (34)	8.91 (39)	9.66 (42)	10.42 (50)
Russell 2000 Value Index	1.93 (67)	9.12 (58)	8.92 (46)	24.95 (16)	15.94 (18)	12.39 (26)	7.93 (40)	7.67 (63)	9.20 (52)	10.90 (35)
Small Value Median	2.56	9.37	8.75	18.38	12.32	10.48	7.51	8.27	9.28	10.41
JPMorgan Mid Cap Growth R6 (JMGMX)	0.48 (60)	-1.15 (62)	0.48 (62)	9.86 (45)	7.90 (54)	13.09 (49)	6.62 (40)	3.75 (41)	11.69 (18)	13.67 (14)
Russell Midcap Growth Index	0.79 (51)	-1.43 (70)	-0.09 (69)	8.22 (56)	11.34 (33)	15.73 (25)	9.18 (15)	6.34 (18)	11.52 (20)	13.19 (24)
Mid-Cap Growth Median	0.80	-0.29	1.64	9.02	8.49	12.84	5.69	3.22	9.73	12.00
JHancock Disciplined Value Mid Cap (JVMRX)	3.74 (56)	6.97 (75)	8.16 (51)	17.94 (40)	13.02 (53)	13.71 (34)	9.99 (30)	11.30 (29)	11.99 (18)	12.17 (20)
Russell Midcap Value Index	4.72 (28)	9.27 (42)	9.21 (38)	19.33 (30)	15.44 (27)	13.89 (32)	9.29 (41)	10.17 (53)	10.76 (43)	11.30 (40)
Mid-Cap Value Median	3.88	8.86	8.19	16.47	13.29	12.27	8.86	10.25	10.33	10.76
Fidelity Growth Company K6 (FGKFX)	-0.84 (12)	3.12 (6)	2.00 (8)	32.44 (2)	25.41 (3)	33.80 (3)	19.65 (1)	15.66 (3)	N/A	N/A
Russell 1000 Growth Index	-3.36 (55)	-5.41 (60)	-4.82 (61)	14.78 (30)	17.24 (24)	26.11 (25)	14.82 (16)	14.36 (9)	18.33 (9)	18.23 (12)
Large Growth Median	-3.25	-4.87	-4.25	11.94	14.22	23.84	12.12	10.55	15.01	15.85
Spartan Total Market Index Pool C	-0.55 (50)	0.99 (46)	1.00 (48)	16.92 (32)	17.22 (33)	20.89 (41)	12.85 (44)	12.66 (53)	14.78 (43)	N/A
Russell 3000 Index	-0.48 (44)	1.05 (44)	1.07 (45)	17.02 (29)	17.27 (31)	20.93 (40)	12.92 (42)	12.80 (50)	14.88 (38)	15.08 (28)
Large Blend Median	-0.57	0.76	0.83	15.94	15.96	20.19	12.52	12.75	14.46	14.40

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Performance through February 28, 2026

	MTH	QTR	YTD	1 YR	2 YR	3 YR	4 YR	5 YR	7 YR	10 YR
American Beacon Large Cap Value CIT	2.45 (51)	6.81 (62)	4.72 (79)	14.65 (76)	N/A	N/A	N/A	N/A	N/A	N/A
American Beacon Large Cap Value R6	2.51 (48)	6.94 (59)	4.83 (78)	14.83 (74)	15.30 (67)	15.43 (52)	11.12 (43)	12.22 (47)	12.27 (38)	12.66 (30)
Russell 1000 Value Index	2.59 (44)	8.00 (35)	7.28 (32)	18.36 (34)	17.05 (35)	16.03 (40)	11.00 (47)	11.79 (59)	11.52 (55)	11.90 (52)
Large Value Median	2.46	7.33	6.40	17.05	16.28	15.49	10.87	12.08	11.68	11.95
Target Date Funds										
Vanguard Trgt Retire Trust II 2070	1.83 (46)	5.88 (48)	4.88 (54)	24.13 (28)	18.60 (24)	19.14 (31)	N/A	N/A	N/A	N/A
Vanguard Target 2070 Composite Index	1.76 (54)	6.06 (42)	4.95 (50)	24.47 (23)	18.80 (19)	19.29 (26)	N/A	N/A	N/A	N/A
Target-Date 2065+ Median	1.78	5.83	4.94	23.03	17.65	18.48	11.22	10.17	N/A	N/A
Vanguard Trgt Retire Trust II 2065	1.83 (46)	5.88 (48)	4.91 (53)	24.14 (28)	18.61 (24)	19.13 (31)	11.74 (28)	10.61 (31)	12.18 (N/A)	N/A
Vanguard Target 2065 Composite Index	1.76 (54)	6.06 (42)	4.95 (50)	24.47 (23)	18.80 (19)	19.29 (26)	11.95 (18)	10.84 (22)	12.48 (N/A)	N/A
Target-Date 2065+ Median	1.78	5.83	4.94	23.03	17.65	18.48	11.22	10.17	N/A	N/A
Vanguard Trgt Retire Trust II 2060	1.84 (45)	5.91 (47)	4.92 (52)	24.18 (27)	18.65 (23)	19.15 (31)	11.74 (27)	10.63 (31)	12.20 (N/A)	12.29 (N/A)
Vanguard Target 2060 Composite Index	1.76 (54)	6.06 (42)	4.95 (50)	24.47 (23)	18.80 (19)	19.29 (26)	11.95 (18)	10.84 (22)	12.48 (N/A)	12.53 (N/A)
Target-Date 2065+ Median	1.78	5.83	4.94	23.03	17.65	18.48	11.22	10.17	N/A	N/A
Vanguard Trgt Retire Trust II 2055	1.84 (44)	5.90 (45)	4.92 (51)	24.18 (16)	18.63 (18)	19.15 (27)	11.73 (20)	10.62 (23)	12.18 (23)	12.27 (20)
Vanguard Target 2055 Composite Index	1.76 (49)	6.06 (41)	4.95 (49)	24.47 (14)	18.80 (15)	19.29 (22)	11.95 (15)	10.84 (15)	12.48 (11)	12.53 (12)
Target-Date 2055 Median	1.75	5.79	4.93	22.33	17.59	18.40	11.08	10.05	11.59	11.75
Vanguard Trgt Retire Trust II 2050	1.83 (48)	5.85 (43)	4.88 (50)	24.09 (12)	18.61 (11)	19.13 (21)	11.71 (17)	10.61 (18)	12.17 (19)	12.27 (18)
Vanguard Target 2050 Composite Index	1.76 (51)	6.01 (40)	4.93 (47)	24.41 (12)	18.77 (9)	19.27 (17)	11.94 (10)	10.83 (9)	12.47 (7)	12.52 (10)
Target-Date 2050 Median	1.76	5.70	4.88	21.91	17.38	18.21	10.93	9.90	11.53	11.70
Vanguard Trgt Retire Trust II 2045	1.81 (50)	5.49 (50)	4.62 (55)	22.41 (21)	17.52 (23)	18.10 (36)	10.97 (34)	10.00 (32)	11.70 (29)	11.93 (23)
Vanguard Target 2045 Composite Index	1.75 (52)	5.64 (43)	4.67 (54)	22.63 (20)	17.66 (20)	18.22 (31)	11.18 (25)	10.20 (18)	11.99 (17)	12.18 (14)
Target-Date 2045 Median	1.80	5.47	4.73	21.20	16.93	17.55	10.51	9.64	11.29	11.45
Vanguard Trgt Retire Trust II 2040	1.79 (51)	5.14 (45)	4.36 (56)	20.91 (22)	16.49 (25)	16.98 (34)	10.13 (36)	9.18 (36)	10.89 (32)	11.29 (31)
Vanguard Target 2040 Composite Index	1.73 (55)	5.26 (40)	4.40 (55)	21.10 (21)	16.59 (22)	17.07 (31)	10.34 (27)	9.38 (27)	11.17 (26)	11.53 (20)
Target-Date 2040 Median	1.81	5.07	4.47	19.58	15.79	16.48	9.64	8.94	10.65	10.94
Vanguard Trgt Retire Trust II 2035	1.76 (44)	4.76 (34)	4.08 (43)	19.37 (12)	15.41 (10)	15.80 (16)	9.27 (15)	8.34 (17)	10.07 (24)	10.45 (28)
Vanguard Target 2035 Composite Index	1.70 (50)	4.86 (30)	4.11 (40)	19.54 (10)	15.51 (9)	15.90 (13)	9.48 (9)	8.54 (9)	10.35 (16)	10.69 (17)
Target-Date 2035 Median	1.68	4.38	3.97	17.27	14.22	14.79	8.45	7.79	9.63	10.03
Vanguard Trgt Retire Trust II 2030	1.72 (40)	4.37 (29)	3.80 (33)	17.78 (10)	14.32 (6)	14.61 (4)	8.39 (3)	7.49 (6)	9.23 (11)	9.60 (20)
Vanguard Target 2030 Composite Index	1.68 (43)	4.48 (27)	3.84 (32)	17.98 (9)	14.43 (4)	14.73 (1)	8.62 (1)	7.70 (4)	9.51 (3)	9.85 (9)
Target-Date 2030 Median	1.62	3.83	3.54	15.15	12.73	13.07	7.21	6.59	8.49	8.94
Vanguard Trgt Retire Trust II 2025	1.60 (60)	3.83 (43)	3.37 (53)	15.70 (19)	12.93 (12)	13.14 (10)	7.36 (5)	6.55 (10)	8.31 (15)	8.70 (19)
Vanguard Target 2025 Composite Index	1.56 (66)	3.91 (39)	3.40 (52)	15.85 (18)	13.02 (11)	13.25 (8)	7.57 (1)	6.74 (6)	8.58 (3)	8.93 (5)
Target-Date 2025 Median	1.64	3.63	3.42	14.12	11.96	11.85	6.46	5.86	7.67	8.16

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Performance through February 28, 2026

	MTH	QTR	YTD	1 YR	2 YR	3 YR	4 YR	5 YR	7 YR	10 YR
Vanguard Trgt Retire Trust II 2020	1.48 (75)	3.13 (83)	2.83 (85)	12.71 (73)	10.92 (67)	11.05 (53)	5.95 (51)	5.32 (56)	7.08 (51)	7.53 (51)
Vanguard Target 2020 Composite Index	1.45 (75)	3.18 (83)	2.84 (84)	12.84 (70)	10.99 (65)	11.15 (51)	6.13 (38)	5.50 (41)	7.32 (33)	7.74 (31)
Target-Date 2020 Median	1.74	3.72	3.51	13.64	11.53	11.23	5.96	5.37	7.09	7.57
Vanguard Trgt Retire Trust II Inc	1.44 (54)	2.90 (60)	2.67 (64)	11.73 (28)	10.08 (38)	9.88 (42)	5.18 (41)	4.46 (42)	5.82 (35)	5.70 (42)
Vanguard Target Income Composite Index	1.43 (55)	2.97 (54)	2.70 (61)	11.86 (25)	10.16 (34)	9.99 (39)	5.33 (34)	4.61 (32)	6.03 (24)	5.88 (34)
Target-Date Retirement Median	1.47	3.00	2.82	10.88	9.73	9.59	5.05	4.32	5.47	5.48
Fixed Income										
Mackay Shields High Yield CIT	0.31 (27)	1.39 (41)	0.75 (41)	6.33 (66)	7.66 (64)	8.74 (44)	5.55 (22)	4.79 (21)	5.71 (12)	N/A
ICE BofA U.S. High Yield Index	0.16 (55)	1.30 (51)	0.65 (53)	7.02 (42)	8.53 (24)	9.34 (20)	5.42 (30)	4.48 (33)	5.27 (26)	6.64 (14)
High Yield Bond Median	0.19	1.31	0.68	6.80	7.97	8.61	5.01	4.15	4.75	5.76
Pimco Global Bond (PGBIX)	0.60 (90)	1.37 (91)	1.00 (98)	8.11 (65)	7.87 (14)	7.13 (20)	4.45 (8)	3.19 (3)	3.94 (3)	3.84 (2)
Bloomberg Global Aggregate	1.12 (38)	2.33 (52)	2.06 (43)	8.23 (62)	5.57 (58)	4.74 (66)	-0.18 (69)	-1.23 (58)	0.81 (62)	1.16 (72)
Bloomberg Global Agg Index (Hedged)	1.41 (16)	1.43 (90)	1.65 (78)	4.92 (95)	5.45 (63)	5.46 (41)	1.93 (35)	1.09 (31)	2.24 (24)	2.31 (33)
Global Bond Median	0.99	2.35	1.91	8.58	5.74	5.07	0.50	-0.92	1.06	1.65
Dodge & Cox Income (DOXIX)	1.78 (11)	2.00 (4)	2.18 (4)	7.54 (2)	7.19 (2)	6.46 (2)	3.03 (2)	1.86 (2)	3.50 (1)	3.60 (1)
Blmbg. U.S. Aggregate Index	1.64 (28)	1.60 (43)	1.75 (69)	6.26 (43)	6.03 (49)	5.12 (46)	1.20 (47)	0.42 (45)	2.09 (52)	1.97 (57)
Intermediate Core Bond Median	1.57	1.57	1.81	6.20	6.02	5.10	1.18	0.39	2.10	2.03
Fidelity US Bond Index (FXNAX)	1.62 (36)	1.57 (48)	1.85 (38)	6.20 (50)	6.00 (53)	5.09 (52)	1.19 (49)	0.39 (51)	2.08 (54)	1.93 (63)
Blmbg. U.S. Aggregate Index	1.64 (28)	1.60 (43)	1.75 (69)	6.26 (43)	6.03 (49)	5.12 (46)	1.20 (47)	0.42 (45)	2.09 (52)	1.97 (57)
Intermediate Core Bond Median	1.57	1.57	1.81	6.20	6.02	5.10	1.18	0.39	2.10	2.03
Cash										
T. Rowe Price Stable Value	0.21 (N/A)	0.69 (N/A)	0.45 (N/A)	2.77 (N/A)	2.74 (N/A)	2.66 (N/A)	2.44 (N/A)	2.30 (N/A)	2.24 (N/A)	2.15 (N/A)
Morningstar US CIT Stable Value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
IM U.S. GIC/Stable Value (SA+CF) Median	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fidelity Money Market Government (FRGXX)	0.28 (8)	0.89 (22)	0.60 (2)	4.14 (3)	4.58 (5)	4.80 (5)	4.15 (6)	3.31 (6)	2.66 (6)	2.18 (4)
90 Day U.S. Treasury Bill	0.27 (30)	0.91 (7)	0.56 (46)	4.04 (25)	4.57 (7)	4.79 (7)	4.11 (17)	3.28 (15)	2.71 (2)	2.23 (1)
Money Market-Taxable Median	0.26	0.86	0.55	3.92	4.37	4.58	3.93	3.12	2.49	1.95

Performance through December 31, 2025

	QTR		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
International Equity														
Vanguard Emerging Mkts Select Stock (VMMSX)	4.64	(47)	35.66	(23)	35.66	(23)	16.68	(41)	5.12	(33)	8.80	(38)	9.31	(21)
FTSE Emerging Index (Net)	1.79	(89)	26.01	(80)	26.01	(80)	15.43	(60)	4.89	(35)	8.37	(47)	8.56	(38)
Diversified Emerging Mkts Median	4.46		31.79		31.79		16.03		3.93		8.23		8.01	
Fidelity International Small Cap Opp (FSCOX)	1.53	(24)	25.08	(37)	25.08	(37)	15.06	(13)	4.97	(10)	10.15	(14)	8.54	(13)
MSCI AC World ex USA Small Cap (Net)	2.96	(11)	29.26	(20)	29.26	(20)	15.61	(11)	6.91	(2)	10.03	(15)	8.13	(20)
Foreign Small/Mid Growth Median	-0.77		17.17		17.17		11.22		1.18		7.17		6.22	
American Funds EuroPacific Growth (RERGX)	4.62	(38)	29.18	(54)	29.18	(54)	16.34	(52)	4.59	(78)	10.39	(48)	8.46	(36)
MSCI AC World ex USA (Net)	5.05	(30)	32.39	(38)	32.39	(38)	17.33	(39)	7.91	(47)	10.15	(55)	8.41	(37)
Foreign Median	4.02		29.95		29.95		16.45		7.64		10.27		8.03	
Spartan Total International Index Pool C	4.54	(44)	32.36	(38)	32.36	(38)	17.11	(47)	N/A		N/A		N/A	
MSCI AC World ex USA IMI (Net)	4.76	(35)	31.96	(42)	31.96	(42)	17.10	(48)	7.77	(57)	10.13	(63)	8.37	(39)
Foreign Large Blend Median	4.36		31.18		31.18		16.98		8.06		10.46		8.12	
American Funds New Perspective (RNPGX)	2.49	(64)	21.62	(37)	21.62	(37)	21.22	(15)	9.37	(59)	15.44	(5)	13.05	(2)
MSCI AC World Index (Net)	3.29	(37)	22.34	(31)	22.34	(31)	20.65	(22)	11.19	(25)	14.00	(25)	11.72	(17)
Global Large-Stock Blend Median	3.03		20.53		20.53		18.04		10.01		12.74		10.61	
Domestic Equity														
Hood River Small Cap Growth (HRSIX)	5.25	(10)	23.90	(4)	23.90	(4)	26.92	(1)	12.79	(2)	20.29	(1)	16.63	(2)
Russell 2000 Growth Index	1.22	(64)	13.01	(22)	13.01	(22)	15.59	(26)	3.18	(45)	10.59	(51)	9.57	(61)
Small Growth Median	1.87		8.86		8.86		12.63		2.68		10.63		10.11	
American Beacon Small Cap Value CIT	2.46	(38)	5.02	(59)	5.02	(59)	9.51	(64)	9.23	(52)	10.35	(50)	8.69	(56)
Russell 2000 Value Index	3.26	(25)	12.59	(13)	12.59	(13)	11.73	(29)	8.88	(58)	10.09	(56)	9.27	(36)
Small Value Median	1.82		6.76		6.76		10.43		9.32		10.32		8.84	
JPMorgan Mid Cap Growth R6 (JMG MX)	-2.98	(52)	8.78	(32)	8.78	(32)	15.41	(40)	4.50	(35)	14.56	(12)	12.35	(15)
Russell Midcap Growth Index	-3.70	(67)	8.66	(33)	8.66	(33)	18.64	(17)	6.65	(17)	14.20	(17)	12.49	(13)
Mid-Cap Growth Median	-2.94		6.00		6.00		14.37		3.62		11.92		10.77	
JHancock Disciplined Value Mid Cap (JV MRX)	-0.57	(92)	11.39	(37)	11.39	(37)	12.83	(25)	11.17	(29)	12.95	(19)	10.33	(26)
Russell Midcap Value Index	1.42	(63)	11.05	(40)	11.05	(40)	12.27	(33)	9.83	(57)	11.41	(46)	9.78	(40)
Mid-Cap Value Median	2.02		9.92		9.92		11.23		10.08		11.18		9.29	
Fidelity Growth Company K6 (FGKFX)	5.01	(2)	26.42	(4)	26.42	(4)	36.70	(6)	16.01	(4)	N/A		N/A	
Russell 1000 Growth Index	1.12	(45)	18.56	(24)	18.56	(24)	31.15	(26)	15.32	(7)	21.25	(9)	18.13	(8)
Large Growth Median	0.89		15.63		15.63		28.28		11.50		17.81		15.42	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Performance through December 31, 2025

	QTR		YTD		1 YR		3 YR		5 YR		7 YR		10 YR
Spartan Total Market Index Pool C	2.35	(55)	17.06	(42)	17.06	(42)	22.27	(39)	13.07	(51)	16.55	(41)	N/A
Russell 3000 Index	2.40	(51)	17.15	(40)	17.15	(40)	22.25	(39)	13.15	(49)	16.64	(37)	14.29 (28)
Large Blend Median	2.42		16.43		16.43		21.48		13.09		16.10		13.60
American Beacon Large Cap Value CIT	2.87	(57)	14.47	(62)	14.47	(62)	N/A		N/A		N/A		N/A
American Beacon Large Cap Value R6	2.99	(55)	14.53	(61)	14.53	(61)	14.42	(38)	12.68	(30)	13.56	(25)	11.28 (31)
Russell 1000 Value Index	3.81	(38)	15.91	(44)	15.91	(44)	13.90	(46)	11.33	(59)	12.10	(55)	10.53 (55)
Large Value Median	3.25		15.46		15.46		13.63		11.73		12.30		10.64
Target Date Funds													
Vanguard Trgt Retire Trust II 2070	3.05	(40)	21.50	(20)	21.50	(20)	18.75	(32)	N/A		N/A		N/A
Vanguard Target 2070 Composite Index	3.21	(20)	21.49	(20)	21.49	(20)	18.93	(25)	N/A		N/A		N/A
Target-Date 2065+ Median	2.98		20.38		20.38		18.13		9.65		N/A		N/A
Vanguard Trgt Retire Trust II 2065	3.05	(41)	21.50	(20)	21.50	(20)	18.74	(32)	10.02	(34)	12.97	(N/A)	N/A
Vanguard Target 2065 Composite Index	3.21	(20)	21.49	(20)	21.49	(20)	18.93	(25)	10.25	(27)	13.27	(N/A)	N/A
Target-Date 2065+ Median	2.98		20.38		20.38		18.13		9.65		N/A		N/A
Vanguard Trgt Retire Trust II 2060	3.06	(36)	21.53	(13)	21.53	(13)	18.76	(30)	10.03	(28)	12.98	(26)	11.10 (23)
Vanguard Target 2060 Composite Index	3.21	(21)	21.49	(13)	21.49	(13)	18.93	(23)	10.25	(20)	13.27	(13)	11.34 (13)
Target-Date 2060 Median	2.94		19.94		19.94		18.04		9.56		12.46		10.70
Vanguard Trgt Retire Trust II 2055	3.06	(33)	21.50	(13)	21.50	(13)	18.75	(29)	10.02	(25)	12.96	(25)	11.09 (18)
Vanguard Target 2055 Composite Index	3.21	(20)	21.49	(13)	21.49	(13)	18.93	(21)	10.25	(17)	13.27	(9)	11.34 (11)
Target-Date 2055 Median	2.94		19.89		19.89		17.96		9.53		12.43		10.52
Vanguard Trgt Retire Trust II 2050	3.04	(31)	21.47	(12)	21.47	(12)	18.75	(22)	10.02	(20)	12.96	(23)	11.09 (16)
Vanguard Target 2050 Composite Index	3.19	(18)	21.47	(12)	21.47	(12)	18.92	(15)	10.24	(11)	13.27	(6)	11.34 (8)
Target-Date 2050 Median	2.86		19.53		19.53		17.92		9.43		12.36		10.45
Vanguard Trgt Retire Trust II 2045	2.86	(39)	20.06	(25)	20.06	(25)	17.77	(36)	9.45	(35)	12.53	(28)	10.79 (22)
Vanguard Target 2045 Composite Index	3.00	(28)	20.00	(25)	20.00	(25)	17.92	(32)	9.66	(20)	12.82	(17)	11.03 (13)
Target-Date 2045 Median	2.76		18.75		18.75		17.33		9.18		12.15		10.29
Vanguard Trgt Retire Trust II 2040	2.69	(37)	18.84	(26)	18.84	(26)	16.64	(37)	8.61	(40)	11.67	(34)	10.19 (27)
Vanguard Target 2040 Composite Index	2.81	(25)	18.77	(27)	18.77	(27)	16.76	(33)	8.82	(29)	11.95	(25)	10.42 (19)
Target-Date 2040 Median	2.58		17.55		17.55		16.21		8.47		11.45		9.82
Vanguard Trgt Retire Trust II 2035	2.50	(19)	17.58	(12)	17.58	(12)	15.47	(17)	7.76	(21)	10.78	(26)	9.47 (23)
Vanguard Target 2035 Composite Index	2.62	(11)	17.54	(14)	17.54	(14)	15.59	(12)	7.97	(14)	11.06	(16)	9.70 (15)
Target-Date 2035 Median	2.31		15.98		15.98		14.59		7.31		10.41		9.01
Vanguard Trgt Retire Trust II 2030	2.31	(15)	16.31	(10)	16.31	(10)	14.30	(2)	6.89	(8)	9.85	(11)	8.72 (15)
Vanguard Target 2030 Composite Index	2.43	(6)	16.28	(10)	16.28	(10)	14.42	(1)	7.11	(5)	10.15	(2)	8.96 (7)
Target-Date 2030 Median	2.04		14.45		14.45		12.90		6.08		9.16		8.07

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Performance through December 31, 2025

	QTR		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Vanguard Trgt Retire Trust II 2025	2.03	(26)	14.67	(23)	14.67	(23)	12.87	(5)	5.97	(12)	8.88	(11)	7.95	(12)
Vanguard Target 2025 Composite Index	2.13	(13)	14.65	(23)	14.65	(23)	12.98	(3)	6.17	(6)	9.17	(2)	8.17	(2)
Target-Date 2025 Median	1.92		13.33		13.33		11.53		5.33		8.26		7.35	
Vanguard Trgt Retire Trust II 2020	1.66	(75)	12.20	(73)	12.20	(73)	10.81	(48)	4.81	(50)	7.59	(49)	6.92	(44)
Vanguard Target 2020 Composite Index	1.74	(66)	12.22	(73)	12.22	(73)	10.91	(45)	4.98	(38)	7.84	(27)	7.13	(23)
Target-Date 2020 Median	1.83		12.87		12.87		10.79		4.80		7.55		6.87	
Vanguard Trgt Retire Trust II Inc	1.54	(42)	11.33	(30)	11.33	(30)	9.53	(46)	3.84	(45)	6.02	(38)	5.36	(36)
Vanguard Target Income Composite Index	1.61	(36)	11.37	(29)	11.37	(29)	9.62	(41)	3.99	(38)	6.23	(28)	5.53	(27)
Target-Date Retirement Median	1.44		10.50		10.50		9.35		3.76		5.76		5.02	
Fixed Income														
MacKay Shields High Yield CIT	1.46	(37)	7.53	(67)	7.53	(67)	9.18	(52)	4.88	(21)	6.40	(14)	N/A	
ICE BofA U.S. High Yield Index	1.35	(50)	8.50	(34)	8.50	(34)	10.03	(18)	4.50	(35)	6.10	(23)	6.45	(12)
High Yield Bond Median	1.34		8.07		8.07		9.20		4.13		5.52		5.55	
Pimco Global Bond (PGBIX)	2.14	(11)	9.29	(43)	9.29	(43)	7.09	(15)	2.95	(2)	4.10	(3)	3.86	(2)
Bloomberg Global Aggregate	0.24	(65)	8.17	(69)	8.17	(69)	3.98	(66)	-2.15	(56)	0.65	(66)	1.26	(67)
Bloomberg Global Agg Index (Hedged)	0.78	(22)	4.86	(92)	4.86	(92)	5.12	(31)	0.34	(31)	2.17	(25)	2.39	(25)
Global Bond Median	0.34		8.93		8.93		4.43		-1.97		0.99		1.60	
Dodge & Cox Income (DOXIX)	1.30	(4)	8.39	(3)	8.39	(3)	6.13	(3)	1.11	(2)	3.47	(1)	3.38	(1)
Blmbg. U.S. Aggregate Index	1.10	(23)	7.30	(36)	7.30	(36)	4.66	(56)	-0.36	(45)	1.99	(52)	2.01	(51)
Intermediate Core Bond Median	0.99		7.14		7.14		4.70		-0.41		2.01		2.01	
Fidelity US Bond Index (FXNAX)	1.02	(39)	7.13	(52)	7.13	(52)	4.64	(58)	-0.43	(55)	1.95	(57)	1.96	(58)
Blmbg. U.S. Aggregate Index	1.10	(23)	7.30	(36)	7.30	(36)	4.66	(56)	-0.36	(45)	1.99	(52)	2.01	(51)
Intermediate Core Bond Median	0.99		7.14		7.14		4.70		-0.41		2.01		2.01	
Cash														
T. Rowe Price Stable Value	0.70	(56)	2.74	(57)	2.74	(57)	2.62	(57)	2.26	(40)	2.22	(50)	2.13	(41)
Morningstar US CIT Stable Value	0.79	(31)	3.10	(28)	3.10	(28)	2.99	(25)	2.52	(19)	2.48	(17)	2.33	(19)
IM U.S. GIC/Stable Value (SA+CF) Median	0.71		2.79		2.79		2.66		2.18		2.20		2.10	
Fidelity Money Market Government (FRGXX)	0.99	(8)	4.24	(5)	4.24	(5)	4.84	(5)	3.19	(8)	2.63	(6)	2.12	(4)
90 Day U.S. Treasury Bill	0.97	(20)	4.18	(20)	4.18	(20)	4.81	(10)	3.17	(12)	2.68	(2)	2.17	(1)
Money Market-Taxable Median	0.94		4.04		4.04		4.62		3.01		2.46		1.90	

Fund Expense Comparison as of 12/31/2025

Weighted Fee and Revenue Sharing Evaluation

	Ticker	Market Value	Net Expense Ratio	Net Expense Ratio Weighted Fee	Revenue Sharing	Administrative Fee \$	Category Median*	Ranking
Vanguard Emerg Mkts Sel Stk Inv	VMMSX	\$7,729,273	0.75%	\$57,970	0.00%	\$0	1.15%	19
Fidelity International Small Cap Opp	FSCOX	\$2,529,298	0.96%	\$24,281	0.00%	\$0	1.25%	33
American Funds Europacific Growth	RERGX	\$8,307,435	0.47%	\$39,045	0.00%	\$0	0.75%	10
Spartan Total International Index Pool C		\$18,550,388	0.05%	\$8,348	0.00%	\$0	0.90%	2
American Funds New Perspective	RNPGX	\$8,354,082	0.41%	\$34,252	0.00%	\$0	0.75%	9
Hood River Small Cap Growth	HRSIX	\$11,835,601	0.99%	\$117,172	0.00%	\$0	0.84%	33
American Beacon Small Cap Value CIT		\$7,656,801	0.73%	\$55,895	0.00%	\$0	#N/A	17
JPMorgan Mid Cap Growth R6	JMGMX	\$15,691,753	0.65%	\$101,996	0.00%	\$0	0.76%	15
JHancock Disciplined Value Mid Cap	JVMRX	\$14,379,949	0.75%	\$107,850	0.00%	\$0	0.76%	18
Fidelity Growth Company	FGKFX	\$133,153,537	0.45%	\$599,191	0.00%	\$0	0.60%	10
Spartan Total Market Index Pool C		\$87,674,353	0.01%	\$8,767	0.00%	\$0	0.79%	2
American Beacon Large Cap Value CIT		\$20,198,251	0.55%	\$111,090	0.00%	\$0	#N/A	33
Vanguard Instl Trgt Retire 2070 Trust II		\$972,036	0.08%	\$729	0.00%	\$0	0.50%	6
Vanguard Instl Trgt Retire 2065 Trust II		\$5,168,322	0.08%	\$3,876	0.00%	\$0	0.50%	6
Vanguard Instl Trgt Retire 2060 Trust II		\$13,098,795	0.08%	\$9,824	0.00%	\$0	0.59%	6
Vanguard Instl Trgt Retire 2055 Trust II		\$24,060,730	0.08%	\$18,046	0.00%	\$0	0.58%	6
Vanguard Instl Trgt Retire 2050 Trust II		\$33,818,668	0.08%	\$25,364	0.00%	\$0	0.58%	6
Vanguard Instl Trgt Retire 2045 Trust II		\$42,072,945	0.08%	\$31,555	0.00%	\$0	0.59%	6
Vanguard Instl Trgt Retire 2040 Trust II		\$59,447,843	0.08%	\$44,586	0.00%	\$0	0.57%	6
Vanguard Instl Trgt Retire 2035 Trust II		\$92,228,016	0.08%	\$69,171	0.00%	\$0	0.53%	6
Vanguard Instl Trgt Retire 2030 Trust II		\$111,957,411	0.08%	\$83,968	0.00%	\$0	0.53%	1
Vanguard Instl Trgt Retire 2025 Trust II		\$69,573,472	0.08%	\$52,180	0.00%	\$0	0.53%	1
Vanguard Instl Trgt Retire 2020 Trust II		\$24,205,122	0.08%	\$18,154	0.00%	\$0	0.48%	1
Vanguard Instl Trgt Retire Inc Trust II		\$26,419,926	0.08%	\$19,815	0.00%	\$0	0.45%	1
MacKay Shields High Yield CIT		\$3,665,278	0.35%	\$12,828	0.00%	\$0	0.78%	16
PIMCO Global Bond	PGBIX	\$828,826	0.71%	\$5,885	0.00%	\$0	0.61%	45
Dodge & Cox Income	DOXIX	\$25,712,472	0.33%	\$84,851	0.00%	\$0	0.55%	14
Fidelity US Bond Index	FXNAX	\$12,123,322	0.03%	\$3,031	0.00%	\$0	0.55%	1
T. Rowe Price Stable Value Common Trust A		\$23,249,777	0.30%	\$69,749	0.00%	\$0	0.25%	13
Fidelity Money Market Government	FRGXX	\$20,534,935	0.14%	\$28,749	0.00%	\$0	0.34%	5
Brokerage Link		\$136,202,458	NA	NA	NA	NA	NA	NA
TOTAL		\$1,061,401,074	0.17%	\$1,848,218	0.00%	\$0		

*Morningstar Mutual fund universes

**All Revenue Sharing is rebated back to the participants that are invested in those options.

Disclosures

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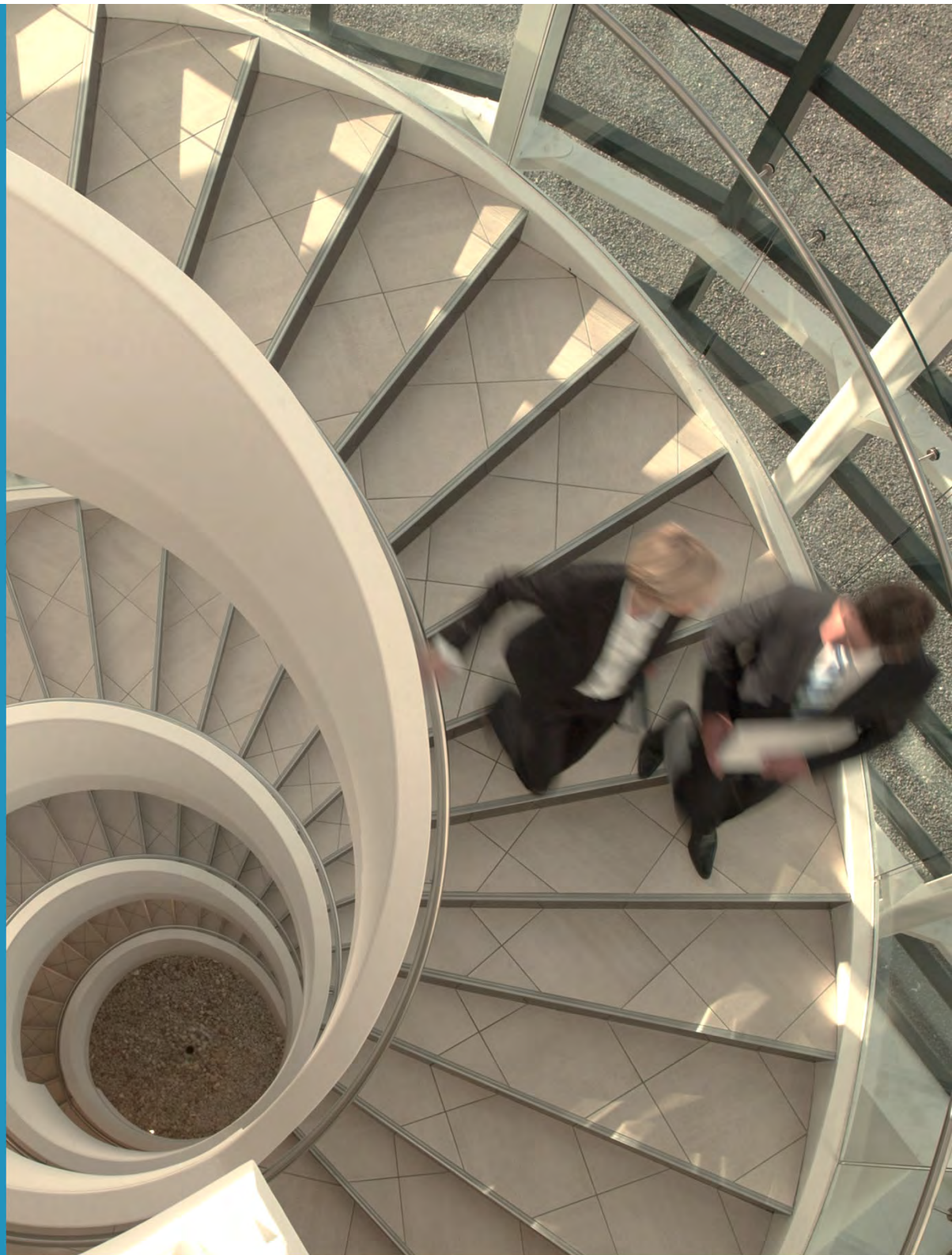
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PRESENTED BY: SUZANNE ROGERS, SVP, MANAGING DIRECTOR
JOHN MERRITT, VP, INVESTMENT STRATEGIST
KEVIN RUPPRECHT, VP, WORKPLACE REGIONAL LEADER
ZACH O'HAYRE, WORKPLACE PLANNING CONSULTANT



April 09, 2026

Fire & Police Pension Association of Colorado Self Directed Plans Board of Directors Meeting



Agenda

- Investment Trends
- Self Directed Plans Summary of Plan Statistics
- How Fidelity Engages FPPA's Members
- Cyber & Digital Readiness



Investment trends



Investment Trends

Your Plan

Plan 72524 as of 12/31/2025

Basic Stats¹

Number of Clients			
Number of Plans			
Average Plan Assets	\$407 M	\$266 M	\$259 M
Average Number of Participants	4,500	3,900	3,500
Average Age of Participants (in years) ²	43	43	43
Average Tenure of Active Participants (in years) ²	7.6	8.1	7.9
Percent Active Participants ²	78%	76%	77%
Median Account Balance ²	\$33,400	\$24,400	\$25,700
Average Account Balance ²	\$90,700	\$68,100	\$74,000
Median Account Balance of Active Participants 55 or older ²	\$96,000	\$81,500	\$92,900
Median Account Balance of Active Participants younger than 55 ²	\$32,500	\$23,300	\$23,700

Equity Share of Assets²

Aggregate Equity Exposure ⁴	80%	77%	77%
Participants with 100% Equity Exposure	7%	7%	8%
Participants with 0% Equity Exposure	1%	1%	1%

Number of Investment Options Utilized¹

Average Number of Options offered (Target Date = 1, Self Directed Brokerage = 1)	20	20	21
Median Number of Options offered	20	20	21
Percent of Plans with greater than 75 Options	No	No	No
Percent of Plans with Non-mutual fund vehicles ⁴ (excluding stable value, company stock, and self-directed brokerage)	Yes	Yes	Yes
Percent of Plan Assets in Non-Mutual Fund Vehicles ² (if utilized, excluding stable value, company stock, and self-directed brokerage)	67%	49%	45%

	2025	2023	2021
	Your Plan	Your Plan	Your Plan
	Dec 2025	Dec 2023	Dec 2021
Number of Clients			
Number of Plans			
Average Plan Assets	\$407 M	\$266 M	\$259 M
Average Number of Participants	4,500	3,900	3,500
Average Age of Participants (in years) ²	43	43	43
Average Tenure of Active Participants (in years) ²	7.6	8.1	7.9
Percent Active Participants ²	78%	76%	77%
Median Account Balance ²	\$33,400	\$24,400	\$25,700
Average Account Balance ²	\$90,700	\$68,100	\$74,000
Median Account Balance of Active Participants 55 or older ²	\$96,000	\$81,500	\$92,900
Median Account Balance of Active Participants younger than 55 ²	\$32,500	\$23,300	\$23,700
Aggregate Equity Exposure ⁴	80%	77%	77%
Participants with 100% Equity Exposure	7%	7%	8%
Participants with 0% Equity Exposure	1%	1%	1%
Average Number of Options offered (Target Date = 1, Self Directed Brokerage = 1)	20	20	21
Median Number of Options offered	20	20	21
Percent of Plans with greater than 75 Options	No	No	No
Percent of Plans with Non-mutual fund vehicles ⁴ (excluding stable value, company stock, and self-directed brokerage)	Yes	Yes	Yes
Percent of Plan Assets in Non-Mutual Fund Vehicles ² (if utilized, excluding stable value, company stock, and self-directed brokerage)	67%	49%	45%

¹ Plan weighted ² Participant weighted ⁴ Asset weighted



Investment Trends

Your Plan

Plan 72524 as of 12/31/2025

	2025	2023	2021
	Your Plan	Your Plan	Your Plan
	Dec 2025	Dec 2023	Dec 2021
Participant Returns (Annualized)^{2,3}			
1-Year Median Return	20.2%	19.8%	15.9%
3-Year Median Return	18.2%	4.3%	18.7%
5-Year Median Return	9.4%	10.5%	12.9%
10-Year Median Return	10.2%	7.1%	10.5%
Participant Risk (Annualized Standard Deviation Of Monthly Returns)^{2,3}			
3-Year Median Risk	10.7%	15.2%	15.1%
5-Year Median Risk	12.9%	16.2%	12.7%
10-Year Median Risk	12.5%	12.3%	10.4%
Participant Returns (Annualized) excluding Company Stock, if any^{2,3}			
Top Decile 5-Year Return excluding Company Stock	11.7%	14.8%	19.6%
Top Quartile 5-Year Return excluding Company Stock	10.0%	11.0%	13.8%
Median 5-Year Return excluding Company Stock	9.4%	10.5%	12.9%
Bottom Quartile 5-Year Return excluding Company Stock	7.8%	8.9%	11.3%
Bottom Decile 5-Year Return excluding Company Stock	6.0%	7.3%	9.3%

¹ Plan weighted ² Participant weighted

³ Past performance is no guarantee of future results. Please see Important Additional Information page for details of Return calculation

Investment Trends

You Plan

Plan 72524 as of 12/31/2025

Money Market / Stable Value¹

Percent of Plans utilizing only Stable Value
 Percent of Plans utilizing only Money Market
 Percent of Plans utilizing Both

Target Date¹

Percent of participants with all assets in a single target date option²
 Percent of Plans with Target Date
 Percent of Plans with Target Date Default
 Percent of Plans utilizing Index Target Date (of plans with target date)
 Percent of Plans utilizing Non-Mutual-Fund Target Date (of plans with target date)

Managed Accounts

Percent of Plans utilizing Managed Accounts¹
 Percent of Participants utilizing Managed Accounts ² (of plans utilizing)

Self-Directed Brokerage

Percent of Plans with Self Directed Brokerage¹ (at least one participant utilizing)
 Percent of Plan Assets in Self Directed Brokerage⁴ (if utilized)

Index Options

Percent of Total Plan Assets in Index Options⁴ (if utilized)
 Median Number of Index Options utilized¹ (if utilized, excl. target date)
 Percent of Index Options utilized that are Non-Mutual Fund¹ (excluding target date)

2025

2023

2021

	Your Plan Dec 2025	Your Plan Dec 2023	Your Plan Dec 2021
Percent of Plans utilizing only Stable Value	No	No	No
Percent of Plans utilizing only Money Market	No	No	No
Percent of Plans utilizing Both	Yes	Yes	Yes
Percent of participants with all assets in a single target date option ²	56%	53%	47%
Percent of Plans with Target Date	Yes	Yes	Yes
Percent of Plans with Target Date Default	Yes	Yes	Yes
Percent of Plans utilizing Index Target Date (of plans with target date)	Yes	Yes	Yes
Percent of Plans utilizing Non-Mutual-Fund Target Date (of plans with target date)	Yes	Yes	Yes
Percent of Plans utilizing Managed Accounts ¹	Yes	Yes	Yes
Percent of Participants utilizing Managed Accounts ² (of plans utilizing)	7%	6%	6%
Percent of Plans with Self Directed Brokerage ¹ (at least one participant utilizing)	Yes	Yes	Yes
Percent of Plan Assets in Self Directed Brokerage ⁴ (if utilized)	8%	5%	4%
Percent of Total Plan Assets in Index Options ⁴ (if utilized)	59%	57%	54%
Median Number of Index Options utilized ¹ (if utilized, excl. target date)	3	3	3
Percent of Index Options utilized that are Non-Mutual Fund ¹ (excluding target date)	67%	0%	0%

¹ Plan weighted ² Participant weighted ⁴ Asset weighted

Investment Trends

Your Plan

Plan 72524 as of 12/31/2025

	2025	2023	2021
	Your Plan Dec 2025	Your Plan Dec 2023	Your Plan Dec 2021
Plan Utilization of Stable Value¹	Yes	Yes	Yes
Plan Utilization of Money Market¹	Yes	Yes	Yes
Plan Utilization of Bonds¹			
Short Government Bonds	No	No	No
Intermediate Government Bonds	No	No	No
Long Government Bonds	No	No	No
Inflation-Protected Bonds	No	No	No
Ultra-Short Bonds	No	No	No
Short-Term Bonds	No	No	No
Intermediate-Term Bonds	Yes	Yes	Yes
Long-Term Bonds	No	No	No
High Yield Bonds	Yes	Yes	Yes
World Bonds	No	No	Yes
Multi-Sector Bonds	No	No	No
Emerging Market Bonds	No	No	No
Unclassified or Other Bonds ⁵	Yes	Yes	No
Plan Utilization of Hybrid / Balanced¹			
Target Date	Yes	Yes	Yes
Other (Balanced, Target Risk, Funds of Funds)	No	No	No

¹ Plan weighted ⁵ The majority of unclassified are institutional products such as commingled pools and separate accounts

Investment Trends

Your Plan

Plan 72524 as of 12/31/2025

	2025	2023	2021
	Your Plan Dec 2025	Your Plan Dec 2023	Your Plan Dec 2021
Plan Utilization of Domestic Equity¹			
Large Value	Yes	Yes	Yes
Large Blend	Yes	Yes	Yes
Large Growth	Yes	Yes	Yes
Mid-Cap Value	Yes	Yes	Yes
Mid-Cap Blend	No	No	No
Mid-Cap Growth	Yes	Yes	Yes
Small Value	Yes	Yes	Yes
Small Blend	No	No	No
Small Growth	Yes	Yes	Yes
Unclassified or Other Domestic Equity ⁵	No	No	No
Plan Utilization of International Equity¹			
Foreign Large Value	No	No	No
Foreign Large Blend	Yes	Yes	Yes
Foreign Large Growth	Yes	Yes	Yes
Foreign Small/Mid Value	No	No	No
Foreign Small/Mid Growth	Yes	Yes	Yes
Diversified Emerging Markets	Yes	Yes	Yes
World Stock	No	No	No
Global Real Estate	No	No	No
Europe Stock	No	No	No
Japan Stock	No	No	No
Pacific/Asia ex-Japan Stock	No	No	No
Diversified Pacific/Asia	No	No	No
Latin America Stock	No	No	No
Unclassified or Other International Equity ⁵	Yes	Yes	Yes

¹ Plan weighted ⁵ The majority of unclassified are institutional products such as commingled pools and separate accounts



Investment Trends

You Plan

Plan 72524 as of 12/31/2025

Plan Utilization of Specialty¹

US Real Estate
Other Specialty

Company Stock Utilization

Percent of Plans with Company Stock¹
Percent of Plan Assets in Company Stock⁴ (if utilized)
Percent of Participants Holding Company Stock² (if plan utilized)
Percent Participant Company Stock Allocation⁴ (if holding)

Plan Utilization of Self Directed Brokerage¹

Asset Allocation⁴ (of plans utilizing)

Money Market
Stable Value
Fixed Income
Target Date
Hybrid / Balanced (excluding Target Date)
Domestic Equity
International Equity
Company Stock
Self Directed Brokerage
Specialty

	2025	2023	2021
	Your Plan	Your Plan	Your Plan
	Dec 2025	Dec 2023	Dec 2021
US Real Estate	No	No	No
Other Specialty	No	No	No
Percent of Plans with Company Stock ¹	No	No	No
Percent of Plan Assets in Company Stock ⁴ (if utilized)	0%	0%	0%
Percent of Participants Holding Company Stock ² (if plan utilized)	-	-	-
Percent Participant Company Stock Allocation ⁴ (if holding)	-	-	-
Plan Utilization of Self Directed Brokerage ¹	Yes	Yes	Yes
Money Market	1%	1%	1%
Stable Value	1%	3%	3%
Fixed Income	4%	5%	5%
Target Date	46%	45%	42%
Hybrid / Balanced (excluding Target Date)	0%	0%	0%
Domestic Equity	35%	37%	40%
International Equity	5%	5%	5%
Company Stock	0%	0%	0%
Self Directed Brokerage	8%	5%	4%
Specialty	0%	0%	0%

¹ Plan weighted ² Participant weighted ⁴ Asset weighted





Fund analysis



FIRE & POLICE PENSION ASSOCIATION OF COL – 72524
 Assets and participant count as of 12/31/2025
 Product names and spectrum values as of 3/26/2026
 FPPA DEFERRED COMP

Total Plan Assets: \$407,091,249 **Self-Directed Brokerage Assets: 8.1%**
Total Plan Participants: 4,487 **Self-Directed Brokerage Participant Count: 215**

Investment spectrum

For each risk spectrum below, categories/investment options to the left have potentially more inflation risk and less investment risk

For each risk spectrum below, categories/investment options to the right have potentially less inflation risk and more investment risk

46.0%

Risk spectrum for lifecycle funds

VANGUARD TARGET INC (1.1%, 171)
 VANGUARD TARGET 2020 (1.4%, 95)
 VANGUARD TARGET 2025 (3.9%, 219)

VANGUARD TARGET 2030 (5.8%, 360)
 VANGUARD TARGET 2035 (6.8%, 480)
 VANGUARD TARGET 2040 (6.8%, 522)

VANGUARD TARGET 2045 (6.2%, 507)
 VANGUARD TARGET 2050 (5.9%, 591)
 VANGUARD TARGET 2055 (4.6%, 621)
 VANGUARD TARGET 2060 (2.4%, 521)
 VANGUARD TARGET 2065 (0.9%, 262)
 VANGUARD TARGET 2070 (0.2%, 59)

45.9%

Risk spectrum for general investment options

Money Market Or Short-term	Managed Income or Stable Value	Bond	Balanced/ Hybrid	Domestic Equity			International/ Global Equity	Specialty
Government FIMM GOVT INST (1.0%, 71)	TRP STABLE VALUE A (1.4%, 307)	Diversified DODGE & COX INCOME X (2.3%, 414) FID US BOND IDX (1.1%, 332) High Yield MKS HIGH YIELD BOND (0.3%, 59) International / Global PIM GLB BD OP US\$H I (0.0%, 7)		Large Value AB LARGE CAP VAL I (2.0%, 462) Mid Value JH DSCPL VAL MDCP R6 (1.5%, 183) Small Value AB SMALL CAP VALUE 2 (0.7%, 111)	Large Blend SP TTL MRKT IDX CL C (9.5%, 666) Mid Blend Small Blend	Large Growth FID GROWTH CO K6 (17.9%, 1012) Mid Growth JPM MID CAP GRTH R6 (2.1%, 252) Small Growth HOOD RIVER SMCP GR R (1.0%, 166)	Diversified SP TTL INTL IDX CL C (2.1%, 425) AF NEW PERSPECT R6 (1.0%, 413) AF EUPAC FUND R6 (0.9%, 169) FID INTL SM CAP OPP (0.3%, 320) Emerging Markets VANG EM SELSTK INV (0.8%, 387)	

Numbers left of spectrums represent percent of assets for that group of investment options. Numbers in parentheses represent percent of assets and number of participants in the investment option.

Plan asset summary: As of 12/31/2025

FIRE & POLICE PENSION ASSOCIATION OF COL – 72524
FPPA DEFERRED COMP

TOTAL PLAN ASSETS	\$407,091,249
Self Directed Brokerage Assets	\$32,791,826

Fund Name	% of Assets	Market Value
FID GROWTH CO K6	17.9%	\$72,761,384
SP TTL MRKT IDX CL C	9.5%	\$38,702,880
BROKERAGELINK	8.1%	\$32,791,826
VANGUARD TARGET 2040	6.8%	\$27,535,377
VANGUARD TARGET 2035	6.8%	\$27,505,677
VANGUARD TARGET 2045	6.2%	\$25,421,392
VANGUARD TARGET 2050	5.9%	\$24,059,293
VANGUARD TARGET 2030	5.8%	\$23,713,544
VANGUARD TARGET 2055	4.6%	\$18,816,701
VANGUARD TARGET 2025	3.9%	\$15,838,780
VANGUARD TARGET 2060	2.4%	\$9,730,335
DODGE & COX INCOME X	2.3%	\$9,523,470
JPM MID CAP GRTH R6	2.1%	\$8,636,821
SP TTL INTL IDX CL C	2.1%	\$8,358,279
AB LARGE CAP VAL I	2.0%	\$8,023,015
JH DSCPL VAL MDCP R6	1.5%	\$6,194,409
VANGUARD TARGET 2020	1.4%	\$5,790,429
TRP STABLE VALUE A	1.4%	\$5,567,648
VANGUARD TARGET INC	1.1%	\$4,651,741
FID US BOND IDX	1.1%	\$4,354,554
FIMM GOVT INST	1.0%	\$4,139,340
AF NEW PERSPECT R6	1.0%	\$4,074,712
HOOD RIVER SMCP GR R	1.0%	\$4,057,284
VANGUARD TARGET 2065	0.9%	\$3,754,756
AF EUPAC FUND R6	0.9%	\$3,525,563
VANG EM SEL STK INV	0.8%	\$3,422,423
AB SMALL CAP VALUE 2	0.7%	\$2,750,443
FID INTL SM CAP OPP	0.3%	\$1,364,266
MKS HIGH YIELD BOND	0.3%	\$1,270,676
VANGUARD TARGET 2070	0.2%	\$645,699
PIM GLB BD OP US\$H I	0.0%	\$108,531

FIRE & POLICE PENSION ASSOCIATION OF COL – 64391
 Assets and participant count as of 12/31/2025
 Product names and spectrum values as of 3/26/2026
 FPPA SRP MPC

Total Plan Assets: \$405,123,543 **Self-Directed Brokerage Assets: 23.6%**
Total Plan Participants: 4,598 **Self-Directed Brokerage Participant Count: 334**

Investment spectrum

For each risk spectrum below, categories/investment options to the left have potentially more inflation risk and less investment risk

For each risk spectrum below, categories/investment options to the right have potentially less inflation risk and more investment risk

40.8%

Risk spectrum for lifecycle funds

VANGUARD TARGET INC (2.4%, 160)
 VANGUARD TARGET 2020 (2.2%, 103)
 VANGUARD TARGET 2025 (5.0%, 240)

VANGUARD TARGET 2030 (9.0%, 526)
 VANGUARD TARGET 2035 (7.9%, 892)
 VANGUARD TARGET 2040 (6.9%, 852)

VANGUARD TARGET 2045 (3.8%, 712)
 VANGUARD TARGET 2050 (2.0%, 362)
 VANGUARD TARGET 2055 (1.1%, 160)
 VANGUARD TARGET 2060 (0.4%, 80)
 VANGUARD TARGET 2065 (0.2%, 34)
 VANGUARD TARGET 2070 (0.0%, 7)

35.5%

Risk spectrum for general investment options

Money Market Or Short-term	Managed Income or Stable Value	Bond	Balanced/ Hybrid	Domestic Equity			International/ Global Equity	Specialty
Government FIMM GOVT INST (2.2%, 200)	TRP STABLE VALUE A (1.4%, 368)	Diversified DODGE & COX INCOME X (1.8%, 389) FID US BOND IDX (1.1%, 310) High Yield MKS HIGH YIELD BOND (0.4%, 111) International / Global PIM GLB BD OP US\$H I (0.1%, 11)		Large Value AB LARGE CAP VAL I (2.0%, 418) Mid Value JH DSCPL VAL MDCP R6 (1.3%, 232) Small Value AB SMALL CAP VALUE 2 (1.1%, 208)	Large Blend SP TTL MRKT IDX CL C (7.5%, 629) Mid Blend Small Blend	Large Growth FID GROWTH CO K6 (9.8%, 782) Mid Growth JPM MID CAP GRTH R6 (1.3%, 237) Small Growth HOOD RIVER SMCP GR R (1.4%, 213)	Diversified SP TTL INTL IDX CL C (1.6%, 374) AF EUPAC FUND R6 (1.0%, 214) AF NEW PERSPECT R6 (0.6%, 296) FID INTL SM CAP OPP (0.2%, 171) Emerging Markets VANG EM SELSTK INV (0.6%, 342)	

Numbers left of spectrums represent percent of assets for that group of investment options. Numbers in parentheses represent percent of assets and number of participants in the investment option.

Plan asset summary: As of 12/31/2025

FIRE & POLICE PENSION ASSOCIATION OF COL – 64391
FPPA SRP MPC

TOTAL PLAN ASSETS	\$405,123,543
Self Directed Brokerage Assets	\$95,686,828

Fund Name	% of Assets	Market Value
BROKERAGELINK	23.6%	\$95,686,828
FID GROWTH CO K6	9.8%	\$39,838,899
VANGUARD TARGET 2030	9.0%	\$36,558,063
VANGUARD TARGET 2035	7.9%	\$31,817,086
SP TTL.MRKT IDX CL C	7.5%	\$30,395,587
VANGUARD TARGET 2040	6.9%	\$27,824,482
VANGUARD TARGET 2025	5.0%	\$20,136,983
VANGUARD TARGET 2045	3.8%	\$15,340,190
VANGUARD TARGET INC	2.4%	\$9,587,475
VANGUARD TARGET 2020	2.2%	\$8,913,943
FIMM GOVT INST	2.2%	\$8,809,637
AB LARGE CAP VAL I	2.0%	\$8,143,127
VANGUARD TARGET 2050	2.0%	\$8,033,389
DODGE & COX INCOME X	1.8%	\$7,394,821
SP TTL INTL IDX CL C	1.6%	\$6,351,529
TRP STABLE VALUE A	1.4%	\$5,838,754
HOOD RIVER SMCP GR R	1.4%	\$5,531,266
JPM MID CAP GRTH R6	1.3%	\$5,455,701
JH DSCPL VAL MDCP R6	1.3%	\$5,431,367
VANGUARD TARGET 2055	1.1%	\$4,600,855
FID US BOND IDX	1.1%	\$4,510,995
AB SMALL CAP VALUE 2	1.1%	\$4,480,487
AF EUPAC FUND R6	1.0%	\$4,188,292
VANG EM SEL STK INV	0.6%	\$2,568,857
AF NEW PERSPECT R6	0.6%	\$2,326,579
VANGUARD TARGET 2060	0.4%	\$1,615,176
MKS HIGH YIELD BOND	0.4%	\$1,456,905
VANGUARD TARGET 2065	0.2%	\$894,997
FID INTL SM CAP OPP	0.2%	\$778,640
PIM GLB BD OP US\$H I	0.1%	\$500,293
VANGUARD TARGET 2070	0.0%	\$112,340

FIRE & POLICE PENSION ASSOCIATION OF COL – 71083
 Assets and participant count as of 12/31/2025
 Product names and spectrum values as of 3/26/2026
 FPPA DROP PLAN

Total Plan Assets: \$235,594,569 **Self-Directed Brokerage Assets: 3.1%**
Total Plan Participants: 1,037 **Self-Directed Brokerage Participant Count: 55**

Investment spectrum

For each risk spectrum below, categories/investment options to the left have potentially more inflation risk and less investment risk

For each risk spectrum below, categories/investment options to the right have potentially less inflation risk and more investment risk

59.6%

Risk spectrum for lifecycle funds

VANGUARD TARGET INC (4.9%, 82)
 VANGUARD TARGET 2020 (3.5%, 52)
 VANGUARD TARGET 2025 (13.8%, 129)

VANGUARD TARGET 2030 (21.3%, 246)
 VANGUARD TARGET 2035 (13.2%, 262)
 VANGUARD TARGET 2040 (1.4%, 41)

VANGUARD TARGET 2045 (0.3%, 6)
 VANGUARD TARGET 2050 (0.5%, 9)
 VANGUARD TARGET 2055 (0.1%, 3)
 VANGUARD TARGET 2060 (0.4%, 8)
 VANGUARD TARGET 2065 (0.1%, 4)
 VANGUARD TARGET 2070 (0.1%, 3)

37.3%

Risk spectrum for general investment options

Money Market Or Short-term	Managed Income or Stable Value	Bond	Balanced/ Hybrid	Domestic Equity			International/ Global Equity	Specialty
Government FIMM GOVT INST (3.0%, 53)	TRP STABLE VALUE A (5.0%, 169)	Diversified DODGE & COX INCOME X (3.7%, 152) FID US BOND IDX (1.4%, 114) High Yield MKS HIGH YIELD BOND (0.4%, 35) International / Global PIM GLB BD OP US\$H I (0.1%, 14)		Large Value AB LARGE CAP VAL I (1.7%, 130) Mid Value JH DSCPL VAL MDCP R6 (1.1%, 67) Small Value AB SMALL CAP VALUE 2 (0.2%, 28)	Large Blend SP TTL MRKT IDX CL C (7.6%, 194) Mid Blend Small Blend	Large Growth FID GROWTH CO K6 (8.2%, 238) Mid Growth JPM MID CAP GRTH R6 (0.6%, 53) Small Growth HOOD RIVER SMCP GR R (0.9%, 83)	Diversified SP TTL INTL IDX CL C (1.6%, 124) AF NEW PERSPECT R6 (0.8%, 130) AF EUPAC FUND R6 (0.2%, 32) FID INTL SM CAP OPP (0.2%, 57) Emerging Markets VANG EM SELSTK INV (0.7%, 123)	

Numbers left of spectrums represent percent of assets for that group of investment options. Numbers in parentheses represent percent of assets and number of participants in the investment option.

Plan asset summary: As of 12/31/2025

FIRE & POLICE PENSION ASSOCIATION OF COL – 71083
FPPA DROP PLAN

TOTAL PLAN ASSETS	\$235,594,569
Self Directed Brokerage Assets	\$7,300,007

Fund Name	% of Assets	Market Value
VANGUARD TARGET 2030	21.3%	\$50,274,923
VANGUARD TARGET 2025	13.8%	\$32,475,748
VANGUARD TARGET 2035	13.2%	\$31,074,303
FID GROWTH CO K6	8.2%	\$19,347,569
SP TTL MRKT IDX CL C	7.6%	\$17,876,209
TRP STABLE VALUE A	5.0%	\$11,687,646
VANGUARD TARGET INC	4.9%	\$11,603,893
DODGE & COX INCOME X	3.7%	\$8,645,753
VANGUARD TARGET 2020	3.5%	\$8,306,924
BROKERAGELINK	3.1%	\$7,300,007
FIMM GOVT INST	3.0%	\$7,092,099
AB LARGE CAP VAL I	1.7%	\$3,888,249
SP TTL INTL IDX CL C	1.6%	\$3,720,585
FID US BOND IDX	1.4%	\$3,217,369
VANGUARD TARGET 2040	1.4%	\$3,196,553
JH DSCPL VAL MDCP R6	1.1%	\$2,651,202
HOOD RIVER SMCP GR R	0.9%	\$2,189,941
AF NEW PERSPECT R6	0.8%	\$1,875,382
VANG EM SEL STK INV	0.7%	\$1,674,906
JPM MID CAP GRTH R6	0.6%	\$1,446,846
VANGUARD TARGET 2050	0.5%	\$1,139,735
VANGUARD TARGET 2060	0.4%	\$1,043,852
MKS HIGH YIELD BOND	0.4%	\$937,561
VANGUARD TARGET 2045	0.3%	\$818,620
AF EUPAC FUND R6	0.2%	\$549,236
AB SMALL CAP VALUE 2	0.2%	\$417,286
FID INTL SM CAP OPP	0.2%	\$371,396
VANGUARD TARGET 2065	0.1%	\$271,219
PIM GLB BD OP US\$H I	0.1%	\$220,001
VANGUARD TARGET 2070	0.1%	\$155,677
VANGUARD TARGET 2055	0.1%	\$123,881

FIRE & POLICE PENSION ASSOCIATION OF COL – 72520
 Assets and participant count as of 12/31/2025
 Product names and spectrum values as of 3/26/2026
 FPPA STATEWIDE MPPP

Total Plan Assets: \$13,580,184
 Total Plan Participants: 437

Self-Directed Brokerage Assets: 3.0%
 Self-Directed Brokerage Participant Count: 3

Investment spectrum

For each risk spectrum below, categories/investment options to the left have potentially more inflation risk and less investment risk

For each risk spectrum below, categories/investment options to the right have potentially less inflation risk and more investment risk

71.0%

Risk spectrum for lifecycle funds

VANGUARD TARGET INC (4.2%, 14)
 VANGUARD TARGET 2020 (8.8%, 10)
 VANGUARD TARGET 2025 (8.3%, 21)

VANGUARD TARGET 2030 (10.4%, 32)
 VANGUARD TARGET 2035 (13.5%, 38)
 VANGUARD TARGET 2040 (6.6%, 57)

VANGUARD TARGET 2045 (3.6%, 38)
 VANGUARD TARGET 2050 (4.3%, 61)
 VANGUARD TARGET 2055 (3.8%, 58)
 VANGUARD TARGET 2060 (5.2%, 85)
 VANGUARD TARGET 2065 (1.8%, 42)
 VANGUARD TARGET 2070 (0.4%, 17)

26.0%

Risk spectrum for general investment options

Money Market Or Short-term	Managed Income or Stable Value	Bond	Balanced/ Hybrid	Domestic Equity			International/ Global Equity	Specialty
Government FIMM GOVT INST (3.6%, 4)	TRP STABLE VALUE A (1.1%, 7)	Diversified DODGE & COX INCOME X (1.1%, 5) FID US BOND IDX (0.3%, 7) High Yield MKS HIGH YIELD BOND (0.0%, 1) International / Global PIM GLB BD OP US\$H I (0.0%, 0)		Large Value AB LARGE CAP VAL I (1.1%, 9) Mid Value JH DSCPL VAL MDCP R6 (0.8%, 6) Small Value AB SMALL CAP VALUE 2 (0.1%, 4)	Large Blend SP TTL MRKT IDX CL C (5.2%, 12) Mid Blend Small Blend	Large Growth FID GROWTH CO K6 (8.9%, 23) Mid Growth JPM MID CAP GRTH R6 (1.1%, 7) Small Growth HOOD RIVER SMCP GR R (0.4%, 6)	Diversified SP TTL INTL IDX CL C (0.9%, 8) AF NEW PERSPECT R6 (0.6%, 6) AF EUPAC FUND R6 (0.3%, 5) FID INTL SM CAP OPP (0.1%, 4) Emerging Markets VANG EM SELSTK INV (0.5%, 5)	

Numbers left of spectrums represent percent of assets for that group of investment options. Numbers in parentheses represent percent of assets and number of participants in the investment option.

Plan asset summary: As of 12/31/2025

FIRE & POLICE PENSION ASSOCIATION OF COL – 72520
FPPA STATEWIDE MPPP

TOTAL PLAN ASSETS	\$13,580,184
Self Directed Brokerage Assets	\$412,270

Fund Name	% of Assets	Market Value
VANGUARD TARGET 2035	13.5%	\$1,830,950
VANGUARD TARGET 2030	10.4%	\$1,410,881
FID GROWTH CO K6	8.9%	\$1,205,685
VANGUARD TARGET 2020	8.8%	\$1,193,827
VANGUARD TARGET 2025	8.3%	\$1,121,962
VANGUARD TARGET 2040	6.6%	\$891,431
VANGUARD TARGET 2060	5.2%	\$709,431
SP TTL MRKT IDX CL C	5.2%	\$699,677
VANGUARD TARGET 2050	4.3%	\$586,251
VANGUARD TARGET INC	4.2%	\$576,817
VANGUARD TARGET 2055	3.8%	\$519,293
FIMM GOVT INST	3.6%	\$493,859
VANGUARD TARGET 2045	3.6%	\$492,742
BROKERAGELINK	3.0%	\$412,270
VANGUARD TARGET 2065	1.8%	\$247,350
TRP STABLE VALUE A	1.1%	\$155,729
JPM MID CAP GRTH R6	1.1%	\$152,386
DODGE & COX INCOME X	1.1%	\$148,429
AB LARGE CAP VAL I	1.1%	\$143,861
SP TTL INTL IDX CL C	0.9%	\$119,995
JH DSCPL VAL MD CP R6	0.8%	\$102,971
AF NEW PERSPECT R6	0.6%	\$77,409
VANG EM SEL STK INV	0.5%	\$63,086
VANGUARD TARGET 2070	0.4%	\$58,319
HOOD RIVER SMCP GR R	0.4%	\$57,110
AF EUPAC FUND R6	0.3%	\$44,344
FID US BOND IDX	0.3%	\$40,404
FID INTL SM CAP OPP	0.1%	\$14,997
AB SMALL CAP VALUE 2	0.1%	\$8,585
MKS HIGH YIELD BOND	0.0%	\$135
PIM GLB BD OP US\$H I	0.0%	\$0

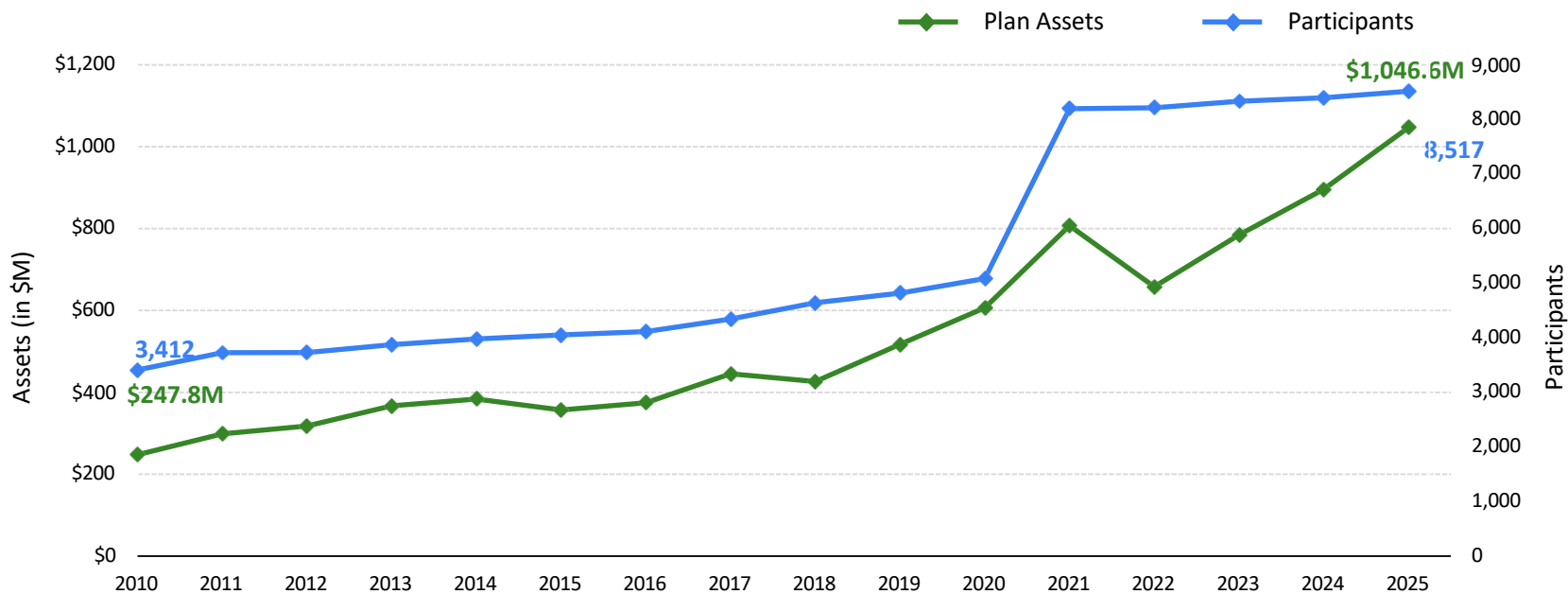
FPPA SELF DIRECTED PLANS STATISTICS



Assets & participants

YoY Annual Trend

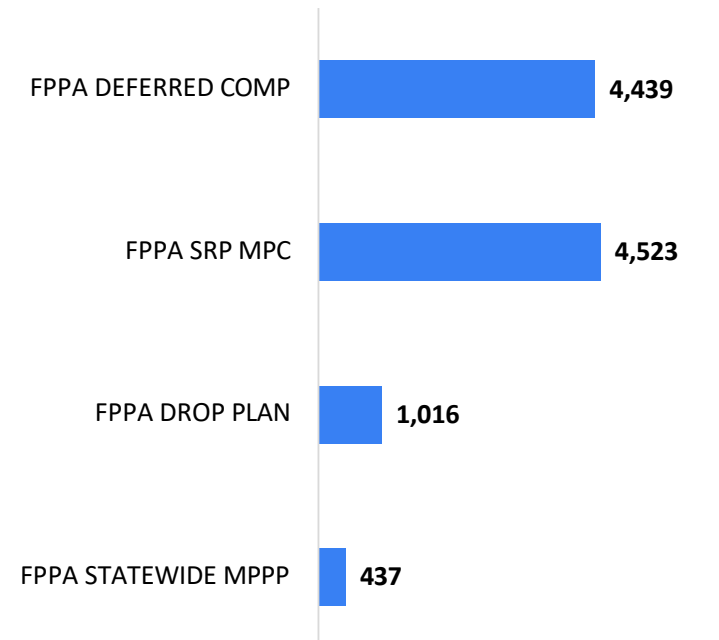
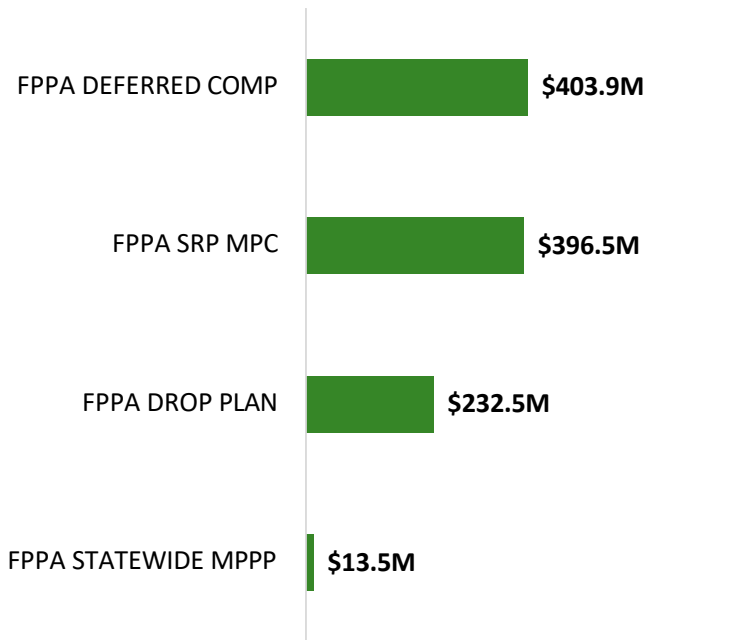
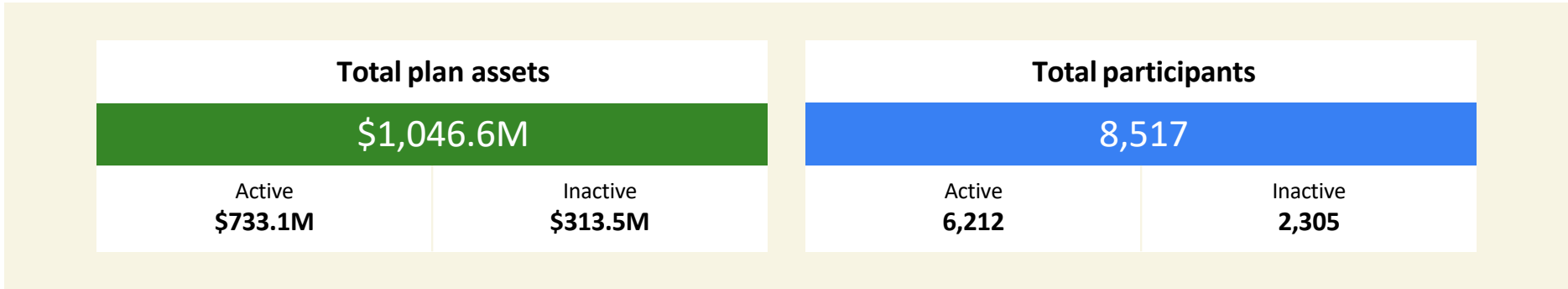
Total plan assets		Average plan assets		Total participants	
\$1,046.6M		\$122.9K		8,517	
Active \$733.1M	Inactive \$313.5M	Active \$118.0K	Inactive \$136.0K	Active 6,212	Inactive 2,305



Plan assets include qualified and non-qualified plans. Excludes Forfeiture and Alternate Payee Accounts.
Fidelity record kept data as of 12/31/2025
Originally prepared for plan sponsor and investment professional use only.

Assets & participants

Plan level view



Plan assets include qualified and non-qualified plans. Excludes Forfeiture and Alternate Payee Accounts.
 Fidelity record kept data as of 12/31/2025
 Originally prepared for plan sponsor and investment professional use only.

Combined Plans Factsheet

As of 12/31/2025

Contributions¹			Participant assets⁴	
\$87.1M			\$1,046.6M	
Employee \$38.0M	Employer \$49.0M	Rollovers \$5.2M		
Distributions²			Non - Participant assets⁵	
(\$94.1M)			\$39.4K	
			Forfeiture assets \$39.3K	Other accounts* \$0.1K
Loan withdrawals³			Alternative Payees⁶	
(\$2.4M)			\$14.8M	

¹ Contributions in qualified plans for 12-month period starting from 01/01/2025 to 12/31/2025.

² Distributions include money out transactions of full payout, in-service and hardship for 12-month period starting from 01/01/2025 to 12/31/2025.

³ Loan distribution (money out) by the participants for 12-month period starting from 01/01/2025 to 12/31/2025. Doesn't include any loan principal/interest payments.

⁴ Plan assets include participant account balances in qualified and non-qualified plans as of 12/31/2025.

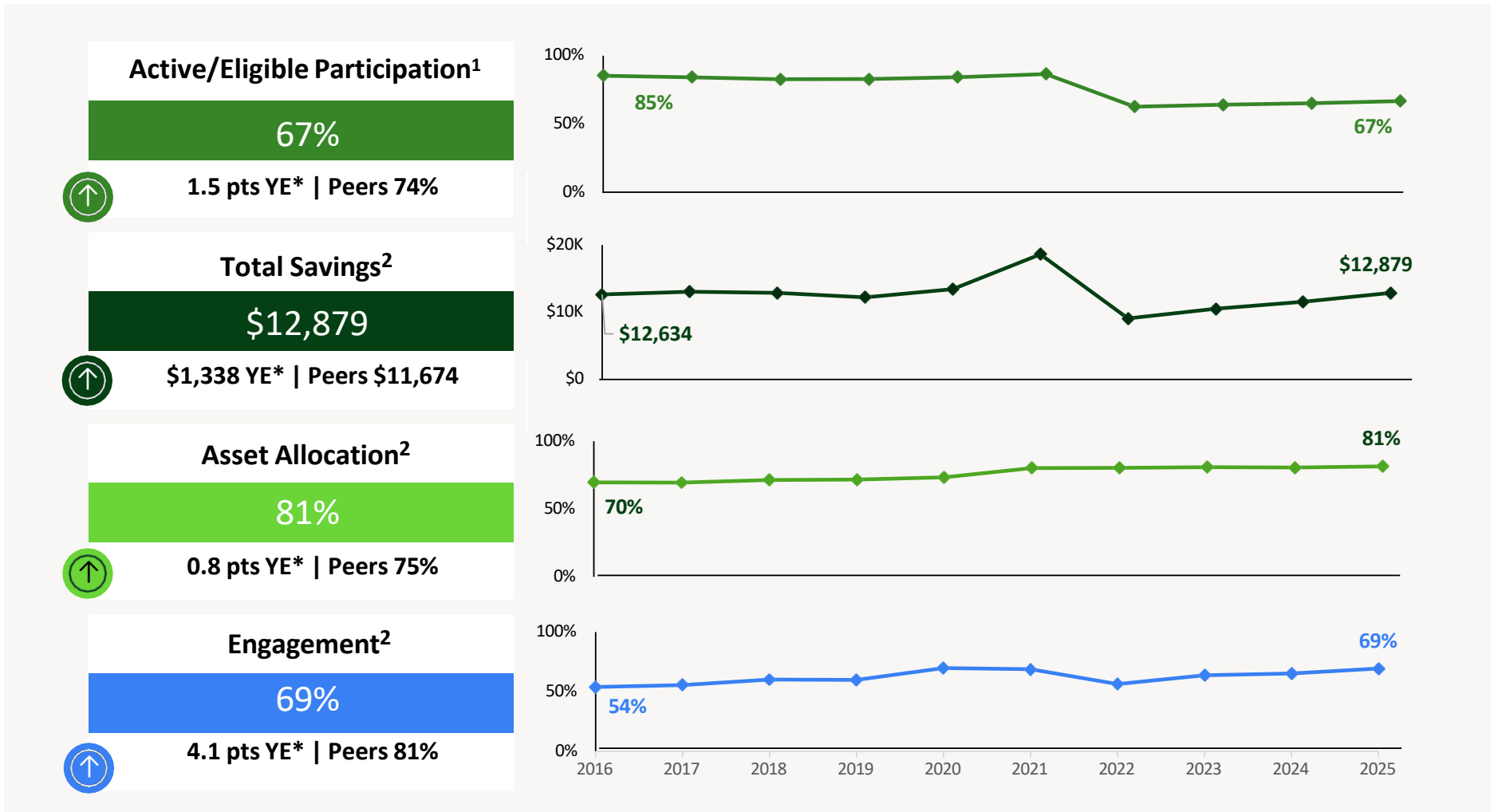
⁵ Forfeitures account balances held in qualified and non-qualified plans as of 12/31/2025.

⁶ Plan balance of a spouse, former spouse, child, or other dependent of a participant who is recognized by a domestic relations order as having a right to receive all, or a portion of, the benefits payable under a plan with respect to such participant. as of 12/31/2025.

*other accounts: Revenue Credit Account, Settlement Accounts, Payment Fee Account, Mistake Earnings, Conversion Holding Account etc..

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Fire & Police Pension Association Of Colorado – Retirement Plan Trends – Combined Plans



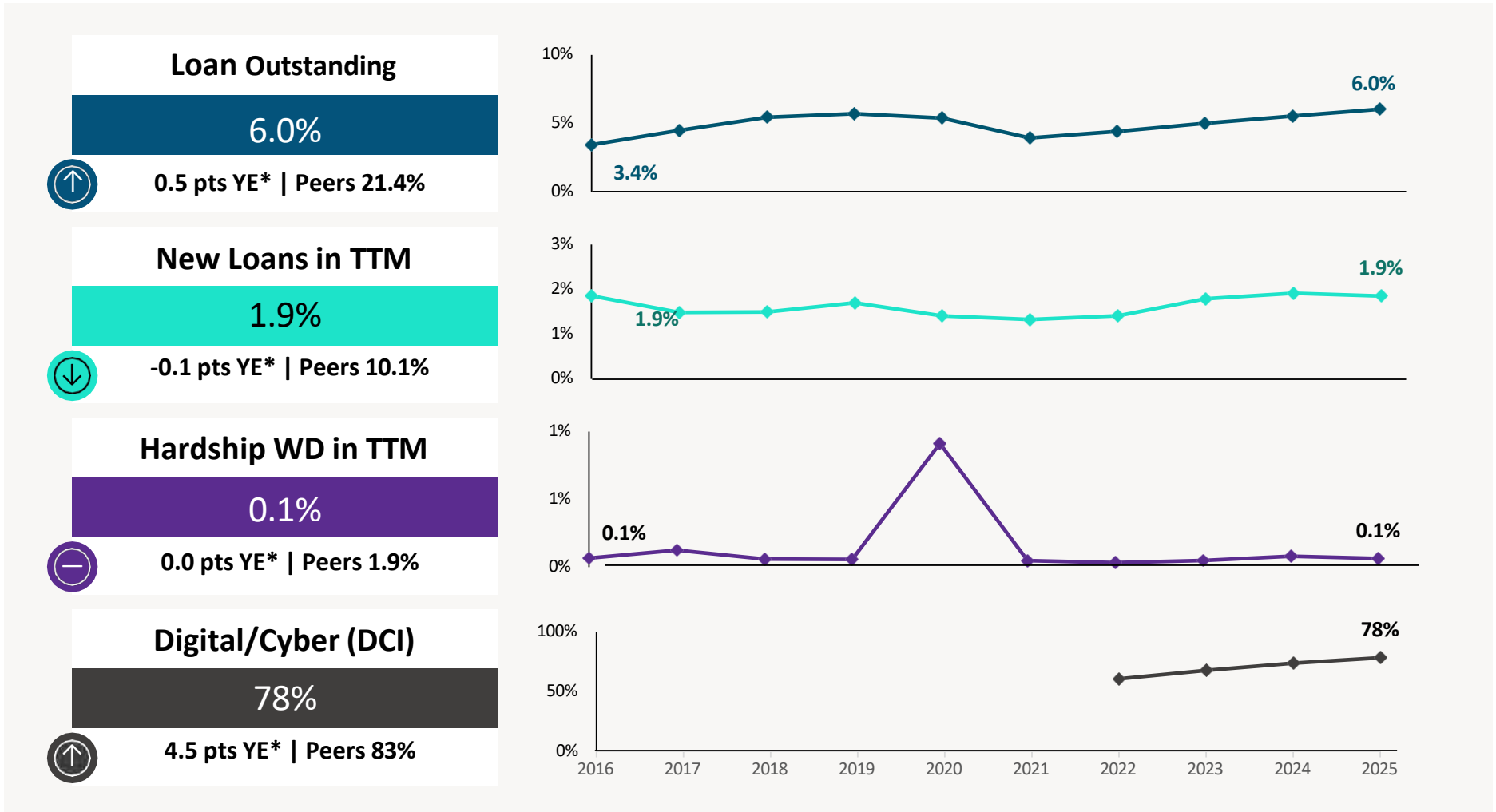
¹Fidelity record kept data as of 12/31/2025 for active/eligible participants with or without a balance. Excludes terminated and zero balance participants. Also excludes forfeiture and alternate payee accounts.

²Fidelity record kept data as of 12/31/2025 for active participants with a balance. Excludes terminated and zero balance participants. Also excludes forfeiture and alternate payee accounts.

YE means compared to YE 2024.

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Fire & Police Pension Association Of Colorado – Retirement Plan Trends contd.

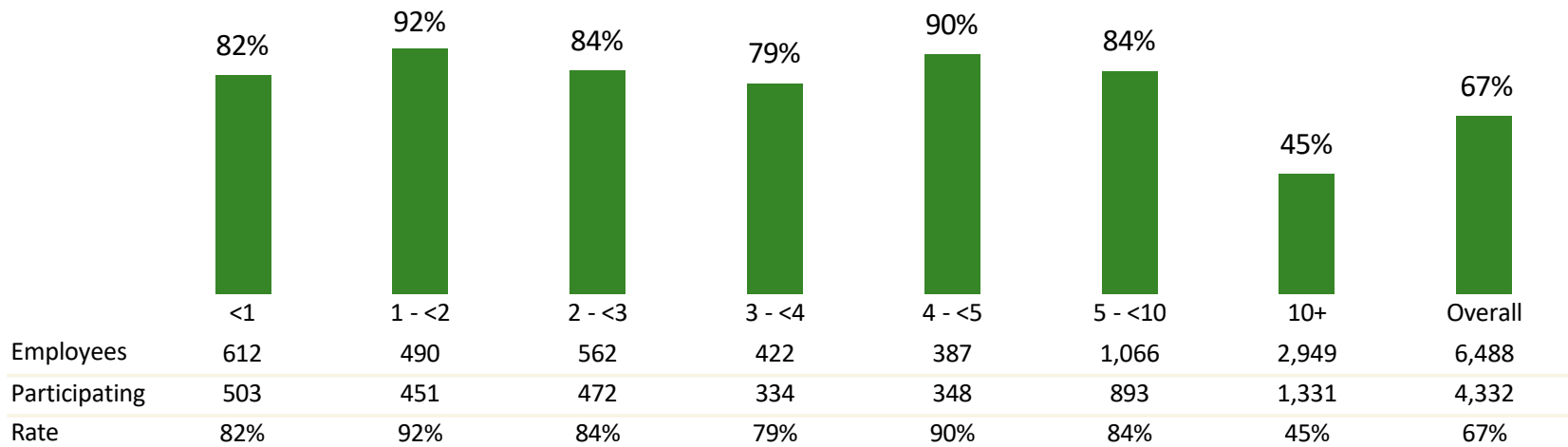


Fidelity record kept data as of 12/31/2025 for active participants with a balance. Excludes terminated and zero balance participants. Also excludes forfeiture and alternate payee accounts. TTM is the Trailing Twelve Months
 *YE : compared to YE 2024

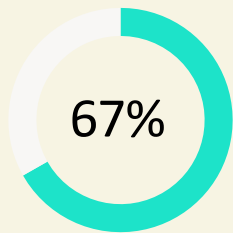
Percent of active/eligible participants contributing

As of Q4 2025

Participation rate by employee tenure (years)



Participation rate



of active/eligible members participate in your retirement plan

74% Peer average

96% Top performers

Plan features

	Your plan adoption	Peer adoption
✘	Auto Enrollment	22%
✘	Easy Enroll	50%
✘	Enhanced enrollment communications	64%
✔	Onboarding outbound calls	69%

Fidelity record kept data as of 12/31/2025 for active participants with or without balance. Excludes terminated participants. Also excludes forfeiture and alternate payee accounts.

¹ Enrollments between 01/01/2025 and 12/31/2025

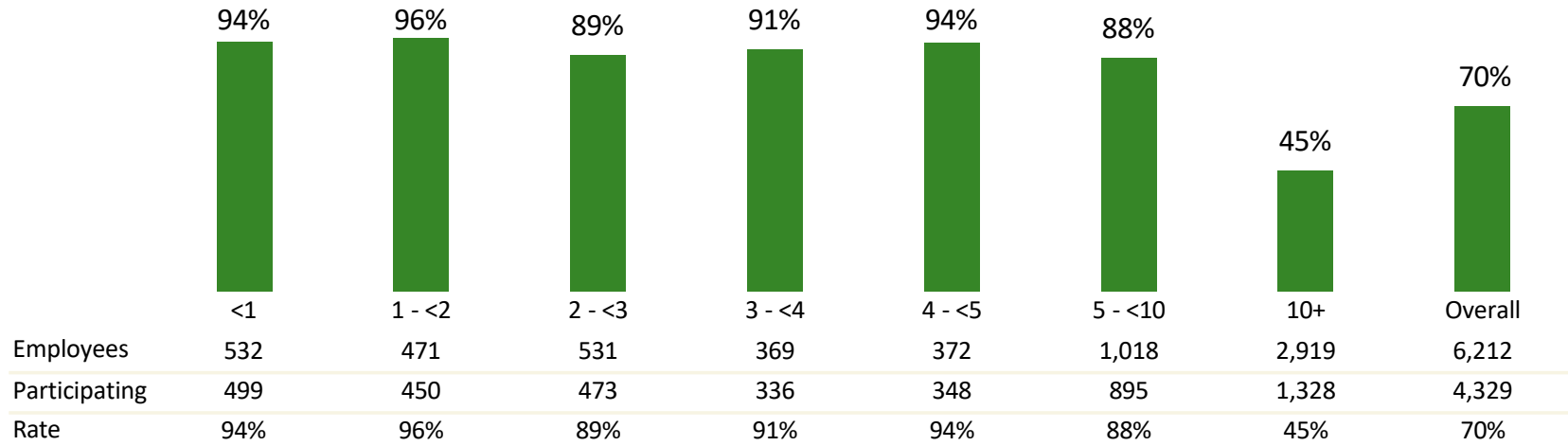
Peer comparison represents industry peers. See appendix for more details.

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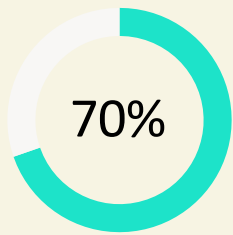
Percent of actives with balance contributing

As of Q4 2025

Participation rate by employee tenure (years)



Participation rate



70% of active parts. with a balance participate in your retirement plan

88% Peer average

99% Top performers

Plan features

	Your plan adoption	Peer adoption
✗	Auto Enrollment	22%
✗	Easy Enroll	50%
✗	Enhanced enrollment communications	64%
✓	Onboarding outbound calls	69%

Fidelity record kept data as of 12/31/2025 for active participants with a balance. Excludes terminated participants. Also excludes forfeiture and alternate payee accounts.

¹ Enrollments between 01/01/2025 and 12/31/2025

Peer comparison represents industry peers. See appendix for more details.

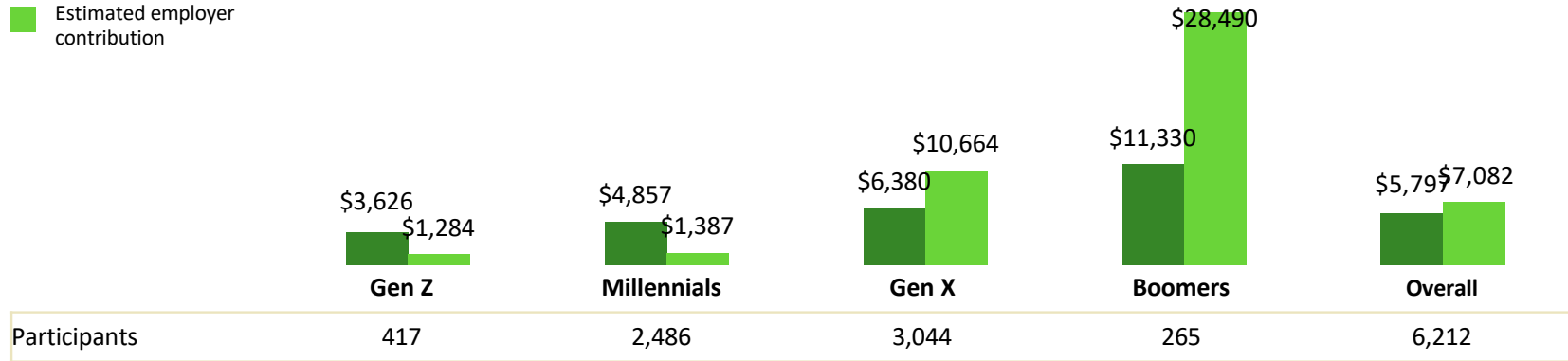
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Saving for retirement

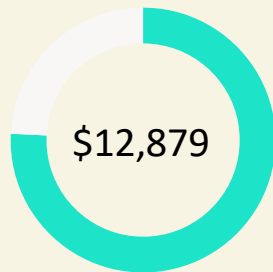
Total employee & employer savings

Total savings rate (average employee deferral & employer contribution) by generation cohort

- Employee deferral
- Estimated employer contribution



Total savings Amount



average Total Savings Rate (EE & ER) for active participants with a balance

\$11,674 Peer average

\$16,595 Top performers

Plan features

Your plan adoption	Peer adoption
✗ Auto annual increase	17%
✓ Roth deferrals	89%
✗ After-tax deferrals	11%

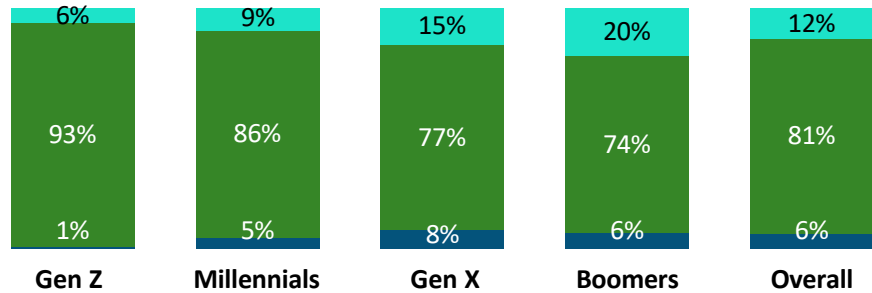
Fidelity record kept data as of 12/31/2025 for active participants with a balance. Excludes terminated and zero balance participants. Also excludes forfeiture and alternate payee accounts. Generational Birth Years: Gen Z: Born after 1996, Millennial 1996-1981, Gen X 1980-1965, Boomers prior to 1965. Peer comparison represents industry peers. See appendix for more details. Originally prepared for plan sponsor and investment professional use only.

Asset allocation

Percent of participants by age-appropriate equity allocation

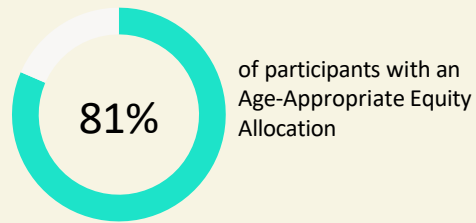
Percent of participants by age-appropriate equity allocation by generation cohort

- **Aggressive**
Greater than 10% over age-appropriate equity allocation
- **In Band**
Age-Appropriate equity allocation, or at least 80% invested in a single target date fund, or enrolled in a managed account
- **Conservative**
More than 10% below age-appropriate equity allocation



	Gen Z	Millennials	Gen X	Boomers	Overall
Participants	417	2,486	3,044	265	6,212
% parts. In TDF*	88%	72%	59%	59%	66%

Age-appropriate allocation

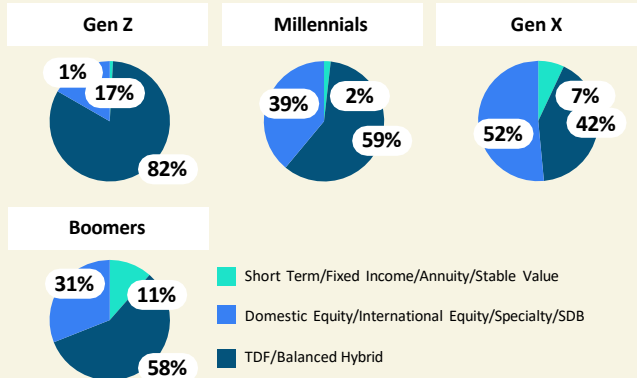


75% Peer average 87% Top performers

Plan features

Your plan adoption	Peer adoption
✓ TDF default investment	95%
✓ Self directed brokerage	75%
✓ Managed account	78%

Percentage of assets by fund type

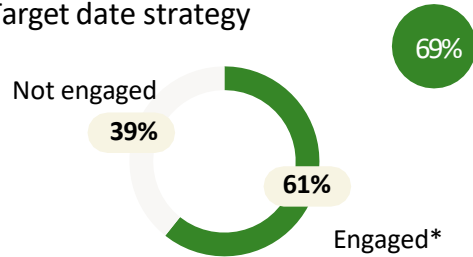


Fidelity record kept data as of 12/31/2025 for active participants with a balance. Excludes terminated and zero balance participants. Also excludes forfeiture and alternate payee accounts.
 Generational Birth Years: Gen Z: Born after 1996, Millennial 1996-1981, Gen X 1980-1965, Boomers prior to 1965.
 For asset allocation purposes the participant's current age and equity holdings are compared to a table containing an age-based equity holding percentages based on the equity glide path. See appendix for more information.
 *Measure of the percentage of active participants who have invested at least 80% of their balance in a single Target Date Fund.
 Peer comparison represents industry peers. See appendix for more details.
 Originally prepared for plan sponsor and investment professional use only.

Active participant profiles based on investment behavior

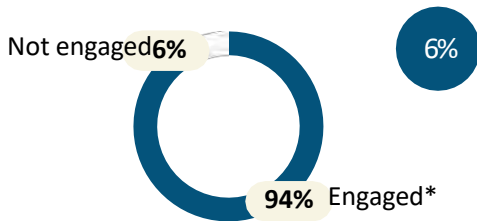
Differences in savings for those engaged vs. unengaged

Target date strategy



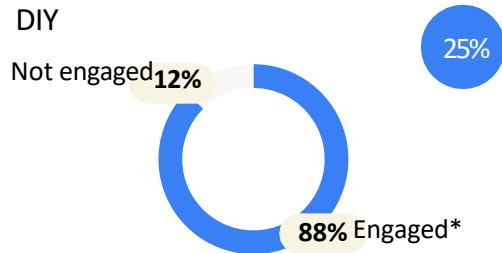
	Engaged*	Not engaged
Average balance:	\$76,640	\$33,798
Average deferral rate:	\$5,461	\$2,261

Personalized Planning & Advice

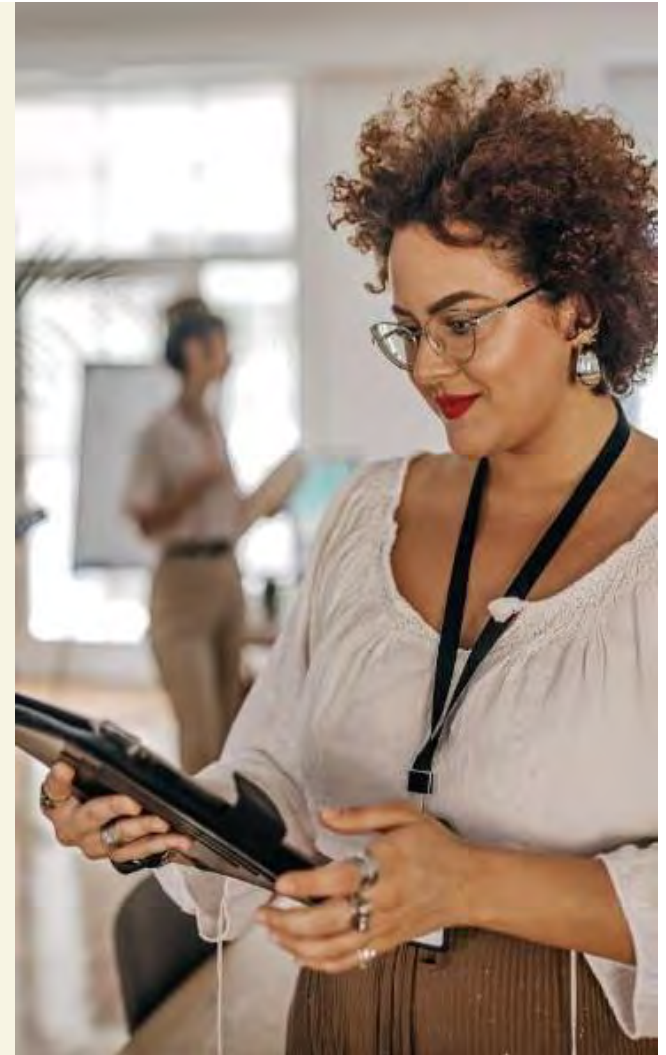


	Engaged*	Not engaged
Average balance:	\$171,865	\$74,694
Average deferral rate:	\$9,282	\$3,942

DIY



	Engaged*	Not engaged
Average balance:	\$284,212	\$139,672
Average deferral rate:	\$10,271	\$3,455

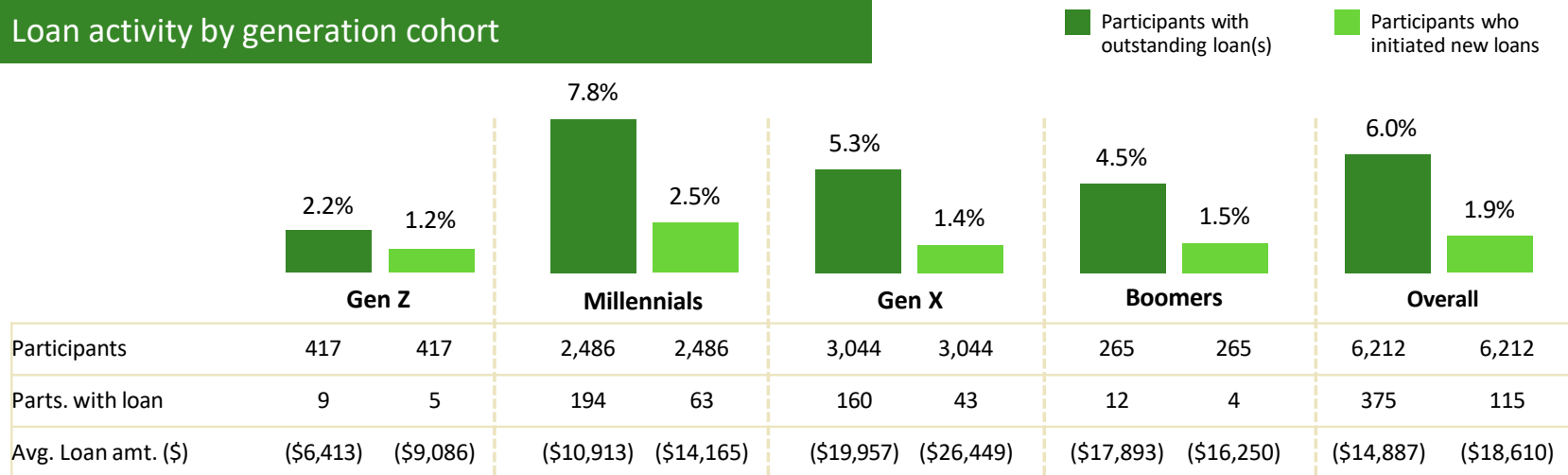


**“Engaged” includes any digital or live channel engagement within the past 12 months. Participants in target date strategy are those who are 100% invested into a single target date strategy. Percentages between investment preferences may not add up to 100% due to rounding.
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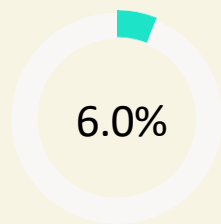
Loan activity

Implement a plan design and features to simplify the loan process

Loan activity by generation cohort



Participants with outstanding loan



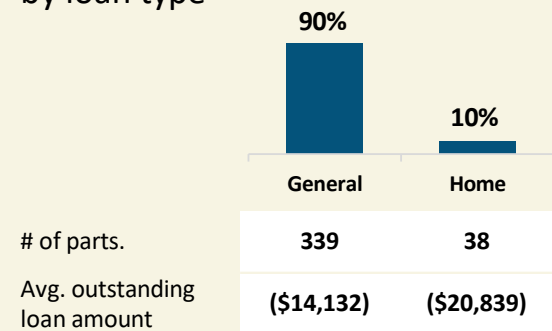
of participants have at least one outstanding loan

21.4% Peer average

Plan features

	Your plan adoption	Peer adoption
✘	Limits to 2 or fewer loans outstanding	66%
✔	ACH loan repayments	86%
✘	eCertified hardships	20%

Percentage of participants by loan type



Fidelity record kept data as of 12/31/2025 for active participants with a balance. Excludes terminated and zero balance participants. Also excludes forfeiture and alternate payee accounts

Participants who initiated new loans : percentage of participants who took I during the 12 months ending 12/31/2025

Participants with outstanding loan(s) : Participants who held a loan as of 12/31/2025

Generational Birth Years: Gen Z: Born after 1996, Millennial 1996-1981, Gen X 1980-1965, Boomers prior to 1965.

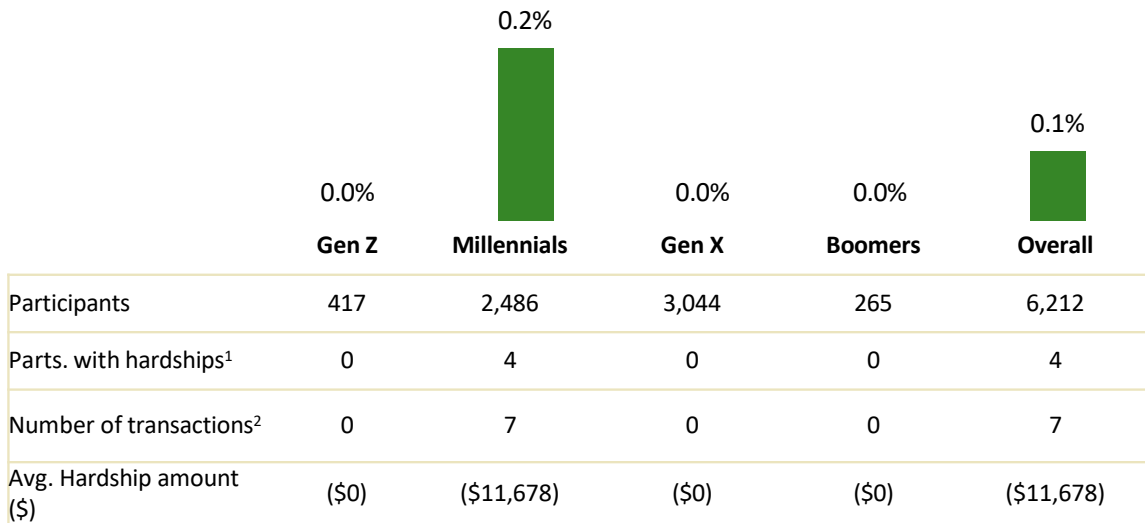
Peer comparison represents industry peers. See appendix for more details.

Originally prepared for plan sponsor and investment professional use only.

Withdrawal activity

Implement a plan design and features to simplify the process

Participants with hardship withdrawal in last 12 months by generation cohort



Participants with hardship/ in-service withdrawals



0.1% Hardship
1.9% peer avg.



0.4% In-service
2.4% peer avg.

1. Participants who have taken a hardship withdrawal in the 12-month period starting from 01/01/2025 to 12/31/2025 and considered only Active participants as of 12/31/2025
 2. Number of hardship transactions by participants in the 12-month period starting from 01/01/2025 to 12/31/2025. There can be multiple transactions by a single participant. Fidelity record kept data as of 12/31/2025 for active participants with a balance. Excludes terminated and zero balance participants. Also excludes forfeiture and alternate payee accounts. Generational Birth Years: Gen Z: Born after 1996, Millennial 1996-1981, Gen X 1980-1965, Boomers prior to 1965.

Engaging your Members

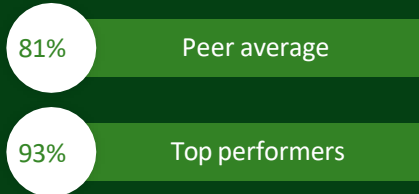
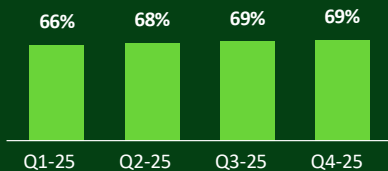
Integrated and targeted support
to encourage better decisions
on the path to financial wellness



Engagement summary

Fire & Police Pension Association of Colorado

Engagement trend



Engagement solutions

Digital Enablement

Fully Digital Ready	78%
Beneficiary Coverage	64%

How are your members engaging

	Online	1:1	Group events	Online tool	Service calls	Financial Wellness check-up*
Your results	68%	7%	1%	11%	10%	4% or 225 responses in last 3 years
Peer average	79%	11%	5%	17%	17%	

Fidelity record kept data as of 12/31/2025 based on Active participants with balance.
 *Financial Wellness Check-up results based on responses from 01/23 to 12/25.
 Engagement activity from 01/25 to 12/25.

Engaging your members

Employee engagement activities

Engagement level	Definition	Your members	Peer
Deeply unengaged	No contact in the prior two years	20%	10%
Unengaged	No contact in the prior 12 months.	11%	9%
Basic engaged	NetBenefits®, Fidelity.com , App login or customer service contact by members for information on, or to complete a transaction in, their retirement plan.	25%	25%
Education engaged	NetBenefits® learn hub, life event and other general resource use by members for educational purposes.	28%	29%
Highly engaged	Financial planning activities by members on NetBenefits® or with a Fidelity Financial Consultant	17%	27%

Engaged with help

69% of participants have contacted Fidelity by phone or logged into NetBenefits®

81% Peer average

93% Top performers

Plan features

	Your plan adoption	Peer adoption
✘	Deferral tracking	47%
6/11	# Marketing campaigns	6/11
✓	Outbound calls	69%
11/12	Engagement solutions	8/12

4,249 web users with over 215,603 sessions

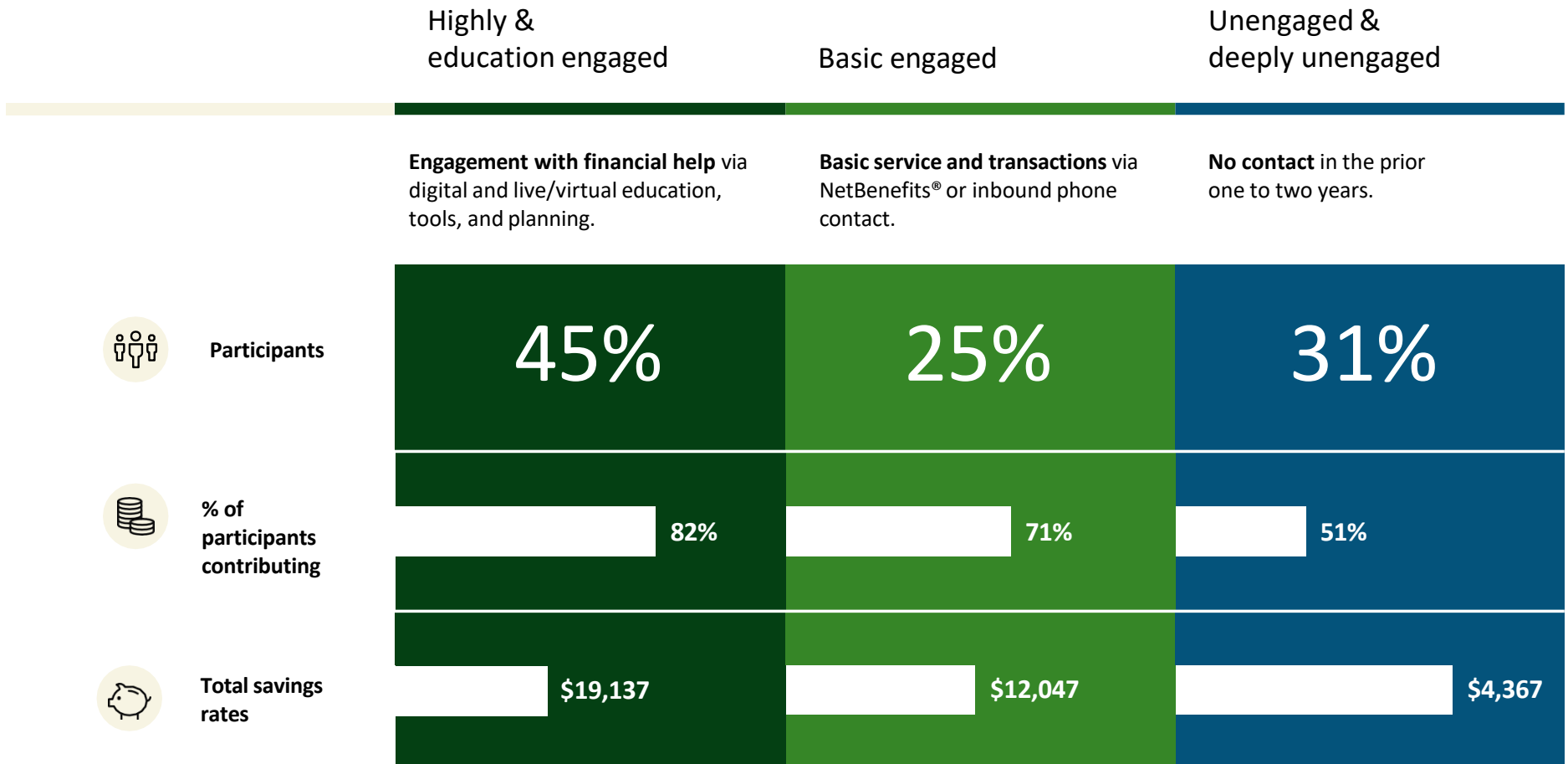
762 phone contactors with over 1,225 phone calls

For active participants with a balance as of 12/31/2025. Excludes terminated and zero balance participants. Also excludes forfeiture and alternate payee accounts. Peer comparison represents industry peers. See appendix for more details.

Originally prepared for plan sponsor and investment professional use only.

Engagement helps to drive better outcomes

Higher Engagement leads to better participation and savings rates among members



For active participants with a balance as of 12/31/2025 Excludes terminated participants. Percentage of participants contributing is based on any contribution in 12-month period. Deeply Unengaged: No Fidelity contact in prior two years. Unengaged: No Fidelity contact in the prior year. Basic Engaged: NetBenefits login or inbound phone call to Fidelity in the prior year. Education Engaged: NetBenefits library article or video view, portfolio analysis or research use, bricklet click or PP&A dashboard visit in the prior year. Highly Engaged: Completion of a retirement planning, advice tool, on-site one-on-one or group interaction, financial wellness assessment completion, PP&A enrollment or PP update, Goal Booster enrollment, or Fidelity Retail Branch visit in the prior year.

Basic engaged

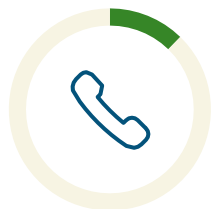
members engaged with Fidelity to view account information and complete transactions



25% of your members have engaged with Fidelity to check balances, view account information and complete transactions.

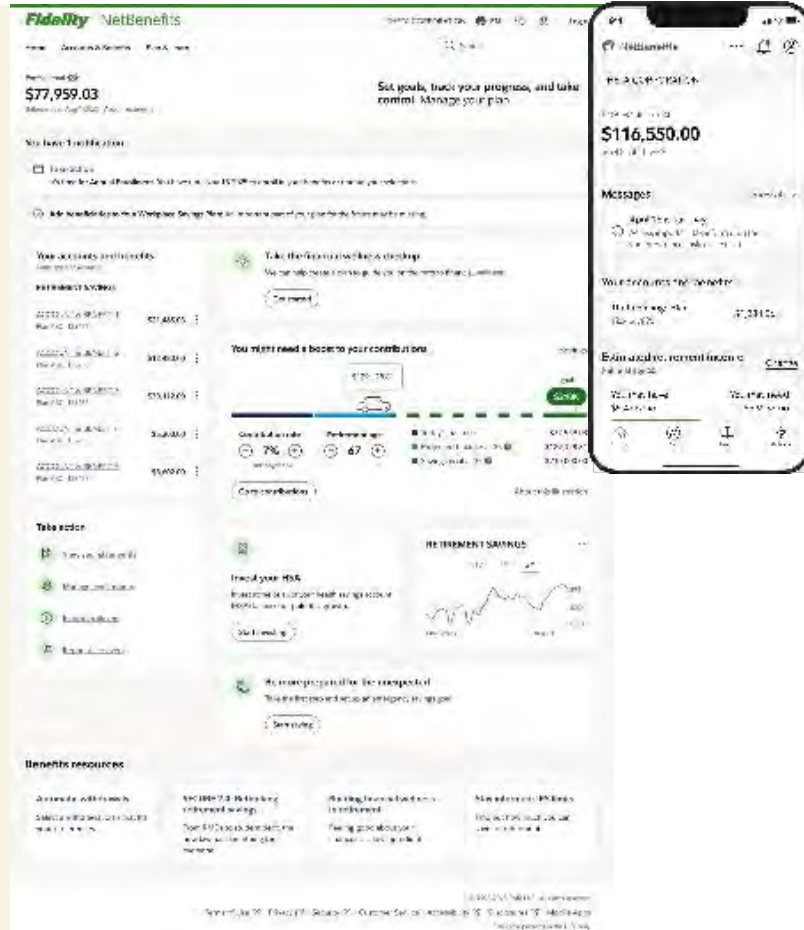
Peer average: 25%

NetBenefits® Visits	30.8K
% of Visits on mobile app	19%
% of Visits on mobile browser	30%



12% of your members contacted Fidelity for service on their account.

Service calls handled: 762



For active participants with a balance as of 12/31/2025. Excludes terminated and zero balance participants. Also excludes forfeiture and alternate payee accounts. Peer comparison represents industry peers. See appendix for more details.

Education engaged

members utilizing NetBenefits® resources for educational purposes

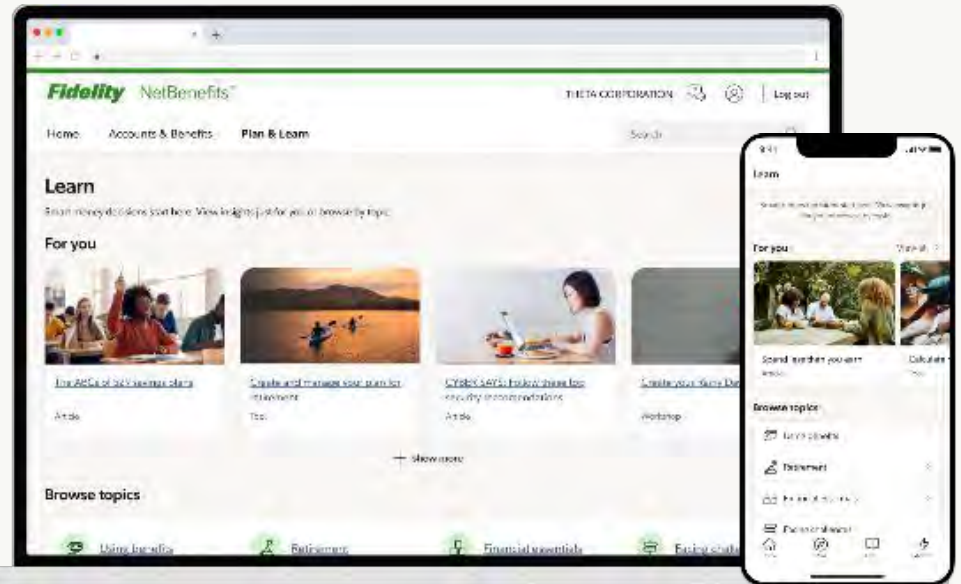


28% of your members have also utilized NetBenefits® resources for educational purposes.

Peer average: 29%

Top activities for your members:

General educational content	48%
Investment research	32%
Journey Space Interactions	16%
PP&A dashboard visit	2%
Learn hub	2%
Financial wellness topic page	1%
Networth Card Visits	0%



They know what they need.

Find and easily access relevant resources:

Learn hub

They want help figuring out their suggested next step.

And keep a pulse on their financial wellness:

Financial wellness checkup

Life happens.

They can get help navigating moments that matter:

Life event planning topics

For active participants with a balance as of 12/31/2025. Excludes terminated and zero balance participants. Also excludes forfeiture and alternate payee accounts. Peer comparison represents industry peers. See appendix for more details.

Highly engaged

members engaged with Fidelity in retirement planning and investing activities



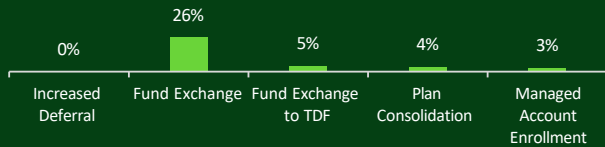
17% of your members engaged with Fidelity in retirement planning and investing activities.

Peer average: 27%

Top activities for your members:

Planning and Guidance Center	49%
Online Tools	35%
IPQ Update	17%
Phone Channel	14%
WPA Phone Guidance	11%
Fidelity Retail Branch Visit	8%
1:1 Appointments	7%

Actions taken



14% of members engaged in planning via 1:1's, professional calls, tools, and workshops took action.

Peer average: 23%



Onsite 1:1 Appointment



186

Action Rate: 14%

Financial professional Calls



247

Action Rate: 38%

Self led and Rep led Tool completions¹



670

Action Rate: 22%

Workshops²



50

Action Rate: 10%

For active participants with a balance as of 12/31/2025. Excludes terminated and zero balance participants. Also excludes forfeiture and alternate payee accounts. Peer comparison represents industry peers. See appendix for more details. *Part of Planning & Guidance Center. Originally prepared for plan sponsor and investment professional use only.

1: Tools Considered: IRE, IRE2.0, IPR, SAV and RPG Tools

2: Considered Both Onsite and Online Group workshops

Unengaged & Deeply unengaged

members that have not engaged with Fidelity in at least 12 months



31% of your members have not engaged in their retirement benefit with Fidelity in at least 12 months.

Peer average: 19%

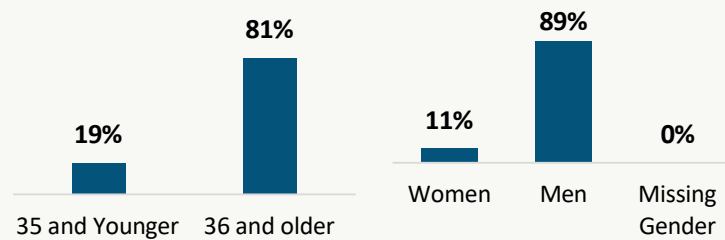
Profile for unengaged members:

Average age	45
Average tenure	14
% women	11%
% unregistered on NetBenefits	36%
% w/ e-mail on file	97%
% w/ mobile phone on file	57%

19% of members unengaged in the retirement benefit are 35 and younger

Unengaged Profile

(% of members not engaged)



For active participants with a balance as of 12/31/2025. Excludes terminated and zero balance participants. Also excludes forfeiture and alternate payee accounts. Peer comparison represents industry peers. See appendix for more details.

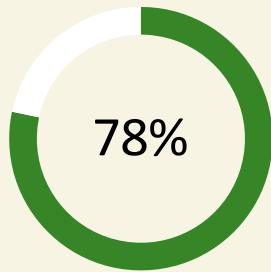
Digital and cyber readiness

Digitizing your members' experience



Digital Enablement and Engagement

Digital contact information (DCI) enablement



are fully digital ready and meet all 4 criteria^{1,#}

83% Peer average

		Peer adoption
Allow electronic delivery	79 %	84%
Have an email on file	99%	96%
Have a mobile phone on file	86%	91%
NetBenefits® login	88%	92%

Digital engagement²

<p>Online visits</p> <p>6.3K</p> <p>Active + Inactive Participants Interacted online with Fidelity</p>	<p>Visit duration</p> <p>02:01</p> <p>Average time spent per visit online</p>	<p>Device type</p> <p>32% 65% 3%</p> <p>Desktop Mobile Tablet</p>	<p>Transactions</p> <p>1,420</p> <p>Unique visitors online, who completed at least one online transaction</p>
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¹Fidelity record kept data as of 12/31/2025 for active participants with a balance. Excludes terminated and zero balance participants. Also excludes forfeiture and alternate payee accounts.

²Fidelity record kept data as of 12/31/2025 for participants with a balance. Excludes zero balance participants. Also excludes forfeiture and alternate payee accounts.

Peer comparison represents industry peers. See appendix for more details.

[#]"Participants that are fully digital ready" represents members who have an email on file, have registered accounts on NetBenefits, have a mobile phone number on file and have given permission for electronic delivery.

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Are your members engaged in securing their accounts?

Protecting members' retirement savings is one of the most important plan sponsor duties

	Activity	Stats	Why it matters
Register	Completed new user registration on NetBenefits®	All 88% Actives only 88%	Account registration is the critical first step members can take to secure their accounts and reduce the risk of someone registering on their behalf.
	Monitor Logged into NetBenefits® within the last 90 days	All 43% Actives only 43%	members who regularly engage with their account online have a better chance of spotting potential unauthorized activity.
Optimize security	Able to complete two-factor authentication	All 85% Actives only 86%	Two-factor authentication is required to complete sensitive transactions online, such as updating bank information.
	Enrolled in MyVoice SM phone authentication 29% acceptance rate for active EEs	All 32% Actives only 29%	Voice biometrics helps prevent a fraudster from impersonating members while speaking with a phone associate.
	Eligible to receive real-time security alerts 86% receive SMS alerts 97% of active EEs have employer-provided email	All 98% Actives only 99%	When members have contact information on file, they're notified of suspicious activity as soon as it happens.
Take action Tap into our cybersecurity toolkit to help your members protect their accounts.			

"All" includes all members (active + inactive) with a balance in their plan.
 As of 12/31/2025
 Originally prepared for plan sponsor and investment professional use only.

Peer Benchmark

Industry Specific Peer Plan Sponsors



73

Retirement plans
were analyzed to develop
this peer group



142.8K

Participants'
savings, investment and
engagement behaviors
were analyzed

Public Sector

	Peer average	Top performers average*/best practice
Participation rate	88%	99%
Average total savings rates	\$11,674	\$16,595
Participant engagement	81%	93%
Age-appropriate asset allocation	75%	87%
Loan utilization rate	21%	<10%

Fidelity record kept data as of 12/31/2025.

*Top performers average refers to the average of the top quartile for the corresponding metric. Originally prepared for plan sponsor and investment professional use only.

Plan trends

FIRE & POLICE PENSION ASSOCIATION OF COLORADO

Client 720442	12/2025	12/2024	12/2022	12/2020
Active employees contributing ²	66.6%	65.0%	62.6%	84.1%
% participants with Roth deferral ²	17.0%	14.4%	9.4%	11.4%
• Median age of participants making Roth deferrals	37	37	37	36
Participants with catch-up contribution	127	96	75	47
• Active participants age 50+ ²	2,352	2,367	2,231	1,194
Average employee dollar contribution	\$7,892	\$7,209	\$6,121	\$5,795
Target Date Funds (TDFs) balance	\$503,023,286	\$418,961,843	\$326,501,695	\$238,661,111
• Single TDF participant - inside range	4,064	3,995	3,843	1,552
• Single TDF participant - outside range	336	350	400	588
• Multiple TDF participants	1,512	1,513	1,535	1,006
• Multi-fund TDF participants	1,350	1,319	1,337	830
BrokerageLink balance	\$136,202,458	\$118,113,557	\$72,558,484	\$79,388,270
• BrokerageLink participants	519	474	416	297
Fidelity® Personalized Planning & Advice balance	\$76,862,797	\$55,126,010	\$29,540,005	\$17,896,717
• Fidelity® Personalized Planning & Advice # of participants	475	412	310	158
Average # of funds held ²	2.73	2.73	2.79	2.96
Single fund holders (excluding TDF) ²	363	349	343	233

¹ Please see "Plan Trends Glossary" for information regarding plan peer size and industry comparisons.

² See "Plan Trends Glossary" immediately after this section for definition of terms.

³ From January through April the peer measures are from two calendar years prior.

Plan trends

FIRE & POLICE PENSION ASSOCIATION OF COLORADO

Client 720442	12/2025	12/2024	12/2022	12/2020
YTD net cash flow	(\$579,683)	(\$6,166,155)	\$14,523,261	(\$10,131,848)
• YTD total contributions	\$92,259,982	\$81,914,883	\$64,803,156	\$50,282,004
• YTD employee contributions	\$37,879,490	\$33,280,163	\$26,482,299	\$21,012,081
• Pre-tax	\$31,260,838	\$28,296,042	\$23,768,141	\$19,424,455
• Roth	\$6,618,653	\$4,984,122	\$2,714,158	\$1,587,626
• After-tax	\$163,005	\$197,688	\$165,824	\$122,684
• YTD employer contributions	\$49,015,582	\$43,123,988	\$36,078,980	\$26,988,126
• YTD rollover contributions	\$5,201,904	\$5,313,044	\$2,076,053	\$2,159,112
• YTD loans/withdrawals	(\$96,567,962)	(\$94,352,830)	(\$80,879,808)	(\$60,637,498)
Number of loans outstanding	496	452	358	317
• Average outstanding loan balance	\$14,567	\$15,095	\$13,798	\$11,676
• Number of participants with >1 loan ²	21	21	21	24
• Number of loans taken	132	131	96	61
Hardship withdrawals	(\$53,840)	(\$94,903)	(\$15,187)	(\$1,297,364)
• Number of hardship withdrawals	8	8	3	68
Other withdrawals	(\$94,081,353)	(\$91,527,272)	(\$79,160,479)	(\$58,018,864)
• Number of other withdrawals	2,965	2,908	2,077	1,582

¹ Please see "Plan Trends Glossary" for information regarding plan peer size and industry comparisons.

² See "Plan Trends Glossary" immediately after this section for definition of terms.

Important information about investment risks and risk spectrums

Placement of investment options within each risk spectrum is only in relation to the investment options within that specific spectrum. Placement does not reflect risk relative to the investment options shown in the other risk spectrums.

Risk Spectrum for Lifecycle Investment Options: Lifecycle investment options are represented on a separate spectrum because they are generally designed for investors expecting to retire around the year indicated in each investment's name. The investments are managed to gradually become more conservative over time. The investment risks of each lifecycle investment change over time as its asset allocation changes. They are subject to the volatility of the financial markets, including equity and fixed income investments in the U.S. and abroad and may be subject to risks associated with investing in high yield, small cap and foreign securities. Principal investment is not guaranteed at any time, including at or after their target dates.

Risk Spectrum for General Investment Options: This spectrum, with the exception of the Domestic Equity category, is based on Fidelity's analysis of the characteristics of the general investment categories and not on the actual investment options and their holdings, which can change frequently. Investment options in the Domestic Equity category are based on the options' Morningstar categories as of the date indicated. There may be a number of funds in each category and each may have a significantly different risk profile as compared to other funds within that category as well as compared to funds in other categories on the spectrum. Morningstar categories are based on a fund's style as measured by its underlying portfolio holdings over the past three years and may change at any time. These style calculations do not represent the investment options' objectives and do not predict the investment options' future styles. Investment options are listed in alphabetical order within each investment category. Risk associated with the investment options can vary significantly within each particular investment category and the relative risk of categories may change under certain economic conditions. For a more complete discussion of risk associated with the mutual fund options, please read the prospectuses before making your investment decisions. The spectrum does not represent actual or implied performance.

Any product indicated as being on a watch list has been previously placed in this status by the plan sponsor. This may indicate that a product is subject to additional due diligence by the plan sponsor. This does not indicate a product that is being recommended to be placed on a watch list.

Investment Risks:

Unless specifically stated otherwise in their detailed descriptions, principal invested in any of the Plan's investment options is not guaranteed at any time, including near or during retirement.

The investment risks of each lifecycle fund changes over time as its asset allocation changes. They are subject to the volatility of the financial markets, including equity and fixed income investments in the U.S. and abroad and may be subject to risks associated with investing in high yield, small cap and foreign securities.

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments.

Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which are magnified in emerging markets. These risks are particularly significant for funds that focus on a single country or region.

In general the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk and credit and default risks for both issuers and counterparties. Unlike individual bonds, most bond funds do not have a maturity date, so avoiding losses caused by price volatility by holding them until maturity is not possible.

Investments in lower-quality debt securities generally offer higher yields, but also involve greater risk of default or price changes due to potential changes in the credit quality of the issuer.

Investments in smaller companies may involve greater risks than those in larger, more well known companies.

Because of their narrow focus, sector funds may be more volatile than funds that diversify across many sectors.

Investments in mortgage securities are subject to the risk that principal will be repaid prior to maturity. As a result, when interest rates decline, gains may be reduced, and when interest rates rise, losses may be greater.

(If applicable) Your company stock investment option is neither a mutual fund nor a diversified or managed investment option.

Please see Fund Diagnostics Summary section for important information on Money Market Mutual Funds.

Important information about money market mutual funds

Fidelity Government/Treasury Mutual Fund Money Market: *You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Fidelity Investments and its affiliates, the fund's sponsor, are not required to reimburse money market funds for losses, and you should not expect that the sponsor will provide financial support to the fund at any time, including during periods of market stress.*

Fidelity's government and U.S. Treasury money market funds will not impose a fee upon the sale of your shares.

Non-Fidelity Government/Treasury Mutual Fund Money Market: *You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor is not required to reimburse the fund for losses, and you should not expect that the sponsor will provide financial support to the fund at any time, including during periods of market stress.*

Non-Fidelity Institutional Mutual Fund Money Market: *You could lose money by investing in a money market fund. Because the share price of the fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. The Fund may impose a fee upon sale of your shares. An investment in the fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor is not required to reimburse the fund for losses, and you should not expect that the sponsor will provide financial support to the fund at any time, including during periods of market stress.*

Fidelity Retail Mutual Fund Money Market: *You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The fund may impose a fee upon the sale of your shares. An investment in the fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Fidelity Investments and its affiliates, the fund's sponsor, are not required to reimburse the fund for losses, and you should not expect that the sponsor will provide financial support to the fund at any time, including during periods of market stress.*

Non-Fidelity Retail Mutual Fund Money Market: *You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The Fund may impose a fee upon the sale of your shares. An investment in the fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor is not required to reimburse the fund for losses, and you should not expect that the sponsor will provide financial support to the fund at any time, including during periods of market stress.*

Important additional information

Investment Risk

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To the extent any investment information in this material constitutes a recommendation, it is not meant to be impartial investment advice or advice in a fiduciary capacity, is not intended to be used as a primary basis for your investment decisions, is based on facts and circumstances at the point in time it is made, and will not be updated if facts or circumstances change unless you contact Fidelity and ask for a new recommendation. Fidelity and its representatives have a financial interest in any investment alternatives or transactions described in this material. Fidelity receives compensation from Fidelity funds and products, certain third-party funds and products, and certain investment services. The compensation that is received, either directly or indirectly, by Fidelity may vary based on such funds, products and services, which can create a conflict of interest for Fidelity and its representatives.

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Before investing in any investment option, consider the investment objectives, risks, charges, and expenses. Contact Fidelity for a mutual fund or variable annuity prospectus or, if available, a summary prospectus. For information on fixed annuities, contact Fidelity to request a fact sheet. Read them carefully.

Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917

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Benchmarking definitions

Plan Participation Rate: The percentage of actively employed, point-in-time eligible employees who made employee pretax or post-tax contributions over the prior 12 months; This is based on NDT data and may be from previous plan year's non-discrimination test.

% of Participants Contributing (Voluntary Plan Contribution Rate): The percentage of active participants who made employee pretax or post-tax contributions over the prior 12 months in the voluntary plans.

Total Average Savings Rate (EE + ER): The overall average savings rate (Employee deferral % + Employer contribution %) for all active participants. All Active participants have been considered for the calculation of Total Average savings rate, including participants with a 0% employee deferral rate. Employer contribution % is calculated based on Employer Contribution dollars over a rolling 12-month period; therefore, there might be differences from Employer contribution in Plan Design.

Automated Plan Design—AE Default Deferral Rate: The deferral (savings) rate that auto-enrolled participants begin saving at once enrolled in the retirement plan.

Automated Plan Design—AIP Utilization Rate: The percentage of active participants who are enrolled in the Annual Increase Program (AIP) in plans that offer AIP.

Participant Asset Allocation: The percentage of participants whose DC plan assets are allocated within +/- 10% percentage points of the Fidelity Equity Glide Path, with a maximum of 90% equity exposure.

Participant Interactions: The percentage of participants contacting a Fidelity phone representative or Fidelity NetBenefits® over the last 12

months.

Retirement Planning & Advice Utilization: The percentage of Participants who used planning or advice tools during the 12 months ending 12/31/2025. Retirement planning & advice utilization includes both representative-led and self-directed interactions and is based on participants who reached the analysis or complete phase.

Investment Advice Tool Interaction: Participants who completed a representative-led Investment Advice Tool interaction in the prior 12 months ending 12/31/2025.

Loans & Withdrawals: The percentage of participants who took a loan or withdrawal during the 12 months ending 12/31/2025.

Unique Highly Engaged Participants: Count of distinct active participants with balance who are highly engaged. Participants who complete any of the following activity in last 12 months ending 12/31/2025 are deemed as Highly Engaged: Completion of a retirement planning, advice tool, on-site one-on-one or group interaction, FW assessment completion or Journey Space interactions, PP&A enrollment or PP update, or Fidelity Retail Branch visit in the prior year.

Peer Average: Peer average is the average value of a given metric across all clients belonging to the same peer group.

Top Performer: Top performer for a given metric is average of top quartile values from the same peer group

Employee engagement channel data reporting definitions

Data	Notes
Marketing Campaigns	Fidbits Newsletter, Goal Booster Awareness, Triggered Campaigns, Women Talk Money, Enhanced Enrollment Experience, Tenured Unenrolled Trigger, EasyEnroll Newly Eligible Trigger, Onboarding, Quarterly Check In, Investment Strategies, Financial Wellness Modernization Triggers
Engagement Solutions	<p>Sponsor Advocacy Permissions (Engagement Solutions) Sponsor Advocacy Solutions (SAS), aka "enablers" or "permissions", are a set of important participant engagement communications and solutions that when enabled, allows us to help more participants. Full element score received for plans that have these permissions turned on:</p> <ul style="list-style-type: none"> • On Boarding communications : Series of emails designed to welcome newly enrolled employees to their plan and help them complete account set up so they can easily get access to all the help available to them, get on track, and stay on track. • Retirement Decisions Trigger: E-mail communications triggered based on stages/age (55-58) to help pre-retirees plan for retirement by providing a prioritized path of decisions to consider and tools to take action. • Retirement Income Triggers: E-mail communications triggered based on stages/ages (55+) offering help related to getting ready for retirement • Lifestage outbound calls: Controls whether we can occasionally call out to active participants at key life stages • Term Kit Triggers: Series of one-time only communications triggered at point of termination to help participants through job changes or retirement. • Term outbound calls: Controls whether we can call out to terminated participants to help them with their transition, planning, investing and retirement needs. • Financial Wellness Education & Point Solutions: SAS and scorecard credit will be awarded with signed agreement from Client to enable "Education + Point Solutions" • Goal Booster: Goal Booster is a savings and investing experience designed to help people save smarter for their short-term goals; with Goal Booster, savers can set goals, explore product options, open Fidelity accounts, and easily manage their goals all in one place. • Tenured Unenrolled Trigger: Targets unenrolled employees who have been eligible to enroll 91+ days. • Modernized Financial Wellness Checkup Trigger: Email trigger to engage with the Financial Wellness Check-Up. Includes Awareness Email, a completed or abandoner emails and finally a check in email 6 months after completing the check-up. • Goal Booster Awareness Trigger: Marketing campaign sends annual reminder to Goal Booster-eligible employees that Goal Booster is a resource available to help them save for emergency savings or other broader savings needs outside of retirement. • RTS Catch-up Trigger: E-mail communications triggered based on stages/age (49½-50 and 59½-60) to inform participants about ability to make catch-up contributions to their retirement savings plan.

Important Additional Information

For Institutional Investor use only. Not for distribution to plan participants.

Data in this report are based on Fidelity internal systems and analyses.

A **Self Directed Brokerage** account may entail greater risk and is not appropriate for everyone. Additional fees apply to a Self Directed Brokerage account.

Hybrid/ Balanced consists of mutual funds, commingled pools, and separate accounts composed of at least two asset classes - one being an equity option and the other either a fixed-income or money market option. Included in this category are target date options, lifestyle (target-risk) options, balanced options, and "strategies" (i.e., funds of funds, pools, and separate accounts) meeting the above conditions. Most of the assets and default fund usage within this asset class are target date options.

Specialty consists of real estate, REITs, natural resources, precious metals, healthcare, energy, sector-specific funds, as well as convertible securities.

Peer Grouping data is based on Fidelity recordkept defined contribution qualified plans with over 100 participants which are part of defined contribution client relationships in the government sector that have assets over \$2M and are tax exempt. Pooled plans are excluded. Plans sponsored by Fidelity Investments for the benefit of its own employees were excluded.

Returns shown represent past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated.

Participant returns are annualized for the period indicated and are based on a time-weighted investment return formula that eliminates the effect of participants' cash flows during the entire return period. The formula is intended to reflect the performance of the managers of the underlying investments rather than the actual returns of investors who may have bought and sold the investments at different times over the return period. Returns that take into account the effect of participant cash flows during the return period (i.e., dollar weighted returns) could be significantly different from these time-weighted returns. The longer the return period, the larger the cash flows and the more volatile the investment, the greater the potential difference between the two types of returns. Plan returns were calculated based on aggregate plan assets, not individual participant returns. All returns are historical and include change in share value and reinvestment of dividends and capital gains, if any.

Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917

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Important information

Originally prepared for plan sponsor USE ONLY

Keep in mind that investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money.

Fidelity does not provide legal or tax advice. The information herein is general in nature and should not be considered legal or tax advice. Consult an attorney or tax professional regarding your specific situation.

For "Asset Allocation" purposes, age-appropriate equity allocation is defined as the participant's current age and equity holdings in a retirement portfolio compared with an example table containing age-based equity holding percentages based on an equity glide path. The Fidelity Equity Glide Path is an example we use for this measure and is a range of equity allocations that may be generally appropriate for many investors saving for retirement and planning to retire around ages 65 to 67. It is designed to become more conservative as participants approach retirement and beyond. The glide path begins with 90% equity holdings within a retirement portfolio at age 25 continuing down to 19% equity holdings 10-19 years after retirement. Equities are defined as domestic equity, international equity, company stock, and the equity portion of blended investment options. The indicator for asset allocation is determined by being within 10% (+ or -) of the Fidelity Equity Glide Path. We assume self-directed account balances (if any) are allocated 75% to equities, regardless of participant age and so the Asset Allocation Indicator has limited applicability for those affected participants. For purposes of this metric, participants enrolled in a managed account or invested greater than or equal to 80% of their account balance in a single target date fund are considered to have age-appropriate equity allocation and meet the asset allocation criteria for OnPlan.

Asset allocation does not ensure a profit or guarantee against loss.

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2026 Employee Engagement

Measured March 2 – March 16

We're Great Place to Work-Certified™!



Fire & Police Pension Association of Colorado

92% of employees at Fire & Police Pension Association of Colorado say it is a great place to work compared to 57% of employees at a typical U.S.-based company*



Source: Great Place To Work® 2021 U.S. National Employee Engagement Study*

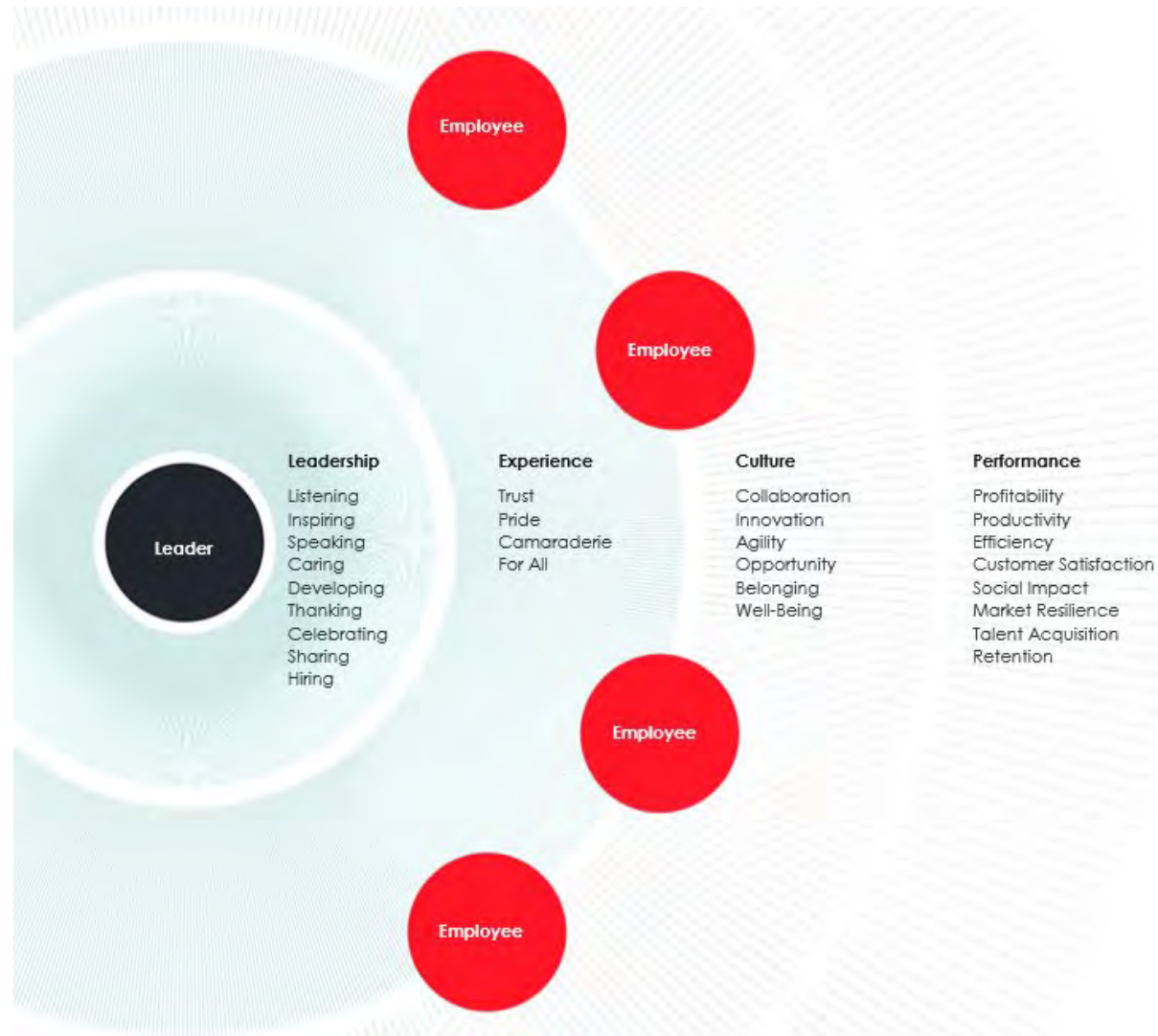
Great Places to Work - GPTW

Great Place To Work Trust Index™ Survey measures the level of trust in an organization and the consistency of the employee experience.

The Survey: Great Place To Work Trust Index Survey measures individual employee experiences of five dimensions of a high-trust company culture through 60 statements and two open-ended questions. It is directly measuring the work that we have been doing with the Strategic Advantage framework for our organizational health.

- Credibility:** Trust in leadership.
- Respect:** Fair treatment and support.
- Fairness:** Equity and impartiality.
- Pride:** Employees' pride in their work and company.
- Camaraderie:** The sense of community and teamwork.

The Great Places to Work Effect



Culture drives performance.

Companies that cultivate great cultures outperform the market and competition on nearly every business metric, regardless of size, industry, or geography.

The Great Places to Work Effect

Stronger financial performance

According to independent investment firm FTSE Russell, the cumulative return on investments in Great Place To Work Certified™ companies has outperformed the market average by 19 percentage points since 2020. This means that if you had invested in publicly traded Certified companies since 2020, you would have earned 35% more than your return on the same investment in the Russell 1000 – an index of the biggest U.S. stocks.

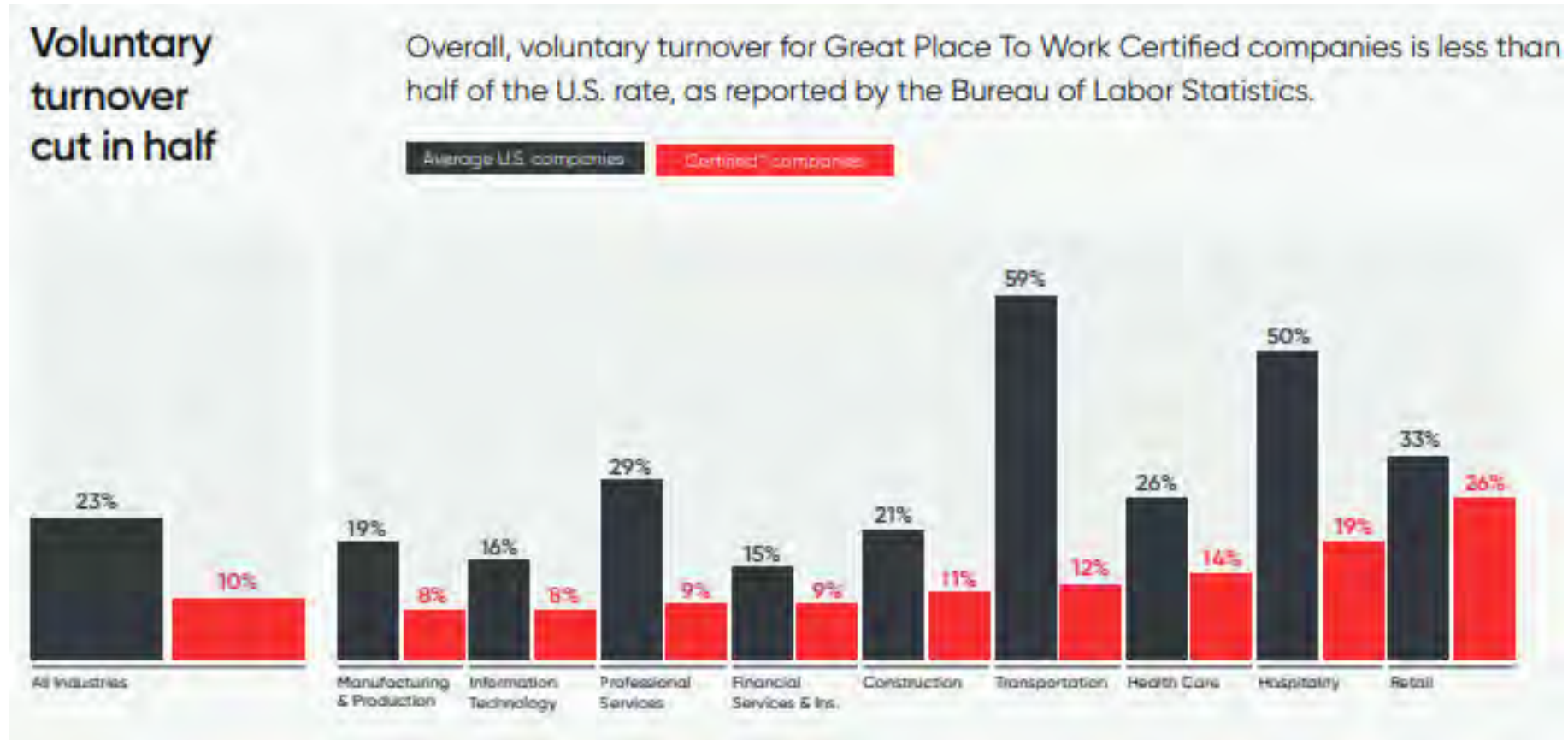
Great Place To Work Certified™ companies outperform the market by 11%

Cumulative Returns 2020-2024



The Great Places to Work Effect

FPPA's Turnover in 2025 was 4.41%. Lack of turnover helps save money and time in recruiting and onboarding as well as prevent the loss of institutional knowledge.



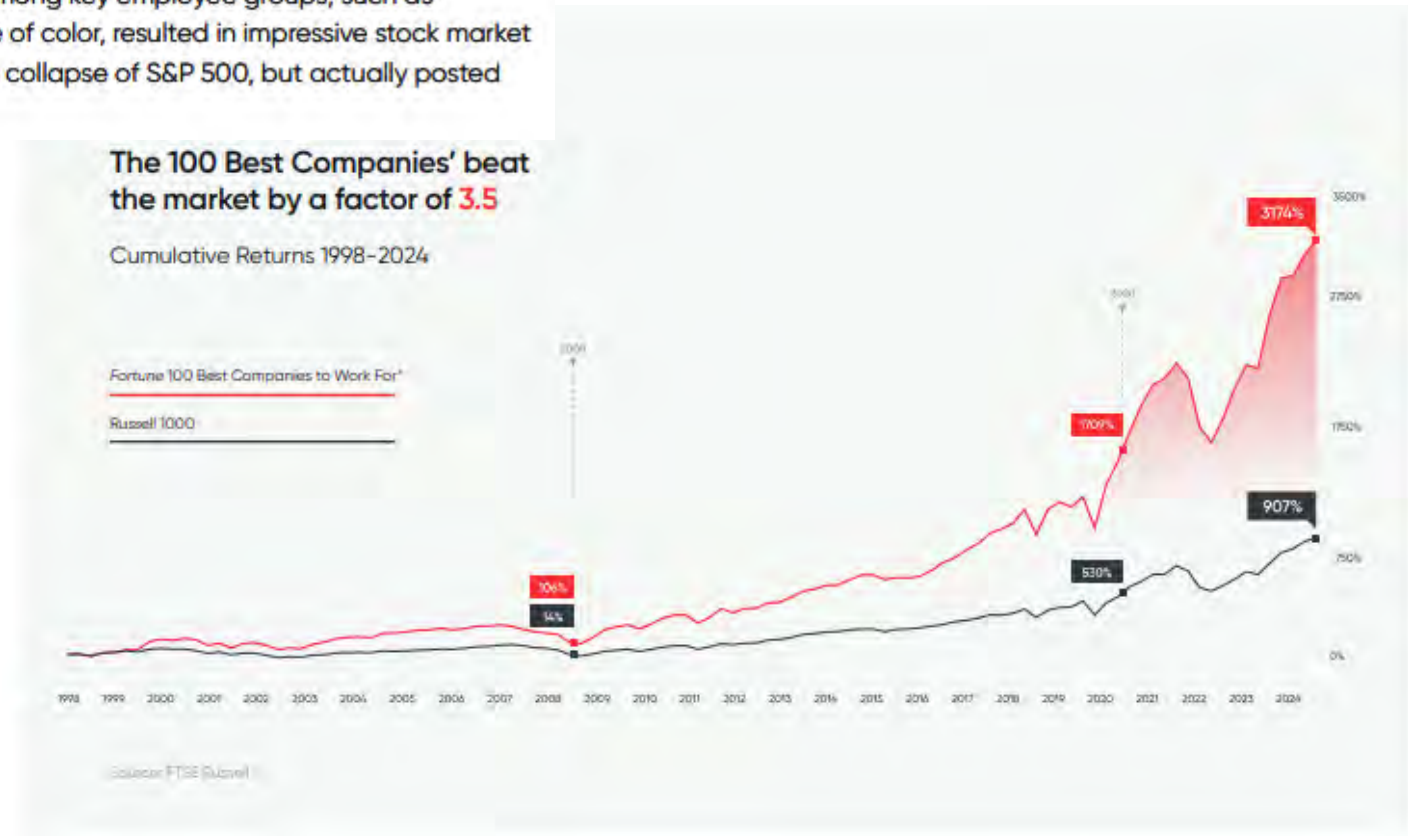
The Great Places to Work Effect

Resilience during market volatility

When more employees are having a great experience at work, companies are also more resilient during economic downturns.

When markets crashed during the COVID-19 pandemic, high-trust workplaces rebounded faster than their competitors. Companies on the Fortune 100 Best Companies to Work For List, the strongest performers on the Great Place To Work Model™, outperformed the broader market by 16.5% in 2020².

We also analyzed a group of 69 companies during the Great Recession of 2008 and found that higher levels of trust among key employee groups, such as front-line workers, women, and people of color, resulted in impressive stock market performance that didn't just avoid the collapse of S&P 500, but actually posted an increase of 14.4%³.

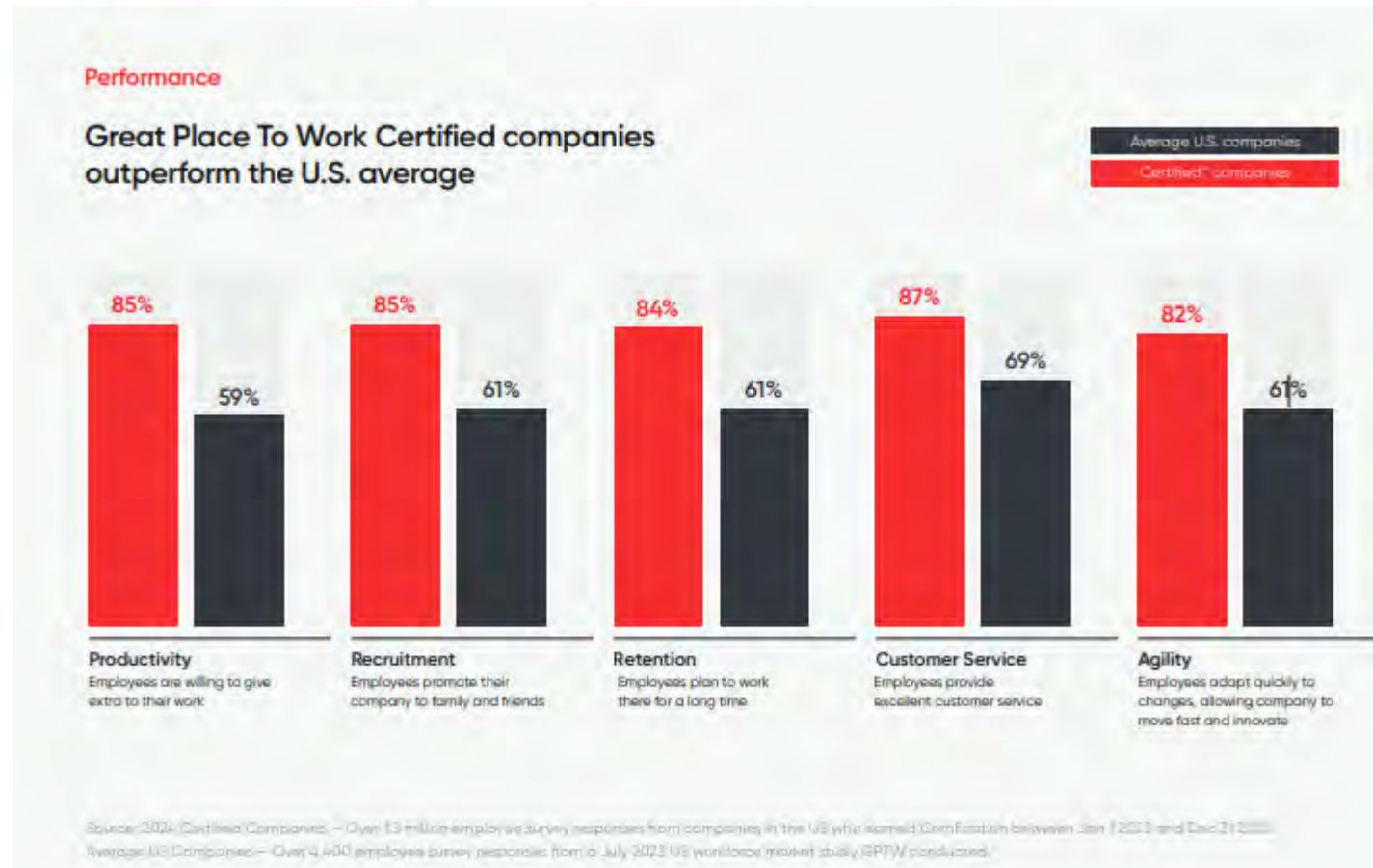


The Great Places to Work Effect

Trust is serious business

Companies of every size and every industry can benefit from measuring trust.

Trust is the ingredient that unlocks performance. That's why Great Place To Work Certified companies outperform the U.S. average across metrics that measure productivity, employee retention, operational agility, and more.



High-Level Results

	MAR 2026	MAR 2025
Great Place To Work® Statement	92%	93%
Average of GPTW Model	88%	91%
Average of All Statements	88%	91%

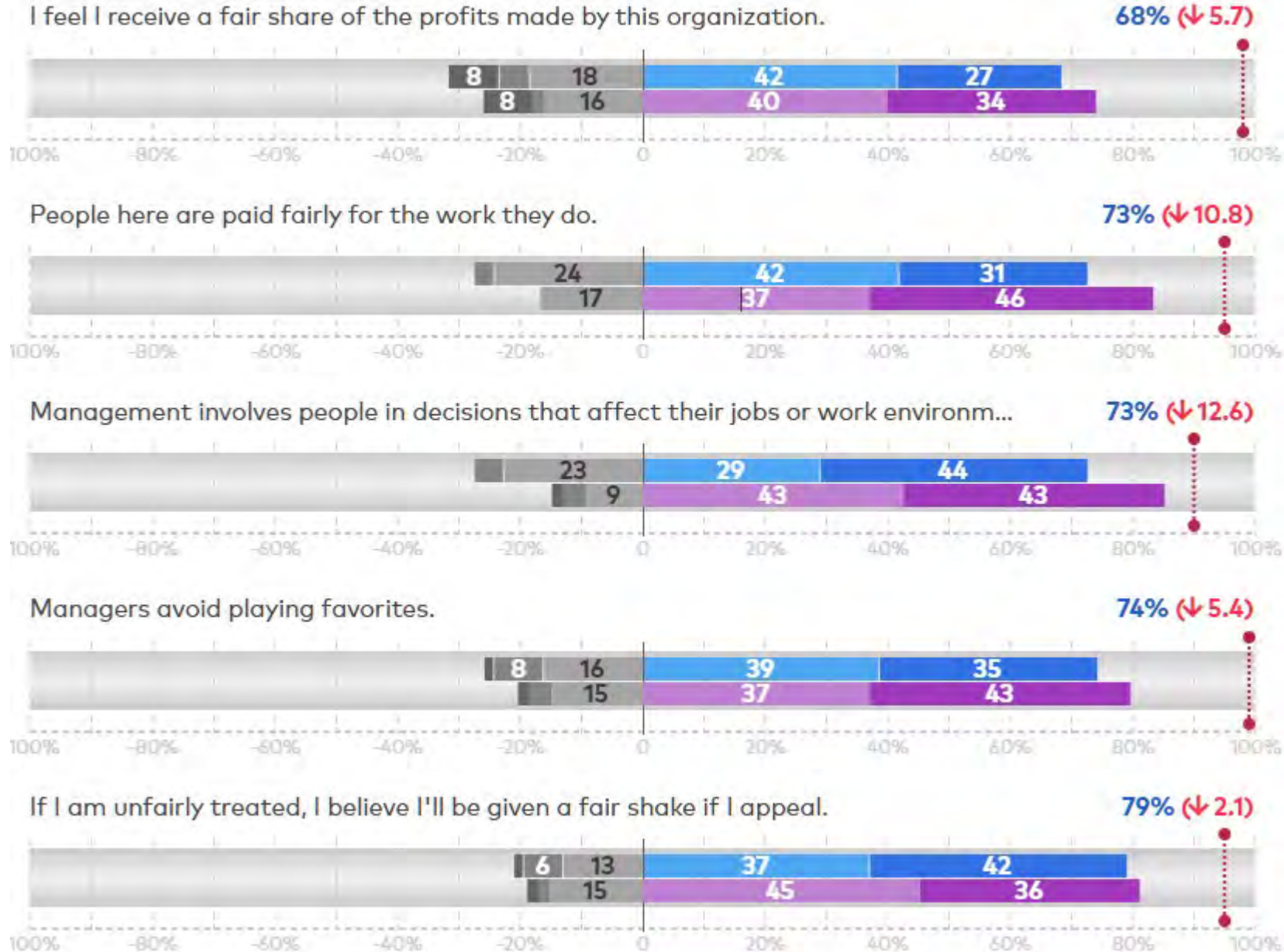
Top Statements

2026
2025



Bottom Statements

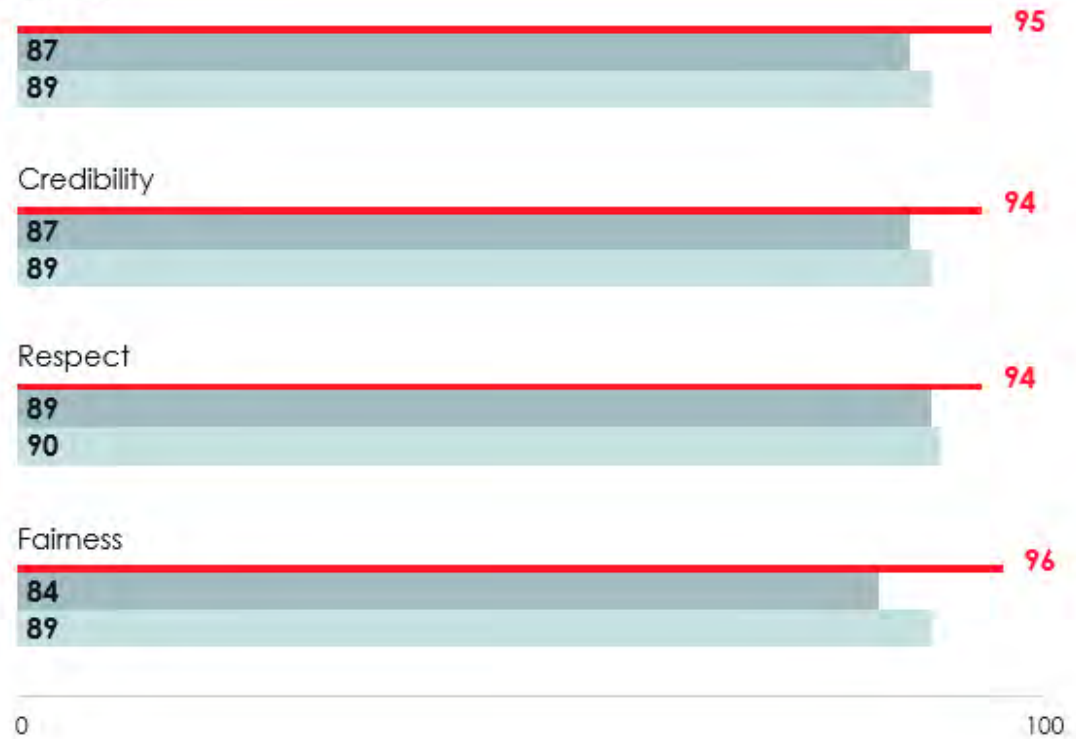
2026
2025



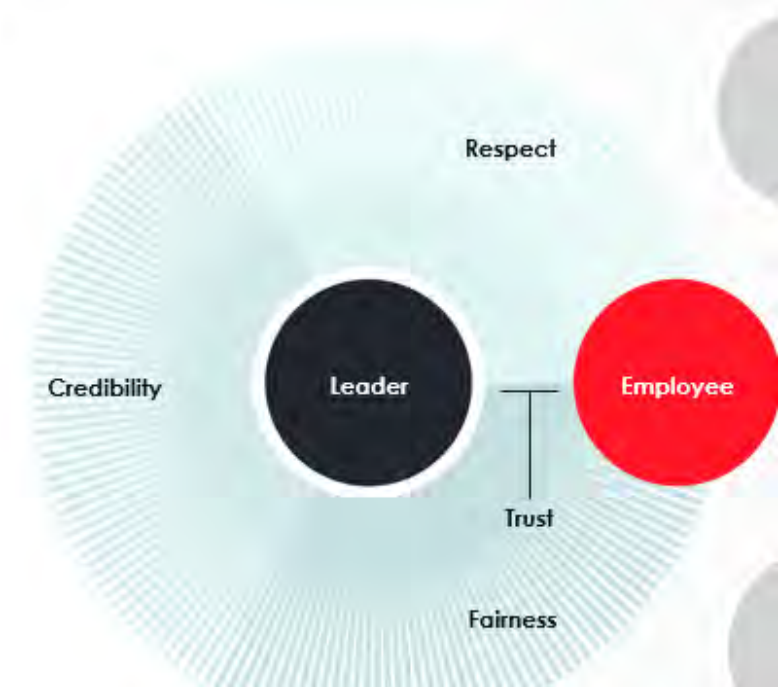
Trust in leaders.

Trust between employees and leaders is the foundation of a great business. Leaders build high levels of trust by consistently demonstrating credibility, respect, and fairness for employees.

Trust



- 2025 United States - Best Small & Medium Workplaces
- Mar. 2026
- Mar. 2025



Pride in your work.



People at great workplaces are proud of their work and their company. When people feel their work makes a difference and is valued, their work is more than just a job. This creates a deeper sense of meaning and purpose, leading to higher levels of engagement, commitment and motivation.

Pride



- 2025 United States - Best Small & Medium Workplaces
- Mar. 2026
- Mar. 2025



Camaraderie in your team.

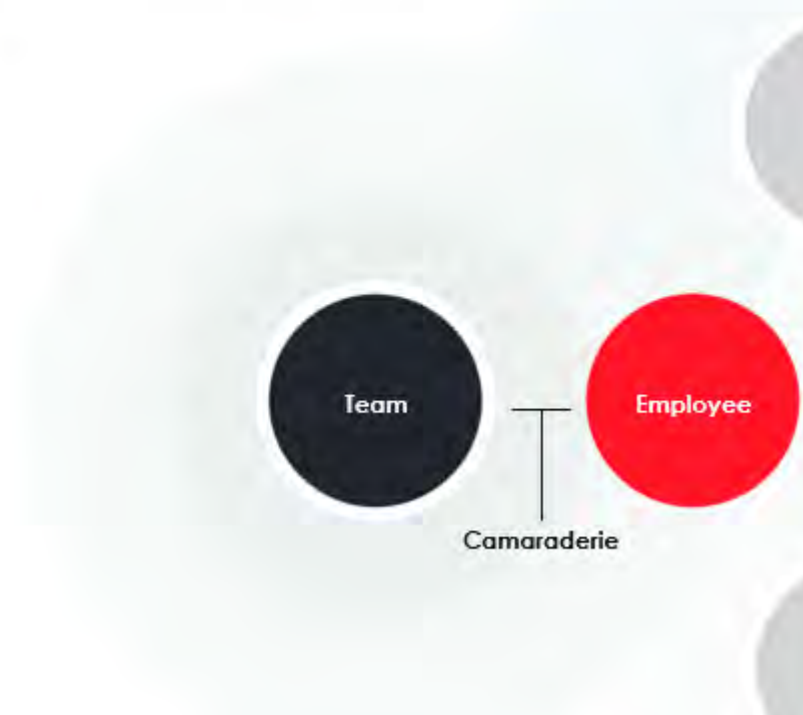


Strong relationships among co-workers lead to better collaboration, faster innovation, and a closer connection to each other and the organization.

Camaraderie



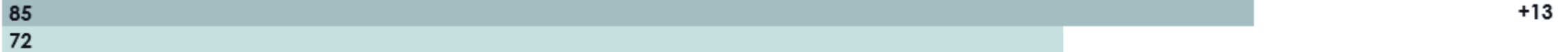
- 2025 United States - Best Small & Medium Workplaces
- Mar. 2026
- Mar. 2025



Significant Changes

TOP TRENDS

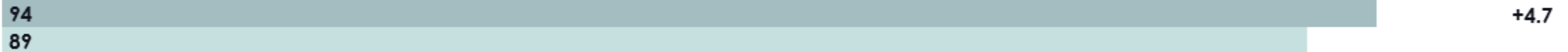
Management hires people who fit in well here.



I believe management would lay people off only as a last resort.



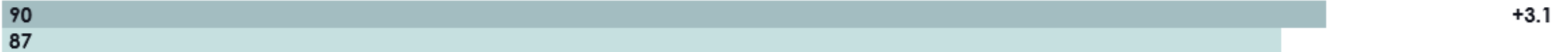
Management is approachable, easy to talk with.



We celebrate people who try new and better ways of doing things, regardless of the outcome.



Management recognizes honest mistakes as part of doing business.



0

100

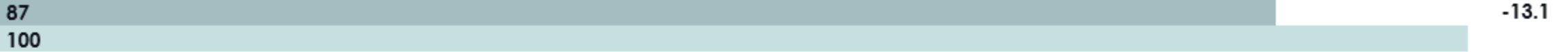
Mar. 2026

Mar. 2025

Significant Changes

BOTTOM TRENDS

When people change jobs or work units, they are made to feel right at home.



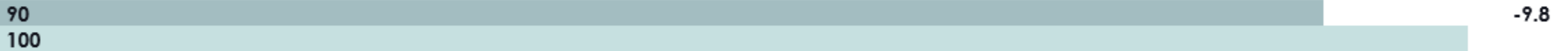
Management involves people in decisions that affect their jobs or work environment.



People here are paid fairly for the work they do.



I am treated as a full member here regardless of my position.



People here are given a lot of responsibility.



0 100

Mar. 2026

Mar. 2025

What's Next?

- Adam, Kevin and Elaine met with the Great Places to Work Team for their insights on April 7th and we will process the information with the Executive Team and Managers
- Hannah and Elaine are attending the Great Places to Work annual conference to learn from other certified companies and the different things that they are doing to move the needles in the areas where we have opportunities to improve
- All managers began their Emerging Leaders Training on April 7th to help them all become more effective and consistent leaders for their teams
- We will continue with the 3-week pulse surveys and drill down further into the areas where we scored lower to get additional insight and context
- We will continue to work on communicating with clarity

Questions?

Pension Administration System Modernization

April 9, 2026

Adam Franklin and Teresa Dupree

Why Now?

- As fiduciaries, we strive to provide the best service to our Members and Employers.
- We need the right tools for staff, Members and Employers to provide the best pension service.
- We have an opportunity to modernize by adding services and increasing efficiency.
- We risk losing the ability to support obsolete technologies.
- Sagitec will eventually stop supporting our current version of the platform.



Purpose, Goal, and Timeline

Purpose

Determine FPPA business needs for the Pension Administration System.

Primary Goal

Develop a comprehensive understanding of the company's strategic direction as it relates to the future of the Pension Administration System.

Timeline

- The modernization project is expected to take 5-7 years.
- We plan to kick the project off in 2027.
- We do not anticipate any sudden changes.

What Does This Mean for FPPA Leaders?

- This is not a technology project first. It is a business and process transformation enabled by technology.
- We encourage participation from staff. Business participants are critical to the success of the project.
- Staff insight will shape outcomes.



What Has Happened in Recent Months?

- Staff has met with Linea to do discovery on our current processes.
- IT has met with Linea to do discovery of our current systems and processes.
- Leadership has met with Linea to understand our current state of Organizational Change Management (OCM).
- Managers completed a survey that asks them to rank priorities on what is most important in this project.
- We kicked off meetings on how we can leverage AI in this project the week of April 1st.



This is Not an Audit

- There is no pass/fail in any of the meetings that our team members are attending.
- We are only trying to understand our current state.
- There are no wrong answers. Be candid. Share frustrations. Surface inefficiencies.

Honesty now prevents disruption later.

Communication Expectations

We Are Committed To:

- Continuous communication that will evolve throughout the various stages of the project.
- Involving impacted teams early in the process.
- Providing support before, during, and after system changes.

We Are Empowering Managers To:

- Talk openly with their teams.
- Raise any questions that arise.

Known Phases: Partnership With Linea Solutions®

1. Determine FPPA business needs for the Pension Administration System. (Current)
2. Identify needs and options for core system modernization.
 - a) Evaluate enterprise readiness.
 - b) Develop plans for modernization.
3. Evaluate technology vendor options.

Finalizing Phase I

- Linea Solutions will present to the Pension Administration Governance Committee on Friday, April 10th.
- FPPA will receive a comprehensive report at this time.

We Will Receive:

- Findings /observations.
- Opinions /recommendations.
- Gap analysis.
- Market landscape analysis.
- Implementation readiness scorecard.

Questions?





**Fire & Police Pension Association
Board of Directors**

Memorandum

To:

FPPA Board of Directors

From:

Ad Hoc COLA Committee

Date:

April 9, 2026

The Ad Hoc COLA Committee met with Staff on April 3, 2026, to receive a report on the meetings and work that has occurred related to the presentation that Jennifer Steck made at the February Board meeting. On March 4, 2026, Kevin, Adam and Chip met with Kevin Reichenbach, President of the Colorado Professional Firefighters. A follow up meeting with Mr. Reichenbach regarding our Investment Program occurred on March 17, 2026. Staff and Dana Woolfrey from GRS met with Jennifer Steck and five other Denver Police retirees on March 11, 2026. Staff provided the attached presentation to both CPFF and to the group led by Ms. Steck, in response to her presentation to the Board. Subsequent to this meeting, Ms. Steck reached out to Kevin to ask for a smaller follow-up meeting with Kevin and Adam along with her colleague Ian Culverhouse, who is currently a Denver Police Officer in DROP and who serves on the City's 457 Plan Board. He appears quite knowledgeable regarding pension related issues. This meeting occurred on March 30, 2026.

Over the last couple of months, Ms. Steck has submitted several lengthy Open Records Act requests asking for Board materials, actuarial materials, investment documents, staff compensation information, task force documents, election materials, and other items – many of which she requested since the inception of the plan. Ms. Steck has expressed her appreciation for staff's time in gathering the information and has indicated that she will not be asking for more documents at this time.

Staff has agreed with Ms. Steck that at this time we will not be holding a bigger meeting with additional constituents, as she had originally requested, until the FPPA Board reviews the issues.

Ms. Steck and Mr. Culverhouse boiled down their main points with Kevin and Adam at the March 30, 2026, meeting (just a few days ago). The points essentially amount to a challenge of our actuarial assumptions and the methods of smoothing we use. In order to properly respond to their points, Kevin and Adam informed Ms. Steck and Mr. Culverhouse that we will need to engage our actuaries and further develop a plan for moving forward with our Board. Ms. Steck and Mr. Culverhouse understood that we would be working on this over the next several months and that staff would be bringing recommendations forward at the June Planning Session for moving forward with a prudent process. In the meantime, staff will be engaging GRS on these issues to gain their perspective and will report to the Board.

In addition to the questions regarding actuarial assumptions, Ms. Steck and Mr. Culvershouse feel underrepresented at FPPA which includes a desire to have another Board member seat which would be occupied by a new hire retiree. This request warrants further Board discussion and consideration.

COLAs, Funded Status, and Long-Term Health of the Plan

Kevin Lindahl, Executive Director
Adam Franklin, General Counsel
Chip Weule, Chief Benefits Officer
Scott Simon, Chief Investment Officer
Dana Woolfrey, Senior Actuary, GRS

March 2026

Agenda

- State of FPPA and Overview of 2025-26
- 2025 Compounded COLA and One-Time Lump Sum Payment
- Investment Program
- Address Retiree Recommendations and Questions
- Reading a Valuation Report
- Importance of Maintaining a Well-Funded Status



Our Mission

The Fire & Police Pension Association of Colorado is committed to our Members. We will prudently invest their retirement funds, administer benefits impartially, and efficiently provide high-quality service.

Strategic Anchors: How Will We Succeed?

Proactive Risk Management

- Liability management, risk aware, thoughtful processes

Maintaining a Well-Funded Status

- Investment returns & contributions, every dollar matters (prudent spending), funded status important, fair and stable benefits

Being Trustworthy

- Relationships with all our stakeholders, reputation, high touch service, education and communications



FPPA Board of Directors

Jason Mantas, CPA (Inactive), MBA

Position: Chair –
Battalion Chief – Poudre Fire Authority
Term: Member since 2019 –
Current term expires 9/1/2027

Karen Frame, CFA

Position: Former Chief Compliance
Officer – CenturyLink Investment
Management
Term: Member since 2018 –
Current term expires 9/1/2029

Caleb S. Sevian

Position: Chief Investment Officer –
Focus Point Capital LLC
Term: Member since 2024 –
Current term expires 9/1/2028

Bill Clayton

Position: Vice Chair –
Board Member – West Metro Fire
Rescue- retired Denver Police
Term: Member since 2024 –
Current term expires 9/1/2027

Tammy Hitchens, CPA, CPFO

Position: Accounting Manager-
Commerce City
Term: Member since 2017 –
Current term expires 9/1/2027

Don Lombardi

Position: Retired Fire Chief, West
Metro Fire Rescue
Term: Member since 2025 –
Current term expires 9/1/2031

Joan Brown

Position: ERISA/Employee Benefits
Legal Counsel (Retired) – Lumen,
Inc. (FKA, CenturyLink, Inc.)
Term: Member since 2021–
Current term expires 9/1/2029

John Hoehler

Position: Police Officer – Englewood
Police Department
Term: Member since 2020 –
Current term expires 9/1/2028

Kim McDaniel

Position: Retirement Plan
Administrator, City of Westminster
Term: Member since 2025 –
Current term expires 9/1/2031

FPPA Membership

Defined Benefit System:

Active: 13,949
Retired: 3,493

Statewide Death & Disability Plan:

Active: 14,518
Retired: 1,540

Statewide Money Purchase Plan:

Active: 209
Retired: 214

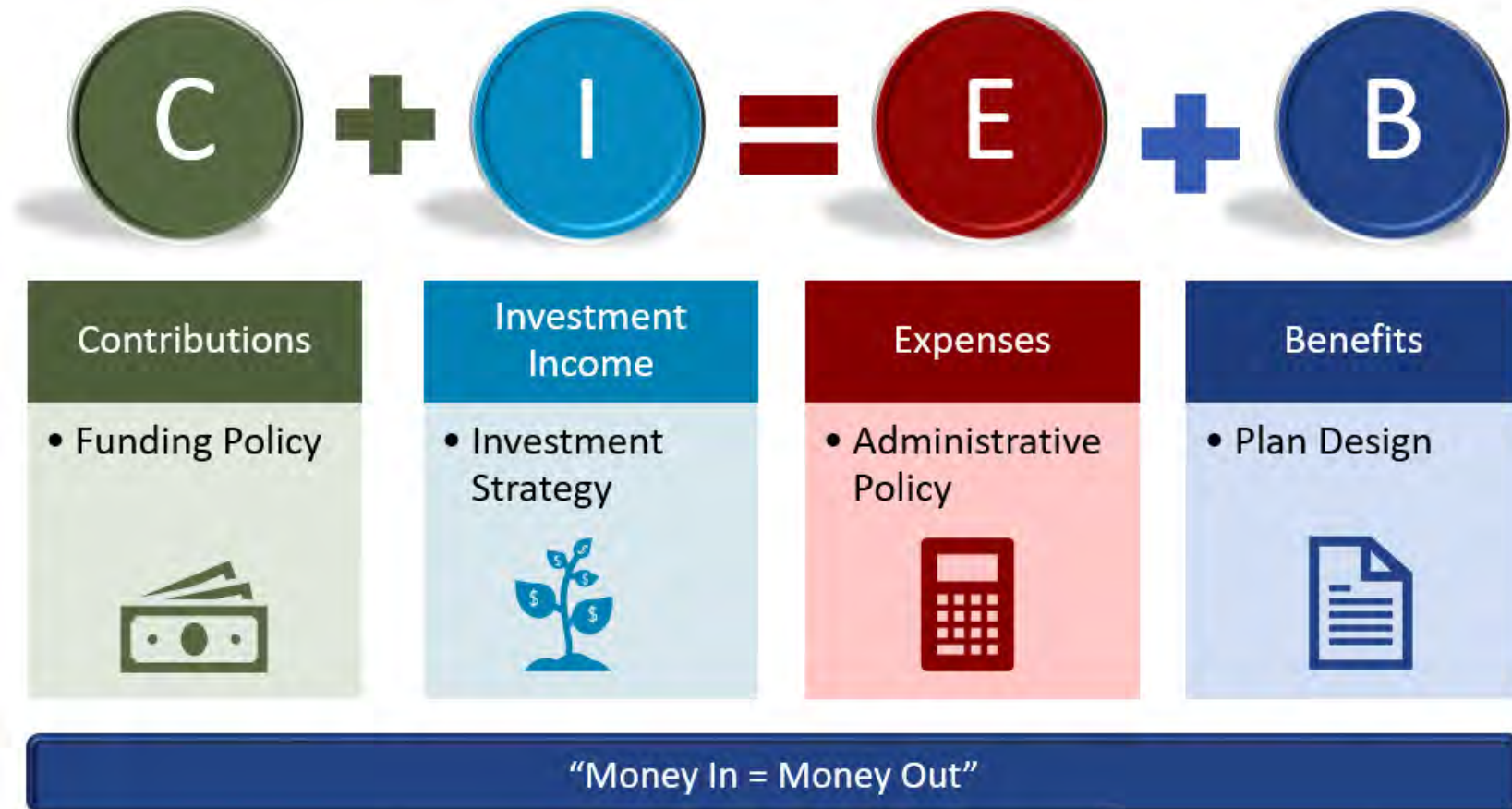
Volunteer Firefighter Plans:

Active: 2,187
Retired: 3,850

Old Hire Plans:

Active: 0
Retired: 2,336

Fundamental Pension Funding Equation



Guaranteeing COLA reduces the probability that plan is sustainable with fixed contributions.

Key Valuation Report Information Pertaining to COLAs

Table 2

- Funding levels at various COLA assumption levels

Executive summary discussion

- Includes short term projection of COLA based on various investment returns

Table 3 (items 9 through 13)

- Describes key factors during the year leading up to the valuation that helped or hurt the plan's funding

Actuarial Definitions

Actuarial Accrued Liability

The obligation, in present value terms, for benefits accrued to the measurement date

Actuarial Value of Assets

A smoothed version of the asset amount in the trust on the measurement date

Unfunded Accrued Liability / (Reserve)

Actuarial Accrued Liability – Actuarial Value of Assets

Funded Ratio

Actuarial Value of Assets / Actuarial Accrued Liability

Normal Cost

Cost of Newly Accruing Benefits

Actuarially Determined Contribution

Amount to pay the Normal Cost + fund the Unfunded Accrued Liability over a set period of time

Statewide Retirement Plan Valuation Results

Base Benefits Only (No Assumed COLA)
From Table 2 (page 15) of the 2025 valuation report

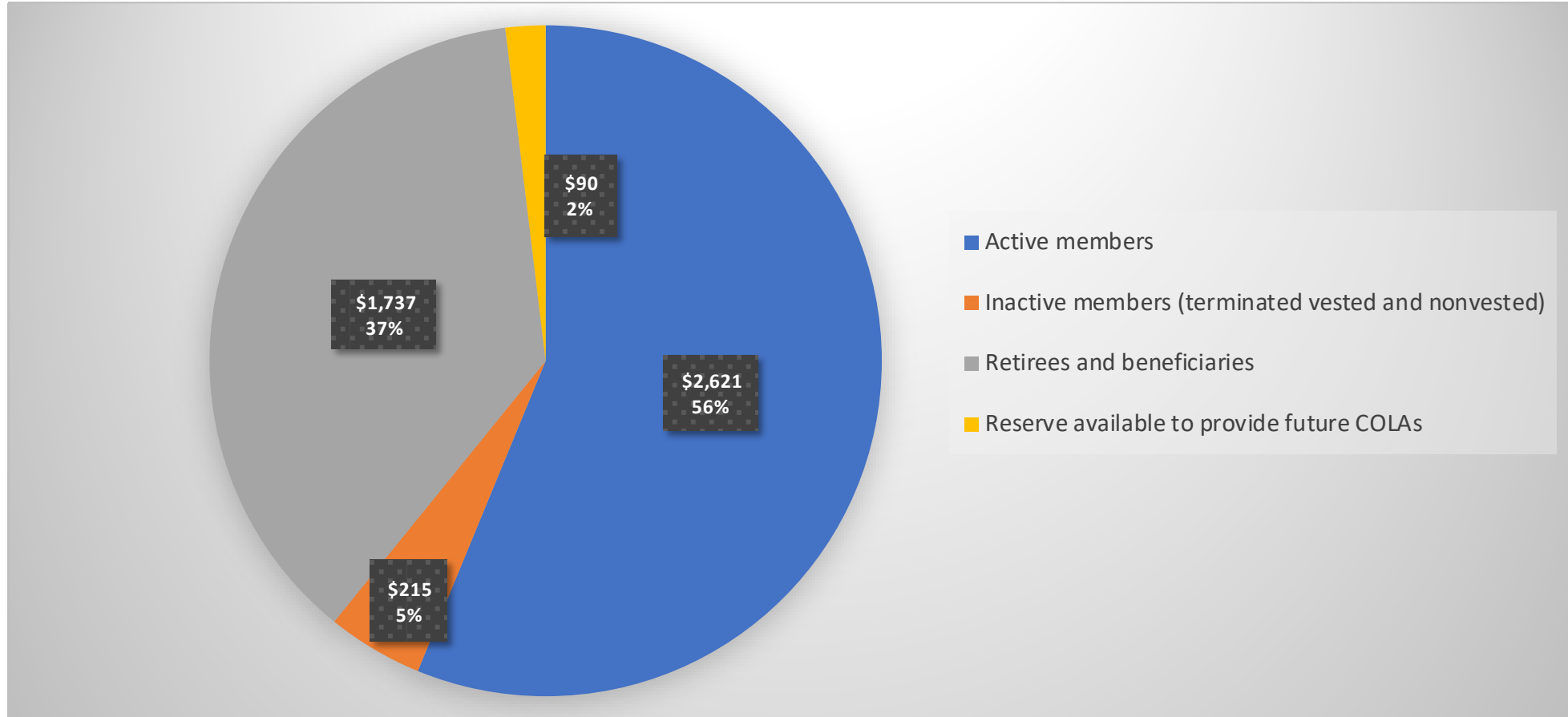
	2025	2024
Funded Status (\$ in millions)		
1. Total actuarial accrued liability	\$4,572.5	\$4,192.5
2. Actuarial value of assets	<u>\$4,662.0</u>	<u>\$4,259.5</u>
3. Reserve available to provide future COLAs	\$89.5	\$67.1
4. Reserve as a % of Base Liabilities	2.0%	1.6%
Determination of Contribution Sufficiency		
5. Normal cost (blended)	16.91%	16.89%
6. Administrative expense	0.66%	0.69%
7. Amount needed to amortize unfunded liabilities	<u>N/A</u>	<u>N/A</u>
8. Total actuarial determined contribution	17.57%	17.58%
9. Expected blended contribution rate available during 2025	22.31%	21.80%
10. Contribution sufficient to fund base benefits and assumed COLA for all members?	Yes	Yes

\$ in millions

Statewide Retirement Plan Valuation Results

Allocation of Assets to Plan Obligations

Base Benefits Only (No Assumed COLA)



Statewide Retirement Plan COLA Policy

The policy estimates what COLA could be expected to be provided to all generations of current Members in the future based on the current funded status of the Plan

- Basically, what long term COLA assumption would produce a 100% funded ratio today? = "Breakeven COLA"
- Another way to think about it...if both benefit accruals and contributions stopped today, and assumptions worked out perfectly, what COLA could be provided on the accrued benefits?

Add a One-Time Lump Sum payment

- If the breakeven COLA is less than 1 percent (long-term focus remains on providing COLA, not one-time), and
- The long-term pool has achieved an average rate of return of 6.5 percent over the last five years,
- Then pay a One-Time Lump Sum that equals

$(\text{CPI} - \text{breakeven COLA}) * \text{annual benefit}$

Total provided is the ongoing breakeven COLA plus a One-Time Lump Sum payment, both of which occur with the October benefit payment.

Cost of Living Adjustments (COLAs)

Why we don't deplete the entire reserve each year

The reserve protects against adverse experience.

- Rate of return, demographic experience

Giving a large portion, or the entire reserve, to current retirees leaves nothing for future retirees.

- This approach is not equitable for all Members in the system

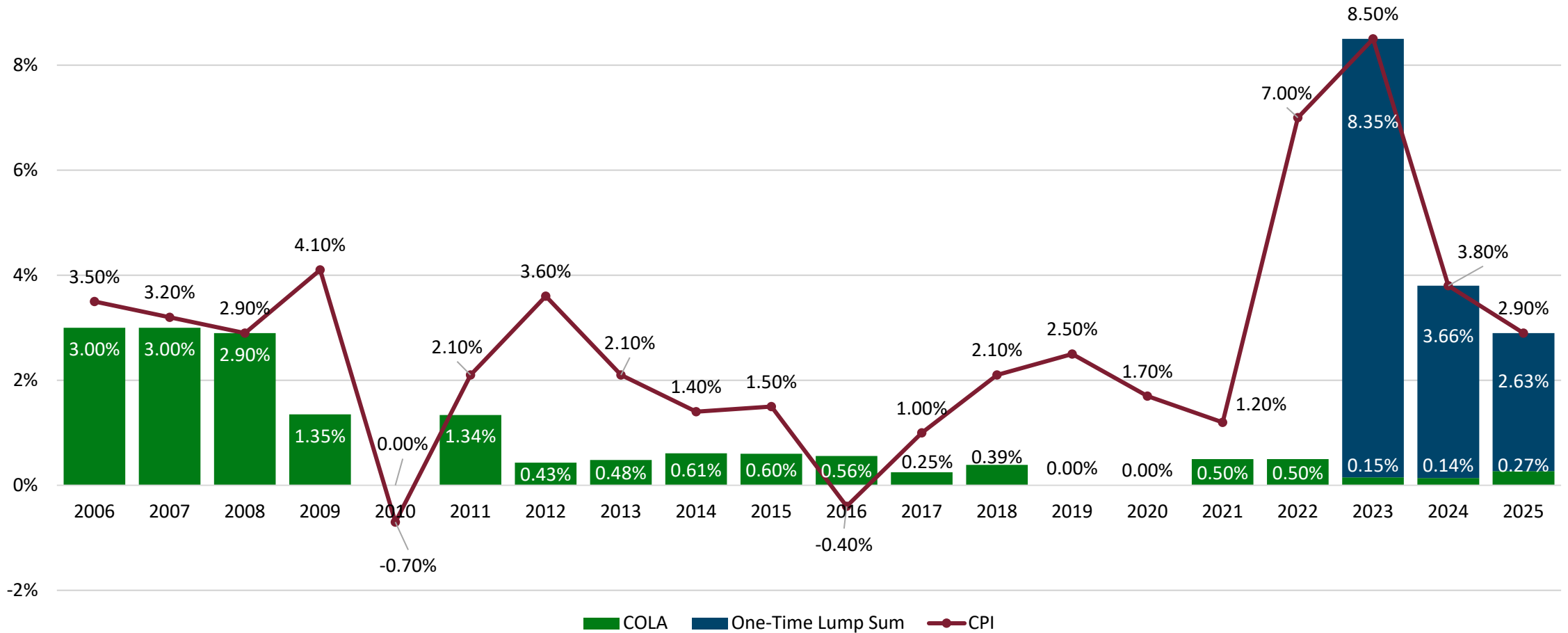
Every dollar we spend today is a dollar we won't have to invest and grow for the future.

Cost of providing COLA will increase in the future.

- Retiree payroll growing much faster than contributory payroll

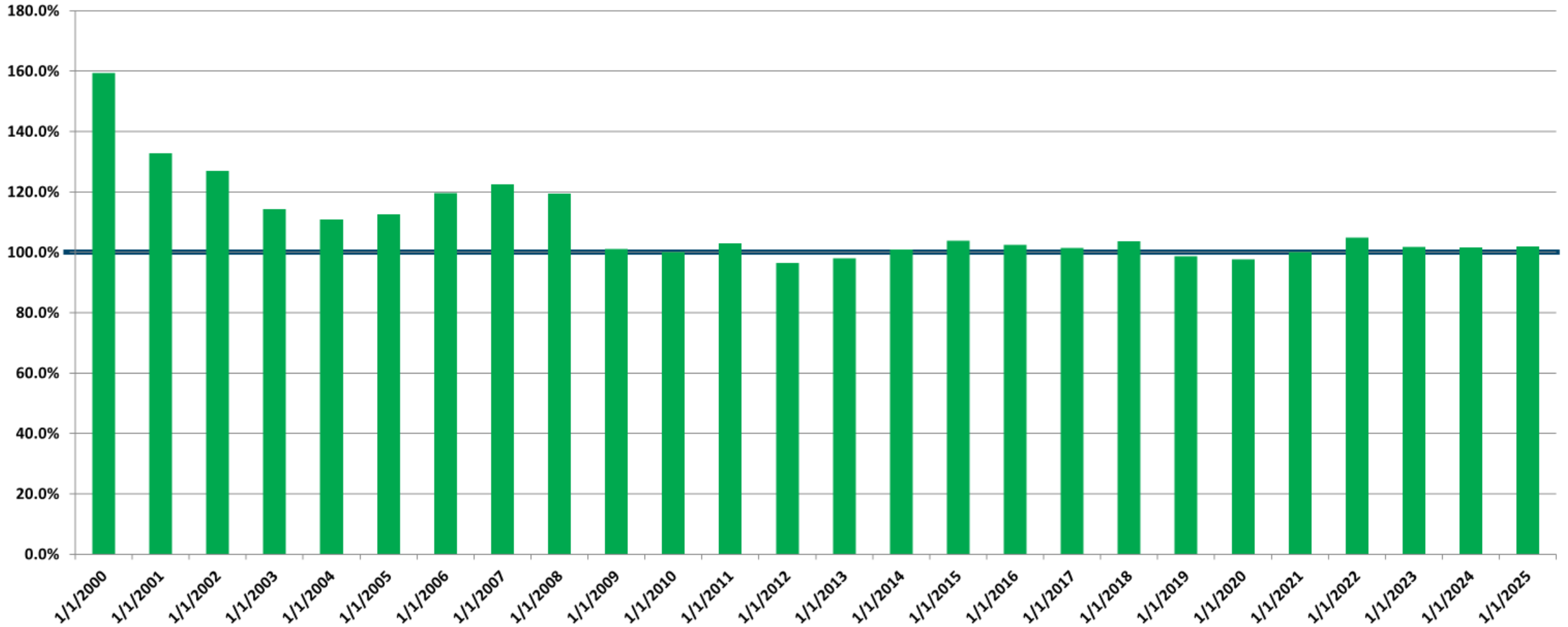
Historical COLAs vs CPI-W

Statewide Retirement Plan



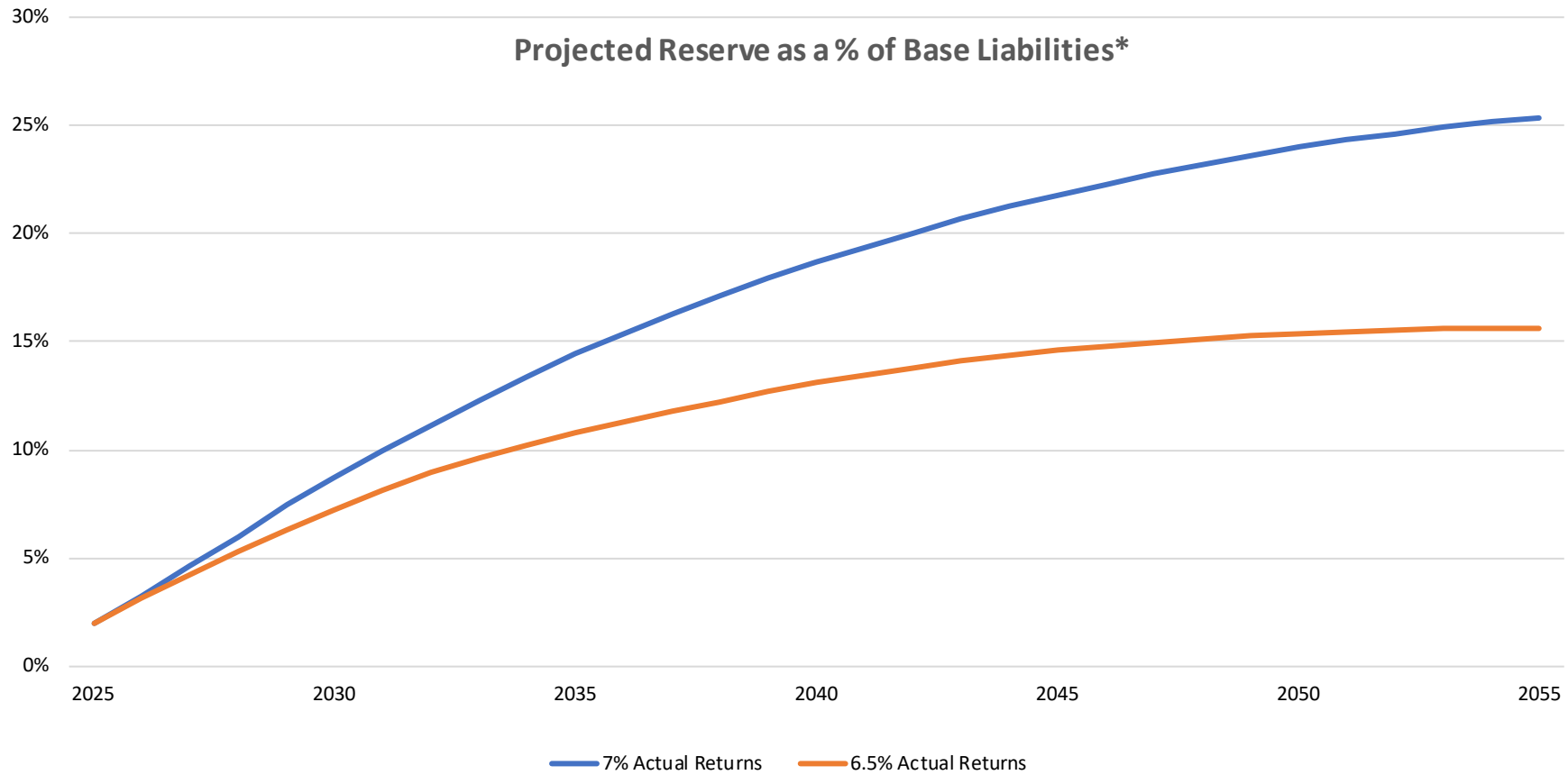
Historical Funded Status

Statewide Retirement Plan – as of January 1



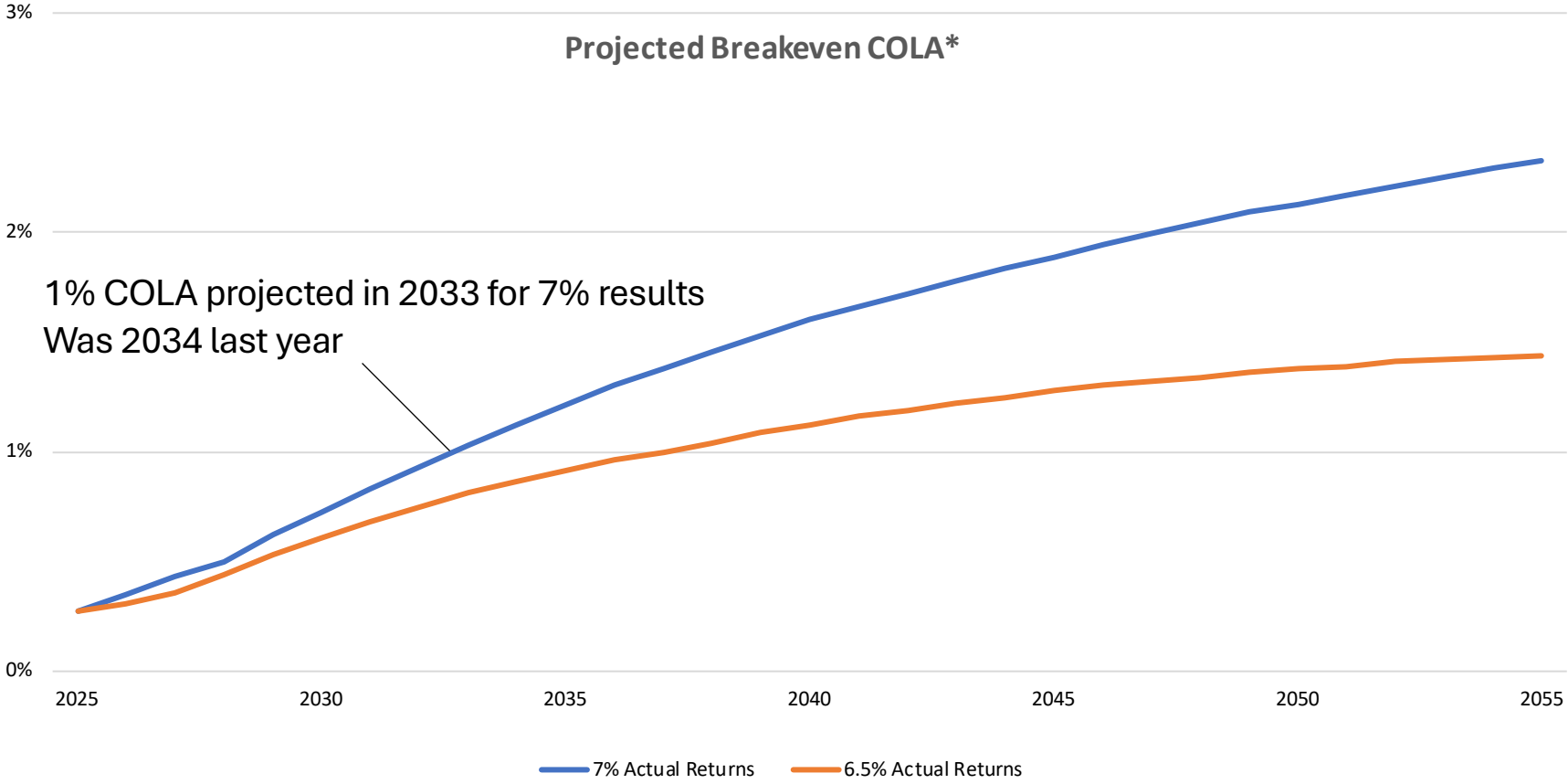
Projected Reserve Growth

Statewide Retirement Plan



Projected COLA Growth

Statewide Retirement Plan



Volatility Scenarios at 7% Compounded

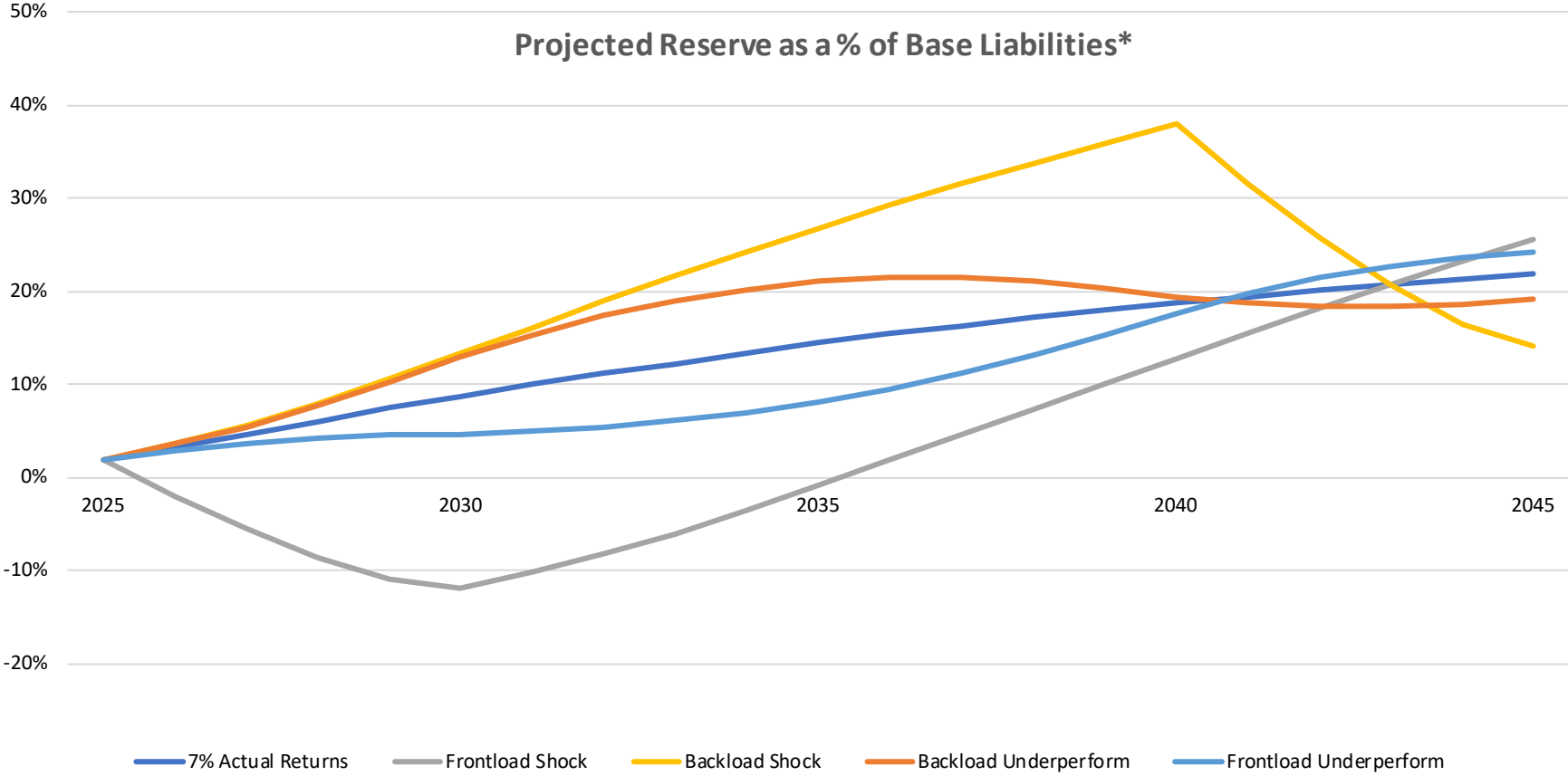
Statewide Retirement Plan

Returns compound to 7% in each scenario, but very different paths

Year	7% Actual Returns	Frontload Shock	Backload Shock	Frontload Underperform	Backload Underperform
2025	7.0%	-20.0%	8.7%	5.5%	8.5%
2026	7.0%	8.7%	8.7%	5.5%	8.5%
2027	7.0%	8.7%	8.7%	5.5%	8.5%
2028	7.0%	8.7%	8.7%	5.5%	8.5%
2029	7.0%	8.7%	8.7%	5.5%	8.5%
2030	7.0%	8.7%	8.7%	7.0%	7.0%
2031	7.0%	8.7%	8.7%	7.0%	7.0%
2032	7.0%	8.7%	8.7%	7.0%	7.0%
2033	7.0%	8.7%	8.7%	7.0%	7.0%
2034	7.0%	8.7%	8.7%	7.0%	7.0%
2035	7.0%	8.7%	8.7%	8.5%	5.5%
2036	7.0%	8.7%	8.7%	8.5%	5.5%
2037	7.0%	8.7%	8.7%	8.5%	5.5%
2038	7.0%	8.7%	8.7%	8.5%	5.5%
2039	7.0%	8.7%	8.7%	8.5%	5.5%
2040	7.0%	8.7%	-20.0%	7.0%	7.0%
2041	7.0%	8.7%	8.7%	7.0%	7.0%
2042	7.0%	8.7%	8.7%	7.0%	7.0%
2043	7.0%	8.7%	8.7%	7.0%	7.0%
2044	7.0%	8.7%	8.7%	7.0%	7.0%

Projected Reserve Growth: 7% Scenarios

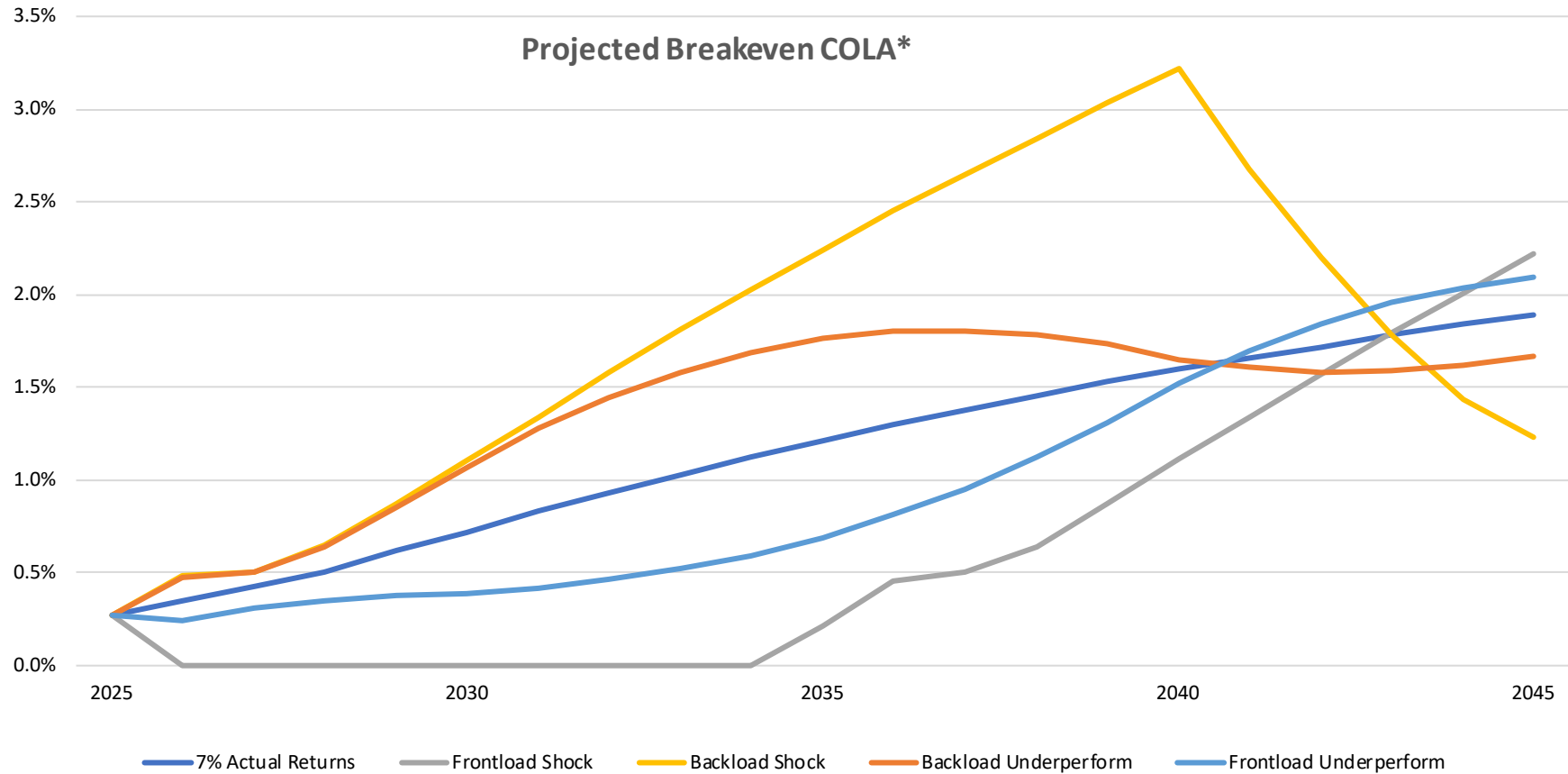
Statewide Retirement Plan



*If all demographic and economic assumptions are met

Projected COLA Growth: 7% Scenarios

Statewide Retirement Plan



The Cost of COLAs

Statewide Retirement Plan

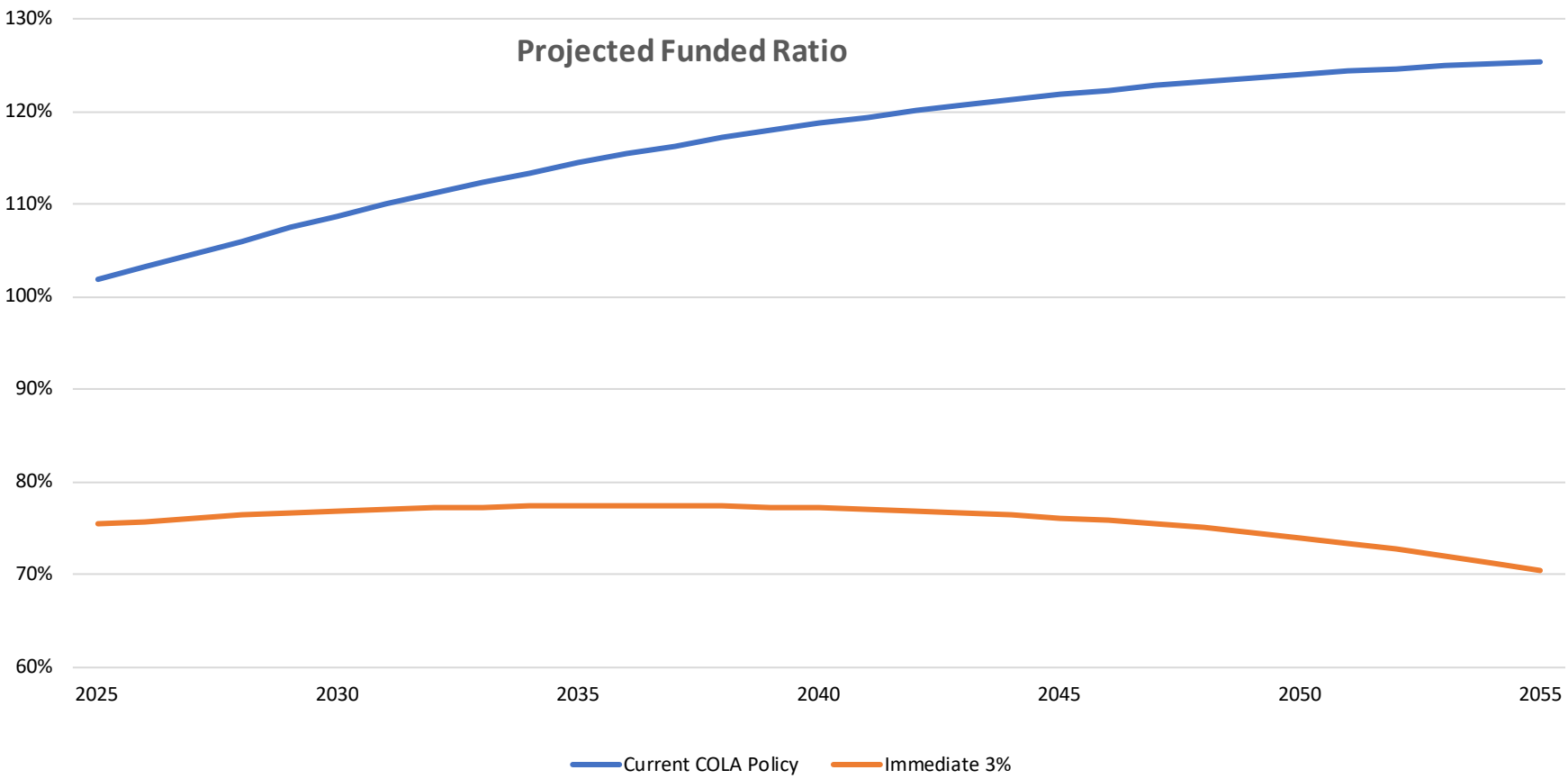
	Assumed Long-Term Annual COLA					
	0.00%	0.17%	1.00%	2.00%	2.50%	3.00%
Funded Status (\$ in millions)						
1. Total actuarial accrued liability	\$4,572.5	\$4,662.0	\$5,104.6	\$5,636.7	\$5,902.7	\$6,168.8
2. Actuarial value of assets	<u>\$4,662.0</u>	<u>\$4,662.0</u>	<u>\$4,662.0</u>	<u>\$4,662.0</u>	<u>\$4,662.0</u>	<u>\$4,662.0</u>
3. Unfunded actuarial accrued liability/(Surplus)	(\$89.5)	\$0.0	\$442.6	\$974.7	\$1,240.7	\$1,506.8
4. Funded ratio	102.0%	100.0%	91.3%	82.7%	79.0%	75.6%
Determination of Contribution Sufficiency						
5. Normal cost (blended)	16.91%	17.25%	18.90%	20.88%	21.88%	22.87%
6. Administrative expense	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
7. Amount needed to amortize unfunded liabilities	<u>N/A</u>	<u>0%</u>	<u>2.76%</u>	<u>6.07%</u>	<u>7.72%</u>	<u>9.38%</u>
8. Total actuarial determined contribution	17.57%	17.91%	22.32%	27.61%	30.26%	32.91%
9. Expected blended contribution rate available during 2025	22.31%	22.31%	22.31%	22.31%	22.31%	22.31%
10. Contribution sufficient to fund base benefits and assumed COLA for all members?	Yes	Yes	No	No	No	No

\$ in millions

Although no COLA assumption is included in the baseline results, we maintain an ongoing assessment of the breakeven COLA and also report the results if a 2.5% COLA assumption were used.

Why Not Pay Higher Compounded COLAs Now?

Even if all goes according to plan and assets earn 7% every single year, the plan is not sustainable:



Investments

As fiduciaries we manage risks

- Liabilities, contributions, funded status, liquidity

FPPA has strong governance and regularly undergoes a thorough **asset liability study** process to assess risks and determine an appropriate asset allocation and portfolio construction

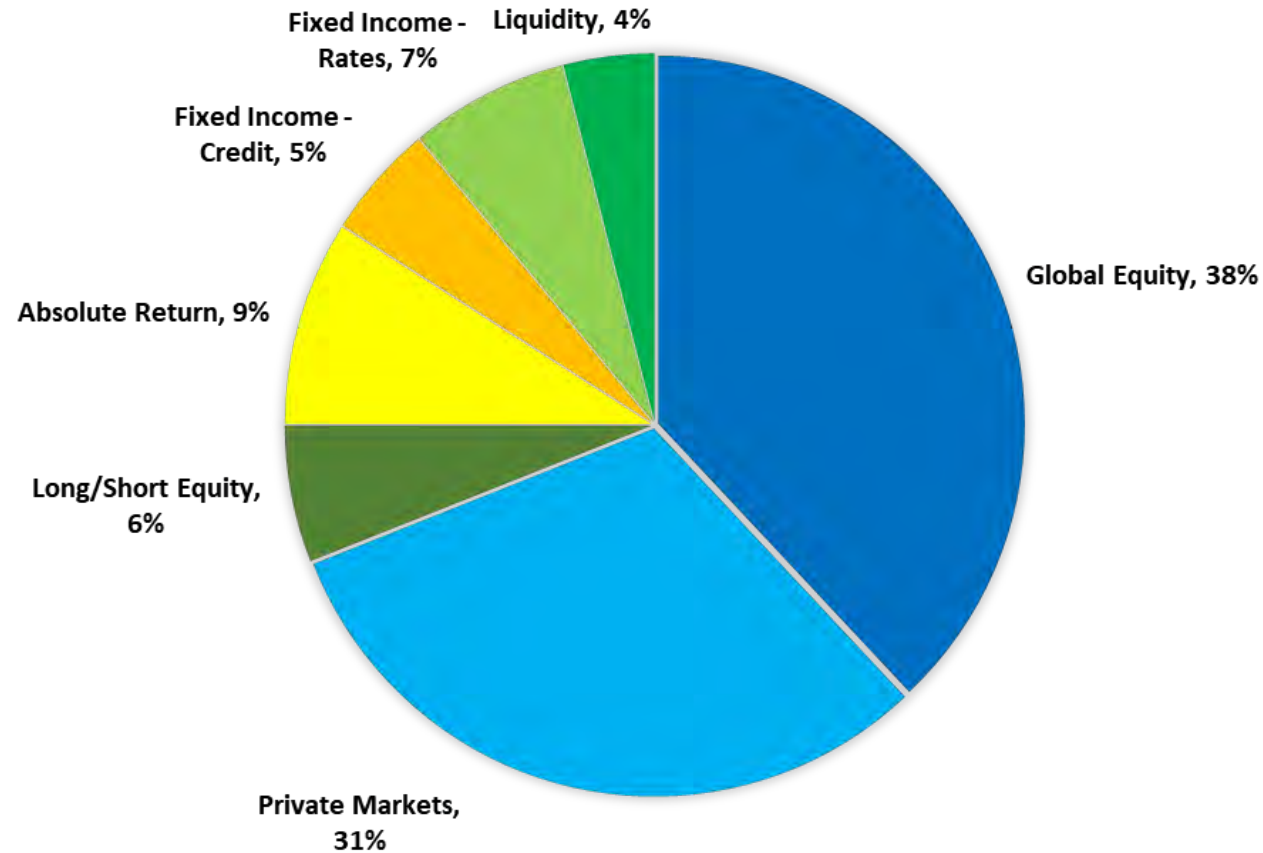
Resources utilized:

- Actuary (GRS)
- Investment Consultant (Cambridge Associates)
- FPPA Staff
- Board of Directors

Unique from most public pension plans, FPPA manages different investment pools to more appropriately match the risks of its underlying plans

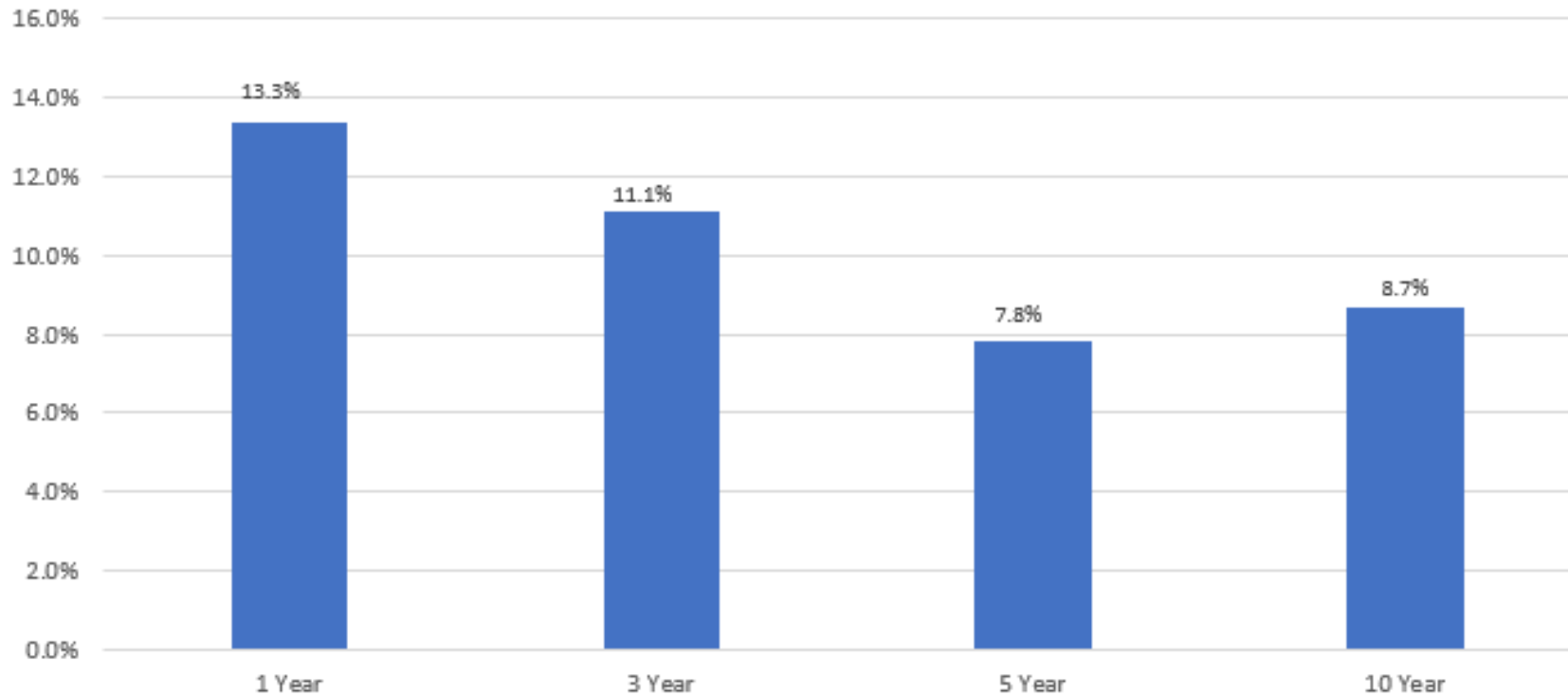
Risks need to be considered when trying to achieve differentiated returns

Target Asset Allocation

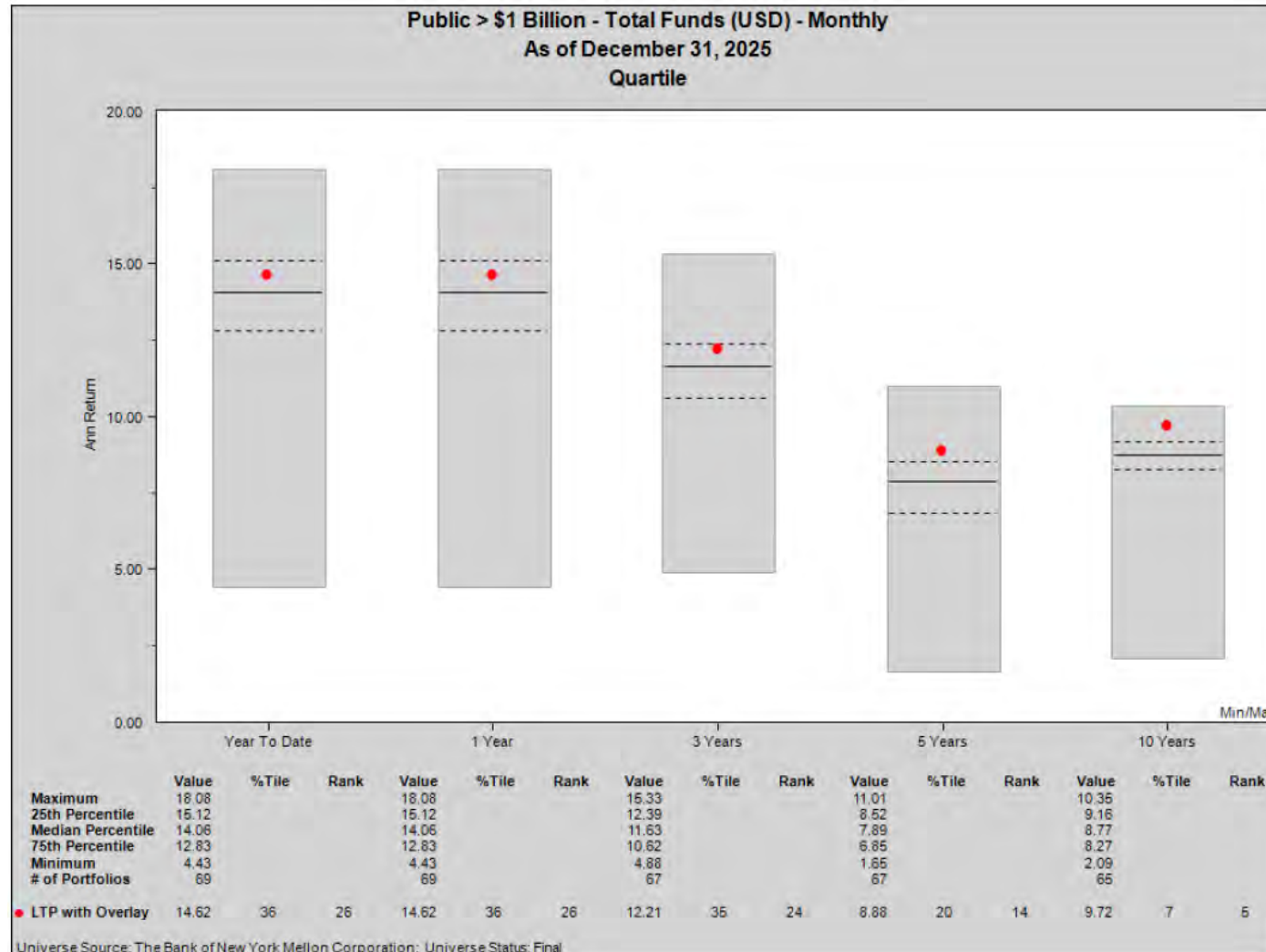


Performance (1/2)

Long-Term Pool Performance (12/31/2025)



Performance (2/2)



Active vs. Passive (theoretical)

	Active	Passive
Implementation	Complex	Simple
Fees	Higher	Lower
Return Enhancement	Higher	Lower
Risk Management / Diversification	Higher	Lower
Institutional Access	Higher	Lower

Advantage

Disadvantage

FPPA vs. Passive (historical)

Assumption Driven – outcomes (therefore conclusions) will vary depending on assumptions ...

Primary assumptions for a passive approach are:

- Equity / Fixed Income Split: 70% / 30%
- Choice of Passive Indexes:
 - Global Public Equity: MSCI ACWI IMI
 - Fixed Income: Bloomberg Aggregate Bond
- Time Period: 10 years ending 12/31/2025

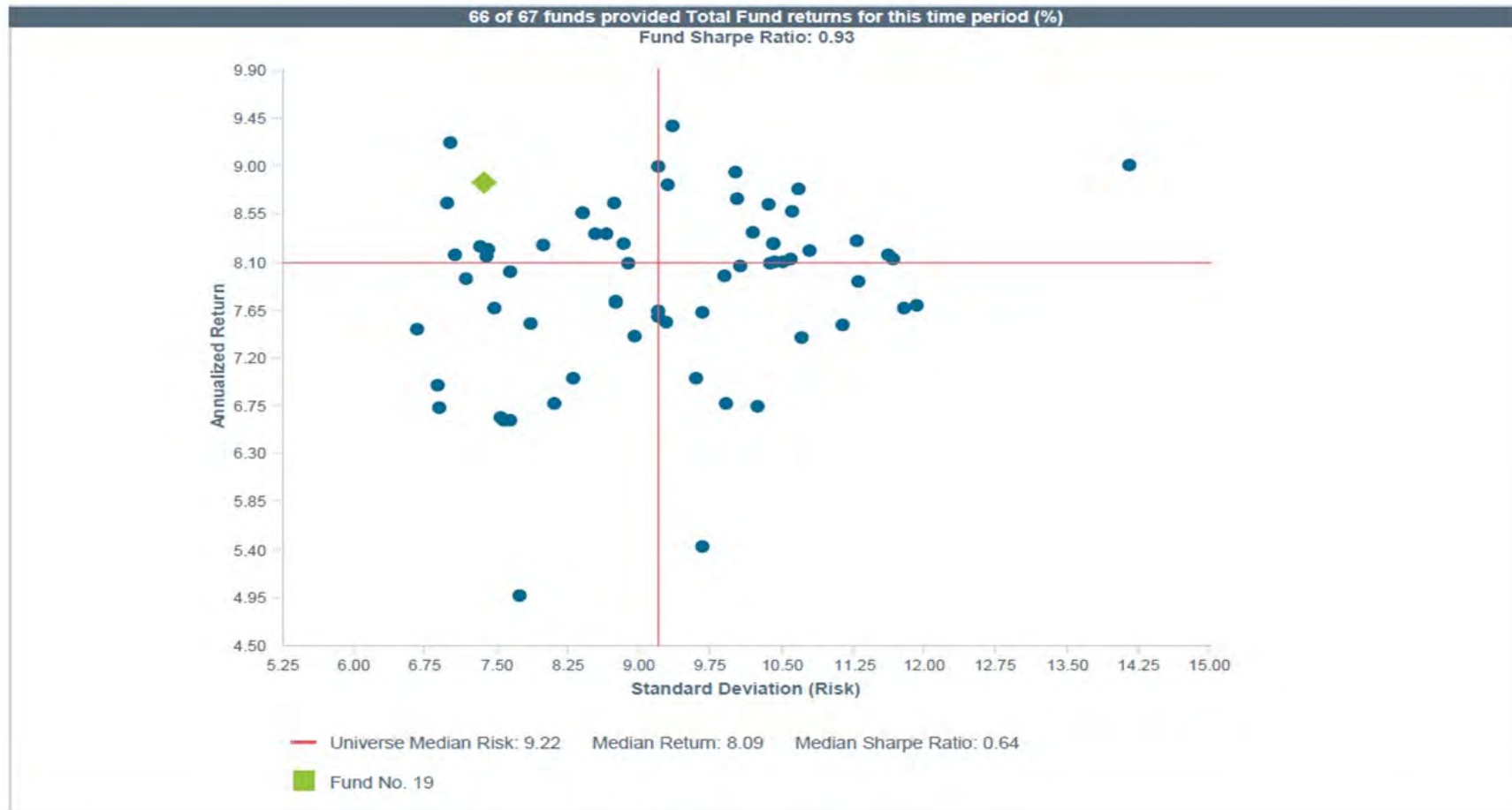
FPPA has performed approximately the same (8.70% vs. 8.80%, annualized), net of fees, but has done so with less volatility risk (see following chart)

FPPA vs. Passive (risk and return)

Risk/Return Analysis

10 Year Annualized Total Fund Returns vs. Standard Deviation

As of June 30, 2025



Transition Costs

Liquidation / transition of asset classes can be done with minimal transaction costs under following time-lines.

Asset Class	Timing
Cash	Days
Fixed Income (Rates)	<1 Month
Global Public Equity	<1 Month
Fixed Income (Credit)	<3 Months
Real Estate	6-12 Months
Long/Short Equity	<2 years
Absolute Return	<2 years
Private Equity	15+ years

- Long/Short Equity and Absolute Return could be liquidated sooner by incurring fees of approximately 3% or \$32 million
- Private Equity could be liquidated sooner through a secondary sale incurring a discount of approximately 20% or \$489 million

FPPA vs. Passive (prospective)

Utilizing FPPA's asset liability study process, capital markets expectations are utilized to determine a long-term expected rate of return.

- FPPA's current long-term asset allocation has a 6.19% expected rate of return
- A passive 70% (equity) / 30% (fixed income) portfolio has a 5.46% expected rate of return
- A decrease of 0.73% in expected rate of return, the liabilities of the SWRP would increase by approximately \$460 million and would drop the funded status to 93%.

These changes would have a significant negative impact on FPPA's ability to pay base benefits and COLAs.

Expected Rate of Return

FPPA Strategic Asset Classes

2025 December Assumptions – Interim Targets

	LONG-TERM POOL (LTP)	GLIDE-PATH POOL (GPP)	SHORT-TERM POOL (STP)
INTERMEDIATE-TERM			
COMPOUND RETURN	6.84%	6.33%	5.28%
STANDARD DEVIATION	11.06%	7.43%	4.42%
PROBABILITY OF ACHIEVING RETURN OBJECTIVE	48.18%	47.16%	71.20%
LONG-TERM			
COMPOUND RETURN	6.19%	5.84%	4.86%
STANDARD DEVIATION	11.06%	7.43%	4.42%
PROBABILITY OF ACHIEVING RETURN OBJECTIVE	35.67%	32.89%	65.71%
ASSET ALLOCATION			
LIQUIDITY	4%	15%	30%
FIXED INCOME - RATES	7%	22%	45%
FIXED INCOME - CREDIT	5%	9%	15%
DIVERSIFIERS	9%	6%	0%
LONG SHORT	6%	6%	0%
GLOBAL PUBLIC EQUITY	38%	18%	10%
PRIVATE MARKETS	31%	24%	0%

Capital Market Expectations

Cambridge Associates Capital Market Assumptions
As of December 31, 2025

Asset Class	2024 CA INTERMEDIATE TERM		2025 CA INTERMEDIATE TERM		2024 CA LONG TERM		2025 CA LONG TERM	
	Compound Return	Risk	Compound Return	Risk	Compound Return	Risk	Compound Return	Risk
Global Equities	6.8%	15.8%	6.5%	15.8%	5.8%	15.8%	5.4%	15.8%
Diversifiers	5.8%	5.9%	5.4%	5.9%	5.5%	5.9%	5.3%	5.9%
Long Short	5.1%	9.2%	4.8%	9.2%	5.8%	9.2%	5.6%	9.2%
Private Markets	8.4%	14.3%	8.3%	14.3%	7.8%	14.3%	7.5%	14.3%
Fixed Income Rates	5.3%	5.0%	5.2%	5.0%	4.9%	5.0%	4.7%	5.0%
Fixed Income Credit	6.0%	5.9%	5.1%	5.6%	6.3%	5.9%	5.8%	5.6%
Liquidity (Cash & Treasuries)	4.5%	3.2%	4.6%	3.2%	4.1%	3.2%	4.0%	3.2%
Inflation	2.3%		2.3%		2.7%		2.4%	

Fees (1/3)

Fees Matter – it is critical that FPPA ensures we get what we pay for when paying any fee

While fees are considered in our investment approach and in any investment decision (among many factors), decisions are on a **net of fees basis** (what do we expect (risk/return) after paying the fees)

Some asset classes cannot be done passively (private equity, hedge funds)

All assumptions and historical performance are reported on a **net of fees basis**

- Net of management fees, incentive fees, carried interest, partnership expenses, consulting fees, due diligence travel, legal costs, investment staff salaries and benefits ...
- For 2024, all fees totaled 1.42% of total assets

Fees (2/3)

Investment Fees & Expenses (2024)

	Manager Fees	Performance Fees	Total
Global Public Equity	\$ 9,157,967	\$ 3,114,942	\$ 12,272,909
Fixed Income - Rates	\$ 1,434,875		\$ 1,434,875
Fixed Income - Credit	\$ 1,241,689		\$ 1,241,689
Equity Long / Short	\$ 6,492,158	\$ 11,126,198	\$ 17,618,356
Diversifiers	\$ 9,339,335	\$ 12,227,935	\$ 21,567,270
Private Markets	\$ 14,713,575	\$ 22,687,749	\$ 37,401,324
Liquidity	\$ 296,365		\$ 296,365
Currency / Overlay	\$ 859,256	\$ 255,585	\$ 1,114,841
	\$ 43,535,220	\$ 49,412,409	\$ 92,947,629
Staff Compensation & Expenses			\$ 3,807,491
Consulting			\$ 1,521,132
Software & Data			\$ 1,083,577
Bank Fees			\$ 705,777
Due Diligence Expenses			\$ 668,900
Total Investment Fees & Expenses			\$ 100,734,506
As a percentage of Average Assets			1.42%

Fees (3/3)

Average Annual Fee

12/31/2025 Projected

Asset Class	2025 NAV (\$mm)	Weight (%)	FPPA Annual Fee (bps)	Universe Annual Fee (bps)	FPPA Incentive Fee	Universe Incentive Fee
Total Fund	7928.21	100.0%	87	94		
Fixed Income - Credit	431.88	5.4%	33	38		
Fixed Income - Rates (passive)	--	--	1	6		
Fixed Income - Rates (active)	530.64	6.7%	22	28		
Diversifiers	555.15	7.0%	145	150	20.4	17.5
Long Short Equity	503.33	6.3%	126	150	18.1	17.5
Global Public Equity (passive)	782.36	9.9%	6	8		
Global Public Equity (active)	1545.53	19.5%	48	70		
Emerging Markets Equity	239.58	3.0%	48	85		
Global Small Company	248.97	3.1%	75	85		
Open Ended Real Estate	145.78	1.8%	58	90		
Private Capital	1869.33	23.6%	166	170	18.2	17.0
Real Assets	226.09	2.9%	154	150	17.2	15.0
Real Estate	144.62	1.8%	161	175	20.0	17.5
Overlay	92.35	1.2%	135	40		
Cash	612.59	7.7%	4	15		

Investments (summary)

- As fiduciaries, one of our primary responsibilities is to manage risks
- As fiduciaries, FPPA utilizes a thorough process and deploys significant resources in the development and implementation of its investment approach, including the continuous assessment on the appropriateness of using passive investment options
- As fiduciaries, FPPA's investment process and results are on a net of fees basis
- A shift to an entirely passive investment approach (historically and prospectively) would have a significant negative impact on FPPA's ability to pay base benefits and COLAs
- Every pension fund is unique and needs to be implemented to its own liabilities, contributions, funded status, liquidity and resources
- FPPA is unique as a smaller fund, being fully funded and with a liquidity profile to support our current investment approach



Pension Reform

Pension Reform and the Importance of Full Funding

Being fully funded protects our membership from adverse experience and from changes to benefits and contributions.

What is meant by pension reform?

Increased Costs

- Increased contributions for both Employer and Employee

Benefit Reductions

- Eliminate COLAs, change multiplier, increased retirement age

Benefit Tiers

- New hires retire later, multipliers are lower, creates an inequity in membership

Pension Reform

Plan Closure

- Politicians believe that costs of DB Plans have become too high, then close plans to future members in favor of DC plan

Recruiting and Retention

- What is the best way to hire and retain employees?

Government/Political Pressure

- Increased scrutiny, political issues, potential change in board composition

How Full Funding Protects Our Members

FPPA is one of the few plans in the country with a specific statute that provides what the Board may do if the fund became actuarially unsound.

- Actuarial soundness is defined as having a 40-year amortization period to pay off the unfunded liability

Examples of benefit changes the Board is authorized to make include:

- May terminate allocating surplus contributions to the Money Purchase Component
- May terminate making Cost of Living Adjustments
- May change the age and service combination for Normal Retirement

How Full Funding Protects Our Members

Examples of authorized benefit changes (continued):

- May prospectively order that the benefit multiplier be reduced from 2.5% to as low as 2.0%
- May suspend further implementation or participation in any plan amendment that contributes additional cost to the Plan
- May suspend further participation in DROP

Communications

Websites:

FPPAco.org

ForwardWithFPPA.org

Reports:

Actuarial Valuation

Annual Financial

Pension Review

Printed Mailers, Emails

Newsletters:

PensionCheck

Retiree

Social Media:

Facebook, Instagram, Blog

In-person, Phone, Zoom Meetings

CFFF, FOP, Retiree Meetings

Handouts, Brochures

Seminars, Webinars

Surveys

Videos

Ongoing

Questions?

Kevin Lindahl, Executive Director

klindahl@fppaco.org

Adam Franklin, General Counsel

afranklin@fppaco.org

Chip Weule, Chief Benefits Officer

cweule@fppaco.org

Scott Simon, Chief Investment Officer

ssimon@fppaco.org

MEMORANDUM**To:**

Board of Directors

From:

Ahn Smith

Re:

2025 Budget Variance Report

Date:

April 9, 2026

This memo provides information regarding fiscal year 2025 budget variances and explanations for specific item variances. We will only address in this memo items varying more than 5% and more than \$10,000 from the budget. Please refer to the "Statement of Expenses for the Year Ended December 31, 2025" and the "Assets Based Fees for the Year Ended December 31, 2025" reports as guidelines to this memo.

Operating Budget

FPPA's operating budget of \$14,938,239 was under budget for 2025 with expenditures at 90.4% of budget or a savings of \$1,434,589.

Professional Contracts: Legal & Legislative Counsel

This area contains counsel fees for external legal assistance on benefits and tax matters. This area also includes the annual contract with our lobbyist. Expenses exceeded budget primarily related to legal costs incurred during 2025 related to a member benefit determination appeal litigation. We budgeted additional amounts in 2026 in anticipation of the appeal and related fees continuing in 2026.

2025 Budget	2025 Expenditure	% of Budget Spent YTD	\$ Amount over Budget
\$155,000	\$173,982	112.25%	\$18,982

Personnel Costs: Employment Programs

This area includes recruiting costs to attract new staff including job posting, pre-employment screening, etc. Expenses exceeded budget primarily related to additional fees incurred related to 6 new hires' recruiting fees in our harder to staff areas as we reached full staffing in 2026. It is difficult to budget this area annually depending on planned events combined with the unplanned.

2025 Budget	2025 Expenditure	% of Budget Spent YTD	\$ Amount over Budget
\$155,000	\$185,830	119.89%	\$30,830

Capital Expenditures

FPPA’s Capital Expenditures budget of \$1,429,660 was over budget for 2025 with expenditures at 103.8% of budget or an overage of \$54,394.

Capital Improvements: FPPA Tenant Finish

This area includes capital expenditures related to building out the additional meeting space in Suite 900. The costs for the additional space exceeded budget related to increased construction costs in general. The budget was anticipated based on an estimated per square foot cost and when the construction began, costs were higher than anticipated.

2025 Budget	2025 Expenditure	% of Budget Spent YTD	\$ Amount over Budget
\$250,000	\$299,219	119.69%	\$49,219

Asset Based Fees Budget

The Asset Based Fees 2025 budget of \$8,885,058, excluding Management Fees, saw expenditures at 88.3% or a savings of \$1,042,204.

Management fees were budgeted at \$46,1112,633 and were \$58,272,195 at the end of 2025 for an excess of \$12,159,562. Management fees are budgeted based on the structure of the asset portfolio and expected changes to that structure with asset growth of the assumed rate of return, 7.0% for the Long-Term Pool, 6.5% for the Glide-Path Pool and 4.5% for the Short-Term Pool. During 2025, the overall returns for the portfolio exceeded these assumptions combined with changes to the underlying asset portfolio structure resulting in the overage.

Professional Contracts: Bank Fees

This area includes fees for banking and custodial fees with BNY. For 2025, expenses included additional ancillary transaction costs from changes primarily in the Global Public Equity strategies including separate accounts.

2025 Budget	2025 Expenditure	% of Budget Spent YTD	\$ Amount over Budget
\$622,500	\$753,042	120.97%	\$130,542

Professional Contracts: Computer Software

This area includes the costs of the risk management and reporting software, private markets, public markets, and alternatives data and analysis software, MSCI data feeds,

Bloomberg Terminal, benchmark data, and research management software. During 2025, we obtained additional licenses in systems and contracted services to add API feeds where available.

2025 Budget	2025 Expenditure	% of Budget Spent YTD	\$ Amount over Budget
\$797,653	\$851,781	106.79%	\$54,128

Other Expenses: Meetings & Travel/Due Diligence

This area includes travel expenses related to due diligence for asset management. Expenses exceeded budget as the Investment Staff continues to travel in completing assessments of existing managers and expanding searches as we evaluate our various asset strategies.

2025 Budget	2025 Expenditure	% of Budget Spent YTD	\$ Amount over Budget
\$140,000	\$163,075	116.48%	\$23,075

Other Expenses: Subscriptions & Dues

This area includes costs associated with investment research. In 2025, we added an additional subscription for the Portfolio Team.

2025 Budget	2025 Expenditure	% of Budget Spent YTD	\$ Amount over Budget
\$14,756	\$30,026	203.48%	\$15,270

Savings

Items with significant dollar savings (greater than \$25,000) and more than 5% of the budget are as follows:

- *Computer Software Maintenance, Services, Contracts* realized \$87,897 in savings related to overall variances in software expenses from budget and changes in licensing. There were two significant items that resulted in much of the savings. The first is the timing of the rollout of ID.me for the FPPA Member Account Portal resulting in reduced costs during 2025 and reduced costs related to implementing and licensing of Varonis for data security as we roll out AI.
- The *Management Consulting* area realized \$42,570 of savings related to reduced costs associated with trainings under the Organizational Health initiative.
- *Medical Exam Fees* realized savings of \$154,471. During 2025, we increased the budget amount related to expected usage and known change in fees for services. Actual experience in 2025 was less than anticipated.

- *Outside Services* includes temporary help, IT contract help, payroll fees, and retiree research services. Independent contractors utilized are website consulting and the Internal Auditor. This area had savings of \$524,128 due to delaying the work on the Pension Administration System project of an oversight vendor to assist in documenting a current process flow, requirements of a new system, knowledge of other systems, and developing the plan to move forward with an RFP to 2026.
- Personnel Costs are the wages paid to staff and benefits provided to staff for both the operational and asset based parts of the total budget. The *Combined Salaries* saw savings of \$1,506,028 and the *Combined Benefits* saw savings of \$143,494. Combined Benefits are the employer expenses for health insurance, 401(k) and 457 employer contributions, employer PERA contributions, life insurance, long term disability, employee assistance program, etc. The savings are the result of vacant positions during the year from not being fully staffed at the start of the year, timing of the new hires, and some turnover; hiring new personnel at different levels; and a smaller incentive payout than budgeted.
- *Certifications & Training* resulted in savings of \$46,102 from budget. This area includes costs for professional certification assistance, continuing education, and required training. This is budgeted for all staff training and within each department by individual. The costs of completed certification programs and training was less than anticipated.
- *Board Expenses* resulted in savings of \$24,849 from budget. This area includes all costs related to conducting normal board activity. The savings are related to reduced costs for board and committee meetings as well as the change in timing of certain subscription renewals and periods.
- *Office Rent* is costs related to the leased space at 7979 E Tufts Ave. In 2025, we expanded the suite to include additional conference room space. The budgeted amount assumed occupancy earlier in the year as well as additional Common Area Maintenance (CAM) charges. With the delayed occupancy and unrealized additional CAM, this area saw savings of \$76,058.

Staff's focus is to use the assets of the association only if needed to achieve our mission statement: "The Fire & Police Pension Association is committed to our members. We will prudently invest their retirement funds, administer benefits impartially, and efficiently provide high quality service."

Feel free to contact me if you have any questions or want to discuss these items further.

Fire and Police Pension Association
Statement of Expenses
For the Twelve Months Ended December 31, 2025

Expenditure Group	2025 Budget	Year-to-Date Expenditure	Percentage of Budget Spent YTD
Professional Contracts			
Actuarial Contract	\$440,200	\$440,068	99.97%
Audit Fees	140,850	140,850	100.00%
Computer Maintenance & Lease	1,168,486	1,080,589	92.48%
Hearing Officers	15,000	4,218	28.12%
Insurance & Bonding	302,168	287,446	95.13%
Legal & Legislative Counsel	155,000	173,982	112.25%
Management Consulting	182,500	139,930	76.67%
Medical Exam Fees	561,200	469,057	83.58%
Outside Services	908,350	384,222	42.30%
Records Management	3,000	3,406	113.53%
Total Professional Contracts	\$3,876,754	\$3,123,768	80.58%
Personnel Costs			
Salaries	\$6,732,272	\$5,936,591	88.18%
Employee Benefits	2,748,423	3,061,428	111.39%
Recognition Programs	49,175	21,373	43.46%
Employment Programs	155,000	185,830	119.89%
Total Personnel Costs	\$9,684,870	\$9,205,222	95.05%
Staff Education			
Educational Assistance	\$10,000	\$5,000	50.00%
Conferences & Seminars	133,100	139,151	104.55%
Certifications & Trainings	114,470	68,368	59.73%
Total Staff Education	\$257,570	\$212,519	82.51%
Other Operating Expenses			
Board Expenses	\$135,925	\$111,077	81.72%
Company Vehicles	6,200	4,527	73.02%
Hardware & Data Supplies	72,100	75,172	104.26%
Equipment Rental & Maintenance	32,700	29,573	90.44%
Meetings & Travel	29,350	18,292	62.32%
Office Rent	635,500	559,442	88.03%
Other Miscellaneous	0	(57)	0.00%
Postage	14,400	8,768	60.89%
Publications	46,600	51,560	110.64%
Retirement Services	26,000	12,517	48.14%
Strategic Planning	18,500	21,012	113.58%
Subscriptions & Dues	50,770	35,692	70.30%
Supplies	27,000	18,969	70.26%
Telephone	24,000	15,597	64.99%
Total Other Operating Expense	\$1,119,045	\$962,141	85.98%
TOTAL OPERATING EXPENSE	\$14,938,239	\$13,503,650	90.40%

Fire and Police Pension Association
Asset Based Fees
For the Twelve Months Ended December 31, 2025

Expenditure Group	2025 Budget	Year-to-Date Expenditure	Percentage of Budget Spent YTD
Management Fees	\$46,112,633	\$58,272,195	126.37%
Asset Based Fees			
Professional Contracts			
Bank Fees	\$622,500	\$753,042	120.97%
Closing Costs	108,000	73,575	68.13%
Computer Software	797,653	851,781	106.79%
Consulting	1,509,847	1,511,509	100.11%
Legal Fees	460,000	410,361	89.21%
Total Professional Contracts	\$3,498,000	\$3,600,268	102.92%
Personal Services			
Salaries	\$3,950,190	\$3,239,843	82.02%
Benefits	1,239,612	783,113	63.17%
Total Personal Services	\$5,189,802	\$4,022,956	77.52%
Staff Education			
Certifications & Training	\$15,000	\$11,428	76.19%
Conferences & Seminars	17,000	10,331	60.77%
Total Staff Education	\$32,000	\$21,759	68.00%
Other Expenses			
Other Expenses	\$10,500	\$4,770	45.43%
Meetings & Travel / Due Diligence	140,000	163,075	116.48%
Subscriptions & Dues	14,756	30,026	203.48%
Total Other Expense	\$165,256	\$197,871	119.74%
Total Asset Based Fees	\$8,885,058	\$7,842,854	88.27%

Fire and Police Pension Association
Capital Expenditures
For the Twelve Months Ended December 31, 2025

Expenditure Group	2025 Budget	Year-to-Date Expenditure	Percentage of Budget Spent YTD
Capital Expenditures			
Information Systems	\$1,179,660	\$1,184,835	100.44%
Company Vehicles	0	0	0.00%
Asset Retirements	0	0	0.00%
Total Capital Expenditures	\$1,179,660	\$1,184,835	100.44%
Capital Improvements			
FPPA Tenant Finish	\$250,000	\$299,219	119.69%
Total Capital Improvements	\$250,000	\$299,219	119.69%

Memorandum**To:**

Board of Directors

From:

Kevin B. Lindahl, Executive Director

Regarding:

Educational Events for Board Members

Date:

April 2026

As a fiduciary of the retirement plans administered by FPPA, it is important that you understand your responsibilities and have at least a basic understanding of how the plan's assets are managed and invested. Moreover, Board Education and Maintaining Adequate Investment Returns are two of FPPA's Standard Operating Objectives. FPPA offers some basic education through orientation, board meetings and retreats. More substantial education is available through conferences, training programs, and online courses. FPPA will underwrite costs for training and travel related to approved events and programs.

There are several providers of educational conferences as well as online training available to Board members. I'll begin with a list of some of the primary providers. There are two basic types: those provided by associations of investors and those provided by marketing groups on behalf of vendors. Both types can be beneficial, but generally speaking, those provided by investors tend to be more balanced and targeted at the investors' broader perspective. Not surprisingly, programs that are less driven by marketing tend to cost more for the participant. Keep that in mind. The following list of providers and the list of events is not comprehensive and will be updated. If you are aware of a program, please advise me.

National Council of Public Employee Retirement Systems (NCPERS) www.ncpers.org FPPA is a member.

In addition to its annual conference, and several targeted member conferences, which tend to focus on more current topics of interest and presentations on how pension funds have addressed a myriad of issues, NCPERS offers training on several levels. More information is available at www.ncpers.org. Here is a link to NCPERS to fiduciary training: www.ncpers.org/naf/

- **NCPERS Trustee Essentials Training (f/k/a TEDS)** The Trustee Essentials Training is intended for new and novice trustees who are seeking a better understanding of their role and responsibilities as a trustee of their pension fund. It also serves as a refresher for experienced trustees interested in staying up to date.
- **NCPERS Fiduciary in Focus Workshop (f/k/a PATS)** The Fiduciary in Focus Workshop is a two-day program designed for advanced trustees who seek a more intensive, in-depth

learning experience. Held annually during the Annual Conference & Exhibition, each year's program will focus on two topics of particular importance to pension plan trustees, enabling participants to dig deeper and fully explore issues with their counterparts from around the nation. Topics may include ethics, legal developments, and alternative investments, among other timely themes.

- **NCPERS Accredited Fiduciary Program (NAF)** The NCPERS Accredited Fiduciary (NAF) Program is a trustee accreditation program specifically designed and tailored for individuals involved in public pension governance. NAF divides plan governance, oversight and administration into four modules (see below). Each module delves into the fundamental components and strategies necessary for governing a public pension fund, allowing trustees and plan once all modules have been successfully completed, participants will be required to take an online exam to demonstrate an understanding of the program materials.
- **Center for Online Learning** NCPERS also provides a series of webinars and webcasts each year on a variety of topics of interest. Past events have been recorded and are available online. You can sign up to receive notice of coming events.
- **Public Safety Conference** Besides perhaps the annual conference, this NCPERS conference holds the most interest for trustees of police and firefighters. It is typically held in the fall.

The Council of Institutional Investors (CII) www.cii.org, of which FPPA is a member, is a nonprofit, nonpartisan association of pension funds, state and local entities charged with investing public assets, and foundations and endowments. Funds include major long-term shareowners with a duty to protect the retirement savings of millions of workers and their families. CII is a leading voice for effective corporate governance, strong shareowner rights and sensible financial regulations that foster fair, vibrant capital markets. CII promotes policies that enhance long-term value for U.S. institutional asset owners and their beneficiaries. CII is a diverse community of professionals who come together to learn, share perspectives and advocate. CII educates members, and the public, about best corporate governance practices and provides opportunities for members to interact with peers, investment executives and policymakers through conferences and other events.

Institutional Limited Partners Association (ILPA) www.ilpa.org, of which FPPA is a member, is dedicated to engaging, empowering, and connecting private equity limited partners to maximize their performance on an individual, institutional, and collective basis. ILPA offers a variety of basic and advanced training courses, available online and in person, appropriate for trustees. Online, on your own schedule, ILPA offers two sets of courses of interest to pension trustees:

- **The Fundamentals of Private Equity** - This course will walk participants through the basics of the private equity asset class and expose participants to the industry's complex interdependencies through an interactive, self-guided experience on its essential terms, strategies, and challenges.
- **The Economics of Private Equity** - This course will walk participants through the basics of the private equity asset class and the typical economic arrangements structured between limited and general partners and other parties. Participants will gain exposure to the standard

flows of monies through the private equity investment process as well as ways to evaluate returns, overall performance, and post-investment monitoring.

- **ESG Fundamentals** - This course is essential for anyone looking to understand how to launch, and maintain, an ESG program within their organization. The knowledge to develop a plan that integrates your investing framework and organizational goals is critical to establishing a successful ESG program.
- **Integrating ESG Best Practice** - This course is essential for anyone looking to understand how to measure and evaluate integration of ESG into their investment and organizational processes and includes guidance on due diligence processes, ESG monitoring and reporting strategies and legal and regulatory considerations for creating long-term value.

National Association of Corporate Directors (NACD) www.NACDOnline.org the group's focus is on empowering directors and transforming board governance. Several board members have found this group to be helpful. There is a local chapter with regular meetings, some social events and several conferences and educational events. This group is more focused on corporate boards of directors of for-profit corporations, so some things are very on point while others are less useful to governmental pension trustees. FPPA will pay your membership dues if you wish to join.

Markets Group this group produces the Mountain States Institutional Forum held annually in Denver as well as other regional institutional investor conferences around the country. They are a marketing group, and most speakers pay significant sponsorship fees in exchange for the opportunity to present at the forum. Having made this disclaimer, FPPA has found this conference to be beneficial in educating both trustees and staff. Also, it's local and it's free.

Cambridge Associates, our Investment Advisor, is offering an **Investment Leaders Exchange** next spring which will offer much insight into issues facing institutional investors, like FPPA. This is a program offered by Cambridge to its clients. It is always interesting to hear perspectives from other clients.

Upcoming Live Training Opportunities:

Cambridge Associates' Investment Leaders Exchange

April 13-14, 2026, Four Seasons Chicago, Chicago, Illinois

**Registration is free to clients of Cambridge Associates*

**Discounted hotel block full*

NCPERS Advanced Fiduciary (NAF) Program

May 16-17, 2026, Caesars Palace, Las Vegas, NV

**Early Bird pricing ends April 30, 2026*

**Registration deadline is May 7, 2026*

**Room block closes April 13, 2026, or until room block is full*

NCPERS Trustee Essentials Training 2026 (f/k/a TEDS)

May 16-17, 2026, Caesars Palace, Las Vegas, NV

**Early Bird pricing ends April 30, 2026*

**Registration deadline is May 7, 2026*

**Room block closes April 13, 2026, or until room block is full*

NCPERS 2026 Annual Conference & Exhibition (ACE)

May 17 – 20, 2026, Caesars Palace, Las Vegas, NV

**Early-bird pricing ends April 30, 2026*

**Registration deadline is May 19, 2026*

**Room block closes April 13, 2026, or until room block is full*

CII Fall 2026 Conference

September 30 – October 2, 2026, Westin Boston Seaport, Boston, MA

**Registration will open June 2026*

NCPERS Fiduciary in Focus Workshop 2026 (f/k/a PATS)

October 24-25, 2026, Renaissance Nashville, Nashville, TN

**Details TBD*

NCPERS Public Safety Conference

October 25-28, 2026, Renaissance Nashville, Nashville, TN

**Early Bird Discount ends October 1, 2026*

**Room block will open in June 2026*

Future Annual Conference & Exhibition (ACE) Dates:

NCPERS 2027 Annual Conference & Exhibition (ACE)

May 16 - 19, 2027, Sheraton New York Times Square, New York, NY

SENIOR MANAGEMENT CONTINGENCY PLAN POLICY

I. PURPOSE

The purpose of this Senior Management Contingency Plan Policy is to ensure that a clear and rational plan exists to insure continuity in leadership at the senior management level and to mitigate the risk of interruptions in plan operations.

II. ASSUMPTION & PRINCIPLES

- A. The loss of the Executive Director for any reason requires a swift and considered response in order to minimize potential disruptions to FPPA.
- B. The Board of Directors (“Board”) of the Fire & Police Pension Association of Colorado (“FPPA”) accepts the need to maintain, whenever possible, a differentiation between the roles of the Board and management, even if the Executive Director should be unable or unwilling to carry on in his/her capacity as the senior executive officer of the FPPA.

III. POLICY GUIDELINES

- A. In the event the Executive Director is unable to carry out his/her duties due to death, illness, departure, or other reason, it is the Board's intent that the Deputy Executive Director immediately assume the role of Acting Executive Director and assume all responsibility and authority previously delegated to the Executive Director by the Board.
- B. In the event that the Deputy Executive Director is required to assume the duties of the Acting Executive Director on an interim basis, the Board shall convene a special meeting of the Board to ratify the Acting Executive Director's interim authority and initiate a search process to hire a permanent successor to the Executive Director.
- C. In the event that the Deputy Executive Director is unable to carry out the responsibilities of Acting Executive Director due to death, illness, departure, or other reason, it is the Board's intent that the [INSERT TITLE] immediately assume the role of Acting Executive Director and assume all responsibilities and authority previously delegated to the Executive Director by the Board.
- D. The Board shall negotiate the compensation package to be received by the Acting Executive Director for the interim period.
- E. In the event that the Executive Director anticipates the position becoming vacant, the Executive Director shall promptly inform the Board and initiate a process to identify a replacement for the position.

IV. POLICY REVIEW

The Board shall review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

V. EXECUTIVE DIRECTOR'S CERTIFICATE

I, Kevin B. Lindahl, the duly appointed Executive Director of the Fire & Police Pension Association of Colorado, hereby certify that this Policy was adopted by the Board of Directors on _____, 2026.

Kevin B. Lindahl

DRAFT



Fire & Police Pension Association Board of Directors Meeting Agenda

Meeting Date, Time, and Location

Wednesday, June 10 – Friday, June 12, 2026,
The Hythe Vail
Mountain View Conference Room (2nd Level)
715 Lionshead Circle
Vail, CO 81657

Preliminary

Wednesday, June 10, 2026 (Investment Committee and Board)

<u>Time</u>	<u>Topic / Speaker</u>
12:00 p.m.	Lunch (All Board is welcome)
1:00 p.m.	Investment Committee Meeting
2:50 p.m.	IC Adjournment
3:00 p.m.	Board Opening Program
5:00 p.m.	Adjourn
5:50 p.m.	Walk to Dinner
6:00 p.m.	Dinner – Venue TBD (Board Guests invited) <i>*No business will be discussed or conducted at the Reception & Dinner</i>

Thursday, June 11, 2026

<u>Time</u>	<u>Topic / Speaker</u>
7:30 a.m.	Breakfast
8:30 a.m.	Opening and Mission Moment <i>Chip Weule & Karen Frame</i>
8:45 a.m.	Setting The Table for 2026-27 Objectives: Five-Year Strategic Plan Review <i>Kevin Lindahl and Adam Franklin</i>
	Program
	2026 Actuarial Valuation <i>Dana Woolfrey & Joe Newton, GRS</i>
12:00 p.m.	Lunch
1:00 p.m.	Program
2:30 p.m.	Adjourn
4:30 p.m.	Social Hour – Compete in the Board Edition of our exciting FPPA BRAINSTRAIN game. (Board Guests are Invited)
6:00 p.m.	Dinner – Venue TBD (Board Guests invited) <i>*No business will be discussed or conducted at the Social Hour, Reception & Dinner</i>



Fire & Police Pension Association Board of Directors Meeting Agenda

Friday, June 12, 2026

<u>Time</u>	<u>Topic / Speaker</u>
7:30 a.m.	Breakfast
8:30 a.m.	FPPA Business Meeting: Call to Order <i>Jason Mantas, Board Chair</i>
8:30 a.m.	Mission Moment <i>Chip Weule</i>
8:30 a.m.	Consent Calendar a. Approval of April 9, 2026, Board meeting minutes
8:50 a.m.	Cambridge Market Update <i>Brian McDonnell & Stuart Cameron, Cambridge Associates</i>
9:10 a.m.	Investment Report & Investment Committee Chair's Report <i>Karen Frame, Investment Committee Chair</i>
11:00 a.m.	Audit Committee – Chair's Report <i>Tammy Hitchens, Audit Committee Chair</i>
11:10 a.m.	Annual Comprehensive Financial Report Review <i>Ahni Smith</i>
11:30 a.m.	2025 Actuarial Valuation Report – Annual Board Action Items <i>Chip Weule</i> a. Cost of Living Adjustment
12:15 p.m.	Lunch
1:15 p.m.	Review Proposed 2025-26 Defining and Standard Operating Objectives Kevin Lindahl
1:35 p.m.	Staff Reports a. Executive Team Report <i>Kevin Lindahl</i> b. Board Educational Opportunities <i>Kevin Lindahl</i> c. Legislative Updates <i>Adam Franklin & Chip Weule</i>
1:50 p.m.	Chair's Report <i>Jason Mantas, Board Chair</i>
1:55 p.m.	Other Matters
2:00 p.m.	Adjournment

CIMARRON HILLS FIRE PROTECTION DISTRICT

RESOLUTION NO. 2026-003

RESOLUTION FOR INCLUSION OF CLERICAL AND OTHER PERSONNEL WHOSE SERVICES ARE AUXILIARY TO FIRE PROTECTION UNDER THE FPPA STATEWIDE RETIREMENT PLAN

WHEREAS, Cimarron Hills Fire Protection District is a fire protection district, fire authority, or county improvement district providing fire protection services, duly constituted under Colorado law; and

WHEREAS, for the purposes of participation in the Statewide Retirement Plan the definition of "Member" may include clerical or other personnel employed by a fire protection district, fire authority, or county improvement district, whose services are auxiliary to fire protection; and

WHEREAS, pursuant to Section 31-31.5-101(f) C.R.S., the definition of "Member" specifically excludes clerical or other personnel whose services are auxiliary to fire protection from participation in the Statewide Death & Disability Plan; and

WHEREAS, Cimarron Hills Fire Protection District's full-time active employees whose duties are directly involved with the provision of fire protection are covered under the Defined Benefit Component of the Statewide Retirement Plan.

WHEREAS, Cimarron Hills Fire Protection District desires to cover its clerical and other personnel working sixteen hundred hours or more per year under the Defined Benefit component of the Statewide Retirement Plan. Cimarron Hills Fire Protection District acknowledges that said clerical and other personnel are not eligible to participate in the Statewide Death & Disability Plan.


NOW THEREFORE BE IT RESOLVED by the Cimarron Hills Fire Protection District that:

1. Such election shall become effective on May 24, 2026, assuming all necessary forms, procedures and other relevant paperwork is completed; and
2. The Cimarron Hills Fire Protection District's Executive Assistant or Chief of Staff is authorized and directed to file a signed copy of this resolution with the Fire & Police Pension Association via email as soon as practicable and Cimarron Hills Fire Protection District's staff is directed to take all other actions necessary to implement the coverage.

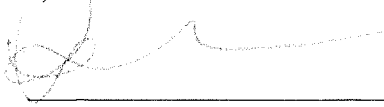
Approved this 10th day of March, 2026, by the governing body of the Cimarron Hills Fire Protection District.

CIMARRON HILLS FIRE PROTECTION DISTRICT

By:


Mark Gass, President

Attest:


Brittany Kruse, Vice President

Fire and Police Pension Association
Statement of Fiduciary Net Position
As of December 31, 2025

	MEMBERS' BENEFIT INVESTMENT FUND	MEMBERS' SELF-DIRECTED INVESTMENT FUND	COMBINED TOTALS 2025	COMBINED TOTALS 2024
INVESTMENTS AT MARKET VALUE				
Global Equity	\$2,917,317,986		\$2,917,317,986	\$2,369,070,731
Equity Long/Short	491,905,527		491,905,527	471,655,883
Fixed Income	1,476,600,149		1,476,600,149	1,237,870,355
Absolute Return	576,907,654		576,907,654	595,489,645
Private Capital	1,951,118,313		1,951,118,313	1,710,176,243
Real Assets	212,159,407		212,159,407	235,138,345
Real Estate	283,978,826		283,978,826	257,057,424
Domestic Equity Funds		\$290,819,370	290,819,370	253,818,998
International Equity Funds		45,470,475	45,470,475	35,630,809
Balanced Funds		503,023,204	503,023,204	418,961,843
Fixed Income Funds		42,329,898	42,329,898	36,560,248
Money Market Funds		43,778,337	43,778,337	46,729,814
Brokeragelink Funds		136,202,458	136,202,458	118,113,557
TOTAL INVESTMENTS	\$7,909,987,862	\$1,061,623,742	\$8,971,611,604	\$7,786,273,895
SECURITIES LENDING COLLATERAL	\$66,430,698		\$66,430,698	\$44,695,668
CURRENT ASSETS				
Cash and Short Term Investments	\$333,207,369	\$160,245	\$333,367,614	\$414,124,632
Accounts and Notes Receivable	46,012		46,012	75,811
Participant DC Plan Loans		5,198,988	5,198,988	4,926,184
Assets Sold - Pending Trades	30,029,337		30,029,337	87,361,554
Accrued Interest and Dividends	11,961,305		11,961,305	14,228,401
FIXED ASSETS				
FPPA Tenant Improvement, net	\$1,008,247		1,008,247	869,343
Furniture and Office Equipment, net	106,633		106,633	109,924
Capitalized Software, net	3,000,220		3,000,220	2,433,081
Office Lease Asset, net	3,084,378		3,084,378	3,503,207
OTHER ASSETS	\$1,008,274		\$1,008,274	\$1,087,034
TOTAL ASSETS	\$8,359,870,335	\$1,066,982,975	\$9,426,853,310	\$8,359,688,734
LIABILITIES				
Accounts Payable and Other Liabilities	\$5,022,554		\$5,022,554	\$4,995,637
Assets Purchased - Pending Trades	47,164,197		47,164,197	24,500,706
Securities Lending Liabilities	66,430,698		66,430,698	44,616,006
Office Lease Liability	3,639,044		3,639,044	4,001,773
TOTAL LIABILITIES	\$122,256,493	\$0	\$122,256,493	\$78,114,122
FIDUCIARY NET POSITION RESTRICTED FOR PENSION BENEFITS				
Beginning of Year	\$8,281,574,610	\$914,899,140	\$9,196,473,750	\$7,596,450,818
Net Change	(43,960,768)	152,083,835	108,123,067	685,123,794
FIDUCIARY NET POSITION END OF PERIOD	\$8,237,613,842	\$1,066,982,975	\$9,304,596,817	\$8,281,574,612

**Fire and Police Pension Association
Members' Benefit Investment Fund
Statement of Changes in Fiduciary Net Position
For the Eleven Months Ending November 30, 2025**

	2025		2024
	Current Month	Year To Date	Total Year
Investment Income			
Interest	\$3,892,530	\$65,156,596	\$56,607,747
Dividends	7,286,622	39,934,266	31,888,234
Other Income/(Expense)	6,228,634	20,218,105	18,308,454
Net Change Accrued Income	(905,704)	(2,267,096)	(694,512)
Fees and Expenses			
Investment Expenses	(7,342,551)	(66,115,049)	(51,351,223)
Administrative Expenses	(1,281,013)	(14,305,302)	(13,232,464)
DC Reimbursement for Expenses	19,284	316,996	375,687
NET INVESTMENT INCOME	\$7,897,802	\$42,938,516	\$41,901,923
Gain/(Loss) on Investments			
Realized Gain/(Loss) on Investments	\$44,665,740	\$641,842,209	\$279,139,974
Unrealized Gain/(Loss) on Investments	(882,487)	205,309,199	280,152,602
Unrealized Gain/(Loss) on Securities Lending		(79,662)	(4,702)
GAIN/(LOSS) ON INVESTMENTS	\$43,783,253	\$847,071,746	\$559,287,874
Identified Receipts/(Disbursements)			
Contributions	\$35,673,058	\$402,789,680	\$369,380,053
State Funds	2,743,594	5,051,920	2,597,054
Affiliations/(Disaffiliations)		2,306,007	2,943,226
Benefits Paid	(35,598,599)	(420,162,979)	(397,816,337)
Refunds	(698,336)	(8,957,611)	(7,456,682)
Identified Receipts/(Fees)	(1,918)	(98,909)	(33,677)
NET IDENTIFIED RECEIPTS/(DISBURSEMENTS)	\$2,117,799	(\$19,071,892)	(\$30,386,363)
Net Increase/(Decrease) in Fiduciary Net Position Available	\$53,798,854	\$870,938,370	\$570,803,434
Fiduciary Net Position Restricted for Pension Plan Benefits			
End of Prior Period	8,183,814,988		
Beginning of Year		7,366,675,472	6,795,872,038
End of Period	\$8,237,613,842	\$8,237,613,842	\$7,366,675,472

Affiliations/(Disaffiliations):

- In February 2025, Wheat Ridge Volunteer Firefighter Plan sent residual assets of \$2k related to the September 2024 affiliation.
- In March 2025, Estes Valley FPD Volunteer Plan affiliated with FPPA and contributed \$1.7M in assets.
- In April 2025, Briggsdale FPD Volunteer Plan affiliated with FPPA and contributed \$600k in assets.

**Fire and Police Pension Association
Members' Self-Directed Investment Fund
Statement of Changes in Fiduciary Net Position
For the Twelve Months Ending December 31, 2025**

	<u>2025</u>		<u>2024</u>
	<u>Current Month</u>	<u>Year To Date</u>	<u>Total Year</u>
Investment Income			
Interest	\$123,088	\$1,595,980	\$1,767,871
Dividends	10,258,995	11,706,690	12,320,318
Participant Brokerage Income	66,283	16,051,142	19,258,161
Fees and Expenses			
Administrative Costs at Recordkeeper	(427,994)	(2,093,552)	(1,920,495)
NET INVESTMENT INCOME	\$10,020,372	\$27,260,260	\$31,425,855
Gain/(Loss) on Investments			
Realized Gain/(Loss) on Investments	\$1,705,043	\$19,373,095	\$73,993,163
Unrealized Gain/(Loss) on Investments	(6,420,022)	103,661,248	12,575,599
GAIN/(LOSS) ON INVESTMENTS	(\$4,714,979)	\$123,034,343	\$86,568,762
Identified Receipts/(Disbursements)			
Contributions	\$8,983,643	\$96,079,861	\$85,085,211
Affiliations/(Disaffiliations)			3,297,132
Distributions	(5,353,095)	(94,290,629)	(92,056,600)
NET IDENTIFIED RECEIPTS/(DISBURSEMENTS)	\$3,630,548	\$1,789,232	(\$3,674,257)
Net Increase/(Decrease) in Fiduciary Net Position Available	\$8,935,941	\$152,083,835	\$114,320,360
Fiduciary Net Position Restricted for Pension Plan Benefits			
End of Prior Period	1,058,047,034		
Beginning of Year		914,899,140	800,578,780
End of Period	\$1,066,982,975	\$1,066,982,975	\$914,899,140

Statement of Expenses Narrative

Professional Contracts

Actuarial Contract: Contract with Gabriel, Roeder, Smith & Company for actuarial reporting and services through 12/31/2027.

Audit Contract: Contract with Eide Bailly LLP for external audit services through 12/31/2028 audits.

Computer Maintenance & Lease: Contracts with various vendors for computer hardware and software maintenance, annual research fees, leasing of equipment, and IT consulting and development.

Hearing Officers: Contracts with several independent professionals ruling on Statewide Death & Disability cases.

Insurance & Bonding: Commercial, Fiduciary, Public Official, Crime, Network Security, Foreign Travel, Worker's Compensation, and Unemployment insurance policies. Contract with Arthur J. Gallagher Risk Management Service, Inc. for insurance brokerage services through 10/31/2026.

Legal & Legislative Counsel: Counsel fees for external legal assistance on benefits and tax matters. Annual contract with Meridian Public Affairs for lobbying efforts through 9/30/2027.

Management Consulting: Compensation consulting services.

Medical Exam Fees: Independent panel of physicians conducting medical examinations for disability applicants including services for contract medical advisor.

Outside Services: Outside services include temporary help, staff payroll fees and member and benefit research services. Independent contractors utilized are website consulting and the Internal Auditor (Armanino, LLP).

Records Management: Storage fees for Association records.

Personnel Costs

Salaries: Wages paid to FPPA Staff.

Employee Benefits: Health Insurance, 401(k) and 457 employer contributions, employer PERA contributions, life insurance, long term disability, employee assistance program, etc.

Recognition Programs: Peer recognition program, annual employee of the year, service awards, and team building.

Employment Programs: Recruitment activities to attract Association staff.

Employee Benefits and Salaries for investment personnel and allocated investment personal expenses are included in the Asset Based Fees schedule.

Staff Education

Educational Assistance: Tuition assistance to help staff obtain education that benefits FPPA.

Conferences & Seminars: Out of town seminars, local professional conferences, staff in-house seminars.

Certifications & Trainings: Professional certification assistance, continuing education, and required training.

Other Operating Expenses

Board Expenses: Board meeting and planning meeting expenses, security, conferences, and subscriptions.

Company Vehicles: Fuel and maintenance for Field Education Team vehicles.

Hardware & Data Supplies: Small equipment, materials, and software used to process and print data.

Equipment Rental & Maintenance: Rental of office and mail machines. Contracts with vendors to maintain miscellaneous office equipment.

Meetings & Travel: Program informational meetings, member/employer field education meetings, and the associated travel costs.

Office Rent: Expenses recorded for leased space at 7979 E Tufts Ave.

Other Miscellaneous: One-time unanticipated expenses. If used as approved by the Executive Director, it will be reallocated to the related budget expense line item.

Postage: Mailing retiree paychecks, forms, publications and correspondence.

Publications: Materials used in informing and collecting Association information; including forms, stationery, annual report, field education handouts, newsletters, and annual statements.

Retirement Services: Seminars provided to departments on topics applicable to pre-retirement planning and employer education regarding Association procedures and rules.

Subscriptions & Dues: Professional publications and membership fees.

Supplies: Office materials, equipment, and furniture.

Telephone: Office lines and wireless telephone expenses.

Fire and Police Pension Association
Statement of Expenses
For the Twelve Months Ended December 31, 2025

Expenditure Group	2025 Budget	Current Month Expenditure	Year-to-Date Expenditure	Percentage of Budget Spent YTD
Professional Contracts				
Actuarial Contract	\$440,200	\$95,767	\$440,068	99.97%
Audit Fees	140,850	0	140,850	100.00%
Computer Maintenance & Lease	1,168,486	112,144	1,080,589	92.48%
Hearing Officers	15,000	1,715	4,218	28.12%
Insurance & Bonding	302,168	22,826	287,446	95.13%
Legal & Legislative Counsel	155,000	40,810	173,982	112.25%
Management Consulting	182,500	0	139,930	76.67%
Medical Exam Fees	561,200	27,490	469,057	83.58%
Outside Services	908,350	12,500	384,222	42.30%
Records Management	3,000	3,051	3,406	113.53%
Total Professional Contracts	\$3,876,754	\$316,303	\$3,123,768	80.58%
Personnel Costs				
Salaries	\$6,732,272	\$490,479	\$5,936,591	88.18%
Employee Benefits	2,748,423	350,409	3,061,428	111.39%
Recognition Programs	49,175	1,733	21,373	43.46%
Employment Programs	155,000		185,830	119.89%
Total Personnel Costs	\$9,684,870	\$842,621	\$9,205,222	95.05%
Staff Education				
Educational Assistance	\$10,000	\$0	\$5,000	50.00%
Conferences & Seminars	133,100	26,863	139,151	104.55%
Certifications & Trainings	114,470	2,302	68,368	59.73%
Total Staff Education	\$257,570	\$29,165	\$212,519	82.51%
Other Operating Expenses				
Board Expenses	\$135,925	(\$95)	\$111,077	81.72%
Company Vehicles	6,200	192	4,527	73.02%
Hardware & Data Supplies	72,100	1,446	75,172	104.26%
Equipment Rental & Maintenance	32,700	2,107	29,573	90.44%
Meetings & Travel	29,350	189	18,292	62.32%
Office Rent	635,500	50,580	559,442	88.03%
Other Miscellaneous	0	(57)	(57)	0.00%
Postage	14,400	49	8,768	60.89%
Publications	46,600	3,067	51,560	110.64%
Retirement Services	26,000	0	12,517	48.14%
Strategic Planning	18,500	0	21,012	113.58%
Subscriptions & Dues	50,770	1,229	35,692	70.30%
Supplies	27,000	1,100	18,969	70.26%
Telephone	24,000	3,139	15,597	64.99%
Total Other Operating Expense	\$1,119,045	\$62,946	\$962,141	85.98%
TOTAL OPERATING EXPENSE	\$14,938,239	\$1,251,035	\$13,503,650	90.40%

Statement of Expenses Narrative

Professional Contracts

Actuarial Contract: Contract with Gabriel, Roeder, Smith & Company for actuarial reporting and services through 12/31/2027.

Audit Contract: Contract with Eide Bailly LLP for external audit services through 12/31/2028 audits.

Computer Maintenance & Lease: Contracts with various vendors for computer hardware and software maintenance, annual research fees, leasing of equipment, and IT consulting and development.

Hearing Officers: Contracts with several independent professionals ruling on Statewide Death & Disability cases.

Insurance & Bonding: Commercial, Fiduciary, Public Official, Crime, Network Security, Foreign Travel, Worker's Compensation, and Unemployment insurance policies. Contract with Arthur J. Gallagher Risk Management Service, Inc. for insurance brokerage services through 10/31/2026.

Legal & Legislative Counsel: Counsel fees for external legal assistance on benefits and tax matters. Annual contract with Meridian Public Affairs for lobbying efforts through 9/30/2027.

Management Consulting: Compensation consulting services.

Medical Exam Fees: Independent panel of physicians conducting medical examinations for disability applicants including services for contract medical advisor.

Outside Services: Outside services include temporary help, staff payroll fees and member and benefit research services. Independent contractors utilized are website consulting and the Internal Auditor (Armanino, LLP).

Records Management: Storage fees for Association records.

Personnel Costs

Salaries: Wages paid to FPPA Staff.

Employee Benefits: Health Insurance, 401(k) and 457 employer contributions, employer PERA contributions, life insurance, long term disability, employee assistance program, etc.

Recognition Programs: Peer recognition program, annual employee of the year, service awards, and team building.

Employment Programs: Recruitment activities to attract Association staff.

Employee Benefits and Salaries for investment personnel and allocated investment personal expenses are included in the Asset Based Fees schedule.

Staff Education

Educational Assistance: Tuition assistance to help staff obtain education that benefits FPPA.

Conferences & Seminars: Out-of-town seminars, local professional conferences, staff in-house seminars.

Certifications & Trainings: Professional certification assistance, continuing education, and required training.

Other Operating Expenses

Board Expenses: Board meeting and planning meeting expenses, security, conferences, and subscriptions.

Company Vehicles: Fuel and maintenance for Field Education Team vehicles.

Hardware & Data Supplies: Small equipment, materials, and software used to process and print data.

Equipment Rental & Maintenance: Rental of office and mail machines. Contracts with vendors to maintain miscellaneous office equipment.

Meetings & Travel: Program informational meetings, member/employer field education meetings, and the associated travel costs.

Office Rent: Expenses recorded for leased space at 7979 E Tufts Ave.

Other Miscellaneous: One-time unanticipated expenses. If used as approved by the Executive Director, it will be reallocated to the related budget expense line item.

Postage: Mailing retiree paychecks, forms, publications and correspondence.

Publications: Materials used in informing and collecting Association information; including forms, stationery, annual report, field education handouts, newsletters, and annual statements.

Retirement Services: Seminars provided to departments on topics applicable to pre-retirement planning and employer education regarding Association procedures and rules.

Subscriptions & Dues: Professional publications and membership fees.

Supplies: Office materials, equipment, and furniture.

Telephone: Office lines and wireless telephone expenses.

Fire and Police Pension Association
Asset Based Fees
For the Twelve Months Ended December 31, 2025

Expenditure Group	2025 Budget	Current Month Expenditure	Year-to-Date Expenditure	Percentage of Budget Spent YTD
Management Fees	\$46,112,633	\$6,648,982	\$58,272,195	126.37%
Asset Based Fees				
Professional Contracts				
Bank Fees	\$622,500	\$56,154	\$753,042	120.97%
Closing Costs	108,000	2,200	73,575	68.13%
Computer Software	797,653	5,000	851,781	106.79%
Consulting	1,509,847	0	1,511,509	100.11%
Legal Fees	460,000	241,167	410,361	89.21%
Total Professional Contracts	\$3,498,000	\$304,521	\$3,600,268	102.92%
Personal Services				
Salaries	\$3,950,190	\$249,089	\$3,239,843	82.02%
Benefits	1,239,612	128,816	783,113	63.17%
Total Personal Services	\$5,189,802	\$377,905	\$4,022,956	77.52%
Staff Education				
Certifications & Training	\$15,000		\$11,428	76.19%
Conferences & Seminars	17,000	2,278	10,331	60.77%
Total Staff Education	\$32,000	\$2,278	\$21,759	68.00%
Other Expenses				
Other Expenses	\$10,500	\$0	\$4,770	45.43%
Meetings & Travel / Due Diligence	140,000	8,866	163,075	116.48%
Subscriptions & Dues	14,756	0	30,026	203.48%
Total Other Expense	\$165,256	\$8,866	\$197,871	119.74%
Total Asset Based Fees	\$8,885,058	\$693,570	\$7,842,854	88.27%

Asset Based Fees Narrative

Professional Contracts

Bank Fees: Fees for banking and custodial services with BNY Mellon and Wells Fargo.

Closing Costs: Background checks on key investment manager professionals on a per deal basis.

Computer Software: Contracts with various vendors for alternative hedge fund analysis software, MSCI data feeds, Bloomberg terminal, benchmark data and research management software.

Consulting: Consulting services for the investment consultant, defined contribution consultant, proxy services and alternatives consulting.

Legal Fees: Fees for completion of in-house deals.

Management Fees: Fees from various money managers investing in the FPPA Total Fund.

Personnel Costs

Salaries: Wages of FPPA Staff paid or allocated to Asset Based Fees.

Benefits: Health Insurance, 401(k) and 457 employer contributions, employer PERA contributions, life insurance, long term disability, employee assistance program, etc. allocated to Asset Based Fees.

Staff Education

Certifications & Trainings: Professional certification assistance, continuing education, and required training.

Conferences & Seminars: Out of town seminars, local professional conferences, staff in-house seminars.

Other Operating Expenses

Other Expenses: Non-recurring expenses. This may include allocations of regular operations expenses that have a direct Asset Based Fee impact, such as an investment focused internal audit.

Meetings & Travel / Due Diligence: Due diligence travel costs related to asset management.

Subscriptions & Dues: Professional publications and membership fees.

Fire and Police Pension Association
Board Expenses
For the Twelve Months Ended December 31, 2025

Expenditure Group	2025 Budget	Current Month Expenditure	Year-to-Date Expenditure	Percentage of Budget Spent YTD
Board Expenses				
Board & Committee Meetings	\$20,000	\$1,010	\$11,874	59.37%
National Meetings	25,000	5,279	27,865	111.46%
Outside Counsel	0	0	0	0.00%
Strategic Planning	25,000	(6,884)	24,089	96.36%
Subscriptions & Dues	24,695	0	10,864	43.99%
Technology Expense	40,830	501	36,318	88.95%
Supplies	400	0	66	16.50%
Total Board Expenses	\$135,925	(\$94)	\$111,076	81.72%

Fire and Police Pension Association
Capital Expenditures
For the Twelve Months Ended December 31, 2025

Expenditure Group	2025 Budget	Current Month Expenditure	Year-to-Date Expenditure	Percentage of Budget Spent YTD
Capital Expenditures				
Information Systems	\$1,179,660	\$184,555	\$1,184,835	100.44%
Company Vehicles	0	0	0	0.00%
Asset Retirements	0	0	0	0.00%
Total Capital Expenditures	\$1,179,660	\$184,555	\$1,184,835	100.44%
Capital Improvements				
FPPA Tenant Finish	\$250,000	\$29,695	\$299,219	119.69%
Total Capital Improvements	\$250,000	\$29,695	\$299,219	119.69%

**Fire and Police Pension Association
Members' Benefit Investment Trust Fund
For the Twelve Months Ended 12/30/2025**

	Long-Term Pool	Glide-Path Pool	Short-Term Pool	Total Fund
Beginning Balance	\$6,223,357,310	\$1,111,696,744	\$31,621,415	\$7,366,675,469
Plan Direct Inflows and Outflows				
Member Contributions	\$157,955,521			\$157,955,521
Employer Contributions	\$194,061,420	\$45,913,499	\$4,859,241	\$244,834,160
Contributions from the SWDD Plan				
Refunds	(\$8,957,611)			(\$8,957,611)
Affiliations/(Disaffiliations)	\$2,306,007			\$2,306,007
Plan Transfers				
Net Benefits	(\$264,739,273)	(\$149,808,668)	(\$5,615,039)	(\$420,162,979)
Plan Directed Expenses	(\$92,909)		(\$6,000)	(\$98,909)
State Funding	\$4,975,661		\$76,259	\$5,051,920
Plan Direct Inflows and Outflows Sub-Total	\$85,508,816	(\$103,895,169)	(\$685,539)	(\$19,071,892)
Allocated Income and Expense				
Interest	\$46,738,615	\$17,432,780	\$985,202	\$65,156,596
Dividends	\$36,016,518	\$3,797,589	\$120,159	\$39,934,266
Other Income	\$15,610,008	\$4,840,689	\$84,403	\$20,535,101
Net Change Accrued Income	(\$1,337,976)	(\$893,601)	(\$35,519)	(\$2,267,096)
Unrealized Gain/Loss	\$197,736,501	\$6,669,278	\$823,761	\$205,229,539
Realized Gain/Loss	\$580,101,345	\$60,861,200	\$879,664	\$641,842,209
Defined Contribution Earnings (Net)				
Investment Expenses	(\$58,491,097)	(\$7,428,834)	(\$195,119)	(\$66,115,049)
Direct Expense Allocation	(\$2,976,634)	(\$12,247)	(\$37,122)	(\$3,026,003)
Other Expenses	(\$10,406,373)	(\$787,282)	(\$85,644)	(\$11,279,299)
Allocated Income and Expense Sub-Total	\$802,990,907	\$84,479,572	\$2,539,785	\$890,010,265
Ending Balance	\$7,111,857,033	\$1,092,281,147	\$33,475,661	\$8,237,613,842

Members' Benefit Investment Trust Fund Report by Investment Pool Descriptions

The report is year to date for the underlying plans included in the three investment pools.

Long-Term Pool	Defined Benefit System plans (5) and Volunteer Firefighter plans (161)
Glide-Path Pool	Old Hire plans (18)
Short-Term Pool	Old Hire plans (22); Volunteer Firefighter plans (10)
Beginning Balance	Plan assets at the beginning of the year
Plan Direct Inflows and Outflows	
Member Contributions	Member Contributions made to the plan
Employer Contributions	Employer Contributions made to the plan
Contributions from the SWDD Plan	Contributions received for a member on disability rolling to a normal retirement
Refunds	Member withdrawal of member contributions
Affiliations/(Disaffiliations)	Plan affiliation or disaffiliation including Old Hire idle funds distributions
Net Benefits	Benefits paid to retired members
Plan Directed Expenses	Payments/Income from plan assets directed by the department Examples: actuarial study costs and interest earnings in the month of idle funds/disaffiliation asset distributions
State Funding	State funding for volunteer plans
Plan Direct Inflows and Outflows Sub-Total	Sub-Total of the above activity
Allocated Income and Expense	
Interest*	Interest on investments
Dividends*	Dividends on investments
Other Income*	Other investment income
Net Change Accrued Income*	Change in accrued earnings for interest and dividends
Unrealized Gain/Loss*	Unrealized Gain/Loss on investments
Realized Gain/Loss*	Realized Gain/Loss on investments
Investment Expenses	Allocated share of FPPA investment expense
Direct Expense Allocation	Expenses directly allocated to the plan Examples: actuarial and audit fees
Other Expenses	Allocated share of FPPA administrative expense by member headcount
Allocated Income and Expense Sub-Total	Sub-Total of the above activity
Ending Balance	Plan assets at period end

* Allocated from the Fire & Police Members' Benefit Investment Fund Investment Pools

Fire and Police Pension Association
Statement of Fiduciary Net Position
As of February 28, 2026

	MEMBERS' BENEFIT INVESTMENT FUND	MEMBERS' SELF-DIRECTED INVESTMENT FUND	COMBINED TOTALS 2026	COMBINED TOTALS 2025
INVESTMENTS AT MARKET VALUE				
Global Equity	\$3,071,250,470		\$3,071,250,470	\$2,917,317,986
Equity Long/Short	494,589,273		494,589,273	491,905,527
Fixed Income	1,484,859,111		1,484,859,111	1,476,600,149
Absolute Return	644,458,237		644,458,237	576,907,654
Private Capital	1,981,827,783		1,981,827,783	1,951,118,313
Real Assets	194,503,272		194,503,272	212,159,407
Real Estate	282,847,483		282,847,483	283,978,826
Domestic Equity Funds		\$290,058,465	290,058,465	290,819,370
International Equity Funds		50,600,437	50,600,437	45,470,475
Balanced Funds		522,992,480	522,992,480	503,023,204
Fixed Income Funds		43,132,473	43,132,473	42,329,898
Money Market Funds		44,150,767	44,150,767	43,778,337
Brokeragelink Funds		138,414,881	138,414,881	136,202,458
TOTAL INVESTMENTS	\$8,154,335,629	\$1,089,349,503	\$9,243,685,132	\$8,971,611,604
SECURITIES LENDING COLLATERAL	\$71,159,225		\$71,159,225	\$66,430,698
CURRENT ASSETS				
Cash and Short Term Investments	\$311,633,826	\$431,523	\$312,065,349	\$333,367,614
Accounts and Notes Receivable	64,827		64,827	46,012
Participant DC Plan Loans		5,519,162	5,519,162	5,198,988
Assets Sold - Pending Trades	36,690,426		36,690,426	30,029,337
Accrued Interest and Dividends	11,066,014		11,066,014	11,961,305
FIXED ASSETS				
FPPA Tenant Improvement, net	\$991,473		991,473	1,008,247
Furniture and Office Equipment, net	102,839		102,839	106,633
Capitalized Software, net	2,985,009		2,985,009	3,000,220
Office Lease Asset, net	3,015,836		3,015,836	3,084,378
OTHER ASSETS	\$222,227		\$222,227	\$1,008,274
TOTAL ASSETS	\$8,592,267,331	\$1,095,300,188	\$9,687,567,519	\$9,426,853,310
LIABILITIES				
Accounts Payable and Other Liabilities	\$4,502,774		\$4,502,774	\$5,022,554
Assets Purchased - Pending Trades	64,733,439		64,733,439	47,164,197
Securities Lending Liabilities	71,236,645		71,236,645	66,430,698
Office Lease Liability	3,577,847		3,577,847	3,639,044
TOTAL LIABILITIES	\$144,050,705	\$0	\$144,050,705	\$122,256,493
FIDUCIARY NET POSITION RESTRICTED FOR PENSION BENEFITS				
Beginning of Year	\$8,237,613,842	\$1,066,982,975	\$9,304,596,817	\$9,196,473,750
Net Change	210,602,784	28,317,213	238,919,997	108,123,067
FIDUCIARY NET POSITION END OF PERIOD	\$8,448,216,626	\$1,095,300,188	\$9,543,516,814	\$9,304,596,817

**Fire and Police Pension Association
Members' Benefit Investment Fund
Statement of Changes in Fiduciary Net Position
For the Two Months Ending February 28, 2026**

	2026		2025
	Current Month	Year To Date	Total Year
Investment Income			
Interest	\$4,944,127	\$9,248,156	\$65,156,596
Dividends	2,546,499	4,230,350	39,934,266
Other Income/(Expense)	(7,821,642)	(7,667,292)	20,218,105
Net Change Accrued Income	(655,298)	(895,291)	(2,267,096)
Fees and Expenses			
Investment Expenses	(4,288,027)	(6,498,897)	(66,115,049)
Administrative Expenses	(1,331,122)	(3,642,879)	(14,305,302)
DC Reimbursement for Expenses	18,792	61,962	316,996
NET INVESTMENT INCOME	(\$6,586,671)	(\$5,163,891)	\$42,938,516
Gain/(Loss) on Investments			
Realized Gain/(Loss) on Investments	\$19,871,663	\$28,254,393	\$641,842,209
Unrealized Gain/(Loss) on Investments	70,475,737	194,013,779	205,309,199
Unrealized Gain/(Loss) on Securities Lending	(77,420)	(77,420)	(79,662)
GAIN/(LOSS) ON INVESTMENTS	\$90,269,980	\$222,190,752	\$847,071,746
Identified Receipts/(Disbursements)			
Contributions	\$29,089,372	\$67,151,982	\$402,789,680
State Funds		12,600	5,051,920
Affiliations/(Disaffiliations)			2,306,007
Benefits Paid	(35,959,785)	(71,842,790)	(420,162,979)
Refunds	(915,156)	(1,742,488)	(8,957,611)
Identified Receipts/(Fees)	(3,000)	(3,381)	(98,909)
NET IDENTIFIED RECEIPTS/(DISBURSEMENTS)	(\$7,788,569)	(\$6,424,077)	(\$19,071,892)
Net Increase/(Decrease) in Fiduciary Net Position Available	\$75,894,740	\$210,602,784	\$870,938,370
Fiduciary Net Position Restricted for Pension Plan Benefits			
End of Prior Period	8,372,321,886		
Beginning of Year		8,237,613,842	7,366,675,472
End of Period	\$8,448,216,626	\$8,448,216,626	\$8,237,613,842

**Fire and Police Pension Association
Members' Self-Directed Investment Fund
Statement of Changes in Fiduciary Net Position
For the Two Months Ending February 28, 2026**

	<u>2026</u>		<u>2025</u>
	<u>Current Month</u>	<u>Year To Date</u>	<u>Total Year</u>
Investment Income			
Interest	\$106,378	\$225,488	\$1,595,980
Dividends	36,225	76,077	11,706,690
Participant Brokerage Income	(233,646)	2,938,357	16,051,142
Fees and Expenses			
Administrative Costs at Recordkeeper	(38,003)	(152,705)	(2,093,552)
NET INVESTMENT INCOME	(\$129,046)	\$3,087,217	\$27,260,260
Gain/(Loss) on Investments			
Realized Gain/(Loss) on Investments	\$3,342,067	\$7,346,749	\$19,373,095
Unrealized Gain/(Loss) on Investments	7,978,843	25,611,750	103,661,248
GAIN/(LOSS) ON INVESTMENTS	\$11,320,910	\$32,958,499	\$123,034,343
Identified Receipts/(Disbursements)			
Contributions	\$8,460,345	\$16,709,111	\$96,079,861
Affiliations/(Disaffiliations)			
Distributions	(9,137,860)	(24,437,614)	(94,290,629)
NET IDENTIFIED RECEIPTS/(DISBURSEMENTS)	(\$677,515)	(\$7,728,503)	\$1,789,232
Net Increase/(Decrease) in Fiduciary Net Position Available	\$10,514,349	\$28,317,213	\$152,083,835
Fiduciary Net Position Restricted for Pension Plan Benefits			
End of Prior Period	1,084,785,839		
Beginning of Year		1,066,982,975	914,899,140
End of Period	\$1,095,300,188	\$1,095,300,188	\$1,066,982,975

Statements of Changes in Fiduciary Net Position Narrative

Investment Income

Interest: Interest received from the Funds' investments.

Dividends: Dividends received from the Funds' investments.

Other Income/(Expense): Securities Lending Income and Other Income. Other Income includes the quarterly gross up of income and fees related to Hedge Funds and realized gains and losses from foreign currency and foreign currency contracts within the Members' Benefit Investment Fund.

Net Change Accrued Income: Change in accrued interest and dividends from the prior period within the Members' Benefit Investment Fund.

Participant Brokerage Income: Participant earnings on investments through a brokerage account at Fidelity as part of the Members' Self-Directed Investment Fund.

Fees and Expenses

Investment Expenses: Costs incurred as part of the management of Fund assets, including costs in the Asset Based Fees budget, for the Members' Benefit Investment Fund.

Administrative Expenses: Costs incurred as part of normal FPPA administration of the Members' Benefit Investment Fund.

DC Reimbursement for Expenses: Costs incurred as part of normal operations that are allocated to the defined contribution plans and reimbursed to the Members' Benefit Investment Fund from the Members' Self-Directed Investment Fund.

Administrative Costs at Recordkeeper: Costs charged to the plans and participants of the Members' Self-Directed Investment Fund.

Gain/(Loss) on Investments

Realized Gain/(Loss) on Investments: Earnings recognized from the sale of assets in the Funds.

Unrealized Gain/(Loss) on Investments: Earnings recognized from the changes in market value of the assets in the Funds.

Identified Receipts/(Disbursements)

Contributions: Member and Employer contributions received. Member contributions also include contributions from purchases of service.

State Funds: Contributions granted by the Department of Local Affairs from the State of Colorado for the volunteer firefighter plans that apply for and receive state matching funds. Also, State contributions related to the funding of the Statewide Death & Disability Plan as per CRS 31-31-811 through Jul 1, 2059.

Affiliations/(Disaffiliations): Assets received from departmental affiliations through the Reentry process and assets distributed through the idle funds process for Old Hire plans or affiliation/disaffiliation of Volunteer Firefighter plans.

Benefits Paid: Monthly retirement benefits paid to members.

Refunds: Refunds of member contributions, plus interest, from Statewide plans.

Distributions: Withdrawal of assets by members of plans in the Members Self-Directed Investment Fund. These include lump sum payments, monthly installments, rollovers, and transfers for purchases of service and purchase of monthly lifetime benefits.

Identified Receipts/(Fees): Costs paid from plan assets, generally for Colorado Springs New Hire, Old Hire and Volunteer firefighter plans, that were directed by the Plan trustees. These include the supplemental actuarial studies and any external plan expenses such as legal and audit costs for the specific plan directed to be paid from plan assets.

Fire and Police Pension Association
Statement of Expenses
For the Two Months Ended February 28, 2026

Expenditure Group	2026 Budget	Current Month Expenditure	Year-to-Date Expenditure	Percentage of Budget Spent YTD
Professional Contracts				
Actuarial Contract	\$460,625	\$59,275	\$59,275	12.87%
Audit Fees	145,000			0.00%
Computer Maintenance & Lease	1,288,018	63,390	132,665	10.30%
Hearing Officers	15,000	1,138	1,138	7.59%
Insurance & Bonding	308,554	32,880	55,730	18.06%
Legal & Legislative Counsel	185,000	73,590	73,590	39.78%
Management Consulting	134,500	2,660	2,660	1.98%
Medical Exam Fees	550,000	53,768	90,069	16.38%
Outside Services	1,057,750	13,919	183,289	17.33%
Records Management	3,000	16	63	2.10%
Total Professional Contracts	\$4,147,447	\$300,636	\$598,479	14.43%
Personnel Costs				
Salaries	\$7,063,938	\$554,154	\$1,480,196	20.95%
Employee Benefits	2,728,099	256,758	1,062,770	38.96%
Recognition Programs	58,825	401	13,175	22.40%
Employment Programs	225,000	0	421	0.19%
Total Personnel Costs	\$10,075,862	\$811,313	\$2,556,562	25.37%
Staff Education				
Educational Assistance	\$10,000	\$694	\$694	6.94%
Conferences & Seminars	149,600	1,338	5,930	3.96%
Certifications & Trainings	102,500	6,434	7,734	7.55%
Total Staff Education	\$262,100	\$8,466	\$14,358	5.48%
Other Operating Expenses				
Board Expenses	\$137,402	\$1,252	\$69,199	50.36%
Company Vehicles	9,000			0.00%
Hardware & Data Supplies	92,100	61,613	63,531	68.98%
Equipment Rental & Maintenance	29,930	3,612	5,757	19.23%
Meetings & Travel	24,600	18	1,198	4.87%
Office Rent	654,201	53,694	107,388	16.42%
Other Miscellaneous	25,000			0.00%
Postage	8,850			0.00%
Publications	51,500	13,441	13,441	26.10%
Retirement Services	28,100			0.00%
Strategic Planning	21,000			0.00%
Subscriptions & Dues	52,620	1,906	17,234	32.75%
Supplies	37,400	1,300	2,482	6.64%
Telephone and Webinars	24,000			0.00%
Total Other Operating Expense	\$1,195,703	\$136,836	\$280,230	23.44%
TOTAL OPERATING EXPENSE	\$15,681,112	\$1,257,251	\$3,449,629	22.00%

Statement of Expenses Narrative

Professional Contracts

Actuarial Contract: Contract with Gabriel, Roeder, Smith & Company for actuarial reporting and services through 12/31/2027.

Audit Contract: Contract with Eide Bailly LLP for external audit services through 12/31/2028 audits.

Computer Maintenance & Lease: Contracts with various vendors for computer hardware and software maintenance, annual research fees, leasing of equipment, and IT consulting and development.

Hearing Officers: Contracts with several independent professionals ruling on Statewide Death & Disability cases.

Insurance & Bonding: Commercial, Fiduciary, Public Official, Crime, Network Security, Foreign Travel, Worker's Compensation, and Unemployment insurance policies. Contract with Arthur J. Gallagher Risk Management Service, Inc. for insurance brokerage services through 10/31/2026.

Legal & Legislative Counsel: Counsel fees for external legal assistance on benefits and tax matters. Annual contract with Meridian Public Affairs for lobbying efforts through 9/30/2027.

Management Consulting: Compensation consulting services.

Medical Exam Fees: Independent panel of physicians conducting medical examinations for disability applicants including services for contract medical advisor.

Outside Services: Outside services include temporary help, staff payroll fees and member and benefit research services. Independent contractors utilized are website consulting and the Internal Auditor (Armanino, LLP).

Records Management: Storage fees for Association records.

Personnel Costs

Salaries: Wages paid to FPPA Staff.

Employee Benefits: Health Insurance, 401(k) and 457 employer contributions, employer PERA contributions, life insurance, long term disability, employee assistance program, etc.

Recognition Programs: Peer recognition program, annual employee of the year, service awards, and team building.

Employment Programs: Recruitment activities to attract Association staff.

Employee Benefits and Salaries for investment personnel and allocated investment personal expenses are included in the Asset Based Fees schedule.

Staff Education

Educational Assistance: Tuition assistance to help staff obtain education that benefits FPPA.

Conferences & Seminars: Out-of-town seminars, local professional conferences, staff in-house seminars.

Certifications & Trainings: Professional certification assistance, continuing education, and required training.

Other Operating Expenses

Board Expenses: Board meeting and planning meeting expenses, security, conferences, and subscriptions.

Company Vehicles: Fuel and maintenance for Field Education Team vehicles.

Hardware & Data Supplies: Small equipment, materials, and software used to process and print data.

Equipment Rental & Maintenance: Rental of office and mail machines. Contracts with vendors to maintain miscellaneous office equipment.

Meetings & Travel: Program informational meetings, member/employer field education meetings, and the associated travel costs.

Office Rent: Expenses recorded for leased space at 7979 E Tufts Ave.

Other Miscellaneous: One-time unanticipated expenses. If used as approved by the Executive Director, it will be reallocated to the related budget expense line item.

Postage: Mailing retiree paychecks, forms, publications and correspondence.

Publications: Materials used in informing and collecting Association information; including forms, stationery, annual report, field education handouts, newsletters, and annual statements.

Retirement Services: Seminars provided to departments on topics applicable to pre-retirement planning and employer education regarding Association procedures and rules.

Subscriptions & Dues: Professional publications and membership fees.

Supplies: Office materials, equipment, and furniture.

Telephone: Office lines and wireless telephone expenses.

Fire and Police Pension Association
Asset Based Fees
For the Two Months Ended February 28, 2026

Expenditure Group	2026 Budget	Current Month Expenditure	Year-to-Date Expenditure	Percentage of Budget Spent YTD
Management Fees	\$55,722,011	\$3,733,000	\$4,706,900	8.45%
Asset Based Fees				
Professional Contracts				
Bank Fees	\$700,000	\$61,795	\$118,840	16.98%
Closing Costs	108,000	0	16,000	14.81%
Computer Software	916,465	28,545	168,692	18.41%
Consulting	1,511,843		386,864	25.59%
Legal Fees	515,000		21,573	4.19%
Total Professional Contracts	\$3,751,308	\$90,340	\$711,969	18.98%
Personal Services				
Salaries	\$4,523,415	\$359,023	\$810,580	17.92%
Benefits	1,375,581	80,223	208,680	15.17%
Total Personal Services	\$5,898,996	\$439,246	\$1,019,260	17.28%
Staff Education				
Certifications & Training	\$15,000		\$1,227	8.18%
Conferences & Seminars	22,000			0.00%
Total Staff Education	\$37,000	\$0	\$1,227	3.32%
Other Expenses				
Other Expenses	\$0	\$0	\$0	0.00%
Meetings & Travel / Due Diligence	152,500	9,462	17,161	11.25%
Subscriptions & Dues	31,488	15,980	21,755	69.09%
Total Other Expense	\$183,988	\$25,442	\$38,916	21.15%
Total Asset Based Fees	\$9,871,292	\$555,028	\$1,771,372	17.94%

Asset Based Fees Narrative

Professional Contracts

Bank Fees: Fees for banking and custodial services with BNY Mellon and Wells Fargo.

Closing Costs: Background checks on key investment manager professionals on a per deal basis.

Computer Software: Contracts with various vendors for alternative hedge fund analysis software, MSCI data feeds, Bloomberg terminal, benchmark data and research management software.

Consulting: Consulting services for the investment consultant, defined contribution consultant, proxy services and alternatives consulting.

Legal Fees: Fees for completion of in-house deals.

Management Fees: Fees from various money managers investing in the FPPA Total Fund.

Personnel Costs

Salaries: Wages of FPPA Staff paid or allocated to Asset Based Fees.

Benefits: Health Insurance, 401(k) and 457 employer contributions, employer PERA contributions, life insurance, long term disability, employee assistance program, etc. allocated to Asset Based Fees.

Staff Education

Certifications & Trainings: Professional certification assistance, continuing education, and required training.

Conferences & Seminars: Out of town seminars, local professional conferences, staff in-house seminars.

Other Operating Expenses

Other Expenses: Non-recurring expenses. This may include allocations of regular operations expenses that have a direct Asset Based Fee impact, such as an investment focused internal audit.

Meetings & Travel / Due Diligence: Due diligence travel costs related to asset management.

Subscriptions & Dues: Professional publications and membership fees.

Fire and Police Pension Association
Board Expenses
For the Two Months Ended February 28, 2026

Expenditure Group	2026 Budget	Current Month Expenditure	Year-to-Date Expenditure	Percentage of Budget Spent YTD
Board Expenses				
Board & Committee Meetings	\$20,320	\$424	\$4,862	23.93%
National Meetings	25,000	827	2,894	11.58%
Outside Counsel	0	0	0	0.00%
Strategic Planning	27,500	0	6,884	25.03%
Subscriptions & Dues	25,582	0	19,988	78.13%
Technology Expense	38,500	0	34,571	89.79%
Supplies	500	0	0	0.00%
Total Board Expenses	\$137,402	\$1,251	\$69,199	50.36%

Fire and Police Pension Association
Capital Expenditures
For the Two Months Ended February 28, 2026

Expenditure Group	2026 Budget	Current Month Expenditure	Year-to-Date Expenditure	Percentage of Budget Spent YTD
Capital Expenditures				
Information Systems	\$1,179,660	\$98,336	\$98,336	8.34%
Company Vehicles				0.00%
Asset Retirements				0.00%
Total Capital Expenditures	\$1,179,660	\$98,336	\$98,336	8.34%
Capital Improvements				
FPPA Tenant Finish	\$25,000	\$6,863	\$6,863	27.45%
Total Capital Improvements	\$25,000	\$6,863	\$6,863	27.45%

Paying for Performance in Public Pension Plans

Yan Lu, Kevin Mullally, and Sugata Ray

March 2022

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Pension Research Council

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Paying for Performance in Public Pension Plans

Abstract

We examine the relation between public pension plan Chief Investment Officer (CIO) compensation and plans' investment performance. Higher paid CIOs outperform their counterparts by 47 – 60 bps per year, largely through increased and superior investment in private equity and real estate. This outperformance generates an additional \$74.91 – \$95.63 million in economic value. Plans offering higher compensation hire better educated CIOs and are more likely to retain their CIOs. Higher CIO compensation is positively correlated with the use of incentive compensation, but incentive compensation does not directly affect performance. Demand- and supply-side frictions help explain the variation in CIO pay and the persistent low compensation paid by some plans despite the positive relation between compensation and performance.

Keywords: Public pension fund performance; compensation; incentives

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Paying for Performance in Public Pension Plans^{*}

Forthcoming, *Management Science*

Yan Lu[†] Kevin Mullally[‡] Sugata Ray[§]

March 2022

Abstract

We examine the relation between public pension plan Chief Investment Officer (CIO) compensation and plans' investment performance. Higher paid CIOs outperform their counterparts by 47 – 60 bps per year, largely through increased and superior investment in private equity and real estate. This outperformance generates an additional \$74.91 – \$95.63 million in economic value. Plans offering higher compensation hire better educated CIOs and are more likely to retain their CIOs. Higher CIO compensation is positively correlated with the use of incentive compensation, but incentive compensation does not directly affect performance. Demand- and supply-side frictions help explain the variation in CIO pay and the persistent low compensation paid by some plans despite the positive relation between compensation and performance.

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Recent academic work, mainstream media, and policy debate has noted with concern that public pension funds, in aggregate, face a funding gap in the order of trillions of dollars.⁵ Academic research on public pension plans has largely focused on exploring these funding gaps, with particular attention paid to how various assumptions such as the discount rate affect the magnitude of these funding gaps, and how the funding gaps affect plan-level asset allocation and risk taking. (see, e.g., Novy-Marx and Rauh, 2009; Andonov, Bauer, and Cremers, 2017). Less attention has been paid to the factors that affect the investment performance of these pension plans. This dearth of attention comes even though any future shortfalls arising from funding gaps could be mitigated by better plan performance. Our study attempts to remedy this oversight by examining one factor that could affect plan performance: manager compensation. **Simply put, we examine whether higher Chief Investment Officer (CIO) pay results in better performance, and if so, how, and why.**

The link between executive compensation and performance has been studied in a wide range of contexts (e.g. Ma, Tang, and Gomez, 2019, Ibert et al, 2018, Murphy, 2012). The setting of public pension plan CIOs is particularly well suited to such a study for several reasons. First, CIOs' compensation levels and structure can be observed through public databases and Freedom of Information Act (FOIA) requests. Second, plan performance is easily observable in the form of

⁵ The funding gap, defined as the difference between the present values of their assets and liabilities is estimated in the \$1 to \$3 trillion range. While total assets are estimated at \$4.4 trillion based on observed market values, different discount rates used to discount future liabilities leads to the large range in the funding gap. Pew Research suggests that the gap exceeds \$1 trillion: <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2019/06/the-state-pension-funding-gap-2017>. Novy-Marx and Rauh (2011) estimate that, when using proper actuarial assumptions, the gap in June 2009 was between \$1.26 and \$2.49 trillion dollars. Additionally see "The Coming Pension Crisis Is So Big That It's A Problem For Everyone," *Forbes*, May 20th, 2019, and "A Plan to Avert the Pension Crisis," *The New York Times*, Aug 5th, 2013.

investment returns. Furthermore, given the availability of granular data on plans' asset allocations, allocation performance, and equity holdings, it is possible to identify specific sources of the variation in performance across CIOs. This data rich setting, together with the potential implications regarding how CIO compensation could mitigate the pressing issue of plan underfunding, motivates our study.

Why might higher CIO compensation levels lead to better performance? We hypothesize three channels: better *hiring*, improved *retention*, and the presence of *incentives* for more highly compensated managers. While the links between higher compensation and better hiring and retention outcomes are clear, we elaborate on the link between compensation, incentives, and performance. It may be possible that higher compensation is associated with explicit or implicit performance incentives and that any documented relation between higher compensation and performance is driven by the presence of those incentives, rather than the compensation level itself. Our data on the educational backgrounds of hired CIOs, incidence of CIO turnover, and the breakdown of CIO compensation into specific components (e.g. bonus amounts, raises) allow us to observe whether pay affects performance through better *hiring*, higher *retention*, or providing better *incentives*.

Our main finding is that plans with higher paid CIOs generate significantly higher future investment returns. Plans that pay their CIOs top quartile compensation significantly outperform plans paying bottom quartile compensation by 47 – 60 bps annually. This result appears linear and monotonic (see Figure 1) and is robust to the use of multiple alternative performance measures (e.g., raw returns, Sharpe ratios).

We next explore the sources of outperformance for plans with higher paid CIOs. The results of multivariate regressions suggest that about 42% of the 60 bp (approximately 25 bp)

outperformance can be explained by other observable variables such as plans' asset allocations, plan size, and the presence of a separate investment board. Further analysis shows that higher paid managers allocate significantly more of their portfolios to private equity and real estate (the highest performing asset classes in our sample), and significantly less to commodities (the worst performing asset class in our sample).

Better investment selection within asset classes also helps explain higher paid CIOs' outperformance. Specifically, higher paid CIOs choose significantly better investments within the private equity and real estate asset classes. This superior investment picking ability explains an additional 23 bp of the remaining 35 bp of outperformance. While we are unable to precisely identify the sources of the remaining 12 bp of outperformance, analysis of the equity holdings of the subset of plans that file 13F disclosures suggests higher compensated CIOs appear less susceptible to behavioral biases such as the disposition effect, holding lottery stocks, and over-trading which may help explain some of the remaining outperformance.

While our results indicate that higher compensation leads to better performance, this finding may be driven by endogeneity. Specifically, it may be possible that our findings are driven either by reverse causation or omitted variables. Reverse causation is unlikely, due to the difficulty of predicting future returns and linking current compensation to such returns. However, to mitigate even this unlikely possibility, we examine the effects of current compensation on performance two years in the future. Our findings still hold, suggesting reverse causation is unlikely to be driving our results.

Omitted variables are a more serious concern. Compensation levels are likely to be correlated with many other variables that may affect performance. Factors such as plan size, risk-taking, culture, location, level of resources, and independence of the investment function are some

of a few things that could be correlated with compensation and could also affect performance. We attempt to control for as many of these potential covariates as possible and note that our results are robust to their inclusion in regressions. Moreover, our results still hold when using risk adjusted measures of performance such as Sharpe ratio.⁶ However, we also acknowledge that it is impossible to control for all omitted variables and we caveat our results accordingly.

The results presented provide evidence that higher CIO compensation is associated with better plan performance and that the primary sources of this outperformance appear to be better asset allocation and security selection. Next, we examine why higher compensation leads to better performance. We posit that higher compensation could lead to better *hiring*, improved *retention*, or be correlated with the presence of *incentives* and examine each of these channels in turn.

To examine whether paying more leads to hiring more talented CIOs, we need a measure of talent. Chevalier and Ellison (1999) use the quality of managers' education as a proxy for ability and talent. We collect data on the admission selectivity and the average SAT scores at the managers' undergraduate institutions and examine whether higher paying pension plans hire managers who attended more prestigious schools. We find evidence supportive of this hypothesis. Specifically, CIOs paid top quartile compensation graduate from undergraduate institutions with 64.60 point higher average SAT scores and 13.7% lower admission rates relative to the schools

⁶ For the subsample of plans that file 13F holdings reports, we also find that higher compensated managers take *less* risk when we examine a wide variety of holdings-based risk measures and factors (VIX, MACRO, FIN, policy uncertainty, VaR, etc.) and have higher risk adjusted performance measures.

attended by managers in the lowest quartile of compensation. Moreover, we find that plan performance is significantly higher for CIOs who went to more selective institutions.

Next, we examine whether plans that pay more are better able to retain their CIOs. We estimate Cox proportional hazard models to predict voluntary CIO departure and find that plans with lower CIO compensation experience higher CIO turnover. Additionally, measures of both realized and predicted CIO turnover are negatively related to future performance. Thus, it appears that improved retention is one channel through which higher compensation leads to better performance.

A third possibility is that the compensation contracts of higher paid CIOs also contain performance incentives and the presence of performance incentives, rather than the level of compensation, that drives the link between higher compensation and better plan performance. To examine this hypothesis, we first confirm that higher pay is correlated with the presence of incentives in our sample. Indeed, 43.1% of plans with CIO compensation in the top quartile pay a bonus constituting 20% or more of total compensation compared to only 3.8% of plans in the bottom quartile of compensation. However, when examining the link between future performance and both compensation level and the presence of incentive pay simultaneously, we find that future performance is only significantly linked to overall levels of pay.⁷

⁷ A similar result holds when examining the link between overall pay-for-performance sensitivity (termed PPS and measured as the slope of a regression of total compensation on previous year's performance) and overall compensation levels.

Together, these results suggest that higher CIO compensation leads to better performance in public pension plans. In terms of economic magnitude, our results imply that a \$350,150 increase in annual CIO compensation leads to 47 – 60 bps higher investment returns per year. These higher investment returns translate to an additional \$74.91 – \$95.63 million of economic value each year for the average plan in our sample. Thus, it appears that higher CIO compensation is a good deal for public pension plans.⁸ For this reason, it is important to ask why lower paying plans do not offer higher compensation.

We attempt to answer this question by analyzing determinants of CIO compensation, paying particular attention to potential frictions in the CIO labor market. Consistent with findings documented in Dyck, Manoel, and Morse (2021), we find that plans headquartered in Democrat leaning areas and states with higher corruption levels pay less. To gain further insight into this labor market, we also analyze the subset of CIOs who move between public pension plans. First, CIOs who move between plans are underpaid, relative to the size of the plans they manage, in 77% of the cases we observe. Second, CIOs receive large increases in compensation and are no longer more likely to be underpaid after they move. Third, CIOs with local ties and longer tenure at a given plan are less likely to move. Together, these results suggest that demand side frictions (e.g., underpayment by plans headquartered in Democratic leaning areas) and supply side frictions (e.g., local ties making it difficult for CIOs to move) contribute to some plans persistently offering low

⁸This back of the envelope likely understates the true cost of increased compensation. For instance, increased CIO compensation would likely be accompanied by other costs such as increased compensation for the entire investment staff and additional resources such as data and travel. However, given the large size of these pension plans and the magnitude of the outperformance, it is likely that benefits still exceed the total costs associated with increased CIO compensation.

compensation. However, the plan-to-plan moves we observe help resolve some situations in which CIOs are underpaid. We discuss the implications of these results further in our conclusions.

The paper proceeds as follows. Section 2 contains our discussion of the extant literature and our paper's contribution to it. Section 3 describes the data and variables we use in our analysis. Section 4 examines the relation between compensation and plan performance and the explanations for this relation. Section 5 examines the labor market for pension plan CIOs. Section 6 concludes.

2. Literature Review and Contribution

Our main contribution is to document a positive link between compensation and performance in the unified setting of pension plan investment management. The pension plan setting has advantages over other settings used in the extant literature. For example, while Dal Bo et al (2013) use a natural experiment to show that higher levels of compensation can attract more talented workers, they are unable to link better hiring with higher productivity on the job. Our setting is advantageous in that regard as we can observe pension plan CIOs' productivity (e.g., their investment performance). The use of corporations as the setting for pay-performance analysis suffers from several well-documented endogeneity concerns.⁹ For example, CEOs often set their own pay or reset the terms of their incentive compensation when it is advantageous for them to do so. Additionally, CEOs may have significant stock ownership and draw insignificant levels of salary, which can contaminate analyses (Chhaochharia, and Grinstein, 2009; Guthrie, Sokolowsky, and Wan, 2012). Our setting avoids many of these issues.

⁹ See the executive compensation literature reviews by Murphy (2012) for longer discussions of these endogeneity concerns.

The public pension plan setting also has several advantages over similar studies in the asset management setting. Although the asset management setting is arguably cleaner than that of corporate finance, it also has drawbacks. First, asset manager compensation in the United States is not publicly available which means researchers must estimate it using assumptions. For instance, Agarwal, Daniel, and Naik (2009) estimate the magnitude of the performance incentives (e.g., the “delta”) of hedge fund managers by assuming that managers reinvest all fees into their funds. Second, managers of some vehicles (e.g., hedge funds) can, and do, change their own compensation contracts (Agarwal and Ray, 2012; Deuskar et al, 2012). Finally, asset managers also have incentives other than the compensation they receive. Specifically, asset managers often invest in their own funds (e.g., Ma, Tang, and Gomez, 2019; Agarwal, Daniel, and Naik, 2009) and face the indirect incentives provided by investor flows (Lim, Sensoy, and Weisbach, 2016; Yin, 2016).

Reiterated, the public pension plan setting has distinct advantages over these other settings. First, pension plan CIOs are government employees and seem to have little power to set their own compensation or choose board members. Second, pension plan CIOs do not possess the performance incentives stemming from investor flows or personal ownership in the plan itself. Specifically, public pension plans are retirement investment vehicles that are funded with mandatory employee and government contributions that cannot be withdrawn and represent a small percentage of a given employee’s total compensation. Third, because these CIOs are government employees, we can observe the actual dollar figure of compensation they receive as well as the specifics of how that compensation is paid (salary, bonuses, etc.). Lastly, because pension plan performance and individual investments are publicly available, we can also observe

the productivity and performance of the CIOs. Combined, the features of the public pension plan setting make it more ideal to study the relation between manager pay and performance.

Our second contribution is the counterintuitive finding that incentive pay, by itself, does not lead to better performance. This finding resonates with some academic literature in management and economics showing that incentive pay may not be the best way to motivate workers.¹⁰ For example, Glucksberg (1962) provides evidence that incentives can reduce effectiveness in solving problems requiring creativity. More generally, many studies find that humans have high intrinsic levels of motivation for activities requiring insights and creativity, while extrinsic motivation (i.e., incentive pay) may be required for more mundane tasks (Deci, 1971). Furthermore, extrinsic motivation may eventually crowd out intrinsic motivation (Bénabou and Tirole, 2003). To the extent managing a pension plan's assets requires creativity and insight, our study reinforces these findings. Incentive pay does not appear to drive outperformance in this area. Our study documents a real-life analog to these experimental and theoretical studies and supports the observation that incentive compensation may simply be used to justify overall higher levels of compensation.¹¹

Our final contribution is to the literature on public pension plan performance. This literature can be divided in two smaller groups. First, several studies examine the performance of

¹⁰ See the survey by Pink (2009) for a summary of this research.

¹¹ As Bob Jacksha, CIO of The New Mexico Educational Retirement Board, notes, “[f]rom a public relations standpoint, if you give someone a high flat salary, the public might say you're not earning it, but incentive pay is tied to an outcome.” See “Public CIO pay getting renewed attention,” *Pensions & Investments*, July 23, 2018, available at <https://www.pionline.com/article/20180723/PRINT/180729976/public-cio-pay-getting-renewed-attention>

pension funds as a group (Coronado, Engen, and Knight, 2003; Ennis, 2020). The main finding of these studies is that public pension plans underperform passive benchmarks.

The second strand of the literature on public pension performance focuses on the factors that influence these plans' performance such as political influence and the plan's funding level. For example, researchers have documented that public pension plans overweight their portfolios with local investments which negatively affect plan performance (Bradley, Pantzalis, and Yuan, 2016; Brown, Pollet, and Weisbenner, 2015; Hochberg and Rauh, 2013; Andonov, Hochberg, and Rauh, 2018). Studies have also linked the level of underfunding to excess risk taking and worse performance (Andonov, Bauer, and Cremers, 2017). Dyck, Manoel, and Morse (2021) study the role that political outrage over executive compensation plays in a public pension plan's performance and find that plans subject to higher levels of outrage suffer worse performance. Interestingly, little attention has been paid to the role of the pension plan manager (e.g., the CIO) in the plan's performance despite the large literature on how managers themselves impact fund performance.

3. Data and Summary Statistics

3.1. Data and Variable Construction

Our primary data source is the Public Plans database (henceforth PPD) created by the Center of Retirement Research at Boston College. The PPD data contains plan-level data for 190 state and local pension plans from 2001 through 2018.¹² The data contains information on plans'

¹² The data can be found here at <https://publicplansdata.org/>.

assets, asset allocations, liabilities, investment returns, actuarial assumptions, and many other variables. According to the Center for Retirement Research, these 190 plans represent 95 percent of public pension membership and assets nationwide.

Our main performance measure is *Peer-Adjusted Return* which we calculate by subtracting the average return of the other plans during the same fiscal year from a plan's annual investment return. We also calculate a plan's *Sharpe Ratio* as its average annual return divided by the standard deviation of those annual returns using periods of 4 years of return data.

We augment the PPD dataset with information from the plans' comprehensive annual financial reports (CAFRs). Specifically, we construct an indicator variable, *Separate Investment Board*, equal to 1 if the plan has a separate investment board tasked with monitoring the investment functions of the plan and 0 otherwise. We conduct internet searches (e.g., LinkedIn, Google searches) to obtain biographical information on the sample of CIOs. Specifically, we collect data on CIOs' undergraduate institutions, ages, and tenures. We collect measures of the quality of the CIOs' academic institutions (*CIO Institution SAT Score* and *CIO Institution Admission Rate*) from the College Board. We define an indicator variable, *CIO Local*, equal to 1 if the CIO attended high school or college in the same state in which he manages a given plan and 0 otherwise.

We also construct two variables based on the plans' locations. The first variable, *Financial Center*, follows Christoffersen and Sarkissian (2009) and is an indicator variable equal to 1 for plans located in Boston, Chicago, Los Angeles, New York, Philadelphia, and San Francisco, and 0 otherwise. The second variable, *Top Quartile MSA*, is an indicator variable equal to 1 if a plan is headquartered in a Metropolitan Statistical Area (MSA) whose population is in the top quartile of the MSAs in which our plans are headquartered and 0 otherwise.

Most importantly, to obtain information on the CIOs' compensation, we submitted FOIA requests to the state, county, or municipality responsible for each plan's administration. Specifically, we requested "The a) first name, b) last name, c) job title and d) compensation received by all pension system investment staff in fiscal years 2001 to 2018, broken out by all applicable compensation types – including but not limited to net annual salary, bonuses, deferred compensation, and matched profit sharing, and any other compensation." Many states changed payroll systems during this period and were unable to provide us data all the way back to 2001. On average, we received 12 years of data from each of our 102 respondents.

In several cases, one set of investment officers is responsible for multiple plans. For example, the Bureau of Asset Management, housed in the New York City Comptroller's office, is responsible for the investment management of five distinct plans: the Teachers' Retirement System, the New York City Employees' Retirement System, the New York City Police Pension Fund, the New York City Fire Pension fund, and the New York City Board of Education Retirement System. Our current sample contains CIO compensation data for 1,660 plan-years from 122 distinct plans. Many pension plans do not have a chief investment officer; these plans simply outsource the investment management to outside managers based on the recommendations of investment consultants. These plans are excluded from our analysis.¹³

3.2. Summary Statistics

¹³ The composition of our sample can be found in Table A1 of the Online Appendix.

We report summary statistics in Table 1. The average (median) CIO in our sample earns \$263,043.90 (\$207,422.80) in total compensation per year during our sample period. The CIO in the 90th percentile of compensation earns \$504,854.80 while a CIO in the 10th percentile earns \$105,000 which indicates that there is a large amount of variation in the compensation paid to public pension plan CIOs. CIOs earn bonuses in 15.8% of all plan-years in our sample; the average bonus in these years is \$111,396.90. The average CIO in our sample attended a university with an average undergraduate SAT score of 1272 and an admission rate of 54%. The average CIO is approximately 51 years old and the average tenure for a CIO at a public pension plan is 6.33 years. CIOs voluntarily leave their funds in 6.00% of fund-years while they are only fired in 1.1% of fund-years.¹⁴

(insert Table 1 about here)

The average (median) plan in our sample has assets with a market value of \$22.16 billion (\$10.83 billion), is funded at 76.44% (76.38%) and generates an annual return of 6.96% (9.30%). Finally, these plans allocate an average of 51.75% to equities, 26.42% to fixed income securities, and 10.99% to alternative assets such as hedge funds and private equity funds. During our sample period, the average annual returns to private equity (11.40%) and real estate (8.97%) were the highest while the returns for investing in commodities (3.43%) and hedge funds (4.63%) were the lowest.

4. Empirical Results

¹⁴ CIO retirements and deaths explain the remaining turnover implied by the average 6.33-year tenure.

In this section, we first document the relation between CIO compensation and plan performance. Next, we attempt to uncover the sources of highly paid CIOs' outperformance. Finally, we investigate the three channels that may explain our baseline results: *hiring*, *retention*, and *incentives*.

4.1. Main Result

We begin by conducting univariate analysis by sorting the CIOs into quartiles each year based on the level of their total compensation. We then calculate the average performance of the plans run by CIOs in each quartile in the next year and compare the difference in average performance for the highest and lowest quartiles. We also present the average compensation paid to CIOs in each compensation quartile to aid in interpreting the economic magnitude of the results. The results are presented in Table 2.

(insert Table 2 about here)

First, the average plan performance is monotonically increasing with each compensation quartile. Second, plans with CIO compensation in the lowest compensation quartile underperform their peers by a statistically significant 0.215% per year. Third, plans with CIO compensation in the top quartile outperform their peers by a statistically significant 0.251% per year. Finally, the difference between the top and bottom quartile groups is a 0.466% per year and is statistically significant at the 1% level (t -stat = 3.34).

The univariate sort analysis above does not explore the functional relationship between pension performance and compensation. This relation is important from a policy perspective as one can imagine additional compensation having differential effects for CIO positions at different points on the compensation distribution. For instance, it is possible that increasing compensation an additional \$5,000 for a position currently paying \$105,000 per year (i.e., the 10th percentile in

our sample) may not be enough to attract the requisite talent to boost returns. To explore this relation, we use Stata's `binscatter` function to plot plan performance versus the log of CIO compensation after controlling for year fixed effects.¹⁵ We present the illustration in Figure 1.

(Insert Figure 1 about here)

The figure shows that the relation between CIO compensation and plan performance is fairly linear which suggests that our main result is not driven by any particular portion of the compensation domain. The figure also mitigates potential concerns over the use of a linear regression specification for our subsequent multivariate tests.

4.2. Sources of Outperformance

In this section, we explore the ways higher paid CIOs generate higher investment returns. To begin this analysis, we estimate a series of multivariate regressions of pension plan performance on the log of CIO compensation and various sets of control variables. It is important to note that for these regressions we restrict the sample to the subset of plan-year observations for which we have zero missing variables so that we can gauge how the inclusion of a given covariate(s) affects the coefficient on log compensation without the potentially conflating effect of changes in sample size. This constraint reduces our sample size from 1,470 observations in Table 2 to 1,141 observations in Table 3. The results of these regressions are contained in Table 3.

(insert Table 3 about here)

¹⁵ Information on the `binscatter` function can be found at: <https://michaelstepner.com/binscatter/>. We thank the referee for this helpful suggestion.

Column 1 of Table 3 contains the results of a regression of plan performance on only the log of CIO compensation and year fixed effects. The coefficient on log compensation in Column 1 is 0.477. We note that the coefficient on compensation in the base regression of performance on compensation and year fixed effects in Table 3 implies a difference of 60 bps of outperformance (the coefficient of 0.477 multiplied between the difference in log compensation, 1.26, for the top and bottom quartiles of compensation). This 60 bp difference is slightly higher than difference of 47 bps we find using the unrestricted sample as shown in Table 2.

In columns 2 – 4 of Table 3, we begin augmenting this regression with additional covariates. Specifically, we estimate the following linear regression:

$$Performance_{i,t} = \beta Compensation_{i,t-1} + \gamma' X_{i,t-1} + \delta' Y_{j,t-1} + \varphi_t + \varepsilon_{i,t} \quad (1)$$

where i indexes plans, j indexes CIOs, and t indexes time. $Performance_{i,t}$ is plan i 's peer-adjusted performance at time t and $Compensation_{i,t-1}$ is the natural logarithm of plan i 's CIO compensation at time $t - 1$. $X_{i,t-1}$ is a vector of plan or location characteristics, $Y_{j,t-1}$ is a vector of CIO characteristics, and φ_t denotes year fixed effects. The standard errors are double clustered by plan and year.

In the second column of Table 3, we augment our regression by including the prior year's plan performance, the lag of plan size, and the lag of the plan's funding level. The latter two variables are included as prior research has shown that larger pension plans outperform smaller plans (Dyck and Pomorski, 2011) and that funding level affects plans' risk-taking (e.g., Andonov, Bauer, and Cremers, 2017). The inclusion of these three variables reduces the coefficient on log compensation to 0.347. In Column 3, we add the plan's allocations to various asset classes to the regression. The inclusion of these variables lowers the coefficient on log compensation to 0.289. Finally, in Column 4, we add in indicator variables equal to 1 when the plan has a separate

investment board, its CIO attended a college in the top quartile of acceptance selectivity, and it is headquartered in a financial center. The inclusion of these variables decreases our coefficient from 0.289 to 0.278.

There are several takeaways from the regressions in Table 3. First, the added covariates explain approximately 42% of the total effect that compensation has on plan performance (i.e., the coefficient on compensation goes down from 0.477 to 0.278). Second, these regressions help identify potential sources of the outperformance we document. For instance, greater allocations to private equity, equity, and real estate are associated with higher peer-adjusted returns.¹⁶

We next test whether CIO compensation is related to asset allocation. We regress plans' allocations to individual asset classes on the log of CIO compensation and year fixed effects. We present the results of these regressions in Panel A of Table 4.

(insert Table 4 about here)

The results of these regressions provide strong evidence that asset allocation is one source of highly paid CIOs' outperformance. Specifically, we find that highly paid CIOs allocate more of their portfolios to private equity and real estate. Our results imply that CIOs in the top quartile of compensation allocate approximately 3.4% more of their portfolios to private equity and 2.4% more to real estate relative to CIOs in the lowest quartile of compensation. Because private equity and real estate are the two asset classes with the highest average returns during our sample period, plans that allocated greater percentages of their portfolios to these classes outperformed their peers

¹⁶ This finding is consistent with Ibbotson and Kaplan (2000) who find that asset allocation explains approximately 40% of the cross-sectional variation in pension plan performance.

on average. CIOs in the top quartile of compensation also allocate about 0.8% less of their portfolios to commodities, which was the worst performing asset class during our sample period, when compared with those in the lowest compensation quartile.

We next attempt to explain the remaining 58% of the effect compensation has on plan performance. In addition to allocating to asset classes with higher average returns, highly paid CIOs may also impact performance by picking higher returning assets *within* a given asset class. We explore this possibility by estimating regressions of each plan's asset class returns on the log of CIO compensation and year fixed effects and present our findings in Panel B of Table 4. The results suggest that highly paid CIOs choose better assets in both the private equity and real estate classes. Specifically, our results suggest that the CIOs in the top quartile of compensation outperform those in the lowest quartile of compensation in these classes by between 1.1 – 2.0% per year.

Consider a CIO in the highest quartile of compensation. The average allocation to private equity (real estate) for CIOs in this group is 7.7% (7.0%). On average, our results imply that the highest paid CIOs' superior asset selection skills would lead to outperformance in their private equity (real estate) allocations of 2.0% (1.1%) per year. Thus, superior asset selection in private equity (real estate) can explain approximately 15 bps (8 bps) of the remaining outperformance of top quartile CIOs. Together the outperformance in private equity and real estate explains about approximately 66% of the remaining coefficient in Table 3, Column 4.¹⁷

¹⁷ As mentioned above, the coefficient in column 1 of Table 3 implies a difference of 60 bps between the performance of plans run by the highest and lowest paid CIOs. The coefficient of 0.278 in column 4 implies that 58% of these 60

Next, we also investigate the possibility that highly paid pension plan CIOs possess asset class timing ability. To do so, we regress the average returns to a given asset class each year on the log of CIO compensation, a plan's change in allocation to that asset class, and the interaction of asset class changes and compensation. We find no evidence that public pension plan CIOs, whether highly paid or not, possess any timing ability as changes to asset class allocations have no predictive power for the returns of that asset class.¹⁸

Lastly, we investigate other potential sources for the remaining outperformance using the equity holdings of the subsample of public pension plans who file 13F forms with the Securities and Exchange Commission (SEC). We manually match the plans in our sample to the SEC EDGAR database and find 23 pension plans who combine to file 1,054 13Fs over our sample period. Examining the plans' equity holdings allows us to provide more evidence of the actions CIOs take to influence investment performance.

We calculate several measures of behavioral bias. *Portfolio Turnover* follows Barber and Odean (2000, 2001). *% Lottery Stocks Held* is the percentage of the plan's equity portfolio that is made up of stocks classified as lottery stocks using the Kumar (2009) definition.¹⁹ Finally, *Disposition* is defined as in Odean (1998) and captures investors' habit of holding on to losses too long and realizing gains too quickly. Specifically, *Disposition* is equal to the percentage of losses

bps (35 bps) remain unexplained. Outperformance in private equity and real estate accounts for 23 out of these remaining 35 bps, or 65.7%.

¹⁸ For brevity, we do not tabulate these results but they are available upon request.

¹⁹ Kumar (2009) considers a stock to be a lottery stock if it is in the lowest 50th stock price percentile at the end of the previous month, the highest 50th idiosyncratic volatility percentile (using the past 6 months of daily returns), and the highest 50th percentile of idiosyncratic skewness (using the past 6 months of daily returns) where each sort is conducted independently.

realized minus the percentage of gains realized such that a higher number means a manager is less prone to this bias. Each of the three behavioral biases has been shown to be detrimental to investment performance.

We compare the propensity of CIOs in each quartile of compensation to fall victim to these three measures of behavioral bias and present the results in Table 5. The results indicate that higher paid CIOs are less prone to behavior biases. Higher paid CIOs trade less frequently, hold fewer lottery stocks, and are less prone to the disposition effect. For instance, CIOs in the highest quartile of compensation have annual portfolio turnover of 21.0% while those in the lowest quartile have turnover equal to 31.9%. The highest paid CIOs hold just 2.84% of their portfolios in lottery stocks while the lowest paid CIOs hold 6.41% of their portfolios in lottery stocks.²⁰ Finally, although the most highly paid CIOs realize 2.7% more of their gains than their losses, CIOs in the lowest quartile of compensation realize 9.1% more of their gains than they do their losses. Each of the differences mentioned are statistically significant at the 5% level or better. Our results using holdings-based measures provide evidence that highly paid CIOs are less likely to engage in behaviors that adversely affect performance. However, given that this analysis only covers a subset of plans, we are hesitant to quantitatively link these results to the overall magnitude of 60 bps of outperformance discussed above.

(insert Table 5 about here)

²⁰ Our results on lottery stocks are robust to the use of the *MAX* measure of Bali, Cakici, and Whitelaw (2011) to define lottery stocks.

Combined, the results in this section provide evidence that highly paid CIOs generate higher investment returns than their peers and that much of that outperformance can be explained by better asset class allocations and superior investment selection within asset classes. It appears that an avoidance of behavioral biases may also explain some of the remaining outperformance.

4.3. Tests to Address Endogeneity Concerns

Although our baseline results suggest a strong relation between CIO compensation and plan performance, this finding may be driven by reverse causality or omitted variables. We begin by exploring the possibility that the relation between future performance and current compensation is driven by reverse causality. Although this seems unlikely due to the difficulty in predicting future investment returns and using those returns to determine current CIO compensation, we nevertheless attempt to rule out this possibility by examining the link between a plan's performance *two years* in the future and its CIO's current compensation. We present the results of these regressions in Panel A of Table A2 in the Online Appendix. The coefficients on $\text{Log Compensation}_{t-2}$ are positive and statistically significant at the 5% level or better. These tests help rule out the possibility that future performance is driving current compensation as it seems implausible that pension plans are basing current compensation on performance two years in the future.

More concerning is the potential for omitted variables to be driving our observed link between CIO compensation and fund performance. One example of an omitted variable may be risk taking. Specifically, it could be that the positive relation we document between compensation and performance is driven by higher paid CIOs simply taking more risk. While our prior regressions control for allocation percentages to different asset classes, there may be other ways to increase risk (e.g., investing in riskier securities within a given asset class). To further mitigate

this concern, we re-estimate Equation 1 using *Sharpe Ratio* as our dependent variable. Specifically, *Sharpe Ratio* is equal to a plan's average annual return divided by the standard deviation of these annual returns for the previous 4 years. We present the results of these regressions in Panel B of Table A2. The results continue to indicate a positive and statistically significant relation between CIO compensation and plan performance, regardless of the performance measure chosen.²¹

We further examine plans' risk taking by examining their equity holdings. Specifically, we infer the daily, or monthly, equity returns of each plan for a given quarter using their reporting holdings at the end of the previous quarter. We then use these inferred returns to measure plans' exposures to a variety of risk and mispricing measures. First, we regress these returns on factors including: i) VIX and VXO, ii) the systemic risk measure (CATFIN) of Allen, Bali, and Tang (2012), iii) the macroeconomic risk measure of Bali, Brown, and Caglayan (2014), iv) the economic policy uncertainty index of Baker, Bloom, and Davis (2016), v) the behavioral risk factors, PEAD and FIN, of Daniel, Hirshleifer, and Sun (2020), and the vi) stock-level mispricing score of Stambaugh, Yu and Yuan (2015). We also calculate plans' vii) exposure to lottery stocks by calculating their MAX return following Bali, Cakici, and Whitelaw (2011), viii) idiosyncratic and total volatility, and ix) exposure to tail risk by calculating the Value-at-Risk (VaR) and conditional value-at-risk (CoVaR) using the inferred equity returns.

²¹ We also estimate multivariate regressions using different specifications for our compensation variable. Specifically, we use indicator variables for each compensation quartile, a single indicator variable for top quartile compensation, and an indicator variable for above median compensation. The results of these tests can be found in Table A2, Panel C and uniformly provide evidence of a positive relation between compensation and performance.

We then regress these factor loadings or risk variables on the log of CIO compensation and our plan-level control variables and present the results in Table A3. The results uniformly suggest that highly paid CIOs take less risk in their equity portfolios. In total, our analysis in Tables A2 and A3 provides strong evidence that highly paid CIOs are not generating higher returns simply by taking more risk.²²

There are several other omitted variables that could be driving our results. First, higher CIO compensation could be a proxy for better plan governance or culture. Andonov, Hochberg, and Rauh (2018) find that the composition of a plan's board of directors impacts its performance. Thus, it is possible that the plan's governance, rather its CIO's compensation, is driving the relation between compensation and fund performance. We use the presence of a separate investment board (i.e., our *Separate Investment Board* indicator) as a measure of governance and investigate whether this structure is driving our results. A second potential omitted variable that could be driving our result is plan location. Christoffersen and Sarkissian (2009) find that mutual funds based in large cities or financial centers outperform and attribute this effect to knowledge spillovers and learning. Thus, it is possible that the relation we document between compensation and performance is being driven by highly paid CIOs who work in big cities and learn from other money managers. We use our two indicator variables, *Financial Center* and *Top Quartile MSA*, to control for this possibility.

²² We also examine the possibility that plans run by highly paid CIOs use more derivatives and that this usage helps explain our performance results. The overall magnitude of derivatives usage is likely too small to explain highly paid CIOs' outperformance. For brevity, we do not tabulate these results but they are available upon request.

We note that our regression in Column 4 of Table 3 included these variables and continued to show a positive and statistically relation between compensation and future performance.²³

Lastly, while it is tempting to explore using exogenous shocks to CIO compensation to provide a cleaner identification strategy, two issues preclude such analysis. First, the time horizon required to translate any shock in CIO compensation into better hiring outcomes makes it difficult to precisely examine the effects of shocks. Second, finding instances of exogenous shocks to CIO compensation is a difficult task. One such change is the Arizona Legislature's amendment of State Statute 38-611.01 in 2013 that allowed public agencies to pay incentive compensation to investment related personnel which, in turn, significantly increased CIO compensation. Immediately after the passage of the law, the CIO of the Arizona State Retirement System began receiving a bonus of approximately \$40,000. Unfortunately, we could not find enough of these law changes to conduct meaningful analysis.

4.4. Better Hiring, Improved Retention, or Incentives?

In this section, we turn our attention to investigating why higher CIO compensation leads to better performance. As discussed earlier, we posit that there are three channels that may explain this relation. The first, *hiring*, predicts that paying higher compensation would help plans attract more capable or talented managers. The second channel, *retention*, hypothesizes that plans that pay more will be less likely to lose a CIO to a voluntary departure. Lastly, the *incentives* channel

²³ For each potential omitted variable discussed above, we also estimated our base regression (e.g., the one presented in Column 4 of Table 3) for the 0 and 1 groups separately as well as with each potential omitted variable included individually. We continue to find positive and statistically significant relations between performance and CIO compensation for each group regardless of the specification. These results can be found in Table A4 in the Online Appendix.

conjectures that the higher level of compensation we observe is driven by higher incentive compensation and that is the incentive component, rather than the overall level, of the compensation that leads to higher performance. We investigate each channel individually below, starting with the incentive channel as it is the most complex of the three channels.

4.4.1. Does the Structure of CIO Compensation Impact Performance?

In this section, we explore the possibility that highly paid CIOs outperform their lower paid counterparts because of the sensitivity of their compensation to performance rather than the overall compensation level. We call this the *incentives* channel. Specifically, we investigate whether higher compensation is associated with i) higher termination risk as function of poor performance or ii) explicit performance incentives (e.g., a bonus).

First, we explore the possibility that higher paid CIOs have higher termination risk. If true, this finding would suggest that CIOs are incentivized to outperform their counterparts in part because they are motivated to not lose their jobs, and their high salaries. To conduct this analysis, we investigated every CIO turnover event in our sample and classified each as being a retirement, poaching, firing, or a death. Our analysis reveals that CIO firings are exceedingly rare. In fact, there are only 20 instances in which a CIO is explicitly fired or resigns with no mention of a new job. Moreover, most of these terminations are the direct result of corrupt or outright illegal behavior.²⁴ Nevertheless, we model the likelihood a CIO is fired using the following linear probability model:

²⁴ See the following cases as examples: Fred Buenrostro of CALPERS: <https://calpensions.com/2016/06/06/calpers-ex-ceo-sentenced-but-probe-continues>; David Loglisci of New York Common Retirement Fund:

$$\begin{aligned}
CIO\ Fired_{i,t} = & \beta_1 Compensation_{i,t-1} + \beta_2 Compensation_{i,t-1} \times Performance_{i,t-1} \\
& + X' \gamma_{i,t-1} + \varphi_t + \varepsilon_{i,t}
\end{aligned} \tag{2}$$

where $Compensation_{i,t-1}$ is either the log of the CIO's total compensation or an indicator variable equal to 1 for CIOs in the top quartile of compensation. $\gamma_{i,t-1}$ is a vector of plan and CIO characteristics that includes plan past performance, plan size, plan funding, *CIO Local*, *CIO Tenure*, and *CIO Age*. We also include year fixed effects in these regressions. Our coefficient of interest is β_2 , as this coefficient captures the impact of a CIO's compensation on his likelihood to be terminated for poor performance. The results are presented in Table 6, Panel A.

The results indicate that the termination risk CIOs face is not related to the level of their compensation. The coefficients, β_2 , on the interaction variable, $Compensation_{i,t-1} \times Performance_{i,t-1}$, are statistically insignificant. Moreover, the coefficients on $Compensation_{i,t-1}$ are also negative and statistically insignificant, which provides evidence against the idea that highly paid CIOs face greater termination risk, independent of their investment performance. We interpret these results as evidence that is unresponsive of the *incentives* channel.

Another possibility is that highly paid CIOs also have high levels of performance-based compensation. That is, it may be that CIOs who are attempting to maximize their incentive compensation are those who are outperforming their counterparts. As discussed earlier, the data the pension plans provided us break the CIO's compensation into net annual salary, bonuses, and

<https://www.pionline.com/article/20121009/ONLINE/121009860/no-jail-time-or-probation-for-former-new-york-state-common-cio>; Patricia Gerrick of North Carolina Pension: <https://www.carolinajournal.com/news-article/new-questions-surround-ousted-treasury-official-and-fund-managers/>

deferred compensation components. We use this data to construct two measures of incentive-based pay. The first measure, *20% Bonus*, is an indicator variable equal to 1 if the plan has ever paid its CIO a bonus equal to 20% of his total compensation in the past, and 0 otherwise.²⁵ We also construct a second indicator variable, *PPS*, that considers the possibility that some CIOs receive implicit performance-based pay in the form of salary increases based on their past performance (Murphy, 2012).

Specifically, for a given plan year, we use all prior return and compensation observations to determine whether the CIO's pay relates to his performance. Specifically, for each CIO-year, we estimate the following regression:

$$\begin{aligned} \text{LogCompensation}_{i,t} \\ = \beta_1 \text{Performance}_{i,t-1} + \beta_2 \text{PlanSize}_{t-1} + \beta_3 \text{CIOTenure}_{t-1} + \varepsilon_{i,t} \end{aligned} \quad (3)$$

We include plan size and CIO tenure in the regression as it is well-known that CIOs with longer tenures and those working for larger plans earn higher compensation (Binfare and Harris, 2020). *PPS* is equal to 1 for plan-years in which i) β_1 is greater than 0 and ii) statistically significant at the 5% level or better, and 0 otherwise. We estimate rolling regressions to allow for the possibility that some plans begin paying their CIOs performance-based compensation at different points in time. Our *PPS* variable is equal to 1 in 19.15% of all plan-years. This relatively low figure is consistent with industry publications suggesting that performance-based pay was rare for public pension plan CIOs during most of our sample.

²⁵ We also used 10% and 50% as our threshold bonus values and found qualitatively similar results.

We find that both measures of incentive compensation are positively correlated with total compensation.²⁶ To examine whether it is the presence of incentive compensation, rather than overall compensation level that explains our main result, we re-estimate our main regression specification in Equation 1 after augmenting it with the two incentive compensation indicator variables, *Bonus20* and *PPS*. Panel B of Table 6 contains the results. We continue to find a positive and statistically significant relation between total CIO compensation and plan performance even with the inclusion of these proxies for incentive compensation. Moreover, neither *Bonus20* nor *PPS* has a statistically significant effect on plan performance.²⁷

(Insert Table 6 about here)

Combined, the results in this section do not provide evidence in support of the incentives channel. These results are consistent with press articles suggesting that plans use incentive compensation to mitigate concerns that the public may believe that CIOs are paid too highly and have not earned their compensation.²⁸

4.4.2. Does Higher Compensation Attract CIOs of Higher Ability?

²⁶ The correlations of *Bonus20* and *PPS* with total compensation are 0.47 and 0.04, respectively.

²⁷ This result is consistent with analysis by compensation consulting firms and industry professionals. Specifically, compensation consulting firm McLagan notes in their report for the Wyoming Retirement System in 2018 that “After reviewing annual reports, board minutes, and plan websites for the list of 72 pensions, we were not able to determine if there was a correlation between producing superior returns and having incentive compensation plans in place.” The report can be found here: https://www.wyoleg.gov/InterimCommittee/2018/02-2018102419-02_WRSJACResponses.pdf. Additionally, Bob Jacksha, CIO of the New Mexico Investment Council, describes the ineffectiveness of incentive pay by saying, “If the idea is to make people work harder, try harder, I see people working as hard as they can for a flat compensation.” See “Public CIO pay getting renewed attention,” Pensions & Investments, July 23, 2018, available at <https://www.pionline.com/article/20180723/PRINT/180729976/public-cio-pay-getting-renewed-attention>

²⁸ Bob Jacksha notes, “[f]rom a public relations standpoint, if you give someone a high flat salary, the public might say you're not earning it, but incentive pay is tied to an outcome.

One channel that could explain our results is that paying a higher level of compensation enables pension funds to attract more talented CIOs, which we label the hiring channel. We follow Chevalier and Ellison (1999) and use academic institution prestige as a proxy for managerial talent. To examine this hypothesis, we begin by examining the education of the CIOs of our plans based on their compensation. Specifically, we sort plans into quartiles based on the compensation paid to their CIOs. We then examine the average SAT scores and admission rate of the undergraduate universities that the CIOs attended. The results of this analysis can be found in Panel A of Table 7. The results indicate that plans that pay higher compensation attract CIOs who attended more selective universities and universities with higher average student SAT scores. Specifically, plans in top quartile of pay attract managers who attended universities with admission rates (SAT scores) that are 13.7% lower (64.60 points higher) than the universities attended by managers who are hired by plans paying bottom quartile compensation. These differences are statistically significant at the 1% level.

Lastly, we examine whether hiring more talented managers has a positive effect on performance. We create indicator variables equal to 1 if a CIO attended a university in the top quartile of average SAT scores (*Top Quartile SAT*) or in the top quartile of admission selectivity (*Top Quartile Selectivity*) and 0 otherwise. We then regress *Peer-adjusted Return* on these indicator variables along with the vector of fund-level controls used in the prior regressions. Columns 1 and 2 of Panel C of Table 7 contain the results. The results indicate that CIOs who attended more selective universities and those with higher average SAT scores outperform their peers by 0.184 – 0.261% per year, consistent with Chevalier and Ellison (1999). Combined, these results suggest that higher compensation allows plans to hire more talented managers who, in turn, positively impact investment performance.

4.4.3. Does Compensation Affect the Likelihood of a CIO Being Poached?

A large literature in finance and management provides evidence that retaining productive employees positively affects firm performance (e.g., Khorana, 2001). New managers often make drastic changes to an organization to implement their own agenda (Li and Scherbina, 2011; Pan and Wang, 2012). In the context of pension plan management, CIO turnover could lead to costly portfolio turnover. It could also be the case that having a CIO who is likely to depart may adversely affect fund performance if that CIO exerts less effort or devotes less attention to his current job. In this section, we investigate whether compensation impacts a plan's ability to retain its CIO.

We investigate and classify each instance of CIO turnover in our sample by reading press releases announcing each event. If the press release suggests the manager is departing for another public pension plan or a position in a for-profit firm, we classify the turnover as being a poaching. We then estimate Cox proportional hazard models which predict the probability that a CIO is poached from a given plan. Specifically, we estimate the following regressions:

$$h(t) = h_0(t) \exp(\beta_1 \text{Compensation}_{i,t-1} + \alpha' \delta_{i,t-1}) \quad (2)$$

where $\delta_{i,t-1}$ includes CIO compensation, past performance, plan size, plan funding, the *CIO Local* indicator variable, and the natural logarithm of the CIO's age as control variables. The regressions also include year fixed effects to control for the condition of the external labor markets each year. We present the results of these regressions in Table 7, Panel B.

The results indicate that higher compensation makes it less likely that a CIO gets poached. Using the coefficient on *Top Quartile Compensation* in column 2 as our example, paying a CIO top quartile compensation makes that CIO 45% less likely to leave the plan for an external opportunity. Interestingly, CIOs who work for better performing and more well-funded plans are also less likely to be poached, which suggests that CIOs of public pension plans may gain utility

from feeling like they are part of successful organizations. CIOs are also more likely to be poached when they work for larger pension plans, consistent with the idea that working at a larger plan provides these CIOs with greater exposure and publicity.

(Insert Table 7 here)

Next, we examine whether there is a relation between future performance and CIO retention. As discussed above, both potential and realized turnover may adversely affect future performance. To examine these possibilities, we calculate four measures of potential or realized CIO turnover. The measures of potential CIO turnover are the probability estimates we obtain from Models 1 and 2 in Table 7, Panel B. The first measure of realized turnover is an indicator variable (*CIO Turnover Dummy*) equal to 1 for three years from $t - 1$ to $t + 1$ around a realized CIO turnover event and 0 otherwise. The second measure of realized CIO turnover (*Cumulative # Turnovers*) is equal to the number of realized CIO turnovers the plan has experienced from 2001 to the present year.

To test our hypothesis, we augment the regressions in Equation 1 with our turnover measures described above. The results can be found in Columns 3 through 6 of Panel C in Table 7. The results provide strong support for the idea that turnover adversely affects plan performance. Specifically, the coefficients on both the predicted and realized turnover measures are all negative and highly statistically significant. The effects are also economically strong. A one standard deviation in the likelihood a CIO voluntarily leaves the plan is associated with a 0.143 – 0.146%

decrease in peer-adjusted returns. Plans whose CIOs depart underperform by 0.272% per year for the 3 years around the turnover event.²⁹

Combined, the results in Section 4.2 support both the *hiring* and *retention* hypotheses. Conversely, we find little support for the *incentives* hypothesis. In short, it appears as though CIO compensation helps public plans attract and retain talented CIOs who in turn bolster plan performance.

5. The Labor Market for Public Pension Plan CIOs

Our main finding is that higher paid CIOs generate higher investment returns. Specifically, our results imply that an increase of \$350,150 in CIO compensation is associated with 47 – 60 bps higher investment returns per year. These higher investment returns translate to an additional \$74.91 – 95.63 million of economic value each year for the average plan. It is thus important to ask why there exists so much heterogeneity in the compensation of public pension plan CIOs and, specifically, why some plans persistently offer their CIOs low compensation.

5.1. What are the Determinants of CIO Compensation?

To answer this question, we first examine the determinants of CIO compensation. We begin by regressing the natural logarithm of total CIO compensation on various sets of fixed effects to gain understanding about whether the variation we observe is driven by time series or cross-sectional variation. Specifically, we regress CIO compensation on year fixed effects, plan fixed effects, and both sets of fixed effects simultaneously to understand whether the variation in

²⁹ In unreported results, we also examine the portfolio turnover using the subsample of plans who report 13F equity holdings. We find that portfolio turnover also increases around realized CIO turnover events.

compensation is coming from within or across plans. The results of these regressions can be found in Columns 1 – 3 of Table 8. We find that the R^2 of these regressions are 0.235, 0.747, and 0.917, respectively, which suggests that most of the variation in CIO compensation is cross-sectional. In Column 4 of Table 8, we regress compensation on plan fixed effects and a time trend and obtain an R^2 of 0.916, suggesting that the year fixed effects are largely picking up the effect of CIOs being paid more over time.

Our next goal is to understand which factors are driving the cross-sectional heterogeneity in compensation we document above. Broadly speaking, we group potential factors into three categories: plan-level, CIO-level, and location-level variables. For the plan-level variables, we include the natural logarithm of plan size, the plan's level of funding, the percentage of the plan's board that is made of up plan members, the separate investment board indicator variable, the average plan member's salary, and the natural logarithm of the average salary paid to CIOs who manage plans in the same size quartile.

We include plan size as Gabaix and Landier (2008) show theoretically that CEO compensation should be directly linked to firm size. We hypothesize that better funded plans will also be better able to justify paying higher compensation to their CIOs. We expect that the percentage of the plan's board that is made of up plan members will be negatively related to CIO total compensation. Because most public pension plan members' salaries are well below that of the CIO, we expect that these board members would act as a constraint against paying high compensation for reasons of jealousy or political outrage. We expect CIO compensation to be positively related to the average plan member salary as plan members who are owed more would presumably want a more talented CIO to manage the plan responsible for paying them their retirement benefits. Lastly, we expect CIO compensation to be positively related to that of his peer

group of CIOs. This prediction is motivated by the reports of compensation consulting firms who use peer group plans when making their recommendations.

We regress CIO compensation on the plan-level variables and year fixed effects in Columns 5 and 6 of Table 8. We find evidence broadly consistent with most of our predictions. The coefficients on plan size, plan funding, and peer group compensation are all positive and highly statistically significant. None of the other coefficients are statistically significant. Perhaps more importantly, the R^2 of the regression in Column 6 is 0.530, which means that these plan-level variables help explain a sizeable portion of the cross-sectional variation in CIO compensation.

For the CIO-level variables, we include the *CIO Local* indicator variable, the logarithm of the CIO's tenure, and the average SAT of the undergraduate institution the CIO attended. We include *CIO Local* because it is possible that, if they are less willing to relocate for a new job, local CIOs command lower compensation. We include *CIO Tenure* in the regressions as most government jobs pay small raises over time. Finally, we include *CIO Undergraduate Institution SAT* as our *hiring* hypothesis, and earlier results, suggest that more talented CIOs command higher compensation.

We present the results of the regressions of CIO compensation on the CIO-level variables in Column 7 of Table 8. The results are consistent with each of our predictions. CIOs with longer tenures and those from more prestigious universities receive statistically higher compensation than their counterparts. Although it is statistically insignificant, the coefficient on *CIO Local* is negative which is consistent with the idea that local CIOs are less likely to bargain for higher compensation. The R^2 of this regression is 0.320, which suggests that CIO-level variables do explain some of the variation in compensation across plans.

Finally, we regress compensation on a set of location-level variables derived from the plans' headquarters location. First, we obtain cost of living information from AdvisorSmith and create an indicator variable equal to 1 for cities that are in the top quartile of this index and 0 otherwise.³⁰ We also create an indicator variable equal to 1 for MSAs in the top quartile of population and 0 otherwise. We also obtain data on each location's voting and political preferences from political scientist Chris Tausanovitch's website and construct an indicator variable equal to 1 if a location is in the top quartile of Democratic vote share and 0 otherwise.³¹ Lastly, we obtain data on public official corruption convictions from Cordis and Milyo (2016) and construct an indicator variable equal to 1 for states in the top quartile of public official corruption convictions and 0 otherwise.

We expect plans in larger, more expensive locations to pay higher compensation to their CIOs. Our prediction about how political preference will affect compensation is unclear, *ex-ante*. On the one hand, it is possible that more conservative locations would prefer to pay lower salaries in the name of being fiscally responsible. On the other hand, it is possible that more liberal areas would prefer to pay lower compensation to relative high earners in the name of perceived fairness. Finally, our rationale for including a measure of corruption in our model is that benefits from engaging in corruption may serve as a substitute for direct compensation (An and Kweon, 2017; Van Rijckeghem and Weder, 2001).

³⁰ The cost-of-living data can be found here: <https://advisorsmith.com/data/coli/#city>.

³¹ The political voting and preference data can be found here: <https://americanideologyproject.com/>.

These results of these regressions can be found in Column 8 of Table 8. We find evidence consistent with most of our predictions. Cost of living is positively related to CIO compensation, while both Democratic vote share and level of corruption are negatively related to compensation. We believe that these results, particularly the result on Democratic vote share, are complementary to those of Dyck, Manoel, and Morse (2021) who find that political outrage is a key determinant of public pension plan CIO compensation. The R^2 of this regression is 0.392, which suggests that location-level variables explain some of the variation in compensation across plans.

(insert Table 8 here)

Lastly, in column 9 of Table 8, we regress CIO compensation on all three sets of independent variables along with the year fixed effects. The most important takeaway from this test is the R^2 of the regression, 0.649, which suggests that we have identified factors that explain much of the cross-sectional variation in CIO compensation. However, given the R^2 of a regression of compensation on plan and year fixed effects is 0.917, we acknowledge that we have not captured all the factors that explain CIO compensation.³²

The results in this section shed some light on both the sources of the variation in CIO compensation as well as explanations for the persistent low levels of compensation paid by some plans. Because characteristics such as a location's Democratic vote share and culture of corruption

³² In unreported results, we also included other variables in our regressions such as government budget surpluses or shortfalls and CIO gender and age. None of these variables loaded significantly in any of our models so we excluded them from our models for the sake of parsimony.

are relatively static, it appears as though these demand-side frictions help explain the persistently lower levels of CIO compensation some plans pay.

5.2. Evidence from Labor Market Moves

Lastly, we examine the 23 instances in our sample in which a CIO moves between public pension plans. We engage in this analysis to uncover whether labor market moves work to resolve some of the inefficiencies generated by the frictions documented above (e.g., does a talented CIO who starts in an underpaid position move to a more appropriate position?). We first examine these CIOs' compensation before and after their moves and report the results in Panel A of Table 9. We find strong evidence that CIOs leave their current positions for higher paying jobs. Specifically, the average CIO leaving his job receives a 100.4% pay raise in new job and zero CIOs leave for a lower paying job. The 100.4% increase in pay is statistically significant at the 1% level. We also find that 77% of these CIOs were underpaid, relative to the compensation that would be predicted by the size of the plans CIOs manage, prior to their moves. After the move, only 46% of these CIOs remain underpaid. Thus, it does appear that labor market moves resolve some of the inefficiencies in CIO compensation.

(insert Table 9 here)

Second, we conduct univariate comparisons of the characteristics of CIOs who move between pensions each year and those that do not. At the time of their moves, CIOs who move receive lower compensation, are approximately 3.3 years younger, have 2.5-year shorter tenures, and are 20% less likely to be local. Each of these differences is statistically significant at the 5% level or better. These results suggest that supply-side frictions appear to hamper CIOs from resolving some of the inefficiencies in this labor market. Specifically, local CIOs and CIOs more

likely to have established roots in an area (i.e., older CIOs and those with longer tenures) are likely less willing to leave their current jobs.

In short, our results provide evidence that there are both supply- and demand-side frictions which help explain the heterogeneity in CIO compensation. From the supply side, CIOs with a locational preference or those less willing to uproot their families are less willing to leave even if doing so would increase their compensation. From the demand side, factors such as the political environment hinder plans' abilities to pay higher compensation even if doing so appears to generate economic value.

6. Conclusion

We document a positive link between higher CIO compensation and public pension plan investment performance, driven largely by improved allocation decisions, better security selection, and reduced susceptibility to behavioral biases. From a policy perspective, we are not claiming that raises in CIO compensation would lead to immediate improvements in plan investment performance. While increased pay would presumably improve retention outcomes fairly quickly, the effect that higher compensation has on a plan's ability to hire a better CIO will not materialize until the next CIO is hired.³³ Furthermore, to the extent elements of plan culture, such as having a separate investment board, are correlated with CIO compensation and plan performance, any increase in CIO compensation would ideally be accompanied with changes in plan culture to yield maximum performance benefits.

³³ If CIO compensation is indiscriminately increased for an *untalented* CIO hired under a lower compensation regime, it may even be counterproductive, leading to increased retention, and a longer tenure for such a CIO.

Regardless, we interpret our results as indicating that higher CIO compensation, at least in the long run, would lead to better performance outcomes that generate economic value for plans. Such performance increases would likely mitigate the underfunding experienced by some public pension plans. More generally, our study suggests further exploration of the determinants of public pension plan performance may help identify other cost-effective ways plans could improve investment performance and thus reduce underfunding.

The seemingly clear economic benefits from increased CIO compensation prompt the question: why does low CIO compensation persist for some plans? Our results suggest that demand side frictions, such political considerations, as well as supply side frictions, such as local ties making it hard for CIOs to move, combine to generate the observed state of the CIO labor market. We do note that CIO moves work to rectify inefficiencies in this market as moving CIOs are significantly less likely to be underpaid after they move. These moves, combined with the overall trend of increasing CIO compensation, suggest that the market is moving slowly towards an equilibrium in which CIO compensation is higher.

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Figure 1: Relation Between Lagged Compensation and Peer-Adjusted Return

This figure contains a graphical representation of the relation between the lagged CIO compensation and public pension plan peer-adjusted performance. The figure is generated using Stata's binscatter function and controls for year fixed effects.

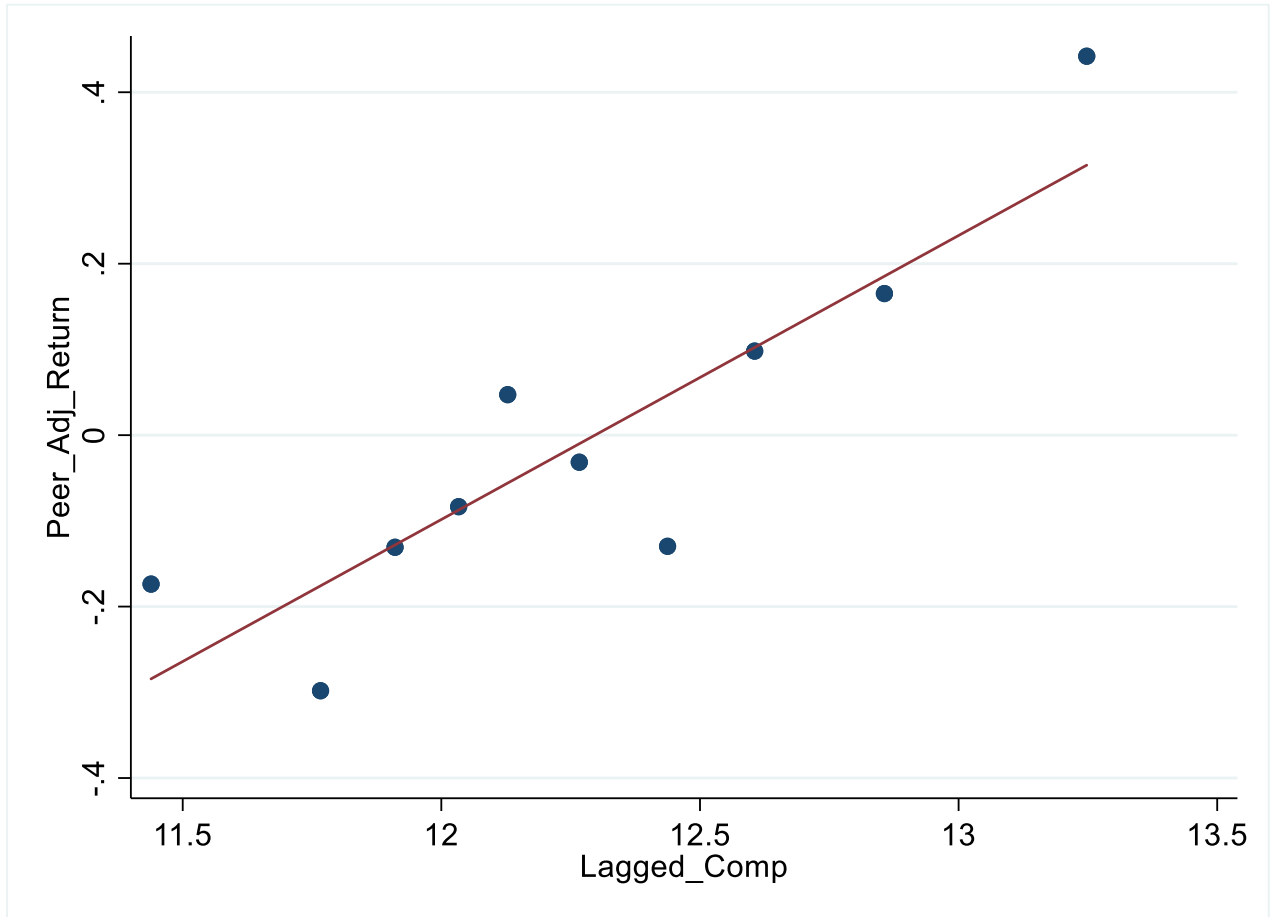


Table 1: Summary Statistics

This table contains the summary statistics for the variables used in our study, all of which are tabulated at the plan-year level. Panel A of this table contains the summary statistics for the chief investment officer variables in our sample. Panel B contains the summary statistics of our pension fund variables. CIO Total Compensation is the sum of CIO Salary and CIO Bonus. CIO Local is an indicator variable equal to 1 if the CIO attended high school or college in the same state as the plan in which he works and 0 otherwise. CIO Institution SAT and CIO Institution Admit Rate are the average SAT score and the admission rate of the undergraduate university the CIO attended. CIO Poached is an indicator variable equal to 1 if the CIO departs his current plan to take a job in public pension plan or in a for-profit firm. Plan Size is the market value of the plan's assets. Funding ratio is the ratio of the plans assets to its liabilities. Separate Investment Board is an indicator variable equal to 1 if the plan has a separate board responsible for the investment function of a plan and 0 otherwise. Financial Center is an indicator variable equal to 1 if the plan is headquartered in the financial centers identified by Christoffersen and Sarkissian (2009) and 0 otherwise. % Allocations are the percentage of the plans' portfolios that are allocated to each asset class. The return variables are each individual asset class' return. All continuous variables are winsorized at the 1% and 99% levels.

Panel A. Chief Investment Officer Variables

	N	Mean	Std. Dev	Distribution				
				10th	25th	50th	75th	90th
CIO Total Compensation	1,662	\$263,191.90	\$179,132.60	\$105,000.00	\$145,113.30	\$207,422.80	\$318,362.00	\$504,854.80
CIO Salary	1,660	\$237,207.90	\$134,529.60	\$104,844.10	\$141,203.90	\$200,000.00	\$300,132.00	\$408,983.20
CIO Bonus	1,660	\$25,836.02	\$82,285.41	\$0.00	\$0.00	\$0.00	\$0.00	\$69,641.46
CIO Local (0/1)	1,653	0.52	0.50	0.00	0.00	1.00	1.00	1.00
CIO Institution SAT	1,300	1,281.27	135.26	1,107.00	1,185.00	1,270.00	1,407.00	1,461.00
CIO Institution Admit Rate	1,332	0.53	0.26	0.15	0.28	0.59	0.77	0.82
CIO Age	1,653	51.17	8.68	39	45	51	57	62
CIO Tenure	1,613	6.33	7.51	0	1	4	8	15
CIO Fired (0/1)	1,612	0.011	0.105	0	0	0	0	0
CIO Poached (0/1)	1,613	0.060	0.237	0	0	0	0	0

Panel B. Pension Plan Variables

	N	Mean	Std. Dev	Distribution				
				10th	25th	50th	75th	90th
Plan Size (\$mill)	1,662	21,313.97	30,437.12	1,851.456	4,619.496	10,849.42	23,043.19	51,936.4
Funding Ratio (%)	1,654	76.58	17.82	55.20	64.60	76.40	88.405	99.10
Annual Investment Return	1,662	6.96	9.97	-5.39	1.10	9.28	13.91	17.80
Separate Investment Board (0/1)	1,655	0.26	0.44	0	0	0	1	1
Financial Center (0/1)	1,662	0.11	0.31	0	0	0	0	1
% Allocation Equity	1,608	51.82%	10.71%	37.10%	45.14%	53.40%	59.62%	64.30%
% Allocation Fixed Income	1,608	26.29%	7.69%	17.10%	21.30%	25.20%	30.90%	36.3%
% Allocation Private Equity	1,608	6.55%	5.88%	0.00%	0.20%	6.10%	9.92%	13.70%
% Allocation Hedge Funds	1,608	4.34%	6.38%	0.00%	0.00%	0.57%	6.99%	13.40%
% Allocation Real Estate	1,608	6.00%	4.48%	0.00%	1.90%	6.10%	9.00%	11.43%
% Allocation Commodities	1,608	1.67%	3.09%	0.00%	0.00%	0.00%	2.04%	7.00%
% Allocation Cash	1,608	1.77%	2.09%	0.00%	0.10%	1.00%	2.60%	5.00%
Equity Portfolio Return	1,419	8.02%	15.73%	-12.37%	-3.01%	11.87%	19.80%	24.68%
Fixed Income Portfolio Return	1,390	5.16%	4.50%	-0.10%	1.62%	5.10%	7.60%	11.00%
Private Equity Portfolio Return	1,093	11.41%	12.28%	-4.40%	7.17%	13.20%	18.91%	23.80%
Hedge Fund Portfolio Return	732	4.70%	8.85%	-4.80%	0.43%	5.60%	9.30%	13.00%
Real Estate Portfolio Return	1,172	8.97%	12.35%	-5.00%	7.10%	10.80%	14.60%	20.11%
Commodities Portfolio Return	455	3.43%	12.16%	-10.66%	-2.30%	4.80%	10.56%	16.27%
Cash Portfolio Return	710	1.76%	2.26%	0.10%	0.30%	1.00%	2.40%	5.17%

Table 2: Chief Investment Officer Compensation and Fund Performance

This table reports results of tests that compare the returns of public pension plans based on the compensation of their chief investment officer (CIO). Plans are assigned to quartiles each year based on their CIO's compensation. The performance measure is *Peer-Adjusted Return* which is the difference of a plan's return and the average pension plan return each year. This table reports the results of univariate comparisons of the differences in compensation and peer-adjusted returns for the top and bottom quartiles. *t*-statistics are reported below the coefficients in parentheses. Coefficients marked with ***, **, and * are significant at the 1%, 5%, and 10% level, respectively.

Comp. Quartile (t – 1)	Log (Comp.)	Avg. Comp. (\$000s)	Peer-Adj. Return (t)
1	11.73*** (671.62)	131.5*** (57.69)	-0.215%** (-2.20)
2	12.10*** (778.92)	188.59*** (66.58)	-0.028% (-0.27)
3	12.44*** (648.87)	269.96*** (54.20)	-0.021% (-0.20)
4	13.00*** (583.74)	481.65*** (47.78)	0.251%** (2.52)
4 - 1	1.27*** (43.42)	350.15*** (27.56)	0.466%*** (3.34)

Table 3: CIO Compensation and Fund Performance Regressions

This table reports results of tests that regress the returns of public pension plans on the compensation of their chief investment officer (CIO). The performance measure is *Peer-Adjusted Return* which is the difference of a plan's return and the average pension plan return each year. Our main independent variable of interest is the natural logarithm of the CIO's total compensation, lagged one year. The other independent variables are as defined in Table 1. The standard errors are double clustered by plan and year. Coefficients marked with ***, **, and * are significant at the 1%, 5%, and 10% level, respectively.

	Peer-adjusted Return (t)			
Log Compensation (t-1)	0.477** (2.42)	0.347* (1.89)	0.289*** (2.95)	0.278*** (2.70)
Peer-adjusted Return (t-1)		0.097 (1.38)	0.052 (0.77)	0.045 (0.68)
Log Plan Size (t-1)		0.094* (1.74)	0.012 (0.22)	0.015 (0.27)
Plan Funding % (t - 1)		-0.380 (-0.75)	-0.689 (-1.53)	-0.657 (-1.39)
% Private Equity Allocation			6.069** (2.34)	6.182** (2.58)
% Equity Allocation			5.369* (2.01)	5.881** (2.33)
% Fixed Income Allocation			0.246 (0.06)	0.898 (0.24)
% Hedge Fund Allocation			0.056 (0.02)	0.458 (0.15)
% Real Estate Allocation			5.020 (1.45)	6.043* (1.88)
% Commodities Allocation			-1.407 (-0.35)	-0.127 (-0.03)
% Alternatives Miscellaneous			6.361*** (4.55)	7.223*** (6.48)
% Cash			1.122 (0.27)	2.126 (0.55)
Separate Investment Board (0/1)				0.211*** (2.73)
Top Quartile College (0/1)				0.096 (0.72)
Financial Center (0/1)				0.260 (1.11)
Year Fixed Effects	YES	YES	YES	YES
Number of Observations	1,141	1,141	1,141	1,141
Adj. R-squared	0.045	0.058	0.115	0.120

Table 4: CIO Compensation and Asset Class Allocation and Performance

This table reports results of tests that regress the asset class allocations and asset class returns of public pension plans on the compensation of their chief investment officer (CIO). The independent variable of interest is the natural logarithm of the CIO's total compensation, lagged one year. The dependent variables in Panel A are the percentages of the plan's assets allocated to various asset classes. The dependent variables in Panel B are the annual returns from investing in each asset class. The tests contain year fixed effects, and the standard errors are double clustered by plan and year. Coefficients marked with ***, **, and * are significant at the 1%, 5%, and 10% level, respectively.

Panel A. Asset Class Allocations

	% Private Equity	% Equity	% Fixed Income	% Hedge Funds	% Real Estate	% Commodities	% Cash
Log Compensation (t-1)	0.027*** (3.04)	-0.017 (-1.13)	-0.009 (-0.87)	-0.006 (-0.69)	0.019** (2.66)	-0.008* (-1.98)	-0.003 (-1.38)
Year FE	YES	YES	YES	YES	YES	YES	YES
Observations	1,432	1,432	1,432	1,432	1,432	1,432	1,432
Adj. R-squared	0.196	0.162	0.215	0.183	0.162	0.131	0.049

Panel B. Asset Class Performance

	PE Return	Eq. Return	FI Return	HF Return	RE Return	Comm. Return	Cash Return
Log Compensation (t-1)	0.016** (2.81)	0.001 (0.41)	0.001 (0.29)	-0.005 (-0.71)	0.009* (1.86)	-0.001 (-0.07)	0.001 (0.90)
Year FE	YES	YES	YES	YES	YES	YES	YES
Observations	961	1,259	1,244	655	1,028	400	620
Adj. R-squared	0.761	0.985	0.730	0.554	0.751	0.476	0.446

Table 5: Holdings-Based Evidence

This table reports results of tests using the 13F filings of the pension plans in our sample. These tests first sort plans into quartiles based on their CIO's compensation each year and then compare the mean of variables calculated from the plans' equity holdings. *Turnover Ratio* is the turnover in the plan's equity portfolio following Barber and Odean (2000, 2001). *Disposition* is calculated following Odean (1998) and is equal to Percentage Gains Realized minus Percentage Losses Realized. *% Lottery Stocks Held* is the percentage of the plan's equity portfolio that is made up of stocks classified as lottery stocks using the Kumar (2009) definition. The parentheses below each mean value contain *t*-statistics and coefficients marked with ***, **, and * are significant at the 1%, 5%, and 10% level, respectively.

Comp. Quartile (t-1)	Turnover Ratio	Disposition Effect	% Lottery Stocks Held
1	31.89% (12.64)	-0.091 (-2.30)	6.41% (31.87)
2	30.30% (11.08)	0.045 (1.32)	4.74% (18.94)
3	15.94% (7.08)	-0.001 (-0.04)	3.83% (40.74)
4	21.00% (9.60)	-0.027 (-2.85)	2.84% (22.51)
4 -1	-10.88%*** (-3.26)	0.054** (2.08)	-3.57%*** (-9.74)

Table 6: CIO Compensation and Incentives

This table explores the relation between CIO compensation and various types of incentives. Panel A contains results of linear probability models predicting a CIO's involuntary departure (e.g., firing). Panel B contains the results of regressions of plan performance on lagged CIO's total compensation, measures of incentive compensation, and various control variables as defined in Table 1. All models contain year fixed effects. Standard errors are adjusted for heteroscedasticity and clustered by plan and year, and *t*-statistics are reported below the coefficients in parentheses. Coefficients marked with ***, **, and * are significant at the 1%, 5%, and 10% level, respectively.

Panel A. Are Higher Paid CIOs More Likely to Be Fired for Poor Performance?

	<u>CIO Fired = 1</u>	
	(1)	(2)
Log Compensation (t-1)	0.002 (0.29)	
Top Quartile Comp (t-1)		0.016 (0.51)
Return, Past 3 years	0.442 (0.61)	-0.211 (-0.92)
Compensation × Return	-0.059 (-1.07)	-0.273 (-0.85)
Other Control Variables	YES	YES
Year Fixed Effects	YES	YES
Observations	1,297	1,288
Adj. R-squared	0.008	0.011

Panel B. Does Incentive Compensation Explain the Outperformance of Higher Paid CIOs?

	<u>Peer-Adj. Return (t)</u>	
	(1)	(2)
Log Compensation (t-1)	0.333*** (4.38)	0.212** (2.19)
20% Bonus Dummy	-0.149 (-1.18)	
PPS (t-stat >=2)		0.200 (1.30)
Control Variables	YES	YES
Year Fixed Effects	YES	YES
Observations	1,433	901
Adj. R-squared	0.056	0.059

Table 7: CIO Compensation, Hiring, and Retention

This table reports results of tests examining the relations between CIO compensation and a pension plan’s ability to attract and retain talent. Panel A contains the results of univariate comparisons of the undergraduate institutions attended by managers in different compensation quartiles. *Bachelor Institution SAT Score* is the average SAT score for a CIO’s undergraduate institution. *Bachelor Institution Admission Rate* is the admission rate for a CIO’s undergraduate institution. Panel B contain the results of Cox proportional hazard models predicting a CIO being poached. The plan level control variables are defined in Table 1. Panel C contains regressions of plan performance on measures of talent or retention. The first two columns of Panel C regress *Peer-Adjusted Performance* on the two measures of undergraduate institution quality. Columns 3 and 4 regress *Peer-Adjusted Performance* on the predicted probability the CIO is poached, as calculated from the hazard models in Panel B. Columns 5 and 6 regress *Peer-Adjusted Performance* on *Turnover Dummy*, an indicator variable equal to 1 for observations that are in the 3-year period around a realized CIO turnover event, and *# CIO Turnovers*, the number of realized CIO turnovers since the beginning of our sample period (2001) until the current year. Standard errors for all regressions are adjusted for heteroscedasticity and clustered by plan and year, and *t*-statistics are reported below the coefficients in parentheses. Coefficients marked with ***, **, and * are significant at the 1%, 5%, and 10% level, respectively.

Panel A. Do Higher Paid Managers Attend More Prestigious Universities?

Compensation Quartile	Bachelor Institution SAT score
1	1257.54
2	1245.72
3	1301.36
4	1322.15
4 – 1	64.61*** (6.15)

Compensation Quartile	Bachelor Institution Admission Rate
1	0.613
2	0.549
3	0.486
4	0.476
4 – 1	-0.138*** (6.44)

Panel B. Are Higher Paid Managers Less Likely to get Poached?

	Failure = CIO Poach	
Log Compensation (t - 1)	0.608*	
	(1.87)	
Top Quartile Comp (t - 1)		0.551**
		(2.36)
Peer-adjusted Return (t - 3, t - 1)	0.005***	0.003***
	(2.81)	(3.14)
Log Plan Size (t - 1)	1.360***	1.301***
	(2.19)	(2.74)
Plan Funding % (t - 1)	0.235**	0.204**
	(2.76)	(2.31)
CIO Local (0/1) (t - 1)	0.799	0.801
	(1.13)	(1.12)
Log CIO Age (t - 1)	2.001	1.798
	(0.86)	(0.78)
Year Fixed Effects	YES	YES
Observations	886	855

Panel C. Regressions of Plan Performance on Measures of Talent and Retention

	Peer-adjusted Return (t)					
Top Quartile SAT (t - 1)	0.263***					
	(2.86)					
Top Quartile Admission (t - 1)		0.211**				
		(2.23)				
Predicted Prob (Model 1)			-2.323***			
			(-4.91)			
Predicted Prob (Model 2)				-0.018***		
				(-3.12)		
Turnover Dummy					-0.268**	
					(-2.76)	
# CIO Turnovers						-0.112**
						(-2.19)
Control Variables	YES	YES	YES	YES	YES	YES
Year Fixed Effects	YES	YES	YES	YES	YES	YES
Observations	1,668	2,105	800	763	2,105	2,105
Adj. R-squared	0.061	0.048	0.051	0.041	0.052	0.051

Table 8: Determinants of CIO Compensation

This table reports results of regressions of CIO compensation on plan-, location-, and CIO-level variables and year fixed effects. Plan characteristics include plan size, level of funding, the percentage of the plan's board made up of plan members, the presence of a separate investment board, average plan member salary, and the log of the average peer CIO's compensation. CIO characteristics include an indicator variable, *CIO Local*, equal to 1 for CIOs who are originally from the state in which the plan is located and 0 otherwise, the CIO's tenure, and the average SAT score of the undergraduate institution the CIO attended. Location-level variables include indicator variables equal to 1 for plans whose headquarter location are in the top quartiles of i) cost of living (*Top Quartile Cost of Living*), ii) population (*Top Quartile Population*), iii) Democratic vote share (*Top Quartile Democratic Vote Share*), iv) and public official corruption convictions (*Top Quartile Corruption*) from Corlis and Milyo (2016), or zero otherwise. Standard errors are adjusted for heteroscedasticity and clustered by plan and year, and *t*-statistics are reported below the coefficients in parentheses. Coefficients marked with ***, **, and * are significant at the 1%, 5%, and 10% level, respectively.

	Log (Compensation)								
	<u>Fixed Effects Only</u>		<u>Time Trend</u>		<u>Plan Chars.</u>		<u>CIO Chars.</u>	<u>Geographic Chars.</u>	<u>All</u>
Time Trend				0.056*** (16.17)					
Plan Size (t - 1)					0.193*** (5.30)	0.098* (2.08)			0.101** (2.65)
Plan Funding (t - 1)						0.606*** (3.36)			0.127 (0.76)
% Board Members = Plan Participants						0.248 (1.34)			0.219 (1.27)
Separate Investment Board (0/1)						0.104 (1.09)			0.217** (2.45)
Average Plan Member Salary						-0.042 (-0.48)			-0.117* (-1.80)
Log (Peer Group Salary Average)						0.451*** (3.40)			0.367*** (3.31)
CIO Local (0/1)							-0.052 (-0.69)		0.011 (0.18)
CIO Tenure							0.014** (2.31)		0.009** (2.22)
CIO Undergraduate Institution SAT							0.101*** (3.18)		0.063*** (3.17)
Top Quartile Cost of Living (0/1)								0.315** (2.62)	0.215*** (2.97)
Top Quartile Population (0/1)								-0.016 (-0.11)	0.137 (1.03)
Top Quartile Dem. Vote Share (0/1)								-0.247* (-1.75)	-0.166* (-2.05)
Top Quartile Corruption (0/1)								-0.330*** (-3.57)	-0.302*** (-3.72)
Year FE	YES	NO	YES	NO	YES	YES	YES	YES	YES
Plan FE	NO	YES	YES	YES	NO	NO	NO	NO	NO
Observations	967	967	967	967	967	967	967	967	967
R-squared	0.235	0.747	0.917	0.916	0.416	0.530	0.320	0.392	0.649

Table 9: CIO Labor Market Dynamics

This table reports results from tests examining the labor market dynamics of public pension plan CIOs. Panel A contains the comparison of the compensation the subsample of CIOs who move between public pension plans in our sample receive before and after their moves. Panel B contains the results of univariate *t*-tests comparing characteristics of the sample of CIOs who move to another plan in our sample versus those who do not. Standard errors are adjusted for heteroscedasticity and clustered by plan and year, and *t*-statistics are reported below the coefficients in parentheses. Coefficients marked with ***, **, and * are significant at the 1%, 5%, and 10% level, respectively.

Panel A. CIO Compensation Before and After Job Changes

	Before	After	% Change
CIO Total Compensation	\$167,847.4	\$312,062.8	100.45***
Underpaid	0.77	0.46	0.31**

Panel B. Characteristics of Moving and Non-Moving CIOs

	Movers	Non-Movers	Difference
Log CIO Compensation	11.99	12.30	-0.31***
Underpaid (0/1)	0.77	0.51	-0.26***
CIO Total Compensation (\$)	\$169,280	\$264,946	-\$95,665***
CIO Age	47.63	50.95	-3.32**
CIO Tenure	4.16	6.63	-2.47***
CIO Local (0/1)	0.29	0.49	-0.20**

**Online Appendix:
Paying for Performance in Public Pension Plans**

This appendix contains the following tables:

1. The specific plan-years that compose our sample.
2. Regressions that mitigate concerns about the specification of our models and reverse causality.
3. Regressions of various risk-taking measures on manager compensation
4. Regressions which include potential omitted variables added individually.

Table A1: Sample Description.

This table contains the list of pension plans for which we obtained CIO compensation data as well as the years for which we have this compensation information.

State	Plan	Years	State	Plan	Years
			CT	Hartford MERF	2001-2018
AL	Alabama ERS/TRS	2001-2018	CT	Connecticut SERS/TRS/Municipal	2003-2018
AK	Alaska PERS/TRS	2017-2018	DE	Delaware State Employees	2008-2018
AZ	Arizona Public Safety/Corrections Officers	2013-2018	DC	DC Police & Fire/Teachers	2011-2017
AZ	Arizona SRS	2001-2018	FL	Florida RS	
AZ	Phoenix ERS	2014-2018	FL	Jacksonville ERS	
AR	Arkansas PERS		GA	Georgia ERS/TRS	2001-2018
AR	Arkansas Teachers		HI	Hawaii ERS	2001-2018
CA	California PERF	2001-2018	ID	Idaho PERS	2001-2018
CA	California Teachers	2001-2018	IL	Illinois Teachers	2001-2018
CA	Kern County ERS	2001-2018	IL	Illinois Municipal	2005-2018
CA	Orange County ERS	2001-2018	IL	Illinois Universities	2006-2018
CA	Sacramento County ERS	2001-2018	IL	Chicago Police	2009-2018
CA	San Francisco City & County ERS	2002-2018	IL	Illinois SERS	2014-2018
CA	Alameda County ERS	2002-2018	IL	Chicago Teachers	2016-2018
CA	Los Angeles Fire and Police	2004-2018	IL	Chicago Municipal	
CA	Los Angeles ERS	2005-2018	IL	Cook County ERS	
CA	San Diego City ERS	2009-2018	IN	Indiana PERF	2001-2018
CA	Contra Costa ERA		IN	Indiana Teachers	2001-2018
CA	LA County ERS		IA	Iowa PERS	2001-2018
CA	San Diego County		KS	Kansas PERS	2001-2018
CA	University of California	2004-2018	KY	Kentucky ERS/County	2001-2018
CA	Los Angeles Water and Power		KY	Kentucky Teachers	2001-2018
CO	Denver Employees	2001-2018	LA	Louisiana Teachers	2001-2018
CO	Colorado PERA	2005-2018			

State	Plan	Years	State	Plan	Years
LA	Louisiana Schools	2001-2018	NY	NY State Teachers	2004-2018
LA	Louisiana SERS	2001-2018	NY	NYC TRS/Fire/Police/ERS	2008-2018
LA	Louisiana Municipal Police		NY	NY State & Local ERS/Police & Fire	
LA	Louisiana State Parochial Employees	2014-2018	NC	North Carolina Local Govt/Teachers/SERS	
LA	New Orleans ERS		ND	North Dakota PERS/TRS	2001-2018
ME	Maine Local/State/Teachers	2001-2018	OH	Ohio School Employees	2012-2018
MD	Maryland PERS/TRS	2005-2018	OH	Ohio PERS	2010-2018
MD	Montgomery County Maryland ERS	2014-2018	OH	Ohio Teachers	2014-2018
MA	Boston RS	2001-2018	OH	Ohio Police & Fire	2013-2018
MA	Massachusetts SRS/TRS	2005-2018	OK	Oklahoma PERS	2001-2018
MI	Michigan Municipal	2001-2018	OK	Oklahoma Teachers	2001-2018
MI	Michigan Public Schools	2001-2018	OK	Oklahoma Police	2005-2018
MI	Michigan SERS	2001-2018	OR	Oregon PERS	
MI	Detroit Police and Fire		PA	Pennsylvania School Employees	2001-2018
MI	Detroit General RS		PA	Pennsylvania State ERS	2001-2018
MN	Duluth Teachers		PA	Pennsylvania Municipal	2012-2018
MN	Minneapolis ERF	2014-2018	PA	Philadelphia Municipal	2016-2018
MN	Minnesota GERP/Police & Fire/TRS/SERS	2014-2018	RI	Rhode Island ERS/Municipal	2001-2018
MS	Mississippi PERS	2001-2018	SC	South Carolina Police & RS	2010-2018
MO	Missouri SERS	2001-2018	SD	South Dakota RS	2019-2018
MO	Missouri DOT and Highway	2006-2018	TN	Tennessee Political/State & Teachers	
MO	Missouri Local		TN	Nashville-Davidson ERS	
MO	Missouri PEERS/TRS		TX	Austin ERS	2001-2018
MT	Montana PERS/TRS		TX	Texas County & District	2001-2018
NE	Nebraska Schools	2011-2018	TX	Texas Teachers	2001-2018
NE	Omaha Police and Fire	2017-2018	TX	Texas Municipal	2003-2018
NV	Nevada Police & Fire/Regular Employees	2001-2018	TX	Texas ERS	2006-2018
NH	New Hampshire RS	2001-2018	TX	Texas LECOS	2006-2018
NJ	New Jersey PERS/Police & Fire/TRS	2001-2018	TX	Houston Firefighters	2008-2018
NM	New Mexico Educational	2011-2018	TX	Dallas Police and Fire	

State	Plan	Years
UT	Utah Noncontributory/Public Safety	2016-2018
VT	Vermont State Employees/Teachers	2015-2017
VA	Fairfax County Schools	
VA	Virginia RS	
WA	Seattle ERS Washington Law	2001-2018
WA	Enforcement/PERS/SERS/TRS	2006-2018
WV	West Virginia PERS/Teachers	2001-2018
WI	Wisconsin RS	2001-2018
WI	Milwaukee City ERS	2001-2018
WY	Wyoming Public Employees	2010-2018

Table A2: Alternate Specifications & Reverse Causality

This table reports results of regressions which use alternative versions of CIO compensation as our main independent variables of interest. The dependent variable for all regressions is *Peer-Adjusted Return*. In Panel A, we use indicator variables for each compensation quartile or an above or below median compensation indicator variable instead of the continuous compensation variable. Panel B contains regressions of various return measures on compensation lagged two years to mitigate concerns that future performance explains current compensation. The parentheses below each coefficient contain *t*-statistics computed from standard errors that are double clustered by plan and year. Coefficients marked with ***, **, and * are significant at the 1%, 5%, and 10% level, respectively.

Panel A. Reverse Causality, Compensation Lagged Two Years

	Peer-Adjusted Return (t)	Raw Return (t)	Sharpe (t to t + 3)
Log Compensation (t – 2)	0.216** (2.32)	0.210** (2.07)	0.100** (2.13)
Peer-adjusted Return (t – 1)	0.035 (0.53)	0.055 (0.91)	-0.002 (-0.24)
Log Plan Size (t – 1)	0.042 (1.14)	0.076*** (3.39)	-0.010 (-0.37)
Plan Funding % (t – 1)	-0.580 (-1.61)	-0.537 (-1.04)	-0.039 (-0.33)
% Equity Allocation (t – 1)	1.506 (0.62)	1.026 (0.35)	0.023 (0.08)
% Fixed Income Allocation (t – 1)	-3.401 (-1.16)	-1.446 (-0.49)	0.640* (2.13)
% Private Equity Allocation (t – 1)	0.481 (0.79)	-0.037 (-0.03)	1.235** (2.26)
% Hedge Fund Allocation (t – 1)	-3.922* (-1.73)	-3.477 (-1.43)	-0.583 (-1.38)
% Real Estate Allocation (t – 1)	0.880 (0.32)	0.619 (0.22)	-0.500 (-0.58)
Year FE	YES	YES	YES
Observations	1,035	1,031	740
R-squared	0.061	0.951	0.819

Panel B. Alternative Performance Measures

	Raw Return (1)	Sharpe Ratio (t to t + 3) (2)
Log Compensation (t-1)	0.327*** (3.34)	0.073* (1.81)
Peer-adjusted Return (t-1)	0.069 (0.89)	0.000 (0.02)
Log Fund Size (t-1)	0.049 (1.58)	-0.003 (-0.13)
Plan Funding % (t - 1)	-0.767* (-1.80)	0.000 (0.00)
% Equity Allocation	2.192 (0.92)	-0.067 (-0.24)
% Fixed Income Allocation	-0.540 (-0.20)	0.462 (1.63)
% Private Equity Allocation	1.712* (2.06)	0.949 (1.71)
% Hedge Fund Allocation	-3.552 (-1.55)	-0.598 (-1.49)
% Real Estate Allocation	1.996 (0.93)	0.052 (0.09)
Year Fixed Effects	YES	YES
Number of Observations	1,428	1,061
Adj. R-squared	0.955	0.823

Panel C. Alternative Regression Specifications

	Peer-Adjusted Return		
2nd Quartile Comp (t – 1)	0.120 (1.43)		
3rd Quartile Comp (t – 1)	0.247** (2.42)		
Top Quartile Comp (t – 1)	0.411*** (4.19)	0.257** (2.65)	
Above Median Comp (t – 1)			0.254** (2.76)
Peer-adjusted Return (t – 1)	0.069 (0.95)	0.071 (0.97)	0.070 (0.97)
Log Plan Size (t – 1)	0.040 (1.31)	0.062* (1.76)	0.051* (1.89)
Plan Funding % (t – 1)	-0.775* (-2.01)	-0.698* (-1.79)	-0.725* (-1.87)
% Equity Allocation (t – 1)	1.787 (0.87)	1.680 (0.83)	1.704 (0.84)
% Fixed Income Allocation (t – 1)	-1.558 (-0.67)	-1.571 (-0.68)	-1.656 (-0.71)
% Private Equity Allocation (t – 1)	0.998 (1.62)	1.139* (1.95)	0.929 (1.49)
% Hedge Fund Allocation (t – 1)	-3.837* (-1.87)	-3.871* (-1.89)	-3.991* (-1.95)
% Real Estate Allocation (t – 1)	2.255 (1.00)	2.332 (1.03)	2.342 (1.05)
Year Fixed Effects	YES	YES	YES
Number of Observations	1,423	1,423	1,423
Adj. R-squared	0.051	0.051	0.052

Table A3: Holdings-Based Evidence on Risk-Taking

This table reports results of tests using the 13F filings of the pension plans in our sample. These tests first sort plans into quartiles based on their CIO's compensation and then compare mean differences of measures of risk calculated using the plan's equity holdings. Specifically, for each plan that files Form 13F, we use the plan's portfolio holdings to infer its daily, or monthly, returns. We then regress these inferred returns on the risk and behavioral factors listed below. Lastly, we regress the betas from these regressions on the log of CIO compensation, lagged one year as well as plan size, funding, and past performance. Panel A contains measures of volatility or economic policy risk. VIX and VXO are computed following . CATFIN is from Allen, Bali, and Tang (2012). MACRO is from Bali, Brown, and Caglayan (2014). POLICY is the economic policy uncertainty index of Baker, Bloom, and Davis (2016). Panel B contains measures of tail risk or behavioral factors. VaR is the value at risk factor, calculated by . CoVaR is the conditional value-at-risk measure, calculated by . PEAD and FIN are the behavior factors of Daniel, Hirshleifer, and Sun (2020). Panel C contains measures of mispricing. MAX and IVOL are from . *Mispricing Score* is the stock-level measure of mispricing from Stambaugh, Yu, and Yuan (2015). Finally, we compute *Total Volatility* and *Sharpe Ratio* using the daily portfolio returns inferred from a plan's equity holdings. The parentheses below each coefficient contain *t*-statistics computed from standard errors that are double clustered by plan and year. Coefficients marked with ***, **, and * are significant at the 1%, 5%, and 10% level, respectively.

Panel A. Volatility and Economic Policy Risk

	VIX	VXO	CATFIN	MACRO	POLICY
Log Compensation (t-1)	-0.025** (-2.08)	-0.024* (-1.83)	-0.029*** (-2.88)	-0.022*** (-4.99)	-0.003* (-1.93)
Plan Control Variables	YES	YES	YES	YES	YES
Year Fixed Effects	YES	YES	YES	YES	YES
R-squared	0.168	0.114	0.644	0.442	0.509
Number of Observations	1084	1084	263	263	263

Panel B. Tail Risk and Behavioral Factors

	VaR	CoVaR	PEAD	FIN
Log Compensation (t-1)	-0.004*** (-3.65)	-0.005*** (-3.33)	-0.029*** (-2.88)	-0.004*** (-3.65)
Plan Control Variables	YES	YES	YES	YES
Year Fixed Effects	YES	YES	YES	YES
R-squared	0.510	0.486	0.644	0.510
N	1084	1084	263	1084

Panel C. Risk/Behavior/Mispricing Factors

	MAX	IVol	Mispricing Score	Total Volatility	Sharpe Ratio
Log Compensation (t-1)	-0.081*** (-4.43)	-2.096* (-1.86)	-0.028 (-1.69)	-0.005** (-2.11)	3.281*** (3.06)
Plan Control Variables	YES	YES	YES	YES	YES
Year Fixed Effects	YES	YES	YES	YES	YES
R-squared	0.293	0.376	0.143	0.464	0.348
N	1084	1084	1084	1084	1084

Table A4: Omitted Variables

This table reports results of regressions which control for various omitted variables. The dependent variable for all regressions is *Peer-Adjusted Return*. In Panel A, we control for plan culture using *Separate Investment Board*, an indicator variable equal to 1 for plans which have a separate board tasked with overseeing the CIO's investments. In Panel B, we control for plan location using *Financial Center*, an indicator variable equal to 1 if the plan is headquartered in one of the 6 financial centers used in Christofferson and Sarkissian (2009). *Top Quartile MSA* is an indicator variable equal to 1 if the pension plan is headquartered in a MSA that is the top quartile of our sample. For each variable, we estimate regressions in which we control for the variable as well as split our sample based on each variable and estimate our main regression for each subsample. The parentheses below each coefficient contain *t*-statistics computed from standard errors that are double clustered by plan and year. Coefficients marked with ***, **, and * are significant at the 1%, 5%, and 10% level, respectively.

Panel A. Separate Investment Board/Fund Culture

		<u>Peer-Adjusted Return (t)</u>	
		Sep. Invt. Board = 1	Sep. Invt. Board = 0
Log Compensation (t-1)	0.307*** (5.57)	0.689** (2.88)	0.221** (2.62)
Separate Investment Board (0/1)	0.235** (2.17)		
Control Variables	YES	YES	YES
Year Fixed Effects	YES	YES	YES
Adj. R-Squared	0.055	0.067	0.049
Number of Observations	1,428	361	1,067

Panel B. Financial Center/Plan Location

		<u>Peer-Adjusted Return (t)</u>	
		Fin. Center = 1	Fin. Center = 0
Log Compensation (t-1)	0.321*** (5.29)	1.425** (2.66)	0.271** (4.90)
Financial Center (0/1)	0.176 (1.08)		
Control Variables	YES	YES	YES
Year Fixed Effects	YES	YES	YES
Adj. R-Squared	0.053	0.151	0.069
Number of Observations	1,433	159	1,274

Panel C. Big City/Plan Location

		<u>Peer-Adjusted Return (t)</u>	
		Top Quartile MSA = 1	Top Quartile MSA = 0
Log Compensation (t-1)	0.287*** (5.24)	0.448** (2.88)	0.258** (3.81)
Top Quartile MSA (0/1)	-0.032 (-0.30)		
Control Variables	YES	YES	YES
Year Fixed Effects	YES	YES	YES
Adj. R-Squared	0.052	0.079	0.048
Number of Observations	1,423	311	1,112