# BOARD OF TRUSTEES MEETING
# REGULAR MEETING AGENDA

## Monday November 16, 2026, 9:00am

The regular meeting will be held in the **Board and Commissions Room at Austin City Hall, 301 W 2nd Street, Austin, Texas 78701** and will be open to the public. The meeting will also be available to the public through **signin.webex.com/join** with **meeting number 2551 305 5146** and **password Nov2026,** or through a telephone conference call, **toll-free dial-in number 650-479-3208** with **access code 6682026.** Some non-routine agenda items will have the trustee or individual who requested the item in parentheses.

**How to Register for Public Comments**
Members of the public may address the Board of Trustees on any matter during the Public Comment portion of the meeting. Public comments may be provided in person at the physical location of the regular meeting, virtually through WebEx, or through the toll-free dial-in number provided above. A sign-up sheet will be available at the physical location of the meeting. The Board requests that any member of the public who desires to address the Board virtually sign up to speak in advance by contacting the Fund at **staff@AFRFund.org no later than 5:00 p.m. on November 13, 2026**. All parties are asked to limit comments to 3 minutes. No discussion or action will be taken by the Board during public comments.

**Public Comments**

**To Approve**

1. Consent Agenda for the following:
    a. Minutes of regular meeting of October 19, 2026
    b. Service retirement benefits for new retirees, beneficiaries, and alternate payees

**To Discuss and Possibly Act On**

2. Consider approval and adoption of proposed revisions to Fund Rules regarding Group A Beneficiary Designations, including Post-Retirement Changes

3. Receive 2027 Cost of Living Adjustment (COLA) Analysis

4. Receive report on Investment Committee meeting held on November 16, 2026, including:
    a. Private Equity Program Structure Review
    b. Continuation of Baillie Gifford Evaluation
    c. Meketa 3Q26 Investment Report
    d. Public Manager Fee Review
    e. Economic and Market Update

5. Update on Initiatives for 2027 Legislative Session 90(R)

**For Discussion Only**

6. Executive Director Report, including the following:
    a. General comments
    b. Update on Asset/Liability Study for 2027
    c. Update on cyber-security and fiduciary liability insurance provider
    d. Final internal financial statements, transactions, and Fund expense reports for month ending September 30, 2026
    e. Draft internal financial statements, transactions, and Fund expense reports for month ending October 31, 2026

7. Roadmap for future meetings

8. Call for future agenda items

***Austin Firefighters Retirement Fund***
*4101 Parkstone Heights Drive, Suite 270*
*Austin, TX 78746*
*(512) 454-9567*

***NOTE:*** *The Board of Trustees of the Austin Firefighters Retirement Fund may meet in Executive Session on any item listed above in accordance with and as authorized by the Texas Open Meetings Act, Texas Government Code Ch. 551.*

***NOTE****: The City of Austin is committed to compliance with the American with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Meeting locations are planned with wheelchair access. If requiring Sign Language Interpreters or alternative formats, please give notice at least 2 days (48 hours) before the meeting date. Please contact our office at (512) 454-9567 for additional information; TTY users route through Relay Texas at 711.*

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# MINUTES
# BOARD OF TRUSTEES MEETING
# MONDAY OCTOBER 19, 2026, 1:30PM

**Board Members Present**
Aaron Woolverton, Chair (virtual)
Doug Fowler, Vice Chair
Belinda Weaver
John Bass (virtual)
Andrew Ratoza
Jie Li

**Staff and Consultants Present**
Anumeha Kumar, AFRF Executive Director
John Perryman, AFRF CFO
Gina Gleason, AFRF Board & Operations Specialist
Shira Herbert, AFRF Accounting & QC Specialist
Chuck Campbell, Jackson Walker
Laurel Malone, Jackson Walker

**Community Members Present**
Jan Wesson
Jeanne Bulla
Rene Vallejo
Virtual attendees not listed

**Vice Chair Fowler called the meeting to order at 1:38pm.**

Public Comments:

**Jan Wesson introduced herself as a member of the Fund and of the Austin Retired Fire Fighters Association (ARFFA). She thanked the board and staff for their efforts to protect the pension and shared that she had initially been worried that the proposed rule change could leave her wife unrecognized as her beneficiary if marriage equality were ever overturned because a 2015 change had previously impacted her ability to name a beneficiary. She shared that Anumeha Kumar had provided reassurance that a designated beneficiary would stay in place unless a member changed it. Ms. Wesson expressed confidence in the current board, but requested that clear rule language be added so that the outcome wouldn't depend on a future board's discretion.**

**Jeanne Bulla thanked the board and staff for keeping the pension solvent. She voiced support for Jan Wesson and other LGBTQ members, noting that while this board is supportive, the broader political climate is uncertain. She asked that the rule ensure beneficiary protections can't be taken away in the future, regardless of changes to equality in Texas or in the United States.**

I. Consent Agenda for the following:

a. Minutes of the regular meeting of September 28, 2026

b. Service retirement benefits for new retirees, beneficiaries, and alternate payees

**Trustee Weaver made a motion to approve the consent agenda. Trustee Li seconded the motion. The motion passed unanimously.**

II. Consider proposed changes to Fund Rules, including member comments

**Vice Chair Fowler introduced the item, noting that the Board approved the proposed rule changes**

**on first reading at its September meeting and posted them for member comment and that this meeting served as the second reading, with final adoption anticipated at the November meeting with an effective date of December 1, 2026. Anumeha Kumar reported that the Fund had notified all active and retired members of the proposed change, the open comment period, and the December 1 deadline for Group A retirees to make beneficiary changes. Of the member comments received, she explained, most concerned individual situations or sought clarification, while the substantive comments included those from Jan Wesson and Jeanne Bulla, another asserting that Group A beneficiary provisions should not change, and another with questions and concerns regarding some of the language included in the proposed rule changes. Ms. Kumar stated that full copies of all comments would be provided to the trustees after the meeting. Chuck Campbell addressed the comments, explaining that the statute already defined a spouse as a person in a legal marriage in any jurisdiction, so the definition need not be repeated in policy. He noted that changes in law are generally prospective and would not invalidate existing marriages, but even if a change were retroactive, the policy could allow a member to designate their invalidated spouse as beneficiary without an actuarial reduction, since the beneficiary would be the same person. He further clarified that members who marry after retirement are not required to replace an existing beneficiary designation; if they choose to name a new spouse, the prior designation remains in effect during the 24-month waiting period, so they are never without a beneficiary. He recommended adding non-substantive clarifying language on these points for the Board's consideration in November. Ms. Kumar stated that the clarifications do not require a Board motion and would be added to the posted draft for public comment, with the updated version presented for adoption in November. Trustee Weaver asked whether, in the event of a retroactive invalidation, the designation would be limited to the person who was the spouse at that time. Mr. Campbell confirmed it would; he added that a member could instead designate someone else, but that designation would be subject to an actuarial reduction. Ms. Kumar addressed a member comment concerning rule language that would grant the Fund full and absolute discretion and make beneficiary designations final and binding. Mr. Campbell explained that the language mirrored existing statutory authority and was intended to protect the board's benefit determinations from unnecessary litigation. Ms. Kumar reported that the clarifying language would be added to the draft and staff would notify members of the revisions, the open comment period, and the approaching deadline for beneficiary changes. No motion necessary.**

III. Update and consideration of 30-Month Review for Continuation of Disability Retirement Benefit for Applicant #2023-01 (Possible Closed Session)

**The board entered closed session at 1:55pm in accordance with the Texas Open Meetings Act pursuant to Texas Government Code Sections 551.0785 for deliberations involving the medical records of recent disability applicants and Section 551.071 for consultation with the Fund's attorney. The board resumed open session at 2:28pm with no action taken during the closed session. Vice Chair Fowler made a motion to reduce the disability benefit of Applicant #2023-01 in the amount as presented in accordance with the Fund's Disability Policy. Chair Woolverton seconded the motion. The motion passed unanimously.**

IV. Executive Director Report, including the following (Discussion Only)

a. General comments

**No general comments.**

b. Update on 2027 Investment Practices and Performance Evaluation

**Anumeha Kumar updated the board on the 2027 Investment Practices and Performance Evaluation (IPPE), which the Pension Review Board (PRB) requires every three years. She explained that the last IPPE was completed in 2024 and under its existing contract, the independent consultant, Callan, will conduct the evaluation again. She provided a timeline and informed that board that staff had already begun providing requested documents, Meketa will assist with Callan's questions, and Callan will also follow up on the implementation of its 2024 recommendations. Ms. Kumar stated that the goal was for Callan to present the completed report to the Board by April or May, ahead of the PRB's May 31 deadline.**

c. Draft internal financial statements, transactions, and Fund expense reports for month ending September 30, 2026

**Anumeha Kumar explained that the financial statements were provided in draft form because the books for September had not closed as of the meeting date. She stated that the final September financial statements and the draft October financial statements would be presented in November. She added that the Fund had been in talks with a potential new insurance provider, Gallagher, for cybersecurity and director and officers' fiduciary liability insurance, and would provide an update to the board in November.**

V. Roadmap for future meetings

**Anumeha Kumar stated that she would provide an update regarding legislative initiatives at the November meeting.**

VI. Call for future agenda items

**Trustee Li asked when the Baillie Gifford investment was slated to be discussed again, to which Anumeha Kumar confirmed that further discussion would occur at the November meeting.**

**Hearing no objections, Vice Chair Fowler adjourned the meeting at 2:35pm.**

**Board Members**
Aaron Woolverton, Chair
Doug Fowler, Vice Chair
Belinda Weaver
John Bass
Ryan Alter
Andrew Ratoza
Jie Li

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CONFIDENTIAL INFORMATION

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**November 3, 2026**

**RE: Proposed Amendment to Beneficiary Designation Rule**

Dear Members,

At its September 28, 2026 meeting, the Board of Trustees (the "Board") of the Austin Firefighters Retirement Fund (the "Fund") approved, on first reading, a proposed amendment to Section VI of the Fund Rules (the "Rule") governing beneficiary designations (the "Proposed Amendment"). The Proposed Amendment was then posted for member comment.

In accordance with the Fund's rule adoption procedure, the Board held the second reading of the Proposed Amendment at its regular meeting on Monday, October 19, 2026. At that meeting, the Board reviewed the member comments received and revised the language in response to several of them.

This letter summarizes the key changes, including those made in response to member comments, explains the reasons for them, and outlines the next steps in the process.

**Summary of the Proposed Amendment**

The Proposed Amendment, which applies to all Group A active members and retirees, makes three principal changes to the Rule:

- Discontinues the ability to change beneficiary designations after retirement except in two limited situations: (1) a post-retirement marriage of a retiree or (2) a retiree's youngest dependent child turning age 22 or otherwise no longer qualifying as a dependent child;
- For a limited group of active or retired members, invalidates beneficiary designation forms on file with the Fund if under the Fund's governing statute, survivor benefits are already automatically provided to a spouse or dependent child, including forms on file for (1) a member who is married as of December 1, 2026, (2) a member who has a dependent child, or (3) that improperly name a current or former spouse; and
- Disregards all existing contingent (backup) beneficiary designations.

The Board is proposing these changes in order to: (1) avoid unexpected actuarial costs by ensuring survivor benefits operate consistently with how they are funded and valued at the time of retirement; (2) minimize IRS compliance risk; (3) eliminate the practice of delaying beneficiary changes to the detriment of the Fund; and (4) safeguard the integrity of beneficiary designations.

**Summary of Updated Language**

After the first reading, the Proposed Amendment was posted to the Fund's website for member comments. The Board considered the comments received by the Fund and added language to the Proposed Amendment to reflect the following changes:

- **Waiting period clarification**. When a retiree designates a new spouse after retirement, the retiree's previous designation will remain in effect during the 24-month waiting period.

- **Protection against changes in marriage law**. If a change in state or federal law retroactively invalidates a member's marriage, the member may name that spouse as beneficiary within 90 days after the law takes effect at no additional cost to the member.

An updated redlined text of the Proposed Amendment is available for member comment on the Fund's website at: https://www.afrfund.org/News/48/Proposed-Fund-Rules-Revision/news-detail/.

**Next Steps**

The Board will consider the Proposed Amendment for final adoption at its regular meeting on November 16, 2026. If adopted, the rule will take effect on **December 1, 2026**.

**Beneficiary Changes Before December 1, 2026**

Between now and December 1, 2026, Group A retirees may still submit a new beneficiary designation or change an existing one under the current Rule, subject to the applicable actuarial reduction. After December 1, 2026, no further changes will be permitted except in the two limited circumstances described above.

If you have questions, please do not hesitate to contact the Fund office at (512) 454-9567 or staff@afrfund.org.

Sincerely,



**Anumeha Kumar**
Executive Director

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| Member | Comment Summary | Fund Response |
|---|---|---|
| A | Requested clarification on second bullet point of FAQ, definition of Group A and Group B, and if his spouse would remain his beneficiary. | Provided additional resources pertaining to the rule change, defined Group A and B by January 1, 2026, hire date and confirmed his spouse would remain his beneficiary. |
| B | Questioned whether the rule change had already been passed, based on wording in the letter. | Clarified that the rule change had not been passed yet. |
| C | Questioned if any personal action was needed to maintain current beneficiary designation. | Confirmed that current valid beneficiary designation would not change. |
| D | Asked how to determine current beneficiary designation, if the rule would impact post-retirement marriages prior to January 1, 2023, and how the death of a former spouse (with QDRO) would impact a member's benefit. | Answered member questions regarding his personal circumstances. |
| E | Asked if his new spouse would be eligible for a benefit following a divorce. | Answered member questions regarding his personal circumstances. |
| F | Requested definition of Group A and Group B | Defined Group A and Group B by January 1, 2026, hire date |
| G | Suggested that Group A members be able to name a new beneficiary, with actuarial reductions, if their designated beneficiary dies. Asked question about reduction for naming a significantly younger beneficiary. | Acknowledged member suggestion and answered personal beneficiary question. |
| H | Suggested that the rule should define what counts as a valid marriage, including whether out-of-state and foreign marriages are recognized and should specify what documentation is required for marriages performed outside the U.S. Expressed concern that a marriage could void an existing beneficiary designation without making the new spouse eligible for benefits. Suggested that the rule should state what happens to the benefit if the retiree dies before the 24-month marriage period is complete. Asked if the benefit would revert to the previously designated beneficiary or be forfeited? Expressed concern regarding the Fund's “full and absolute discretion" and beneficiary designations being "final and binding." | Confirmed that comments would be shared with the Board of Trustees. |
| I | Questioned whether a rollback of marriage equality would nullify beneficiary designations for retired members in same-sex marriages and cited historical context for the concern. Suggested an amendment be added to protect beneficiary designations for LGBTQ members. | Confirmed that comments would be shared with the Board of Trustees. |
| J | Echoed concerns and request regarding the protection of LGBTQ beneficiary designations. | Confirmed that comments would be shared with the Board of Trustees. |
| K | Questioned whether all current beneficiaries were being invalidated/deleted and expressed concern that NRA retirees would no longer have a beneficiary if they were unmarried without dependent children. Requested clarification regarding reductions that would apply to a post-retirement marriage. | Clarified that valid designations made at the time of retirement would remain valid and that members can still name a non-spouse under NRA at the time of retirement if they have no spouse or dependent children. Provided age-reducation information based on member's individual circumstance and clarified that the reduction was already in place prior to |
| L | Expressed concern that the rule change would not allow for the naming of a trust. | Clarified that a trust could be named as beneficiary of a DROP account, but law does not permit a trust to be named for retirement annuity payments. |
| M | Questioned what happens if a member becomes widowed or divorced after retirement, and what happens if the member remarries but dies shortly before the 24-month waiting period is reached. | Explained that the retiree would have no beneficiary in the described circumstance and the benefit would end upon their death. Noted that the 24-month waiting period was not new; it had also been in place before September 1, 2025. |
| N | Asked if his current beneficiary was still valid. | Confirmed member's beneficiary remained valid. |
| O | Asked if his current beneficiary was still valid. | Confirmed members's beneficiary remained valid. |

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*Please note that revisions highlighted below are proposed changes made after the first reading of these Rules and which were made pursuant to comments received from members.*

**DRAFT FOR MEMBER COMMENT**

# AUSTIN FIREFIGHTERS RETIREMENT FUND

## Fund Rules

***Amended and Restated, Effective ~~June 2~~December 1, 2026***

## I. Purpose

Pursuant to Section 2.11 of Vernon's Texas Civil Statutes Article 6243e.1 (the "***Act***"), the board of trustees (the "***Board***") of the Austin Firefighters Retirement Fund (the "***Fund***") may adopt rules desirable for the efficient administration of the Fund and in order to ensure that the Fund may satisfy the qualified plan requirements under the Internal Revenue Code of 1986, as amended (the "***Code***"). In addition, the Board has specific authority to adopt rules and procedures under various sections of the Act. These rules (the "***Rules***") are adopted pursuant to the applicable provisions of the Act as referenced below.

## II. General Fund Rules

1. Definitions. Unless otherwise specifically provided in these Rules, the terms and phrases used herein have the meanings assigned by Section 1.02 of the Act.

2. Operating Name. Pursuant to the authority granted to the Board in Section 1.031 of the Act, the Fund has adopted the name "Austin Firefighters Retirement Fund" as the name under which the Fund may operate and brand itself. Notwithstanding the previous sentence, the Fund's legal name shall remain as the "Austin Fire Fighters Relief and Retirement Fund" as prescribed by Section 1.03 of the Act. References to "Austin Firefighters Retirement Fund" and "Austin Fire Fighters Relief and Retirement Fund" in any Fund documents and communications shall be understood as synonymous.

## III. Qualified Plan Rules

1. Qualified Plan. All assets contributed to the Fund will be held in trust, separate from the assets of the municipality, and maintained and administered by the Board for the exclusive purpose and benefit of all members, retirees, and beneficiaries of the Fund. At no time before the termination of the Fund and the satisfaction of all liabilities with respect to members, retirees, and their beneficiaries shall any part of the principal or interest of the assets of the Fund be used for or diverted to purposes other than the exclusive benefit of members, retirees, and their beneficiaries. The Fund and the assets held in trust thereunder are intended to qualify under Section 401(a) of the Code, be exempt from federal taxes under Section 501(a) of the Code, and conform at all times to applicable requirements of law, regulations, and orders of duly constituted federal governmental authorities. Pursuant to Section 2.015 of the Act, the Fund shall be administered in a manner that maintains the qualified status of the Fund under Section 401(a) of the Code. Accordingly, if any provision of the Act and these Rules is subject to more than one construction, one of which will permit the qualification of the Fund, that construction that will permit the Fund to qualify and conform will prevail. At no time shall any part of the assets of the

Fund revert back to the municipality unless the reversion is due to a good faith mistake of fact.

2. Required Minimum Distributions. Effective January 1, 2003, a member's entire interest under the Fund shall be distributed, or begin to be distributed, by the required beginning date prescribed by Code Section 401(a)(9) and Treasury Regulations §§1.401(a)(9)-1 through 1.401(a)(9)-9 (the "***401(a)(9) Requirements***"), and any distribution under the Fund shall at all times comply with the 401(a)(9) Requirements. Any distribution required under the incidental death benefits requirements of Code Section 401(a) shall be treated as a distribution required by the 401(a)(9) Requirements. For purposes of clarity, provisions of the Act and these Rules may provide for the timing of distribution of benefits that is earlier than the required beginning date under the 401(a)(9) Requirements, including distributions from the DROP (as defined in Section V of these Rules), as long as such distributions otherwise comply with the 401(a)(9) Requirements.

3. Rollovers. Effective January 1, 1993, any member or eligible beneficiary who is entitled to receive any distribution that is an eligible rollover distribution is entitled to have that distribution transferred directly to another eligible retirement plan of the member's or eligible beneficiary's choice on providing direction to the Fund regarding that transfer in accordance with procedures established by the Board. For purposes of this Rule, the following terms shall be defined as provided below:

   (a) An "eligible rollover distribution" is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's eligible beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code section 401(a)(9); the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities described in Code section 402(e)(4)); and other amounts determined to not be eligible rollover distributions under applicable law, including the Code and regulations issued pursuant to the Code (see, e.g., Regulation § 1.402(c)-2, Q&A-4).

   Effective January 1, 1999, an "eligible rollover distribution" also does not include any amount that is distributed on account of hardship or unforeseeable emergency.

   (b) An "eligible retirement plan" is an individual retirement account described in Code section 408(a), an individual retirement annuity (other than an endowment contract) described in Code section 408(b), that accepts the distributee's eligible rollover distribution, a qualified retirement plan described in section 401(a) or section 403(a), of the Code. The definition of

eligible retirement plan shall also apply in the case of a distribution to an eligible beneficiary, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in section 414(p) of the Code; provided, however, if the distributee is an eligible beneficiary of a deceased member who is not a surviving Spouse, a direct rollover is only available to an individual retirement account described in Code section 408(a) or an individual retirement annuity (other than an endowment contract) described in Code section 408(b) that has been established on behalf of the eligible beneficiary as an inherited IRA (within the meaning of Code section 408(d)(3)(C)) and is subject to the requirements of Code section 401(a)(9).

Effective January 1, 2002, an "eligible retirement plan" also includes a tax sheltered annuity plan described in section 403(b) of the Code, and an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Fund.

(c) A "distributee" includes a member and a participant's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code section 414(p).

Effective January 1, 2007, a "distributee" also includes the eligible beneficiary of a deceased member to the extent permitted in Code Section 402(c)(11).

(d) A "direct rollover" is a payment by the Fund to the eligible retirement plan specified by the distributee. The Fund shall be responsible for providing, within a reasonable period of time prior to making an eligible rollover distribution, an explanation to a member of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

4. Nonforfeitability upon Plan Termination. The retirement benefit earned by a member shall become nonforfeitable, to the extent funded (if not already nonforfeitable), upon the termination or partial termination of the Fund or the complete discontinuance of contributions to the Fund.

5. Forfeitures. Amounts representing forfeited nonvested benefits of terminated members may not be used to increase benefits payable from the Fund but may be used to offset obligations for future plan years.

6. Code Section 401(a)(17) Limits. Effective for plan years beginning on or after January 1, 1996, the total compensation taken into account for any purpose for any member of the Fund may not exceed that annual compensation limit under Code Section 401(a)(17), as shall be periodically adjusted in accordance with guidelines provided by the United States Secretary of the Treasury. For plan year 2021, such annual compensation limit is $290,000.

7. USERRA. Notwithstanding any provision in the Act to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u), effective January 1, 1998, and Code Section 401(a)(37), effective as set forth below, including, without limitation, in accordance with the provisions set forth below.

(a) Definitions. For purposes of this paragraph 7, the following terms shall be defined as provided below:

(i) Differential Wage Payment. The term "Differential Wage Payments" means any payment as defined in Code Section 3401(h) which is made by the municipality for a pay period after December 31, 2008, and that (a) is made to a member with respect to any period during which a member is performing Qualified Military Service; and (b) represents all or a portion of the remuneration such member would have received from the municipality if the individual was performing services for the fire department.

(ii) Qualified Military Service. The term "Qualified Military Service" means any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) by any member if such member is entitled to USERRA Reemployment Rights under such chapter with respect to such service.

(iii) USERRA Reemployment Rights. The term "USERRA Reemployment Rights" means the rights and benefits to which a member covered under USERRA is entitled upon his or her return from Qualified Military Service. A member will not be entitled to USERRA Reemployment Rights if (a) such member did not provide advance notice of his or her military service to the fire department; or (b) such individual had more than five years of cumulative Qualified Military Service measured from his or her date of hire to his or her date of return to employment with the fire department.

(b) Death Benefits.

(i) Deemed Reemployment Date. A member who dies on or after January 1, 2007, while performing Qualified Military Service (an "***Eligible Deceased Member***") will be deemed (a) to have resumed employment with the fire department as of the day preceding the date of his or her death (the "***Deemed Reemployment Date***" for purposes of this paragraph); and (b) to have terminated service on the date of his or her death.

(ii) Additional Benefits. To the extent the Fund provides for any benefits that are contingent upon the member's death, then an Eligible Deceased Member will be provided with such benefits. Such benefits must be

provided to all similarly-situated individuals in a uniform, non-discriminatory manner.

(iii) Service. An Eligible Deceased Member shall receive service under the Fund for the period of the Qualified Military Service during which the member died for purposes of attaining eligibility to receive the benefits provided under the Fund and, to the extent the requirements of Section 4.02 of the Act and Rule XV are otherwise satisfied, for purposes of calculating benefits. For purposes of Section 4.02 and consistent with subparagraph 7(b)(i) above, an Eligible Deceased Member will be treated as returning to service on the day preceding the date of his or her death, and an eligible spouse or other beneficiary may file the application, make the required contributions, and provide the proof required under Section 4.02 of the Act and in accordance with Rule XV.

(c) Differential Wage Payments.

(i) Employee Status. Effective January 1, 2009, an individual receiving Differential Wage Payments from the municipality will be treated as an active member and will receive service under the Fund during such period for purposes of attaining eligibility to receive the benefits under the Fund and the calculation of such benefits.

(ii) Compensation. The term "Compensation" as used under the Act for purposes of calculating benefits or determining contributions will include any amounts paid by the municipality as a Differential Wage Payment.

8. Code Section 415 Limits. Pursuant to Section 9.03(a) of the Act, a member or beneficiary of a member of the Fund may not accrue a benefit, in excess of the benefit limits applicable to the Fund under Section 415 of the Code. The Board shall reduce the amount of any benefit that exceeds those limits by the amount of the excess. If the total benefits under this Fund and the benefits and contributions to which any member is entitled under any other qualified defined benefit plan maintained by the municipality that employs the member would otherwise exceed the applicable limits under Section 415 of the Code, the benefits the member would otherwise receive from the Fund shall be reduced to the extent necessary to enable the benefits to comply with Section 415 of the Code. For purposes of determining applicable benefit limitations under Code section 415, the limitation year shall be the calendar year.

9. Actuarial Assumptions. The Fund's actuarial equivalence assumptions shall be those as specified in Appendix A of these Rules.

(a) Notwithstanding such Appendix A or any other plan provisions to the contrary, effective January 1, 2008, the applicable mortality table used for purposes of adjusting any benefit or limitation under §415(b)(2)(B), (C), or

(D) of the Code and the applicable mortality table used to satisfy the requirements of §417(e) of the Code (if and as such requests are applicable) is the table prescribed in Treasury Regulation § 1.430(h)(3)-1.

(b) For distributions with annuity starting dates after December 31, 2002 and before January 1, 2008, the applicable mortality table shall be the applicable mortality table provided in Rev. Rul. 2001-62.

(c) For distributions with annuity starting dates on or prior to December 31, 2002, the applicable mortality table shall be the applicable mortality table provided in Rev. Rul. 92-19.

10. Exemption of Benefits from Judicial Process, Assignment or Alienation.

(a) All assets held in trust under the Fund, and all rights and all accrued and accruing benefits of any member, may not be (A) held, seized, taken, subjected to, or detained or levied on by virtue of any execution, attachment, garnishment, injunction, or other writ, order, or decree, or any process or proceedings issued from or by any court for the payment or satisfaction, in whole or in part, of any debt, damage, claim, demands, or judgment against any member entitled to benefits, or (B) assigned or otherwise alienated.

(b) The preceding provisions of these Rules shall not preclude the withholding of Federal taxes from pension benefits, the recovery by the Board of overpayments of benefits previously made to any person, the direct deposit of benefit payments to an account in a bank, savings and loan association or credit union (provided such arrangement is not an alienation), or, pursuant to any policy adopted by the Board and uniformly applied to any voluntary arrangement for the withholding and direct payment of health care or life insurance premiums or similar payments from his or her monthly benefit payments. An attachment, garnishment, levy, execution or other legal process is not considered a voluntary arrangement.

## IV. Trustee Nomination Procedures

1. Background. Section 2.03(b) of the Act provides that, in the event only one firefighter or retiree is nominated for a position pursuant to Section 2.03(c) of the Act, the Board may appoint the sole nominated candidate through procedures established by the Board prior to any nominations, with such appointment to be held at the first board meeting in January in lieu of holding an election. The Rules in this Section IV set forth such procedures and take effect for the nominations period beginning September 1, 2015.

2. Notice of Nomination Period. Pursuant to Section 2.03(c) of the Act, the period for nominating candidates for the election of a member of the Board begins on September 1 and ends September 15 of each calendar year ("***Nomination Period***"). Prior to each election period, the Fund will provide notice to active members of the Nomination Period through posting at fire stations (either electronically or in a

physical location where postings typically are made) and will provide notice to retirees through regular mail. In addition, notice of the Nomination Period will be posted on the Fund's website.

3. Form of Nominations. Pursuant to Section 2.03(c) of the Act, nominations may be made in person, by mail, by telephone, or by any other method approved by the Board, including by e-mail or facsimile. Nominations must be received prior to the end of the Nomination Period, between September 1 and September 15. A nomination sent prior to the end of the Nomination Period, but not received by the Fund until after the Nomination Period, does not satisfy the above requirement.

4. Re-opening of Nominations Period. In the event that no candidate has been nominated following the Nomination Period ending September 15, the Board will re-open the Nomination Period and establish the final day of such period, which will not be later than October 31 of the same calendar year. Notice of the re-opening of the Nomination Period will be provided in the same manner as described in paragraph 2 in this Section IV.

5. Nomination of Sole Candidate. If at the end of a Nomination Period, only one candidate has been nominated, the Fund will notify members and retirees in the same manner as described in paragraph 2 in this Section IV that only one candidate has been nominated and that no election will be held. The Board will appoint this candidate to the Board at its January meeting following the nomination.

## V. DROP Distributions

1. Background. Section 8.05(d) of the Act provides that the Board may adopt rules that modify the availability of distributions under the deferred retirement option plan (the "***DROP***"), provided that the modifications do not (A) impair the distribution rights under Section 8.05(a) of the Act, which provides for four lifetime payments prior to April 1 of the year after the member attains 70 ½ years of age or (B) cause distributions to occur later than as required under Section 401(a)(9) of the Code. The Rules in this Section V modify the availability of DROP distributions as contemplated under Section 8.05(d) of the Act.

2. Additional Distributions from DROP Account for Members. In addition to the distribution options available under Section 8.05(a) of the Act, a member who participates in the DROP may take up to twelve distributions prior to April 1 of the year after the member attains 70 ½, but no more than four distributions in any given calendar year.

3. Distributions from DROP Account by Non-Member.

   (a) *Alternate Payees*. In accordance with Section 9.11(b) of the Act, any portion of a member's DROP account that is awarded to an alternate payee pursuant to a qualified domestic relations order (QDRO) shall be distributed in a single lump-sum payment as soon as administratively practicable after the

alternate payee is first entitled to the distribution of such amounts as determined by the Fund.

(b) *Designated Beneficiaries*. In accordance with Section 8.07 of the Act, if a member who participates in the DROP dies before distribution of the member's entire DROP account, distributions will be made to the designated beneficiary for the DROP account. Distributions to the designated beneficiary must begin no later than one (1) year after the member's death and shall be made as either a single-payment distribution or in not more than four equal annual installments over a period of not more than 37 months.

4. Implementation. The distribution option under paragraph 2 of this Section V will apply (A) to all DROP accounts established on or after the effective date of these Rules as amended, and (B) to DROP accounts of a member established prior to the effective date of these Rules as amended, provided that any distributions taken by a member from his or her DROP account prior to the effective date of these Rules as amended will be counted against both the twelve total distribution limit and the four annual distribution limit provided in paragraph 2 of this Section V.

## VI. Beneficiary Designations

1. Background. Section 7.09 of the Act provides that a retiree or member eligible to retire may designate a beneficiary for a survivor benefit on a form provided by the Fund if the Act does not otherwise provide a benefit payable to a spouse or child of the member or retiree upon his or her death. Pursuant to Section 2.11 of the Act, the Board may adopt rules it considers necessary or desirable for the efficient administration of the Fund. In addition, Section 7.09 of the Act provides that the Board may adopt rules to establish procedures for and requirements governing beneficiary designations. Through this Section VI, the Board adopts rules and procedures for designating beneficiaries under Section 7.09 of the Act, including limiting the circumstances under which such designations can be made. This Section VI is intended to replace and supersede any previous policy relating to beneficiary designations established by the Board and only applies to Group A members.

2. Form. A form established by the staff of the Fund shall be utilized for purposes of designating a beneficiary under Section 7.09 of the Act, and such form shall be the only method by which a beneficiary may be designated under such section. Any attempt by the member to designate a beneficiary other than through the form established by the Fund's staff, whether electronically, in writing or verbally, shall have no effect.

3. Eligibility—Active Members. An active member who is vested and eligible to retire may designate or change a beneficiary under Section 7.09 if such member (A) is unmarried and (B) does not have a living child who is unmarried and under the age of twenty-two (a "***Dependent Child***"). Any form submitted to the Fund ~~following~~

~~September 1, 2012~~ that is executed on a date on which the member submitting the form is either married or has a Dependent Child shall have no effect and be null and void. An active member is not subject to a benefit reduction described in paragraph 4 below for any change in beneficiary while an active member.

4. Eligibility—Retired Members.

(a) A ~~retired~~ member who is retiring may designate ~~or change~~ a beneficiary under Section 7.09 at the time of retirement if no survivor benefit is otherwise payable to a surviving spouse or Dependent Child of the member~~ if such member agrees to the benefit adjustment described in subsection (d) below.~~. Effective December 1, 2026, after a member's date of retirement, a retired member may not designate or change a beneficiary except in the following circumstances and only if no survivor benefit is otherwise payable to a surviving spouse or Dependent Child of the member:

i. Post-Retirement Marriage. A retiree who marries after retirement may designate the retiree's new spouse as a beneficiary within ninety (90) days after the date of marriage, provided that such beneficiary designation will only take effect if (i) the spouse is married to the retiree for at least twenty-four (24) consecutive months following the designation of the beneficiary and (ii) the retiree does not have a Dependent Child who is otherwise entitled to a survivor benefit at the time of such designation. Until such beneficiary designation takes effect after the twenty-four (24) month period, any beneficiary designation previously on file with the Fund shall remain in effect.

ii. Youngest Dependent Child Reaches Age Twenty-Two (22). If, at the time of retirement, the retiree had a Dependent Child, and the youngest such Dependent Child subsequently reaches age twenty-two (22), or otherwise no longer qualifies as a Dependent Child, such that the retiree no longer has a Dependent Child entitled to benefits under Section 7.05 of the Act, the retiree may designate a beneficiary within ninety (90) days after the date such child attains age twenty-two (22), or otherwise no longer qualifies as a Dependent Child, provided that such beneficiary designation will only take effect if the retiree does not have a surviving spouse who is otherwise entitled to a survivor benefit at the time of such designation.

~~(b)~~ Notwithstanding the above, except as provided in paragraph 9 below, any beneficiary designation or change in beneficiary occurring after the member's date of retirement is subject to the actuarial reduction described in subsection (c) below. For purposes of clarity, this reduction will take effect at the time of the beneficiary change even if such designation has not taken effect due to the 24-month waiting period referenced in subsection 4(a)(i). Additionally, notwithstanding the above, a retiree will not be eligible to

designate or change a beneficiary after retirement if such retiree has already made two designations or changes following his or her date of retirement~~, and such two designations or changes occurred on or after January 1, 2017~~.

(b) ~~(c) For a~~The following rules shall apply with respect to a retiree's post-retirement marriage ~~that occurs on or after September 1, 2025,~~and the eligibility of the retiree's spouse ~~will not automatically become eligible~~ for a survivor benefit from the Fund~~. The retiree may name such individual as a designated beneficiary in accordance with this rule if the member is otherwise eligible to do so.~~:

i. Post-Retirement Marriage Prior to September 1, 2025. For a post-retirement marriage that ~~occurs~~occurred prior to September 1, 2025, the retiree's spouse will be eligible for the survivor benefit provided under Section 7.02 of the Act if the spouse was married to the retiree on the retiree's death and for at least 24 consecutive months prior to the retiree's death. In the event a spouse's entitlement to a survivor benefit described in this subsection (b) results in a change to the individual entitled to receive survivor benefits, this change ~~in beneficiary~~ shall occur without a reduction to the member's benefit as described in subsection (~~d~~c) below, and any existing beneficiary designation on file at the time the retiree's spouse becomes entitled to a survivor benefit under this subsection (b)(i) shall be treated as null and void in accordance with subsection 6(b)(i) below.

ii. Post-Retirement Marriage On or After September 1, 2025. For a post-retirement marriage that occurs on or after September 1, 2025, the retiree's spouse will not automatically become eligible for a survivor benefit from the Fund. The retiree may name such new spouse as a designated beneficiary in accordance with subsection (a)(i) above subject to the actuarial reduction described in subsection (c) below.

(c) ~~(d)~~ A retiree who designates or changes a beneficiary as provided in subsection (a) above must agree to a benefit reduction for the designation or change to take effect. The benefit reduction will be determined by treating the monthly benefit amount that the retiree is receiving at the time of the designation or change of beneficiary as a single life annuity for the life of the retiree and converting ~~such~~the actuarial present value of that single life annuity ~~into the form of benefit that the retiree was receiving under the Fund at the~~, as of the time of the designation or change of beneficiary, into an actuarially equivalent benefit in the retiree's existing benefit form, reflecting the newly designated beneficiary and the applicable survivor percentage, taking into account the current ~~age~~ages of the retiree and the beneficiary~~. The method~~ as of the same date. The conversion described above ~~will be determined by the Fund's actuary and~~is based on the actuarial

~~assumptions~~equivalence described in Appendix A in effect under the Fund at the time of the designation or change. The reduction described in this paragraph will apply to any designations or changes in beneficiaries on or after ~~January~~December 1, ~~2017~~2026, and such reduction will take effect at the time of the change in beneficiary.

5. Requirements for Beneficiaries. A beneficiary may be any living person selected by the member.

6. Termination and Nullification of Certain Beneficiary Designations. The following rules shall apply with respect to the termination and nullification of certain beneficiary designations, even if previously accepted by, and currently on file with, the Fund:

(a) *Active Members*.

i. Married Active Members. Any beneficiary designation form on file with the Fund of an active member that is married as of December 1, 2026 shall be treated as null and void. Any beneficiary designation form on file with the Fund of an active member that marries after December 1, 2026 shall be treated as null and void as of the date of the active member's marriage.

ii. Spouse Named on Beneficiary Designation Form. Any beneficiary designation form on file with the Fund of an active member that names a current or former spouse as a primary beneficiary shall be treated as null and void.

iii. ~~6. Termination of~~Birth or Adoption of a Dependent Child. In the event of the birth or adoption of a Dependent Child, any beneficiary designation~~. A previously submitted beneficiary designation form shall become~~ form on file with the Fund of an active member shall be treated as null and void as of ~~(i) in the event of a post-retirement marriage prior to September 1, 2025,~~ the date that the member's ~~spouse~~Dependent Child would be eligible for survivor benefits under Article 7 of the ~~Fund (if at all), or (ii) in~~ Act.

(b) *Retired Members*.

i. Married as of December 1, 2026. Any beneficiary designation form on file with the Fund of a retired member who is married as of December 1, 2026 shall be treated as null and void as of such date, except for any such form of a married retired member who: (A) married after his or her retirement and on or after September 1, 2025; or (B) married prior to September 1, 2025 but his or her spouse is not eligible for a survivor benefit under Section 7.02 of the Act as of December 1, 2026. Any beneficiary designation form of a retired member designated under subsection (b)(i)(B) above will be null and

void as of the date the spouse of such retired member becomes eligible for a survivor benefit under Section 7.02 of the Act.

ii. Spouse Named on Beneficiary Designation Form. Any beneficiary designation form on file with the Fund of a retired member that names a current or former spouse as a primary beneficiary shall be treated as null and void unless the retiree agreed to and accepted an actuarial reduction to his or her benefit at the time of designation as set forth in the rule at the time of the designation.

iii. Birth or Adoption of a Dependent Child. In the event of the birth or adoption of a Dependent Child, any beneficiary designation form on file with the Fund of a retired member shall be treated as null and void as of the date that the retired member's Dependent Child would be eligible for survivor benefits under Article 7 of the ~~Fund. For the avoidance of doubt, a post-retirement marriage that occurs on or after September 1, 2025 shall not nullify a previously submitted beneficiary designation form.~~ Act. At such time that the retired member's youngest Dependent Child reaches age twenty-two (22), or otherwise no longer qualifies as a Dependent Child, the retired member is eligible to designate a beneficiary in accordance with subsection 4(a)(ii) above.

(c) Notwithstanding the foregoing, any beneficiary designation under which benefits have commenced and are being received by the designated beneficiary as of December 1, 2026 shall not be nullified.

(d) The nullification of a beneficiary designation pursuant to this paragraph 6 shall be permanent and shall not be reinstated.

7. Contingent Beneficiary Designations. All contingent beneficiary designations on file with the Fund shall be disregarded. If the form providing for a contingent beneficiary also contains an otherwise valid primary beneficiary designation, the primary beneficiary designation shall remain valid and will not be invalidated by this paragraph 7.

8. ~~7.~~ Reduction of Benefit for Beneficiary 10 or More Years Younger. The reduction of a beneficiary's benefit as described in Section 7.09(c) for a beneficiary of a member (active or retired) who is 10 or more years younger than the member at the time of the member's death will be determined in accordance with tables provided by the Fund's actuary and approved by the Board, as may be updated from time to time at the recommendation of the Fund's actuary. The tables as approved by the Board are set forth in Appendix B. For the purposes of clarity, this paragraph 8 applies to post-retirement beneficiary designations and changes made pursuant to paragraph 4(a) above, including, without limitation, any designations of a spouse pursuant to paragraph 4(a)(i).

9. Change in Law Invalidating Marriage. Notwithstanding paragraph 4 above, if a change in applicable law causes a retiree's marriage to be invalid, such that the retiree's spouse is no longer entitled to a survivor benefit, the retiree may designate the individual to whom the retiree was married immediately prior to such change in law as a beneficiary within ninety (90) days after the effective date of such change in law. Such designation shall not be subject to the actuarial reduction described in paragraph 4(c) above and shall not be treated as null and void under paragraph 6 above.

10. ~~8.~~ Administration. The application, administration and interpretation of this Section VI shall be at the full and absolute discretion of the Fund. Any decision relating to a beneficiary designation under this policy by the Fund shall be final and binding.

~~9. Termination of Provisional Beneficiary Designation. All provisional beneficiary designations made by members during the period beginning May 1, 2016 through June 1, 2016, on the special form provided by the Fund for such purpose (the "Provisional Designations") will expire at 12:00 am on November 1, 2016 (the "Expiration Date") and be null and void. No individual named under Provisional Designations will have any right or interest in the Fund following the Expiration Date solely by virtue of being named in such Provisional Designation. The Board did through action at its meeting of August 18, 2016 extend the survival period for Provisional Designations through the Expiration Date.~~

## VII. [Repealed]

## VIII. [Repealed]

## IX. [Repealed]

## X. Optional Forms of Benefit

1. Background. Section 9.10 of the Act provides the Board with the authority to approve optional forms of retirement benefits that members may elect in lieu of such member's normal form of retirement benefit payable under the Act (the "***Normal Form of Benefit***"), provided that such optional form must be certified by the Fund's actuary to be the actuarial equivalent of the member's Normal Form of Benefit.

   The Rules under this Section X are intended to establish the optional forms of retirement benefits that Group A and Group B members may elect upon retirement and the requirements and procedures with respect to the member's election of such optional forms. This Rule, as amended, will take effect on June 2, 2026.

2. Optional Forms of Benefit for Group A Members. Under the Act, the Normal Form of Benefit for a Group A member is a **75% joint and survivor annuity**, pursuant to which the Fund (i) will pay a monthly annuity benefit to the member for life and (ii) upon the member's death, will continue to pay a reduced survivor annuity benefit to the member's spouse or other beneficiary (as determined under the Act) for life.

   (a) Single Life Annuity. Upon retirement and in lieu of the Normal Form of Benefit, a Group A member may elect the "***Single Life Annuity Option***", provided that the requirements of this paragraph (a) are satisfied. The Single Life Annuity Option will provide the member with an increased monthly annuity benefit to the member for life, but will provide no survivor benefit.

      i. *Calculation of Single Life Annuity*. The Single Life Annuity Option will be actuarially equivalent to the Normal Form of Benefit. The amount of the member's monthly annuity will be increased if the Single Life Annuity Option is selected so that such benefit is the actuarial equivalent of the Normal Form of Benefit that the member would have otherwise been eligible to receive. The method and process for such conversion to the Single Life Annuity Option will be determined by the Fund's actuary and shall be based on the actuarial assumptions set forth in Appendix A with the assumption that the member's spouse or designated beneficiary under the Normal Form of Benefit is the same age as the member, regardless of the actual age of the spouse or designated beneficiary.

      ii. *Participation in DROP*. If the member elects to participate in the Fund's deferred retirement option plan ("***DROP***"), the amounts credited to a member's DROP account that relate to annuity payment amounts will be adjusted to reflect the Single Life Annuity Option election.

      iii. *Spousal Consent*. The spouse of a Group A member who elects the Single Life Annuity Option must consent to such election for the election to be valid and take effect. The consent must be in writing and witnessed by an employee or officer of the Fund or acknowledged by a notary public. If a member's spouse has been adjudicated incompetent, the consent may be given by the spouse's guardian in accordance with Section 9.10(g) of the Act and or by the member in accordance with Section 9.10(h) of the Act.

      Notwithstanding the above, spousal consent is not required if the Board determines that (A) no spouse exists, (B) the spouse cannot be located, (C) the first anniversary of the marriage will not occur before the date that the first annuity from the Single Life Annuity Option becomes payable, or (D) a former spouse is entitled to receive a portion of the member's optional retirement benefit under

a qualified domestic relations order (see Section 9.10(i) of the Act). To clarify (D) above, the spousal consent requirement will still apply as to any current spouse of a member, even if the member has a qualified domestic relations order on file with the Fund for a former spouse.

With respect to all Board determinations under this paragraph 2(a)(iii) of Section X, (A) the Board may request further action, information and documentation as it deems necessary to make any determinations, including, without limitation, a statement by an independent physician of the spouse's mental condition, and shall not be required to make a determination if it has not received such requested information or documentation; and (B) all such determinations will be made at sole and absolute discretion of the Board, and its determination shall be final and binding.

(b) Guaranteed Term of Payments. Upon retirement, a Group A member may elect the "***Guaranteed Term Option***" (also referred to as "***Option 2***"), provided that the requirements of this paragraph (b) are satisfied. The Guaranteed Term Option will provide a reduced monthly annuity benefit to the member for life and will guarantee that either the member's spouse, designated beneficiary or estate, as applicable, would receive a 100% survivor benefit if the member dies within the first ten (10) years (the "***Guaranteed Period***") after annuity payments commence to the member for the remainder of such ten-year Guaranteed Period. Following the end of the Guaranteed Period, the amount of the survivor benefit (if any) to be paid under the Guaranteed Term Option will be based on the applicable terms of the Fund and these Rules, the member's monthly annuity at the time of death, the form of benefit that the member elected at retirement, and in the case of a survivor who is a designated beneficiary, the age of such beneficiary. An estate is not eligible to receive a survivor benefit beyond the Guaranteed Period.

i. *Eligibility for Guaranteed Term Option.* The Guaranteed Term Option may be elected by a Group A member who chooses either the Normal Form of Benefit or the Life Annuity Option.

ii. *Calculation of Guaranteed Term Annuity*. The Guaranteed Term Option will be actuarially equivalent to the Normal Form of Benefit. The amount of the member's monthly annuity will be reduced if the Guaranteed Term Option is selected so that such benefit is the actuarial equivalent of the Normal Form of Benefit (taking into consideration any Life Annuity Option election, if applicable) that the member would have otherwise been eligible to receive. The method and process for such conversion to the Guaranteed Term Option will be determined by the Fund's actuary and shall be based on the actuarial assumptions set forth in

Appendix A with the assumption that the member's spouse or designated beneficiary under the Normal Form of Benefit is the same age as the member, regardless of the actual age of the spouse or designated beneficiary.

iii. *Participation in DROP*. If the member elects to participate in DROP, (A) the amounts credited to a member's DROP account that relate to annuity payment amounts will be adjusted to reflect the Guaranteed Term Option election, and (B) the Guaranteed Period will commence as of the retirement date that is selected by the member for purposes of DROP (i.e., the DROP Effective Date) and not the member's actual date of termination of active service.

iv. *Beneficiary During Guaranteed Term*. For purposes of payments to be made during the Guaranteed Term Option, (i) if the member was married at the time of death, the member's spouse will receive the payments, (ii) if the member was not married but had dependent children at the time of death, the payments will be made to the member's dependent children in equal shares, or (iii) if the member had no spouse or dependent children at the time of death, the beneficiary that the member designated to receive the survivor annuity benefit will receive the payments.

3. Optional Forms of Benefit for Group B Members. Under the Act, the Normal Form of Benefit for a Group B member is a **single life annuity**, pursuant to which the Fund will pay a monthly annuity benefit to the member for life, but no survivor benefit shall be payable. In lieu of the Normal Form of Benefit, a Group B member may elect one of the following options at retirement:

(a) Joint and Survivor Annuity. Upon retirement, a Group B member may elect a "***Joint and Survivor Option***", provided that the requirements of this paragraph (a) are satisfied. The Joint and Survivor Option will provide (i) a reduced monthly annuity benefit to the member for life and (ii) upon the member's death, a survivor annuity benefit in the amount elected by the member to the member's designated beneficiary for the beneficiary's life.

i. *Survivor Benefit Percentage.* The amount of the survivor annuity benefit payable to the member's designated beneficiary may be equal to 75% or 50%, as selected by the member at retirement.

ii. *Calculation of Joint and Survivor Annuity*. The Joint and Survivor Option will be actuarially equivalent to the Normal Form of Benefit. The amount of the member's monthly annuity will be reduced if the Joint and Survivor Option is selected so that such benefit is the actuarial equivalent of the Normal Form of Benefit that the member would have otherwise been eligible to receive. The method and process for such conversion to the Joint and

Survivor Option will be determined by the Fund's actuary and shall be based on the actuarial assumptions set forth in Appendix A.

iii. *Participation in DROP*. If the member elects to participate in DROP, the amounts credited to a member's DROP account that relate to annuity payment amounts will be adjusted to reflect the Joint and Survivor Option election.

(b) Joint and Survivor Plus Pop-Up Option. Upon retirement, a Group B member may elect the "***Pop-Up Option***", provided that the requirements of this paragraph (b) are satisfied. The Pop-Up Option will provide (i) a reduced monthly annuity benefit to the member for life and (ii) upon the member's death, a survivor annuity benefit in the amount elected by the member to the member's designated beneficiary for the beneficiary's life, with the provision that if the designated beneficiary predeceases the member, the amount being paid to the member will increase (or "pop-up") to the amount that would have been payable if the member had elected the Normal Form of Benefit.

i. *Survivor Percentage.* The amount of the survivor annuity benefit payable to the member's designated beneficiary may be equal to 75% or 50%, as selected by the member at retirement.

ii. *Calculation of Pop-Up Annuity*. The Pop-Up Option will be actuarially equivalent to the Normal Form of Benefit. The amount of the member's monthly annuity will be reduced if the Pop-Up Option is selected so that such benefit is the actuarial equivalent of the Normal Form of Benefit that the member would have otherwise been eligible to receive. The method and process for such conversion to the Pop-Up Option will be determined by the Fund's actuary and shall be based on the actuarial assumptions set forth in Appendix A.

iii. *Participation in DROP*. If the member elects to participate in DROP, the amounts credited to a member's DROP account that relate to annuity payment amounts will be adjusted to reflect the Pop-Up Option election.

(c) 10-Year Certain and Life. Upon retirement, a Group B member may elect the "***10-Year Certain and Life Option***", provided that the requirements of this paragraph (c) are satisfied. The 10-Year Certain and Life Option will provide a reduced monthly annuity benefit to the member for life and guarantees that, if the member dies within the first ten (10) years (the "***Certain Period***") after annuity payments commence to the member, the member's designated beneficiary would receive a monthly survivor benefit equal to 100% of the benefit that the member was receiving for the

remainder of such ten-year Certain Period. Benefits will continue to be paid to the member beyond the Certain Period as long as the member is alive, but will cease at the later of the member's death or the last day of the Certain Period.

i. *Calculation of 10-Year Certain and Life Annuity*. The 10-Year Certain and Life Option will be actuarially equivalent to the Normal Form of Benefit. The amount of the member's monthly annuity will be reduced if the 10-Year Certain and Life Option is selected so that such benefit is the actuarial equivalent of the Normal Form of Benefit that the member would have otherwise been eligible to receive. The method and process for such conversion to the 10-Year Certain and Life Option will be determined by the Fund's actuary and shall be based on the actuarial assumptions set forth in Appendix A.

ii. *Participation in DROP*. If the member elects to participate in DROP, (A) the amounts credited to a member's DROP account that relate to annuity payment amounts will be adjusted to reflect the 10-Year Certain and Life Option election, and (B) the Certain Period will commence as of the retirement date that is selected by the member for purposes of DROP (i.e., the DROP Effective Date) and not the member's actual date of termination of active service.

(d) Naming a Designated Beneficiary. A Group B member is only eligible to name a beneficiary (a "designated beneficiary") at retirement in accordance with the terms of this section and other procedures adopted by the Fund.

i. *Beneficiary Designation at Retirement*. If a Group B member selects an optional form of benefit that provides a survivor benefit after the member's death, (i) the member's spouse shall be deemed to be the designated beneficiary to receive such survivor benefit if the member is married at retirement, or (ii) the member may name one individual to receive the survivor benefit after the member's death if the member is not married at retirement.

ii. *No Post-Retirement Beneficiary Designations*. No post-retirement beneficiary designations are permitted for Group B members.

4. Election Forms. All elections for optional forms of benefit and beneficiary designations under this Section X will be made through forms and procedures established by the Fund and shall not be valid unless made pursuant to these forms and procedures. In the event of any inconsistencies between the terms of the election forms and the Act or these Rules, the Act and these Rules shall control.

5. Irrevocability. All elections made by members for optional forms of benefit shall be irrevocable and cannot be changed by members after monthly annuity payments have commenced.

## XI. Procedure to Adopt or Amend Certain Rules or Policies

1. Background. Section 2.11 of the Act provides the Board with the authority to adopt rules it considers necessary or desirable for the efficient administration of the Fund. The Rule under this Section XI is intended to set out a standard process that the Board must follow to create, approve, or revise certain rules or policies of the Fund that have a direct impact on the benefits payable to members and beneficiaries. Any rule or policy shall be consistent with applicable laws and regulations, case law, and other Fund rules and policies.

2. Application. This procedure only applies to the adoption (or subsequent amendment) of a rule or policy (or section thereof) that has a direct impact on a member or beneficiary's eligibility for a Benefit (as such term is defined in Rule XIII), service credit under the Fund, or the amount or determination of a Benefit. This procedure does not apply to the adoption (or subsequent amendment) of a rule or policy that (i) does not have a direct impact on Benefits, including but not limited to the Board of Trustees' Governance Policy, Code of Ethics, the Investment Policy Statement or related procedures, or any staff related employment policies or (ii) is required to comply with federal or state law or otherwise necessary to maintain the qualified status of the plan.

3. Raising a Rule or Policy Issue. Any member of the Board may request that an item be placed on the agenda of a future meeting of the Board relating to the consideration of a new rule or policy or amendment to an existing one.

4. Proposed Draft of a Rule or Policy. Following discussion of a proposed rule or policy, or amendment to a rule or policy, at a meeting of the Board, the Board may instruct staff or legal counsel to prepare a draft of a proposed rule or policy or an amendment to an existing rule or policy for consideration at a future meeting ("***Proposed Draft***"). The Board may consider and, at its discretion, approve the Proposed Draft during any regular or special meeting of the Board. Once approved, a copy of the Proposed Draft shall be included with the Board meeting minutes and posted on the Fund's website. The posting on the website will include a request for Member comments.

5. Membership Comment Period and Adoption of the Proposed Draft. The approved Proposed Draft may not be considered for final adoption by the Board before the first regular monthly Board meeting that is two months following the month during which the Board approved the Proposed Draft. Prior to final adoption of the Proposed Draft, the Board shall consider any written comments from Members and provide the opportunity for Members to provide public comments at a Board meeting.

After hearing the Member's comments, the Board may (1) vote to adopt the Proposed Draft during the same meeting without changes or with minor changes, (2) defer the vote to adopt the Proposed Draft until any subsequent meeting if the Board determines that significant revisions to the Proposed Draft should be considered, or (3) determine not to proceed with the Proposed Draft.

6. Emergency Procedure. The Board may be faced with an emergency situation in which the need for a rule or policy or amendment to existing rule or policy is immediate and urgent. The Board may expedite the adoption process by introducing and adopting a proposed rule or policy during a single meeting if the Board determines that the expedited timing of such adoption is required for the best interest of the Fund and the circumstances surrounding the adoption were unforeseeable.

7. Posting of Rules. All Benefit-related rules and policies that are subject to this Rule XI will be posted on the Fund's website.

## XII. Retirement Upon Indefinite Suspension

1. Background. The purpose of the Rule in this Section XII is to establish a standard procedure to address the circumstance in which a member who is indefinitely suspended commences his or her service retirement benefit upon the indefinite suspension.

2. Election to Commence Retirement Benefit. If a member is indefinitely suspended from active service, the member may elect to commence his or her service retirement benefit if he or she is otherwise eligible for such benefit under Article V of the Act in accordance with the requirements under this Section XII and procedures established by the Fund. A member is not required to immediately commence his or her benefit upon an indefinite suspension.

3. Indefinite Suspension with No Intent to Appeal. If the member is indefinitely suspended and does not intend to appeal such suspension, the member must certify in writing to the Fund his or her intent not to appeal. Upon receiving such certification, the Fund will treat the indefinite suspension as a standard termination of active service for purposes of the Fund as of the effective date of the suspension. If the Fund subsequently obtains knowledge that such member in fact has appealed the indefinite suspension, the Fund will take any action it deems appropriate with respect to the member's benefits, including suspend all annuity payments, prohibit distributions from DROP, or treat the member as if the member agreed to the terms of the Indefinite Suspension Addendum described below.

4. Indefinite Suspension with Intent to Appeal. If the member is indefinitely suspended and does intend to appeal such suspension, the member shall agree to the terms and conditions set forth in an Indefinite Suspension Addendum (the "Addendum") to his or her retirement benefit election forms. The terms and

conditions of the Addendum will be established by the Fund and shall provide for the following:

(A) The member's service retirement benefit shall be calculated as if the effective date of the member's indefinite suspension was the member's date of termination of active service;

(B) If the member elects to participate in the Deferred Retirement Option Plan ("DROP") upon his or her indefinite suspension, no DROP distributions shall be made until a final ruling denying the member's appeal;

(C) If the member is reinstated to active service upon appeal, the member's retirement benefit election shall be deemed to be revoked as of the effective date of the member's return to active service, and all monthly annuity payments will immediately cease and the member's DROP account will be discontinued in the records of the Fund; and

(D) The member shall make repayments to the Fund to account for all monthly benefit payments made to the member during the period from the commencement of service retirement benefits upon indefinite suspension through the effective date of the member's return to active service (the "Suspension Period") in accordance with paragraph 5 below.

5. Repayment Obligation Upon Reinstatement. If the member commenced his or her service retirement benefit upon indefinite suspension and is reinstated following appeal, the member shall pay to the Fund the aggregate amount of all monthly annuity payments received by the member during the Suspension Period (the "***Repayment Amount***") within six (6) months of the effective date of the member's return to active service. If a member does not fully repay the Repayment Amount within six (6) months, the Fund has the authority to take any and all action necessary to recover the Repayment Amount plus interest accrued at the actuarially assumed rate of return of the Fund for the period beginning with the commencement date of the member's service retirement benefit through the date that no further repayment obligation under this paragraph 5 exists, including taking legal action against the member or adjusting or otherwise recovering such amounts from a member's monthly annuity payments or DROP account upon a subsequent retirement from the Fund.

6. Qualified Domestic Relations Orders.

(a) If a court of competent jurisdiction has issued a domestic relations order as part of a member's divorce proceedings and the Fund has determined that such order is a qualified domestic relations order ("***QDRO***"), the service retirement benefits provided under this Section XII shall be subject to division between the member and the alternate payee pursuant to such QDRO and this paragraph 6.

(b) The Fund shall make a reasonable attempt to contact the alternate payee and provide the alternate payee with notice of his or her rights under this Section XII once a member elects to commence a service retirement benefit upon his or her indefinite suspension.

(c) If the member certifies to the Fund that the member does not intend to appeal his or her indefinite suspension as provided in paragraph 3 above, the Fund shall administer the service retirement benefits in accordance with the terms of the QDRO as if the indefinite suspension was a standard termination of active service as of the effective date of the suspension.

(d) If the member does intend to appeal his or her indefinite suspension and has completed the Addendum such that the member's service retirement benefits paid during the Suspension Period are subject to a potential repayment obligation as set forth in paragraphs 4 and 5 above, the Fund will hold any portion of the benefit due to an alternate payee under the QDRO in escrow until a final ruling denying the member's appeal has been entered, unless the alternate payee agrees in writing to repay the aggregate amount of all monthly annuity payments received during the Suspension Period to the Fund in accordance with the terms and conditions set forth in the Addendum.

(e) In the event the member is reinstated to active service following appeal and the alternate payee did not agree to the terms and conditions of the Addendum, all payments will immediately cease, the entire balance of the escrow account will be immediately returned to the Fund, and the alternate payee will not be entitled to receive any other payment from the Fund until benefits from the Fund subsequently commence and in accordance with the terms of the QDRO.

(f) In the event the member is reinstated to active service following appeal and the alternate payee agreed to the terms and conditions of the Addendum, all payments will immediately cease, and the alternate payee shall pay to the Fund the aggregate amount of all monthly annuity payments received by the alternate payee during the Suspension Period within six (6) months of the effective date of the member's return to active service in accordance with paragraph 5. If the alternate payee does not fully repay such amount, the Fund has the authority to take any and all action necessary against the alternate payee in accordance with paragraph 5.

(g) If the member is not reinstated to active service following appeal and the alternate payee did not agree to the terms and conditions of the Addendum, the Fund shall pay any amount accumulated in the escrow account to the alternate payee as soon as administratively feasible after the final ruling denying the member's appeal. The Fund shall continue to make all

subsequent payments owed to the alternate payee pursuant to the QDRO directly to the alternate payee.

7. Subsequent Service Retirement. If a member who commenced a retirement benefit under this Section XII is reinstated and has satisfied the requirements in paragraph 5, when the member subsequently retires from active service, the member's service retirement benefit upon such retirement will be calculated as of the member's subsequent retirement date and as if the member never commenced retirement under this Section XII.

8. Effective Date. The Rules under this Section XII will apply to any member who is indefinitely suspended on or after September 1, 2017.

## XIII. Appeal of Benefit Determinations

1. Purpose. Pursuant to Section 2.09 of the Act, the Board is responsible for determining all matters related to a Member's participation in the Fund and eligibility for any benefits provided under the Fund. The Board has determined that it is in the best interest of the Fund and its Members to set forth a process for Members and other beneficiaries of the Fund to appeal a decision of the Board or the Executive Director with respect to benefit determinations under the Fund. All appeals must be made in accordance with this Rule and otherwise be consistent with the provisions of the Act.

   The Board has delegated authority to the Benefits Committee of the Board to review and make recommendations to the Board regarding appeals of benefit determinations by the Fund. The Benefits Committee will perform a full and fair review of all appeals in an independent and impartial manner and will make a recommendation to the full Board based on such review. The decision of the Board on appeals will be final and binding.

2. Defined Terms. As used in this Rule, the following terms shall have the meanings prescribed to them below:

   (a) "***Adverse Decision***" means any determination made by the Board or the Executive Director that denies or adversely impacts a Benefit of an individual Member (whether active or retired), a surviving spouse or child, alternate payee or other eligible beneficiary under the Fund. An Adverse Decision may be made in connection with a Member's application or other request for a Benefit under the Fund or a determination that relates to a Member or other beneficiary's Benefit including, without limitation, a determination related to the eligibility of any person to participate in the Fund or to receive, or continue to receive, a Benefit and the amount of that Benefit. An Adverse Decision does not include a determination or decision that (i) does not involve or directly impact Benefits or (ii) generally impacts Benefits under the Fund for all similarly-situated individuals.

(b) "***Benefit***" means any amount payable by the Fund to a Member, a surviving spouse or child, alternate payee or other eligible beneficiary under the Act, including, without limitation, a service retirement benefit under Article 5 of the Act, a disability retirement benefit under Article 6 of the Act, a survivor's benefit under Article 7 of the Act, a Member's participation in the Deferred Retirement Option Plan ("***DROP***") under Article 8 of the Act, or the right of an alternate payee to receive a portion of a Member's benefit under a qualified domestic relations order.

(c) "***Claimant***" means any Member, surviving spouse or child, alternate payee or other eligible beneficiary who appeals an Adverse Decision of his or her Benefit pursuant to this Rule.

3. Adverse Decision relating to Benefits.

(a) *Notice of Adverse Decision.* If the Executive Director or the Board make an Adverse Decision with respect to a Benefit under the Fund, the Executive Director will provide the Member, surviving spouse or child, alternate payee or other eligible beneficiary, as applicable, with written notice of such Adverse Decision within a reasonable period of time, but not later than thirty (30) days after the Adverse Decision was made (the "***Notice of Adverse Decision***"). The Notice of Adverse Decision may be mailed or emailed to the Claimant.

(b) *Content of Notice of Adverse Decision.* The Notice of Adverse Decision will include, at a minimum, the following information:

(i) the specific reason(s) for the Adverse Decision,

(ii) reference to the provisions of the Act upon which the Adverse Decision is based and/or the section of the Fund's Rules or policies that was relied upon in making the Adverse Decision,

(iii) description of any information that was not provided which may have been a reason for such Adverse Decision and an explanation of why such information is necessary,

(iv) notice of the right of the Member, surviving spouse or child, alternate payee or other eligible beneficiary to appeal the Adverse Decision, a copy of this Rule (or directions for where to find the Rule on the Fund's website), and the deadline for filing such appeal, and

(v) a statement that the Member, surviving spouse or child, alternate payee or other eligible beneficiary is entitled to receive, upon request and free of charge, reasonable access to and copies of all

public documents, records, and other information relevant to the Adverse Decision.

4. Initiating the Appeal Process.

(a) *Filing a Notice of Appeal.* To begin an appeal, the Claimant, or an authorized representative of the Claimant, must send written notice of the appeal to the Executive Director ("***Notice of Appeal***") which must be delivered or postmarked no later than sixty (60) days after the date that the Notice of Adverse Decision was received by the Claimant. The Notice of Appeal may be hand-delivered or mailed to the Executive Director at the Fund's address or emailed to the Executive Director.

(b) *Content of Notice of Appeal.* The Notice of Appeal must include all relevant information regarding the Claimant and the Adverse Decision being appealed, including, without limitation, the following information:

(i) the Claimant's name, address, phone number, TX FIR number (if applicable), and the last four (4) digits of his or her social security number,

(ii) the Adverse Decision being appealed and the specific reason(s) that the Claimant disagrees with the Adverse Decision, and

(iii) any additional evidence that the Claimant wants the Board to consider in connection with the appeal, including, without limitation, written comments, documents, records, medical records, and other information related to the appeal, even if the Claimant had not previously submitted such documents or information to the Fund.

(c) *Failure to Timely Submit a Notice of Appeal.* A Claimant will forfeit his or her right to appeal an Adverse Decision if the Notice of Appeal is not received or postmarked within sixty (60) days after the Claimant's receipt of the Notice of Adverse Decision.

(d) *No Third-Party Rights.* No person other than the Claimant, or the Claimant's authorized representative, may appeal an Adverse Decision with respect to the Benefit payable to such Claimant.

5. Board's Review of Appeal.

(a) *Standard of Review*. All appeals will be given a full and fair review, and the Benefits Committee will take into account all comments, documents, records, and other information submitted by the Claimant with the Notice of Appeal, without regard to whether such information was submitted or considered in the initial Adverse Decision.

(b) *Meeting for Review of Appeal*. The Benefits Committee will review the Claimant's appeal. The date of the meeting at which the appeal will be

considered will be communicated to the Claimant at least fifteen (15) days prior to the meeting. The Claimant may request a delay or rescheduling of the meeting within five (5) days after receiving notice of the meeting if he or she can demonstrate good cause for such request, and the Executive Director will consider and respond to any such request. Portions of the meeting may be held in closed session for consultation with the Fund's attorney, discussions involving disability determinations or personal medical records, or otherwise as permitted under the Texas Open Meetings Act.

(c) *Right of Claimant to Appear*. During the meeting at which the appeal is reviewed, the Claimant, or his or her representative, may appear before the Benefits Committee to make a brief statement concerning any facts or arguments he or she wishes to present with respect to the appeal. The Benefits Committee may ask the Claimant to respond to its questions or ask the Claimant to provide additional information related to the appeal. The Chairman of the Benefits Committee has final authority to set the amount of time the Claimant may have to present information. The Claimant may be represented by legal counsel or another duly authorized representative to appear on the Claimant's behalf.

(d) *Independent Evaluation.* With respect to an appeal related to a disability retirement Benefit, the Benefits Committee may request that an Independent Evaluation (as defined in the Fund's "Disability Retirement Benefit Policy") be performed in connection with its review of the appeal. Any Independent Evaluation performed in connection with the Benefits Committee's review of an appeal must be performed by an individual who was neither consulted in connection with the original Adverse Decision nor served on the Medical Board that reviewed the Member's application for disability retirement Benefits. The Fund will be responsible for any fees or costs incurred to obtain an Independent Evaluation requested by the Benefits Committee under this section. The Fund will provide the results of such Independent Evaluation, and any tests, reports, images, documents or other information generated in connection with such Independent Evaluation, to the Claimant within a reasonable period of time prior to its final decision of the appeal in order to provide the Claimant an opportunity to respond to the results. The Benefits Committee may employ the Medical Board to assist with the review of any appeal involving a disability determination, including an appeal in which an Independent Evaluation is performed.

6. Final Decision on Appeal.

(a) *Timing of Final Decision.* The Benefits Committee will make its recommendation to the Board no later than the next regularly scheduled meeting of the Board. The Board will make a final decision on an appeal, or determine that an extension of time to make a final decision is required,

on or before the next regularly scheduled meeting following the meeting at which the Benefits Committee makes its recommendation. If the Board requires more time to make a final decision, the Executive Director will provide the Claimant notice of such extension within fifteen (15) days following the Board's determination that such extension is required and will indicate the special circumstances requiring an extension of time and the date by which the Board expects to make its final decision. Such extension will generally not exceed more than sixty (60) days from the date of such extension notice unless good reason exists for a longer extension period. Once the Board has made a final decision on an appeal, the Executive Director will communicate the Board's final decision to the Claimant in writing no later than fifteen (15) days after the meeting at which the Board makes its final decision ("***Notice of Final Decision***").

(b) *Content of Notice of Final Decision.* The Notice of Final Decision will include, at a minimum, the following information:

(i) the reason(s) for the Board's final decision,

(ii) any new or additional evidence or rationale that formed the basis for the Board's final decision,

(iii) the provisions of the Act upon which the final decision is based and/or the section of the Fund's Rules or policies that was relied upon in making the Board's final decision,

(iv) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all public documents, records, and other information relevant to the Board's final decision, and

(v) a statement of the Claimant's rights to seek judicial review of the Board's final decision.

(c) *Effect of Final Decision*. The Board's final decision following a full and fair review of the appeal and recommendation by the Benefits Committee will be made in its sole and absolute discretion and shall be final and binding on all involved parties.

## XIV. Designation of Member Trustee Positions

1. Background. In connection with the legislative changes to the Act during the 89th Legislative session, the number of members of the Fund who may be elected to serve on the Board increased from three to four. Pursuant to Section 2.02(c), the Legislature granted the Board authority to specify by rule the number of such elected members who must be firefighters or retirees of the Fund. The Board

believes it is in the best interest of the Fund to ensure the Board is composed of representatives from both the active firefighter members and retired members.

2. Designation. Effective as of January 1, 2026, (i) one of the four member Trustee positions is designated for and shall be filled by an active firefighter member, and (ii) one of the four member Trustees positions is designated for and shall be filled by a retired member. The two remaining member Trustee positions will continue to be elected at large from the entire member population and may be either an active firefighter or a retiree.

3. Exception. Notwithstanding as otherwise provided above, the Board may suspend the requirements set forth in Paragraph 2 above in the event the Fund does not receive a nomination for an eligible individual to serve in one of the designated positions in a given year. The Board may adopt reasonable procedures to fill such position.

## XV. Military Service Credit Purchase

1. Background. Pursuant to Section 4.02 of the Act, a member of the Fund who performs active military service on or after January 1, 2026 while actively employed by the Austin Fire Department is permitted to purchase service credit under the Fund for each month that the member actively serves in the armed forces or armed forces reserves of the United States (or their auxiliaries) in accordance with rules adopted by the Board as well as the applicable requirements of Section 414(u) of the Code and USERRA. The purpose of this Rule is to outline the requirements to purchase such service credit and establish a standard process for purchasing such service credit under the Fund. This Rule shall take effect as of January 1, 2026.

2. Qualified Military Service. For purposes of this Rule, the term "***Qualified Military Service***" means any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) by any member on or after January 1, 2026 if such member is entitled to reemployment rights under USERRA with respect to such service. In order to be recognized as Qualified Military Service, the member must have been honorably discharged.

3. Requirements to Purchase Military Service Credit.

   (a) A Member who is absent from employment with the Austin Fire Department because of active duty military service may – but is not required to – purchase one month of service credit for each month during which the member performs Qualified Military Service ("***Military Service Credit***"), provided that in no event shall a member be entitled to purchase more than a total of sixty (60) months of Military Service Credit under the Fund.

   (b) To be eligible to purchase Military Service Credit, the Member must (1) return to employment with the Austin Fire Department no later than the

180th day after the date of discharge or release from Qualified Military Service or from hospitalization continuing after discharge for no more than one year and (2) leave the member's accumulated contributions in the Fund during the period of absence.

(c) After returning to employment with the Austin Fire Department, the member must submit a written application with the Fund to purchase Military Service Credit which must be accompanied by satisfactory proof of such service, including at a minimum a copy of the military service record related to such Qualified Military Service showing the member's dates of service and discharge/separation, such as a DD-214 or equivalent documentation.

(d) To purchase Miliary Service Credit, the member must pay to the Fund an amount equal to the total amount of contributions that the member would have made during the period of Qualified Military Service if the member had remained in active employment with the Austin Fire Department during such period.

(e) After the member makes the contribution set forth in subsection (d), the Fund will notify the City of the amount of Military Service Credit purchased by the member and the applicable period of Qualified Military Service. As soon as reasonably practicable, the City shall deposit an amount equal to the total amount of contributions that the City would have made during the period of Qualified Military Service if the member had remained in active employment with the Austin Fire Department during such period.

(f) Once the Fund has received contributions from both the member and the City, the member's records in the Fund shall be updated to reflect the purchased Military Service Credit. Military Service Credit shall be recognized by the Fund for all purposes, including to determine eligibility for retirement and benefit accrual.

4. Timing and Form of Contributions.

(a) Military Service Credit may only be purchased in increments of one (1) full month.

(b) Contributions required to be paid to the Fund by this rule shall be made in a single lump-sum payment. The member may make the lump-sum contribution payment either: (1) using after-tax funds paid to the Fund via check, wire transfer, or other method approved by the Fund, or (2) through a pre-tax rollover from an eligible retirement plan or account. A member may be required to provide a statement from the eligible retirement plan or

account or other satisfactory proof of the qualified status of such plan or account before a rollover will be accepted by the Fund.

(c) The Member must complete the purchase of Military Service Credit within five (5) years from the date of discharge associated with the Qualified Military Service to which the Military Service Credit relates.

(d) All service purchases must be made prior to the commencement of a monthly annuity benefit from the Fund.

(e) Notwithstanding the above, a member will not be eligible to purchase Military Service Credit under the Fund if the member has established credit for the same military service with another retirement system.

5. Purchase of Military Service Credit After Member's Death.

(a) If a member dies while performing Qualified Military Service, the member's spouse may purchase Military Service Credit on behalf of the member in accordance with the terms of this rule, provided that such purchase must be made no later than ninety (90) days after the member's death.

(b) In no event will a designated beneficiary of a member or other non-spousal beneficiary be eligible to purchase Military Service Credit on behalf of the member.

**ADOPTED** at the meeting of the Board of Trustees of the Fund on ~~June 2~~[ ], 2026, as recorded in the minutes of such meeting.

# APPENDIX A

## Actuarial Assumptions for Actuarial Equivalence Factors

***The Board will review these actuarial assumptions periodically as needed and at least every five (5) years in conjunction with an actuarial experience study. To the extent the Board approves a change to any of these assumptions in connection with an actuarial experience study, this Appendix A will be updated without formal amendment of the Fund Rules.***

| | |
|---|---|
| Mortality: | PubS(A)-2010 Mortality Table projected to 2026 with improvement scale MP-2021 ~~based on a calculation year of 2026~~ |
| Mortality Weighting for Member: | Males: 93%<br><br>Females: 7% |
| Mortality Weighting for Spouse: | Males: 7%<br><br>Females: 93% |
| Mortality Weighting for Non-spouse Beneficiary (only applicable to Group A): | Males: 50%<br><br>Females: 50% |
| Interest Rate: | 7.30% |
| COLA: | Group A Members: 0.25%<br><br>Group B Members: 1.00% |

To determine the continuation percentage payable to a designated beneficiary under Appendix B, it assumes the member retires at age 50, the spouse is age 50, and the designated beneficiary is the age specified in Appendix B.

# APPENDIX B

## Factors for Reduction of Benefit for Group A Designated Beneficiary Who Is 10 or More Years Younger Than the Member

| 10-Year Rule Joint & Survivor Benefit Factors | |
|---|---|
| Age Difference (Retiree Age *less* Designated Beneficiary Age) | Percentage Payable To Designated Beneficiary |
| Less than 10 | 75% |
| 10 – 14 | 45% |
| 15 – 19 | 40% |
| 20 – 34 | 35% |
| 35+ | 30% |

***Please note the above table represents the percentage of a Group A retiree's accrued benefit that is payable to the Designated Beneficiary if the Group A retiree predeceases the Designated Beneficiary.***

| **Summary report:**<br>**Litera Compare for Word 11.16.3.1 Document comparison done on 10/23/2026 10:31:33 AM** | |
|---|---|
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| **Intelligent Table Comparison:** Active | |
| **Original DMS:** iw://jw.cloudimanage.com/jwdocs/56745853/1 - DRAFT Fund Rules December 2026.docx | |
| **Modified DMS:** iw://jw.cloudimanage.com/jwdocs/56745853/13 - DRAFT Fund Rules December 2026.docx | |
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| Add | 78 |
| ~~Delete~~ | 40 |
| ~~Move From~~ | 4 |
| Move To | 4 |
| Table Insert | 0 |
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| Table moves to | 0 |
| ~~Table moves from~~ | 0 |
| Embedded Graphics (Visio, ChemDraw, Images etc.) | 0 |
| Embedded Excel | 0 |
| Format changes | 0 |
| **Total Changes:** | 126 |

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**AUSTIN FIREFIGHTERS RETIREMENT FUND**

**Fund Rules**
***Amended and Restated, Effective December 1, 2026***

## I. Purpose

Pursuant to Section 2.11 of Vernon's Texas Civil Statutes Article 6243e.1 (the "***Act***"), the board of trustees (the "***Board***") of the Austin Firefighters Retirement Fund (the "***Fund***") may adopt rules desirable for the efficient administration of the Fund and in order to ensure that the Fund may satisfy the qualified plan requirements under the Internal Revenue Code of 1986, as amended (the "***Code***"). In addition, the Board has specific authority to adopt rules and procedures under various sections of the Act. These rules (the "***Rules***") are adopted pursuant to the applicable provisions of the Act as referenced below.

## II. General Fund Rules

1. Definitions. Unless otherwise specifically provided in these Rules, the terms and phrases used herein have the meanings assigned by Section 1.02 of the Act.

2. Operating Name. Pursuant to the authority granted to the Board in Section 1.031 of the Act, the Fund has adopted the name "Austin Firefighters Retirement Fund" as the name under which the Fund may operate and brand itself. Notwithstanding the previous sentence, the Fund's legal name shall remain as the "Austin Fire Fighters Relief and Retirement Fund" as prescribed by Section 1.03 of the Act. References to "Austin Firefighters Retirement Fund" and "Austin Fire Fighters Relief and Retirement Fund" in any Fund documents and communications shall be understood as synonymous.

## III. Qualified Plan Rules

1. Qualified Plan. All assets contributed to the Fund will be held in trust, separate from the assets of the municipality, and maintained and administered by the Board for the exclusive purpose and benefit of all members, retirees, and beneficiaries of the Fund. At no time before the termination of the Fund and the satisfaction of all liabilities with respect to members, retirees, and their beneficiaries shall any part of the principal or interest of the assets of the Fund be used for or diverted to purposes other than the exclusive benefit of members, retirees, and their beneficiaries. The Fund and the assets held in trust thereunder are intended to qualify under Section 401(a) of the Code, be exempt from federal taxes under Section 501(a) of the Code, and conform at all times to applicable requirements of law, regulations, and orders of duly constituted federal governmental authorities. Pursuant to Section 2.015 of the Act, the Fund shall be administered in a manner that maintains the qualified status of the Fund under Section 401(a) of the Code. Accordingly, if any provision of the Act and these Rules is subject to more than one construction, one of which will permit the qualification of the Fund, that construction that will permit the Fund to qualify and conform will prevail. At no time shall any part of the assets of the Fund revert back to the municipality unless the reversion is due to a good faith mistake of fact.

2. Required Minimum Distributions. Effective January 1, 2003, a member's entire interest under the Fund shall be distributed, or begin to be distributed, by the required beginning date prescribed by Code Section 401(a)(9) and Treasury Regulations §§1.401(a)(9)-1 through 1.401(a)(9)-9 (the "***401(a)(9) Requirements***"), and any distribution under the Fund shall at all times comply with the 401(a)(9) Requirements. Any distribution required under the incidental death benefits requirements of Code Section 401(a) shall be treated as a distribution required by the 401(a)(9) Requirements. For purposes of clarity, provisions of the Act and these Rules may provide for the timing of distribution of benefits that is earlier than the required beginning date under the 401(a)(9) Requirements, including distributions from the DROP (as defined in Section V of these Rules), as long as such distributions otherwise comply with the 401(a)(9) Requirements.

3. Rollovers. Effective January 1, 1993, any member or eligible beneficiary who is entitled to receive any distribution that is an eligible rollover distribution is entitled to have that distribution transferred directly to another eligible retirement plan of the member's or eligible beneficiary's choice on providing direction to the Fund regarding that transfer in accordance with procedures established by the Board. For purposes of this Rule, the following terms shall be defined as provided below:

   (a) An "eligible rollover distribution" is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's eligible beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code section 401(a)(9); the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities described in Code section 402(e)(4)); and other amounts determined to not be eligible rollover distributions under applicable law, including the Code and regulations issued pursuant to the Code (see, e.g., Regulation § 1.402(c)-2, Q&A-4).

   Effective January 1, 1999, an "eligible rollover distribution" also does not include any amount that is distributed on account of hardship or unforeseeable emergency.

   (b) An "eligible retirement plan" is an individual retirement account described in Code section 408(a), an individual retirement annuity (other than an endowment contract) described in Code section 408(b), that accepts the distributee's eligible rollover distribution, a qualified retirement plan described in section 401(a) or section 403(a), of the Code. The definition of eligible retirement plan shall also apply in the case of a distribution to an eligible beneficiary, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in section 414(p) of the Code;

provided, however, if the distributee is an eligible beneficiary of a deceased member who is not a surviving Spouse, a direct rollover is only available to an individual retirement account described in Code section 408(a) or an individual retirement annuity (other than an endowment contract) described in Code section 408(b) that has been established on behalf of the eligible beneficiary as an inherited IRA (within the meaning of Code section 408(d)(3)(C)) and is subject to the requirements of Code section 401(a)(9).

Effective January 1, 2002, an "eligible retirement plan" also includes a tax sheltered annuity plan described in section 403(b) of the Code, and an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Fund.

(c) A "distributee" includes a member and a participant's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code section 414(p).

Effective January 1, 2007, a "distributee" also includes the eligible beneficiary of a deceased member to the extent permitted in Code Section 402(c)(11).

(d) A "direct rollover" is a payment by the Fund to the eligible retirement plan specified by the distributee. The Fund shall be responsible for providing, within a reasonable period of time prior to making an eligible rollover distribution, an explanation to a member of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

4. Nonforfeitability upon Plan Termination. The retirement benefit earned by a member shall become nonforfeitable, to the extent funded (if not already nonforfeitable), upon the termination or partial termination of the Fund or the complete discontinuance of contributions to the Fund.

5. Forfeitures. Amounts representing forfeited nonvested benefits of terminated members may not be used to increase benefits payable from the Fund but may be used to offset obligations for future plan years.

6. Code Section 401(a)(17) Limits. Effective for plan years beginning on or after January 1, 1996, the total compensation taken into account for any purpose for any member of the Fund may not exceed that annual compensation limit under Code Section 401(a)(17), as shall be periodically adjusted in accordance with guidelines provided by the United States Secretary of the Treasury. For plan year 2021, such annual compensation limit is $290,000.

7. USERRA. Notwithstanding any provision in the Act to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u), effective January 1, 1998, and Code Section

401(a)(37), effective as set forth below, including, without limitation, in accordance with the provisions set forth below.

(a) Definitions. For purposes of this paragraph 7, the following terms shall be defined as provided below:

(i) Differential Wage Payment. The term "Differential Wage Payments" means any payment as defined in Code Section 3401(h) which is made by the municipality for a pay period after December 31, 2008, and that (a) is made to a member with respect to any period during which a member is performing Qualified Military Service; and (b) represents all or a portion of the remuneration such member would have received from the municipality if the individual was performing services for the fire department.

(ii) Qualified Military Service. The term "Qualified Military Service" means any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) by any member if such member is entitled to USERRA Reemployment Rights under such chapter with respect to such service.

(iii) USERRA Reemployment Rights. The term "USERRA Reemployment Rights" means the rights and benefits to which a member covered under USERRA is entitled upon his or her return from Qualified Military Service. A member will not be entitled to USERRA Reemployment Rights if (a) such member did not provide advance notice of his or her military service to the fire department; or (b) such individual had more than five years of cumulative Qualified Military Service measured from his or her date of hire to his or her date of return to employment with the fire department.

(b) Death Benefits.

(i) Deemed Reemployment Date. A member who dies on or after January 1, 2007, while performing Qualified Military Service (an "***Eligible Deceased Member***") will be deemed (a) to have resumed employment with the fire department as of the day preceding the date of his or her death (the "***Deemed Reemployment Date***" for purposes of this paragraph); and (b) to have terminated service on the date of his or her death.

(ii) Additional Benefits. To the extent the Fund provides for any benefits that are contingent upon the member's death, then an Eligible Deceased Member will be provided with such benefits. Such benefits must be provided to all similarly-situated individuals in a uniform, non-discriminatory manner.

(iii) Service. An Eligible Deceased Member shall receive service under the Fund for the period of the Qualified Military Service during which the

member died for purposes of attaining eligibility to receive the benefits provided under the Fund and, to the extent the requirements of Section 4.02 of the Act and Rule XV are otherwise satisfied, for purposes of calculating benefits. For purposes of Section 4.02 and consistent with subparagraph 7(b)(i) above, an Eligible Deceased Member will be treated as returning to service on the day preceding the date of his or her death, and an eligible spouse or other beneficiary may file the application, make the required contributions, and provide the proof required under Section 4.02 of the Act and in accordance with Rule XV.

(c) Differential Wage Payments.

(i) Employee Status. Effective January 1, 2009, an individual receiving Differential Wage Payments from the municipality will be treated as an active member and will receive service under the Fund during such period for purposes of attaining eligibility to receive the benefits under the Fund and the calculation of such benefits.

(ii) Compensation. The term "Compensation" as used under the Act for purposes of calculating benefits or determining contributions will include any amounts paid by the municipality as a Differential Wage Payment.

8. Code Section 415 Limits. Pursuant to Section 9.03(a) of the Act, a member or beneficiary of a member of the Fund may not accrue a benefit, in excess of the benefit limits applicable to the Fund under Section 415 of the Code. The Board shall reduce the amount of any benefit that exceeds those limits by the amount of the excess. If the total benefits under this Fund and the benefits and contributions to which any member is entitled under any other qualified defined benefit plan maintained by the municipality that employs the member would otherwise exceed the applicable limits under Section 415 of the Code, the benefits the member would otherwise receive from the Fund shall be reduced to the extent necessary to enable the benefits to comply with Section 415 of the Code. For purposes of determining applicable benefit limitations under Code section 415, the limitation year shall be the calendar year.

9. Actuarial Assumptions. The Fund's actuarial equivalence assumptions shall be those as specified in Appendix A of these Rules.

(a) Notwithstanding such Appendix A or any other plan provisions to the contrary, effective January 1, 2008, the applicable mortality table used for purposes of adjusting any benefit or limitation under §415(b)(2)(B), (C), or (D) of the Code and the applicable mortality table used to satisfy the requirements of §417(e) of the Code (if and as such requests are applicable) is the table prescribed in Treasury Regulation § 1.430(h)(3)-1.

(b) For distributions with annuity starting dates after December 31, 2002 and before January 1, 2008, the applicable mortality table shall be the applicable mortality table provided in Rev. Rul. 2001-62.

(c) For distributions with annuity starting dates on or prior to December 31, 2002, the applicable mortality table shall be the applicable mortality table provided in Rev. Rul. 92-19.

10. Exemption of Benefits from Judicial Process, Assignment or Alienation.

(a) All assets held in trust under the Fund, and all rights and all accrued and accruing benefits of any member, may not be (A) held, seized, taken, subjected to, or detained or levied on by virtue of any execution, attachment, garnishment, injunction, or other writ, order, or decree, or any process or proceedings issued from or by any court for the payment or satisfaction, in whole or in part, of any debt, damage, claim, demands, or judgment against any member entitled to benefits, or (B) assigned or otherwise alienated.

(b) The preceding provisions of these Rules shall not preclude the withholding of Federal taxes from pension benefits, the recovery by the Board of overpayments of benefits previously made to any person, the direct deposit of benefit payments to an account in a bank, savings and loan association or credit union (provided such arrangement is not an alienation), or, pursuant to any policy adopted by the Board and uniformly applied to any voluntary arrangement for the withholding and direct payment of health care or life insurance premiums or similar payments from his or her monthly benefit payments. An attachment, garnishment, levy, execution or other legal process is not considered a voluntary arrangement.

## IV. Trustee Nomination Procedures

1. Background. Section 2.03(b) of the Act provides that, in the event only one firefighter or retiree is nominated for a position pursuant to Section 2.03(c) of the Act, the Board may appoint the sole nominated candidate through procedures established by the Board prior to any nominations, with such appointment to be held at the first board meeting in January in lieu of holding an election. The Rules in this Section IV set forth such procedures and take effect for the nominations period beginning September 1, 2015.

2. Notice of Nomination Period. Pursuant to Section 2.03(c) of the Act, the period for nominating candidates for the election of a member of the Board begins on September 1 and ends September 15 of each calendar year ("***Nomination Period***"). Prior to each election period, the Fund will provide notice to active members of the Nomination Period through posting at fire stations (either electronically or in a physical location where postings typically are made) and will provide notice to retirees through regular mail. In addition, notice of the Nomination Period will be posted on the Fund's website.

3. Form of Nominations. Pursuant to Section 2.03(c) of the Act, nominations may be made in person, by mail, by telephone, or by any other method approved by the Board, including by e-mail or facsimile. Nominations must be received prior to the

end of the Nomination Period, between September 1 and September 15. A nomination sent prior to the end of the Nomination Period, but not received by the Fund until after the Nomination Period, does not satisfy the above requirement.

4. Re-opening of Nominations Period. In the event that no candidate has been nominated following the Nomination Period ending September 15, the Board will re-open the Nomination Period and establish the final day of such period, which will not be later than October 31 of the same calendar year. Notice of the re-opening of the Nomination Period will be provided in the same manner as described in paragraph 2 in this Section IV.

5. Nomination of Sole Candidate. If at the end of a Nomination Period, only one candidate has been nominated, the Fund will notify members and retirees in the same manner as described in paragraph 2 in this Section IV that only one candidate has been nominated and that no election will be held. The Board will appoint this candidate to the Board at its January meeting following the nomination.

## V. DROP Distributions

1. Background. Section 8.05(d) of the Act provides that the Board may adopt rules that modify the availability of distributions under the deferred retirement option plan (the "***DROP***"), provided that the modifications do not (A) impair the distribution rights under Section 8.05(a) of the Act, which provides for four lifetime payments prior to April 1 of the year after the member attains 70 ½ years of age or (B) cause distributions to occur later than as required under Section 401(a)(9) of the Code. The Rules in this Section V modify the availability of DROP distributions as contemplated under Section 8.05(d) of the Act.

2. Additional Distributions from DROP Account for Members. In addition to the distribution options available under Section 8.05(a) of the Act, a member who participates in the DROP may take up to twelve distributions prior to April 1 of the year after the member attains 70 ½, but no more than four distributions in any given calendar year.

3. Distributions from DROP Account by Non-Member.

   (a) *Alternate Payees*. In accordance with Section 9.11(b) of the Act, any portion of a member's DROP account that is awarded to an alternate payee pursuant to a qualified domestic relations order (QDRO) shall be distributed in a single lump-sum payment as soon as administratively practicable after the alternate payee is first entitled to the distribution of such amounts as determined by the Fund.

   (b) *Designated Beneficiaries*. In accordance with Section 8.07 of the Act, if a member who participates in the DROP dies before distribution of the member's entire DROP account, distributions will be made to the designated beneficiary for the DROP account. Distributions to the designated beneficiary must begin no later than one (1) year after the member's death and shall be

made as either a single-payment distribution or in not more than four equal annual installments over a period of not more than 37 months.

4. Implementation. The distribution option under paragraph 2 of this Section V will apply (A) to all DROP accounts established on or after the effective date of these Rules as amended, and (B) to DROP accounts of a member established prior to the effective date of these Rules as amended, provided that any distributions taken by a member from his or her DROP account prior to the effective date of these Rules as amended will be counted against both the twelve total distribution limit and the four annual distribution limit provided in paragraph 2 of this Section V.

## VI. Beneficiary Designations

1. Background. Section 7.09 of the Act provides that a retiree or member eligible to retire may designate a beneficiary for a survivor benefit on a form provided by the Fund if the Act does not otherwise provide a benefit payable to a spouse or child of the member or retiree upon his or her death. Pursuant to Section 2.11 of the Act, the Board may adopt rules it considers necessary or desirable for the efficient administration of the Fund. In addition, Section 7.09 of the Act provides that the Board may adopt rules to establish procedures for and requirements governing beneficiary designations. Through this Section VI, the Board adopts rules and procedures for designating beneficiaries under Section 7.09 of the Act, including limiting the circumstances under which such designations can be made. This Section VI is intended to replace and supersede any previous policy relating to beneficiary designations established by the Board and only applies to Group A members.

2. Form. A form established by the staff of the Fund shall be utilized for purposes of designating a beneficiary under Section 7.09 of the Act, and such form shall be the only method by which a beneficiary may be designated under such section. Any attempt by the member to designate a beneficiary other than through the form established by the Fund's staff, whether electronically, in writing or verbally, shall have no effect.

3. Eligibility—Active Members. An active member who is vested and eligible to retire may designate or change a beneficiary under Section 7.09 if such member (A) is unmarried and (B) does not have a living child who is unmarried and under the age of twenty-two (a "***Dependent Child***"). Any form submitted to the Fund that is executed on a date on which the member submitting the form is either married or has a Dependent Child shall have no effect and be null and void. An active member is not subject to a benefit reduction described in paragraph 4 below for any change in beneficiary while an active member.

4. Eligibility—Retired Members.

   (a) A member who is retiring may designate a beneficiary under Section 7.09 at the time of retirement if no survivor benefit is otherwise payable to a surviving spouse or Dependent Child of the member. Effective December 1,

2026, after a member's date of retirement, a retired member may not designate or change a beneficiary except in the following circumstances and only if no survivor benefit is otherwise payable to a surviving spouse or Dependent Child of the member:

i. Post-Retirement Marriage. A retiree who marries after retirement may designate the retiree's new spouse as a beneficiary within ninety (90) days after the date of marriage, provided that such beneficiary designation will only take effect if (i) the spouse is married to the retiree for at least twenty-four (24) consecutive months following the designation of the beneficiary and (ii) the retiree does not have a Dependent Child who is otherwise entitled to a survivor benefit at the time of such designation. Until such beneficiary designation takes effect after the twenty-four (24) month period, any beneficiary designation previously on file with the Fund shall remain in effect.

ii. Youngest Dependent Child Reaches Age Twenty-Two (22). If, at the time of retirement, the retiree had a Dependent Child, and the youngest such Dependent Child subsequently reaches age twenty-two (22), or otherwise no longer qualifies as a Dependent Child, such that the retiree no longer has a Dependent Child entitled to benefits under Section 7.05 of the Act, the retiree may designate a beneficiary within ninety (90) days after the date such child attains age twenty-two (22), or otherwise no longer qualifies as a Dependent Child, provided that such beneficiary designation will only take effect if the retiree does not have a surviving spouse who is otherwise entitled to a survivor benefit at the time of such designation.

Notwithstanding the above, except as provided in paragraph 9 below, any beneficiary designation or change in beneficiary occurring after the member's date of retirement is subject to the actuarial reduction described in subsection (c) below. For purposes of clarity, this reduction will take effect at the time of the beneficiary change even if such designation has not taken effect due to the 24-month waiting period referenced in subsection 4(a)(i). Additionally, notwithstanding the above, a retiree will not be eligible to designate or change a beneficiary after retirement if such retiree has already made two designations or changes following his or her date of retirement.

(b) The following rules shall apply with respect to a retiree's post-retirement marriage and the eligibility of the retiree's spouse for a survivor benefit from the Fund:

i. Post-Retirement Marriage Prior to September 1, 2025. For a post-retirement marriage that occurred prior to September 1, 2025, the retiree's spouse will be eligible for the survivor benefit provided under Section 7.02 of the Act if the spouse was married to the retiree on the retiree's death and for at least 24 consecutive months prior to the

retiree's death. In the event a spouse's entitlement to a survivor benefit described in this subsection (b) results in a change to the individual entitled to receive survivor benefits, this change shall occur without a reduction to the member's benefit as described in subsection (c) below, and any existing beneficiary designation on file at the time the retiree's spouse becomes entitled to a survivor benefit under this subsection (b)(i) shall be treated as null and void in accordance with subsection 6(b)(i) below.

ii. Post-Retirement Marriage On or After September 1, 2025. For a post-retirement marriage that occurs on or after September 1, 2025, the retiree's spouse will not automatically become eligible for a survivor benefit from the Fund. The retiree may name such new spouse as a designated beneficiary in accordance with subsection (a)(i) above subject to the actuarial reduction described in subsection (c) below.

(c) A retiree who designates or changes a beneficiary as provided in subsection (a) above must agree to a benefit reduction for the designation or change to take effect. The benefit reduction will be determined by treating the monthly benefit amount that the retiree is receiving at the time of the designation or change of beneficiary as a single life annuity for the life of the retiree and converting the actuarial present value of that single life annuity, as of the time of the designation or change of beneficiary, into an actuarially equivalent benefit in the retiree's existing benefit form, reflecting the newly designated beneficiary and the applicable survivor percentage, taking into account the current ages of the retiree and the beneficiary as of the same date. The conversion described above is based on the actuarial equivalence described in Appendix A in effect under the Fund at the time of the designation or change. The reduction described in this paragraph will apply to any designations or changes in beneficiaries on or after December 1, 2026, and such reduction will take effect at the time of the change in beneficiary.

5. Requirements for Beneficiaries. A beneficiary may be any living person selected by the member.

6. Termination and Nullification of Certain Beneficiary Designations. The following rules shall apply with respect to the termination and nullification of certain beneficiary designations, even if previously accepted by, and currently on file with, the Fund:

(a) *Active Members*.

i. Married Active Members. Any beneficiary designation form on file with the Fund of an active member that is married as of December 1, 2026 shall be treated as null and void. Any beneficiary designation form on file with the Fund of an active member that marries after

December 1, 2026 shall be treated as null and void as of the date of the active member's marriage.

ii. Spouse Named on Beneficiary Designation Form. Any beneficiary designation form on file with the Fund of an active member that names a current or former spouse as a primary beneficiary shall be treated as null and void.

iii. Birth or Adoption of a Dependent Child. In the event of the birth or adoption of a Dependent Child, any beneficiary designation form on file with the Fund of an active member shall be treated as null and void as of the date that the member's Dependent Child would be eligible for survivor benefits under Article 7 of the Act.

(b) *Retired Members*.

i. Married as of December 1, 2026. Any beneficiary designation form on file with the Fund of a retired member who is married as of December 1, 2026 shall be treated as null and void as of such date, except for any such form of a married retired member who: (A) married after his or her retirement and on or after September 1, 2025; or (B) married prior to September 1, 2025 but his or her spouse is not eligible for a survivor benefit under Section 7.02 of the Act as of December 1, 2026. Any beneficiary designation form of a retired member designated under subsection (b)(i)(B) above will be null and void as of the date the spouse of such retired member becomes eligible for a survivor benefit under Section 7.02 of the Act.

ii. Spouse Named on Beneficiary Designation Form. Any beneficiary designation form on file with the Fund of a retired member that names a current or former spouse as a primary beneficiary shall be treated as null and void unless the retiree agreed to and accepted an actuarial reduction to his or her benefit at the time of designation as set forth in the rule at the time of the designation.

iii. Birth or Adoption of a Dependent Child. In the event of the birth or adoption of a Dependent Child, any beneficiary designation form on file with the Fund of a retired member shall be treated as null and void as of the date that the retired member's Dependent Child would be eligible for survivor benefits under Article 7 of the Act. At such time that the retired member's youngest Dependent Child reaches age twenty-two (22), or otherwise no longer qualifies as a Dependent Child, the retired member is eligible to designate a beneficiary in accordance with subsection 4(a)(ii) above.

(c) Notwithstanding the foregoing, any beneficiary designation under which benefits have commenced and are being received by the designated beneficiary as of December 1, 2026 shall not be nullified.

(d) The nullification of a beneficiary designation pursuant to this paragraph 6 shall be permanent and shall not be reinstated.

7. Contingent Beneficiary Designations. All contingent beneficiary designations on file with the Fund shall be disregarded. If the form providing for a contingent beneficiary also contains an otherwise valid primary beneficiary designation, the primary beneficiary designation shall remain valid and will not be invalidated by this paragraph 7.

8. Reduction of Benefit for Beneficiary 10 or More Years Younger. The reduction of a beneficiary's benefit as described in Section 7.09(c) for a beneficiary of a member (active or retired) who is 10 or more years younger than the member at the time of the member's death will be determined in accordance with tables provided by the Fund's actuary and approved by the Board, as may be updated from time to time at the recommendation of the Fund's actuary. The tables as approved by the Board are set forth in Appendix B. For the purposes of clarity, this paragraph 8 applies to post-retirement beneficiary designations and changes made pursuant to paragraph 4(a) above, including, without limitation, any designations of a spouse pursuant to paragraph 4(a)(i).

9. Change in Law Invalidating Marriage. Notwithstanding paragraph 4 above, if a change in applicable law causes a retiree's marriage to be invalid, such that the retiree's spouse is no longer entitled to a survivor benefit, the retiree may designate the individual to whom the retiree was married immediately prior to such change in law as a beneficiary within ninety (90) days after the effective date of such change in law. Such designation shall not be subject to the actuarial reduction described in paragraph 4(c) above and shall not be treated as null and void under paragraph 6 above.

10. Administration. The application, administration and interpretation of this Section VI shall be at the full and absolute discretion of the Fund. Any decision relating to a beneficiary designation under this policy by the Fund shall be final and binding.

**VII. [Repealed]**

**VIII. [Repealed]**

**IX. [Repealed]**

**X. Optional Forms of Benefit**

1. Background. Section 9.10 of the Act provides the Board with the authority to approve optional forms of retirement benefits that members may elect in lieu of such member's normal form of retirement benefit payable under the Act (the "***Normal***

***Form of Benefit***"), provided that such optional form must be certified by the Fund's actuary to be the actuarial equivalent of the member's Normal Form of Benefit.

The Rules under this Section X are intended to establish the optional forms of retirement benefits that Group A and Group B members may elect upon retirement and the requirements and procedures with respect to the member's election of such optional forms. This Rule, as amended, will take effect on June 2, 2026.

2. Optional Forms of Benefit for Group A Members. Under the Act, the Normal Form of Benefit for a Group A member is a **75% joint and survivor annuity**, pursuant to which the Fund (i) will pay a monthly annuity benefit to the member for life and (ii) upon the member's death, will continue to pay a reduced survivor annuity benefit to the member's spouse or other beneficiary (as determined under the Act) for life.

   (a) Single Life Annuity. Upon retirement and in lieu of the Normal Form of Benefit, a Group A member may elect the "***Single Life Annuity Option***", provided that the requirements of this paragraph (a) are satisfied. The Single Life Annuity Option will provide the member with an increased monthly annuity benefit to the member for life, but will provide no survivor benefit.

      i. *Calculation of Single Life Annuity*. The Single Life Annuity Option will be actuarially equivalent to the Normal Form of Benefit. The amount of the member's monthly annuity will be increased if the Single Life Annuity Option is selected so that such benefit is the actuarial equivalent of the Normal Form of Benefit that the member would have otherwise been eligible to receive. The method and process for such conversion to the Single Life Annuity Option will be determined by the Fund's actuary and shall be based on the actuarial assumptions set forth in Appendix A with the assumption that the member's spouse or designated beneficiary under the Normal Form of Benefit is the same age as the member, regardless of the actual age of the spouse or designated beneficiary.

      ii. *Participation in DROP*. If the member elects to participate in the Fund's deferred retirement option plan ("***DROP***"), the amounts credited to a member's DROP account that relate to annuity payment amounts will be adjusted to reflect the Single Life Annuity Option election.

      iii. *Spousal Consent*. The spouse of a Group A member who elects the Single Life Annuity Option must consent to such election for the election to be valid and take effect. The consent must be in writing and witnessed by an employee or officer of the Fund or acknowledged by a notary public. If a member's spouse has been adjudicated incompetent, the consent may be given by the spouse's guardian in accordance with Section 9.10(g) of the Act and or by the member in accordance with Section 9.10(h) of the Act.

Notwithstanding the above, spousal consent is not required if the Board determines that (A) no spouse exists, (B) the spouse cannot be located, (C) the first anniversary of the marriage will not occur before the date that the first annuity from the Single Life Annuity Option becomes payable, or (D) a former spouse is entitled to receive a portion of the member's optional retirement benefit under a qualified domestic relations order (see Section 9.10(i) of the Act). To clarify (D) above, the spousal consent requirement will still apply as to any current spouse of a member, even if the member has a qualified domestic relations order on file with the Fund for a former spouse.

With respect to all Board determinations under this paragraph 2(a)(iii) of Section X, (A) the Board may request further action, information and documentation as it deems necessary to make any determinations, including, without limitation, a statement by an independent physician of the spouse's mental condition, and shall not be required to make a determination if it has not received such requested information or documentation; and (B) all such determinations will be made at sole and absolute discretion of the Board, and its determination shall be final and binding.

(b) Guaranteed Term of Payments. Upon retirement, a Group A member may elect the "***Guaranteed Term Option***" (also referred to as "***Option 2***"), provided that the requirements of this paragraph (b) are satisfied. The Guaranteed Term Option will provide a reduced monthly annuity benefit to the member for life and will guarantee that either the member's spouse, designated beneficiary or estate, as applicable, would receive a 100% survivor benefit if the member dies within the first ten (10) years (the "***Guaranteed Period***") after annuity payments commence to the member for the remainder of such ten-year Guaranteed Period. Following the end of the Guaranteed Period, the amount of the survivor benefit (if any) to be paid under the Guaranteed Term Option will be based on the applicable terms of the Fund and these Rules, the member's monthly annuity at the time of death, the form of benefit that the member elected at retirement, and in the case of a survivor who is a designated beneficiary, the age of such beneficiary. An estate is not eligible to receive a survivor benefit beyond the Guaranteed Period.

i. *Eligibility for Guaranteed Term Option*. The Guaranteed Term Option may be elected by a Group A member who chooses either the Normal Form of Benefit or the Life Annuity Option.

ii. *Calculation of Guaranteed Term Annuity*. The Guaranteed Term Option will be actuarially equivalent to the Normal Form of Benefit. The amount of the member's monthly annuity will be reduced if the Guaranteed Term Option is selected so that such benefit is the actuarial equivalent of the Normal Form of Benefit (taking into

consideration any Life Annuity Option election, if applicable) that the member would have otherwise been eligible to receive. The method and process for such conversion to the Guaranteed Term Option will be determined by the Fund's actuary and shall be based on the actuarial assumptions set forth in Appendix A with the assumption that the member's spouse or designated beneficiary under the Normal Form of Benefit is the same age as the member, regardless of the actual age of the spouse or designated beneficiary.

iii. *Participation in DROP*. If the member elects to participate in DROP, (A) the amounts credited to a member's DROP account that relate to annuity payment amounts will be adjusted to reflect the Guaranteed Term Option election, and (B) the Guaranteed Period will commence as of the retirement date that is selected by the member for purposes of DROP (i.e., the DROP Effective Date) and not the member's actual date of termination of active service.

iv. *Beneficiary During Guaranteed Term*. For purposes of payments to be made during the Guaranteed Term Option, (i) if the member was married at the time of death, the member's spouse will receive the payments, (ii) if the member was not married but had dependent children at the time of death, the payments will be made to the member's dependent children in equal shares, or (iii) if the member had no spouse or dependent children at the time of death, the beneficiary that the member designated to receive the survivor annuity benefit will receive the payments.

3. Optional Forms of Benefit for Group B Members. Under the Act, the Normal Form of Benefit for a Group B member is a **single life annuity**, pursuant to which the Fund will pay a monthly annuity benefit to the member for life, but no survivor benefit shall be payable. In lieu of the Normal Form of Benefit, a Group B member may elect one of the following options at retirement:

(a) Joint and Survivor Annuity. Upon retirement, a Group B member may elect a "***Joint and Survivor Option***", provided that the requirements of this paragraph (a) are satisfied. The Joint and Survivor Option will provide (i) a reduced monthly annuity benefit to the member for life and (ii) upon the member's death, a survivor annuity benefit in the amount elected by the member to the member's designated beneficiary for the beneficiary's life.

i. *Survivor Benefit Percentage.* The amount of the survivor annuity benefit payable to the member's designated beneficiary may be equal to 75% or 50%, as selected by the member at retirement.

ii. *Calculation of Joint and Survivor Annuity*. The Joint and Survivor Option will be actuarially equivalent to the Normal Form of Benefit. The amount of the member's monthly annuity will be reduced if the

Joint and Survivor Option is selected so that such benefit is the actuarial equivalent of the Normal Form of Benefit that the member would have otherwise been eligible to receive. The method and process for such conversion to the Joint and Survivor Option will be determined by the Fund's actuary and shall be based on the actuarial assumptions set forth in Appendix A.

iii. *Participation in DROP*. If the member elects to participate in DROP, the amounts credited to a member's DROP account that relate to annuity payment amounts will be adjusted to reflect the Joint and Survivor Option election.

(b) Joint and Survivor Plus Pop-Up Option. Upon retirement, a Group B member may elect the "***Pop-Up Option***", provided that the requirements of this paragraph (b) are satisfied. The Pop-Up Option will provide (i) a reduced monthly annuity benefit to the member for life and (ii) upon the member's death, a survivor annuity benefit in the amount elected by the member to the member's designated beneficiary for the beneficiary's life, with the provision that if the designated beneficiary predeceases the member, the amount being paid to the member will increase (or "pop-up") to the amount that would have been payable if the member had elected the Normal Form of Benefit.

i. *Survivor Percentage*. The amount of the survivor annuity benefit payable to the member's designated beneficiary may be equal to 75% or 50%, as selected by the member at retirement.

ii. *Calculation of Pop-Up Annuity*. The Pop-Up Option will be actuarially equivalent to the Normal Form of Benefit. The amount of the member's monthly annuity will be reduced if the Pop-Up Option is selected so that such benefit is the actuarial equivalent of the Normal Form of Benefit that the member would have otherwise been eligible to receive. The method and process for such conversion to the Pop-Up Option will be determined by the Fund's actuary and shall be based on the actuarial assumptions set forth in Appendix A.

iii. *Participation in DROP*. If the member elects to participate in DROP, the amounts credited to a member's DROP account that relate to annuity payment amounts will be adjusted to reflect the Pop-Up Option election.

(c) 10-Year Certain and Life. Upon retirement, a Group B member may elect the "***10-Year Certain and Life Option***", provided that the requirements of this paragraph (c) are satisfied. The 10-Year Certain and Life Option will provide a reduced monthly annuity benefit to the member for life and guarantees that, if the member dies within the first ten (10) years (the "***Certain Period***") after annuity payments commence to the member, the member's designated

beneficiary would receive a monthly survivor benefit equal to 100% of the benefit that the member was receiving for the remainder of such ten-year Certain Period. Benefits will continue to be paid to the member beyond the Certain Period as long as the member is alive, but will cease at the later of the member's death or the last day of the Certain Period.

i. *Calculation of 10-Year Certain and Life Annuity*. The 10-Year Certain and Life Option will be actuarially equivalent to the Normal Form of Benefit. The amount of the member's monthly annuity will be reduced if the 10-Year Certain and Life Option is selected so that such benefit is the actuarial equivalent of the Normal Form of Benefit that the member would have otherwise been eligible to receive. The method and process for such conversion to the 10-Year Certain and Life Option will be determined by the Fund's actuary and shall be based on the actuarial assumptions set forth in Appendix A.

ii. *Participation in DROP*. If the member elects to participate in DROP, (A) the amounts credited to a member's DROP account that relate to annuity payment amounts will be adjusted to reflect the 10-Year Certain and Life Option election, and (B) the Certain Period will commence as of the retirement date that is selected by the member for purposes of DROP (i.e., the DROP Effective Date) and not the member's actual date of termination of active service.

(d) Naming a Designated Beneficiary. A Group B member is only eligible to name a beneficiary (a "designated beneficiary") at retirement in accordance with the terms of this section and other procedures adopted by the Fund.

i. *Beneficiary Designation at Retirement*. If a Group B member selects an optional form of benefit that provides a survivor benefit after the member's death, (i) the member's spouse shall be deemed to be the designated beneficiary to receive such survivor benefit if the member is married at retirement, or (ii) the member may name one individual to receive the survivor benefit after the member's death if the member is not married at retirement.

ii. *No Post-Retirement Beneficiary Designations*. No post-retirement beneficiary designations are permitted for Group B members.

4. Election Forms. All elections for optional forms of benefit and beneficiary designations under this Section X will be made through forms and procedures established by the Fund and shall not be valid unless made pursuant to these forms and procedures. In the event of any inconsistencies between the terms of the election forms and the Act or these Rules, the Act and these Rules shall control.

5. Irrevocability. All elections made by members for optional forms of benefit shall be irrevocable and cannot be changed by members after monthly annuity payments have commenced.

## XI. Procedure to Adopt or Amend Certain Rules or Policies

1. Background. Section 2.11 of the Act provides the Board with the authority to adopt rules it considers necessary or desirable for the efficient administration of the Fund. The Rule under this Section XI is intended to set out a standard process that the Board must follow to create, approve, or revise certain rules or policies of the Fund that have a direct impact on the benefits payable to members and beneficiaries. Any rule or policy shall be consistent with applicable laws and regulations, case law, and other Fund rules and policies.

2. Application. This procedure only applies to the adoption (or subsequent amendment) of a rule or policy (or section thereof) that has a direct impact on a member or beneficiary's eligibility for a Benefit (as such term is defined in Rule XIII), service credit under the Fund, or the amount or determination of a Benefit. This procedure does not apply to the adoption (or subsequent amendment) of a rule or policy that (i) does not have a direct impact on Benefits, including but not limited to the Board of Trustees' Governance Policy, Code of Ethics, the Investment Policy Statement or related procedures, or any staff related employment policies or (ii) is required to comply with federal or state law or otherwise necessary to maintain the qualified status of the plan.

3. Raising a Rule or Policy Issue. Any member of the Board may request that an item be placed on the agenda of a future meeting of the Board relating to the consideration of a new rule or policy or amendment to an existing one.

4. Proposed Draft of a Rule or Policy. Following discussion of a proposed rule or policy, or amendment to a rule or policy, at a meeting of the Board, the Board may instruct staff or legal counsel to prepare a draft of a proposed rule or policy or an amendment to an existing rule or policy for consideration at a future meeting ("***Proposed Draft***"). The Board may consider and, at its discretion, approve the Proposed Draft during any regular or special meeting of the Board. Once approved, a copy of the Proposed Draft shall be included with the Board meeting minutes and posted on the Fund's website. The posting on the website will include a request for Member comments.

5. Membership Comment Period and Adoption of the Proposed Draft. The approved Proposed Draft may not be considered for final adoption by the Board before the first regular monthly Board meeting that is two months following the month during which the Board approved the Proposed Draft. Prior to final adoption of the Proposed Draft, the Board shall consider any written comments from Members and provide the opportunity for Members to provide public comments at a Board meeting.

   After hearing the Member's comments, the Board may (1) vote to adopt the Proposed Draft during the same meeting without changes or with minor changes, (2) defer the

vote to adopt the Proposed Draft until any subsequent meeting if the Board determines that significant revisions to the Proposed Draft should be considered, or (3) determine not to proceed with the Proposed Draft.

6. Emergency Procedure. The Board may be faced with an emergency situation in which the need for a rule or policy or amendment to existing rule or policy is immediate and urgent. The Board may expedite the adoption process by introducing and adopting a proposed rule or policy during a single meeting if the Board determines that the expedited timing of such adoption is required for the best interest of the Fund and the circumstances surrounding the adoption were unforeseeable.

7. Posting of Rules. All Benefit-related rules and policies that are subject to this Rule XI will be posted on the Fund's website.

## XII. Retirement Upon Indefinite Suspension

1. Background. The purpose of the Rule in this Section XII is to establish a standard procedure to address the circumstance in which a member who is indefinitely suspended commences his or her service retirement benefit upon the indefinite suspension.

2. Election to Commence Retirement Benefit. If a member is indefinitely suspended from active service, the member may elect to commence his or her service retirement benefit if he or she is otherwise eligible for such benefit under Article V of the Act in accordance with the requirements under this Section XII and procedures established by the Fund. A member is not required to immediately commence his or her benefit upon an indefinite suspension.

3. Indefinite Suspension with No Intent to Appeal. If the member is indefinitely suspended and does not intend to appeal such suspension, the member must certify in writing to the Fund his or her intent not to appeal. Upon receiving such certification, the Fund will treat the indefinite suspension as a standard termination of active service for purposes of the Fund as of the effective date of the suspension. If the Fund subsequently obtains knowledge that such member in fact has appealed the indefinite suspension, the Fund will take any action it deems appropriate with respect to the member's benefits, including suspend all annuity payments, prohibit distributions from DROP, or treat the member as if the member agreed to the terms of the Indefinite Suspension Addendum described below.

4. Indefinite Suspension with Intent to Appeal. If the member is indefinitely suspended and does intend to appeal such suspension, the member shall agree to the terms and conditions set forth in an Indefinite Suspension Addendum (the "Addendum") to his or her retirement benefit election forms. The terms and conditions of the Addendum will be established by the Fund and shall provide for the following:

(A) The member's service retirement benefit shall be calculated as if the effective date of the member's indefinite suspension was the member's date of termination of active service;

(B) If the member elects to participate in the Deferred Retirement Option Plan ("DROP") upon his or her indefinite suspension, no DROP distributions shall be made until a final ruling denying the member's appeal;

(C) If the member is reinstated to active service upon appeal, the member's retirement benefit election shall be deemed to be revoked as of the effective date of the member's return to active service, and all monthly annuity payments will immediately cease and the member's DROP account will be discontinued in the records of the Fund; and

(D) The member shall make repayments to the Fund to account for all monthly benefit payments made to the member during the period from the commencement of service retirement benefits upon indefinite suspension through the effective date of the member's return to active service (the "Suspension Period") in accordance with paragraph 5 below.

5. Repayment Obligation Upon Reinstatement. If the member commenced his or her service retirement benefit upon indefinite suspension and is reinstated following appeal, the member shall pay to the Fund the aggregate amount of all monthly annuity payments received by the member during the Suspension Period (the "***Repayment Amount***") within six (6) months of the effective date of the member's return to active service. If a member does not fully repay the Repayment Amount within six (6) months, the Fund has the authority to take any and all action necessary to recover the Repayment Amount plus interest accrued at the actuarially assumed rate of return of the Fund for the period beginning with the commencement date of the member's service retirement benefit through the date that no further repayment obligation under this paragraph 5 exists, including taking legal action against the member or adjusting or otherwise recovering such amounts from a member's monthly annuity payments or DROP account upon a subsequent retirement from the Fund.

6. Qualified Domestic Relations Orders.

(a) If a court of competent jurisdiction has issued a domestic relations order as part of a member's divorce proceedings and the Fund has determined that such order is a qualified domestic relations order ("***QDRO***"), the service retirement benefits provided under this Section XII shall be subject to division between the member and the alternate payee pursuant to such QDRO and this paragraph 6.

(b) The Fund shall make a reasonable attempt to contact the alternate payee and provide the alternate payee with notice of his or her rights under this Section XII once a member elects to commence a service retirement benefit upon his or her indefinite suspension.

(c) If the member certifies to the Fund that the member does not intend to appeal his or her indefinite suspension as provided in paragraph 3 above, the Fund shall administer the service retirement benefits in accordance with the terms

of the QDRO as if the indefinite suspension was a standard termination of active service as of the effective date of the suspension.

(d) If the member does intend to appeal his or her indefinite suspension and has completed the Addendum such that the member's service retirement benefits paid during the Suspension Period are subject to a potential repayment obligation as set forth in paragraphs 4 and 5 above, the Fund will hold any portion of the benefit due to an alternate payee under the QDRO in escrow until a final ruling denying the member's appeal has been entered, unless the alternate payee agrees in writing to repay the aggregate amount of all monthly annuity payments received during the Suspension Period to the Fund in accordance with the terms and conditions set forth in the Addendum.

(e) In the event the member is reinstated to active service following appeal and the alternate payee did not agree to the terms and conditions of the Addendum, all payments will immediately cease, the entire balance of the escrow account will be immediately returned to the Fund, and the alternate payee will not be entitled to receive any other payment from the Fund until benefits from the Fund subsequently commence and in accordance with the terms of the QDRO.

(f) In the event the member is reinstated to active service following appeal and the alternate payee agreed to the terms and conditions of the Addendum, all payments will immediately cease, and the alternate payee shall pay to the Fund the aggregate amount of all monthly annuity payments received by the alternate payee during the Suspension Period within six (6) months of the effective date of the member's return to active service in accordance with paragraph 5. If the alternate payee does not fully repay such amount, the Fund has the authority to take any and all action necessary against the alternate payee in accordance with paragraph 5.

(g) If the member is not reinstated to active service following appeal and the alternate payee did not agree to the terms and conditions of the Addendum, the Fund shall pay any amount accumulated in the escrow account to the alternate payee as soon as administratively feasible after the final ruling denying the member's appeal. The Fund shall continue to make all subsequent payments owed to the alternate payee pursuant to the QDRO directly to the alternate payee.

7. Subsequent Service Retirement. If a member who commenced a retirement benefit under this Section XII is reinstated and has satisfied the requirements in paragraph 5, when the member subsequently retires from active service, the member's service retirement benefit upon such retirement will be calculated as of the member's subsequent retirement date and as if the member never commenced retirement under this Section XII.

8. Effective Date. The Rules under this Section XII will apply to any member who is indefinitely suspended on or after September 1, 2017.

## XIII. Appeal of Benefit Determinations

1. Purpose. Pursuant to Section 2.09 of the Act, the Board is responsible for determining all matters related to a Member's participation in the Fund and eligibility for any benefits provided under the Fund. The Board has determined that it is in the best interest of the Fund and its Members to set forth a process for Members and other beneficiaries of the Fund to appeal a decision of the Board or the Executive Director with respect to benefit determinations under the Fund. All appeals must be made in accordance with this Rule and otherwise be consistent with the provisions of the Act.

   The Board has delegated authority to the Benefits Committee of the Board to review and make recommendations to the Board regarding appeals of benefit determinations by the Fund. The Benefits Committee will perform a full and fair review of all appeals in an independent and impartial manner and will make a recommendation to the full Board based on such review. The decision of the Board on appeals will be final and binding.

2. Defined Terms. As used in this Rule, the following terms shall have the meanings prescribed to them below:

   (a) "***Adverse Decision***" means any determination made by the Board or the Executive Director that denies or adversely impacts a Benefit of an individual Member (whether active or retired), a surviving spouse or child, alternate payee or other eligible beneficiary under the Fund. An Adverse Decision may be made in connection with a Member's application or other request for a Benefit under the Fund or a determination that relates to a Member or other beneficiary's Benefit including, without limitation, a determination related to the eligibility of any person to participate in the Fund or to receive, or continue to receive, a Benefit and the amount of that Benefit. An Adverse Decision does not include a determination or decision that (i) does not involve or directly impact Benefits or (ii) generally impacts Benefits under the Fund for all similarly-situated individuals.

   (b) "***Benefit***" means any amount payable by the Fund to a Member, a surviving spouse or child, alternate payee or other eligible beneficiary under the Act, including, without limitation, a service retirement benefit under Article 5 of the Act, a disability retirement benefit under Article 6 of the Act, a survivor's benefit under Article 7 of the Act, a Member's participation in the Deferred Retirement Option Plan ("***DROP***") under Article 8 of the Act, or the right of an alternate payee to receive a portion of a Member's benefit under a qualified domestic relations order.

   (c) "***Claimant***" means any Member, surviving spouse or child, alternate payee or other eligible beneficiary who appeals an Adverse Decision of his or her Benefit pursuant to this Rule.

3. Adverse Decision relating to Benefits.

(a) *Notice of Adverse Decision.* If the Executive Director or the Board make an Adverse Decision with respect to a Benefit under the Fund, the Executive Director will provide the Member, surviving spouse or child, alternate payee or other eligible beneficiary, as applicable, with written notice of such Adverse Decision within a reasonable period of time, but not later than thirty (30) days after the Adverse Decision was made (the "***Notice of Adverse Decision***"). The Notice of Adverse Decision may be mailed or emailed to the Claimant.

(b) *Content of Notice of Adverse Decision.* The Notice of Adverse Decision will include, at a minimum, the following information:

(i) the specific reason(s) for the Adverse Decision,

(ii) reference to the provisions of the Act upon which the Adverse Decision is based and/or the section of the Fund's Rules or policies that was relied upon in making the Adverse Decision,

(iii) description of any information that was not provided which may have been a reason for such Adverse Decision and an explanation of why such information is necessary,

(iv) notice of the right of the Member, surviving spouse or child, alternate payee or other eligible beneficiary to appeal the Adverse Decision, a copy of this Rule (or directions for where to find the Rule on the Fund's website), and the deadline for filing such appeal, and

(v) a statement that the Member, surviving spouse or child, alternate payee or other eligible beneficiary is entitled to receive, upon request and free of charge, reasonable access to and copies of all public documents, records, and other information relevant to the Adverse Decision.

4. Initiating the Appeal Process.

(a) *Filing a Notice of Appeal.* To begin an appeal, the Claimant, or an authorized representative of the Claimant, must send written notice of the appeal to the Executive Director ("***Notice of Appeal***") which must be delivered or postmarked no later than sixty (60) days after the date that the Notice of Adverse Decision was received by the Claimant. The Notice of Appeal may be hand-delivered or mailed to the Executive Director at the Fund's address or emailed to the Executive Director.

(b) *Content of Notice of Appeal.* The Notice of Appeal must include all relevant information regarding the Claimant and the Adverse Decision being appealed, including, without limitation, the following information:

(i) the Claimant's name, address, phone number, TX FIR number (if applicable), and the last four (4) digits of his or her social security number,

(ii) the Adverse Decision being appealed and the specific reason(s) that the Claimant disagrees with the Adverse Decision, and

(iii) any additional evidence that the Claimant wants the Board to consider in connection with the appeal, including, without limitation, written comments, documents, records, medical records, and other information related to the appeal, even if the Claimant had not previously submitted such documents or information to the Fund.

(c) *Failure to Timely Submit a Notice of Appeal.* A Claimant will forfeit his or her right to appeal an Adverse Decision if the Notice of Appeal is not received or postmarked within sixty (60) days after the Claimant's receipt of the Notice of Adverse Decision.

(d) *No Third-Party Rights.* No person other than the Claimant, or the Claimant's authorized representative, may appeal an Adverse Decision with respect to the Benefit payable to such Claimant.

5. Board's Review of Appeal.

(a) *Standard of Review*. All appeals will be given a full and fair review, and the Benefits Committee will take into account all comments, documents, records, and other information submitted by the Claimant with the Notice of Appeal, without regard to whether such information was submitted or considered in the initial Adverse Decision.

(b) *Meeting for Review of Appeal*. The Benefits Committee will review the Claimant's appeal. The date of the meeting at which the appeal will be considered will be communicated to the Claimant at least fifteen (15) days prior to the meeting. The Claimant may request a delay or rescheduling of the meeting within five (5) days after receiving notice of the meeting if he or she can demonstrate good cause for such request, and the Executive Director will consider and respond to any such request. Portions of the meeting may be held in closed session for consultation with the Fund's attorney, discussions involving disability determinations or personal medical records, or otherwise as permitted under the Texas Open Meetings Act.

(c) *Right of Claimant to Appear*. During the meeting at which the appeal is reviewed, the Claimant, or his or her representative, may appear before the Benefits Committee to make a brief statement concerning any facts or arguments he or she wishes to present with respect to the appeal. The

Benefits Committee may ask the Claimant to respond to its questions or ask the Claimant to provide additional information related to the appeal. The Chairman of the Benefits Committee has final authority to set the amount of time the Claimant may have to present information. The Claimant may be represented by legal counsel or another duly authorized representative to appear on the Claimant's behalf.

(d) *Independent Evaluation.* With respect to an appeal related to a disability retirement Benefit, the Benefits Committee may request that an Independent Evaluation (as defined in the Fund's "Disability Retirement Benefit Policy") be performed in connection with its review of the appeal. Any Independent Evaluation performed in connection with the Benefits Committee's review of an appeal must be performed by an individual who was neither consulted in connection with the original Adverse Decision nor served on the Medical Board that reviewed the Member's application for disability retirement Benefits. The Fund will be responsible for any fees or costs incurred to obtain an Independent Evaluation requested by the Benefits Committee under this section. The Fund will provide the results of such Independent Evaluation, and any tests, reports, images, documents or other information generated in connection with such Independent Evaluation, to the Claimant within a reasonable period of time prior to its final decision of the appeal in order to provide the Claimant an opportunity to respond to the results. The Benefits Committee may employ the Medical Board to assist with the review of any appeal involving a disability determination, including an appeal in which an Independent Evaluation is performed.

6. Final Decision on Appeal.

(a) *Timing of Final Decision.* The Benefits Committee will make its recommendation to the Board no later than the next regularly scheduled meeting of the Board. The Board will make a final decision on an appeal, or determine that an extension of time to make a final decision is required, on or before the next regularly scheduled meeting following the meeting at which the Benefits Committee makes its recommendation. If the Board requires more time to make a final decision, the Executive Director will provide the Claimant notice of such extension within fifteen (15) days following the Board's determination that such extension is required and will indicate the special circumstances requiring an extension of time and the date by which the Board expects to make its final decision. Such extension will generally not exceed more than sixty (60) days from the date of such extension notice unless good reason exists for a longer extension period. Once the Board has made a final decision on an appeal, the Executive Director will communicate the Board's final decision to the Claimant in writing no later than fifteen (15) days after the meeting at which the Board makes its final decision ("***Notice of Final Decision***").

(b) *Content of Notice of Final Decision.* The Notice of Final Decision will include, at a minimum, the following information:

(i) the reason(s) for the Board's final decision,

(ii) any new or additional evidence or rationale that formed the basis for the Board's final decision,

(iii) the provisions of the Act upon which the final decision is based and/or the section of the Fund's Rules or policies that was relied upon in making the Board's final decision,

(iv) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all public documents, records, and other information relevant to the Board's final decision, and

(v) a statement of the Claimant's rights to seek judicial review of the Board's final decision.

(c) *Effect of Final Decision*. The Board's final decision following a full and fair review of the appeal and recommendation by the Benefits Committee will be made in its sole and absolute discretion and shall be final and binding on all involved parties.

## XIV. Designation of Member Trustee Positions

1. Background. In connection with the legislative changes to the Act during the 89th Legislative session, the number of members of the Fund who may be elected to serve on the Board increased from three to four. Pursuant to Section 2.02(c), the Legislature granted the Board authority to specify by rule the number of such elected members who must be firefighters or retirees of the Fund. The Board believes it is in the best interest of the Fund to ensure the Board is composed of representatives from both the active firefighter members and retired members.

2. Designation. Effective as of January 1, 2026, (i) one of the four member Trustee positions is designated for and shall be filled by an active firefighter member, and (ii) one of the four member Trustees positions is designated for and shall be filled by a retired member. The two remaining member Trustee positions will continue to be elected at large from the entire member population and may be either an active firefighter or a retiree.

3. Exception. Notwithstanding as otherwise provided above, the Board may suspend the requirements set forth in Paragraph 2 above in the event the Fund does not receive a nomination for an eligible individual to serve in one of the designated positions in a given year. The Board may adopt reasonable procedures to fill such position.

## XV. Military Service Credit Purchase

1. Background. Pursuant to Section 4.02 of the Act, a member of the Fund who performs active military service on or after January 1, 2026 while actively employed by the Austin Fire Department is permitted to purchase service credit under the Fund for each month that the member actively serves in the armed forces or armed forces reserves of the United States (or their auxiliaries) in accordance with rules adopted by the Board as well as the applicable requirements of Section 414(u) of the Code and USERRA. The purpose of this Rule is to outline the requirements to purchase such service credit and establish a standard process for purchasing such service credit under the Fund. This Rule shall take effect as of January 1, 2026.

2. Qualified Military Service. For purposes of this Rule, the term "***Qualified Military Service***" means any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) by any member on or after January 1, 2026 if such member is entitled to reemployment rights under USERRA with respect to such service. In order to be recognized as Qualified Military Service, the member must have been honorably discharged.

3. Requirements to Purchase Military Service Credit.

   (a) A Member who is absent from employment with the Austin Fire Department because of active duty military service may – but is not required to – purchase one month of service credit for each month during which the member performs Qualified Military Service ("***Military Service Credit***"), provided that in no event shall a member be entitled to purchase more than a total of sixty (60) months of Military Service Credit under the Fund.

   (b) To be eligible to purchase Military Service Credit, the Member must (1) return to employment with the Austin Fire Department no later than the 180th day after the date of discharge or release from Qualified Military Service or from hospitalization continuing after discharge for no more than one year and (2) leave the member's accumulated contributions in the Fund during the period of absence.

   (c) After returning to employment with the Austin Fire Department, the member must submit a written application with the Fund to purchase Military Service Credit which must be accompanied by satisfactory proof of such service, including at a minimum a copy of the military service record related to such Qualified Military Service showing the member's dates of service and discharge/separation, such as a DD-214 or equivalent documentation.

   (d) To purchase Miliary Service Credit, the member must pay to the Fund an amount equal to the total amount of contributions that the member would have made during the period of Qualified Military Service if the member had remained in active employment with the Austin Fire Department during such period.

(e) After the member makes the contribution set forth in subsection (d), the Fund will notify the City of the amount of Military Service Credit purchased by the member and the applicable period of Qualified Military Service. As soon as reasonably practicable, the City shall deposit an amount equal to the total amount of contributions that the City would have made during the period of Qualified Military Service if the member had remained in active employment with the Austin Fire Department during such period.

(f) Once the Fund has received contributions from both the member and the City, the member's records in the Fund shall be updated to reflect the purchased Military Service Credit. Military Service Credit shall be recognized by the Fund for all purposes, including to determine eligibility for retirement and benefit accrual.

4. Timing and Form of Contributions.

(a) Military Service Credit may only be purchased in increments of one (1) full month.

(b) Contributions required to be paid to the Fund by this rule shall be made in a single lump-sum payment. The member may make the lump-sum contribution payment either: (1) using after-tax funds paid to the Fund via check, wire transfer, or other method approved by the Fund, or (2) through a pre-tax rollover from an eligible retirement plan or account. A member may be required to provide a statement from the eligible retirement plan or account or other satisfactory proof of the qualified status of such plan or account before a rollover will be accepted by the Fund.

(c) The Member must complete the purchase of Military Service Credit within five (5) years from the date of discharge associated with the Qualified Military Service to which the Military Service Credit relates.

(d) All service purchases must be made prior to the commencement of a monthly annuity benefit from the Fund.

(e) Notwithstanding the above, a member will not be eligible to purchase Military Service Credit under the Fund if the member has established credit for the same military service with another retirement system.

5. Purchase of Military Service Credit After Member's Death.

(a) If a member dies while performing Qualified Military Service, the member's spouse may purchase Military Service Credit on behalf of the member in accordance with the terms of this rule, provided that such purchase must be made no later than ninety (90) days after the member's death.

(b) In no event will a designated beneficiary of a member or other non-spousal beneficiary be eligible to purchase Military Service Credit on behalf of the member.

**ADOPTED** at the meeting of the Board of Trustees of the Fund on [_____], 2026, as recorded in the minutes of such meeting.

## APPENDIX A

### Actuarial Assumptions for Actuarial Equivalence Factors

***The Board will review these actuarial assumptions periodically as needed and at least every five (5) years in conjunction with an actuarial experience study. To the extent the Board approves a change to any of these assumptions in connection with an actuarial experience study, this Appendix A will be updated without formal amendment of the Fund Rules.***

| | |
|---|---|
| Mortality: | PubS(A)-2010 Mortality Table projected to 2026 with improvement scale MP-2021 |
| Mortality Weighting for Member: | Males: 93%<br>Females: 7% |
| Mortality Weighting for Spouse: | Males: 7%<br>Females: 93% |
| Mortality Weighting for Non-spouse Beneficiary (only applicable to Group A): | Males: 50%<br>Females: 50% |
| Interest Rate: | 7.30% |
| COLA: | Group A Members: 0.25%<br>Group B Members: 1.00% |

To determine the continuation percentage payable to a designated beneficiary under Appendix B, it assumes the member retires at age 50, the spouse is age 50, and the designated beneficiary is the age specified in Appendix B.

## APPENDIX B

## Factors for Reduction of Benefit for Group A Designated Beneficiary Who Is 10 or More Years Younger Than the Member

| 10-Year Rule Joint & Survivor Benefit Factors | |
|---|---|
| Age Difference (Retiree Age *less* Designated Beneficiary Age) | Percentage Payable To Designated Beneficiary |
| Less than 10 | 75% |
| 10 – 14 | 45% |
| 15 – 19 | 40% |
| 20 – 34 | 35% |
| 35+ | 30% |

***Please note the above table represents the percentage of a Group A retiree's accrued benefit that is payable to the Designated Beneficiary if the Group A retiree predeceases the Designated Beneficiary.***

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*Via Electronic Mail*

October 30, 2026

Board of Trustees
Austin Firefighters Retirement Fund
4101 Parkstone Heights Drive, Suite 270
Austin, Texas 78746

***Re: Austin Firefighters Retirement Fund Group A COLA Analysis for Calendar Year 2027***

Dear Board:

As requested, the purpose of this letter is to confirm that the statutory requirements for the Board to potentially approve a Group A cost-of-living adjustment (COLA) for calendar year 2027 are not satisfied. Under Article 6243e.1, there are a number of statutory requirements that must be satisfied before the Board may consider approving a proposed Group A COLA. A high-level summary of these requirements is described in the table below.

| COLA Test | Statutory Requirement |
|---|---|
| Amortization Period | The amortization period of the fund as a whole, taking into account the proposed COLA, must be no greater than the applicable threshold set by the statute (currently 25 years, dropping to 20 years beginning with 2036, and to 15 years for all years beyond 2040). |
| Funded Ratio | The funded ratio, defined as the ratio of the actuarial value of assets to the actuarial accrued liability, taking into account the proposed COLA, must be at least the applicable threshold set by the statute (currently 80%, increasing to 85% beginning with 2041, and to 90% for all years beyond 2045). Assuming all assumptions are exactly met, the projected funded ratio must be no less than the applicable percentage for each year during the remainder of the amortization period of the fund as a whole or ten years, whichever is greater. |
| One-Year Investment Return | The annual investment return for the applicable calendar year reported as a money-weighted rate of return, net of investment expenses, must be no less than zero percent. |
| Five-Year Investment Return | The average money-weighted rate of return, net of investment expenses, for the five-year period ending with the applicable calendar year must be no less than the Fund's assumed rate of return used in the actuarial valuation for the same year. |
| City Contribution Rate | The estimated municipal contribution rate (EMCR) developed based on the applicable subsequent risk-sharing valuation study (RSVS), after taking into account the proposed COLA, must not exceed the applicable corridor midpoint by more than four percentage points. |

For 2027, the five-year investment return requirement is not satisfied. Specifically, Section 9.04(c)(2)(B) of Article 6243e.1 prohibits Board approval for the calendar year beginning on the second January 1 following a year in which the reported five-year investment return is below the assumed return used in that year's valuation. For 2027, Meketa reported a five-year arithmetic

average of annual money-weighted net returns of 7.05% for the 2021-2025 period. Because this average is below the 7.30% assumption used in the December 31, 2025 valuation, **no COLA can be considered for 2027**.

Because this necessary condition is not satisfied, and the detailed implementation of the annual testing process is being developed to ensure consistent, transparent administration of the COLA test provisions annually, we have not completed analysis of the remaining COLA tests for 2027 for purposes of this letter.

**Data, Methods and Assumptions**

In preparing this letter, we relied on information (some oral and some written) supplied by the Fund's staff. This information includes, but is not limited to, the Plan provisions, employee data, and financial information, including the 7.05% five-year average money-weighted rate of return of the fund, net of investment expenses, ending December 31, 2025. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23. Please see the December 31, 2025 actuarial valuation dated July 10, 2026 for a summary of participant data, plan provisions, and assumptions used for this analysis.

**Certification**

This letter was prepared exclusively for the Board for the purpose described herein. Other users of this letter are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

This letter and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this letter. This letter does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

If you have any questions regarding this analysis, please let us know.

Sincerely,
Cheiron

Elizabeth Wiley, FSA, EA, MAAA, FCA
Consulting Actuary

Heath Merlak, FSA, EA, MAAA, FCA
Principal Consulting Actuary

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MEKETA

# Austin Firefighters Retirement Fund

## November 16, 2026

Meeting Materials

## Agenda

1. 3Q26 Executive Summary
2. 3Q26 Investment Report
3. Public Manager Fee Review
4. Continuation of Private Equity Program Discussion
5. Continuation of Baillie Gifford Evaluation
6. Economic and Market Update
7. Disclaimer, Glossary and Notes

# 3Q26 Executive Summary

## Benchmark Construction Methodology per Investment Policy Statement

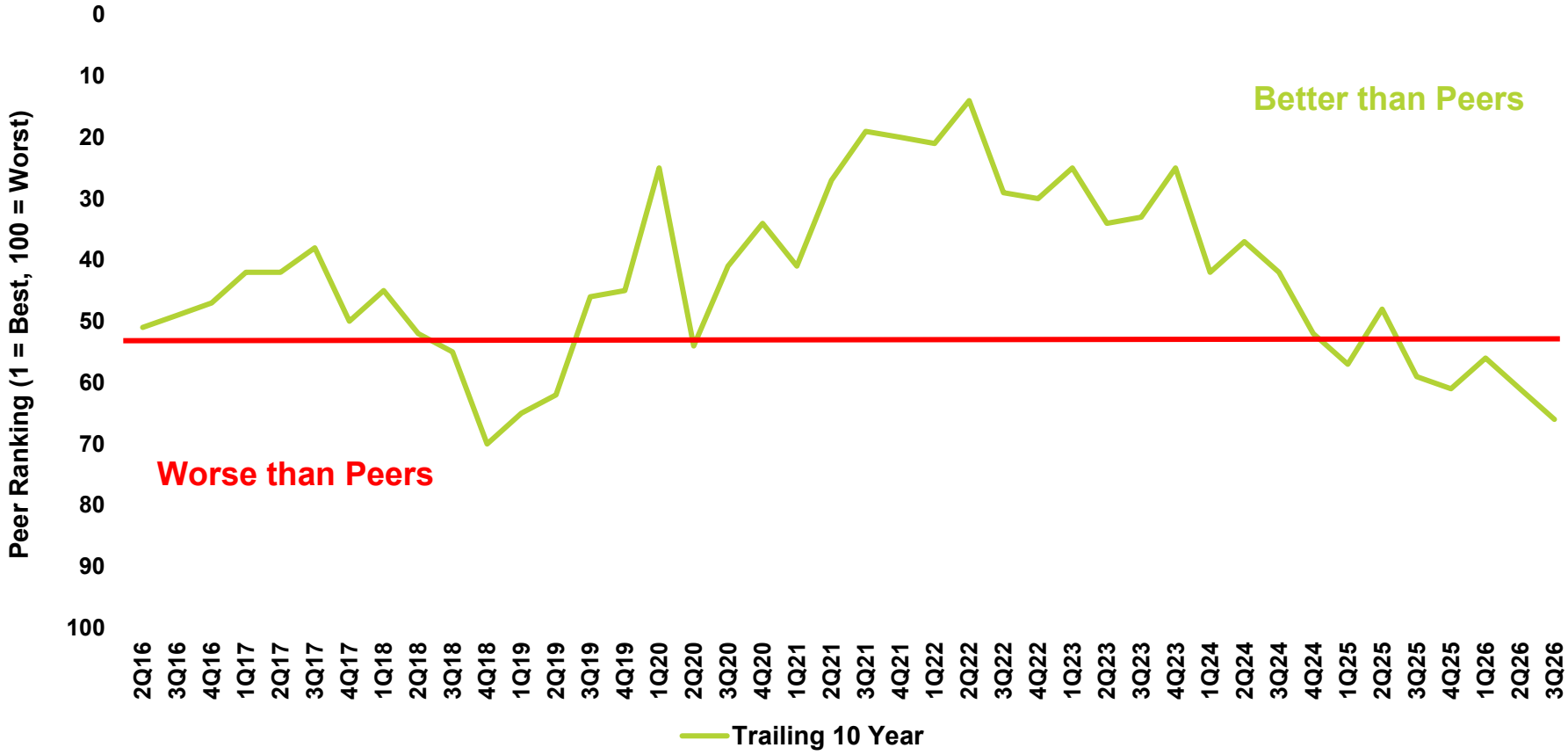
| Name | IPS Role | IPS Description |
|---|---|---|
| **Dynamic Benchmark** | **Short-Term Horizon**<br>"The Board recognizes the need to evaluate its investment selections and managers against a dynamic benchmark to measure net performance against a custom composite benchmark developed based on how the Fund's assets are actually allocated and invested." | "The "**Dynamic Benchmark**", will be composed of a mix of the individual asset class benchmarks, weighted based on the actual asset class composition for the Fund. The weight is determined by the preceding month end percentage of each asset class." |
| **Total Fund Benchmark** | **Long-Term Horizon**<br>"The Board believes that evaluating the total Fund performance against a fully investable and transparent benchmark (which is representative of a portfolio that is feasible to invest in) is the best measure of overall Fund performance." | "The "**Total Fund Benchmark**" will be a combination of low-cost, investable index returns that matches the subject return series as well or better than others in terms of (1) measures of statistical fit and (2) market exposures."<br>42% Russell 3000 Index<br>28% ACWI (ex US) Index<br>30% Bloomberg Barclays Aggregate Index |

## 3Q26 Executive Summary

| Category | Results | Notes |
|---|---|---|
| Total Fund Performance | **Negative** | -1.2% (-$14.2 mm decrease) |
| Performance vs. Dynamic Benchmark | **Underperformed** | -1.2% vs. +1.4% |
| Performance vs. Total Fund Benchmark | **Underperformed** | -1.2% vs. -0.6% |
| Performance vs. Peers[1] | **Underperformed** | -1.2% vs -0.3% median |
| Asset Allocation Attribution Effects | **Neutral** | Negligible effect. All exposure close to target |
| Active Public Managers vs. Benchmarks | **Underperformed** | 4 out of 9 active public managers performed at or better than their benchmark |
| Active Public Managers vs. Peer Groups | **Outperformed** | 6 out of 8[2] active managers performed at or better than their peer group |
| Compliance with Targets | **In Compliance** | All assets ended the quarter in compliance with policy ranges |
| 10 Year Perf vs. Actuarial Target | **Outperformed** | +7.9% vs. +7.3% |

[1] InvMetrics Public DB >$1B net.
[2] No peer group exists for Aberdeen EMD blended currency strategy.

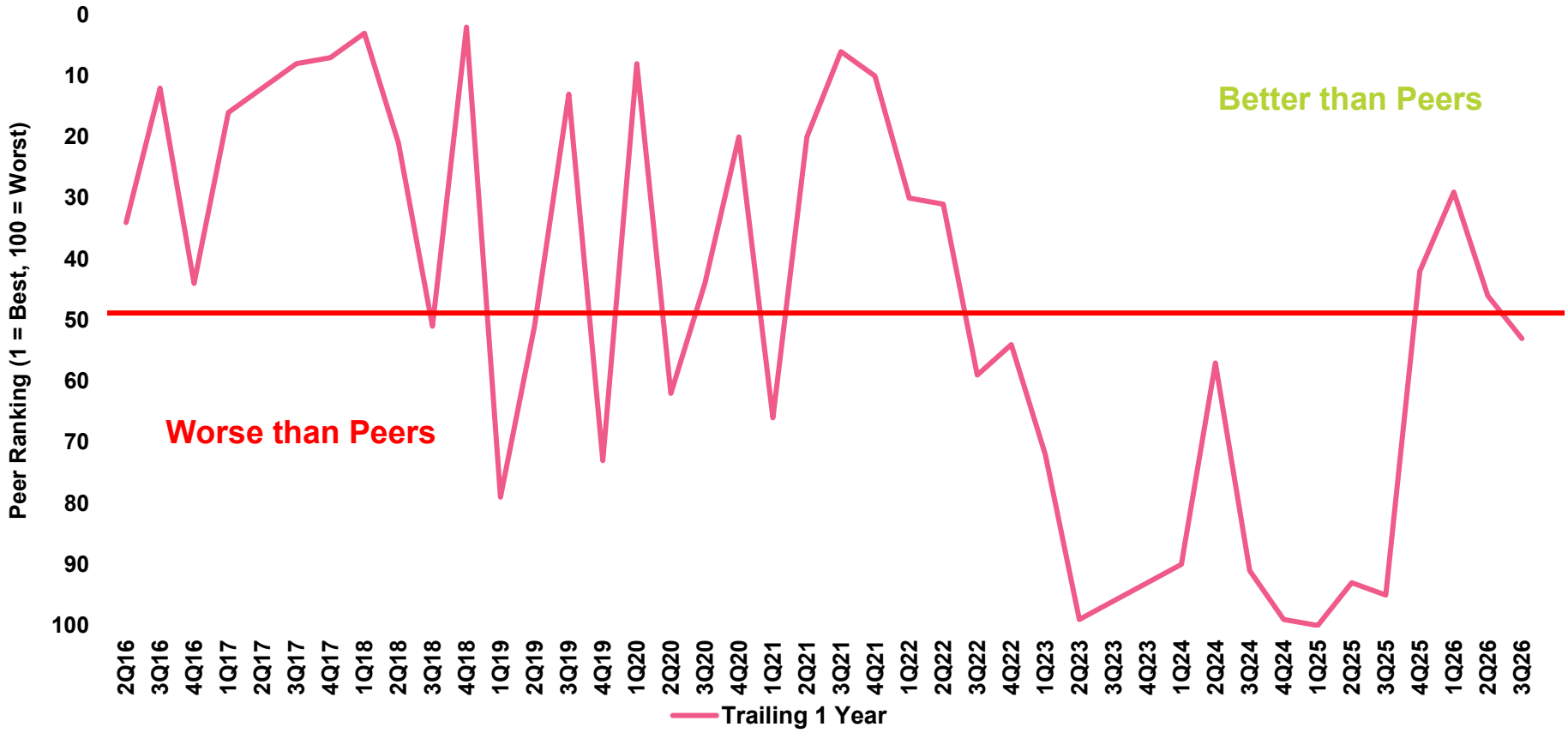
## Peer Rankings[1] – Trailing 10 Years Net




→ AFRF consistently ranks in the top half of similar sized public pensions ~64% of the time when evaluating returns at any moment over a trailing 10-year return perspective.

[1] InvMetrics Public DB >$1B net. or equivalent peer group sub $1 billion in quarters when AFRF was under $1 billion.

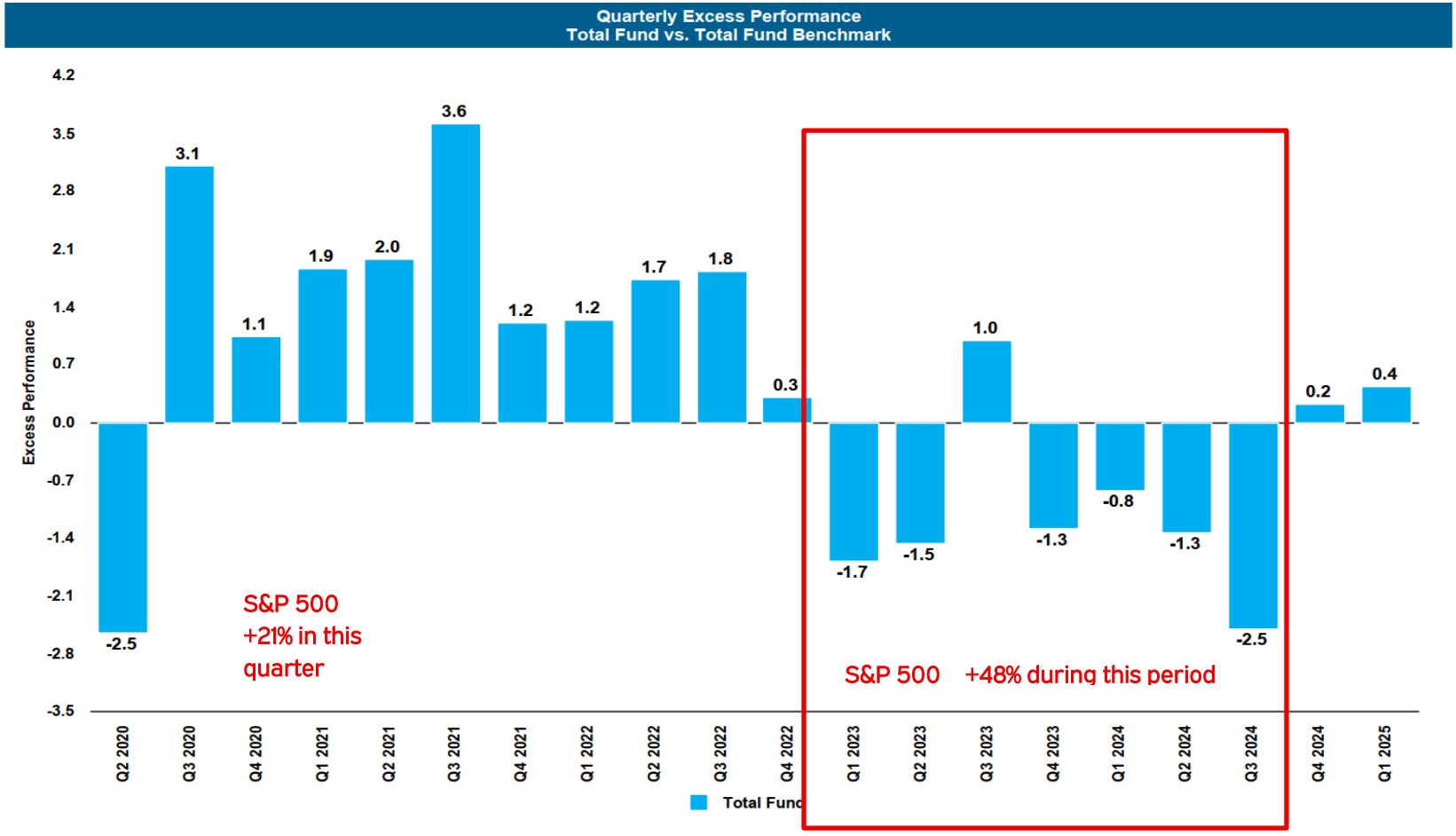
## Peer Rankings[1] – Trailing 1 Year Net




→ Peer rankings end up being mostly noise when evaluated over just one year period. This shows AFRF peer rankings at the same points in time but when evaluating only on the trailing 1-year period. AFRF outperformed 52% of the time.

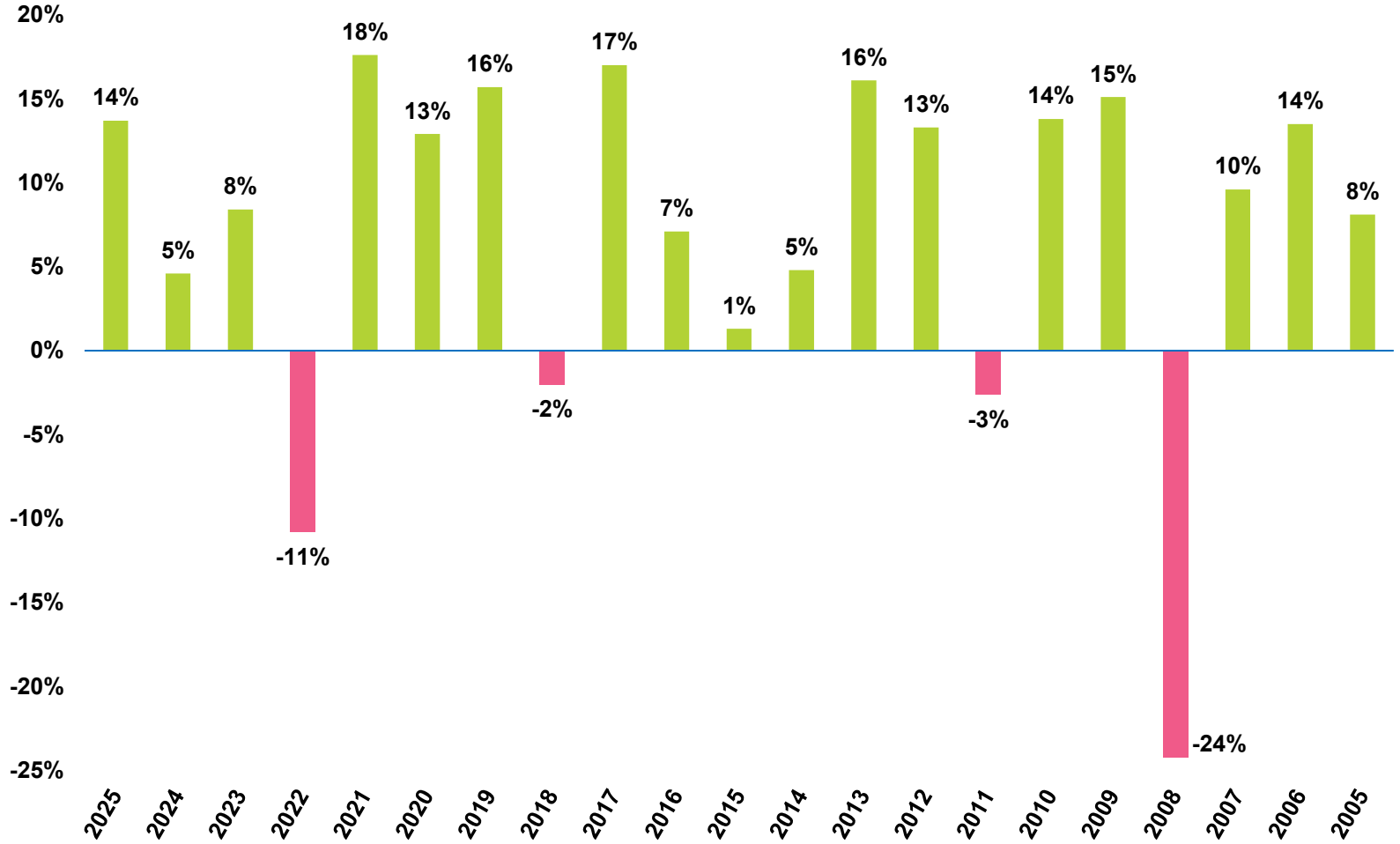
[1] InvMetrics Public DB >$1B net. or equivalent peer group sub $1 billion in quarters when AFRF was under $1 billion.

## Quarterly Excess Returns vs. Total Fund Benchmark




→ Most of the 3-year and 5-year underperformance has been driven by a few successive quarters when the S&P 500 dramatically outpaced every other market.

## Calendar Year Net Returns




→ AFRF has only generated negative calendar year returns four times in twenty+ years.

# 3Q26 Investment Report

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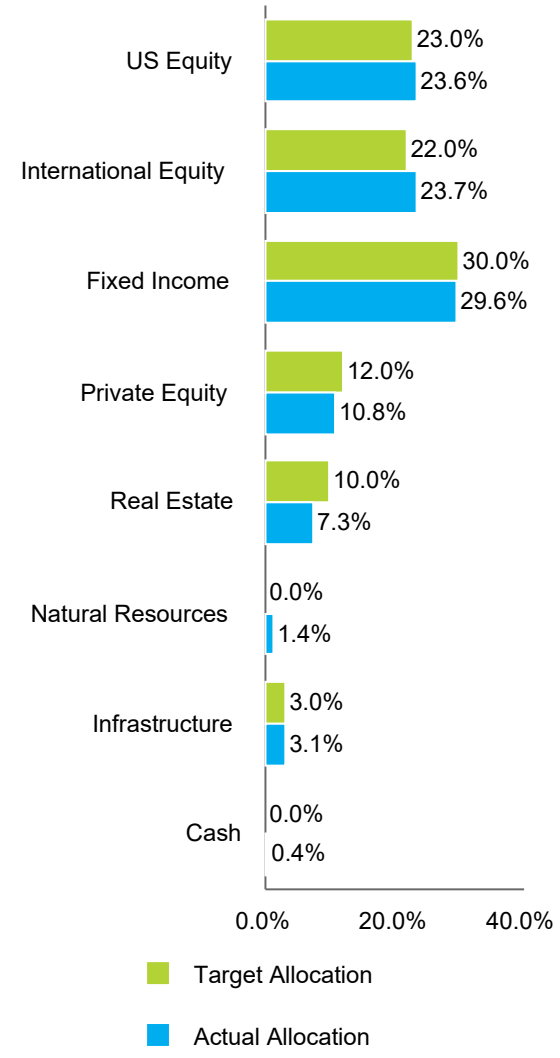
# Austin Firefighters Retirement Fund

**Total Fund | As of September 30, 2026**

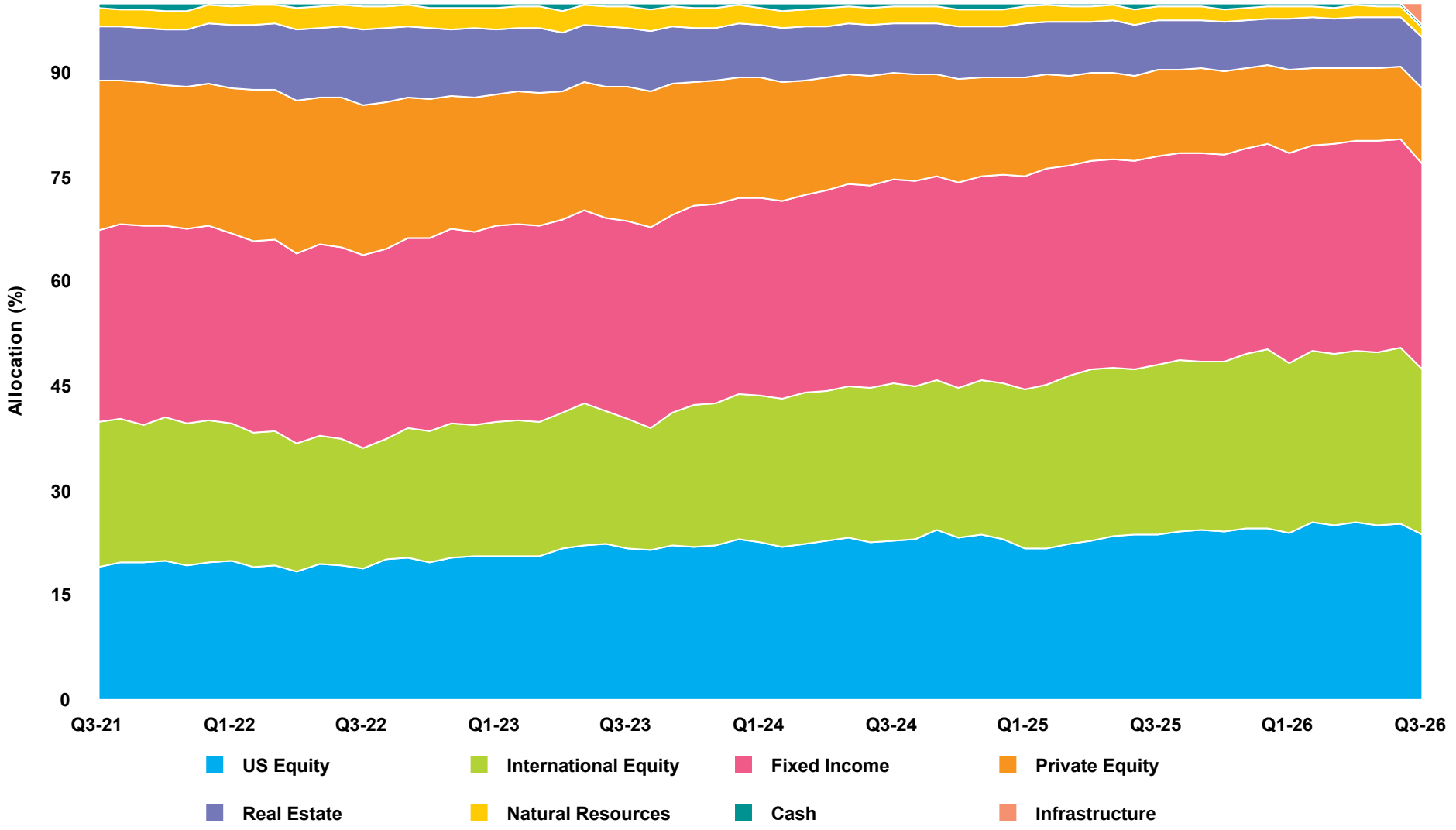
## Actual vs. Target Allocation




## Allocation vs. Targets and Policy

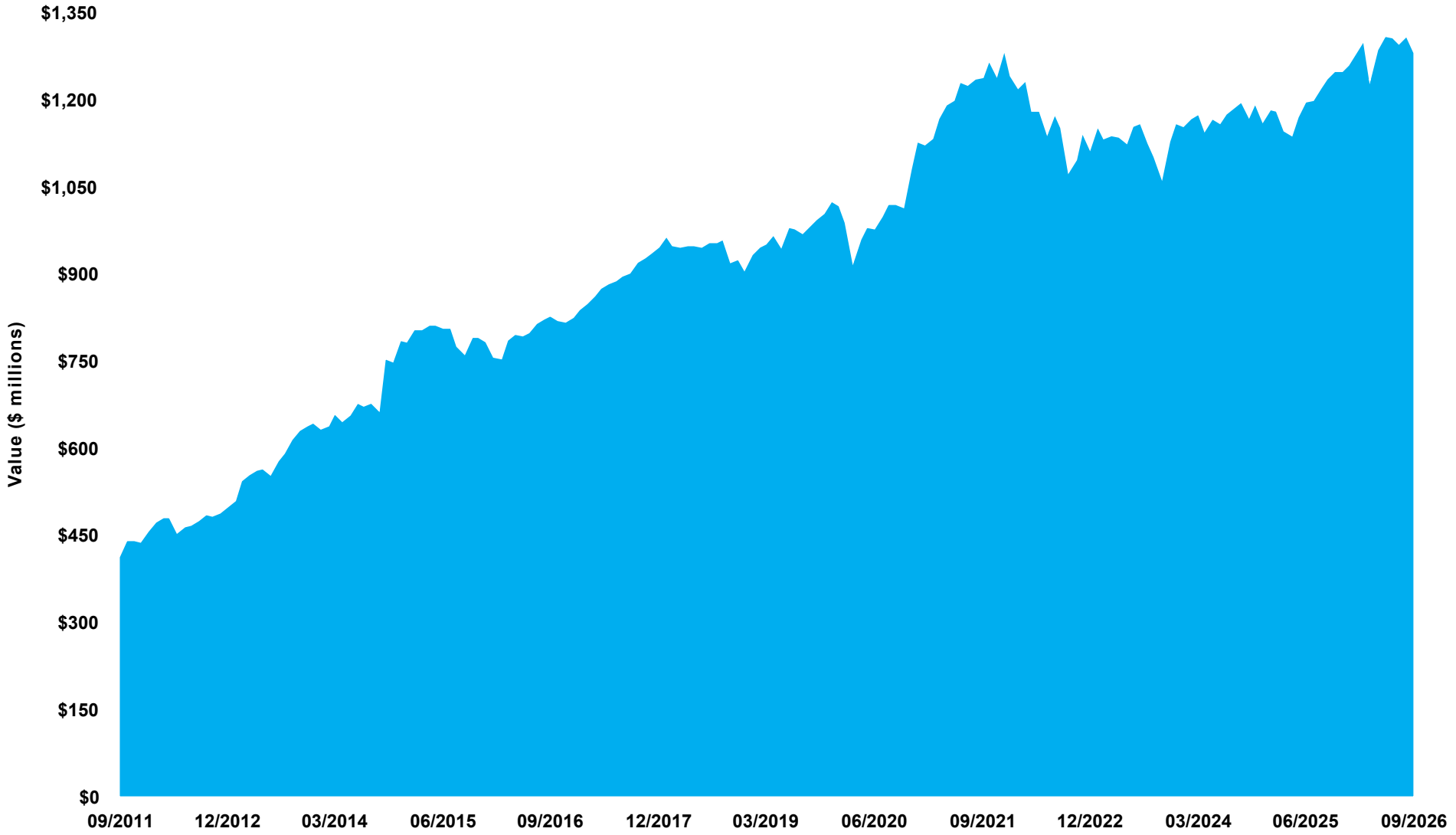
| | Current Balance | Current Allocation (%) | Policy (%) | Policy Range (%) | Within IPS Range? |
|---|---|---|---|---|---|
| US Equity | $302,929,911 | 23.6 | 23.0 | 16.0 - 30.0 | Yes |
| International Equity | $303,809,986 | 23.7 | 22.0 | 15.0 - 29.0 | Yes |
| Fixed Income | $379,674,373 | 29.6 | 30.0 | 20.0 - 40.0 | Yes |
| Private Equity | $138,861,720 | 10.8 | 12.0 | 2.0 - 22.0 | Yes |
| Real Estate | $93,918,708 | 7.3 | 10.0 | 0.0 - 20.0 | Yes |
| Natural Resources | $17,640,248 | 1.4 | 0.0 | 0.0 - 2.0 | Yes |
| Infrastructure | $40,000,000 | 3.1 | 3.0 | 0.0 - 5.0 | Yes |
| Cash | $4,845,055 | 0.4 | 0.0 | 0.0 - 5.0 | Yes |
| **Total** | **$1,281,680,001** | **100.0** | **100.0** | | |

## Asset Allocation History
## 5 Years Ending September 30, 2026



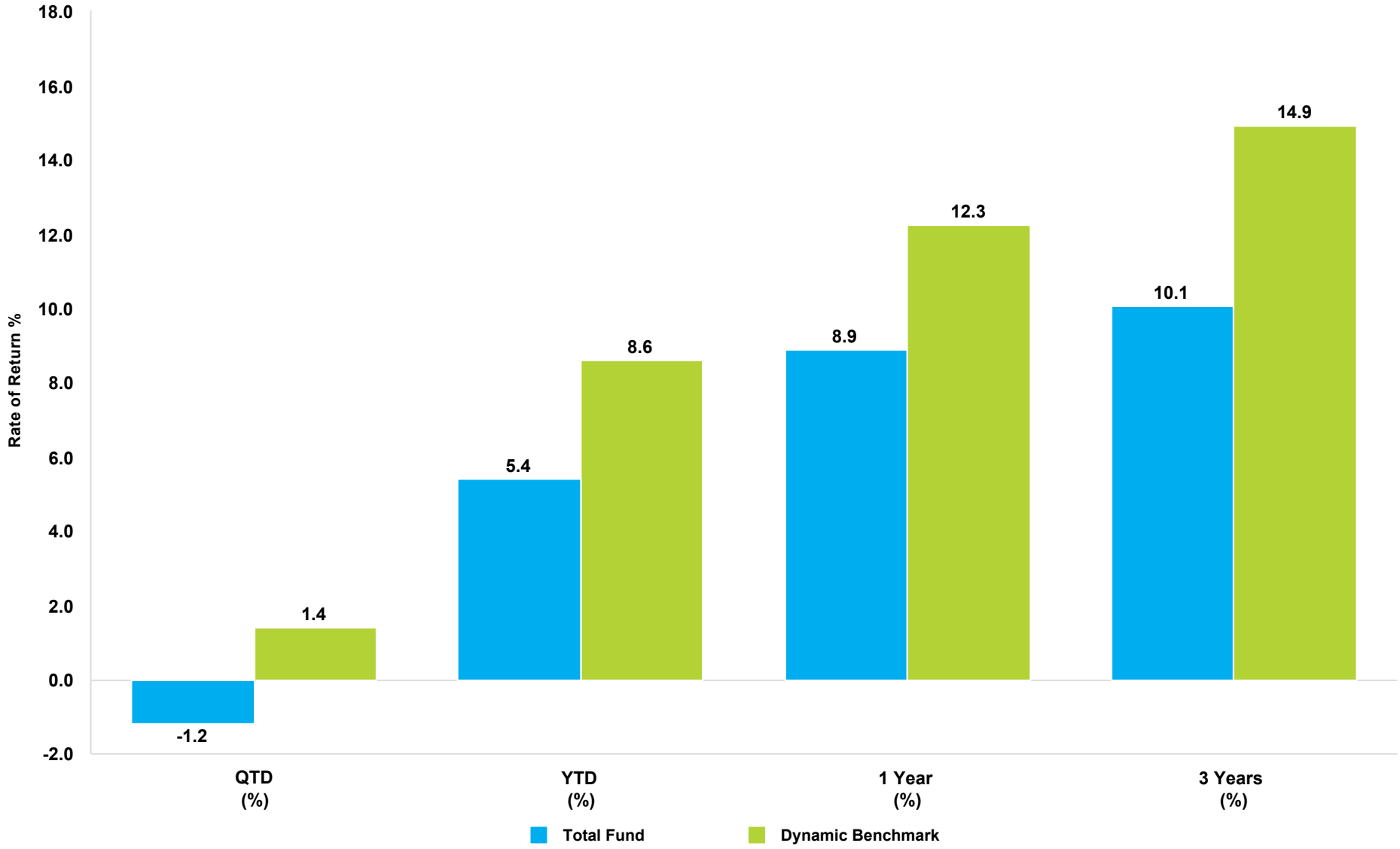
## Asset Growth | 15 Years Ending September 30, 2026

### 15 Year Growth in Market Value (Inclusive of Cash Flows)
### September 30, 2026



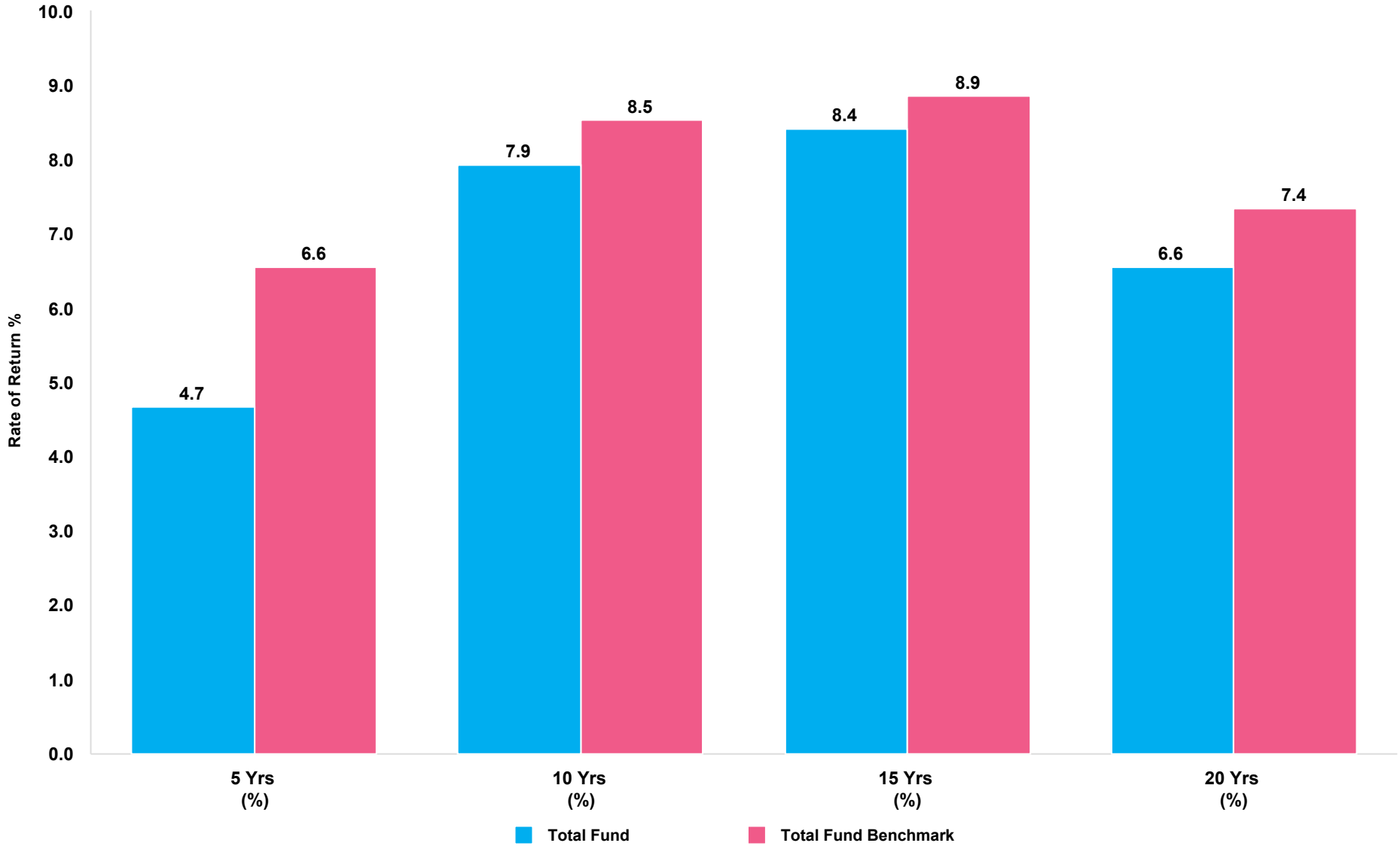
## Total Fund Performance | As of September 30, 2026

### Short Term Net Return Summary vs. Dynamic Benchmark



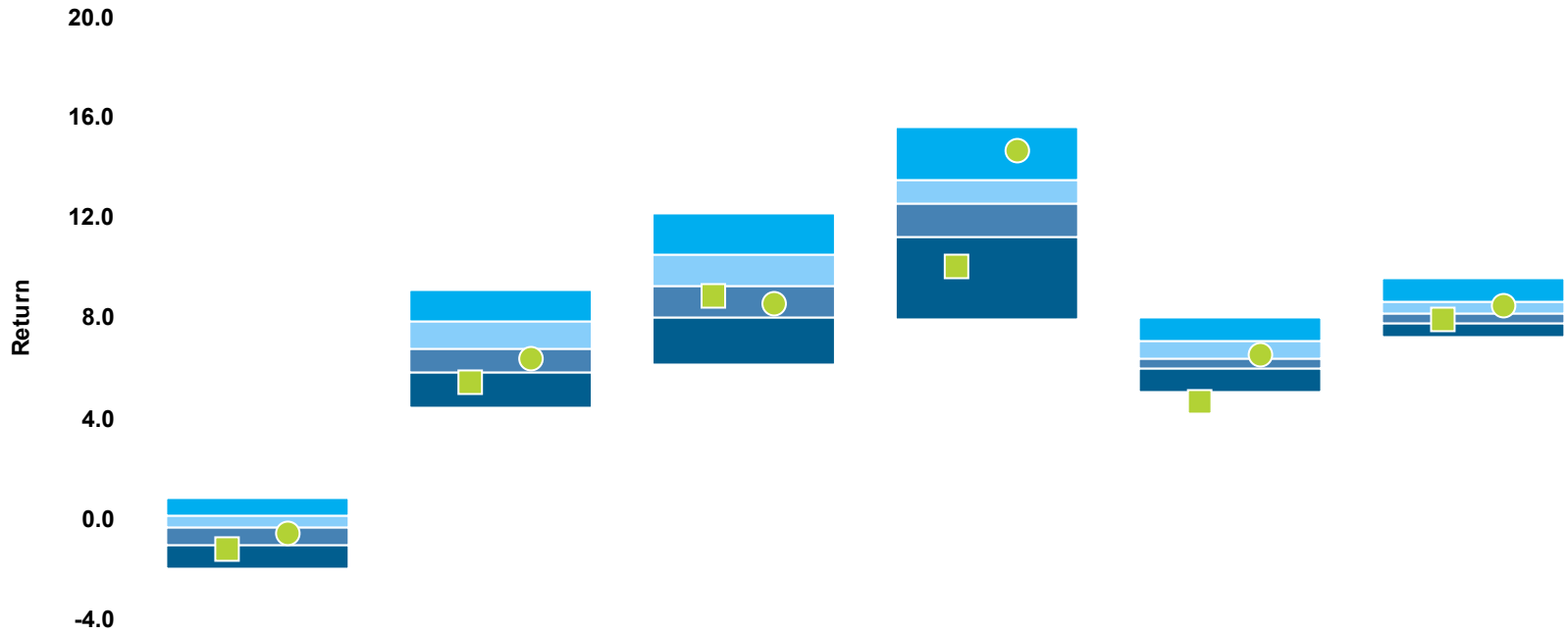
## Total Fund Performance | As of September 30, 2026

### Long Term Net Return Summary vs. Total Fund Benchmark



## Plan Sponsor Peer Group Analysis | As of September 30, 2026

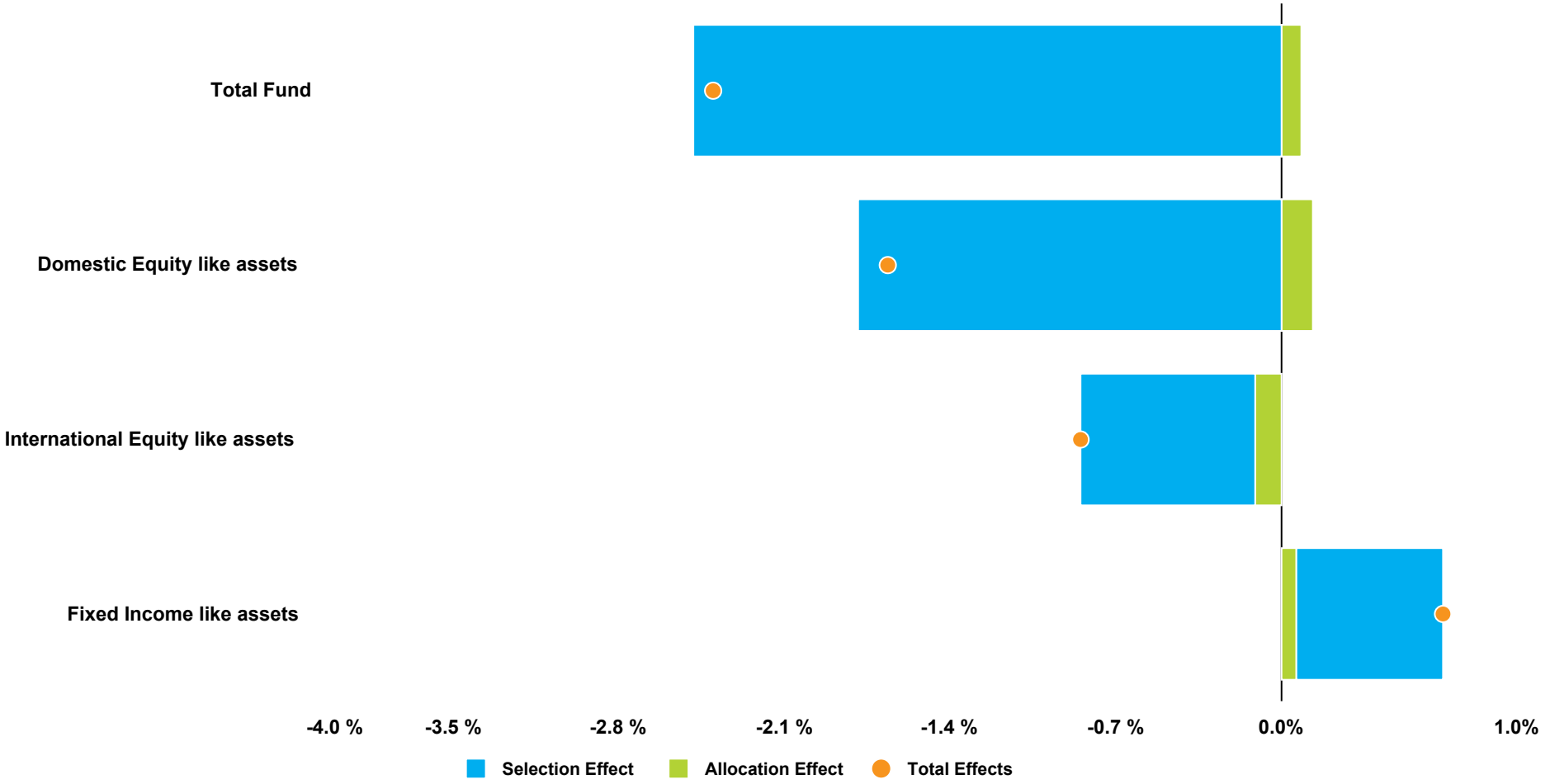
### InvMetrics All Public DB Plans > $1B




| | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) |
|---|---|---|---|---|---|---|
| Total Fund | -1.2 (84) | 5.4 (88) | 8.9 (53) | 10.1 (88) | 4.7 (100) | 7.9 (66) |
| Total Fund Benchmark | -0.6 (66) | 6.4 (56) | 8.6 (58) | 14.7 (11) | 6.6 (48) | 8.5 (34) |
| 5th Percentile | 0.8 | 9.2 | 12.2 | 15.6 | 8.0 | 9.6 |
| 1st Quartile | 0.2 | 7.9 | 10.6 | 13.5 | 7.1 | 8.6 |
| Median | -0.3 | 6.8 | 9.3 | 12.5 | 6.4 | 8.2 |
| 3rd Quartile | -1.0 | 5.9 | 8.0 | 11.2 | 6.0 | 7.8 |
| 95th Percentile | -2.0 | 4.4 | 6.2 | 8.0 | 5.1 | 7.2 |
| Population | 62 | 62 | 62 | 62 | 59 | 56 |

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

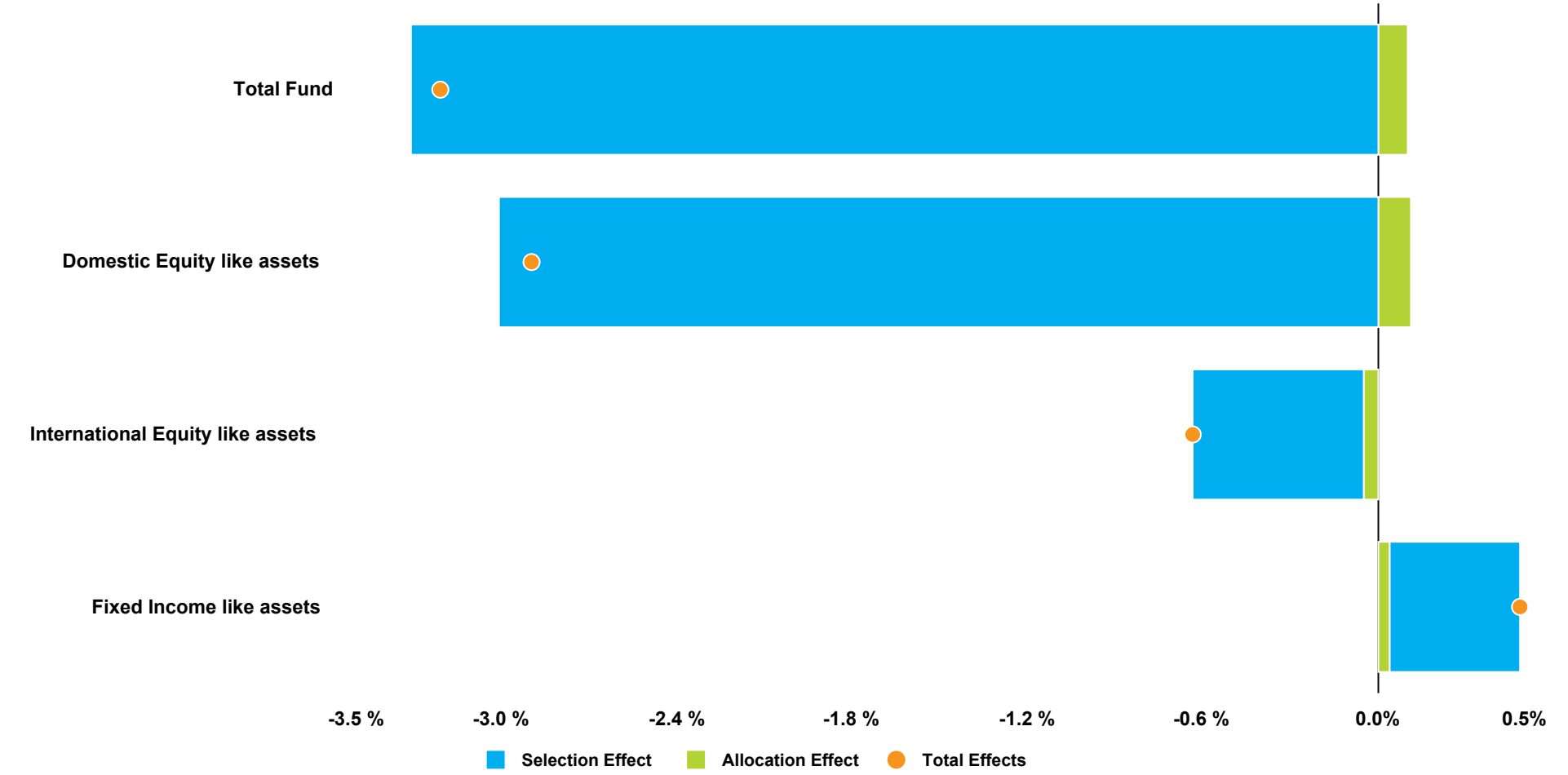
## Attribution Effects vs. Total Fund Benchmark
## 1 Year Ending September 30, 2026




The performance calculation methodology in attribution tables is different from the standard time weighted returns (geometric linkage of monthly returns) found throughout the rest of the report. In attribution tables, the average weight of each asset class (over the specified time period) is multiplied by the time period performance of that asset class and summed. Values may not sum due to rounding.

## Total Plan Attribution | 5 Years Ending September 30, 2026

### Attribution Effects vs. Total Fund Benchmark
### 5 Years Ending September 30, 2026




The performance calculation methodology in attribution tables is different from the standard time weighted returns (geometric linkage of monthly returns) found throughout the rest of the report. In attribution tables, the average weight of each asset class (over the specified time period) is multiplied by the time period performance of that asset class and summed. Values may not sum due to rounding.

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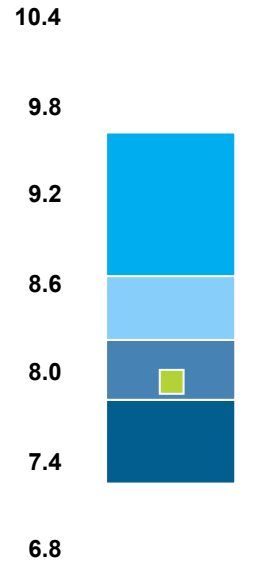
# Austin Firefighters Retirement Fund

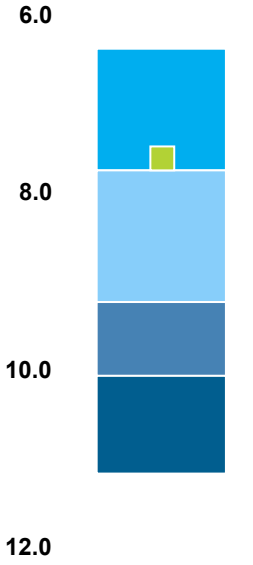
## InvMetrics All Public DB Plans > $1B | As of September 30, 2026

### Annualized Return (%) Trailing 10 Years



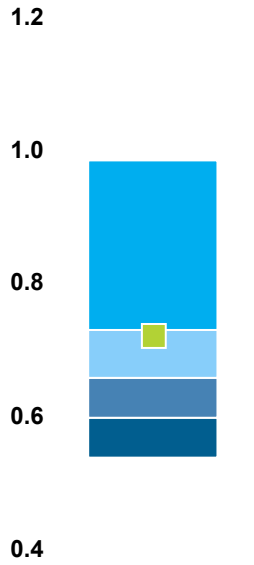

| | |
|---|---|
| Total Fund | 7.9 (66) |
| 5th Percentile | 9.6 |
| 1st Quartile | 8.6 |
| Median | 8.2 |
| 3rd Quartile | 7.8 |
| 95th Percentile | 7.2 |
| Population | 56 |

### Annualized St. Dev. Trailing 10 Years



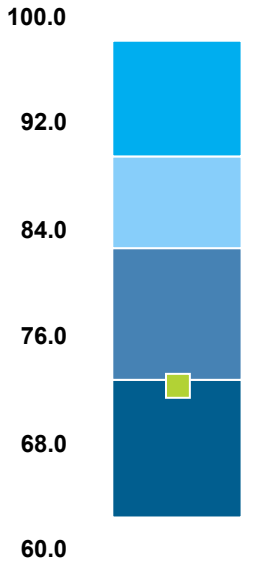

| | |
|---|---|
| Total Fund | 7.6 (19) |
| 5th Percentile | 6.4 |
| 1st Quartile | 7.7 |
| Median | 9.2 |
| 3rd Quartile | 10.1 |
| 95th Percentile | 11.2 |
| Population | 56 |

### Sharpe Ratio Trailing 10 Years



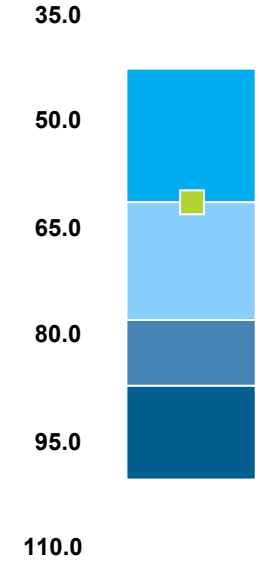

| | |
|---|---|
| Total Fund | 0.7 (27) |
| 5th Percentile | 1.0 |
| 1st Quartile | 0.7 |
| Median | 0.7 |
| 3rd Quartile | 0.6 |
| 95th Percentile | 0.5 |
| Population | 56 |

### Up Capture Trailing 10 Years




| | |
|---|---|
| Total Fund | 72.3 (77) |
| 5th Percentile | 98.1 |
| 1st Quartile | 89.5 |
| Median | 82.7 |
| 3rd Quartile | 72.7 |
| 95th Percentile | 62.5 |
| Population | 56 |

### Down Capture Trailing 10 Years




| | |
|---|---|
| Total Fund | 61.4 (24) |
| 5th Percentile | 42.5 |
| 1st Quartile | 61.5 |
| Median | 78.0 |
| 3rd Quartile | 87.1 |
| 95th Percentile | 100.5 |
| Population | 56 |

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# Austin Firefighters Retirement Fund

## Trailing Net Performance | As of September 30, 2026

### Asset Class Performance Summary (Net of Fees)

| | Market Value ($) | % of Portfolio | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | 20 Yrs (%) | 25 Yrs (%) | Inception (%) | Inception Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total Fund** | **1,281,680,001** | **100.0** | **-1.2** | **5.4** | **8.9** | **10.1** | **4.7** | **7.9** | **6.6** | **7.1** | **7.1** | **Apr-97** |
| *Dynamic Benchmark* | | | *1.4* | *8.6* | *12.3* | *14.9* | *8.0* | *9.0* | *7.8* | *--* | *--* | |
| *Total Fund Benchmark* | | | *-0.6* | *6.4* | *8.6* | *14.7* | *6.6* | *8.5* | *7.4* | *8.2* | *--* | |
| *Legacy Static Benchmark* | | | *1.6* | *8.2* | *11.6* | *14.2* | *7.7* | *8.9* | *7.6* | *--* | *--* | |
| **Domestic Equity** | **302,929,911** | **23.6** | **-3.6** | **10.5** | **14.4** | **18.6** | **10.5** | **12.8** | **9.9** | **9.9** | **9.3** | **Apr-97** |
| *Russell 3000 Index* | | | *1.4* | *12.4* | *15.1* | *22.3* | *12.6* | *14.7* | *11.0* | *10.4* | *10.1* | |
| **International Equity** | **303,809,986** | **23.7** | **1.0** | **11.8** | **18.1** | **19.7** | **7.2** | **8.9** | **5.5** | **6.9** | **6.7** | **Apr-97** |
| *Spliced International Equity Benchmark* | | | *0.5* | *14.2* | *20.0* | *20.5* | *9.6* | *9.2* | *5.6* | *7.6* | *6.5* | |
| **Private Equity** | **138,861,720** | **10.8** | **4.6** | **1.9** | **5.6** | **1.6** | **2.2** | **12.4** | **--** | **--** | **13.5** | **Jun-10** |
| *Private Equity Benchmark* | | | *15.5* | *16.6* | *26.1* | *22.1* | *13.2* | *14.6* | *--* | *--* | *15.6* | |
| *MSCI Global Private Equity Index (1Q Lag)* | | | *5.6* | *9.8* | *13.2* | *9.2* | *6.9* | *14.6* | *--* | *--* | *14.1* | |
| **Fixed Income** | **379,674,373** | **29.6** | **-3.0** | **-1.3** | **0.1** | **5.9** | **0.9** | **2.4** | **3.5** | **3.7** | **4.3** | **Apr-97** |
| *Blmbg. U.S. Aggregate Index* | | | *-3.5* | *-2.9* | *-1.8* | *4.1* | *-0.6* | *1.1* | *2.9* | *3.3* | *4.1* | |
| **Real Estate** | **93,918,708** | **7.3** | **0.9** | **4.0** | **6.0** | **-1.6** | **-0.4** | **3.1** | **--** | **--** | **2.6** | **Jan-08** |
| *NCREIF Property Index* | | | *1.4* | *3.8* | *5.0* | *2.0* | *2.4* | *4.6* | *--* | *--* | *5.2* | |
| **Natural Resources** | **17,640,248** | **1.4** | **-7.7** | **-4.5** | **0.5** | **-4.4** | **-2.1** | **-0.4** | **--** | **--** | **0.2** | **Mar-13** |
| *S&P North American Natural Res Sector Index (TR)* | | | *10.3* | *24.8* | *28.8* | *17.3* | *19.7* | *9.8* | *--* | *--* | *6.7* | |
| **Infrastructure** | **40,000,000** | **3.1** | | | | | | | | | | |
| *CPI +3% (Seasonally Adjusted)* | | | *--* | *--* | *--* | *--* | *--* | *--* | *--* | *--* | *--* | |
| **Cash** | **4,845,055** | **0.4** | | | | | | | | | | |

Total Fund Benchmark consists of 42% Russell 3000, 28% MSCI ACWI ex US net, and 30% Bloomberg Agg. Infrastructure funding occurred over the quarter end - 9/30 - 10/1 from cash raised from other investments
Dynamic Benchmark consists of each asset class benchmark multiplied by actual asset class weight at the end of each preceding month.
The Spliced International Equity Benchmark consists of MSCI EAFE from 1/1/1997 to 12/31/1998. From 1/1/1999 to present it consists of MSCI ACWI ex US net.
The Private Equity Benchmark consists of the S&P 500 + 3% from 4/30/2010 to 3/31/2018. From 4/1/2018 to present it consists of MSCI ACWI + 2% (Quarter Lagged).

## Trailing Net Performance | As of September 30, 2026

| Trailing Net Performance | Market Value ($) | % of Portfolio | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Fund** | **1,281,680,001** | **100.0** | **-1.2** | **5.4** | **8.9** | **10.1** | **4.7** | **7.9** | **7.1** | **Apr-97** |
| *Dynamic Benchmark* | | | *1.4* | *8.6* | *12.3* | *14.9* | *8.0* | *9.0* | *--* | |
| *Total Fund Benchmark* | | | *-0.6* | *6.4* | *8.6* | *14.7* | *6.6* | *8.5* | *--* | |
| *Legacy Static Benchmark* | | | *1.6* | *8.2* | *11.6* | *14.2* | *7.7* | *8.9* | *--* | |
| *InvMetrics All Public DB Plans > $1B Median* | | | *-0.3* | *6.8* | *9.3* | *12.5* | *6.4* | *8.2* | *7.4* | |
| InvMetrics All Public DB Plans > $1B Rank | | | 84 | 88 | 53 | 88 | 100 | 66 | 80 | |
| **Domestic Equity** | **302,929,911** | **23.6** | **-3.6** | **10.5** | **14.4** | **18.6** | **10.5** | **12.8** | **9.3** | **Apr-97** |
| *Russell 3000 Index* | | | *1.4* | *12.4* | *15.1* | *22.3* | *12.6* | *14.7* | *10.1* | |
| *eV All US Equity Median* | | | *-1.3* | *11.1* | *13.5* | *17.8* | *9.5* | *11.6* | *10.1* | |
| eV All US Equity Rank | | | 61 | 55 | 46 | 45 | 42 | 38 | 77 | |
| SSIM S&P 500 | 171,312,337 | 13.4 | 2.3 | 12.7 | 15.7 | 22.9 | 13.8 | 15.3 | 10.8 | Feb-04 |
| *S&P 500 Index* | | | *2.3* | *12.7* | *15.7* | *22.9* | *13.8* | *15.3* | *10.9* | |
| *eV US Large Cap Equity Median* | | | *1.4* | *10.1* | *13.0* | *19.7* | *11.3* | *13.3* | *10.2* | |
| eV US Large Cap Equity Rank | | | 35 | 33 | 35 | 27 | 21 | 25 | 33 | |
| Westfield Small/Mid Cap Growth | 65,520,958 | 5.1 | -12.9 | 8.8 | 13.2 | 15.9 | 5.4 | 12.5 | 12.4 | Nov-02 |
| *Russell 2500 Growth Index* | | | *-10.3* | *7.3* | *7.6* | *14.9* | *3.5* | *10.6* | *11.1* | |
| *eV US Small-Mid Cap Growth Equity Median* | | | *-8.7* | *9.0* | *10.5* | *16.1* | *3.7* | *12.1* | *10.8* | |
| eV US Small-Mid Cap Growth Equity Rank | | | 85 | 53 | 44 | 51 | 34 | 40 | 18 | |
| Vaughan Nelson Small Cap Value | 66,096,616 | 5.2 | -5.9 | 6.9 | 12.3 | 13.5 | 9.8 | 10.0 | 10.3 | Jan-16 |
| *Russell 2000 Value Index* | | | *-4.9* | *17.0* | *20.8* | *17.9* | *7.8* | *9.4* | *10.2* | |
| *eV US Small Cap Value Equity Median* | | | *-6.5* | *14.0* | *16.1* | *14.8* | *8.1* | *9.5* | *9.9* | |
| eV US Small Cap Value Equity Rank | | | 38 | 87 | 74 | 61 | 27 | 37 | 38 | |

## Trailing Net Performance | As of September 30, 2026

| | Market Value ($) | % of Portfolio | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
|---|---|---|---|---|---|---|---|---|---|---|
| **International Equity** | **303,809,986** | **23.7** | **1.0** | **11.8** | **18.1** | **19.7** | **7.2** | **8.9** | **6.7** | **Apr-97** |
| *Spliced International Equity Benchmark* | | | *0.5* | *14.2* | *20.0* | *20.5* | *9.6* | *9.2* | *6.5* | |
| SSIM MSCI EAFE Fund | 166,024,430 | 13.0 | 0.9 | 10.7 | 16.1 | 18.7 | 9.6 | 9.4 | 7.7 | Feb-13 |
| *MSCI EAFE (Net)* | | | *0.8* | *10.3* | *15.7* | *18.4* | *9.3* | *9.1* | *7.4* | |
| *eV EAFE Core Equity Median* | | | *0.9* | *10.7* | *15.3* | *19.2* | *9.0* | *9.3* | *8.0* | |
| eV EAFE Core Equity Rank | | | 52 | 51 | 46 | 55 | 44 | 48 | 63 | |
| Baillie Gifford International Growth Fund | 22,645,510 | 1.8 | -0.9 | 3.3 | 0.8 | 13.8 | -1.3 | 8.4 | 9.5 | May-09 |
| *MSCI AC World ex USA (Net)* | | | *0.5* | *14.2* | *20.0* | *20.5* | *9.6* | *9.2* | *8.6* | |
| *eV ACWI ex-US All Cap Growth Eq Median* | | | *-2.8* | *7.8* | *8.0* | *15.9* | *2.9* | *8.7* | *9.6* | |
| eV ACWI ex-US All Cap Growth Eq Rank | | | 39 | 66 | 79 | 73 | 93 | 61 | 56 | |
| DFA International Small Company Fund | 32,308,840 | 2.5 | 3.3 | 10.0 | 14.6 | -- | -- | -- | 20.0 | Jun-25 |
| *MSCI AC World ex USA Smid Cap Index (Net)* | | | *2.1* | *12.4* | *16.0* | *--* | *--* | *--* | *21.0* | |
| *eV ACWI ex-US Small Cap Equity Median* | | | *2.9* | *11.6* | *14.2* | *--* | *--* | *--* | *17.6* | |
| eV ACWI ex-US Small Cap Equity Rank | | | 48 | 58 | 48 | -- | -- | -- | 43 | |
| DFA Emerging Markets Value | 32,766,625 | 2.6 | 2.4 | 23.0 | 29.1 | 21.9 | 12.0 | 10.0 | 5.9 | Dec-09 |
| *MSCI Emerging Markets Value (Net)* | | | *3.1* | *26.8* | *34.9* | *23.9* | *11.0* | *8.9* | *5.3* | |
| *eV Emg Mkts All Cap Value Equity Median* | | | *1.6* | *20.2* | *26.8* | *23.3* | *11.6* | *10.0* | *6.6* | |
| eV Emg Mkts All Cap Value Equity Rank | | | 42 | 44 | 47 | 57 | 34 | 51 | 64 | |
| SSIM Daily MSCI Emerging Markets Index | 50,064,582 | 3.9 | -0.2 | -- | -- | -- | -- | -- | 14.0 | Feb-26 |
| *MSCI Emerging Markets Index* | | | *-0.2* | *--* | *--* | *--* | *--* | *--* | *13.7* | |
| *eV Emg Mkts Equity Median* | | | *-0.6* | *--* | *--* | *--* | *--* | *--* | *13.3* | |
| eV Emg Mkts Equity Rank | | | 42 | -- | -- | -- | -- | -- | 44 | |

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# Austin Firefighters Retirement Fund

## Trailing Net Performance | As of September 30, 2026

| | Market Value ($) | % of Portfolio | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
|---|---|---|---|---|---|---|---|---|---|---|
| **Private Equity** | **138,861,720** | **10.8** | **4.6** | **1.9** | **5.6** | **1.6** | **2.2** | **12.4** | **13.5** | **Jun-10** |
| *Private Equity Benchmark* | | | *15.5* | *16.6* | *26.1* | *22.1* | *13.2* | *14.6* | *15.6* | |
| *MSCI Global Private Equity Index (1Q Lag)* | | | *5.6* | *9.8* | *13.2* | *9.2* | *6.9* | *14.6* | *14.1* | |
| 57 Stars Global Opportunity 3 | 3,241,524 | 0.3 | | | | | | | | |
| Blue Bay Direct Lending | 1,548,101 | 0.1 | | | | | | | | |
| Constitution Capital Partners III | 1,637,341 | 0.1 | | | | | | | | |
| Constitution Capital Partners VII | 11,753,790 | 0.9 | | | | | | | | |
| Cross Creek Capital Partners II - B | 6,163,528 | 0.5 | | | | | | | | |
| Cross Creek Capital Partners III | 9,244,480 | 0.7 | | | | | | | | |
| Deutsche Bank SOF III | 1,488,798 | 0.1 | | | | | | | | |
| Dover Street X, L.P. | 31,472,416 | 2.5 | | | | | | | | |
| HarbourVest 2013 Direct | 2,106,173 | 0.2 | | | | | | | | |
| HarbourVest Co-Investment Fund IV | 5,025,012 | 0.4 | | | | | | | | |
| HighVista Private Equity V, L.P. | 284,657 | 0.0 | | | | | | | | |
| HighVista Private Equity VI, L.P. | 2,185,037 | 0.2 | | | | | | | | |

Due to liquidation, HighVista Private Equity V is valued as of December 31, 2025 and adjusted for any subsequent cash flows.
Other Private Equity Funds are valued as of June 30, 2026 and adjusted for any subsequent cash flows.

MEKETA

# Austin Firefighters Retirement Fund

## Trailing Net Performance | As of September 30, 2026

| | Market Value ($) | % of Portfolio | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
|---|---|---|---|---|---|---|---|---|---|---|
| LGT Crown Asia II | 3,374,249 | 0.3 | | | | | | | | |
| LGT Crown Europe Small Buyouts III | 1,155,547 | 0.1 | | | | | | | | |
| LGT Crown Global Opportunities VI | 17,903,061 | 1.4 | | | | | | | | |
| LGT Crown Global Secondaries II | 94,202 | 0.0 | | | | | | | | |
| LGT Crown Global Secondaries III | 1,215,468 | 0.1 | | | | | | | | |
| Partners Group Emerging Markets 2015 | 4,145,875 | 0.3 | | | | | | | | |
| Partners Group U.S. Distressed Private Equity 2009 | 51,135 | 0.0 | | | | | | | | |
| Private Equity Investors V | 1,150,770 | 0.1 | | | | | | | | |
| StepStone Global Partners V | 5,448,113 | 0.4 | | | | | | | | |
| StepStone Global Partners VI | 9,802,343 | 0.8 | | | | | | | | |
| SVB Strategic Investors Fund IX, L.P. | 18,370,101 | 1.4 | | | | | | | | |

LGT Global VI, Asia II, and Europe III are valued as of 9/30/2026 and adjusted for any subsequent cash flows.
Other Private Equity Funds are valued as of June 30, 2026 and adjusted for any subsequent cash flows.

MEKETA

# Austin Firefighters Retirement Fund

## Trailing Net Performance | As of September 30, 2026

| | Market Value ($) | % of Portfolio | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
|---|---|---|---|---|---|---|---|---|---|---|
| **Fixed Income** | **379,674,373** | **29.6** | **-3.0** | **-1.3** | **0.1** | **5.9** | **0.9** | **2.4** | **4.3** | **Apr-97** |
| *Blmbg. U.S. Aggregate Index* | | | *-3.5* | *-2.9* | *-1.8* | *4.1* | *-0.6* | *1.1* | *4.1* | |
| SSIM Bond Fund | 140,781,240 | 11.0 | -3.5 | -2.8 | -1.9 | 4.1 | -0.7 | 1.1 | 3.0 | Jan-04 |
| *Blmbg. U.S. Aggregate Index* | | | *-3.5* | *-2.9* | *-1.8* | *4.1* | *-0.6* | *1.1* | *3.0* | |
| *eV US Core Fixed Inc Median* | | | *-3.7* | *-3.0* | *-1.9* | *4.2* | *-0.5* | *1.4* | *3.3* | |
| eV US Core Fixed Inc Rank | | | 27 | 34 | 38 | 72 | 71 | 86 | 87 | |
| SSIM TIPS | 55,507,290 | 4.3 | -3.2 | -2.0 | -2.0 | 3.7 | 0.0 | 2.1 | 1.9 | Aug-14 |
| *Blmbg. U.S. TIPS Index* | | | *-3.2* | *-2.1* | *-2.0* | *3.8* | *0.0* | *2.1* | *2.0* | |
| *eV US TIPS / Inflation Fixed Inc Median* | | | *-3.2* | *-2.0* | *-2.0* | *3.8* | *0.0* | *2.2* | *2.0* | |
| eV US TIPS / Inflation Fixed Inc Rank | | | 53 | 53 | 52 | 56 | 55 | 61 | 74 | |
| Loomis Sayles Core Plus Fixed Income | 49,567,834 | 3.9 | -3.9 | -3.0 | -2.0 | 4.5 | -0.3 | 2.0 | 2.3 | Jul-15 |
| *Blmbg. U.S. Aggregate Index* | | | *-3.5* | *-2.9* | *-1.8* | *4.1* | *-0.6* | *1.1* | *1.6* | |
| *eV US Core Plus Fixed Inc Median* | | | *-3.7* | *-2.9* | *-1.7* | *4.7* | *-0.2* | *1.9* | *2.3* | |
| eV US Core Plus Fixed Inc Rank | | | 77 | 62 | 72 | 73 | 60 | 43 | 39 | |
| Aberdeen Emerging Markets Bond Fund | 77,657,630 | 6.1 | -2.8 | 1.8 | 5.8 | 12.2 | 3.5 | 3.6 | 3.8 | Dec-14 |
| *JPM EMBI Global Diversified* | | | *-3.9* | *-0.7* | *2.6* | *9.7* | *1.9* | *2.9* | *3.5* | |
| *50% JPM EMBI / 25% JPM GBI-EM / 25% JPM CEMBI* | | | *-2.7* | *-0.2* | *2.6* | *8.7* | *2.1* | *--* | *--* | |
| Pyramis Tactical Bond Fund | 28,698,755 | 2.2 | -3.5 | -2.2 | -1.6 | 4.8 | 0.6 | 2.9 | 3.4 | Aug-13 |
| *Blmbg. U.S. Aggregate Index* | | | *-3.5* | *-2.9* | *-1.8* | *4.1* | *-0.6* | *1.1* | *1.8* | |
| *eV US Core Plus Fixed Inc Median* | | | *-3.7* | *-2.9* | *-1.7* | *4.7* | *-0.2* | *1.9* | *2.5* | |
| eV US Core Plus Fixed Inc Rank | | | 32 | 18 | 32 | 41 | 10 | 7 | 4 | |
| Aristotle Pacific | 27,461,624 | 2.1 | 2.0 | 3.6 | 5.4 | 7.4 | 6.6 | -- | 6.0 | Dec-19 |
| *Morningstar LSTA U.S. Leveraged Loan* | | | *1.9* | *3.3* | *4.5* | *7.0* | *6.2* | *--* | *5.9* | |
| *eV US Float-Rate Bank Loan Fixed Inc Median* | | | *1.7* | *3.3* | *4.5* | *6.9* | *5.6* | -- | *5.2* | |
| eV US Float-Rate Bank Loan Fixed Inc Rank | | | 22 | 29 | 13 | 27 | 6 | -- | 13 | |

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# Austin Firefighters Retirement Fund

## Trailing Net Performance | As of September 30, 2026

| | Market Value ($) | % of Portfolio | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
|---|---|---|---|---|---|---|---|---|---|---|
| **Real Estate** | **93,918,708** | **7.3** | **0.9** | **4.0** | **6.0** | **-1.6** | **-0.4** | **3.1** | **2.6** | **Jan-08** |
| *NCREIF Property Index* | | | *1.4* | *3.8* | *5.0* | *2.0* | *2.4* | *4.6* | *5.2* | |
| Clarion Partners Lion Properties Fund | 63,492,376 | 5.0 | 1.8 | 4.6 | 5.8 | 0.3 | 0.7 | 4.2 | 5.0 | Apr-05 |
| *NCREIF Fund Index-ODCE (EW) (Net)* | | | *1.6* | *3.9* | *4.7* | *-0.4* | *0.9* | *3.9* | *5.3* | |
| Portfolio Advisors Real Estate Fund V | 3,278,298 | 0.3 | | | | | | | | |
| Partners Group Global RE 2011 | 77,472 | 0.0 | | | | | | | | |
| Partners Group Real Estate Secondary 2017 | 10,619,520 | 0.8 | | | | | | | | |
| Crow Holdings Realty Partners X, L.P. | 16,451,042 | 1.3 | | | | | | | | |
| **Natural Resources** | **17,640,248** | **1.4** | **-7.7** | **-4.5** | **0.5** | **-4.4** | **-2.1** | **-0.4** | **0.2** | **Mar-13** |
| *S&P North American Natural Res Sector Index (TR)* | | | *10.3* | *24.8* | *28.8* | *17.3* | *19.7* | *9.8* | *6.7* | |
| Aether Real Assets V | 4,417,360 | 0.3 | | | | | | | | |
| Aether Real Assets IV | 6,724,246 | 0.5 | | | | | | | | |
| Aether Real Assets III | 5,395,096 | 0.4 | | | | | | | | |
| Aether Real Assets II | 1,103,546 | 0.1 | | | | | | | | |
| **Infrastructure** | **40,000,000** | **3.1** | | | | | | | | |
| *CPI +3% (Seasonally Adjusted)* | | | *--* | *--* | *--* | *--* | *--* | *--* | *--* | |
| IFM Global Infrastructure Fund | 40,000,000 | 3.1 | | | | | | | | |
| *CPI +3% (Seasonally Adjusted)* | | | *--* | *--* | *--* | *--* | *--* | *--* | *--* | |
| **Cash** | **4,845,055** | **0.4** | | | | | | | | |
| Cash | 4,845,055 | 0.4 | | | | | | | | |

NCREIF Fund Index-ODCE (EW) (Net) returns not yet available.
Real Estate and Natural Resources funds are valued as of June 30, 2026 and adjusted for any subsequent cash flows.

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# Austin Firefighters Retirement Fund

## Trailing Net Performance | As of September 30, 2026

| | Calendar Year Performance | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 (%) | 2024 (%) | 2023 (%) | 2022 (%) | 2021 (%) | 2020 (%) | 2019 (%) | 2018 (%) | 2017 (%) | 2016 (%) |
| **Total Fund** | **14.0** | **4.6** | **8.4** | **-10.8** | **17.6** | **12.9** | **15.7** | **-2.0** | **17.0** | **7.1** |
| *Total Fund Benchmark* | *17.2* | *11.1* | *14.3* | *-16.4* | *11.6* | *15.2* | *20.8* | *-6.4* | *17.7* | *8.5* |
| *Legacy Static Benchmark* | *16.3* | *11.9* | *13.5* | *-12.1* | *14.3* | *11.3* | *15.7* | *-3.7* | *16.2* | *9.6* |
| *Dynamic Benchmark* | *17.2* | *13.0* | *14.5* | *-13.2* | *14.9* | *10.5* | *14.6* | *-3.1* | *16.1* | *8.4* |
| *70% MSCI ACWI/30% Barclays Agg* | *17.7* | *12.4* | *17.1* | *-16.6* | *12.2* | *14.3* | *21.2* | *-6.5* | *17.5* | *6.4* |
| **Domestic Equity** | **14.9** | **17.2** | **22.1** | **-16.0** | **24.6** | **16.5** | **29.4** | **-7.9** | **21.8** | **9.9** |
| *Russell 3000 Index* | *17.1* | *23.8* | *26.0* | *-19.2* | *25.7* | *20.9* | *31.0* | *-5.2* | *21.1* | *12.7* |
| SSIM S&P 500 | 17.9 | 25.0 | 26.2 | -18.1 | 28.6 | 18.3 | 31.5 | -4.4 | 21.8 | 12.0 |
| *S&P 500 Index* | *17.9* | *25.0* | *26.3* | *-18.1* | *28.7* | *18.4* | *31.5* | *-4.4* | *21.8* | *12.0* |
| Westfield Small/Mid Cap Growth | 10.1 | 16.7 | 18.4 | -23.4 | 16.2 | 34.2 | 35.2 | -7.6 | 31.0 | 3.4 |
| *Russell 2500 Growth Index* | *10.3* | *13.9* | *18.9* | *-26.2* | *5.0* | *40.5* | *32.7* | *-7.5* | *24.5* | *9.7* |
| Vaughan Nelson Small Cap Value | 12.7 | 5.8 | 25.7 | -9.8 | 31.0 | 9.6 | 25.0 | -14.1 | 6.8 | 20.7 |
| *Russell 2000 Value Index* | *12.6* | *8.1* | *14.6* | *-14.5* | *28.3* | *4.6* | *22.4* | *-12.9* | *7.8* | *31.7* |
| **International Equity** | **31.5** | **5.8** | **16.6** | **-21.1** | **4.1** | **17.6** | **22.4** | **-15.9** | **34.0** | **5.0** |
| *Spliced International Equity Benchmark* | *32.4* | *5.5* | *15.6* | *-16.0* | *7.8* | *10.7* | *21.5* | *-14.2* | *27.2* | *4.5* |
| SSIM MSCI EAFE Fund | 31.7 | 4.0 | 18.6 | -14.1 | 11.4 | 8.2 | 22.4 | -13.5 | 25.3 | 1.3 |
| *MSCI EAFE (Net)* | *31.2* | *3.8* | *18.2* | *-14.5* | *11.3* | *7.8* | *22.0* | *-13.8* | *25.0* | *1.0* |
| Baillie Gifford International Growth Fund | 17.3 | 7.9 | 14.3 | -34.4 | -9.4 | 63.0 | 37.3 | -17.3 | 45.5 | 1.4 |
| *MSCI AC World ex USA (Net)* | *32.4* | *5.5* | *15.6* | *-16.0* | *7.8* | *10.7* | *21.5* | *-14.2* | *27.2* | *4.5* |
| DFA International Small Company Fund | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| *MSCI AC World ex USA Smid Cap Index (Net)* | *--* | *--* | *--* | *--* | *--* | *--* | *--* | *--* | *--* | *--* |
| DFA Emerging Markets Value | 29.5 | 6.2 | 16.5 | -10.7 | 12.4 | 2.7 | 9.6 | -11.9 | 33.8 | 19.8 |
| *MSCI Emerging Markets Value (Net)* | *32.7* | *4.5* | *14.2* | *-15.8* | *4.0* | *5.5* | *12.0* | *-10.7* | *28.1* | *14.9* |

DFA International Small Company Fund performance will populate after 1 full year of performance.

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# Austin Firefighters Retirement Fund

## Trailing Net Performance | As of September 30, 2026

| | 2025 (%) | 2024 (%) | 2023 (%) | 2022 (%) | 2021 (%) | 2020 (%) | 2019 (%) | 2018 (%) | 2017 (%) | 2016 (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| SSIM Daily MSCI Emerging Markets Index | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| *MSCI Emerging Markets Index* | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| **Private Equity** | **6.3** | **-2.6** | **0.8** | **-1.7** | **57.0** | **20.4** | **16.1** | **15.8** | **17.7** | **9.4** |
| *Private Equity Benchmark* | *19.6* | *34.3* | *23.2* | *-19.0* | *29.9* | *12.6* | *3.4* | *5.4* | *25.4* | *15.3* |
| *MSCI Global Private Equity Index (1Q Lag)* | *10.4* | *8.0* | *3.6* | *-3.5* | *55.7* | *19.9* | *11.0* | *18.4* | *16.8* | *9.5* |
| 57 Stars Global Opportunity 3 | | | | | | | | | | |
| Blue Bay Direct Lending | | | | | | | | | | |
| Constitution Capital Partners III | | | | | | | | | | |
| Constitution Capital Partners VII | | | | | | | | | | |
| Cross Creek Capital Partners II - B | | | | | | | | | | |
| Cross Creek Capital Partners III | | | | | | | | | | |
| Deutsche Bank SOF III | | | | | | | | | | |
| Dover Street X, L.P. | | | | | | | | | | |
| HarbourVest 2013 Direct | | | | | | | | | | |
| HarbourVest Co-Investment Fund IV | | | | | | | | | | |
| HighVista Private Equity V, L.P. | | | | | | | | | | |
| HighVista Private Equity VI, L.P. | | | | | | | | | | |
| LGT Crown Asia II | | | | | | | | | | |
| LGT Crown Europe Small Buyouts III | | | | | | | | | | |
| LGT Crown Global Opportunities VI | | | | | | | | | | |

SSIM Daily MSCI Emerging Markets Index performance will populate after 1 full year of performance.

## Trailing Net Performance | As of September 30, 2026

| | 2025 (%) | 2024 (%) | 2023 (%) | 2022 (%) | 2021 (%) | 2020 (%) | 2019 (%) | 2018 (%) | 2017 (%) | 2016 (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| LGT Crown Global Secondaries II | | | | | | | | | | |
| LGT Crown Global Secondaries III | | | | | | | | | | |
| Partners Group Emerging Markets 2015 | | | | | | | | | | |
| Partners Group U.S. Distressed Private Equity 2009 | | | | | | | | | | |
| StepStone Global Partners V | | | | | | | | | | |
| StepStone Global Partners VI | | | | | | | | | | |
| SVB Strategic Investors Fund IX, L.P. | | | | | | | | | | |
| Private Equity Investors V | | | | | | | | | | |
| **Fixed Income** | **9.0** | **3.1** | **7.7** | **-12.7** | **0.0** | **8.3** | **10.5** | **-2.0** | **5.6** | **6.9** |
| *Blmbg. U.S. Aggregate Index* | *7.3* | *1.3* | *5.5* | *-13.0* | *-1.5* | *7.5* | *8.7* | *0.0* | *3.5* | *2.6* |
| SSIM Bond Fund | 7.2 | 1.4 | 5.6 | -13.2 | -1.6 | 7.5 | 8.7 | 0.0 | 3.5 | 2.6 |
| *Blmbg. U.S. Aggregate Index* | *7.3* | *1.3* | *5.5* | *-13.0* | *-1.5* | *7.5* | *8.7* | *0.0* | *3.5* | *2.6* |
| SSIM TIPS | 6.9 | 1.9 | 3.9 | -12.0 | 5.9 | 10.9 | 8.3 | -1.3 | 3.0 | 4.6 |
| *Blmbg. U.S. TIPS Index* | *7.0* | *1.8* | *3.9* | *-11.8* | *6.0* | *11.0* | *8.4* | *-1.3* | *3.0* | *4.7* |
| Loomis Sayles Core Plus Fixed Income | 8.4 | 1.1 | 6.4 | -12.7 | -1.1 | 11.3 | 9.4 | -0.4 | 5.4 | 6.9 |
| *Blmbg. U.S. Aggregate Index* | *7.3* | *1.3* | *5.5* | *-13.0* | *-1.5* | *7.5* | *8.7* | *0.0* | *3.5* | *2.6* |
| Aberdeen Emerging Markets Bond Fund | 15.9 | 7.8 | 13.8 | -16.6 | -4.0 | 5.0 | 15.1 | -7.5 | 13.0 | 13.3 |
| *JPM EMBI Global Diversified* | *14.3* | *6.5* | *11.1* | *-17.8* | *-1.8* | *5.3* | *15.0* | *-4.3* | *10.3* | *10.2* |
| Pyramis Tactical Bond Fund | 7.7 | 2.0 | 7.0 | -10.9 | 1.2 | 9.3 | 13.2 | -0.9 | 5.9 | 10.4 |
| *Blmbg. U.S. Aggregate Index* | *7.3* | *1.3* | *5.5* | *-13.0* | *-1.5* | *7.5* | *8.7* | *0.0* | *3.5* | *2.6* |
| Aristotle Pacific | 6.8 | 8.6 | 14.0 | -0.6 | 5.2 | 2.6 | -- | -- | -- | -- |
| *Morningstar LSTA U.S. Leveraged Loan* | *5.9* | *9.0* | *13.3* | *-0.8* | *5.2* | *3.1* | *--* | *--* | *--* | *--* |

MEKETA

# Austin Firefighters Retirement Fund

## Trailing Net Performance | As of September 30, 2026

| | 2025 (%) | 2024 (%) | 2023 (%) | 2022 (%) | 2021 (%) | 2020 (%) | 2019 (%) | 2018 (%) | 2017 (%) | 2016 (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Real Estate** | **1.9** | **-6.4** | **-15.0** | **8.3** | **20.2** | **-0.6** | **5.6** | **8.6** | **7.5** | **7.8** |
| *NCREIF Property Index* | *4.9* | *0.4* | *-7.9* | *5.5* | *17.7* | *1.6* | *6.4* | *6.7* | *7.0* | *8.0* |
| Clarion Partners Lion Properties Fund | 4.3 | -3.2 | -16.3 | 8.7 | 22.4 | 1.4 | 6.3 | 9.2 | 8.0 | 9.3 |
| *NCREIF Fund Index-ODCE (EW) (Net)* | *2.9* | *-2.4* | *-13.3* | *7.6* | *21.9* | *0.8* | *5.2* | *7.3* | *6.9* | *8.4* |
| Portfolio Advisors Real Estate Fund V | | | | | | | | | | |
| Partners Group Global RE 2011 | | | | | | | | | | |
| Partners Group Real Estate Secondary 2017 | | | | | | | | | | |
| Crow Holdings Realty Partners X, L.P. | | | | | | | | | | |
| **Natural Resources** | **-0.3** | **-9.8** | **0.8** | **2.2** | **15.9** | **-9.9** | **-13.4** | **2.1** | **15.7** | **8.6** |
| *S&P North American Natural Res Sector Index (TR)* | *21.1* | *8.1* | *3.7* | *34.1* | *39.9* | *-19.0* | *17.6* | *-21.1* | *1.2* | *30.9* |
| Aether Real Assets V | | | | | | | | | | |
| Aether Real Assets IV | | | | | | | | | | |
| Aether Real Assets III | | | | | | | | | | |
| Aether Real Assets II | | | | | | | | | | |
| **Infrastructure** | | | | | | | | | | |
| *CPI +3% (Seasonally Adjusted)* | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| IFM Global Infrastructure Fund | | | | | | | | | | |
| *CPI +3% (Seasonally Adjusted)* | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| **Cash** | | | | | | | | | | |
| Cash | | | | | | | | | | |

MEKETA

# Austin Firefighters Retirement Fund

## MPT Stats By Group | As of September 30, 2026

| Risk Return Statistics | 5 Yrs | |
|---|---|---|
| | Total Fund | Static Benchmark |
| **RETURN SUMMARY STATISTICS** | | |
| Maximum Return | 5.1 | 7.3 |
| Minimum Return | -6.3 | -8.2 |
| Return | 4.7 | 6.6 |
| Excess Return | 1.3 | 3.4 |
| Excess Performance | -1.9 | 0.0 |
| **RISK SUMMARY STATISTICS** | | |
| Beta | 0.7 | 1.0 |
| Down Capture | 70.5 | 100.0 |
| Up Capture | 70.3 | 100.0 |
| **RISK/RETURN SUMMARY STATISTICS** | | |
| Standard Deviation | 8.2 | 11.4 |
| Sortino Ratio | 0.2 | 0.4 |
| Alpha | 0.0 | 0.0 |
| Sharpe Ratio | 0.2 | 0.3 |
| Excess Risk | 8.1 | 11.3 |
| Tracking Error | 3.9 | 0.0 |
| Information Ratio | -0.5 | - |
| **CORRELATION STATISTICS** | | |
| R-Squared | 0.9 | 1.0 |
| Actual Correlation | 1.0 | 1.0 |

## Cash Flow Summary | Quarter To Date Ending September 30, 2026

### Cash Flow Summary

| | Beginning Market Value ($) | Contributions ($) | Distributions ($) | Net Cash Flow ($) | Net Investment Change ($) | Ending Market Value ($) |
|---|---|---|---|---|---|---|
| 57 Stars Global Opportunity 3 | 3,364,795 | - | -115,560 | -115,560 | -7,711 | 3,241,524 |
| Aberdeen Emerging Markets Bond Fund | 79,774,626 | - | - | - | -2,116,996 | 77,657,630 |
| Aether Real Assets II | 1,256,616 | - | - | - | -153,070 | 1,103,546 |
| Aether Real Assets III | 5,746,463 | - | -482,976 | -482,976 | 131,609 | 5,395,096 |
| Aether Real Assets IV | 9,190,066 | - | -2,050,998 | -2,050,998 | -414,822 | 6,724,246 |
| Aether Real Assets V | 5,952,397 | - | -492,835 | -492,835 | -1,042,202 | 4,417,360 |
| Aristotle Pacific | 26,921,317 | - | - | - | 540,307 | 27,461,624 |
| Baillie Gifford International Growth Fund | 22,853,975 | - | - | - | -208,465 | 22,645,510 |
| Blue Bay Direct Lending | 1,550,374 | - | - | - | -2,274 | 1,548,101 |
| Cash | 4,191,297 | 61,758,092 | -61,104,334 | 653,758 | - | 4,845,055 |
| Clarion Partners Lion Properties Fund | 63,525,248 | - | -1,154,051 | -1,305,135 | 1,272,263 | 63,492,376 |
| Constitution Capital Partners III | 1,664,301 | - | - | - | -26,960 | 1,637,341 |
| Constitution Capital Partners VII | 11,556,764 | - | - | - | 197,025 | 11,753,790 |
| Cross Creek Capital Partners II - B | 6,034,157 | - | -214,342 | -214,342 | 343,713 | 6,163,528 |
| Cross Creek Capital Partners III | 8,864,861 | - | -190,000 | -190,000 | 569,619 | 9,244,480 |
| Crow Holdings Realty Partners X, L.P. | 16,432,326 | - | - | - | 18,716 | 16,451,042 |
| Deutsche Bank SOF III | 1,460,504 | - | - | - | 28,294 | 1,488,798 |
| DFA International Small Company Fund | 40,906,403 | - | -10,000,000 | -10,000,000 | 1,402,437 | 32,308,840 |
| DFA Emerging Markets Value | 32,001,757 | - | - | - | 764,867 | 32,766,625 |
| Dover Street X, L.P. | 31,666,847 | - | - | - | -194,431 | 31,472,416 |
| HarbourVest 2013 Direct | 1,857,073 | - | - | - | 249,100 | 2,106,173 |
| HarbourVest Co-Investment Fund IV | 4,833,644 | - | -385,374 | -385,374 | 576,742 | 5,025,012 |
| HighVista Private Equity V, L.P. | 284,657 | - | - | - | - | 284,657 |
| HighVista Private Equity VI, L.P. | 2,163,546 | - | - | - | 21,491 | 2,185,037 |
| IFM Global Infrastructure Fund | - | 40,000,000 | - | 40,000,000 | - | 40,000,000 |
| LGT Crown Asia II | 3,486,741 | - | -125,013 | -125,013 | 12,521 | 3,374,249 |
| LGT Crown Europe Small Buyouts III | 1,143,993 | - | -3,468 | -3,468 | 15,023 | 1,155,547 |
| LGT Crown Global Opportunities VI | 18,497,484 | - | -1,007,062 | -1,007,062 | 412,639 | 17,903,061 |
| LGT Crown Global Secondaries II | 94,202 | - | - | - | - | 94,202 |

## Cash Flow Summary | Quarter To Date Ending September 30, 2026

| | Beginning Market Value ($) | Contributions ($) | Distributions ($) | Net Cash Flow ($) | Net Investment Change ($) | Ending Market Value ($) |
|---|---|---|---|---|---|---|
| LGT Crown Global Secondaries III | 1,215,468 | - | - | - | - | 1,215,468 |
| Loomis Sayles Core Plus Fixed Income | 51,541,651 | - | - | - | -1,973,817 | 49,567,834 |
| Partners Group Distressed RE 2009 | 69,677 | - | -40,828 | -40,828 | -28,849 | - |
| Partners Group Emerging Markets 2015 | 4,674,978 | - | -547,195 | -547,195 | 18,092 | 4,145,875 |
| Partners Group Global RE 2011 | 76,897 | - | - | - | 575 | 77,472 |
| Partners Group Real Estate Secondary 2017 | 10,848,135 | - | - | - | -228,615 | 10,619,520 |
| Partners Group U.S. Distressed Private Equity 2009 | 51,480 | - | - | - | -345 | 51,135 |
| Portfolio Advisors Real Estate Fund V | 3,584,901 | - | -248,963 | -248,963 | -57,640 | 3,278,298 |
| Private Equity Investors V | 1,171,055 | - | - | - | -20,285 | 1,150,770 |
| Pyramis Tactical Bond Fund | 29,724,974 | - | - | - | -1,026,219 | 28,698,755 |
| SSIM Bond Fund | 145,907,262 | - | -6,143 | -6,143 | -5,119,879 | 140,781,240 |
| SSIM Daily MSCI Emerging Markets Index | 60,066,027 | - | -10,007,375 | -10,007,375 | 5,930 | 50,064,582 |
| SSIM MSCI EAFE Fund | 164,618,048 | - | -11,197 | -11,197 | 1,417,579 | 166,024,430 |
| SSIM S&P 500 | 172,337,066 | - | -5,004,264 | -5,004,264 | 3,979,534 | 171,312,337 |
| SSIM TIPS | 62,516,456 | - | -5,002,742 | -5,002,742 | -2,006,424 | 55,507,290 |
| StepStone Global Partners V | 4,728,823 | - | -1,612,500 | -1,612,500 | 2,331,790 | 5,448,113 |
| StepStone Global Partners VI | 9,286,523 | - | - | - | 515,820 | 9,802,343 |
| SVB Strategic Investors Fund IX, L.P. | 17,251,632 | - | - | - | 1,118,469 | 18,370,101 |
| Vaughan Nelson Small Cap Value | 70,139,143 | - | - | - | -4,042,527 | 66,096,616 |
| Westfield Small/Mid Cap Growth | 92,033,414 | - | -15,000,000 | -15,000,000 | -11,512,456 | 65,520,958 |
| **Total** | **1,309,120,045** | **101,758,092** | **-114,807,220** | **-13,200,212** | **-14,239,831** | **1,281,680,001** |

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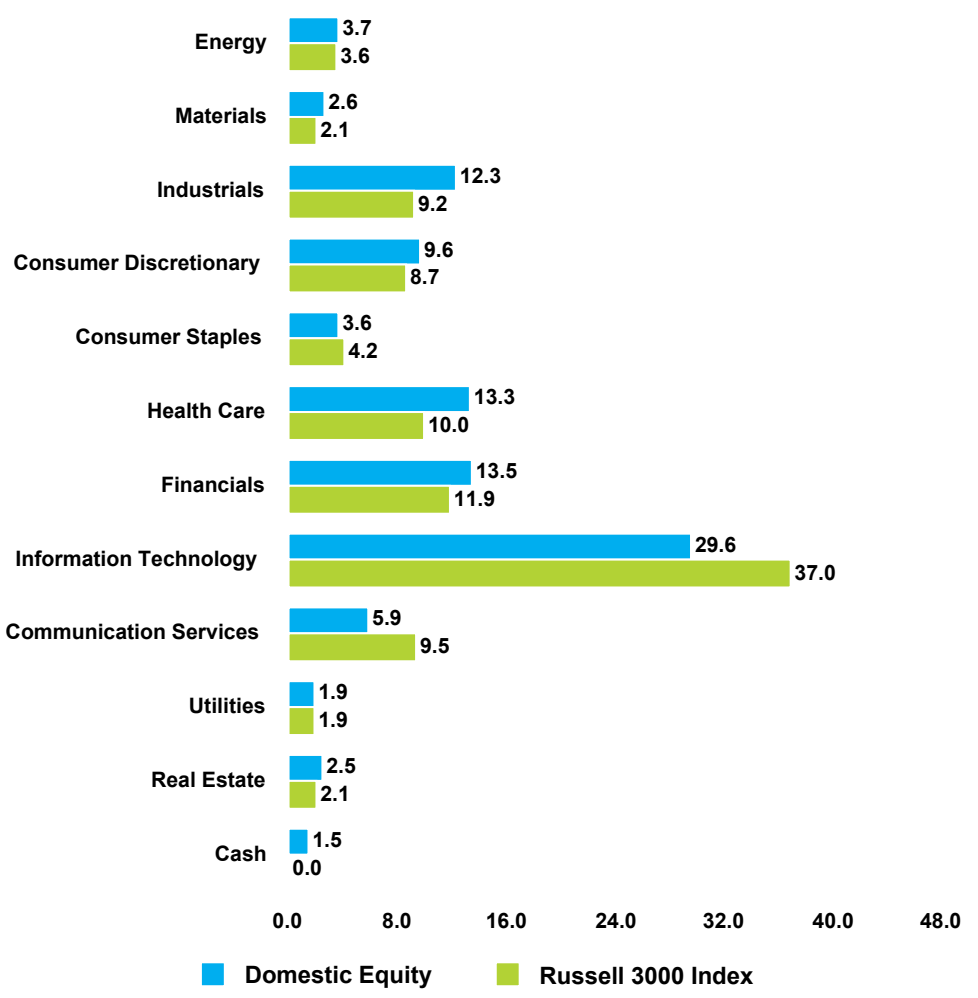
# Austin Firefighters Retirement Fund

## Composite Domestic Equity Characteristics | As of September 30, 2026

| Characteristics | Portfolio | Benchmark |
|---|---|---|
| Number of Holdings | 629 | 2,996 |
| Wtd. Avg. Mkt. Cap $B | 944.2 | 1,471.7 |
| Median Mkt. Cap $B | 28.8 | 2.5 |
| Price To Earnings | 23.2 | 24.1 |
| Price To Book | 4.3 | 5.0 |
| Return on Equity (%) | 7.5 | 9.9 |
| Yield (%) | 1.1 | 1.1 |
| Beta (5 Years, Monthly) | 1.0 | 1.0 |
| R-Squared (5 Years, Monthly) | 0.9 | 1.0 |

| Top Holdings (%) | |
|---|---|
| NVIDIA Corporation | 4.8 |
| Apple Inc | 4.2 |
| Microsoft Corp | 3.3 |
| Amazon.com Inc | 2.1 |
| Alphabet Inc Class A | 1.7 |
| CASH | 1.5 |
| Broadcom Inc | 1.4 |
| Alphabet Inc Class C | 1.4 |
| Meta Platforms Inc | 1.4 |
| Micron Technology Inc. | 1.0 |

## Sector Weights (%) vs Russell 3000 Index



MEKETA

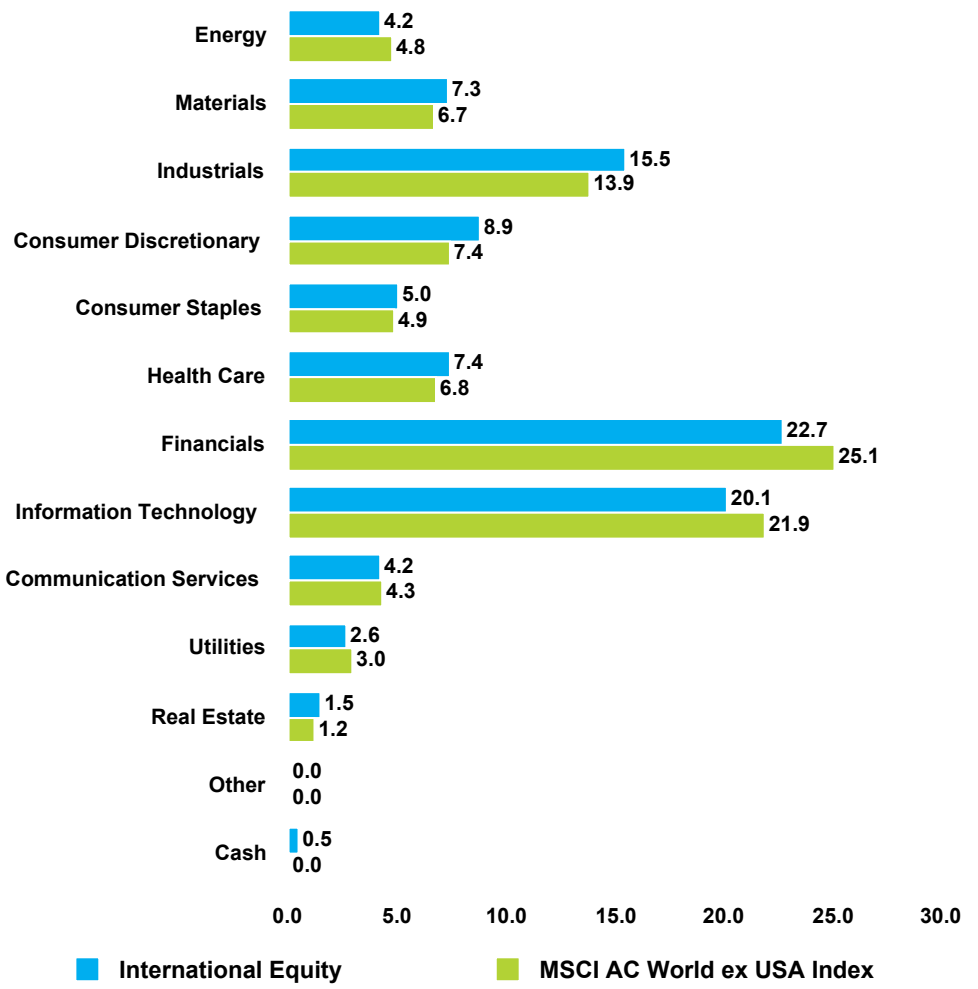
# Austin Firefighters Retirement Fund

## Composite International Equity Characteristics | As of September 30, 2026

| Characteristics | Portfolio | Benchmark |
|---|---|---|
| Number of Holdings | 9,212 | 1,901 |
| Wtd. Avg. Mkt. Cap $B | 202.1 | 261.6 |
| Median Mkt. Cap $B | 1.1 | 14.0 |
| Price To Earnings | 15.3 | 16.4 |
| Price To Book | 2.8 | 2.9 |
| Return on Equity (%) | 6.4 | 7.0 |
| Yield (%) | 2.5 | 2.5 |
| Beta (5 Years, Monthly) | 1.0 | 1.0 |
| R-Squared (5 Years, Monthly) | 1.0 | 1.0 |

| Top Holdings (%) | |
|---|---|
| Taiwan Semiconductor | 3.6 |
| Samsung Electronics Co Ltd | 2.1 |
| ASML Holding NV | 1.9 |
| SK Hynix Inc | 1.3 |
| Roche Holding AG | 0.8 |
| HSBC Holdings PLC | 0.7 |
| Tencent Holdings LTD | 0.7 |
| Shell Plc | 0.6 |
| Novartis AG | 0.6 |
| Mitsubishi UFJ Financial Group Inc | 0.6 |

## Sector Weights (%) vs MSCI AC World ex USA Index



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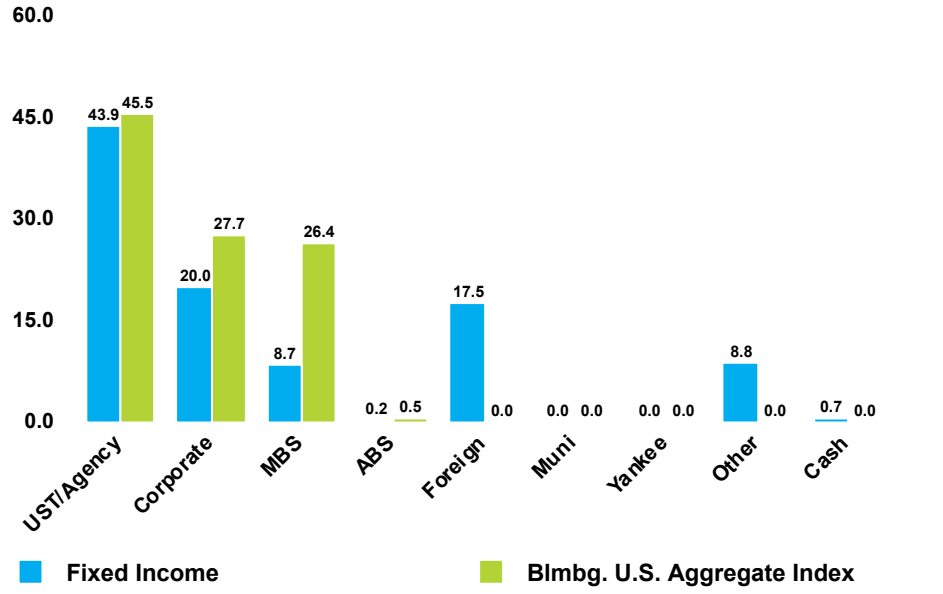
# Austin Firefighters Retirement Fund

## Composite Fixed Income Characteristics | As of September 30, 2026

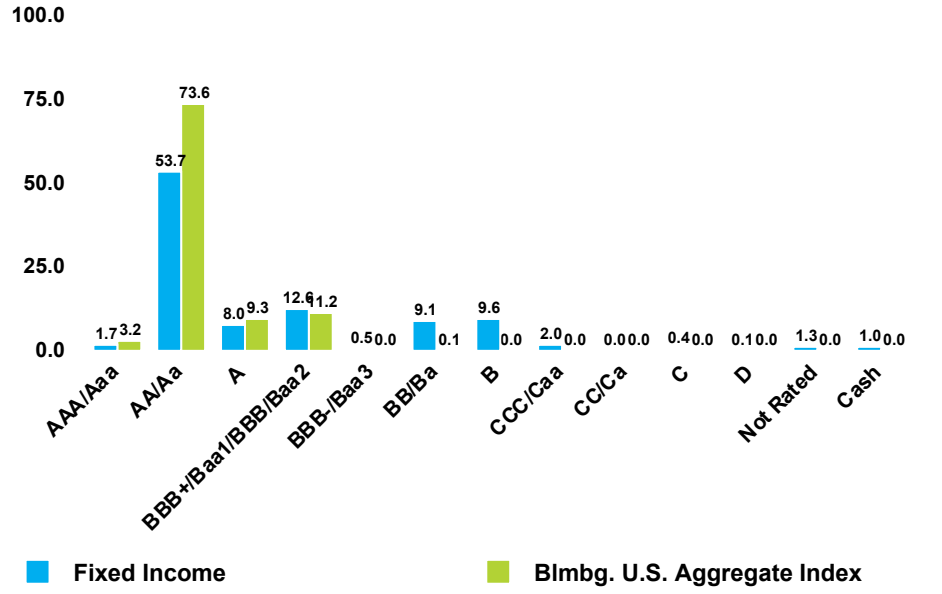
| | Total Fund | |
|---|---|---|
| | $ | % |
| SSIM Bond Fund | 140,781,240 | 37 |
| SSIM TIPS | 55,507,290 | 15 |
| Loomis Sayles Core Plus Fixed Income | 49,567,834 | 13 |
| Aberdeen Emerging Markets Bond Fund | 77,657,630 | 20 |
| Pyramis Tactical Bond Fund | 28,698,755 | 8 |
| Aristotle Pacific | 27,461,624 | 7 |
| **Total Fixed Income** | **379,674,373** | **100** |

| Portfolio Characteristics | | |
|---|---|---|
| | Portfolio | Benchmark |
| Yield To Maturity (%) | 6.4 | 5.5 |
| Average Duration | 5.5 | 5.7 |
| Avg. Quality | A | AA |
| Weighted Average Maturity (Years) | 8.5 | 8.2 |

### Sector Distribution (%)




### Credit Quality Distribution (%)



MEKETA

# Austin Firefighters Retirement Fund

## Westfield Small/Mid Cap Growth | As of September 30, 2026

### Top Holdings

| | |
|---|---|
| Ascendis Pharma AS | 4.2 |
| Guardant Health Inc | 2.7 |
| Rubrik Inc | 2.4 |
| Carpenter Technology Corp | 2.4 |
| Samsara Inc | 2.4 |
| SharkNinja Inc | 2.4 |
| Axon Enterprise Inc | 2.1 |
| Woodward Inc | 2.1 |
| LPL Financial Holdings Inc | 2.1 |
| Dynatrace Inc | 2.0 |
| **% of Portfolio** | **24.8** |

### Account Information

| | |
|---|---|
| Account Name | Westfield Small/Mid Cap Growth |
| Account Structure | Separate Account |
| Inception Date | 11/01/2002 |
| Asset Class | US Equity |
| Benchmark | Russell 2500 Growth Index |
| Peer Group | eV US Small-Mid Cap Growth Equity |

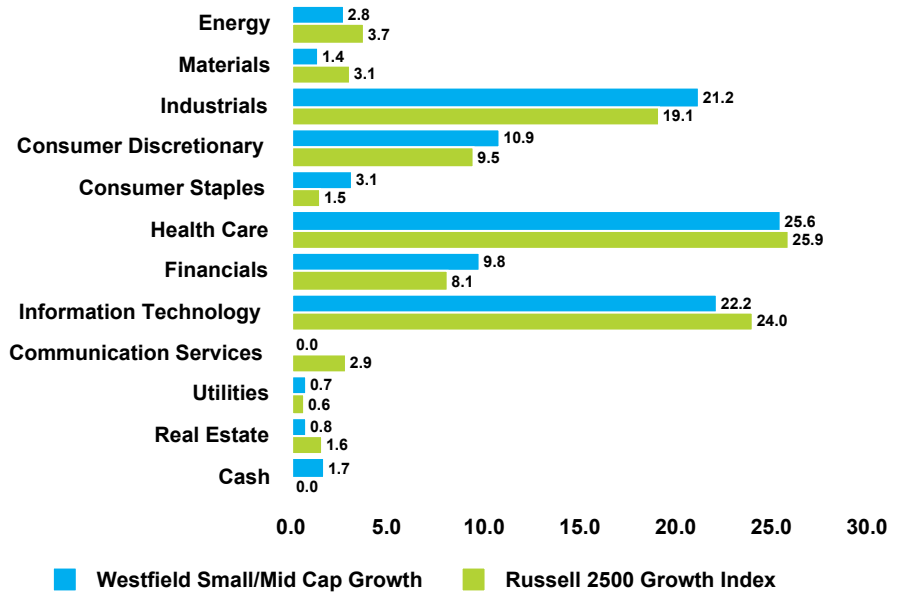
### Equity Characteristics vs Russell 2500 Growth Index

| | Portfolio | Benchmark |
|---|---|---|
| Number of Holdings | 73 | 1,275 |
| Wtd. Avg. Mkt. Cap $B | 15.6 | 7.7 |
| Median Mkt. Cap $B | 13.5 | 1.7 |
| P/E Ratio | 29.1 | 26.6 |
| Yield (%) | 0.4 | 0.5 |
| EPS Growth - 5 Yrs. (%) | 35.2 | 27.4 |
| Price to Book | 5.5 | 5.0 |

### Portfolio Performance Summary

| | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Since Inception | Inception Date |
|---|---|---|---|---|---|---|---|---|
| Westfield Small/Mid Cap Growth | -12.9 | 8.8 | 13.2 | 15.9 | 5.4 | 12.5 | 12.4 | 11/01/2002 |
| Russell 2500 Growth Index | -10.3 | 7.3 | 7.6 | 14.9 | 3.5 | 10.6 | 11.1 | 11/01/2002 |

### Sector Weights (%)



MEKETA

# Austin Firefighters Retirement Fund

## Vaughan Nelson Small Cap Value | As of September 30, 2026

### Top Holdings

| | |
|---|---|
| Revvity Inc | 2.8 |
| Clean Harbors Inc | 2.5 |
| Rambus Inc | 2.5 |
| Coca Cola Consolidated Inc | 2.3 |
| GATX Corp. | 2.2 |
| Sensient Technologies Corp | 2.2 |
| Avantor Inc | 2.1 |
| Carlisle Cos Inc | 2.1 |
| FirstCash Holdings Inc | 2.0 |
| Warby Parker Inc | 2.0 |
| **% of Portfolio** | **22.7** |

### Account Information

| | |
|---|---|
| Account Name | Vaughan Nelson Small Cap Value |
| Account Structure | Separate Account |
| Inception Date | 12/01/2015 |
| Asset Class | US Equity |
| Benchmark | Russell 2000 Value Index |
| Peer Group | eV US Small Cap Value Equity |

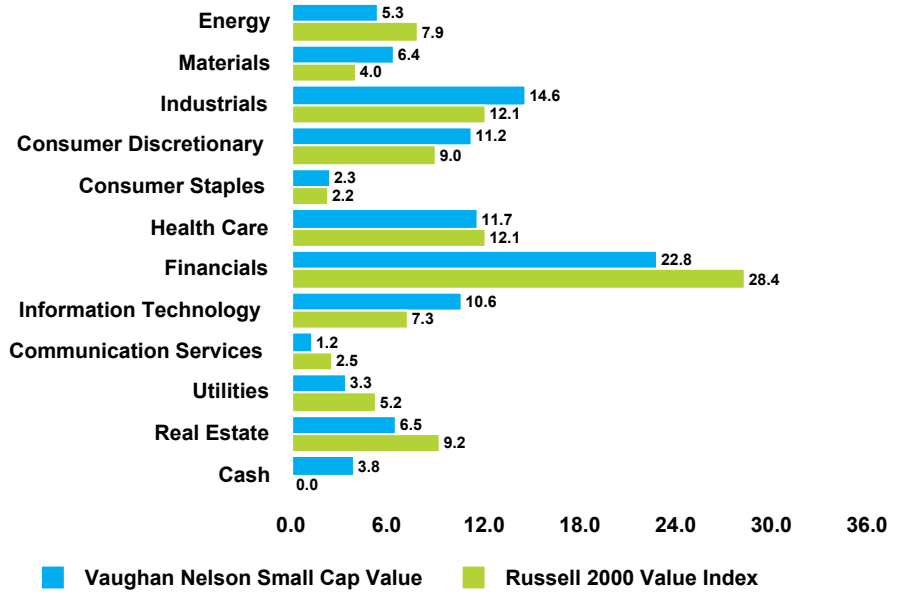
### Equity Characteristics vs Russell 2000 Value Index

| | Portfolio | Benchmark |
|---|---|---|
| Number of Holdings | 71 | 1,414 |
| Wtd. Avg. Mkt. Cap $B | 7.5 | 3.3 |
| Median Mkt. Cap $B | 6.7 | 0.9 |
| P/E Ratio | 16.9 | 13.7 |
| Yield (%) | 1.7 | 2.2 |
| EPS Growth - 5 Yrs. (%) | 12.5 | 5.2 |
| Price to Book | 2.2 | 1.6 |

### Portfolio Performance Summary

| | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Since Inception | Inception Date |
|---|---|---|---|---|---|---|---|---|
| Vaughan Nelson Small Cap Value | -5.9 | 6.9 | 12.3 | 13.5 | 9.8 | 10.0 | 10.3 | 01/01/2016 |
| Russell 2000 Value Index | -4.9 | 17.0 | 20.8 | 17.9 | 7.8 | 9.4 | 10.2 | 01/01/2016 |

### Sector Weights (%)



MEKETA

# Austin Firefighters Retirement Fund

## SSIM S&P 500 | As of September 30, 2026

### Top Holdings

| | |
|---|---|
| NVIDIA Corporation | 8.4 |
| Apple Inc | 7.3 |
| Microsoft Corp | 5.8 |
| Amazon.com Inc | 3.7 |
| Alphabet Inc Class A | 3.1 |
| Broadcom Inc | 2.5 |
| Alphabet Inc Class C | 2.4 |
| Meta Platforms Inc | 2.4 |
| Micron Technology Inc. | 1.8 |
| Tesla Inc | 1.5 |
| **% of Portfolio** | **38.9** |

### Account Information

| | |
|---|---|
| Account Name | SSIM S&P 500 |
| Account Structure | Commingled Fund |
| Inception Date | 01/01/2004 |
| Asset Class | US Equity |
| Benchmark | S&P 500 Index |
| Peer Group | eV US Large Cap Equity |

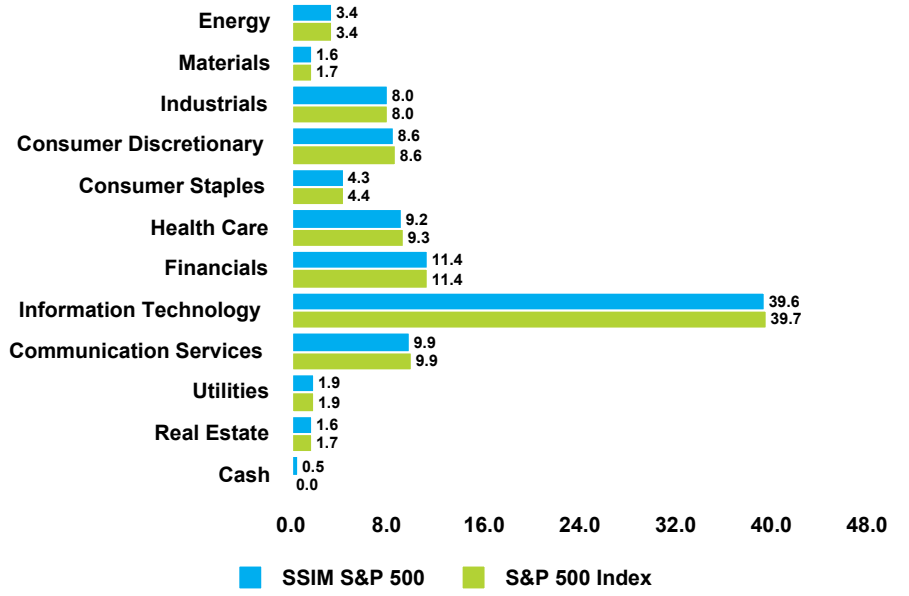
### Equity Characteristics vs S&P 500 Index

| | Portfolio | Benchmark |
|---|---|---|
| Number of Holdings | 505 | 503 |
| Wtd. Avg. Mkt. Cap $B | 1,649.1 | 1,654.6 |
| Median Mkt. Cap $B | 43.5 | 43.6 |
| P/E Ratio | 24.8 | 24.8 |
| Yield (%) | 1.1 | 1.1 |
| EPS Growth - 5 Yrs. (%) | 25.3 | 25.3 |
| Price to Book | 5.5 | 5.5 |

### Portfolio Performance Summary

| | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Since Inception | Inception Date |
|---|---|---|---|---|---|---|---|---|
| SSIM S&P 500 | 2.3 | 12.7 | 15.7 | 22.9 | 13.8 | 15.3 | 10.8 | 02/01/2004 |
| S&P 500 Index | 2.3 | 12.7 | 15.7 | 22.9 | 13.8 | 15.3 | 10.9 | 02/01/2004 |

### Sector Weights (%)



MEKETA

# Austin Firefighters Retirement Fund

## Baillie Gifford International Growth Fund | As of September 30, 2026

### Top Holdings

| | |
|---|---|
| Taiwan Semiconductor | 7.6 |
| Spotify Technology SA | 4.2 |
| ASML Holding NV | 3.7 |
| Atlas Copco AB (publ) | 3.3 |
| LOreal SA | 3.0 |
| MercadoLibre Inc | 3.0 |
| Keyence Corp | 2.9 |
| Advantest Corp | 2.6 |
| Adyen N.V | 2.6 |
| SK Hynix Inc | 2.5 |
| **% of Portfolio** | **35.4** |

### Account Information

| | |
|---|---|
| Account Name | Baillie Gifford International Growth Fund |
| Account Structure | Mutual Fund |
| Inception Date | 05/01/2009 |
| Asset Class | International Equity |
| Benchmark | MSCI AC World ex USA (Net) |
| Peer Group | eV ACWI ex-US All Cap Growth Eq |

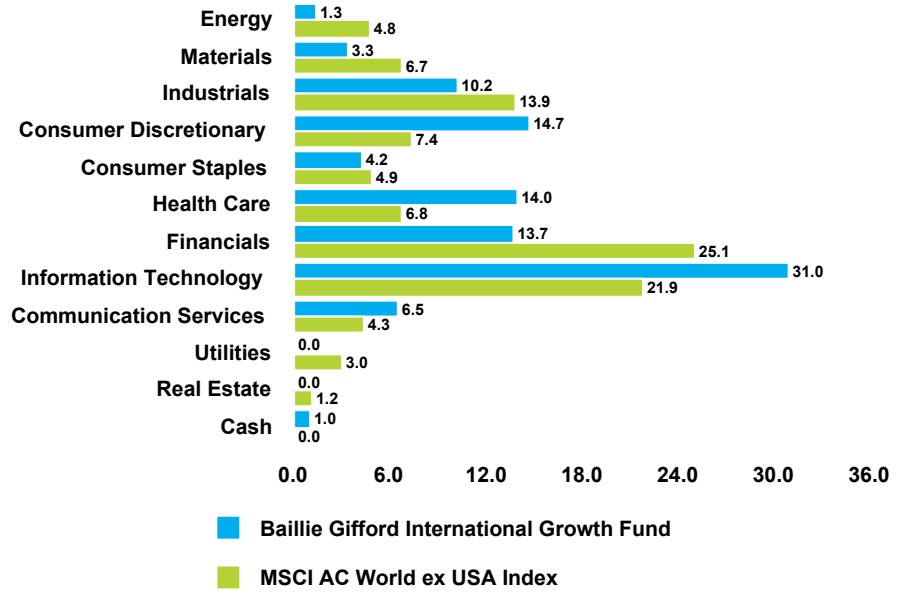
### Equity Characteristics vs MSCI AC World ex USA Index

| | Portfolio | Benchmark |
|---|---|---|
| Number of Holdings | 64 | 1,901 |
| Wtd. Avg. Mkt. Cap $B | 284.3 | 261.6 |
| Median Mkt. Cap $B | 43.1 | 14.0 |
| P/E Ratio | 25.3 | 16.4 |
| Yield (%) | 1.0 | 2.5 |
| EPS Growth - 5 Yrs. (%) | 20.2 | 17.6 |
| Price to Book | 4.9 | 2.9 |

### Portfolio Performance Summary

| | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Since Inception | Inception Date |
|---|---|---|---|---|---|---|---|---|
| Baillie Gifford International Growth Fund | -0.9 | 3.3 | 0.8 | 13.8 | -1.3 | 8.4 | 9.5 | 05/01/2009 |
| MSCI AC World ex USA (Net) | 0.5 | 14.2 | 20.0 | 20.5 | 9.6 | 9.2 | 8.6 | 05/01/2009 |

### Sector Weights (%)



MEKETA

# Austin Firefighters Retirement Fund

## SSIM MSCI EAFE Fund | As of September 30, 2026

### Top Holdings

| | |
|---|---|
| ASML Holding NV | 3.3 |
| HSBC Holdings PLC | 1.5 |
| Roche Holding AG | 1.3 |
| Shell Plc | 1.3 |
| Novartis AG | 1.2 |
| Mitsubishi UFJ Financial Group Inc | 1.2 |
| Astrazeneca PLC | 1.1 |
| Nestle SA, Cham Und Vevey | 1.1 |
| Siemens AG | 1.0 |
| BHP Group Ltd | 1.0 |
| **% of Portfolio** | **14.0** |

### Account Information

| | |
|---|---|
| Account Name | SSIM MSCI EAFE Fund |
| Account Structure | Commingled Fund |
| Inception Date | 02/01/2013 |
| Asset Class | International Equity |
| Benchmark | MSCI EAFE (Net) |
| Peer Group | eV EAFE Core Equity |

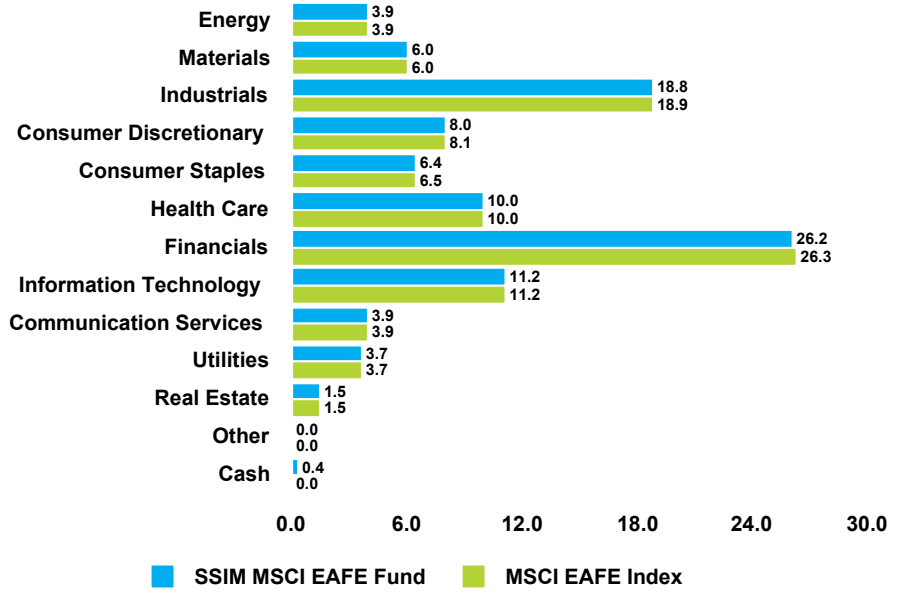
### Equity Characteristics vs MSCI EAFE Index

| | Portfolio | Benchmark |
|---|---|---|
| Number of Holdings | 679 | 656 |
| Wtd. Avg. Mkt. Cap $B | 125.6 | 126.3 |
| Median Mkt. Cap $B | 21.9 | 21.9 |
| P/E Ratio | 15.9 | 17.3 |
| Yield (%) | 2.7 | 2.7 |
| EPS Growth - 5 Yrs. (%) | 14.4 | 14.1 |
| Price to Book | 2.7 | 2.7 |

### Portfolio Performance Summary

| | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Since Inception | Inception Date |
|---|---|---|---|---|---|---|---|---|
| SSIM MSCI EAFE Fund | 0.9 | 10.7 | 16.1 | 18.7 | 9.6 | 9.4 | 7.7 | 02/01/2013 |
| MSCI EAFE (Net) | 0.8 | 10.3 | 15.7 | 18.4 | 9.3 | 9.1 | 7.4 | 02/01/2013 |

### Sector Weights (%)



MEKETA

# Austin Firefighters Retirement Fund

## DFA Emerging Markets Value | As of September 30, 2026

### Top Holdings

| | |
|---|---|
| Samsung Electronics Co Ltd | 6.0 |
| China Construction Bank Corp | 2.5 |
| Hon Hai Precision Industry Co Ltd | 2.2 |
| ASE Technology Holding Co Ltd | 2.1 |
| Reliance Industries Ltd | 1.9 |
| Alibaba Group Ordinary Shares | 1.8 |
| KB Financial Group Inc | 1.4 |
| United Microelectronics Corp | 1.4 |
| Industrial & Comm. Bank of China | 1.2 |
| Bank of China Ltd | 1.1 |
| **% of Portfolio** | **21.6** |

### Account Information

| | |
|---|---|
| Account Name | DFA Emerging Markets Value |
| Account Structure | Mutual Fund |
| Inception Date | 12/01/2009 |
| Asset Class | International Equity |
| Benchmark | MSCI Emerging Markets Value (Net) |
| Peer Group | eV Emg Mkts All Cap Value Equity |

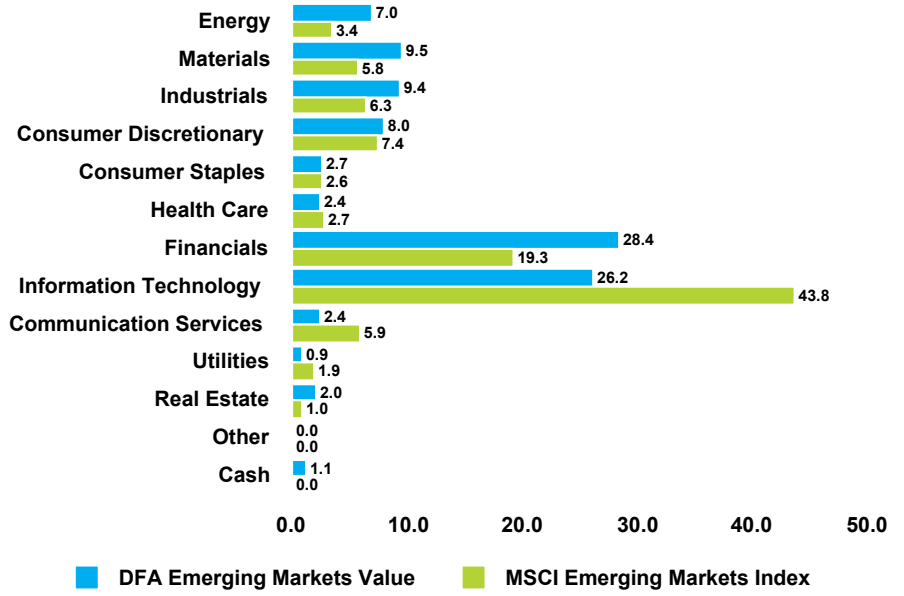
### Equity Characteristics vs MSCI Emerging Markets Index

| | Portfolio | Benchmark |
|---|---|---|
| Number of Holdings | 3,710 | 1,165 |
| Wtd. Avg. Mkt. Cap $B | 137.2 | 538.4 |
| Median Mkt. Cap $B | 1.0 | 11.0 |
| P/E Ratio | 11.2 | 14.5 |
| Yield (%) | 2.9 | 2.0 |
| EPS Growth - 5 Yrs. (%) | 10.7 | 25.0 |
| Price to Book | 2.1 | 3.3 |

### Portfolio Performance Summary

| | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Since Inception | Inception Date |
|---|---|---|---|---|---|---|---|---|
| DFA Emerging Markets Value | 2.4 | 23.0 | 29.1 | 21.9 | 12.0 | 10.0 | 5.9 | 12/01/2009 |
| MSCI Emerging Markets (Net) | -0.4 | 23.4 | 29.2 | 24.1 | 8.9 | 9.1 | 6.0 | 12/01/2009 |

### Sector Weights (%)



MEKETA

# Austin Firefighters Retirement Fund

## DFA International Small Company Fund | As of September 30, 2026

### Top Holdings

| | |
|---|---|
| BAWAG Group AG | 0.7 |
| Hudbay Minerals Inc | 0.5 |
| Orion Corp | 0.4 |
| GEA Group AG | 0.4 |
| PSP SWISS PROPERTY AG | 0.4 |
| Ringkjobing Landbobank | 0.4 |
| Lion Finance Group PLC | 0.4 |
| Rexel SA | 0.4 |
| TELECOM ITALIA SPA | 0.4 |
| IAMGold Corp | 0.4 |
| **% of Portfolio** | **4.4** |

### Account Information

| | |
|---|---|
| Account Name | DFA International Small Company Fund |
| Account Structure | Mutual Fund |
| Inception Date | 05/12/2025 |
| Asset Class | International Equity |
| Benchmark | MSCI AC World ex USA Smid Cap Index (Net) |
| Peer Group | Foreign Small/Mid Blend |

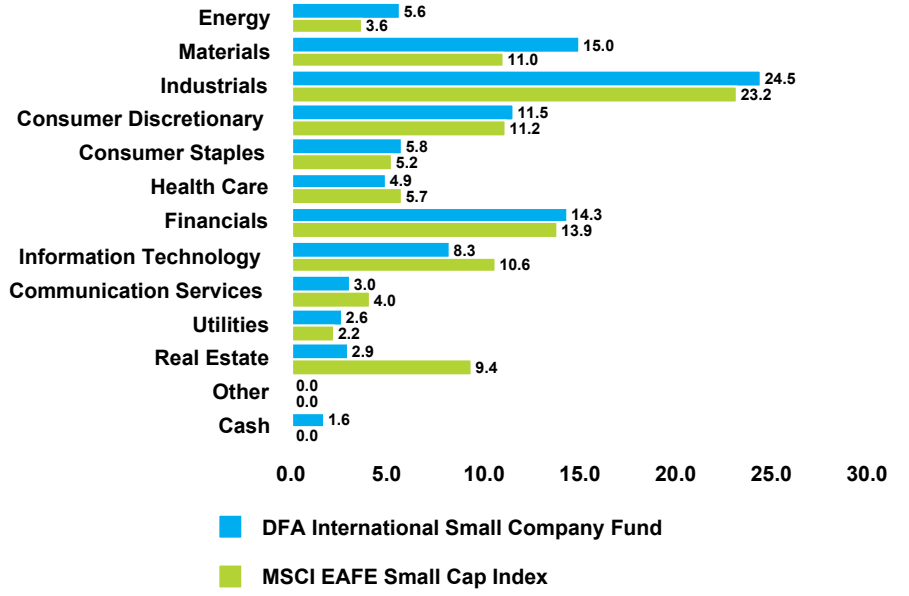
### Equity Characteristics vs MSCI EAFE Small Cap Index

| | Portfolio | Benchmark |
|---|---|---|
| Number of Holdings | 3,928 | 2,015 |
| Wtd. Avg. Mkt. Cap $B | 4.6 | 4.4 |
| Median Mkt. Cap $B | 0.6 | 1.9 |
| P/E Ratio | 15.4 | 14.7 |
| Yield (%) | 2.8 | 3.0 |
| EPS Growth - 5 Yrs. (%) | 14.4 | 12.1 |
| Price to Book | 2.2 | 2.1 |

### Portfolio Performance Summary

| | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Since Inception | Inception Date |
|---|---|---|---|---|---|---|---|---|
| DFA International Small Company Fund | 3.3 | 10.0 | 14.6 | - | - | - | 20.0 | 06/01/2025 |
| MSCI EAFE Small Cap Index | 3.0 | 11.2 | 14.3 | 18.8 | 6.3 | 8.5 | 8.6 | 01/01/2001 |

### Sector Weights (%)



MEKETA

# Austin Firefighters Retirement Fund

## SSIM Daily MSCI Emerging Markets Index | As of September 30, 2026

### Top Holdings

| | |
|---|---|
| Taiwan Semiconductor | 15.8 |
| Samsung Electronics Co Ltd | 7.7 |
| SK Hynix Inc | 6.0 |
| Tencent Holdings LTD | 2.8 |
| Alibaba Group Holding Ltd | 1.9 |
| Mediatek Incorporation | 1.8 |
| Samsung Electronics Co Ltd | 1.0 |
| Delta Electronics Inc | 1.0 |
| China Construction Bank Corp | 0.9 |
| Hon Hai Precision Industry Co Ltd | 0.8 |
| **% of Portfolio** | **39.7** |

### Account Information

| | |
|---|---|
| Account Name | SSIM Daily MSCI Emerging Markets Index |
| Account Structure | Commingled Fund |
| Inception Date | 01/16/2026 |
| Asset Class | International Equity |
| Benchmark | MSCI Emerging Markets Index |
| Peer Group | |

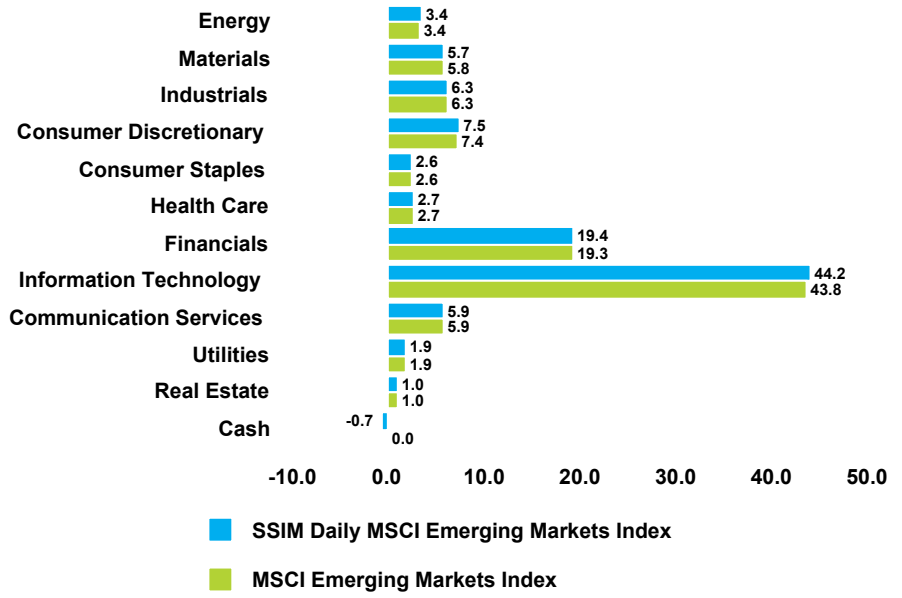
### Equity Characteristics vs MSCI Emerging Markets Index

| | Portfolio | Benchmark |
|---|---|---|
| Number of Holdings | 1,234 | 1,165 |
| Wtd. Avg. Mkt. Cap $B | 546.2 | 538.4 |
| Median Mkt. Cap $B | 10.9 | 11.0 |
| P/E Ratio | 14.7 | 14.5 |
| Yield (%) | 2.0 | 2.0 |
| EPS Growth - 5 Yrs. (%) | 25.3 | 25.0 |
| Price to Book | 3.3 | 3.3 |

### Portfolio Performance Summary

| | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Since Inception | Inception Date |
|---|---|---|---|---|---|---|---|---|
| SSIM Daily MSCI Emerging Markets Index | -0.2 | - | - | - | - | - | 14.0 | 02/01/2026 |
| MSCI Emerging Markets Index | -0.2 | 23.7 | 29.6 | 24.7 | 9.4 | 9.5 | 10.5 | 01/01/1988 |

### Sector Weights (%)



MEKETA

# Austin Firefighters Retirement Fund

## SSIM Bond Fund | As of September 30, 2026

### Account Information

| | |
|---|---|
| Account Name | SSIM Bond Fund |
| Account Structure | Commingled Fund |
| Inception Date | 01/01/2004 |
| Asset Class | US Fixed Income |
| Benchmark | Blmbg. U.S. Aggregate Index |
| Peer Group | eV US Core Fixed Inc |

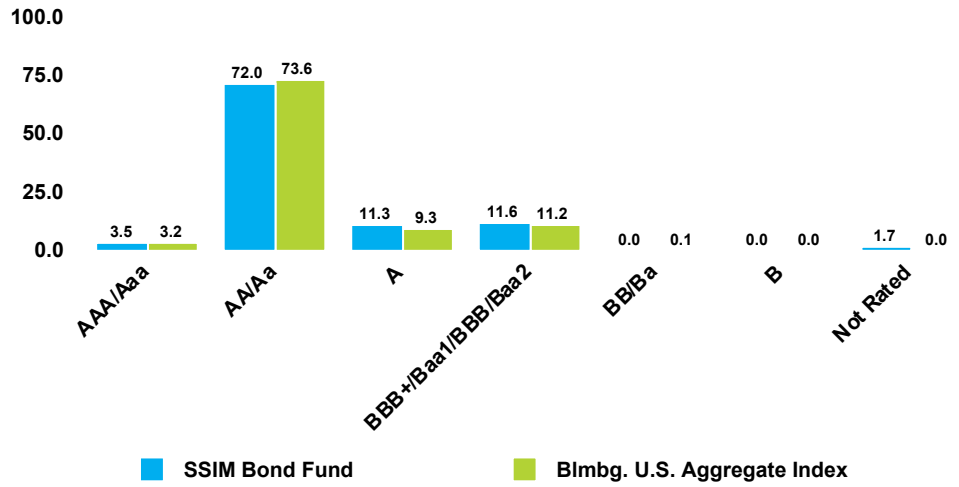
### Portfolio Performance Summary

| | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Since Inception | Inception Date |
|---|---|---|---|---|---|---|---|---|
| SSIM Bond Fund | -3.5 | -2.8 | -1.9 | 4.1 | -0.7 | 1.1 | 3.0 | 01/01/2004 |
| *Blmbg. U.S. Aggregate Index* | *-3.5* | *-2.9* | *-1.8* | *4.1* | *-0.6* | *1.1* | *3.0* | |

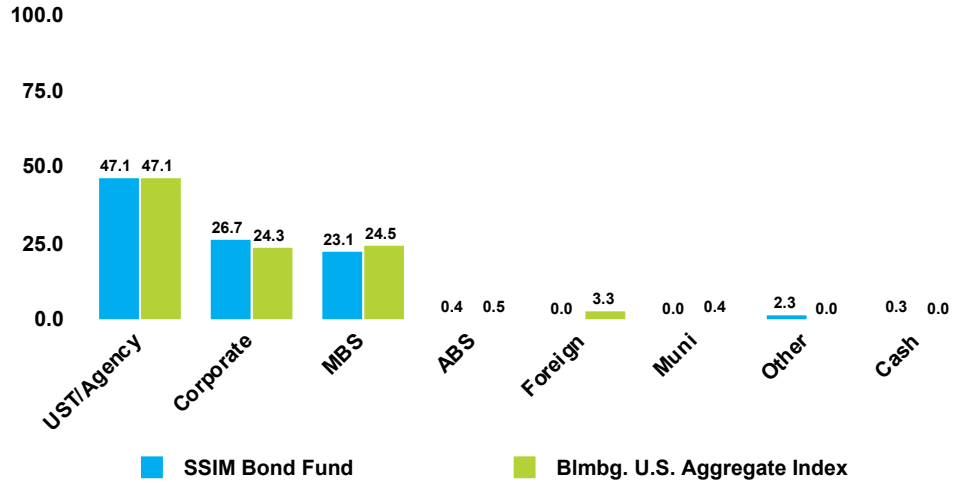
### Portfolio Fixed Income Characteristics

| | Q3-26 | | Q2-26 |
|---|---|---|---|
| | Portfolio | Benchmark | Portfolio |
| Yield To Maturity | 5.6 | 5.5 | 4.7 |
| Average Duration | 5.8 | 5.7 | 5.9 |
| Average Quality | AA | AA | AA |
| Weighted Average Maturity | 8.2 | 8.2 | 8.3 |

### Credit Quality Allocation




### Sector Allocation



MEKETA

# Austin Firefighters Retirement Fund

## Loomis Sayles Core Plus Fixed Income | As of September 30, 2026

### Account Information

| | |
|---|---|
| Account Name | Loomis Sayles Core Plus Fixed Income |
| Account Structure | Commingled Fund |
| Inception Date | 06/01/2015 |
| Asset Class | US Fixed Income |
| Benchmark | Blmbg. U.S. Aggregate Index |
| Peer Group | eV US Core Plus Fixed Inc |

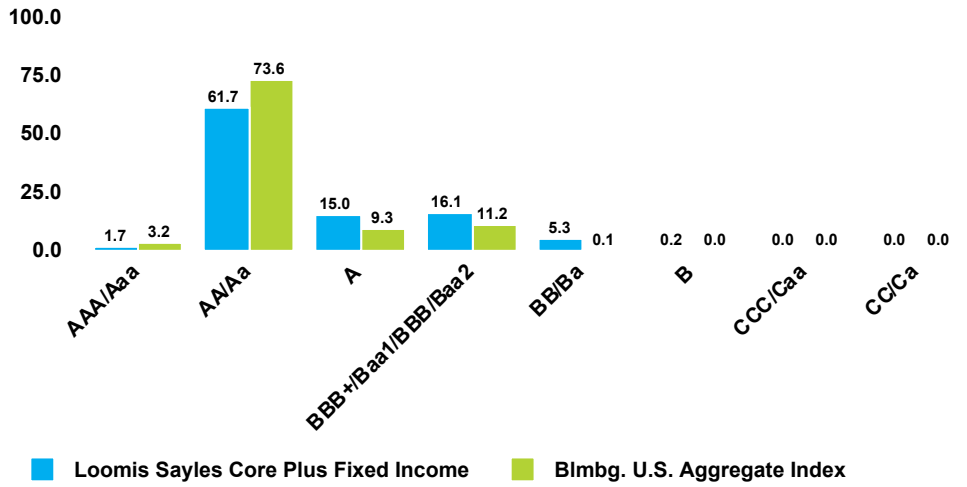
### Portfolio Performance Summary

| | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Since Inception | Inception Date |
|---|---|---|---|---|---|---|---|---|
| Loomis Sayles Core Plus Fixed Income | -3.9 | -3.0 | -2.0 | 4.5 | -0.3 | 2.0 | 2.3 | 07/01/2015 |
| *Blmbg. U.S. Aggregate Index* | *-3.5* | *-2.9* | *-1.8* | *4.1* | *-0.6* | *1.1* | *1.6* | |

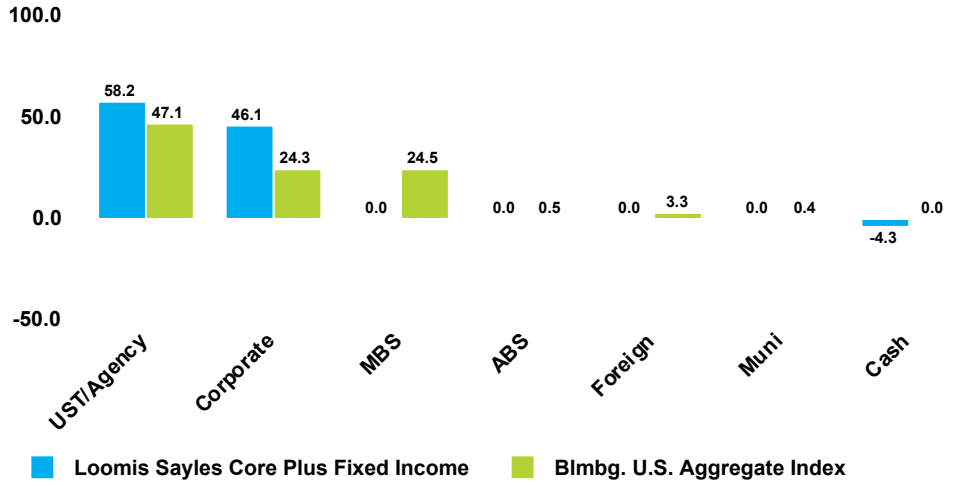
### Portfolio Fixed Income Characteristics

| | Q3-26 | | Q2-26 |
|---|---|---|---|
| | Portfolio | Benchmark | Portfolio |
| Yield To Maturity | 6.5 | 5.5 | 5.4 |
| Average Duration | 6.3 | 5.7 | 6.3 |
| Average Quality | AA | AA | AA |
| Weighted Average Maturity | 9.1 | 8.2 | 8.7 |

### Credit Quality Allocation




### Sector Allocation



## Aberdeen Emerging Markets Bond Fund | As of September 30, 2026

### Account Information

| | |
|---|---|
| Account Name | Aberdeen Emerging Markets Bond Fund |
| Account Structure | Commingled Fund |
| Inception Date | 12/01/2014 |
| Asset Class | International Fixed Income |
| Benchmark | JPM EMBI Global Diversified |
| Peer Group | |

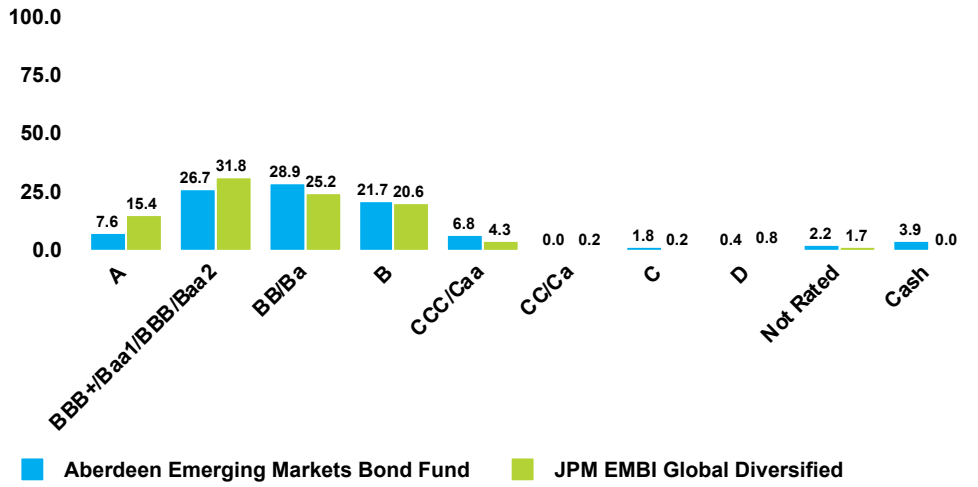
### Portfolio Performance Summary

| | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Since Inception | Inception Date |
|---|---|---|---|---|---|---|---|---|
| Aberdeen Emerging Markets Bond Fund | -2.8 | 1.8 | 5.8 | 12.2 | 3.5 | 3.6 | 3.8 | 12/01/2014 |
| *JPM EMBI Global Diversified* | *-3.9* | *-0.7* | *2.6* | *9.7* | *1.9* | *2.9* | *3.5* | |

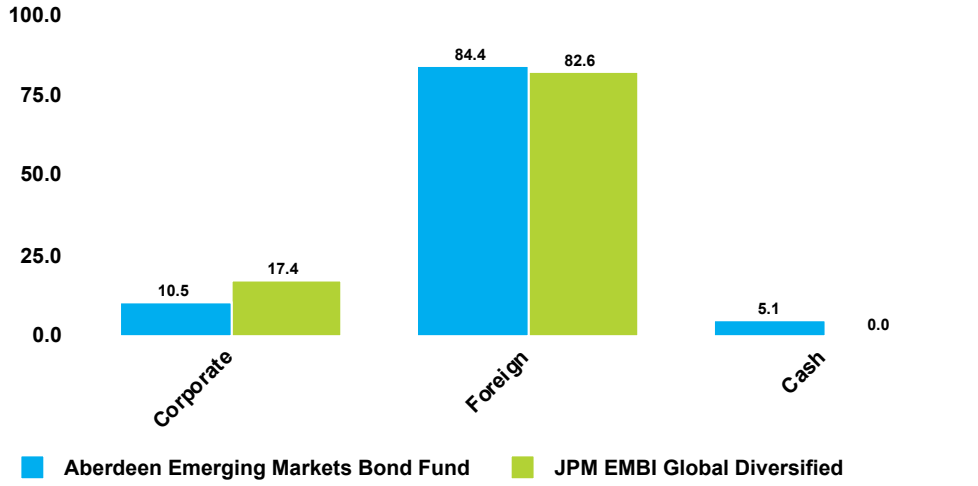
### Portfolio Fixed Income Characteristics

| | Q3-26 | | Q2-26 |
|---|---|---|---|
| | Portfolio | Benchmark | Portfolio |
| Yield To Maturity | 8.9 | 7.0 | 8.5 |
| Average Duration | 5.7 | 5.9 | 5.8 |
| Average Quality | BB | BB | BB |
| Weighted Average Maturity | 9.7 | 10.2 | 9.8 |

### Credit Quality Allocation




### Sector Allocation




Benchmark characteristics currently unavailable.

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# Austin Firefighters Retirement Fund

## SSIM TIPS | As of September 30, 2026

### Account Information

| | |
|---|---|
| Account Name | SSIM TIPS |
| Account Structure | Commingled Fund |
| Inception Date | 07/01/2014 |
| Asset Class | US Fixed Income |
| Benchmark | Blmbg. U.S. TIPS Index |
| Peer Group | eV US TIPS / Inflation Fixed Inc |

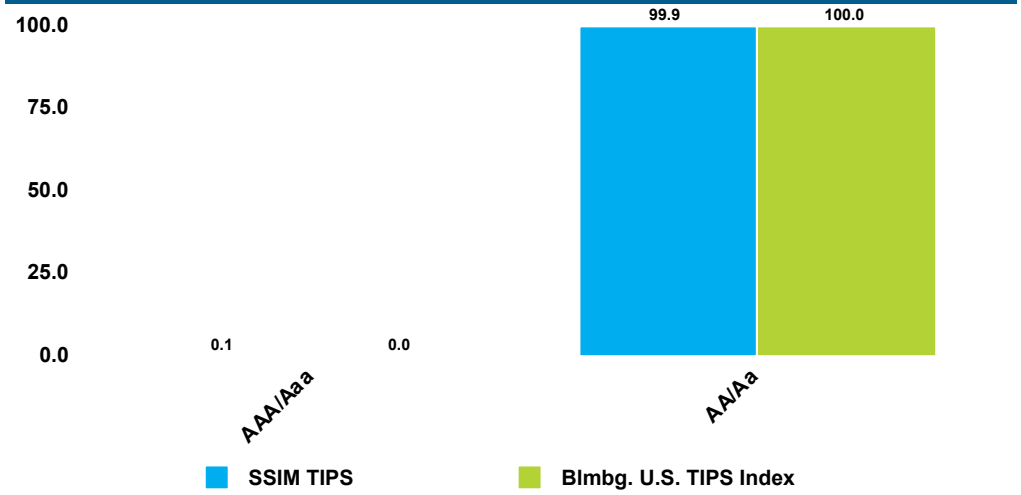
### Portfolio Performance Summary

| | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Since Inception | Inception Date |
|---|---|---|---|---|---|---|---|---|
| SSIM TIPS | -3.2 | -2.0 | -2.0 | 3.7 | 0.0 | 2.1 | 1.9 | 08/01/2014 |
| *Blmbg. U.S. TIPS Index* | *-3.2* | *-2.1* | *-2.0* | *3.8* | *0.0* | *2.1* | *2.0* | |

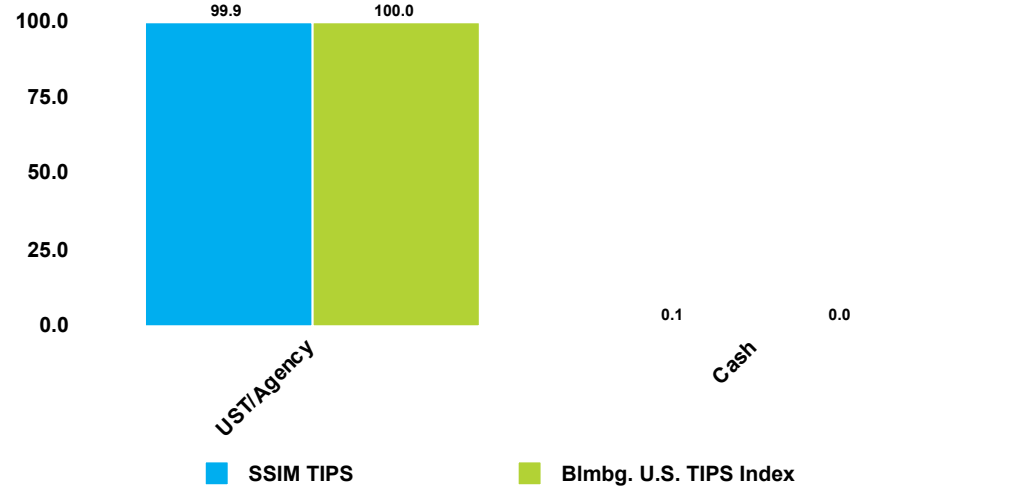
### Portfolio Fixed Income Characteristics

| | Q3-26 | | Q2-26 |
|---|---|---|---|
| | Portfolio | Benchmark | Portfolio |
| Yield To Maturity | 5.2 | 5.1 | 4.4 |
| Average Duration | 6.3 | 6.2 | 6.4 |
| Average Quality | AA | AA | AA |
| Weighted Average Maturity | 7.0 | 7.0 | 7.1 |

### Credit Quality Allocation




### Sector Allocation



MEKETA

# Austin Firefighters Retirement Fund

## Pyramis Tactical Bond Fund | As of September 30, 2026

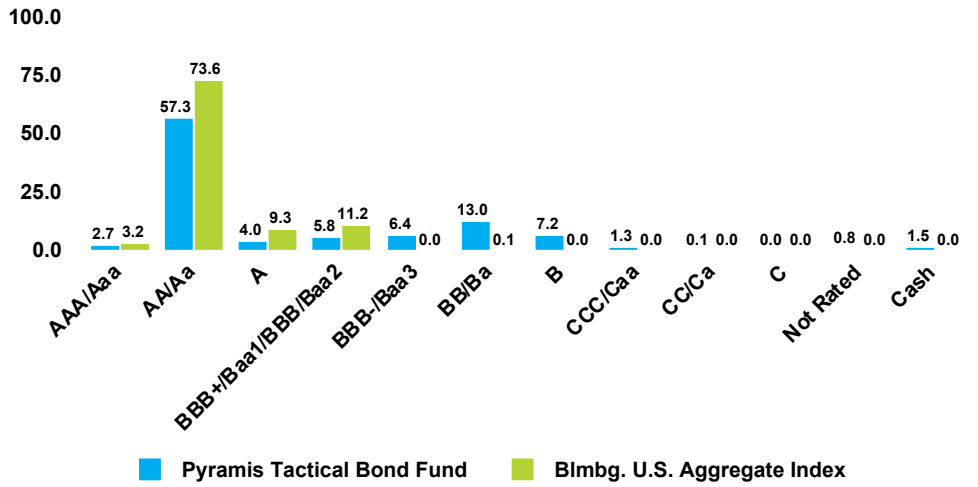
### Account Information

| | |
|---|---|
| Account Name | Pyramis Tactical Bond Fund |
| Account Structure | Commingled Fund |
| Inception Date | 08/01/2013 |
| Asset Class | US Fixed Income |
| Benchmark | Blmbg. U.S. Aggregate Index |
| Peer Group | eV US Core Plus Fixed Inc |

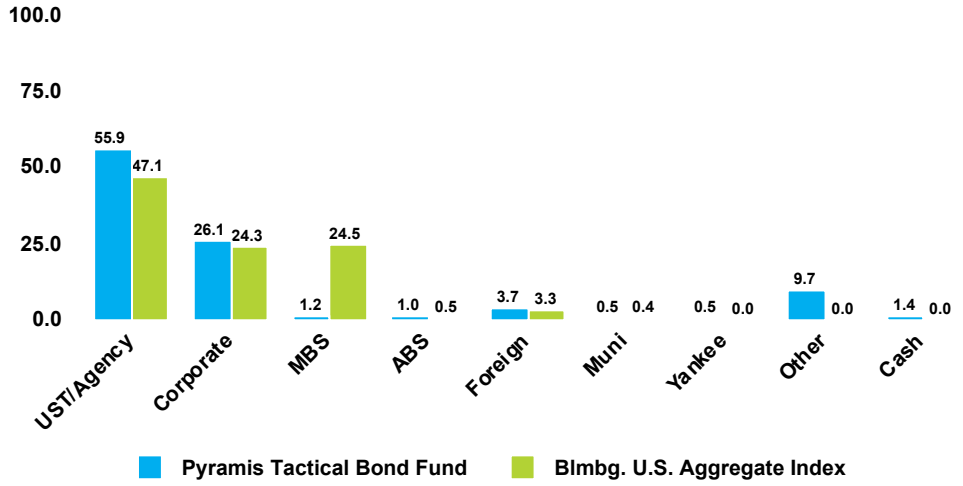
### Portfolio Performance Summary

| | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Since Inception | Inception Date |
|---|---|---|---|---|---|---|---|---|
| Pyramis Tactical Bond Fund | -3.5 | -2.2 | -1.6 | 4.8 | 0.6 | 2.9 | 3.4 | 08/01/2013 |
| *Blmbg. U.S. Aggregate Index* | *-3.5* | *-2.9* | *-1.8* | *4.1* | *-0.6* | *1.1* | *1.8* | |

### Credit Quality Allocation




### Sector Allocation




### Portfolio Fixed Income Characteristics

| | Q3-26 | | Q2-26 |
|---|---|---|---|
| | Portfolio | Benchmark | Portfolio |
| Yield To Maturity | 5.4 | 5.5 | 5.5 |
| Average Duration | 6.3 | 5.7 | 6.4 |
| Average Quality | A | AA | A |
| Weighted Average Maturity | 11.6 | 8.2 | 11.9 |

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# Austin Firefighters Retirement Fund

## Aristotle Pacific | As of September 30, 2026

### Account Information

| | |
|---|---|
| Account Name | Aristotle Pacific |
| Account Structure | Commingled Fund |
| Inception Date | 11/27/2019 |
| Asset Class | US Fixed Income |
| Benchmark | Morningstar LSTA U.S. Leveraged Loan |
| Peer Group | eV US Float-Rate Bank Loan Fixed Inc |

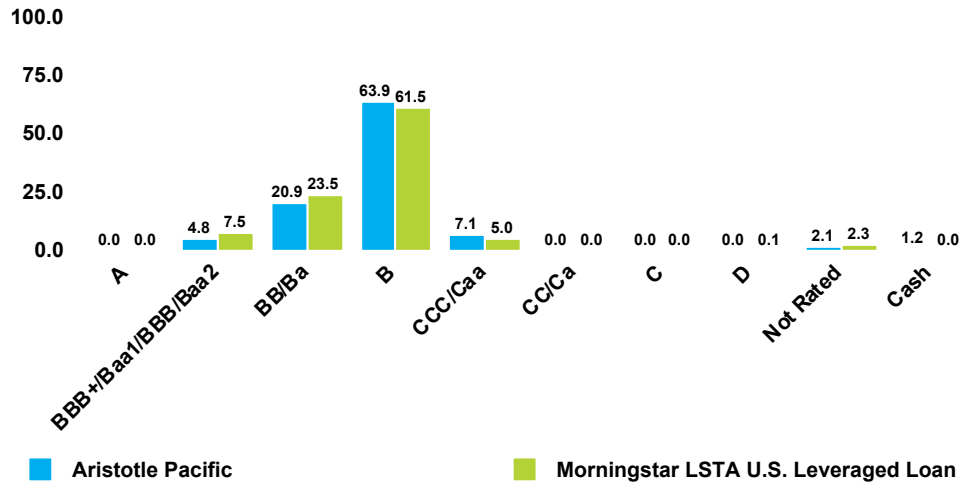
### Portfolio Performance Summary

| | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Since Inception | Inception Date |
|---|---|---|---|---|---|---|---|---|
| Aristotle Pacific | 2.0 | 3.6 | 5.4 | 7.4 | 6.6 | - | 6.0 | 12/01/2019 |
| *Morningstar LSTA U.S. Leveraged Loan* | *1.9* | *3.3* | *4.5* | *7.0* | *6.2* | *-* | *5.9* | |

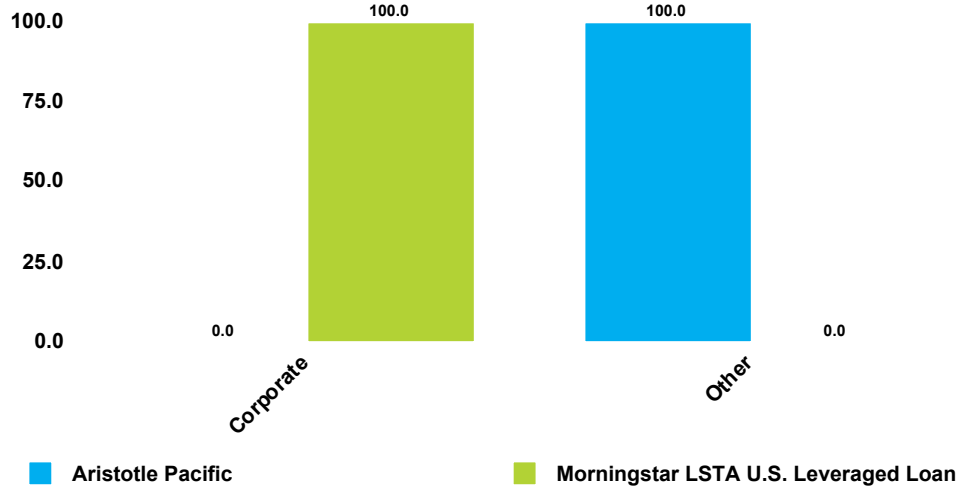
### Portfolio Fixed Income Characteristics

| | Q3-26 | | Q2-26 |
|---|---|---|---|
| | Portfolio | Benchmark | Portfolio |
| Yield To Maturity | 7.3 | 8.7 | 7.3 |
| Average Duration | 0.3 | 0.1 | 0.3 |
| Average Quality | B+ | B | B+ |
| Weighted Average Maturity | 4.8 | 4.6 | 4.6 |

### Credit Quality Allocation




### Sector Allocation



MEKETA

# Austin Firefighters Retirement Fund

## Fee Schedule | As of September 30, 2026

| Public Manager Annual Investment Expense Analysis | Market Value ($) | % of Portfolio | Estimated Annual Fee (%) | Estimated Expense ($) |
|---|---|---|---|---|
| Westfield Small/Mid Cap Growth | 65,520,958 | 6.64 | 0.87 | 570,032 |
| Vaughan Nelson Small Cap Value | 66,096,616 | 6.70 | 0.70 | 462,676 |
| SSIM S&P 500 | 171,312,337 | 17.37 | 0.01 | 19,631 |
| Baillie Gifford International Growth Fund | 22,645,510 | 2.30 | 0.61 | 138,138 |
| DFA International Small Company Fund | 32,308,840 | 3.28 | 0.39 | 126,004 |
| SSIM MSCI EAFE Fund | 166,024,430 | 16.83 | 0.05 | 81,410 |
| DFA Emerging Markets Value | 32,766,625 | 3.32 | 0.38 | 124,513 |
| SSIM Daily MSCI Emerging Markets Index | 50,064,582 | 5.08 | 0.05 | 25,032 |
| SSIM Bond Fund | 140,781,240 | 14.27 | 0.03 | 38,156 |
| Loomis Sayles Core Plus Fixed Income | 49,567,834 | 5.03 | 0.29 | 143,920 |
| Aberdeen Emerging Markets Bond Fund | 77,657,630 | 7.87 | 0.45 | 349,459 |
| SSIM TIPS | 55,507,290 | 5.63 | 0.03 | 16,652 |
| Pyramis Tactical Bond Fund | 28,698,755 | 2.91 | 0.34 | 97,576 |
| Aristotle Pacific | 27,461,624 | 2.78 | 0.41 | 112,593 |
| **Total** | **986,414,270** | **100.00** | **0.23** | **2,305,793** |

Estimated fees are based off of public investments only and are calculated by multiplying manager fee schedules by each fund's market value as of the report date. Estimated fees do not take into consideration potential performance based fees, fur expenses or charges. Private market fees are reported annually in separate report.
Westfield has a performance based fee. The fee ranges from minimum of 0.20% to a maximum of 1.30% based on the relative performance over the trailing three years. Included here is the average actual fee paid over the past three years.

# Private Equity Assets

## Private Equity Assets

| Partnership | Focus | Type | Vintage Year |
|---|---|---|---|
| Partners Group Distressed Private Equity 2009 | Special Situations | Fund of Funds | 2009 |
| LGT Crown Global Secondaries II | Secondary Market | Fund of Funds | 2009 |
| Private Equity Investors V | Secondary Market | Fund of Funds | 2009 |
| Cross Creek Capital Partners II - B | Venture | Fund of Funds | 2010 |
| LGT Crown Asia II | Buyout | Fund of Funds | 2011 |
| StepStone Global Partners V | Venture | Fund of Funds | 2011 |
| 57 Stars Global Opportunity 3 | Diversified | Fund of Funds | 2011 |
| LGT Crown Europe Small Buyouts III | Buyout | Fund of Funds | 2012 |
| LGT Crown Global Secondaries III | Secondary Market | Fund of Funds | 2012 |
| Private Advisors Co-Investment Fund III | Co-investments | Fund of Funds | 2013 |
| HarbourVest 2013 Direct | Co-investments | Fund of Funds | 2013 |
| Cross Creek Capital Partners III | Venture | Fund of Funds | 2013 |
| Flag Private Equity V | Buyout | Fund of Funds | 2012 |
| StepStone Global Partners VI | Venture | Fund of Funds | 2013 |
| Constitution Capital Partners Ironsides III | Buyout | Fund of Funds | 2014 |
| Deutsche Bank Secondary Opportunities Fund III | Secondary Market | Fund of Funds | 2014 |
| Flag Private Equity VI | Buyout | Fund of Funds | 2015 |
| Blue Bay Direct Lending Fund II | Private Debt | Direct Fund | 2015 |
| Partners Group Emerging Markets 2015 | Special Situations | Fund of Funds | 2015 |
| LGT Crown Global Opportunities VI | Diversified | Fund of Funds | 2016 |
| HarbourVest Co-Investment Fund IV | Co-investments | Fund of Funds | 2017 |
| SVB Strategic Investors Fund IX | Venture | Fund of Funds | 2018 |
| Dover Street X | Secondary Market | Fund of Funds | 2020 |
| Constitution Capital Partners Ironsides VII | Buyout | Fund of Funds | 2023 |

## Private Equity Assets

| Partnership | Committed ($mm) | Called ($mm) | Distributed ($mm) | Fair Value ($mm) | nIRR[1] (%) | Vintage Year | TVPI Multiple |
|---|---|---|---|---|---|---|---|
| Partners Group Distressed Private Equity 2009 | 7.0 | 6.2 | 8.9 | $0.0 | 10.3 | 2009 | 1.4x |
| LGT Crown Global Secondaries II[2] | 3.0 | 2.5 | 4.3 | $0.1 | 17.7 | 2009 | 1.8x |
| Private Equity Investors V | 3.0 | 3 | 1.4 | $1.2 | -1.9 | 2009 | 0.9x |
| Cross Creek Capital Partners II – B | 12.5 | 11.7 | 32.3 | $6.3 | 17.9 | 2010 | 3.3x |
| LGT Crown Asia II | 10.0 | 9.6 | 15.9 | $3.4 | 10.3 | 2011 | 2x |
| StepStone Global Partners V | 7.5 | 6.8 | 19.6 | $7.1 | 22.5 | 2011 | 3.9x |
| 57 Stars Global Opportunity 3 | 10.0 | 10.7 | 8.7 | $3.3 | 1.7 | 2011 | 1.1x |
| LGT Crown Europe Small Buyouts III | 8.4 | 7.2 | 12.6 | $1.2 | 15.4 | 2012 | 1.9x |
| LGT Crown Global Secondaries III[2] | 10.0 | 7.8 | 10.7 | $1.2 | 11.3 | 2012 | 1.5x |
| HarbourVest 2013 Direct | 10.0 | 9.7 | 18.6 | $2.1 | 16.9 | 2013 | 2.1x |
| Cross Creek Capital Partners III | 7.5 | 6.9 | 11.5 | $9.4 | 17.5 | 2013 | 3x |
| HighVista Private Equity V | 10.0 | 10 | 19.7 | $0.3 | 15.4 | 2012 | 2x |
| StepStone Global Partners VI | 7.5 | 6.8 | 15.0 | $9.8 | 19.4 | 2013 | 3.6x |
| Constitution Capital Partners Ironsides III | 15.0 | 19.8 | 39.7 | $1.6 | 24.4 | 2014 | 2.1x |
| Deutsche Bank Secondary Opportunities Fund III | 10.0 | 10.0 | 10.6 | $1.5 | 8.0 | 2014 | 1.2x |
| HighVista Private Equity VI | 15.0 | 14.2 | 26.7 | $2.2 | 16.4 | 2015 | 2x |
| Blue Bay Direct Lending Fund II | 20.0 | 19.4 | 21.7 | $1.5 | 7.2 | 2015 | 1.2x |
| Partners Group Emerging Markets 2015 | 10.0 | 8.8 | 8.7 | $4.7 | 6.3 | 2015 | 1.5x |
| LGT Crown Global Opportunities VI | 40.0 | 36.5 | 53.8 | $17.9 | 14.5 | 2016 | 2x |
| HarbourVest Co-Investment Fund IV | 10.0 | 8.1 | 10.2 | $5.4 | 13.0 | 2017 | 1.9x |
| SVB Strategic Investors Fund IX[2] | 10.0 | 9.0 | 1.4 | $18.4 | 14.2 | 2018 | 2.2x |
| Dover Street X | 40.0 | 32.8 | 16.7 | $31.5 | 13.0 | 2020 | 1.5x |
| Constitution Capital Partners Ironsides VII | 25.0 | 9.6 | 0.0 | $11.8 | 27.4 | 2023 | 1.2x |
| **Total** | **$301.4** | **$267.10** | **$368.70** | **$141.90** | | | **1.9x** |

[1] All performance figures are reported directly from managers, net of fees, as of 6/30/2026, unless otherwise noted.
[2] Performance figures are reported as of 3/31/2026.

# Real Estate Assets

| Partnership | Focus | Type | Vintage Year | TVPI Multiple |
|---|---|---|---|---|
| Partners Group Global RE 2011 | Global | Fund of Funds | 2011 | 1.3x |
| Portfolio Advisors Global Real Estate V | Global | Fund of Funds | 2015 | 1.1x |
| Partners Group RE Secondary 2017 | Global | Fund of Funds | 2017 | 1.1x |
| Crow Holdings Realty Partners X | US | Value Add | 2023 | 1.0x |
| | | | | 1.1x |

| Partnership | Committed ($ mm) | Called ($ mm) | Distributed ($ mm) | Fair Value ($ mm) | nIRR[1] (%) |
|---|---|---|---|---|---|
| Partners Group Global RE 2011[1] | 6.7 | 5.0 | 6.4 | 0.1 | 5.4 |
| Portfolio Advisors Global Real Estate V[1] | 15.0 | 12.6 | 10.6 | 3.5 | 4.1 |
| Partners Group RE Secondary 2017[1] | 15.0 | 10.1 | 0.5 | 10.6 | 1.8 |
| Crow Holdings Realty Partners X[1] | 20.0 | 16.7 | 0.0 | 16.4 | -0.1 |
| **Total** | **68.7** | **44.4** | **17.5** | **30.6** | |

[1] Performance figures are reported directly from manager, net of fees, as of 6/30/2026.

# Natural Resources Assets

## Natural Resources Assets

| Partnership | Vintage Year | Committed ($ mm) | Called ($ mm) | Distributed ($ mm) | Fair Value ($ mm) | Net IRR[1] (%) | TVPI Multiple |
|---|---|---|---|---|---|---|---|
| Aether Real Assets II | 2012 | 7.5 | 7.7 | 4.7 | 1.1 | -2.1 | 0.8x |
| Aether Real Assets III | 2013 | 15.0 | 16.2 | 6.4 | 5.8 | -2.7 | 0.8x |
| Aether Real Assets IV | 2016 | 10.0 | 10.5 | 5.8 | 8.8 | 4.6 | 1.4x |
| Aether Real Assets V | 2018 | 10.0 | 9.5 | 5.7 | 5.2 | 4.4 | 1.1x |
| **Total** | | **42.5** | **43.9** | **22.6** | **20.9** | | **1.0x** |

[1] Performance figures are reported directly from manager, net of fees, as of 6/30/2025.

# Public Manager Fee Review

## Overview

- Investment management fees represent a significant component of a fund's expenses.
- During a manager search, Meketa actively negotiates fees on behalf of the Fund. However, it is important that fees are still reviewed over time to ensure they remain competitive in the market.
  - As mandates grow and the markets continue to evolve, there may be opportunities to renegotiate fees.
- Typically, the biggest fee savings can be generated by using index funds in efficient asset classes.
- The following page compares the current management fee schedules versus the respective peer group of each of the Fund's public investment managers.
  - This data is from eVestment Alliance and accounts for the mandate size and vehicle in the calculation.
- **Overall, fees paid by AFRF are attractive.**
- **All but two of the Fund's public market manager fees are less expensive than median, and 11 out of the 14 public strategies rank in the lowest cost quartile.**

## Manager Fee Review- Active Managers[1]

| | Market Value ($M) | Fee Schedule | Estimated Effective Fee (%) | Estimated Annual Fee ($) | eVestment Peer Universe | Peer Median Fee (%) | Peer Ranking Percentile (%) |
|---|---|---|---|---|---|---|---|
| **Westfield** Small/Mid Cap Growth | 65.5 | 87 bps | 0.87 | 570,032 | US Small & Mid Cap Growth Equity | 0.80 | 84 |
| **Vaughan Nelson** Small Cap Value | 66.1 | 70 bps | 0.70 | 462,676 | US Small Cap Value Equity | 0.82 | 20 |
| **Baillie Gifford** International Growth | 22.6 | 61 bps | 0.61 | 138,138 | Global ex-US All Cap Growth Equity | 0.85 | 21 |
| **DFA International** Small Cap | 32.3 | 39 bps | 0.39 | 126,004 | Global ex-US Small Cap Equity | 1.10 | 1 |
| **DFA Emerging** Markets Value | 32.8 | 38 bps | 0.38 | 124,513 | Global EM All Cap Value Equity | 0.95 | 1 |
| **Loomis Sayles** Core Plus Fixed Income | 49.6 | 35 bps under 20M, 25 bps over 20M | 0.29 | 143,920 | US Core Plus Fixed Income | 0.31 | 29 |
| **Aberdeen** Emerging Markets Bond | 77.7 | 45 bps | 0.45 | 349,459 | Global EM Fixed Income Blended Currency | 0.60 | 12 |
| **Pyramis** Tactical Bond Fund | 28.7 | 34 bps | 0.34 | 97,576 | US Core Plus Fixed Income | 0.32 | 56 |
| **Aristotle Pacific** Bank Loans | 27.5 | 41 bps | 0.41 | 112,593 | US Floating Rate Bank Loan Fixed Income | 0.50 | 10 |

→ **A lower fee rank is preferred. For example, a rank that is in the 10th percentile means the manager's fee is better (cheaper) than 90% of the peer group.**

[1] Calculations were not reconciled with actual fees paid by the Fund and will not match exactly. The table is for illustrative purposes only. Public market fees were calculated by multiplying manager fee schedule by market value as of September 30, 2026. Westfield has a performance-based fee. The fee ranges from minimum of 0.20% to a maximum of 1.30% based on the relative performance over the trailing three years. Included here is the average actual fee paid over the past three years.

## Manager Fee Review- Passive Managers
(as of September 30, 2026[1])

| | Market Value ($M) | Fee Schedule | Estimated Effective Fee (%) | Estimated Annual Fee ($) | eVestment Peer Universe | Peer Median Fee (%) | Peer Ranking Percentile (%) |
|---|---|---|---|---|---|---|---|
| SSIM S&P 500 | 171.3 | 1.5 bps under $50M, 1 bps over $50M | 0.01 | 19,631 | US Passive Large Cap Core Equity | 0.03 | 1 |
| SSIM MSCI EAFE Fund | 166.0 | 6 bps under $50M, 5 bps under 100M, 4 bps under 250M, | 0.05 | 81,410 | EAFE Passive Equity | 0.08 | 15 |
| SSIM Daily MSCI Emerging Markets | 50.1 | 5 bps | 0.05 | 25,032 | Global EM Passive Equity | 0.15 | 1 |
| SSIM Bond Fund | 140.8 | 3 bps under 100M, 2 bps over 100M | 0.03 | 38,156 | US Passive Core Fixed Income | 0.04 | 1 |
| SSIM TIPS | 55.5 | 3 bps | 0.03 | 16,652 | US Passive TIPS/ Inflation Fixed Income | 0.04 | 8 |

→ Multiple rounds of fee negotiations with SSIM over the past ten years have resulted in very favorable fee schedules on the passive strategies.

[1] Calculations were not reconciled with actual fees paid by the Pension Fund and will not match exactly. The table is for illustrative purposes only. Public market fees were calculated by multiplying manager fee schedule by market value as of September 30, 2026.

## Summary

→ Austin Fire pays lower than the peer group's median fee on seven of nine active public manager strategies.

- Of the managers over the median, one is over by a relatively small amount, approximately 2 basis points. The other is a performance based fee for a manager that has performed well.

→ Austin Fire pays lower than the peer group's median fee on all passive public manager strategies.

- The index fund fees are significantly lower than the active manager fees.

→ Austin Fire's shift toward passive in 2023 has resulted in significant fee savings.

| | September 30, 2022 | September 30, 2026 |
|---|---|---|
| **Total Market Value of Public Investments** | $688,608,971 | $986,414,271 |
| **Total Estimated Annual Fee for Public Investments** | $2,747,608 | $2,305,793 |
| **Effective Fee for Public Investments** | **0.40%** | **0.23%** |

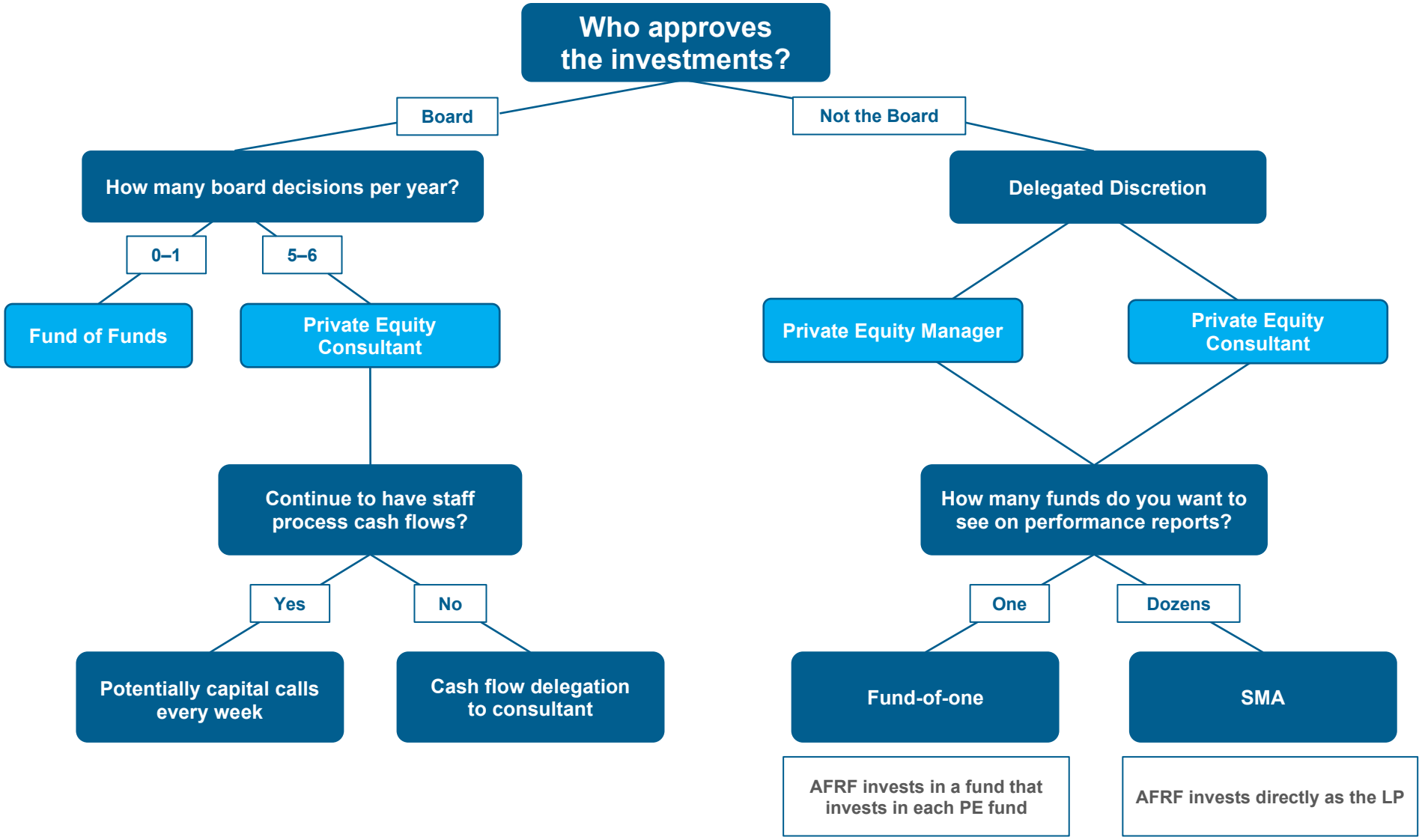
# Continuation of Private Equity Program Discussion

## Recap

- The Investment Committee and Meketa had a robust and open discussion during the October Investment Committee meeting about the pros and cons of the different approaches to implementing a private equity program for AFRF.
- There seemed to be consensus to discontinue the reliance on fund of funds moving forward.
- There seemed to be desire to retain Board level discretion over fund selection.
- Some Committee members expressed interest in the consultant led model.
- Meketa explained the expected roles and responsibilities under such approach.
- Meketa informed AFRF that a consultant led approach would require a search (or RFP) that would need to be led by AFRF and not Meketa directly.

## Today

- We are available to answer any additional questions the Investment Committee may have as they evaluate the best course of action moving forward.


Who approves the investments?
Board
Not the Board
How many board decisions per year?
Delegated Discretion
0–1
5–6
Fund of Funds
Private Equity Consultant
Private Equity Manager
Private Equity Consultant
Continue to have staff process cash flows?
How many funds do you want to see on performance reports?
Yes
No
One
Dozens
Potentially capital calls every week
Cash flow delegation to consultant
Fund-of-one
SMA
AFRF invests in a fund that invests in each PE fund
AFRF invests directly as the LP

# Continuation of Baillie Gifford Evaluation

## Background

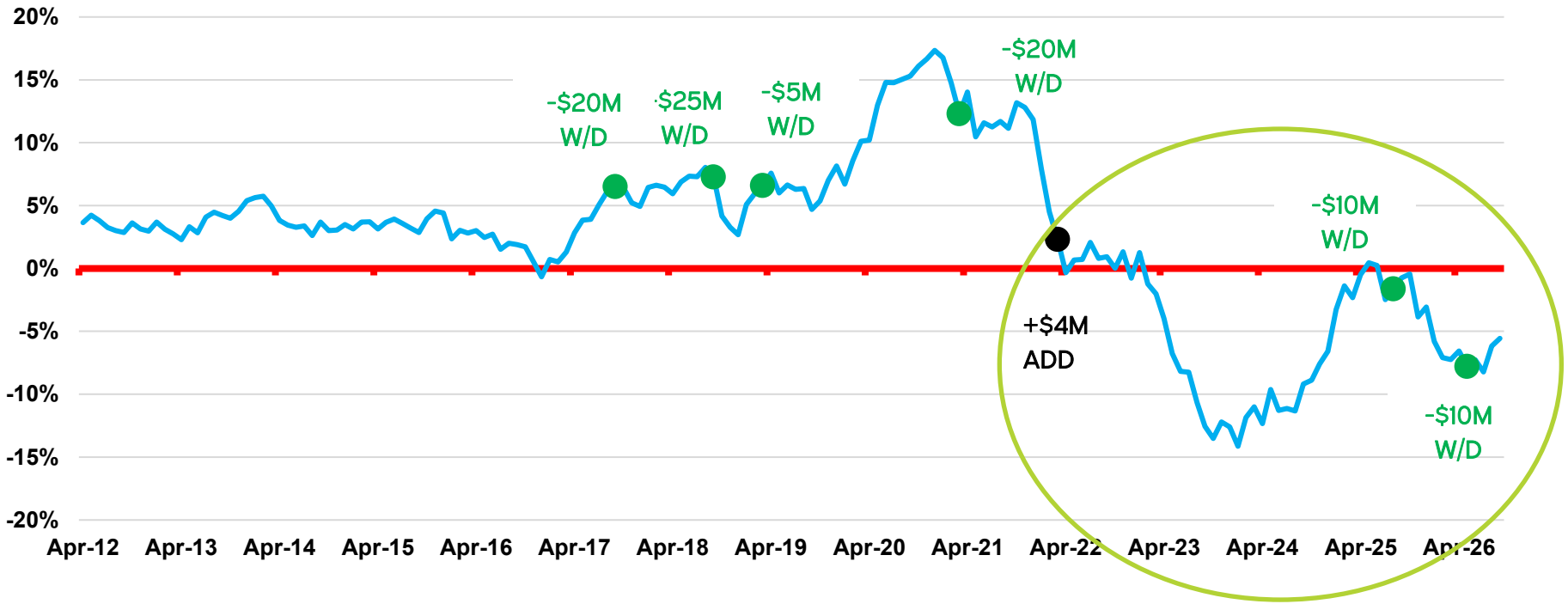
- Austin Fire has been invested in Baillie Gifford's International Growth Strategy, benchmarked to the MSCI ACWI ex US Index, since 2009. The mandate is currently approximately $23 million, or 1.8% of the total Retirement Fund.
- Since inception, the strategy has returned 9.5% for the Fund, outperforming the MSCI ACWI ex US benchmark by ~1.0% annualized.
- More recently, performance has weakened, with trailing returns lagging both the benchmark and peers going out to the trailing ten-year period.
- Meketa has met with Baillie Gifford to review the firm, the strategy, and the factors contributing to recent underperformance.
- In August Meketa and AFRF discussed Baillie Gifford and no action was taken.
- Today we recap the strategy once more and outline both the case for termination and the case for retaining the strategy.
- We are prepared to continue our discussion with AFRF today.

## Austin Firefighters Retirement Fund Exposure[1]

| Baillie Gifford International Growth | |
|---|---|
| **Original Investment** | $24.3 M (April 2009) |
| **Additional Investments** | $4 M |
| **Redemptions** | $90 M |
| **Current Market Value** | $22.6 M |
| **Current lifetime return on investment** | $84.3 M |
| **Return vs. Benchmark** | 9.5% net annualized since inception vs.<br>8.6% annualized MSCI AC World ex USA (Net) Index |

[1] As of September 30, 2026.

## Baillie Gifford International Growth Rolling Three-Year Net Excess Return Relative to the MSCI AC World ex USA Index (Net)[1]




- → After roughly a decade-long period of relative outperformance, Baillie Gifford International Growth has trailed the MSCI AC World ex USA Index, on a rolling three-year basis, since early 2023.
- → On a rolling three-year basis, Baillie Gifford has still performed better than the benchmark 74% of the time in this period, similar to the median peer universe which has performed better 73% of the time.[2]

[1] Returns as September 30, 2026.
[2] Period is from May 2009 to September 2026. Peer is the eVestment ACWI ex-US All Cap Growth Equity Universe. Benchmark is the MSCI AC World ex USA Index (Net).

## Trailing 5 Year Underperformance Attribution – By Sector[1]

- → Stock selection mistakes have been widespread over the past five years and contributed to nearly all the cumulative underperformance. Only one sector (Communication Services +5.8%) had positive stock selection contribution over the trailing five years.
- → Sector exposure tilts (over/underweights) had a negligible effect.

| 5-year underperformance[2]: -40.4% (cumulative) |
|---|
| -38.8% stock selection errors plus -2.6% sector exposure errors |
| -11.6% Financials stock selection |
| -9.9% Consumer discretion stock selection |
| -7.8% Industrial stock selection |
| -7.2% Technology stock selection (offset by positive 6.7% sector overweight) |
| -7.0% Healthcare stock selection |
| -5.3% Consumer Staples stock selection |

[1] Source: Baillie Gifford. As of 9/30/26
[2] Table only details the biggest drivers of underperformance and does not include every sector

## Trailing 5 Year Underperformance Attribution – By Region[1]

- → Despite some meaningful over/underweights geographically vs. the index[2], regional tilts had a negligible impact on the trailing 5 year performance.
- → Stock selection effect has had all the influence, particularly exceptionally poor results in Europe (ex- U.K.)

| 5-year underperformance[3]: -40.4% (cumulative) |
|---|
| -40.2% stock selection errors plus -0.2% sector exposure errors |
| -26.1% Europe (ex. U.K) stock selection |
| -8.8% Developed Asia Pacific stock selection |
| -5.5% Emerging Markets stock selection |
| -4.8% UK stock selection |

[1] Source: Baillie Gifford. As of 9/30/26
[2] The portfolio had an average weight to Europe (ex U.K) double the index weight and corresponding underweights to the UK, Emerging markets, developed Asia Pacific and North America (generally -5% to each)
[3] Table only details the biggest drivers of underperformance and does not include every region

## Underperformance Themes

→ Upon Meketa's discussion with Baillie Gifford, two primary high level themes were identified as drivers of underperformance for the strategy:

1. Within International Equities and relative to Growth, Value has been generally in favor in recent times, leading to a style headwind for the strategy.
2. Markets in recent years have increasingly been driven by AI narratives and headlines, which has resulted in less capital to non-AI stocks and performance that has been disconnected from fundamentals. Those headwinds have hurt strategies like Baillie Gifford that have a focus on more long-term, quality, and fundamental driven stocks which have not been rewarded in this environment.

## Other Underperformance Explanations by BG

→ Overpaid for some pandemic-era holdings

→ Not owning banks and other value stocks, as well as some Technology related names (Ex. Samsung)

→ Reduced the strategy's semiconductor position when a subsequent rally occurred

→ Some companies have been penalized for reinvesting, where reinvestment in the business led to share prices falling

## The Case for Termination

| The Case for Termination |
| --- |
| → **Simplicity** – one less manager relationship for the Trustees to oversee |
| → **Fee Savings** – Rotating into passive will save ~$120,000 per year and further help implement the passive framework |
| → **High Beta** – Baillie Gifford is a high Beta strategy with significant standard deviation. If there is a market correction it will likely not protect well on the downside. |
| → **Time horizon mismatch** – While AFRF is a perpetual fund, it is judged quarterly and annually by its constituents. Baillie Gifford invests with a very long investment horizon in mind (10+ years) and potentially is more willing to be patient with struggling stocks than its clients are willing. |
| → **Since inception results** – Despite the weak trailing period results, Baillie Gifford has generated tremendous absolute returns for AFRF ($84 million) since inception and outperformed the index on a relative basis (~1% annualized net of fees). Terminating now would result in a positive all-in since inception outcome for the investment and avoid any potential further deterioration. |

## The Case for Retaining

| The Case for Retaining |
| --- |
| → **Timing** – Baillie Gifford performed well for over a decade and is experiencing its worst performance stretch ever during AFRF's relationship. Terminating now could result in permanently locking in the recent relative underperformance. |
| → **Portfolio positioning** – Baillie Gifford makes the assertion that the portfolio is well positioned to take advantage of AI infrastructure build-out while also broadened out some of its investment themes to include more "engines of growth" across different themes: energy storage, complex drug manufacturing, industrial automation, Asian financial services. The portfolio is also at one of its most modest valuations (vs. the index P/E and P/B) over the past decade. |
| → **Stye** – Baillie Gifford is the only growth manager in the international equity portfolio. Eliminating the strategy could necessitate adding a new growth manager to avoid an unintended value bias in the international equity portfolio. |
| → **Perspective** – The firm theoretically should be better investors (more humble, more hungry, more reflective) going forward after experiencing the pain of the past few years while staying true to its philosophy, culture and team continuity. |

# Appendix

## Investment Manager Overview[1]

| | Baillie Gifford & Co |
|---|---|
| Firm City | Edinburgh |
| Firm State | Scotland |
| Firm Inception | 1908 |
| Strategy Name | International Growth |
| Strategy Inception | 2/28/2003 |
| Benchmark | MSCI ACWI ex-US-GD |
| Strategy Assets Under Management | $41.8 B |
| Firm Assets Under Management | $262.0 B |

[1] All data as of June 30, 2026.

## Organization

- Baillie Gifford is an established investment management firm that was founded in Edinburgh, Scotland in 1908 and is 100% employee-owned by its 59 partners. The firm was historically focused on public equity investing across ~30 strategies. In recent years it has also ventured into the private equity space, recently launching its third fund.
- Baillie Gifford's total firm assets nearly doubled from $245 B in 2020 to a peak of $486 B in 2021, but have since declined to $262 B due to performance and outflows.
- The International Growth strategy was incepted in 2003 and is the firm's second largest strategy at $41.8 B across 51 clients and 77 accounts. A majority of these assets (~$26 B) are concentrated in a sub-advisory relationship with Vanguard. The decline in assets from the 2021 peak of ~$80 B is attributable to poor absolute performance in 2022 followed by continued net outflows due to poor relative performance in 2025 and 2026 YTD.
- Firm headcount has been reduced from 2000 to 1700 employees over the last 3 years. In January 2024, the firm cut dozens of positions within the client service and back-office departments and closed its fixed income business. More recently, they announced a Voluntary Exit Program to all UK employees, giving them the option to leave on enhanced terms. Per the team, the increasing adoption of AI technology and over-hiring during COVID resulted in the current redundancies at the firm. They do not expect the Voluntary Exit Program to have a meaningful impact on the investment team.

## Investment Team

- The 5-person Portfolio Construction Group (PCG) is chaired by Tom Coutts and Lawrence Burns who joined the firm in 1999 and 2009, respectively. All team members are based in Edinburgh, act as generalists, and have spent their entire career with Baillie Gifford. They make decisions by backing individual conviction of PCG members rather than seeking group consensus, believing that growth stories that prove to be most rewarding are often also the most controversial at the beginning.
- The International Growth PCG draws on the research conducted by ~100 other Baillie Gifford equity investors and also has its own dedicated research desk of two investment analysts to pursue and develop ideas of particular interest. There is a team-based performance element to compensation based on 5-year performance at the strategy level.

## Investment Philosophy

- The International Growth Strategy is focused on exceptional growth companies from international and emerging markets. They seek companies with a large growth opportunity, business characteristics that give them an edge over their competitors and substitutes, and a culture that allows them to take advantage in a sustainable way. They want to identify these companies early enough, and hold them for long enough, to benefit from compounding at scale, with a five to ten-year time horizon.
- The International Growth Strategy has a balance of long-term growth companies, where returns are expected to compound over many years, and transformational growth companies that are exploiting changes in technologies and consumer habits. Fundamentally this is an “optimistic” portfolio that is oriented around a range of secular trends that are reshaping the world.

## Investment Process

- The team uses a “10 Question Research Framework” to analyze each potential or existing holding in a consistent way, with a focus on three areas. First, they consider the intrinsic characteristics of the business, particularly its growth potential, competitive advantage and management approach. They go on to consider the relationship of the company with key stakeholders such as employees, customers and regulators. Finally, they assess the potential returns from an investment, using a scenario analysis that focuses on upside potential and the probability of different outcomes.
- The final portfolio will hold 50-60 holdings with low turnover of 10-20% and 20-30% in emerging markets. Tracking error has increased in recent years to the low-teens before trending back down. The team has recently adopted an AI-enabled risk management platform in addition to utilizing its internal risk team.

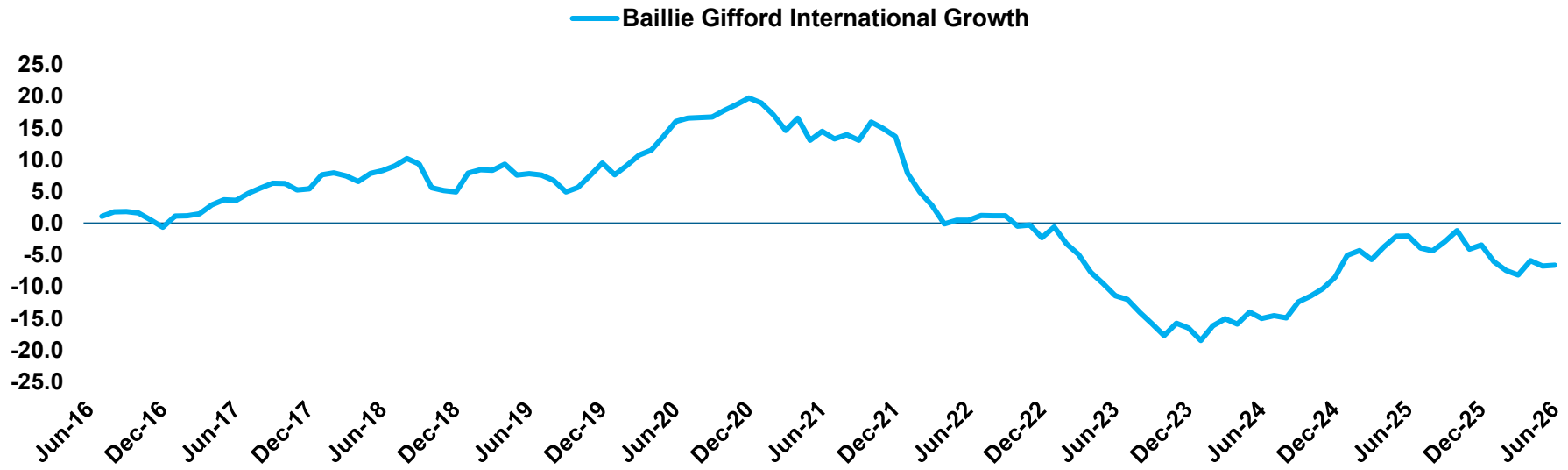
## Historical Performance[1]

| Trailing Performance as of June 30, 2026<br>*Peer Group: eVestment ACWI ex-US All Cap Growth Equity* | 1 Yr (%) | Rank | 3 Yr (%) | Rank | 5 Yr (%) | Rank | 7 Yr (%) | Rank | 10 Yr (%) | Rank |
|---|---|---|---|---|---|---|---|---|---|---|
| Baillie Gifford International Growth | 4.0 | *83* | 9.8 | *77* | -3.3 | *100* | 7.1 | *96* | 9.9 | *68* |
| MSCI ACWI ex US | 27.7 | *14* | 18.8 | *28* | 8.8 | *15* | 10.2 | *44* | 9.9 | *68* |

| Calendar Year Performance<br>*Peer Group: eVestment ACWI ex-US All Cap Growth Equity* | 2025 | Rank | 2024 | Rank | 2023 | Rank | 2022 | Rank | 2021 | Rank |
|---|---|---|---|---|---|---|---|---|---|---|
| Baillie Gifford International Growth | 16.8 | *71* | 9.0 | *37* | 15.7 | *68* | -35.9 | *90* | -9.6 | *100* |
| MSCI ACWI ex US | 32.4 | *15* | 5.5 | *54* | 15.6 | *72* | -16.0 | *2* | 7.8 | *61* |

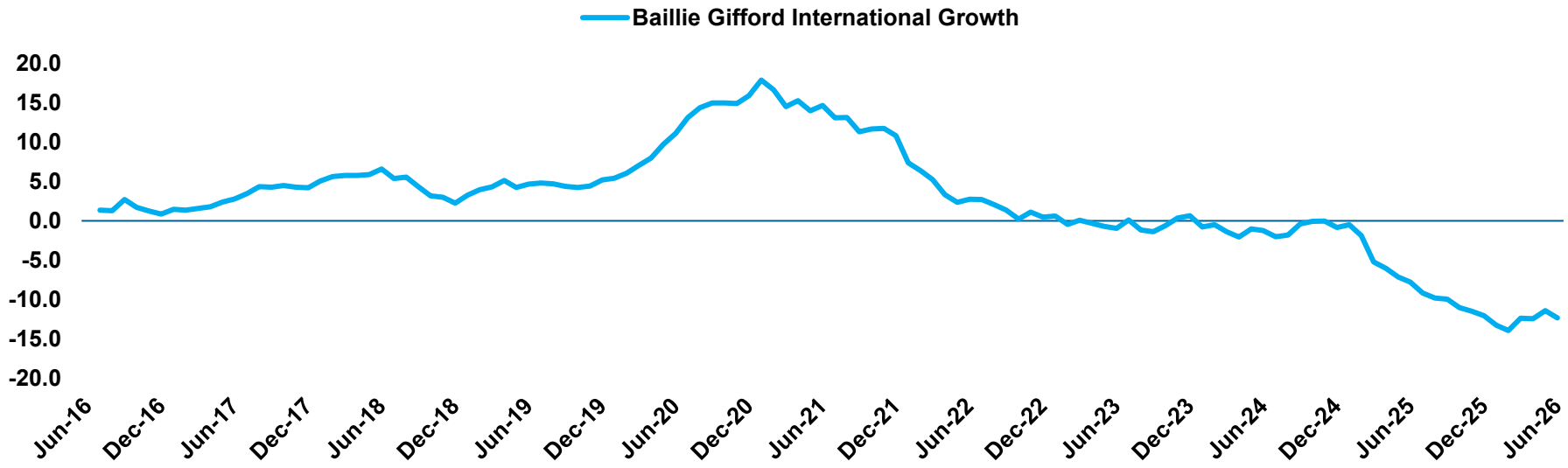
[1] Note that the Baillie Gifford performance data presented in this Appendix is from an eVestment composite, not the actual vehicle.

## Rolling 3-Year Excess Returns vs. MSCI ACWI ex US




| | Total Periods | Periods Outperformed | % of Periods Outperformed (%) | Average Annual Excess (%) | Median Annual Excess (%) | Max (%) | Min (%) | Range (%) |
|---|---|---|---|---|---|---|---|---|
| Baillie Gifford International Growth | 120 | 73 | 60.8 | 1.9 | 2.3 | 19.8 | -18.5 | 38.2 |

## Rolling 5-Year Excess Returns vs. MSCI ACWI ex US




| | Total Periods | Periods Outperformed | % of Periods Outperformed (%) | Average Annual Excess (%) | Median Annual Excess (%) | Max (%) | Min (%) | Range (%) |
|---|---|---|---|---|---|---|---|---|
| Baillie Gifford International Growth | 83 | 69.2 | 2.6 | 2.7 | 17.9 | -13.9 | 31.8 | 83 |

## Risk-Adjusted Performance (Gross of Fees)[1]
## 5-Year Statistics vs. MSCI ACWI as of June 30, 2026

| 5-Year Statistics vs. MSCI ACWI ex US as of June 30, 2026<br>*Peer Group: eVestment ACWI ex-US All Cap Growth Equity* | Return | *Rank* | STDev | *Rank* | Sharpe Ratio | *Rank* | Excess Returns | *Rank* | Tracking Error | *Rank* |
|---|---|---|---|---|---|---|---|---|---|---|
| Baillie Gifford International Growth | -3.3 | *100* | 22.2 | *93* | -0.31 | *100* | -12.3 | *100* | 11.6 | *89* |
| MSCI ACWI ex US | 8.8 | *15* | 15.6 | *1* | 0.33 | *12* | -0.3 | *15* | 3.4 | *1* |

| *Peer Group: eVestment ACWI ex-US All Cap Growth Equity* | Information Ratio | *Rank* | Jensen Alpha | *Rank* | Beta | *Rank* | Upside Capture | *Rank* | Downside Capture | *Rank* |
|---|---|---|---|---|---|---|---|---|---|---|
| Baillie Gifford International Growth | -1.06 | *89* | -11.6 | *100* | 1.24 | *6* | 89.2 | *66* | 136.2 | *96* |
| MSCI ACWI ex US | -0.08 | *18* | -0.1 | *14* | 0.98 | *87* | 94.4 | *46* | 95.7 | *1* |

[1] Source: eVestment.

## Portfolio Characteristics[1] (As of June 30, 2026)

| | Baillie Gifford International Growth | MSCI ACWI ex US |
|---|---|---|
| # of Holdings | 63 | 1934 |
| Weighted Average Mkt. Cap ($B) | $306.6 | $274.0 |
| Median Mkt. Cap ($B) | $50.4 | $13.9 |
| P/E Ratio | 27.8 | --- |
| P/B Ratio | 5.2 | --- |
| Dividend Yield | 1.0% | 2.4% |
| EPS Growth - 5 Yrs. | 16.2% | 17.8% |
| **Market Capitalization** | | |
| > 50 billion | 72.6% | 62.4% |
| 15-50 billion | 14.0% | 26.3% |
| 7.5-15 billion | 7.4% | 8.7% |
| 1.5-7.5 billion | 6.1% | 2.6% |
| 750-1.5 billion | 0.0% | 0.0% |
| 400-750 million | 0.0% | 0.0% |
| < 400 million | 0.0% | 0.0% |

[1] Source: eVestment, PARis.

## Sector & Region Allocations[1] (As of June 30, 2026)

| | Baillie Gifford International Growth (%) | MSCI ACWI ex US (%) |
|---|---|---|
| **Sector** | | |
| Communication Services | 5.6 | 4.3 |
| Consumer Disc. | 12.7 | 7.5 |
| Consumer Staples | 5.1 | 5.1 |
| Energy | 0.6 | 4.3 |
| Financials | 15.3 | 24.2 |
| Health Care | 15.9 | 6.9 |
| Industrials | 12.9 | 14.1 |
| Technology | 28.5 | 22.9 |
| Materials | 3.5 | 6.4 |
| Utilities | 0.0 | 3.1 |
| Real Estate | 0.0 | 1.3 |
| Other | 0.0 | 0.0 |
| **Region** | | |
| United States | 0.0 | 0.6 |
| Non-US Developed | 74.0 | 66.8 |
| Emerging Markets | 26.0 | 32.6 |
| Other | 0.0 | 0.9 |

[1] Source: eVestment, PARis.

## Top 10 Holdings[1]
## (As of June 30, 2026)

| Baillie Gifford International Growth | (%) | MSCI ACWI ex US | (%) |
|---|---|---|---|
| TAIWAN SEMICONDUCTOR MANUFACTURING | 7.7 | Taiwan Semiconductor Manufacturing Co Ltd | 5.1 |
| ASML HOLDING NV | 3.9 | Samsung Electronics Co Ltd | 2.7 |
| SPOTIFY TECHNOLOGY S.A. | 3.9 | SK Hynix Inc | 2.6 |
| DSV | 3.3 | ASML Holding NV | 2.1 |
| HYNIX SEMICONDUCTOR INC | 3.3 | Tencent Holdings LTD | 0.9 |
| ATLAS COPCO AB | 3.2 | HSBC Holdings PLC | 0.9 |
| L'Oreal | 3.0 | Roche Holding AG | 0.8 |
| MERCADOLIBRE INC | 2.9 | Royal Bank of Canada | 0.8 |
| KEYENCE CORP | 2.8 | Novartis AG | 0.8 |
| Adyen NV | 2.4 | Astrazeneca PLC | 0.8 |
| **Top 10 Total Wgt.** | **36.3** | **Top 10 Total Wgt.** | **17.3** |

[1] Source: eVestment, PARis.

# Economic and Market Update

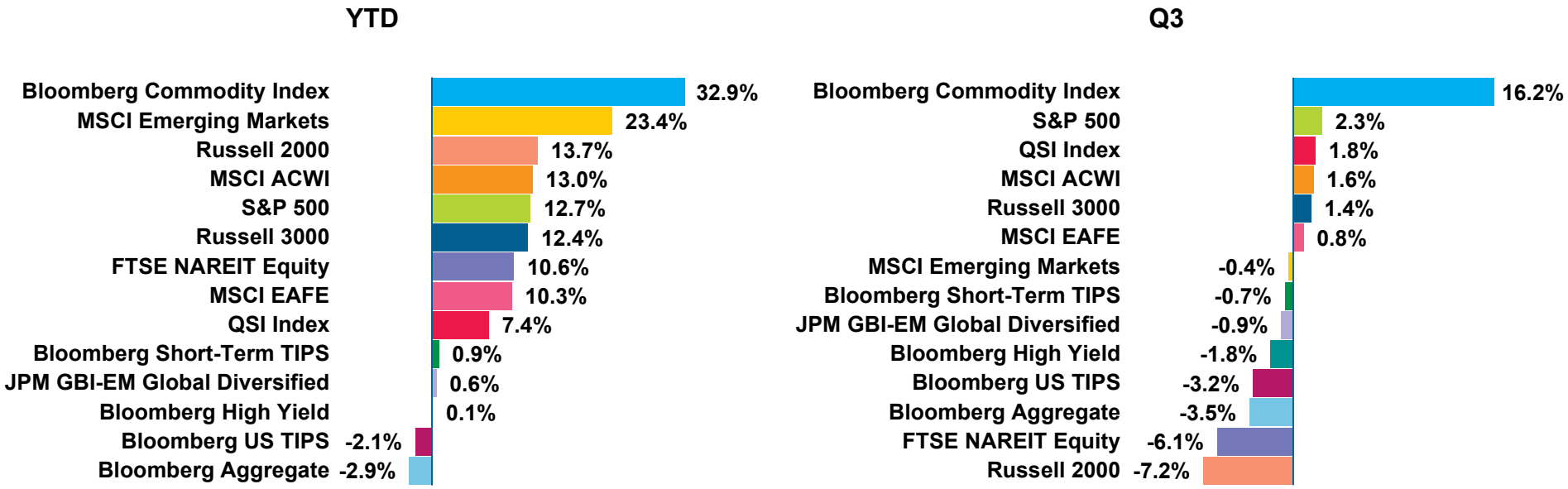
Data as of September 30, 2026

## Commentary

**Global markets were mixed in the third quarter of 2026. Renewed Middle East tensions stoked inflation fears, lifting commodities while pushing yields higher and weighing on bonds. Equities largely looked past the noise, driven by strong earnings and the AI buildout.**

- → US equities (Russell 3000) rose 1.4% in the third quarter despite a September decline, bringing the index's year-to-date gain to 12.4%. Value stocks led for the quarter, with the Russell 1000 Value Index advancing 2.6% versus 0.9% for the Russell 1000 Growth Index. Small caps lagged given their higher interest rate sensitivity, as the Russell 2000 Index fell 7.2% while large-cap names (Russell 1000) gained 1.8%.
- → Developed international markets (MSCI EAFE: +0.8%) edged higher in the quarter, trailing the US but outperforming emerging markets (MSCI Emerging Markets: -0.4%). China (+3.7%) advanced, while emerging markets ex-China (-1.3%) declined, pressured by weakness in Taiwanese and Korean semiconductor stocks amid concerns over the sustainability of AI-related spending. A stronger US dollar in September weighed on international equity results for US-based investors, particularly in developed markets.
- → Fixed income declined during the third quarter as Treasury yields rose across the curve. The Bloomberg Universal Index fell 3.4%, bringing its year-to-date return to -2.6%. Longer maturity bonds fell the most (Bloomberg US Long Treasury: -8.0%), while high yield bonds (Bloomberg High Yield: -1.8%) and emerging market debt (JPM GBI-EM: -0.9%) also declined as credit spreads widened in September.
- → Looking ahead, investors will be focused on the path of monetary policy, whether Treasury yields stabilize after breaking above 5%, how the conflict in the Middle East progresses, and earnings durability.

## Index Returns[1]




- In the third quarter of 2026, commodities led all asset classes (Bloomberg Commodity Index: +16.2%) given the surge in oil prices, remaining the top performer year-to-date (+32.9%).
- Except for emerging markets, stocks broadly rose for the quarter led by the US (Russell 3000: +1.4%) as investors looked past the geopolitical tensions and rising rates and focused on resilient earnings and AI themes. Rate-sensitive areas like small caps (Russell 2000: -7.2%) and REITs (FTSE NAREIT Equity: -6.1%) lagged in the rising rate environment.
- The bond market declined as yields rose (Bloomberg Aggregate: -3.5%), influenced by concerns over inflationary pressures, growing fiscal deficits, and the significant bond issuance coming from the AI sector.

[1] Source: Bloomberg. Data is as of September 30, 2026.

## Domestic Equity Returns[1]

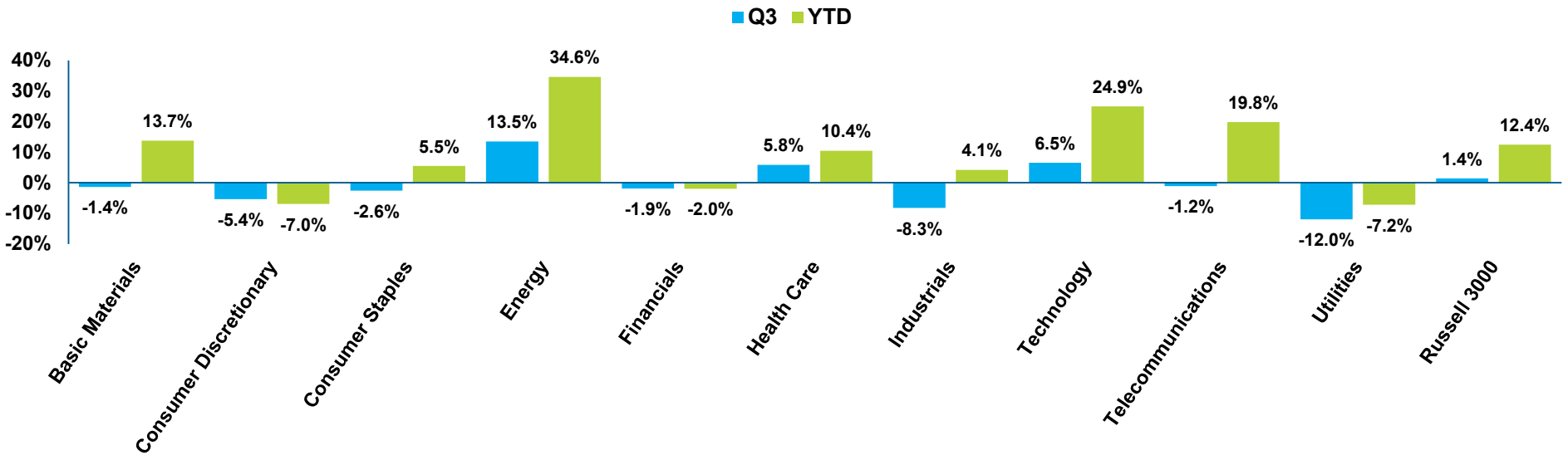
| Domestic Equity | September (%) | Q3 (%) | YTD (%) | 1 YR (%) | 3 YR (%) | 5 YR (%) | 10 YR (%) |
|---|---|---|---|---|---|---|---|
| S&P 500 | -0.3 | 2.3 | 12.7 | 15.7 | 22.9 | 13.8 | 15.3 |
| Russell 3000 | -0.8 | 1.4 | 12.4 | 15.1 | 22.3 | 12.6 | 14.7 |
| Russell 1000 | -0.6 | 1.8 | 12.3 | 15.0 | 22.5 | 13.0 | 15.0 |
| Russell 1000 Growth | 2.2 | 0.9 | 6.3 | 7.5 | 24.3 | 13.7 | 18.2 |
| Russell 1000 Value | -3.1 | 2.6 | 19.3 | 23.8 | 20.1 | 11.9 | 11.4 |
| Russell MidCap | -4.2 | -3.0 | 11.8 | 12.0 | 17.2 | 8.0 | 11.2 |
| Russell MidCap Growth | -1.8 | -5.8 | 1.0 | -2.7 | 15.4 | 4.9 | 11.9 |
| Russell MidCap Value | -5.0 | -2.0 | 15.3 | 16.9 | 17.5 | 9.3 | 9.9 |
| Russell 2000 | -5.3 | -7.2 | 13.7 | 16.2 | 17.7 | 6.3 | 9.8 |
| Russell 2000 Growth | -5.3 | -9.4 | 10.7 | 12.1 | 17.6 | 4.7 | 9.9 |
| Russell 2000 Value | -5.2 | -4.9 | 17.0 | 20.8 | 17.9 | 7.8 | 9.4 |
| QSI Index | -2.6 | 1.8 | 7.4 | 8.3 | 15.1 | 8.7 | 11.8 |

**US Equities: The Russell 3000 index rose 1.4% in the third quarter of 2026, despite losses in September driven by rising interest rates and oil prices, bringing the year-to-date return to 12.4%.**

- → Value outpaced growth in the third quarter across market capitalizations and retains a wide year-to-date lead. Small caps lagged given their sensitivity to interest rates (Russell 2000: -7.2%).
- → The “Magnificent Seven” gained 11.1% in the third quarter, including 4.2% in September. Performance was mixed across the companies, but the group’s net gain helped offset broader weakness given its weight in the index.

[1] Source: Bloomberg. Data is as of September 30, 2026.

## Russell 3000 Sector Returns[1]




**Sector performance was mixed in the third quarter, with energy leading the market and utilities the weakest performing sector.**

- → Energy led all sectors in the third quarter by a wide margin, rising 13.5% given the surge in oil prices and strong earnings outlook. Technology (+6.5%) benefited from demand for AI-related semiconductors, and health care (+5.8%) also gained.
- → Utilities (-12.0%) was the weakest sector as dividend income looked less attractive given the rise in yields. Industrials (-8.3%) and consumer discretionary (-5.4%) also fell for the quarter.
- → On a year-to-date basis, energy (+34.6%) and technology (+24.9%) remain the top performers, followed by telecommunications (+19.8%) and basic materials (+13.7%).

[1] Source: Bloomberg. Data is as of September 30, 2026.

## Foreign Equity Returns[1]

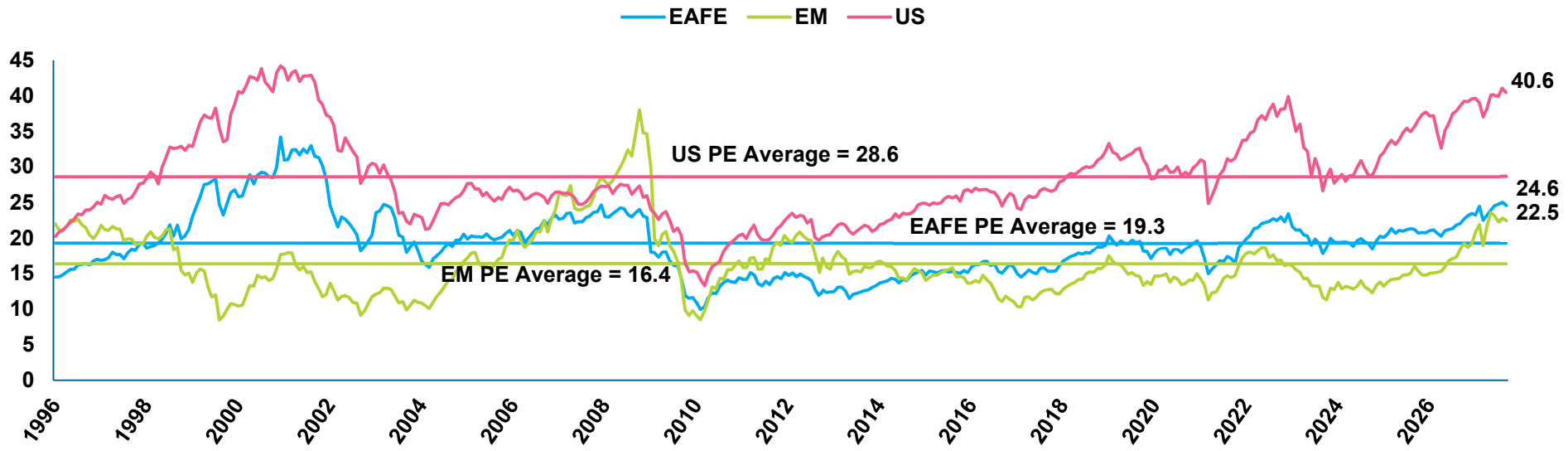
| Foreign Equity | September (%) | Q3 (%) | YTD (%) | 1 YR (%) | 3 YR (%) | 5 YR (%) | 10 YR (%) |
|---|---|---|---|---|---|---|---|
| MSCI ACWI Ex US | -2.4 | 0.5 | 14.2 | 20.0 | 20.5 | 9.6 | 9.2 |
| MSCI EAFE | -3.1 | 0.8 | 10.3 | 15.7 | 18.4 | 9.3 | 9.1 |
| MSCI EAFE (Local Currency) | -1.7 | 0.6 | 12.4 | 19.3 | 16.6 | 11.1 | 10.1 |
| MSCI EAFE Small Cap | -2.8 | 2.9 | 10.8 | 13.7 | 18.2 | 5.8 | 8.0 |
| MSCI Emerging Markets | -0.6 | -0.4 | 23.4 | 29.2 | 24.1 | 8.9 | 9.1 |
| MSCI Emerging Markets (Local Currency) | -0.4 | -2.9 | 23.1 | 30.0 | 24.5 | 10.9 | 10.7 |
| MSCI EM ex China | 0.5 | -1.3 | 36.9 | 50.9 | 29.2 | 13.4 | 11.5 |
| MSCI China | -4.6 | 3.7 | -11.9 | -18.4 | 9.8 | -2.1 | 3.4 |

**Developed international equities (MSCI EAFE) returned 0.8% in the third quarter of 2026 while emerging markets equities (MSCI Emerging Markets) fell 0.4%, though performance varied significantly by region.**

- → Developed market equities edged higher over the quarter but declined in September. Energy stocks rallied on higher oil prices as the Middle East conflict flared up again, and financials gained on strong bank earnings and rising rates, especially in Japan. Those gains were largely given back in September, when the index fell over 3% as the USD strengthened and energy-driven inflation pushed the ECB to raise rates to 2.5% and the Bank of England to signal it may follow.
- → Emerging markets trailed developed peers over the quarter but outperformed in September, led by strength outside China. Emerging markets outside China fell 1.3% for the quarter as AI-related concerns drove Korea and Taiwan lower and higher oil prices and rising rate expectations weighed on India. Chinese equities were a bright spot, rising 3.7% in the third quarter given policy support and the rotation out of Korea and Taiwan, although the gains faded later in the quarter on weak economic activity.

[1] Source: Bloomberg. Data is as of September 30, 2026.

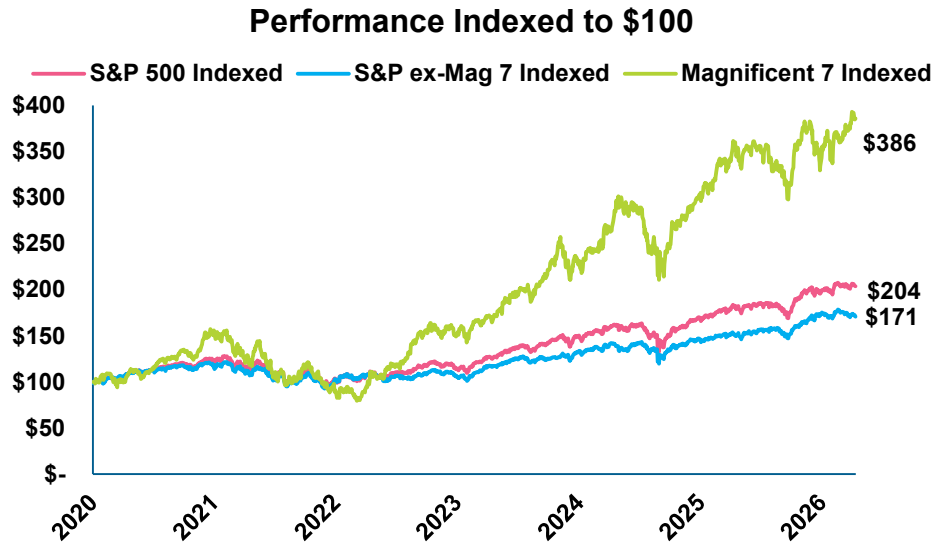
## Equity Cyclically Adjusted P/E Ratios[1]

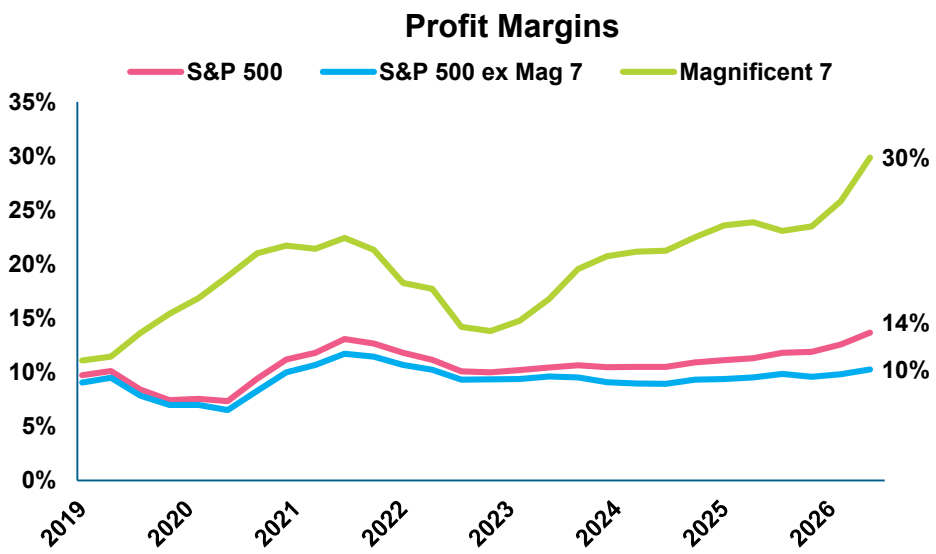



- → Cyclically adjusted US equity valuations rose over the quarter (39.7 to 40.6) with the US CAPE still far above its long-run average of 28.6.
- → Non-US developed market (EAFE) valuations rose slightly since the end of June from 24.5 to 24.6 versus a long-run average of 19.3. Despite trading above historical norms, EAFE valuations remain considerably lower than those in the US.
- → Emerging market valuations fell slightly over the quarter (23.1 to 22.5) but remain elevated relative to the long-run average of 16.4.

[1] US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E Source: Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of September 2026. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end, respectively.

## Performance and Profit Margins: S&P 500 and "Magnificent 7"[1]




- → The "Magnificent Seven" extended their outperformance in the third quarter, rising 11.1% compared to a 2.4% decline for the S&P 500 excluding the group, leaving overall market returns still dependent on a handful of companies.
- → The group's profitability continues to differentiate it from the broader market. Average profit margins for the "Magnificent Seven" rose to 30%, compared to 14% for the S&P 500, and 10% for the S&P 500 excluding the "Magnificent Seven".

[1] Source: Bloomberg. Data is as of September 30, 2026.

## Fixed Income Returns[1]

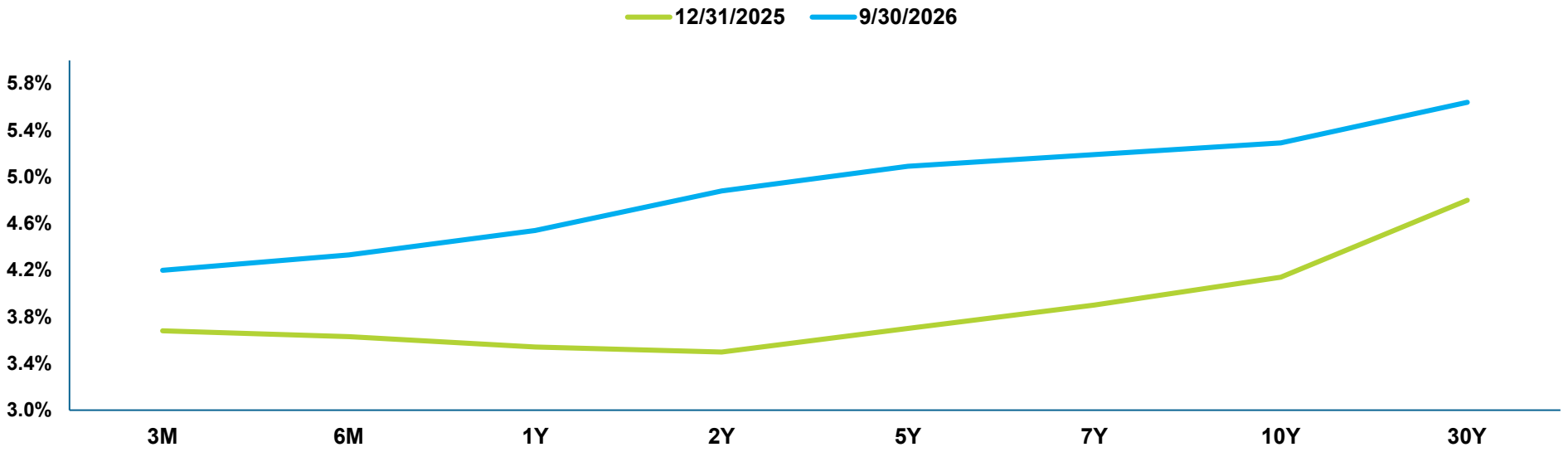
| Fixed Income | September (%) | Q3 (%) | YTD (%) | 1 YR (%) | 3 YR (%) | 5 YR (%) | 10 YR (%) | Current Yield (%) | Duration (Years) |
|---|---|---|---|---|---|---|---|---|---|
| Bloomberg Universal | -2.6 | -3.4 | -2.6 | -1.5 | 4.5 | -0.3 | 1.5 | 5.8 | 5.6 |
| Bloomberg Aggregate | -2.6 | -3.5 | -2.9 | -1.8 | 4.1 | -0.6 | 1.1 | 5.6 | 5.8 |
| Bloomberg US TIPS | -2.6 | -3.2 | -2.1 | -2.0 | 3.8 | 0.0 | 2.1 | 5.2 | 6.3 |
| Bloomberg Short-term TIPS | -0.9 | -0.7 | 0.9 | 1.3 | 4.8 | 2.9 | 3.0 | 4.9 | 2.3 |
| Bloomberg US Long Treasury | -5.0 | -8.0 | -7.6 | -7.7 | 1.0 | -7.3 | -2.1 | 5.6 | 13.7 |
| Bloomberg High Yield | -2.5 | -1.8 | 0.1 | 1.4 | 8.0 | 3.6 | 5.0 | 8.4 | 3.6 |
| JPM GBI-EM Global Diversified (USD) | -2.1 | -0.9 | 0.6 | 3.9 | 8.2 | 2.6 | 2.3 | -- | -- |

**Fixed Income: The Bloomberg Universal index fell 3.4% in the third quarter of 2026, bringing the year-to-date return to -2.6%.**

- → Fixed income declined over the third quarter as Treasury yields rose across the curve, with losses concentrated in September given the Federal Reserve's first rate increase since 2023, higher oil prices, and weak demand at Treasury auctions. The Bloomberg US Long Treasury index fell 8.0% for the quarter given its higher interest rate sensitivity.
- → The broad TIPS index declined like nominal bonds (Bloomberg US TIPS: -3.2%), while short-term TIPS (-0.7%) held up better given their lower duration (interest rate sensitivity).
- → Riskier sectors also experienced losses, with high yield bonds (Bloomberg High Yield: -1.8%) and emerging market debt (JPM GBI-EM: -0.9%) falling as credit spreads widened and a stronger US dollar weighed on local-currency emerging market debt in September.

[1] Source: Bloomberg. Data is as of September 30, 2026. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.

## US Yield Curve[1]

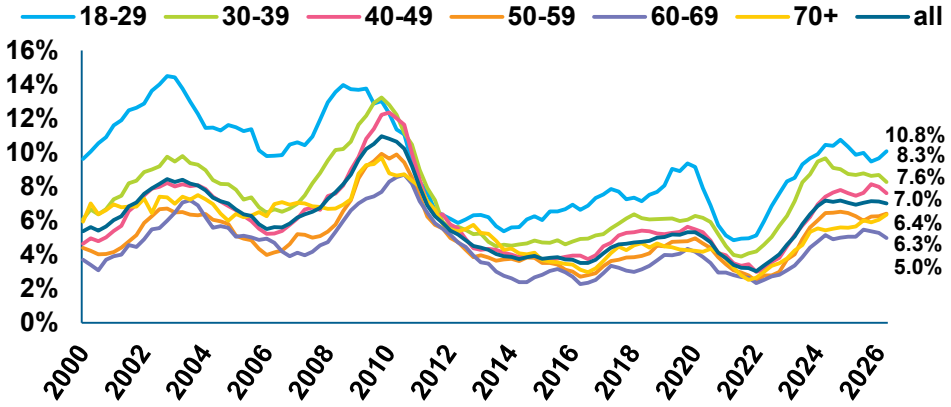



- → Treasury yields rose sharply in the third quarter driven by higher oil prices, the Fed's rate increase, heavy debt issuance, and weak demand.
- → The policy-sensitive 2-year Treasury yield rose from 3.48% at the end of 2025 to 4.89% at the end of September. The 10-year Treasury yield rose from 4.17% to 5.29% (the first time above 5.0% since 2007), while the 30-year Treasury yield increased from 4.79% to 5.63%.
- → The spread between the 2-year and 10-year Treasury rose from 29.5 basis points to 40.2 basis points over the quarter as longer dated yields increased more. Overall, the curve has flattened this year because energy-driven inflation pushed markets to stop pricing Fed rate cuts and start pricing hikes, which lifted 2-year yields more than 10-year yields.

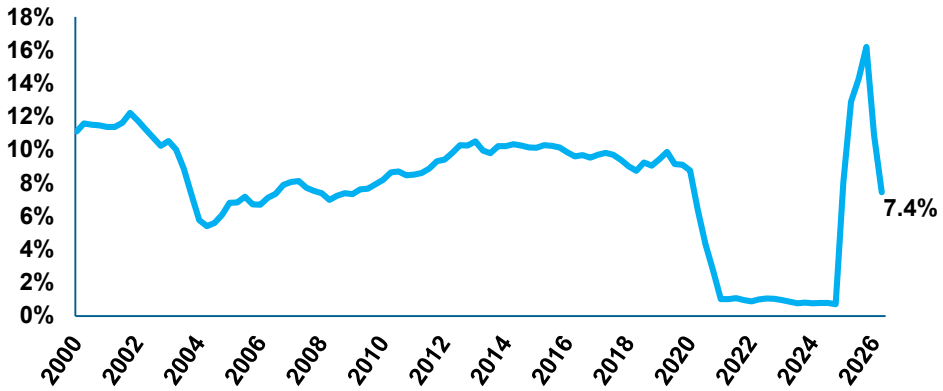
[1] Source: Bloomberg. Data is as of September 30, 2026.

## Stress is Building Among Some US Consumers[1]

**Transition into Serious Delinquency for Credit Cards by Age**



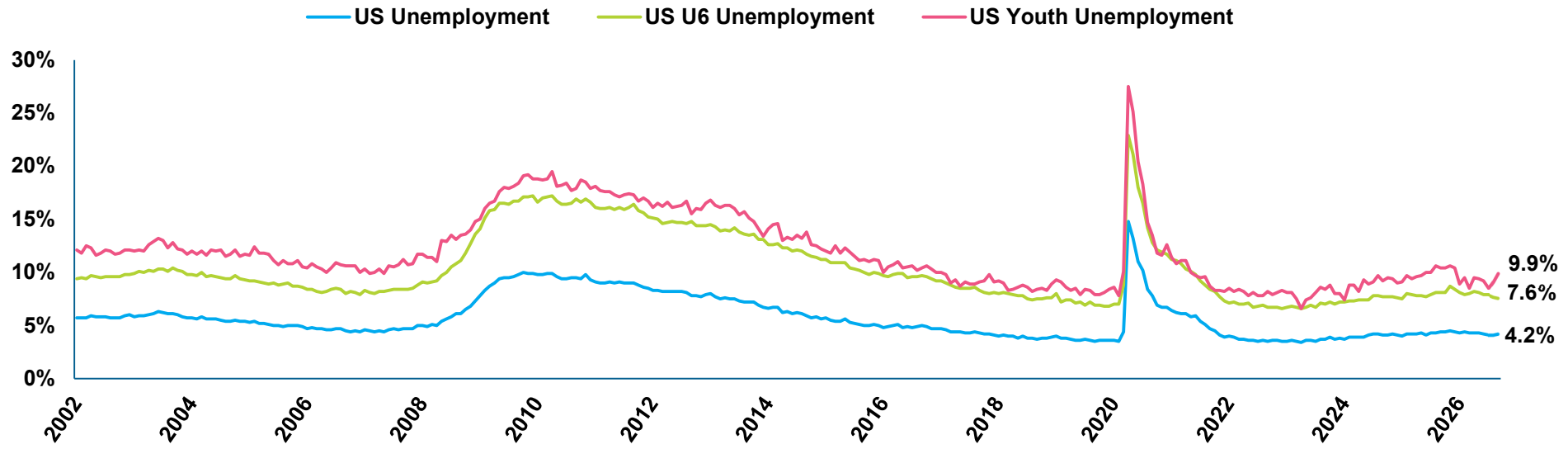

**Transition Into Serious Delinquency (90+ Days) for Student Loans[2]**




- → US consumer trends remain increasingly K-shaped: higher-income households show resilience, while younger, rate-sensitive borrowers face mounting pressure from elevated borrowing costs and inflation that remains above the Federal Reserve's target.
- → Delinquencies are still elevated relative to pandemic lows, particularly among younger cohorts. While overall delinquency rates remain below levels seen during prior economic downturns, differences in household financial health have continued to widen.
- → Student loan repayment also remains a pressure point for some households. The serious delinquency rate decline from 16.2% to 7.4% does not represent an improvement but a fading of the initial post-pandemic one-time spike caused by a backlog of old unpaid loans all hitting credit reports at once.

[1] Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. See also FRED. Data is as of June 30, 2026.
[2] Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. Percent of student loan holders transitioning into serious default (90-days or more) based on four quarter moving average. Delays in reporting may cause fluctuations. Data is as of June 30, 2026.

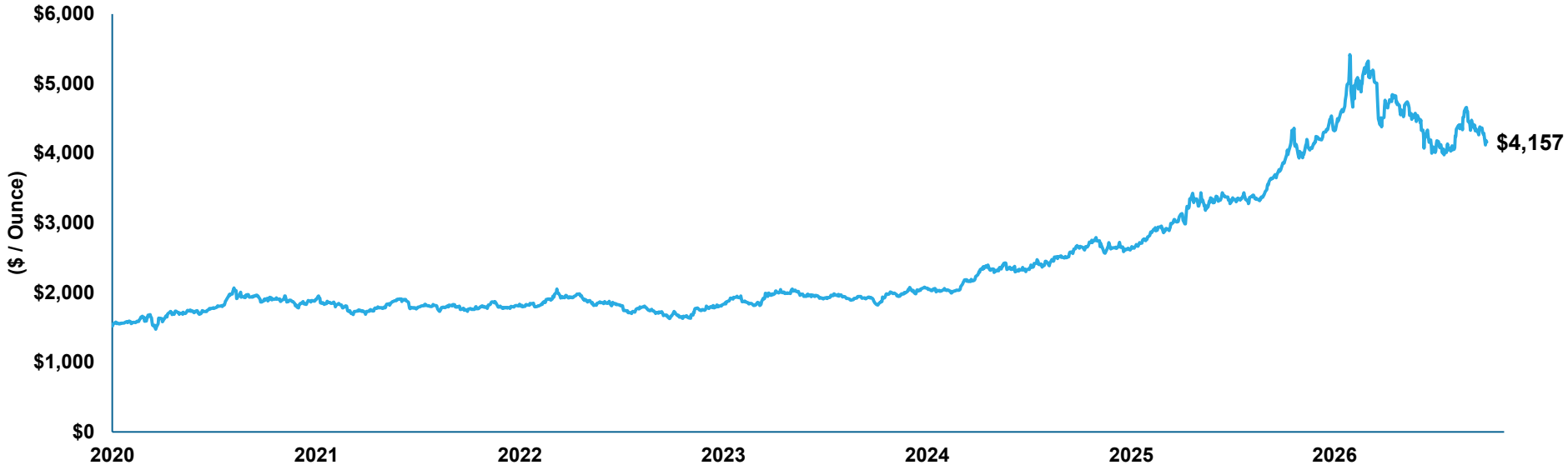
## US Unemployment[1]




- → The US economy added 29,000 jobs in September, well below expectations for 90,000. Payrolls for July (-10,000) and August (133,000) were also revised down by a combined 60,000 jobs. Health care, construction, and manufacturing added jobs, while government, financial activities, information and professional, and business services cut them. The unemployment rate finished the quarter at the same level it started (4.2%).
- → Broader labor market indicators were mixed, with the U-6 underemployment rate easing to 7.6% while youth unemployment rose to 9.9%.
- → Generally, the labor market remains in a low hire/low fire environment. Wage growth has slowed to 3% year-over-year, down from its post-pandemic peak of close to 6%.

[1] Source: FRED and BLS. Data is as of September 30, 2026. U-3: Total unemployed, as a percent of the civilian labor force (official unemployment rate), U-6: Total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers. Youth: Total unemployed between the ages of 16 and 24, as a percent of civilian labor force.

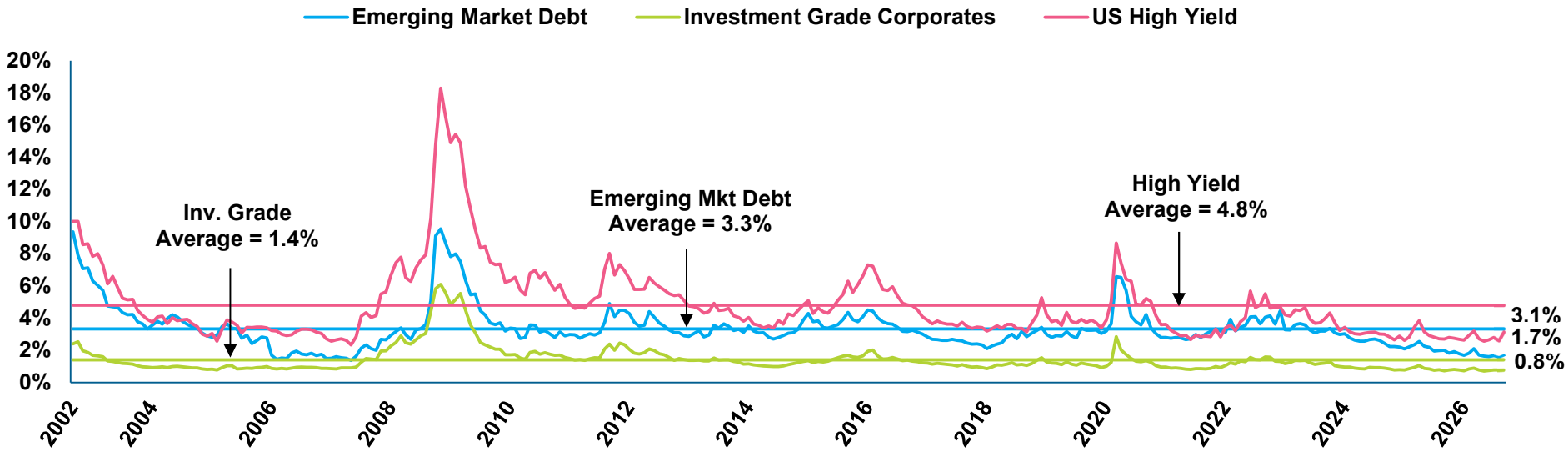
## Gold[1]




- → Gold fell 6.3% in September to $4,157 per ounce, giving back most of August's gain but finishing above its $4,008 level at the start of the quarter. The metal remains well below its record high of over $5,400/oz reached in January.
- → Rising real yields, the Fed's rate increase, and a stronger US dollar weighed on the non-yielding metal. However, persistent inflation concerns, large fiscal deficits, and ongoing central bank reserve diversification may continue to provide structural support going forward.

[1] Source: Bloomberg. Data is as of September 30, 2026. Gold Spot Price is quoted as US Dollars per Troy Ounce.

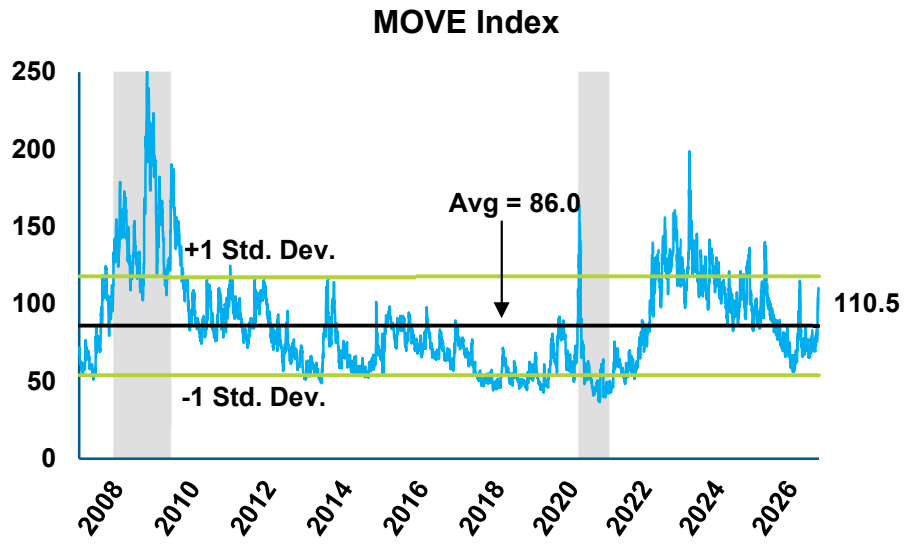
## Credit Spreads vs. US Treasury Bonds[1]

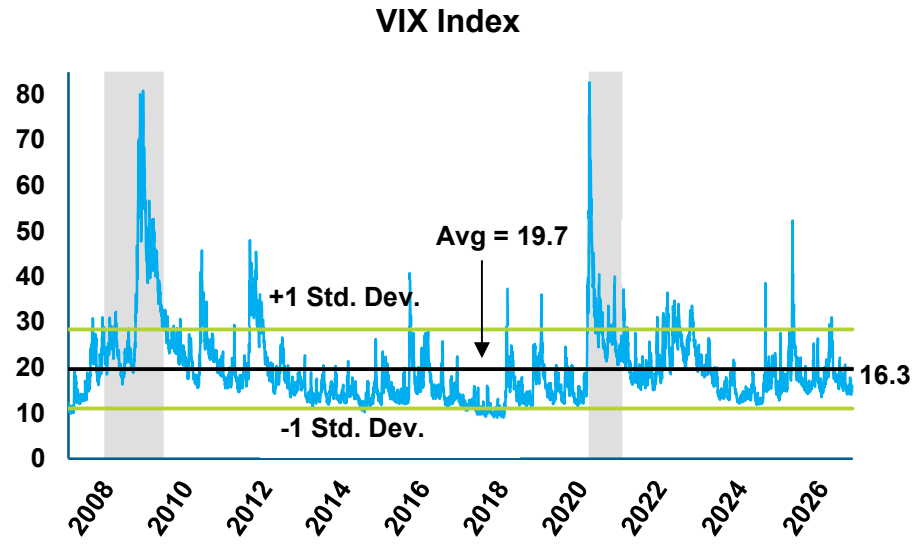



- → Credit spreads widened through the quarter, concentrated in September and led by high yield as higher rates and heavy issuance weighed on risk assets.
- → Investment grade spreads were little changed over the quarter (0.7% to 0.8%) and remain well inside the 1.4% long-run average.
- → High yield spreads widened to 3.1% (from 2.6% at the end of June), versus a 4.8% long-run average. Emerging market debt spreads widened to 1.7% (from 1.6% at the end of June), versus a 3.3% long-run average.
- → Despite widening, all spreads remain well below their respective long-run averages, as many investors continue to be attracted to their higher relative yields compared to Treasuries.

[1] Source: Bloomberg. Data is as of September 30, 2026. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

## Equity and Fixed Income Volatility[1]

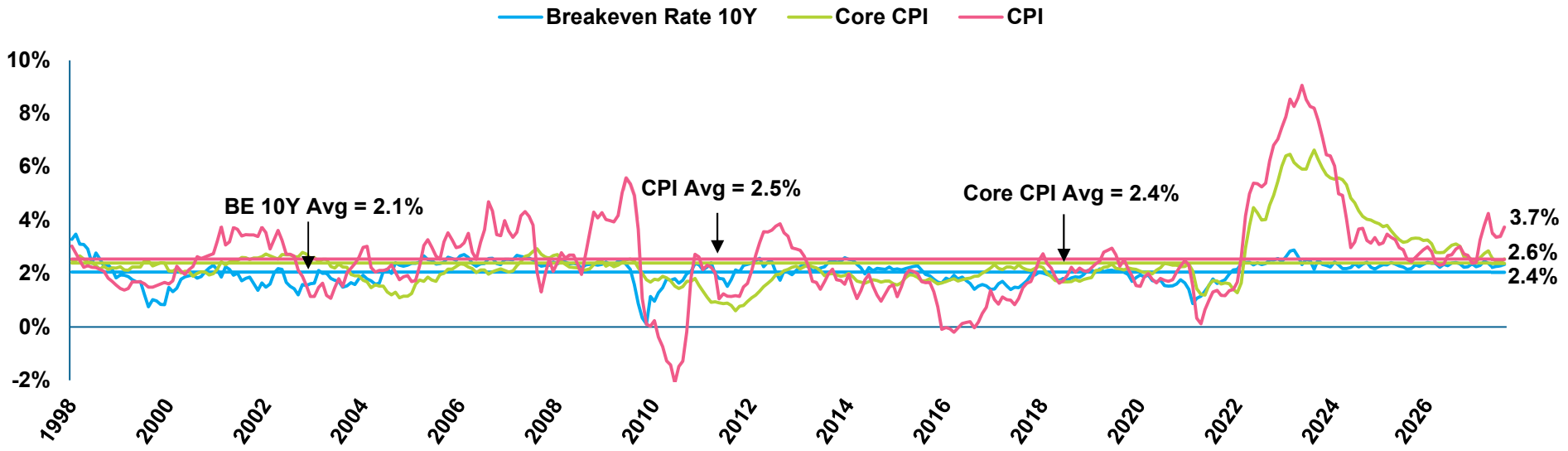



- → In the third quarter, the MOVE index of bond volatility jumped, exceeding 100 in September, while the VIX stayed more stable and below the long-term average.
- → The split reflects how the same mix of strong nominal growth, energy-driven inflation, and a renewed Fed hiking cycle favored corporate earnings but weighed on long-duration bonds.

[1] Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of September 30, 2026. The average line indicated is the average of the VIX and MOVE values between January 2007 and September 2026.

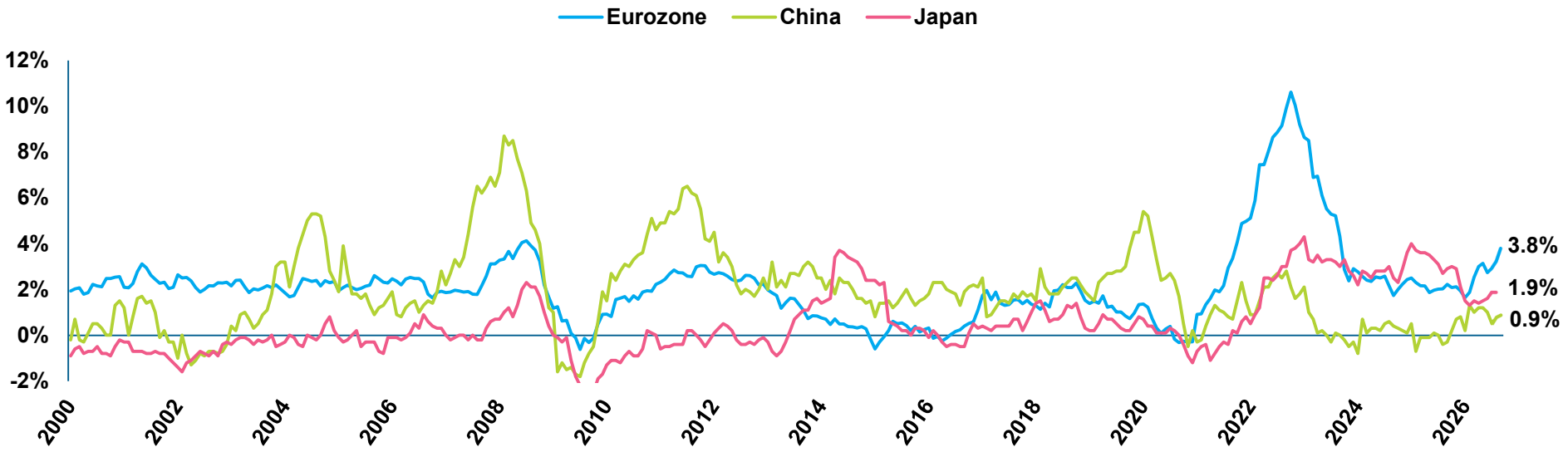
## US Inflation[1]




- For the quarter, MoM inflation accelerated, rising 0.1%, 0.4%, and 0.6%, largely on higher gasoline and heating oil prices. The annual inflation rate rose over the quarter (3.5% to 3.7%) remaining above the Fed's target level.
- Given energy dynamics, core inflation remains below headline (2.6% at the end of September), with the MoM rate holding relatively steady through the quarter. Energy has started to feed into core prices however, with fuel-sensitive categories such as airline fares, car and truck rentals, and delivery services rising sharply in September.
- Long-term inflation expectations were stable over the quarter, with 10-year breakevens finishing September at 2.4%.

[1] Source: FRED. Data is as of September 30, 2026.

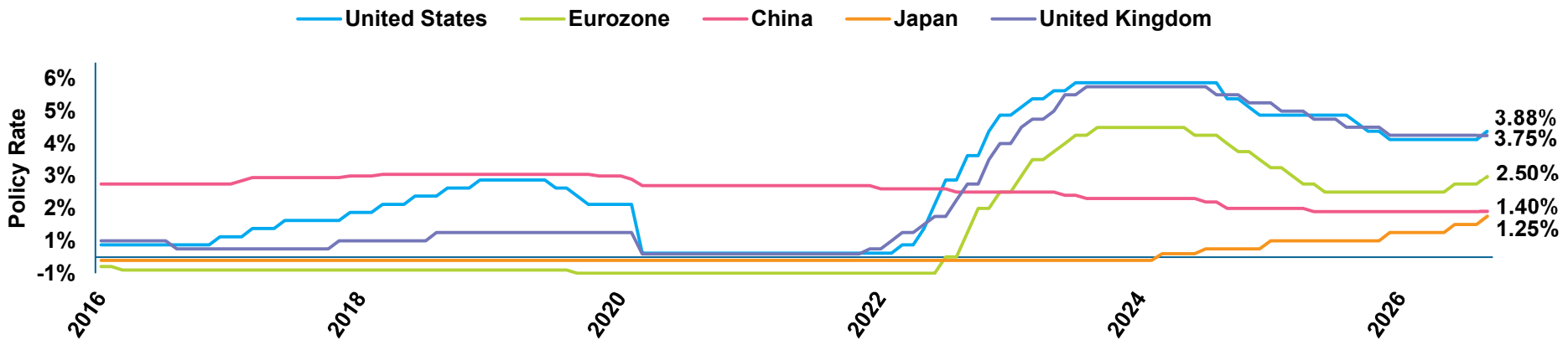
## Global Inflation (CPI Trailing Twelve Months)[1]




- → Eurozone inflation rose by 1% over the quarter (2.8% YoY to 3.8%), further above the ECB's 2.0% target. Energy remained the driver, as the Middle East conflict pushed oil costs higher.
- → Japan's annual inflation held at 1.9% in August (slightly below the BOJ's 2.0% target), matching July's rate, the highest since December 2025. Firmer prices for household goods (4.9%), healthcare (3.0%), and recreation (2.2%) offset slower food and transport inflation and a steeper subsidy-driven fall in electricity prices (-2.4%).
- → China's inflation rate finished the quarter close to where it started (1.0% to 0.9%) after readings of 0.5% in July and 0.8% in August. Demand remains weak in China though, given continued issues in the property sector, a weak labor market especially among young people, and a focus on savings given the uncertainties.

[1] Source: Bloomberg. Data is as of September 2026 except for Japan which is as of August 2026.

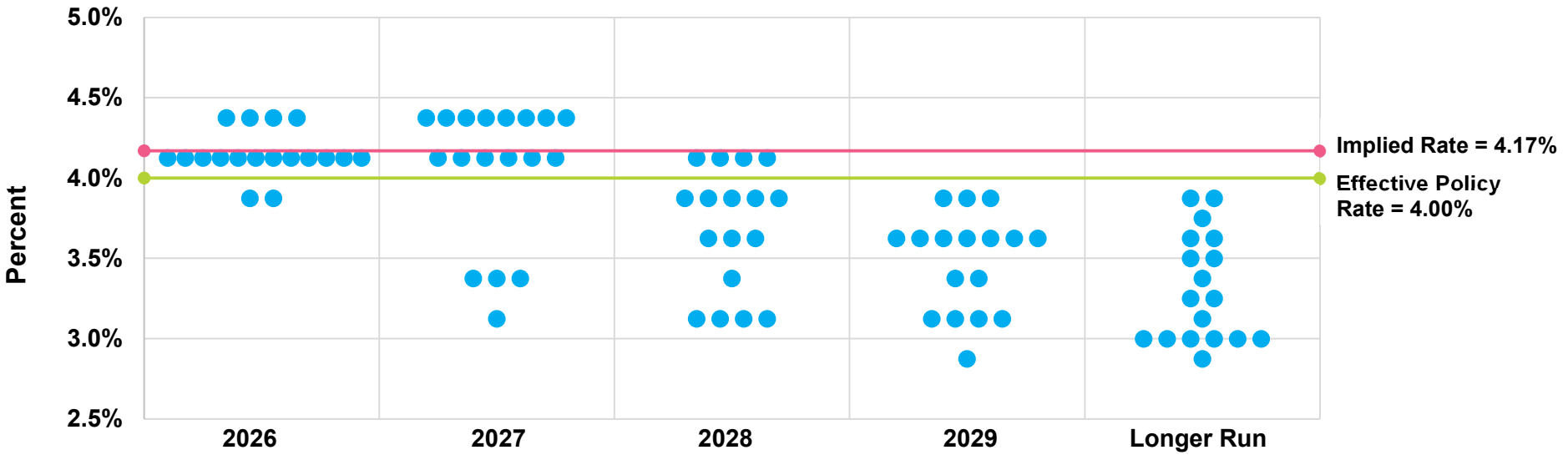
## Global Policy Rates[1]




- → Global monetary policy tightened in the third quarter, as the Federal Reserve, the European Central Bank (ECB), and the Bank of Japan (BOJ) each raised rates by 0.25% in September.
- → The Federal Reserve raised its policy rate to 3.75%–4.00%, its first increase since 2023, as inflation remained above target. Markets are assigning a high probability of an additional rate hike in December and possibly two more next year.
- → The ECB raised its deposit rate to 2.50%, citing the Middle East conflict, while the Bank of England (BOE) held at 3.75%. Both economies are expected to continue to raise rates through next year, particularly the ECB.
- → The BOJ raised its policy rate to 1.25%, the highest since 1995, given imported inflation risks from higher oil prices and a weak yen. It is also expected to continue to increase interest rates next year.
- → China is expected to remain accommodative, with the 7-day reverse repo rate held at a record-low 1.40% since May 2025 as subdued inflation and weak domestic growth point to further easing ahead. The central bank continues to support bank liquidity with renewed liquidity injections.

[1] Source: Bloomberg. Data is as of September 30, 2026. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the PBOC 7-day Reverse Repo Rate. UK rate is the UK Bank of England Official Bank Rate.

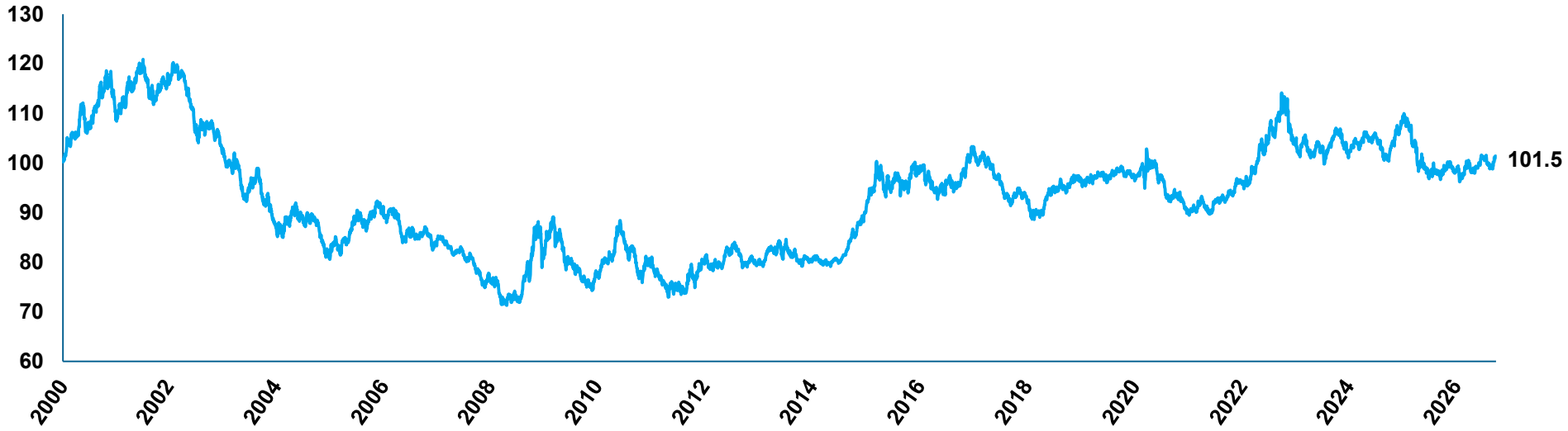
## Federal Reserve Dot Plot[1]




- → The Federal Reserve's dot plot reflects expectations for interest rates by each member across various periods. The September projections shifted higher, with no participant anticipating cuts in 2026.
- → The median projection for 2026 rose to 4.125% (from 3.75% in June), implying one additional 0.25% increase this year, with dots ranging from 3.875% to 4.375%. The market-implied rate of 4.17% is broadly in line with the median.
- → The median policy rate holds at 4.125% in 2027 before declining to 3.875% in 2028 and 3.625% in 2029, implying a slow path of easing. The longer-run median rose to 3.25% from June, though the wide dispersion of forecasts suggests policymakers remain divided on the pace and timing of future rate changes.

[1] Source: September 16, 2026, FOMC Summary of Economic Projections. Implied Rate and Effective Policy Rate are as of September 30, 2026, from Bloomberg.

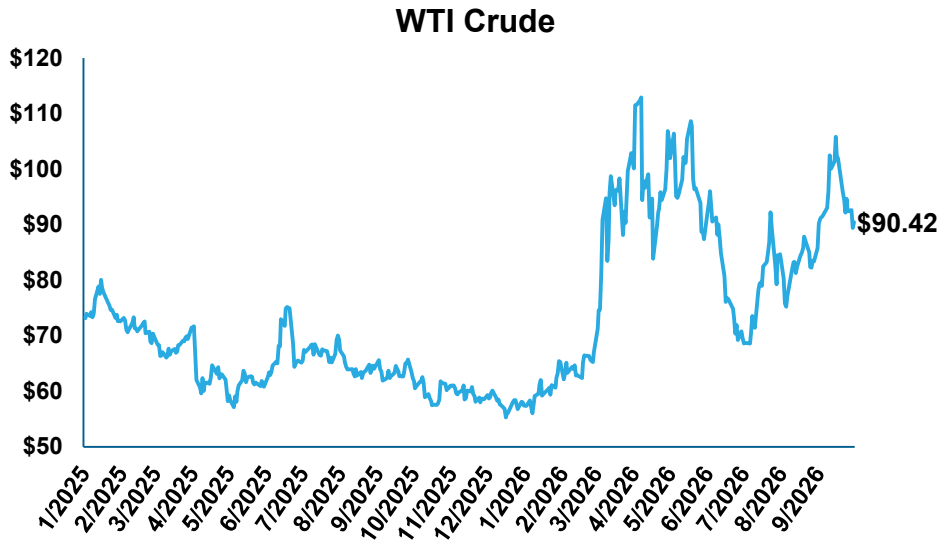
## US Dollar vs. Broad Currencies[1]

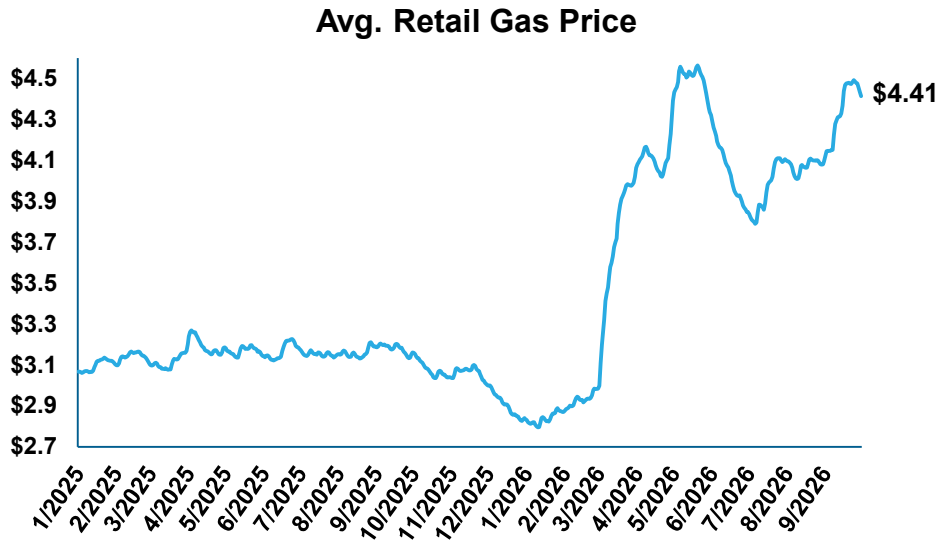



- → The US dollar finished the quarter close to where it started with declines in July and August balanced by a rally in September.
- → The Federal Reserve's rate increase and the rise in Treasury yields to their highest levels since 2007 supported the dollar later in the quarter.
- → Stronger relative growth, the rise in yields, AI optimism, and safe haven flows given geopolitical tensions could all act as further tailwinds to the dollar going forward.

[1] Source: Bloomberg. Data is as of September 30, 2026.

## Gas and Oil[1]

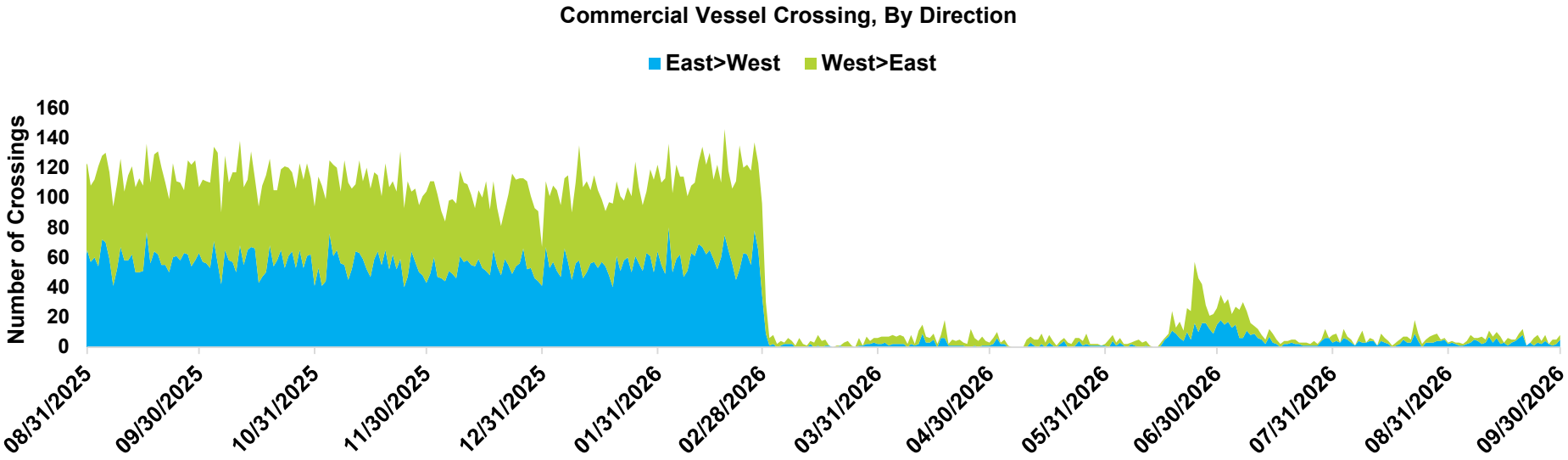



- → Oil prices rose close to 32% over the quarter given renewed tensions in the Middle East, with WTI crude increasing from $68.68 to $90.42/barrel after briefly topping $100 in the middle of September.
- → US retail gasoline prices rose from $4.10 to $4.41/gallon, nearing their May peak of $4.56. Diesel prices used heavily in transportation also remain elevated over $6.00/gallon. Higher fuel costs continue to weigh most on lower-income households, where fuel and other essential expenses represent a larger share of spending.

[1] Source: Bloomberg. Data is as of September 30, 2026.

## Daily Traffic Through the Strait of Hormuz[1]




- → The Strait of Hormuz is a key channel for the global distribution of oil with roughly 20% of global oil consumption (~20 million barrels a day, plus a comparable share of seaborne LNG) previously moving through the narrow channel.
- → Commercial traffic through the Strait of Hormuz dramatically fell at the end of February following the escalation of the US-Iran conflict and Iran's closure of the waterway, with vessel volume crossings falling from well over 100/day to under 10/day.
- → Activity rebounded briefly in June following the ceasefire but has since remained depressed through September, near the lows seen after the start of the conflict, given continued hostilities between the US and Iran.

[1] Source: Bloomberg. Data is as of September 30, 2026.

## Key Trends

- Global growth expectations remain fragile but broadly stable. The IMF projects global growth of 3.0% in 2026 (down from 3.1% in the April 2026 outlook) and 3.4% in 2027, as stronger AI-driven activity largely offsets the drag from the Middle East conflict. Global inflation is expected to rise to 4.7% in 2026 (from 4.1% in 2025) before easing to 3.9% in 2027, suggesting the disinflation trend has stalled. The IMF continues to view renewed Middle East escalation as the primary downside risk.
- Tighter monetary policy became a key theme in the third quarter, as the Fed, ECB, and BOJ all raised rates in September in response to energy-driven inflation pressures. The Fed entered 2026 expecting to cut rates and has instead begun hiking, a shift that helped push long-term yields to multi-decade highs. Chair Warsh continues to withhold forward guidance, leaving investors to infer the Fed's tolerance for inflation from incoming data, an ambiguity that is itself a source of volatility. Other key issues related to rates include growing fiscal deficits and the increased supply of corporate debt, particularly from AI-related companies.
- US consumers continue to show strain at the lower end, with gasoline above $4/gallon, higher borrowing costs, and a rising share of younger, rate-sensitive borrowers at risk of falling behind on debt. Wage growth has slowed to below the inflation rate, adding to pressures. The employment market seems stable for now but a pick-up in unemployment could add further pressures to the already very fragile situation.
- US equity leadership narrowed in the third quarter, with the "Magnificent Seven" rising 11.0% while the rest of the S&P 500 declined 2.4%. The divergence leaves index returns increasingly concentrated in a handful of names, and into the fourth quarter that concentration remains a principal risk, with scrutiny centered on whether AI-related revenues can keep pace with the scale of capital spending.

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PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

**Credit Risk:** Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security).

**Duration:** Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

**Information Ratio:** This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

**Jensen's Alpha:** A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. Portfolio Return- [Risk Free Rate+Beta*(market return-Risk Free Rate)].

**Market Capitalization:** For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

**Market Weighted:** Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

**Maturity:** The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

**Prepayment Risk:** The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

**Price-Book Value (P/B) Ratio:** The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

**Price-Earnings (P/E) Ratio:** A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about it's future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

**Quality Rating:** The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

**Sharpe Ratio:** A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

**STIF Account:** Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

**Standard Deviation:** A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

**Style:** The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

**Tracking Error:** A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

**Yield to Maturity:** The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a "basis book." For example, a 5% bond pays $5 a year interest on each $100 par value. To figure its current yield, divide $5 by $95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay $100 for the bond that can be bought now for $95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{\text{5\% (discount)}}{\text{5 (yrs. to maturity)}} = \text{1\% pro rata, plus 5.26\% (current yield)} = \text{6.26\% (yield to maturity)}$$

**Yield to Worst:** The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

**NCREIF Property Index (NPI):** Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

**NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE):** Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: Investment Terminology, International Foundation of Employee Benefit Plans, 1999.
The Handbook of Fixed Income Securities, Fabozzi, Frank J., 1991

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.

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# Austin Firefighters Retirement Fund
## Operating Budget
## Fiscal Year 2026

| | Approved Budget | Jan - Sep Expensed | Remaining Budget | Percent Expended |
|---|---|---|---|---|
| **Administrative Expenses** | | | | |
| Salaries and Benefits | | | | |
| Salary - Staff | 890,360.00 | 656,665.04 | 233,694.96 | 73.75% |
| SEP Contribution | 129,808.00 | 98,499.75 | 31,308.25 | 75.88% |
| Health Insurance | 139,100.00 | 107,582.71 | 31,517.29 | 77.34% |
| Payroll Taxes | 71,300.00 | 47,126.77 | 24,173.23 | 66.10% |
| Health Insurance - Retired Staff | 6,000.00 | 1,046.28 | 4,953.72 | 17.44% |
| **Subtotal** | **1,236,568.00** | **910,920.55** | **325,647.45** | **73.67%** |
| SS Retiree Payroll Process Fees | 9,210.60 | 9,210.60 | - | 100.00% |
| Building | 11,390.00 | 6,687.94 | 4,702.06 | 58.72% |
| Utilities | 6,875.00 | 5,104.98 | 1,770.02 | 74.25% |
| Office Expenses | 20,200.00 | 11,248.92 | 8,951.08 | 55.69% |
| Computer and Software | 39,229.00 | 16,303.54 | 22,925.46 | 41.56% |
| Insurance | 51,900.00 | 308.00 | 51,592.00 | 0.59% |
| Travel | 46,000.00 | 14,394.41 | 31,605.59 | 31.29% |
| Operational Cost | 31,820.00 | 16,225.67 | 15,594.33 | 50.99% |
| **Investment Expenses** | | | | |
| Financial Consulting Fee | 237,700.00 | 176,559.16 | 61,140.84 | 74.28% |
| Investment Management Fees | 1,650,000.00 | 1,210,172.99 | 439,827.01 | 73.34% |
| Bank Custodian Services | 142,000.00 | 60,175.67 | 81,824.33 | 42.38% |
| **Professional Services Expenses** | | | | |
| Accounting | 25,000.00 | 27,419.00 | (2,419.00) | 109.68% |
| Actuarial Fees | | | | |
| Actuarial Assistance | 36,751.25 | 16,751.25 | 20,000.00 | 45.58% |
| Actuarial Valuation | 47,400.00 | 23,700.00 | 23,700.00 | 50.00% |
| COLA & Additional Travel | 10,000.00 | - | 10,000.00 | 0.00% |
| Legal Fees | | | | |
| Administrative | 132,000.00 | 99,000.00 | 33,000.00 | 75.00% |
| Board Meeting | 18,000.00 | 12,000.00 | 6,000.00 | 66.67% |
| Investment Review | 57,383.50 | 57,383.50 | - | 100.00% |
| Statute, Rules, Policy and Plan Document Review & I | 125,000.00 | 45,430.50 | 79,569.50 | 36.34% |
| Legislative Consulting | 72,650.00 | 18,000.00 | 54,650.00 | 24.78% |
| Medical Disability Review | 10,100.00 | 1,500.00 | 8,600.00 | 14.85% |
| Pension Software | 763,065.72 | 533,549.29 | 229,516.43 | 69.92% |
| **Total Expenses** | **$ 4,780,243.07** | **$ 3,284,392.49** | **$ 1,495,850.58** | **68.71%** |

# Austin Firefighters Retirement Fund
# Contributions and Deductions (Unaudited)
# as of September 30, 2026

## Additions

| | |
|---|---|
| **Contributions** | |
| City of Austin Contribution (25.06%) | 23,836,639.48 |
| Fire Fighter Contribution (18.7%) | 18,417,741.31 |
| Interest -Bank | 280,696.67 |
| Commission Recapture | 8,693.41 |
| Class Action Proceeds | - |
| Securities Litigation Recovery | 125.08 |
| **Total Contributions** | **$ 42,543,895.95** |

## Deductions

| | |
|---|---|
| **Pension Retiree Payroll Expenses** | |
| Retirees Annuity | 45,702,642.39 |
| Medical Ins. | 2,477,218.26 |
| Dental Ins | 387,548.38 |
| Vision Ins. | 39,510.64 |
| Retiree W/H Tax Payable | 6,230,150.17 |
| Benevolent Fund | 57,560.00 |
| Union Dues | 13,149.58 |
| Misc. | 7,110.00 |
| PAC Dues | 24,509.80 |
| **Total Retiree Payroll Expenses** | **$ 54,939,399.22** |
| | |
| **Pension Lump Sum Expenses** | |
| Contribution Refunds | 548,060.62 |
| DROP Distributions | 31,538,479.35 |
| # of Requested DROP Distributions: 154 | |
| **Total Pension Lump Sum Expenses** | **$ 32,086,539.97** |

Austin Firefighters Retirement Fund
Profit & Loss vs Actual
January through September 2026

| | Total | | |
|---|---|---|---|
| | Jan - Sep | Budget | % of Budget |
| **Ordinary Income/Expense** | | | |
| **Income** | | | |
| City of Austin Contrib (25.06%) | 23,836,639.48 | 31,215,000.00 | 76.36% |
| Commission Recapture | 8,693.41 | 5,000.00 | 173.87% |
| Fire Fighter Contrib (18.7%) | 18,417,741.31 | 23,108,000.00 | 79.70% |
| Securities Litigation Recovery | 125.08 | | |
| **Other Income** | | | |
| Class Action Proceeds | 0.00 | 5,000.00 | 0.00% |
| Interest - Frost Bank | 7,868.05 | 10,000.00 | 78.68% |
| Interest - State Street | 239,543.61 | 300,000.00 | 79.85% |
| Securities Lending - State St. | 33,285.01 | 10,000.00 | 332.85% |
| **Total Income** | 42,543,895.95 | 54,653,000.00 | 77.84% |
| **Operating Expenses** | | | |
| **Administrative Expenses** | | | |
| **Payroll Expenses** | | | |
| Salary - Staff | 656,665.04 | 890,360.00 | 73.75% |
| SEP Contribution | 98,499.75 | 129,808.00 | 75.88% |
| Health Insurance - Staff | 107,582.71 | 139,100.00 | 77.34% |
| Taxes | 47,126.77 | 71,300.00 | 66.10% |
| Health Insurance - Retired Staff | 1,046.28 | 6,000.00 | 17.44% |
| **Total Payroll Expenses** | 910,920.55 | 1,236,568.00 | 73.67% |
| **SS Retiree Payroll Process Fees** | 9,210.60 | 9,210.60 | 100.00% |
| **Building Expenses** | | | |
| Assessment Toward Projects | 2,196.04 | 2,400.00 | 91.50% |
| Building Maintenance/Improvemen | 0.00 | 3,000.00 | 0.00% |
| Condo Association Dues | 4,491.90 | 5,990.00 | 74.99% |
| Utilities | | | |
| Electric | 1,341.19 | 2,250.00 | 59.61% |
| HVAC Program | 333.54 | 50.00 | 667.08% |
| Internet & Cable & Telephone | 2,974.03 | 3,600.00 | 82.61% |
| Water, Waste, Drainage | 456.22 | 975.00 | 46.79% |
| Total Utilities | 5,104.98 | 6,875.00 | 74.25% |
| **Total Building Expenses** | 11,792.92 | 18,265.00 | 64.57% |
| **Office Expenses** | | | |
| Furniture (FFE) | 0.00 | 2,000.00 | 0.00% |
| Meeting Refreshments | 996.88 | 1,000.00 | 99.69% |
| Notary Services | 0.00 | 250.00 | 0.00% |
| Office Maintenance | 1,603.25 | 3,600.00 | 44.53% |
| Office Supplies (Office supplies expense) | 920.21 | 2,500.00 | 36.81% |

Austin Firefighters Retirement Fund
Profit & Loss vs Actual
January through September 2026

| | Total | | |
|---|---|---|---|
| | Jan - Sep | Budget | % of Budget |
| Postage and Delivery | 4,097.58 | 6,000.00 | 68.29% |
| Printing and Reproduction | 3,631.00 | 4,850.00 | 74.87% |
| **Total Office Expenses** | 11,248.92 | 20,200.00 | 55.69% |
| **Computer and Internet Expenses** | | | |
| Hosting & Other Expenses | 929.74 | 3,000.00 | 30.99% |
| Laptop/Computer | 0.00 | 3,000.00 | 0.00% |
| Software/IT Services | 15,373.80 | 33,229.00 | 46.27% |
| **Total Computer and Internet Expenses** | 16,303.54 | 39,229.00 | 41.56% |
| **Insurance Expense** | | | |
| Board & Directors Liability Ins | 0.00 | 37,500.00 | 0.00% |
| Commercial | 272.00 | 2,600.00 | 10.46% |
| Cybersecurity Ins. | 0.00 | 10,500.00 | 0.00% |
| Workers Comp Ins. (Workers Comp) | 36.00 | 1,300.00 | 2.77% |
| **Total Insurance Expense** | 308.00 | 51,900.00 | 0.59% |
| **Travel Expense** | | | |
| Lodging/Transportation/Per Diem | 7,189.41 | 25,000.00 | 28.76% |
| Registration fees | 7,205.00 | 21,000.00 | 34.31% |
| **Total Travel Expense** | 14,394.41 | 46,000.00 | 31.29% |
| **Operational Cost** | | | |
| Association Fees (TXPERS /NCEPRS/NASRA) | 9,495.00 | 9,495.00 | 100.00% |
| Election Services | 0.00 | 4,900.00 | 0.00% |
| Death Verification Services | 6,992.00 | 7,025.00 | 99.53% |
| Operational Cost - Other | -261.33 | 10,400.00 | -2.51% |
| **Total Operational Cost** | 16,225.67 | 31,820.00 | 50.99% |
| **Investment Expenses** | | | |
| Bank Custodian Services | 60,175.67 | 142,000.00 | 42.38% |
| Financial Consulting Fee | 176,559.16 | 237,700.00 | 74.28% |
| Investment Management Fees | 1,210,172.99 | 1,650,000.00 | 73.34% |
| **Total Investment Expenses** | 1,446,907.82 | 2,029,700.00 | 71.29% |
| **Professional Fees** | | | |
| Audit | 27,419.00 | 25,000.00 | 109.68% |
| Actuarial Fees | | | |
| Actuarial Assistance | 16,751.25 | 36,751.25 | 45.58% |
| Actuarial Valuation | 23,700.00 | 47,400.00 | 50.00% |
| COLA & Additional Travel | 0.00 | 10,000.00 | 0.00% |
| Total Actuarial Fees | 40,451.25 | 94,151.25 | 42.96% |

Austin Firefighters Retirement Fund
Profit & Loss vs Actual
January through September 2026

| | Total | | |
|---|---|---|---|
| | Jan - Sep | Budget | % of Budget |
| Legal Fees | | | |
| Administrative | 99,000.00 | 132,000.00 | 75.00% |
| Board Meeting | 12,000.00 | 18,000.00 | 66.67% |
| Investment Review | 57,383.50 | 57,383.50 | 100.00% |
| Statute, Rules, Policy and Plan Document Review & Update | 45,430.50 | 125,000.00 | 36.34% |
| Total Legal Fees | 226,160.52 | 332,383.50 | 68.04% |
| Legislative Consulting | 18,000.00 | 72,650.00 | 24.78% |
| Medical Disability Review | 1,500.00 | 10,100.00 | 14.85% |
| Pension Software | | | |
| Pension Software PG IV | 533,549.29 | 763,065.72 | 69.92% |
| **Total Professional Fees** | 847,080.06 | 1,297,350.47 | 65.29% |
| | | | |
| **Total Operating Expenses** | 3,284,392.49 | 4,780,243.07 | 68.71% |
| | | | |
| **Pension Retiree Payroll** | | | |
| Retirees Annuity | 45,702,642.39 | 61,000,000.00 | 74.92% |
| Medical Ins. | 2,477,218.26 | 3,300,000.00 | 75.07% |
| Dental Ins | 387,548.38 | 495,000.00 | 78.29% |
| Vision Ins. | 39,510.64 | 51,000.00 | 77.47% |
| Retiree W/H Tax Payable | 6,230,150.17 | 8,200,000.00 | 75.98% |
| Benevolent Fund | 57,560.00 | 59,000.00 | 97.56% |
| Misc. | 13,149.58 | 20,000.00 | 65.75% |
| PAC Dues | 7,110.00 | 9,000.00 | 79.00% |
| Union Dues | 24,509.80 | 30,000.00 | 81.70% |
| **Total Pension Retiree Payroll** | 54,939,399.22 | 73,164,000.00 | 75.09% |
| | | | |
| **Pension Lump Sum** | | | |
| Contribution Refunds | 548,060.62 | 1,000,000.00 | 54.81% |
| DROP Distributions | 31,538,479.35 | 37,000,000.00 | 85.24% |
| **Total Pension Lump Sum** | 32,086,539.97 | 38,000,000.00 | 84.44% |
| | | | |
| **Total Expense** | 90,310,331.68 | 115,944,243.07 | 77.89% |

# Austin Firefighters Retirement Fund
# Assets & Liabilities Report (Unaudited)
# as of September 30, 2026

## Assets

| | |
|---|---|
| Checking/Savings | |
| Frost Bank - Benefits | 244,516.86 |
| Frost Bank - Operating | 24,388.33 |
| State Street T009-Cash Agg | 44,884,743.42 |
| Total Checking/Savings | 45,153,648.61 |
| | |
| Investments, at fair value | |
| Domestic Equites | 302,960,272.33 |
| Fixed Income Securities | 379,585,809.25 |
| International Equities | 303,809,983.68 |
| Real Asset | 17,907,603.77 |
| Private Equity | 139,275,360.41 |
| Real Estate | 93,961,316.81 |
| Total Investments | 1,237,500,346.25 |
| | |
| **Total Assets** | **$ 1,282,653,994.86** |

## Liabilities

| | |
|---|---|
| Current Liabilities | |
| Payroll Liabilities | 252.00 |
| Operating Admin Liabilities | 1,497.00 |
| Investment Liabilities | 161,843.76 |
| Professional Liabilities | 35,399.60 |
| | |
| Long Term Liabilities | |
| DROP (Guaranteed 5%) | 164,299,144.30 |
| % of Total Assets | 12.81% |
| **Total Liabilities** | **$ 164,498,136.66** |

# Austin Firefighters Retirement Fund
## Balance Sheet
## As of September 30, 2026

| | September |
|---|---|
| **ASSETS** | |
| **Current Assets** | |
| **Checking/Savings** | |
| **Frost Bank - Benefits** | 244,516.86 |
| **Frost Bank - Operating** | 24,388.33 |
| **State Street T009-Cash Agg** | 44,884,743.42 |
| **Total Checking/Savings** | 45,153,648.61 |
| **Other Current Assets** | |
| **Investments** | |
| **DEQ** | |
| **SSgA S&P 500 Flagship Fund** | 171,312,336.78 |
| **VAUGHAN NELSON** | 66,105,254.21 |
| **Westfield Capital Management** | 65,542,681.34 |
| **Total DEQ** | 302,960,272.33 |
| **FI** | |
| **ABERDEEN** | 77,657,627.25 |
| **Loomis Sayles Core Plus Bond** | 49,567,834.11 |
| **Pacific Asset Management** | 27,373,062.50 |
| **Pyramis Tactical Bond (Fidelity** | 28,698,755.85 |
| **SSgA Bond Fund** | 140,781,239.89 |
| **SSGA TIPS** | 55,507,289.65 |
| **Total FI** | 379,585,809.25 |
| **IEQ** | |
| **Baillie Gifford** | 22,645,508.33 |
| **DFA Emerging Markets** | 32,766,624.50 |
| **DFA International Small Company** | 32,308,840.07 |
| **MSCI Emerging MKTS Index SL** | 50,064,581.54 |
| **SSgA MSCI EAFE Fund** | 166,024,429.24 |
| **TT International** | 0.00 |
| **Total IEQ** | 303,809,983.68 |
| **NR** | |
| **Aether Real Assets II** | 1,103,546.73 |
| **Aether Real Assets III** | 5,395,096.21 |
| **Aether Real Assets IV** | 6,724,245.48 |
| **Aether Real Assets V** | 4,684,715.35 |
| **Total NR** | 17,907,603.77 |
| **PE** | |
| **57 Stars Global Opportunity** | 3,249,235.13 |
| **Arcmont (Bluebay)Direct Lending** | 1,856,023.04 |
| **Constitution Ironsides Fund VII (50/50)** | 11,753,792.40 |
| **Constitution Ironsides III** | 1,637,341.30 |
| **Cross Creek Capital Partners II** | 6,163,528.03 |
| **Cross Creek Capital Parts III** | 9,244,479.97 |
| **Deutsche Bank SOF III** | 1,422,283.53 |
| **Dover Street X** | 31,472,409.61 |
| **Greenspring Global Partners V** | 5,448,112.99 |
| **GREENSPRING VI** | 9,802,343.04 |

# Austin Firefighters Retirement Fund
## Balance Sheet
## As of September 30, 2026

| | |
|---|---|
| Harbourvest 2013 Direct | 2,106,173.05 |
| HarbourVest Coinvestment 4 | 5,025,011.97 |
| HighVista Flag V | 279,574.72 |
| HighVista Flag VI | 2,185,037.09 |
| LGT C Europe Small Buyouts 3 | 1,145,595.84 |
| LGT Crown Asia 2 | 3,388,523.82 |
| LGT Crown Global Secondaries 2 | 74,520.38 |
| LGT Crown Global VI | 18,142,061.21 |
| LGT Global Secondaries III | 1,161,427.57 |
| Partners Group EM 2015 | 4,145,874.88 |
| Partners Group US Dist PE 2009 | 51,135.00 |
| Private Advisors Co-Inv FundIII | 0.00 |
| Private Equity Investors V | 1,150,771.70 |
| SVB Strategic Investors Fund IX | 18,370,104.14 |
| Total PE | 139,275,360.41 |
| RE | |
| Clarion Partners | 63,525,247.99 |
| Crow Holdings Realty Partners X | 16,451,045.39 |
| Partners Group Distressed '09 | 0.00 |
| Partners Group RE Second 2011 | 88,573.74 |
| Partners Group RE Second 2017 | 10,618,151.17 |
| Portfolio Advisors Fund 5 | 3,278,298.52 |
| Total RE | 93,961,316.81 |
| Total Investments | 1,237,500,346.25 |
| QuickBooks Tax Holding Account | 0.00 |
| Total Other Current Assets | 1,237,500,346.25 |
| Total Current Assets | 1,282,653,994.86 |
| TOTAL ASSETS | **1,282,653,994.86** |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Other Current Liabilities | |
| Payroll Liabilities | 252.00 |
| Operating Admin Liabilities | 1,497.00 |
| Investment Liabilities | 161,843.76 |
| Professional Liabilities | 35,399.60 |
| Total Other Current Liabilities | 198,992.36 |
| Total Current Liabilities | 198,992.36 |
| Long Term Liabilities | |
| DROP (Guaranteed 5%) | 164,299,144.30 |
| % of Total Assets | 12.81% |
| Total Long Term Liabilities | 164,299,144.30 |
| Total Liabilities | **164,498,136.66** |

# Austin Firefighters Retirement Fund
# General Ledger
### September 2026

| Date | Name | Memo/Description | Split | Amount | Balance |
|---|---|---|---|---|---|
| **Frost Bank - Benefits** | | | | | |
| Beginning Balance | | | | | **$ 228,747.49** |
| 09/02/2026 | Austin FF Relief & Retirement | Transfer to Operating | Frost Bank - Operating | -100,000.00 | 128,747.49 |
| 09/11/2026 | Austin FF Relief & Retirement | Transfer to Operating | Frost Bank - Operating | -150,000.00 | -21,252.51 |
| 09/11/2026 | Austin FF Relief & Retirement | Transfer to State Street | State Street T009-Cash Agg | -1,825,000.00 | -1,846,252.51 |
| 09/11/2026 | City of Austin | City and Member's Contributions | -Split- | 2,077,262.16 | 231,009.65 |
| 09/15/2026 | Austin FF Relief & Retirement | G. Truesdell Reimbursement of Benefits | Monthly Pension Retiree Payroll:Retirees Annuity | 21,903.43 | 252,913.08 |
| 09/25/2026 | City of Austin | City and Member's Contributions | -Split- | 2,063,270.55 | 2,316,183.63 |
| 09/25/2026 | Austin FF Relief & Retirement | Transfer to Operating | Frost Bank - Operating | -100,000.00 | 2,216,183.63 |
| 09/25/2026 | Austin FF Relief & Retirement | Transfer to State Street | State Street T009-Cash Agg | -1,971,903.43 | 244,280.20 |
| 09/30/2026 | Frost Bank | Interest Sep 2026 | Interest:Interest - Frost Bank | 236.66 | 244,516.86 |
| **Total for Frost Bank - Benefits** | | | | **$ 15,769.37** | **$ 244,516.86** |
| **Frost Bank - Operating** | | | | | |
| Beginning Balance | | | | | **$ 37,914.11** |
| 09/01/2026 | Parkstone Office Condominiu | Aug 2026 | -Split- | -960.76 | 36,953.35 |
| 09/01/2026 | American Express | Aug 2026 | -Split- | -5,655.83 | 31,297.52 |
| 09/02/2026 | Jackson Walker | Forms and Participant Communication Jul 2026 | Professional Fees:Legal Fees:Summary Plan Descr, Recor | -3,887.00 | 27,410.52 |
| 09/02/2026 | Cheiron | Non-Retainer Services Jun 2026: Post-retirement I | Professional Fees:Actuarial Fees:Actuarial Assistance | -7,073.75 | 20,336.77 |
| 09/02/2026 | Jackson Walker | Forms and Participant Communication | Professional Fees:Legal Fees:Statute, Rules, Policy and Pl | -9,920.00 | 10,416.77 |
| 09/02/2026 | Jackson Walker | IFM Global Infrastructure (US), L.P. | Professional Fees:Legal Fees:Investment Review | -7,448.50 | 2,968.27 |
| 09/02/2026 | Jani-King of Austin | Sep 2026 | Office Expenses:Office Maintenance | -297.00 | 2,671.27 |
| 09/02/2026 | Schlueter Group of Texas | Legislative Consulting | Professional Fees:Legislative Consulting | -4,000.00 | -1,328.73 |
| 09/02/2026 | Fidelity | Q2 2026 Investment Management Fees | Fees:Investment Management Fees | -23,676.18 | -25,004.91 |
| 09/02/2026 | Meketa Investments | Sep 2026 | Fees:Financial Consulting Fee | -20,147.60 | -45,152.51 |
| 09/02/2026 | Austin FF Relief & Retirement | Transfer to Operating | Frost Bank - Benefits | 100,000.00 | 54,847.49 |
| 09/09/2026 | Austin FF Relief & Retirement | L. Adney Reimbursement Payment Sep 2026 | Payroll Expenses:Health Insurance - Retired Staff | 125.00 | 54,972.49 |
| 09/09/2026 | Austin FF Relief & Retirement | L. Adney Health Insurance Payment Sep 2026 | Payroll Expenses:Health Insurance - Retired Staff | 218.90 | 55,191.39 |

| | | | | | |
|---|---|---|---|---|---|
| 09/11/2026 | Levi Ray & Shoup | Payment #15 Implementation Services Sep 2026 | Professional Fees:Pension Software PG IV | -152,016.43 | -96,825.04 |
| 09/11/2026 | Austin FF Relief & Retirement | Transfer to Operating | Frost Bank - Benefits | 150,000.00 | 53,174.96 |
| 09/14/2026 | TASC (FSA Health Care) | FSA Sep 2026 | -Split- | -483.32 | 52,691.64 |
| 09/14/2026 | City of Austin | Health Insurance Sep 2026 | -Split- | -12,779.26 | 39,912.38 |
| 09/14/2026 | City of Austin | Health Insurance Retired Staff Sep 2026 | Payroll Expenses:Health Insurance - Retired Staff | -470.42 | 39,441.96 |
| 09/17/2026 | Frost Bank | Bank Service Charges Sep 2026 | Operational Cost:Bank Service Charges | -219.23 | 39,222.73 |
| 09/21/2026 | Montemayor Britton Bender | Progress Bill, Schedule of Pension Amounts Audit | Professional Fees:Accounting:Audit | -4,794.00 | 34,428.73 |
| 09/23/2026 | Complete IT | Aug 2026 | Computer and Internet Expenses:Software/IT Services | -1,509.50 | 32,919.23 |
| 09/23/2026 | Xerox | Sep 2026 | Operational Cost | -36.07 | 32,883.16 |
| 09/23/2026 | Shira K. Herbert | Computer Monitor | Computer and Internet Expenses:Laptop/Computer | -173.19 | 32,709.97 |
| 09/25/2026 | Fidelity | Sep 2026 | Payroll Expenses:SEP Contribution | -11,065.25 | 21,644.72 |
| 09/25/2026 | Jackson Walker | Board Meeting Aug 2026 | Professional Fees:Legal Fees:Board Meeting | -1,500.00 | 20,144.72 |
| 09/25/2026 | Austin FF Relief & Retirement | Transfer to Operating | Frost Bank - Benefits | 100,000.00 | 120,144.72 |
| 09/25/2026 | Jackson Walker | Administrative Sep 2026 | Professional Fees:Legal Fees:Administrative | -11,000.00 | 109,144.72 |
| 09/29/2026 | Austin FF Relief & Retirement | Union Reimbursement for Legislative Consulting S | Professional Fees:Legislative Consulting | 2,000.00 | 111,144.72 |
| 09/29/2026 | Payroll | Pay Period: 09/01/2026-09/30/2026 | Direct Deposit Payable | -57,065.13 | 54,079.59 |
| 09/29/2026 | Payroll | Tax Payment for Period: 09/01/2026-09/30/2026 | Payroll Liabilites: Federal Taxes (941/943/944) | -19,845.49 | 34,234.10 |
| 09/30/2026 | Parkstone Office Condominiu | Sep 2026 | -Split- | -987.63 | 33,246.47 |
| 09/30/2026 | American Express | Sep 2026 | -Split- | -8,858.14 | 24,388.33 |
| **Total for Frost Bank - Operating** | | | | **-$ 13,525.78** | **$ 24,388.33** |

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# Austin Firefighters Retirement Fund
## Operating Budget
## Fiscal Year 2026

| | Approved Budget | Jan - Oct Expensed | Remaining Budget | Percent Expended |
|---|---|---|---|---|
| **Administrative Expenses** | | | | |
| Salaries and Benefits | | | | |
| Salary - Staff | 890,360.00 | 730,433.38 | 159,926.62 | 82.04% |
| SEP Contribution | 129,808.00 | 109,565.00 | 20,243.00 | 84.41% |
| Health Insurance | 139,100.00 | 120,090.33 | 19,009.67 | 86.33% |
| Payroll Taxes | 71,300.00 | 51,106.52 | 20,193.48 | 71.68% |
| Health Insurance - Retired Staff | 6,000.00 | 1,172.80 | 4,827.20 | 19.55% |
| **Subtotal** | **1,236,568.00** | **1,012,368.03** | **224,199.97** | **81.87%** |
| SS Retiree Payroll Process Fees | 9,210.60 | 9,210.60 | - | 100.00% |
| Building | 11,390.00 | 7,472.24 | 3,917.76 | 65.60% |
| Utilities | 6,875.00 | 5,327.80 | 1,547.20 | 77.50% |
| Office Expenses | 20,200.00 | 11,575.66 | 8,624.34 | 57.31% |
| Computer and Software | 39,229.00 | 17,786.29 | 21,442.71 | 45.34% |
| Insurance | 51,900.00 | 308.00 | 51,592.00 | 0.59% |
| Travel | 46,000.00 | 14,394.41 | 31,605.59 | 31.29% |
| Operational Cost | 31,820.00 | 16,493.17 | 15,326.83 | 51.83% |
| **Investment Expenses** | | | | |
| Financial Consulting Fee | 237,700.00 | 196,706.76 | 40,993.24 | 82.75% |
| Investment Management Fees | 1,650,000.00 | 1,372,016.75 | 277,983.25 | 83.15% |
| Bank Custodian Services | 142,000.00 | 92,451.81 | 49,548.19 | 65.11% |
| **Professional Services Expenses** | | | | |
| Accounting | 25,000.00 | 24,500.00 | 500.00 | 98.00% |
| Actuarial Fees | | | | |
| Actuarial Assistance | 36,751.25 | 16,751.25 | 20,000.00 | 45.58% |
| Actuarial Valuation | 47,400.00 | 35,550.00 | 11,850.00 | 75.00% |
| COLA & Additional Travel | 10,000.00 | - | 10,000.00 | 0.00% |
| Legal Fees | | | | |
| Administrative | 132,000.00 | 110,000.00 | 22,000.00 | 83.33% |
| Board Meeting | 18,000.00 | 12,000.00 | 6,000.00 | 66.67% |
| Investment Review | 57,383.50 | 57,383.50 | - | 100.00% |
| Statute, Rules, Policy and Plan Document Review & I | 125,000.00 | 62,557.50 | 62,442.50 | 50.05% |
| Legislative Consulting | 72,650.00 | 20,000.00 | 52,650.00 | 27.53% |
| Medical Disability Review | 10,100.00 | 1,500.00 | 8,600.00 | 14.85% |
| Pension Software | 763,065.72 | 533,549.29 | 229,516.43 | 69.92% |
| **Total Expenses** | **$ 4,780,243.07** | **$ 3,642,249.58** | **$ 1,137,993.49** | **76.19%** |

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# Austin Firefighters Retirement Fund
# Contributions and Deductions (Unaudited)
# as of October 31, 2026

## Additions

| | |
|---|---|
| **Contributions** | |
| City of Austin Contribution (25.06%) | 25,942,654.10 |
| Fire Fighter Contribution (18.7%) | 20,524,659.83 |
| Interest -Bank | 302,687.75 |
| Commission Recapture | 16,529.99 |
| Class Action Proceeds | - |
| Securities Litigation Recovery | 125.08 |
| **Total Contributions** | **$ 46,786,656.75** |

## Deductions

| | |
|---|---|
| **Pension Retiree Payroll Expenses** | |
| Retirees Annuity | 50,869,495.01 |
| Medical Ins. | 2,755,682.51 |
| Dental Ins | 431,525.75 |
| Vision Ins. | 44,012.10 |
| Retiree W/H Tax Payable | 6,930,670.76 |
| Benevolent Fund | 57,560.00 |
| Union Dues | 13,949.58 |
| Misc. | 7,930.00 |
| PAC Dues | 28,930.68 |
| **Total Retiree Payroll Expenses** | **$ 61,139,756.39** |
| | |
| **Pension Lump Sum Expenses** | |
| Contribution Refunds | 548,060.62 |
| DROP Distributions | 33,774,927.58 |
| # of Requested DROP Distributions: 168 | |
| **Total Pension Lump Sum Expenses** | **$ 34,322,988.20** |

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Austin Firefighters Retirement Fund
Profit & Loss vs Actual
January through October 2026

| | Total | | |
|---|---|---|---|
| | Jan - Oct | Budget | % of Budget |
| **Ordinary Income/Expense** | | | |
| **Income** | | | |
| City of Austin Contrib (25.06%) | 25,942,654.10 | 31,215,000.00 | 83.11% |
| Commission Recapture | 16,529.99 | 5,000.00 | 330.60% |
| Fire Fighter Contrib (18.7%) | 20,524,659.83 | 23,108,000.00 | 88.82% |
| Securities Litigation Recovery | 125.08 | | |
| **Other Income** | | | |
| Class Action Proceeds | 0.00 | 5,000.00 | 0.00% |
| Interest - Frost Bank | 8,844.72 | 10,000.00 | 88.45% |
| Interest - State Street | 257,083.16 | 300,000.00 | 85.69% |
| Securities Lending - State St. | 36,759.87 | 10,000.00 | 367.60% |
| **Total Income** | 46,786,656.75 | 54,653,000.00 | 85.61% |
| **Operating Expenses** | | | |
| **Administrative Expenses** | | | |
| **Payroll Expenses** | | | |
| Salary - Staff | 730,433.38 | 890,360.00 | 82.04% |
| SEP Contribution | 109,565.00 | 129,808.00 | 84.41% |
| Health Insurance - Staff | 120,090.33 | 139,100.00 | 86.33% |
| Taxes | 51,106.52 | 71,300.00 | 71.68% |
| Health Insurance - Retired Staff | 1,172.80 | 6,000.00 | 19.55% |
| **Total Payroll Expenses** | 1,012,368.03 | 1,236,568.00 | 81.87% |
| **SS Retiree Payroll Process Fees** | 9,210.60 | 9,210.60 | 100.00% |
| **Building Expenses** | | | |
| Assessment Toward Projects | 2,481.24 | 2,400.00 | 103.39% |
| Building Maintenance/Improvemen | 0.00 | 3,000.00 | 0.00% |
| Condo Association Dues | 4,991.00 | 5,990.00 | 83.32% |
| Utilities | | | |
| Electric | 1,514.10 | 2,250.00 | 67.29% |
| HVAC Program | 333.54 | 50.00 | 667.08% |
| Internet & Cable & Telephone | 2,974.03 | 3,600.00 | 82.61% |
| Water, Waste, Drainage | 506.13 | 975.00 | 51.91% |
| Total Utilities | 5,327.80 | 6,875.00 | 77.50% |
| **Total Building Expenses** | 12,800.04 | 18,265.00 | 70.08% |
| **Office Expenses** | | | |
| Furniture (FFE) | 0.00 | 2,000.00 | 0.00% |
| Meeting Refreshments | 1,026.62 | 1,000.00 | 102.66% |
| Notary Services | 0.00 | 250.00 | 0.00% |
| Office Maintenance | 1,900.25 | 3,600.00 | 52.78% |
| Office Supplies (Office supplies expense) | 920.21 | 2,500.00 | 36.81% |

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Austin Firefighters Retirement Fund
Profit & Loss vs Actual
January through October 2026

| | Total | | |
|---|---|---|---|
| | Jan - Oct | Budget | % of Budget |
| Postage and Delivery | 4,097.58 | 6,000.00 | 68.29% |
| Printing and Reproduction | 3,631.00 | 4,850.00 | 74.87% |
| **Total Office Expenses** | 11,575.66 | 20,200.00 | 57.31% |
| **Computer and Internet Expenses** | | | |
| Hosting & Other Expenses | 929.74 | 3,000.00 | 30.99% |
| Laptop/Computer | 0.00 | 3,000.00 | 0.00% |
| Software/IT Services | 16,856.55 | 33,229.00 | 50.73% |
| **Total Computer and Internet Expenses** | 17,786.29 | 39,229.00 | 45.34% |
| **Insurance Expense** | | | |
| Board & Directors Liability Ins | 0.00 | 37,500.00 | 0.00% |
| Commercial | 272.00 | 2,600.00 | 10.46% |
| Cybersecurity Ins. | 0.00 | 10,500.00 | 0.00% |
| Workers Comp Ins. (Workers Comp) | 36.00 | 1,300.00 | 2.77% |
| **Total Insurance Expense** | 308.00 | 51,900.00 | 0.59% |
| **Travel Expense** | | | |
| Lodging/Transportation/Per Diem | 7,189.41 | 25,000.00 | 28.76% |
| Registration fees | 7,205.00 | 21,000.00 | 34.31% |
| **Total Travel Expense** | 14,394.41 | 46,000.00 | 31.29% |
| **Operational Cost** | | | |
| Association Fees (TXPERS /NCEPRS/NASRA) | 9,495.00 | 9,495.00 | 100.00% |
| Election Services | 0.00 | 4,900.00 | 0.00% |
| Death Verification Services | 6,992.00 | 7,025.00 | 99.53% |
| Operational Cost - Other | 6.17 | 10,400.00 | 0.06% |
| **Total Operational Cost** | 16,493.17 | 31,820.00 | 51.83% |
| **Investment Expenses** | | | |
| Bank Custodian Services | 92,451.81 | 142,000.00 | 65.11% |
| Financial Consulting Fee | 196,706.76 | 237,700.00 | 82.75% |
| Investment Management Fees | 1,372,016.75 | 1,650,000.00 | 83.15% |
| **Total Investment Expenses** | 1,661,175.32 | 2,029,700.00 | 81.84% |
| **Professional Fees** | | | |
| Audit | 24,500.00 | 25,000.00 | 98.00% |
| Actuarial Fees | | | |
| Actuarial Assistance | 16,751.25 | 36,751.25 | 45.58% |
| Actuarial Valuation | 35,550.00 | 47,400.00 | 75.00% |
| COLA & Additional Travel | 0.00 | 10,000.00 | 0.00% |
| Total Actuarial Fees | 52,301.25 | 94,151.25 | 55.55% |

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Austin Firefighters Retirement Fund
Profit & Loss vs Actual
January through October 2026

| | Total | | |
|---|---|---|---|
| | Jan - Oct | Budget | % of Budget |
| Legal Fees | | | |
| Administrative | 110,000.00 | 132,000.00 | 83.33% |
| Board Meeting | 12,000.00 | 18,000.00 | 66.67% |
| Investment Review | 57,383.50 | 57,383.50 | 100.00% |
| Statute, Rules, Policy and Plan Document Review & Update | 62,557.50 | 125,000.00 | 50.05% |
| Total Legal Fees | 254,287.52 | 332,383.50 | 76.50% |
| Legislative Consulting | 20,000.00 | 72,650.00 | 27.53% |
| Medical Disability Review | 1,500.00 | 10,100.00 | 14.85% |
| Pension Software | | | |
| Pension Software PG IV | 533,549.29 | 763,065.72 | 69.92% |
| **Total Professional Fees** | 886,138.06 | 1,297,350.47 | 68.30% |
| **Total Operating Expenses** | 3,642,249.58 | 4,780,243.07 | 76.19% |
| **Pension Retiree Payroll** | | | |
| Retirees Annuity | 50,869,495.01 | 61,000,000.00 | 83.39% |
| Medical Ins. | 2,755,682.51 | 3,300,000.00 | 83.51% |
| Dental Ins | 431,525.75 | 495,000.00 | 87.18% |
| Vision Ins. | 44,012.10 | 51,000.00 | 86.30% |
| Retiree W/H Tax Payable | 6,930,670.76 | 8,200,000.00 | 84.52% |
| Benevolent Fund | 57,560.00 | 59,000.00 | 97.56% |
| Misc. | 13,949.58 | 20,000.00 | 69.75% |
| PAC Dues | 7,930.00 | 9,000.00 | 88.11% |
| Union Dues | 28,930.68 | 30,000.00 | 96.44% |
| **Total Pension Retiree Payroll** | 61,139,756.39 | 73,164,000.00 | 83.57% |
| **Pension Lump Sum** | | | |
| Contribution Refunds | 548,060.62 | 1,000,000.00 | 54.81% |
| DROP Distributions | 33,774,927.58 | 37,000,000.00 | 91.28% |
| **Total Pension Lump Sum** | 34,322,988.20 | 38,000,000.00 | 90.32% |
| **Total Expense** | 99,104,994.17 | 115,944,243.07 | 85.48% |

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# Austin Firefighters Retirement Fund
# Assets & Liabilities Report (Unaudited)
# as of October 31, 2026

## Assets

| | |
|---|---|
| Checking/Savings | |
| Frost Bank - Benefits | 238,720.67 |
| Frost Bank - Operating | 26,349.96 |
| State Street T009-Cash Agg | 4,447,578.30 |
| Total Checking/Savings | 4,712,648.93 |
| | |
| Investments, at fair value | |
| Domestic Equites | 302,960,272.33 |
| Fixed Income Securities | 379,585,809.25 |
| Infrastructure | 40,000,000.00 |
| International Equities | 303,809,983.68 |
| Real Asset | 17,266,681.77 |
| Private Equity | 136,960,462.40 |
| Real Estate | 92,806,265.81 |
| Total Investments | 1,273,389,475.24 |
| | |
| **Total Assets** | **$ 1,278,102,124.17** |

## Liabilities

| | |
|---|---|
| Current Liabilities | |
| Payroll Liabilities | 252.00 |
| Operating Admin Liabilities | 8,121.49 |
| Investment Liabilities | 233,505.82 |
| Professional Liabilities | 44,830.96 |
| | |
| Long Term Liabilities | |
| DROP (Guaranteed 5%) | 162,941,394.70 |
| % of Total Assets | 12.75% |
| **Total Liabilities** | **$ 163,228,104.97** |

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# Austin Firefighters Retirement Fund
## Balance Sheet
## As of October 31, 2026

| | October |
|---|---|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| Frost Bank - Benefits | 238,720.67 |
| Frost Bank - Operating | 26,349.96 |
| State Street T009-Cash Agg | 4,447,578.30 |
| Total Checking/Savings | 4,712,648.93 |
| Other Current Assets | |
| Investments | |
| DEQ | |
| SSgA S&P 500 Flagship Fund | 171,312,336.78 |
| VAUGHAN NELSON | 66,105,254.21 |
| Westfield Capital Management | 65,542,681.34 |
| Total DEQ | 302,960,272.33 |
| FI | |
| ABERDEEN | 77,657,627.25 |
| Loomis Sayles Core Plus Bond | 49,567,834.11 |
| Pacific Asset Management | 27,373,062.50 |
| Pyramis Tactical Bond (Fidelity | 28,698,755.85 |
| SSgA Bond Fund | 140,781,239.89 |
| SSGA TIPS | 55,507,289.65 |
| Total FI | 379,585,809.25 |
| IEQ | |
| Baillie Gifford | 22,645,508.33 |
| DFA Emerging Markets | 32,766,624.50 |
| DFA International Small Company | 32,308,840.07 |
| MSCI Emerging MKTS Index SL | 50,064,581.54 |
| SSgA MSCI EAFE Fund | 166,024,429.24 |
| TT International | 0.00 |
| Total IEQ | 303,809,983.68 |
| INFRA | |
| IFM Global Infrastructure | 40,000,000.00 |
| Total INFRA | 40,000,000.00 |
| NR | |
| Aether Real Assets II | 1,103,546.73 |
| Aether Real Assets III | 5,395,096.21 |
| Aether Real Assets IV | 6,322,632.48 |
| Aether Real Assets V | 4,445,406.35 |
| Total NR | 17,266,681.77 |
| PE | |
| 57 Stars Global Opportunity | 3,110,802.13 |
| Arcmont (Bluebay)Direct Lending | 1,856,023.04 |
| Constitution Ironsides Fund VII (50/50) | 12,572,846.09 |
| Constitution Ironsides III | 1,637,341.30 |
| Cross Creek Capital Partners II | 5,899,202.37 |
| Cross Creek Capital Parts III | 9,244,479.97 |
| Deutsche Bank SOF III | 1,422,283.53 |

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# Austin Firefighters Retirement Fund
## Balance Sheet
## As of October 31, 2026

| | |
|---|---|
| Dover Street X | 31,472,409.61 |
| Greenspring Global Partners V | 4,210,612.99 |
| GREENSPRING VI | 9,802,343.04 |
| Harbourvest 2013 Direct | 2,106,173.05 |
| HarbourVest Coinvestment 4 | 5,025,011.97 |
| HighVista Flag V | 179,449.28 |
| HighVista Flag VI | 2,185,037.09 |
| LGT C Europe Small Buyouts 3 | 1,145,595.84 |
| LGT Crown Asia 2 | 3,388,523.82 |
| LGT Crown Global Secondaries 2 | 74,520.38 |
| LGT Crown Global VI | 16,748,493.61 |
| LGT Global Secondaries III | 1,161,427.57 |
| Partners Group EM 2015 | 4,145,874.88 |
| Partners Group US Dist PE 2009 | 51,135.00 |
| Private Advisors Co-Inv FundIII | 0.00 |
| Private Equity Investors V | 1,150,771.70 |
| SVB Strategic Investors Fund IX | 18,370,104.14 |
| Total PE | 136,960,462.40 |
| RE | |
| Clarion Partners | 62,371,196.99 |
| Crow Holdings Realty Partners X | 16,450,045.39 |
| Partners Group Distressed '09 | 0.00 |
| Partners Group RE Second 2011 | 88,573.74 |
| Partners Group RE Second 2017 | 10,618,151.17 |
| Portfolio Advisors Fund 5 | 3,278,298.52 |
| Total RE | 92,806,265.81 |
| Total Investments | 1,273,389,475.24 |
| QuickBooks Tax Holding Account | 0.00 |
| Total Other Current Assets | 1,273,389,475.24 |
| Total Current Assets | 1,278,102,124.17 |
| **TOTAL ASSETS** | **1,278,102,124.17** |
| **LIABILITIES & EQUITY** | |
| Liabilities | |
| Current Liabilities | |
| Other Current Liabilities | |
| Payroll Liabilities | 252.00 |
| Operating Admin Liabilities | 8,121.49 |
| Investment Liabilities | 233,505.82 |
| Professional Liabilities | 44,830.96 |
| Total Other Current Liabilities | 286,710.27 |
| Total Current Liabilities | 286,710.27 |
| Long Term Liabilities | |
| DROP (Guaranteed 5%) | 162,941,394.70 |
| % of Total Assets | 12.75% |
| Total Long Term Liabilities | 162,941,394.70 |
| Total Liabilities | **163,228,104.97** |

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# Austin Firefighters Retirement Fund
# General Ledger
### October 2026

| Date | Name | Memo/Description | Split | Amount | Balance |
|---|---|---|---|---|---|
| **Frost Bank - Benefits** | | | | | |
| Beginning Balance | | | | | **$ 244,516.86** |
| 10/09/2026 | City of Austin | City and Member's Contributions | -Split- | 2,108,794.72 | 2,353,311.58 |
| 10/14/2026 | Austin FF Relief & Retirement | Transfer to State Street | State Street T009-Cash Agg | -1,900,000.00 | 453,311.58 |
| 10/14/2026 | Austin FF Relief & Retirement | Transfer to Operating | Frost Bank - Operating | -250,000.00 | 203,311.58 |
| 10/23/2026 | City of Austin | City and Member's Contributions | -Split- | 2,104,138.42 | 2,307,450.00 |
| 10/23/2026 | Austin FF Relief & Retirement | Transfer to State Street | State Street T009-Cash Agg | -2,000,000.00 | 307,450.00 |
| 10/23/2026 | Austin FF Relief & Retirement | Transfer to Operating | Frost Bank - Operating | -75,000.00 | 232,450.00 |
| 10/23/2026 | City of Austin | Schedule of Pension Amounts Audit Reports Reim | Professional Fees:Accounting:Audit | 4,794.00 | 237,244.00 |
| 10/29/2026 | City of Austin | Schedule of Pension Amounts Audit Reports Reim | Professional Fees:Accounting:Audit | 500.00 | 237,744.00 |
| 10/30/2026 | Frost Bank | Interest Oct 2026 | Interest:Interest - Frost Bank | 976.67 | 238,720.67 |
| **Total for Frost Bank - Benefits** | | | | **-$ 5,796.19** | **$ 238,720.67** |
| **Frost Bank - Operating** | | | | | |
| Beginning Balance | | | | | **$ 24,388.33** |
| 10/02/2026 | Jani-King of Austin | Oct 2026 | Office Expenses:Office Maintenance | -297.00 | 24,091.33 |
| 10/02/2026 | Schlueter Group of Texas | Legislative Consulting | Professional Fees:Legislative Consulting | -4,000.00 | 20,091.33 |
| 10/02/2026 | Shira K. Herbert | Meeting Refreshments | Office Expenses:Meeting Refreshments | -29.74 | 20,061.59 |
| 10/08/2026 | Austin FF Relief & Retirement | Deposit: Virtu Americas | Commission Recapture | 7,836.58 | 27,898.17 |
| 10/09/2026 | Austin FF Relief & Retirement | L. Adney Health Insurance Payment Oct 2026 | Payroll Expenses:Health Insurance - Retired Staff | 218.90 | 28,117.07 |
| 10/09/2026 | Austin FF Relief & Retirement | L. Adney Reimbursement Payment Oct 2026 | Payroll Expenses:Health Insurance - Retired Staff | 125.00 | 28,242.07 |
| 10/13/2026 | Austin FF Relief & Retirement | Union Reimbursement for Legislative Consulting | Professional Fees:Legislative Consulting | 2,000.00 | 30,242.07 |
| 10/14/2026 | Meketa Investments | Sep 2026 | Fees:Financial Consulting Fee | -20,147.60 | 10,094.47 |
| 10/14/2026 | Loomis Sayles Co. | Q3 2026 Investment Management Fees | Fees:Investment Management Fees | -37,150.95 | -27,056.48 |
| 10/14/2026 | Westfield Capital Management | Q3 2026 Investment Management Fees | Fees:Investment Management Fees | -124,692.81 | -151,749.29 |
| 10/14/2026 | City of Austin | Health Insurance Retired Staff Oct 2026 | Payroll Expenses:Health Insurance - Retired Staff | -470.42 | -152,219.71 |
| 10/14/2026 | TASC (FSA Health Care) | FSA Oct 2026 | -Split- | -483.32 | -152,703.03 |
| 10/14/2026 | City of Austin | Health Insurance Oct 2026 | -Split- | -12,861.76 | -165,564.79 |

| | | | | | |
|---|---|---|---|---|---|
| 10/14/2026 | Complete IT | Sep 2026 | Computer and Internet Expenses:Software/IT Service | -1,482.75 | -167,047.54 |
| 10/14/2026 | Austin FF Relief & Retirement | Transfer to Operating | Frost Bank - Benefits | 250,000.00 | 82,952.46 |
| 10/19/2026 | Frost Bank | Bank Service Charges Sep 2026 | Operational Cost:Bank Service Charges | -231.43 | 82,721.03 |
| 10/21/2026 | Cheiron | Q3 2026 Retainer Services | Professional Fees:Actuarial Fees:Actuarial Valuation | -11,850.00 | 70,871.03 |
| 10/21/2026 | Xerox | Oct 2026 | Operational Cost | -36.07 | 70,834.96 |
| 10/21/2026 | Jackson Walker | Disability Policy Review | Professional Fees:Legal Fees:Statute, Rules, Policy a | -12,857.50 | 57,977.46 |
| 10/21/2026 | Jackson Walker | Legislative Matters | Professional Fees:Legal Fees:Statute, Rules, Policy a | -4,269.50 | 53,707.96 |
| 10/22/2026 | Montemayor Britton Bender | Final Bill 2025 Audit | Professional Fees:Accounting:Audit | -500.00 | 53,207.96 |
| 10/22/2026 | Montemayor Britton Bender | 2025 Audit- Final Bill | Professional Fees:Accounting:Audit | -1,875.00 | 51,332.96 |
| 10/23/2026 | Austin FF Relief & Retirement | Transfer to Operating | Frost Bank - Benefits | 75,000.00 | 126,332.96 |
| 10/28/2026 | Fidelity | Oct 2026 | Payroll Expenses:SEP Contribution | -11,065.25 | 115,267.71 |
| 10/28/2026 | Jackson Walker | Administrative Sep 2026 | Professional Fees:Legal Fees:Administrative | -11,000.00 | 104,267.71 |
| 10/29/2026 | Payroll | Pay Period: 10/01/2026-10/31/2026 | Direct Deposit Payable | -57,065.11 | 47,202.60 |
| 10/29/2026 | Payroll | Tax Period: 10/01/2026-10/31/2026 | Payroll Liabilities: Federal Taxes (941/943/944) | -19,845.52 | 27,357.08 |
| 10/30/2026 | Parkstone Office Condominium | Oct 2026 | -Split- | -1,007.12 | 26,349.96 |
| **Total for Frost Bank - Operating** | | | | **$ 1,961.63** | **$ 26,349.96** |

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**Roadmap of Items for Board Meetings**

**November 2026 Board Meeting**

- Meketa 3Q26 Investment Performance Report
- Meketa Annual Fee Review
- Private Equity Program Structure Review
- Meketa Asset/Liability Study Discussion for 2027
- COLA analysis presentation
- Consider Approval and final adoption of Proposed Changes to Fund Rules
- Update on Initiatives for 2027 Legislative Session 90(R)

**December 2026 Board Meeting**

- Annual Performance Evaluation of the Executive Director
- Consider approval of proposed 2027 Budget
  *(Adoption of the AFRF Budget will have no direct impact on property tax rates)*
- Meketa 3Q26 Report (as needed)
- Pension Administration System (PAS) implementation/wrap-up update

**January 2027 Board Meeting**

- Place 3 Trustee appointment
- Election of Board Chair and Vice Chair for 2027
- Annual DROP Account Statements update
- Board meeting dates for 2027
- Pension Conferences for 2027
- 90(R) Texas Legislative Session Update

**February 2027 Board Meeting**

- Meketa 4Q26 Investment Performance Report
- Update on Investment Practices and Performance Evaluation (IPPE)
- Annual Ethics and Governance Policy Review
- Fund Newsletter

**May 2027 Board Meeting**

- Meketa 1Q27 Investment Performance Report
- 2026 Actuarial Valuation
- 2026 Financial Audit Report
- 2026 Annual Report
- Approve Investment Practices and Performance Evaluation (IPPE)

**Roadmap of Items for Committee Meetings**

**Investment Committee**

- Review of Private Equity Program Structure
- Update on Passive Framework 2.0
- Asset/Liability Study 2027
- Investment Practices and Performance Evaluation 2027

**Benefits Committee**

- 30-Month and Periodic disability benefit review
- Ongoing schedule for disability benefit reviews
- Disability Retirement Benefit Policy review

**Policy Committee**

- Post-retirement beneficiary designation process review
- Legislative priorities for 2027