AUSTIN FIREFIGHTERS RETIREMENT FUND

BOARD OF TRUSTEES MEETING
REGULAR MEETING AGENDA

Monday July 27, 2026, 8:30am

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 574 9163** and **password Jul2026,** or through a telephone conference call, **toll-free dial-in number 650-479-3208** with **access code 5852026.** 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 July 24, 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 June 2, 2026
    b. Service retirement benefits for new retirees, beneficiaries, and alternate payees

To Discuss and Possibly Act On

2. Receive report on Investment Committee meeting held June 25, 2026, regarding Meketa 1Q26 Investment Performance Report

3. Meketa Investment Training, including the following:
    a. Asset/Liability Study Introduction
    b. Private Real Estate vs. Public Real Estate (REITs)
    c. Private Equity Approach

4. Consider adoption of the December 31, 2025 Actuarial Valuation

5. Consider adoption of the 2025 Financial Audit

6. Consider adoption of the 2025 Annual Financial Report

7. Update on Pension Review Board (PRB) Report Submissions

8. Consider the 2026 Board of Trustee Election, including establishing an "Election Period"

9. Consider approval of proposed mid-year Amended Operating Budget for 2026

10. Receive report on Benefits Committee meeting held on July 14, 2026, including the following (Closed Session):

    a. Update on 30-Month Review for Continuation of Disability Retirement Benefit for Applicant #2023-01

    b. Periodic review of Disability Benefit for Applicant #2023-02

    c. Update on Disability Benefit Review for Applicant #2025-01

    d. Disability Review Log Discussion and Recommendation

11. Update on a Securities Litigation matter (Closed Session)

12. Consider priorities for 2027 Legislative Session

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

    a. General comments
    b. Pension Administration System (PAS) software implementation update
    c. Internal financial statements, transactions, and Fund expense reports for month ending May 31, 2026
    d. Internal financial statements, transactions, and Fund expense reports for month ending June 30, 2026

14. Roadmap for future meetings

15. 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
TUESDAY JUNE 2, 2026, 11:00AM

Board Members Present
Aaron Woolverton, Chair
Doug Fowler, Vice Chair
John Bass (virtual)
Ryan Alter
Andrew Ratoza

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
Maisie Sjabel, Jackson Walker

Community Members Present
Donald Lowe
Virtual attendees not listed

Chair Woolverton called the meeting to order at 11:07am.

Public Comments:

No public comments.

I. Consent Agenda for the following:

a. Minutes of the regular meeting of February 27, 2026

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

Chair Woolverton requested a moment of silence for the four retired firefighters who had passed since the last meeting in February. Vice Chair Fowler made a motion to approve both items on the consent agenda. Trustee Alter seconded the motion. The motion passed unanimously.

II. Receive report on Policy Committee Meeting held on April 9, 2026

Anumeha Kumar informed the board that the software transition had provided staff with an opportunity to audit member records that were being transferred over from the old system. She explained that during the audit, staff had identified some beneficiary designations that required correction, which brought to question the post-retirement beneficiary designation policy and the compliance of other Fund policies with the Internal Revenue Code. Ms. Kumar stated that the Policy Committee did not have any recommendations for the board at this meeting but would continue to review the policies for compliance and would bring a recommendation to a future meeting if warranted. No motion necessary.

III. Receive report on Benefits Committee meetings held on April 16 and May 20, 2026, including the following (Closed Session):

The board entered closed session at 11:11am pursuant to Texas Government Codes Section

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 11:46am with no action taken during the closed session.

a. Consider request for extension of 30-Month Review for Continuation of Disability Retirement Benefit for Applicant #2023-01

Chair Woolverton made a motion to approve the request for extension, extending the deadline for completion to June 30, 2026, and authorizing the Executive Director to terminate the benefit if the application was not filed by such date. Trustee Ratoza seconded the motion. The motion passed unanimously.

b. Periodic review of Disability Benefit for Applicant #2023-02

Chair Woolverton reported that there was no action to take. No motion necessary.

c. Update on Disability Benefit Review for Applicant #2025-01

Chair Woolverton made a motion to refer the disability benefit review for Applicant #2025-01 to the medical board. Vice Chair Fowler seconded the motion. The motion passed unanimously.

d. Consider matter regarding the beneficiary designation of a retired member

Chair Woolverton made a motion to terminate benefit payments that were based on an invalid beneficiary designation provided to the Fund. Vice Chair Fowler seconded the motion. The motion passed unanimously.

IV. Consider approval of proposed revisions to Fund Rules, including benefit payment options for Group B and actuarial equivalence tables for Groups A and B

Chair Woolverton reported that the proposed revisions to the Fund Rules were first approved at the January board meeting for member comment and were posted on the website accordingly. Anumeha Kumar stated that no comments had been received. Vice Chair Fowler made a motion to approve the revised Fund Rules. Trustee Ratoza seconded the motion. The motion passed unanimously.

V. Update on Legislative Priorities for 2027

Anumeha Kumar reported that the changes approved through the 2025 legislative session were being effectively implemented through the software transition. However, she explained, as the board reviewed recent disability retirement applications, they questioned best practices regarding the Fund's statutory provisions and policies. Ms. Kumar stated that with another legislative session coming up in 2027, the board would have an opportunity to make certain clean-up type changes to the disability retirement provision. If they wanted to pursue such changes, Ms. Kumar stated that she would present recommendations to the board at their July meeting, staff would inform the membership of any changes being considered, and the Benefits Committee would work to fine-tune any changes to take to the legislature. No motion necessary.

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

a. General comments

Anumeha Kumar addressed this item after Items VI.b through VI.e.

Ms. Kumar provided an administrative update to the board regarding communication the Fund had received from the City of Austin in March pertaining to its financial audit and the Fund's new COLA provision coming out of the 2025 legislative session. She explained that the City auditor had questioned the way the COLA provision had been reported as an actuarial assumption change only in the 2024 GASB 68 valuation. She further explained that while it had been reported appropriately according to reporting standards and the Fund's actuary, the City auditor requested that the cost associated with the COLA be added to the liability calculation, even though a COLA is not anticipated in the near future. Ms. Kumar stated that the Fund honored that request and made the change to the accounting valuation, adding $13 million to the liability. She stated that the Fund would also work more closely with the City before publishing future valuations to ensure that all parties agreed upon the best reporting standards to use for those more unique provisions.

b. Update on AFRF Direct member portal

Anumeha Kumar addressed this item after Items VI.c. through VI.e.

Ms. Kumar announced that the member portal had gone live and was being rolled out to retired members in phases. She reported that 178 of the 500 members who had been provided with enrollment PINs had since accessed the portal and those who offered feedback had reported a positive experience with navigation and usability. Ms. Kumar clarified that the portal was still being fine-tuned and that rollout to active members would begin in August.

c. Internal financial statements, transactions, and Fund expense reports for month ending February 28, 2026

Anumeha Kumar addressed this item with Items VI.d and VI.e.

d. Internal financial statements, transactions, and Fund expense reports for month ending March 31, 2026

Anumeha Kumar address this item with Items VI.c and VI.e.

e. Internal financial statements, transactions, and Fund expense reports for month ending April 30, 2026

Anumeha Kumar reported that all financial statements had been in line with the approved budget. She noted that last month there had been an incident with flooding in the office from the fire prevention system, which was caused due to delayed building maintenance. She stated that staff had been working with the building association and would work with both the HOA insurance and the Fund's insurance to determine the repair costs associated with that leak. She advised that she would report back to the board regarding any budgetary adjustments after the deductible and further repair costs had been calculated. Ms. Kumar also addressed upcoming costs associated with applying pension reform changes to the new software. She explained that

the changes were being made in phases and paid accordingly, with some phases yet to be completed. Ms. Kumar added that the Fund had negotiated a lower hourly rate with LRS last year, which would be the rate carried forward as they evaluated the remaining work needed. She stated that any additional expenses would be presented to the board for approval at their July meeting.**

VII. Roadmap for future meetings

Anumeha Kumar explained that Meketa had been scheduled to provide their quarterly investment report at this meeting, but due to quorum challenges and scheduling changes, they would be presenting their 1Q26 report to the Investment Committee instead and would recap the report and provide an investment training session to the full board at their July meeting. Trustee Ratoza clarified that the Investment Committee would not be meeting immediately before the meeting as they had done previously, to which Ms. Kumar confirmed that the Investment Committee meeting would be held at an earlier date due to the expected length of the July meeting. No motion necessary.

VIII. Call for future agenda items

No future agenda items were called for.

Hearing no objections, Chair Woolverton adjourned the meeting at 12:03pm.

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CONFIDENTIAL INFORMATION

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MEKETA

Austin Firefighters Retirement Fund

June 1, 2026

Meeting Materials

Economic and Market Update

Commentary

Despite a solid start in January, equities globally declined in the first quarter amid tensions in the Middle East and US technology weakness, while higher energy prices fueled inflation concerns in the bond markets.

→ US equities (Russell 3000) declined 4.0% in the first quarter. Small-cap and value stocks outperformed large-cap and growth, as skepticism around AI-driven valuations and shifting rate expectations supported a rotation toward more cyclical and defensive areas of the market.

→ Non-US equities declined less than US stocks in the first quarter, supported by more attractive relative valuations and a rotation away from US technology leadership. Performance was also aided by strength in parts of Asia tied to AI-related hardware demand. Later in the quarter, the Middle East conflict particularly weighed on countries dependent on oil from the region, especially oil that typically passes through the Strait of Hormuz.

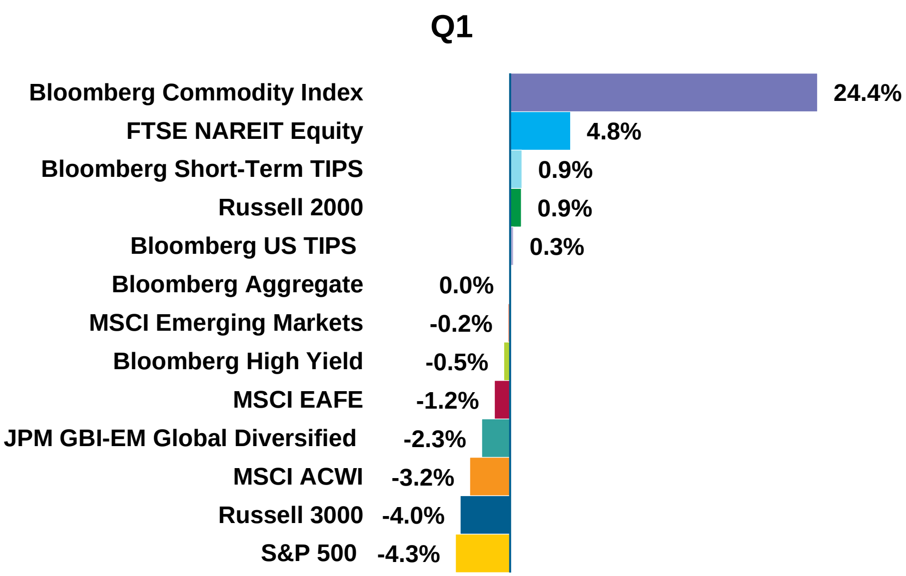
- Non-US developed stocks (MSCI EAFE) fell 1.2% in the first quarter.
- Emerging markets (MSCI Emerging Markets) slightly declined (0.2%) in the first quarter. South Korea and Taiwan were among the top performing countries, while China fell on weakness in internet and software stocks.

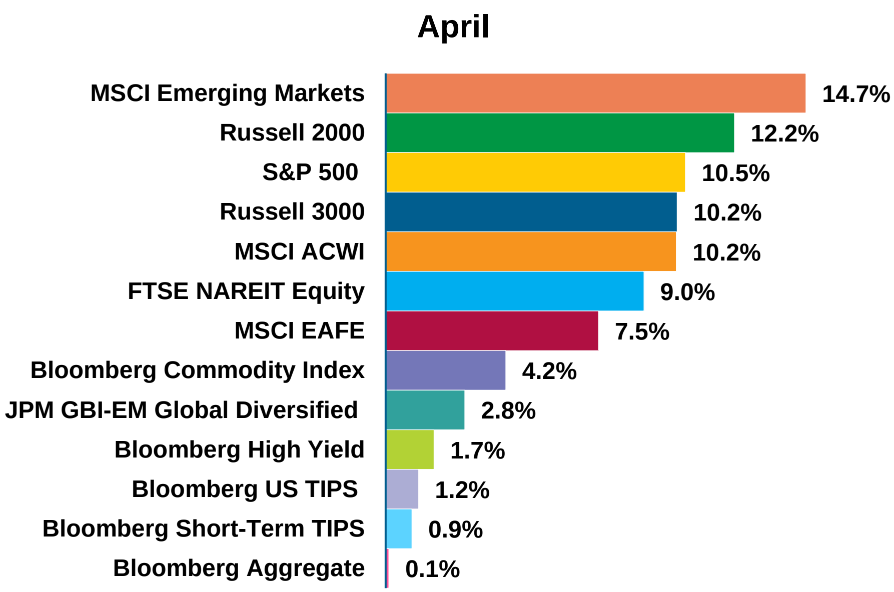
→ Major bond markets were broadly flat for the first quarter of 2026. The US bond market (Bloomberg Aggregate) finished the quarter largely unchanged. TIPS (Bloomberg US TIPS) were up slightly driven by increased inflation concerns, while longer-duration Treasuries posted modestly negative returns amid upward pressure on yields.

→ Looking ahead, markets will be focused on how geopolitical risks, elevated energy prices, and trade uncertainty feed into inflation expectations and influence the path of monetary policy, growth, and earnings outlooks.

→ Risk assets rebounded sharply in April, suggesting improved investor sentiment following first-quarter weakness.

Index Returns[1]

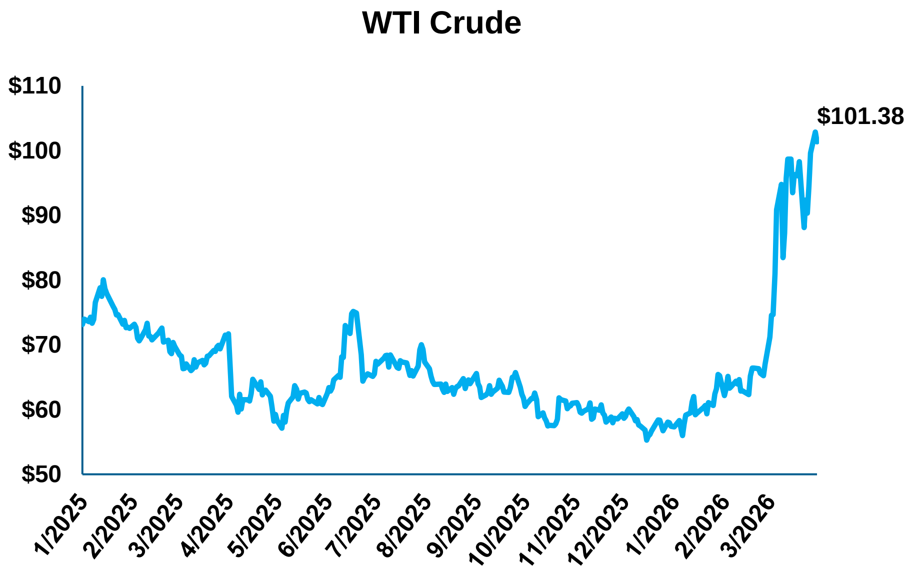


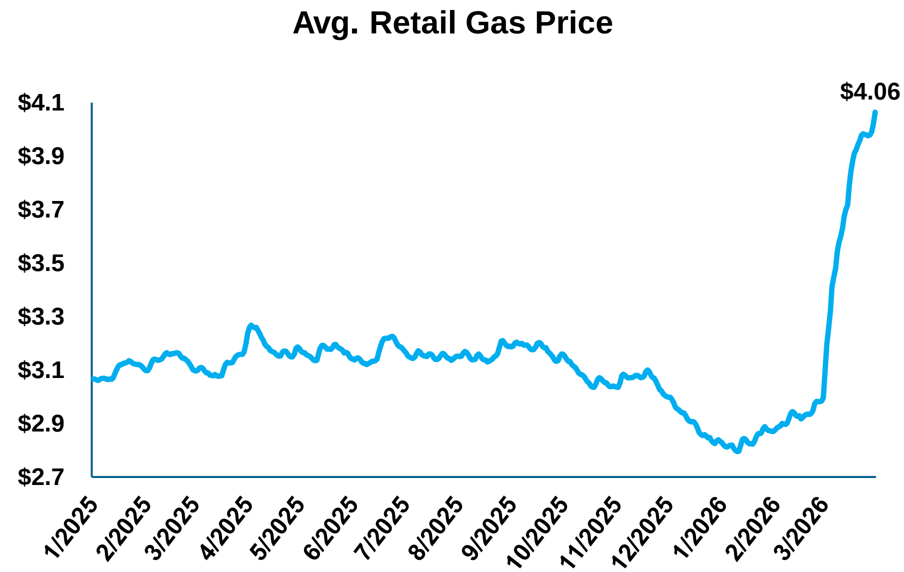


- In the first quarter of 2026, commodities led performance as geopolitical tensions drove oil prices higher. US REITs also performed well as investors rotated from large-cap technology into defensive, income-generating assets.
- In contrast, risk assets broadly lagged in the first quarter, with US equities declining and international equities posting negative returns amid technology valuation concerns and energy-related worries from the Middle East conflict. Fixed income returns were muted.
- In April, risk assets rebounded sharply, led by emerging markets, small-cap stocks, and US equities. The rebound reflected improved investor sentiment following first-quarter weakness, as markets looked past earlier concerns.

[1] Source: Bloomberg.

Gas and Oil[1]



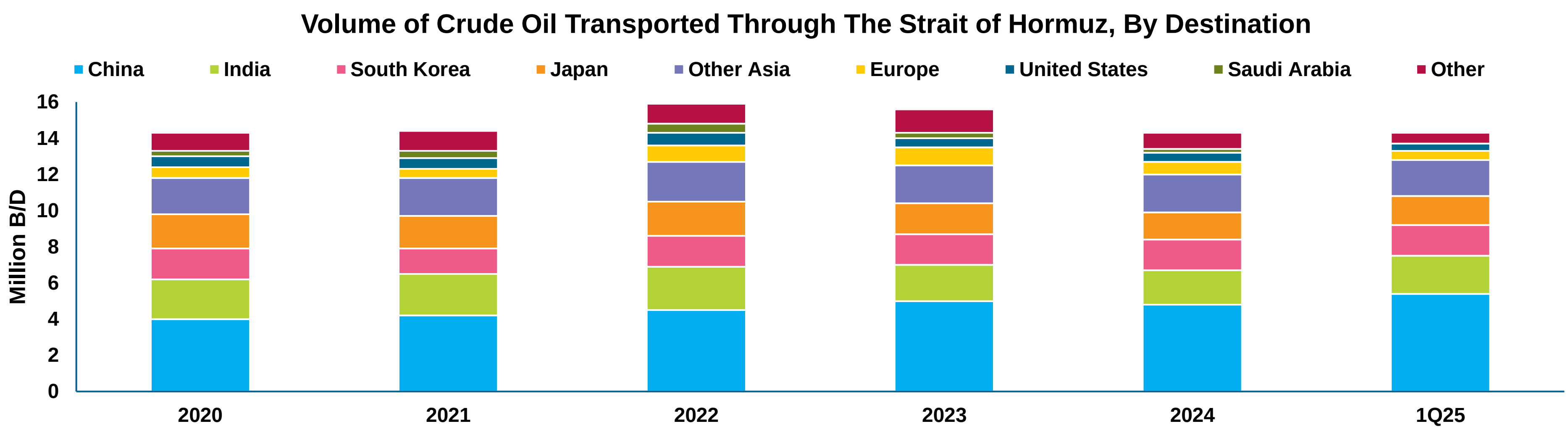


→ Energy prices rose sharply during the first quarter of 2026 following a significant escalation in the Middle East conflict, marking one of the largest geopolitical shocks to global energy markets in history. Concerns around supply disruption risk pushed WTI crude oil from approximately $58 at year-end to $101.38 by quarter-end.

→ The surge in crude prices translated quickly to consumers, with average US retail gasoline prices rising from $2.81 at the end of 2025 to $4.06 by the end of the first quarter, increasing inflation pressures and weighing on household purchasing power.

[1] Source: Bloomberg. Data is as of March 31, 2026.

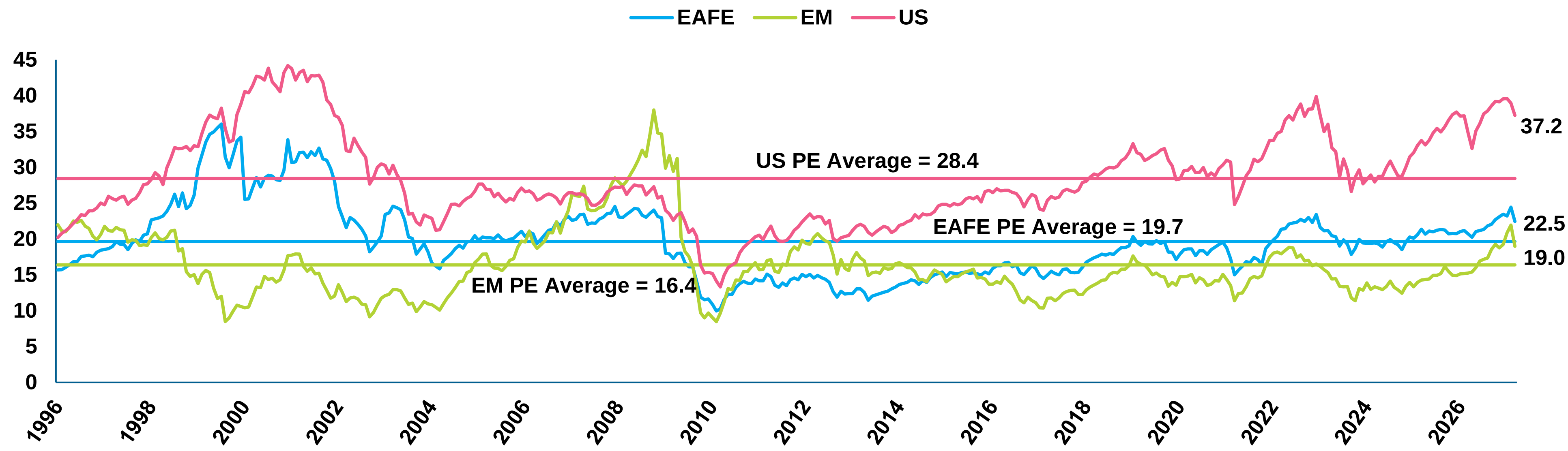
Volume of Crude Oil[1]



- Major economies are impacted differently from the conflict depending on their reliance on regional oil and whether they are net importers or exporters. The Strait of Hormuz is the critical chokepoint with Saudi Arabia, Iraq, and the UAE depending on it to export their oil, meaning a closure disrupts supply on both sides of the equation.
- China purchases around 90% of Iran's oil, while Japan, South Korea, and India are heavily dependent on broader Gulf supply.
- US crude production near record highs provides a meaningful buffer against Middle Eastern disruption, though global prices will ultimately reflect the scale and duration of any supply shortfall.
- As we move forward, the length of the conflict and the path of energy prices will be the defining variables for both inflation and growth globally with central banks caught in the difficult position of responding to a shock they cannot control.

[1] Source: Apollo Academy. Data is as of March 31, 2025.

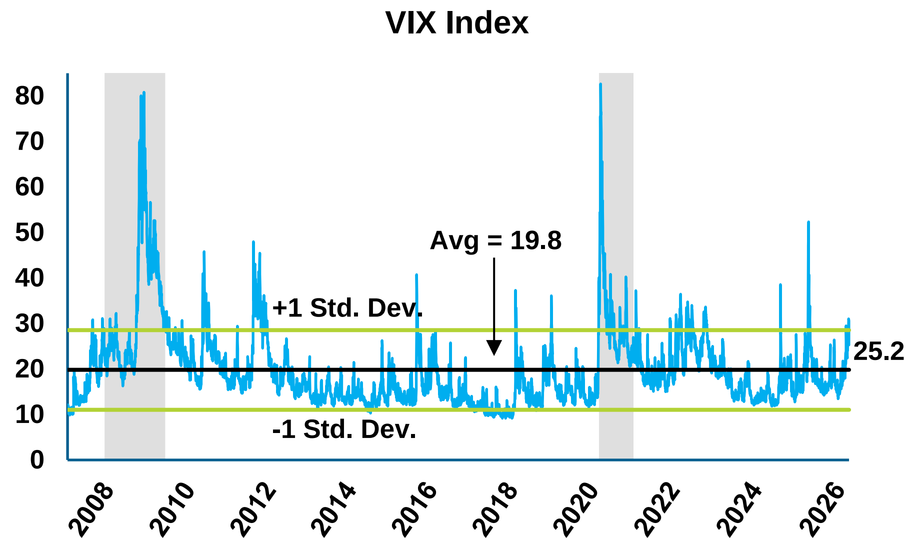
Equity Cyclically Adjusted P/E Ratios[1]

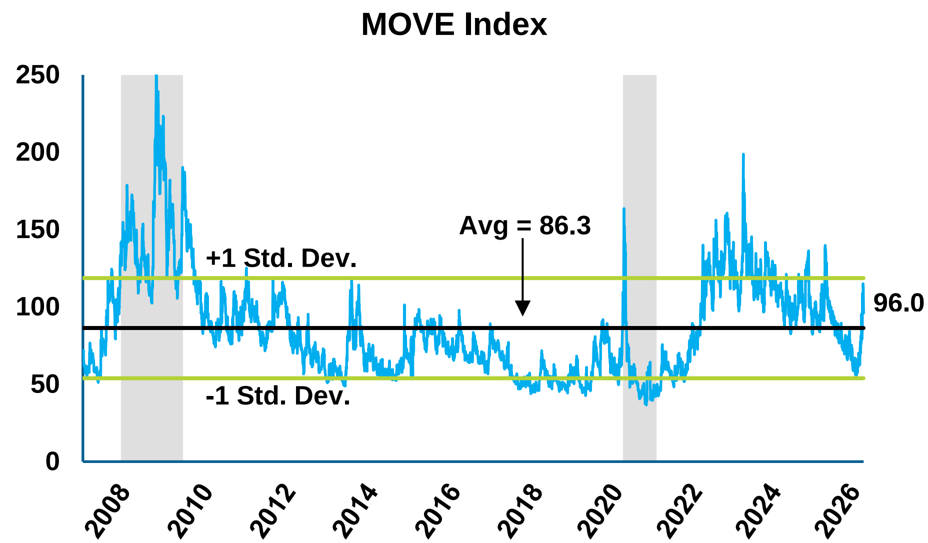


- Cyclically adjusted US equity valuations pulled back from their recent peak driven by weakness in AI-related growth stocks and the conflict in the Middle East. Valuations nevertheless remain well above long-run averages.
- Non-US developed markets (EAFE) pulled back modestly in the first quarter, but valuations remain above their long-run average (22.5 versus 19.7).
- Emerging market valuations also declined slightly in the first quarter but remain above the long-run average (19.0 versus 16.4) though.

[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 March 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.

Equity and Fixed Income Volatility[1]

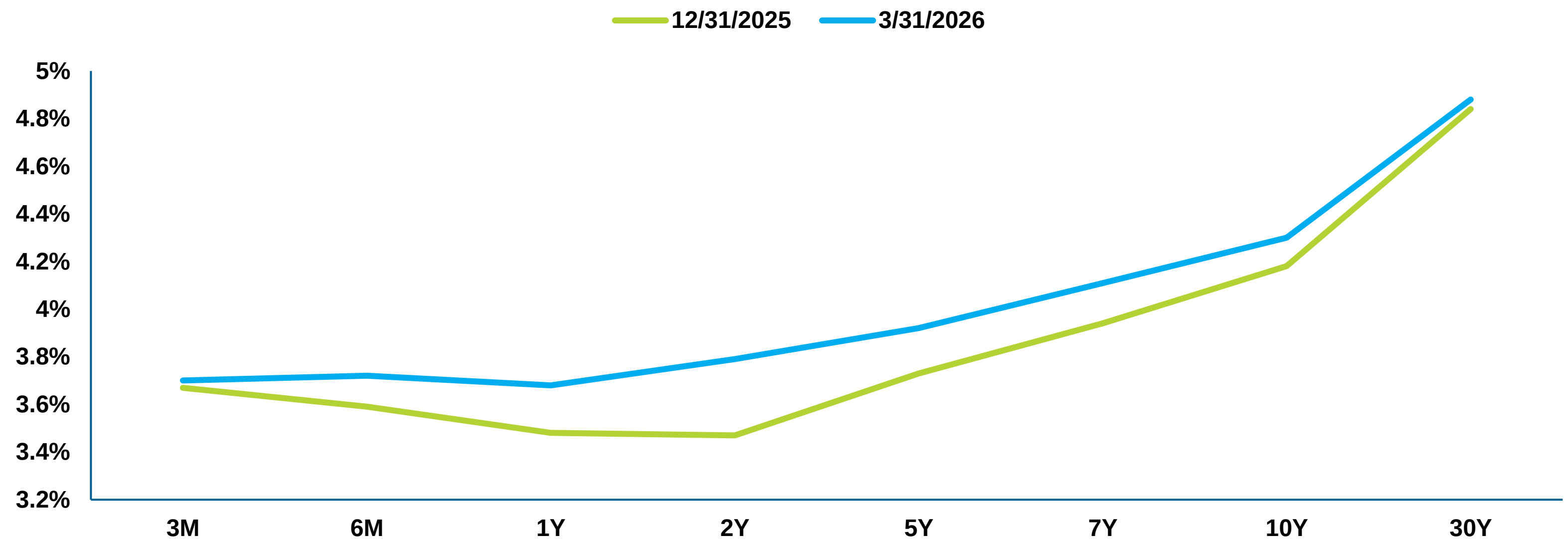




- Volatility rose significantly across both equity and fixed income markets in the first quarter, largely due to uncertainty related to the conflict in the Middle East.
- Equity market volatility (VIX) rose in the first quarter (15.0 to 25.2), peaking at over 30 during March. Despite the rise this quarter, the volatility levels were lower than the VIX readings after the US tariff announcements last year.
- Bond market volatility (MOVE) also spiked in the first quarter (64.0 to 96.0) reaching levels around 115 before declining at quarter-end. Heightened uncertainty around geopolitical risks on inflation and the related Federal Reserve policy path drove fixed income volatility levels higher.

[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 March 31, 2026. The average line indicated is the average of the VIX and MOVE values between January 2007 and March 2026.

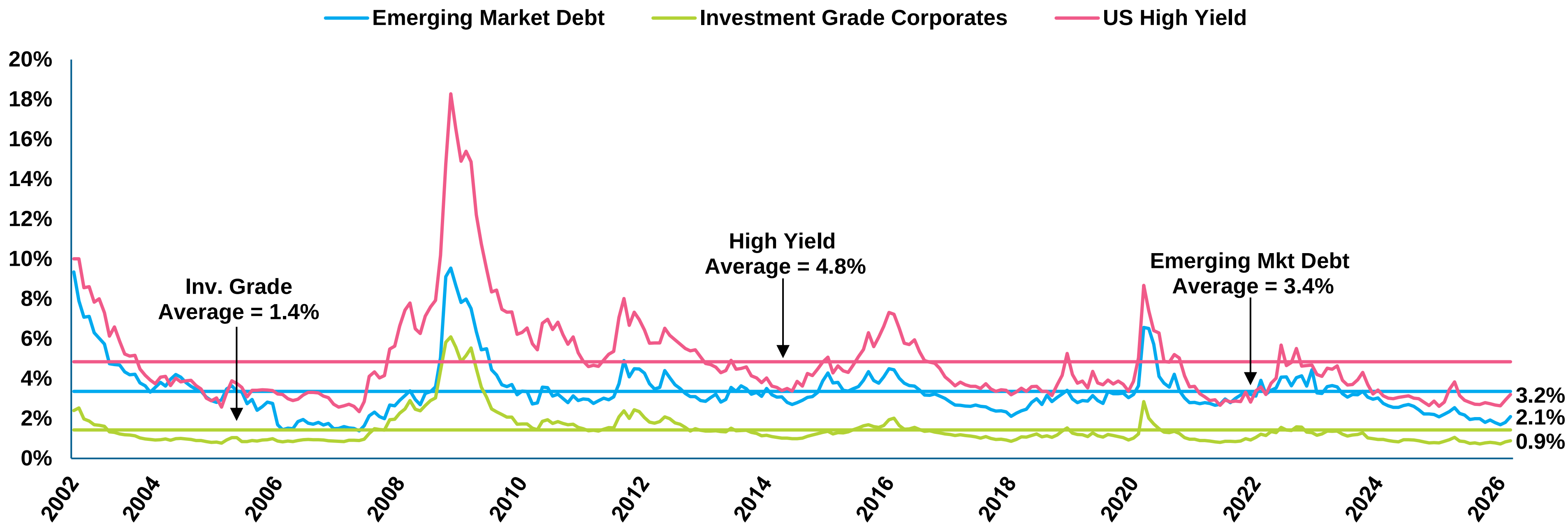
US Yield Curve[1]



- Treasury yields moved higher across the entire curve during the first quarter of 2026 as the war in the Middle East increased inflation concerns and lowered the number of expected interest rate cuts from the Federal Reserve.
- The policy-sensitive 2-year nominal Treasury yield increased from 3.47% to 3.79%. The 10-year nominal Treasury yield rose from 4.18% to 4.30%, while the 30-year nominal Treasury yield increased from 4.84% to 4.91%.
- As the front end of the yield curve rose more sharply than longer-dated yields, the spread between the two-year and ten-year Treasury declined from 70 basis points to 53 basis points.

[1] Source: Bloomberg. Data is as of March 31, 2026.

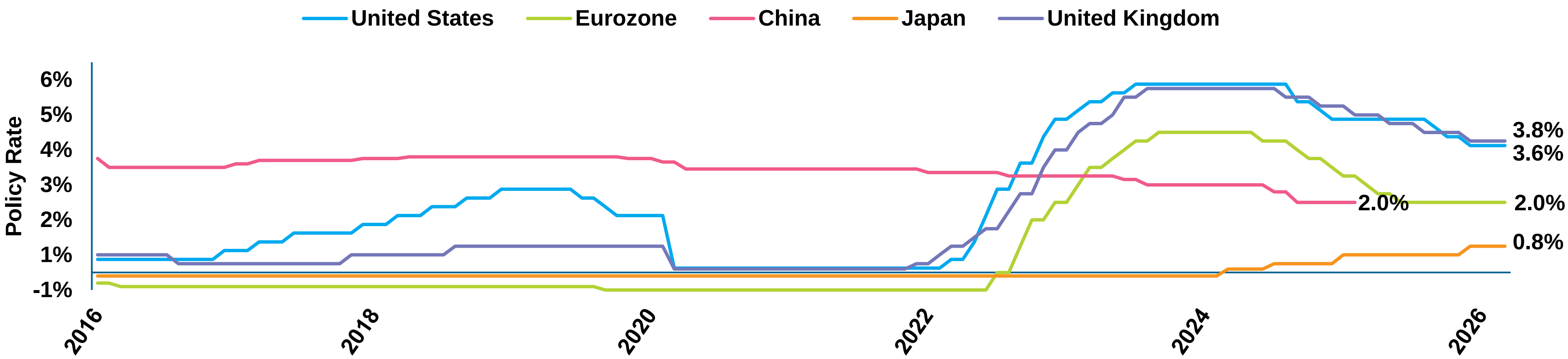
Credit Spreads vs. US Treasury Bonds[1]



- Credit spreads (the difference in yield from a comparable-maturity Treasury) rose during the first quarter as the Middle East conflict and the resulting energy shock drove a risk-off rotation.
- Investment grade spreads moved slightly higher for the quarter (0.8% to 0.9%).
- High yield spreads rose the most in the first quarter (2.7% to 3.2%), while emerging market spreads ticked up more modestly (1.8% to 2.1%).
- All yield spreads remain well below their respective long-run averages, particularly high yield (3.2% vs. 4.8%).

[1] Source: Bloomberg. Data is as of March 31, 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.

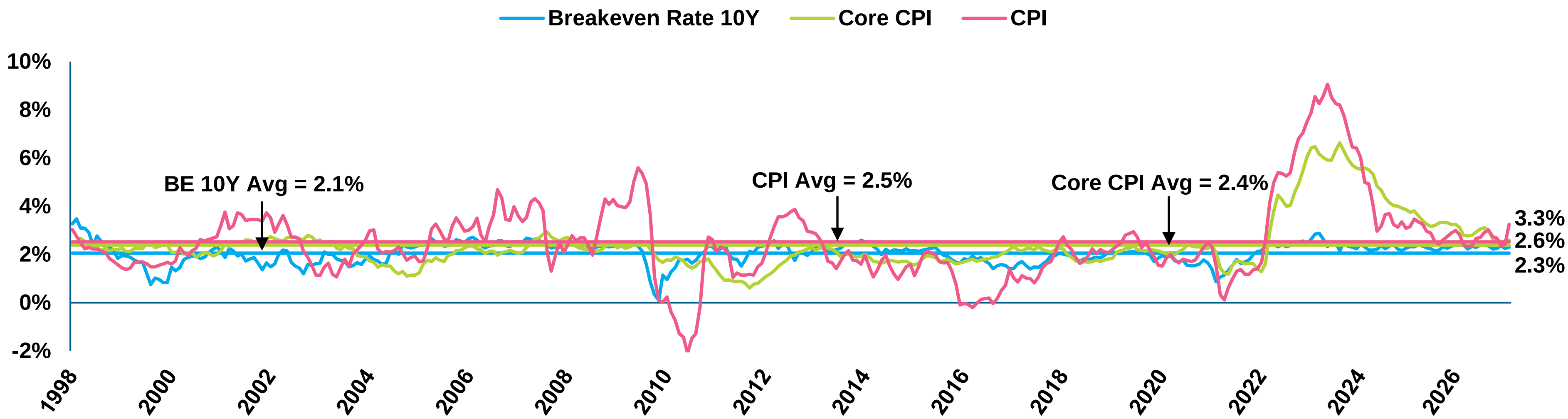
Global Policy Rates[1]



- Global monetary policy was increasingly divergent during the first quarter of 2026, as tensions in the Middle East created inflation fears, driving expectations for some central banks to start increasing policy rates.
- The Federal Reserve held policy rates steady throughout the first quarter as inflation remained above target and labor market conditions cooled gradually. In Q1, markets materially reduced expectations for rate cuts in 2026 given the Iran conflict, with a slight chance of a rate increase priced in late in the quarter.
- The European Central Bank and Bank of England are expected to increase policy rates 1-2 times this year given the impact of higher oil prices on inflation and both areas being net importers of oil.
- China's central bank is expected to keep supporting economic growth with accommodative monetary policy and other easing measures.
- The Bank of Japan continued its gradual normalization away from ultra-easy monetary policy. While rates remain low by global standards, markets continue to anticipate additional incremental rate increases later in 2026.

[1] Source: Bloomberg. Data is as of March 31, 2026, except China which is as of February 28, 2025. 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 China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.

US Inflation[1]



- In the first quarter of 2026, year-on-year headline inflation rose from the end of 2025 level of 2.4% in January to 3.3% in March. This was largely driven by an increase in the energy index (+10.9%) with gasoline prices up 21.2%, the largest monthly gain since 1967. The month-on-month rate jumped from +0.2% to +0.9%.
- Year-on-year core inflation remained unchanged in the first quarter at 2.6% with the monthly pace falling slightly (0.3% to 0.2%). Shelter remained the largest contributor, though notably rent posted the smallest monthly increase since 2021.
- Despite a rise in March, long-term inflation expectations (breakevens) rose only modestly over the quarter (2.2% to 2.3%).

[1] Source: FRED. Data is as of March 31, 2026.

1Q26 Executive Summary

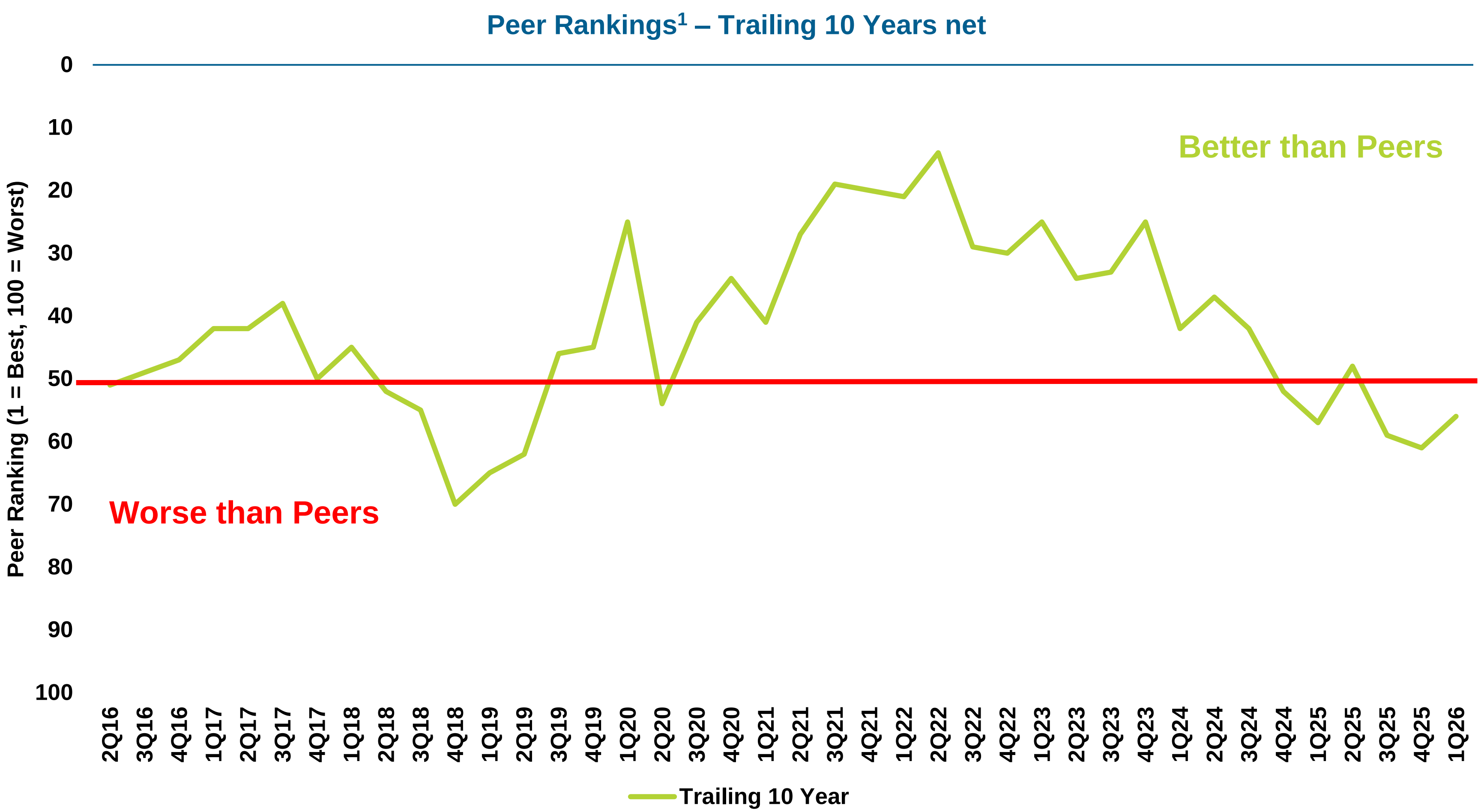
Benchmark Construction Methodology per Investment Policy Statement

Name	IPS Role	IPS Description
Dynamic Benchmark	**Short-Term Horizon** "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** "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." 42% Russell 3000 Index 28% ACWI (ex US) Index 30% Bloomberg Barclays Aggregate Index

1Q 26 Executive Summary

Category	Results	Notes
Total Fund Performance	**Negative**	-0.6% (-$5.7 mm decline)
Performance vs. Dynamic Benchmark	**Underperformed**	-0.6% vs. -0.3%
Performance vs. Total Fund Benchmark	**Outperformed**	-0.6% vs. -1.8%
Performance vs. Peers[1]	**Underperformed**	-0.6% vs. -0.5% median
Asset Allocation Attribution Effects	**Neutral**	Negligible effect. All exposure close to target
Active Public Managers vs. Benchmarks	**Outperformed**	7 out of 10 active public managers outperformed benchmarks
Active Public Managers vs. Peer Groups	**Outperformed**	7 out of 9[2] active managers outperformed peer groups
Compliance with Targets	**In Compliance**	All assets ended the quarter in compliance with policy ranges
10 Year Perf vs. Actuarial Target	**Outperformed**	+8.0% vs. +7.3%

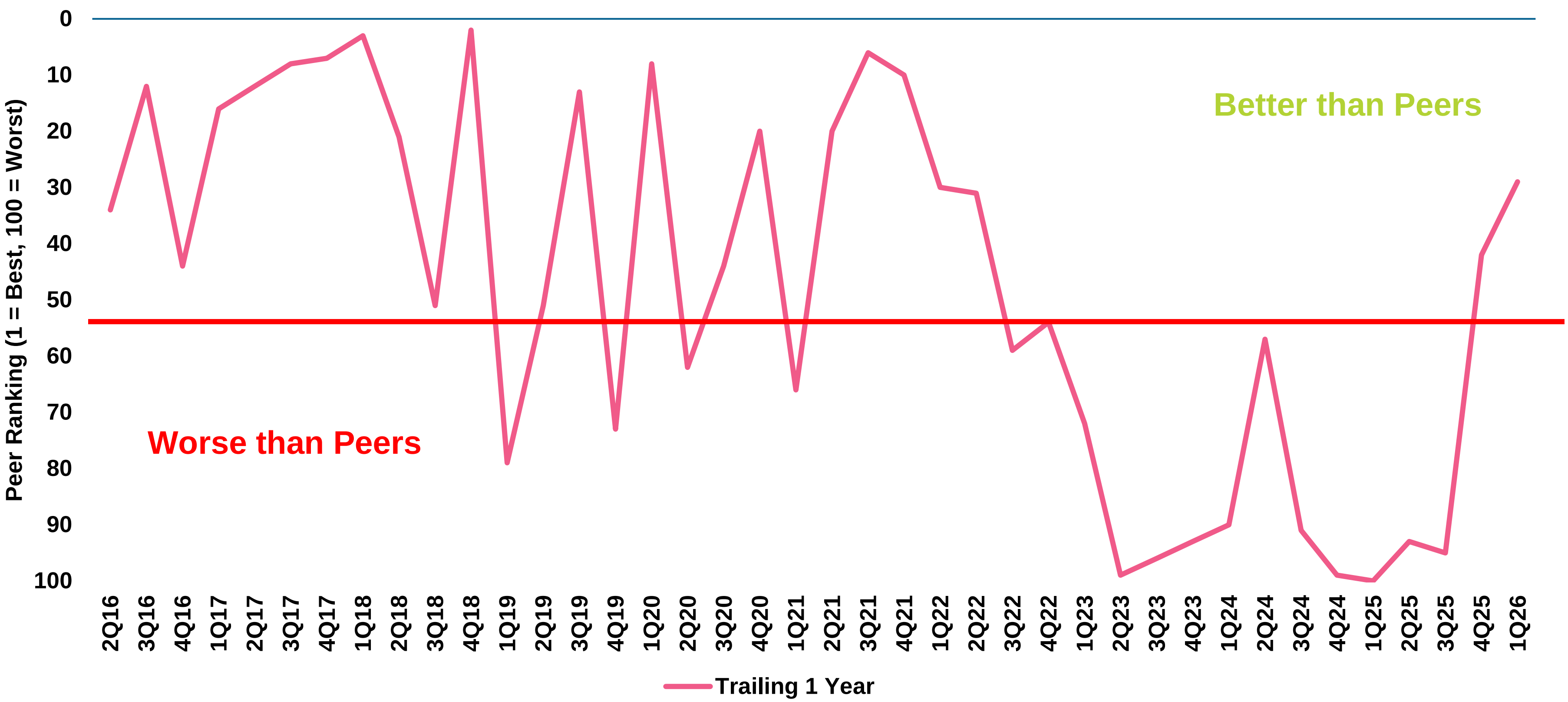
[1] InvMetrics Public DB >$1B net.
[2] No peer group exists for Aberdeen EMD blended currency strategy.



→ AFRF consistently (~70% of the time) ranks in the top half of similar sized public pensions 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.

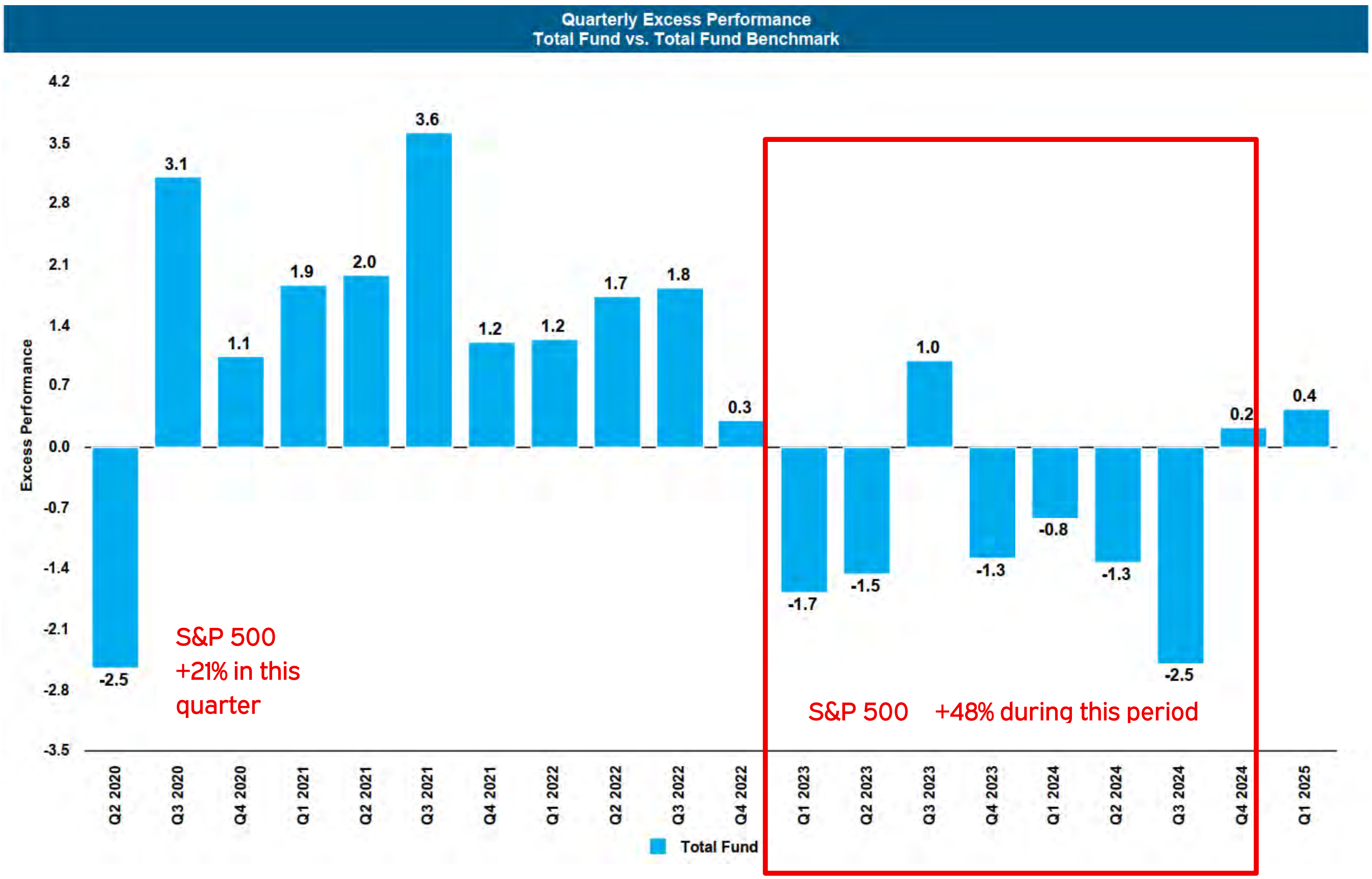
Peer Rankings[1] – Trailing 1 Year net



→ 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 50% of the time. The improvement in the last year is likely due to the strength of international equity vs. SP500.

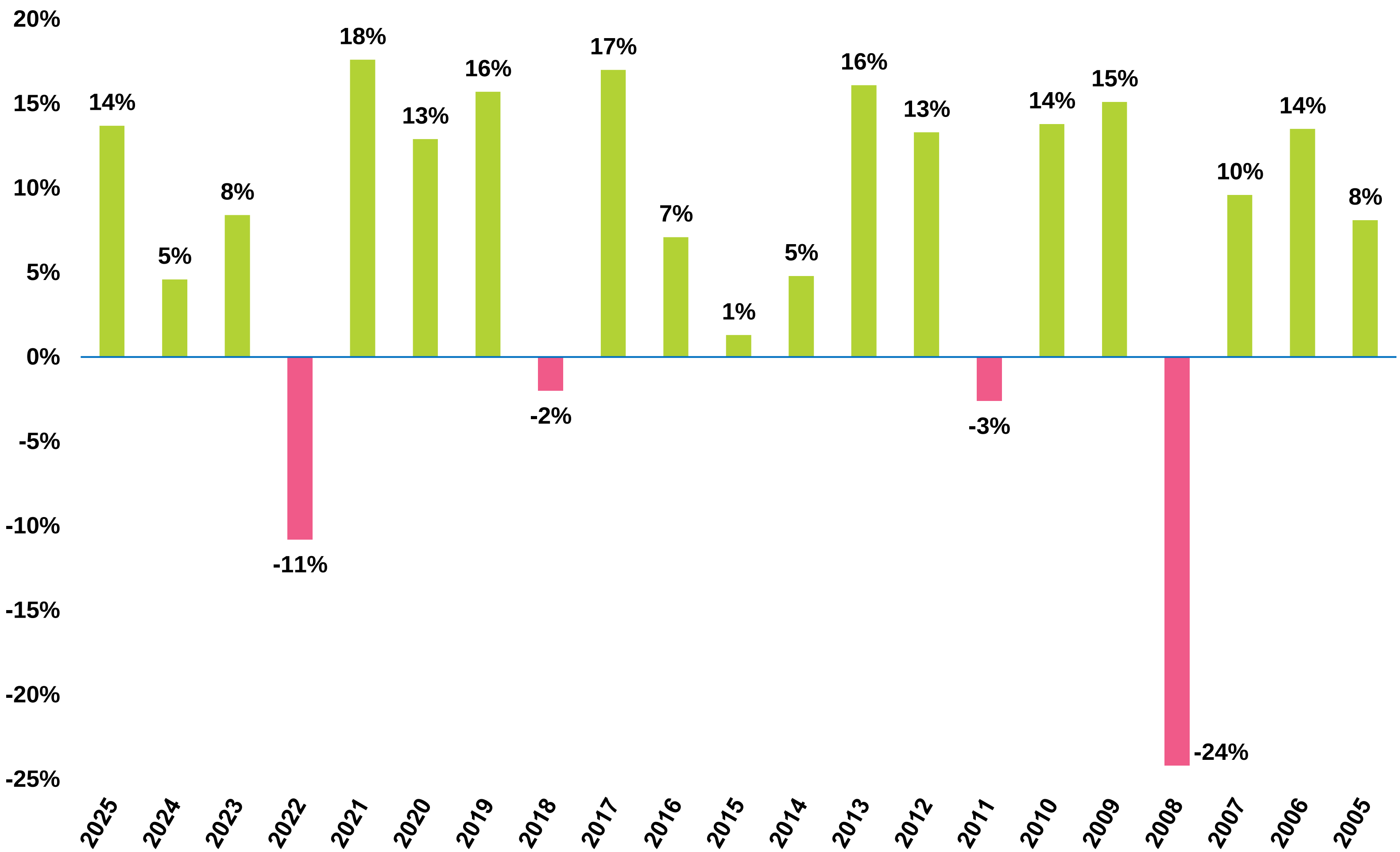
[1] InvMetrics Public DB >$1B net. or equivalent peer group sub $1 billion in quarters when AFRF was under $1 billion.

Quarterly Excess Returns vs. Total Fund Benchmark



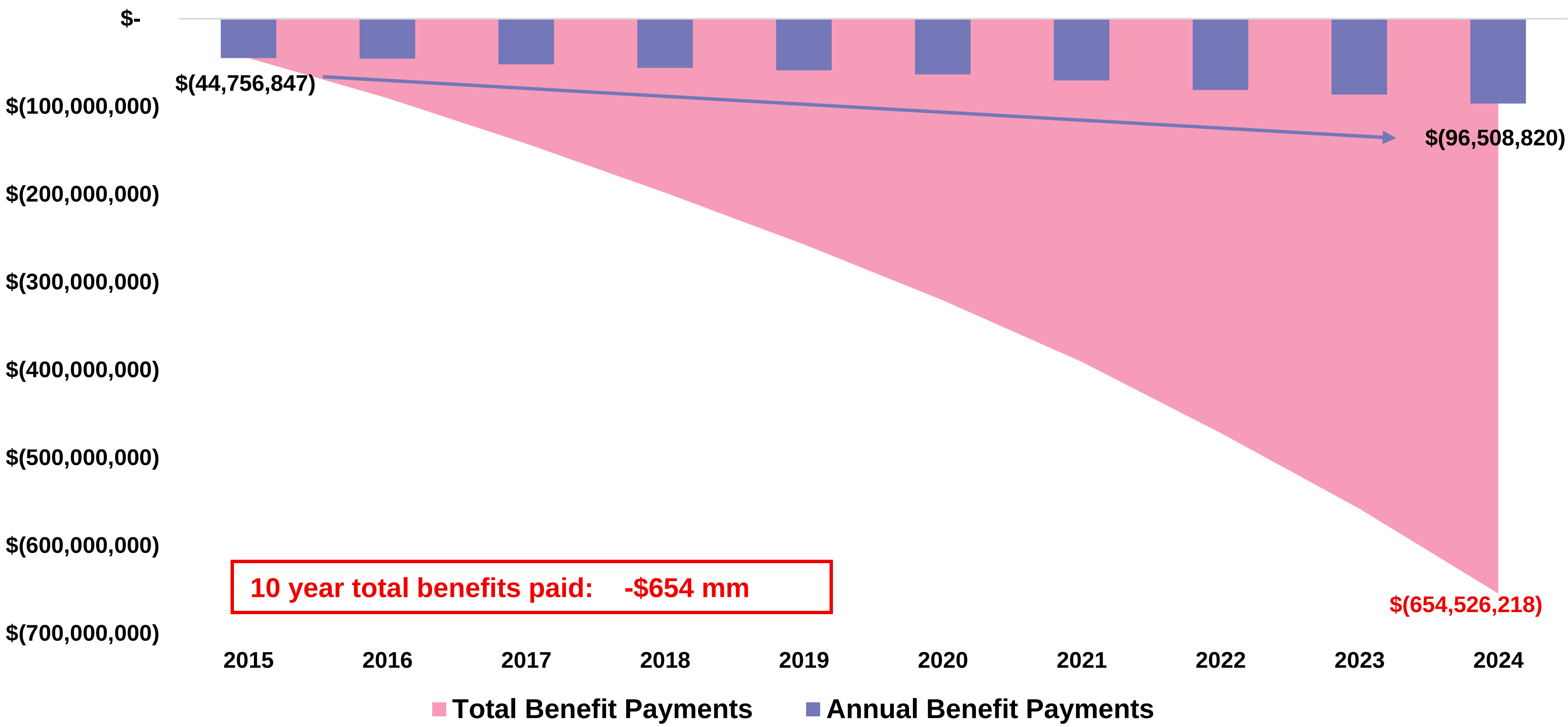
→ Most of the 3 year and 5 year underperformance has been driven by a few successive quarters when the S&P 500 dramatically outpaced every other market.

Calendar Year Net Returns



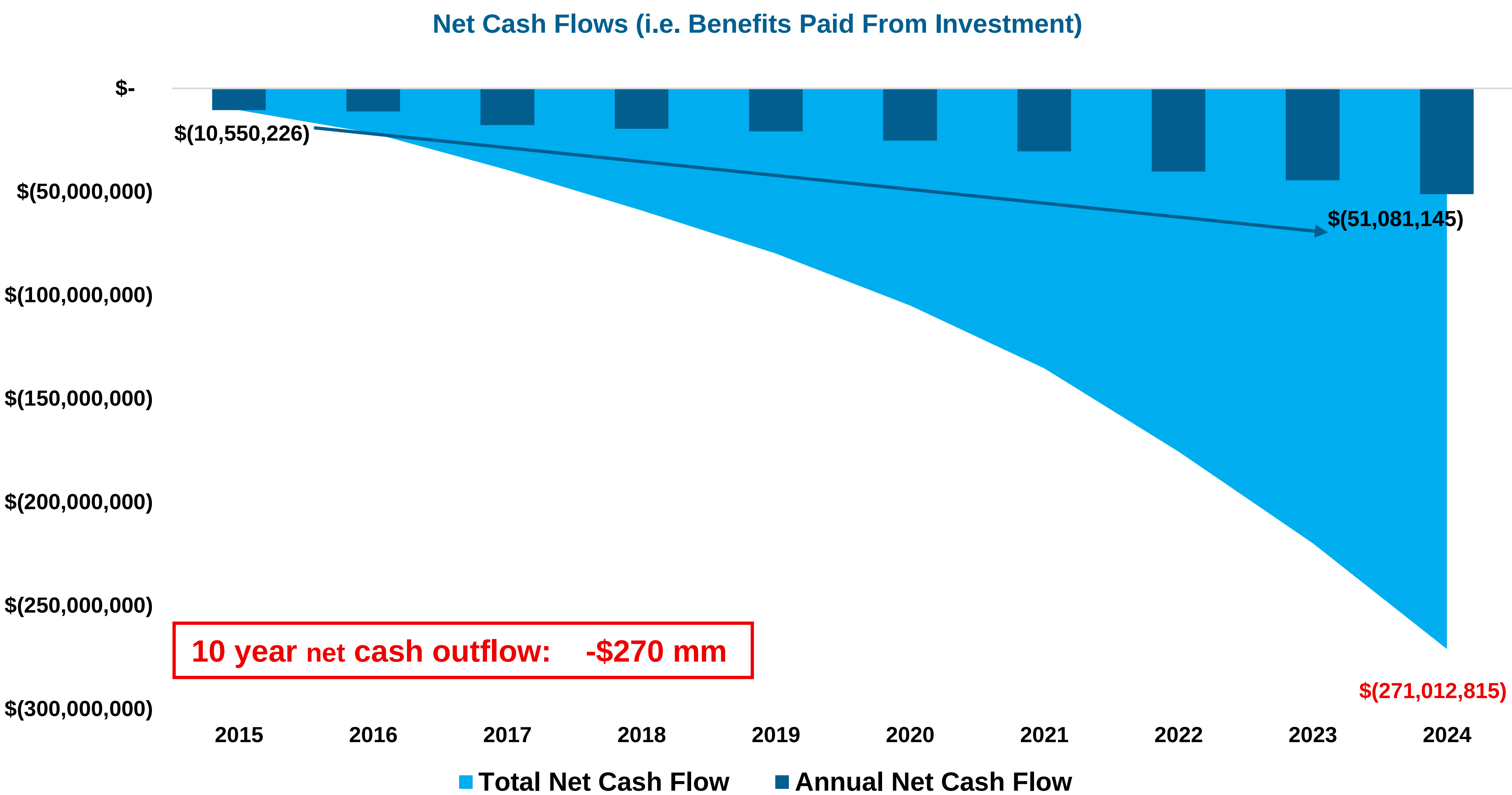
→ AFRF has only generated negative calendar year returns four times in twenty+ years.

Benefits Paid



→ AFRF has grown significantly despite paying out increasing benefits each year. Over the last ten years $654 mm in benefits have been paid[1]. The amount per year has doubled in the past ten years.

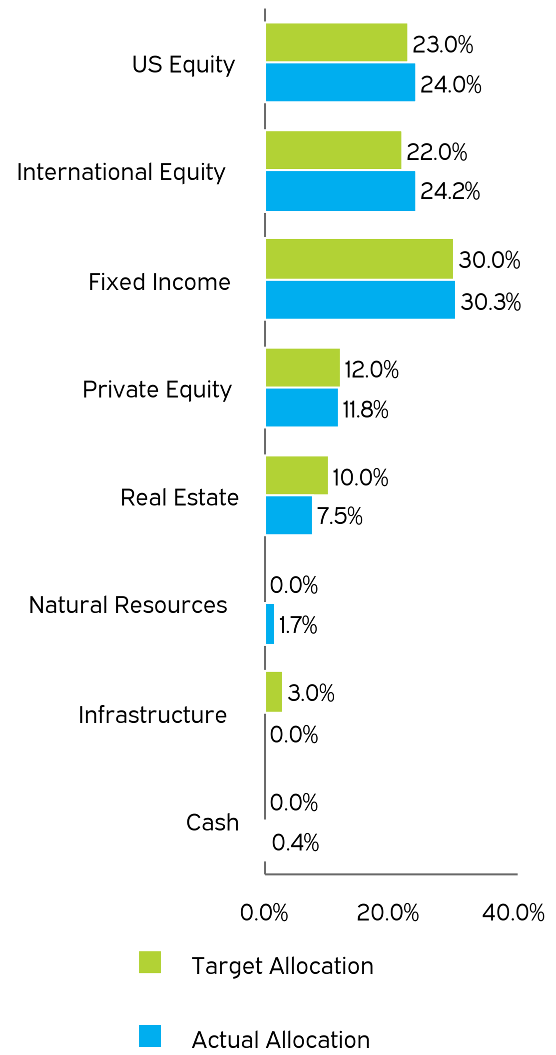
[1] Source: AFRF Annual Financial Report.



→ In the last ten years over $270 mm has been liquidated from the investment portfolio to pay benefit payments. The net cash flows (i.e. the amount that benefit payments and administrative expenses exceed contributions) has grown 5x in ten years as the demographics of the Fund have matured.

1Q26 Investment Report

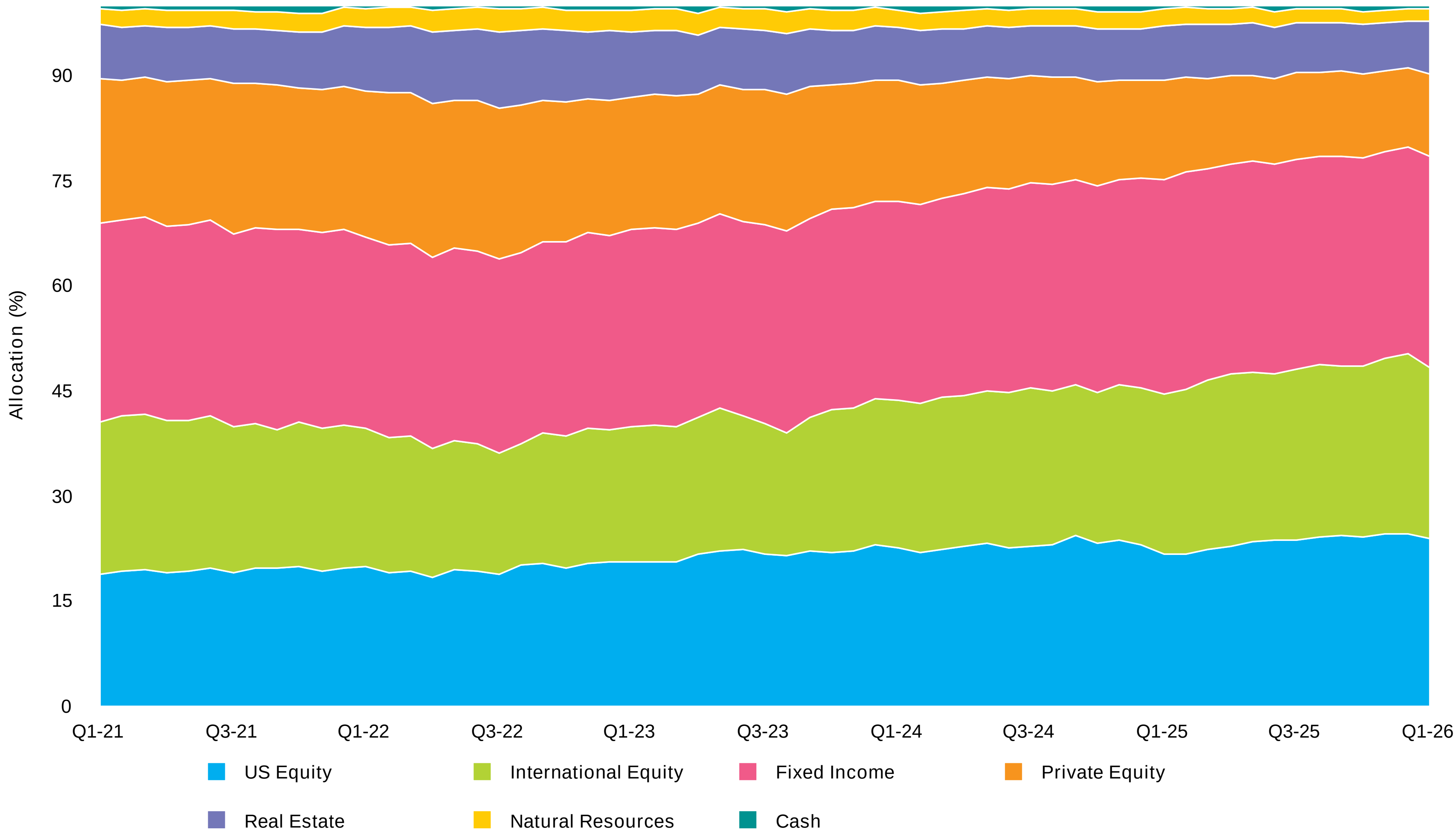
Actual vs. Target Allocation



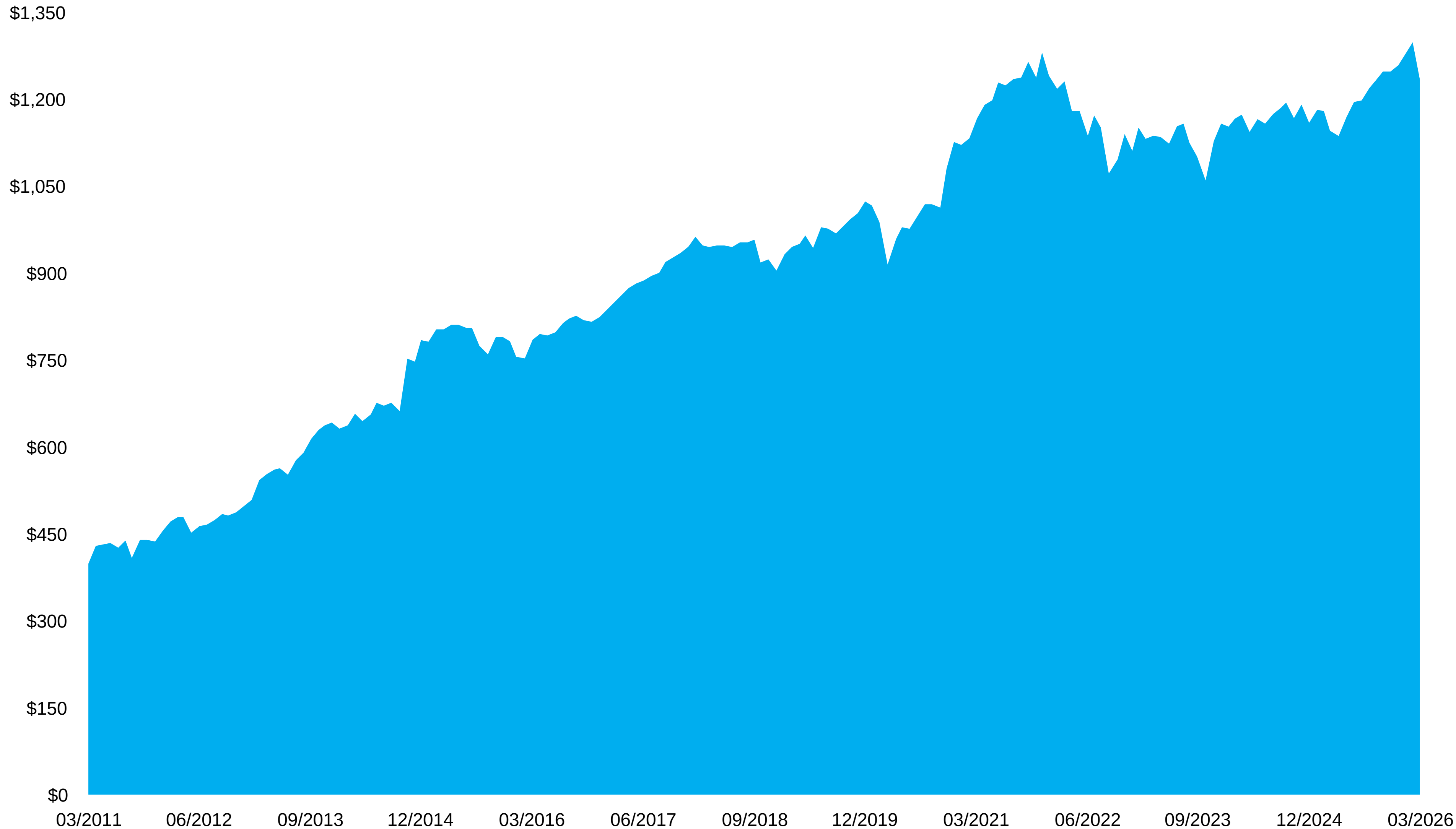
Allocation vs. Targets and Policy

	Current Balance	Current Allocation(%)	Policy (%)	Policy Range(%)	Within IPS Range?
US Equity	$296,433,350	24.0	23.0	16.0 - 30.0	Yes
International Equity	$298,490,490	24.2	22.0	15.0 - 29.0	Yes
Fixed Income	$374,238,798	30.3	30.0	20.0 - 40.0	Yes
Private Equity	$145,101,708	11.8	12.0	2.0 - 22.0	Yes
Real Estate	$92,579,029	7.5	10.0	0.0 - 20.0	Yes
Natural Resources	$21,404,161	1.7	0.0	0.0 - 2.0	Yes
Infrastructure		0.0	3.0	0.0 - 5.0	Yes
Cash	$4,978,224	0.4	0.0	0.0 - 5.0	Yes
Total	**$1,233,225,760**	**100.0**	**100.0**		

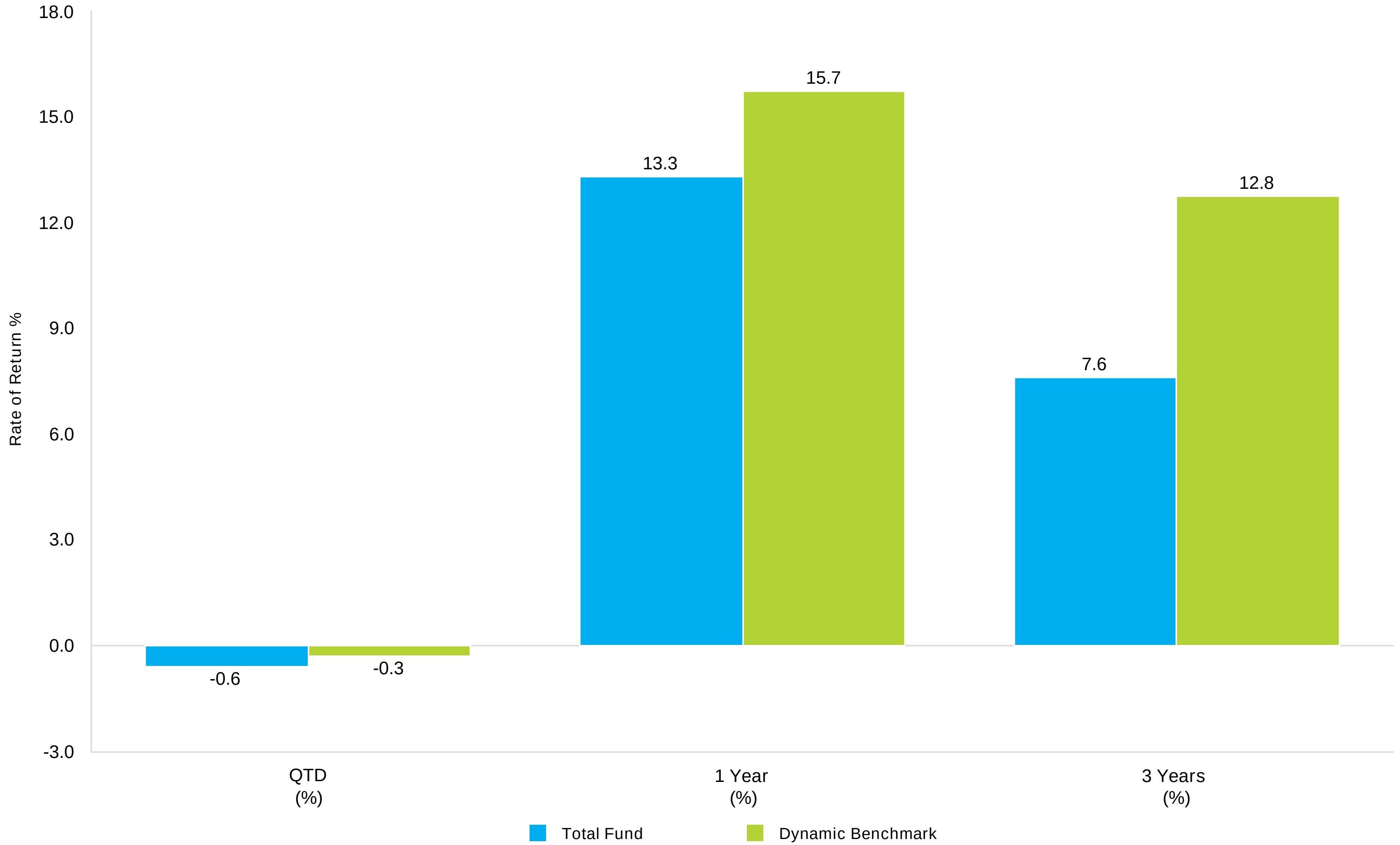
Asset Allocation History
5 Years Ending March 31, 2026



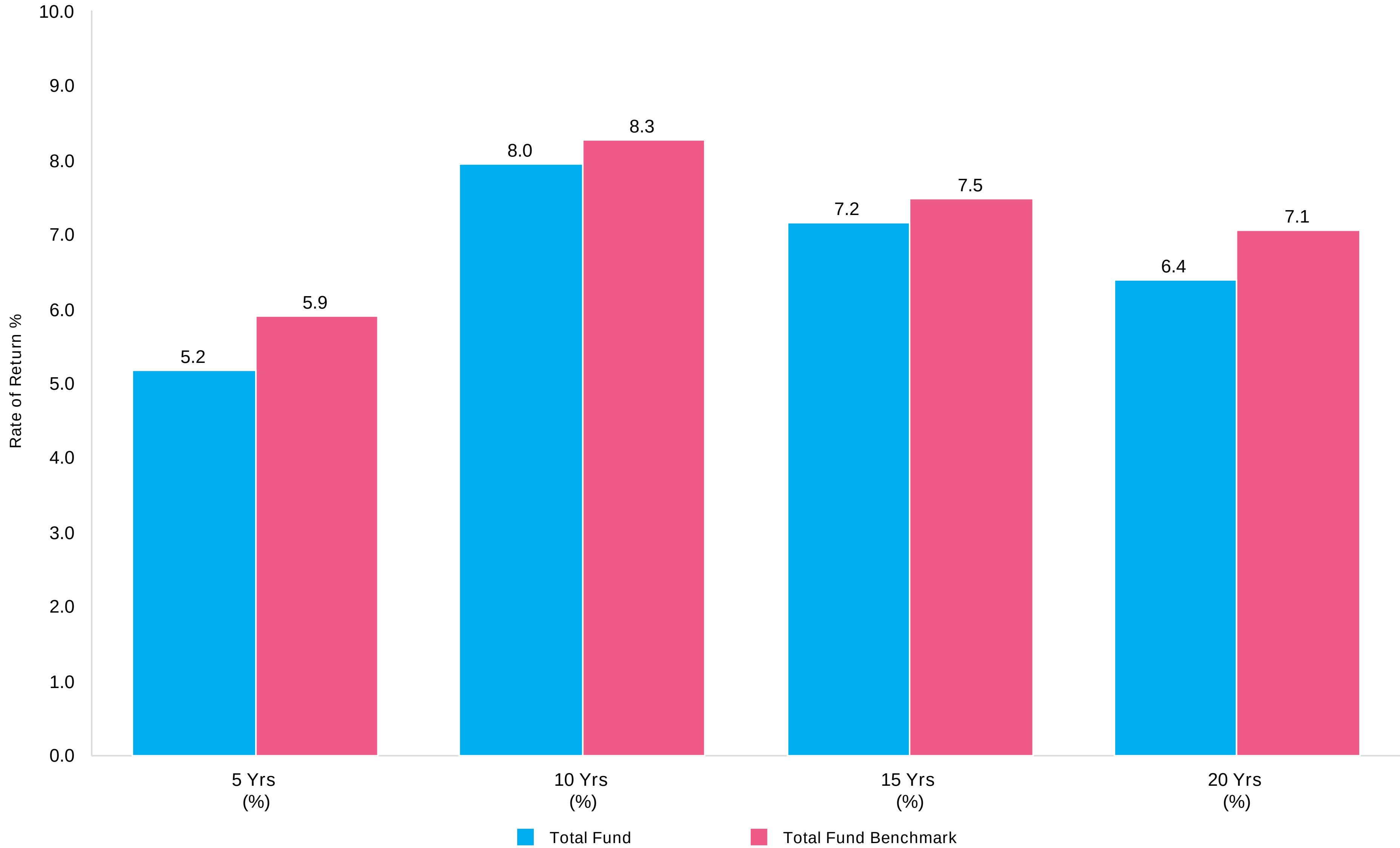
15 Year Growth in Market Value (Inclusive of Cash Flows)
March 31, 2026



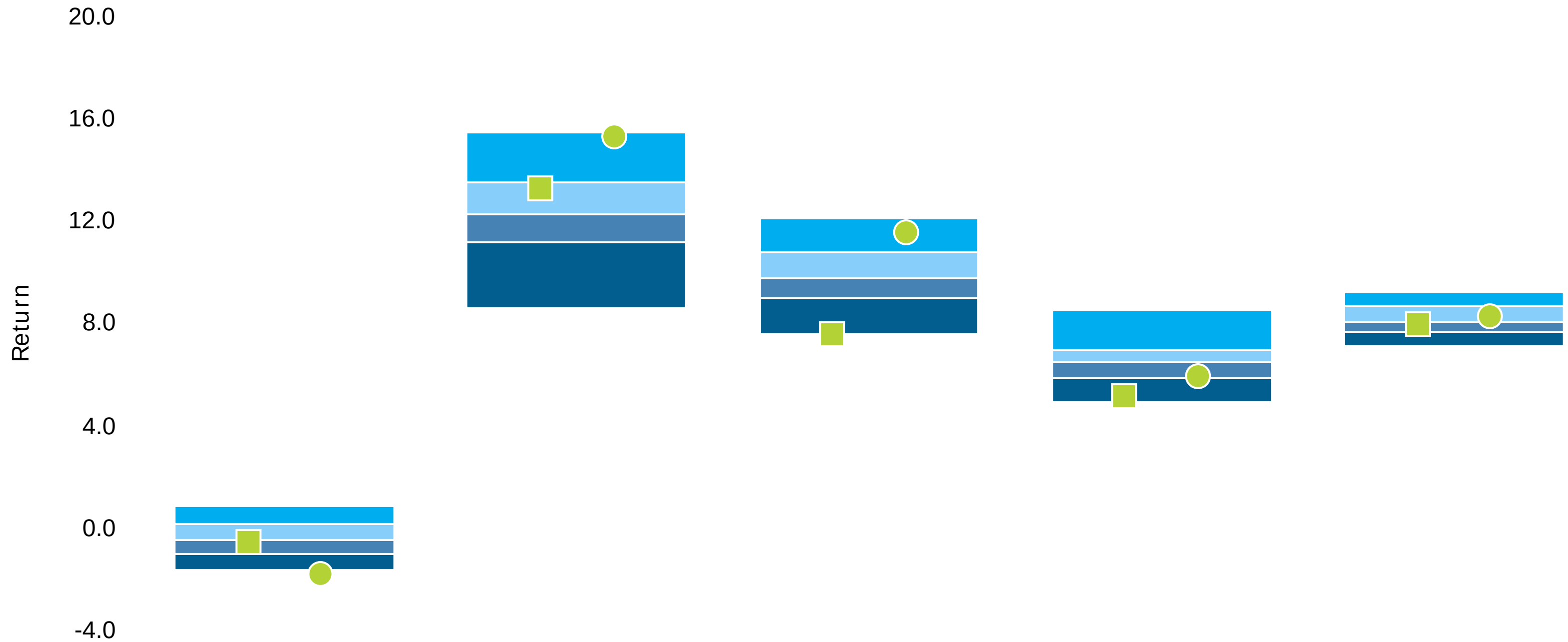
Short Term Net Return Summary vs. Dynamic Benchmark



Long Term Net Return Summary vs. Total Fund Benchmark



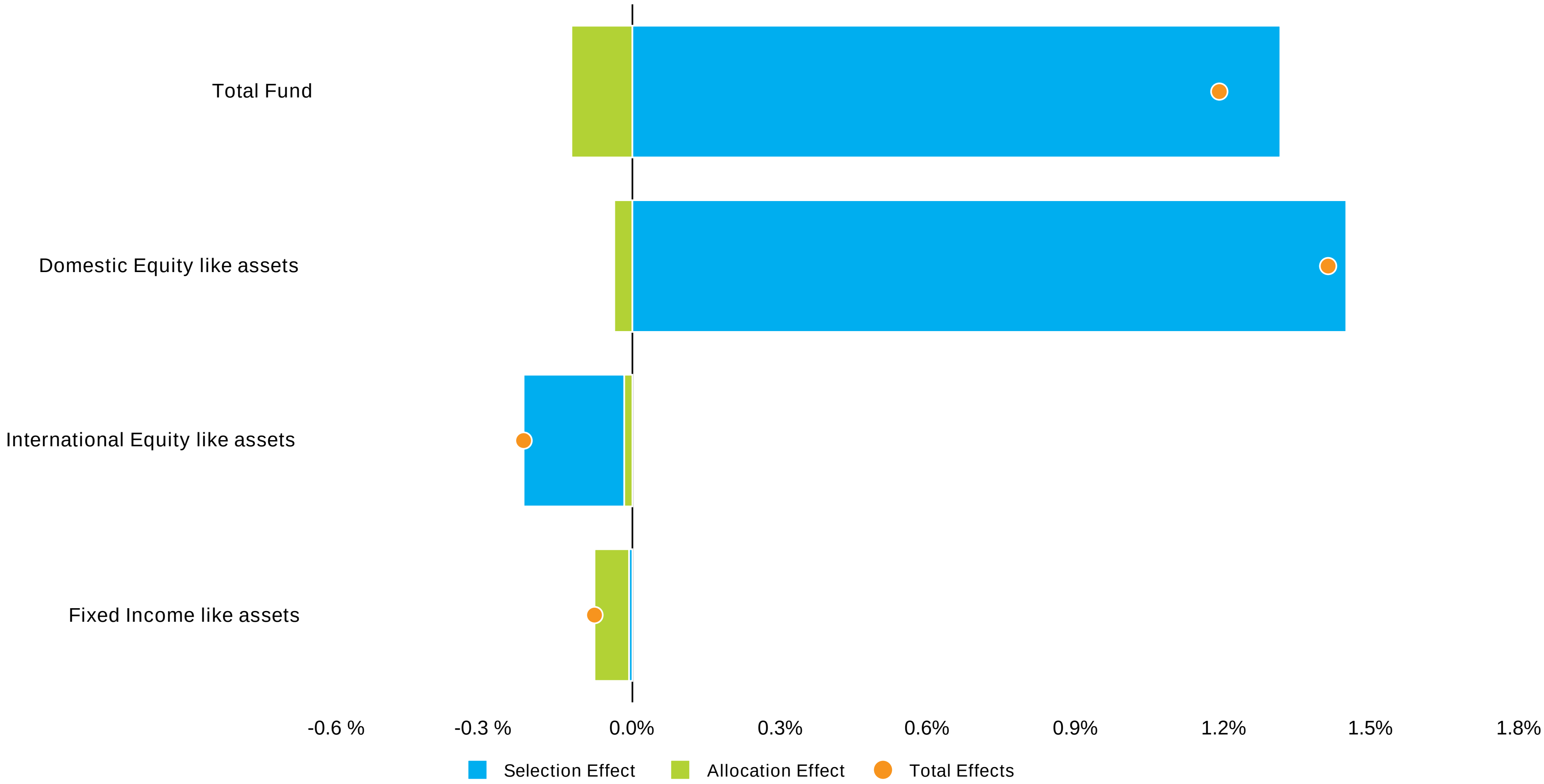
InvMetrics All Public DB Plans > $1B



	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund	-0.6 (57)	13.3 (31)	7.6 (96)	5.2 (94)	8.0 (59)
Total Fund Benchmark	-1.8 (96)	15.3 (7)	11.6 (13)	5.9 (71)	8.3 (38)
5th Percentile	0.9	15.5	12.1	8.5	9.2
1st Quartile	0.1	13.5	10.8	6.9	8.7
Median	-0.5	12.3	9.8	6.5	8.0
3rd Quartile	-1.0	11.2	8.9	5.8	7.7
95th Percentile	-1.7	8.6	7.6	4.9	7.1
Population	106	106	105	101	96

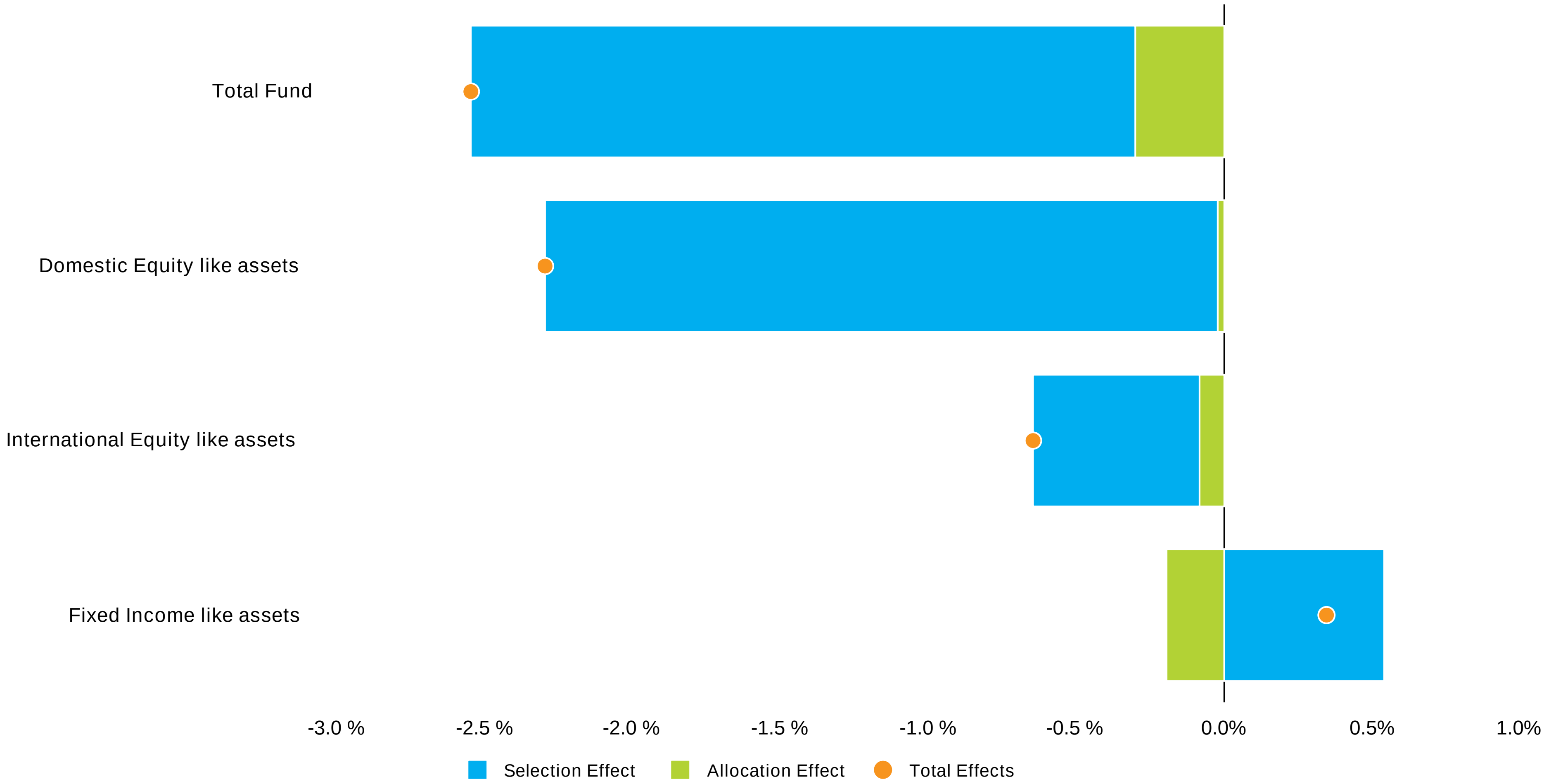
Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Attribution Effects vs. Total Fund Benchmark
1 Quarter Ending March 31, 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.

Attribution Effects vs. Total Fund Benchmark
1 Year Ending March 31, 2026



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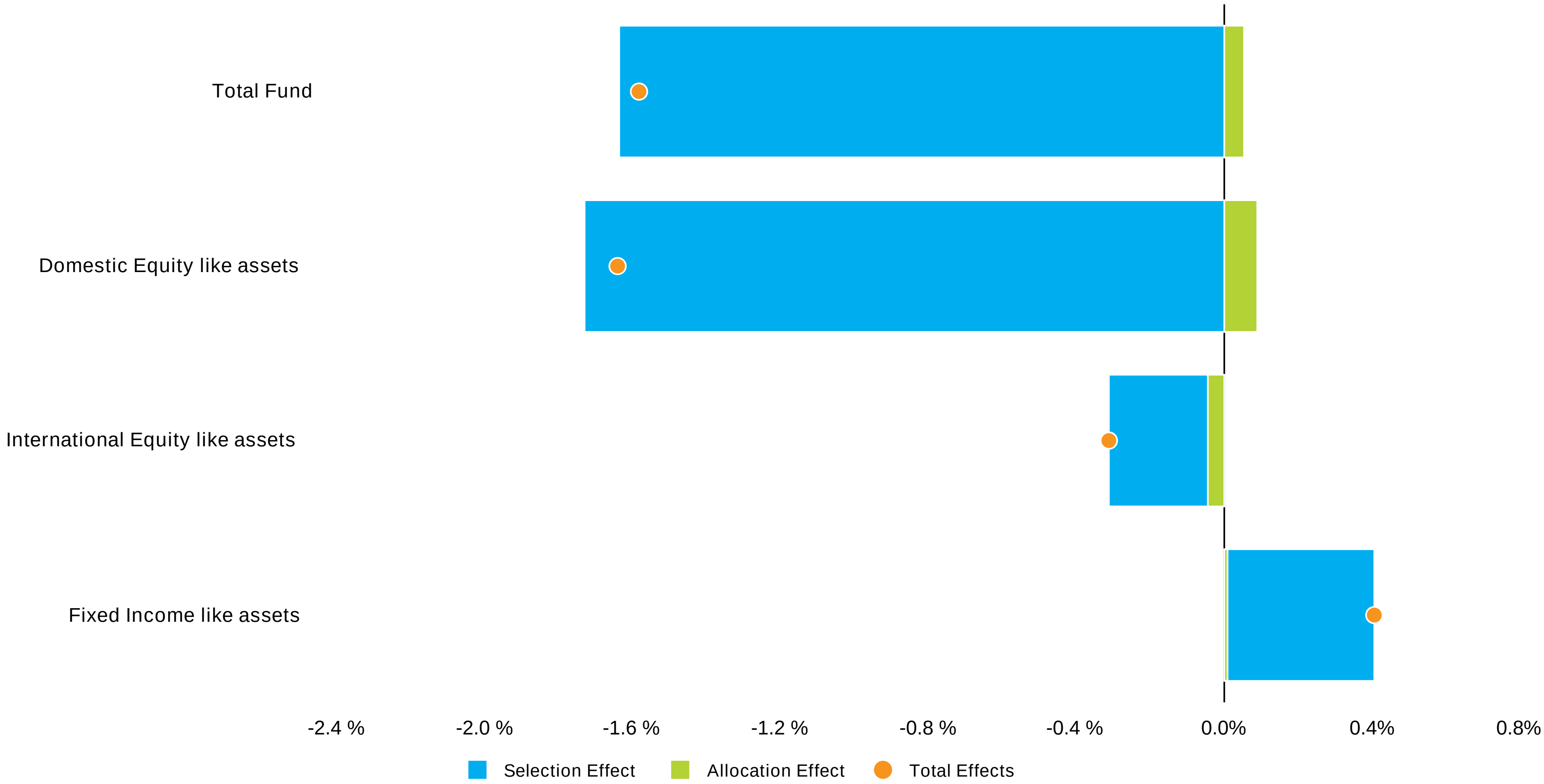
Attribution Effects vs. Total Fund Benchmark
5 Years Ending March 31, 2026



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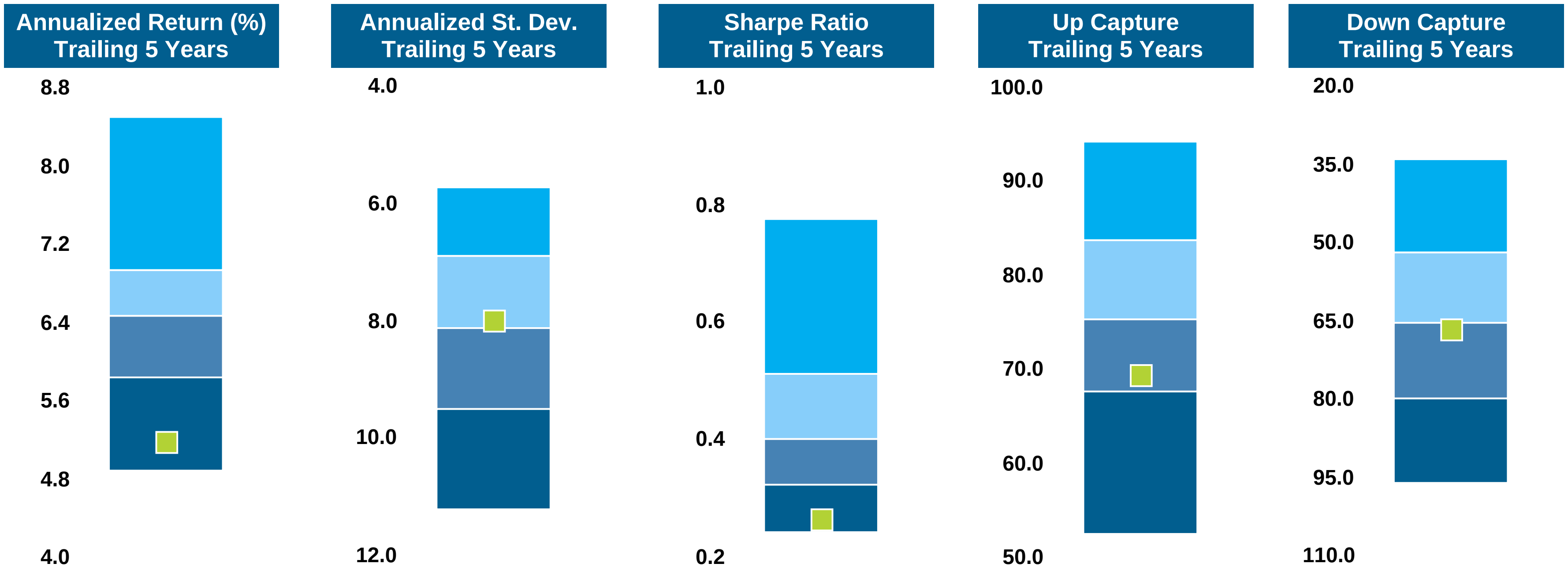


Annualized Return (%) Trailing 5 Years

Total Fund	5.2 (94)
5th Percentile	8.5
1st Quartile	6.9
Median	6.5
3rd Quartile	5.8
95th Percentile	4.9
Population	101

Annualized St. Dev. Trailing 5 Years

Total Fund	8.0 (49)
5th Percentile	5.7
1st Quartile	6.9
Median	8.1
3rd Quartile	9.5
95th Percentile	11.2
Population	101

Sharpe Ratio Trailing 5 Years

Total Fund	0.3 (88)
5th Percentile	0.8
1st Quartile	0.5
Median	0.4
3rd Quartile	0.3
95th Percentile	0.2
Population	101

Up Capture Trailing 5 Years

Total Fund	69.4 (70)
5th Percentile	94.1
1st Quartile	83.6
Median	75.3
3rd Quartile	67.6
95th Percentile	52.4
Population	101

Down Capture Trailing 5 Years

Total Fund	66.7 (52)
5th Percentile	34.1
1st Quartile	52.0
Median	65.4
3rd Quartile	80.1
95th Percentile	96.1
Population	101

Trailing Net Performance | As of March 31, 2026

Asset Class Performance Summary (Net of Fees)	Market Value ($)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	20 Yrs (%)	25 Yrs (%)	Inception (%)	Inception Date
Total Fund	1,233,225,760	100.0	-0.6	13.3	7.6	5.2	8.0	6.4	6.4	7.0	Apr-97
Dynamic Benchmark			*-0.3*	*15.7*	*12.8*	*7.6*	*8.7*	*7.5*	*--*	*--*	
Total Fund Benchmark			*-1.8*	*15.3*	*11.6*	*5.9*	*8.3*	*7.1*	*7.6*	*--*	
Legacy Static Benchmark			*-0.4*	*14.4*	*11.9*	*7.2*	*8.6*	*7.4*	*--*	*--*	
Domestic Equity	296,433,350	24.0	-1.4	19.9	14.8	9.6	12.3	9.3	8.7	9.0	Apr-97
Russell 3000 Index			*-4.0*	*18.1*	*17.9*	*10.9*	*13.7*	*10.3*	*9.3*	*9.7*	
International Equity	298,490,490	24.2	-1.5	24.9	13.9	4.8	8.4	5.1	5.7	6.3	Apr-97
Spliced International Equity Benchmark			*-0.7*	*24.9*	*14.5*	*7.0*	*8.4*	*5.1*	*6.3*	*6.1*	
Private Equity	145,101,708	11.8	-0.1	7.2	1.7	6.6	12.8	--	--	13.8	Jun-10
Private Equity Benchmark			*3.8*	*24.7*	*23.0*	*13.4*	*14.1*	*--*	*--*	*15.3*	
Fixed Income	374,238,798	30.3	-0.1	6.0	5.5	1.7	3.1	3.8	3.8	4.4	Apr-97
Blmbg. U.S. Aggregate Index			*0.0*	*4.3*	*3.6*	*0.3*	*1.7*	*3.3*	*3.6*	*4.3*	
Real Estate	92,579,029	7.5	2.1	3.8	-4.6	1.1	3.3	--	--	2.5	Jan-08
NCREIF Property Index			*1.2*	*4.8*	*0.0*	*3.7*	*4.7*	*--*	*--*	*5.2*	
Natural Resources	21,404,161	1.7	0.0	4.9	-4.5	0.9	1.0	--	--	0.6	Mar-13
S&P North American Natural Res Sector Index (TR)			*26.0*	*42.4*	*20.7*	*21.8*	*11.6*	*--*	*--*	*7.0*	
Cash	4,978,224	0.4									

Total Fund Benchmark consists of 42% Russell 3000, 28% MSCI ACWI ex US net, and 30% Bloomberg Agg.
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	Market Value ($)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	1,233,225,760	100.0	-0.6	13.3	7.6	5.2	8.0	7.0	Apr-97
Dynamic Benchmark			-0.3	15.7	12.8	7.6	8.7	--	
Total Fund Benchmark			-1.8	15.3	11.6	5.9	8.3	--	
Legacy Static Benchmark			-0.4	14.4	11.9	7.2	8.6	--	
InvMetrics All Public DB Plans > $1B Median			-0.5	12.3	9.8	6.5	8.0	7.3	
InvMetrics All Public DB Plans > $1B Rank			57	31	96	94	59	81	
Domestic Equity	296,433,350	24.0	-1.4	19.9	14.8	9.6	12.3	9.0	Apr-97
Russell 3000 Index			-4.0	18.1	17.9	10.9	13.7	9.7	
eV All US Equity Median			-1.7	16.6	13.7	8.2	11.3	9.8	
eV All US Equity Rank			49	30	44	37	38	78	
SSIM S&P 500	149,609,212	12.1	-4.3	17.8	18.3	12.0	14.1	10.3	Feb-04
S&P 500 Index			-4.3	17.8	18.3	12.1	14.2	10.3	
eV US Large Cap Equity Median			-3.6	15.1	15.7	10.0	12.4	9.7	
eV US Large Cap Equity Rank			57	32	30	20	24	34	
Westfield Small/Mid Cap Growth	74,299,968	6.0	1.2	23.2	12.0	5.6	12.7	12.3	Nov-02
Russell 2500 Growth Index			-3.5	19.3	10.6	1.7	10.5	10.8	
eV US Small-Mid Cap Growth Equity Median			-3.6	18.3	9.9	2.5	11.4	10.6	
eV US Small-Mid Cap Growth Equity Rank			22	41	36	28	29	18	
Vaughan Nelson Small Cap Value	72,524,170	5.9	2.5	21.4	12.6	10.0	10.6	10.4	Jan-16
Russell 2000 Value Index			5.0	28.1	13.8	5.8	9.6	9.5	
eV US Small Cap Value Equity Median			4.2	20.0	11.8	6.6	9.5	9.5	
eV US Small Cap Value Equity Rank			70	45	43	15	26	30	

Trailing Net Performance | As of March 31, 2026

	Market Value ($)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
International Equity	298,490,490	24.2	-1.5	24.9	13.9	4.8	8.4	6.3	Apr-97
Spliced International Equity Benchmark			-0.7	24.9	14.5	7.0	8.4	6.1	
SSIM MSCI EAFE Fund	148,379,971	12.0	-1.1	21.7	14.0	8.2	8.7	7.1	Feb-13
MSCI EAFE (Net)			-1.2	21.3	13.6	7.9	8.4	6.8	
eV EAFE Core Equity Median			-0.8	21.8	14.0	7.5	8.5	7.5	
eV EAFE Core Equity Rank			56	52	51	42	46	61	
Baillie Gifford International Growth Fund	29,502,359	2.4	-6.4	9.9	6.1	-3.8	8.6	9.1	May-09
MSCI AC World ex USA (Net)			-0.7	24.9	14.5	7.0	8.4	7.9	
eV ACWI ex-US All Cap Growth Eq Median			-4.8	12.5	8.1	1.7	8.0	9.0	
eV ACWI ex-US All Cap Growth Eq Rank			62	63	67	95	35	42	
DFA International Small Company Fund	38,785,709	3.1	1.0	--	--	--	--	17.1	Jun-25
MSCI AC World ex USA Smid Cap Index (Net)			0.4	--	--	--	--	15.0	
eV ACWI ex-US Small Cap Equity Median			-0.2	--	--	--	--	10.5	
eV ACWI ex-US Small Cap Equity Rank			38	--	--	--	--	38	
DFA Emerging Markets Value	32,194,552	2.6	3.7	30.1	17.0	9.0	9.3	4.9	Dec-09
MSCI Emerging Markets Value (Net)			1.1	28.6	15.5	6.1	7.3	4.0	
eV Emg Mkts All Cap Value Equity Median			3.2	35.2	16.5	8.1	9.2	6.4	
eV Emg Mkts All Cap Value Equity Rank			41	82	47	36	50	60	
SSIM Daily MSCI Emerging Markets Index	49,627,900	4.0	--	--	--	--	--	-5.7	Feb-26
MSCI Emerging Markets Index			--	--	--	--	--	-8.2	
eV Emg Mkts Equity Median			--	--	--	--	--	-7.0	
eV Emg Mkts Equity Rank			--	--	--	--	--	28	

SSIM Daily MSCI Emerging Markets Index performance will popualte after one full quarter of performance.

Trailing Net Performance | As of March 31, 2026

	Market Value ($)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Equity	145,101,708	11.8	-0.1	7.2	1.7	6.6	12.8	13.8	Jun-10
Private Equity Benchmark			3.8	24.7	23.0	13.4	14.1	15.3	
57 Stars Global Opportunity 3	3,754,693	0.3							
Blue Bay Direct Lending	1,528,635	0.1							
Constitution Capital Partners III	1,612,383	0.1							
Consitution Capital Partners VII	10,122,917	0.8							
Cross Creek Capital Partners II - B	7,271,723	0.6							
Cross Creek Capital Partners III	8,972,431	0.7							
Deutsche Bank SOF III	1,433,050	0.1							
Dover Street X, L.P.	33,809,096	2.7							
HarbourVest 2013 Direct	1,931,513	0.2							
HarbourVest Co-Investment Fund IV	5,274,222	0.4							
HighVista Private Equity V, L.P.	284,657	0.0							
HighVista Private Equity VI, L.P.	2,096,777	0.2							
LGT Crown Asia II	5,768,918	0.5							
LGT Crown Europe Small Buyouts III	1,083,134	0.1							
LGT Crown Global Opportunities VI	19,053,306	1.5							
LGT Crown Global Secondaries II	69,627	0.0							
LGT Crown Global Secondaries III	1,264,676	0.1							
Partners Group Emerging Markets 2015	5,131,874	0.4							

	Market Value ($)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Partners Group U.S. Distressed Private Equity 2009	52,090	0.0							
Private Advisors Co-Investment Fund III	--	0.0							
Private Equity Investors V	1,184,455	0.1							
StepStone Global Partners V	6,938,957	0.6							
StepStone Global Partners VI	9,917,752	0.8							
SVB Strategic Investors Fund IX, L.P.	16,544,823	1.3							

Trailing Net Performance | As of March 31, 2026

	Market Value ($)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Fixed Income	374,238,798	30.3	-0.1	6.0	5.5	1.7	3.1	4.4	Apr-97
Blmbg. U.S. Aggregate Index			0.0	4.3	3.6	0.3	1.7	4.3	
SSIM Bond Fund	129,928,209	10.5	0.0	4.3	3.6	0.3	1.7	3.2	Jan-04
Blmbg. U.S. Aggregate Index			0.0	4.3	3.6	0.3	1.7	3.2	
eV US Core Fixed Inc Median			0.0	4.5	3.9	0.5	2.0	3.5	
eV US Core Fixed Inc Rank			24	66	80	80	87	87	
SSIM TIPS	61,979,401	5.0	0.4	3.0	3.1	1.4	2.6	2.2	Aug-14
Blmbg. U.S. TIPS Index			0.3	3.0	3.2	1.5	2.7	2.3	
eV US TIPS / Inflation Fixed Inc Median			0.4	3.0	3.2	1.5	2.8	2.4	
eV US TIPS / Inflation Fixed Inc Rank			49	50	53	58	63	75	
Loomis Sayles Core Plus Fixed Income	51,013,447	4.1	0.0	5.0	3.9	0.7	2.8	2.7	Jul-15
Blmbg. U.S. Aggregate Index			0.0	4.3	3.6	0.3	1.7	1.9	
eV US Core Plus Fixed Inc Median			-0.1	4.7	4.4	0.8	2.6	2.6	
eV US Core Plus Fixed Inc Rank			29	25	85	58	34	39	
Aberdeen Emerging Markets Bond Fund	75,553,245	6.1	-0.7	13.0	12.0	3.5	4.5	3.7	Dec-14
JPM EMBI Global Diversified			-1.3	10.4	9.5	2.5	3.8	3.6	
50% JPM EMBI / 25% JPM GBI-EM / 25% JPM CEMBI			-1.3	9.6	8.3	2.3	--	--	
Pyramis Tactical Bond Fund	29,335,719	2.4	0.1	4.8	4.4	1.7	3.9	3.8	Aug-13
Blmbg. U.S. Aggregate Index			0.0	4.3	3.6	0.3	1.7	2.1	
eV US Core Plus Fixed Inc Median			-0.1	4.7	4.4	0.8	2.6	2.8	
eV US Core Plus Fixed Inc Rank			11	39	51	9	4	4	
Aristotle Pacific	26,428,777	2.1	-0.3	5.9	8.4	6.3	--	5.8	Dec-19
Morningstar LSTA U.S. Leveraged Loan			-0.6	4.8	8.0	5.9	--	5.7	
eV US Float-Rate Bank Loan Fixed Inc Median			-0.3	4.9	7.6	5.3	--	5.1	
eV US Float-Rate Bank Loan Fixed Inc Rank			45	16	14	6	--	12	

Trailing Net Performance | As of March 31, 2026

	Market Value ($)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Real Estate	92,579,029	7.5	2.1	3.8	-4.6	1.1	3.3	2.5	Jan-08
NCREIF Property Index			1.2	4.8	0.0	3.7	4.7	5.2	
Clarion Partners Lion Properties Fund	63,438,392	5.1	1.1	4.7	-3.4	2.2	4.3	4.9	Apr-05
NCREIF Fund Index-ODCE (EW) (Net)			1.0	3.1	-3.1	2.4	4.0	5.2	
Portfolio Advisors Real Estate Fund V	3,712,008	0.3							
Partners Group Global RE 2011	78,604	0.0							
Partners Group Real Estate Secondary 2017	10,890,936	0.9							
Crow Holdings Realty Partners X, L.P.	14,459,089	1.2							
Natural Resources	21,404,161	1.7	0.0	4.9	-4.5	0.9	1.0	0.6	Mar-13
S&P North American Natural Res Sector Index (TR)			26.0	42.4	20.7	21.8	11.6	7.0	
Aether Real Assets V	5,481,174	0.4							
Aether Real Assets IV	8,408,609	0.7							
Aether Real Assets III	6,231,322	0.5							
Aether Real Assets II	1,283,056	0.1							
Cash	4,978,224	0.4							
Cash	4,978,224	0.4							

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

Trailing Net Performance | As of March 31, 2026

	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)
SSIM Daily MSCI Emerging Markets Index	--	--	--	--	--	--	--	--	--	--
MSCI Emerging Markets Index	--	--	--	--	--	--	--	--	--	--
Private Equity	6.1	-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
57 Stars Global Opportunity 3										
Blue Bay Direct Lending										
Constitution Capital Partners III										
Consitution 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										
LGT Crown Global Secondaries II										
LGT Crown Global Secondaries III										

	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)
Partners Group Emerging Markets 2015										
Partners Group U.S. Distressed Private Equity 2009										
Private Advisors Co-Investment Fund III										
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	--	--	--	--

Trailing Net Performance | As of March 31, 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										
Cash										
Cash										

MPT Stats By Group | As of March 31, 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	5.2	5.9
Excess Return	2.1	3.1
Excess Performance	-0.7	0.0
RISK SUMMARY STATISTICS		
Beta	0.7	1.0
Down Capture	66.2	100.0
Up Capture	72.2	100.0
RISK/RETURN SUMMARY STATISTICS		
Standard Deviation	8.0	11.1
Sortino Ratio	0.4	0.4
Alpha	1.0	0.0
Sharpe Ratio	0.3	0.3
Excess Risk	8.0	11.0
Tracking Error	4.3	0.0
Information Ratio	-0.2	-
CORRELATION STATISTICS		
R-Squared	0.9	1.0
Actual Correlation	1.0	1.0

Cash Flow Summary	Beginning Market Value ($)	Contributions ($)	Distributions ($)	Net Cash Flow ($)	Net Investment Change ($)	Ending Market Value ($)
57 Stars Global Opportunity 3	4,022,825	-	-123,517	-123,517	-144,615	3,754,693
Aberdeen Emerging Markets Bond Fund	76,018,712	-	-	-	-465,467	75,553,245
Aether Real Assets II	1,380,157	-	-97,101	-97,101	-	1,283,056
Aether Real Assets III	6,781,968	-	-550,646	-550,646	-	6,231,322
Aether Real Assets IV	8,510,748	-	-102,139	-102,139	-	8,408,609
Aether Real Assets V	5,632,485	-	-151,311	-151,311	-	5,481,174
Aristotle Pacific	26,507,121	-	-	-	-78,343	26,428,777
Baillie Gifford International Growth Fund	31,535,103	-	-	-	-2,032,745	29,502,359
Blue Bay Direct Lending	1,500,889	-	-	-	27,746	1,528,635
Cash	11,560,027	90,321,029	-96,902,832	-6,581,803	-	4,978,224
Clarion Partners Lion Properties Fund	63,278,834	-	-544,021	-544,021	703,579	63,438,392
Constitution Capital Partners III	1,612,116	-	-	-	267	1,612,383
Consitution Capital Partners VII	9,918,630	-	-	-	204,288	10,122,917
Cross Creek Capital Partners II - B	7,674,747	-	-403,024	-403,024	-	7,271,723
Cross Creek Capital Partners III	8,972,431	-	-	-	-	8,972,431
Crow Holdings Realty Partners X, L.P.	11,090,398	1,867,147	-	1,867,147	1,501,544	14,459,089
Deutsche Bank SOF III	1,494,703	-	-	-	-61,653	1,433,050
DFA International Small Company Fund	38,401,240	-	-	-	384,469	38,785,709
DFA Emerging Markets Value	31,058,319	-	-	-	1,136,233	32,194,552
Dover Street X, L.P.	33,829,312	-	-	-	-20,216	33,809,096
HarbourVest 2013 Direct	2,202,844	-	-	-	-271,331	1,931,513
HarbourVest Co-Investment Fund IV	5,544,696	-	-	-	-270,474	5,274,222
HighVista Private Equity V, L.P.	1,347,858	-	-1,062,109	-1,062,109	-1,092	284,657
HighVista Private Equity VI, L.P.	2,096,777	-	-	-	-	2,096,777
LGT Crown Asia II	5,959,748	-	-4,283	-4,283	-186,547	5,768,918
LGT Crown Europe Small Buyouts III	1,109,217	-	-563	-563	-25,520	1,083,134
LGT Crown Global Opportunities VI	20,378,653	120,000	-2,512,484	-2,392,484	1,067,137	19,053,306
LGT Crown Global Secondaries II	69,627	-	-	-	-	69,627
LGT Crown Global Secondaries III	1,417,889	20,000	-157,318	-137,318	-15,895	1,264,676

Cash Flow Summary | Quarter To Date Ending March 31, 2026

	Beginning Market Value ($)	Contributions ($)	Distributions ($)	Net Cash Flow ($)	Net Investment Change ($)	Ending Market Value ($)
Loomis Sayles Core Plus Fixed Income	50,985,647	-	-	-	27,800	51,013,447
Partners Group Emerging Markets 2015	5,652,158	-	-174,977	-174,977	-345,307	5,131,874
Partners Group Global RE 2011	88,684	-	-	-	-10,080	78,604
Partners Group Real Estate Secondary 2017	11,103,539	-	-	-	-212,603	10,890,936
Partners Group U.S. Distressed Private Equity 2009	57,833	-	-	-	-5,743	52,090
Portfolio Advisors Real Estate Fund V	3,837,116	-	-	-	-125,108	3,712,008
Private Advisors Co-Investment Fund III	24,792	-	-10,465	-10,465	-14,327	-
Private Equity Investors V	1,211,151	-	-	-	-26,696	1,184,455
Pyramis Tactical Bond Fund	29,282,638	-	-	-	53,080	29,335,719
SSIM Bond Fund	129,866,351	-	-5,676	-5,676	67,534	129,928,209
SSIM Daily MSCI Emerging Markets Index	-	51,098,350	-	51,098,350	-1,470,450	49,627,900
SSIM MSCI EAFE Fund	154,938,395	-	-5,010,565	-5,010,565	-1,547,859	148,379,971
SSIM S&P 500	161,495,514	-	-5,004,033	-5,004,033	-6,882,269	149,609,212
SSIM TIPS	61,746,046	-	-	-	233,355	61,979,401
StepStone Global Partners V	6,938,957	-	-	-	-	6,938,957
StepStone Global Partners VI	9,917,752	-	-	-	-	9,917,752
SVB Strategic Investors Fund IX, L.P.	16,544,823	-	-	-	-	16,544,823
TT Emerging Markets Equity	51,098,350	-	-51,098,350	-51,098,350	-	-
Vaughan Nelson Small Cap Value	70,604,016	-	-	-	1,920,154	72,524,170
Westfield Small/Mid Cap Growth	73,290,901	-	-	-	1,009,067	74,299,968
Total	1,259,592,735	143,426,526	-163,915,415	-20,488,889	-5,878,086	1,233,225,760

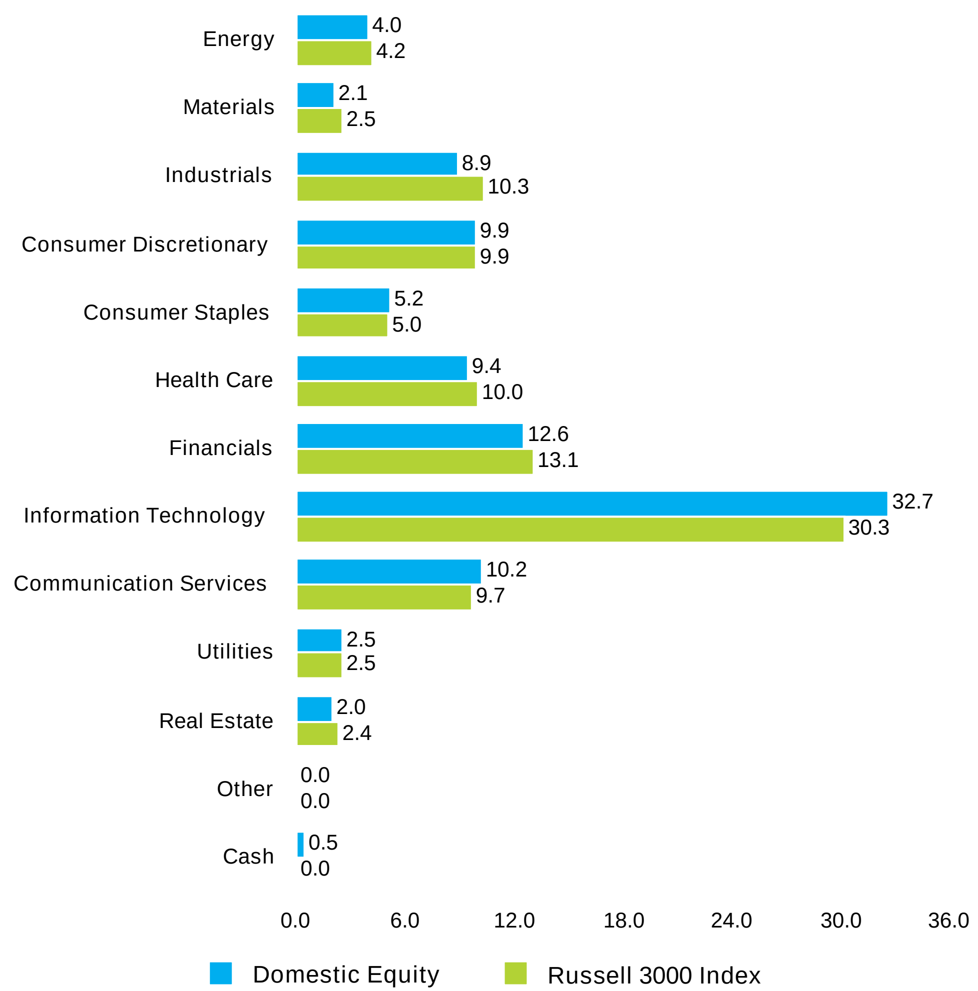
Composite Domestic Equity Characteristics | As of March 31, 2026

Characteristics	Portfolio	Benchmark
Number of Holdings	617	2,939
Wtd. Avg. Mkt. Cap $B	1,200.8	1,064.3
Median Mkt. Cap $B	29.3	2.3
Price To Earnings	26.2	25.4
Price To Book	4.9	4.6
Return on Equity (%)	9.7	9.4
Yield (%)	1.2	1.3
Beta (5 Years, Monthly)	1.0	1.0
R-Squared (5 Years, Monthly)	0.9	1.0

Top Holdings (%)

NVIDIA Corporation	7.5
Apple Inc	6.6
Microsoft Corp	4.9
Amazon.com Inc	3.6
Alphabet Inc Class A	3.0
Broadcom Inc	2.6
Alphabet Inc Class C	2.4
Meta Platforms Inc	2.2
Tesla Inc	1.9
Berkshire Hathaway Inc	1.6

Sector Weights (%) vs Russell 3000 Index

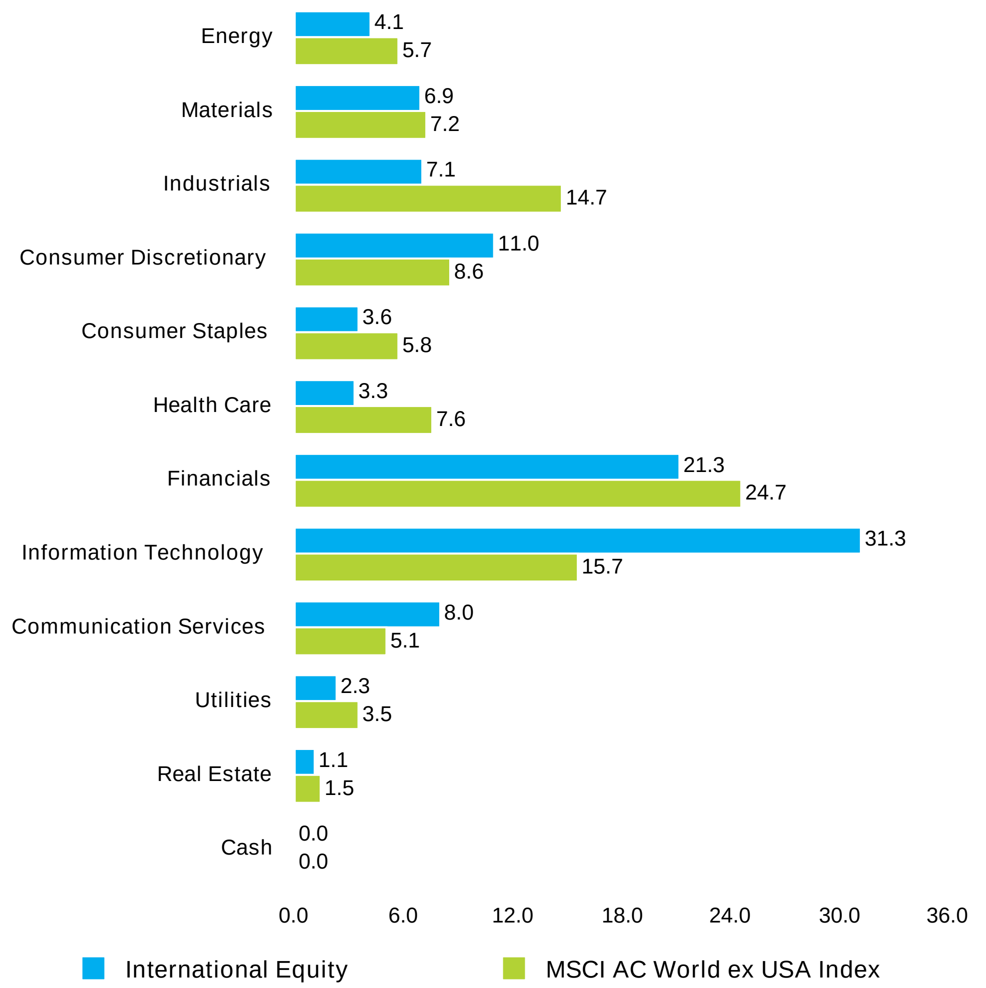


Composite International Equity Characteristics | As of March 31, 2026

Characteristics	Portfolio	Benchmark
Number of Holdings	9,162	1,977
Wtd. Avg. Mkt. Cap $B	302.1	166.7
Median Mkt. Cap $B	1.1	13.0
Price To Earnings	15.8	16.3
Price To Book	3.0	2.6
Return on Equity (%)	5.6	5.0
Yield (%)	2.3	2.7
Beta (5 Years, Monthly)	1.0	1.0
R-Squared (5 Years, Monthly)	1.0	1.0

Top Holdings (%)	
Taiwan Semiconductor	12.9
Samsung Electronics Co Ltd	4.9
Tencent Holdings LTD	3.8
SK Hynix Inc	2.7
Alibaba Group Holding Ltd	2.5
China Construction Bank Corp	1.0
HDFC Bank Limited	0.8
Reliance Industries Ltd	0.8
PDD Holdings Inc	0.8
Delta Electronics Inc	0.8

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



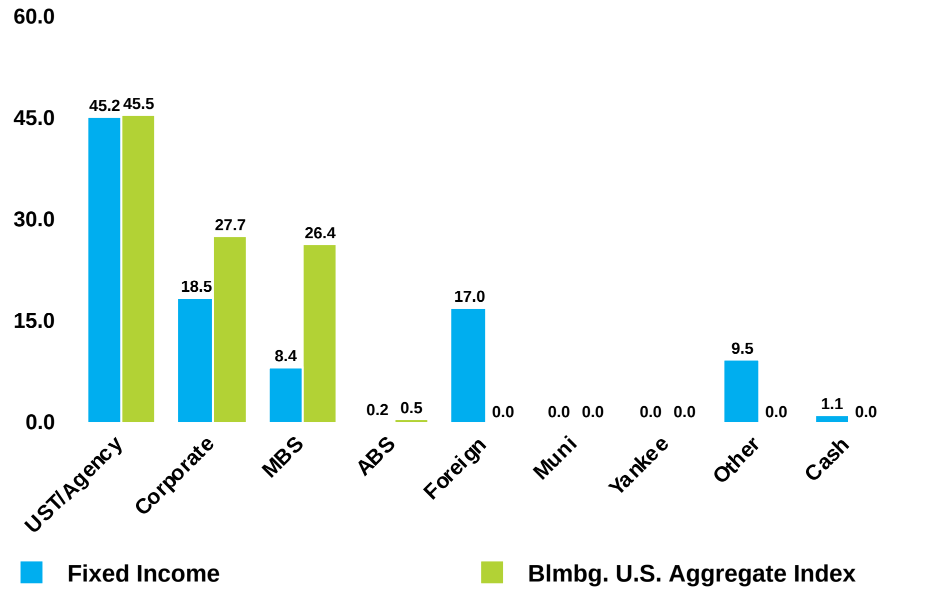
Composite Fixed Income Characteristics | As of March 31, 2026

	Total Fund $	Total Fund %
SSIM Bond Fund	129,928,209	35
SSIM TIPS	61,979,401	17
Loomis Sayles Core Plus Fixed Income	51,013,447	14
Aberdeen Emerging Markets Bond Fund	75,553,245	20
Pyramis Tactical Bond Fund	29,335,719	8
Aristotle Pacific	26,428,777	7
Total Fixed Income	**374,238,798**	**100**

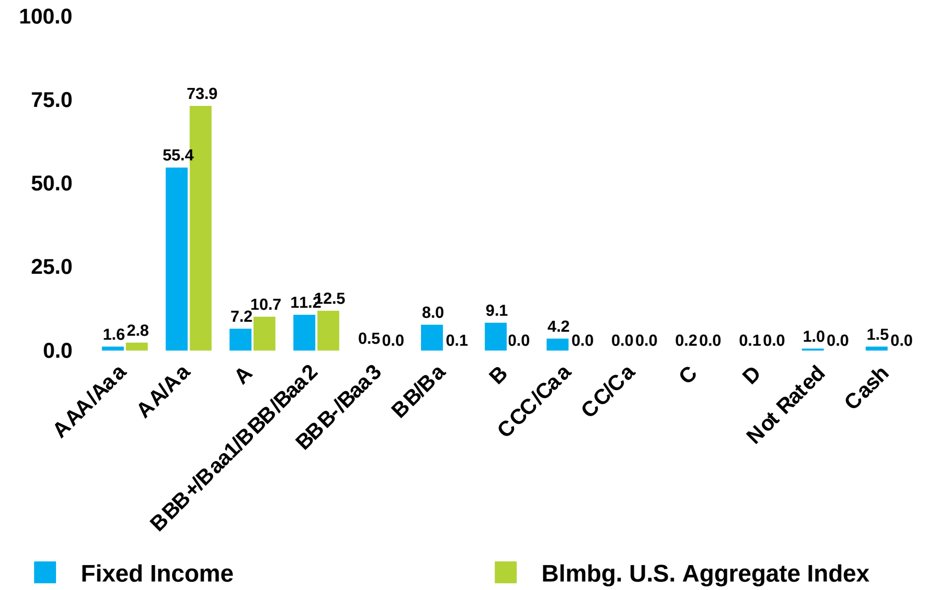
Portfolio Characteristics

	Portfolio	Benchmark
Yield To Maturity (%)	5.6	4.6
Average Duration	5.3	5.9
Avg. Quality	A	AA
Weighted Average Maturity (Years)	8.4	8.2

Sector Distribution (%)



Credit Quality Distribution (%)



Top Holdings

Comfort Systems USA Inc	7.4
Ascendis Pharma AS	4.7
FTAI Aviation Ltd	4.4
Tapestry Inc	3.0
Insmed Inc	2.4
LPL Financial Holdings Inc	2.2
Rocket Lab Corp	2.2
Globe Life Inc	2.1
Roku Inc	2.0
Jones Lang LaSalle Inc	1.9
% of Portfolio	32.3

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

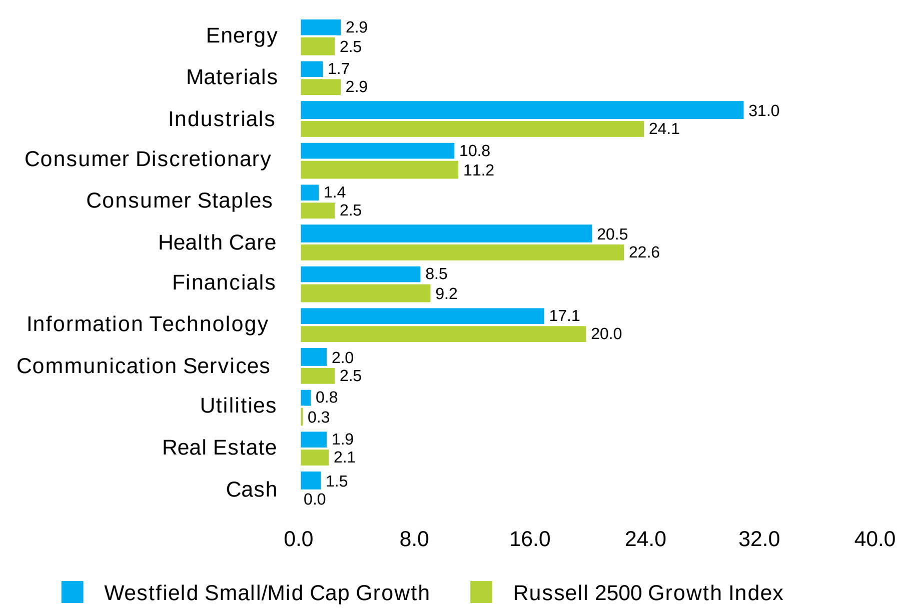
Equity Characteristics vs Russell 2500 Growth Index

	Portfolio	Benchmark
Number of Holdings	71	1,267
Wtd. Avg. Mkt. Cap $B	20.1	9.9
Median Mkt. Cap $B	14.2	1.5
P/E Ratio	35.3	26.0
Yield (%)	0.4	0.5
EPS Growth - 5 Yrs. (%)	25.3	22.9
Price to Book	5.9	4.9

Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
Westfield Small/Mid Cap Growth	1.2	23.2	12.0	5.6	12.7	12.3	11/01/2002
Russell 2500 Growth Index	-3.5	19.3	10.6	1.7	10.5	10.8	11/01/2002

Sector Weights (%)



Top Holdings

iShares Russell 2000 Value ETF	4.9
Element Solutions Inc	2.7
Clean Harbors Inc	2.4
Valvoline Inc	2.4
Artisan Partners Asset Management Inc	2.3
GATX Corp.	2.3
Cushman & Wakefield Ltd	2.2
FirstCash Holdings Inc	2.2
Carlisle Cos Inc	2.2
Archrock Inc	2.1
% of Portfolio	25.7

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

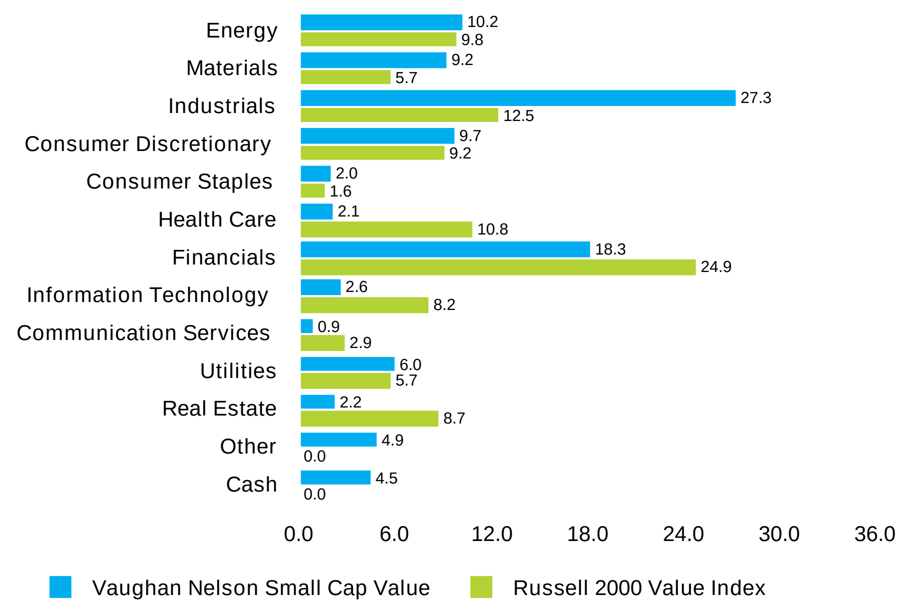
Equity Characteristics vs Russell 2000 Value Index

	Portfolio	Benchmark
Number of Holdings	69	1,410
Wtd. Avg. Mkt. Cap $B	7.5	3.7
Median Mkt. Cap $B	6.6	0.8
P/E Ratio	18.6	15.3
Yield (%)	1.7	2.0
EPS Growth - 5 Yrs. (%)	16.3	11.2
Price to Book	2.2	1.8

Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
Vaughan Nelson Small Cap Value	2.5	21.4	12.6	10.0	10.6	10.4	01/01/2016
Russell 2000 Value Index	5.0	28.1	13.8	5.8	9.6	9.5	01/01/2016

Sector Weights (%)



Top Holdings

NVIDIA Corporation	7.6
Apple Inc	6.6
Microsoft Corp	4.9
Amazon.com Inc	3.6
Alphabet Inc Class A	3.0
Broadcom Inc	2.6
Alphabet Inc Class C	2.4
Meta Platforms Inc	2.2
Tesla Inc	1.9
Berkshire Hathaway Inc	1.6
% of Portfolio	36.4

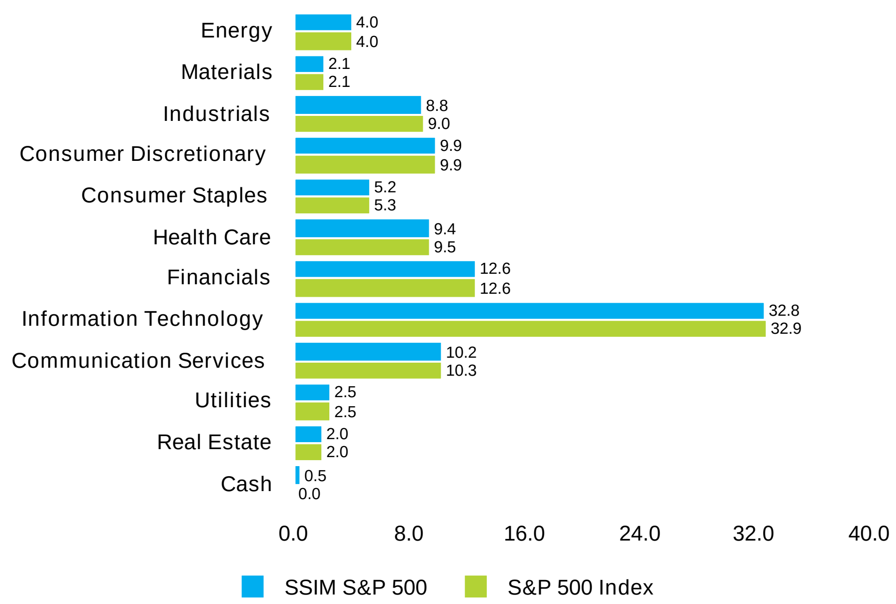
Account Information

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	503	503
Wtd. Avg. Mkt. Cap $B	1,207.0	1,210.4
Median Mkt. Cap $B	39.8	39.8
P/E Ratio	26.2	26.2
Yield (%)	1.2	1.2
EPS Growth - 5 Yrs. (%)	25.8	25.8
Price to Book	4.9	4.9

Sector Weights (%)



Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
SSIM S&P 500	-4.3	17.8	18.3	12.0	14.1	10.3	02/01/2004
S&P 500 Index	-4.3	17.8	18.3	12.1	14.2	10.3	02/01/2004

Top Holdings

Spotify Technology SA	7.6
ASML Holding NV	6.5
LOreal SA	5.8
MercadoLibre Inc	5.2
Adyen N.V	5.1
Ferrari NV	4.4
Hermes International SA	4.0
argenx SE	3.4
Sea Limited	3.4
Sartorius AG	3.2
% of Portfolio	48.6

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

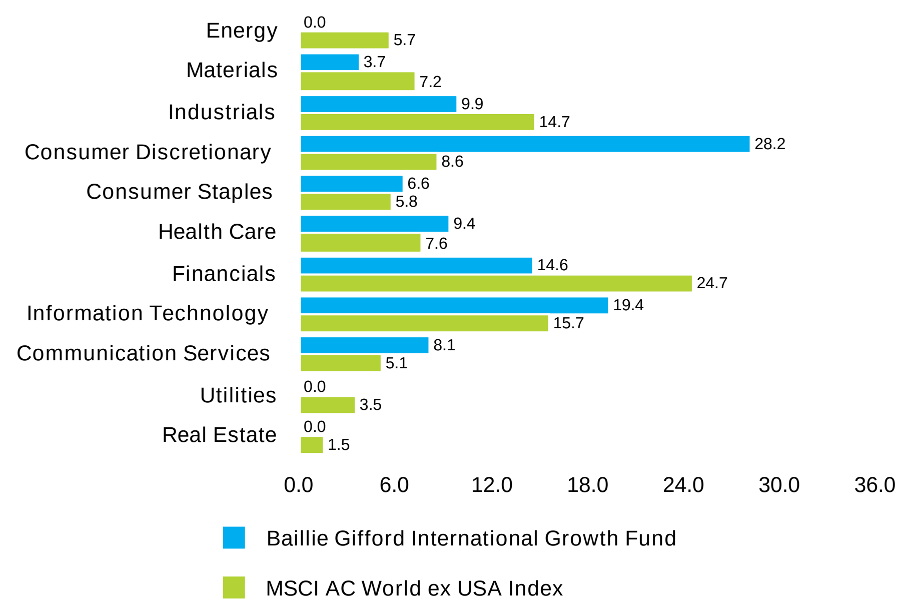
Equity Characteristics vs MSCI AC World ex USA Index

	Portfolio	Benchmark
Number of Holdings	62	1,977
Wtd. Avg. Mkt. Cap $B	102.6	166.7
Median Mkt. Cap $B	25.9	13.0
P/E Ratio	31.9	16.3
Yield (%)	0.7	2.7
EPS Growth - 5 Yrs. (%)	19.9	20.2
Price to Book	5.9	2.6

Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
Baillie Gifford International Growth Fund	-6.4	9.9	6.1	-3.8	8.6	9.1	05/01/2009
MSCI AC World ex USA (Net)	-0.7	24.9	14.5	7.0	8.4	7.9	05/01/2009

Sector Weights (%)



Top Holdings

ASML Holding NV	2.5
Astrazeneca PLC	1.5
Novartis AG	1.4
HSBC Holdings PLC	1.4
Roche Holding AG	1.4
Shell Plc	1.3
Nestle SA, Cham Und Vevey	1.2
Commonwealth Bank of Australia	1.0
Toyota Motor Corp	0.9
Mitsubishi UFJ Financial Group Inc	0.9
% of Portfolio	13.5

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

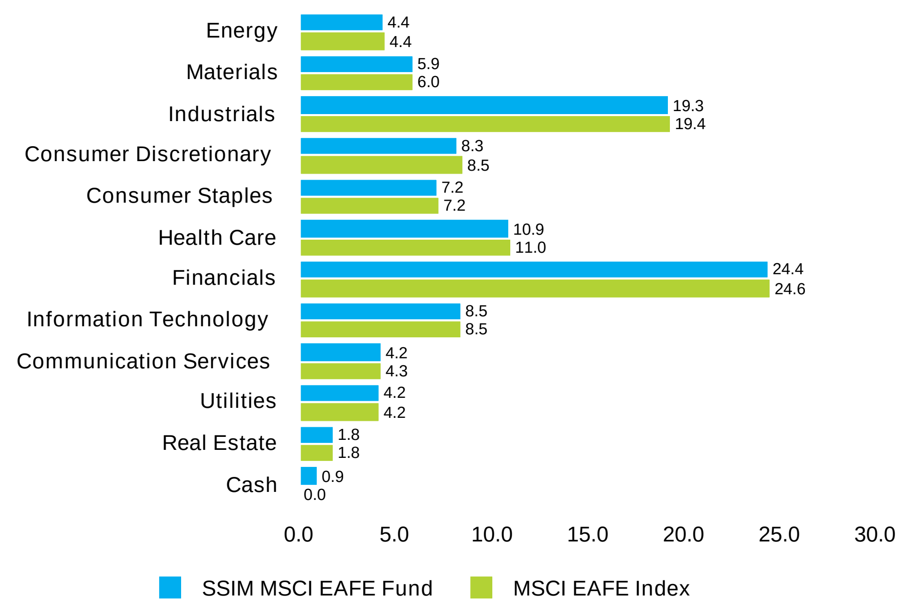
Equity Characteristics vs MSCI EAFE Index

	Portfolio	Benchmark
Number of Holdings	706	690
Wtd. Avg. Mkt. Cap $B	105.4	106.3
Median Mkt. Cap $B	19.8	19.7
P/E Ratio	16.4	16.4
Yield (%)	2.9	2.9
EPS Growth - 5 Yrs. (%)	20.4	20.5
Price to Book	2.5	2.5

Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
SSIM MSCI EAFE Fund	-1.1	21.7	14.0	8.2	8.7	7.1	02/01/2013
MSCI EAFE (Net)	-1.2	21.3	13.6	7.9	8.4	6.8	02/01/2013

Sector Weights (%)



Top Holdings

Top Holdings	
Samsung Electronics Co Ltd	4.0
Alibaba Group Holding Ltd	2.6
China Construction Bank Corp	2.6
Reliance Industries Ltd	2.6
Hon Hai Precision Industry Co Ltd	2.0
KB Financial Group Inc	1.4
Industrial & Comm. Bank of China	1.3
Ping An Insurance Group Co of China Ltd	1.2
ASE Technology Holding Co Ltd	1.2
Bank of China Ltd	1.1
% of Portfolio	20.0

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

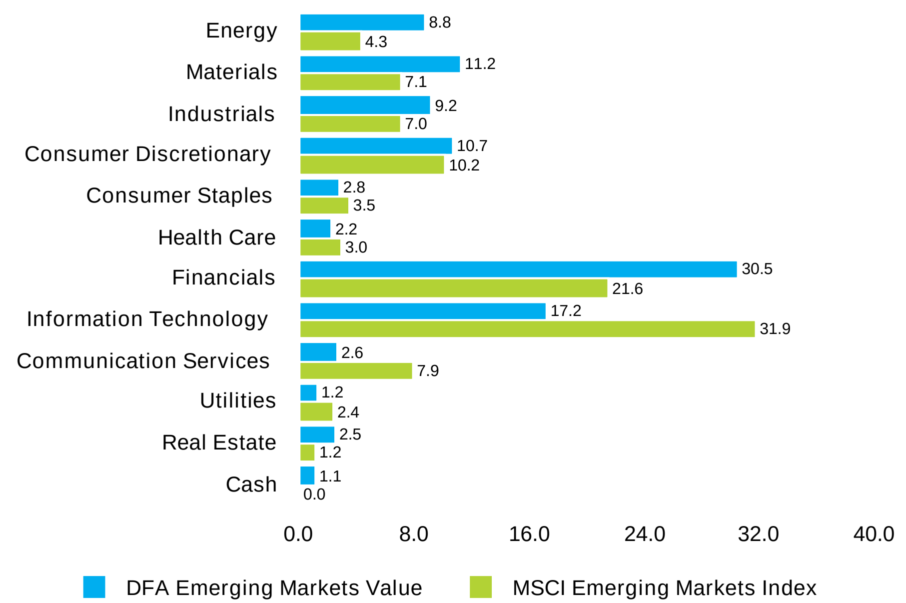
Equity Characteristics vs MSCI Emerging Markets Index

	Portfolio	Benchmark
Number of Holdings	3,583	1,204
Wtd. Avg. Mkt. Cap $B	71.9	309.5
Median Mkt. Cap $B	0.9	10.0
P/E Ratio	10.3	15.4
Yield (%)	3.3	2.4
EPS Growth - 5 Yrs. (%)	12.1	20.7
Price to Book	1.8	2.9

Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
DFA Emerging Markets Value	3.7	30.1	17.0	9.0	9.3	4.9	12/01/2009
MSCI Emerging Markets (Net)	-0.2	29.6	14.8	3.7	7.8	4.8	12/01/2009

Sector Weights (%)



Top Holdings	
BAWAG Group AG	0.5
PSP SWISS PROPERTY AG	0.5
IAMGold Corp	0.4
Whitecap Resources Inc	0.4
Helvetia Baloise Holding AG	0.4
Hudbay Minerals Inc	0.4
Orion Corp	0.4
Finning International Inc	0.4
Rexel SA	0.4
Ackermans and Van Haaren NV	0.4
% of Portfolio	4.2

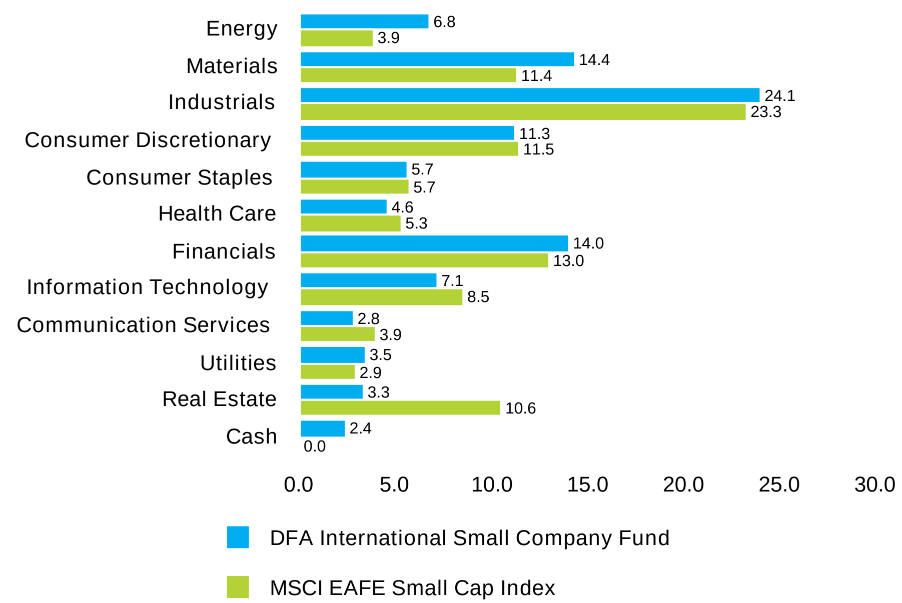
Account Information	
Account Name	DFA International Small Company Fund
Account Structure	Mutual Fund
Inception Date	05/12/2025
Asset Class	International Equity
Benchmark	MSCI AC World ex USA Smid Cap Index (Net)
Peer Group	Foreign Small/Mid Blend

Equity Characteristics vs MSCI EAFE Small Cap Index	Portfolio	Benchmark
Number of Holdings	3,971	2,031
Wtd. Avg. Mkt. Cap $B	4.2	4.0
Median Mkt. Cap $B	0.6	1.7
P/E Ratio	14.5	15.1
Yield (%)	3.0	3.1
EPS Growth - 5 Yrs. (%)	20.5	16.0
Price to Book	2.1	2.1

Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
DFA International Small Company Fund	1.0	-	-	-	-	17.1	06/01/2025
MSCI EAFE Small Cap Index	-1.1	26.2	13.2	4.9	7.9	8.3	01/01/2001

Sector Weights (%)



Top Holdings

Taiwan Semiconductor	13.5
Samsung Electronics Co Ltd	5.2
Tencent Holdings LTD	3.9
SK Hynix Inc	2.9
Alibaba Group Holding Ltd	2.6
China Construction Bank Corp	1.0
HDFC Bank Limited	0.9
Reliance Industries Ltd	0.9
Delta Electronics Inc	0.8
Hon Hai Precision Industry Co Ltd	0.7
% of Portfolio	32.4

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	

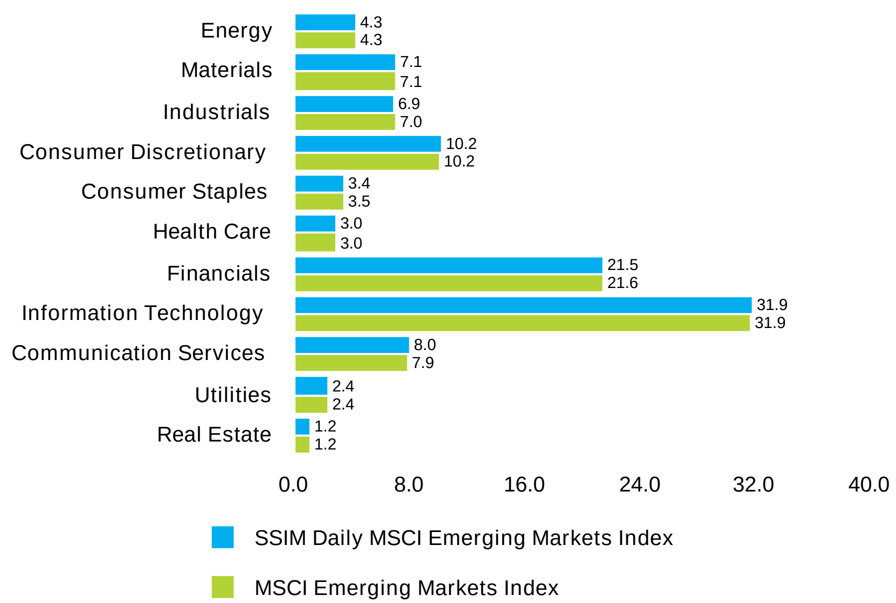
Equity Characteristics vs MSCI Emerging Markets Index

	Portfolio	Benchmark
Number of Holdings	1,281	1,204
Wtd. Avg. Mkt. Cap $B	312.4	309.5
Median Mkt. Cap $B	10.0	10.0
P/E Ratio	15.5	15.4
Yield (%)	2.4	2.4
EPS Growth - 5 Yrs. (%)	20.9	20.7
Price to Book	2.9	2.9

Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
SSIM Daily MSCI Emerging Markets Index	-0.3	-	-	-	-	-5.7	02/01/2026
MSCI Emerging Markets Index	-0.1	30.3	15.4	4.2	8.2	10.0	01/01/1988

Sector Weights (%)



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

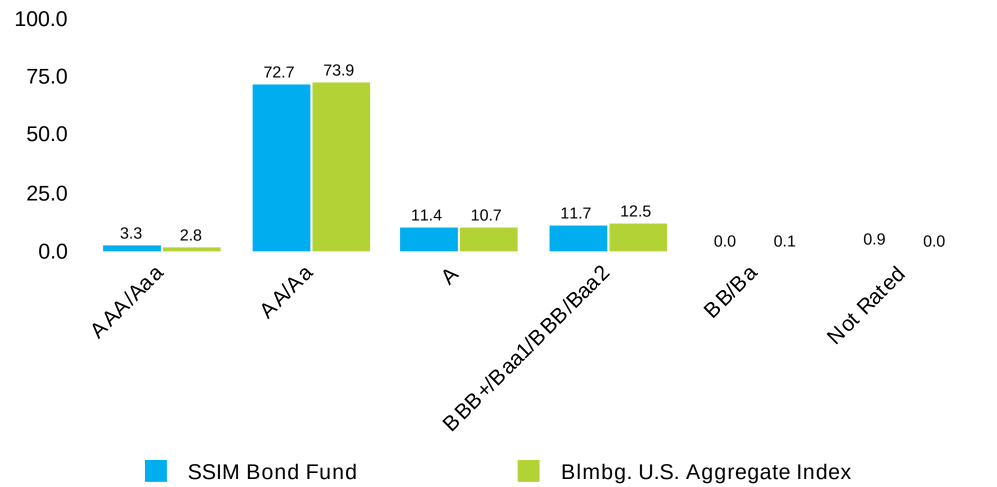
Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
SSIM Bond Fund	0.0	4.3	3.6	0.3	1.7	3.2	01/01/2004
Blmbg. U.S. Aggregate Index	*0.0*	*4.3*	*3.6*	*0.3*	*1.7*	*3.2*	

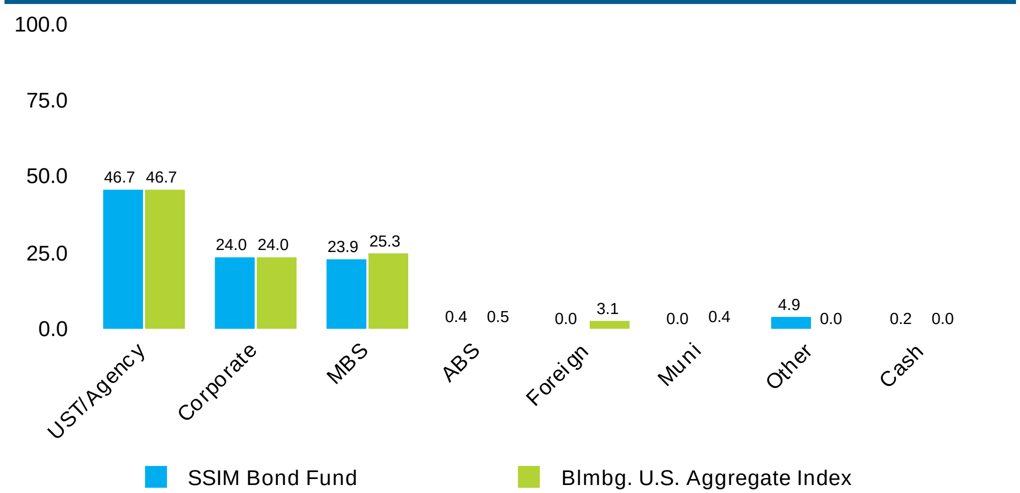
Portfolio Fixed Income Characteristics

	Q1-26 Portfolio	Q1-26 Benchmark	Q4-25 Portfolio
Yield To Maturity	4.6	4.6	4.3
Average Duration	5.9	5.9	6.0
Average Quality	AA	AA	AA
Weighted Average Maturity	8.1	8.2	8.1

Credit Quality Allocation



Sector Allocation



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

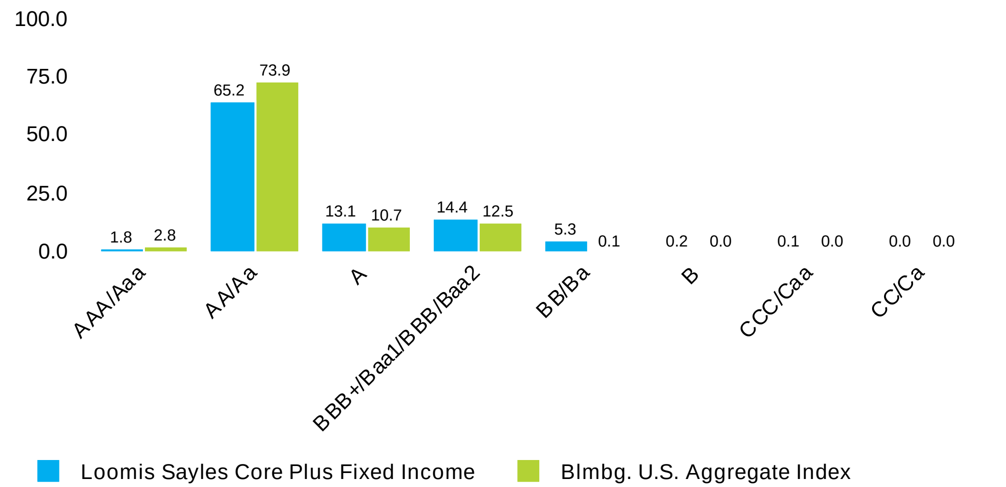
Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
Loomis Sayles Core Plus Fixed Income	0.0	5.0	3.9	0.7	2.8	2.7	07/01/2015
Blmbg. U.S. Aggregate Index	*0.0*	*4.3*	*3.6*	*0.3*	*1.7*	*1.9*	

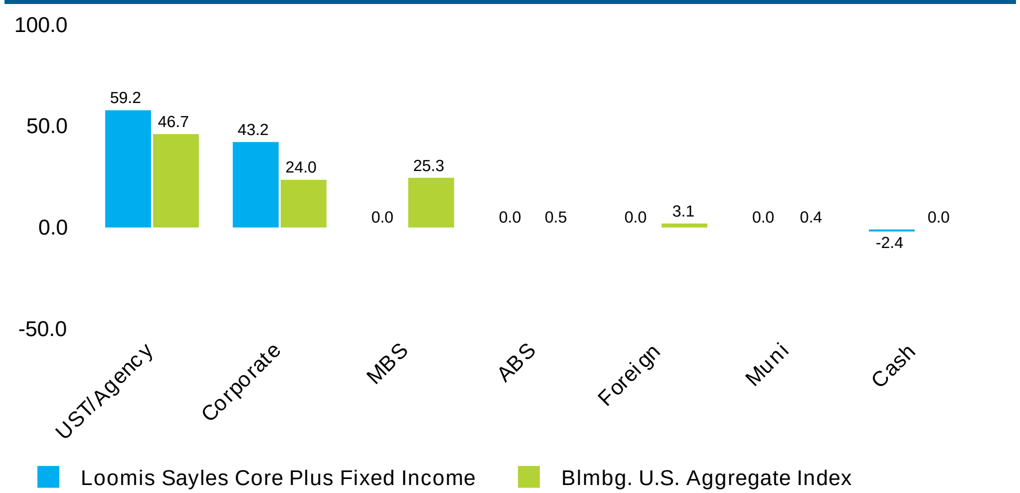
Portfolio Fixed Income Characteristics

	Q1-26		Q4-25
	Portfolio	Benchmark	Portfolio
Yield To Maturity	5.2	4.6	4.9
Average Duration	6.3	5.9	6.0
Average Quality	AA	AA	AA
Weighted Average Maturity	8.3	8.2	8.0

Credit Quality Allocation



Sector Allocation



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	

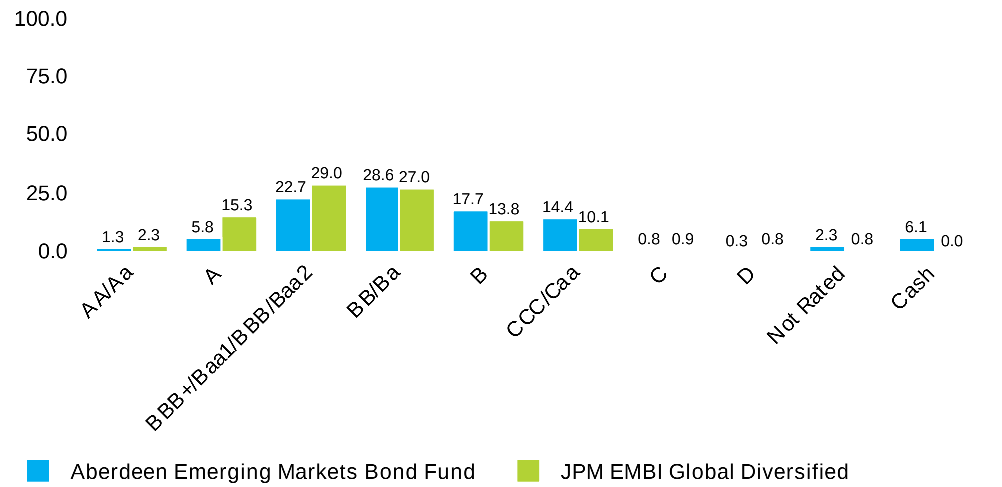
Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
Aberdeen Emerging Markets Bond Fund	-0.7	13.0	12.0	3.5	4.5	3.7	12/01/2014
JPM EMBI Global Diversified	*-1.3*	*10.4*	*9.5*	*2.5*	*3.8*	*3.6*	

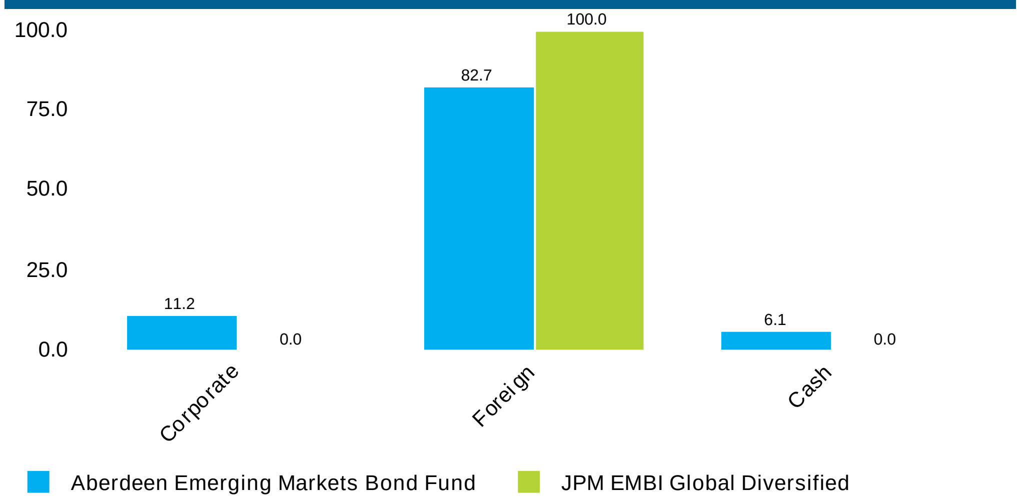
Portfolio Fixed Income Characteristics

	Q1-26 Portfolio	Q1-26 Benchmark	Q4-25 Portfolio
Yield To Maturity	8.4	6.4	8.1
Average Duration	6.0	6.3	6.4
Average Quality	BB	BB	BB
Weighted Average Maturity	10.2	10.3	10.7

Credit Quality Allocation



Sector Allocation



Benchmark characteristics currently unavailable.

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

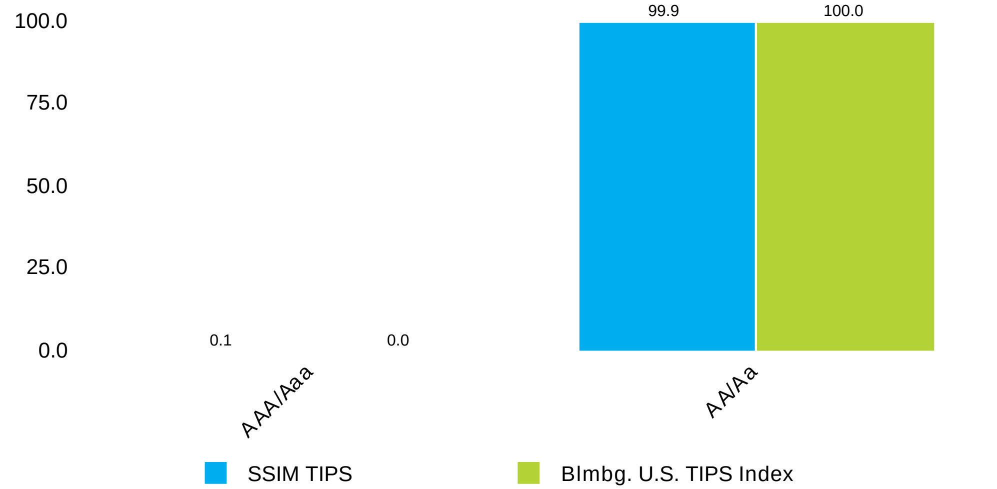
Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
SSIM TIPS	0.4	3.0	3.1	1.4	2.6	2.2	08/01/2014
Blmbg. U.S. TIPS Index	*0.3*	*3.0*	*3.2*	*1.5*	*2.7*	*2.3*	

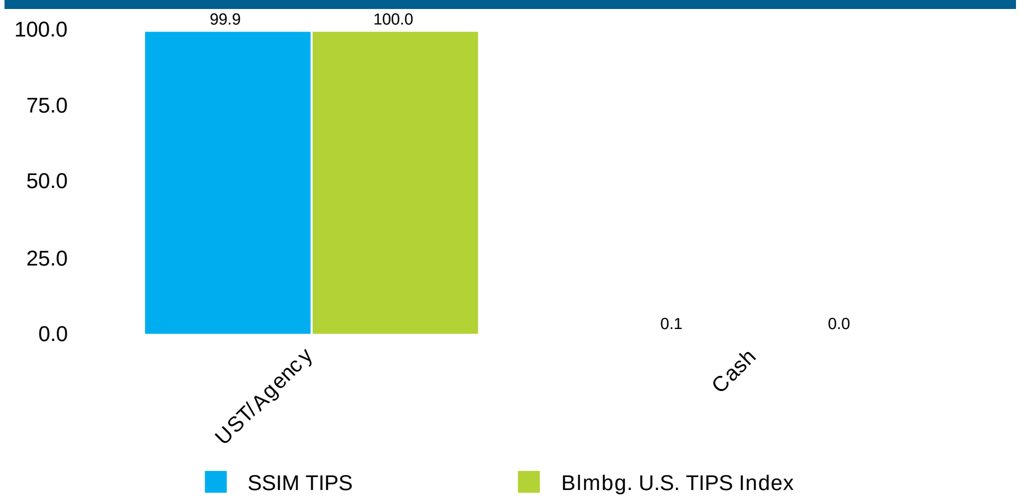
Portfolio Fixed Income Characteristics

	Q1-26		Q4-25
	Portfolio	Benchmark	Portfolio
Yield To Maturity	4.2	4.1	4.0
Average Duration	4.2	6.4	4.6
Average Quality	AA	AA	AA
Weighted Average Maturity	7.2	7.2	7.1

Credit Quality Allocation



Sector Allocation



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

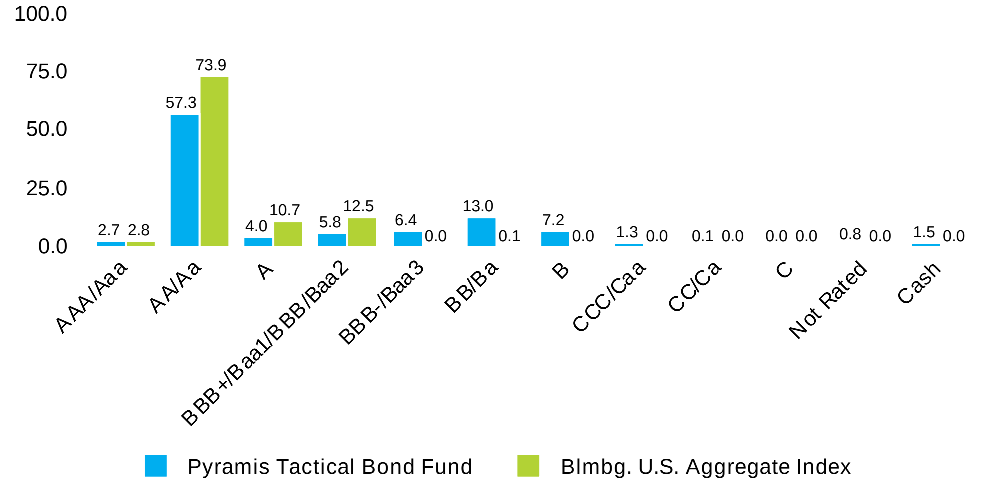
Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
Pyramis Tactical Bond Fund	0.1	4.8	4.4	1.7	3.9	3.8	08/01/2013
Blmbg. U.S. Aggregate Index	*0.0*	*4.3*	*3.6*	*0.3*	*1.7*	*2.1*	

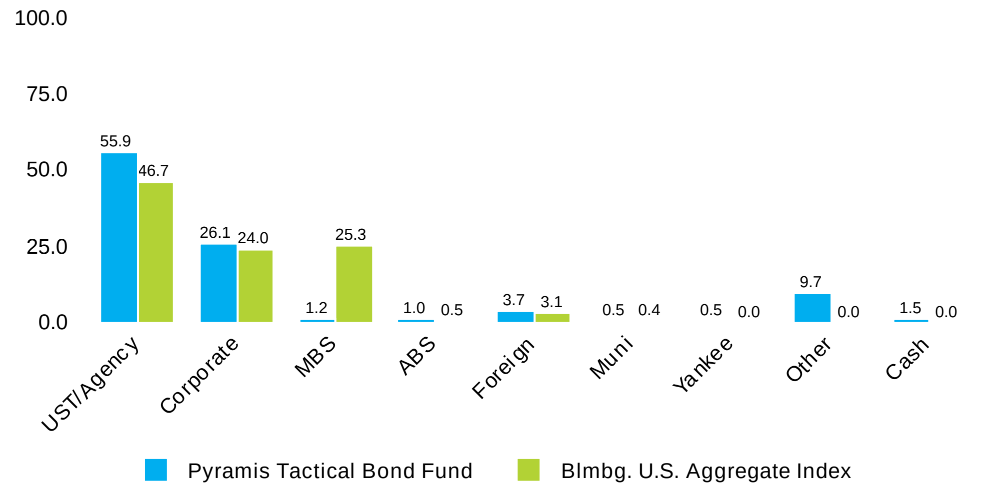
Portfolio Fixed Income Characteristics

	Q1-26 Portfolio	Q1-26 Benchmark	Q4-25 Portfolio
Yield To Maturity	5.4	4.6	5.1
Average Duration	6.3	5.9	6.2
Average Quality	A	AA	A
Weighted Average Maturity	11.6	8.2	11.8

Credit Quality Allocation



Sector Allocation



Account Information

Account Name	Aristotle Pacific
Account Structure	Commingled Fund
Inception Date	11/27/2019
Asset Class	US Fixed Income
Benchmark	S&P UBS Leveraged Loan Index
Peer Group	eV US Float-Rate Bank Loan Fixed Inc

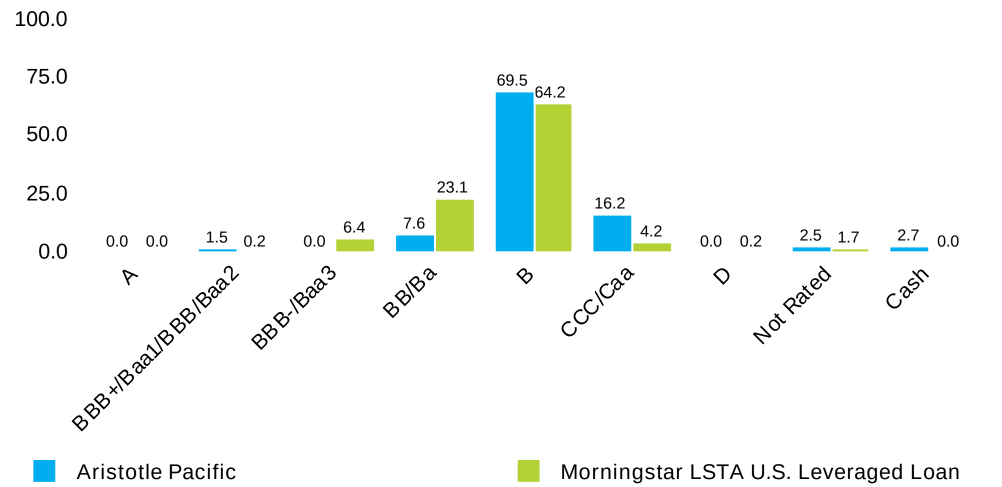
Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
Aristotle Pacific	-0.3	5.9	8.4	6.3	-	5.8	12/01/2019
Morningstar LSTA U.S. Leveraged Loan	*-0.6*	*4.8*	*8.0*	*5.9*	*5.6*	*5.7*	

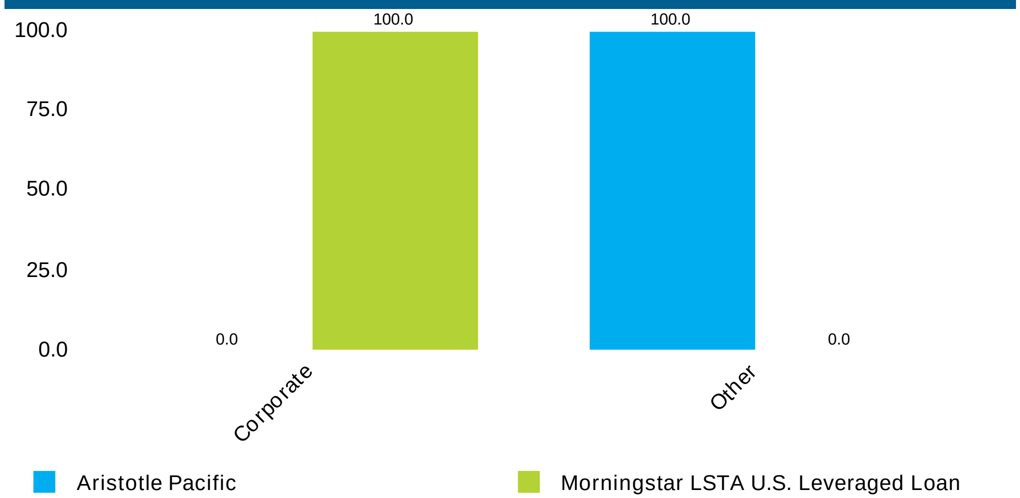
Portfolio Fixed Income Characteristics

	Q1-26 Portfolio	Q1-26 Benchmark	Q4-25 Portfolio
Yield To Maturity	7.5	8.5	7.1
Average Duration	0.4	0.1	0.3
Average Quality	B	B	B
Weighted Average Maturity	4.6	4.6	4.6

Credit Quality Allocation



Sector Allocation



Benchmark characteristics currently unavailable.

Public Manager Annual Investment Expense Analysis				
	Market Value ($)	% of Portfolio	Estimated Annual Fee (%)	Estimated Expense ($)
Westfield Small/Mid Cap Growth	74,299,968	8.44	0.89	854,450
Vaughan Nelson Small Cap Value	72,524,170	8.23	0.75	543,931
SSIM S&P 500	149,609,212	16.99	0.01	17,461
Baillie Gifford International Growth Fund	29,502,359	3.35	0.61	168,163
DFA International Small Company Fund	38,785,709	4.40	0.39	151,264
SSIM MSCI EAFE Fund	148,379,971	16.85	0.05	74,352
DFA Emerging Markets Value	32,194,552	3.66	0.38	177,070
SSIM Daily MSCI Emerging Markets Index	49,627,900	5.63	0.05	24,814
SSIM Bond Fund	129,928,209	14.75	0.03	35,986
Loomis Sayles Core Plus Fixed Income	51,013,447	5.79	0.29	147,534
Aberdeen Emerging Markets Bond Fund	75,553,245	8.58	0.45	339,990
SSIM TIPS	61,979,401	7.04	0.03	18,594
Pyramis Tactical Bond Fund	29,335,719	3.33	0.34	99,741
Aristotle Pacific	26,428,777	3.00	0.41	108,358
Total	880,749,030	100.00	-	2,585,629

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	3.0	2.5	4.3	$0.1	17.7	2009	1.8x
Private Equity Investors V	3.0	3	1.4	$1.2	-1.8	2009	0.9x
Cross Creek Capital Partners II – B[2]	12.5	11.7	31.6	$8.0	18.3	2010	3.4x
LGT Crown Asia II	10.0	9.6	13.2	$6.0	10.4	2011	2.0x
StepStone Global Partners V[2]	7.5	6.8	18.9	$6.9	22.7	2011	3.8x
57 Stars Global Opportunity 3	10.0	10.7	8.4	$3.9	2.1	2011	1.2x
LGT Crown Europe Small Buyouts III[2]	8.4	7.2	12.5	$1.1	15.2	2012	1.9x
LGT Crown Global Secondaries III	10.0	7.8	10.6	$1.4	11.5	2012	1.5x
Private Advisors Co-Investment Fund III	10.0	10.6	17.7	$0.0	11.4	2013	1.7x
HarbourVest 2013 Direct	10.0	9.7	18.6	$1.9	16.9	2013	2.1x
Cross Creek Capital Partners III[2]	7.5	6.9	10.7	$9.5	17.7	2013	2.9x
HighVista Private Equity V[2]	10.0	10	18.6	$1.3	15.4	2012	2.0x
StepStone Global Partners VI[2]	7.5	6.8	13.1	$10.1	20	2013	3.4x
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	10.6	$1.4	8.1	2014	1.2x
HighVista Private Equity VI[2]	15.0	14.2	24.2	$4.6	16.5	2015	2.0x
Blue Bay Direct Lending Fund II	20.0	19.4	21.7	$1.5	7.3	2015	1.2x
Partners Group Emerging Markets 2015	10.0	8.8	8.2	$5.3	6.6	2015	1.5x
LGT Crown Global Opportunities VI	40.0	36.4	49.6	$20.4	14.6	2016	1.9x
HarbourVest Co-Investment Fund IV	10.0	8.1	10.2	$5.3	13.2	2017	1.9x
SVB Strategic Investors Fund IX[2]	10.0	9	0.5	$16.5	13.52	2018	1.9x
Dover Street X	40.0	32.8	15.5	$33.8	15.3	2020	1.5x
Constitution Capital Partners Ironsides VII	25.0	8.4	0	$10.1	38.9	2023	1.2x
Total	**$311.4**	**$276.4**	**$368.7**	**$151.9**			1.9x

[1] All performance figures are reported directly from managers, net of fees, as of 12/31/2025, unless otherwise noted.
[2] Performance figures are reported as of 9/30/2025.

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	U.S.	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	$3.7	4.1
Partners Group RE Secondary 2017[1]	$15.0	$10.1	$0.5	$10.9	2.4
Crow Holdings Realty Partners X[2]	$20.0	$13.0	$0.0	$12.6	-1.6
Total	**$68.7**	**$40.7**	**$17.5**	**$27.3**	

[1] Performance figures are reported directly from manager, net of fees, as of 9/30/2025.
[2] Performance figures are reported directly from managers, net of fees, as of 12/31/2025.

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	$7.8	$5.6	$1.4	-1.7	0.9x
Aether Real Assets III	2013	$15.0	$16.1	$6.9	$7.1	-2.4	0.8x
Aether Real Assets IV	2016	$10.0	$10.3	$4.6	$9.9	4.5	1.1x
Aether Real Assets V	2018	$10.0	$9.1	$4.0	$7.1	5.7	1.0x
Total		**$42.5**	**$42.4**	**$17.6**	**$24.4**		**1.0x**

[1] Performance figures are reported directly from manager, net of fees, as of 9/30/2025, no 12/31/2025 statement available at time of report generation.

Appendix

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Roadmap

MEKETA

Austin Firefighters Retirement Fund

Preliminary Road Map[1]

~~**November 2025**~~

1. ~~Update on passive framework 2.0~~
2. ~~Core Infra Manager Search candidates~~
3. ~~Real estate recommendation~~
4. ~~Private equity peer performance analysis~~
5. ~~Public Markets manager fee review~~

~~**February 2026**~~

1. ~~Fisal year review~~
2. ~~IFM Infrastructure Manager Interview~~
3. ~~Clarion Real Estate Manager Interview~~

June 2026

1. Introduction to Asset Liability Studies
2. Private Real Estate vs. REITs education
3. Approach to private equity investing

September 2026

1. Annual asset allocation review (Capital Market Expectations update)
2. Annual Private Equity peer performance benchmarking
3. Continued investment training/education

November 2026

1. Annual Investment Policy Statement review
2. Public markets manager fee review

2027

1. Asset allocation/liability study

[1] Dates and actions subject to change based on client needs and capital market conditions

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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 is 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%.

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

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

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.

MEKETA TRAINING MATERIALS

Asset/Liability Study Introduction

Introduction

- It is increasingly common for pension plans, including many Meketa clients, to conduct asset liability studies every 3 to 5 years. Some systems have been conducting studies periodically for decades.
- AFRF has never done a formal asset liability study, despite some liability analysis typically incorporated in Meketa's periodic asset allocation reviews.
- Staff has expressed interest over the past few years about conducting an asset liability study.
- The last IPPE study (SB 322) addressed this matter as well.
- These studies are not included in the scope of services contained in our investment advisory agreement with the Fund.
- We have included a sample asset liability study here so the Board can be more informed about what the study focuses on and what the output might look like should the Board wish to engage Meketa for this service.

Asset-Liability Modeling @ Meketa

Levels of Service

	I	II	III
✓ Allocation Optimization Samples	1 to 3	10,000+	10,000+
✓ Stress Testing	✓	✓	✓
✓ Meketa Essentials Access	✓	✓	✓
✓ Risk Survey	✗	✓	✓
✓ Enterprise Risk Analysis	✗	✓	✓
✓ Forecast Method	Deterministic	Stochastic	Stochastic
✓ Plan Cash Flow Modeling	✗	✓	✓
✓ Dynamic Contributions	✗	✓	✓
✓ Integrated Illiquidity Pacing	✗	✗	✓
✓ Interactive Client Model	✗	✗	✓
✓ Multiple/Complicated Plan Characteristics	✗	✗	✓

Sample Asset Liability Study - Public Pension

Asset-Liability Study Overview

1. Key Risks to the Plan

2. Actuarial Background and Strategic Considerations

3. How Meketa Measures Risk

4. Modeling Results and Recommended Asset Allocations

Note: Everything contained in this presentation is a sample and not for actual use.

Key Risks to the Plan

What are the key risks to the pension plan?

01 Investment Risk
Variability in investment returns that affect the Plan's ability to meet long-term expectations

02 Inflation Risk
Rising prices that erode purchasing power and influence wage growth and liabilities

03 Liquidity Risk
The ability to raise cash when needed without selling assets at depressed values

04 Workforce and Payroll Risk
Changes in active workforce levels and wages that drive contributions and benefit accruals

05 Contribution Risk
Variability in employer contributions tied to payroll trends and financial capacity

06 Longevity Risk
Differences in asset and liability growth stemming from asset income and benefit payments

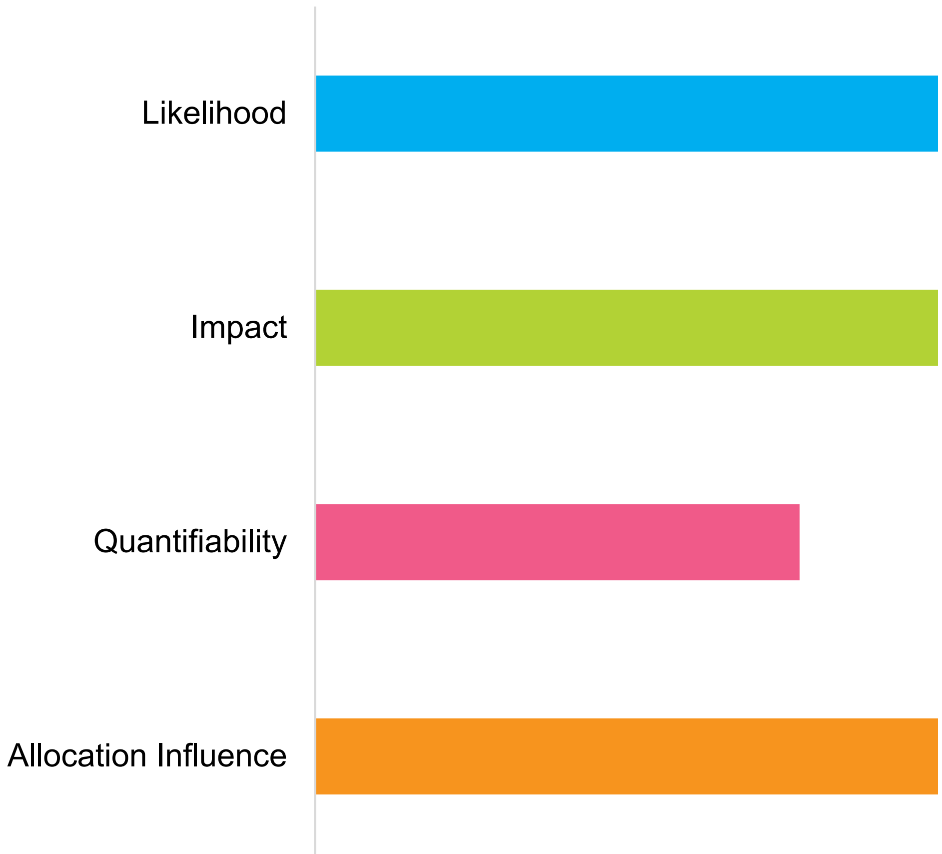
Risk Isolation – Investments (example)

01

Investment Risk

→ Variability of investment returns that affect the Plan’s ability to meet long-term assumptions

→ Sample: 1 in 7 years has a return less than -10% or greater than 20%



- ✓ Wide range makes it common for returns to deviate from assumptions.
- ✓ 50% probability of achieving the 7% discount rate annually.

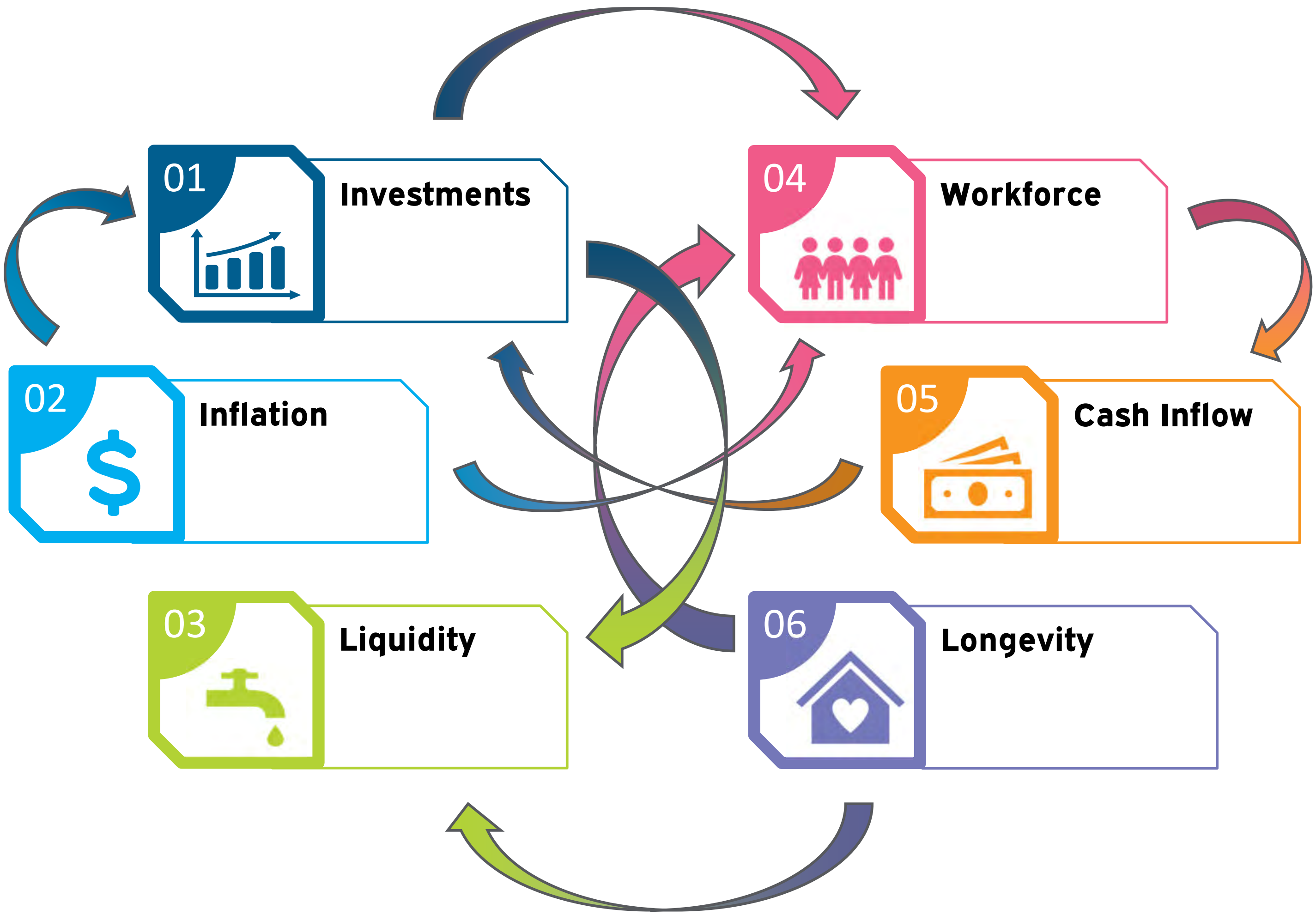
- ✓ Returns strongly influence funded status and contribution volatility.
- ✓ In the years when returns are less than 7%, the expectation is a -3% return.

- ✓ Rich historical data makes investment risk highly measurable
- ✓ However, there are many different, valid opinions on *future* asset class return expectations

- ✓ Asset allocation is the primary driver of investment risk

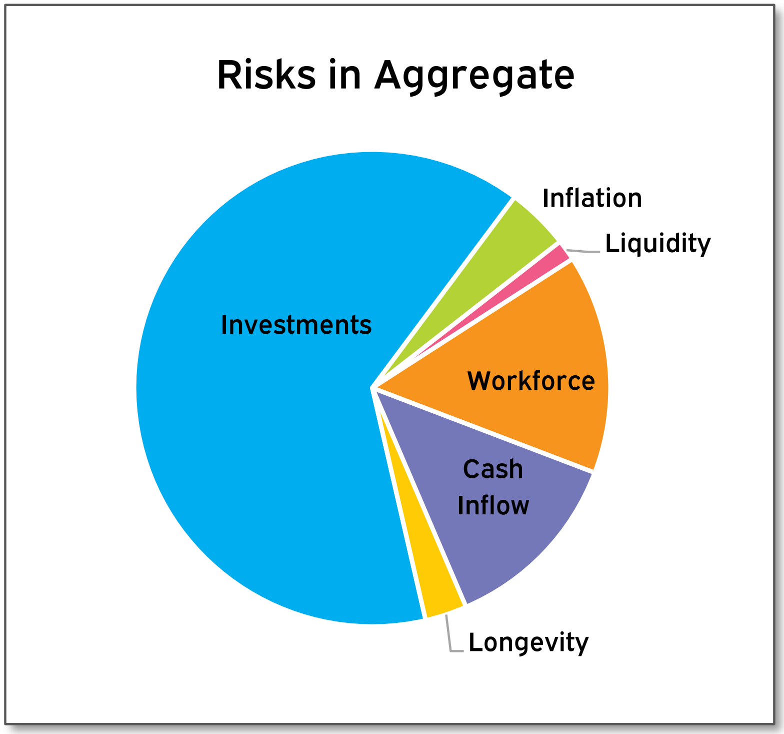
How do you evaluate risks in total (ie Enterprise risk)?

The asset-liability study aims to bring together all the risks of the enterprise.



Summary of the key risks

1. Investments: Asset return volatility is the biggest risk to the Plan.
2. Workforce: The Plan's funded status creates a heightened sensitivity to active headcount.
3. Inflation: The impact of rising inflation isn't an immediate concern, but will increasingly become a bigger concern if benefits aren't increased at the rate of realized inflation.

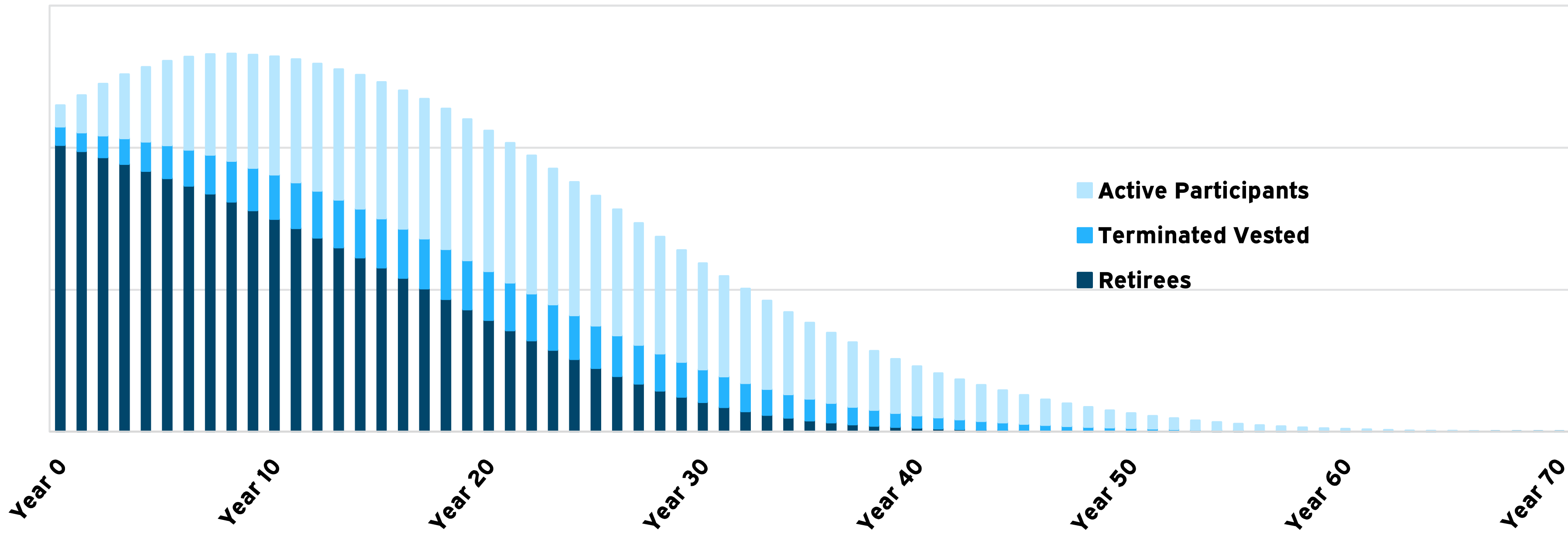


Recommendation: The following risks are recommended to be incorporated into the asset allocation optimization: 1) Investment risk; 2) Cash inflow risk; and 3) Workforce risk.

Actuarial Background and Strategic Considerations

How is the liability determined?

Expected Benefit Payments (Obligations)*



→ The liability is calculated by discounting the expected benefit payments using the assumed long-term actuarial rate of return.

→ Benefit payments are determined by the provisions of the plan, generally based on how long participants work and salary earned.

→ *Expected* benefit payments are determined by the plan's actuary using many assumptions, such as future mortality and salary increases.

* Expected benefit payments are requested from the actuary.

What pension strategies should be considered?

→ Below are high-level pension strategies that can help a Plan add certainty to desired outcomes.

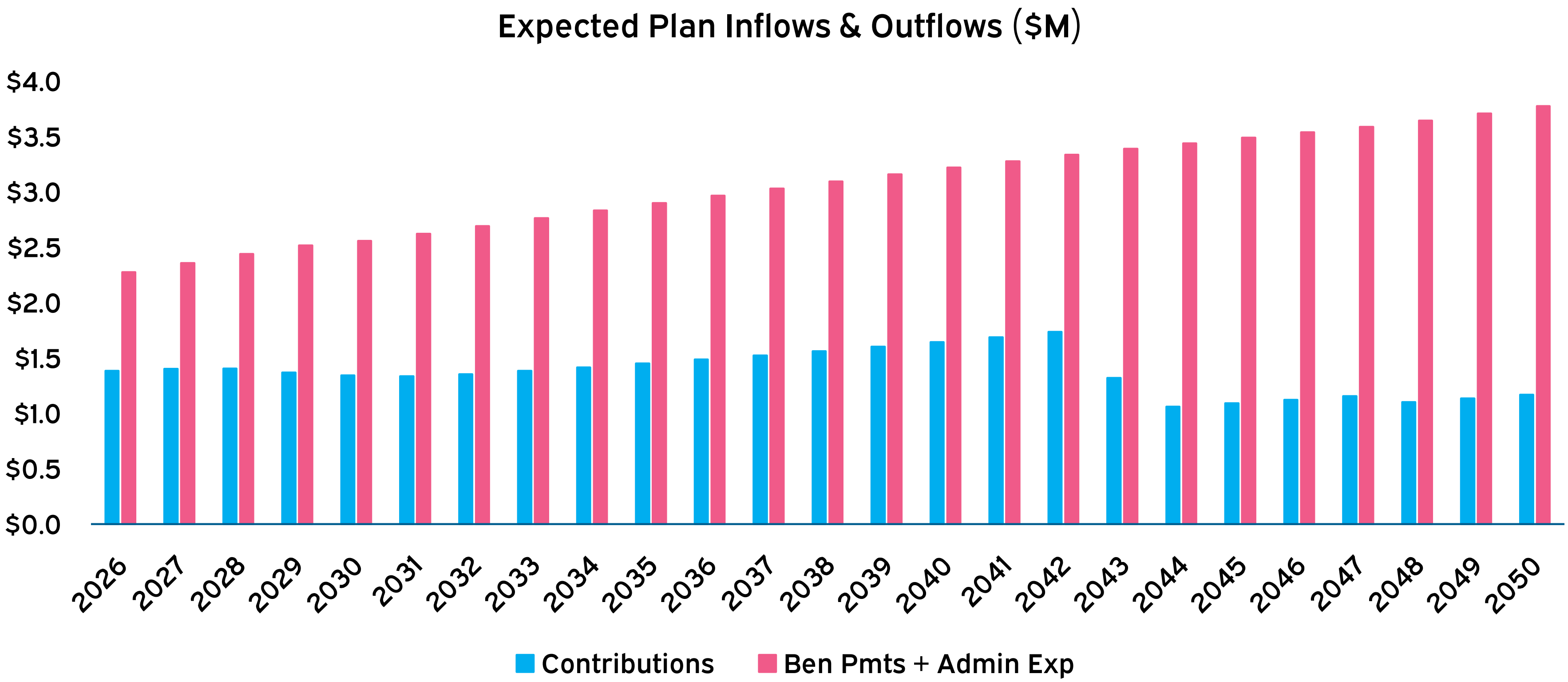
Strategy	Action	Desired Outcome
De-link Assumptions	De-link the expected return on asset assumption and the liability discount rate	Plan has a higher probability of achieving the return necessary to fund the plan on schedule
Dynamic Asset Allocation	As the plan's funded status improves, the investment policy defines how the asset allocation targets should change	Over time the asset allocation shifts from a "growth" orientation into a funded status "protection" posture
Liability-driven Investing	Reallocate assets into income-oriented vehicles that align future income earned with the size and timing of expected benefit payments.	Funded status volatility is reduced, adding predictability to future required contributions.
Inflation Savings	Hedges the cost of future inflationary benefit increases with assets expected to have inflationary growth characteristics	Assets intended to grow to cover the cost of future benefit increases with minimal funded status volatility

→ The above strategies can be implemented in isolation or in tandem depending on the plan's pension goals.

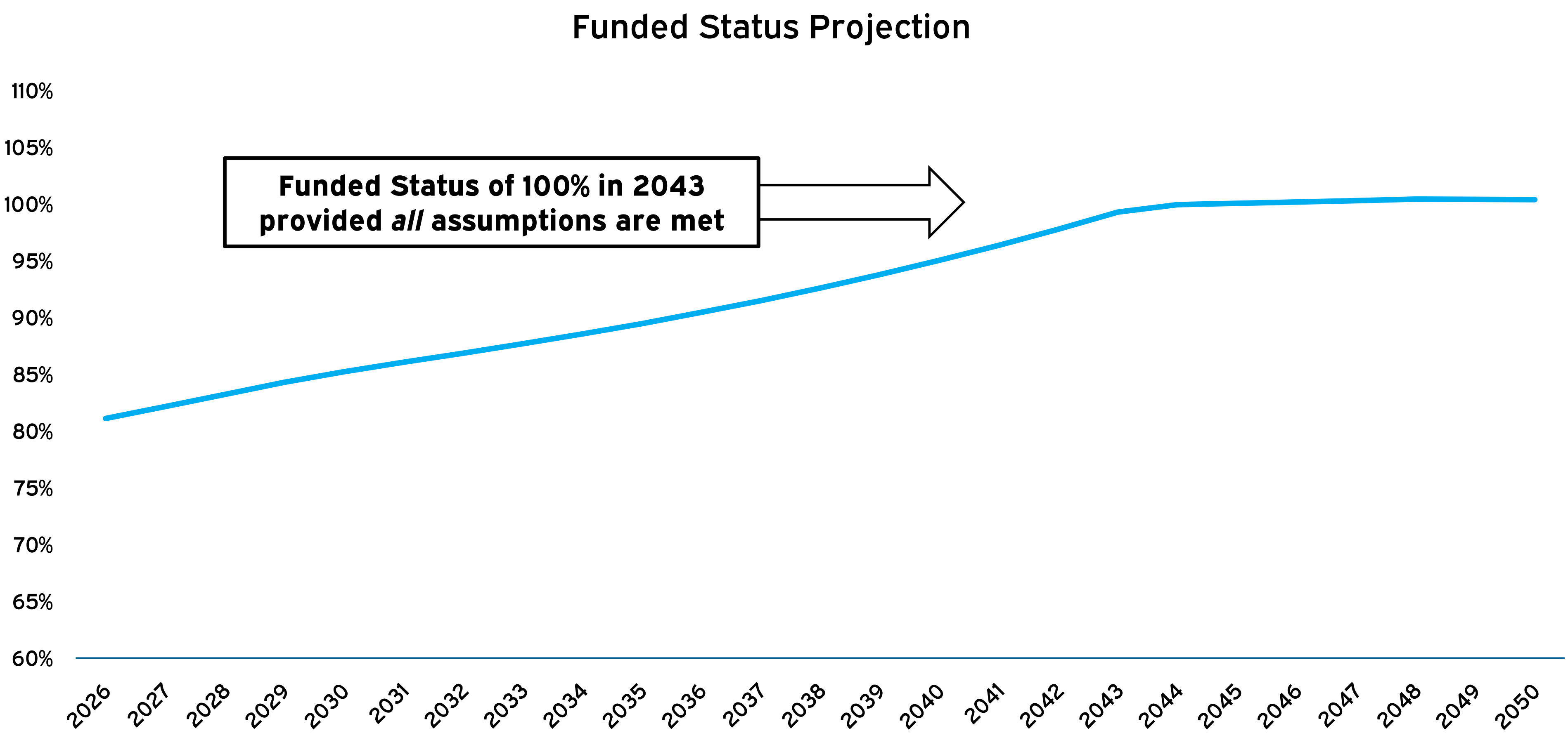
What are the key obligations over the next few decades?

→ At the most basic level, the pension plan must pay immediate benefit payment obligations and fund the plan to meet future benefit payment obligations.

→ The following example shows the relationship between incoming funds (contributions) and outgoing funds (benefit payments and expenses) from the trust.



Why is it important to further analyze cash flow projections?

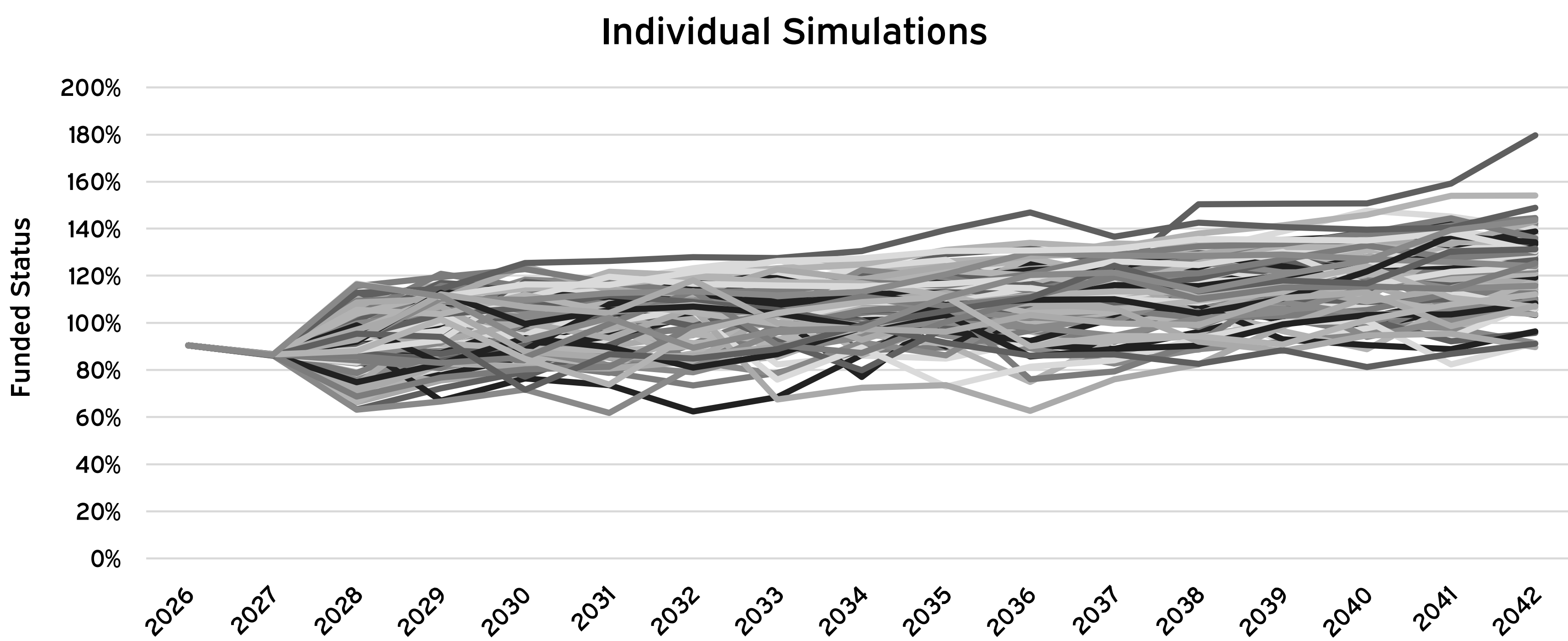


- The only guarantee is that all assumptions will NOT be met.
- It is very important to measure obligations when assumptions are not met, so stakeholders can gain an appreciation for the risks being taken.

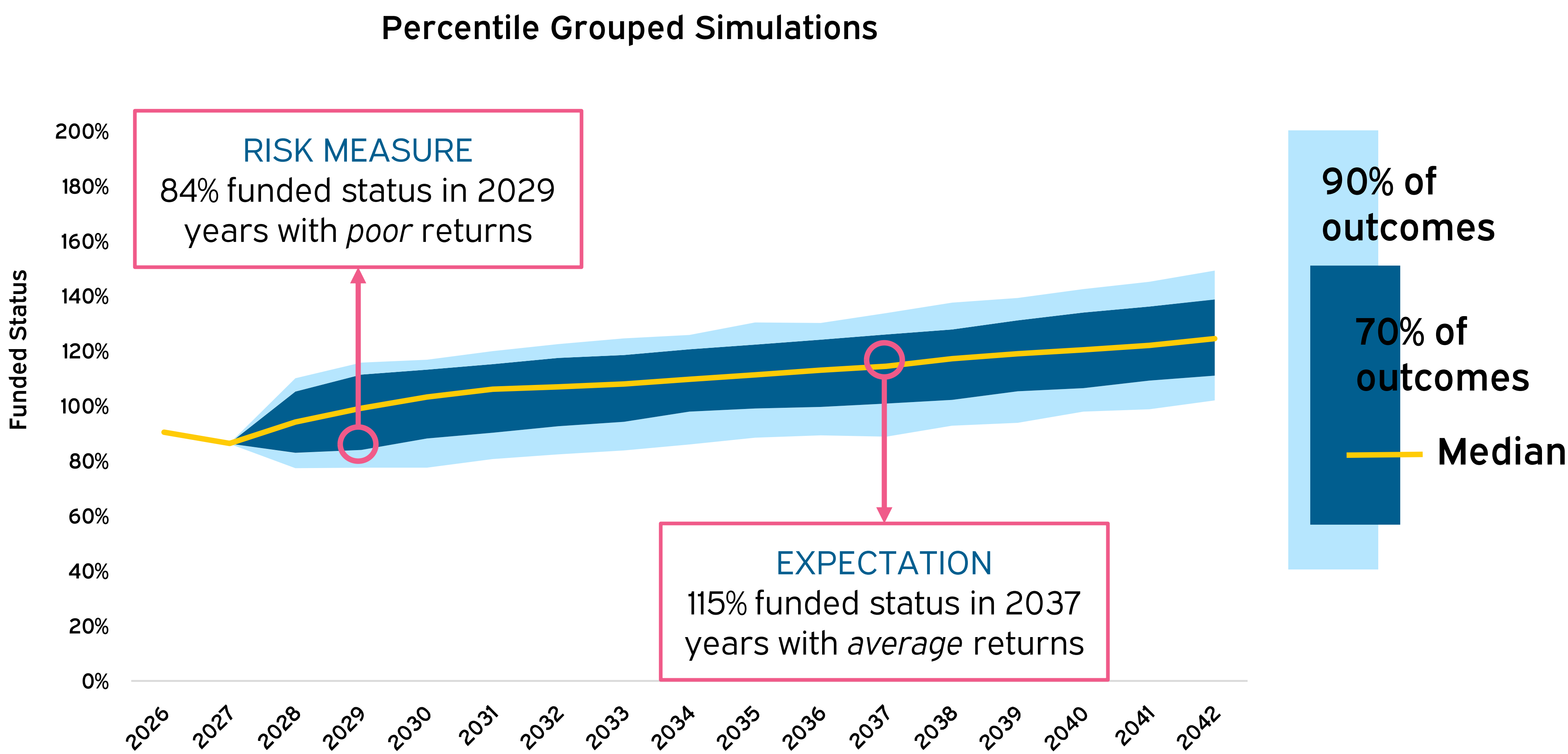
How Meketa Measures Risk

Choose a lens to analyze the risk

- Choose a lens to analyze the risk -> The example below measures Investment risk through a Funded Status lens
- Funded status outcomes are simulated through numerous economic forecasts that are consistent with Meketa's annual capital market assumption setting process.
- Analysis reflects the current:
  - ✓ Asset allocation
  - ✓ Projected benefit payments
  - ✓ Plan provisions
  - ✓ Actuarial assumptions
  - ✓ Funding policy
  - ✓ Legislation

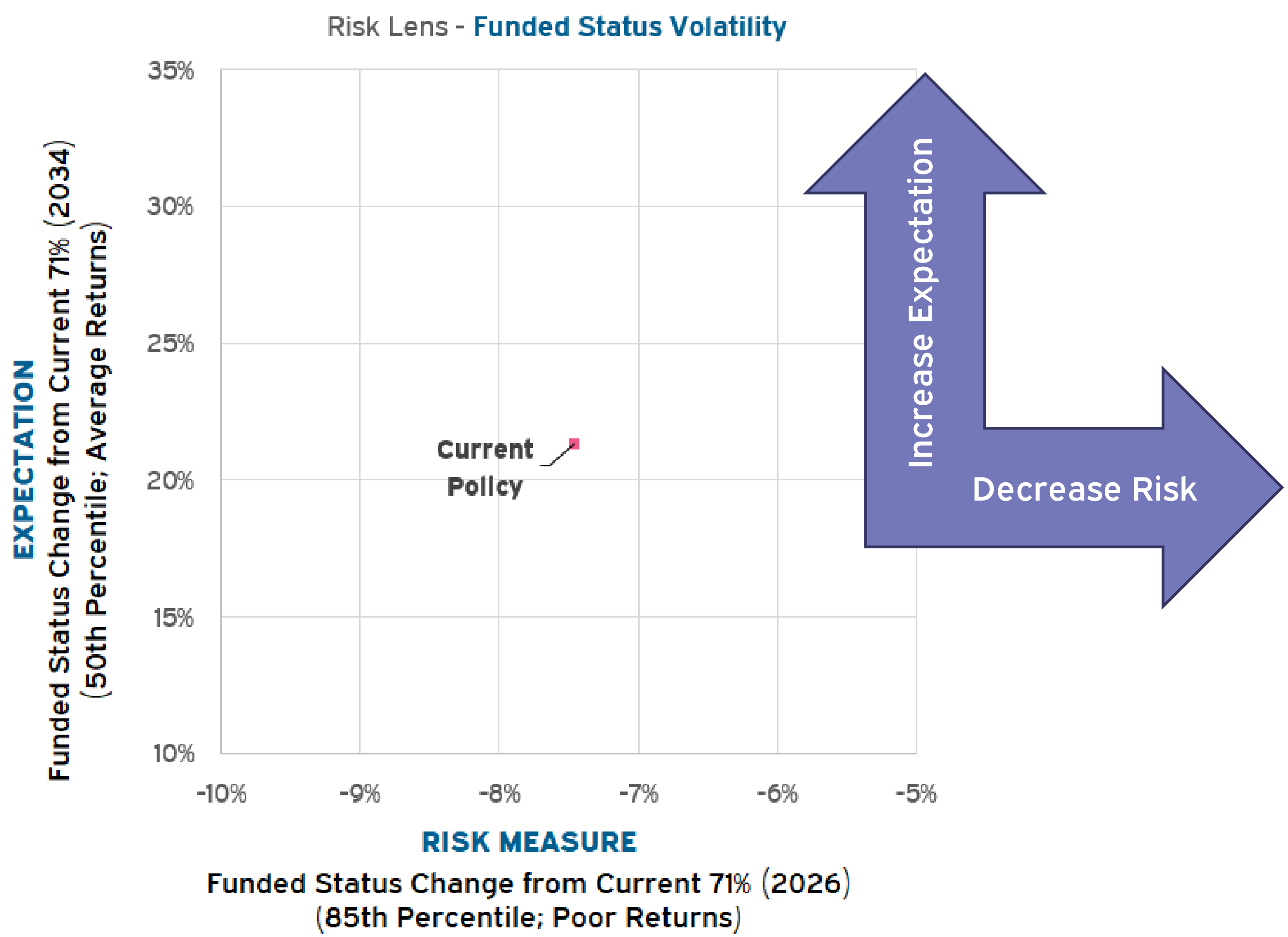


Visual example of the Enterprise Risk projections



Optimization Step 1: Plot the Current Policy

→ The goal of Optimization is to align the projected health of the pension plan to match the objectives of the Trustees.



Optimization Step 2: Create Asset Class Constraints for New Policy

→ Each asset class is given a minimum and a maximum allocation. The policies tested are not to fall outside of these constraints.

→ Setting constraints is meant to eliminate the possibility of an impractical or unrealistic allocation (example: 100% of the portfolio allocated to private equity or an allocation to asset classes that would require a long transition period.)

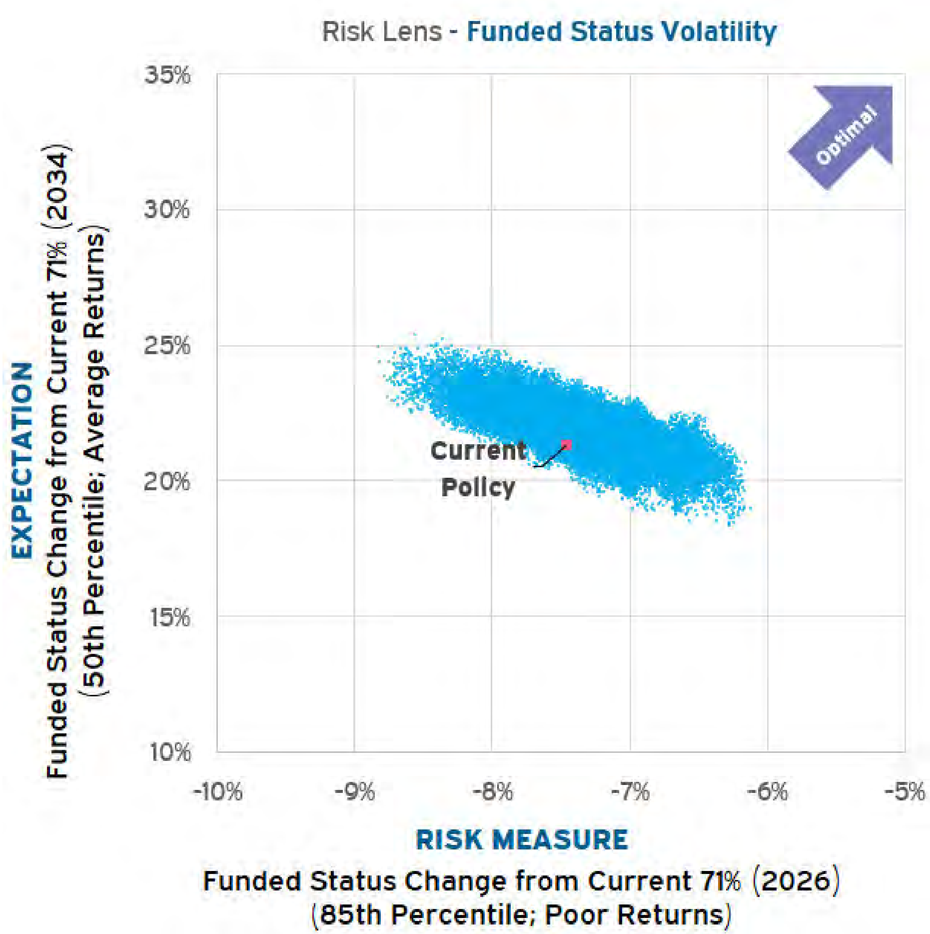
Strategic Class	Min.	Max.	Current Target	10-year Return*	20-year Return*	Standard Deviation
Global Equity	30%	52%	47%	8.8%	9.2%	18%
Private Equity	8%	14%	9%	9.6%	10.9%	27%
Yield Driven	6%	12%	6%	8.0%	7.3%	11%
Private Real Estate	9%	15%	13%	4.6%	7.0%	16%
Real Return	0%	14%	11%	5.5%	6%	12%
Core Fixed Income	5%	30%	10%	4.8%	4.7%	4%
Cash Equivalents	4%	4%	4%	3.1%	2.9%	1%

* Based on Meketa's capital market assumptions

Optimization Step 3a: Compare to Alternative Asset Allocations

→ The Current Policy is compared to thousands of alternative allocations (blue dots) to determine if an alternative provides better outcomes.

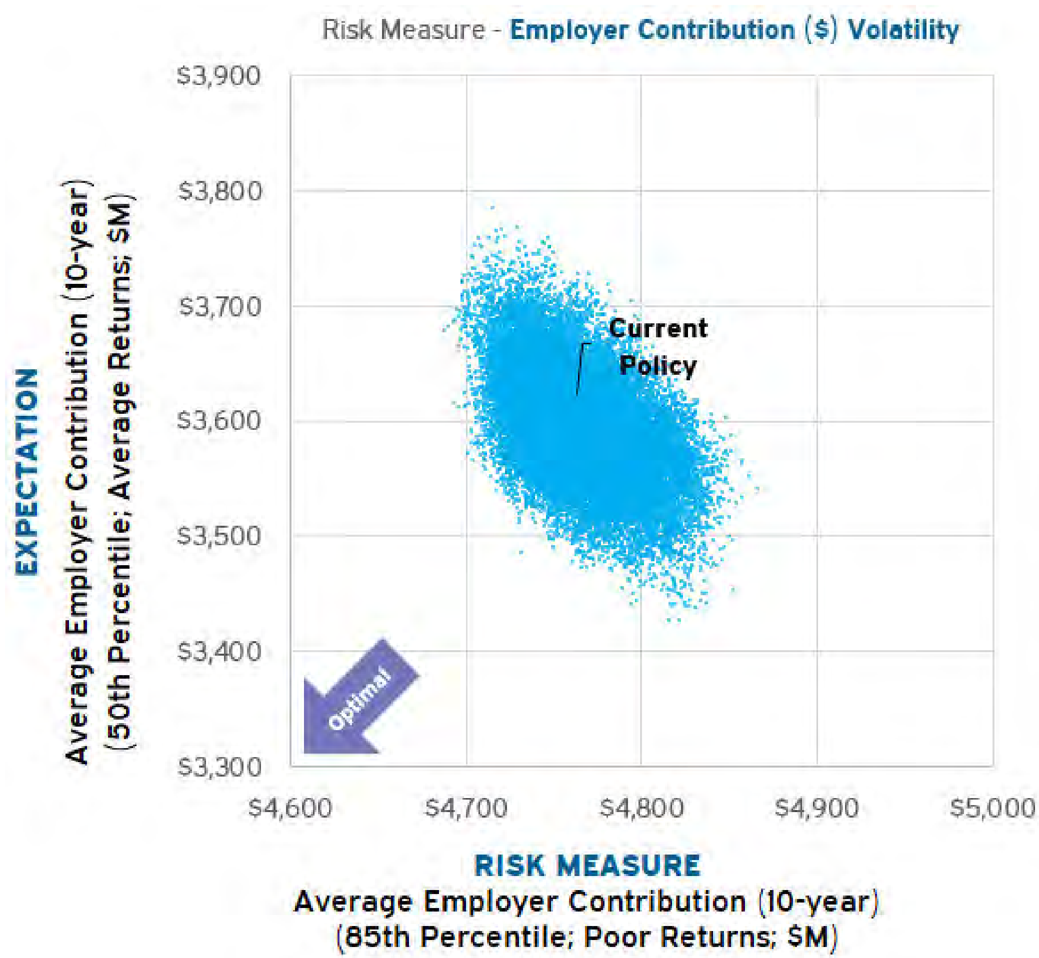
→ The first comparison is shown to analyze the Investments Risk Measure through the lens of the Plan's funded status



Optimization Step 3b: Change the lens for material risks

→ This risk measure again looks at Investments risk, but through the "employer contribution" lens.

→ This secondary lens provides analysis of the same risk but shown using a different statistic that may be more important to evaluation.

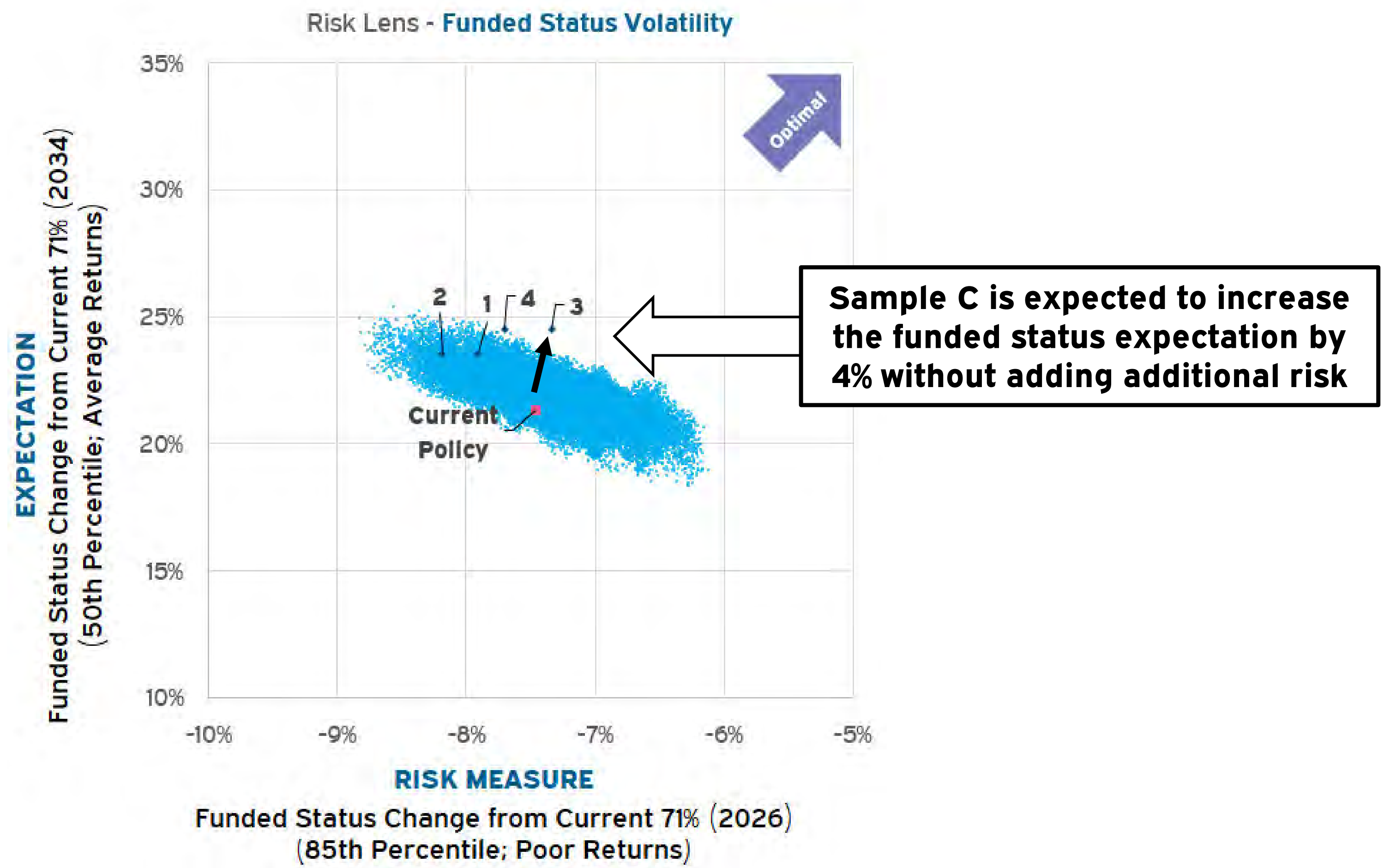


Modeling Results and Recommended Asset Allocations

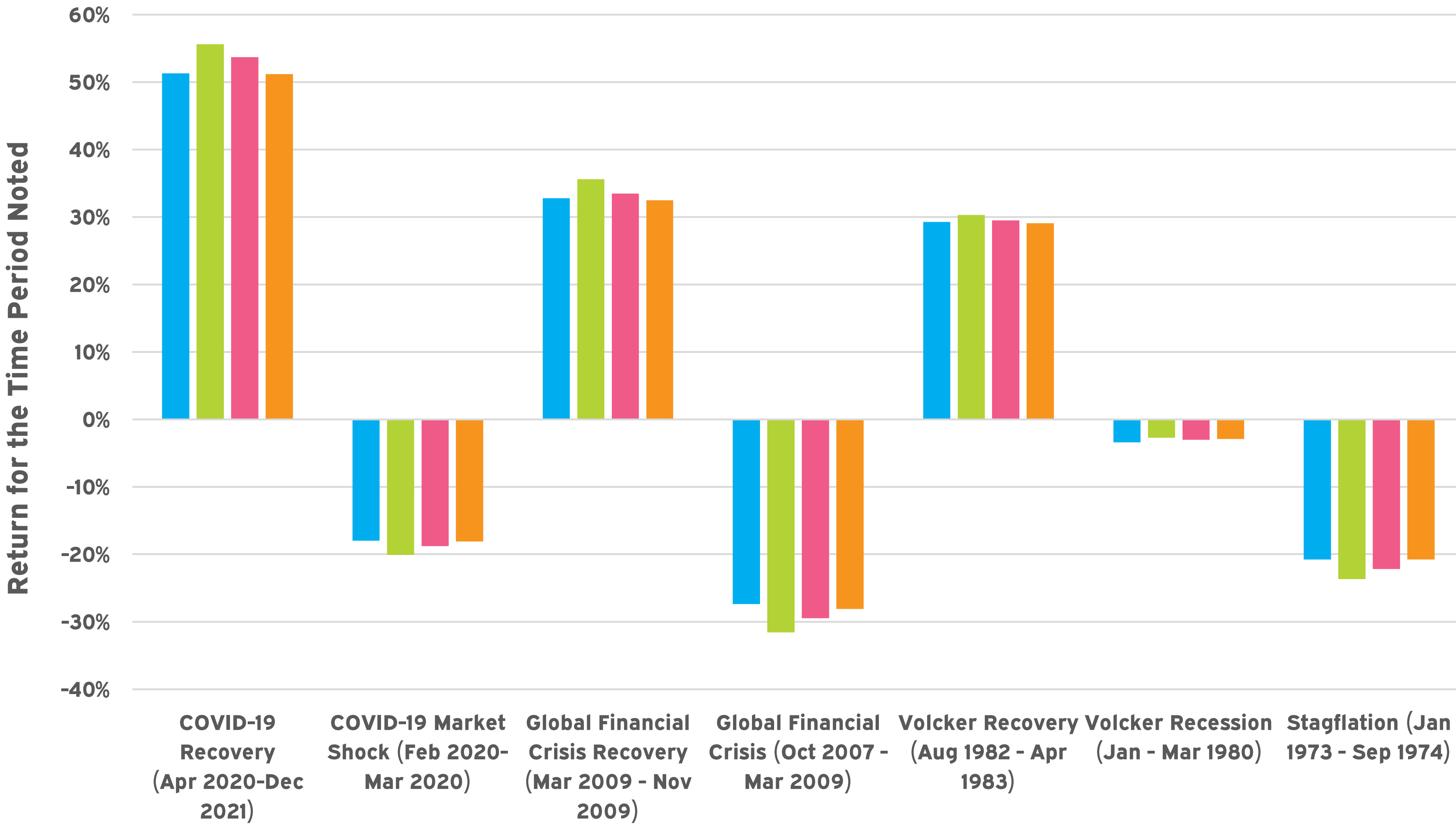
Optimization Step 4: Bring the Risks Together and Select Samples

→ In this final step, all the analyzed risk measures are brought together to create the Enterprise risk measure.

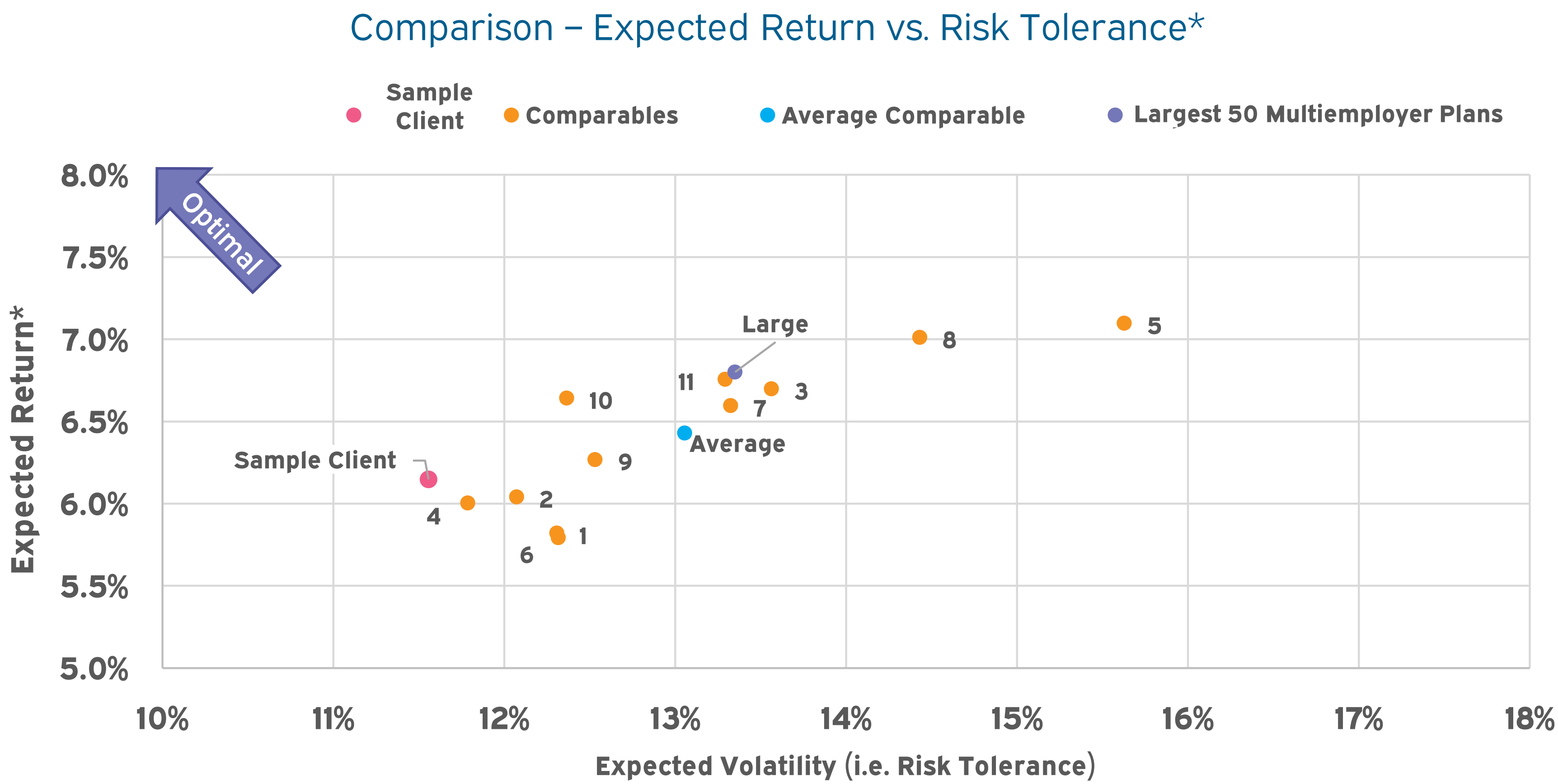
→ Recommended asset allocations are generally selected at or near "optimal" risk/reward levels.



Optional Information: Stress Test the Recommendations



Optional Information: Benchmarking



- Wide range of return vs. volatility tradeoffs among Comparables
- Expected future returns lower than assumed returns leads to reduction in assumption for future actuarial valuations.

* Source: Most recent Annual Reports; 2023 Meketa 20-year Capital Market Assumptions

Optimization Step 6: Summarize Key Details of Recommendations

Objective ->	Current Policy	A	B	C	Constraints Min	Constraints Max
Global Equity	47%	52%	40%	30%	30%	52%
Core Fixed Income	10%	5%	15%	30%	5%	30%
Yield Driven	6%	10%	12%	12%	6%	12%
Inflation Linked Bonds	8%	0%	0%	0%	0%	8%
Infrastructure	3%	2%	2%	2%	2%	6%
Private Real Estate	13%	15%	15%	10%	9%	15%
Private Equity	9%	12%	12%	12%	8%	14%
Cash Equivalents	4%	4%	4%	4%	4%	4%
Total	100%	100%	100%	100%		
Expected Return (20 Years)	8.0%	8.6%	8.1%	7.7%		
Standard Deviation (1st)	12.3%	13.5%	11.7%	9.9%		
Sharpe Ratio	0.45	0.45	0.48	0.52		
Illiquid Allocation	25%	29%	29%	24%		

	Current Policy	A	B	C	
Reward - Funded Status (2037)	100%	107%	102%	96%	<- Expected Funded Status in 2037 with Average returns
Risk - Funded Status (2025)	57%	57%	58%	60%	<- Expected Funded Status in 2025 with Poor returns
Reward - Contributions (2037)	7.6%	3.7%	6.9%	12.2%	<- Employer Contribution (% payroll) in 2038 with Average returns
Risk - Contributions (2027)	15.2%	15.3%	15.2%	15.1%	<- Employer Contribution (% payroll) in 2027 with Poor returns

Summary

- It is increasingly common for pension plans, including many Meketa clients, to conduct asset liability studies every 3 to 5 years.
- AFRF has never done a formal asset liability study, despite some liability analysis typically incorporated in Meketa's periodic asset allocation studies.
- The pages above include a sample asset liability study here so the Board can be more informed about what the study focuses on and what the output might look like should the Board wish to engage Meketa for this service.
- The Board of Trustees and Staff will determine the next steps in this process, including the timing and scope of the ALM study.
- Meketa would be pleased to work with AFRF on the study, should the Board move forward with it..

Asset-Liability Modeling @ Meketa

Levels of Service

	I	II	III
✓ Allocation Optimization Samples	1 to 3	10,000+	10,000+
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✓ Dynamic Contributions	✗	✓	✓
✓ Integrated Illiquidity Pacing	✗	✗	✓
✓ Interactive Client Model	✗	✗	✓
✓ Multiple/Complicated Plan Characteristics	✗	✗	✓

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Private Real Estate vs. Public Real Estate (REITs)

What is a REIT?

- A REIT (“Real estate investment trust”) is an investment vehicle that owns, operates, or finances assets related to income-producing real estate, such as land and buildings.
- REITs allow investors to bypass many hurdles in order to participate in the benefits of investing in real estate.
- There are two main types of REITs:
  - Mortgage REITs earn interest income from the financing of income-producing real estate.
  - Equity REITs earn income through property ownership and account for the majority of REITs.
- **Listed equity REITs are typically structured as public companies and trade on national stock exchanges**
  - They collect rent from tenants and pay out the profits (after expenses) as a dividend.
- REITs are typically categorized based on the property types in which they invest.
  - Some REIT portfolios invest across multiple property types, though most focus on holding one property type.

What is Private Equity Real Estate?

→ Private Real Estate (as measured by the NFI-ODCE Index in this document) often owns similar assets, but in a private structure.

- ODCE Fund's tend to focus on "core" sectors such as residential, retail, industrial, and office properties generating returns through both income and appreciation of value.

→ Private real estate is accessed via direct ownership (often through joint-ventures - JVs) and private real estate funds (open end or closed end).

→ Private market structure enables active ownership and property level control to drive value creation (i.e. improvements at the properties, rent increases, etc).

→ Returns are primarily lease driven, with upside from Net Operating Income ("NOI") growth and changes in property values.

REITs versus Private Real Estate Investments

- While REITs and private real estate may share the same underlying assets, they each have unique characteristics that result in meaningful differences.
- The table below summarizes many of the differences between the two asset classes.

Comparison of REITs and Private Real Estate Investments

Characteristics	REITs	Private Real Estate Investment
Liquidity	High	Low
Concentration	Varies	Varies
Transaction Costs	Low[1]	High
Transparency	High	Varies
Observed Volatility[2]	High	Low
Correlation to Equity Markets	High	Low

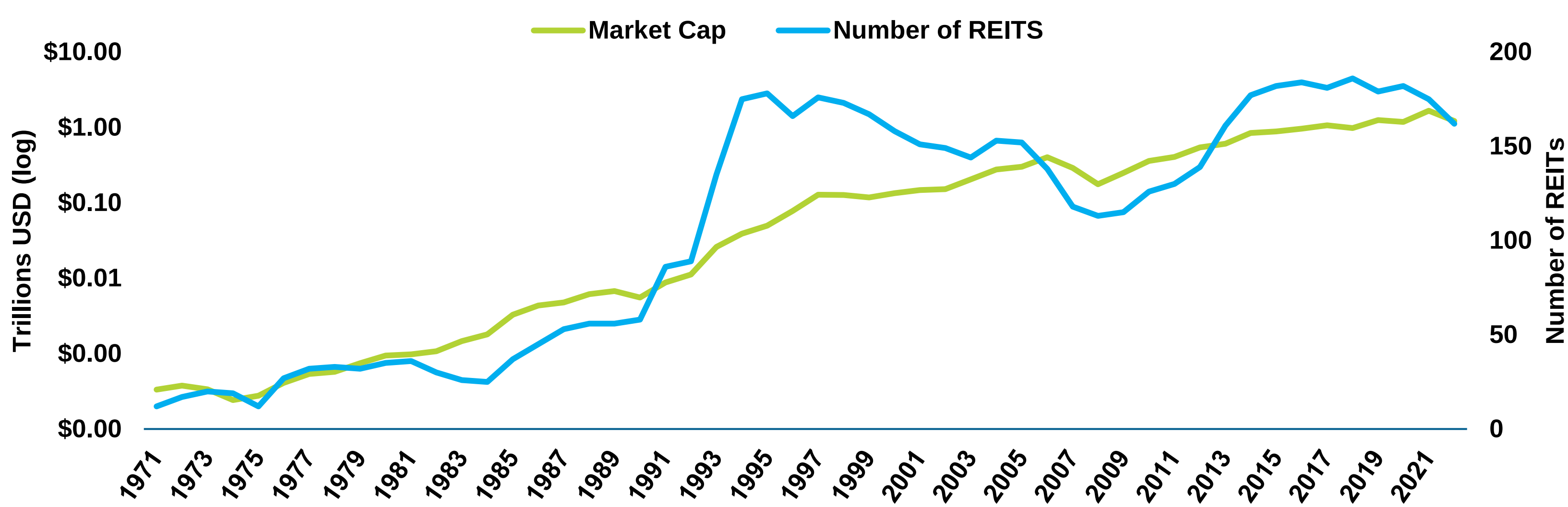
[1] The low cost is related only to the listed shares. REITs have the same transaction costs as private investments when it comes to buying and selling the underlying assets.
[2] See the Volatility section for an explanation behind private real estate's lower observed volatility.

The US REIT Market

→ The FTSE NAREIT All Equity REITs Index tracks the universe of publicly listed US REITs.

→ There are more than 150 REITs with a total aggregate market capitalization of $1.2 trillion.

US Equity REITs by Count and Market Cap[1]



→ REITs are already in most equity indices, **comprising 2.2% of the S&P 500 and 2.6% of the Russell 3000**.[2]

→ There are also 30 REIT exclusive ETFs and over one hundred REIT strategies, both globally and in the US.[3]

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[1] Source: Nareit, as of October 2023. Indices: FTSE Nareit All Equity REITs.
[2] Source: Factset, as of October 2023.
[3] Sources: Nareit, "List of REIT Funds," as of October 2023. As of November 2023, there were 74 US REIT strategies and 100 global REIT strategies in the eVestment Alliance database.

Public vs. Private Real Estate: Key Differences

Same real estate exposure—different structure and investor experience

Volatility
REITs - Public prices move daily
Private - lagged valuations ("smoothed" volatility)

Volatility

→ **Short term:** REIT returns often reflect broader equity sentiment—typically higher volatility than private real estate.

→ **Long term:** Public and private real estate tend to converge—making day-to-day REIT swings less relevant for long-horizon investors.

Liquidity
REITs - Exchange-traded
Private – quarterly with potential for gates/locked

Liquidity

→ **Access:** REITs trade on public exchanges, providing materially higher liquidity than private real estate.

- Helpful for shorter horizons, liquidity needs, or rapid deployment/rebalancing.

→ **Trade-off:** Using that liquidity in stressed markets can lock in depressed values at the time of sale.

Public vs. Private Real Estate: Key Differences (continued)

Same real estate exposure—different structure and investor experience

Fee structures
REITs - Lower fees based on AUM
Private – higher fees, sometimes private equity style structure

Fee structures

- **Private funds:** Typically charge an annual management fee and may include performance/incentive fees.
- **Public REIT exposure:** Investor costs include bid–ask spreads, market impact, and any fund/vehicle fees.
- **Look-through matters:** REIT-level G&A and operating expenses also reduce net returns and should be considered in fee comparisons.

Comparison of Public and Private Real Estate Performance

- Looking at three- and five- year rolling returns, on average over the past 20 years the FTSE NAREIT index has shown higher returns than the ODCE index by more than 100 basis points.
- Rolling period returns were used to reduce end point bias. The data indicates that public real estate returns have exceeded private real estate returns over the long term on an absolute basis.

Trailing 20-Year Period[1]
2005-2025

	Average 3-Year Rolling Return	Average 5-Year Rolling Return
FTSE NAREIT	8.6%	9.0%
ODCE – Value Weighted	7.6%	7.7%

[1] Source: eVestment, NCREIF.

Leverage Impact on Historical Performance

→ The higher absolute returns observed in the FTSE NAREIT index relative to the ODCE index may be partially explained by the greater leverage present in the NAREIT index.

Leverage
As of June 30, 2025

	1 Yr	3 Yr	5 Yr	10 Yr	20 Yr
FTSE NAREIT[1]	32.4%	33.8%	32.5%	32.7%	36.5%
ODCE[2]	26.8%	25.4%	24.2%	22.9%	23.4%

→ Notably, the disparity in leverage between the two indices has reduced in recent periods; ODCE leverage has risen while NAREIT leverage has declined, with both converging toward the 30% level.

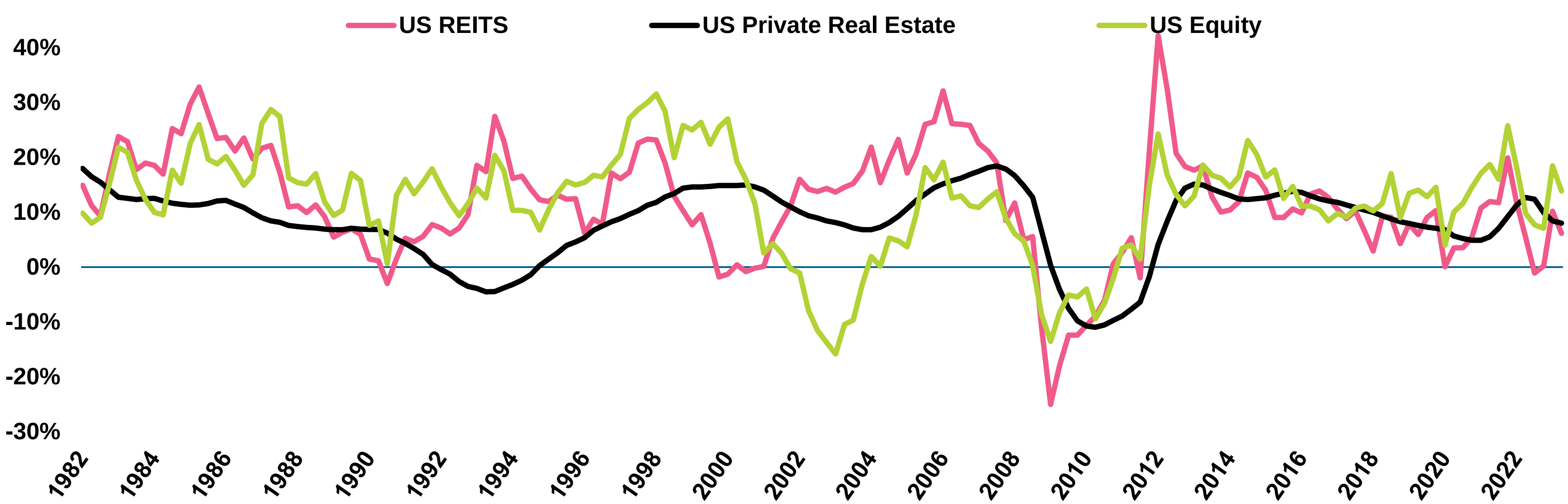
[1] NAREIT.
[2] Source: NCREIF.

Historical Performance Investigation

→ US REITs' returns have behaved more like US equities, despite its assets being more similar to private real estate.

- This is primarily because REITs are publicly listed and traded like stocks.

Rolling 3-Year Returns[1]



→ Note that the NFI-ODCE index (a proxy for US private real estate) is priced quarterly, which results in artificial smoothing of returns and a temporal lag of actual returns.

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[1] Source: Bloomberg and NCREIF, as of October 2023. Indices: FTSE NAREIT All Equity REITS TR Index, NFI-ODCE Value Weighted Index, Russell 3000 TR. NAREIT and Russell 3000 data was converted from monthly to quarterly for consistency with NCREIF data.

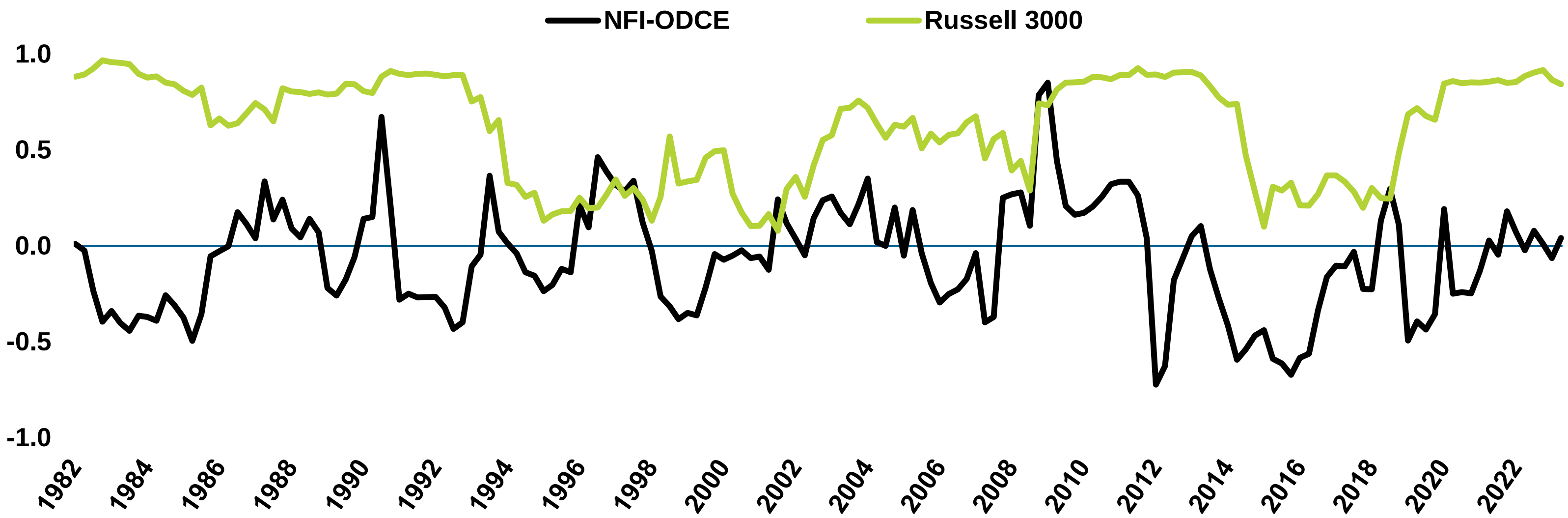
Correlations

→ US REITs have had a high average correlation to US equity: 0.67.

→ REITs and core private real estate's correlation has been low, averaging just 0.12.

- This is likely due to the major construction and methodology differences between the indices.
- Therefore, while perceived correlation is low, true underlying correlation is likely higher.

Rolling 3-Year Correlation
REITs[1] vs. Private Real Estate (NFI -ODCE) and vs. Equities (Russell 3000)



1 Source: Bloomberg and NCREIF, as of October 2023. Indices: FTSE NAREIT All Equity REITS TR Index, NFI-ODCE Value Weighted Index, Russell 3000 TR. NAREIT and Russell 3000 data was converted from monthly to quarterly for consistency with NCREIF data.

Summary

- REITs offer investors a means to gain exposure to commercial real estate via public markets.
- Historically, REITs have generated long-term returns in line with US equities and over the very long-term over US private real estate.
  - Their behavior is similar to that of public market equities, largely because they are liquid and traded daily.
  - REITs have also exhibited higher volatility than US equities and private real estate.
  - REITs have exhibited a high correlation with equities and almost no correlation with private real estate.
- Private Real Estate eliminates some of these challenges associated with REITs.
  - Low correlation to public equity
  - Lower volatility
  - Smoothed return profile
- REIT liquidity can force sales in down markets, which may hurt investor returns if properties are sold at depressed prices. In private real estate, open-end fund gates and the illiquid nature of closed-end funds can help reduce this risk.
- Private market structure also enables active ownership and property level control to drive value creation.
- **There are pros and cons to both approaches to accessing real estate.**
- **Some clients have decided to complement their private real estate with smaller allocations to REITs for many of the reasons cited in this presentation.**

Appendix:
Additional REIT Information

Additional Correlation Analysis

→ Public and private real estate differ meaningfully in structure, liquidity, leverage, and valuation methodology. As a result, performance comparisons should be evaluated in the context of volatility, drawdowns, and return timing, not solely on headline returns.

Trailing 20-Year Period[1]

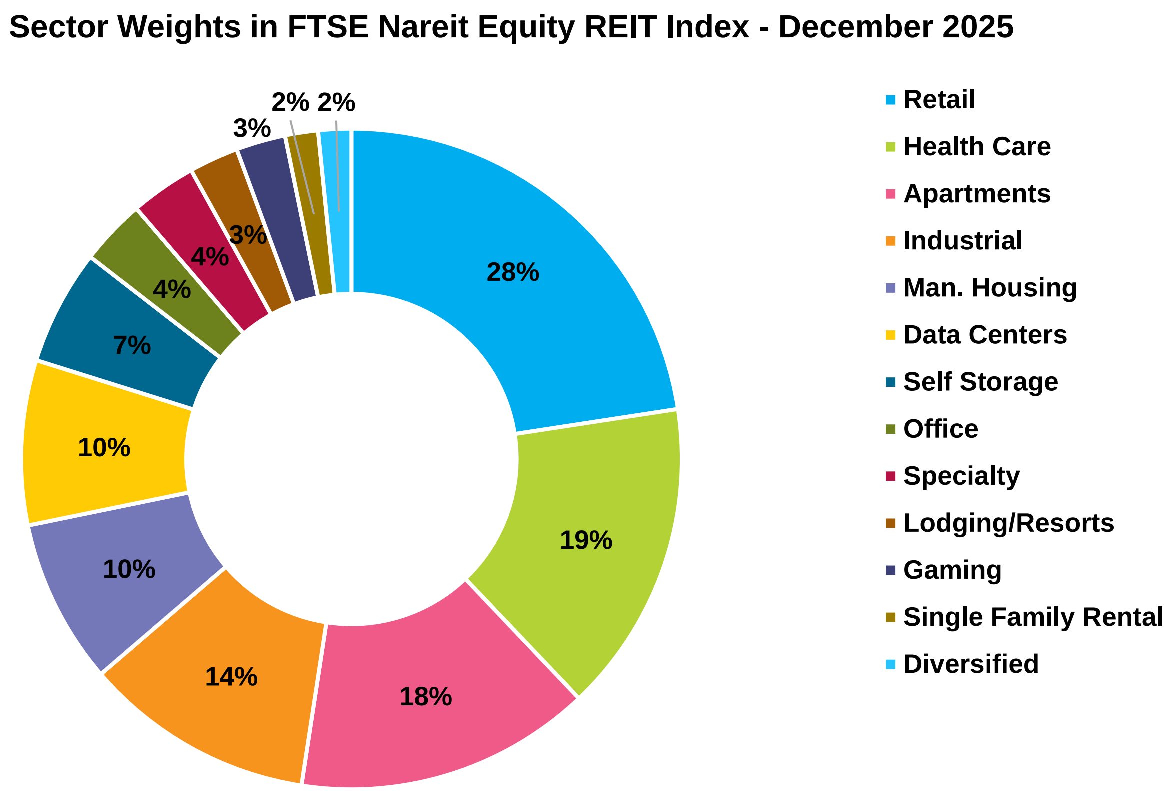
FTSE NAREIT vs.:	Average 3-Year Rolling Correlation	Average 5-Year Rolling Correlation
ODCE Value Weighted (Unadjusted)	-0.04	0.02
ODCE Value Weighted (Adjusted for Lag)	0.08	0.12
Bloomberg US Aggregate	0.35	0.29
MSCI ACWI-ND	0.65	0.62
Russell 2000	0.67	0.66
S&P 500	0.68	0.64

→ **The table above demonstrates that the FTSE NAREIT index exhibits low correlation to the private real estate market, which is represented by the ODCE index, suggesting potential for diversification benefits for investors to own both forms of real estate.**

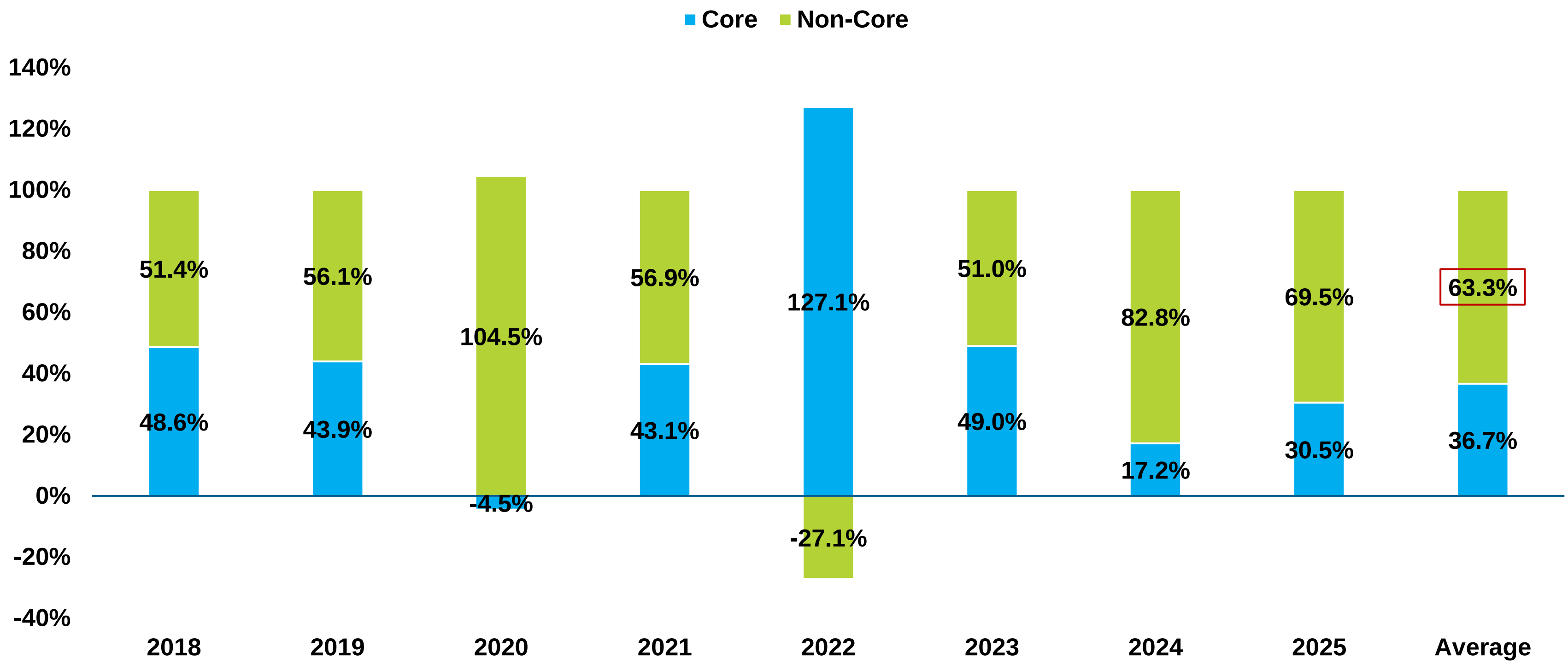
→ The FTSE NAREIT index exhibits low correlation to the US investment-grade bond market, which is represented by the Bloomberg US Aggregate index. The FTSE NAREIT index is moderately correlated to several stock market indices, suggesting that the diversification benefits relative to the equity markets are less pronounced than the private RE and bond markets.

[1] Source: eVestment.

REIT Index Composition



FTSE NAREIT Contribution to Returns (%)
Rolling 3-year



→ The chart above demonstrates that the non-core[1] sectors of the FTSE NAREIT index contributed nearly two thirds of the index returns over rolling 3-year periods, on average, over the past 10 years at 63.3% overall contribution to returns. Non-core sectors include healthcare, manufactured housing, self-storage, data centers, lodging, gaming, single family rentals and specialty real estate.

[1] Source: FTSE NAREIT, eVestment. Regional malls are excluded from the analysis. Manufactured Homes and Single-Family Home were added to the non-core category.

Private Equity Approach

Texas Peer Approach to Private Equity

Texas Peer Approach to Private Equity[1]

Retirement System	Approach	Inv. Staff	PE Assets ($millions)	PE target (%)	# of Funds	Notes
Houston Fire	Internally Directed	>5	1,700	25	84	Appears to be led by staff
Houston Police	Advisory	<5	1,400	20	121	Franklin park is the consultant.
Houston Municipal	Advisory	N/A	1,200	17	31	Cliffwater is the consultant
San Antonio Fire and Police	Advisory	<5	400	8	105	NEPC is the consultant
Dallas ERF	FOF	<5	380	7.5	16	Three Managers: Hamilton Lane, Grosvenor, Fairview Lone Star. Wilshire is the consultant
Fort Worth ERS	Advisory	N/A	340	18	N/A	Aksia is the consultant
EPFP	Advisory	<5	275	15	65	Meketa is the consultant
Austin Fire	FOF	<5	145	12	23	Meketa is the consultant
San Antonio F&P HC	FOF and Direct	<5	140	20	14	Meketa is the consultant
DFW Airport	FOF and Direct	<5	125	12.5	N/A	Mariner (AndCo) is the consultant
Austin Police	Fund of One	<5	100	10	1	Managed by Franklin Park Advisory
El Paso City	FOF	<5	N/A	13	N/A	Callan is the consultant.
Dallas Police and Fire	Advisory	<5	48	6	<3	Albourne is the private markets consultant
COAERS	Advisory	<5	0	8	0	Albourne is the private markets consultant

[1] Upon request from Staff in 2025, Meketa Investment Group assembled this information from public sources found on the internet, including the various funds' websites, and forms filled with the Texas PRB. As a result, content may be inaccurate, dated, or incomplete. We cannot be held responsible for the accuracy of the contents in the table. It is our best attempt at looking at TX peers, with data from public sources in 2024. Data is current for Meketa clients.

Private Equity Approach
Direct vs FOF

History

- Austin Firefighters Retirement Fund has a 12% target to private equity – a recent reduction from 15% which had been the target for the last ~10 years.
- Historically, the allocation has been implemented through commitments to funds of funds strategies.

	Years	# of commitments per year	Typical commitment amount
Phase 1: Prior to Meketa	2009 - 2013	~3 per year	$10 million or less
Phase 2: Meketa	2014 - 2025	~1 per year (or zero)	$10 - $40 million

- Multiple times over the past 10 years we have discussed the pros and cons of continuing to invest in fund of funds vs. a direct program overseen by Meketa or another private equity specialist consultant.
- During this time we have been implementing the fund of funds program with fewer (but larger) commitments to avoid over diversification.

History (continued)

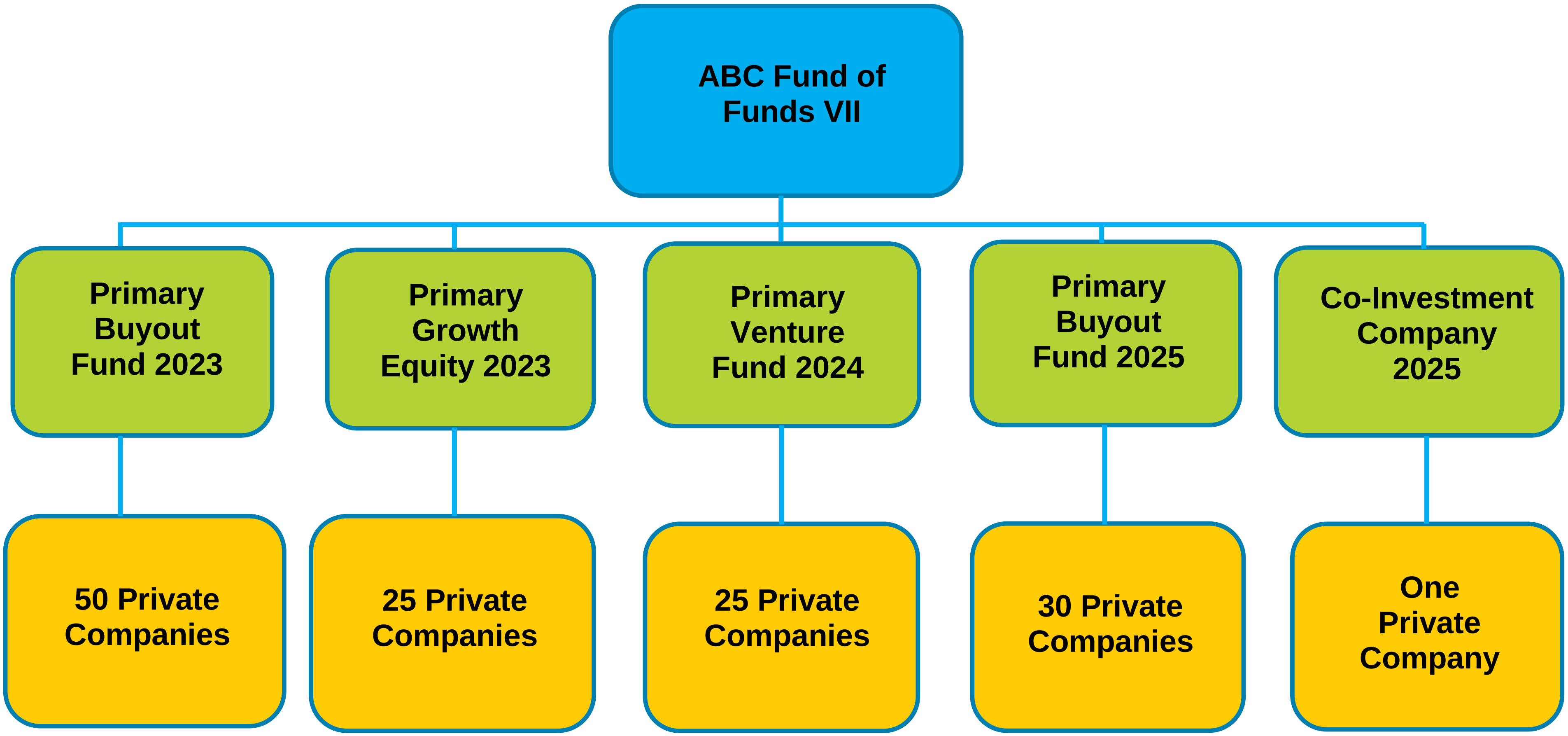
→ The Board adopted the following commitment plan in 2015/2016 and has been the guide with which we have been operating ever since – with minor adjustments based on the market environment and pace of capital calls, distributions and asset growth.

15% Target to Private Equity Fund of Funds		
Year	**Type**	**Amount**
Year 1 +/-	Global Primary Fund of Funds (1)	Up to $40 mm
Year 2 +/-	Specialized Fund of Funds (1 to 2)	Up to $20 mm
Year 3 +/-	Global Secondary Fund of Funds (1)	Up to $40 mm
Years 4-6	Same cycle repeats	

Overview

- Meketa was asked to review various program models, with respect to accessing private equity going forward, and to compare cost structures.
- The expected long-term return premium of private equity over public equity has narrowed in recent years, while higher private market fees can erode much of that advantage. As a result, controlling the fee burden of any private equity program has become increasingly important.
- **As the Board looks to reduce fees across the portfolio, including the recent shift toward more passive public market management, a more direct approach to private equity with co-investments may be appropriate to consider.**
- This presentation includes the following:
  - A review of program models available to the Fund with important considerations relative to each model.
  - A plan for how to build out and enhance private market exposure once a model is selected.
  - A comparison of costs in a fund of funds approach vs one without fund of funds.
  - An overview of co-investments, which could add additional cost savings.

Example Fund of Funds



Primary Funds versus Fund of Funds

→ Primary funds are commingled investment vehicles that make investments in private companies or assets.

→ Fund of Funds are commingled investment vehicles that invest in a portfolio of primary funds.

	Advantages	Disadvantages
Primary Funds	• Customizable portfolios (by strategy, geography, vintage). • Lower cost structure. • Influence or control over manager selection. • Control of commitment pacing.	• More governance or oversight may be warranted. • Potentially higher administrative burden. • Capital scale is required for a diversified portfolio. • In some cases, accessing high quality managers may be a challenge.
Fund of Funds	• In some cases, ease of oversight and administration. • Capital scale is not required for a diversified portfolio.	• Limited influence or control over portfolio construction or manager selection. • Highest cost structure. • Inability to adjust commitment pacing. • 12- to 14-year fund life.
Hybrid	• Somewhat customizable portfolios. • Somewhat lower cost structure than FoF alone. • Some control over manager selection and pacing.	• Potentially higher governance and administrative burden than FoF alone. • Higher cost structure and less customization then through Primary program alone.

Which Approach is Right for My Institution?

Primary funds are most often selected by institutions that:	Fund of Funds … are most often selected by institutions that:
• Have the ability to commit at least $2 million per fund, to a minimum of three to five funds per year. • Have a board of trustees that is willing to nimbly select multiple managers per year, or outsource selection to a discretionary manager. • Possess robust and sophisticated back-office capabilities, or are willing to outsource program administration. • Are willing to evaluate, select and monitor a large number of individual fund investments, or to outsource monitoring.	• Do not have the capital scale to build a custom primary program. • Are not comfortable making many fund selections per year, or are not able to outsource that function. • Value the convenience of a fund manager handling all program implementation and administration. • Do not wish to have a large roster of fund investments to monitor.

→ Institutions may also pursue a blend of the two models offered above, known as a "hybrid model".

→ The hybrid model offers a "core-satellite" approach through large commitments to diversified funds of funds and smaller targeted commitments to primary funds.

Custom Primary Program: Overview

A custom program could be one approach to lower costs relative to the Fund's existing Fund of Funds approach. Such a program could be structured as follows:

- → The Fund would establish a contract with a qualified asset manager, similar in nature to the existing contract between the Fund and Meketa for general consulting services.
- → Unlike Fund of Funds or separate accounts, the contract could be altered, terminated, or have a customized duration.
- → The contract would outline:
  - All covered services and costs.
  - Guidelines, limitations, and considerations governing account management.
  - Could or could not grant the manager discretionary authority to make investments and other actions on Pension Fund's behalf related to building and managing a portfolio of Private Equity investments.
- → The Fund would have direct ownership of each primary fund commitment.
- → Quarterly performance reports provided to the Fund could include a separate comprehensive performance report specific to the Private Equity program, or the program could be a single line item within your existing performance reports.

Custom Primary Program: Discretionary vs Non-Discretionary Model

	Discretionary Management	Non-Discretionary Advisory
Who approves each investment?	PE account manager	Board of Trustees
Flexible Annual Commitment Budgeting	Yes	Yes
Custom Program Design and Exposures	Yes	Yes
Flexible, Severable Contract	Yes	Yes
Legal Documentation	Executed by PE account manager	Executed by Board legal counsel
Cash Transfer Management	Executed by PE account manager	Executed by advisor or by Board
Performance Reporting	Executed by PE account manager	Executed by advisor
Cost Structure	All costs associated with program covered by contract with account manager.	Advisor costs. Legal documentation costs. Possible Fund staffing costs for cash transfer management.

- Both models can offer lower fee structures than what is typically available through use of Fund of Funds.
- The non-discretionary model delegates authority for Private Equity fund selection to the Fund’s board or staff.
- The discretionary model is operationally simple as all investment management, legal, operational, and administrative functions are outsourced to the account manager.

Hypothetical Historical Fee Comparison[1]

	Source	Actual PE FOF Mgmt. Fees	Cumulative amount committed	Fee to FOF manager as % of committed	Estimated likely fee ($) to PE advisor
2020	*Meketa Calculation*	$1,853,119	$286 mm	0.65%	$250K - $500K
2021	*surveyed PE FOF managers*	$1,880,824	$286 mm	0.66%	$250K - $500K
2022	*surveyed PE FOF managers*	$1,765,003	$286 mm	0.62%	$250K - $500K
2023	*surveyed PE FOF managers*	$1,827,349	$286 mm	0.64%	$250K - $500K
2024	*surveyed PE FOF managers*	$1,483,588	$312 mm	0.48%	$250K - $500K
Total		**$8,809,883**		**0.61%**	**$1.25 mm - $2.5 mm**

→ We calculate AFRF has paid close to $9 mm in management fees to PE Fund of Funds managers over the last five years. This analysis does not include any fund expenses or carried interest paid to the FoF managers. In total, those fees can be as much as 1x – 3x the management fees.

→ We estimate a private equity advisor would have likely charged Austin Fire $250K - $500K per year.

→ Private equity advisors typically do not earn carried interest nor have fund expenses.

[1] Last 5 years management fee paid to PE FOF managers is the sum of 2020-2024. Calendar year 2025 numbers still being provided by managers.

Summary

→ There is no one "right" approach.

→ Ultimately the best approach for a given Board requires a delicate cost/benefit analysis.

→ Historically, Austin Fire has used the Fund of Funds approach and it has worked well – but fees to FOF managers are expensive.

→ A custom primary approach, through the use of a dedicated private equity advisor, could save in fees.

- The fees savings would come on prospective investments.
- Austin Fire would still be responsible for paying management fees to all the existing Fund of Funds' managers until each investment is liquidated.
- Some Fund of Funds stop charging fees after 12+ years.

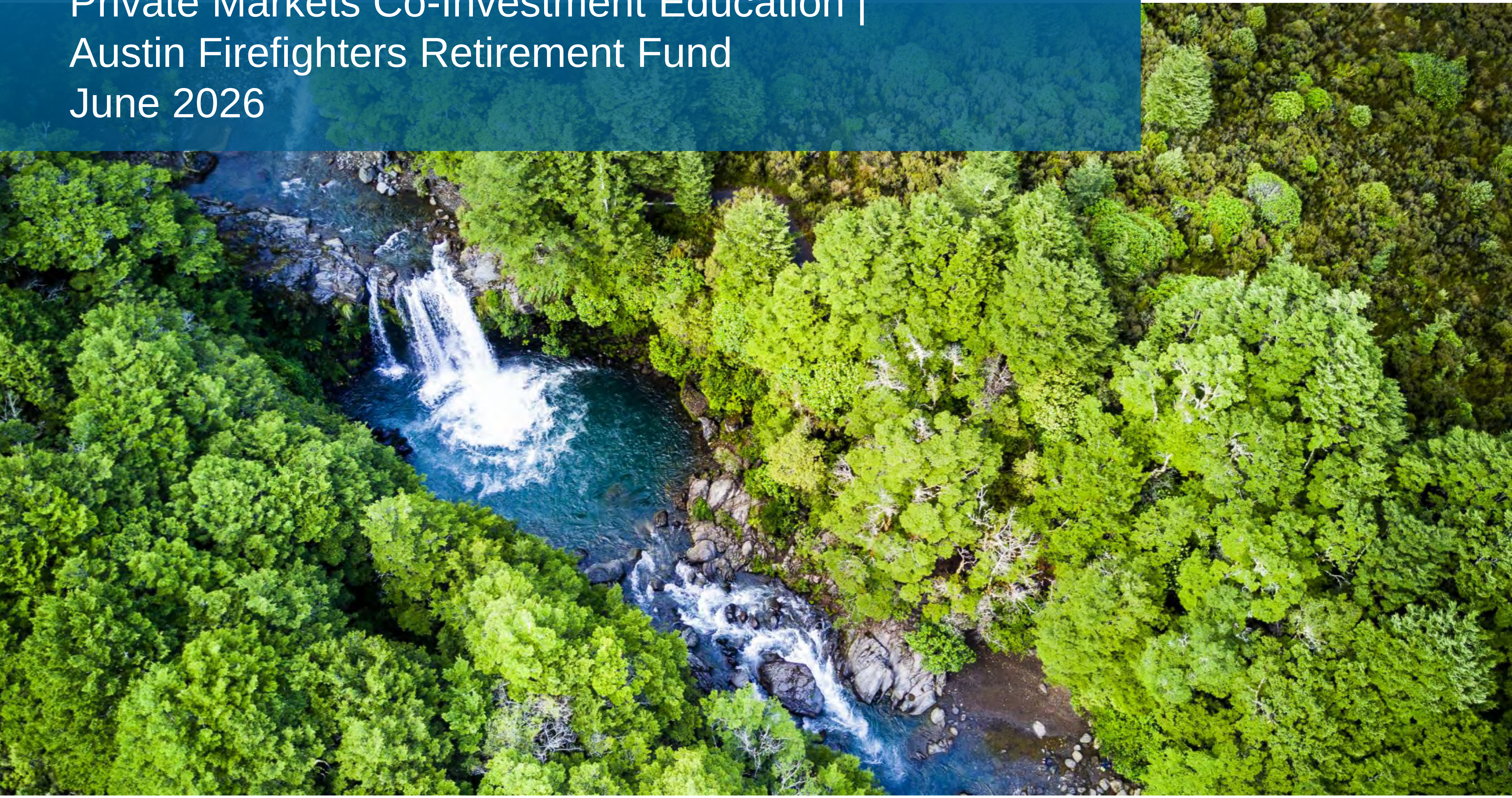
→ Depending on how the private equity advisor approach is implemented (discretionary or non-discretionary) it could put more burden on the Staff and Board (both to make more frequent decisions and more capital call activity).

→ The biggest factor in determining the success of either approach will be the performance of the funds selected (by either the FoF manager or the private equity advisor).

→ **Co-investments are another consideration that could complement either approach, and create additional fee savings. The following pages overview co-investments and Meketa's experience with the asset class.**

Private Markets Co-Investment Education | Austin Firefighters Retirement Fund

June 2026



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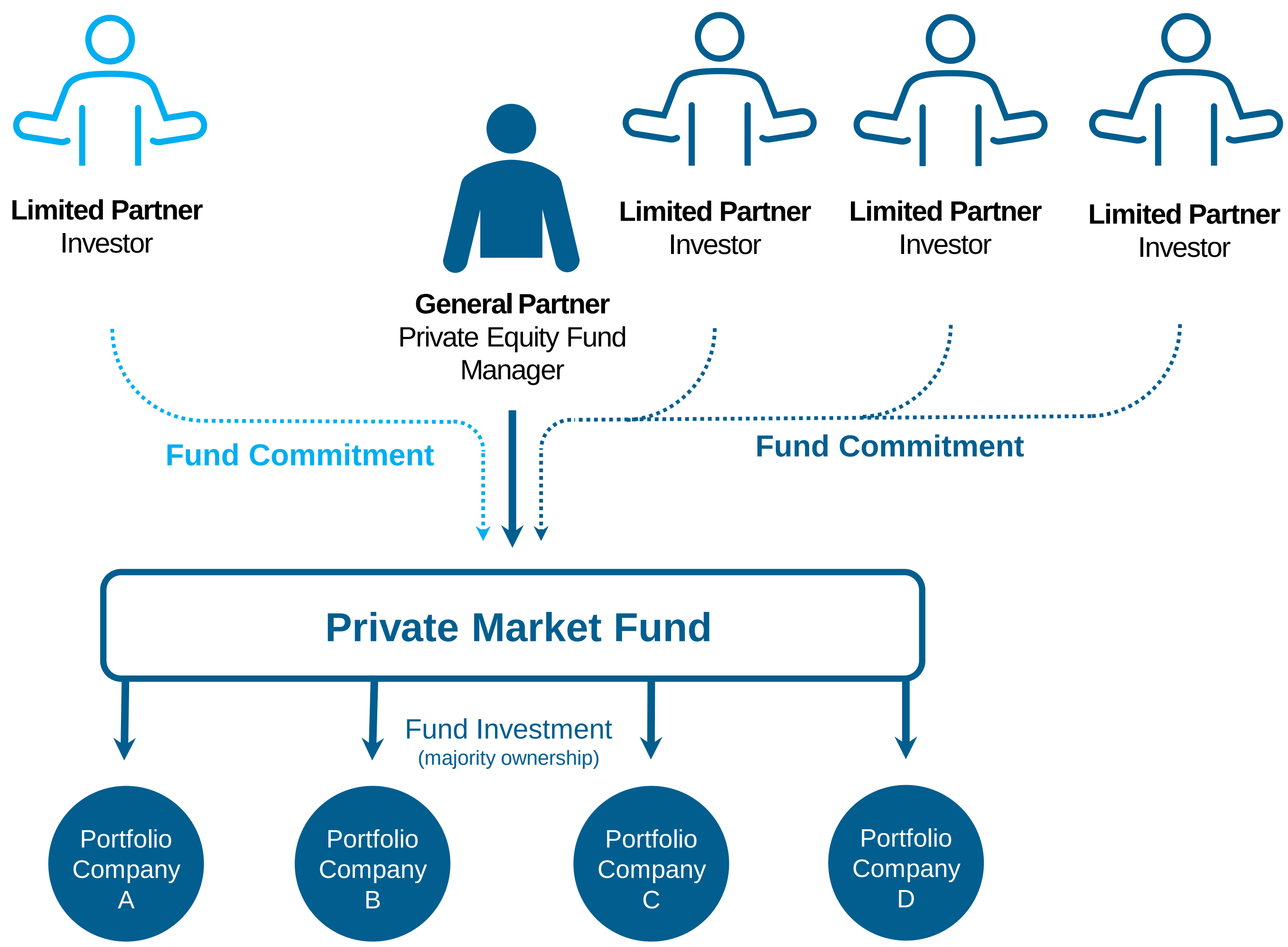
What is a Co-Investment?

Co-Investment 101

- Simply put, a co-investment is a collaborative investment structure in which a private equity firm (GP) and external investors (LPs) collectively invest in a private company (portfolio company).
- In most cases, co-investors are also LPs in the private equity firm's primary investment fund, so co-investors are putting more capital into the same deal they have exposure to in the primary investment fund.
- Typically GPs offer existing LPs the ability to co-invest in certain portfolio companies on a no-fee/no-carry basis. It is up to the GP to decide which LPs can co-invest, how much is offered, and whether co-investment is offered at a no-fee/no-carry basis.
- The primary benefit of co-investing is the potential to enhance overall returns through fee reduction, J-curve mitigation, and the opportunity to tactically increase exposure to high-quality investments.
- Investors should not underestimate the fee-reduction benefits.

Partnership Structure

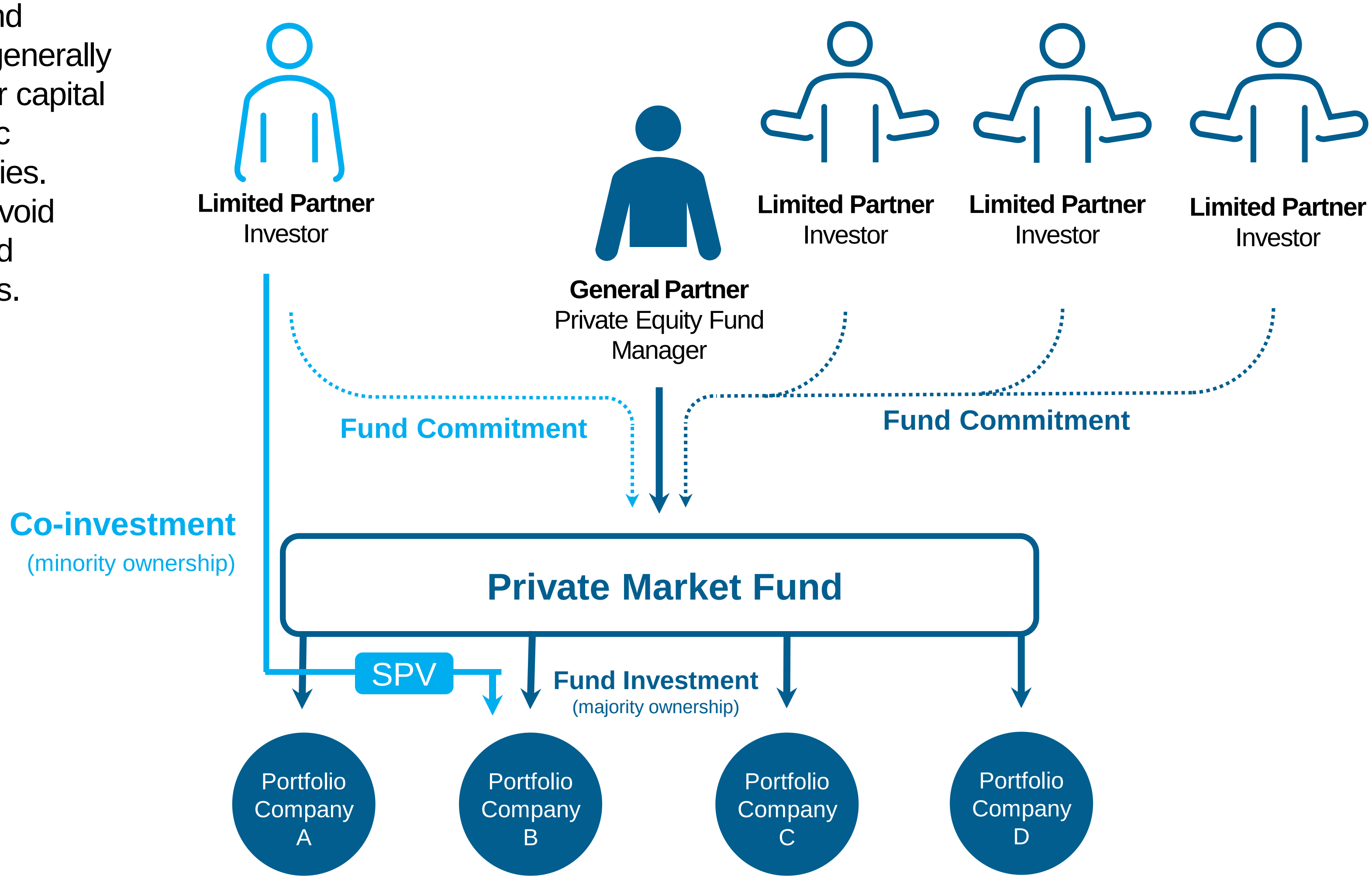
LPs in traditional private equity funds can provide capital to GPs for them to invest in portfolio companies, however they may not know portfolio company specifics.



Note: For illustrative purposes only.

Partnership Structure with Co-Investment

LPs can select their private equity fund managers, and generally have control over capital flows into specific portfolio companies. They also may avoid management and performance fees.



Note: For illustrative purposes only.
*Special Purpose Vehicle- a subsidiary created by a parent company to isolate financial risk.

Benefits of Co-Investing to LPs

Lower costs/higher returns

Fee reductions improve returns relative to the fund level exposure

More rapid deployment of capital

Co-investments deploy the capital immediately, rather than a multi-year investment period

Targeted investment portfolio

Portfolio can be tailored to focus on particular strategies, industries and geographies of interest to the LP

Staff and relationship development

Develops stronger relationships and informational advantages with existing managers

*Note: Certain statements contained herein reflect the subjective view and opinions of Meketa.
Such statements cannot be independently verified and are subject to change. There is no assurance that any portfolio construction objectives can be achieved or that any such portfolio will be profitable.

Issues and Concerns for LPs

Resources and Timing

Requires the ability to make investment decisions in an expedited timeframe

- Potential increase of internal and external resource needs

Portfolio concentration

Co-investment portfolios commonly less diversified than commingled funds

Adverse selection

Risk of not being shown the “best” deals and perception that co-investments tend to be in larger companies and transactions.*

Headline risk

Co-investor may be more easily identified with a particular investment

*Note: Certain statements contained herein reflect the subjective view and opinions of Meketa.
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*Study published in the Journal of Financial Economics in April 2020 by Reiner Braun, Tim Jenkinson, and Christoph Schemmerl found gross return distributions of co-investments and other deals to be similar. As of 2020.

What about adverse selection?

- Do sponsors offer "inferior" opportunities to co-investors, and retain as much equity as possible in their "best" deals (e.g. "adverse selection")?
- Peer reviewed studies show "no evidence of adverse selection.*" This aligns with our experience, largely because:
  - Any sponsor incentivized to perform well would not seek to commit to a deal that it thinks will ultimately be a sub-par investment.
  - It is very difficult for a sponsor to know, at the time of closing, which investments will perform better than others.
  - Co-investors are typically investors in the sponsor's fund and, as such, the sponsor would not want to be offering them increased exposure to poor investments. The sponsor ultimately wants to build relationships to ensure existing investors continue to invest in its funds or, where the investor isn't a current LP, make the investor more likely to consider investing in future funds.

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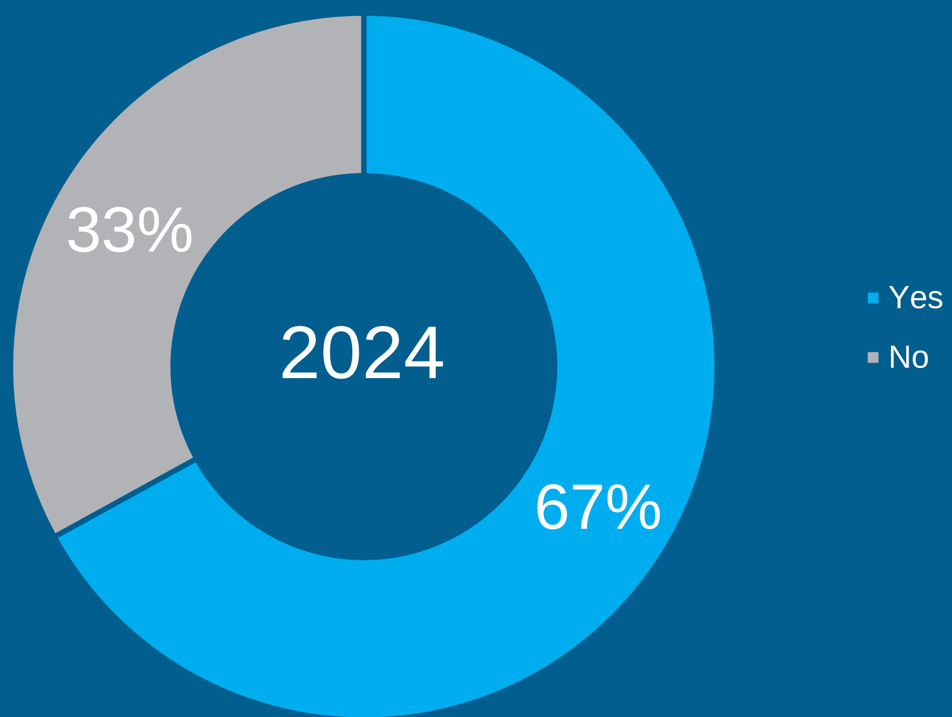
Such statements cannot be independently verified and are subject to change. There is no assurance that any portfolio construction objectives can be achieved or that any such portfolio will be profitable.
*Source: Braun, Reiner and Jenkinson, Tim and Schemmerl, Christoph, Adverse Selection and the Performance of Private Equity Co-Investments (December 14, 2018).

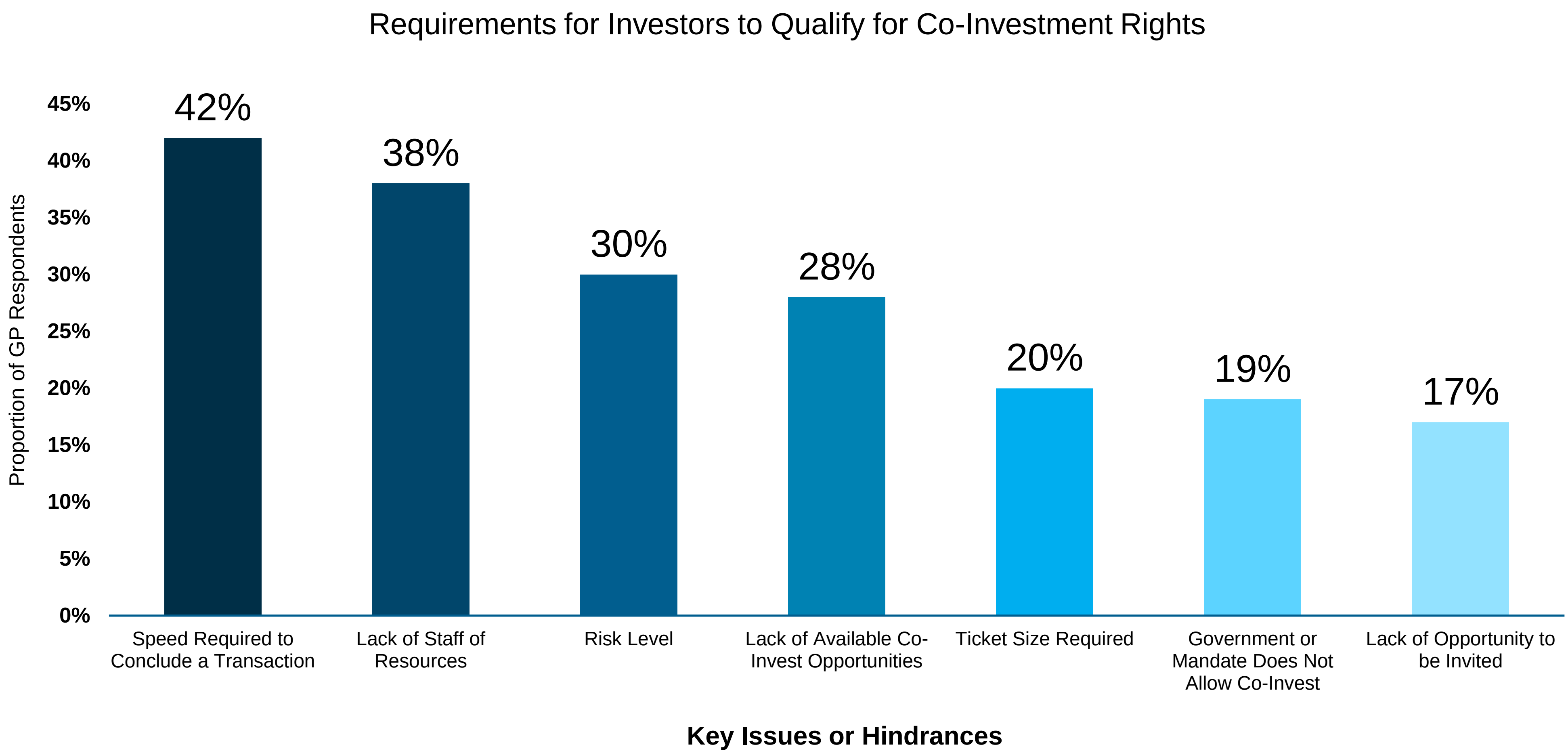
LP's are Increasingly Interested in Co-Investing

Do you plan to participate in co-investment opportunities in private equity in 2024?



Source: Private Equity International's LP Perspectives 2024 Study.

Various Factors that Hinder Participation in Co-Investing



GPs seek co-investors that can respond quickly and reliably.

LPs that have made a significant commitment to the fund are also favored**.**

Source: Private Equity International's LP Perspectives 2024 Study.

Why use a Co-Investment Fund?

Benefits of Co-Investment Fund

Diversification

Decrease concentration risk by accessing a broader range of co-investment opportunities

Access

Provides participating Meketa clients with access to a broad set of co-investments with fairness and equity

Simplicity

Access through a fund decreases work of year end audits, lessens the burden on the investment committee and eases reporting burdens

Certain Statements contained herein reflect the subjective views and opinions of Meketa. Such statements cannot be independently verified and are subject to change.

How much co-investment exposure makes sense?

→ For an institutional investor that has a diversified private equity program, it can make sense for 20% of both buyout commitments and infrastructure commitments to be allocated to co-investments.

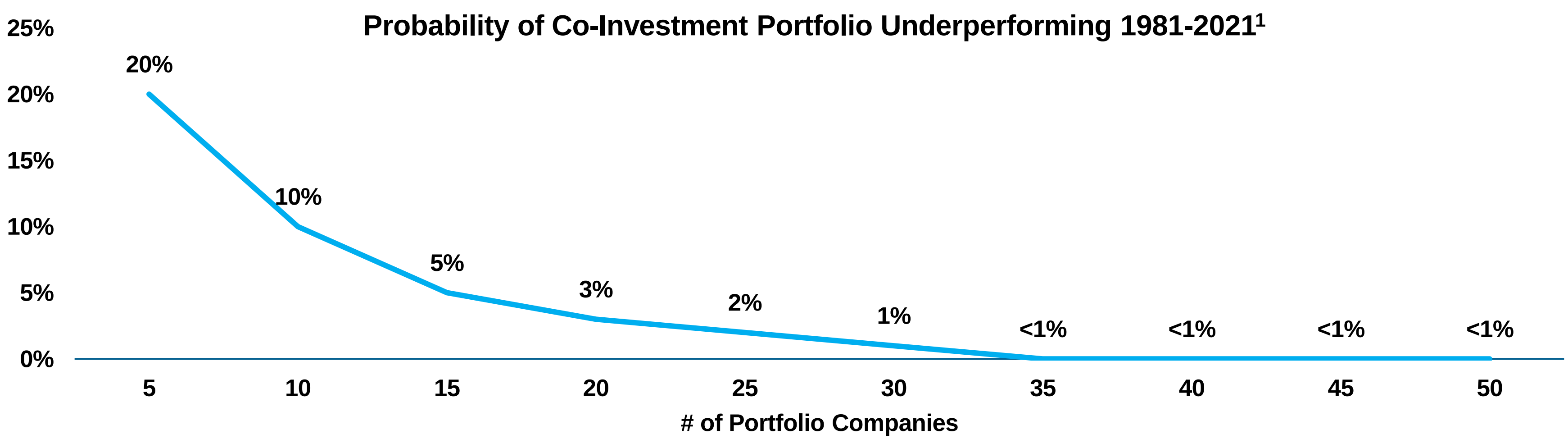
	Private Equity	Infrastructure	Private Debt	Real Estate	Natural Resources
Target	20%	20%	5%	10%	5%
Institutional LP Norms	0% - 30%	0% - 25%	0% - 15%	0% - 25%	0% - 10%
Deal Flow	Very High	High	Low	Moderate	Low
Standard Fees (Fee/Carry)	0% | 0-10%	0% | 0-10%	0% | 0-10%	1% | 10%	0% | 0-10%

→ For mature private equity funds, the average return spread between gross fund IRRs and net fund IRRs is approximately 7% to 8%, but ranges from 2% to 25%. Consequently, even a modest allocation to co-investing can improve the net-of-fee return profile of a private investment program.

*Source: Cambridge Associates data as of 12-31-23.
Note: For illustrative purposes only and subject to change. There can be no assurance any improvements are ultimately realized. There is no assurance that any portfolio construction objectives can be achieved or that any such portfolio will be profitable. Certain statements contained herein reflect the subjective views and opinions of Meketa. Such statements cannot be independently verified and are subject to change.

A Pool of Co-Investments Can Reduce Chances of Underperforming

- By our estimates, the probability of a co-investment portfolio underperforming public markets historically was ~20% with only five co-investments. This probability fell significantly when doubling the portfolio size to ten co-investments (10% chance) or expanding it further to 15 co-investments (5% chance).
- Once a co-investment portfolio is well diversified, the historical probability of underperformance was estimated to be very low.
- The chart below shows the importance of diversification in a co-investment portfolio and is not shown as a projection of future investment outcomes.



[1] "Underperforming" probability represents the proportion of times a portfolio combining a random set of deals from the study underperformed its most appropriate public market equivalent (one of three regional MSCI Asia, Europe and North America Performance Indices in local currency). Analysis is based on Meketa-simulated hypothetical outcomes informed by figures cited in "Adverse Selection and the Performance of PE Co-Investments" by Reiner Braun, Tim Jenkinson, and Christopher Schemmerl. This paper assessed the historical performance of co-investments made in 1981-2010. Underlying co-investment return data is not available; our analysis estimates the performance of historical portfolios of a hypothetical investor with access to deals in the cited dataset based on sample means/variances. The data is intended to represent the impact of diversification on a co-investment portfolio and is not intended to be a forward-looking statement on performance. Note: For illustrative purposes only and subject to change. There is no assurance that any portfolio construction objectives can be achieved or that any such portfolio will be profitable. Diversification does not eliminate the risk of loss.

There Are Multiple Approaches to Commingled Fund Co-Investing

	External Multi-Manager Co-Investment Fund	**Internal SMA/ Commingled Vehicle**
	Fund manager provides “turnkey” solution, offering access to a diversified portfolio of co-investments from various PE fund sponsors	A dedicated multi-manager co-investment portfolio comprised of investment opportunities sourced from existing primary fund relationships
PROS	→ Slightly lower fee than a direct fund investment → Added diversification across vintage years, strategies, geographies and managers → Sourcing resources and selection expertise	→ Much lower fee vs third party co-investment fund → Takes advantage of primary manager relationships → Expertise and resources for sourcing and execution of opportunities
CONS	→ Only small discount to direct private equity fund → Not benefitting from primary manager selection	→ Some additional costs and fees. Not entirely fee free, carry free

Note: Certain statements contained herein reflect the subjective views and opinions of Meketa. Such statements cannot be independently verified and are subject to change.

Meketa's Co-Investment Experience

Co-Investments Overview

- Meketa provides a full range of co-investment advisory services, both on a discretionary and non-discretionary basis.
- In certain situations, Meketa will source, evaluate, negotiate, and manage the entire investment on a discretionary basis.
- In other situations, a client may ask for a targeted review of selected aspects of the transaction (e.g., valuation review).
- In non-discretionary situations, Meketa will generally not have access to information subsequent to the transaction such as valuation, future cash flows, and ultimate exit.

Information provided above represent Meketa's general approach across each of its clients. Some items listed above may not be considered in Meketa's investment recommendations to the PMPEX fund.

Co-Investment Experience

Expertise

- Reviewing co-investment opportunities since 2008.
- Executed transactions to date representing over $3.3 billion across a range of companies, asset classes, and geographies.

Extensive Resources

- Specialist co-investment capabilities across multiple asset classes.
- Broad direct investment experience.
- Experienced personnel located across the US and in the UK.

Market Access

- Broad transaction and origination network: sponsors, clients, banking groups, and intermediaries.
- Sought-after advisor by general partners, market intermediaries.

Flexible Approach

- Range of investment analysis can be tailored to client requirements – from complete investment analysis to targeted review.
- Discretionary or non-discretionary services.

Information provided above represent Meketa's general approach across each of its clients.

Co-Investment Philosophy

Private Markets

- → Build diversification by vintage, manager, and industry.
- → Co-invest alongside high conviction investment managers executing on transactions core to their strategy.

Private Equity	Target investment type: → Focus on control buyout transactions of middle market companies. → Target companies will typically have substantial revenues and EBITDA. → Companies will have significant market presence and provide value-added services or proprietary products and have sustainable franchises with a history of predictable cash flows. → Transactions should have appropriate leverage and disciplined pricing. Focus on opportunities in North America and Western Europe.

Note: Targeted investment characteristics may not be indicative of future investments and investment results may vary substantially over time.

Co-Investments Due Diligence Process

Meketa reviews co-investment opportunities largely with the same, 3-step review process as private markets funds.

Phase 1: Obtain initial information and make initial assessment of the attractions, risks and issues of the opportunity. Prepare Preliminary Investment Memo and present to Private Markets Policy Committee.

Phase 2: In-depth investment analysis including review of full information package, analysis of financial model, transaction analysis, review of financing package and legal agreements. Prepare Final Investment Memo and present to Private Markets Policy Committee.

Phase 3: Complete final investment checks and execute legal documentation.

Co-investors typically have two to six weeks to complete their due diligence and reach an investment decision.

Information provided above represent Meketa's general approach across each of its clients. Some items listed above may not be considered for each client.

Co-Investment Review Process

- Investment decisions result from selective and iterative process.
- Efficient process allows the team to complete diligence in as little as two weeks.
- Since January 2010, we have evaluated over 700 Co-Investment proposals.

Sourcing

Deal Outreach

- Team wide initiative
- Focus on high conviction managers
- Dedicated outreach; annual meetings; GP diligence; industry relationships
- Review preliminary investment information and assess fit for client
- Involve Meketa sector and regional specialists as required
- Identify Meketa "sponsor" for the opportunity

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Phase I

Preliminary Review

- Sponsor / industry screening
- Review preliminary investment information and assess fit
- Involve Meketa sector and regional specialists as required
- Receive additional information on opportunity; likely requires execution of a non-disclosure agreement
- Preliminary discussion with general partner
- Prepare a Phase I write-up of the opportunity
- Investment discussed at Co-Investment Committee

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Phase II

Investment Analysis

- Receive full set of Due Diligence Materials
- Prepare and review financial model
- Meetings/calls with Sponsor and/or management
- Review third-party diligence reports
- Review of general partner's track record, particularly in the industry related to the target company and overall co-investments
- An Investment Memorandum is completed for PMRC consideration

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Phase III

Final Team and PMRC Review

- The PMRC discusses the opportunity with key members of the Co-investment Team
- Additional negotiation of investment terms
- A re-examination is done of any company, manager, or industry questions that PMRC members raise during due diligence
- Address / mitigate risks
- Receive PMRC approval

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Post Decision

Closing and Monitoring

- Finalize transaction and receive any required regulatory clearance, votes, investment approvals
- Work closely with legal counsels
- Funding and closing
- Investment documentation completed
- Establish regular portfolio reviews
- Monitor investment

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As of March 31, 2026.
Information provided above represent Meketa's general approach across each of its clients..

Co-Investments Practice Overview

Given time constraints, it is critical to identify key attributes and risks during initial stages of due diligence.

Qualitative

- Sponsor – overall track record and industry experience
- Management – quality, track record of success, succession issue
- Company – competitive landscape, position in the industry, customer base, growth potential

Quantitative

- Valuation Model – start with GP base case, and sensitize model with various assumptions (e.g., growth rates, margins, exit multiples)
- Comparables – public comps and transaction comps

Third-Party Due Diligence

- Company/Industry
- Legal
- Accounting
- Insurance
- Employee Benefits
- Environmental
- Tax

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Private Markets Considerations for Institutional Program Design – Key Highlights

- **Private markets demand structural decisions upfront.** Building a private market program requires institutions to make foundational choices around portfolio construction, administration, governance, and resourcing – choices that materially influence long-term outcomes.
- **All program structures involve a core trade-off.** Simpler, product-driven solutions reduce operational burden but limit customization and carry higher fees, while insourced or outsourced approaches offer greater control at the cost of increased complexity and resource requirements.
- **Institutional scale is the primary driver of program structure.** Smaller institutions often rely on fund-of-funds products by necessity, while larger institutions tend to migrate toward outsourced or insourced solutions as their scale, expertise, and governance capacity grow.
- **Hybrid approaches are common and often optimal.** Institutions frequently blend multiple program structures, such as managing core asset classes in-house while using product solutions for more complex or niche strategies.
- **Program structures should evolve over time.** As institutions gain experience and resources, revisiting the balance between cost, complexity, and customization allows them to optimize their private market programs in alignment with their changing capabilities and objectives.

MEKETA

Private Markets Considerations for Institutional Program Design

WHITEPAPER | MAY 2026

CONTRIBUTORS
Jess Downer
Frank Benham, CFA, CAIA

Private market investments have become a foundational component of many institutional portfolios. As allocations have grown, however, so too has the complexity associated with implementing and overseeing private market programs for many investors.

Private market investments require institutions to make a series of structural decisions that materially influence outcomes. These decisions include how portfolios are constructed, administered, governed, and resourced over time. Institutions face a wide range of options for accessing private markets, each representing a different balance between simplicity, customization, cost efficiency, and operational burden.

This paper explores the primary program structures through which institutional investors access private market investments. It describes the spectrum of available solutions, ranging from product-driven approaches to fully customized and internally managed programs, and outlines the key considerations that influence how institutions select among them. The objective is to provide a framework for understanding how different access models function, the trade-offs they entail, and why institutions often evolve their program structures as scale, experience, and internal capacity change.

Key Takeaways

- **Private markets demand structural decisions upfront.** Building a private market program requires institutions to make foundational choices around portfolio construction, administration, governance, and resourcing that materially influence long-term outcomes.
- **All program structures involve a core trade-off.** Simpler, product-driven solutions reduce operational burden but limit customization and carry higher fees, while insourced or outsourced approaches offer greater control at the cost of increased complexity and resource requirements.
- **Institutional scale is the primary driver of program structure.** Smaller institutions often rely on fund-of-funds products by necessity, while larger institutions tend to migrate toward outsourced or insourced solutions as their scale, expertise, and governance capacity grow.
- **Hybrid approaches are common and often optimal.** Institutions frequently blend multiple program structures, such as managing core asset classes in-house while using product solutions for more complex or niche strategies.
- **Program structures should evolve over time.** As institutions gain experience and resources, revisiting the balance between cost, complexity, and customization allows them to optimize their private market programs in alignment with their changing capabilities and objectives.

Why Private Markets Are Structurally Different?

Private market investments introduce unique implementation and oversight challenges. These structural characteristics shape how programs must be built and managed and explain why a broad ecosystem of access solutions has emerged.

Diversification

The preponderance of the private market opportunity set is available through fund vehicles, many of which focus on narrow strategies, either by geography, asset type, industry, or a combination thereof. Further, many private market funds build concentrated portfolios, with a typical private market fund holding fewer than 20 individual positions throughout its lifecycle. Many institutional private market programs include numerous underlying fund vehicles in an attempt to achieve their desired level of diversification by geography, industry, and strategy type. This diversification dynamic is amplified by the necessity to regularly (e.g., annually) select new funds to maintain the target allocation to a private market asset class and achieve diversification across time. As such, institutions that implement private market programs must consider how they will construct a diversified portfolio of illiquid funds, which can require a meaningful level of resources to source, secure access, conduct institutional underwriting processes, make investment selections, and complete legal documentation.

Administration and Performance Reporting

Diversified private market portfolios introduce significant administrative complexity. Closed-end funds call and distribute capital at irregular intervals, creating a steady stream of cash flow activity that must be monitored and processed. In addition, institutions often face complex audit, fee analysis, compliance, and disclosure requirements.

Data collection and performance measurement present additional challenges. Private market managers often provide financial information in non-standardized formats, through varying delivery channels, and on inconsistent timelines. Net asset values (NAVs) are typically reported with a lag of 45 to 120 days following quarter-end, complicating timely reporting and analysis. While some institutions rely on time-weighted performance measures based on reported NAVs, others prefer dollar-weighted performance metrics that more accurately reflect the impact of capital deployment and cash flows but require specialized systems, data normalization, and analytical capabilities.

Portfolio Management

Private market funds occasionally experience developments that require actions on the part of investors. Examples of such developments include requests for amendments to legal documents, participation in continuation vehicles, or management of in-kind securities distributed from fund managers to investors. While such developments are uncommon for any individual private market fund, a mature portfolio of funds can produce somewhat regular actions that must be taken and that involve analysis and consideration.

The above considerations commonly require a high level of resources to build, manage, and monitor private market portfolios. This dynamic has spurred the development of a marketplace of solutions offered to institutional investors. The remainder of this paper describes the most common solutions utilized by institutional investors and offers some context regarding why institutional investors might choose certain solutions, or combination of solutions, over others.

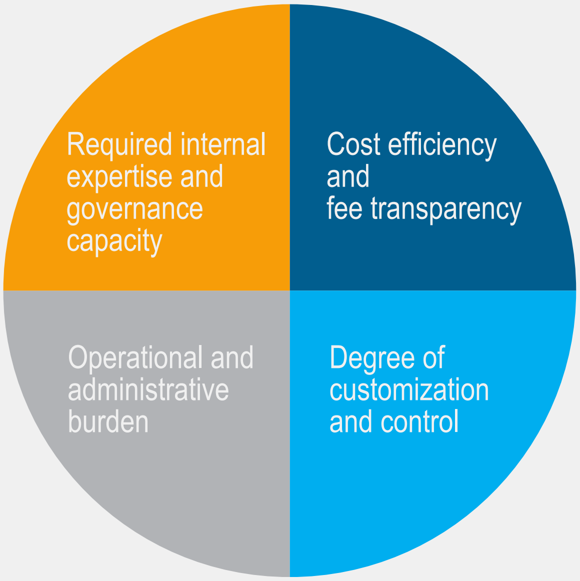
The Core Trade-Off: Control, Cost, and Complexity

Across all private market program structures, institutions face a fundamental trade-off. Solutions that offer greater simplicity typically limit customization and may carry higher explicit fees. Conversely, approaches that provide greater control and flexibility require increased internal resources, governance capacity, and tolerance for operational complexity.

> "Private market investments introduce unique implementation and oversight challenges.

Figure 1

Program Structures:
A Spectrum of Four Interrelated Dimensions



Institutions rarely optimize across all four dimensions simultaneously. Instead, they select program structures that align with their current scale, objectives, and constraints, often accepting trade-offs in one dimension to gain advantages in another. As institutions grow and gain experience, many revisit these trade-offs and adjust their approach accordingly.

Product Solutions: Accessing Private Markets Through Commingled Vehicles

The simplest solution offered to institutions to manage the complexity of private market programs is in the form of product offerings (i.e., "product solutions"). Such products are available in the form of an investment fund that generally offers institutions access to a portfolio of investments that is diversified across a variety of key factors. The fund vehicle structure of product solutions also enables the fund manager to govern the administrative, reporting, and portfolio management burdens of the underlying portfolio on behalf of the fund's investors. The following is a description of the three most common types of product solutions.

Fund of Funds

A fund of funds ("FoF") is a commingled investment vehicle that invests in a portfolio of private market funds. FoF are structured as closed-end investment vehicles that raise a fixed amount of capital and draw down that capital from investors as needed to fund commitments to underlying primary funds (in addition to covering the FoF's fees and expenses).[1] FoF vehicles typically have a longer term than primary funds due to the variable amount of time required for the FoF to identify and commit to primary funds as well as the time for those primary funds to fully liquidate. The investment teams that manage FoF are responsible for identifying, conducting due diligence on, committing to, and monitoring the underlying portfolio of primary fund investments. As primary fund managers exit their investments and distribute proceeds to FoF, those proceeds are then passed on to the FoF's investors.

Many private market FoF managers also manage dedicated secondary fund of funds investment vehicles. Commonly known as "secondary funds," these investment vehicles primarily purchase interests in mature primary funds rather than commit capital at the outset of a primary fund's lifecycle. Secondary FoF can provide similar levels of diversification and return profiles as traditional FoF.

The FoF product solution structure allows investors access to a diversified pool of private market funds, and the structure of the FoF shields the fund's investors from the administrative, reporting, and portfolio management burdens of the portfolio. The principal benefit of a FoF to investors is the simplicity that the structure offers, while the primary drawback to FoF is the high level of associated fees.

Fund of One (i.e., a Separately Managed Account)

A fund of one, also commonly known as a separately managed account ("SMA"), shares all of the attributes described above for FoF, with the distinction that it is a fund that is managed on behalf of a single investor rather than a commingled pool of investors. SMA's are typically only available to investors that are able to commit very large amounts of capital, generally in the $100's of millions per year or more. SMAs maintain all the benefits described above for FoF, but generally allow for some portfolio construction customization and typically offer a slightly lower fee structure than a FoF.

Open-End Funds

While most private market investments are offered through illiquid closed-end structures, select strategies are available in the form of open-end funds. Such open-end funds typically target investments at the lower end of the risk and reward spectrum within the private markets opportunity set, where investment managers seek to buy and hold stabilized assets for long periods of time. Open-end funds are not broadly available in all private market asset classes but are commonly utilized in institutional real estate and infrastructure portfolios. Open-end funds may meet some investors' requirements for a product solution as they are commonly well diversified by number of underlying assets, asset category, and geography. Since a wide range of exposures are available, much of the administrative and other complexities resident in closed-end investment portfolios are not relevant.

Open-end funds are often considered semi-liquid, as they typically allow investors to make contributions and withdrawals at periodic intervals, which offers more flexibility than closed-end structures, but still imposes certain restrictions on access to capital.[2] Institutional investors that are seeking a low risk and reward portfolio might construct a private market portfolio solely from one or more open-end funds, while those seeking higher returns commonly combine open-end funds with a closed-end investment program.

Outsourced Solutions: Delegating Complexity While Retaining Direct Ownership

Institutions with greater scale often seek alternatives to product solutions to improve cost efficiency or achieve greater customization. One such alternative is the use of outsourced solutions, which involve contracting with a third party to design and manage a private market program on the institution's behalf.

Outsourced solutions are typically structured as service agreements rather than investment vehicles. Under these arrangements, the outsourced provider exercises discretionary authority within a defined mandate, while the institution retains direct ownership of the underlying investments. Services may encompass the full lifecycle of program implementation, including portfolio construction, manager selection, administration, and reporting, or may be limited to specific functions.

Investment managers that offer funds of funds or separately managed accounts frequently also provide outsourced solutions. While these offerings may appear similar, the key distinction lies in the structural relationship. Separately managed accounts are organized as investment vehicles, whereas outsourced solutions are contractual arrangements in which investments are held directly by the institution.

Outsourced solutions are commonly utilized by institutions with sufficient scale to build diversified portfolios but without the desire or capacity to fully insource all aspects of program management. (See Figure 2.)

It is worth noting that an investor could also use some combination of these options (i.e., blend multiple program structures) to meet their unique needs and objectives. For example, an investor could construct most of their private equity program in house and use an outside advisor or fund of funds to gain access to venture capital. Certain aspects of the program could be managed via an outsourced arrangement to leverage external expertise or operational efficiency.

Insourced Solution: Owning the Complexity

Some large institutional investors possess the scale and resources necessary to internally manage some or all of their private market programs. In these cases, institutions may establish dedicated teams responsible for manager selection, portfolio construction, and ongoing oversight.

Resource Intensity

Certain aspects of private market program implementation are particularly resource intensive and might require sizeable teams of internal experts to execute effectively. It is not uncommon in such cases for institutions to contract with third-party advisors to provide narrow, specialized support to supplement their internal capabilities. See Figure 2 for common services that apply to this consideration.

Independent Perspective

It is common for institutional investors with predominantly insourced private market programs to seek independent third-party perspective as a check on the health, quality, or optimization of the internally managed program. See Figure 2 for common services that apply to this consideration.

Specialized Expertise

In some cases, large institutional investors have needs that extend into areas that require highly specialized skills. Such needs may warrant the inclusion of a dedicated team member and a more intuitive solution might be to hire an advisor to serve such needs. See Figure 2 for common services that apply to this consideration.

Figure 2

Side-by-Side Overview of Program Solution Models by Functional Coverage

	Planning	Portfolio Construction	Monitoring and Reporting	Management and Administration
Outsourced Solutions	• Education • Strategic Planning • Commitment Pacing	• Invesment Sourcing • Investment Due Diligence • Operational Due Diligence • Investment Selection • Investment Legal Execution	• Manager Meetings • Performance Reporting • Underlying Asset Reporting	• Cash Transfer Management • Audit and Administrative Support • Fee Validation • Amendment and CV Reviews
Insourced Solutions Resource Intensity	• Limited | None	• Investment Sourcing • Invesment Initial Reviews • Investment Due Diligence • Operational Due Diligence	• Manager Meetings • Performance Reporting • Underlying Asset Reporting	• Cash Transfer Management • Audit and Administrative Support • Fee Validation • Amendment and CV Reviews
Independent Perspective	• Education • Strategic Planning • Commitment Pacing	• Invesment Initial Reviews • Investment Due Diligence • Operational Due Diligence	• Manager Meetings	• Fee Validation • Amendment and CV Reviews
Specialized Expertise	• Education • Strategic Planning • Commitment Pacing	• Investment Sourcing • Invesment Initial Reviews • Investment Due Diligence • Operational Due Diligence	• Manager Meetings	• Fee Validation • Amendment and CV Reviews

How Institutions Choose Program Structures

There are a variety of factors that institutions typically consider in the selection of private market program solutions. Every institutional investor has unique goals, needs, and constraints that might result in differing program solutions. Below are the key considerations that significantly influence institutions' selections of program solutions.

Institutional Asset Scale

The total amount of investable assets held by an institution can in some cases limit the program structure options available to certain investors. Most notably, smaller institutions may not have the scale to build diversified portfolios and product solutions may be the only option available to such investors. Another notable example of asset scale determining program structure would be very large institutions that might use product solutions to efficiently access small scale investments, such as venture capital funds or small-market buyouts funds.

Cost and Resources

Cost of implementation is top of mind for most institutional investors when selecting an appropriate program structure. Institutional investors commonly have policy-driven requirements to consider fees and expenses in the selection of products and solutions, and to minimize them as appropriate. Examples of institutions selecting program structures that optimize for cost include:

› In-sourcing key aspects of program implementation.
› Hiring a manager for a custom outsourced solution, which can generate meaningful cost savings relative to similar exposure achieved through a fund of funds product solution.
› Establishing meaningful allocations to open-end core product solutions, which often have lower fee structures relative to traditional closed-end funds.

Sophistication and Expertise

A key consideration for certain institutional investors relates to the sophistication and experience of the trustees and staff that oversee the implementation of the institution's investment programs. Examples of institutions selecting program structures in consideration of limitations of internal expertise include:

› Utilizing a fund of funds product solution during the early years of a program's development while the institution's trustees and staff develop private markets expertise.
› Hiring a manager for a custom outsourced solution because staff size is limited or does not have specialized private market expertise.

Operational Efficiency

Some institutions optimize program structure for operational efficiency due to operational complexity. Certain institutions may have onerous financial reporting requirements, taxation requirements, or other unique considerations that result in sensitivity to the number of investment products in custody, as well as the lagged and inconsistent nature of private market financial reporting. Examples of institutions optimizing for operational efficiency include:

› Investing through fund of fund product solutions that provide diversified exposure through a single product.
› Outsourcing operational functions such as cash transfers or performance reporting to limit the scope of administrative work required by internal staff.

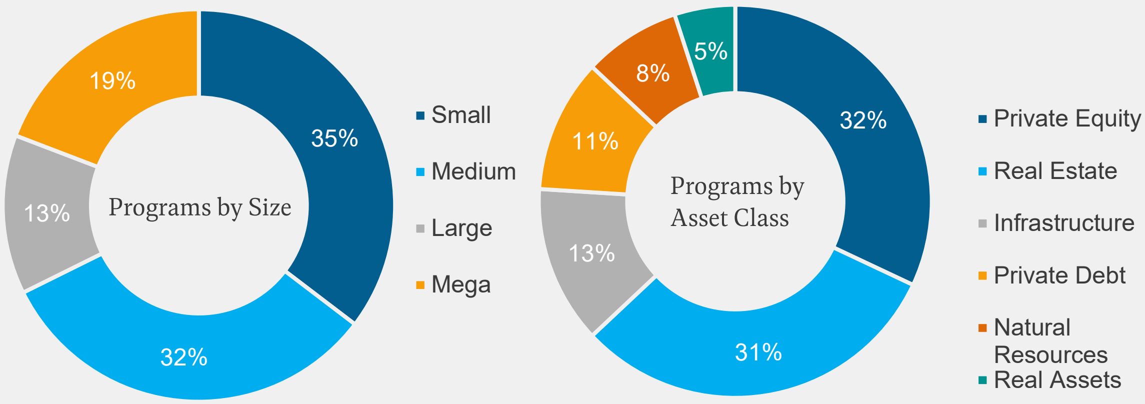
Governance or Regulatory Requirements

There are a number of institution-specific requirements that may create structural limitations on options available for program solutions. In some cases, laws or regulations may create barriers that narrow available options. An example of this is some private market funds precluding certain classes of investors (e.g., public funds) from investing due to those investors' need to comply with Freedom of Information Act requirements, and such investors may be required to access some opportunities through product solutions that create an information barrier. Other similar limitations can relate to an institution's legal or governance structure. For instance, some institutions establish in their governance structures a fiduciary requirement that the institution's board of trustees directly select all investments with no permissible outsourcing of such fiduciary duties.

Figure 6

Institutional Investors Program Summaries

Source: Small institutions represent clients with total assets up to $500 million, Medium institutions represent clients with total assets between $500 million and $2 billion, Large institutions represent clients with total assets between $2 billion and $5 billion, and Mega institutions represent clients with total assets greater than $5 billion.



Observed Program Structures in Practice

As of March 31, 2025, Meketa Investment Group served over 250 institutional investors, over 150 of which include private market programs in their investment portfolios. Above are charts summarizing those institutional investors based on the size of their total asset size and which private market asset classes (figure 6) they included in their portfolios. Note: the information included on Meketa Investment Group's private market programs may not be representative of the institutional investor market as a whole.

Figure 7 is a chart summarizing how Meketa's institutional client base structures their private market investment programs grouped by the size of each institution's total assets. Meketa's institutional clients' selections indicate a relationship between total asset size and preferences or limitations with respect to program structure selection, which supports our anecdotal observations that institutions seek to trade cost for complexity as they increase in scale and resources.

The third chart summarizes Meketa's client program structures grouped by private market asset class. Product solutions are most utilized in private equity, which is the most complex asset class from the perspective of manager selection, portfolio construction, and administration. Product solutions are also more common in infrastructure and real estate, which are asset classes that offer numerous high quality open-end core offerings that are appealing to a broad swath of investors. Insourced solutions are most common in infrastructure and private debt, which are somewhat more approachable for investors given their smaller universes of investment managers and lower dispersion of returns.

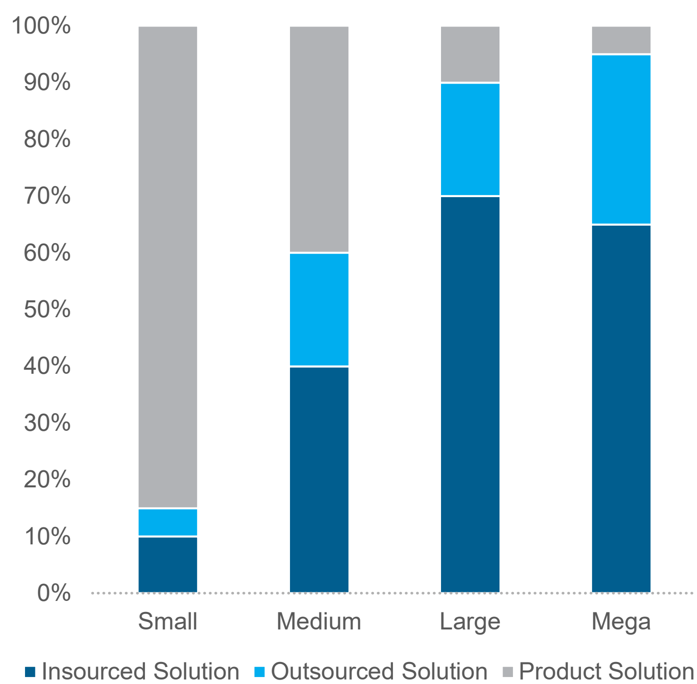
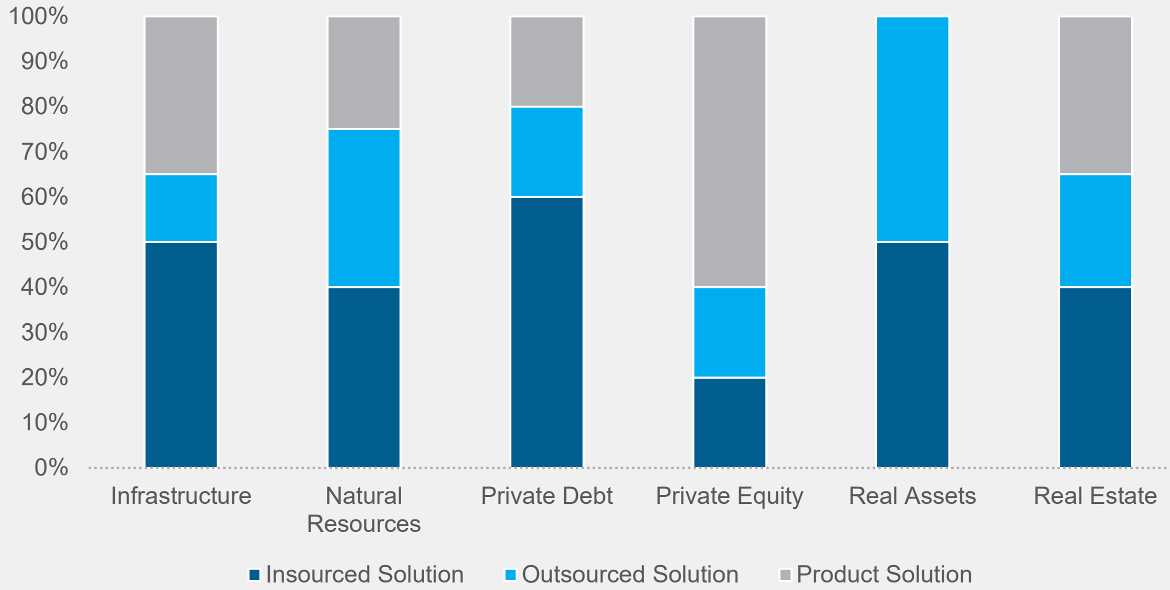


Figure 7

Program Structure by Total Asset Grouping

Source: Meketa's clients commonly utilize multiple structures within an individual Private Market program, and this data only captures the predominant structure utilized by a given program.

Figure 8
Program Structure by Asset Class



Source: Meketa's clients commonly utilize multiple structures within an individual Private Market program, and this data only captures the predominant structure utilized by a given program.

Conclusion

Selecting an appropriate private market program structure is among the most consequential decisions an institutional investor can make. The choice shapes not only how a portfolio is built and managed, but also how resources are allocated, how governance obligations are met, and how effectively the institution can adapt as market conditions and internal capabilities evolve. There is no universally optimal structure. Each approach involves trade-offs that must be evaluated in the context of an institution's specific scale, expertise, cost constraints, and long-term objectives.

In practice, most institutions do not remain static in their approach. As they accumulate private market experience, grow their asset base, and develop internal expertise, many migrate along the spectrum from product-driven solutions toward greater customization and direct oversight. This evolution is not linear, nor is it universal; some institutions deliberately maintain simpler structures due to governance requirements, resource constraints, or a preference for operational efficiency. Others blend multiple structures across asset classes to optimize outcomes across different dimensions of their program simultaneously.

Ultimately, the most effective private market programs are those that are intentionally designed, with clear awareness of the trade-offs involved and a structure that reflects the institution's current capacity while preserving the flexibility to evolve. Institutions that periodically reassess their program structure in light of changing scale, resources, and market opportunities are better positioned to manage complexity, control costs, and achieve their long-term investment objectives.

End Notes

[1] Source: A primary fund refers to a private market investment vehicle that pools capital from multiple investors to make direct investments into portfolio companies or assets.

[2] Source: Open-end funds may impose mechanisms such as subscription and redemption queues, gates, or other liquidity management tools to control capital flows. These features can affect the timing and availability of investor subscriptions and withdrawals.

Important Information

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Significant events may occur (or have occurred) after the date of this report, and it is not our function or responsibility to update this report. The information contained herein, including any opinions or recommendations, represents our good faith views as of the date of this report and is subject to change at any time. All investments involve risk, and there can be no guarantee that the strategies, tactics, and methods discussed here will be successful.

The information used to prepare this report may have been obtained from investment managers, custodians, and other external sources. Some of this report may have been produced with the assistance of artificial intelligence ("AI") technology. While we have exercised reasonable care in preparing this report, we cannot guarantee the accuracy, adequacy, validity, reliability, availability, or completeness of any information contained herein, whether obtained externally or produced by the AI.

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Performance data contained herein represent past performance. Past performance is no guarantee of future results.

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Classic Values, Innovative Advice

Austin Firefighters Retirement Fund

December 31, 2025
Actuarial Valuation Review

July 27, 2026

Heath Merlak, FSA, FCA, EA, MAAA
Elizabeth Wiley, FSA, FCA, EA, MAAA

December 31, 2025 Actuarial Valuation Review
Agenda

- Valuations Overview
- Historical Trends
- 2025 Experience
- Valuation Results
- Statutory Contributions
- Risk Assessment and Projections
- GASB Accounting Disclosures

Valuations Overview

COMMON ACTUARIAL FOUNDATION

MEMBERS • STATUTES • ASSETS • ASSUMPTIONS • METHODS

A / L

FUNDING/PRB REPORTING

Financial condition

%/$

RISK SHARING VALUATION STUDY (RSVS)

Statutory contributions

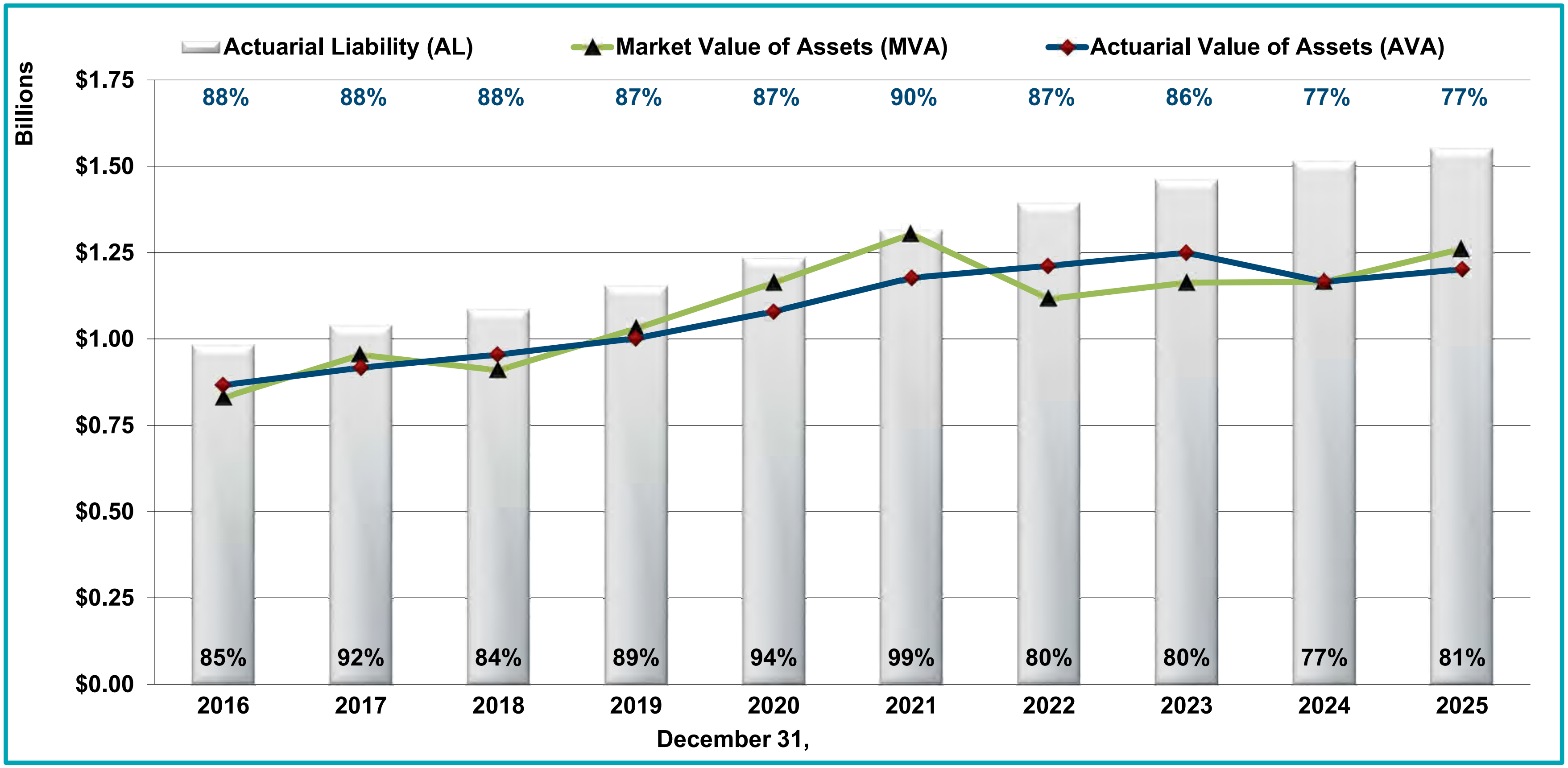
67/68

GASB 67/68 ACCOUNTING

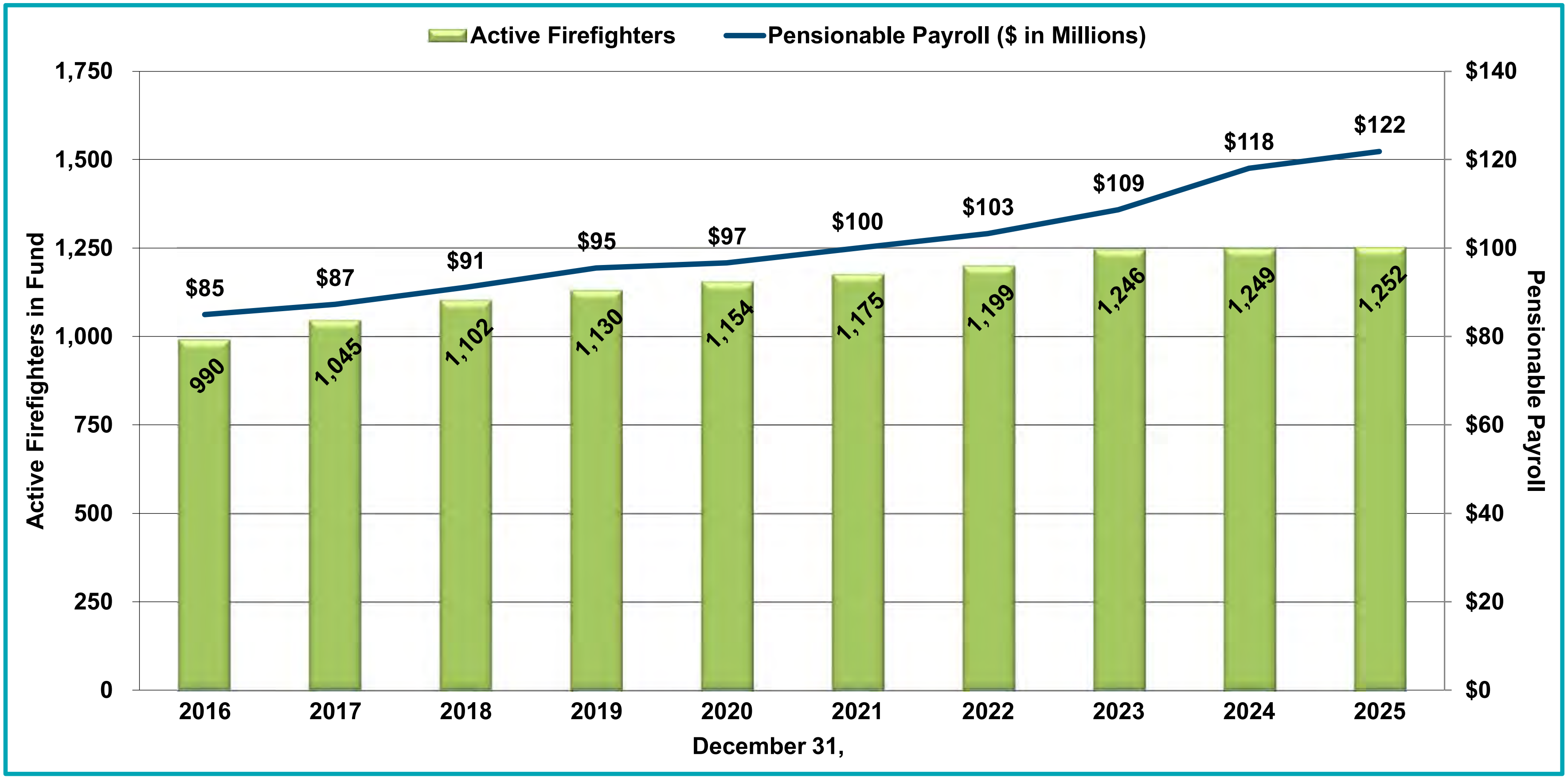
Financial reporting

Historical Trends

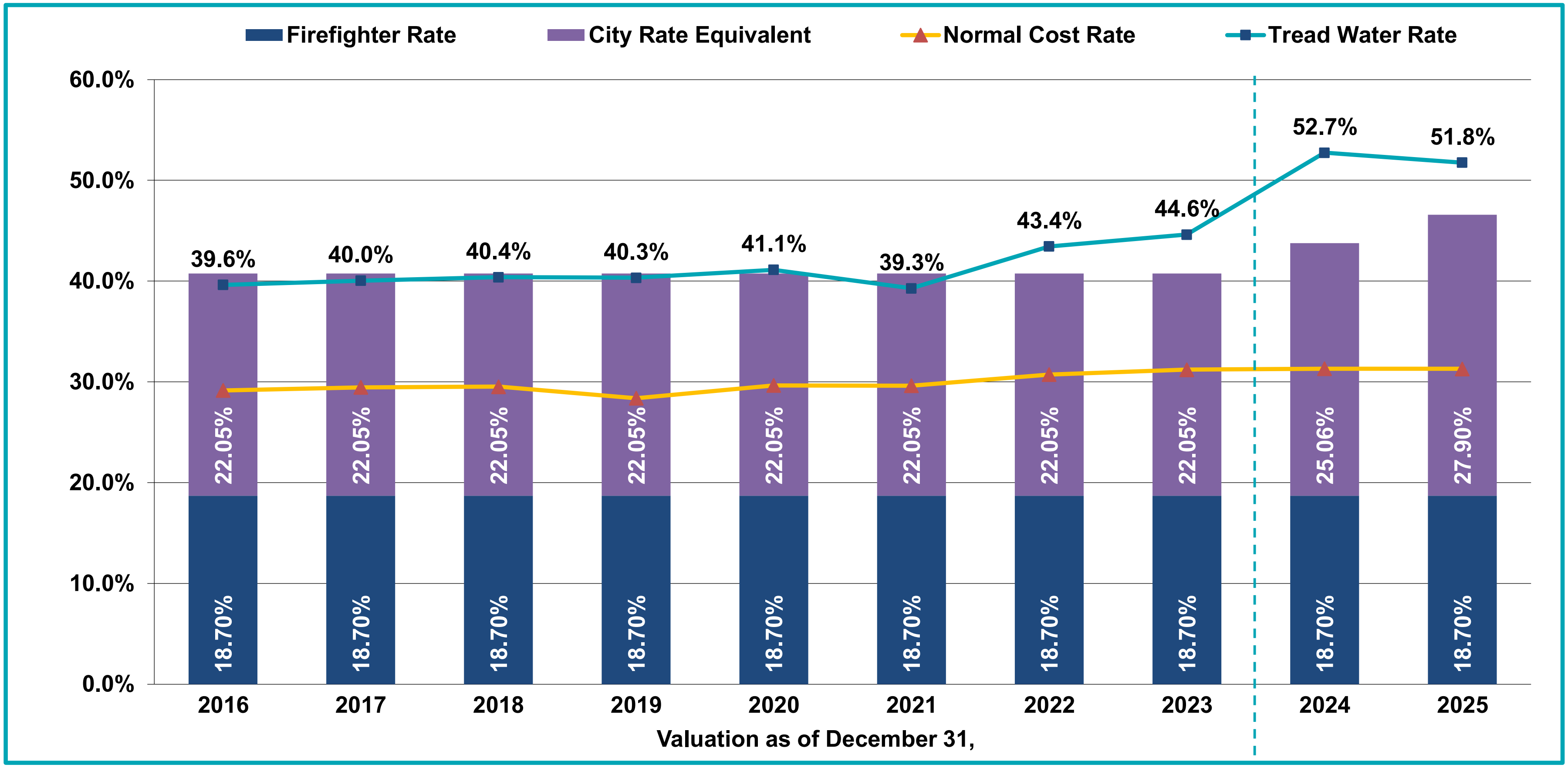
Assets and Liabilities



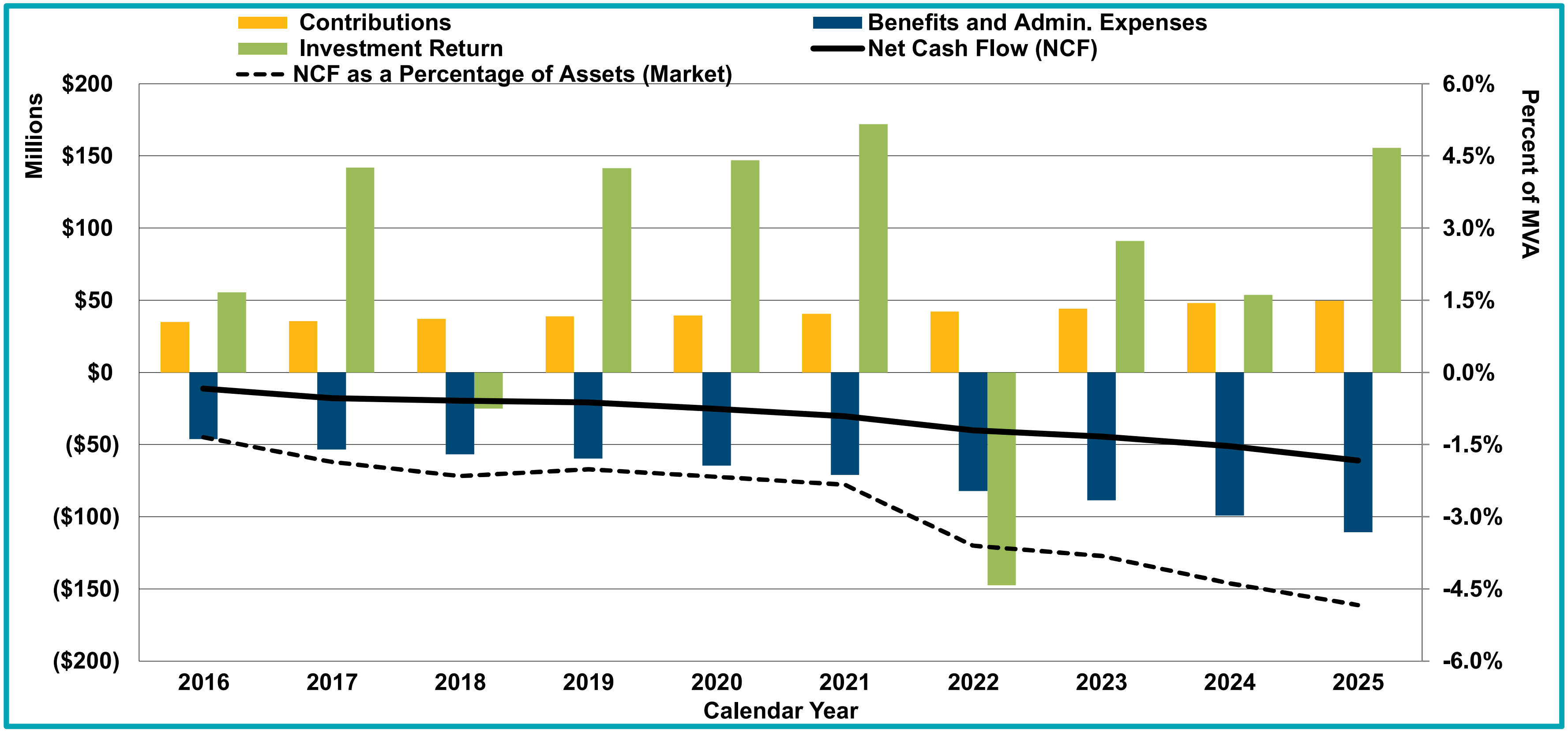
Active Count and Payroll



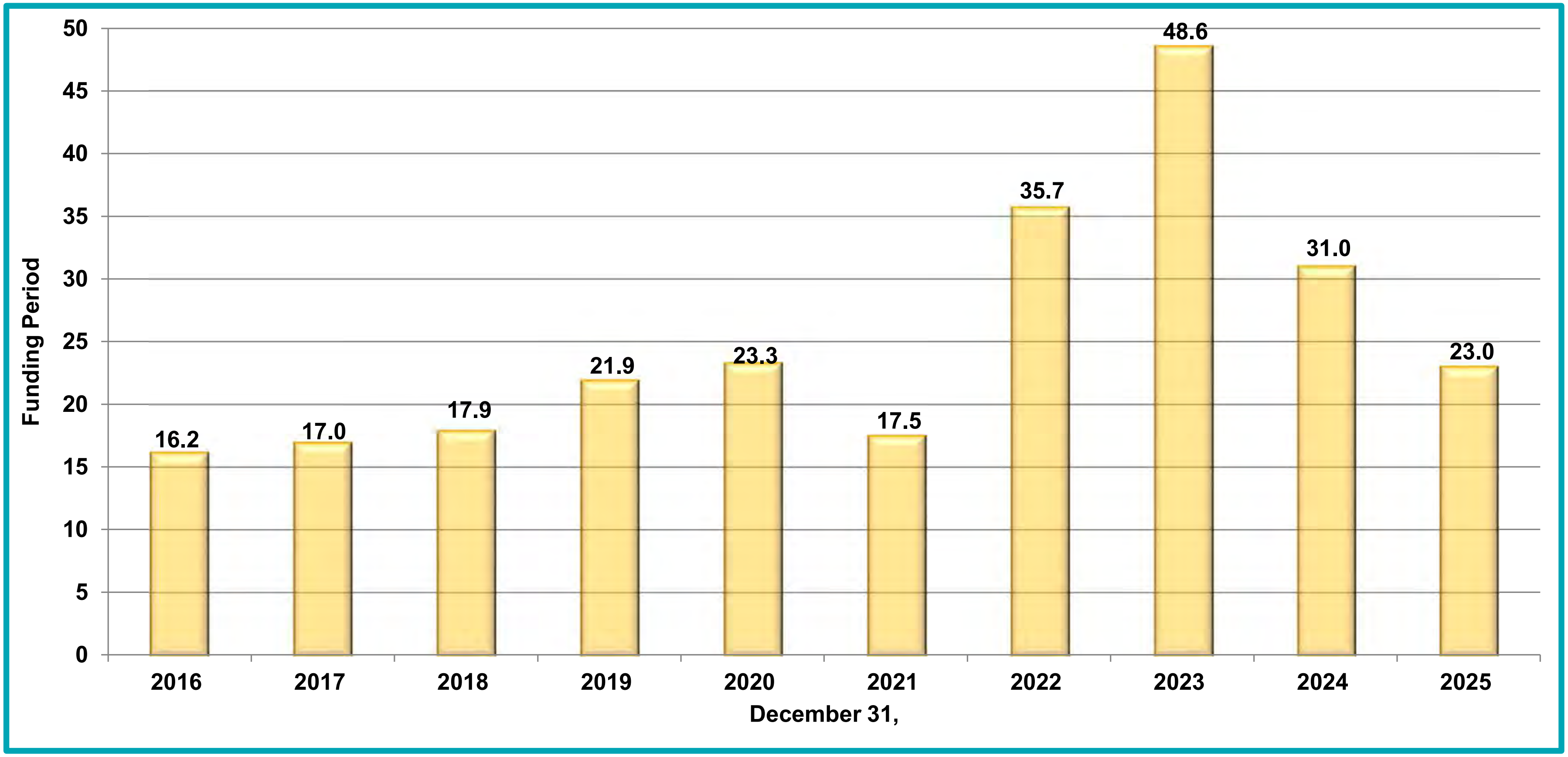
Contribution Rates



Net Cash Flows



Funding Period



2025 Fund Experience

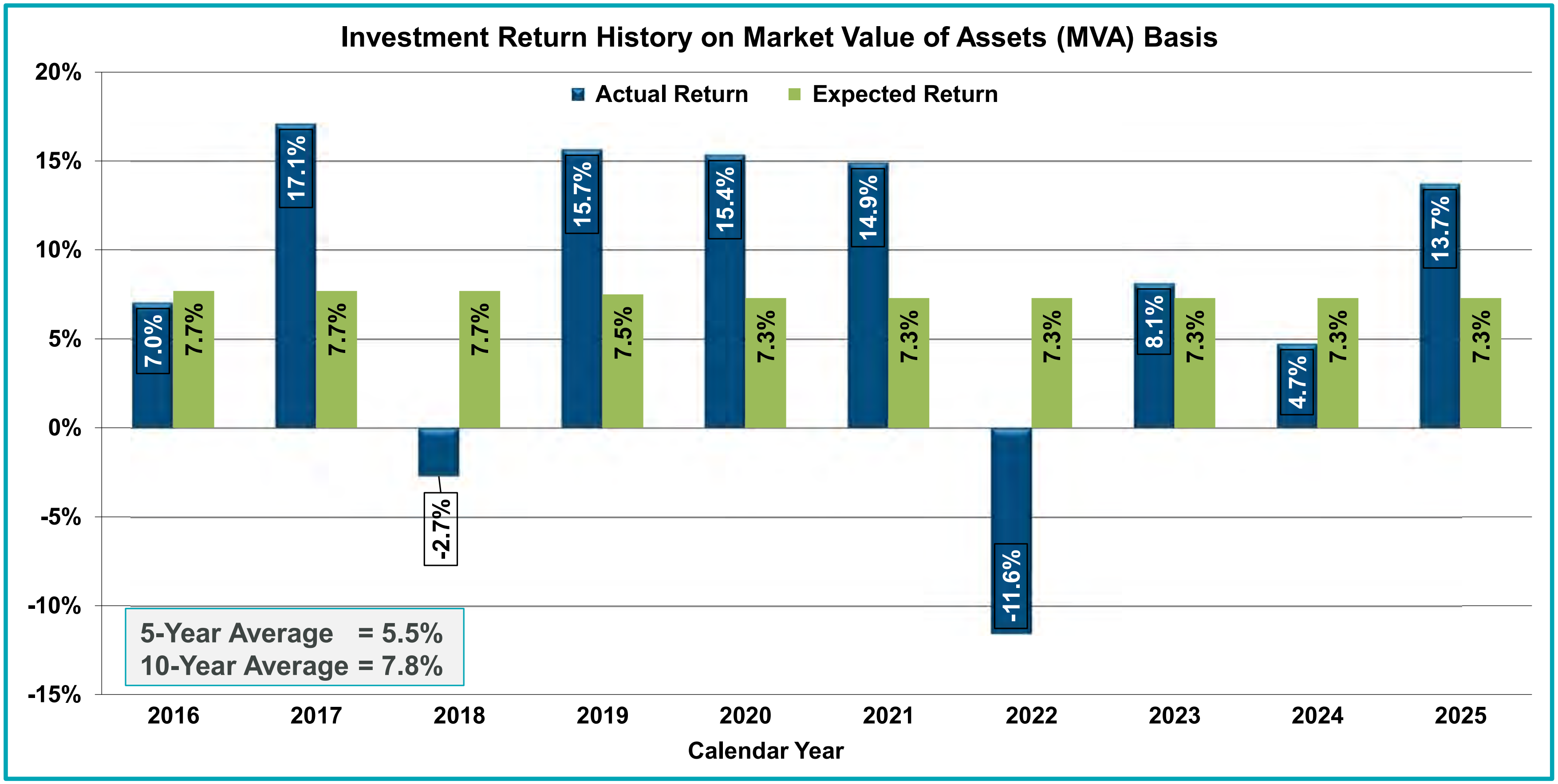
Fund Membership

Fund Membership	12/31/2025	12/31/2024	*Change Percentage*
Number of Actives	1,252	1,249	*0.2%*
Total Pensionable Payroll	$121,843,674	$118,027,043	*3.2%*
Average Reported Compensation	$94,156	$92,725	*1.5%*
Number of Terminated Vested and Terminated Awaiting Refund	42	36	*16.7%*
Number of In-Pay	1,092	1,032	*5.8%*
Total Benefits In-Pay	$71,750,238	$67,703,777	*6.0%*
Average Annual Benefits	$65,705	$65,604	*0.2%*
Retiree DROP Balances	$162,141,308	$159,436,132	*1.7%*
Number of Total Participants	2,386	2,317	*3.0%*

Asset Reconciliation

Changes in Asset Values ($ in millions)				
	Market Value of Assets		Actuarial Value of Assets	
Value of Assets - December 31, 2024	**$**	**1,165.3**	**$**	**1,165.3**
Calculation of Net Cash Flow				
(a) Firefighter Contributions	$	22.8	$	22.8
(b) Employer Contributions		26.9		26.9
(c) Benefit Payments and Refunds		(107.9)		(107.9)
(d) Administration Expenses		(2.7)		(2.7)
(e) **Net Cash Flow**	**$**	**(60.9)**	**$**	**(60.9)**
Value of Assets - December 31, 2025	**$**	**1,260.1**	**$**	**1,201.8**
Net Investment Income	$	155.7	$	97.4
Rate of Return		13.72%		8.59%
Investment Gain/(Loss)	$	72.8	$	14.6

Investment Return History



Liability Experience by Source

Actuarial Liability Changes by Source Calendar Year 2025 ($ in Millions)	
Salary Growth	($2.5)
Retirement	8.0
Termination	0.2
Disability	0.8
Retiree Mortality	(1.8)
Other Experience	(3.5)
Liability Experience (Gain)/Loss	$1.2

December 31, 2025
Valuation Results

Funded Status Summary

Austin Firefighters Retirement Fund Funding Results Summary $ in Millions	12/31/2025	12/31/2024	*Change Percentage**
Assets and Liabilities			
Actuarial Liability (AL)	$1,552.0	$1,514.8	*2.5%*
Actuarial Value of Assets (AVA)	1,201.8	1,165.3	*3.1%*
Unfunded Actuarial Liability (UAL)	$350.1	$349.5	*0.2%*
AVA-Funded Ratio	77.4%	76.9%	*0.5%*
Market Value of Assets (MVA)	$1,260.1	$1,165.3	*8.1%*
MVA-Funded Ratio	81.2%	76.9%	*4.3%*

**Percentages for dollar amounts indicate relative changes, while percentages for percentages represent changes in percentage points.*

Active Group Mix – Normal Cost and Payroll

Risk Sharing Valuation Study (RSVS) Projected Salary and Normal Cost Information	For Year Ending	
	December 31, 2027	December 31, 2026
Total Normal Cost Rate		
Group A Members	31.29%	31.32%
Group B Members	24.28%	N/A
Total Normal Cost Rate	31.07%	31.32%
Firefighter Contribution Rate	18.70%	18.70%
Employer Normal Cost Rate	12.37%	12.62%
Projected Pensionable Payroll (PPP)		
Group A Members	$123,988,945	$124,002,162
Group B Members	4,023,065	0
Total PPP for Applicable Year	**$128,012,010**	**$124,002,162**

Risk Sharing Valuation Study (RSVS) Process

6243e.1
[HB 2802]

STATUTORY RULES

DEFINE

Contribution structure and RSVS process

Initial RSVS

12/31/2024

SETS THE 30-YEAR FRAMEWORK

SETS

30-year Schedules:

- **Corridor Midpoint, Maximum, and Minimum**
- **Municipal Legacy Contribution Amount (MLCA)**

2026 Contributions

Subsequent RSVS

Each 12/31 beginning 12/31/2025

RECOGNIZES EXPERIENCE

DETERMINES NEXT YEAR CONTRIBUTION RATES

CALCULATES

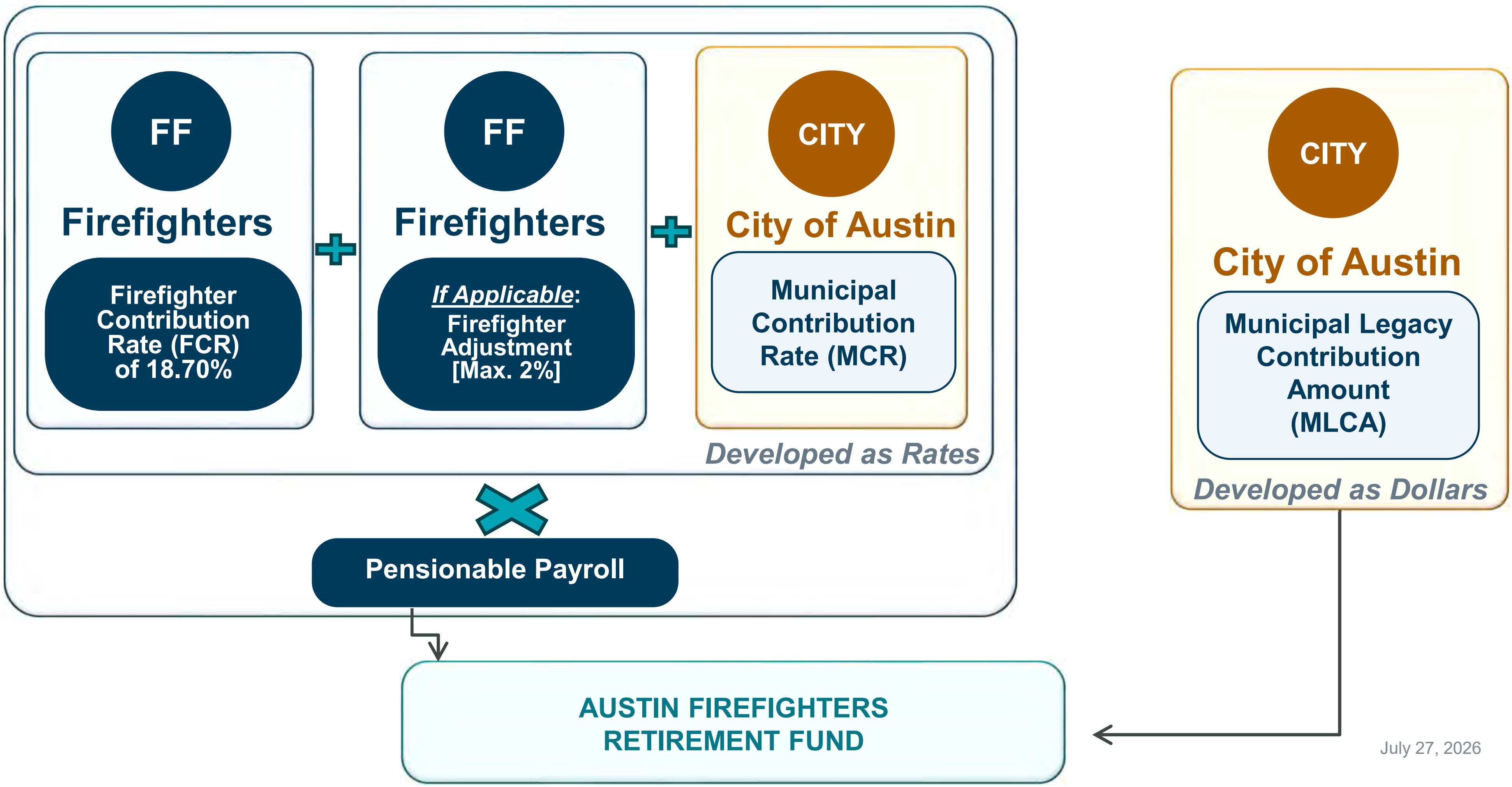
Normal Cost
Post-2024 Liability Layer Rate
Estimated Municipal Contribution Rate (EMCR)
Municipal Contribution Rate (MCR)
Firefighter Adjustment

12/31/2024
Initial RSVS
2026 contributions
MLCA and corridor schedules

12/31/2025
Subsequent RSVS
2027 contribution rates

12/31/2026
Subsequent RSVS
2028 contribution rates

Statutory Contribution Sources



City of Austin Contribution Detail

MUNICIPAL CONTRIBUTION RATE (MCR) • % OF PENSIONABLE PAYROLL

Employer Normal Cost Rate
ongoing benefit cost

+

Post-2024 Liability Amortization Rate
gain / loss experience

=

Estimated Municipal Contribution Rate (EMCR)
calculated before corridor

CORRIDOR + FUNDED RATIO
Minimum • Midpoint • Maximum

Municipal Contribution Rate (MCR)

MUNICIPAL LEGACY CONTRIBUTION AMOUNT (MLCA)

Municipal Legacy Contribution Amount (MLCA)
Fixed Schedule from 12/31/2024 Initial RSVS

TOTAL CITY CONTRIBUTION DOLLARS = MCR × actual pensionable payroll + MLCA

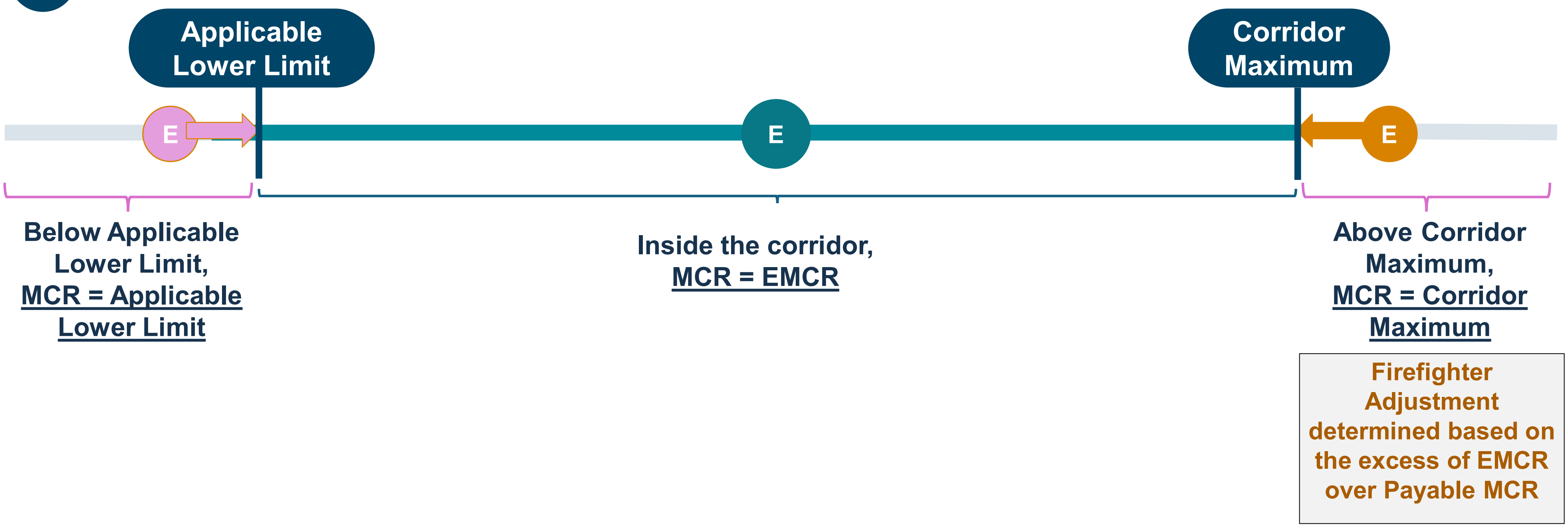
ESTIMATED RATE EQUIVALENT **MCR + (MLCA ÷ Projected Pensionable Payroll)**

Corridor: EMCR to Payable MCR

1 **DETERMINE APPLICABLE LOWER LIMIT**

Funded ratio < 90%	Funded ratio ≥ 90%
LOWER LIMIT = CORRIDOR MIDPOINT	LOWER LIMIT = CORRIDOR MINIMUM

2 **Determine if the corridor restricts the calculated EMCR**



2027 Contribution Calculations

MUNICIPAL CONTRIBUTION RATE (MCR) • % OF PENSIONABLE PAYROLL

Employer Normal Cost Rate
12.37%

+

Post-2024 Liability Amortization Rate
-0.70%

=

Estimated Municipal Contribution Rate (EMCR)
11.67%

AVA-Funded Ratio 77.4% < 90%
Effective lower limit = 12.41% Midpoint

CORRIDOR + FUNDED RATIO
Minimum • Midpoint • Maximum

Maximum MCR 17.41% →
no firefighter adjustment

Municipal Contribution Rate (MCR)
12.41%

MUNICIPAL LEGACY CONTRIBUTION AMOUNT (MLCA)

Municipal Legacy Contribution Amount (MLCA)
$19,825,290

15.49% ***Estimated Equivalent Rate***

reflecting Projected Pensionable Payroll of $128,012,010

Estimated City dollars	Estimated City Rate Equivalent	Firefighter Rate
$35,711,580	27.90% (12.41% + 15.49%)	18.70% | no adjustment

Actual 2027 City contributions each pay period: 12.41% × actual pensionable payroll + $19,825,290/26.

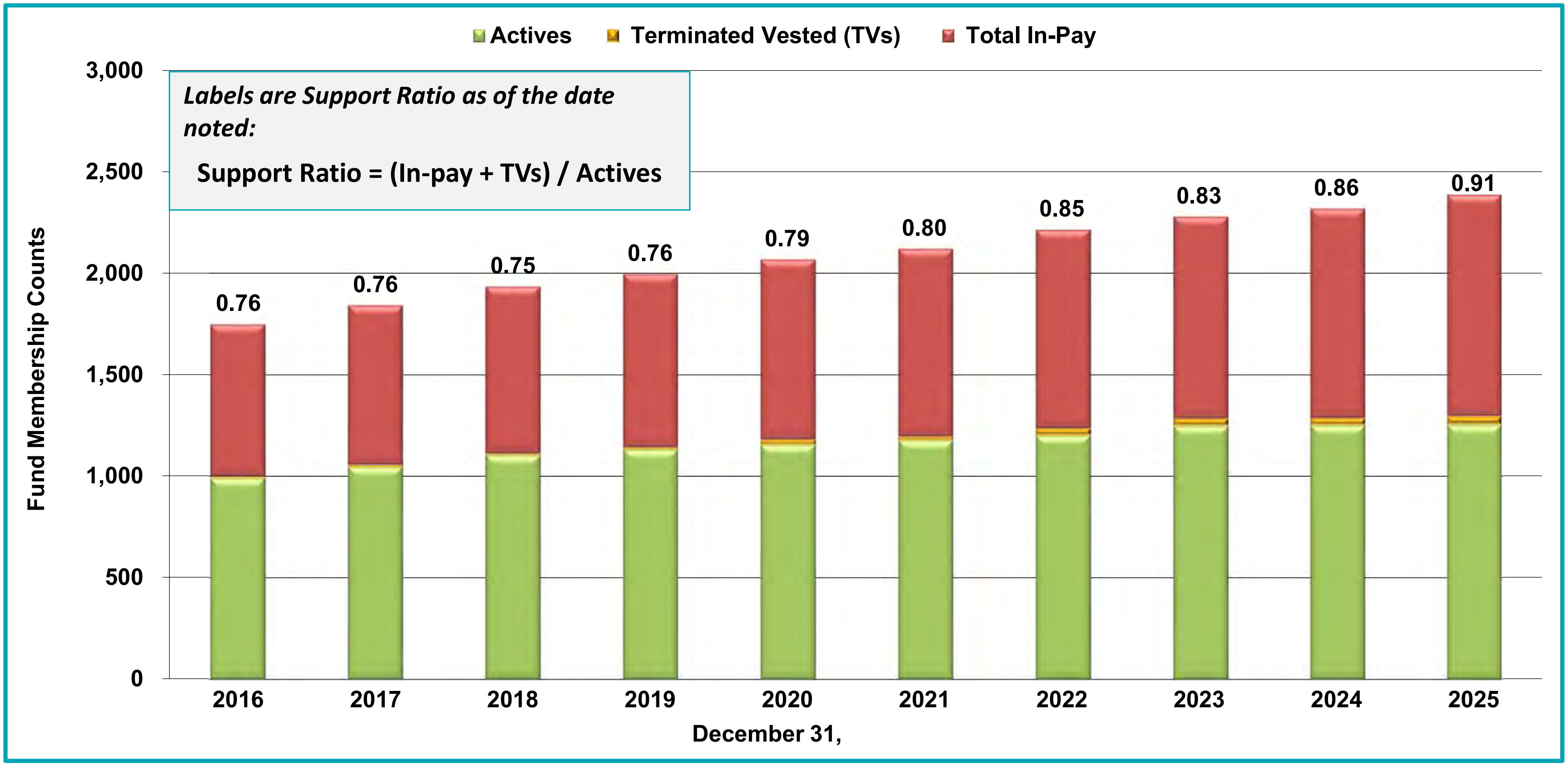
Risk Assessment

Key Potential Risks to Fund

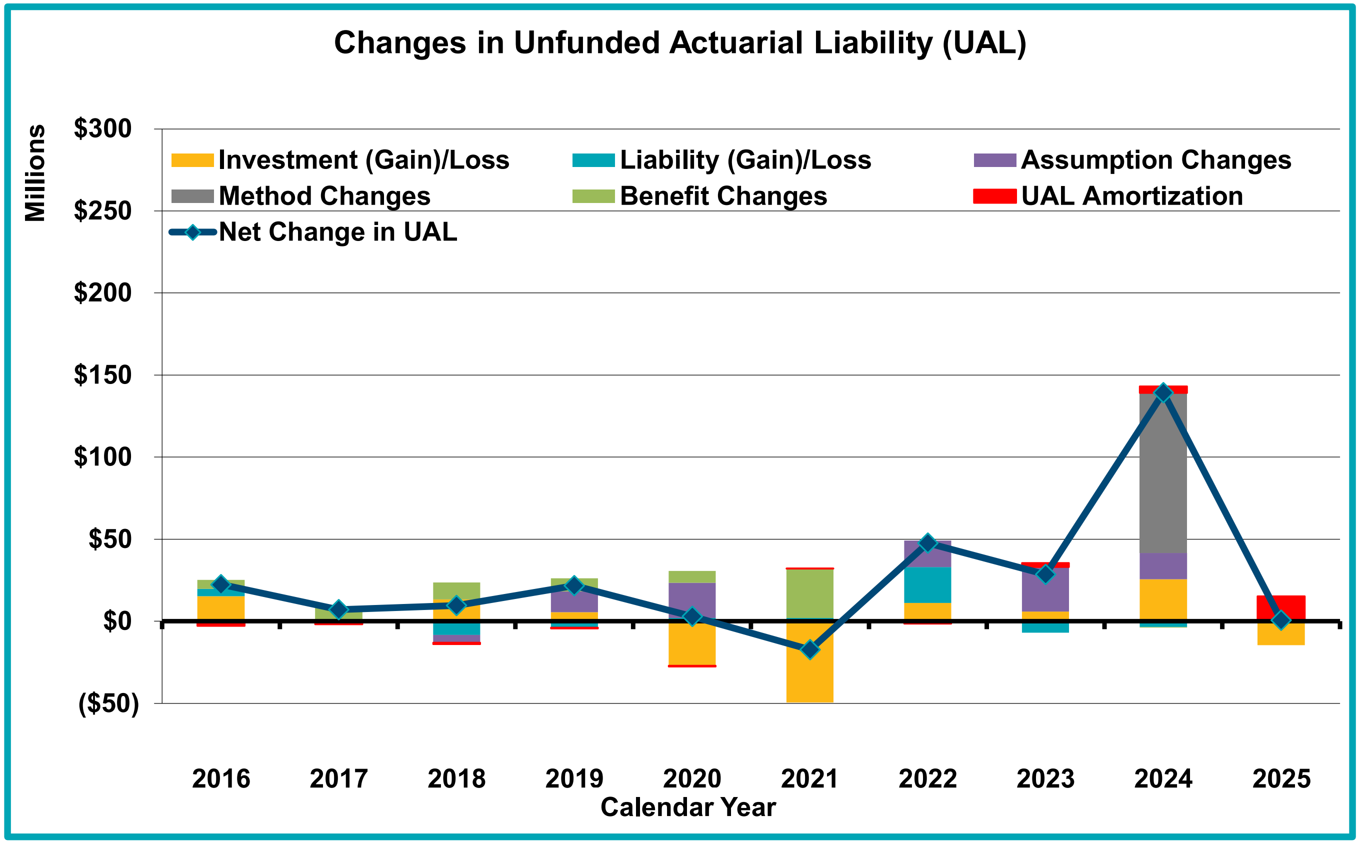
- **Investment Risk** – investment returns deviating from expectation
- **Interest Rate Risk** – interest rates different from expected
- **Longevity and other Demographic Risk** – mortality and other demographic experiences are different from expected
- **Assumption Change Risk** – environment changes such that future valuation assumptions are different than the current assumptions
- **Plan Change Risk** – changes to the governing statutes resulting in different benefits paid or contributions received by the Fund
- **Contribution Risk –** actual contributions deviating from full actuarially determined amounts due to factors including: statutory corridor and firefighter adjustment mechanics, payroll experience, and timing

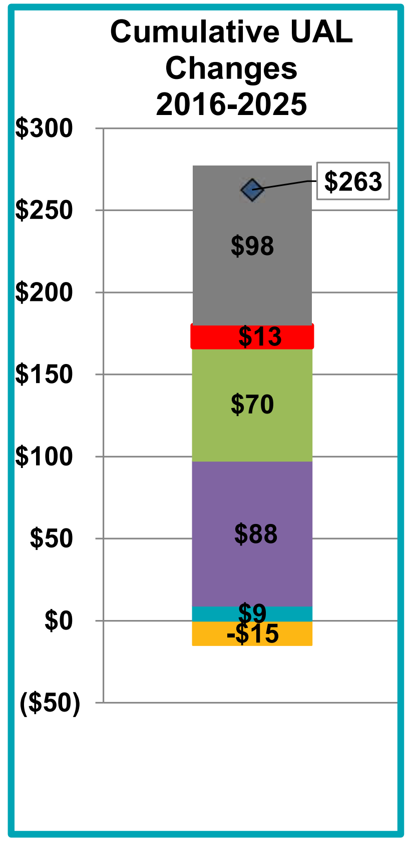
Risk Assessment

Membership Mix and Support Ratio

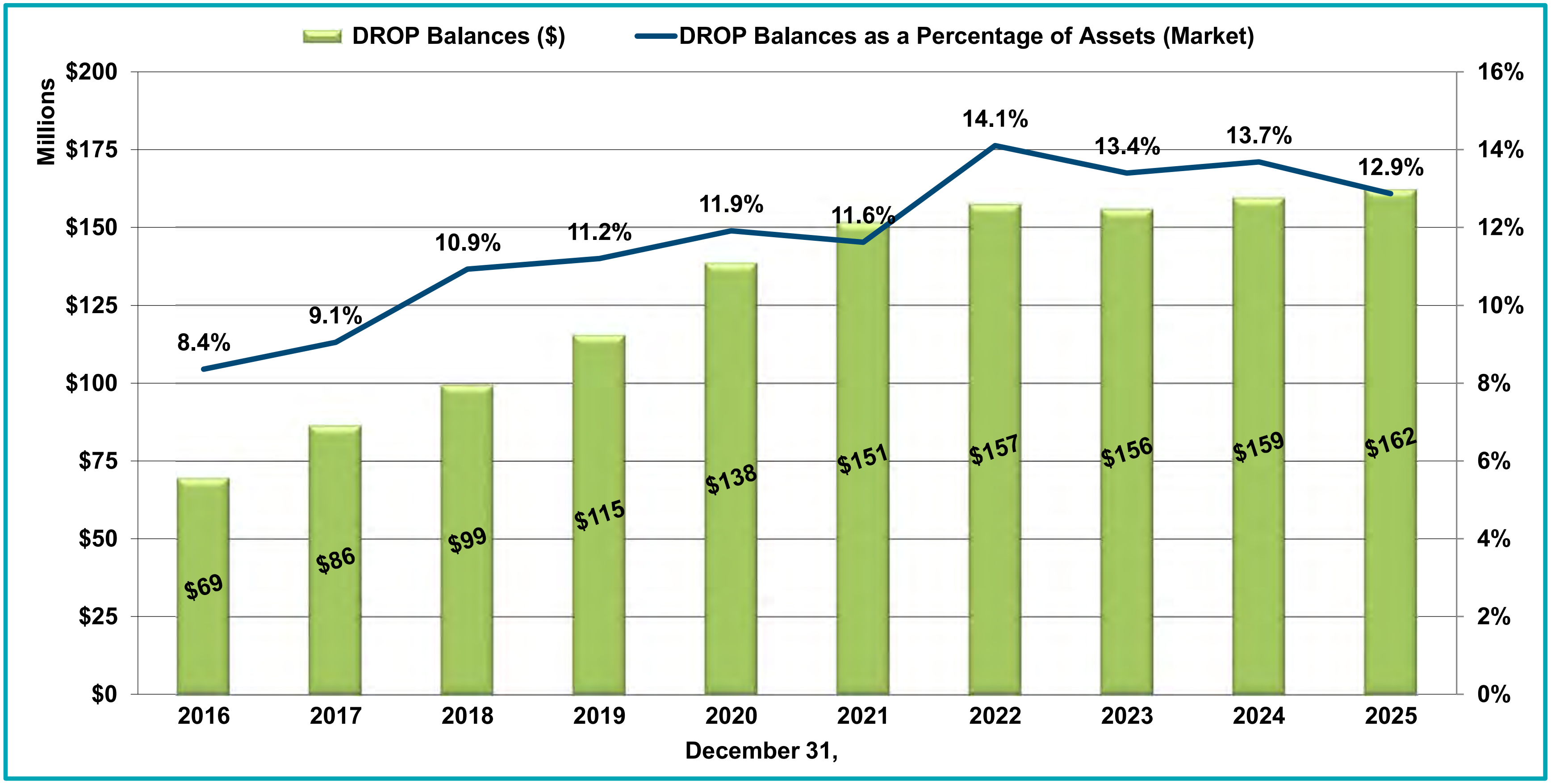


Sources of Recent UAL Change

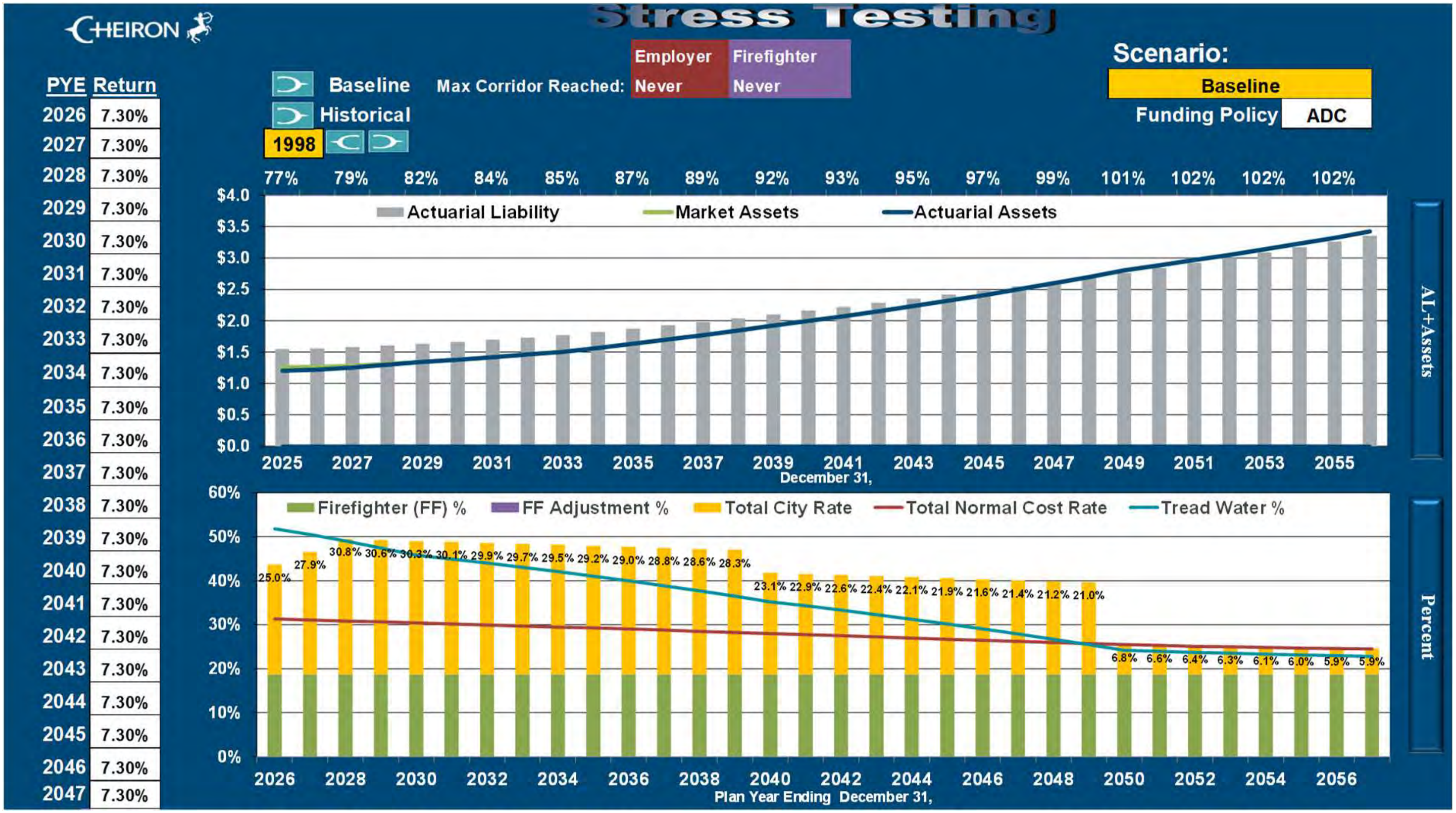




DROP Balance History



Fund Valuation Projections



Return continues at 7.30% after 2047

2025 GASB Accounting Disclosures Valuation

Net Pension Liability Reconciliation

Change in Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability (TPL) (a)	Plan Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) - (b)
Balances at 12/31/2024	$ 1,514,813,506	$ 1,165,347,238	$ 349,466,268
Changes for the year:			
Service cost	35,799,396		35,799,396
Interest	107,997,074		107,997,074
Changes of benefits	0		0
Differences between expected and actual experience	1,235,283		1,235,283
Changes of assumptions	0		0
Contributions - employer		26,869,785	(26,869,785)
Contributions - member		22,784,767	(22,784,767)
Net investment income		155,664,368	(155,664,368)
Benefit payments	(107,871,865)	(107,871,865)	0
Administrative expense		(2,730,655)	2,730,655
Net changes	37,159,888	94,716,400	(57,556,512)
Balances at 12/31/2025	$ 1,551,973,394	$ 1,260,063,638	$ 291,909,756

Pension Expense Development

Calculation of Pension Expense		
	Measurement Year Ending	
	12/31/2025	12/31/2024
Operating Expenses		
Service cost	$ 35,799,396	$ 44,637,013
Employee contributions	(22,784,767)	(22,071,057)
Administrative expenses	2,730,655	2,668,345
Total	$ 15,745,284	$ 25,234,301
Financing Expenses		
Interest cost	$ 107,997,074	$ 97,478,844
Expected return on assets	(82,884,929)	(83,045,067)
Total	$ 25,112,145	$ 14,433,777
Changes		
Benefit changes	$ 0	$ 15,475,405
Recognition of assumption changes	5,655,254	5,655,254
Recognition of liability gains and losses	(367,385)	(543,854)
Recognition of investment gains and losses	19,639,053	20,049,214
Total	$ 24,926,922	$ 40,636,019
Pension Expense	**$ 65,784,351**	**$ 80,304,097**

Required Disclosures

In preparing this presentation, we relied on information, some oral and some written, supplied by the Austin Firefighters Retirement Fund. This information includes, but is not limited to, the Plan provisions, employee data, and financial information. 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.

The actuarial assumptions, data, and methods are those used in the preparation of the Actuarial Valuation Report as of December 31, 2025, unless noted within this report. The assumptions reflect our understanding of the likely future experience of the Fund, and the assumptions as a whole represent our best estimate for the future experience of the Fund. The results of this presentation are dependent upon future experience conforming to these assumptions. To the extent that future experience deviates from the actuarial assumptions, the true cost of the Fund could vary from the results contained within this report.

This presentation 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 presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

As part of the review process for this presentation, we have performed a number of tests to verify that the results are reasonable and appropriate. We are not aware of any material inconsistencies, unreasonable output resulting from the aggregation of assumptions, material limitations, or known weaknesses that would affect this report.

Cheiron utilizes and relies on the actuarial software program known as ProVal for the intended purpose of calculating liabilities and projected benefit payments. ProVal is a product of Winklevoss Technologies. The projected expected results of future valuations in this report were developed using P-Scan, our proprietary tool for the intended purpose of developing projections.

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

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

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

Classic Values, Innovative Advice

Heath Merlak, FSA, FCA, EA, MAAA
hmerlak@cheiron.us
877-CHEIRON, ext. 1143

Elizabeth Wiley, FSA, FCA, EA, MAAA
ewiley@cheiron.us
877-CHEIRON, ext. 1025

Appendix

Municipal Contribution Rate (MCR) Development

City of Austin Statutory Contributions Applicable to Calendar Year:	2027	2026
Municipal Contribution Rate (MCR)		
Corridor Midpoint (CM)	**12.41%**	**12.62%**
Employer Normal Cost Rate	12.37%	12.62%
Amortization Rate	-0.70%	N/A
Estimated Municipal Contribution Rate (EMCR)	**11.67%**	**12.62%**
Minimum MCR	7.41%	7.62%
Funded Ratio Adjustment: MCR Floor	12.41%	12.62%
Maximum MCR	17.41%	17.62%
MCR [1]	**12.41%**	**12.62%**
Municipal Legacy Contribution Amount (MLCA)		
Municipal Legacy Contribution Amount	$19,825,290	$15,430,983
Projected Pensionable Payroll (PPP)	$128,012,010	$124,002,162
Estimated as a Percentage of PPP [2]	**15.49%**	**12.44%**
Estimated Total City Rate Equivalent [1]+[2]	**27.90%**	**25.06%**

For each pay period, the City of Austin contributions are (1) the applicable MCR multiplied by pensionable payroll, and (2) 1/26 of the applicable MLCA.

Initial RSVS and Subsequent RSVS Rates

Municipal Contribution Rate (MCR) Development									
Calendar Year Ending	Corridor Minimum	Corridor Midpoint	Corridor Maximum	Actual MCR	Calendar Year Ending	Corridor Minimum	Corridor Midpoint	Corridor Maximum	Actual MCR
12/31/2026	7.62%	12.62%	17.62%	12.62%	12/31/2041	4.25%	9.25%	14.25%	
12/31/2027	7.41%	12.41%	17.41%	12.41%	12/31/2042	4.01%	9.01%	14.01%	
12/31/2028	7.18%	12.18%	17.18%		12/31/2043	3.77%	8.77%	13.77%	
12/31/2029	6.96%	11.96%	16.96%		12/31/2044	3.52%	8.52%	13.52%	
12/31/2030	6.73%	11.73%	16.73%		12/31/2045	3.27%	8.27%	13.27%	
12/31/2031	6.50%	11.50%	16.50%		12/31/2046	3.03%	8.03%	13.03%	
12/31/2032	6.30%	11.30%	16.30%		12/31/2047	2.79%	7.79%	12.79%	
12/31/2033	6.07%	11.07%	16.07%		12/31/2048	2.57%	7.57%	12.57%	
12/31/2034	5.85%	10.85%	15.85%		12/31/2049	2.35%	7.35%	12.35%	
12/31/2035	5.63%	10.63%	15.63%		12/31/2050	2.16%	7.16%	12.16%	
12/31/2036	5.40%	10.40%	15.40%		12/31/2051	1.99%	6.99%	11.99%	
12/31/2037	5.18%	10.18%	15.18%		12/31/2052	1.83%	6.83%	11.83%	
12/31/2038	4.95%	9.95%	14.95%		12/31/2053	1.69%	6.69%	11.69%	
12/31/2039	4.71%	9.71%	14.71%		12/31/2054	1.57%	6.57%	11.57%	
12/31/2040	4.48%	9.48%	14.48%		12/31/2055	1.47%	6.47%	11.47%	

Actual MCR is determined annually through each Subsequent RSVS.

Municipal Legacy Contribution Amounts

Calendar Year Ending	Remaining Legacy Liability	Municipal Legacy Contribution Amount (MLCA)	Calendar Year Ending	Remaining Legacy Liability	Municipal Legacy Contribution Amount (MLCA)
Projection of Remaining Legacy Liability and Municipal Legacy Contribution Amount ($s in millions)					
12/31/2024	$ 349.5	$ -	12/31/2040	$ 360.8	$ 32.8
12/31/2025	363.3	-	12/31/2041	352.2	33.7
12/31/2026	373.9	15.4	12/31/2042	342.2	34.5
12/31/2027	380.6	19.8	12/31/2043	330.6	35.4
12/31/2028	383.1	24.4	12/31/2044	317.1	36.2
12/31/2029	385.2	25.0	12/31/2045	301.8	37.2
12/31/2030	386.7	25.7	12/31/2046	284.4	38.1
12/31/2031	387.7	26.3	12/31/2047	264.7	39.0
12/31/2032	388.1	27.0	12/31/2048	242.6	40.0
12/31/2033	387.8	27.6	12/31/2049	217.8	41.0
12/31/2034	386.8	28.3	12/31/2050	190.2	42.0
12/31/2035	385.0	29.0	12/31/2051	159.4	43.1
12/31/2036	382.3	29.8	12/31/2052	125.3	44.2
12/31/2037	378.6	30.5	12/31/2053	87.6	45.3
12/31/2038	373.8	31.3	12/31/2054	45.9	46.4
12/31/2039	367.9	32.0	12/31/2055	-	47.6

MLCA payments cease if a 100% AVA-Funded Ratio is achieved before 2055.

Annual City Contribution: Rates and Dollars

MCR

% OF PENSIONABLE PAYROLL

NC — Employer Normal Cost Rate

+

A — Post-2024 Liability Layer Amortization Rate

E — EMCR
Calculated rate before the corridor

CORRIDOR + FUNDED-STATUS RULES

M — MCR • Resulting rate — EXCLUDES MLCA

MLCA

$ DOLLARS

$

MUNICIPAL LEGACY CONTRIBUTION AMOUNT (MLCA)

Scheduled dollar amount from the Initial RSVS

FIXED SCHEDULE ESTABLISHED 12/31/2024

TOTAL CITY CONTRIBUTION

$ ACTUAL DOLLARS	% ESTIMATED RATE EQUIVALENT
MCR × actual pensionable payroll + MLCA	MCR + (MLCA ÷ projected pensionable payroll)

The MCR is a rate; the MLCA is a dollar amount.

Classic Values, Innovative Advice

Austin Firefighters Retirement Fund

Actuarial Valuation Report as of December 31, 2025

Produced by Cheiron

July 10, 2026

TABLE OF CONTENTS

Via Electronic Mail

July 10, 2026

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

Dear Trustees of the Board:

We are pleased to submit the December 31, 2025 Actuarial Valuation Report of the Austin Firefighters Retirement Fund ("Fund"). This report contains information on Fund assets, liabilities, and contributions. Financial disclosures are provided in a separate Governmental Accounting Standards Board (GASB) Statement Nos. 67 and 68 report.

In preparing our report, we relied on information, some oral and some written, supplied by the Fund's staff. This information includes, but is not limited to, Fund provisions, member data, and financial information. We performed an informal examination of the data's obvious characteristics for reasonableness and consistency, in accordance with Actuarial Standard of Practice No. 23, Data Quality.

The actuarial assumptions reflect our understanding of the likely future experience of the Fund and represent our best estimate, in collaboration with the views of the Board of Trustees ("Board"), for the Fund's future experience. These assumptions are based on the most recent experience study, dated March 25, 2024, reflecting census data through December 31, 2022, and the updated COLA assumptions required by statute. The liability and contributions developed in this report rely on future Fund experience conforming to the underlying assumptions. Future results may differ significantly from the current results presented in this report due to factors such as: Fund experience differing from that anticipated by the assumptions, changes in assumptions, and changes in plan provisions or applicable law. To the extent that actual Fund experience deviates from the underlying assumptions, the results will vary accordingly.

This report 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, including Texas pension statutes. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This actuarial valuation report was prepared exclusively for the Austin Firefighters Retirement Fund and the Fund's auditors for the purposes described herein and in preparing financial reports in accordance with applicable law and annual report requirements. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

Sincerely,
Cheiron

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

Heath Merlak

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

FOREWORD

Cheiron is pleased to provide the annual actuarial valuation report of the **Austin Firefighters Retirement Fund (Fund)** as of December 31, 2025. The purpose of this report is to:

1) **Measure and disclose** the Fund's financial condition as of the valuation date.

2) **Report** on past and expected financial trends.

3) **Determine** the Actuarially Determined Contribution for the 2027 calendar year.

4) **Assess** risks to the Fund's financial condition.

An actuarial valuation consistently establishes and analyzes the Fund's assets and liabilities and traces their progress from one year to the next. It includes measurement of the Fund's investment performance and an analysis of actuarial liability gains and losses. This valuation report is organized as follows:

Section I summarizes the valuation and compares this year's results to those of last year.

Section II identifies the primary risks to the Fund, including background information and an assessment of these risks.

Section III contains exhibits relating to the valuation of assets.

Section IV presents various measures of liabilities and analyzes the experience gains and losses over the past year.

Section V shows the development of contributions.

The appendices to this report contain a summary of the Fund's membership at the valuation date, a summary of the major provisions of the Fund, the actuarial methods and assumptions used in developing the valuation, and a glossary.

SECTION I – SUMMARY

General Comments

This is the fourth actuarial valuation report prepared for the Fund by Cheiron. The results shown in the historical trend charts before December 31, 2022 are those produced by the Fund's former actuary.

Key results of this December 31, 2025 actuarial valuation are as follows:

- The Fund earned 13.72% on a Market Value of Assets (MVA) basis in 2025, producing an investment gain of $72.8 million relative to the 7.30% assumed return.
- On an Actuarial Value of Assets (AVA) basis, which smooths investment returns as adopted by the AFRF Board, the Fund earned 8.59%, producing an actuarial asset gain of approximately $14.6 million.
- The Fund experienced a liability loss of $1.2 million. The sources of the liability loss are listed in Table IV-4.
- The MVA-Funded Ratio increased from 76.9% as of December 31, 2024 to 81.2% as of December 31, 2025. The AVA-Funded Ratio increased from 76.9% to 77.4% during 2025.
- The UAL based on MVA, the amount of Actuarial Liability (AL) not met by MVA, decreased by approximately $58 million during the year, while the UAL determined on an AVA basis increased slightly from $349.5 million at the beginning of the year to $350.1 million at the end of 2025.

The contribution amounts to the Fund for the 2027 calendar year, developed by this December 31, 2025 actuarial valuation, consist of the following:

1) Firefighter contributions are 18.70% of pay.
2) The Municipal Contribution Rate applicable to the City for the 2027 calendar year contribution is 12.41% of payroll.
    a. The Estimated Municipal Contribution Rate before corridor adjustment is 11.67% of payroll.
    b. The statutory corridor rules require a minimum of the applicable 12.41% Corridor Midpoint because the Fund's funded ratio is less than 90%.
3) The City's Municipal Legacy Contribution Amount is $19,825,290, estimated to be 15.49% of projected pensionable payroll.

Therefore, the Estimated Total City Contribution Rate for the 2027 calendar year is 27.90% (12.41%+15.49%) of Projected Pensionable Payroll.

SECTION I – SUMMARY

The table below summarizes the actuarial valuation. The prior year's valuation results are shown for comparison purposes, as well as a column looking at the change in each value as a percentage of the prior year's values.

Table I-1
Austin Firefighters Retirement Fund
Summary of Principal Results

	December 31, 2025	December 31, 2024	% Change[1]
Assets and Liabilities			
Actuarial Liability (AL)	$1,551,973,394	$1,514,813,506	2.5%
Actuarial Value of Assets (AVA)	1,201,840,087	1,165,347,238	3.1%
Unfunded Actuarial Liability (UAL)	$350,133,307	$349,466,268	0.2%
AVA - Funded Ratio	77.4%	76.9%	0.5%
Market Value of Assets (MVA)	$1,260,063,638	$1,165,347,238	8.1%
MVA - Funded Ratio	81.2%	76.9%	4.3%
Amortization Period from Valuation Date	23.0	31.0	
Participant Information			
Actives	1,252	1,249	0.2%
Service Retirees, including DROP	885	834	6.1%
Beneficiaries	191	184	3.8%
Disability Retirees	16	14	14.3%
Terminated Vested	42	36	16.7%
Total Participants	2,386	2,317	3.0%
Payroll Projection Year	2027	2026	
Projected Pensionable Payroll (PPP)	$128,012,010	$124,002,162	3.2%
Statutory Contribution Rates	Year Ending December 31, 2027	Year Ending December 31, 2026	
Total Normal Cost Rate	31.07%	31.32%	(0.2%)
Firefighter Contribution Rate	18.70%	18.70%	0.0%
Employer Normal Cost Rate	12.37%	12.62%	(0.2%)
Municipal Contribution Rate	12.41%	12.62%	(0.2%)
Municipal Legacy Contribution Amount	$19,825,290	$15,430,983	28.5%
- as a percentage of PPP	15.49%	12.44%	3.0%
Total City Contribution Rate as a percentage of PPP[2]	27.90%	25.06%	2.8%

[1] Percentages shown for dollar amounts represent relative changes; percentages shown for percentage measures represent absolute percentage-point changes.

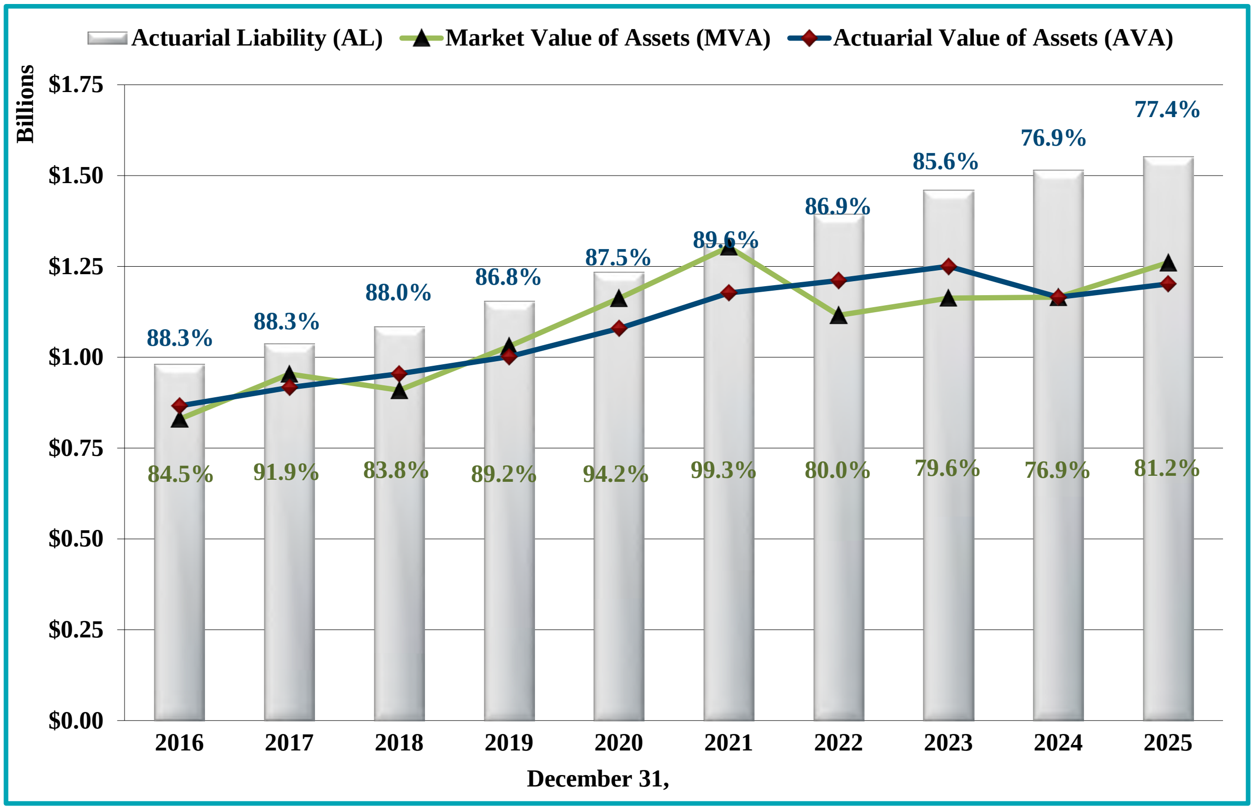
[2] Actual City contribution will equal the Municipal Legacy Contribution Amount plus Municipal Contribution Rate applied to actual payroll.

SECTION I – SUMMARY

Historical Trends

It is important to take a step back from these latest results and view them in the context of the Fund's recent history. Below, we present a series of charts displaying key valuation results since 2016.

<u>Assets and Liabilities</u>



The bars represent the Actuarial Liability (AL) as measured for funding purposes in the valuations. The lines represent the Fund's assets, with the green line showing the Market Value of Assets (MVA) that is reported in the Fund's financials and the blue line showing the smoothed Actuarial Value of Assets (AVA). Liabilities are compared with asset measures to calculate funding ratios for each valuation date. The ratio of AVA to AL is the AVA-Funded Ratio, represented by the blue percentages shown along the top of each bar in the chart. Similarly, the ratio of MVA to AL is the MVA-Funded Ratio, as shown by the green percentages on the bars.

The MVA-Funded Ratio can be volatile, as shown in the graph, and has ranged from a high of 99.3% as of 2021 to a low of 76.9% in 2024. Note the AVA was set equal to MVA for the December 31, 2024 valuation as required by statute, with the Fund's adopted asset method beginning again with the 2025 valuation. While the statutory reset increased short-term volatility in the AVA-Funded Ratio, the resumed funding method is expected to make the AVA-Funded Ratio again less volatile than the MVA-Funded Ratio in future years because asset gains and losses are recognized over five years.

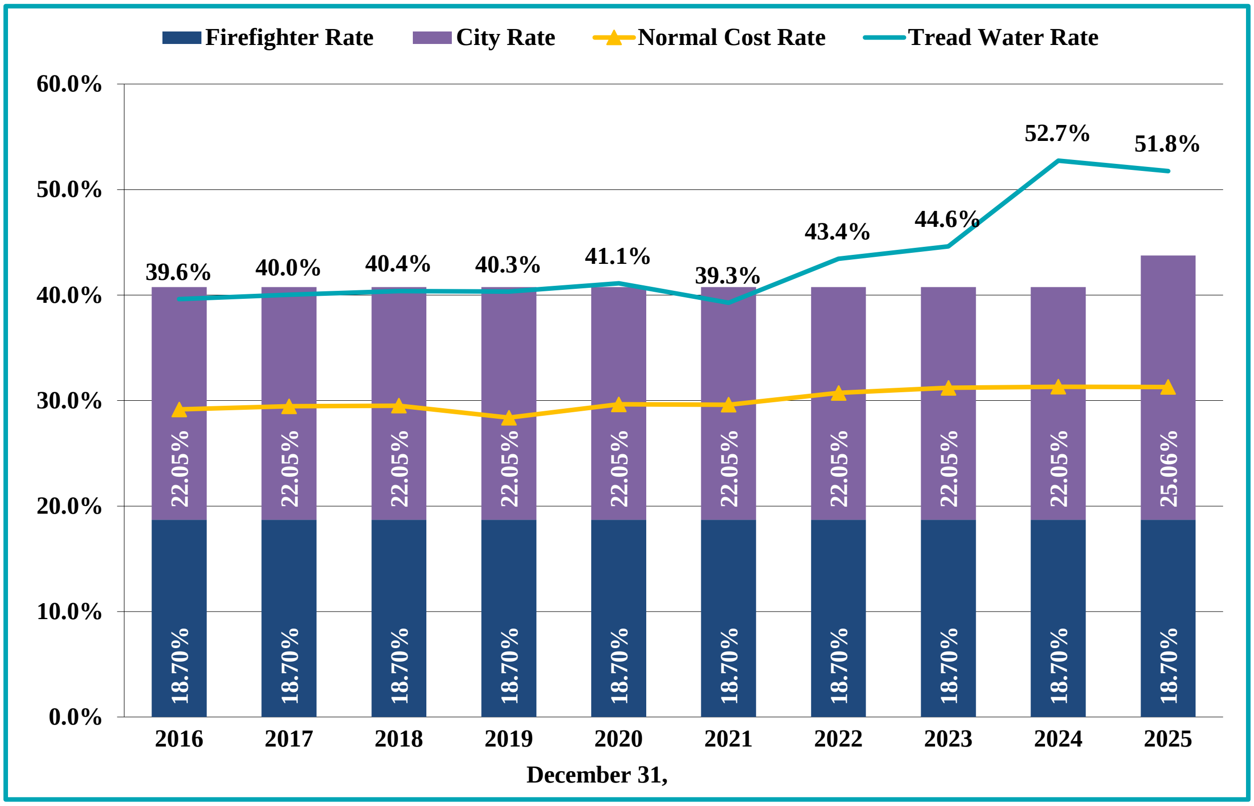
Contributions Versus Tread Water

The next chart compares the City and firefighter contribution rates, as shown by the bars, to the Normal Cost Rate and Tread Water Contribution Rate, shown by the lines, as of each valuation date. The Normal Cost Rate, the orange line, is the percentage of salary needed to fund the benefits earned by active members in a year. The Tread Water Contribution Rate, the teal line, is the total payroll rate that, if contributed by the City and firefighters, would leave the UAL unchanged in dollar terms in the following year, assuming all experience exactly matches the assumptions. The Tread Water Contribution Rate equals the Normal Cost Rate plus interest on the UAL.

As shown below, total contributions exceed the Normal Cost Rate in all shown years. The difference between the tops of the bars and the orange line represents the portion of contributions that are available to fund the UAL. The chart also shows that the Normal Cost Rate has been relatively stable over this period, staying within approximately one percentage point of 30%.

The stacked bars show that the sum of the City and firefighter contribution rates has exceeded the Tread Water Contribution Rate by a small margin in most years over this period. However, since the 2022 asset loss began being recognized, the Tread Water Contribution Rate has been higher than the fixed contribution rates. The Tread Water Contribution Rate increased further in 2024, with the AVA being set equal to the MVA as required by statute. For the 2025 year shown in the chart, the Total City Contribution Rate of 25.06% reflects the statutory contribution payable for 2026 as determined by the 2024 valuation. This 2025 valuation determines the 2027 statutory contributions based on the Municipal Contribution Rate and Estimated Total City Contribution Rate shown earlier in this Summary.

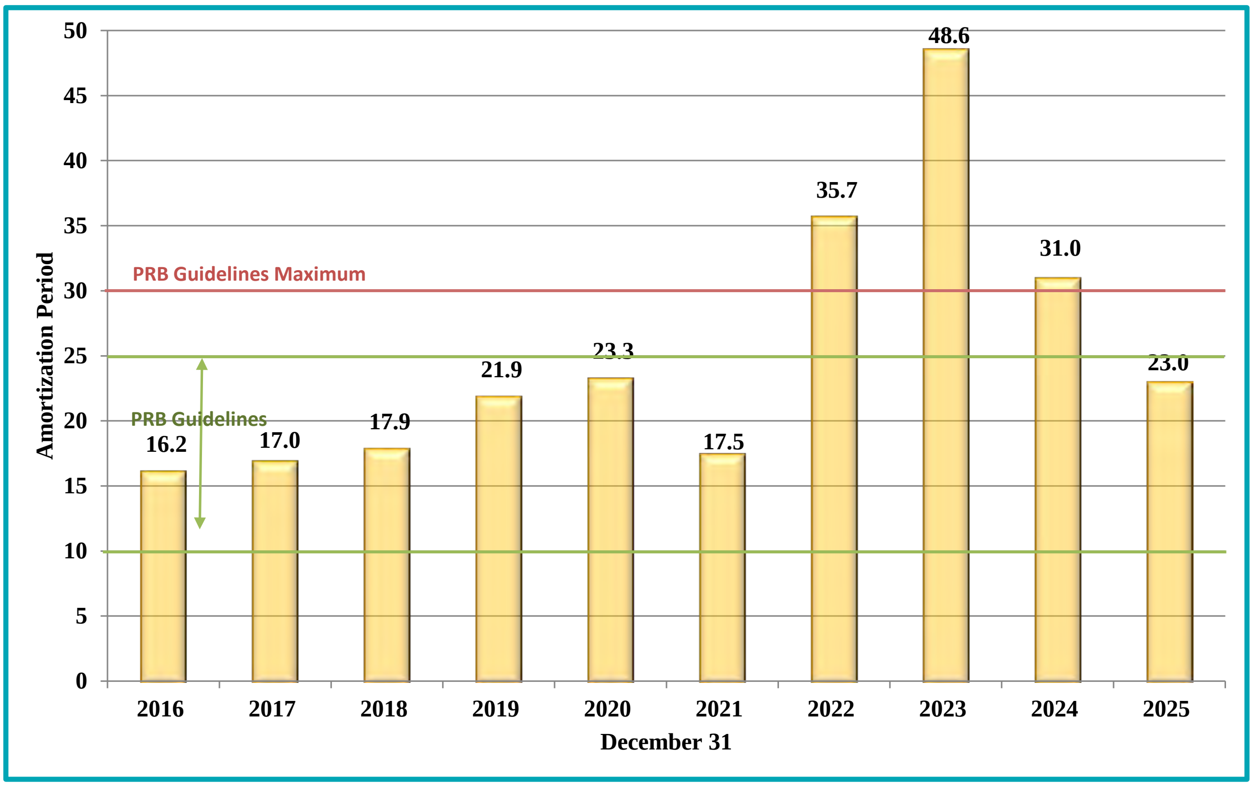
SECTION I – SUMMARY



Amortization Periods

The chart below shows the effective amortization period for funding the UAL based on the AVA as of each valuation date. Effective with the 2026 calendar year, the funding policy is based on an Actuarially Determined Contribution (ADC), which amortizes the Legacy Liability over 30 years and future losses over closed 20-year periods. Reflecting the strong asset performance for 2025 and the ADC funding policy, which requires the Municipal Contribution Rate to be at least the Corridor Midpoint until the Fund is 90% funded, the December 31, 2025 amortization period is 23 years.

The Pension Review Board (PRB) provides funding guidelines for public pensions in Texas, including that the contributions received by funds should be sufficient to pay the normal cost each year as well as amortize the fund's UAL over a period not to exceed 30 years, with 10-25 years being the preferred range. The 2025 valuation's 23-year funding period meets the PRB guidelines, and the Fund is expected to continue to do so, but both the Fund and the City should continue to monitor this metric against adverse experience and PRB guideline changes.

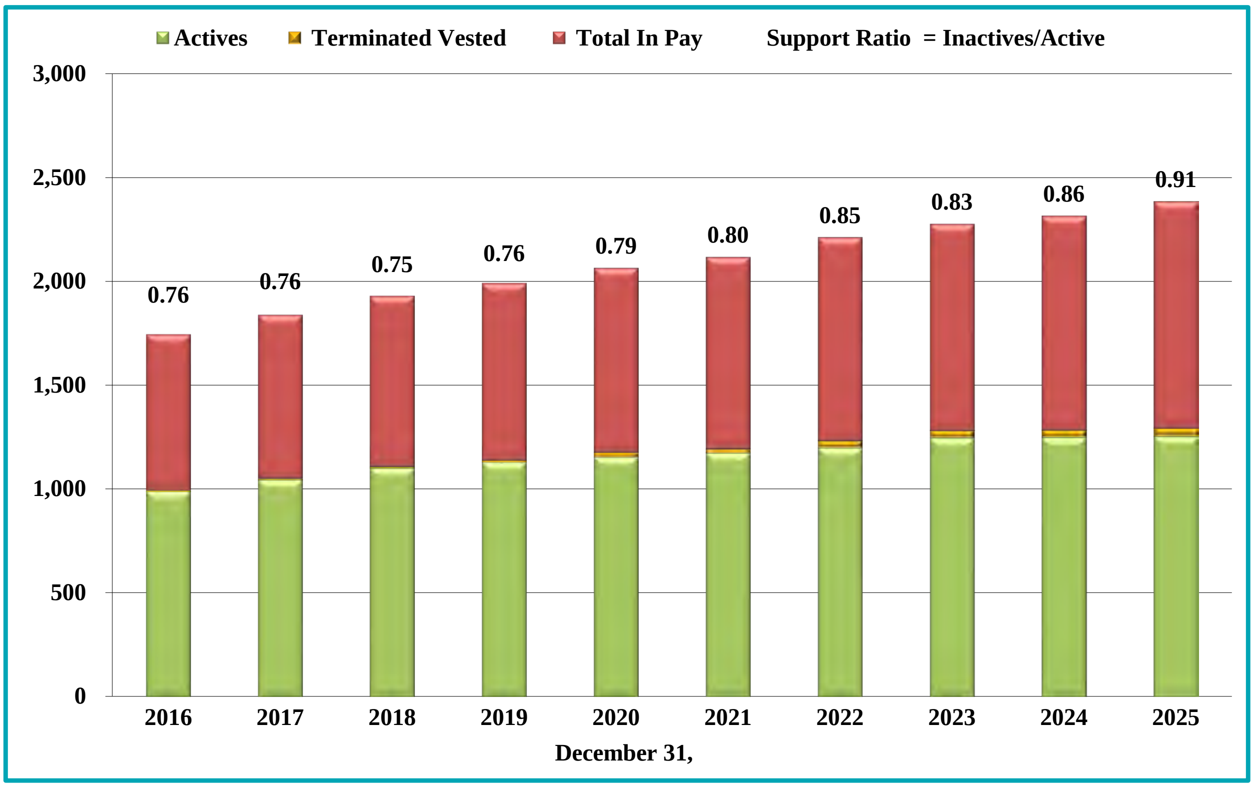


SECTION I – SUMMARY

Member Trends

The following chart shows the Fund's membership counts at successive valuations. The numbers above each bar represent the ratio of inactive members, those currently receiving benefits (red bars), and terminated vested members (yellow bars) to active members (green bars) as of each valuation date, referred to as the support ratio.

The number of inactives per active has generally steadily increased during the period shown. An increasing ratio is a sign of plan maturity and should continue to be monitored. As a plan matures, the assets backing retiree benefits become large relative to the contribution base, i.e., the active member payroll. As assets grow relative to the Pensionable Payroll, any experience gain or loss can significantly impact the actuarial valuation results. This maturity risk is discussed further in Section II of this report.



All active members as of the current December 31, 2025 valuation date are Group A members. Group B members will first be reflected in the December 31, 2026 actuarial valuation.

Projections

This baseline projection is based on the December 31, 2025 valuation, including the 7.30% rate of return assumption. It is important to note that the Fund's actual experience will not conform exactly to the assumptions every year. As a result, in addition to the baseline projection of 7.30% investment returns, we provide additional projections in Section II that stress-test the Fund under varying future return assumptions, as this assumption is typically the most significant driver of valuation result variance.

The projections, both the baseline in this section and the varying returns in Section II, assume there will be no future gains or losses on the liability and that the Fund receives the statutory contribution rates each year. As such, these projections assume that all valuation assumptions are exactly met, including the specified long-term rates of return for each scenario, as well as the Pensionable Payroll increasing by 2.50% annually across all scenarios.

This first chart compares the MVA (green line) and AVA (blue line) to the Fund's AL (gray bars). Additionally, at the top of each chart, we display the Fund's AVA-funded ratio (the ratio of AVA to AL). The years shown in the chart represent the valuation date as of December 31 for each labeled year.

The baseline charts below show the model results if all actuarial assumptions, including the current 7.30% investment return assumption, are exactly met. In this scenario, the Fund's AVA-funded ratio, shown along the top of the first chart, is projected to gradually increase from the current level of 77% to 100% by 2048.

The second chart provides information related to the expected contributions to the Fund. The green bars represent the expected firefighter contributions, which are 18.7% in all years in this baseline projection. The yellow bars reflect the City of Austin contributions, including the Municipal Legacy Contribution Amount. As shown in the graph, the City's contribution is expected to increase as the ADC is fully phased-in through 2028, then decrease as Group B members enter the Fund upon the retirement of Group A members. In 2040, the City contribution is expected to decrease, based on an AVA-Funded Ratio exceeding 90%, allowing the Municipal Contribution Rate to be lower than the Corridor Midpoint.

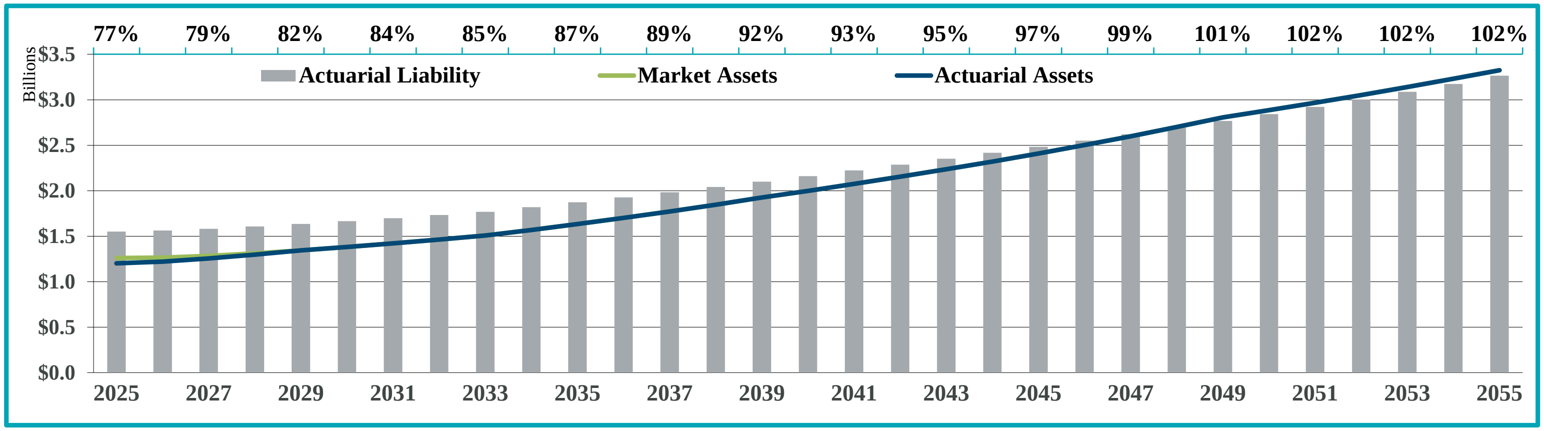
The red line represents the expected total Normal Cost Rate, reflecting Group B's lower normal cost as the active population gradually transitions from Group A to Group B members. The teal line provides the Total Tread Water Contribution Rate. Expected contributions are below the Total Tread Water Contribution Rate through 2028, meaning the UAL is expected to increase in dollar terms during this period due to negative amortization. Although not shown in the graph below, any purple bars would represent the increase in firefighter contributions beyond the current 18.70% required to ensure the Fund receives the full ADC in years when the City's contribution hits the Maximum Municipal Contribution Rate.

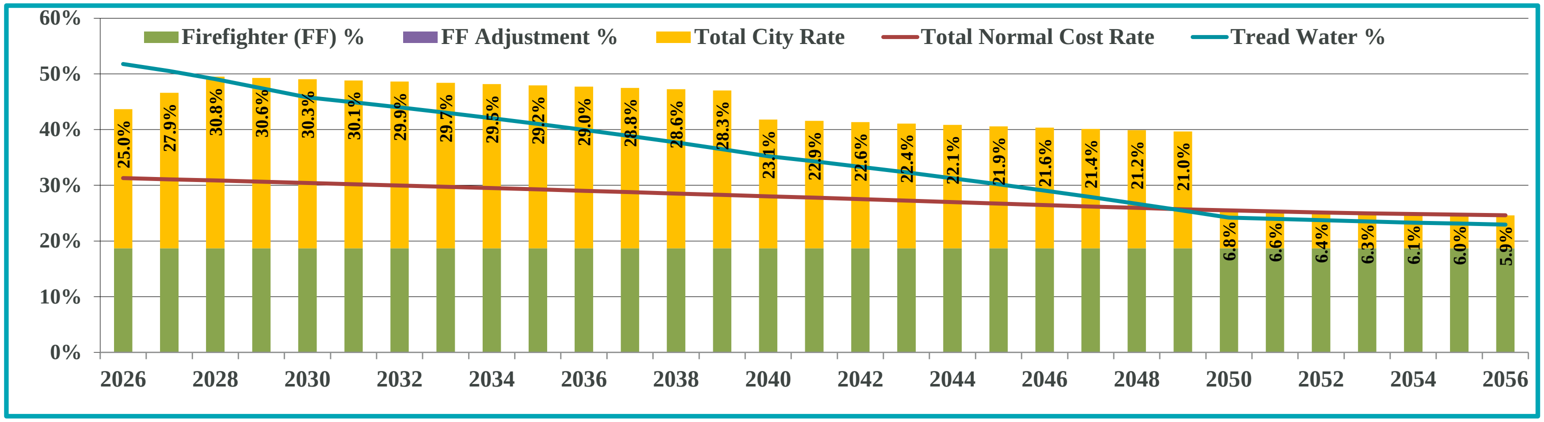
SECTION I – SUMMARY

While the statutory funding policy materially reduces the Fund's risks, contribution risk is not eliminated. The Corridor reduces volatility in the Municipal Contribution Rate, but under sufficiently unfavorable experience, the Maximum Municipal Contribution Rate and the Firefighter Contribution Rate cap may prevent total contributions from being sufficient to provide what is otherwise actuarially determined. If such unfavorable experience persists, the Fund and the City may need additional funding solutions. The projections, therefore, should be read as illustrations of how the statutory framework may respond to experience, not as guarantees of future contribution sufficiency.

SECTION I – SUMMARY

Baseline Scenario – All Assumptions Exactly Met Over the Projection Period





SECTION II – IDENTIFICATION AND ASSESSMENT OF RISK

Actuarial valuations are dependent on assumptions about future economic and demographic experience. Based on actuarial standards of practice, these assumptions represent a reasonable estimate of future experience. However, actual future experience will never conform exactly to the assumptions and may differ significantly. This deviation is the risk that pension plan sponsors undertake in relying on a pension plan's actuarial valuation results.

This section of the report is intended to identify the primary drivers of these risks to the Fund, provide background information and assessments about these risks and drivers, and communicate the significance of these risks to the Fund and its sponsors.

Identification of Risks

As we have discussed with the Board, the fundamental risk to the Fund is that the contributions needed to pay the desired benefits become insufficient. While there are many factors that could lead to current contribution rates becoming insufficient, we believe the primary risks are:

- Investment risk
- Interest rate risk
- Longevity and other demographic risks
- Assumption change risk
- Plan change risk
- Contribution risk

Other risks we have not identified may also prove important.

Investment Risk is the potential for investment returns to deviate from expected returns. When actual investment returns are lower than the investment return assumption used in the actuarial valuation, the Unfunded Actuarial Liability will increase beyond expectations and require higher contributions than otherwise anticipated. However, when actual returns exceed the assumption, the resulting unfunded liability measurements and Actuarially Determined Contributions will be lower than anticipated. The Fund's asset allocation determines the potential volatility of future investment returns. The affordability of the investment risk is determined by the amount of assets invested relative to the size of the plan sponsor or other contribution base. As seen in the following historical section, this risk has been a significant driver of deviations in the actual measurements for this Fund from those expected by the prior valuations.

Interest Rate Risk is the potential for interest rates to differ from expectations. For public plans, short-term fluctuations in interest rates have little or no effect, as the Fund's liability is usually measured based on the expected return on assets. Longer-term trends in interest rates, however, can have a powerful effect.

Longevity and Other Demographic Risks are the potential for mortality or other demographic experience to differ from expectations. Generally, longevity and other demographic risks emerge gradually as actual experience deviates from expectations. In addition, the extensive number of assumptions related to longevity and other demographic experience often results in offsetting factors contributing to the Fund's overall liability experience. As such, these risks are often dwarfed by other risks, particularly those due to investment returns.

Assumption Change Risk is the potential for the environment to change in a way that would require future valuation assumptions to differ from current assumptions. For example, declines in interest rates over time due to economic factors may result in a change in the assumed investment rates of return used in the valuations. In terms of demographic factors, a healthier workforce may result in changes in employee behavior such that retirement rates are adjusted to reflect employees working longer. In addition, mortality rates are adjusted to account for members living longer and receiving more years of their retirement benefits. Assumption change risk is an extension of the risks previously identified, but rather than capturing the risk as it is experienced, it captures the cost of recognizing a change in the environment that results in the current assumption no longer being reasonable.

Plan Change Risk represents the possibility of legislated changes made to the statutes governing the Fund. This includes any changes to the benefits paid by the Fund or the contributions that must be paid by the City of Austin and the members to the Fund. Over the history of this Fund, these changes have included granting cost-of-living adjustments (COLAs), which increase the benefits paid to members designed to provide purchasing power protection from inflation, changes to the multipliers and minimums used to determine the amount of member benefits, and changes to the contributions that the City of Austin and firefighters must pay. As shown in the chart that follows, plan changes, principally the granting of COLAs, have been a significant driver of liability changes for the Fund over the last ten years.

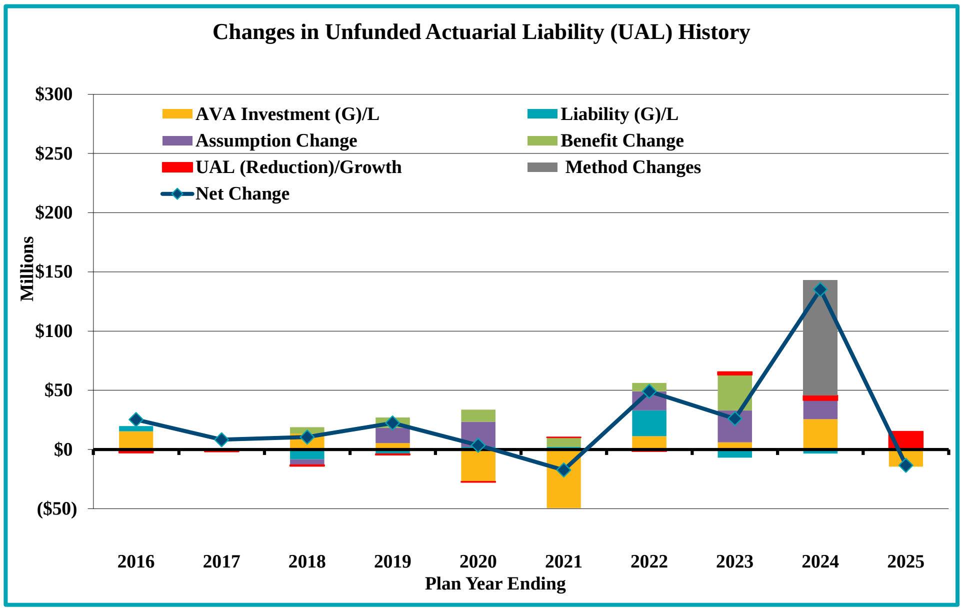
Contribution Risk refers to the possibility that actual contributions will differ from those expected or will be constrained by the statutory contribution framework. For example, the Municipal Contribution Rate may be constrained by the Maximum Municipal Contribution Rate, and the Firefighter Contribution Rate has a statutory cap of a two-percentage-point increase. If capped contributions are insufficient, due to adverse experience, to ensure that the Fund receives the full actuarially determined contribution, the Fund's condition may decline unless further funding actions are taken or offsetting gains occur. However, it is important to recognize that, while contribution risks remain, the recent changes in the statutory contribution framework have significantly reduced these risks for the Fund.

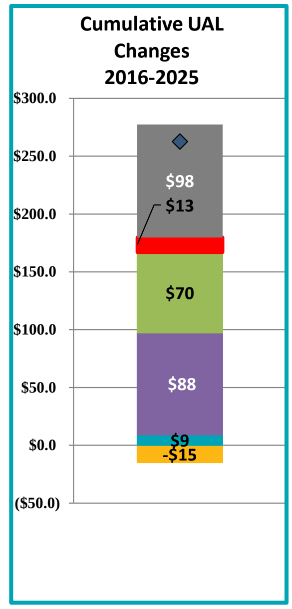
Historical UAL Changes

The chart below shows the components of changes in the Unfunded Actuarial Liability (UAL) for the Fund over the last ten years, including investment gains and losses on the AVA, liability gains and losses, assumption and method changes, and the paying down of the UAL. Amounts below the horizontal axis are gains or decreases to the UAL, while amounts above the axis are losses or increases to the UAL. The dark blue line shows the net UAL change.

SECTION II – IDENTIFICATION AND ASSESSMENT OF RISK

Historical Changes in UAL 2016-2025





On a smoothed asset basis, the investment gains and losses (gold bars) from 2016 to 2025 reflect investment losses on a smoothed or AVA basis in six of the ten years shown. However, two of these years, 2020 and 2021, had significant gains, such that, over the 10-year period, investment experience decreased the UAL by approximately $15 million. Method changes (gray bar) increased the UAL by approximately $98 million. The method change reflects the resetting of AVA to MVA as required by statute.

On the liability side (teal bars), the Fund has incurred a net liability experience loss, increasing the UAL by approximately $9 million over this period. Assumption changes (purple bars) have increased the UAL by approximately $88 million over the 10-year period. The assumption changes have included lowering the discount rate from 7.75% to 7.30%, updating the mortality assumptions, reflecting the 0.25% per year COLA assumption, and updating other demographic assumptions. Benefit changes noted by the green bar reflect the increase in liability for COLAs granted in the last ten years. Over this period, the granted COLAs have added $70 million to the UAL.

Finally, each year, the UAL is expected to decrease if total contributions exceed the amount needed to pay the normal cost and interest on the UAL, and to increase if total contributions are less than that amount. In aggregate over the last ten years, contributions received in excess of normal cost have not been sufficient to cover interest on the UAL, thereby increasing the UAL balance by approximately $13 million.

Plan Maturity Measures

The future financial condition of a mature pension plan is more sensitive to each of the risks identified above than a less mature plan. Before assessing each of these risks, it is important to understand this Fund's maturity relative to other plans and how it has changed over time.

Plan maturity can be measured in various ways. Still, all focus on one basic dynamic: the larger the plan is compared to the contribution or revenue base that supports it, the more sensitive the plan will be to risk. The measures below have been selected as the most important in understanding the primary risks identified for this Fund.

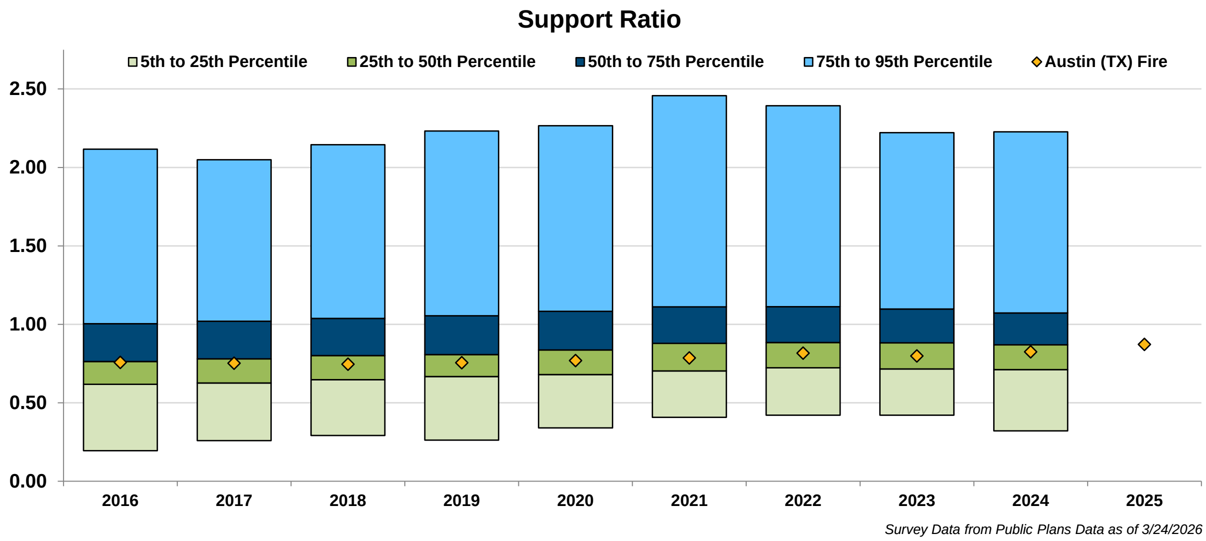
Inactives per Active (Support Ratio)

One simple measure of plan maturity is the ratio of the number of inactive members, those currently receiving benefits and terminated vested members, to the number of active members. The revenue base supporting the plan is usually proportional to the number of active members, so a relatively high number of inactives compared to actives also indicates a larger plan relative to its revenue base.

The Boston College Center for Retirement Research, the National Association of State Retirement Administrators (NASRA), MissionSquare, and the Government Finance Officers Association (GFOA) maintain the Public Plans Database, which contains the majority of state plans (121) and many large municipal plans (108). It covers over 95% of the membership in public plans and over 95% of the assets held by public pension plans.

The following chart shows the support ratio for all plans in this database since 2016. The colored bars represent the central 90% of the support ratios for the plans in the database. The Austin Firefighters Retirement Fund is represented in the chart by gold diamonds.

SECTION II – IDENTIFICATION AND ASSESSMENT OF RISK

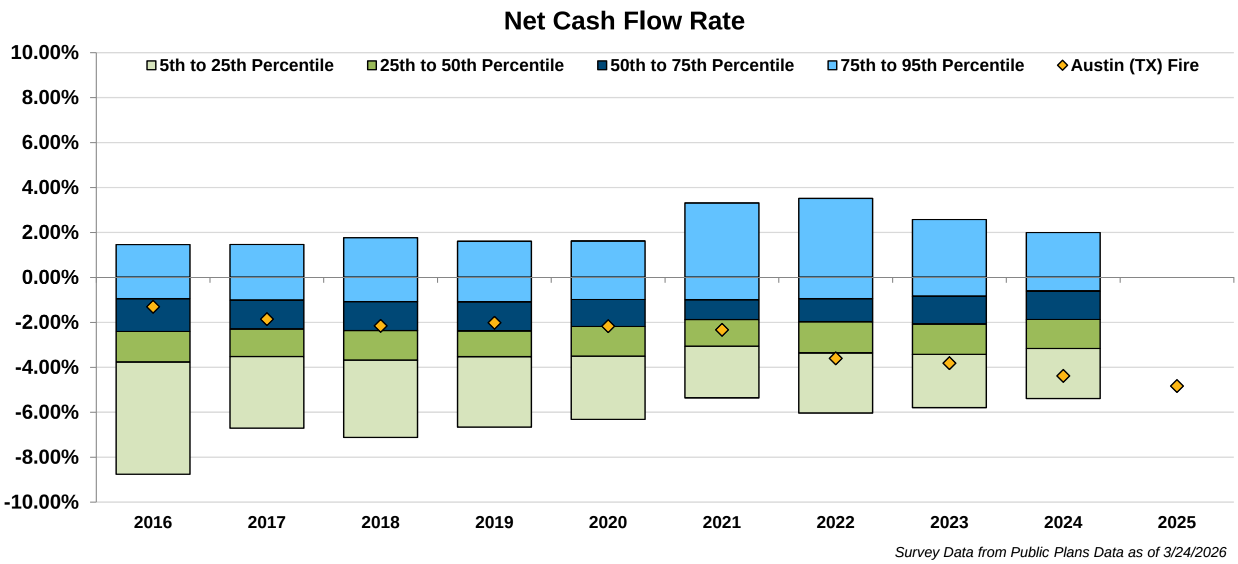


This chart shows that the Fund is less mature than other plans in this database. The support ratios for the universe of public plans shown have increased over the period as they mature, with the Fund's support ratio increasing at a similar pace. The Fund has remained below the 50th percentile for the entire period.

SECTION II – IDENTIFICATION AND ASSESSMENT OF RISK

Net Cash Flow

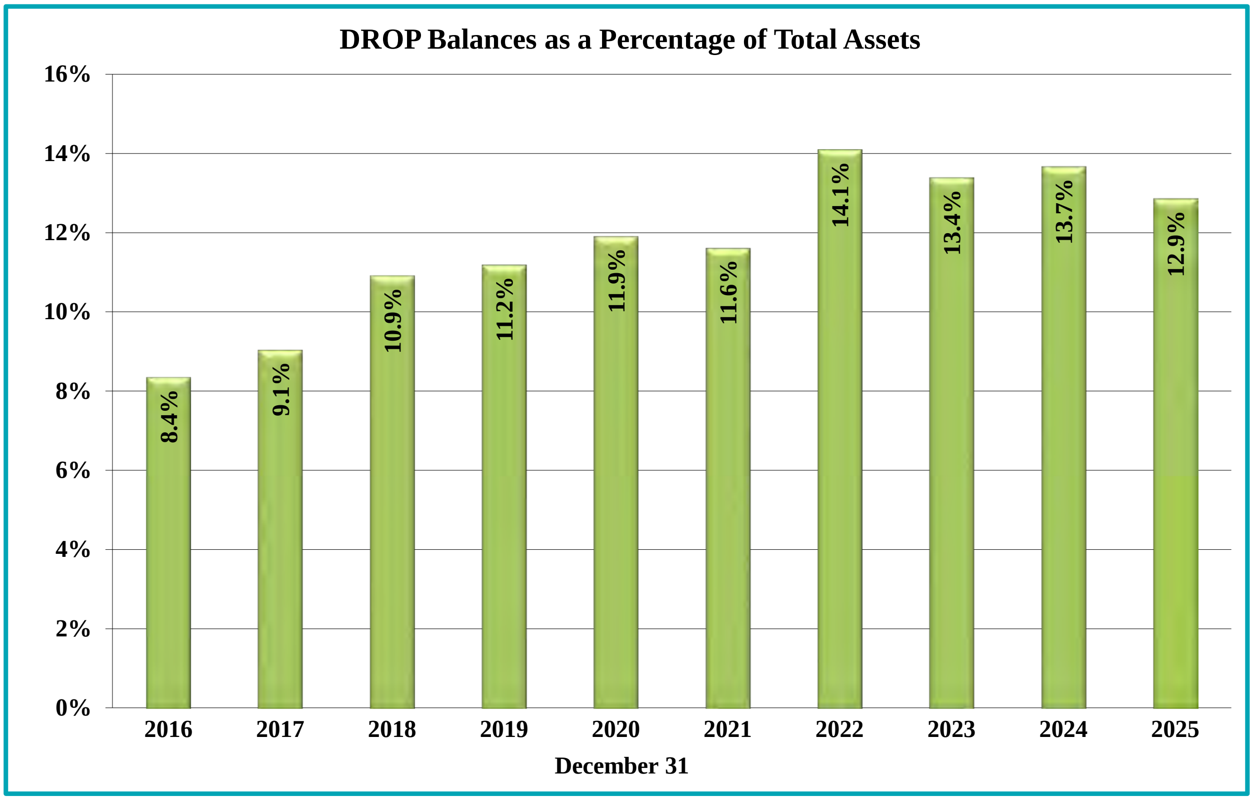
The net cash flow of the plan as a percentage of the beginning-of-year assets indicates the Fund's sensitivity to short-term investment returns. Net cash flow equals contributions less benefit payments and administrative expenses. Mature plans can have large amounts of benefit payments compared to contributions, particularly if they are well-funded. Short-term investment losses are compounded by net withdrawals from the plan, leaving a smaller asset base to recover from the losses. Large negative cash flows can also create liquidity issues.



The chart above shows the distribution of net cash flow as a percent of assets, again with the bars showing the 5th to 95th percentile for the plans in the Public Plans Database. The gold diamonds show the Fund's experience for this metric, allowing comparison to the other plans. Up until 2020, the Fund was consistently above the 50th percentile. However, in 2021, the Fund's cash flow as a percentage of assets declined, placing it in the 5th-25th percentile range. The decrease in this percentage is primarily due to the Fund maturing.

Additionally, as DROP payments increase relative to the size of the Fund, this will likely create greater year-to-year volatility in this measurement. The chart that follows shows the historical percentage of assets attributable to DROP balances since 2016.

SECTION II – IDENTIFICATION AND ASSESSMENT OF RISK



This graph is provided because the Fund's assets must be invested considering the liquidity needed to pay out DROP accounts to members. This is a specific risk applicable to this Fund due to the structure of the benefits provided.

SECTION II – IDENTIFICATION AND ASSESSMENT OF RISK

Actuarial Standards of Practice No. 4 – Disclosures

Low Default Risk Obligation Measure (LDROM)

The Fund invests in a diversified portfolio to maximize investment returns at a reasonable level of risk. The lowest-risk portfolio for a pension plan would be composed entirely of low-default-risk fixed-income securities whose cash flows match the Fund's benefit cash flows. Such a portfolio, however, would have a lower expected rate of return than the diversified portfolio. The Low-Default-Risk Obligation Measure (LDROM) represents the funding liability if the Fund invested its assets in such a portfolio. As of December 31, 2025, we estimate that such a portfolio based on the FTSE Pension Liability Index would have an expected return of 5.59% compared to the Fund's discount rate of 7.30%, and the LDROM would be $1,832,685,010 compared to the Actuarial Liability of 1,551,973,394. The $280,711,616 difference represents the expected savings from bearing the risk of investing in the diversified portfolio. Alternatively, it also represents the cost of eliminating the investment risk.

If the Fund were to invest in the LDROM portfolio, the reported funded status would decrease, and employer contributions would need to increase. Benefit security for Fund members relies on a combination of the Fund's assets, the investment returns generated by those assets, and the promise of future contributions. If the Fund were to invest in the LDROM portfolio, it would not alter the amount of assets currently in the Fund; however, it would reduce the expected future investment returns and decrease the Fund's Funded Ratios. However, in that scenario, the variability of future investment returns would narrow significantly.

Implications of Contribution Allocation Procedure on Funded Status

Based on the December 31, 2025 actuarial valuation, it is expected that:

- The UAL is projected to increase until total contributions exceed the Tread Water rate and then decrease until the Fund is projected to reach full funding by December 31, 2048 under the baseline projection. The statutory Municipal Legacy Contribution Amount schedule extends through 2055, but the statute allows the Legacy Liability and other to be treated as fully paid earlier, if the fund reached a 100% AVA-Funded Ratio before this date. The actual date will depend on the date the Legacy Liability is fully paid off, which is itself dependent on the experience that will emerge in the interim.
- The Fund's funded status will gradually improve to 100% as of December 31, 2048.

Reasonable Actuarially Determined Contribution ("Reasonable ADC")

For purposes of ASOP 4, in our professional opinion, the statutory contribution allocation procedure described in Section V produces a reasonable actuarially determined contribution for this valuation. This conclusion is based on the statutory structure that fully retires the Legacy Liability by December 31, 2055, and amortizes new post-2024 UAL layers over closed periods not exceeding 20 years, applies the Corridor and Firefighter Contribution Rate provisions described in statute, and assumes required contributions are made and actuarial assumptions are met. Future adverse experience or future changes in assumptions, methods, plan provisions, payroll, or applicable law could alter this conclusion.

Deterministic Scenarios/Stress Testing

We developed four hypothetical scenarios to illustrate how deviations from the assumed investment returns may impact future funded ratios and contributions. The scenarios presented are illustrative and intentionally balanced between positive and negative scenarios. They are intended to illustrate the importance of both the returns themselves and their timing. The projections assume no liability gains or losses and that both the City and firefighters make the required statutory contributions. If the Fund reaches the statutory full-funding condition, the projections assume the Municipal Legacy Contribution Amounts are no longer included and the City of Austin contributes the remaining applicable statutory contribution.

The charts on the following pages show the projections under each of these theoretical scenarios:

Scenario	Description
A	Asset returns that are 1% higher than the expected return of 7.30% annually
B	Asset returns that are 1% lower than the expected return of 7.30% annually
C	Asset return for 2026 that is 10 percentage points higher than the expected return of 7.30% and then equal to the expected 7.30% for each year thereafter
D	Asset return for 2026 that is 10 percentage points lower than the expected return of 7.30% and then equal to the expected 7.30% for each year thereafter

The following pages provide the individual scenario projection charts in the same format as those included for the baseline scenario in Section I. The top projection chart compares the MVA (green line) and the AVA (blue line) to the Fund's AL (gray bars). In addition, at the top of each chart, we show the Fund's AVA-Funded Ratio (ratio of AVA to AL). The second chart shows contributions based on the selected economic scenarios.

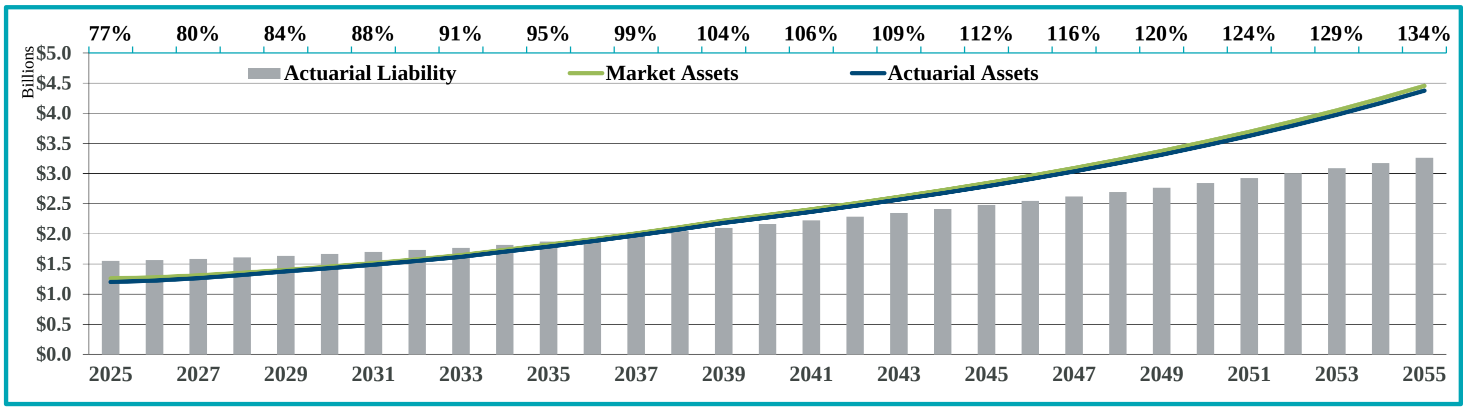
In the pessimistic scenarios, these contribution limits may result in total contributions from the City of Austin and Firefighters falling short of the Actuarially Determined Contribution (ADC). In such cases, the City and AFRF would need to identify additional funding solutions. The projections presented do not reflect any additional funding solutions beyond the current statutory contributions framework. Conversely, in optimistic scenarios, the potential for granting cost-of-living adjustments (COLAs) may increase. This may warrant revisiting the COLA assumption in future valuations – an adjustment that is also not reflected in the projections.

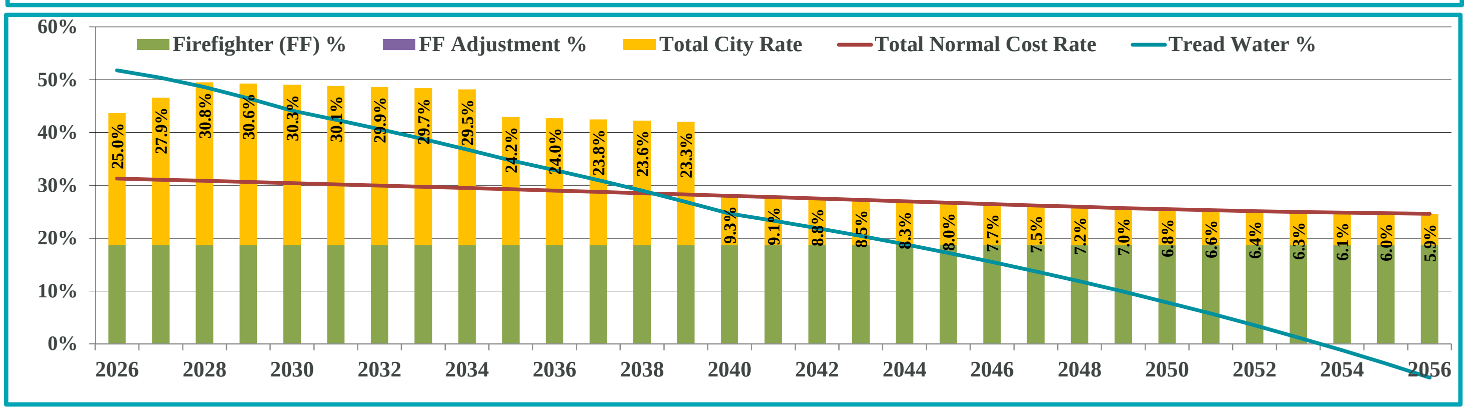
These selected scenarios are intended to illustrate the sensitivity of results to investment returns. They are not forecasts and are not intended to show the entire range of conditions.

SECTION II – IDENTIFICATION AND ASSESSMENT OF RISK

Scenario A – Fund Earns 8.3% for Each Year Over the Projection Period

In this scenario, earning an additional 1% investment return each year over the projection period accelerates the Fund's path to full funding, reaching 100% AVA-Funded Ratio by December 31, 2038—approximately 10 years earlier than if returns were 7.30% annually. Once the AVA-Funded Ratio reaches 90%, the City is permitted to contribute below the Corridor Midpoint, resulting in reduced contributions in 2035. The Total City Contribution Rate decreases further in 2040, when the Municipal Legacy Contribution Amount is no longer required because the Fund has reached 100% funding. This projection does not incorporate any changes to the COLA assumptions for either Group A or Group B. However, under more favorable investment return scenarios, the likelihood of granting COLAs increases. If COLAs are granted at a higher level than assumed, the assumptions may need to be updated, which would raise the actuarial liability and offset some of the projected improvement in the funded ratio.

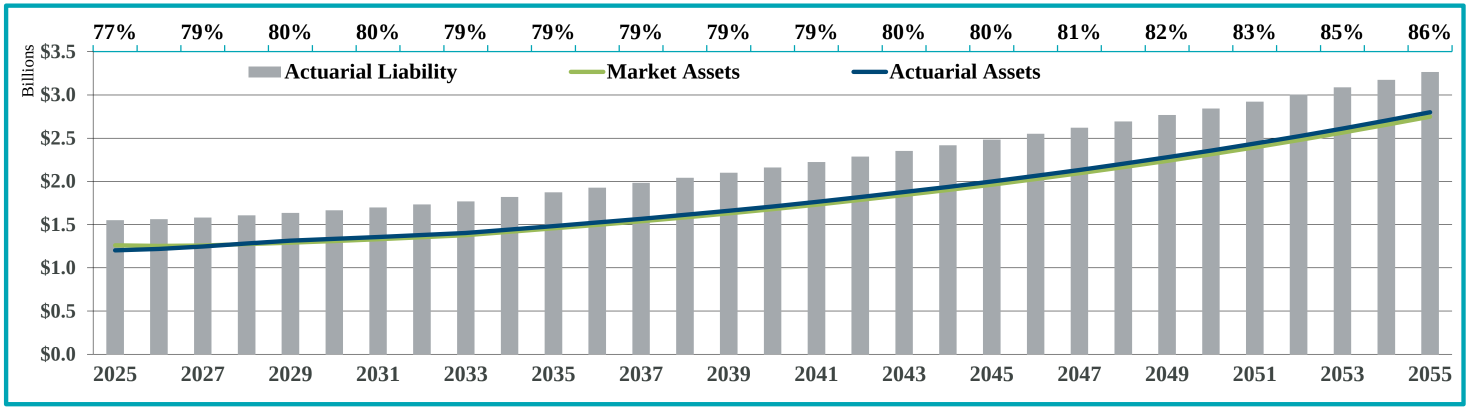


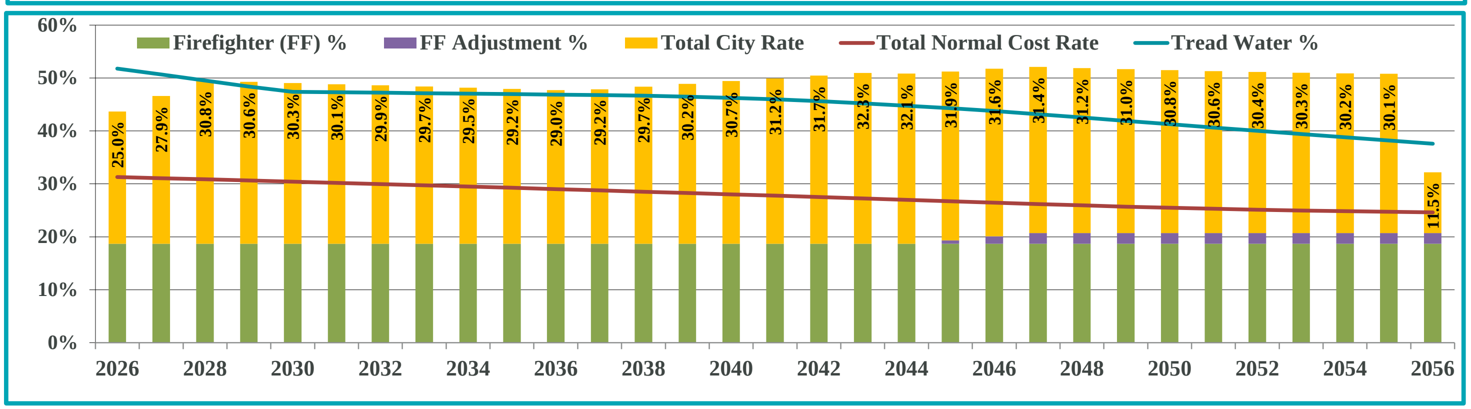


SECTION II – IDENTIFICATION AND ASSESSMENT OF RISK

Scenario B – Fund Earns 6.3% for Each Year Over the Projection Period

Under this scenario, the 1% annual asset return shortfall causes the City to reach the Maximum Municipal Contribution Rate in the 2043 RSVS, and the Firefighter Contribution Rate hits the two-percentage-point cap two years later, in 2045. At that point, the statute requires the Fund and the City to identify funding solutions. Because assets earn consistently below the expected return and total contributions fall short of the Actuarially Determined Contribution (ADC), the AVA-Funded Ratio does not reach 100% by December 31, 2055.

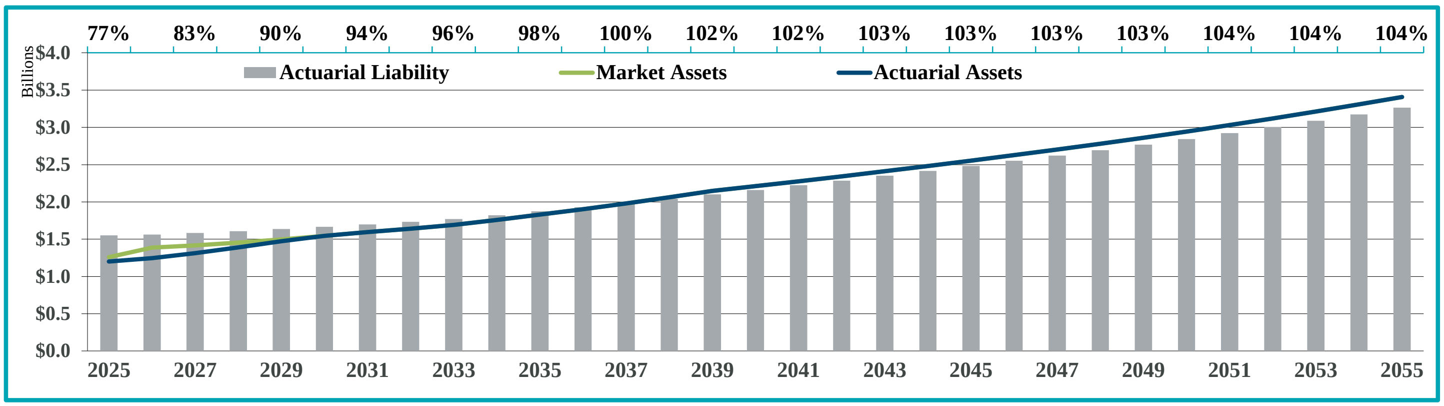


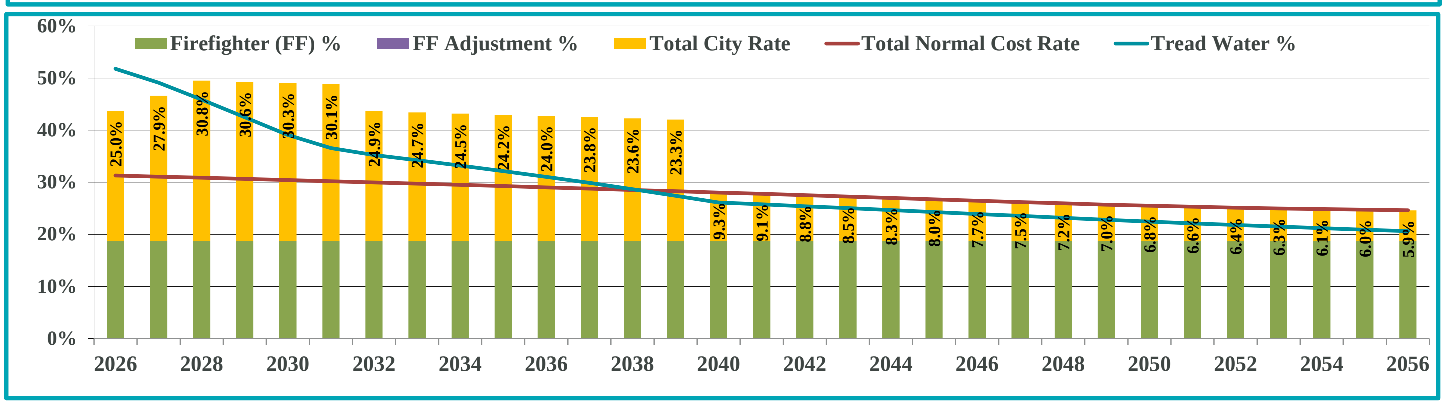


SECTION II – IDENTIFICATION AND ASSESSMENT OF RISK

Scenario C – Fund Earns 17.3% for 2026 (Expected return plus 10%), then 7.3% per year each year thereafter

Similar to Scenario A, the additional investment return significantly accelerates the timeline for the Fund to reach a 100% AVA-Funded Ratio, which is projected by December 31, 2038, in this scenario. Once the AVA-Funded Ratio reaches 90%, the City is permitted to contribute below the Corridor Midpoint, resulting in lower contributions, beginning in 2032. The Total City Contribution Rate decreases further in 2040, when the Municipal Legacy Contribution Amount is no longer required because the Fund has reached 100% funding. This projection does not reflect any changes for actual COLAs or to the COLA assumptions for either Group A or Group B. However, under optimistic return scenarios, the likelihood of granting COLAs increases. Should COLAs be granted at a higher level than assumed, the assumptions may need to be revised, which would increase the actuarial liability and offset some of the projected improvement in the funded ratio.

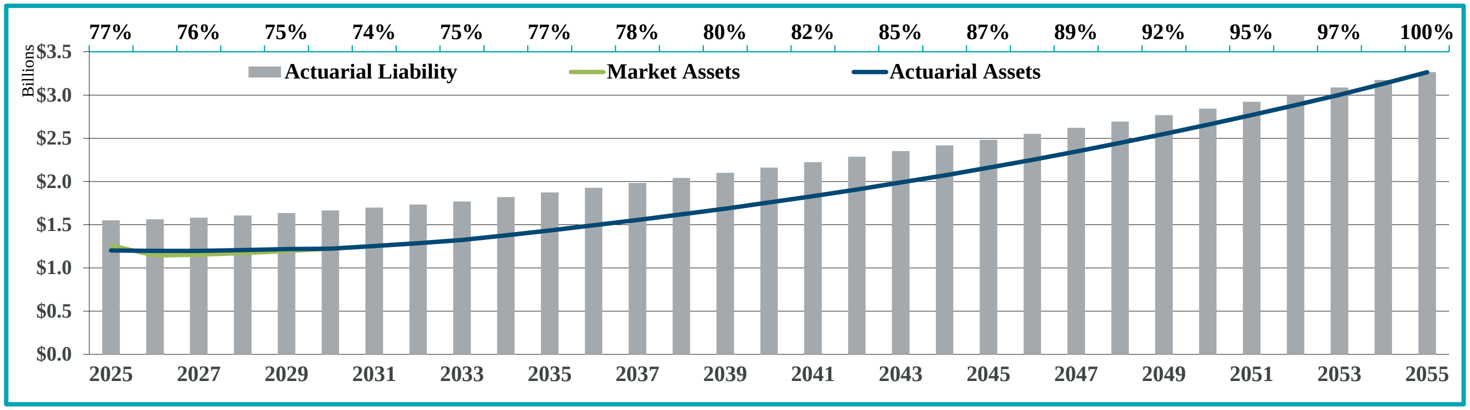


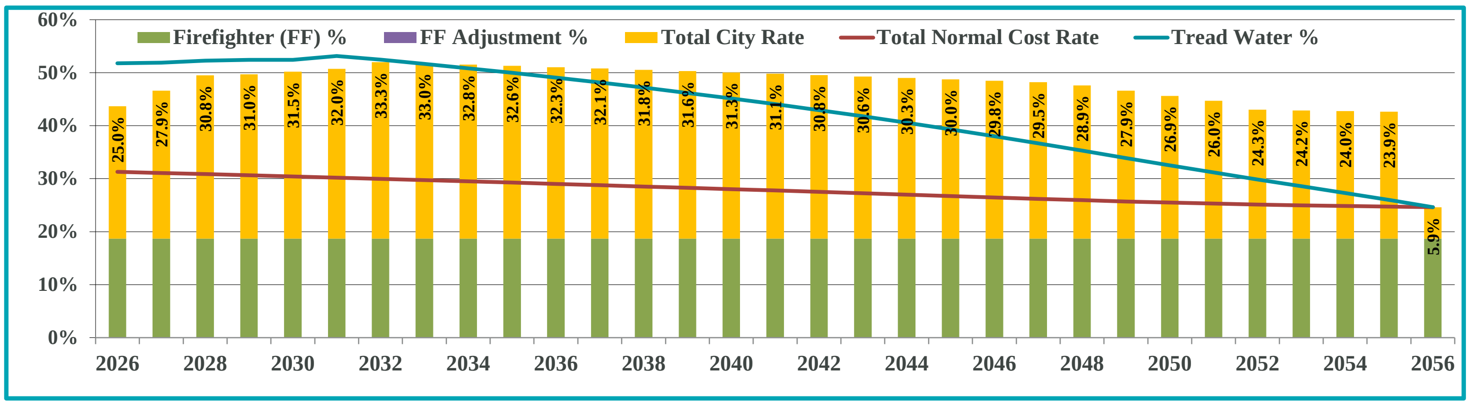


SECTION II – IDENTIFICATION AND ASSESSMENT OF RISK

Scenario D – Fund Earns -2.7% for 2026 (Expected return minus 10%), then 7.3% per year each year thereafter

Under this scenario, the asset return shortfall in 2026 results in the City contribution increasing until 2032 and gradually decreasing thereafter. With assets earning 7.3% for each year after 2026 and total contributions meeting the ADC, the AVA-Funded Ratio reaches 100% by December 31, 2055. With the Municipal Contribution Rate never reaching the Maximum Municipal Contribution Rate, no adjustment to the Firefighter Contribution Rate of 18.70% is required under this scenario.





SECTION III – ASSETS

Assets play a key role in the Fund's financial operation and in the decisions that the Board of Trustees may make regarding future deployment of those assets. The level of assets, the allocation of assets among asset classes, and the methodology used to measure assets will likely impact benefit levels, employer contributions, and the ultimate security of members' benefits.

In this section, we present detailed information on the Fund's assets, including:

- Disclosure of the Fund's assets as of December 31, 2025
- Statement of the changes in market values during the year
- Development of the Actuarial Value of Assets
- A comparison of the year's investment performance to the return assumption

Disclosure

The Market Values of Assets (MVA) represent "snap-shot" or "cash-out" values, which provide the principal basis for measuring financial performance from one year to the next. However, market values can fluctuate widely with corresponding swings in the marketplace. As a result, smoothed values are generally used when reviewing a plan's funded status, whereas MVA is more typically used to measure actual financial performance.

The Actuarial Value of Assets (AVA) is based on market values that have been adjusted for investment gains and losses. The Fund sets the actuarial value equal to the market value, adjusted for a five-year phase-in of investment experience gains and losses. Note, as required by statute, the AVA was set equal to the MVA for the December 31, 2024 valuation.

SECTION III – ASSETS

The assets below are based upon unaudited financial data furnished by the Fund's staff. The components of the Market Value of Assets (MVA) as of the current and immediately prior valuation year, as well as the change in these categories and the total MVA during the valuation year ending December 31, 2025 is summarized below.

Table III-1
Statement of Market Value of Assets as of December 31,

	2025	2024	% Change
Assets			
Cash & Short-Term Investments	$ 15,473,594	$ 10,257,895	50.85%
Receivables	817,425	203,099	302.48%
Fixed Income	374,208,470	342,930,024	9.12%
Domestic Equities	301,664,110	271,048,604	11.30%
International Equities	307,031,407	251,441,589	22.11%
Real Estate	89,918,988	86,712,059	3.70%
Natural Resources	22,305,355	29,268,041	(23.79%)
Private Equities	148,712,223	173,844,153	(14.46%)
Total Assets	**$ 1,260,131,572**	**$ 1,165,705,464**	8.10%
Liabilities			
Due to broker	$ 68,377	$ 358,226	(80.91%)
Accrued Expenses and Other Liabilities	(443)	0	0.00%
Total Liabilities	**$ 67,934**	**$ 358,226**	(81.04%)
Market Value of Assets	**$ 1,260,063,638**	**$ 1,165,347,238**	**8.13%**

Numbers may not add due to rounding

SECTION III – ASSETS

The chart below shows the calculation of the investment gain/loss. On an MVA basis, the Fund earned a 13.72% return during 2025, a total investment return of $155.7 million, resulting in a net Fund asset gain on an MVA basis of $72.8 million. On an Actuarial Value of Assets (AVA) basis, the Fund had a return for the year of 8.59%, which is above the 7.30% return assumed in the prior year's valuation, producing a gain of $14.6 million to the Fund on an AVA basis.

Table III-2
Changes in Value of Assets

	Market Value of Assets		Actuarial Value of Assets	
1. **Value of Assets - December 31, 2024**	**$**	**1,165,347,238**	**$**	**1,165,347,238**
2. Calculation of Net Cash Flow				
(a) Firefighter Contributions	$	22,784,767	$	22,784,767
(b) Employer Contributions		26,869,785		26,869,785
(c) Benefit Payments and Refunds		(107,871,865)		(107,871,865)
(d) Administration Expenses		(2,730,655)		(2,730,655)
(e) **Net Cash Flow**	**$**	**(60,947,968)**	**$**	**(60,947,968)**
3. **Value of Assets - December 31, 2025**	**$**	**1,260,063,638**	**$**	**1,201,840,087**
4. Net Investment Income [3. - 1. - 2.(e)]	$	155,664,368	$	97,440,817
5. Average Value of Assets [1. + 1/2 x 2.(e)]	$	1,134,873,254	$	1,134,873,254
6. Rate of Return [4. / 5.]		13.72%		8.59%
7. Assumed Rate of Return		7.30%		7.30%
8. Expected Net Investment Income	$	82,884,929	$	82,884,929
9. Investment Gain/(Loss) [4. - 8.]	$	72,779,439	$	14,555,888

SECTION III – ASSETS

The AVA represents a "smoothed" value developed by the actuary to reduce or eliminate erratic results that could develop from short-term fluctuations in the MVA.

The Fund's AVA is based on the MVA, adjusted by a five-year smoothing of gains and losses. Since the AVA was set equal to the MVA for the December 31, 2024 valuation, the five-year smoothing of gains and losses will be reflected prospectively. Additional details regarding this methodology are included in Appendix C of the report.

Table III-3
Development of Actuarial Value of Assets

	Gain/(Loss)	Deferred Portion
Defer 80% of 2025 Gain	$ 72,779,439	$ 58,223,551
Total Deferred Gain/(Loss) for AVA Calculation		$ 58,223,551
Market Value of Assets at December 31, 2025		$ 1,260,063,638
Total Unrecognized Gain/(Loss)		58,223,551
Original Actuarial Value of Assets at December 31, 2025		$ 1,201,840,087
Actuarial Value as a Percent of Market Value		95.4%

SECTION III – ASSETS

The final table in this section summarizes the annual returns on both an MVA and AVA basis for the last ten years and provides averages over the last five and ten years for these two metrics.

Table III-4
Historic Investment Return

Year Ending December 31,	Market Value	Actuarial Value
2025	13.7%	8.6%
2024	4.7%	-2.8%*
2023	8.1%	6.8%
2022	-11.6%	6.3%
2021	14.9%	12.0%
2020	15.4%	10.2%
2019	15.7%	7.1%
2018	-2.7%	6.2%
2017	17.1%	7.8%
2016	7.0%	5.8%
Average Returns		
Last 5 years:	5.5%	6.1%
Last 10 years:	7.8%	6.7%

* The 2024 AVA return reflects the AVA being set to the MVA to comply with statutory changes

SECTION IV – LIABILITIES AND EXPERIENCE GAINS/(LOSSES)

In this section, we provide detailed information related to the Fund's liability measurements, including:

- Disclosure of the Fund's liabilities,
- Determination of the Normal Cost Rate for the Risk Sharing Valuation Study,
- Development of the experience gains and losses from liabilities, and
- Detailed development of the sources of the liability gains and losses during the year.

The table that follows presents the present value of future benefits and the actuarial liabilities by membership status for the current and immediately preceding valuations. It also includes the normal cost for both valuations, as a dollar amount and as a percentage of the total Pensionable Payroll.

Table IV-1
Present Value of Future Benefits (PVFB) Detail and Actuarial Liability

	December 31, 2025	December 31, 2024
Present Value of Future Benefits (PVFB)		
Active Member Benefits	$ 950,092,223	$ 950,570,347
Service Retirees, including DROP	891,315,736	845,837,429
Beneficiaries	60,258,840	59,784,854
Disability Retirees	8,596,833	7,037,235
Terminated Vested	5,430,368	4,727,230
Total Present Value of Future Benefits	**$ 1,915,694,000**	**$ 1,867,957,095**
Actuarial Liability		
Active Member Benefits	$ 586,371,617	$ 597,426,758
Service Retirees, including DROP	891,315,736	845,837,429
Beneficiaries	60,258,840	59,784,854
Disability Retirees	8,596,833	7,037,235
Terminated Vested	5,430,368	4,727,230
Total Actuarial Liability (AL)	**$ 1,551,973,394**	**$ 1,514,813,506**

SECTION IV – LIABILITIES AND EXPERIENCE GAINS/(LOSSES)

The table below presents the Normal Cost Rate for the Risk Sharing Valuation Study, which is used to determine the City's contribution for the year ending December 31, 2027. The projected normal cost rate calculation below is based on an open-group projection, reflecting Group B members replacing Group A members as they are assumed to decrement. The Total Normal Cost Rate is based on a blend of Projected Pensionable Payroll, blended between Group A and Group B members, as shown below. The prior year is shown for reference.

Table IV-2
Normal Cost Rate for Risk Sharing Valuation Study

	For Year Ending	
	December 31, 2027	**December 31, 2026**
Total Normal Cost Rate		
Group A Members	31.29%	31.32%
Group B Members	24.28%	N/A
Total Normal Cost Rate	31.07%	31.32%
Firefighter Contribution Rate	18.70%	18.70%
Employer Normal Cost Rate	12.37%	12.62%
Projected Pensionable Payroll		
Group A Members	$ 123,988,945	$ 124,002,162
Group B Members	4,023,065	0
Total Payroll[1]	**$ 128,012,010**	**$ 124,002,162**

[1] Prior year pensionable payroll projected two years with the payroll growth assumption.

SECTION IV – LIABILITIES AND EXPERIENCE GAINS/(LOSSES)

The table below presents the changes in actuarial liability during the plan year. In general, the actuarial liability of any retirement Fund is expected to change at each subsequent valuation due to various factors. In each valuation, we report on the elements of the change in liabilities that are of particular significance and may affect the Fund's long-term financial outlook. The first table summarizes the expected and actual liability as of December 31, 2025. The second table provides more details on the year's liability (gain)/loss components.

Table IV-3
Changes in Actuarial Liability

Actuarial Liability as of December 31, 2024	$	1,514,813,506
Normal Cost		34,560,167
Benefit Payments		(107,871,865)
Interest		109,236,302
Assumption Changes		0
Benefit Changes		0
Expected Actuarial Liability as of December 31, 2025	$	1,550,738,110
Actual Actuarial Liability as of December 31, 2025	$	1,551,973,394
Actuarial Liability (Gain)/Loss	$	1,235,284

Table IV-4
Actuarial Liability (Gain)/Loss by Source as of December 31, 2025

Salary/Service Increase	$	(2,457,469)
Retirement		7,996,889
Termination		242,886
Disability		761,574
Retiree Mortality		(1,798,603)
Other Experience		(3,509,993)
Experience (Gain)/Loss	$	1,235,284

SECTION V – CONTRIBUTIONS

Contribution Background

Beginning with the 2026 calendar year contributions, each year the actuary needs to complete a Risk Sharing Valuation Study (RSVS), which determines the City of Austin's ("City") contribution requirements. The City's Municipal Contribution Rate is subject to an annual Corridor and other requirements as provided in Article 6243e.1, Vernon's Civil Statutes. Prior to 2026, the City's contribution rates were fixed, with the most recent rate at 22.05% of payroll.

Subject to the corridor and any applicable Firefighter Contribution Rate adjustments, the City's statutory contributions are intended to fund the annual cost of benefit accruals and administrative expenses, net of the 18.70% of pensionable payroll Firefighter Contribution Rate, plus amortization payments for the Legacy Liability and subsequent Liability Layers. The Municipal Contribution Rate adjusts annually based on the RSVS, subject to the Minimum and Maximum Municipal Contribution Rates. The Municipal Legacy Contribution Amount is a fixed dollar amount determined by the Initial RSVS and is not subject to the contribution corridor. The Firefighter Contribution Rate remains at 18.70% unless the Estimated Municipal Contribution Rate exceeds the Maximum Municipal Contribution Rate, in which case it may increase by up to two percentage points under statute.

City Contribution Calculations

The Estimated Municipal Contribution Rate, before corridor application, consists of three components established through annual Risk-Sharing Valuation Studies (RSVS).

- **Municipal Legacy Contribution Amount:** Fixed dollar amortization payments for the Legacy Liability. The Legacy Liability was determined in the Initial RSVS, dated December 31, 2024, based on the assumptions and methods adopted by the AFRF Board for the December 31, 2023 valuation, except for using the MVA as of December 31, 2024 as the AVA and assuming a 0.25% future COLA annually for Group A members.

  The Legacy Liability will be amortized over 30 years, starting in 2026, using the level-percent-of-pay method with a 2.5% payroll growth assumption after a three-year phase-in. After the phase-in, this results in a schedule of annual dollar payments that increase by 2.5% each year (keeping pace with expected payroll) and are designed to eliminate the Legacy Liability by December 31, 2055.

  The 30-year schedule of Municipal Legacy Contribution Amounts was set in the Initial RSVS and does **not change** with experience—it is a fixed plan for retiring the Legacy Liability (unless the City elects to contribute extra at any time to accelerate payoff, in which case a revised schedule would be calculated).

SECTION V – CONTRIBUTIONS

- **Employer Normal Cost Rate:** Each year's valuation will calculate the normal cost for benefit accruals for active firefighters as a salary-weighted average plus the necessary percentage to fund administrative expenses. The standard 18.70% Firefighter Contribution Rate reduces this total normal cost to produce the Employer Normal Cost Rate. Because this normal cost is an average of the active population, as Group A members retire and new firefighters are hired into Group B, with a reduced benefit structure but the same member contributions, the Employer Normal Cost Rate will gradually decline over time. While the Initial RSVS projects a 30-year schedule of Employer Normal Cost Rates for use as the Corridor Midpoints, the actual Total Normal Cost rate and resulting Employer Normal Cost Rate will be recalculated annually based on the actual active membership characteristics and assumptions adopted by the Board.

- **Amortization Rate:** New actuarial gains or losses recognized in each Subsequent RSVS will be amortized as Liability Layers with a layered amortization approach.
    - Liability Loss Layers (new UAL due to unfavorable experience or changes increasing liabilities) are amortized over individual, 20-year closed periods using the Level Percentage of Payroll Method.
    - Liability Gain Layers (reduction in UAL due to favorable experience or changes decreasing liabilities) are amortized over the same period as the largest outstanding loss layer, or 20 years if no loss layers exist.
    - The amortization payments for each layer start one year after the valuation in which they are recognized.

By amortizing each year's experience as an individual layer, the statutory structure is designed so that new shortfalls are paid off within a reasonable period.

The City's contribution under the modified ADC framework in a given year is the sum of: (1) the applicable Municipal Legacy Contribution Amount (fixed dollar from the Initial RSVS), converted to a percentage using the Projected Pensionable Payroll from the applicable Subsequent RSVS, plus (2) the Estimated Municipal Contribution Rate, which is the Employer Normal Cost Rate (including administrative expenses) plus the Amortization Rate. The Estimated Municipal Contribution Rate is designed to cover the City's portion of normal costs and address any new unfunded liabilities that arise after the Legacy Liability is established. The final Municipal Contribution Rate, the basis on which the City pays its non-Legacy Liability contributions, is determined by applying the Contribution Corridors discussed in the following section to the Estimated Municipal Contribution Rate.

SECTION V – CONTRIBUTIONS

Contribution Corridors

The Initial RSVS established a corridor for the City's Municipal Contribution Rate, based on the projected Employer Normal Cost Rates, referred to as Corridor Midpoints, with a ±5% margin. Each year, the Minimum Municipal Contribution Rate equals the Corridor Midpoint minus 5%, and the Maximum Municipal Contribution Rate equals the Corridor Midpoint plus 5%. The final Municipal Contribution Rate that the City will pay in addition to its Municipal Legacy Contribution Amount will be determined in each Subsequent RSVS on the following basis:

- If the calculated rate would drop below the Minimum Municipal Contribution Rate, the Municipal Contribution Rate is held at the Minimum Municipal Contribution Rate (the floor) – except that until the Fund is at least 90% funded, the City will not reduce its Municipal Contribution Rate below the Corridor Midpoint (meaning early gains are retained in the Fund and used to bolster funded status and dampen the impact of later losses instead of being used to reduce the City's funding requirements).
- If the calculated Municipal Contribution Rate rises above the Maximum Municipal Contribution Rate, the City will pay the maximum rate, and the Firefighter Contribution Rate will increase as necessary to cover the contributions required beyond the Corridor Midpoint plus 5%, up to a maximum of an additional 2% of Pensionable Payroll (to a maximum of 20.7%). If the maximum 20.7% from firefighters is insufficient to cover the required cost, the City and the AFRF Board are required to meet and determine additional funding solutions.
- These **"Contribution Corridors"** are designed to allow contribution rates for both the City and firefighters to automatically adjust to a degree as needed to ensure the Fund receives adequate and appropriate funding while limiting the magnitude of these automatic adjustments and ensuring the parties are brought together to adjust and address AFRF's funding when needed.

Risk Sharing Valuation Study Results

First, we present the Legacy Liability and Municipal Legacy Contribution Amounts. The amortization of the Legacy Liability has been adjusted to account for the 3-year phase-in and the one-year delay in contributions from the valuation date. This adjustment includes interest on the UAL plus a credit for the estimated contributions to be received towards the payment of the UAL in AFRF for the calendar year ending December 31, 2025. The Municipal Legacy Contribution Amounts are fixed dollar amounts, as noted in the schedule below, and are based on a closed 30-year amortization period and the Level Percent Payroll of Payroll Method, with a 2.5% payroll growth assumption.

SECTION V – CONTRIBUTIONS

Table V-1
Projection of Remaining Legacy Liability and Legacy Liability Payments

Fiscal Year Ending	Remaining Legacy Liability	Fiscal Year Payment
12/31/2024	$ 349,466,268	$ -
12/31/2025	363,346,992	-
12/31/2026	373,887,029	15,430,983
12/31/2027	380,644,615	19,825,290
12/31/2028	383,138,405	24,417,717
12/31/2029	385,181,910	25,028,160
12/31/2030	386,726,451	25,653,864
12/31/2031	387,719,400	26,295,211
12/31/2032	388,103,882	26,952,591
12/31/2033	387,818,456	27,626,406
12/31/2034	386,796,768	28,317,066
12/31/2035	384,967,187	29,024,993
12/31/2036	382,252,402	29,750,618
12/31/2037	378,569,003	30,494,383
12/31/2038	373,827,020	31,256,743
12/31/2039	367,929,435	32,038,161
12/31/2040	360,771,652	32,839,115
12/31/2041	352,240,935	33,660,093
12/31/2042	342,215,799	34,501,595
12/31/2043	330,565,361	35,364,135
12/31/2044	317,148,636	36,248,239
12/31/2045	301,813,789	37,154,445
12/31/2046	284,397,332	38,083,306
12/31/2047	264,723,252	39,035,388
12/31/2048	242,602,086	40,011,273
12/31/2049	217,829,927	41,011,555
12/31/2050	190,187,347	42,036,844
12/31/2051	159,438,255	43,087,765
12/31/2052	125,328,659	44,164,959
12/31/2053	87,585,349	45,269,083
12/31/2054	45,914,469	46,400,810
12/31/2055	-	47,560,830

SECTION V – CONTRIBUTIONS

Next, we present the City's contribution calculation for the 2027 calendar year and the prior year for comparison.

Table V-2
City of Austin Statutory Contribution

	December 31, 2027	December 31, 2026
Corridor Midpoint	**12.41%**	**12.62%**
Employer Normal Cost Rate	12.37%	12.62%
Amortization Rate	-0.70%	N/A
Estimated Municipal Contribution Rate	**11.67%**	**12.62%**
Minimum Municipal Contribution Rate	7.41%	7.62%
Maximum Municipal Contribution Rate	17.41%	17.62%
Municipal Contribution Rate after applying Corridors	11.67%	12.62%
Corridor Midpoint Minimum if Funded Ratio < 90%	12.41%	12.62%
Municipal Contribution Rate [1]	**12.41%**	**12.62%**
Payroll Projection Year	2027	2026
Projected Pensionable Payroll (PPP)[1]	$128,012,010	$124,002,162
Municipal Legacy Contribution Amount	$19,825,290	$15,430,983
- estimated as a percentage of PPP [2]	15.49%	12.44%
Total City Contribution Rate [1 + 2][2]	**27.90%**	**25.06%**

[1] Prior year pensionable payroll projected two years with the payroll growth assumption.

[2] Actual City contribution will equal the Municipal Legacy Contribution Amount plus Municipal Contribution Rate applied to actual payroll.

In summary, for the 2027 calendar year, the Municipal Contribution Rate is 12.41% of payroll plus $19,825,290 for the Municipal Legacy Contribution Amount. The Municipal Legacy Contribution Amount for 2027 is estimated to represent 15.49% of the 2027 Projected Pensionable Payroll of $128,012,010 resulting in an Estimated Total City Contribution Rate of 27.90%.

The following table provides the Minimum Municipal Contribution Rate, Corridor Midpoint, and Maximum Municipal Contribution Rate, along with the Municipal Contribution Rate, for the non-Legacy Liability portion of the City's contributions, based on the Initial and Subsequent RSVSs. Note that with each subsequent RSVS, an additional year of actual Municipal Contribution Rate will be added.

SECTION V – CONTRIBUTIONS

Table V-3
Municipal Contribution Rate

Fiscal Year Ending	Corridor Minimum	Corridor Midpoint	Corridor Maximum	Actual Municipal Contribution Rate
12/31/2026	7.62%	12.62%	17.62%	12.62%
12/31/2027	7.41%	12.41%	17.41%	12.41%
12/31/2028	7.18%	12.18%	17.18%	
12/31/2029	6.96%	11.96%	16.96%	
12/31/2030	6.73%	11.73%	16.73%	
12/31/2031	6.50%	11.50%	16.50%	
12/31/2032	6.30%	11.30%	16.30%	
12/31/2033	6.07%	11.07%	16.07%	
12/31/2034	5.85%	10.85%	15.85%	
12/31/2035	5.63%	10.63%	15.63%	
12/31/2036	5.40%	10.40%	15.40%	
12/31/2037	5.18%	10.18%	15.18%	
12/31/2038	4.95%	9.95%	14.95%	
12/31/2039	4.71%	9.71%	14.71%	
12/31/2040	4.48%	9.48%	14.48%	
12/31/2041	4.25%	9.25%	14.25%	
12/31/2042	4.01%	9.01%	14.01%	
12/31/2043	3.77%	8.77%	13.77%	
12/31/2044	3.52%	8.52%	13.52%	
12/31/2045	3.27%	8.27%	13.27%	
12/31/2046	3.03%	8.03%	13.03%	
12/31/2047	2.79%	7.79%	12.79%	
12/31/2048	2.57%	7.57%	12.57%	
12/31/2049	2.35%	7.35%	12.35%	
12/31/2050	2.16%	7.16%	12.16%	
12/31/2051	1.99%	6.99%	11.99%	
12/31/2052	1.83%	6.83%	11.83%	
12/31/2053	1.69%	6.69%	11.69%	
12/31/2054	1.57%	6.57%	11.57%	
12/31/2055	1.47%	6.47%	11.47%	

SECTION V – CONTRIBUTIONS

The table below provides the Unfunded Actuarial Liability (Gain) / Loss Layers from the Subsequent RSVSs. This current valuation is the first Subsequent RSVS, so there is only one layer. Because the total experience for 2025 was a gain, the amortization payment for subsequent experience is a negative amount, partially offsetting the fixed Legacy Liability payment. As a gain layer, it is amortized over the period of the largest remaining Liability Loss Layer, which currently is 29 years for the Legacy Loss Layer.

Table V-4

Unfunded Actuarial Liability for (Gain) / Loss Layers

Date Base Established	Original Layer	Remaining Layer	Remaining Payments	Payment for 2027
12/31/2025	($13,213,685)	($13,213,685)	29	($894,140)
Projected Payoll				$128,012,010
Amortization Rate				-0.70%

Actuarially Determined Contribution Benchmark (“ADC Benchmark”)

Because the City and firefighters each contributed to the Fund at a fixed rate before 2026, the Board developed an Actuarially Determined Contribution (ADC) benchmark for comparative purposes in the Fund’s Funding Policy dated December 16, 2019. Note the “ADC Benchmark” provided in the table below is not a Reasonable ADC as defined by ASOP 4. It is provided in this table solely for comparative purposes as defined by the Board’s Funding Policy. In addition to not being a Reasonable ADC as defined by the actuarial standards, it has also not been updated to reflect recent statutory changes. As such, this value should not be read as a statutory or reasonable benchmark or used for any purpose beyond a comparative benchmark.

This ADC Benchmark is developed using the actuarial assumptions and methods identical to those disclosed in this report, except as follows:

Amortization Period—The ADC Benchmark is the contribution rate that, if in effect as of the valuation date, would amortize the UAL over 30 years. Note that while the Fund’s Funding Policy only specifies this 30-year open amortization period benchmark, a similar benchmark based on amortizing the UAL as of the valuation date over a 20-year open amortization is provided for informational purposes.

Payroll Growth Assumption—The ADC Benchmark will be calculated using the lesser of 3.0% and the Austin Fire Department's average payroll growth over the last ten (10) years. This assumption is specified in the Fund’s Funding Policy. Since the 10-year average as of

SECTION V – CONTRIBUTIONS

December 31, 2025 is 3.41%, a payroll growth assumption of 3.0% is used for this valuation's ADC Benchmark calculations.

For purposes of ASOP 4, in our professional opinion, the statutory contribution allocation procedure described earlier in this section produces a Reasonable ADC for this valuation. This conclusion assumes that the required statutory contributions are made and that the actuarial assumptions are met. This result is provided as the "valuation results" in the following table.

Table V-5
Board Policy Actuarially Determined Contribution Benchmark Development and Reasonable Actuarially Determined Contribution

For Year Beginning January 1 of:	2026	2025
Valuation Results		
Actuarial Liability	$ 1,551,973,394	$ 1,514,813,506
Actuarial Value of Assets	1,201,840,087	1,165,347,238
Unfunded Actuarial Liability (UAL)	$ 350,133,307	$ 349,466,268
Exp. Payroll For Year Following Valuation Date	$ 124,889,766	$ 119,063,835
Firefighter Contribution Rate	18.70%	18.70%
City Contribution Rate	25.06%	22.05%
Total Statutory Contribution Rate	43.76%	40.75%
ADC Benchmark		
Normal Cost Rate	31.29%	31.32%
Amortization of UAL Rate	16.47%	17.24%
Total Cost Rate	47.76%	48.56%
City Contribution Rate Based on ADC Benchmark	29.06%	29.86%
City Rate Surplus/(Deficit)	*(4.00%)*	*(7.81%)*

If the "ADC Benchmark" amortized the UAL over a 20-year open period instead of the 30 years specified in the Fund's Funding Policy, the Total City Contribution Rate based on the "ADC Benchmark" as of December 31, 2025 would be 33.42%, producing an 8.35% percentage-point deficit relative to the current 25.06% statutory Total City Contribution Rate.

APPENDIX A – FUND MEMBERSHIP

The data for this valuation was provided electronically in Excel format by the Fund's office. Cheiron did not audit any of the data, but we did perform an informal examination of the data's obvious characteristics for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23, Data Quality. The data for active and inactive members is as of December 31, 2025.

The following pages contain a summary of the data provided:

- Member status reconciliation from December 31, 2024 to December 31, 2025
- Active member statistics, including age, service, and salary
- Age and service distribution for active members as of December 31, 2025
- Inactive member statistics, including age and average benefit amounts
- DROP statistics and DROP balance reconciliation

APPENDIX A – FUND MEMBERSHIP

Table A-1
Member Status Reconciliation

		Actives	Term Vested Or Awaiting Refund	Retirees	Disability Retirees	Beneficiaries and Alt Payees	Total
1.	December 31, 2024 Valuation	**1,249**	**36**	**834**	**14**	**184**	**2,317**
2.	Additions						
	a. New Entrants	77				7	84
	b. Total	77	-	-	-	7	84
3.	Reductions						
	a. Benefits Expired						-
	b. Refunds	(5)	(1)				(6)
	c. Deaths with no Beneficiaries			(1)		(8)	(9)
	d. Total	(5)	(1)	(1)	-	(8)	(15)
4.	Changes in Status						
	a. Disabled	(2)			2		-
	b. Non Vested Termination	(6)	6				-
	c. Retired	(60)		60			-
	d. Terminated Vested	(1)	1				-
	e. Death with Beneficiaries			(8)		8	-
	f. Rehire						-
	g. Data Corrections						-
	h. Total	(69)	7	52	2	8	-
5.	December 31, 2025 Valuation	**1,252**	**42**	**885**	**16**	**191**	**2,386**

APPENDIX A – FUND MEMBERSHIP

Table A-2 Active Members Statistics			
	December 31, 2025	December 31, 2024	% Change
Active Members in Valuation			
Count			
Total	1,252	1,249	0.24%
Average Current Age			
Total	40.7	41.2	-1.14%
Average Service			
Total	11.6	11.9	-2.52%
Average Reported Compensation			
Total	$94,156	$92,725	1.54%

APPENDIX A – FUND MEMBERSHIP

AGE/SERVICE DISTRIBUTION OF ACTIVE MEMBERS
ACTIVE MEMBERS AS OF DECEMBER 31, 2025

COUNTS BY AGE/SERVICE

	Service										
Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
Under 25	16	24	0	0	0	0	0	0	0	0	40
25 to 29	38	70	12	0	0	0	0	0	0	0	120
30 to 34	19	109	72	4	0	0	0	0	0	0	204
35 to 39	4	53	142	42	1	0	0	0	0	0	242
40 to 44	0	9	82	92	40	6	0	0	0	0	229
45 to 49	0	0	10	64	53	47	14	0	0	0	188
50 to 54	0	0	0	7	27	53	46	11	0	0	144
55 to 59	0	0	0	1	1	23	29	20	1	0	75
60 to 64	0	0	0	0	0	0	7	3	0	0	10
65 to 69	0	0	0	0	0	0	0	0	0	0	0
70 & up	0	0	0	0	0	0	0	0	0	0	0
Total	77	265	318	210	122	129	96	34	1	0	1,252

Average Age = 40.7   Average Service = 11.6

APPENDIX A – FUND MEMBERSHIP

Table A-3
Inactive Member Statistics

	December 31, 2025	December 31, 2024	% Change
Vested Terminated Members and Awaiting Refund			
Count			
Total	42	36	16.67%
Average Current Age			
Total	39.9	39.4	1.29%
Retirees, including DROP Members			
Count			
Total	885	834	6.12%
Average Current Age			
Total	66.6	66.5	0.18%
Average Monthly Benefit			
Total	$6,081	$6,059	0.37%
Disability Retirees			
Count			
Total	16	14	14.29%
Average Current Age			
Total	62.6	64.6	-3.22%
Average Monthly Benefit			
Total	$3,996	$3,854	3.70%
Beneficiaries and Alternate Payees			
Count			
Total	191	184	3.80%
Average Current Age			
Total	67.5	68.3	-1.04%
Average Monthly Benefit			
Total	$2,793	$2,907	-3.94%

APPENDIX A – FUND MEMBERSHIP

Table A-4
DROP Statistics and DROP Balance Reconciliation

	December 31, 2025	December 31, 2024	% Change
Number of DROP	323	326	-0.90%
Total DROP Balance	$162,141,308	$159,436,132	1.70%
As a % of Trust Assets	12.87%	13.68%	
Average DROP Balance	$501,985	$489,068	2.60%
Reconciliation of DROP Balances			
12/31/2024 Balance		$159,436,132	
Deposits		32,542,358	
Interest		8,093,666	
Withdrawals		(37,930,848)	
12/31/2025 Balance		$162,141,308	

APPENDIX B – SUMMARY OF PLAN PROVISIONS

Group A Members

1. Membership Requirement

All commissioned civil service and Texas state-certified firefighters with at least six months of service employed by the City of Austin fire department that were hired before January 1, 2026.

2. Salary

Salary (compensation) means base pay and longevity pay. No other forms of pay are included within the pensionable salaries.

3. Average Monthly Compensation

The average of the member's compensation for the 36 months of highest compensation.

4. Service Credit

One month of service credit is earned for each month the member makes the required contribution to the Fund.

5. Firefighter Contributions

18.70% of Salary; may increase by up to two percentage points if the Estimated Municipal Contribution Rate exceeds the Maximum Municipal Contribution Rate and an increase is required under statute toto ensure the Fund receives the full ADC.

6. Normal Retirement

Eligibility:	Age 50 with 10 years of service or 25 years of service, regardless of age.
Amount:	3.3% of average monthly compensation for each year of service with a minimum of $2,000 per month.
Normal Form of Payment:	Life Annuity with 75% continued to the Surviving Spouse (or designated beneficiary if the participant is unmarried).

7. Early Retirement

Eligibility:	Age 45 with 10 years of service or 20 years of service regardless of age.
Amount:	3.3% of average monthly compensation for each year of service.

APPENDIX B – SUMMARY OF PLAN PROVISIONS

8. Disability Retirement

Eligibility:	Upon approval of disability by the Board of Trustees.
Amount:	3.3% of average monthly compensation for each year of service (but not less than 20 years).

9. Death while an Active Employee

Eligibility:	Termination of employment due to death.
Amount:	The surviving spouse or designated beneficiary will receive 75% of the member's accrued benefit based on the greater of their service at death or 20 years of service. Each dependent child of a surviving spouse will receive 15% of the Member's accrued benefit, but not less than 9.9% of Average Monthly Compensation, with a reduction if there are more than five surviving dependent children.

10. Deferred Retirement

Eligibility:	Ten years of service. Must also elect to leave their member contributions in the Fund.
Amount:	The accrued benefit is payable at Normal Retirement eligibility, with such eligibility determined as if the member had remained employed.

11. Non-Vested Termination

Eligibility:	Less than ten years of service.
Amount:	A lump sum of member contributions with accumulated interest through December 31, 2025. Effective January 1, 2026, interest will not be earned on contributions.

12. Deferred Retirement Option Plan (DROP)

Under this program, a member eligible for service retirement may elect to continue in active service as a firefighter but have the Fund begin crediting "payments" to a deferred retirement option plan (DROP) account. The monthly "payments" would be an amount equal to what the member's monthly annuity would have been if the member had retired as of that eligible DROP date. Any eligible cost-of-living adjustments (COLAs) would be applied to the monthly annuity during this DROP period. During the DROP period, the member would have all their pension contributions and applicable annual interest of 5% go into the DROP.

APPENDIX B – SUMMARY OF PLAN PROVISIONS

When the member retires, by terminating their active service in the fire department, an accumulated lump sum balance may be available to be distributed (all or part) to the member from the DROP account. After termination, the DROP account continues to earn interest at 5% per year until withdrawn.

In lieu of electing to participate in the DROP before actual retirement, a member who is eligible for normal service retirement may elect to terminate active service as a firefighter and establish the DROP account at termination. Under this "RETRO or BACK DROP," the firefighter's DROP account reflects the accrual from the actual termination date back to a date on or after the date they become eligible for normal service retirement.

The maximum period under which a firefighter can participate in a DROP is seven years. A firefighter may elect to establish a DROP account after reaching normal or early service retirement eligibility. Twelve total withdrawals are allowed while the retiree's DROP account balance remains in the pension plan, with a maximum of four withdrawals in any year. These withdrawal limits can be altered by Board policy, provided the change is deemed feasible. The withdrawals can be either a distribution to the retiree (provided the retiree reaches age 50 before retiring) or a rollover into a qualified IRA. The entire DROP balance must be withdrawn from the Fund by April 1st of the calendar year following the year the retiree reaches age 70½.

13. Cost-of-Living Adjustments (COLAs)

Prior to January 1, 2026

When deemed affordable, eligible pension recipients are entitled to annual cost-of-living adjustments (COLA). COLAs are approved only when the fund's actuary has advised the Board that such adjustment would not impair the fund's financial stability based on the COLA Adjustment Policy approved by the Board. The COLAs are to be based on the annual percentage increase in the Consumer Price Index (CPI-U).

Members who retire under Early Retirement are only eligible for COLAs once they would have reached Normal Service Retirement eligibility had they continued their employment. The COLAs provided over the last ten years are as follows:

APPENDIX B – SUMMARY OF PLAN PROVISIONS

Effective Date	Group A COLA
12/31/2025	0.00%
12/31/2024	0.00%
12/31/2023	0.00%
12/31/2022	0.00%
12/31/2021	5.40%
12/31/2020	1.40%
12/31/2019	1.70%
12/31/2018	2.30%
12/31/2017	2.20%
12/31/2016	1.50%

Effective January 1, 2026

The Board may approve a COLA of up to 1.5% per year if the financial stability tests described below are met. Participants are eligible for any approved COLA upon reaching the later of age 67 and 5 years after retirement (age 69 if retired under early retirement).

The financial stability tests that must be satisfied, for the current year and all projected years, including the liability of the proposed COLA, are:

1. The AVA-Funded Ratio, after taking into account the proposed COLA, is projected to be at least 80% for COLAs payable beginning in calendar years 2026-2040, 85% for COLAs payable beginning in calendar years 2041-2045, and 90% for COLAs payable in calendar year 2046 or later.
2. The Amortization Period of the Fund as a whole, after taking into account the proposed COLA, will not exceed 25 years for COLAs payable beginning in calendar years 2026-2035, 20 years for COLAs payable beginning in calendar years 2036-2040, and 15 years for COLAs payable beginning in calendar year 2041 or later.
3. The Estimated Municipal Contribution Rate, after taking into account the proposed COLA, does not exceed the Corridor Midpoint by more than four percentage points.
4. No COLA may be approved for a calendar year that begins on the second January 1 following a calendar year in which the Fund reports:
   a. A negative investment return
   b. A five-year investment return below the assumed return

Note that the Austin City Council may separately approve a COLA in a manner and amount it determines appropriate when one or more requirements prohibit the AFRF Board from granting one.

14. Changes Since Last Valuation

None.

APPENDIX B – SUMMARY OF PLAN PROVISIONS

Group B Members

1. Membership Requirement

All commissioned civil service and Texas state-certified firefighters with at least six months of service employed by the City of Austin fire department who were hired on or after January 1, 2026.

2. Salary

Salary (compensation) means base pay and longevity pay. No other forms of pay are included within the pensionable salaries.

3. Average Monthly Compensation

The average of the member's compensation for the 60 months of highest compensation.

4. Service Credit

One month of service credit is earned for each month the member makes the required contribution to the Fund.

5. Firefighter Contributions

18.70% of Salary; may increase by up to two percentage points if the Estimated Municipal Contribution Rate exceeds the Maximum Municipal Contribution Rate and an increase is required under statute toto ensure the Fund receives the full ADC.

6. Normal Retirement

Eligibility:	Age 50 with 10 years of service or 25 years of service regardless of age.
Amount:	3.0% of average monthly compensation for each year of service with a minimum of $2,000 per month.
Normal Form of Payment:	Life Annuity

7. Disability Retirement

Eligibility:	Upon approval of disability by the Board of Trustees.
Amount:	3.0% of average monthly compensation for each year of service (but not less than 20 years).

8. Death while an Active Employee

Eligibility:	Termination of employment due to death

APPENDIX B – SUMMARY OF PLAN PROVISIONS

Amount:	The surviving spouse or designated beneficiary will receive 75% of the member's accrued benefit based on the greater of their service at death or 20 years of service. Each dependent child of a surviving spouse will receive 15% of the Member's accrued benefit, but not less than 9.9% of Average Monthly Compensation, with a reduction if there are more than five surviving dependent children.

9. Deferred Retirement

Eligibility:	Ten years of service. Must also elect to leave their member contributions in the Fund.
Amount:	The accrued benefit is payable at Normal Retirement eligibility, with such eligibility determined as if the member had remained employed.

10. Non-Vested Termination

Eligibility:	Less than ten years of service.
Amount:	A lump sum of member contributions.

11. Deferred Retirement Option Plan (DROP)

Under this program, a member eligible for service retirement may elect to continue in active service as a firefighter but have the Fund begin crediting "payments" to a deferred retirement option plan (DROP) account. The monthly "payments" would be an amount equal to what the member's monthly annuity would have been if the member had retired as of that eligible DROP date. During the DROP period, 50% of the member's pension contributions and the applicable annual interest of 4% would go into the DROP. When the member retires, by terminating their active service in the fire department, an accumulated lump sum balance may be available to be distributed (all or part) to the member from the DROP account. After termination, the DROP account continues to earn interest at 4% per year until withdrawn if the Fund reports a positive return. If the Fund reports a return less than 0%, in the following calendar year, the DROP account earns 2% per year.

The maximum period under which a firefighter can participate in a DROP is seven years. A firefighter may elect to establish a DROP account after reaching normal retirement eligibility. Twelve total withdrawals are allowed while the retiree's DROP account balance remains in the pension plan, with a maximum of four withdrawals in any year. These withdrawal limits can be altered by Board policy, provided the change is deemed feasible. The withdrawals can be either a distribution to the retiree (provided the retiree reaches age 50 before retiring) or a rollover into a qualified IRA. The entire DROP balance must be

APPENDIX B – SUMMARY OF PLAN PROVISIONS

withdrawn from the Fund by April 1st of the calendar year following the year the retiree reaches age 70½.

12. Cost-of-Living Adjustments (COLAs)

The Group B Cost-of-Living Adjustment (COLA) Percentage is performance-based and targets 1% per year (minimum of 0% and maximum of 2%) based on the Fund's Five-Year Investment Return. The percentage equals 50% of the amount by which the Five-Year Investment Return exceeds the Adjustment Factor, with a minimum of 0% and a maximum of 2%. Participants are eligible for the approved COLA upon reaching the later of age 67, five years after retirement, or, if applicable, the year in which the member's DROP account is fully distributed.

13. Changes Since Last Valuation

None.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

A. Actuarial Assumptions

1. Rate of Investment Return

7.30%, net of investment expenses only.

2. Price Inflation

2.5% per year.

3. Rates of Salary Increase

Salary increases are split between a wage inflation assumption of 2.50% and a service-based merit scale, shown below.

Years of Service	Merit Increase
0	7.00%
1	7.00%
2	6.50%
3	1.50%
4	0.50%
5	4.50%
6-7	1.00%
8	4.50%
9	0.50%
10	1.00%
11	3.50%
12	1.50%
13	1.00%
14	3.50%
15-16	1.00%
17	3.50%
18-19	1.00%
20	3.50%
21	0.50%
22+	0.00%

For fiscal 2024 and 2025, the salary increase assumption reflects additional base increases of 5.7% and 1.5%, respectively, based on the latest agreement between the City of Austin and Austin Firefighters Association Local 975.

4. Aggregate Payroll Growth

2.50% per year.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

5. Disability

Age	Rate
Under 30	0.013%
30-39	0.040%
40-49	0.067%
50+	0.033%

6. Mortality Rates

Active and Vested Terminated Lives:
PubS(A)-2010 Mortality Table for Employees.

Retiree Lives:
PubS(A)-2010 Mortality Table for Healthy Retirees.

Contingent Survivor Lives:
PubS(A)-2010 Mortality Table for Contingent Survivors.

Disabled Lives:
PubS(A)-2010 Mortality Table for Disabled Retirees.

Generational mortality improvements are projected from 2010 using Scale MP-2021.

7. Withdrawal

Withdrawal rates are based on service, as shown below.

Years of Service	Rate
0-4	1.50%
5-14	0.75%
15+	0.00%

8. Retirement Rates

Age	Rate
Under 43	0.00%
43-48	3.00%
49-51	4.00%
52-53	7.00%
54	12.00%
55-57	20.00%
58-60	35.00%
61-62	50.00%
63+	100.00%

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

9. DROP Election

Group A Members are assumed to elect either normal retirement or DROP, with the DROP period maximizing the present value of their retirement benefits, including reflecting the impact of previously granted COLAs the member would be eligible for during the assumed DROP period. Group B Members are assumed to maximize their DROP period after age 50 up to 5 years.

10. Existing DROP Balances

Members with existing DROP balances are assumed to withdraw their balances over the next eight years, but no later than age 70½.

11. Future Cost-of-Living Adjustment Assumption

0.25% per year for Group A and 1.0% per year for Group B.

12. Active Payment Form Assumption

Life annuity with 75% continued to the surviving spouse (or designated beneficiary) for Group A and Life Annuity for Group B.

13. Percent Married

100% of actives are assumed to be married.

14. Beneficiary Age

A male participant is assumed to be three years older than his beneficiary.

A female participant is assumed to be one year younger than her beneficiary.

15. Dependent Children

50% of active members are assumed to have dependent children, and the youngest child is assumed to be one year old.

16. Administrative Expenses

Administrative expenses of 1.25% of payroll are added to the normal cost.

17. Technical and Miscellaneous Assumptions

Decrement timing: Beginning of year.

Terminated vested members: All terminated vested members are assumed married and assumed to retire at normal retirement eligibility.

The limits in IRC sections 415(b) and 401(a)(17) are assumed to increase 2.5% per year.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

18. Low-Default-Risk Obligation Measure (LDROM) Discount Rate

The discount rate for LDROM is based on the FTSE yield curve as of December 31, 20252025 and the Fund’s expected future benefit cash flows. The single equivalent rate as of December 31, 2025 is 5.59%.

19. Disclosures regarding Models Used

In accordance with Actuarial Standard of Practice (ASOP) No. 56 *Modeling*, the following disclosures are made related to the valuation software:

A. Valuation Software
Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech), to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have a basic understanding of ProVal and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in ProVal's assumptions or output that would affect this valuation. We have reviewed the underlying workings of this model to the degree feasible and consistent with ASOP No. 56 and believe them to be appropriate for the purposes of the valuation.

B. Projections
Projections in this report were developed using P-Scan, our proprietary tool for the intended purpose of developing projections. The projections shown in this report cover multiple individual scenarios, and the variables are not necessarily correlated. We are not aware of any material inconsistencies, unreasonable output resulting from aggregation of assumptions, material limitations, or known weaknesses that would affect the projections shown in this report.

The projections are based on the same census data and financial information as of December 31, 2025 disclosed in this actuarial valuation. The projections assume continuation of the plan provisions, actuarial assumptions in effect as of December 31, 2025, and active membership remains at current levels. They do not reflect the impact of any changes in benefits other than those described in statute for Group B or actuarial assumptions that may be adopted after December 31, 2025.

The projections assume that all future assumptions are met except where specifically indicated. Future outcomes become increasingly uncertain over time; therefore, general trends, rather than absolute values, should be considered when reviewing these projections. Further, for the purposes of these projections, we have reflected only the aggregate impact of new entrants to the Fund and have not developed individual liabilities or detailed profiles for them. In our professional judgment, this approach is appropriate for these projections; however, if they were used for other purposes, alternative projections may be needed.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

20. New Entrant Profile for Initial Risk Sharing Valuation and Projections

When existing Group A members are assumed to decrement and no longer be active after December 31, 2025, it is assumed that the employee replacing them is covered under the reduced Group B provisions. Because the projections are on an open-group basis, the active population is assumed to be constant in size. For the purposes of these projections, we assumed that the characteristics of future hires will mirror the 124 members (95% male, 5% female) hired in 2024 and 2025. In our professional judgment, this assumption is reasonable and appropriate for this purpose.

21. Changes since Last Valuation

None.

22. Rationale for Assumptions

The actuarial assumptions were chosen by the Board of Trustees, upon the recommendation of the actuaries, based on an experience study issued by Cheiron on March 25, 2024, based on data through December 31, 2022, and adopted by the Board at the March 25, 2024 meeting.

Group A's 0.25% future COLA assumption was prescribed by legislation for the December 31, 2024 actuarial valuation and has been retained for this valuation. Given the number and parameters that are required before a COLA can be granted and the COLA cap of 1.5% per year to Group A, in our professional judgment, this assumption is reasonable and appropriate for this purpose. However, we have not performed any detailed quantitative analysis of this assumption.

Group B COLA is a performance-based COLA. To model future COLAs for Group B, assumptions were based on a lognormal distribution of returns with a 7.3% mean and 12.4% standard deviation. Initially, assuming returns are independent and identically distributed, the expected Group B COLA was calculated to be 0.85%. Given market return behavior and Actuarial Standard of Practice No. 27 guidance related to difficult-to-value provisions, 1.0% per year was selected for Group B Future COLA assumption. In our professional judgment, this assumption is reasonable and appropriate for the purpose of this analysis.

In our professional judgment, the combined effect of the assumptions selected by the actuary is not expected to have significant bias.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

B. Actuarial Methods

1. Funding Method

Liabilities and contributions shown in this report are computed using the Entry Age Normal Funding Method. Under this funding method, a Normal Cost Rate is determined as a level percentage of pay for each active member. The Normal Cost Rate times payroll equals the total normal cost allocated to the current year. Future normal costs, together with the Actuarial Liability for past service, fund the projected retirement benefits for Fund members.

The Actuarial Liability is that portion of the Present Value of Future Benefits allocated to service before the valuation date and not expected to be funded by future employer normal cost or Firefighter contributions. The difference between this liability and the assets accumulated as of the same date is referred to as the Unfunded Actuarial Liability (UAL).

Beginning with the 2026 calendar year, contributions will be determined under the statutory contribution allocation procedure described in Section V of this report. Prior to January 1, 2026, the City and Firefighter contributions were fixed, most recently at 22.05% and 18.70% of pay, respectively.

2. Asset Valuation Method

The Actuarial Value of Assets (AVA) has been calculated by taking the Market Value of Assets (MVA) less 80% of the investment gain (loss) during the preceding year, less 60% of the investment gain (loss) during the second preceding year, less 40% of the investment gain (loss) during the third preceding year, and less 20% of the investment gain (loss) in the fourth preceding year.

The investment gain (loss) is calculated as the difference between the expected MVA under the investment return assumption and the actual MVA.

As required by statute, the AVA was set to MVA as of December 31, 2024.

3. Amortization Method

The Legacy Liability is amortized using a closed 30-year Level Percent of Payroll Method. Future unanticipated changes in Unfunded Actuarial Liability are amortized as follows:

A. Losses: Level percentage of pay amortization over a 20-year closed period.

B. Gains: Level percentage of pay amortization over a closed period equal to the remaining amortization period on the largest remaining Liability Loss Layer, including the Legacy Loss Layer, or if no Liability Loss Layer exists, a period of 20 years.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

For the Actuarially Determined Contribution (ADC) Benchmark, the amortization method is an open 30-year Level Percent of Payroll Method amortization based on a payroll growth assumption of 3.00% per the Board's Funding Policy.

4. **Changes since Last Valuation**

None.

APPENDIX D – GLOSSARY

Glossary

Corridor Midpoint: the projected Municipal Contribution Rate specified for each calendar year for 30 years as provided by the Initial Risk Sharing Valuation Study, rounded to the nearest hundredth of a decimal place.

Corridor: the range of Municipal Contribution Rates that are:
(A) equal to or greater than the Minimum Municipal Contribution Rate; and
(B) equal to or less than the Maximum Municipal Contribution Rate.

Employer Normal Cost Rate: for a given calendar year, the Normal Cost Rate minus the applicable Firefighter Contribution Rate.

Estimated Municipal Contribution Rate: for a given calendar year, a Municipal Contribution Rate equal to the sum of the Municipal Normal Cost Rate and the amortization rate of the Liability Layers, as applicable, excluding the Legacy Liability layer, and before adjustments to the rate to be within the Corridor.

Five-Year Investment Return: means the average money-weighted rate of return of the Fund, based on a rolling five-year basis and net of investment expenses, for the applicable five-year period.

Funded Ratio: the ratio of assets divided by the actuarial accrued liability. Where the asset measure is not specified, the asset basis is the smoothed, actuarial value of assets (AVA).

Group A Members: Members hired before January 1, 2026

Group B Members: Members hired on or after January 1, 2026

Group B Cost-of-Living Adjustment Percentage: a percentage that is equal to the excess of the Fund's five-year investment return over the assumed rate of return, reduced by a 2% adjustment factor, multiplied by 50 percent. The resulting COLA is limited to a minimum of 0% and a maximum of 2%.

Legacy Liability: the Unfunded Actuarial Accrued Liability determined as of December 31, 2024, and for each subsequent calendar year reduced by the municipal legacy contribution amount for the calendar year allocated to the amortization of the legacy liability; and adjusted by the assumed rate of return adopted by the board of trustees for the calendar year ending December 31, 2024.

Level Percent of Payroll Method: an amortization method that defines the amount of the Liability Layer recognized each calendar year as a level percent of Pensionable Payroll until the amount of the Liability Layer remaining is reduced to zero.

Liability Gain Layer: a Liability Layer that decreases the Unfunded Actuarial Accrued Liability.

APPENDIX D – GLOSSARY

Liability Layer: means the Legacy Liability established in the Initial Risk Sharing Valuation Study or, for calendar years after December 31, 2024, the amount that the Fund's Unfunded Actuarial Accrued Liability increases or decreases, as applicable, due to the unanticipated change for the calendar year as determined in each Subsequent Risk Sharing Valuation Study.

Liability Loss Layer: a Liability Layer that increases the Unfunded Actuarial Accrued Liability. The Legacy Liability is included as a Liability Loss Layer.

Maximum Municipal Contribution Rate: for a given calendar year, the rate equal to the corridor midpoint plus the corridor margin.

Minimum Municipal Contribution Rate: for a given calendar year, the rate equal to the Corridor Midpoint minus the Corridor Margin.

Municipal Contribution Rate: for a given calendar year, a percentage rate equal to the sum of the Employer Normal Cost Rate and the amortization rate, as adjusted for the Corridor, if applicable.

Municipal Legacy Contribution Amount: for each calendar year, a predetermined payment amount, expressed in dollars, in accordance with a payment schedule that amortizes the Legacy Liability for the calendar year ending December 31, 2024.

Normal Cost Rate: for a given calendar year, the salary-weighted average of the individual normal cost rates determined for the current active member population, plus the assumed administrative expenses determined in the most recent actuarial experience study.

Payoff Year: the year a Liability Layer is fully amortized under the amortization period.

Pensionable Payroll: the compensation of all members in active service for a calendar year or pay period, as applicable.

Projected Pensionable Payroll: the estimated Pensionable Payroll for the calendar year beginning 12 months after the date of the Risk Sharing Valuation Study by projecting the prior calendar year's Pensionable Payroll forward two years using the current payroll growth rate assumption adopted by the Board of Trustees; and adjusting, if necessary, for changes in population or other known factors, provided those factors would have a material impact on the calculation, as determined by the Board of Trustees.

Unanticipated change: means, with respect to the Unfunded Actuarial Accrued Liability in each Subsequent Risk Sharing Valuation study, the difference between the remaining balance of all then-existing Liability Layers as of the date of the Risk Sharing Valuation Study that were created before the date of the study and the actual Unfunded Actuarial Accrued Liability as of the date of the Risk Sharing Valuation Study.

APPENDIX D – GLOSSARY

Unfunded Actuarial Accrued Liability: the difference between the Actuarial Accrued Liability and an asset measure. Where not otherwise specified, the asset basis is the Actuarial Value of Assets.

CHEIRON

Classic Values, Innovative Advice

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Austin Firefighters Retirement Fund

GASB 67/68 Report as of December 31, 2025

Produced by Cheiron
June 2026

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Via Electronic Mail

June 30, 2026

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

Dear Members of the Board:

This report provides accounting and financial reporting information for the City of Austin and the Austin Firefighters Retirement Fund ("Fund", AFRF) related to the AFRF.

This report includes the following information:

- Total Pension Liability,
- Calculation of the Net Pension Liability at the discount rate, as well as discount rates 1% higher and lower than the discount rate,
- Changes in the Net Pension Liability,
- Schedule of Employer Contributions,
- Disclosure of Deferred Inflows and Outflows of Resources, and
- Calculation of the Annual Pension Expense for the City of Austin.

Please let us know if you have any questions about the report.

Sincerely,
Cheiron

Heath Merlak

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

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

SECTION I - BOARD SUMMARY

Highlights

The current Measurement Date for the Austin Firefighters Retirement Fund (AFRF or Fund) is December 31, 2025. The results in this report are based on the Plan Fiduciary Net Position as of December 31, 2025 and the Total Pension Liability as of December 31, 2025. The Total Pension Liability as of December 31, 2025 is based on Cheiron's valuation as of December 31, 2025. It is our understanding that these measurements will be included in the Fund's ACFR as of a December 31, 2025 Reporting Date and in the City of Austin's ACFR as of a September 30, 2026 Reporting Date.

The table below summarizes the key results during this measurement period.

Summary of Results

	Measurement Date	
	12/31/2025	12/31/2024
Net Pension Liability	$ 291,909,756	$ 349,466,268
Deferred Outflows	(163,188,616)	(290,261,126)
Deferred Inflows	144,017,067	174,618,499
Net Impact on Statement of Net Position	$ 272,738,207	$ 233,823,641
Pension Expense ($ Amount)	$ 65,784,351	$ 80,304,097
Pension Expense (% of Payroll)	53.99%	68.04%

The Net Pension Liability (NPL) decreased by approximately $58 million since the prior Measurement Date. The decrease was primarily due to strong net investment income, along with employer and member contributions exceeding the combined increase from service cost, interest, administrative expenses, and the small liability experience loss. Projected Fund assets, as required by GASB under the current assumptions, are projected to be sufficient to cover all projected benefit payments for current members. Therefore, the discount rate equals the Fund's long-term expected rate of return, 7.30%.

Investment gains and losses are recognized over five years. Actuarial gains and losses and assumption changes are recognized over the average remaining service life, currently seven years. Plan changes are recognized immediately. Unrecognized amounts are reported as Deferred Inflows and Deferred Outflows of Resources. As of the end of the current reporting year, the City of Austin will report a Net Pension Liability of $291,909,756, Deferred Inflows of $144,017,067, and Deferred Outflows of $(163,188,616). Consequently, the net impact on the City of Austin's statement of net position due to AFRF would be $272,738,207 at the end of the reporting year. In addition, any contributions made between the Measurement Date and the Reporting Date will be reported as Deferred Outflows of Resources, offsetting the reported cash outflows.

For the measurement year ending December 31, 2025, the Pension Expense is $65,784,351, or 53.99% of covered payroll. This amount represents the change in the net impact on the City of

SECTION I - BOARD SUMMARY

Austin's statement of net position plus employer contributions ($272,738,207 – $233,823,641 + $26,869,785). Pension Expense volatility from year to year is to be expected and will be driven by investment gains or losses, but other changes can also have a significant impact. Section VI of the report shows a breakdown of the Pension Expense.

SECTION II - CERTIFICATION

The purpose of this report is to provide accounting and financial reporting information under Governmental Accounting Standards Board Statement No. 67 (GASB 67) for the Austin Firefighters Retirement Fund (AFRF) and under GASB No. 68 for the City of Austin. This report is for the use of AFRF, the City of Austin, and their auditors in preparing financial reports in accordance with applicable law and accounting requirements. This report is not appropriate for other purposes, including measuring AFRF funding requirements.

In preparing our report, we relied on information, some oral and some written, supplied by AFRF. This information includes, but is not limited to, the plan provisions, employee data, and financial information. 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, *Data Quality*.

Future actuarial measurements may differ significantly from the current measurements due to factors such as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

This report 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 report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This report was prepared for AFRF, the City of Austin, and their auditors, for the purposes described herein and for the use by the plan auditor in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

Heath Merlak

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

SECTION III - DETERMINATION OF DISCOUNT RATE

The cash flow projection used to determine the discount rate assumes that firefighter and municipal contributions to the Fund will be made in accordance with Article 6243e.1, Vernon's Texas Civil Statute. The Firefighter Contribution Rate is 18.70%, subject to potential adjustment under Article 6243e.1. Beginning with calendar year 2026, municipal contributions consist of the Municipal Contribution Rate and the Municipal Legacy Contribution Amount determined under Article 6243e.1.

Based on the December 31, 2025 Measurement Date and the requirements of GASB Nos. 67 and 68, the Fiduciary Net Position is expected to be sufficient to make all projected future benefit payments for current members. Therefore, the discount rate is equal to the Fund's long-term expected rate of return of 7.30%. The analysis supporting this conclusion is shown in Appendix D.

SECTION IV - NOTE DISCLOSURES

The table below shows the changes in the Total Pension Liability, the Plan Fiduciary Net Position (i.e., fair value of Fund assets), and the Net Pension Liability (NPL) during the measurement year.

Change in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**
Balances at 12/31/2024	$ 1,514,813,506	$ 1,165,347,238	$ 349,466,268
Changes for the year:			
Service cost, middle of year	35,799,396		35,799,396
Interest	107,997,074		107,997,074
Changes of benefits	0		0
Differences between expected and actual experience	1,235,283		1,235,283
Changes of assumptions	0		0
Contributions - employer		26,869,785	(26,869,785)
Contributions - member		22,784,767	(22,784,767)
Net investment income		155,664,368	(155,664,368)
Benefit payments	(107,871,865)	(107,871,865)	0
Administrative expense		(2,730,655)	2,730,655
Net changes	$ 37,159,888	$ 94,716,400	$ (57,556,512)
Balances at 12/31/2025	$ 1,551,973,394	$ 1,260,063,638	$ 291,909,756

During the measurement year, the NPL decreased by approximately $58 million. The service and interest costs increased the NPL by approximately $144 million. Net investment income decreased the NPL by approximately $156 million, partially offset by approximately $3 million in administrative expenses, for a net operations decrease of approximately $153 million. Additionally, contributions decreased the NPL by approximately $50 million.

SECTION IV - NOTE DISCLOSURES

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL, and higher discount rates produce a lower TPL. The table below shows the sensitivity of the NPL to the discount rate. Note that because the discount rate does not affect the measurement of assets, a relatively small change in the discount rate can result in a significant percentage change in the NPL.

Sensitivity of Net Pension Liability to Changes in Discount Rate

	1% Decrease 6.30%	Discount Rate 7.30%	1% Increase 8.30%
Total Pension Liability	$ 1,705,588,718	$ 1,551,973,394	$ 1,422,363,982
Plan Fiduciary Net Position	1,260,063,638	1,260,063,638	1,260,063,638
Net Pension Liability	$ 445,525,080	$ 291,909,756	$ 162,300,344
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.9%	81.2%	88.6%

A one percentage point decrease in the discount rate increases the TPL by approximately 10% and the NPL by approximately 53%. A one percentage point increase in the discount rate decreases the TPL by approximately 8% and the NPL by approximately 44%.

Asset Allocation and Expected Long-Term Real Rates of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

SECTION IV - NOTE DISCLOSURES

The following table summarizes the best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2025:

Asset Allocation and Expected Real Rate of Return[1]

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	23.0%	5.3%
Developed Market Equity (non-US)	10.0%	5.2%
Emerging Market Equity	12.0%	5.3%
Private Equity	12.0%	6.3%
Investment Grade Bonds	15.0%	2.2%
TIPS	5.0%	2.0%
High Yield	2.5%	3.9%
Bank Loans	2.5%	3.7%
Emerging Market Bonds	5.0%	3.7%
Private Real Estate	10.0%	5.7%
Private Infrastructure	3.0%	6.3%
Total	100.00%	

[1] Source: Meketa

For the year ending December 31, 2025, the actual money-weighted rate of return on plan assets was calculated by Meketa to be 14.10%, net of investment expense.

SECTION V - REQUIRED SUPPLEMENTARY INFORMATION

The schedules of Required Supplementary Information generally start with information as of the implementation of GASB 67 and will show up to 10 years of information. The schedule below and on the following page shows the changes in NPL and related ratios required by GASB for the last ten years.

Schedule of Changes in Net Pension Liability and Related Ratios
For the Measurement Year Ending December 31,

	2025	2024	2023	2022	2021
Total Pension Liability (TPL)					
Service cost (MOY)	$ 35,799,396	$ 44,637,013	$ 32,382,154	$ 31,101,116	$ 28,111,860
Interest	107,997,074	97,478,844	99,834,897	94,234,349	91,654,965
Changes of benefits	0	15,475,405	0	0	30,096,465
Differences between expected and actual experience	1,235,283	(2,184,592)	(6,339,940)	13,460,814	3,265,825
Changes of assumptions	0	(191,586,016)	213,908,378	20,949,282	0
Benefit payments, including refunds	(107,871,865)	(96,508,820)	(86,436,099)	(80,970,089)	(70,182,892)
Net change in TPL	**$ 37,159,888**	**$ (132,688,166)**	**$ 253,349,390**	**$ 78,775,472**	**$ 82,946,223**
TPL - beginning	**1,514,813,506**	**1,647,501,672**	**1,394,152,282**	**1,315,376,810**	**1,232,430,587**
TPL - ending	**$ 1,551,973,394**	**$ 1,514,813,506**	**$ 1,647,501,672**	**$ 1,394,152,282**	**$ 1,315,376,810**
Plan fiduciary net position					
Contributions - employer	$ 26,869,785	$ 26,024,963	$ 23,957,850	$ 22,765,290	$ 22,041,592
Contributions - member	22,784,767	22,071,057	20,317,995	19,306,629	18,697,102
Net investment income	155,664,368	53,733,991	91,231,229	(147,530,250)	171,935,761
Benefit payments, including refunds	(107,871,865)	(96,508,820)	(86,436,099)	(80,970,089)	(70,182,892)
Administrative expense	(2,730,655)	(2,668,345)	(2,209,453)	(1,283,215)	(970,731)
Net change in plan fiduciary net position	**$ 94,716,400**	**$ 2,652,846**	**$ 46,861,522**	**$ (187,711,635)**	**$ 141,520,832**
Plan fiduciary net position - beginning	**1,165,347,238**	**1,162,694,392**	**1,115,832,870**	**1,303,544,505**	**1,162,023,673**
Plan fiduciary net position - ending	**$ 1,260,063,638**	**$ 1,165,347,238**	**$ 1,162,694,392**	**$ 1,115,832,870**	**$ 1,303,544,505**
Net pension liability - ending	**$ 291,909,756**	**$ 349,466,268**	**$ 484,807,280**	**$ 278,319,412**	**$ 11,832,305**
Plan fiduciary net position as a percentage of the TPL	81.2%	76.9%	70.6%	80.0%	99.1%
Covered payroll	$ 121,843,674	$ 118,027,041	$ 108,652,381	$ 103,243,946	$ 99,961,868
Net pension liability as a percentage of covered payroll	239.6%	296.1%	446.2%	269.6%	11.8%

SECTION V - REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios
For the Measurement Year Ending December 31,

	2020	2019	2018	2017	2016
Total Pension Liability (TPL)					
Service cost (MOY)	$ 26,169,522	$ 26,191,723	$ 25,130,502	$ 23,830,495	$ 24,322,417
Interest	86,820,853	84,547,315	80,552,018	75,812,099	70,892,708
Changes of benefits	7,158,834	8,058,934	10,188,417	8,963,689	5,491,908
Differences between expected and actual experience	(1,670,701)	(9,834,830)	(735,314)	4,360,239	8,893,371
Changes of assumptions	21,410,890	12,707,469	(4,778,539)	0	0
Benefit payments, including refunds	(63,483,649)	(58,824,392)	(55,979,294)	(51,888,455)	(45,495,681)
Net change in TPL	**$ 76,405,749**	**$ 62,846,219**	**$ 54,377,790**	**$ 61,078,067**	**$ 64,104,723**
TPL - beginning	**1,156,024,838**	**1,093,178,619**	**1,038,800,829**	**977,722,762**	**913,618,039**
TPL - ending	**$ 1,232,430,587**	**$ 1,156,024,838**	**$ 1,093,178,619**	**$ 1,038,800,829**	**$ 977,722,762**
Plan fiduciary net position					
Contributions - employer	$ 21,311,021	$ 21,057,765	$ 20,084,617	$ 19,242,205	$ 19,103,891
Contributions - member	18,073,292	17,858,397	17,033,213	16,318,769	15,884,261
Net investment income	147,025,907	151,832,027 [1]	(25,114,064)	141,915,000	55,569,165
Benefit payments, including refunds	(63,483,649)	(58,824,392)	(55,979,294)	(51,888,455)	(45,495,681)
Administrative expense	(1,092,299)	(852,192)	(704,903)	(1,399,488)	(662,501)
Net change in plan fiduciary net position	**$ 121,834,272**	**$ 131,071,605**	**$ (44,680,431)**	**$ 124,188,031**	**$ 44,399,135**
Plan fiduciary net position - beginning	**1,040,189,401**	**909,117,796**	**953,798,227**	**829,610,196**	**785,211,061**
Plan fiduciary net position - ending	**$ 1,162,023,673**	**$ 1,040,189,401** [1]	**$ 909,117,796**	**$ 953,798,227**	**$ 829,610,196**
Net pension liability - ending	**$ 70,406,914**	**$ 115,835,437**	**$ 184,060,823**	**$ 85,002,602**	**$ 148,112,566**
Plan fiduciary net position as a percentage of the TPL	94.3%	90.0%	83.2%	91.8%	84.9%
Covered payroll	$ 96,648,621	$ 95,500,068	$ 91,086,698	$ 87,266,236	$ 86,638,961
Net pension liability as a percentage of covered payroll	72.8%	121.3%	202.1%	97.4%	171.0%

[1] Includes one-time adjustment to beginning Plan Fiduciary Net Position per Foster & Foster of $10,296,595.

SECTION V - REQUIRED SUPPLEMENTARY INFORMATION

The following table compares the Statutorily Required Contribution to the actual contributions for the last ten years.

Schedule of Employer Contributions For Year Ending December 31,

	2025	2024	2023	2022	2021
Statutorily Required Contribution	$ 26,869,785	$ 26,024,963	$ 23,957,850	$ 22,765,290	$ 22,041,592
Contributions in Relation to the Statutorily Required Contributions	26,869,785	26,024,963	23,957,850	22,765,290	22,041,592
Contribution Deficiency/(Excess)	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$121,843,674	$118,027,041	$108,652,381	$103,243,946	$ 99,961,868
Contributions as a Percentage of Covered Payroll	22.05%	22.05%	22.05%	22.05%	22.05%
	2020	**2019**	**2018**	**2017**	**2016**
Statutorily Required Contribution	$ 21,311,021	$ 21,057,765	$ 20,084,617	$ 19,242,205	$ 19,103,891
Contributions in Relation to the Statutorily Required Contributions	21,311,021	21,057,765	20,084,617	19,242,205	19,103,891
Contribution Deficiency/(Excess)	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 96,648,621	$ 95,500,068	$ 91,086,698	$ 87,266,236	$ 86,638,961
Contributions as a Percentage of Covered Payroll	22.05%	22.05%	22.05%	22.05%	22.05%

SECTION VI - EMPLOYER REPORTING AMOUNTS

We understand the city has elected to use the Measurement Date of December 31 within the fiscal year for their Reporting Date. As a result, the schedules in this section will be used by the City of Austin for its September 30, 2026 reporting.

The table below summarizes the current balances of Deferred Outflows and Deferred Inflows of Resources, net recognition over the next five years, and the total amount recognized thereafter.

Schedule of Deferred Inflows and Outflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,013,904	$ 7,169,913
Changes in assumptions	151,108,535	136,847,154
Net difference between projected and actual earnings on pension plan investments	3,066,177	0
Total	**$ 163,188,616**	**$ 144,017,067**

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Measurement year ended December 31:	
2026	$ 43,259,789
2027	(5,348,933)
2028	(5,543,175)
2029	(11,813,618)
2030	(1,558,983)
Thereafter	$ 176,469

The tables on the following pages provide details on the current balances of Deferred Inflows and Outflows of Resources, along with the recognition of each base for the current and following five years and the total for any years thereafter.

SECTION VI - EMPLOYER REPORTING AMOUNTS

Recognition of Experience (Gains) and Losses

Experience Year	Recognition Period	Total Amount	Beginning Fiscal Year Amount	Ending Fiscal Year Amount	Recognition Year 2025	2026	2027	2028	2029	2030	Thereafter
2025	7.0	$ 1,235,283	$ 1,235,283	$ 1,058,814	$ 176,469	$ 176,469	$ 176,469	$ 176,469	$ 176,469	$ 176,469	$ 176,469
2024	7.0	(2,184,592)	(1,872,507)	(1,560,422)	(312,085)	(312,085)	(312,085)	(312,085)	(312,085)	(312,082)	0
2023	8.0	(6,339,940)	(4,754,954)	(3,962,461)	(792,493)	(792,493)	(792,493)	(792,493)	(792,493)	(792,489)	0
2022	8.0	13,460,814	8,413,008	6,730,406	1,682,602	1,682,602	1,682,602	1,682,602	1,682,600	0	0
2021	8.0	3,265,825	1,632,912	1,224,684	408,228	408,228	408,228	408,228	0	0	0
2020	8.0	(1,670,701)	(626,514)	(417,676)	(208,838)	(208,838)	(208,838)	0	0	0	0
2019	8.0	(9,834,830)	(2,458,708)	(1,229,354)	(1,229,354)	(1,229,354)	0	0	0	0	0
2018	8.0	(735,314)	(91,914)	0	(91,914)	0	0	0	0	0	0
Deferred Outflows			11,281,203	9,013,904	2,267,299	2,267,299	2,267,299	2,267,299	1,859,069	176,469	176,469
Deferred (Inflows)			(9,804,597)	(7,169,913)	(2,634,684)	(2,542,770)	(1,313,416)	(1,104,578)	(1,104,578)	(1,104,571)	0
Net Change in Pension Expense			$ 1,476,606	$ 1,843,991	$ (367,385)	$ (275,471)	$ 953,883	$ 1,162,721	$ 754,491	$ (928,102)	$ 176,469

Recognition of Assumption Changes

Change Year	Recognition Period	Total Amount	Beginning Fiscal Year Amount	Ending Fiscal Year Amount	Recognition Year 2025	2026	2027	2028	2029	2030	Thereafter
2025	7.0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
2024	7.0	$ (191,586,016)	(164,216,585)	(136,847,154)	(27,369,431)	(27,369,431)	(27,369,431)	(27,369,431)	(27,369,431)	(27,369,430)	0
2023	8.0	$ 213,908,378	160,431,284	133,692,737	26,738,547	26,738,547	26,738,547	26,738,547	26,738,547	26,738,549	0
2021	8.0	$ 20,949,282	13,093,302	10,474,642	2,618,660	2,618,660	2,618,660	2,618,660	2,618,662	0	0
2020	8.0	$ 21,410,890	8,029,083	5,352,722	2,676,361	2,676,361	2,676,361	0	0	0	0
2019	8.0	$ 12,707,469	3,176,868	1,588,434	1,588,434	1,588,434	0	0	0	0	0
2018	8.0	$ (4,778,539)	(597,317)	0	(597,317)	0	0	0	0	0	0
Deferred Outflows			184,730,537	151,108,535	33,622,002	33,622,002	32,033,568	29,357,207	29,357,209	26,738,549	0
Deferred (Inflows)			(164,813,902)	(136,847,154)	(27,966,748)	(27,369,431)	(27,369,431)	(27,369,431)	(27,369,431)	(27,369,430)	0
Net Change in Pension Expense			$ 19,916,635	$ 14,261,381	$ 5,655,254	$ 6,252,571	$ 4,664,137	$ 1,987,776	$ 1,987,778	$ (630,881)	$ 0

SECTION VI - EMPLOYER REPORTING AMOUNTS

Recognition of Investment (Gains) and Losses											
Experience Year	Recognition Period	Total Amount	Beginning Fiscal Year Amount	Ending Fiscal Year Amount	Recognition Year 2025	2026	2027	2028	2029	2030	Thereafter
2025	5.0	$ (72,779,439)	$ (72,779,439)	$ (58,223,551)	$ (14,555,888)	$(14,555,888)	$(14,555,888)	$(14,555,888)	$(14,555,887)	$ 0	$ 0
2024	5.0	$ 29,311,076	23,448,861	17,586,646	5,862,215	5,862,215	5,862,215	5,862,216	0	0	0
2023	5.0	$ (11,366,400)	(6,819,840)	(4,546,560)	(2,273,280)	(2,273,280)	(2,273,280)	0	0	0	0
2022	5.0	$ 241,248,210	96,499,284	48,249,642	48,249,642	48,249,642	0	0	0	0	0
2021	5.0	$ (88,218,178)	(17,643,636)	0	(17,643,636)	0	0	0	0	0	0
Net Change in Pension Expense			$ 22,705,230	$ 3,066,177	$ 19,639,053	$ 37,282,689	$(10,966,953)	$ (8,693,672)	$(14,555,887)	$ 0	$ 0

SECTION VI - EMPLOYER REPORTING AMOUNTS

The Pension Expense recognized by the City of Austin can be calculated in two different ways. First, it can be calculated as the change in the amounts reported on the city's statement of net position related to AFRF that are not attributable to employer contributions. That is, it is the sum of the change in NPL, the changes in Deferred Outflows and Deferred Inflows of Resources, and municipal contributions.

Alternatively, Pension Expense can be calculated by its individual components. While GASB does not require or suggest organizing the individual components shown in the table below, doing so helps to understand the level and volatility of Pension Expense.

The measurement year ending December 31, 2025 is for the city's fiscal year ending September 30, 2026.

Calculation of Pension Expense

Measurement Year Ending:	2025	2024
Change in Net Pension Liability	$ (57,556,512)	$ (135,341,012)
Change in Deferred Outflows	127,072,510	26,450,970
Change in Deferred Inflows	(30,601,432)	163,169,176
Employer Contributions	26,869,785	26,024,963
Pension Expense	**$ 65,784,351**	**$ 80,304,097**
Operating Expenses		
Service cost	$ 35,799,396	$ 44,637,013
Employee contributions	(22,784,767)	(22,071,057)
Administrative expenses	2,730,655	2,668,345
Total	$ 15,745,284	$ 25,234,301
Financing Expenses		
Interest cost	$ 107,997,074	$ 97,478,844
Expected return on assets	(82,884,929)	(83,045,067)
Total	$ 25,112,145	$ 14,433,777
Changes		
Benefit changes	$ 0	$ 15,475,405
Recognition of assumption changes	5,655,254	5,655,254
Recognition of liability gains and losses	(367,385)	(543,854)
Recognition of investment gains and losses	19,639,053	20,049,214
Total	$ 24,926,922	$ 40,636,019
Pension Expense	**$ 65,784,351**	**$ 80,304,097**

SECTION VI - EMPLOYER REPORTING AMOUNTS

Operating expenses are items directly attributable to the plan's operation during the measurement year. Service Cost, less employee contributions, represents the increase in employer-provided benefits attributable to the year, and administrative expenses are the cost of operating AFRF for the year.

Financing expenses equal the interest on the Total Pension Liability less the expected return on assets. Since the discount rate equals the long-term expected return on investments, the financing expense is primarily the interest on the Net Pension Liability, with an adjustment for the difference between the interest on the Service Cost and the contributions.

The recognition of changes will drive most of the volatility in Pension Expense from year to year. Changes include any changes in benefits made during the year and the recognized amounts due to assumption changes, gains or losses on the TPL, and investment gains or losses.

APPENDIX A - MEMBERSHIP INFORMATION

A. Active Membership Data

Active Members Statistics			
	December 31, 2025	December 31, 2024	% Change
Active Members in Valuation			
Count			
Total	1,252	1,249	0.24%
Average Current Age			
Total	40.7	41.2	-1.14%
Average Service			
Total	11.6	11.9	-2.52%
Average Reported Compensation			
Total	$94,156	$92,725	1.54%

APPENDIX A - MEMBERSHIP INFORMATION

B. Inactive Membership Data

Inactive Member Statistics	December 31, 2025	December 31, 2024	% Change
Vested Terminated Members and Awaiting Refund			
Count			
Total	42	36	16.67%
Average Current Age			
Total	39.9	39.4	1.29%
Retirees, including DROP Members			
Count			
Total	885	834	6.12%
Average Current Age			
Total	66.6	66.5	0.18%
Average Monthly Benefit			
Total	$6,081	$6,059	0.37%
Disability Retirees			
Count			
Total	16	14	14.29%
Average Current Age			
Total	62.6	64.6	-3.22%
Average Monthly Benefit			
Total	$3,996	$3,854	3.70%
Beneficiaries and Alternate Payees			
Count			
Total	191	184	3.80%
Average Current Age			
Total	67.5	68.3	-1.04%
Average Monthly Benefit			
Total	$2,793	$2,907	-3.94%

APPENDIX B - ACTUARIAL ASSUMPTIONS AND METHODS

Below is a summary of the actuarial assumptions and methods used to calculate the Total Pension Liability as of December 31, 2025.

A. Actuarial Assumptions

1. **Measurement Date**

   December 31, 2025

2. **Valuation Date**

   December 31, 2025

3. **Rate of Investment Return**

   7.30%, net of investment expenses only

4. **Municipal Bond Rate**

   4.83%, based on the Bond Buyer 20-Bond GO Index at the Measurement Date

5. **Discount Rate**

   7.30%

6. **Price Inflation**

   2.50% per year

APPENDIX B - ACTUARIAL ASSUMPTIONS AND METHODS

7. Rates of Salary Increase

Salary increases are split into a wage inflation assumption of 2.50% and a merit scale based on service, shown below.

Years of Service	Merit Increase
0	7.00%
1	7.00%
2	6.50%
3	1.50%
4	0.50%
5	4.50%
6-7	1.00%
8	4.50%
9	0.50%
10	1.00%
11	3.50%
12	1.50%
13	1.00%
14	3.50%
15-16	1.00%
17	3.50%
18-19	1.00%
20	3.50%
21	0.50%
22+	0.00%

For fiscal 2024 and 2025, the salary increase assumption reflects additional base increases of 5.7% and 1.5%, respectively, based on the latest agreement between the City of Austin and the Austin Firefighters Association Local 975.

8. Aggregate Payroll Growth

2.50% per year

9. Disability

Age	Rate
Under 30	0.013%
30-39	0.040%
40-49	0.067%
50+	0.033%

APPENDIX B - ACTUARIAL ASSUMPTIONS AND METHODS

10. Mortality Rates

Active and Vested Terminated Lives:
PubS(A)-2010 Mortality Table for Employees.

Retiree Lives:
PubS(A)-2010 Mortality Table for Healthy Retirees.

Contingent Survivor Lives:
PubS(A)-2010 Mortality Table for Contingent Survivors.

Disabled Lives:
PubS(A)-2010 Mortality Table for Disabled Retirees.

Generational mortality improvements are projected from 2010 using Scale MP-2021.

11. Withdrawal

Withdrawal rates are based on service, shown below.

Years of Service	Rate
0-4	1.50%
5-14	0.75%
15+	0.00%

12. Retirement Rates

Age	Rate
42 and under	0.00%
43-48	3.00%
49-51	4.00%
52-53	7.00%
54	12.00%
55-57	20.00%
58-60	35.00%
61-62	50.00%
63 and up	100.00%

13. DROP Election

Group A members are assumed to elect either normal retirement or DROP, with the DROP period maximizing the present value of their retirement benefits, including reflecting the impact of previously granted COLAs the member would be eligible for during the assumed DROP period. Group B Members are assumed to maximize their DROP period after age 50 up to 5 years.

APPENDIX B - ACTUARIAL ASSUMPTIONS AND METHODS

14. Existing DROP Balances

Members with existing DROP balances are assumed to withdraw their balances over the next eight years, but no later than age 70½.

15. Future Cost-of-Living Adjustments

0.25% per year for Group A and 1.0% per year for Group B.

16. Active Payment Form Assumption

Life Annuity with 75% continued to the Surviving Spouse (or designated beneficiary) for Group A and Life Annuity for Group B.

17. Percent Married

100% of actives are assumed to be married.

18. Beneficiary Age

A Male member is assumed to be three years older than his beneficiary.

A Female member is assumed to be one year younger than her beneficiary.

19. Dependent Children

50% of active members are assumed to have dependent children, the youngest of whom is one year old.

20. Administrative Expenses

An administrative expense load of 1.25% of payroll is added to the normal cost.

21. Technical and Miscellaneous Assumptions

Decrement timing: Beginning of year.

Terminated vested members: All terminated vested members are assumed to be married and assumed to retire at normal retirement eligibility.

The limits in IRC sections 415(b) and 401(a)(17) are assumed to increase 2.5% per year.

22. Disclosures regarding Models Used

In accordance with Actuarial Standard of Practice (ASOP) No. 56 *Modeling*, the following disclosures are made related to the valuation software and projection models:

Valuation Software

Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech), to calculate liabilities and project benefit payments.

APPENDIX B - ACTUARIAL ASSUMPTIONS AND METHODS

We have relied on WinTech as the developer of ProVal. We have a basic understanding of ProVal and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in the assumptions or output of ProVal that would affect this valuation. We have reviewed the underlying workings of this model to the degree feasible and consistent with ASOP No. 56 and believe them to be appropriate for the valuation purposes.

Projection Model
This valuation report includes projections of future contributions and funded status, including the crossover test analysis in Appendix D, for the purpose of assisting the Board of Trustees and the sponsors of the Fund with the management of the Fund.

The projections are based on the same census data and financial information as of December 31, 2025 as disclosed in this actuarial valuation. The projections assume continuation of the plan provisions and actuarial assumptions in effect as of December 31, 2025. They do not reflect the impact of any changes in benefits (other than those required by pension reform) or actuarial assumptions that may be adopted after December 31, 2025.

The projections assume that all future assumptions are met except where specifically indicated. The future outcomes become increasingly uncertain over time; therefore, the general trends, not the absolute values, should be considered in the review of these projections. Further, for the purposes of these projections, we have reflected only the aggregate impact of new entrants entering the plan and have not developed individual liabilities or detailed profiles for these potential new entrants. We feel this is appropriate for these projections, but if they were used for other purposes, this may not be appropriate, and alternative projections may need to be developed.

23. Changes Since Last Valuation

None.

24. Rationale for Assumptions

The actuarial assumptions were chosen by the Board of Trustees, upon the recommendation of the actuaries, based on an experience study issued by Cheiron on March 25, 2024, based on data through December 31, 2022, and adopted by the Board at the March 25, 2024 meeting.

Group A's future COLA assumption of 0.25% was a prescribed assumption set by legislation for the December 31, 2024, actuarial valuation. Given the number and parameters that are required before a COLA can be granted and the COLA cap of 1.5% per year to Group A, in our professional judgment, this assumption is reasonable and appropriate for this purpose. However, we have not performed any quantitative analysis of this assumption.

APPENDIX B - ACTUARIAL ASSUMPTIONS AND METHODS

Group B's COLA, provided under pension reform, is a performance-based COLA. To model future COLAs for Group B, assumptions were based on a lognormal distribution of returns with a 7.3% mean and 12.4% standard deviation. Initially assuming returns are independent and identically distributed, the expected Group B COLA was calculated as 0.85%. Given market return behavior and Actuarial Standard of Practice No. 27 guidance related to difficult-to-value provisions, 1.0% per year was selected for the COLA assumption for Group B's future COLA assumption. In our professional judgment, this assumption is reasonable and appropriate for the purpose of this analysis.

APPENDIX C - SUMMARY OF PLAN PROVISIONS

Group A Members

1. Membership Requirement

All commissioned civil service and Texas state-certified firefighters with at least six months of service employed by the City of Austin fire department who were hired before January 1, 2026.

2. Salary

Salary (compensation) means base pay and longevity pay. No other forms of pay are included within the pensionable salaries.

3. Average Monthly Compensation

The average of the member's compensation for the 36 months of highest compensation.

4. Service Credit

One month of service credit is earned for each month the member makes the required contribution to the Fund.

5. Firefighter Contribution Rate

18.70% of Salary; subject to increase by up to two percentage points if the Estimated Municipal Contribution Rate exceeds the Maximum Municipal Contribution Rate.

6. Normal Retirement

Eligibility: Age 50 with 10 years of service or 25 years of service regardless of age.

Amount: 3.3% of average monthly compensation for each year of service with a minimum of $2,000 per month.

Normal Form of Payment: Life Annuity with 75% continuing to the Surviving Spouse (or designated beneficiary if the participant is unmarried).

7. Early Retirement

Eligibility: Age 45 with 10 years of service or 20 years of service, regardless of age.

Amount: 3.3% of average monthly compensation for each year of service.

8. Disability Retirement

Eligibility: Upon approval of disability by the Board of Trustees.

Amount: 3.3% of average monthly compensation for each year of service (but not less than 20 years).

APPENDIX C - SUMMARY OF PLAN PROVISIONS

9. Death while an Active Employee

Eligibility: Termination of employment due to death.

Amount: The surviving spouse or designated beneficiary will receive 75% of the member's accrued benefit based on the greater of their service at death or 20 years of service.

Each dependent child of a surviving spouse will receive 15% of the member's accrued benefit, but not less than 9.9% of Average Monthly Compensation, with a reduction if there are more than five surviving dependent children.

10. Deferred Retirement

Eligibility: Ten years of service. Must also elect to leave their member contributions in the Fund.

Amount: Accrued benefit payable at Normal Retirement eligibility.

11. Non-Vested Termination

Eligibility: Less than ten years of service.

Amount: A lump sum of member contributions with accumulated interest through December 31, 2025. Effective January 1, 2026, interest will not be earned on contributions.

12. Deferred Retirement Option Plan (DROP)

Under this program, a member eligible for service retirement may elect to continue in active service as a firefighter but have the Fund begin crediting "payments" to a deferred retirement option plan (DROP) account. The monthly "payments" would be an amount equal to what the member's monthly annuity would have been if the member had retired as of that eligible DROP date. Any eligible cost-of-living adjustments (COLAs) would be applied to the monthly annuity during this DROP period. During the DROP period, the member would have all their pension contributions and applicable annual interest of 5% go into DROP. When the member retires by terminating their active service in the fire department, an accumulated lump sum balance may be available for distribution (in whole or in part) to the member from the DROP account.

In lieu of electing to participate in the DROP before actual retirement, a member who is eligible for normal service retirement may elect to terminate active service as a firefighter and establish the DROP account at termination. Under this "RETRO or BACK DROP," the firefighter's DROP account reflects the accrual from the actual termination date back to a date on or after the date they become eligible for normal service retirement.

APPENDIX C - SUMMARY OF PLAN PROVISIONS

The maximum period under which a firefighter can participate in a DROP is seven years. A firefighter may elect to establish a DROP account after reaching normal or early service retirement eligibility. Twelve total withdrawals are allowed while the retiree's DROP account balance remains in the pension plan, with a maximum of four withdrawals in any year. These withdrawal limits can be altered by board policy, provided the change is deemed feasible. The withdrawals can be either a distribution to the retiree (provided the retiree reaches age 50 before retiring) or a rollover into a qualified IRA. The entire DROP balance must be withdrawn from the fund by April 1st of the calendar year following the year the retiree reaches age 70½.

13. Cost of Living Adjustments (COLAs)

Prior to January 1, 2026

When deemed affordable, eligible pension recipients are entitled to annual cost-of-living adjustments (COLAs). COLAs are approved only when the fund's actuary has advised the Board that such an adjustment would not impair the Fund's financial stability based on the COLA Adjustment Policy approved by the Board. The COLAs are to be based on the annual percentage increase in the Consumer Price Index (CPI-U).

Members who retire under Early Retirement are only eligible for COLAs once they would have reached Normal Service Retirement eligibility had they continued their employment. The COLAs provided over the last ten years are as follows:

Effective Date	Group A COLA
12/31/2025	0.00%
12/31/2024	0.00%
12/31/2023	0.00%
12/31/2022	0.00%
12/31/2021	5.40%
12/31/2020	1.40%
12/31/2019	1.70%
12/31/2018	2.30%
12/31/2017	2.20%
12/31/2016	1.50%

APPENDIX C - SUMMARY OF PLAN PROVISIONS

Effective January 1, 2026

The COLA amount will be up to 1.5% per year if the financial stability tests described below are satisfied and approved by the Board. Participants are eligible for the approved COLA upon reaching the later of age 67 and 5 years after retirement (age 69 if retired under early retirement).

The financial stability tests include:

1. Funded Ratio ≥ 80% for years 2024 – 2039, 85% for years 2040–2044, and 90% for 2045 and later.
2. Amortization Period ≤ 25 years for years 2024 – 2034, 20 years for years 2035–2039, and 15 years for 2040 and later.
3. Estimated Municpal Contribution Rate ≤ Corridor Midpoint + 4%.
4. No COLAs may be granted in any year beginning a year and a day after the Fund reports:
    a. An Annual Investment Return below zero
    b. A Five-Year Investment Return below the assumed rate of return

Note that the Austin City Council may approve a COLA in any format it deems appropriate when one or more requirements prohibit the AFRF Board from granting one.

14. Changes since the Last Valuation

None

APPENDIX C - SUMMARY OF PLAN PROVISIONS

Group B Members

1. Membership Requirement

All commissioned civil service and Texas state-certified firefighters with at least six months of service employed by the City of Austin Fire Department who were hired on or after January 1, 2026.

2. Salary

Salary (compensation) means base pay and longevity pay. No other forms of pay are included within the pensionable salaries.

3. Average Monthly Compensation

The average of the member's compensation for the 60 months of highest compensation.

4. Service Credit

One month of service credit is earned for each month the member makes the required contribution to the Fund.

5. Firefighter Contribution Rate

18.70% of Salary; subject to an increase of up to two percentage points if the Estimated Municipal Contribution Rate exceeds the Maximum Municipal Contribution Rate.

6. Normal Retirement

Eligibility:	Age 50 with 10 years of service or 25 years of service regardless of age.
Amount:	3.0% of average monthly compensation for each year of service, with a minimum of $2,000 per month.
Normal Form of Payment:	Life Annuity

7. Disability Retirement

Eligibility:	Upon approval of disability by the Board of Trustees.
Amount:	3.0% of average monthly compensation for each year of service (but not less than 20 years).

8. Death while an Active Employee

Eligibility: Termination of employment due to death.

APPENDIX C - SUMMARY OF PLAN PROVISIONS

Amount: The surviving spouse or designated beneficiary will receive 75% of the member's accrued benefit based on the greater of their service at death or 20 years of service.

Each dependent child of a surviving spouse will receive 15% of the member's accrued benefit, but not less than 9.9% of Average Monthly Compensation, with a reduction if there are more than five surviving dependent children.

9. Deferred Retirement

Eligibility: Ten years of service. Must also elect to leave their member contributions in the Fund.

Amount: The accrued benefit is payable at Normal Retirement eligibility, with such eligibility determined as if the member had remained employed.

10. Non-Vested Termination

Eligibility: Less than ten years of service.

Amount: A lump sum of member contributions.

11. Deferred Retirement Option Plan (DROP)

Under this program, a member eligible for service retirement may elect to continue in active service as a firefighter but have the Fund begin crediting "payments" to a deferred retirement option plan (DROP) account. The monthly "payments" would be an amount equal to what the member's monthly annuity would have been if the member had retired as of that eligible DROP date. During the DROP period, the member would have 50% pension contributions and applicable annual interest of 4% go into the DROP. When the member retires by terminating their active service in the fire department, an accumulated lump sum balance may be available for distribution (in whole or in part) to the member from the DROP account.

The maximum period under which a firefighter can participate in a DROP is seven years. A firefighter may elect to establish a DROP account after reaching normal retirement eligibility. Twelve total withdrawals are allowed while the retiree's DROP account balance remains in the pension plan, with a maximum of four withdrawals in any year. These withdrawal limits can be altered by Board policy, provided the change is deemed feasible. The withdrawals can be either a distribution to the retiree (provided the retiree reaches age 50 before retiring) or a rollover into a qualified IRA. The entire DROP balance must be withdrawn from the fund by April 1st of the calendar year following the year the retiree reaches age 70½.

APPENDIX C - SUMMARY OF PLAN PROVISIONS

12. Cost-of-Living Adjustments (COLAs)

The Group B Cost-of-Living Adjustment Percentage is performance-based and targets 1% per year (minimum of 0% and maximum of 2%) based on the Fund's Five-Year Investment Return. The percentage equals 50% of the Five-Year Investment Return in excess of the Adjustment Factor, with a minimum of 0% and a maximum of 2%. Participants are eligible for the approved COLA upon reaching the later of age 67 and 5 years after retirement.

13. Changes Since Last Valuation

None.

APPENDIX D – CROSSOVER TEST

Year	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (f)=(a)+(b)-(c)-(d)+(e)
2026	$1,260,063,638	$53,207,354	$136,594,660	$1,509,123	$88,940,503	$1,264,107,712
2027	1,264,107,712	57,324,233	128,955,827	1,546,851	89,655,894	1,280,585,161
2028	1,280,585,161	61,655,648	126,241,142	1,585,523	91,110,014	1,305,524,158
2029	1,305,524,158	61,928,089	125,948,523	1,625,161	92,949,401	1,332,827,965
2030	1,332,827,965	62,074,964	125,647,802	1,665,790	94,957,171	1,362,546,509
2031	1,362,546,509	62,323,876	126,635,788	1,707,434	97,098,631	1,393,625,794
2032	1,393,625,794	62,541,119	128,508,883	1,750,120	99,306,514	1,425,214,423
2033	1,425,214,423	62,635,465	129,865,577	1,793,873	101,565,651	1,457,756,089
2034	1,457,756,089	62,761,946	117,899,836	1,838,720	104,373,177	1,505,152,657
2035	1,505,152,657	62,850,588	120,884,004	1,884,688	107,727,653	1,552,962,206
2036	1,552,962,206	62,793,229	123,202,656	1,931,805	111,130,863	1,601,751,837
2037	1,601,751,837	62,731,505	126,641,243	1,980,100	114,565,263	1,650,427,261
2038	1,650,427,261	62,576,908	129,866,666	2,029,603	117,995,596	1,699,103,495
2039	1,699,103,495	62,391,802	133,023,533	2,080,343	121,427,309	1,747,818,731
2040	1,747,818,731	62,109,308	136,489,485	2,132,352	124,847,247	1,796,153,449
2041	1,796,153,449	61,768,556	140,243,990	2,185,660	128,226,926	1,843,719,280
2042	1,843,719,280	61,280,936	144,178,239	2,240,302	131,538,717	1,890,120,392
2043	1,890,120,392	60,690,704	148,219,167	2,296,309	134,757,930	1,935,053,550
2044	1,935,053,550	60,069,100	152,688,113	2,353,717	137,853,459	1,977,934,279
2045	1,977,934,279	59,293,930	156,675,798	2,412,560	140,810,860	2,018,950,711
2046	2,018,950,711	58,460,125	160,684,900	2,472,874	143,629,244	2,057,882,306
2047	2,057,882,306	57,639,242	163,849,384	2,534,696	146,326,130	2,095,463,598
2048	2,095,463,598	56,783,842	167,771,708	2,598,063	148,895,977	2,130,773,646
2049	2,130,773,646	14,922,342	170,027,893	2,663,015	149,889,348	2,122,894,429
2050	2,122,894,429	13,151,759	171,753,771	2,729,590	149,186,405	2,110,749,232
2051	2,110,749,232	11,472,962	173,240,995	2,797,830	148,183,834	2,094,367,203
2052	2,094,367,203	9,857,720	173,179,358	2,867,776	146,929,730	2,075,107,519
2053	2,075,107,519	8,376,052	172,922,386	2,939,470	145,477,288	2,053,099,003
2054	2,053,099,003	7,006,509	171,823,493	3,012,957	143,858,327	2,029,127,389
2055	2,029,127,389	5,746,564	169,316,336	3,088,281	142,150,419	2,004,619,755
2056	2,004,619,755	4,650,579	167,426,974	3,165,488	140,387,042	1,979,064,914
2057	1,979,064,914	3,657,701	164,001,488	3,244,625	138,605,927	1,954,082,429
2058	1,954,082,429	2,807,549	160,038,890	3,325,741	136,890,901	1,930,416,248
2059	1,930,416,248	2,099,683	155,917,035	3,408,884	135,282,704	1,908,472,716
2060	1,908,472,716	1,513,251	150,900,566	3,494,106	133,836,619	1,889,427,913
2061	1,889,427,913	1,064,744	146,651,893	3,581,459	132,579,479	1,872,838,784
2062	1,872,838,784	707,012	141,829,691	3,670,995	131,525,345	1,859,570,455
2063	1,859,570,455	445,054	136,976,441	3,762,770	130,718,097	1,849,994,395
2064	1,849,994,395	270,558	132,770,156	3,856,840	130,160,240	1,843,798,198
2065	1,843,798,198	148,430	128,461,985	3,953,261	129,854,560	1,841,385,942

APPENDIX D – CROSSOVER TEST

Year	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (f)=(a)+(b)-(c)-(d)+(e)
2066	$1,841,385,942	$76,167	$124,517,436	$4,052,092	$129,813,770	$1,842,706,351
2067	1,842,706,351	35,366	120,870,748	4,153,394	130,035,824	1,847,753,398
2068	1,847,753,398	12,555	117,213,933	4,257,229	130,530,841	1,856,825,632
2069	1,856,825,632	4,815	113,861,908	4,363,660	131,309,214	1,869,914,093
2070	1,869,914,093	0	110,375,409	4,472,751	132,385,603	1,887,451,535
2071	1,887,451,535	0	106,977,097	4,584,570	133,783,681	1,909,673,549
2072	1,909,673,549	0	103,509,735	4,699,184	135,526,107	1,936,990,737
2073	1,936,990,737	0	99,971,034	4,816,664	137,642,937	1,969,845,976
2074	1,969,845,976	0	96,358,542	4,937,081	140,166,586	2,008,716,939
2075	2,008,716,939	0	92,672,543	5,060,508	143,131,910	2,054,115,798
2076	2,054,115,798	0	88,915,058	5,187,020	146,576,223	2,106,589,942
2077	2,106,589,942	0	85,089,683	5,316,696	150,539,352	2,166,722,915
2078	2,166,722,915	0	81,201,564	5,449,613	155,063,710	2,235,135,448
2079	2,235,135,448	0	77,257,293	5,585,854	160,194,370	2,312,486,671
2080	2,312,486,671	0	73,264,994	5,725,500	165,979,154	2,399,475,331
2081	2,399,475,331	0	69,234,448	5,868,637	172,468,718	2,496,840,964
2082	2,496,840,964	0	65,177,484	6,015,353	179,716,619	2,605,364,745
2083	2,605,364,745	0	61,107,812	6,165,737	187,779,390	2,725,870,586
2084	2,725,870,586	0	57,041,084	6,319,881	196,716,610	2,859,226,231
2085	2,859,226,231	0	52,994,796	6,477,878	206,590,995	3,006,344,552
2086	3,006,344,552	0	48,987,489	6,639,825	217,468,516	3,168,185,754
2087	3,168,185,754	0	45,039,299	6,805,820	229,418,543	3,345,759,178
2088	3,345,759,178	0	41,170,892	6,975,966	242,514,012	3,540,126,332
2089	3,540,126,332	0	37,403,060	7,150,365	256,831,664	3,752,404,571
2090	3,752,404,571	0	33,757,029	7,329,124	272,452,302	3,983,770,720
2091	3,983,770,720	0	30,252,557	7,512,352	289,461,121	4,235,466,932
2092	4,235,466,932	0	26,908,259	7,700,161	307,948,127	4,508,806,639
2093	4,508,806,639	0	23,741,587	7,892,665	328,008,571	4,805,180,958
2094	4,805,180,958	0	20,767,611	8,089,982	349,743,459	5,126,066,824
2095	5,126,066,824	0	17,999,433	8,292,231	373,260,134	5,473,035,293
2096	5,473,035,293	0	15,447,103	8,499,537	398,672,919	5,847,761,572
2097	5,847,761,572	0	13,117,412	8,712,025	426,103,854	6,252,035,989
2098	6,252,035,989	0	11,014,095	8,929,826	455,683,495	6,687,775,563
2099	6,687,775,563	0	9,137,262	9,153,072	487,551,777	7,157,037,007
2100	7,157,037,007	0	7,483,679	9,381,898	521,858,950	7,662,030,379
2101	7,662,030,379	0	6,046,440	9,616,446	558,766,592	8,205,134,086
2102	8,205,134,086	0	4,815,156	9,856,857	598,448,692	8,788,910,765
2103	8,788,910,765	0	3,776,534	10,103,278	641,092,796	9,416,123,749
2104	9,416,123,749	0	2,914,622	10,355,860	686,901,192	10,089,754,459
2105	10,089,754,459	0	2,211,534	10,614,757	736,092,161	10,813,020,329

APPENDIX D – CROSSOVER TEST

Year	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (f)=(a)+(b)-(c)-(d)+(e)
2106	$10,813,020,329	$0	$1,648,320	$10,880,126	$788,901,250	$11,589,393,133
2107	11,589,393,133	0	1,205,636	11,152,129	845,582,585	12,422,617,954
2108	12,422,617,954	0	864,570	11,430,932	906,410,229	13,316,732,680
2109	13,316,732,680	0	607,275	11,716,705	971,679,583	14,276,088,283
2110	14,276,088,283	0	417,409	12,009,623	1,041,708,847	15,305,370,098
2111	15,305,370,098	0	280,492	12,309,864	1,116,840,563	16,409,620,305
2112	16,409,620,305	0	184,104	12,617,610	1,197,443,249	17,594,261,839
2113	17,594,261,839	0	117,920	12,933,051	1,283,913,144	18,865,124,013
2114	18,865,124,013	0	73,642	13,256,377	1,376,676,077	20,228,470,072
2115	20,228,470,072	0	44,813	13,587,786	1,476,189,489	21,691,026,962
2116	21,691,026,962	0	26,558	13,927,481	1,582,944,616	23,260,017,539
2117	23,260,017,539	0	15,323	14,275,668	1,697,468,846	24,943,195,394
2118	24,943,195,394	0	8,608	14,632,560	1,820,328,273	26,748,882,499
2119	26,748,882,499	0	4,712	14,998,374	1,952,130,455	28,686,009,869
2120	28,686,009,869	0	2,518	15,373,333	2,093,527,387	30,764,161,405
2121	30,764,161,405	0	1,315	15,757,666	2,245,218,711	32,993,621,134
2122	32,993,621,134	0	672	16,151,608	2,407,955,168	35,385,424,022
2123	35,385,424,022	0	336	16,555,398	2,582,542,312	37,951,410,600
2124	37,951,410,600	0	163	16,969,283	2,769,844,498	40,704,285,652
2125	40,704,285,652	0	77	17,393,515	2,970,789,168	43,657,681,228
2126	43,657,681,228	0	34	17,828,353	3,186,371,455	46,826,224,296
2127	46,826,224,296	0	14	18,274,062	3,417,659,118	50,225,609,339

APPENDIX E – GLOSSARY OF TERMS

1. Actuarial Valuation Date

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the Measurement Date and up to 30 months prior to the employer's Reporting Date.

2. Deferred Inflow of Resources

An acquisition of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience gains on the Total Pension Liability, assumption changes reducing the Total Pension Liability, or investment gains that are recognized in future reporting periods.

3. Deferred Outflow of Resources

A consumption of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience losses on the Total Pension Liability, assumption changes increasing the Total Pension Liability, or investment losses that are recognized in future reporting periods.

4. Entry Age Actuarial Cost Method

The actuarial cost method required for GASB 67 and 68 calculations. Under this method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the Service Cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future Service Costs is called the Total Pension Liability.

5. Measurement Date

The date as of which the Total Pension Liability and Plan Fiduciary Net Position are measured. The Total Pension Liability may be projected from the Actuarial Valuation Date to the Measurement Date. The Measurement Date must be the same as the Reporting Date for the plan.

6. Net Pension Liability

The liability of employers and nonemployer contributing entities for employees for benefits provided through a defined benefit pension plan. It is calculated as the Total Pension Liability less the Plan Fiduciary Net Position.

APPENDIX E – GLOSSARY OF TERMS

7. Plan Fiduciary Net Position

The fair or market value of assets.

8. Reporting Date

The last day of the plan or employer's fiscal year.

9. Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 67 and 68. The Service Cost is the normal cost calculated under the Entry Age Actuarial Cost Method.

10. Total Pension Liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB 67 and 68. The Total Pension Liability is the Actuarial Liability calculated under the Entry Age Actuarial Cost Method. This measurement generally is not appropriate for estimating the cost to settle the Plan's liabilities.

Classic Values, Innovative Advice

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Montemayor Britton Bender Carey PC

CERTIFIED PUBLIC ACCOUNTANTS

Arturo Montemayor III CPA, President & CEO | Stacy Britton CPA, Shareholder | Sean Bender CPA, Shareholder
Danielle Guerrero, Shareholder | Sara Carey CPA, Shareholder

Board of Trustees
Austin Fire Fighters' Relief and Retirement Fund dba
Austin Firefighters Retirement Fund

COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE

We have audited the financial statements of the Austin Fire Fighters' Relief and Retirement Fund dba Austin Firefighters Retirement Fund (the Fund) for the year ended 31 December 2025, and have issued our report thereon dated 13 July 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated 23 March 2026. Professional standards also require that we communicate to you the following information related to our audit.

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Fund are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

1. Management's estimate of the fair value of investments that do not have market values, such as private equity investment partnerships, private equity real estate, and private natural resources funds, are based on determinations made by the underlying funds that consider operating results, financial conditions, real estate appraisals and recent sales prices. We evaluated the methods, assumptions, and data used to develop the fair value of investments in determining that these values are reasonable in relation to the financial statements taken as a whole.

2. The total pension liability disclosed in Note 1 of the financial statements was determined by an actuarial valuation. We evaluated the methods, assumptions, and data used to develop the valuation in determining that they are reasonable in relation to the financial statements taken as a whole.

125 Rose Street
Suite 202
Buda TX 78610
512.422.7926
www.montemayor.team

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated 13 July 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Fund's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We applied certain limited procedures to the management's discussion and analysis and the supplemental schedules of changes in the net pension liability and related ratios, schedule of employer contributions, and schedule of investment returns, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary schedule of direct and indirect fees and commissions, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Trustees and is not intended to be, and should not be, used by anyone other than these specified parties.

Montemayor Britton Bender Carey PC

13 July 2026
Buda, Texas

Montemayor Britton Bender Carey PC

CERTIFIED PUBLIC ACCOUNTANTS

AUSTIN FIRE FIGHTERS' RELIEF AND RETIREMENT FUND
DBA
AUSTIN FIREFIGHTERS RETIREMENT FUND

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT

31 DECEMBER 2025

AUSTIN FIREFIGHTERS RETIREMENT FUND

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Montemayor Britton Bender Carey PC

CERTIFIED PUBLIC ACCOUNTANTS

Arturo Montemayor III CPA, President & CEO | Stacy Britton CPA, Shareholder | Sean Bender CPA, Shareholder
Danielle Guerrero, Shareholder | Sara Carey CPA, Shareholder

Board of Trustees
Austin Firefighters Retirement Fund

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying statement of fiduciary net position of the Austin Firefighters Retirement Fund (the Fund) as of 31 December 2025 the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, which collectively comprise the Fund's financial statements as listed in the table of contents.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

125 Rose Street
Suite 202
Buda TX 78610
512.422.7926
www.montemayor.team

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misinterpretations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing our audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 and the supplemental schedules of changes in net pension liability and related ratios, schedule of employer contributions, and schedule of investment returns on pages 21 through 22 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Fund's financial statements as a whole. The supplementary schedule of direct and indirect fees and commissions on page 23 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information referred to above is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section, the GASB Statement No. 67 and No. 68 portion of the Financial Section, the Actuarial Section, and the Plan Provision Changes and Benefit Guide Section but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Montemayor Britton Bender Carey PC

13 July 2026
Buda, Texas

AUSTIN FIREFIGHTERS RETIREMENT FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Austin Firefighters Retirement Fund's (the Fund) financial performance provides an overview of the Fund's activities for the calendar years 2025 and 2024. This information is provided in conjunction with our financial statements that follow.

FINANCIAL HIGHLIGHTS

- Fiduciary net position of the Fund increased by $94,716,400 or 8.13% in 2025, due to increased market returns. The fiduciary net position of the Fund increased by $2,652,846 or .23% in 2024 also due to increased market returns.

- Total contributions by the members and the City of Austin increased by 3.24% in 2025 and increased by 8.63% in 2024. The increase for 2025 over 2024 reflects wage increases amongst participants.

- The amount of benefits paid directly to retired members and their beneficiaries increased by $11,363,045 in 2025 and increased by $10,072,721 in 2024. The number of pension recipients and lump sum distributions increased for both years.

- The funding objective of the Fund is to meet long-term benefit obligations through contributions by the members and the City of Austin as well as from the investment income. As of 31 December 2025, the most recent actuarial measurement date, the Fund's actuarial funded ratio of actuarial assets as a percentage of actuarial liabilities was 77.4%, compared to 76.9% as of 31 December 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Fund's financial statements consist of the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position, with accompanying Notes to the Financial Statements. The information available in each is summarized below:

The Statement of Fiduciary Net Position presents the Fund's assets and liabilities and the resulting net position, which are held in trust for pension benefits. This statement provides a snapshot as of year-end of the Fund's investments, stated at fair value, along with cash and cash equivalents, receivables, and other assets and liabilities. Over time, increases or decreases in Fund net position may serve as a useful indicator of whether the financial position of the Fund is improving or deteriorating.

The Statement of Changes in Fiduciary Net Position presents information showing additions to and deductions from the Fund during a twelve-month period, using the accrual basis of accounting. Thus, additions are reported when earned and deductions when incurred, regardless of when cash is received or paid. The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

FINANCIAL ANALYSIS

Our analysis below focuses on the fiduciary net position and changes in fiduciary net position of the Fund.

Summary of Fiduciary Net Position

31 December 2025, 2024 and 2023

	2025	2024	2023
Cash and receivables	$16,291,019	$10,460,994	$10,179,737
Investments	1,243,840,553	1,155,244,470	1,152,514,655
Total assets	1,260,131,572	1,165,705,464	1,162,694,392
Total liabilities	67,934	358,226	0
Fiduciary net position for pension benefits	$1,260,063,638	$1,165,347,238	$1,162,694,392

Net position: The net position of the Fund increased by $94,716,400 in 2025 and increased by $2,652,846 in 2024. The increase in 2025 reflects positive investment returns. The increase in 2024 reflects positive investment returns and contributions to the fund, and increased payouts from the Fund. The increase in 2023 of $46,861,522 reflects positive investment returns and decreased payouts from the Fund.

Liabilities: The Fund's liabilities decreased by $290,292 in 2025, increased by $358,226 in 2024, and decreased by $329,113 in 2023. The year over year changes were primarily attributed to the timing of payments to investment managers for their investment fees.

Summary of Changes in Fiduciary Net Position

31 December 2025, 2024 and 2023

	2025	2024	2023
Additions:			
Contributions	$49,654,552	$48,096,020	$44,275,845
Investment income (loss)	155,126,800	53,291,002	90,830,776
Other income	537,568	442,989	400,453
Total additions	205,318,920	101,830,011	135,507,074
Deductions:			
Benefit payments and contribution refunds	107,871,865	96,508,820	86,436,099
Administrative expenses	2,730,655	2,668,345	2,209,453
Total deductions	110,602,520	99,177,165	88,645,552
Net increase (decrease)	94,716,400	2,652,846	46,861,522
Fiduciary net position restricted for pension benefits			
Beginning of year	1,165,347,238	1,162,694,392	1,115,832,870
End of year	$1,260,063,638	$1,165,347,238	$1,162,694,392

Additions: Total contributions by the members and City of Austin for 2025 and 2024 were $49,654,552 and $48,096,020 respectively. The increase of $1,558,532 in 2025 represents an 3.24% increase from 2024. The increase of $3,820,175 in contributions for 2024 represents a 8.63% increase. Net investment income was approximately $155 million and $53 million for 2025 and 2024, respectively.

Deductions: The expenses paid by the pension plan include the benefit payments, refunds of member contributions, administrative and other expenses. Benefits paid directly to retired members and their beneficiaries and contribution refunds in 2025 were $107,871,865 compared to $96,508,820 in 2024. The amount of benefits paid increased by $11,363,045 in 2025 from 2024 and increased by $10,072,721 in 2024 from 2023. The increases in both 2024 and 2023 over prior years were due to the increases in the both number of retirees receiving benefits and in the amount of lump sum distributions.

Overall Analysis: As of 31 December 2025, fiduciary net position increased by $94,716,400 over 2024. As of December 2024, fiduciary net position increased by $2,652,846 or 0.2% over the prior year. The most recent actuarial measurement date of 31 December 2025 shows the Fund's actuarial funded ratio to be 77.4% compared to 76.9% from prior year. The 31 December 2025 valuation shows the Fund continues to be actuarially sound and has taken positive steps to continue that course.

REQUEST FOR INFORMATION

This financial report is intended to provide a general overview of the Fund's finances and to demonstrate the Fund's accountability for the money it receives. Any questions regarding this report may be addressed to the fund administration at: 4101 Parkstone Heights Dr., Suite 270, Austin, TX 78746.

AUSTIN FIREFIGHTERS RETIREMENT FUND

STATEMENT OF FIDUCIARY NET POSITION

31 DECEMBER 2025

ASSETS	
Cash and cash equivalents	$15,473,594
Investments at fair value:	
Public domestic equities	301,664,110
Public international equities	307,031,407
Private equity fund investments	148,712,223
Public fixed income investments	374,208,470
Real estate fund investments	89,918,988
Private natural resources fund investments	22,305,355
	1,243,840,553
Due from broker	713,811
Interest and dividends receivable	103,614
	1,260,131,572
LIABILITIES	
Due to broker and other accrued liabilities	67,934
FIDUCIARY NET POSITION RESTRICTED FOR PENSION BENEFITS	$1,260,063,638

The accompanying notes are an integral part of this financial statement presentation.

AUSTIN FIREFIGHTERS RETIREMENT FUND

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED 31 DECEMBER 2025

ADDITIONS TO FIDUCIARY NET POSITION	
Contributions:	
Firefighter contributions	$22,784,767
City of Austin contributions	26,869,785
	49,654,552
Net investment income:	
Net appreciation in fair value of investments	144,710,478
Interest and dividends	12,602,113
Investment expenses	(2,185,791)
	155,126,800
Other	537,568
	205,318,920
DEDUCTIONS FROM FIDUCIARY NET POSITION	
Retirement benefit payments	107,871,865
General and administrative expenses	2,730,655
	110,602,520
Net increase in fiduciary net position restricted for benefits	94,716,400
Beginning of year fiduciary net position restricted for benefits	1,165,347,238
End of year fiduciary net position restricted for benefits	$1,260,063,638

The accompanying notes are an integral part of this financial statement presentation.

NOTE 1: ORGANIZATION

A. FUND DESCRIPTION

The Board of Trustees of the Austin Firefighters Retirement Fund (the Fund) is the administrator of a single-employer defined benefit pension plan covering firefighters employed by the City of Austin, Texas. The Fund is open solely to active firefighters in the City of Austin (the City). The Fund is considered a part of the City of Austin's financial reporting entity and is included in the City's financial statements as a pension fund trust. The Fund was originally established, and may be amended, by acts of the Texas Legislature. The current governing statute is Article 6243e.1, Vernon's Texas Civil Statutes. The Fund is governed by a Board of Trustees, which is composed of five members: the mayor of the municipality; the City's Treasurer or, if there is no Treasurer, a person who by law, charter provision, or ordinance performs the duty of the City Treasurer, and three active members of the retirement Fund elected by vote of the firefighters and retirees. House Bill 2802/Senate Bill 2345 was signed into law on 20 June 2025. Effective 1 January 2026, the Fund is governed by a Board of Trustees composed of seven members: the mayor of the City or designee; the City's Chief Financial Officer or designee, four members of the retirement Fund elected by vote of the firefighters and retirees, and a qualified citizen appointed by City Council with experience in financial, investment, or pension matters.

The table below summarizes the membership of the Fund as of 31 December 2025:

Retirees and Beneficiaries Currently Receiving Benefits	1,092
Terminated Members Entitled to Benefits but Not Yet Receiving Them	42
Active Participants (Vested and Nonvested)	1,252
	2,386

The Fund provides service retirement, death, disability, and termination benefits. When a member has completed ten years of credited service after entrance into the Fund, the member's account becomes vested and non-forfeitable. Under the terms of the Fund agreement, members or their beneficiaries are eligible for distributions of benefits upon attaining a normal retirement age of 50 with ten years of service, or upon completing 25 years of service regardless of age. In addition, Group A members (hired before 1 January 2026) are eligible for early retirement benefits upon reaching age 45 with at least ten years of service or upon completing 20 years of creditable service, regardless of age. Distributions to Group A members or their beneficiaries are also available in the event of total and permanent disability or upon death including survivor (spousal) benefits at 75% of retiree benefits. Group A members are eligible to enter the Deferred Retirement Option Plan (DROP) upon satisfaction of normal retirement eligibility, not to exceed seven years. DROP provides eligible participants the ability to designate benefits to be disbursed in a single payment or not more than twelve payments upon leaving active service. Group B members (hired on or after 1 January 2026) have a similar benefit structure as Group A members with different benefit parameters. Group B members are eligible for Single Life Annuity only, with no early retirement option. Distributions to members or their beneficiaries are also available in the event of total and permanent disability or upon death including survivor (spousal) benefits. Group B members are eligible to enter the Forward DROP only upon satisfaction of normal retirement eligibility, not to exceed seven years.

The term of benefit payments are determined by the member's level of earnings and length of service. With the exception of payments under the DROP feature, distributions of payments are made in a series of equal installments over a period of time. Payments to members or their beneficiaries may be increased annually by the amount of increase in the Consumer Price index. Cost-of-living increases must be approved by the Board of Trustees and actuary of the Fund. There was not a cost-of-living adjustment (COLA) for the year ending 31 December 2025. The contribution refunds are paid with 5% interest for the year ending 31 December 2025. Effective 1 January 2026, discretionary ad hoc COLAs for Group A members are subject to financial stability testing and an annual maximum of 1.5%. COLA eligibility begins at the later of age 67 or 5 years after retirement (age 69 for early retirement). Group B members are eligible for performance-based ad hoc COLAs, within range of 0% minimum to 2% maximum. COLA eligibility begins at the later of age 67 or 5 years after retirement but ineligible while DROP balance exists.

B. FUNDING POLICY

The contribution provision of this Fund is authorized by Article 6243e.1, Vernon's Texas Civil Statutes, which provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each member and a percentage of payroll by the City.

The Fund is maintained by biweekly contributions from the earnings of firefighters and from the City. For the year ended 31 December 2025, the City's contribution rate was 22.05% and firefighters' contribution rate was 18.70% of their earnings excluding overtime, educational incentive pay, assignment pay, and temporary pay in higher classifications. Effective 1 September 2025, House Bill 2802 will transition the City from a fixed rate funding model to an actuarially determined contribution (ADC) structure. The City contribution rate will include a payment designed to amortize the legacy unfunded liability over a 30-year period starting 1 January 2026, and will set a minimum and maximum rate (a corridor) for future benefit funding to avoid significant fluctuations in the City's contributions.

C. NET PENSION LIABILITY

The Fund's net pension liability measured as of 31 December 2025 was as follows:

Total pension liability	$1,551,973,394
Plan fiduciary net position	(1,260,063,638)
Net pension liability	$291,909,756
Plan fiduciary net position as a percentage of total pension liability	81.2%

1. Actuarial Assumptions

The total pension liability in the 31 December 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation assumption: 2.5% per year.

Rate of investment return: 7.30% compounded annually, net of investment and administration expenses.

Municipal bond rate: 4.83%, based on the Bond Buyer 20-Bond GO Index at the measurement date.

Rates of Salary Increase: Salary increases are split into a wage inflation assumption of 2.50% and a merit scale based on service. For fiscal years 2024 and 2025, additional base increases of 5.7% and 1.5%, respectively, have been reflected based on the latest agreement between the City of Austin and the Austin Firefighters Association Local 975.

Aggregate payroll growth: 2.5% per year.

Disability:

Age	Rate
Under 30	0.013%
30-39	0.040%
40-49	0.067%
50+	0.033%

Mortality Rates:

Active and Vested Terminated Lives: PubS(A)-2010 Mortality Table for Employees.

Retiree Lives: PubS(A)-2010 Mortality Table for Healthy Retirees.

Contingent Survivor Lives: PubS(A)-2010 Mortality Table for Contingent Survivors.

Disabled Lives: PubS(A)-2010 Mortality Table for Disabled Retirees.

Generational mortality improvements are projected from 2010 using Scale MP-2021.

Withdrawal rates are based on department and service.

Retirement Rates are based on probability of retirement and years past early retirement eligibility.

DROP Election: Group A members are assumed to elect either normal retirement or DROP with the DROP period that maximizes the present value of their retirement benefits, including reflecting the impact of previously granted COLAs the member would be eligible for during the assumed DROP period. Group B members are assumed to maximize their DROP period after age 50 up to 5 years.

Existing DROP Balances: Members with existing DROP balances are assumed to withdraw their balances over the next eight years, but no later than age 70½.

Future Cost-of-Living Adjustment Assumption: 0.25% per year for Group A and 1.0 % per year for Group B.

Active Payment Form Assumption: Life Annuity with 75% continued to the Surviving Spouse (or designated beneficiary) for Group A and Life annuity for Group B.

Percent Married: 100% of actives are assumed to be married.

Spouse Age: A male member is assumed to be three years older than his beneficiary and a female member is assumed to be one year younger than her beneficiary.

Dependent Children: 50% of active members are assumed to have dependent children and the youngest child is assumed to be one year.

Administrative Expenses: Administrative expenses of 1.25% of payroll are added to the normal cost.

The long-term expected rate of return on investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and the expected arithmetic net real rates of return for each major asset class are summarized in the following table:

Asset Class	Target allocation	Expected real rate of return
Domestic Equity	23%	5.3%
Developed Market Equity (non-US)	10%	5.2%
Emerging Market Equity	12%	5.3%
Private Equity	12%	6.3%
Investment Grade Bonds	15%	2.2%
TIPS	5%	2.0%
High Yield Bonds	2.5%	3.9%
Bank Loans	2.5%	3.7%
Emerging Markets Bonds	5%	3.7%
Private Real Estate	10%	5.7%
Private Infrastructure	3%	6.3%

2. Discount Rate

The discount rate used to measure the Total Pension Liability was 7.30%. The projection of cash flows used to determine the discount rate assumes that member and City contributions to the Fund will follow the required contributions as described by Vernon’s Texas Civil Statute, Article 6243e.1.These rates of contributions are 18.70% of compensation for the members and an actuarially determined contribution for the City beginning for the 2026 calendar year (fixed contribution rate of 22.05% applies for the 2025 calendar year).

Based on the 31 December 2025, Measurement Date and the requirements of GASB Nos. 67 and 68, including pension reform, the Fiduciary Net Position is not projected to be depleted before all benefit payments projected for the current membership are paid. Therefore, the discount rate is equal to the Fund’s long-term expected rate of return of 7.30%.

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

The following presents the net pension liability of the Fund, calculated using the discount rate of 7.30%, as well as what the Fund's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.30%) or one percentage point higher (8.30%) than the current rate:

	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
Fund's net pension liability	$445,525,080	$291,909,756	$162,300,344

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Fund's financial statements are prepared using the accrual basis of accounting under which expenses are recorded when the liability is incurred, revenues are recorded in the accounting period in which they are earned and become measurable, and investment purchases and sales are recorded as of their trade date. Firefighter and City contributions are recognized as revenues in the period which the related employees' payroll is earned. Benefits are recognized when the employee becomes eligible for retirement and elects to retire under the system and is paid a benefit. Employee contribution refunds are recognized when the employee leaves the City and elects to withdraw a contribution.

METHOD USED TO VALUE INVESTMENTS

Cash and cash equivalents include deposits in a custodian-managed investment pool from which the Fund may make deposits and withdrawals at any time without prior notice or penalty. The market value of such deposits is equal to cost. The Board of Trustees has adopted a Statement of Investment Policies and Objectives (Investment Policy) to set forth factors involved in the management of investment assets for the Fund. By statute, the Board of Trustees in its sole discretion may invest, reinvest, or change the assets of the Fund.

The Board of Trustees shall invest in funds in whatever instruments or investments are considered prudent. In making investments for the Fund, the Board of Trustees shall discharge its duties with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with such matters would use in the conduct of an enterprise of a similar character and with similar aims.

Investments are reported at fair value. Securities traded on a national or international exchanges are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. Realized and unrealized gains and losses as well as other investment adjustments are reported as net appreciation (depreciation) in the fair value of investments.

ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions to the net position restricted for pension benefits during the reporting period. Actual results could differ from those estimates.

FUND EXPENSES

All Fund administrative costs are the responsibility of the Fund and are financed through investment earnings.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the Independent Auditor’s Report, the date the financial statements were available to be issued.

BUDGET

The Fund is not legally required to adopt a budget.

NOTE 3: FEDERAL INCOME TAXES

The Fund is a Public Employee Retirement Fund and is exempt from Federal income taxes and the provisions of the Employee Retirement Income Security Act of 1974.

NOTE 4: DEPOSIT AND INVESTMENT RISK

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Fund will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are uninsured and unsecured.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Fund will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Fund and are held by either the counterparty or the counterparty’s trust department or agent but not in the Fund's name. As of 31 December 2025, the Fund's investment securities are not exposed to custodial credit risk because all securities are held by the Fund's custodial bank in the Fund's name.

CREDIT RISK AND INTEREST RATE RISK

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations to the Fund. It is the Fund's policy to maintain fixed income securities within its portfolio at an average credit rating of investment grade or better.

Interest rate risk is the risk that changes in interest rates will adversely affect an investment's fair value. Although the Fund does have a formal investment policy, it does not specifically limit investment maturities as a means of managing its exposure to potential fair value losses from future changes in interest rates.

As of 31 December 2025, the Fund had the following investments subject to interest rate risk and credit risk:

Investment	Weighted Average Maturity	Weighted Average Credit Rating	Fair Value
Public fixed income investments			
SSIM Bond Fund	8.1 years	AA	$129,866,351
SSIM TIPS	7.1 years	AA	61,746,046
Loomis Sayles Core Plus Fixed	8.0 years	AA	50,985,647
Aberdeen Emerging Markets Bond	10.7 years	BB	76,018,715
Pyramis Tactical Bond Fund	11.8 years	A	29,282,639
Aristotle Pacific	4.6 years	B	26,309,072
			374,208,470
Cash equivalents			
State Street Government Short Term Investment Fund	49.0 days	A1 + P1	12,149,239
			$386,357,709

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. As of year end, the Fund had no investments with a single issuer that exceeded 5% of the Fund's net position. The Fund's investment policy established asset allocation targets for major classes of invested assets as listed below. The Fund is authorized to invest in the following:

Class	Target Range
Public Domestic Equity	16-30%
Public Foreign Equity	15-29%
Private Equity	7-17%
Investment Grade Bonds	10-20%
TIPS	0-10%
High Yield/Bank Loans	0-10%
Emerging Market Debt	0-10%
Core Real Estate	0-10%
Value Add Real Estate	0-10%
Core Infrastructure	0-5%

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. Although the Fund does have a formal investment policy, it does not specifically address the Fund's exposure related to foreign currency risk. The Fund had the following exposure to foreign currency risk at year end:

Denomination by Investment Type	Market Value (USD)
Private Equity Fund Investments	
Euro	$1,394,615
Public Fixed Income Investments	
Brazilian Real	36,992,832
Euro	25,754,510
South African Rand	15,697,357

Mexican Peso	27,446,425
Egyptian Pound	9,871,625
Colombian Peso	12,234,570
Uruguayo Peso	6,598,529
Khazakhstani Tenge	7,021,427
Philippine Peso	8,634,275
Turkish Lira	7,906,165
Nigerian Naira	4,684,433
	162,842,148
	$164,236,763

NOTE 5: SCHEDULE OF INVESTMENT RETURNS

The money-weighted rate of return expresses investment performance, net of investment expenses, that reflects the estimated effect of the contributions received and the benefits paid during the year.

Fiscal Year	Annual Money-Weighted Net Real Rate of Return
31 December 2025	14.10%

NOTE 6: FAIR VALUE MEASUREMENT

	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Public domestic equities	$301,664,110	$0	$0
Public international equities	$307,031,407	$0	$0
Private equity fund investments	$0	$0	$148,712,223
Public fixed income investments	$0	$374,208,470	$0
Real estate fund investments	$0	$0	$89,918,988
Private natural resources fund investments	$0	$0	$22,305,355

Level 2 investments are valued based on quoted market prices in active markets as well as market valuation methodologies using discounted cash flows and observable credit ratings.

Level 3 investments include investments in a group of non-registered private equity investment partnerships, private equity real estate, and private natural resources funds. Fair value determinations by the underlying funds take into consideration the operating results, financial conditions, real estate appraisals, and recent sales prices of issuers’ securities.

NOTE 7: SECURITIES LENDING

The Fund is authorized under its investment policy to participate in securities lending programs through State Street Bank and Trust Company (State Street) under which, for an agreed-upon fee, investments owned by the Fund are loaned to a borrowing financial institution. Under this agreement, when the loan closes, the borrowed securities are returned to the Fund and the collateral is returned to the borrower. During the fiscal year, State Street lent, on behalf of the Fund, certain United States equity securities of the Fund held by State Street as custodian and received cash or other collateral including securities issued or guaranteed by the United States government (USD collateral). State Street does not have the ability to pledge or sell collateral securities delivered absent a borrower default.

The lending agreement requires securities to be collateralized by cash, United States government securities or irrevocable letters of credit with a total market value of at least 100% of the market value of the loaned securities.

Pursuant to the Securities Lending Authorization Agreement, State Street had an obligation to indemnify the Fund in the event of default by a borrower. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year that resulted in a declaration or notice of default of the Borrower.

During the fiscal year, the Fund and the borrowers maintained the right to terminate securities lending transactions upon notice. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment fund comprised of a liquidity pool. As of 31 December 2025, the liquidity pool had an average duration of 13.58 days and an average weighted final maturity of 97.70 days for USD collateral. On 31 December 2025, the Fund had no credit risk exposure to borrowers. As of 31 December 2025, the market value of collateral held was $36,968,175 and the market value of securities on loan was $35,924,794.

NOTE 8: COMMITMENTS AND CONTINGENCIES

The Fund’s investments include investment in partnership interests, which are closed end private markets strategies. In connection with those investments, the Fund still has remaining commitments as of 31 December 2025 of $55 million pursuant to the terms of the respective interest.

At 31 December 2025, the total accumulated lump sum benefit due to DROP participants was $162,141,309.

AUSTIN FIREFIGHTERS RETIREMENT FUND

Schedule of Changes in Net Pension Liability and Related Ratios

Last Ten Years

Total Pension Liability	Year ending 12/31/2016	Year ending 12/31/2017	Year ending 12/31/2018	Year ending 12/31/2019	Year ending 12/31/2020	Year ending 12/31/2021	Year ending 12/31/2022	Year ending 12/31/2023	Year ending 12/31/2024	Year ending 12/31/2025
Service Cost	$24,322,417	$23,830,495	$25,130,502	$26,191,723	$26,169,522	$28,111,860	$31,101,116	$32,382,154	$44,637,013	$35,799,396
Interest	70,892,708	75,812,099	80,552,018	84,547,315	86,820,853	91,654,965	94,234,349	99,834,897	97,478,844	107,997,074
Changes of Benefit Terms	5,491,908	8,963,689	10,188,417	8,058,934	7,158,834	30,096,465	0	0	15,475,405	0
Differences between Expected and Actual Experience	8,893,371	4,360,239	(735,314)	(9,834,830)	(1,670,701)	3,265,825	13,460,814	(6,339,940)	(2,184,592)	1,235,283
Changes of Assumptions	0	0	(4,778,539)	12,707,469	21,410,890	0	20,949,282	213,908,378	(191,586,016)	0
Benefit Payments, including Refunds of Employee Contributions	(45,495,681)	(51,888,455)	(55,979,294)	(58,824,392)	(63,483,649)	(70,182,892)	(80,970,089)	(86,436,099)	(96,508,820)	(107,871,865)
Net Change in Total Pension Liability	64,104,723	61,078,067	54,377,790	62,846,219	76,405,749	82,946,223	78,775,472	253,349,390	(132,688,166)	37,159,888
Total Pension Liability-Beginning of year	913,618,039	977,722,762	1,038,800,829	1,093,178,619	1,156,024,838	1,232,430,587	1,315,376,810	1,394,152,282	1,647,501,672	1,514,813,506
Total Pension Liability-Ending (a)	$977,722,762	$1,038,800,829	$1,093,178,619	$1,156,024,838	$1,232,430,587	$1,315,376,810	$1,394,152,282	$1,647,501,672	$1,514,813,506	$1,551,973,394

Plan Fiduciary Net Position	Year ending 12/31/2016	Year ending 12/31/2017	Year ending 12/31/2018	Year ending 12/31/2019	Year ending 12/31/2020	Year ending 12/31/2021	Year ending 12/31/2022	Year ending 12/31/2023	Year ending 12/31/2024	Year ending 12/31/2025
Contributions-Employer	$19,103,891	$19,242,205	$20,084,617	$21,057,765	$21,311,021	$22,041,592	$22,765,290	$23,957,850	$26,024,963	$26,869,785
Contributions- Employee	15,884,261	16,318,769	17,033,213	17,858,397	18,073,292	18,697,102	19,306,629	20,317,995	22,071,057	22,784,767
Net Investment Income	55,569,165	141,915,000	(25,114,064)	151,832,027 [1]	147,025,907	171,935,761	(147,530,250)	91,231,229	53,733,991	155,664,368
Benefit Payments, including Refunds of Employee Contributions	(45,495,681)	(51,888,455)	(55,979,294)	(58,824,392)	(63,483,649)	(70,182,892)	(80,970,089)	(86,436,099)	(96,508,820)	(107,871,865)
Administrative Expenses	(662,501)	(1,399,488)	(704,903)	(852,192)	(1,092,299)	(970,731)	(1,283,215)	(2,209,453)	(2,668,345)	(2,730,655)
Net Change in Plan Fiduciary Net Position	44,399,135	124,188,031	(44,680,431)	131,071,605	121,834,272	141,520,832	(187,711,635)	46,861,522	2,652,846	94,716,400
Plan Fiduciary Net Position - Beginning	785,211,061	829,610,196	953,798,227	909,117,796	1,029,892,806	1,162,023,673	1,303,544,505	1,115,832,870	1,162,694,392	1,165,347,238
Adjustment to Beginning Net Position	0	0	0	0	10,296,595	0	0	0	0	0
Plan Fiduciary Net Position - Ending (b)	$829,610,196	$953,798,227	$909,117,796	$1,040,189,401	$1,162,023,673	$1,303,544,505	$1,115,832,870	$1,162,694,392	$1,165,347,238	$1,260,063,638
Net Pension Liability (Asset) - Ending (a) - (b)	$148,112,566	$85,002,602	$184,060,823	$115,835,437	$70,406,914	$11,832,305	$278,319,412	$484,807,280	$349,466,268	$291,909,756
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.9%	91.8%	83.2%	90.0%	94.3%	99.1%	80.0%	70.6%	76.9%	81.2%
Covered Payroll	$86,638,961	$87,266,236	$91,086,698	$95,500,068	$96,648,621	$99,961,868	$103,243,946	$108,652,381	$118,027,041	$121,843,674
Net Pension Liability as a Percentage of Covered Payroll	171.0%	97.4%	202.1%	121.3%	72.9%	11.8%	269.6%	446.2%	296.1%	239.6%

[1] Includes one-time adjustment to beginning Net Position per Foster and Foster of $10,296,595

Schedule of Employer Contributions
Last 10 Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
12/31/2025	N/A	N/A	N/A	$121,843,674	22.05%
12/31/2024	N/A	N/A	N/A	$118,027,041	22.05%
12/31/2023	N/A	N/A	N/A	$108,652,381	22.05%
12/31/2022	N/A	N/A	N/A	$103,243,946	22.05%
12/31/2021	N/A	N/A	N/A	$99,961,868	22.05%
12/31/2020	N/A	N/A	N/A	$96,648,621	22.05%
12/31/2019	N/A	N/A	N/A	$95,500,068	22.05%
12/31/2018	N/A	N/A	N/A	$91,086,698	22.05%
12/31/2017	N/A	N/A	N/A	$87,266,236	22.05%
12/31/2016	N/A	N/A	N/A	$86,638,961	22.05%
12/31/2015	N/A	N/A	N/A	$87,836,040	21.88%

Schedule of Investment Returns
Last 10 Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
12/30/2025	14.10%
12/31/2024	4.76%
12/31/2023	8.80%
12/31/2022	-10.40%
12/31/2021	18.00%
12/31/2020	15.46%
12/31/2019	15.75%
12/31/2018	-2.66%
12/31/2017	17.29%
12/31/2016	7.13%
12/31/2015	0.81%

See Independent Auditor’s Report.

AUSTIN FIREFIGHTERS RETIREMENT FUND
Schedule of Direct and Indirect Fees and Commissions

Direct and Indirect Fees and Commissions

ASSET CLASS	MANAGEMENT FEES PAID FROM TRUST	MANAGEMENT FEES NETTED FROM RETURNS	TOTAL INVESTMENT MANAGEMENT FEES (Management Fees Netted from Returns + Management Fees Paid From Trust)	BROKERAGE FEES/ COMMISSIONS	PROFIT SHARE/ CARRIED INTEREST	TOTAL DIRECT AND INDIRECT FEES AND COMMISSIONS (Management Fees + Brokerage Fees/Commissions + Profit Share)
Public Equity	$906,260	$885,523	$1,791,783	$331,760	$0	**$2,123,543**
Fixed Income	$546,784	$133,548	$680,332	$0	$0	**$680,332**
Real Assets	$0	$1,187,315	$1,187,315	$0	$0	**$1,187,315**
Alternative/Other	$0	$1,275,741	$1,275,741	$0	$0	**$1,275,741**
TOTAL	**$1,453,044**	**$3,482,127**	**$4,935,171**	**$331,760**	**$0**	**$5,266,931**

Alternative/Other

List of Alternative/Other Investments*

Investment Managers

List of Investment Manager Names*

Total Investment Expenses

Total Direct and Indirect Fees and Commissions	**$5,266,931**
Investment Services	
Custodial	$118,104
Investment Consulting	$228,987
Legal	$7,923
Total	**$355,014**
Total Investment Expenses (Total Direct and Indirect Fees and Commissions + Investment Services)	**$5,621,945**

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2025 ANNUAL REPORT

AUSTIN FIREFIGHTERS RETIREMENT FUND

AFRFund.org

AUSTIN FIREFIGHTERS RETIREMENT FUND

4101 Parkstone Heights Drive, Suite 270
Austin, TX 78746

Staff@AFRFund.org

(512) 454–9567

Anumeha Kumar, Executive Director

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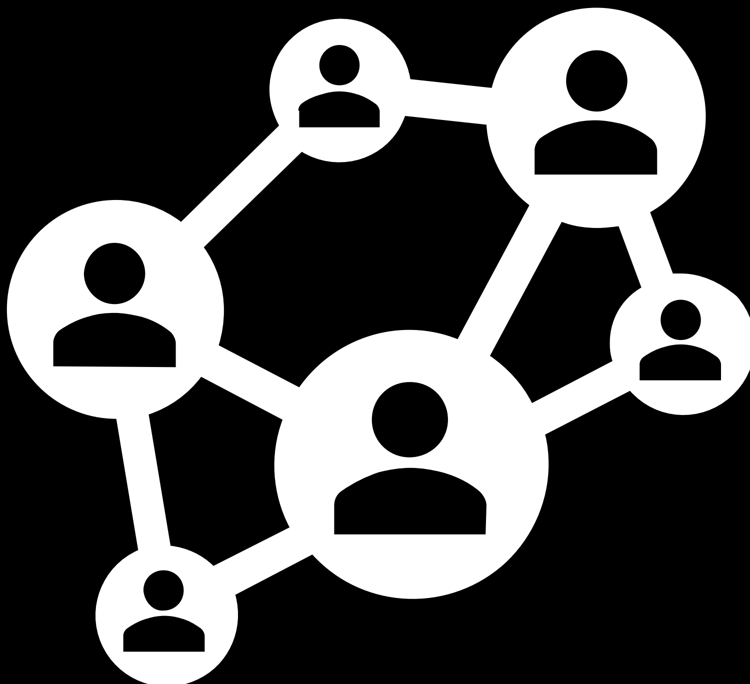


INTRODUCTORY SECTION

July 27, 2026

Dear Members,

The Board of Trustees and staff of the Austin Firefighters Retirement Fund *(AFRF or the Fund)* would like to present the Annual Report for the fiscal year ending December 31, 2025. This report is designed to provide key insights into AFRF's financial standing, including investment performance, funding status, operations, and overall fund management. The Annual Report is organized into the following four sections:

- **Introductory Section** – This section contains information on administrative organization and investment performance provided by the Fund's general investment consultant.

- **Financial Section** – This section contains the Independent Auditor's report, Management's Discussion and Analysis (MD&A), basic financial statements, and certain required supplementary information.

- **Actuarial Section** – This section contains the Actuary's Certification letter and the Annual Actuarial Valuation Report.

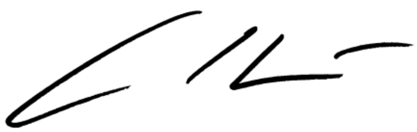
- **Plan Provision Section** – This section contains historical information on plan provision changes, including any COLAs granted, and a summary of the benefit guide.

This past year, AFRF worked with the City of Austin to pass House Bill 2802 through the 89th Texas Legislature, fulfilling a Voluntary Funding Soundness Restoration Plan with the Texas Pension Review Board. Governor Abbott signed House Bill 2802 into law on June 20, 2025. Effective January 1, 2026, the bill moved the City from a fixed-rate funding model to an actuarially determined contribution (ADC) structure, including a payment schedule to amortize the legacy unfunded liability over 30 years. Effective January 1, 2026, the bill also created a second benefit tier for firefighters newly hired by the Austin Fire Department, designed to gradually reduce the Fund's long-term costs, and expanded the Board of Trustees from five to seven members. Together, these changes have redirected the Fund toward lasting long-term stability.

AFRF generated a strong 13.7% investment return for the 2025 fiscal year, driven primarily by international equities. The Fund exceeded its 7.30% actuarial return target and ranked above the median in the second quartile of its peer group. Investment performance in 2025 added approximately $157 million during the fiscal year to help support annual benefit payments, which have doubled over the past decade as the Fund has matured. The Fund ended 2025 with $1.3 billion in investment assets, compared with $1.16 billion in 2024.

I am honored to serve as Chair of the Austin Firefighters Retirement Fund. I appreciate the joint efforts of our trustees, committee members, office staff, and advisors in supporting AFRF’s continued successful operation. Through the responsible stewardship of the Board, staff, and professional consultants, and the continued partnership with the membership and the City of Austin, we will remain focused on fulfilling our mission to safeguard and manage the Fund solely in the interest of members and their beneficiaries. Finally, I extend my sincere appreciation to my fellow firefighters, active and retired, for the courageous and dedicated service you provide, or have provided, to the residents of Austin.

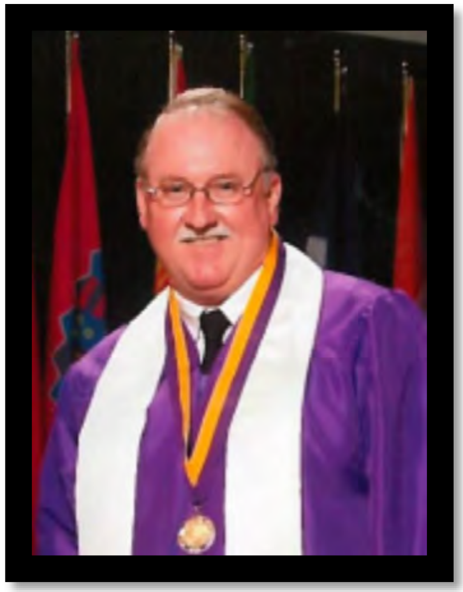
Sincerely,



Chief Aaron Woolverton
Board Chair

BOARD OF TRUSTEES

Aaron Woolverton
Board Chair
Term Expires 12/2028



Doug Fowler
Vice Chair
Term Expires 12/2026

Belinda Weaver
Trustee
City of Austin CFO Designee

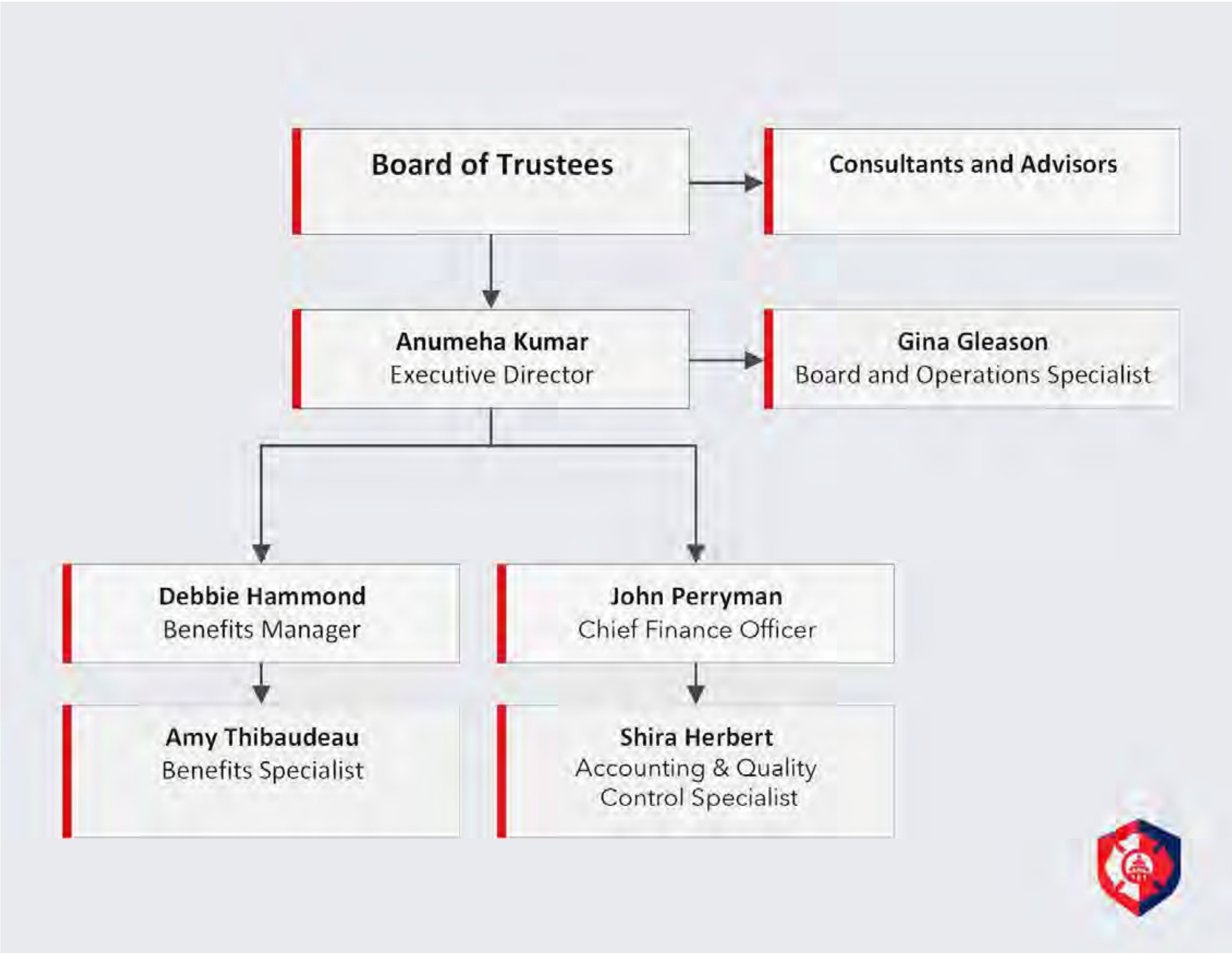
John Bass
Trustee
Term Expires 12/2027

Andrew Ratoza
Trustee
Term Expires 12/2029

Ryan Alter
Trustee
City Mayoral Designee

NOT PICTURED: Jie Li | Trustee | City Council Appointed Citizen

ORGANIZATION CHART



CONSULTANTS / ADVISORS

Actuary
Cheiron - McLean, VA

Custodian Bank
State Street - Boston, MA

Investment Consultant
Meketa Investment Group - Boston, MA

Auditor
Montemayor Britton Bender - Austin, TX

Legal Counsel
Jackson Walker, LLC - Austin, TX

INVESTMENT MANAGERS

Domestic Equites
State Street Global Advisors - Boston, MA
Vaughan Nelson Investment Management – Houston, TX
Westfield Capital Management – Boston, MA
Westwood Holding Group, Inc. – Dallas, TX

Fixed Income Securities
Aberdeen Asset Management, Inc. – Philadelphia, PA
Aristotle Capital Management – Los Angeles, CA
Loomis Sayles – Boston, MA
Pyramis Global Advisors – Smithfield, RI
State Street Global Advisors – Boston, MA

International Equities
Baillie Gifford – Edinburgh, Scotland
Deutsche Alternative Asset Management – London, England
Highclere International – London, England
State Street Global Advisors – Boston, MA
TT International – Dublin, Ireland

Real Asset
Aether Investment Partners – Denver, CO

Real Estate
Clarion Partner – Auburn, CA
Crow Holdings Capital Partners – Dallas, TX
Partner Group Inc. – New York, NY
Portfolio Advisors LLC – Darien, CT

INVESTMENT MANAGERS

Private Equity

57 Stars Investor Services – Washington D.C.
Arcmont Lending – London, England
Constitution Capital Partners – Andover, MA
Cross Creek Capital Partners – Salt Lake City, UT
DWS Alternatives Global Limited – London, England
Dimensional Fund Advisors – Austin, TX
HarbourVest – Boston, MA
HighVista – Boston, MA
LGT Capital Partners Inc. – New York, NY
Partner Group Inc. – New York, NY
Pinegrove Capital Partners – Menlo Park, CA
Private Advisors – Richmond, VA
Private Equity Investors – New York, NY
StepStone Group Inc – New York, NY

INVESTMENT OVERVIEW

MEKETA

80 University Ave
Westwood, MA 02090

781.471.3500
Meketa.com

MEMORANDUM

TO: Board of Trustees, Austin Firefighters Retirement Fund
FROM: Leo Festino, Aaron Lally, Colin Kowalski, Meketa Investment Group
DATE: May 19, 2026
RE: Investment Consultant's Statement for Annual Financial Report

This letter reviews the global capital markets in 2025 and the investment performance of the Austin Firefighters Retirement Fund (the "Fund" or "AFRF") for the year ending December 31, 2025.

AFRF produced a net return of 13.7% in the calendar year, underperforming both its policy benchmarks. Muted private equity returns (vs. its policy benchmark which is a public markets equity index) and active management and small/mid-cap stock exposure in public equity drove the underperformance vs. policy benchmarks. The Fund ranked above median, in the second quartile of its peer group[1]. Higher exposure to international public equity vs. peers drove better than median peer group results.

The Fund rates of return are represented using a net-of–fees time-weighted methodology based upon monthly market values and cash flows. Consistent with industry best practices, AFRF's private market valuations are included on a one-quarter lag, cash flow adjusted basis, to account for the typical 60-90 day delayed reporting cycle for most private market investments. Data was provided by State Street Bank (AFRF's custodian), and investment manager valuation statements.

Meketa Investment Group, AFRF's general investment consultant, works with the Board of Trustees and Staff, to assist with performance evaluation, asset allocation, manager selection, governance, and other industry best practices.

Calendar 2025 Year in Review

At the start of calendar year 2025, the global economy was navigating heightened uncertainty surrounding a new US administration whose anticipated policy shifts, particularly in trade and supply-chain strategy, had the potential to reshape global commerce. Inflation in the United States remained above the Federal Reserve's 2% target, while economic growth continued to show resilience despite the Fed's target interest rate still above 4%. Globally, growth prospects were steady: forecasts called for a 3.3%[1] expansion in 2026, and 3.2% in 2027, broadly consistent with previous forecasts.

1 InvMetrics Public DB >$1 bb net.

Quarter ended March 31, 2025

During the first quarter of 2025 the global economy was characterized by uneven performance across regions, shaped by geopolitical tensions and shifting economic conditions. Uncertainty surrounding the US administration's tariffs, economic policies, and inflationary pressures shaped market sentiment. In the US, domestic equities sold off during the first quarter, with the Russell 3000 Index declining by 4.7%. Growth stocks underperformed value stocks, while small-cap stocks trailed large-cap stocks. Defensive sectors outperformed, reflecting cautious investor sentiment.

Internationally, non-US developed market stocks, as measured by the MSCI EAFE Index, rose by 6.9%, bolstered by rate cuts from the European Central Bank, planned increases in EU defense spending, and a weakening US dollar. Emerging market equities, tracked by the MSCI Emerging Markets Index, returned 2.9%, with notable gains in Chinese equities (+15.0%), driven by enthusiasm around DeepSeek Artificial Intelligence (AI) and stimulus measures introduced by the Chinese government. The divergence in the returns across asset classes highlighted the benefits of diversification, following a prolonged period of US Large Cap Equity dominance.

In the fixed income market, most segments posted positive returns. The broad US bond market (Bloomberg Aggregate Index) gained 2.8%, supported by a falling rate environment. Long-term treasuries were the best performers, with the Bloomberg Long US Treasury Index returning 4.7%. High yield bonds, as represented by the Bloomberg High Yield Index, posted modest gains (+1.0%) primarily due to prevailing economic uncertainties. Both bond and equity volatility increased during the quarter amid policy and trade uncertainty. The US Equity Volatility Index (VIX) and the US Bond Market Volatility Index (MOVE) both finished above their respective long-term averages.

Quarter ended June 30, 2025

In the second quarter, the global economy exhibited uneven performance amid trade developments, fiscal concerns, inflationary pressures, and improving risk sentiment across asset classes. In early April, President Trump unveiled the Liberation Day tariffs, which sent shockwaves throughout global markets, before a 90-day pause was announced a week later. The quarter underscored the benefits of diversification across asset classes, with varying performance driven by fiscal and inflationary dynamics alongside improving risk sentiment.

In the US, equity markets posted strong returns during the quarter, with the Russell 3000 Index gaining 11.0%, driven by stabilizing tariff concerns, robust corporate earnings, and a resilient US economy. Growth stocks significantly outperformed value stocks, particularly in the large-cap segment (Russell 1000 Growth Index: +17.8% versus Russell 1000 Value Index: +3.8%), bolstered by gains in AI-related mega-cap technology companies. Small-cap stocks (Russell 2000 Index) also performed well, rising 8.5%, though they trailed large-cap stocks (Russell 1000 Index) which gained 11.1%.

Developed international equities outpaced US peers during the quarter, with the MSCI EAFE Index returning +11.8% as continued weakness in the US dollar acted as a significant tailwind to local returns. Emerging markets ended the quarter slightly ahead of developed peers at +12.0% (MSCI Emerging Markets Index), benefitting from the weakening US dollar and dialogue between the US and China post the Liberation Day selloff.

In the fixed income market, most segments posted positive returns, with the Bloomberg Aggregate Index gaining 1.2%, supported by stable or declining treasury yields. Longer duration treasuries underperformed (Bloomberg Long US Government Index: -1.5%) primarily due to fiscal concerns driving yields higher at the long end of the curve. Inflation-related risks contributed to gains in Treasury Inflation-Protected Securities (TIPS), with the Bloomberg TIPS Index gaining 0.5%.

Quarter ended September 30, 2025

The global economy demonstrated uneven performance due to monetary policy shifts, geopolitical developments, and evolving risk sentiment across asset classes. In late August, Federal Reserve Chair Powell's comments at Jackson Hole signaled potential rate cuts, which buoyed market expectations for additional cuts and supported asset prices. The quarter highlighted the benefits of diversification across asset classes, with varied performance driven by monetary policy dynamics, resilient economic growth, and strong earnings.

In the US, equity markets posted strong returns, with the Russell 3000 Index gaining 8.2%, driven by robust corporate earnings, continued demand for AI investments, and a resilient US economy. Small-cap stocks outperformed large-cap stocks, reversing prior trends, while growth and value stocks delivered mixed results across market capitalizations. Technology and materials sectors were key contributors to the rally, with materials benefitting from a rally in precious and industrial metals.

Non-US developed equity markets (MSCI EAFE Index) rose 4.8%, supported by easing monetary policy and strong corporate earnings. Japan was a standout performer, benefiting from a weaker yen, robust tech exports, and favorable political shifts. However, the strengthening US dollar tempered returns for US investors.

Emerging market equities (MSCI Emerging Markets Index) outperformed developed markets, gaining 10.6% during the quarter. China (MSCI China Index) led the way with a remarkable 20.7% return, driven by domestic chipmaker support, accelerating AI spending, and optimism surrounding policy changes. Despite these gains, the stronger dollar posed a slight headwind for US investors.

In the fixed income market, most segments posted positive returns, with the Bloomberg Aggregate Index gaining 2.0%, supported by softer labor data and dovish central bank policies. Longer-dated treasuries and high-yield bonds performed slightly better, each returning 2.5%, while inflation-related risks contributed to gains in Treasury Inflation-Protected Securities (TIPS), which rose 2.1%.

Quarter ended December 31, 2025

Global markets delivered positive returns despite ongoing policy and trade uncertainty. The quarter was marked by cautious optimism as the US government reopened in mid-November following the longest shutdown on record. The shutdown weighed on near-term economic activity and added uncertainty for policymakers and financial markets, underscoring the benefits of staying invested across asset classes.

In the US, equity markets posted modest gains during the quarter, with the Russell 3000 Index rising 2.4%, bringing the full-year return to 17.1%. Value stocks outperformed growth stocks as market sentiment shifted toward economically sensitive areas and away from AI-related mega-cap technology companies. Healthcare stocks led the rebound in Q4, contributing significantly to the overall gains.

Non-US developed equity markets (MSCI EAFE Index) outperformed US equities, gaining 4.9% in the quarter and 31.2% for the year. These returns were supported by attractive valuations, a rotation out of US tech stocks, and increased defense and infrastructure spending.

Emerging market equities (MSCI Emerging Markets Index) rose 4.7% in the quarter, contributing to a full-year return of 33.6%. While Chinese equities declined in Q4 (MSCI China Index: -7.4%) primarily due to domestic challenges, strong returns in South Korea and Taiwan drove the broader emerging market rally.

In the fixed income market, most segments posted positive returns for the quarter, with the Bloomberg Aggregate Index gaining 1.1%. Riskier bonds outperformed, as emerging market debt and US high-yield bonds returned 1.6% and 1.3%, respectively. Cooling inflation contributed to modest gains in Treasury Inflation-Protected Securities (TIPS), with short-term TIPS rising 0.4% and longer-dated TIPS up 0.1%.

Summary

The table below summarizes quarterly and full calendar year 2025 returns for the benchmarks referenced in this review:

Index	Q1 2025 Return (%)	Q2 2025 Return (%)	Q3 2025 Return (%)	Q4 2025 Return (%)	1-Year Return as of December 31, 2025 (%)
S&P 500	-4.3	10.9	8.1	2.7	17.9
S&P 500 Equal Weighted	-1.1	5.0	4.4	1.4	9.3
Russell 3000	-4.7	11.0	8.2	2.4	17.1
Magnificent 7	-16.0	21.0	17.6	4.5	24.9
S&P 500 ex Magnificent 7	0.0	7.9	4.7	1.9	15.6
MSCI EAFE	6.9	11.8	4.8	4.9	31.2
MSCI EAFE (Local)	2.9	4.8	5.4	6.1	20.6
MSCI Emerging Markets	2.9	12.0	10.6	4.7	33.6
MSCI China	15.0	2.0	20.7	-7.4	31.2
Bloomberg Aggregate	2.8	1.2	2.0	1.1	7.3
Bloomberg TIPS	4.2	0.5	2.1	0.1	7.0
Bloomberg High Yield	1.0	3.5	2.5	1.3	8.6
Bloomberg Long US Government	4.7	-1.5	2.5	0.0	5.6
Bloomberg US TIPS 0-5 Yr	3.0	1.0	1.6	0.4	6.1
JPM GBI-EM Global Diversified	4.3	7.6	2.8	1.6	19.3

Overall, global economies exhibited divergent growth and inflation outcomes in 2025. The US saw an annual GDP growth of 2.1% for the full calendar year, using the second estimate of economic growth from the Bureau of Economic Analysis.[2] Headline inflation in the US remained at 2.7% over the trailing 12 months through December 2025, and the Fed Funds rate declined from a range of 4.25-4.50% to start the calendar year, down to 3.50-3.75% by year end. The Eurozone's GDP grew by 1.2%[3] in calendar year 2025, with inflation stabilizing at 2.0% for the trailing 12 months ending in December. Japan's economy expanded by 0.4% in calendar year 2025 (preliminary), with an annual inflation rate of 2.1%, and was the only major economy to raise interest rates during the year. China’s official government numbers showed it grew GDP by 4.5%,[4] supported by resilient exports, and inflation increased to 0.8% at the end of the calendar year.

Unemployment rates also varied across these regions. In the US, the unemployment rate was 4.4%[5] in December 2025, slightly up from 12 months ago at 4.1%. The Eurozone's unemployment rate remained relatively stable, ending at 6.2%.[6] Japan's unemployment rate was low, at approximately 2.6%,[7] up from 2.4% at the end of last calendar year. In China, the unemployment rate hovered around 5.1%,[8] with government policies aimed at maintaining employment stability.

AFRF's 2025 Performance Commentary

AFRF ended 2025 with approximately $1.3 billion in investment assets. The Fund's allocation to Public Equity benefited from a strong year with International Equity (+31.5%) and US Equity (+14.9%) having the highest absolute returns. Natural Resources was the weakest performing asset class for the year, producing a net return of -6.6%. In US public equity markets, Large Cap and Growth oriented stocks continued to dominate major benchmarks. As a result, AFRF's allocation to Small and Mid-Cap stocks, although still positive for the year, detracted compared to the asset class benchmark (Russell 3000 Index). In US Equity, one of two active managers outperformed its benchmark for the year. In international markets, one out of three AFRF active managers outperformed benchmarks. All four active bond strategies outperformed respective benchmarks for the year.

	Calendar Year 2025 Return
AFRF (net of fees)	13.7%
Dynamic Benchmark[1]	17.2%
Total Fund Benchmark[2]	17.2%
Static Benchmark[3]	16.3%
Peer Median Return[4]	13.4%

***Returns are time-weighted, net of fees. AFRF's private market valuations are included on a one-quarter lag, cash flow adjusted basis, to account for the typical 60-90 day delayed reporting cycle for most private market investments.*

[1] Actual asset class weight (each prior month end) multiplied by each respective asset class's benchmark.
[2] Total Fund Benchmark consists of 42% Russell 3000, 28% MSCI ACWI ex US net, and 30% Bloomberg Agg.
[3] Policy target weights multiplied by each respective asset class's benchmark.

Calendar Year 2026 Outlook

In calendar year 2025, the US economy outpaced other developed markets, maintaining robust growth despite elevated interest rates. The federal funds rate ended the year below 4% and roughly 75 basis points lower than where it began. The economy and markets showed resilience in the face of new and often changing tariffs. That resilience, coupled with sustained enthusiasm for AI innovation, contributed to strong performance in equity markets. Fixed income markets also delivered positive returns, supported by risk sentiment and lower volatility.

Calendar year 2026 is poised to be a pivotal one, potentially marked by significant economic, political, and social developments. There are several areas that could guide markets, both positively and negatively. These include:

US Growth

- → Resilient consumer demand and AI-led investment are expected to support economic growth in 2026, but risks are increasing as labor markets cool and inflation remains sensitive to policy shocks and more recently energy prices.
- → The base case for 2026 anticipates continued normalization: growth slows but remains positive, inflation continues to cool but stays vulnerable to tariffs and supply-side shocks.
- → A constructive outcome could involve gradual labor-market cooling and predictable easing, enabling broader market contribution to returns. Conversely, a bear case might see inflation re-accelerating alongside rising unemployment, pushing markets into a higher volatility regime and forcing difficult trade-offs for policymakers.
- → The interaction of policy and markets will be critical, with the Fed's dual mandate, policy divergence among central banks, and AI-driven equity market dynamics amplifying both upside and downside risks.

Federal Reserve

- → Lower rates are expected in 2026, but the pace and timing of cuts will be critical to managing volatility and financial conditions. The Federal Reserve may adopt a stop-and-start easing cycle, pausing to reassess progress and adjusting policy based on evolving inflation dynamics and financial conditions.
- → The appointment of a new Federal Reserve Chair could introduce communication and credibility risks, complicating efforts to balance price stability with maximum employment. In late January 2026, President Trump nominated former Federal Reserve member Kevin Warsh to replace chair Jerome Powell when his term is up in May. He is a candidate with broad experience within the Federal Reserve during the Global Financial Crisis.
- → Inflation has moderated but remains above target with some risks to the upside, while labor market conditions are gradually cooling. Policymakers face a wide distribution of potential outcomes, particularly if tariff-related price shocks re-emerge, energy prices remain elevated, or services inflation stays sticky.
- → Elevated asset valuations flagged in the November 2025 Financial Stability Report[9] highlight vulnerabilities, reinforcing the concern that easier monetary policy could encourage greater risk-taking even when macroeconomic signals are mixed.

Global Central Banks

→ Monetary policy divergence is widening across regions, driving currency movements, capital flows, and uneven duration (interest rate sensitivity) outcomes. Major central banks are at different points in their cycles, a dynamic that could amplify global economic and market volatility. Given resilient economic activity in the euro area, the European Central Bank is likely to reach the end of its easing cycle. In contrast, with above-target inflation and persistence in wage growth in Japan, the policy rate may continue to be raised in 2026. China on the other hand continues to maintain a supportive policy stance.

→ These divergences will be closely monitored for their impact on financial stability, international economic dynamics, and the distribution of outcomes across global markets.

→ The interaction of global monetary policies with US policy decisions could further complicate the economic landscape, influencing trade flows and investment strategies.

Geopolitical Tensions

→ In late February 2026, the US and Israel launched coordinated military strikes on Iran following failed nuclear talks, prompting Iranian retaliation across the region and triggering a sharp escalation in geopolitical risk.

→ The conflict disrupted oil transit through the Strait of Hormuz, which typically handles about 20% of global crude shipments,[10] leading to a spike in Brent crude prices from around $65 in January to over $100 by early March.[11]

→ The resulting energy shock has reignited inflation concerns, pushed up gasoline prices, and increased volatility across equity and credit markets, raising downside risks for global growth.

→ Iran has publicly rejected ceasefire proposals, and the US has reinforced its pressure campaign with new sanctions targeting Iran's oil shipping network, suggesting that tensions are likely to persist.

→ Going forward, the trajectory of the US–Iran conflict will be a key variable for markets and the global economy, with particular focus on energy supply stability, regional security, and the potential for renewed diplomacy.

AI and Equity Markets

→ AI remains transformative, but equity markets are entering a more selective phase characterized by valuation discipline, sector rotation, and episodic volatility. Market focus may shift from which companies spend the most on AI to which are integrating it most effectively. With immigration policy and demographic issues reducing the workforce, AI's impact on productivity gains will remain key to maintaining positive economic growth.

→ AI-driven concentration in US equities, particularly among mega-cap tech firms, could amplify both upside and downside market outcomes. Concerns started mounting toward the end of 2025 over stretched valuations for the Magnificent 7 companies[12] and what the return on investment would be on the massive capex spent on data centers. This concentration raises questions about broader market participation, future dispersion of returns among these companies, and the sustainability of gains.

- As of 12/31/2024, the Magnificent 7 stocks made up 33.5% of the S&P 500 Index which increased to 34.9% by 12/31/2025. In calendar year 2025, the Magnificent 7 stocks returned 24.9%, with the S&P 500 Index excluding those stocks only returning 15.6% for the year.

- During the first two months of 2026, market leadership broadened beyond the narrow, concentrated trends observed in prior quarters. International equities significantly outperformed US large-cap stocks, supported by continued US dollar weakness, sustained AI-related momentum in several Asian markets, and relatively attractive valuations. Within the US equity market, energy and materials led sector performance, returning +23.4% and +22.8%, respectively, for the year-to-date period ending February 28, 2026. Over the same period, the S&P 500 Equal Weighted Index returned +7.1%, outperforming the capitalization-weighted S&P 500 Index, which returned +0.7%. Style and size leadership also shifted, with value outperforming growth and small-cap stocks outperforming large-cap stocks globally, reversing trends observed in the prior year.
- Key indicators to watch include AI monetization, margin progression, productivity gains, and labor displacement signals, as well as broader earnings impacts beyond mega-cap technology firms.
- Financing conditions and valuation dynamics will play a significant role in shaping equity market outcomes, with AI-driven sectors potentially leading the way while increasing vulnerability to macroeconomic shocks.

Return, inflation, and treasury rate data from Bloomberg unless otherwise indicated.
[1] Source: International Monetary Fund: https://www.imf.org/en/publications/weo/issues/2026/01/19/world-economic-outlook-update-january-2026
[2] Source: Bureau of Economic Analysis: https://www.bea.gov/news/2026/gdp-second-estimate-4th-quarter-and-year-2025
[3] Source: Eurostat.
[4] Source: National Bureau of Statistics of China via Bloomberg.
[5] Source: Source: FRED and BLS.
[6] Source: Eurostat.
[7] Source: Ministry of Internal Affairs and Communications via Bloomberg.
[8] Source: National Bureau of Statistics of China via Bloomberg.
[9] Source: Federal Reserve: https://www.federalreserve.gov/publications/november-2025-financial-stability-report-asset-valuations.htm
[10] Source: Gulf News: https://gulfnews.com/business/energy/oil-prices-brent-surges-to-9262-wti-hits-9072-amid-iran-war-1.500466461
[11] Source: U.S. News & World Report: https://www.usnews.com/news/us/articles/2026-03-08/crude-oil-prices-surpass-100-a-barrel-as-the-iran-war-impedes-production-and-shipping
[12] The Magnificent 7 companies refer to Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia, and Tesla.

Meketa, Staff and the Board of Trustees continue to diligently monitor the macro environment and its impact on the Fund.

Leandro Festino, CFA, CAIA	Aaron Lally, CFA, CAIA	Colin Kowalski
Managing Principal	Managing Principal	Vice President

FINANCIAL SECTION

SEE BOARD PACKET FOR AUDIT

SEE BOARD PACKET FOR GASB 67 & 68

ACTUARIAL SECTION

Actuarial Valuation Report as of December 31, 2024

SEE BOARD BACKET FOR ACTUARIAL VALUATION

PLAN PROVISION SECTION

Historical Plan Provision Changes
Summary of Plan Benefits

HISTORICAL PLAN PROVISION CHANGES

Fund History

The Austin Firefighters Retirement Fund (*AFRF* or *the Fund*) was first created in 1937 by an Act of the 45th Legislature under the Texas Local Fire Fighters Retirement Act (Article 6243e, Vernon's Texas Civil Statutes). In 1975, the 64th Legislature enacted Article 6243e.1, to establish the Fund independently in state statute. AFRF is a single employer contributory defined benefit pension plan that provides retirement, disability, death, and survivor benefits to approximately 2400 active and retired firefighters of the City of Austin and their beneficiaries.

Plan Provision Changes

Significant changes in plan provisions including benefit enhancements since 1975 are as follows:

1975

- 2.0% COLA approved.
- The retirement calculations changed from using the highest 5 years' average salary to using the highest 3 years' average salary.
- The minimum monthly disability benefit changed from $100 to $200.
- The contribution rate by the firefighters increased from 11.85% to 13.7% of salary.
- State statute Article 6243e.1 is created pertaining only to the Austin Firefighters Pension Fund, allowing the plan to branch away from the former statewide system.

1976

- 2.0% COLA approved.

1977

- 2.0% COLA approved.

1978

- 2.0% COLA approved.
- The retirement multiplier increased from 2.0% to 2.1%

1979

- 2.0% COLA approved.
- The minimum monthly spousal benefit increased from $100 to $200.
- The minimum children's benefit increased from $50 to $100.

1980

- 2.0% COLA approved.

1981

- 2.0% COLA approved.

1982

- 2.0% COLA approved.
- The retirement multiplier increased from 2.1% to 2.2%

1983

- 2.0% COLA approved.

1984

- 2.0% COLA approved.
- The retirement multiplier increased from 2.2% to 2.3%.
- An actuarial study was conducted to increase all retirees' benefits to offset against inflation.

1985

- 4.0% COLA approved.
- The retirement multiplier increased from 2.3% to 2.5%.
- Early retirement eligibility set at age 50 and 25 years of service.
- The City of Austin contribution rate increased from 14.0% to 14.05%.
- Employee contributions treated as employer contributions for federal income tax purposes. Contributions are paid pre-taxed, creating more take home pay.
- A benefit increase for all retirees was approved to "catch benefits up" with inflation since the time of retirement. If the resulting monthly benefit for a retiree was less than $500, then a $500 minimum monthly benefit was approved.

1986

- 3.0% COLA approved.

1987

- 1.5% COLA approved.
- The retirement multiplier increased from 2.50% to 2.65%.
- Normal retirement eligibility remains at age 55, while normal retirement eligibility at any age was lowered from 35 years of service to 30 years of service.

1988

- 4.0% COLA approved.
- The retirement multiplier increased from 2.65% to 2.90%.

1989

- 4.25% COLA approved.
- The workers' compensation offset for disability benefits was eliminated.
- Actuarial assumption adopted that 12% of firefighters were assumed to be single at retirement.

1990

- 4.50% COLA approved.

1991

- 6.3% COLA approved.
- The minimum monthly pension benefit for eligible retirees and beneficiaries increased from $500 to $850.
- Normal retirement eligibility was lowered from age 55 to age 53. Normal retirement eligibility at any age was lowered from 30 years of service to 28 years of service.
- Surviving children became eligible for full spousal benefits in the event there is no surviving spouse.
- Actuarial assumption for salary growth decreased from 6.50% to 5.50% annually.

1992

- 2.9% COLA approved.
- The minimum monthly pension benefit for eligible retirees and beneficiaries increased from $850 to $1000.
- The actual assumption for a 5% anticipated COLA was extended through 1996.

1993

- 3.2% COLA approved.
- Normal retirement eligibility was lowered from age 53 to age 52. Normal retirement eligibility at any age was lowered from 28 years of service to 27 years of service.
- Early retirement eligibility lowered from age 50 with 25 years of service to age 50 OR 25 years of service, regardless of age.
- The survivor benefit changed to a flat 75% of retiree's benefit.
- Contribution refunds are paid with 5% interest.
- Actuarial assumption for payroll growth no longer assumed a 1% growth in membership annually.
- The actuarial assumption for a 5% anticipated COLA was extended through 1998.

1994

- 2.80% COLA approved.
- The minimum monthly pension benefit for eligible retirees and beneficiaries increased from $1,000 to $1,200.
- The City of Austin contribution rate increased from 14.05% to 16.05%. The firefighter contribution rate remained at 13.7% of pay.

1995

- 2.6% COLA approved.
- The retirement multiplier increased from 2.90% to 3.0%.
- Early retirement eligibility was lowered from age 50 to age 48 with at least 10 years of service. Early retirement eligibility at any age was lowered from 25 years of service to 23 years of service.
- Normal retirement eligibility was lowered from age 52 to age 50 with at least 10 years of service. Normal retirement eligibility at any age was lowered from 27 years of service to 25 years of service. A Deferred Retirement Option Plan (DROP) was added, allowing up to 2 years of service designated for DROP participation.
- The City of Austin contribution rate increased from 16.05% to 18.05%. The firefighter contribution rate remained at 13.7% of pay.
- An actuarial assumption for a 5% anticipated COLA was extended through 2002.

1996

- 2.90% COLA approved.

1997

- 3.0% COLA approved.
- Early retirement eligibility was lowered from age 48 to age 45 with at least 10 years of service. Early retirement eligibility at any age was lowered from 23 years of service to 20 years of service.
- COLA eligibility was delayed until normal retirement eligibility is met.
- The Deferred Retirement Option Plan (DROP) was extended from a maximum of 2 years to a maximum of 5 years of service.
- Benefits were made available to surviving spouses of retirees married after retirement. The requirement that a spouse’s benefits terminate after remarriage was eliminated.
- The “meet and confer” agreement “bought down” firefighter contributions to 11.70%, while City contributions increased to 20.05%. Firefighters continued to get contribution credit for 13.70% per statutory requirements.
- An actuarial assumption for a 5% anticipated COLA was extended through 2004.

1998

- 2.10% COLA approved.
- The actuarial assumption for DROP participation rate was revised to 100% of the members to retire and elect a 5-year DROP one year following the age first eligible for a 5-year DROP.

1999

- 1.5% COLA approved.
- The retirement multiplier increased from 3.0% to 3.1%, to be used in all retirement and DROP calculations regardless of DROP date, effective September 1, 1999.
- The Deferred Retirement Option Plan (DROP) benefits are made available to eligible survivors of members who die before retirement but after becoming eligible for a DROP.
- A 3.33% benefit increase was approved effective September 1, 1999, for all retirees at the time based on the percentage increase of the retirement multiplier from 3.0% to 3.10%.
- After 2004, annual COLAs of 0.5% would be granted to retirees and beneficiaries if inflation was at least 0.5%. The COLA was not limited to 0.5%, but the idea was to determine required funding in advance. If inflation exceeded 0.5%, the Board and actuary would have to approve any portion above 0.5% based on the financial health of the Fund.
- Mortality rate assumption for actives and non-disabled annuitants were updated to the 1994 Group Annuity Mortality tables, to reflect industry standards.
- The Fund made an actuarial assumption of 3.50% anticipated COLA through 2004 (which was less than the 5% anticipated COLA previously assumed).

2000

- 2.60% COLA approved.

2001

- 3.4% COLA approved.
- The retirement multiplier increased from 3.10% to 3.30%, to be used in all retirement and DROP calculations regardless of the Deferred Retirement Option Plan (DROP) date, effective September 1, 2001.
- DROP extended from a maximum of 5 years to a maximum of 7 years of service.
- A survivor benefit was made available for all unmarried retirees and for unmarried firefighters who die after becoming eligible to retire per statutory provisions. The percentage is an actuarial equivalent of 75% of the firefighter’s accrued benefit and is tied to the age difference of the firefighter and the designated beneficiary.
- A 6.45% benefit increase was approved, effective September 1, 2001, for all retirees at the time based on the percentage increase of the retirement multiplier from 3.10% to 3.30%.

2002

- 2.1% COLA approved.

2003

- The firefighter contribution rate increased from 13.7% to 15.7%, effective June 1, 2003. The City of Austin contribution rate remained at 18.05%.

2005

- A $32.00 per month increase in benefits was approved for all eligible retirees.

2006

- A $100.00 per month increase in benefits was approved for all eligible retirees.

2010

- The City of Austin contribution rate increased from 18.05% to 22.05%, completed in four 1% increments by 2013. The firefighter contribution rate increased from 15.7% to 18.7%, completed in six 0.5% increments by 2016.

2012

- The minimum monthly pension increased to $2,000 for all annuitants who were members of the Fund in 1994 when the last adjustment of this type was made.

2013

- $93.00 per month increase in benefits for all eligible retirees.

2014

- $64.00 per month increase in benefits for all eligible retirees.

2015

- 1.3% COLA approved.

2016

- New fund rules (Section VI of Fund Rules as posted on website) were adopted for both active and retired firefighters regarding survivor and beneficiary designations. New optional forms of benefits (Section X of Fund Rules as posted on website) were adopted which now include the Single Life Annuity (SLA) option.

2017

- 1.5% COLA approved.
- New fund rules (Section VI of Fund Rules as posted on website) were adopted regarding the number of beneficiary designation changes allowed for unmarried retirees. New fund rules (Section XI of Fund Rules as posted on website) were adopted regarding possible retirement benefits and procedures upon indefinite suspension.

2018

- 2.2% COLA approved.

2019

- 2.3% COLA approved.

2020

- 1.7% COLA approved.

2021

- 1.4% COLA approved.

2022

- 5.4% COLA approved.

2025

- House Bill 2802 was signed into law on June 20, 2025.
- The City of Austin fixed contribution rate of 22.05% was transitioned to a modified actuarially determined contribution (ADC) structure with a ± 5% corridor. The firefighter contribution rate remained at 18.70%, subject to a risk-sharing increase of ≤ 2% to ensure the Fund receives the full ADC during any year in which the City's maximum corridor is reached.
- A new benefit tier was added, effective January 1, 2026. Firefighters hired prior to the effective date were designated as Group A, while firefighters hired on or after the effective date were designated as Group B.
- Benefit changes for Group A members were limited to an elimination of interest on non-vested contribution refunds and a modification to the COLA benefit structure. An actuarial benefit reduction was also established for all post-retirement beneficiary designations, regardless of marital status.
- Group B members maintained a similar benefit structure to Group A with different benefit parameters:
    - Normal form of payment: Single Life Annuity
    - Eligibility at age 50 with 10 years of service or 25 years of service regardless of age (no early retirement)
    - Highest Average Salary calculated with highest 60-month average of pensionable income
    - Retirement multiplier is 3.0% of highest average salary for each year of service; minimum monthly benefit set at $2,000.
    - Forward DROP program, up to 7 years upon satisfaction of retirement eligibility
    - Performance-based ad hoc COLA structure when eligibility criteria is met
- Military service is credited for up to 5 years upon purchase, effective January 1, 2026.

SUMMARY OF PLAN BENEFITS

This section provides a general overview of AFRF's benefit provisions. If there is any discrepancy between this general overview and state or federal law, those governing statutes will take precedence. The full *AFRF Benefits Guide* is available on the Fund's website.

ELIGIBILITY

All commissioned civil service firefighters of the Austin Fire Department who have been certified by the State of Texas as a firefighter become members of the Fund as a condition of employment. Once a firefighter has become a member, they will remain a member of the Fund unless they terminate service and receive a refund of accumulated contributions. Fire Cadets are not eligible to be members of the Fund while in the Fire Academy. Cadets do not make contributions to the Fund, nor do they earn service credit under the Fund during the period of training prior to becoming a commissioned civil service firefighter.

CONTRIBUTIONS

Members of the Fund contribute 18.70% of their "Compensation" to the Fund each pay period through a payroll deduction. Under the risk-sharing contribution structure, the member contribution rate may increase in a given calendar year if the estimated City contribution rate is greater than the maximum rate allowed under the statutory corridor. However, the member contribution rate increase will never exceed more than 2% in total. All contributions a member makes to the Fund are considered their accumulated contributions but become part of the overall assets of the Fund. The City contribution is determined by a risk-sharing contribution structure, based on an actuarially determined employer contribution model (an ADEC Model). Under the ADEC Model, the City contributes each pay period the sum of the actuarially determined municipal contribution rate for a given year multiplied by pensionable payroll (generally, the "Compensation" of active members) for that pay period, and a separately scheduled legacy liability payment. The City's contribution rate may increase or decrease annually based on an actuarial risk-sharing valuation study, subject to a statutory corridor based on a projected corridor midpoint. The corridor extends 5% above and below that midpoint. If the estimated municipal contribution rate is above the maximum rate for the corridor, the City's contribution is capped at that maximum rate. City contributions paid to the Fund are invested for the benefit of all members and are not attributable to an individual member.

COMPENSATION CONSIDERED

"Compensation" for purposes of contributions to the Fund include a member's base pay and any longevity pay. Compensation does not include any amount earned from overtime pay, temporary pay in higher classifications, educational incentive pay, assignment pay, Christmas Day bonus pay, or pay for automobile and clothing allowance, if applicable.

SERVICE CONSIDERED

Members earn one month of service credit in the Fund for each month that they make a contribution to the Fund. Members do not earn service credit for any time during which they are receiving a disability retirement annuity from the Fund or during participation in the Deferred Retirement Option Plan (DROP). Military service, only which interrupts fire department service, may be considered for service credit under certain circumstances.

RETIREMENT BENEFIT

The Fund is a defined benefit plan that provides monthly retirement annuity benefits that are payable for a member's lifetime based on service credit, the average of their highest months of compensation[1] and a multiplier[2]. Members become eligible for normal service retirement upon either (1) attaining age 50 with at least 10 years of service credit, or (2) accruing 25 years of service credit, regardless of age. The Fund offers multiple forms of benefits for members to choose from.[3] Upon retirement, members receive a monthly retirement annuity benefit less required deductions for tax withholding. Additional deductions are made for members who choose to enroll in health, dental, and vision insurance offered by the City of Austin or elect other voluntary deductions in accordance with the procedures adopted by the Fund.

[1] Highest Average Salary is based on 36 months for Group A and 60 months for Group B.
[2] The multiplier is 3.30% for Group A and 3.0% for Group B.
[3] The default benefit is a Normal Retirement Annuity with a Joint and Survivor (75%) for Group A and a Single Life Annuity with no Survivor Benefit for Group B. Non-default benefit options are available for both groups and are adjusted for actuarial equivalence.

EARLY RETIREMENT BENEFIT

Group A members qualify for early retirement upon either (1) attaining age 45 and accruing at least 10 years of credited service in the Fund or (2) accruing at least 20 years of credited service in the Fund, regardless of age. Early retirement annuity benefits are calculated the same as a normal service retirement, but the member will not be eligible for any cost-of-living adjustments (COLAs) granted by the Board until they attain age 69. Group B members are ineligible for early retirement.

DEFERRED RETIREMENT OPTION PLAN

The Deferred Retirement Option Plan (DROP) is an alternative form of benefit that members may elect once they become eligible for retirement. The purpose of the DROP is to provide financial planning flexibility to members upon retirement by providing a reduced monthly retirement annuity benefit and a lump-sum benefit, as opposed to only a monthly retirement annuity benefit. At the time a member elects to participate in the DROP, they must select an effective date for their DROP participation, which cannot be more than 7 years prior to the actual date of termination with the Fire Department. A member is considered "retired" for purposes of the Fund during the period between the DROP effective date and the actual date of termination from the Fire Department.

When a member elects to participate in Forward[4] or Back[5] DROP, an account is established and maintained in the records of the Fund and is credited with (1) the amount of the monthly retirement annuity benefit that the member would have received had they retired on their DROP effective date, multiplied by the number of months in their DROP period, (2) member contributions that they make or made to the Fund during the DROP period[6], and (3) interest credited annually.[7] DROP participants are not eligible to receive credit for any additional service credit or salary increases that they may receive after their DROP effective date.

DROP participants may not receive a distribution from their DROP account before termination of active service as a firefighter. Upon terminating active service and beginning to receive a monthly retirement benefit annuity, DROP participants may choose to receive the amount credited to their DROP account through a single-payment distribution, or up to 12 total payments not to exceed 4 payments per year, either of which must occur prior to April 1 of the year following the year in which the participant attains age 70 ½. Alternate payees who participate in DROP through a Qualified Domestic Relations Order are required to take an immediate full distribution. All distributions are subject to a mandatory 20% federal income tax withholding unless the distribution is transferred directly by the Fund to an Individual Retirement Account (IRA) or another eligible retirement plan through a direct rollover.

[4] *In Forward DROP, a firefighter elects their DROP effective date after becoming eligible for service retirement, then continues their active service for up to seven years. Forward DROP is available to both Group A and Group B.*
[5] *In Back DROP, a firefighter elects their DROP effective date upon the termination of their active service for a date up to seven years prior, granted they were eligible for service retirement as of the DROP effective date. Back DROP is only available to Group A.*
[6] *100% of member contributions for Group A; 50% of member contributions for Group B.*
[7] *5% annual interest for Group A; 4% annual interest for Group B.*

VESTED BENEFIT

A member is considered vested once they accrue at least 10 years of service credit in the Fund. A member is considered "vested terminated" if they terminate service with the Fire Department after becoming vested but before becoming eligible to retire. Vested terminated members have the right to receive a monthly retirement annuity benefit on the date they attain age 50 or would have accrued at least 25 years of service credit had they remained in service with the Fire Department through such date, provided that they left their accumulated member contributions in the Fund. Vested terminated annuity benefits are calculated the same as a normal service retirement, based on service credit and highest average compensation at the time of termination.

SEVERANCE

If a member terminates employment with the Fire Department but is not eligible to retire, they may request a refund of their accumulated member contributions plus interest. In connection with the refund of accumulated member contributions, all accumulated service credit is canceled, and the member forfeits all rights to future benefits from the Fund. Members are not entitled to withdraw any contributions made by the City of Austin. If a member withdraws their contributions and is later rehired by the Fire Department, they will be treated as a new hire and will not be eligible to purchase or reinstate any service credit with the Fund.

COST-OF-LIVING ADJUSTMENTS

The Group A COLA amount will be up to 1.5% per year if financial stability tests are satisfied and approved by the Board. Participants are eligible for the approved COLA upon reaching the later of age 67 and 5 years after retirement (age 69 if retired under early retirement). The Austin City Council may approve a COLA in any format it deems appropriate when one or more financial stability tests prohibit the AFRF Board from granting one.

The Group B COLA amount is performance-based and targets 1% per year (minimum of 0% and maximum of 2%) based on a percentage equal to 50% of the Fund's five-year investment return in excess of its adjustment factor. Participants are eligible for the approved COLA upon reaching the later of age 67 and 5 years after retirement.

DISABILITY BENEFIT

If a member becomes disabled while in active service with the Fire Department, regardless of whether the disability occurred while on-duty or off-duty, they will be eligible to retire and receive a disability retirement annuity if the Board, under the guidance of an independent medical board, determines that they are unable to perform the duties of a firefighter or an accommodating job within the Fire Department with comparable pay. The disability retirement benefit is calculated the same as a normal service retirement, based on a minimum of 20 years of service credit.

Disability retirement benefits are subject to annual reviews following the initial 2 ½ years of receiving the benefit, or earlier if the Board reasonably believes that the member has recovered and is no longer disabled. During an eligibility review, the disability retirement benefit may be continued, reduced, or discontinued according to criteria adopted by the Board regarding the member's earning capacity, financial status, and medical records. All disability reviews are conducted under the guidance of an independent medical board.

ACTIVE DEATH BENEFIT

If a member dies while in active service, their surviving spouse is entitled to receive a lifetime monthly survivor annuity benefit from the Fund equal to 75% of the normal monthly retirement annuity benefit that the member would have received if they had retired on the date of their death, based on a minimum of 20 years of service credit. Surviving dependent children may also be eligible to receive a benefit if qualified under the Fund Rules.

SURVIVORS BENEFIT

A joint and survivor annuity provides the survivor with a lifetime monthly survivor annuity benefit equal to 75% of the member's normal monthly retirement annuity benefit. Marital status and children will impact who is considered a member's "survivor" for purposes of the Fund and may be subject to an actuarial benefit reduction based on any applicable Fund Rules. The survivor is:

- Spouse, if married at time of retirement or active death
- All unmarried children under age 22 (eligible with or without a surviving spouse; benefit will vary)
- Designated beneficiary, only if no surviving spouse or children are eligible (age reduction may apply)
- Dependent parent, only if no surviving spouse or children are eligible and no beneficiary was designated

A joint and survivor annuity is available to Group A members as the default form of benefit and to Group B members as an optional form of benefit with certain actuarial reductions.

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TEXAS PENSION REVIEW BOARD

P.O. Box 13498, Austin, TX 78711 | Phone: (800) 213-9425 or (512) 463-1736 | Fax: (512) 463-1882 | Email: prb@prb.texas.gov

INVESTMENT RETURNS AND ASSUMPTIONS REPORT — PRB-1000

Retirement System Profile

Austin Firefighters Retirement Fund
System Name

512-454-9567
Phone Number: (xxx) xxx-xxxx

John Perryman
Report Contact Name (Please Print)

jperryman@afrfund.org
E-mail Address

Actual Rate of Return

(Most Recent 10 Fiscal Years)

Fiscal Year End (MM/DD/YYYY)	Net Return (Percent)	Gross Return (Percent)	Gross Return Methodology	
			Not Net of Admin Expenses	Net of Admin Expenses
12/31/2025	13.96%	14.24%	○	◉
12/31/2024	4.58%	4.88%	○	◉
12/31/2023	8.44%	8.76%	○	◉
12/31/2022	-10.78%	-10.50%	○	◉
12/31/2021	17.59%	17.96%	○	◉
12/31/2020	12.89%	13.24%	○	◉
12/31/2019	15.75%	16.12%	○	◉
12/31/2018	-1.96%	-1.72%	○	◉
12/31/2017	17.01%	17.14%	○	◉
12/31/2016	7.07%	7.20%	○	◉

Gross Return Methodology - In the last column, please indicate the methodology used to calculate each gross return presented as either: The Gross Return is not net of administrative expenses or the Gross Return is net of administrative expenses.

Actuarial Assumed Rate of Return

(Most Recent 10 Actuarial Valuations)

Valuation Date (MM/DD/YYYY)	Assumed Return (Percent)	Assumed Return Methodology		
		Net All Expenses	Net Investment Fees Only	Other
12/31/2025	7.30%	◉	○	○
12/31/2024	7.30%	◉	○	○
12/31/2023	7.30%	◉	○	○
12/31/2022	7.30%	◉	○	○
12/31/2021	7.30%	◉	○	○
12/31/2020	7.50%	◉	○	○
12/31/2019	7.50%	◉	○	○
12/31/2018	7.70%	◉	○	○
12/31/2017	7.70%	◉	○	○
12/31/2016	7.70%	◉	○	○

Assumed Return Methodology - In the last column, please indicate the methodology underlying each assumed rate of return as either: The return is net of all expenses; the return is net of investment fees; or, “Other”. If “Other”, please describe methodology used in **Additional Comments** section.

TEXAS PENSION REVIEW BOARD

P.O. Box 13498, Austin, TX 78711| Phone: (800) 213-9425 or (512) 463-1736 |Fax: (512) 463-1882 | Email: prb@prb.texas.gov

LONG-TERM RATES OF RETURN **PRB-1000**

Annualized Rolling Rate of Return Information

Please check the appropriate box for the methodology used to calculate the rates of return requested in the following section:

☐ Arithmetic Mean ☒ Geometric Mean (Time-Weighted Return) ☐ Internal Rate of Return

Most Recent	1-Year Period	3-Year Period	10-Year Period	30-Year or Since Inception Period
Rolling Gross	14.24%	9.23%	8.36%	7.30%
Rolling Net	13.96%	8.93%	8.08%	7.01%

*If the system's inception date is less than 30 years from the report date, please enter the inception date:

Date of Inception (MM/DD/YYYY)	**04/30/1997**

RETURNS AND ASSUMPTIONS – ADDITIONAL COMMENTS

Please use this text box to provide any additional information or commentary that may help clarify information provided in the previous form.

Information provided in this document may be based on methodologies assumed to be reasonable by the reporting entity. The information provided herein may be unaudited and is considered the best approximation of the plan at the time of submission. Additionally, the information provided in this document must be based on the fiscal year of the public retirement system submitting the report.

TEXAS PENSION REVIEW BOARD

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RETURNS AND ASSUMPTIONS – UNAVAILABLE INFORMATION **PRB-1000**

Please list any unavailable information requested in this form in the text box below, including an explanation of why the information is unavailable. Completion of this form fulfills the requirements stated in Section 802.108 (c) of Texas Government Code.

☒ By marking this box, I certify that the information provided is accurate based on the methodology used; and that the retirement system for which this form is being provided agrees to a timely submission of the unavailable information if it becomes available.

CERTIFICATION

I certify that, as an official representative of the retirement system for which this report is being presented, I have the authority to provide the requested information, and that I have verified, to the best of my knowledge, that the information presented is complete, as far as indicated, and accurate. (Note: By typing your name below, you are signing this document.)

Arumchar K.	07/21/2026	Executive Director
First Authorizing Signature	Date	Title of First Authorizer
512-454-9567		akumar@afrfund.org
First Authorizer Phone Number		First Authorizer Email
	07/21/2026	CFO
Second Authorizing Signature	Date	Title of Second Authorizer
512-454-9567		jperryman@afrfund.org
Second Authorizer Phone Number		Second Authorizer Email

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AFRF
AUSTIN FIREFIGHTERS RETIREMENT FUND

Member Information Session

Summary of Key Updates

Tuesday, July 21, 2026

1. **Update on Technology Improvements at AFRF**
    - Pension software successfully implemented.
    - Retiree portal successfully launched; active member portal is scheduled to launch in August.
2. **Update on Financial Health of the Fund**
    - A combination of the 2025 investment return and pension reform has put the plan on a path toward financial soundness.
    - The 2025 investment return was approximately 14%, and the amortization period improved significantly — from 48 years to 23 years.
3. **Update on City Contribution Rate**
    - The City's contribution rate has changed as part of the pension reform legislation passed in 2025.
    - As part of that reform, the City moved to an Actuarially Determined Employer Contribution (ADEC) structure, meaning the City's contribution rate (not firefighters') may vary from year to year.
    - Under this change, the City's total pension contribution rate will increase steadily over the next few years — from 25.06% of payroll in 2026 to 27.90% in 2027, and up to about 30.40% by 2029.
    - <u>Your pay stub only shows part of the full cost</u>.
        - The City rate reported on your pay slip or in Workday is just one piece of what the city actually pays toward your pension. That piece is called the employer normal cost rate, and it's currently 12.62%.
        - But the city's total pension contribution is bigger than that. It also includes:
            - Legacy contribution amount – a fixed dollar amount paid each year to pay down old pension debt over a 30-year period; and
            - Amortization rate – an extra percentage, if any, also used to pay down any post-2024 unfunded liability over time.
        - City's total contribution = Employer normal cost rate + Legacy contribution + Amortization rate.

4. Clarification Regarding Capturing the 2021 COLA in BackDROP

- There has been considerable discussion among members regarding retiring by December of 2027 to capture the 2021 COLA, which was granted in 2022.
- Not all members are eligible to capture this COLA, and not all members would benefit from doing so compared with working longer.

5. Update on Legislative Priorities for 2027

a. Disability Retirement Changes

- <u>On-duty vs. off-duty distinction:</u> The statute would be changed to distinguish between disabilities incurred on-duty and off-duty, with different benefit outcomes tied to each category.
- There will be no change in how on-duty disability benefits are calculated. In fact, the calculation approach will be adjusted specifically to allow on-duty disability benefits to be treated as tax-free.

b. Death Benefit Changes

- <u>Consistency with disability changes:</u> Update the death benefit to provide different benefits for on-duty vs. off-duty deaths, consistent with the disability retirement changes described above.
- There will be no change in how on-duty death benefits are calculated. In fact, the calculation approach will be adjusted specifically to allow on-duty death benefits to be treated as tax-free.

c. Other Technical Changes

- Additional technical changes for consistency and improved compliance with IRS requirements.

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Austin Firefighters Retirement Fund
Operating Budget
Fiscal Year 2026

	Approved Budget	Jan - May Expensed	Remaining Budget	Percent Expended
Administrative Expenses				
Salaries and Benefits				
Salary - Staff	890,360.00	361,591.68	528,768.32	40.61%
SEP Contribution	129,808.00	54,238.75	75,569.25	41.78%
Health Insurance	139,100.00	57,882.25	81,217.75	41.61%
Payroll Taxes	71,300.00	27,901.69	43,398.31	39.13%
Health Insurance - Retired Staff	6,000.00	555.60	5,444.40	9.26%
Subtotal	**1,236,568.00**	**502,169.97**	**734,398.03**	**40.61%**
SS Retiree Payroll Process Fees	9,000.00	9,210.60	(210.60)	102.34%
Building	11,390.00	3,550.74	7,839.26	31.17%
Utilities	6,875.00	1,890.20	4,984.80	27.49%
Office Expenses	18,350.00	3,905.12	14,444.88	21.28%
Computer and Software	37,000.00	8,196.94	28,803.06	22.15%
Insurance	51,500.00	36.00	51,464.00	0.07%
Travel	46,000.00	4,456.63	41,543.37	9.69%
Operational Cost	31,400.00	16,022.84	15,377.16	51.03%
Investment Expenses				
Financial Consulting Fee	237,700.00	97,331.40	140,368.60	40.95%
Investment Management Fees	1,650,000.00	758,889.89	891,110.11	45.99%
Bank Custodian Services	142,000.00	60,175.67	81,824.33	42.38%
Professional Services Expenses				
Accounting	25,000.00	6,125.00	18,875.00	24.50%
Actuarial Fees				
Actuarial Assistance		9,677.50		
Actuarial Valuation	47,400.00	11,850.00	35,550.00	25.00%
COLA & Additional Travel	10,000.00	-	10,000.00	0.00%
Legal Fees				
Administrative	132,000.00	44,000.00	88,000.00	33.33%
Board Meeting	12,000.00	4,500.00	7,500.00	37.50%
Investment Review	50,000.00	36,771.00	13,229.00	73.54%
Summary Plan Descr, Records Retention & Forms	125,000.00	20,502.00	104,498.00	16.40%
Legislative Consulting	72,650.00	10,000.00	62,650.00	13.76%
Medical Disability Review	8,100.00	-	8,100.00	0.00%
Pension Software	646,815.72	190,766.43	456,049.29	29.49%
Total Expenses	**$ 4,606,748.72**	**$ 1,809,101.45**	**$ 2,807,324.77**	**39.27%**

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

Additions

Contributions	
City of Austin Contribution (25.06%)	13,194,771.72
Fire Fighter Contribution (18.7%)	10,270,636.22
Interest -Bank	175,402.33
Commission Recapture	6,600.30
Class Action Proceeds	-
Securities Litigation Recovery	125.08
Total Contributions	**$ 23,647,535.65**

Deductions

Pension Retiree Payroll Expenses	
Retirees Annuity	25,193,880.46
Medical Ins.	1,370,484.98
Dental Ins	213,424.74
Vision Ins.	21,687.00
Retiree W/H Tax Payable	3,433,531.96
Benevolent Fund	25,360.00
Union Dues	8,249.70
Misc.	3,875.00
PAC Dues	13,367.20
Total Retiree Payroll Expenses	**$ 30,283,861.04**
Pension Lump Sum Expenses	
Contribution Refunds	333,591.38
DROP Distributions	22,575,685.38
# of Requested DROP Distributions: 108	
Total Pension Lump Sum Expenses	**$ 22,909,276.76**

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

	Total		
	Jan - May	Budget	% of Budget
Ordinary Income/Expense			
Income			
City of Austin Contrib (25.06%)	13,194,771.72	31,215,000.00	42.27%
Commission Recapture	6,600.30	5,000.00	132.01%
Fire Fighter Contrib (18.7%)	10,270,636.22	23,108,000.00	44.45%
Securities Litigation Recovery	125.08		
Other Income			
Class Action Proceeds	0.00	5,000.00	0.00%
Interest - Frost Bank	4,913.54	10,000.00	49.14%
Interest - State Street	152,759.75	300,000.00	50.92%
Securities Lending - State St.	17,729.04	10,000.00	177.29%
Total Income	23,647,535.65	54,653,000.00	43.27%
Operating Expenses			
Administrative Expenses			
Payroll Expenses			
Salary - Staff	361,591.68	890,360.00	40.61%
SEP Contribution	54,238.75	129,808.00	41.78%
Health Insurance - Staff	57,882.25	139,100.00	41.61%
Taxes	27,901.69	71,300.00	39.13%
Health Insurance - Retired Staff	555.60	6,000.00	9.26%
Total Payroll Expenses	502,169.97	1,236,568.00	40.61%
SS Retiree Payroll Process Fees	9,210.60	9,000.00	102.34%
Building Expenses			
Assessment Toward Projects	1,055.24	2,400.00	43.97%
Building Maintenance/Improvemen	0.00	3,000.00	0.00%
Condo Association Dues	2,495.50	5,990.00	41.66%
Utilities			
Electric	773.04	2,250.00	34.36%
HVAC Program	285.20	50.00	570.40%
Internet & Cable & Telephone	579.92	3,600.00	16.11%
Water, Waste, Drainage	252.04	975.00	25.85%
Total Utilities	1,890.20	6,875.00	27.49%
Total Building Expenses	5,440.94	18,265.00	29.79%
Office Expenses			
Furniture (FFE)	0.00	2,000.00	0.00%
Meeting Refreshments	424.85	1,000.00	42.49%
Notary Services	0.00	250.00	0.00%
Office Maintenance	1,485.00	3,600.00	41.25%
Office Supplies (Office supplies expense)	508.72	2,500.00	20.35%

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

	Total		
	Jan - May	Budget	% of Budget
Postage and Delivery	988.55	5,000.00	19.77%
Printing and Reproduction	498.00	4,000.00	12.45%
Total Office Expenses	3,905.12	18,350.00	21.28%
Computer and Internet Expenses			
Hosting & Other Expenses	584.74	3,000.00	19.49%
Laptop/Computer	0.00	3,000.00	0.00%
Software/IT Services	7,612.20	31,000.00	24.56%
Total Computer and Internet Expenses	8,196.94	37,000.00	22.15%
Insurance Expense			
Board & Directors Liability Ins	0.00	37,500.00	0.00%
Commercial	0.00	2,200.00	0.00%
Cybersecurity Ins.	0.00	10,500.00	0.00%
Workers Comp Ins. (Workers Comp)	36.00	1,300.00	2.77%
Total Insurance Expense	36.00	51,500.00	0.07%
Travel Expense			
Lodging/Transportation/Per Diem	2,311.63	25,000.00	9.25%
Registration fees	2,145.00	21,000.00	10.21%
Total Travel Expense	4,456.63	46,000.00	9.69%
Operational Cost			
Association Fees (TXPERS /NCEPRS/NASRA)	9,495.00	9,200.00	103.21%
Election Services	0.00	4,900.00	0.00%
Death Verification Services	2,500.00	6,900.00	36.23%
Operational Cost - Other	4,027.84	10,400.00	38.73%
Total Operational Cost	16,022.84	31,400.00	51.03%
Investment Expenses			
Bank Custodian Services	60,175.67	142,000.00	42.38%
Financial Consulting Fee	97,331.40	237,700.00	40.95%
Investment Management Fees	758,889.89	1,650,000.00	45.99%
Total Investment Expenses	916,396.96	2,029,700.00	45.15%
Professional Fees			
Audit	6,125.00	25,000.00	24.50%
Actuarial Fees			
Actuarial Assistance	9,677.50		
Actuarial Valuation	11,850.00	47,400.00	25.00%
COLA & Additional Travel	0.00	10,000.00	0.00%
Total Actuarial Fees	21,527.50	57,400.00	37.50%

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

	Total		
	Jan - May	Budget	% of Budget
Legal Fees			
Administrative	44,000.00	132,000.00	33.33%
Board Meeting	4,500.00	12,000.00	37.50%
Investment Review	36,771.00	50,000.00	73.54%
Summary Plan Descr, Records Retention & Forms	20,502.00	125,000.00	16.40%
Total Legal Fees	114,846.52	319,000.00	36.00%
Legislative Consulting	10,000.00	72,650.00	13.76%
Medical Disability Review	0.00	8,100.00	0.00%
Pension Software			
Pension Software PG IV	190,766.43	646,815.72	29.49%
Total Professional Fees	343,265.45	1,128,965.72	30.41%
Total Operating Expenses	1,809,101.45	4,606,748.72	39.27%
Pension Retiree Payroll			
Retirees Annuity	25,193,880.46	61,000,000.00	41.30%
Medical Ins.	1,370,484.98	3,300,000.00	41.53%
Dental Ins	213,424.74	495,000.00	43.12%
Vision Ins.	21,687.00	51,000.00	42.52%
Retiree W/H Tax Payable	3,433,531.96	8,200,000.00	41.87%
Benevolent Fund	25,360.00	59,000.00	42.98%
Misc.	8,249.70	20,000.00	41.25%
PAC Dues	3,875.00	9,000.00	43.06%
Union Dues	13,367.20	30,000.00	44.56%
Total Pension Retiree Payroll	30,283,861.04	73,164,000.00	41.39%
Pension Lump Sum			
Contribution Refunds	333,591.38	1,000,000.00	33.36%
DROP Distributions	22,575,685.38	37,000,000.00	61.02%
Total Pension Lump Sum	22,909,276.76	38,000,000.00	60.29%
Total Expense	55,002,239.25	115,770,748.72	47.51%

Austin Firefighters Retirement Fund
Assets & Liabilities Report (Unaudited)
as of May 31, 2026

Assets

Checking/Savings		
	Frost Bank - Benefits	247,589.50
	Frost Bank - Operating	32,838.26
	State Street T009-Cash Agg	8,047,109.93
Total Checking/Savings		8,327,537.69
Investments, at fair value		
	Domestic Equites	328,478,193.64
	Fixed Income Securities	395,375,470.63
	International Equities	322,786,694.89
	Real Asset	22,145,539.76
	Private Equity	139,218,070.01
	Real Estate	94,508,891.43
Total Investments		1,302,512,860.36
Total Assets		**$ 1,310,840,398.05**

Liabilities

Current Liabilities		
	Payroll Liabilities	5,606.86
	Operating Admin Liabilities	1,504.60
	Investment Liabilities	-
	Professional Liabilities	54,700.78
Long Term Liabilities		
	DROP (Guaranteed 5%)	157,537,193.37
	% of Total Assets	12.02%
Total Liabilities		**$ 157,599,005.61**

Austin Firefighters Retirement Fund
Balance Sheet
As of May 31, 2026

	May
ASSETS	
Current Assets	
Checking/Savings	
Frost Bank - Benefits	247,589.50
Frost Bank - Operating	32,838.26
State Street T009-Cash Agg	8,047,109.93
Total Checking/Savings	8,327,537.69
Other Current Assets	
Investments	
DEQ	
SSgA S&P 500 Flagship Fund	173,989,787.41
VAUGHAN NELSON	66,667,441.86
Westfield Capital Management	87,820,964.37
Total DEQ	328,478,193.64
FI	
ABERDEEN	79,066,579.16
Loomis Sayles Core Plus Bond	51,430,450.42
Pacific Asset Management	26,926,084.00
Pyramis Tactical Bond (Fidelity	29,583,425.72
SSgA Bond Fund	145,560,351.07
SSGA TIPS	62,808,580.26
Total FI	395,375,470.63
IEQ	
Baillie Gifford	22,671,254.13
DFA Emerging Markets	32,485,141.16
DFA International Small Company	42,330,800.46
MSCI Emerging MKTS Index SL	60,821,253.47
SSgA MSCI EAFE Fund	164,478,245.67
TT International	0.00
Total IEQ	322,786,694.89
NR	
Aether Real Assets II	1,256,615.91
Aether Real Assets III	5,746,463.09
Aether Real Assets IV	9,190,064.15
Aether Real Assets V	5,952,396.61
Total NR	22,145,539.76
PE	
57 Stars Global Opportunity	3,593,730.27
Arcmont (Bluebay)Direct Lending	1,859,237.11
Constitution Ironsides Fund VII (50/50)	10,122,919.93
Constitution Ironsides III	1,612,382.60
Cross Creek Capital Partners II	6,538,177.62
Cross Creek Capital Parts III	9,295,015.03
Deutsche Bank SOF III	1,433,050.27
Dover Street X	31,666,844.94
Greenspring Global Partners V	6,671,686.01
GREENSPRING VI	9,559,207.01

Austin Firefighters Retirement Fund
Balance Sheet
As of May 31, 2026

Harbourvest 2013 Direct	1,857,072.94
HarbourVest Coinvestment 4	4,833,644.05
HighVista Flag V	279,574.72
HighVista Flag VI	1,948,983.93
LGT C Europe Small Buyouts 3	1,247,986.81
LGT Crown Asia 2	3,105,195.01
LGT Crown Global Secondaries 2	69,627.00
LGT Crown Global VI	18,586,167.00
LGT Global Secondaries III	1,264,676.00
Partners Group EM 2015	4,845,906.07
Partners Group US Dist PE 2009	121,157.49
Private Advisors Co-Inv FundIII	0.47
Private Equity Investors V	1,184,455.62
SVB Strategic Investors Fund IX	17,521,372.11
Total PE	139,218,070.01
RE	
Clarion Partners	63,438,391.99
Crow Holdings Realty Partners X	16,432,318.88
Partners Group RE Second 2011	88,600.71
Partners Group RE Second 2017	10,848,136.03
Portfolio Advisors Fund 5	3,701,443.82
Total RE	94,508,891.43
Total Investments	1,302,512,860.36
Total Other Current Assets	1,302,512,860.36
Total Current Assets	1,310,840,398.05
TOTAL ASSETS	**1,310,840,398.05**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	5,606.86
Operating Admin Liabilities	1,504.60
Investment Liabilities	0.00
Professional Liabilities	54,700.78
Total Other Current Liabilities	61,812.24
Total Current Liabilities	61,812.24
Long Term Liabilities	
DROP (Guaranteed 5%)	157,537,193.37
% of Total Assets	12.02%
Total Long Term Liabilities	157,537,193.37
Total Liabilities	**157,599,005.61**

Austin Firefighters Retirement Fund
General Ledger
May 2026

Date	Name	Memo/Description	Split	Amount	Balance
Frost Bank - Benefits					
Beginning Balance					**$ 99,764.18**
05/08/2026	City of Austin	City and Member's Contributions	-Split-	2,092,613.12	2,192,377.30
05/11/2026	Austin FF Relief & Retireme	Transfer to Operating	Frost Bank - Operating	-300,000.00	1,892,377.30
05/12/2026	Austin FF Relief & Retireme	Transfer to State Street	State Street T009-Cash Agg	-1,650,000.00	242,377.30
05/22/2026	City of Austin	City and Member's Contributions	-Split-	2,148,846.28	2,391,223.58
05/27/2026	Austin FF Relief & Retireme	Transfer to State Street	State Street T009-Cash Agg	-2,025,000.00	366,223.58
05/27/2026	Austin FF Relief & Retireme	Transfer to Operating	Frost Bank - Operating	-120,000.00	246,223.58
05/29/2026	Frost Bank	Interest May 2026	Interest:Interest - Frost Bank	1,365.92	247,589.50
Total for Frost Bank - Benefits				**$ 147,825.32**	**$ 247,589.50**
Frost Bank - Operating					
Beginning Balance					**$ 22,238.42**
05/07/2026	City of Austin	Health Insurance May 2026	-Split-	-11,844.77	10,393.65
05/07/2026	TASC (FSA Health Care)	FSA May 2026	-Split-	-483.34	9,910.31
05/07/2026	City of Austin	Health Insurance Retired Staff May 2026	Payroll Expenses:Health Insurance - Retired Staff	-455.02	9,455.29
05/07/2026	Montemayor Britton Bender	Retainer, 2025 Audit	Professional Fees:Accounting:Audit	-6,125.00	3,330.29
05/07/2026	Complete IT	Apr 2026	Computer and Internet Expenses:Software/IT Service	-1,472.10	1,858.19
05/07/2026	Jani-King of Austin	May 2026	Office Expenses:Office Maintenance	-297.00	1,561.19
05/11/2026	Austin FF Relief & Retireme	Transfer to Operating	Frost Bank - Benefits	300,000.00	301,561.19
05/11/2026	Austin FF Relief & Retireme	L. Adney Health Insurance Payment May 2026	Payroll Expenses:Health Insurance - Retired Staff	218.90	301,780.09
05/11/2026	Austin FF Relief & Retireme	L. Adney Reimbursement Payment May 2026	Payroll Expenses:Health Insurance - Retired Staff	125.00	301,905.09
05/12/2026	Westfield Capital Managem	Q1 2026 Investment Management Fees	Fees:Investment Management Fees	-123,217.79	178,687.30
05/12/2026	Schlueter Group	Legislative Consulting	Professional Fees:Legislative Consulting	-4,000.00	174,687.30
05/12/2026	Meketa Investments	Apr 2026	Fees:Financial Consulting Fee	-19,466.28	155,221.02
05/12/2026	Jackson Walker	Administrative Mar 2026	Professional Fees:Legal Fees:Administrative	-11,000.00	144,221.02
05/12/2026	Cheiron	Q1 2026 Retainer Services	Professional Fees:Actuarial Fees:Actuarial Valuation	-11,850.00	132,371.02
05/12/2026	Aberdeen Asset Mgmt.	Q1 2026 Investment Management Fees	Fees:Investment Management Fees	-86,843.39	45,527.63

05/18/2026	Frost Bank	Bank Service Charges Apr 2026	Operational Cost:Bank Service Charges	-229.20	45,298.43
05/21/2026	Xerox	May 2026	Operational Cost	-32.20	45,266.23
05/21/2026	Xerox	Apr 2026	Operational Cost	-32.20	45,234.03
05/21/2026	Cheiron	Consulting Services Related to Post-retirement Bene	Professional Fees:Actuarial Fees:Actuarial Assistanc	-9,677.50	35,556.53
05/21/2026	Jackson Walker	Disability / Employment Claims Review	Professional Fees:Legal Fees:Disability App	-7,424.52	28,132.01
05/21/2026	Jackson Walker	Investment Review: Ironsides Private Equity Fund VI	Professional Fees:Legal Fees:Investment Review	-822.00	27,310.01
05/26/2026	Weldon & Associates	Signature Analysis	Operational Cost	-875.00	26,435.01
05/26/2026	Austin FF Relief & Retireme	Union Reimbursement for Legislative Consulting	Professional Fees:Legislative Consulting	2,000.00	28,435.01
05/27/2026	Austin FF Relief & Retireme	Transfer to Operating	Frost Bank - Benefits	120,000.00	148,435.01
05/27/2026	Austin Firefighters Assoc	May 2026	Payroll Expenses:SEP Contribution	-11,065.25	137,369.76
05/27/2026	Jackson Walker	Clarion Alternative Sectors Fund, LP Investment	Professional Fees:Legal Fees:Investment Review	-24,902.00	112,467.76
05/29/2026	Parkstone Office Condomin	May 2026	-Split-	-1,006.50	111,461.26
05/29/2026	Payroll	Pay Period: 05/01/2026-05/31/2026	Direct Deposit Payable	-55,760.46	55,700.80
05/29/2026	Payroll	Tax Payment for Period: 05/01/2026-05/31/2026	Payroll Liabilities:Federal Taxes (941/943/944)	-22,862.54	32,838.26
Total for Frost Bank - Operating				**$ 10,599.84**	**$ 32,838.26**

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Austin Firefighters Retirement Fund
Operating Budget
Fiscal Year 2026

	Approved Budget	Jan - Jun Expensed	Remaining Budget	Percent Expended
Administrative Expenses				
Salaries and Benefits				
Salary - Staff	890,360.00	435,360.02	454,999.98	48.90%
SEP Contribution	129,808.00	65,304.00	64,504.00	50.31%
Health Insurance	139,100.00	70,307.36	68,792.64	50.54%
Payroll Taxes	71,300.00	33,507.99	37,792.01	47.00%
Health Insurance - Retired Staff	6,000.00	666.72	5,333.28	11.11%
Subtotal	**1,236,568.00**	**605,146.09**	**631,421.91**	**48.94%**
SS Retiree Payroll Process Fees	9,000.00	9,210.60	(210.60)	102.34%
Building	11,390.00	3,550.74	7,839.26	31.17%
Utilities	6,875.00	2,035.18	4,839.82	29.60%
Office Expenses	18,350.00	3,581.11	14,768.89	19.52%
Computer and Software	37,000.00	9,783.92	27,216.08	26.44%
Insurance	51,500.00	36.00	51,464.00	0.07%
Travel	46,000.00	6,486.71	39,513.29	14.10%
Operational Cost	31,400.00	12,798.50	18,601.50	40.76%
Investment Expenses				
Financial Consulting Fee	237,700.00	116,797.68	120,902.32	49.14%
Investment Management Fees	1,650,000.00	758,889.89	891,110.11	45.99%
Bank Custodian Services	142,000.00	60,175.67	81,824.33	42.38%
Professional Services Expenses				
Accounting	25,000.00	11,625.00	13,375.00	46.50%
Actuarial Fees				
Actuarial Assistance		9,677.50		
Actuarial Valuation	47,400.00	11,850.00	35,550.00	25.00%
COLA & Additional Travel	10,000.00	-	10,000.00	0.00%
Legal Fees				
Administrative	132,000.00	66,000.00	66,000.00	50.00%
Board Meeting	12,000.00	7,500.00	4,500.00	62.50%
Investment Review	50,000.00	45,111.00	4,889.00	90.22%
Summary Plan Descr, Records Retention & Forms	125,000.00	31,623.50	93,376.50	25.30%
Legislative Consulting	72,650.00	12,000.00	60,650.00	16.52%
Medical Disability Review	8,100.00	-	8,100.00	0.00%
Pension Software	646,815.72	381,532.86	265,282.86	58.99%
Total Expenses	**$ 4,606,748.72**	**$ 2,177,758.47**	**$ 2,438,667.75**	**47.27%**

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

Additions

Contributions	
City of Austin Contribution (25.06%)	15,557,864.49
Fire Fighter Contribution (18.7%)	12,078,486.10
Interest -Bank	204,040.30
Commission Recapture	6,600.30
Class Action Proceeds	-
Securities Litigation Recovery	125.08
Total Contributions	**$ 27,847,116.27**

Deductions

Pension Retiree Payroll Expenses	
Retirees Annuity	30,272,861.40
Medical Ins.	1,644,166.75
Dental Ins	256,423.74
Vision Ins.	26,077.84
Retiree W/H Tax Payable	4,126,828.93
Benevolent Fund	25,360.00
Union Dues	9,899.64
Misc.	4,660.00
PAC Dues	16,072.00
Total Retiree Payroll Expenses	**$ 36,382,350.30**
Pension Lump Sum Expenses	
Contribution Refunds	383,910.25
DROP Distributions	23,712,839.80
# of Requested DROP Distributions: 120	
Total Pension Lump Sum Expenses	**$ 24,096,750.05**

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

	Jan - Jun	Budget	% of Budget
Ordinary Income/Expense			
Income			
City of Austin Contrib (25.06%)	15,557,864.49	31,215,000.00	49.84%
Commission Recapture	6,600.30	5,000.00	132.01%
Fire Fighter Contrib (18.7%)	12,078,486.10	23,108,000.00	52.27%
Securities Litigation Recovery	125.08		
Other Income			
Class Action Proceeds	0.00	5,000.00	0.00%
Interest - Frost Bank	5,692.08	10,000.00	56.92%
Interest - State Street	177,060.48	300,000.00	59.02%
Securities Lending - State St.	21,287.74	10,000.00	212.88%
Total Income	27,847,116.27	54,653,000.00	50.95%
Operating Expenses			
Administrative Expenses			
Payroll Expenses			
Salary - Staff	435,360.02	890,360.00	48.90%
SEP Contribution	65,304.00	129,808.00	50.31%
Health Insurance - Staff	70,307.36	139,100.00	50.54%
Taxes	33,507.99	71,300.00	47.00%
Health Insurance - Retired Staff	666.72	6,000.00	11.11%
Total Payroll Expenses	605,146.09	1,236,568.00	48.94%
SS Retiree Payroll Process Fees	9,210.60	9,000.00	102.34%
Building Expenses			
Assessment Toward Projects	1,055.24	2,400.00	43.97%
Building Maintenance/Improvemen	0.00	3,000.00	0.00%
Condo Association Dues	2,495.50	5,990.00	41.66%
Utilities			
Electric	773.04	2,250.00	34.36%
HVAC Program	285.20	50.00	570.40%
Internet & Cable & Telephone	724.90	3,600.00	20.14%
Water, Waste, Drainage	252.04	975.00	25.85%
Total Utilities	2,035.18	6,875.00	29.60%
Total Building Expenses	5,585.92	18,265.00	30.58%
Office Expenses			
Furniture (FFE)	0.00	2,000.00	0.00%
Meeting Refreshments	680.28	1,000.00	68.03%
Notary Services	0.00	250.00	0.00%
Office Maintenance	782.00	3,600.00	21.72%
Office Supplies (Office supplies expense)	571.22	2,500.00	22.85%

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

	Total		
	Jan - Jun	Budget	% of Budget
Postage and Delivery	1,049.61	5,000.00	20.99%
Printing and Reproduction	498.00	4,000.00	12.45%
Total Office Expenses	3,581.11	18,350.00	19.52%
Computer and Internet Expenses			
Hosting & Other Expenses	653.74	3,000.00	21.79%
Laptop/Computer	0.00	3,000.00	0.00%
Software/IT Services	9,130.18	31,000.00	29.45%
Total Computer and Internet Expenses	9,783.92	37,000.00	26.44%
Insurance Expense			
Board & Directors Liability Ins	0.00	37,500.00	0.00%
Commercial	0.00	2,200.00	0.00%
Cybersecurity Ins.	0.00	10,500.00	0.00%
Workers Comp Ins. (Workers Comp)	36.00	1,300.00	2.77%
Total Insurance Expense	36.00	51,500.00	0.07%
Travel Expense			
Lodging/Transportation/Per Diem	4,341.71	25,000.00	17.37%
Registration fees	2,145.00	21,000.00	10.21%
Total Travel Expense	6,486.71	46,000.00	14.10%
Operational Cost			
Association Fees (TXPERS /NCEPRS/NASRA)	9,495.00	9,200.00	103.21%
Election Services	0.00	4,900.00	0.00%
Death Verification Services	2,525.00	6,900.00	36.59%
Operational Cost - Other	778.50	10,400.00	7.49%
Total Operational Cost	12,798.50	31,400.00	40.76%
Investment Expenses			
Bank Custodian Services	60,175.67	142,000.00	42.38%
Financial Consulting Fee	116,797.68	237,700.00	49.14%
Investment Management Fees	758,889.89	1,650,000.00	45.99%
Total Investment Expenses	935,863.24	2,029,700.00	46.11%
Professional Fees			
Audit	11,625.00	25,000.00	46.50%
Actuarial Fees			
Actuarial Assistance	9,677.50		
Actuarial Valuation	11,850.00	47,400.00	25.00%
COLA & Additional Travel	0.00	10,000.00	0.00%
Total Actuarial Fees	21,527.50	57,400.00	37.50%

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

	Total		
	Jan - Jun	Budget	% of Budget
Legal Fees			
Administrative	66,000.00	132,000.00	50.00%
Board Meeting	7,500.00	12,000.00	62.50%
Investment Review	45,111.00	50,000.00	90.22%
Summary Plan Descr, Records Retention & Forms	31,623.50	125,000.00	25.30%
Total Legal Fees	162,581.02	319,000.00	50.97%
Legislative Consulting	12,000.00	72,650.00	16.52%
Medical Disability Review	0.00	8,100.00	0.00%
Pension Software			
Pension Software PG IV	381,532.86	646,815.72	58.99%
Total Professional Fees	589,266.38	1,128,965.72	52.20%
Total Operating Expenses	2,177,758.47	4,606,748.72	47.27%
Pension Retiree Payroll			
Retirees Annuity	30,272,861.40	61,000,000.00	49.63%
Medical Ins.	1,644,166.75	3,300,000.00	49.82%
Dental Ins	256,423.74	495,000.00	51.80%
Vision Ins.	26,077.84	51,000.00	51.13%
Retiree W/H Tax Payable	4,126,828.93	8,200,000.00	50.33%
Benevolent Fund	25,360.00	59,000.00	42.98%
Misc.	9,899.64	20,000.00	49.50%
PAC Dues	4,660.00	9,000.00	51.78%
Union Dues	16,072.00	30,000.00	53.57%
Total Pension Retiree Payroll	36,382,350.30	73,164,000.00	49.73%
Pension Lump Sum			
Contribution Refunds	383,910.25	1,000,000.00	38.39%
DROP Distributions	23,712,839.80	37,000,000.00	64.09%
Total Pension Lump Sum	24,096,750.05	38,000,000.00	63.41%
Total Expense	62,656,858.82	115,770,748.72	54.12%

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

Assets

Checking/Savings		
	Frost Bank - Benefits	249,310.69
	Frost Bank - Operating	24,181.24
	State Street T009-Cash Agg	4,312,212.28
Total Checking/Savings		4,585,704.21
Investments, at fair value		
	Domestic Equites	334,541,129.26
	Fixed Income Securities	396,386,284.13
	International Equities	320,446,210.61
	Real Asset	22,145,539.76
	Private Equity	137,191,918.94
	Real Estate	94,507,527.21
Total Investments		1,305,218,609.91
Total Assets		**$ 1,309,804,314.12**

Liabilities

Current Liabilities		
	Payroll Liabilities	5,606.86
	Operating Admin Liabilities	3,884.60
	Investment Liabilities	162,501.98
	Professional Liabilities	47,790.28
Long Term Liabilities		
	DROP (Guaranteed 5%)	158,707,902.86
	% of Total Assets	12.12%
Total Liabilities		**$ 158,927,686.58**

Austin Firefighters Retirement Fund
Balance Sheet
As of June 30, 2026

	June
ASSETS	
Current Assets	
Checking/Savings	
Frost Bank - Benefits	249,310.69
Frost Bank - Operating	24,181.24
State Street T009-Cash Agg	4,312,212.28
Total Checking/Savings	4,585,704.21
Other Current Assets	
Investments	
DEQ	
SSgA S&P 500 Flagship Fund	172,337,066.44
VAUGHAN NELSON	70,148,436.61
Westfield Capital Management	92,055,626.21
Total DEQ	334,541,129.26
FI	
ABERDEEN	79,774,629.84
Loomis Sayles Core Plus Bond	51,541,651.39
Pacific Asset Management	26,921,311.00
Pyramis Tactical Bond (Fidelity	29,724,973.88
SSgA Bond Fund	145,907,261.69
SSGA TIPS	62,516,456.33
Total FI	396,386,284.13
IEQ	
Baillie Gifford	22,853,975.43
DFA Emerging Markets	32,001,757.21
DFA International Small Company	40,906,402.76
MSCI Emerging MKTS Index SL	60,066,026.90
SSgA MSCI EAFE Fund	164,618,048.31
TT International	0.00
Total IEQ	320,446,210.61
NR	
Aether Real Assets II	1,256,615.91
Aether Real Assets III	5,746,463.09
Aether Real Assets IV	9,190,064.15
Aether Real Assets V	5,952,396.61
Total NR	22,145,539.76
PE	
57 Stars Global Opportunity	3,364,795.61
Arcmont (Bluebay)Direct Lending	1,859,237.11
Constitution Ironsides Fund VII (50/50)	11,556,764.06
Constitution Ironsides III	1,664,301.40
Cross Creek Capital Partners II	6,034,157.01
Cross Creek Capital Parts III	8,864,860.99
Deutsche Bank SOF III	1,460,503.14
Dover Street X	31,666,844.94
Greenspring Global Partners V	4,728,823.00
GREENSPRING VI	9,286,522.93

Austin Firefighters Retirement Fund
Balance Sheet
As of June 30, 2026

Harbourvest 2013 Direct	1,857,072.94
HarbourVest Coinvestment 4	4,833,644.05
HighVista Flag V	279,574.72
HighVista Flag VI	2,163,545.96
LGT C Europe Small Buyouts 3	1,129,644.60
LGT Crown Asia 2	3,105,195.01
LGT Crown Global Secondaries 2	69,627.00
LGT Crown Global VI	18,783,309.02
LGT Global Secondaries III	1,264,676.00
Partners Group EM 2015	4,674,978.02
Partners Group US Dist PE 2009	121,157.49
Private Advisors Co-Inv FundIII	0.00
Private Equity Investors V	1,171,052.23
SVB Strategic Investors Fund IX	17,251,631.71
Total PE	137,191,918.94
RE	
Clarion Partners	63,438,391.99
Crow Holdings Realty Partners X	16,432,318.88
Partners Group RE Second 2011	88,600.71
Partners Group RE Second 2017	10,846,771.81
Portfolio Advisors Fund 5	3,701,443.82
Total RE	94,507,527.21
Total Investments	1,305,218,609.91
Total Other Current Assets	1,305,218,609.91
Total Current Assets	1,309,804,314.12
TOTAL ASSETS	**1,309,804,314.12**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	5,606.86
Operating Admin Liabilities	3,884.60
Investment Liabilities	162,501.98
Professional Liabilities	47,790.28
Total Other Current Liabilities	219,783.72
Total Current Liabilities	219,783.72
Long Term Liabilities	
DROP (Guaranteed 5%)	158,707,902.86
% of Total Assets	12.12%
Total Long Term Liabilities	158,707,902.86
Total Liabilities	**158,927,686.58**

Austin Firefighters Retirement Fund
General Ledger
June 2026

Date	Name	Memo/Description	Split	Amount	Balance
Frost Bank - Benefits					
Beginning Balance					**$ 247,589.50**
06/05/2026	City of Austin	City and Member's Contributions	-Split-	2,081,989.57	2,329,579.07
06/05/2026	Austin FF Relief & Retireme	Transfer to State Street	State Street T009-Cash Agg	-1,800,000.00	529,579.07
06/05/2026	Austin FF Relief & Retireme	Transfer to Operating	Frost Bank - Operating	-280,000.00	249,579.07
06/18/2026	City of Austin	City and Member's Contributions	-Split-	2,088,953.08	2,338,532.15
06/22/2026	Austin FF Relief & Retireme	Transfer to State Street	State Street T009-Cash Agg	-2,020,000.00	318,532.15
06/22/2026	Austin FF Relief & Retireme	Transfer to Operating	Frost Bank - Operating	-70,000.00	248,532.15
06/30/2026	Frost Bank	Interest Jun 2026	Interest:Interest - Frost Bank	778.54	249,310.69
Total for Frost Bank - Benefits				**$ 1,721.19**	**$ 249,310.69**
Frost Bank - Operating					
Beginning Balance					**$ 32,838.26**
06/01/2026	Anumeha Kumar	TEXPERS Conference Mileage Reimbursement	Travel Expense:Lodging/Transportation/Per Diem	-97.40	32,740.86
06/02/2026	Aaron Woolverton	NCPERS Conference Travel Reimbursement	Travel Expense:Lodging/Transportation/Per Diem	-594.76	32,146.10
06/03/2026	American Express	May 2026	-Split-	-2,187.42	29,958.68
06/05/2026	Levi Ray & Shoup	Payment #14 Implementation Services (June 2026)	Professional Fees:Pension Software PG IV	-152,016.43	-122,057.75
06/05/2026	Levi Ray & Shoup	Prepaid Support Hours 250	Professional Fees:Pension Software PG IV	-38,750.00	-160,807.75
06/05/2026	Meketa Investments	May 2026	Fees:Financial Consulting Fee	-19,466.28	-180,274.03
06/05/2026	Schlueter Group of Texas	Legislative Consulting Jun 2026	Professional Fees:Legislative Consulting	-4,000.00	-184,274.03
06/05/2026	Jackson Walker	IFM Global Infrastructure (US), L.P.	Professional Fees:Legal Fees:Investment Review	-6,506.00	-190,780.03
06/05/2026	Austin FF Relief & Retireme	Transfer to Operating	Frost Bank - Benefits	280,000.00	89,219.97
06/05/2026	Complete IT	May 2026	Computer and Internet Expenses:Software/IT Services	-1,479.60	87,740.37
06/05/2026	Jackson Walker	Committee Meetings Apr 2026	Professional Fees:Legal Fees:Board Meeting	-1,500.00	86,240.37
06/05/2026	Jackson Walker	Clarion Alternative Sectors Fund, LP Investment	Professional Fees:Legal Fees:Investment Review	-786.50	85,453.87
06/05/2026	Jackson Walker	Disability / Employment Claims Review	Professional Fees:Legal Fees:Disability App	-3,273.00	82,180.87
06/05/2026	Jackson Walker	Disability Policy Review	Professional Fees:Legal Fees:Summary Plan Descr, Rec	-7,180.50	75,000.37
06/05/2026	Jackson Walker	HarbourVest Partners Co-Investment Fund IV L.P.	Professional Fees:Legal Fees:Investment Review	-1,047.50	73,952.87

06/05/2026	Jackson Walker	Administrative May 2026	Professional Fees:Legal Fees:Administrative	-11,000.00	62,952.87
06/05/2026	Jackson Walker	Beneficiary Designation Project	Professional Fees:Legal Fees:Summary Plan Descr, Rec	-3,941.00	59,011.87
06/09/2026	Austin FF Relief & Retireme	L. Adney Reimbursement Payment JUN 2026	Payroll Expenses:Health Insurance - Retired Staff	125.00	59,136.87
06/09/2026	Austin FF Relief & Retireme	L. Adney Health Insurance Payment Jun 2026	Payroll Expenses:Health Insurance - Retired Staff	218.90	59,355.77
06/09/2026	Austin FF Relief & Retireme	L. Haller Repayment for Retiree Annuity	Monthly Pension Retiree Payroll:Retirees Annuity	10,000.00	69,355.77
06/12/2026	City of Austin	Health Insurance Retired Staff Jun 2026	Payroll Expenses:Health Insurance - Retired Staff	-455.02	68,900.75
06/12/2026	TASC (FSA Health Care)	FSA Jun 2026	-Split-	-483.34	68,417.41
06/12/2026	City of Austin	Health Insurance Jun 2026	-Split-	-12,717.27	55,700.14
06/12/2026	Montemayor Britton Bender	Progress Bill, 2025 Audit	Professional Fees:Accounting:Audit	-5,500.00	50,200.14
06/16/2026	Austin FF Relief & Retireme	Union Reimbursement for Legislative Consulting	Professional Fees:Legislative Consulting	2,000.00	52,200.14
06/17/2026	Frost Bank	Bank Service Charge May 2026	Operational Cost:Bank Service Charges	-229.93	51,970.21
06/18/2026	Deborah Hammond	Certified Mail Reimbursement	Office Expenses:Postage and Delivery	-20.96	51,949.25
06/18/2026	Berwyn Group	Research Credits	Operational Cost:Death Verification Services	-25.00	51,924.25
06/18/2026	Jani-King of Austin	Jun 2026	Office Expenses:Office Maintenance	-297.00	51,627.25
06/22/2026	Austin FF Relief & Retireme	Transfer to Operating	Frost Bank - Benefits	70,000.00	121,627.25
06/25/2026	Jackson Walker	Administrative Apr 2026	Professional Fees:Legal Fees:Administrative	-11,000.00	110,627.25
06/25/2026	Fidelity	SEP Contributions Jun 2026	Payroll Expenses:SEP Contribution	-11,065.25	99,562.00
06/25/2026	Jackson Walker	Committee Meetings May 2026	Professional Fees:Legal Fees:Board Meeting	-1,500.00	98,062.00
06/25/2026	Xerox	Jun 2026	Operational Cost	-32.20	98,029.80
06/26/2026	The Hartford	Restoration/Service/Remodel/Furniture	-Split-	4,750.58	102,780.38
06/30/2026	Payroll	Pay Period: 06/01/2026-06/30/2026	Direct Deposit Payable	-55,736.64	47,043.74
06/30/2026	Payroll	Tax Payment for Period: 06/01/2026-06/30/2026	Payroll Liabilities:Federal Taxes (941/943/944)	-22,862.50	24,181.24
Total for Frost Bank - Operating				**-$ 8,657.02**	**$ 24,181.24**

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AFRF
AUSTIN FIREFIGHTERS RETIREMENT FUND

Roadmap of Items for Board Meetings

July 2026 Board Meeting

- 2025 Actuarial Valuation
- 2025 Financial Audit Report
- 2025 Annual Report
- Investment Committee Report - Meketa 1Q26 Report
- Investment training – Meketa
- Pension Administration System (PAS) implementation update
- Election timeline
- Mid-year Budget Update

August 2026 Board Meeting

- Meketa 2Q26 Report
- Meketa 2025 Fee Review
- Private Equity Program Structure Review
- Mid-year Budget Update

November 2026 Board Meeting

- Meketa 3Q26 Report
- Meketa Annual Fee Review
- Private Equity Program Structure Review
- Meketa Asset/Liability Study Discussion for 2027
- Update on Trustee Election and possible election certification
- COLA analysis presentation

December 2026 Board Meeting

- Annual Performance Evaluation of the Executive Director
- Consider approval of proposed 2027 Budget
- Vendor Review schedule

Roadmap of Items for Investment Committee

- Review of Private Equity Program Structure
- Update on Passive Framework 2.0
- Asset/Liability Study 2027
- Investment Practices and Performance Evaluation 2027

Roadmap of Items for Benefits Committee

- 30-Month and Periodic disability benefit review
- Ongoing schedule for disability benefit reviews
- Disability Retirement Benefit Policy review

Roadmap of Items for Policy Committee

- Post-retirement beneficiary designation process review
- Legislative priorities for 2027