TOBACCO SETTLEMENT ENDOWMENT FUND
BOARD OF INVESTORS

c/o Oklahoma State Treasurer
2300 N. Lincoln, Room 217
Oklahoma City, Oklahoma 73105
PHONE: (405) 521-3191

Notice of Special Meeting

Date: February 18, 2026

Time: 11:00 A.M.

Place: Oklahoma State Capitol
2300 N. Lincoln Blvd,
Governor's Large Conference Room
Oklahoma City, OK 73105

Agenda

1. Call to Order, Certification of Open Meeting Act, Roll Call | Chairman Russ
2. Approval of Minutes – Meeting from November 19, 2025 | Chairman Russ
   i. *Discussion and possible action*
3. Presentation of Tobacco Free Investments Report | Bank of Oklahoma
4. Class Action Proof of Claims Report 2nd Quarter of FY '26 | Lisa Murray
   i. *Discussion and Possible Action*
5. FY26 Estimated Earnings Report as of December 31, 2025 | Phyllis Chan, OST
6. TSET Board of Directors Report | Julie Bisbee, TSET Executive Director
7. Private Equity Infrastructure Manager Search, Presentations, Selection | Wendy Dominguez, Innovest
   a. Presentation by Brookfield
   b. Presentation by KKR
   c. *Discussion and Possible Action*
8. Ratification and Approval of Innovest Consulting Firm Agreement | Wendy Dominguez, Innovest
   i. *Discussion and Possible Action*
9. 2nd Quarter of FY '26 Investment Performance Report | Wendy Dominguez, Innovest
   i. *Discussion and Possible Action*
10. Issuance of a Global Buyout Private Equity Request for Proposal | Wendy Dominguez, Innovest
11. Investment Policy Statement Revision | Wendy Dominguez, Innovest
    i. *Discussion and Possible Action*
12. Proxy Voting Audit Presentation | Jerry Bowyer, Bowyer Research
    i. *Discussion and possible action resulting from audit findings*
13. Updates and Comments | Chairman Russ, State Treasurer
14. Adjournment

*Limited number of hard copies of the reports will be available at the meeting.
**The Board may, at its discretion, discuss, vote to approve, vote to disapprove, vote to table, change the sequence of any agenda item, or choose not to take up any item on the agenda.

Bank of Oklahoma

Evan Walter
Senior Vice President
(405) 272-2126
(405) 272-3965 (FAX)

January 27, 2026

BOARD OF INVESTORS
TOBACCO SETTLEMENT ENDOWMENT
FUND

DEAR BOARD MEMBERS:

As Custodian Bank, we are aware of our various responsibilities to the Oklahoma Tobacco Settlement Endowment Trust Fund (the Fund). Those responsibilities include, but are not limited to, those specifically outlined in the Investment Policy as amended August, 2018 (the Policy). Such responsibilities include monitoring compliance with the Policy, including its prohibitions against investment in tobacco manufacturers as presented in bold below:

> "**Unless specifically approved by the Board, certain securities, strategies and investments are ineligible for inclusion within the Fund. Among these are:**
>
> **Securities issued by companies engaged in the manufacture of tobacco products. This includes any company which is a signatory to the Master Settlement Agreement to which the State of Oklahoma is a party. A list of these companies, as updated periodically, is available on the website of the National Association of Attorneys General at https://www.naag.org/our-work/naag-center-for-tobacco-and-public-health/the-master-settlement-agreement/.**
>
> **This restriction does not apply to the underlying holdings of commingled funds, mutual funds or exchange traded funds.**

We have monitored the Fund's portfolio to ensure the continuous compliance with these requirements during the quarter ended December 31, 2025 and no exceptions were noted, any exceptions would have been reported to you immediately.

	January 27, 2026
Senior Vice President Bank of Oklahoma	Date

Chicago Clearing Corporation
404 S. Wells
Chicago, IL 60607
clientservice@chicagoclearing.com
(312) 204-6970

Claims Report for:
BOKF

This report covers claims filed between **10/01/2025** and **12/31/2025** for 25 selected accounts.

Summary

Description	Total
Claims filed in cases	4
Unique claims filed in cases	5
Claims pending in cases	4
Recognized loss for pending claims	$0.00
Estimated payout for pending claims	$0.00
Checks paid to your accounts	6
Total recovery from your claims	$3,866.30

25 Accounts

Below is a list of accounts selected for this report. The scope of this report is limited to these selected accounts.

Accounts
718001001
718001019
718001035
718001043
718001050
718001076
718001092
718001100
718001126
718001167
718001175
718001191
718001217
718001225
718001233
718001241
718001258
718001266
718001274
718001282
718001290

Accounts
718001308
718001316
790199012
718001324

4 Claims Filed

Below is a list of total claims filed between **10/01/2025** and **12/31/2025**. Distributions take place, on average, 1.5 years after the claim filing deadline.

Case Name	Accounts	Deadline
Opendoor Technologies	718001126	12/27/2025
Equinix	718001126	12/24/2025
EQT Corporation	718001126	12/10/2025
Dentsply Sirona	718001050 718001126	10/10/2025
Totals	**5**	

4 Pending Claims

Claims listed below have been filed between **10/01/2025** and **12/31/2025** with the claims administrator and will remain "pending" until they are either paid or rejected. Please refer to CCC's disclaimer for an explanation of CCC's recognized loss and pro rata (estimated payout) calculations.

Case Name	Accounts	Rec Loss	Est Payout
Dentsply Sirona	718001050 718001126	$0.00	$0.00
EQT Corporation	718001126	$0.00	$0.00
Equinix	718001126	$0.00	$0.00
Opendoor Technologies	718001126	$0.00	$0.00
Totals	**5**	**$0.00**	**$0.00**

6 Checks Paid

This list shows claims that have been paid for the following settlements.

Case Name	Account	Sum Checks	Check Date
Grand Canyon Education	718001126	$301.08	11/21/2025
Oak Street Health	718001126	$519.13	12/10/2025
Perrigo 2024	718001126	$136.36	10/07/2025
Textron 2022	718001126	$17.78	11/06/2025
Twitter 2022	718001126	$36.14	11/06/2025
Wells Fargo 2020 Securities Litigation	718001092	$2,855.81	10/07/2025
Totals	**6**	**$3,866.30**	

Disclaimer

For your pending claims, Chicago Clearing Corporation (CCC) has provided recognized loss and estimated payouts. Recognized loss is CCC's calculation of your or your clients' total eligible damages based upon CCC's interpretation of the plan of allocation of any given settlement. Your recognized loss calculation is subject to change due to various factors such as claims that are deemed to be deficient or rejected by the administrator, changes in the plan of allocation, or changes in the interpretation of the plan of allocation by the court, the administrator or CCC. There is no guarantee the court will approve payment of your claims even if CCC calculates a recognized loss. A "0" recognized loss means that CCC does not calculate a recognized loss and you likely do not have a claim in the settlement. A "N/A" recognized loss means that the listed settlement does not have a plan of allocation, CCC has not devised the formula to calculate a recognized loss or CCC has not calculated your recognized loss as of the date of your report. The estimated payouts are CCC's projected check amounts for claims filed on your or your clients' behalf. Your actual settlement payments will be a percentage of your recognized loss. CCC's prediction of the percentage payout of your recognized loss is based upon proprietary correlations and algorithms developed by CCC. The exact payment amount for your claims is unknown until the final distribution order is signed by the court. CCC accepts no responsibility or liability of any kind for the accuracy, reliability or completeness of its recognized loss and estimated payout calculations, or for any action taken, or results obtained, from the use of its recognized loss and estimated payout calculations. Furthermore, you or your clients agree to release CCC from any claims, demands and damages (actual and consequential) of every kind and nature arising out of or in any way connected with CCC's recognized loss and estimated payout calculations.

INNOVEST

Oklahoma Tobacco Settlement Fund Private Infrastructure Equity RFP

Wendy Dominguez, MBA | Principal, President

Gordon Tewell, CFA, CPC | Principal

Wyck Brown, CFA | Vice President

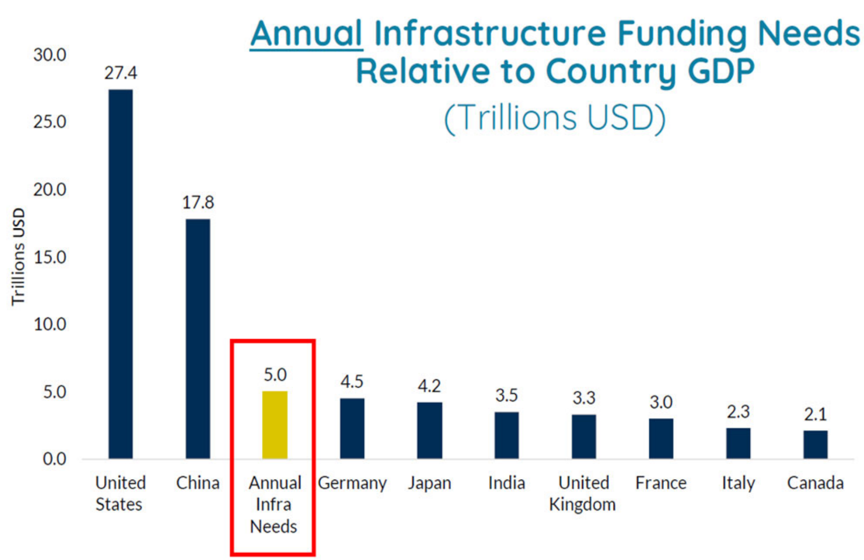
Why Infrastructure?

1 Resilient Growth

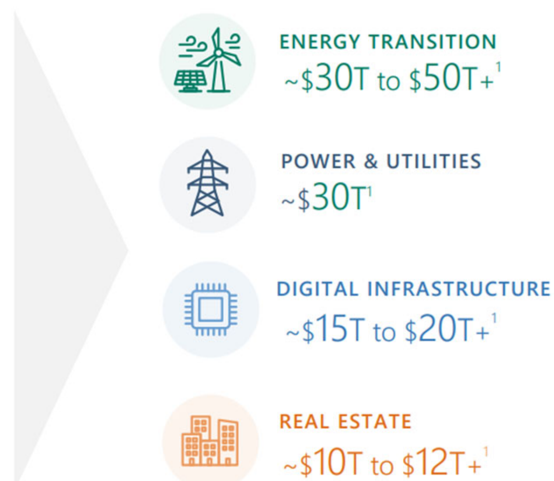
- Global infrastructure assets are antiquated and insufficient, instigating re-development
- High demand across multiple sectors: data centers, energy transition, transportation, etc.
- Deglobalization and population growth accentuate global infrastructure needs

2 Compelling Investment

- Low default risk due to essential use assets and high-quality counterparties (e.g., government contracts)
- Yields compare favorably to private debt, with a similar low correlation to equities
- Concentration risk is mitigated through sector diversification and staggered maturities



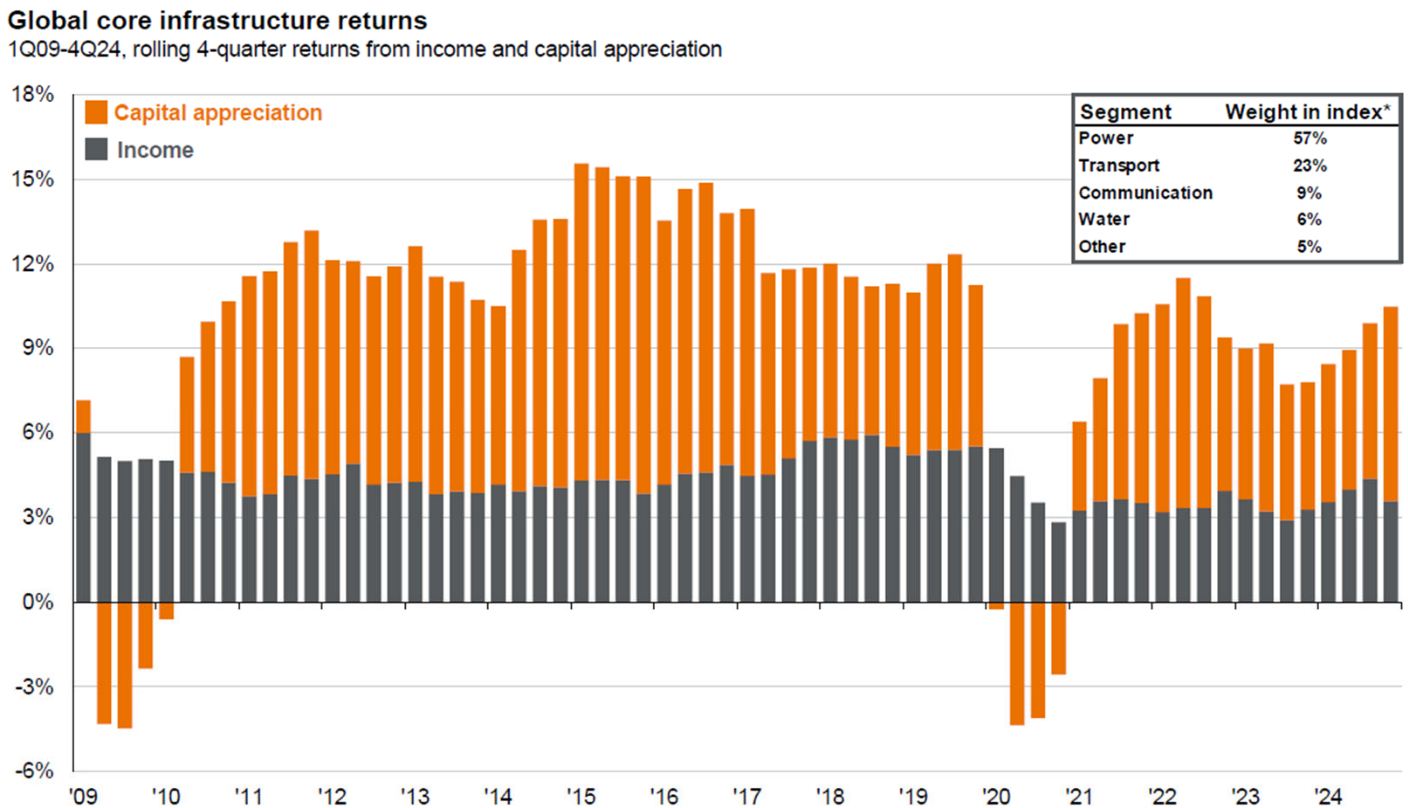
Source: Versus Capital, June 2024



Source: Apollo - TAMs reflects the views and opinions of Apollo Analysts based on expected aggregate investment/capex demands over the next 10 years.

Sources of Global Infrastructure Returns

Historically, infrastructure as an asset class has had high positive returns with relatively low drawdowns



Source: MSCI, J.P. Morgan Asset Management

RFP Timeline

Date	Event
December 1, 2025	RFP Released
December 15, 2025	Deadline to Submit Questions
December 22,2025	Response to Questions Emailed
December 31, 2025 @ 4:00 PM CST	Deadline to Submit RFP Responses
February 4, 2026	Finalists Chosen
February 18, 2026	Finalist Interviews
February 20, 2026	Announcement of Selected Manager(s)

RFP Criteria and Scoring

Organization and Team - 20% (200 points):

- *Consistency of the management and investment team;*
- *Investment qualifications of key personnel assigned to the Fund account;*
- *Experience with the management of public funds.*
- *Ownership, governance, and succession planning.*

Investment Philosophy, Process, and Due Diligence- 30% (300 points):

- *Proven record of a clearly defined philosophy incorporating strong discipline, innovation and consistency of investment process;*
- *Historical performance of Funds managed;*
- *Research capabilities;*
- *Experience managing a number of Funds whose total assets are greater than $1 billion; and*
- *An investment style that best fits the desired portfolio structure.*

Operations, Administration, & Risk Management- 10% (100 points):

- *Strength of portfolio administration, audit, trading, accounting, and other administrative capabilities;*
- *Ability to monitor, reconcile, and analyze performance on a quarterly basis; and*
- *Demonstrated expertise in compliance and risk management best practices*
- *Quality of external service providers*

Product Information and Fees (Total Cost) 20% (200 points):

- *Management Fee structure and calculation*
- *Carried interest charge, hurdle, calculation (including frequency & hold back)*
- *Administrative fees charged annually to the fund*
- *Target number of portfolio holdings*
- *Limits on portfolio exposures*
- *Experienced loss statistics*

Oklahoma Values and Environmental, Social, and Governance – 20% (200 points):

- *Corporate Philanthropy Practices*
- *Decision making process around ESG integration*
- *ESG position and alignment with Oklahoma values*

Innovest's Process

- The RFP process was overseen by a team consisting of five Investment Committee members and four analysts

- All 16 RFP submissions were evaluated on a section-by-section basis to ensure a comprehensive and consistent review

- Meetings were conducted with four managers to address clarifying questions and obtain additional information

- Two finalists were selected for further consideration: Brookfield and KKR
  - Part of Innovest's standard practice when evaluating alternative managers is to conduct onsite visits at the manager's headquarters to assess operational capabilities and meet the investment team in person. Innovest held onsite meetings with senior members of both KKR's and Brookfield's infrastructure investment teams in the fall of 2025.

Brookfield

Firm Overview

Brookfield is a trillion-dollar global asset manager that emphasizes owning and operating (not just investing in) their portfolio companies. Their network of ~2,500 investment professionals and ~250,000 operating employees provides boots on the ground knowledge of trends and opportunities. Almost a third of their $1 trillion AUM is dedicated to infrastructure and renewables, with most of those assets providing essential services, exhibiting high barriers to entry, and generating inflation protected cashflows.

Product Overview: Brookfield Super-Core Infrastructure Partners (BSIP)

BSIP provides access to a diversified core portfolio of infrastructure assets. These assets are expected to be lower risk, have strong visibility of cash flows, and have low correlation to GDP. The fund targets sectors in which Brookfield believes they have established operations and significant expertise.

Return Target

8%-9% Net IRR

Product Structure and Liquidity

Opened-ended fund; quarterly subscriptions; quarterly redemptions; three-year hard lock

Product Fees

0.75% management fee1 + ~0.25% Variable Fee calculated at 5% of Distributions from Operations

[1]Management fee is calculated based on NAV. 0.75% < $100m, ~0.69% ≥ $100m and < $300m. ~0.64% ≥ $300m. See Brookfield's RFP response for full details

KKR

Firm Overview

KKR is a leading global investment firm that has focused on alternative investments in private companies since it's inception in 1976. KKR's ~4,500 investment professionals based in offices across the world manage over $700 billion in private equity, real estate, private credit, and infrastructure assets.

Product Overview: KKR Diversified Core Infrastructure Fund ("DCIF")

DCIF provides access to a diversified core portfolio of infrastructure assets. The fund targets assets that are supported by long-term macro themes, have consistent cash flows, and provide inflation protection. KKR believes they can use their scale to source complex and unique opportunities.

Return Target

7%-9% Net IRR

Product Structure and Liquidity

Open-ended fund; quarterly subscriptions; quarterly redemptions; three-year soft lock with 5% early redemption fee

Product Fees

0.80% management fee[1] + Variable Fee calculated at 5% of gross cash yield (subject to minimum performance hurdle of 4% gross cash yield)

[1]Management fee is determined by subscription amount. 0.85% < $50m, 0.80% ≥ $50m and < $200m, 0.75% ≥ $200m and <$500m, 0.70% ≥ $500m . See KKR's RFP response for full details.

Performance Comparison

	One Year	Three Year	Five Years	Since Inception
BSIP	8.8%	9.0%	8.6%	8.4%
DCIF	8.2%	7.6%	--	9.4%

TWR, Net of Fees. As of 9/30/25

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Past performance is no guarantee of future results. The market and economic environment in which the included performance was achieved should not be expected to be typical or repeated in the future. The investments included in this portfolio were not insured by the FDIC and involve investment risks, including the possible loss of all principal.

If applicable, returns included in these materials may represent mutual funds share classes or vehicles other than those in which clients are or may be invested. Typically, any differences are the result of efforts to present the longest track record of the investment strategies.

Assumptions, opinions, and forecasts herein constitute Innovest's judgment and are subject to change without notice. Past performance is no guarantee of future results. The investment products discussed are not insured by the FDIC and involve investment risk including the possible loss of all principal.

Oklahoma TSET Infrastructure RFP Analysis

Category	Axium	Blackstone	Brookfield	CBRE	EnTrust Global (Blue Ocean)	Hamilton Lane	HarbourVest	IFM
Organization and Team - 20% (200 points)	160	200	190	100	60	120	120	80
Innovest Comments	*The firm's infrastructure focus, employee ownership, and robust team were favorable, while its relative smaller scale and North America research focus detracted.*	*The firm's well-resourced research capabilities, large team, sizable scale in several infrastructure assets, and partial employee ownership were favorable.*	*The firm's employee ownership, sizable assets, and deep research focus on infrastructure were favorable, while some recent changes in ownership structure detracted.*	*The firm's comparatively less robust research team and high concentration in its top 5 clients detracted, while its infrastructure focus as a firm was favorable.*	*The firm's smaller research team, relative lack of scale, high concentration in ownership, and research focus on maritime infrastructure detracted.*	*The firm's relative lack of scale in infrastructure assets, comparatively less robust research team and high concentration in its top 5 clients detracted.*	*The firm's relative smaller scale in infrastructure assets, planned retirements, and smaller team detracted.*	*The possible conflicts of interest created by the firm's ownership and research focus on Australian investments detracted, while their robust team was favorable.*
Investment Philosophy, Process, and Due Diligence- 30% (300 points)	290	300	300	265	200	245	215	300
Innovest Comments	*While the firm's investment philosophy and process are sound, its infrastructure platform is comparatively smaller.*	*The firm's investment philosophy and process, research capabilities, and infrastructure platform are solid.*	*The firm's investment philosophy and process, research capabilities, and infrastructure platform are solid.*	*The firm's philosophy & process is less robust relative to other respondents, and its infrastructure platform is comparatively smaller.*	*While the firm's investment philosophy and process are sound, the product's structure and focus do not align with the desired portfolio design.*	*While the firm's investment philosophy and process are sound, the proposed product's asset base is too small.*	*The firm's investment philosophy and process are less robust relative to other respondents, and the proposed product's asset base is too small.*	*The firm's investment philosophy and process, research capabilities, and infrastructure platform are solid.*
Operations, Administration, & Risk Management- 10% (100 points)	100	100	100	100	100	100	100	100
Innovest Comments	*The firm has institutional operations, administration, and risk management with no obvious concerns.*	*The firm has institutional operations, administration, and risk management with no obvious concerns.*	*The firm has institutional operations, administration, and risk management with no obvious concerns.*	*The firm has institutional operations, administration, and risk management with no obvious concerns.*	*The firm has institutional operations, administration, and risk management with no obvious concerns.*	*The firm has institutional operations, administration, and risk management with no obvious concerns.*	*The firm has institutional operations, administration, and risk management with no obvious concerns.*	*The firm has institutional operations, administration, and risk management with no obvious concerns.*
Product Information and Fees (Total Cost) 20% (200 points)	120	160	200	160	160	120	0	160
Innovest Comments	*The firm ranked the highest third in fees relative to the other products bid.*	*The firm ranked in the middle third in fees relative to the other products bid.*	*The firm ranked in the lowest third in fees relative to the other products bid.*	*The firm ranked in the middle third in fees relative to the other products bid.*	*The firm ranked in the middle third in fees relative to the other products bid.*	*The firm ranked in the highest third in fees relative to the other products bid.*	*HarbourVest did not explicitly disclose the fees for their product.*	*The firm ranked in the middle third in fees relative to the other products bid.*
State of Oklahoma's Economic Values and Public Policy Objectives Alignment and ESG – 20% (200 points)	70	70	130	130	150	70	70	130
Innovest Comments	*Axium in their response indicated integration of ESG throughout the investment lifecycle. Each investment opportunity is first screened to exclude any potential investment that does not align with the Funds' Investment Restrictions and Guidelines. These guidelines include assets that are considered to be non-environmentally friendly, such as coal and oil sands. Axium is a UNPRI Signatory and member of the Net Zero Asset Managers Initiative.*	*Blackstone in their response indicated part of their investment analysis includes analyzing the decarbonization plans of portfolio assets/companies. Blackstone is a UNPRI Signatory and member of the Net Zero Asset Managers Initiative.*	*Brookfield in their response emphasized a focus on fiduciary duty over ESG related initiatives. When asked about affiliations, Brookfield indicated they are a UNPRI Signatory and member of the Net Zero Asset Managers Initiative.*	*CBRE in their response emphasized a focus on fiduciary duty over ESG related initiatives. When asked about affiliations, CBRE indicated they are a UNPRI Signatory and member of the Net Zero Asset Managers Initiative.*	*EnTrust Global in their response emphasized a focus on fiduciary duty over ESG related initiatives. When asked about affiliations, EnTrust Global indicated they are a UNPRI Signatory and member of the Net Zero Asset Managers Initiative. Their participation in UN PRI is limited to transparency and information-sharing practices and does not impose prescriptive investment mandates, exclusions, or policy-driven constraints on investment decision-making.*	*Hamilton Lane in their response indicated negative screening for certain activities with that they believe have negative environmental impacts where there is no credible plan to mitigate them. In accordance with this, Hamilton Lane applies negative screening across all their discretionary strategies to exclude thermal coal and oil sands. Hamilton Lane is a UNPRI Signatory.*	*HarbourVest in their response indicated that ESG is a key component of the manager assessment and monitoring process. HarbourVest will not invest in businesses that derive more than 25% of their business (measured by revenue or EBITDA, at HarbourVest's discretion) in thermal coal extraction or production, upstream oil, or upstream metals or mining. HarbourVest is a UNPRI signatory.*	*IFM in their response emphasized a focus on fiduciary duty over ESG related initiatives. When asked about affiliations, IFM indicated they are a UNPRI Signatory and member of the Net Zero Asset Managers Initiative.*
Total - 100% (1000 points)	***740***	***830***	***920***	***755***	***670***	***655***	***505***	***770***

Oklahoma TSET Infrastructure RFP Analysis

Category	Igneo (First Sentier Group)	ITE	JLC	KKR	Macquarie	Neuberger Berman	Partners Group	Pathway
Organization and Team - 20% (200 points)	80	60	60	190	160	120	180	80
Innovest Comments	*The firm's concentration in its top 5 clients, research focus on Australian investments, and relatively smaller scale in infrastructure assets detracted.*	*The firm's concentration of ownership, research focus in transportation infrastructure, and relative lack of scale in infrastructure assets detracted.*	*The firm's concentration in its top 5 clients, smaller team, research focus on U.S. assets, and relatively smaller scale in infrastructure assets detracted.*	*The firm's well-resourced research capabilities, large team, sizable scale in several infrastructure strategies, and partial employee ownership were favorable.*	*The firm's institutional scale and well-resourced research team were favorable, while recent organizational changes detracted.*	*The firm's employee ownership, and well-resourced team were favorable, while its relative lack of scale in infrastructure specific investments detracted.*	*The firm's robust research team, large scale, and quantity of assets specific to infrastructure were favorable, while some unanswered questions detracted.*	*The firm's concentration in its top 5 clients, ownership structure, smaller team, and relatively smaller scale in infrastructure assets detracted.*
Investment Philosophy, Process, and Due Diligence- 30% (300 points)	250	250	175	300	300	200	200	230
Innovest Comments	*While the firm's investment philosophy and process are sound, the product's focus does not align with the desired portfolio structure.*	*While the firm's investment philosophy and process are sound, the product's focus does not align with the desired portfolio structure.*	*The firm's investment philosophy and process are less robust relative to other respondents, and the product's focus does not align with the desired portfolio structure.*	*The firm's investment philosophy and process, research capabilities, and infrastructure platform are solid.*	*The firm's investment philosophy and process, research capabilities, and infrastructure platform are solid.*	*The firm's investment philosophy and process are less robust relative to other respondents, and the product's structure does not align with the desired portfolio design.*	*While the firm's investment philosophy and process are sound, the proposed strategy's asset base is too small and the product's focus does not align with the desired portfolio structure.*	*While the firm's investment philosophy and process are sound, the proposed strategy's structure does not align with the desired portfolio design.*
Operations, Administration, & Risk Management- 10% (100 points)	100	100	100	100	100	100	100	100
Innovest Comments	*The firm has institutional operations, administration, and risk management with no obvious concerns.*	*The firm has institutional operations, administration, and risk management with no obvious concerns.*	*The firm has institutional operations, administration, and risk management with no obvious concerns.*	*The firm has institutional operations, administration, and risk management with no obvious concerns.*	*The firm has institutional operations, administration, and risk management with no obvious concerns.*	*The firm has institutional operations, administration, and risk management with no obvious concerns.*	*The firm has institutional operations, administration, and risk management with no obvious concerns.*	*The firm has institutional operations, administration, and risk management with no obvious concerns.*
Product Information and Fees (Total Cost) 20% (200 points)	160	120	120	200	200	200	120	200
Innovest Comments	*The firm ranked in the middle third in fees relative to the other products bid.*	*The firm ranked in the highest third in fees relative to the other products bid.*	*The firm ranked in the highest third in fees relative to the other products bid.*	*The firm ranked in the lowest third in fees relative to the other products bid.*	*The firm ranked in the lowest third in fees relative to the other products bid.*	*The firm ranked in the lowest third in fees relative to the other products bid.*	*The firm ranked in the highest third in fees relative to the other products bid.*	*The firm ranked in the lowest third in fees relative to the other products bid.*
State of Oklahoma's Economic Values and Public Policy Objectives Alignment and ESG – 20% (200 points)	70	150	150	130	70	130	130	130
Innovest Comments	*Igneo in their response indicated an explicit exclusion to coal related assets and that they do not intend to make any new investments in any coal related assets. The team also intends to reduce the fund exposure to fossil fuels over time and reduce the exposure of any new investment to fossil fuels. Igneo is a UNPRI signatory and member of the Net Zero Asset Managers Initiative.*	*ITE in their response emphasized a focus on fiduciary duty over ESG related initiatives. When asked about affiliations, ITE indicated they are not a UNPRI Signatory or member of the Net Zero Asset Managers Initiative.*	*JLC in their response emphasized a focus on fiduciary duty over ESG related initiatives. When asked about affiliations, JLC indicated they are not a UNPRI Signatory or member of the Net Zero Asset Managers Initiative.*	*KKR in their response emphasized a focus on fiduciary duty over ESG related initiatives. When asked about affiliations, KKR indicated they are a UNPRI Signatory and member of the Net Zero Asset Managers Initiative.*	*Macquarie in their response indicated a policy for its managed infrastructure funds restricting investments in in coal mining, stand-alone coal-fired electricity generation, and businesses for which coal-fired generation accounts for more than 25 per cent of revenue. Macquarie is a UNPRI signatory and member of the Net Zero Asset Managers Initiative.*	*Neuberger Berman in their response emphasized a focus on fiduciary duty over ESG related initiatives. When asked about affiliations, Neuberger Berman indicated they are a UNPRI Signatory and member of the Net Zero Asset Managers Initiative.*	*Partners Group in their response emphasized a focus on fiduciary duty over ESG related initiatives. When asked about affiliations, Partners Group indicated they are a UNPRI Signatory and member of the Net Zero Asset Managers Initiative.*	*Pathway in their response emphasized a focus on fiduciary duty over ESG related initiatives. When asked about affiliations, Pathway indicated they are a UNPRI Signatory and member of the Net Zero Asset Managers Initiative.*
Total - 100% (1000 points)	***660***	***680***	***605***	***920***	***830***	***750***	***730***	***740***

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Innovest may have provided a current client's historical performance as an example of the results of Innovest's services for that client. The performance included is not a composite and is not representative of the performance of all or any group of Innovest clients. This client's accounts were selected for inclusion based on the length of the client relationship, each account's historical performance, the accounts' risk and investing characteristics, and the client's reporting requirements. As a result, the portfolio included may have better return or risk characteristics than other clients' portfolios. The portfolio included may also have different risk and return objectives than you do. The included performance is net of Innovest's fees and underlying manager fees.

Past performance is no guarantee of future results. The market and economic environment in which the included performance was achieved should not be expected to be typical or repeated in the future. The investments included in this portfolio were not insured by the FDIC and involve investment risks, including the possible loss of all principal.

If applicable, returns included in these materials may represent mutual funds share classes or vehicles other than those in which clients are or may be invested. Typically, any differences are the result of efforts to present the longest track record of the investment strategies.

Assumptions, opinions, and forecasts herein constitute Innovest's judgment and are subject to change without notice. Past performance is no guarantee of future results. The investment products discussed are not insured by the FDIC and involve investment risk including the possible loss of all principal.

Q4 2025
Portfolio Review

Oklahoma Tobacco Settlement Endowment Trust

Wendy Dominguez, MBA | Principal, President

Gordon Tewell, CFA, CPC | Principal

Wyck Brown, CFA | Vice President

Report Prepared by: Brian Curran

Colorado • California • Florida | www.innovestinc.com

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Q4 2025 Innovest at a Glance

Current Company Statistics

$60B	60	19	37	29+
Assets Under Consultation	Total Employees	Total Partners	States Served	Years in Business

National Publications and Awards

- Innovest was named a "Best Place to Work" – *Pensions & Investments*
- Innovest was ranked among the top 25 Corporate Philanthropists in 2024 – *Denver Business Journal*
- Is the Growth of Evergreen Funds Good or Bad for Private Markets? – *Advisor Perspectives* – Sloan Smith
- Why Credit Markets Warrant Caution – *Financial Advisor Magazine* – Peter Mustian

Events, Conferences, & Webinars

- **7 Common Mistakes Employers Make with 401(k) Plans Webinar**: Innovest hosted a webinar led by Rick Rodgers and Tomas Jansson, sharing practical insights for plan sponsors.
- **Colorado Government Finance Officers Association (CGFOA) Conference**: Innovest attended and sponsored the conference in November.
- **Givers, Thinkers, and Doers Conference:** Principal Sarah Newman and CEO Richard Todd attended the conference in Phoenix.
- **Investment Management Rooted in Financial Science Webinar**: Innovest hosted a webinar with Jared Martin and Rick Rodgers in partnership with Dimensional Fund Advisors, focused on evidence-based investment management.
- **Navigating Markets, Policy, and Nonprofit Priorities Virtual Nonprofit Conference:** Innovest co-hosted the conference, where Principal Christian O'Dwyer, CFA, presented an Economic Update.
- **State Financial Officers Foundation Fall Meeting:** Innovest sponsored and attended the annual fall meeting.
- **Wellness, Career, and City Fairs:** Innovest participated in multiple local events, providing financial wellness education to attendees.

Service In Our Communities

Event Sponsorships

- Benedictine College, Scholarship Ball
- Centennial Institute, Business Council Membership
- Gold Crown Foundation, 2025 Gold Crown Classic Entry
- Junior League of Denver, Inc., Mile High Holiday Mart 2025
- Roman Catholic Foundation of Eastern Missouri, 2026 CEO Symposium
- Rotary Club of Parker, Spirit of the Trail (SOTT)
- Saint John Institute, Retreat
- St. John Paul the Great Catholic High School, The Great Gala
- St. Thomas More Catholic School, Mane Event 2025
- The Saint Sebastian Project, Catholic Families Night

On-the-Ground Service

- Christ in the City
- Colorado Gives Day
- Little Flower Assistance Center
- Regis Jesuit High School

Discover & Connect: Events and Webinars

Conferences, conversations, and gatherings designed to inform, connect, and engage, with thoughtful discussion around investing, market perspectives, and long-term financial stewardship.

The 2026 Economic Outlook: A Lunch Discussion

February 19, 2026 | Cherry Hills Country Club | Greenwood Village, CO

Please join us for a luncheon featuring Richard Wobbekind, Associate Dean for Business & Government Relations, Senior Economist, and Faculty Director of the Business Research Division at the University of Colorado Boulder, for an in-depth perspective on the 2026 economic outlook.

Current Environment in Private Equity Secondaries

Webinar | A Conversation with RCP Advisors

The current environment in private equity secondaries is marked by growing investor interest in flexible liquidity solutions and strategic portfolio rebalancing. This webinar will explore key trends, deal structures, and market dynamics currently shaping the secondaries space. Watch a webinar featuring Sloan Smith, Principal & Director at Innovest, and Jon Madorsky, Managing Partner at RCP Advisors. View at www.innovestinc.com/conversations or scan the QR code.

Innovest's History with Oklahoma Tobacco Settlement Endowment Trust

2025

- Executed contract for consulting agreement with Innovest Portfolio Solutions LLC, effective August 2025
- Provided first quarterly performance report in August 2025 and will provide reports each quarter thereafter
- In the 3rd Quarter meeting presented:
  - Liquidity management strategy
  - Asset allocation change recommendations
  - Eliminate global fixed income
  - Eliminate global equity
  - Add infrastructure
  - Add private equity
  - Proxy voting options
- Began process to move to new asset mix that provides higher expected risk-adjusted returns by increasing allocation to alternatives and reducing allocation to fixed income and equities on 11/20/2025
- Removed GMO Benchmark Free and PIMCO All-Asset funds on 12/16/2025

2026

- Removed Western Asset Global Fixed Income in January 2026

Executive Summary - Oklahoma Tobacco Settlement Endowment Trust
December 31, 2025

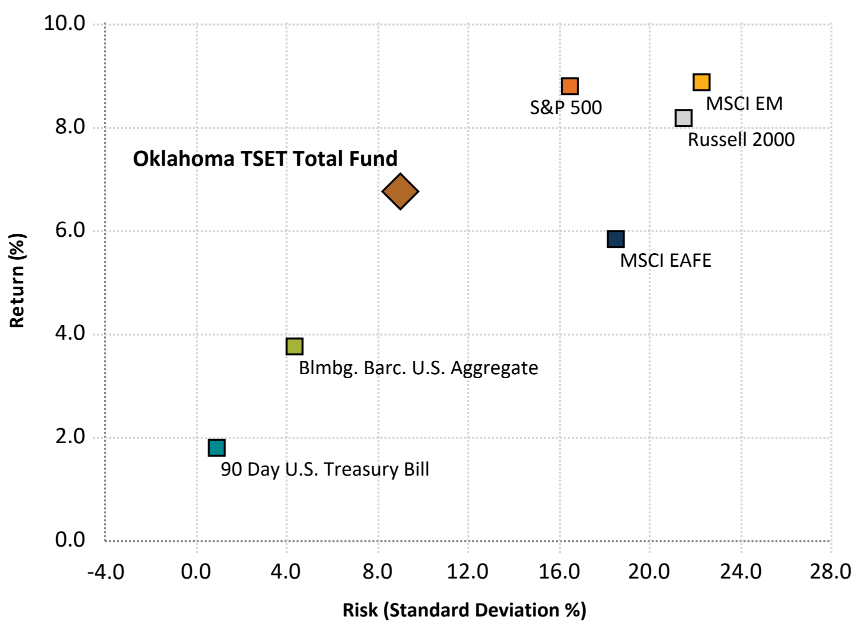
Performance Over Time

	Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date
Oklahoma TSET Total Fund	1.20	10.24	10.24	11.32	7.62	9.42	6.78	01/01/2001
Oklahoma TSET Custom Benchmark	2.28	14.14	14.14	12.80	8.61	9.67	7.00	

Change in Account Value

	Market Value As of 10/01/2025	Market Value As of 12/31/2025	Change $
Oklahoma TSET Total Fund	2,156,794,338	2,171,446,901	14,652,563

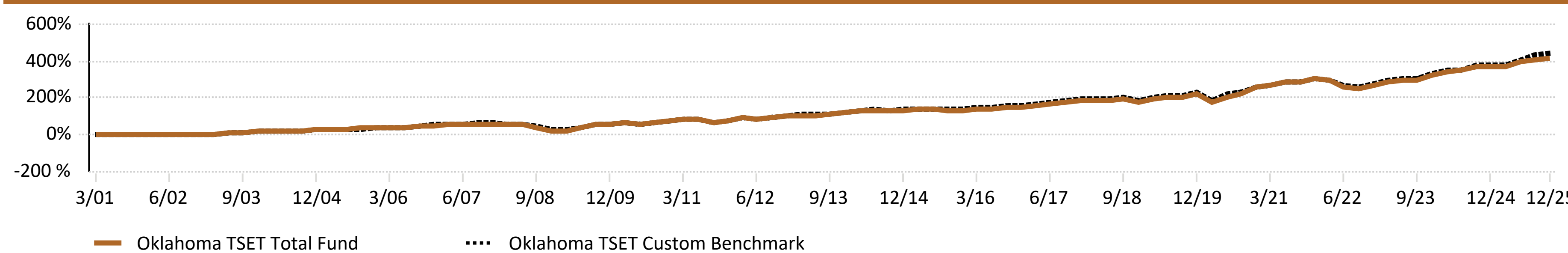
Risk and Return (Since Inception)



Asset Allocation

	Market Value ($)	Allocation (%)	Target (%)
Large Cap Equity	557,263,347	25.66	19.00
Small-Mid Cap Equity	131,809,577	6.07	8.00
International Equity	361,993,299	16.67	16.00
Fixed Income	542,228,066	24.97	19.00
High Yield	118,960,154	5.48	3.00
Real Estate	89,179,817	4.11	5.00
Other Real Assets Midstream	145,626,510	6.71	5.00
Other Real Assets Diversified	-	-	5.00
Private Equity	-	-	5.00
Private Debt	149,484,109	6.88	10.00
Cash & Equivalents	74,902,023	3.45	5.00
Total Fund	2,171,446,901	100.00	100.00

Cumulative Performance Over Time



Total return is calculated net of Innovest and fund fees. Alternative positions may lag based on the latest available data. Benchmark and total fund returns prior to 6/30/2025 was provided by NPEC.

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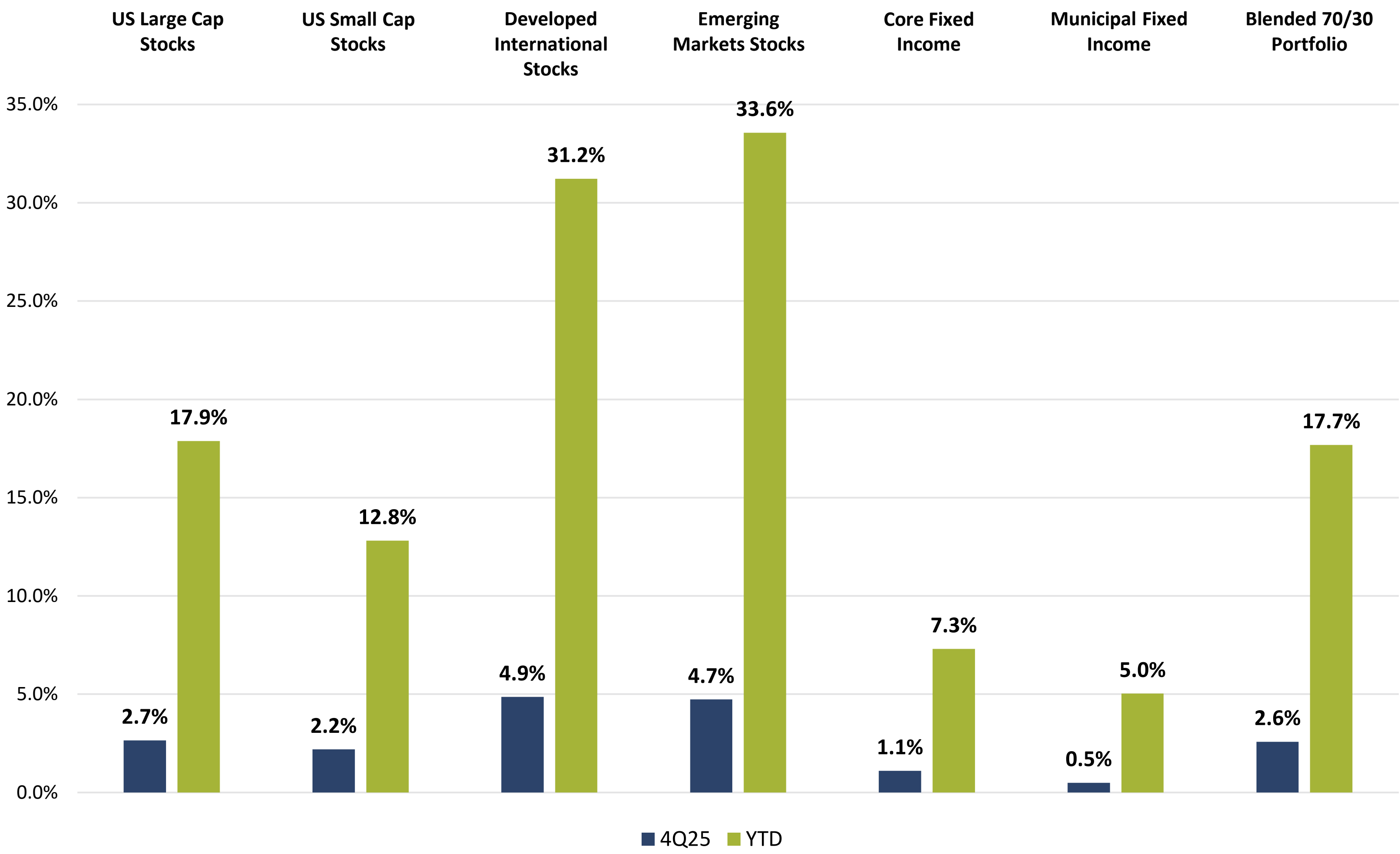
The Markets



Returns for US Large Cap Stocks = S&P 500 TR, US Small Cap Stocks = Russell 2000 TR, Developed International Stocks = MSCI EAFE NR, Emerging Markets Stocks = MSCI EM NR, Core Fixed Income = Bloomberg US Agg Bond TR, Municipal Fixed Income = Bloomberg Municipal 5yr 4-6 TR, Blended 70/30 Portfolio = 70% MSCI ACWI NR All-Cap Index, 30% Bloomberg US Agg Bond

Recap of 2025

- **Tariffs and trade negotiations** dominated the headlines in the first and second quarters but began to wane in the second half of the year
- **Equities** across geographies demonstrated strong returns for the calendar year
    - In aggregate, actual company earnings came in above expectations throughout the year, which helped to propel U.S. equity returns
    - A decline in the U.S. Dollar boosted international and emerging market stock returns for U.S. investors
- **Dovish Federal Reserve policy** (3 interest rate cuts) and an overall downward shift in the yield curve fueled strong fixed income returns
    - Active fixed income management outperformed passive index returns
- **Alternative asset classes** continued to smooth out returns in a volatile market environment, especially in the first half of the year
- Increased allocations to **infrastructure managers** were positive for the year as spending in that part of the economy continued to pick up

Periodic Table of Returns, 2016 to 2025

Diversification is an effective tool for patient investors in all market environments.

Periodic Table of Returns | 2016 - 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Annualized Return '16 -'25	Annualized Std. Dev. '16 -'25	
High	Midstream Energy 19%	Emerging Markets 37%	U.S. Fixed Income 0%	U.S. Equity 31%	U.S. Equity 21%	REITs 46%	Midstream Energy 31%	U.S. Equity 26%	Midstream Energy 27%	Emerging Markets 34%	U.S. Equity 14%	Midstream Energy 30%	High
	U.S. Equity 13%	Int'l Equity 25%	Hedge Funds -3%	REITs 26%	Emerging Markets 18%	Midstream Energy 41%	Hedge Funds -5%	Midstream Energy 24%	U.S. Equity 24%	Int'l Equity 31%	Diversified Portfolio 9%	REITs 18%	
	Emerging Markets 11%	U.S. Equity 21%	REITs -5%	Int'l Equity 22%	Diversified Portfolio 11%	U.S. Equity 26%	Diversified Portfolio -13%	Int'l Equity 18%	Diversified Portfolio 12%	U.S. Equity 17%	Emerging Markets 8%	Emerging Markets 17%	
	Diversified Portfolio 8%	Diversified Portfolio 15%	U.S. Equity -5%	Diversified Portfolio 20%	Hedge Funds 10%	Diversified Portfolio 15%	U.S. Fixed Income -13%	Diversified Portfolio 16%	Hedge Funds 10%	Diversified Portfolio 17%	Int'l Equity 8%	U.S. Equity 16%	
	REITs 7%	Hedge Funds 8%	Diversified Portfolio -6%	Emerging Markets 18%	Int'l Equity 8%	Int'l Equity 11%	Int'l Equity -14%	REITs 16%	REITs 9%	Hedge Funds 11%	Midstream Energy 8%	Int'l Equity 15%	
	U.S. Fixed Income 3%	REITs 4%	Midstream Energy -12%	U.S. Fixed Income 9%	U.S. Fixed Income 8%	Hedge Funds 7%	U.S. Equity -19%	Emerging Markets 10%	Emerging Markets 8%	Midstream Energy 8%	REITs 6%	Diversified Portfolio 11%	
	Int'l Equity 1%	U.S. Fixed Income 4%	Int'l Equity -14%	Hedge Funds 8%	REITs -8%	U.S. Fixed Income -2%	Emerging Markets -20%	Hedge Funds 6%	Int'l Equity 4%	U.S. Fixed Income 7%	Hedge Funds 5%	U.S. Fixed Income 5%	
Low	Hedge Funds 1%	Midstream Energy -9%	Emerging Markets -15%	Midstream Energy 7%	Midstream Energy -31%	Emerging Markets -3%	REITs -27%	U.S. Fixed Income 6%	U.S. Fixed Income 1%	REITs 3%	U.S. Fixed Income 2%	Hedge Funds 5%	Low

Source: Innovest Portfolio Solutions, Morningstar Direct, Hedge Fund Research. All data as of 12/31/25.
Benchmarks: U.S. Equities: Russell 3000, MLPs: Alerian MLP Infrastructure, Real Estate: Wilshire US REIT, U.S. Fixed Income: Bloomberg US Agg, Int'l Equity: MSCI EAFE, Emerging Markets: MSCI EM, Hedge Funds: HFRI Fund of Funds Composite.
Diversified Portfolio: Russell 3000: 30%, MSCI EAFE: 18%, MSCI EM: 6%, Bloomberg US Agg: 15%, Wilshire US REIT: 7%, Alerian MLP Infrastructure: 3.5%, S&P Global Infrastructure: 3.5%, HFRI Fund of Funds Composite: 10%, Morningstar LSTA US Leveraged Loan: 7%.

Summary: Innovest's Long Term (5-10 Year) Outlook

1 The markets have generally digested the uncertainty of trade and tariff policy along with the potential ramifications of the passage of the One Big Beautiful Bill. Nonetheless, **there are always unknown surprises** from a global, macro-economic perspective.

2 Ballooning valuations create a higher-risk environment. U.S. equity valuations remain stretched compared to long term historical averages, while international equities look more appropriately valued. **Investors should remain diversified by geography, capitalization, and style.**

3 Although yields have declined, fixed income remains attractive and continues to act as a ballast in diversified portfolios. **Continue to favor active management over passive management in fixed income.**

4 **Recent declines in real estate valuations** may provide an attractive entry point. A pickup in overall growth should lead to higher rents and property valuations.

5 **Infrastructure spending continues to accelerate**, reaffirming our outlook on the asset class

6 **Effective portfolio management** includes:

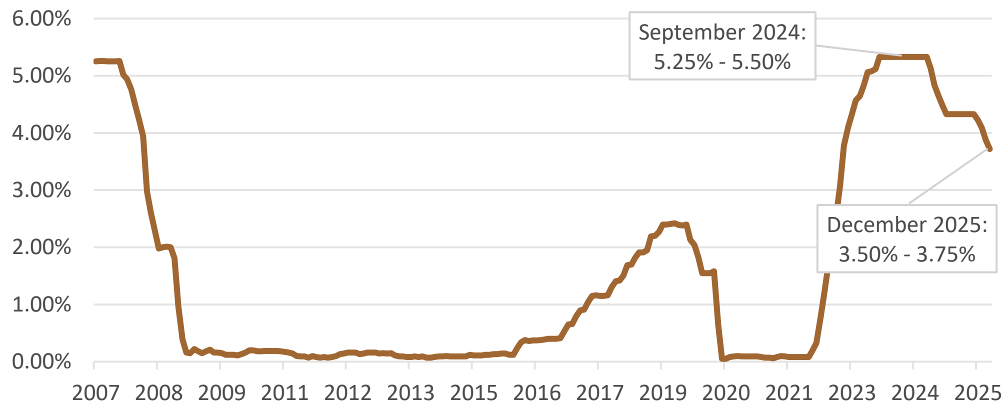
- Periodically re-examining investment objectives and risk tolerances
- Remaining diversified and focusing on the long term
- Maintaining exposure to investments that may do well in a variety of economic outcomes such as growth, recessions, high inflation, etc.
- Employing ongoing portfolio rebalancing

Inflation & The Federal Reserve

- In December 2025, the FOMC reduced the target range of the Federal Funds Rate to 3.50% - 3.75%, a total of 1.75% in cuts since the peak in rates of the current cycle.

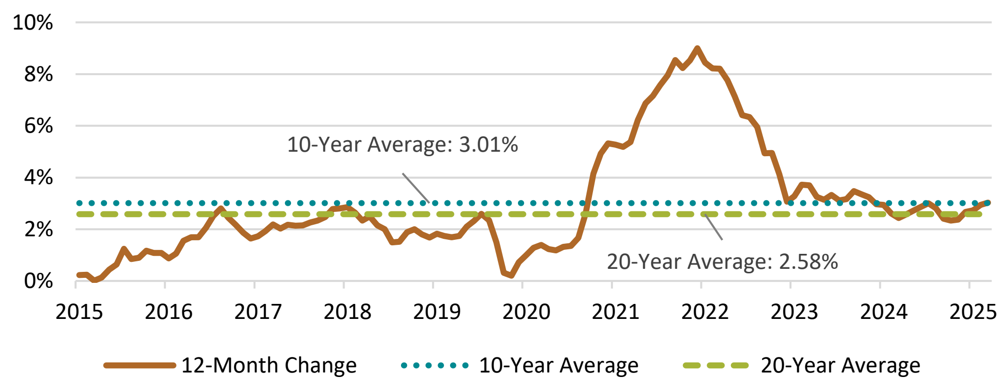
- The Federal Reserve has been weighing risks to the downside for the labor market and risks to the upside for inflation.
  - Inflation has remained above the Federal Reserve's 2% target and the impact of tariffs represents an upside risk.
  - Job market growth has slowed significantly, primarily due to a reduction in US immigration. The unemployment rate has also been trending upwards.

Federal Funds Effective Rate



12-Month Change to Inflation

Consumer Price Index

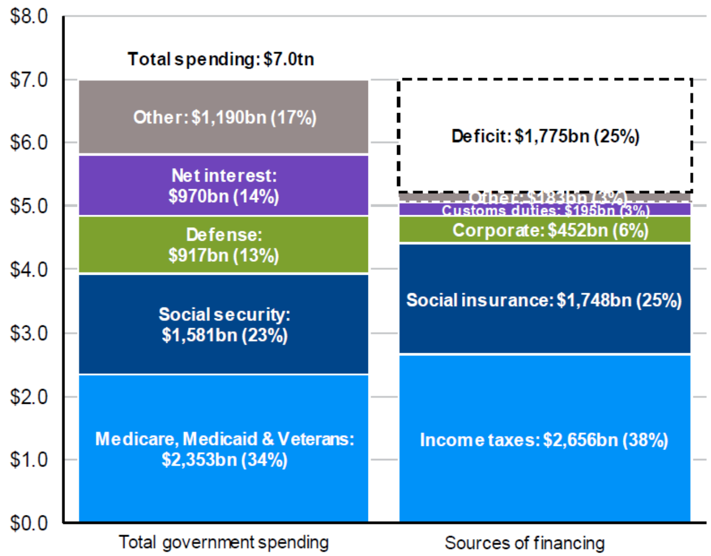


Source: Federal Reserve Economic Data. Data as of 12/31/25.

Tariffs, Interest Costs, & Federal Debt

The 2025 Federal Budget

USD Trillions

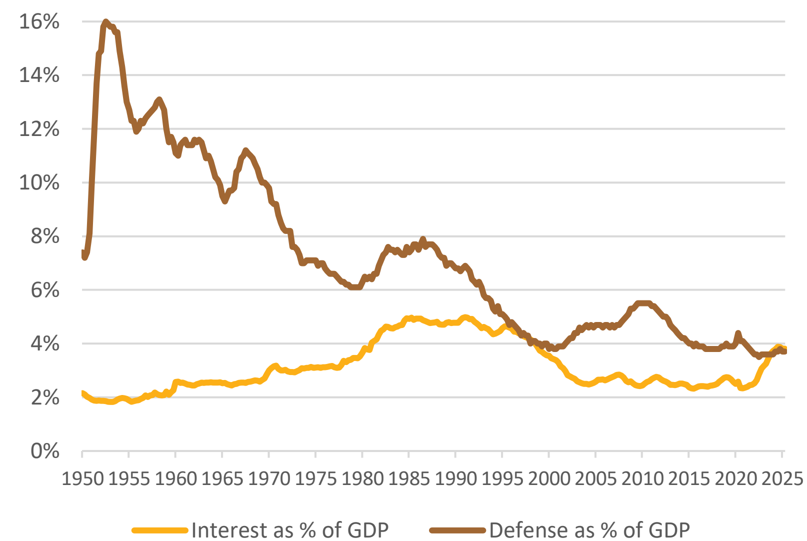


- A substantial increase in tariff revenue led to a decline in the budget deficit relative to 2024. Tariff revenue increased 135% in 2025 ($200 Billion in 2025 vs $85 Billion in 2024)

**Social insurance (the navy blue box in the right column) includes Social Security and Medicare taxes*

- US Federal spending has recently surpassed outlays on defense as a percentage of GDP given the steady relative decline in defense spending over the last 75 years and the rise in interest expense during the current Fed policy cycle.

Federal Interest Payments & Defense Spending as % of GDP



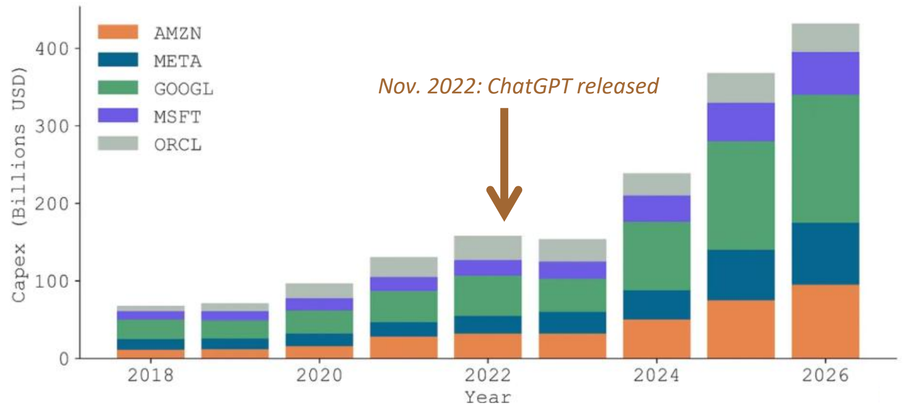
Sources: Left: BEA, CBO, Treasury Department, J.P. Morgan Asset Management; Reflects actual FY 2025 government receipts and outlays based on data sourced from the Treasury Department. Data as of 12/31/25,. Right: Federal Reserve Economic Data. Data as of 12/31/25.

AI Investment Spending

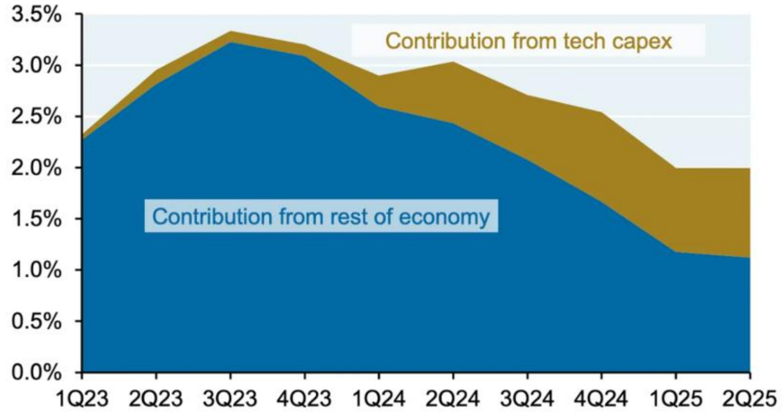
- As hyperscalers continue to invest in artificial intelligence, a larger portion of the U.S. economy can be attributed to tech capex spending.

- S&P Global estimates that U.S. GDP was roughly 0.5% larger in 2Q25 than it would have been without spending by businesses on data centers and artificial intelligence.

Hyperscalers' Annual Capex Doubled since ChatGPT's Release
Hyperscaler annual capex (2025 and 2026 reflect estimate)



U.S. Real GDP Growth Contribution from Tech Capex
Percent

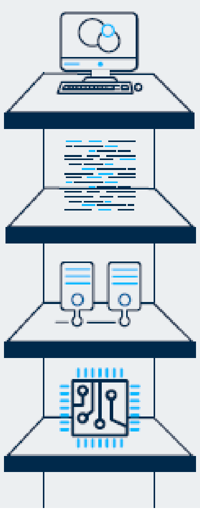


Sources: Left: Citi Research, Exponential View. Right: Bridgewater, data as of 8/2025.

The AI Ecosystem

- The investment opportunity broadens as AI matures, shifting from concentrated exposure in direct AI sectors like semiconductors and cloud infrastructure towards a more diversified set of downstream sectors that leverage AI.
  - Second and third tier beneficiaries have emerged across materials, utilities, industrials, and financials through revenue enhancements and cost reductions.

AI tech stack



Applications
Microsoft Copilot
Alphabet Gemini
Salesforce

Models
Alphabet
OpenAI

Infrastructure
Microsoft
Amazon
Arista Networks

Semiconductors
NVIDIA
Broadcom
TSMC

Secondary beneficiaries

Materials
Freeport-McMoRan,
BHP, Glencore,
First Quantum

Utilities
Constellation Energy
Southern Company

Industrials
Modine, Vertiv,
GE Vernova,
Schneider Electric

Third-tier beneficiaries

Financials
JPMorgan Chase
Mastercard
Capital One

Media/Entertainment
Alphabet
Meta
Netflix

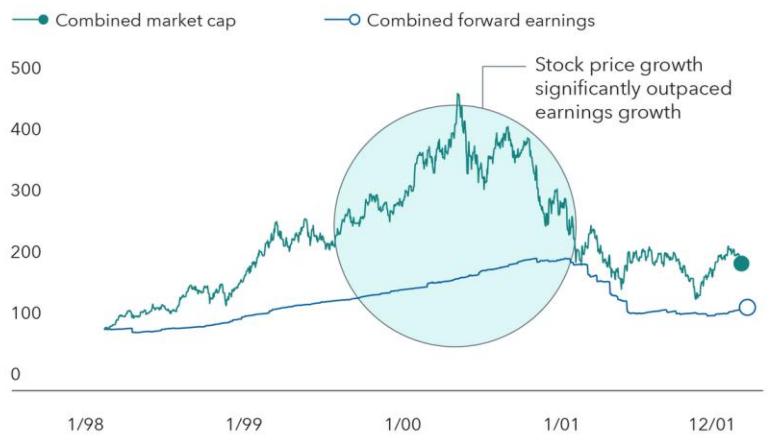
Health care
UnitedHealth Group
Eli Lilly
AstraZeneca

Source: Capital Group. Companies listed are examples of businesses that are among leaders of market share in each segment. TSMC is Taiwan Semiconductor Manufacturing Company. As of November 30, 2025.

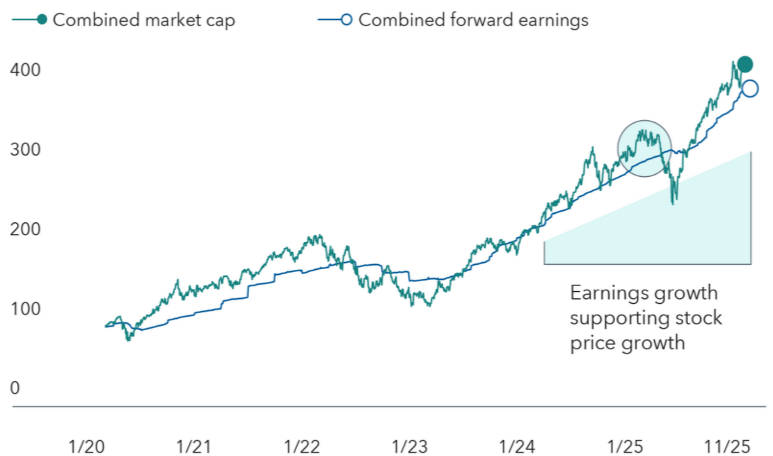
Dot-com Bubble vs. Today

- Although many investors fear that the irrational exuberance of the Dot-com bubble is being exhibited today, metrics such as price-to-earnings would indicate that the story is not so simple.

“Four Horsemen” of the Dot-com Bubble: Price vs. Earnings
Four Horsemen: Microsoft, Cisco, Intel, and Dell, 100 = 1/1/1998



Magnificent 7: Price vs. Earnings
100 = 1/1/2020

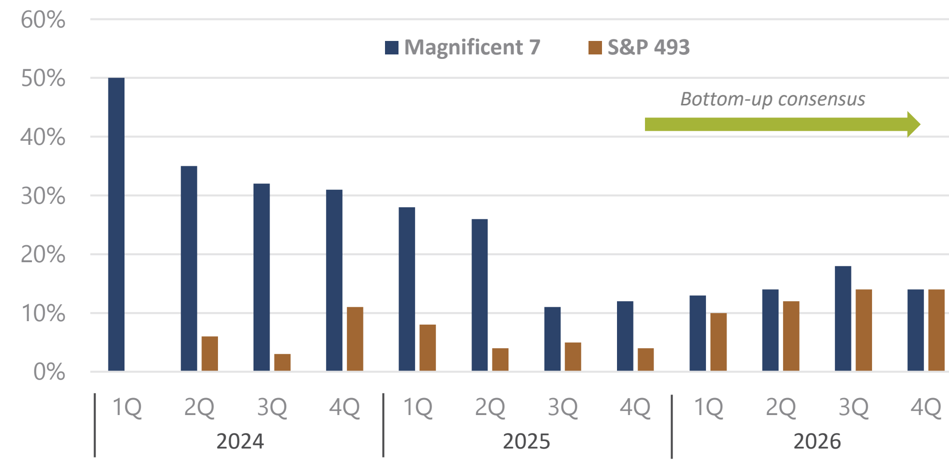


Source: Capital Group, Bloomberg. Data aggregates forward 12-month net income and market capitalization for the “Four Horsemen” of the dot-com era: Microsoft, Cisco, Intel and Dell (left), and the Magnificent Seven: Nvidia, Microsoft, Apple, Amazon, Meta, Broadcom and Alphabet (right). Data as of 11/30/25.

S&P 493 Earnings Growth & Performance

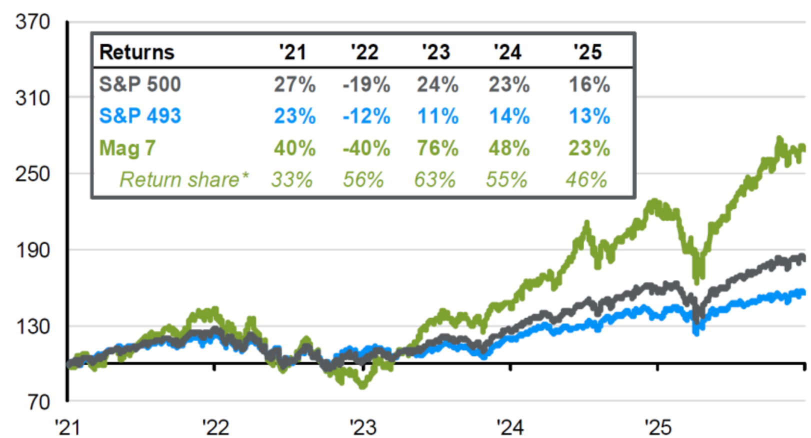
- Earnings growth for the S&P 500 ex- the Magnificent 7 have recently been showing strength. Additionally, the historical performance of the Magnificent 7 may have been justified by its sizable earnings growth.
- S&P 500 Index concentration, as measured by the Magnificent Seven's contribution to total index returns, peaked in 2023. However, the Magnificent Seven continue to play a large role in the index's returns and earnings growth.

Robust Earnings Growth for S&P 493



S&P 493 Contribution to Total Return

Indexed to 100 on 1/1/2021, price return



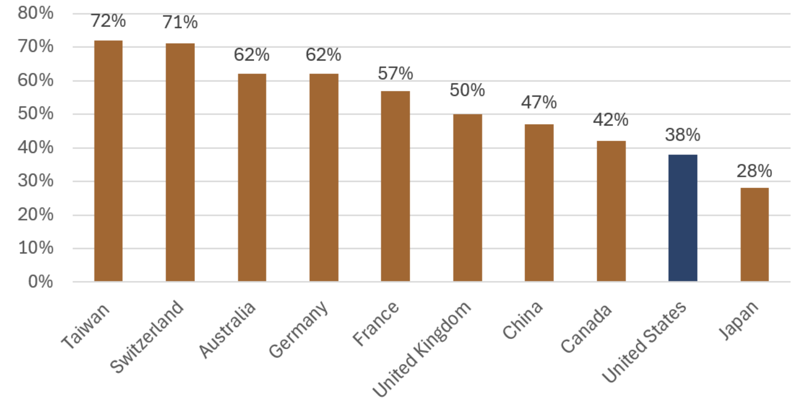
Sources: Top: Goldman Sachs, Aptus Capital Advisors, data as of 8/15/25. Bottom: FactSet, Standard and Poor's, J.P. Morgan Asset Management. Magnificent 7 (Mag 7) includes AAPL, AMZN, GOOGL/GOOG, META, MSFT, NVDA and TSLA. The S&P 500 ex-Mag 7 (S&P 493) is calculated by backing out a weighted average Mag 7 price return from the S&P 500 price return. Data as of 12/31/25.

Nuances of U.S. Concentration

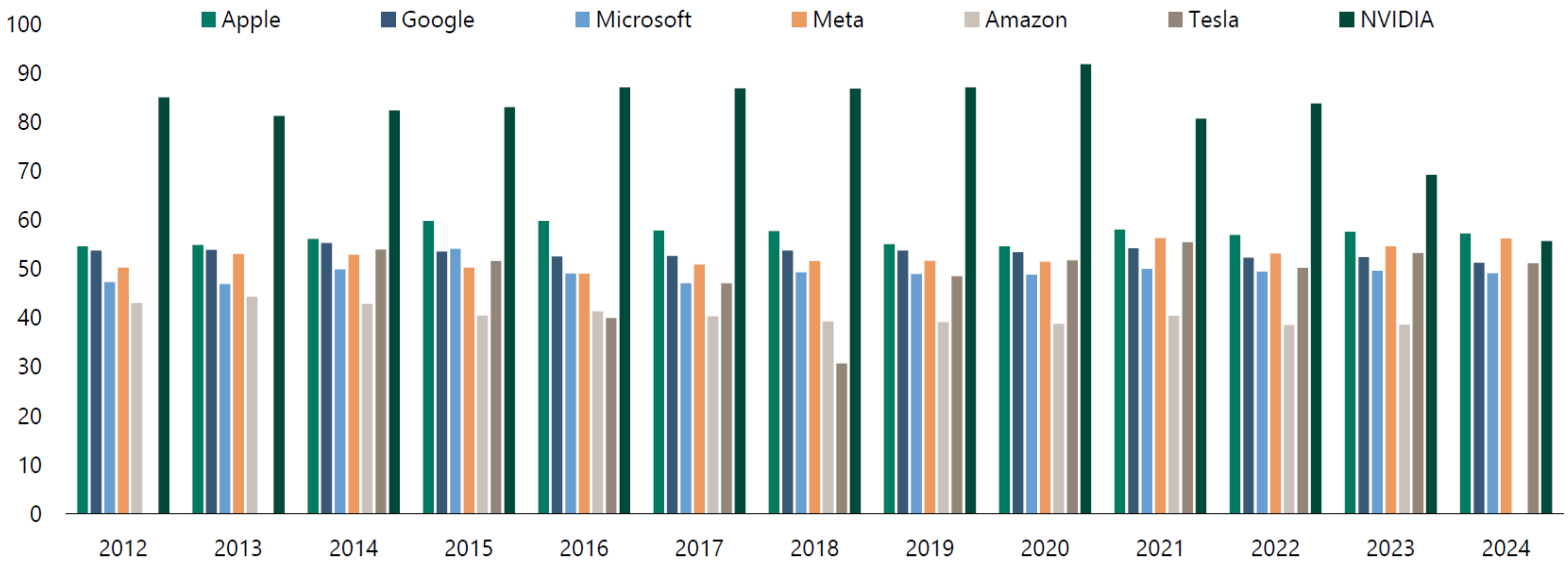
- Although the U.S. has reached historically elevated levels of market concentration, other countries exhibit even higher levels of concentration.
- While the Magnificent 7 make up a large portion of the U.S. stock market, they generate a significant portion of their revenues from outside the U.S.

Market Concentration

Top 10 Stocks as a % of the Country Index



Magnificent 7: % of Revenues from Abroad

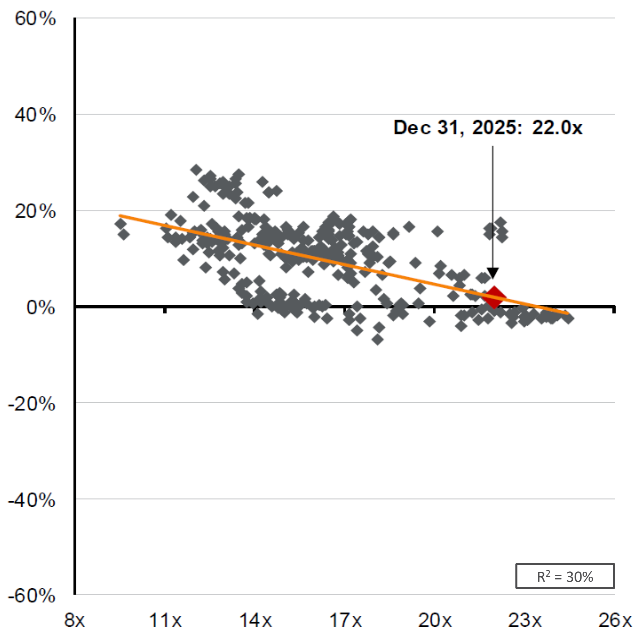


Sources: Bottom: Bloomberg, Apollo, Apollo Chief Economist. Data as of 12/31/24. Top: Carson Investment Research, Morningstar, MSCI. MSCI Country Indices used except for the United States, where the S&P 500 Index was used. The countries used were the 10 largest stock markets by index market value at the time of calculation. Data as of 9/4/25.

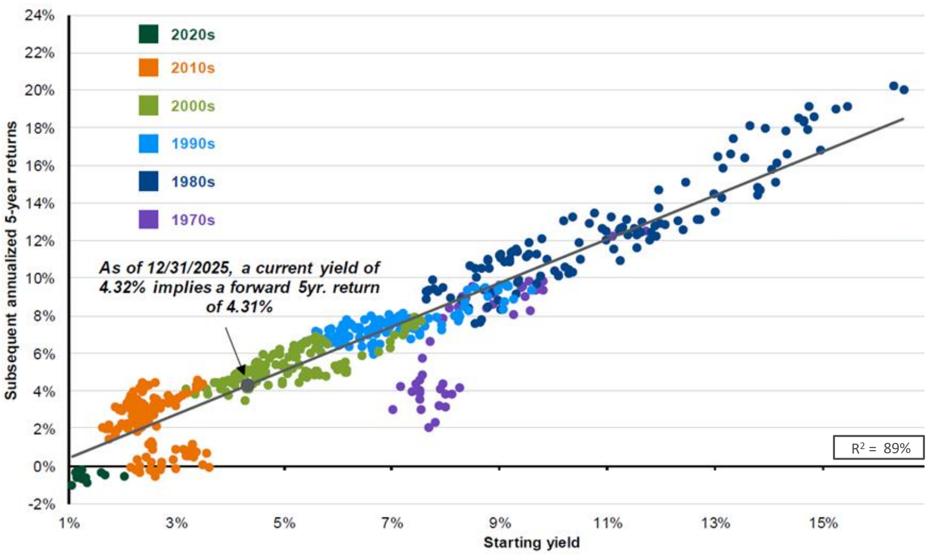
Valuations: Equity and Fixed Income

- While return predictions based on historical data should not be wholly relied upon, forward Price-to-Earnings ratios and Yield to Worst have historically been fair predictors of future performance for equities and fixed income.
- Current valuations in equities and yields in fixed income support the thesis of diversification.

Forward P/E and Subsequent 5-Year Returns
S&P 500 Total Return Index (returns annualized)



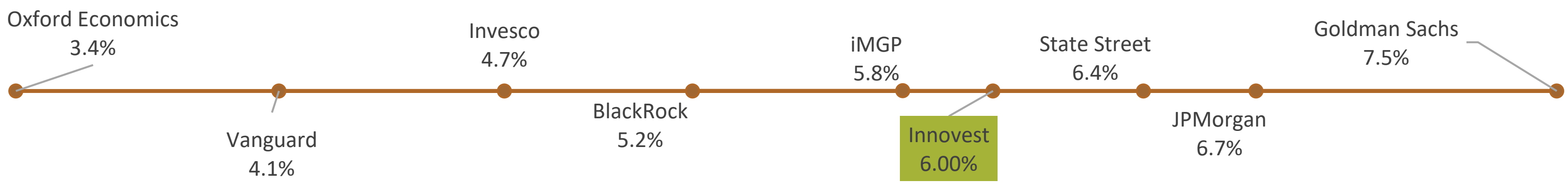
Yield to Worst and Subsequent 5-Year Returns
Bloomberg U.S. Aggregate Total Return Index (returns annualized)



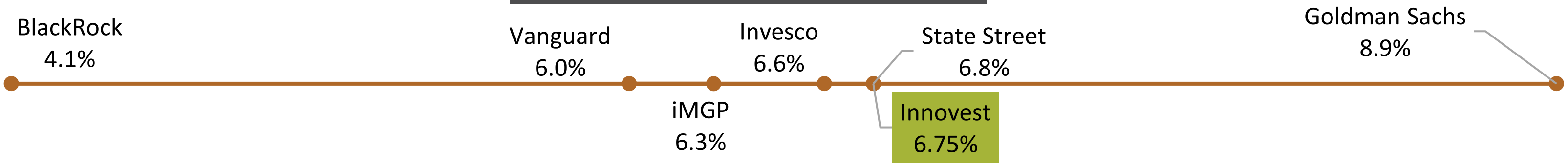
Sources: Left: FactSet, Refinitiv Datastream, Standard & Poor's, J.P. Morgan Asset Management. Returns are 60 month annualized total returns, measured monthly, beginning 12/31/1993. R^2 represents the percent of variation in total return that can be explained by forward P/E ratios. The forward P/E ratio is the most recent S&P 500 index price divided by consensus analyst estimates for earnings in the next 12-months, provided by IBES since December 1993 and FactSet since January 2022. Data as of 12/31/25. Right: Bloomberg, FactSet, J.P. Morgan Asset Management. Returns are 60 month annualized total returns, measured monthly, beginning 1/31/1976. R^2 represents the percent of variation in total return that can be explained by yields at the start of each period. Data as of 12/31/25.

Long-term Asset Class Outlook

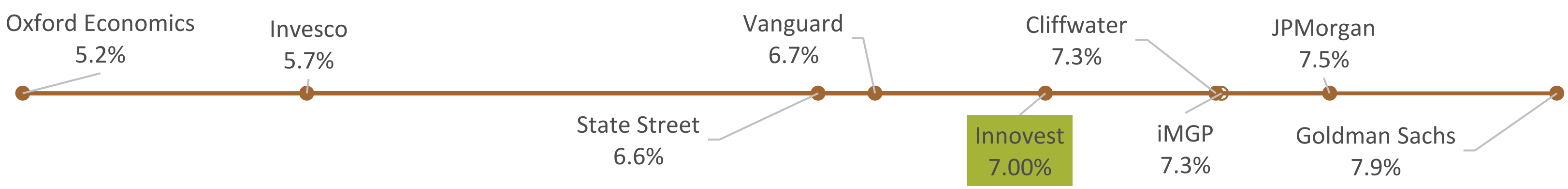
Large Cap US Equity



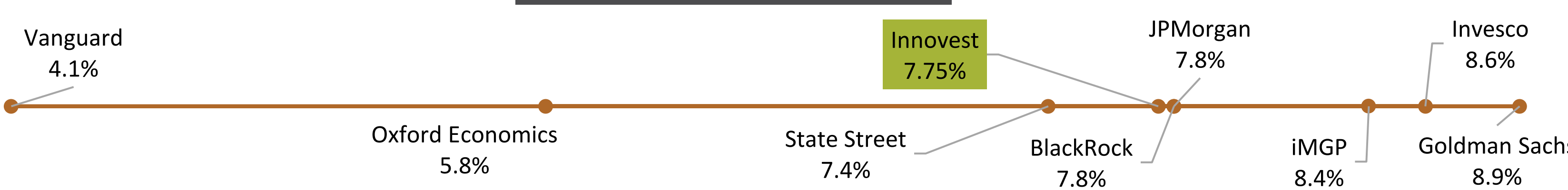
Mid & Small Cap US Equity



International Developed Equity



Emerging Markets Equity

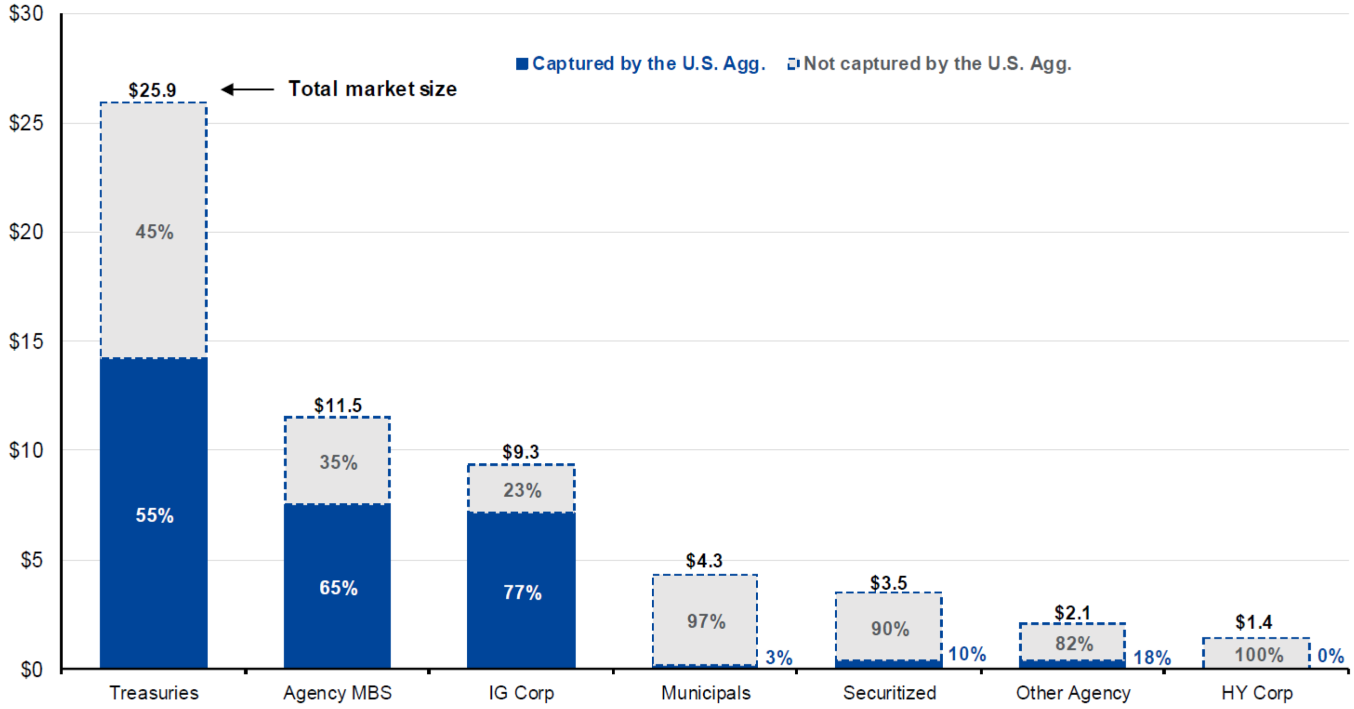


Source: 5-10 year equity return assumptions. All data is as of 6/30/25 except Blackrock, which is as of 8/25/25, Oxford Economics and J.P. Morgan, which are as of 9/30/25, and Innovest, which is as of 12/31/25.

The Value of Active Management in Bonds

- The Core Fixed Income Universe (U.S.) offers a tremendous opportunity to outperform the index through active management.

Fixed Income Investable Market vs. the Bloomberg U.S. Aggregate Index
USD trillions, 2Q25



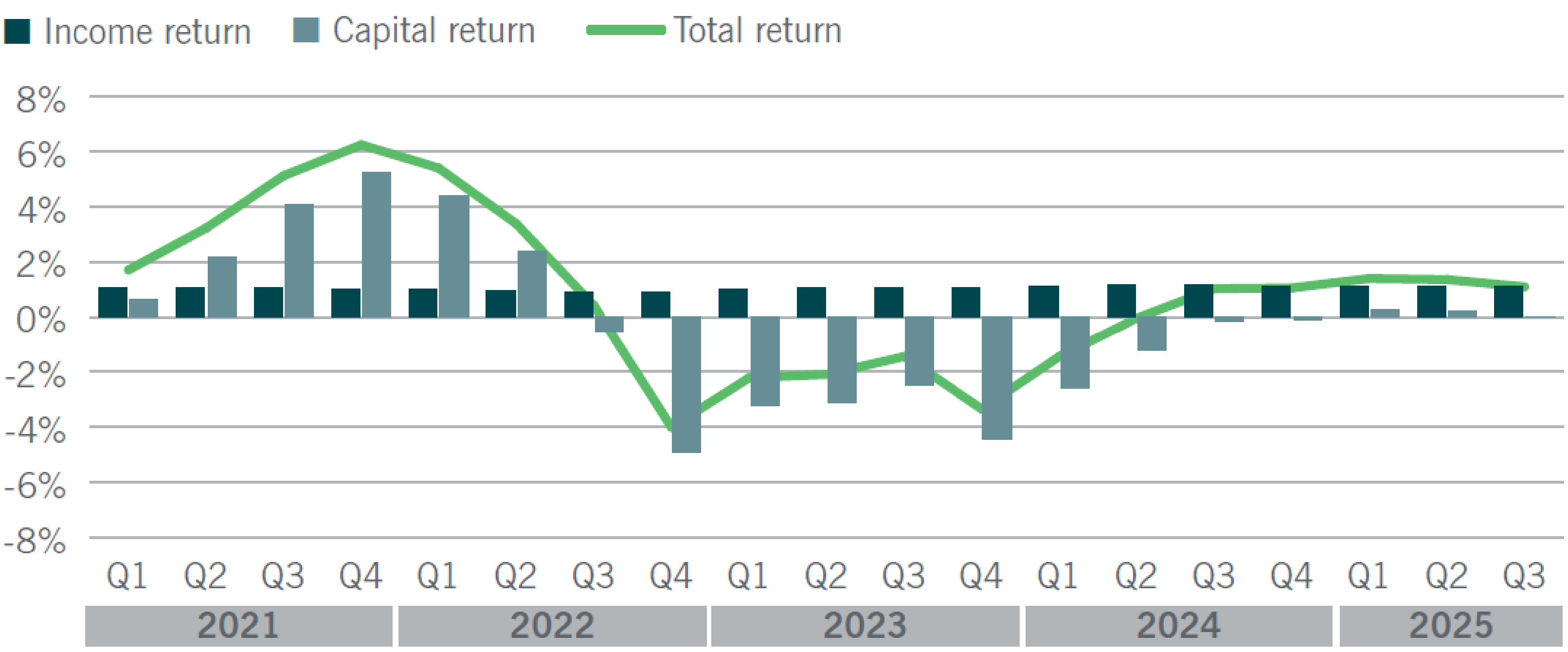
Source: Bank of America, Bloomberg, SIFMA, J.P. Morgan Asset Management. The investable universe for Treasuries, municipals and other agency securities are sourced from SIFMA and reflect par value outstanding. The investable universe for agency MBS, CMBS, CMOs, CLOs, CDOs, ABS, investment grade corporates and high yield corporates are sourced from Bank of America and reflect market value outstanding. Treasuries include outstanding bills, bonds and notes. Agency MBS includes MBS, CMBS and CMOs. Securitized includes ABS, CLOs, CDOs, non-agency CMBS and non-agency RMBS. Sector classifications for constituents in the Bloomberg U.S. Aggregate are based on classifications provided by Bloomberg. Data as of 12/31/25.

Commercial Real Estate Opportunity

- The broad property value decline in 2023 and the beginning of 2024 has begun to stabilize, potentially signaling the beginning of a new cycle.
- Even during periods of negative total return, real estate has remained a stable source of income.

Quarterly ODCE Returns (2021 – 2025)

Returns of Open-end Diversified Core Equity (ODCE) private commercial real estate



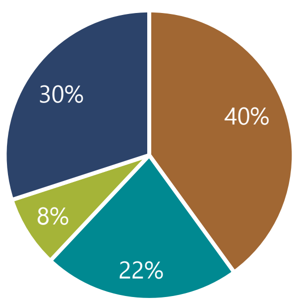
Source: Nuveen, NCREIF ODCE. Data as of 9/30/25.

Rebalancing and Asset Allocation Review

- Regular portfolio rebalancing and asset allocation reviews help keep portfolio risk tolerances in line

Asset Class	January 2020 – December 2025 Cumulative Return
U.S. Equities	124.21
International Equities	65.31
Emerging Markets	45.30
Domestic Fixed Income	5.57

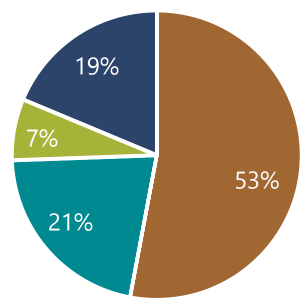
Starting Portfolio Allocation



U.S. Equities
International Equities
Emerging Markets
Domestic Fixed Income

Return Projection : 5.00%
Downside Risk Projection : -19%

Ending Portfolio Allocation



U.S. Equities
International Equities
Emerging Markets
Domestic Fixed Income

Return Projection: 6.25%
Downside Risk Projection: -22%

Source: Innovest capital markets assumptions. 2020 assumptions were used for the starting portfolio and 2026 assumptions were used for the ending portfolio. Downside risk measures the largest one-year drawdown for the portfolio assuming a 95% confidence interval, using historical data. Data as of 12/31/25.

Equity Performance as of December 31st, 2025

4th Quarter 2025

Domestic Equity

	Value	Core	Growth
Large	3.2%	2.7%	2.2%
Mid	1.4%	0.2%	-3.7%
Small	3.3%	2.2%	1.2%

Developed International Equity

Value	Core	Growth
7.8%	4.9%	1.9%

Emerging Markets: 4.7%

YTD as of December 31st, 2025

Domestic Equity

	Value	Core	Growth
Large	13.2%	17.9%	22.2%
Mid	11.0%	10.6%	8.7%
Small	12.6%	12.8%	13.0%

Developed International Equity

Value	Core	Growth
42.2%	31.2%	20.8%

Emerging Markets: 33.6%

1 yr Ending December 31st, 2025

Domestic Equity

	Value	Core	Growth
Large	13.2%	17.9%	22.2%
Mid	11.0%	10.6%	8.7%
Small	12.6%	12.8%	13.0%

Developed International Equity

Value	Core	Growth
42.2%	31.2%	20.8%

Emerging Markets: 33.6%

3 Years Annualized

Domestic Equity

	Value	Core	Growth
Large	15.8%	23.0%	29.3%
Mid	12.3%	14.4%	18.6%
Small	11.7%	13.7%	15.6%

Developed International Equity

Value	Core	Growth
21.4%	17.2%	13.2%

Emerging Markets: 16.4%

5 Years Annualized

Domestic Equity

	Value	Core	Growth
Large	13.0%	14.4%	15.0%
Mid	9.8%	8.7%	6.6%
Small	8.9%	6.1%	3.2%

Developed International Equity

Value	Core	Growth
13.4%	8.9%	4.4%

Emerging Markets: 4.2%

10 Years Annualized

Domestic Equity

	Value	Core	Growth
Large	11.7%	14.8%	17.0%
Mid	9.8%	11.0%	12.5%
Small	9.3%	9.6%	9.6%

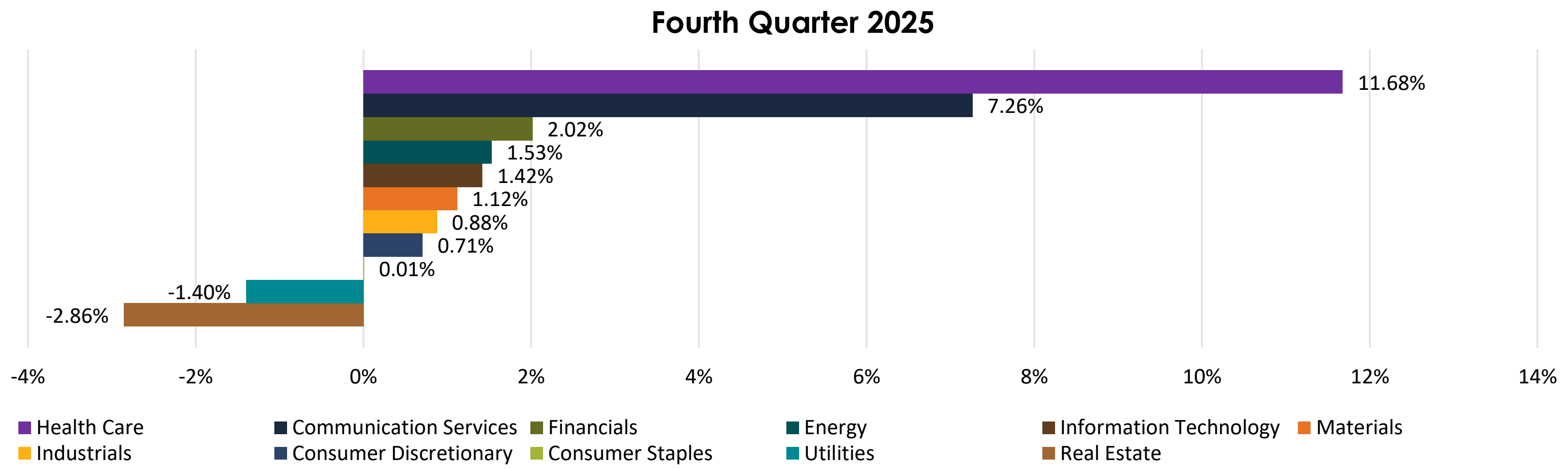
Developed International Equity

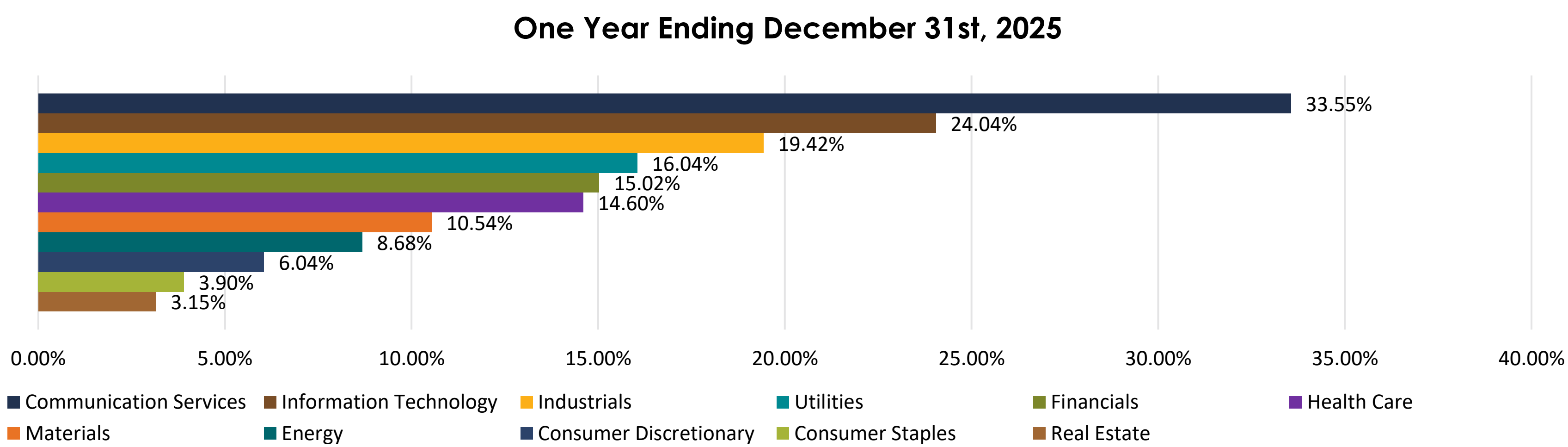
Value	Core	Growth
8.7%	8.2%	7.4%

Emerging Markets: 8.4%

Large Cap Equity = S&P 500 TR, S&P 500 Value TR, and S&P 500 Growth TR. Mid Cap Equity = Russell Mid Cap TR, Russell Mid Cap Value TR, and Russell Mid Cap Growth TR. Small Cap Equity = Russell 2000 TR, Russell 2000 Value TR, and Russell 2000 Growth TR. International and EM Equity = MSCI EAFE NR, MSCI EAFE Value NR, MSCI EAFE Growth NR, MSCI EM NR. Returns for time periods of 3 years or longer are annualized.

Domestic Equity Sector Performance as of December 31st, 2025





Investment Returns Over Time

	Periods Ended December 31st, 2025		Calendar Year Returns					Annualized Periods Ended December 31st, 2025					
Broad Market Indices	**QTD**	**YTD**	**2024**	**2023**	**2022**	**2021**	**2020**	**1 yr**	**3 yrs**	**5 yrs**	**7 yrs**	**10 yrs**	**20 yrs**
Domestic Equities													
Large Cap Value Stocks	3.2	13.2	12.3	22.2	-5.2	24.9	1.4	13.2	15.8	13.0	13.7	11.7	8.7
Large Cap Core Stocks	2.7	17.9	25.0	26.3	-18.1	28.7	18.4	17.9	23.0	14.4	17.3	14.8	11.0
Large Cap Growth Stocks	2.2	22.2	36.1	30.0	-29.4	32.0	33.5	22.2	29.3	15.0	19.7	17.0	12.8
Mid Cap Value Stocks	1.4	11.0	13.1	12.7	-12.0	28.3	5.0	11.0	12.3	9.8	11.41	9.8	8.7
Mid Cap Core Stocks	0.2	10.6	15.3	17.2	-17.3	22.6	17.1	10.6	14.4	8.7	12.8	11.0	9.5
Mid Cap Growth Stocks	-3.7	8.7	22.1	25.9	-26.72	12.7	35.6	8.7	18.6	6.6	14.2	12.5	10.3
Small Cap Value Stocks	3.3	12.6	8.1	14.6	-14.5	28.3	4.6	12.6	11.7	8.9	10.1	9.3	7.4
Small Cap Core Stocks	2.2	12.8	11.5	16.9	-20.4	14.8	20.0	12.8	13.7	6.1	10.6	9.6	8.2
Small Cap Growth Stocks	1.2	13.0	15.2	18.7	-26.4	2.83	34.6	13.0	15.6	3.18	10.6	9.6	8.8
International Equities													
Developed International Value Stocks	7.8	42.2	5.7	19.0	-5.6	10.9	-2.6	42.2	21.4	13.4	11.3	8.7	5.3
Developed International Core Stocks	4.9	31.2	3.8	18.2	-14.5	11.3	7.8	31.2	17.2	8.9	10.5	8.2	5.6
Developed Int'l (Local Currency)	6.1	20.6	11.3	16.2	-7.0	18.7	0.8	20.6	15.9	11.5	11.3	8.6	5.9
Developed International Growth Stocks	1.9	20.8	2.0	17.6	-22.9	11.3	18.3	20.8	13.2	4.4	9.4	7.4	5.7
Emerging Markets Stocks	4.7	33.6	7.5	9.8	-20.1	-2.5	18.3	33.6	16.4	4.2	8.1	8.4	6.0
Fixed Income													
Core Fixed Income	1.1	7.3	1.3	5.5	-13.0	-1.5	7.5	7.3	4.7	-0.4	2.0	2.0	3.3
Defensive Fixed Income	1.1	5.2	4.0	4.3	-3.8	-0.6	3.2	5.2	4.5	1.8	2.2	1.8	2.1
Municipal Fixed Income	0.5	5.0	1.2	4.3	-5.3	0.3	4.3	5.0	3.5	1.0	2.1	1.9	3.0
Defensive Municipal Fixed Income	0.6	3.5	2.7	3.4	-1.1	0.3	1.8	3.5	3.2	1.7	1.8	1.6	1.8
Floating Rate Corporate Loans	1.22	5.90	9.0	13.3	-0.8	5.2	3.1	5.90	9.35	6.42	6.26	5.83	5.07
High Yield Fixed Income	1.3	8.5	8.2	13.5	-11.2	5.4	6.2	8.5	10.0	4.5	6.1	6.4	6.6
Diversifying Asset Classes													
Low Correlated Hedge Funds	-	-	9.2	6.1	-5.3	6.2	10.9	-	-	-	-	-	-
Liquid Low Correlated Hedge Funds	0.3	6.0	4.4	6.2	-5.6	4.7	3.2	6.0	5.6	3.1	3.6	2.8	2.2
Commodities	5.8	15.8	5.4	-7.9	16.1	27.1	-3.1	15.8	4.0	10.6	8.1	5.7	-0.5
Midstream Energy	1.3	6.5	44.5	14.0	21.5	38.4	-23.4	-	-	-	-	-	-
Global REITs	-0.2	11.6	2.7	11.6	-24.3	26.7	-6.2	11.6	8.5	4.2	5.1	4.7	5.1
Direct Real Estate	-	-	-1.4	-12.0	7.5	22.1	1.2	-	-	-	-	-	-
Currencies													
US Dollar	0.6	-9.4	7.1	-2.1	7.9	6.7	-6.7	-9.4	-1.7	1.8	0.3	0.0	0.0

Returns based off the following indices: Large Cap Value Stocks = S&P 500 Value TR, Large Cap Core Stocks = S&P 500 TR, Large Cap Growth Stocks = S&P 500 Growth TR, Mid Cap Value Stocks = Russell Mid Cap Value TR, Mid Cap Core Stocks = Russell Mid Cap TR, Small Cap Value Stocks =Russell 2000 Value TR, SmallCap Core Stocks =Russell 2000 TR, Small Cap Growth Stocks =Russell 2000 Growth TR, Developed International Value Stocks= MSCI EAFE Value NR, Developed International Core Stocks=MSCI EAFE NR USD, Developed Int'l (Local Currency)=MSCI EAFE NR LCL, Developed International Growth Stocks=MSCI EAFE Growth NR, Emerging Markets Stocks= MSCI EM NR, Core Fixed Income =Bloomberg US Agg Bond TR, Defensive Fixed Income =Bloomberg 1-3yrUSTreasuryTR, Municipal Fixed Income =Bloomberg Municipal 5 Yr. 4-6TR, Defensive Municipal Fixed Income =Bloomberg 1Yr1-2TR, Floating Rate Corporate Loans =Morningstar LSTA US LL TR USD, High Yield Bonds= ICE BofA US High Yield TR, Low Correlated Hedge Funds= HFRI Fund of Funds Composite Index, Liquid Low Correlated Hedge Funds=Wilshire Liquid Alternatives Multi-Strategy Index, Commodities =Bloomberg Commodity TR, Midstream Energy=Alerian Midstream Energy TR, Global REITS= S&P Developed Property TR, Direct Real Estate (Current Quarter, YTD, and Annualized Returns are preliminary)=NCREIFODCE, US Dollar = US Dollar DXY

Oklahoma Tobacco Settlement Endowment Trust - Investment Policy Summary as of 2025

Client Variables

Client Type:	Trust
Time Horizon:	Greater than Five Years
Expected Return:	3.75% to 4.75% over CPI
Risk Tolerances:	Expected downside of -13.5% to -16.5% per year based on a statistical confidence level of 95%

Asset Allocation / Performance Benchmarks

Asset Category	Lower Limit	Strategic Allocation	Upper Limit	Investment Manager	Primary Index	Peer Group Universe
Large Cap Equity	16.00%	19.00%	22.00%	Barrow Hanley LC Value	Russell 1000 Value	US Large Cap Value
				Alliance Bernstein LC Growth	Russell 1000 Growth	US Large Cap Growth
Small-Mid Cap Equity	5.00%	8.00%	11.00%	Earnest Partners Small/Mid Cap	Russell 2500	US SMID Cap Equity
International Equity	13.00%	16.00%	19.00%	Schroders International Alpha	MSCI AC World ex USA	International Equity
Fixed Income	16.00%	19.00%	22.00%	Cavanal Hill (BOK) Fixed Income	Bloomberg U.S Aggregate	US Broad Market Core Fixed Income
				Reams Unconstrained Fixed Income	Bloomberg U.S Aggregate	US F ixed Income
High Yield	0.00%	3.00%	6.00%	Invesco High Yield	ICE BofA US High Yield BB Constrained	US High Yield Bonds
Real Estate	2.00%	5.00%	8.00%	AEW Core Property	NCREIF ODCE	US Open End Private RE
				UBS Trumbull	NCREIF ODCE	US Open End Private RE
				AEW VII	NCREIF ODCE	N/A
				Humphreys Real Estate Fund V	NCREIF ODCE	N/A
				Siguler Guff Distressed RE II	NCREIF ODCE	N/A
Other Real Assets - Midstream	2.00%	5.00%	8.00%	Tortoise MLP	Alerian MLP	N/A
Other Real Assets - Diversified	2.00%	5.00%	8.00%	TBD	Real Assets Benchmark	N/A
Private Equity	2.00%	5.00%	8.00%	TBD	Evergreen PE Index	N/A
Private Debt	7.00%	10.00%	13.00%	Angelo Gordon Direct Lending IV	Morningstar LSTA Lev Loan 100	N/A
				Brookfield Senior Mezzanine RE	Morningstar LSTA Lev Loan 100	N/A
				Comvest Credit Partners Evergreen	Morningstar LSTA Lev Loan 100	N/A
				Monroe Private Credit III	Morningstar LSTA Lev Loan 100	N/A
				Monroe Private Credit IV	Morningstar LSTA Lev Loan 100	N/A
				Neuberger Berman PD Eagle Fund	Morningstar LSTA Lev Loan 100	N/A
Cash & Equivalents	2.00%	5.00%	8.00%	Invesco Money Market	90 Day US Treasury Bill	N/A
				WAMCO Collateral Account	90 Day US Treasury Bill	N/A

Total Portfolio Strategic Benchmark:	Custom Benchmark
Russell 1000 Value	9.50%
Russell 1000 Growth	9.50%
Russell 2500	8.00%
MSCI AC World Ex USA	16.00%
Bloomberg US Aggregate	19.00%
ICE BofA US High Yield BB Constrained	3.00%
NCREIF ODCE	5.00%
Alerian MLP	5.00%
Real Assets Benchmark	5.00%
Evergreen PE Index	5.00%
Morningstar LSTA Lev Loan 100	10.00%
90 Day T-Bill	5.00%

(1) There is a 5% probability that the 1 year modeled loss of -13.5% to -16.5% will be exceeded. Risk tolerances are based on 2025 capital markets assumptions. NOTE: The 1 year modeled loss will vary from year to year depending on future capital market assumptions.

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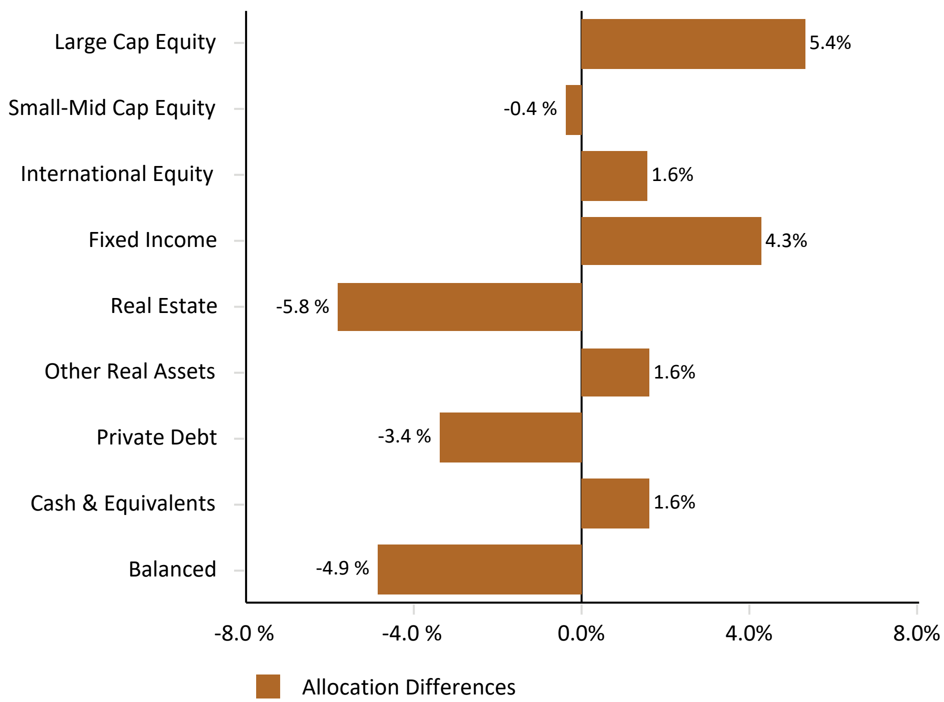
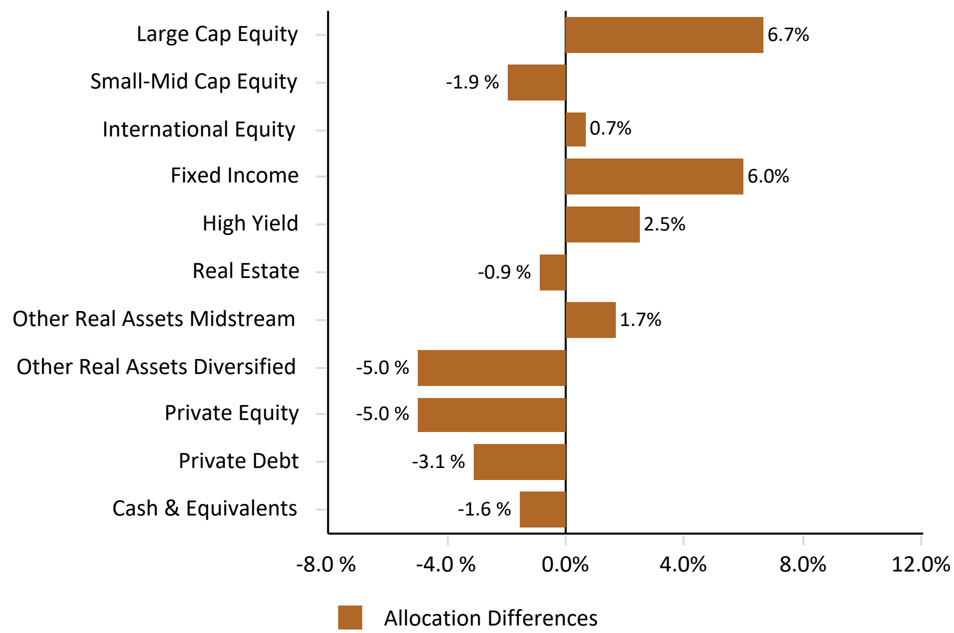
Asset Allocation vs. Target Allocation

September 30, 2025



December 31, 2025



September 30, 2025

	Market Value ($)	Allocation (%)	Target (%)
Large Cap Equity	546,842,245	25.35	20.00
Small-Mid Cap Equity	99,365,643	4.61	5.00
International Equity	357,203,020	16.56	15.00
Fixed Income	653,474,679	30.30	26.00
Real Estate	90,286,366	4.19	10.00
Other Real Assets	142,960,950	6.63	5.00
Private Debt	142,482,168	6.61	10.00
Cash & Equivalents	34,723,603	1.61	0.00
Balanced	89,455,665	4.15	9.00
Total Fund	2,156,794,338	100.00	100.00

December 31, 2025

	Market Value ($)	Allocation (%)	Target (%)
Large Cap Equity	557,263,347	25.66	19.00
Small-Mid Cap Equity	131,809,577	6.07	8.00
International Equity	361,993,299	16.67	16.00
Fixed Income	542,228,066	24.97	19.00
High Yield	118,960,154	5.48	3.00
Real Estate	89,179,817	4.11	5.00
Other Real Assets Midstream	145,626,510	6.71	5.00
Other Real Assets Diversified	-	-	5.00
Private Equity	-	-	5.00
Private Debt	149,484,109	6.88	10.00
Cash & Equivalents	74,902,023	3.45	5.00
Total Fund	2,171,446,901	100.00	100.00

Manager Scorecard

	Criteria									Costs		
	Org.	Culture	People	Philosophy & Process	Style Consistency	Asset Base	Perf.	Expenses	Overall	Exp Ratio (%)	Median Exp Ratio (%)	Ratio of Exp to Median (%)
Barrow Hanley Large Cap Value Comp	Green	Green	Green	Green	Green	Green	Green	Green	Green	0.283	0.475	59.570
AB Large Cap Growth Index Comp	Green	Green	Green	Green	Green	Green	Green	Green	Green	0.020	0.500	4.000
Earnest Partners SMID Cap Core Comp	Green	Green	Green	Green	Green	Green	Green	Green	Green	0.610	0.800	76.250
Schroders International Equity Comp	Green	Green	Green	Green	Green	Green	Green	Green	Green	0.508	0.810	62.690
Cavanal Hill (BOK) Fixed Income Comp	Green	Green	Green	Green	Green	Green	Green	Green	Green	0.150	0.250	60.000
Reams Unconstrained Fixed Income Comp	Green	Green	Green	Green	Green	Green	Green	Green	Green	0.220	0.250	88.000
Western Asset Global Multi-Sector Comp	Yellow	Green	Green	Green	Green	Green	Green	Green	Green	0.400	0.400	100.000
Invesco High Yield Comp	Green	Green	Green	Green	Green	Green	Green	Green	Green	0.400	0.450	88.889
AEW Core Property	Green	Green	Green	Green	Green	Green	Green	Green	Green	0.930	2.000	46.500
UBS Trumbull Property Fund	Yellow	Green	Yellow	Green	Green	Yellow	Red	Green	Yellow	0.960	2.000	48.000
AEW VII Real Estate	Green	Green	Green	Green	Green	Green	Green	Green	Green	1.250	2.000	62.500
Humphreys Fund V	Yellow	Green	Green	Green	Green	Green	Green	Green	Green	1.000	2.000	50.000
Siguler Guff Distressed Real Estate II	Green	Green	Green	Green	Green	Green	Green	Green	Green	1.000	2.000	50.000
Tortoise Midstream MLP SMA Comp	White	Green	Green	Green	Green	Green	Green	Green	Green	0.750	1.280	58.590
Angelo Gordon Direct Lending Fund IV	Green	Green	Green	Green	Green	Green	Green	Green	Green	0.850	2.000	42.500
Brookfield Sr Mezzanine RE Finance Fund	Green	Green	Green	Green	Green	Green	Yellow	Green	Green	0.500	2.000	25.000
Comvest Credit Partners Evergreen Fund	Blue	Green	Green	Green	Green	Green	Green	Green	Green	1.000	2.000	50.000
Monroe Capital Private Credit Fund III	Green	Green	Green	Green	Green	Green	Green	Green	Green	1.000	2.000	50.000
Monroe Capital Private Credit Fund IV	Green	Green	Green	Green	Green	Green	Green	Green	Green	1.000	2.000	50.000
Neuberger Berman PD Eagle Fund	Green	Green	Green	Green	Green	Green	Green	Green	Green	0.500	2.000	25.000

Legend For Overall Criteria

Green: No/Minimum Concerns	White: New No/Minimum Concerns
Yellow: Minor Concern	Orange: Upgrade to Minor Concern
Red: Major Concern	Blue: Downgrade to Minor Concern
Gray: Under Review	Black: New Major Concern

Manager	Score Factor	Comments
Western Asset Global Multi-Sector Comp	Organization	In August of 2024, Co-CIO Ken Leech stepped down amid investigations from the US Securities and Exchange Commission. Additionally, Gordon Brown, Head of Global Portfolios will retire from Western Asset in September of 2025. Innovest will contine to monitor. (2Q25)
UBS Trumbull Property Fund	Organization	In January 2020, UBS replaced its head of Real Estate, Matt Lynch, with Matt Johnson, who had previously led the firm's real estate multi-manager business. While this change happened about 5 years ago, we continue to have a concern with management and still monitor the impact of this organizational change. Additionally, in January 2025, Larissa Belova joined UBS as Chief Investment Officer. (4Q24)
UBS Trumbull Property Fund	People	Larissa Belova has replaced Paul Canning as lead portfolio manager of the UBS TPF. This change, effective 7/1/25, comes on the heels of a 6-month transition period. Larissa previously was a portfolio manager with CBRE before taking the role as CIO of the US Direct Real Estate Team with UBS in January 2025. Innovest will continue to monitor this transition. (3Q25)

The Expense Ratio and Median Expense Ratio for Hedge Fund of FUnds and Private Equity Fund of Funds excludes underlying fund expenses; the expenses shown are only at the Fund of Funds level.
For additional disclosures related to any non-mutual fund alternative investments, please see the full disclaimer in the appendix.

Manager Scorecard

Manager	Score Factor	Comments
UBS Trumbull Property Fund	Asset Base	While the fund continues to pay out partial redemptions each quarter, their estimate to fully clear the redemption queue has extended into 2026.
UBS Trumbull Property Fund	Performance	The fund’s underperformance over recent trailing periods has resulted mostly from its office and retail properties. A good portion of these properties have been identified as non strategic assets. Drawdowns on these assets, along with its long-term conservative use of leverage have hurt returns compared to peer core private real estate funds.
UBS Trumbull Property Fund	Overall	Due to the fund’s currently extended exit queue and relative underperformance, we believe an overall minor concern for the fund is appropriate.
Humphreys Fund V	Organization	Former CEO Blair Humphreys and former President Braden Marritt announced their resignations in mid-2025. Effective September 2025, Max Meyers took over as CEO of Humphreys. Innovest will continue to monitor. Additionally, Humphreys Capital a received a regulatory subpoena from the Oklahoma Department of Securities requesting information on their funds. They are complying with the request. (3Q25)
Tortoise Midstream MLP SMA Comp	Organization	Tortoise Capital is re-organizing their Trust to the Tortoise Capital Series Trust (Acquiring Trust). This change should benefit the strategy as the Acquiring Trust will have a sole focus of advising and overseeing the strategy and appointing its board members. This change does not warrant any concern at this time, and Innovest will continue to monitor this transition. (1Q25)
Brookfield Sr Mezzanine RE Finance Fund	Performance	This fund's performance has suffered due to a large allocation to office going into the COVID pandemic. Although they have managed to sell many of their assets, the fund took equity control over four assets that they hope to improve at the operational and leasing level before pursuing a sale. Innovest will continue to monitor the fund's progress on its winddown. (3Q25)
Comvest Credit Partners Evergreen Fund	Organization	Effective November 2025, Manulife acquired a 75% stake in Comvest Credit Partners. Innovest will continue to monitor the transition. (4Q25)

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Alignment with Oklahoma Economic Interests and Policy Initiatives Assessment

Managers	Score	UNPRI Signatory	Comments
AEW Partners	3	PRI	AEW affirms fiduciary duty and financial focus, but incorporates ESG and is committed to net zero carbon operations by 2050. Political agendas are not a consideration in investment decisions, but ESG factors are included if deemed consistent with fiduciary duty. The presence of non-financial considerations and policies results in mixed alignment.
Alliance Bernstein	2		Alliance Bernstein demonstrates a strong fiduciary focus and financial materiality, but participates in a broad range of ESG affiliations such as the Net Zero Asset Managers Initiative. The firm's approach is mostly aligned, with minor caveats regarding ESG flexibility. The 1792 Exchange gives Alliance Bernstein a high-risk rating.
Barrow Hanley	3	PRI	Barrow Hanley is fully aligned, emphasizing fiduciary duty and shareholder value as core principles. The firm excludes political agendas and non-financial factors unless they are financially material and is transparent about their affiliations. The 1792 Exchange gives the firm a Lower Risk Rating.
Brookfield Asset Management	3	PRI	Brookfield demonstrates strong fiduciary and financial focus, with no exclusionary policies and clear emphasis on shareholder value. Sustainability and ESG is do not override financial outcomes. Innovest has upgraded the 1792 assessment from medium risk to lower risk based on the information we know about their investment strategy and company.
Cavanal Hill (BOK)	3		Cavanal Hill emphasizes fiduciary duty and a financial focus, but acknowledges that political agendas can affect investment risks and decisions. Their approach blends financial and non-financial considerations, resulting in moderate alignment. Innovest has upgraded the 1792 assessment from medium risk to lower risk based on what we know about BOK.
Comvest Partners	3	PRI	Comvest demonstrates a clear and consistent commitment to fiduciary duty, financial focus, and transparency. The firm explicitly rejects the influence of political or speculative agendas, stating that ESG is only considered if deemed financially material. Their responses prioritize shareholder value and responsible stewardship throughout.
Earnest Partners	5		Earnest Partners places strong emphasis on fiduciary duty, financial focus, and transparency, with proxy voting and ESG only considered for financial impact. The firm rejects political agenda influence and bases decisions on risk-adjusted returns and merit. Their approach is consistent with responsible stewardship and shareholder value.
Humphreys Capital	3		Humphreys Capital demonstrates a clear and consistent commitment to fiduciary duty. The firm rejects the influence of political agendas when making private real estate investments. Their responses prioritize shareholder value and responsible stewardship.
Invesco	2	PRI	Invesco maintains a fiduciary and financial focus, empowering investment teams to act in clients' best interests. The firm participates in many affiliations such as the Net Zero Asset Managers Initiative. This results in moderate alignment with minor caveats. The 1792 Exchange gives Invesco a High Risk Rating.
Monroe Capital	3	PRI	Monroe Capital is mostly aligned, with a clear focus on fiduciary duty and rejection of political agendas in investment decisions. The firm has formal ESG policies, but these are described as client-driven or risk-based rather than ideological. Some affiliations are present, but investment decisions remain centered on financial outcomes.
Neuberger Berman	1	PRI	Neuberger Berman states a commitment to fiduciary duty and financial focus, but broadly integrates ESG, participates in many affiliations such as the Net Zero Asset Managers Initiative and accommodates client-driven ESG mandates. The firm's approach allows for significant non-financial considerations. The 1792 Exchange gives the firm a High Risk Rating.
Reams Asset Management	2	PRI	Reams focuses on fiduciary duty and delivering risk-adjusted returns, but integrates ESG and responsible investing factors as part of risk management. Their approach blends financial and non-financial considerations, leading to moderate alignment. The 1792 Exchange gives Raymond James (the parent company of Reams) a High Risk Rating.
Schroders Investment Management	2		Schroders states a fiduciary and financial focus, but places strong emphasis on ESG integration, climate engagement, and broad affiliations. Political agendas are considered if financially material, and the firm actively engages on sustainability themes.
Siguler Guff	3	PRI	Siguler Guff takes a returns-first approach, prioritizing fiduciary duty and financial outcomes, and does not exclude fossil fuels. ESG is only considered if financially material, and while some affiliations exist, they do not drive investment decisions. The firm's approach is mostly aligned, with minor caveats.
Tortoise Advisors	4		Tortoise prioritizes fiduciary duty, financial focus, and transparency, especially in the energy infrastructure sector. The firm does not make investment decisions based on political agendas and is not a signatory to major ESG alliances, but does consider financially material regulatory and ESG factors as part of risk management. Innovest has upgraded the 1792 assessment to lower risk based on the information we know about their investment strategy and company.
TPG Angelo Gordon	3	PRI	TPG Angelo Gordon is moderately aligned, with a strong emphasis on fiduciary duty and financial focus. The firm participates in some affiliations such as the Net Zero Asset Managers Initiative but maintains that these do not dictate investment strategy. The 1792 Exchange gives TPG a High Risk Rating.
UBS	2	PRI	UBS has a fiduciary and financial focus, but places strong emphasis on ESG integration and climate engagement. The firm is actively engaged in climate change initiatives, including a published annual sustainability report focused on ESG initiatives within their organization. The 1792 Exchange gives UBS a High Risk Rating.
Western Asset Management	3	PRI	Western Asset states a commitment to fiduciary duty and financial focus and their engagement and ESG considerations are often client driven rather than central to their investment criteria. This approach blends financial and non-financial considerations, resulting in mixed alignment. The 1792 exchange gives Western Asset a Medium Risk Rating.
2025 Score	**2.80**		

Alignment with Oklahoma Economic Interests and Policy Initiatives Assessment

2025 Portfolio Alignment Score: 2.80

Scoring	Description
5	Fully aligned with Oklahoma Economic Interests and Policy Initiatives. Response demonstrates clear commitment to fiduciary duty, financial focus, transparency, and avoidance of political or speculative agendas. Prioritizes shareholder value and responsible stewardship.
4	Mostly aligned. Response shows strong alignment but includes minor caveats or lacks full clarity in implementation or policy.
3	Moderately aligned. Response acknowledges relevant principles but includes qualifiers, lacks formal policies, or blends financial and non-financial considerations.
2	Minimally aligned. Response is vague, non-committal, or includes significant emphasis on non-financial or political factors.
1	Not aligned. Response directly contradicts Oklahoma Economic Interests and Policy Initiatives or prioritizes political, speculative, or exclusionary frameworks over fiduciary and financial principles.

The Alignment with Oklahoma Economic Interests and Policy Initiatives Assessment is based on a qualitative assessment of each manager's stated investment philosophy and practices. Managers are rated on a scale from 1 to 5, with higher scores reflecting stronger alignment with Oklahoma Economic Interests and Policy Initiatives—specifically a focus on shareholder value, avoidance of political or speculative agendas, and responsible stewardship. In addition, since this trust benefits the people of Oklahoma, when selecting and monitoring investment managers, preference is given to those that publicly commit to the economic drivers and industries that benefit the state of Oklahoma.

Table of Returns

	Market Value ($)	%	Performance(%) Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Apr-2025 To Dec-2025	Since Client Inception	Inception Date
Broad Domestic Equity												
Barrow Hanley Large Cap Value	**244,788,547**		**2.92 (59)**	**11.10 (81)**	**11.10 (81)**	**13.90 (63)**	**13.94 (37)**	**13.72 (54)**	**12.17 (43)**	**13.41 (55)**	**8.83 (76)**	**10/01/2005**
Barrow Hanley Large Cap Value Composite			2.62 (66)	12.34 (75)	12.34 (75)	14.53 (55)	13.35 (44)	13.68 (54)	11.86 (51)	13.63 (52)	9.06 (69)	
Russell 1000 Value Index			3.81 (45)	15.91 (53)	15.91 (53)	13.90 (63)	11.33 (76)	12.10 (82)	10.53 (86)	13.48 (54)	8.28 (90)	
IM U.S. Large Cap Value Equity (SA+CF) Median			3.41	16.17	16.17	14.93	13.09	13.93	11.86	13.84	9.49	
AllianceBernstein Large Cap Growth Index	**312,474,800**		**1.13 (48)**	**18.51 (25)**	**18.51 (25)**	**N/A**	**N/A**	**N/A**	**N/A**	**31.59 (18)**	**22.08 (17)**	**04/01/2024**
AB Large Cap Growth Index Composite			1.12 (48)	18.55 (25)	18.55 (25)	31.15 (27)	15.32 (21)	21.25 (16)	18.13 (14)	31.68 (16)	22.14 (16)	
Russell 1000 Growth Index			1.12 (48)	18.56 (25)	18.56 (25)	31.15 (27)	15.32 (21)	21.25 (16)	18.13 (14)	31.69 (16)	22.14 (16)	
IM U.S. Large Cap Growth Equity (SA+CF) Median			1.08	15.78	15.78	28.61	12.85	18.63	16.18	27.13	18.30	
Earnest Small/Mid Cap Core	**131,809,577**		**2.55 (40)**	**9.22 (47)**	**9.22 (47)**	**9.23 (84)**	**8.14 (46)**	**12.75 (48)**	**12.09 (30)**	**15.32 (53)**	**11.83 (27)**	**10/01/2003**
Earnest Partners Small/Mid Cap Core Composite*			3.26 (28)	12.00 (32)	12.00 (32)	12.40 (55)	10.49 (24)	14.72 (18)	12.88 (20)	18.61 (39)	N/A	
Russell 2500 Index			2.22 (45)	11.91 (33)	11.91 (33)	13.75 (38)	7.26 (60)	11.75 (62)	10.40 (70)	20.98 (30)	9.89 (84)	
IM U.S. SMID Cap Equity (SA+CF) Median			1.99	7.87	7.87	12.67	7.61	12.67	11.18	15.81	10.92	
International Equity												
Schroders International Equity	**361,993,299**		**3.19 (62)**	**26.39 (64)**	**26.39 (64)**	**17.24 (53)**	**7.95 (59)**	**13.18 (18)**	**10.83 (16)**	**19.57 (69)**	**7.92 (44)**	**08/01/2011**
Schroders International Equity - Composite			3.27 (62)	27.01 (62)	27.01 (62)	17.55 (47)	8.21 (54)	13.28 (17)	10.91 (15)	20.19 (67)	8.06 (41)	
MSCI AC World ex USA Index			5.11 (30)	33.11 (38)	33.11 (38)	17.95 (43)	8.46 (52)	10.70 (60)	8.95 (50)	26.34 (32)	6.48 (85)	
MSCI AC World ex USA IMI			4.82 (38)	32.67 (41)	32.67 (41)	17.71 (45)	8.31 (53)	10.67 (61)	8.90 (52)	26.70 (30)	6.53 (84)	
IM International Equity (SA+CF) Median			3.96	31.28	31.28	17.42	8.73	11.21	8.92	23.81	7.66	
Fixed Income												
Cavanal Hill (BOK) Fixed Income	**327,783,155**		**1.02 (75)**	**7.04 (95)**	**7.04 (95)**	**5.31 (37)**	**0.11 (48)**	**2.16 (81)**	**2.18 (81)**	**4.13 (96)**	**3.90 (58)**	**07/01/2002**
Cavanal Hill Fixed Income Composite			1.19 (30)	7.45 (65)	7.45 (65)	5.45 (33)	0.18 (41)	2.22 (78)	2.22 (77)	4.53 (66)	3.91 (56)	
Blmbg. U.S. Aggregate Index			1.10 (57)	7.30 (78)	7.30 (78)	4.66 (92)	-0.36 (92)	1.99 (98)	2.01 (97)	4.40 (76)	3.50 (94)	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median			1.11	7.63	7.63	5.20	0.08	2.55	2.54	4.66	3.98	
Reams Unconstrained Bond	**174,251,704**		**1.35 (26)**	**11.72 (2)**	**11.72 (2)**	**8.50 (18)**	**4.03 (19)**	**5.55 (17)**	**4.84 (20)**	**7.64 (8)**	**4.91 (27)**	**08/01/2002**
Reams Unconstrained Fixed Income Composite			1.34 (26)	11.15 (3)	11.15 (3)	8.31 (19)	3.96 (20)	5.47 (18)	4.77 (20)	7.10 (11)	9.18 (2)	
Blmbg. U.S. Aggregate Index			1.10 (64)	7.30 (53)	7.30 (53)	4.66 (81)	-0.36 (91)	1.99 (93)	2.01 (94)	4.40 (67)	3.46 (72)	
IM U.S. Fixed Income (SA+CF) Median			1.18	7.37	7.37	5.55	1.42	3.04	2.89	4.79	3.97	

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*Earnest Partners SMID Composite returns provided by the manager only go back to July 2005.

Table of Returns

	Market Value ($)	%	Performance(%) Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Apr-2025 To Dec-2025	Since Client Inception	Inception Date
Western Asset Global Multi-Sector Fixed Income	**40,193,207**		**0.61 (52)**	**9.42 (43)**	**9.42 (43)**	**6.70 (42)**	**2.28 (26)**	**3.86 (35)**	**4.02 (28)**	**6.46 (47)**	**3.97 (20)**	**10/01/2007**
Western Asset Global Multi-Sector Composite			1.26 (28)	9.22 (49)	9.22 (49)	7.02 (38)	1.37 (40)	3.76 (37)	4.23 (21)	6.67 (42)	4.43 (18)	
Blmbg. Global Aggregate Index			0.24 (74)	8.17 (76)	8.17 (76)	3.98 (78)	-2.15 (82)	0.65 (87)	1.26 (91)	5.39 (79)	2.05 (93)	
IM Global Unhedged Fixed Income (SA+CF) Median			0.69	9.19	9.19	5.63	0.73	2.28	2.51	6.33	2.79	
Invesco High Yield	**118,960,154**		**1.54 (51)**	**8.27 (64)**	**8.27 (64)**	**9.07 (80)**	**4.25 (86)**	**6.15 (62)**	**5.89 (75)**	**7.05 (67)**	**5.11 (69)**	**06/01/2015**
Invesco High Yield Composite			1.43 (63)	7.60 (82)	7.60 (82)	8.48 (86)	4.17 (90)	6.10 (62)	5.85 (77)	6.46 (76)	5.07 (70)	
ICE BofA U.S. High Yield Cash Pay BB Constrained			1.58 (44)	8.92 (42)	8.92 (42)	8.85 (81)	3.77 (96)	6.01 (69)	5.95 (74)	7.37 (61)	5.12 (68)	
IM U.S. High Yield Bonds (SA+CF) Median			1.54	8.66	8.66	9.89	4.83	6.27	6.37	7.62	5.36	
Real Estate												
AEW Core Property	**61,333,364**		**1.47 (7)**	**4.18 (67)**	**4.18 (67)**	**-1.87 (37)**	**4.68 (19)**	**4.43 (30)**	**5.50 (43)**	**3.12 (62)**	**7.04 (54)**	**04/01/2013**
NCREIF ODCE			0.90 (57)	3.76 (70)	3.76 (70)	-3.46 (70)	3.38 (63)	3.34 (65)	4.79 (64)	2.68 (83)	6.72 (60)	
IM U.S. Open End Private Real Estate (SA+CF) Median			1.13	5.11	5.11	-2.45	3.75	3.98	5.37	3.62	7.22	
UBS Trumbull Property Fund	**18,709,587**		**1.35 (17)**	**5.66 (26)**	**5.66 (26)**	**-4.86 (78)**	**1.18 (84)**	**-0.06 (96)**	**1.96 (91)**	**4.13 (34)**	**3.12 (91)**	**10/01/2014**
NCREIF ODCE			0.90 (57)	3.76 (70)	3.76 (70)	-3.46 (70)	3.38 (63)	3.34 (65)	4.79 (64)	2.68 (83)	5.85 (65)	
IM U.S. Open End Private Real Estate (SA+CF) Median			1.13	5.11	5.11	-2.45	3.75	3.98	5.37	3.62	6.32	
AEW VII Real Estate	**344,704**		**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**04/01/2014**
Humphreys Capital Real Estate	**354,809**		**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**04/01/2014**
Siguler Guff Distressed Real Estate II	**8,792,162**		**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**07/01/2014**
Other Real Assets												
Tortoise MLP	**145,626,510**		**1.88**	**3.04**	**3.04**	**20.76**	**26.87**	**14.22**	**N/A**	**-5.06**	**10.66**	**10/01/2018**
Tortoise Midstream MLP SMA - Composite			1.94	3.00	3.00	20.56	26.62	14.12	9.45	-5.06	10.89	
Alerian MLP Index			3.79	9.76	9.76	20.00	25.96	13.39	8.85	-2.51	9.98	
Private Debt												
TPG Angelo Gordon Direct Lending Fund IV	**33,537,824**		**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**07/01/2021**
Brookfield Senior Mezzanine RE Finance Fund	**11,533,794**		**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**01/01/2023**
Comvest Credit Partners Evergreen Fund	**29,017,400**		**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**04/01/2025**
Medley	**32,708**		**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**01/01/2011**

Total return is net of Innovest and mutual fund fees. Mutual fund, ETF, and alternative investment returns are reported net of fees, unless otherwise stated, and are provided by the product manager. Separate account performance is reported gross of fees. Numbers in parentheses represent the percentile rank of a return as compared to a universe of funds using similar investment strategies. Returns for periods longer than one year are annualized. Performance for alternative strategies may reflect a reporting lag. Performance figures remain unchanged until an updated statement with revised performance data is received. Historical total return performance is similarly updated upon receipt of the corresponding statement. Performance for capital call products will be omitted for the first three years following the fund's inception, if applicable.

*Earnest Partners SMID Composite returns provided by the manager only go back to July 2005.

Table of Returns

	Market Value ($)	%	Performance(%) Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Apr-2025 To Dec-2025	Since Client Inception	Inception Date
Monroe Capital Private Credit Fund III	**19,048,856**		**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**07/01/2018**
Monroe Capital Private Credit Fund IV	**15,733,604**		**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**01/01/2021**
Neuberger Berman PD Eagle Fund	**40,225,114**		**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**07/01/2025**
Cash & Equivalents												
Cash	**74,902,010**		**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**04/01/2025**
WAMCO Collateral Account	**13**		**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**07/01/2002**
Oklahoma TSET Total Fund	**2,171,446,901**		**1.20 (84)**	**10.24 (78)**	**10.24 (78)**	**11.32 (38)**	**7.62 (23)**	**9.42 (30)**	**8.26 (38)**	**9.21 (76)**	**6.78 (23)**	**01/01/2001**
Oklahoma TSET Custom Benchmark**			2.28 (28)	14.14 (26)	14.14 (26)	12.80 (17)	8.61 (7)	9.67 (24)	8.42 (29)	13.07 (35)	7.00 (15)	
Oklahoma CPI +			0.93 (89)	7.75 (95)	7.75 (95)	8.10 (81)	9.68 (2)	8.88 (44)	8.35 (33)	5.04 (94)	7.64 (2)	
60% MSCI AC World Index/40% Blmbg US Agg			2.42 (21)	16.22 (9)	16.22 (9)	14.10 (8)	6.57 (52)	9.29 (34)	7.96 (45)	15.83 (8)	6.08 (58)	
All Master Trust > $1B-Total Fund Median			1.97	12.58	12.58	10.61	6.63	8.69	7.81	12.24	6.25	

Total return is net of Innovest and mutual fund fees. Mutual fund, ETF, and alternative investment returns are reported net of fees, unless otherwise stated, and are provided by the product manager. Separate account performance is reported gross of fees. Numbers in parentheses represent the percentile rank of a return as compared to a universe of funds using similar investment strategies. Returns for periods longer than one year are annualized. Performance for alternative strategies may reflect a reporting lag. Performance figures remain unchanged until an updated statement with revised performance data is received. Historical total return performance is similarly updated upon receipt of the corresponding statement. Performance for capital call products will be omitted for the first three years following the fund's inception, if applicable.
*Earnest Partners SMID Composite returns provided by the manager only go back to July 2005.
**Due to ongoing transition to current IPS, the custom benchmark will maintain the old makeup until transition has been completed. Please see Historical Custom Benchmark page just before the appendix.

Table of Returns - Prior Quarter

	Last Quarter		Year To Date		1 Year		3 Years		5 Years		7 Years		10 Years		Since Inception		Inception Date
Oklahoma TSET Total Fund	**2.91**	**(89)**	**8.94**	**(76)**	**8.62**	**(63)**	**13.23**	**(27)**	**9.52**	**(20)**	**8.06**	**(27)**	**8.39**	**(34)**	**6.80**	**(27)**	**01/01/2001**
Oklahoma TSET Custom Benchmark	4.26	(47)	11.60	(24)	10.75	(24)	14.16	(16)	9.99	(12)	8.38	(19)	8.43	(32)	6.98	(18)	
Oklahoma CPI +	1.93	(97)	6.75	(94)	8.16	(68)	8.20	(87)	9.76	(15)	8.85	(9)	8.32	(37)	7.68	(3)	
60% MSCI AC World Index/40% Blmbg US Agg	5.36	(8)	13.48	(6)	11.42	(15)	15.64	(6)	7.91	(62)	7.78	(37)	8.01	(49)	6.04	(67)	
All Master Trust > $1B-Total Fund Median	4.19		10.43		9.50		11.71		8.40		7.41		7.99		6.29		

Table of Returns - 5 Year History

December 31, 2025

	Year To Date	2024	2023	2022	2021	2020
Total Fund						
Oklahoma TSET Total Fund	**10.24**	**10.37**	**13.37**	**-8.30**	**14.15**	**11.09**
S&P 500 Index	17.88	25.02	26.29	-18.11	28.71	18.40
MSCI AC World Index (Net)	22.34	17.49	22.20	-18.36	18.54	16.25
Blmbg. U.S. Aggregate Index	7.30	1.25	5.53	-13.01	-1.55	7.51

Mutual fund, ETF, and alternative investment returns are reported net of fees, unless otherwise stated, and are provided by the product manager. Numbers in parentheses represent the percentile rank of a return as compared to a universe of funds using similar investment strategies. Returns for periods longer than one year are annualized. Performance for alternative strategies may reflect a reporting lag. Performance figures remain unchanged until an updated statement with revised performance data is received. Historical total return performance is similarly updated upon receipt of the corresponding statement. Performance for capital call products will be omitted for the first three years following the fund's inception, if applicable.

Oklahoma Tobacco Settlement Endowment Fund Summary of Private Investments 12/31/2025

Security	Type	Committed Capital	Contributed Capital	Unfunded Commitment	Percent Contributed	Cash Distribution	Value	Total Value	Total Value / Paid In	Estimated ITD IRR	Date of First Capital Call
Monroe Private Credit Fund III	Private Debt	$50,000,000	$42,506,301	$7,493,699	85.01 %	$49,575,968	$19,048,856	$68,624,824	1.61	10.75 %	11/5/2018
Monroe Private Credit IV	Private Debt	$20,000,000	$17,000,000	$3,000,000	85.00 %	$7,155,221	$15,733,604	$22,888,825	1.35	8.66 %	1/28/2021
TPG Angelo Gordon Direct Lending IV	Private Debt	$50,000,000	$47,500,000	$2,500,000	95.00 %	$32,429,643	$33,537,824	$65,967,467	1.39	11.21 %	7/15/2021
Brookfield Senior Mezzanine Real Estate Finance Fund	Private Debt	$30,000,000	$30,000,000	$0	100.00 %	$11,621,400	$11,533,794	$23,155,194	0.77	-9.71 %	1/3/2023
Comvest Credit Partners Evergreen Fund	Private Debt	$100,000,000	$32,100,978	$67,899,022	32.10 %	$3,730,286	$29,017,400	$32,747,686	1.02	4.34 %	4/28/2025
Neuberger Berman Private Debt Eagle Fund	Private Debt	$100,000,000	$40,000,000	$60,000,000	40.00 %	$352,573	$40,225,114	$40,577,687	1.01	1.45 %	9/12/2025
AEW Partners VII	Real Estate	$10,000,000	$9,309,736	$690,264	93.10 %	$8,280,265	$344,704	$8,624,969	0.93	9.82 %	3/24/2014
Siguler Guff Distressed Real Estate Opportunities II	Real Estate	$35,000,000	$30,502,500	$4,497,500	87.15 %	$31,717,247	$8,792,162	$40,577,687	1.33	5.96 %	5/7/2014
Humphreys Capital Real Estate Fund	Real Estate	$20,000,000	$354,809	$19,645,191	1.77 %	$0	$354,809	$354,809	1.00	0.00 %	12/19/2025

Report Data Disclaimer

Values based on most recent statement plus any capital calls and minus any distributions through 12/31/2025.

Total Value/Paid-In (TVPI) measures the total value of the cumulative distributions to investors plus the total value of the unrealized investments relative to the total capital drawn from investors.

Cash Distribution is net of recallable distributions.

A release of commitment will impact unfunded commitment, but not committed capital, contributed capital, or percent contributed.

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Barrow Hanley Large Cap Value

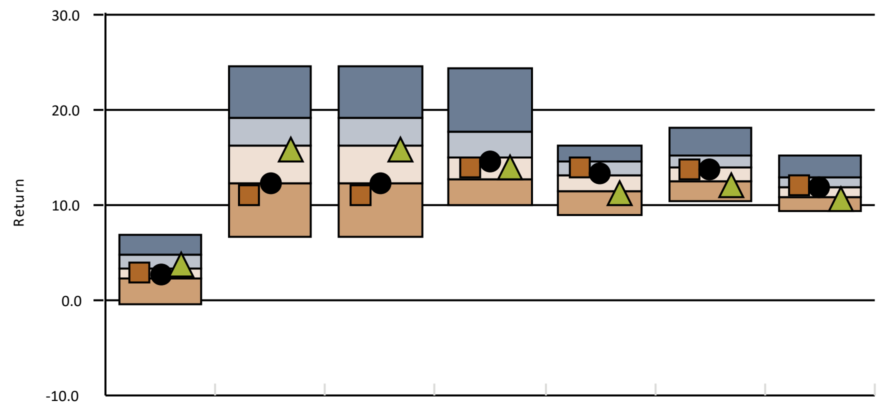
STRATEGY INFORMATION

Firm and Management
Barrow Hanley is a Dallas-based investment firm founded in 1979, managing over $50 billion in assets and over 100 investment professionals. The Large Cap Value strategy is led by Mark Giambrone and David Ganucheau, each with over 29 years of industry experience.

Investment Strategy
Barrow Hanley's Large Cap Value strategy invests in stocks of large United States companies the management team believes to be undervalued. The strategy follows a disciplined, valuation-centric process designed to identify undervalued stocks with strong fundamentals and asymmetric return potential that have a catalyst for changing the narrative on their undervaluation. The management team employs proprietary screening, fundamental analysis, and collaborative peer review to construct a focused portfolio of 40–50 securities.

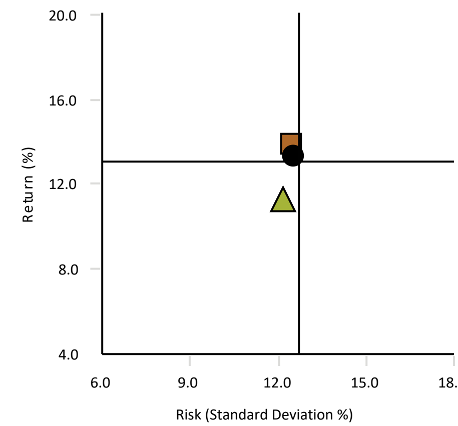
Innovest Assessment
Barrow Hanley's fundamental research approach is expected to generate shareholder value over full market cycles and when markets reward the firm’s contrarian style. Conversely, performance may suffer during periods driven by more macroeconomic events, or a disregard for company specific valuation and fundamentals.

PEER GROUP ANALYSIS - IM U.S. Large Cap Value Equity (SA+CF)



	Last Quarter		Year To Date		1 Year		3 Years		5 Years		7 Years		10 Years	
Barrow Hanley LCV - OKTSET	2.92	(59)	11.10	(81)	11.10	(81)	13.90	(63)	13.94	(37)	13.72	(54)	12.17	(43)
Barrow Hanley LCV Comp	2.62	(66)	12.34	(75)	12.34	(75)	14.53	(55)	13.35	(44)	13.68	(54)	11.86	(51)
Russell 1000 Value Index	3.81	(45)	15.91	(53)	15.91	(53)	13.90	(63)	11.33	(76)	12.10	(82)	10.53	(86)
Median	3.41		16.17		16.17		14.93		13.09		13.93		11.86	

RISK VS. RETURN (5 YEARS*)



	Return	Standard Deviation
Barrow Hanley LCV - OKTSET	13.94	12.42
Barrow Hanley LCV Comp	13.35	12.52
Russell 1000 Value Index	11.33	12.16
Median	13.09	12.73

CALENDAR YEAR RETURNS AND PERCENTILE RANKINGS

	2024		2023		2022		2021		2020		2019		2018	
Barrow Hanley LCV - OKTSET	18.29		12.43		1.63		27.88		2.04		25.55		-2.65	
Barrow Hanley LCV Comp	19.31	(22)	12.08	(63)	-1.48	(21)	26.44	(66)	3.80	(60)	26.31	(59)	-5.16	(24)
IM U.S. Large Cap Value Equity (SA+CF) Median	15.68		13.87		-5.32		28.06		4.63		27.45		-8.47	
Russell 1000 Value Index	14.37	(59)	11.46	(69)	-7.54	(68)	25.16	(77)	2.80	(68)	26.54	(57)	-8.27	(48)
IM U.S. Large Cap Value Equity (SA+CF) Median	15.68		13.87		-5.32		28.06		4.63		27.45		-8.47	

ROLLING 3 YEAR RETURN AND PERCENTILE RANKINGS

	3 Years Ending Dec-2025		3 Years Ending Dec-2024		3 Years Ending Dec-2023		3 Years Ending Dec-2022		3 Years Ending Dec-2021		3 Years Ending Dec-2020		3 Years Ending Dec-2019	
Barrow Hanley LCV - OKTSET	13.90		10.57		13.48		9.87		17.89		7.64		11.80	
Barrow Hanley LCV Comp	14.53	(55)	9.62	(22)	11.76	(38)	8.94	(39)	18.35	(69)	7.53	(43)	11.29	(42)
IM U.S. Large Cap Value Equity (SA+CF) Median	14.93		7.50		10.79		8.24		19.78		6.95		10.74	
Russell 1000 Value Index	13.90	(63)	5.63	(73)	8.86	(83)	5.96	(87)	17.64	(77)	6.07	(61)	9.68	(70)
IM U.S. Large Cap Value Equity (SA+CF) Median	14.93		7.50		10.79		8.24		19.78		6.95		10.74	

*If less than 5 years, data is since account inception.

Barrow Hanley Large Cap Value (Comp.) 12/31/25

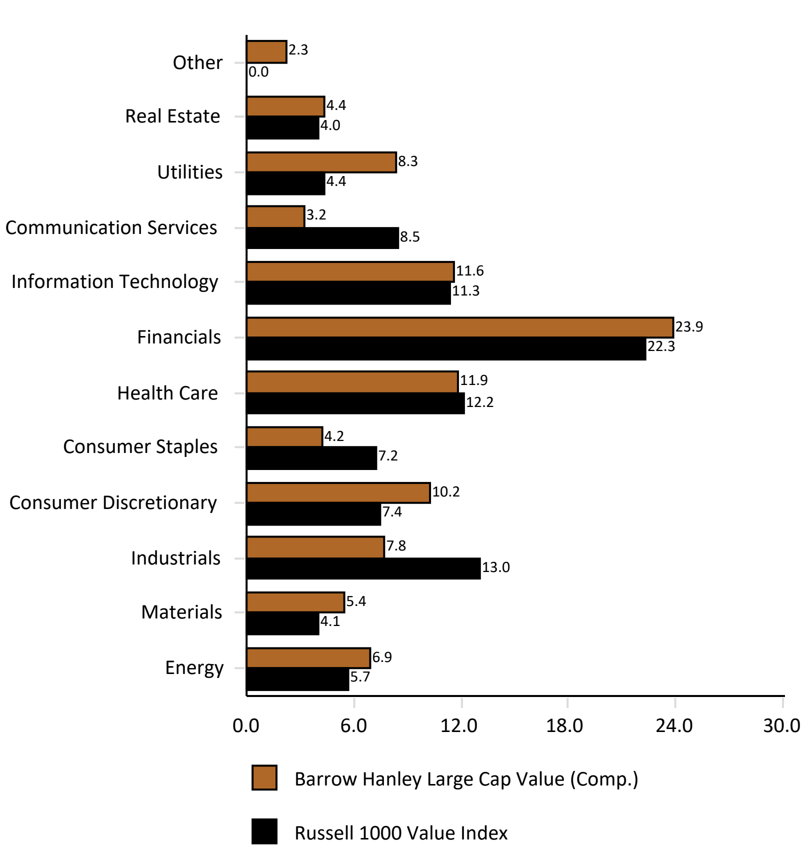
PORTFOLIO CHARACTERISTICS

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($)	262,521	401,329
Median Mkt. Cap ($)	40,684	147,672
Price/Earnings ratio	14.96	17.69
Price/Book ratio	2.30	2.83
5 Yr. EPS Growth Rate	10.22	10.69
Current Yield (%)	1.94	1.83
5 Yrs Dividend Growth	9.95	9.19
% in Emerging Market	0.00	0.06
Active Share	82.53	0.00
Number of Stocks	54	870

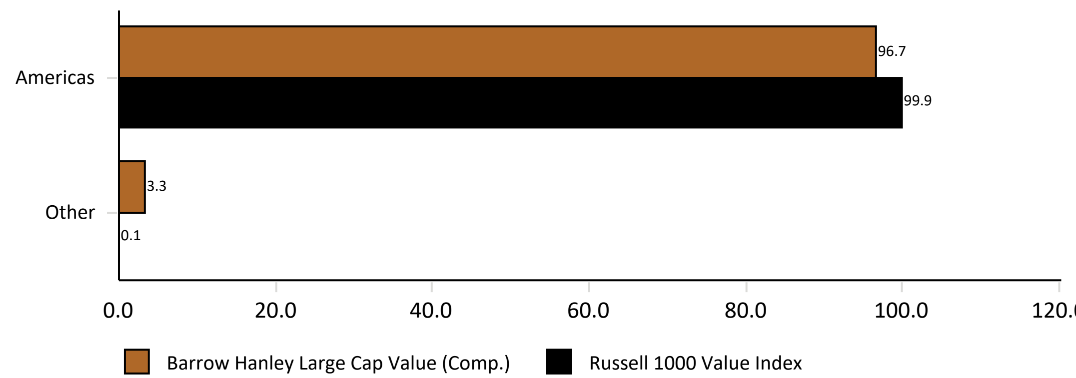
TOP 10 HOLDINGS

Portfolio		Benchmark	
Company	%	Company	%
Carnival Corporation	4.41	Berkshire Hathaway Inc. Class B	3.10
Bank of America Corp.	3.65	JPMorgan Chase & Co.	2.93
Alphabet Inc. Class A	2.99	Alphabet Inc. Class A	2.16
Berkshire Hathaway Inc. Class B	2.95	Amazon.com, Inc.	2.04
Merck & Co., Inc.	2.95	Alphabet Inc. Class C	1.76
Johnson Controls International plc	2.91	Exxon Mobil Corporation	1.70
Keurig Dr. Pepper Inc.	2.92	Johnson & Johnson	1.67
Exxon Mobil Corporation	2.57	Walmart Inc.	1.46
Microchip Technology Incorporated	2.55	Bank of America Corp.	1.13
Wynn Resorts, Limited	2.54	Procter & Gamble Company	1.13

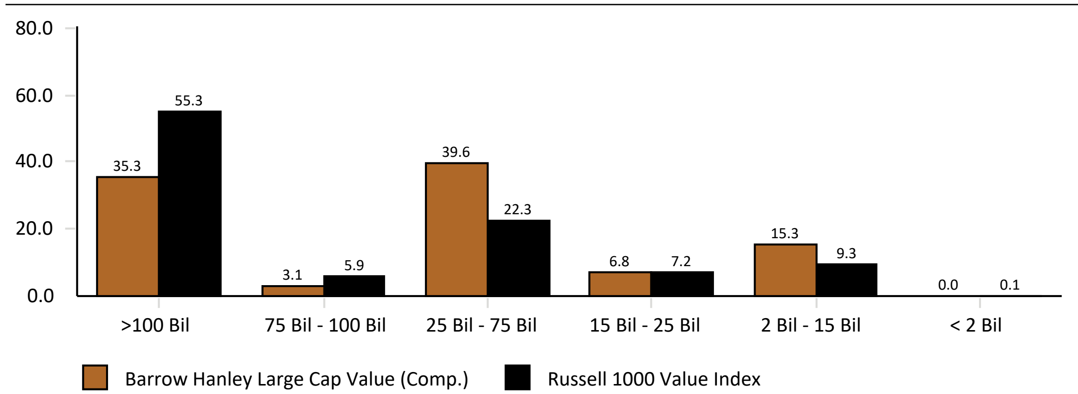
SECTOR ALLOCATION



REGION ALLOCATION



DISTRIBUTION OF MARKET CAP



INNOVEST

AB Large Cap Growth Index

STRATEGY INFORMATION

Firm and Management:

With corporate offices across the globe– Alliance Bernstein offers solutions across a multitude of asset classes. President and CEO, Seth Bernstein, has been in that role at AB since 2017. The firm was founded in 1967 and continues to have a sole focus on investment management and research.

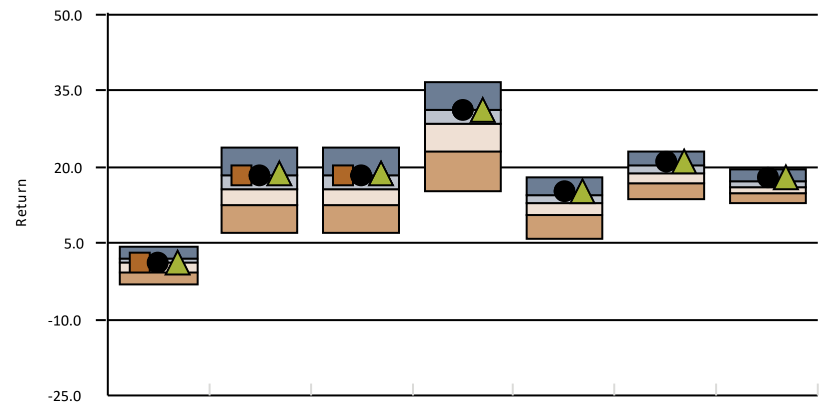
Investment Strategy:

As an index tracking strategy, the Alliance Bernstein Large Cap Growth Index intends to closely track the Russell 1000 Growth Index. Their experienced trading team work diligently to ensure minimal tracking error to the index.

Innovest Assessment:

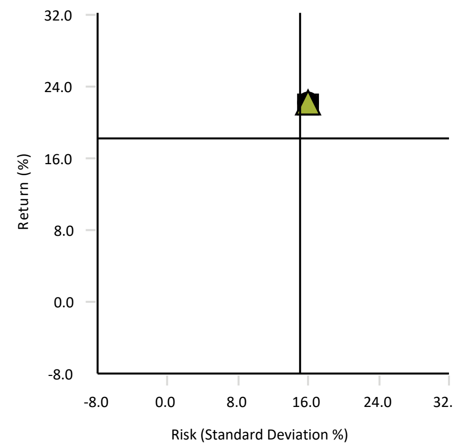
This strategy will closely track the Russell 1000 Growth Index.

PEER GROUP ANALYSIS - IM U.S. Large Cap Growth Equity (SA+CF)



	Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
AB Large Cap Growth Index - OKTSET	1.13 (48)	18.51 (25)	18.51 (25)	N/A	N/A	N/A	N/A
AB Large Cap Growth Comp	1.12 (48)	18.55 (25)	18.55 (25)	31.15 (27)	15.32 (21)	21.25 (16)	18.13 (14)
Russell 1000 Growth Index	1.12 (48)	18.56 (25)	18.56 (25)	31.15 (27)	15.32 (21)	21.25 (16)	18.13 (14)
Median	1.08	15.78	15.78	28.61	12.85	18.63	16.18

RISK VS. RETURN (5 YEARS*)



	Return	Standard Deviation
AB Large Cap Growth Index - OKTSET	22.08	16.02
AB Large Cap Growth Comp	22.14	16.07
Russell 1000 Growth Index	22.14	16.06
Median	18.30	15.11

CALENDAR YEAR RETURNS AND PERCENTILE RANKINGS

	2024	2023	2022	2021	2020	2019	2018
AB Large Cap Growth Index - OKTSET	N/A	N/A	N/A	N/A	N/A	N/A	N/A
AB Large Cap Growth Comp	33.35 (29)	42.68 (34)	-29.13 (49)	27.60 (30)	38.49 (35)	36.39 (29)	-1.51 (59)
IM U.S. Large Cap Growth Equity (SA+CF) Median	30.14	39.65	-29.48	24.80	35.35	34.01	-0.45
Russell 1000 Growth Index	33.36 (29)	42.68 (34)	-29.14 (49)	27.60 (30)	38.49 (35)	36.39 (29)	-1.51 (59)
IM U.S. Large Cap Growth Equity (SA+CF) Median	30.14	39.65	-29.48	24.80	35.35	34.01	-0.45

ROLLING 3 YEAR RETURN AND PERCENTILE RANKINGS

	3 Years Ending Dec-2025	3 Years Ending Dec-2024	3 Years Ending Dec-2023	3 Years Ending Dec-2022	3 Years Ending Dec-2021	3 Years Ending Dec-2020	3 Years Ending Dec-2019
AB Large Cap Growth Index - OKTSET	N/A	N/A	N/A	N/A	N/A	N/A	N/A
AB Large Cap Growth Comp	31.15 (27)	10.47 (24)	8.86 (28)	7.79 (32)	34.08 (18)	22.99 (42)	20.49 (46)
IM U.S. Large Cap Growth Equity (SA+CF) Median	28.61	8.29	6.97	6.36	31.39	22.13	20.00
Russell 1000 Growth Index	31.15 (27)	10.47 (24)	8.86 (28)	7.79 (32)	34.08 (18)	22.99 (43)	20.49 (46)
IM U.S. Large Cap Growth Equity (SA+CF) Median	28.61	8.29	6.97	6.36	31.39	22.13	20.00

*If less than 5 years, data is since account inception.

INNOVEST

AB Large Cap Growth Index 12/31/25

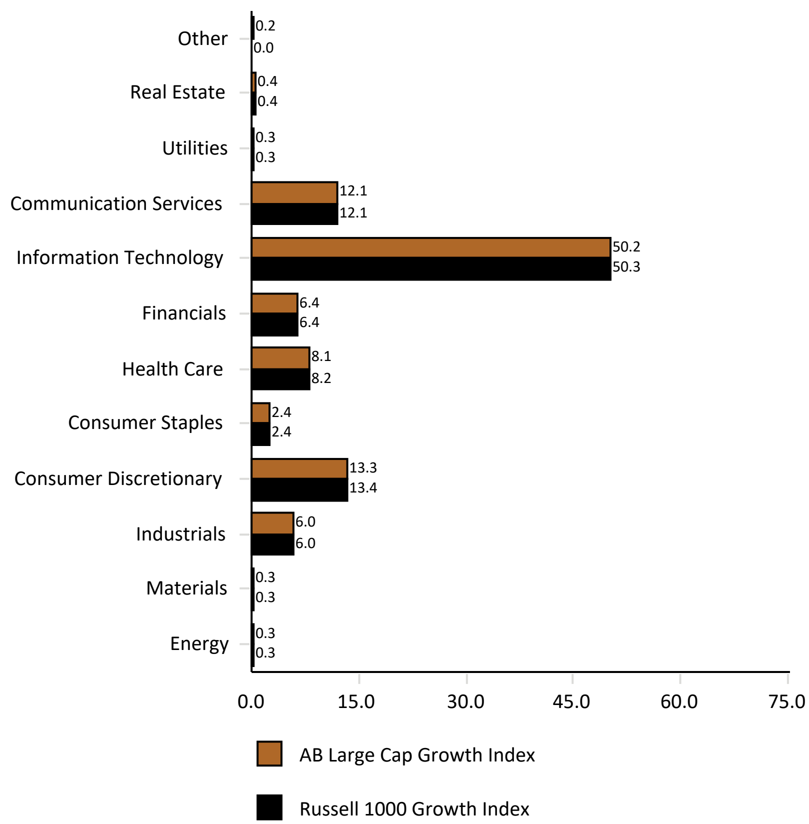
PORTFOLIO CHARACTERISTICS

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($)	1,890,963,166,624	1,890,826,711,385
Median Mkt. Cap ($)	21,455,652,120	21,455,652,120
Price/Earnings ratio	40.01	40.02
Price/Book ratio	14.46	14.46
5 Yr. EPS Growth Rate	31.40	31.40
Current Yield (%)	0.53	0.53
5 Yrs Dividend Growth	N/A	N/A
% in Emerging Market	0.29	0.29
Active Share	0.08	N/A
Number of Stocks	391	391

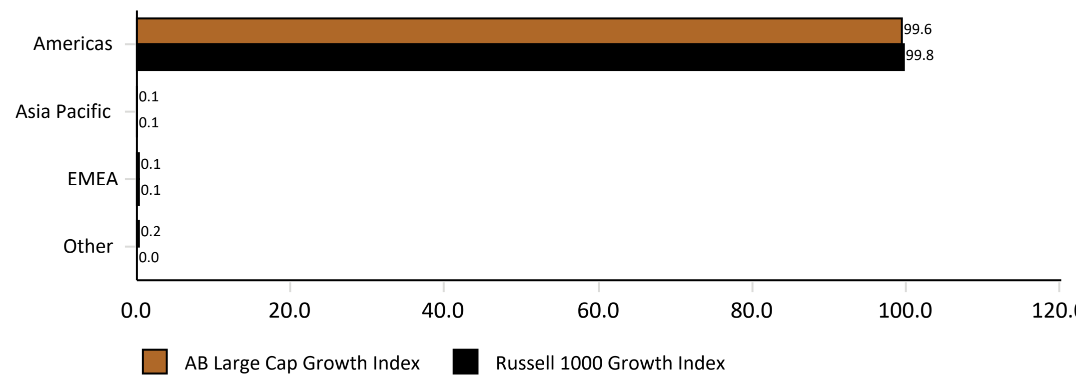
TOP 10 HOLDINGS

Portfolio		Benchmark	
Company	%	Company	%
NVIDIA CORP	12.21	NVIDIA CORP	12.22
APPLE INC	11.11	APPLE INC	11.13
MICROSOFT CORP	10.13	MICROSOFT CORP	10.15
ALPHABET INC	6.23	ALPHABET INC	6.24
BROADCOM INC	4.73	BROADCOM INC	4.74
AMAZON.COM INC	4.53	AMAZON.COM INC	4.54
TESLA INC	3.81	TESLA INC	3.81
META PLATFORMS INC	3.64	META PLATFORMS INC	3.65
ELI LILLY & CO	2.86	ELI LILLY & CO	2.86
VISA INC	1.96	VISA INC	1.96

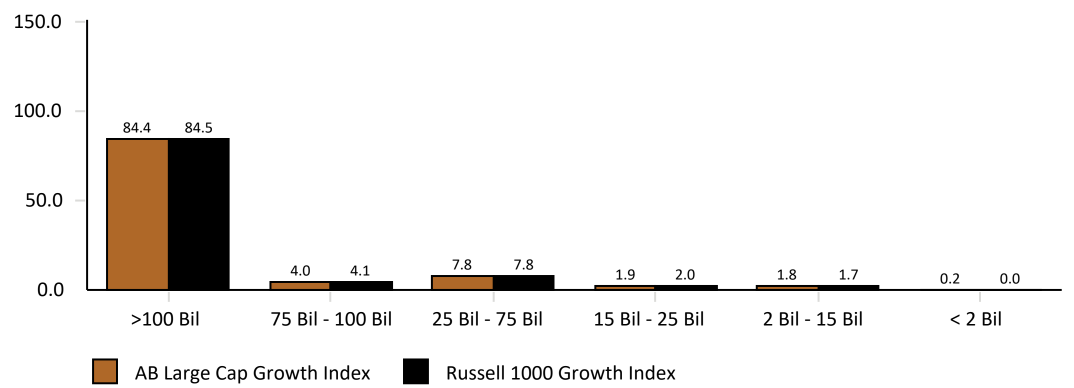
SECTOR ALLOCATION



REGION ALLOCATION



DISTRIBUTION OF MARKET CAP



Earnest Partners SMID Core

STRATEGY INFORMATION

Firm and Management:

Founded in Atlanta, Georgia, Earnest Partners manages over $50 Bn in assets. The firm emphasizes a disciplined, research-driven investment process. Their approach is rooted in fundamental analysis and a commitment to long-term value creation.

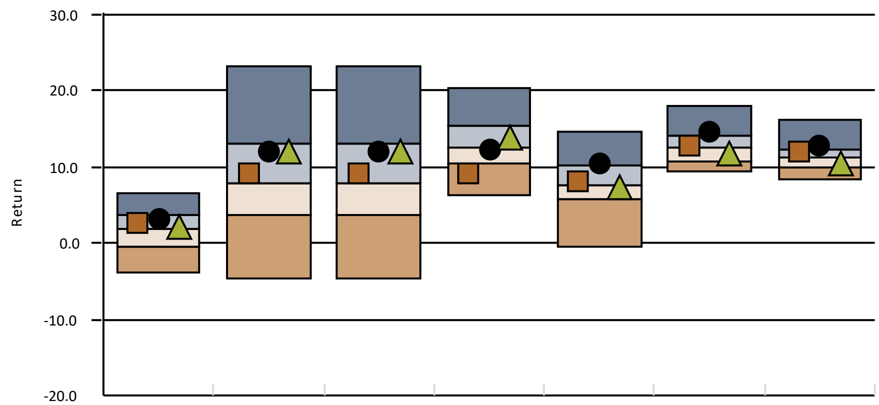
Investment Strategy:

The strategy seeks to identify companies with strong return patterns, sound fundamentals, and competitive advantages within the Mid and Small Cap equity space. By conducting deep fundamental research, the portfolio is constructed through a bottom-up process driven by specialist analysts with careful consideration towards downside risk and valuations.

Innovest Assessment:

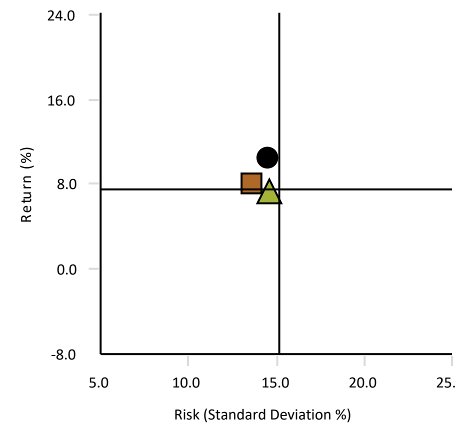
The SMID cap core strategy should outperform its benchmark over longer time periods due to its fundamental approach to finding attractive companies. We expect the strategy may underperform during periods when market movement is heavily dislocated from valuations.

PEER GROUP ANALYSIS - IM U.S. SMID Cap Equity (SA+CF)



	Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
Earnest SMID Core - OKTSET	2.55 (40)	9.22 (47)	9.22 (47)	9.23 (84)	8.14 (46)	12.75 (48)	12.09 (30)
Earnest SMID Core Comp	3.26 (28)	12.00 (32)	12.00 (32)	12.40 (55)	10.49 (24)	14.72 (18)	12.88 (20)
Russell 2500 Index	2.22 (45)	11.91 (33)	11.91 (33)	13.75 (38)	7.26 (60)	11.75 (62)	10.40 (70)
Median	1.99	7.87	7.87	12.67	7.61	12.67	11.18

RISK VS. RETURN (5 YEARS*)



	Return	Standard Deviation
Earnest SMID Core - OKTSET	8.14	13.60
Earnest SMID Core Comp	10.49	14.47
Russell 2500 Index	7.26	14.64
Median	7.61	15.18

CALENDAR YEAR RETURNS AND PERCENTILE RANKINGS

	2024	2023	2022	2021	2020	2019	2018
Earnest SMID Core - OKTSET	2.77	16.11	-12.80	30.11	17.71	33.09	-8.81
Earnest SMID Core Comp	9.33 (77)	15.95 (60)	-8.23 (17)	26.38 (35)	20.71 (44)	31.57 (33)	-14.16 (80)
IM U.S. SMID Cap Equity (SA+CF) Median	13.06	17.45	-16.87	23.26	17.81	28.93	-9.66
Russell 2500 Index	11.99 (58)	17.42 (51)	-18.37 (58)	18.18 (71)	19.99 (46)	27.77 (60)	-10.00 (53)
IM U.S. SMID Cap Equity (SA+CF) Median	13.06	17.45	-16.87	23.26	17.81	28.93	-9.66

ROLLING 3 YEAR RETURN AND PERCENTILE RANKINGS

	3 Years Ending Dec-2025	3 Years Ending Dec-2024	3 Years Ending Dec-2023	3 Years Ending Dec-2022	3 Years Ending Dec-2021	3 Years Ending Dec-2020	3 Years Ending Dec-2019
Earnest SMID Core - OKTSET	9.23	1.33	9.62	10.13	26.79	12.62	15.66
Earnest SMID Core Comp	12.40 (55)	5.17 (30)	10.38 (21)	11.87 (11)	26.14 (34)	10.88 (50)	11.84 (42)
IM U.S. SMID Cap Equity (SA+CF) Median	12.67	2.80	6.81	6.68	23.33	10.86	11.19
Russell 2500 Index	13.75 (38)	2.39 (57)	4.24 (64)	5.00 (72)	21.91 (62)	11.33 (49)	10.33 (58)
IM U.S. SMID Cap Equity (SA+CF) Median	12.67	2.80	6.81	6.68	23.33	10.86	11.19

*If less than 5 years, data is since account inception.

Earnest Partners SMID Core 12/31/25

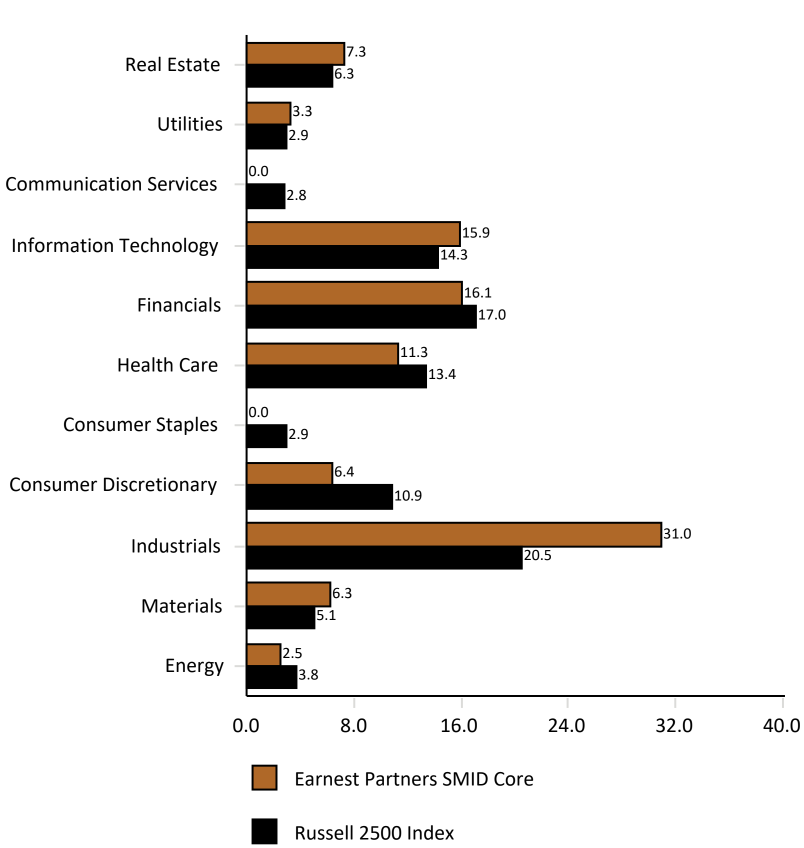
PORTFOLIO CHARACTERISTICS

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($)	6,692,640,000	3,446,750,000
Median Mkt. Cap ($)	9,695,470,000	1,520,510,000
Price/Earnings ratio	21.64	39.83
Price/Book ratio	3.30	6.33
5 Yr. EPS Growth Rate	17.71	-4.71
Current Yield (%)	1.23	1.37
5 Yrs Dividend Growth	N/A	N/A
% in Emerging Market	0.00	0.00
Active Share	95.37	N/A
Number of Stocks	54	2,456

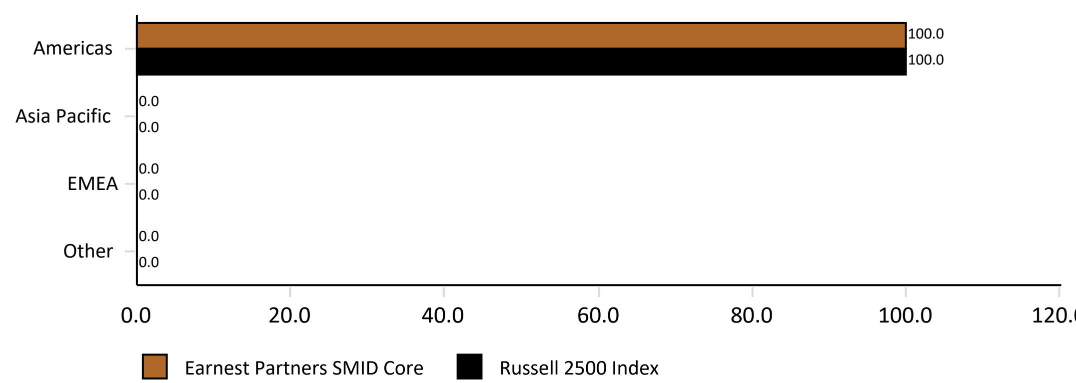
TOP 10 HOLDINGS

Portfolio	
Company	%
Woodward, Inc.	3.79
CBRE Group, Inc. Class A	3.12
Charles River Laboratories International, Inc.	3.10
Albemarle Corporation	2.92
Moog Inc. Class A	2.77
Raymond James Financial, Inc.	2.70
Huntington Ingalls Industries, Inc.	2.68
Teledyne Technologies Incorporated	2.64
Reinsurance Group of America, Incorporated	2.54
Archrock Inc.	2.51

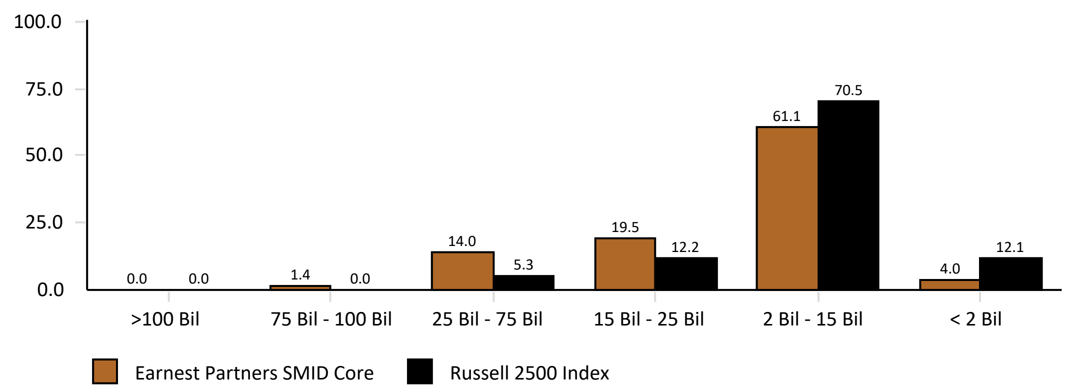
SECTOR ALLOCATION



REGION ALLOCATION



DISTRIBUTION OF MARKET CAP



INNOVEST

Schroders International Equity

STRATEGY INFORMATION

Firm and Management:

Schroders is a British multinational asset management company founded in 1804 and headquartered in London. It is a leading global provider of active asset management, advisory, and wealth management services, managing a broad range of investment solutions.

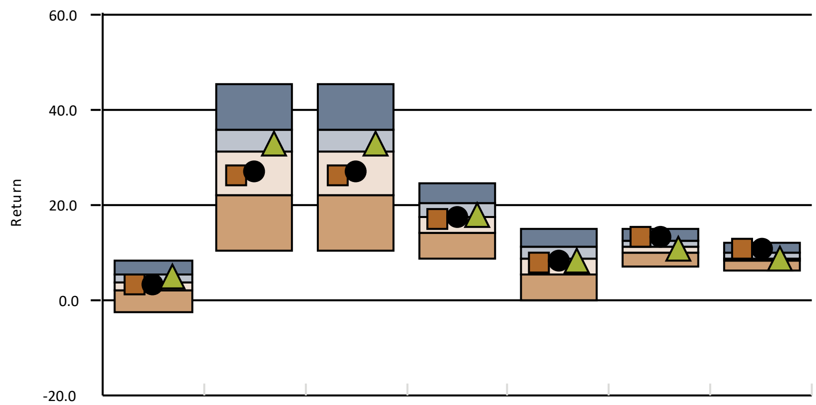
Investment Strategy:

The Schroders International Alpha strategy is centered on identifying unanticipated growth by exploiting persistent market inefficiencies, such as markets over-reacting to short-term news, extrapolating historic growth, and failing to look far enough ahead. This approach is supported by a disciplined, bottom-up stock picking process that integrates a proprietary forward-looking fundamental risk framework.

Innovest Assessment:

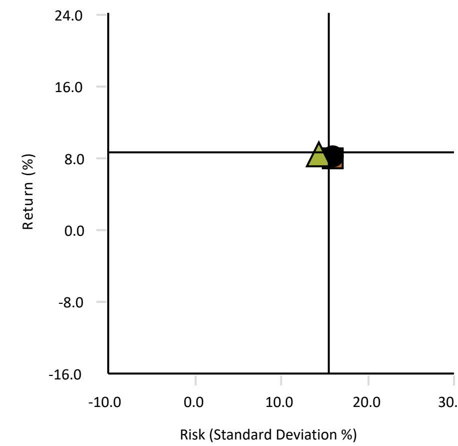
Schroders' consistency has shown through to several portfolio statistics like its information ratio, capture ratios, and batting average. The portfolio is efficient in capturing idiosyncratic risk, and the portfolio management team is not afraid to concentrate its holdings to further exploit its stock picking expertise.

PEER GROUP ANALYSIS - IM International Equity (SA+CF)



	Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
Schroders International Eq. - OKTSET	3.19 (62)	26.39 (64)	26.39 (64)	17.24 (53)	7.95 (59)	13.18 (18)	10.83 (16)
Schroders International Eq. - Comp	3.27 (62)	27.01 (62)	27.01 (62)	17.55 (47)	8.21 (54)	13.28 (17)	10.91 (15)
MSCI AC World ex USA index	5.11 (30)	33.11 (38)	33.11 (38)	17.95 (43)	8.46 (52)	10.70 (60)	8.95 (50)
Median	3.96	31.28	31.28	17.42	8.73	11.21	8.92

RISK VS. RETURN (5 YEARS*)



	Return	Standard Deviation
Schroders International Eq. - OKTSET	7.95	15.91
Schroders International Eq. - Comp	8.21	15.91
MSCI AC World ex USA index	8.46	14.38
Median	8.73	15.54

CALENDAR YEAR RETURNS AND PERCENTILE RANKINGS

	2024	2023	2022	2021	2020	2019	2018
Schroders International Eq. - OKTSET	8.12	17.94	-18.57	11.68	26.26	28.52	-12.55
Schroders International Eq. - Comp	8.48 (29)	17.88 (49)	-18.54 (64)	12.13 (48)	26.44 (15)	27.57 (28)	-12.40 (29)
IM International Equity (SA+CF) Median	5.55	17.67	-16.30	11.79	11.60	23.52	-14.56
MSCI AC World ex USA index	6.09 (42)	16.21 (57)	-15.57 (42)	8.29 (69)	11.13 (51)	22.13 (56)	-13.78 (36)
IM International Equity (SA+CF) Median	5.17	16.98	-17.04	11.18	11.22	22.95	-15.28

ROLLING 3 YEAR RETURN AND PERCENTILE RANKINGS

	3 Years Ending Dec-2025	3 Years Ending Dec-2024	3 Years Ending Dec-2023	3 Years Ending Dec-2022	3 Years Ending Dec-2021	3 Years Ending Dec-2020	3 Years Ending Dec-2019
Schroders International Eq. - OKTSET	17.24	1.26	2.37	4.72	21.92	12.37	14.28
Schroders International Eq. - Comp	17.55 (47)	1.37 (50)	2.50 (55)	4.92 (11)	21.84 (14)	12.21 (15)	14.03 (19)
IM International Equity (SA+CF) Median	17.42	1.36	3.27	1.44	15.68	5.28	10.49
MSCI AC World ex USA index	17.95 (37)	1.35 (42)	2.04 (54)	0.53 (54)	13.70 (61)	5.38 (47)	10.40 (46)
IM International Equity (SA+CF) Median	16.61	0.67	2.55	0.73	14.91	5.08	10.10

*If less than 5 years, data is since account inception.

INNOVEST

Schroders International Equity - Comp 12/31/25

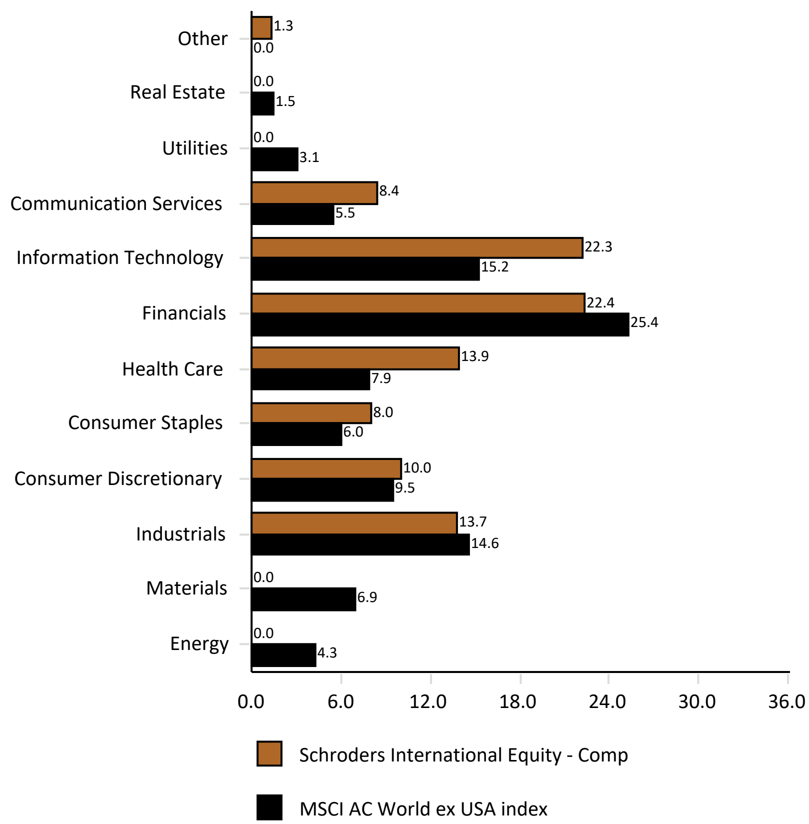
PORTFOLIO CHARACTERISTICS

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($)	250,204	154,169
Median Mkt. Cap ($)	79,194	14,024
Price/Earnings ratio	21.96	17.31
Price/Book ratio	3.29	2.29
5 Yr. EPS Growth Rate	9.58	10.48
Current Yield (%)	2.03	2.54
5 Yrs Dividend Growth	15.05	12.75
% in Emerging Market	17.14	29.08
Active Share	86.18	0.00
Number of Stocks	51	1,973

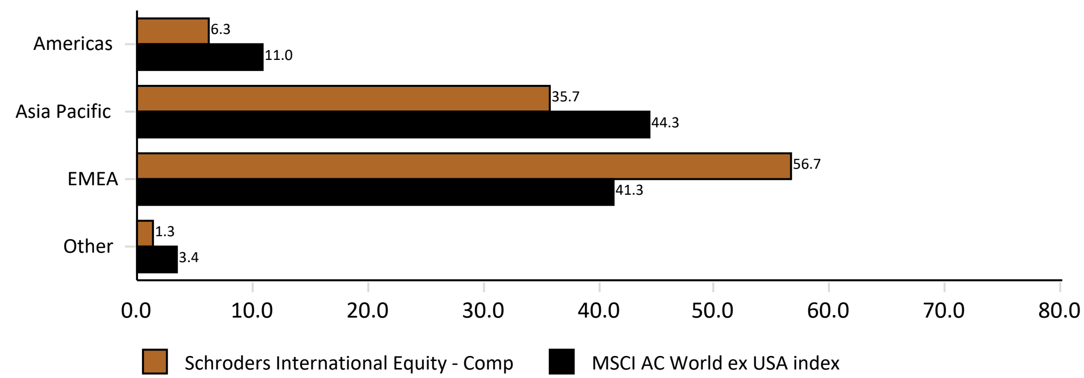
TOP 10 HOLDINGS

Portfolio		Benchmark	
Company	%	Company	%
Taiwan Semicon Man	6.64	Taiwan Semicon Man	3.63
Asml Holding Nv	3.83	Tencent Hldgs Ltd	1.47
Roche Hldgs Ag	3.39	Samsung Electronic	1.33
Sap Se	3.23	Asml Holding Nv	1.25
Tencent Hldgs Ltd	2.73	Alibaba Group Hldg	0.94
Astrazeneca	2.72	Roche Hldgs Ag	0.91
Comp.Fin.Richemont	2.68	Astrazeneca	0.86
Siemens Ag	2.46	Hsbc Holdings Plc	0.81
Lindt & Spruengli	2.36	Novartis Ag	0.78
Unilever Plc	2.31	Nestle Sa	0.76

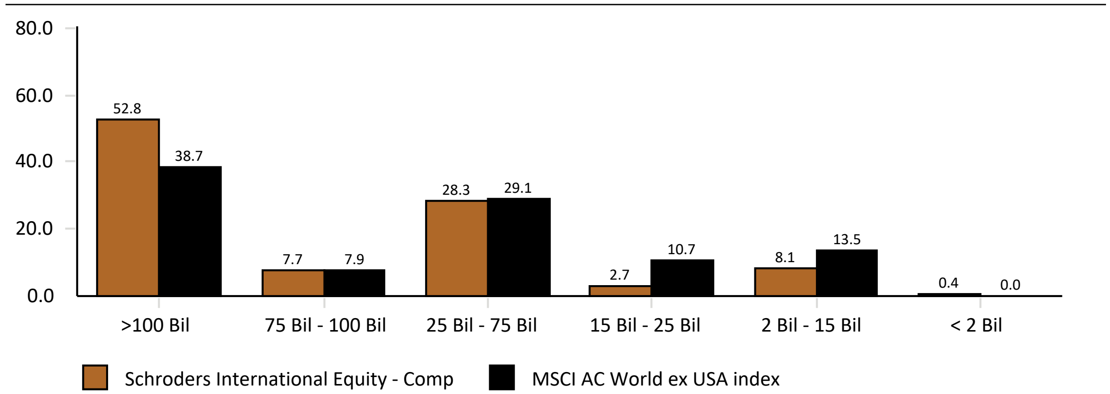
SECTOR ALLOCATION



REGION ALLOCATION



DISTRIBUTION OF MARKET CAP



Cavanal Hill (BOK) Fixed Income

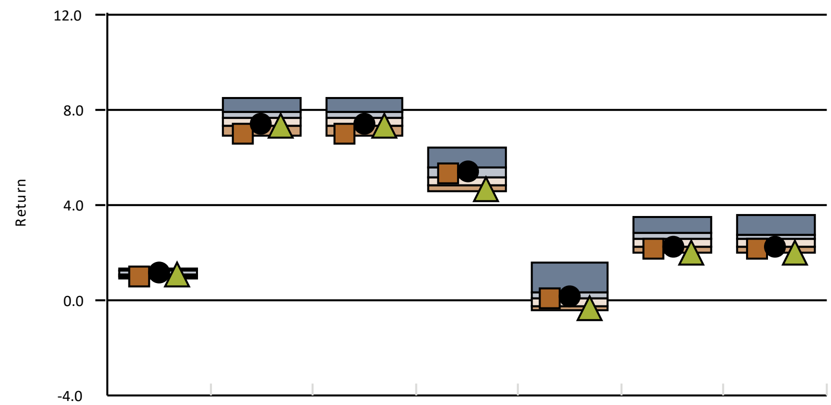
STRATEGY INFORMATION

Firm and Management
Cavanal Hill is a wholly owned subsidiary of BOK Financial. Cavanal Hill manages fixed income, equity, and money market strategies.

Investment Strategy
The Cavanal Hill Investment Grade Core Fixed Income strategy's goal is to beat the Bloomberg U.S. Aggregate Index's returns over a full market cycle. The team uses both macro top-down views and bottom-up security analysis to construct their portfolios. Duration is managed within +/- 25% of the benchmark, so the majority of alpha is generated via sector allocations and security selection.

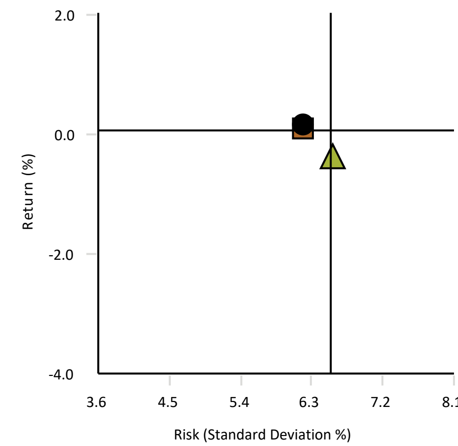
Innovest Assessment
The strategy tends to be underweight corporates relative to peers. The strategy is expected to perform well when rates move higher and the bond market struggles. However, this strategy may lag when corporate credits rally.

PEER GROUP ANALYSIS - IM U.S. Broad Market Core Fixed Income (SA+CF)



	Last Quarter		Year To Date		1 Year		3 Years		5 Years		7 Years		10 Years	
Cavanal Hill Fixed Income - OKTSET	1.02	(75)	7.04	(95)	7.04	(95)	5.31	(37)	0.11	(48)	2.16	(81)	2.18	(81)
Cavanal Hill Fixed Income - Comp	1.19	(30)	7.45	(65)	7.45	(65)	5.45	(33)	0.18	(41)	2.22	(78)	2.22	(77)
Blmbg. U.S. Aggregate Index	1.10	(57)	7.30	(78)	7.30	(78)	4.66	(92)	-0.36	(92)	1.99	(98)	2.01	(97)
Median	1.11		7.63		7.63		5.20		0.08		2.55		2.54	

RISK VS. RETURN (5 YEARS*)



	Return	Standard Deviation
Cavanal Hill Fixed Income - OKTSET	0.11	6.18
Cavanal Hill Fixed Income - Comp	0.18	6.20
Blmbg. U.S. Aggregate Index	-0.36	6.57
Median	0.08	6.55

CALENDAR YEAR RETURNS AND PERCENTILE RANKINGS

	2024		2023		2022		2021		2020		2019		2018	
Cavanal Hill Fixed Income - OKTSET	2.50		6.45		-13.25		-0.78		7.56		7.45		1.24	
Cavanal Hill Fixed Income - Comp	2.50	(26)	6.45	(24)	-13.25	(75)	-0.78	(33)	7.56	(84)	7.45	(95)	1.24	(6)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	1.93		5.99		-12.95		-1.23		8.32		9.15		0.06	
Blmbg. U.S. Aggregate Index	1.25	(93)	5.53	(85)	-13.01	(54)	-1.55	(66)	7.51	(86)	8.72	(78)	0.01	(63)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	1.93		5.99		-12.95		-1.23		8.32		9.15		0.06	

ROLLING 3 YEAR RETURN AND PERCENTILE RANKINGS

	3 Years Ending Dec-2025		3 Years Ending Dec-2024		3 Years Ending Dec-2023		3 Years Ending Dec-2022		3 Years Ending Dec-2021		3 Years Ending Dec-2020		3 Years Ending Dec-2019	
Cavanal Hill Fixed Income - OKTSET	5.31		-1.81		-2.87		-2.54		4.67		5.37		4.12	
Cavanal Hill Fixed Income - Comp	5.45	(33)	-1.81	(36)	-2.87	(44)	-2.54	(72)	4.67	(93)	5.37	(87)	4.12	(74)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	5.20		-1.99		-2.95		-2.20		5.45		5.82		4.38	
Blmbg. U.S. Aggregate Index	4.66	(92)	-2.41	(92)	-3.31	(79)	-2.71	(87)	4.79	(89)	5.34	(91)	4.03	(87)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	5.20		-1.99		-2.95		-2.20		5.45		5.82		4.38	

*If less than 5 years, data is since account inception.

Cavanal Hill (BOK) Fixed Income 12/31/25

PORTFOLIO CHARACTERISTICS vs. Blmbg. U.S. Aggregate Index

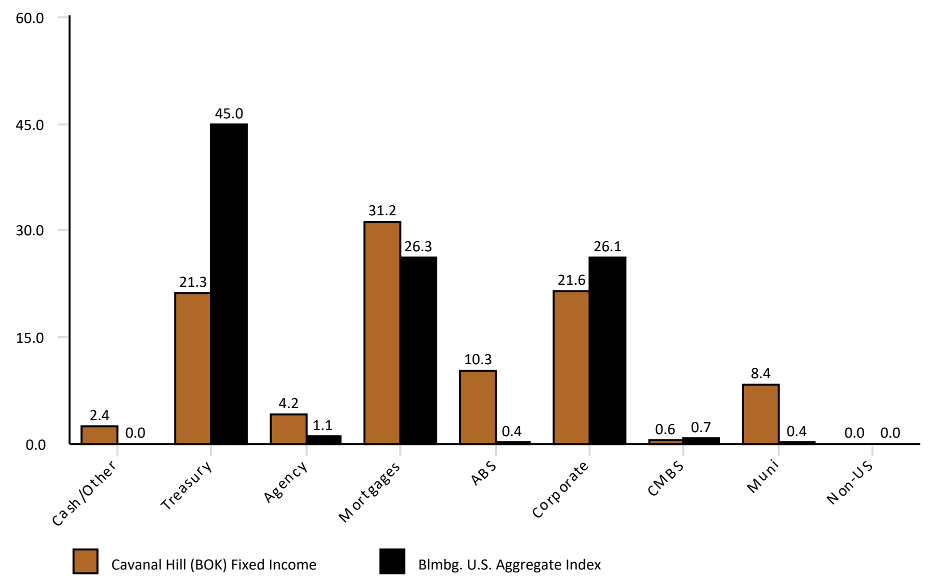
	Portfolio	Benchmark
Effective Duration	5.97	5.98
Avg. Maturity	8.18	8.11
Avg. Quality	Aa2	Aa2
Yield To Maturity (%)	5.38	4.35
Holdings Count	197	13,372

TOP TEN HOLDINGS

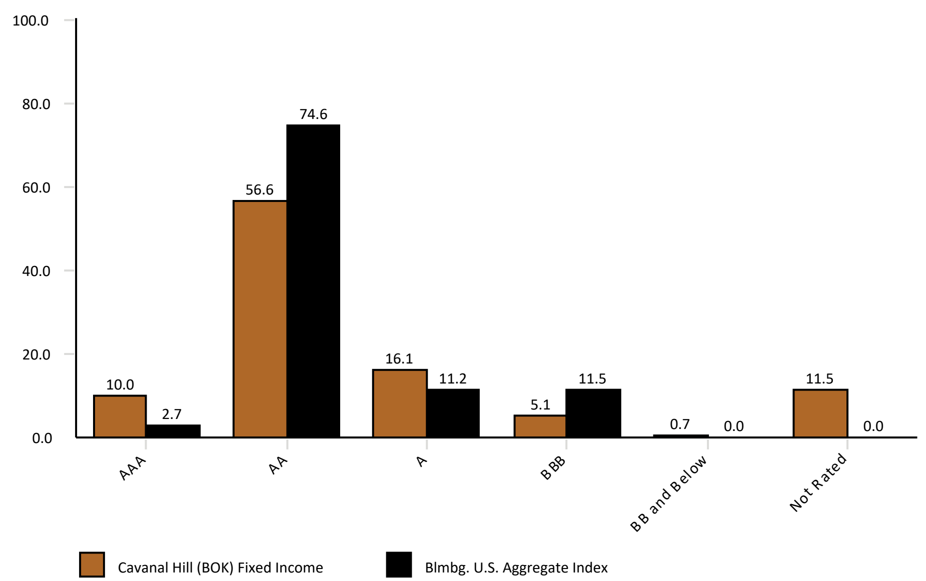
Cavanal Hill (BOK) Fixed Income

Company	%
Treasury 3.125 8/15/44	10.50
Treasury 4.25 8/15/54	4.20
Treasury 3.125 8/31/29	1.90
Treasury 4.125 11/15/32	1.90
Treasury 4.375 5/15/34	1.70
AVGO 4.15 11/15/30	1.60
BAC 3.311 4/22/42	1.60
FN MA4941 5.5 3/1/53	1.50
JPM 2.522 4/22/31	1.40
HP 5.5 12/1/34	1.20

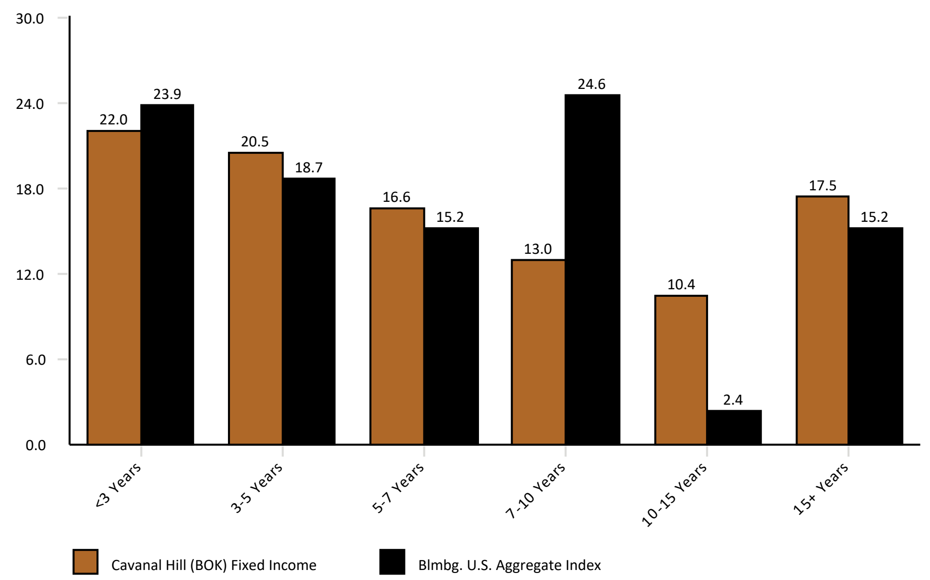
SECTOR DISTRIBUTION vs. Blmbg. U.S. Aggregate Index



CREDIT QUALITY DISTRIBUTION vs. Blmbg. U.S. Aggregate Index



MATURITY DISTRIBUTION vs. Blmbg. U.S. Aggregate Index



Reams Unconstrained FI

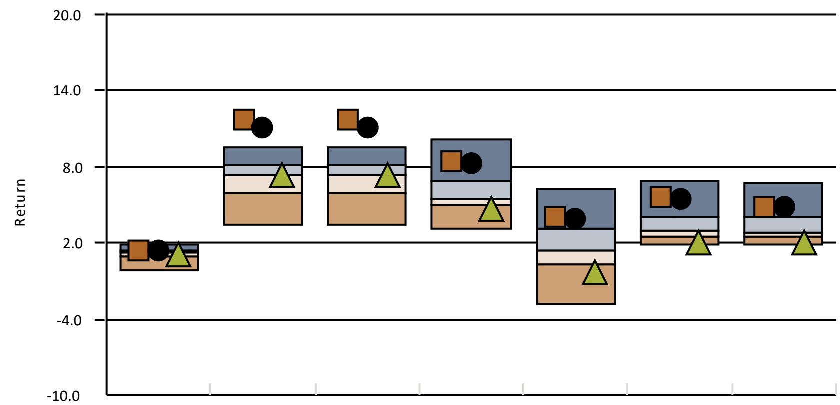
STRATEGY INFORMATION

Firm and Management
Reams Asset Management was founded in 1981 and is headquartered in Indianapolis, Indiana. The firm specializes in fixed income investing across a variety of mandates. As of November 2017, Reams is an affiliate of Raymond James Investment Management.

Investment Strategy
The Reams Unconstrained Fixed Income strategy seeks to maximize risk-adjusted returns by capitalizing on relative value opportunities across fixed income sectors. The team takes an opportunistic approach to investing, and has the flexibility to allocate significant capital to their best ideas. The team expects sector rotations to drive strategy returns.

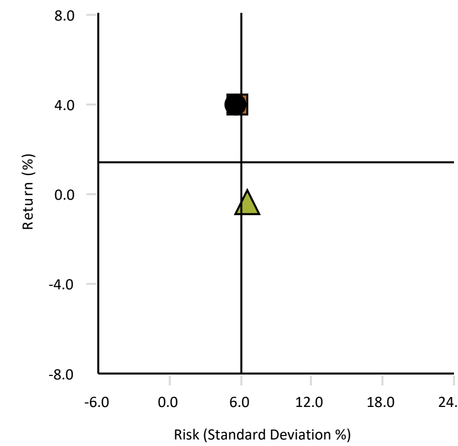
Innovest Assessment
This strategy is expected to outperform when increased volatility causes dislocations in fixed income markets. Conversely, the strategy may lag in markets where dislocations are brief and relative value opportunities are scarce.

PEER GROUP ANALYSIS - IM U.S. Fixed Income (SA+CF)



	Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
Reams Unconstrained FI - OKTSET	1.35 (26)	11.72 (2)	11.72 (2)	8.50 (18)	4.03 (19)	5.55 (17)	4.84 (20)
Reams Unconstrained FI - Comp	1.34 (26)	11.15 (3)	11.15 (3)	8.31 (19)	3.96 (20)	5.47 (18)	4.77 (20)
Blmbg. U.S. Aggregate Index	1.10 (64)	7.30 (53)	7.30 (53)	4.66 (81)	-0.36 (91)	1.99 (93)	2.01 (94)
Median	1.18	7.37	7.37	5.55	1.42	3.04	2.89

RISK VS. RETURN (5 YEARS*)



	Return	Standard Deviation
Reams Unconstrained FI - OKTSET	4.03	5.66
Reams Unconstrained FI - Comp	3.96	5.60
Blmbg. U.S. Aggregate Index	-0.36	6.57
Median	1.42	6.01

CALENDAR YEAR RETURNS AND PERCENTILE RANKINGS

	2024	2023	2022	2021	2020	2019	2018
Reams Unconstrained FI - OKTSET	4.70	9.19	-4.84	0.25	12.19	6.80	0.88
Reams Unconstrained FI - Comp	4.63 (36)	9.25 (24)	-4.55 (26)	0.14 (46)	11.90 (13)	6.79 (68)	0.90 (42)
IM U.S. Fixed Income (SA+CF) Median	3.32	6.34	-9.18	0.02	6.92	8.70	0.51
Blmbg. U.S. Aggregate Index	1.25 (88)	5.53 (69)	-13.01 (76)	-1.55 (89)	7.51 (45)	8.72 (50)	0.01 (61)
IM U.S. Fixed Income (SA+CF) Median	3.32	6.34	-9.18	0.02	6.92	8.70	0.51

ROLLING 3 YEAR RETURN AND PERCENTILE RANKINGS

	3 Years Ending Dec-2025	3 Years Ending Dec-2024	3 Years Ending Dec-2023	3 Years Ending Dec-2022	3 Years Ending Dec-2021	3 Years Ending Dec-2020	3 Years Ending Dec-2019
Reams Unconstrained FI - OKTSET	8.50	2.85	1.37	2.29	6.30	6.52	3.41
Reams Unconstrained FI - Comp	8.31 (19)	2.95 (22)	1.46 (27)	2.27 (8)	6.17 (38)	6.44 (25)	3.40 (72)
IM U.S. Fixed Income (SA+CF) Median	5.55	0.17	-0.74	-0.54	5.39	5.34	4.38
Blmbg. U.S. Aggregate Index	4.66 (81)	-2.41 (89)	-3.31 (88)	-2.71 (88)	4.79 (60)	5.34 (50)	4.03 (60)
IM U.S. Fixed Income (SA+CF) Median	5.55	0.17	-0.74	-0.54	5.39	5.34	4.38

*If less than 5 years, data is since account inception.

Reams Unconstrained FI 12/31/25

PORTFOLIO CHARACTERISTICS vs. Blmbg. U.S. Aggregate Index

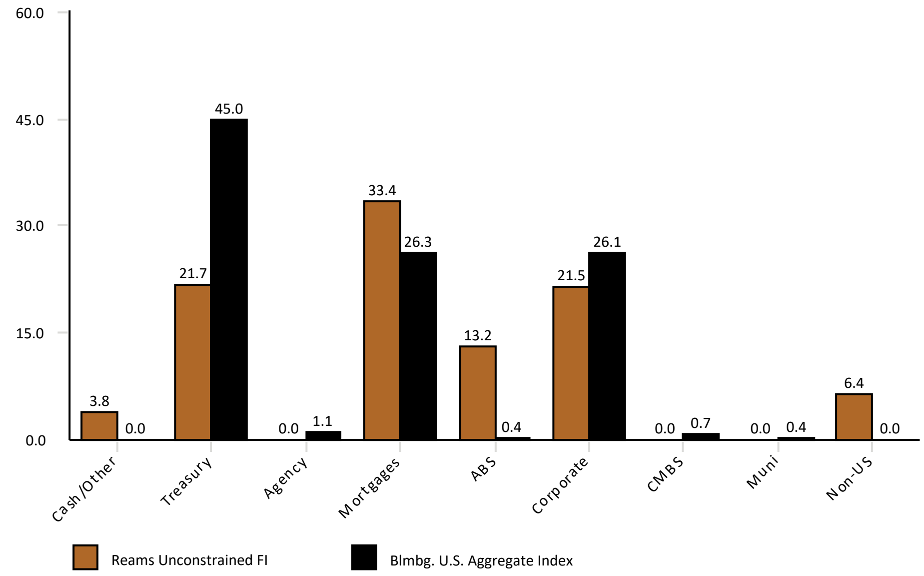
	Portfolio	Benchmark
Effective Duration	5.00	5.98
Avg. Maturity	5.90	8.11
Avg. Quality	Aa2	Aa2
Yield To Maturity (%)	5.50	4.35
Holdings Count	247	13,372

TOP TEN HOLDINGS

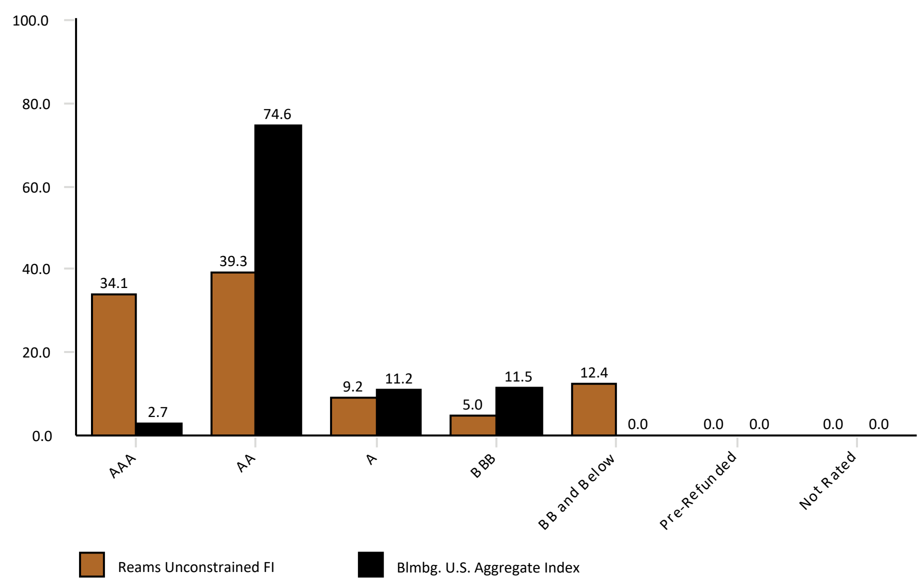
Reams Unconstrained FI

Company	%
US TREASURY N/B	10.35
US TREASURY N/B	9.45
TSY INFL IX N/B	8.03
CDX.NA.IG.45 12/20/2030 CDS	5.87
CDX.NA.IG.45 12/20/2030 CDS	5.67
NOTA DO TESOURO NACIONAL	3.32
LETRA TESOURO NACIONAL	3.05
TSY INFL IX N/B	2.18
FANNIE MAE	1.12
FANNIE MAE	1.01

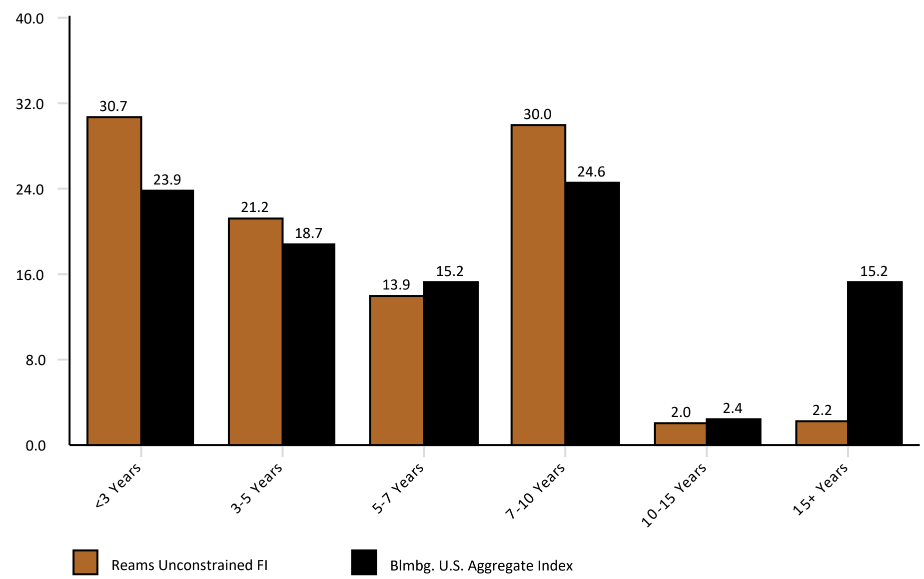
SECTOR DISTRIBUTION vs. Blmbg. U.S. Aggregate Index



CREDIT QUALITY DISTRIBUTION vs. Blmbg. U.S. Aggregate Index



MATURITY DISTRIBUTION vs. Blmbg. U.S. Aggregate Index



Western Asset Global FI

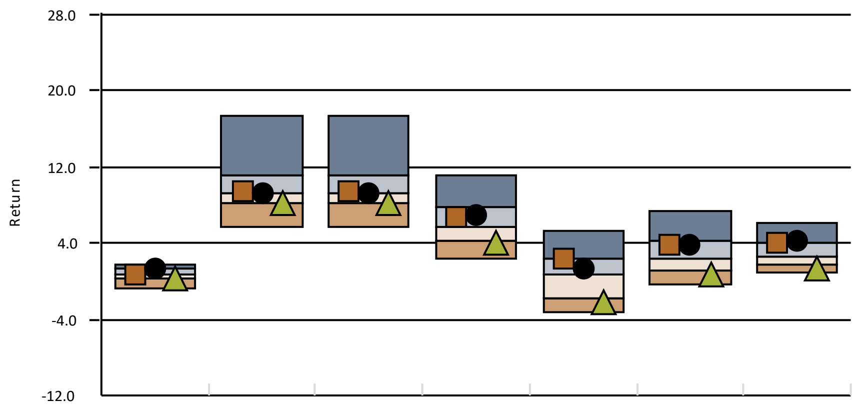
STRATEGY INFORMATION

Firm and Management
Western Asset Management is one of the world's leading global fixed income managers. Founded in 1971, the firm is known for proprietary research supported by robust risk management and a long-term fundamental value approach. Each group of sector specialists utilizes their expertise to conduct bottom-up security analysis. In July 2020, Western Asset was acquired by Franklin Resources.

Investment Strategy
The Western Asset Global Multi-Sector strategy uses an unconstrained mandate to maximize returns by investing in a mix of global fixed-income sectors. The team seeks to add value by rotating across fixed income sectors while remaining diversified to various sources of return. Sector rotation and fundamental security analysis should drive the strategy's returns.

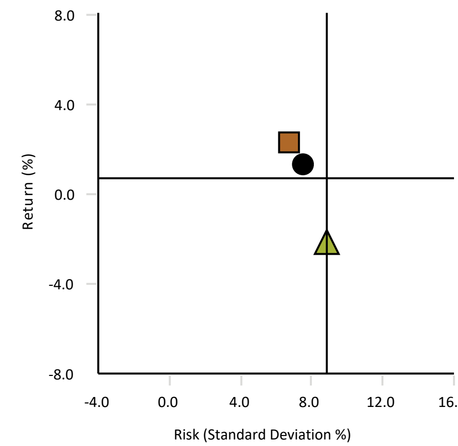
Innovest Assessment
This strategy is expected to outperform in markets where market pricing and fundamental value differ or where there are large dispersions between sectors. However, this strategy is expected to underperform in distressed markets where various fixed income sectors are highly correlated to one another.

PEER GROUP ANALYSIS - IM Global Unhedged Fixed Income (SA+CF)



	Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
Western Asset GMS- OKTSET	0.61 (52)	9.42 (43)	9.42 (43)	6.70 (42)	2.28 (26)	3.86 (35)	4.02 (28)
Western Asset GMS - Comp	1.26 (28)	9.22 (49)	9.22 (49)	7.02 (38)	1.37 (40)	3.76 (37)	4.23 (21)
Blmbg. Global Aggregate Index	0.24 (74)	8.17 (76)	8.17 (76)	3.98 (78)	-2.15 (82)	0.65 (87)	1.26 (91)
Median	0.69	9.19	9.19	5.63	0.73	2.28	2.51

RISK VS. RETURN (5 YEARS*)



	Return	Standard Deviation
Western Asset GMS- OKTSET	2.28	6.77
Western Asset GMS - Comp	1.37	7.55
Blmbg. Global Aggregate Index	-2.15	8.85
Median	0.73	8.89

CALENDAR YEAR RETURNS AND PERCENTILE RANKINGS

	2024	2023	2022	2021	2020	2019	2018
Western Asset GMS- OKTSET	1.98	8.85	-7.78	-0.06	5.07	10.85	-3.38
Western Asset GMS - Comp	3.21 (42)	8.72 (32)	-11.95 (35)	-0.80 (40)	7.04 (71)	13.03 (17)	-3.92 (89)
IM Global Unhedged Fixed Income (SA+CF) Median	0.89	7.42	-14.53	-2.63	10.17	8.97	-1.50
Blmbg. Global Aggregate Index	-1.69 (66)	5.72 (76)	-16.25 (76)	-4.71 (70)	9.20 (61)	6.84 (84)	-1.19 (40)
IM Global Unhedged Fixed Income (SA+CF) Median	0.89	7.42	-14.53	-2.63	10.17	8.97	-1.50

ROLLING 3 YEAR RETURN AND PERCENTILE RANKINGS

	3 Years Ending Dec-2025	3 Years Ending Dec-2024	3 Years Ending Dec-2023	3 Years Ending Dec-2022	3 Years Ending Dec-2021	3 Years Ending Dec-2020	3 Years Ending Dec-2019
Western Asset GMS- OKTSET	6.70	0.78	0.11	-1.07	5.19	4.01	4.95
Western Asset GMS - Comp	7.02 (38)	-0.40 (41)	-1.71 (40)	-2.22 (42)	6.27 (29)	5.15 (69)	5.54 (39)
IM Global Unhedged Fixed Income (SA+CF) Median	5.63	-2.04	-3.24	-2.99	5.03	5.55	5.23
Blmbg. Global Aggregate Index	3.98 (78)	-4.52 (76)	-5.51 (77)	-4.48 (83)	3.59 (81)	4.85 (76)	4.27 (83)
IM Global Unhedged Fixed Income (SA+CF) Median	5.63	-2.04	-3.24	-2.99	5.03	5.55	5.23

*If less than 5 years, data is since account inception.

Western Asset Global FI 12/31/25

PORTFOLIO CHARACTERISTICS vs. Blmbg. Global Aggregate Index

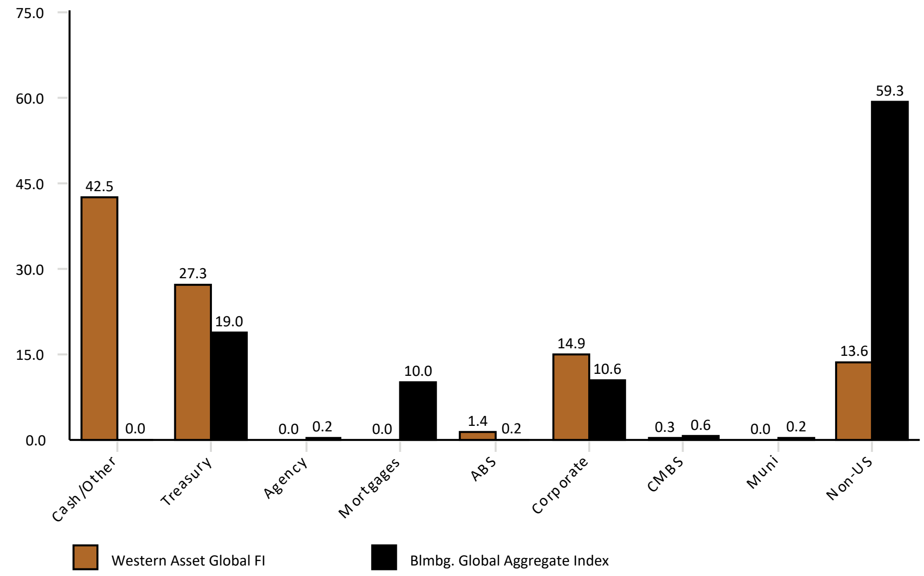
	Portfolio	Benchmark
Effective Duration	1.78	6.27
Avg. Maturity	2.44	8.11
Avg. Quality	AA-	A
Yield To Maturity (%)	N/A	N/A
Holdings Count	142	31,458

TOP TEN HOLDINGS

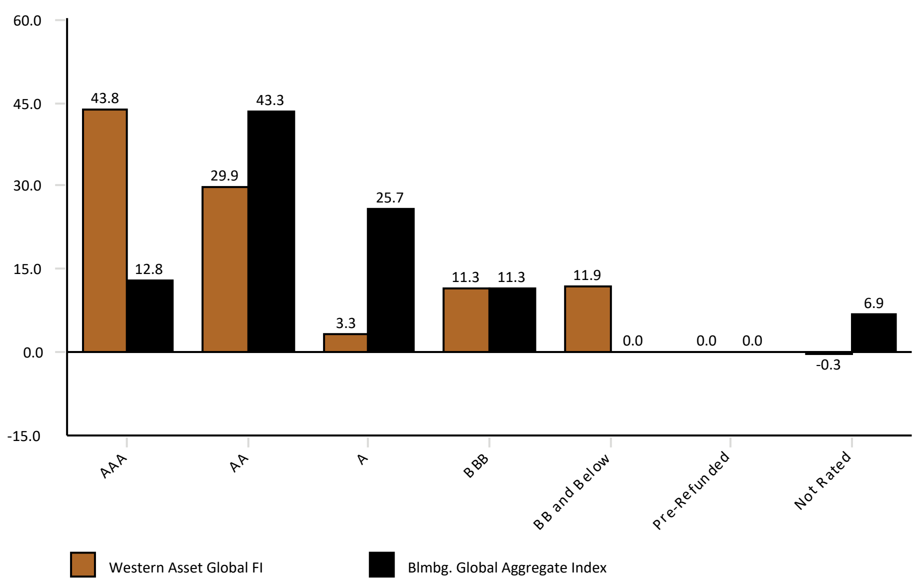
Western Asset Global FI

Company	%
T	27.25
HCA	0.94
PETBRA	0.88
TMUS	0.87
AER	0.83
AESOP	0.78
META	0.74
URI	0.71
AAL	0.70
ACAFP	0.67

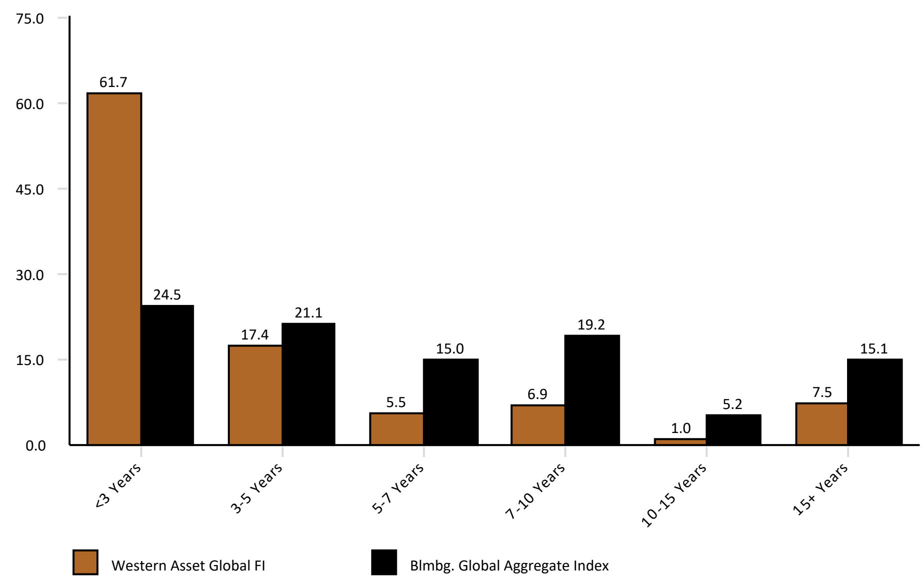
SECTOR DISTRIBUTION vs. Blmbg. Global Aggregate Index



CREDIT QUALITY DISTRIBUTION vs. Blmbg. Global Aggregate Index



MATURITY DISTRIBUTION vs. Blmbg. Global Aggregate Index



INNOVEST

Invesco High Yield

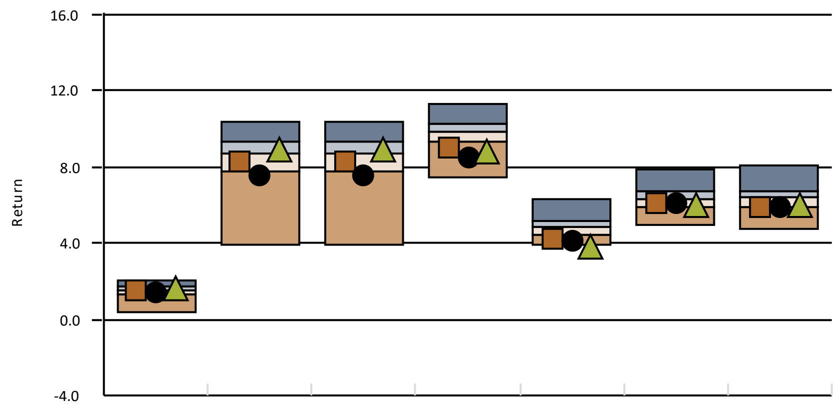
STRATEGY INFORMATION

Firm and Management
Invesco is one of the largest asset managers in the U.S., with capabilities across nearly all asset classes. The company was founded in 1978 and is headquartered in Atlanta, Georgia.

Investment Strategy
The Invesco High Yield Strategy seeks to maximize total return by identifying mispricings in the high yield market. The team uses a combination of top-down macro views and bottom-up security selection to construct portfolios. However, they expect security selection to drive the majority of returns for this strategy.

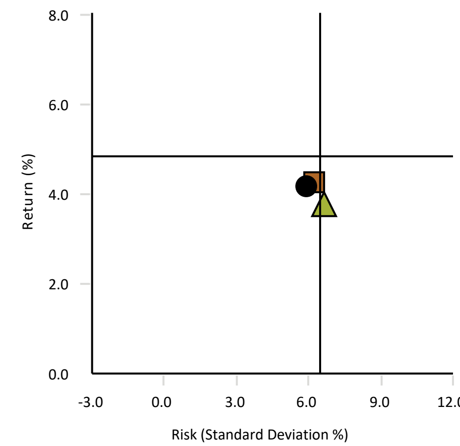
Innovest Assessment
This strategy is expected to outperform when there are significant mispricing between market prices and fundamental value. Additionally, this account's quality bias means that it may outperform when spreads widen and more risky credits sell off. However, the account may underperform when spreads tighten and risky credits perform well.

PEER GROUP ANALYSIS - IM U.S. High Yield Bonds (SA+CF)



	Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
Invesco High Yield - OKTSET	1.54 (51)	8.27 (64)	8.27 (64)	9.07 (80)	4.25 (86)	6.15 (62)	5.89 (75)
Invesco High Yield - Comp	1.43 (63)	7.60 (82)	7.60 (82)	8.48 (86)	4.17 (90)	6.10 (62)	5.85 (77)
ICE BofA U.S. High Yield BB Const.	1.58 (44)	8.92 (42)	8.92 (42)	8.85 (81)	3.77 (96)	6.01 (69)	5.95 (74)
Median	1.54	8.66	8.66	9.89	4.83	6.27	6.37

RISK VS. RETURN (5 YEARS*)



	Return	Standard Deviation
Invesco High Yield - OKTSET	4.25	6.21
Invesco High Yield - Comp	4.17	5.88
ICE BofA U.S. High Yield BB Const.	3.77	6.64
Median	4.83	6.50

CALENDAR YEAR RETURNS AND PERCENTILE RANKINGS

	2024	2023	2022	2021	2020	2019	2018
Invesco High Yield - OKTSET	6.96	12.06	-9.27	4.58	7.88	14.35	-2.99
Invesco High Yield - Comp	6.87 (87)	11.02 (80)	-8.24 (36)	4.71 (70)	7.88 (29)	14.35 (47)	-2.99 (85)
IM U.S. High Yield Bonds (SA+CF) Median	8.14	12.74	-9.21	5.36	6.59	14.17	-1.64
ICE BofA U.S. High Yield BB Const.	6.31 (92)	11.38 (76)	-10.44 (72)	4.19 (84)	8.02 (27)	15.70 (22)	-2.56 (79)
IM U.S. High Yield Bonds (SA+CF) Median	8.14	12.74	-9.21	5.36	6.59	14.17	-1.64

ROLLING 3 YEAR RETURN AND PERCENTILE RANKINGS

	3 Years Ending Dec-2025	3 Years Ending Dec-2024	3 Years Ending Dec-2023	3 Years Ending Dec-2022	3 Years Ending Dec-2021	3 Years Ending Dec-2020	3 Years Ending Dec-2019
Invesco High Yield - OKTSET	9.07	2.83	2.07	0.78	8.86	6.17	6.08
Invesco High Yield - Comp	8.48 (86)	2.87 (71)	2.18 (67)	1.20 (39)	8.91 (41)	6.17 (46)	6.08 (66)
IM U.S. High Yield Bonds (SA+CF) Median	9.89	3.36	2.57	0.75	8.70	6.09	6.39
ICE BofA U.S. High Yield BB Const.	8.85 (81)	1.98 (95)	1.29 (90)	0.26 (69)	9.20 (32)	6.79 (16)	6.53 (40)
IM U.S. High Yield Bonds (SA+CF) Median	9.89	3.36	2.57	0.75	8.70	6.09	6.39

*If less than 5 years, data is since account inception.

Invesco High Yield 12/31/25

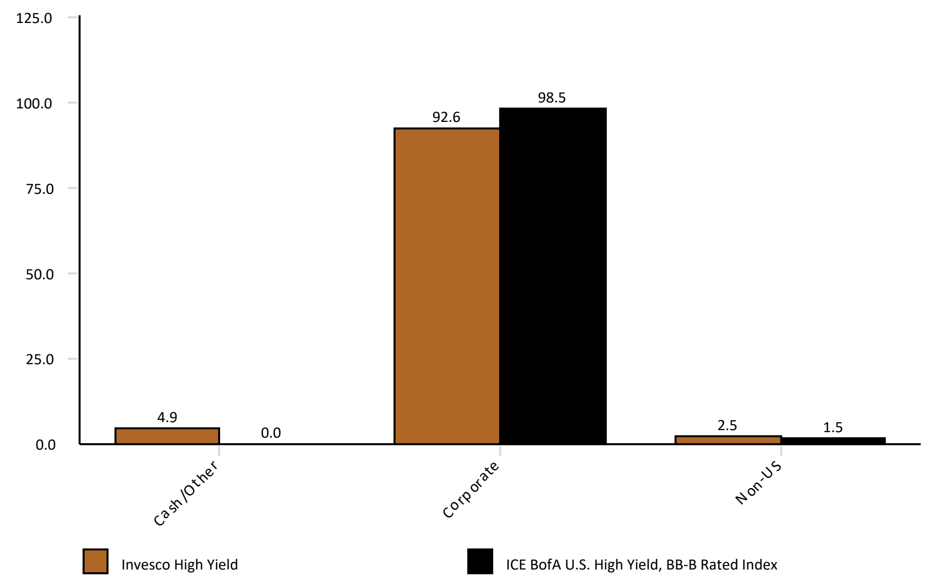
PORTFOLIO CHARACTERISTICS vs. ICE BofA U.S. High Yield, BB-B Rated Index

	Portfolio	Benchmark
Effective Duration	3.03	2.88
Avg. Maturity	7.85	5.68
Avg. Quality	BB-	BB-
Yield To Maturity (%)	N/A	N/A
Holdings Count	223	1,695

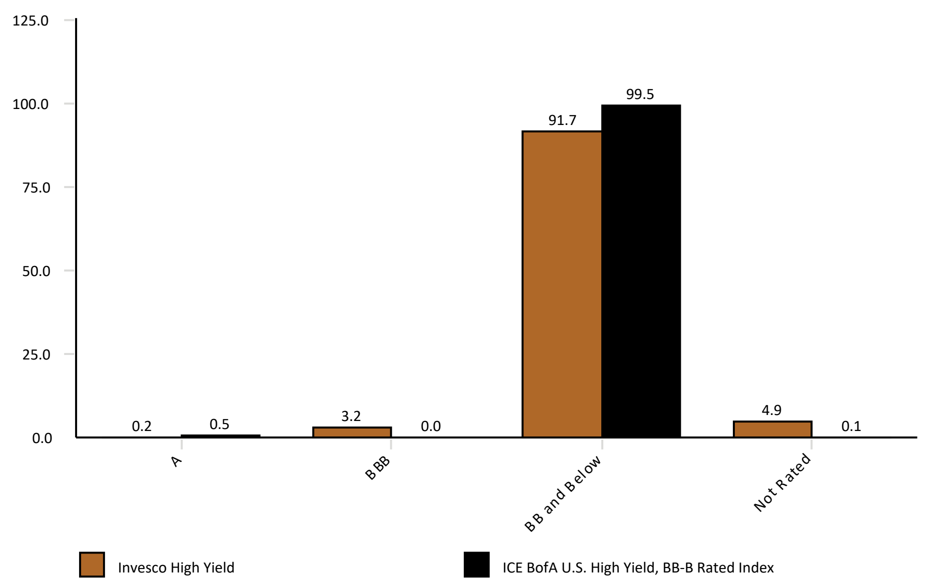
TOP TEN HOLDINGS

Invesco High Yield	
Company	**%**
AADVANTAGE LOYALTY IP LTD 144A 00253XAB7 05-Jan-1900	0.01
ILIAD HOLDING SAS 144A 449691AF1 08-Jan-1900	0.01
ALLISON TRANSMISSION INC 144A 019736AG2 03-Jan-1900	0.01
NEW GOLD INC 144A 644535AJ5 06-Jan-1900	0.01
GFL ENVIRONMENTAL INC 144A 36168QAL8 04-Jan-1900	0.01
TRANSDIGM INC 144A 893647BW6 06-Jan-1900	0.01
ENPRO INC 144A 29355XAH0 06-Jan-1900	0.01
EZCORP INC. 144A 302301AJ5 07-Jan-1900	0.01
AIRCASTLE LTD 144A 00928QAW1 05-Jan-1900	0.01
HILTON DOMESTIC OPERATING COMPANY 144A 432833AR2 05-Jan-1900	0.01

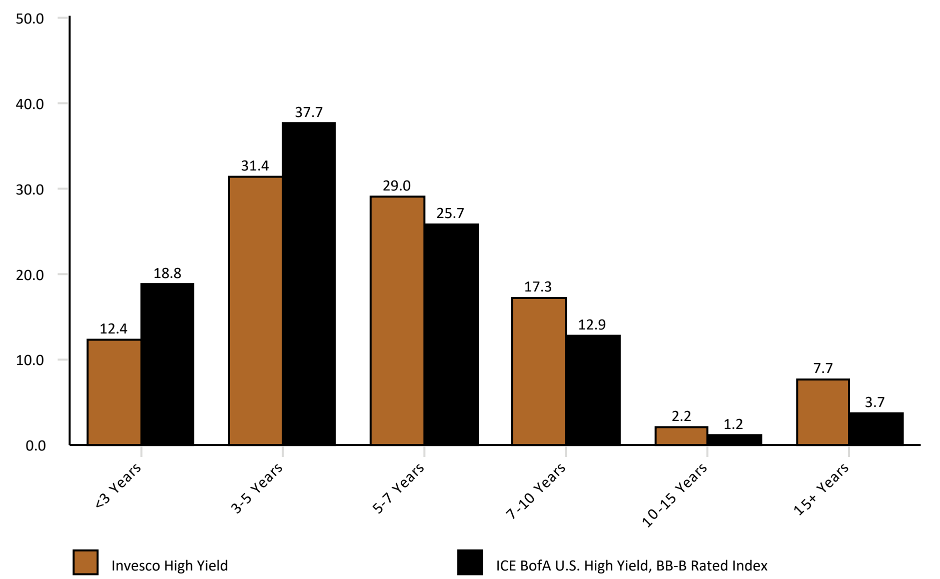
SECTOR DISTRIBUTION vs. ICE BofA U.S. High Yield, BB-B Rated Index



CREDIT QUALITY DISTRIBUTION vs. ICE BofA U.S. High Yield, BB-B Rated Index



MATURITY DISTRIBUTION vs. ICE BofA U.S. High Yield, BB-B Rated Index



INNOVEST

AEW Core Property 12/31/25

FUND INFORMATION

Firm and Management:

AEW is a leading real estate investment managing more than $90 billion in assets. The strategy is overseen by a deeply experienced team. Senior Portfolio Managers Sara Cassidy and Lily Kao each bring over 25 years of expertise supported by an extensive team.

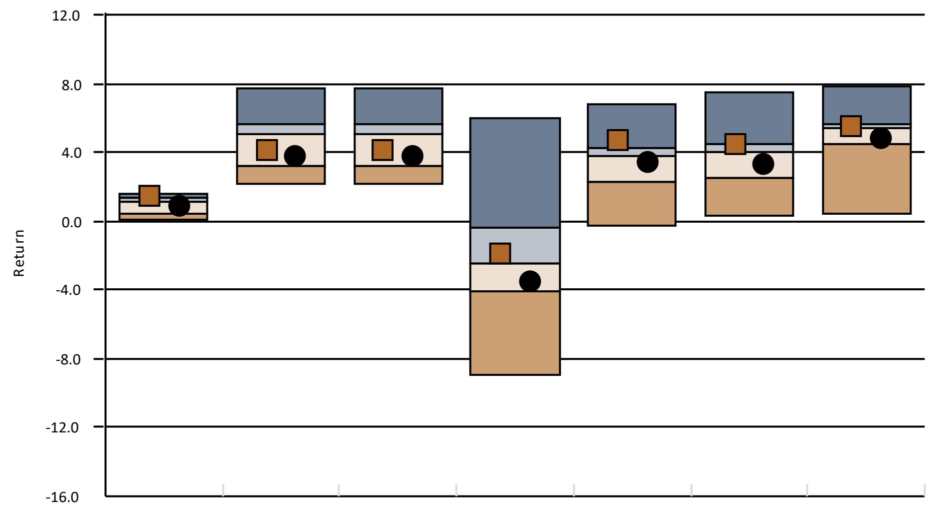
Investment Strategy:

The Core Property Fund employs a strategic research approach as well as a bottom-up, active asset management and investment selection. Within this framework, there is a focus on minimizing overall potential risk for the Fund. AEW's core principles guide investment decisions, emphasizing property purpose, quality standards, and alignment with demographic and technological trends. The fund uses minimal financial leverage with the objective of enhancing return without creating financial coverage risk.

Innovest Assessment:

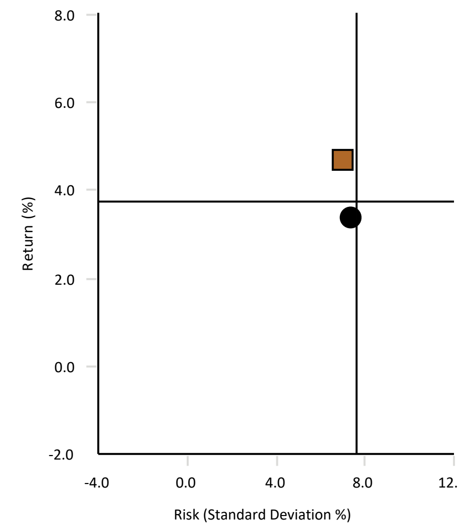
The strategy's risk mitigation is evident in its conservative leverage, solid balance sheet, and broad diversification, which help minimize exposure to unwanted volatility. The fund has lower levels of leverage than the average fund and thus the strategy will lag in times where competitors are being rewarded for their use of leverage. The fund should outperform in markets where leverage is penalized during economic stress.

PEER GROUP ANALYSIS - IM U.S. Open End Private Real Estate (SA+CF)



	Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
AEW Core Property	1.47 (7)	4.18 (67)	4.18 (67)	-1.87 (37)	4.68 (19)	4.43 (30)	5.50 (43)
NCREIF ODCE (Gross)	0.90 (57)	3.76 (70)	3.76 (70)	-3.46 (70)	3.38 (63)	3.34 (65)	4.79 (64)
Median	1.13	5.11	5.11	-2.45	3.75	3.98	5.37

RISK VS. RETURN (5 YEARS*)



	Return	Standard Deviation
AEW Core Property	4.68	7.02
NCREIF ODCE (Gross)	3.38	7.31
Median	3.75	7.64

CALENDAR YEAR RETURNS AND PERCENTILE RANKINGS

	2024	2023	2022	2021	2020	2019	2018
AEW Core Property	-0.11 (36)	-9.20 (29)	8.90 (24)	22.13 (53)	1.44 (54)	6.23 (65)	7.72 (60)
NCREIF ODCE (Gross)	-1.44 (61)	-12.01 (58)	7.46 (45)	22.13 (53)	1.17 (60)	5.33 (72)	8.34 (49)
IM U.S. Open End Private Real Estate (Gross) (SA+CF)	-1.21	-10.49	7.13	22.49	1.56	6.93	8.27

ROLLING 3 YEAR RETURN AND PERCENTILE RANKINGS

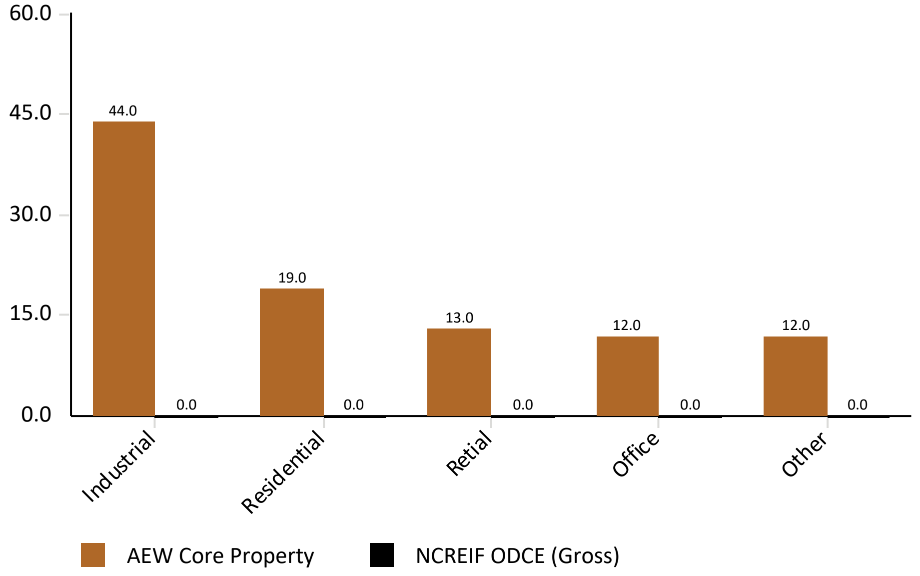
	3 Years Ending Dec-2025	3 Years Ending Dec-2024	3 Years Ending Dec-2023	3 Years Ending Dec-2022	3 Years Ending Dec-2021	3 Years Ending Dec-2020	3 Years Ending Dec-2019
AEW Core Property	-1.87 (37)	-0.41 (25)	6.49 (22)	10.50 (38)	9.59 (57)	5.10 (59)	7.30 (66)
NCREIF ODCE (Gross)	-3.46 (70)	-2.32 (56)	4.91 (55)	9.91 (51)	9.18 (65)	4.91 (65)	7.09 (68)
IM U.S. Open End Private Real Estate (Gross) (SA+CF)	-2.45	-2.22	5.08	9.96	10.23	5.58	7.69

*If less than 5 years, data is since inception of fund share class.

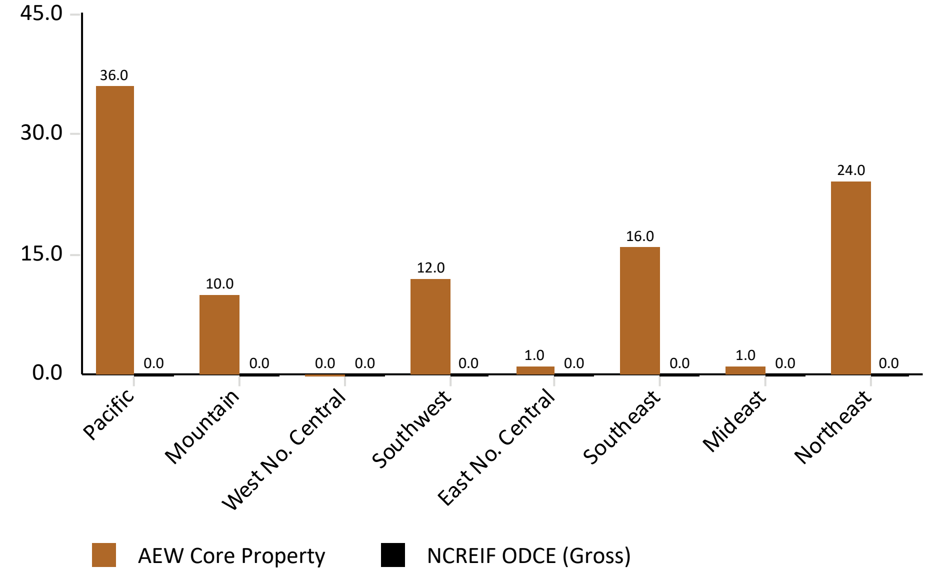
Information shown above is based on most recent information available and may be lagged

AEW Core Property 12/31/25

PROPERTY TYPE DIVERSIFICATION



REGIONAL DIVERSIFICATION



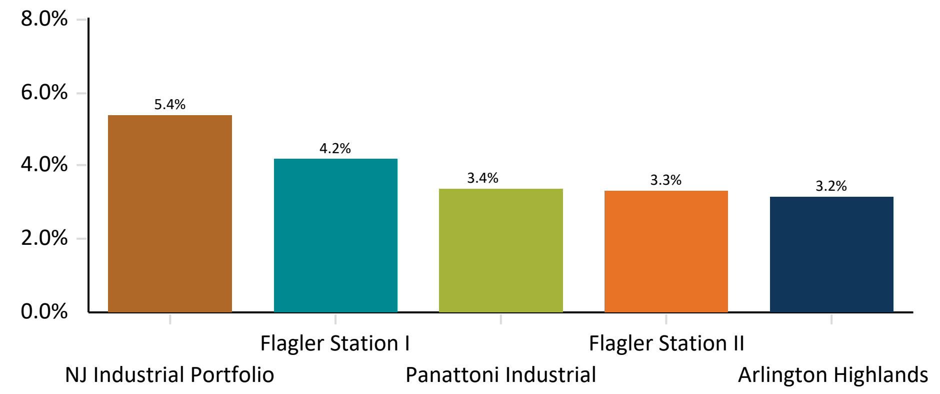
CHARACTERISTICS

Portfolio Characteristics

	Portfolio
Total Fund Assets $B	$9
# Properties	172
# Investors	402
Leverage %	29.00

TOP 5 HOLDINGS

Portfolio Top Assets



Information shown above is based on most recent information available and may be lagged

INNOVEST

UBS Trumbull Property Fund 12/31/25

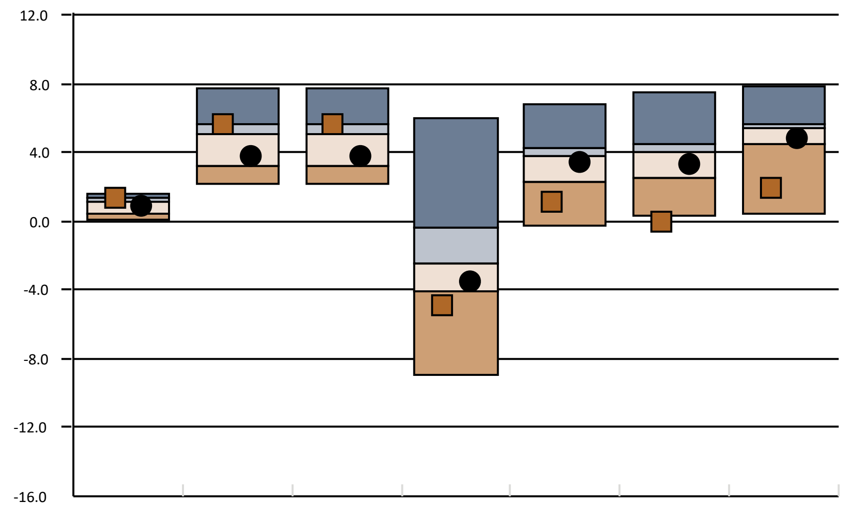
FUND INFORMATION

Firm and Management
UBS Real Estate provides a comprehensive range of real estate investment advisory services in a variety of direct investment structures and commingled vehicles. Matt Johnson is the head of UBS real estate and asset management for the Trumbull Property Fund. Paul Canning, Mario Maturo, and Jason Lewis and co-PMs on the strategy. They are supported by a team of more than 200 people with senior professionals averaging 31 years of experience.

Investment Strategy
The UBS Trumbull Property Fund's (TPF) focus is to acquire existing, well-leased properties, or properties with expansion and/or rehabilitation potential. From a strategic perspective, research drives the investment process. The team continuously analyzes demographic and economic data. Office, retail, industrial, hotel and apartment market data is also monitored; including measuring changes in existing inventory, construction activity, absorption, vacancy, price of existing space, replacement cost and market rental rates for 65 major metropolitan areas in the United States on a regular basis.

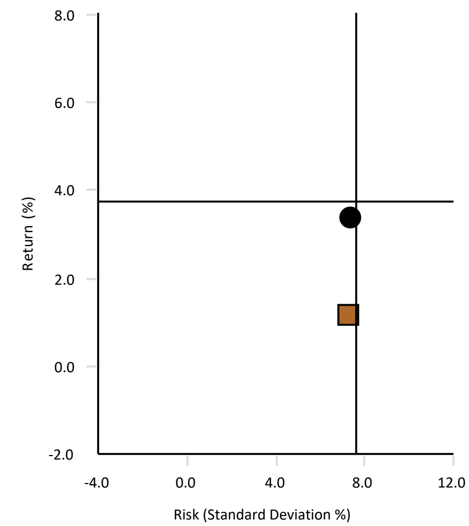
Innovest Assessment:
We should expect TPF to outperform when the economy is strong and growing as rents tend to increase more in larger metropolitan markets where a majority of the assets are located. The fund has much lower levels of leverage than the average fund and thus TPF will lag in times where competitors are being rewarded for their use of leverage. Conversely, the fund should outperform as credit dries and high leverage is penalized.

PEER GROUP ANALYSIS - IM U.S. Open End Private Real Estate (SA+CF)



	Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
UBS Trumbull Property Fund	1.35 (17)	5.66 (26)	5.66 (26)	-4.86 (78)	1.18 (84)	-0.06 (96)	1.96 (91)
NCREIF ODCE (Gross)	0.90 (57)	3.76 (70)	3.76 (70)	-3.46 (70)	3.38 (63)	3.34 (65)	4.79 (64)
Median	1.13	5.11	5.11	-2.45	3.75	3.98	5.37

RISK VS. RETURN (5 YEARS*)



	Return	Standard Deviation
UBS Trumbull Property Fund	1.18	7.24
NCREIF ODCE (Gross)	3.38	7.31
Median	3.75	7.64

CALENDAR YEAR RETURNS AND PERCENTILE RANKINGS

	2024	2023	2022	2021	2020	2019	2018
UBS Trumbull Property Fund	-4.09 (88)	-15.00 (83)	5.89 (57)	16.24 (81)	-4.04 (94)	-2.10 (97)	6.99 (71)
NCREIF ODCE	-1.44 (61)	-12.01 (58)	7.46 (45)	22.13 (53)	1.17 (60)	5.33 (72)	8.34 (49)
IM U.S. Open End Private Real Estate (SA+CF) Median	-1.21	-10.49	7.13	22.49	1.56	6.93	8.27

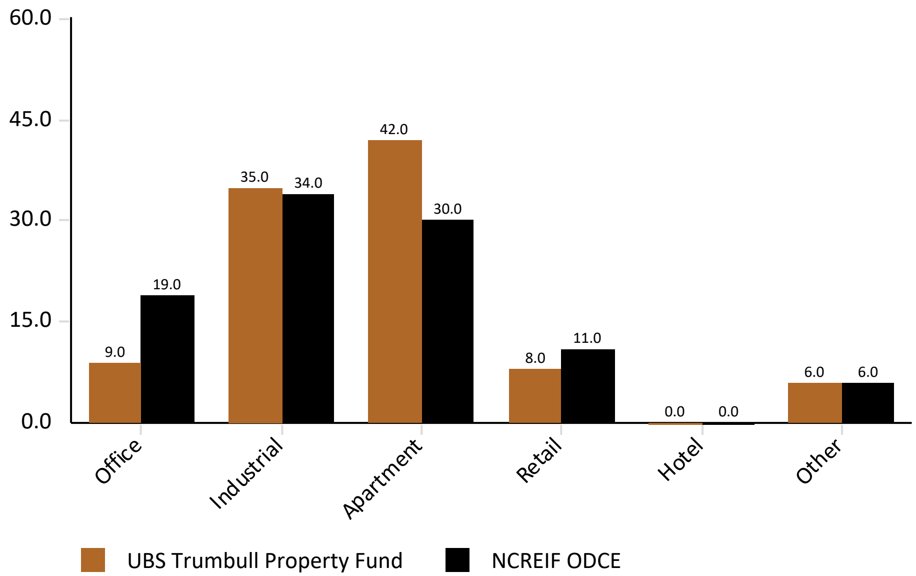
ROLLING 3 YEAR RETURN AND PERCENTILE RANKINGS

	3 Years Ending Dec-2025	3 Years Ending Dec-2024	3 Years Ending Dec-2023	3 Years Ending Dec-2022	3 Years Ending Dec-2021	3 Years Ending Dec-2020	3 Years Ending Dec-2019
UBS Trumbull Property Fund	-4.86 (78)	-4.79 (88)	1.52 (84)	5.71 (91)	2.98 (91)	0.17 (94)	3.64 (94)
NCREIF ODCE	-3.46 (70)	-2.32 (56)	4.91 (55)	9.91 (51)	9.18 (65)	4.91 (65)	7.09 (68)
IM U.S. Open End Private Real Estate (SA+CF) Median	-2.45	-2.22	5.08	9.96	10.23	5.58	7.69

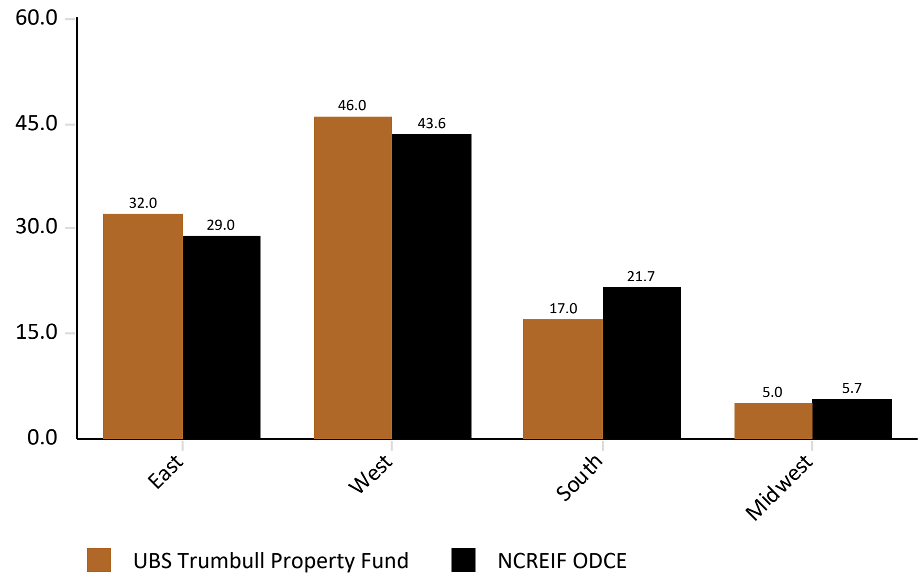
*If less than 5 years, data is since inception of fund share class.

UBS Trumbull Property Fund 12/31/25

PROPERTY TYPE DIVERSIFICATION



REGIONAL DIVERSIFICATION



CHARACTERISTICS

Portfolio Characteristics

	Portfolio
Total Fund Assets $B	$13
# Properties	112
# Investors	410
Leverage %	22.20

TOP 5 HOLDINGS

Name	**Location**	**Type**	**%**
CambridgeSide	Cambridge, MA	Retail	4%
120 Broadway	New York. NY	Office	4%
Century Square	Seattle, WA	Office	3%
Liberty Green/Luxe	New York, NY	Apartment	3%
US Bancorp Tower	Portland, OR	Office	3%

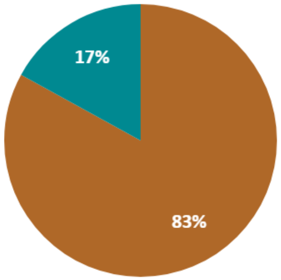
AEW Partners VII, L.P.

Quarterly Summary | As of March 31, 2025

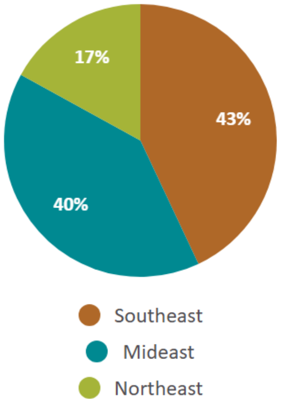
Key Fund Metrics

Fund Size (Committed)	$565,000,000
Vintage Year	2013
# of Investments	3
Capital Called	$526,000,000
Distributions	$668,030,000
Residual Value (NAV)	$82,408,000
Unfunded Commitment	$39,000,000
Realization Multiple (DPI)	1.27x
Residual Multiple (RVPI)	0.16x
Investment Multiple (TVPI)	1.43x

Property Type Exposure



Regional Exposure



Remaining Investments

As of March 31, 2025

- Reston Senior Living
- Viera Manor & Viera Manor II
- 528 Atlantic Avenue

Glossary of Terms

Realization Multiple (DPI): Ratio of distributions to date to contributions to date. Measures the cumulative capital returned to investors.

Residual Multiple (RVPI): Ratio of net asset value to date to contributions to date. Measures the value of the fund's remaining investments.

Investment Multiple (TVPI): Ratio of total value (net asset value plus distributions to date) to contributions to date. Measures the total value of the fund.

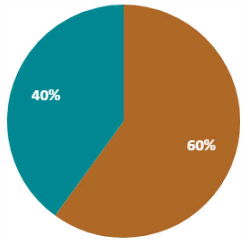
Siguler Guff Distressed Real Estate Opportunities Fund II

Quarterly Summary | As of December 31, 2024

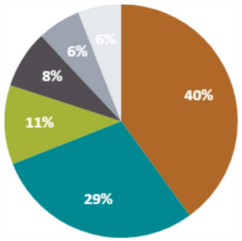
Key Fund Metrics

Fund Size	$877,400,000
Vintage Year	2013
Net Asset Value (NAV)	$298,000,000
Total Capital Called	$768,500,000
Total Distributions Unfunded	$758,700,000
Commitment	$108,900,000
DPI (Distributions/ Paid-in)	0.99x
RVPI (Residual Value/ Paid-in)	0.39x
TVPI (Total Value/ Paid-in)	1.4x

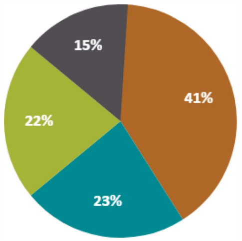
Commitment by Structure



Asset Class Exposure



Geographic Exposure



Top 5 Portfolio Fund Commitments

Note: Commitment amounts are from inception.

Sterling Value Add Partners II	$45,700,000
Garrison Real Estate Fund III	$43,800,000
Wheelock Street Real Estate Fund II	$41,400,000
Rialto Real Estate Fund II	$40,000,000
Paulson Real Estate Fund II	$40,000,000

Glossary of Terms

DPI (Distributions to Paid-in Capital): Measures the cumulative capital returned to investors relative to the total capital contributed.

RVPI (Residual Value to Paid-in Capital): Measures the value of the fund's remaining investments relative to the total capital contributed.

TVPI (Total Value to Paid-in Capital): Measures the total value of the fund {distributions+ residual value) relative to total capital contributed.

Tortoise MLP - OKTSET 12/31/25

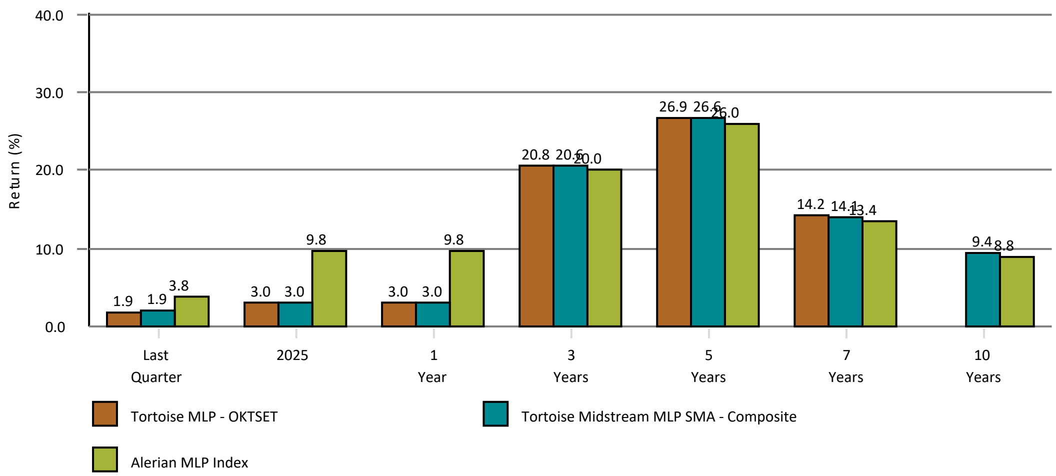
FUND INFORMATION

Firm and Management:
Tortoise Capital Advisors, established in 2002 and headquartered in Overland Park, Kansas, specializes in listed energy investing, particularly in midstream energy infrastructure. The firm operates with a collaborative, team-based culture. The Tortoise Select MLP Strategy is managed by a team of experienced portfolio managers: Matthew Sallee, Brian Kessens, James Mick, and Robert Thummel. Tortoise Capital's investment experience and research span over two decades, positioning the firm as an early and knowledgeable investor in the midstream energy sector.

Investment Strategy:
The Tortoise Select MLP Strategy invests in publicly traded securities of midstream energy infrastructure companies, with a primary focus on master limited partnerships (MLPs). These companies are involved in the transportation, gathering, processing, export, or storage of crude oil, refined products, natural gas, or natural gas liquids. The strategy seeks to deliver a high level of total return potential, emphasizing current cash distributions and managed risk. The investment process combines qualitative and quantitative analysis, using proprietary models to assess company quality, growth prospects, and relative value. The portfolio is constructed using a bottom-up, fundamentals-based approach, aiming for steady income, inflation protection, and diversification

Innovest Assessment:
The fund's focus on MLPs is balanced by diversification across the midstream energy infrastructure universe, which may result in lower yield but also lower volatility relative to more concentrated MLP funds. The strategy's disciplined process and risk management, along with its emphasis on high-quality assets and stable cash flows, contribute to its long-term stability and attractive risk-adjusted returns.

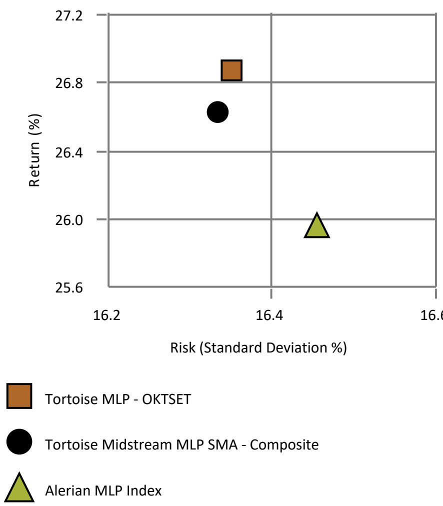
PERFORMANCE OVER TIME



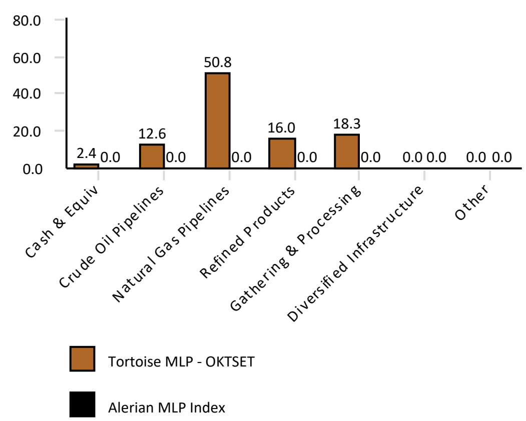
	Last Quarter	2025	1 Year	3 Years	5 Years	7 Years	10 Years
Tortoise MLP - OKTSET	1.88	3.04	3.04	20.76	26.87	14.22	N/A
Tortoise Midstream MLP SMA - Composite	1.94	3.00	3.00	20.56	26.62	14.12	9.45
Alerian MLP Index	3.79	9.76	9.76	20.00	25.96	13.39	8.85

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Tortoise MLP - OKTSET	40.94	21.27	32.70	40.68	-29.26	9.03	N/A	N/A	N/A	N/A
Tortoise Midstream MLP SMA - Composite	40.68	20.95	32.32	40.38	-28.78	8.74	-13.38	-2.80	16.21	-26.77
Alerian MLP Index	24.41	26.56	30.92	40.17	-28.69	6.56	-12.42	-6.52	18.31	-32.59

RISK VS. RETURN (5 YEARS*)



SECTOR ALLOCATION



INVESTMENT STATISTICS (5 YEARS*)

	Alpha	Beta	Actual Correlation	Up Market Capture	Down Market Capture	Inception Date
Tortoise MLP - OKTSET	2.10	0.95	0.95	102.48	99.01	10/01/2018
Alerian MLP Index	0.00	1.00	1.00	100.00	100.00	10/01/2018

TOP HOLDINGS

MPLX LP	10.69
Plains All American Pipeline L.P.	9.87
Enterprise Products Partners L.P.	9.78
Western Midstream Partners LP	9.78
Energy Transfer LP	9.70
Hess Midstream LP	6.71
Cheniere Energy Partners LP	6.70
Targa Resources Corp.	6.04
WILLIAMS COS INC COM	5.89
Sunoco LP	5.27

*If less than 5 years, since inception time period was used.

Angelo Gordon Direct Lending Fund IV

Fact Sheet | As of March 31, 2025

Key Value Indicators

Net Asset Value	$1.0 billion
Committed Capital	$1.3 billion
Drawn Capital	$1.2 billion
Distributed Capital	$725 million

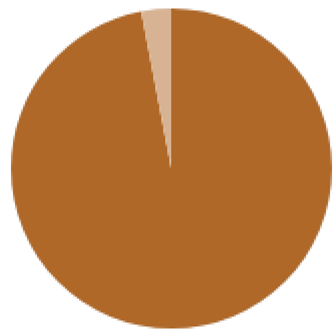
Key Statistics

Net Multiple of Paid-in Capital	1.4x
Internal Rate of Return (net)	10.90%
Date of First Capital Call	3/6/2020
Leverage Ratio	1.2x
Portfolio Companies	189
Sponsors	80
Weighted Average Coupon	10.5%
Weighted Average Current Yield	11.1%
Weighted Average EBITDA	$22.8mm
Weighted Average Upfront Closing Fee	2.2%
Top Ten Positions (% of LMV)	15.1%

Credit Metrics

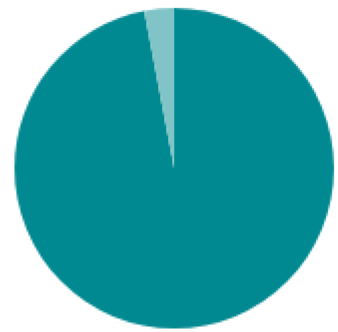
Rating	% of MV
"B" Rated and Above	83%
"C" Rated and Below	17%

Role in Transaction (%)



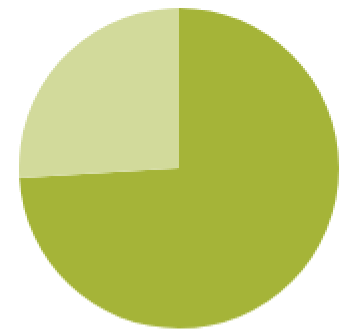
Agent	97%
Co-Lead Arranger	3%

Lien Type (%)



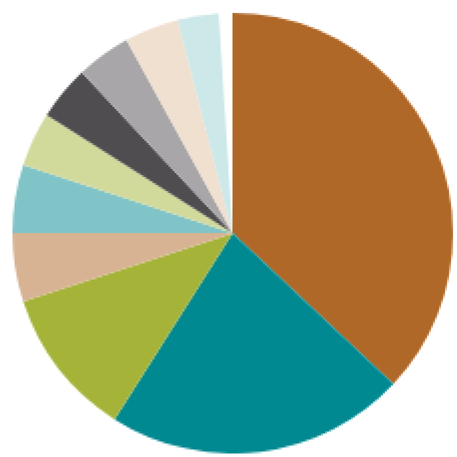
First Lien	97%
Equity Co-Investment	3%

EBITDA by Deal Count (%)



< $25 million	74%
> $25 million	26%

Industry Exposure (%)



Healthcare	37%
Other Industries	22%
Business Services	11%
Beverage, Food & Tobacco	5%
Media Advertising, etc.	5%
Automotive	4%
Consumer Services	4%
Retail	4%
Chemicals, Plastics, & Rubber	4%
Capital Equipment	3%

INNOVEST

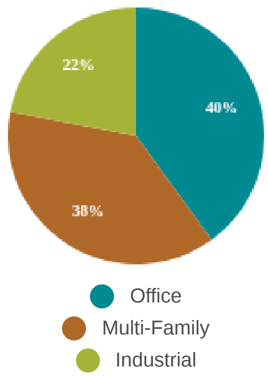
Brookfield Senior Mezzanine Real Estate Finance Fund

Fact Sheet | As of June 30, 2025

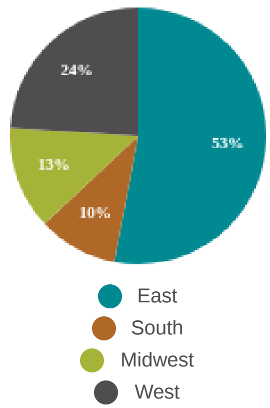
Key Statistics

Gross Asset Value	$830,000,000
Net Asset Value	$536,000,000
Number of Investments	25
Quarterly Distribution	$169,000,000
Distribution yield (annualized)	7.0%
Cash Ratio	42.5%

Collateral Property - Sector



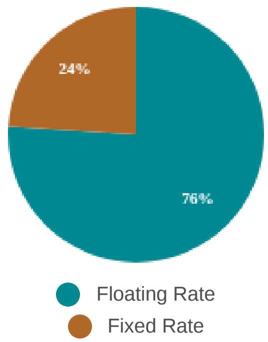
Collateral Property - Region



Sector Fair Value

Office	$193,000,000
Multifamily	$179,000,000
Industrial	$104,000,000

Loan Coupon Type



Glossary of Terms

DPI (Distribution to Paid-In Ratio): A measure of the cumulative distributions to investors relative to the total capital drawn from investors.

RVPI (Residual Value to Paid-In Ratio): A measure of the total value of unrealized investments relative to the total capital drawn from investors.

TVPI (Total Value to Paid-In Ratio): The sum of DPI and RVPI, representing the total value relative to capital drawn.

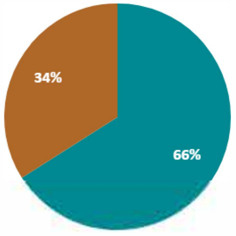
CCP Evergreen Fund

Quarterly Summary | As of June 30, 2025

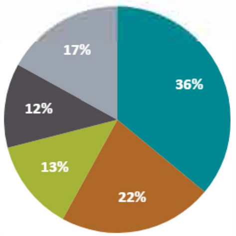
Key Fund Metrics

Vintage	2023-2025
Net Asset Value (NAV)	$424,000,000
Capital Invested	$389,000,000
Realized Value (Distributions)	$63,000,000
Unrealized Value (Residual)	$361,000,000
Gross IRR	19.8%
Net IRR	12.8%
Gross Multiple	1.10x
Net Multiple	1.07x
DPI (Distributions / Paid-in)	0.16x
RVPI (Residual Value / Paid-in)	0.93x

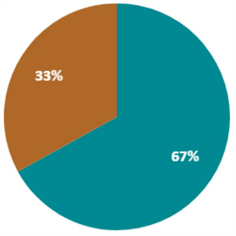
Deal Type Exposure



Sector Exposure



Sponsor Type Exposure



Top 5 Investments by Global Commitment (2025 Vintage)

Note: Global CCP Commitment amounts for the 2025 vintage.

Company CY - Sponsor that invests across Sports, Media, Consumer, and Financial Services sectors	$280,000,000
Company CF - Educational staffing services business for the placement and mgmt. of substitute teachers	$264,000,000
Company CE - Payment processing independent sales organization	$188,000,000
Company CL - Provider of success fee-based debt settlement services across 33 states	$179,000,000
Company CQ - Single family office investment firm	$175,000,000

Glossary of Terms

DPI (Distributions to Paid-in Capital): Measures the cumulative capital returned to investors relative to the total capital contributed.

RVPI (Residual Value to Paid-in Capital): Measures the value of the fund's remaining investments relative to the total capital contributed.

TVPI (Total Value to Paid-in Capital): Measures the total value of the fund (distributions + residual value) relative to total capital contributed. Also known as Gross Multiple.

Exposures shown above represent the **2025** Evergreen portfolio.

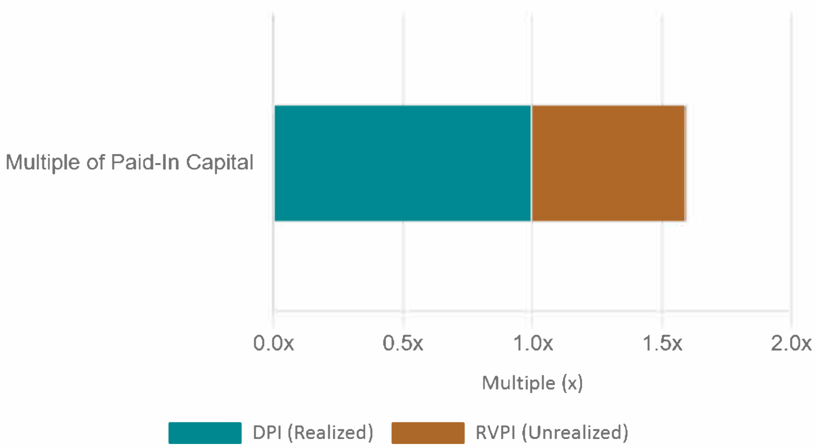
Monroe Capital Private Credit Fund III (Onshore Levered)

Quarterly Summary | As of June 30, 2025

Key Fund Metrics

Fund Size (Commitment)	$552,000,000
Vintage	2018-2022
# of Portfolio Companies	53
Capital Called	$468,750,000
Distributions	$466,000,000
Residual Value	$281,250,000
Unfunded Commitment	$83,250,000
DPI (Distributions / Paid-in)	1.00x
RVPI (Residual Value / Paid-in)	0.60x
TVPI (Total Value / Paid-in)	1.60x
Net IRR	10.3%

Performance Multiples



Glossary of Terms

DPI (Distribution to Paid-In Ratio): A measure of the cumulative distributions to investors relative to the total capital drawn from investors.

RVPI (Residual Value to Paid-In Ratio): A measure of the total value of unrealized investments relative to the total capital drawn from investors.

TVPI (Total Value to Paid-In Ratio): The sum of DPI and RVPI, representing the total value relative to capital drawn.

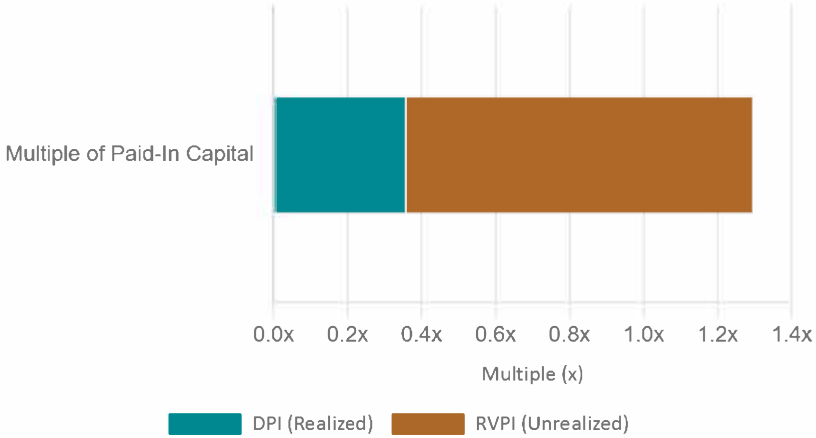
Monroe Capital Private Credit Fund IV (Levered)

Quarterly Summary | As of June 30, 205

Key Fund Metrics (Levered)

Equity Commitment	$897,000,000
Vintage	2022-2026
# of Portfolio Companies	158
Equity Called	$763,000,000
Cumulative Distributions	$273,000,000
Est. Residual Value	$718,900,000
Unfunded Commitment	$134,000,000
DPI (Distributions / Paid-in)	0.36x
RVPI (Residual Value / Paid-in)	0.94x
TVPI (Total Value / Paid-in)	1.30x
Net IRR	9.9%

Performance Multiples



Glossary of Terms

DPI (Distribution to Paid-In Ratio): A measure of the cumulative distributions to investors relative to the total capital drawn from investors.

RVPI (Residual Value to Paid-In Ratio): A measure of the total value of unrealized investments relative to the total capital drawn from investors.

TVPI (Total Value to Paid-In Ratio): The sum of DPI and RVPI, representing the total value relative to capital drawn.

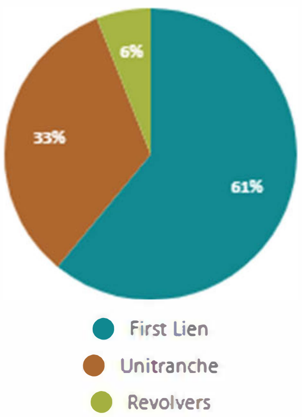
NB Private Debt Eagle Fund

Quarterly Summary | As of March 31, 2025

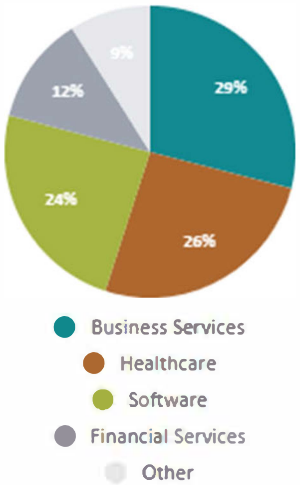
Key Fund Statistics as of Q1 2025

Limited Partner Commitments (as of May 30, 2025)	$205 million
Cumulatively Invested and Pending	$227 million
Cumulatively Invested[3]	41%
Cumulative Companies, including Pending	15
Annualized Default / Loss Rate[2]	0.0% / 0.0%
Gross Levered Cash Yield[4]	13.5%

Investment Type Exposure



Industry Exposure



Top 5 Unrealized Investments

Fullsteam	$24,000,000
Cenexel	$17,000,000
Fortis	$15,000,000
W20	$14,000,000
Vensure	$13,000,000

Glossary of Terms

DPI (Distributions to Paid-in Capital): Measures the cumulative capital returned to investors relative to the total capital contributed.

RVPI (Residual Value to Paid-in Capital): Measures the value of the fund's remaining investments relative to the total capital contributed.

TVPI (Total Value to Paid-in Capital): Measures the total value of the fund (distributions + residual value) relative to total capital contributed.

[1] Returns as of December 31, 2025 will be available after February 15, 2026.

[2] Calculated as the cumulative default or loss rate divided by the total number of years since inception of the Fund.

[3] Based on $556 million investable capital as of June 4, 2025.

[4] As of March 31, 2025, three-month SOFR was 4.3%. Assumes 50% LTV. Calculated by taking the contractual coupon of investments divided by the original cost of all cash paying investments. Cost of leverage equal to SOFR plus 2.4%.

Historical Hybrid Composition
Oklahoma TSET Historical Custom Benchmark

Passive Portfolios	Weight (%)
Jan-2001	
Oklahoma TSET Policy Index Historical Returns*	100.00
Apr-2025	
Russell 1000 Value Index	10.00
Russell 1000 Growth Index	10.00
Russell 2500 Index	5.00
MSCI AC World ex USA index	15.00
Blmbg. U.S. Aggregate Index	10.00
Blmbg. Global Aggregate Index	2.00
Absolute Return Fixed Income Index	8.00
ICE BofA U.S. High Yield, BB-B Rated Index	6.00
NCREIF ODCE	10.00
Alerian MLP Index	5.00
Private Debt Benchmark	10.00
90 Day U.S. Treasury Bill	0.00
GTAA Blended Benchmark	9.00

*Policy index historical returns include returns provided by prior advisor from 1/1/2001 through 3/31/2025.

Historical Hybrid Composition
Oklahoma TSET CPI+

Passive Portfolios	Weight (%)
Jan-2001	
CPI + 5%	100.00
Dec-2025	
CPI + 4.25%	100.00

Glossary

Active Share measures the percentage of a product's holdings that differ from the product's benchmark index, based on portfolio weightings. An Active Share of 60% or higher is generally considered to be active management and less than 20% is generally considered to be passive management. Active Share allows investors to distinguish between products that do and do not engage in a large amount of stock selection. Products with high Active Share may experience significant deviation from the performance of benchmarks over time.

Alpha measures a portfolio's return in excess of the market return adjusted for risk. It is a measure of the manager's contribution to performance with reference to security selection. A positive alpha indicates that a portfolio was positively rewarded for the residual risk that was taken for that level of market exposure.

Beta measures the sensitivity of rates of portfolio return to movements in the market. A portfolio's beta measures the expected change in return per 1% change in the return on the market. If the beta of a portfolio is 1.5, a 1 percent increase in the return of the market will result, on average, in a 1.5 percent increase in the return on the portfolio. The converse would also be true.

Dividend Yield - The total amount of dividends paid out for a stock over the preceding twelve months divided by the closing price of a share of the common stock.

Down Capture Ratio - The Down Capture Ratio is a measure of the Investment's compound return when the Benchmark was down divided by the Benchmark's compound return when the Benchmark was down. The smaller the value, the better.

Duration - A time measure of a bond's interest-rate sensitivity, based on the weighted average of the time periods over which a bond's cash flows accrue to the bondholder.

Forecasted Long-Term Earnings Growth - This growth rate is a measure of a company's expected long-term success in generating future year-over-year earnings growth. This growth rate is a market value weighted average of the consensus (mean) analysts' long-term earnings growth rate forecast for each company in the portfolio. The definition of long-term varies by analyst but is limited to a 3-8 year range. This value is expressed as the expected average annual growth of earnings in percent.

Information Ratio measures the excess return per unit of residual "non market" risk in a portfolio. The ratio is equal to the Alpha divided by the Residual Risk.

Market Capitalization - The market value of a company's outstanding shares of common stock at a specific point in time, computed as the product of the number of outstanding shares times the stock's closing price per share.

P/E ratio relates the price of the stock to the per-share earnings of the company. A high P/E generally indicates that the market will pay more to obtain the company because it has confidence in the company's ability to increase its earnings. Conversely, a low P/E indicates that the market has less confidence that the company's earnings will increase, and therefore will not pay as much for its stock. In most cases a fund with a high average P/E ratio has paid a premium for stocks that have a high potential for increased earnings. If the fund's average P/E ratio is low, the manager may believe that the stocks have an overlooked or undervalued potential for appreciation.

P/B ratio of a company relates the per-share market price of the company's stock to its per -share book value, the historical accounting value of the company's tangible assets. A high P/B ratio indicates that the price of the stock exceeds the actual worth of the company's assets. A low P/B ratio would indicate that the stock is a bargain, priced below what the company's assets could be worth if liquidated.

P/CF ratio compares the total market value of the portfolio to the portfolio's share of the underlying stocks' earnings (or book value, cash flow, sales or dividends).

R-Squared indicates the extent to which the variability of the portfolio returns is explained by market action. It can also be thought of as measuring the diversification relative to the appropriate benchmark. An R-Squared value of .75 indicates that 75% of the fluctuation in a portfolio return is explained by market action. An R-Squared of 1.0 indicates that a portfolio's returns are entirely related to the market and it is not influenced by other factors. An R-Squared of zero indicates that no relationship exists between the portfolio's return and the market.

Residual Risk is the unsystematic risk of a fund, or the portion of the total risk unique to the manager and not related to the overall market. This reflects the "bets" which the manager places in that particular asset class. These bets reflect emphasis in particular sectors, maturities (for bonds), or other issue specific factors which the manager considers a good investment opportunity. Diversification of the portfolio will reduce the residual risk of that portfolio.

Sharpe Ratio is a measure of risk-adjusted return. It is calculated by subtracting the risk-free return (90 day T-Bills) 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 returned gained per unit of total risk taken.

Standard Deviation is a statistical measure of portfolio risk. It reflects the average deviation of observations from their sample mean. Stand ard Deviation is used as an estimate of risk since it measures how wide the range of returns typically is. The wider the typical range of returns, the higher the standard deviation of returns, and the higher the portfolio risk. If returns are normally distributed (i.e. as a bell shaped curve distribution) then approximately 66% of 2/3 of the returns would occur within plus or minus one standard deviation of the sample mean.

Style Exposure Chart indicates a portfolio's exposure to a particular capitalization (large, medium or small) and style (value or growth). Based on Sharpe's return based style analysis, a style map will attempt to correlate a manager to a particular style of investing (i.e. Large Cap Growth).

Turnover Ratio - This is a measure of the fund's trading activity which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets.

Up Capture Ratio - The Up Capture Ratio is a measure of the Investment's compound return when the Benchmark was up divided by the Benchmark's co mpound return when the Benchmark was up. The greater the value, the better.

Down Capture Ratio - The Down Capture Ratio is a measure of the Investment's compound return when the Benchmark was down divided by the Benchmark's compound return when the Benchmark was down. The smaller the value, the better.

Fund Analysis Overview Key

Each of the 8 criteria are evaluated on an individual basis and subjective based on Innovest's assessment. Below are examples of the many factors under each category we consider when making an assessment.

Organization

Pct. Owned by Employee
Boutique vs. Institutional
Recent Changes in Ownership

Culture

Demonstrated commitment to culture
Employee focus and engagement
Client centric focus
Community and charity importance to the organization

People

Size of Team
StructureofTeam
Experience ofTeam
Turnover of Key Members
Growth of Team with Assets

Philosophy/Process

Investment Mandate
Domestic/Int'l Drift

Style Consistency

Growth/Value, Market Cap

Asset Base

Current
Growth of AUM
Capacity Constraints
Soft Closed
Re-opening of Products

Performance

Short Term vs Benchmark and Style Group
Long Term vs. Benchmark and Style Group
Consistency – Relative/Absolute/Risk Adjusted

Expenses

Cost vs. Competitors

Examples of things that would cause concern resulting in a YELLOW or RED box include but not limited to:

1) ORGANIZATION - A change in ownership whereby it is unclear what the structure of the new organization will be, how will key personnel be compensated, and what type of employment contracts are in place to keep key decision makers.

2) CULTURE - A firm with little demonstrated focus to their clients and the outside community and lacks thoughtful development of their employees.

3) PEOPLE - A change in portfolio manager would be a cause for concern. We would assess the new talent taking over. Is the new portfolio manager a current member of the team or is it someone new from outside the group or organization.

4) PHILOSOPHY/PROCESS - A change in the investment team's process or investment mandate would be cause for concern. For example, a concern could be warranted if an investment team transitioned from a top-down approach to a bottom-up approach while evaluating investments. A concern could also be warranted if an investment team whose process heavily included onsite visits ceased to do so.

5) STYLE CONSISTENCY - A change in portfolio characteristics or investments in securities significantly outside of their benchmarks would be a cause for concern. For example, if a growth manager suddenly starts investing in value names during a value rally, or if a small cap manager began investing in mid-sized companies.

6) ASSET BASE - A small cap fund with more than $3 billion in assets would be a cause for concern or a fund that continues to add assets as it becomes clear the portfolio management team can not handle the inflows. A sign of this would be a large increase in the cash position of the portfolio.

7) PERFORMANCE - A product that fails to outperform either the index and/or the median manager on a consistent basis (at least 50% of the time) would be a cause for concern. Short term and long term performance is considered both on an absolute basis and relative basis in addition to risk-adjusted measures.

8) EXPENSES - A fund or product that is substantially above the median expense ratio or management fee would be a cause for concern.

Table of Returns Key

Investment Product in Your Portfolio - Top/Green Line
Unmanaged Industry Benchmark - Middle/Golden Line
Peer Group of Funds Using Similar Investment Strategies - Last/White Line

Disclaimer

Innovest is an independent Registered Investment Adviser registered with the Securities and Exchange Commission.

Under no circumstances does Innovest ever provide tax, accounting, or legal advice.

If applicable, the statistical analysis contained herein was prepared by Innovest Portfolio Solutions LLC and may contain data provided by Investment Metrics, LLC, Thomson Reuters Lipper, Morningstar, Inc., and other sources. These materials may also include information, returns, and valuations that were compiled, computed, or created by Standard & Poor's Financial Services LLC, MSCI Inc., and other sources. These materials and the information that they contain are intended solely for the use of the intended recipient(s). They may not be reproduced or distributed without written consent.

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Innovest may have provided a current client's historical performance as an example of the results of Innovest's services for that client. The performance included is not a composite and is not representative of the performance of all or any group of Innovest clients. This client's accounts were selected for inclusion based on the length of the client relationship, each account's historical performance, the accounts' risk and investing characteristics, and the client's reporting requirements. As a result, the portfolio included may have better return or risk characteristics than other clients' portfolios. The portfolio included may also have different risk and return objectives than you do. The included performance is net of Innovest's fees and underlying manager fees.

Past performance is no guarantee of future results. The market and economic environment in which the included performance was achieved should not be expected to be typical or repeated in the future. The investments included in this portfolio were not insured by the FDIC and involve investment risks, including the possible loss of all principal.

If applicable, returns included in these materials may represent mutual funds share classes or vehicles other than those in which clients are or may be invested. Typically, any differences are the result of efforts to present the longest track record of the investment strategies.

Assumptions, opinions, and forecasts herein constitute Innovest's judgment and are subject to change without notice. Past performance is no guarantee of future results. The investment products discussed are not insured by the FDIC and involve investment risk including the possible loss of all principal.

OKLAHOMA TOBACCO SETTLEMENT ENDOWMENT TRUST FUND BOARD OF INVESTORS

REQUEST FOR PROPOSALS (RFP) FOR

INVESTMENT MANAGEMENT SERVICES

Global Private Equity

February 2026

OKLAHOMA TOBACCO SETTLEMENT ENDOWMENT TRUST FUND BOARD OF INVESTORS

c/o Oklahoma State Treasurer

2300 N. Lincoln Boulevard, Room 217

Oklahoma City, OK 73105

Section 1: General Information

1.1 Introduction and Background

In November 2000, the people of the State of Oklahoma enacted Article X, Section 40 to the State Constitution. This new provision created the Tobacco Settlement Endowment Trust Fund into which a substantial portion of the State's share of the national tobacco settlement payments would be deposited. The investment management of this Trust Fund is vested in a five-person Board of Investors chaired by the State Treasurer. The remaining members of the Board are appointed by the Governor, State Auditor and Inspector, the President Pro-Tempore of the Senate and the Speaker of the House of Representatives.

Earnings from the Trust Fund may be expended for research to fight cancer and other tobacco-related diseases, tobacco prevention and cessation, programs to promote public health, programs to enhance the provision of health care, a variety of education programs, and programs to enhance the health and well-being of senior citizens. A different board, called the Board of Directors of the Tobacco Settlement Endowment Trust Fund, makes all spending decisions for the earnings.

A. Legal Authorization

The Board is charged with the investment of the Trust Fund. In addition to Article X, §40 of the Oklahoma Constitution, the Board's investment authorization is set forth in Section 6 of House Bill 1003 of the 2001 Legislative session (codified as title 62, §2306 of the Oklahoma Statutes.)

B. Support Services

The Board is supported by staff of the Oklahoma State Treasurer's office. The Board has retained Innovest as its Investment Consultant, the Bank of Oklahoma as its custodian bank and several investment managers.

C. Allocation of Assets/ Investment Policy

The Board has adopted an asset allocation target of 5% to Private Equity and has a current exposure of approximately 0%. The constitutional provision creating the Board and the Trust Fund provides that the Fund may be invested in any type of investment vehicle suited for state retirement systems. Both the Board and the state retirement systems are governed by the "prudent investor" standard.

1.2 Description of Services

Purpose

The purpose of this Request for Proposal (RFP) is to solicit information and interest from qualified firms to render investment management services to the Fund. The desired investment management service is the management of a Global Private Equity fund that is currently available in an open-end, so-called “Evergreen” commingled fund (including limited partnership, LLC, Delaware Business Trust and other vehicles) that would be appropriate for U.S. institutional investors.

The Manager must have specific and broad expertise in evergreen private equity strategies, including a verifiable track record of managing open-ended or semi-liquid private equity vehicles or separately managed accounts. The strategy must demonstrate consistent capital deployment, diversified exposure to private market sectors, and a disciplined investment process focused on long-term value creation. Preference will be given to managers with experience in direct investments, co-investments, and secondary transactions within an evergreen structure.

Scope of Work

A. The selected manager(s) will manage an allocation of approximately $75 million that would be committed initially and/or incrementally over a multi-year period. The benchmark will be jointly agreed to by the manager and the fund.

B. A representative staff member of the selected manager may be asked to attend a meeting of the Board periodically to present required or relevant reports and information. The manager should be prepared to meet with the Board and Innovest at other times as required.

1.3 Minimum Qualifications

Respondents to the RFP must meet all of the following minimum qualifications and requirements to be given further consideration. Please note a significant consideration in the selection of a finalist will be based on the respondent’s alignment with the State of Oklahoma Values, as outlined in questions 3.6a-h.

FAILURE TO SATISFY ALL OF THE FOLLOWING MAY RESULT IN THE REJECTION OF A MANAGER. MANAGERS MUST ANSWER THESE QUESTIONS WITH A DEFINITIVE YES OR NO. IF ADDITIONAL EXPLANATION IS NEEDED, PLEASE INCLUDE IN YOUR POSITION STATEMENTS.

Minimum Qualification	Yes	No
Specific, broad expertise in Global Private Equity including a verifiable track record of managing commingled funds (closed-end,		

open-end) or separately managed accounts focused on Global Private Equity		
Evergreen liquidity structure available		
The strategy must be benchmarked against a recognized Global Private Equity Index		
Minimum assets under management in the style proposed of at least $1 billion.		
Proposed strategy must be diversified across geographies and sectors.		
Utilization by at least 2 US Tax-exempt public funds at the firm level.		
Minimum seven-year track record in the proposed strategy.		
No major changes to the ownership structure of the firm over the past 3 years.		
Senior Investment personnel have been with the firm for at least an average of 5 years.		
Strategy must be accepting capital until at least December 2026.		
Pursuant to the Oklahoma Energy Discrimination Elimination Act of 2022, 74 O.S. §§ 12001-12006, the Oklahoma State Treasurer shall not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it (1) does not boycott energy companies, and (2) will not boycott energy companies during the term of the contract.	N/A	N/A
Indicate whether your company is currently engaged in a boycott of energy companies		
Indicate whether your company will boycott energy companies during the term of the contract.		

Additional Minimum Qualifications:

A. **Fiduciary Duty Commitment** Respondent must demonstrate a clear and ongoing commitment to traditional fiduciary principles, including loyalty to beneficiaries, objectivity in investment decision-making, and prioritization of financial returns. Please attach a statement demonstrating your commitment to traditional fiduciary principles.

B. **Disclosure of Affiliations** Respondent must provide full disclosure of all affiliations and collaborative initiatives, including but not limited to:

- Climate Action 100+
- Glasgow Financial Alliance for Net Zero (GFANZ)

- United Nations Principles for Responsible Investment (UN PRI)

Respondents with active participation in these or similar initiatives may be deemed non-compliant with the State's investment expectations.

C. **Position Statements** Respondent must provide clear and detailed statements regarding its position on the following:

- **Environmental, Social, and Governance (ESG)**
- **Fossil Fuels**

D. Oklahoma State and Oklahoma Tobacco Settlement Endowment Trust (TSET) Economic Values and Policy Initiatives

> Oklahoma TSET values are rooted in their vision to improve the health and well-being of those in Oklahoma by fighting their leading causes of death, cancer and cardiovascular disease. Oklahoma TSET's mission is achieved through funding programs proven to reduce both tobacco use and obesity, such as health education, research, treatment, physical activity, nutrition, and environmental initiatives throughout Oklahoma.
>
> In addition, since this trust benefits the people of Oklahoma, when selecting and monitoring investment managers, preference should be given to those that publicly commit to the economic drivers and industries that benefit the state of Oklahoma.

Section 2: Procurement Process

2.1 Explanation of Events

Timeline:

Date	Event
March 16, 2026	RFP Released
March 25, 2026	Deadline to Submit Questions
April 8, 2026	Response to Questions Emailed
April 22, 2026 @ 4:00 PM CST	Deadline to Submit RFP Responses
July 26, 2026	Finalists Chosen
August 19, 2026	Finalist Interviews
August 21, 2026	Announcement of Selected Manager(s)

A. Release of the RFP: The RFP will be released on March 16th 2026. Submission will consist of completing the cover letter listed below and sending electronic version of your complete response to the email addresses listed below.

B. Deadline to submit written questions: Managers may submit questions in writing as to the intent or clarity of this RFP by March 25th 2026. Managers must clearly label their questions so that it can be determined which RFP the manager is addressing. Inquiries not submitted in writing in accordance with these requirements will not be considered.

BOARD MEMBERS OR STAFF MEMBERS OF THE STATE TREASURER WILL ACCEPT NO TELEPHONE INQUIRIES OR OTHER NON-WRITTEN INQUIRIES FROM PROSPECTIVE MANAGERS. ALL QUESTIONS RELATED TO THIS RFP SHOULD BE DIRECTED VIA EMAIL TO LISA MURRAY AT LISA.MURRAY@TREASURER.OK.GOV AND WYCK BROWN AT WBROWN@INNOVESTINC.COM, AND LUKE HOLLISTER AT LHOLLISTER@INNOVESTINC.COM.

C. Response to written questions: Written responses to all managers' written questions will be e- mailed by April 8th 2026.

D. Costs of preparation: All costs of preparation and presentation associated with your response to this RFP will be the responsibility of the manager. Managers may be asked to make a presentation before the Board if selected as a finalist. The Board will reimburse none of the costs associated with this presentation.

E. Applicable procurement law: The selection of investment managers for the Board is specifically exempt from the Oklahoma Central Purchasing Act. Pursuant to 62 Oklahoma Statutes Section 2306, the Board must select investment managers through a competitive process using a solicitation of proposals pursuant to its contracting policy. A copy of the contracting policy will be furnished upon request.

F. Submission of proposals: Each manager shall submit one cover letter. Letters must be signed by an individual with the authority to commit the manager/firm, and the authority of the individual signing must be stated with the signature. The final submission must be received by April 22nd, 2026 @ 4:00 PM CST.

The electronic copy of the cover letter shall be delivered to:

Wyck Browm at wbrown@innovestinc.com

Luke Hollister at lhollister@innovestinc.com

AND

Lisa Murray at lisa.murray@treasurer.ok.gov

NO EXCEPTIONS TO THE SUBMISSION DEADLINE WILL BE ALLOWED.

G. Evaluation of the Participating Managers: The evaluation of managers will be performed by Innovest, and staff members of the State Treasurer's Office. This process will take place between April 22nd, 2026 - July 26th, 2026 During this time, Innovest and/or staff of the State Treasurer may initiate discussions with managers who submit proposals, but proposals may be accepted without such discussions. Managers shall not initiate such discussions. Finalists will be notified on or before July 26th, 2026.

H. Finalists Interviews: The Board, Innovest and staff of the State Treasurer have targeted conducting in-person oral interviews of the selected finalists on August 19th, 2026. Firms selected for final interviews will be contacted directly.

I. Announcement of Selected Managers: The Board is expected to make the final decision and announcement regarding selection of the awarded proposal by no later than August 21st, 2026 or as soon as possible thereafter.

2.2 Cover Letter Format

OKLAHOMA TOBACCO SETTLEMENT ENDOWMENT TRUST FUND BOARD OF INVESTORS

Global Private Equity Manager Search

The Oklahoma Tobacco Settlement Endowment Trust is soliciting proposals from Global Private Equity managers. The Trust's total allocation to the selected manager(s) will be approximately $75 million.

[Insert firm name] is hereby submitting notification to participate in the above stated proposal process. [Insert firm name] is submitting information for its proposed product - [insert specific fund name – exactly as it appears in the Fund documents] - for the purposes of this Request for Proposal. [Insert firm name] has read, understands, and agrees to abide by the proposal process as outlined in the complete Request for Proposal document.

Please disclose below any campaign contributions and/or any contractual business with any Oklahoma Tobacco Settlement trustee or staff member. If you have nothing to disclose, please state so below:

________________________ ________________________

Signature Date

____

Title

2.3 Proposal Evaluation Process

A. Evaluation Summary - Staff members of the State Treasurer and Innovest personnel will evaluate the managers. The evaluation will determine which proposal is most advantageous to the Fund, taking into consideration the evaluation factors set forth below. The following process will be followed:
   1. All managers will be reviewed for compliance with the minimum mandatory requirements as specified in this RFP. Proposals that are not found to be in compliance may be rejected.
   2. Proposals not rejected will then be evaluated on the factors listed in Subparagraph B below. The finalist managers(s) will be the one(s) deemed to be the most advantageous to the Fund, except that a serious deficiency in any single criteria may be grounds for rejection.
   3. Innovest and/or staff of the State Treasurer will have the option to contact the manager(s) for clarification of any portion of any proposal. Sources other than the information supplied by the manager may also be used to verify that compliance with requirements of the RFP has been achieved.
   4. Finalist manager(s) will make presentations before the Board. The Board will select the successful manager(s) on the basis of this presentation, the information presented in the response to the RFP, and evaluations by Innovest and staff of the State Treasurer.

B. Evaluation Points Allocation - The award of the contract shall be made taking into consideration the following weighted evaluation factors. The maximum score will be 1000 points. Please note, however, that lack of response, transparency or any serious deficiency in any one criterion may be grounds for rejection, and that the listing of cost as an evaluation factor does not require the Board to select the manager who submits the lowest cost proposal.
   1. Organization and Team - 20% (200 points):
      i. Consistency of the management and investment team
      ii. Qualification, experience, and resources of key personnel involved with research, underwriting, and investment management
      iii. Ownership, governance, and succession planning
      iv. Client concentration and conflicts of interest
      v. Experience managing a number of funds whose total assets are greater than $1b
   2. Investment Philosophy, Process, and Due Diligence- 20% (200 points):

    i. Proven record of a clearly defined philosophy incorporating strong discipline, innovation and consistency of investment process
    ii. Research capabilities
3. Product Information – 20% (200 points)
    i. An investment style that best fits the desired portfolio structure.
    ii. Target number of portfolio holdings
    iii. Limits on portfolio exposures
    iv. Historical performance of Funds managed
    v. Liquidity provisions
4. Operations, Administration, & Risk Management- 10% (100 points):
    i. Strength of portfolio administration, audit, trading, accounting, and other administrative capabilities
    ii. Ability to monitor, reconcile, and analyze performance on a quarterly basis
    iii. Demonstrated expertise in compliance and risk management best practices
    iv. Quality of external service providers
5. Product Fees– Total Cost – 10% (100 points):
    i. Management Fee structure and calculation
    ii. Carried interest charge, hurdle, calculation (including frequency & hold back)
    iii. Administrative fees charged annually to the fund
6. Oklahoma Values and Environmental, Social, and Governance – 20% (200 points):
    i. Alignment with Oklahoma Values
    ii. Corporate Philanthropy Practices
    iii. Decision making process around ESG integration
    iv. ESG position and alignment with Oklahoma values

Section 3: RFP Questions

Preliminary: Provide an overview of the proposed strategy and its investment objectives (Please limit your response to 200 words):

In addition to the questions below, please complete the attached excel document titled "OK TSET Global Buyout PE Information Request FINAL". All information should be as of 12/31/25. Please return all information in excel format.

3.1 Organization and Team Information

3.1.1 Company

a. Provide a short history of the company with the most important milestones (no more than 500 words, bullet points preferred):
b. What type of legal entity is your company?
c. Does the company conduct any business other than asset management? If so, please state the nature of those businesses:

3.1.2 Corporate Governance

a. Provide details of the company's current ownership structure:
b. Detail any changes in ownership structure in the last 3 years:
c. Are there any plans for further ownership changes?

3.1.3 Personnel

a. Explain any significant employee turnover including listing joiners/leavers of key staff and the executive team over last (two) years:
b. How does the company attract new people?
c. Explain the compensation scheme for key people (particularly the bonus structure and the manager's share of the performance fee):
d. Provide a brief background of key personnel on the firm's executive team (education, professional background, tenure, no more than 200 words per biography):
e. Provide a brief background of key personnel specific to the proposed strategy (education, professional background, tenure, no more than 200 words per biography):
f. Please discuss possible retirement of key individuals at the firm with succession plans:
g. Please discuss possible retirement of key individuals specific to the proposed strategy with succession plans:
h. Does the proposed strategy have a key man clause? If yes, please explain.

3.2 Investment Philosophy, Process, and Due Diligence

3.2.1 Investment Philosophy and Process

a. Describe your investment philosophy (limit your response to 750 words or less)
b. Describe your due diligence process (limit your response to 750 words or less)

c. Where does your due diligence process differ from that of others in the marketplace? (limit your response to 300 words or less)
d. Describe the portfolio construction process (limit your response to 300 words or less)
e. Describe your approach to risk management and monitoring at the portfolio level and asset level (limit your response to 300 words or less)
f. Describe the ongoing investment management and monitoring process (limit your response to 500 words or less)
g. What are the main reasons for the exclusion of investments from the portfolio? (limit your response to 250 words or less)
h. In which areas does the company use external research and which sources do you employ? (limit your response to 250 words or less)

3.2.2 Operational Due Diligence

a. Do you have a dedicated operational due diligence team? (limit your response to 300 words or less)
b. What is the size and qualifications of the team? Provide a sample ODD checklist if used. (limit your response to 300 words or less)
c. Do you perform reference checks on potential investments? If so, how are these done? (limit your response to 300 words or less)
d. Do you perform due diligence checks on the administrator or any other service provider to the targeted investments? If so, please describe (limit your response to 300 words or less)

3.3 Product Information

Responses to the should be specific to the proposed product listed at the beginning of this RFP

a. Are there any investment restrictions (e.g., sector, geography, asset class, concentration, liquidity) in your mandate? (limit your response to 300 words or less)
b. What is the target dumber of portfolio holdings? (limit your response to 200 words or less)
c. What is the return-profile threshold (gross IRR, money multiples, etc.) for targeted investments? What is the expected holding period? (limit your response to 300 words or less)
d. Provide a public market equivalent index for the proposed strategy. (limit your response to 50 words or less)
e. Describe the subscription and redemption/repurchase processes, including frequency, limitations, soft locks, and any applicable fees?

f. What is the minimum investment amount?
g. Please provide a sample private placement memorandum and recent pitchbook for the proposed strategy

3.4 Operations, Administration, and Risk Management

3.4.1 Risk Management

a. Describe your risk management philosophy:
b. Describe how risk management is structured within your organization:
c. Does the company maintain a written risk management policy? If yes, provide a copy.
d. Does the company maintain a risk management system including operational, legal, reputational and business risk? If so, please describe:
e. Describe the company's quantitative risk management tools:
f. How are liquidity provisions monitored and controlled?
g. How does the company define operational risk?
h. Does the company have an operational risk management framework? Does the framework consider how the company identifies, assesses, monitors, and controls operational risks?
i. Are the employees responsible for the operational risk framework adequately independent from the business and appropriately trained? (For example, does the company have a risk or internal audit function that is responsible for the framework?)
j. Does the board of directors approve and regularly review the operational risk management framework?
k. Who is responsible for implementing the operational risk framework? Are there clear lines of responsibility across senior management?
l. How does the company ensure that employees understand their responsibilities for implementing the operational risk framework?
m. What due diligence process does the company perform prior to the appointment of an outsource service provider? Please specify if this process differs from different service providers (e.g. custodian and administrator)
n. Are service level agreements in place between the company and its outsource service providers? If so, how does the company monitor services against the prescribed standards?
o. Does the company perform periodic reviews of the outsource service providers?
p. What ongoing assurance does the firm perform over the effectiveness of the controls at outsourced service providers?

3.4.2 Administration

a. How often is the NAV calculated/estimated?

b. Describe your valuation policy and process, including use of independent valuation agents.
c. How frequently do you provide portfolio reports to clients? What is included in your standard client reporting package?
d. Is the fund administration performed in-house? If performed in-house:
    i. What are the tasks of the fund administration?
    ii. Does an independent party review these calculations?
    iii. What systems are used for fund administration?
e. If services are outsourced:
    i. Which tasks are fulfilled by external providers (include names of companies)?
    ii. Detail the duration of the relationship
    iii. Which services does the administrator provide (e.g. direct reporting to investors)
f. Please provide contact names, telephone and email for the following functions:
    i. Financial Reporting
    ii. Valuations/Fund Accounting
g. Will you provide annual audited financial statements that apply internationally accepted audit standards based on fair market values (e.g., IFRS, US GAAP)?

3.4.3 Service Providers

a. Provide a list of professional counterparts the company maintains a business relationship with:
    i. Legal advisors:
    ii. Auditors:
    iii. Banks:
    iv. External marketers:
    v. Other:
b. Do all the funds run by the Company have the same service providers? If not, why?
c. Have there been any changes in service providers (including administrators) in the last 5 years? If so, why?

3.4.4 Compliance/Regulation

a. Does the company have a full-time compliance officer?
b. Describe how compliance is structured within your organization:
c. Does a dedicated compliance team exist? Does the company maintain a written compliance manual? If yes, please provide details and the date it was last updated.
d. Is the company registered with any regulatory and/or supervisory bodies?

e. Please specify the date of the most recent regulatory inspection, if any:
f. Provide the date of any regulatory inspection or exam and summarize any regulatory findings.
g. Are there any lawsuits pending against the company?
h. If applicable, please provide us the most recent copy of your SOC 1 report?
i. What cybersecurity protocols do you have in place to protect client data and assets?
j. Provide key terms of the following firm policies: personal trading, political contributions, cross trades, KYC/AML.
k. Confirm that the company has established Anti-money Laundering (AML) procedures:
l. Please advise which jurisdiction's regulations you comply with:
m. Please advise who your AML Officer is:
n. Elaborate on the procedure to ensure compliance with AML policies:
o. Please provide a summary of your AML procedures

3.4.5 Conflicts of Interest and Other

a. How does the company ensure an alignment of interests between the company as fund manager and the investor?
b. Are key people invested in the funds? If so, to what extend?
c. Are there any family relationships between employees or related parties with key positions?
d. Are there any potential conflicts of interests the investor should be aware of?
e. Does the company have a formal business continuity management plan? Please describe the basic provisions:
f. What contingency plans do you have in terms of:
    a. Computer system fault
    b. Incapacitated investment decision makers?
    c. Presence of in-house computer technician?
    d. Back-up systems?
g. Do you currently hold insurance for the following (include coverage amounts):
    a. Directors' and Officers' Liability?
    b. For the funds
    c. For the management companies
    d. Professional indemnity or errors and omissions?
    e. Crime (Employee fidelity/third party fraud)?
    f. Key Person Insurance?

3.5 Product Fees

a. Please refer to the excel document.

3.6 Environmental, Social, and Governance

a. How does Environmental, Social, and Governance (ESG) translate into your investment decisions?
b. Describe your company culture.
c. How does ESG play into your corporate giving decisions?
d. Would ESG concerns/initiatives ever outweigh traditional fiduciary principles in your investment decision making process?
e. Does your organization use ESG ratings or scores when making investment decisions?
f. Does your firm maintain neutrality on cultural or political issues in its marketing, hiring, and shareholder communications?
g. Has the firm ever failed to make an investment in a fossil fuel project as a result of any decarbonization initiatives? (Limit your response to 200 words or less)
h. Does the proposed strategy have a lower exposure to fossil fuel projects as a result of any decarbonization initiatives? (Limit your response to 200 words or less)

Appendix A

Oklahoma Tobacco Settlement Endowment Trust Fund

PLACEMENT AGENT POLICY

I. PURPOSE

The following language describes the circumstances under which the Oklahoma Tobacco Settlement Endowment Trust Fund ("the Fund") shall require the disclosure of payments to Placement Agents in connection with the Fund's investments with external investment managers. External investment managers is a broad term which includes investment managers, general partners, and sponsors of hedge funds, private equity funds, real estate funds and other closed-end investment vehicles. The adoption of this policy requires broad, timely and updated disclosure of all Placement Agent relationships, compensation and fees. In the event the external investment manager utilizes a fund of funds approach, Placement Agent disclosure will only be required at the fund level, not of each underlying fund.

This Policy is to be applied to all agreements with external investment managers after the date this addendum is approved. It will also apply to existing external investment managers if, after approval, agreements are amended to extend the length of the agreement, renegotiate fees, increase the commitment of funds or change the agreement in a substantial way. In the event such amendments to the original agreement are made, the disclosure provisions of this Policy will apply to the amendment and not to the original agreement.

II. GOALS

Disclosure of all Placement Agent relationships, compensation and fees is intended to provide:

1. Transparency and confidence in the Fund's investment decision-making without concerns of impropriety.
2. Supplemental information to the Fund's Board members, Staff and Consultants when evaluating investment opportunities.
3. Investment decisions that are consistent with the Statement of Investment Policy.

III. RESPONSIBILITIES

A. Each of the Fund's external investment managers are responsible for:
    1. Providing the following information (subsequently referred to as the "Placement Agent Information Disclosure") to the Fund's Staff and its Consultant at the time investment discussions are initiated:
        a. A statement disclosing whether the external investment manager's principals, employees, agents or affiliates has compensated or agreed to compensate, directly or indirectly, any person or entity to act as a Placement Agent in connection with investments being considered or those that have already been made by the Fund (in the event there is a change to the existing agreement).
        b. A resume for each officer, partner or principal of the Placement Agent detailing the individual's education, professional designations, regulatory licenses, and investment experience. If any of these individuals is a current Board member, Staff member or employed by the Consultant, or this is applicable to any of these individual's immediate family members, this will be specifically noted.

c. A description of any and all compensation of any kind provided or agreed to be provided to a Placement Agent, including the value, timing, and nature of the compensation.
d. A description of the services to be performed or that are currently being performed by the Placement Agent and a statement as to whether the Placement Agent is utilized with all prospective clients or a subset of prospective clients.
e. Copies of any and all agreements between the external investment manager and the Placement Agent.
f. The names of any Fund Board members, Staff or Consultants who suggested the retention of a Placement Agent.
g. A statement that the Placement Agent (or any of its affiliates, if applicable) is registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association and the details of such registration.
h. A statement whether the Placement Agent, or any of its affiliates, is registered as a lobbyist with any state or national government.

2. Providing updates of any changes to any of the information included in the Placement Agent Information Disclosure within 14 calendar days of the date that the external investment manager knew or should have known of a change in the information originally provided.
3. Representing and warranting the accuracy of the information included in the Placement Agent Information Disclosure in any final written agreement between the external investment manager and the Fund with a continuing obligation to update any changes in accordance with Appendix A of this Policy.

B. The Fund's Staff is responsible for all of the following:

1. Providing external investment managers with a copy of this Policy at the time that discussions are initiated with respect to a prospective investment or with respect to amendments to agreements with current investments.
2. Confirming that the Placement Agent Information Disclosure has been received prior to the completion of any due diligence and before any recommendation is made regarding prospective investments or amendments to agreements with current investments.
3. Declining the opportunity to retain or initiate an investment with an external investment manager if the Placement Agent Information Disclosure reveals

that a Placement Agent was employed that is not registered with either the Securities and Exchange Commission or the Financial Industry Regulatory Association.

4. Securing in the final written agreement between the Fund and the external investment manager the following remedies in the event it is discovered that the external investment manager knew or should have known about any material omission or inaccuracy in the Placement Agent Information Disclosure or any other violation of this Policy:
    a. Whichever is greater, the reimbursement of any management or advisory fees for two years or an amount equal to the amounts paid or promised to be paid to the Placement Agent; and
    b. The authority to terminate immediately the investment management contract or other agreement with the external investment manager without penalty, to withdraw without penalty from the limited partnership, limited liability company or other investment vehicle, or to cease making further capital contributions (and paying any fees on these uncalled commitments) to the limited partnership, limited liability company or other investment vehicle.
5. Confirming that the final written agreement between the Fund and the external investment manager states that the external investment manager shall be solely responsible for, and the Fund shall not pay for (directly or indirectly), any fees, compensation or expenses for any Placement Agent used by the external investment manager.
6. Prohibiting any external investment manager or Placement Agent from soliciting new investments from the Fund for a two year period after commitment of a material violation of this Policy.
7. Providing a copy of the Placement Agent Information Disclosure to the Board whenever decisions to invest in external investment managers are up for approval or whenever decisions to amend current external investment manager agreements are up for approval.
8. Compiling a quarterly report containing the names and amount of compensation agreed to be provided to each Placement Agent by each external investment manager as reported in the Placement Agent Information Disclosures, and providing the report to the Board.
9. Reporting to the Board at least quarterly any material violations of this Policy.

C. External investment managers shall comply with this Policy and cooperate with Staff in meeting their obligations under this Policy.

D. Only the Board can provide exceptions to this Policy and any such exceptions granted shall be reported to the public within 45 days.

Appendix A

Oklahoma Tobacco Settlement Endowment Trust Fund

INVESTMENT POLICY STATEMENT

INTRODUCTION

The Oklahoma Tobacco Settlement Endowment Trust Fund (the "Fund") is a permanent trust fund, established under Article X, Section 40, of the Oklahoma Constitution (approved by the voters in 2000), for the collection and investment of monies received by the state of Oklahoma (and allocated by the legislature) pursuant to any settlement with or judgment against any tobacco company.

This policy statement is issued for the guidance of fiduciaries, including the members of the Board of Investors (the "Board"), investment managers and consultants responsible for investing the assets of the Fund.

The Board, both upon their own initiative and upon consideration of the advice and recommendations of the investment managers and other fund professionals involved with the assets, may amend policy guidelines. Proposed modifications should be documented in writing to the Board.

STATEMENT OF GOALS AND OBJECTIVES

This statement of investment goals and objectives is to set forth an appropriate set of goals and objectives for the Fund's assets and to define guidelines within which the investment managers may formulate and execute their investment decisions. The Board recognizes two competing objectives: maximize long-term growth of the fund and maximizing current income that can be spent by the Board of Director's on tobacco cessation and health programs. Investments taken in pursuit of these objectives should serve the foundational purpose of providing for the benefit and betterment of the people of Oklahoma. The Board therefore adopts the following goals-

1. The primary goal of the fund is to achieve the 5% spending target after the effect of inflation while maintaining and enhancing the real value of the fund in the long-run, in a manner consistent with prudent investment management.

2. The Fund currently operates under constitutional and statutory restrictions which limit distributions and spending from the Fund. Annual certified earnings are measured by the dividends, interest, and net capital gains of the Fund, less fees to manage the fund, from the beginning to the end of the previous fiscal year. Within these restrictions, the Board of Directors makes the specific spending decisions for the Fund. The Board of Investors will seek to invest in strategies that will allow for maximum, stable, predictable annual earnings distributions while not reducing the real purchasing power of the fund.

3. Total return, as used herein, includes income plus realized and unrealized gains and losses on Fund assets. In addition, assets of the Fund shall be invested to ensure that principal is preserved and enhanced over time. The Board seeks to limit and control risks which jeopardize the safety of principal and, to prohibit investments that are not prudent.

4. The total return for the overall Fund shall meet or exceed the Fund's Policy Index (as described in Appendix I).

5. Total risk exposure and risk-adjusted returns will be regularly evaluated and compared with the objectives of the fund.

6. Investment managers' return shall exceed the return of the designated benchmark index noted ~~below~~ in Appendix I and rank in the top-third of the appropriate asset class and style universe returns. Passive managers shall match the return of the designated index.

~~Asset Class~~	~~Benchmark~~	~~Asset Class Universe~~	~~Style Universe~~
~~Domestic Large Cap Equity (Growth, Value)~~	~~Russell 1000 Growth or Value Index~~	~~Equity Funds~~	~~eVestment Large Cap Equity (or style specific universe)~~
~~Domestic Small/Mid Cap Equity~~	~~Russell 2500 Index~~	~~Small/Mid Cap Equity Funds~~	~~eVestment Small/Mid Cap Equity (or equivalent)~~
~~International Equity~~	~~MSCI ACWI ex-US Index~~	~~International Equity Funds~~	~~eVestment ACWI ex-US Equity~~
~~Domestic Fixed Income~~	~~Barclays Aggregate~~	~~Fixed Income~~	~~eVestment US Core Fixed Income~~
~~Domestic High Yield Fixed~~	~~ICE BofA US High Yield, BB-B Rated~~	~~High Yields Funds~~	~~eVestment US High Yield Fixed Income~~
~~Absolute Return Fixed Income~~	~~50% ICE BofA U.S. High Yield Index and 50% S&P/LSTA Leveraged Loan Index~~	~~Fixed Income~~	~~eVestment Global Unconstrained Fixed Income~~
~~Private Debt~~	~~50% ICE BofA U.S. High Yield Index and 50% S&P/LSTA Leveraged Loan Index~~	~~Direct Lending~~	~~eVestment US Floating Rate Bank Loan~~
~~GTAA~~ ~~Private Equity~~	~~60% MSCI All Country World Index and 40% Bloomberg Global Aggregate Fixed Income Index~~	~~GTAA~~	~~eVestment Global TAA~~
~~Real Estate~~	~~NCREIF Property Index~~	~~Real Estate~~	~~Not applicable~~
~~Dynamic Fixed Income~~ ~~Real Assets/Private Infrastructure Equity~~	~~Bloomberg Global Aggregate Fixed Income Index~~	~~Fixed Income~~	~~eVestment All Global Fixed Income~~
~~MLP's~~	~~Alerian Index~~	~~Equity~~	~~eVestment Master Limited Partnership~~

7. The Board is aware that there may be deviations from these performance targets. Normally, results are evaluated over a three-to-five year time horizon, but shorter-term results will be regularly reviewed and earlier action taken if in the best interest of the Fund for Items 1 through 6 above.

INVESTMENT GUIDELINES

The overall capital structure targets and permissible ranges for eligible asset classes are detailed in Appendix I.

Full discretion, within the parameters of the guidelines described herein, is granted to the investment managers regarding the asset allocation, the selection of securities, and the timing of transactions.

1. Equity investments, i.e., common stocks, convertibles, warrants, deposit receipts and rights are permitted; subject to the guidelines in Appendix I. While managers are expected to keep funds allocated to them fully invested, equity specialists may vary equity commitment from 90% to 100% of assets under management.

2. Domestic and Foreign fixed income investments are permitted, subject to the guidelines in Appendix I, and may include U.S. Government and Agency obligations, corporate bonds, and other securities deemed appropriate by the investment managers.

3. During selection of asset allocations, investment consultants and investment managers are expected to evaluate Oklahoma-based funds, and those funds that make substantial investment in this state, using several factors including but not limited to: rate of return; years of operation; sufficiency of capitalization; investment performance track record; differentiation and sustainability of investment strategy; fee structure; background of limited partners; and the ratio of capital invested in this state.

4. The minimum quality rating of any fixed income issue purchased in the domestic core fixed income portfolio shall be BB as rated by Moody's, or an equivalent rating agency, and the overall weighted average quality shall be A~~A~~ or higher. The ratings in this Policy Statement are minimum guidelines only; the investment managers are responsible for making an independent analysis of the credit worthiness of securities and their suitability as investments regardless of the classifications provided by rating agencies.

5. The overall weighted average quality of the dedicated high yield portfolio shall be BB or higher, though up to 10% may be invested in securities with a Caa/CCC rating. All individual holdings must be rated Caa(3)/CCC- or higher by Moody's/S&P at the time of investment. Split rated securities are permitted, with the higher rating used to determine eligibility for the dedicated high yield portfolio.

~~6. The overall weighted average quality of the Global Fixed Income Absolute Return allocation shall be BBB- or higher. At least 30% of the portfolio will be investment grade.~~

~~7.~~6. The effective duration (interest rate sensitivity) of an actively managed fixed income portfolio shall not exceed seven years.

~~8.~~7. Securities of an individual issuer, excepting the U.S. government and agencies and sovereign nations and their agencies, shall not constitute more than 6% of an investment manager's portfolio at any time, at market value, unless the security constitutes more than 6 % of the managers benchmark, in which case such holding shall not exceed the index holding by more than 3%.

~~9.~~8. Investment managers may maintain reserve and cash equivalent investments. However, these investments should be made on the basis of safety and liquidity, and only secondarily by yield available. Such securities shall carry the equivalent of S&P A1 or A2 ratings.

~~10.~~9. Senior Secured direct loans shall have an average loan to value ratio of at ~~least~~ most ~~40~~70%. No loan shall constitute more than 10% of the portfolio at time of initial investment.

~~11.~~10. Investments in Bank Debt shall be permissible up to a maximum of 25% of the dedicated high yield portfolio at the time of purchase.

~~12.~~11. Investments in non-U.S. dollar denominated securities shall be permissible up to 10% of the dedicated high yield portfolio at the time of purchase. Forward foreign exchange currencies may be purchased to hedge investments in non-U.S. dollar denominated securities.

Investment Guidelines for International Equity

1. The fund is permitted to invest in Canada.

2. The International fund will not hold more than 10% of the net asset value in investments outside the countries in the MSCI ACWI ex US index. Individual non-ACWI ex US country allocations will be limited to 10% of the net asset value. The International fund may effect transactions between the fund and any other client of the Investment Manager provided that the interests of the clients are best served in such transactions ("cross trades").

3. The International fund may effect transactions in new issues or offers for sale of securities (including those where the prices may be subject to stabilization).

4. Investment Manager is permitted to carry out spot transactions.

The fund will not borrow cash; however, it will allow temporary overdrafts pending settlement of transactions.

~~**Global Asset Allocation Managers**~~

~~1. The purpose of employing a GTAA manager is to provide an additional layer of diversification with the twin goals of increasing return and decreasing risk. To the extent necessary, the managers can use active or passive underlying portfolios. Due to the global nature of these mandates, managers are expected to be evaluating and/or investing in non-US instruments, to include derivative investments allowing for market exposure in non-US instruments.~~

~~2. GTAA strategies are allowed, to hold: domestic, international and emerging equities, bonds and real assets. Managers may pursue strategies that change the capital structure of the portfolio at~~

~~any time as market conditions dictate within the strategy guidelines of the manager.~~

~~3. GTAA managers may employ either a passive or active approach with regard to how the assets are invested. These strategies should be employed to improve the overall portfolio's diversification and to provide attractive risk-adjusted returns. These strategies may include products that are focused on generating absolute or real returns, compared to other strategies in the portfolio which may be more benchmark sensitive.~~

Real Estate Managers

1. Real estate typically exhibits low correlation to equities and fixed income markets and provides diversification benefits to the overall portfolio. Investments will include domestic and foreign income producing properties, raw land, and other real estate related opportunities.

2. Given that the investments will be made via commingled vehicles, the fund recognizes that the portfolio cannot be customized or altered for any one investor. Accordingly, the fund shall adopt the investment guidelines of the commingled vehicle as its own so long as it is keeping with the spirit and intent of the guidelines contained herein.

3. Real estate assets will be diversified among managers, with allocation to both Core and Value-added strategies. Core investments generally refer to leased properties where the focus is on income. Value-added strategies generally focus on properties that can be improved in some fashion to increase either the rents or the occupancy rates. Value-added investments are expected to provide a greater amount of their returns from capital appreciation.

Master Limited Partnership (MLP's) Managers

1. The purpose of employing MLP managers is to generate a high level of current income.

2. It is understood that there will be volatility based on oil prices, and that this should be evaluated over at least 3-5 years.

3. MLP investments are expected to be primarily in the US and Canada.

4. MLP investments may be either limited partnership or C corporations at the managers discretion.

Real Assets/Private Infrastructure Managers

1. Real assets, and particularly infrastructure assets, have the potential to provide stable income, a hedge against inflation, and returns that are relatively less correlated to equity and fixed income investments. In addition, to these benefits, infrastructure equity could potentially mitigate downside risks of the portfolio due to the contractual cashflows and essential-use nature of the assets. Examples of infrastructure assets include energy production and distribution facilities, transportation assets such as toll roads or shipping networks, utilities, and telecom or fiber networks.

Private Equity Managers

1. Private equity investments have the potential to enhance long term portfolio returns by providing access to companies and value creation opportunities that are not available in public markets. Through active ownership, operational improvements, and strategic capital allocation, private equity managers may seek to generate returns that are less dependent on broad market movements and more driven by business specific performance. In addition, incorporating a diversified mix of private equity strategies such as venture capital, growth equity, buyout, and secondaries can help broaden the opportunity set. Utilizing diversified investment vehicles within these strategy types may further support improved risk adjusted outcomes by spreading capital across managers, sectors, and vintage years.

Economically Targeted Investments in Oklahoma

The Fund is encouraged and permitted to consider local asset managers and investment strategies that invest in the State of Oklahoma. The Fund may consider qualified firms and strategies that meet the following criteria:

1. Offer a competitive, risk-adjusted return that is consistent with the Fund's Policy objectives for the targeted asset class;

2. Strategies must be managed by experienced firms and investment teams that have an operational track record of prior investment in the targeted asset class; and

3. Proposed investments must be offered at competitive fees and terms that are consistent with the investments in the targeted asset class that are not considered as part of the Program.

Investments made must still comply with the other provisions of this Investment Policy document, including Investment Guidelines and the sections pertaining to Ineligible Investments and Placement Agent policies.

Ineligible Investments

Unless specifically approved by the Board, certain securities, strategies and investments are ineligible for inclusion within the Fund. Among these are:

1. Securities issued by companies engaged in the manufacture of tobacco products. This includes any company which is a signatory to the Master Settlement Agreement to which the State of Oklahoma is a party. A list of these companies, as updated periodically, is available on the website of the National Association of Attorneys General at https://www.naag.org/wp-content/uploads/2025/06/2025-06-20-PM-List.pdf~~http://www.naag.org/Tobacco/pdffiles/ParticipatingManufacturerslist.pdf~~. ~~It shall also include tobacco manufactures identified and reported by the Investor Responsibility Research Center ("IRRC").~~ The board of investors realizes it cannot dictate specific guidelines to commingled vehicles, including mutual funds and exchange traded funds. This restriction does

not apply to the underlying holdings of commingled funds, mutual funds, or exchange traded funds.

2. Lettered, legend or other so-called restricted stock.

3. Straight preferred stocks and non-taxable municipal securities should not normally be held unless pricing anomalies in the marketplace suggest the likelihood of near-term capital gains when normal spread relationships resume.

4. Short sales, unless part of a hedging strategy or market neutral equity account.

~~5. Direct investments in private placements, real estate, oil and gas and venture capital.~~

Spending Policy

The Board of Directors has the discretion to decide how and when to spend earnings from the Fund as certified by the Board of Investors. The Board of Investors will provide liquidity in the Fund to meet these withdrawals.

Investment managers should assume that withdrawals might be made from the Fund from time to time to meet distribution needs. The Board will endeavor to provide ample notice of any material withdrawals.

Investment managers will be given adequate notice of cash needs and an estimation of the liquidity requirements from their funds. They will be expected to manage their funds to provide for anticipated withdrawals without impairing the investment process.

Oklahoma Values Alignment

The Board acknowledges its intent to consider investments aligned with the State of Oklahoma's economic values and public policy objectives, while seeking to generate ~~investing in alignment with Oklahoma values, while attempting to generate~~ quality financial returns over the long term, considering an appropriate amount of risk.

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Oklahoma TSET economic values and public policy objectives are rooted in their vision to improve the health and well-being of those in Oklahoma by fighting their leading causes of death, cancer and cardiovascular disease. Oklahoma TSET's mission is achieved through funding programs proven to reduce both tobacco use and obesity, such as health education, research, treatment, physical activity, nutrition, and environmental initiatives throughout Oklahoma.

In addition, since this trust benefits the people of Oklahoma, when selecting and monitoring investment managers, preference should be given to those that publicly commit to the economic drivers and industries that benefit the state of Oklahoma.

Proxy Voting

Responsibility for the exercise of ownership rights through proxy solicitations shall rest solely with ~~the investment managers, who shall exercise this responsibility strictly for the benefit of the Fund~~ a fiduciary proxy-voting institution which votes in alignment with the economic values and public policy objectives ~~interest~~ of the state of Oklahoma. Alignment implies that the proxy-voting institution will not cast votes in a way which seeks to advance Environmental Social or Governance causes and will vote in a way consistent with the economic drivers and industries which benefit the state of Oklahoma. The proxy voting fiduciary institution shall exercise this responsibility strictly for the benefit of TSET. Investment managers shall employ economic values-aligned and public policy-aligned proxy voting guidelines by utilizing Bowyer Research Proxy Voting Guidelines for States.

Managers shall annually report to the Board standing policies with respect to proxy voting, including any changes that have occurred in those policies. Additionally, investment managers shall provide a written annual report of the proxy votes for all shares of stock in companies held in the Funds investment program, including a complete list of votes cast on behalf of TSET. These reports shall specifically note and explain any instances where proxies were not voted in accordance with standing policy. The board may consider the results of the report when deciding to retain or terminate the investment manager.

Directed Commissions

Investment managers shall use their best efforts to ensure that portfolio transactions are placed on a "best execution" basis. Additionally, arrangements to direct commissions shall only be implemented by specific authorization of the Board.

Securities Lending

The Board may engage their custodian or other financial institution to act as securities lending agent. Securities lending should be managed to gain an incremental return while protecting principal and not impeding the operation of the managed investment accounts. Securities lending agent shall:

1. Provide indemnification against borrower default.
2. Have written agreements with each borrower prior to engaging in securities lending activities.
3. Lending shall be fully collateralized and securities should not be lent before acceptable collateral valued at 102% of domestic securities and 105% of international securities lent is received.
4. Lending agent shall monitor collateral at least daily and ensure that any necessary calls for additional collateral are made and that collateral is received in a timely basis.
5. Lending agent shall regularly review and monitor their approved borrowers to minimize risk.

Acceptable collateral shall include cash, securities issue by US Government or its agencies or instrumentalities, and irrevocable letters of credit from issuers with short term debt ratings of at least (A-1) by S&P or (P-1) by Moody's and an (A) long term debt rating. No more than 5% of securities on loan will be subject to the letter of credit of a single financial institution.

Lending agent shall select prudent investments for collateral based on a thorough evaluation of all risks including market, interest rate, concentration risk, and credit risk. Acceptable collateral investments include:

1. Securities issued or fully guaranteed by the US Government and any agency instrumentality or establishment of the United States government.

2. High grade commercial paper, notes, bonds and other debt obligations including promissory notes, funding agreement and guaranteed investment contracts. Quality must be rated (A-1) by S&P or (P-1) by Moody's if maturing within one year and S&P A or Moody's A2 if maturing beyond one year.

3. Asset-Backed securities which carry the highest credit rating by S&P or Moody's whose underlying assets are restricted to automobile credit and credit card receivables.

4. Fully collateralized repurchase agreements with respect to approved investments with approved counterparties where the collateral is held by the agent or for the account by an agent or sub-custodian of agent or a third party bank, depository or a third party custodian. Agent shall only use counterparties that have a short-term debt rating of (A-1) which are diversified securities broker-dealers who are members of the National Association of Securities Dealers or bank or savings and loan association having $5 billion in assets and based on credit review of the lending agent.

Collateral shall not be invested in leveraged securities or derivatives. The aggregate mismatch of loans and investments shall be less than 45 days. Maturity of fixed rate investments shall be 1-year and maximum maturity of floating rate investments shall be 3-year provided that the reset period does not exceed 3 months. Issuer diversification shall be limited to 5% per issuer except for US government and agency securities. Overnight liquidity shall be at least 15% of portfolio.

Hiring Investment Managers

When the Board selects investment managers to manage assets of the Fund, factors to be considered shall include, but not be limited to, the stability of the investment organization, staff and client base, consistency of the investment process, style and philosophy, competitiveness of risk and return forecasted and historically versus indices and peers, and reasonableness of fees. In addition, as outlined above, alignment with the State of Oklahoma's economic values and public policy objectives will also be considered.

Manager Oversight Philosophy and Policy

The Board of Investors (Board) will review the investment management organizations and investment performance of each portfolio and investment option on a quarterly basis. A portfolio and investment option will be evaluated over a full market cycle, generally defined as three to five years. This time period may be longer depending on the current market environment. This allows for the investment process and style of a particular portfolio to fully manifest itself in terms of risk, return, style, and overall portfolio characteristics. The presence of this policy does not imply that a manager underperforming their benchmark is sufficient cause to terminate that manager, simply a factor in the broad mosaic of reviewing the continued employment of that manager. It should be noted that while the Board will scrutinize all types of manager, this policy primarily relates to public market managers due to the funds inability to exit private market investments in a cost-effective manner.

At its discretion, the Board may choose to evaluate a fund over a shorter period. In addition to considering the Investment Consultant's recommendation of a fund based on their independent evaluation criteria, the Board will review the following with respect to each portfolio and investment option and determine if additional action should be taken at the sole discretion of the Board:

1. Portfolio management, expenses and administrative feasibility;
    A. Appropriate diversification and prudent management.
    B. Reasonable investment management fees and/or expense ratios as compared to other institutionally managed portfolios.
    C. Consistent investment style.

2. Performance;
    A. Performance versus indices.
    B. Performance relative to peer group.
    C. Performance reviewed over a three and five year time period unless shorter term underperformance is so severe that it warrants the Board's immediate consideration for termination and/or replacement. The Board may also elect to evaluate a manager over longer time periods given current market conditions.
    D. Portfolio risk characteristics shall remain consistent with the underlying investment manager or portfolio style.

3. Communication and reporting;
    A. Each investment manager shall communicate any changes to their organization, personnel and investment process to the Board.
    B. Each investment manager shall be responsive to the Board and staff's requests.

4. Corporate stability and personnel;
    A. Corporate governance issues including change in company ownership, turnover of the underlying investment management personnel, significant change to the investment process or issues with governing regulatory body.
    B. Portfolio size should be less than 15% of the firm's assets under advisement within the particular investment strategy employed by the Board

5. Operations;
    A. Operational problems with the accuracy of transactions and processing of cash flow will be reviewed periodically.

6. Compliance with individual fund investment guidelines.

7. In the case of separate accounts compliance with individual investment guidelines as outlined in the Investment Policy Statement.

Non-compliance, and/or non-adherence to the aforementioned standards and performance objectives can be immediate grounds for termination and replacement at the sole discretion of the Board.

Other issues, such as significant changes from current operational and reporting standards, may be considered by the Board within the monitoring, termination and replacement decision making process. If any of these issues develop the board will have sole discretion to take action as appropriate.

ROLES AND RESPONSIBILITES

Board of Investors

The Board of Investors shall be responsible for the overall management of the Fund. The Board shall review the total investment program, shall establish the investment policy and provide overall direction to the State Treasurer's Office, the Investment Consultant and retained investment managers in the execution of the investment policy. The Board is responsible for evaluating, hiring, and terminating investment managers, custodian banks, transition managers, and consultants.

Investment Consultant

The Investment Consultant shall assist the Board in developing and modifying policy objectives and guidelines, including the development of asset allocation strategies, recommendations on long-term asset allocation and the appropriate mix of investment manager styles and strategies. The Consultant shall assist the Board by monitoring compliance with this Investment Policy. The Consultant shall also provide assistance in manager searches and selection, and in investment performance calculation, evaluation, and analysis. The Consultant shall provide timely information, written and/or oral, on investment strategies, instruments, managers and other related issues, as requested by the Board. The Consultant shall monitor the Board's investment managers and notify the Board of any material changes in the investment managers' firms or their staffing.

Investment Managers

The duties and responsibilities of each of the investment managers retained by the Board include:

1. Managing the Fund’s assets in accordance with the policy guidelines and objectives expressed herein.

2. Prudently selecting investments based on thorough evaluation of all risks including market, interest rate, and credit risk.

3. Meeting with the Board at their request. Each manager shall report to the Board and the Investment Consultant as outlined in Appendix II. Quarterly reports should be submitted in writing within 30 days of the end of each quarter.

4. Working with the custodian bank and the Investment Consultant to verify monthly accounting and performance reports.

5. Acknowledging in writing to the Board the investment manager’s intention to comply with this Statement as it currently exists or as modified in the future.

Custodian Bank

In order to maximize the Fund's return, no money should be allowed to remain idle. Dividends, interest, proceed from sales, new contributions and all other monies are to be invested or reinvested promptly. Custodian should temporarily place funds in a fully collateralized interest bearing bank account or any of the short term money market vehicles commonly used for funds awaiting investment distribution. Securities lending shall only be engaged in by the custodian or third party lending agent with the express agreement of the Board.

The custodian bank(s) will be responsible for performing the following functions:

1. Accept daily instructions from designated staff.

2. Notify investment managers of proxies, tenders, rights, fractional shares or other dispositions of holdings.

3. Resolve any problems that designated staff may have relating to the custodial account.

4. Safekeeping of securities.

5. Timely collection of interest, dividends, and processing and filing foreign tax reclaims.

6. Daily cash sweep of idle principal and income cash balances.

7. Processing of all investment manager transactions.

8. Collection of proceeds from maturing securities.

9. Disbursement of all income or principal cash balances as directed.

10. Providing monthly statements by investment account and a consolidated statement of all assets.

11. Working with the investment consultant and the Fund's accountant to ensure accuracy in reporting.

12. Provide written statements revealing monthly reconciliation of custody and investment managers' accounting statements.

13. Monitor compliance with policy against investment in tobacco manufacturers.

Securities Lending Agent

The securities lending agent will be responsible for managing the securities lending program including the following functions:

1. Arrange terms and conditions of securities loans.

2. Monitor the market value of the securities lent and mark to market at least daily and ensure that any necessary calls for additional collateral are made and that such collateral is obtained on a timely basis.

3. Lending agent will direct the investment of cash received as collateral provided such investments are consistent with guidelines provided in this document.

OTHER CONSIDERATIONS

It is the intent of the Board to revise this statement of goals and objectives to reflect modifications and revisions to the Fund, which may develop from time to time. It is also the policy of the Board to review these goals and objectives at least once per year and to communicate any material change thereto to the investment managers.

This policy statement is prepared to provide appropriate guidelines for the investment managers, consistent with the Fund's return objectives and risk tolerances. Should any investment manager believe that the guidelines are unduly restrictive or inappropriate, the Board expects to be advised accordingly.

IMPLEMENTATION

All monies invested for the Fund by its investment managers after the adoption of this Investment Policy shall conform to this policy. The Investment Policy statement was adopted by the Board of Investors of the Oklahoma Tobacco Settlement Endowment Trust Fund at their meeting on August 17, 2021.

** The investment policy statement of the Oklahoma Tobacco Settlement Fund has been amended on the following dates:

January 31, 2025
August 9, 2023
August 17, 2021
August 23, 2018
June 8, 2016
February 12, 2014
December 1, 2010**International Benchmark is effective 12-01-10
November 17, 2010
August 12, 2009
August 13, 2008
June 18, 2007
February 14, 2007
February 17, 2005
November 10, 2004
August 13, 2004
June 17, 2004
February 12, 2004
August 21, 2003
May 14, 2002

APPENDIX I

Oklahoma Tobacco Settlement Endowment Trust Fund

ASSET ALLOCATION POLICY

In order to have a reasonable probability of achieving the target return at an acceptable risk level, to reduce the risk of losses resulting from over-concentration of assets, and providing a stable level of earnings distributions, the Board has adopted the asset allocation policy outlined below. The actual asset allocation will be reviewed on a quarterly basis and will be readjusted when an asset class weighting is outside its target range.

ASSET CLASS	**Lower Limit**	**Strategic Allocation**	**Upper Limit**	**Benchmark**
Domestic Equities Large Cap Small/Mid Cap	 16% 5%	 **19%** **8%**	 22% 11%	Russell 1000 Value Russell 1000 Growth Russell 2500
International Equity	13%	**16%**	19%	MSCI AC World ex USA
Domestic Fixed Income	16%	**19%**	22%	Blmbg. U.S. Aggregate Index
High Yield	0%	**3%**	6%	ICE BofA U.S. High Yield, BB Constrained
Real Estate	2%	**5%**	8%	NCREIF ODCE
Other Real Assets - Midstream	2%	**5%**	8%	Alerian MLP
Other Real Assets - Diversified	2%	**5%**	8%	Real Asset Benchmark
Private Equity	2%	**5%**	8%	Evergreen PE Index
Private Debt	7%	**10%**	13%	LSTA US Lev. Loan 100
Cash and Equivalents	2%	**5%**	8%	90 Day U.S. Treasury Bill

~~**ASSET CLASS**~~	~~**TARGET WEIGHT (%)**~~	~~**TARGET RANGE (%)**~~	~~**TARGET BENCHMARK**~~
~~EQUITY~~	~~40~~	~~35 – 45~~	
~~Large Cap~~	~~20~~19	~~15 – 25~~	~~Russell 1000~~
~~Small-Mid Cap~~	~~5~~8	~~2 – 8~~	~~Russell 2500~~
~~International~~	~~15~~16	~~10 – 20~~	~~MSCI ACWI ex-US~~
~~FIXED INCOME~~	~~36~~	~~30-42~~	
~~Domestic Fixed~~	~~10~~19	~~5 – 15~~	~~Barclay's Aggregate~~
~~High-Yield~~	~~6~~3	~~4 – 10~~	~~ICE BofA US High Yield, BB-B Rated~~

~~Dynamic Fixed Income~~	~~2~~	~~2 – 11~~	~~Bloomberg Global Aggregate Fixed Income Index~~
~~Private Debt~~	~~10~~	~~4 – 12~~	~~50% ICE BofA U.S. High Yield Index and 50% S&P/LSTA Leveraged Loan Index~~
~~Absolute Return Fixed Income~~	~~8~~	~~5 – 15~~	~~50% ICE BofA U.S. High Yield Index and 50% S&P/LSTA Leveraged Loan Index~~
~~MULTI-ASSET~~	~~14~~	~~11-17~~	
~~Global Tactical Asset Allocation~~	~~9~~	~~5 – 15~~	~~60% MSCI All Country World Index and 40% Bloomberg Global Aggregate Fixed Income Index~~
~~MLP's~~	~~5~~	~~0 – 10~~	~~Alerian Index~~
~~REAL ESTATE~~	~~10~~5	~~7–15~~	~~NCREIF Property Index~~
~~INFRASTRUCTURE~~			
~~PRIVATE EQUITY~~			
~~CASH~~	~~0~~5	~~0-5~~	~~90 Day T-Bill~~

The Fund's Policy Index is a custom benchmark designed to indicate the returns that a passive investor would earn by consistently following the asset allocation targets set forth in this investment policy statement. It is useful in separating the impact of investment policy from execution of the investment strategy in evaluating the performance of the Funds investment program.

The Policy Index is calculated by multiplying the target commitment to each asset class by the rate of return of the appropriate market index, as listed above, on a monthly basis.

REBALANCING POLICY

General.

The purpose of this rebalancing policy is to establish a framework of discipline and decision-making. A form of systematic asset allocation has been chosen which the Board believes can be implemented reasonably effectively within the organization structure of this Fund.

Overall Fund Allocation

1. The system of asset allocation rebalancing to be utilized involves a target asset mix around which variance is allowed within prescribed limits. Rebalancing will be effected when a limit is reached or exceeded. In addition to monitoring target and actual allocations quarterly, the Board will formally review the policy and actual allocations in light of anticipated cash flows at the last meeting prior to the receipt of the annual contribution.

2. The following rebalancing procedure will be employed by the Fund:

The Investment Consultant will report asset class exposures to the State Treasurer, or his/her designee, at the end of each calendar quarter. If the percentage of the Fund's assets allocated to an asset class has reached or exceed the asset class's target range, the following action shall take place. After giving consideration to Consultant recommendations concerning which Manager(s) should lose and/or gain assets, the State Treasurer, or his/her designee, may cause assets to be shifted between managers so as to bring the asset allocation of the "out of range" asset class back to its appropriate target. Such action shall be reported to the Board at their next scheduled meeting. In order to accomplish a required rebalancing with as little transaction cost as is reasonably possible, the State Treasurer, or his/her designee, is authorized to take into account any cash flows which are anticipated to occur within a reasonable period of time (generally three months or less). Examples of such cash flows would be a contribution to the Fund from the State or a Manager termination. It is understood that in private markets it is difficult to quickly get invested and/or to rebalance.

Allocation among Equity Styles

1. The Board, with the assistance of its Consultant(s), will from time to time establish target allocations and allowable ranges for each equity style.

2. Rebalancing of the allocation among equity styles is desirable: If rebalancing of the Funds overall asset allocation (described above) is required, the general policy will be to rebalance among equity style weightings in such a way as to restore the balance of styles within an asset class. The State Treasurer, or his/her designee, will consider Consultant recommendations on this issue. No manager on the Hold List (a designation which indicates significant concern about a Managers performance, process or organization) shall receive additional assets.

3. These actions shall be reported to the Board at its next scheduled meeting.

TRANSITION MANAGEMENT POLICY

General.

The purpose of this transition management policy is to establish an effective and efficient procedure for transitioning assets during manager replacement, funding a new asset class, or investing contributions to the Fund.

As timing is a key factor in realizing the benefits of transition management, the Board has approved the following abbreviated selection process:

Step 1. Creating List of Approved Providers: The Investment Consultant will create a list of potential providers for review. The Investment Consultant will then create a list of recommended providers. The Investment Consultant will specify whether each recommended provider is recommended for transitions involving fixed income only, equity only, or multiple asset classes.

Step 2. Board of Investors Reviews and Approves Lists of Providers: Annually, the Board of Investors will review the list of reviewed providers and the list of providers recommended by the Investment Consultant. The Investment Consultant will provide education on each of the recommended providers as requested. The Investment Consultant will also provide information regarding potential providers who were not recommended as requested. The Board of Investors may add potential providers to or delete potential providers from the recommended lists before adopting final approved provider lists. The Board of Investors will review the approved provider lists annually.

Step 3. Board of Investors Approves Prudent Use of Transition Management. Annually, the Board of Investors will approve the prudent use of transition management and empower the State Treasurer, or his or her designees, to solicit and evaluate pre-trade analyses and select a Transition Manager as further described below.

Step 4. The State Treasurer, or his or her designees, and the Investment Consultant May Determine Vendor for Each Specific Transition: The State Treasurer and/or designated staff may select the appropriate provider off of the approved provider list through a competitive bid process in which pre-trade analyses are solicited from at least two of the approved providers. As each transition (and transition manager) is unique with particular strengths and weaknesses, the Investment Consultant and the State Treasurer and/or designated staff will consult to discuss which of the providers on the short list should be solicited for bids. At a meeting held pursuant to the Open Meeting Act, a winning manager may be selected based on cost as well as fit for the particular transition according to the State Treasurer and/or designated staff and Investment Consultant's advice. Upon review of the pre-trade analyses and the Investment Consultant's advice, the State Treasurer and/or designated staff may determine not to proceed with Transition Management if it does not make sense to do so.

Step 5. The State Treasurer, or his or her designees, and the Investment Consultant Present Post-Trade Results to the Board of Investors: The transition manager will provide post-trade analytics that describe the trading process and results. This will be made available to all involved to review the success of the transition.

APPENDIX II

Oklahoma Tobacco Settlement Endowment Trust Fund

INVESTMENT MANAGER REPORTING REQUIREMENTS

As Necessary (based on occurrence and on a timely basis)

1. Review of Organizational Structure
   - A. Organizational changes (i.e., ownership).
   - B. Discussion of any material changes to the investment process.
   - C. Departures/additions to investment staff.
   - D. Material changes in assets under management for the product managed on behalf of the Fund and for total firm.

~~**Monthly**~~

Quarterly

1. Summary of Investment Guidelines
   - A. Discuss adherence to guidelines.
   - B. Comments, concerns, or suggestions regarding the policy statement.

2. Performance Review
   - A. Present total fund and asset class returns for last calendar quarter, year-to-date, last year, last three years, last five years and since inception versus designated benchmarks.
   - B. Discuss performance relative to benchmarks; provide attribution analysis that identifies returns due to allocation and selection decisions, as appropriate.
   - C. Provide portfolio characteristics relative to benchmark.

3. Provide Portfolio Holdings
   - A. Present book value and current market value.
   - B. List individual securities by sector, as appropriate.

4. Other Comments or Information

Annually

1. Review of Investment Process and Evaluation of Portfolio Management Process
   - A. Brief review of investment process.
   - B. Investment strategy used over the past year and underlying rationale.
   - C. Evaluation (in hindsight) of strategy's appropriateness.
   - D. Evaluation of strategy's success/disappointments.
   - E. Current investment strategy and underlying rationale.

APPENDIX III

Oklahoma Tobacco Settlement Endowment Trust

DERIVATIVES POLICY STATEMENT

Objectives

This derivatives policy statement identifies and allows common derivative investments and strategies which are consistent with applicable law and the Investment Policy Statement and requires investment managers to petition for the inclusion of additional derivative instruments and strategies. The guidelines also require investment managers to follow certain controls, documentation and risk management procedures.

Definition and Classification of Derivatives

A derivative is a security or contractual agreement that derives its value from some underlying security, commodity, currency, or index. These guidelines classify derivatives into four separate categories distributed across two classes: derivative contracts and derivative securities:

1. Derivative Contracts
   A. Forward-based derivatives, including forward contracts, futures contracts, swaps, and similar instruments
   B. Option-based derivatives, including put options, call options, interest rate caps and floors, and similar instruments

2. Derivative Securities
   A. Collateralized Mortgage Obligations (CMOs)
   B. Structured Notes

Allowed Uses of Derivatives

1. Derivative Contracts
   A. Hedging. To the extent that the non-derivative component of a portfolio is exposed to clearly defined risks and derivative contracts exist which can be used to reduce those risks, the investment managers are permitted to use such derivatives for hedging purposes, including cross-hedging of currency exposures, subject to the documentation requirements below.
   B. Creation of Market Exposures. Investment managers are permitted to use derivatives to replicate the risk/return profile of an asset or asset class, provided that the guidelines for the investment manager allow for such exposures to be created with the underlying assets themselves.
   C. Management of Country and Asset Allocation Exposure. Managers charged with tactically changing the exposure of their portfolio to different countries and/or asset classes are permitted to use derivative contracts for this purpose.

2. Derivative Securities

A. "Plain Vanilla" CMOs. For the purpose of this policy, we will define a "plain vanilla" CMO as one which satisfies one or both of the following criteria: i) It passes the Federal Financial Institutions Examination Council (FFIEC) test; ii) It can be shown that the CMO is less exposed to interest rate and prepayment risk than the underlying collateral.
B. Other CMOs. CMOs, which are not plain vanilla, are restricted to 10% of a manager's portfolio.
C. Structured Notes. Structured notes may be used so long as the exposure implied by their payment formula would be allowed if created without use of structured notes.

Transaction-Level Risk Control Procedures and Documentation Requirements

For each over-the-counter derivative transaction, except foreign exchange forward contracts, investment managers are required to demonstrate compliance with their best execution policies and procedures, and, when feasible, will obtain at least two competitive bids or offers. For small-issue CMOs, it is acceptable to obtain competitive prices on similar securities.

For all derivatives transactions, investment managers should maintain appropriate records to support that all derivative contracts used are employed for allowed strategies. In addition, the following requirements apply to derivative securities:

1. "Plain Vanilla" CMOs
   Document that the CMO is in fact "plain vanilla", according to the definition in section C.2.a.

2. Other CMOs
   These CMOs must be stress tested to estimate how their value and duration will change with extreme changes in interest rates. An extreme change is one of at least 300 basis points.

3. Structured Notes
   Document that note does not create exposures which would not be allowed if created without derivatives.

Portfolio-Level Risk Control Procedures and Documentation Requirements

1. Counterparty Credit Risk
   Managers are required to measure and monitor exposure to counterparty credit risk. All counterparties must have commercial paper credit ratings of at least A1 or equivalent rating.

2. Ongoing Monitoring of Risk Exposures
   The duration and other risk exposure limits specified in the managers' guidelines are expected to be satisfied on an ongoing basis. Thus, managers must monitor changing risk exposures. Fixed income managers investing in CMOs should pay particular attention to the changing duration of their CMOs, and should anticipate potential changes in duration at the time CMOs are purchased so that interest rate and prepayment rate changes do not inadvertently move the portfolio out of compliance.

3. Valuation of Holdings

The investment managers and custodian shall provide the Investment Committee with their pricing policies including a list of sources used. The Investment Committee should be notified of any exceptions to these policies. The custodian is required to obtain prices independent of the manager, or to notify the Investment Committee that independent prices are not available. The investment managers are required to reconcile the valuations of all derivatives positions with the custodian not less than monthly.

4. Quarterly Reporting

Each manager using derivatives shall submit within thirty days of the end of each quarter a report with the following information:

A. A list of all derivative positions as of quarter-end.
B. An assessment of how the derivatives positions affect the risk exposures of the total portfolio.
C. An explanation of any significant pricing discrepancies between the manager and custodian bank.
~~D.~~ An explanation of any events of non-compliance.

D.

E. For managers of commingled funds, a list of derivative positions and assessment of the effect on the risk exposure of the portfolio.

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Guidelines for Use of Pooled Funds which Employ Derivatives

Mutual funds and other types of commingled investment vehicles provide, under some circumstances, lower costs and better diversification than can be obtained with separately managed fund pursuing the same investment objectives. However, commingled investment funds cannot customize investment policies and guidelines to the specific needs of individual clients. The Investment Committee is willing to accept the policies of such funds in order to achieve the lower costs and diversification benefits of commingled funds.

Therefore commingled investment vehicles are exempt from all policies specified above except ~~F.~~4.E~~e~~ under the “Portfolio-Level Risk Control Procedures and Documentation Requirements” heading if:

1. The investment practices of the commingled fund are consistent with the spirit of this derivatives policy, and are not significantly different in letter.

2. The benefits of using a commingled vehicle rather than a separate account are material.

APPENDIX IV

Oklahoma Tobacco Settlement Endowment Trust Fund

PLACEMENT AGENT POLICY

I. PURPOSE

The following language describes the circumstances under which the Oklahoma Tobacco Settlement Endowment Trust Fund ("the Fund") shall require the disclosure of payments to Placement Agents in connection with the Fund's investments with external investment managers. External investment managers is a broad term which includes investment managers, general partners, and sponsors of hedge funds, private equity funds, real estate funds and other closed-end investment vehicles. The adoption of this policy requires broad, timely and updated disclosure of all Placement Agent relationships, compensation and fees. In the event the external investment manager utilizes a fund of funds approach, Placement Agent disclosure will only be required at the fund level, not of each underlying fund.

This Policy is to be applied to all agreements with external investment managers after the date this addendum is approved. It will also apply to existing external investment managers if, after approval, agreements are amended to extend the length of the agreement, renegotiate fees, increase the commitment of funds or change the agreement in a substantial way. In the event such amendments to the original agreement are made, the disclosure provisions of this Policy will apply to the amendment and not to the original agreement.

II. GOALS

Disclosure of all Placement Agent relationships, compensation and fees is intended to provide:

1. Transparency and confidence in the Fund's investment decision-making without concerns of impropriety.
2. Supplemental information to the Fund's Board members, Staff and Consultants when evaluating investment opportunities.
3. Investment decisions that are consistent with the Statement of Investment Policy.

III. RESPONSIBILITIES

Each of the Fund's external investment managers are responsible for:

1. Providing the following information (subsequently referred to as the "Placement Agent Information Disclosure") to the Fund's Staff and its Consultant at the time investment discussions are initiated:

   A. A statement disclosing whether the external investment manager's principals, employees, agents or affiliates has compensated or agreed to compensate, directly or indirectly, any person or entity to act as a Placement Agent in connection with investments being considered or those that have already been made by the Fund (in the event there is a change to the existing agreement).

B. A resume for each officer, partner or principal of the Placement Agent detailing the individual's education, professional designations, regulatory licenses, and investment experience. If any of these individuals is a current Board member, Staff member or employed by the Consultant, or this is applicable to any of these individual's immediate family members, this will be specifically noted.

C. A description of any and all compensation of any kind provided or agreed to be provided to a Placement Agent, including the value, timing, and nature of the compensation.

D. A description of the services to be performed or that are currently being performed by the Placement Agent and a statement as to whether the Placement Agent is utilized with all prospective clients or a subset of prospective clients.

E. Copies of any and all agreements between the external investment manager and the Placement Agent.

F. The names of any Fund Board members, Staff or Consultants who suggested the retention of a Placement Agent.

G. A statement that the Placement Agent (or any of its affiliates, if applicable) is registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association and the details of such registration.

H. A statement whether the Placement Agent, or any of its affiliates, is registered as a lobbyist with any state or national government.

2. Providing updates of any changes to any of the information included in the Placement Agent Information Disclosure within 14 calendar days of the date that the external investment manager knew or should have known of a change in the information originally provided.

3. Representing and warranting the accuracy of the information included in the Placement Agent Information Disclosure in any final written agreement between the external investment manager and the Fund with a continuing obligation to update any changes in accordance with Appendix A of this Policy.

The Fund's Staff is responsible for all of the following:

1. Providing external investment managers with a copy of this Policy at the time that discussions are initiated with respect to a prospective investment or with respect to amendments to agreements with current investments.

2. Confirming that the Placement Agent Information Disclosure has been received prior to the completion of any due diligence and before any recommendation is made regarding prospective investments or amendments to agreements with current investments.

3. Declining the opportunity to retain or initiate an investment with an external investment manager if the Placement Agent Information Disclosure reveals that a Placement Agent was employed that is not registered with either the Securities and Exchange Commission or the Financial Industry Regulatory Association.

4. Securing in the final written agreement between the Fund and the external investment manager the following remedies in the event it is discovered that the external investment manager knew or should have known about any material omission or inaccuracy in the Placement Agent Information Disclosure or any other violation of this Policy:

    A. Whichever is greater, the reimbursement of any management or advisory fees for two years or an amount equal to the amounts paid or promised to be paid to the Placement Agent; and

    B. The authority to terminate immediately the investment management contract or other agreement with the external investment manager without penalty, to withdraw without penalty from the limited partnership, limited liability company or other investment vehicle, or to cease making further capital contributions (and paying any fees on these uncalled commitments) to the limited partnership, limited liability company or other investment vehicle.

5. Confirming that the final written agreement between the Fund and the external investment manager states that the external investment manager shall be solely responsible for, and the Fund shall not pay for (directly or indirectly), any fees, compensation or expenses for any Placement Agent used by the external investment manager.

6. Prohibiting any external investment manager or Placement Agent from soliciting new investments from the Fund for a two year period after commitment of a material violation of this Policy.

7. Providing a copy of the Placement Agent Information Disclosure to the Board whenever decisions to invest in external investment managers are up for approval or whenever decisions to amend current external investment manager agreements are up for approval.

8. Compiling a quarterly report containing the names and amount of compensation agreed to be provided to each Placement Agent by each external investment manager as reported in the Placement Agent Information Disclosures, and providing the report to the Board.

9. Reporting to the Board at least quarterly any material violations of this Policy.

    A. External investment managers shall comply with this Policy and cooperate with Staff in meeting their obligations under this Policy.

    B. Only the Board can provide exceptions to this Policy and any such exceptions granted shall be reported to the public within 45 days.

APPENDIX V

Glossary of Investment Terms

144(a) Securities - 144a securities are in concept semi-private placement securities that are normally traded by sophisticated institutional investors with limited financial information on the issuing company. SEC rule 144a exempts issuers from SEC registration requirements. While not legally required to file with the SEC, issuers normally do provide some sort of documentation describing the issue and financial information about the issuing company.

Accrual Basis Accounting - As opposed to cash basis accounting, this values assets based upon accrued changes in values, not actual cash flows. For example, dividends are included in the portfolio value (i.e. accrued) as of the ex-dividend date, rather than the payment date (or the declaration date).

Active Management - A form of investment management which involves buying and selling financial assets with the objective of earning positive risk-adjusted returns.

AIMR - The Association for Investment Management and Research is the umbrella organization for the two big investment management advisers groups, the Institute of Chartered Financial Analysts and the Financial Analysts Federation. This organization administers the annual examinations for the CFA designation and also publishes industry guidelines for performance measurement reporting and calculations. AIMR instituted a standardized performance reporting format on January 1, 1993.

Alpha - A statistical measurement to determine whether a portfolio of securities in which a fund has invested is priced as would be expected, given the funds beta. If the alpha of a fund is zero, the portfolio is priced as would be expected. If its alpha is greater than zero, the portfolio is priced higher than could be expected, and vice versa.

Alternative Investments - These generally refer to institutional blind pool limited partnerships, which make private debt and equity investments in privately held companies, as well as hedge funds, and other publicly traded derivatives-based strategies.

Asset Allocation - The process of determining the optimal allocation of a funds portfolio among broad asset classes.

Benchmark Portfolio - A portfolio against which the investment performance of an investment manager can be compared for the purpose of determining the value-added of the manager. A benchmark portfolio must be of the same style as the manager, and in particular, similar in terms of risk.

Best Execution - This is formally defined as the difference between the strike price (the price at which a security is actually bought or sold) and the fair market price which involves calculating opportunity costs by examining the security price immediately after the trade is placed. Best execution occurs when the trade involves no opportunity cost, for example when there is no increase in the price of a security shortly after it is sold.

Beta - A statistical measure of the volatility, or sensitivity, of raters of return on a portfolio or security in comparison to a market index. The beta value measures the expected change in return per one percent change in the return on the market. For example, if the beta of a portfolio is 1.5, a 1 percent increase (decrease) in the return of the market will result, on average, in a 1.5 percent increase (decrease) in the return of the portfolio.

Bottom-up Analysis - An approach to valuing securities which first involves analyzing individual companies, then the industry, and finally the economy and overall capital market.

Capitalization-weighted Market Index - A method of calculating a market index where the return of a security (or group of securities) is weighted by the market value of the security (or group of securities) relative to total value of all securities.

Commingled Fund - An investment fund that is similar to a mutual fund in that investors purchase and redeem units that represent ownership in a pool of securities.

Commission Recapture - An agreement by which a fund sponsor earns credits based upon the amount of brokerage commissions paid. These credits can be used to reduce commission costs or for service which will benefit the fund, such as consulting services, custodial fees, or software expenses.

Core Bond - A fixed income investment strategy, which approximates the investment results of the Lehman Government/Corporate Bond Index with a modest amount of variability in duration around the index. The objective is to achieve value added from sector or issue selection.

Core Equity - An investment strategy where the portfolios characteristics are similar to that of the S&P 500 Index, with the objective of adding value over and above the index, typically from sector or issue selection.

Correlation Coefficient - A statistical measure similar to covariance, in that it measures the mutual variation between two variables. The correlation coefficient is bounded by the values -1 and +1.

Covariance - A statistical measure of the mutual variation between two variables.

Derivative - A financial derivative is a security that derives its value from a more fundamental financial security such as a stock or bond. For example, the value of a stock option depends upon the value from the underlying stock. Because the stock option cannot exist without the underlying stock, the stock option is derived from the stock itself.

Duration - A measure of the average maturity of the stream of interest payments of a bond. The value of a given bond is more sensitive to interest rate changes as duration increases, i.e. longer duration bonds have greater interest rate volatility than shorter duration bonds.

Dollar-weighted Measurement - In calculating summary statistics, a process by which performance measures are weighted by the dollar amounts of assets in each time period.

Economically-targeted Investment - Investments where the goal is to target a certain economic activity, sector or area in order to produce corollary benefits in addition to the main objective of earning a competitive risk-adjusted rate of return.

Efficient Market - A theory that posits that a security's market price equals its true investment value at all times since all information is fully and immediately reflected in the market price.

Efficient Portfolio - A portfolio that offers maximum expected return for a given level of risk or minimum risk for a given level of expected return.

ERISA - The Employee Retirement Security Act, signed into law in September 1974. ERISA established a strict set of fiduciary responsibilities for corporate pension funds, and some states have adopted the ERISA provisions for public plans. It is recommended that public pension plans use the ERISA regulations as guidelines for managing the fund's assets in a procedurally prudent manner.

Exchange Traded Funds (ETF) - ETFs are registered, open-ended unit investment trusts that invest in a basket of stocks designed to track the performance of a given index. However, like a closed-end fund, investors buy shares in ETFs from another shareholder on the open market rather than from a fund company.

Fiduciary - Indicates the relationship of trust and confidence where one person (the fiduciary) holds or controls property for the benefit of another person.

Funding Risk - The risk that anticipated contributions to the fund would not be made.

Geometric Returns - A method of calculating returns which links portfolio results on a quarterly or monthly basis. This method is best illustrated by an example, and a comparison to arithmetic returns, which does not utilize a time link. Suppose a $100 portfolio returned +25% in the first quarter (ending value is $125) but lost 20% in the second quarter (ending value is $100). Over the two quarters the return was 0%, and the method of calculating the geometric return would indicate this. However, the arithmetic calculation would simply average the two returns: (25%)(.5) + (20%)(.5) +2.5%.

Growth Equity - Managers who invest in companies that are expected to have above average prospects for long-term growth in earnings and profitability.

High Yield - A fixed income investment strategy where the objective is to obtain high current income by investing in lower rated, higher default-risk fixed-income securities. As a result, security selection focuses on credit risk analysis.

Index Fund - A passively managed investment in a diversified portfolio of financial assets designed to mimic the performance of a specific market index.

Interest Rate Risk - The uncertainty in the return on a bond caused by unanticipated changes in its value due to changes in the market interest rate.

Investment Policy Statement - The statement of policy is the communication of a risk policy to the fund's investment manager(s). It states unambiguously the degree of investment risk which fiduciaries are willing to undertake with fund trust assets. A statement of investment policy differs importantly from a statement of investment objectives. An investment policy prescribes acceptable courses of action; a policy can be acted upon, implemented. An investment objective (such as a performance standard) is a desired result. A manager cannot implement an objective; he can only pursue a course of action, consistent with investment policy, which he believes offers a reasonable likelihood of realizing the objective.

Bloomberg U.S. Aggregate Index - Is composed of securities from Bloomberg U.S. Government/Corporate Bond Index, Mortgage-Backed securities Index and Yankee Bond Index and is generally considered to be representative of all unmanaged domestic, dollar denominated fixed-rate investment grade bonds with maturities greater than one year.

Liquidity - In general, liquidity refers to the ease by which a financial asset can be converted into cash. Liquidity is often more narrowly defined as the ability to sell an asset quickly without having to make a substantial price concession.

Liquidity Risk - The risk that there will be insufficient cash to meet the funds disbursement and expense requirements.

Manager Structure - The identification of the type(s) of managers to be selected within each broad class of assets.

Marked to the Market - The daily process of adjusting the value of a portfolio to reflect daily changes in the market prices of the assets held in the portfolio.

Market Risk - See Systematic Risk.

Market Timing - A form of active management that shifts funds between asset classes based on short-term expectations of movements in the capital markets.

Master Limited Partnership - These are publicly traded limited partnerships or "C" corporations that primarily operate in the mid-stream energy markets by transporting, processing, or storing oil or gas. The first MLP was created in 1981, and the universe has grown steadily since then as more institutional investors have gotten involved. There is an expectation of higher yields than found in the equity market.

Money Markets - Financial markets in which financial assets with a maturity of less than one year are traded.

Nominal Return - The nominal return on an asset is the rate of return in monetary terms, i.e., unadjusted for any change in the price level. The nominal return is contrasted with the real return that is adjusted for changes in the price level.

Passive Management - For a given asset class, the process of buying a diversified portfolio that attempts to duplicate the overall performance of the asset class (i.e. the relevant market index).

Performance Attribution - The identification of the sources of returns for a security or portfolio over a particular time period.

Proxy Voting - A written authorization given by a shareholder to someone else to vote his or her shares at a stockholders annual or special meeting called to elect directors or for some other corporate purpose.

Purchasing Power Risk - The risk that a portfolio will earn a return less than the rate of inflation, i.e., a negative real return.

Quartile - Grouping of statistics in four equal sections. Performance measurement results are commonly grouped into "quartiles;" that is, first quartile would include those funds ranking from one to 25 in a sample of 100 funds.

Real Return - An inflation adjusted return. See NOMINAL RETURN.

Risk-adjusted Return - The return on an asset or portfolio, modified to explicitly account for the risk of the asset or portfolio.

R-squared (R2) - Formally called the coefficient of determination, this measures the overall strength or explanatory power of a statistical relationship. In general, a higher R2 means a stronger statistical relationship between the variables that have been estimated, and therefore more confidence in using the estimation for decision-making.

Russell 1000 <Large> Stock Index - An unmanaged index of the largest 1000 companies ranked by market capitalization.

Sharpe Ratio - This statistic is a commonly used measure of risk-adjusted return. It is calculated by subtracting the risk-free return (usually 3 Month Treasury Bill) from the portfolio return and dividing the resulting excess return by the portfolios risk level (standard deviation). The result is a measure of return gained per unit of risk taken. The higher the Sharpe ratio, the better the funds historical risk-adjusted performance.

Small Capitalization - Managers who invest in equities of companies with relatively small capitalization. The cut-off point for small capitalization varies from manager to manager, but on average targets firms with capitalization of $750 million to $2Billion.

Socially targeted Investment - An investment that is undertaken based upon social, rather than purely financial, guidelines.

Soft Dollars - The portion of a funds commissions expense incurred in the buying and selling of securities that is allocated through a directed brokerage arrangement for the purpose of acquiring goods or services for the benefit of the fund. In many soft dollar arrangements, the payment scheme is affected through a brokerage affiliate of the investment consultant. Broker-investment consultants servicing smaller plans receive commissions directly from the counseled account. Other soft dollar schemes are affected through brokerages that, while acting as the clearing/transfer agent, also serve as the conduit for the payment of fees between the primary parties to the directed fee arrangement.

Specific Risk - The part of a security's total risk that is not related to movements in the market and therefore can be diversified away.

Standard Deviation - A statistical measure of portfolio risk. It reflects the average deviation of the observations from their sample mean. Standard deviation is used as an estimate of risk since it measures how wide the range of returns typically is. The wider the typical range of returns, the higher the standard deviation of returns, and the higher the portfolio risks. If returns were normally distributed (i.e. has a bell shaped curve distribution) then approximately 2/3 of the returns would occur within plus or minus one standard deviation from the sample mean.

Strategic Asset Allocation - Rebalancing back to the normal mix at specified time intervals (quarterly) or when established tolerance bands (e.g., + and -10%) are violated.

Style Universe - A predetermined group of active managers chosen to have an investment style comparable to a manager selected by the fund.

Systematic Risk - The part of a security's total risk that is related to movements in the market and therefore cannot be diversified away.

Tactical Asset Allocation - closely related to a strategy of market timing, this strategy uses certain indicators to make adjustments in the proportions of a portfolio invested in stocks, bonds, and cash.

Time-weighted Return - A method of measuring the performance of a portfolio over a particular period of time. It is the cumulative compounded rate of return of the portfolio, calculated on each date that cash flow moves into or out of the portfolio.

Top-down Analysis - An approach to valuing equities which first looks at the economy and overall capital market, then industries, and finally individual firms.

Value Equity - Managers who invest in companies believed to be undervalued or possessing lower than average price/earnings ratios, based on their potential for capital appreciation.

building a shareholder-first future

Bowyer Research Proxy Voting Guidelines

Table of Contents

I. Introduction

What Is Shareholder Voting?

Common stock shareholders in public corporations typically have the right to vote on matters involving corporate policy, including electing directors, approving dividends, or initiating mergers/acquisitions. The number of votes a shareholder has corresponds to the number of shares they own. Shareholders can vote in person at the annual meeting or by proxy. Shareholder voting rights are governed by the corporation's charter, bylaws, state laws, and SEC regulations.

Voting on Proposals

Proxy proposals are issues or resolutions submitted by shareholders or management for a vote at the annual meeting. Shareholders can vote on proxy proposals by mail, internet, phone, or in person. A company's proxy statement provides background information and the board's recommendations for how/why to vote on each proposal. Shareholders can vote for, against, or abstain from each proposal. Proxy voting is important for influencing corporate governance. and expressing shareholder views on various environmental, social, and governance (ESG) issues. (An example of a proxy advisor's voting policies can be found here)

What Is a Proxy Advisory Service, and Why Use One?

Proxy advisory services are firms that provide research and recommendations to institutional investors on how to vote their shares in corporate matters. They help investors make informed decisions based on the best interests of their clients and the long-term value of the companies. Proxy advisory services also facilitate the voting process by collecting and submitting proxy ballots on behalf of their clients.

Some benefits of proxy advisory services are:

- Reducing information/transaction costs for investors who own shares in many companies across different markets and sectors.
- Providing analysis of corporate governance, performance, and ESG issues.
- Promoting shareholder engagement and activism by raising awareness of important topics and proposals.
- Fostering accountability/transparency in corporate governance by monitoring and disclosing the voting behavior of investors and companies.
- Allowing us to vote our custom policies efficiently at high volumes and with highly developed reporting systems.

Some challenges/criticisms of proxy advisory services are:

- Having conflicts of interest or biases that affect their voting recommendations, such as providing consulting services to companies or having ideological agendas.
- Having limited resources or expertise to cover all the companies and issues that they advise on, leading to errors or oversights.
- Having a one-size-fits-all approach that does not account for the specific circumstances and preferences of each investor and company.
- Having undue influence or power over voting outcomes, especially if investors rely too much on their advice without conducting their own due diligence
- Being disproportionately influenced by activist groups or investment company representatives from the 'Stewardship,' ESG, or DEI departments, which might create a selection bias problem and a lack of ideological diversity.

There are three primary proxy advisory firms in the United States: Institutional Shareholder Services (ISS), Glass Lewis & Co., and Egan-Jones Proxy Services. We currently offer our guidelines through ISS, the largest service with roughly ⅔ market share, because of its well-developed technological infrastructure and scalability. We do *not*, however, follow ISS's voting recommendations. We follow our own custom policies. ISS executes our specific instructions and reports back to clients on that execution.

II. Proxy Voting

How Proxy Voting Guidelines Work

Earlier waves of pro-ESG criticism led to the creation of many different proxy guideline policies which differ from those offered by advisory services, including options focused on sustainability, union concerns, or a particular interpretation of Catholic social policy. These options are typically more consistently supportive of ESG than those of advisory services (often called 'house policies').

More recently available options are aligned with the board of management of the company, yet these do not represent a reliably non-ESG approach. Because of this, we have created an extensive custom set of guidelines consistent with our more traditional understanding of fiduciary obligation, an understanding which predates both the emergence of the ESG movement and the shift towards stakeholder capitalism.

Proxy voting guidelines can be general or specific, depending on the type and nature of the issues being voted on. Some common topics proxy voting guidelines cover are:

- Board composition, independence, diversity, and performance

- Executive compensation, equity plans, and incentives
- Audit and financial reporting quality and integrity
- Shareholder rights, such as voting power, anti-takeover measures, and shareholder proposals
- Environmental, social, and governance (ESG) issues, such as climate change, human rights, and diversity and inclusion increasingly included proposals designed to counter ESG proposals.

We promote an ESG-skeptical approach. This goes beyond simply not supporting ESG—it means actively countering ESG when it conflicts with rigorous definitions of pecuniary return to shareholders, which we believe it commonly does.

How Custom Guidelines Work

Custom guidelines are proxy voting guidelines that are tailored to the specific preferences and goals of an individual/institutional investor, or of an institution representing individual investors. Custom guidelines allow investors to have more control over their voting decisions, as well as accurately reflecting their values/interests on corporate matters. Custom guidelines can be developed by the investors themselves, or by proxy advisory services or other third-party providers such as Bowyer Research.

Fiduciary Responsibilities and Proxy Voting

The principle of fiduciary responsibility applies to corporate proxy voting—investors who vote proxies on behalf of clients/beneficiaries have a legal duty to act in their best interests. Institutions must exercise their proxy voting rights prudently, loyally, and cost-effectively, based on relevant facts and research and without conflicts of interest or undue influence. Institutional investors must also document and disclose their proxy voting policies and procedures, and monitor and evaluate their proxy voting outcomes. However, the definition of what constitutes a fiduciary approach to proxy voting has become a highly contested space, with some arguing for ESG as an effective way to manage risk and others arguing that ESG is in origin, or at least has become, politicized. Bowyer Research believes the latter that ESG has become unhelpfully political and is not a reliable approach to fiduciary proxy voting. Disagreements about what is and what is not fiduciary is one of the reasons that custom policies are built and are rising in demand. We produce annual written reports on our proxy voting policies so they can judge for themselves whether our concept of fiduciary duty aligns with their own.

Why We Believe Shareholder Capitalism is Fiduciary

Shareholder capitalism is the view that the primary purpose of a corporation is to maximize the value of its shares for the benefit of its shareholders. Conversely, *stakeholder* capitalism is the view that the corporation should demote shareholder interests in favor of secondary interests, such as the ideological preferences of customers, suppliers, and activists.

Shareholder capitalism is primarily based on an understanding of fiduciary duty, which is the legal responsibility of directors and executives to act in the best interests of the corporation and its shareholders. Stakeholder capitalism, however, challenges this view and suggests directors should downgrade shareholder interest and dilute the definition of fiduciary duty by extending its corporate responsibilities to placate the whims of non-shareholder interests— despite the general lack of compelling reason to do so.

The case for shareholder capitalism and fiduciary responsibility rests on the following arguments:

- **Efficiency:** Shareholder capitalism promotes economic efficiency and innovation by aligning the incentives of managers and shareholders, and by allowing the market to allocate resources to the most productive and profitable uses. Stakeholder capitalism, on the other hand, creates conflicts of interest and trade-offs among different stakeholder groups, and may result in suboptimal decisions and outcomes.
- **Honoring obligations:** Shareholder capitalism respects the contractual rights and obligations of the parties involved in the corporation, by honoring the voluntary agreements between shareholders, managers, and other stakeholders. Stakeholder capitalism, however, may violate these contracts and impose externalities and costs on shareholders, who are the residual claimants and risk bearers of the corporation.
- **Corporate accountability:** Shareholder capitalism enhances accountability and transparency, both by providing a clear/measurable objective for corporate performance, and by subjecting managers to the discipline and oversight of shareholders and the market. Stakeholder capitalism, however, reduces accountability and transparency, by introducing multiple and vague objectives for corporate performance, and by allowing managers to escape scrutiny and responsibility by claiming to serve the interests of various stakeholders.

Shareholder capitalism and fiduciary responsibility are the best way to ensure that corporations create value for shareholders and society, while stakeholder capitalism and fiduciary expansion are likely to harm both shareholders and stakeholders in the long run.

Overview of Our Principles Regarding Proxy Voting and Engagement

Our guidelines are designed to appeal to investors who hold to a traditional understanding of the obligations of a company towards its shareholders — that is, shareholder capitalism — and who are deeply skeptical about an ESG approach to corporate governance. While some might try to describe these guidelines as conservative, they are *not* designed to impose conservative politics on companies. Instead, they seek to depoliticize corporate policies, and to put hotly debated issues such as climate change, abortion, and racial justice back in the electoral process and out of corporate governance.

In application, this means that the guidelines:

- Oppose proposals which pressure companies to decrease use of fossil fuels.
- Oppose proposals which pressure financial companies to divest from fossil fuels.
- Oppose congruency proposals which attempt to defund professional associations and advocacy groups along ideological lines.
- Oppose proposals which pressure companies to divest from states based on policies related to abortion or LGBTQ issues.
- Oppose proposals which seek to embarrass companies for seeking lower-tax jurisdictions.
- Oppose proposals which seek to focus management efforts on broad social goals (such as racial justice or *general* market/economic performance) as opposed to matters under company control.
- Oppose proposals which discourage offering financial services to businesses engaged in transactions protected by the 2nd Amendment or impose surveillance obligations towards the same.
- Support proposals rescinding past decarbonization pledges.
- Support proposals that call into question debanking and deplatforming practices along religious or political lines.
- Support proposals which discourage companies from speaking out on divisive non-core political issues regarding abortion, social justice, and sexual identity issues.
- Support proposals which examine the risk that DEI programs create legal risk in light of SCOTUS rulings regarding race and gender quotas.

How Our Guidelines Differ From Corporate Management

Our guidelines differ from board or management recommendations in that they oppose, for example, decarbonization pledges that come from management. Furthermore, we support anti-ESG shareholder proposals that seek to rescind past decarbonization proposals and past racial equity audit proposals. Our guidelines also support proposals seeking to quantify the financial risks of decarbonization. Proposals such as these, which come from outside the usual ESG community, do not receive management endorsement—they do generally receive support from us.

We do *not*, however, offer universal support for proposals from anti-ESG groups. We oppose any such proposals which seek to impose conservative politics on the company in the same way that we oppose proposals which seek to impose liberal ideology on companies. We also do *not* universally oppose proposals from pro-ESG groups. When pro-ESG proponents identify genuine risk factors, i.e. sexual predation in online forums or risks arising from sexual harassment in companies with a problematic history, we support them.

We differ from board-aligned policies offered by large proxy services in that we do not impose penalties by voting against board members based on lack of racial/gender diversity. Votes against board members are based entirely on the financial underperformance of the company compared to peers. Additionally, we diverge from management recommendations in that our guidelines take a very strict approach when it comes to situations in which board/management interests diverge from shareholder interests. Examples include weakening of shareholder voting rights, compensation practices not aligned with stockholder returns, protections of management perks and job security and shareholder asset dilution.

Holdings in Foreign Markets

When dealing with holdings in foreign markets, it's important to recognize that corporate governance standards, legal requirements, and disclosure practices in foreign countries may differ from those in the United States. These holdings refer to a company's investments, operations, or ownership stakes in businesses located outside its home country. They can introduce additional governance and regulatory complexities, as they are subject to foreign laws, market practices, and disclosure standards. For shareholders, this may impact transparency, risk exposure, and voting rights—especially if local jurisdictions have different rules on shareholder access, voting procedures, or corporate control mechanisms.

When voting on proxies related to non-U.S. securities, we follow specific guidelines and consider varying laws, regulations, and practices in the relevant foreign markets to determine how to vote shares. Proxy voting on matters involving foreign holdings may include decisions on international expansion, joint ventures, or compliance with foreign governance standards, requiring shareholders to assess global risks and opportunities.

Additionally, certain non-U.S. jurisdictions mandate that voting shareholders disclose their current share ownership on a fund-by-fund basis. In compliance with these disclosure requirements, it is the responsibility of the investor to make the necessary disclosures, as an outside proxy consultant will not have all relevant information regarding holdings. Some limitations are inherent in the infrastructure of proxy advisory services with which we partner, which may lead to some minor variations in proxy voting patterns and policies in comparison with published proxy voting guidelines.

Overall, managing holdings in foreign markets requires careful consideration of the unique governance and regulatory challenges they present, as well as adherence to local disclosure requirements and proxy voting guidelines.

III. Traditional Governance Issues

Board of Directors and Corporate Governance

Directors of public companies play a critical role in ensuring that a company and its management team serve the interests of its shareholders. We believe that proxy voting can help ensure accountability of management teams and director boards, align management and shareholder interests, and monitor and assess the degree of transparency and disclosure with respect to executive compensation and board actions affecting shareholders' rights.

Our philosophy is summarized in the following: for officers and directors to act as stewards on behalf of owners, for independent and engaged boards of directors to possess diversity of thought and experience, and for incentive structures which create shareholder value.

Election of Directors

The election of members of the board of directors is a crucial process that allows shareholders to influence the direction and management of a company. Shareholders play a pivotal role in electing the board of directors, who are responsible for overseeing the company's management and strategic direction. Typically, shareholders have the right to vote on corporate policy matters, including the election of directors, during annual meetings or through proxy voting. The number of votes a shareholder has corresponds to the number of shares they own.

Before the annual meeting, shareholders usually receive a proxy statement detailing the nominees for director positions and other pertinent proposals. If shareholders cannot attend the meeting in person, they can cast their votes via proxy—authorizing another individual or entity to vote on their behalf. This process ensures that shareholders' voices are heard in critical decisions, even in their absence.

Votes against board members are often based on the financial performance of the company compared to its peers. For instance, board members of companies that are first or second worst in class performers, or those performing one standard deviation or more below the mean of their peer group, may have their reelection and pay packages opposed in proxy voting. This process ensures that the board of directors remains accountable to the shareholders and aligns the interests of management with those of the shareholders.

Bowyer Research policy

Votes against board members are based entirely on the financial underperformance of the company compared to peers. First or second worst in class performers, or performers one standard deviation or more below the mean of their peer group. will have their board members' reelection and pay packages opposed in our proxy voting.

Contested Director Elections

A contested election of members of the board of directors occurs when shareholders are asked to vote for two competing slates of director nominees: one slate assembled by the company's board of directors and another slate assembled by one or more dissident shareholders. This situation typically arises when there is significant disagreement between the company's management and certain shareholders about the direction and management of the company.

In such elections, shareholders receive detailed information about both slates, including the qualifications and plans of the nominees, and they cast their votes either in person at the annual meeting or by proxy. This process can lead to a proxy fight, where both the company's management and the dissenting shareholders solicit proxy votes from other shareholders to secure support for their respective nominees.

To enhance shareholder democracy, the Securities and Exchange Commission (SEC) adopted rules effective September 2022 requiring the use of a universal proxy card in contested elections. This card lists all nominees from both management and dissenting shareholders, allowing shareholders to vote for any combination of candidates, similar to voting in person. Contested elections underscore the importance of shareholder engagement and can lead to significant changes in corporate governance and strategy, reflecting the dynamic nature of shareholder influence in corporate affairs.

Bowyer Research policy

Same policy as above on retention votes. We do not, however, endorse alternate slates, because there is a lack of rigorous data available to cast votes on the hypothetical future performance enhancements that dissidents claim.

Cumulative Voting Rights

Cumulative voting rights are a mechanism that allows shareholders to allocate their votes in a way that enhances the representation of minority shareholders on the board of directors. Under cumulative voting, each shareholder may exercise the number of votes equal to the number of shares they own multiplied by the number of directors up for election. Shareholders can then cast all of their votes for a single nominee or distribute them among multiple nominees in varying amounts. This voting method can increase shareholder engagement and ensure that minority shareholders have a better chance of electing at least one representative to the board, thereby balancing power dynamics within the company. For example, if a shareholder owns 100 shares and three directors are being elected, they have 300 votes—which they can allocate all to one candidate or divide among several.

Bowyer Research policy

We support cumulative voting as a means to strengthen shareholder rights and corporate governance. It presents the advantages such as enhanced minority shareholder representation, increased shareholder engagement, and balanced power dynamics.

Classified Boards

Classified boards, also known as staggered boards, are a corporate governance structure where only a portion of the board of directors is elected each year, typically one-third. This means that directors serve multi-year terms, often three years, and only a subset of directors is up for re-election at any given annual meeting. For example, in a three-class board, directors might serve three-year terms, with one-third of the board seats up for election each year.

This structure can enhance board stability and continuity but may also make it more difficult for shareholders to quickly change control of the board, especially during a proxy contest or takeover attempt. It can reduce the accountability of the board to shareholders, as it makes it more difficult to replace directors quickly. It can also entrench management by making it harder for shareholders to effect change and limit the board's flexibility to respond to changes in the business environment. For these reasons, classified boards are often opposed in proxy voting.

Bowyer Research policy

Classified boards present risks related to accountability and adaptability. We oppose classified boards for several reasons:

- Lack of Accountability: Classified Board resolutions can reduce the accountability of the board of directors to shareholders by making it more difficult to replace directors.
- Entrenchment: Classified Board resolutions can entrench management by making it more difficult for shareholders to effect change.
- Lack of Flexibility: Classified Board resolutions can limit the flexibility of the board of directors by making it more difficult to respond to changes in the business environment.

We oppose classified boards in our proxy voting.

Independent Chairperson

Requiring an independent chairperson is a practice that promotes independence, accountability, and transparency in the board's oversight of the company's management team. An independent chairperson is not part of the company's executive management and does not have any material relationship with the company that could impair their judgment. This separation can enhance the board's ability to oversee management objectively and ensure that the interests of shareholders are prioritized. In corporate governance, an independent chairperson is a member of the board of directors who leads the board and is not part of the company’s management team—typically meaning they are not the CEO or a former executive. Having an independent chair helps ensure objective oversight of management, reduces potential conflicts of interest, and strengthens the board’s role in protecting shareholder interests. This structure is often favored by investors seeking greater accountability and separation between the board’s supervisory role and day-to-day management.

Bowyer Research policy

Requiring an independent board chairperson is a corporate governance practice that can promote independence, accountability, and transparency in the board's oversight of the company's management team. It can also increase the accountability of the company's management team to the board and to shareholders. We support proposals promoting requirements for independent board chairpersons in a company's corporate governance structure.

Majority Voting in Director Elections

Majority voting in director elections is a practice that requires nominees to receive more "for" votes than "against" votes to be elected or re-elected to the board. This approach promotes accountability and ensures that directors are elected by a majority of shareholders, rather than just a plurality. This practice can enhance transparency and shareholder democracy, as it ensures that directors who fail to receive majority support step down from the board and are not reappointed. It contrasts with plurality voting, where nominees with the most "for" votes are elected, even if they do not receive a majority.

Majority voting is intended to enhance board accountability by ensuring that only candidates who have the confidence of a majority of shareholders are elected. However, its effectiveness can vary based on implementation. For instance, some companies adopt a "plurality plus" approach, requiring directors who fail to secure a majority to tender their resignation, though the board may have discretion to accept or reject it. While majority voting aims to make directors more responsive to shareholders, its impact depends on the specific provisions and the board's commitment to honoring shareholder preferences.

Bowyer Research policy:

Requiring a majority vote for the election of directors is a corporate governance practice that can promote board accountability and shareholder democracy. While this practice may face opposition from some stakeholders, it can also promote transparency and ensure that directors are elected by a majority of shareholders. Because of our principles regarding the primacy of shareholders over board and management teams, we support the inclusion of a majority vote requirement in a company's corporate governance structure.

Indemnification and Exculpation of Directors and Officers

Indemnification and exculpation of directors and officers are mechanisms designed to protect these individuals from personal liability for actions taken in their official capacity. Indemnification refers to the company's commitment to cover legal expenses and any financial losses that directors and officers might incur while performing their duties, provided they acted in good faith and in the best interests of the company. Exculpation, on the other hand, involves provisions that shield directors and officers from personal liability for breaches of their fiduciary duty of care. However, extending exculpation to officers, as permitted under Delaware law, is opposed by some because it is seen as weakening fiduciary duty. Indemnification means the company agrees to reimburse directors and officers for legal expenses, judgments, or settlements arising from lawsuits related to their service, as long as they acted in good faith and in the company's best interest. Exculpation refers to provisions, typically in a company's charter, that limit or eliminate personal liability of directors for monetary damages resulting from breaches of fiduciary duty—except in cases of misconduct such as fraud or intentional wrongdoing. These protections help attract qualified individuals to leadership roles by reducing the risk of personal financial loss from legal actions.

Bowyer Research policy:
We vote with management on indemnification but oppose extension of exculpation as a new option under Delaware law as it weakens fiduciary duty.

Equity Compensation Plans and Employee Stock Purchase Plans

Equity compensation plans and employee stock purchase plans (ESPPs) are mechanisms used by companies to align the interests of employees with those of shareholders by offering ownership opportunities. Equity compensation plans typically involve granting stock options, restricted stock units, or other forms of equity to employees, executives, and directors as part of their compensation package. This incentivizes employees to work towards increasing the company's stock value, as their personal financial gain is directly tied to the company's performance. These plans are designed to incentivize performance, promote retention, and align management's goals with long-term shareholder value.

Employee stock purchase plans (ESPPs) allow employees to purchase company stock at a discounted price, often through payroll deductions over a specified offering period. These plans encourage employees to become shareholders and invest in the company's success. ESPPs can qualify for favorable tax treatment under Section 423 of the Internal Revenue Code. Both types of plans usually require shareholder approval, especially when new shares are issued, and are subject to proxy disclosure and voting, ensuring transparency and shareholder oversight.

Overall, both equity compensation plans and ESPPs are designed to enhance employee engagement, retention, and motivation by providing them with a stake in the company's future.

Bowyer Research policy:
We vote in accordance with management recommendations on compensation plans, except if they are dilutive or if the company is a severe underperformer.

Vote on Executive Compensation and Frequency of Say on Pay

In corporate governance, "Say on Pay" is a tool for shareholder empowerment, allowing advisory votes on executive compensation. Instituted by the Dodd-Frank Act of 2010, it requires public companies to let shareholders approve or disapprove executive pay packages at least once every three years. Shareholders can also vote on the frequency of these votes, choosing between annual, biennial, or triennial intervals.

Annual Say on Pay votes are favored for several reasons. They provide shareholders with regular opportunities to express their views on executive compensation, ensuring alignment with performance and shareholder interests. Annual votes allow shareholders to assess executive pay in the context of current performance and market conditions, making compensation decisions more relevant. They also promote transparency by requiring companies to disclose compensation details annually, ensuring shareholders receive up-to-date information.

Additionally, annual votes align with business cycles and financial reporting periods, allowing timely access to compensation data. They enable companies to adjust compensation plans based on changing circumstances, responding promptly to shareholder feedback. While advisory, these votes serve as a barometer of shareholder sentiment, promoting transparency and accountability in corporate pay practices.

Bowyer Research policy:

In keeping with our principles regarding the primacy of shareholders, we support annual frequency for say-on-pay votes. Regarding compensation plans, we vote in line with board recommendations. The exception is when there is severe financial underperformance of the company compared to peers. As stated above, first or second worst in class performers or performers one standard deviation or more below the mean will have their board members and pay packages voted against.

Compensation Committees

A compensation committee plays a crucial role in overseeing executive compensation programs within a company. This specialized subcommittee of the board of directors is responsible for designing, evaluating, and approving executive compensation arrangements. They consider various factors, including company performance, industry benchmarks, and individual executive contributions. The committee assesses the appropriateness of executive pay packages, deciding on base salaries, bonuses, stock options, retirement benefits, and other forms of compensation. Their job is to ensure that executive pay aligns with shareholder interests by linking compensation to performance metrics, encouraging executives to drive long-term shareholder value.

Having a specific committee dedicated to crafting and recommending executive compensation localizes responsibility in a smaller number of directors, making it harder for them to hide in the crowd of the larger board. It also allows shareholders to see if the board members most responsible for compensation are independent of CEO influence. Compensation committees are generally composed of independent directors to avoid conflicts of interest and promote objectivity. Their work plays a key role in shaping fair and competitive pay practices that support long-term corporate success.

Bowyer Research policy:

In summary, we support board recommendations for the creation of compensation committees. They are more likely to enhance transparency, accountability, and alignment with shareholder interests.

Severance Agreements/Change-in-Control Agreements (CIC):

Severance Agreements and Change-in-Control (CIC) Agreements are designed to protect executives and key employees in the event of a significant change in ownership, such as mergers, acquisitions, or other major transactions. Severance Agreements provide executives with pay and benefits if they are dismissed without cause, often including salary continuation, bonuses, or stock vesting. CIC Agreements offer protections if an executive loses their job due to a change in control, including enhanced severance, accelerated equity vesting, and continued benefits to ensure leadership stability during transitions.

A few key points about CIC agreements include:

- Insulates CEO and top executives from shareholder disapproval: Executives receive enhanced severance benefits if their employment is terminated following a change in control [1].
- Trigger Events: The agreement defines what constitutes a change in control (e.g., acquisition of a certain percentage of company stock) [1].
- Golden Parachutes: CIC agreements often include golden parachute provisions, ensuring substantial payouts to executives upon a change in control [1].

However, there are several problems with such agreements:

- Lack of Alignment with Shareholder Interests: Severance and CIC agreements often provide generous benefits to executives even if their performance is subpar. Shareholders may oppose these agreements because they can lead to excessive payouts, which are not in the best interest of investors [1]. When executives receive substantial severance packages, it may reduce their incentive to perform well [1].
- Cost to Shareholders: Severance and CIC agreements can be costly for the company and, ultimately, shareholders. These expenses reduce available funds for dividends, investments, or other value-adding initiatives [1].
- Golden Parachutes: Some agreements include golden parachute provisions, which trigger substantial payouts upon a change in control (e.g., merger or acquisition). Shareholders may view these as unjust enrichment for executives, especially if the company's performance has been lackluster [1].
- Lack of Performance Metrics: Severance agreements can lack clear performance-based metrics. Shareholders prefer compensation tied to measurable achievements rather than automatic payouts [1].

Shareholders may review and vote on these arrangements through proxy statements, especially when they involve significant payouts or could affect corporate governance [1].

Bowyer Research policy:

Against - severance agreements which involve CIC agreements.

Anti-Takeover Provisions & Poison Pills

Anti-takeover provisions and poison pills are corporate defense strategies used by companies to prevent hostile takeovers and protect the interests of existing management and shareholders. Anti-takeover provisions are rules in a company's charter or bylaws that make it harder for an unwanted bidder to gain control. Examples include staggered boards, where directors' terms are staggered, making it harder for an acquirer to gain control quickly; supermajority voting, which requires a high percentage of shareholder votes for certain decisions (e.g., mergers); and golden parachutes, which provide executives with lucrative severance packages if the company is acquired.

Shareholders often oppose these provisions because they can entrench management, potentially hindering accountability, and limit shareholders' ability to realize value through a takeover. Poison pills, also known as shareholder rights plans, are designed to frustrate hostile takeovers. If an acquirer accumulates a certain percentage of shares (e.g., 15%), the company triggers a provision allowing existing shareholders (except the acquirer) to buy additional shares at a discount. This dilutes the acquirer's stake, making the takeover less attractive.

While these measures can help companies negotiate better terms or preserve long-term strategy, they can also reduce shareholder influence, which is why they are often scrutinized and subject to proxy voting. Shareholders' concerns include the potential for poison pills to entrench management and reduce shareholder value, as well as discouraging potential acquirers and limiting shareholders' ability to benefit from premium offers.

Bowyer Research policy:

Against - In summary, while these provisions aim to protect companies, shareholders should be cautious. They can hinder value creation and limit shareholders' rights. Because they violate our principles regarding shareholder primacy, we oppose such proposals.

Ability to Call a Special Meeting

The right to call special meetings allows shareholders to convene meetings outside of regular annual meetings to address urgent matters and make decisions that affect the company. This right is typically governed by a company's charter or bylaws and may include ownership thresholds, such as requiring shareholders to hold a certain percentage (e.g., 10%–25%) of outstanding shares to call the meeting. Allowing shareholders to call special meetings is viewed as a key shareholder right, enhancing accountability and enabling quicker responses to critical issues. It is often a topic of proxy proposals and votes aimed at strengthening shareholder influence.

However, there are arguments over whether this right is in the interest of most shareholders. The usefulness of having the right to call a special meeting depends on other provisions of state law and corporate governance structure—different share complements or substitutes call into question whether such rights convey benefits in and of themselves to the majority of shareholders as opposed to organized activist groups. Real-world examples of such proposals convey this right to small minorities of shareholders, typically 15-20% owners. This creates a situation in which investors who are acting as social activists, who are well organized, can disproportionately steer the direction of the company.

Bowyer Research policy:

In summary, the right to call special meetings does not have evidence of enhanced shareholder value. This is a complex area and policies may need to change in light of newly issued universal proxy access rules, which give activists additional influence. Currently, we defer to management on this issue, but intend to track whether they use such support to protect majority shareholders or protect themselves.

Ability to Act by Written Consent

The ability to act by written consent allows shareholders to make decisions or take actions without convening a formal shareholder meeting. Instead of waiting for an annual or special meeting, shareholders can express their consent through written communication, which becomes effective once the required percentage of shares approves the action. This process can be faster and more efficient than convening a special meeting.

Key aspects of this right include flexibility, efficiency, and scope of actions. Shareholders can act promptly, especially when urgent matters arise, and avoid the time and costs associated with organizing meetings. They can use this right to amend bylaws, remove directors, or fill board vacancies.

Supporting the ability to act by written consent offers several benefits. It allows shareholders to respond swiftly to critical issues, such as corporate governance concerns or strategic decisions, and reduces administrative expenses, streamlining decision-making. Shareholders gain a direct voice in important matters, promoting transparency and accountability. This right also strengthens shareholder influence and ensures their voices are heard, aligning with the principle that corporations exist for shareholders' benefit. Efficient decision-making contributes to sustainable value creation over time.

However, many companies limit or prohibit this ability in their bylaws, making it a common subject of proxy proposals aimed at expanding shareholder rights.

Bowyer Research policy:

For - In summary, granting shareholders the ability to act by written consent enhances shareholder rights, responsiveness, and corporate governance. We support this category of proposal.

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Supermajority Vote Requirement

A supermajority voting provision is an amendment to a company’s corporate charter that requires much more than a mere majority approval from shareholders to pass. This provision mandates a higher-than-normal percentage of shareholder approval—typically between 67% and 90%—for certain significant corporate actions to pass. This threshold exceeds the simple majority (more than 50%) usually needed for standard decisions .

While supermajority provisions are often implemented to ensure that critical decisions, such as mergers, amendments to corporate charters, or other major structural changes, have broad shareholder consensus, they possess several features which may be disadvantageous to shareholders. Requiring a supermajority vote makes it more difficult for corporate actions to pass, which shareholders may find cumbersome and inefficient, especially for urgent matters. Management or controlling shareholders may use supermajority requirements to entrench themselves, making it harder for shareholders to challenge management decisions. Additionally, shareholders’ interests lie in maximizing value and ensuring responsible governance, and a supermajority provision may not always align with these goals .

While these provisions can protect against abrupt or unfavorable changes by requiring widespread agreement, they may also make it more challenging to enact beneficial reforms, potentially allowing a minority of shareholders to block actions favored by the majority. In the context of proxy voting, shareholders may encounter proposals to adopt, modify, or eliminate supermajority voting requirements, reflecting ongoing debates about balancing stability with flexibility in corporate decision-making.

Bowyer Research policy:
In summary, such supermajority requirements are inconsistent with our principles regarding the primacy of shareholders over boards of directors and management teams. For this reason, we oppose them.

Capital Structure and State of Incorporation

These guidelines are designed to follow our principles in requiring companies to recognize shareholder primacy and to align board and management incentives with that of investors.

Dilution of Common Stock

Shareholders should be skeptical about increases in common stock outstanding for several compelling reasons. When a company issues additional shares, it dilutes the ownership stake of existing shareholders, reducing the value of each existing share. This dilution affects voting power, earnings per share, and the overall value of existing holdings. Management or controlling shareholders may use additional stock issuance to entrench themselves, making it harder for shareholders to challenge management decisions. Shareholders' interests lie in maximizing value and ensuring responsible governance, and increasing common stock outstanding may not always align with these goals.

Dilution of common stock refers to the reduction in existing shareholders' ownership percentage caused by the issuance of additional shares. This can happen through new equity offerings, stock option exercises, or the conversion of convertible securities. Shareholders may vote on proposals that could lead to dilution—such as equity compensation plans, mergers, or stock issuances—as part of the proxy process to ensure that any potential impact aligns with their interests. Therefore, it is crucial for shareholders to consider the implications of dilution carefully and advocate for practices that protect their interests and promote responsible governance.

Bowyer Research policy:
Against - In summary, shareholders should be cautious when companies issue additional shares, as it can negatively impact ownership, share prices, and overall value. For these reasons, we oppose proposals which are dilutive in nature.

Multiple Share Classes

Multi-class share structures refer to a company’s practice of issuing different classes of shares, each with varying voting rights and economic benefits. For example, Class A shares may have one vote per share, while Class B shares—often held by founders or insiders—might carry 10 votes per share. This structure allows insiders to retain control over corporate decisions, even with a minority of the total equity.

Shareholders might oppose such structures for several reasons. In multi-class structures, founders or insiders often hold shares with disproportionate voting power compared to other shareholders. This concentration of control allows founders to make critical decisions without considering the interests of all shareholders. Multi-class structures can also entrench management by limiting shareholders’ ability to influence corporate decisions. Founders may prioritize their own interests over those of other shareholders. When voting power is concentrated, there’s less accountability to shareholders. Boards and management may act without sufficient oversight, affecting company performance.

Multiple share classes are often scrutinized in proxy voting and governance discussions, as they can limit the influence of public shareholders and raise concerns about accountability and long-term governance fairness.

Bowyer Research policy:

Multi-class share structures are inconsistent with our principle regarding shareholder primacy given that they disadvantage large numbers of shareholders, therefore we oppose the creation of multiple classes of shares, and vote in favor of proposals to eliminate them.

Reincorporation in Another State

Shareholders often face important decisions related to their investments, including whether to support management recommendations regarding the reincorporation of a company to another state. Reincorporation involves moving a company’s legal domicile from one state to another, which can offer several benefits. Management may recommend this move if they believe that the corporate legal environment in the new state is more favorable for the company. For example, some states have business-friendly regulations, tax benefits, or better corporate governance laws. Changing the state of incorporation can help mitigate risks associated with legal, economic, or political changes. If the current state’s laws become unfavorable, reincorporating elsewhere can protect shareholders’ interests. Certain states, such as Delaware, are known for their well-established legal frameworks and specialized courts for corporate matters. Companies often reincorporate in Delaware to gain access to efficient capital markets and experienced judges. A new state’s laws may allow for better shareholder rights, transparency, and accountability.

Reincorporation in another state refers to a company's process of changing its legal domicile from one U.S. state to another. This strategic move allows a corporation to take advantage of different state laws and regulations that may better align with its operational needs or governance preferences. For instance, a company might reincorporate to benefit from more favorable tax policies, a legal framework that offers greater protections against certain liabilities, or a judicial system perceived as more business-friendly. The decision to reincorporate typically requires approval from both the board of directors and the shareholders, as it involves amending the company's charter and may significantly impact shareholder rights. This approval process is often conducted through proxy voting, where shareholders cast their votes on the proposed move. The required threshold for approval can vary depending on the company's existing bylaws and the laws of the current state of incorporation.

It's important to note that reincorporation can have substantial implications for corporate governance structures and shareholder rights. Therefore, companies must carefully consider the legal and operational consequences of such a move and ensure transparent communication with their shareholders throughout the process.

Bowyer Research policy:
We defer to management expertise on proposals regarding changing the state of incorporation.

Avoidance of Conflicts of Interest

The avoidance of conflicts of interest in corporate governance and proxy voting refers to ensuring that directors, executives, and other decision-makers act in the best interest of the company and its shareholders, without allowing personal or external interests to influence their judgment. Key practices include requiring independent directors on boards and committees, mandating disclosure of potential conflicts, and implementing policies that restrict conflicted individuals from participating in related decisions. In proxy voting, shareholders may be asked to vote on policies, disclosures, or governance reforms aimed at enhancing transparency and safeguarding against conflicts, thereby promoting accountability and trust in corporate leadership.

Bowyer Research policy:
Our policies regarding proxy voting are designed to help our clients conform with their fiduciary responsibilities to maximize pecuniary benefits to their beneficiaries. We do not vote in accordance with any other competing business interests which might conflict with our obligation to users of our guidelines and their fiduciary obligations.

IV. ESG and Anti-ESG Proposals

Pro-ESG Policies

Environmentalist/Anti-Fossil Fuels

GHG Risk

GHG (Greenhouse Gas) risk refers to the financial, operational, and reputational risks that companies face due to their greenhouse gas emissions and their exposure to climate-related impacts. These risks can include regulatory changes, such as carbon taxes or emission limits, operational disruptions from climate events, and investor or consumer backlash over environmental concerns. Shareholder proposals often seek to get companies to disclose the risks associated with their GHG emissions. These proposals typically come from environmentalist or anti-fossil fuel groups and aim to get companies to self-incriminate regarding the alleged risks of their greenhouse gas emissions. Shareholders may vote on proposals related to GHG disclosures, emissions reduction targets, or climate strategy reporting to ensure the company is effectively managing its environmental impact and long-term sustainability. Addressing GHG risk has become a key part of ESG (Environmental, Social, and Governance) oversight.

Bowyer Research policy:

Against – proposals seek to get companies to disclose risk of their greenhouse gas emissions.

Methane Risk

Methane risk refers to the potential financial, regulatory, operational, and reputational impacts that companies face due to their methane emissions, particularly in industries like energy, agriculture, and waste management. These proposals typically come from environmentalist or anti-fossil fuel groups and aim to get companies to self-incriminate regarding the alleged risks of their methane emissions. Shareholders may encounter proxy proposals urging companies to disclose methane emissions, adopt mitigation strategies, or set reduction targets to better manage environmental and long-term financial risks tied to methane

Bowyer Research policy:

Against - proposals seek to get companies to disclose risk of their methane gas emissions.

Net Zero Alignment

Net Zero Alignment refers to a company's commitment to reduce its greenhouse gas emissions to net zero—typically by 2050—in line with global climate goals such as those outlined in the Paris Agreement. Shareholder proposals often seek to get companies to disclose whether they are aligned with Net Zero carbon targets. These proposals typically come from environmentalist or anti-fossil fuel groups and aim to get companies to self-incriminate regarding the alleged risks of their greenhouse gas emissions.

Bowyer Research policy:

Against - proposals seek to get companies to disclose whether they are aligned with Net Zero carbon targets.

Treat Stranded Assets as Cost

Treating stranded assets as a cost involves recognizing the potential financial losses associated with assets that may become obsolete or non-performing due to changes in regulation, technology, or market demand—especially in the transition to a low-carbon economy.

Bowyer Research policy:

Against - proposals seek to get companies to assume that fossil fuels will lose value and to treat that as a current cost.

Estimate future environmental litigation cost

Proposals related to estimating future environmental litigation costs typically seek to get companies to estimate the alleged environmental damage they commit and to assign a financial value to the legal losses they will incur. Estimating future environmental litigation cost refers to a company's effort to anticipate and disclose potential financial liabilities arising from current or future legal actions related to environmental harm.

Bowyer Research policy:

Against - proposals seek to get companies to estimate their alleged environmental damage and assign a financial value to the potential legal losses.

Decarbonize 401k plans

Decarbonizing 401(k) plans refers to the effort to shift retirement plan investments away from high-carbon industries (like fossil fuels) and toward low-carbon or climate-friendly options. This involves evaluating the carbon footprint of investment options, offering sustainable or ESG fund choices, and aligning retirement assets with a company's broader climate goals or net-zero commitments. Proposals related to decarbonizing 401(k) plans typically seek to get companies to either exclude fossil fuel companies from employees' 401(k) plans or to set anti-fossil fuel investment funds as the employee default option.

Bowyer Research policy:
Against - proposals seek to get companies to either exclude fossil fuel companies from employee's 401k plans or to set anti-fossil fuel investment funds as the employee default option.

Financing fossil fuels

Proposals related to financing fossil fuels typically seek to get financial companies to divest from fossil fuels. These proposals are often driven by environmental concerns and aim to reduce the financial support for industries that contribute significantly to greenhouse gas emissions. The goal is to encourage companies to invest in more sustainable and environmentally friendly alternatives. Financing fossil fuels refers to a company's role—either directly or through its banking, investment, or insurance activities—in providing capital to coal, oil, and gas projects or companies. This can include lending to fossil fuel companies, investing in fossil fuel assets, or underwriting fossil-related infrastructure projects.

Bowyer Research policy:
Against - proposals seek to get financial companies to divest from fossil fuels.

Divestment doesn't count as decarbonization

These proposals typically seek to deny permission for companies to count their divestment from fossil fuels in estimating their carbon footprint if the divested assets continue to be used. The phrase "divestment doesn't count as decarbonization" highlights the idea that simply selling off high-carbon assets (like fossil fuel investments) does not actively reduce overall emissions—it just transfers ownership. This perspective argues that real decarbonization involves reducing emissions from operations, supply chains, and products. Shareholder proposals reflecting this view may push for emissions reductions, climate transition plans, or carbon tracking, rather than relying on portfolio shifts alone as a measure of environmental responsibility.

Bowyer Research policy:

Against - proposals seek to deny permission for companies to count their divestment from fossil fuels in estimating their carbon footprint if the divested assets continue to be used.

Extend decarbonization to Scope 3

Proposals related to extending decarbonization to Scope 3 emissions typically seek to get companies to widen their decarbonization initiatives to include Scope 3 emissions. Extending decarbonization to Scope 3 means that a company commits to reducing indirect greenhouse gas emissions that occur throughout its value chain—not just from its own operations (Scope 1) or purchased energy (Scope 2). Scope 3 emissions include emissions from suppliers, product use by customers, transportation, business travel, and waste disposal. Because Scope 3 often makes up the largest portion of a company's total emissions, shareholders may vote on proposals urging companies to measure and disclose Scope 3 emissions, set targets for reducing them, and integrate Scope 3 into broader net-zero strategies.

Bowyer Research policy:

Against - proposals seek to get companies to widen their decarbonization initiatives to include Scope 3 emissions.

Defund climate skeptics

Defunding climate skeptics refers to shareholder efforts to encourage companies to cease financial or political support—such as lobbying, donations, or memberships—with organizations or individuals that don't align with the company's past statements and commitments on climate change. Shareholder proposals on this issue may call for companies to disclose affiliations and contributions, align lobbying activities with climate goals, and withdraw support from groups undermining climate action.

Bowyer Research policy:

Against - proposals seek to use companies past public statements about global warming to defund climate "deniers" as being incongruent with company values.

Subsidize renewables

Subsidizing renewables refers to a company's efforts to financially support the development and adoption of renewable energy sources—such as solar, wind, or geothermal—as part of its business operations or investment strategy. This can involve investing in renewable energy projects or infrastructure, purchasing renewable energy credits (RECs), transitioning operations away from fossil fuels, or advocating for public policies that support clean energy. Shareholders may vote on proposals encouraging companies to increase renewable energy use, disclose their renewable energy spending, or commit to long-term clean energy targets, aligning corporate practices with sustainability and climate goals.

Bowyer Research policy:

Against - proposals seek to get companies to invest in and utilize more renewable energy.

Methane Emissions reporting/limits

Proposals related to methane emissions reporting and limits typically seek to get companies to disclose their methane emissions and set limits to decrease these emissions. Methane emissions reporting/limits refer to company policies and practices for measuring, disclosing, and reducing methane emissions, particularly in high-emitting sectors like oil and gas, agriculture, and waste. Key elements include transparent reporting of methane emission sources and volumes, setting and disclosing reduction targets or limits, and implementing monitoring and leak detection technologies.

Bowyer Research policy:

Against - proposals seek to use disclosure of methane emissions and methane limits to decrease methane emissions.

Climate Transition Plan (management)

Proposals related to a Climate Transition Plan (management) typically involve management's initiatives to embark on a climate transition plan. These proposals are often aimed at aligning the company's operations and strategies with climate goals, such as reducing greenhouse gas emissions and transitioning to more sustainable practices. However, these proposals may face opposition from shareholders who are skeptical of the financial implications and fiduciary relevance of such plans.

Bowyer Research policy:
Against – proposals from management to embark on a climate transition plan.

Anti-Product/Energy Innovation

Plastics Use

Proposals related to plastics use typically seek to pressure companies to diminish their use of plastics. These proposals often come from environmentalist groups and aim to reduce the environmental impact of plastic production and consumption.

Bowyer Research policy:
Against – proposals from shareholders that seek to pressure the company to diminish use of plastics.

Plastics Production

Proposals related to plastics use typically seek to pressure companies to diminish their use of plastics. These proposals often come from environmentalist groups and aim to reduce the environmental impact of plastic production and consumption. Plastics use refers to how a company manages the production, consumption, and disposal of plastic materials—especially single-use plastics—within its operations and supply chain.

Bowyer Research policy:
Against – proposals from shareholders that seek to pressure the company to diminish production of plastics.

Recycling Mandates

Proposals related to recycling mandates typically seek to pressure companies to increase their recycling efforts. These proposals often come from environmentalist groups and aim to reduce the environmental impact of waste production and consumption. These mandates may include setting recycling targets for products or packaging, using recycled content in manufacturing, and reporting on recycling performance.

Bowyer Research policy:
Against – proposals from shareholders that seek to pressure the company to increase recycling efforts.

“Circular Economy”

Proposals related to the "Circular Economy" typically seek to pressure companies to adopt a circular economy approach, which mandates the reuse of material and eliminate waste. Shareholders may vote on proposals encouraging companies to adopt circular economy practices, such as reducing reliance on virgin materials, and changing product design for recyclability.

Bowyer Research policy:
Against – proposals from shareholders that seek to pressure the company to use a circular economy approach which mandates reuse of materials.

Nuclear Waste/Request Closure of Nuclear Facilities

Proposals related to nuclear waste and the request for the closure of nuclear facilities typically seek to pressure companies to shut down their nuclear power plants. Shareholders may vote on proposals urging companies to improve disclosure of nuclear waste management practices, accelerate closure timelines for aging or high-risk nuclear facilities, or invest in safer, cleaner alternatives.

Bowyer Research policy:
Against – proposals from shareholders that seek to pressure the company to close down nuclear power plants.

Anti-Food Activism

Proposals related to anti-food activism typically seek to pressure companies to change farming practices without a clear case for financial advantages. These proposals often come from activist groups aiming to influence corporate policies on food production, animal welfare, and environmental sustainability. Companies may oppose food activism by funding industry groups that challenge activist initiatives, lobbying against regulations tied to sustainability or welfare, or resisting shareholder proposals calling for more ethical or transparent practices.

Bowyer Research policy:

Against – proposals seek to pressure companies to change farming or food production practices without a clear case for financial advantages.

Method of killing

Proposals related to the method of killing typically involve animal rights initiatives that mandate specific methods for killing livestock, which are allegedly more humane. Method of killing refers to the practices used by companies—primarily in the meat, poultry, and seafood industries—to slaughter animals for food production, with a focus on animal welfare. Shareholders may file or vote on proposals requesting companies to disclose slaughter methods, adopt higher animal welfare standards, or transition to more humane practices verified by third parties. These proposals are often part of broader ESG efforts.

Bowyer Research policy:

Against – animal rights proposals which mandate specific methods of killing livestock as allegedly more humane.

Company impact on global biome

Proposals related to the company impact on the global biome typically seek to pressure companies to issue reports taking responsibility for the global ecosystem and the status of endangered species. These proposals often come from environmentalist groups aiming to influence corporate policies. Shareholders may vote on these proposals to encourage companies to adopt more sustainable practices and reduce their environmental footprint.

Bowyer Research policy:

Against -– proposals from shareholders that seek to pressure companies to issue reports taking responsibility for the global ecosystem and the status of endangered species.

Discourage use of cream/other animal products

Proposals related to discouraging the use of cream and other animal products typically come from animal rights shareholders. These proposals aim to pressure companies to diminish their use of animal products in favor of non-animal alternatives. Such proposals are often tied to broader ESG goals related to climate action.

Bowyer Research policy:

Against - proposals from animal rights shareholders that seek to pressure the company to diminish use of animal products.

Social Justice/DEI

Pay Gaps, Internal to Company

Proposals which seek to pressure the company to report on and adopt racial and gender targets for employees or executives. These proposals are typically based on the proportion of society or the customer base. Proposals with numerical or arbitrary quotas are generally opposed.

Bowyer Research policy:

Depends on specifics – proposals from shareholders that seek to pressure the company to report on and adopt racial and gender targets for employees or executives, often based on proportion of society or customer base. We oppose ones with numerical or arbitrary quotas.

Pay Gaps, Societal Impact

Proposals related to societal impact typically seek to pressure companies to assess their pay gaps and the impact on racial and gender justice in society at large. These proposals often come from activist groups aiming to influence corporate policies on social justice and equity. Shareholders may vote on these proposals to encourage companies to adopt more socially responsible practices and to take responsibility for the broad, alleged societal impact of their operations.

Bowyer Research policy:

Against – proposals from shareholders that seek to pressure the company to assess the impacts of its employee pay on racial and gender justice in society at large.

Concealment Clauses/Sexual Harassment

Proposals related to concealment clauses and sexual harassment typically urge companies to conduct audits of the risks of sexual harassment in the workplace. These proposals also seek to prevent companies from engaging in financial settlements to cover up abuse cases. Concealment clauses refer to the use of non-disclosure agreements (NDAs) or similar clauses in employment contracts or settlements that prevent employees from speaking out about experiences of sexual harassment or misconduct in the workplace. Shareholders may vote on proposals urging companies to prohibit the use of concealment clauses in cases of harassment or discrimination, disclose policies and data on harassment claims and resolutions, and foster a safe, inclusive, and transparent workplace. Such proposals aim to strengthen governance oversight, reduce legal and reputational risks, and promote ethical treatment of employees.

Bowyer Research policy:
For – proposals from shareholders that urge the company to get an audit of the risks of sexual harassment in the workplace, or that seek to have the company not engage in financial settlements to cover up abuse cases.

Worker Health and Safety/Facility Safety

Worker Health and Safety/Facility Safety refers to the policies and practices that ensure the well-being and safety of employees within the workplace. This includes measures to prevent accidents, injuries, and illnesses, as well as maintaining safe and healthy working conditions. A company's responsibility to ensure safe working conditions and environments for employees spans across all operational sites. Key shareholder concerns include compliance with health and safety regulations, prevention of workplace injuries, illnesses, or fatalities, and reputational and legal risks from safety violations or incidents. Shareholder proposals related to this topic often aim to pressure companies to adopt and report on their health and safety practices, ensuring that they align with regulatory standards and best practices. These proposals may request companies to disclose safety policies, performance metrics, and incident data, implement or strengthen safety management systems, and ensure oversight by the board or a dedicated committee. Effective health and safety governance supports employee well-being, operational continuity, and long-term shareholder value.

Bowyer Research policy:
For – Worker health and safety, focused on unsafe working conditions that are not from gun violence

Commented [HC1]: New

Hiring Previously Incarcerated Persons

Hiring formerly incarcerated persons refers to a company's practices around employing individuals who are formerly incarcerated, often as part of workforce development or rehabilitation initiatives. Key considerations include fair wages and working conditions for formerly incarcerated workers, transparency in employment practices, reintegration and second-chance hiring for formerly incarcerated individuals, and avoiding exploitation or reputational risks.

Bowyer Research policy:
Depends on specifics – proposals from shareholders that seek to encourage the company to consider previously incarcerated persons in its hiring initiatives.

Hiring Veterans and/or Individuals with Disabilities

Proposals related to hiring veterans and/or individuals with disabilities typically seek to encourage companies to make their hiring practices fair and to include consideration of candidates who are veterans or have disabilities, ensuring fair treatment and equal opportunities, enhancing corporate social responsibility and access to skilled, resilient talent, and compliance with equal opportunity laws and government contracting incentives.

Bowyer Research policy:
For - proposals from shareholders that seek to encourage the company to make their hiring practices more inclusive of veterans and/or individuals with disabilities or to report on whether the company is living up to past promises to do so.

Commented [HC2]: Needs AI language and then combined

AI Risks

AI Environmental Risks

AI Environmental Risks refer to the supposed environmental impacts associated with the development, deployment, and operation of artificial intelligence systems, particularly those requiring high computational power. Shareholder proposals related to this topic often aim to pressure companies to disclose and mitigate the environmental impacts of their AI activities, ensuring that they align with sustainability goals and regulatory standards. Shareholders may call for companies to disclose the environmental footprint of their AI operations, set sustainability goals for AI development, and align AI practices with broader climate and ESG commitments.

Bowyer Research policy:
Against - Report on Environmental Risks Associated with AI Development.

AI Discrimination Risks

Commented [HC3]: New

Shareholder proposals on AI Discrimination Risks refer to the potential for artificial intelligence systems to perpetuate or amplify bias against certain groups based on race, gender, age, or other protected characteristics. These proposals are frequently focused on hiring, lending, customer service, or surveillance, where supposedly biased AI systems can lead to unfair outcomes for certain groups.

Bowyer Research policy:

Against – proposals from shareholders that are focused on the concern that the company's AI systems are racially biased.

Income Inequality/Unadjusted Pay Gaps

Pay Gaps, Internal to Company

Proposals related to pay gaps within the company often seek to pressure the company to report on and adopt racial and gender targets for employees or executives, including CEO pay ratio and gaps between employees and executives. Proposals with numerical or arbitrary quotas are generally opposed.

Bowyer Research policy:

Against – proposals from shareholders that ask the company to look at pay gaps between the CEO and employees or to use race and gender pay comparison which are not adjusted to account for job title or description.

Pay Gaps, Societal

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Proposals related to societal income inequality and unadjusted pay gaps typically seek to pressure companies to assess and report on their impacts on income inequality, particularly focusing on racial and gender pay gaps. These proposals often come from activist groups aiming to influence corporate policies on social justice and equity. Shareholders may vote on these proposals to encourage companies to adopt more socially responsible practices and to consider the broader societal implications of their operations. In the context of corporate governance and proxy voting, societal income inequality and unadjusted pay gaps refer to disparities in compensation across different employee groups—often along lines of gender, race, or socioeconomic status—without adjusting for role, experience, or tenure.

Key aspects include income inequality, which refers to the disparities in income distribution within a society, influenced by corporate practices such as executive compensation, wage policies, and employment opportunities. Unadjusted pay gaps highlight differences in pay between different demographic groups without accounting for factors such as job title, experience, or education, revealing systemic inequalities in the workplace. Shareholders may vote on proposals urging companies to assess and disclose their impacts on income inequality and unadjusted pay gaps, set targets to reduce these disparities and promote equitable pay practices, and align their policies with broader social equity goals and stakeholder expectations.

Bowyer Research policy:

Against – proposals from shareholders that ask the company to issue a report on how its policies affect income inequality in society in general, including race and gender pay gaps.

Diversity in Company Affiliations and Partnerships

Diversity in Company Affiliations and Partnerships refers to the practice of prioritizing diversity when hiring third-party services, such as legal services. More broadly, it refers to the company's efforts to ensure that its business relationships—such as vendors, suppliers, joint ventures, and industry associations—reflect a commitment to DEI.

A key concern with this type of proposal is that it is micromanagement and overly directive.

Bowyer Research policy:

Against – Requests for diversity of company affiliations and partnerships, including hiring of legal services.

Political Speech/Lobbying Spending

Pro-life Politicians

Proposals related to pro-life politicians typically seek to pressure companies to be congruent with past statements about gender equality by imposing on themselves a screen against giving to candidates, parties, or institutions that are pro-life. Pro-life politicians are often referenced in shareholder proposals concerning a company's political spending, lobbying, or affiliations—particularly when those relationships may conflict with the company's stated values on reproductive rights, diversity, or gender equity.

Bowyer Research policy:

Against – proposals from shareholders that seek to pressure the company to be congruent with past statements about gender equality by imposing on itself screen against giving to candidates, parties or institutions which are pro-life.

Climate deniers

Proposals related to political lobbying disclosure focused on climate deniers typically seek to pressure companies to be congruent with past statements about global warming by imposing on themselves a screen against giving to candidates, parties, or institutions that are pro-fossil fuel and skeptical about climate change policies. Climate "deniers" refers to individuals, organizations, or policymakers who reject or downplay the scientific consensus on climate change and may oppose climate-related regulations or corporate sustainability efforts.

Bowyer Research policy:

Against – proposals from shareholders that seek to pressure the company to be “congruent” with past statements about global warming and its political donations.

ESG skeptics

Proposals related to ESG skeptics typically seek to pressure companies to be congruent with past statements about ESG by imposing on themselves a screen against giving to candidates, parties, or institutions that are anti-ESG. ESG skeptics are individuals or groups who question the relevance, effectiveness, or financial impact of ESG practices and disclosures in corporate decision-making. Key concerns raised by ESG skeptics may include the belief that ESG distracts from financial performance, opposition to perceived “woke capitalism” or political influence, and criticism of ESG metrics as vague, inconsistent, or non-material

Bowyer Research policy:

Against – proposals from shareholders that seek to pressure the company to be “congruent” with past statements about ESG by imposing on itself screen against giving to candidates, parties or institutions which are skeptical of ESG.

Risks of Company Associating with Conservative Figures or Organizations

Proposals on the alleged risks of companies associating with conservative figures or organizations refer to the potential reputational, operational, and financial risks that a company might face due to its affiliations with conservative public figures or organizations. These “risks” can include backlash from stakeholders, negative media coverage, and potential boycotts, potentially impacting the company's brand image. Shareholder proposals related to this topic often aim to pressure companies to reconsider or disclose their affiliations with conservative entities to ensure alignment with their stated values and commitments.

Bowyer Research policy:

Against- proposals which assert that the company’s involvement in events which include conservative public figures is a risk to the company’s reputation.

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Weapons/Defense

Worker Health/ Safety regarding gun violence in the workplace

Commented [HC6]: New

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These proposals appear to be focused on employee health and safety but frequently come from activist groups and have a strong emphasis on firearm violence. These proposals seek to pressure the company to take a side on the issue of gun control, under the guise of safety for its workers.

Bowyer Research policy:

Against- proposals which pressure the company to take an anti-2nd amendment stance, disguised as worker health/safety.

Commented [HC9]: New

Sale of Firearms

Proposals related to the sale of firearms typically seek to require payment services to surveil lawful purchases of guns and/or components (i.e., "ghost guns"). These proposals often come from activist groups aiming to influence corporate policies on gun control and firearm sales. Shareholders may vote on these proposals to encourage companies to adopt more stringent policies regarding the sale and purchase of firearms, as well as to implement measures that monitor and restrict transactions involving firearms and related components.

Bowyer Research policy:

Against – proposals seek to interfere with purchase or sale of firearms or to require payment services to surveil lawful purchases of guns and/or components (i.e. "ghost guns").

Military

Proposals related to companies' involvement with the military typically seek to pressure companies not to provide products or services to the U.S. military. These proposals often come from activist groups and typically relate to a company's involvement in defense contracting, weapons manufacturing, or the sale of goods and services to military entities. Shareholders may vote on these proposals to encourage companies to adopt more stringent policies regarding their involvement with military contracts and operations.

Bowyer Research policy:

Against – proposals seek to pressure companies to not provide products or services to the U.S. military.

Law Enforcement

Proposals related to company involvement with law enforcement typically seek to pressure companies not to provide products or services to U.S. law enforcement agencies. Law enforcement concerns typically involve a company's relationships with, or provision of products and services to, police or security agencies, and the supposed social, ethical, and reputational risks associated with those interactions. Key concerns include the use of company technologies or products (e.g., surveillance, facial recognition, weapons) by law enforcement, the impact on civil rights, especially in marginalized communities, and transparency around contracts and usage policies.

Bowyer Research policy:

Against – proposals seek to pressure companies to not provide products or services to U.S. law enforcement agencies.

Human Rights/Due Diligence

Supply Chain

Proposals related to the supply chain often seek to hold companies responsible for working conditions not only within their own operations but also within the companies from which they purchase goods and services. These proposals typically come from activist groups aiming to influence corporate policies on labor practices, human rights, and environmental sustainability.

Bowyer Research policy:
Depends on specifics – proposals seek to hold companies responsible for working conditions not only of their own operations but of companies from which they purchase, usually without rigorous case for risk to financial performance.

Unionization

Proposals related to unionization typically seek to use the company's past statements endorsing "freedom of association" to pressure the company into supporting the unionization of its workforce. These proposals often come from activist groups aiming to influence corporate policies on labor practices, human rights, and employee rights.

Bowyer Research policy:
Against – proposals seek to use the company's past statements endorsing “freedom of association” to pressure the company into supporting unionization of its workforce.

Repressive Countries (e.g. Myanmar, Saudi Arabia)

Proposals related to repressive countries typically seek to use the company's past statements endorsing human rights to pressure the company into ceasing operations in certain countries which activist groups disapprove of. However, these proposals can be controversial and may face opposition from shareholders who believe in maintaining the company's neutrality on politically sensitive issues.

“Repressive countries” refer to nations with authoritarian regimes or poor human rights records—such as Myanmar or Saudi Arabia.

Bowyer Research policy:
Against – proposals seek to use the company's past statements endorsing human rights to pressure the company into ceasing operations in certain countries which activist groups disapprove of.

Health Care

Antibiotic use in agriculture

Proposals related to antibiotic use in agriculture typically seek to pressure companies to take responsibility for risks which might arise due to antibiotic resistance. These proposals often come from activist groups aiming to influence corporate policies on food production, animal welfare, and environmental sustainability. Shareholders may vote on these proposals to encourage companies to adopt more sustainable and ethical practices, but they may face opposition if the financial benefits are not evident. Antibiotics are used in agriculture to promote growth or prevent disease.

Bowyer Research policy:

Against – proposals from shareholders that seek to pressure the company to cease use of antibiotics its in agriculture business.

Universal health care "access"

Proposals related to universal health care "access" typically seek to pressure companies to be "congruent" with past statements about health care by imposing on themselves the responsibility to ensure that the nation has universal health care. These proposals often come from activist groups aiming to influence corporate policies on health care access and equity. Shareholders may vote on these proposals to encourage companies to adopt more socially responsible practices and to consider the broader societal implications of their operations.

Bowyer Research policy:

Against – proposals from shareholders that seek to pressure the company to be "congruent" with past statements about health care by imposing on itself responsibility to ensure that the nation has universal health care.

"Misleading" health content online

Proposals related to "misleading" health online content typically seek to pressure companies to censor or take down content that is deemed misleading regarding health-related issues, with a particular focus on COVID-19, vaccines, and masking. These proposals often come from activist groups pressuring the company to censor content deemed as "misleading" regarding health issues.

Bowyer Research policy:

Against – proposals from shareholders that seek to pressure the company to censor or take down content which is deemed as misleading regarding health issues, typically with a focus on COVID-19, vaccines and masking.

Tobacco

Proposals related to tobacco often come from health advocacy groups aiming to influence corporate policies on tobacco sale and usage, and the company's involvement in the manufacture, marketing, or sale of tobacco products.

Bowyer Research policy:

Against – proposals from shareholders that seek to pressure the company to stop or diminish sales and marketing to tobacco related products.

Water Risk

Proposals related to water risk typically seek to pressure companies to evaluate their policies in light of their alleged effects on the availability of water. These proposals often come from environmentalist groups aiming to influence corporate policies on water management and sustainability. Shareholders may vote on these proposals which pressure companies to adopt more demanding practices regarding water usage and conservation.

Bowyer Research policy:

Against – proposals from shareholders that seek to pressure the company to evaluate its policies in light of their alleged effects on the availability of water.

Abortion

Divesting from Pro-Life States

Proposals related to divesting from pro-life states often come from activist groups aiming to influence corporate policies concerning the company's involvement in states with restrictive abortion laws. These proposals pressure companies to reconsider or withdraw investments, operations, or partnerships in U.S. states with restrictive abortion laws. Proponents often suggest that association with such states could pose reputational risks, affect employee recruitment and retention, and potentially impact consumer perception. Proposals often request that companies disclose any strategies or policies related to operations in these states, including political contributions and public policy advocacy.

Bowyer Research policy:
Against – proposals from shareholders that seek to pressure the company to treat pro-life laws as a risk factor and to take that alleged risk into account when deciding whether to expand or divest in pro-life states.

Data Security and User Privacy

Proposals related to data security and user privacy often come from activist groups aiming to influence corporate policies concerning the company's collection and use of certain customer data. These proposals pressure the company to offer additional protections for abortion providers under the guise of user security and privacy.

Bowyer Research policy:
Against – proposals from shareholders that seek to pressure the company to be "congruent" with past statements about gender equality by offering special levels of privacy for abortion providers and customers and discourage cooperation with law enforcement in enforcing pro-life laws.

Pro-Abortion Charitable Contributions

Proposals on pro-abortion charitable contributions come from activists pressuring the company to disclose its pro-abortion contributions, claiming that such information would improve brand image and have a positive effect on the company's reputation.

Bowyer Research policy:
Against – proposals from shareholders that seek to pressure the company to publicly disclose its contributions to Planned Parenthood and other pro-abortion organizations, in order to allegedly build brand goodwill.

Public statement opposing anti-abortifacient laws

A public statement opposing anti-abortifacient laws refers to shareholder proposals urging companies to publicly speak out against legislation that seeks to ban or restrict access to abortifacients—medications used to induce abortion.

Bowyer Research policy:

Against – shareholder proposals aimed at providers of abortifacients to be more vocal in opposing laws which outlaw or limit their use.

Stakeholder-Focused Governance (Shareholder Demotion)

GRI/Global Tax Standard

GRI/Global Tax Standard refers to a company's alignment with the Global Reporting Initiative's (GRI) Tax Standard (GRI 207), which sets guidelines for transparent tax reporting on a country-by-country basis in greater detail than is legally required, often to shame the company away from making decisions designed to minimize its taxes in order to decrease "tax base erosion" away from high tax nations..

Bowyer Research policy:

Against – proposals pressuring companies to adopt GRI Tax Standard.

"Diversified Shareholders"

Shareholder proposals referencing diversified shareholders advocate for board decisions, disclosures, or policies that consider broader market impacts rather than firm-specific gains.

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Bowyer Research policy:

Against – shareholder proposals which seek to impose on companies an obligation not just towards their own financial performance but towards the general market performance as represented by a hypothetical portfolio held by a "diversified shareholder."

Non-Pecuniary Corporate Purpose such as Public Benefit Corporation or announcement of stakeholder capitalism approach

These proposals may ask companies to explicitly disavow shareholder primacy via public announcement or even transition to a PBC structure. In the context of corporate governance and proxy voting, a non-pecuniary corporate purpose refers to a company's decision to pursue goals beyond maximizing shareholder profits, such as promoting social or environmental benefits. This often takes the form of becoming a PBC or publicly committing to a stakeholder capitalism approach, which considers the interests of "stakeholders" above shareholders.

Bowyer Research policy:
Against – proposals seek to hold companies to previous public statements such as the Business Roundtable statement on the purpose of a corporation or other statements supporting stakeholder capitalism by asking them to explicitly disavow shareholder primacy via public announcement or even the legal transition to a Public Benefit Corporation structure.

ESG-Focused Governance

Race/Gender/Trans targets on boards

Proposals related to race, gender, and trans targets on boards often seek to pressure companies to report on and adopt specific targets for the representation of these groups among their directors. These proposals are typically based on the proportion of society or the customer base. However, it is important to note that proposals with numerical or arbitrary quotas are generally opposed.

Bowyer Research policy:
Against – proposals seek to impose race and gender (and more recently gender identity) numerical targets on public corporations either as policy or by voting against key board members when boards are deemed non-diverse.

Labor reps on boards

Proposals related to labor representatives on boards typically seek to pressure companies to include employee representatives on their boards of directors. These proposals often come from activist groups aiming to influence corporate policies on labor practices and employee rights. Shareholders may vote on these proposals to encourage companies to adopt more socially responsible practices and to consider the broader implications of their operations on workers' rights and labor relations.

Bowyer Research policy:

Against – shareholder proposals which seek to impose on companies an obligation to meet certain targets for employees or union members on the board.

ESG Director Qualifications

Proposals which seek to impose the requirement of adding directors with sustainability credentials. These proposals typically urge the board's nominating process to formally include ESG expertise as a criterion – for example, by amending governance guidelines so that at least one board nominee has significant environmental or social impact experience.

Bowyer Research policy:

Against – shareholder proposals which seek to impose on companies an obligation to make ESG expertise a qualification for some board members.

Add ESG committees

Proposals related to adding ESG committees typically seek to impose on companies an obligation to create special committees of the board dedicated to ESG issues. These committees are responsible for overseeing the company's various ESG strategies.

Bowyer Research policy:

Against – shareholder proposals which seek to impose on companies an obligation to create special committees of the board dedicated to ESG issues.

CEO evaluation/compensation

Shareholder proposals often seek to pressure the board to tie CEO or executive salaries to ESG factors, thus linking executive compensation with the company's ESG goals, rather than company performance, long-term shareholder value, and strategic goals.

Bowyer Research policy:

Against – shareholder proposals which seek to pressure the board to tie CEO or executive salaries to ESG factors.

Management Privileges

Perks

Shareholder proposals may call for companies to disclose the value and nature of executive perks in proxy statements, limit or eliminate excessive perks, and ensure compensation packages align with shareholder interests and performance-based pay standards. Managing executive perks responsibly supports corporate accountability and investor confidence.

Bowyer Research policy:
For – shareholder proposals which seek to limit CEO perks such as free professional services including financial advisory services and private jet usage.

Top Management Employment Protections

Proposals related to top management employment protections typically seek to limit the protections and perks provided to top executives. These protections can include severance packages, change-in-control agreements, and other benefits that insulate executives from the consequences of poor performance or shareholder disapproval. Top management employment protections refer to contractual provisions that offer job security and financial benefits to senior executives—particularly in cases of termination, mergers, or changes in control.

Bowyer Research policy:
Against –proposals which seek to block actions such hostile takeovers which have the effect of protecting board and top executive incumbency.

Anti-ESG Proposals

Environmentalism Skeptical/Pro-Fossil Fuel

Rescind past carbon limit plans

Proposals related to rescinding past carbon limit plans typically seek to reverse previous commitments made by companies to limit their carbon emissions. These proposals often come from shareholders who believe that such commitments may not align with the company's financial interests or may impose unnecessary constraints on the company's operations. The aim of such proposals is to roll back or eliminate previously adopted targets or strategies.

Bowyer Research policy:
For – proposals from anti-ESG groups seeking to rescind past proposals committed to decarbonization.

Financial risk of decarbonization

Proposals related to the financial risk of decarbonization typically seek to quantify the potential financial risks associated with decarbonization efforts. These proposals often come from shareholders who are concerned about the economic implications of transitioning to a low-carbon economy. The goal is to ensure that companies are transparent about the financial impacts of their decarbonization strategies and are prepared to manage these risks effectively.

Bowyer Research policy:
For – proposals from anti-ESG groups seeking to assess the financial risks to shareholders of decarbonization.

Pro-fossil fuel mandates

Proposals related to pro-fossil fuel mandates typically seek to pressure companies to adopt policies that support the continued use and development of fossil fuels, with the goal to ensure that companies remain committed to fossil fuel production and utilization.

Bowyer Research policy:
Against – proposals from anti-ESG groups seeking to pressure the company to continue investing in fossil fuels due to their importance to the national economy, not their importance to the profitability of the company.

Climate plans – fiduciary?

These proposals ask the company to assess whether adopting and implementing climate-related strategies—such as emissions targets or net-zero commitments—is consistent with the board’s fiduciary duty to act in the best interest of shareholders. Such plans frequently conflict with financial returns and stray from core business goals.

Bowyer Research policy:

For – proposals from anti-ESG groups which call into question whether decarbonization or Net Zero pledges from companies are truly in the fiduciary interest of shareholders.

Reconsider/Remove ESG Goals

Proposals to reconsider or remove ESG goals from executive compensation inducements typically aim to eliminate or reduce the emphasis on ESG metrics in determining executive pay. These proposals often come from shareholders who believe that tying executive compensation to ESG goals may not align with the company's financial interests or may impose unnecessary constraints on the company's operations. The goal is to ensure that executive compensation is primarily based on financial performance and shareholder value, rather than non-financial metrics.

Bowyer Research policy:

For - Reconsider/Remove ESG goals from executive compensation inducements.

Effect of carbon limits on the poor

Proposals related to the effect of carbon limits on the poor typically seek to pressure companies to evaluate their policies in light of their effects on low-income populations. Shareholders may vote on these proposals to encourage companies to adopt more responsible practices regarding carbon limits and to consider the implications of their carbon reduction commitments.

Bowyer Research policy:

For – proposals from anti-ESG groups which ask the company to assess whether its commitment to decarbonization negatively affects the global poor.

Anti “Social Justice”

Deplatforming

Proposals related to deplatforming typically seek to pressure companies to disclose incidents in which they have removed or censored content along religious or political lines. These proposals often come from anti-ESG groups aiming to influence corporate policies on transparency and accountability. Shareholders may vote on these proposals to encourage companies to adopt more stringent policies regarding content removal and to ensure that the company's practices align with its stated values and commitments. Key shareholder concerns include freedom of expression, transparency and consistency in content moderation, and reputational, regulatory, and business risks tied to platform decisions.

Bowyer Research policy:
For – proposals from anti-ESG groups which ask the company to disclose the policies regarding removing content from web pages or app stores along political or religious lines.

Government takedown orders

Proposals related to government takedown orders typically seek to have companies disclose incidents in which they have been asked by government entities to remove content. These proposals often come from anti-ESG groups aiming to influence corporate policies on transparency and accountability. Shareholders may vote on these proposals to encourage companies to adopt more stringent policies regarding content removal and to ensure that the company's practices align with its stated values and commitments.

Bowyer Research policy:
For – proposals from anti-ESG groups which ask the company to disclose incidents in which it has been asked by government entities to remove content.

Debanking

Debanking proposals refer to the practice of financial institutions denying services to individuals, businesses, or non-profits based on their political or religious views. This growing trend involves major financial institutions abruptly closing accounts of those with whom they disagree, whether politically or religiously. Debanking also encompasses the practice of closing or denying access to banking services—such as accounts, loans, or payment processing—for certain individuals, organizations, or industries. Key shareholder concerns include transparency and fairness in decision-making, potential discrimination or bias, and reputational and legal risks from perceived politicization or inconsistent enforcement.

Bowyer Research policy:
For – proposals from anti-ESG groups which ask the company to disclose the policies regarding denying financial services along political or religious lines.

Employee Viewpoint Diversity

Proposals on Employee Viewpoint Diversity refer to the inclusion and respect for diverse perspectives and opinions within a company's workforce. This concept emphasizes the importance of protecting civil liberties and ensuring that employees feel free to express their viewpoints without fear of discrimination or retaliation, particularly relating to political, cultural, or ideological views. Key shareholder concerns include freedom of expression and a culture of open dialogue, risks of bias, exclusion, or retaliation, and the innovation and decision-making benefits from diverse viewpoints.

Bowyer Research policy:

For – proposals from anti-ESG groups which ask the company to disclose the policies regarding protection of civil liberties and viewpoint diversity and risks of discrimination along political or religious lines.

Reverse Discrimination

Reverse discrimination refers to the concept where DEI initiatives or employee unconscious bias training may result in discrimination and unfair treatment or exclusion of others, particularly majority-group employees or applicants. Proposals related to reverse discrimination typically seek to pressure companies to assess the risk that current DEI initiatives or employee unconscious bias training constitutes reverse discrimination and creates litigation risk. Key shareholder concerns include ensuring fairness and equal opportunity for all individuals, avoiding legal or reputational risks related to bias, and balancing inclusion efforts with merit-based decision-making. Shareholder proposals may request companies to review and disclose DEI policies and ensure employment practices are consistent with anti-discrimination laws, and promote a culture of equal respect and opportunity for all employees.

Bowyer Research policy:

For – proposals from anti-ESG groups which ask the company to assess the risk that current DEI initiatives or employee unconscious bias training constitutes reverse discrimination and creates litigation risk.

Rescind Racial Equity Audit

Proposals related to rescinding a racial equity audit typically seek to reverse previous commitments made by companies to conduct such audits. These proposals often come from shareholders who believe that the audits may not align with the company's financial interests or may impose unnecessary constraints on the company's operations. Key concerns from proponents of rescission may include beliefs that such audits are politicized or unnecessary, concerns about costs, reputational risks, or legal liabilities, and a desire to refocus on race-neutral or merit-based policies.

Bowyer Research policy:
For – proposals from anti-ESG groups which seek to rescind past racial discrimination audits which were not fiduciary in nature.

Discriminatory Abortion/Transition Benefits

Proposals related to discriminatory abortion and transition benefits typically seek to encourage companies to assess the risk that offering abortion reimbursement and/or gender transition treatments but not adoption or de-transition benefits constitutes a discriminatory gender pay gap. Shareholders may vote on these proposals to encourage companies to adopt more responsible practices and to consider the broader implications of their operations on gender equity and employee rights.

Bowyer Research policy:
For – proposals from anti-ESG groups which ask the company to assess the risk that offering abortion reimbursement and/or gender transition treatments constitutes a discriminatory gender pay gap.

Pro-Life

Risk of Dispensing Abortifacients

The risk of dispensing abortifacients refers to the potential legal, reputational, financial, operational, and stakeholder risks that a company might face due to its involvement in the distribution or sale of abortifacient medications, such as mifepristone. These risks can include backlash from stakeholders, negative media coverage, and potential boycotts, which can impact the company's brand image and financial performance. Additionally, companies may face legal compliance challenges across jurisdictions with varying abortion laws, as well as reputational risks and consumer or investor backlash from either side of the abortion debate. Employee and patient access to comprehensive healthcare benefits is also a key concern.

Shareholder proposals related to this topic often aim to pressure companies to assess and disclose the risks associated with dispensing abortifacients, ensuring that they align with regulatory standards and best practices. These proposals may request companies to disclose policies regarding the distribution or coverage of abortifacients, assess and report on the legal and reputational risks involved, and ensure policies align with both corporate values and applicable laws.

Bowyer Research policy:
For – proposals from shareholders which ask the company to assess the risk of dispensing mifepristone

Commented [HC11]: New

Controversial Cause Support

Risk of Political Speech

Proposals related to the risk of political speech typically seek to pressure companies to disclose the risks involved with speaking out on divisive issues such as abortion, racially divisive issues, and LGBTQ issues. These proposals often come from anti-ESG groups aiming to influence corporate policies on transparency and accountability. Risk of political speech refers to the potential reputational, financial, legal, or operational consequences a company may face due to statements, endorsements, or political positions taken by its executives, board members, or the company itself.

Key shareholder concerns include alienating customers, employees, or investors with controversial positions, and regulatory or public backlash from perceived political bias or influence. Shareholder proposals may request companies to assess the business impact of political speech, and implement policies that balance freedom of expression with corporate responsibility and stakeholder trust. Managing political speech is increasingly seen as part of effective reputation and risk governance.

Bowyer Research policy:
For – proposals from anti-ESG groups which ask the company to disclose the risks involved with speaking out on divisive issues such as abortion, racially divisive issues and LGBTQ issues.

Charitable Contribution Disclosure

Proposals related to charitable contribution disclosure typically seek to pressure companies to disclose charitable contributions above a certain threshold. These proposals often come from anti-ESG groups aiming to find contributions to organizations like Planned Parenthood, BLM Foundation, and/or Human Rights Campaign. Charitable contribution disclosure refers to the practice of companies publicly reporting their donations to nonprofit organizations, foundations, or advocacy groups, including amounts, recipients, and the purpose of the contributions.

Key shareholder concerns include transparency and accountability in the use of corporate funds, alignment of contributions with the company's stated values and ESG commitments, and avoiding reputational risk from associations with controversial causes. Shareholder proposals may request companies to disclose all charitable contributions, including political or ideological affiliations, establish clear guidelines for corporate giving, and ensure charitable donations reflect shareholder interests and stakeholder trust. This disclosure promotes responsible corporate philanthropy and enhances governance oversight.

Bowyer Research policy:

For – proposals from anti-ESG groups which ask the company to disclose charitable contributions above a certain threshold.

Support of Globalists Organizations e.g. BRT, Chamber, WEF

Support of globalist organizations—such as the Business Roundtable (BRT), U.S. Chamber of Commerce, or World Economic Forum (WEF)—refers to a company's membership, funding, or alignment with influential international or business policy groups that promote global economic cooperation, sustainability, and stakeholder capitalism. Key shareholder concerns include whether such affiliations align with or contradict the company's stated values, policies, or ESG commitments, reputational risk from association with politically or ideologically polarizing organizations, and transparency and accountability in corporate advocacy and public policy engagement.

Bowyer Research policy:

Against – proposals from anti-ESG groups which pressures the company to sever ties with business groups which are labeled "globalist."

Risks of Financial Surveillance Against Conservatives

The Risks of Financial Surveillance Against Conservatives refer to the potential reputational, operational, and stakeholder backlash that a company might face due to its involvement in financial surveillance activities targeting conservative individuals or organizations. These risks can include negative media coverage, loss of consumer trust, and potential legal challenges, which can impact the company's brand image and financial performance. Additionally, concerns arise that financial institutions or technology companies may monitor, restrict, or penalize financial transactions based on users' political beliefs or affiliations, particularly those perceived as conservative.

Key risks include reputational harm if the company is seen as politically biased or engaging in ideological discrimination, legal and regulatory scrutiny around privacy, discrimination, due process, and loss of customer trust and market share due to perceived unfair treatment. Shareholder proposals related to this topic often aim to encourage companies to disclose and assess the risks associated with financial surveillance practices, ensuring that they align with regulatory standards and best practices. These proposals may request companies to disclose policies on financial monitoring and account closures, ensure equal treatment across political viewpoints, and implement safeguards to prevent ideologically driven decisions. These concerns reflect broader debates about the role of corporations in free expression, political neutrality, and ethical oversight.

Bowyer Research policy:
For - Report on Risks of Financial Surveillance Against Conservatives in assistance with Biden Administration.

Commented [HC12]: New

Establish a Board Committee on Improper/Activist Influence and Stakeholder Capitalism

Establishing a Board Committee on Improper/Activist Influence and Stakeholder Capitalism involves creating a dedicated committee within the board of directors to assess and address the potential impacts of non-pecuniary policy preferences from leadership and activist influences on the company's decision-making processes. This committee ensures that the company's policies and practices align with its fiduciary duty to shareholders and are not unduly influenced by external activist agendas or stakeholder capitalism approaches that may conflict with shareholder interests.

The committee's key goals include identifying and mitigating improper influence that could compromise fiduciary duties or long-term shareholder value, evaluating how stakeholder capitalism initiatives (e.g., ESG goals, DEI programs) impact core business operations, and ensuring balanced governance that considers shareholder interests without overstepping legal or financial priorities. Shareholder proposals in this area typically call for formal board oversight of activism and stakeholder-driven initiatives, transparency and accountability in how values-based policies are adopted, and protection against mission drift or reputational risk from ideological entanglements. This reflects the growing debate over the proper scope of corporate purpose and the influence of non-financial interests in corporate governance.

Bowyer Research policy:

For – proposals which seek to get the company to form a committee to assess whether its decision-making has been improperly influenced by non-pecuniary policy preferences from leadership.

Commented [HC13]: Combine

Bitcoin Treasury Assessment

Proposals that pressure a company to relocate its cash assets into Bitcoin typically aim to encourage the company to consider Bitcoin as part of its treasury strategy. These proposals often argue that Bitcoin can serve as a hedge against inflation and monetary policy uncertainty, similar to a corporate war chest designed to weather economic fluctuations. Key shareholder considerations include the volatility and financial risk due to Bitcoin's price fluctuations, regulatory uncertainty and accounting complexities around digital assets, and claims that Bitcoin may offer long-term value preservation or independence from fiat currency risks.

Bowyer Research policy:

Against – proposals which micromanage by pressuring the company to relocate its cash assets into Bitcoin.

Commented [HC14]: New

Commented [HC15R14]: Needs to be updated to reflect actual proposal, which asks company to move cash into bitcoin

Relocate Corporate Headquarters

Proposals that pressure a company to relocate its headquarters out of "anti-business" states such as California typically aim to encourage the company to move to states with more favorable business climates. These proposals often argue that relocating to states with lower taxes, fewer regulations, and a more business-friendly environment can enhance the company's financial performance and shareholder value.

Bowyer Research policy:

Against – proposals which micromanage by pressuring the company to relocate its headquarters out of “anti-business” states such as California.

Commented [HC16]: New

Commented [HC17R16]: Should be changed to be about shareholder activism, politically motivated to move HQ out of CA

China Risk

Report on "Chinese Military-Industry Companies" in Company Indices

Proposals related to "Chinese Military-Industry Companies" in company indices often seek to pressure companies to disclose their involvement with or inclusion of Chinese military-industrial companies in their investment portfolios or indices. This issue reflects broader concerns over geopolitical risk.

Bowyer Research policy:
Against – proposals which seek to get the company to remove Chinese military supplier companies from its indices.

Commented [HC18]: New

China rivalry with US

Proposals related to China rivalry with the U.S. typically come from anti-ESG groups. These proposals often seek to pressure companies to decouple from China based on China's role as an adversary of the U.S., rather than focusing on any business risks of operating in China.

Bowyer Research policy:
Against – proposals from anti-ESG groups which focus on China's role as an economic adversary of the United States and do not make a case for genuine business risk.

China human rights incongruence

Proposals related to China human rights incongruence typically seek to pressure companies to live up to public statements about human rights by decoupling or reducing operations in China. These proposals often come from anti-ESG groups aiming to influence corporate policies on ethical grounds, particularly concerning the company's involvement in a country with poor human rights records (e.g., Xinjiang).

Bowyer Research policy:
Against – proposals which pressure companies to live up to public statements about human rights by decoupling or reducing operations in China.

China Business Risk

Proposals related to China Business Risk typically focus on the genuine risks of operating in China based on business factors rather than political philosophy. Key shareholder concerns include regulatory unpredictability and data security laws. Managing China business risk is increasingly seen as essential for protecting shareholder value and global compliance.

Bowyer Research policy:
For – proposals focus on genuine risk of China operations based on business factors rather than political philosophy.

V. Frequently Asked Questions

What is proxy voting?

In this context, proxy voting refers to the process by which shareholders of publicly traded companies cast votes on topics such as who will represent their interests on the board of directors, various housekeeping items, and various resolutions placed on the ballot by other shareholders.

Why are shareholder proposals important?

A high proportion of shareholder proposals are politically sensitive and come from proponents who are aligned with the ESG (environment, social, governance) approach to investing, which is increasingly seen as seeking to advance political causes via the operation of financial markets. Recently, however, proposals are coming from other groups that are acting to counteract ESG activist groups. Currently the proportion of pro-ESG proposals to anti-ESG proposals has gone from roughly twenty to one, to roughly ten to one. That trend is likely to continue with anti-ESG proposals bridging the gap.

Why did you create a set of proxy voting instructions?

Proxy voting is extremely complex. There are several hundred shareholder proposals per year and that number is rising rapidly. Shareholder proposals often couch a highly politicized agenda in innocuous sounding language. Shareholder activists obfuscate their intentions by creating misleading titles in increasingly elaborate attempts to "hack" the rules used by Proxy Advisory Services and asset managers to gain support. Often, the intent of a proposal is hidden in the details of the proposal's Supporting Statement, which must be read in full to discover the intended purpose.

Why not just trust the Proxy Advisory Service Benchmark policies to determine our votes for us?

Many fiduciaries disagree with the benchmark recommendations of Proxy Advisory Services. Some see these services as insufficiently aligned with the ESG movement. That is not our view. More recently an anti-ESG backlash has arisen and many have become more vocal in expressing the view that the services are overly aligned with ESG. While the latter have had some success in advocating for their policies in the process of forming Benchmark policies, nevertheless thus far they do not see those policies as fulfilling their needs. For example, proxy services have not offered guideline options which support proposals that seek to counter ESG until now.

This holds true for all available options presented by these services, even the "Board Aligned" options which, while less favorable to ESG than other guidelines on offer, still do support ESG proposals from management (for example anti-fossil fuel proposals); oppose proposals from ESG skeptical points of view, as well as penalize boards for failing racial and gender diversity criteria.

How are Bowyer Research Proxy Voting Policies Different?

These Guidelines evaluate every proposal through the standard of a narrowly focused definition of pecuniary benefit to the investor. This translates into general opposition to ESG proposals from shareholders or management. It does, however, automatically vote against everything ESG. For example, data often point to the importance of governance factors (the G in ESG) as being relevant to shareholder interests. As a general rule, these policies are extremely skeptical of the E and S proposals, but less so of G proposals. In fact, the guidelines are very tough on management in regards to governance issues. Examples would include any attempt to weaken shareholder rights.

We believe that in proper corporate governance, CEOs should work for boards and boards should work for shareholders. We also have a 'no-excuses' policy on the reelection of board members when companies severely underperform their peer group—if the company severely underperforms its peer group, we vote against reelection of the board. From this standpoint, these policies vary significantly from management recommendations (though not necessarily from board-aligned policies in every case).

Why Use ISS?

The top two services have 97% market share. It is not practical to offer solutions without working with the existing market leaders. And it is not practical to expect those firms to participate unless they benefit as well. This is the essence of capitalism: exchanges in which both parties win. This option responds to customer demand and offers something the marketplace wanted, but which had not previously been readily available.

Did ISS write or contribute to these policies?

No, this document was created without policy input from ISS. There was cooperation between Bowyer Research and ISS in that the policies were written in a way which fits with ISS's existing coding and implementation system, which allowed us to structure the guidelines in a way intended to minimize the likelihood of misunderstanding intent.

How do these policies differ from a "board aligned" or "management aligned" approach?

First, it is important to understand the distinction between universally voting with board recommendations on the one hand and proxy advisory policies which are described as board or management aligned on the other. "Board aligned" policies do not actually always align with board recommendations. For example, both major proxy advisors impose penalties in the form of adverse votes in cases in which the advisor deems the board insufficiently diverse according to race and gender (and, in the case of one of the advisors, “gender identity.”) In addition, board-aligned policies, while they default towards siding with management on proposals regarding disclosure of environment and social factors, nevertheless, “In those circumstances where it is widely considered that greater disclosure will directly enhance or protect shareholder value and is reflective of a clearly established reporting standard in the market, the Global Board-Aligned Policy will generally recommend in support of such proposals.”

In other words, board-aligned policies may possibly vote against the board on environment and social disclosure proposals based on industry standard practices. However, highly ESG-skeptical fiduciary entities may feel that industry standards have been overly influenced by ESG activists. Examples where Bowyer Research varies from board aligned policies based on “best practices” include support for or against board members; CEO pay, as well as mergers and acquisitions. Board-aligned policies tend to follow “best practices” in corporate governance, but the problem is that such policies have been disproportionately influenced by activists and academics often lacking skin in the game and seldom have vigorous support in the financial data.

Bowyer Research guidelines tend to take a more market-driven approach. Adverse board votes are based on poor stock performance, not on alleged best practices.

We also differ from board aligned policies in the approach to executive compensation. Low performing companies will have their pay packages voted against. We do follow board-aligned policies in requiring that CEO pay tracks closely with stockholders’ return, but we do not oppose CEO pay packages based on “problematic pay practices” such as “the multiple of the CEO's total pay relative to the peer group median…” being judged to be excessive. We see no reason to penalize a company’s CEO for having higher compensation than his or her peer group, *so long as that CEO’s pay aligns with the return to shareholders*.

Second, it is important to understand that boards virtually always oppose shareholder proposals and this includes proposals from groups which are attempting to counter ESG influence in the boardroom. Typically these proposals come from conservative advocacy groups or asset managers, but often are designed to depoliticize the process. Thus far board-aligned policies have opposed all such counter-ESG proposals from outside the traditional "socially responsible" investing community.

Third, board aligned policies support pro-ESG proposals from the management team such as Net Zero commitments or Say on Climate proposals. Our policy is to oppose these proposals. We do not believe that companies ought to make even non-binding commitments to decarbonization in an uncertain future.

Do these policies push conservative ideology onto companies?

No. The approach is non-political and focused narrowly on pecuniary benefit to investors. This is not an attempt to move companies to the right, but rather an attempt to move them back to neutral. That having been said, the guidelines do tend to support proposals from conservative groups, but only when those proposals themselves are focused on getting companies away from politics.

Why are these instructions so detailed?

They are detailed in order to minimize the possibility that the clients' wishes will be misunderstood, and also to deal with the rapidly increasing variety of new types of proposals.

Do you have research support for your positions?

We have an extensive library of white papers (currently over 300 of them) supporting the positions represented in the voting instructions.