Callan

February 19, 2026

City of Fort Pierce

Fourth Quarter Performance Review

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Agenda

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Market Environment Update

Global Equities Continue to Run in 2025

Non-U.S. markets lead U.S. markets by widest margin in last 15 years

- Big gains for global stocks
  - S&P 500 rose 17.9% in 2025, while U.S. small caps jumped 12.8%. Developed ex-U.S. stocks climbed 31.9% and emerging markets gained 33.6%.
- Solid returns for fixed income
  - The Bloomberg Aggregate rose 7.3% in the year. Long duration gained 6.6% as long rates fell more modestly than intermediate.
  - Headline CPI-U rose 2.7% (year-over-year) through December. The core index rose by a similar amount, coming in at 2.6%. The headline and core numbers are down from 2.9% and 3.2%, respectively, at the end of 2024. Though inflation is moderating relative to the mid-2022 peak, it has been holding at levels above the Fed's 2% target for the last few years.
- Dislocation in economic growth measures
  - The job market stopped expanding after April while GDP growth surged in 2Q and 3Q and is expected to post a gain for all of 2025.
  - Consumer spending has surprised on the upside; business spending has paused.

Returns for Periods ended 12/31/25

	Quarter	1 Year	3 Years	5 Years	10 Years	25 Years
U.S. Equity						
Russell 3000	2.40	17.15	22.25	13.15	14.29	8.86
S&P 500	2.66	17.88	23.01	14.42	14.82	8.83
Russell 2000	2.19	12.81	13.73	6.09	9.62	8.21
Global ex-U.S. Equity						
MSCI World ex USA	5.20	31.85	17.64	9.46	8.55	5.54
MSCI Emerging Markets	4.73	33.57	16.40	4.20	8.42	8.49
MSCI ACWI ex USA Small Cap	2.96	29.26	15.61	6.91	8.13	8.19
Fixed Income						
Bloomberg Aggregate	1.10	7.30	4.66	-0.36	2.01	3.77
90-day T-Bill	0.97	4.18	4.81	3.17	2.18	1.84
Bloomberg Long Gov/Credit	-0.02	6.62	3.06	-4.89	1.98	5.00
Bloomberg Global Agg ex-US	-0.47	8.85	3.29	-3.59	0.56	2.96
Real Estate						
NCREIF Property	1.15	4.91	-1.01	3.79	4.85	7.29
FTSE Nareit Equity	-1.56	2.88	8.36	6.63	5.70	8.94
Alternatives						
Cambridge Private Equity*	2.63	9.51	7.21	12.58	13.36	10.45
Cambridge Senior Debt*	1.06	7.78	10.11	8.33	7.95	4.97
HFRI Fund Weighted	2.66	12.41	10.08	7.09	6.61	5.86
Bloomberg Commodity	5.85	15.77	3.96	10.64	5.73	1.62
Gold Spot Price	12.08	64.37	33.46	18.03	15.14	11.69
Inflation: CPI-U	-0.23	2.68	2.97	4.46	3.20	2.52

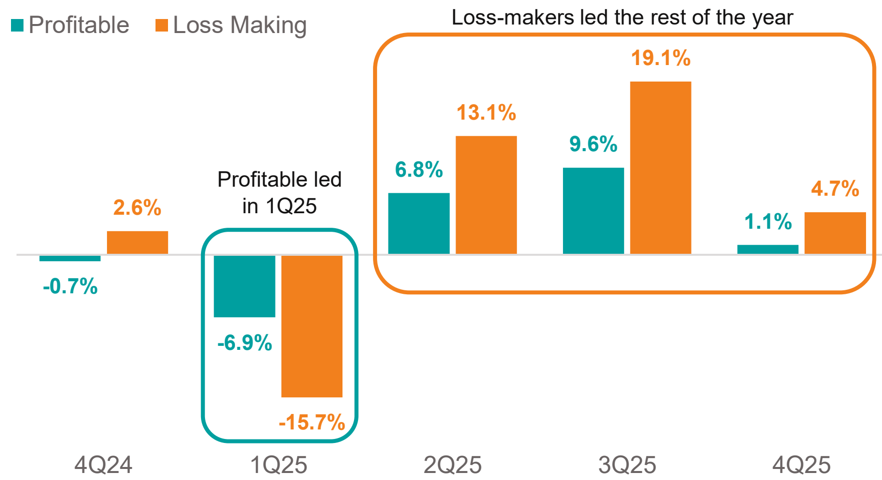
*Cambridge Private Equity and Cambridge Senior Debt data as of 3Q25.
Returns greater than one year are annualized.
Sources: Bloomberg, Callan, Cambridge, FTSE Russell, HFRI, MSCI, NCREIF, S&P Dow Jones Indices

Quality Factor Headwinds Persist, Particularly With Small Cap Managers

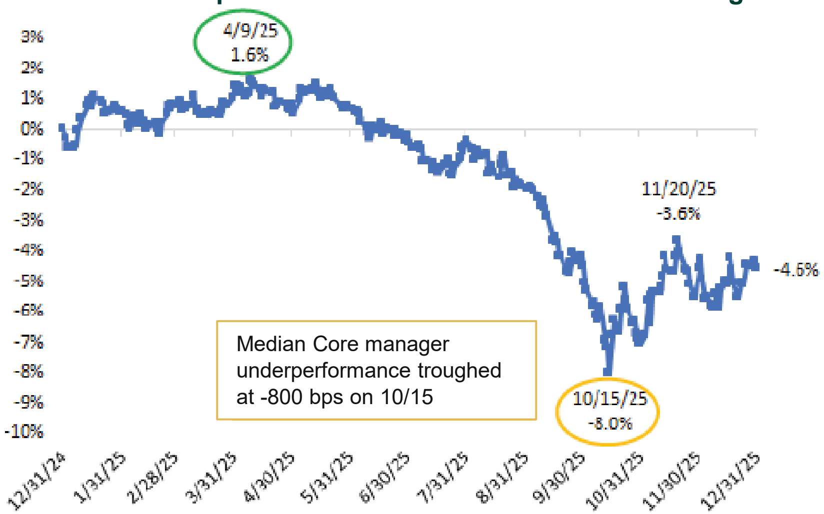
Low-quality stocks, including non-earners, outperformed high-quality equities

- Lower-quality stocks including unprofitable companies—those with low return on equity, high short interest, and negative free cash flow—outperformed in 2025.
- Most small-cap active managers were underweight non-earners, resulting in significant relative underperformance.
- Biopharma accounted for nearly one-third of the Russell 2000's annual return. Many managers held little to no exposure due to reluctance to invest in binary outcomes or a lack of in-house biopharma expertise.

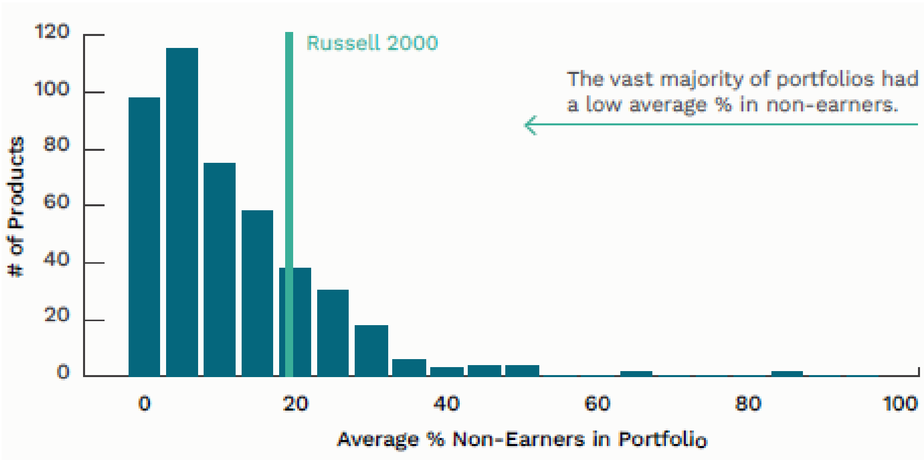
Russell 2000 Index Profitable vs. Loss-Making Companies



Median Small Cap Core Fund Relative Performance During 2025



Average Non-Earner Exposure Among Small Cap Managers



Sources: Furey Research Partners, Morningstar, FactSet, PanAgora

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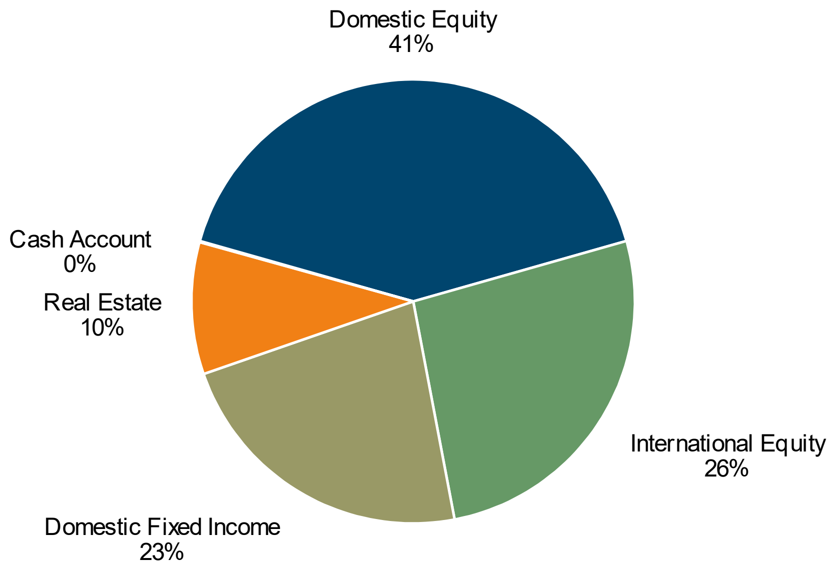
Asset Allocation and Performance Review

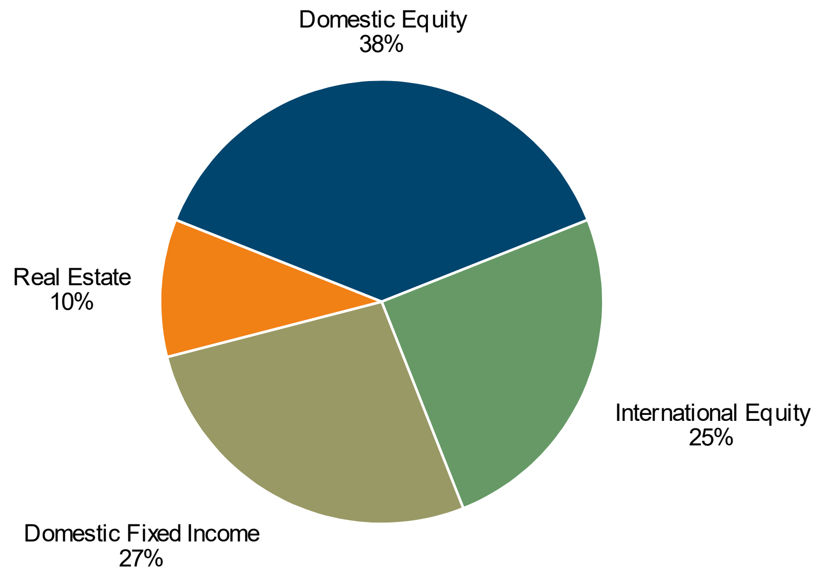
Asset Allocation

As of December 31, 2025

Actual Asset Allocation



Target Asset Allocation



Asset Class	$000s Actual	Weight Actual	Target	Percent Difference	$000s Difference
Domestic Equity	108,079	41.3%	38.0%	3.3%	8,571
International Equity	69,135	26.4%	25.0%	1.4%	3,669
Domestic Fixed Income	59,403	22.7%	27.0%	(4.3%)	(11,300)
Real Estate	25,058	9.6%	10.0%	(0.4%)	(1,128)
Cash Account	189	0.1%	0.0%	0.1%	189
Total	261,864	100.0%	100.0%		

Asset Distribution Across Investment Managers

	December 31, 2025				September 30, 2025	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Domestic Equity	**$108,079,043**	**41.27%**	**$(74,327)**	**$2,986,653**	**$105,166,717**	**40.23%**
Emerald Advisers, Inc.	9,868,168	3.77%	(18,621)	621,627	9,265,162	3.54%
Ceredex Value Advisors	6,983,813	2.67%	(55,706)	169,229	6,870,290	2.63%
SSgA S&P 500 Index	74,626,425	28.50%	0	1,926,411	72,700,014	27.81%
SSgA S&P 400 Index	16,600,637	6.34%	0	269,386	16,331,251	6.25%
International Equity	**$69,134,699**	**26.40%**	**$0**	**$2,501,963**	**$66,632,736**	**25.49%**
Brandes Int'l Value	36,291,859	13.86%	0	1,895,593	34,396,266	13.16%
William Blair Intl Growth	32,842,840	12.54%	0	606,371	32,236,470	12.33%
Domestic Fixed Income	**$59,403,137**	**22.68%**	**$(34,524)**	**$742,186**	**$58,695,475**	**22.45%**
Richmond Capital	59,403,137	22.68%	(34,524)	742,186	58,695,475	22.45%
Real Estate	**$25,058,118**	**9.57%**	**$(65,178)**	**$409,820**	**$24,713,476**	**9.45%**
Heitman	25,058,118	9.57%	(65,178)	409,820	24,713,476	9.45%
Cash Account	**$189,133**	**0.07%**	**$(6,000,000)**	**$1,676**	**$6,187,457**	**2.37%**
Cash & Equivalents (1)	189,133	0.07%	(6,000,000)	1,676	6,187,457	2.37%
Total Fund	**$261,864,130**	**100.0%**	**$(6,174,029)**	**$6,642,299**	**$261,395,860**	**100.0%**

- The City of Fort Pierce Retirement and Benefit System plan assets are approximately $262 million as of December 31st, 2025.
- Investment returns were positive for the fourth quarter at $6.6 million.
- During the quarter $6 million from the cash allocation was used for benefit payments.

Investment Manager Returns & Peer Rankings (Gross of Fees)

- The Plan gained 2.59% in the fourth quarter and finishing the quarter virtually in line with the index on a gross of fee basis. Compared to peers, the Plan is in the top quartile for the quarter. Long-term results remain in line with the benchmark.
  - Three out of four asset class composites are outperforming their respective indices over the last 10 years with International Equity being the only laggard.
- Active manager performance within the international equity composite detracted from relative results as William Blair underperformed the MSCI ACWI ex-US Index. Brandes was able to partially offset this as they outperformed the MSCI EAFE index.
- For the quarter, Domestic Equity performed ahead of its benchmark. Emerald ranked near the top of their peer group while Ceredex lagged the Russell 2000 value benchmark. Performance over the longer periods is ahead of the target benchmark.
- Fixed Income and Real Estate composite performance remains strong relative to their respective benchmarks as both managers have added value over the shorter-term periods.

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 10 Years	
Domestic Equity	**2.84%**	**11**	**16.44%**	**47**	**20.53%**	**52**	**12.79%**	**39**	**13.70%**	**46**
Domestic Equity Benchmark	2.43%	54	15.44%	65	19.87%	63	12.30%	55	13.43%	55
Public Fund - Dom Equity	2.47%		16.27%		20.61%		12.54%		13.58%	
Emerald Advisers, Inc.	6.71%	4	34.92%	1	24.98%	7	9.32%	11	13.66%	25
Russell 2000 Growth Index	1.22%	67	13.01%	41	15.59%	38	3.18%	59	9.57%	94
Callan Small Cap Growth	2.54%		10.98%		14.67%		4.26%		11.70%	
Ceredex Value Advisors	2.46%	47	2.97%	75	9.65%	67	9.07%	64	9.16%	75
Russell 2000 Index	2.19%	52	12.81%	19	13.73%	21	6.09%	95	9.62%	65
Russell 2000 Value Index	3.26%	26	12.59%	20	11.73%	43	8.88%	68	9.27%	74
Callan Small Cap Value	2.31%		7.48%		11.28%		10.51%		9.89%	
SSgA S&P 500 Index	2.65%	67	17.89%	35	23.00%	45	14.41%	46	14.82%	38
Standard & Poor's 500	2.66%	67	17.88%	35	23.01%	44	14.42%	45	14.82%	38
Callan Large Cap Core	3.16%		16.97%		22.82%		14.23%		14.34%	
SSgA S&P 400 Index	1.65%	29	7.50%	54	12.60%	54	9.13%	41	10.74%	58
S&P Mid Cap 400 Index	1.64%	29	7.50%	54	12.56%	54	9.12%	41	10.72%	59
Callan Mid Capitalization	0.52%		8.40%		13.10%		7.87%		10.97%	
International Equity	**3.75%**	**85**	**27.63%**	**86**	**15.59%**	**87**	**5.11%**	**93**	**7.86%**	**89**
International Equity Benchmark	5.05%	21	32.39%	45	17.33%	61	7.91%	62	8.41%	82
Public Fund - Intl Equity	4.81%		31.78%		17.83%		8.56%		9.14%	
Brandes Int'l Value(2)	5.51%	23	-		-		-		-	
MSCI EAFE	4.86%	39	31.22%	46	17.22%	50	8.92%	45	8.18%	52
Callan Non US Equity MFs	4.16%		29.98%		17.24%		8.40%		8.31%	
William Blair Intl Growth(2)(3)	1.88%	80	18.17%	90	11.88%	92	1.90%	92	7.09%	75
MSCI ACWI x US (Net)	5.05%	32	32.39%	44	17.33%	47	7.91%	55	8.41%	46
Callan Non US Equity MFs	4.16%		29.98%		17.24%		8.40%		8.31%	
Domestic Fixed Income	**1.27%**	**24**	**7.80%**	**41**	**5.29%**	**63**	**0.11%**	**70**	**2.40%**	**84**
Domestic Fixed Income Benchmark	1.10%	54	7.30%	71	4.66%	81	(0.36%)	88	2.01%	94
Blmbg Aggregate Index	1.10%	54	7.30%	71	4.66%	81	(0.36%)	88	2.01%	94
Public Fund - Dom Fixed	1.11%		7.55%		5.67%		0.92%		3.18%	
Richmond Capital	1.27%	9	7.80%	28	5.29%	41	0.11%	44	2.40%	71
Blended Benchmark(1)	1.10%	68	7.30%	93	4.66%	93	(0.36%)	97	2.01%	98
Callan Core Bond FI	1.14%		7.66%		5.21%		0.09%		2.56%	
Real Estate	**1.66%**	**6**	**5.58%**	**17**	**(2.11%)**	**46**	**5.32%**	**27**	**4.85%**	**63**
Real Estate Benchmark	0.77%	51	2.93%	78	(4.52%)	87	2.67%	79	4.16%	72
Public Fund - Real Estate	0.80%		4.22%		(2.19%)		4.12%		5.24%	
Heitman(2)	1.66%	10	5.58%	16	(2.11%)	32	5.32%	25	4.85%	38
NFI-ODCE Equal Weight Net	0.77%	59	2.93%	73	(4.52%)	62	2.67%	61	4.16%	59
Callan OE Core Cmngld RE	0.87%		4.06%		(3.66%)		3.08%		4.47%	
Total Fund	**2.59%**	**14**	**16.02%**	**11**	**12.99%**	**30**	**6.92%**	**62**	**8.64%**	**51**
Total Fund Benchmark*	2.56%	16	16.09%	10	12.62%	39	7.01%	59	8.66%	49
CPI + 5%	1.01%	98	7.68%	100	7.97%	98	9.47%	2	8.20%	68
Callan Public Fund Spr DB	2.22%		13.79%		12.09%		7.21%		8.65%	

*Current Qtr Target=27.0% Blmbg Aggregate, 26.0% S&P 500 Index, 25.0% MSCI ACWI xUS, 10.0% NCREIF NFI-ODCE Eq Wt Net, 6.0% S&P Mid Cap 400 Index, 3.0% Russell 2000 Growth Index and 3.0% Russell 2000 Value Index.

(1) Blmbg Gov/Credit Bond Index through May 31, 2013 and Blmbg Aggregate thereafter. (2) Returns are reported net of fees. (3) Switched to commingled investment trust 2/27/2023.

Investment Manager Objectives

Manager	Objective	Comments
Total Fund	Outperform the CPI + 5% over long term.	**Met**
Emerald	Outperform the Russell 2000 Growth Index (net of fees) over rolling 3-year periods by 0.50%.	**Met**
	Outperform the median small cap growth manager over rolling 3-year periods.	**Met**
Ceredex	Outperform the Russell 2000 Value Index (net of fees) over rolling 3-year periods by 0.50%.	**Not Met**
	Outperform the median small cap value manager over rolling 3-year periods.	**Not Met**
SSgA S&P MidCap 400 Index	Replicate the return of the S&P MidCap 400 Index.	**Met**
SSgA S&P 500 Index	Replicate the return of the S&P 500 Index.	**Met**
William Blair	Outperform the MSCI ACWI ex-US Index (net of fees) by 0.50% over rolling 3-year periods.	**Not Met**
	Outperform the median international equity manager over rolling 3-year periods.	**Not Met**
Brandes	Outperform the MSCI ACWI ex-US Index (net of fees) by 0.50% over rolling 3-year periods.	**
	Outperform the median international equity manager over rolling 3-year periods.	**
Richmond	Outperform Bloomberg Aggregate (net of fees) over rolling 3-year periods by 0.25%.	**Met**
	Outperform the median fixed income manager over rolling 3-year periods.	**Met**
Heitman (HART)	Outperform the NFI-ODCE Index over rolling 5-year periods.	**Met**

**Performance for the Brandes strategy will reach it's 3-year track record in 1Q 2028

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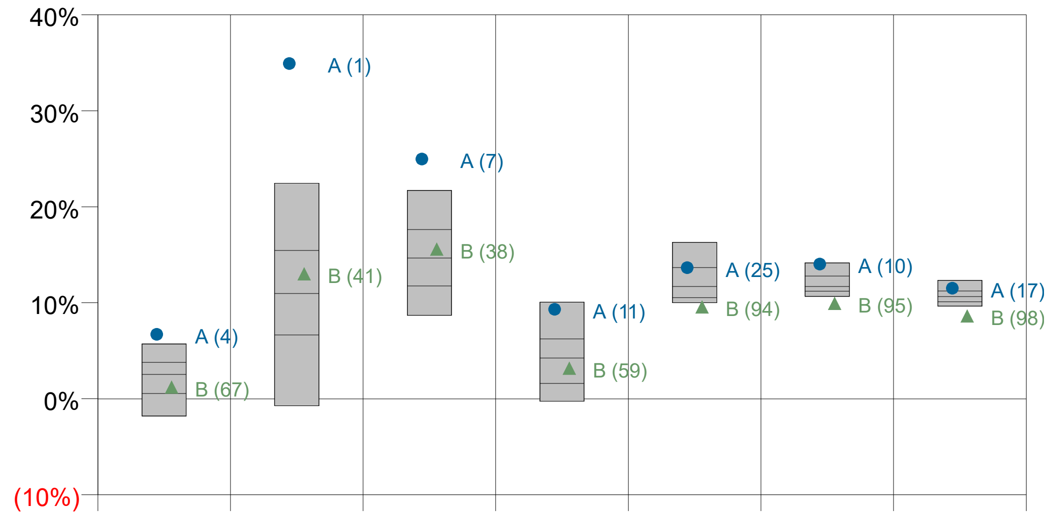
Domestic Equity

Emerald Advisors Small Cap Growth

Performance vs Callan Small Cap Growth (Gross)

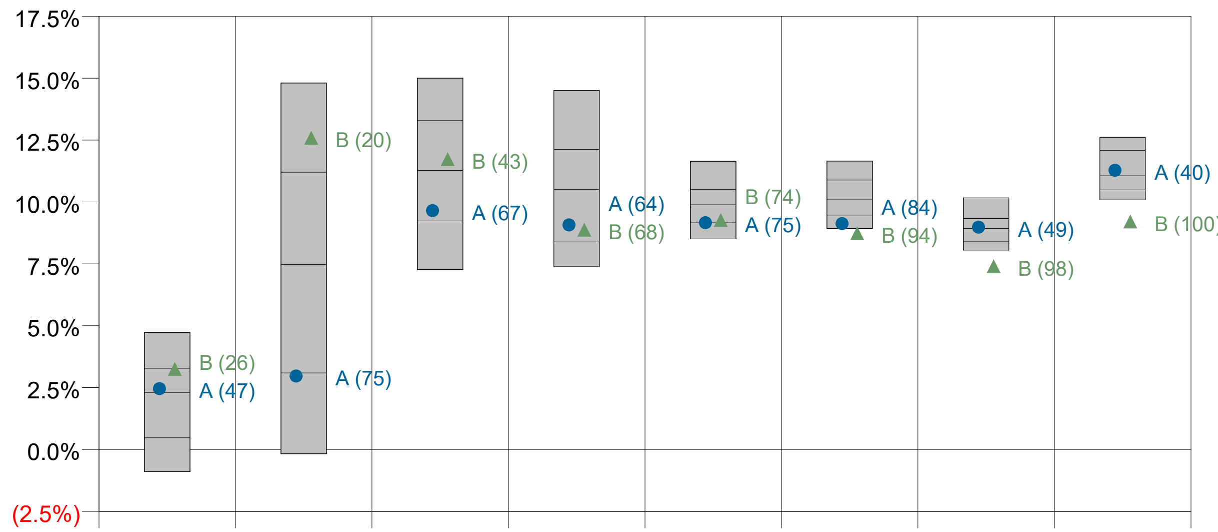


		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 21 3/4 Years
10th Percentile		5.72	22.47	21.71	10.08	16.30	14.16	12.35
25th Percentile		3.80	15.46	17.64	6.24	13.67	12.80	11.23
Median		2.54	10.98	14.67	4.26	11.70	11.71	10.66
75th Percentile		0.57	6.67	11.76	1.61	10.55	11.22	10.11
90th Percentile		(1.80)	(0.72)	8.71	(0.24)	10.01	10.68	9.67
Emerald Advisers	● A	6.71	34.92	24.98	9.32	13.66	14.04	11.51
Russell:2000 Growth	▲ B	1.22	13.01	15.59	3.18	9.57	9.94	8.63

- Stock selection was the largest driver of performance, with the Emerald portfolio holding nine of the top ten contributors to the Russell 2000 Growth benchmark total return for the calendar year
- Relative outperformance within the healthcare, telecommunications, technology, consumer discretionary, utilities and industrials sectors were the largest positive contributors to return.
- Over the long term, the manager continues to outperform the benchmark both gross and net of fees.

Ceredex Value Advisors Small Cap Value

Performance vs Callan Small Cap Value (Gross)

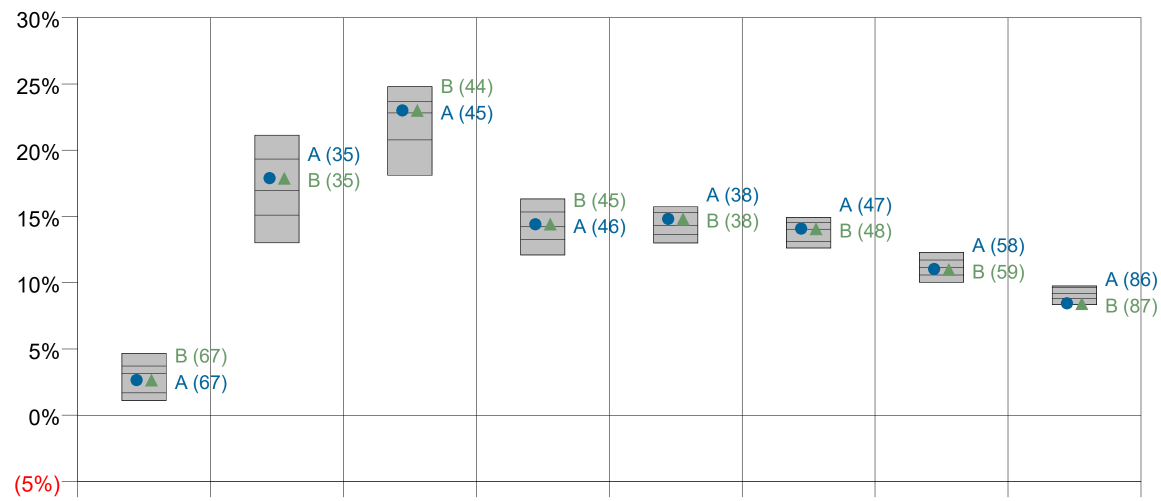


		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 20 Years	Last 26 3/4 Years
10th Percentile		4.73	14.81	15.00	14.51	11.65	11.66	10.17	12.62
25th Percentile		3.28	11.20	13.29	12.13	10.51	10.89	9.34	12.08
Median		2.31	7.48	11.28	10.51	9.89	10.12	8.93	11.06
75th Percentile		0.48	3.09	9.24	8.39	9.16	9.44	8.40	10.49
90th Percentile		(0.89)	(0.17)	7.27	7.38	8.51	8.93	8.06	10.08
Ceredex Value Advisors	● A	2.46	2.97	9.65	9.07	9.16	9.12	8.98	11.28
Russell:2000 Value	▲ B	3.26	12.59	11.73	8.88	9.27	8.73	7.40	9.21

- Ceredex underperformed its benchmark and peers during the quarter. Detractors included underweight healthcare exposure, given that they do not invest in more speculative biotech positions, a segment that outperformed in the quarter, financials stock selection, and materials stock selection.
- The portfolio's focus on high-quality, more cyclical dividend-paying companies limited participation in the narrowly driven market recently.
- The manager's recent performance has weighed on relative results over the last three years, however, trailing performance over 15 years and above outperforms.

SSgA S&P 500 Index

Performance vs Callan Large Cap Core (Gross)

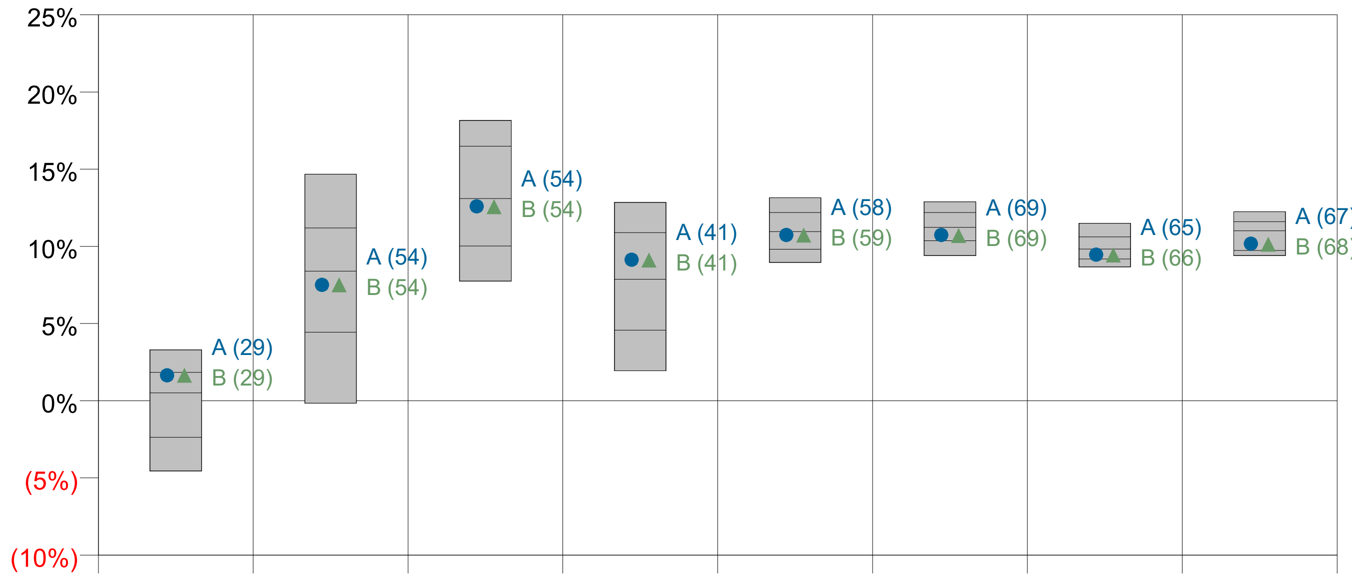


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 20 Years	Last 26 3/4 Years
10th Percentile	4.68	21.14	24.81	16.33	15.74	14.94	12.30	9.75
25th Percentile	3.71	19.34	23.69	15.34	15.30	14.55	11.72	9.64
Median	3.16	16.97	22.82	14.23	14.34	14.04	11.15	9.21
75th Percentile	1.69	15.11	20.78	13.25	13.63	13.13	10.59	8.83
90th Percentile	1.12	13.02	18.11	12.10	13.01	12.62	10.03	8.35
SSGA S&P 500 Index ● A	2.65	17.89	23.00	14.41	14.82	14.08	11.03	8.45
S&P:500 ▲ B	2.66	17.88	23.01	14.42	14.82	14.06	11.00	8.41

- The SSgA S&P 500 Index fund continues to track the benchmark across all periods over time.
- All S&P sectors posted gains except Real Estate and Utilities. Health Care (+11.7%) and Communication Services (+7.3%) were the top-performing sectors.

SSgA S&P Mid Cap 400 Index

Performance vs Callan Mid Capitalization (Gross)



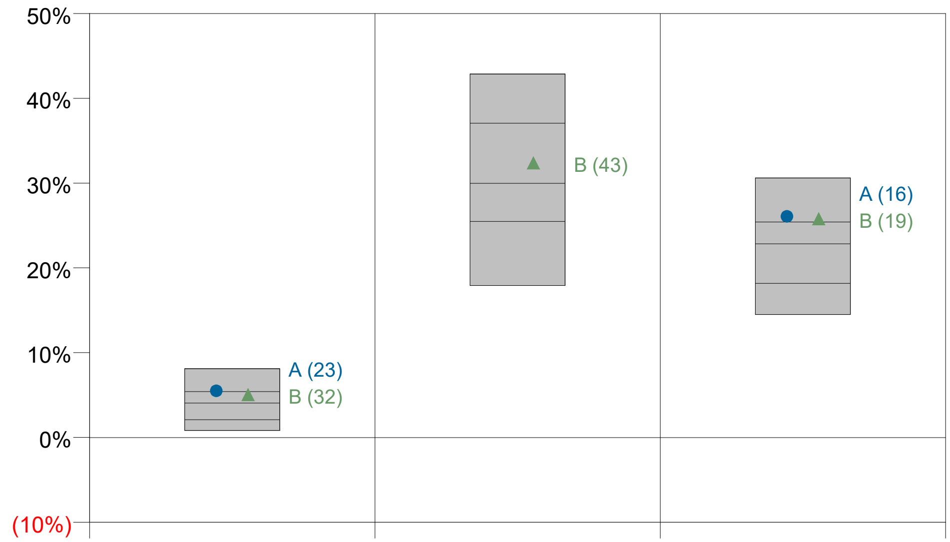
		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 20 Years	Last 26 3/4 Years
10th Percentile		3.30	14.68	18.16	12.86	13.16	12.90	11.50	12.25
25th Percentile		1.85	11.20	16.50	10.90	12.19	12.19	10.62	11.61
Median		0.52	8.40	13.10	7.87	10.97	11.23	9.83	11.02
75th Percentile		(2.36)	4.44	10.03	4.58	9.82	10.37	9.19	9.74
90th Percentile		(4.54)	(0.15)	7.75	1.94	8.97	9.42	8.67	9.41
SSGA S&P 400 Index	● A	1.65	7.50	12.60	9.13	10.74	10.74	9.47	10.18
S&P:400 Mid Cap	▲ B	1.64	7.50	12.56	9.12	10.72	10.71	9.44	10.13

- The fund continues to track the index closely at a very low fee.

International Equity Performance

Brandes International Value

Performance vs Callan Non-US Equity Mutual Funds (Institutional Net)

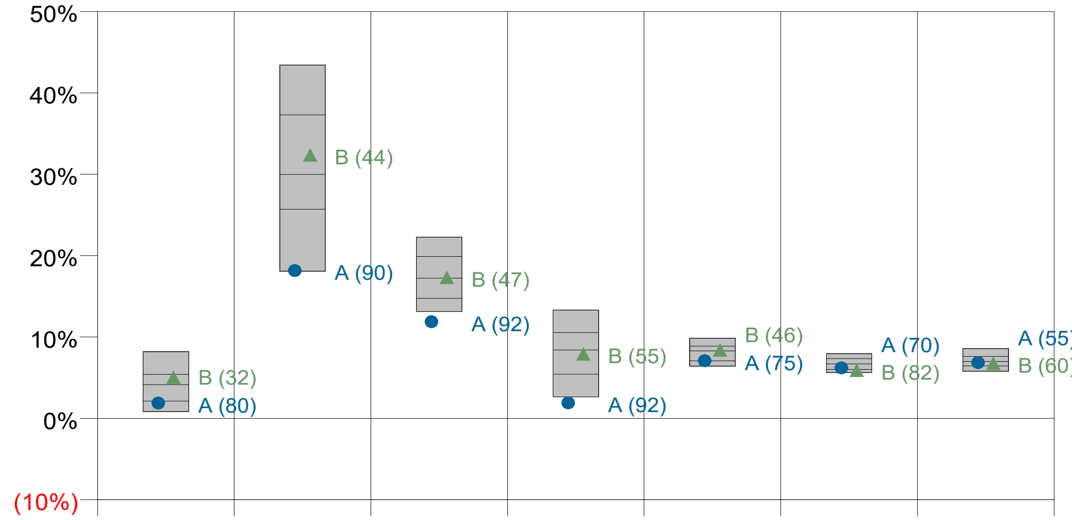


	Last Quarter	Last Year	Since Inception 4/1/25
10th Percentile	8.11	42.88	30.61
25th Percentile	5.41	37.07	25.41
Median	4.06	29.98	22.86
75th Percentile	2.10	25.49	18.20
90th Percentile	0.83	17.94	14.50
Brandes International Value ● A	5.51	--	26.07
MSCI:ACWI xUS ▲ B	5.05	32.39	25.80

- Exposure to emerging markets helped returns, led by South Korean Samsung Electronics, Mexico's Cemex, and Erste Group Bank. From a sector perspective, holdings in industrials and materials were meaningful contributors.
- Overweight to consumer staples and underweight to financials detracted from relative returns, as financials was one of the strongest performing sectors in the benchmark while consumer staples lagged overall.
- Brandes International Value was funded in January 2025 following a search conducted at the August 2024 meeting. This manager replaced Morgan Stanley International Equity and Causeway Emerging Markets.

William Blair International Growth Equity

Performance vs Callan Non-US Equity Mutual Funds (Institutional Net)



		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 22 Years
10th Percentile		8.22	43.42	22.28	13.33	9.86	7.97	8.60
25th Percentile		5.43	37.32	19.91	10.56	8.88	7.34	7.63
Median		4.16	29.98	17.24	8.40	8.31	6.71	7.00
75th Percentile		2.12	25.72	14.77	5.44	7.08	6.03	6.45
90th Percentile		0.84	18.09	13.14	2.65	6.44	5.64	5.81
William Blair & Company	● A	1.88	18.17	11.88	1.90	7.09	6.19	6.86
MSCI:ACWI xUS	▲ B	5.05	32.39	17.33	7.91	8.41	5.91	6.76

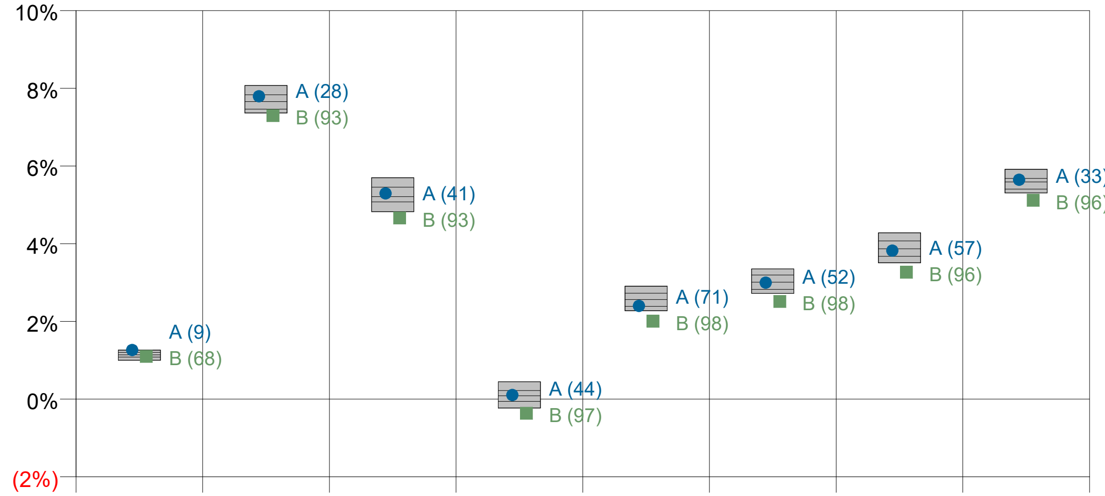
- Industrials detracted from performance due to weak stock selection across most industries coupled with an overweight allocation to aerospace and defense
- Continued strength for lower valuation companies and underperformance from high quality companies has been a headwind for the strategy.
- The strategy is lagging the benchmark and peers across 1-, 3-, 5-, and 10-year periods.

Callan

Fixed Income

Richmond Capital Core Fixed Income

Performance vs Callan Core Bond Fixed Income (Gross)



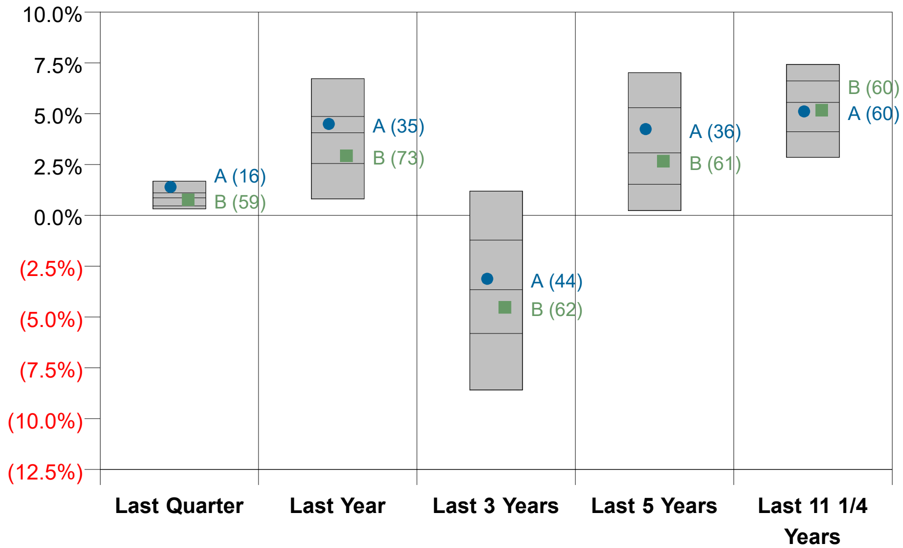
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 20 Years	Last 35 1/4 Years
10th Percentile	1.26	8.07	5.70	0.45	2.91	3.35	4.28	5.92
25th Percentile	1.21	7.84	5.46	0.22	2.73	3.19	4.07	5.68
Median	1.14	7.66	5.21	0.09	2.56	3.01	3.87	5.59
75th Percentile	1.08	7.47	5.08	(0.05)	2.39	2.83	3.68	5.41
90th Percentile	1.00	7.37	4.82	(0.23)	2.28	2.72	3.51	5.31
Richmond Capital ● A	1.27	7.80	5.29	0.11	2.40	3.00	3.82	5.64
Blended Benchmark ■ B	1.10	7.30	4.66	(0.36)	2.01	2.52	3.27	5.12

- Performance was supported by an overweight in agency mortgage-backed securities (MBS), an overweight in credit, and within credit -- a modest bias toward intermediate holdings over long-dated ones.
- On the negative side, the changing shape of the yield curve presented them with a modest headwind. Shorter-dated bonds performed best this year as the Federal Reserve lowered interest rates.
- For all time periods, Richmond is outperforming the benchmark on a gross and net of fee basis.

Real Estate

Heitman America Real Estate Trust

Performance vs Callan Open End Core Commingled Real Estate (Net)



		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 11 1/4 Years
10th Percentile		1.69	6.73	1.20	7.02	7.43
25th Percentile		1.11	4.87	(1.21)	5.30	6.62
Median		0.87	4.06	(3.66)	3.08	5.56
75th Percentile		0.47	2.55	(5.81)	1.53	4.12
90th Percentile		0.32	0.82	(8.59)	0.24	2.86
Heitman Net	● A	1.39	4.50	(3.12)	4.24	5.12
NCREIF:NFI-ODCE Eq Wt Net	■ B	0.77	2.93	(4.52)	2.67	5.18

- The Fund experienced write-ups in gross asset values across all property sectors except for the commercial office sector, which saw a write-down. Overall, the fund saw a +0.64% return impact from real estate appreciation.
- After issuing a dividend of $13.29 per share in the 4th quarter, that brings the trailing one-year net dividend yields to 3.41%.
- The fund redemption queue began the year at $1.4B and ended the year at $794M after redemptions of $800M were paid out along with $133M in recissions.

Callan

2026 Capital Market Assumptions

Callan's Capital Markets Assumptions: 10 Years (2026–2035)

No key changes from 2025 projections

Summary of key forecast points for 2026 Capital Markets Assumptions

- Cash return held constant at 3.0%
- Core fixed income return held at 4.75%
- Long G/C return held at 5.20%; the major peg points for fixed income remain unchanged, with minor adjustments to fixed income sectors
- Public equity returns are unchanged from 2025, with Broad US at 7.35% and Broad Non-US at 7.45%; equity risk premium over cash and over fixed income held at the lowest level in our forecast history
- Inflation held at 2.5%
- Private markets returns are unchanged from 2025

Allocations within equity reflect neutral weights to the broad markets

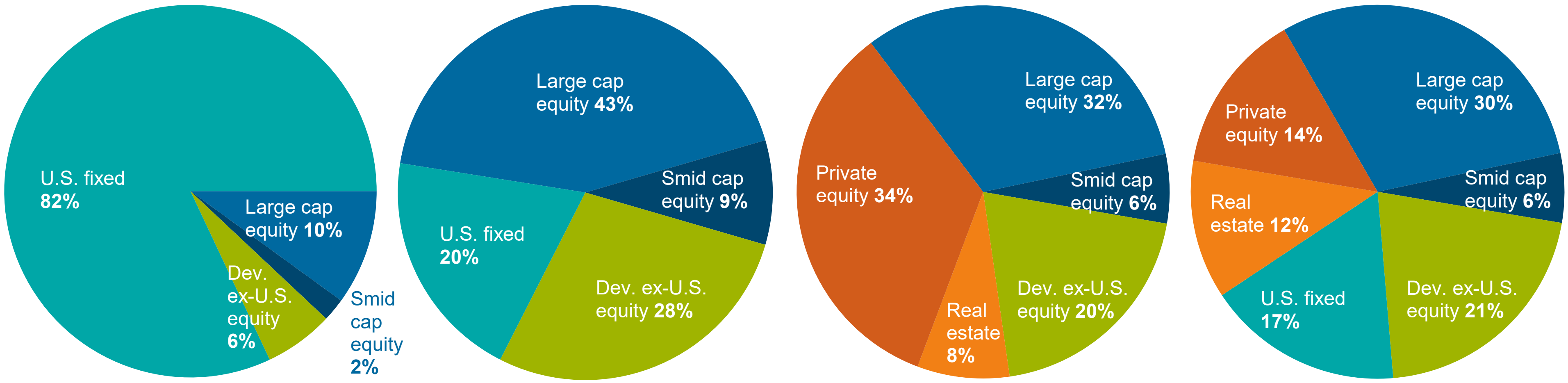
- Efficient SMID cap weight set to 15% of broad U.S. equity
- Efficient emerging market equity weight set to 30% of global ex-U.S. equity
- Efficient U.S. / global ex-U.S. equity set to 60/40 neutral weight (not a change, but the market has now caught up to us!)

2026 vs. 2025 Risk and Returns

		PROJECTED RETURN			PROJECTED RISK		2025 - 2034 CMAs			Change from 2025	
Asset Class	**Index**	**1-Year Arithmetic**	**10-Year Geometric***	**Real**	**Standard Deviation**	**Projected Yield*****	**1-Year Arithmetic**	**10-Year Geometric***	**Standard Deviation**	**Geometric* Delta**	**Std Dev Delta**
Equities											
Broad U.S. Equity	Russell 3000	8.70%	7.35%	4.85%	17.35%	1.45%	8.70%	7.35%	17.35%	0.00%	0.00%
Large Cap U.S. Equity	S&P 500	8.50%	7.25%	4.75%	17.00%	1.50%	8.50%	7.25%	17.00%	0.00%	0.00%
Small/Mid Cap U.S. Equity	Russell 2500	9.60%	7.45%	4.95%	22.00%	1.25%	9.60%	7.45%	22.00%	0.00%	0.00%
Global ex-U.S. Equity	MSCI ACWI ex USA	9.45%	7.45%	4.95%	21.25%	3.20%	9.45%	7.45%	21.25%	0.00%	0.00%
Developed ex-U.S. Equity	MSCI World ex USA	9.05%	7.25%	4.75%	20.15%	3.25%	9.05%	7.25%	20.15%	0.00%	0.00%
Emerging Market Equity	MSCI Emerging Markets	10.30%	7.45%	4.95%	25.65%	3.05%	10.30%	7.45%	25.65%	0.00%	0.00%
Fixed Income											
Short Duration Gov't/Credit	Bloomberg 1-3 Yr G/C	3.95%	3.90%	1.40%	2.40%	3.65%	4.05%	4.00%	2.40%	-0.10%	0.00%
Core U.S. Fixed	Bloomberg Aggregate	4.85%	4.75%	2.25%	4.45%	4.55%	4.85%	4.75%	4.40%	0.00%	0.05%
Global ex-U.S. Fixed	Bloomberg Gl Agg xUSD	3.35%	2.90%	0.40%	9.80%	2.85%	3.30%	2.85%	9.80%	0.05%	0.00%
TIPS	Bloomberg TIPS	4.65%	4.50%	2.00%	5.40%	4.20%	4.70%	4.55%	5.40%	-0.05%	0.00%
Long Government	Bloomberg Long Gov	5.85%	5.00%	2.50%	13.80%	4.70%	5.65%	4.80%	13.75%	0.20%	0.05%
Long Credit	Bloomberg Long Cred	5.85%	5.25%	2.75%	11.65%	5.95%	6.05%	5.40%	11.90%	-0.15%	-0.25%
Long Government/Credit	Bloomberg Long G/C	5.85%	5.20%	2.70%	11.70%	5.40%	5.85%	5.20%	11.75%	0.00%	-0.05%
High Yield	Bloomberg High Yield	6.55%	5.90%	3.40%	11.75%	8.05%	6.65%	6.00%	11.75%	-0.10%	0.00%
Emerging Market Sovereign Debt	EMBI Global Diversified	5.55%	5.00%	2.50%	10.70%	7.25%	5.85%	5.35%	10.65%	-0.35%	0.05%
Alternatives											
Core Real Estate	NCREIF ODCE	7.15%	6.25%	3.75%	14.00%	4.00%	7.15%	6.25%	14.00%	0.00%	0.00%
Private Infrastructure	MSCI Glb Infra/FTSE Dev Core 50/50	7.40%	6.35%	3.85%	15.20%	4.90%	7.40%	6.35%	15.20%	0.00%	0.00%
Private Equity	Cambridge Private Equity	11.80%	8.50%	6.00%	27.60%	0.00%	11.80%	8.50%	27.60%	0.00%	0.00%
Private Credit	Cambridge Senior Debt Index	8.35%	7.25%	4.75%	15.70%	7.25%	8.35%	7.25%	15.70%	0.00%	0.00%
Hedge Funds	Callan Hedge FoF Database	6.00%	5.70%	3.20%	8.20%	0.00%	6.00%	5.70%	8.20%	0.00%	0.00%
Commodities	Bloomberg Commodity	5.40%	3.90%	1.40%	18.05%	3.00%	5.40%	3.90%	18.05%	0.00%	0.00%
Cash Equivalents	90-Day T-Bill	3.00%	3.00%	0.50%	0.90%	3.00%	3.00%	3.00%	0.90%	0.00%	0.00%
Inflation	CPI-U		2.50%		1.60%			2.50%	1.60%	0.00%	0.00%

7.5% Expected Returns Over Past 30 Years

Increasing Complexity



1996	2011	2022	2026
Return: 7.5%	**Return:** 7.5%	**Return:** 7.5%	**Return:** 7.5%
Risk: 5.9%	**Risk:** 14.2%	**Risk:** 19.4%	**Risk:** 14.2%

Increasing Risk

In 1996, our expectation for broad U.S. fixed income was 6.8%.

Only 18% in return-seeking assets was required to earn a 7.5% projected return.

15 years later, an investor would have needed 80% of the portfolio in public equities to achieve a 7.5% projected return at almost 2.5x the volatility.

In 2022 an investor was required to hold 100% in return-seeking assets (with over 40% in private markets investments) to earn a 7.5% projected return at over 3x the volatility compared to 1996.

Today's 7.5% expected return portfolio is much more reasonable than it was just four years ago, with 17% of the portfolio in fixed income and roughly a quarter in private market investments, with a correspondingly lower level of risk.

Appendix

Callan's 2026 Work Plan

City of Fort Pierce Retirement and Benefit System	1st Quarter 2026	2nd Quarter 2026	3rd Quarter 2026	4th Quarter 2026
Strategic Planning				
Review Capital Market Expectations				
Present Proposed 2027 Work Plan and 2026 accomplishments				
Plan Implementation				
Prepare Cash Raise for Benefit Payments				
Investment Manager Fee Review				
Provide annual Fiscal YE results				
Manager Searches (as needed)				
Monitoring & Evaluation				
Quarterly Performance Reviews				
Quarterly Meeting Attendance				
Present Executive Summary				
Investment Manager Presentations				
Continuous Qualitative Review				
Research & Education				
National Client Conference – Scottsdale, AZ , April 20-22				
"Callan College"				
Regional Workshops				
Custom Board Education				
Research Papers and Publications				

2025 City of Fort Pierce and Callan Year-End Recap

- Provided Fiscal Year-End IRR results to Finance Department for annual reporting.
- Callan presented updated capital markets expectations at the February 2025 meeting.
- Callan provided a summary of the Board's accomplishments from 2021-2024.
- Reviewed Investment Policy Statement.
- Given the volatile performance of the international equity segment, Callan conducted a structure review of the International Equity composite in 2024 and presented results in the February meeting. Callan assisted the Board with the transition to Brandes which was completed in the first quarter of 2025.
- Conducted Annual Investment Manager Fee Review:
  - By moving from the legacy three manager international equity structure to Brandes and William Blair, Fort Pierce pays approximately $120k less in fees based on 6/30 asset values.
  - Callan confirmed that SSgA had not implemented the new fee schedule quoted back in 2023, they will be crediting over $60k to the City for fee differential.
- Conducted customized Board education regarding current equity market dynamics.
- Assisted the Finance team with their cash raise for benefit payments during the year.

Callan Institute Events

Upcoming conferences, workshops, and virtual events

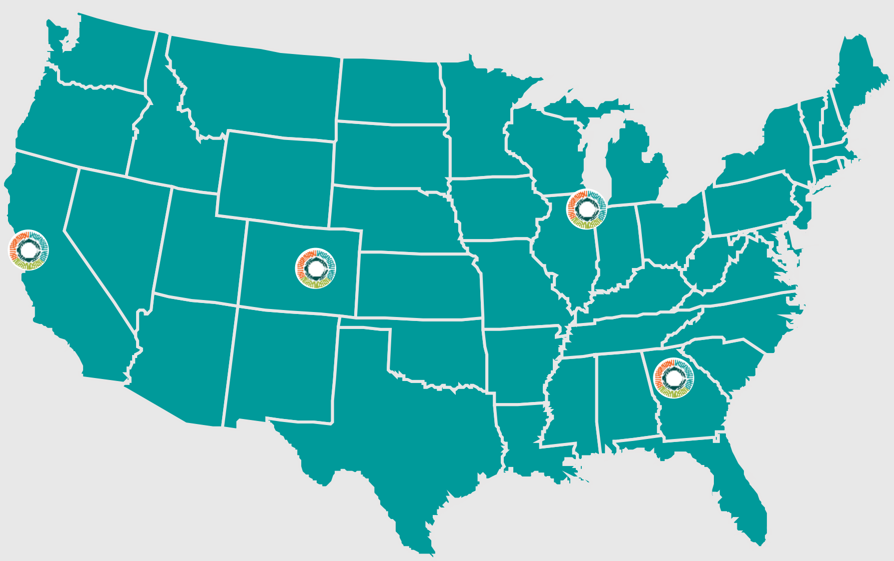
2026 Regional Workshop Dates

Workshop Dates

- June 16, 2026 – Denver
- June 18, 2026 – Chicago
- October 20, 2026 – Atlanta
- October 22, 2026 – San Francisco

Workshop Agenda

- 8:00 - 9:00 AM
  Continental Breakfast
- 9:00 - 10:15 AM
  Workshop and Q&A
- 10:15 - 11:00 AM
  Roundtable Discussions



Mark Your Calendar

2026 National Conference

April 20-22, 2026 – Scottsdale, Arizona

Watch your email for further details and an invitation.

Upcoming Virtual Events

November 5, 2025

2025 Asset Manager Sustainable Investment Practices Study Webinar

January 21, 2026

Capital Markets Assumptions Webinar

Callan's Ethics Policy

The success of our business depends on maintaining our unblemished record for providing clients with objective advice. Callan's approach has always been to acknowledge and then aggressively manage possible conflicts to ensure they never manifest in the advice we give clients. Our firm is vigilant about employing a highly systematized process that vets potential conflicts, maintains separation of business units, and ensures that we are being entirely transparent in all our relationships. We mitigate conflicts of interest by adhering to the following:

Code of ethical responsibility: Callan adheres to a firm-wide ethical code which each associate must review and acknowledge in writing every year. This code affirms for Callan employees that they must uphold their duty to our clients by adhering to specific policies and procedures. Any breach of this code can result in immediate termination.

Compliance: Our in-house compliance officer makes sure Callan is adhering to all industry standards and regulations, while also identifying risks and putting procedures in place to mitigate them. This officer reports directly to the board of directors to ensure that any employee and all compliance oversight have a separate and distinct line of reporting away from the internal manager and report structures.

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Peer Review: Every manager search or strategic planning project undertaken for a client is a collective effort involving the client, general consultant, a team of specialists, and ultimately a peer review committee. Callan's Manager Search Committee, composed of approximately a dozen senior consultants, verifies the accuracy, completeness and objectivity of all methods used in the manager screening process. For strategic planning services, the Client Policy Review Committee, which is comprised of approximately a dozen senior consultants, evaluates all reports before they are submitted to the client. This environment of complete transparency requires a thoroughly documented process that is free of unsupported personal opinions and biases.

Disclosure: Callan believes in being proactively transparent with respect to all business activities and relationships. We routinely furnish our fund sponsor clients with a complete list of all investment managers who have professional relationships with Callan. New clients receive this information at the outset of our relationship.

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Past performance is no guarantee of future results.

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Callan was founded as an employee-owned investment consulting firm in 1973. Ever since, we have empowered institutional investor with creative, customized investment solutions backed by proprietary research, exclusive data, and ongoing education. Today, Callan provides advisory services to institutional investor clients with more than $3 trillion in total assets, which makes it among the largest independently owned investment consulting firms in the U.S. Callan uses a client-focused consulting model to serve pension and defined contribution plan sponsors, endowments, foundations, independent investment advisers, investment managers, and other asset owners. Callan has six offices throughout the U.S. For more information, please visit www.callan.com.

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