INVESTING FOR THE FUTURE

PERA's Investment Stewardship Overview

Stewardship is the heart of Colorado PERA's mission. As stewards of pension plan assets, we manage approximately $75 billion on behalf of more than 730,000 members and benefit recipients. That is a tremendous responsibility, and one we accept wholeheartedly.*

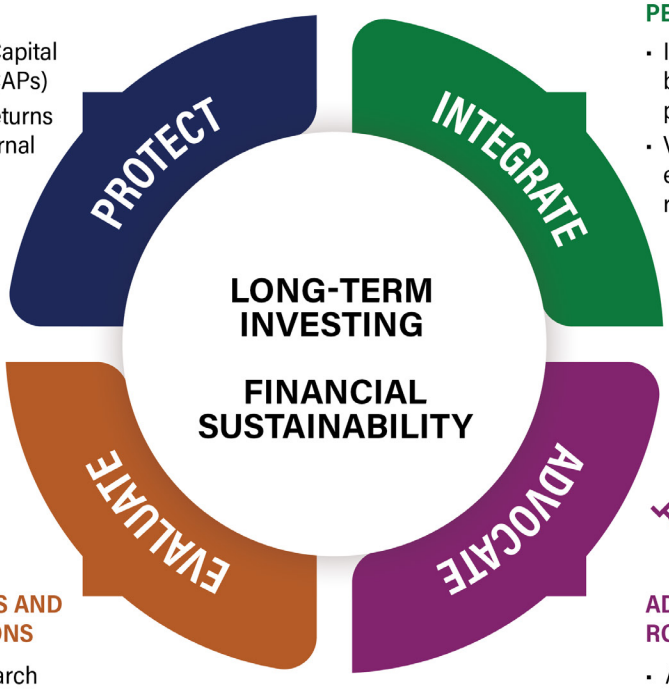
We promote the financial sustainability of the Fund through four key practices: Protect, Integrate, Advocate, and Evaluate.

PROTECT MEMBERS' INTERESTS BY WATCHING COSTS

- Lower costs in PERA Capital Accumulation Plans (CAPs)
- Provide high-quality returns at low costs using internal management

INTEGRATE RELEVANT FACTORS INTO PERA'S INVESTMENT STRATEGY

- Invest in firms with sustainable business models for long-term profitability
- Vote proxy proposals to promote expected long-term shareholder returns



EVALUATE EXPOSURES AND RECOGNIZE LIMITATIONS

- Use independent research
- Identify and measure exposures

ADVOCATE FOR ROBUST MARKETS

- Advocate for robust capital markets
- Develop and share best practices

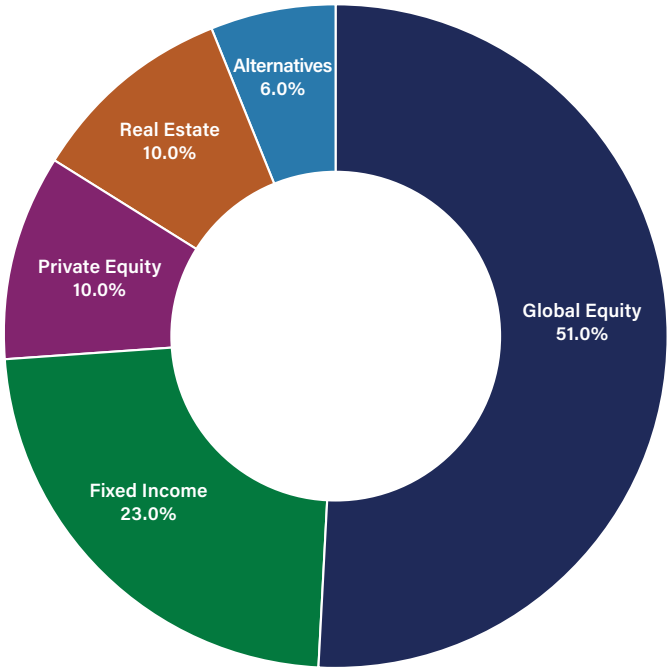
* PERA data as of December 31, 2025, unless otherwise noted. Amounts may not add due to rounding.

A Portfolio Built for Endurance

As PERA's *Statement of Investment Policy* states, "The function of PERA is to provide present and future retirement or survivor benefits for its members. This objective requires the prudent assumption of investment risk in seeking to maximize long-term investment returns while incorporating the fund's liability requirements." Meeting perpetual financial obligations requires a broad investable universe and the ability to seize opportunities in different markets, unlock diversifying attributes, and manage downside risk to the portfolio.

Long-Term Target Allocation

The foundation of PERA's investment success is a portfolio of diverse assets designed to withstand market fluctuations over a long time horizon. Each investment category in the portfolio is carefully selected to maximize anticipated returns while managing investment risks to the Combined Investment Fund (CIF).*



Asset Class	Expected 30-Year Return**	Key Attributes	Market Transparency***
Global Equity	7.4%	Growth, liquidity, volatility	Public/transparent
Fixed Income	5.0%	Diversification, liquidity, stability	Public/transparent
Private Equity	10.1%	Illiquidity, return enhancement	Private/opaque
Real Estate	6.5%	Downside protection, illiquidity	Private/opaque
Alternatives	7.6%	Illiquidity, special opportunity	Mixed

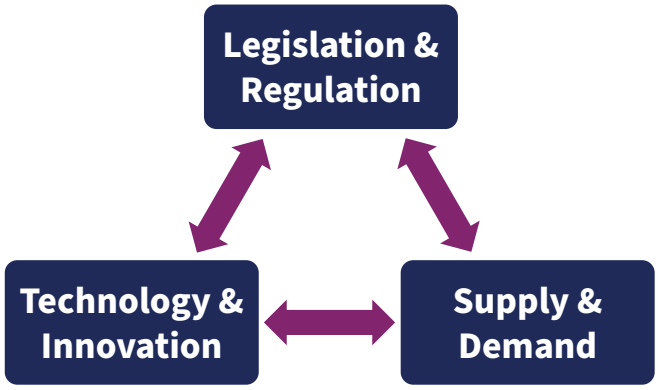
* The Board conducts an asset/liability study every three to five years and finalized its most recent asset/liability study in 2024, which was prepared by Aon Investments USA Inc. (Aon). This study resulted in modest changes to the strategic asset allocation policy effective January 1, 2025, and will guide long-term performance of the diversified portfolio while balancing expected return and risk.

** Expected 30-year returns were as of Q3 2023, were provided by the Board's external consultant (Aon), and were used in the 2024 asset/liability study.

*** Investors have varying degrees of transparency into the operational and financial results of public and private companies. Publicly listed companies are required to disclose information about their operational and financial results that may not be required of privately owned companies. This leads to greater informational efficiency for asset valuations in public markets than in private markets.

When selecting investments, PERA considers a multitude of risk and opportunity factors that can impact financial outcomes in the portfolio. Financially relevant factors differ from one investment to another. They also change through time as technology, regulation, and supply and demand change.

We anticipate and respond to markets



Regardless of how a risk or opportunity is labeled, PERA is committed to investing for our members' retirement security. That means we may consider factors that can be labeled under an "ESG" framework, but we will not limit our investment and proxy voting decisions to those factors alone. Instead, we consider the full mosaic of financial risks and opportunities.

We consider the full mosaic of risks and opportunities

We invest based on financial value, not personal or political values. This integrative approach supports our mission to provide retirement income to more than 730,000 members and benefit recipients.

We value financial sustainability first and foremost

✓ Value-based

- Integration Approach
- Prioritizes Financial Outcomes

× Values-based

- Divestment or Impact Approach
- Prioritizes Political, Social, or Environmental Outcomes

INVESTING FOR THE FUTURE: 2025 ACTIVITIES

Each pillar of Colorado PERA's investment stewardship supports our mission to provide retirement benefits to our members while ensuring the sustainability of the Fund.

PROTECT

Protect members' interests by watching costs

$23.6 Million

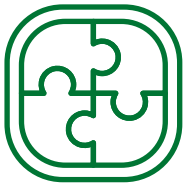
Cost of PERA internal management
Estimated cost to outsource is $124.0 million

0.33%

Cost to manage the total fund, or less than $4 of cost for every $1,000 managed

0.01%

Asset-based administrative fee for members who participate in the PERAPlus 401(k) Plan in 2026



INTEGRATE

Integrate relevant factors into PERA's investment strategy

>500

Companies and fund managers engaged on material investment factors

>70,000

Proxy proposals voted

>270

Proposals seeking ESG disclosures voted

ADVOCATE

Advocate for robust markets

17

Advocacy councils to which PERA Investments staff contributed expertise

3

Council leadership roles in advocacy of robust U.S. markets*

36

State legislative offices engaged on matters that can affect PERA and our members

EVALUATE

Evaluate exposures and recognize limitations

$94 Billion

Generated by PERA's investments over the past 30 years

9.5%

Annualized 10-year net return on PERA's investments vs. 9.1% benchmark return**

8.1%

Annualized net return since inception on PERA's investments vs. 7.6% benchmark return*

Annual figures, as of December 31, 2025, unless otherwise noted.

* In 2026, Andrew Roth, Chief Executive Officer/Executive Director is Co-Chair of the Council of Institutional Investors (CII). Amy C. McGarrity, Chief Investment Officer/Chief Operating Officer is Co-Chair of the Investor Advisory Group to the Public Company Accounting Oversight Board (PCAOB) and Secretary of the Investor Advisory Council to the U.S. Securities and Exchange Commission (SEC).

** Time-weighted performance is calculated as net of external investment management and custody fees. The total fund Benchmark Policy inception date is April 1, 2004.

LEARN MORE ABOUT PERA'S INVESTMENT STEWARDSHIP

We invite you to visit at copera.org/stewardship to learn more about how we practice sound stewardship over fund assets for the ultimate benefit of plan participants.

On the Investment Stewardship page of PERA's website, you can find:

- PERA's comprehensive *Investment Stewardship Report*
- Stewardship highlights in a digital and interactive format
- The PERA Board of Trustees' *Statement on Divestment*
- PERA's *Proxy Voting Policy* and vote record
- Videos about PERA's investment stewardship initiatives

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