MINUTES OF MEETING
COUNTY EMPLOYEES RETIREMENT SYSTEM
INVESTMENT COMMITTEE SPECIAL-CALLED MEETING
MARCH 25, 2026, 10:00 A.M., E.T.
VIA LIVE VIDEO TELECONFERENCE

At the March 25, 2026, County Employees Retirement System Investment Committee Special-Called Meeting, the following committee members were present: Dr. Merl Hackbart (Chair), George Cheatham, Jim Tony Fulkerson, William O'Mara, and Tommy McGraw. Staff members present were CERS CEO Ed Owens III, Ryan Barrow, Victoria Hale, Odette Gwandi, Steve Willer, Anthony Chiu, Shaun Case, Sherry Rankin, and Mary Hill. Also in attendance were Eric Branco with Johnson, Branco & Brennan LLP; Arabella Wuchek and Steven Taylor from Albourne America; and Ian Leverich from XTP Implementation Services.

1. The meeting of the CERS Investment Committee was called to order by Dr. Hackbart. It was noted that the agenda showed presentations being given by three (3) firms, but bFinance had to withdraw consideration due to staffing concerns. The remaining firms, XTP Implementation Services and Albourne America, had approximately twenty (20) minutes to give their presentation, followed by a question-and-answer period.

2. Mr. Branco read the Legal Opening Statement.

3. Ms. Rankin called roll.

4. Ms. Rankin noted that no ***Public Comments*** were received.

5. Dr. Hackbart introduced agenda item ***Introduction of RFP process.*** *(Video 00:07:51 to 00:14:00).* Dr. Hackbart introduced Steve Willer to give an overview of the Request For Proposal (RFP) process for Cost Efficiency Services. Mr. Willer noted these discussions began in June, 2025 to review validation and benchmarking services in order to increase transparency, ensure effective governance and review cost efficiency of portfolios. The KPPA investment staff worked with the CERS Board to develop and issue an RFP that was

open from July 9, 2025 to August 11, 2025 and received bids from six (6) firms. The top three (3) candidates were then invited to appear and present their proposals to the CERS Investment Committee meeting. As stated earlier in the meeting, bFinance had to withdraw from consideration due to staffing changes that they felt would impact the delivery structured in their submitted response. Dr. Hackbart requested clarification on the number of contracts the selected firm may be reviewing. Mr. Willer explained that the RFP provided a number for each asset class category, but the proposals were more general, so exact numbers may be discussed moving forward in the contract negotiation phase.

6. Dr. Hackbart introduced agenda item ***Presentation of Cost Efficiency Services RFP Finalists.*** *(Video 00:14:06 to 00:55:33).* Ian Leverich from XTP Implementation Services joined the meeting to discuss their proposal. He began by highlighting some key facts about their firm, including a twenty (20) year proven track record, more than $3 trillion in assets analyzed, and more than $1 billion in savings realized for clients. He explained that XTP focuses on implementation efficiency and savings and that their interests are always aligned with the investor.

   Mr. Leverich went on to describe how XTP differs from other implementation services and highlighted differences in value chain coverage, asset class focus, analysis focus, and compensation model. Mr. Leverich emphasized in that they take a "holistic" look at all the costs coming out of net returns. He was careful to note that these extra fees are not necessarily due to nefarious actions by managers and XTP's services are a collaborative effort of compliance and efficiency with managers. He noted that they are only compensated when they recover losses for their clients.

   There was a question regarding the process XTP deploys to find cost savings and Mr. Leverich went into detail about hidden costs that are often unknown to investors such as trading costs, custody fees, and management capacity. Costs are benchmarked and investigated for a twelve (12) month period to discover the Total Cost of Ownership (TCO). Mr. Cheatham asked for some clarification about fee negotiation and Mr. Leverich further explained the points XTP will analyze as part of the entire investment landscape, including

public and private equities, venture capital, real estate, and fund administration. He went on to address a question from Mr. Cheatham about the $1 billion in savings XTP has uncovered and how much of that is attributed to looking backward versus future savings. Mr. Leverich gave an overview of where these savings are found such as errors in invoicing and fee schedules. He also stated his firm looks for inefficiencies to save money proactively regarding the public market side of business. The private market side is typically more of a "claw back" for fee recovery.

Dr. Hackbart asked about the breakdown of fee recovery (claw back versus future savings) and how those savings are shared with CERS. Mr. Leverich stated that his firm would share in any savings for a period of twenty-four (24) months. Beyond that, the recovered savings go to CERS. Regarding the claim of "verified" savings, he stated that all work is sent to CERS for approval and the recovered funds are in the account before invoicing. Mr. Cheatham requested clarification on the number of audits or reviews that have been performed and Mr. Leverich stated his firm has measured over 10,000 portfolios over approximately 1,000 managers.

Mr. O'Mara asked where XTP typically finds the most savings. Mr. Leverich explained that the top-line fee is often the easiest way to move forward, but many times they find inefficiencies under the line as well. He emphasized their process is a holistic look at the portfolio. Dr. Hackbart requested some clarification on benefits to a manager as a result of any negotiated contractual changes that may take place. Mr. Leverich stated his firm operates under non-disclosure agreements, presents their findings to their clients, and offers improvements for optimization that are approved by the client before speaking to managers.

Dr. Hackbart asked for clarification about the amount of time KPPA Investment staff will need to be involved and Mr. Leverich stated that they intend to be a full-service extension of the staff. Once notification is sent that the firm has been engaged, XTP will communicate directly with managers and report back to the client before acting. He stated XTP's goal is to "ease the burden" on staff and "complement their efforts." When asked by Mr. McGraw

if he could provide the amount of average savings they find, Mr. Leverich stated that there are many factors that determine the savings, but broadly speaking his firm generally finds about three (3) to five (5) basis points in savings. He clarified that CERS will not be required to pay fees for any findings they elect not to pursue. Mr. Leverich reiterated the firm's goal is to determine the TCO with each manager and mitigate losses to net returns. He stated that many managers are happy to reassess processes and fees in order to better serve clients.

When asked about the percentage breakdown of proactive findings versus claw backs, Mr. Leverich provided an infographic showing typical categories of findings in Benchmarking, Forensic Analysis, and Unfavorable Contract Terms, but did not have specific numbers to provide, as the size of the portfolio tends to determine the margin of error. When pressed for more concrete numbers, Mr. Leverich reiterated that it is difficult to determine specific savings totals before taking a look at the accounts. Regarding reporting timelines, Mr. Leverich stated their process is project-based initially, then moves to quarterly reports for the twenty-four (24) months of monitoring their implementation.

When asked for any closing remarks, he stated that XTP strives to be a very robust and strategic partner. Mr. O'Mara asked for clarification on the payment terms and the typical length of contracts. Mr. Leverich explained the payment process as it is shared between CERS and XTP from refunds for the first twenty-four (24) months. Regarding length of contracts, he stated their clients typically stay active with them for many years even though the biggest impact is early on in the process. Following his presentation, Mr. Leverich left the meeting.

Dr. Hackbart invited representatives from Albourne America, LLC to join the meeting to make their presentation. *(Video 00:55:52 to 01:40:17).* Arabella Wuchek and Steven Taylor joined the meeting and gave a brief executive summary of what CERS needs from a cost efficiency partner including enhanced fee transparency, comparative analysis, identification of cost savings opportunities, and reporting to and education for the Board as required. Ms. Wuchek explained their pricing model is per line item and stated that they

often find more errors and fee savings than their clients pay. She further explained that the company is employee-owned and their successful business model has not changed in thirty-two (32) years.

Mr. Taylor spoke briefly about how fee validation fits into Albourne's suite of services and touched on his background as an auditor and his team's experience in auditing, accounting, finance, operations, and data management. Ms. Wuchek continued with some information about Albourne's current clients, the majority of which are public pension plans. She stated most of their clients validate their entire portfolio annually, with some doing so on a quarterly basis. Mr. Taylor then stepped in to give an in-depth overview of Albourne's fund data collection process, including the Fee Controller Portal which gives clients real-time access to all fee reporting, data, and analytics.

Regarding internal controls, Mr. Taylor explained that each data point entered is verified by a second analyst before being locked for editing. Supporting documentation for each data point is always available on the Fee Controller Portal. In a brief summary of the suite of services available from Albourne, Mr. Taylor highlighted the Fee Controller, constant access to annual and/or quarterly reports, fund and portfolio level excel reports, and the ability to directly download all fee and term data. Additionally, the firm offers client support by way of regular meetings, access to fee and liquidity analysts, and bespoke education sessions for CERS. Ms. Wuchek emphasized their services are an extension of and support to investment staff.

Dr. Hackbart requested some clarification on Albourne's services regarding compliance issues in contracts. Mr. Taylor stated that their fee validation service focuses on benchmarking fees and expenses, but they have other services available for broad compliance reports. Ms. Wucheck clarified they did not reference contract compliance in depth from the RFP because they were not sure exactly what was being sought. But she highlighted the "middle-office" part of their proposal including legal document due diligence and providing best practices from industry bodies for market context. She emphasized working with clients in reducing costs where they need. Regarding who is

responsible for using the information provided by Albourne to either renegotiate or claw back fees from managers, Mr. Taylor stated that it will come down to a discussion between them and their client. Albourne is happy to either allow the client to handle it or go to the manager on their client's behalf in order to maintain relationships between managers and clients. They emphasize their services fall on a "dial" and that dial can be turned up or down depending on what their clients want.

Dr. Hackbart asked for a percentage of errors typically found for their clients and Ms. Wuchek referenced the RFP response in which Albourne provided some examples. She stated that their experience typically finds between one (1) and five (5) percent, but issues are various, and even small errors can lead to significant findings. Ms. Wuchek emphasized that refunds resulting from errors found are not shared, but go back to the client 100%. When asked about the differentiation between the terms "line-item" and "fund" Ms. Wuchek stated that they are essentially interchangeable, and the fees totaling $290,000 Mr. O'Mara calculated during the meeting were for the service level including reviewing fund performance "since inception." She clarified this is a "high-end" estimation, and she would not expect CERS's annual costs for their services to exceed $116,000.

Mr. Cheatham requested more concrete examples and specific numbers regarding generated cost savings uncovered through the validation process and also operational cost savings found up front. Ms. Wuchek reiterated that with fee validation, or "backwards looking" at current funds, if errors are found, the client gets the money back. Regarding new investments, Albourne makes sure clients get the best possible terms. She further explained that managers will frequently lower rates for aggregate investments. Mr. Cheatham expressed concern that this is a possible conflict of interest and Ms. Wucheck explains that under normal circumstances, and for many consultants it is, however, unlike many other consultants, Albourne does not have discretionary capital. Additionally, she explained that Aggregate Consultant Discounts are handled by the Middle Office team and is an independent process that does not influence qualitative ratings for due diligence. The Albourne representatives went on to state that as of the 7,500 funds reviewed, they have

found $30 million in errors. Following this presentation, the Albourne America representatives left the meeting.

7. Dr. Hackbart introduced agenda item ***Committee Discussion.*** *(Video 01:40:49 to 01:19:50).* Mr. Cheatham began the discussion and stated that the question at hand is whether or not these services are something the Committee sees value in pursuing. He affirmed that he does and made a motion to continue discussions in pursuit of these cost efficiency services. Mr. Fulkerson seconded the motion and it passed unanimously.

   Mr. McGraw stated that he prefers a performance-based fee schedule rather than a flat fee. Mr. Fulkerson agreed and stated that there is a seemingly risk-free option where CERS will only make money. Mr. Cheatham stated that he did not have any trouble with either fee schedule and his main priority is to validate fees and save money. There was more discussion about the differences between the two (2) proposals and how much money may be saved and/or recovered for CERS. Mr. O'Mara expressed some hesitancy with shared fees and a desire to ensure the savings are tangible and captured before any payments are made. The Committee also expressed their surprise and appreciation for Albourne's commitment to bringing forth any findings and the Board having full control over whether or not to pursue.

   Mr. Fulkerson made a motion to recommend XTP Implementation Services to the full Board for their approval and Mr. McGraw seconded. Dr. Hackbart stated that the vote is simply for making a recommendation to the full CERS Board and the final decision will be made there. He also stated there is still time for additional information to be collected and received. Mr. O'Mara reiterated his desire to ensure questions regarding fee schedules and sharing. Mr. Cheatham agreed and went a step further and requested those questions be asked and answered prior to the next meeting. The motion carried unanimously.

8. There being no further business, Dr. Hackbart ***adjourned*** the meeting.

CERTIFICATION

I do certify that I was present at this meeting, and I have recorded above the action of the Committee on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in connection with this meeting.

Recording Secretary

I, as Chair of the County Employees Retirement System Investment Committee of the Board of Trustees of the County Employees Retirement System, do certify that the Minutes of the meeting held on March 25, 2026, were approved by the County Employees Retirement System Investment Committee on May 29, 2026.

CERS Investment Committee Chair

I have reviewed the Minutes of the County Employees Retirement System Investment Committee Meeting on March 25, 2026, for form, content, and legality.

Office of Legal Services