

City of Cupertino Investment Review

December 17, 2025

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Emiline Jacobs

Agenda

Ex Fossil Fuel Historical Index Return

Current Lineup

Sample Passive ESG ETF Lineup

Sample Customized SMA Lineup

Carbon Risk Ratings in Current Equities Portfolio

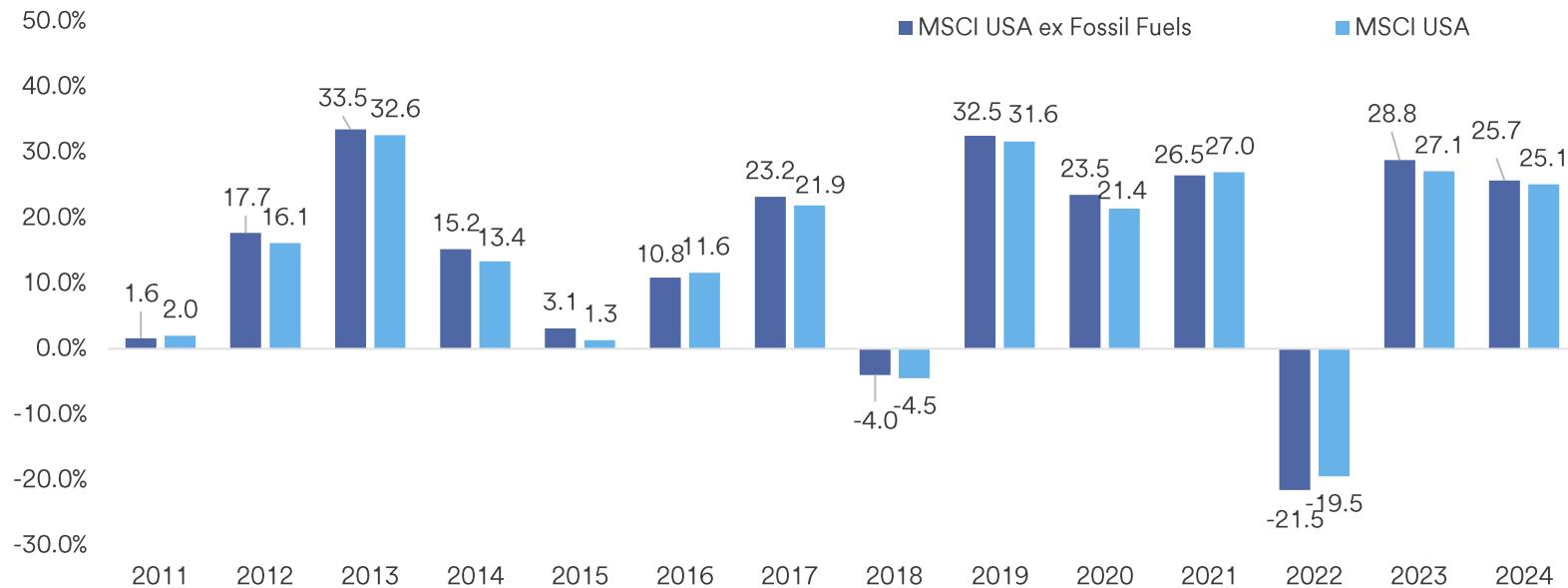
Carbon Risk Ratings in Sample Equities Portfolio

Customized SMA Introduction

MSCI USA ex Fossil Fuel Index

Historical ex Fossil Fuel Index Returns

Annual Performance



Gross Returns as of November 28, 2025

	1 Mo	3 Mo	1 Yr	YTD	3 Yr	5 Yr	10 Yr	Since Nov 30, 2010
MSCI USA ex Fossil Fuels	-0.09	6.43	15.42	18.11	21.56	14.60	14.93	15.06
MSCI USA	0.03	6.16	14.74	17.74	20.77	14.79	14.6	14.52

Source: MSCI USA ex Fossil Fuels November 2025 Factsheet

Fossil Fuel Exclusion Risk: Concentration

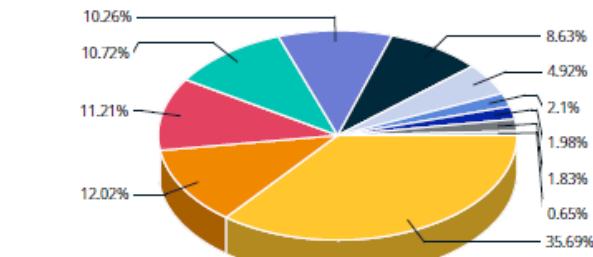
INDEX CHARACTERISTICS

	MSCI USA ex Fossil Fuels	MSCI USA
Number of Constituents	521	544
	Weight (%)	
Largest	7.50	7.21
Smallest	0.01	0.01
Average	0.19	0.18
Median	0.06	0.06

TOP 10 CONSTITUENTS

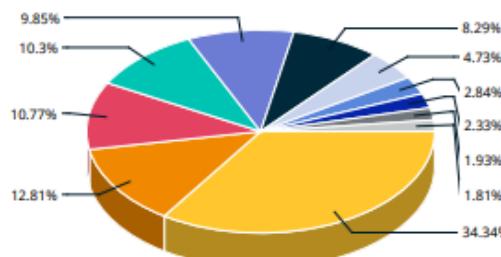
	Index Wt. (%)	Parent Index Wt. (%)	Sector
NVIDIA	7.50	7.21	Info Tech
APPLE	7.22	6.93	Info Tech
MICROSOFT CORP	6.06	5.82	Info Tech
AMAZON.COM	3.90	3.75	Cons Discr
ALPHABET A	3.25	3.12	Comm Svcs
BROADCOM	3.15	3.03	Info Tech
ALPHABET C	2.73	2.62	Comm Svcs
META PLATFORMS A	2.45	2.36	Comm Svcs
TESLA	2.12	2.04	Cons Discr
LILLY (ELI) & COMPANY	1.51	1.45	Health Care
Total	39.90	38.33	

MSCI USA EX FOSSIL FUELS SECTOR WEIGHTS



- Information Technology 35.69%
- Financials 12.02%
- Communication Services 11.21%
- Consumer Discretionary 10.72%
- Health Care 10.26%
- Industrials 8.63%
- Consumer Staples 4.92%
- Utilities 2.1%
- Real Estate 1.98%
- Materials 1.83%
- Energy 0.65%

MSCI USA SECTOR WEIGHTS



- Information Technology 34.34%
- Financials 12.81%
- Communication Services 10.77%
- Consumer Discretionary 10.3%
- Health Care 9.85%
- Industrials 8.29%
- Consumer Staples 4.73%
- Utilities 2.84%
- Real Estate 2.33%
- Energy 1.93%
- Materials 1.81%

Source: MSCI USA ex Fossil Fuels November 2025 Factsheet, Source: MSCI USA November 2025 Factsheet

Sample Lineups

Current Lineup

City of Cupertino 115P Pension

	Policy Targets	Tactical Weights	Expense Ratio
Domestic Equity	42.00%	43.58%	
iShares Russell 1000 ETF		41.25%	0.15%
Fidelity Small Cap Index Fund		2.33%	0.03%
International Equity	21.00%	21.50%	
Fidelity International Index Fund		15.80%	0.04%
Fidelity Emerging Markets Index Fund		5.70%	0.08%
Listed Real Assets	5.00%	4.92%	
iShares Core U.S. REIT ETF		4.92%	0.08%
Commodities	2.00%	0.00%	
Fixed Income	29.00%	27.72%	
Fidelity U.S. Bond Index Fund		22.97%	0.03%
Aristan High Income Fund		4.75%	0.71%
Cash Equivalents	1.00%	2.27%	
First American Government Obligations Fund Class X		2.27%	0.14%
			0.12%

Manager lineup and expense ratios are as of December 12, 2025 and are subject to change.

Sample Passive ESG Lineup ETFs

	Policy Targets	Current Weight	Expense Ratio	
Domestic Equity	42.00%	43.58%		
iShares ESG Optimized MSCI USA ETF		21.79%	0.25%	+10 bps
Xtrackers MSCI USA ESG Leaders Eq ETF		21.79%	0.10%	+8 bps
International Equity	21.00%	21.50%		
iShares ESG Aware MSCI EAFE ETF		15.05%	0.20%	+17 bps
iShares ESG Aware MSCI EM ETF		6.45%	0.25%	+ 18 bps
Listed Real Assets	5.00%	4.92%		
iShares Core U.S. REIT ETF		4.92%	0.08%	
Commodities	2.00%	0.00%		
Fixed Income	29.00%	27.72%		
Fidelity U.S. Bond Index Fund		22.97%	0.03%	
Aristan High Income Fund		4.75%	0.71%	
Cash Equivalents	1.00%	2.27%		
First American Government Obligations Fund Class X		2.27%	0.14%	
			0.17%	

Manager lineup and expense ratios are as of December 12, 2025 and are subject to change.

Customized Equity SMAs

	Policy Targets	Current Weight	Expense Ratio	
Domestic Equity	42.00%	43.58%		
Parametric Custom US Equity SMA		41.25%	0.18%	+3 bps
Parametric Custom US Equity SMA		2.33%	0.18%	+16 bps
International Equity	21.00%	21.50%		
Parametric Custom IE Equity SMA		15.80%	0.18%	+15 bps
Parametric Custom IE Equity SMA		5.70%	0.18%	+ 11 bps
Listed Real Assets	5.00%	4.92%		
iShares Core U.S. REIT ETF		4.92%	0.08%	
Commodities	2.00%	0.00%		
Fixed Income	29.00%	27.72%		
Fidelity U.S. Bond Index Fund		22.97%	0.03%	
Aristan High Income Fund		4.75%	0.71%	
Cash Equivalents	1.00%	2.27%		
First American Government Obligations Fund Class X		2.27%	0.14%	
			0.14%	

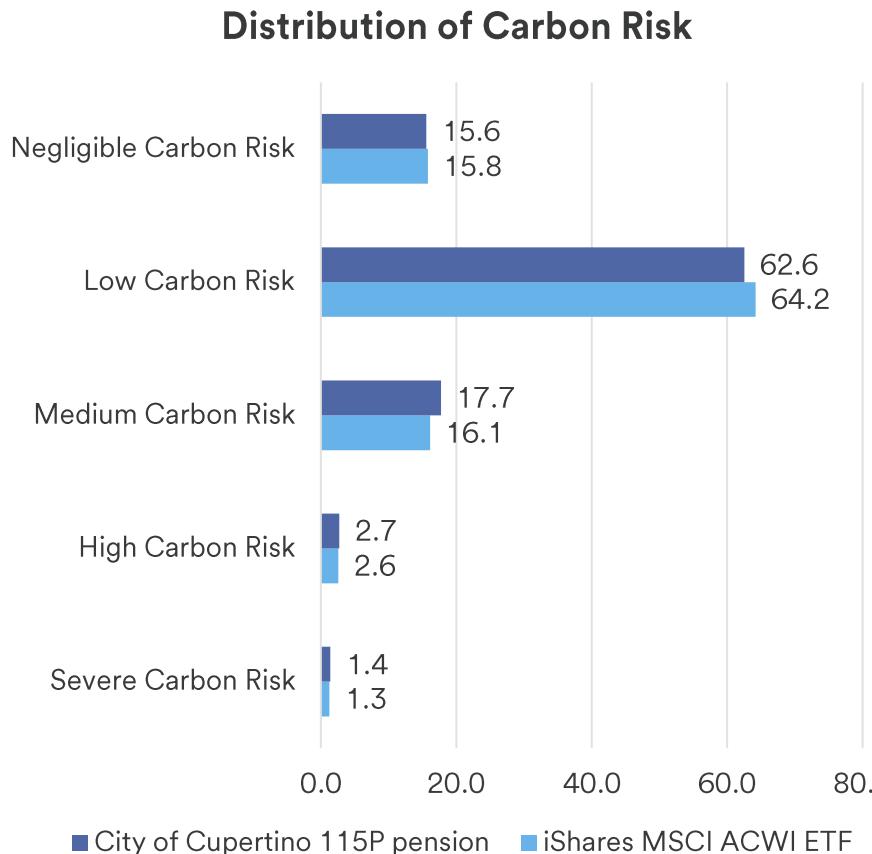
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Current Equities Ratings

Current Equities Carbon Risk Overview

City of Cupertino 115P Pension

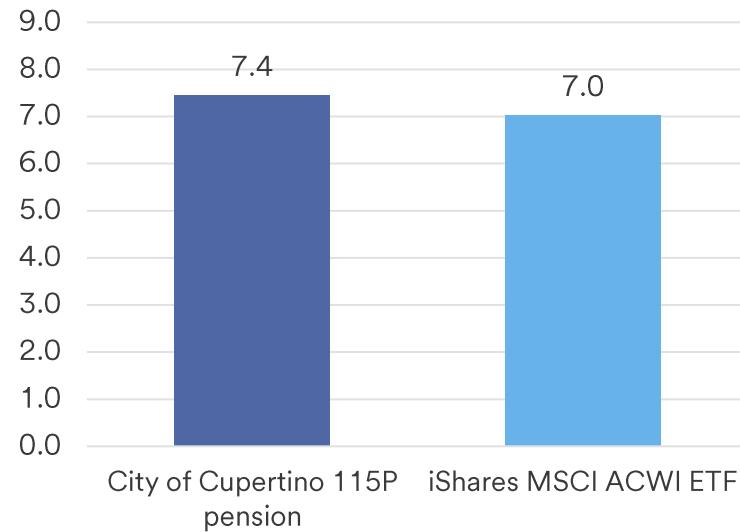
Carbon Coverage (% of AUM) 97.94



Benchmark : iShares MSCI ACWI ETF

Source: Morningstar Direct

Portfolio Carbon Risk Score



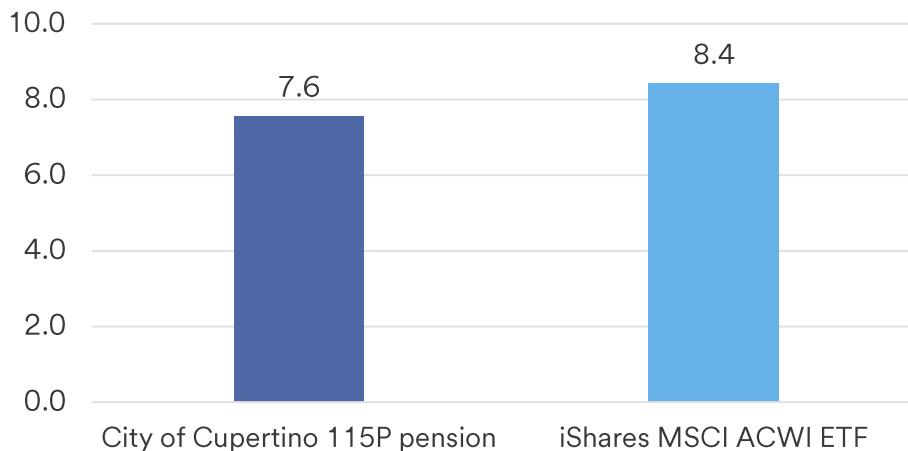
Portfolio Carbon Risk Core: the asset-weighted average of the carbon risk scores for the portfolio's covered, corporate holdings. The carbon risk score indicates the overall material risk a company faces from the transition to a low-carbon economy. The carbon risk core is measured on an open-ended scale starting at zero (no risk) and a maximum score that is typically below 100. A lower score is better. At least 67% of the portfolio's eligible assets must have carbon risk scores available in order for a score to be calculated.

Carbon Involvement

City of Cupertino 115P Pension

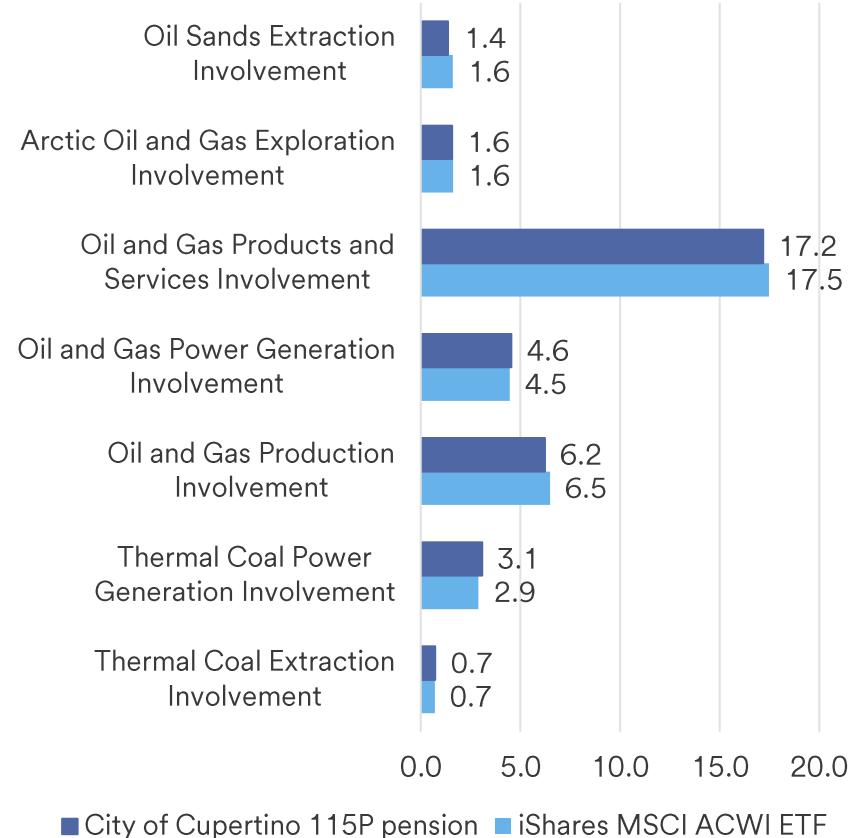
Morningstar® Portfolio Fossil Fuel Involvement™

% of Covered Portfolio Involved



Companies are considered involved in fossil fuels if they derive at least an aggregate 5% share of total revenue from the activities listed in the Fossil Fuel Related Activities table. Companies involved in Arctic Oil & Gas Exploration and Oil Sands Extraction will be included only if there is no involvement in Oil & Gas Production.

Fossil Fuel Related Activities



Benchmark : iShares MSCI ACWI ETF

Source: Morningstar Direct

Morningstar's Portfolio Fossil Fuel Involvement™ measures the percentage of the portfolio's corporate assets that are involved in fossil fuels based on revenues.

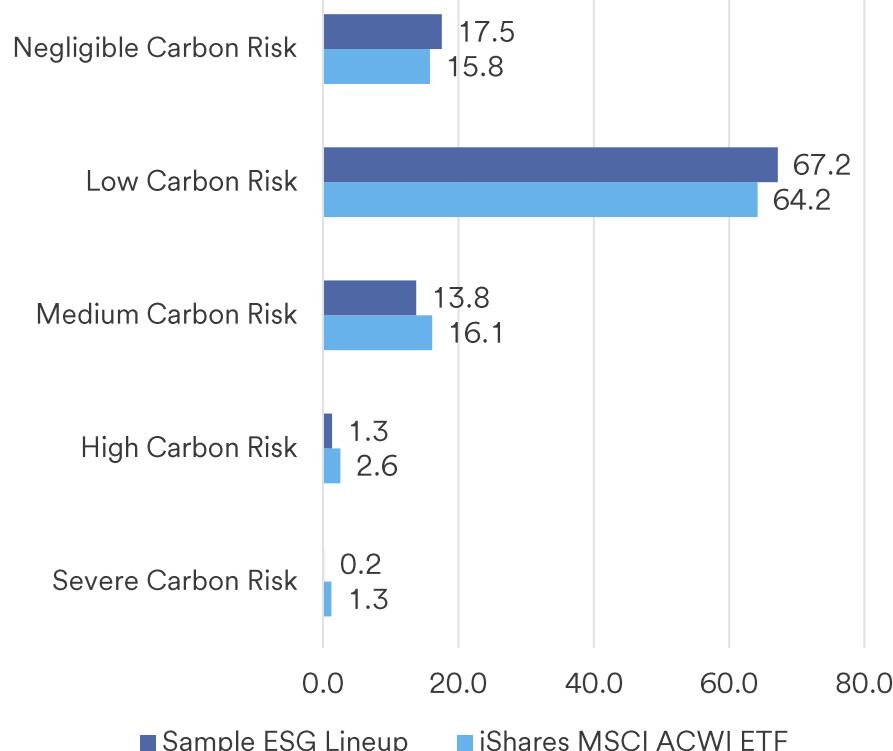
Sample ESG ETF Lineup Equities Ratings

Carbon Risk Overview

Sample Passive ESG ETF Lineup

Carbon Coverage (% of AUM) 98.66

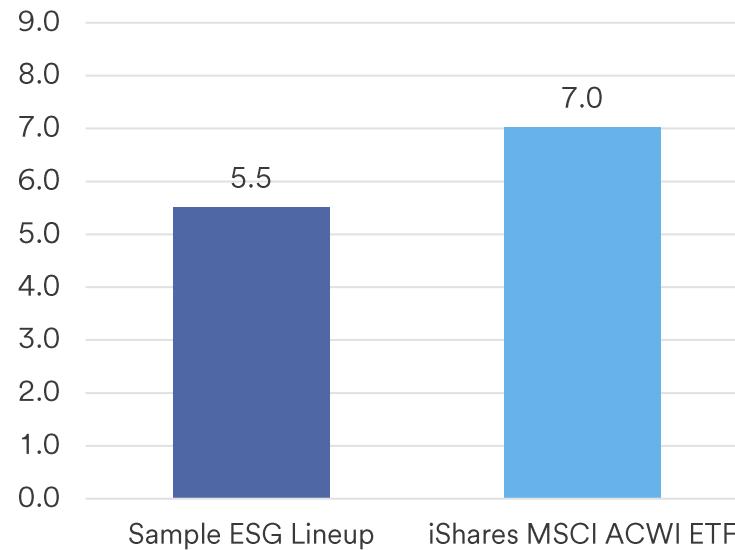
Distribution of Carbon Risk



Benchmark : iShares MSCI ACWI ETF

Source: Morningstar Direct

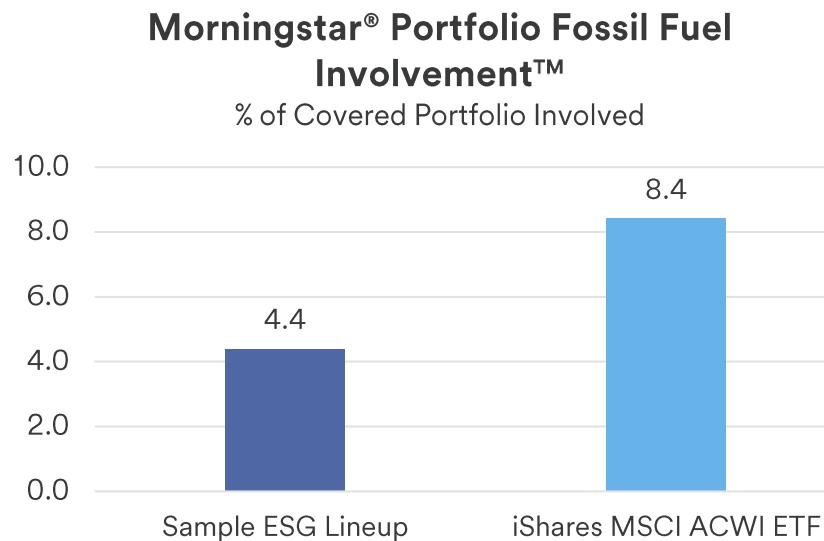
Portfolio Carbon Risk Score



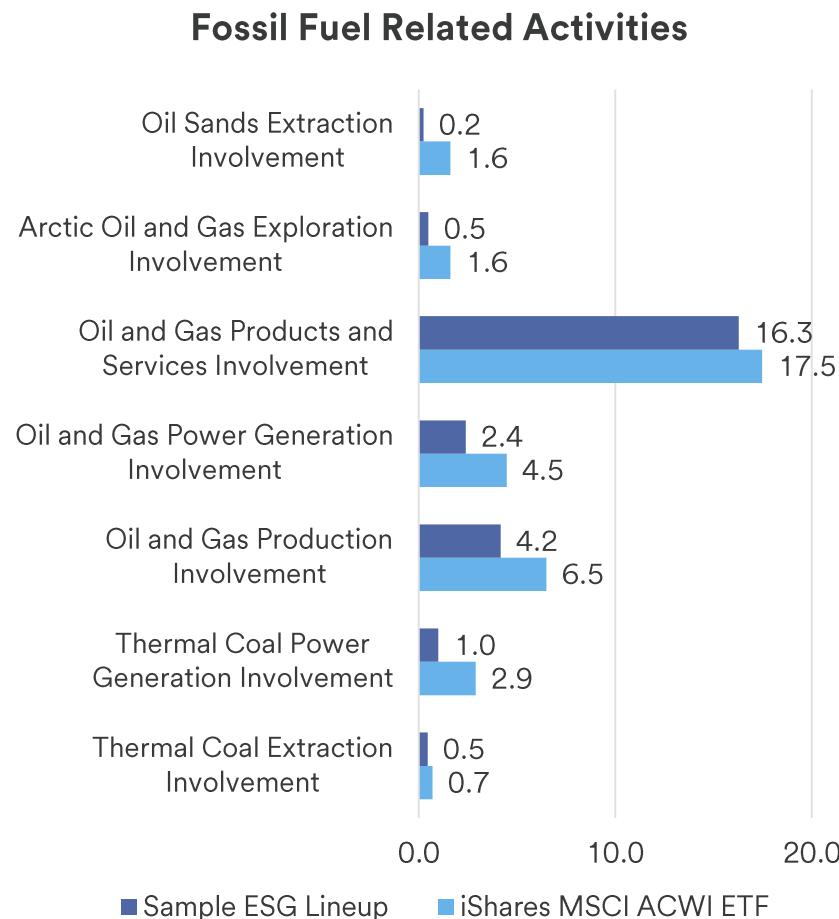
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Carbon Involvement

Sample Passive ESG ETF Lineup



Companies are considered involved in fossil fuels if they derive at least an aggregate 5% share of total revenue from the activities listed in the Fossil Fuel Related Activities table. Companies involved in Arctic Oil & Gas Exploration and Oil Sands Extraction will be included only if there is no involvement in Oil & Gas Production.



Benchmark : iShares MSCI ACWI ETF

Source: Morningstar Direct

Morningstar's Portfolio Fossil Fuel Involvement™ measures the percentage of the portfolio's corporate assets that are involved in fossil fuels based on revenues.

Customized Separately Managed Account



Intro to Parametric Process for Customized SMA

Design the Exposure:

Provide exposure to selected benchmark (e.g. Russell 1000)

Determine the screen:

Complete the responsible investing menu and decide screening approach (e.g. Fossil Fuel Free)

Customized SMA (e.g. Russell 1000 ex Fossil Fuel)

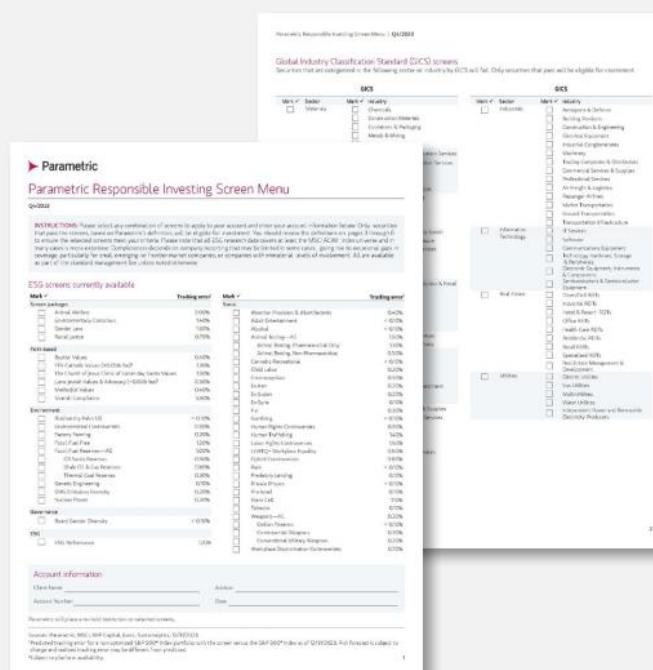
For illustrative purposes only

Parametric Screens Available

Customized core equity sub-advised SMA with Parametric Portfolio Associates® LLC (“Parametric”)

Comprehensive screen menu

- SOCIAL**
 - Human Trafficking
 - Racial Justice
- ENVIRONMENTAL**
 - GHG Emissions
 - Fossil Fuel Free
- FAITH-BASED SCREENS**
 - Catholic Values
 - Shariah Compliant
- GOVERNANCE**
 - Board Gender Diversity
- GICS INDUSTRY**
 - Oil and Gas
 - Pharmaceuticals
- SUB-INDUSTRY**
 - Tobacco
 - Casinos and Gaming



The image shows a screenshot of the Parametric Responsible Investing Screen Menu. The menu is organized into several sections:

- Parametric** (header)
- Parametric Responsible Investing Screen Menu** (sub-header)
- INSTRUCTIONS** (text): "Parametric's Responsible Investing screens are designed to help you identify companies that align with your values. You can use these screens to filter your investments. Please note that these screens are not a substitute for research. You should review the definitions on pages 3 through 6 of the Parametric Responsible Investing Guide for more information on how these screens work." It also includes a note about "ESG screens" and "GICS screens".
- ESG** (table): A table showing ESG screens categorized by Mark (Sector, Industry, Sector/Industry, and Industry). Examples include Animal Health, Gender, and Board Gender Diversity.
- GICS** (table): A table showing GICS screens categorized by Mark (Sector, Industry, Sector/Industry, and Industry). Examples include Aerospace & Defense, Manufacturing, and Financials.
- ESG screens currently available** (table): A detailed table showing ESG screens with their respective trading fees, marks, and descriptions. For example, Animal Health has a trading fee of 0.02% and a mark of 0.02%.
- GICS** (table): A detailed table showing GICS screens with their respective trading fees, marks, and descriptions. For example, Animal Health has a trading fee of 0.02% and a mark of 0.02%.
- Account Information** (form): A form for entering client information, including Client Name, Address, Account Number, and Date.

We partner with recognized leaders in ESG-focused research to offer an industry-leading responsible investing screen menu across equities and corporate bonds.

Source: Parametric Responsible Investing Overview

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Parametric ESG Screen Definitions

The definitions below stipulate the criteria for failure. Only securities that pass will be eligible for investment

Fossil Fuel Free*	Companies involved in the following: <ul style="list-style-type: none">• Evidence of owning fossil fuel reserves• Deriving > 50% of revenue from activities related to oil, gas, or thermal coal• Generating > 50% of power from fossil fuels
Fossil Fuel Reserves—All*	Companies with evidence of owning fossil fuel reserves regardless of their industries, including companies that own < 50% of a reserves field, regardless of revenue derived. Evidence of owning reserves includes companies providing the exact volume of reserves and companies making a statement about their ownership of reserves. Fossil reserves are defined as proved and probable reserves for coal and proved reserves for oil and natural gas. This screen does not capture non-reserve-owning companies with revenues related to fossil fuel production. If that is your goal, consider adding the Fossil Fuel Free screen or an Energy sector screen (see page 2).
Oil Sands Reserves	Companies that provide evidence of owning oil sands reserves, including those that own < 50% of a reserves field, regardless of revenue derived. This includes oil reserves explicitly reported as the following: <ul style="list-style-type: none">• Oil shale• Kerogen• Oil sands• Tar sands• Synthetic crude oil• Extra heavy oil• Bitumen
Shale Oil & Gas Reserves	Companies that provide evidence of owning shale gas and/or shale oil reserves, including those that own < 50% of a reserves field, regardless of revenue derived. This includes: <ul style="list-style-type: none">• Oil reserves explicitly reported as "shale oil" reserves• Those in unconventional reservoirs or shale fields• Natural gas liquids (NGLs) and condensates from unconventional reservoirs or shale fields• Oil reserves extracted using unconventional extraction methods such as horizontal drilling and hydraulic fracking• Reserves reported as "tight oil"
Thermal Coal Reserves	Companies that provide evidence of owning thermal coal, including those that own < 50% of a reserves field, regardless of revenue derived. Thermal coal is used to fire power plants that produce steam for electricity and industrial uses.

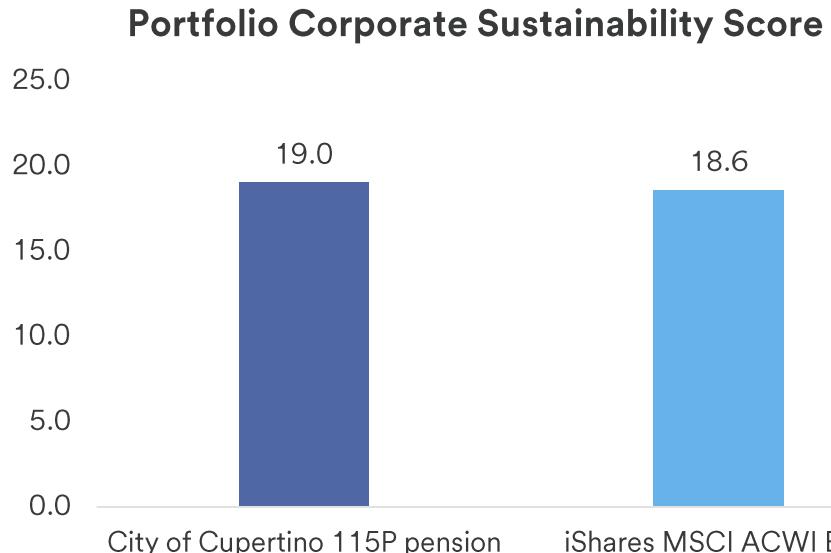
*Research coverage is at least the MSCI ACWI Investable Market Index universe.

Source: Parametric Responsible Investing Screen Menu

Appendix

ESG Risk Overview

City of Cupertino 115P Pension



Lower score => Less ESG risk

Portfolio Corporate Sustainability Score:

Asset-weighted average of Sustainalytics' company-level ESG Risk Score. The Sustainalytics' company-level ESG Risk Score measures the degree to which a company's economic value may be at risk driven by ESG factors. Like the ESG Risk Scores, the Portfolio Sustainability Score is rendered on a 0-100 scale, where lower scores are better, using an asset-weighted average of all covered securities.

	Portfolio Corporate ESG Risk Score	ESG Risk Date	Portfolio Weighting %	Prospectus Net Expense Ratio	Ticker
iShares Russell 1000 ETF	18.44	10/31/2025	63.38	0.15	IWB
Fidelity International Index	18.08	10/31/2025	24.28	0.04	FSPSX
Fidelity Emerging Markets Index	21.04	10/31/2025	8.76	0.08	FPADX
Fidelity Small Cap Index	26.37	10/31/2025	3.58	0.03	FSSNX

Benchmark : iShares MSCI ACWI ETF

Source: Morningstar Direct

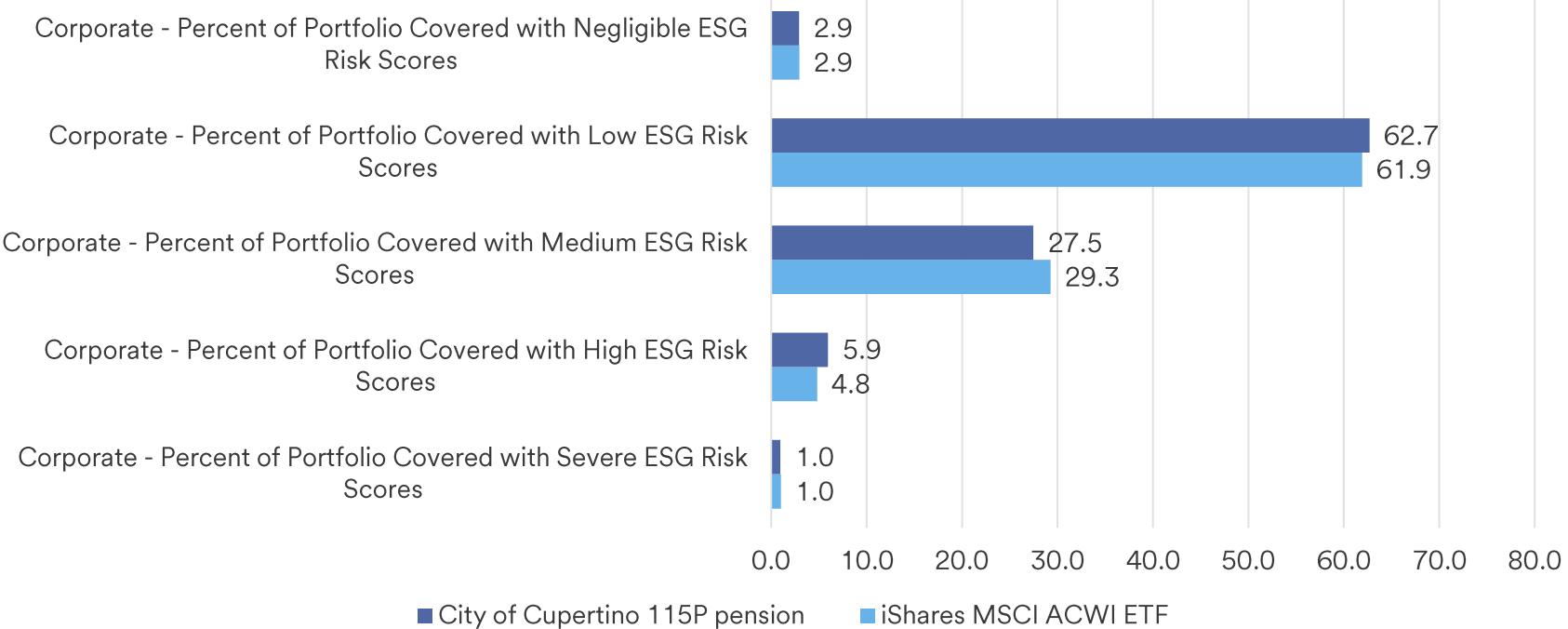
ESG Risk Score Breakdown

City of Cupertino 115P Pension

ESG Risk Score Coverage

Coverage (% of AUM)	99.3
Coverage (# of Securities Scored)	4,534

ESG Risk Scores

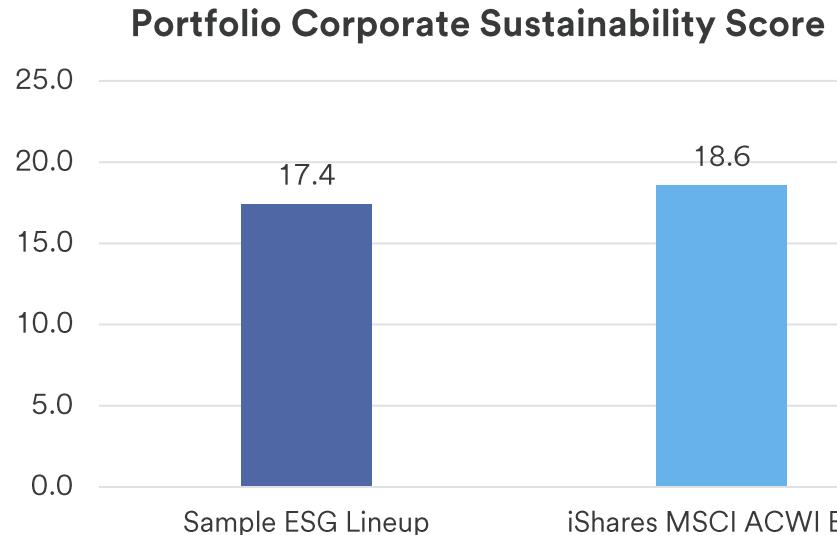


Benchmark : iShares MSCI ACWI ETF

Source: Morningstar Direct

ESG Risk Overview

Sample Passive ESG ETF Lineup



Lower score => Less ESG risk

Portfolio Corporate Sustainability Score:

Asset-weighted average of Sustainalytics' company-level ESG Risk Score. The Sustainalytics' company-level ESG Risk Score measures the degree to which a company's economic value may be at risk driven by ESG factors. Like the ESG Risk Scores, the Portfolio Sustainability Score is rendered on a 0-100 scale, where lower scores are better, using an asset-weighted average of all covered securities

	Portfolio Corporate ESG Risk Score	ESG Risk Date	Portfolio Weighting %	Prospectus Net Expense Ratio	Ticker
iShares ESG Optimized MSCI USA ETF	16.92	10/31/2025	33.33	0.25	SUSA
Xtrackers MSCI USA Selection Eq ETF	16.71	10/31/2025	33.33	0.09	USSG
iShares ESG Aware MSCI EAFE ETF	17.57	10/31/2025	23.33	0.21	ESGD
iShares ESG Aware MSCI EM ETF	19.27	10/31/2025	10.00	0.26	ESGE

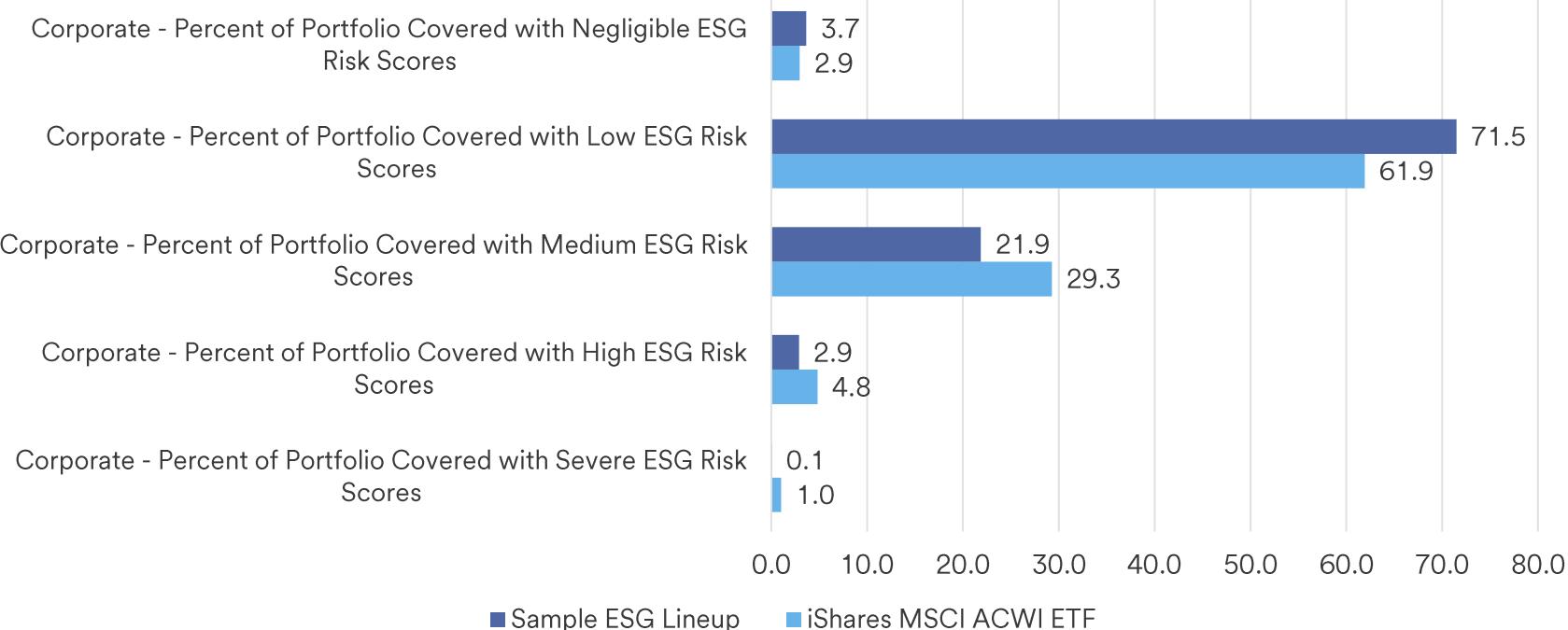
ESG Risk Score Breakdown

Sample Passive ESG ETF Lineup

ESG Risk Score Coverage

Coverage (% of AUM)	99.8
Coverage (# of Securities Scored)	1,406

ESG Risk Scores



Benchmark : iShares MSCI ACWI ETF

Source: Morningstar Direct

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