



Volunteer Firefighter Account

Managed by the Minnesota State Board of Investment
Available through the Minnesota Supplemental Investment Fund

2026 Investment Prospectus

Data as of December 31, 2025

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**Volunteer Firefighter Account
Investment Prospectus**

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Volunteer Firefighter Account Investment Prospectus

Message from Executive Director and Chief Investment Officer

The Minnesota State Board of Investment (SBI) is pleased to present the Volunteer Firefighter Account Investment Prospectus dated December 31, 2025. This Prospectus provides information on the assets, investment performance, fees, and general descriptions of each asset group comprising the Volunteer Firefighter Account managed by the SBI. The Volunteer Firefighter Account is the investment option available to Minnesota fire departments that join the Statewide Volunteer Firefighter (SVF) Plan, administered by the Public Employees Retirement Association (PERA).

The Volunteer Firefighter Account is a diversified portfolio comprised of 35% domestic equities, 15% international equities, 45% fixed income, and 5% cash. The objective of the account is to offer a balanced investment approach that will provide favorable long-term risk-adjusted returns. In general, economic and market conditions have a dominant influence on the returns available to any investor. There may be periods in which the returns for the Volunteer Firefighter Account are low or even negative.

As of December 31, 2025, the Volunteer Firefighter Account assets totaled approximately \$324.7 million from 318 fire departments. The Volunteer Firefighter Account returned +15.0% for the year ended December 31, 2025. The custom benchmark, which represents the policy-weighted performance of the underlying asset group benchmarks, returned +14.2% for the year ended December 31, 2025.

It is an honor to lead the SBI team in service to volunteer firefighters who participate in the Statewide Volunteer Firefighter Plan. We remain singularly focused on our mission and continue to build upon the strong foundation that has made the SBI such a well-respected institutional investor. On behalf of all of us at the SBI, thank you for your continued trust and support.

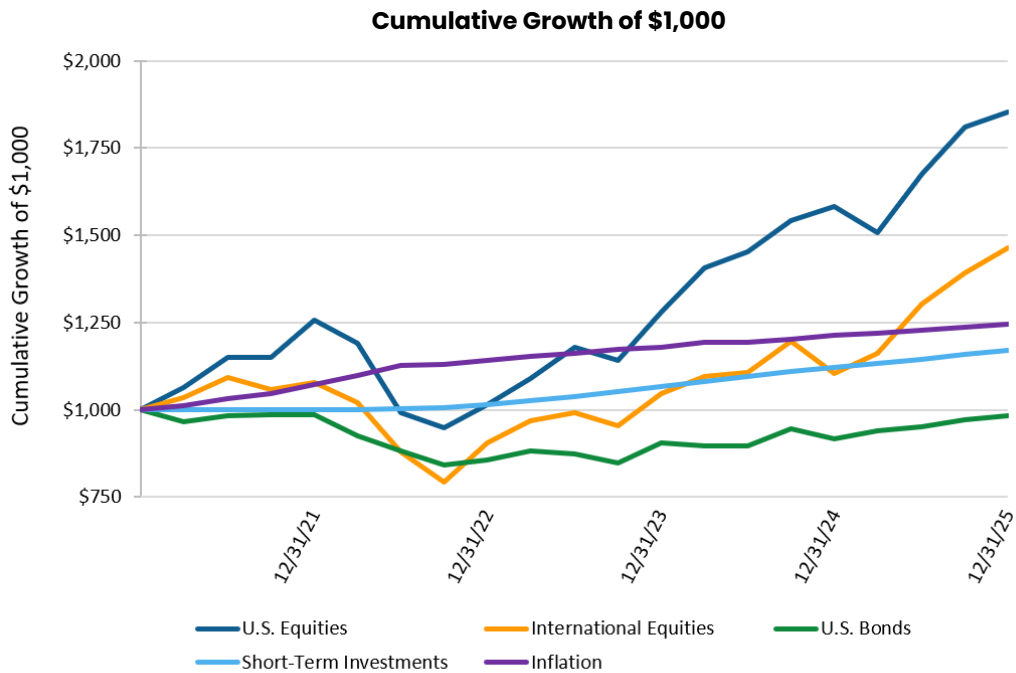
Respectfully submitted,



Jill E. Schurtz
Executive Director and Chief Investment Officer

Calendar Year in Review

Performance of Capital Markets



Last Five Years Ending December 31 and Annualized Performance

Asset Class/Benchmark	Calendar Year Performance (%)					Annualized Performance (%)	
	2025	2024	2023	2022	2021	3 Year	5 Year
U.S. Equities							
Russell 3000 Index	17.1	23.8	26.0	-19.2	25.7	22.2	13.1
International Equities							
MSCI ACWI ex U.S. Index (net)	32.4	5.5	15.6	-16.0	7.8	17.3	7.9
U.S. Bonds							
Bloomberg U.S. Aggregate Bond Index	7.3	1.3	5.5	-13.0	-1.5	4.7	-0.4
Short-Term Investments							
ICE BofA 3-Month Treasury Bill Index	4.2	5.3	5.0	1.5	0.0	4.8	3.2
Inflation Rate							
Consumer Price Index CPI-U	2.7	3.0	3.1	9.0	5.3	2.9	4.6

Volunteer Firefighter Account Investment Prospectus

Calendar Year 2025 Commentary

The **U.S. equity market**, as measured by the Russell 3000 Index, returned +17.1% for the year ended December 31, 2025 – a third consecutive year of double-digit gains. Equities benefited from continued economic expansion and strong growth in corporate earnings. Information Technology led all sectors, advancing +27.2% on sustained demand tied to artificial intelligence, semiconductors, and data center infrastructure. Industrials, Basic Materials, and Financials sector stocks also posted strong results, while the Consumer Discretionary and Consumer Staples sectors lagged. The Russell 1000 Growth Index (+18.6%) outperformed the Russell 1000 Value Index (+15.9%), and large caps led broadly – the Russell 1000 Index of large-cap stocks (+17.4%) outpaced the small-cap Russell 2000 Index (+12.8%), underscoring continued investor preference for larger, growth-oriented companies.

The **U.S. bond market**, as measured by the Bloomberg U.S. Aggregate Bond Index, returned +7.3% for the year ended December 31, 2025. Bond market performance was boosted by a decline in interest rates (bond prices and yields move in opposite directions) as the U.S. Federal Reserve eased monetary policy amid a cooling labor market. Within the spread sectors of the market, investment grade corporate bonds outperformed as credit spreads held near multi-year low levels, while Agency mortgage-backed securities (MBS)

benefited from falling interest rates and declining rate volatility over the year.

International equity markets returned +32.4% for the year ended December 31, 2025, as measured by the MSCI All Country World Index excluding the United States, net of taxes on dividends (MSCI ACWI ex U.S. Index net), which represents both developed and emerging international markets. Resilient economic growth and improving corporate earnings supported returns in developed markets, particularly within Japan, Canada, and across Europe. Emerging markets returned +33.6%, shrugging off volatility early in the year tied to U.S. tariff policy concerns; semiconductor-heavy markets such as Korea and Taiwan led the gains. A broad-based decline in the U.S. dollar further lifted non-U.S. returns for dollar-based investors.

The **cash, or short-term investment, market** returned +4.2% for the year ended December 31, 2025, as measured by the ICE BofA 3-Month Treasury Bill Index. The U.S. Federal Reserve held its policy rate at a target range of 4.25%-4.50% for much of the year before cutting 25 basis points at each of its September, October, and December meetings, ending the year at a target range of 3.50%-3.75%. The Fed cited a weakening labor market and expectations for moderating inflation as justification for rate cuts.

Performance

Volunteer Firefighter Account Performance ¹ (%)								
Underlying SIF Investment Option	As of December 31, 2025			Calendar Year-End				
	3 Year	5 Year	10 Year	2025	2024	2023	2022	2021
U.S. Equity Index Fund	22.3	13.3	14.4	17.2	23.8	26.0	-19.2	26.2
Broad International Equity Fund	17.8	9.0	8.9	31.1	7.8	15.6	-13.7	9.0
Bond Fund	5.6	0.0	2.7	8.1	1.9	7.0	-14.1	-1.1
Money Market Account	5.2	3.5	2.4	4.5	5.5	5.4	1.9	0.1
Volunteer Firefighter Account	13.3	6.3	7.9	15.0	10.4	14.7	-15.2	9.7
<i>Volunteer Firefighter Account Composite Benchmark</i> ²	12.6	5.8	7.4	14.2	9.7	14.0	-14.7	9.0

¹Average annual performance includes terminated manager performance. Performance reflects the deduction of investment management fees. Performance greater than one year is annualized. Past performance does not guarantee future results.

²The Composite Benchmark figures aggregate the performance of the underlying asset class benchmarks according to their target weights.

Volunteer Firefighter Account Investment Prospectus

Overview

Establishment and Investment Platform

The Statewide Volunteer Firefighter (SVF) Plan was established in 2009 by Minnesota Statutes, Chapter [353G](#), as a retirement plan option for eligible fire departments. The plan offers centralized administration through PERA and institutional investment management through the State Board of Investment.

Assets of participating fire departments are invested in the Volunteer Firefighter Account, which was created specifically for the SVF Plan. The Volunteer Firefighter Account is one of the investment options available within the Supplemental Investment Fund (SIF), a pooled investment platform established under Minnesota Statutes, Section [11A.17](#). Through the SIF platform, participating fire departments gain access to the same asset-class investment options used by Minnesota's statewide retirement systems and other public retirement plans.

When a fire department elects to join the SVF Plan, its assets are invested in the Volunteer Firefighter Account on December 31 of the year it elects to join.

Assets in the Volunteer Firefighter Account

The Volunteer Firefighter Account's investment approach utilizes active and passive strategies across equities, fixed income, and cash. As of December 31, 2025, approximately \$324.7 million was invested in the Volunteer Firefighter Account and allocated to the underlying funds as listed in the table below.

Volunteer Firefighter Account Assets as of December 31, 2025	
Investment Option	Market Value
U.S. Equity Index Fund	\$ 114,458,972
Broad International Equity Fund	\$ 50,602,850
Bond Fund	\$ 143,836,312
Money Market Account	\$ 15,755,667
Volunteer Firefighter Account	\$ 324,653,802

List of Holdings

An unaudited list of domestic and international equities, fixed income securities, cash equivalents, and derivative securities held by the SBI is provided on the [SBI website](#).

Account Expenses

Annual fees associated with the Volunteer Firefighter Account include investment management fees and administrative fees charged by the SBI and PERA. Please refer to page 11 for more detailed fee information. Investment management fees and administrative fees are subject to change.

Management of Assets

The SBI is responsible for selecting and monitoring the external investment managers that manage the assets of the Volunteer Firefighter Account. External investment managers for the components of the Volunteer Firefighter Account as of December 31, 2025, are listed below.

U.S. Equity Index Fund

- BlackRock Institutional Trust Company

Broad International Equity Fund

- Acadian Asset Management
- Clearbridge Investments LLC
- Columbia Management Investment Advisers
- Earnest Partners
- Fidelity Institutional Asset Management
- J.P. Morgan Investment Management
- Marathon Asset Management
- Morgan Stanley Investment Management
- Nomura
- Pzena Investment Management
- Record Currency
- State Street Investment Management

Bond Fund

- BlackRock Financial Management
- Dodge & Cox
- Goldman Sachs Asset Management
- Neuberger Berman Investment Advisers

Money Market Account

- State Street Investment Management

Volunteer Firefighter Account Investment Prospectus

Investment Option: Volunteer Firefighter Account

The **Volunteer Firefighter Account** (“Account”) utilizes a diversified, balanced investment approach. The objective of the Account is to earn a return from both capital appreciation (increases in market value) and current yield (dividends from stocks and interest on bonds). The policy allocation targets also consider the objectives of protecting against adverse economic environments and controlling short-term portfolio return volatility. To pursue these objectives, the Account is invested in a mix of domestic equities, international equities, bonds, and cash. As of December 31, 2025, the market value of the Account was approximately \$325 million.

A factsheet for the Volunteer Firefighter Account is available on the [SBI website](#).

Asset Allocation

The Account is invested using the following long-term strategic asset allocation:

Domestic Equity	35%
International Equity	15%
Fixed Income	45%
Cash Equivalent	5%
Total Volunteer Firefighter Account	100%

The Account’s investment management structure utilizes both active and passive management.

The **Domestic Equity** segment invests in the U.S. Equity Index Fund, a passively managed portfolio that tracks the returns of the Russell 3000 Index.

The **International Equity** segment invests in the Broad International Equity Fund, which uses active and passive strategies to invest in a broad range of developed and emerging markets outside the United States. The Broad International Equity Fund’s benchmark is the MSCI All Country World Index excluding the United States, net of taxes on dividends (MSCI ACWI ex U.S. Index net). Typically, a majority of the Fund is invested in the largest developed international equity markets, including Japan, the United Kingdom, Canada, France, Switzerland, and Germany. A portion of the Fund is invested in other well-established markets in Europe

and the Pacific region. In addition, the Fund invests in emerging markets worldwide, including those in Asia, Latin America, Eastern Europe, the Middle East, and Africa.

The **Fixed Income** segment invests in the Bond Fund, an actively managed portfolio that seeks to earn returns in excess of the Bloomberg U.S. Aggregate Bond Index. The Bond Fund invests primarily in high-quality corporate bonds, mortgage securities, and U.S. Government debt securities.

The **Cash** segment is invested in the Money Market Account, a strategy using short-term, high-quality money market instruments. The Money Market Account’s performance is measured against the ICE BofA 3-Month Treasury Bill Index.

Investment Management

See page 8 for a listing of the investment managers included in the Volunteer Firefighter Account.

Valuation

Ownership in this Account is represented by participation units, comparable to shares in a mutual fund. The unit value is determined daily and is based on the aggregated market value of the entire Account. Any dividend or interest income is reinvested in the Account at the time it is earned. Investment returns reflect all realized and unrealized gains and losses generated by the Account.

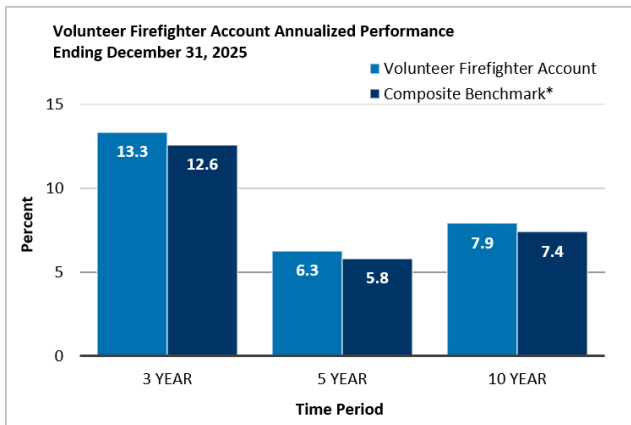
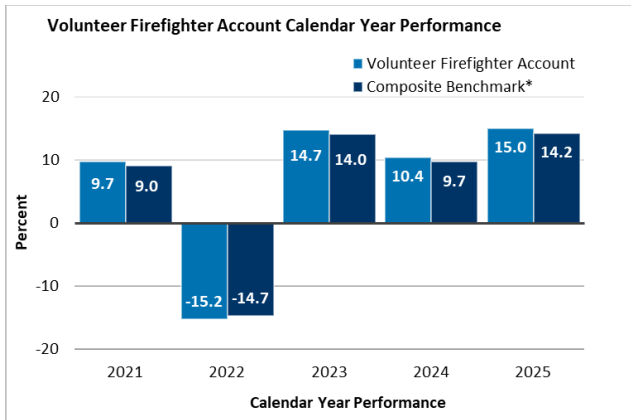
Investment Performance

The SBI evaluates the performance of the Volunteer Firefighter Account on two levels:

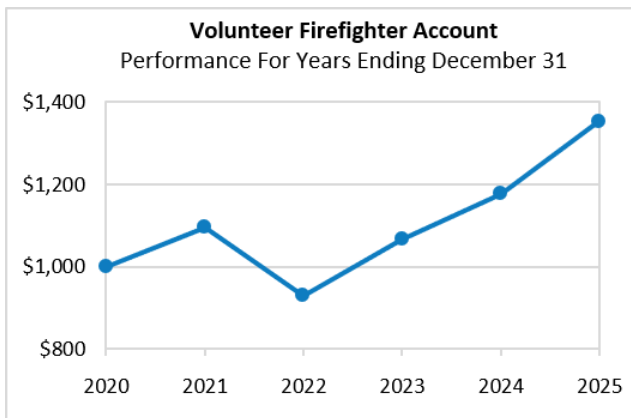
- **Total Account:** Performance of the Volunteer Firefighter Account reflects the aggregate performance of the underlying managers and is expected to exceed the returns of the composite benchmark, reflecting the aggregate performance of the underlying fund benchmark returns according to their target weights.
- **Individual Manager:** Performance of the individual investment managers listed on page 8 is compared to relevant benchmarks. Comparisons to a manager’s benchmark enable the SBI to evaluate the managers’ individual and aggregate results with respect to risk incurred and returns achieved.

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Historical results for the past five calendar years and annualized performance for the Volunteer Firefighter Account are presented in the following two bar graphs.



The line graph below shows how \$1,000 would have grown over the past five years had it been invested in the Volunteer Firefighter Account. Cumulatively, \$1,000 would have grown to \$1,354.



The table below displays the Account's share values and returns for the last five years. The annualized compounded returns for the three- and five-year periods were +13.3% and +6.3%, respectively. The rate of return for the Account is calculated after investment management fees are paid but before administrative fees are deducted.

Years Ending December 31		
Year	Unit Value (\$)	Rate of Return (%)
2025	32.58	15.0
2024	28.33	10.4
2023	25.66	14.7
2022	22.38	-15.2
2021	26.39	9.7

Account Expenses

The average annual investment management fee for the Volunteer Firefighter Account for CY25 was 0.07%. The investment management fee is charged by the external investment managers responsible for investing the Account's assets. Additionally, the SBI assesses an administrative fee. The annual administrative fee in CY25 was 0.01%. The total Account expense (the combination of the investment management fee and SBI administrative fee) in CY25 was approximately 0.08% or \$0.85 per \$1,000 invested. Investment management fees and administrative fees are subject to change.

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Procedures for Volunteer Fire Relief Associations

Volunteer firefighter plans must follow the appropriate individual statutes in determining the amount to be invested in any eligible fund(s). (See Minnesota Statutes, Chapter [353G](#).)

Opening an Account

Fire departments and relief associations must contact the Public Employees Retirement Association (PERA) if interested in transferring into the Statewide Volunteer Firefighter (SVF) Plan. PERA will coordinate with the SBI to set up an account. Once the account is established, the SBI will email login credentials and instructions for accessing the online account portal, which will contain information regarding the account balance, posted/pending transactions, and statements.

Investment Option

- Volunteer Firefighter Account

Contributions and Withdrawals

All contributions and withdrawals must be requested through PERA, the plan administrator. Please contact PERA for the required forms.

Fees

Administrative Fees

The **PERA** administrative fee is deducted directly from the SVF Plan's funds on an annual basis.

The **SBI** administrative fee in CY25 was 0.01%. This represents an annual fee of \$0.10 per \$1,000. The SBI deducts administrative fees quarterly.

Investment Management Fees

There are no "front-end" or "back-end" fees charged on contributions, withdrawals, or transfers. All transactions are made using the daily share value established for the Account.

Investment management fees are deducted from the investment earnings in each underlying Fund before the share value for the Account is computed. These deductions will vary from Fund to Fund and from year to year depending on the actual management costs incurred.

Please refer to page 10 of this Prospectus for investment management fee information for the Volunteer Firefighter Account.

Investment management fees and administrative fees are subject to change. Please contact PERA with any questions regarding PERA administrative fees, and the SBI with any questions regarding SBI administrative fees or investment management fees.

Reporting

Monthly reports, statement notifications, and other correspondence from the SBI will be mailed and/or emailed to the contact person(s) on file with the SBI.

Monthly reports include current balances, performance, administrative fees (if applicable for the month), and any transactions that may have occurred during the month. All transactions use the daily share value established for the Volunteer Firefighter Account.

Online access to your Plan's account is available and includes downloadable current balances, transactions, and past statements.

PERA Contact Information

Public Employees Retirement Association
60 Empire Drive, Suite 200, St. Paul, MN 55103
Phone: (651) 296-3636
Fax: (651) 297-2547

PERA Accounting Team: PERASVF@mnpera.org

SBI Contact Information

Minnesota State Board of Investment
60 Empire Drive, Suite 100, St. Paul, MN 55103
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Fax: (651) 296-9572

Investment Questions

Amanda Allen: Amanda.Allen@state.mn.us

Account Questions

Shirley Baribeau: Shirley.Baribeau@state.mn.us SBI
Accounting Team: Acctg.SBI@state.mn.us



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About the SBI

Established

The Minnesota State Board of Investment (SBI) was established in 1885 by Article XI of the Minnesota Constitution. The SBI serves the State of Minnesota by investing the assets of state and local employee benefit plans, other public retirement savings plans, tax advantaged saving plans, state cash accounts, and non-retirement assets.

Board Members

Governor Tim Walz
Attorney General Keith Ellison
State Auditor Julie Blaha
Secretary of State Steve Simon

The primary responsibility of the Board is to monitor and evaluate the investment programs as a fiduciary with the goal of making sound investment decisions. The Board delegates responsibility through the retention of the Executive Director/CIO, staff, consultants, and with the advice of various committees.

Executive Director and Staff

The Board retains an Executive Director/CIO and staff to meet the objectives of the Board, execute its policies, and manage the SBI's day-to-day investment activities and operations. A listing of SBI staff can be found on the SBI website at <https://msbi.us/staff>.

Investment Advisory Council

A 17-member Investment Advisory Council was established in state statute to advise the Board and its staff on investment-related matters. A listing of the IAC membership can be found on the SBI website at <https://msbi.us/IAC-members>.

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