Date: June 17, 2026
To: Board of Retirement
From: F. Robert Reveles, Retirement Financial Investment Officer
Subject: Written Consent for Investment Manager Parent Company Merger

Recommended Action:

Board direction to staff whether to consent to the merger, thereby retaining AB as an investment manager.

Fiscal and Financial Impacts:

No immediate financial impact.

Strategic Plan Importance and Risk Assessment:

Being aware of changes in ownership of our selected managers promotes Goal 2 – Strengthen risk oversight by acknowledging possible changes in the corporate structure of portfolio managers.

Background and Discussion:

MCERA was recently notified of a planned all-stock merger between Equitable Holdings, the parent company of our investment manager AllianceBernstein (AB), and Corebridge Financial. The transaction is expected to close by the end of calendar year 2026, with the combined company operating under the name "Equitable." Following the closing of the transaction, the new entity will be owned 51% by legacy Corebridge shareholders and 49% by Equitable shareholders. Because this transaction constitutes a change in company control, MCERA is required to provide written consent to continue our service contract with AB.

The transaction will create a leading retirement, life, wealth, and asset management company with enhanced scale and a diversified portfolio of businesses with well-established global brands. The combined firm will serve over 12 million customers, realize over $500 million in expense synergies by consolidating corporate functions and IT systems, and maintain executive oversight through an evenly split 14-member board. Crucially for MCERA, the new organization plans to transition more than $100 billion of Corebridge's general and separate-account assets over to AB for active management.

The combined scale and balanced revenue mix should buffer the new entity against harsh macroeconomic cycles, while the lower operational expenses are anticipated to drive investment management fees lower. Staff will monitor the $100 billion asset migration closely, alongside our investment consultant, to ensure the additional funds do not create trading capacity issues, introduce operational strain, or alter AB's underlying investment mandates.

Recommendation:

Staff's recommendation is to provide written consent for the merger to retain AB as an investment manager. Therefore, staff requests Board direction to provide written consent.