



SECURITIES INVESTOR PROTECTION CORPORATION

**ANNUAL
REPORT
2025**

**THE INVESTOR'S
BRIDGE TO
RECOVERY IF
A SECURITIES
BROKER FAILS**



SECURITIES INVESTOR PROTECTION CORPORATION
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April 30, 2026

The Honorable Paul S. Atkins

Chairman
United States Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Dear Chairman Atkins:

On behalf of the Board of Directors I submit herewith the Fifty-fifth Annual Report of the Securities Investor Protection Corporation pursuant to the provisions of Section 11(c)(2) of the Securities Investor Protection Act of 1970.

Respectfully,

A handwritten signature in black ink that reads "Claudia Slacik". The signature is written in a cursive, flowing style.

Claudia Slacik
Chair



Message from the Chair

In 2025, SIPC focused on the future and engaged in transition and innovation across numerous fronts, while maintaining careful stewardship of the SIPC Fund. As a momentous mid-year occasion, after an extraordinary forty-one-year career at SIPC, Josephine Wang retired as President and CEO. She served with distinction in that role for six years, and previously as General Counsel for fifteen years. In her stead, we welcomed Michael Post, formerly SIPC's General Counsel, as its new President and CEO. With a seamless leadership transition and throughout the year, SIPC made progress in multiple areas to ensure the organization remains ready to undertake all necessary actions should the rare need for a brokerage liquidation under SIPA arise.

THE FUND

The backbone of SIPC's investor protection, the SIPC Fund, reached an anticipated milestone of \$5 billion. Used to satisfy customer claims, pay expenses associated with the liquidation of a

As SIPC advances, we are dedicated to furthering our mission of investor protection and meeting the challenges posed by an ever-evolving marketplace.

broker-dealer when its general estate is insufficient, and cover the organization's operating costs, the Fund remains robust. As a result of this milestone, SIPC has commissioned a study to assess the adequacy of the Fund to meet current and future investor protection needs. Not only will the study examine the overall state of the Fund, but it will also evaluate the Fund with current and projected financial market conditions and trends in mind so that SIPC will be prepared to adjust to future developments in the industry, as it has done so effectively in the past. As always, SIPC remains grateful to its membership of registered brokers and dealers for their vital support, which makes the investor protections afforded by the Fund an unparalleled success.

MADOFF

The SIPA case to recover funds for the customers of Bernard L. Madoff Investment Securities LLC (BLMIS) continues to result in meaningful distributions to investors, thanks to the efforts of the SIPA Trustee and his staff, and SIPC personnel. In 2025, the Trustee entered into eighteen settlements totaling over \$597 million and later made an additional distribution of over \$235 million to BLMIS account holders

with allowed claims. This brings the total distribution to customers in the matter to nearly \$15.38 billion, which includes approximately \$850 million in funds advanced by SIPC. Importantly, per SIPA, all expenses of administering the liquidation proceeding are financed by SIPC, and no customer monies are used for that purpose. This means that, so far, customers with allowed claims of up to \$1.8 million have been fully satisfied, and customers with larger claims have recovered close to seventy-three percent. As of this writing, the more than one thousand lawsuits pursued to recover BLMIS investor funds have been reduced to fifty-two. SIPC expects that these remarkable results will continue to accumulate enabling additional distributions to eligible claimants.

EDUCATION AND OUTREACH

A well-informed investing public is fundamental to vibrant capital markets. To that end, SIPC has launched a refreshed and updated website to ensure the information provided for investors and other users is as comprehensive, understandable, and easy to find as possible. SIPC also has been building partnerships with other organizations to support investor education. Throughout 2025, SIPC's active participation in and presentations at meetings held by international securities regulatory organizations and SIPC counterparts in other jurisdictions have been highly productive. SIPC also continues to enjoy both support and collaboration with the SEC, FINRA, and associations that include SIPC members on a myriad of issues, including education for middle schoolers, senior citizens, and everyone in between, which further advance SIPC's overall purpose to protect investors.



Contents

WITH THANKS

No message reflecting on the year would be complete without recognizing—in addition to the support from SIPC members—that of my fellow Directors, the securities regulator community, and SIPC staff who are devoted to SIPC’s mission. Looking ahead into 2026, new SIPC leadership has launched a broad theme of organizational renewal and continuous improvement that builds on our strong existing forward momentum. It is called “SIPC Advance”—in allusion to the primary mechanism by which SIPC helps customers. It is fitting that, in 2026, we will adopt a refreshed logo and a consistent print and digital visual identity, and move to a new office space. As SIPC advances, we are dedicated to furthering our mission of investor protection and meeting the challenges posed by an ever-evolving marketplace.



Claudia Slacik
Chair

Message from the Chair.....	2
Overview of SIPC.....	4
Directors & Officers	5
The SIPC Staff	8
Corporate Governance Practices.....	9
Customer Protection Proceedings.....	11
Membership and the SIPC Fund.....	13
Madoff Liquidation	16
Section 5(a)(1) Alerts; Disciplinary and Criminal Actions.....	17
Auditor’s Report and Financial Statements.....	18
SIPC Fund Comparison	29
Appendix 1	
Distributions for Accounts of Customers for the	30
Fifty-five Years Ended December 31, 2025	
Appendix 2	
Analysis of SIPC Revenues and Expenses for the	32
Fifty-five Years Ended December 31, 2025	
Appendix 3	
Customer Protection Proceedings.....	34
A: Customer Claims and Distributions Being Processed	
B: Customer Claims Satisfied, Litigation or Administrative Matters Pending	
C: Proceedings Completed in 2025	
D: Summary	

Overview of SIPC

The Securities Investor Protection Corporation (SIPC) had its origins in the difficult years of 1968–70, when the paperwork crunch, brought on by unexpectedly high trading volume, was followed by a very severe decline in stock prices.

Hundreds of broker-dealers were merged, acquired or simply went out of business. Some were unable to meet their obligations to customers and went bankrupt. Public confidence in our securities markets was in jeopardy.

Congress acted swiftly, passing the Securities Investor Protection Act of 1970, 15 U.S.C. §§ 78aaa–78lll (SIPA). Its purpose is to afford certain protections against loss to customers resulting from broker-dealer failure and, thereby, promote investor confidence in the nation's securities markets. Currently, the limits of protection are \$500,000 per customer except that claims for cash are limited to \$250,000 per customer.[△]

SIPC is a nonprofit, membership corporation. Its members are, with some exceptions, all persons registered as brokers or dealers under Section 15(b) of the Securities Exchange Act of 1934 and all persons who are members of a national securities exchange.*

A board of seven directors determines policies and governs operations.



Scan the QR code above for more information on

How SIPC Protects You.

Booklets available in bulk from sifma.org/store and shop.finra.org.

[△] See the Series 100 Rules Identifying Accounts of “Separate Customers” of SIPC members.

* Section 3(a)(2)(A) of SIPA excludes:

- (i) persons whose principal business, in the determination of SIPC, taking into account business of affiliated entities, is conducted outside the United States and its territories and possessions;
- (ii) persons whose business as a broker or dealer consists exclusively of (I) the distribution of shares of registered open end investment companies or unit investment trusts, (II) the sale of variable annuities, (III) the business of insurance, or (IV) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts; and
- (iii) persons who are registered as a broker or dealer pursuant to [15 U.S.C. § 78o(b)(11)(A)].

Also excluded are government securities brokers or government securities dealers who are members of a national securities exchange but who are registered under section 15C(a)(1)(A) of the Securities Exchange Act of 1934 [15 U.S.C. § 78o-5(a)(1)(A)].



Directors & Officers



Claudia Slacik
Chair



Glen S. Fukushima
Vice-Chair



William S. Jasien
Stonehedge Global Partners
President & CEO



William J. Brodsky
Cedar Street Asset
Management, LLC
Chairman
Bosun Asset Management
Chairman



Alan Patricof
Primetime Partners
Co-founder and Chairperson



Daniel M. Covitz
Board of Governors of the Federal
Reserve System
Deputy Director, Division of
Research and Statistics



W. Moses Kim
United States Department
of the Treasury
Director, Office of
Financial Institutions Policy

Committee Composition

Audit and Budget Committee

W. Moses Kim
Chair

Claudia Slacik
Alan Patricof

Compensation Committee

Glen S. Fukushima
Chair

William S. Jasien
Daniel M. Covitz

Investment Committee

William J. Brodsky
Chair

Glen S. Fukushima
W. Moses Kim

Officers

Michael L. Post
President & CEO

Marsha C. Massey
General Counsel & Secretary

Karen L. Saperstein
Vice President—Operations

The resources required to protect customers beyond those available from the property in the possession of the trustee for the failed broker-dealer are advanced by SIPC.

Five directors are appointed by the President of the United States subject to Senate approval. Three of the five represent the securities industry and two are from the general public. One director is appointed by the Secretary of the Treasury and one by the Federal Reserve Board from among the officers and employees of those organizations. The Chairman and the Vice Chairman are designated by the President from the public directors.

The self-regulatory organizations—the exchanges and the Financial Industry Regulatory Authority (FINRA)—and the Securities and Exchange Commission (SEC or Commission) report to SIPC concerning member broker-dealers who are in or approaching financial difficulty. If SIPC determines that the customers of a member require the protection afforded by the Act, the Corporation initiates steps to commence a customer protection proceeding.* This requires that SIPC apply to a Federal District Court for appointment of a trustee to carry out a liquidation. Under certain circumstances, SIPC may pay customer claims directly.

The SIPC staff, numbering 37, initiates the steps leading to the liquidation of a member; advises the trustee, his counsel, and accountants;

reviews claims; audits distributions of property; and carries out other activities pertaining to the Corporation's purposes. In cases where the court appoints SIPC as Trustee, the staff responsibilities and functions are all encompassing—from taking control of customers' and members' assets to satisfying valid customer claims and accounting for the handling of all assets and liabilities. In Direct Payment Proceedings, the staff reviews customer claims and satisfies allowed claims.

The resources required to protect customers beyond those available from the property in the possession of the trustee for the failed broker-dealer are advanced by SIPC. The sources of money for the SIPC Fund are assessments collected from SIPC members and interest on investments in United States Government securities. In addition, if the need arises, the SEC has the authority to lend SIPC up to \$2.5 billion, which it, in turn, would borrow from the United States Treasury.

*Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) governs the orderly liquidation of financial companies whose failure and resolution under otherwise applicable Federal or State law would have serious adverse effects on U.S. financial stability. If the Dodd-Frank orderly liquidation authority is invoked with regard to a broker or dealer that is a SIPC member, the responsibility for the resolution of the broker or dealer will be shared between SIPC and the FDIC. For example, the FDIC will: (1) act as receiver of the broker-dealer; (2) appoint SIPC as trustee; and (3) jointly determine with SIPC the terms of the protective decree to be filed by SIPC with a federal district court of competent jurisdiction.

5

+

1

+

1

directors appointed by
the President of the United States
(subject to Senate approval)

director is appointed
by the Secretary
of the Treasury

director is appointed by the
Federal Reserve Board

3

of the five represent
the securities
industry

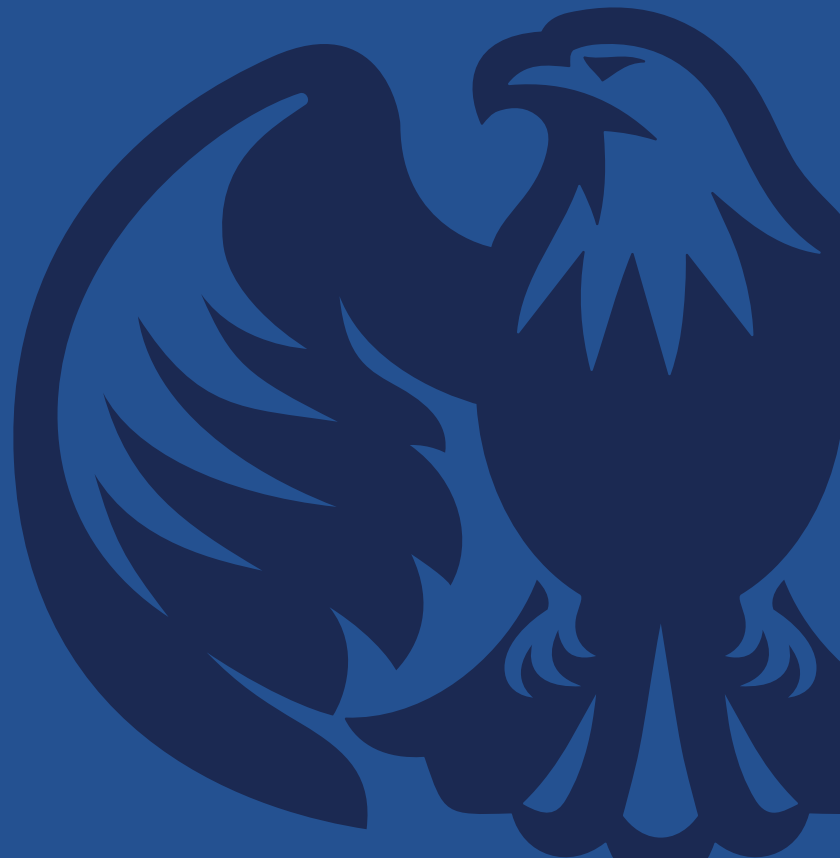
2

of the five are from
the general public





SIPC works to restore investors' assets when a brokerage firm fails financially.





COMMITTEES

The Board of Directors oversees the management of SIPC's business and affairs, as well as its corporate governance, a continuing priority for SIPC. The Board's statutory composition is intended to provide confidence that SIPC is effectively overseen and well governed. To further this goal, the Board has delegated certain duties to three standing committees: the Audit and Budget Committee, the Investment Committee, and the Compensation Committee. SIPC's Bylaws provide that each Committee is comprised of a public director, an industry director, and a government director.

Audit & Budget Committee

Purpose

- Provides oversight of the integrity of financial statements and financial reporting and the overall effectiveness of the internal control environment
- Oversees compliance with applicable legal and regulatory requirements and the independence, qualifications, and performance of the external auditor
- Ensures adequate management controls to minimize the financial risks to which the SIPC Fund is exposed

Duties

- Selects the independent external auditor to examine accounts, controls, and financial statements
- Monitors independence and performance of external auditors
- Reviews financial statements and financial disclosure
- Reviews the proposed budget relative to annual goals and objectives and recommends final budget to Board
- Reviews systems of internal control
- Reviews federal tax return

Investment Committee

Purpose

- Assists Board in formulating investment policies
- Oversees management of the SIPC Fund and compliance with the Securities Investor Protection Act's provisions relating to Fund investments

Duties

- Establishes, reviews, and updates the investment policy for approval by the Board
- Formulates, for Board consideration and approval, policies and procedures to manage, to the extent possible, market, liquidity, credit, and other investment and asset management risks
- Ensures that investments are made only in United States Government or agency securities as statutorily required
- Reviews overall investment performance and asset allocation
- Reports on investment performance and changes in investments to the Board

Compensation Committee

Purpose

- Provides oversight of total compensation strategy and assists Board in determining the appropriate compensation for officers and compensation levels for staff
- Ensures that human resources opportunities and risks are properly identified and managed

Duties

- Oversees the development and administration of SIPC's human resource programs and policies including talent management, staffing, performance management, benefits, and succession planning
- Establishes, reviews and updates compensation strategy and structure for approval by the Board
- Annually reviews proposals regarding compensation
- Recommends compensation for officers and staff for approval by the Board
- Recommends strategies and plans for merit pay, incentives, severance pay, and other unusual compensation arrangements that may arise

CORPORATE GOVERNANCE PRACTICES

ETHICS AND WHISTLEBLOWER POLICIES

Annually, SIPC's public and industry directors must certify that they have read and understood and will adhere to the SIPC Director Code of Ethics, and that they have no undisclosed known conflicts of interest, whether real or apparent. They must also disclose any actual or potential conflicts of interest; avoid activities or associations that could reasonably lead to a conflict of interest; not use their position for personal gain or for the gain of a spouse, dependent, or partner; and maintain in strict confidence all information that would reasonably be expected to be maintained in confidence.

SIPC's Whistleblower Policy encourages and enables employees to raise serious concerns about violations of SIPC's Code of Conduct, which is a part of the SIPC Bylaws and included in the SIPC Employee Handbook. As outlined by the Policy, each employee may report complaints and allegations concerning violations of SIPA, the SIPC Bylaws, the SIPC Code of Conduct, and general principles of law and business ethics to the employee's supervisor, his or her supervisor, SIPC's Compliance Officer, SIPC's President, or a SIPC Board Director. All SIPC staff must acknowledge annually that they have read and understand the SIPC Employee Handbook including the Business Ethics Policy, the Ethics Rules on Seeking Employment Outside of SIPC, and the Whistleblower Policy.

DIRECTOR HONORARIA AND MEETING ATTENDANCE

The Chairman receives a yearly honorarium of \$28,000. The Vice Chairman and the three industry directors each receive an annual honorarium of \$12,000, except that if the positions of Chairman and Vice Chairman are vacant and one of the Securities Directors performs certain functions of the Chairman for a continuous twelve-month period, then that Securities Director receives a yearly honorarium of \$28,000 for that period. The Chairman, Vice Chairman, and the three industry directors are reimbursed for their official business expenses. The two government directors receive no honoraria and are not reimbursed for their official business expenses.

The Board held six meetings in 2025. The Audit and Budget Committee met four times; the Compensation Committee met two times; and the Investment Committee also met twice.

The Director attendance at Board and Committee meetings for the year was as follows:

DIRECTOR	BOARD MEETINGS	COMMITTEE MEETINGS
Claudia Slacik	6/6	4/4
Glen S. Fukushima	6/6	4/4
Daniel M. Covitz	6/6	4/4
W. Moses Kim	5/6	3/4
William S. Jasien	5/6	2/2
William J. Brodsky	6/6	2/2
Alan J. Patricof	5/6	3/4

Customer Protection Proceedings



In 2025, no customer protection proceeding was initiated. Since the inception of SIPC, 330 proceedings commenced under SIPA. These 330 members represent less than one percent of the approximately 40,000 broker-dealers that have been SIPC members during the last fifty-five years. Currently, SIPC has 3,130 members. During SIPC's fifty-five year history, cash and securities distributed for accounts of customers totaled approximately \$143 billion. Of that amount, approximately \$142 billion came from debtors' estates, and \$909 million came from the SIPC Fund (See Appendix 1).

CLAIMS OVER THE LIMITS

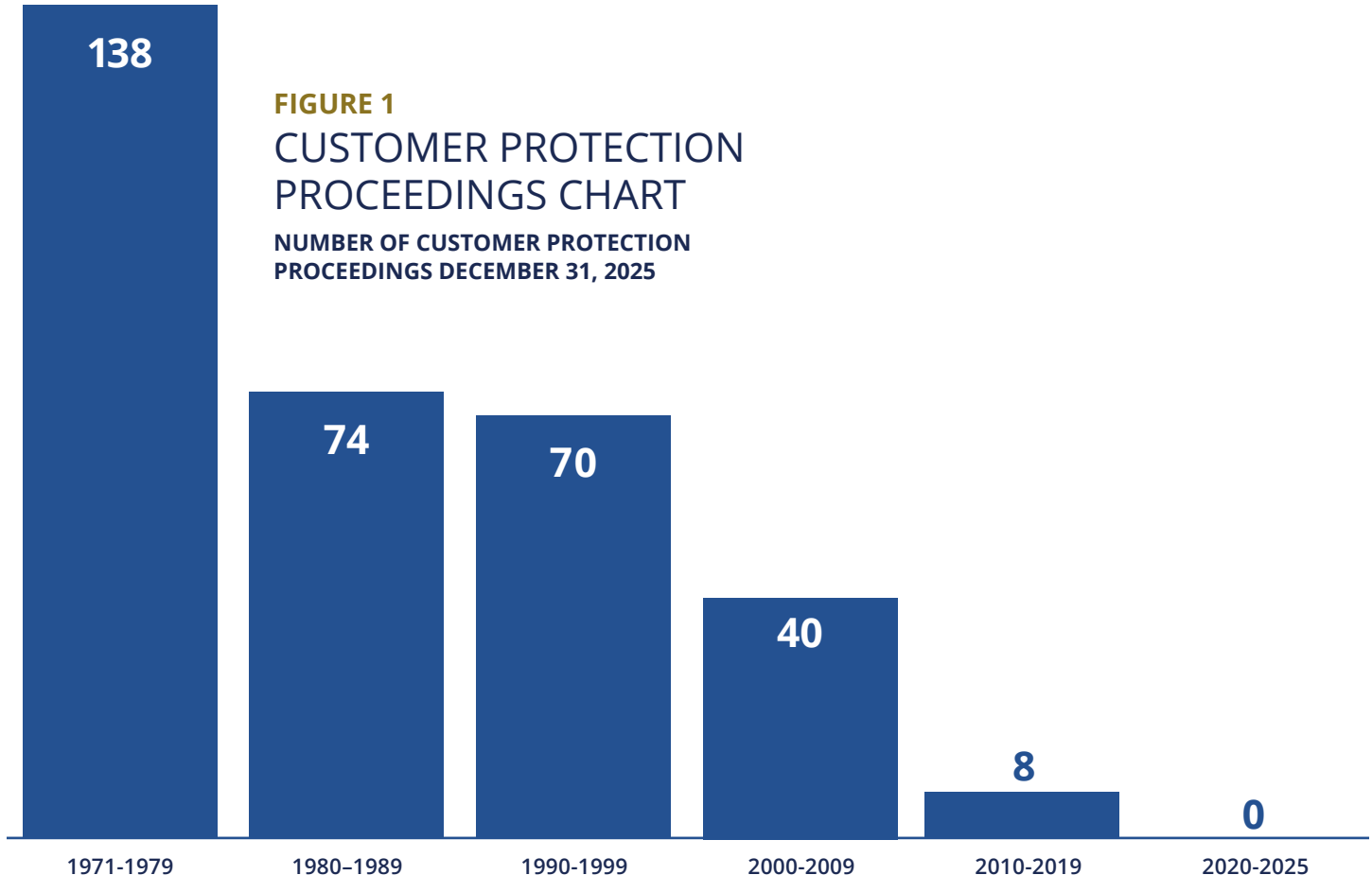
Of the approximately 770,400 claims satisfied in completed cases as of December 31, 2025, a total of 355 were for cash and securities whose value was greater than the limits of protection afforded by SIPA.

The 355 claims, which remained unchanged during 2025, represent less than one percent of all claims satisfied. The unsatisfied portion of claims, \$49.7 million, represents less than one percent of the total value of securities and cash distributed for accounts of customers in the 329 completed cases.

SIPC FUND ADVANCES

TABLE I shows that the 92 debtors, for which net advances of more than \$1 million have been made from the SIPC Fund, accounted for 99 percent of the total advanced in all 330 customer protection proceedings. The largest net advance in a single liquidation is \$3.3 billion in Bernard L. Madoff Investment Securities LLC. This exceeds the net advances in all of the other proceedings combined.

In the 30 largest proceedings, measured by net funds advanced, SIPC advanced \$3.7 billion, or 95 percent of net advances from the SIPC Fund for all proceedings.



CUSTOMER PROTECTION PROCEEDINGS

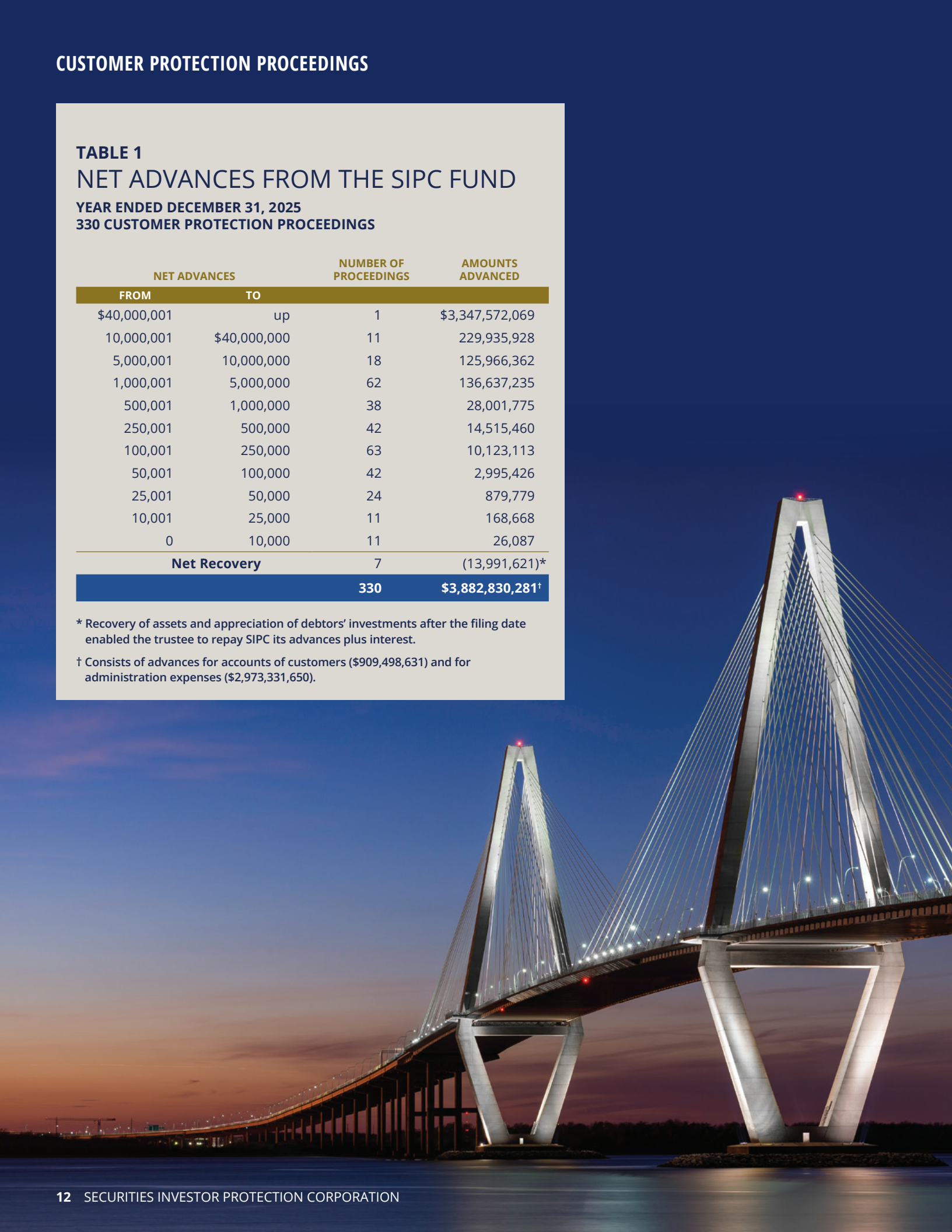
TABLE 1
NET ADVANCES FROM THE SIPC FUND

YEAR ENDED DECEMBER 31, 2025
330 CUSTOMER PROTECTION PROCEEDINGS

NET ADVANCES		NUMBER OF PROCEEDINGS	AMOUNTS ADVANCED
FROM	TO		
\$40,000,001	up	1	\$3,347,572,069
10,000,001	\$40,000,000	11	229,935,928
5,000,001	10,000,000	18	125,966,362
1,000,001	5,000,000	62	136,637,235
500,001	1,000,000	38	28,001,775
250,001	500,000	42	14,515,460
100,001	250,000	63	10,123,113
50,001	100,000	42	2,995,426
25,001	50,000	24	879,779
10,001	25,000	11	168,668
0	10,000	11	26,087
Net Recovery		7	(13,991,621)*
		330	\$3,882,830,281†

* Recovery of assets and appreciation of debtors' investments after the filing date enabled the trustee to repay SIPC its advances plus interest.

† Consists of advances for accounts of customers (\$909,498,631) and for administration expenses (\$2,973,331,650).



Membership and the SIPC Fund



The net decrease of 72 members during the year brought the total membership to 3,130 as of December 31, 2025. **TABLE 2** shows the members' designated examining authorities, as well as the year's changes therein.

DELINQUENCIES

Members who are delinquent in paying assessments receive notices pursuant to SIPA Section 14(a).¹ As of December 31, 2025, there were 167 members who were subjects of uncured notices, 54 of which were mailed during 2025, 96 during 2024, three during 2023, 10 during 2022, and one during 2021, 2020, 2019, and 2018. Subsequent filings and payments by 4 members left 163 notices uncured. One registration has been cancelled. Uncured delinquencies are referred to the SEC for further action.

SIPC FUND

The SIPC Fund, shown at **TABLE 5**, on page 29, consisting of the aggregate of cash and investments in United States Government securities at fair market value plus accrued interest, amounted to \$5.50 billion at year end, an increase of \$673 million during 2025.

TABLES 3 AND 4, on pages 14 and 15, present principal revenues and expenses for the years 1971 through 2025. The 2025 member assessments were \$557.9 million and interest from investments was \$159.9 million. During the years 1971 through 1977, 1983 through 1985, 1989 through 1995, and 2009 through 2025, member assessments were based on a percentage of each member's gross revenue (net operating revenue for 1991 through 1995 and 2009 through 2025) from the securities business.

APPENDIX 2, on page 32, is an analysis of revenues and expenses for the five years ended December 31, 2025.

TABLE 2
SIPC MEMBERSHIP
YEAR ENDED DECEMBER 31, 2025

DESIGNATED EXAMINING AUTHORITIES	TOTAL	ADDED ^a	TERMINATED ^a
FINRA ^b	3,088	91	155
NYSE Texas ^c	8	—	—
Cboe Exchange, Inc ^d	6	—	—
NYSE Arca, Inc ^e	5	—	1
Nasdaq PHLX LLC ^f	5	—	—
NYSE American LLC ^g	1	—	—
None ^h	17	—	7 ⁱ
	3,130	91	163

TABLE 2 NOTES

- ^a The numbers in this category do not reflect transfers of members to successor designated examining authorities that occurred within 2025. The numbers in this category do not reflect members who due to timing differences between the effective date of new registrations and terminations and the date processed by SIPC were added or terminated in 2024 but processed by SIPC in 2025.
- ^b Effective July 30, 2007 the National Association of Securities Dealers, Inc. (NASD) and the regulatory functions of the New York Stock Exchange, Inc. (NYSE) merged to form the Financial Industry Regulatory Authority, Inc. (FINRA).
- ^c Formerly NYSE Chicago, Inc.
- ^d Formerly Chicago Board Options Exchange Incorporated
- ^e Formerly the Pacific Stock Exchange, Inc.
- ^f Formerly NASDAQ OMX PHLX
- ^g Formerly NYSE MKT LLC
- ^h The "None" designation is an extralegal category created by SIPC for internal purposes only. It is a category by default and mirrors the SECO broker-dealer category abolished by the SEC in 1983.
- ⁱ This number reflects the temporary status of broker-dealers between the termination of membership in a self-regulatory organization and the effective date of the withdrawal or cancellation of the registration under section 15(b) of the 1934 Act.

¹ 14(a) Failure to Pay Assessment, etc.—If a member of SIPC shall fail to file any report or information required pursuant to this Act, or shall fail to pay when due all or any part of an assessment made upon such member pursuant to this Act, and such failure shall not have been cured, by the filing of such report or information or by the making of such payment, together with interest and penalty thereon, within five days after receipt by such member of written notice of such failure given by or on behalf of SIPC, it shall be unlawful for such member, unless specifically authorized by the Commission, to engage in business as a broker or dealer. If such member denies that it owes all or any part of the full amount so specified in such notice, it may after payment of the full amount so specified commence an action against SIPC in the appropriate United States district court to recover the amount it denies owing.

MEMBERSHIP AND THE SIPC FUND

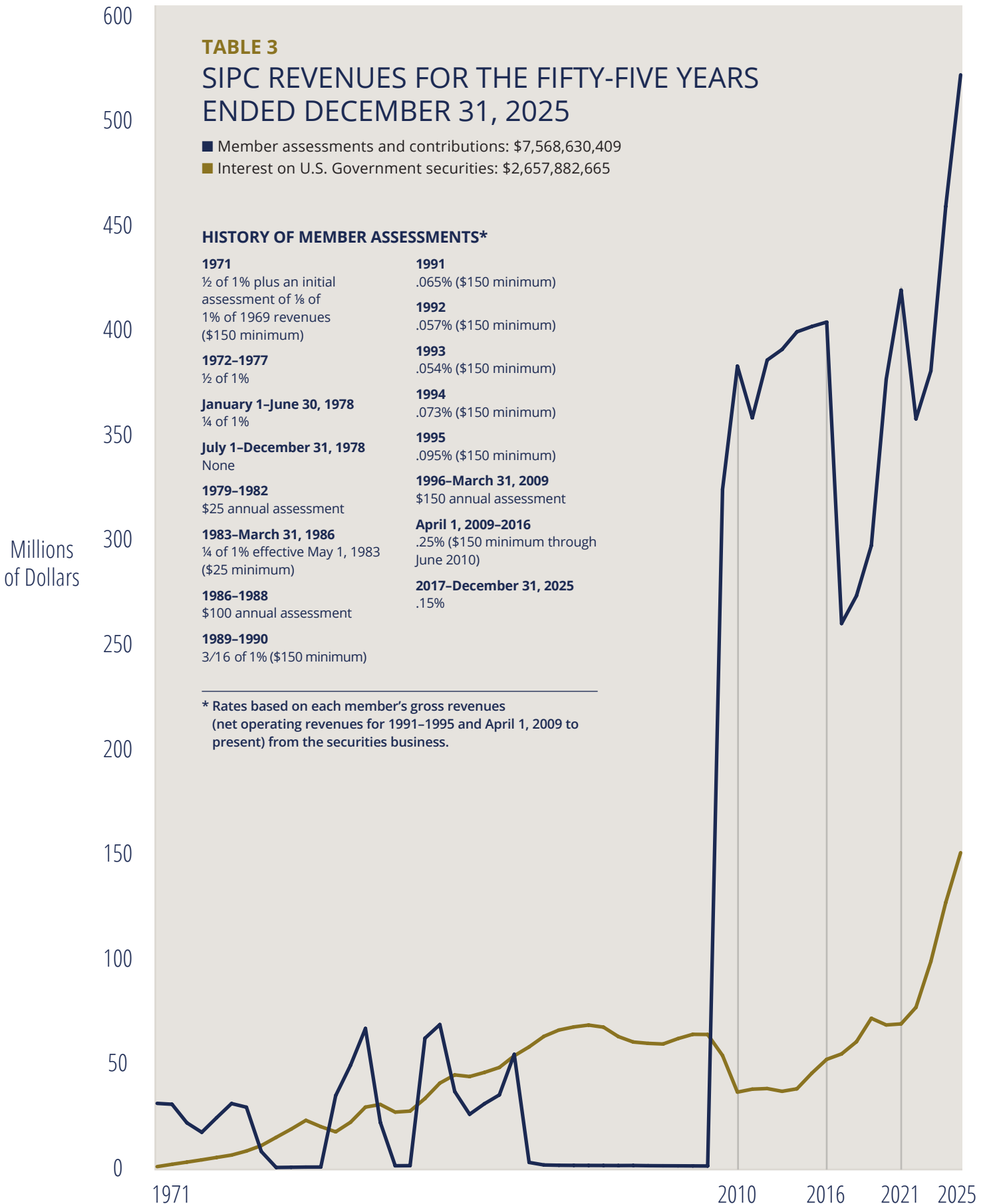
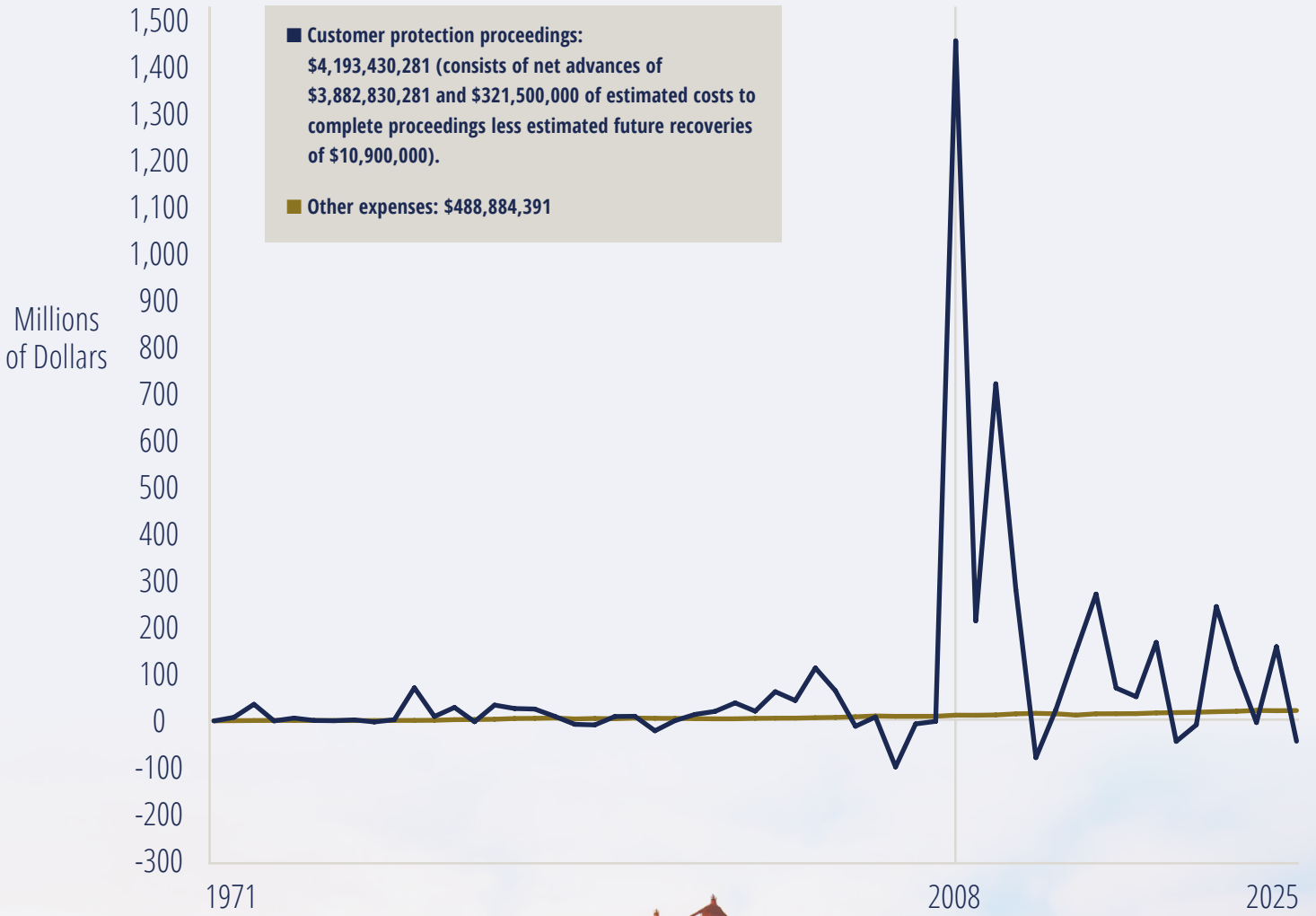


TABLE 4
SIPC EXPENSES FOR THE FIFTY-FIVE YEARS
ENDED DECEMBER 31, 2025





During 2025, SIPC continued to support the Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (“BLMIS”) in his multifaceted litigation to recover and then distribute customer property.

In Brief

Begun in December of 2008, the Madoff liquidation under SIPA has achieved, and continues to achieve, extraordinary results in restoring funds to allowed claimants. In January of 2009, over 8,000 claim forms were sent to victims of the fraud and by October of 2009, SIPC advances to Madoff customers exceeded the half-billion-dollar mark. Since that time, the SIPA Trustee and his counsel, with the assistance of SIPC attorneys, engaged in significant litigation to recover funds attributable to the fraud and to establish the court-approved methodologies required to distribute them. In 2025, the Trustee sought court approval to allocate over \$101 million in additional funds to the BLMIS Customer Fund and make more than \$35 million available for distribution to BLMIS allowed claimants. By the end of 2025, the Trustee moved to distribute another \$253 million, for a total of more than \$288 million. To date, the Trustee’s recoveries, combined with over \$850 million in advances committed by SIPC, have resulted in almost a 73 percent recovery of each customer’s allowed claim, with all accounts with allowed claims up to \$1.8 million now having been fully satisfied. Both SIPC and the Trustee will continue their vigorous recovery efforts with the objective of making additional distributions to allowed claimants.

Section 5(a)(1) Alerts; Disciplinary and Criminal Actions



Members In or Approaching Financial Difficulty

Section 5(a)(1) of SIPA requires the SEC or the self-regulatory organizations to immediately notify SIPC upon discovery of facts which indicate that a broker or dealer subject to their regulation is in or is approaching financial difficulty. The Commission, the securities exchanges and the FINRA fulfill this requirement through regulatory procedures which integrate examination and reporting programs with an early-warning procedure for notifying SIPC. The primary objective of those programs is the early identification of members which are in or are approaching financial or operational difficulty and the initiation of remedial action by the regulators necessary to protect the investing public.

Members on Active Referral

During the calendar year 2025 SIPC received one referral under Section 5(a). This referral did not result in SIPC initiating a liquidation proceeding in 2025. Two referrals received in 2023 remained open at December 31, 2025.

SIPC received periodic reports identifying those members which, although not considered to be in or approaching financial difficulty, have failed to meet certain pre-established financial or operational criteria and are under closer-than-normal surveillance.

SIPC routinely forwards to the Securities and Exchange Commission, for possible action under Section 14(b) of SIPA, the names of principals and others associated with members for which SIPC customer protection proceedings have been initiated. Those individuals are also reported to the self-regulatory organization exercising primary examining authority for appropriate action by the organization. Trustees appointed to administer customer protection proceedings and SIPC personnel cooperate with the SEC and with law enforcement authorities in their investigations of possible violations of law.

Criminal and Administrative Actions

Administrative and/or criminal actions were initiated in 289 of the 330 SIPC proceedings commenced since enactment of the Securities Investor Protection Act in December 1970.

There were no new actions initiated in 2025. Cumulative actions initiated through December 31, 2025 were as follows:

ACTION INITIATED	NUMBER OF ACTIONS
Joint SEC/Self-Regulatory Administrative Actions	61
Exclusive SEC Administrative Actions	42
Exclusive Self-Regulatory Administrative Actions	57
Criminal and Administrative Actions	103
Criminal Actions Only	28
Total	291*

*In one or more proceedings multiple types of actions were initiated.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Securities Investor Protection Corporation

Opinion

We have audited the financial statements of Securities Investor Protection Corporation (“SIPC”), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SIPC as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SIPC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SIPC’s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SIPC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SIPC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

Arlington, Virginia
April 8, 2026

SIPC Financial Statements

STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2025

ASSETS	
Cash	\$ 2,377,506
U.S. Government securities, at fair value and accrued interest receivable of (\$37,465,721); (amortized cost \$5,623,526,470) (Note 6)	5,503,686,133
Estimated member assessments receivable (Note 3)	274,659,900
Advances to trustees for customer protection proceedings in progress, less allowance for possible losses (\$3,347,572,069) (Note 4)	10,900,000
Assets held for deferred compensation and pension plans (Note 8)	19,219,483
Other (Note 5 and Note 9)	1,246,333
	\$ 5,812,089,355
LIABILITIES AND NET ASSETS	
Accrued costs for other postretirement benefits (Note 8)	\$ 7,618,185
Amount due on deferred compensation plan (Note 8)	3,307,616
Accounts payable and other accrued expenses	1,725,186
Lease liabilities—operating (Note 5)	832,869
Estimated costs to complete customer protection proceedings in progress (Note 4)	321,500,000
Member assessments received in advance (Note 3)	1,270,238
	336,254,094
Net assets without restrictions	5,475,835,261
	\$ 5,812,089,355

STATEMENT OF ACTIVITIES FOR THE YEAR

AS OF DECEMBER 31, 2025

REVENUES	
Member assessments (Note 3)	\$ 557,919,853
Interest on U.S. Government securities	159,909,468
	717,829,321
EXPENSES	
Salaries and employee benefits (Note 8)	12,253,246
Legal and accounting fees (Note 4)	1,544,134
Rent (Note 5)	1,004,353
Other	7,587,514
	22,389,247
Provision for estimated costs to complete customer protection proceedings in progress (Note 4)	(41,910,530)
	\$ (19,521,283)
Excess revenues over expenses	737,350,604
Realized and unrealized gain on U.S. Government securities (Note 6)	181,702,820
Pension and postretirement benefit changes other than net periodic costs (Note 8)	4,508,230
Increase in net assets without restrictions	923,561,654
Net assets without restrictions, beginning of year	4,552,273,607
Net assets without restrictions, end of year	\$ 5,475,835,261

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

1. Organization and general

The Securities Investor Protection Corporation (SIPC) was created by the Securities Investor Protection Act of 1970 (SIPA), which was enacted on December 30, 1970, primarily for the purpose of providing protection to customers of its members. SIPC is a nonprofit membership corporation and shall have succession until dissolved by an Act of Congress. Its members include all persons registered as brokers or dealers under Section 15(b) of the Securities Exchange Act of 1934, except for those persons excluded under SIPA.

SIPC is exempt from income taxes under 15 U.S.C. § 78kkk(e) and under § 501(c)(6) of the Internal Revenue Code. Accordingly, no provision for income taxes is required.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.



STATEMENT OF CASH FLOWS

AS OF DECEMBER 31, 2025

OPERATING ACTIVITIES

Interest received from U.S. Government securities	\$ 144,315,400
Member assessments received	521,249,352
Advances paid to trustees	(169,624,593)
Recoveries of advances	3,335,123
Salaries and other operating activities expenses paid	(23,405,751)
Net cash provided by operating activities	475,869,531

INVESTING ACTIVITIES

Proceeds from sales of U.S. Government securities	1,083,124,270
Purchases of U.S. Government securities	(1,558,479,374)
Purchases of furniture and equipment	—
Net cash used in investing activities	(475,355,104)
Increase in cash	514,427
Cash, beginning of year	1,863,079
Cash, end of year	\$ 2,377,506

The accompanying notes are an integral part of these financial statements.

2. The “SIPC Fund” and SIPC’s liquidity

The “SIPC Fund,” as defined by SIPA, consists of cash and U.S. Government securities aggregating \$5,506,063,639. Together with the estimated member assessments receivable of \$274,659,900 and advances to trustees for customer protection proceedings in progress (less allowance for possible losses) of \$10,900,000, SIPC’s financial assets available for general expenditures within one year of the December 31, 2025 statement of financial position date total \$5,791,623,539.

As part of its liquidity management, SIPC has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In the event the SIPC Fund is or may reasonably appear to be insufficient for the purposes of SIPA, the Securities and Exchange Commission (SEC) is authorized to make loans to SIPC and, in that connection, the SEC is authorized to issue notes or other obligations to the Secretary of the Treasury in an aggregate amount not to exceed \$2.5 billion.

3. Member assessments

Section 78ddd(c) and (d) of SIPA states that SIPC shall, by bylaw, impose upon its members such assessments as, after consultation with self-regulatory organizations, SIPC may deem necessary and appropriate to establish and maintain the SIPC Fund and to repay any borrowings by SIPC. If the balance of the SIPC Fund aggregates less than \$100,000,000, SIPC shall impose upon each of its members an assessment at a rate of not less than one-half of 1 per centum per annum. An assessment may be made at a rate in excess of one-half of 1 per centum if SIPC determines, in accordance with a bylaw, that such rate of assessment will not have a material adverse effect on the financial condition of its members or their customers, except that no assessments shall exceed one per centum of such member’s gross revenues from the securities business. Effective April 1, 2009, each member’s assessment was established by bylaw at the rate of one-quarter of 1 per centum of net operating revenues from the securities business or \$150, whichever was greater. Effective July 22, 2010, the \$150 minimum assessment was eliminated by the Dodd- Frank Wall Street Reform and Consumer Protection Act. Effective January 1, 2017, the assessment rate is 0.15 per centum. Member assessments received in advance will be applied to future assessments and are not refundable except to terminated members. Estimated member assessments receivable represents assessments on members’ revenue for calendar 2025 but not received, or expected to be received, until 2026.

4. Customer protection proceedings

In the Bernard L. Madoff Investment Securities LLC proceeding, the Trustee, utilizing the customer records available from the computer files of the firm, identified those accounts believed to be valid customer accounts. In accordance with Section 7811(2) of SIPA, the definition of a “customer” includes a “person who had deposited cash with the debtor for the purpose of purchasing securities.” The customer can be an individual, a corporation, a partnership, a pension plan or a “feeder fund.” The Trustee then calculated the “net cash” positions (cash deposited less cash withdrawn) for each customer’s account and, where available, this information was compared to other source documentation including banking records and customer portfolio files. Based on that valuation, the Trustee determined the customer’s net equity and maximum claim allowed under SIPA. Management estimates and records a charge for this and other proceedings, including legal and administrative costs, at the amounts which can reasonably be estimated based on available information provided by the Trustees. Management estimates the total charges to SIPC for the Madoff proceeding to be approximately \$3.67 billion.* As actual claims were processed, the Trustee determined the ultimate amount of payment for each claim and the associated legal and administrative costs incurred. Claims can be disputed, which among other factors, could cause the ultimate amount of the claims, and associated legal and administrative costs, to differ from the current estimate. Quantifying the liability associated with proceedings is subject to a number of uncertainties, however, while additional losses beyond those recorded are probable, the additional amount is not currently estimable. Any changes in the estimate will be accounted for prospectively. Recoveries on this and other proceedings are recorded as a reduction to the provision for estimated costs when realized, which occurs when notification is received from the Trustee.

SIPC has advanced a net of \$3.35 billion for proceedings in progress to carry out its statutory obligation to satisfy customer claims and to pay administration expenses. Of this amount, \$3.35 billion is not expected to be recovered.

Customer payments and related expenses of direct payment proceedings are recorded as expenses as they are incurred.

Legal and accounting fees include fees and expenses of litigation related to proceedings.

These financial statements do not include accountability for assets and liabilities of members being liquidated by SIPC as Trustee. Such accountability is reflected in reports required to be filed with the courts having jurisdiction.

The following table summarizes transactions during the year ended December 31, 2025 that result from these proceedings:

CUSTOMER PROTECTION PROCEEDINGS

	ADVANCES TO TRUSTEES, LESS ALLOWANCE FOR POSSIBLE LOSSES	ESTIMATED COSTS TO COMPLETE
Balance, beginning of year	\$ 3,300,000	\$ 522,100,000
Add		
Provision for current year recoveries	—	—
Provision for estimated future recoveries	10,900,000	—
Provision for estimated costs to complete proceedings	—	(31,000,000)
Less		
Recoveries	3,300,000	—
Advances to trustees	—	169,600,000
Balance, end of year	\$ 10,900,000	\$ 321,500,000

*Subsequent judicial opinions may result in fluctuations in this number.

5. Leases

SIPC has two leases for office space that are maturing August 31, 2026. SIPC follows ASU 2016-02, *Leases (Topic 842)* and determines if an arrangement contains a lease at inception based on whether there is an identified asset and whether SIPC controls the use of the identified asset throughout the period of use. SIPC classifies leases as either financing or operating. Right-of-use (“ROU”) assets are recognized at the lease commencement date and represent the right to use an underlying asset for the lease term. Lease liabilities represent the obligation to make lease payments arising from the lease and are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments are discounted based on a risk-free rate using a period comparable with that of the lease term. The ROU asset for operating leases totaling \$577,449 included with Other assets and Lease Liabilities-operating totaling \$832,869 as of December 31, 2025 are reflected in the Statement of Financial Position.

The components of lease cost for operating leases as of December 31, 2025 are:

	2025
Operating lease cost	\$ 872,012
Variable lease costs	132,033
Total	\$1,004,045

The lease costs are reflected on the Statement of Activities in the rent expense line.

Supplemental cash flow information related to leases during 2025 includes cash paid for leases in the amount of \$1,239,012 under operating activities in the salaries and other operating activities expenses paid line.

The weighted-average remaining lease term (in years) is 0.67 and weighted-average discount rate was 1.67% as of December 31, 2025.

Future undiscounted lease payments for the Company’s operating lease liabilities are as follows as of December 31, 2025:

	AMOUNT
2026	\$ 836,762
Total future lease payments	836,762
Less: imputed interest	(3,893)
	\$ 832,869

Future Lease Not Yet Commenced

In September 2025, SIPC signed a lease for new office space. The 150-month lease is expected to commence September 1, 2026 and includes a rent holiday of \$2,984,463 and incentives of \$3,616,415. The lease has a term of 12.5 years and is expected to commence on September 1, 2026, upon substantial completion of landlord improvements. In addition to the fixed lease payments shown below, the lease includes variable payments for taxes, operating costs, supplemental utilities and other services costs. These variable costs are not yet known and are not included in the table below. The lease has a termination option at the 70th month after the rent commencement and a renewal option for one additional 5-year term that can be elected as early as the 36th month prior to the expiration of the lease term. SIPC does not intend to exercise either of these options as of the recording date.

Upon commencement, SIPC expects to recognize a right-of-use (“ROU”) asset and corresponding lease liability of approximately \$8.1 million, based on the present value of remaining lease payments at the commencement date. No ROU asset or liability has been recorded as of the reporting date.

Future minimum fixed lease payments under this lease total \$15.8 million over the lease term:

	AMOUNT
2026	\$ —
2027	—
2028	5,504
2029	1,382,061
2030	1,416,613
2031 and thereafter	12,977,507
Total future lease payments	\$15,781,685

6. Fair value of securities

FASB ASC 820, *Fair Value Measurement* provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under this guidance are described below.

LEVEL 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that SIPC has the ability to access.

LEVEL 2

Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, inputs that are derived principally from or corroborated by observable market data by correlation or other means.

LEVEL 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2025.

The fair value of U.S. Government securities is based on the bid quote as of December 31, 2025 as reported by a third party pricing service. As a bid quote on U.S. Government securities varies substantially among market makers, the fair value bid quote is considered a Level 2 input under the guidance. Level 2 inputs include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets where there isn't sufficient activity, and/or where price quotations vary substantially either over time or among market makers, or in which little information is released publicly. As of December 31, 2025, all securities held within the portfolio are priced using Level 2 inputs.

U.S. Government securities as of December 31, 2025 included cumulative gross unrealized gains of \$34,626,271 and cumulative gross unrealized losses of \$154,506,608.

7. Reconciliation of increase in unrestricted net assets to net cash provided by operating activities:

Increase in unrestricted net assets	\$ 923,561,654
ADJUSTMENTS TO RECONCILE INCREASE IN UNRESTRICTED NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Realized and unrealized gain on U.S. Government securities	(181,702,820)
Net amortized premium on U.S. Government securities	(7,548,144)
Depreciation and amortization	186,542
CHANGES IN OPERATING ASSETS AND LIABILITIES:	
Net decrease in estimated cost to complete customer protection proceedings	(200,600,000)
Increase in estimated assessment receivable	(36,660,500)
Increase in accrued interest receivable on U.S. Government securities	(8,045,925)
Net increase in estimated recoveries of advances to trustees	(7,600,000)
Increase in prepaid expenses	(5,838,144)
Increase in payables and accrued expenses	1,361,295
Decrease in lease liabilities—Operating	(1,216,715)
Decrease in member assessments collected in advance	(27,712)
Net cash provided by operating activities	\$ 475,869,531

8. Pensions and other postretirement benefits

SIPC has a noncontributory defined benefit plan and a contributory defined contribution plan which cover all employees. SIPC also has a supplemental non-qualified retirement plan for certain employees. The \$3,307,616 year-end market value of the supplemental plan, based on Level 1 inputs, is reflected as a deferred compensation asset and as a deferred compensation liability in the Statement of Financial Position. In addition, SIPC has two defined benefit postretirement plans that cover all employees. One plan provides medical and dental insurance benefits and the other provides life insurance benefits. The postretirement health care plan is contributory, with retiree contributions adjusted annually to reflect changes in gross premiums; the life insurance plan is noncontributory.

SIPC is required to recognize the overfunded or underfunded status of the defined benefit plans as an asset or liability in the Statement of Financial Position and to recognize the funded status in the year in which the change occurs through the Statement of Activities. In addition, SIPC is required to recognize within the Statement of Activities, gains and losses due to differences between actuarial assumptions and actual experience and any effects on prior service due to plan amendments that arise during the period and which are not being recognized as net periodic benefit costs.

PENSIONS AND OTHER POSTRETIREMENT BENEFITS

	PENSION BENEFITS	OTHER POSTRETIREMENT BENEFITS
Change in Benefit Obligation		
Benefit obligation at beginning of year	\$65,245,861	\$ 6,557,136
Service cost	1,361,689	255,377
Interest cost	3,545,522	365,111
Plan participants' contributions	—	66,749
Amendments	—	—
Actuarial (gain) loss	(348,475)	667,204
Benefits paid	(3,218,065)	(293,392)
Benefit obligation at end of year	\$66,586,532	\$ 7,618,185
Change in Plan Assets		
Fair value of plan assets at beginning of year	\$75,171,328	\$—
Actual return on plan assets	9,145,136	—
Employer contributions prior to measurement date	—	—
Employer contributions	1,400,000	226,643
Plan participants' contributions	—	66,749
Benefits paid	(3,218,065)	(293,392)
Fair value of plan assets at end of year	\$82,498,399	—
Funded status	\$15,911,867	\$(7,618,185)
Employer contributions between measurement and statement date	—	—
Funded status at year end	\$15,911,867	\$(7,618,185)
Amounts recognized in the Statement of Financial Position and net assets consist of:		
Net amount recognized in the Statement of Financial Position	\$15,911,867	\$(7,618,185)
Accumulated benefit obligation end of year	\$63,644,265	\$ 7,618,185

SIPC FINANCIAL STATEMENTS

PENSIONS AND OTHER POSTRETIREMENT BENEFITS *continued*

	PENSION BENEFITS	OTHER POSTRETIREMENT BENEFITS
Weighted-average assumptions for disclosure as of December 31, 2025		
Discount rate	5.50%	5.60%
Salary scale 2025 / thereafter	3.00% / 4.00%	N/A
Health Care Cost Trend: Initial Pre-65/Post-65	N/A	9.00% / 5.50%
Health Care Cost Trend: Ultimate	N/A	4.50%
Year Ultimate Reached: Initial Pre-65/Post-65	N/A	2044 / 2036
Components of net periodic benefit cost and other amounts recognized within the Statement of Activities		
Net periodic benefit cost		
Service cost	\$ 1,361,689	\$ 255,377
Interest cost	3,545,522	365,111
Expected return on plan assets	(4,394,413)	—
Recognized prior service (credit)	—	(3,969)
Recognized actuarial loss	269,971	(189,766)
Net periodic benefit cost	782,769	426,753
Pension and other postretirement benefit changes other than net periodic benefit cost		
Net actuarial (gain) loss	(5,099,198)	667,204
Recognized actuarial (gain) loss	(269,971)	189,766
Prior service cost	—	—
Recognized prior service credit	—	3,969
Total pension and postretirement benefit changes other than net periodic cost	(5,369,169)	860,939
Total net periodic other benefit cost and pension and other postretirement benefits changes other than net periodic benefit cost	\$ (4,586,400)	\$1,287,692
Weighted-average assumptions for net periodic cost as of December 31, 2025		
Discount rate	5.60%	5.70%
Expected asset return	6.00%	N/A
Salary scale 2025 / thereafter	3.00% / 3.75%	N/A
Health Care Cost Trend: Initial Pre-65/Post-65	N/A	7.75% / 5.30%
Health Care Cost Trend: Ultimate	N/A	4.50%
Year Ultimate Reached: Initial Pre-65/Post-65	N/A	2038 / 2033

For the pension plan, the change in unrecognized net gain/loss is one measure of the degree to which important assumptions have coincided with actual experience. During 2025, the unrecognized net loss decreased by 8.2% of the 12/31/2024 projected benefit obligation primarily due to higher than expected return on assets, along with assumption changes.

The discount rate was determined by projecting the plan's expected future benefit payments as defined for the projected benefit obligation, discounting those expected payments using a theoretical zero-coupon spot yield curve derived from a universe of high-quality bonds as of the measurement date, and solving for the single equivalent discount rate that resulted in the same projected benefit obligation. A 1% increase/(decrease) in the discount rate would have (decreased)/increased the net periodic benefit cost for 2025 by (\$365,000)/\$843,000 and (decreased)/increased the year-end projected benefit obligation by (\$7.0)/\$8.7 million.

ASSET SUMMARY

ASSET CATEGORY	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)
Equity securities	
U.S. large and multi-cap mutual funds	\$14,716,519
Non-U.S. large and multi-cap mutual funds	9,900,061
Total Equity	24,616,580
Fixed Income securities	
U.S. Treasuries/Government & corporate bond mutual funds	57,881,819
Total Fixed Income	57,881,819
Total	\$82,498,399
Expected Return on Assets	

The expected return on the pension plan assets was determined based on historical and expected future returns of the various asset classes using the target allocations described on page 26. A 1% increase/(decrease) in the expected return assumption would have (decreased)/increased the net periodic benefit cost for 2025 by \$733,000.

Investment Policy

The plan's investment policy includes a dynamic asset allocation that reduces equity exposure as the plan becomes better funded to protect the plan funded status against changes in interest rates. The plan's assets are currently invested in funds representing most standard equity and debt security classes.

Pension Plan Asset Category	Expected Long-Term Return	Target Allocation	Actual Allocation 12/31/2025
Equity securities	7.30%	25-35%	30%
Debt securities	5.40%	65-75%	70%
Total	6.00%	100%	100%

ESTIMATED FUTURE BENEFIT PAYMENTS

ESTIMATED FUTURE BENEFIT PAYMENTS, INCLUDING FUTURE BENEFIT ACCRUAL

	Pension	Other Benefits
2026	\$ 3,833,990	\$ 312,110
2027	\$ 4,051,511	\$ 324,111
2028	\$ 4,297,545	\$ 380,687
2029	\$ 4,402,389	\$ 393,764
2030	\$ 4,491,584	\$ 402,992
2031–2035	\$23,704,048	\$2,944,604

CONTRIBUTIONS

The company expects to make no contributions to the pension plan in 2026 for the 2025 plan year and \$300,000 to the postretirement benefit plan during 2026.

DEFINED CONTRIBUTION PLAN

SIPC contributions (60% of employee contributions, up to 3.6% of compensation)	\$ 307,000
--	------------

9. Fixed Assets

SIPC's policy is to capitalize fixed assets costing \$2,500 or more, and to depreciate those assets using a straight-line depreciation method of five years for equipment and ten years for furniture. Leasehold improvements are amortized over the shorter of their economic life or the term of the lease. The equipment, furniture, and leasehold improvements listed below are included in "Other" assets within the Statement of Financial Position.

FIXED ASSETS

Office equipment at cost	\$ 75,184
Computer hardware at cost	3,542,430
Computer software at cost	1,811,815
Office furniture and fixture at cost	1,215,134
Leasehold improvements at cost	1,550,577
Total fixed assets at cost	8,195,140
Less accumulated depreciation and amortization	(8,078,553)
Net fixed assets	\$ 116,587
2025 depreciation and amortization expense	\$ (186,542)



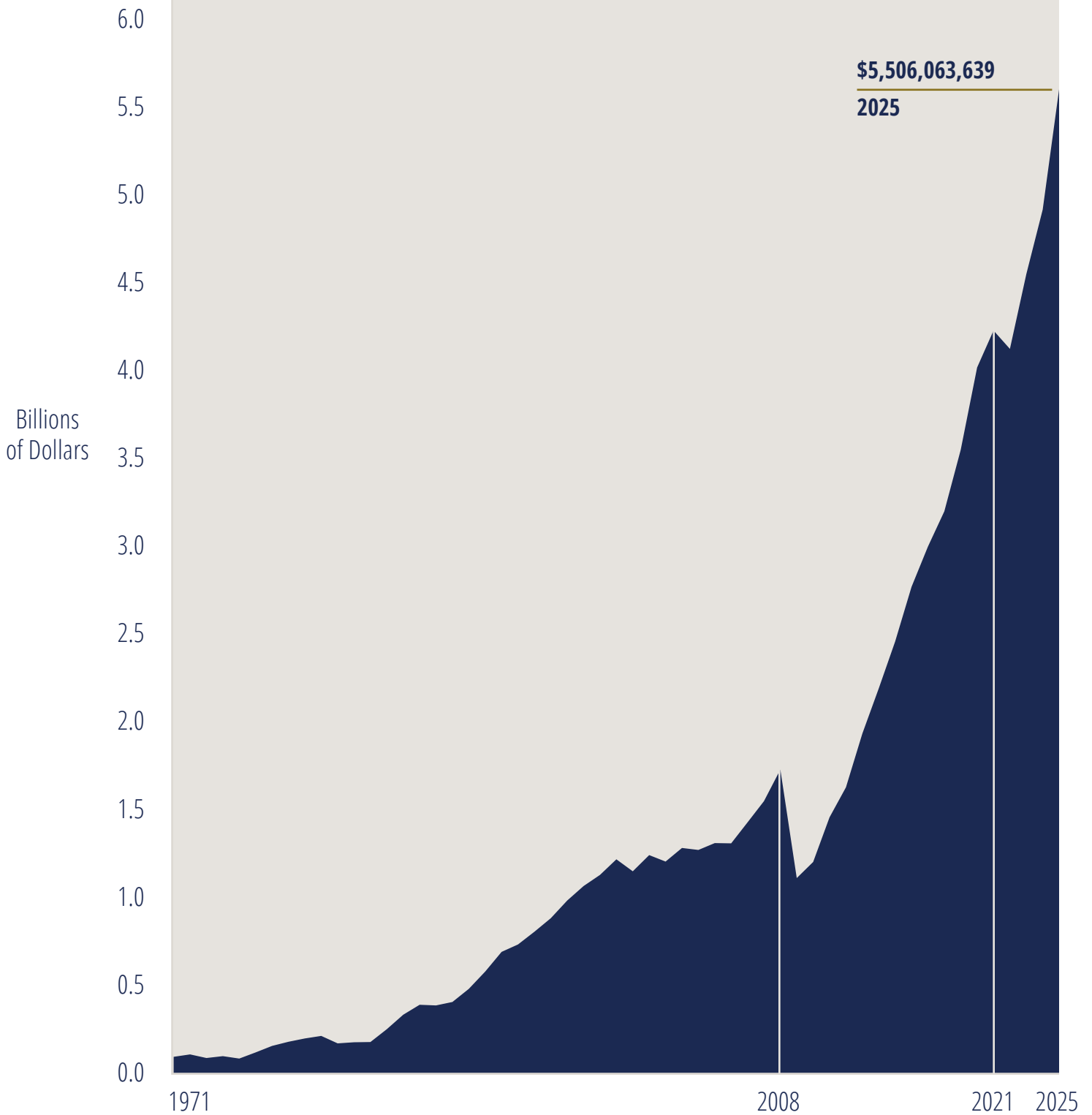
10. Subsequent Events

SIPC evaluated its December 31, 2025 financial statements for subsequent events through April 8, 2026, the date the financial statements were available to be issued. SIPC is not aware of any subsequent events which would require recognition or disclosure in the financial statements except for Note 5.

SIPC Fund Comparison



TABLE 5
SIPC FUND COMPARISON
Inception to December 31, 2025



Appendix 1

DISTRIBUTIONS FOR ACCOUNTS OF CUSTOMERS FOR THE FIFTY-FIVE YEARS ENDED DECEMBER 31, 2025 (IN THOUSANDS OF DOLLARS)

	From Debtor's Estates As Reported by Trustees	From SIPC			Total
		Advances*	Recoveries*	Net	
1971	\$ 271	\$ 401		\$ 401	\$ 672
1972	9,300	7,347	\$ (4)	7,343	16,643
1973	170,672	35,709	(4,003)	31,706	202,378
1974	21,582	4,903	(5,125)	(222)	21,360
1975	6,379	6,952	(2,206)	4,746	11,125
1976	19,901	1,292	(528)	764	20,665
1977	5,462	2,255	(2,001)	254	5,716
1978	1,242	4,200	(1,682)	2,518	3,760
1979	9,561	1,754	(6,533)	(4,779)	4,782
1980	10,163	3,846	(998)	2,848	13,011
1981	36,738	64,311	(1,073)	63,238	99,976
1982	28,442	13,807	(4,448)	9,359	37,801
1983	21,901	52,927	(15,789)	37,138	59,039
1984	184,910	11,480	(13,472)	(1,992)	182,918
1985	180,973	19,400	(11,726)	7,674	188,647
1986	28,570	14,886	(4,414)	10,472	39,042
1987	394,443	20,425	(2,597)	17,828	412,271
1988	72,052	8,707	(10,585)	(1,878)	70,174
1989	121,958	(5,481)	(10,244)	(15,725)	106,233
1990	301,237	3,960	(4,444)	(484)	300,753
1991	1,943	6,234	(2,609)	3,625	5,568
1992	34,634	7,816	(230)	7,586	42,220
1993	115,881	4,372	(9,559)	(5,187)	110,694
1994	(14,882)#	(1,283)	(3,829)	(5,112)	(19,994)
1995	585,756	17,850	(4,196)	13,654	599,410
1996	4,770	(1,491)	(10,625)	(12,116)	(7,346)
1997	314,813	22,366	(4,527)	17,839	332,652

* Advances and recoveries not limited to cases initiated this year.

Reflects adjustments to customer distributions based upon Trustees' revised allocation.

@ Reflects adjustment to customer distributions in the Lehman Brothers Inc. customer protection proceeding based upon Trustee's revised allocation.



	From Debtor's Estates As Reported by Trustees	From SIPC			Total
		Advances*	Recoveries*	Net	
1998	3,605	4,458	(1,571)	2,887	6,492
1999	477,635	47,360	(7,460)	39,900	517,535
2000	364,065	26,330	(3,413)	22,917	386,982
2001	10,110,355	200,967	(87,538)	113,429	10,223,784
2002	606,593	40,785	(5,812)	34,973	641,566
2003	(643,242)#	22,729	(4,425)	18,304	(624,938)
2004	209,025	(11,662)#	(37,700)	(49,362)	159,663
2005	(24,245)#	1,175	(4,342)	(3,167)	(27,412)
2006	1,635,006	2,653	(51,942)	(49,289)	1,585,717
2007	1,167	7,054	(6,624)	430	1,597
2008	144,265,058	1,982	(709)	1,273	144,266,331
2009	(52,025,582)®	543,280	(213)	543,067	(51,482,515)
2010	579,035	217,842	(1,824)	216,018	795,053
2011	8,169,689	32,678	(94)	32,584	8,202,273
2012	3,217,290	19,338	(1,774)	17,564	3,234,854
2013	12,411,307	8,646	(118,084)	(109,438)	12,301,869
2014	924,822	16,099	(11,709)	4,390	929,212
2015	4,247,436	10,169#	(11,457)	(1,288)	4,246,148
2016	(608,091)#	8,188	(45,870)	(37,682)	(645,773)
2017	1,166,245	4,024	(11,175)	(7,151)	1,159,094
2018	1,103,404	2,956	(24,409)	(21,453)	1,081,951
2019	1,644,784	3,781	(17,969)	(14,188)	1,630,596
2020	369,892	1,139	(14,933)	(13,794)	356,098
2021	231,362	530	(10,792)	(10,262)	221,100
2022	167,316		(4,840)	(4,840)	162,476
2023	348,473	500	(2,106)	(1,606)	346,867
2024	81,942		(3,382)	(3,382)	78,560
2025	623,063	500	(3,333)	(2,833)	620,230
	\$142,326,081	\$1,542,446	(\$632,947)	\$909,499	\$143,235,580

Appendix 2

ANALYSIS OF SIPC REVENUES AND EXPENSES

FOR THE FIVE YEARS ENDED DECEMBER 31, 2025

	2025	2024	2023	2022	2021
REVENUES					
Member assessments and contributions	\$557,919,853	\$490,704,400	\$406,750,046	\$382,258,690	\$448,000,014
Interest on U.S. Government securities	159,806,986	134,498,431	104,536,575	81,252,740	72,915,767
Interest on assessments	102,482	101,063	102,095	144,536	55,897
	717,829,321	625,303,894	511,388,716	463,655,966	520,971,678
EXPENSES					
Salaries and employee benefits	12,253,246	13,056,367	14,210,811	13,730,177	13,132,372
Legal fees	1,303,452	180,114	206,452	119,206	61,211
Accounting fees	240,682	238,329	267,383	217,754	180,443
Professional fees—other	3,986,739	4,106,960	3,458,443	2,760,065	2,912,782
OTHER					
Assessment collection cost		1,754	8,499		15,174
Depreciation and amortization	186,542	242,145	259,469	298,763	306,758
Directors' fees and expenses	112,807	113,713	113,093	100,228	52,000
Insurance	227,189	223,619	199,551	207,732	148,589
Investor education	103,348	69,476	98,011	159,454	228,357
Office supplies and expense	303,454	322,941	325,104	250,756	175,433
EDP and internet expenses	1,796,940	1,737,008	1,818,117	1,505,228	1,218,879
Postage	8,899	8,790	13,213	7,527	2,226
Printing & mailing annual report	16,099	15,065	16,183	15,323	15,299
Publications and reference services	344,896	360,152	315,603	250,621	317,496
Rent office space	1,004,353	947,623	967,914	983,293	995,613
Travel and subsistence	65,722	80,952	86,105	44,217	5,486
Personnel recruitment	375,437	187,819	151,884	135,782	154,986
Miscellaneous	59,442	38,185	59,011	9,177	9,810
	4,605,128	4,349,242	4,431,757	3,968,101	3,646,106
	22,389,247	21,931,012	22,574,846	20,795,303	19,932,914



	2025	2024	2023	2022	2021
CUSTOMER PROTECTION PROCEEDINGS					
Net advances to (recoveries from):					
Trustees other than SIPC:					
Securities	(2,832,192)	(3,370,711)	(2,104,307)	(4,714,197)	(9,900,767)
Cash	(3)	(148)	499,983	(1,992)	(336,862)
	(2,832,195)	(3,370,859)	(1,604,324)	(4,716,189)	(10,237,629)
Administration expenses	169,123,218	169,324,563	141,171,350	134,654,476	127,802,790
	166,291,023	165,953,704	139,567,026	129,938,287	117,565,161
Net change in estimated future recoveries	(7,600,000)	100,000	(1,300,000)	2,600,000	5,700,000
	158,691,023	166,053,704	138,267,026	132,538,287	123,265,161
SIPC as Trustee:					
Securities	(1,485)	(4,658)	(600)	(124,970)	(24,226)
Cash	(69)	(188)	(291)	(366)	(1,954)
	(1,554)	(4,846)	(891)	(125,336)	(26,180)
Administration expenses		(53)	(1,375)	(4,125)	(4,125)
	(1,554)	(4,899)	(2,266)	(129,461)	(30,305)
Direct payments:					
Securities					
Cash					
Administration expenses					
Net change in estimated cost to complete proceedings	(200,600,000)	(10,000,000)	(141,100,000)	(23,000,000)	116,800,000
	(41,910,530)	156,048,805	(2,835,240)	109,408,826	240,034,856
	(19,521,283)	177,979,817	19,739,606	130,204,129	259,967,770
Total net revenues	737,350,604	447,324,077	491,649,110	333,451,837	261,003,908
Realized and unrealized (loss) gain on U.S. Government securities	181,702,820	(28,309,262)	86,434,687	(447,552,259)	(154,703,047)
Pension and postretirement benefit changes other than net periodic benefit costs	4,508,230	4,965,768	3,388,869	(6,676,331)	6,248,553
Increase (decrease) in net assets	\$923,561,654	\$423,980,583	\$581,472,666	(\$120,776,753)	\$112,549,414

Appendix 3

Member and Trustee By Date of Appointment	Date Registered as Broker-Dealer	Filing Date	Trustee Appointed	Customers ^(b) To Whom Notices and Claim Forms Were Mailed	Responses ^(b) Received	Customers ^(b) Receiving Distributions
PART A: Customer Claims and Distributions Being Processed^a						
Bernard L. Madoff Investment Securities LLC New York, NY (Irving H. Picard, Esq.)	01/19/60	12/11/08	12/15/08	8,110	16,521*	2,658
TOTAL 1 MEMBER: PART A				8,110	16,521	2,658

PART B: Customer Claims Satisfied, Litigation or Administrative Matters Pending^a						
TOTAL 0 MEMBERS: PART B						

PART C: Proceedings Completed in 2025						
TOTAL 0 MEMBERS 2025						
TOTAL 329 MEMBERS 1973–2024^(d)				3,209,381	602,256	770,405
TOTAL 329 MEMBERS 1973–2025				3,209,381	602,256	770,405

PART D: Summary						
Part A: 1 Member—Customer Claims and Distributions Being Processed				8,110	16,521	2,658
Part B: 0 Members—Customer Claims Satisfied, Litigation or Administrative Matters Pending						
Sub-Total				8,110	16,521	2,658
Part C: 329 Members—Proceedings Completed				3,209,381	602,256	770,405
Total: 330				3,217,491	618,777	773,063

* Includes duplicate claims filed for 3,385 Active Accounts.



Distribution of Assets Held by Trustee ^(c)			SIPC Advances*				
Total	For Accounts of Customers	Administration Expenses	Total Advanced	Administration Expenses	Contractual Commitments	Securities	Cash
DECEMBER 31, 2025							
\$ 14,534,306,027	\$14,534,306,027	—	\$3,347,572,069	\$2,758,552,036	—	\$589,020,033	—
14,534,306,027	14,534,306,027	—	3,347,572,069	2,758,552,036	—	589,020,033	—
DECEMBER 31, 2025							
—	—	—	—	—	—	—	—
DECEMBER 31, 2025							
129,900,388,925	127,791,775,110	\$2,108,613,815	535,258,212	214,779,614	\$1,388,427	186,471,500	\$132,618,671
129,900,388,925	127,791,775,110	2,108,613,815	535,258,212	214,779,614	1,388,427	186,471,500	132,618,671
DECEMBER 31, 2025							
14,534,306,027	14,534,306,027	—	3,347,572,069	2,758,552,036	—	589,020,033	—
DECEMBER 31, 2025							
14,534,306,027	14,534,306,027		3,347,572,069	2,758,552,036		589,020,033	—
129,900,388,925	127,791,775,110	2,108,613,815	535,258,212	214,779,614	1,388,427	186,471,500	132,618,671
\$144,434,694,952	\$142,326,081,137	\$2,108,613,815	\$3,882,830,281	\$2,973,331,650	\$1,388,427	\$775,491,533	\$132,618,671

Appendix 3 notes:

- ^a Based upon information available at year-end and subject to adjustments until the case is closed.
- ^b SIPA requires notice to be mailed to each person who appears to have been a customer of the debtor with an open account within the past twelve months. In order to be sure that all potential claimants have been advised of the liquidation proceeding, trustees commonly mail notice and claim forms to all persons listed on the debtor's records, even if it appears that their accounts have been closed. As a result, many more claim forms are mailed than are received. Responses Received usually exceeds Customers Receiving Distributions because responses are commonly received from customers whose accounts were previously delivered to another broker or to the customer. Responses are also received from persons who make no claim against the estate, or whose accounts net to a deficit, or who file late, incorrect, or invalid claims. The number of Customers Receiving Distributions can exceed Responses Received when the trustee transfers accounts in bulk to other brokers before claims are filed.
- ^c Includes assets marshalled by Trustee after filing date and does not include payments to general creditors.
- ^d Revised from previous reports to reflect subsequent recoveries, disbursements and adjustments.
- ^e For proceedings completed, this also includes assets recovered by SIPC and does not include payments to general creditors.

*Advance amounts are shown net of recoveries.



The vintage SIPC logo, used since 1970, is being joined by a new and modernized logo. The SIPC logo continues to embody the core institutional attributes of stability and protection.





SECURITIES INVESTOR PROTECTION CORPORATION

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