

IN PERSON & VIRTUAL BOARD MEETING

*The Committee meeting will be held prior to the Board of Investments meeting.



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit the above link and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Committee meeting.

Attention: If you have any questions, you may email PublicComment@lacera.com. If you would like to make a public comment during the committee meeting, review the [Public Comment instructions](#).

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

AGENDA

A REGULAR MEETING OF THE EQUITY: PUBLIC/PRIVATE COMMITTEE AND THE BOARD OF INVESTMENTS*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CALIFORNIA 91101

8:00 A.M., WEDNESDAY, NOVEMBER 12, 2025*

This meeting will be conducted by the Equity: Public/Private Committee and Board of Investments both in person and by teleconference under California Government Code Section 54953 (b),(f).

Any person may view the meeting in person at LACERA's offices or online at <https://LACERA.com/leadership/board-meetings>

*The Committee may take action on any item on the agenda,
and agenda items may be taken out of order.*

*Teleconference Locations for Trustees and the Public under California
Government Code Section 54953(b)*

(1) Hyatt Regency Huntington Beach Resort and Spa | 21500 Pacific Coast
Highway, Huntington Beach, CA 92648

(2) Courtyard by Marriott Boston Cambridge | 777 Memorial Drive,
Cambridge, MA 02139

(3) Bloomberg 371 Lexington Ave. New York, NY 10022

COMMITTEE TRUSTEES:

Mike Gatto, Chair

Nicole Mi, Vice Chair

Aleen Langton

David Ryu

Alma Martinez, Alternate

I. CALL TO ORDER

II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE
UNDER AB 2449, California Government Code Section 54953(f)

- A. Just Cause
- B. Action on Emergency Circumstance Requests
- C. Statement of Persons Present at AB 2449 Teleconference Locations

III. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Equity: Public/Private Committee Meeting of March 12, 2025.

IV. PUBLIC COMMENT

(Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit <https://LACERA.com/leadership/board-meetings> and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Board meeting.

If you select oral comment, we will contact you via email with information and instructions as to how to access the meeting as a speaker. You will have up to 3 minutes to address the Committee. Oral comment request will be accepted up to the close of the Public Comment item on the agenda.

If you select written comment, please input your written public comment or documentation on the above link as soon as possible and up to the close of the meeting. Written comment will be made part of the official record of the meeting. If you would like to remain anonymous at the meeting without stating your name, please leave the name field blank in the request form. If you have any questions, you may email PublicComment@lacera.com.)

V. REPORT

- A. Private Equity Education
Didier Acevedo, Senior Investment Officer
Jose Fernandez, Partner, StepStone Group
(Presentation) (Memo dated October 21, 2025)

VI. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agenda item at a future meeting.)

VII. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.)

VIII. GOOD OF THE ORDER

(For information purposes only)

IX. ADJOURNMENT

****The Board of Investments has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Investments (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Investments. Members of the Board of Investments who are not members of the Committee may attend and participate in a meeting of a Committee but may not vote, make a motion, or second on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.***

Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Investments that are distributed to members of the Board of Investments less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Board of Investments Members at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 9:00 a.m. to 5:00 p.m. Monday through Friday.

Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email PublicComment@lacera.com, but no later than 48 hours prior to the time the meeting is to commence.

MINUTES OF THE REGULAR MEETING OF THE EQUITY:
PUBLIC/PRIVATE COMMITTEE AND BOARD OF INVESTMENTS
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 810, PASADENA, CALIFORNIA 91101

8:00 A.M., WEDNESDAY, MARCH 12, 2025

This meeting was conducted by the Equity: Public/Private Committee and Board of Investments both in person and by teleconference under California Government Code Sections 54953 (f).

PRESENT:

Mike Gatto, Chair

Nicole Mi, Vice Chair (Teleconference Due to Just Cause under Section 54953 (f))

Aleen Langton

David Ryu (Joined the meeting at 8:15 a.m.)

Alma Martinez, Alternate (Joined the meeting at 8:30 a.m.)

MEMBERS AT LARGE:

Patrick Jones

STAFF, ADVISORS, PARTICIPANTS:

Jonathan Grabel, Chief Investment Officer

Jude Perez, Deputy Chief Investment Officer

Christopher Wagner, Principal Investment Officer

STAFF, ADVISORS, PARTICIPANTS (Continued)

StepStone

Natalie Walker, Partner

Jose Fernandez, Partner

I. CALL TO ORDER

The meeting was called to order by Chair Gatto at 8:00 a.m. in the Board Room of Gateway Plaza.

II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)

A. Just Cause

B. Action on Emergency Circumstance Requests

C. Statement of Persons Present at AB 2449 Teleconference Locations

A physical quorum was present at the noticed meeting location. There was one request from Trustee Mi to attend by teleconference for Just Cause (A) contagious illness. Trustee Mi confirmed that there were no individuals 18 years of age or older present at the teleconference location.

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Equity: Public/Private Committee Meeting of November 13, 2024.

Trustees unanimously voted to approve the minutes of the Equity: Public/Private Committee regular meeting of November 13, 2024.

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. REPORT

A. **Private Equity Educational Session**

Christopher Wagner, Principal Investment Officer
Jose Fernandez, Partner, StepStone
Natalie Walker, Partner, StepStone
(Memo dated February 26, 2025)

Mr. Wagner, and Mr. Fernandez and Ms. Walker of StepStone provided a presentation and answered questions from the Committee.

VI. ITEMS FOR STAFF REVIEW

There was nothing to report.

VII. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

VIII. GOOD OF THE ORDER
(For information purposes only)

There was nothing to report.

IX. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 9:00 a.m.

October 21, 2025

TO: Trustees – Equity: Public/Private Committee

FROM: Didier Acevedo, CFA, CAIA 
Senior Investment Officer

FOR: November 12, 2025 Equity: Public/Private Committee Meeting

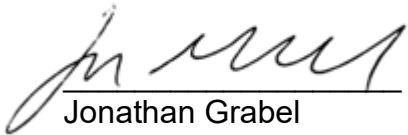
SUBJECT: **Private Equity Education**

At the November 12, 2025, Board of Investments Equity Committee Meeting, LACERA's private equity advisor, StepStone Group LP ("StepStone"), will deliver an educational presentation titled "Private Equity: Exit Environment" (**Attachment 1**). The presentation, led by StepStone partner Jose Fernandez, will address the private equity investment lifecycle, principal exit strategies, recent trends in exit activity, key factors influencing exits, and the current environment for private equity distributions and valuations.

Following StepStone's presentation, staff will present LACERA's summary findings on initial public offering ("IPO") participation, including access methods, historical results, and considerations for future involvement (**Attachment 2**).

Attachments

Noted and Reviewed:


Jonathan Grabel
Chief Investment Officer

DA:mm



Private Equity: Exit Environment

November 2025

NOTES

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Expressions of opinion are intended solely as general market commentary and do not constitute investment advice or a guarantee of returns. All expressions of opinion are as of the date of this document, are subject to change without notice and may differ from views held by other businesses of StepStone.

Some information used in the presentation has been obtained from third parties through various published and unpublished sources considered to be reliable. StepStone does not guarantee its accuracy or completeness and accepts no liability for any direct or consequential losses arising from its use. Thus, all such information is subject to independent verification by prospective investors.

All information provided herein is subject to change.

All valuations are based on current values calculated in accordance with StepStone’s Valuation Policies and may include both realized and unrealized investments. Due to the inherent uncertainty of valuation, the stated value may differ materially from the value that would have been used had a ready market existed for the portfolio investments or a different methodology had been used. The long-term value of these investments may be lesser or greater than the valuations provided.

StepStone Group LP, its affiliates and employees are not in the business of providing tax, legal or accounting advice. Any tax-related statements contained in these materials are provided for illustration purposes only and cannot be relied upon for the purpose of avoiding tax penalties. Any taxpayer should seek advice based on the taxpayer’s particular circumstances from an independent tax advisor.

Prospective investors should inform themselves and take appropriate advice as to any applicable legal requirements and any applicable taxation and exchange control regulations in the countries of their citizenship, residence or domicile which might

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS. ACTUAL PERFORMANCE MAY VARY.

be relevant to the subscription, purchase, holding, exchange, redemption or disposal of any investments. Each prospective investor is urged to discuss any prospective investment with its legal, tax and regulatory advisors in order to make an independent determination of the suitability and consequences of such an investment.

An investment involves a number of risks and there are conflicts of interest. Please refer to the risks and conflicts disclosed herein or in relevant disclosure documents associated with potential investments.

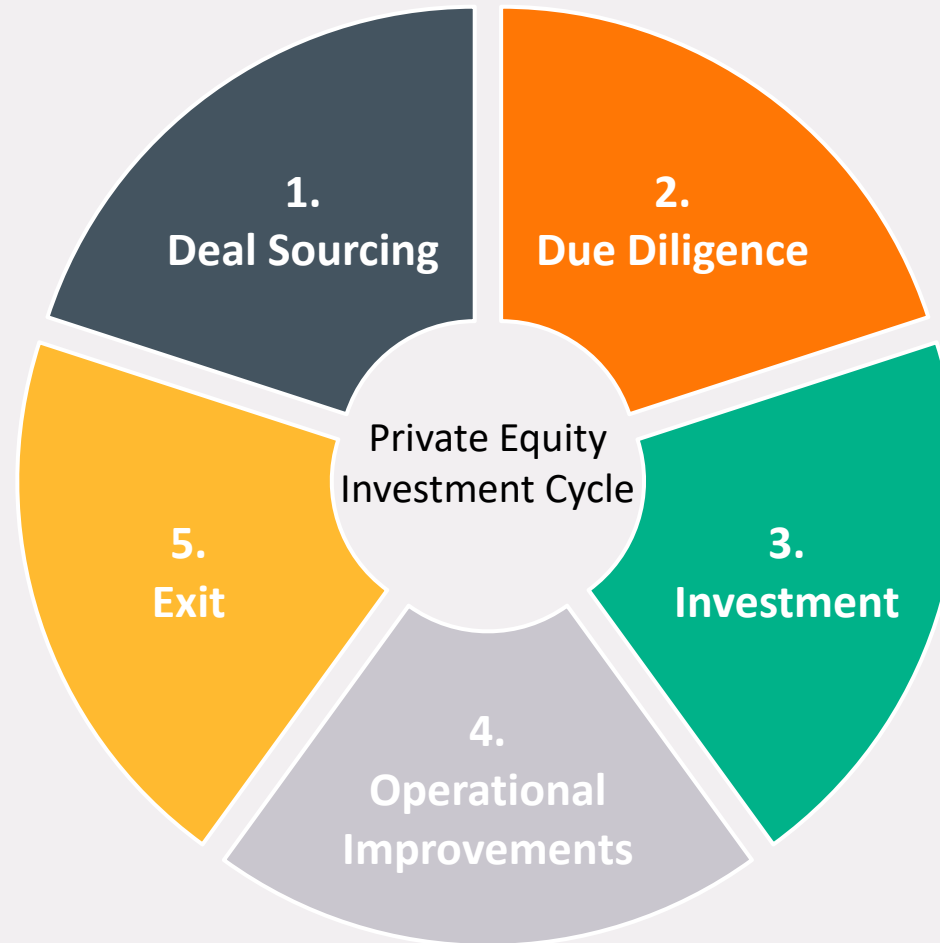
Each of StepStone Group LP, StepStone Group Real Assets LP, StepStone Group Real Estate LP, StepStone Group Private Wealth LLC and StepStone Group Private Debt LLC is an investment adviser registered with the Securities and Exchange Commission (“SEC”). StepStone Group Europe LLP is authorized and regulated by the Financial Conduct Authority, firm reference number 551580. StepStone Group Europe Alternative Investments Limited (“SGEAIL”) is an investment adviser registered with the SEC and an Alternative Investment Fund Manager authorized by the Central Bank of Ireland and StepStone Group Private Debt AG (“SPD”) is an SEC Exempt Reporting Adviser and is licensed in Switzerland as an Asset Manager for Collective Investment Schemes by the Swiss Financial Markets Authority FINMA. Such registrations do not imply a certain level of skill or training and no inference to the contrary should be made.

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All data is as of

June 2025, unless otherwise noted.

Private Equity Lifecycle

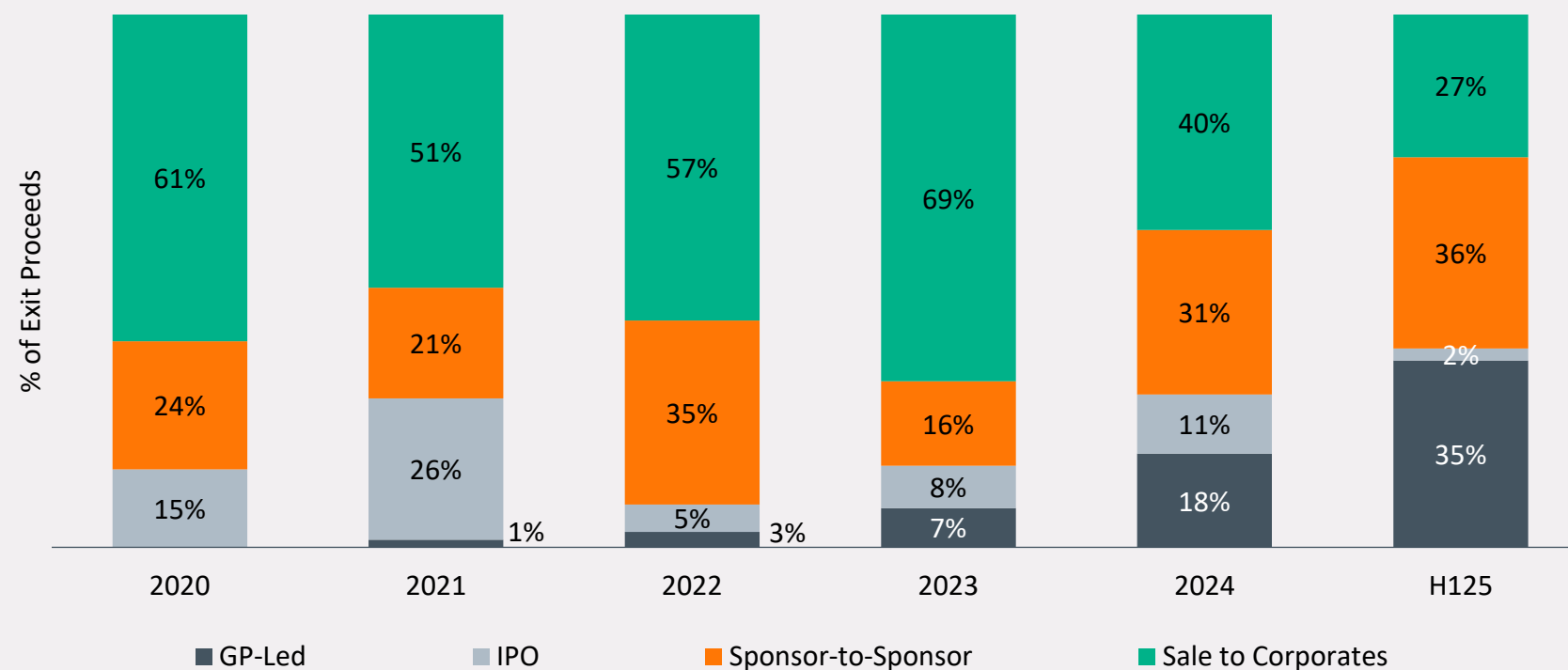


Types of Private Equity Exits

EXIT TYPE	DEFINITION
Sale to Strategic Buyer	Acquisition of a company by another company operating in the same or a complementary industry
Sale to Financial Sponsor	Acquisition of a company by another Private Equity firm or firms
Initial Public Offering (“IPO”)	Listing on a public exchange, providing the ability to sell shares to public market investors
GP-Led Secondary	Private Equity firm transfers assets to a new fund, offering LPs the ability to take liquidity or roll and remain investors alongside new secondary capital

Breakdown of Exits by Type

Sales to financial sponsors and strategic buyers have been the primary exit route historically, but their share has fallen in recent years, while GP-led secondaries have surged amid muted IPO activity



Source: StepStone analysis, SPI by StepStone as of June 2025. 87% reported exit paths. Sample consists of PE Buyouts. Sponsor-to-sponsor includes some exits to sponsor-owned corporates. The analysis leverages a hybrid approach, utilizing application of artificial intelligence to enhance data processing and identify potential insights, while our team provides in-depth qualitative analysis and validation. Analyses generated by large language models (LLMs) may contain inaccuracies or hallucinations and should be verified independently for accuracy and reliability. Coverage is defined as the ratio of distributions from exits identified by the AI to the total distributions of exits identified. **Past performance is not indicative of future results and there can be no assurance that the investment will achieve comparable results or avoid substantial losses.**

Key Factors That Impact Exit Activity

Interest rates

Rising inflation globally, along with tax cuts in the US may result in interest rates elevated for longer

Higher cost of leverage impacts deal underwriting and viability of transactions

Geopolitics

US foreign trade policy and tariffs leads to uncertainty

Unrest in Middle East and Ukraine

US-China competition

Regulatory changes

US trade policy shifts may have adverse long-term impacts on regulations. Legal challenges of tariffs may further increase uncertainty

Valuations

Seller and buyer bid-ask spread

Public market volatility makes it harder to price private assets

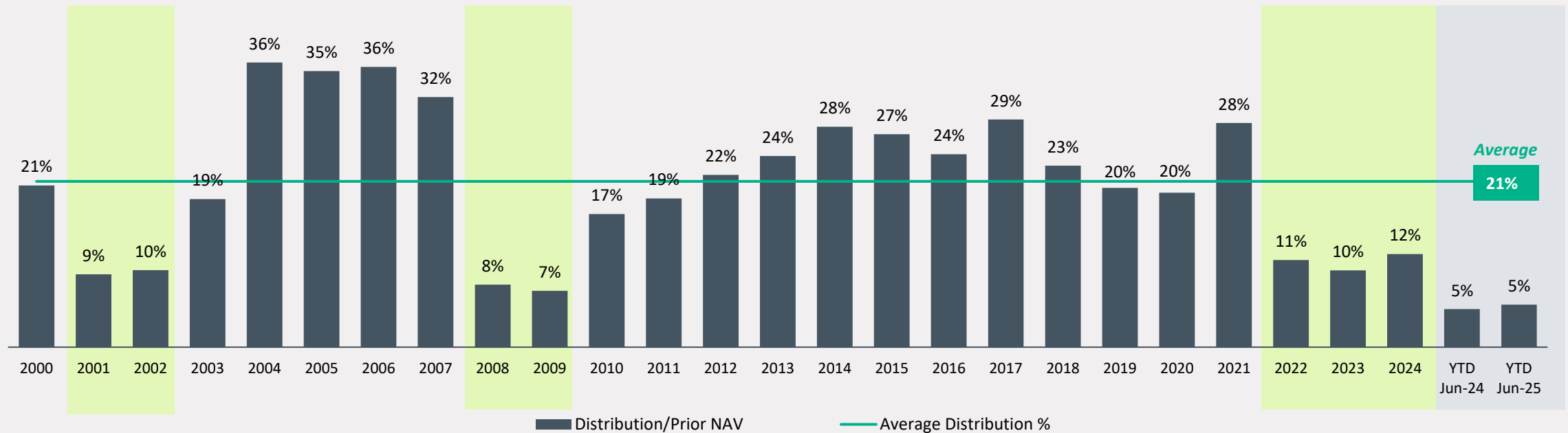
Access and availability of leverage

Historical Exit Activity

Distributions as percentage of NAV remain meaningfully below the long-term average of 21%

Private equity distributions since 2000

% of NAV, 2000 – June 2025



Source: SPI by StepStone. Full dataset and average annual distributions calculation covers from Q4 1999 to June 2025. Data set includes 3,403 Global Private Equity funds.

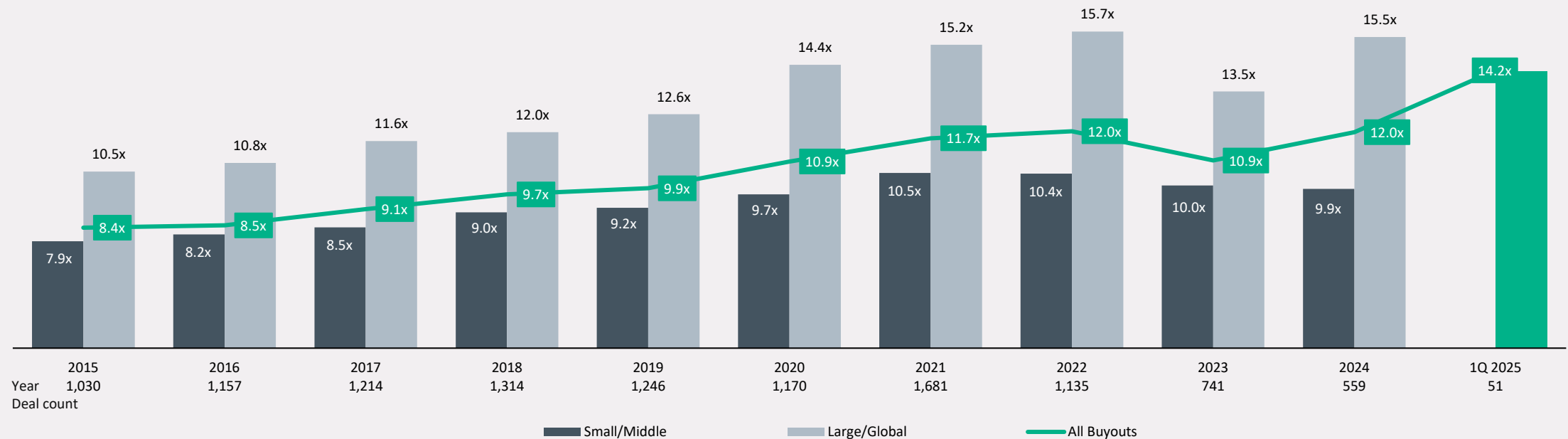
Note: Distributions % of NAV calculated as annual global private equity distributions as a percentage of total NAV from the prior year. YTD distributions are divided by the NAV at the end of the prior year. There is no assurance that trends depicted will continue. Actual results will vary.

How Valuations Impact Exits

PE buyout multiples in Q1 2025 increased (albeit small sample size), driven by larger market transactions in sectors with lower direct exposure to tariff-related volatility, such as technology and healthcare services. **Since 2022, the spread between value/premium industries and smaller/larger deals grew**, with a flight to perceived quality on new deals.

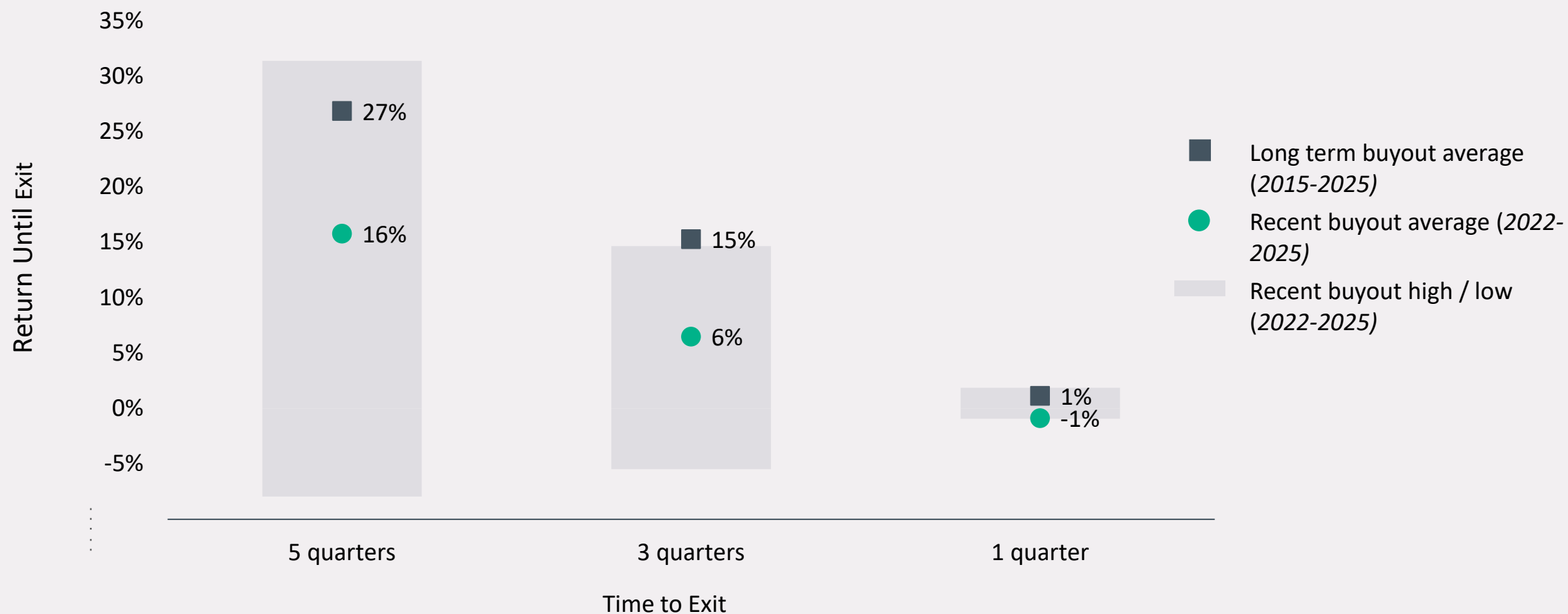
Purchase multiples – small/mid vs. large/global buyouts²

2015–March 2025



1. Source: SPI by StepStone, as of March 31, 2025. Includes 9,574 Value Industry Buyout investments (Consumer Staples, Energy, Materials, Industrials, Utilities, and Communication Services) and 11,050 Premium Industry Buyout investments (Consumer Discretionary, Financials, Healthcare, and Information Technology) made between 2000 and 1Q 2025. StepStone acquires proprietary operating metrics through investment due diligence and portfolio monitoring. 2. Source: SPI by StepStone, as of March 31, 2025. Includes 15,575 Small & Middle Market Buyout investments (less than US\$500 million of TEV) and 5,459 Large & Global Market Buyout investments (at least US\$500 million of TEV) made between 2000 and 1Q 2025. StepStone acquires proprietary operating metrics through investment due diligence and portfolio monitoring. 1Q sample size does not lend to conclusive data around narrower cuts, but the general trend around purchase multiples being higher in premium industries and larger deals continue to hold.

Valuation uplift at exit



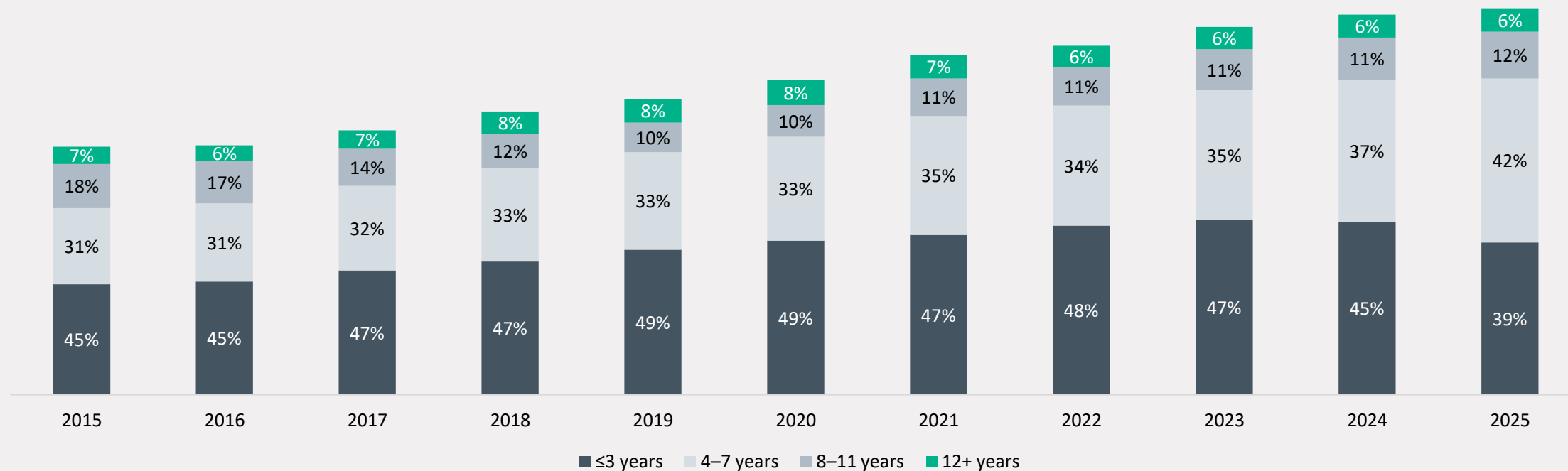
Source: StepStone analysis, SPI Reporting, Research as of June 2025. Sample consists of only PE Buyouts. **Past performance is not indicative of future results and there can be no assurance that the investment will achieve comparable results or avoid substantial losses.** The opinions expressed herein reflect the current opinions of Stepstone as of the date appearing in this material only. There can be no assurance that views and opinions expressed in this document will come to pass.

Growing number of aging companies

As of mid-2025, ~60% of PE companies have reached optimal (or past optimal) hold periods (4 yrs +).

U.S. PE-backed company Inventory ^{1,2}

Count by investment duration

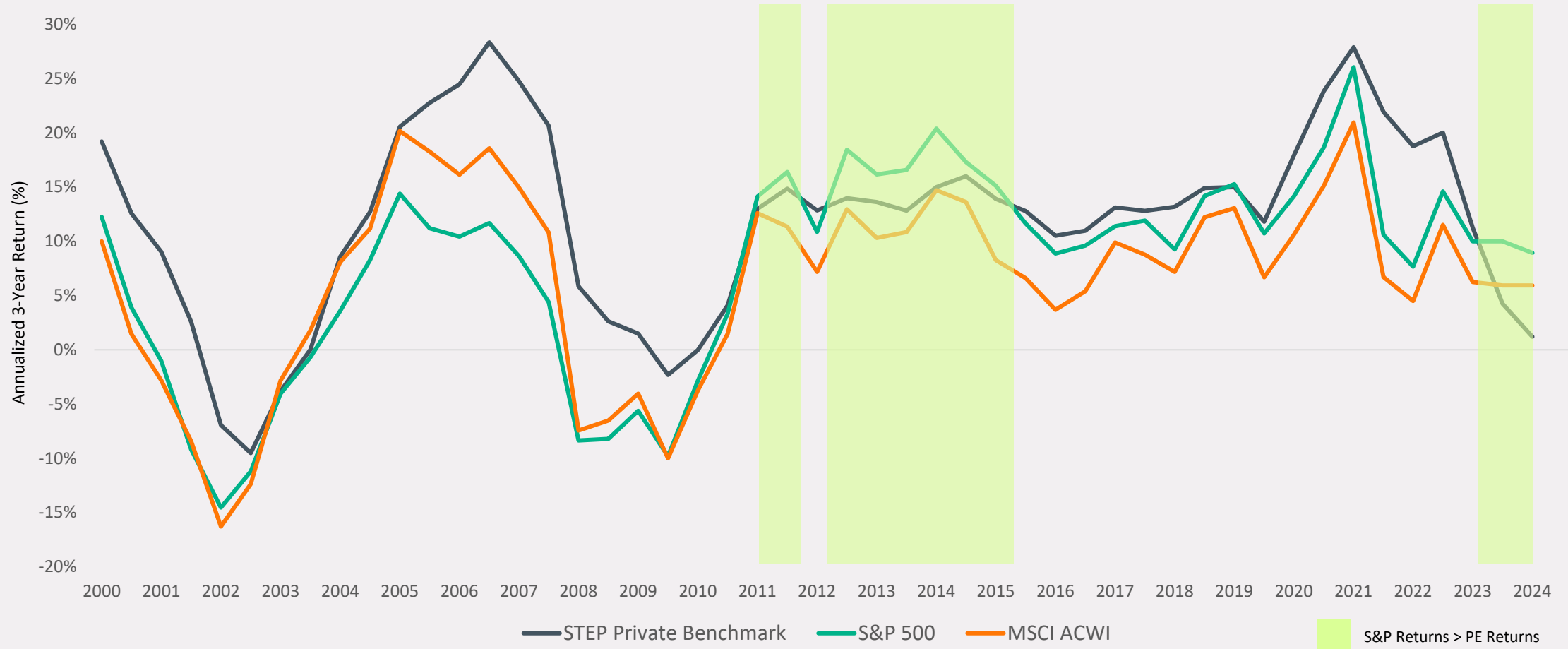


1. Source: Pitchbook, J.P. Morgan Asset Management. *Guide to Alternatives*. Data are based on availability as of August 31, 2025.

2. Percentages may not sum to 100 due to rounding. 2025 data are as of 2Q25

PE vs. public markets (rolling 3-year annualized returns)

Relative private equity performance has fluctuated with the rise and fall of public markets, which can be more volatile and have been driven by a handful of stocks in recent years



Source: SPI by StepStone. Full dataset and cumulative return calculation covers December 1995 to December 2024. The referenced indices/benchmarks are shown for general market comparisons and are not meant to represent any particular fund. An investor cannot directly invest in an index. Moreover, indices do not reflect commissions or fees that may be charged to an investment product based on the index, which may materially affect the performance data presented.

Keys to unlocking exits

Interest Rate Cuts

Lower cost of capital helps stimulate M&A activity

Expectations that central banks will cut interest rates to stimulate the economy

PE Dry Power

Sense of urgency to deploy capital raised that's not yet invested

Dry power peaked in 2024 and has been coming down

Policy Clarity

Markets have started to digest new US administration

Deregulation is generally helpful to M&A and PE activity

Exit Optionality

Secondary market has become a viable exit alternative and has taken market share from more traditional exit avenues

IPO window is open but limited volume relative to 2020-2022 highs

RISKS AND OTHER CONSIDERATIONS

Risks Associated with Investments. Identifying attractive investment opportunities and the right underlying fund managers is difficult and involves a high degree of uncertainty. There is no assurance that the investments will be profitable and there is a substantial risk that losses and expenses will exceed income and gains.

Restrictions on Transfer and Withdrawal; Illiquidity of Interests; Interests Not Registered. The investment is highly illiquid and subject to transfer restrictions and should only be acquired by an investor able to commit its funds for a significant period of time and to bear the risk inherent in such investment, with no certainty of return. Interests in the investment have not been and will not be registered under the laws of any jurisdiction. Investment has not been recommended by any securities commission or regulatory authority. Furthermore, the aforementioned authorities have not confirmed the accuracy or determined the adequacy of this document.

Limited Diversification of Investments. The investment opportunity does not have fixed guidelines for diversification and may make a limited number of investments.

Reliance on Third Parties. StepStone will require, and rely upon, the services of a variety of third parties, including but not limited to attorneys, accountants, brokers, custodians, consultants and other agents and failure by any of these third parties to perform their duties could have a material adverse effect on the investment.

Reliance on Managers. The investment will be highly dependent on the capabilities of the managers.

Risk Associated with Portfolio Companies. The environment in which the investors directly or indirectly invests will sometimes involve a high degree of business and financial risk. StepStone generally will not seek control over the management of the portfolio companies in which investments are made, and the success of each investment generally will depend on the ability and success of the management of the portfolio company.

Uncertainty Due to Public Health Crisis. A public health crisis, such as the recent outbreak of the COVID-19 global pandemic, can have unpredictable and adverse impacts on global, national and local economies, which can, in turn, negatively impact StepStone and its investment performance. Disruptions to commercial activity (such as the imposition of quarantines or travel restrictions) or, more generally, a failure to contain or effectively manage a public health crisis, have the ability to adversely impact the businesses of StepStone's investments. In addition, such disruptions can negatively impact the ability of StepStone's personnel to effectively identify, monitor, operate and dispose of investments. Finally, the outbreak of COVID-19 has contributed to, and could continue to contribute to, extreme volatility in financial markets. Such volatility could adversely affect StepStone's ability to raise funds, find financing or identify potential purchasers of its investments, all of which could have material and adverse impact on StepStone's performance. The impact of a public health crisis such as COVID-19 (or any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict and presents material uncertainty and risk with respect to StepStone's performance.

Taxation. An investment involves numerous tax risks. Please consult with your independent tax advisor.

Conflicts of Interest. Conflicts of interest may arise between StepStone and investors. Certain potential conflicts of interest are described below; however, they are by no means exhaustive. There can be no assurance that any particular conflict of interest will be resolved in favor of an investor.

Allocation of Investment Opportunities. StepStone currently makes investments, and in the future will make investments, for separate accounts having overlapping investment objectives. In making investments for separate accounts, these accounts may be in competition for investment opportunities.

Existing Relationships. StepStone and its principals have long-term relationships with many private equity managers. StepStone clients may seek to invest in the pooled investment vehicles and/or the portfolio companies managed by those managers.

Carried Interest. In those instances where StepStone and/or the underlying portfolio fund managers receive carried interest over and above their basic management fees, receipt of carried interest could create an incentive for StepStone and the portfolio fund managers to make investments that are riskier or more speculative than would otherwise be the case. StepStone does not receive any carried interest with respect to advice provided to, or investments made on behalf, of its advisory clients.

Other Activities. Employees of StepStone are not required to devote all of their time to the investment and may spend a substantial portion of their time on matters other than the investment.

Material, Non-Public Information. From time to time, StepStone may come into possession of material, non-public information that would limit their ability to buy and sell investments.

ESG Integration. While StepStone seeks to integrate certain ESG factors into its investment process and firm operations, there is no guarantee that StepStone's ESG strategy will be successfully implemented or that any investments or operations will have a positive ESG impact. Applying ESG factors to investment decisions involves qualitative and subjective decisions and there is no guarantee the criteria used by StepStone to formulate decisions regarding ESG, or StepStone's judgment regarding the same, will be reflected in the beliefs or values of any particular client or investor. There are significant differences in interpretation of what constitutes positive ESG impact and those interpretations are rapidly changing. The description of ESG integration herein is provided to illustrate StepStone's intended approach to investing and firm operations; however, there is no guarantee that the processes will be followed in every circumstance or at all.

Performance Information. No investment decisions may be made in reliance on this document. In considering performance information herein, readers should bear in mind that past performance is not necessarily indicative of future results and that actual results may vary. There can be no assurance that any StepStone fund will be able to successfully implement its investment strategy or avoid losses. Performance shown herein may include investments across different StepStone funds. The aggregate returns are not indicative of the returns an individual investor would receive from these investments. No individual investor received such aggregate returns as the investments were made across multiple funds and accounts over multiple years.



stepstonegroup.com

Growth

IPO Participation Considerations

Equity: Public/Private Committee Meeting

November 12, 2025



LACERA recently experienced gains from a highly successful Initial Public Offering (IPO). This success prompted staff to investigate whether similar opportunities could be identified and systematically pursued

Mechanisms to Participate in IPOS

Crossover Investments and IPO Purchase Rights

- Crossover investments involve private market investors taking positions that carry through to an IPO, often with rights to buy shares at the offering price, giving access to high-demand public offerings

Directed Share Programs and Concurrent Offerings

- Companies sometimes offer a private placement at the IPO price when direct allocations are unavailable, giving investors early access to shares on favorable terms despite resale restrictions

Convertible Debt and Warrant Rights

- Private credit instruments such as convertible notes or warrants may convert into equity at a set discount or fixed price upon an IPO, giving investors access to shares without directly participating in the offering

Due Diligence Summary

Research

- Reviewed academic studies, regulatory reports, and industry white papers on IPO participation rights and their impact on returns
- Collected and analyzed historical stock return data from published research to identify patterns and summarize performance outcomes

Due Diligence Calls

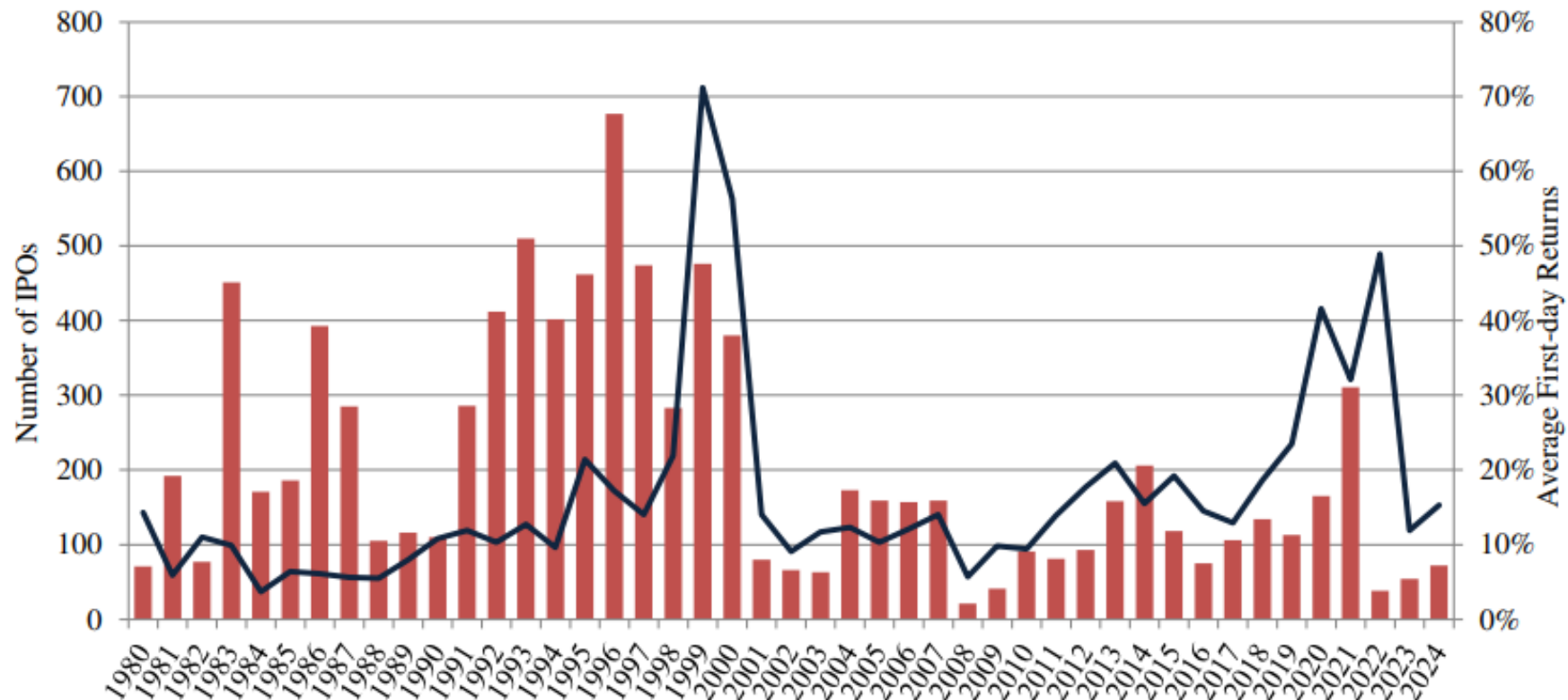
- Discussed the feasibility of IPO participation and crossover mechanisms with four private equity managers experienced in these strategies
- Engaged one consultant and two separate account managers to evaluate all available strategies for LACERA
- Consulted a law firm with deep experience in securities regulations to confirm compliance considerations for these mechanisms

IPO Participation Performance – First Day



From 1980 to 2024, U.S. IPOs averaged an 18.9% first-day return, with yearly first-day averages ranging from 3.7% in 1984 to 71.2% in 1999

Number of IPOs and Average First-Day Returns per year, 1980 – 2024¹



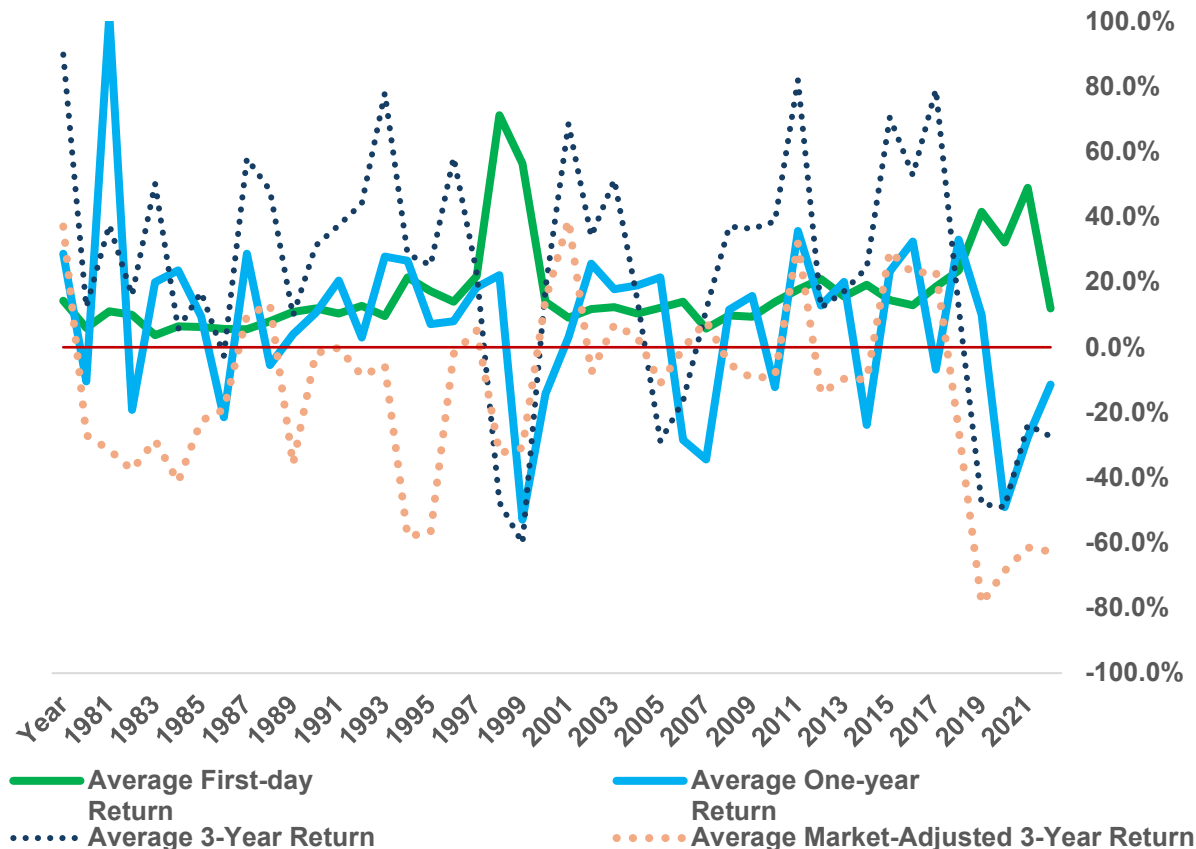
¹ Source: Initial Public Offerings: Underpricing – Jay R. Ritter, University of Florida, May 27, 2025 – Includes IPOs listed on the NYSE, NASDAQ, and Amex; excludes ADRs and non-standard IPO types.

IPO Performance Comparison

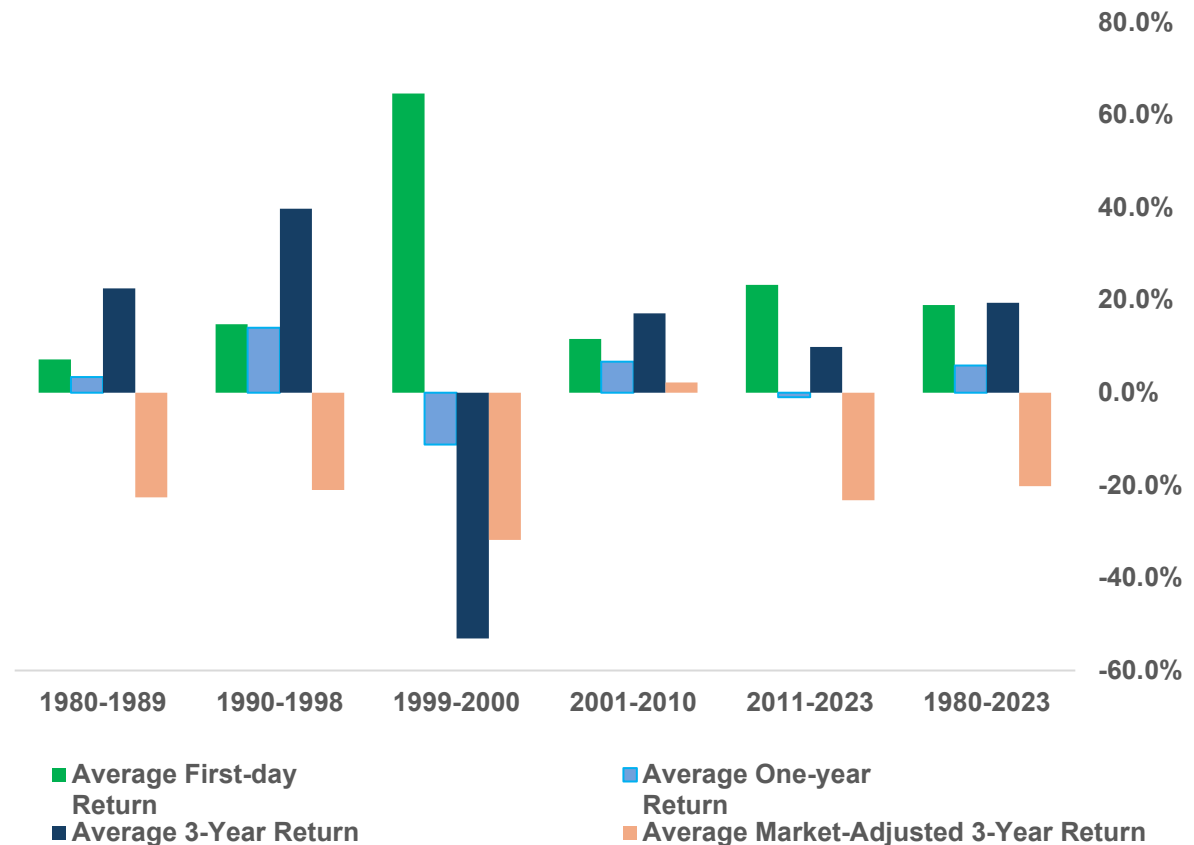


On average, first-day IPO performance tends to outperform one-year returns across multi-year cohorts. However, longer-term outcomes are mixed, particularly when compared to the broader market

Number of IPOs and 1-and-3-Year Performance¹



1-and 3-Year Performance by Cohorts¹



¹ Source: Initial Public Offerings: Updated Long-run Statistics – Jay R. Ritter, University of Florida, July 2, 2025 – Includes IPOs listed on the NYSE and NASDAQ.

Summary Findings



LACERA will continue to evaluate IPO access selectively, as initial evidence does not support alpha generation through systematic participation

Long-Term Outcomes

One-to-three-year returns are inconsistent

Many IPOs lag the broader market over time

Not a reliable alpha source

Monitoring and Strategy

Identify access to participation rights

Rights exercised only with clear upside

Continuous research and trend tracking

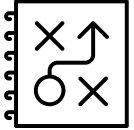
Evaluation Framework

Sponsor alignment, conflict checks

Legal, liquidity, governance filters

Risk and market impact controls

Conclusion



Several mechanisms can provide access to IPO shares, including crossover investments, private placements, and convertible instruments



Feasibility and compliance of these strategies were evaluated through manager, consultant, and legal counsel discussions



LACERA will continue to monitor IPO opportunities and update the Board of Investments if Investment Guidelines need revision or if IPO-specific outcomes warrant further action