

# 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, please visit the above link and complete the request form.

Attention: If you have any questions, you may email  
[PublicComment@lacera.gov](mailto:PublicComment@lacera.gov)

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

8:30 A.M., WEDNESDAY, FEBRUARY 11, 2026\*

*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 54953.8.3.*

*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.*

### COMMITTEE TRUSTEES:

Trevor Fay, Chair  
Mike Gatto, Vice Chair  
Nicole Mi  
Aleen Langton  
Alma Martinez, Alternate

#### I. CALL TO ORDER

#### II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER SB707

- A. Just Cause (Section 54953.8.3)
- B. Statement of Persons Present at SB707 Teleconference Locations

### III. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Equity: Public/Private Committee Meeting of March 12, 2025, and November 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.gov](mailto:PublicComment@lacera.gov).)

### V. REPORT

#### A. **Growth Performance Review**

Christopher Wagner, Principal Investment Officer  
Didier Acevedo, Senior Investment Officer  
Dale Johnson, Senior Investment Officer  
(Presentation) (Memo dated January 22, 2026)

### 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 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email [PublicComment@lacera.gov](mailto:PublicComment@lacera.gov), 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.

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, NOVEMBER 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 (Teleconference under 54953(b))

Nicole Mi, Vice Chair

David Ryu (Teleconference under 54953(b))

ABSENT:

Aleen Langton

Alma Martinez, Alternate

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)

Didier Acevedo, Senior Investment Officer

StepStone Group

Jose Fernandez, Partner

I. CALL TO ORDER

The meeting was called to order by Chair Gatto at 8:02 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

There was nothing to report. No trustees participated under Section 54953(f).

III. APPROVAL OF MINUTES

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

Due to a lack of quorum, this item will be moved to a future meeting.

IV. PUBLIC COMMENT

Messrs. Abdille, Socdaal, Rosada and Ms. Fong from Unite Here Local 11 addressed the Board regarding Atlantic Street.

V. REPORT

A. **Private Equity Educational Session**

Didier Acevedo, Senior Investment Officer  
Jose Fernandez, Partner, StepStone Group  
(Memo dated October 21, 2025)

Messrs. Wagner and Acevedo, and Mr. Fernandez of StepStone Group 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 9:10 a.m.

January 22, 2026

TO: Trustees – Equity: Public/Private Committee

FROM: Christopher Wagner   
Principal Investment Officer

Didier Acevedo   
Senior Investment Officer

Dale Johnson   
Senior Investment Officer

FOR: February 11, 2026 Equity: Public/Private Committee Meeting

SUBJECT: **GROWTH PERFORMANCE REVIEW**

The following presentation provides an overview of performance and key drivers within LACERA's Growth functional asset category ("Growth"). Growth is comprised of global equity, private equity, and non-core private real estate. The presentation focuses on performance at the Growth composite level, with detailed discussion of global equity and private equity, which together represent the majority of the allocation.

Global equity, the largest component of Growth, continued to deliver consistent relative outperformance. Over the three-year period, global equity exceeded its policy benchmark by 54 basis points on an annualized basis. Performance was supported by both active and passive strategies, reflecting disciplined portfolio construction and effective implementation. The global equity allocation remains within Board-approved ranges and continues to serve as the primary source of liquidity for the Total Fund, generating approximately \$8.3 billion in distributions over the past three years.

Despite this result, Growth underperformed its custom benchmark over a three-year period. This outcome was driven primarily by private equity, which underperformed its benchmark over the three-year period, with a smaller contribution to underperformance from non-core private real estate, which represents a limited portion of the Growth allocation.

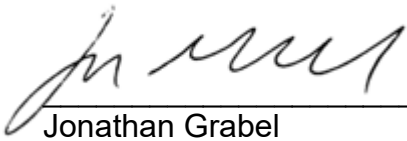
Private equity's relative underperformance reflects benchmark dynamics and prevailing market conditions. The benchmark, defined as the MSCI All Country World Index Investable Market Index plus 200 basis points, has benefited from concentrated public market returns among a small group of large-capitalization companies, commonly referred to as the "Magnificent Seven." At the same time, sustained higher interest rates

have increased the cost of capital and constrained transaction activity, while a prolonged slowdown in exit markets has resulted in muted private equity valuation growth over the last three years. Collectively, these factors have pressured private equity performance relative to its public market benchmark.

The performance review (**Attachment**) provides additional detail on Growth's portfolio composition, performance drivers, attribution results, and market context.

Attachment

Noted and Reviewed:



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Jonathan Grabel



# Growth Performance Review

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Equity: Public/Private Committee Meeting  
February 11, 2026

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# Growth

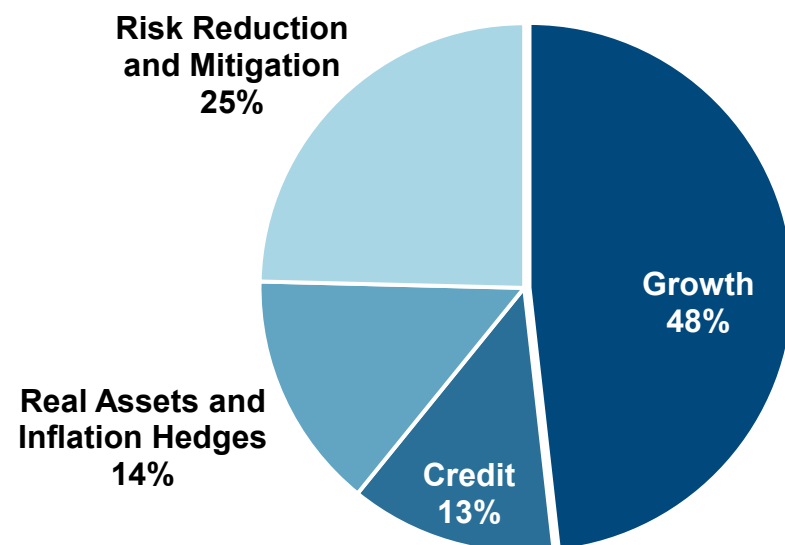
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# Growth – Portfolio Composition

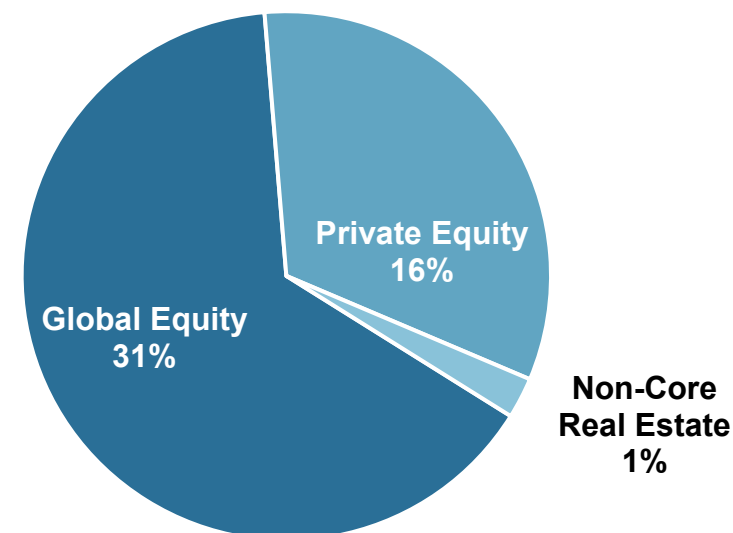
As of December 31, 2025



## Total Fund Asset Allocation % of NAV



## Growth Asset Allocation % of Total Fund NAV



Asset Class	Allocation <sup>1</sup>	Policy Target	Over/Under	Target Range +/-	Target Range %	Benchmark
<b>Growth</b>	<b>48%</b>	<b>48%</b>	<b>0%</b>	<b>+/- 8%</b>	<b>40 - 55%</b>	<b>Custom Blend</b>
Global Equity	31%	29%	+2%	+/- 7%	22 - 36%	MSCI ACWI IMI Net
Private Equity	16%	17%	-1%	+/- 6%	11 - 23%	MSCI ACWI IMI Net + 200 basis points (three-month lag)
Non-Core Real Estate	1%	2%	-1%	+/-2%	0 - 4%	NFI ODCE Net + 225 basis points (three-month lag)

<sup>1</sup> Allocation weights are as of December 31, 2025; private assets based on latest valuation including any actual cash flows.



# Growth – Performance

As of December 31, 2025 (\$ in millions)



**Growth continues to deliver competitive absolute performance, though dispersion in excess returns highlights ongoing challenges within private equity and non-core real estate strategies**

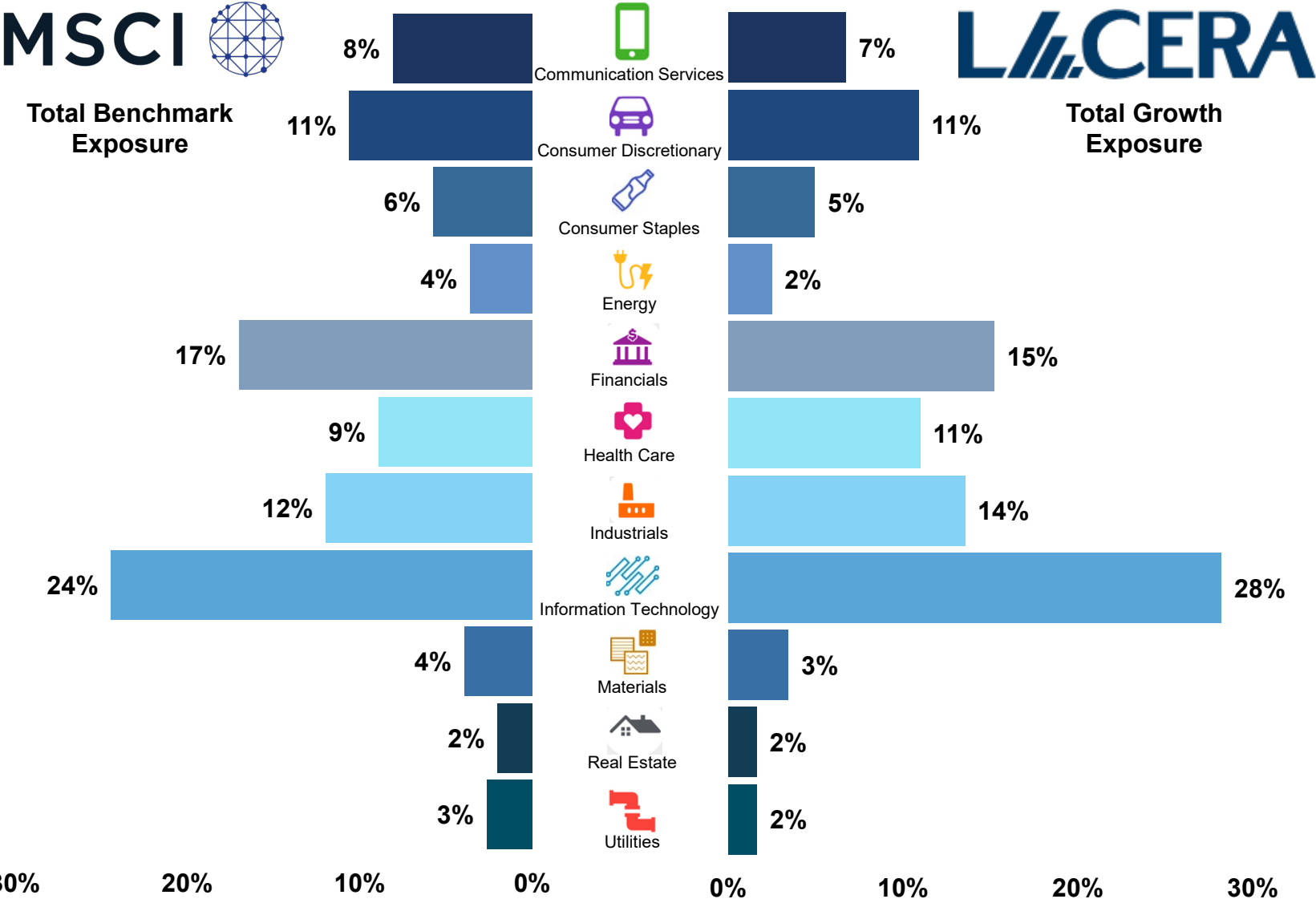
Net-of-Fees <sup>1</sup>	Market Value	1 -Year	3 -Year	5 -Year	Since Inception	Inception Date
<b>GROWTH</b>	<b>\$42,937</b>	<b>16.3%</b>	<b>14.2%</b>	<b>11.5%</b>	<b>12.6%</b>	<b>Apr-2019</b>
Growth Custom BM		20.5%	20.2%	11.7%	13.0%	
Excess Return		-4.2%	-6.0%	-0.2%	-0.4%	
<b>GLOBAL EQUITY</b>	<b>\$27,784</b>	<b>23.0%</b>	<b>20.5%</b>	<b>11.7%</b>	<b>12.8%</b>	<b>Apr-2019</b>
Global Equity Custom BM		22.1%	20.0%	10.7%	12.2%	
Excess Return		0.9%	0.5%	1.0%	0.6%	
<b>PRIVATE EQUITY</b>	<b>\$14,075</b>	<b>6.3%</b>	<b>5.1%</b>	<b>13.0%</b>	<b>13.2%</b>	<b>Jan-2019</b>
Private Equity - Custom BM		19.1%	24.9%	15.5%	13.0%	
Excess Return		-12.8%	-19.8%	-2.5%	0.2%	
<b>NON-CORE PRIVATE REAL ESTATE</b>	<b>\$1,078</b>	<b>-5.0%</b>	<b>-7.9%</b>	<b>2.1%</b>	<b>3.5%</b>	<b>Jan-1996</b>
Non-Core Private Real Estate Policy BM		5.5%	-4.0%	5.0%	9.9%	
Excess Return		-10.5%	-3.9%	-2.9%	-6.4%	

- Global equity has been the primary contributor, outperforming its benchmark through diversified exposure across regions, sectors, and market capitalization
- Private equity has trailed the benchmark for five years due to slower valuation adjustments compared the rapid appreciation in public markets
- Non-core private real estate underperformed across all periods reflecting ongoing valuation adjustments in office, retail, and other non-core sectors

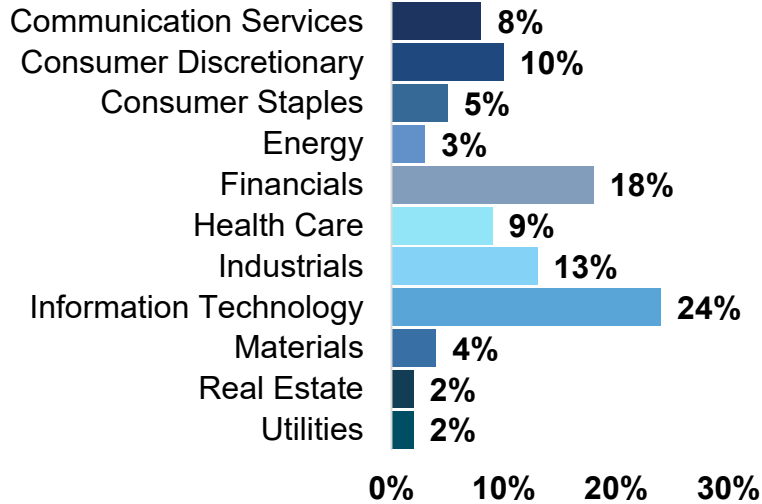
<sup>1</sup> Private Equity and Non-Core Private Real Estate composite and benchmark returns are reported on a 3-month lag.

# Growth – Sector Exposure

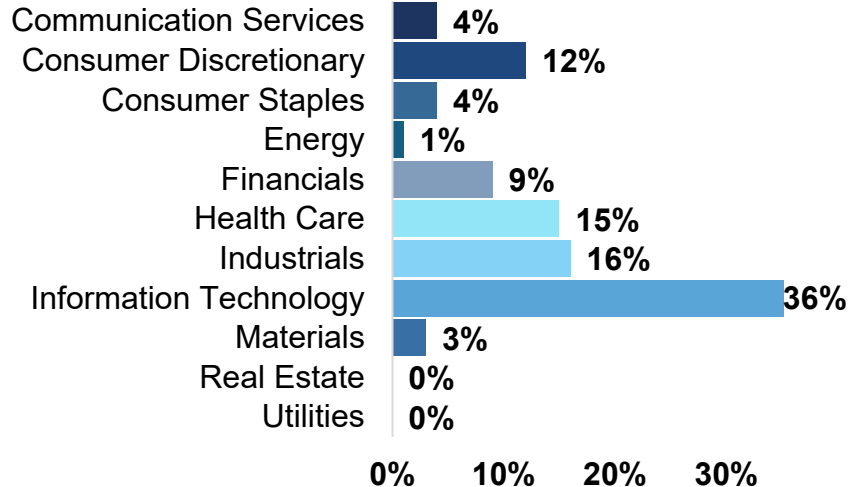
As of June 30, 2025



## Global Equity Exposure



## Private Equity Exposure



Note: Benchmark is MSCI All Country World Index Investable Market Index; total Growth exposure excludes non-core private real estate.



## Global Equity

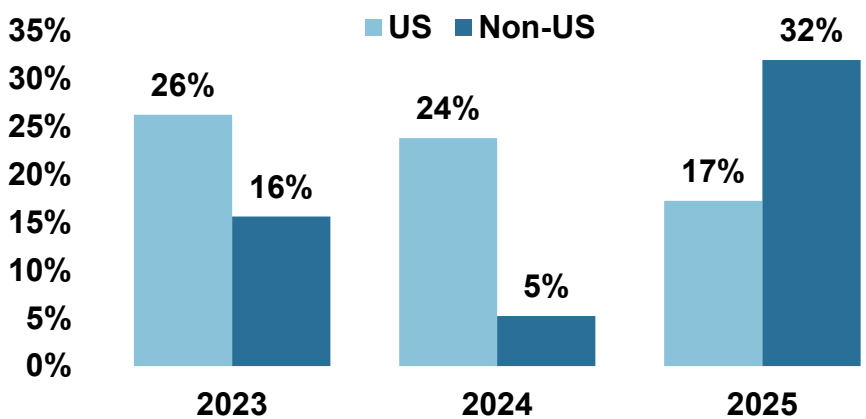
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# Market Commentary

As of December 31, 2025



## Region: US vs non-US



## Regional Performance:

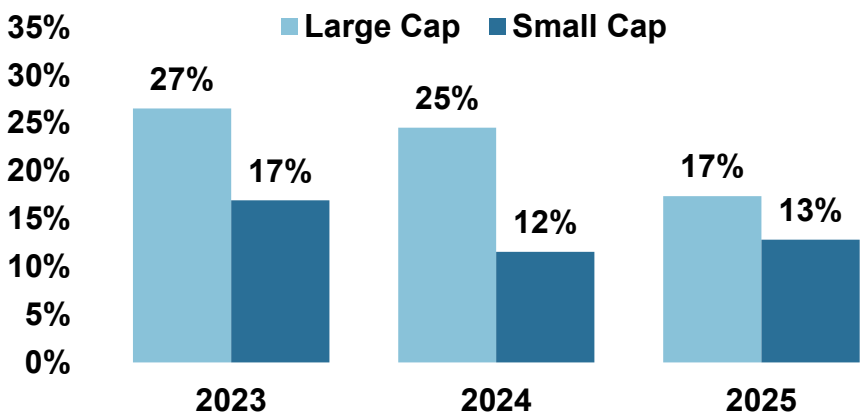
Three-year returns highlight U.S. market leadership; key themes include:

- **U.S:** Growth dominance continued, driven largely by the Magnificent Seven
- **Developed Markets:** Strongest results from European banks and luxury goods
- **Emerging Markets:** Information technology, particularly semiconductors delivered the best performance

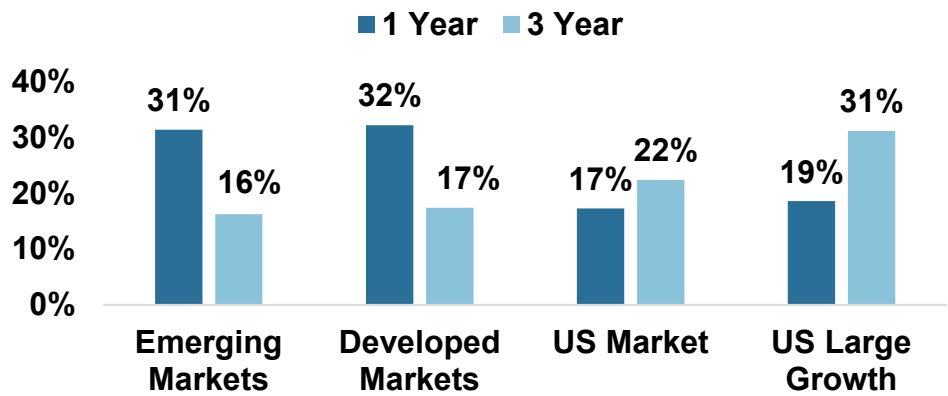
## Market Capitalization:

- **Large caps:** Outperformed, led by U.S. mega-cap technology companies
- **Small and mid-caps:** Continued to lag; nearly 40% of the small-cap index consists of non-earners, contributing to underperformance

## Market Capitalization: Large vs Small



Non-US markets led performance in 2025



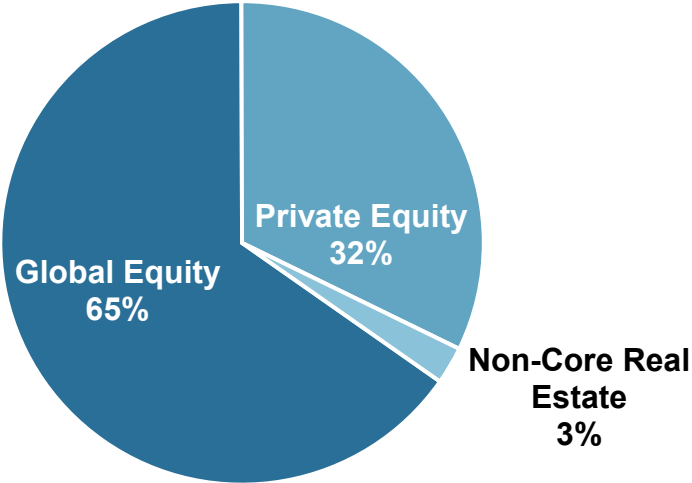
Benchmarks: **Non-US:** MSCI ACWI ex-US IMI; **US:** MSCI USA IMI; **Large Cap:** Russell 1000; **Small Cap:** Russell 2000; **Emerging Markets:** MSCI EM IMI; **Developed Markets:** MSCW World ex US IMI; **US Large Growth:** Russell 1000 Growth.

# Portfolio Structure

As of December 31, 2025



## Growth - \$42.9B



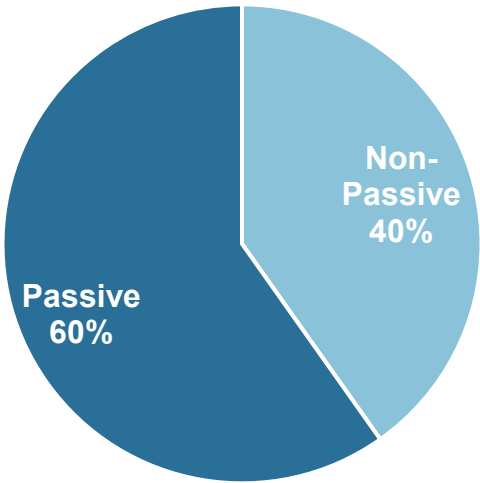
(% of total Fund)	Policy Range	Target Allocation	Actual Allocation
Global Equity	22 - 36%	29%	31%

Breakdown by Strategies (% of Global Equity)

	Policy Range	Target Allocation	Actual Allocation
Passive	40 - 80%	60%	60%
Non-Passive (including EM)	30 - 50%	40%	40%
Emerging Managers	0 - 10%		4%

**The portfolio remains within Board-approved policy ranges across all sub-strategies**

## Global Equity - \$27.8B



**The 2024 Strategic Asset Allocation reduced Global Equity target allocation from 32% to 29%**

- Global equity has been reducing its exposure and has been the total Fund’s primary liquidity source; raising \$8.3 billion over the last three years

**The Board approved Passive and Non-Passive sub-strategies are within their targets**

- Non-Passive allocation of 40.2% includes the 4.4% allocation to the Emerging Manager Program

# Performance

As of December 31, 2025 (\$ in millions)



Returns (%)						Risk Metrics (Since Inception)					
	Market Value	1-Year	3-Year	5-Year	Since Inception	Tracking Error (%)	Information Ratio	Sharpe Ratio	Up Capture	Down Capture	Inception Date
<b>Global Equity Portfolio</b>	<b>\$27,784</b>	<b>22.97</b>	<b>20.52</b>	<b>11.69</b>	<b>12.82</b>	<b>0.74</b>	<b>0.80</b>	<b>0.63</b>	<b>100.14</b>	<b>97.82</b>	<b>April 2019</b>
Benchmark <sup>1</sup>		22.06	19.98	10.75	12.22	--	--	0.59	--	--	
<b>Difference</b>		<b>0.91</b>	<b>0.54</b>	<b>0.94</b>	<b>0.60</b>						
<b>Passive Composite<sup>2</sup></b>	<b>\$16,614</b>	<b>22.55</b>	<b>20.29</b>	<b>11.28</b>	<b>12.10</b>	<b>NM</b>	<b>NM</b>	<b>0.56</b>	<b>101.28</b>	<b>99.54</b>	<b>January 2020</b>
MSCI ACWI IMI (Net)		22.06	19.98	10.75	11.65	--	--	0.53	--	--	
<b>Difference</b>		<b>0.49</b>	<b>0.31</b>	<b>0.53</b>	<b>0.45</b>						
<b>Non-Passive Composite</b>	<b>\$11,170</b>	<b>23.63</b>	<b>20.88</b>	<b>12.33</b>	<b>13.08</b>	<b>1.59</b>	<b>0.54</b>	<b>0.66</b>	<b>98.33</b>	<b>94.85</b>	<b>April 2019</b>
MSCI ACWI IMI (Net)		22.06	19.98	10.75	12.23	--	--	0.59	--	--	
<b>Difference</b>		<b>1.57</b>	<b>0.90</b>	<b>1.59</b>	<b>0.86</b>						
<b>Factor-Based</b>	<b>\$6,180</b>	<b>19.59</b>	<b>22.34</b>	<b>13.63</b>	<b>16.29</b>	<b>0.85</b>	<b>0.95</b>	<b>0.88</b>	<b>101.33</b>	<b>98.00</b>	<b>July 2020</b>
Custom Benchmark		19.04	21.84	12.67	15.48	--	--	0.82	--	--	
<b>Difference</b>		<b>0.55</b>	<b>0.50</b>	<b>0.96</b>	<b>0.81</b>						
<b>Active ex Emerging Managers</b>	<b>\$3,768</b>	<b>34.15</b>	<b>19.10</b>	<b>9.94</b>	<b>10.91</b>	<b>1.91</b>	<b>1.01</b>	<b>0.49</b>	<b>104.08</b>	<b>96.36</b>	<b>April 2019</b>
Custom Benchmark		29.34	16.73	7.66	8.99	--	--	0.38	--	--	
<b>Difference</b>		<b>4.81</b>	<b>2.37</b>	<b>2.28</b>	<b>1.92</b>						
<b>Emerging Managers</b>	<b>\$1,223</b>	<b>16.81</b>			<b>13.71</b>	<b>3.80</b>	<b>-1.31</b>	<b>1.01</b>	<b>82.55</b>	<b>109.17</b>	<b>June 2024</b>
MSCI ACWI IMI (Net)		22.06			18.70	--	--	1.64	--	--	
<b>Difference</b>		<b>-5.25</b>			<b>-4.99</b>						

<sup>1</sup> The benchmark for Global Equity portfolio since July 2019 is the MSCI ACWI IMI Net Index. The benchmark from April 2019 to June 2019 is 80% MSCI ACWI IMI Net and 20% MSCI World ex-U.S. IMI Net currency hedged. Total Fund transitioned to functional category in April 2019. As a result, Global Equity portfolio inception date is April 2019.

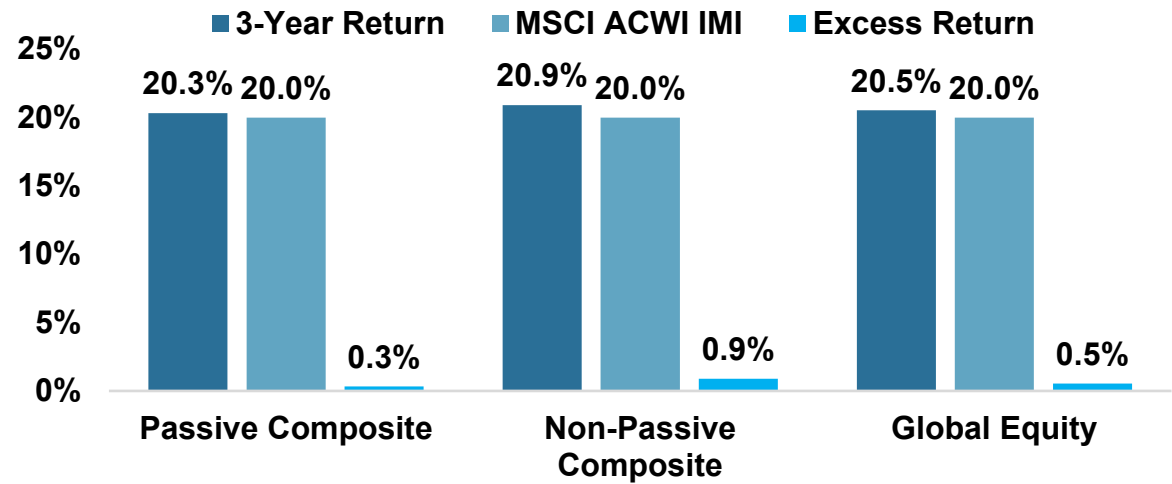
<sup>2</sup> Passive Composite Tracking Error and Information Ratio are not meaningful as alpha expectation for Passive Composite is 0 and Tracking Error is result of implementation decisions.

# Performance Attribution: Last 3-Years



As of December 31, 2025

## Global Equity vs Policy Benchmark

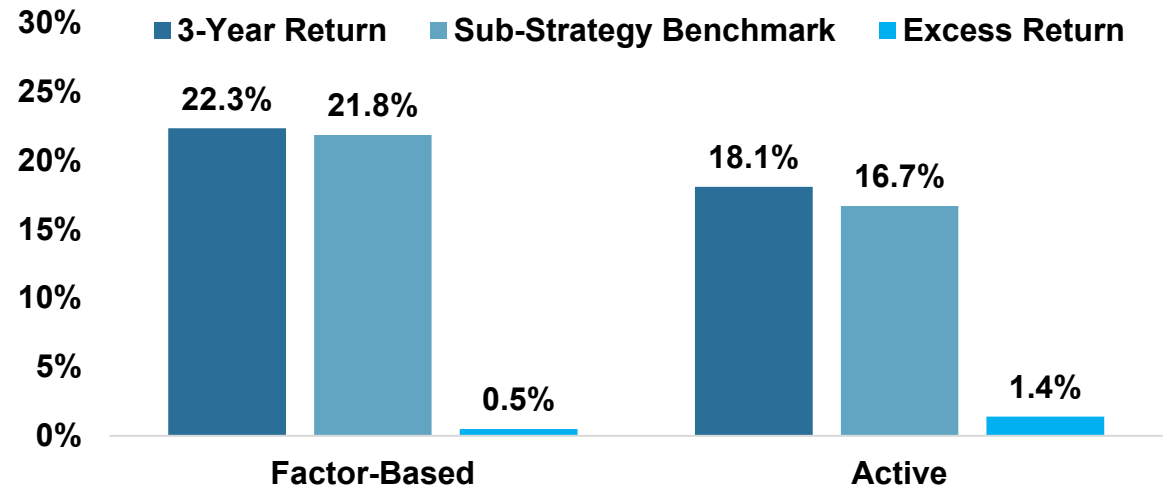


**Global Equity portfolio outperformed its policy benchmark by 54 bps annualized over the three-year trailing period**

**Performance vs. Policy Benchmark:** The two sub-strategies outperformed the policy benchmark

- **Passive composite:** Excess returns primarily due to collection of dividends through tax reclaims
- **Non-passive composite:** Comprised of **factor-based**, and **active**; outperformed in aggregate, driven by strong excess returns from factor-based strategies

## Non-Passive Composite Sub-Strategy vs Benchmark<sup>1</sup>



**Performance vs. Sub-Strategy Benchmark:** Each of the two sub-strategies outperformed their respective sub-strategy composite benchmarks

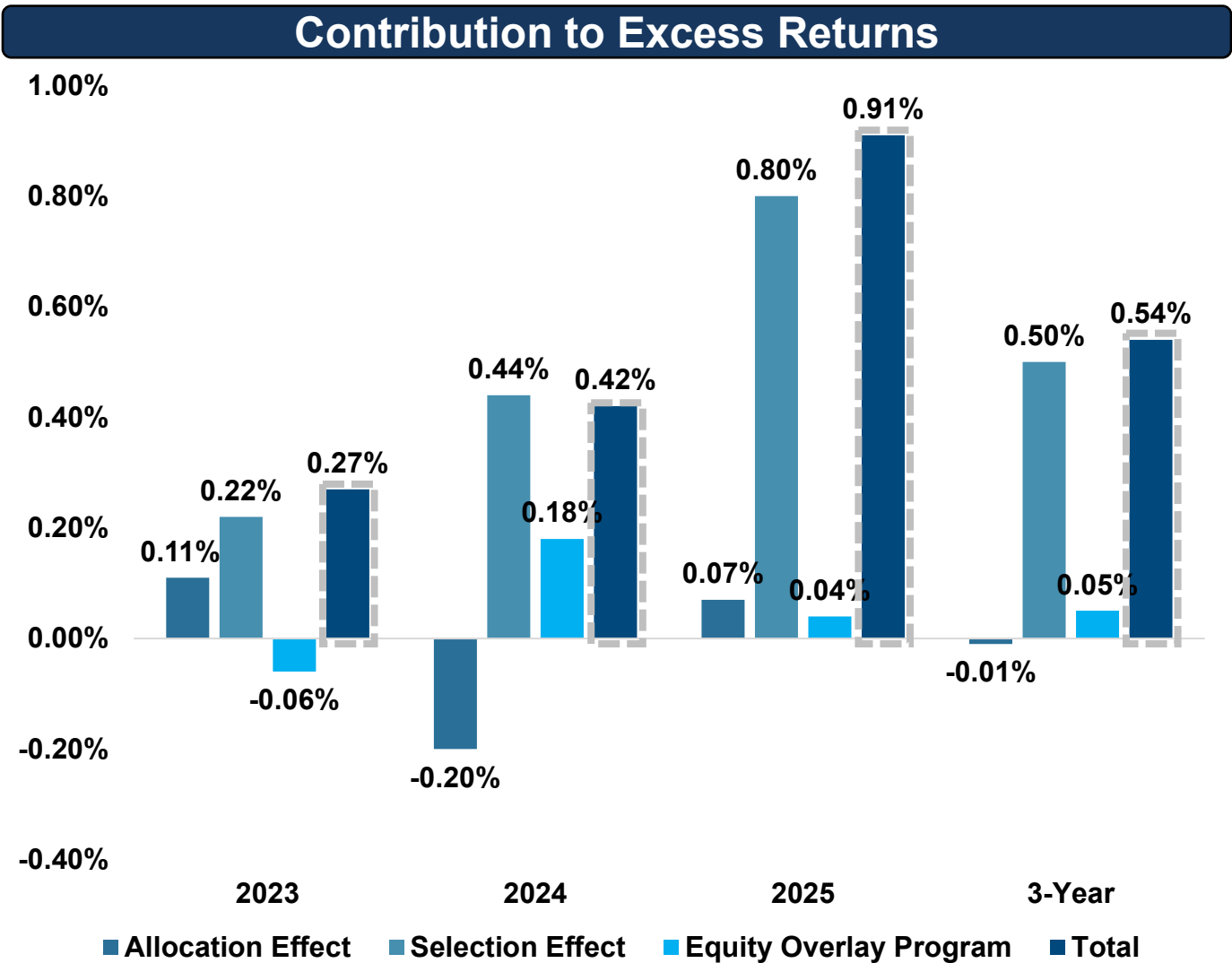
- **Factor-Based:** Outperformance mainly due to strong results from momentum, quality, and value factors
- **Active (Including Emerging Managers):** Excess return was driven by positive stock selection by the underlying managers
  - **Emerging Manager Program:** Funded in Q2 2024, the sub-strategy has underperformed over the 18-month period due to underweight exposure to mega-cap stocks and a tilt toward non-US equities

<sup>1</sup> Sub-strategy composite benchmarks reflect the weight of the underlying managers; active includes emerging managers.

# Performance Attribution: 2023 – 2025



As of December 31, 2025



**Active manager selection (“Selection Effect”) consistently drove excess returns across the 3-year period and each calendar year**

- Global equity outperformed it’s benchmark by **54 bps** annualized for the last 3 years and in each calendar year as follows:
  - 2023: **+27 bps**
  - 2024: **+42 bps**
  - 2025: **+91 bps**
- Allocation effect was relatively neutral while the equity overlay program slightly contributed to excess returns
- Results were consistent with expectations as portfolio is constructed to capture market return (passive) with non-passive (active) management for excess return with reasonable levels of risk

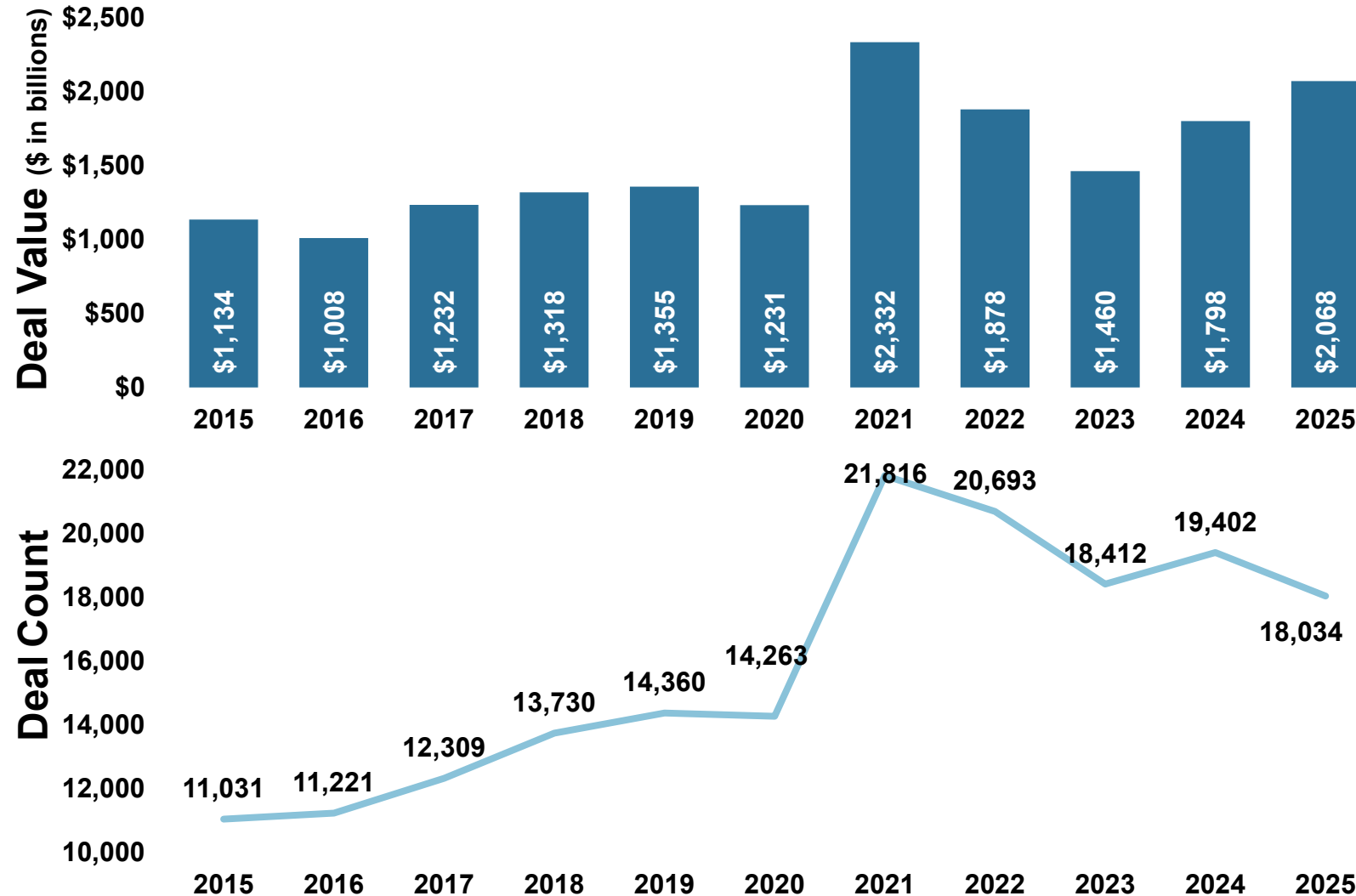




## Private Equity

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# Market Commentary



Source: Pitchbook as of Q4 2025.

**Global dealmaking conditions are rebounding, with 2025 deal value surpassing 2024**

- However, overall transaction volume remained constrained due to valuation gaps between private equity buyers and sellers, despite an uptick in larger deals closing
- Private equity sponsors prioritized value creation within existing portfolio companies over new platform investments, with buyer interest increasingly focused on higher-quality assets

# Comparison of Public and Private Benchmarks

As of September 30, 2025



## Outsized Growth in Magnificent Seven

Market Capitalization

\$4.5T

\$1.9T

\$2.9T

\$3.9T

\$2.4T

\$3.8T

\$1.5T



NVIDIA



Meta

Alphabet



amazon



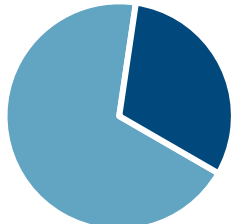
TESLA

↑1,437% ↑441% ↑153% ↑122% ↑94% ↑84% ↑68%

3-year performance

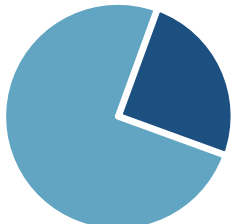
## Return Concentration in the MSCI ACWI IMI Index

1-Year



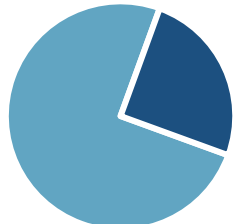
31%

3-Year



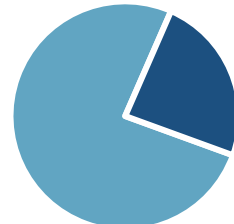
25%

5-Year



25%

10-Year



24%

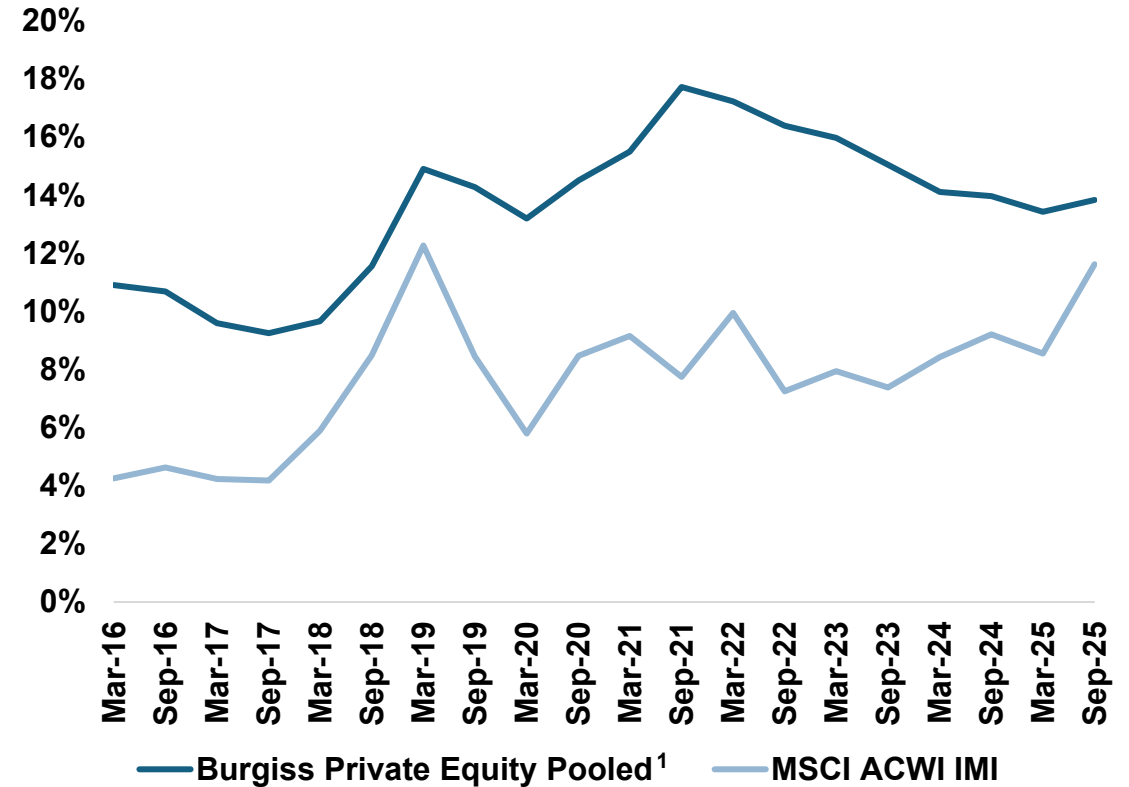
■ Magnificent Seven ■ MSCI ACWI IMI Ex. Magnificent Seven

**Seven stocks accounted for nearly one-quarter of the MSCI ACWI IMI returns**

Source: LSEG Data and Analytics and MSCI.

<sup>1</sup> Private equity 10-year pooled IRRs derived from Burgiss private market data.

## Rolling 10-Year Index Returns



**Private equity outperformed across rolling 10-year periods, in contrast to the recent near-term momentum driving public markets**

# Portfolio Structure

As of September 30, 2025

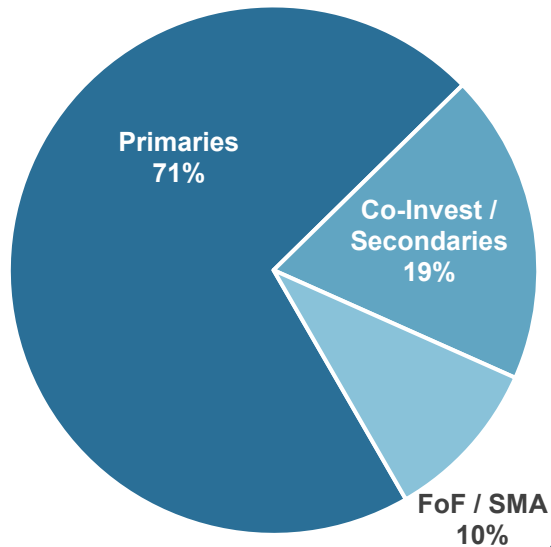


All portfolio exposures are within Board-approved investment guidelines

## Investment Vehicle

By Market Value

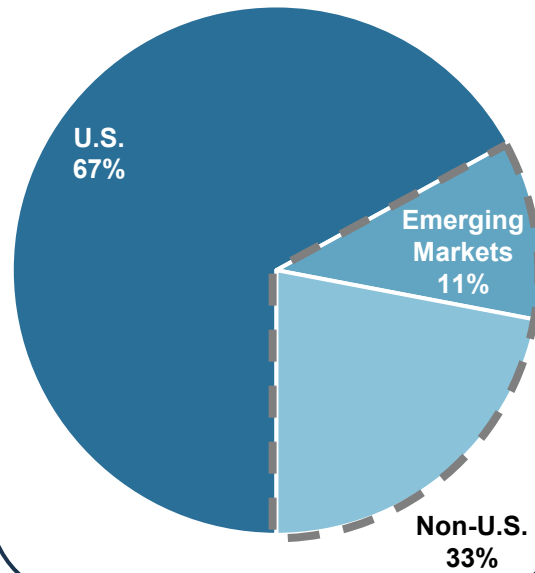
- ✓ Primaries (up to 100%)
- ✓ Co-Inv / Secondaries (up to 35%)
- ✓ SMA / Fund of Fund (up to 20%)



## Geography

By Market Value

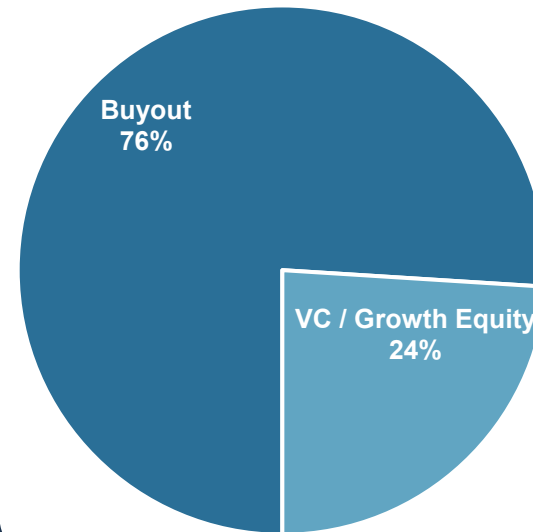
- ✓ U.S. 55–80%
- ✓ Non-U.S. 20–45%
- ✓ Emerging Markets 0–15%



## Sub-Asset Class

By Market Value

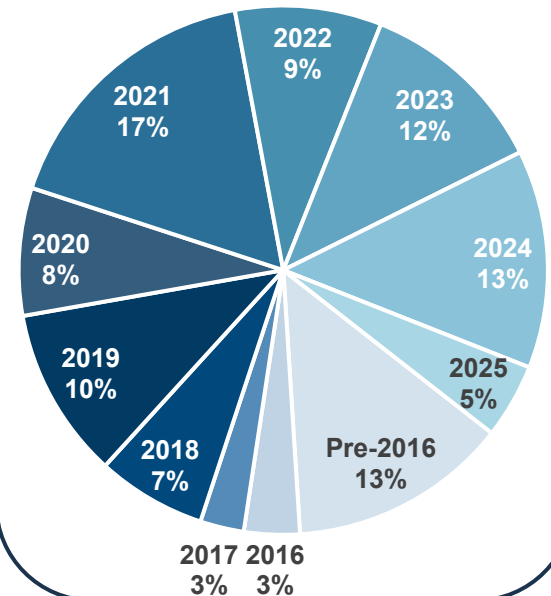
- ✓ Buyout (up to 100%)
- ✓ VC / Growth Equity (up to 30%)



## Vintage Year

By Exposure

Commitments to more recent vintages increased to remain within Board-approved allocation range of 17%



Investment guidelines reflect the Growth Functional Category Structure Review approved by the Board on November 13, 2024.

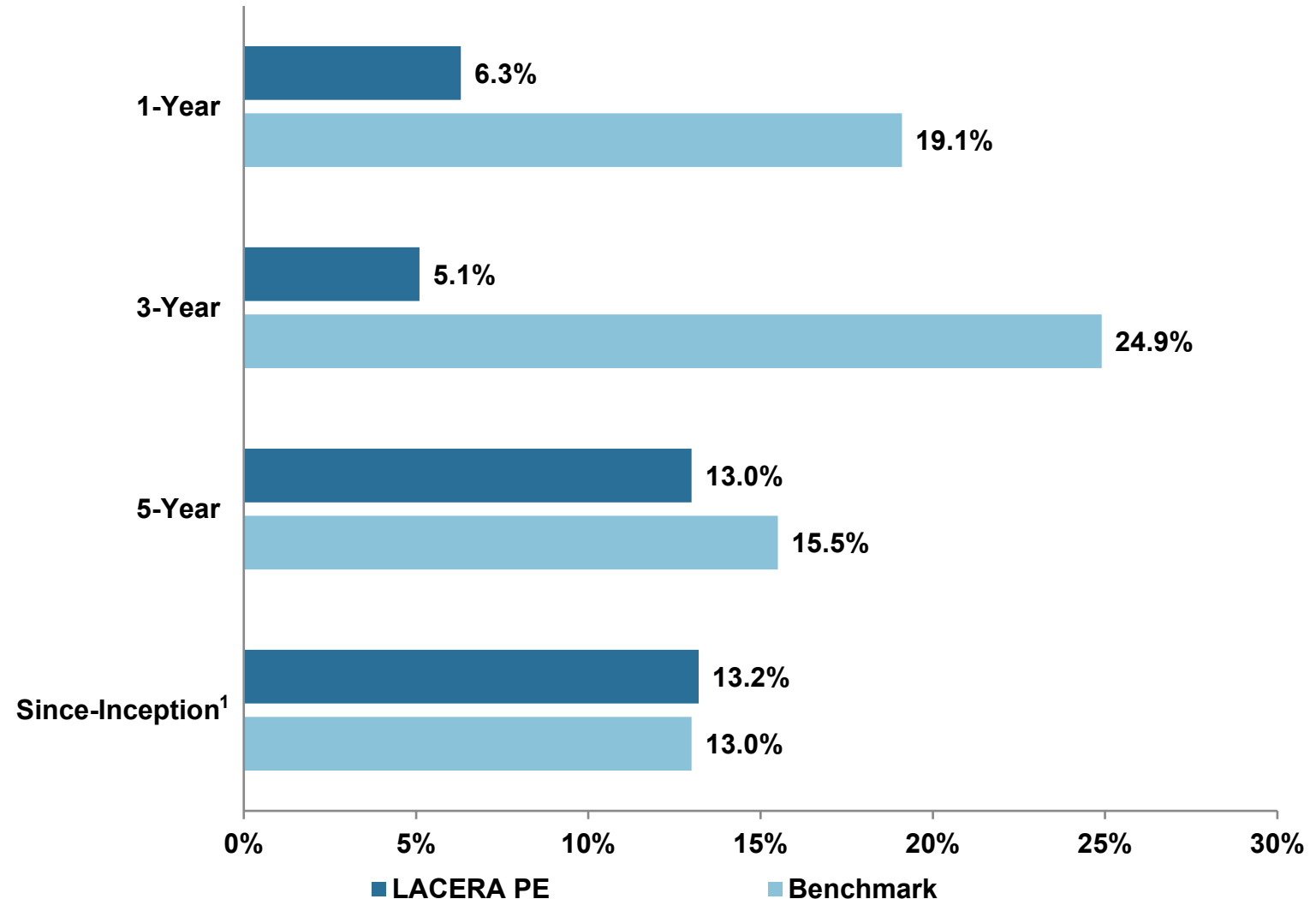
# Performance

As of December 31, 2025



## LACERA's private equity program has underperformed its benchmark over the last five years

- Performance was affected by results from large relationships, along with underperformance within the separately managed account program
- Over longer horizons, performance remains competitive relative to the benchmark, driven by diversification across vintages, strategies, and geographies



<sup>1</sup> Since-inception performance reflects returns beginning January 2019, aligned with the implementation of LACERA's revised asset category group structure.

# Vintage Year Benchmark Performance

As of September 30, 2025



## Vintage year results reflect consistent outcomes across market cycles



All observed LACERA vintages have generated positive absolute returns

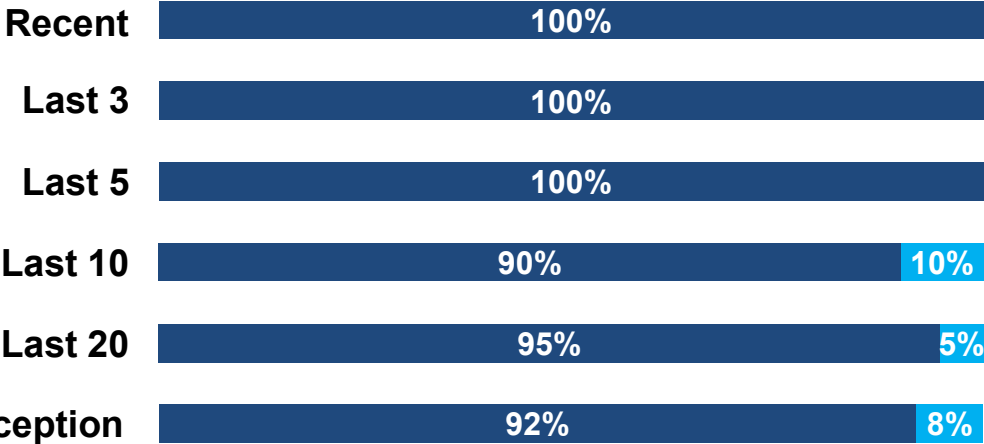


None of the 37 observed vintages have ranked in the 4th quartile



Since inception, 92 percent of vintage years have ranked above median

## Percentage of Vintages Quartile Ranking



1st and 2nd Quartiles

3rd and 4th Quartiles

## Vintage Year Quartile Ranking

1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
1st	3rd	2nd	N/A	3rd	N/A	2nd	2nd	1st	1st
1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1st	2nd	2nd	2nd	2nd	1st	2nd	1st	1st	2nd
2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
2nd	2nd	2nd	N/A	2nd	2nd	1st	2nd	2nd	2nd
2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
2nd	3rd	2nd	2nd	1st	2nd	2nd	2nd	1st	1st

Benchmark data come from Burgiss All Private Equity Global as of the reporting date, and the analysis includes 37 total invested vintages since inception. Quartile rankings are shown as “Not Available (N/A)” when no investments were made for the respective vintage.

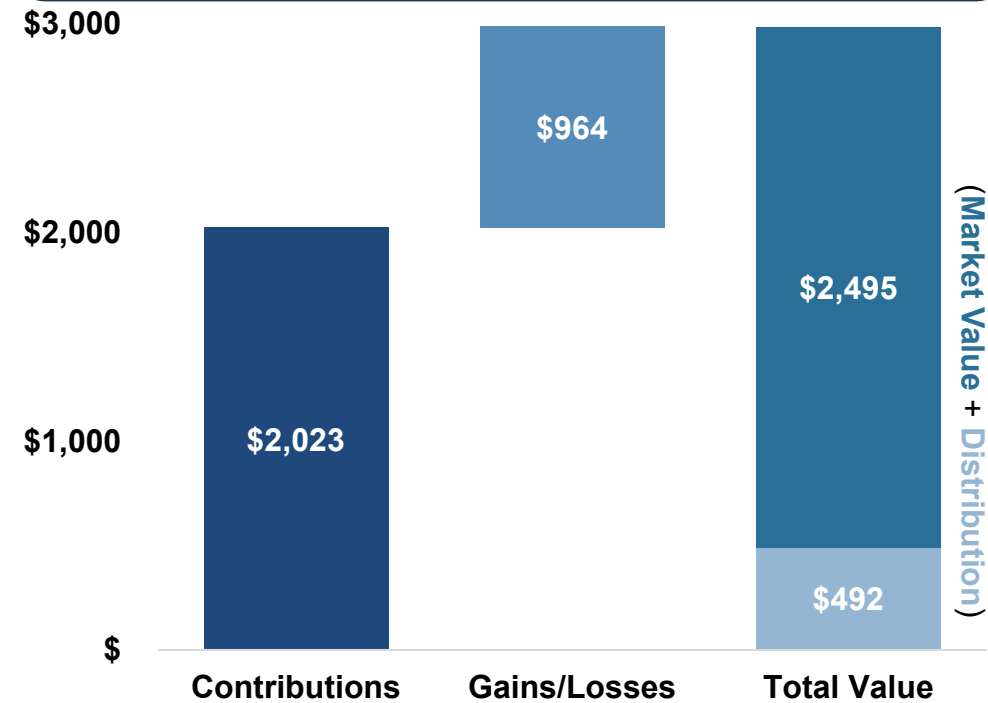
# Co-Investments and Secondaries Performance



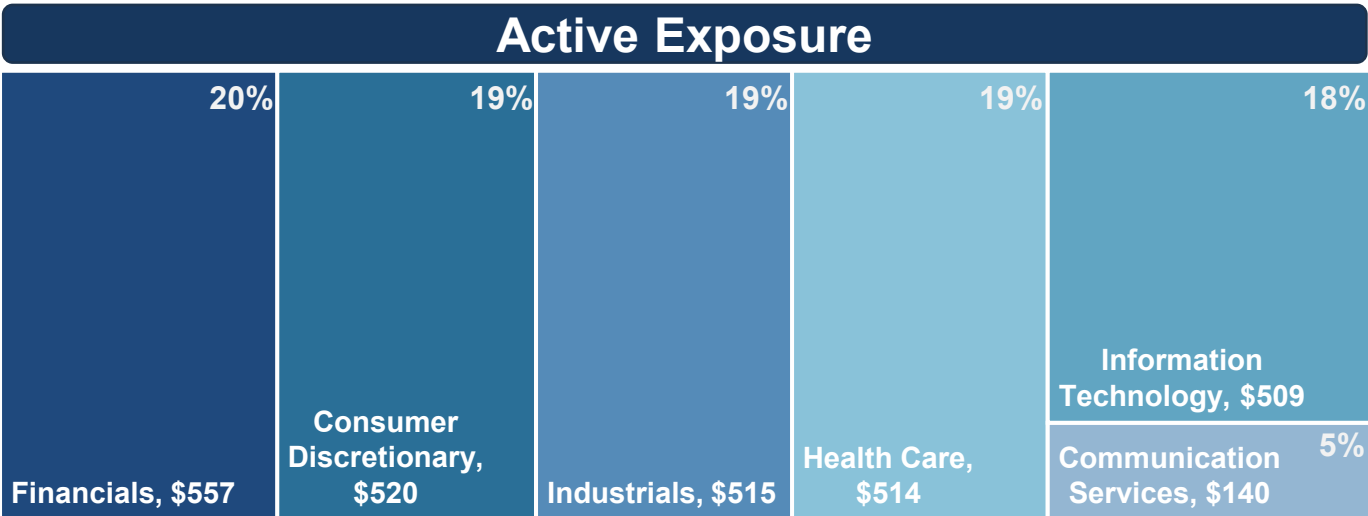
As of September 30, 2025 (\$ in millions)

LACERA’s in-house Co-Investments and Secondaries Program has outperformed the core PE program

	IRR	MOIC	DPI	MV
Total Co-Investment / Secondary	16%	1.5x	0.2x	\$2,495
Co-Investment	19%	1.6x	0.2x	\$1,554
Secondary	13%	1.4x	0.3x	\$941



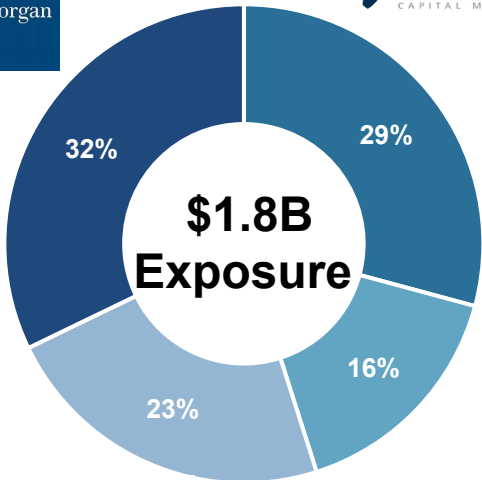
Vintage Year Benchmark									
	Co-Investment					Secondaries			
	Net IRR		Net MOIC			Net IRR		Net MOIC	
2019	20%	1 <sup>st</sup>	1.9x	1 <sup>st</sup>	2019	14%	2 <sup>nd</sup>	1.8x	1 <sup>st</sup>
2020	30%	1 <sup>st</sup>	2.7x	1 <sup>st</sup>	2020	24%	1 <sup>st</sup>	1.5x	2 <sup>nd</sup>
2021	11%	2 <sup>nd</sup>	1.5x	1 <sup>st</sup>	2021	13%	2 <sup>nd</sup>	1.5x	1 <sup>st</sup>
2022	15%	2 <sup>nd</sup>	1.5x	1 <sup>st</sup>	2022	1%	3 <sup>rd</sup>	1.0x	3 <sup>rd</sup>
2023	15%	2 <sup>nd</sup>	1.4x	1 <sup>st</sup>	2023	40%	1 <sup>st</sup>	1.7x	1 <sup>st</sup>
2024	33%	1 <sup>st</sup>	1.4x	1 <sup>st</sup>	2024	28%	1 <sup>st</sup>	1.3x	1 <sup>st</sup>
2025	37%	1 <sup>st</sup>	1.1x	1 <sup>st</sup>	2025	N/A		N/A	



Fund benchmark data is sourced from Burgiss All Private Equity Global as of the reporting date and aggregated by vintage year; quartile rankings are shown as “Not Available (N/A)” when no investments were made in that vintage.

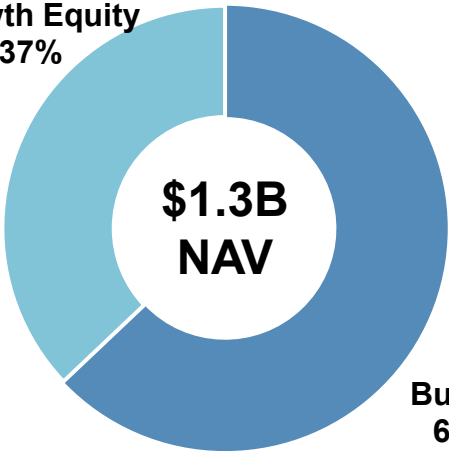
# Separately Managed Account Performance

As of September 30, 2025



Morgan Stanley

Venture Capital / Growth Equity  
37%



Buyout  
63%

1-Year	3-Year	5-Year	10-Year
MSCI ACWI +200 19.1%	MSCI ACWI +200 24.9%	MSCI ACWI +200 15.5%	J.P.Morgan 19.6%
Hamilton Lane 13.7%	J.P.Morgan 3.8%	J.P.Morgan 14.3%	Pathway Capital 16.9%
J.P.Morgan 2.6%	Morgan Stanley 0.0%	Pathway Capital 14.1%	Total Separate Account Managers 14.7%
Pathway Capital -2.7%	Total Separate Account Managers -2.1%	Total Separate Account Managers 12.7%	MSCI ACWI +200 13.9%
Total Separate Account Managers -4.6%	Pathway Capital -7.6%	Morgan Stanley 8.0%	Morgan Stanley 7.8%
Morgan Stanley -19.6%	Hamilton Lane N/A, inception in 2023		

Total separate accounts have materially lagged the private equity benchmark over the last three years

- Venture capital exposure has weighed on short-term performance, as the venture capital market has experienced sharper valuation declines than buyouts
- The 2023 emerging manager mandate with Hamilton Lane is early in its lifecycle and its performance history is continuing to develop

Benchmark returns are based on MSCI ACWI IMI plus a 200-basis point premium with periodic compounding. The ten-year benchmark follows the same approach in Zephyr.





# Appendix

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# Glossary of Terms



Term	Acronym	Definition
Allocation Effect		A measure of the returns generated by allocating portfolio weights to specific segments, including regions and market capitalization
Alpha		The excess return of an investment against a specified benchmark
Basis Points	BPS	One one-hundredth of one percent. One hundred basis points equal one percent
Beta		Represents the degree of correlation between a security and the market
Buyout		Strategies focused on owning a controlling share (over 50%) of a company, often using leverage. These deals typically involve restructuring to enhance financial performance with the goal of selling the company at a profit
Cap		Abbreviation for capitalization. Market capitalization or market cap refers to the total market value of a company represented in dollar amount
Co-Investment		An investment in a single company that is made alongside a private equity general partner
Distributed to Paid-In-Capital	DPI	How much actual cash a fund has returned to investors relative to the capital called for investment
Downside Capture		Measure of an investment's performance during down markets defined by the benchmark, calculated as the strategy's compounded returns divided by the returns of the benchmark. A lower down market capture ratio means an investment was less negatively impacted during market downturns
Emerging Manager Program	EMP	Seeks to identify and invest in independent firms that have less substantial assets under management or may lack a long-term investment performance record
Emerging Markets		Economies that are in the process of rapid growth and industrialization. The MSCI Emerging Markets IMI Index consists of large, mid, and small-cap companies from 24 countries that are considered emerging markets
Equity Overlay Program		A futures-based overlay program that maintains the Global Equity region and market capitalization exposures to within +/-1% range relative to its policy benchmark. Exchange-traded futures contracts are utilized to gain exposure
Exposure		Net asset value ("NAV") plus any unfunded commitments
Factors		Characteristics of stocks that help explain their risk and return. Factor-based strategies construct portfolios defined by these traits to achieve better risk-adjusted returns.
Fund-of-Funds	FoF	An investment fund that pools capital from multiple investors to invest in a diversified portfolio of other private equity funds rather than directly in individual companies

# Glossary of Terms (Continued)



Term	Acronym	Definition
<b>GICS Sector</b>	<b>GICS</b>	Method for assigning companies to a specific economic sector and industry group that best defines its business operations
<b>Growth Equity</b>		A type of private equity investment focused on providing capital to late-stage companies that have demonstrated significant growth potential but need additional funds to scale their operations further
<b>Information Ratio</b>		The portfolio's excess return over its benchmark divided by its tracking error
<b>Internal Rate of Return</b>	<b>IRR</b>	Internal Rate of Return (IRR) is used to estimate the profitability of potential investments. It is the discount rate that makes the net present value (NPV) of all cash flows from a particular project equal to zero
<b>Magnificent Seven</b>	<b>Mag 7</b>	A group of seven dominant, mega-cap U.S. technology companies; Apple, Microsoft, Alphabet (Google), Amazon, Nvidia, Meta (Facebook), and Tesla, that have driven a large portion of the stock market's returns in recent years
<b>MSCI ACWI IMI Index</b>		Morgan Stanley Capital International, All Country World Index, Investable Market Index. Serves as a proxy for broad global stock market performance, tracking companies covering large, mid, and small-cap stocks in both developed markets and emerging markets
<b>Multiple on Invested Capital</b>	<b>MOIC</b>	Measures how much value a fund or investment has created relative to the capital invested
<b>Secondaries/Secondary Investment</b>		The purchase or sale of existing investor commitments or ownership stakes in private equity funds or individual private-equity-owned companies
<b>Selection Effect</b>		A measure of the impact of a manager's performance relative to their mandate benchmark. It reflects the Global Equity managers excess returns in aggregate
<b>Separately Managed Account</b>	<b>SMA</b>	An investment portfolio that is managed separately from other investment vehicles and holds investments for one client
<b>Sharpe Ratio</b>		Measures risk-adjusted performance of an investment compared to a risk-free asset
<b>Standard Deviation</b>		Volatility of monthly returns that measures the average deviation from the mean
<b>Tracking Error</b>	<b>TE</b>	Volatility of a manager's excess return; measured by the standard deviation of the manager's excess return
<b>Upside Capture</b>		Measure of an investment's performance during up markets defined by the benchmark, calculated as the strategy's compounded returns divided by the returns of the benchmark. A high (>100%) up capture ratio means an investment outperformed the index during up markets
<b>Vintage Year</b>		The calendar year a private equity or venture capital fund makes its first significant investment or calls capital from investors