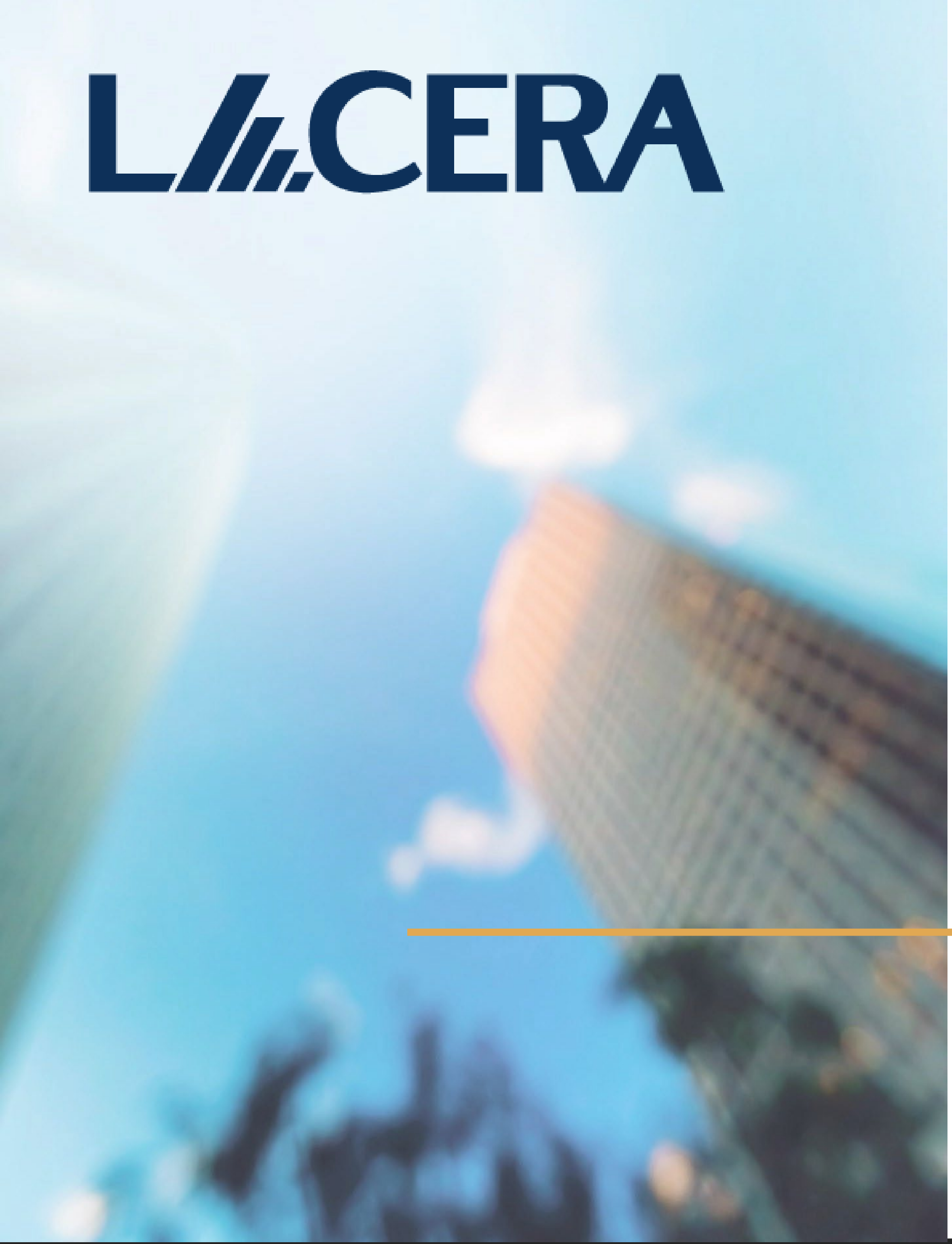


Chief Investment Officer Monthly Report

Jonathan Grabel – Chief Investment Officer

July 2025

Table of Contents

Complete list of slide footnotes are included in the Appendix.

01

Market Environment

Notable Items and Market Themes to Watch

Notable Items

Interest rates and central bank actions

- The Federal Reserve implemented its previously announced slowdown in the pace of quantitative tightening

Economic data and trends

- Inflation, tariffs, supply chains, & labor developments

Artificial intelligence

- Research developments, applications, infrastructure investment, risk oversight and governance

Stewardship and ESG-related developments

- Renewed policy debates on proxy research, investor rights, shareholder proposal parameters
- Securities and Exchange Commissions solicits market input on executive compensation disclosure practices

Market Themes

- **Tariff Impacts:** U.S. trade policy uncertainty continues to result in significant market volatility, affecting business sentiment and inflation expectations. The OECD stated that continued trade tensions are expected to impact global growth negatively
- **Inflation Concerns**: Global inflation expectations remain elevated. In the U.S., core inflation rose 2.6% year-over-year, aligning with expectations
- **Federal Reserve Policy**: The Federal Reserve held federal funds steady at 4.25-4.50% at its June meeting, the fourth consecutive hold. The Fed cited elevated inflation risk and tariff uncertainty, with most officials signaling two rate cuts this year, only after clearer labor and inflation data emerge
- **Geopolitical Uncertainty:** Geopolitical uncertainty was a significant undercurrent influencing economic forecasts, central bank policy considerations, and market behavior
- **Corporate Earnings**: Corporate earnings remain solid with IT leading and energy lagging. Corporate management has grown cautious, citing rising input costs and unclear demand outlook due to trade policy dynamics

Global Market Performance

As of June 30, 2025

MSCI ACWI IMI Index (Global Equity Market)*

	Trailing Returns (%)				Annualized Returns (%)			
	1-Month	3-Month	FYTD	YTD	1Y	3Y	5Y	10Y
	4.5	11.6	15.9	9.8	15.9	16.8	13.4	9.7

*Global Equity Policy Benchmark - MSCI ACWI IMI Index

Bloomberg U.S. Aggregate Bond Index**

	Trailing Returns (%)				Annualized Returns (%)			
	1-Month	3-Month	FYTD	YTD	1Y	3Y	5Y	10Y
	1.5	1.2	6.1	4.0	6.1	2.5	-0.7	1.8

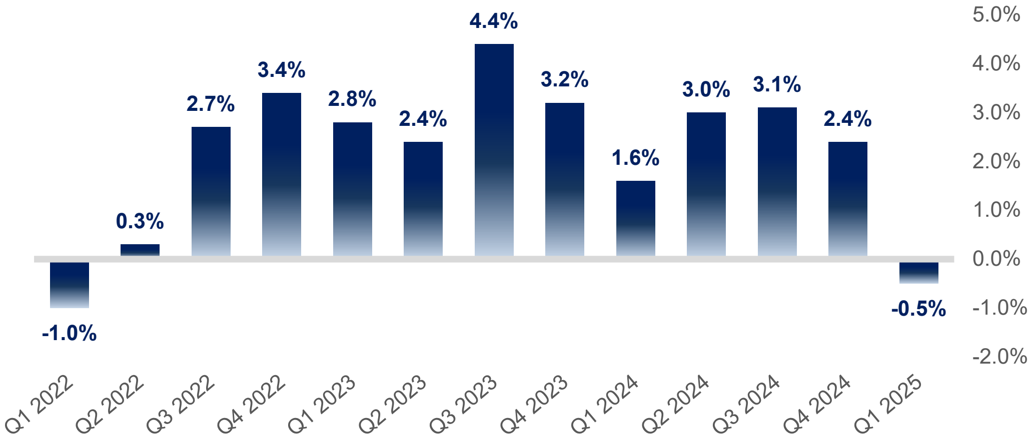
**Investment Grade Bonds Policy Benchmark - Barclays U.S. Aggregate Bond Index

Market	Sub-Category	Index Name	1 M	3 M	FYTD	YTD	1 Y	3 Y	5 Y	10 Y
Reference Portfolio	60:40 Equity:Bond Portfolio	60% MSCI ACWI IMI/ 40% Bloomberg U.S. Aggregate Index	3.3	7.4	12.0	7.6	12.0	11.0	7.7	6.7
Global Equity	U.S. Large Cap	S&P 500 Total Return	5.1	10.9	15.2	6.2	15.2	19.7	16.6	13.6
	U.S. Small Cap	Russell 2000 Total Return	5.4	8.5	7.7	-1.8	7.7	10.0	10.0	7.1
	Non-U.S. All Cap	MSCI ACWI-ex U.S. IMI Total Return	3.6	12.7	17.8	17.9	17.8	13.9	10.2	6.2
	Emerging Markets	MSCI Emerging Markets Total Return	6.0	12.0	15.3	15.3	15.3	9.7	6.8	4.8
Private Equity	Private Equity Buyout	Thomson Reuters PE Buyout Index	7.1	19.1	18.9	11.0	18.9	18.8	14.0	11.8
Fixed Income	U.S. Corporate High Yield Bonds	Bloomberg U.S. Corporate High Yield Total Return	1.8	3.5	10.3	4.6	10.3	9.9	6.0	5.4
	U.S. Long Term Treasury Bonds	Bloomberg Long Term U.S. Treasury Total Return Index	2.5	-1.5	1.6	3.1	1.6	-3.7	-8.2	0.1
	Developed Markets Leveraged Loans	Credit Suisse Leveraged Loan Total Return	0.8	2.3	7.5	3.0	7.5	9.5	7.4	5.1
Real Assets & Inflation Hedges	Natural Resources	S&P Global Natural Resources Total Return Index	3.6	3.4	1.2	10.8	1.2	5.7	12.7	6.7
	Global Infrastructure	Dow Jones Brookfield Global Infrastructure Composite Index	1.0	4.3	24.1	11.9	24.1	9.1	9.8	5.9
	Treasury Inflation-Protected Securities	Bloomberg U.S. Treasury TIPS 0-5 Years Total Return	0.5	1.0	6.5	4.0	6.5	3.9	3.8	2.9
	Real Estate	NCREIF Fund Index - ODCE (Net)[1]	—	0.9	1.8	—	1.2	-5.1	2.0	4.7

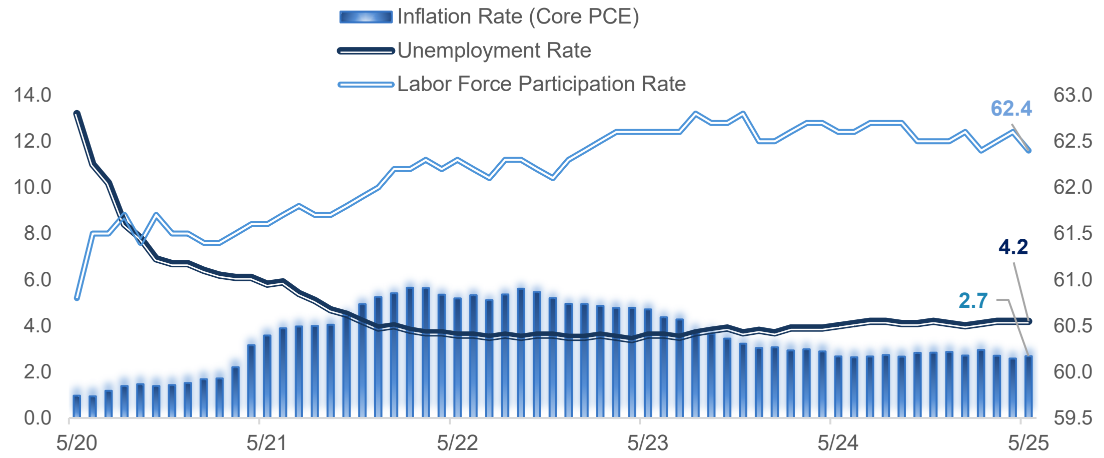
Source: Bloomberg, State Street

Key Macro Indicators[2]

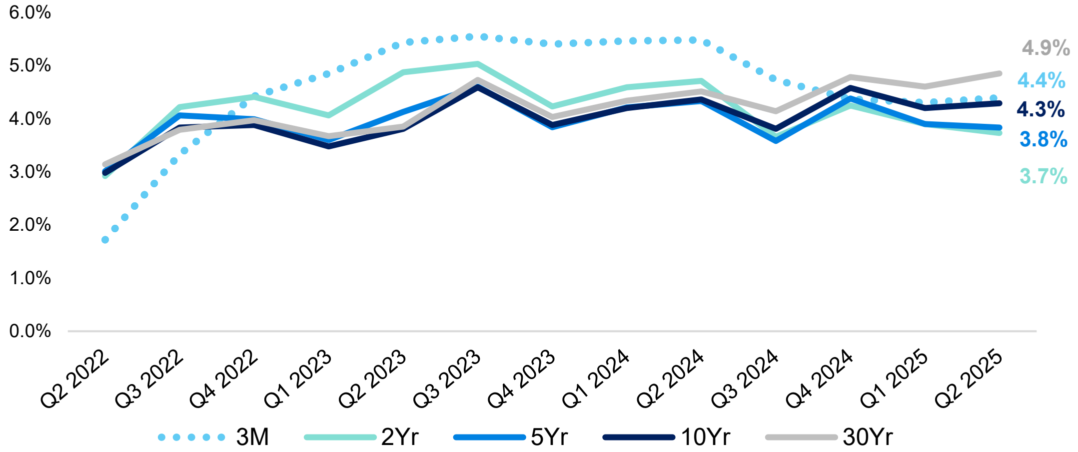
Quarterly Real GDP Growth



Inflation, Unemployment, and Labor Participation

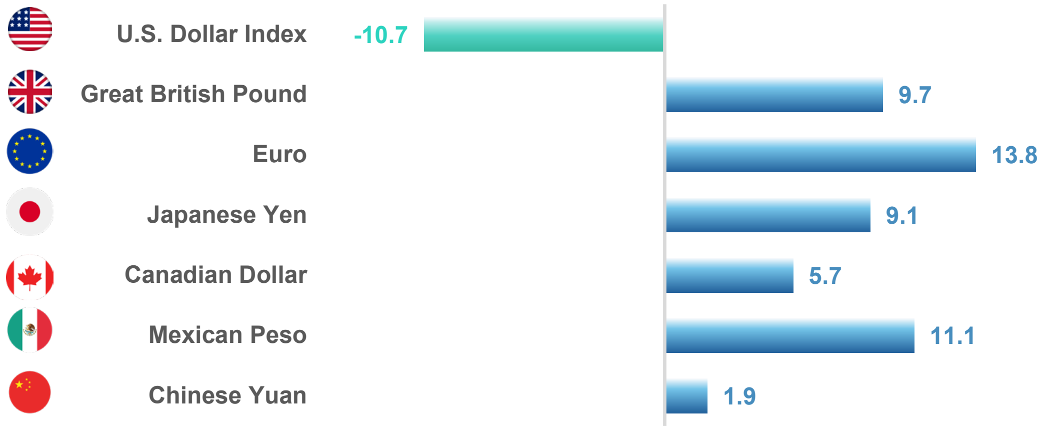


Market Yields on U.S. Treasury Securities



U.S. Dollar and Major Currency Performance

(Year-to-Date as of 6/30/2025)



Sources: Bloomberg, St. Louis Federal Reserve

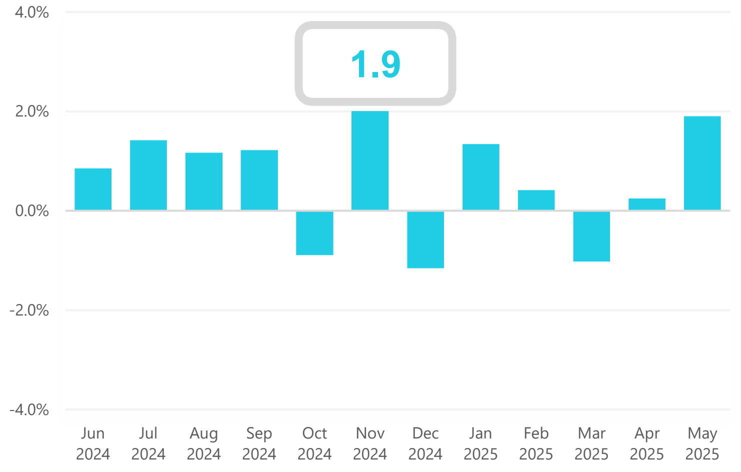
02

Total Fund Performance & Risk

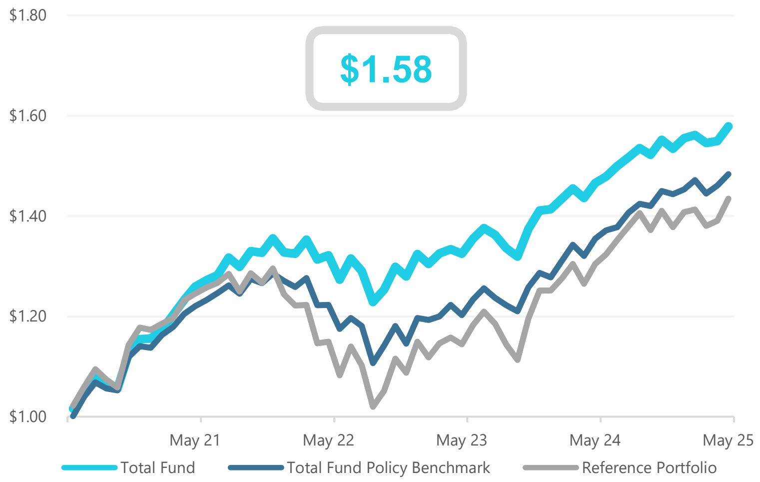
Total Fund

Performance Summary as of May 2025

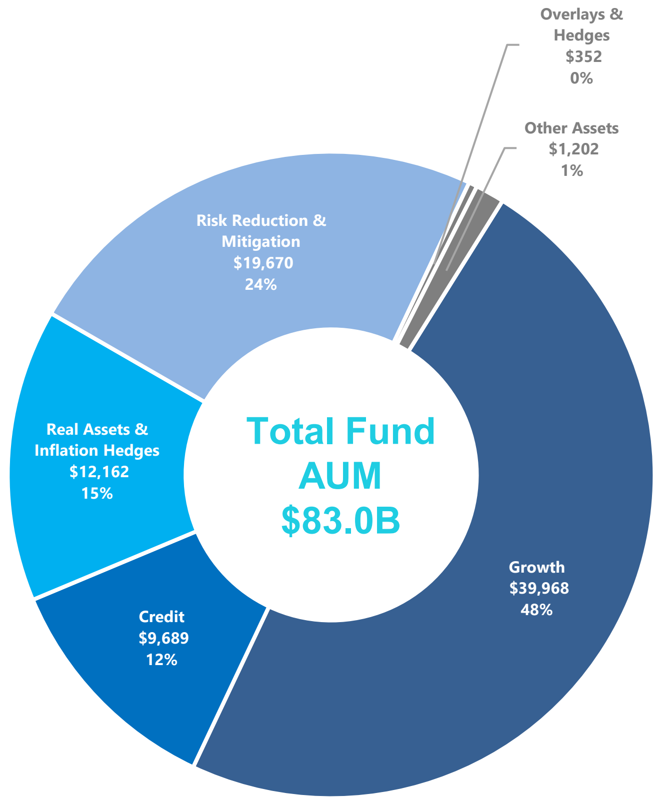
Monthly Return (net)



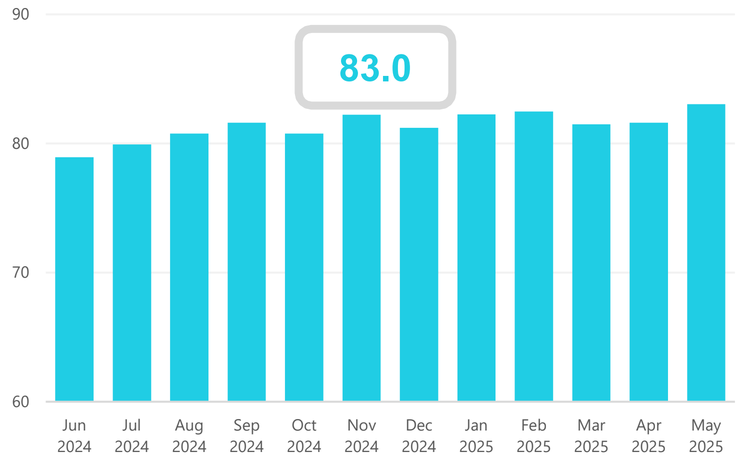
Growth of a Dollar (trailing 5Y)[3]



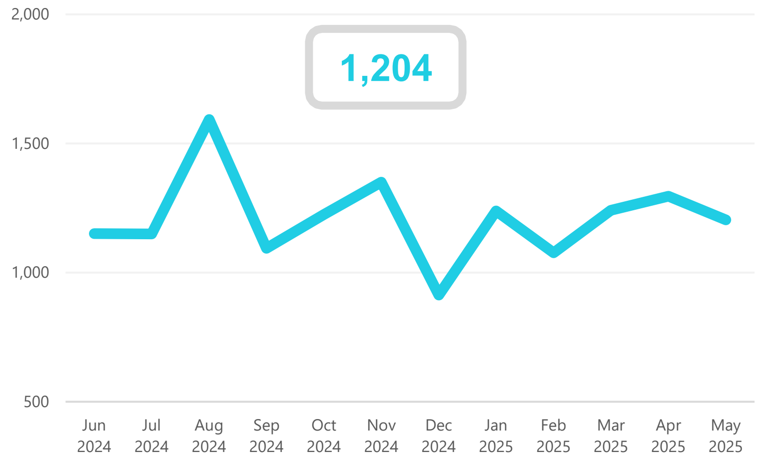
Asset Allocation (in millions)[4]



Total Market Value (in billions)



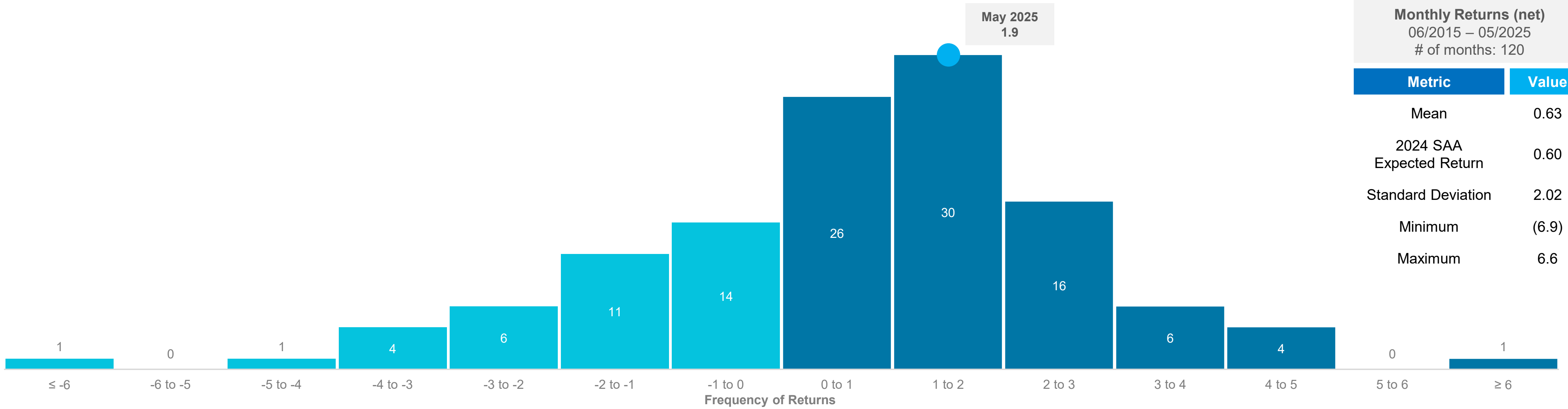
Cash (in millions)



Total Fund

Historical Net Performance as of May 2025

LACERA Pension Fund[5]



Monthly Returns (net)
06/2015 – 05/2025
# of months: 120

Metric	Value
Mean	0.63
2024 SAA Expected Return	0.60
Standard Deviation	2.02
Minimum	(6.9)
Maximum	6.6

	Market Value ($ mm)	% of Total Fund	Target	1 Month	3 Month	FYTD	YTD	1 Year	3 Year	5 Year	10 Year
Total Fund	**83,043**	**100.0%**	**100.0%**	**1.9%**	**1.1%**	**6.8%**	**2.9%**	**7.7%**	**6.1%**	**9.6%**	**7.5%**
Total Fund Policy Benchmark				1.6%	0.8%	8.2%	2.8%	9.5%	6.6%	8.2%	7.1%
Total Fund Actuarial Hurdle				0.6%	1.7%	6.4%	2.9%	7.0%	7.0%	7.0%	7.0%
Growth	**39,968**	**48.1%**	**48.0%**	**3.7%**	**2.1%**	**8.2%**	**3.9%**	**9.4%**	**8.5%**	**14.0%**	
Growth Policy Benchmark				3.3%	1.7%	11.2%	4.0%	13.6%	10.6%	13.3%	
Credit	**9,689**	**11.7%**	**13.0%**	**1.1%**	**0.4%**	**8.6%**	**1.7%**	**9.4%**	**9.3%**	**9.3%**	
Credit Policy Benchmark				0.0%	0.0%	6.9%	1.4%	8.0%	7.3%	5.4%	
Real Assets & Inflation Hedges	**12,162**	**14.6%**	**15.0%**	**0.6%**	**2.3%**	**5.3%**	**3.8%**	**5.0%**	**-0.2%**	**6.5%**	
RA & IH Policy Benchmark				0.7%	-0.3%	4.6%	0.6%	3.3%	-0.9%	6.0%	
Risk Reduction & Mitigation	**19,670**	**23.7%**	**24.0%**	**-0.3%**	**-0.1%**	**4.7%**	**2.2%**	**5.7%**	**2.0%**	**0.6%**	
RR & M Policy Benchmark				-0.4%	0.0%	4.5%	2.4%	5.5%	2.0%	-0.1%	
Overlays & Hedges	**352**	**0.4%**									
Other Assets	**1,202**	**1.4%**									

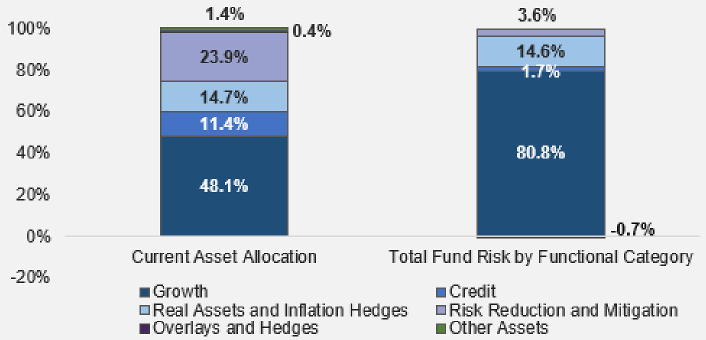
Total Fund
Forecast Volatility as of May 2025[6]

VOLATILITY
Measures how much a portfolio can fluctuate over 1Y

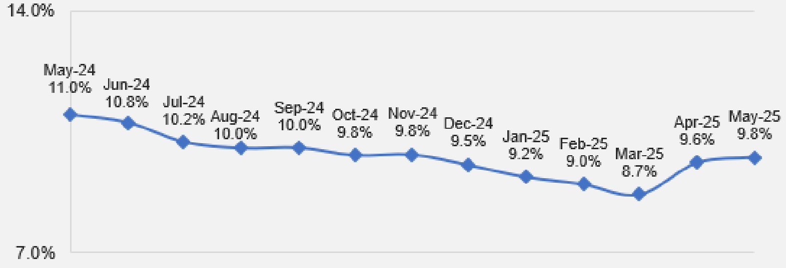
TOTAL FUND VOLATILITY
9.8%

BENCHMARK VOLATILITY
10.0%

Total Fund Asset Allocation
Capital-based versus Risk-based



Forecasted Total Fund Volatility Trend



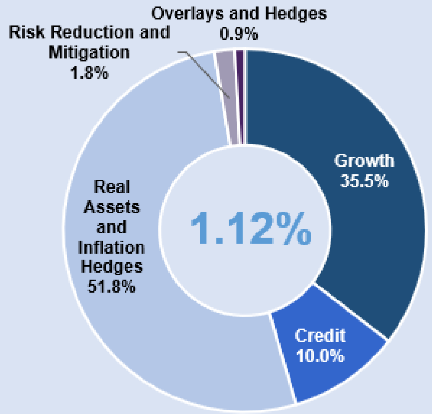
ACTIVE RISK
1Y forecast that measures how closely the portfolio tracks the benchmark

TOTAL FUND ACTIVE RISK
1.12%

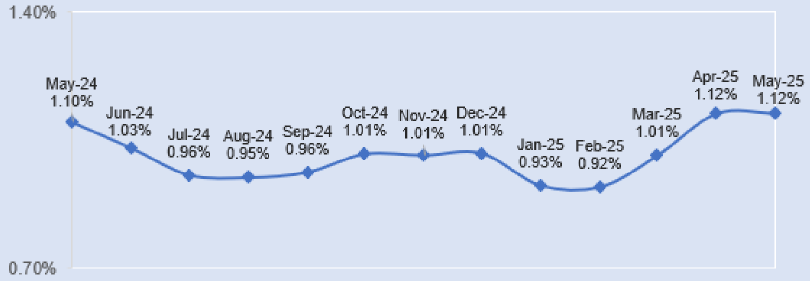
ALLOCATION RISK
0.03%

SELECTION RISK
1.10%

Functional Category Contributions to Active Risk



Forecasted Active Risk Trend



Source: MSCI BarraOne

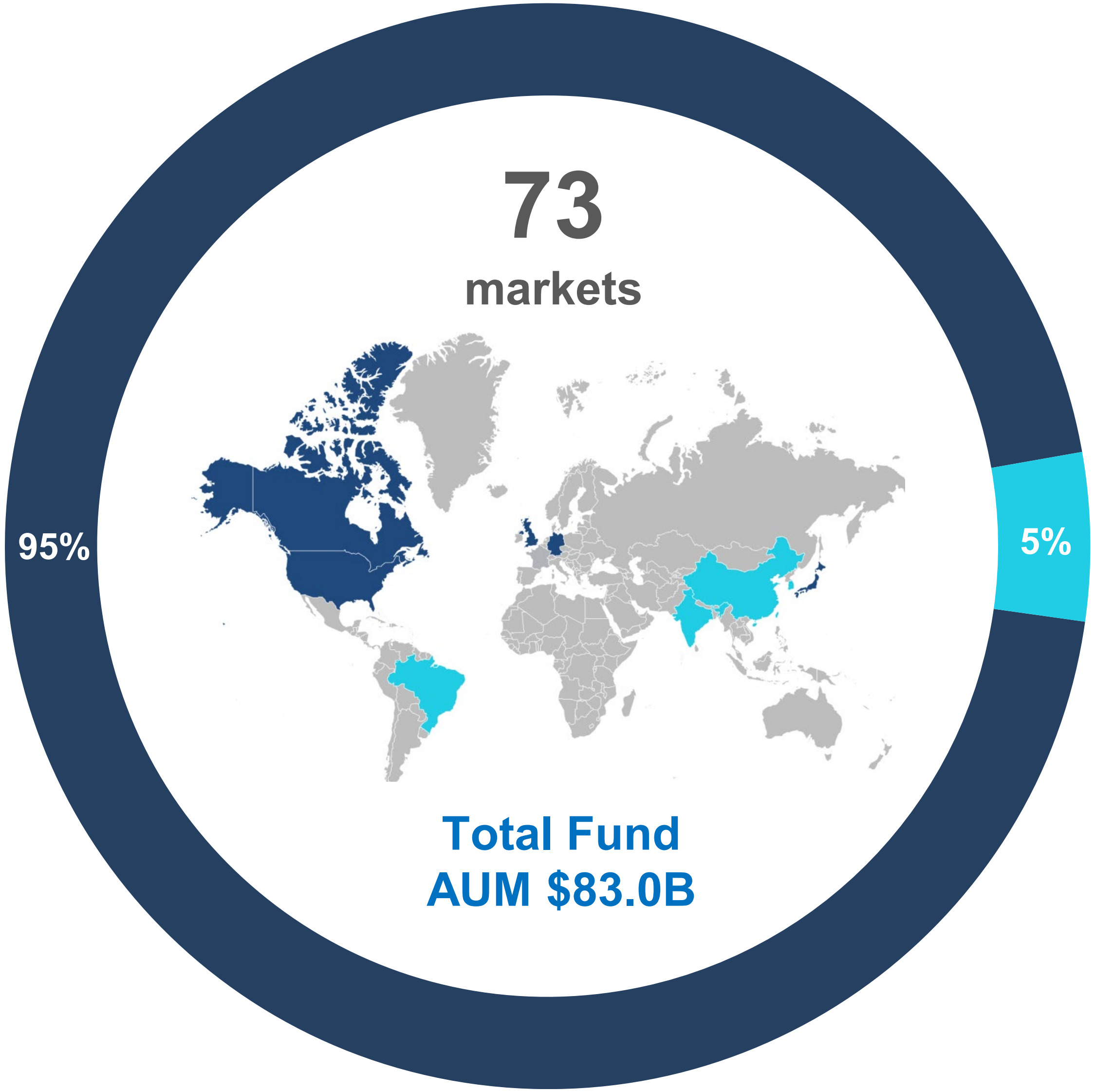
Total Fund

Geographic Exposure by AUM as of May 2025[7,8]

25

developed markets

Top 5 Countries	Portfolio
United States	76.5%
United Kingdom	4.5%
Canada	2.3%
Japan	1.7%
Germany	1.7%



48

emerging & frontier markets

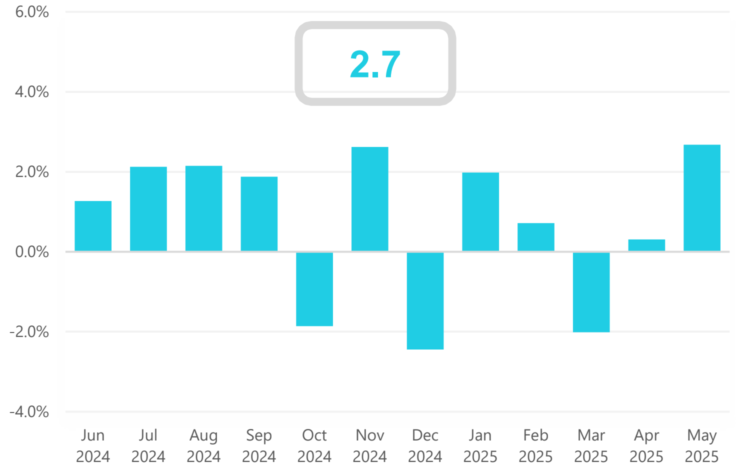
Top 5 Countries	Portfolio
China	1.9%
Taiwan	0.6%
India	0.5%
Brazil	0.4%
South Korea	0.4%

03

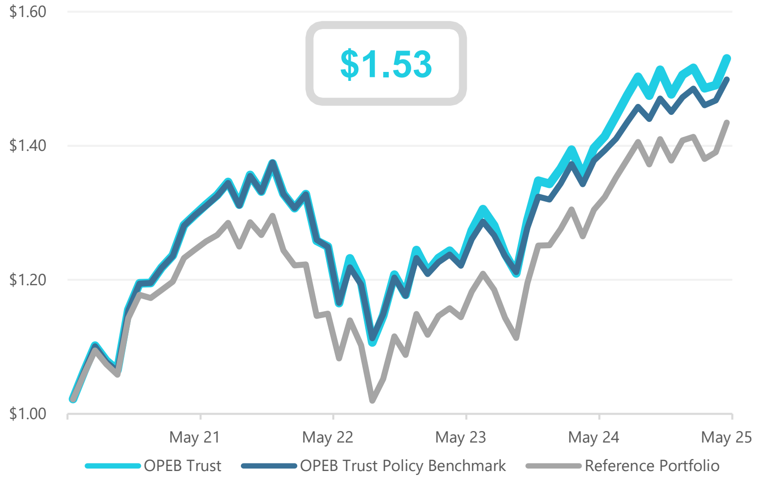
OPEB Trust Performance & Risk

OPEB Trust
Performance Summary as of May 2025

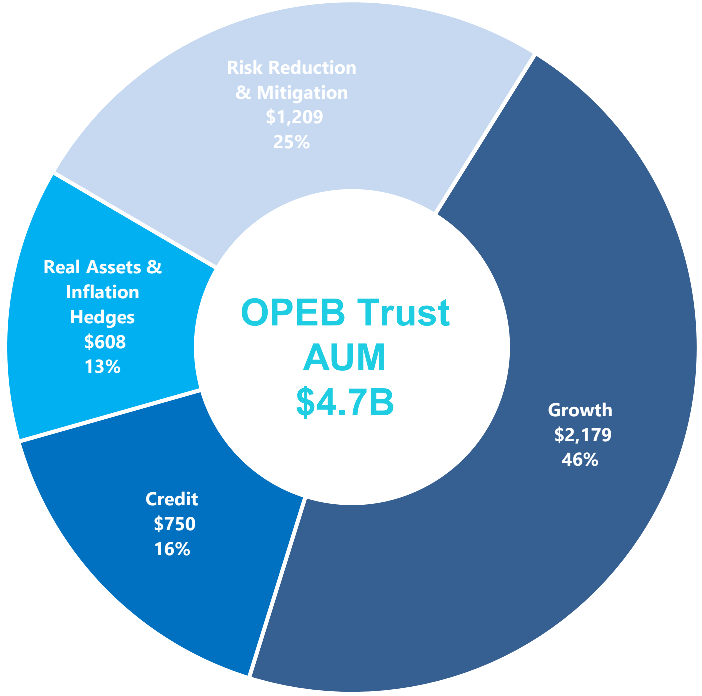
Monthly Return (net)



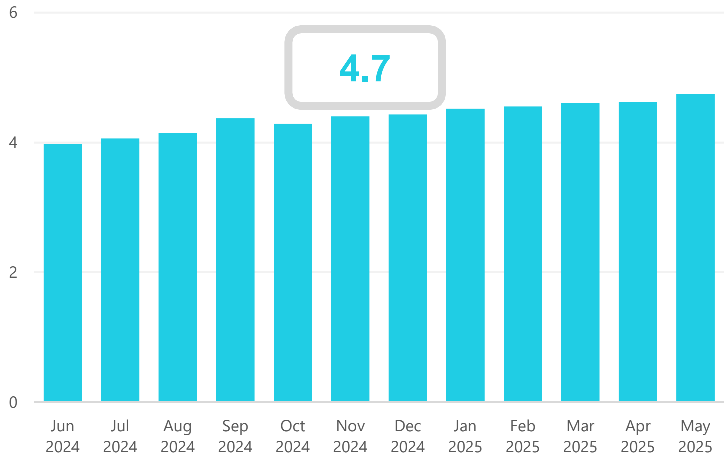
Growth of a Dollar (trailing 5Y)[9]



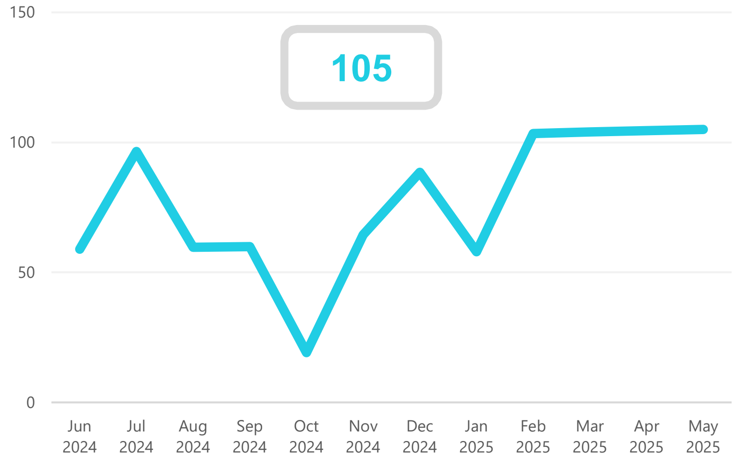
Asset Allocation (in millions)



Total Market Value (in billions)



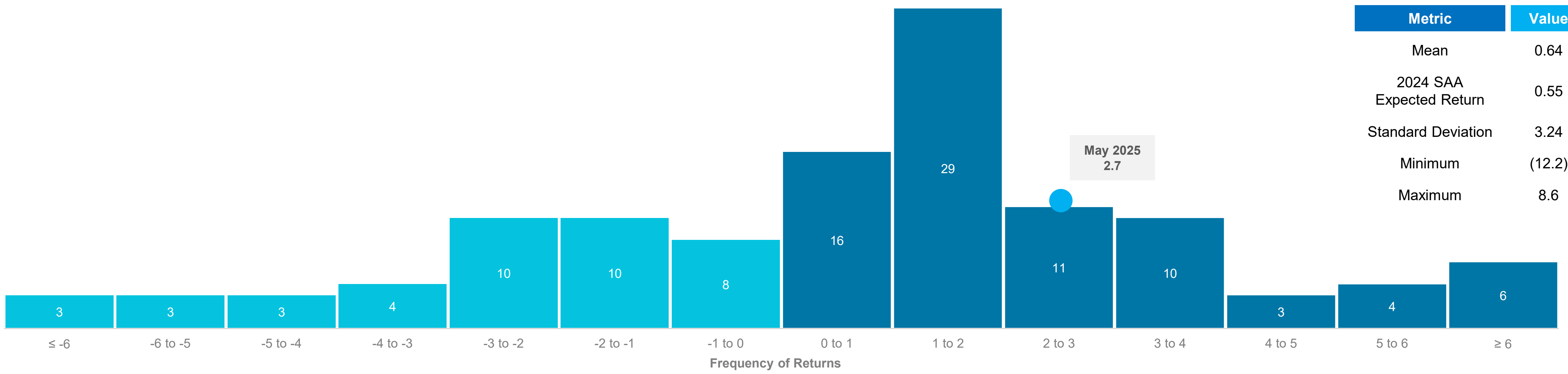
Cash (in millions)



OPEB Trust

Historical Net Performance as of May 2025

OPEB Trust



Monthly Returns (net)
06/2015 – 05/2025
# of months: 120

Metric	Value
Mean	0.64
2024 SAA Expected Return	0.55
Standard Deviation	3.24
Minimum	(12.2)
Maximum	8.6

	Market Value ($ mm)	% of Master Trust	Target	1 Month	3 Month	FYTD	YTD	1 Year	3 Year	5 Year	10 Year
OPEB Master Trust	**4,747**			**2.7%**	**0.9%**	**8.2%**	**3.6%**	**9.6%**	**7.0%**	**8.9%**	**7.3%**
OPEB Master Trust Policy Benchmark				2.1%	0.9%	7.6%	3.3%	8.8%	6.3%	8.4%	6.3%
OPEB Actuarial Hurdle				0.5%	1.5%	5.7%	2.6%	6.2%	6.1%	6.0%	6.0%
OPEB Growth	**2,179**	**45.9%**	**45.0%**	**5.7%**	**2.6%**	**11.1%**	**5.2%**	**13.1%**	**11.9%**	**13.3%**	
OPEB Growth Policy Benchmark				5.1%	2.4%	11.2%	4.8%	13.4%	11.7%	13.1%	
OPEB Credit	**750**	**15.8%**	**16.0%**	**1.5%**	**0.9%**	**6.9%**	**2.2%**	**7.2%**	**7.0%**	**5.2%**	
OPEB Credit Policy Benchmark				0.0%	0.0%	6.9%	1.4%	7.7%	7.4%	5.7%	
OPEB Real Assets & Inflation Hedges	**608**	**12.8%**	**13.0%**	**0.9%**	**-1.6%**	**7.2%**	**2.1%**	**8.5%**	**0.3%**	**7.7%**	
OPEB RA & IH Policy Benchmark				0.9%	0.6%	3.9%	3.0%	3.4%	-2.1%	6.0%	
OPEB Risk Reduction & Mitigation	**1,209**	**25.5%**	**26.0%**	**-1.0%**	**-1.1%**	**3.5%**	**2.1%**	**4.7%**	**1.2%**	**-0.7%**	
OPEB RR & M Policy Benchmark				-1.0%	-1.1%	3.3%	2.1%	4.5%	0.5%	-1.1%	
OPEB HL PM Cash	**0**	**0.0%**									

OPEB Trust

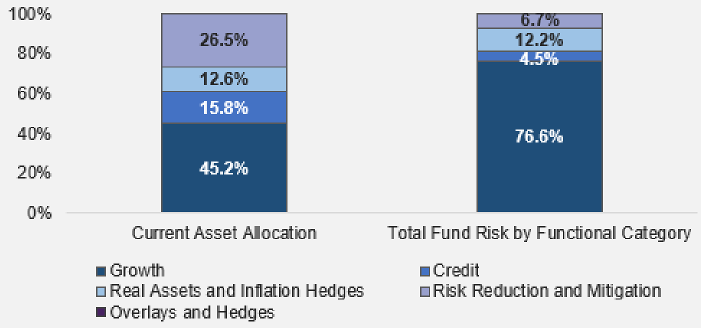
Forecast Volatility as of May 2025[10]

VOLATILITY

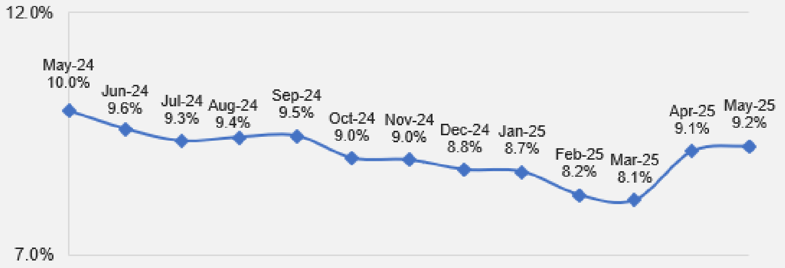
Measures how much a portfolio can fluctuate over 1Y

OPEB TRUST VOLATILITY	BENCHMARK VOLATILITY
9.2%	9.2%

OPEB Trust Asset Allocation
Capital-based versus Risk-based



Forecasted OPEB Trust Volatility Trend

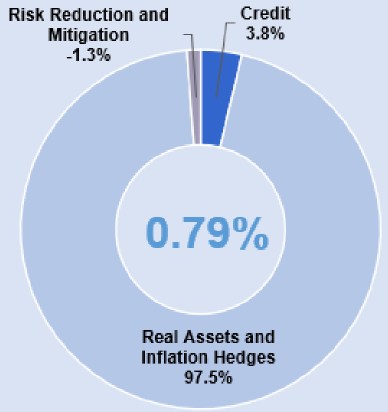


ACTIVE RISK

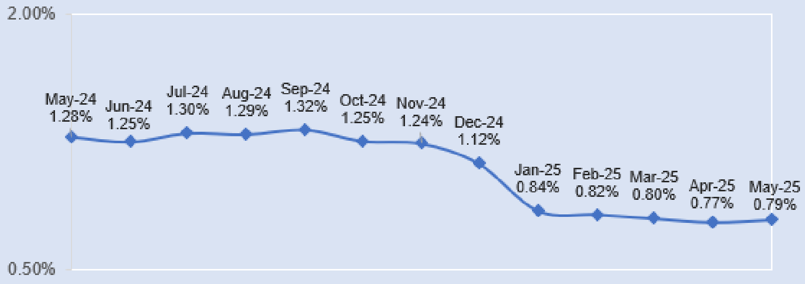
1Y forecast that measures how closely the portfolio tracks the benchmark

OPEB TRUST ACTIVE RISK	ALLOCATION RISK	SELECTION RISK
0.79%	0.01%	0.78%

Functional Category Contributions to Active Risk



Forecasted Active Risk Trend



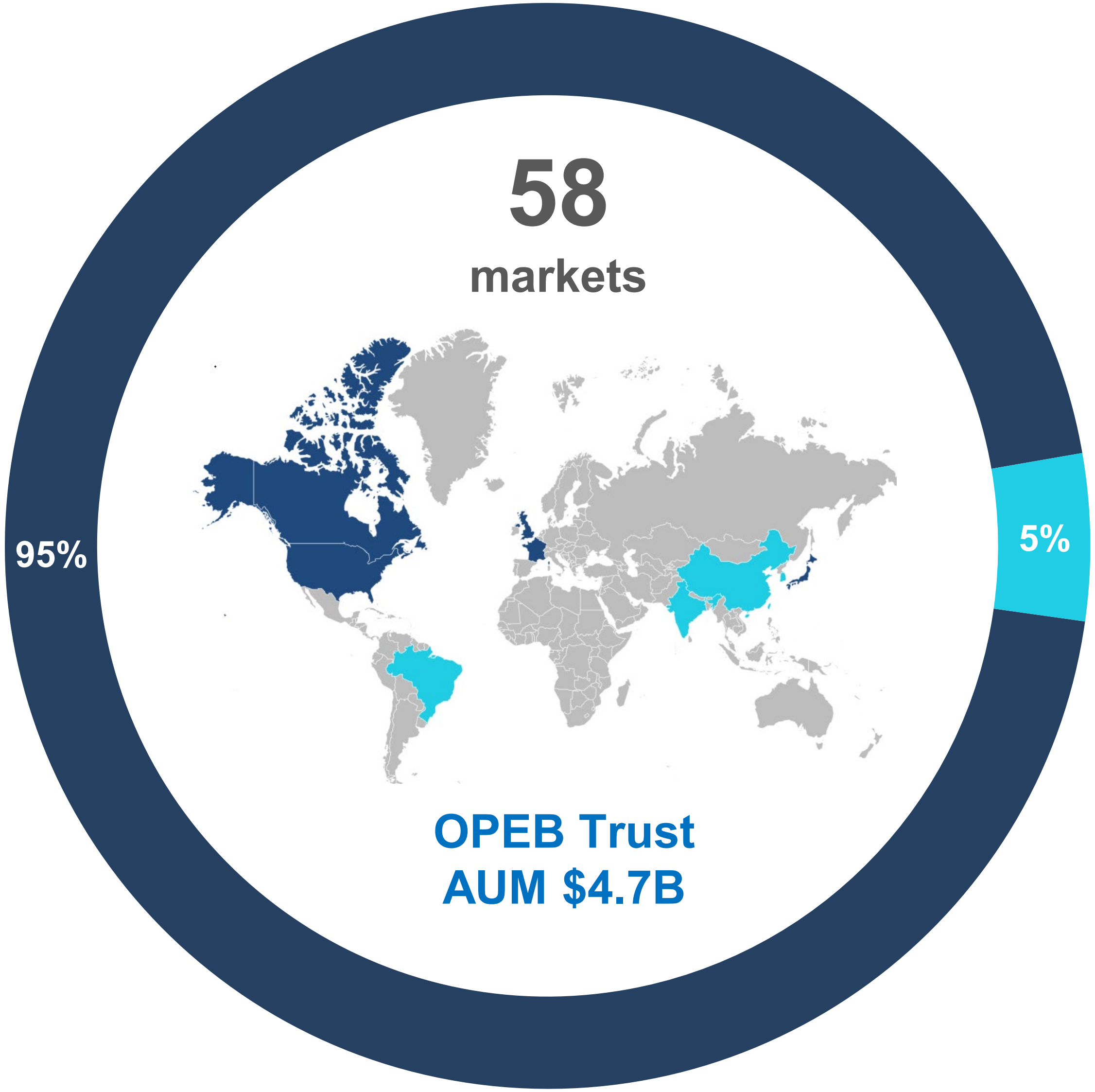
Source: MSCI BarraOne

OPEB Trust

Geographic Exposure by AUM as of May 2025[11,12]

25
developed markets

Top 5 Countries	Portfolio
United States	79.6%
Japan	2.8%
Canada	2.3%
United Kingdom	2.2%
France	1.2%



33
emerging & frontier markets

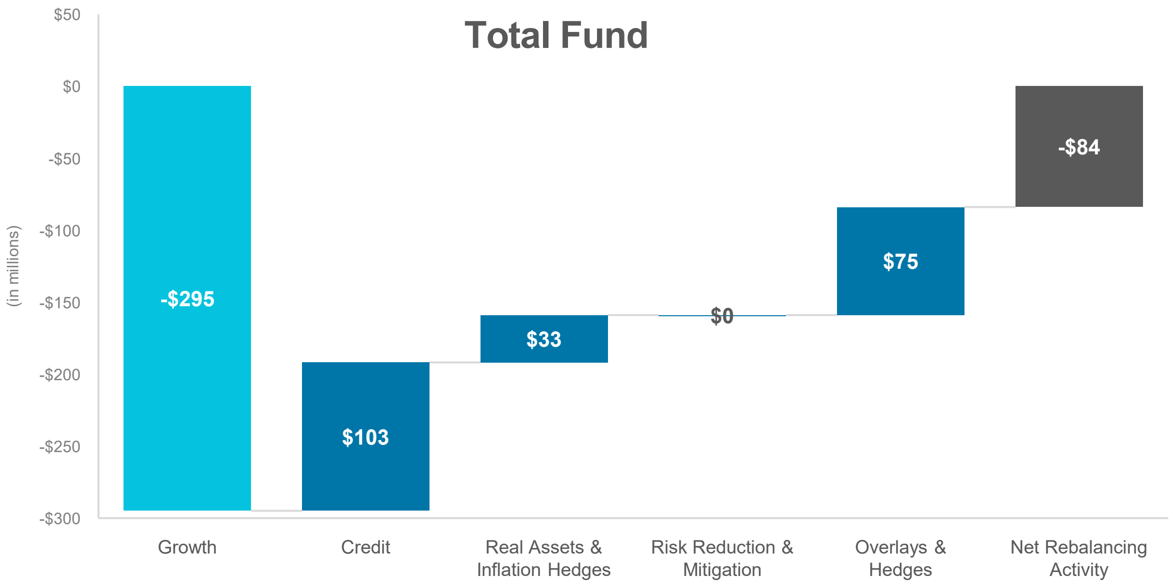
Top 5 Countries	Portfolio
China	1.3%
India	1.0%
Taiwan	0.8%
South Korea	0.5%
Brazil	0.2%

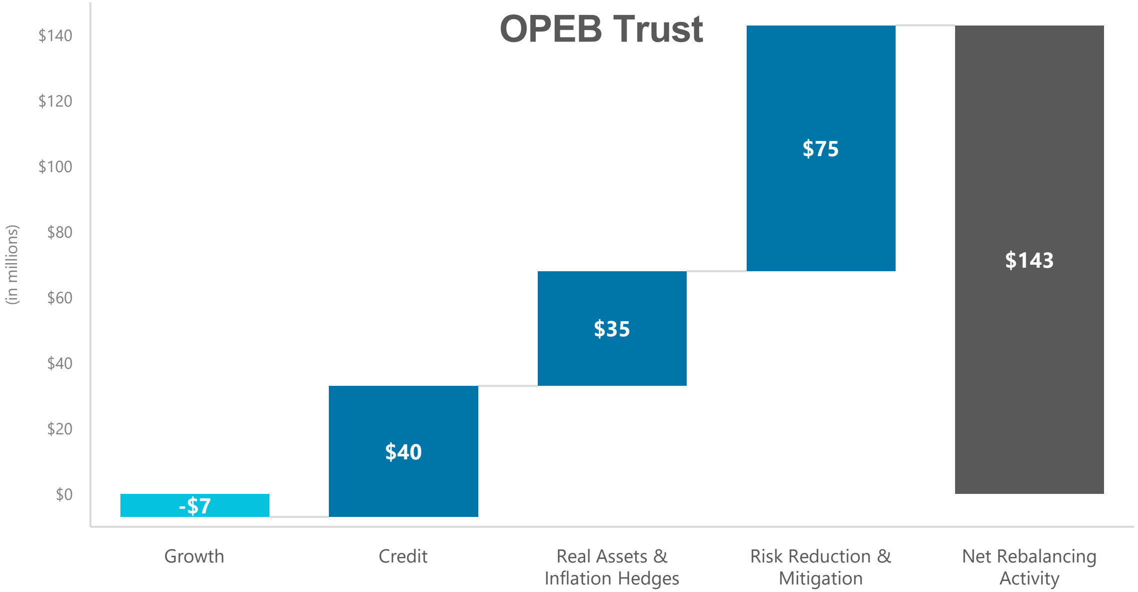
04

Portfolio & Structural Updates

Portfolio Updates

Rebalancing Activity





Overlays & Hedges

Program	May Gain / (Loss) in $ millions	Since Inception Gain / (Loss) in $ millions
Currency Hedge	(74.8)	1,582.8
Cash / Rebalance Overlay	(13.2)	547.9

Key Initiatives and Operational Updates

Key Initiatives & Operational Updates

	Status
Total Fund	
April 2024 approved Strategic Asset Allocation implementation	In Progress
Adhering to the BOI-approved 2025 Strategic Framework	In Progress
Risk system onboarding	In Progress
Manager surveys distributed for annual TIDE report	In Progress
OPEB Trust	
April 2024 approved Strategic Asset Allocation implementation	In Progress
Risk system onboarding	In Progress

Open Personnel Searches

	Status
Investments Division	
Principal Investment Officer – 1 position	In Development
Finance Analyst III – 3 positions	In Development
Finance Analyst II – 3 positions	In Progress
Finance Analyst I – 2 positions	In Progress

Key Initiatives and Operational Updates

Manager / Consultant Updates

Firm	Mandate	Asset Class	LACERA AUM (prior month end, in millions)	Update
Capital Group	Separate Account	Global Equities	$455	Matt Knihtila will assume the role of Chief Compliance Officer (CCO) for three of Capital Group's SEC-registered investment adviser entities, effective July 1, 2025, as part of a planned leadership transition. He will succeed Naseem Nixon. Matt brings 20 years of industry experience and currently serves as Deputy CCO.
Angelo Gordon	Fund – Asia Realty Fund IV	Real Estate	$42	Wilson Leung, Head of TPG Angelo Gordon's Asia Real Estate team, will retire at the end of 2025 after over two decades with the firm, transitioning to a senior advisor role through 2026. Steven Cha will succeed him as Head of Asia Real Estate, supported by a leadership team including Tetsu Yaoka, Ek Choi, Kyu Park, Ken Ng, and Zoe Zuo.

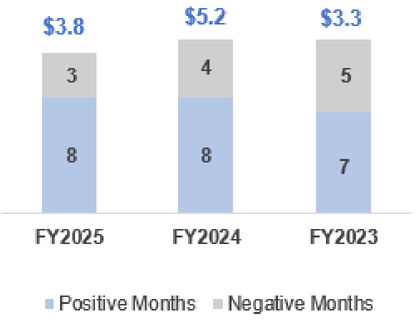
Change In Fiduciary Net Position[13]

FIDUCIARY NET POSITION
Additions
+
Deductions

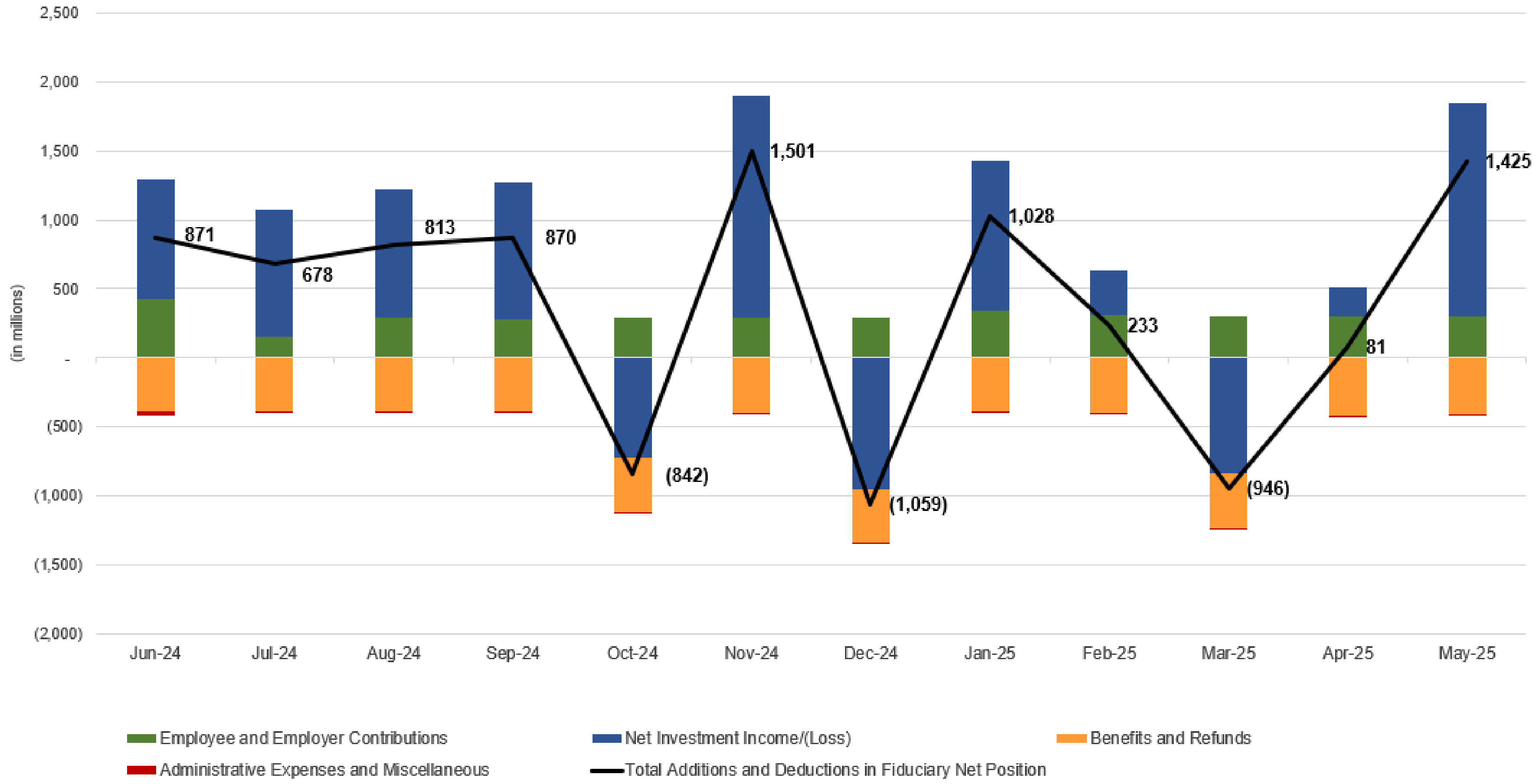
ADDITIONS
Employer and Employee Contributions
Net Investment Income/(Loss)

DEDUCTIONS
Benefits and Refunds
Administrative Expenses

Total Net Position Change Trend
(in billions)



Additions and Deductions in Net Fiduciary Position (Unaudited)

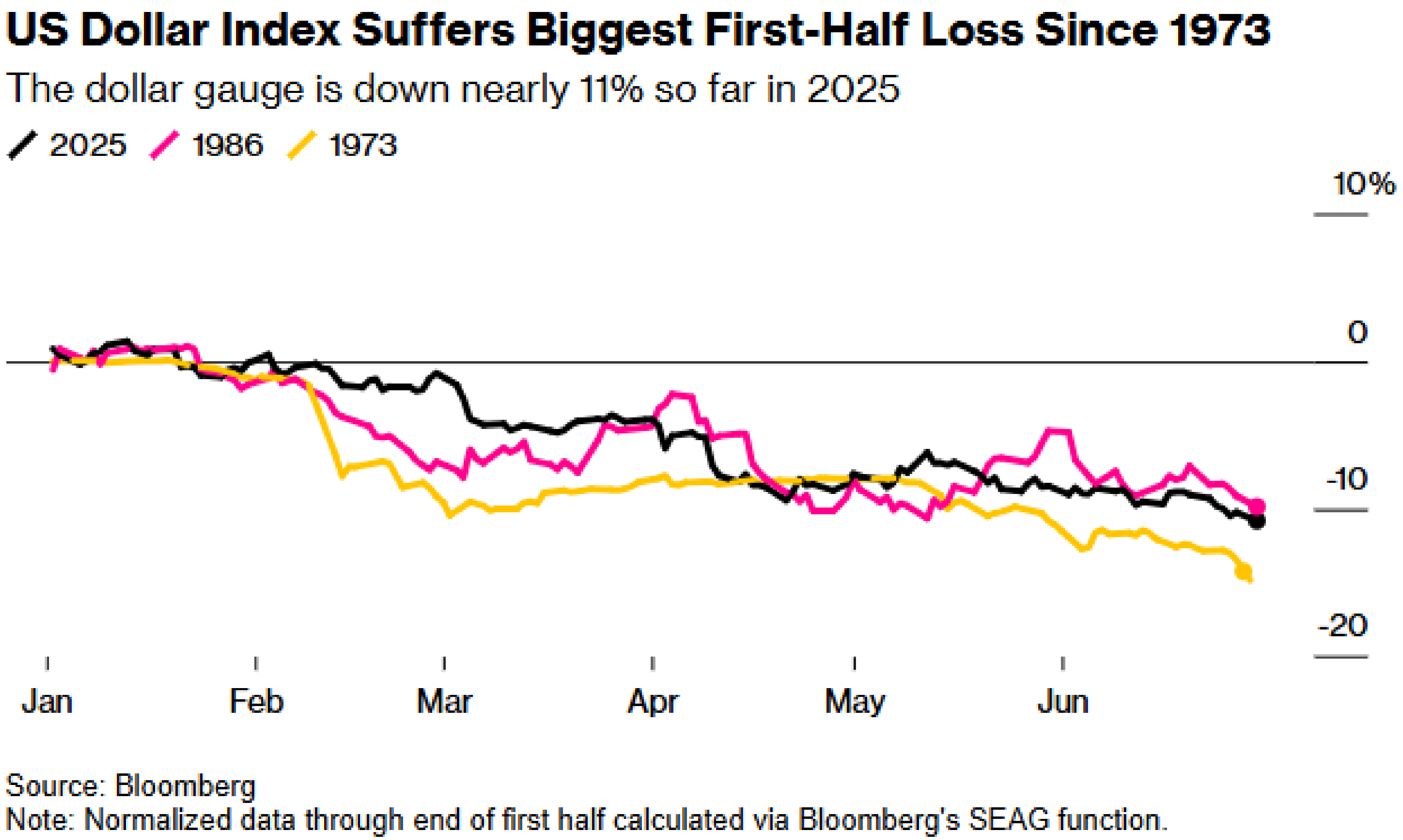


05

Appendix

Staff Chart of the Month

U.S. Dollar Suffers Worst Start to Year Since 1973



Quiet Period for Search Respondents

Real Assets Emerging Manager Program
Discretionary Separate Account Manager

RFP Launched
Q1 2024

Diligence Period
Q2-Q3 2024

Investment Committee Approval
Q1 2025

Negotiation Phase
Q2 2025

▪ Artemis Real Estate Partners	▪ ORG Portfolio Management
▪ Aether Investment Partners	▪ Barings
▪ Neuberger Berman Group	▪ Belay Investment Group
▪ The Townsend Group	▪ Hamilton Lane
▪ BGO Strategic Capital Partners	▪ Cambridge Associates
▪ BlackRock	▪ Seed Partners
▪ StepStone	▪ Stable Asset Management
▪ GCM Grosvenor	▪ Wafra Inc.

Quiet Period for Search Respondents

Overlays and Hedges
Passive Cash Overlay Investment Manager

RFP Launched
Q2 2025

Diligence Period
Q3 2025

- NISA Investment Advisors
- Parametric Portfolio Associates
- Russell Investments
- State Street Investment Management

Disclosures & Definitions

Page / Footnote	Disclosure
Page 5 / Footnote 1	NCREIF Fund Index – ODCE (Net) returns represent the latest available quarterly performance.
Page 6 / Footnote 2	The information on the “Key Macro Indicators” charts is the best available data and may not reflect the current market and economic environment.
Page 8, 13 / Footnote 3, 9	Reference portfolio = 60% MSCI ACWI IMI / 40% Bloomberg US Aggregate Bond Index.
Page 8, 9 / Footnote 4, 5	Other Assets include receivables due to deferred sales and rebalancing activity pending settlement.
Page 10, 15 / Footnote 6, 10	Real estate and private equity data is based on best available cash flow adjusted market values. Exposure data is based on security level holdings and/or proxies.
Page 11, 16 / Footnote 7, 11	Geographic exposure ex-overlays and hedges is based on the domicile country of a given security/asset.
Page 11, 16 / Footnote 8, 12	Information displayed represents best available holdings level transparency. Based on MSCI Market Classification Framework.
Page 21 / Footnote 13	Includes unrealized and realized net investment income.

Term	Definition
Active risk	Risk that a managed portfolio creates to outperform the benchmark returns.
Allocation risk	Investment manager’s decision to overweight or underweight sector weights in the portfolio versus the benchmark.
Mean	Expected return of an asset over a specified period.
Selection risk	Investment manager’s selection of securities within the portfolio versus the benchmark.
Standard deviation	Statistical measure of dispersion around the mean.
Volatility	Statistical measure of dispersion of returns for a portfolio.