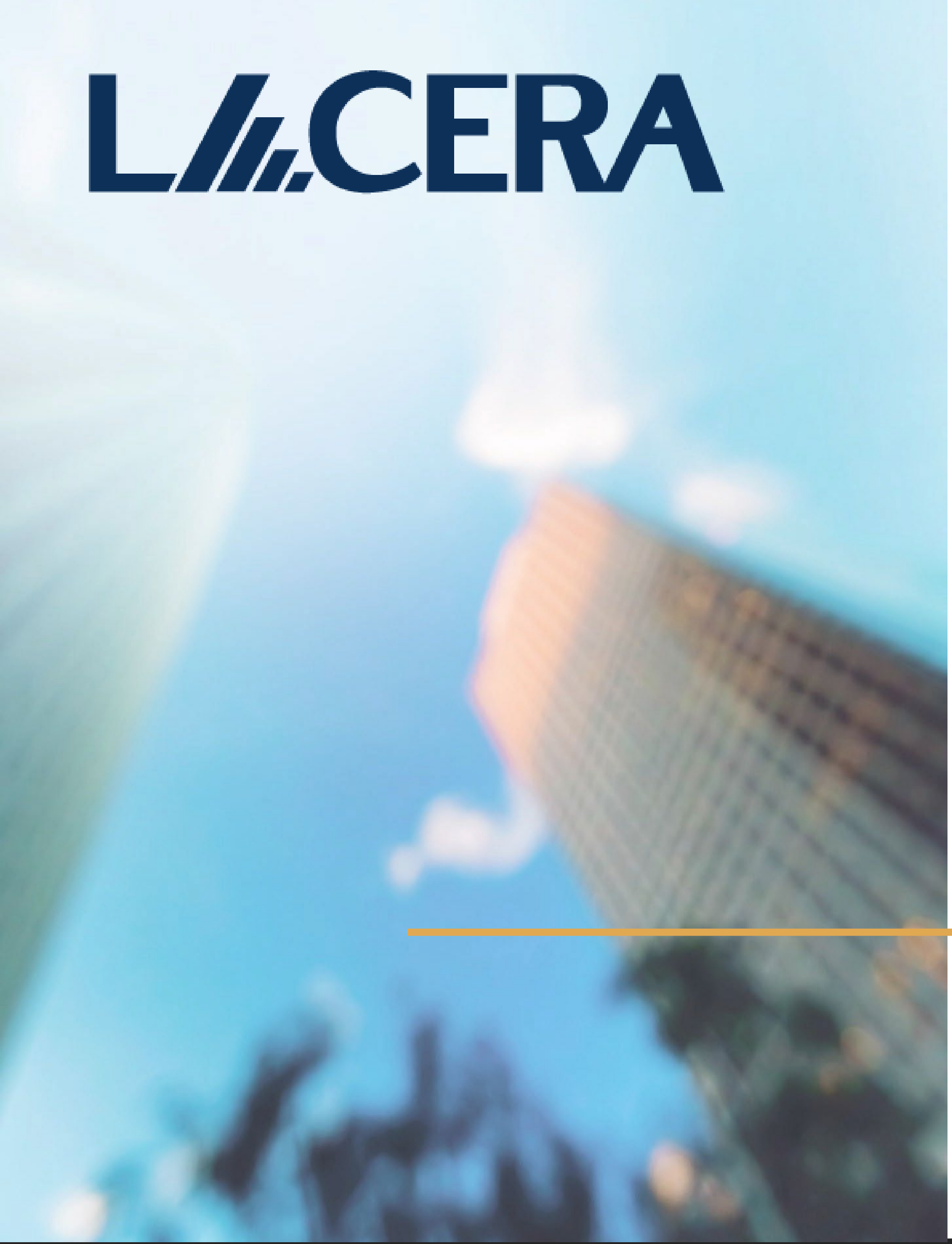


Chief Investment Officer Monthly Report

Jonathan Grabel – Chief Investment Officer

Board of Investments Meeting
January 14, 2026

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 approved its third 25 basis point interest rate cut in 2025 amid labor market softening

Economic data and trends

- Inflation, tariffs, elevated trade tensions, & labor developments

Artificial intelligence

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

Stewardship and ESG-related developments

- Regulatory policy debates on investor rights, proxy research regulation, and corporate reporting requirements
- Reduced accounting and crypto currency regulatory enforcement actions

Market Themes

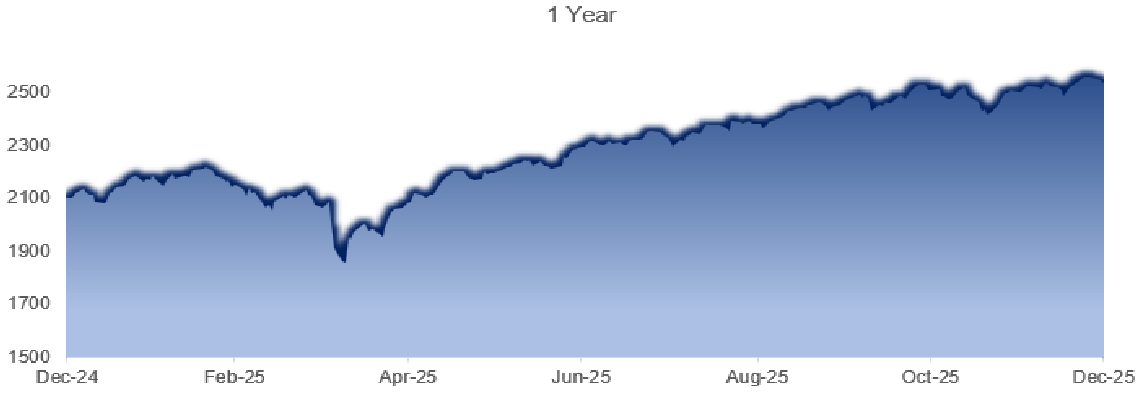
- **Tariff Impacts:** U.S. trade policy uncertainty from broad tariff implementations continued to affect business sentiment, supply chains, inflation expectations, and economic growth forecasts
- **Inflation**: Inflation remained elevated but softened, with recent CPI data indicating a year-over-year rate of approximately 2.7%, below consensus expectations
- **Federal Reserve Policy**: On December 10th, the Federal Reserve cut the federal funds rate by another 25 basis points. The third cut of 2025, the new range is 3.50-3.75%. The reduction was intended to support labor market stability and mitigate downside economic risks
- **Geopolitical Uncertainty:** Geopolitical uncertainty remained elevated amid ongoing conflicts in the Middle East, continued U.S.–China strategic competition, and persistent trade and industrial policy fragmentation. These dynamics continued to weigh on risk appetite among investors
- **Corporate Earnings**: Corporate earnings momentum remained resilient despite ongoing macro and policy headwinds. Strong results in technology and AI-related sectors contributed to earnings stability, while earnings growth was more mixed in trade-sensitive and cyclical industries, supporting modest positive revisions overall

Global Market Performance

As of December 31, 2025

MSCI ACWI IMI Index (Global Equity Market)*

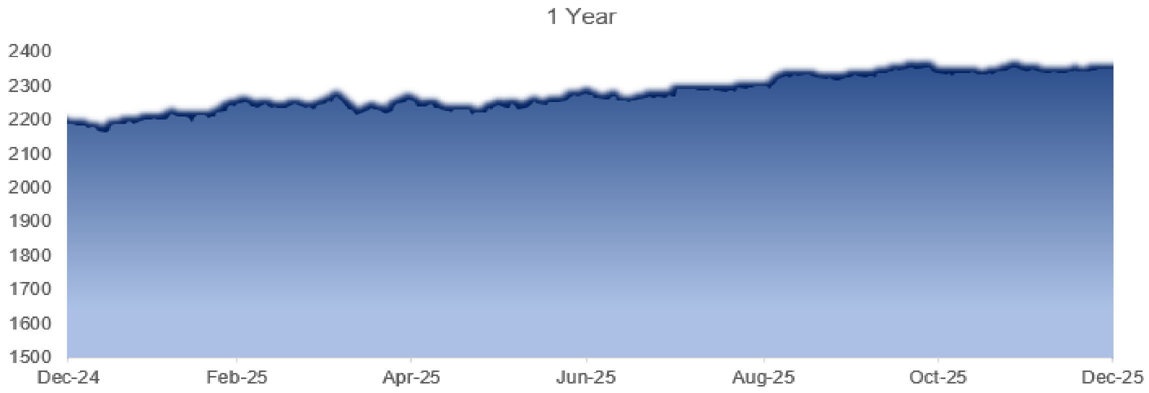
Trailing Returns (%)				Annualized Returns (%)			
1-Month	3-Month	FYTD	YTD	1Y	3Y	5Y	10Y
1.0	3.2	11.1	22.1	22.1	20.0	10.7	11.4



*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
-0.1	1.1	3.2	7.3	7.3	4.7	-0.4	2.0

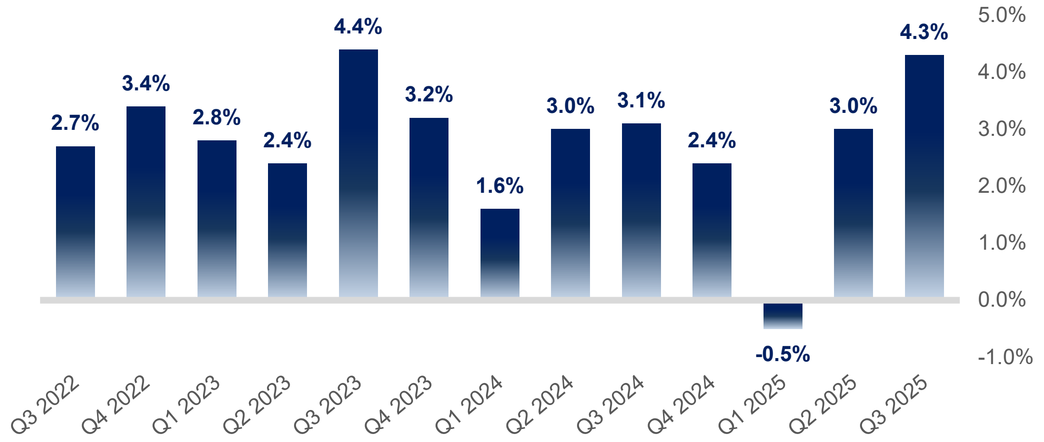


**Investment Grade Bonds Policy Benchmark - Barclays U.S. Aggregate Bond Index

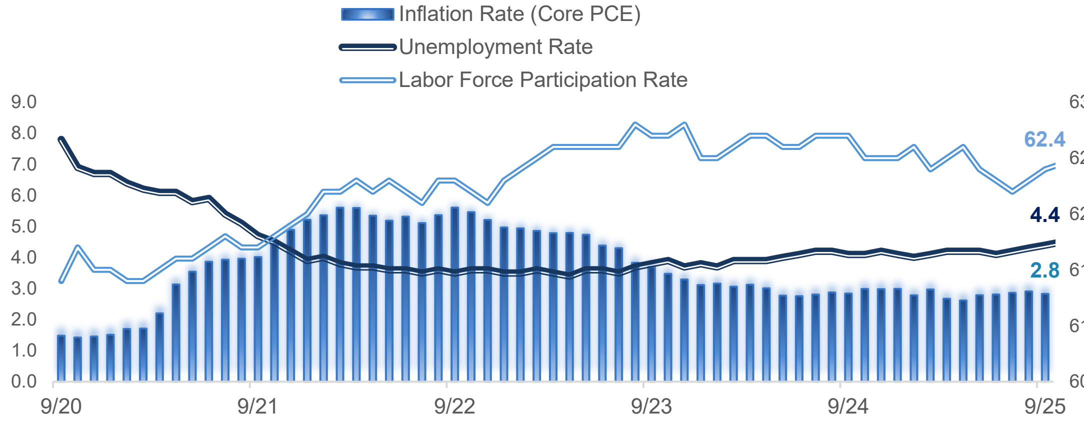
Market	Sub-Category	Index Name	1 M	3 M	FYTD	YTD	1 Y	3 Y	5 Y	10 Y
Reference Portfolio	60:40 Equity:Bond Portfolio	60% MSCI ACWI IMI/ 40% Bloomberg U.S. Aggregate Index	0.6	2.4	7.9	16.1	16.1	13.7	6.3	7.8
Global Equity	U.S. Large Cap	S&P 500 Total Return	0.1	2.7	11.0	17.9	17.9	23.0	14.4	14.8
	U.S. Small Cap	Russell 2000 Total Return	-0.6	2.2	14.9	12.8	12.8	13.7	6.1	9.6
	Non-U.S. All Cap	MSCI ACWI-ex U.S. IMI Total Return	2.9	4.8	11.9	32.0	32.0	17.1	7.8	8.4
	Emerging Markets	MSCI Emerging Markets Total Return	3.0	4.7	15.9	33.6	33.6	16.4	4.2	8.4
Private Equity	Private Equity Buyout	Thomson Reuters PE Buyout Index	1.1	3.6	13.6	26.2	26.2	20.0	9.1	12.9
Fixed Income	U.S. Corporate High Yield Bonds	Bloomberg U.S. Corporate High Yield Total Return	0.6	1.3	3.9	8.6	8.6	10.1	4.5	6.5
	U.S. Long Term Treasury Bonds	Bloomberg Long Term U.S. Treasury Total Return Index	-1.7	0.0	2.4	5.6	5.6	0.6	-7.2	0.0
	Developed Markets Leveraged Loans	Credit Suisse Leveraged Loan Total Return	0.7	1.2	2.9	5.9	5.9	9.3	6.4	5.8
Real Assets & Inflation Hedges	Natural Resources	S&P Global Natural Resources Total Return Index	3.5	6.9	17.0	29.7	29.7	7.4	11.3	11.1
	Global Infrastructure	Dow Jones Brookfield Global Infrastructure Composite Index	-1.0	0.4	2.0	14.0	14.0	10.5	9.0	7.3
	Treasury Inflation-Protected Securities	Bloomberg U.S. Treasury TIPS 0-5 Years Total Return	0.1	0.4	2.0	6.1	6.1	5.1	3.5	3.2
	Real Estate	NCREIF Fund Index - ODCE (Net)[1]	—	0.5	0.5	2.2	3.2	-6.1	2.6	4.1

Key Macro Indicators[2]

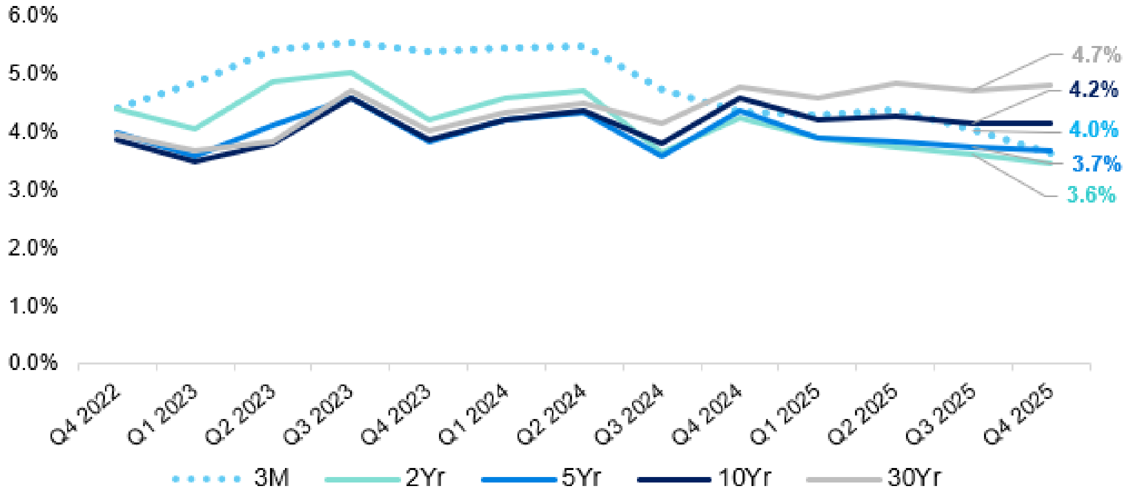
Quarterly Real GDP Growth



Inflation, Unemployment, and Labor Participation

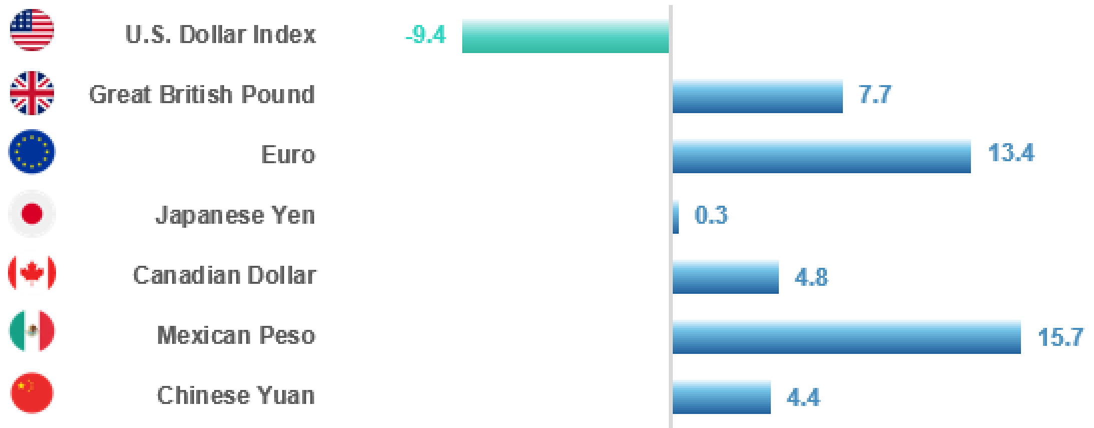


Market Yields on U.S. Treasury Securities



U.S. Dollar and Major Currency Performance

(Year-to-Date as of 12/31/2025)



Sources: Bloomberg, St. Louis Federal Reserve

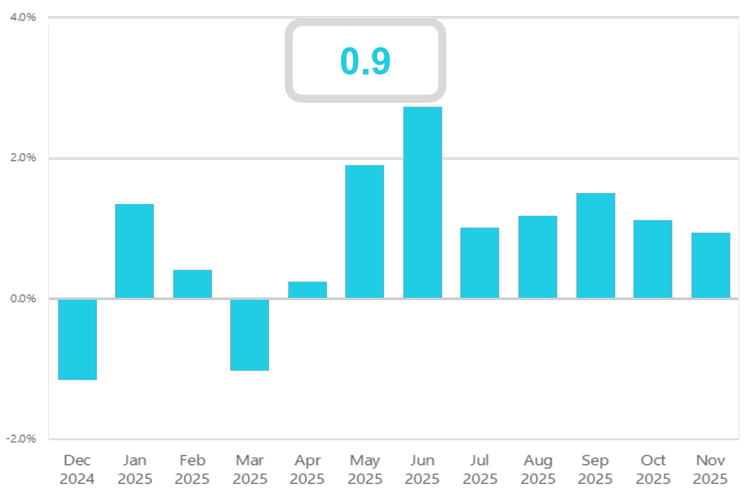
02

Total Fund Performance & Risk

Total Fund

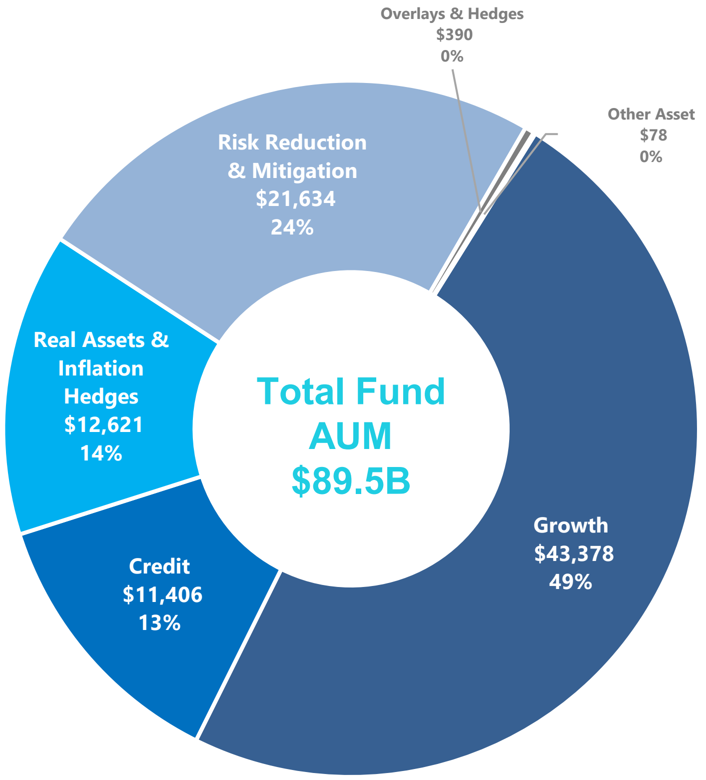
Performance Summary as of November 2025

Monthly Return (net)

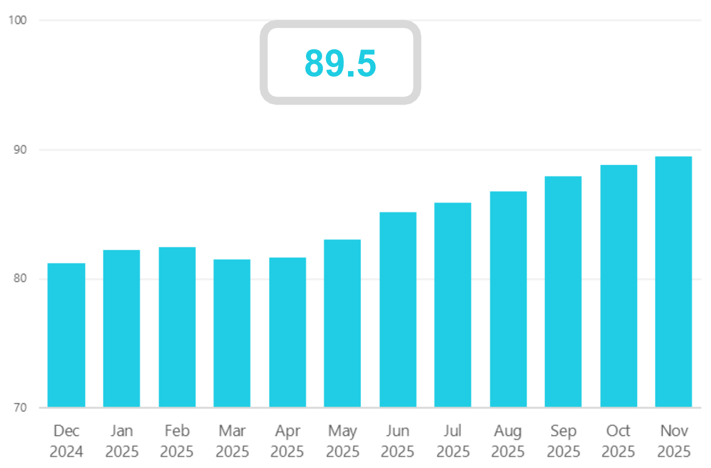


Growth of a Dollar (trailing 5Y)[3]

Asset Allocation (in millions)[4]



Total Market Value (in billions)

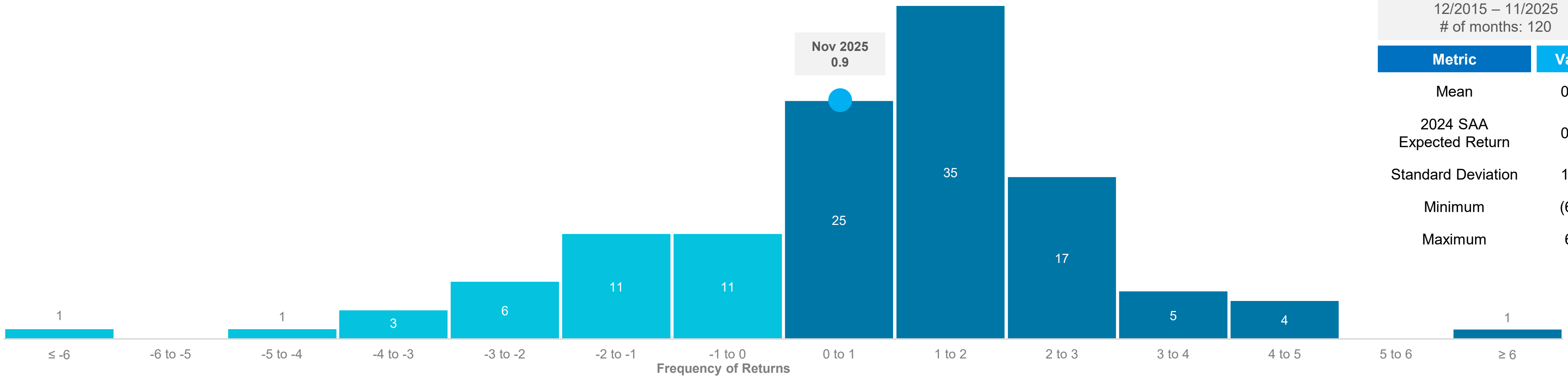


Cash Equivalents (in millions)

Total Fund

Historical Net Performance as of November 2025

LACERA Pension Fund[5]



Monthly Returns (net)
12/2015 – 11/2025
# of months: 120

Metric	Value
Mean	0.71
2024 SAA Expected Return	0.60
Standard Deviation	1.96
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	**89,508**	**100.0%**	**100.0%**	**0.9%**	**3.6%**	**5.9%**	**11.9%**	**10.6%**	**9.8%**	**8.8%**	**8.6%**
Total Fund Policy Benchmark				0.9%	4.3%	7.5%	12.1%	11.6%	11.1%	7.7%	8.2%
Total Fund Actuarial Hurdle				0.6%	1.7%	2.9%	6.4%	7.0%	7.0%	7.0%	7.0%
Growth	**43,378**	**48.5%**	**48.0%**	**0.9%**	**4.3%**	**7.8%**	**15.4%**	**13.3%**	**13.1%**	**12.1%**	
Growth Policy Benchmark				1.1%	6.8%	12.2%	18.3%	17.4%	17.2%	12.0%	
Credit	**11,406**	**12.7%**	**13.0%**	**0.5%**	**3.6%**	**4.1%**	**13.7%**	**14.3%**	**14.1%**	**9.5%**	
Credit Policy Benchmark				0.3%	1.7%	3.8%	7.0%	8.1%	10.6%	5.1%	
Real Assets & Inflation Hedges	**12,621**	**14.1%**	**15.0%**	**1.9%**	**1.9%**	**3.8%**	**8.9%**	**7.0%**	**2.1%**	**6.6%**	
RA & IH Policy Benchmark				1.4%	2.0%	3.4%	5.5%	6.4%	1.1%	5.9%	
Risk Reduction & Mitigation	**21,634**	**24.2%**	**24.0%**	**0.7%**	**2.7%**	**3.6%**	**7.2%**	**6.2%**	**4.9%**	**0.9%**	
RR & M Policy Benchmark				0.6%	2.3%	3.1%	6.9%	5.3%	4.7%	0.4%	
Overlays & Hedges	**390**	**0.4%**									
Other Asset	**78**	**0.1%**									

Total Fund

Forecast Volatility as of November 2025[6]

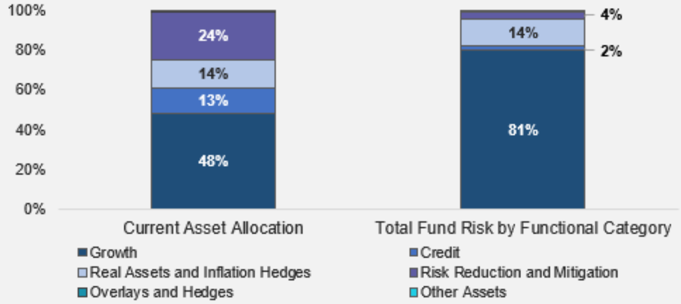
VOLATILITY

Measures how much a portfolio can fluctuate over 1Y

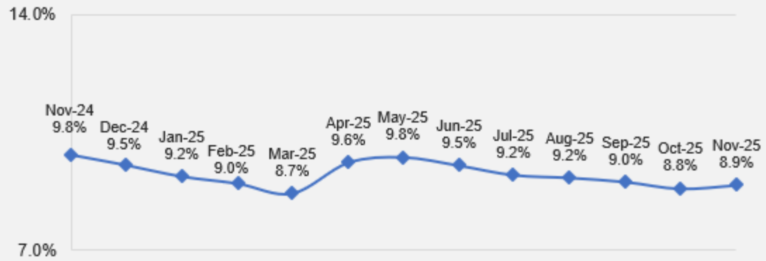
TOTAL FUND VOLATILITY	BENCHMARK VOLATILITY
8.9%	9.0%

Total Fund Asset Allocation

Capital-based versus Risk-based



Forecasted Total Fund Volatility Trend

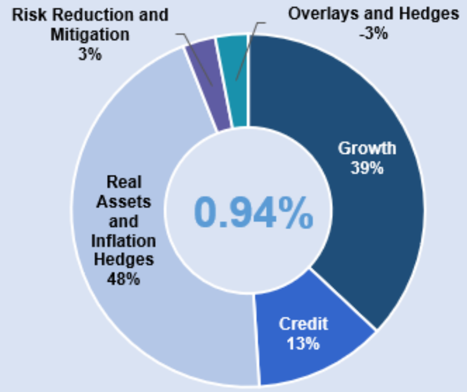


ACTIVE RISK

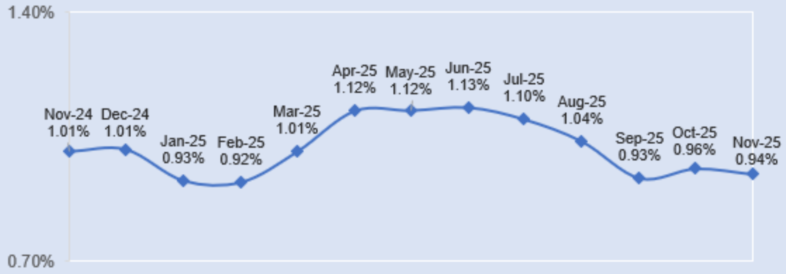
1Y forecast that measures how closely the portfolio tracks the benchmark

TOTAL FUND ACTIVE RISK	ALLOCATION RISK	SELECTION RISK
0.94%	-0.01%	0.95%

Functional Category Contributions to Active Risk



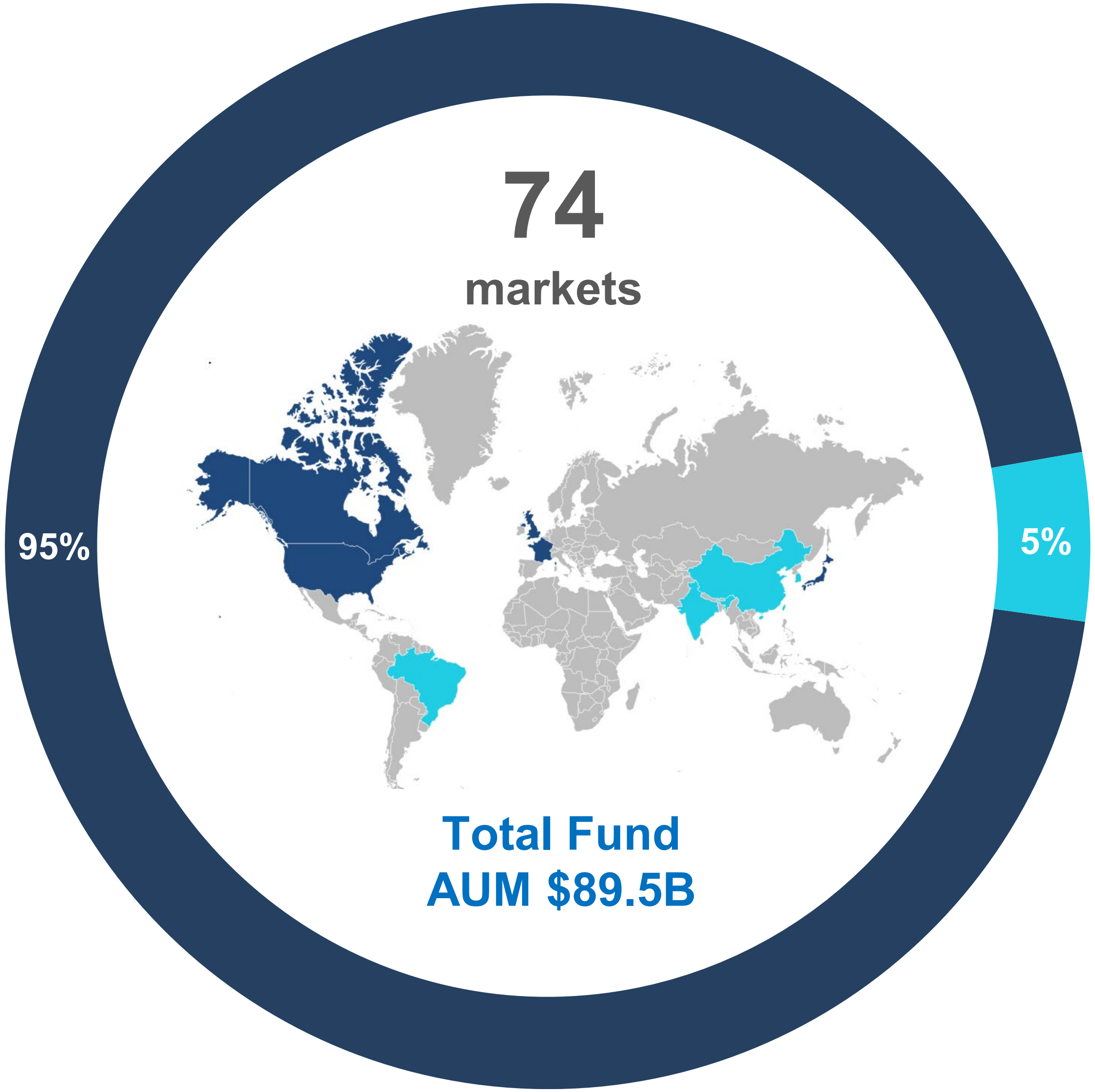
Forecasted Active Risk Trend



Source: MSCI BarraOne

Total Fund

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



26

developed markets

Top 5 Countries	Portfolio
United States	75.8%
United Kingdom	4.6%
Canada	2.5%
Japan	1.8%
France	1.6%

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emerging & frontier markets

Top 5 Countries	Portfolio
China	1.8%
Taiwan	0.7%
South Korea	0.5%
Brazil	0.5%
India	0.4%

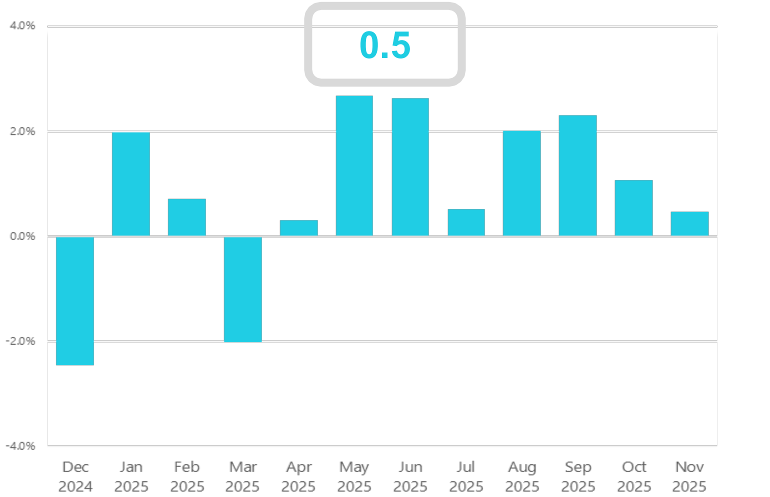
03

OPEB Trust Performance & Risk

OPEB Trust

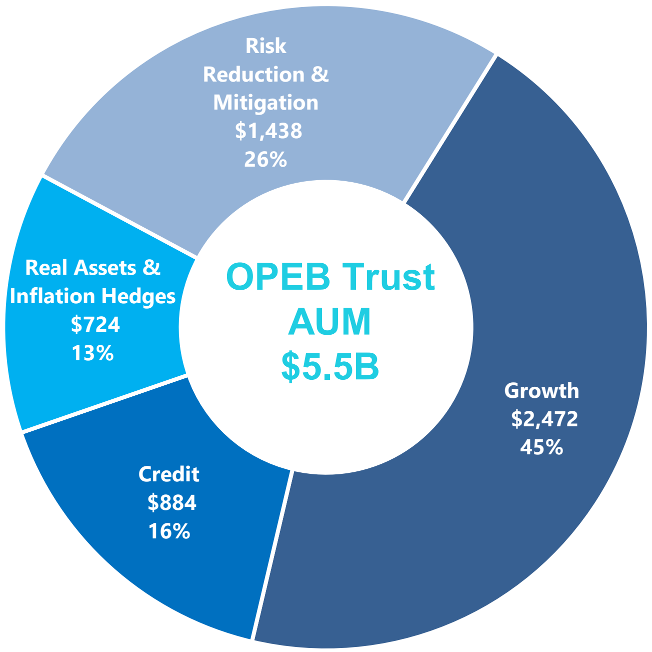
Performance Summary as of November 2025

Monthly Return (net)

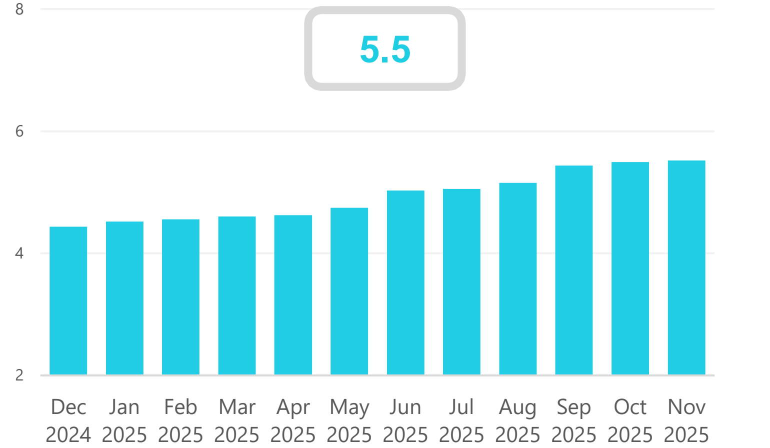


Growth of a Dollar (trailing 5Y)[9]

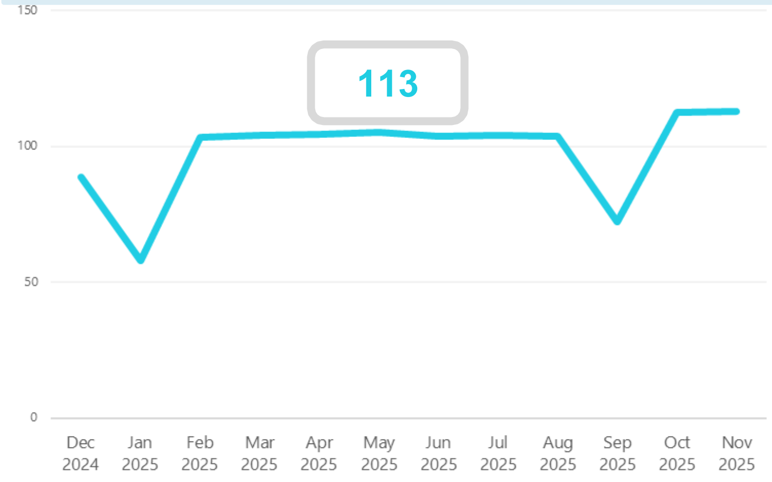
Asset Allocation (in millions)



Total Market Value (in billions)



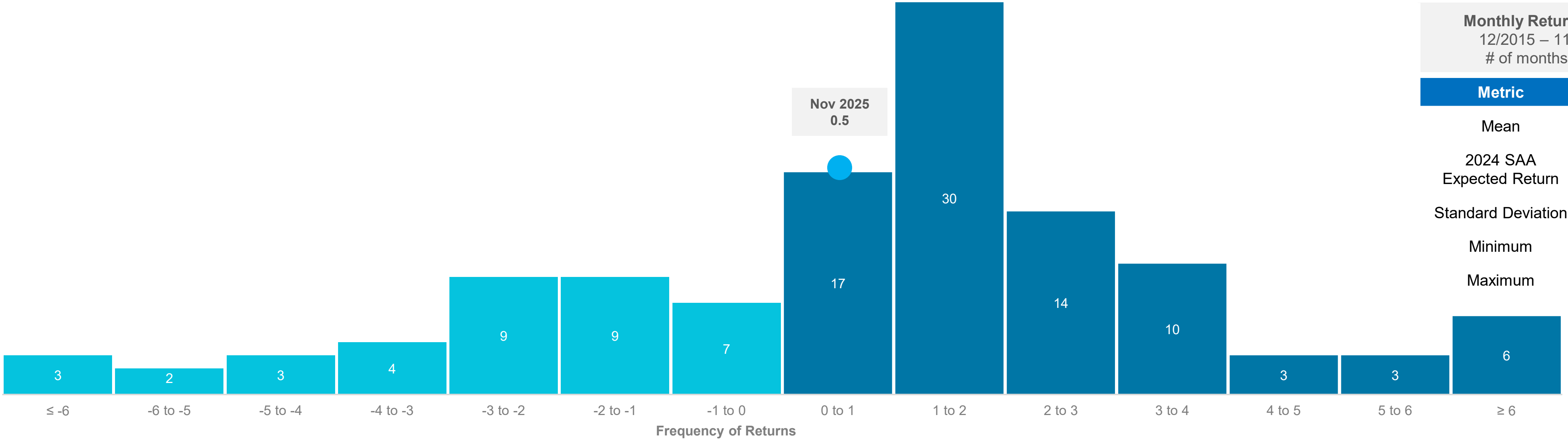
Cash Equivalents (in millions)



OPEB Trust

Historical Net Performance as of November 2025

OPEB Trust



Monthly Returns (net)
12/2015 – 11/2025
# of months: 120

Metric	Value
Mean	0.75
2024 SAA Expected Return	0.55
Standard Deviation	3.15
Minimum	(12.2)
Maximum	8.6

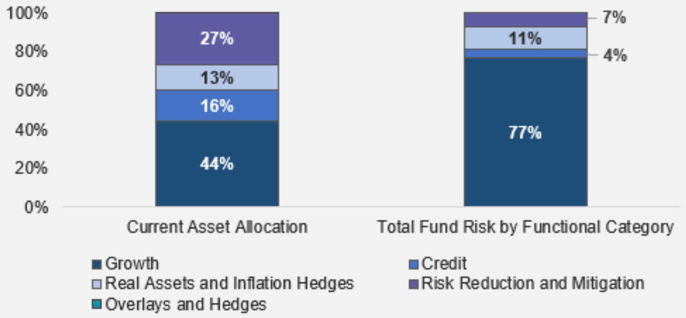
	Market Value ($ mm)	% of Master Trust	Target	1 Month	3 Month	FYTD	YTD	1 Year	3 Year	5 Year	10 Year
OPEB Master Trust	**5,520**			**0.5%**	**3.9%**	**6.5%**	**13.3%**	**10.5%**	**11.5%**	**7.7%**	**8.8%**
OPEB Master Trust Policy Benchmark				0.5%	3.9%	6.8%	13.1%	11.6%	10.9%	7.3%	7.7%
OPEB Actuarial Hurdle				0.5%	1.0%	2.6%	5.7%	6.2%	6.1%	6.1%	6.0%
LACERA Master OPEB Trust Fund	**5,518**		**100.0%**	**0.5%**	**3.9%**	**6.6%**	**13.4%**	**10.6%**	**11.5%**	**7.7%**	
OPEB Growth	**2,472**	**44.8%**	**45.0%**	**0.2%**	**6.0%**	**10.3%**	**21.4%**	**18.0%**	**18.4%**	**11.9%**	
OPEB Growth Policy Benchmark				0.4%	6.1%	10.8%	20.3%	17.7%	18.4%	11.6%	
OPEB Credit	**884**	**16.0%**	**16.0%**	**0.4%**	**2.0%**	**3.4%**	**7.0%**	**6.9%**	**8.9%**	**4.6%**	
OPEB Credit Policy Benchmark				0.3%	1.7%	3.8%	7.0%	8.1%	10.0%	5.1%	
OPEB Real Assets & Inflation Hedges	**724**	**13.1%**	**13.0%**	**1.4%**	**1.5%**	**4.0%**	**6.1%**	**1.6%**	**4.8%**	**6.4%**	
OPEB RA & IH Policy Benchmark				1.0%	1.3%	3.7%	8.2%	7.6%	1.3%	4.9%	
OPEB Risk Reduction & Mitigation	**1,438**	**26.1%**	**26.0%**	**0.6%**	**2.8%**	**3.5%**	**7.4%**	**5.0%**	**3.9%**	**0.0%**	
OPEB RR & M Policy Benchmark				0.6%	2.7%	3.4%	7.2%	4.7%	3.6%	-0.4%	
OPEB HL PM Cash	**0**	**0.0%**									

OPEB Trust
Forecast Volatility as of November 2025[10]

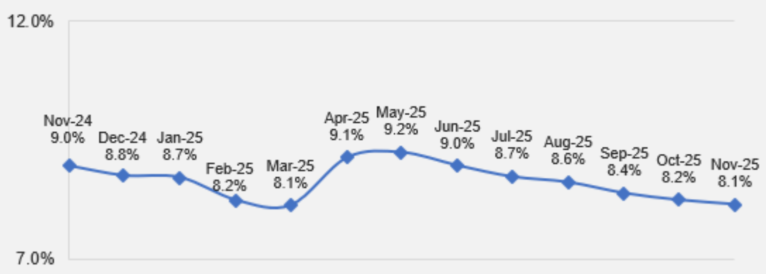
VOLATILITY
Measures how much a portfolio can fluctuate over 1Y

OPEB TRUST VOLATILITY	BENCHMARK VOLATILITY
8.1%	8.3%

OPEB Trust Asset Allocation
Capital-based versus Risk-based



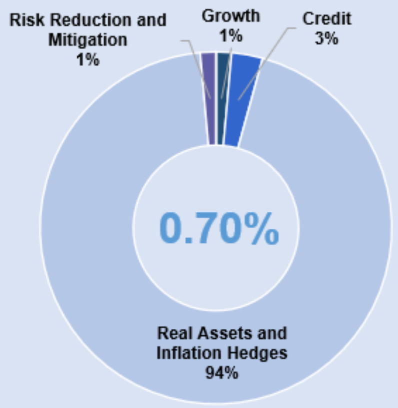
Forecasted OPEB Trust Volatility Trend



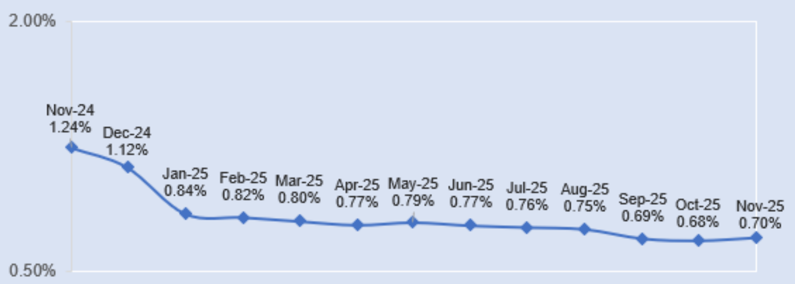
ACTIVE RISK
1Y forecast that measures how closely the portfolio tracks the benchmark

OPEB TRUST ACTIVE RISK	ALLOCATION RISK	SELECTION RISK
0.70%	0.03%	0.67%

Functional Category Contributions to Active Risk



Forecasted Active Risk Trend



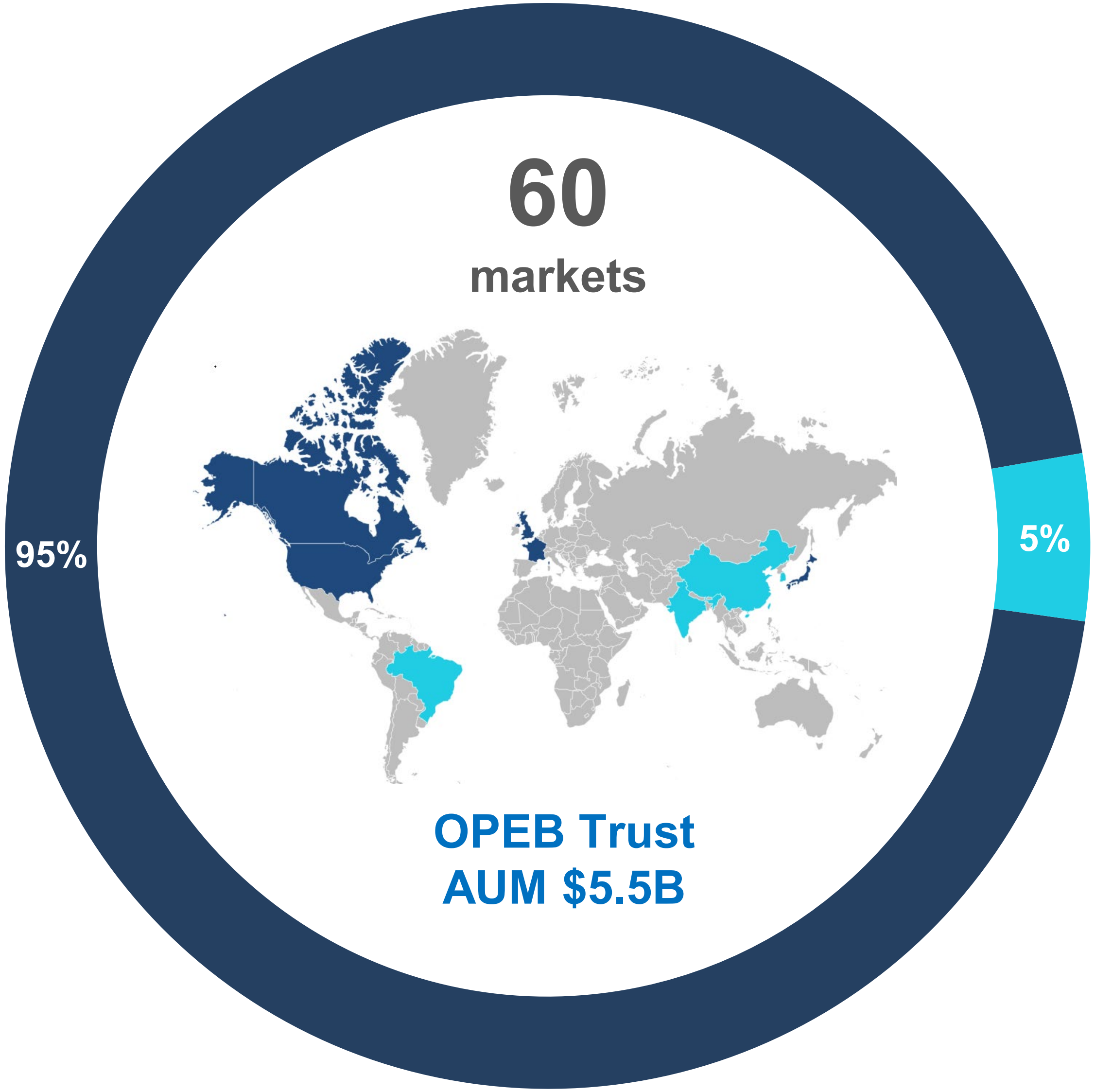
Source: MSCI BarraOne

OPEB Trust

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

26
developed markets

Top 5 Countries	Portfolio
United States	80.3%
Japan	2.7%
Canada	2.4%
United Kingdom	2.1%
France	1.1%



34
emerging & frontier markets

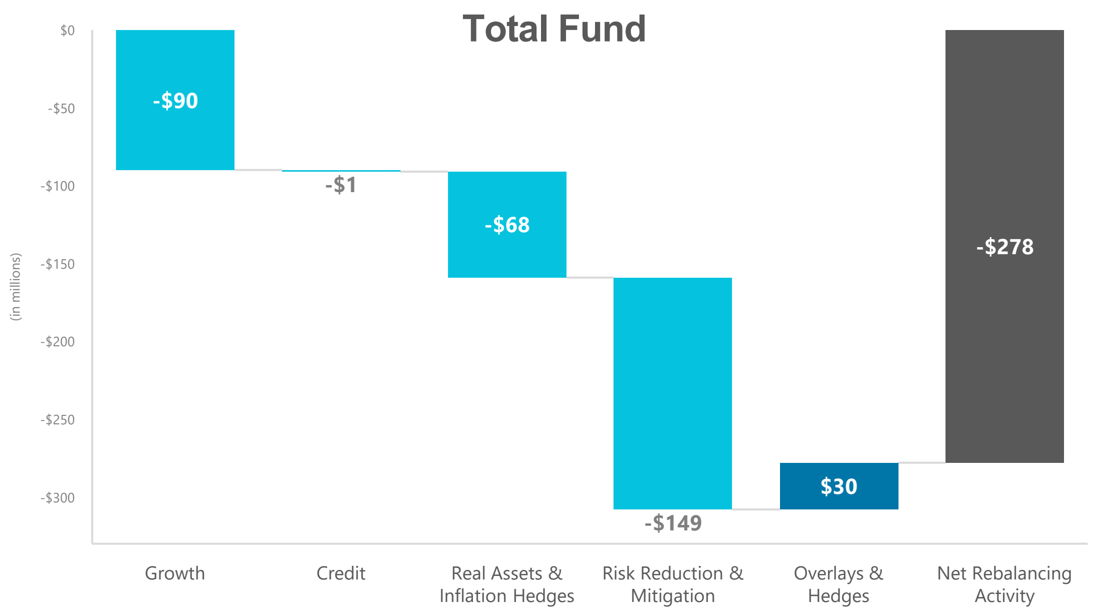
Top 5 Countries	Portfolio
China	1.3%
Taiwan	1.0%
India	0.9%
South Korea	0.6%
Brazil	0.2%

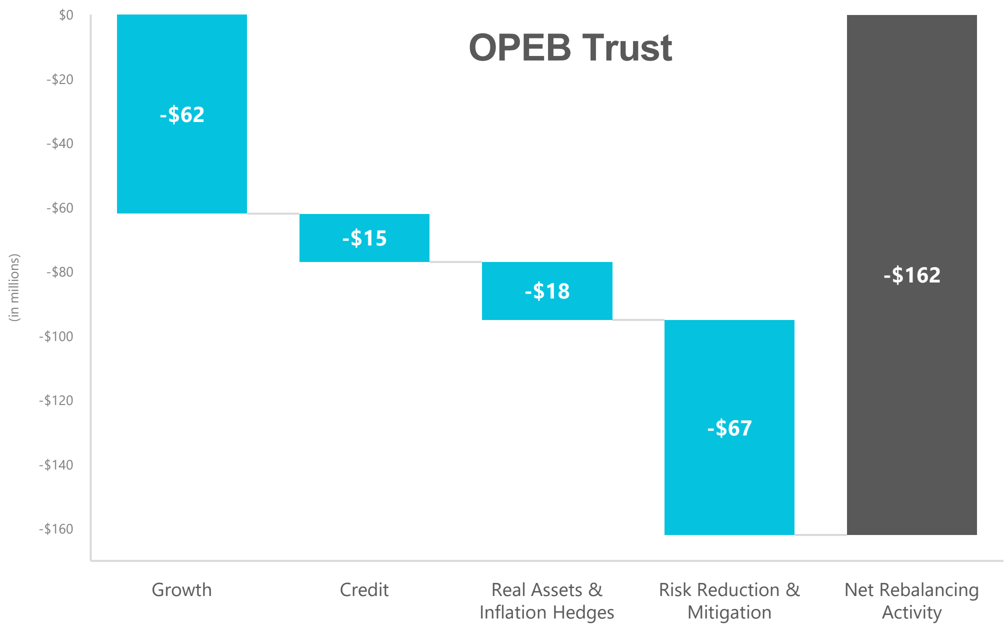
04

Portfolio & Structural Updates

Portfolio Updates

Rebalancing Activity





Overlays & Hedges

Program	November Gain / (Loss) in $ millions	Since Inception Gain / (Loss) in $ millions
Currency Hedge	30.4	1,494.6
Cash / Rebalance Overlay	5.6	622.8

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
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
Senior Investment Officer – 1 position	Completed
Finance Analyst III – 6 positions	In Development
Finance Analyst II – 3 positions	In Progress

Key Initiatives and Operational Updates

Strategic Updates

Organization	Appointee	New Role	Start Date	Update
Best Practices Principles Oversight Committee	Scott Zdrazil, Principal Investment Officer	Appointed Member, Oversight Committee	January 2026	Scott Zdrazil was appointed to the Oversight Committee of the Best Practices Principles, a global entity guiding best practice among corporate governance and proxy research firms

Manager / Consultant Updates

Firm	Mandate	Asset Class	LACERA AUM (prior month end, in millions)	Update
Lazard Asset Management	Separate Account	Global Equities	$661	Rosalie Berman has been appointed Chief Operating Officer effective January 1, 2026, succeeding Nathan Paul, who stepped down at the end of 2025. Ms. Berman will oversee global operations, and Mr. Nathan will remain as Vice Chair and Senior Advisor through the first half of 2026 to assist with the transition
Leading Edge Investment Advisors	Separate Account	Global Equities	$635	Carolyn Diaz Roberts, Managing Director, will retire on January 31, 2026, after 15 years at Leading Edge. Her responsibilities will be transitioned to the investment team. Diallo Johnson, Senior Vice President, will serve as the primary contact for managers

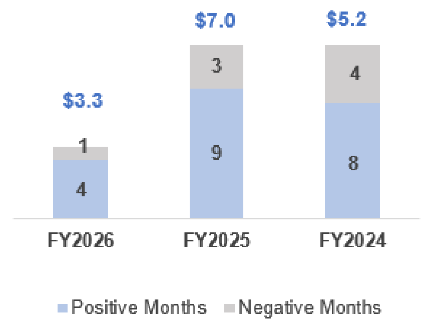
Change In Fiduciary Net Position[13]

FIDUCIARY NET POSITION
Additions
+
Deductions

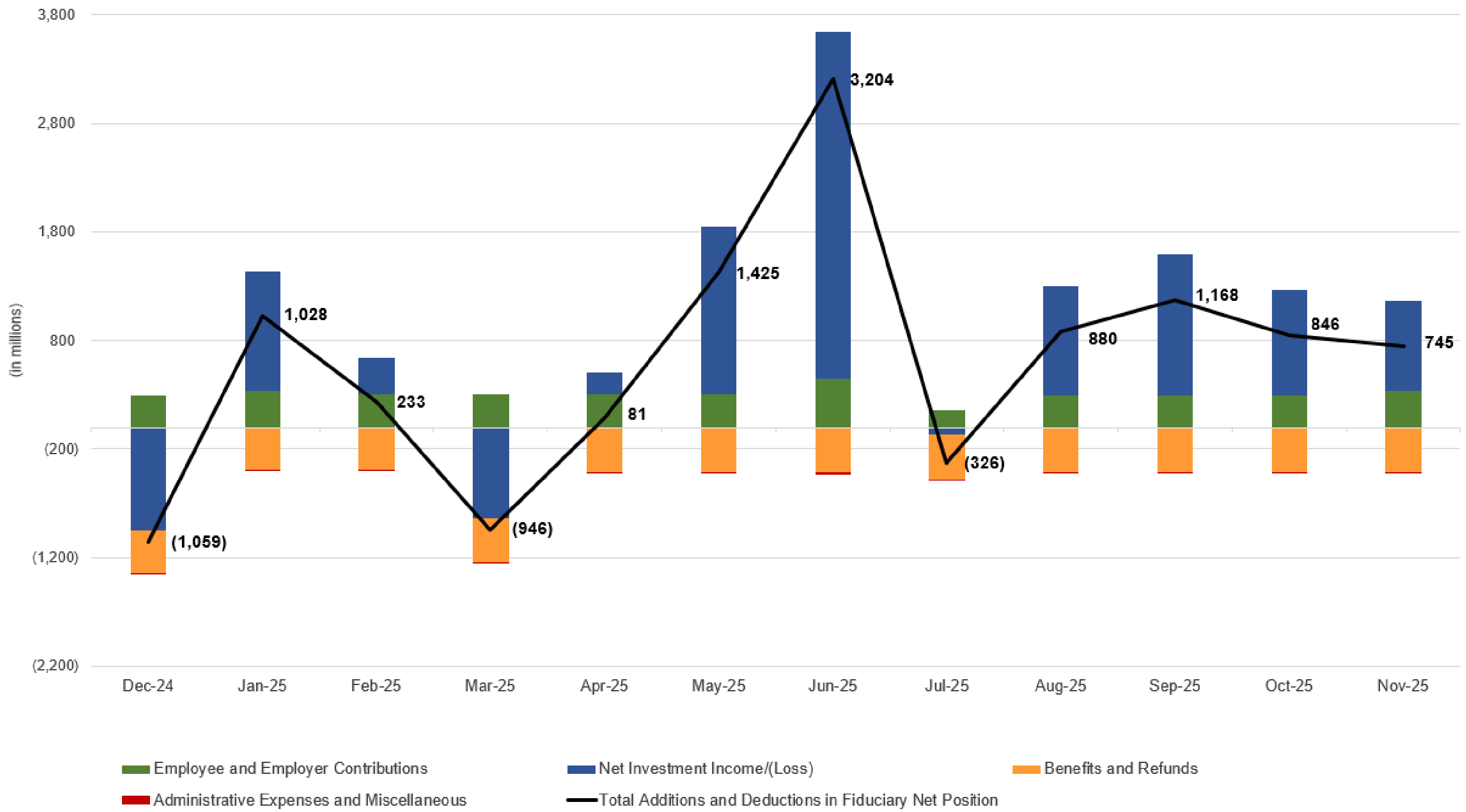
ADDITIONS
Employer and Employee Contributions
Net Investment Income/(Loss)

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

Dollar Has Its Worst Performance Against Other Currencies Since 2017

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. The Quarterly Real GDP Growth and the Inflation, Unemployment, and Labor Participation charts have not been updated due to the unavailability of source data resulting from the recent federal government shutdown.
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 and an operational asset.
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.