



Chief Investment Officer Monthly Report

Jonathan Grabel – Chief Investment Officer 

Board of Investments Meeting
March 11, 2026

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Complete list of slide footnotes are included in the Appendix.



01

Market Environment



Notable Items and Market Themes to Watch



Notable Items



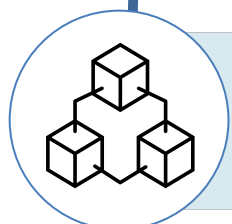
Interest rates and central bank actions

- The Federal Reserve held its interest rates at 3.50%–3.75% at its January meeting



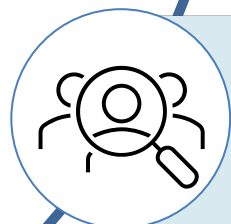
Economic data and trends

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



Artificial intelligence

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



Stewardship and ESG-related developments

- Governance and regulation of artificial intelligence risks
- Regulatory debates on investor rights, proxy research, disclosure requirements

Market Themes

- **Tariff Impacts:** U.S. trade policy uncertainty rose after a Supreme Court ruling on tariff authorities and the rollout of temporary global tariffs, weighing on supply chain and business sentiment
- **Inflation:** Inflation pressures remained uneven. January PPI rose 0.5% month-over-month and 2.9% year-over-year, driven by a surge in services prices and wholesaler margins, partly reflecting tariff pass-through impacts
- **Federal Reserve Policy:** The Federal Reserve held the federal funds rate at 3.50%–3.75%, signaling no near-term rate cuts, emphasizing data dependence on inflation and labor conditions
- **Geopolitical Uncertainty:** Geopolitical tensions stayed elevated. Escalating U.S.–Iran tensions and Middle East conflicts contributed to episodic volatility and cautious investor sentiment
- **Corporate Earnings:** Corporate earnings remained resilient. Q4 results continued to show solid year-over-year growth, led by technology and AI-related sectors, with modestly positive revisions overall

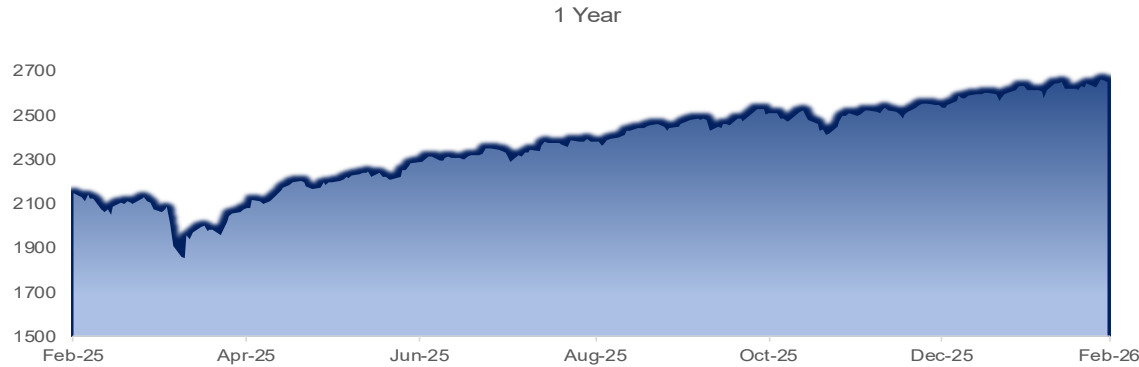
Global Market Performance

As of February 28, 2026



MSCI ACWI IMI Index (Global Equity Market)*

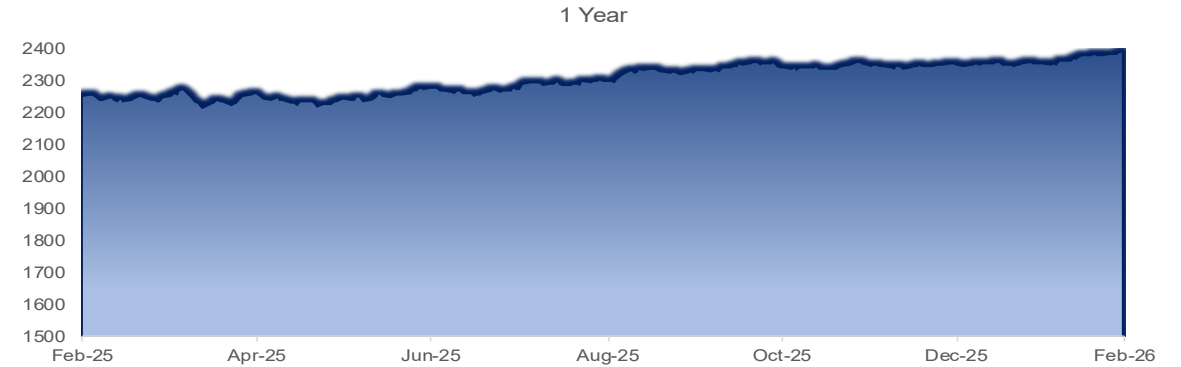
Trailing Returns (%)				Annualized Returns (%)			
1-Month	3-Month	FYTD	YTD	1Y	3Y	5Y	10Y
1.6	6.0	16.6	4.9	25.1	20.2	11.3	12.8



*Global Equity Policy Benchmark - MSCI ACWIIMI Index

Bloomberg U.S. Aggregate Bond Index**

Trailing Returns (%)				Annualized Returns (%)			
1-Month	3-Month	FYTD	YTD	1Y	3Y	5Y	10Y
1.6	1.6	5.0	1.7	6.3	5.1	0.4	2.0



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

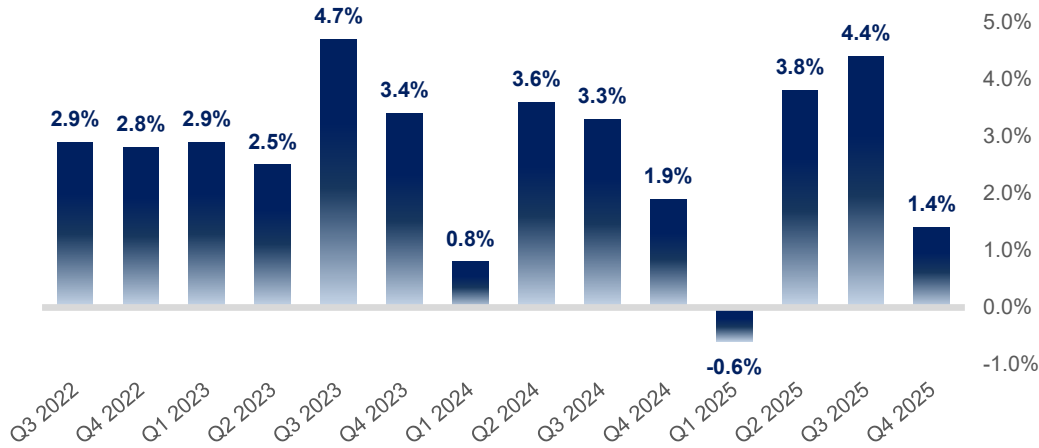
Market	Sub-Category	Index Name	1 M	3 M	FYTD	YTD	1 Y	3 Y	5 Y	10 Y
Reference Portfolio	60:40 Equity:Bond Portfolio	60% MSCI ACWI IMI/ 40% Bloomberg U.S. Aggregate Index	1.6	4.2	11.8	3.6	17.3	14.0	6.9	8.6
Global Equity	U.S. Large Cap	S&P 500 Total Return	-0.8	0.7	11.7	0.7	17.0	21.8	14.2	15.5
	U.S. Small Cap	Russell 2000 Total Return	0.8	5.6	22.0	6.2	23.3	13.1	5.0	11.3
	Non-U.S. All Cap	MSCI ACWI-ex U.S. IMI Total Return	5.1	14.6	24.7	11.4	40.4	19.7	9.6	10.4
	Emerging Markets	MSCI Emerging Markets Total Return	5.5	18.3	33.1	14.8	50.0	21.5	6.3	10.7
Private Equity	Private Equity Buyout	Thomson Reuters PE Buyout Index	-1.3	0.7	13.3	0.9	22.8	22.2	8.7	14.2
Fixed Income	U.S. Corporate High Yield Bonds	Bloomberg U.S. Corporate High Yield Total Return	0.2	1.3	4.6	0.7	7.2	9.4	4.5	6.7
	U.S. Long Term Treasury Bonds	Bloomberg Long Term U.S. Treasury Total Return Index	4.2	1.9	6.2	3.7	3.7	1.4	-4.8	-0.4
	Developed Markets Leveraged Loans	Credit Suisse Leveraged Loan Total Return	-0.8	-0.4	1.8	-1.1	3.9	7.8	5.7	5.8
Real Assets & Inflation Hedges	Natural Resources	S&P Global Natural Resources Total Return Index	10.1	25.7	42.2	21.5	49.4	13.9	13.7	13.3
	Global Infrastructure	Dow Jones Brookfield Global Infrastructure Composite Index	9.1	13.6	17.0	14.7	26.5	15.3	12.3	9.1
	Treasury Inflation-Protected Securities	Bloomberg U.S. Treasury TIPS 0-5 Years Total Return	0.4	0.9	2.8	0.9	4.8	5.3	3.6	3.2
	Real Estate	NCREIF Fund Index - ODCE (Net) ¹	—	0.7	1.2	2.9	2.9	-4.3	2.5	3.9

Source: Bloomberg, State Street

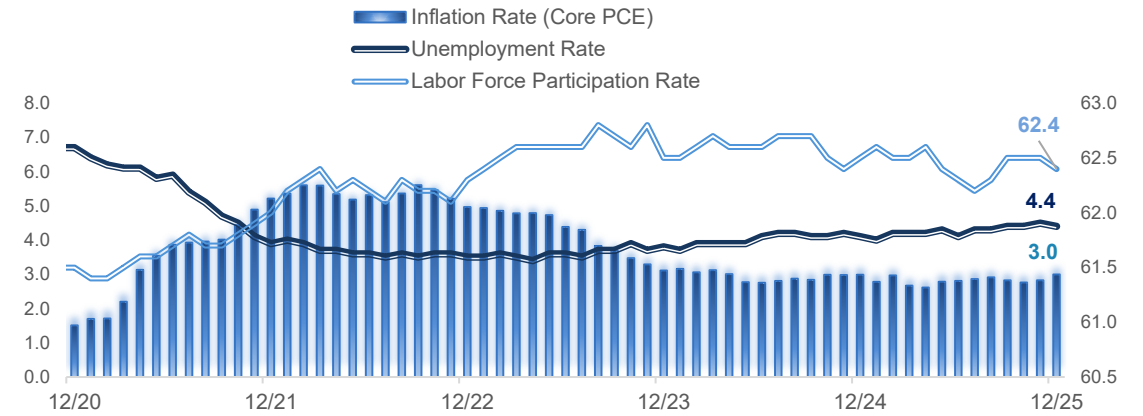
Key Macro Indicators²



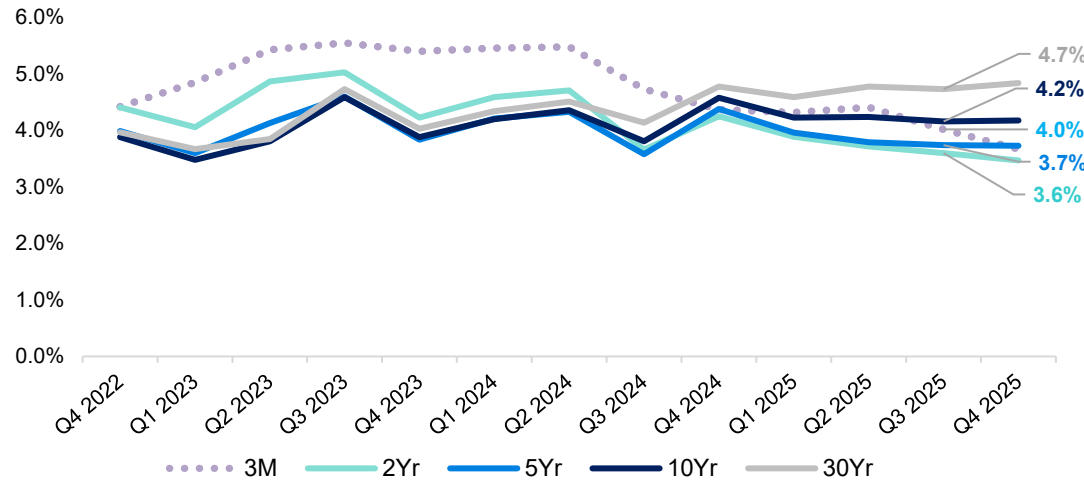
Quarterly Real GDP Growth



Inflation, Unemployment, and Labor Participation

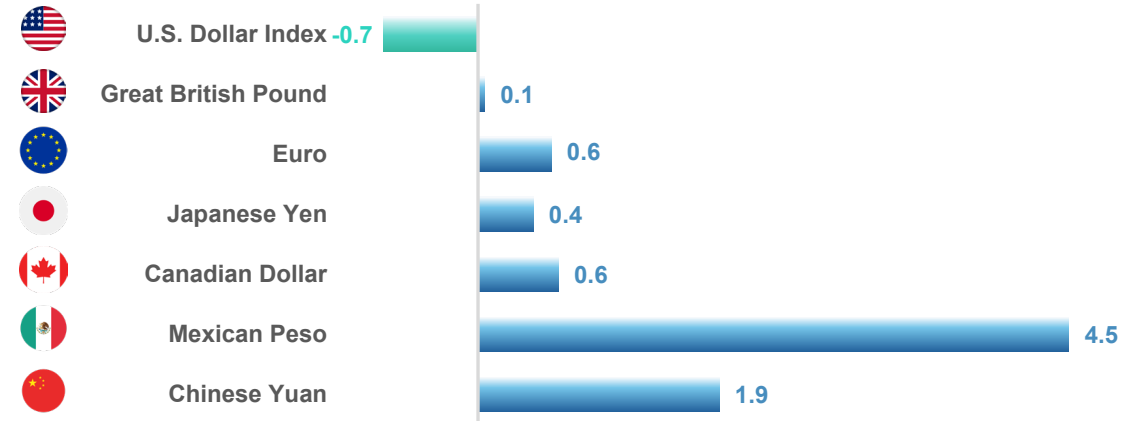


Market Yields on U.S. Treasury Securities



U.S. Dollar and Major Currency Performance

(Year-to-Date as of 02/28/2026)



Sources: Bloomberg, St. Louis Federal Reserve



02

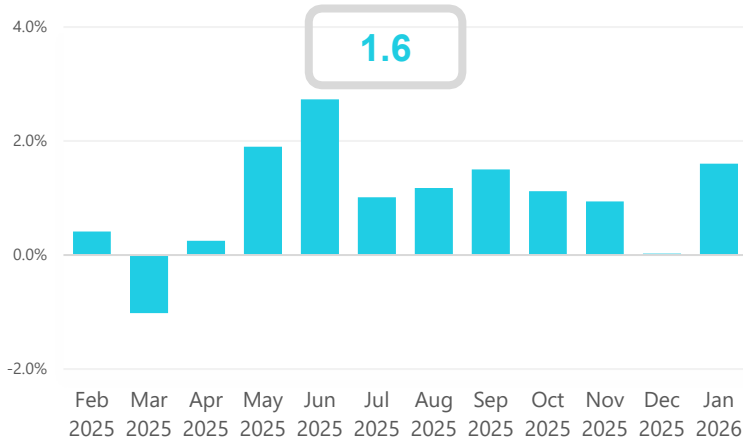


Total Fund Performance and Risk

Total Fund Performance Summary as of January 2026



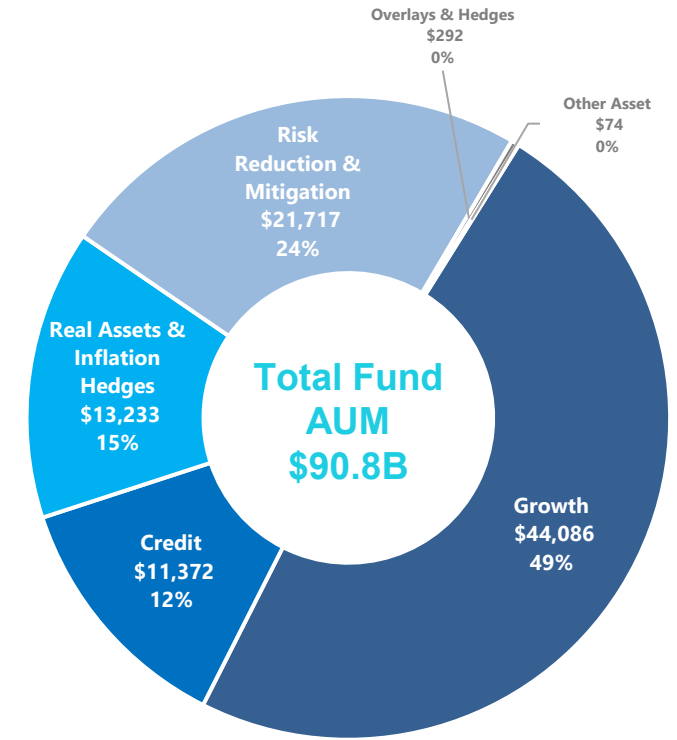
Monthly Return (net)



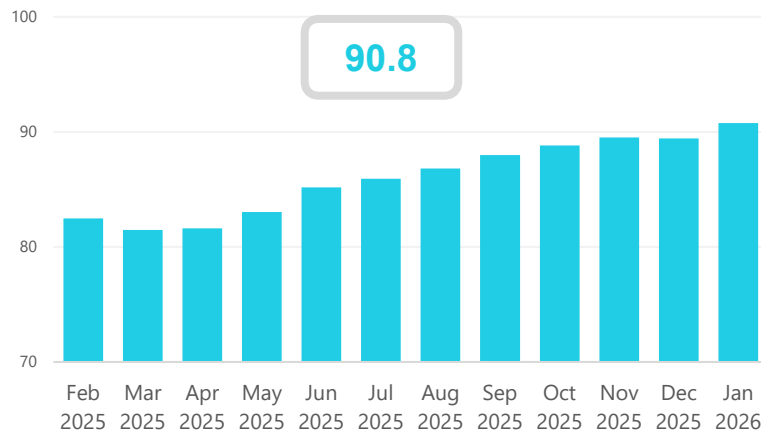
Growth of a Dollar (trailing 5Y)³



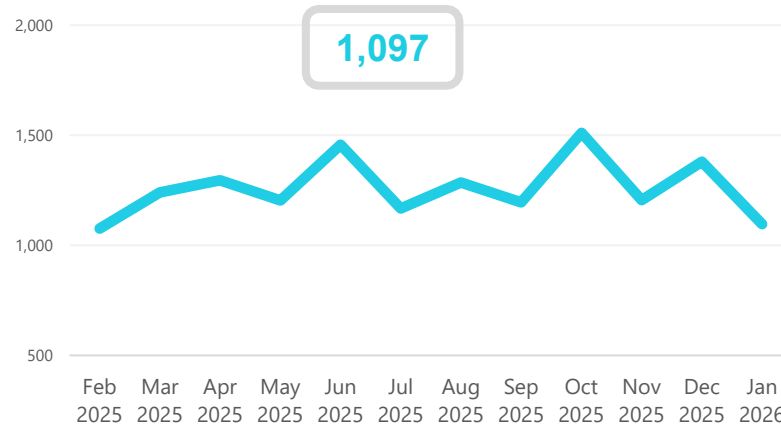
Asset Allocation (in millions)⁴



Total Market Value (in billions)



Cash Equivalents (in millions)

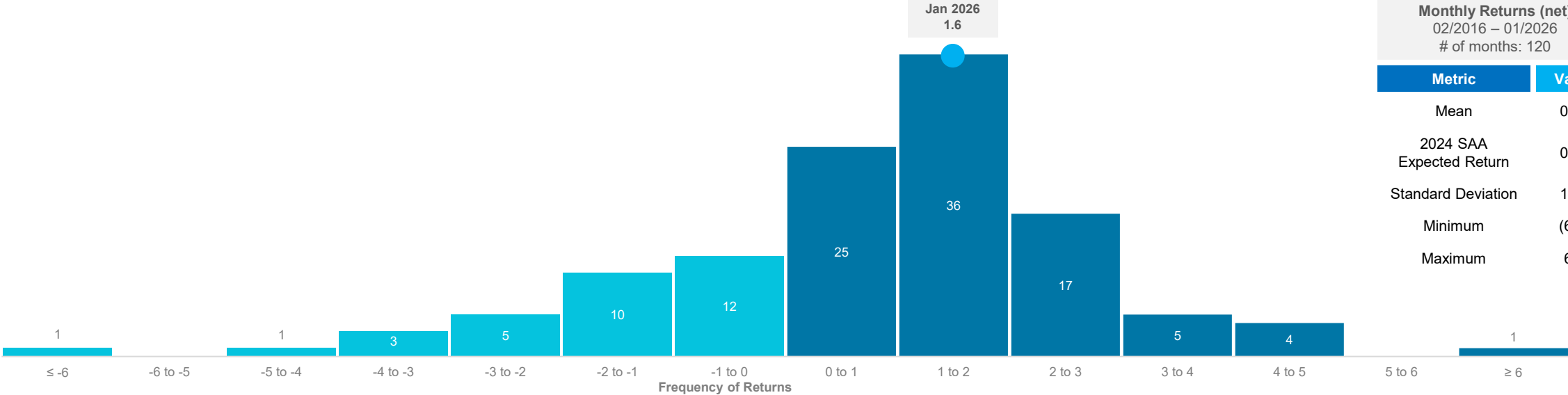


Total Fund

Historical Net Performance as of January 2026



LACERA Pension Fund⁵



Monthly Returns (net) 02/2016 – 01/2026 # of months: 120	
Metric	Value
Mean	0.76
2024 SAA Expected Return	0.60
Standard Deviation	1.93
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	90,774	100.0%	100.0%	1.6%	2.6%	7.6%	1.6%	12.2%	9.6%	8.6%	9.2%
Total Fund Policy Benchmark				1.4%	3.4%	10.2%	1.4%	14.1%	11.5%	7.8%	8.8%
Total Fund Actuarial Hurdle				0.6%	1.7%	4.0%	0.6%	7.0%	7.0%	7.0%	7.0%
Growth	44,086	48.6%	48.0%	2.4%	4.2%	11.2%	2.4%	16.6%	13.5%	12.0%	
Growth Policy Benchmark				2.8%	5.9%	17.5%	2.8%	22.4%	18.8%	12.4%	
Credit	11,372	12.5%	13.0%	0.6%	-1.8%	1.7%	0.6%	10.4%	12.3%	8.2%	
Credit Policy Benchmark				0.7%	1.5%	4.9%	0.7%	7.8%	9.8%	4.9%	
Real Assets & Inflation Hedges	13,233	14.6%	15.0%	2.1%	4.4%	6.4%	2.1%	10.5%	2.8%	6.7%	
RA & IH Policy Benchmark				-0.6%	1.4%	3.5%	-0.6%	6.4%	0.9%	5.4%	
Risk Reduction & Mitigation	21,717	23.9%	24.0%	0.4%	1.0%	3.9%	0.4%	7.0%	4.0%	0.9%	
RR & M Policy Benchmark				0.2%	0.7%	3.3%	0.2%	6.5%	3.8%	0.5%	
Overlays & Hedges	292	0.3%									
Other Asset	74	0.1%									

Total Fund

Forecast Volatility as of January 2026⁶



VOLATILITY

Measures how much a portfolio can fluctuate over 1Y

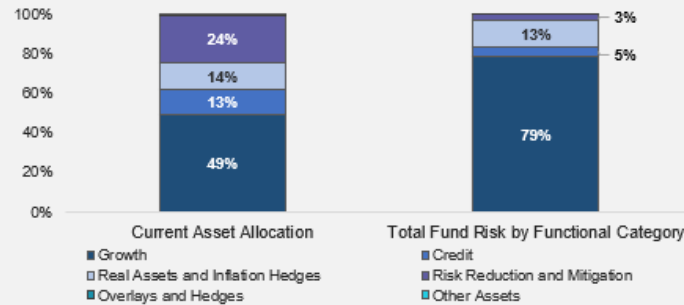
TOTAL FUND
VOLATILITY

8.9%

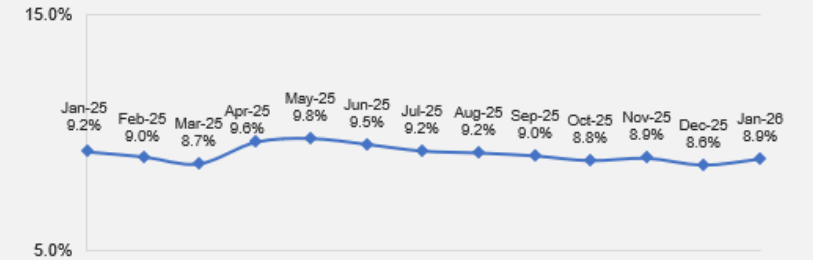
BENCHMARK
VOLATILITY

8.5%

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

1.22%

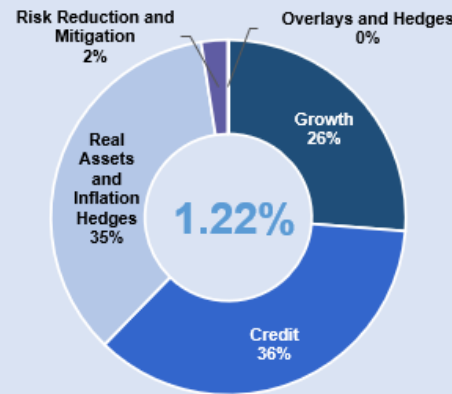
ALLOCATION
RISK

0.05%

SELECTION
RISK

1.16%

Functional Category Contributions to Active Risk



Forecasted Active Risk Trend



Source: MSCI BarraOne

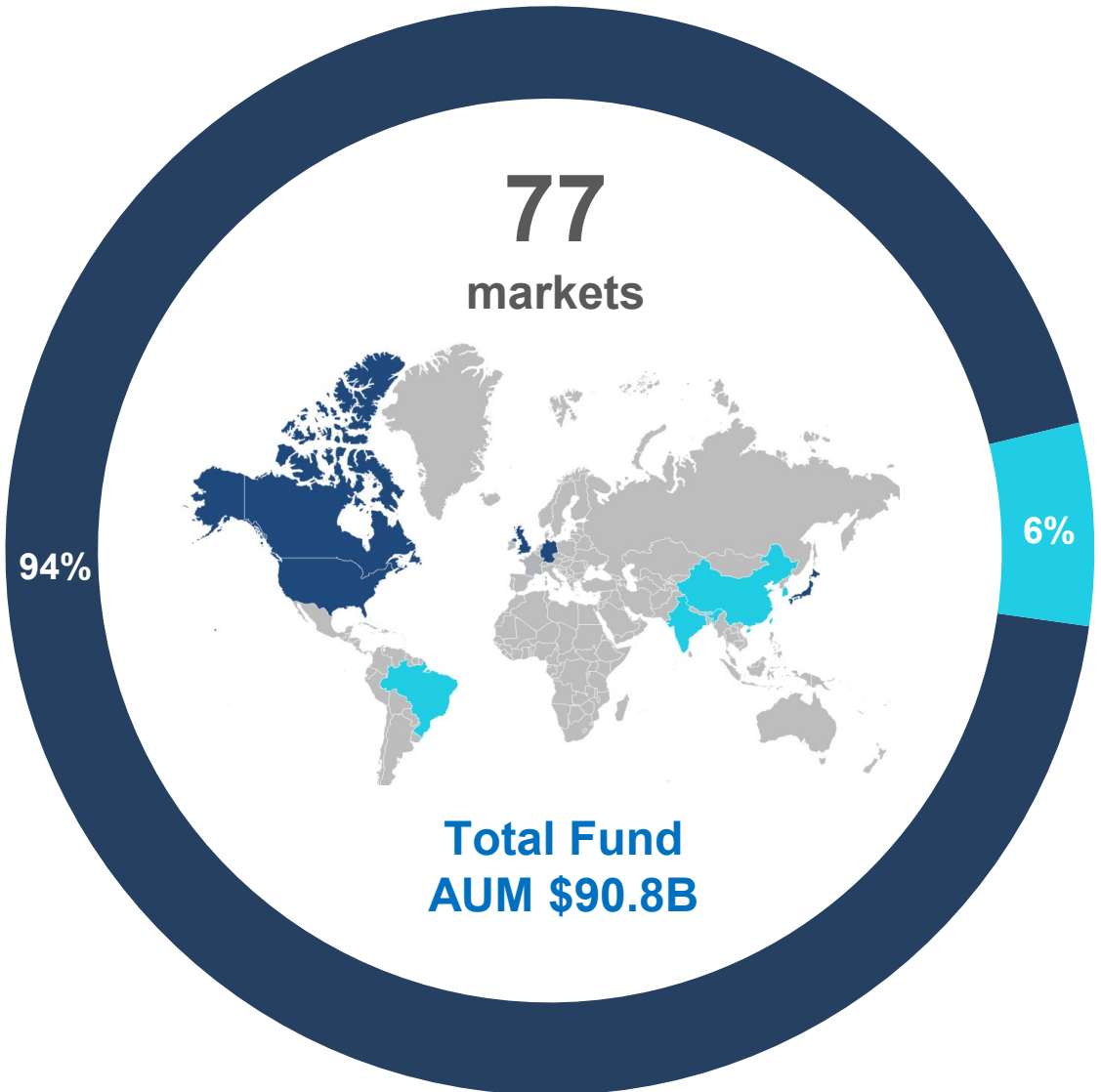
Total Fund

Geographic Exposure by AUM as of January 2026^{7,8}



26
developed
markets

Top 5 Countries	Portfolio
United States	75.0%
United Kingdom	4.3%
Canada	2.6%
Japan	1.8%
Germany	1.7%



51
emerging &
frontier markets

Top 5 Countries	Portfolio
China	2.0%
Taiwan	0.8%
South Korea	0.7%
Brazil	0.5%
India	0.4%



03



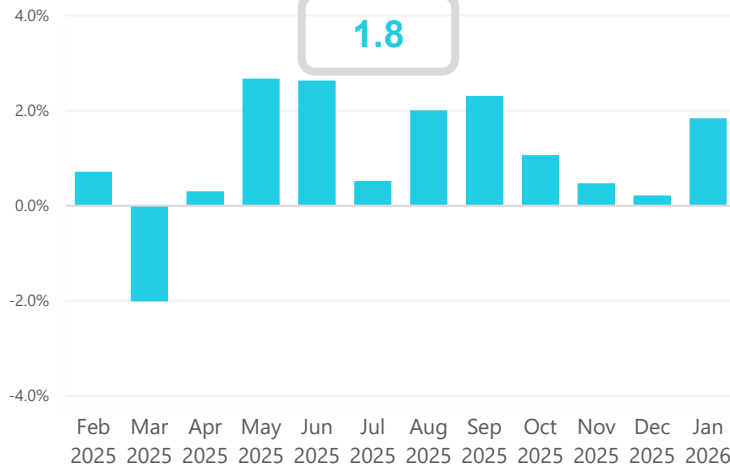
OPEB Trust Performance and Risk

OPEB Trust

Performance Summary as of January 2026



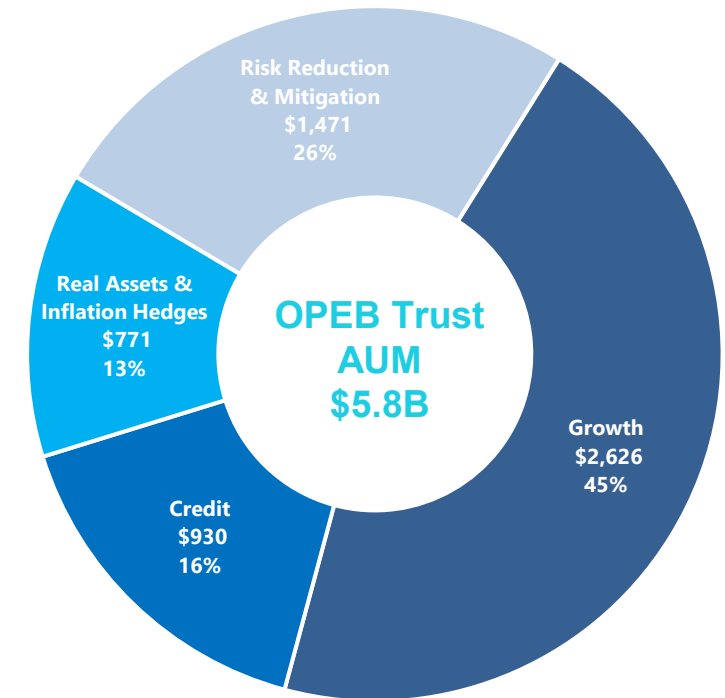
Monthly Return (net)



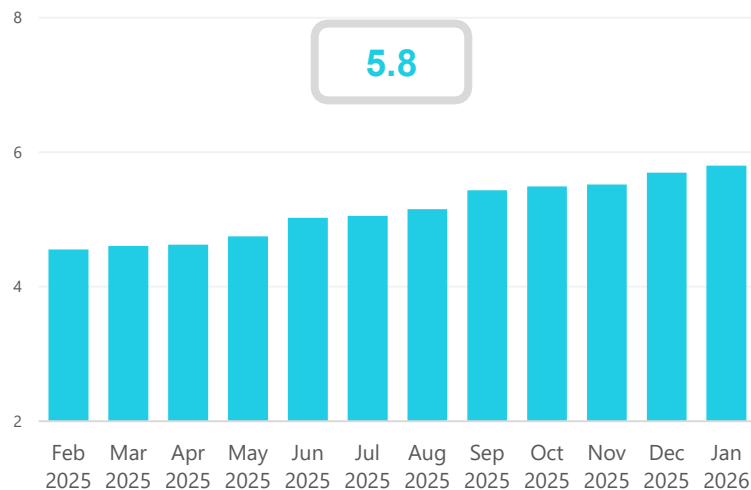
Growth of a Dollar (trailing 5Y)⁹



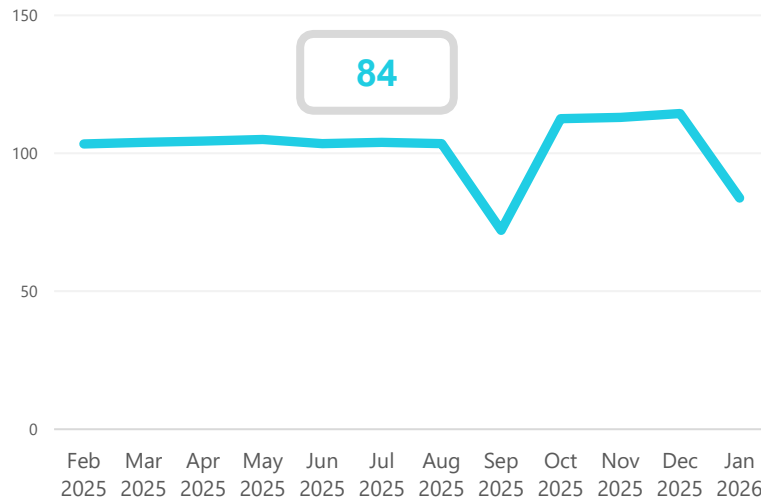
Asset Allocation (in millions)



Total Market Value (in billions)



Cash Equivalents (in millions)

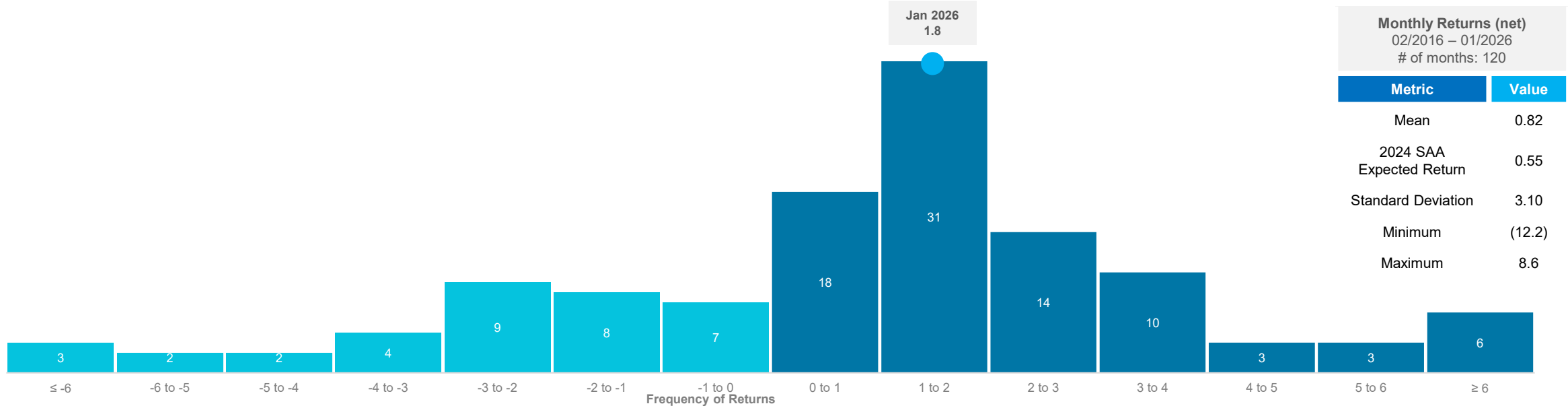


OPEB Trust

Historical Net Performance as of January 2026



OPEB Trust



Monthly Returns (net) 02/2016 – 01/2026 # of months: 120	
Metric	Value
Mean	0.82
2024 SAA Expected Return	0.55
Standard Deviation	3.10
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	5,799			1.8%	2.5%	8.7%	1.8%	13.4%	11.1%	7.4%	9.7%
OPEB Master Trust Policy Benchmark				1.7%	2.9%	9.3%	1.7%	14.1%	10.9%	7.0%	8.7%
OPEB Actuarial Hurdle				0.5%	0.5%	3.6%	0.5%	6.2%	6.1%	6.1%	6.0%
OPEB Growth	2,626	45.3%	45.0%	3.2%	4.4%	15.0%	3.2%	22.5%	18.8%	11.8%	
OPEB Growth Policy Benchmark				3.2%	5.0%	15.8%	3.2%	22.4%	19.0%	11.5%	
OPEB Credit	930	16.0%	16.0%	0.3%	1.4%	4.3%	0.3%	6.8%	7.9%	4.4%	
OPEB Credit Policy Benchmark				0.7%	1.5%	4.9%	0.7%	7.8%	9.2%	4.8%	
OPEB Real Assets & Inflation Hedges	771	13.3%	13.0%	2.0%	2.4%	5.0%	2.0%	5.7%	4.3%	5.9%	
OPEB RA & IH Policy Benchmark				1.4%	3.3%	6.0%	1.4%	9.6%	2.0%	4.6%	
OPEB Risk Reduction & Mitigation	1,471	25.4%	26.0%	0.2%	0.2%	3.1%	0.2%	6.4%	2.8%	0.0%	
OPEB RR & M Policy Benchmark				0.0%	0.2%	3.0%	0.0%	6.3%	2.6%	-0.4%	
OPEB HL PM Cash	0	0.0%									

OPEB Trust

Forecast Volatility as of January 2026¹⁰



VOLATILITY

Measures how much a portfolio can fluctuate over 1Y

OPEB TRUST
VOLATILITY

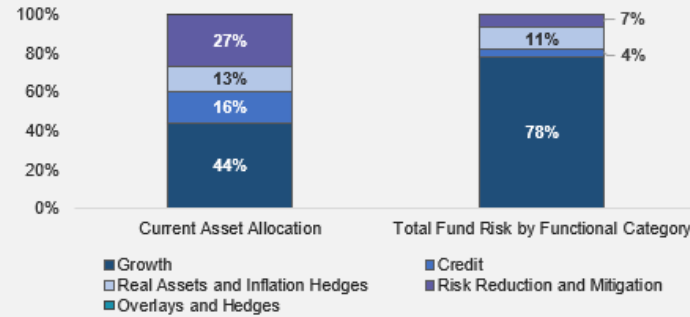
7.8%

BENCHMARK
VOLATILITY

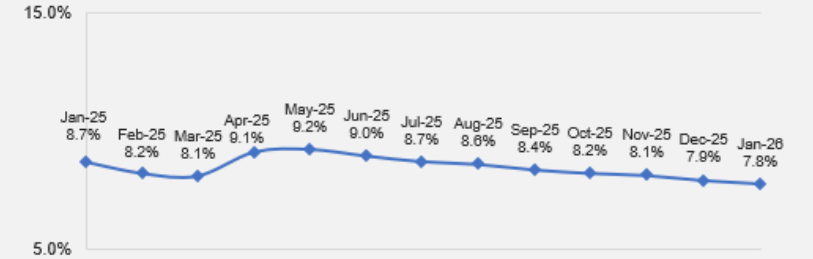
7.9%

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

0.69%

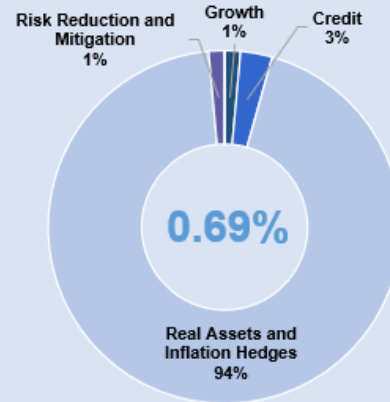
ALLOCATION
RISK

0.02%

SELECTION
RISK

0.67%

Functional Category Contributions to Active Risk



Forecasted Active Risk Trend



Source: MSCI BarraOne

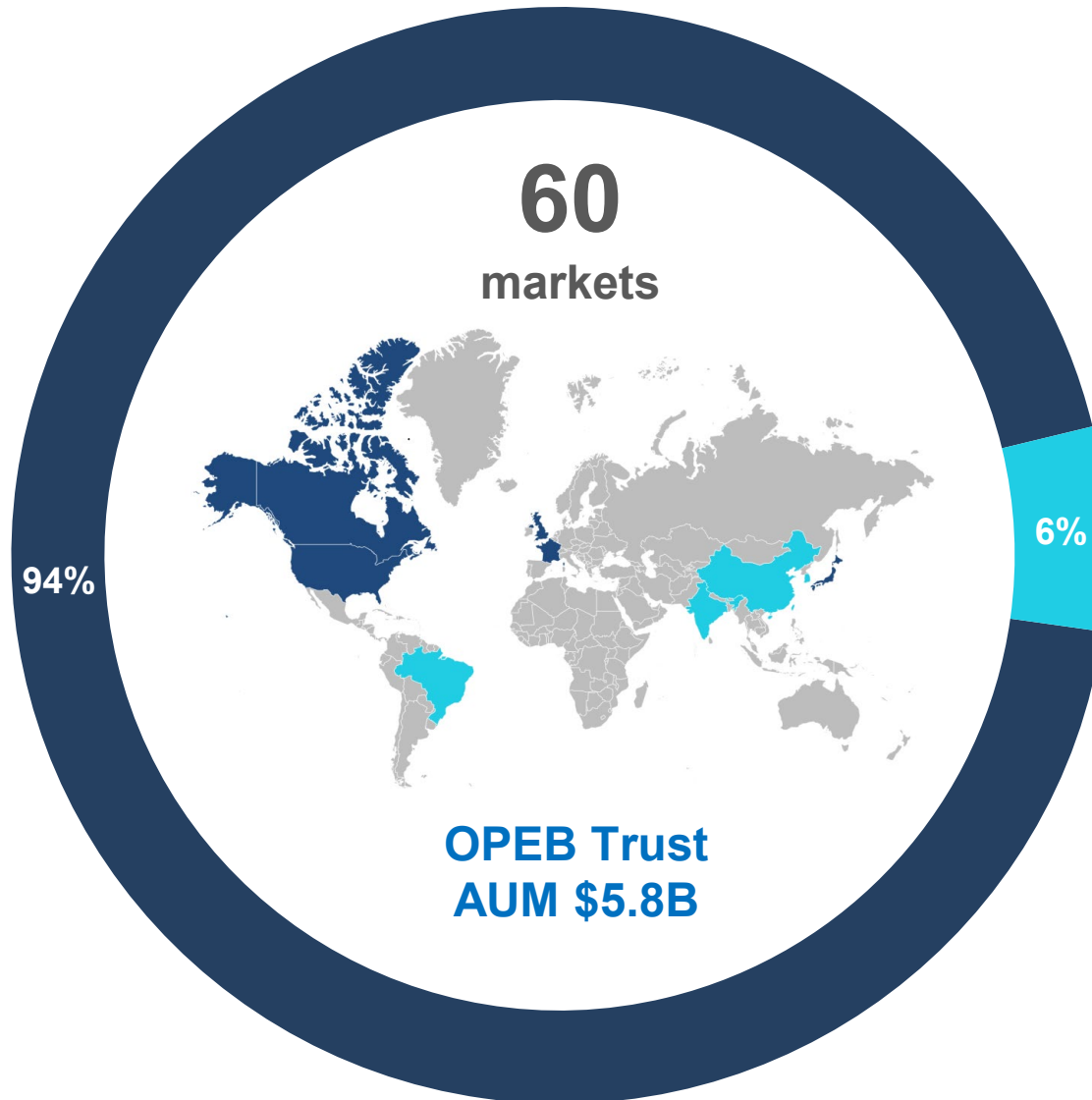
OPEB Trust

Geographic Exposure by AUM as of January 2026^{11,12}



26
developed
markets

Top 5 Countries	Portfolio
United States	79.7%
Japan	2.7%
Canada	2.3%
United Kingdom	2.1%
France	1.1%



34
emerging &
frontier markets

Top 5 Countries	Portfolio
China	1.3%
Taiwan	1.1%
South Korea	0.8%
India	0.8%
Brazil	0.2%



04

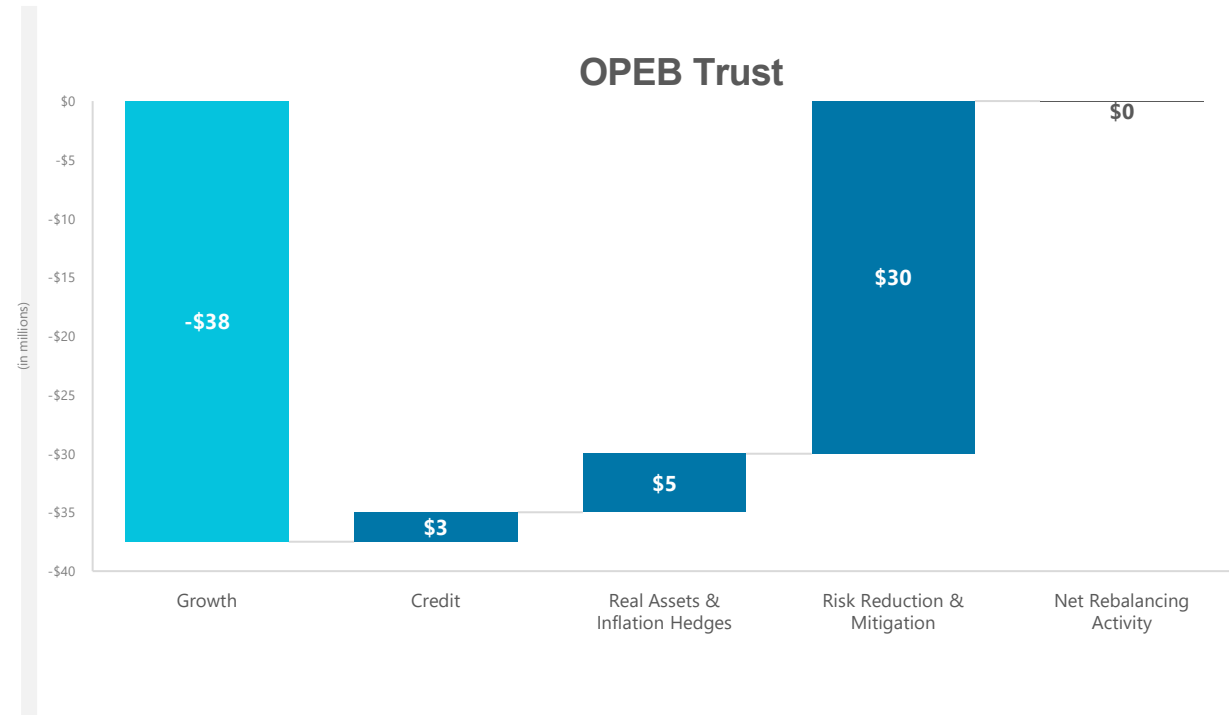
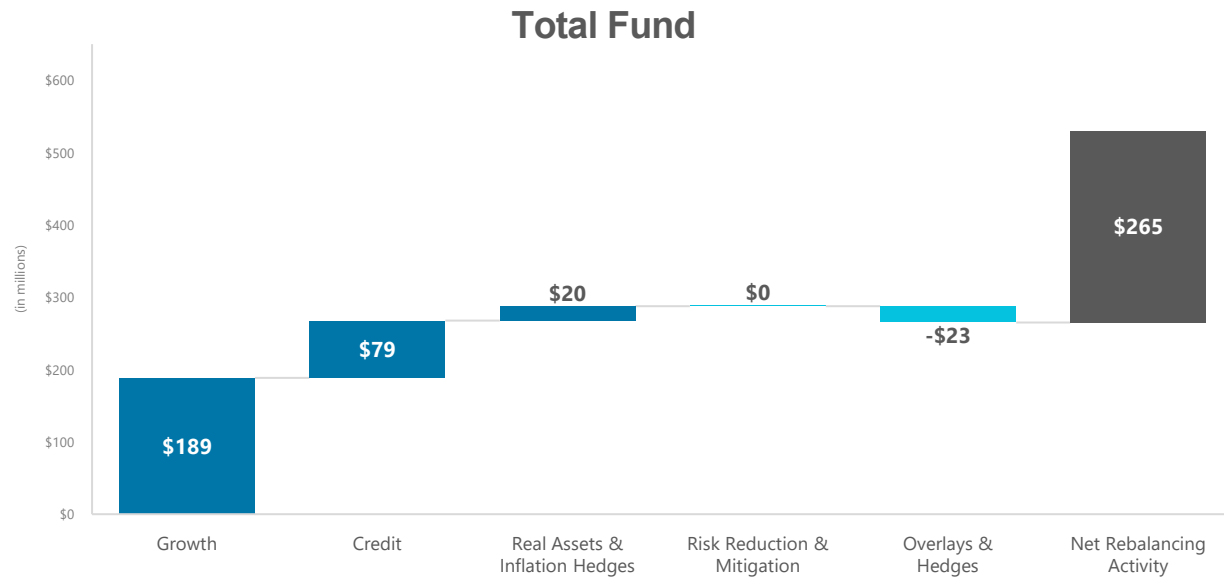
Portfolio and Structural Updates



Portfolio Updates



Prior Month Rebalancing Activity



Overlays and Hedges

Program	January Gain / (Loss) in \$ millions	Since Inception Gain / (Loss) in \$ millions
Currency Hedge	22.6	1,646.9
Cash / Rebalance Overlay	50.6	673.7

Key Initiatives and Operational Updates



Key Initiatives and Operational Updates

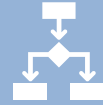
	Status
Total Fund	
April 2024 approved Strategic Asset Allocation implementation	In Progress
Adhering to the BOI-approved 2026 Strategic Framework	In Progress
Planning for the Strategic Framework and Initiatives Refresh	In Progress
Risk system onboarding	In Progress
OPEB Trust	
April 2024 approved Strategic Asset Allocation implementation	In Progress
Risk system onboarding	In Progress



Open Personnel Searches

	Status
Investments Division	
Principal Investment Officer – 1 position	In Development
Finance Analyst III – 5 positions	In Development
Finance Analyst II – 1 position	In Progress
Finance Analyst Fellowship – 2 positions	In Progress

Key Initiatives and Operational Updates



Manager / Consultant Updates

Firm	Mandate	Asset Class	LACERA AUM (prior month end, in millions)	Update
Antin Infrastructure Partners	Fund Manager	Infrastructure	\$78	Kevin Genieser, former Managing Partner and Head of the New York office, has departed Antin. Mr. Genieser joined Antin in 2017. He is succeeded by Senior Partners Ryan Shockley and Guillaume Friedel.

Change In Fiduciary Net Position¹³

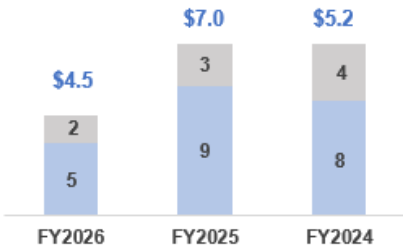


FIDUCIARY NET POSITION
 Additions
 +
 Deductions

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

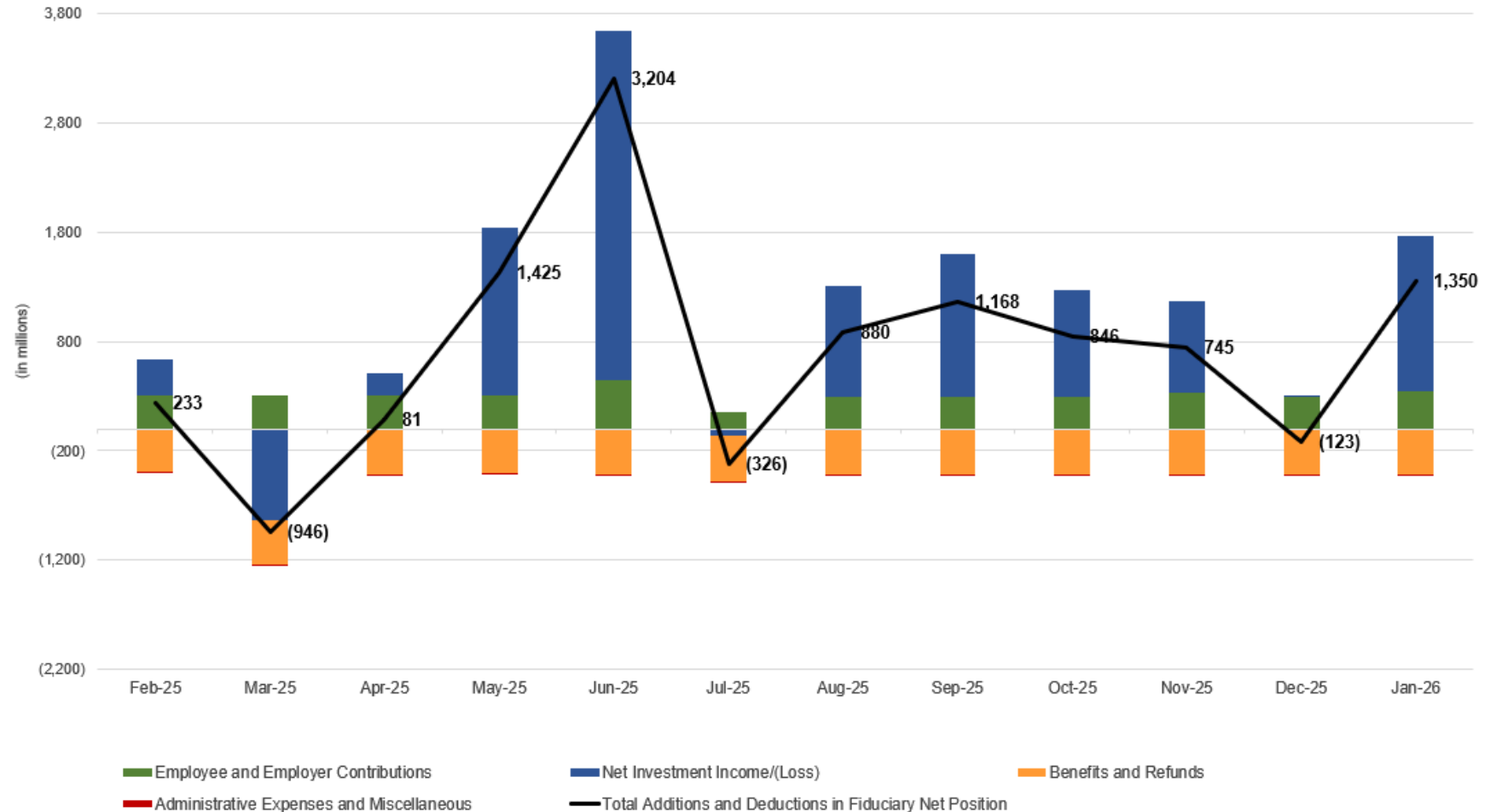
DEDUCTIONS
 Benefits and Refunds
 Administrative Expenses

Total Net Position Change Trend
 (in billions)



■ Positive Months ■ Negative Months

Additions and Deductions in Net Fiduciary Position (Unaudited)





05



Appendix

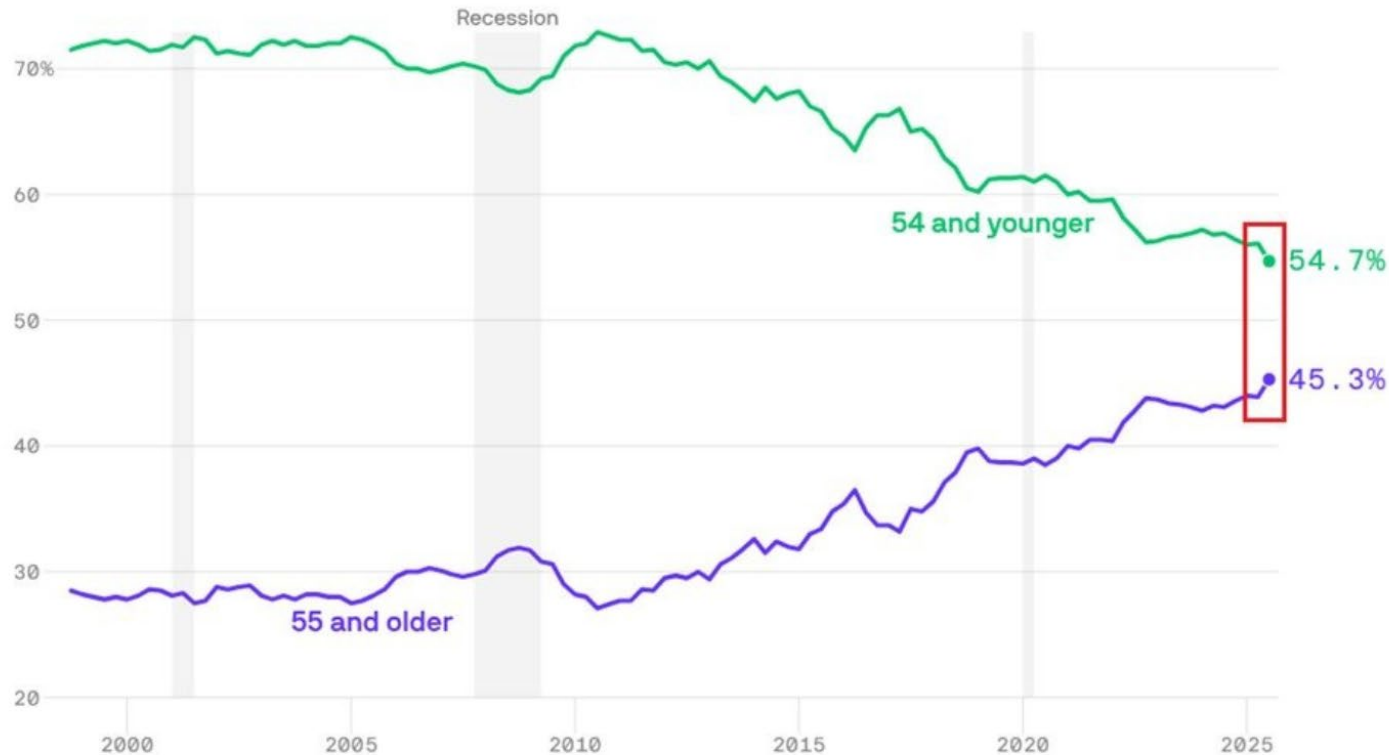
Staff Chart of the Month

Share of U.S. Consumer Spending, By Age Group



Share of U.S. consumer spending, by age group

Quarterly; Q4 1989-Q3 2025



Data: Moody's Analytics analysis of Federal Reserve, BEA and Census data; Note: Consumer spending is the sum of personal consumption expenditures, non-mortgage interest expense and charitable donations; Chart: Axios Visuals

Source: Axios

Disclosures and 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 Unemployment and Labor Force Participation Rate used in the Inflation, Unemployment, and Labor Participation chart use the prior months data due to information not being published during the 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 Asset represents an operational holding.
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.