



Chief Investment Officer Monthly Report

Jonathan Grabel – Chief Investment Officer 

Board of Investments Meeting
April 8, 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



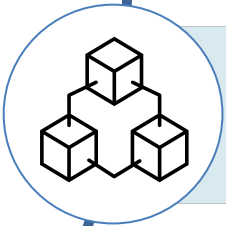
Interest rates and central bank actions

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

- Regulatory debates on corporate disclosures, proxy research firms, and enabling retail investor and 401(k) access to private markets
- Securities and Exchange Commission Enforcement Director resigns

Market Themes

- **Tariff Impacts:** Trade policy uncertainty continued amid ongoing U.S. tariffs and trade investigations, pressuring supply chains and business sentiment
- **Inflation:** Inflation remained elevated, with February Consumer Price Index (CPI) at 2.4% year-over-year. Producer Price Index (PPI) rose 3.4%, driven by services and energy costs
- **Federal Reserve Policy:** The Federal Reserve held the federal funds rate at 3.50%–3.75% in March, marking the second consecutive pause
- **Geopolitical Uncertainty:** Geopolitical tensions intensified, with U.S.– Iran/Middle East conflicts contributing to increased market volatility and cautious investor sentiment
- **Corporate Earnings:** 4Q 2025 earnings exceeded expectations, with 14.2% growth led by technology and AI-related sectors. However, recent pressure on technology stocks may reflect valuation concerns and rising energy costs could weigh on margins going forward

Global Market Performance

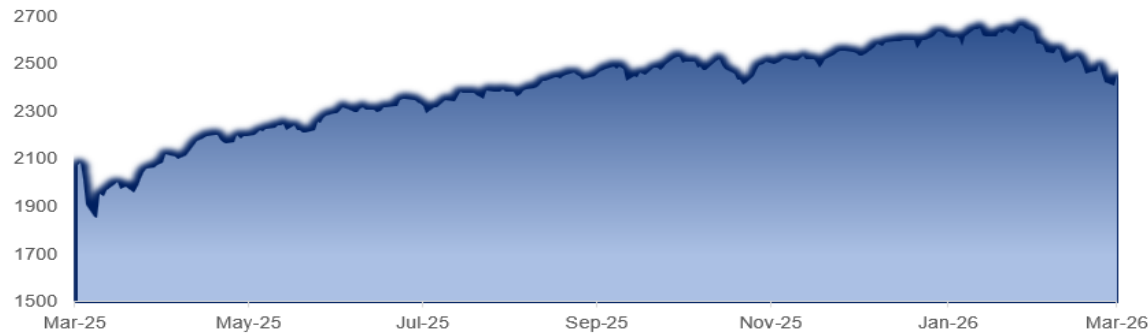
As of March 31, 2026



MSCI ACWI IMI Index (Global Equity Market)*

Trailing Returns (%)				Annualized Returns (%)			
1-Month	3-Month	FYTD	YTD	1Y	3Y	5Y	10Y
-7.3	-2.7	8.1	-2.7	20.6	16.2	9.0	11.1

1 Year

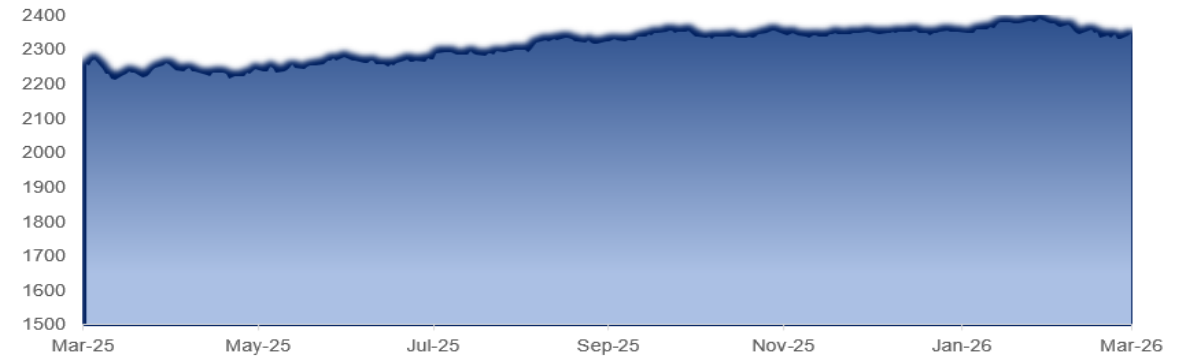


*Global Equity Policy Benchmark - MSCI ACWIIMI Index

Bloomberg U.S. Aggregate Bond Index**

Trailing Returns (%)				Annualized Returns (%)			
1-Month	3-Month	FYTD	YTD	1Y	3Y	5Y	10Y
-1.8	0.0	3.1	0.0	4.3	3.6	0.3	1.7

1 Year



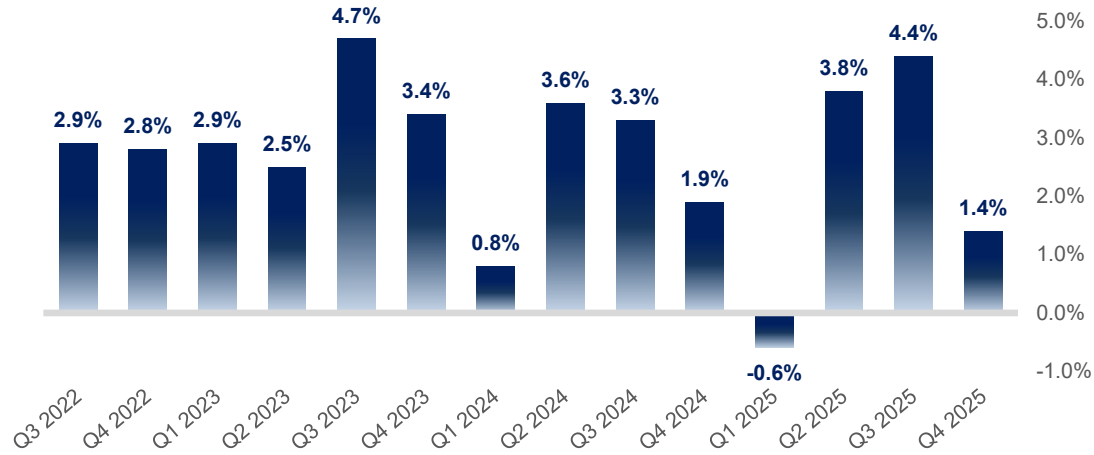
**Investment Grade Bonds Policy Benchmark - Barclays U.S. Aggregate Bond Index

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	-5.1	-1.6	6.1	-1.6	14.0	11.1	5.6	7.5
Global Equity	U.S. Large Cap	S&P 500 Total Return	-5.0	-4.3	6.2	-4.3	17.8	18.3	12.1	14.2
	U.S. Small Cap	Russell 2000 Total Return	-5.0	0.9	15.9	0.9	25.7	13.0	3.8	9.9
	Non-U.S. All Cap	MSCI ACWI-ex U.S. IMI Total Return	-10.8	-0.7	11.2	-0.7	25.3	14.4	6.8	8.3
	Emerging Markets	MSCI Emerging Markets Total Return	-13.1	-0.2	15.7	-0.2	29.6	14.8	3.7	7.8
Private Equity	Private Equity Buyout	Thomson Reuters PE Buyout Index	-7.6	-6.8	4.6	-6.8	24.6	19.9	6.4	12.2
Fixed Income	U.S. Corporate High Yield Bonds	Bloomberg U.S. Corporate High Yield Total Return	-1.2	-0.5	3.4	-0.5	7.0	8.6	4.2	6.1
	U.S. Long Term Treasury Bonds	Bloomberg Long Term U.S. Treasury Total Return Index	-4.0	-0.4	2.0	-0.4	0.5	-1.5	-4.6	-0.8
	Developed Markets Leveraged Loans	Credit Suisse Leveraged Loan Total Return	0.6	-0.5	2.4	-0.5	4.8	8.0	5.8	5.6
Real Assets & Inflation Hedges	Natural Resources	S&P Global Natural Resources Total Return Index	-1.4	19.8	40.3	19.8	45.1	13.8	12.9	12.1
	Global Infrastructure	Dow Jones Brookfield Global Infrastructure Composite Index	-3.1	11.2	13.4	11.2	18.2	13.3	10.0	7.9
	Treasury Inflation-Protected Securities	Bloomberg U.S. Treasury TIPS 0-5 Years Total Return	0.1	0.9	2.9	0.9	3.9	4.7	3.5	3.1
	Real Estate	NCREIF Fund Index - ODCE (Net) ¹	—	0.7	1.2	2.9	2.9	-4.3	2.5	3.9

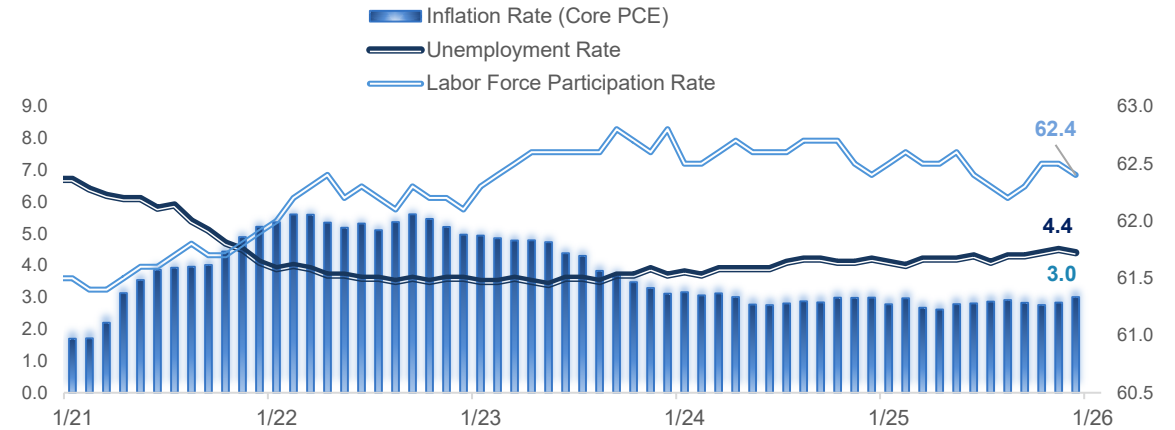
Key Macro Indicators²



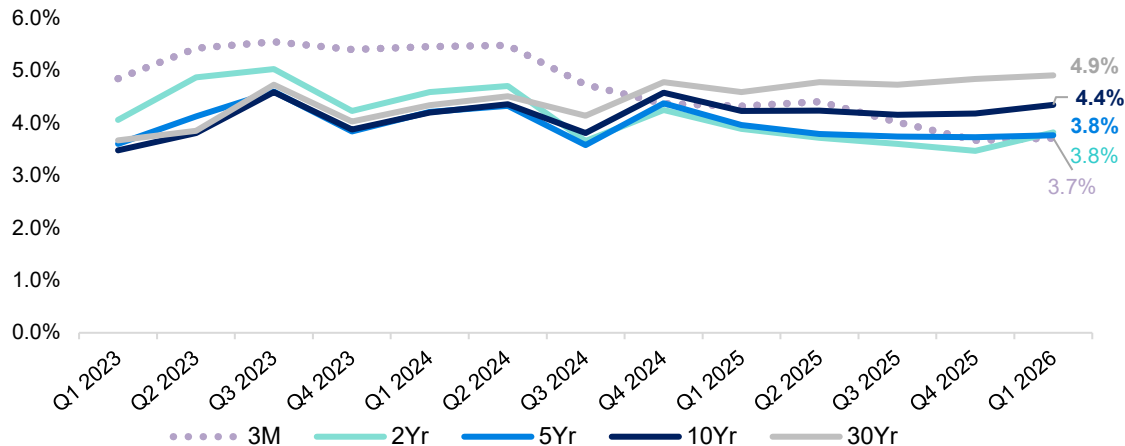
Quarterly Real GDP Growth



Inflation, Unemployment, and Labor Participation

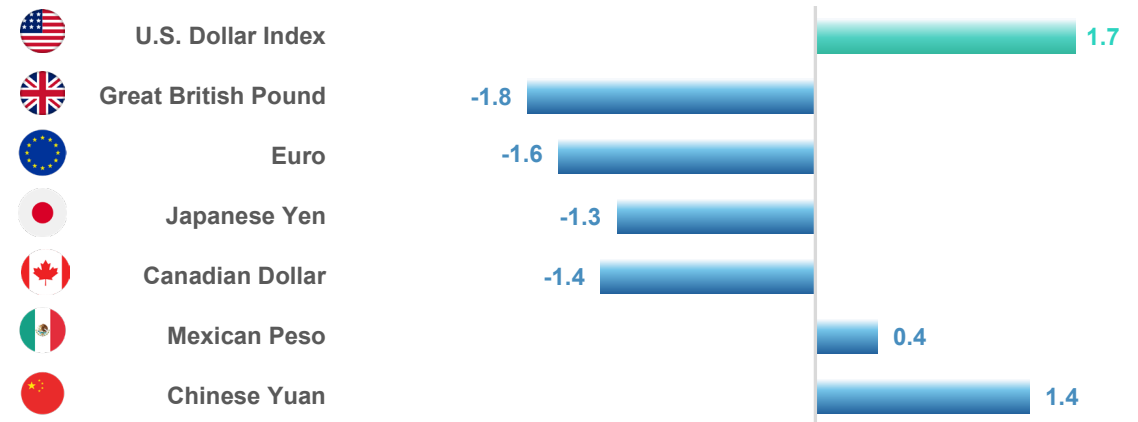


Market Yields on U.S. Treasury Securities



U.S. Dollar and Major Currency Performance

(Year-to-Date as of 03/31/2026)



Sources: Bloomberg, St. Louis Federal Reserve



02



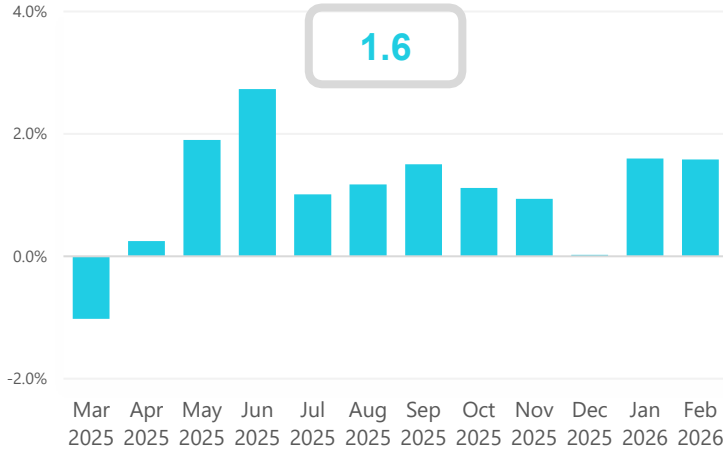
Total Fund Performance and Risk

Total Fund

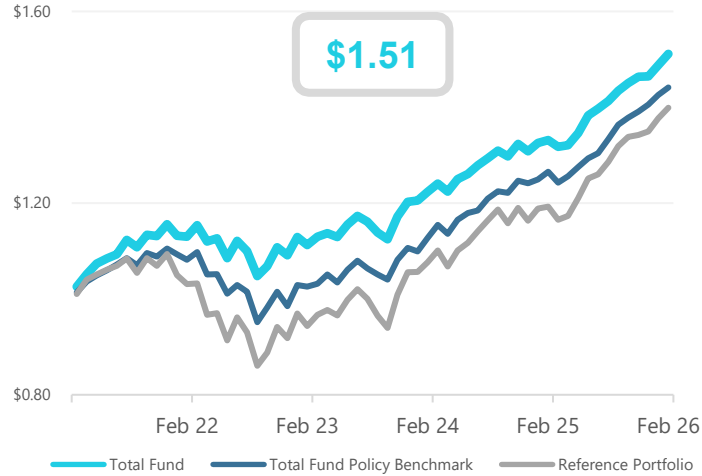
Performance Summary as of February 2026



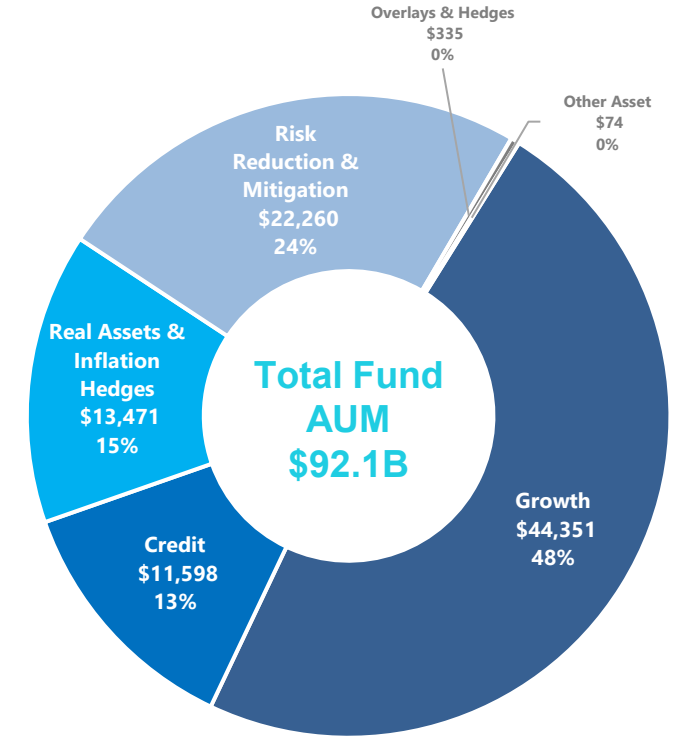
Monthly Return (net)



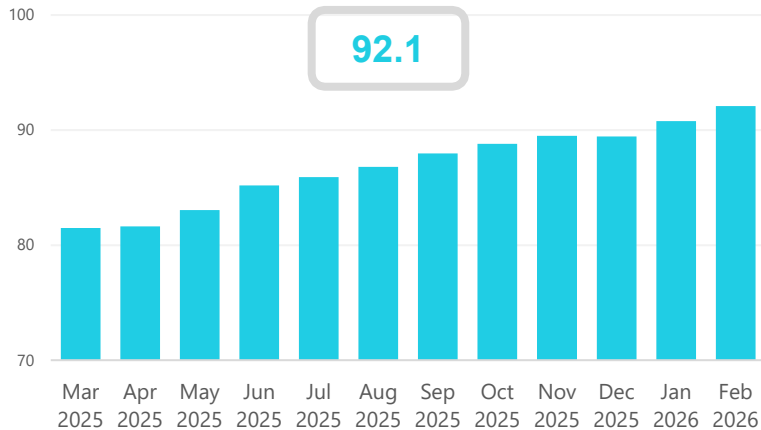
Growth of a Dollar (trailing 5Y)³



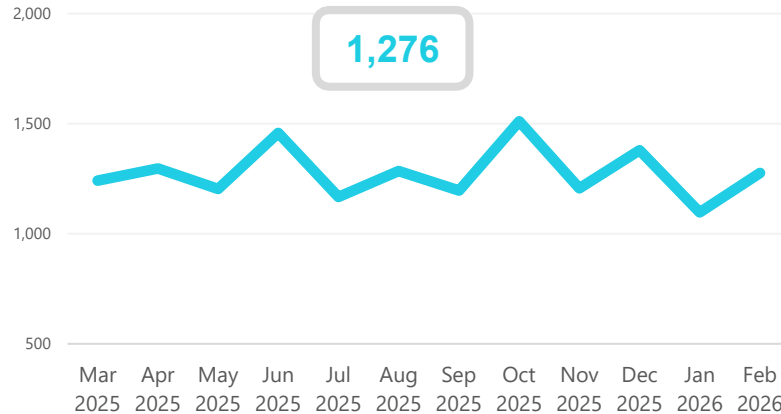
Asset Allocation (in millions)⁴



Total Market Value (in billions)



Cash Equivalents (in millions)

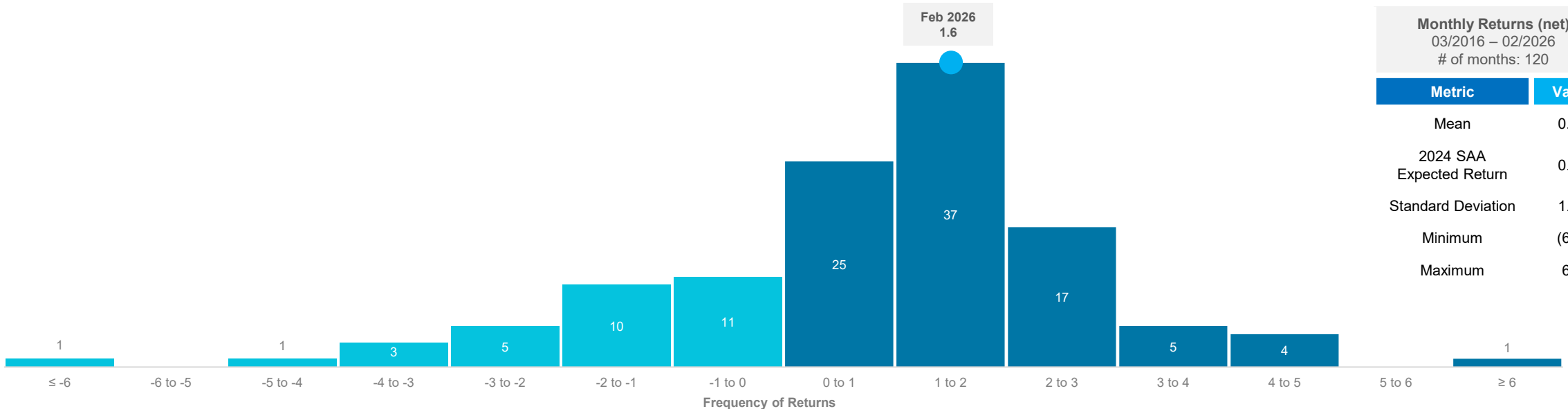


Total Fund

Historical Net Performance as of February 2026



LACERA Pension Fund⁵



Monthly Returns (net) 03/2016 – 02/2026 # of months: 120	
Metric	Value
Mean	0.78
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	92,090	100.0%	100.0%	1.6%	3.2%	9.3%	3.2%	13.5%	10.8%	8.6%	9.4%
Total Fund Policy Benchmark				1.1%	3.6%	11.4%	2.5%	13.9%	12.0%	7.6%	9.0%
Total Fund Actuarial Hurdle				0.6%	1.7%	4.6%	1.1%	7.0%	7.0%	7.0%	7.0%
Growth	44,351	48.2%	48.0%	1.2%	4.5%	12.6%	3.6%	18.5%	14.5%	11.7%	
Growth Policy Benchmark				1.1%	5.9%	18.7%	3.9%	22.6%	18.9%	11.6%	
Credit	11,598	12.6%	13.0%	1.7%	-0.6%	3.4%	2.3%	11.5%	12.8%	8.3%	
Credit Policy Benchmark				0.1%	1.2%	5.0%	0.8%	6.8%	9.2%	4.9%	
Real Assets & Inflation Hedges	13,471	14.6%	15.0%	2.1%	4.7%	8.7%	4.3%	12.3%	4.7%	6.8%	
RA & IH Policy Benchmark				1.7%	1.8%	5.3%	1.1%	6.4%	2.6%	5.5%	
Risk Reduction & Mitigation	22,260	24.2%	24.0%	1.7%	2.0%	5.7%	2.1%	6.8%	5.1%	1.5%	
RR & M Policy Benchmark				1.4%	1.6%	4.7%	1.6%	6.0%	5.0%	1.1%	
Overlays & Hedges	335	0.4%									
Other Asset	74	0.1%									

Total Fund

Forecast Volatility as of February 2026⁶



VOLATILITY

Measures how much a portfolio can fluctuate over 1Y

TOTAL FUND
VOLATILITY

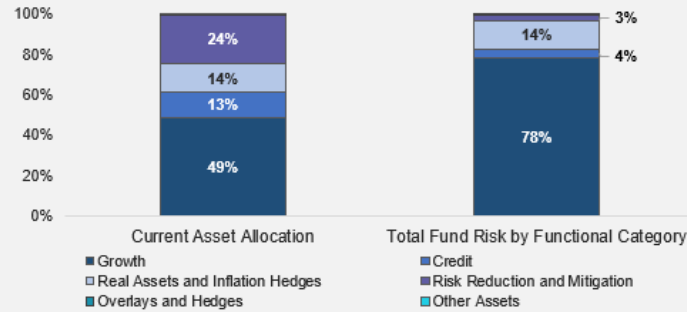
8.7%

BENCHMARK
VOLATILITY

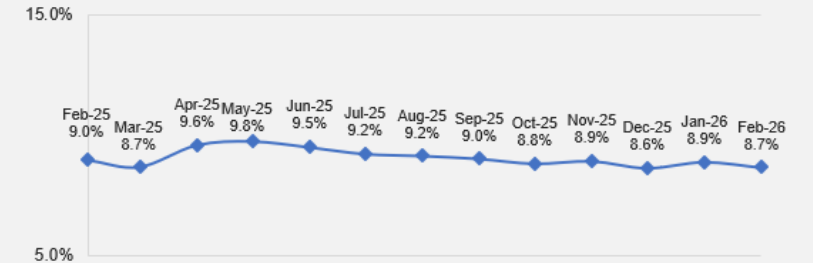
8.3%

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

1.24%

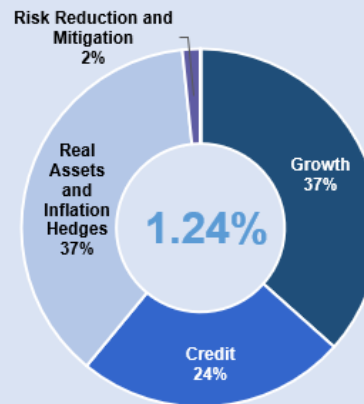
ALLOCATION
RISK

0.04%

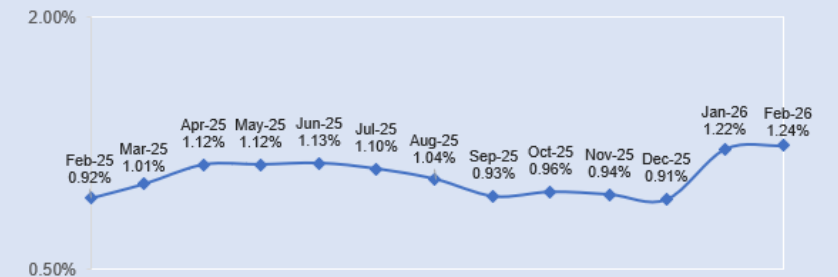
SELECTION
RISK

1.19%

Functional Category Contributions to Active Risk



Forecasted Active Risk Trend



Source: MSCI BarraOne

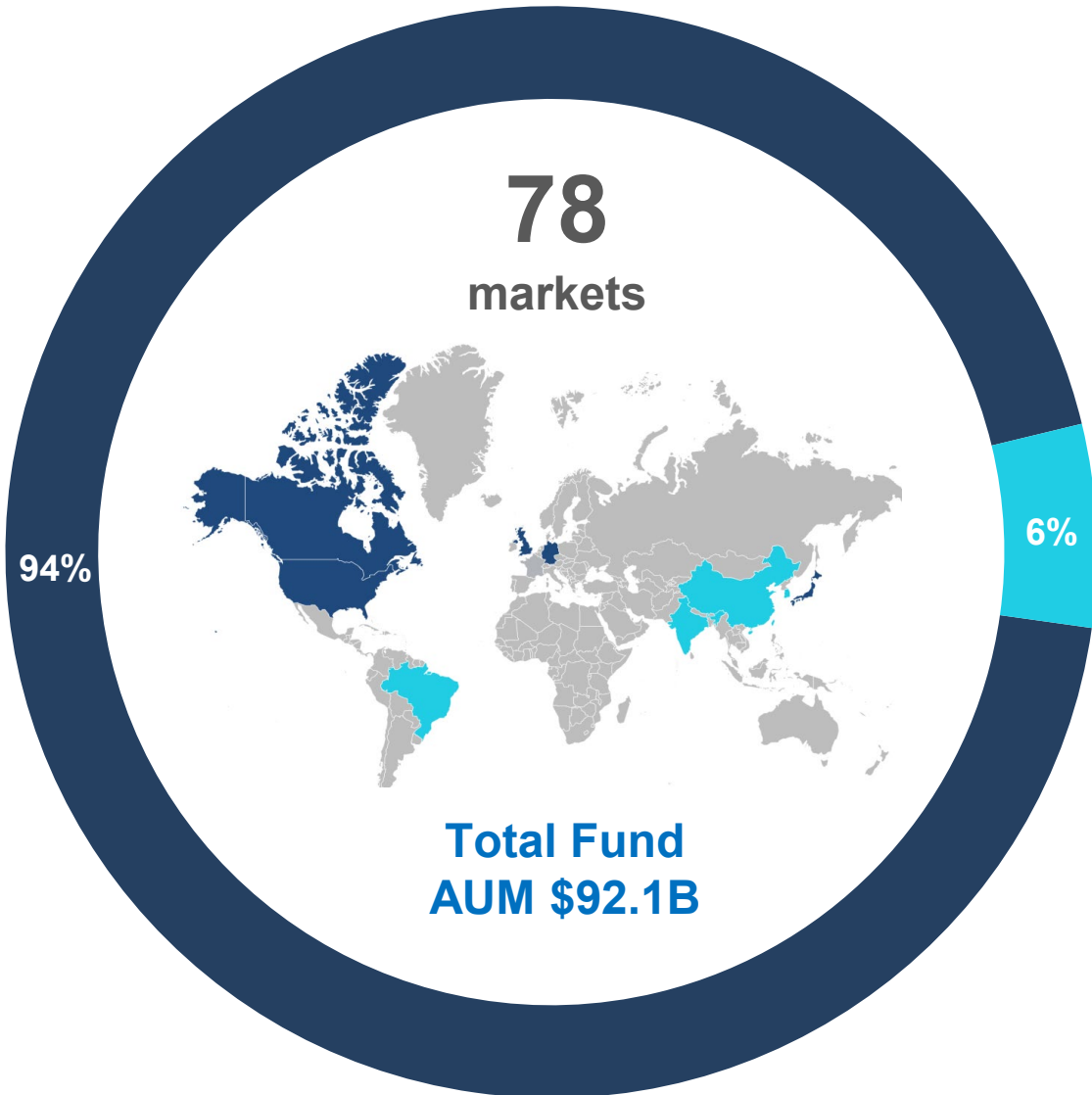
Total Fund

Geographic Exposure by AUM as of February 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%



52
emerging &
frontier markets

Top 5 Countries	Portfolio
China	2.0%
Taiwan	0.8%
South Korea	0.7%
Brazil	0.6%
India	0.4%



03

OPEB Master Trust Performance and Risk

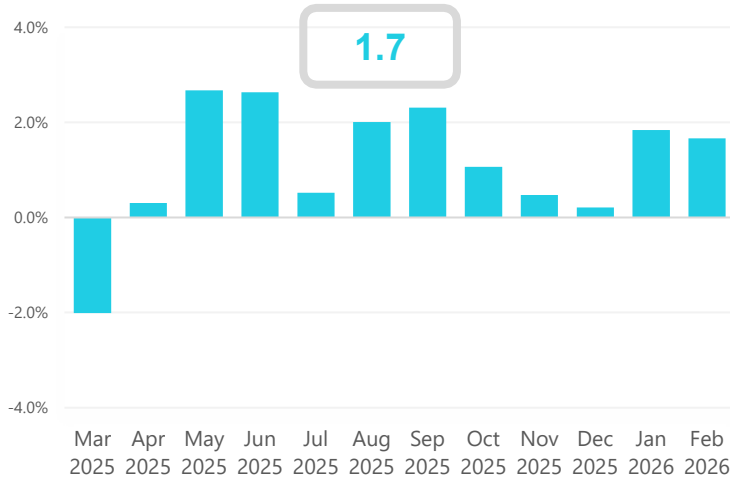


OPEB Master Trust

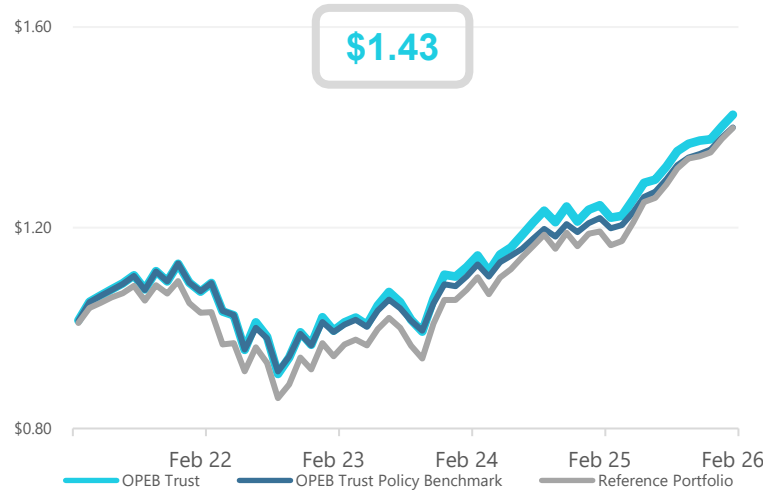
Performance Summary as of February 2026



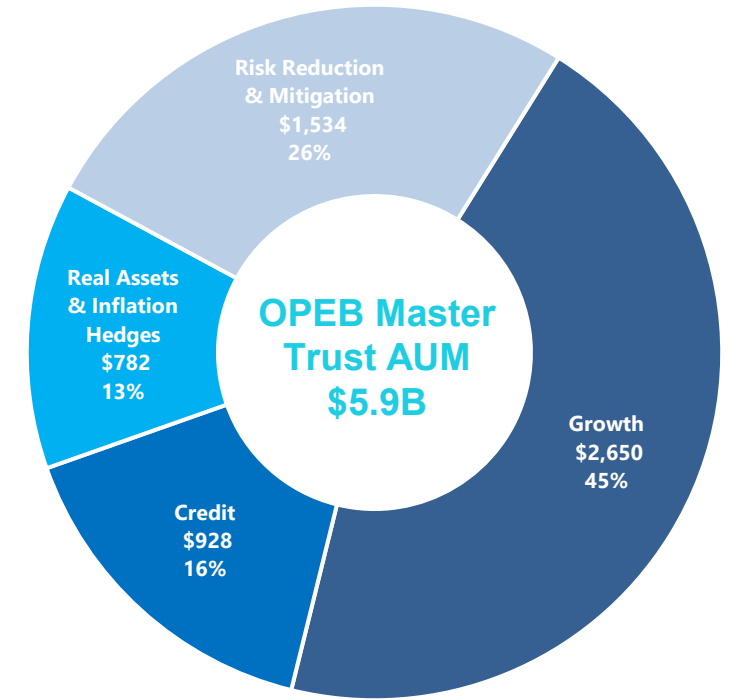
Monthly Return (net)



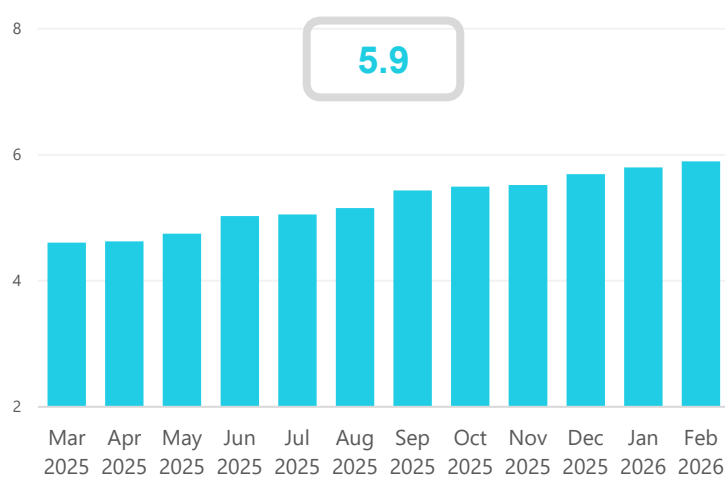
Growth of a Dollar (trailing 5Y)⁹



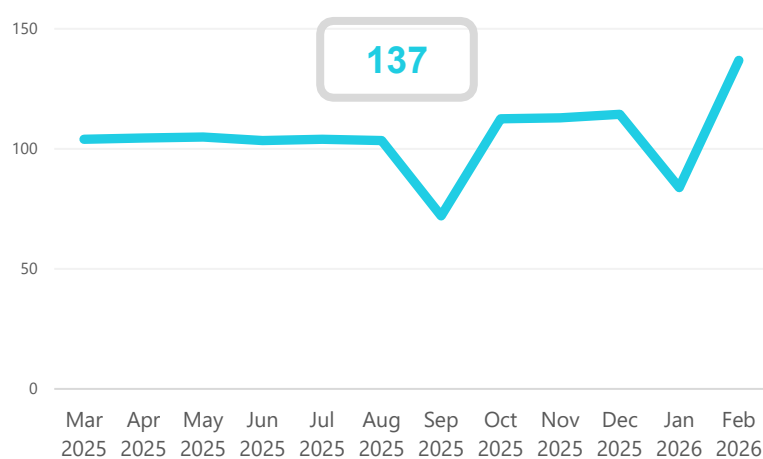
Asset Allocation (in millions)



Total Market Value (in billions)



Cash Equivalents (in millions)

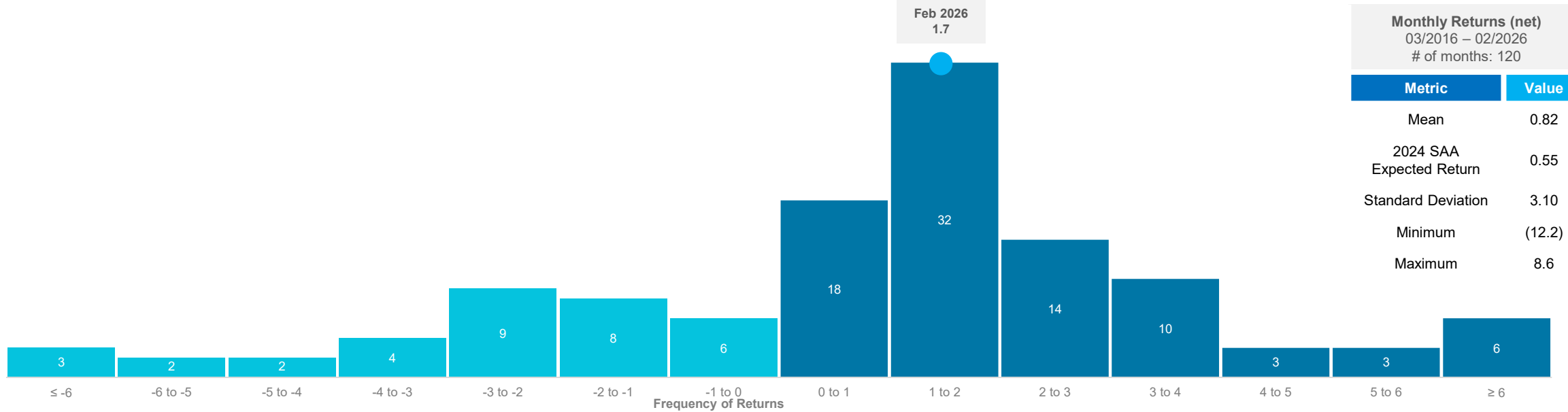


OPEB Master Trust

Historical Net Performance as of February 2026



OPEB Master Trust



Monthly Returns (net) 03/2016 – 02/2026 # 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	5,895			1.7%	3.8%	10.5%	3.5%	14.5%	12.7%	7.3%	9.9%
OPEB Master Trust Policy Benchmark				1.5%	3.9%	11.0%	3.2%	14.8%	12.2%	7.0%	8.9%
OPEB Actuarial Hurdle				0.5%	1.0%	4.1%	1.0%	6.2%	6.1%	6.1%	6.0%
OPEB Growth	2,650	45.0%	45.0%	1.6%	5.8%	16.8%	4.9%	25.4%	20.5%	11.5%	
OPEB Growth Policy Benchmark				1.4%	6.0%	17.4%	4.6%	24.6%	20.5%	11.3%	
OPEB Credit	928	15.8%	16.0%	-0.2%	0.8%	4.1%	0.1%	6.3%	8.2%	4.4%	
OPEB Credit Policy Benchmark				0.1%	1.2%	5.0%	0.8%	6.8%	9.3%	4.9%	
OPEB Real Assets & Inflation Hedges	782	13.3%	13.0%	3.4%	4.4%	8.5%	5.5%	6.7%	6.9%	5.9%	
OPEB RA & IH Policy Benchmark				2.4%	4.7%	8.5%	3.8%	10.7%	3.8%	4.4%	
OPEB Risk Reduction & Mitigation	1,534	26.0%	26.0%	2.1%	1.7%	5.2%	2.3%	5.8%	4.4%	0.7%	
OPEB RR & M Policy Benchmark				2.0%	1.6%	5.0%	2.0%	5.6%	4.2%	0.2%	
OPEB HL PM Cash	0	0.0%									

OPEB Master Trust

Forecast Volatility as of February 2026¹⁰



VOLATILITY

Measures how much a portfolio can fluctuate over 1Y

OPEB TRUST
VOLATILITY

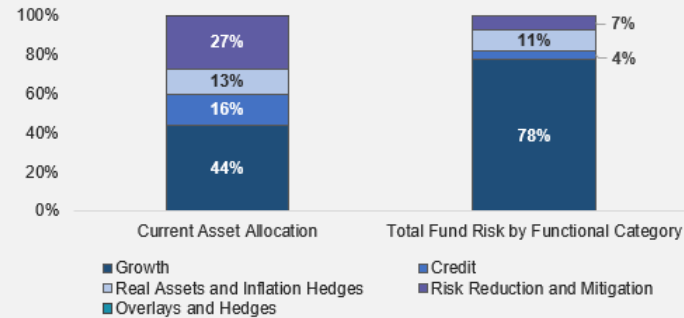
7.6%

BENCHMARK
VOLATILITY

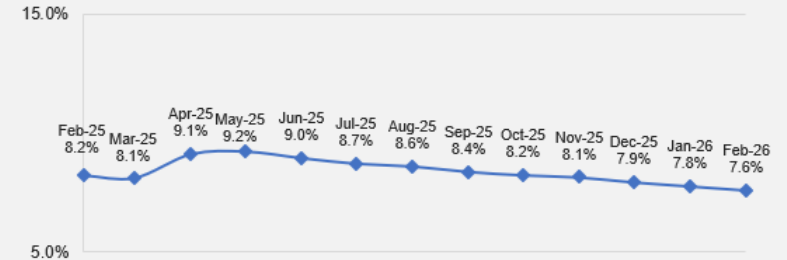
7.7%

OPEB Master Trust Asset Allocation

Capital-based versus Risk-based



Forecasted OPEB Master Trust Volatility Trend



ACTIVE RISK

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

OPEB MASTER TRUST
ACTIVE RISK

0.72%

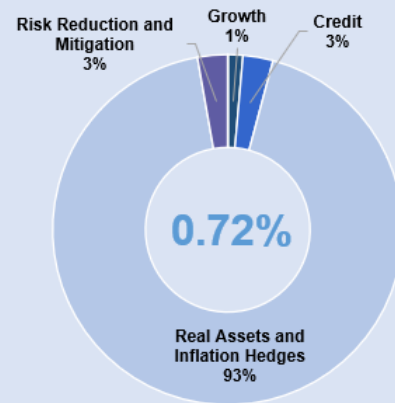
ALLOCATION
RISK

0.04%

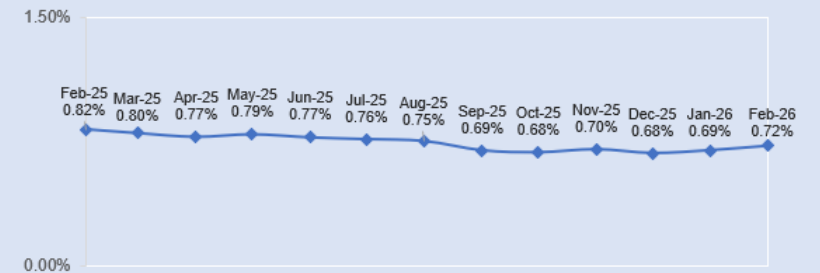
SELECTION
RISK

0.68%

Functional Category Contributions to Active Risk



Forecasted Active Risk Trend



Source: MSCI BarraOne

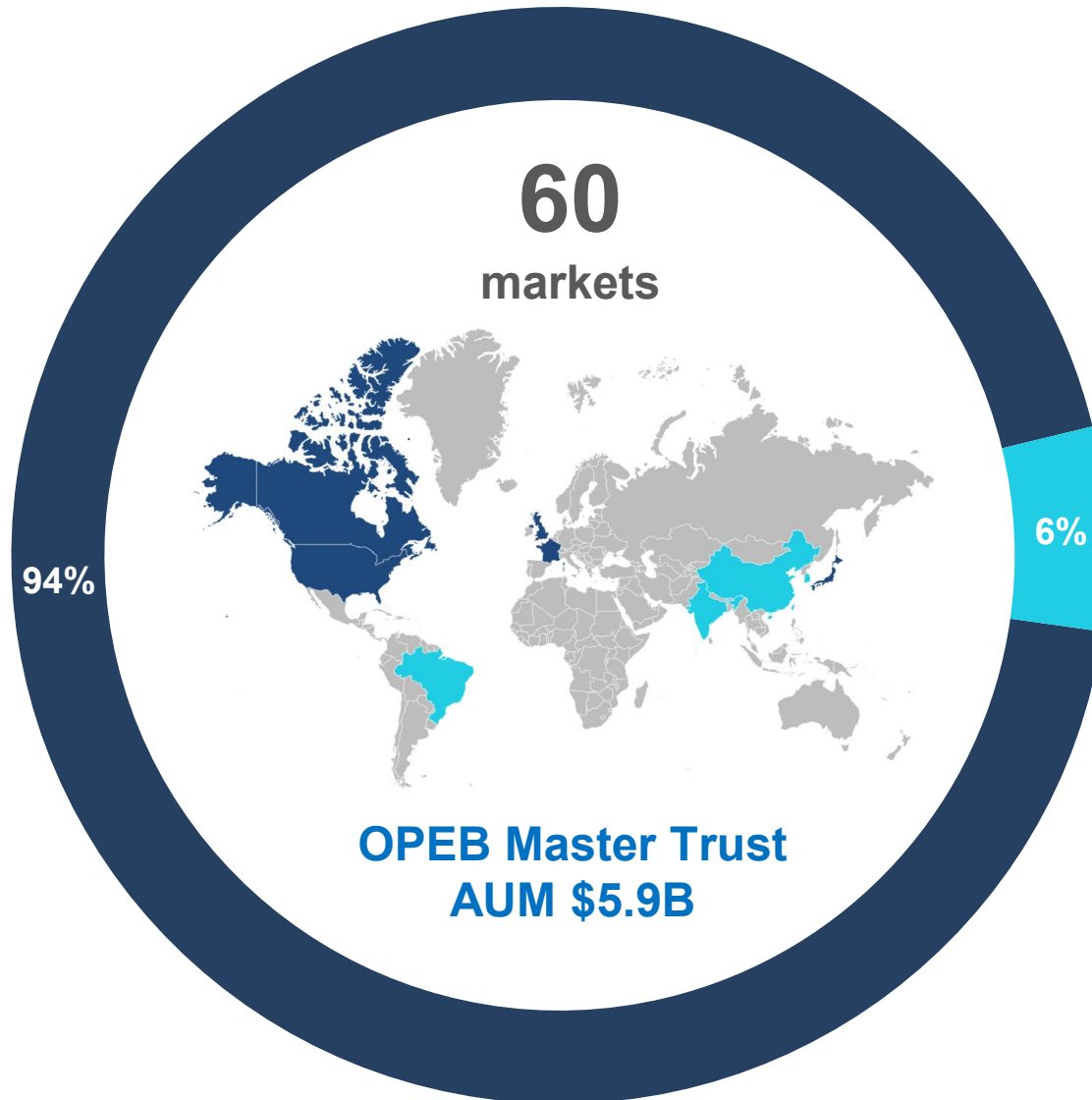
OPEB Master Trust

Geographic Exposure by AUM as of February 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

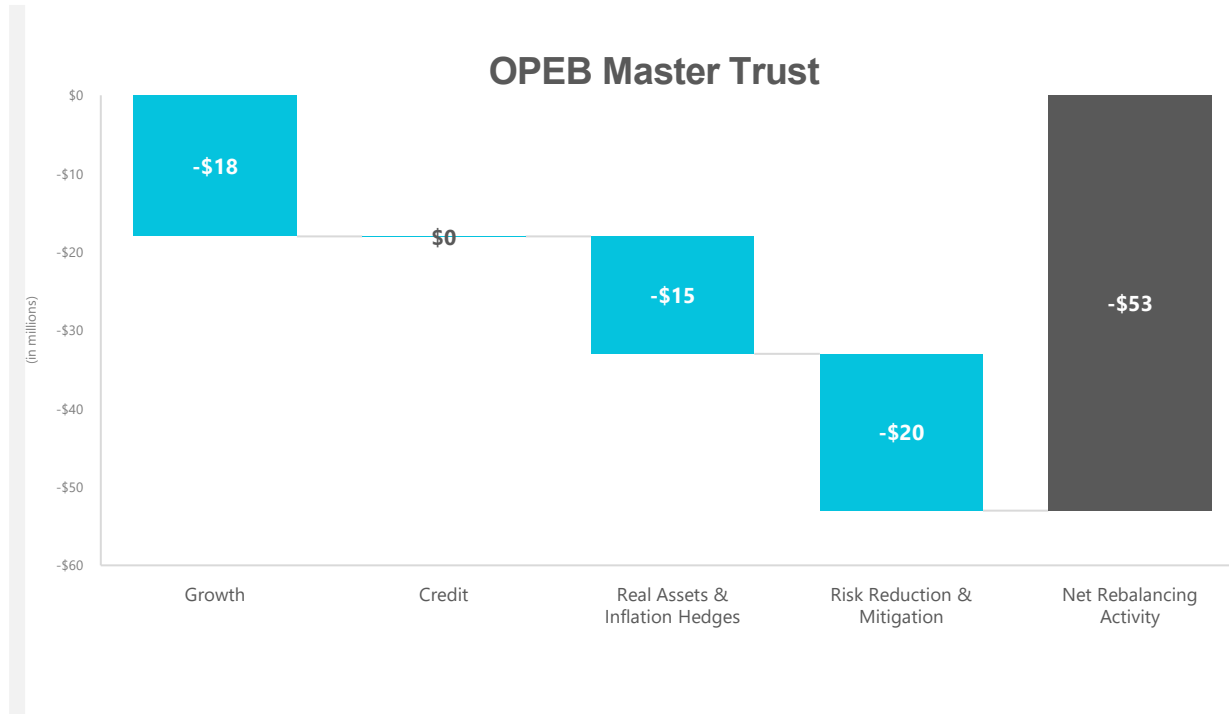
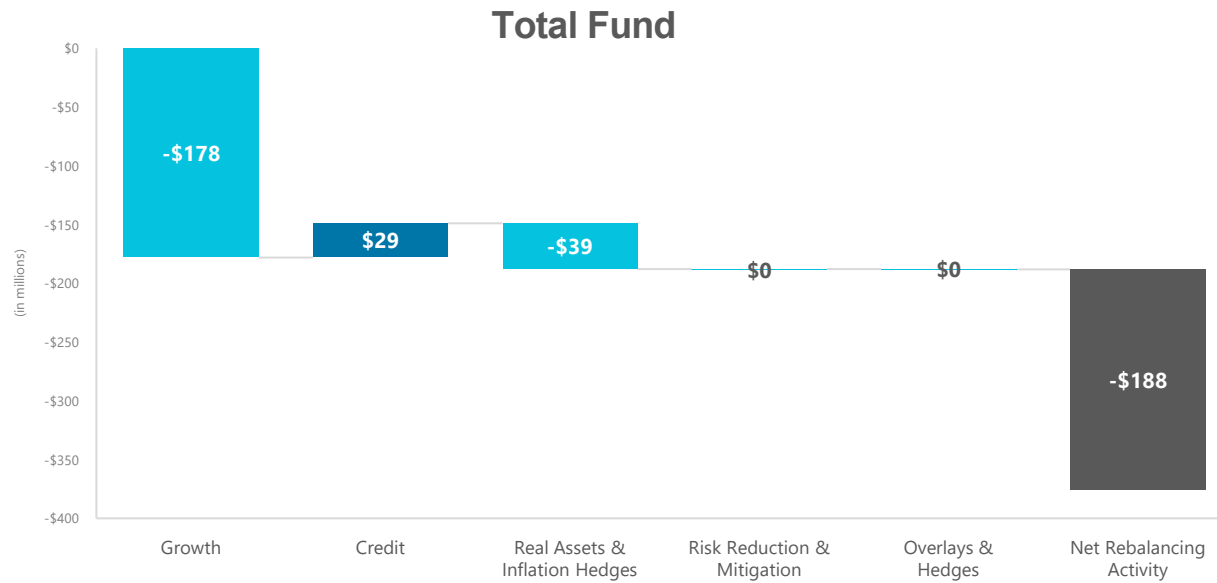
Portfolio and Structural Updates



Portfolio Updates



Prior Month Rebalancing Activity



Overlays and Hedges

Program	February Gain / (Loss) in \$ millions	Since Inception Gain / (Loss) in \$ millions
Currency Hedge	-0.1	1,646.8
Cash / Rebalance Overlay	7.8	681.5

Key Initiatives and Operational Updates



Key Initiatives and Operational Updates

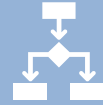
	Status
Total Fund	
April 2024 approved Strategic Asset Allocation implementation	In Progress
Adhering to the BOI-approved 2026 Strategic Framework	In Progress
Planning for the Strategic Framework and Initiatives Refresh	In Progress
Risk system onboarding	In Progress
OPEB Master Trust	
April 2024 approved 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
Bell Partners	Fund Manager	Core Private Real Estate	\$29.5	Bell Partners has entered into an agreement to be acquired by Sun Life Financial through BentallGreenOak (BGO), its international real estate investment management platform. Bell will continue to operate as a distinct company with a dedicated focus on U.S. multifamily investment and property management. Closing is expected to occur in 3Q 2026.

Change In Fiduciary Net Position¹³



FIDUCIARY NET POSITION

Additions
+
Deductions



ADDITIONS

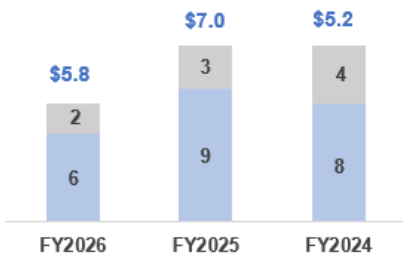
Employer and Employee Contributions
Net Investment Income/(Loss)



DEDUCTIONS

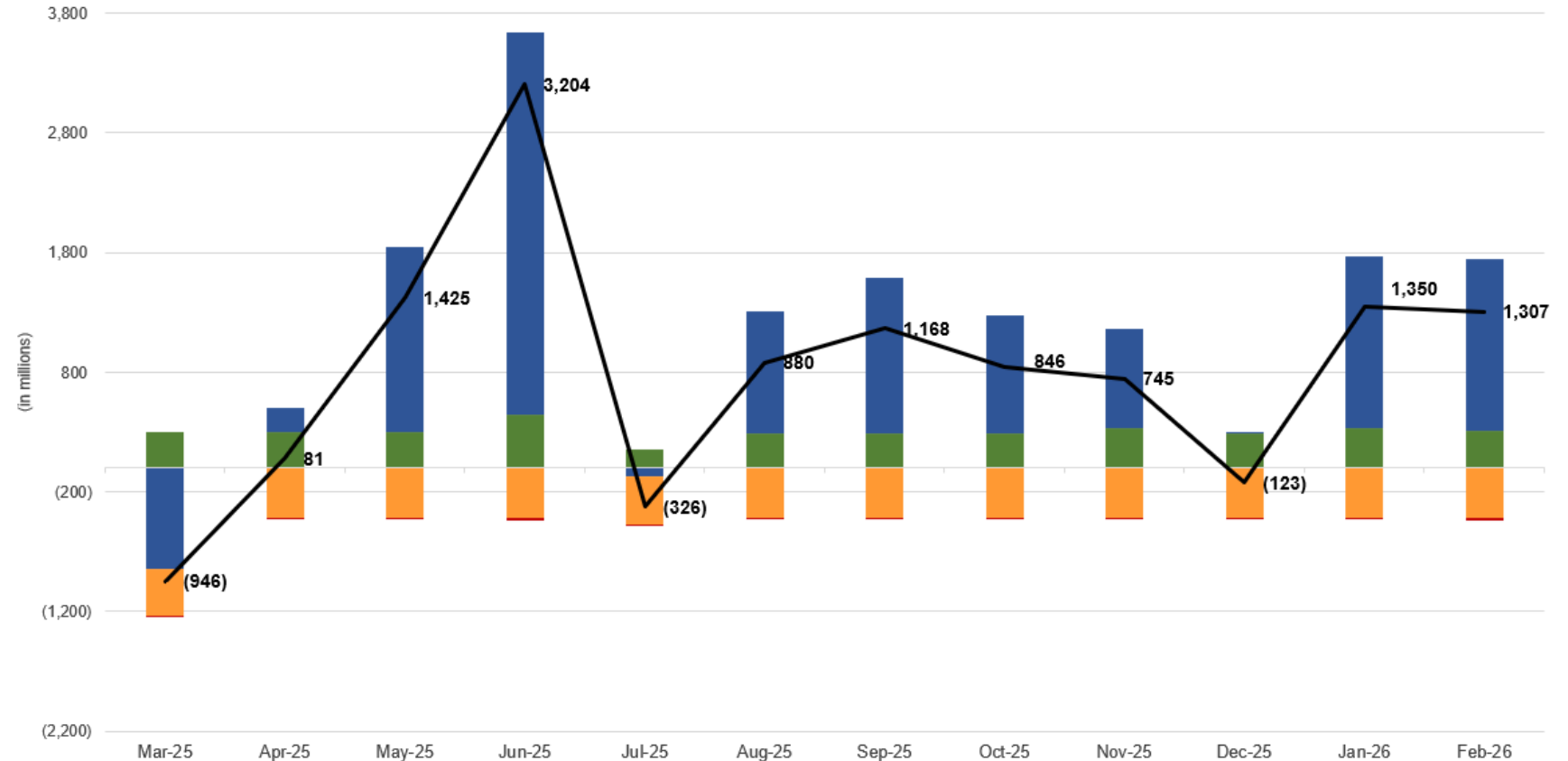
Benefits and Refunds
Administrative Expenses

Total Net Position Change Trend (in billions)



■ Positive Months ■ Negative Months

Additions and Deductions in Net Fiduciary Position (Unaudited)



■ Employee and Employer Contributions ■ Net Investment Income/(Loss) ■ Benefits and Refunds
■ Administrative Expenses and Miscellaneous ■ Total Additions and Deductions in Fiduciary Net Position



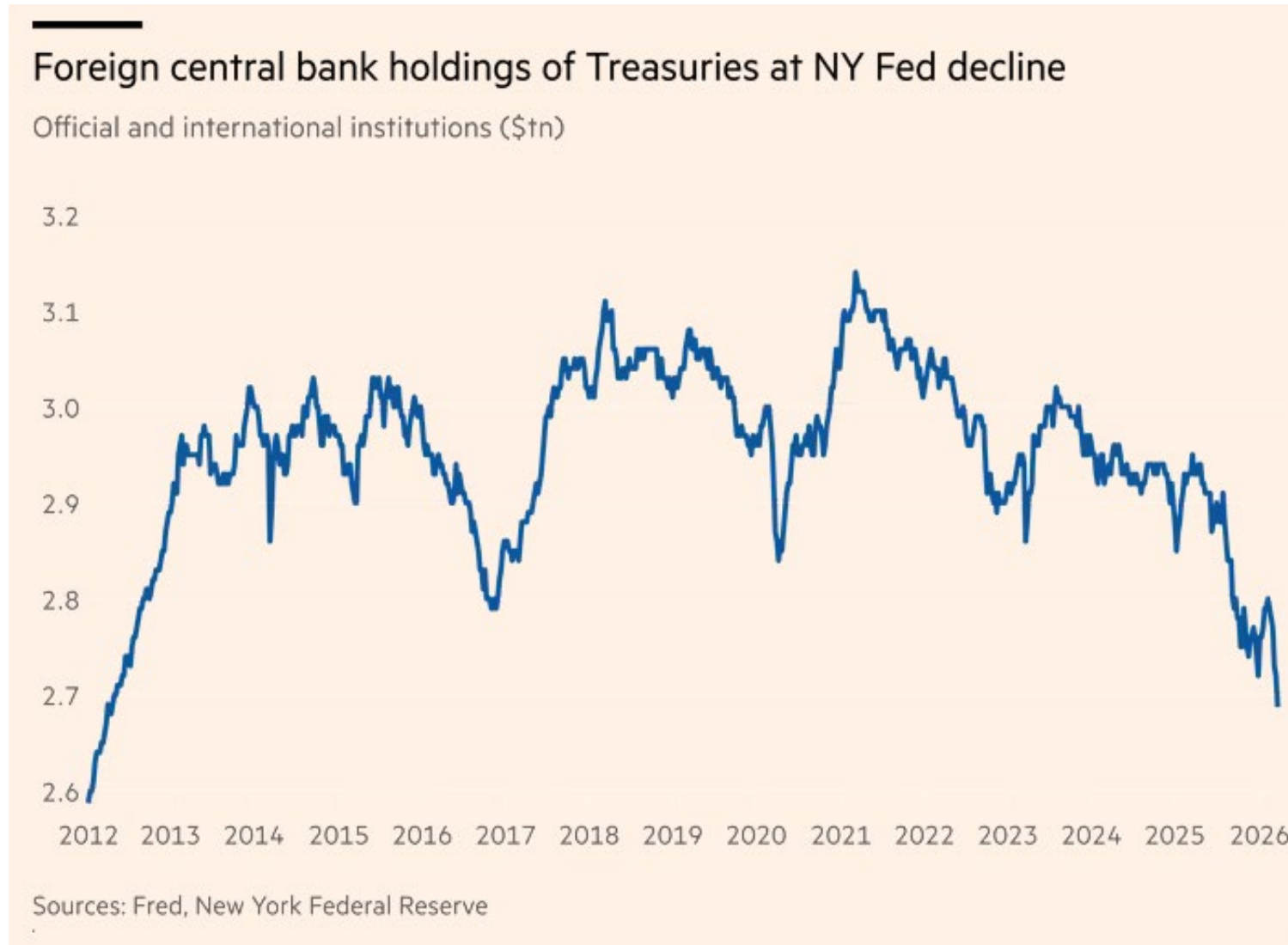
05



Appendix

Staff Chart of the Month

Foreign Central Bank Holdings of Treasuries at the New York Fed Decline



Source: Financial Times

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.