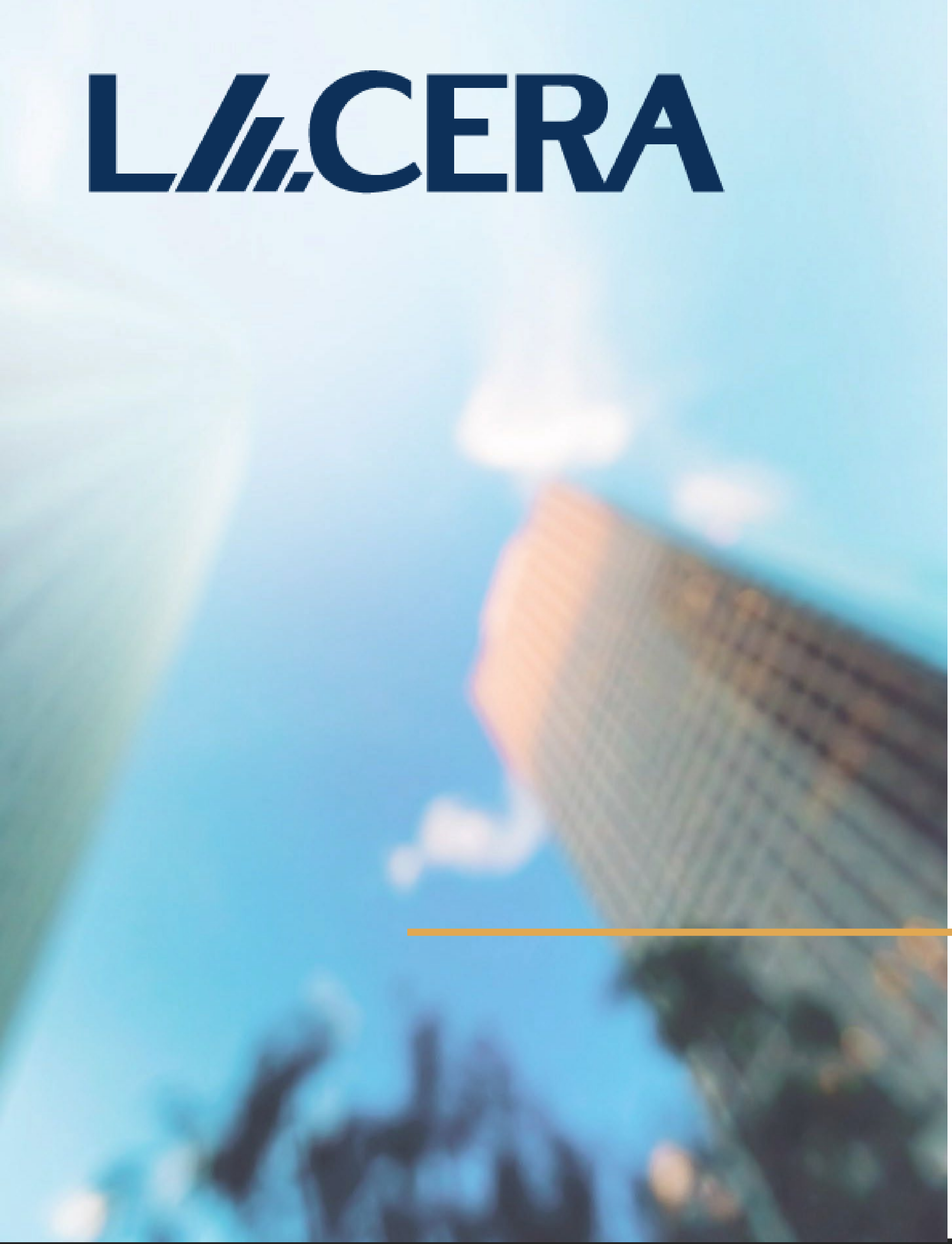


Chief Investment Officer Monthly Report

Jonathan Grabel – Chief Investment Officer

Board of Investments Meeting
August 12th, 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 held its interest rates at 3.50%–3.75% at its July 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 and proposals on financial reporting, corporate disclosures, and proxy research
- U.S. Equal Employment Opportunity Commission proposes ending corporate demographic reporting

Market Themes

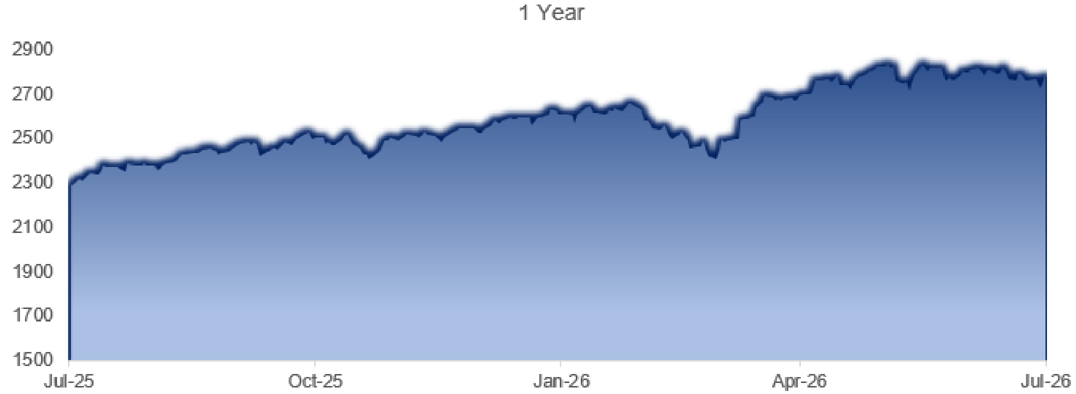
- **Tariff Impacts**: Trade policy uncertainty persisted as new tariffs of 10% to 12.5% took effect representing over 99% of U.S. imports, replacing the expired 10% global surcharge
- **Inflation**: Data released during July indicated some moderating price pressures in the U.S., with headline PCE declining to 3.7% year-over-year and core PCE easing to 3.3%. The improvement was driven largely by a temporary drop in energy prices following the mid-June Iran ceasefire, which has since reversed
- **Federal Reserve Policy**: The Federal Open Market Committee left the federal funds rate unchanged in July for a fifth consecutive meeting. Three dissenting votes in favor of a rate increase highlighted ongoing inflation concerns
- **Geopolitical Uncertainty:** Tensions in the Middle East continued to disrupt transit through the Strait of Hormuz, contributing to higher oil prices and reinforcing inflation risks
- **Corporate Earnings**: Second-quarter earnings broadly exceeded expectations, while elevated AI-related capital spending remained an important area of investor focus

Global Market Performance

As of July 31, 2026

MSCI ACWI IMI Index (Global Equity Market)*

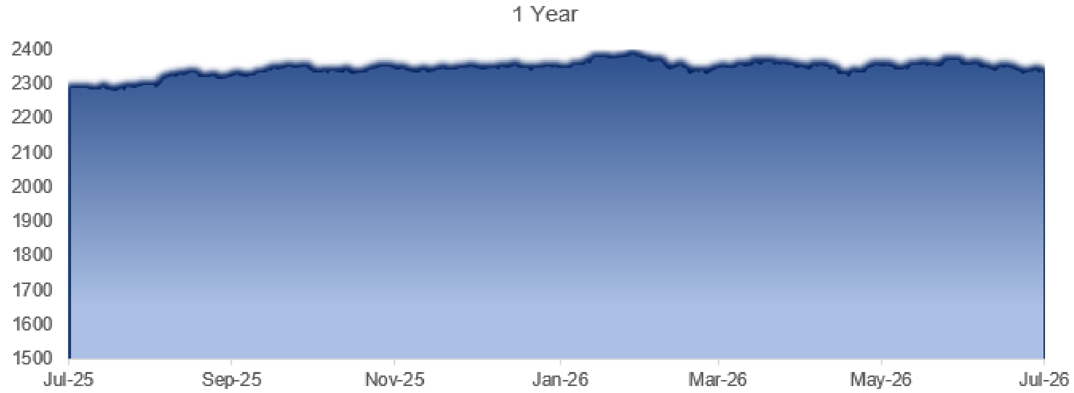
Trailing Returns (%)				Annualized Returns (%)			
1-Month	3-Month	FYTD	YTD	1Y	3Y	5Y	10Y
-0.3	4.1	-0.3	11.5	22.3	17.8	10.4	12.0



*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
-1.3	-0.8	-1.3	-0.7	2.7	3.7	-0.4	1.3

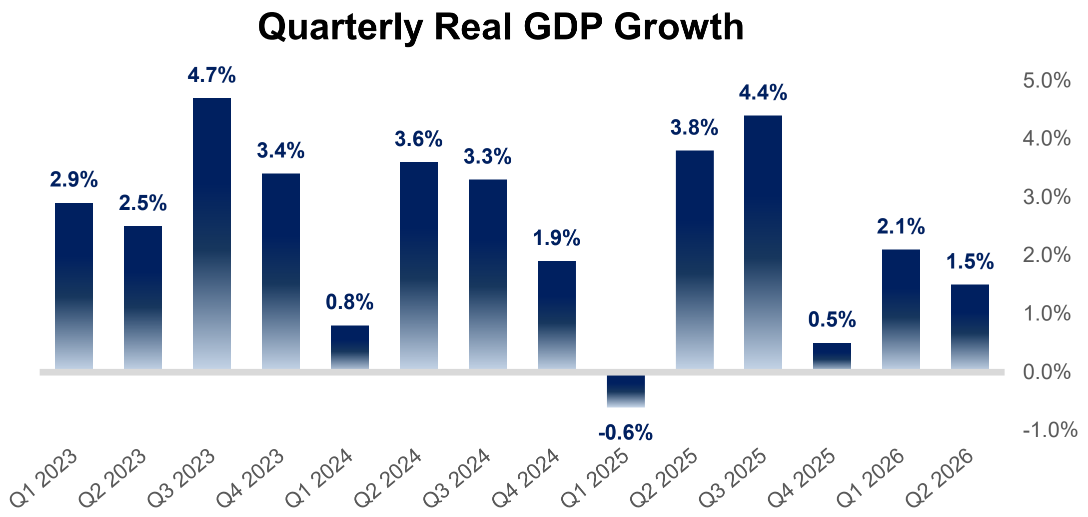


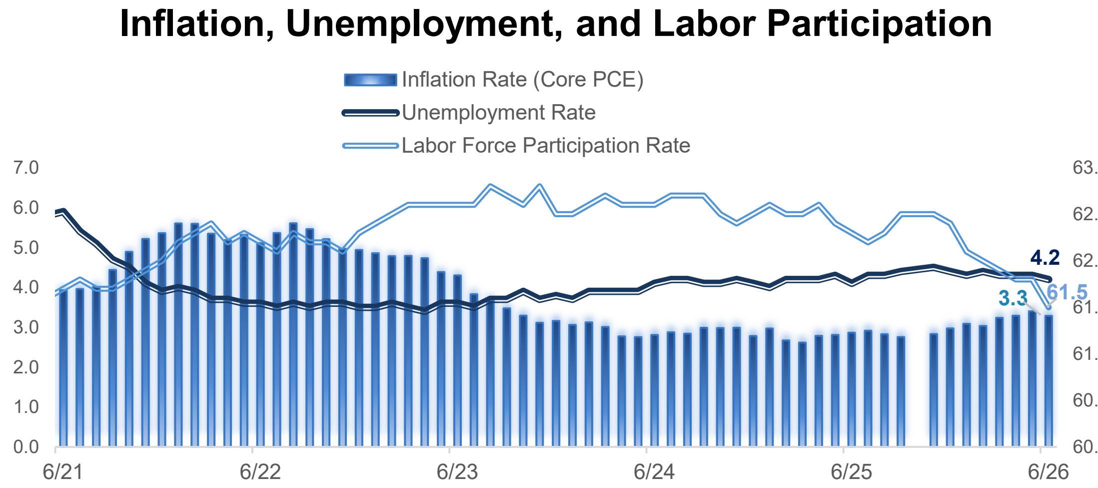
**Investment Grade Bonds Policy Benchmark - Barclays U.S. Aggregate Bond Index

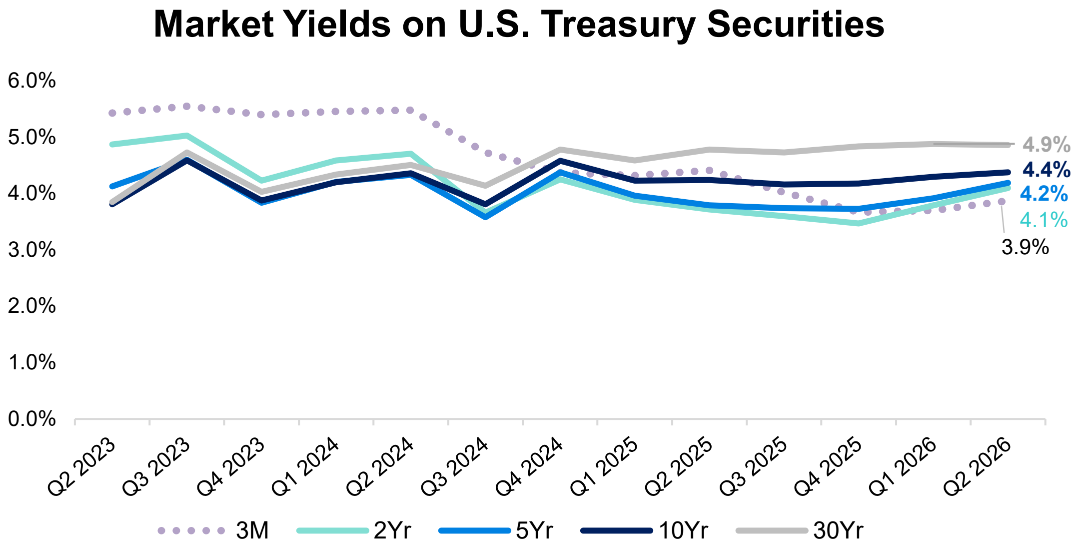
Market	Sub-Category	Index Name	1 M	3 M	FYTD	YTD	1 Y	3 Y	5 Y	10 Y
Reference Portfolio	60:40 Equity:Bond Portfolio	60% MSCI ACWI IMI/ 40% Bloomberg U.S. Aggregate Index	-0.7	2.2	-0.7	6.6	14.3	12.1	6.1	7.9
Global Equity	U.S. Large Cap	S&P 500 Total Return	-0.1	4.2	-0.1	10.1	19.6	19.3	12.9	15.1
	U.S. Small Cap	Russell 2000 Total Return	-3.0	5.0	-3.0	18.9	34.2	15.1	7.1	10.6
	Non-U.S. All Cap	MSCI ACWI-ex U.S. IMI Total Return	0.2	4.0	0.2	13.3	27.1	16.9	8.8	9.3
	Emerging Markets	MSCI Emerging Markets Total Return	-3.1	4.8	-3.1	20.0	36.4	19.3	8.0	9.2
Private Equity	Private Equity Buyout	Thomson Reuters PE Buyout Index	-0.5	6.5	-0.5	11.8	22.3	24.3	8.6	13.4
Fixed Income	U.S. Corporate High Yield Bonds	Bloomberg U.S. Corporate High Yield Total Return	-0.2	0.5	-0.2	1.7	5.2	8.3	4.0	5.5
	U.S. Long Term Treasury Bonds	Bloomberg Long Term U.S. Treasury Total Return Index	-4.0	-2.5	-4.0	-3.6	-0.3	-1.1	-7.0	-2.0
	Developed Markets Leveraged Loans	Credit Suisse Leveraged Loan Total Return	0.8	1.4	0.8	2.2	4.3	7.4	6.1	5.4
Real Assets & Inflation Hedges	Natural Resources	S&P Global Natural Resources Total Return Index	7.5	-1.8	7.5	17.9	37.0	11.8	11.0	10.7
	Global Infrastructure	Dow Jones Brookfield Global Infrastructure Composite Index	1.1	-2.0	1.1	12.2	15.8	13.3	8.5	7.0
	Treasury Inflation-Protected Securities	Bloomberg U.S. Treasury TIPS 0-5 Years Total Return	0.2	-0.1	0.2	1.8	3.5	5.0	3.1	3.1
	Real Estate	NCREIF Fund Index - ODCE (Net)[1]	0.0	1.3	0.0	2.3	3.6	-1.4	1.9	3.7

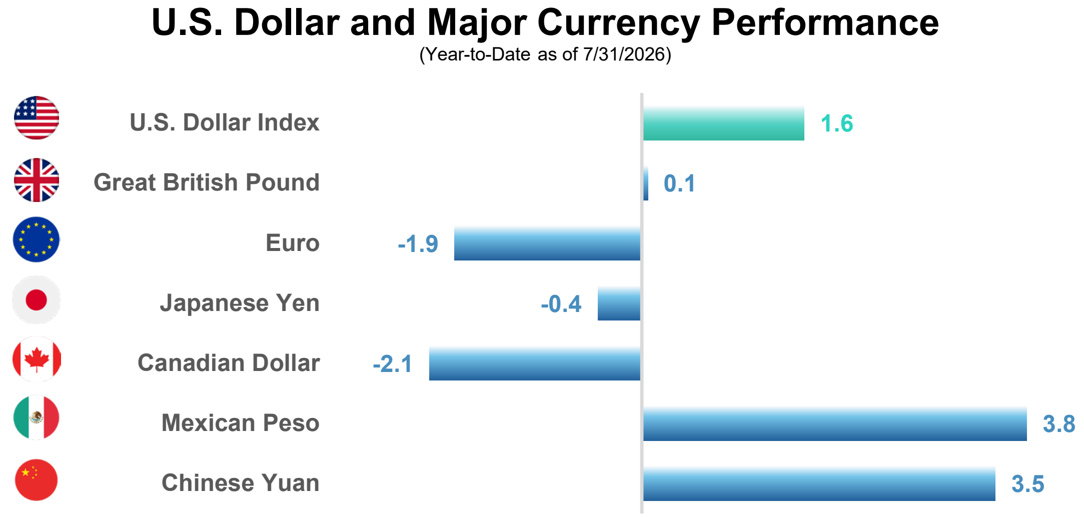
Source: Bloomberg, State Street

Key Macro Indicators[2]









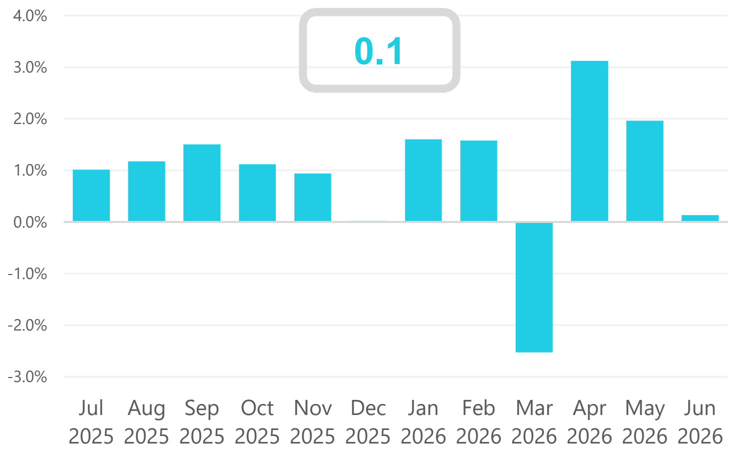
Sources: Bloomberg, St. Louis Federal Reserve

02

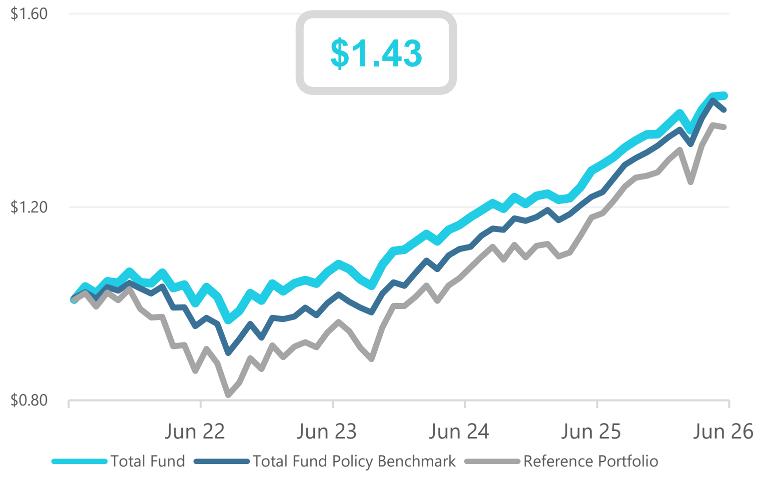
Total Fund Performance and Risk

Total Fund
Performance Summary as of June 2026

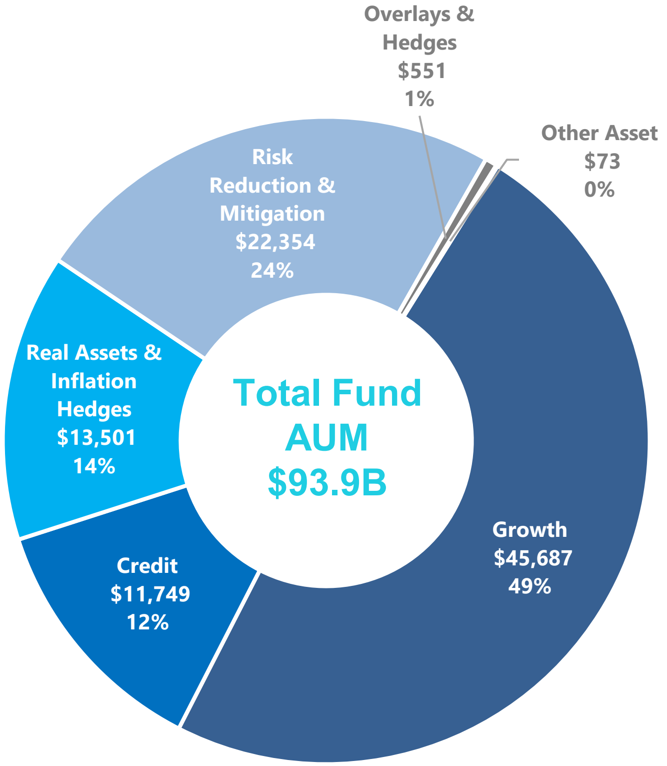
Monthly Return (net)



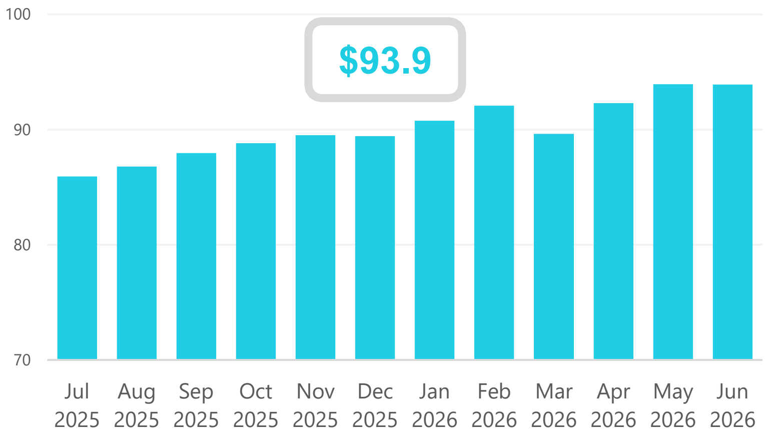
Growth of a Dollar (trailing 5Y)[3]



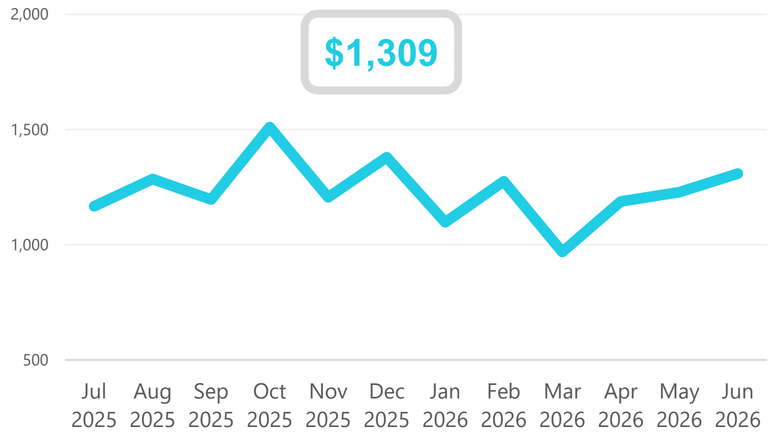
Asset Allocation (in millions)[4]



Total Market Value (in billions)



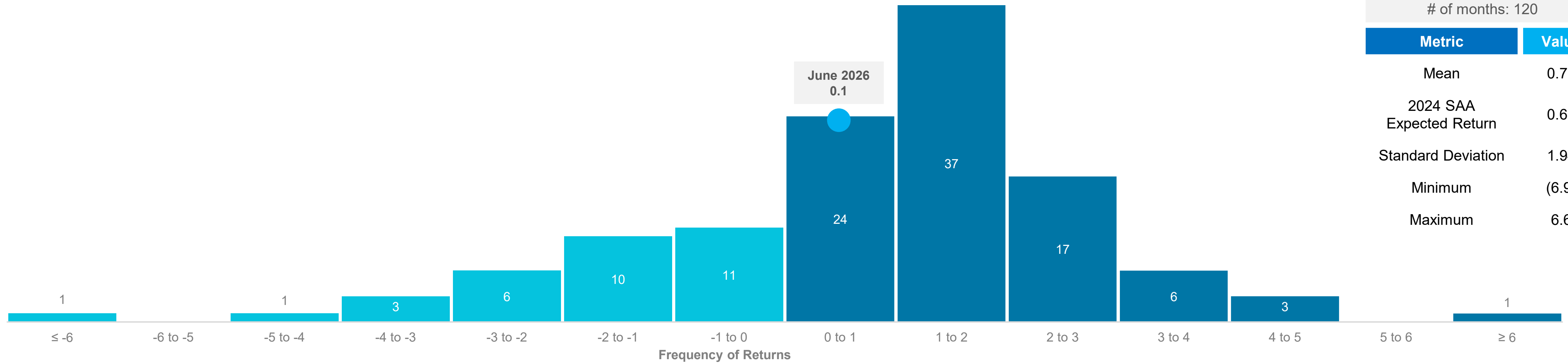
Cash Equivalents (in millions)



Total Fund

Historical Net Performance as of June 2026

LACERA Pension Fund[5]



Monthly Returns (net)
07/2016 – 06/2026
# of months: 120

Metric	Value
Mean	0.75
2024 SAA Expected Return	0.60
Standard Deviation	1.94
Minimum	(6.9)
Maximum	6.6

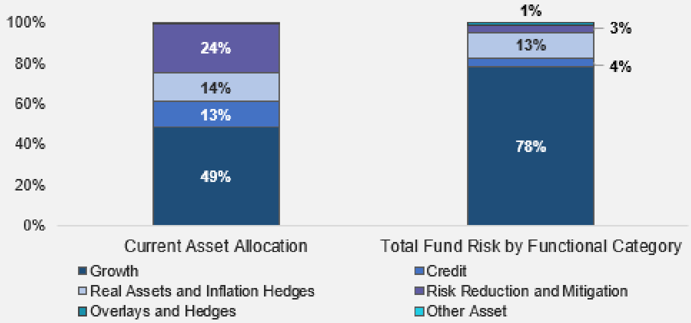
	Market Value ($ mm)	% of Total Fund	Target	1 Month	3 Month	FYTD	YTD	1 Year	3 Year	5 Year	10 Year
Total Fund	**93,916**	**100.0%**	**100.0%**	**0.1%**	**5.3%**	**12.2%**	**5.9%**	**12.2%**	**10.3%**	**7.4%**	**9.1%**
Total Fund Policy Benchmark				-1.4%	5.3%	14.8%	5.6%	14.8%	11.9%	7.0%	8.6%
Total Fund Actuarial Hurdle				0.6%	1.7%	7.0%	3.4%	7.0%	7.0%	7.0%	7.0%
Growth	**45,687**	**48.6%**	**48.0%**	**-0.1%**	**9.5%**	**17.5%**	**8.1%**	**17.5%**	**13.9%**	**9.8%**	
Growth Policy Benchmark				-2.9%	8.1%	23.3%	7.8%	23.3%	18.1%	10.4%	
Credit	**11,749**	**12.5%**	**13.0%**	**0.9%**	**3.5%**	**6.7%**	**5.6%**	**6.7%**	**12.8%**	**8.2%**	
Credit Policy Benchmark				0.6%	2.2%	6.8%	2.5%	6.8%	9.2%	5.0%	
Real Assets & Inflation Hedges	**13,501**	**14.4%**	**15.0%**	**-1.1%**	**-0.4%**	**7.9%**	**3.5%**	**7.9%**	**4.4%**	**5.4%**	
RA & IH Policy Benchmark				-1.0%	6.0%	11.8%	7.4%	11.8%	5.3%	5.5%	
Risk Reduction & Mitigation	**22,354**	**23.8%**	**24.0%**	**0.5%**	**0.8%**	**5.5%**	**1.9%**	**5.5%**	**4.7%**	**1.3%**	
RR & M Policy Benchmark				0.4%	1.0%	4.5%	1.4%	4.5%	4.3%	0.9%	
Overlays & Hedges	**551**	**0.6%**									
Other Asset	**73**	**0.1%**									

Total Fund
Forecast Volatility as of June 2026[6]

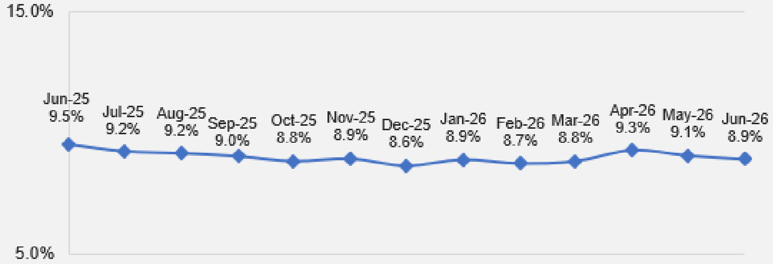
VOLATILITY
Measures how much a portfolio can fluctuate over 1Y

TOTAL FUND VOLATILITY	BENCHMARK VOLATILITY
8.9%	8.6%

Total Fund Asset Allocation
Capital-based versus Risk-based



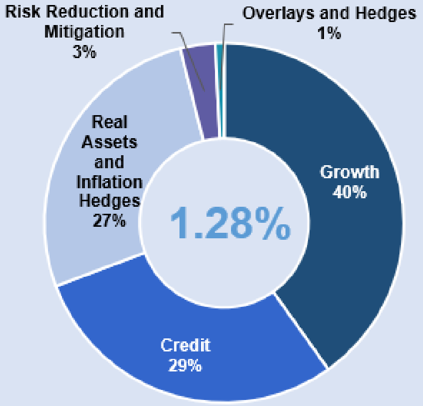
Forecasted Total Fund Volatility Trend



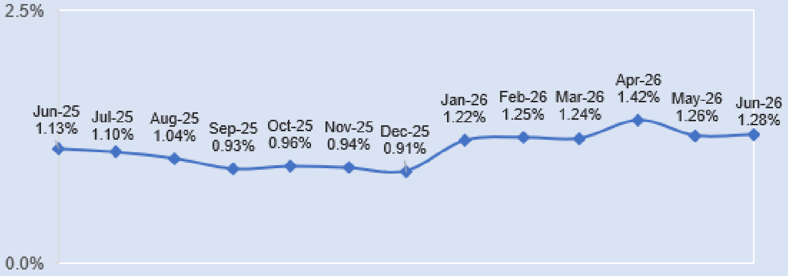
ACTIVE RISK
1Y forecast that measures how closely the portfolio tracks the benchmark

TOTAL FUND ACTIVE RISK	ALLOCATION RISK	SELECTION RISK
1.28%	0.04%	1.24%

Functional Category Contributions to Active Risk



Forecasted Active Risk Trend



Source: MSCI BarraOne

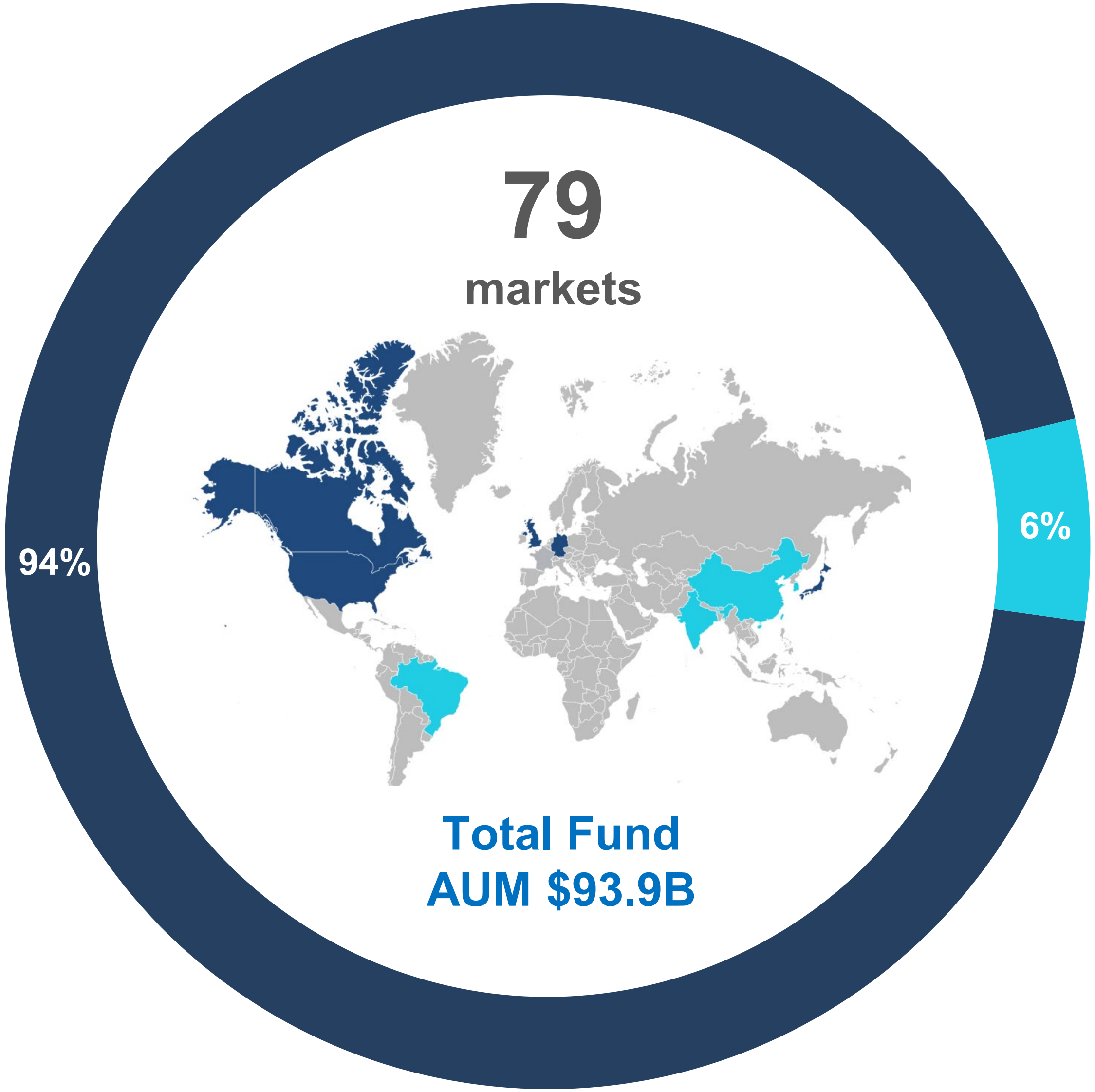
Total Fund

Geographic Exposure by AUM as of June 2026[7,8]

26

developed markets

Top 5 Countries	Portfolio
United States	75.7%
United Kingdom	4.1%
Canada	2.5%
Japan	1.9%
Germany	1.6%



53

emerging & frontier markets

Top 5 Countries	Portfolio
China	1.7%
Taiwan	1.1%
South Korea	1.0%
Brazil	0.4%
India	0.4%

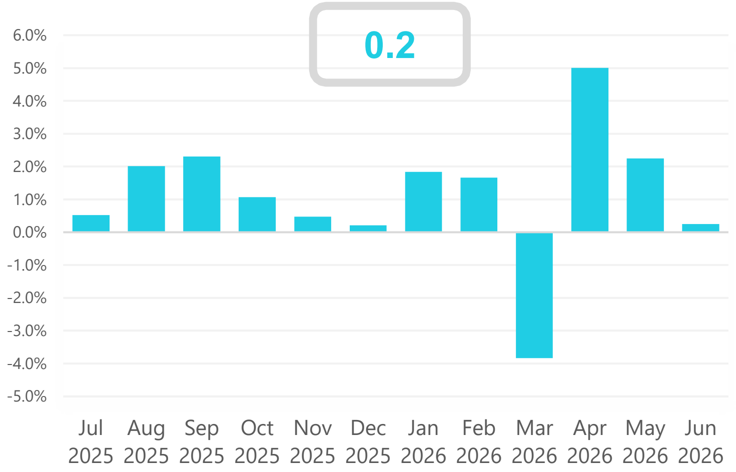
03

OPEB Master Trust Performance and Risk

OPEB Master Trust

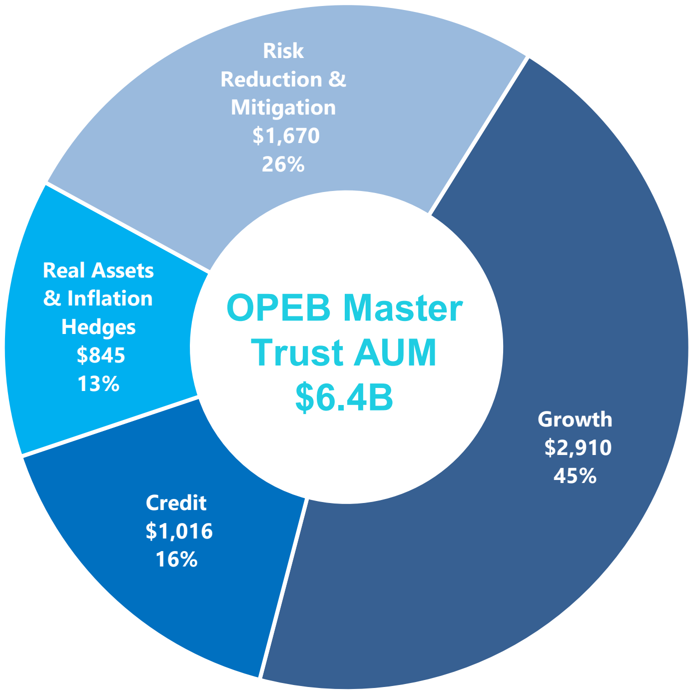
Performance Summary as of June 2026

Monthly Return (net)

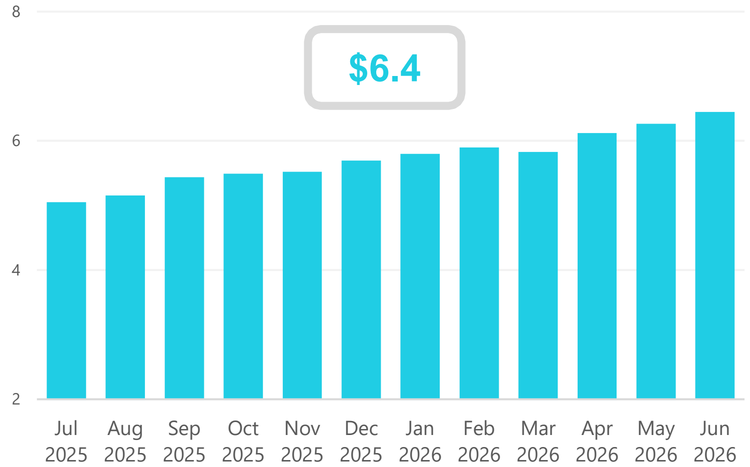


Growth of a Dollar (trailing 5Y)[9]

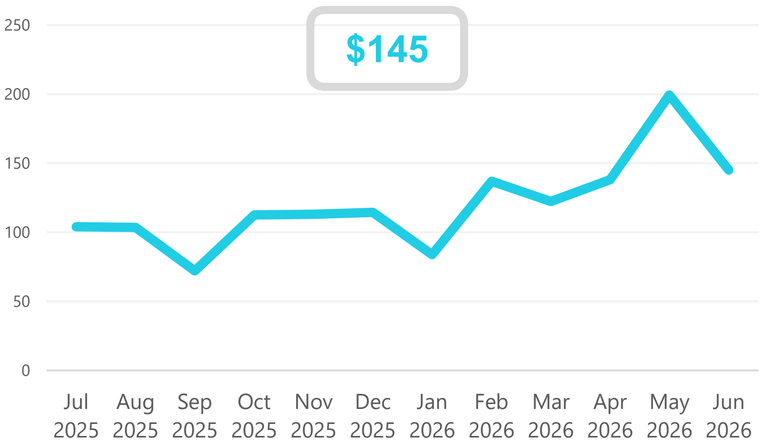
Asset Allocation (in millions)



Total Market Value (in billions)



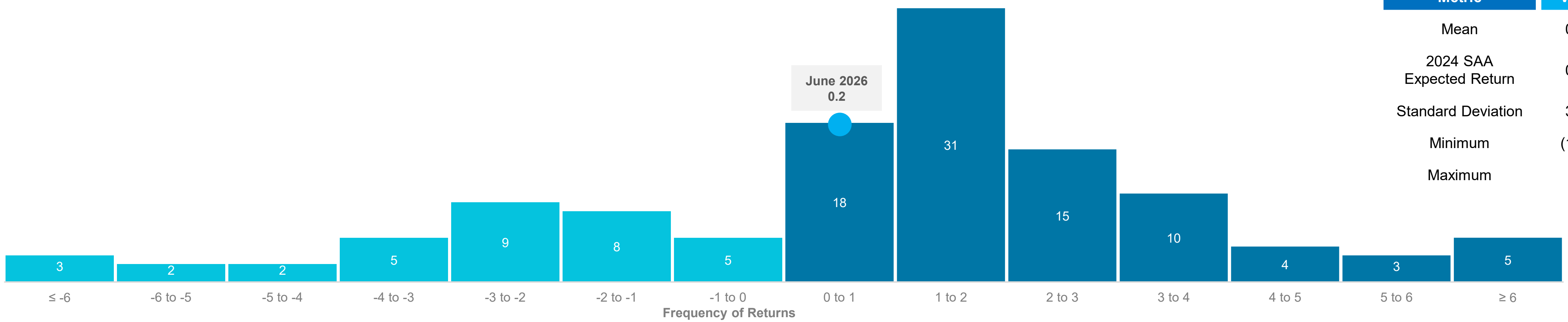
Cash Equivalents (in millions)



OPEB Master Trust

Historical Net Performance as of June 2026

OPEB Master Trust



Monthly Returns (net)
07/2016 – 06/2026
# of months: 120

Metric	Value
Mean	0.81
2024 SAA Expected Return	0.55
Standard Deviation	3.11
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	**6,447**	**100.0%**	**100.0%**	**0.2%**	**7.6%**	**14.4%**	**7.2%**	**14.4%**	**12.2%**	**6.5%**	**9.5%**
OPEB Master Trust Policy Benchmark				-0.6%	6.4%	14.0%	6.1%	14.0%	11.6%	6.0%	8.5%
OPEB Actuarial Hurdle				0.5%	1.5%	6.2%	3.1%	6.2%	6.2%	6.1%	6.0%
OPEB Growth	**2,910**	**45.2%**	**45.0%**	**-0.2%**	**14.4%**	**24.7%**	**12.0%**	**24.7%**	**19.8%**	**10.9%**	
OPEB Growth Policy Benchmark				-1.3%	12.9%	24.2%	10.7%	24.2%	19.5%	10.4%	
OPEB Credit	**1,016**	**15.8%**	**16.0%**	**0.2%**	**1.9%**	**5.9%**	**1.8%**	**5.9%**	**7.4%**	**4.3%**	
OPEB Credit Policy Benchmark				0.6%	2.2%	6.8%	2.5%	6.8%	8.9%	4.9%	
OPEB Real Assets & Inflation Hedges	**845**	**13.1%**	**13.0%**	**1.7%**	**5.9%**	**12.0%**	**8.9%**	**12.0%**	**8.0%**	**4.3%**	
OPEB RA & IH Policy Benchmark				-1.7%	1.0%	9.3%	4.6%	9.3%	4.7%	2.3%	
OPEB Risk Reduction & Mitigation	**1,670**	**25.9%**	**26.0%**	**0.4%**	**0.7%**	**3.8%**	**0.9%**	**3.8%**	**3.3%**	**0.3%**	
OPEB RR & M Policy Benchmark				0.4%	0.7%	3.7%	0.7%	3.7%	3.1%	-0.2%	

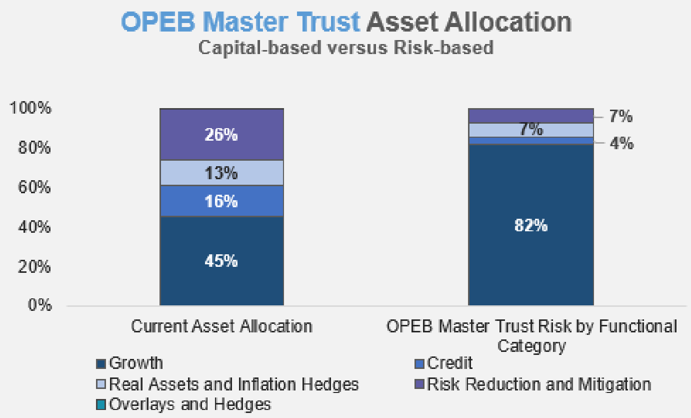
OPEB Master Trust

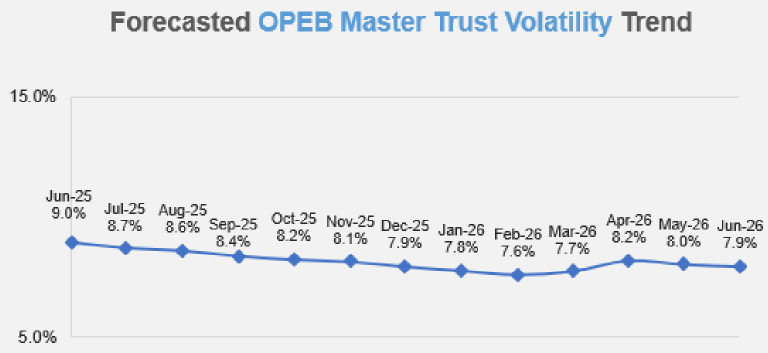
Forecast Volatility as of June 2026[10]

VOLATILITY

Measures how much a portfolio can fluctuate over 1Y

OPEB MASTER TRUST VOLATILITY	BENCHMARK VOLATILITY
7.9%	8.1%

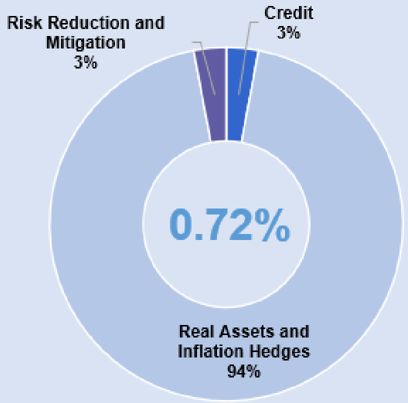


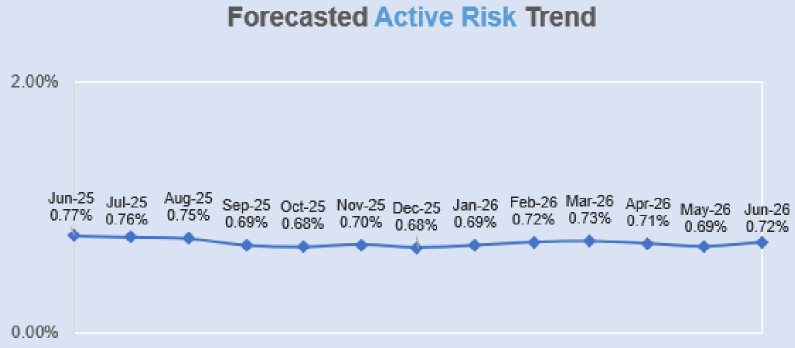


ACTIVE RISK

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

OPEB MASTER TRUST ACTIVE RISK	ALLOCATION RISK	SELECTION RISK
0.72%	0.10%	0.62%





Source: MSCI BarraOne

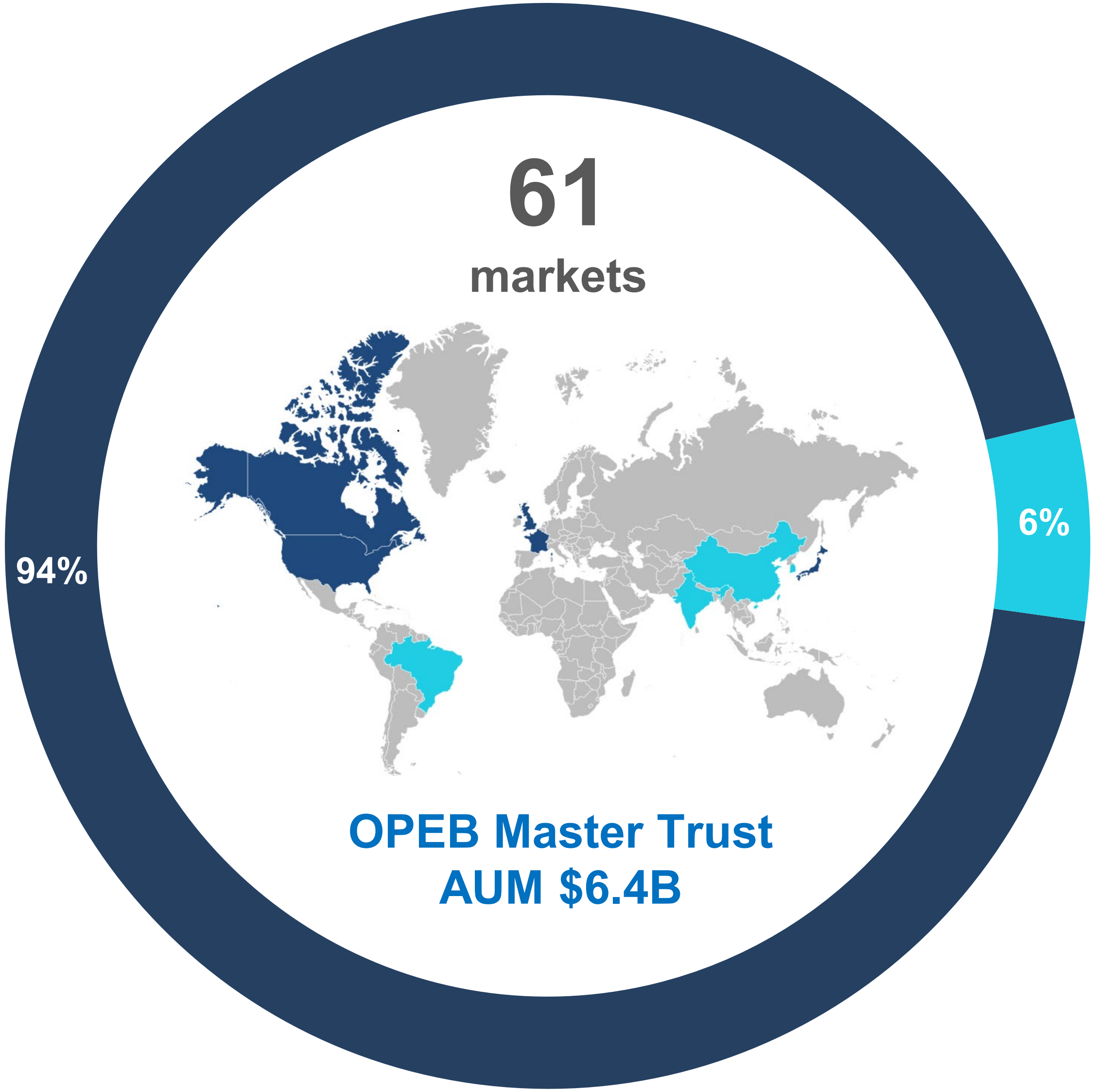
OPEB Master Trust

Geographic Exposure by AUM as of June 2026[11,12]

26

developed markets

Top 5 Countries	Portfolio
United States	79.6%
Japan	2.7%
Canada	2.3%
United Kingdom	2.0%
France	1.0%



35

emerging & frontier markets

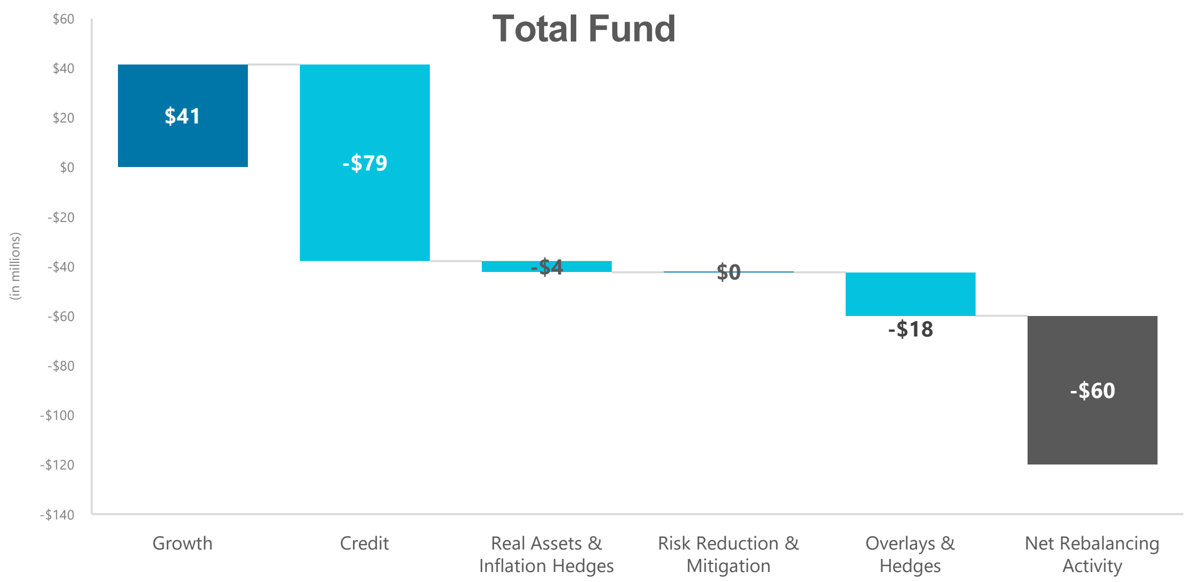
Top 5 Countries	Portfolio
Taiwan	1.6%
South Korea	1.3%
China	1.0%
India	0.7%
Brazil	0.2%

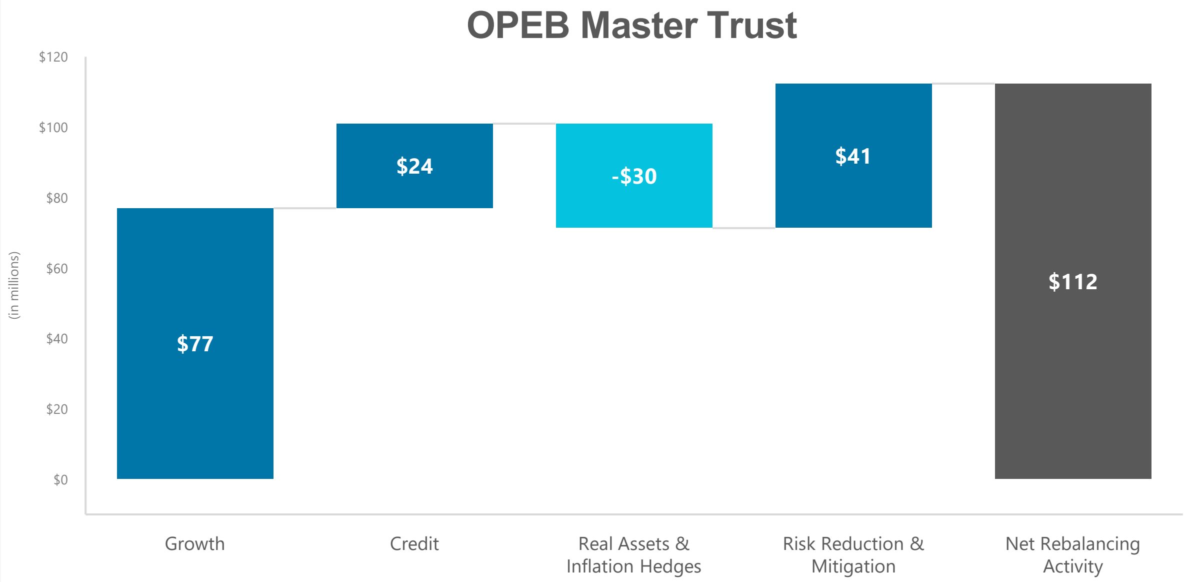
04

Portfolio and Structural Updates

Portfolio Updates

June Rebalancing Activity





Total Fund Overlays and Hedges

Program	June Gain / (Loss) in $ millions	Since Inception Gain / (Loss) in $ millions
Currency Hedge	17.6	1563.7
Cash / Rebalance Overlay	-6.4	804.3

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	Completed

Key Initiatives and Operational Updates

Manager / Consultant Updates

Firm	Mandate	Asset Class	LACERA AUM (prior month end, in millions)	Update
Acadian Asset Management	Separate Account	Global Equities	$1,023	Alexandre Voitenok has been appointed co-Chief Investment Officer, effective January 1, 2027 after serving as Deputy CIO to Brendan Bradley, CIO, since 2024.

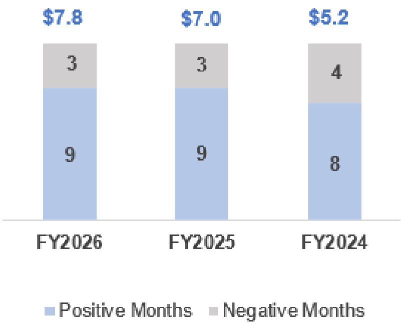
Change In Fiduciary Net Position[13]

FIDUCIARY NET POSITION
Additions
+
Deductions

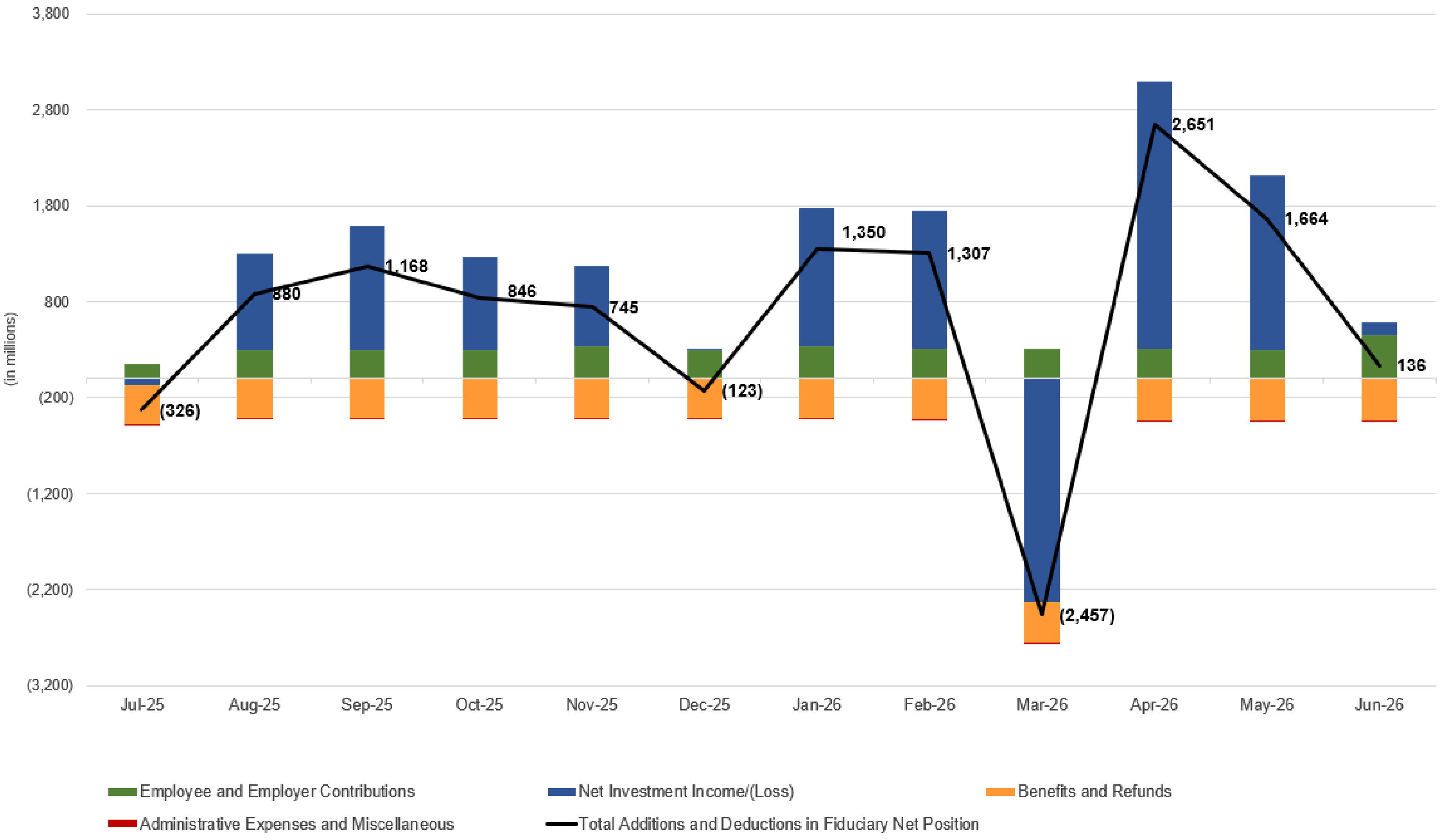
ADDITIONS
Employer and Employee Contributions
Net Investment Income/(Loss)

DEDUCTIONS
Benefits and Refunds
Administrative Expenses

Total Net Position Change Trend
(in billions)



Additions and Deductions in Net Fiduciary Position (Unaudited) - June 2026

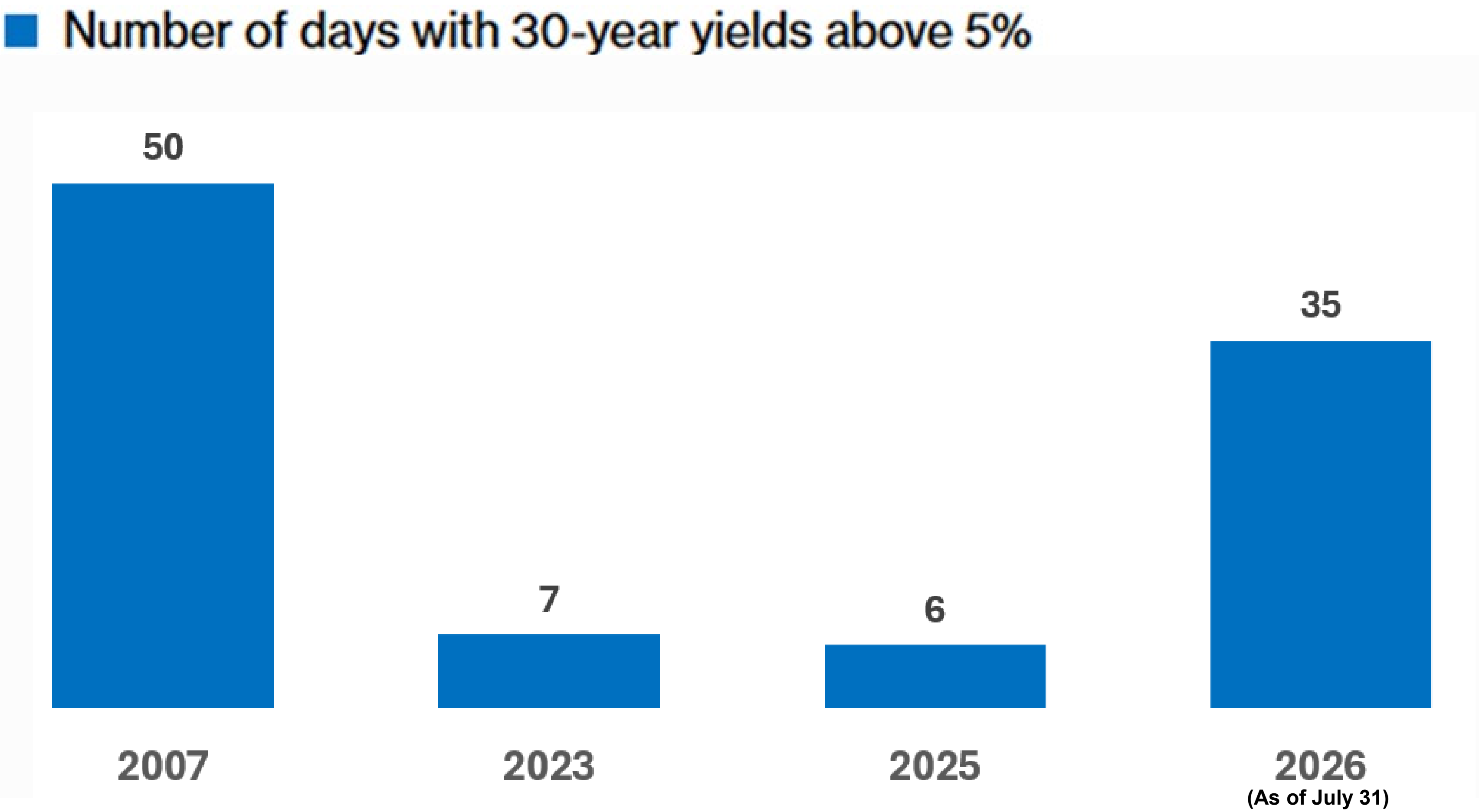


05

Appendix

Staff Chart of the Month

30-Year Treasury Yields Hit a 19-Year High and Recorded the Most Days Above 5% Since 2007



Note: 30-year Treasury yield closed at 5.27% on July 31, 2026 - its highest level since 2007, a roughly 19-year high

Source: LACERA chart using Bloomberg and US Treasury data

Quiet Period for Search Respondents

Real Estate Consultant

RFP Launched
Q1 2026

Diligence Period
Q1-Q3 2026

- Albourne America, LLC
- Mercer Investment Consulting, Inc
- NEPC Investment Consulting, LLC
- RCLCO Fund Advisors, LLC
- StepStone Group LP
- Meketa Investment Group, Inc

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.