



# Merced County Employees' Retirement Association

April 24, 2025

March Flash Report

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# **Executive Summary**

## As of March 31, 2025

### **Portfolio Performance Highlights**

- March saw continued volatility in the US equity market as the “Magnificent 7” struggled in the first quarter of 2025. EAFE and EM stocks have continued to outpace their US counterparts, though returns over the month were muted. Amongst Emerging Markets, China (MSCI China) has led peers as they have outpaced the broader EM index over the month as well as 1Q2025. Bonds saw mixed returns over the month with TIPS leading, though returns over the quarter remain positive broadly.
- For March, Merced CERA reported a monthly return (w/o Alternatives) of -2.2 % net of fees. US Equities returned -5.9%, marginally trailing the Russell 3000 Index return of -5.8%. International Equities return of 0.2% led the blended benchmark which returned 0.1%, as well as the MSCI ACWI IMI Index return of -3.9%. The Emerging Markets sleeve returned -2.2%, trailing the MSCI EM index by 0.6%. US Fixed Income returned 0.1%, matching trailing the benchmark. Opportunistic Credit posted -0.2% for the month, beating the blended benchmark by 0.1%.

## Manager Highlights

### Manager Highlights (Year to Date)

- **Artisan Developing World** returned 1.8% through the first quarter of 2025, trailing the MSCI EM index return of 2.9%. Meketa maintains a manager rating of 4 (Good). Meketa last met with the manager in November 2024 to discuss their strategy. The fund is a high conviction, concentrated strategy that is benchmark agnostic and has large deviations regionally, with meaningful weights in US equities. Note that tracking error for this strategy is expected to be high (5-10% annually) and has recently exceeded this, which has been driven by exposure to non - benchmark names, particularly in the US. Meketa continues to evaluate the performance of this strategy in the EM space, and believes it is best utilized with a complementary strategy.
- **RWC** returned 6.7% vs MSCI EM index return of 2.9% year to date. Meketa maintains a manager rating of 4 (Good). Meketa's research team maintains their conviction in RWC, despite a challenging year of performance. Tracking error for the strategy has always been expected to be high (6-10% annually) and has fallen within that range. Since Q4, RWC has rallied meaningfully, and as of mid- March, was outperforming its benchmark by 800 bps points year to date. The strategy maintains a large overweight to China which was a significant driver of underperformance in 2024. When proposed in 2019, Meketa recommended this strategy be used in conjunction with Artisan, to build a complementary Emerging Market portfolio, designed to outperform more frequently than either manager alone. The overall strategy has done exactly that, producing very strong results.
- **BNY Mellon Newton Dynamic US Equity**, the portfolio's active large cap manager, returned -4.2% through the first quarter of 2025, versus the S&P 500 Index return of -4.3%. Meketa last met with the manager in January 2025 to review portfolio strategy, performance and outlook. Meketa maintains a manager rating of 3 (Acceptable). Manager is expected to perform well under normal market conditions (fundamentals drive investment returns) and bull markets.
- **Champlain Small Cap**, the portfolio's active small cap manager, returned -6.7%, outpacing the Russell 2000 Index return of -9.5%. Meketa last met with manager in October 2024, though a comprehensive review of strategy was completed in September 2024. Meketa maintains a manager rating of 4 (Good).

### Manager Highlights (Year to Date)

- **First Eagle** returned 10.2% versus the MSCI EAFE Index return of 6.9% and the MSCI AC World ex US Value Index return of 8.6%. Meketa maintains a manager rating of 4 (Good). Meketa last met with the manager in March 2025 to review firm ownership changes set to take effect later this year. Fund exhibits high turnover relative to peers and uses gold as a hedge. The fund performs well in down cycles, as the strategy focuses on capital preservation in lieu of some upside potential.
- **GQG** returned 7.9% year to date, beating the MSCI AC World ex US return of 5.2%. Meketa maintains a manager rating of 4 (Good). Meketa last reviewed the manager in November 2024 regarding their exposure to the Adani Group and last met with the manager regarding the strategy in September 2024.
- **Acadian** returned 1.4% versus the MSCI ACWI ex US Small Cap Index return of 0.6%. Meketa maintains a manager rating of 4 (Good). Meketa last met with the manager to discuss the strategy in July 2024.
- **Driehaus** returned -0.4%, outpacing the MSCI ACWI ex US Small Cap Growth Index return of -1.7%. Meketa maintains a manager rating of 4 (Good). Meketa last met with the manager to discuss the strategy in November 2024.

### Manager Highlights (Year to Date)

#### US Fixed Income

- Brandywine returned 2.4% over the period, marginally trailing the Bloomberg US Aggregate Index return of 2.8%. Meketa maintains a manager rating of 5 (excellent). Meketa last met with the manager in January 2025 to discuss the strategy. The fund underperformed in Q4 due to its overweight duration positioning relative to the benchmark, however has since repositioned to be duration neutral.
- Wellington Core Bond returned 2.8%, matching the Bloomberg US Aggregate Index. Meketa maintains a manager rating of 5 (excellent). Meketa last met with the manager in September 2024 to discuss the strategy.
- Payden & Rygel Low Duration returned 1.7%, outpacing the Bloomberg US Treasury 1-3 Year Index return of 1.6%. Meketa maintains a manager rating of 4 (Good). Meketa last met with the manager in October 2024 to discuss the strategy. The strategy remained roughly duration neutral through 2024.

#### Opportunistic Credit

- PIMCO Income Fund returned 3.3%, outpacing the Bloomberg US Aggregate Index return of 2.8%. Meketa maintains a manager rating of 3 (Acceptable). Meketa last met with the manager regarding this strategy in March 2024 and has scheduled an on-site meeting in April 2025.
- GoldenTree Multi-Sector returned 1.3%, outpacing the blended benchmark (50% Bloomberg US High Yield/50% S&P UBS Leveraged Loans) return of 0.8%. Meketa maintains a manager rating of 4 (Good). Meketa last met with the manager regarding this strategy in June 2024. The strategy is benchmark agnostic and tends to have lower duration positioning.



### Active Manager Expectations

Manager	Strategy Description	Beta (High/Neutral/Low)	Tracking Error Range (basis points)	Environments Manager Underperforms
<b>Domestic Equity</b>				
Champlain Small Cap	Moderately diversified small cap portfolio.	Low	4.0% to 7.0%	In low quality rallies.
Newton/Mellon Capital MCM Dynamic US Equity	Very diversified, quantitative, large cap core portfolio. Also has exposure to fixed income assets.	Neutral (higher in more recent periods)	2.5% to 5.0%	When investors misprice forward looking return/risk characteristics; when returns are concentrated in one sector.
<b>Developed Markets Equity (Non-US)</b>				
Driehaus International Small Cap Growth	Diversified growth manager that seeks to invest in companies experiencing positive growth inflections, using a combination of fundamental and macroeconomic analysis.	Low	4.0% to 7.0%	At market inflection points, with abrupt leadership change. Deep value, low quality market environments.
Acadian ACWI ex US Small Cap Equity	Very diversified international small cap portfolio, employing highly adaptive quantitative models.	Neutral	2.5% to 4.5%	During narrow markets, abrupt changes in leadership. In "value" challenged periods.
First Eagle International Value Fund	Benchmark agnostic, diversified international value manager with strategic gold allocation and willingness to utilize cash when valuations are elevated across the market.	Low	5.0% to 10.0%	In growth- and momentum-led rallies, where value discipline and an allocation to cash will be headwinds, and if physical gold underperforms.
GQG International Equity	Benchmark agnostic, concentrated international quality-growth equity manager with valuation discipline and macro awareness. Willing to invest in US-listed companies.	Low	5.0% to 10.0%	In cyclical recoveries where deep value, asset-heavy, smaller cap stocks rally.

### Active Manager Expectations (continued)

Manager	Strategy Description	Beta (High/Neutral/Low)	Tracking Error Range (basis points)	Environments Manager Underperforms
<b>Emerging Markets Equity</b>				
Artisan Developing World	Concentrated, benchmark agnostic emerging markets strategy focused on high quality companies, overlaid with top-down macro (currency) awareness.	Neutral	5.0% to 10.0%	During cyclical rallies concentrated in deeper value, smaller cap stocks.
RWC Emerging Markets	Concentrated, growth-at-a-reasonable-price emerging markets equity strategy focused on mid cap stocks.	High	6.0% to 10.0%	Narrow rallies in large cap stocks where small and mid-caps lag, periods of heightened market volatility, deep drawdowns in asset-heavy cyclicals.
<b>Investment Grade Bonds</b>				
Brandywine	Top-down, macro, value-oriented strategy that invests with a benchmark agnostic philosophy	Neutral	2.0% to 7.0%	
Payden & Rygel	Short-term portfolios with emphasis on sector selection and yield curve management rather than relying on duration management	Low	0.2% to 0.7%	
Wellington	Benchmark-relative, diversified strategy with emphasis on individual security analysis, with Broad Markets teams' top-down sector views taken into consideration	Neutral	1.0% to 1.5%	
<b>Opportunistic Credit</b>				
PIMCO Income	Global multi-sector, benchmark agnostic approach, utilizing firm's resources to identify best income ideas while staying senior in the capital structure.	Low	1.5% to 3.5%	During periods of lower quality bond rallies and volatility in interest rates and certain currencies.
GoldenTree Multi-Sector Credit	Bottom-up security selection, managing risk and adding value through credit sector rotation.	Low	2.5% to 4.5%	During initial periods of economic recovery and rapid spread tightening.

## Manager Monitor

Manager	Significant Events (Yes/No)	Last Meeting w Board of Retirement	Last Meeting with MIG	Comments <sup>1</sup>
<b>Domestic Equity Assets</b>				
BNY Mellon Newton Dynamic US Equity Fund	No	-	Jan-25	Review of strategy. No changes to conviction level
Champlain Small Cap	No	-	Oct-24	Review of strategy & recent performance, no changes to conviction level
<b>Developed Markets Equity (Non-US) Assets</b>				
Driehaus International Small Cap Growth	No	-	Nov-24	Review of PM team changes in 2024, outlook. No concerns after review.
Acadian ACWI ex US Small Cap Equity	No	-	Oct-24	Review of executive team structure changes
First Eagle International Value Fund	No	-	Oct-24	Review of firm level changes (unrelated to fund), fund strategy & future outlook. No changes to conviction level.
GQG International Equity	Yes	-	Nov-24	Discussion regarding GQG's investment in Adani following the indictment of Adani Group executives. Fund was last reviewed with PM team in September 2024, no changes to conviction level.
<b>Emerging Markets Equity Assets</b>				
Artisan Developing World	No	-	Nov-24	Review of strategy, organization, outlook. No changes to conviction level.
RWC Emerging Markets	No	-	Oct-24	Review of strategy, no changes to conviction level.
<b>US Fixed Income Assets</b>				
Brandywine US Fixed Income	No	-	Jul-24	Review of strategy, no changes to conviction level
Payden & Rygel Low Duration	No	-	Oct-24	On site review of their strategy & management team. No changes to conviction level
Wellington Core Bond	No	-	Sep-24	Review of strategy, no changes to conviction level
<b>Opportunistic Credit</b>				
PIMCO Income Fund	No	-	April-25	Strategy was last reviewed with PIMCO team in March 2024, no changes to conviction level. Meketa to conduct onsite meeting with PIMCO in April
GoldenTree Multi-Sector Credit	No	-	Jun-24	Review of strategy & market outlook, no changes to conviction level.
<b>Private Equity Program</b>	N/A	N/A	N/A	<b>Oversight by Cliffwater.</b>
<b>Real Assets Program</b>	N/A	N/A	N/A	<b>Oversight by Cliffwater.</b>
<b>Hedge Fund Program</b>	N/A	N/A	N/A	<b>Oversight by Cliffwater.</b>

<sup>1</sup> Italics indicate meetings have been scheduled or have recently occurred

## **Economic and Market Update**

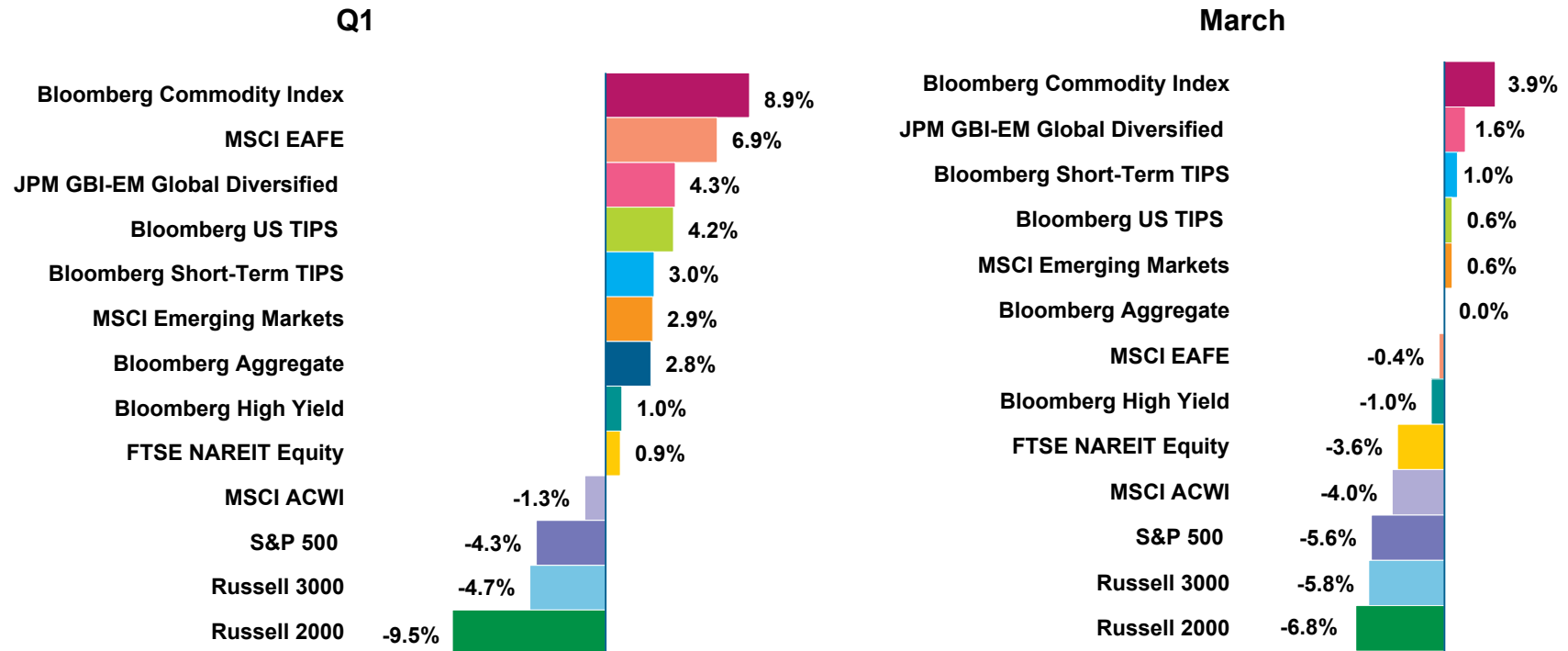
Data as of March 31, 2025

### Commentary

**In the first quarter of 2025, investment flows rotated out of US stocks to non-US stocks while bond markets rallied on uncertainty related to tariffs and growth.**

- Domestic equities sold off in the first quarter (Russell 3000: -4.7%) with growth outperforming value, small-cap trailing large-cap, and defensive sectors outperforming.
- Non-US developed market stocks (MSCI EAFE: +6.9%) outperformed US markets at the start of the year, supported by rate cuts from the ECB, EU planned increases in defense spending, and a weakening US dollar.
- Emerging market equities returned +2.9% in the first quarter, largely supported by a rally in Chinese stocks (rose an impressive +15.0%) on DeepSeek AI enthusiasm.
- In February, the Federal Reserve held rates steady with inflation, while improving, remaining above target and with the unemployment rate at near historic lows.
- Most fixed income markets posted positive returns in the first quarter with the broad bond market (Bloomberg Aggregate) up 2.8%. Long Treasuries (+4.7%) were the best performer in the falling rate environment while high yield bonds (+1.0%) produced the smallest gains given the economic uncertainty in the US.
- Looking ahead, continued uncertainty related to the US administration's tariff policies and their impact on the economy, inflation, and Fed policy will be key. The path of China's economy and relations with the US, as well as concerns over elevated valuations and technology-driven concentration in the US equity market will also be important focuses of 2025.

### Index Returns<sup>1</sup>



- At the end of the first quarter, global investors rotated away from the US, with domestic equities in negative territory (particularly small cap), while other asset classes were positive.
- Commodities led the way during the quarter due to safe havens like gold, while non-US developed markets followed, driven by strong results in Europe.
- In March, ahead of tariff announcements in the US, riskier assets generally sold off.

<sup>1</sup> Source: Bloomberg. Data is as of March 31, 2025.

## Domestic Equity Returns<sup>1</sup>

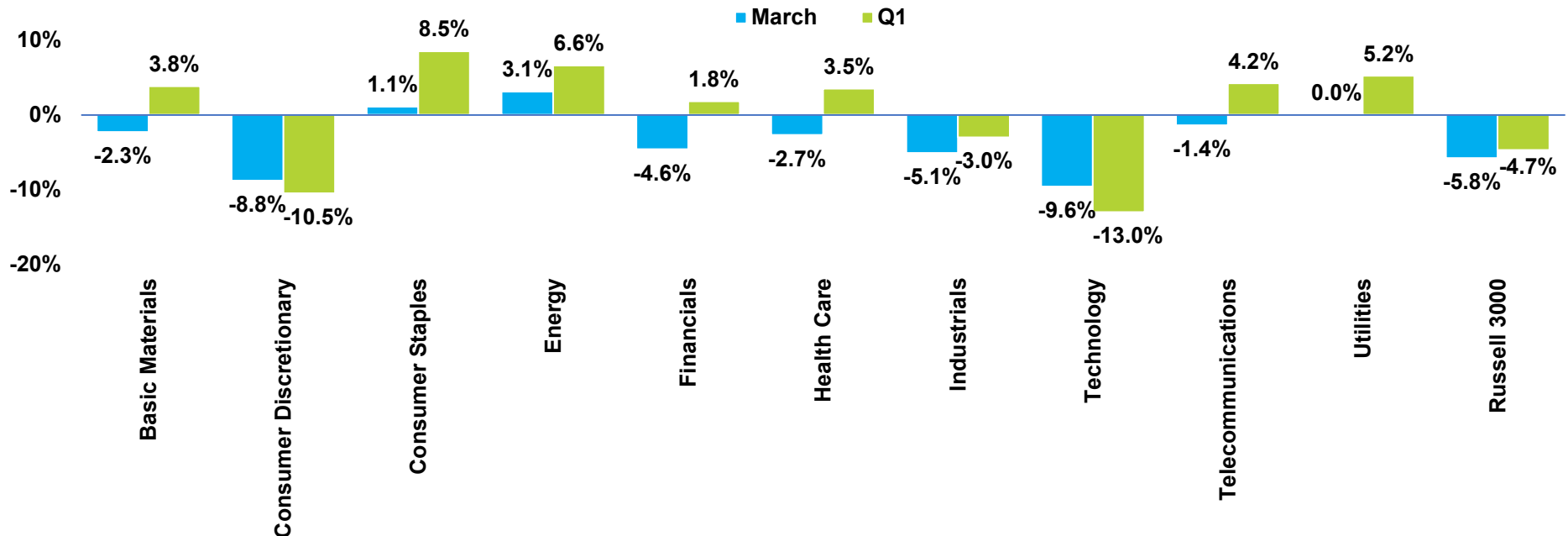
Domestic Equity	March (%)	Q1 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-5.6	-4.3	8.3	9.1	18.6	12.5
Russell 3000	-5.8	-4.7	7.2	8.2	18.2	11.8
Russell 1000	-5.8	-4.5	7.8	8.6	18.4	12.2
Russell 1000 Growth	-8.4	-10.0	7.8	10.1	20.1	15.1
Russell 1000 Value	-2.8	2.1	7.2	6.6	16.1	8.8
Russell MidCap	-4.6	-3.4	2.6	4.6	16.3	8.8
Russell MidCap Growth	-7.4	-7.1	3.6	6.2	14.8	10.1
Russell MidCap Value	-3.7	-2.1	2.3	3.8	16.7	7.6
Russell 2000	-6.8	-9.5	-4.0	0.5	13.3	6.3
Russell 2000 Growth	-7.6	-11.1	-4.9	0.8	10.8	6.1
Russell 2000 Value	-6.0	-7.7	-3.1	0.0	15.3	6.1

### US Equities: In the first quarter the Russell 3000 fell -4.7%.

- After a strong start to the year, US equities ended the quarter lower. In late January China's DeepSeek introduced an AI model comparable to market leaders but at a much lower cost. This took investors by surprise and heavily weighed on technology stocks, particularly the "Magnificent 7". Renewed trade tensions between the US and its trading partners also caused investors to lower expectations.
- Growth stocks were harder hit than value stocks across the market cap spectrum. In the large cap space, this dynamic was driven by technology stocks (NVIDIA, Broadcom, Microsoft, Apple), along with Tesla. In the small cap space, where the divergence was less pronounced, technology stocks were again the driver, mainly due to software and semiconductor stocks.
- Small cap stocks (Russell 2000) trailed large cap stocks (Russell 1000) over the quarter as recession fears grew.

<sup>1</sup> Source: Bloomberg. Data is as of March 31, 2025.

### Russell 3000 Sector Returns<sup>1</sup>



- There was wide performance dispersion among sectors in the first quarter, from -13.0% (technology) to +8.5% (consumer staples). Overall, the defensive sectors performed better than growth-oriented sectors.
- The so-called “Magnificent 7” stocks came under pressure weighing on both the technology and consumer discretionary sectors. The announcement of DeepSeek out of China and weak results from Tesla and Amazon weighed on results.
- Consumer staples was a bright spot as more defensive, dividend-paying stocks, such as Coca-Cola and Philip Morris International, fared relatively well. Energy and utilities also performed well due to broader growth and inflation concerns.

<sup>1</sup> Source: Bloomberg. Data is as of March 31, 2025.



### Foreign Equity Returns<sup>1</sup>

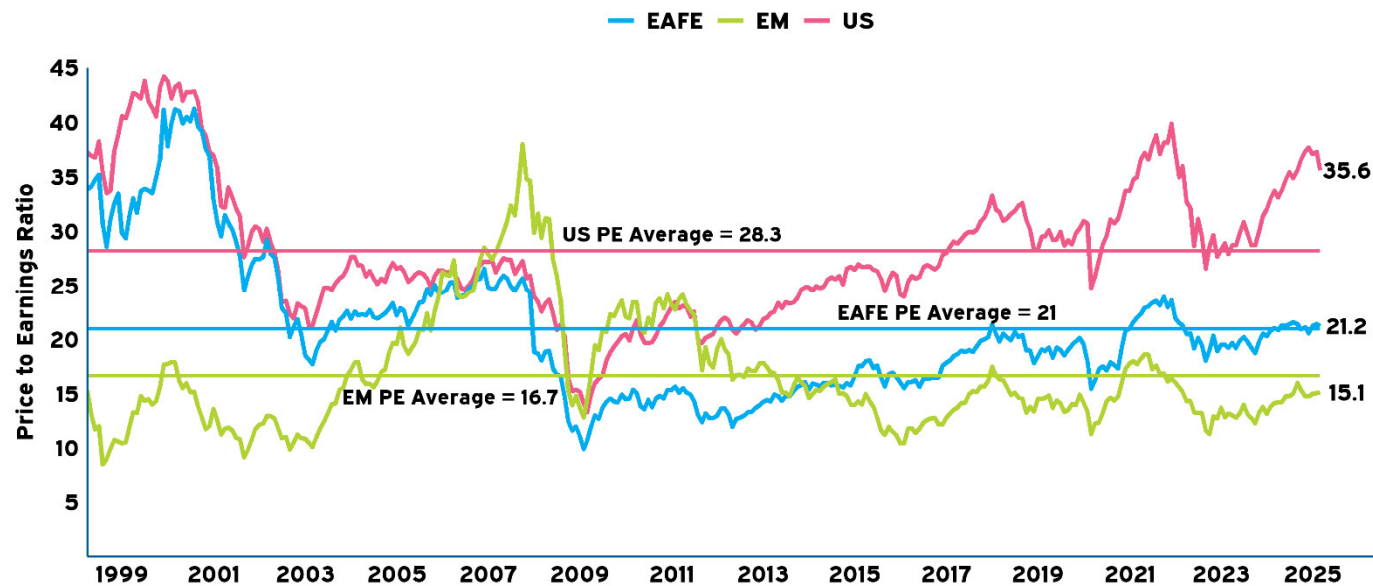
Foreign Equity	March (%)	Q1 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	-0.2	5.2	6.1	4.5	10.9	5.0
MSCI EAFE	-0.4	6.9	4.9	6.0	11.8	5.4
MSCI EAFE (Local Currency)	-2.8	2.9	4.1	8.7	13.2	6.3
MSCI EAFE Small Cap	0.5	3.7	3.1	0.9	9.9	5.3
MSCI Emerging Markets	0.6	2.9	8.1	1.4	7.9	3.7
MSCI Emerging Markets (Local Currency)	0.3	2.7	11.1	4.7	9.6	5.7
MSCI EM ex China	0.0	-1.7	-2.1	0.7	12.0	4.5
MSCI China	2.0	15.0	40.4	3.5	1.5	2.5

**Foreign Equity: Developed international equities (MSCI EAFE) returned 6.9% in the first quarter and emerging market equities (MSCI Emerging Markets) rose 2.9%.**

- By contrast to the US, developed market equities rose in the first quarter benefiting from the rotation away from US technology companies. Eurozone stocks saw the highest returns, driven by plans in Germany to increase defense and infrastructure spending, strong gains in the financial sector (particularly banks), and continued rate cuts from the ECB. The UK followed closely behind, with gains led by returns in large cap energy and financials. Japan saw moderate losses, due to global trade uncertainties hurting exporters.
- Emerging markets saw modest gains in the first quarter, driven largely by China. China's gains were a combination of improving sentiment towards tech following DeepSeek's promising AI debut and the announcement of additional stimulus measures. Brazil was another strong performer in Q1, benefitting from strong commodity gains and a strengthening currency. India saw declines due to slowing growth and weakening demand for Indian exports.

<sup>1</sup> Source: Bloomberg. Data is as of March 31, 2025.

## Equity Cyclically Adjusted P/E Ratios<sup>1</sup>



- Valuations in US stocks came down over the quarter but remained at a significant premium to non-US developed and emerging market stocks.
- US equities, priced at 35.6 times earnings, continued to trade well above their long-run P/E average of 28.3.
- Non-US developed market valuations (21.2 times) increased over the quarter due in part to strong results in Europe and are trading slightly above their long-term average. Emerging market valuations (15.1 times) also increased in Q1 but remain below their long-run average.

<sup>1</sup> US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E Source: Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of March 2025. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end, respectively.

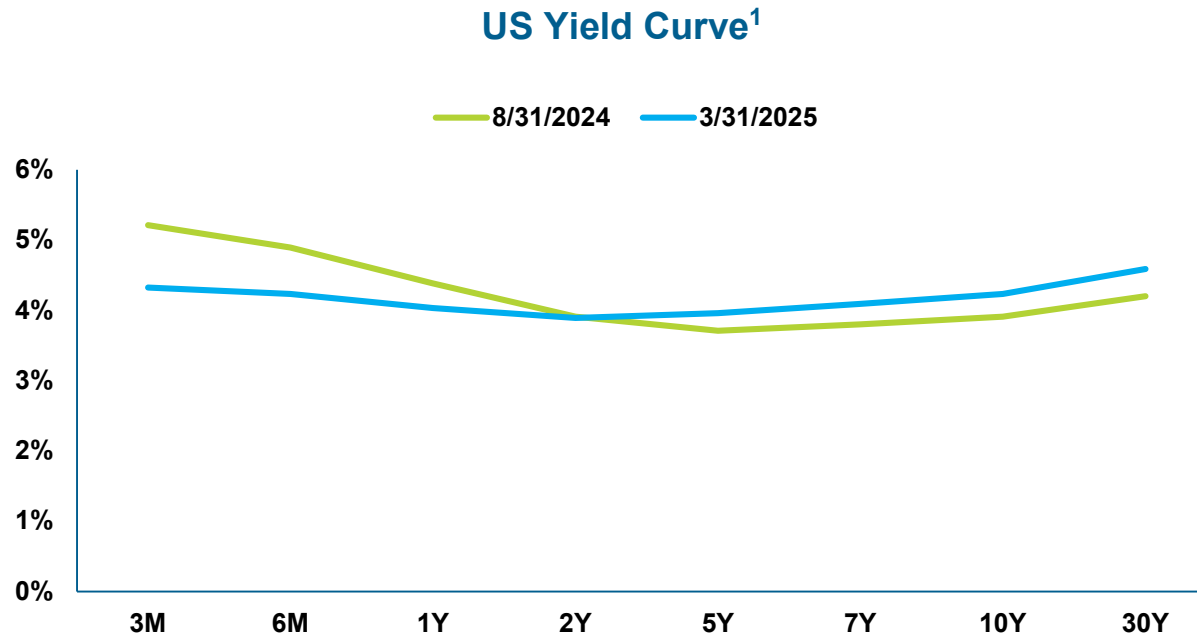
## Fixed Income Returns<sup>1</sup>

Fixed Income	March (%)	Q1 (%)	1 Yr (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	0.0	2.7	5.2	1.0	0.3	1.8	4.9	5.9
Bloomberg Aggregate	0.0	2.8	4.9	0.5	-0.4	1.5	4.6	6.1
Bloomberg US TIPS	0.6	4.2	6.2	0.1	2.4	2.5	4.2	6.8
Bloomberg Short-term TIPS	1.0	3.0	7.0	3.2	4.1	2.8	4.1	2.4
Bloomberg US Long Treasury	-0.9	4.7	1.3	-7.2	-7.9	-0.6	4.6	14.9
Bloomberg High Yield	-1.0	1.0	7.7	5.0	7.3	5.0	7.7	3.5
JPM GBI-EM Global Diversified (USD)	1.6	4.3	4.0	2.7	2.3	1.3	--	--

### Fixed Income: The Bloomberg Universal index rose 2.7% in the first quarter.

- Uncertainty related to tariffs and growing worries about economic growth drove investors to high quality bonds over the quarter.
- The broad US bond market (Bloomberg Aggregate) rose 2.8% with both short- (+3.0%) and longer-dated (+4.2%) TIPS outperforming as inflation risks rose modestly. Long-term Treasuries (+4.7%) particularly benefited in this environment of uncertainty and falling interest rates.
- High yield bonds (+1.0%) rose the least during the quarter as uncertainty and risk aversion grew ahead of the planned tariff announcement from the US in early April.

<sup>1</sup> Source: Bloomberg. Data is as of March 31, 2025. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.

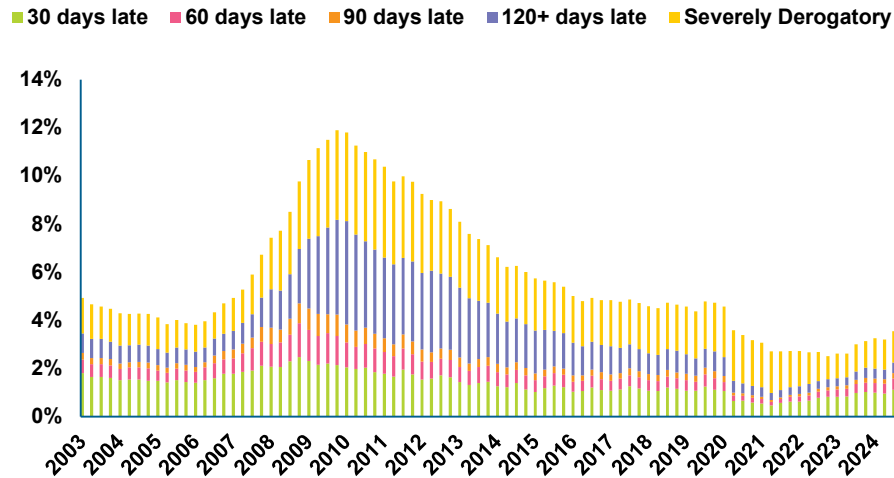


- US Treasury yields declined significantly over the quarter, as investors expressed concerns about the potential policies of the new US administration, economic data related to consumers weakened, and overall growth expectations fell.
- The more policy sensitive 2-year Treasury yield fell from 4.24% to 3.89%, while the 10-year Treasury yield declined from 4.57% to 4.21%.
- After the Fed started reducing interest rates in September 2024, the yield curve stopped being inverted (short-term interest rates higher than long-term interest rates) given expectations for inflation to continue to decline and policy rates to continue lower.

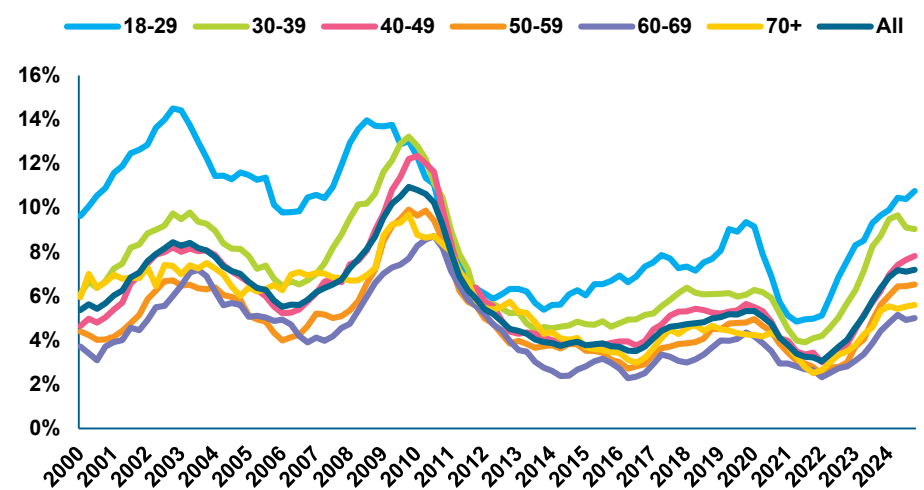
<sup>1</sup> Source: Bloomberg. Data is as of March 31, 2025. The August 2024 Treasury yields are shown as a reference before the first interest rate cut.

### Stress is Building on US Consumers

**Total Balance by Delinquency Status<sup>1</sup>**



**Transition into Serious Delinquency for Credit Cards by Age<sup>2</sup>**

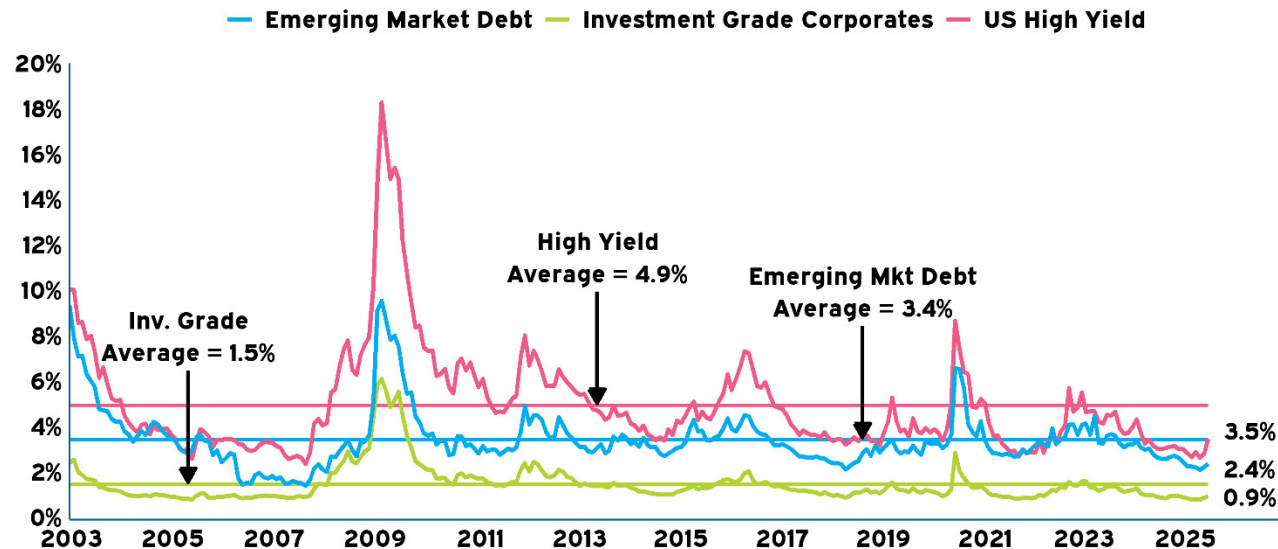


- Some signs of stress on the US consumer have started to emerge given persistently higher prices and interest rates.
- After falling to historic lows during the pandemic, loan delinquencies recently started rising.
- While some segments of the credit market have started to show signs of stress, total delinquencies remain well below pre-pandemic levels.
- While total delinquency rates are below pre-pandemic levels, the credit card segment is showing more signs of distress where borrowers are subject to variable and higher borrowing costs.
- Credit card delinquencies are rising rapidly, especially for borrowers under the age of forty.

<sup>1</sup> Source: New York Federal Reserve, Quarterly Household Debt and Credit Report, February 2025. See also FRED. Data is as of February 28, 2025.

<sup>2</sup> Source: FRED. Data is as of February 28, 2025.

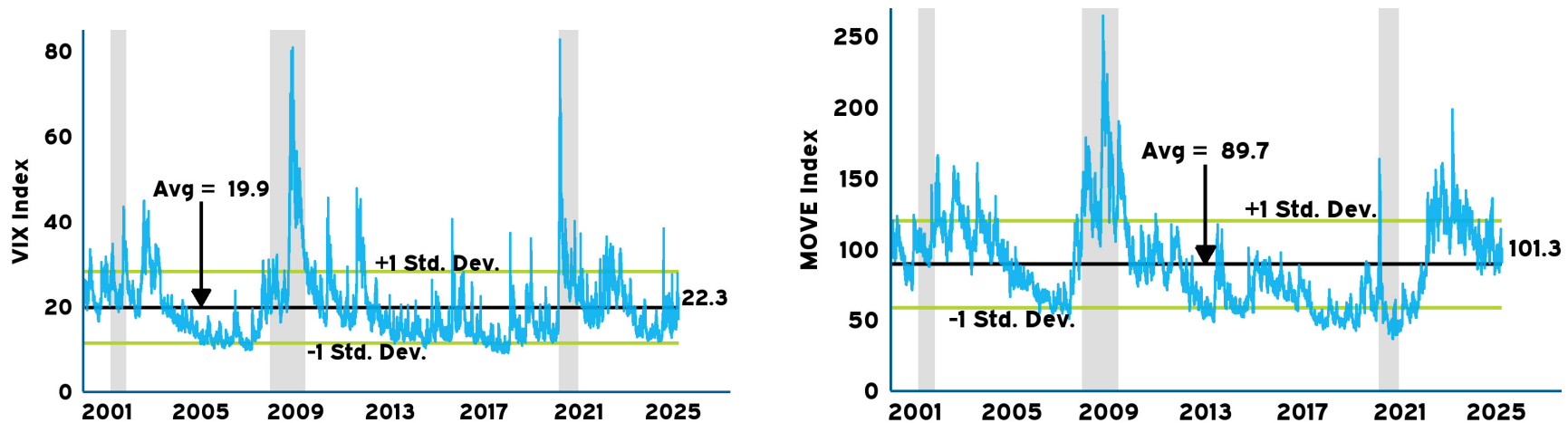
## Credit Spreads vs. US Treasury Bonds<sup>1</sup>



- Given all the uncertainty, spreads (the yield above a comparable maturity Treasury) widened in the first quarter.
- High yield spreads moved the most (2.9% to 3.5%) due to the concerns related to the US economy.
- All yield spreads remained below their respective long-run averages, particularly high yield (3.5% versus 4.9%).
- Although spreads are tight, absolute bond yields remain at above-average levels compared to the last two decades.

<sup>1</sup> Source: Bloomberg. Data is as March 31, 2025. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

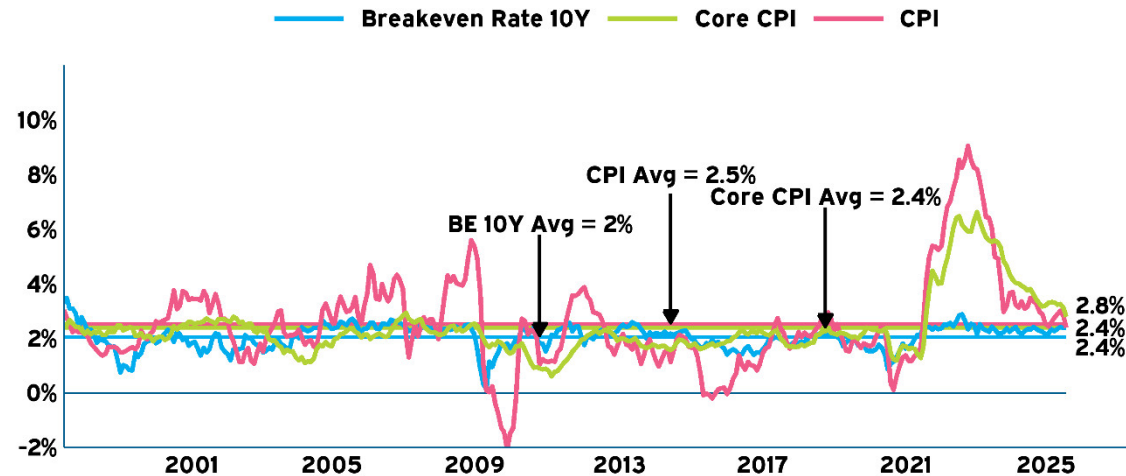
### Equity and Fixed Income Volatility<sup>1</sup>



- Bond and equity volatility rose in the first quarter driven mainly by policy and trade uncertainty.
- Volatility levels (VIX) in the US stock market and bond market (MOVE) finished the quarter above their respective long-run averages.

<sup>1</sup> Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of March 31, 2025. The average line indicated is the average of the VIX and MOVE values between January 2000 and March 2025.

## US Ten-Year Breakeven Inflation and CPI<sup>1</sup>

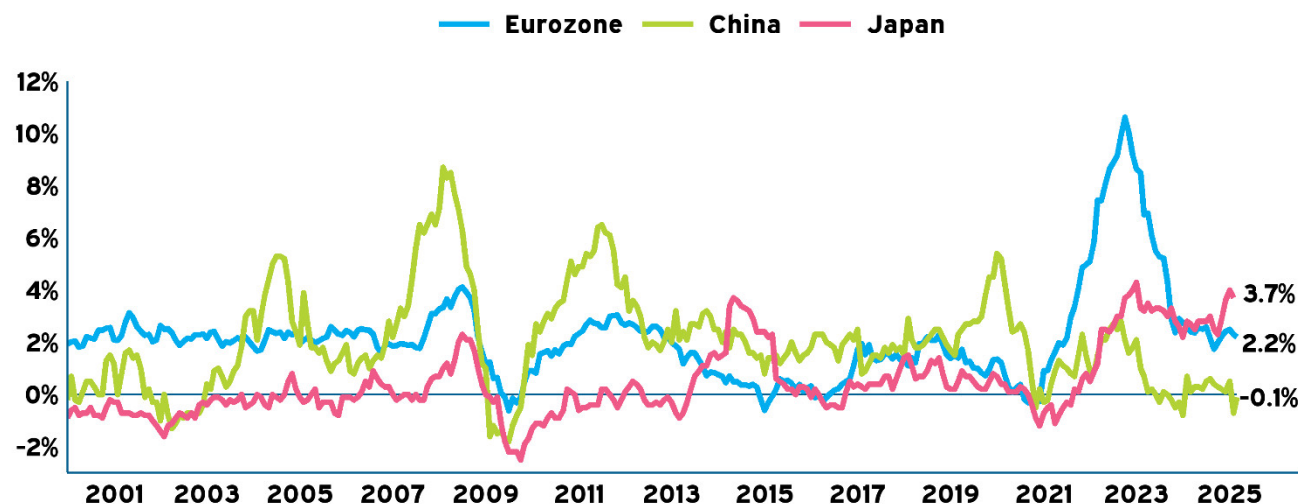


- While inflation has been slow to return to the Fed's 2% average target, over the quarter the year-over-year rate fell from 2.9% to 2.4%. The month-over-month rate moved into negative territory at quarter-end (-0.1%). A decline in the rate of increase in the services sector along with a decline in energy prices contributed to the recent decline.
- Core inflation year-over-year also declined over the quarter (3.2% to 2.8%) with the month-over-month rate slowing to 0.1%. A decline in the pace of shelter price increases drove results.
- Inflation expectations (breakevens) stayed relatively stable over the quarter as investors continued to evaluate the potential inflationary impacts of the new US administration's policies.

<sup>1</sup> Source: FRED. Data is as of March 2025. The CPI and 10 Year Breakeven average lines denote the average values from February 1997 to the present month-end, respectively. Breakeven values represent month-end values for comparative purposes.



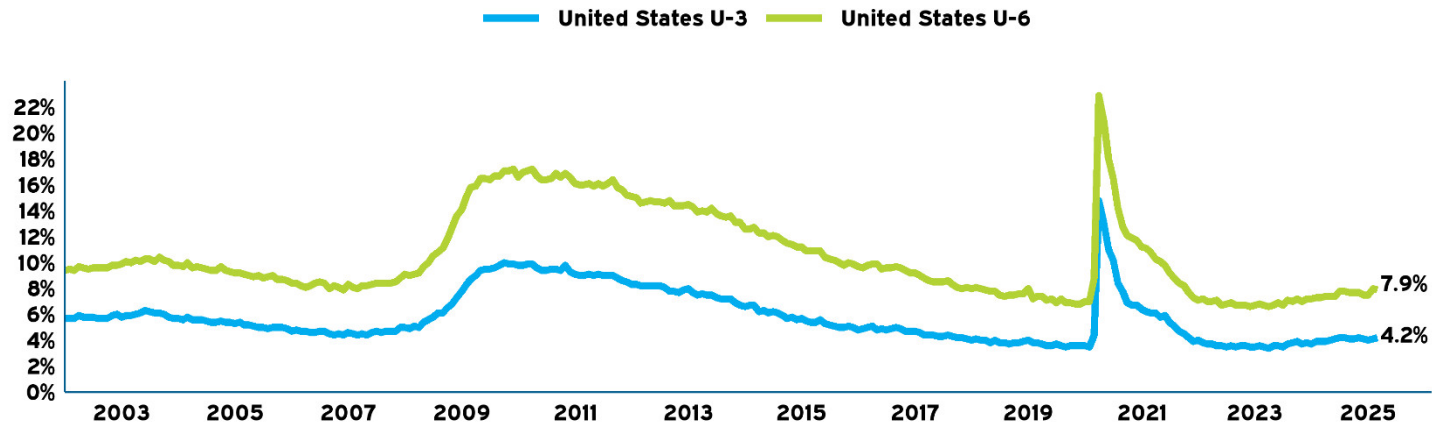
### Global Inflation (CPI Trailing Twelve Months)<sup>1</sup>



- Inflation in the eurozone declined over the quarter (2.4% to 2.2%), due largely to declines in energy costs and services. Levels remain slightly below the US.
- The latest reading of inflation in Japan fell from 4.0% to 3.7% as energy subsidies were reintroduced.
- In China, despite record policy stimulus consumer prices moved back into negative territory over the quarter. In March, prices fell by 0.1% compared to a year prior, a lower decline than the February reading of -0.7%. Despite years of policy stimulus to counter the real estate crisis, the Chinese consumer has remained weak.

<sup>1</sup> Source: Bloomberg. Data is as March 2025, except Japan which is as of February 2025.

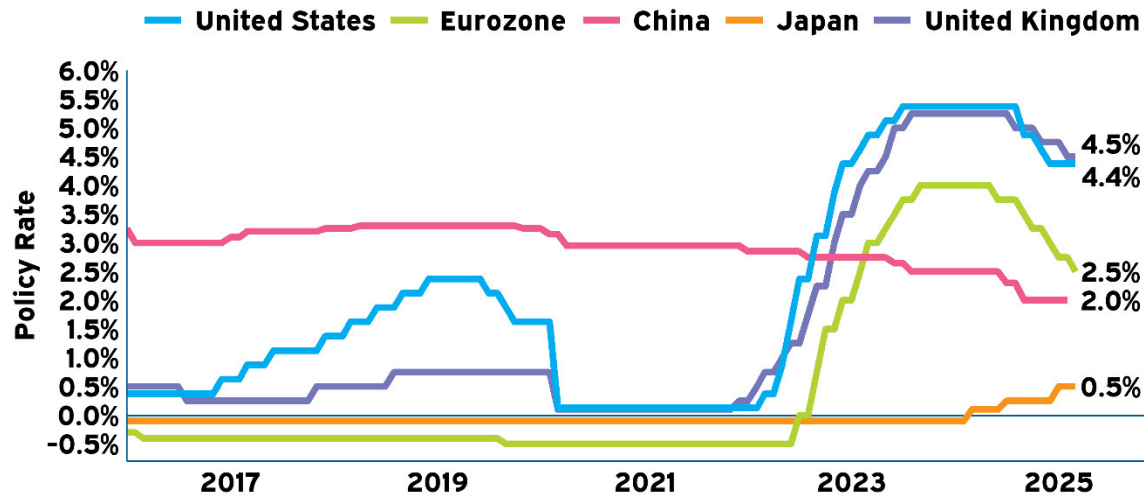
### US Unemployment<sup>1</sup>



- In March, the US added 228,000 jobs (above expectations of 140,000). The unemployment rate rose slightly to 4.2% but remains in the tight range of 4.0% to 4.2% it has been in since May of last year. There were 7.1 million jobseekers (little changed from the prior reading) of which 1.5 million have been without work for more than 27 weeks.
- A broader measure of total unemployed (U-6) that includes those marginally attached to the labor force and employed part-time for economic reasons, fell slightly to 7.9%.
- Health care (+54k), social assistance (+24k), retail (+24k), and transportation (+23k) added jobs in March while the Federal government lost 4,000 jobs adding to the 11,000 lost in February.
- The last reading of job opening fell slightly to 7.6 million, a level well below the pandemic highs (>12 million); the number of openings exceeds the number of unemployed workers looking for work (7.1 million).
- Separations (5.3 million) and hires (5.4 million) remained steady and average hourly wages continued to grow at approximately 4.0% annually.

<sup>1</sup> Source: FRED and BLS. Data is as of March 31, 2025.

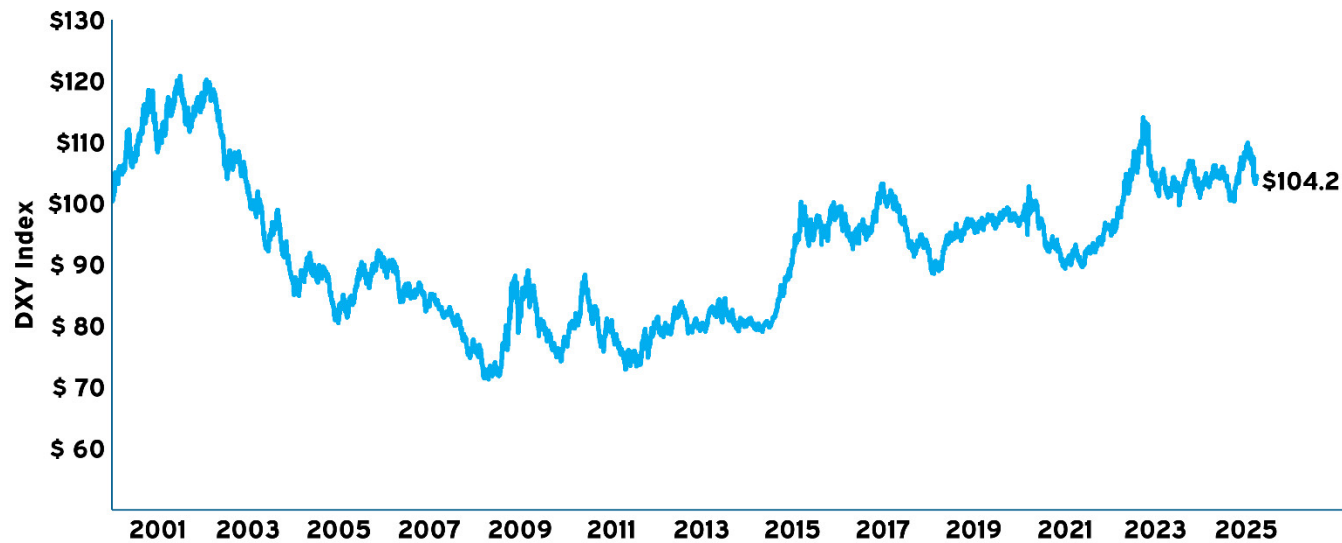
### Policy Rates<sup>1</sup>



- The Fed kept US interest rates steady at their March meeting after reducing rates by 0.25% twice over the final quarter of 2024 to a range of 4.25% to 4.50%. Given growing concerns about growth, markets recently increased expectations for the number of rate cuts in 2025 to over three.
- In February, the Bank of England cut interest rates for the third time by 0.25% to 4.5%, while in March the European Central Bank cut rates by another 0.25% to 2.5%. In addition to cutting interest rates, the People's Bank of China has also reduced reserve requirements, lowered mortgage rates, and supported the stock market.
- In contrast to many other central banks, the Bank of Japan increased interest rates in January to 0.5%, in the face of persistent inflation. Rate cutting by other major central banks are complicating prospects for further policy rate hikes in Japan.

<sup>1</sup> Source: Bloomberg. Data is as of March 31, 2025. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.

### US Dollar vs. Broad Currencies<sup>1</sup>



- After largely strengthening through 2024, the US dollar recently started to weaken.
- Concerns over changing US administration policies, slower growth, and corresponding lower yields have recently weighed on the value of the dollar.

<sup>1</sup> Source: Bloomberg. Data as of March 31, 2025.

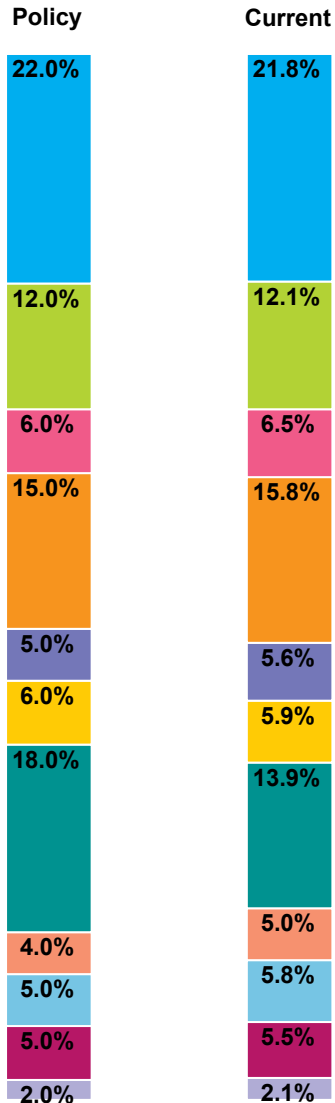
## Summary

### Key Trends:

- According to the International Monetary Fund's (IMF) January report, global growth in 2025 is expected to be slightly higher than 2024 (3.3% versus 3.2%). Growth forecast in the US (+2.7%) and China (+4.6%) are lower for this year compared to last, while growth in the EU (+1.0%) is projected to be slightly higher in 2025.
- Elevated levels of uncertainty along with higher tariffs could weigh on growth while at the same time fan inflation. Inflation levels will likely lead to a slower pace of interest rate cuts by the Fed. Uncertainty in the US and the potential for slower growth could continue the rotation out of US assets and continue to pressure the dollar.
- Signs of pressure have started to emerge on the US consumer with sentiment weakening. Consumers are particularly concerned about losing their jobs and the potential for higher prices. Overall risk to economic growth and to inflation from tariffs, as well as elevated borrowing costs, could put further pressure on consumers and lead to a weaker job market.
- US equities have recently come under pressure. A focus going forward will be whether earnings can remain resilient if growth slows. Also, the future paths of the large technology companies that have driven market gains will continue to be important.
- Trade tensions between the US and China will remain a key focus. As tariffs have soared on both sides, China has allowed its currency to weaken against the dollar. Outside of tariffs, China continues to focus on supporting its economy/asset prices with a suite of fiscal and financial policy stimulus measures. Advances in AI technologies have also contributed to some optimism. Despite the policy support, consumer spending is still weak and issues remain in the real estate sector.

## **March Flash Report**

Total Fund | As of March 31, 2025



Allocation vs. Targets and Policy						
	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
US Equity	279,714,249	21.8	22.0	-0.2	16.0 - 27.0	Yes
Developed International Equity	155,049,034	12.1	12.0	0.1	7.0 - 17.0	Yes
Emerging Markets Equity	83,284,480	6.5	6.0	0.5	3.0 - 9.0	Yes
Private Equity	202,807,916	15.8	15.0	0.8	5.0 - 20.0	Yes
Direct Lending	71,350,852	5.6	5.0	0.6	0.0 - 10.0	Yes
Real Estate	75,790,711	5.9	6.0	-0.1	4.0 - 8.0	Yes
US Fixed Income	178,109,859	13.9	18.0	-4.1	13.0 - 23.0	Yes
Opportunistic Credit	64,315,897	5.0	4.0	1.0	2.0 - 6.0	Yes
Hedge Funds	74,127,544	5.8	5.0	0.8	2.5 - 7.5	Yes
Real Assets	69,844,938	5.5	5.0	0.5	3.0 - 7.0	Yes
Cash	26,479,187	2.1	2.0	0.1	0.0 - 4.0	Yes
<b>Total</b>	<b>1,280,874,667</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		

## Asset Allocation & Performance | As of March 31, 2025

Asset Class Performance Summary												
	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
Total Fund (Net)	1,280,874,667	100.0	-1.3	4.9	0.5	7.0	5.1	10.6	7.4	8.0	Jan-95	
Total Fund (Gross)			-1.3	5.1	0.5	7.4	5.4	11.0	7.8	8.2	Jan-95	
Policy Index			-1.6	5.5	0.8	8.2	5.4	10.5	7.7	6.4		
Total Fund w/o Alternatives (Net)	760,473,519	59.4	-2.2	5.3	0.6	7.8	5.8	11.0	7.5	--	Jan-08	
Total Fund w/o Alternatives (Gross)			-2.1	5.6	0.7	8.2	6.2	11.4	7.9	--	Jan-08	
Policy Index w/o AI			-2.2	4.4	0.4	6.1	4.7	10.0	6.6	--		
Public Equity (Net)	518,047,763	40.4	-3.2	4.9	-0.2	8.0	6.6	14.9	--	9.6	Apr-18	
Public Equity (Gross)			-3.1	5.3	-0.1	8.5	7.1	15.4	--	10.1	Apr-18	
MSCI AC World IMI Index (Net)			-3.9	3.8	-1.6	6.3	6.3	15.0	8.6	8.7		
US Equity (Net)	279,714,249	21.8	-5.9	4.0	-4.7	7.1	7.4	17.1	11.6	10.4	Jan-95	
US Equity (Gross)			-5.8	4.1	-4.6	7.3	7.6	17.3	11.9	10.5	Jan-95	
Russell 3000			-5.8	3.9	-4.7	7.2	8.2	18.2	11.6	10.5		
International Equity (Net)	238,333,514	18.6	0.2	6.0	5.6	8.9	5.6	12.3	6.8	6.0	Jan-99	
International Equity (Gross)			0.2	6.6	5.8	9.8	6.5	13.2	7.5	6.4	Jan-99	
MSCI AC World ex USA IMI (Net)			-0.1	4.5	4.6	5.5	4.0	11.0	5.0	5.3		
International Equity Custom			0.1	4.7	5.2	7.0	4.7	10.7	5.2	4.6		
Emerging Markets Equity (Net)	83,284,480	6.5	-2.2	9.1	3.2	14.3	4.4	11.2	7.9	5.9	May-12	
Emerging Markets Equity (Gross)			-2.1	9.9	3.4	15.5	5.4	12.4	8.9	6.9	May-12	
MSCI EM			0.6	2.9	2.9	8.1	1.4	7.9	3.9	3.3		

Data Prior to March 2018 provided by prior consultant.



## Asset Allocation & Performance | As of March 31, 2025

	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
US Fixed Income (Net)	178,109,859	13.9	0.1	5.1	2.5	5.3	0.3	-0.5	1.5	4.4	Jan-95
US Fixed Income (Gross)			0.1	5.3	2.6	5.5	0.4	-0.4	1.6	4.5	Jan-95
US Fixed Income Custom Benchmark			0.1	4.8	2.7	4.9	0.8	-0.2	1.6	4.5	
Opportunistic Credit (Net)	64,315,897	5.0	-0.2	6.5	1.7	8.5	6.1	8.5	--	5.8	May-19
Opportunistic Credit (Gross)			-0.2	6.8	1.8	8.9	6.7	9.0	--	6.3	May-19
50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever			-0.3	5.3	1.8	6.1	3.3	3.8	--	3.1	
Real Estate	75,790,711	5.9	0.0	4.5	0.0	4.1	0.3	3.4	4.7	6.3	Dec-10
Real Estate			0.0	4.6	0.0	4.2	0.3	3.4	4.9	7.3	Apr-99
Custom Blended Real Estate Benchmark			1.2	1.0	1.2	-1.4	-5.6	1.8	4.7	6.2	
CPI +5% (Seasonally Adjusted)			0.4	5.9	1.9	7.5	8.8	9.6	8.2	7.7	
Private Real Estate	75,790,711	5.9	0.0	2.0	0.0	2.0	1.4	3.4	4.7	6.3	Dec-10
Private Real Estate			0.0	2.0	0.0	2.0	1.4	3.4	4.9	7.3	Apr-99
Custom Blended Real Estate Benchmark			1.2	1.0	1.2	-1.4	-2.3	2.9	5.2	6.5	
Private Equity	202,807,916	15.8	0.0	3.6	0.0	6.2	4.7	16.6	13.0	10.1	Jul-05
Private Equity			0.0	3.6	0.0	6.2	4.7	16.6	13.0	10.2	Jul-05
Custom Private Equity Benchmark			-2.5	11.4	0.3	21.6	9.1	17.9	15.6	--	
Direct Lending	71,350,852	5.6	0.0	5.9	0.0	8.4	8.2	--	--	9.9	Jul-20
Direct Lending			0.0	5.9	0.0	8.4	8.2	--	--	9.9	Jul-20
S&P LSTA Leveraged Loan +2%			-0.1	6.4	1.0	9.0	9.3	11.1	7.1	9.5	
Hedge Fund	74,127,544	5.8	-0.1	3.8	1.8	4.8	4.3	7.7	4.3	4.6	Jul-14
Hedge Fund			0.0	4.9	2.2	6.3	5.5	8.8	5.0	5.3	Jul-14
Custom Blended Hedge Fund Benchmark			-1.5	3.4	-0.6	4.1	3.9	7.1	3.8	--	
Real Assets	69,844,938	5.5	0.0	7.7	0.0	10.8	10.1	13.3	9.8	9.9	Dec-10
Real Assets			0.0	7.7	0.0	10.8	10.2	13.4	10.1	10.4	Dec-10
Custom Blended Real Assets Benchmark			1.8	6.5	5.9	7.0	2.6	5.6	7.3	--	
CPI +5% (Seasonally Adjusted)			0.4	5.9	1.9	7.5	8.8	9.6	8.2	7.8	

Real Assets includes State Street Real Assets NL Fund.

## Asset Allocation & Performance | As of March 31, 2025

	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Infrastructure	41,282,841	3.2	0.0	7.6	0.0	9.9	11.3	12.6	9.7	10.2	Jan-15
Private Infrastructure			0.0	7.6	0.0	9.9	11.3	12.8	9.7	10.3	Jan-15
<i>S&amp;P Global Infrastructure</i>			2.1	15.7	4.6	18.8	6.1	13.8	6.5	6.2	
Private Natural Resources	28,562,097	2.2	0.0	7.7	0.0	12.1	17.3	14.9	--	15.4	Oct-15
Private Natural Resources			0.0	7.7	0.0	12.1	17.3	14.9	--	15.4	Oct-15
<i>S&amp;P Global Natural Resources Sector Index (TR)</i>			1.6	-2.1	7.1	-3.8	-1.2	16.2	6.3	9.5	
Cash (Net)	26,479,187	2.1	0.3	3.2	1.0	4.3	3.1	1.9	--	--	Dec-10
Cash (Gross)			0.3	3.2	1.0	4.3	3.1	1.9	--	--	Dec-10

## Asset Allocation & Performance | As of March 31, 2025

Trailing Period Performance												
	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
<b>Total Fund</b>	<b>1,280,874,667</b>	<b>100.0</b>	<b>-1.3</b>	<b>4.9</b>	<b>0.5</b>	<b>7.0</b>	<b>5.1</b>	<b>10.6</b>	<b>7.4</b>	<b>8.0</b>	<b>Jan-95</b>	
<i>Policy Index</i>			<i>-1.6</i>	<i>5.5</i>	<i>0.8</i>	<i>8.2</i>	<i>5.4</i>	<i>10.5</i>	<i>7.7</i>	<i>6.4</i>		
<b>Total Fund w/o Alternatives</b>	<b>760,473,519</b>	<b>59.4</b>	<b>-2.2</b>	<b>5.3</b>	<b>0.6</b>	<b>7.8</b>	<b>5.8</b>	<b>11.0</b>	<b>7.5</b>	<b>--</b>	<b>Jan-08</b>	
<i>Policy Index w/o AI</i>			<i>-2.2</i>	<i>4.4</i>	<i>0.4</i>	<i>6.1</i>	<i>4.7</i>	<i>10.0</i>	<i>6.6</i>	<i>--</i>		
<b>Public Equity</b>	<b>518,047,763</b>	<b>40.4</b>	<b>-3.2</b>	<b>4.9</b>	<b>-0.2</b>	<b>8.0</b>	<b>6.6</b>	<b>14.9</b>	<b>--</b>	<b>9.6</b>	<b>Apr-18</b>	
<i>MSCI AC World IMI Index (Net)</i>			<i>-3.9</i>	<i>3.8</i>	<i>-1.6</i>	<i>6.3</i>	<i>6.3</i>	<i>15.0</i>	<i>8.6</i>	<i>8.7</i>		
<b>US Equity</b>	<b>279,714,249</b>	<b>21.8</b>	<b>-5.9</b>	<b>4.0</b>	<b>-4.7</b>	<b>7.1</b>	<b>7.4</b>	<b>17.1</b>	<b>11.6</b>	<b>10.4</b>	<b>Jan-95</b>	
<i>Russell 3000</i>			<i>-5.8</i>	<i>3.9</i>	<i>-4.7</i>	<i>7.2</i>	<i>8.2</i>	<i>18.2</i>	<i>11.6</i>	<i>10.5</i>		
BNY Mellon Newton Dynamic US Equity	54,861,474	4.3	-5.7	2.4	-4.2	6.5	6.7	16.6	12.9	15.2	Jan-13	
<i>S&amp;P 500 Index</i>			<i>-5.6</i>	<i>3.8</i>	<i>-4.3</i>	<i>8.3</i>	<i>9.1</i>	<i>18.6</i>	<i>12.5</i>	<i>13.9</i>		
BNY Mellon Large Cap	196,903,142	15.4	-5.8	4.1	-4.5	7.8	8.6	18.5	--	13.5	Apr-16	
<i>Russell 1000 Index</i>			<i>-5.8</i>	<i>4.1</i>	<i>-4.5</i>	<i>7.8</i>	<i>8.7</i>	<i>18.5</i>	<i>12.2</i>	<i>13.6</i>		
Champlain Small Cap	27,949,633	2.2	-6.6	6.1	-6.7	3.3	2.6	--	--	7.1	Nov-20	
<i>Russell 2000 Index</i>			<i>-6.8</i>	<i>-0.8</i>	<i>-9.5</i>	<i>-4.0</i>	<i>0.5</i>	<i>13.3</i>	<i>6.3</i>	<i>7.7</i>		
<b>International Equity</b>	<b>238,333,514</b>	<b>18.6</b>	<b>0.2</b>	<b>6.0</b>	<b>5.6</b>	<b>8.9</b>	<b>5.6</b>	<b>12.3</b>	<b>6.8</b>	<b>6.0</b>	<b>Jan-99</b>	
<i>MSCI AC World ex USA IMI (Net)</i>			<i>-0.1</i>	<i>4.5</i>	<i>4.6</i>	<i>5.5</i>	<i>4.0</i>	<i>11.0</i>	<i>5.0</i>	<i>5.3</i>		
<i>International Equity Custom</i>			<i>0.1</i>	<i>4.7</i>	<i>5.2</i>	<i>7.0</i>	<i>4.7</i>	<i>10.7</i>	<i>5.2</i>	<i>4.6</i>		
Acadian ACWI ex U.S. Small Cap Equity	19,764,296	1.5	0.4	4.5	1.4	7.5	3.5	16.1	--	9.4	May-19	
<i>MSCI AC World ex USA Small Cap (Net)</i>			<i>0.4</i>	<i>1.2</i>	<i>0.6</i>	<i>1.9</i>	<i>1.0</i>	<i>11.8</i>	<i>5.3</i>	<i>5.2</i>		
Driehaus International Small Cap Growth	17,621,137	1.4	-1.7	-2.7	-0.4	-4.5	0.8	11.2	--	6.8	May-19	
<i>MSCI AC World ex USA Small Growth Index (Net)</i>			<i>-0.8</i>	<i>-1.1</i>	<i>-1.7</i>	<i>-0.4</i>	<i>-1.5</i>	<i>9.8</i>	<i>5.0</i>	<i>4.3</i>		

Historical returns for the US Equity Composite prior to January 2012 and for the International Equity Composite prior to December 2010 are gross only.

## Asset Allocation & Performance | As of March 31, 2025

	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
GQG International Equity <i>MSCI AC World ex USA (Net)</i>	55,637,085	4.3	1.2 <i>-0.2</i>	-1.5 <i>5.1</i>	7.9 <i>5.2</i>	1.4 <i>6.1</i>	8.4 <i>4.5</i>	13.3 <i>10.9</i>	-- <i>5.0</i>	9.3 <i>5.7</i>	Dec-19
First Eagle International Value Fund <i>MSCI EAFE (Net)</i> <i>MSCI AC World ex USA Value (Net)</i>	62,026,516	4.8	3.1 <i>-0.4</i> <i>1.8</i>	13.1 <i>5.3</i> <i>10.0</i>	10.2 <i>6.9</i> <i>8.6</i>	13.9 <i>4.9</i> <i>11.4</i>	6.5 <i>6.1</i> <i>7.2</i>	10.2 <i>11.8</i> <i>13.6</i>	-- <i>5.4</i> <i>4.7</i>	5.8 <i>6.4</i> <i>6.7</i>	Dec-19
<b>Emerging Markets Equity</b> <i>MSCI EM</i>	<b>83,284,480</b>	<b>6.5</b>	<b>-2.2</b> <i>0.6</i>	<b>9.1</b> <i>2.9</i>	<b>3.2</b> <i>2.9</i>	<b>14.3</b> <i>8.1</i>	<b>4.4</b> <i>1.4</i>	<b>11.2</b> <i>7.9</i>	<b>7.9</b> <i>3.9</i>	<b>5.9</b> <i>3.3</i>	<b>May-12</b>
Artisan Developing World TR <i>MSCI Emerging Markets (Net)</i>	59,949,754	4.7	-3.5 <i>0.6</i>	12.1 <i>2.9</i>	1.8 <i>2.9</i>	18.0 <i>8.1</i>	7.2 <i>1.4</i>	12.3 <i>7.9</i>	-- <i>3.7</i>	9.7 <i>3.5</i>	Dec-19
RWC <i>MSCI Emerging Markets (Net)</i>	23,334,726	1.8	1.3 <i>0.6</i>	1.8 <i>2.9</i>	6.7 <i>2.9</i>	5.7 <i>8.1</i>	-2.0 <i>1.4</i>	8.7 <i>7.9</i>	-- <i>3.7</i>	1.5 <i>3.5</i>	Dec-19
<b>US Fixed Income</b> <i>US Fixed Income Custom Benchmark</i>	<b>178,109,859</b>	<b>13.9</b>	<b>0.1</b> <i>0.1</i>	<b>5.1</b> <i>4.8</i>	<b>2.5</b> <i>2.7</i>	<b>5.3</b> <i>4.9</i>	<b>0.3</b> <i>0.8</i>	<b>-0.5</b> <i>-0.2</i>	<b>1.5</b> <i>1.6</i>	<b>4.4</b> <i>4.5</i>	<b>Jan-95</b>
Vanguard Short-Term Treasury Index Fund <i>Bloomberg U.S. Government 1-3 Year Index</i>	7,101,215	0.6	0.5 <i>0.5</i>	4.5 <i>4.5</i>	1.6 <i>1.6</i>	5.4 <i>5.4</i>	2.8 <i>2.9</i>	1.1 <i>1.2</i>	-- <i>1.5</i>	1.9 <i>2.0</i>	Mar-18
Vanguard Total Bond Market Index Fund <i>Blmbg. U.S. Aggregate Index</i>	23,017,168	1.8	0.0 <i>0.0</i>	4.7 <i>4.8</i>	2.8 <i>2.8</i>	4.9 <i>4.9</i>	0.5 <i>0.5</i>	-0.4 <i>-0.4</i>	-- <i>1.5</i>	1.1 <i>1.1</i>	May-19
Payden & Rygel Low Duration Fund <i>Blmbg. U.S. Treasury: 1-3 Year</i>	10,335,795	0.8	0.4 <i>0.5</i>	4.8 <i>4.5</i>	1.7 <i>1.6</i>	6.0 <i>5.4</i>	-- <i>2.8</i>	-- <i>1.1</i>	-- <i>1.5</i>	6.3 <i>4.5</i>	Nov-22
Brandywine US Fixed Income <i>Blmbg. U.S. Aggregate Index</i>	58,875,228	4.6	0.3 <i>0.0</i>	5.9 <i>4.8</i>	2.4 <i>2.8</i>	5.3 <i>4.9</i>	-- <i>0.5</i>	-- <i>-0.4</i>	-- <i>1.5</i>	2.7 <i>5.3</i>	Nov-22
Wellington Core Bond <i>Blmbg. U.S. Aggregate Index</i>	78,780,454	6.2	-0.1 <i>0.0</i>	5.0 <i>4.8</i>	2.8 <i>2.8</i>	5.4 <i>4.9</i>	-- <i>0.5</i>	-- <i>-0.4</i>	-- <i>1.5</i>	5.1 <i>5.3</i>	Nov-22

Historical returns for the US Fixed Income Composite prior to December 2010 are gross only.

## Asset Allocation & Performance | As of March 31, 2025

	Market Value \$	% of Portfolio	1 Mo (%)	Fiscal YTD	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Opportunistic Credit</b>	<b>64,315,897</b>	<b>5.0</b>	<b>-0.2</b>	<b>6.5</b>	<b>1.7</b>	<b>8.5</b>	<b>6.1</b>	<b>8.5</b>	<b>--</b>	<b>5.8</b>	<b>May-19</b>
<i>50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever</i>			<i>-0.3</i>	<i>5.3</i>	<i>1.8</i>	<i>6.1</i>	<i>3.3</i>	<i>3.8</i>	<i>--</i>	<i>3.1</i>	
PIMCO Income Fund	12,095,312	0.9	0.2	6.9	3.3	7.4	4.6	5.2	--	3.7	May-19
<i>Blmbg. U.S. Aggregate Index</i>			<i>0.0</i>	<i>4.8</i>	<i>2.8</i>	<i>4.9</i>	<i>0.5</i>	<i>-0.4</i>	<i>1.5</i>	<i>1.1</i>	
GoldenTree Multi-Sector Credit	28,963,146	2.3	-0.6	6.4	1.3	8.7	6.8	9.7	--	6.1	Jun-19
<i>50% BBg US High Yield TR/50% S&amp;P UBS Leveraged Loans</i>			<i>-0.6</i>	<i>5.8</i>	<i>0.8</i>	<i>7.4</i>	<i>6.1</i>	<i>8.1</i>	<i>5.0</i>	<i>5.2</i>	
OWS Credit Opportunity Fund LP	23,257,439	1.8	0.0	6.5	1.6	8.9	--	--	--	9.4	Oct-23
<i>50% BBg US High Yield TR/50% S&amp;P UBS Leveraged Loans</i>			<i>-0.6</i>	<i>5.8</i>	<i>0.8</i>	<i>7.4</i>	<i>6.1</i>	<i>8.1</i>	<i>5.0</i>	<i>9.8</i>	
<b>Private Real Estate</b>	<b>75,790,711</b>	<b>5.9</b>	<b>0.0</b>	<b>2.0</b>	<b>0.0</b>	<b>2.0</b>	<b>1.4</b>	<b>3.4</b>	<b>4.7</b>	<b>6.3</b>	<b>Dec-10</b>
<i>Custom Blended Real Estate Benchmark</i>			<i>1.2</i>	<i>1.0</i>	<i>1.2</i>	<i>-1.4</i>	<i>-2.3</i>	<i>2.9</i>	<i>5.2</i>	<i>7.6</i>	
<b>Private Equity</b>	<b>202,807,916</b>	<b>15.8</b>	<b>0.0</b>	<b>3.6</b>	<b>0.0</b>	<b>6.2</b>	<b>4.7</b>	<b>16.6</b>	<b>13.0</b>	<b>10.1</b>	<b>Jul-05</b>
<i>Custom Private Equity Benchmark</i>			<i>-2.5</i>	<i>11.4</i>	<i>0.3</i>	<i>21.6</i>	<i>9.1</i>	<i>17.9</i>	<i>15.6</i>	<i>--</i>	
<b>Direct Lending</b>	<b>71,350,852</b>	<b>5.6</b>	<b>0.0</b>	<b>5.9</b>	<b>0.0</b>	<b>8.4</b>	<b>8.2</b>	<b>--</b>	<b>--</b>	<b>9.9</b>	<b>Jul-20</b>
<i>S&amp;P LSTA Leveraged Loan +2%</i>			<i>-0.1</i>	<i>6.4</i>	<i>1.0</i>	<i>9.0</i>	<i>9.3</i>	<i>11.1</i>	<i>7.1</i>	<i>9.5</i>	
<b>Hedge Fund</b>	<b>74,127,544</b>	<b>5.8</b>	<b>-0.1</b>	<b>3.8</b>	<b>1.8</b>	<b>4.8</b>	<b>4.3</b>	<b>7.7</b>	<b>4.3</b>	<b>4.6</b>	<b>Jul-14</b>
<i>Custom Blended Hedge Fund Benchmark</i>			<i>-1.5</i>	<i>3.4</i>	<i>-0.6</i>	<i>4.1</i>	<i>3.9</i>	<i>7.1</i>	<i>3.8</i>	<i>--</i>	
<b>Private Infrastructure</b>	<b>41,282,841</b>	<b>3.2</b>	<b>0.0</b>	<b>7.6</b>	<b>0.0</b>	<b>9.9</b>	<b>11.3</b>	<b>12.6</b>	<b>9.7</b>	<b>10.2</b>	<b>Jan-15</b>
<i>S&amp;P Global Infrastructure</i>			<i>2.1</i>	<i>15.7</i>	<i>4.6</i>	<i>18.8</i>	<i>6.1</i>	<i>13.8</i>	<i>6.5</i>	<i>6.2</i>	
<b>Private Natural Resources</b>	<b>28,562,097</b>	<b>2.2</b>	<b>0.0</b>	<b>7.7</b>	<b>0.0</b>	<b>12.1</b>	<b>17.3</b>	<b>14.9</b>	<b>--</b>	<b>15.4</b>	<b>Oct-15</b>
<i>S&amp;P Global Natural Resources Sector Index (TR)</i>			<i>1.6</i>	<i>-2.1</i>	<i>7.1</i>	<i>-3.8</i>	<i>-1.2</i>	<i>16.2</i>	<i>6.3</i>	<i>9.5</i>	
<b>Cash</b>	<b>26,479,187</b>	<b>2.1</b>	<b>0.3</b>	<b>3.2</b>	<b>1.0</b>	<b>4.3</b>	<b>3.1</b>	<b>1.9</b>	<b>--</b>	<b>--</b>	<b>Dec-10</b>
Cash	25,112,619	2.0	0.4	3.6	1.1	4.9	3.5	2.1	1.6	-0.8	Dec-10
Treasury Cash	1,366,568	0.1	0.0	0.0	0.0	0.0	0.0	0.0	--	0.0	Sep-17

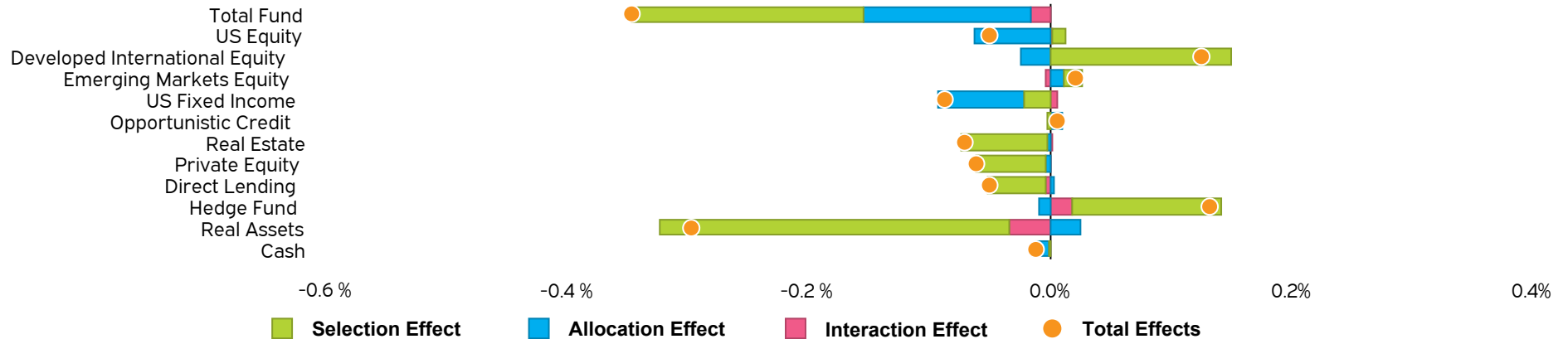
All private markets performance and market values reflect a 09/30/24 capital account balance (as of 02/28/2024) unless otherwise noted.

Private Real Estate results prior to 1/1/2019 were included in the Real Assets composite. All results for the Private Real Estate composite that include the period prior to 1/1/2019 will reflect only the latest lineup of managers that Meketa received information for, therefore it may not reflect the entire Private Real Estate composite at that given time.

Throughout the report, the fair market value of GoldenTree Multi-Sector Credit is based on estimated performance due to investor statement availability.

Total Fund Attribution | As of March 31, 2025

### Attribution Effects 3 Months Ending March 31, 2025

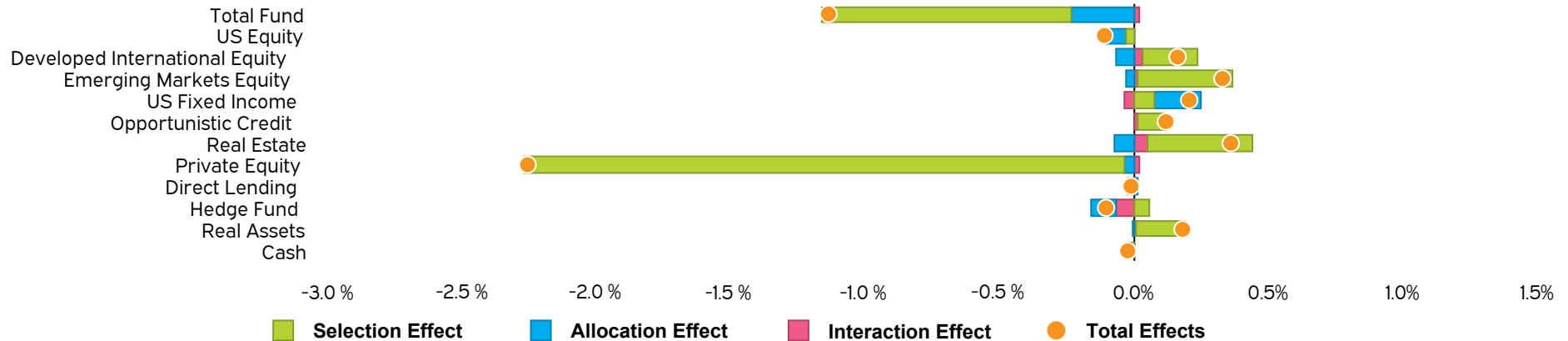


### Attribution Summary 3 Months Ending March 31, 2025

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	-4.7	-4.7	0.0	0.0	-0.1	0.0	-0.1
Developed International Equity	6.9	5.6	1.3	0.1	0.0	0.0	0.1
Emerging Markets Equity	3.2	2.9	0.2	0.0	0.0	0.0	0.0
US Fixed Income	2.5	2.7	-0.1	0.0	-0.1	0.0	-0.1
Opportunistic Credit	1.7	1.8	-0.1	0.0	0.0	0.0	0.0
Real Estate	0.0	1.2	-1.2	-0.1	0.0	0.0	-0.1
Private Equity	0.0	0.3	-0.3	-0.1	0.0	0.0	-0.1
Direct Lending	0.0	1.0	-1.0	0.0	0.0	0.0	-0.1
Hedge Fund	1.8	-0.6	2.5	0.1	0.0	0.0	0.1
Real Assets	0.0	5.9	-5.9	-0.3	0.0	0.0	-0.3
Cash	1.0	1.0	-0.1	0.0	0.0	0.0	0.0
<b>Total Fund</b>	<b>0.5</b>	<b>0.8</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.1</b>	<b>0.0</b>	<b>-0.3</b>

Total Fund Attribution | As of March 31, 2025

### Attribution Effects 1 Year Ending March 31, 2025



### Attribution Summary 1 Year Ending March 31, 2025

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	7.1	7.2	-0.1	0.0	-0.1	0.0	-0.1
Developed International Equity	6.2	4.3	1.9	0.2	-0.1	0.0	0.2
Emerging Markets Equity	14.3	8.1	6.2	0.4	0.0	0.0	0.3
US Fixed Income	5.3	4.9	0.4	0.1	0.2	0.0	0.2
Opportunistic Credit	8.5	6.1	2.3	0.1	0.0	0.0	0.1
Real Estate	4.1	-1.4	5.6	0.4	-0.1	0.1	0.4
Private Equity	6.2	21.6	-15.4	-2.2	0.0	0.0	-2.3
Direct Lending	8.4	9.0	-0.5	0.0	0.0	0.0	0.0
Hedge Fund	4.8	4.1	0.7	0.1	-0.1	-0.1	-0.1
Real Assets	10.8	7.0	3.8	0.2	0.0	0.0	0.2
Cash	3.2	3.6	-0.4	0.0	0.0	0.0	0.0
<b>Total Fund</b>	<b>7.0</b>	<b>8.2</b>	<b>-1.1</b>	<b>-0.9</b>	<b>-0.2</b>	<b>0.0</b>	<b>-1.1</b>

Benchmark History		
From Date	To Date	Benchmark
<b>Total Fund</b>		
07/01/2024	Present	22.0% Russell 3000, 12.0% Custom Blended Developed International Equity BM, 6.0% MSCI EM, 18.0% US Fixed Income Custom Benchmark, 5.0% Custom Blended Hedge Fund Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% S&P LSTA Leveraged Loan +2%, 5.0% Custom Blended Real Assets Benchmark, 6.0% Custom Blended Real Estate Benchmark, 4.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever, 2.0% Blmbg. U.S. Treasury Bills: 1-3 Months
01/01/2022	07/01/2024	22.0% Russell 3000, 11.0% Custom Blended Developed International Equity BM, 8.0% MSCI EM, 11.0% US Fixed Income Custom Benchmark, 10.0% Custom Blended Hedge Fund Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% S&P LSTA Leveraged Loan +2%, 5.0% Custom Blended Real Assets Benchmark, 8.0% Custom Blended Real Estate Benchmark, 5.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever
01/01/2020	01/01/2022	21.0% Russell 3000, 10.0% Custom Blended Developed International Equity BM, 8.0% MSCI EM, 18.0% BBgBarc US Aggregate TR, 10.0% Custom Blended Hedge Fund Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% Custom Blended Real Assets Benchmark, 8.0% Custom Blended Real Estate Benchmark, 5.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever
07/01/2019	01/01/2020	21.0% US Equity Custom, 18.0% International Equity Custom, 18.0% US Fixed Custom, 10.0% Custom Blended Hedge Fund Benchmark, 15.0% Thomson Reuters Cambridge Private Equity Index, 5.0% Real Asset Custom, 8.0% NCREIF ODCE (Net), 5.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% Credit Suisse Lever
01/01/2019	07/01/2019	21.0% US Equity Custom, 23.0% US Fixed Custom, 18.0% International Equity Custom, 10.0% Custom Blended Hedge Fund Benchmark, 15.0% Thomson Reuters Cambridge Private Equity Index, 5.0% Real Asset Custom, 8.0% NCREIF ODCE (Net)
01/01/2017	01/01/2019	27.0% US Equity Custom, 22.0% US Fixed Custom, 23.0% International Equity Custom, 5.0% Custom Blended Hedge Fund Benchmark, 9.0% Thomson Reuters Cambridge Private Equity Index, 14.0% Real Asset Custom
07/01/2014	01/01/2017	22.7% Russell 1000 Index, 5.7% Russell 2000 Index, 23.6% International Equity Custom, 28.5% US Fixed Custom, 4.5% Custom Blended Hedge Fund Benchmark, 8.0% NCREIF ODCE (Net), 7.0% Thomson Reuters Cambridge Private Equity Index
<b>US Equity</b>		
01/01/2020	Present	100.0% Russell 3000 Index
12/31/1994	01/01/2020	100.0% Russell 3000
<b>International Equity</b>		
01/01/2019	Present	56.0% MSCI EAFE Index, 44.0% MSCI Emerging Markets Index
01/01/2017	01/01/2019	69.6% MSCI EAFE Index, 30.4% MSCI Emerging Markets Index
07/01/2013	01/01/2017	100.0% MSCI AC World ex USA index
<b>US Fixed Income</b>		
12/01/1994	Present	10.0% Blmbg. U.S. Treasury: 1-3 Year, 90.0% BBgBarc US Aggregate TR



Annual Investment Expense Analysis				
	Fee Schedule	Market Value (\$)	Estimated Annual Fee (%)	Estimated Expense (\$)
<b>Total Fund</b>		<b>1,280,874,667</b>		
<b>Total Fund w/o Alternatives</b>		<b>760,473,519</b>		
<b>Public Equity</b>		<b>518,047,763</b>		
<b>US Equity</b>		<b>279,714,249</b>		
BNY Mellon Newton Dynamic US Equity	0.30 % of Assets	54,861,474	0.30	164,584
BNY Mellon Large Cap	0.04 % of First \$100 M 0.02 % Thereafter	196,903,142	0.03	59,381
Champlain Small Cap	1.00 % of Assets	27,949,633	1.00	279,496
<b>International Equity</b>		<b>238,333,514</b>		
Acadian ACWI ex U.S. Small Cap Equity	0.99 % of Assets	19,764,296	0.99	195,667
Driehaus International Small Cap Growth	0.90 % of Assets	17,621,137	0.90	158,590
GQG International Equity	0.50 % of Assets	55,637,085	0.50	278,185
First Eagle International Value Fund	0.79 % of Assets	62,026,516	0.79	490,009
<b>Emerging Markets Equity</b>		<b>83,284,480</b>		
Artisan Developing World TR	1.05 % of Assets	59,949,754	1.05	629,472
RWC	0.87 % of Assets	23,334,726	0.87	203,012
<b>MCERA US FIXED+OPP CREDIT</b>		<b>242,425,756</b>		
<b>US Fixed Income</b>		<b>178,109,859</b>		
Vanguard Short-Term Treasury Index Fund	0.04 % of Assets	7,101,215	0.04	2,840
Vanguard Total Bond Market Index Fund	0.03 % of Assets	23,017,168	0.03	5,754
Payden & Rygel Low Duration Fund	0.43 % of Assets	10,335,795	0.43	44,444
Brandywine US Fixed Income	0.29 % of Assets	58,875,228	0.29	170,738
Wellington Core Bond	0.12 % of Assets	78,780,454	0.12	94,537
<b>Opportunistic Credit</b>		<b>64,315,897</b>		
PIMCO Income Fund	0.51 % of Assets	12,095,312	0.51	61,686
GoldenTree Multi-Sector Credit	0.70 % of Assets	28,963,146	0.70	202,742
OWS Credit Opportunity Fund LP		23,257,439	-	-
<b>Cash</b>		<b>26,479,187</b>		
Cash		25,112,619	-	-
Treasury Cash		1,366,568	-	-

## **Disclaimer, Glossary, and Notes**

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PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

**Credit Risk:** Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security).

**Duration:** Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

**Information Ratio:** This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

**Jensen's Alpha:** A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. Portfolio Return- [Risk Free Rate+Beta\*(market return-Risk Free Rate)].

**Market Capitalization:** For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

**Market Weighted:** Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

**Maturity:** The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

**Prepayment Risk:** The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

**Price-Book Value (P/B) Ratio:** The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

**Price-Earnings (P/E) Ratio:** A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

**Quality Rating:** The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

**Sharpe Ratio:** A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

**STIF Account:** Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

**Standard Deviation:** A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

**Style:** The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

**Tracking Error:** A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

**Yield to Maturity:** The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

**Yield to Worst:** The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

**NCREIF Property Index (NPI):** Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

**NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE):** Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: [Investment Terminology](#), International Foundation of Employee Benefit Plans, 1999.  
[The Handbook of Fixed Income Securities](#), Fabozzi, Frank J., 1991

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.