



# San Jose Police and Fire Department Retirement Plan Health Care Trust

As of June 30, 2025

Quarterly Review

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## **Economic and Market Update**

Data as of June 30, 2025

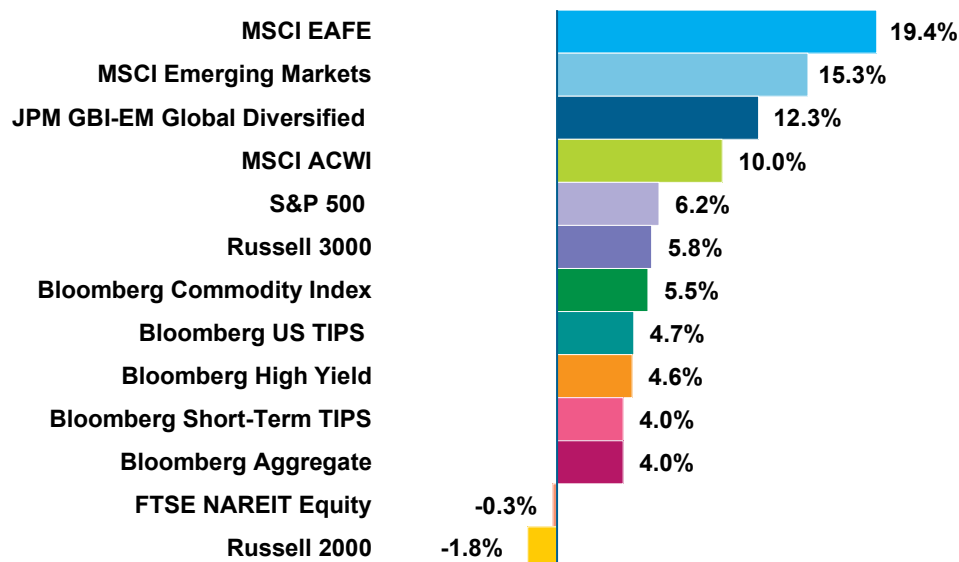
### Commentary

**During the quarter, US trade policy drove market dynamics. Significant volatility in early April after the initial tariff announcement was followed by a recovery in risk assets on their later temporary suspension. In fixed income markets, fiscal policy uncertainty and growing debt levels shaped market sentiment.**

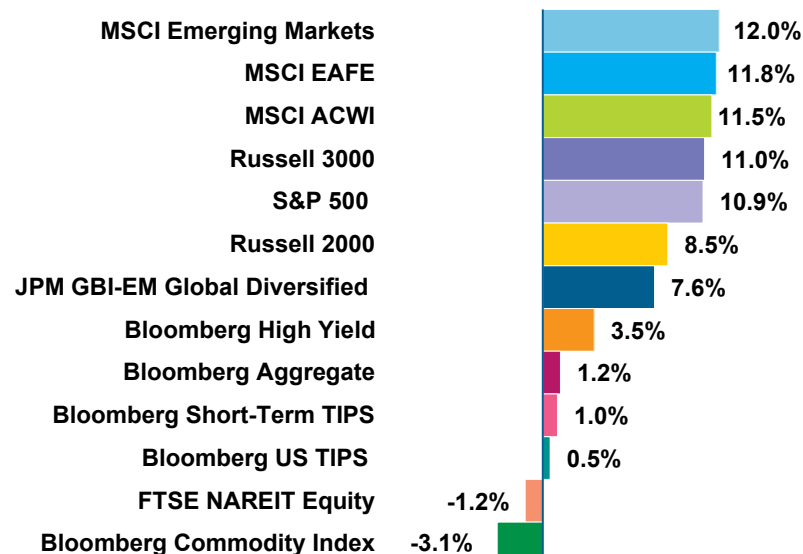
- Domestic equities rose during the quarter (Russell 3000: +11.0%) and growth stocks, particularly technology, led the way.
- Non-US developed-market stocks (MSCI EAFE: +11.8%) beat US markets, extending their outperformance over most asset classes year-to-date by returning +19.4%.
- Emerging market equities were the best performers, returning +12.0% for the quarter, despite a modest +2.0% return in China.
- In mid-June, the Federal Reserve held rates steady (but messaging was perceived as more accommodative by market participants compared to earlier in the year), with inflation, while improving, remaining above target and the unemployment rate still low.
- Outside of longer dated government bonds, most fixed income markets rose for the quarter as yields generally remained stable or declined. The broad Bloomberg Aggregate Index returned +1.2%, while long-term Treasuries fell -1.5%. Riskier bonds did better as risk sentiment improved with emerging market debt increasing +7.6% and high yield bonds gaining +3.5%.
- 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 track of the US deficit, China's economy and relations with the US, as well as concerns over elevated valuations and weakening earnings in the US equity market, will also be important focuses for the rest of this year.

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

#### YTD



#### Q2



- After tariff-related market volatility in April, global equity markets rallied in May and June on the general pausing of tariffs. Bond markets performed well with short-term yields declining in the US and intermediate-term yields remaining stable. Growing debt levels remained a key concern for major global economies.
- US equity markets continued to provide strong gains year-to-date, returning to record levels after a weak start to 2025. International equities still lead the way in 2025, particularly developed markets, supported by a weakening US dollar.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2025.

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

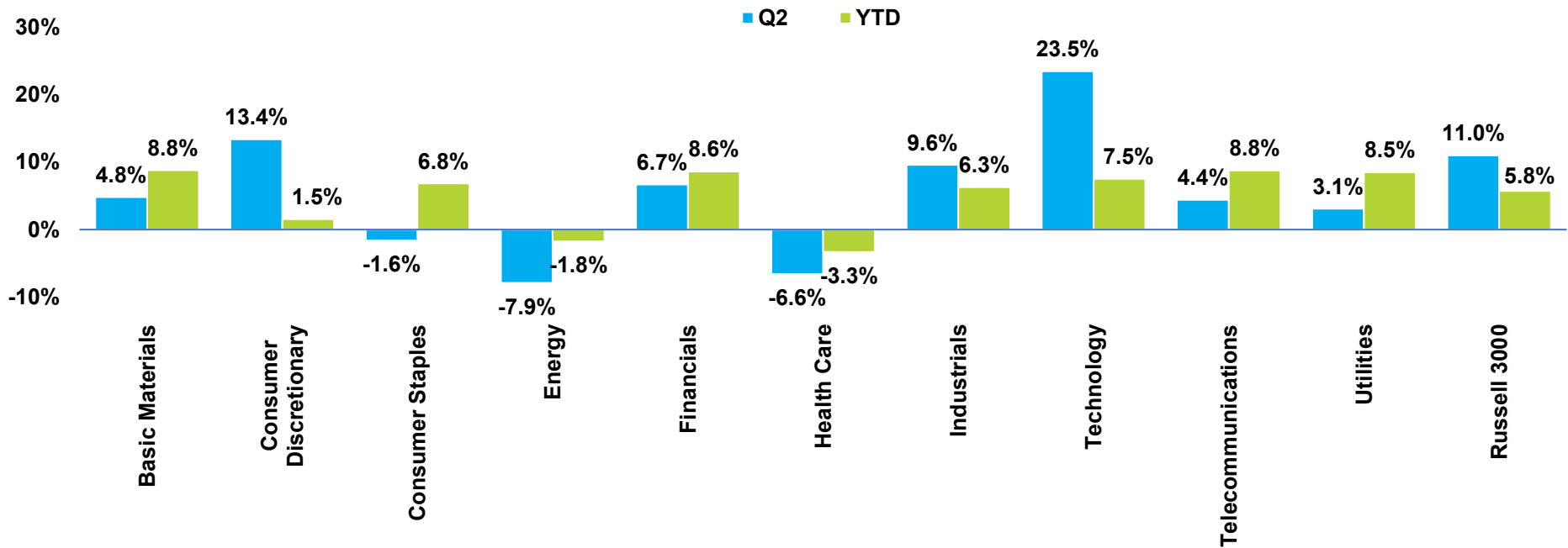
Domestic Equity	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	5.1	10.9	6.2	15.2	19.7	16.6	13.6
Russell 3000	5.1	11.0	5.8	15.3	19.1	15.9	12.9
Russell 1000	5.1	11.1	6.1	15.7	19.6	16.3	13.3
Russell 1000 Growth	6.4	17.8	6.1	17.2	25.7	18.1	17.0
Russell 1000 Value	3.4	3.8	6.0	13.7	12.8	13.9	9.2
Russell MidCap	3.7	8.5	4.8	15.2	14.3	13.1	9.9
Russell MidCap Growth	4.4	18.2	9.8	26.5	21.4	12.6	12.1
Russell MidCap Value	3.5	5.3	3.1	11.5	11.3	13.7	8.4
Russell 2000	5.4	8.5	-1.8	7.7	10.0	10.0	7.1
Russell 2000 Growth	5.9	12.0	-0.5	9.7	12.4	7.4	7.1
Russell 2000 Value	4.9	5.0	-3.2	5.5	7.4	12.5	6.7

### US Equities: The Russell 3000 index returned +5.1% in June and +11.0% in the second quarter.

- US stocks rose during the second quarter as tariff concerns stabilized after the early April volatility. Strong corporate earnings, particularly in the technology sector, and a relatively resilient US economy also drove results.
- Growth stocks outpaced value stocks across the market cap spectrum during the quarter, particularly in large cap (+17.8% versus +3.8%) due to strong gains in the large-cap companies focused on AI.
- Small cap stocks (Russell 2000) had strong results (+8.5%) in Q2 but trailed large cap stocks (Russell 1000), which gained +11.1%. Gains in the large cap technology sector, elevated interest rates, and overall uncertainty related to the path of the US economy drove the underperformance.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2025.

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



- Technology stocks led the way in the second quarter. This sector contributed more than half of the quarter's gains in the Russell 3000 index. AI favorites, including NVIDIA and Broadcom, rebounded amid strong earnings reports.
- Consumer discretionary stocks performed well for the quarter (+13.4%) given the slight easing of tariff concerns.
- Energy (-7.9%) and Health Care (-6.6%) were the largest detractors among sectors for the second quarter. Increased supply and weakening demand and plans by the new administration to lower drug prices, respectively, weighed on the two sectors.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2025.

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

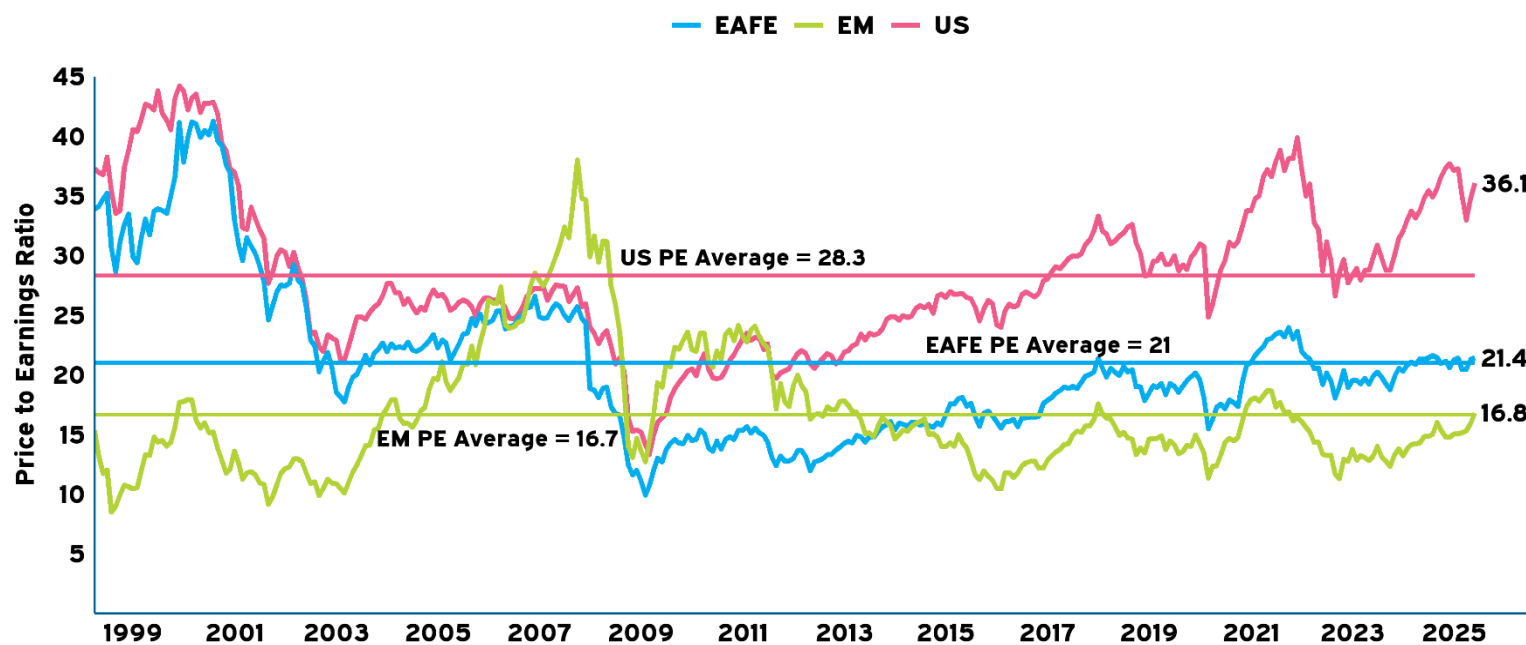
Foreign Equity	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	3.4	12.0	17.9	17.7	14.0	10.1	6.1
MSCI EAFE	2.2	11.8	19.4	17.7	16.0	11.1	6.5
MSCI EAFE (Local Currency)	0.2	4.8	7.8	8.0	13.5	11.6	7.0
MSCI EAFE Small Cap	4.3	16.6	20.9	22.5	13.3	9.3	6.5
MSCI Emerging Markets	6.0	12.0	15.3	15.3	9.7	6.8	4.8
MSCI Emerging Markets (Local Currency)	4.9	7.9	10.8	12.9	10.4	7.9	6.5
MSCI EM ex China	7.0	16.5	14.5	9.4	13.2	11.3	6.2
MSCI China	3.7	2.0	17.3	33.8	3.1	-1.0	2.1

**Foreign Equity: Developed international equities (MSCI EAFE) returned +2.2% in June and +11.8% in the second quarter and emerging market equities (MSCI Emerging Markets) rose +6.0% in June and +12.0% in the second quarter.**

- Developed markets outpaced US peers as continued weakness in the US dollar (USD) acted as a significant tailwind adding +7.0% to local returns. Eurozone equities had strong results, led by real estate and industrials (particularly defense) and benefiting from two rate cuts over the quarter as inflation fell below the ECB target of 2%. Japan also saw strong returns led by growth stocks after initial tariff-related declines.
- Emerging markets ended the quarter slightly ahead of developed peers, also benefiting from the weakening USD. After the pronounced “Liberation Day” selloff, the 90-day tariff pause, and US-China dialogue eased many fears. Korea and Taiwan tech stocks benefited from continued AI optimism. China posted a small gain for the quarter as domestic consumption data continued to weigh on sentiment, and trade uncertainty lingered. India underperformed, as growth expectations were tempered, and valuations remained high.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2025.

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



- After a considerable pullback in April, US stock valuations rallied and finished the quarter above where they started. They continue to trade well above their long-run cyclically adjusted P/E average of 28.3.
- While non-US developed stocks have performed very well this year, at the end of June their valuations remain close to their long-run P/E ratio of 21.
- Emerging market stocks continued to rally this year and are now trading at valuations near 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 June 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.

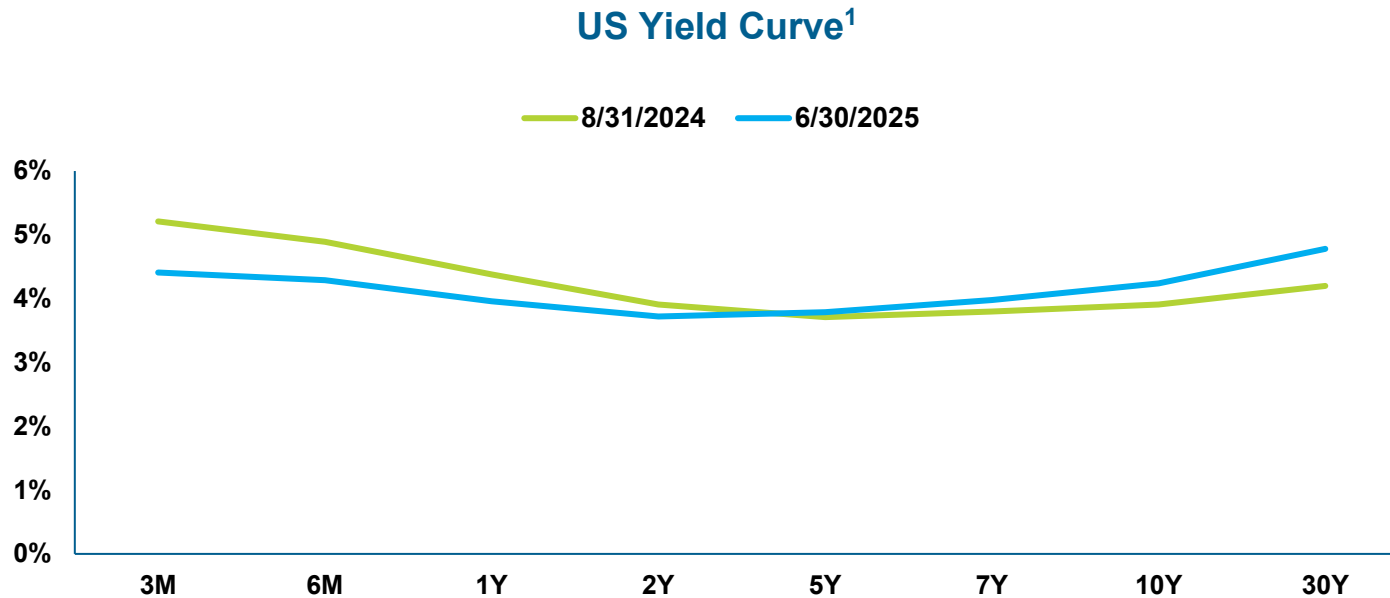
## Fixed Income Returns<sup>1</sup>

Fixed Income	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	1.6	1.4	4.1	6.5	3.3	-0.1	2.1	4.7	5.9
Bloomberg Aggregate	1.5	1.2	4.0	6.1	2.5	-0.7	1.8	4.5	6.1
Bloomberg US TIPS	1.0	0.5	4.7	5.8	2.3	1.6	2.7	4.1	6.5
Bloomberg Short-term TIPS	0.5	1.0	4.0	6.5	3.9	3.8	2.9	3.9	2.4
Bloomberg US Long Treasury	2.5	-1.5	3.1	1.6	-3.7	-8.2	0.1	4.8	14.7
Bloomberg High Yield	1.8	3.5	4.6	10.3	9.9	6.0	5.4	7.1	3.2
JPM GBI-EM Global Diversified (USD)	2.8	7.6	12.3	13.8	8.5	1.9	2.1	--	--

### Fixed Income: The Bloomberg Universal index rose +1.6% in June and +1.4% in the second quarter.

- In the bond market, easing of trade tensions post early-April and rising concerns over expansionary US fiscal policies drove results.
- Outside the long-end of the yield curve, declining or stable Treasury yields supported the broad US bond market, with the Bloomberg Aggregate rising +1.2% for the quarter. Long-term Treasuries (-1.5%) underperformed as fiscal concerns in the US drove rates higher, particularly for 30-year Treasuries (+20 basis points).
- Short (+1.0%) and longer dated (+0.5%) Treasury Inflation-Protected Securities (“TIPS”) also provided positive performance as inflation risks remained.
- Given the improving risk sentiment, emerging market debt (+7.6%) and high yield (+3.5%) led the way for the quarter.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 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.

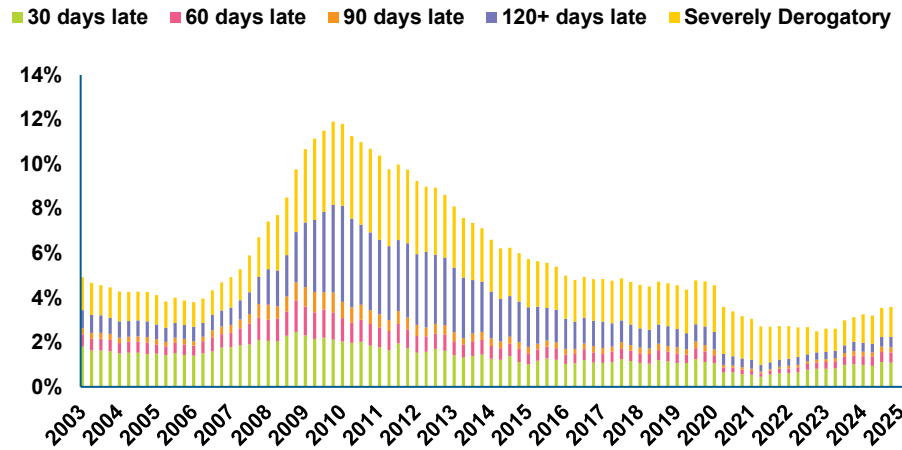


- Fiscal concerns related to a growing US government debt load and interest expense dominated headlines and market participant concerns, as did ongoing inflation-related uncertainty.
- The policy sensitive 2-year nominal Treasury yield was volatile but ultimately declined by 16 basis points to close near 3.7% as market participants factored in a greater likelihood of lower policy rates going forward.
- The 10-year nominal Treasury was also volatile but ended the period largely unchanged (4.2%), while the 30-year nominal Treasury increased by 0.2% over the quarter to 4.8% on growing debt concerns.
- These dynamics led to a continued steepening of the yield curve over the quarter.

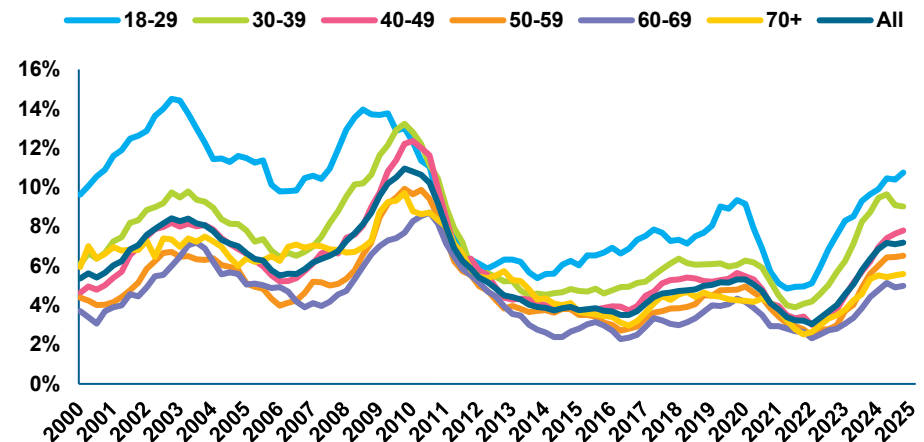
<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2025. The August 2024 Treasury yields are shown as a reference before the first interest rate cut.

### 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>

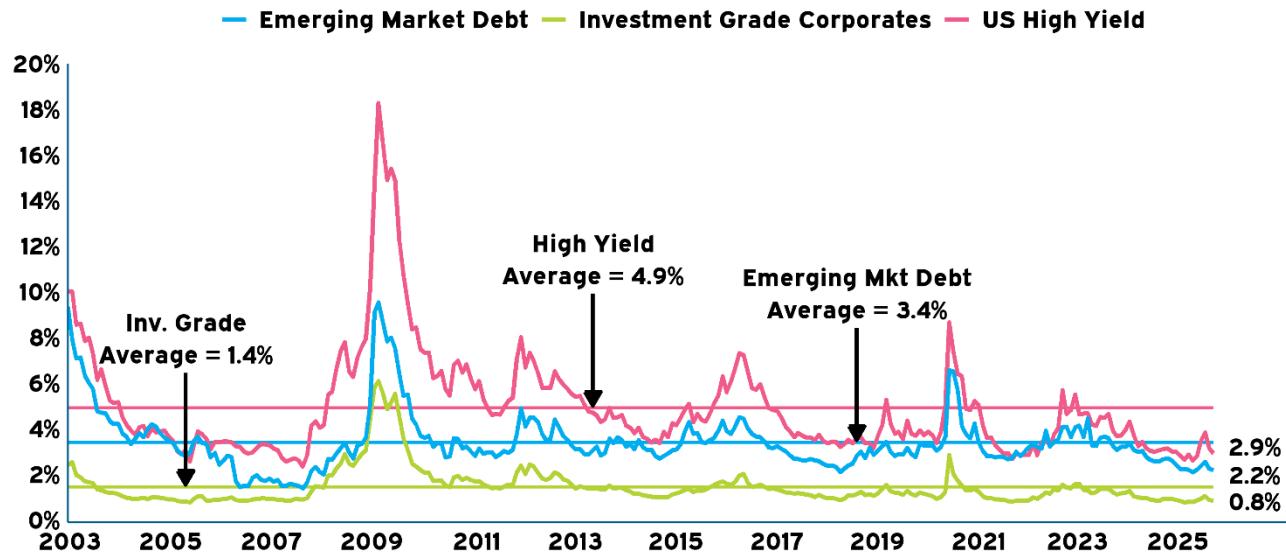


- Signs of stress on the US consumer have started to emerge given persistently higher prices and interest rates.
- After falling to historic lows during the pandemic, loan delinquencies recently started to increase.
- Parts of the credit card market, particularly for younger cohorts, have begun to show stress as borrowers are subject to variable and higher borrowing costs. Total delinquencies are well below pre-pandemic levels though.
- The restarting of student loan payments and reporting for those in default could add pressures to consumers going forward.

<sup>1</sup> Source: New York Federal Reserve, Quarterly Household Debt and Credit Report, February 2025. See also FRED. Data is as of April 30, 2025.

<sup>2</sup> Source: FRED. Data is as of April 30, 2025.

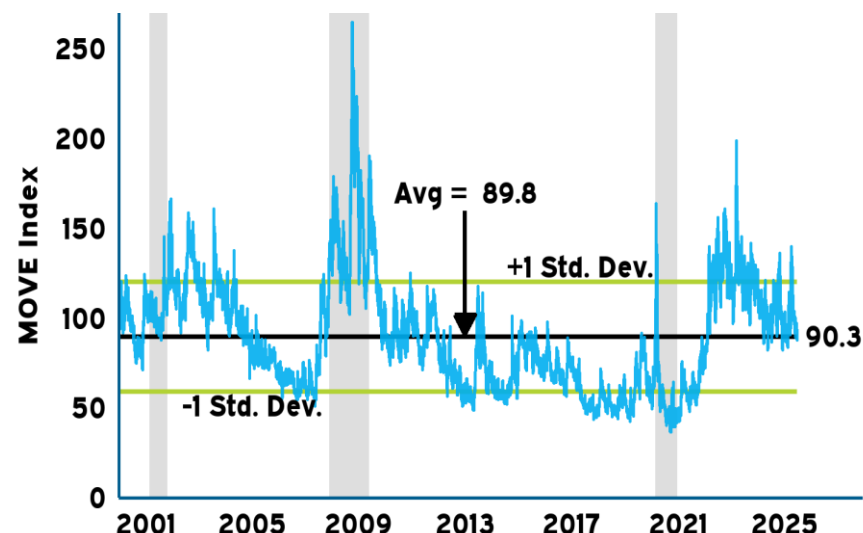
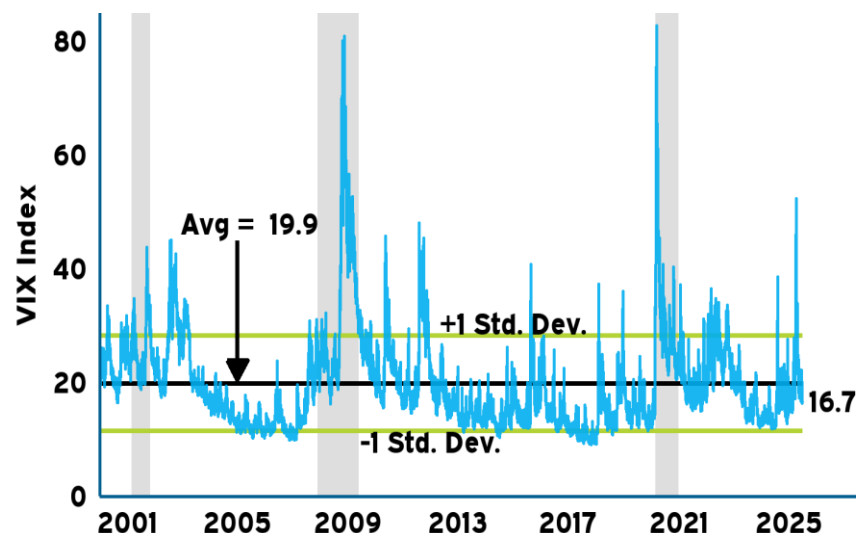
## Credit Spreads vs. US Treasury Bonds<sup>1</sup>



- Despite considerable uncertainty about the looming impact of tariffs and fiscal policy, credit spreads tightened in the second quarter.
- Investment grade spreads (the difference in yield from a comparable Treasury) spiked in the risk-off environment in April but have since declined to levels below the start of the quarter.
- High yield spreads moved the most (3.5% to 2.9%) over the quarter. At the peak of uncertainty in April, they crossed above 4.5%. Emerging market spreads held steady (2.2%).
- All yield spreads remained below their respective long-run averages, especially high yield (2.9% versus 4.9%).

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 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.

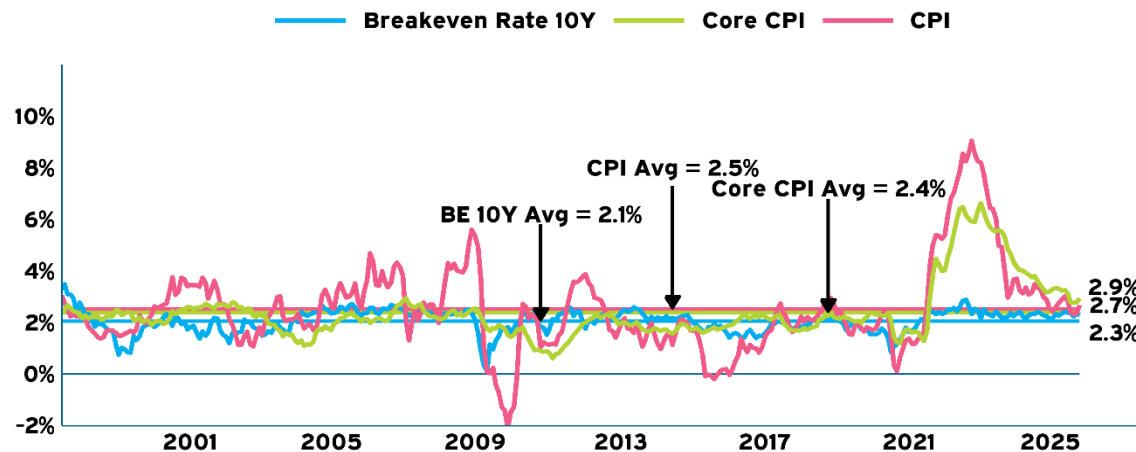
### Equity and Fixed Income Volatility<sup>1</sup>



- Bond and equity volatility spiked in April after the “Liberation Day” tariff announcement. Volatility levels finished the quarter well off highs, though, and below starting levels, as the tariff uncertainty seemed to ease.
- Volatility levels (VIX) in the US stock market finished the quarter below its long-run average while bond market (MOVE) volatility ended the quarter slightly above its long-run average.

<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 June 30, 2025. The average line indicated is the average of the VIX and MOVE values between January 2000 and June 2025.

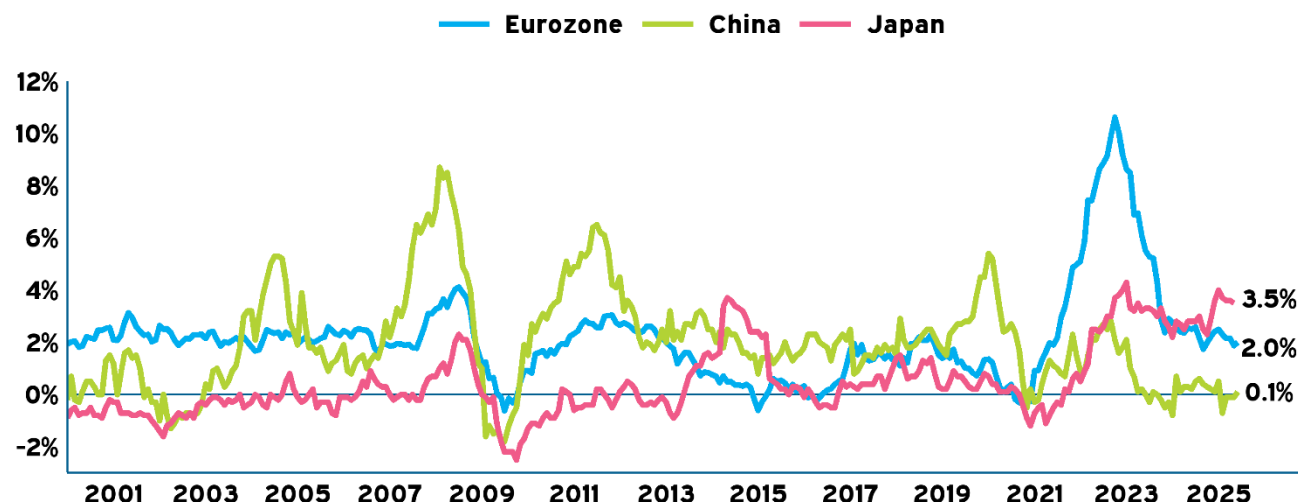
## US Ten-Year Breakeven Inflation and CPI<sup>1</sup>



- Inflation has been slow to return to the Fed's 2% average target, with headline twelve-month inflation rising from 2.4% to 2.7% over the quarter. In the June report, goods facing tariffs saw increases in prices, while a measurable decline in auto inflation, easing of cyclical services prices, and continued housing sector disinflation served as counters.
- Core inflation year-over-year also rose over the quarter, reaching 2.9%. For the month it increased 0.2%, and most core sectors outside of new and used cars saw prices increase.
- Market participants continued to highlight the dynamic of what appears to be disinflationary pressures in non-tariff exposed prices driven by weakening growth expectations, versus prices rising for those assets and sectors likely to see tariff policies solidified in the coming weeks.
- Longer-dated inflation expectations (breakevens) declined slightly over the quarter (2.4% to 2.3%) amidst on-going tariff and fiscal policy uncertainty. However, shorter-dated inflation swap pricing and survey-based measures suggest continued upside risk to prices.

<sup>1</sup> Source: FRED. Data is as of June 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.

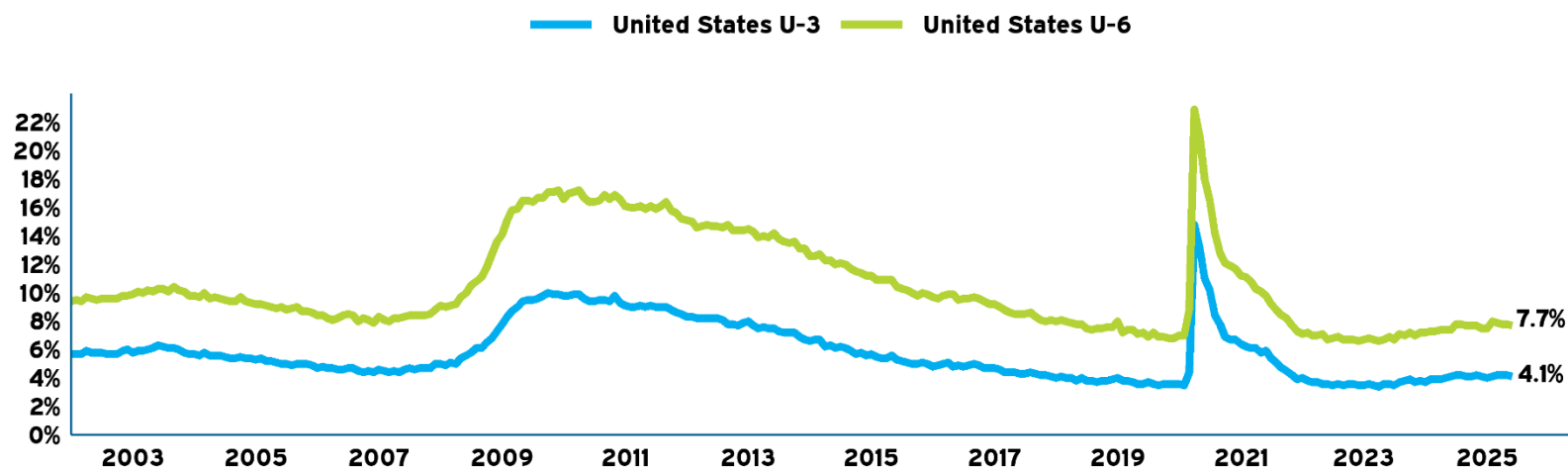
### Global Inflation (CPI Trailing Twelve Months)<sup>1</sup>



- After its recent decline, inflation in the eurozone rose to 2% in June. Still, given reduced inflation pressures, many expect the ECB to cut interest rates once more by early next year.
- The potential impact of future tariffs has complicated the inflation outlook for the Bank of Japan. Inflation rose 3.5% in May driven by food prices with the cost of rice up over 100% year-over-year given weak harvests.
- In China, and amidst record policy stimulus, consumer prices rose for the first time since January. Still, some sectors are continuing to see deflationary pressures given the widespread weakness of the economy and ongoing trade uncertainty related to the US.

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

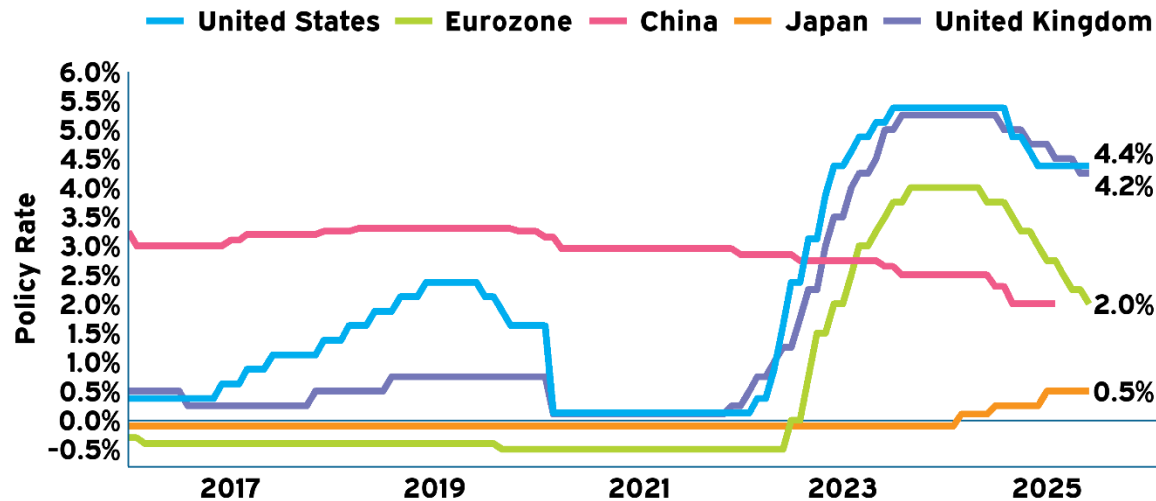
### US Unemployment<sup>1</sup>



- In June, the US added 147,000 jobs in line with the average monthly gain of 146,000 a month over the past year. The unemployment rate of 4.1% remained in the tight range of 4.0% to 4.2% since May 2024.
- Government employment saw the largest job gains (+73,000 jobs) largely driven by education jobs in state government. The federal government lost 7,000 jobs in June bringing the total decline to 69,000 jobs this year.
- Hires (5.6M) outnumbered separations (5.2M) with quits (3.3M) exceeding layoffs (1.6M).
- Initial claims for unemployment remain relatively low and annual wage growth, although trending down, came in at 3.7% year-over-year for June.

<sup>1</sup> Source: FRED and BLS. Data is as of June 30, 2025.

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



- While the Fed remains on hold, other central banks have continued to ease policy rates. Expectations are now for the Fed to cut rates slightly less than two times (1.9 cuts based on futures prices), down from four expected cuts during the heart of growth concerns.
- The ECB cut its policy rate for the 8th time in June, with inflation matching the 2% target supported by a stronger euro. The Bank of England held rates steady in June at +4.25% as inflation reaccelerated to 3.4% in May as regulated energy prices rose. After cutting rates in September of last year, China's PBOC has held rates steady although disinflationary pressures continue to be a concern.
- Japan kept rates at current levels in the face of an uncertain inflationary and trade pressures but voted to slow its purchase of JGBs in a continuing retreat from quantitative easing.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2025, except China which is as of February 28, 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>



- Over the quarter, the US dollar declined an additional -7% bringing its year-to-date drop to close to -11%.
- Typically, higher interest rates support the US dollar but recent concerns over changing US administration policies, potentially slower growth, non-US investor currency hedging, and fiscal concerns, all led to investors shedding US assets.

<sup>1</sup> Source: Bloomberg. Data as of June 30, 2025.

## Summary

### Key Trends:

- According to the International Monetary Fund's (IMF) April annual report, global growth in 2025 was downgraded from +3.3% to +2.8%, 0.5% lower than 2024. Concerns related to tariffs and their impact on growth drove the reduction. The US growth forecast saw one of the larger declines for 2025 (+2.7% to +1.8%). China's growth forecast was also substantially lowered for this year (+4.6% to +4.0%), while growth in the EU is projected to be slightly higher (+1.3%) in 2025.
- Despite the recent pause and negotiations related to tariffs, many questions remain. Overall, higher tariff levels and continued uncertainty could weigh on growth while increasing prices. Inflation levels and recent developments with tariffs 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 put continued downward pressure on the dollar.
- Some signs of stress have started to emerge on the US consumer with sentiment weakening since the start of the year. 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. The recent resumption of collecting and reporting delinquent student loans could be a further headwind to consumption.
- US equities recovered from losses experienced during the first week of April and ended the quarter at all-time highs. 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. Recently, the two countries agreed on a 90-day truce with the US lowering its maximum tariff rate on Chinese goods from 145% to 30%, with a 10% baseline level. China agreed to lower its 125% tariff on American goods to 10%. Questions remain about what will happen after the 90-day period. Notably, tariff levels on China remain higher than where they previously were.

## **Executive Summary**

As of June 30, 2025

## Aggregate Plan Overview

**The value of the City of San Jose Police and Fire Department Retirement Plan Health Care Trust's assets was \$390.0 million on June 30, 2025, compared to \$369.8 million at the end of the prior quarter. The Trust had net cash outflows of \$4.1 million and investment gains of \$24.4 million in the 3-month period.**

- The Health Care Trust's net of fees performance was +6.7%, compared to the Policy Benchmark return of +6.9% over the quarter. Over the trailing one-year period, the Trust returned +11.1%, slightly underperforming the Policy Benchmark return of +11.2%.
- Growth returned +11.3% for the quarter and +16.1% over the trailing one-year period, compared to the Public Equity Benchmark of +11.9% and +16.4% over the same periods, respectively.
  - Low Beta returned +1.1% for the quarter and +4.8% over the trailing one-year period, compared to the 90-Day US Treasury Bill returns of +1.0% and +4.7% over the same periods, respectively.
  - Other assets returned +0.3% for the quarter and +4.2% over the trailing one-year period, compared to the Other Benchmark returns +0.1% and +3.9% over the same periods, respectively.
  - Year-to-date the Health Care Trust was ranked 1<sup>st</sup> in the InvMetrics Health and Welfare peer universe.

## Second Quarter Manager Summary

## Second Quarter Manager Summary

Investment Manager	Asset Class	Changes/ Announcements	Meketa Recommendation <sup>1</sup>	Comments
BlackRock Core Property	Core Real Estate	---	Hold	Watch List
Clarion Lion Properties	Core Real Estate	--- <sup>2</sup>	Hold	Watch List
TA Realty Core Property	Core Real Estate	--- <sup>2</sup>	---	---
Kayne Anderson Core Property	Core Real Estate	---	---	---
BlackRock Commodities	Commodities	--- <sup>2</sup>	---	---

<sup>1</sup> The Meketa Investment Group recommendations are based on organizational or resource changes at each manager.

<sup>2</sup> Firm hasn't yet responded to quarterly update questionnaire or information is not yet on file for this quarter.

## Watch List

### Watch List<sup>1,2</sup>

Investment Manager	Asset Class	Watch List Status	Comments
Blackrock Core Property Fund	Core Real Estate	Monitoring	Underperformance
Clarion Lion Properties	Core Real Estate	Monitoring	Underperformance

#### Blackrock Core Property Fund

→ Over the three-year period, Blackrock Core Property Fund (-6.9%) underperformed the Core Real Estate Benchmark 2 by 180 basis points. Since inception in February 2019, Blackrock has underperformed the benchmark by 10 basis points per year, on average.

#### Clarion Lion Properties Fund

→ Over the three-year period, Clarion Lion Properties Fund (-5.9%) underperformed Core Real Estate Benchmark 2 by 80 basis points. Since inception in March 2019, Clarion has outperformed the benchmark by 20 basis points per year, on average.

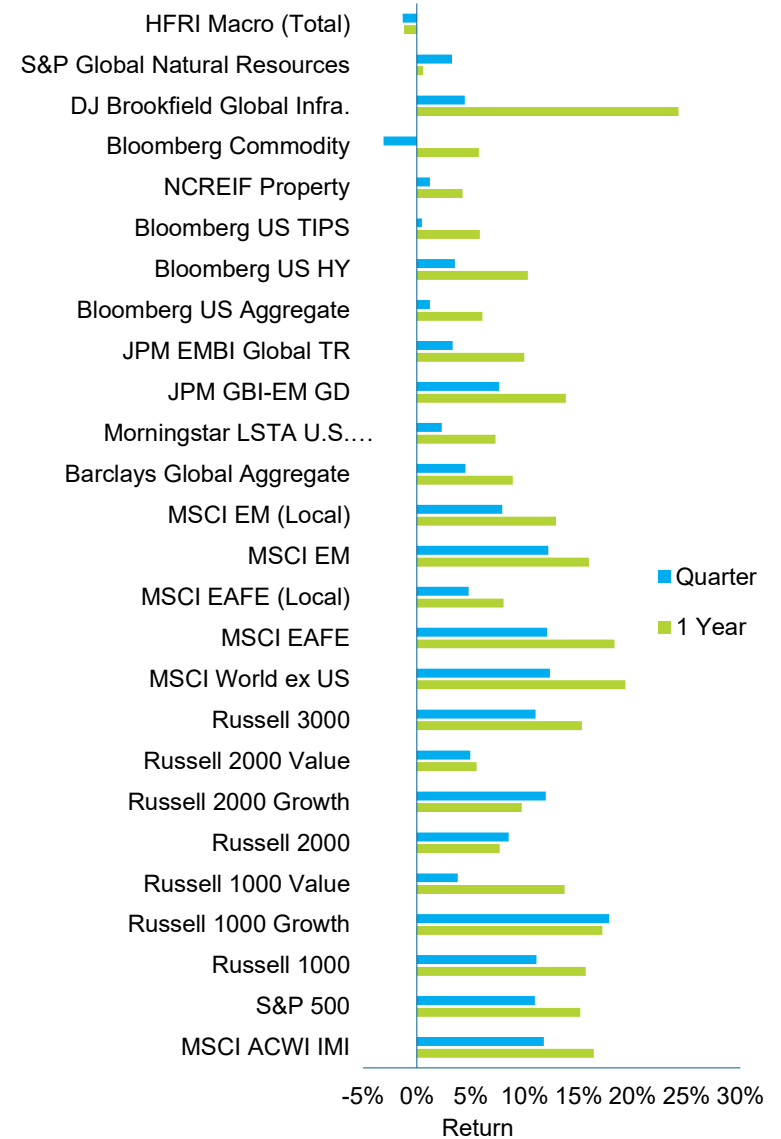
<sup>1</sup> Watch List excludes Private Markets and Passive Funds.

<sup>2</sup> Placement on the Watch List includes qualitative reasons and manager underperformance versus the appropriate benchmark over a three and or five-year period as outlined in the Investment Policy Statement.

## Market Environment – 2Q25 Overview

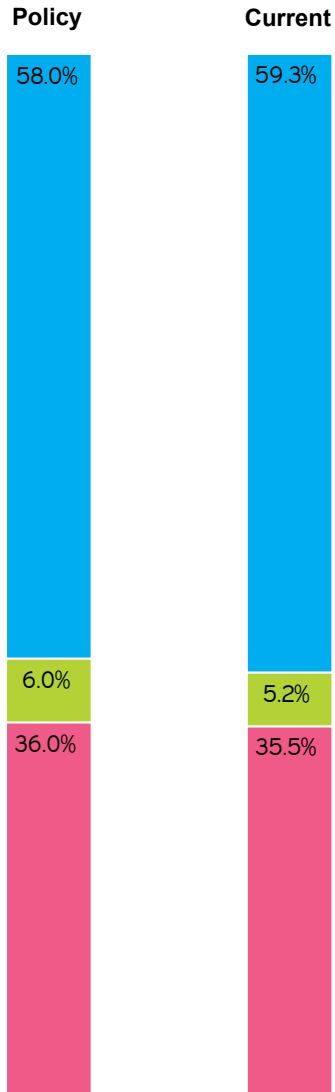
### Market Environment – 2Q25 Overview

Benchmark	Scope	2Q25 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
<b>Global Equity</b>						
MSCI ACWI IMI	World	11.8	16.4	17.4	13.9	10.2
<b>Domestic Equity</b>						
S&P 500	Large Core	10.9	15.2	19.7	16.6	13.6
Russell 1000	Large Core	11.1	15.7	19.6	16.3	13.4
Russell 1000 Growth	Large Growth	17.8	17.2	25.8	18.1	17.0
Russell 1000 Value	Large Value	3.8	13.7	12.8	13.9	9.2
Russell 2000	Small Core	8.5	7.7	10.0	10.0	7.1
Russell 2000 Growth	Small Growth	12.0	9.7	12.4	7.4	7.1
Russell 2000 Value	Small Value	5.0	5.5	7.5	12.5	6.7
Russell 3000	All Cap Core	11.0	15.3	19.1	16.0	13.0
<b>International Equity</b>						
MSCI World ex US	World ex-US	12.3	19.3	16.4	12.1	7.2
MSCI EAFE	International Developed	12.1	18.3	16.6	11.7	7.0
MSCI EAFE (Local)	International Developed (Local Currency)	4.8	8.0	13.5	11.6	7.0
MSCI EM	Emerging Markets	12.2	16.0	10.2	7.3	5.2
MSCI EM (Local)	Emerging Markets (Local Currency)	7.9	12.9	10.4	7.9	6.5
<b>Global Fixed Income</b>						
Barclays Global Aggregate	Global Core Bonds	4.5	8.9	2.7	-1.2	1.2
Morningstar LSTA U.S. Leveraged Loan	Bank Loans	2.3	7.3	9.7	7.5	5.1
JPM GBI-EM GD	Emerging Markets Bonds (Local Currency)	7.6	13.8	8.5	1.9	2.1
JPM EMBI Global TR	Emerging Market Bonds	3.3	10.0	8.9	1.8	3.5
<b>Domestic Fixed Income</b>						
Bloomberg US Aggregate	Core Bonds	1.2	6.1	2.5	-0.7	1.8
Bloomberg US HY	High Yield	3.5	10.3	9.9	6.0	5.4
Bloomberg US TIPS	Inflation	0.5	5.8	2.3	1.6	2.7
<b>Other</b>						
NCREIF Property	Real Estate	1.2	4.2	-2.8	3.7	5.2
Bloomberg Commodity	Commodities	-3.1	5.8	0.1	12.7	2.0
DJ Brookfield Global Infrastructure	Infrastructure	4.4	24.3	7.9	8.7	6.3
S&P Global Natural Resources	Natural Resources	3.3	0.6	5.1	12.0	6.0
HFRI Macro	Hedge Funds	-1.3	-1.2	1.4	5.3	3.0



## 2Q25 Review

Total Fund | As of June 30, 2025



Allocation vs. Targets and Policy			
	Balance (\$)	Current Allocation (%)	Policy (%)
Growth	\$231,353,591	59.3	58.0
Public Equity	\$231,353,591	59.3	58.0
Low Beta	\$20,322,808	5.2	6.0
Short-Term IG Bonds	\$16,070,924	4.1	6.0
Cash	\$4,251,884	1.1	0.0
Other	\$138,357,310	35.5	36.0
Core Real Estate	\$48,396,401	12.4	12.0
Commodities	\$18,925,426	4.9	5.0
Investment Grade Bonds	\$52,338,328	13.4	14.0
Long-Term Government Bonds	\$18,697,155	4.8	5.0
<b>Total</b>	<b>\$390,033,710</b>	<b>100.0</b>	<b>100.0</b>

Policy Targets represent approved asset allocation from April of 2022.

Total Fund | As of June 30, 2025

Asset Class Net Performance Summary										
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Health Care Trust</b>	<b>390,033,710</b>	<b>100.0</b>	<b>6.7</b>	<b>8.0</b>	<b>11.1</b>	<b>9.6</b>	<b>8.1</b>	<b>5.8</b>	<b>5.8</b>	<b>Jul-12</b>
Policy Benchmark			6.9	7.9	11.2	9.3	8.2	6.4	6.5	
InvMetrics Health & Welfare Median			3.7	4.5	8.5	7.1	4.5	4.5	4.5	
InvMetrics Health & Welfare Rank			6	1	11	15	11	20	21	
<b>Growth</b>	<b>231,353,591</b>	<b>59.3</b>	<b>11.3</b>	<b>11.4</b>	<b>16.1</b>	<b>16.3</b>	<b>12.7</b>	<b>9.6</b>	<b>10.5</b>	<b>Aug-12</b>
Public Equity Benchmark			11.9	11.3	16.4	16.4	12.8	9.5	10.3	
<b>Public Equity</b>	<b>231,353,591</b>	<b>59.3</b>	<b>11.3</b>	<b>11.4</b>	<b>16.1</b>	<b>16.3</b>	<b>12.7</b>	<b>9.6</b>	<b>10.5</b>	<b>Aug-12</b>
Public Equity Benchmark			11.9	11.3	16.4	16.4	12.8	9.5	10.3	
<b>US Equity</b>	<b>119,837,718</b>	<b>30.7</b>	<b>11.0</b>	<b>5.7</b>	<b>15.2</b>	<b>19.1</b>	<b>15.9</b>	--	<b>13.5</b>	<b>Jul-18</b>
Russell 3000 Index			11.0	5.8	15.3	19.1	16.0	--	13.6	
<b>International Equity</b>	<b>63,194,567</b>	<b>16.2</b>	<b>11.7</b>	<b>19.6</b>	<b>17.5</b>	<b>15.9</b>	<b>11.2</b>	--	<b>7.6</b>	<b>Jul-18</b>
MSCI EAFE (Net)			11.8	19.4	17.7	16.0	11.2	--	7.2	
<b>Emerging Markets Equity</b>	<b>48,321,306</b>	<b>12.4</b>	<b>11.6</b>	<b>14.9</b>	<b>15.1</b>	<b>9.3</b>	<b>6.3</b>	--	<b>4.3</b>	<b>Jul-18</b>
MSCI Emerging Markets (Net)			12.0	15.3	15.3	9.7	6.8	--	4.5	
<b>Low Beta</b>	<b>20,322,808</b>	<b>5.2</b>	<b>1.1</b>	<b>2.1</b>	<b>4.8</b>	<b>4.7</b>	<b>2.9</b>	<b>2.0</b>	<b>1.5</b>	<b>Jul-12</b>
90 Day U.S. Treasury Bill			1.0	2.1	4.7	4.6	2.8	2.0	1.5	
<b>Short-Term IG Bonds</b>	<b>16,070,924</b>	<b>4.1</b>	<b>1.1</b>	<b>2.1</b>	<b>4.8</b>	<b>4.8</b>	<b>2.9</b>	--	<b>2.7</b>	<b>Nov-18</b>
90 Day U.S. Treasury Bill			1.0	2.1	4.7	4.6	2.8	--	2.6	
<b>Cash</b>	<b>4,251,884</b>	<b>1.1</b>	<b>1.0</b>	<b>2.1</b>	<b>5.0</b>	<b>4.4</b>	<b>2.7</b>	<b>1.8</b>	<b>1.4</b>	<b>Jul-12</b>
90 Day U.S. Treasury Bill			1.0	2.1	4.7	4.6	2.8	2.0	1.5	
<b>Other</b>	<b>138,357,310</b>	<b>35.5</b>	<b>0.3</b>	<b>3.6</b>	<b>4.2</b>	<b>-0.1</b>	<b>3.7</b>	<b>2.9</b>	<b>2.2</b>	<b>Aug-12</b>
Other Benchmark			0.1	3.4	3.9	-1.0	3.6	2.9	2.9	

Fiscal Year begins July 1.

Please see the final page of the performance report for composition of the Policy Benchmark and Public Equity Benchmark.

Total Fund | As of June 30, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Investment Grade Bonds</b>	<b>52,338,328</b>	<b>13.4</b>	<b>1.2</b>	<b>4.0</b>	<b>6.1</b>	<b>2.5</b>	--	--	<b>-0.7</b>	<b>May-21</b>
<i>Blmbg. U.S. Aggregate Index</i>			1.2	4.0	6.1	2.5	--	--	-0.5	
<b>Long-Term Government Bonds</b>	<b>18,697,155</b>	<b>4.8</b>	<b>-1.5</b>	<b>3.1</b>	<b>1.6</b>	<b>-3.6</b>	--	--	<b>-6.5</b>	<b>May-21</b>
<i>Blmbg. U.S. Treasury: Long</i>			-1.5	3.1	1.6	-3.7	--	--	-6.4	
<b>Core Real Estate</b>	<b>48,396,401</b>	<b>12.4</b>	<b>1.4</b>	<b>2.6</b>	<b>1.9</b>	<b>-2.8</b>	<b>4.2</b>	<b>5.6</b>	<b>6.2</b>	<b>Aug-12</b>
<i>Core Real Estate Benchmark</i>			0.9	1.8	1.2	-5.1	2.4	4.8	5.6	
<b>Commodities</b>	<b>18,925,426</b>	<b>4.9</b>	<b>-3.1</b>	<b>5.5</b>	<b>5.8</b>	<b>3.7</b>	<b>11.8</b>	<b>4.0</b>	<b>0.9</b>	<b>Oct-12</b>
<i>Bloomberg Commodity Index Total Return</i>			-3.1	5.5	5.8	0.1	12.7	2.0	-1.3	

Total Fund | As of June 30, 2025

	Trailing Net Performance									
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	Inception Date
<b>Health Care Trust</b>	<b>390,033,710</b>	<b>100.0</b>	<b>6.7</b>	<b>8.0</b>	<b>11.1</b>	<b>9.6</b>	<b>8.1</b>	<b>5.8</b>	<b>5.8</b>	<b>Jul-12</b>
Policy Benchmark			6.9	7.9	11.2	9.3	8.2	6.4	6.5	
InvMetrics Health & Welfare Median			3.7	4.5	8.5	7.1	4.5	4.5	4.5	
InvMetrics Health & Welfare Rank			6	1	11	15	11	20	21	
<b>Growth</b>	<b>231,353,591</b>	<b>59.3</b>	<b>11.3</b>	<b>11.4</b>	<b>16.1</b>	<b>16.3</b>	<b>12.7</b>	<b>9.6</b>	<b>10.5</b>	<b>Aug-12</b>
Public Equity Benchmark			11.9	11.3	16.4	16.4	12.8	9.5	10.3	
<b>Public Equity</b>	<b>231,353,591</b>	<b>59.3</b>	<b>11.3</b>	<b>11.4</b>	<b>16.1</b>	<b>16.3</b>	<b>12.7</b>	<b>9.6</b>	<b>10.5</b>	<b>Aug-12</b>
Public Equity Benchmark			11.9	11.3	16.4	16.4	12.8	9.5	10.3	
<b>US Equity</b>	<b>119,837,718</b>	<b>30.7</b>	<b>11.0</b>	<b>5.7</b>	<b>15.2</b>	<b>19.1</b>	<b>15.9</b>	<b>--</b>	<b>13.5</b>	<b>Jul-18</b>
Russell 3000 Index			11.0	5.8	15.3	19.1	16.0	--	13.6	
Northern Trust Russell 3000	119,837,718	30.7	11.0	5.7	15.2	19.0	15.9	--	13.5	Jul-18
Russell 3000 Index			11.0	5.8	15.3	19.1	16.0	--	13.6	
<b>International Equity</b>	<b>63,194,567</b>	<b>16.2</b>	<b>11.7</b>	<b>19.6</b>	<b>17.5</b>	<b>15.9</b>	<b>11.2</b>	<b>--</b>	<b>7.6</b>	<b>Jul-18</b>
MSCI EAFE (Net)			11.8	19.4	17.7	16.0	11.2	--	7.2	
Northern Trust MSCI EAFE	63,194,567	16.2	11.7	19.6	17.4	15.9	11.2	--	7.6	Jul-18
MSCI EAFE (Net)			11.8	19.4	17.7	16.0	11.2	--	7.2	
<b>Emerging Markets Equity</b>	<b>48,321,306</b>	<b>12.4</b>	<b>11.6</b>	<b>14.9</b>	<b>15.1</b>	<b>9.3</b>	<b>6.3</b>	<b>--</b>	<b>4.3</b>	<b>Jul-18</b>
MSCI Emerging Markets (Net)			12.0	15.3	15.3	9.7	6.8	--	4.5	
Northern Trust MSCI EM	48,321,306	12.4	11.6	14.9	15.1	9.3	6.3	--	4.3	Jul-18
MSCI Emerging Markets (Net)			12.0	15.3	15.3	9.7	6.8	--	4.5	

Total Fund | As of June 30, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	Inception Date
<b>Low Beta</b>	<b>20,322,808</b>	<b>5.2</b>	<b>1.1</b>	<b>2.1</b>	<b>4.8</b>	<b>4.7</b>	<b>2.9</b>	<b>2.0</b>	<b>1.5</b>	<b>Jul-12</b>
90 Day U.S. Treasury Bill			1.0	2.1	4.7	4.6	2.8	2.0	1.5	
<b>Short-Term IG Bonds</b>	<b>16,070,924</b>	<b>4.1</b>	<b>1.1</b>	<b>2.1</b>	<b>4.8</b>	<b>4.8</b>	<b>2.9</b>	<b>--</b>	<b>2.7</b>	<b>Nov-18</b>
90 Day U.S. Treasury Bill			1.0	2.1	4.7	4.6	2.8	--	2.6	
BlackRock 3-Month T-Bill	16,070,924	4.1	1.1	2.1	4.8	4.8	2.9	--	2.7	Nov-18
90 Day U.S. Treasury Bill			1.0	2.1	4.7	4.6	2.8	--	2.6	
<b>Cash</b>	<b>4,251,884</b>	<b>1.1</b>	<b>1.0</b>	<b>2.1</b>	<b>5.0</b>	<b>4.4</b>	<b>2.7</b>	<b>1.8</b>	<b>1.4</b>	<b>Jul-12</b>
90 Day U.S. Treasury Bill			1.0	2.1	4.7	4.6	2.8	2.0	1.5	
<b>Other</b>	<b>138,357,310</b>	<b>35.5</b>	<b>0.3</b>	<b>3.6</b>	<b>4.2</b>	<b>-0.1</b>	<b>3.7</b>	<b>2.9</b>	<b>2.2</b>	<b>Aug-12</b>
Other Benchmark			0.1	3.4	3.9	-1.0	3.6	2.9	2.9	
<b>Investment Grade Bonds</b>	<b>52,338,328</b>	<b>13.4</b>	<b>1.2</b>	<b>4.0</b>	<b>6.1</b>	<b>2.5</b>	<b>--</b>	<b>--</b>	<b>-0.7</b>	<b>May-21</b>
Blmbg. U.S. Aggregate Index			1.2	4.0	6.1	2.5	--	--	-0.5	
Northern Trust Core Bonds	52,338,328	13.4	1.2	4.0	6.1	2.5	--	--	-0.7	May-21
Blmbg. U.S. Aggregate Index			1.2	4.0	6.1	2.5	--	--	-0.5	
<b>Long-Term Government Bonds</b>	<b>18,697,155</b>	<b>4.8</b>	<b>-1.5</b>	<b>3.1</b>	<b>1.6</b>	<b>-3.6</b>	<b>--</b>	<b>--</b>	<b>-6.5</b>	<b>May-21</b>
Blmbg. U.S. Treasury: Long			-1.5	3.1	1.6	-3.7	--	--	-6.4	
BlackRock Long Treasury	18,697,155	4.8	-1.5	3.1	1.6	-3.6	--	--	-6.5	May-21
Blmbg. U.S. Treasury: Long			-1.5	3.1	1.6	-3.7	--	--	-6.4	

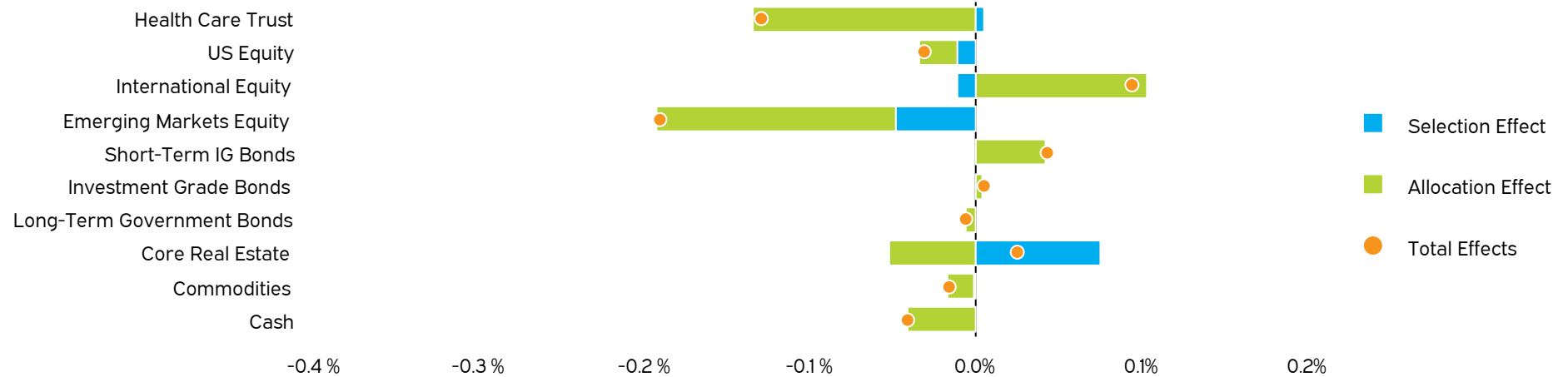
Total Fund | As of June 30, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	Inception Date
<b>Core Real Estate</b>	<b>48,396,401</b>	<b>12.4</b>	<b>1.4</b>	<b>2.6</b>	<b>1.9</b>	<b>-2.8</b>	<b>4.2</b>	<b>5.6</b>	<b>6.2</b>	<b>Aug-12</b>
<i>Core Real Estate Benchmark</i>			0.9	1.8	1.2	-5.1	2.4	4.8	5.6	
BlackRock Core Property Fund	3,025,809	0.8	0.7	1.1	-2.7	-6.9	1.5	--	2.2	Feb-19
<i>Core Real Estate Benchmark 2</i>			0.9	1.8	1.2	-5.1	2.4	--	2.3	
Clarion Lion Properties Fund	9,697,951	2.5	0.8	2.5	0.6	-5.9	2.2	--	2.5	Mar-19
<i>Core Real Estate Benchmark 2</i>			0.9	1.8	1.2	-5.1	2.4	--	2.3	
TA Realty Core Property Fund	26,640,647	6.8	1.7	3.2	3.9	-0.5	--	--	4.1	Oct-21
<i>Core Real Estate Benchmark 3</i>			0.9	1.8	1.2	-5.1	--	--	-0.4	
Kayne Anderson Core	9,031,994	2.3	1.6	1.6	--	--	--	--	1.6	Jan-25
<i>Core Real Estate Benchmark 4</i>			0.9	0.9	--	--	--	--	0.9	
<b>Commodities</b>	<b>18,925,426</b>	<b>4.9</b>	<b>-3.1</b>	<b>5.5</b>	<b>5.8</b>	<b>3.7</b>	<b>11.8</b>	<b>4.0</b>	<b>0.9</b>	<b>Oct-12</b>
<i>Bloomberg Commodity Index Total Return</i>			-3.1	5.5	5.8	0.1	12.7	2.0	-1.3	
BlackRock Commodities Index	18,925,426	4.9	-3.1	5.5	5.8	--	--	--	4.7	Mar-23
<i>Bloomberg Commodity Index Total Return</i>			-3.1	5.5	5.8	--	--	--	3.3	

Core Real Estate values are one-quarter lagged.

Cash Flow Summary QTD Ending June 30, 2025						
	Beginning Market Value (\$)	Contributions (\$)	Distributions (\$)	Net Cash Flow (\$)	Net Investment Change (\$)	Ending Market Value (\$)
Growth	212,586,293	-	-5,000,000	-5,000,000	23,767,298	231,353,591
Public Equity	212,586,293	-	-5,000,000	-5,000,000	23,767,298	231,353,591
US Equity	109,001,034	-	-1,000,000	-1,000,000	11,836,685	119,837,718
Northern Trust Russell 3000	109,001,034	-	-1,000,000	-1,000,000	11,836,685	119,837,718
International Equity	59,350,948	-	-3,000,000	-3,000,000	6,843,619	63,194,567
Northern Trust MSCI EAFE	59,350,948	-	-3,000,000	-3,000,000	6,843,619	63,194,567
Emerging Markets Equity	44,234,311	-	-1,000,000	-1,000,000	5,086,995	48,321,306
Northern Trust MSCI EM	44,234,311	-	-1,000,000	-1,000,000	5,086,995	48,321,306
Low Beta	18,386,507	5,889,360	-4,153,142	1,736,219	200,082	20,322,808
Short-Term IG Bonds	15,902,992	-	-	-	167,932	16,070,924
BlackRock 3-Month T-Bill	15,902,992	-	-	-	167,932	16,070,924
Cash	2,483,515	5,889,360	-4,153,142	1,736,219	32,151	4,251,884
Cash	2,483,515	5,889,360	-4,153,142	1,736,219	32,151	4,251,884
Other	138,815,851	-	-883,488	-883,488	424,947	138,357,310
Investment Grade Bonds	51,709,561	-	-	-	628,767	52,338,328
Northern Trust Core Bonds	51,709,561	-	-	-	628,767	52,338,328
Long-Term Government Bonds	18,986,272	-	-	-	-289,117	18,697,155
BlackRock Long Treasury	18,986,272	-	-	-	-289,117	18,697,155
Core Real Estate	48,593,538	-	-883,488	-883,488	686,352	48,396,401
BlackRock Core Property Fund	3,440,347	-	-434,266	-434,266	19,728	3,025,809
Clarion Lion Properties Fund	9,693,557	-	-70,267	-70,267	74,661	9,697,951
TA Realty Core Property Fund	26,459,633	-	-269,097	-269,097	450,111	26,640,647
Clarion Lion Industrial Trust	-	-	-	-	-	-
Kayne Anderson Core	9,000,000	-	-109,858	-109,858	141,852	9,031,994
Commodities	19,526,480	-	-	-	-601,054	18,925,426
BlackRock Commodities Index	19,526,480	-	-	-	-601,054	18,925,426
Health Care Trust	369,788,651	5,889,360	-10,036,630	-4,147,269	24,392,328	390,033,710

Attribution Summary Chart  
3 Months Ending June 30, 2025

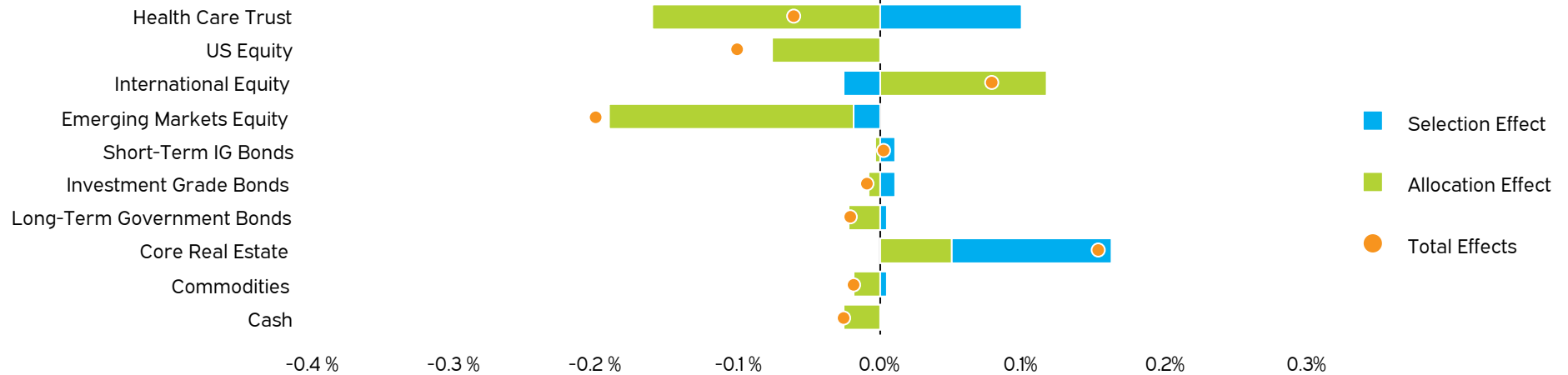


Attribution Summary  
3 Months Ending June 30, 2025

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effect
US Equity	11.0	11.0	0.0	0.0	0.0	0.0
International Equity	11.7	11.8	-0.1	0.0	0.1	0.1
Emerging Markets Equity	11.6	12.0	-0.4	0.0	-0.1	-0.2
Short-Term IG Bonds	1.1	1.0	0.0	0.0	0.0	0.0
Investment Grade Bonds	1.2	1.2	0.0	0.0	0.0	0.0
Long-Term Government Bonds	-1.5	-1.5	0.0	0.0	0.0	0.0
Core Real Estate	1.4	0.9	0.6	0.1	-0.1	0.0
Commodities	-3.1	-3.1	0.0	0.0	0.0	0.0
Cash	1.0	1.0	0.0	0.0	0.0	0.0
<b>Health Care Trust</b>	<b>6.7</b>	<b>6.8</b>	<b>-0.1</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.1</b>

Difference in attribution returns and returns in performance summary may occur as a result of the different calculation methodologies that are applied by Paris. Selection effect for each asset class includes prorated residual effects of total portfolio timing and trading.

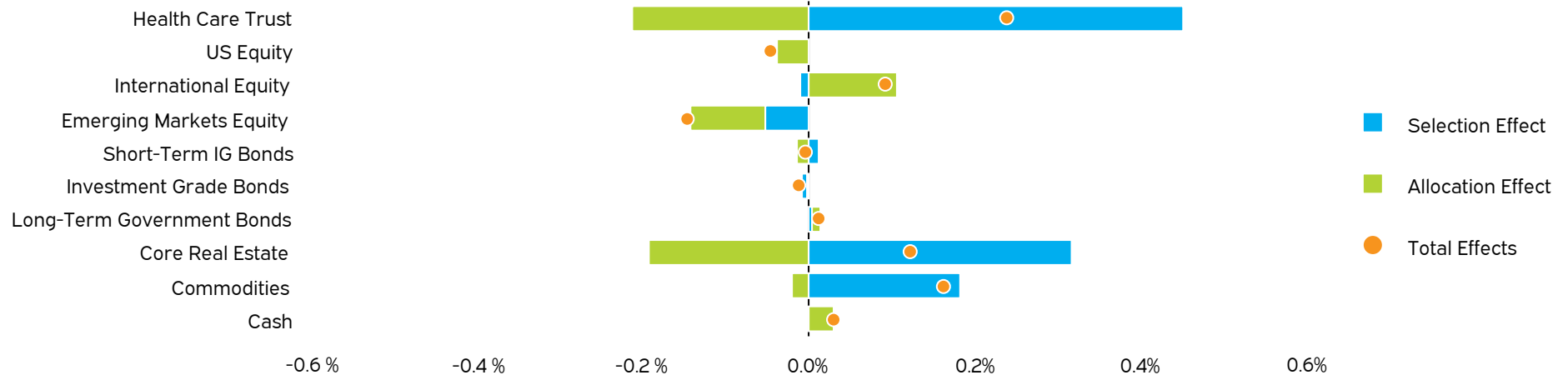
Attribution Summary Chart  
1 Year Ending June 30, 2025



Attribution Summary  
1 Year Ending June 30, 2025

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effect
US Equity	15.2	15.3	-0.1	0.0	-0.1	-0.1
International Equity	17.5	17.7	-0.3	0.0	0.1	0.1
Emerging Markets Equity	15.1	15.3	-0.2	0.0	-0.2	-0.2
Short-Term IG Bonds	4.8	4.7	0.1	0.0	0.0	0.0
Investment Grade Bonds	6.1	6.1	0.0	0.0	0.0	0.0
Long-Term Government Bonds	1.6	1.6	0.0	0.0	0.0	0.0
Core Real Estate	1.9	1.2	0.8	0.1	0.1	0.2
Commodities	5.8	5.8	0.0	0.0	0.0	0.0
Cash	5.0	4.7	0.3	0.0	0.0	0.0
<b>Health Care Trust</b>	<b>11.1</b>	<b>11.1</b>	<b>-0.1</b>	<b>0.1</b>	<b>-0.2</b>	<b>-0.1</b>

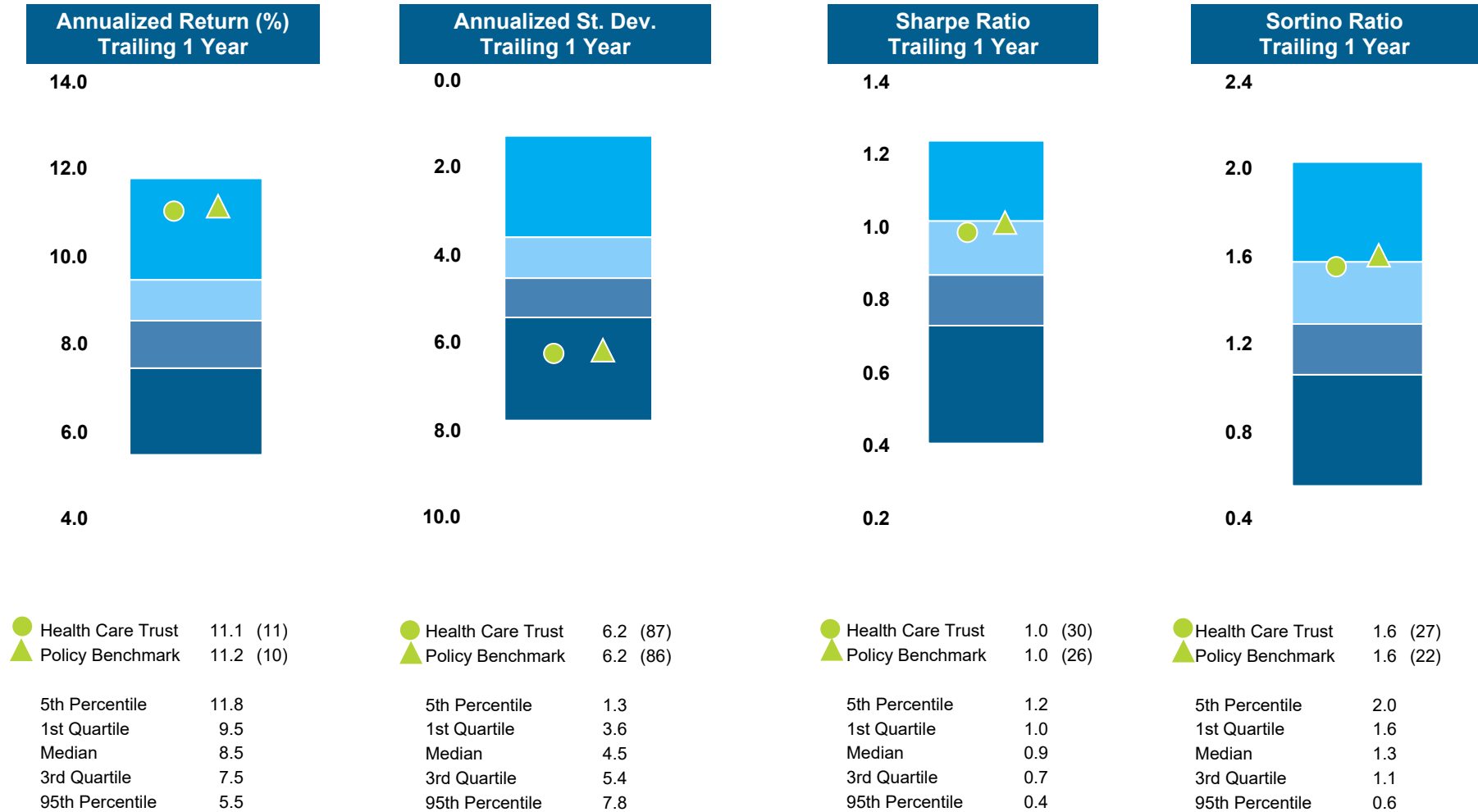
Attribution Summary Chart  
3 Years Ending June 30, 2025



Attribution Summary  
3 Years Ending June 30, 2025

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effect
US Equity	19.1	19.1	0.0	0.0	0.0	0.0
International Equity	15.9	16.0	-0.1	0.0	0.1	0.1
Emerging Markets Equity	9.3	9.7	-0.4	-0.1	-0.1	-0.1
Short-Term IG Bonds	4.8	4.6	0.2	0.0	0.0	0.0
Investment Grade Bonds	2.5	2.5	-0.1	0.0	0.0	0.0
Long-Term Government Bonds	-3.6	-3.7	0.1	0.0	0.0	0.0
Core Real Estate	-2.8	-5.1	2.3	0.3	-0.2	0.1
Commodities	3.7	0.1	3.5	0.2	0.0	0.2
Cash	4.4	4.6	-0.2	0.0	0.0	0.0
<b>Health Care Trust</b>	<b>9.6</b>	<b>9.3</b>	<b>0.2</b>	<b>0.5</b>	<b>-0.2</b>	<b>0.2</b>

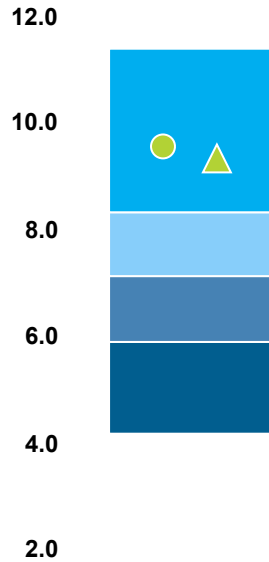
Total Fund | One Year As of June 30, 2025



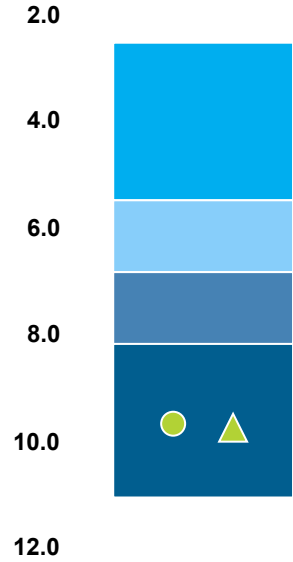
Data are compared to the InvMetrics Health & Welfare Net universe. Parentheses contain percentile rankings.

Total Fund | Three Years As of June 30, 2025

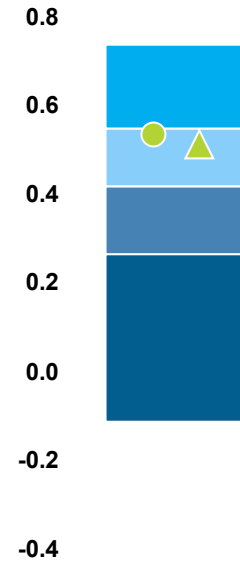
### Annualized Return (%) Trailing 3 Years



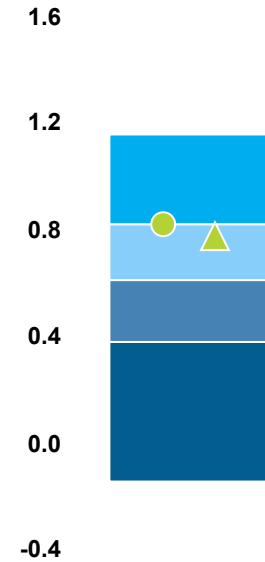
### Annualized St. Dev. Trailing 3 Years



### Sharpe Ratio Trailing 3 Years



### Sortino Ratio Trailing 3 Years



● Health Care Trust 9.6 (15)  
▲ Policy Benchmark 9.3 (16)

● Health Care Trust 9.7 (90)  
▲ Policy Benchmark 9.8 (90)

● Health Care Trust 0.5 (27)  
▲ Policy Benchmark 0.5 (30)

● Health Care Trust 0.8 (25)  
▲ Policy Benchmark 0.8 (29)

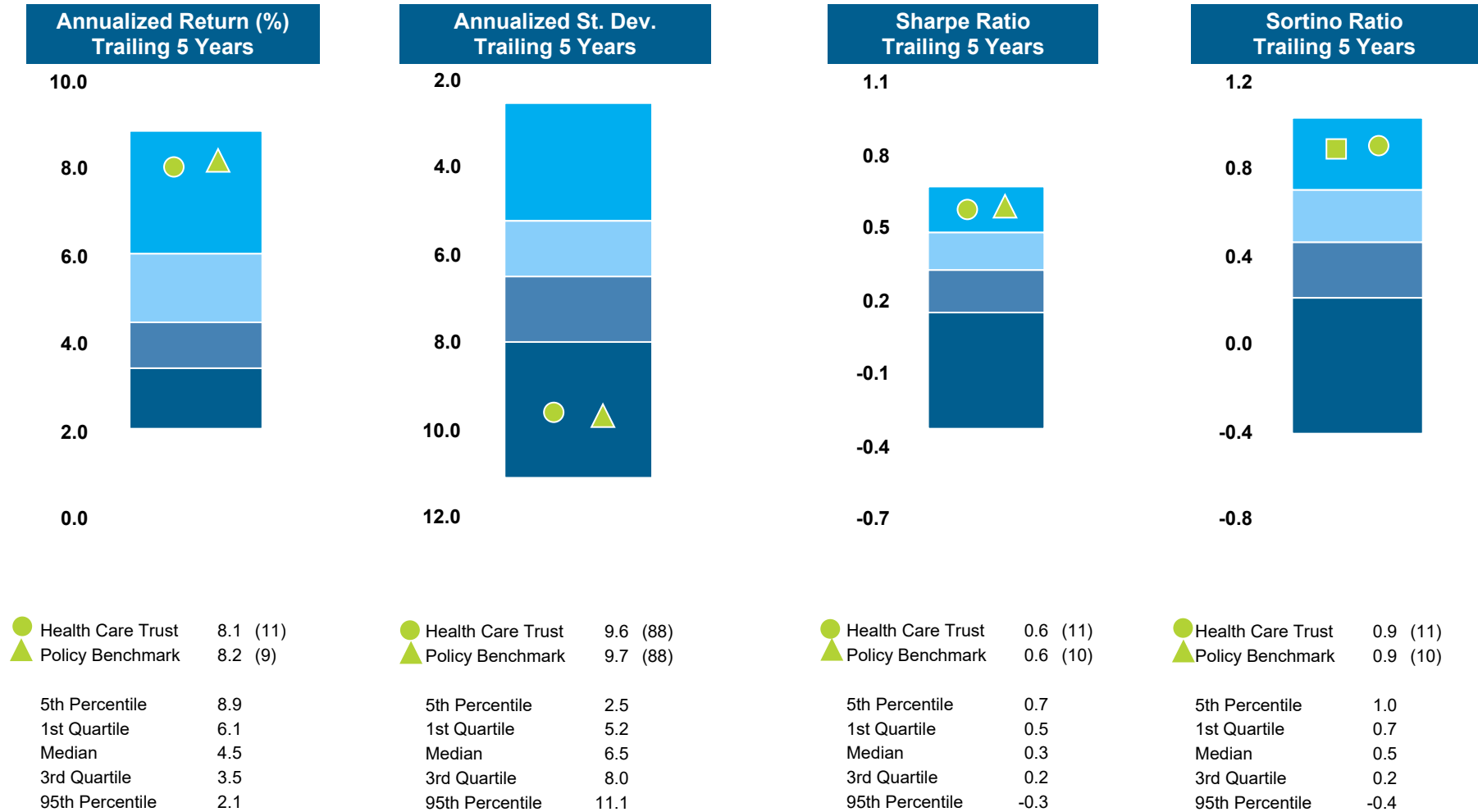
5th Percentile 11.4  
1st Quartile 8.3  
Median 7.1  
3rd Quartile 5.9  
95th Percentile 4.2

5th Percentile 2.5  
1st Quartile 5.5  
Median 6.8  
3rd Quartile 8.2  
95th Percentile 11.1

5th Percentile 0.7  
1st Quartile 0.5  
Median 0.4  
3rd Quartile 0.3  
95th Percentile -0.1

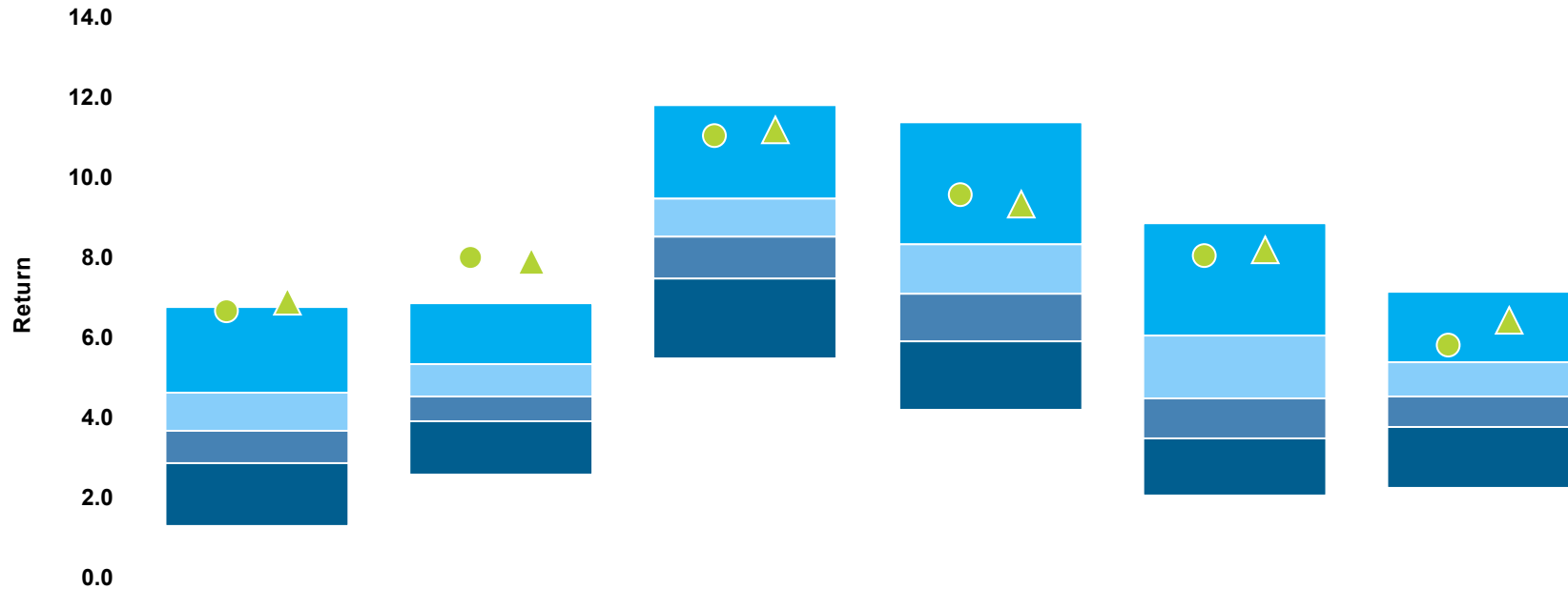
5th Percentile 1.2  
1st Quartile 0.8  
Median 0.6  
3rd Quartile 0.4  
95th Percentile -0.1

Total Fund | Five Years As of June 30, 2025



Data are compared to the InvMetrics Health & Welfare Net universe. Parentheses contain percentile rankings.

### InvMetrics Health & Welfare Return Comparison Ending June 30, 2025

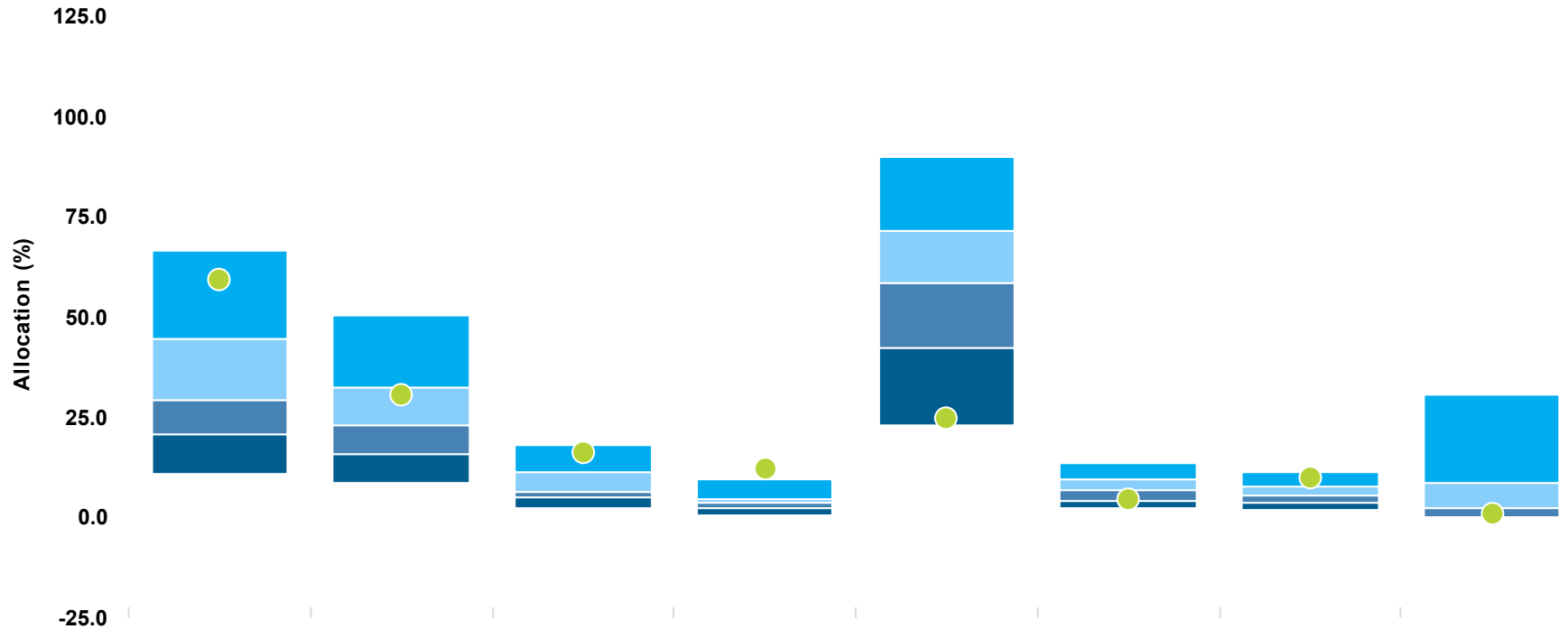


	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
● Health Care Trust	6.7 (6)	8.0 (1)	11.1 (11)	9.6 (15)	8.1 (11)	5.8 (20)
▲ Policy Benchmark	6.9 (5)	7.9 (1)	11.2 (10)	9.3 (16)	8.2 (9)	6.4 (10)
5th Percentile	6.7	6.8	11.8	11.4	8.9	7.1
1st Quartile	4.6	5.4	9.5	8.3	6.1	5.4
Median	3.7	4.5	8.5	7.1	4.5	4.5
3rd Quartile	2.8	3.9	7.5	5.9	3.5	3.8
95th Percentile	1.3	2.6	5.5	4.2	2.1	2.2
Population	269	269	268	256	252	211

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

Total Fund | As of June 30, 2025

### Total Plan Allocation vs. InvMetrics Health & Welfare As of June 30, 2025



	Total Equity	US Equity	Dev'd ex-US Equity	Emg Mkt Equity	Total Fixed Income	Real Assets/Commod	Total Real Estate	Cash & Equivalents
● Health Care Trust	59.3 (12)	30.7 (30)	16.2 (10)	12.4 (1)	24.6 (94)	4.9 (64)	10.1 (10)	1.1 (64)
5th Percentile	66.5	50.5	18.0	9.8	89.8	13.6	11.3	30.8
1st Quartile	44.7	32.5	11.2	4.8	71.7	9.8	7.9	8.8
Median	29.3	23.0	6.4	3.9	58.5	6.8	5.6	2.5
3rd Quartile	20.8	15.8	5.0	2.5	42.2	4.3	3.9	0.4
95th Percentile	10.9	8.7	2.4	0.7	23.2	2.5	2.0	0.0

Parentheses contain percentile rankings.

### Benchmark History

#### Health Care Trust

5/1/2022	Present	30% Russell 3000 / 16% MSCI EAFE / 12% MSCI Emerging Markets / 6% ICE BofA 91 Days T-Bills TR / 14% Bloomberg US Aggregate TR / 5% Bloomberg US Treasury Long TR / 12% Core Real Estate Benchmark / 5% Bloomberg Commodity Index TR USD
6/1/2021	4/30/2022	30% Russell 3000 / 14% MSCI EAFE / 15% MSCI Emerging Markets / 5% ICE BofA 91 Days T-Bills TR / 14% Bloomberg US Aggregate TR / 5% Bloomberg US Treasury Long TR / 12% Core Real Estate Benchmark / 5% Bloomberg Commodity Index TR USD
7/1/2019	5/31/2021	28% Russell 3000 / 13% MSCI EAFE / 15% MSCI Emerging Markets / 29% ICE BofA 91 Days T-Bills TR / 10% Core Real Estate Benchmark / 5% Bloomberg Commodity Index TR USD
10/1/2018	6/30/2019	28% Russell 3000 / 13% MSCI EAFE / 15% MSCI Emerging Markets / 29% ICE BofA 91 Days T-Bills TR / 10% MSCI US REIT / 5% Bloomberg Commodity Index TR USD
7/1/2018	9/30/2018	57% MSCI ACWI IMI (Net) / 30% Bloomberg US Aggregate TR / 8% MSCI US REIT Gross / 5% Bloomberg Commodity Index TR USD
2/1/2017	6/30/2018	43% MSCI ACWI IMI (Net) / 15% Bloomberg US Aggregate TR / 10% MSCI US REIT Gross / 9% Bloomberg Commodity Index TR USD / 3% DJ Brookfield Global Infrastructure Net TR USD / 20% 60% MSCI World & 40% Citigroup WGBI
9/1/2014	1/31/2017	43% MSCI ACWI IMI (Net) / 15% Bloomberg US Aggregate TR / 10% MSCI US REIT Gross / 9% Custom Commodity Risk Parity Index / 3% CPI + 5% (Unadjusted) / 20% 60% MSCI World & 40% Citigroup WGBI

#### Growth

5/1/2022	Present	51.7% Russell 3000 / 27.61% MSCI EAFE / 20.7% MSCI Emerging Markets
10/1/2018	4/30/2022	50% Russell 3000 / 23.21% MSCI EAFE / 26.79% MSCI Emerging Markets
8/1/2012	9/30/2018	MSCI ACWI IMI Net USD

#### Public Equity

5/1/2022	Present	51.7% Russell 3000 / 27.61% MSCI EAFE / 20.7% MSCI Emerging Markets
10/1/2018	4/30/2022	50% Russell 3000 / 23.21% MSCI EAFE / 26.79% MSCI Emerging Markets
8/1/2012	9/30/2018	MSCI ACWI IMI Net USD

#### US Equity

7/1/2018	Present	Russell 3000
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#### International Equity

7/1/2018	Present	MSCI EAFE
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#### Emerging Markets Equity

7/1/2018	Present	MSCI Emerging Markets
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Short-Term IG Bonds		
11/1/2018	Present	ICE BofA 91 Days T-Bills TR
Cash		
7/1/2012	Present	ICE BofA 91 Days T-Bills TR
Other		
6/1/2021	Present	38.89% BBgBarc US Aggregate TR / 13.89% BBgBarc US Treasury Long TR / 33.33% Core Real Estate Benchmark / 13.89% Bloomberg Commodity Index TR USD
7/1/2019	5/31/2021	66.67% Core Real Estate Benchmark / 33.33% Bloomberg Commodity Index TR USD
10/1/2018	6/30/2019	66.67% MSCI US REIT / 33.33% Bloomberg Commodity Index TR USD
8/1/2012	9/30/2018	35.09% 60% MSCI World & 40% Citigroup WGBI / 26.32% BBgBarc US Aggregate TR / 17.54% MSCI US REIT / 15.79% Bloomberg Commodity Index TR USD / 5.26% DJ Brookfield Global Infrastructure Net TR USD
Core Real Estate		
6/1/2021	Present	NCREIF ODCE Value-Weighted
7/1/2019	5/31/2021	NCREIF ODCE Equal-Weighted
8/1/2012	6/30/2019	MSCI US REIT Gross
Commodities		
10/1/2012	Present	Bloomberg Commodity Index TR USD
Infrastructure		
1/1/2014	Present	DJ Brookfield Global Infrastructure Net TR USD
Investment Grade Bonds		
8/1/2012	Present	BBgBarc Global Aggregate TR
TIPS		
7/1/2018	Present	100% BBgBarc US Treasury TIPS 0-5 Yr TR

## **Glossary and Notes**

**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.  $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} \times (\text{market return} - \text{Risk Free Rate})]$ .

**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.