

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

March 06, 2025

Meeting Materials

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# **Economic and Market Update**

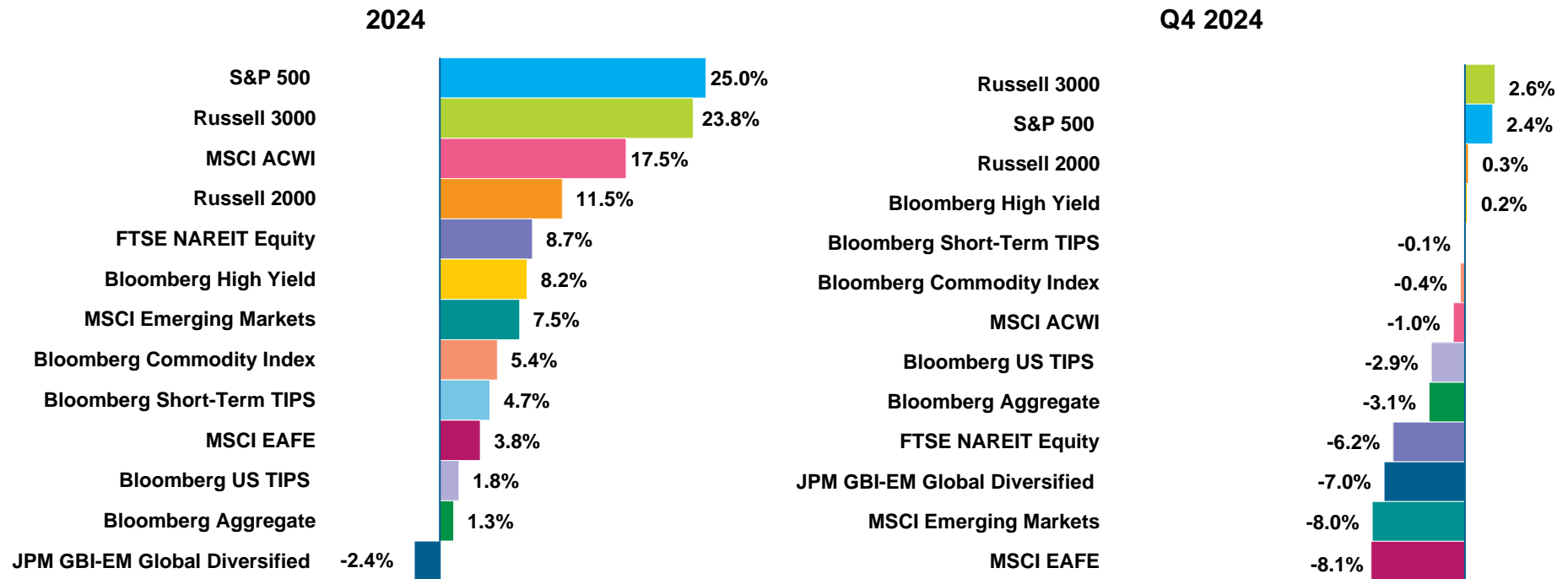
## Data as of December 31, 2024

## Commentary

**Although most major markets finished 2024 in positive territory, in the fourth quarter, with the exception of US stocks, the majority of markets declined.**

- Trump's victory along with a now Republican controlled Congress, supported US equity markets in the fourth quarter on anticipation of pro-growth policies. Domestic equity markets (Russell 3000) posted a return of 2.6% in the quarter and an impressive 23.8% for the year driven by large cap technology stocks.
- Non-US developed stocks sold-off in the fourth quarter (MSCI EAFE: -8.1%) largely driven by the strength of the US dollar, as well as slowing growth in Europe and the potential for trade wars. For the year, they trailed US equities by a wide 20% margin (3.8% versus 23.8%).
- Emerging market stocks also fell (MSCI Emerging Markets: -8.0%) in the fourth quarter, again driven by the strong dollar and concerns about US tariffs. In 2024, emerging markets beat developed international markets (7.5% versus 3.8%) but significantly trailed the US.
- The Federal Reserve cut its policy rate another 0.25% in December, but its Summary of Economic Projections and hawkish comments provoked a repricing of future rate cuts and their timing.
- Most fixed income markets fell for the quarter with interest rates rising given fears of inflation from the proposed policies of the incoming US administration. The broad US bond market (Bloomberg Aggregate) declined 3.1% for the quarter, reducing its 2024 gain to 1.3%. For the year, most major bond markets delivered positive returns on cooling global inflation.
- Looking ahead, uncertainty related to the policies of the new Trump Administration and its impact on the economy, inflation, and Fed policy will be key. The path of China's economy and 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>



- In 2024, most major assets classes posted gains, led by the S&P 500's 25.0% return.
- Markets had mixed returns in the fourth quarter. US equities rose on optimism over potential pro-growth policies from the incoming administration while inflation concerns and a strong dollar, respectively, weighed on bonds and international equities.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2024.

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

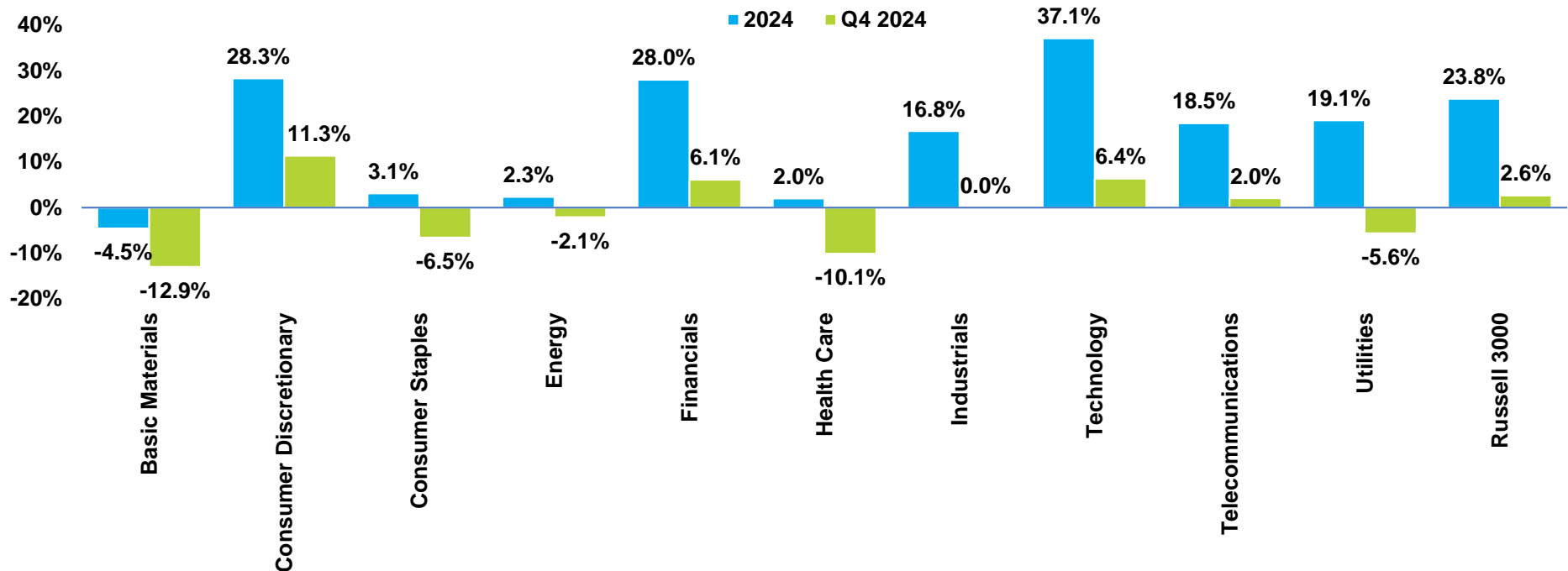
Domestic Equity	December (%)	Q4 2024 (%)	2024 (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-2.4	2.4	25.0	8.9	14.5	13.1
Russell 3000	-3.1	2.6	23.8	8.0	13.9	12.5
Russell 1000	-2.8	2.7	24.5	8.4	14.3	12.9
Russell 1000 Growth	0.9	7.1	33.4	10.5	19.0	16.8
Russell 1000 Value	-6.8	-2.0	14.4	5.6	8.7	8.5
Russell MidCap	-7.0	0.6	15.3	3.8	9.9	9.6
Russell MidCap Growth	-6.2	8.1	22.1	4.0	11.5	11.5
Russell MidCap Value	-7.3	-1.7	13.1	3.9	8.6	8.1
Russell 2000	-8.3	0.3	11.5	1.2	7.4	7.8
Russell 2000 Growth	-8.2	1.7	15.2	0.2	6.9	8.1
Russell 2000 Value	-8.3	-1.1	8.1	1.9	7.3	7.1

### US Equities: The Russell 3000 rose 2.6% in the fourth quarter, bringing the year-to-date results to +23.8%.

- US stocks rose broadly in the fourth quarter on a post-election rally. However, value stocks did not participate and ended the quarter lower. In the large cap space, the Russell 1000 Value index's omission of several "Magnificent 7" stocks, such as NVIDIA, Amazon, and Tesla, drove much of the divergence.
- For the full year, US equities gained 23.8%. NVIDIA was the leading contributor among all stocks in the Russell 3000 index. The stock appreciated 171% during the year and was responsible for 20% of total index gains. The "Magnificent 7" stocks contributed just under 50% of the 2024 index gains.
- Growth stocks outperformed value stocks across the market cap spectrum in 2024, which was more pronounced in the large cap space. Larger companies (Russell 1000) produced more than double the returns of smaller companies (Russell 2000) for the year.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2024.

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



- US equity sectors experienced mixed results in the final quarter of the year but all sectors except materials, experienced gains in 2024.
- Technology stocks rose 37.1% last year, which led all sectors. Within technology, NVIDIA and Broadcom accounted for more than half of the sector's contribution to overall index gains.
- After technology, consumer discretionary (+28.3%) and financials (+28.0%) were next driven by Amazon and Tesla and a steepening yield curve/strong economy, respectively.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2024.

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

Foreign Equity	December (%)	Q4 2024 (%)	2024 (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	-1.9	-7.6	5.5	0.8	4.1	4.8
MSCI EAFE	-2.3	-8.1	3.8	1.6	4.7	5.2
MSCI EAFE (Local Currency)	0.4	-0.6	11.3	6.3	7.5	7.1
MSCI EAFE Small Cap	-2.3	-8.4	1.8	-3.2	2.3	5.5
MSCI Emerging Markets	-0.1	-8.0	7.5	-1.9	1.7	3.6
MSCI Emerging Markets (Local Currency)	1.2	-4.4	13.1	1.6	4.5	6.0
MSCI EM ex China	-1.2	-8.1	3.6	0.1	4.4	4.7
MSCI China	2.7	-7.7	19.4	-6.1	-3.4	1.9

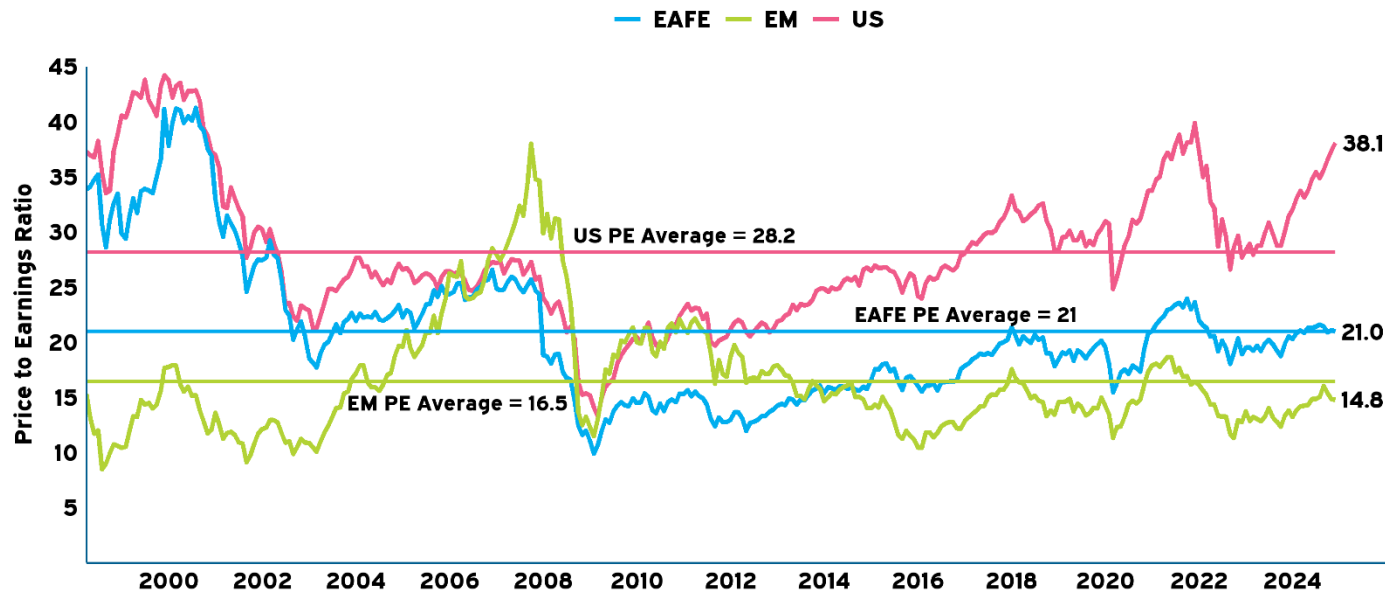
**Foreign Equity: Developed international equities (MSCI EAFE) fell -8.1% in the fourth quarter but rose 3.8% for the year, while emerging market equities (MSCI Emerging Markets) fell -8.0% in the quarter but returned 7.5% for the year.**

- Continued strength in the US dollar weighed on developed market shares, with declines in local terms significantly lower (-0.6% versus -8.1%). An unstable political environment, potential tariffs from the US, and weak growth all weighed on eurozone equities. Japan was a bright spot, outperforming the US for the quarter, with renewed yen weakness boosting the outlook for exporters.
- Emerging markets reacted poorly to Mr. Trump’s win in the fourth quarter, due largely to tariff fears and the Fed’s decreased likelihood of reducing rates in 2025. A strong dollar also weighed on results but not as much as in developed markets. China declined less than the broader index for the quarter (-7.7% versus -8.0%).
- Over the full 2024 calendar year, international equities significantly trailed US equities.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2024.



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



- Valuations in US stocks continued to move higher over the quarter while valuations for international equities fell.
- US stocks, priced at 38.1 times earnings, continue to trade well above their long-run PE average of 28.2.
- Non-US developed market valuations are trading at their long-term average. Emerging market stock valuations declined the most over the quarter (16.1 to 14.8) and remain below their long-term 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 December 2024. 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.

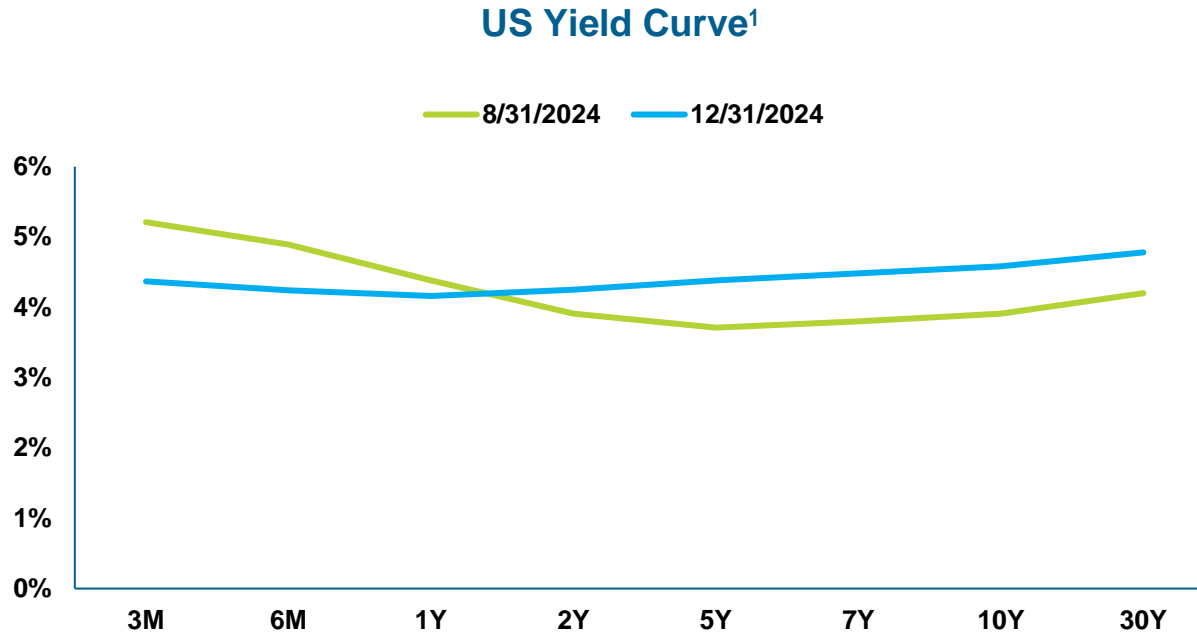
### Fixed Income Returns<sup>1</sup>

Fixed Income	December (%)	Q4 2024 (%)	2024 (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	-1.5	-2.7	2.0	-1.9	0.1	1.7	5.1	5.9
Bloomberg Aggregate	-1.6	-3.1	1.3	-2.4	-0.3	1.3	4.9	6.1
Bloomberg US TIPS	-1.6	-2.9	1.8	-2.3	1.9	2.2	4.6	6.5
Bloomberg Short-term TIPS	-0.1	-0.1	4.7	2.1	3.3	2.6	4.4	2.4
Bloomberg US Long Treasury	-5.3	-8.6	-6.4	-12.0	-5.2	-0.6	4.9	14.9
Bloomberg High Yield	-0.4	0.2	8.2	2.9	4.2	5.2	7.5	3.5
JPM GBI-EM Global Diversified (USD)	-1.9	-7.0	-2.4	-1.0	-1.9	-0.4	--	--

**Fixed Income: The Bloomberg Universal index fell 2.7% in the quarter, bringing the year-to-date return to +2.0%.**

- Fixed income indexes largely declined over the quarter due to rising interest rates as investors considered proposed policies like tariffs and deportations and their respective risks to inflation.
- The broad US bond market (Bloomberg Aggregate) fell 3.1% over the quarter, with TIPS performing similarly at longer maturities. Long-term Treasury bonds experienced the largest declines, with a drop of 8.6%.
- High yield bonds outperformed as investor risk appetite remained robust, while emerging market debt weakened on uncertainty about the path of proposed US tariffs by the incoming administration as well as by higher US interest rates.

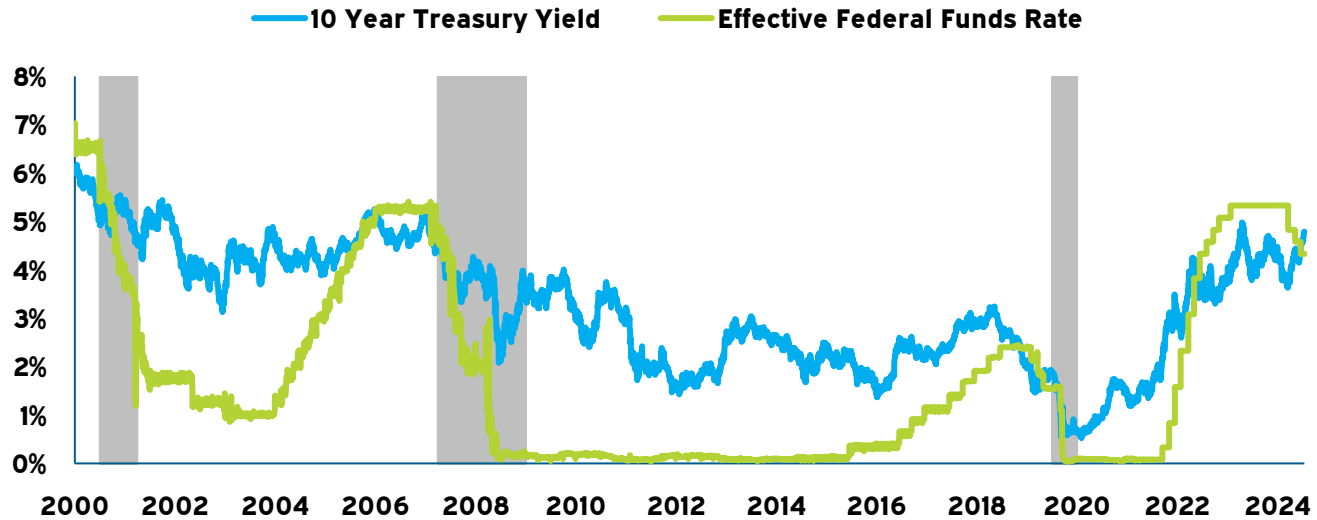
<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2024. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.



- With the exception of the very shortest maturities, US Treasury yields rose in the fourth quarter driven by resilient growth and increased inflation expectations. Term premium (a measure of interest rate uncertainty) spiking over the quarter was a key driver of higher rates.
- Over the quarter, the more policy sensitive 2-year Treasury yield rose from 3.64% to 4.24%, while the 10-year Treasury yield rose from 3.78% to 4.57%.
- The yield curve was no longer inverted (short-term interest rates higher than long-term interest rates) at year-end given expectations for the Fed to continue to reduce rates and resilient economic growth and persistent inflation.

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

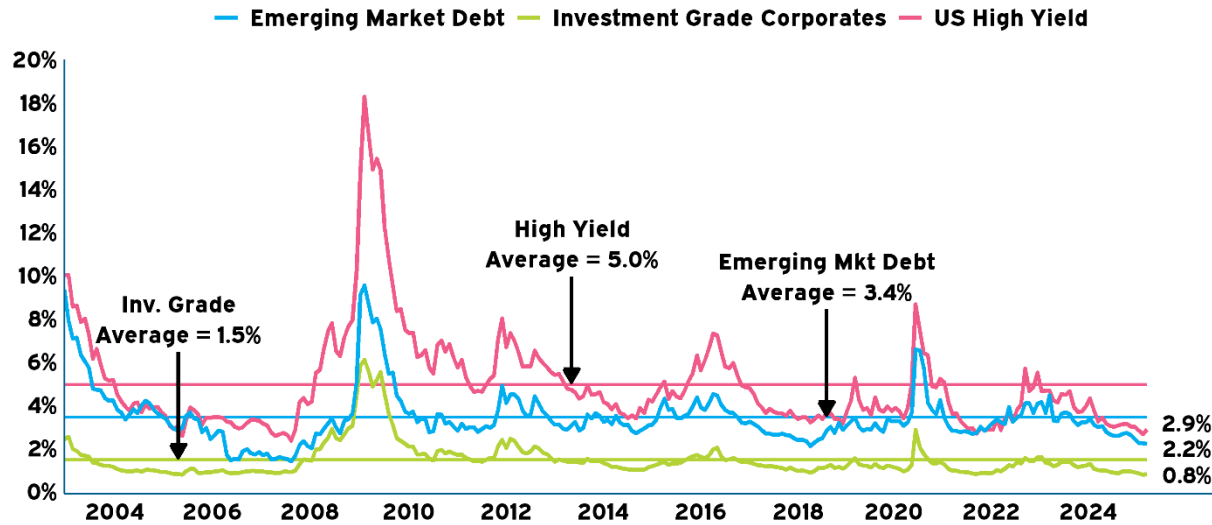
10-Year Treasury Yield versus Fed Funds Rate<sup>1</sup>



- Typically, when the Fed cuts interest rates, the yield on the ten-year Treasury follows as rate cuts often come in an environment of falling inflation and rising unemployment.
- The recent dynamic has been very unusual with the Fed cutting interest rates by a total of 1.0% since September and the ten-year Treasury increasing by a similar amount over the same time period.
- Questions remain about why this is happening with some saying it is related to fiscal concerns and others pointing to lower demand for our debt from overseas. It is also possible the market feels the Fed has overcut rates already.

<sup>1</sup> Source: FRED. Data is as of January 15, 2025.

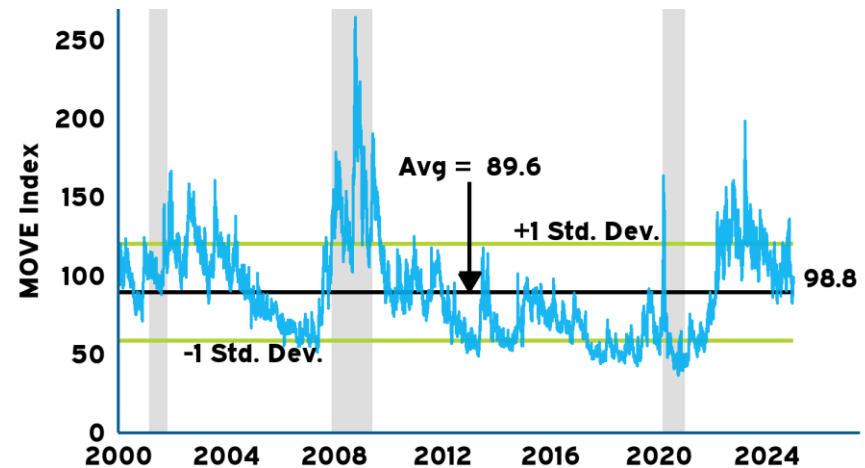
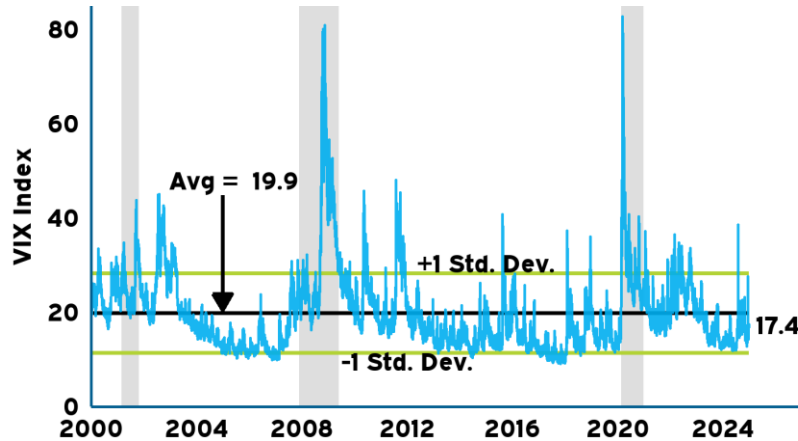
**Credit Spreads vs. US Treasury Bonds<sup>1</sup>**



- Spreads (the yield above a comparable maturity Treasury) all continued to tighten over the quarter.
- All yield spreads remained below their respective long-run averages, particularly high yield (2.9% versus 5.0%).
- Although spreads are tight, absolute yields remain at above-average levels compared to the last two decades.

<sup>1</sup> Source: Bloomberg. Data is as December 31, 2024. 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.

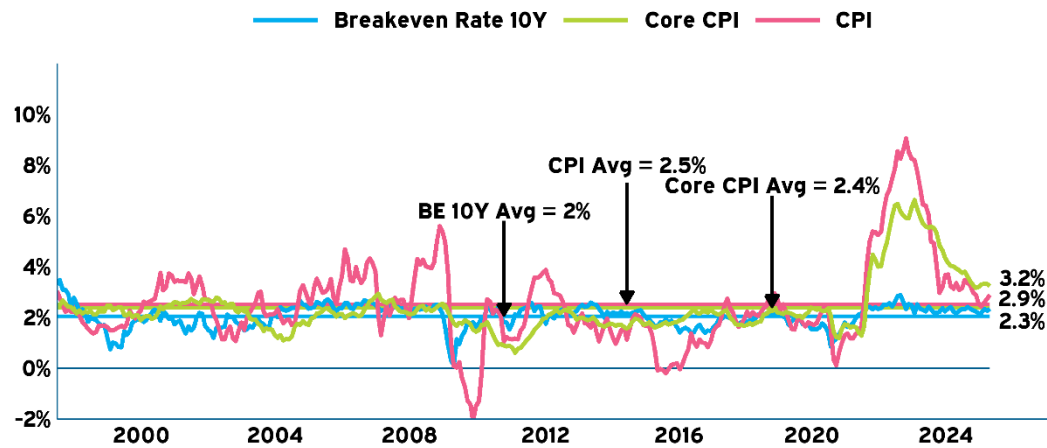
### Equity and Fixed Income Volatility<sup>1</sup>



- Bond and equity volatility experienced several spikes over the quarter ahead of the election but finished lower after the clear results.
- Volatility levels (VIX) in the US stock market finished the quarter below its long-run average, while volatility in the bond market (MOVE) ended December 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 December 31, 2024. The average line indicated is the average of the VIX and MOVE values between January 2000 and December 2024.

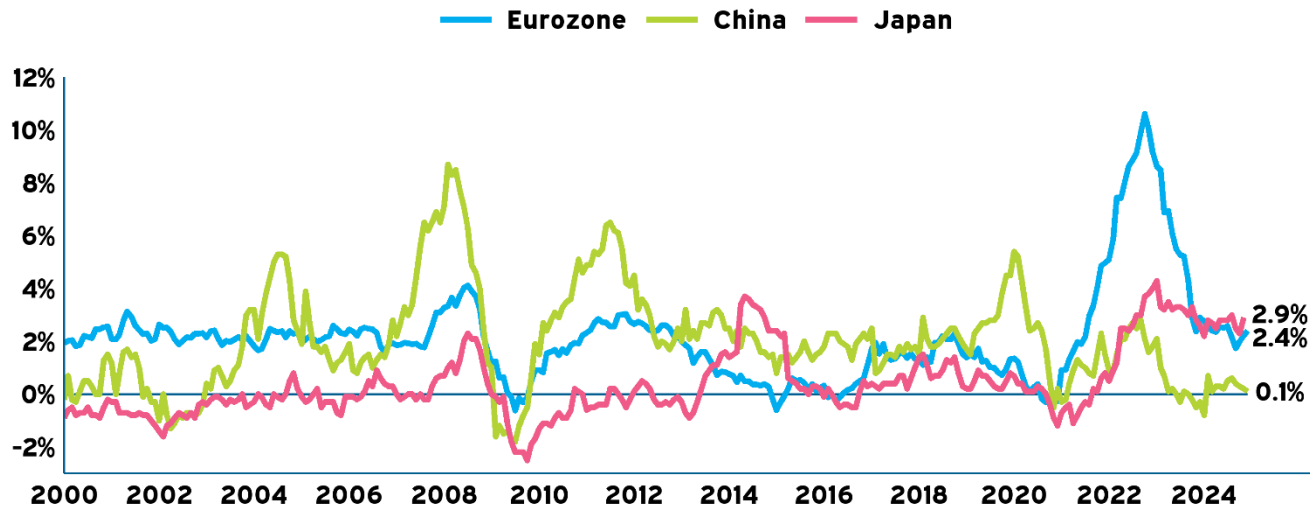
### US Ten-Year Breakeven Inflation and CPI<sup>1</sup>



- In December, inflation rose 0.4% month-over-month with energy prices accounting for 40% of the monthly increase.
- Year-over-year inflation increased from 2.4% to 2.9% over the quarter largely driven by base year effects. In the December reading shelter (+4.6%), transportation (+7.3%), and medical care (+3.4%) contributed to the annual gain while energy prices (-0.5%) fell over the past year despite the December (+2.6%) gains.
- Year-over-year core inflation (excluding food and energy) fell slightly over the quarter (3.3% to 3.2%).
- Inflation expectations (breakevens) rose over the quarter from the September lows of 2.0%, on continued uncertainty regarding the likelihood and magnitude of potential policies of the next US president.

<sup>1</sup> Source: FRED. Data is as of December 2024. 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>**

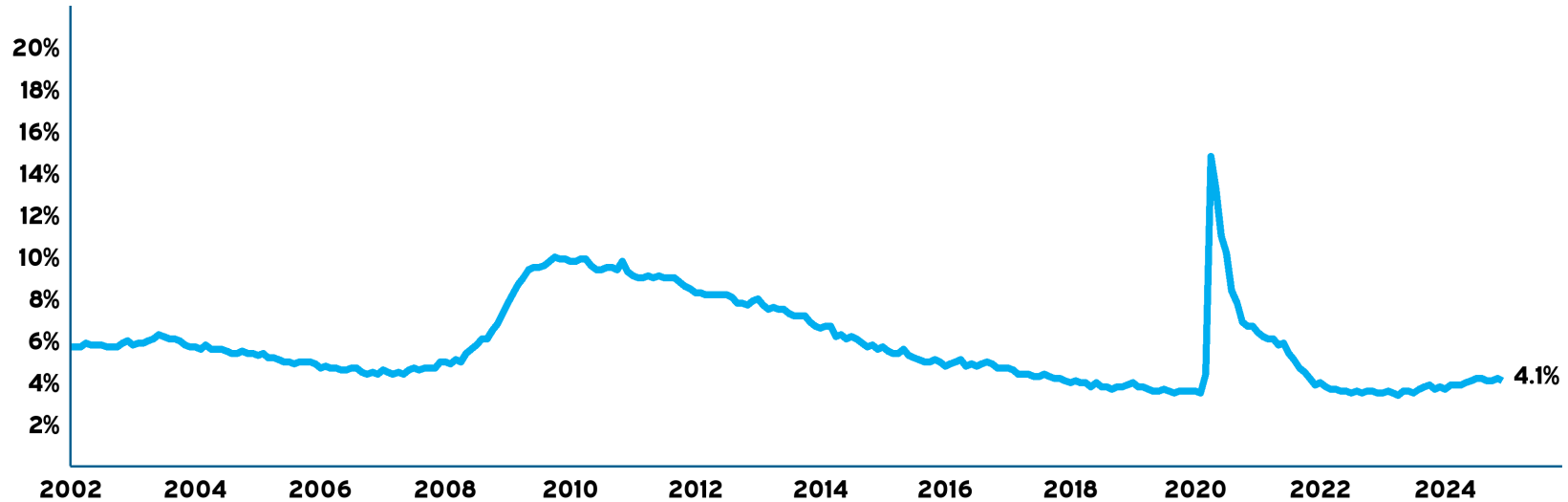


- In the eurozone, inflation rose each month over the quarter (1.7% to 2.4%) but levels remain below the US. The increase was largely driven by last year’s significant fall in energy prices no longer being included in the calculation.
- Inflation in Japan rose over the quarter due in part to an increase in food prices and the end of energy subsidies driving electricity and gas prices higher.
- Inflation in China grinded lower in the fourth quarter (0.4% to 0.1%). China continues to experience deflationary pressures despite recent stimulus measures.

<sup>1</sup> Source: Bloomberg. Data is as December 2024, except Japan which is as of November 2024.



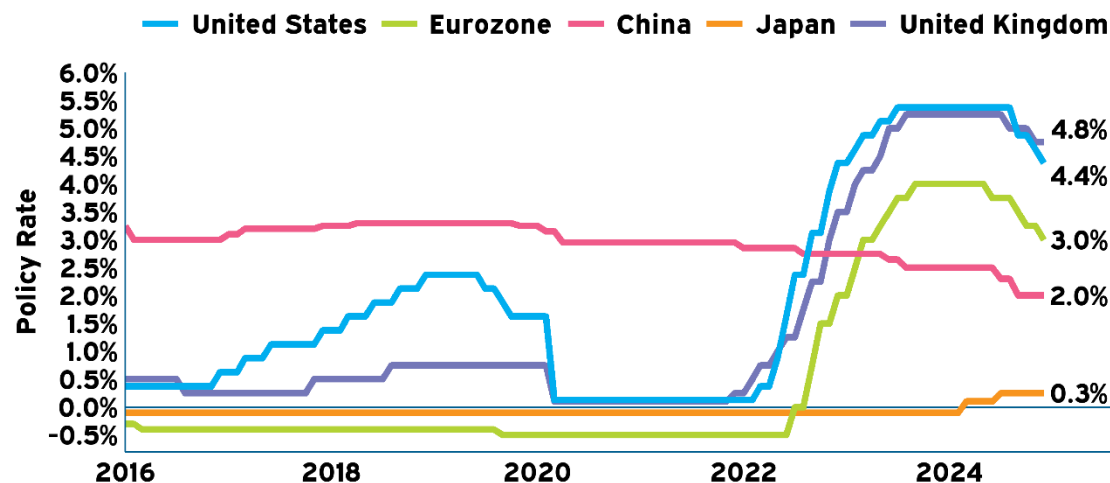
### US Unemployment<sup>1</sup>



- The unemployment rate stayed stable over the quarter at 4.1% with close to 500k jobs added to the economy since the end of September.
- In December, the health care (+46K), retail (+43k), and government (+33K) sectors added jobs, while retail – which lost jobs in November – rebounded (+43K) jobs.
- Job openings (8.1M) rose over last month’s openings (7.7M) but are well below pandemic highs (>12M); the number of openings exceeds the number of unemployed workers looking for work (6.9M).
- Separations (5.1M) and hires (5.3M) remain steady and average hourly wages continue to grow at approximately 3.9% a year.

<sup>1</sup> Source: FRED and BLS. Data is as of December 31, 2024.

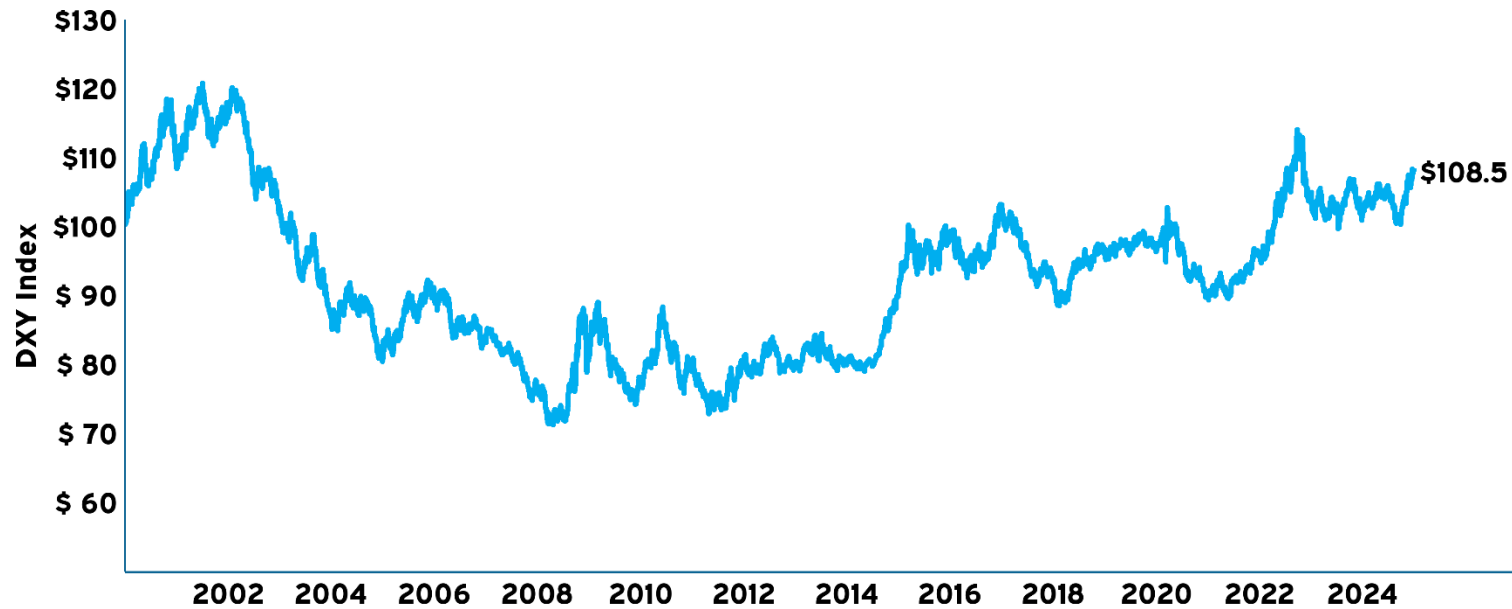
### Policy Rates<sup>1</sup>



- In the US, the Fed reduced interest rates by 0.25% twice over the quarter to a range of 4.25% to 4.50%, in moves largely expected by investors. Going forward, questions remain about the timing and amount of additional cuts given the strength of the economy and persistent above-target inflation.
- The Bank of England left rates unchanged in December after their November 0.25% cut, while the European Central Bank cut rates by another 0.25% in early December.
- After exiting negative interest rates in 2024 and making several rate increases, 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 December 31, 2024. 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 sharply strengthened (+8.0%) versus other currencies.
- A rise in interest rates driven by potential inflationary impacts of proposed higher tariffs, lower taxes, and immigration policies from candidate, and now president-elect Trump, drove the dollar's gains.

<sup>1</sup> Source: Bloomberg. Data as of December 31, 2024.

## Summary

### Key Trends:

- According to the International Monetary Fund's (IMF) October report, global growth in 2025 is expected to be similar to 2024 at around 3.2% with most major economies predicted to avoid a recession.
- Questions remain about what policies will be implemented by the new administration in the US. Although deregulation and tax cuts could support growth, these policies, along with higher tariffs and restrictive immigration, could fan inflation. This will likely lead to additional uncertainty regarding the timing and pace of interest rate cuts in the coming year.
- US consumers could feel pressure as certain components of inflation (e.g., shelter) remain high, borrowing costs stay elevated, and the job market may weaken further.
- A focus for US equities 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 be important.
- We have started to see divergences in monetary policy. Some central banks, such as the Fed, European Central Bank, and the Bank of England, have started to cut interest rates and others, like the Bank of Japan, have increased interest rates. This disparity will likely influence capital flows and currencies.
- China appears to have shifted focus to more policy support for the economy/asset prices with a suite of fiscal and financial policy stimulus measures. Thus far, these efforts have not increased weak consumer spending or helped the lingering trouble in the real estate sector. It is still not clear what the long-term impact of these policies will be on the economy and if policy makers will remain committed to these efforts.

**Executive Summary**  
As of December 31, 2024

**The value of the City of San Jose Police and Fire Department Retirement Plan Health Care Trust's assets was \$369.7 million on December 31, 2024, compared to \$381.8 million at the end of the prior quarter. The Trust had net cash outflows of \$3.0 million and investment losses of \$9.0 million in the 3-month period.**

- The Health Care Trust's net of fees performance was -2.3%, compared to the Policy Benchmark return of -2.2% over the quarter. Over the trailing one-year period, the Trust returned +8.1%, outperforming the Policy Benchmark return of +7.9%.
  - Growth returned -2.5% for the quarter and +14.7% over the trailing one-year period, compared to the Public Equity Benchmark of -2.4% and +14.9% over the same periods, respectively.
  - Low Beta returned +1.2% for the quarter and +5.4% over the trailing one-year period, compared to the 90-Day US Treasury Bill returns of +1.2% and +5.3% over the same periods, respectively.
  - Other assets returned -2.6% for the quarter and -2.1% over the trailing one-year period, compared to the Other Benchmark returns -2.4% and -2.3% over the same periods, respectively.
- The Health Care Trust had no manager changes during the quarter.

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>	---	---
Clarion Lion Industrial Trust	Core Real Estate	--- <sup>2</sup>	---	---
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<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 (-1.6%) has underperformed the Core Real Estate Benchmark 2 by 60 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 (-2.2%) has underperformed Core Real Estate Benchmark 2 by 120 basis points. Since inception in March 2019, Clarion has outperformed the benchmark by 10 basis points per year, on average.

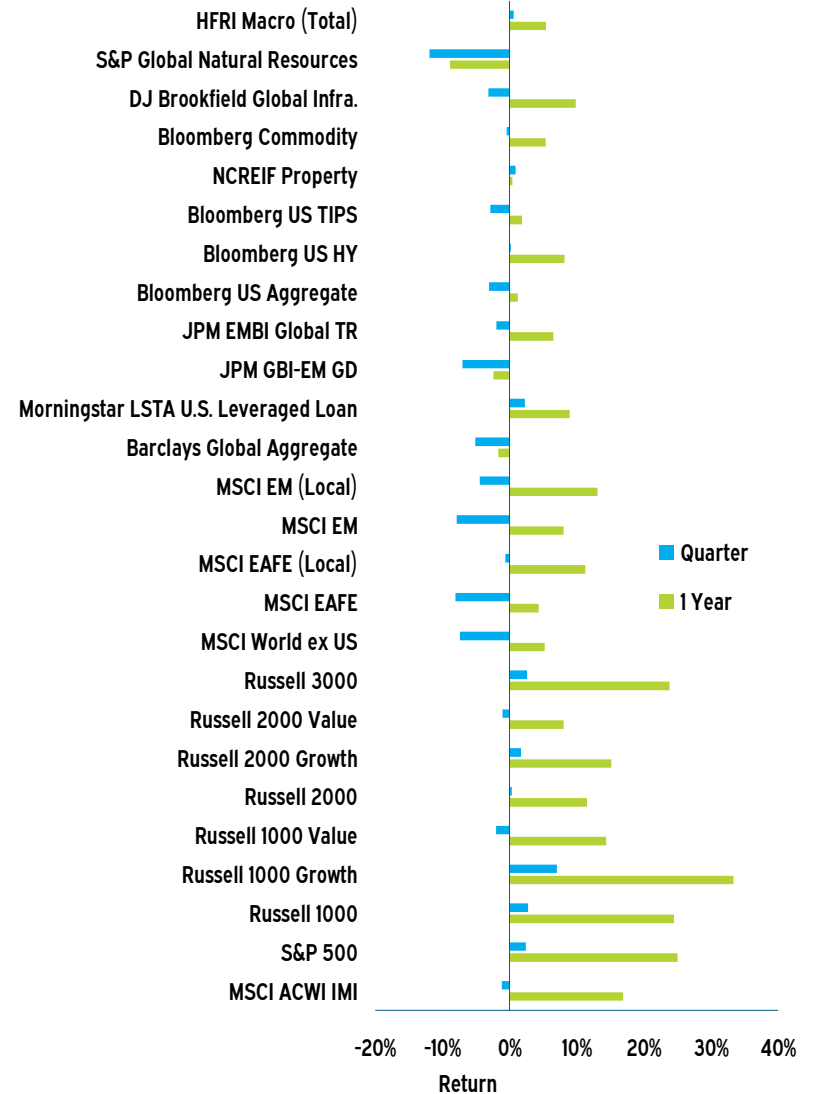
<sup>1</sup> Watch List excludes Private Markets and Passive Funds.

<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.



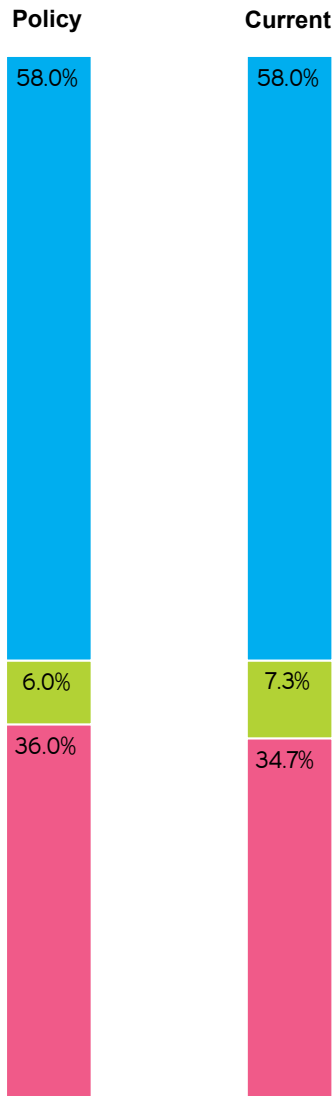
### Market Environment – 4Q24 Overview

Benchmark	Scope	4Q24 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
<b>Global Equity</b>						
MSCI ACWI IMI	World	-1.1	16.9	5.4	10.2	9.5
<b>Domestic Equity</b>						
S&P 500	Large Core	2.4	25.0	8.9	14.5	13.1
Russell 1000	Large Core	2.7	24.5	8.4	14.3	12.9
Russell 1000 Growth	Large Growth	7.1	33.4	10.5	19.0	16.8
Russell 1000 Value	Large Value	-2.0	14.4	5.6	8.7	8.5
Russell 2000	Small Core	0.3	11.5	1.2	7.4	7.8
Russell 2000 Growth	Small Growth	1.7	15.2	0.2	6.9	8.1
Russell 2000 Value	Small Value	-1.1	8.1	1.9	7.3	7.1
Russell 3000	All Cap Core	2.6	23.8	8.0	13.9	12.5
<b>International Equity</b>						
MSCI World ex US	World ex-US	-7.4	5.3	2.5	5.6	5.8
MSCI EAFE	International Developed	-8.1	4.3	2.2	5.2	5.7
MSCI EAFE (Local)	International Developed (Local Currency)	-0.6	11.3	6.3	7.6	7.1
MSCI EM	Emerging Markets	-7.8	8.1	-1.5	2.1	4.0
MSCI EM (Local)	Emerging Markets (Local Currency)	-4.4	13.1	1.6	4.5	6.0
<b>Global Fixed Income</b>						
Barclays Global Aggregate	Global Core Bonds	-5.1	-1.7	-4.5	-2.0	0.2
Morningstar LSTA U.S. Leveraged Loan	Bank Loans	2.3	9.0	7.0	5.9	5.1
JPM GBI-EM GD	Emerging Markets Bonds (Local Currency)	-7.0	-2.4	-1.0	-1.9	0.4
JPM EMBI Global TR	Emerging Market Bonds	-1.9	6.5	-0.9	0.1	3.1
<b>Domestic Fixed Income</b>						
Bloomberg US Aggregate	Core Bonds	-3.1	1.3	-2.4	-0.3	1.3
Bloomberg US HY	High Yield	0.2	8.2	2.9	4.2	5.2
Bloomberg US TIPS	Inflation	-2.9	1.8	-2.3	1.9	2.2
<b>Other</b>						
NCREIF Property	Real Estate	0.9	0.4	-0.8	3.1	5.7
Bloomberg Commodity	Commodities	-0.4	5.4	4.1	6.8	1.3
DJ Brookfield Global Infrastructure	Infrastructure	-3.1	9.9	2.4	3.6	4.7
S&P Global Natural Resources	Natural Resources	-11.9	-8.9	1.1	5.1	4.6
HFRI Macro	Hedge Funds	0.6	5.5	4.6	5.4	3.1



## 4Q24 Review

Total Fund | As of December 31, 2024



Allocation vs. Targets and Policy			
	Balance (\$)	Current Allocation (%)	Policy (%)
Growth	\$214,504,918	58.0	58.0
Public Equity	\$214,504,918	58.0	58.0
Low Beta	\$27,055,473	7.3	6.0
Short-Term IG Bonds	\$15,738,809	4.3	6.0
Cash	\$11,316,664	3.1	0.0
Other	\$128,182,389	34.7	36.0
Core Real Estate	\$41,813,538	11.3	12.0
Commodities	\$17,932,461	4.8	5.0
Investment Grade Bonds	\$50,306,644	13.6	14.0
Long-Term Government Bonds	\$18,129,746	4.9	5.0
<b>Total</b>	<b>\$369,742,780</b>	<b>100.0</b>	<b>100.0</b>

Policy Targets represent approved asset allocation from April of 2022.

Total Fund | As of December 31, 2024

Asset Class Net Performance Summary									
	Market Value \$	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Health Care Trust</b>	<b>369,742,780</b>	<b>100.0</b>	<b>-2.3</b>	<b>8.1</b>	<b>2.3</b>	<b>5.7</b>	<b>5.1</b>	<b>5.4</b>	<b>Jul-12</b>
<i>Policy Benchmark</i>			-2.2	7.9	2.1	5.6	5.7	6.1	
<i>InvMetrics Health &amp; Welfare Median</i>			-0.6	7.0	1.9	3.8	4.0	4.3	
<i>InvMetrics Health &amp; Welfare Rank</i>			96	32	35	15	22	23	
<b>Growth</b>	<b>214,504,918</b>	<b>58.0</b>	<b>-2.5</b>	<b>14.7</b>	<b>4.2</b>	<b>8.7</b>	<b>8.8</b>	<b>10.0</b>	<b>Aug-12</b>
<i>Public Equity Benchmark</i>			-2.4	14.9	4.3	8.8	8.7	9.8	
<b>Public Equity</b>	<b>214,504,918</b>	<b>58.0</b>	<b>-2.5</b>	<b>14.7</b>	<b>4.2</b>	<b>8.7</b>	<b>8.8</b>	<b>10.0</b>	<b>Aug-12</b>
<i>Public Equity Benchmark</i>			-2.4	14.9	4.3	8.8	8.7	9.8	
<b>US Equity</b>	<b>115,453,398</b>	<b>31.2</b>	<b>2.6</b>	<b>23.7</b>	<b>8.0</b>	<b>13.8</b>	<b>--</b>	<b>13.6</b>	<b>Jul-18</b>
<i>Russell 3000 Index</i>			2.6	23.8	8.0	13.9	--	13.7	
<b>International Equity</b>	<b>56,259,741</b>	<b>15.2</b>	<b>-8.5</b>	<b>3.5</b>	<b>1.7</b>	<b>4.8</b>	<b>--</b>	<b>5.2</b>	<b>Jul-18</b>
<i>MSCI EAFE (Net)</i>			-8.1	3.8	1.6	4.7	--	4.9	
<b>Emerging Markets Equity</b>	<b>42,791,779</b>	<b>11.6</b>	<b>-7.5</b>	<b>7.3</b>	<b>-2.3</b>	<b>1.3</b>	<b>--</b>	<b>2.4</b>	<b>Jul-18</b>
<i>MSCI Emerging Markets (Net)</i>			-8.0	7.5	-1.9	1.7	--	2.6	
<b>Low Beta</b>	<b>27,055,473</b>	<b>7.3</b>	<b>1.2</b>	<b>5.4</b>	<b>4.0</b>	<b>2.6</b>	<b>1.8</b>	<b>1.4</b>	<b>Jul-12</b>
<i>90 Day U.S. Treasury Bill</i>			1.2	5.3	3.9	2.5	1.8	1.4	
<b>Short-Term IG Bonds</b>	<b>15,738,809</b>	<b>4.3</b>	<b>1.2</b>	<b>5.4</b>	<b>4.1</b>	<b>2.6</b>	<b>--</b>	<b>2.6</b>	<b>Nov-18</b>
<i>90 Day U.S. Treasury Bill</i>			1.2	5.3	3.9	2.5	--	2.4	
<b>Cash</b>	<b>11,316,664</b>	<b>3.1</b>	<b>1.1</b>	<b>5.4</b>	<b>3.7</b>	<b>2.3</b>	<b>1.6</b>	<b>1.3</b>	<b>Jul-12</b>
<i>90 Day U.S. Treasury Bill</i>			1.2	5.3	3.9	2.5	1.8	1.4	
<b>Other</b>	<b>128,182,389</b>	<b>34.7</b>	<b>-2.6</b>	<b>-2.1</b>	<b>-1.4</b>	<b>1.9</b>	<b>2.3</b>	<b>2.0</b>	<b>Aug-12</b>
<i>Other Benchmark</i>			-2.4	-2.3	-2.1	1.4	2.4	2.8	

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 December 31, 2024

	Market Value \$	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Investment Grade Bonds</b>	<b>50,306,644</b>	<b>13.6</b>	<b>-3.1</b>	<b>1.1</b>	<b>-2.5</b>	--	--	<b>-1.9</b>	<b>May-21</b>
<i>Blmbg. U.S. Aggregate Index</i>			-3.1	1.3	-2.4	--	--	-1.7	
<b>Long-Term Government Bonds</b>	<b>18,129,746</b>	<b>4.9</b>	<b>-8.7</b>	<b>-6.2</b>	<b>-11.8</b>	--	--	<b>-8.1</b>	<b>May-21</b>
<i>Blmbg. U.S. Treasury: Long</i>			-8.6	-6.4	-12.0	--	--	-8.0	
<b>Core Real Estate</b>	<b>41,813,538</b>	<b>11.3</b>	<b>0.1</b>	<b>-7.6</b>	<b>1.6</b>	<b>3.3</b>	<b>4.7</b>	<b>6.2</b>	<b>Aug-12</b>
<i>Core Real Estate Benchmark</i>			0.0	-8.0	-1.0	1.8	3.9	5.6	
<b>Commodities</b>	<b>17,932,461</b>	<b>4.8</b>	<b>-0.4</b>	<b>5.4</b>	<b>4.1</b>	<b>7.9</b>	<b>3.2</b>	<b>0.5</b>	<b>Oct-12</b>
<i>Bloomberg Commodity Index Total Return</i>			-0.4	5.4	4.1	6.8	1.3	-1.8	

Trailing Net Performance									
	Market Value \$	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	Inception Date
<b>Health Care Trust</b>	<b>369,742,780</b>	<b>100.0</b>	<b>-2.3</b>	<b>8.1</b>	<b>2.3</b>	<b>5.7</b>	<b>5.1</b>	<b>5.4</b>	<b>Jul-12</b>
<i>Policy Benchmark</i>			-2.2	7.9	2.1	5.6	5.7	6.1	
<i>InvMetrics Health &amp; Welfare Median</i>			-0.6	7.0	1.9	3.8	4.0	4.3	
<i>InvMetrics Health &amp; Welfare Rank</i>			96	32	35	15	22	23	
<b>Growth</b>	<b>214,504,918</b>	<b>58.0</b>	<b>-2.5</b>	<b>14.7</b>	<b>4.2</b>	<b>8.7</b>	<b>8.8</b>	<b>10.0</b>	<b>Aug-12</b>
<i>Public Equity Benchmark</i>			-2.4	14.9	4.3	8.8	8.7	9.8	
<b>Public Equity</b>	<b>214,504,918</b>	<b>58.0</b>	<b>-2.5</b>	<b>14.7</b>	<b>4.2</b>	<b>8.7</b>	<b>8.8</b>	<b>10.0</b>	<b>Aug-12</b>
<i>Public Equity Benchmark</i>			-2.4	14.9	4.3	8.8	8.7	9.8	
<b>US Equity</b>	<b>115,453,398</b>	<b>31.2</b>	<b>2.6</b>	<b>23.7</b>	<b>8.0</b>	<b>13.8</b>	<b>--</b>	<b>13.6</b>	<b>Jul-18</b>
<i>Russell 3000 Index</i>			2.6	23.8	8.0	13.9	--	13.7	
Northern Trust Russell 3000	115,453,398	31.2	2.6	23.7	8.0	13.8	--	13.6	Jul-18
<i>Russell 3000 Index</i>			2.6	23.8	8.0	13.9	--	13.7	
<b>International Equity</b>	<b>56,259,741</b>	<b>15.2</b>	<b>-8.5</b>	<b>3.5</b>	<b>1.7</b>	<b>4.8</b>	<b>--</b>	<b>5.2</b>	<b>Jul-18</b>
<i>MSCI EAFE (Net)</i>			-8.1	3.8	1.6	4.7	--	4.9	
Northern Trust MSCI EAFE	56,259,741	15.2	-8.5	3.4	1.7	4.8	--	5.2	Jul-18
<i>MSCI EAFE (Net)</i>			-8.1	3.8	1.6	4.7	--	4.9	
<b>Emerging Markets Equity</b>	<b>42,791,779</b>	<b>11.6</b>	<b>-7.5</b>	<b>7.3</b>	<b>-2.3</b>	<b>1.3</b>	<b>--</b>	<b>2.4</b>	<b>Jul-18</b>
<i>MSCI Emerging Markets (Net)</i>			-8.0	7.5	-1.9	1.7	--	2.6	
Northern Trust MSCI EM	42,791,779	11.6	-7.5	7.3	-2.3	1.3	--	2.4	Jul-18
<i>MSCI Emerging Markets (Net)</i>			-8.0	7.5	-1.9	1.7	--	2.6	
<b>Low Beta</b>	<b>27,055,473</b>	<b>7.3</b>	<b>1.2</b>	<b>5.4</b>	<b>4.0</b>	<b>2.6</b>	<b>1.8</b>	<b>1.4</b>	<b>Jul-12</b>
<i>90 Day U.S. Treasury Bill</i>			1.2	5.3	3.9	2.5	1.8	1.4	
<b>Short-Term IG Bonds</b>	<b>15,738,809</b>	<b>4.3</b>	<b>1.2</b>	<b>5.4</b>	<b>4.1</b>	<b>2.6</b>	<b>--</b>	<b>2.6</b>	<b>Nov-18</b>
<i>90 Day U.S. Treasury Bill</i>			1.2	5.3	3.9	2.5	--	2.4	

Total Fund | As of December 31, 2024

	Market Value \$	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	Inception Date
BlackRock 3-Month T-Bill	15,738,809	4.3	1.2	5.4	4.1	2.6	--	2.6	Nov-18
<i>90 Day U.S. Treasury Bill</i>			1.2	5.3	3.9	2.5	--	2.4	
<b>Cash</b>	<b>11,316,664</b>	<b>3.1</b>	<b>1.1</b>	<b>5.4</b>	<b>3.7</b>	<b>2.3</b>	<b>1.6</b>	<b>1.3</b>	<b>Jul-12</b>
<i>90 Day U.S. Treasury Bill</i>			1.2	5.3	3.9	2.5	1.8	1.4	
<b>Other</b>	<b>128,182,389</b>	<b>34.7</b>	<b>-2.6</b>	<b>-2.1</b>	<b>-1.4</b>	<b>1.9</b>	<b>2.3</b>	<b>2.0</b>	<b>Aug-12</b>
<i>Other Benchmark</i>			-2.4	-2.3	-2.1	1.4	2.4	2.8	
<b>Investment Grade Bonds</b>	<b>50,306,644</b>	<b>13.6</b>	<b>-3.1</b>	<b>1.1</b>	<b>-2.5</b>	<b>--</b>	<b>--</b>	<b>-1.9</b>	<b>May-21</b>
<i>Blmbg. U.S. Aggregate Index</i>			-3.1	1.3	-2.4	--	--	-1.7	
Northern Trust Core Bonds	50,306,644	13.6	-3.1	1.1	-2.5	--	--	-1.9	May-21
<i>Blmbg. U.S. Aggregate Index</i>			-3.1	1.3	-2.4	--	--	-1.7	
<b>Long-Term Government Bonds</b>	<b>18,129,746</b>	<b>4.9</b>	<b>-8.7</b>	<b>-6.2</b>	<b>-11.8</b>	<b>--</b>	<b>--</b>	<b>-8.1</b>	<b>May-21</b>
<i>Blmbg. U.S. Treasury: Long</i>			-8.6	-6.4	-12.0	--	--	-8.0	
BlackRock Long Treasury	18,129,746	4.9	-8.7	-6.2	-11.8	--	--	-8.1	May-21
<i>Blmbg. U.S. Treasury: Long</i>			-8.6	-6.4	-12.0	--	--	-8.0	

Total Fund | As of December 31, 2024

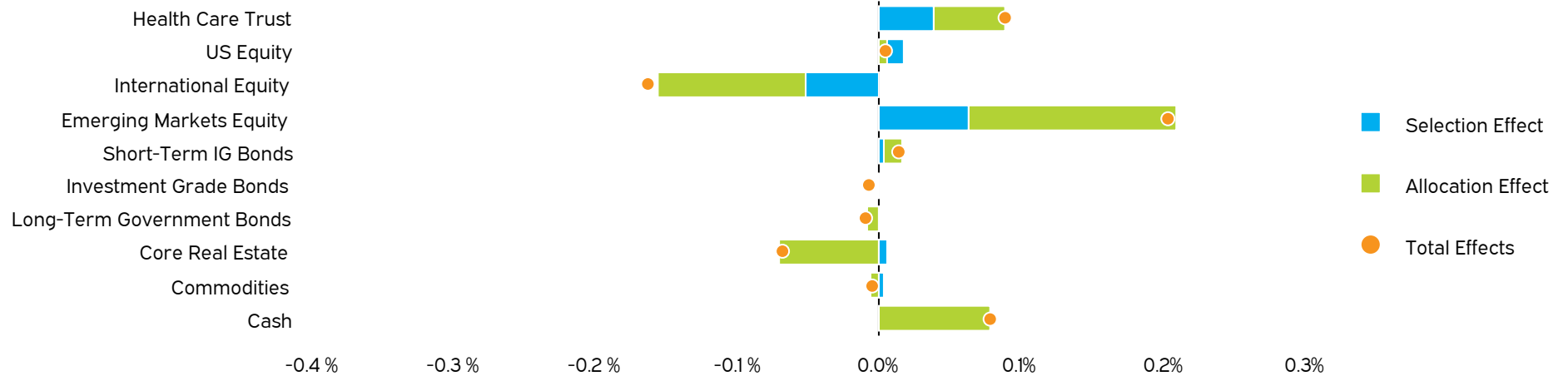
	Market Value \$	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	Inception Date
<b>Core Real Estate</b>	<b>41,813,538</b>	<b>11.3</b>	<b>0.1</b>	<b>-7.6</b>	<b>1.6</b>	<b>3.3</b>	<b>4.7</b>	<b>6.2</b>	<b>Aug-12</b>
<i>Core Real Estate Benchmark</i>			0.0	-8.0	-1.0	1.8	3.9	5.6	
BlackRock Core Property Fund	3,435,699	0.9	-1.3	-14.3	-1.6	1.8	--	2.1	Feb-19
<i>Core Real Estate Benchmark 2</i>			0.0	-8.0	-1.0	1.8	--	2.2	
Clarion Lion Properties Fund	9,597,000	2.6	0.0	-9.1	-2.2	1.8	--	2.3	Mar-19
<i>Core Real Estate Benchmark 2</i>			0.0	-8.0	-1.0	1.8	--	2.2	
TA Realty Core Property Fund	26,343,369	7.1	0.4	-6.0	4.0	--	--	3.7	Oct-21
<i>Core Real Estate Benchmark 3</i>			0.0	-8.0	-1.0	--	--	-1.0	
Clarion Lion Industrial Trust	2,437,470	0.7	-1.1	-5.1	7.6	--	--	7.0	Oct-21
<i>Core Real Estate Benchmark 3</i>			0.0	-8.0	-1.0	--	--	-1.0	
<b>Commodities</b>	<b>17,932,461</b>	<b>4.8</b>	<b>-0.4</b>	<b>5.4</b>	<b>4.1</b>	<b>7.9</b>	<b>3.2</b>	<b>0.5</b>	<b>Oct-12</b>
<i>Bloomberg Commodity Index Total Return</i>			-0.4	5.4	4.1	6.8	1.3	-1.8	
BlackRock Commodities Index	17,932,461	4.8	-0.4	5.4	--	--	--	3.0	Mar-23
<i>Bloomberg Commodity Index Total Return</i>			-0.4	5.4	--	--	--	1.3	

Core Real Estate values are one-quarter lagged.



Cash Flow Summary						
QTD Ending December 31, 2024						
	Beginning Market Value(\$)	Contributions(\$)	Distributions(\$)	Net Cash Flow(\$)	Net Investment Change(\$)	Ending Market Value(\$)
Growth	223,586,090	-	-3,500,000	-3,500,000	-5,581,172	214,504,918
Public Equity	223,586,090	-	-3,500,000	-3,500,000	-5,581,172	214,504,918
US Equity	114,922,876	-	-2,500,000	-2,500,000	3,030,522	115,453,398
Northern Trust Russell 3000	114,922,876	-	-2,500,000	-2,500,000	3,030,522	115,453,398
International Equity	61,346,260	-	-	-	-5,086,519	56,259,741
Northern Trust MSCI EAFE	61,346,260	-	-	-	-5,086,519	56,259,741
Emerging Markets Equity	47,316,954	-	-1,000,000	-1,000,000	-3,525,175	42,791,779
Northern Trust MSCI EM	47,316,954	-	-1,000,000	-1,000,000	-3,525,175	42,791,779
Low Beta	31,489,320	11,526,435	-15,944,087	-4,417,652	-16,195	27,055,473
Short-Term IG Bonds	20,503,070	-	-5,000,000	-5,000,000	235,739	15,738,809
BlackRock 3-Month T-Bill	20,503,070	-	-5,000,000	-5,000,000	235,739	15,738,809
Cash	10,986,250	11,526,435	-10,944,087	582,348	-251,934	11,316,664
Cash	10,986,250	11,526,435	-10,944,087	582,348	-251,934	11,316,664
Other	126,711,342	7,905,000	-3,012,609	4,892,391	-3,421,344	128,182,389
Investment Grade Bonds	53,966,670	-	-2,000,000	-2,000,000	-1,660,025	50,306,644
Northern Trust Core Bonds	53,966,670	-	-2,000,000	-2,000,000	-1,660,025	50,306,644
Long-Term Government Bonds	19,846,481	-	-	-	-1,716,736	18,129,746
BlackRock Long Treasury	19,846,481	-	-	-	-1,716,736	18,129,746
Core Real Estate	34,890,078	7,905,000	-1,012,609	6,892,391	31,069	41,813,538
BlackRock Core Property Fund	3,491,162	-	-10,338	-10,338	-45,124	3,435,699
Clarion Lion Properties Fund	9,665,710	-	-73,025	-73,025	4,315	9,597,000
TA Realty Core Property Fund	18,619,590	7,905,000	-280,003	7,624,997	98,782	26,343,369
Clarion Lion Industrial Trust	3,113,616	-	-649,242	-649,242	-26,904	2,437,470
Commodities	18,008,113	-	-	-	-75,652	17,932,461
BlackRock Commodities Index	18,008,113	-	-	-	-75,652	17,932,461
Health Care Trust	381,786,752	19,431,435	-22,456,696	-3,025,261	-9,018,711	369,742,780

Attribution Summary Chart  
3 Months Ending December 31, 2024

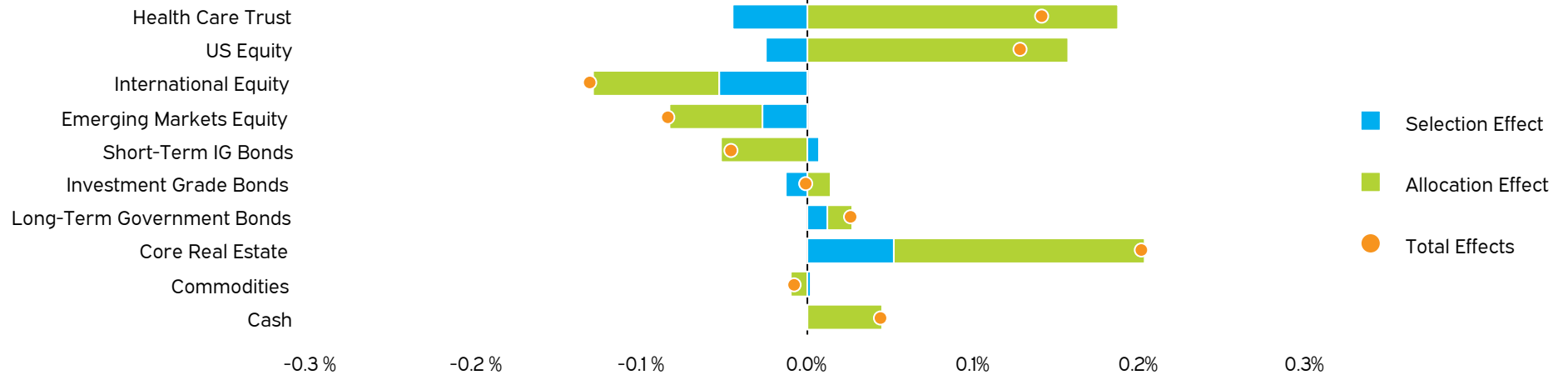


Attribution Summary  
3 Months Ending December 31, 2024

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effect
US Equity	2.6	2.6	0.0	0.0	0.0	0.0
International Equity	-8.5	-8.1	-0.3	-0.1	-0.1	-0.2
Emerging Markets Equity	-7.5	-8.0	0.5	0.1	0.1	0.2
Short-Term IG Bonds	1.2	1.2	0.0	0.0	0.0	0.0
Investment Grade Bonds	-3.1	-3.1	0.0	0.0	0.0	0.0
Long-Term Government Bonds	-8.7	-8.6	0.0	0.0	0.0	0.0
Core Real Estate	0.1	0.0	0.1	0.0	-0.1	-0.1
Commodities	-0.4	-0.4	0.0	0.0	0.0	0.0
Cash	1.1	1.2	-0.1	0.0	0.1	0.1
<b>Health Care Trust</b>	<b>-2.3</b>	<b>-2.4</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.

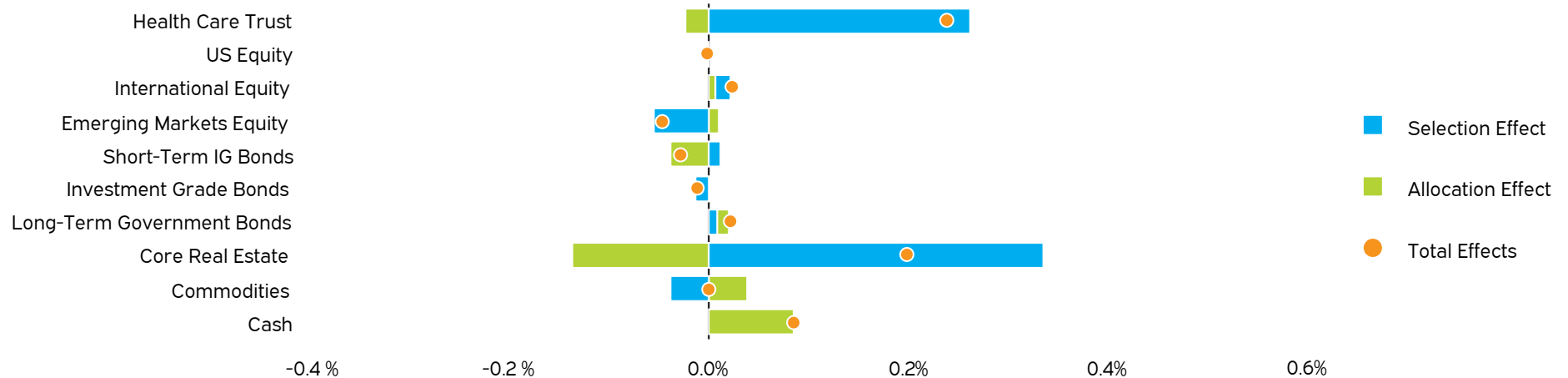
**Attribution Summary Chart**  
1 Year Ending December 31, 2024



**Attribution Summary**  
1 Year Ending December 31, 2024

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effect
US Equity	23.7	23.8	-0.1	0.0	0.2	0.1
International Equity	3.5	3.8	-0.3	-0.1	-0.1	-0.1
Emerging Markets Equity	7.3	7.5	-0.2	0.0	-0.1	-0.1
Short-Term IG Bonds	5.4	5.3	0.1	0.0	-0.1	0.0
Investment Grade Bonds	1.1	1.3	-0.1	0.0	0.0	0.0
Long-Term Government Bonds	-6.2	-6.4	0.2	0.0	0.0	0.0
Core Real Estate	-7.6	-8.0	0.5	0.1	0.2	0.2
Commodities	5.4	5.4	0.0	0.0	0.0	0.0
Cash	5.4	5.3	0.2	0.0	0.0	0.0
<b>Health Care Trust</b>	<b>8.1</b>	<b>8.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.2</b>	<b>0.1</b>

**Attribution Summary Chart**  
3 Years Ending December 31, 2024

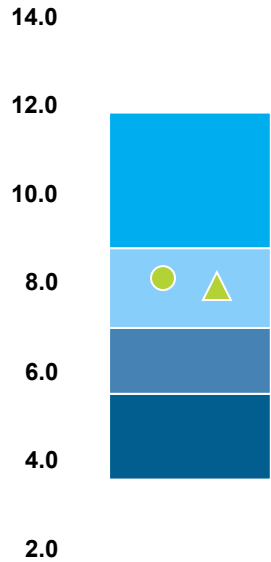


**Attribution Summary**  
3 Years Ending December 31, 2024

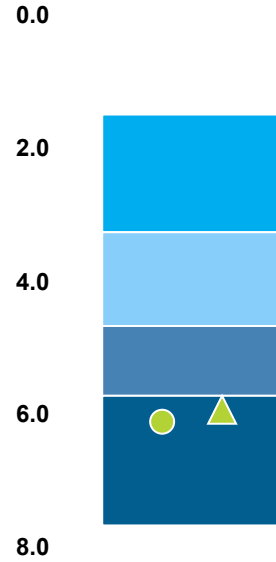
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effect
US Equity	8.0	8.0	0.0	0.0	0.0	0.0
International Equity	1.7	1.6	0.1	0.0	0.0	0.0
Emerging Markets Equity	-2.3	-1.9	-0.4	-0.1	0.0	0.0
Short-Term IG Bonds	4.1	3.9	0.2	0.0	0.0	0.0
Investment Grade Bonds	-2.5	-2.4	-0.1	0.0	0.0	0.0
Long-Term Government Bonds	-11.8	-12.0	0.1	0.0	0.0	0.0
Core Real Estate	1.6	-1.0	2.7	0.3	-0.1	0.2
Commodities	4.1	4.1	0.1	0.0	0.0	0.0
Cash	3.7	3.9	-0.2	0.0	0.1	0.1
<b>Health Care Trust</b>	<b>2.3</b>	<b>2.1</b>	<b>0.2</b>	<b>0.3</b>	<b>0.0</b>	<b>0.2</b>

Total Fund | One Year As of December 31, 2024

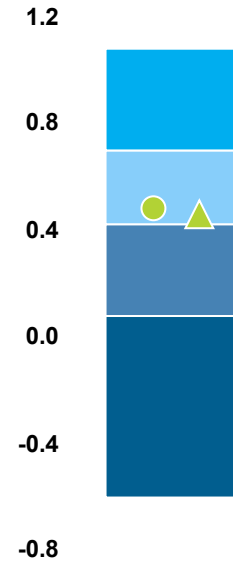
### Annualized Return (%) Trailing 1 Year



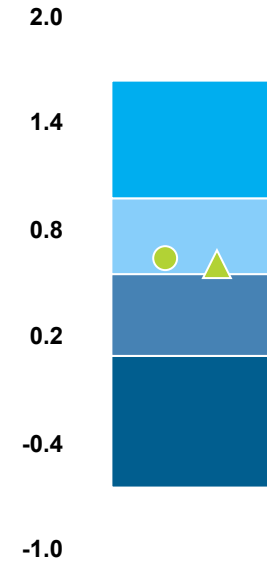
### Annualized St. Dev. Trailing 1 Year



### Sharpe Ratio Trailing 1 Year



### Sortino Ratio Trailing 1 Year



● Health Care Trust 8.1 (32)  
▲ Policy Benchmark 7.9 (36)

● Health Care Trust 6.1 (83)  
▲ Policy Benchmark 5.9 (82)

● Health Care Trust 0.5 (44)  
▲ Policy Benchmark 0.5 (46)

● Health Care Trust 0.6 (44)  
▲ Policy Benchmark 0.6 (45)

5th Percentile 11.9  
1st Quartile 8.8  
Median 7.0  
3rd Quartile 5.5  
95th Percentile 3.6

5th Percentile 1.5  
1st Quartile 3.3  
Median 4.7  
3rd Quartile 5.7  
95th Percentile 7.7

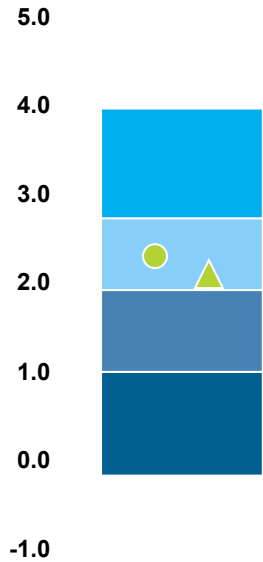
5th Percentile 1.1  
1st Quartile 0.7  
Median 0.4  
3rd Quartile 0.1  
95th Percentile -0.6

5th Percentile 1.6  
1st Quartile 1.0  
Median 0.6  
3rd Quartile 0.1  
95th Percentile -0.7

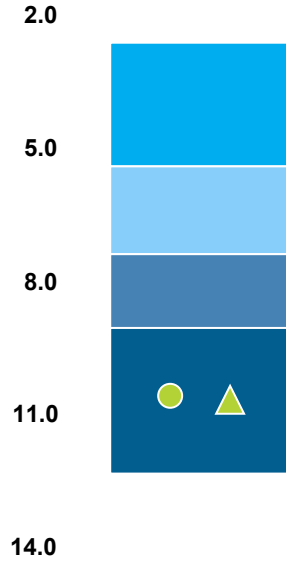
Data are compared to the InvMetrics Health & Welfare Net universe. Parentheses contain percentile rankings.

Total Fund | Three Years As of December 31, 2024

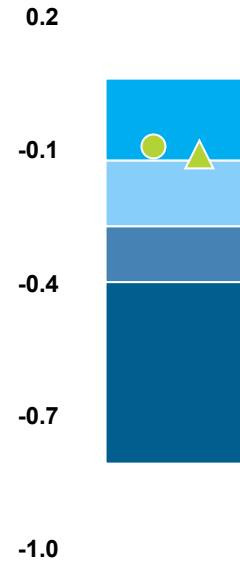
### Annualized Return (%) Trailing 3 Years



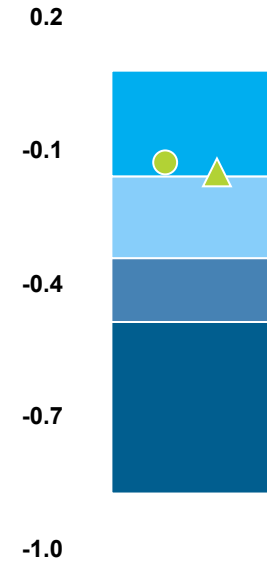
### Annualized St. Dev. Trailing 3 Years



### Sharpe Ratio Trailing 3 Years



### Sortino Ratio Trailing 3 Years



● Health Care Trust 2.3 (35)  
▲ Policy Benchmark 2.1 (42)

● Health Care Trust 10.6 (90)  
▲ Policy Benchmark 10.7 (91)

● Health Care Trust -0.1 (21)  
▲ Policy Benchmark -0.1 (24)

● Health Care Trust -0.1 (22)  
▲ Policy Benchmark -0.1 (25)

5th Percentile 4.0  
1st Quartile 2.7  
Median 1.9  
3rd Quartile 1.0  
95th Percentile -0.2

5th Percentile 2.7  
1st Quartile 5.4  
Median 7.4  
3rd Quartile 9.0  
95th Percentile 12.3

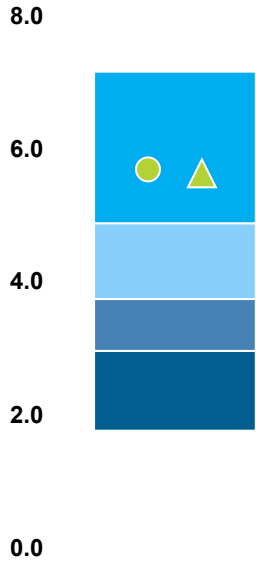
5th Percentile 0.1  
1st Quartile -0.1  
Median -0.3  
3rd Quartile -0.4  
95th Percentile -0.8

5th Percentile 0.1  
1st Quartile -0.2  
Median -0.3  
3rd Quartile -0.5  
95th Percentile -0.9

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

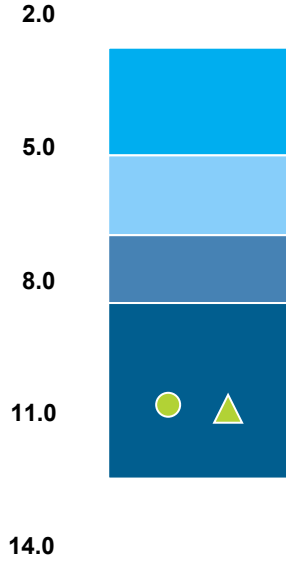
Total Fund | Five Years As of December 31, 2024

### Annualized Return (%) Trailing 5 Years



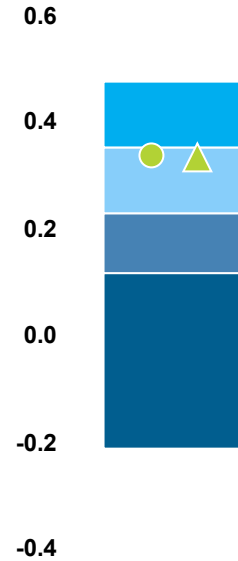
● Health Care Trust	5.7 (15)
▲ Policy Benchmark	5.6 (15)
5th Percentile	2.0
1st Quartile	3.0
Median	3.8
3rd Quartile	4.9
95th Percentile	7.2

### Annualized St. Dev. Trailing 5 Years



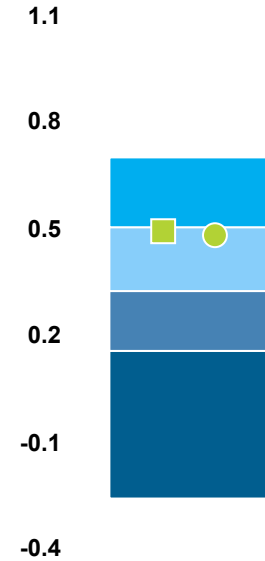
● Health Care Trust	10.8 (89)
▲ Policy Benchmark	10.9 (89)
5th Percentile	8.0
1st Quartile	10.0
Median	10.8
3rd Quartile	11.0
95th Percentile	12.5

### Sharpe Ratio Trailing 5 Years



● Health Care Trust	0.3 (27)
▲ Policy Benchmark	0.3 (29)
5th Percentile	-0.2
1st Quartile	0.1
Median	0.2
3rd Quartile	0.4
95th Percentile	0.5

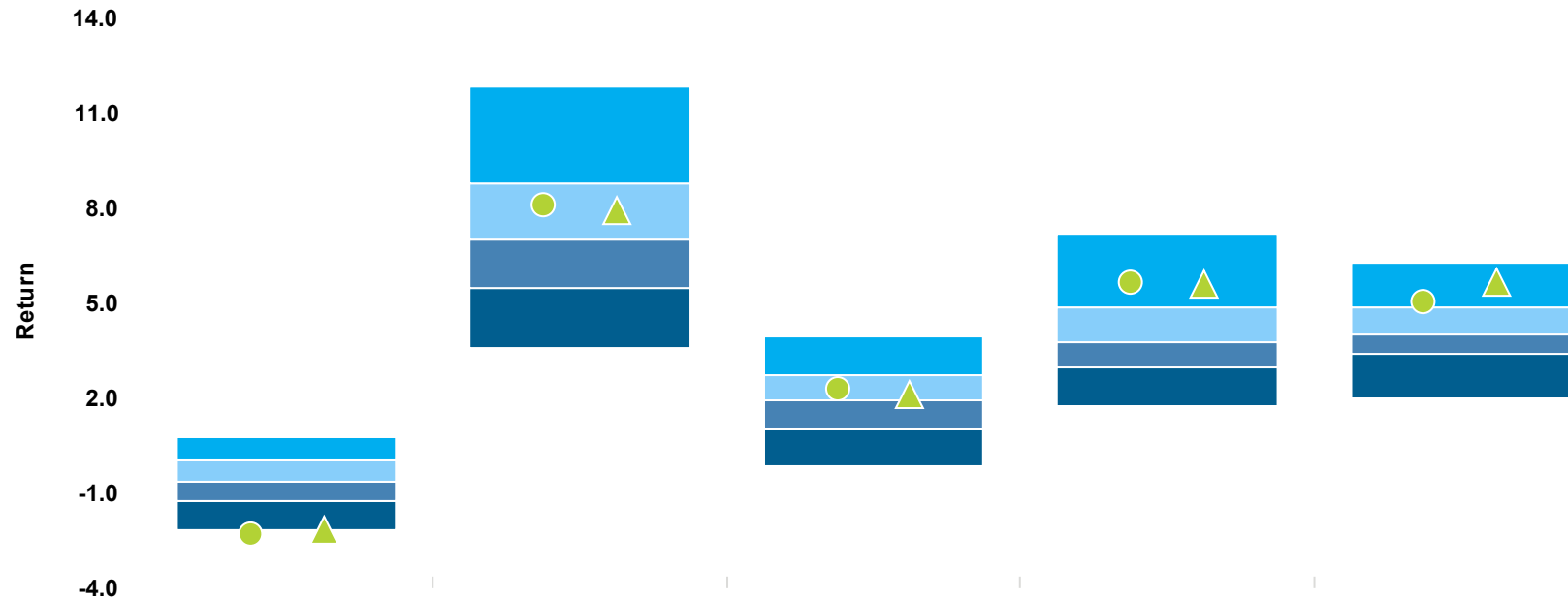
### Sortino Ratio Trailing 5 Years



● Health Care Trust	0.5 (26)
▲ Policy Benchmark	0.5 (27)
5th Percentile	0.2
1st Quartile	0.3
Median	0.5
3rd Quartile	0.7
95th Percentile	0.8

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

### InvMetrics Health & Welfare Return Comparison Ending December 31, 2024

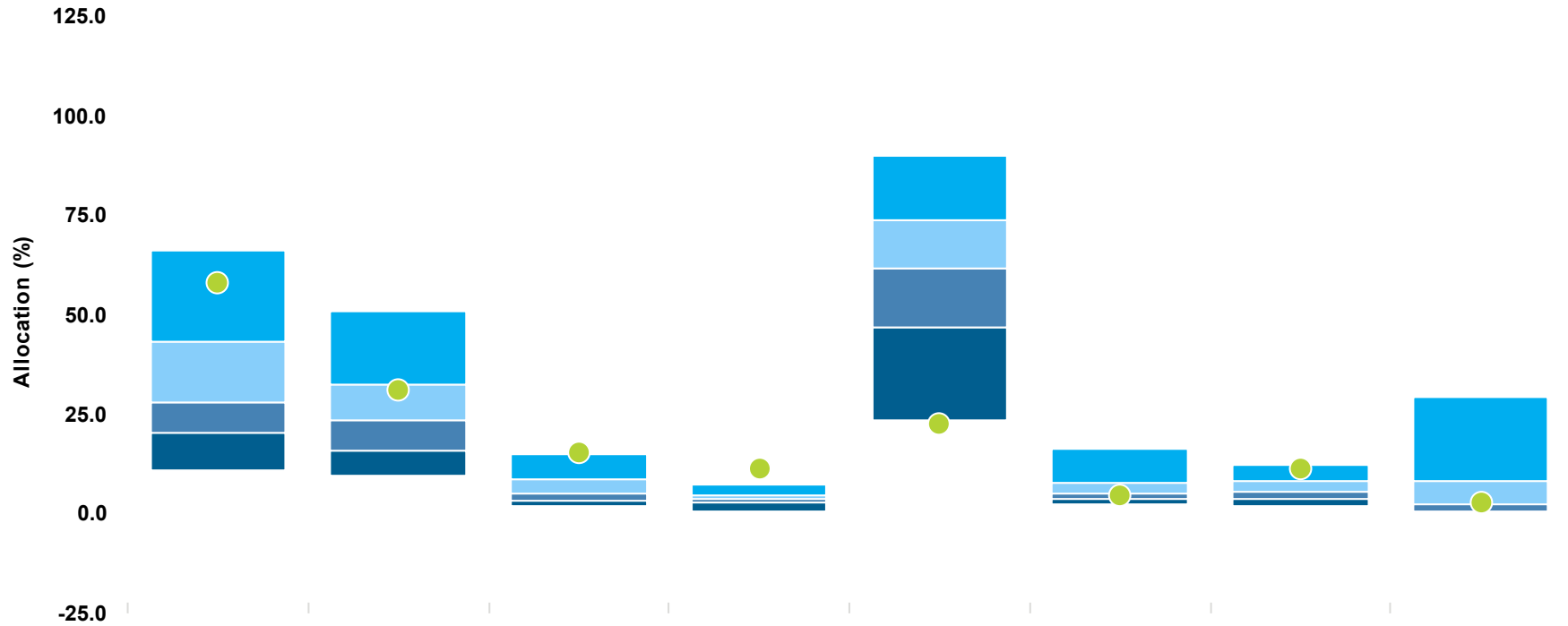


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
● Health Care Trust	-2.3 (96)	8.1 (32)	2.3 (35)	5.7 (15)	5.1 (22)
▲ Policy Benchmark	-2.2 (95)	7.9 (36)	2.1 (42)	5.6 (15)	5.7 (11)
5th Percentile	0.8	11.9	4.0	7.2	6.3
1st Quartile	0.0	8.8	2.7	4.9	4.9
Median	-0.6	7.0	1.9	3.8	4.0
3rd Quartile	-1.3	5.5	1.0	3.0	3.4
95th Percentile	-2.2	3.6	-0.2	1.8	2.0
Population	306	294	285	279	237

Parenteses contain percentile rankings.  
Calculation based on monthly periodicity.



#### Total Plan Allocation vs. InvMetrics Health & Welfare As of December 31, 2024



	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	58.0 (12)	31.2 (27)	15.2 (5)	11.6 (1)	22.8 (96)	4.8 (54)	11.3 (6)	3.1 (46)
5th Percentile	66.0	51.0	15.0	7.3	89.9	16.3	12.4	29.2
1st Quartile	43.3	32.4	8.9	4.8	73.8	7.9	8.1	8.4
Median	27.8	23.5	5.1	3.8	61.8	4.9	5.5	2.4
3rd Quartile	20.2	15.8	3.3	2.7	47.0	3.9	3.7	0.4
95th Percentile	10.9	9.5	1.8	0.7	23.7	2.5	1.7	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.  $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} * (\text{market return} - \text{Risk Free Rate})]$ .

**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.