



**PERSPECTIVES  
THAT DRIVE  
ENTERPRISE  
SUCCESS**



**PERIOD ENDING: JUNE 30, 2025**

Investment Performance Review for

**Imperial County Employees' Retirement System**

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William Blair Global Equity  
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A decorative geometric pattern of overlapping triangles in shades of blue and green is overlaid on the left side of the image. A large white triangle is positioned to the left of the main text.

**PERSPECTIVES  
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**3<sup>RD</sup> QUARTER 2025  
Investment Landscape**

# Verus business update

## Since our last Investment Landscape webinar:

- Verus hired Carlos Garcia as Accounting Specialist, and three new employees to join the Investment Analytics Team: Jonathan Verceles, Zander Richens, and Nick Utgard.
- Verus promoted Kelli Barkov to Business Operations Director, Anneke Meulblok to Business Operations Manager, Joe Ratliffe to Consulting Associate, and Nico Caballero to Private Markets Research Analyst.
- The 2025 Real Assets Outlook was released.
- Recent research, found at [verusinvestments.com/research](https://verusinvestments.com/research):
  - *State of the Core Real Estate Fund Universe*
  - *LDI for Public Sponsors*
  - *So, What Now?*
  - *This Matters, and This Doesn't*

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# Recent Verus research

Visit: [verusinvestments.com/research](https://verusinvestments.com/research)

## Thought leadership

Verus addresses the state of the core real estate fund universe. Discussion includes the mixed fundamental conditions facing the asset class and the heavy redemption queues that continue to challenge certain funds and frustrate investors who are seeking liquidity.

Our CIO examines the current market environment after global tariffs are released by the U.S. government.

### LDI FOR PUBLIC SPONSORS

We explore the dichotomy in LDI adoption between sponsor types. We discuss the characteristics of pension plans that make LDI strategies beneficial. We assess the current environment, to illustrate why LDI may appear relatively attractive today.

### THIS MATTERS, AND THIS DOESN'T

We offer a few perspectives regarding what we watch out for to acknowledge or even avoid biases where possible. Deciding what matters most to the portfolio by ensuring a balanced set of information sources, keeping a watchful eye for biases and carefully thinking about incentives, and also determining what doesn't matter.

# 2<sup>nd</sup> quarter summary

## THE ECONOMY

- Real GDP growth beat expectations in Q2, coming in at 3.0% quarter-over-quarter annualized (2.0% year-over-year) relative to expectations for a growth number in the mid-2s. This report was welcome news to investors and served as further evidence that the economy is moving along at a moderate pace, rather than slowing abruptly. Calendar year 2025 growth will likely be much milder than the surprising strength shown during 2024. **p. 8**
- U.S. inflation remained sticky and above the Fed's target, rising from 2.4% to 2.7%. There is evidence of price increases across particular items such as televisions, auto parts, and medical equipment, but these rises so far are not large enough to materially lift the overall inflation rate. Some broad inflation categories such as 'apparel' and 'new automobiles' have fallen in price since March. **p. 9**

## EQUITY

- If U.S. businesses mostly choose to absorb the cost of tariffs rather than hike prices, that would be good for inflation. But this scenario would be damaging to corporate earnings as tariffs hit profit margins. Year-over-year Q2 S&P 500 earnings growth is expected to be +5.6%, according to FactSet as of July 11th. This would mark the weakest growth rate since Q4 2023. Earnings growth is expected to ramp up in the coming quarters, with +9.3% growth for calendar year 2025, according to FactSet. **p. 25**

## FIXED INCOME

- The 10-year U.S. Treasury yield ended Q2 relatively unchanged at 4.23%. Shorter-term bond yields came down slightly, contributing to a positive return on short- and medium-term Treasury bonds. **p. 20**
- Credit spreads widened in April following tariff "Liberation Day", but quickly rebounded after delays, progress regarding negotiations, and muted economic impacts helped improve the outlook. Despite widening by nearly 1% in April, high yield bond spreads ended the quarter tighter by 56bps at 2.96%. Investment grade spreads similarly tightened, ending the quarter at 0.88%. These levels are extremely tight relative to history. **p. 21**

## ASSET ALLOCATION ISSUES

- Regional equity markets delivered similar returns. U.S. investors experienced substantial underperformance from domestic equities. However, most of this underperformance was a product of changes in U.S. dollar value, rather than differences in returns between domestic and non-U.S. equity. Depreciation in the dollar resulted in large currency gains for unhedged investors. **p. 35**
- Market-priced volatility spiked above 50 to extreme levels in early April as trade policies shocked markets and led to fears of a trade slowdown and global recession. Bilateral de-escalation of tariffs has eased market volatility, as well as announcements of new trade agreements. **p. 32**

The U.S. job market, household spending, and business investment have remained fairly resilient

Surprisingly strong economic data suggests the likelihood of recession is low

# What drove the market in Q2?

**“The stock market is on the verge of an all-time record”**

S&P 500						
Jan 1 <sup>st</sup>	Feb 1 <sup>st</sup>	Mar 1 <sup>st</sup>	Apr 8 <sup>th</sup>	May 1 <sup>st</sup>	June 1 <sup>st</sup>	July 1 <sup>st</sup>
5868	5994	5849	4982	5604	5935	6198

Article Source: CNN, June 25<sup>th</sup>, 2025 (April 8<sup>th</sup> shown as this was the market bottom)

**“Israel-Iran Ceasefire Holds, Offering Hope...”**

WTI Crude Oil					
April 1 <sup>st</sup>	April 30 <sup>th</sup>	May 15 <sup>th</sup>	May 30 <sup>th</sup>	June 20 <sup>th</sup>	June 30 <sup>th</sup>
\$71.2	\$58.2	\$61.6	\$60.8	\$73.8	\$65.1

Article Source: CBS News, June 25<sup>th</sup>, 2025

**“Dollar drops on Middle East optimism, Euro highest since 2021”**

Euro/USD Exchange Rate					
Jan '25	Feb '25	Mar '25	Apr '25	May '25	Jun '25
1.04	1.04	1.08	1.14	1.14	1.18

Article Source: Reuters, June 24<sup>th</sup>, 2025

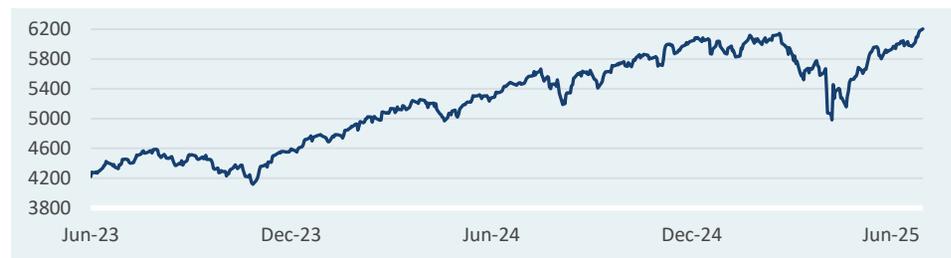
**“Trump announces sweeping new tariffs to promote U.S. manufacturing, risking inflation and trade wars”**

Average U.S. Tariff Rate					
2000	2005	2010	2015	2020	2025*
2.1%	1.8%	1.8%	1.7%	1.5%	15.6%

Article Source: Associated Press, April 3<sup>rd</sup>, 2025

\*Yale Budget Lab estimate of tariff rate as of June 1<sup>st</sup> if tariff policy were to be held perpetually

## U.S. EQUITY PERFORMANCE



Source: Standard & Poor's, as of 6/30/25

## OIL PRICE (WTI CRUDE BBL)



Source: Bloomberg, as of 6/30/25

## U.S. DOLLAR VALUE



# Economic environment

# U.S. economics summary

- Real GDP growth beat expectations in Q2, coming in at 3.0% QoQ annualized (2.0% YoY) relative to expectations for a growth number in the mid-2s. This report was welcome news to investors and served as further evidence that the economy is moving along at a moderate pace, rather than slowing abruptly. Calendar year 2025 growth will likely be much milder than the surprising strength shown during 2024.
- There has been growing evidence that many worst case scenarios regarding tariffs and trade are unlikely to materialize. U.S. GDP growth rebounded strongly, the job market remains resilient, consumer spending growth is positive, and both business and household sentiment is improving. Inflation levels have fallen rather than risen, although uncertainty exists around how tariffs will impact everyday prices.
- The rate of unemployment fell to 4.1% in June, alongside a jobs report that beat expectations by a wide margin (147,000 vs. 117,500 expected). Weekly jobless claims activity has been very low (the number of individuals who newly filed for unemployment benefits).
- The Federal Reserve kept rates steady again in June at a target range of 4.25%-4.50%, expressing concerns about possible inflationary impacts of tariffs. Chair Jerome Powell at the meeting said that policymakers are “well positioned to wait” and that there are few signs of economic weakening.
- Inflation was sticky and above the Fed’s target during Q2, rising from 2.4% to 2.7%. Excluding food and energy prices, inflation held steady at 2.9% in June relative to 2.8% in March. So far, there is some evidence of tariff-driven inflation but not enough to lift the overall inflation rate.
- Poor consumer sentiment has been a key story of 2025, as households became concerned about inflation, slowing growth, and worse job prospects due to tariffs and shifting U.S. trade policy. However, sentiment improved in June according to the U of Michigan survey. One-year inflation expectations dropped significantly, from 6.6% in May to 5.0% in June, as Americans see that tariffs are not yet leading to broad-based price rises.

	Most Recent	12 Months Prior
Real GDP (YoY)	2.0% 6/30/2025	3.0% 6/30/2024
Inflation (CPI YoY, Core)	2.9% 6/30/2025	3.3% 6/30/2024
Expected Inflation (5yr-5yr forward)	2.3% 6/30/2025	2.3% 6/30/2024
Fed Funds Target Range	4.25% - 4.50% 6/30/2025	5.25% - 5.50% 6/30/2024
10-Year Rate	4.2% 6/30/2025	4.4% 6/30/2024
U-3 Unemployment	4.1% 6/30/2025	4.1% 6/30/2024
U-6 Unemployment	7.7% 6/30/2025	7.4% 6/30/2024

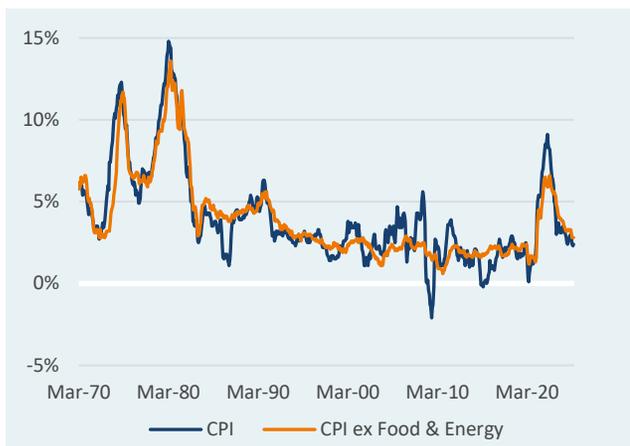
# Inflation

U.S. inflation (CPI) remained sticky and above the Fed’s target during Q2, rising from 2.4% to 2.7%. Excluding volatile food and energy prices, inflation held steady at 2.9% in June relative to 2.8% in March. We believe there is both some good news and also some bad news around recent inflation trends.

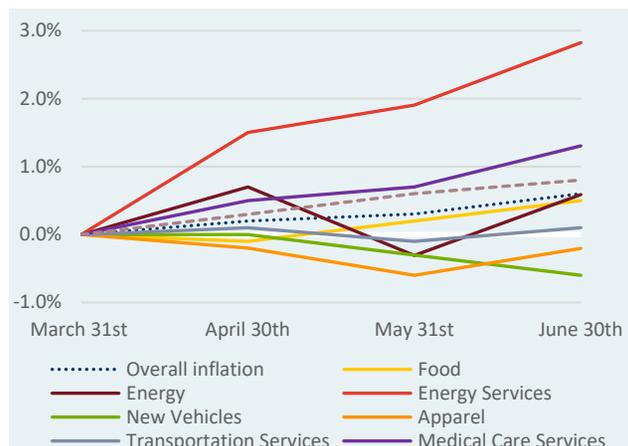
With regard to good news, investors have been watching closely for any signs of tariff-driven price increases, and after the government CPI report in June, there is evidence of price increases across particular items such as televisions, auto parts, and medical equipment, but these rises are so far not large enough to materially lift the overall inflation rate. Some broad inflation categories such as ‘apparel’ and ‘new automobiles’

reflect prices that are actually lower than March levels. Investors will need to continue to wait and see the degree to which businesses are passing tariff costs on to customers or are instead absorbing the costs.

With regard to bad news around inflation, looking across all goods and service price categories, price rises were fairly broad and consistent in June. Inflation trends suggest perhaps a 2.5-3.5% range of inflation in the future—not too far from the recent range. Without further weakness in the economy, it is difficult to imagine price trends slowing materially or reversing, and the potential for tariff-fueled inflation adds some upside risk to the future range of outcomes.



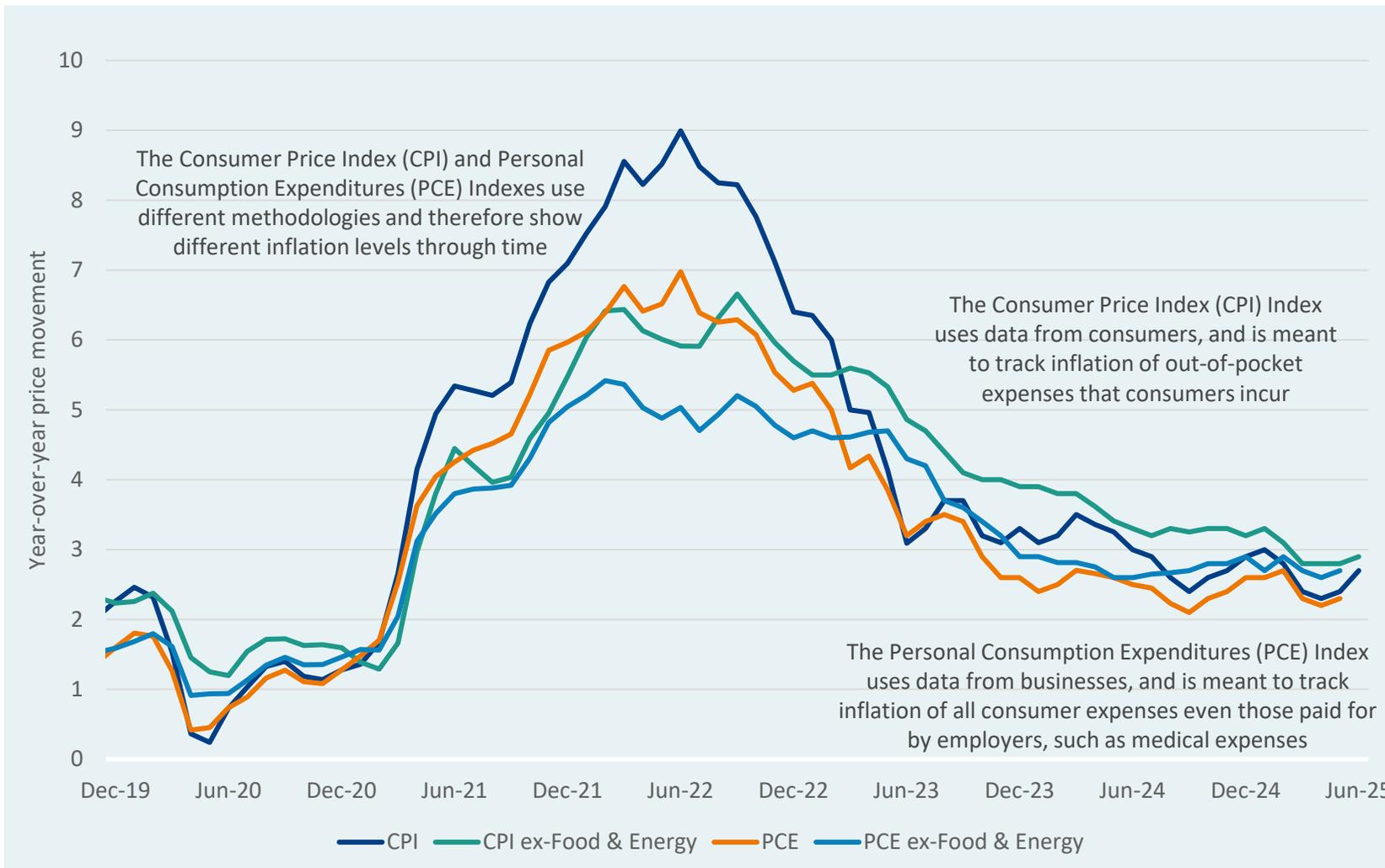
**INFLATION SINCE “LIBERATION DAY”**



**MONTHLY PRICE MOVEMENT (CPI)**



# U.S. inflation remains above the Fed target



Inflation remained sticky, above the Fed's 2% target

So far, there is little evidence of broad tariff-fueled price rises

Source: FRED, Verus, as of 6/30/25 – or most recent release

# GDP growth

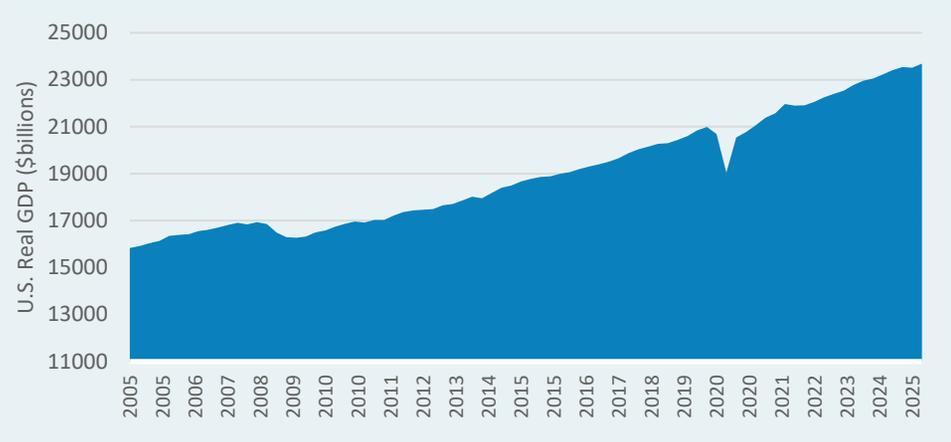
Real GDP growth beat expectations in Q2, coming in at 3.0% quarter-over-quarter annualized (2.0% year-over-year) relative to expectations for a growth number in the mid-2s. This report was welcome news to investors and served as further evidence that the economy is moving along at a moderate pace, rather than slowing abruptly. Calendar year 2025 growth will likely be much milder than the surprising strength shown during 2024.

Consumer spending, which is the largest component of the economy, once again showed a slow growth rate of 1.4% annualized, but growth was positive despite very poor sentiment since April. Business investment was also positive at a 1.9% annualized growth rate as businesses continued to spend and invest despite the shift in U.S. trade policy.

An interesting dynamic in the U.S. economy has been occurring across inventory purchases and import activity (see bottom right chart). The first and second quarters were nearly mirror opposite images of one another in this respect. In Q1, businesses dramatically increased their foreign purchases (imports) in an effort to avoid incoming tariffs. Imports often occur to the detriment of domestic purchases, which means imports dragged growth significantly lower in Q1. In Q2, this reversed as fewer imports were needed after such large Q1 purchases, meaning fewer imports greatly boosted growth in Q2. Inventories showed a similar effect but in opposite order—big inventory purchases occurred in Q1 as businesses avoided tariffs which boosted the economy and then in Q2 fewer inventories were needed which created a drag on the economy.

U.S. real GDP growth of 3% beat expectations and provided further evidence that economic activity remains stable

U.S. GDP GROWTH



Source: FRED, as of 6/30/25

U.S. REAL GDP COMPONENTS (QOQ)



Source: FRED, as of 6/30/25

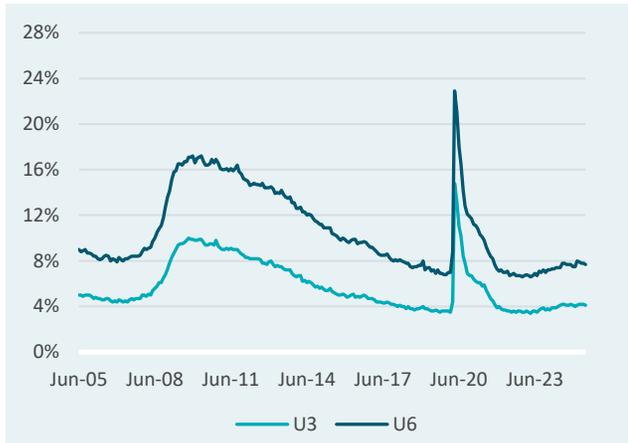
# Labor market

Most aspects of the labor market continue to suggest good to strong conditions. The rate of unemployment fell to 4.1% in June, alongside a jobs report that beat expectations by a wide margin (147,000 vs. 117,500 expected). Additionally, weekly jobless claims activity has been very low (the number of individuals who newly filed for unemployment benefits). In fact, job openings defied expectations in April and May, rising during both months. However, not all aspects of the job market have shown strength. Hiring activity has been muted and job seekers report having more difficulty finding work. Uncertainty exists around government layoffs and the ability of those workers to find new positions—this may be playing a part in jobs data (a large portion of job gains in June were for

state & local government positions). The labor market tends to be a key indicator of the health of the economy, which suggests recession risk is low.

Less U.S. immigration will likely impact the economy throughout the year—as fewer workers are available in certain occupations and regions, perhaps pushing wages upwards due to less supply of cheap labor. In June it was reported that the Trump administration was considering exempting farms, hotels, and restaurants from immigration crackdowns. As certain businesses face pressure, we would not be surprised to see the executive branch ease immigration enforcement in some targeted ways.

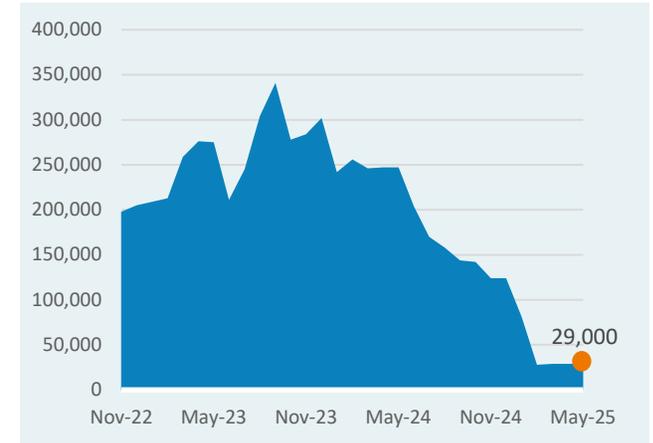
**U.S. UNEMPLOYMENT**



**U.S. JOB CUT ANNOUNCEMENTS**



**U.S. BORDER ENCOUNTERS (MONTHLY)**



# The consumer

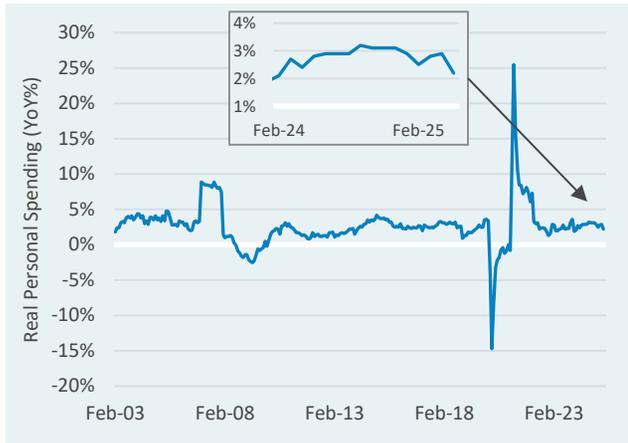
Inflation-adjusted personal spending growth was 2.2% year-over-year in May, materially weaker than the latter-half of 2024 (above 3%) but still at a level that implies a moderate U.S. economic growth rate. Spending has been somewhat volatile month-to-month and there is much uncertainty around the degree to which households are pulling back on purchases.

So far, data suggests a low chance of near-term recession. Consumer spending growth has been positive and, given the recent upturn in consumer sentiment, it would be surprising to see a sharp slowdown many months after the initial shock to confidence amidst tariff fears. Here we show automobile

and overall retail sales as possible barometers of discretionary spending. Auto sales saw large gains in spring but have since fallen back towards early 2025 levels, while retail sales overall have been steady.

The average household savings rate was relatively stable at 4.5% during the quarter, after rising notably through the first quarter. As always, it is difficult to pin down specific reasons for higher household savings. Elevated savings could be a product of more conservative spending habits if households are more concerned about the future, it could be a natural result of lower U.S. inflation as price rises slow and more income is left over to save, or it could be due to other factors.

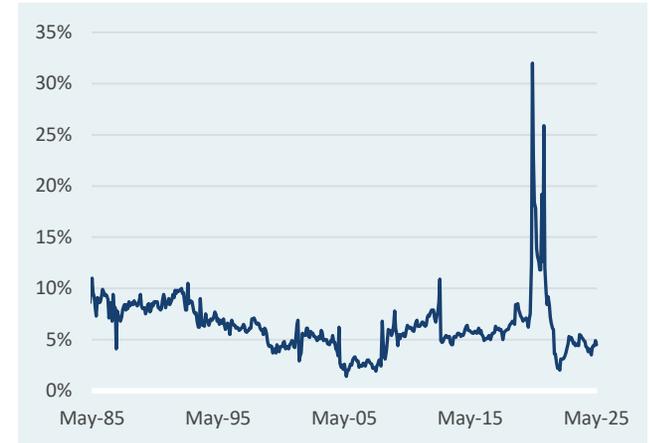
**REAL PERSONAL SPENDING**



**AUTO & RETAIL SALES**



**PERSONAL SAVINGS RATE**



# Sentiment

Very poor consumer sentiment has been a key story of 2025, as households became concerned about potentially rising inflation, a slowing economy, and worse job prospects as consequences of tariffs and shifting U.S. trade policy. However, sentiment has seen improvement according to popular sentiment surveys. It appears that some fears are easing as the economy and job market remain strong, though households are more pessimistic than prior to the shift in U.S. trade policy.

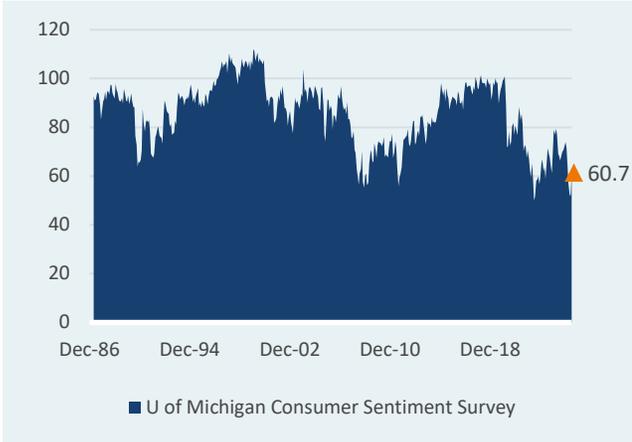
The University of Michigan survey improved in June, due to some easing of fears and acknowledgment that economic conditions remain surprisingly resilient. One-year inflation expectations dropped significantly, from 6.6% in May to 5.0% as Americans see that tariffs are not leading to broad price rises.

The Conference Board Consumer Confidence Index improved after April, but in June saw some deterioration. The Future Expectations portion of the index, which reflects the shorter-term outlook for income, business, and labor market conditions, is at a low level that historically has suggested a recessionary outlook.

Small business sentiment moved slightly higher in Q2, from 97.4 to 98. Conditions are mildly better than the 50-year average level, with more business owners expecting better business conditions in the future. The greatest concern is labor quality with many employers struggling to find qualified workers.

Sentiment was mixed but is better than April levels, as households see that trade policies have not led to recession or materially higher inflation

**CONSUMER SENTIMENT (UNIV. OF MICHIGAN)**



Source: University of Michigan, as of 6/30/25

**CONSUMER CONFIDENCE (CONFERENCE BOARD)**



Source: Conference Board, as of 6/30/25

**NFIB SMALL BUSINESS SENTIMENT**



Source: NFIB, as of 5/31/25

# Housing

Home prices in the United States rose 1% over the past year nationwide, according to Redfin, although price gains may be set to slow as new construction rises along with overall inventory, and homes are sitting on the market longer.

U.S. residential housing construction activity increased, now closer to long-term average levels. However, sales of those homes have lagged, resulting in historically high inventory levels *relative to sales*. It seems reasonable to assume that extreme unaffordability is contributing to sluggish new home sales. The 30-year average fixed mortgage rate sat at 6.8% to end Q2, only a bit lower than the recent high of 7.8%, which was

the highest mortgage rate since year 2000. The price of an average home has increased approximately 200% since the year 2000, according to the S&P CoreLogic Case-Shiller Index, while average household weekly wages have gone up only 100%.

National average rent costs are down -1% year-over-year according to Redfin. “Apartment construction in America has been hovering near a 50-year high, and even though renter demand is strong, it’s not keeping pace with supply,” said Redfin Senior Economist Sheharyar Bokhari. Oversupply is becoming a problem as new apartment building vacancies sit near record levels.

**30-YEAR MORTGAGE RATE (%)**



Source: Freddie Mac, as of 6/30/25

**EXISTING HOME SALES**



Source: National Association of Realtors, as of 5/31/25

**DAYS OF NEW HOUSING INVENTORY**



Source: FRED, as of 4/30/25 – days of inventory relative to daily sales

# International economics summary

- Economic growth for developed economies during 2025 is expected to be weak, ranging from 0.2% real GDP growth in Germany, to 0.8% in Japan, 1.0% in the Eurozone, and 1.5% in the U.S. These estimates moved lower alongside trade conflicts and barriers that will crimp economic activity.
- The ECB cut rates in June by 25bps, likely raising tensions between President Trump and Fed Chair Powell regarding U.S. rate policy. President Trump has been placing pressure on Powell very publicly, as he sees lower interest rates as stimulative to the economy and an approach to mitigate high national debt service costs.
- Escalating tensions between Iran and Israel led to fears of broader conflict. A ceasefire between the two nations was achieved after the U.S. executed a direct attack on Iranian nuclear facilities which was followed by a muted military response. This ceasefire agreement has held, although uncertainty remains high as

Iran's leadership ramped up anti-U.S. rhetoric in late-June.

- Following the German election win by the conservative Christian Democratic Union and its alliance the Christian Social Union, Friedrich Merz was elected Chancellor and a grand coalition with the Social Democratic Party was formed. The coalition's main priorities include economic growth, border security, a more pragmatic approach to energy, and further European integration.
- On May 8th, the BOE decided to cut interest rates by 25bps to 4.25%. This marked the fourth rate cut of 25bps since August, when the policy rate was 5.25%. The BOE cited cooling inflation, slowing growth, and a weaker job market as contributing factors.
- As the U.S. administration appears to be focusing maximum pressure on China regarding trade and business practices, the intense market volatility experienced in early April could be setting the stage for the rest of 2025.

	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	2.0% <i>6/30/2025</i>	2.7% <i>6/30/2025</i>	4.1% <i>6/30/2025</i>
Eurozone	1.4% <i>6/30/2025</i>	2.0% <i>6/30/2025</i>	6.2% <i>6/30/2025</i>
Japan	1.7% <i>3/31/2025</i>	3.3% <i>6/30/2025</i>	2.6% <i>5/31/2025</i>
Canada	1.2% <i>5/31/2025</i>	1.9% <i>6/30/2025</i>	6.9% <i>6/30/2025</i>
BRICS Nations	5.1% <i>3/31/2025</i>	1.6% <i>6/30/2025</i>	4.9% <i>6/30/2025</i>
Brazil	2.9% <i>3/31/2025</i>	5.4% <i>6/30/2025</i>	5.8% <i>6/30/2025</i>
Russia	1.4% <i>3/31/2025</i>	9.4% <i>6/30/2025</i>	2.2% <i>6/30/2025</i>
India	7.4% <i>3/31/2025</i>	2.1% <i>6/30/2025</i>	8.5% <i>12/31/2017</i>
China	5.2% <i>6/30/2025</i>	0.1% <i>6/30/2025</i>	5.0% <i>6/30/2025</i>

*NOTE: India lacks reliable government unemployment data. Unemployment rate shown above is estimated from the Centre for Monitoring Indian Economy. The Chinese unemployment rate represents the monthly surveyed urban unemployment rate in China.*

# International economics

The Eurozone grew 1.5% YoY in Q1. Full year growth is expected at only 0.9%, according to the ECB which cited trade policy uncertainty. On July 4<sup>th</sup>, the central bank cut rates to 2.0% as inflation continued to moderate, though a prolonged trade war could further weaken the economy and reignite some inflation pressure.

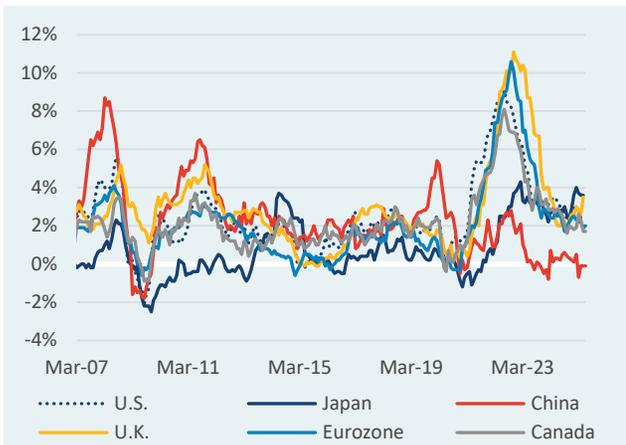
The U.S. expanded the initial February tariff rates on “Liberation Day”, including a 10% baseline and 54% on China, 20% on the EU, and 25% on Canada and Mexico. The U.S. cited business operation onshoring, national defense, improving the trade deficit / foreign terms of trade, and immigration and drug control as goals of tariff policy. No permanent trade deals were secured by mid-July, with partners making concessions but also claiming that they would seek to diversify trade away from the U.S. The trade war with China

escalated after “Liberation Day”, with tariff rates reaching 145% on Chinese goods and 125% on U.S. goods. A 90-day deal in June reduced tariffs to 30% on Chinese goods and 10% on U.S. goods and included a Chinese commitment to continue exports of rare earth minerals, alleviating the recent halt in exports.

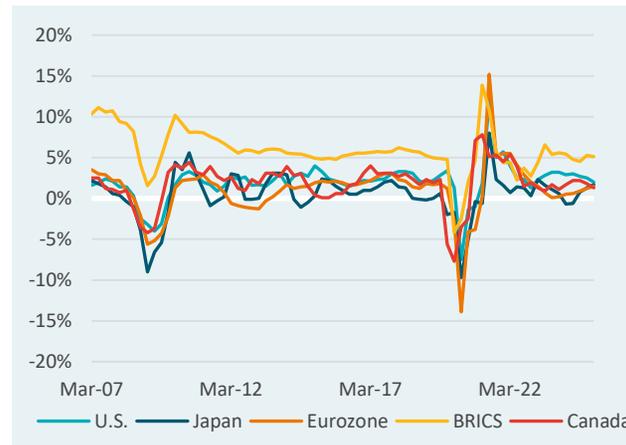
Canada, Mexico, and the EU initially imposed counter-tariffs but suspended them after a 90-day pause was announced in May and later extended through August 1, bringing most countries to the baseline tariff rate of 10%. We believe it is likely that 10% baseline tariffs will stay in place long-term.

In May, the U.S. and U.K. announced a non-binding Economic Prosperity Deal, maintaining the 10% U.K. tariff while reducing rates on select sectors. The U.K.’s relatively low tariff rate may reflect its strategic alignment with the U.S.

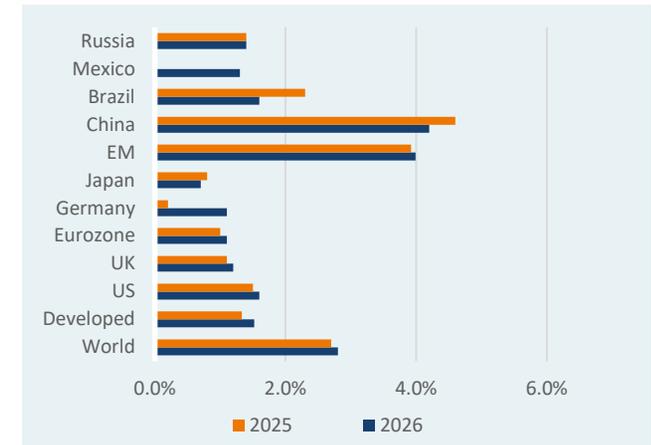
**INFLATION (CPI YEAR-OVER-YEAR)**



**REAL GDP GROWTH (YEAR-OVER-YEAR)**



**GDP GROWTH EXPECTATIONS**



# Fixed income rates & credit

# Fixed income environment

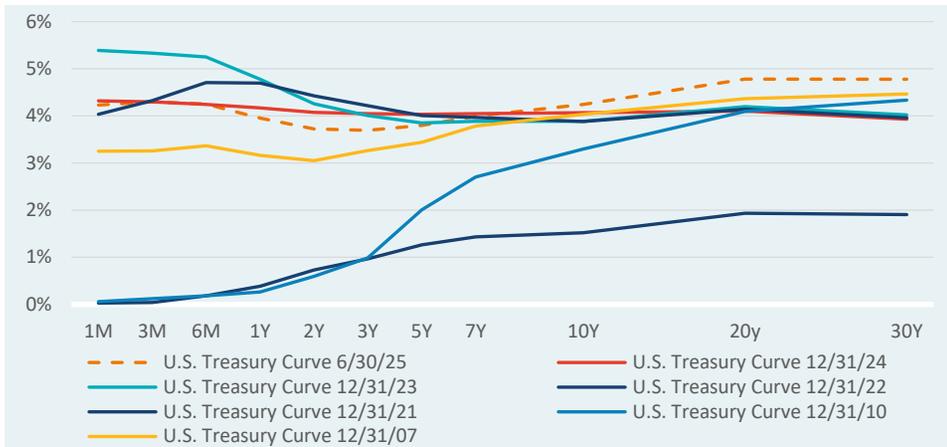
- The 10-year U.S. Treasury yield was unchanged at 4.23% during the quarter, although yields moved in a very wide range from slightly below 4.0% following trade “Liberation Day” to 4.6% after Moody’s downgraded the U.S. credit rating and fears circulated of a debt crisis. With notable upside and also downside risks to yields, investors may be justified in avoiding large bond duration bets.
- The Federal Reserve kept rates steady again in June at a target range of 4.25%-4.50%, expressing concerns about possible inflationary impacts of tariffs. Chair Jerome Powell at the meeting said that policymakers are “well positioned to wait” and that there were few signs of economic weakening. President Trump continued to place pressure on Jerome Powell to cut rates.
- The U.S. yield curve has returned to an upward sloping shape—the steepest since early 2022 when the Federal Reserve began quickly hiking interest rates. The 10-year U.S. Treasury yield was 0.6% higher than the 2-year yield as of June 30<sup>th</sup>.
- Longer duration credit lagged shorter duration. The yield curve experienced some steepening due primarily to a selloff in the longer end of the curve during April. Long duration corporate bonds lost -1.9% while Bank loans added +2.3% and high yield returned +3.5%.
- Credit spreads widened due to risk off movements, and lower quality spreads experienced the largest shifts. High yield bond spreads tightened by 56bps to 2.96%, while investment grade spreads fell to 0.88%. Leveraged loan spreads likewise tightened 25 basis points to 4.47%. Despite recent widening events, BB- and B- rated credit spreads remain below long-term historical averages while CCC-rated credit remains closer to the long-term average.

	QTD Total Return	1 Year Total Return
Core Fixed Income (Bloomberg U.S. Aggregate)	1.2%	6.7%
Core Plus Fixed Income (Bloomberg U.S. Universal)	1.4%	7.1%
U.S. Treasuries (Bloomberg U.S. Treasury)	0.8%	5.9%
U.S. Treasuries: Long (Bloomberg U.S. Treasury 20+)	-1.9%	2.1%
U.S. High Yield (Bloomberg U.S. Corporate HY)	3.5%	10.4%
Bank Loans (S&P/LSTA Leveraged Loan)	2.3%	7.3%
Emerging Market Debt Local (JPM GBI-EM Global Diversified)	7.6%	14.0%
Emerging Market Debt Hard (JPM EMBI Global Diversified)	3.3%	10.7%
Mortgage-Backed Securities (Bloomberg MBS)	1.1%	7.2%

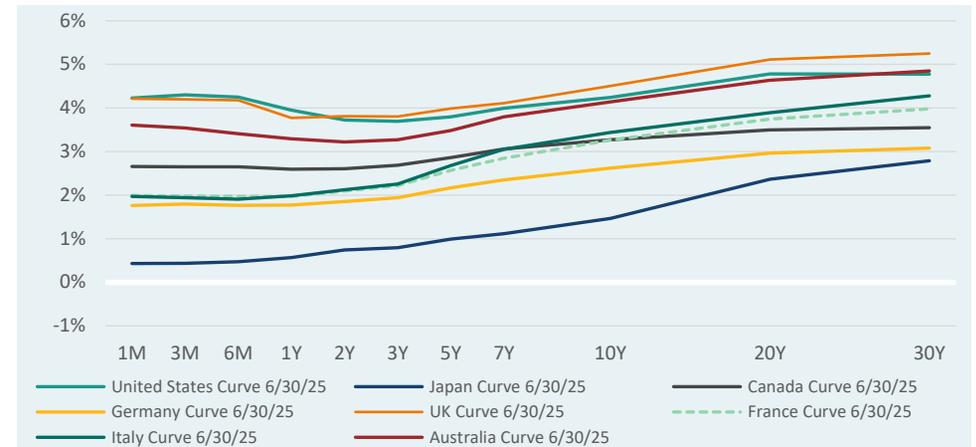
Source: Standard & Poor’s, J.P. Morgan, Bloomberg, as of 6/30/25

# Yield environment

## U.S. YIELD CURVE



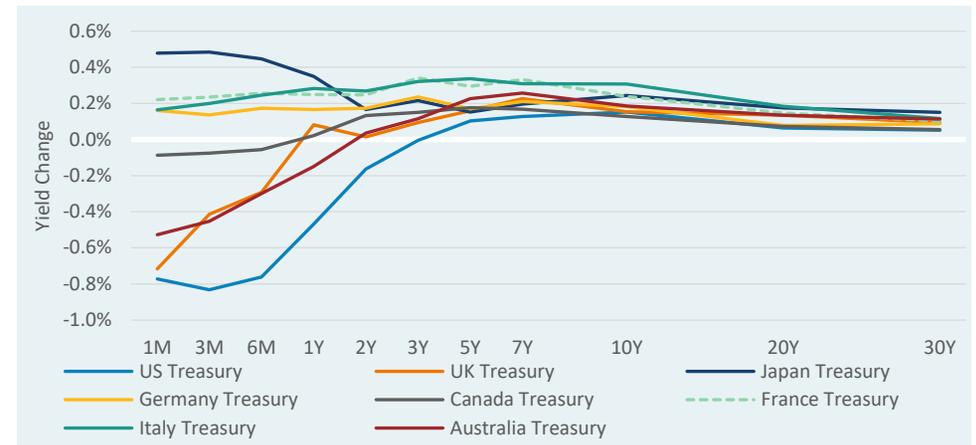
## GLOBAL GOVERNMENT YIELD CURVES



## YIELD CURVE CHANGES OVER LAST FIVE YEARS



## IMPLIED CHANGES OVER NEXT YEAR



Source: Bloomberg, as of 6/30/25

# Credit environment

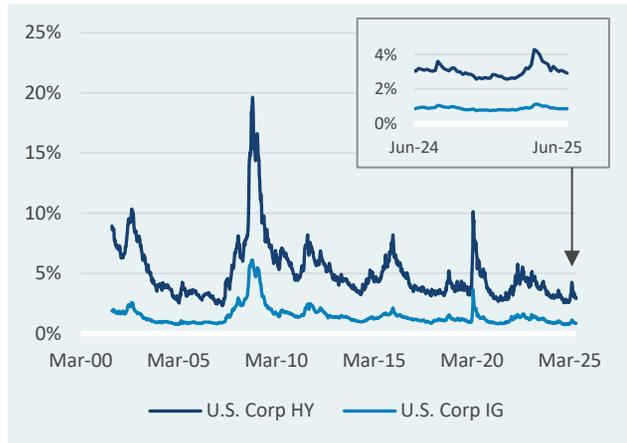
During Q2, longer duration credit noticeably lagged shorter duration credit. The yield curve experienced a bearish steepening event in April due primarily to a selloff in the longer end of the curve (a move higher in yields). Shorter duration credit assets such as bank loans and high yield delivered +2.3% and +3.5% returns respectively, while long duration, higher quality credit lost -1.9%.

Returns within the high yield bond market were positive, with lower quality credits initially lagging BB- and B- rated bonds but outperforming during the months of May and June. Bonds rated CCC, including distressed, returned +4.4% on the quarter, compared to +3.6% and +3.7% for BB- and B- rated bonds, respectively. Lower quality bank loans saw less of a loss during April, subsequently resulting in less return during the rally that followed. CCC-

rated loans returned +2% while B- and BB- rated loans returned +2.6% and +2.3%, respectively.

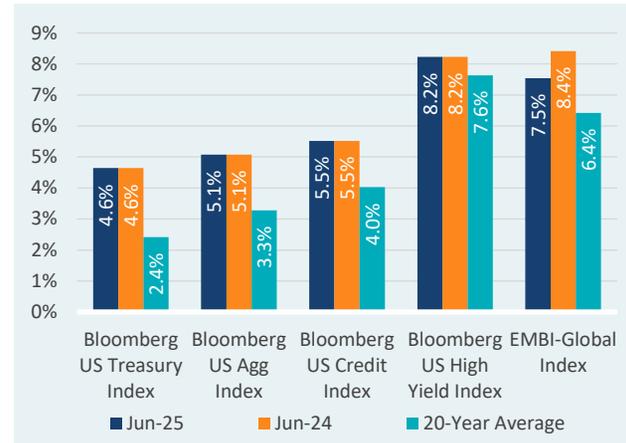
Credit spreads widened in April following “Liberation Day” but quickly rebounded as initial tariffs were delayed and the consumer outlook improved. Despite widening by nearly 1% in April, high yield bond spreads ended the quarter tighter by 56bps at 2.96%. Investment grade spreads similarly tightened, ending the quarter at 0.88%. Bank loan spreads widened less in April but still tightened in May and June, ending the quarter 25bps lower at 4.47%. After the recovery from April’s selloff, credit spreads remain well below long-term historical averages. This continues to reflect an apparent confidence in corporate debt, though the total impact of tariffs on U.S. businesses is not yet known.

## SPREADS



Source: Barclays, Bloomberg, as of 6/30/25

## YIELD TO MATURITY



Source: Morningstar, as of 6/30/25

## CREDIT SPREAD (OAS)

Market	6/30/2025	6/30/2024
Long U.S. Corp	1.0%	1.2%
U.S. Inv Grade Corp	0.8%	0.9%
U.S. High Yield	2.9%	3.1%
U.S. Bank Loans*	4.4%	4.8%

Source: Barclays, Credit Suisse, Bloomberg, as of 6/30/25

\*Discount margin (4-year life)

# Default & issuance

Default activity trended lower during Q2, with no defaults occurring in June (only the third month of no defaults since 2022). During the full quarter, nine companies defaulted, totaling more than \$2.5 billion in bonds and \$3.9 billion in loans. While higher than Q1 default levels, this activity was half of the average default volume of the prior two years.

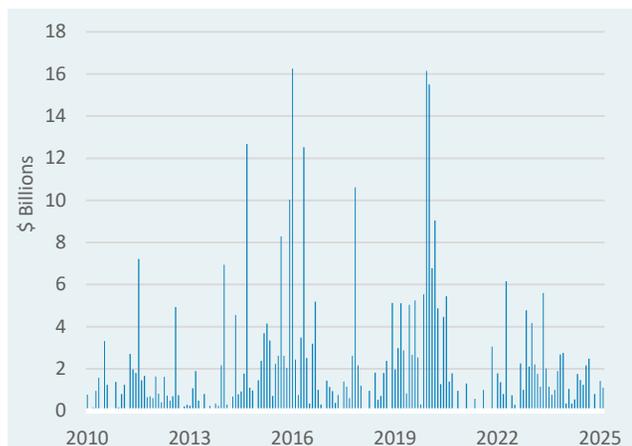
Loans continued to surpass bonds in both default and distressed activity. Distressed exchanges totaled \$2.8 billion in bonds and \$7.7 billion in loans. While this was higher than the recent average, distressed credit volumes have fallen since the nearly \$20 billion that occurred in Q4 of 2024.

High yield bond default rates rose 21bps to 1.4%, well below the long-term annual average of over 3.0%. Loan default rates, by comparison, dropped

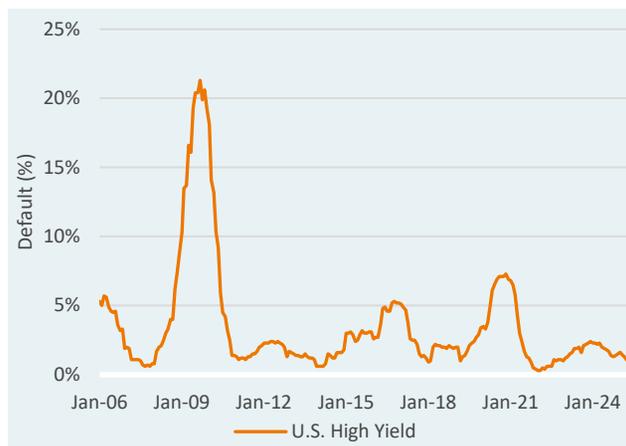
slightly to 3.8%. While the default gap between bonds and loans shrank, the gap remains close to the post-2000 high of 3% experienced in 2024.

Quarterly issuance volume of high yield bonds was slightly higher, totaling \$77 billion, though still down -12% year-over-year. Notably, the majority of this issuance occurred in June, the highest single month of issuance (\$37 billion) since September 2021. Bank loans issuance slowed to \$103 billion. This figure contrasts with the prior two quarters, which saw the second highest (\$337 billion) and highest (\$505 billion) levels of bank loan issuance on record. That might be attributed to, among other factors, the stalling of deal activity during the month of April following “Liberation Day”, as reflected in April issuance of \$6.2 billion, which marked a 30-month low.

**U.S. HIGH YIELD MONTHLY DEFAULTS**



**U.S. HIGH YIELD DEFAULTS (LAST 12 MONTHS)**



**USD ISSUANCE (\$ BILLIONS)**



# Equity

# Equity environment

— Regional equity markets delivered nearly identical returns during Q2. Year-to-date the U.S. market has lagged by a wide margin, although most of this was caused by foreign currency movements (a substantial fall in U.S. dollar value recently created a performance tailwind for U.S. investors with unhedged foreign currency exposure).

— Following the rebound from April’s selloff, U.S. equity forward P/E multiples climbed back to very high levels. This recovery to new index highs surprised many investors who point to weaker earnings forecasts, slower economic growth, and a variety of new risks on the horizon.

— Value stocks trailed growth significantly during Q2 (Russell 1000 Value +3.8% vs. Russell 1000 Growth +17.8%). Index concentration in mega-cap growth stocks seems to be contributing to style factor volatility lately. The extreme drawdown of the

“Magnificent 7” stocks during 2022 led to the best value stock performance in decades, and then after those seven stocks rebounded led to exceptionally poor value stock performance.

— While Chinese equities rallied strongly during Q1, leading the overall index, this market stalled in Q2, and other regional markets roared back to life (MSCI China +2.1% vs. MSCI EM ex-China +16.5%). Chinese equities remain a laggard over the medium term.

— Market-priced volatility spiked to extreme levels on trade “Liberation Day” as fears of a trade slowdown and global recession circulated. In some places, bilateral de-escalation of tariffs and punitive trade proposals has eased volatility. In other places, the U.S. reached new trade agreements with its partners. This progress has helped bring market volatility back closer to the longer-term average.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
U.S. Large Cap (S&P 500)	10.9%		14.9%	
U.S. Small Cap (Russell 2000)	8.5%		8.6%	
U.S. Equity (Russell 3000)	11.0%		15.1%	
U.S. Large Value (Russell 1000 Value)	3.8%		14.4%	
U.S. Large Growth (Russell 1000 Growth)	17.8%		16.1%	
Global Equity (MSCI ACWI)	11.5%	9.5%	15.9%	13.9%
International Large (MSCI EAFE)	11.8%	5.3%	17.5%	10.1%
Eurozone (EURO STOXX 50)	11.6%	3.1%	20.5%	12.0%
U.K. (FTSE 100)	9.5%	3.2%	20.5%	11.3%
Japan (TOPIX)	11.1%	8.7%	10.8%	8.0%
Canada (S&P/TSX)	13.3%	8.0%	25.4%	26.7%
Emerging Markets (MSCI Emerging Markets)	12.0%	8.0%	15.1%	12.8%

Source: Standard & Poor’s, FTSE, MSCI, STOXX, JPX, as of 6/30/25 – performance quoted from perspective of U.S. dollar investor

# Domestic equity

U.S. equities rallied back strongly in Q2 (S&P 500 +10.9%) despite some weakening of economic conditions and ongoing inflation fears. This brought the domestic market to +6.2% year-to-date, which at first glance implies that the U.S. market has been one of the worst performers among global markets. However, most of the outperformance of international equity markets recently has been due to foreign currency movements rather than strong underlying equity market gains (most U.S. investors do not hedge foreign currency risk which exposes those investors to currency swings).

Year-over-year Q2 earnings growth of the S&P 500 is expected to be +5.6%, according to FactSet as of July 18<sup>th</sup>. This would

mark the weakest earnings growth since Q4 2023. However, given that most corporations end up beating earnings expectations, based on past trends reported earnings could ultimately top a +9% growth figure. For full year 2025, earnings growth is expected to rise to a +9.3% growth rate.

As domestic stocks have become more expensive, and as more of the index is composed of growth stocks with lower dividend payouts, the dividend yield of the S&P 500 reached an incredibly low 1.3% in Q2—the lowest level in market history other than what was seen during the late-1990s dot-com bubble. Investors will be far more dependent on earnings growth in the future, given a lack of dividend yield.

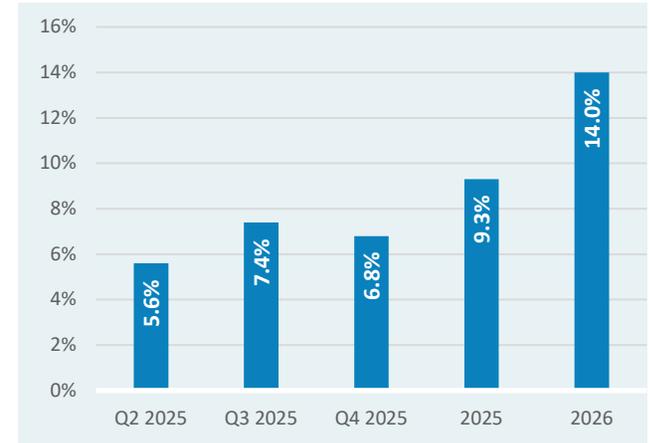
**S&P 500 PRICE INDEX**



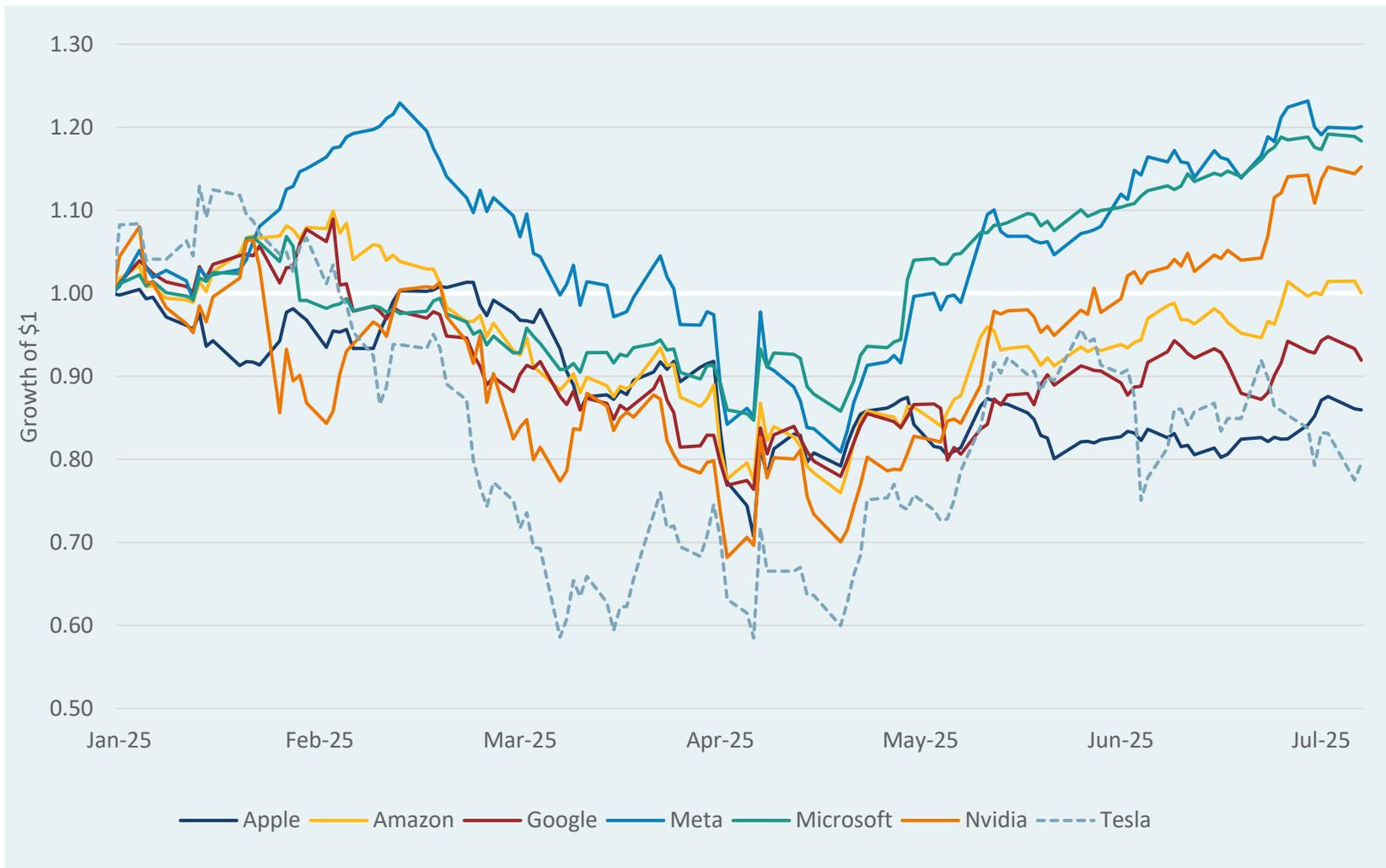
**S&P 500 DIVIDEND YIELD**



**S&P 500 EARNINGS FORECASTS (YOY)**



# Magnificent 7



# Domestic equity size & style

Small cap equities underperformed large caps during Q2 (FTSE Russell 2000 +8.5% vs. FTSE Russell 1000 +11.1%) and also year-to-date (-1.8% vs. +6.1%), continuing a long string of underperformance. Value stocks underperformed growth by a large margin during Q2 (Russell 1000 Value +3.8% vs. Russell 1000 Growth +17.8%) but were on par year-to-date (+6.0% vs 6.1%) as growth sectors saw bigger losses following “Liberation Day” but have since rebounded.

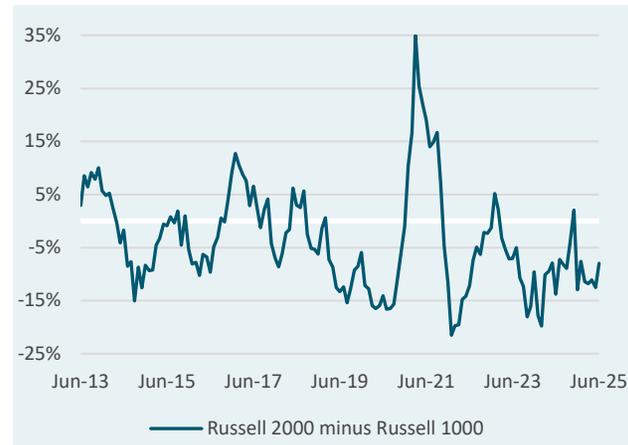
Very high index concentration in mega-cap growth stocks has contributed to style factor volatility lately. For example, as

shown in the chart below, the extreme drawdown of the “Magnificent 7” stocks during 2022 led to the best value stock performance in decades, and then once those seven stocks rebounded led to exceptionally poor value stock performance. We suspect that index concentration and sector effects are creating an even more difficult environment for investors to successfully make shorter-term factor tilts. We continue to believe that factor investing should be accomplished through longer-term strategic positioning, unless an unusually attractive tactical opportunity presents itself (and that these opportunities arise perhaps only once every decade or so).

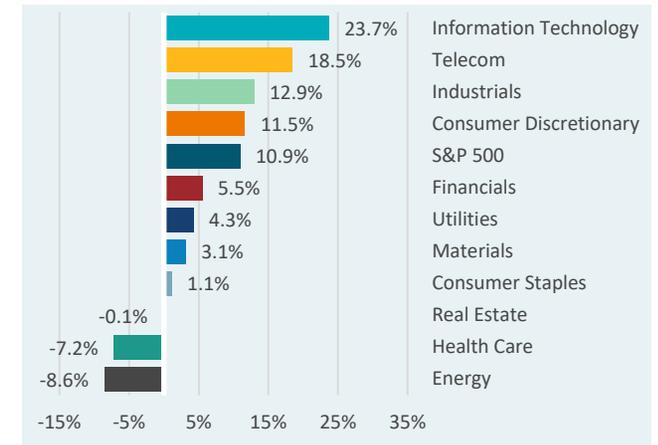
**VALUE VS. GROWTH 1-YR ROLLING RELATIVE PERFORMANCE**



**SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE**



**Q2 PERFORMANCE**



# A difficult decade for small caps

## Small caps have consistently underperformed large caps for an extended period

Domestic small cap stocks have consistently underperformed large cap stocks for an extended period of time. Over the past decade, an investment in small caps would have ended in -45% less wealth than an investment in large caps<sup>1</sup>. During that time, small caps underperformed in 2015, 2017, 2018, 2019, 2021, 2022, 2023, 2024, and 2025 year-to-date as of June 30<sup>th</sup>. Given weak earnings growth, aging businesses, and a rising portion of index companies that are unprofitable, many investors are questioning the case for a dedicated U.S. small cap allocation. However, we believe skilled active management has and may continue to assist investors in achieving alpha and mitigating some of these benchmark issues.



<sup>1</sup>U.S. Large Cap defined as S&P 500, U.S. Small Cap defined as FTSE Russell 2000. While these indexes are not perfect academic representations of small cap vs. large cap performance, they are the most common indexes that investors use across the two asset classes.

Source: Verus, Standard & Poor's, FTSE Russell, as of 6/30/25

# International developed equity

Broad regional equity markets delivered very positive, and nearly identical, results during Q2 as many of the worst trade war fears failed to materialize. International developed shares (MSCI EAFE +11.8%) and emerging market equities (MSCI EM +12.0%) both outperformed domestic stocks (S&P 500 +10.9%).

Non-U.S. markets have substantially outperformed domestic stocks year-to-date, although most of this outperformance was caused by foreign currency movements (because few U.S. investors hedge currency risk, this showed as an extreme impact on performance). So far in 2025, corporate earnings forecasts have been revised lower in the U.S., perhaps reflecting a marginally more bearish earnings outlook as trade frictions unfold.

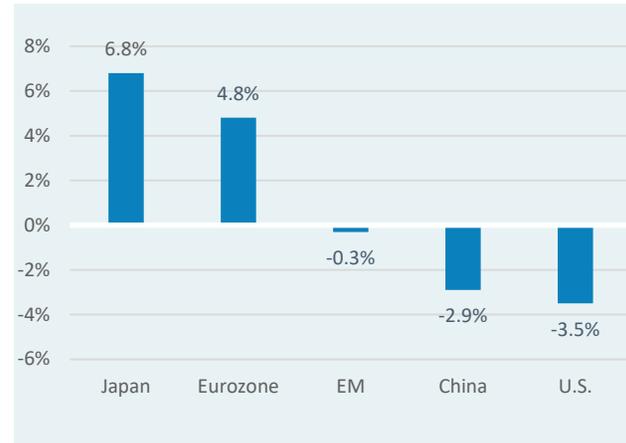
At the onset of the trade war earlier in the year, it may have been reasonable to assume that trading partners with the most to lose from a conflict with the United States would have seen notably poor equity market performance in recent months. So far, this has not been the case, as many countries and regions that have gone tit-for-tat with the U.S. regarding terms of trade have fared well in market performance year-to-date, significantly outperforming the U.S. market. We suspect that as investors learn more about how the trade war has impacted these economies so far, and what trade agreements are likely to be for the longer-term, more performance differentiation will be seen across markets.

## INTERNATIONAL DEVELOPED EQUITY



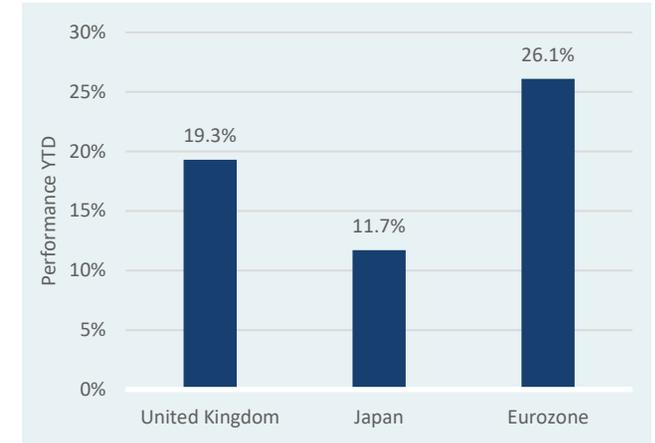
Source: MSCI, as of 6/30/25

## YTD REVISIONS TO 2025 EARNINGS FORECASTS



Source: J.P. Morgan, FactSet - all indexes are MSCI other than the U.S. market which is represented by the S&P 500, as of 5/31/25

## REGIONAL RETURNS (YEAR-TO-DATE)



Source: MSCI Indices, as of 6/30/25

# Emerging market equity

Emerging market equities delivered strong results in Q2 (MSCI EM +12.0%) as markets bounced back from April's selloff and U.S. dollar depreciation boosted the returns of domestic investors with unhedged currency exposure.

Regional markets have arguably shown much less sensitivity to tariffs imposed by the U.S. administration than investors had expected. For example, Mexican equities are up 30.9% year-to-date in U.S. dollar terms despite aggressive trade penalties imposed by the United States. Taiwan and South Korea were two of the top performing markets in Q2, despite receiving some of the highest tariff rates among

other U.S. trading partners. Once more is known around the magnitude of trade policy impact on these economies, this could lead to more market performance differentiation.

Chinese equities lagged other regions during Q2 (MSCI China +2.1% vs. MSCI EM ex-China +16.5%), marking a change in pace from the recent China comeback story. MSCI China has underperformed other emerging markets by -31% over the past ten years.

**EMERGING MARKET EQUITY**



**MSCI EM 2025 Q2 COUNTRY RETURNS (USD)**



**CHINA STILL LAGGING**



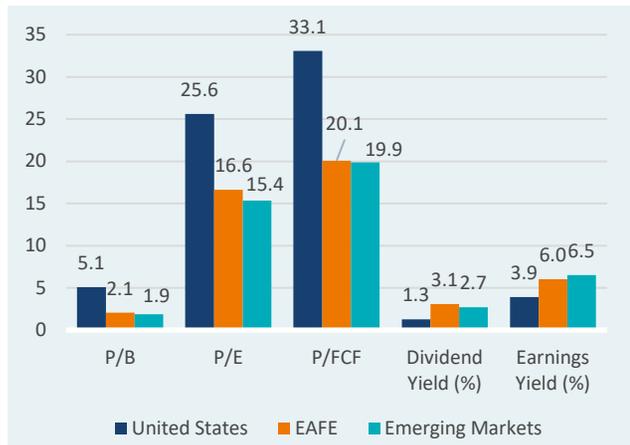
# Equity valuations

Following a very strong rebound from the April “Liberation Day” selloff, U.S. equity forward P/E multiples have climbed back to levels near the upper end of the historical range. This full recovery to new all-time-highs has surprised many investors who point to weaker corporate earnings forecasts, slower economic growth, and a variety of new risks on the horizon (tariff-induced inflation and other trade frictions, for example) as reasons that could justify more moderate domestic valuations. However, ongoing earnings momentum—specifically, stellar earnings growth from the Magnificent 7—may allow for a continued march higher despite valuation concerns.

Some in the investor community over recent months have been concerned about a possible ‘buyer’s strike’ on U.S. assets (an intentional divestment from U.S. assets by foreign institutions in protest of the trade war). Three months have passed since “Liberation Day” and there is little evidence of this occurring.

As the U.S. market has become more concentrated in megacap high-growth businesses such as Nvidia, and more exposed to higher growth industry sectors, this has pushed up total index profitability and total index growth forecasts. Overall, U.S. large cap indexes have changed materially in characteristics and behavior, which creates challenges in comparing current valuations to those of the past.

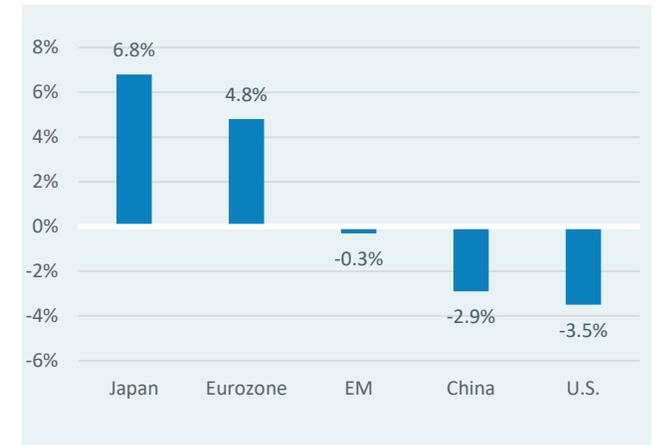
MSCI VALUATION METRICS (3-MONTH AVG)



FORWARD P/E



YTD ADJUSTMENT IN EARNINGS FORECASTS

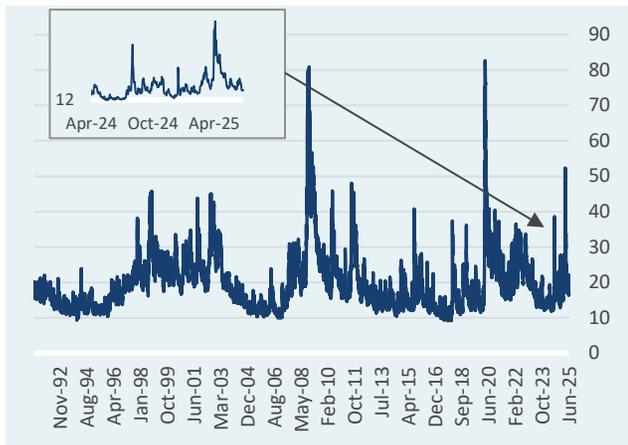


# Market volatility

Market-priced volatility (Cboe VIX Index) spiked above 50 to extreme levels in early April as trade “Liberation Day” shocked markets and led to fears of a trade slowdown and global recession. In some places, bilateral de-escalation of tariffs and punitive trade rules has eased market volatility. In other places, the United States has reached new trade agreements with trading partners. This progress, along with growing evidence that many of the feared *worst-case scenarios* around tariffs (ex: sharp slowdown in consumer spending, spiking inflation, weakening job market) have not come to fruition, has helped bring market volatility back closer to the longer-term average.

Implied bond market volatility also jumped in the first week of April but has since fallen to the lower-end of the three-year trading range. The risks priced into bond markets are numerous. Fluctuations in foreign demand for U.S. dollars due to radical shifts in the trade policy of the Trump administration many continue to add to jumps in prices. Impacts of the “One Big Beautiful Bill Act” on the U.S. fiscal situation have generated uncertainty around the creditworthiness of the nation.

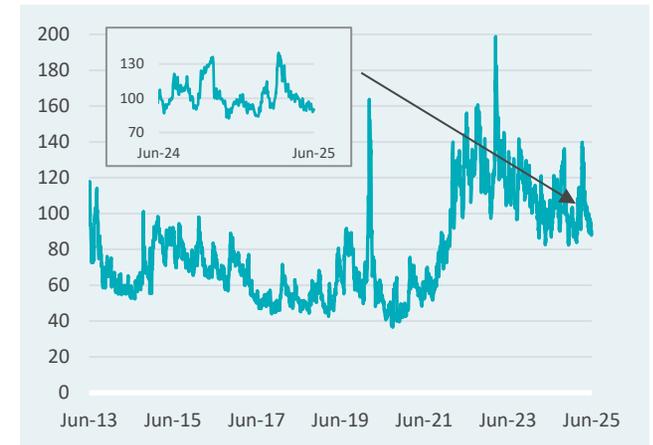
U.S. IMPLIED VOLATILITY (VIX)



REALIZED VOLATILITY



U.S. TREASURY IMPLIED VOL (“MOVE” INDEX)



# Long-term equity performance



Source: Standard & Poor's, FTSE, MSCI, Verus, as of 6/30/25

# Other assets

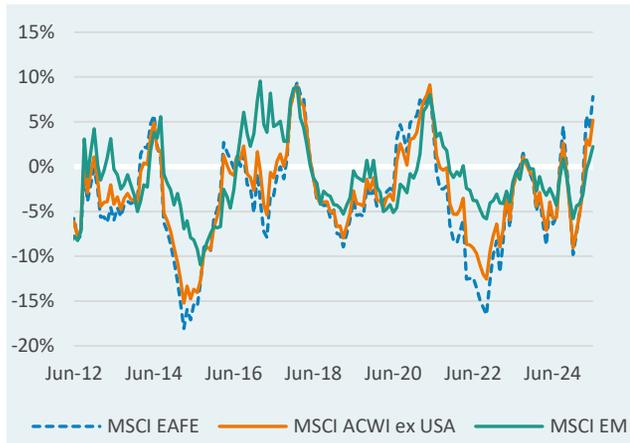
# Currency

The U.S. dollar fell materially again during Q2, down -11% since the beginning of the year according to the U.S. Dollar Index (DXY). These large swings in the dollar continue to have significant impacts on performance for U.S. investors who do not have a currency hedging program in place. Tariff and trade fears, downward adjustments to economic growth expectations, and possibly international fund flows have impacted the value of the dollar. These swings will also create some degree of inflation in the U.S., as many imported goods are beginning to rise in price.

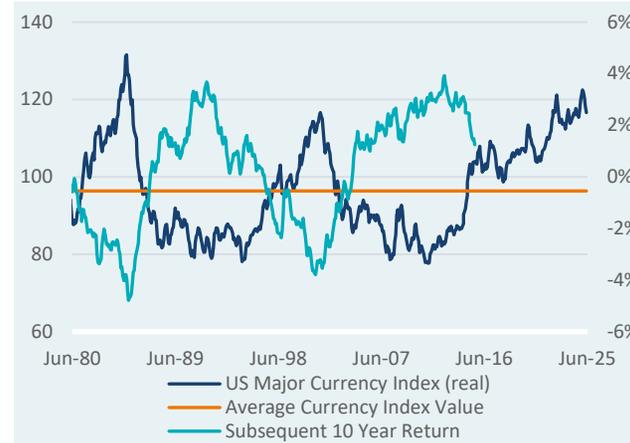
Dollar swings raised the portfolio returns of U.S. investors with unhedged foreign currency exposure—a gain of +11.6% from currency moves across international equities (MSCI EAFE) year-to-date.

A more thoughtful portfolio approach to currency exposure has provided lower portfolio volatility and higher long-term returns—a rare proposition. This approach involves reducing the uncompensated risk of unhedged foreign currency exposure, and instead of unhedged exposure, making a passive investment in the currency market by investing in currencies with higher interest rates, undervalued currencies, and currencies showing positive price momentum. This approach, represented by the MSCI Currency Factor Mix Index, has offered a positive one-year rolling return over most periods with far lower volatility than an unhedged approach, although the past year of currency volatility has resulted in an historically less common environment of Currency Factor Mix underperformance and embedded (unhedged) currency outperformance.

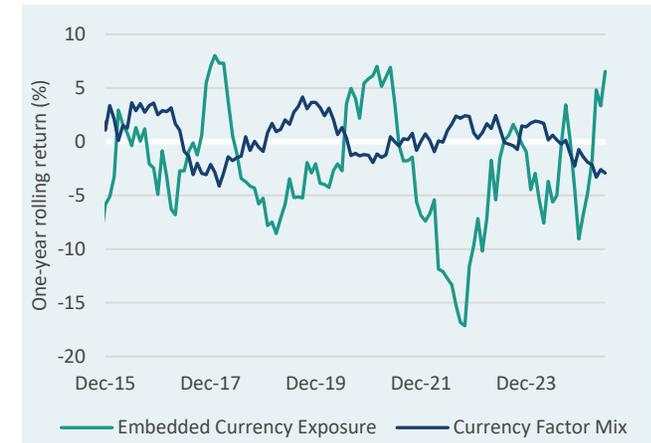
**EFFECT OF CURRENCY (1-YEAR ROLLING)**



**U.S. DOLLAR MAJOR CURRENCY INDEX**



**EMBEDDED CURRENCY VS CURRENCY FACTORS**



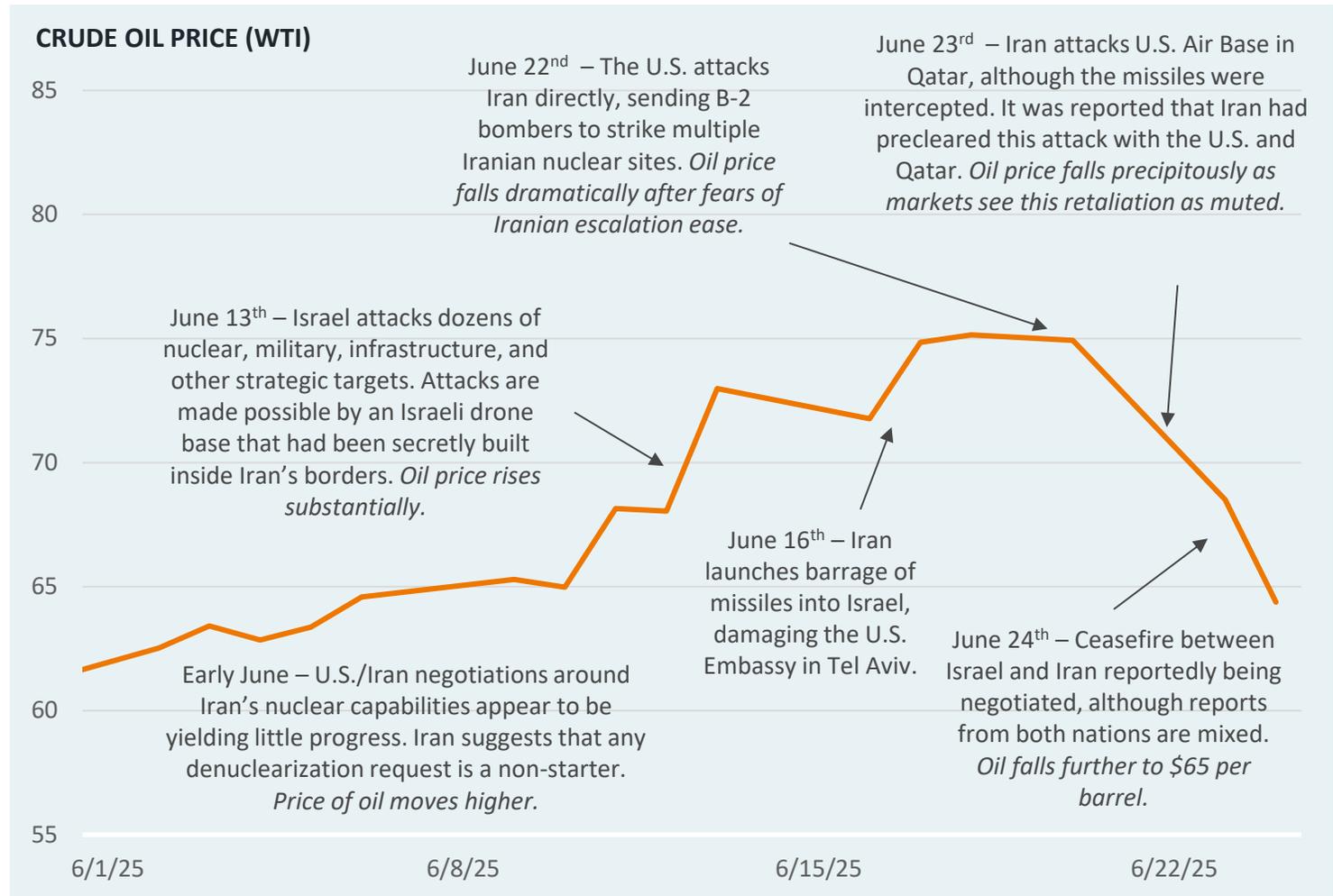
Source: MSCI, Verus, as of 6/30/25 “Embedded Currency Exposure” is the currency return impact from not hedging currency risk

# Middle East tensions & energy prices

## A wild ride for energy markets

Escalating tensions between Iran and Israel have led to fears of broader military conflict and a possible energy supply shock in the second quarter. Iran produces nearly 5% of the world's oil, and approximately 20% of global oil and gas is shipped through the Strait of Hormuz, which could be quickly blocked by Iran.

A ceasefire between the two nations has been achieved after the United States executed a direct attack on Iranian nuclear facilities which was followed by a muted response from Iran. This ceasefire agreement has held and appears likely to hold, which has sent oil prices tumbling. Uncertainty remains high, however. With energy as an important element of inflation baskets, this may have implications for inflation and interest rates in the medium term.



Source: Verus, Bloomberg – West Texas Intermediate (WTI) oil futures price

# Hedge funds – macro & event-driven

The gap between machine-driven, systematic macro trading strategies and human driven, discretionary macro funds widened significantly in the first half of 2025. Systematic strategies rely on identifying historical patterns in fundamental, technical, or economic market data to predict future price patterns. Given the rapidly evolving geopolitical dynamics and divergent economic implications, systematic strategies such as ‘trend following’ have been caught offside in multiple asset classes and were whipsawed recently.

Event driven strategies, such as those focused on mergers, activism, and other special situations investments, have seen greater upside participation in recent quarters. After a slump in corporate activity and M&A following the SPAC bubble bursting in '21-22, the number of deals announced or proposed in the first half of 2025 was the highest since 2021. Strong tailwinds for M&A should support greater upside across a variety of hedge fund strategies, including multi-strategy and ‘pod shop’ funds that make extensive use of both hard catalyst and merger arbitrage trading styles.

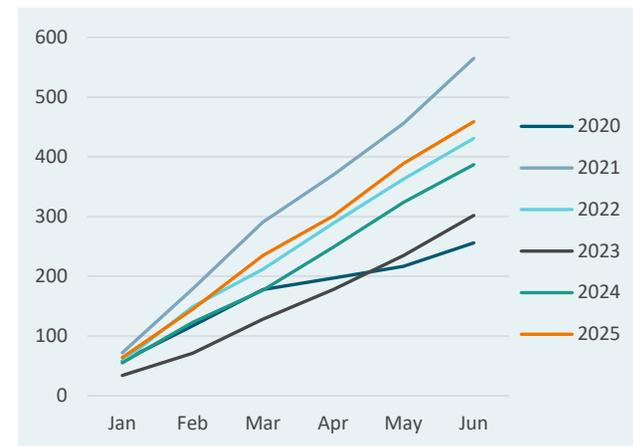
**3 YR ROLLING RETURNS OF HFRI MACRO**



**12M UP MARKET CAPTURE % VS S&P 500**



**ANNOUNCED STOCK OR CASH DEALS IN H1 2025**



# Appendix

# Periodic table of returns

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD	5-Year	10-Year
International Equity	34.5	32.6	39.8	5.2	79.0	29.1	14.3	18.6	43.3	13.5	13.3	31.7	37.3	6.7	36.4	38.5	28.3	16.1	42.7	33.4	19.4	18.1	17.0
Emerging Markets Equity	21.4	26.9	16.2	1.4	37.2	26.9	7.8	18.1	38.8	13.2	5.7	21.3	30.2	1.9	31.4	34.6	27.6	9.4	26.5	24.5	15.3	16.3	13.4
60/40 Global Portfolio	20.1	23.5	15.8	-6.5	34.5	24.5	2.6	17.9	34.5	13.0	0.9	17.3	25.0	0.0	28.5	21.0	27.1	1.5	18.7	15.2	9.0	13.9	9.2
Large Cap Equity	14.0	22.2	11.8	-21.4	32.5	19.2	1.5	17.5	33.5	11.8	0.6	12.1	22.2	-1.5	26.5	20.0	26.5	-4.7	18.2	14.4	6.1	12.7	7.1
Large Cap Growth	7.5	18.4	11.6	-25.9	28.4	16.8	0.4	16.4	33.1	6.0	0.0	11.8	21.7	-3.5	25.5	18.3	25.2	-7.5	16.9	11.5	6.1	12.5	7.1
Large Cap Value	7.1	16.6	10.9	-28.9	27.2	16.7	0.1	16.3	32.5	5.6	-0.4	11.3	17.1	-4.8	22.4	14.0	17.7	-13.0	15.4	9.9	6.0	11.2	6.7
Commodities	6.3	15.5	10.3	-33.8	23.3	16.1	-2.1	15.3	23.3	4.9	-0.8	11.2	14.6	-6.0	22.0	10.3	14.8	-14.5	14.6	9.5	5.5	10.0	6.5
US Bonds	5.3	15.1	7.0	-35.6	20.6	15.5	-2.9	14.6	12.1	4.2	-1.4	8.0	13.7	-8.3	18.6	7.8	11.3	-14.5	11.5	8.1	4.0	7.4	6.1
Hedge Funds of Funds	4.7	13.3	7.0	-36.8	19.7	13.1	-4.2	11.5	11.0	3.4	-2.5	7.1	7.8	-9.3	18.4	7.5	8.9	-17.3	9.8	7.5	3.0	7.4	5.4
Real Estate	4.6	10.4	5.8	-37.6	18.9	10.2	-5.5	10.5	9.0	2.8	-3.8	5.7	7.7	-11.0	8.7	4.6	6.5	-19.1	6.3	5.4	2.2	6.8	4.8
Cash	4.6	9.1	4.4	-38.4	11.5	8.2	-5.7	4.8	0.1	0.0	-4.4	2.6	7.0	-11.2	7.8	2.8	2.8	-20.1	5.5	5.3	2.1	6.2	3.8
Small Cap Growth	4.2	4.8	-0.2	-38.5	5.9	6.5	-11.7	4.2	-2.0	-1.8	-7.5	1.0	3.5	-12.9	7.7	0.5	0.0	-20.4	5.0	3.8	-0.5	3.3	2.0
Small Cap Equity	3.2	4.3	-1.6	-43.1	0.2	5.7	-13.3	0.1	-2.3	-4.5	-14.9	0.5	1.7	-13.8	6.4	0.5	-1.5	-26.4	-7.9	1.3	-1.8	2.7	1.9
Small Cap Value	2.4	2.1	-9.8	-53.2	-16.9	0.1	-18.2	-1.1	-9.5	-17.0	-24.7	0.3	0.9	-14.6	2.1	-3.1	-2.5	-29.1	-7.9	0.4	-3.2	-0.7	1.8

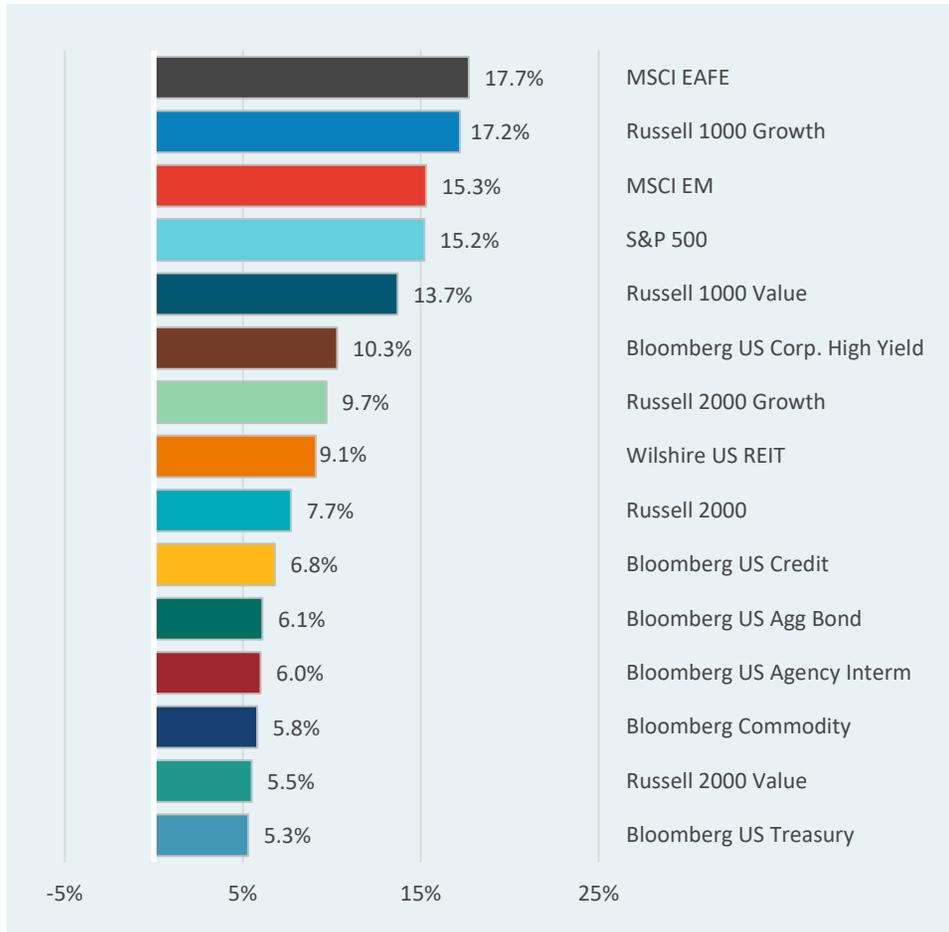
  

 Large Cap Equity	 Small Cap Growth	 Commodities
 Large Cap Value	 International Equity	 Real Estate
 Large Cap Growth	 Emerging Markets Equity	 Hedge Funds of Funds
 Small Cap Equity	 US Bonds	 60% MSCI ACWI/40% Bloomberg Global Bond
 Small Cap Value	 Cash	

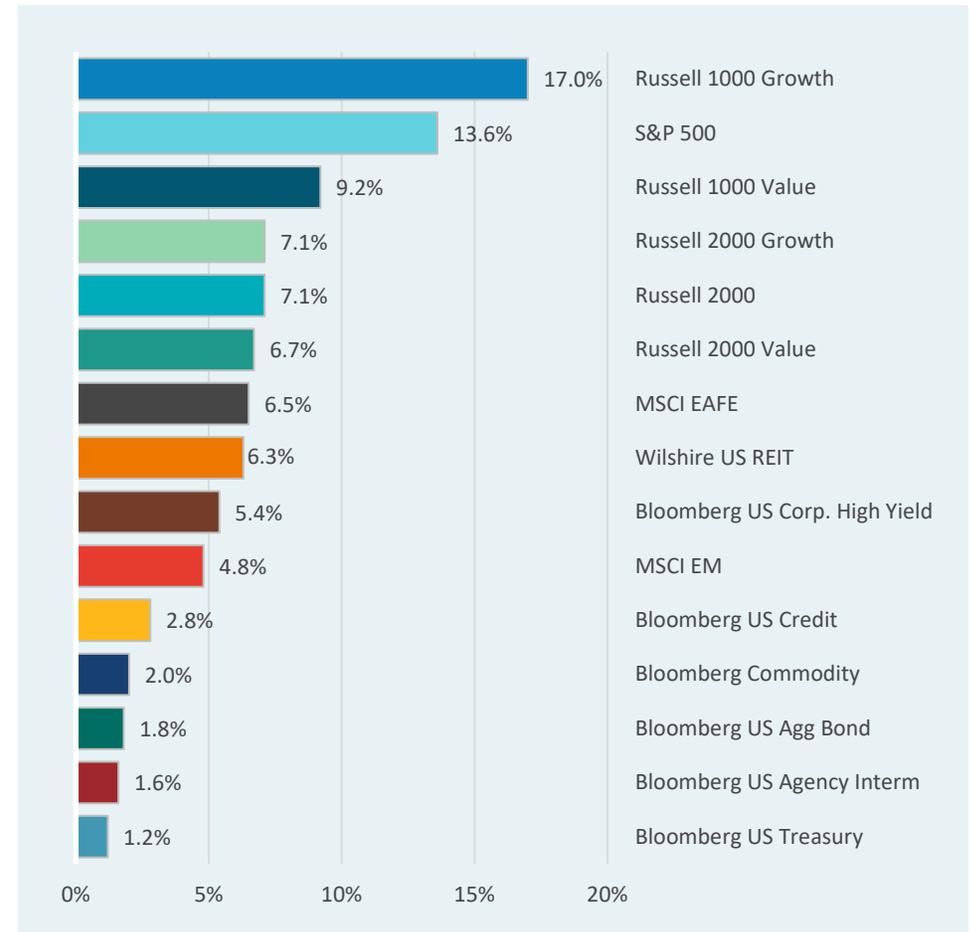
Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, Bloomberg US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 3/31/25.

# Major asset class returns

ONE YEAR ENDING JUNE



TEN YEARS ENDING JUNE



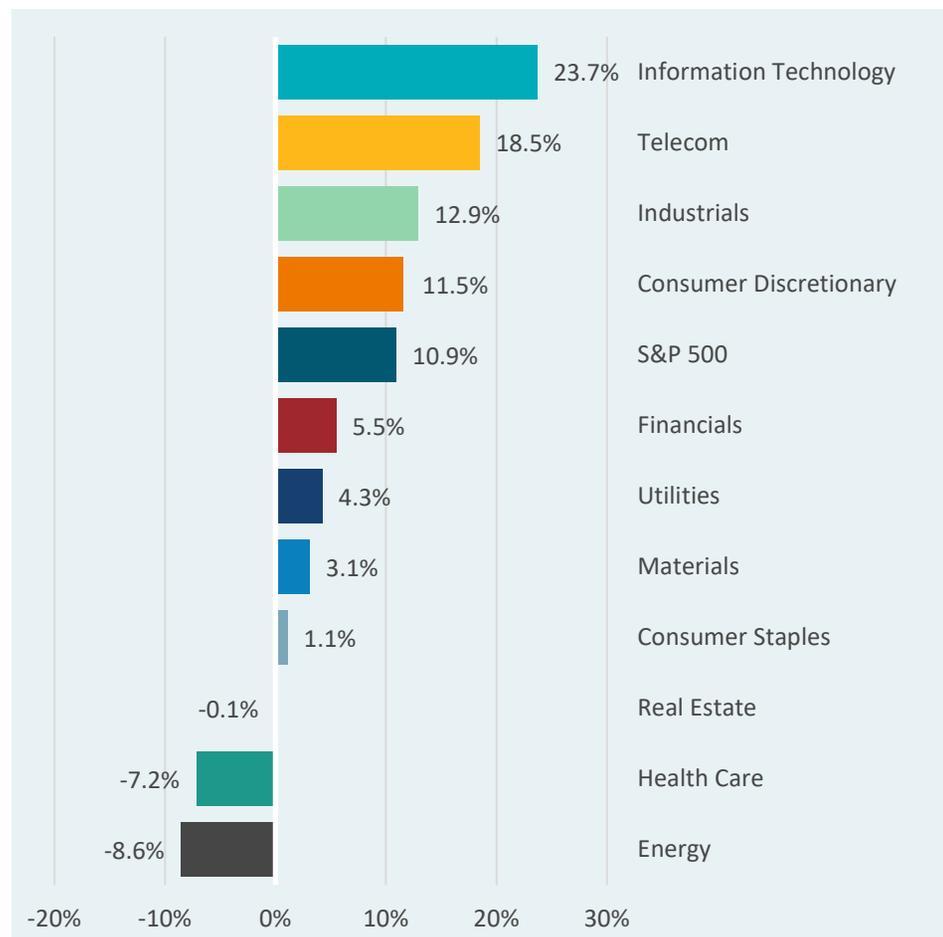
\*Only publicly traded asset performance is shown here. Performance of private assets is typically released with a 3- to 6-month delay.

Source: Morningstar, as of 6/30/25

Source: Morningstar, as of 6/30/25

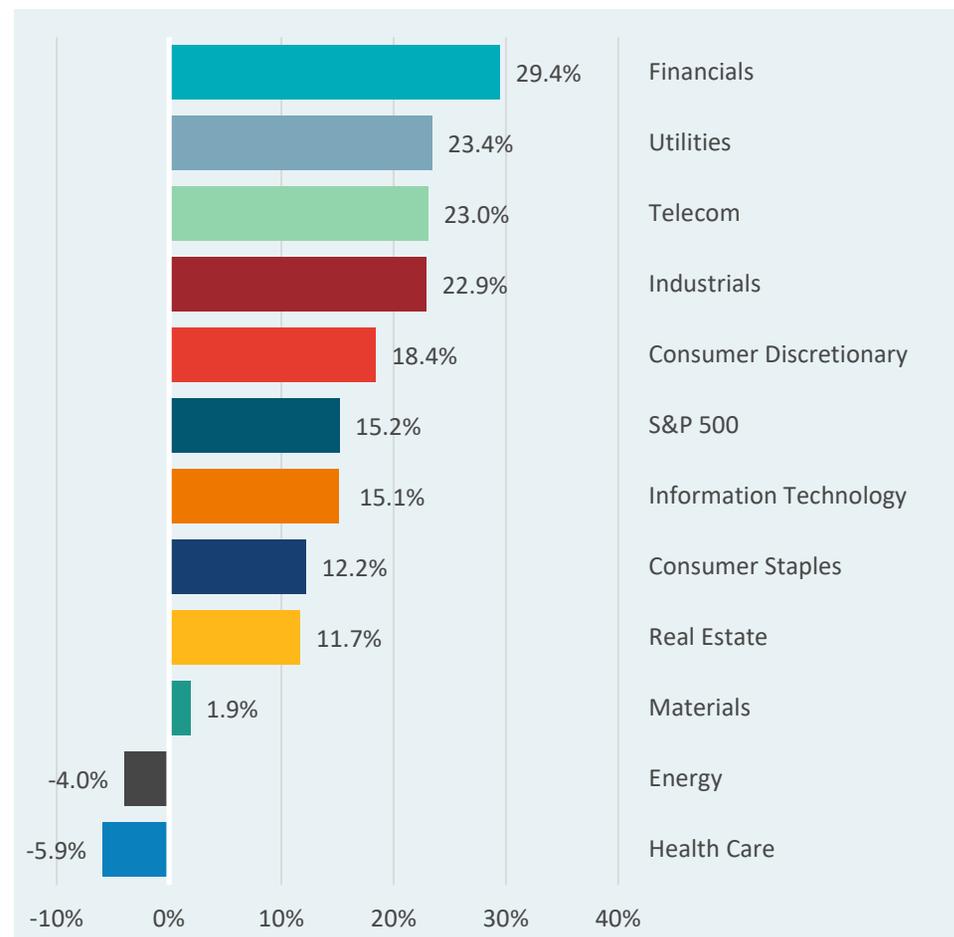
# S&P 500 sector returns

QTD



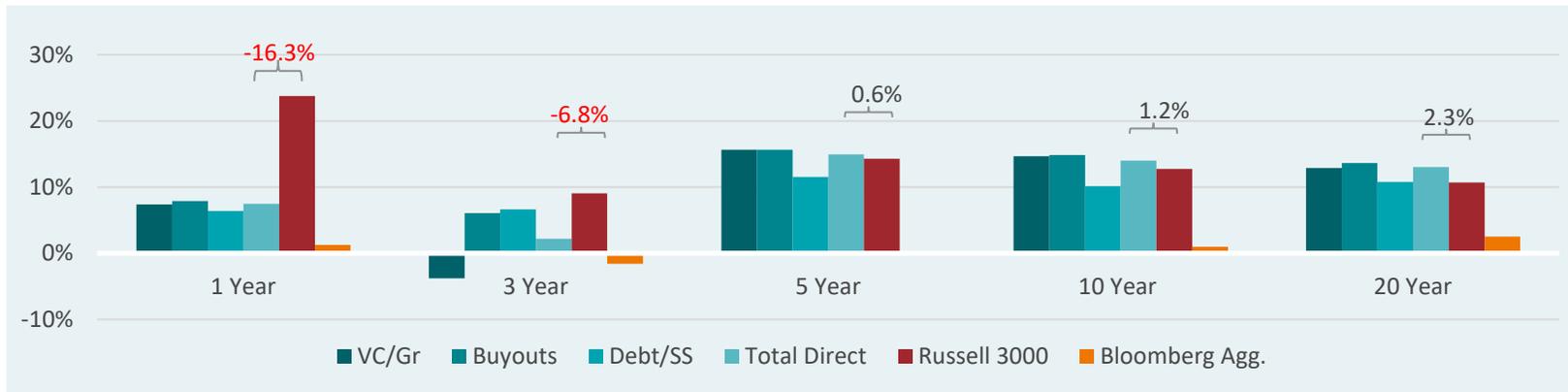
Source: Morningstar, as of 6/30/25

ONE YEAR ENDING JUNE



Source: Morningstar, as of 6/30/25

# Private equity vs. traditional assets performance



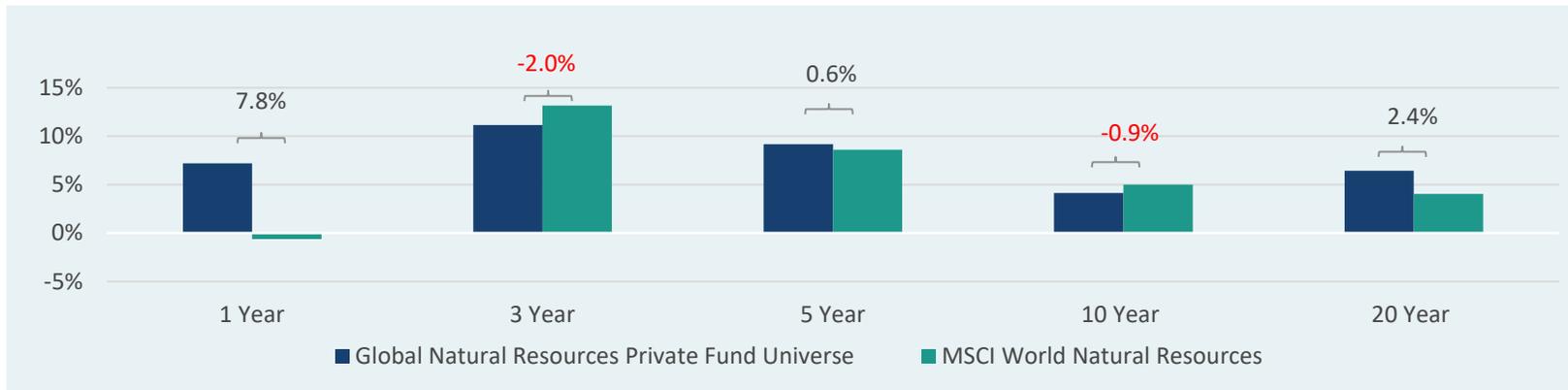
Direct P.E Fund Investments vs. public equities has been mixed.

## “PASSIVE” STRATEGIES



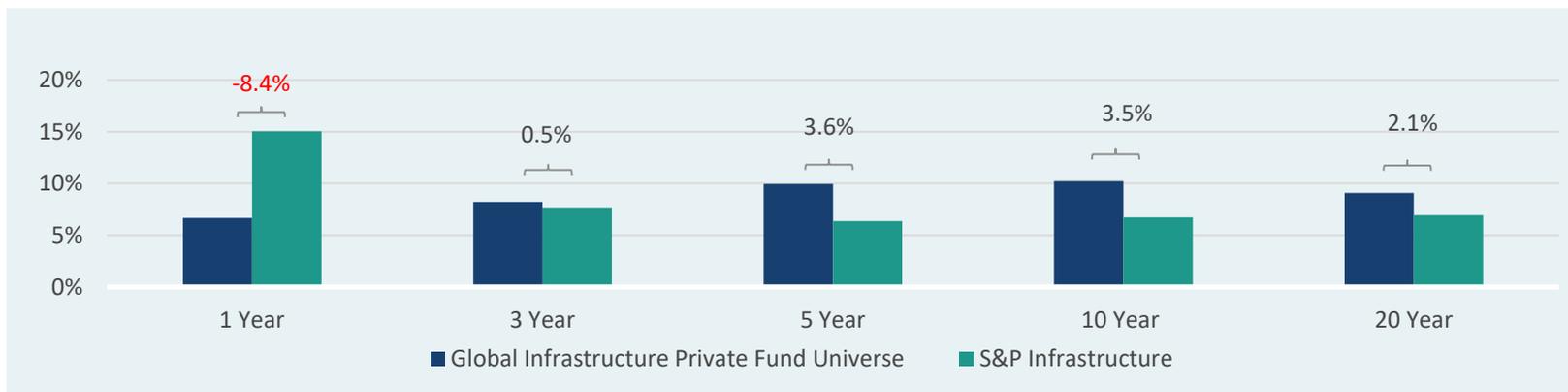
“Passive” strategies vs public equities has been mixed.

# Private vs. liquid real assets performance



N.R. funds vs. the MSCI World Natural Resources benchmark has been mixed.

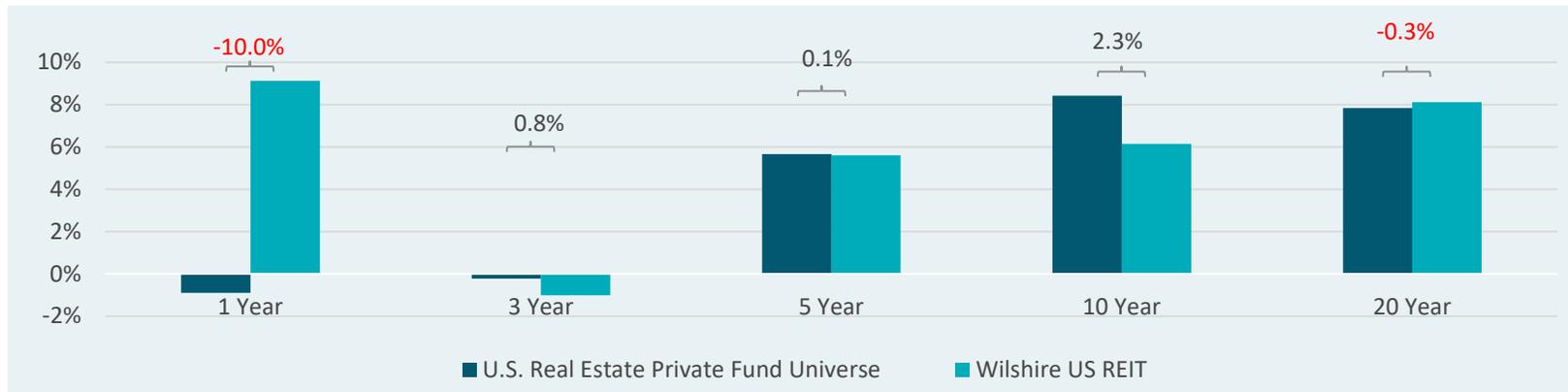
## GLOBAL INFRASTRUCTURE FUNDS



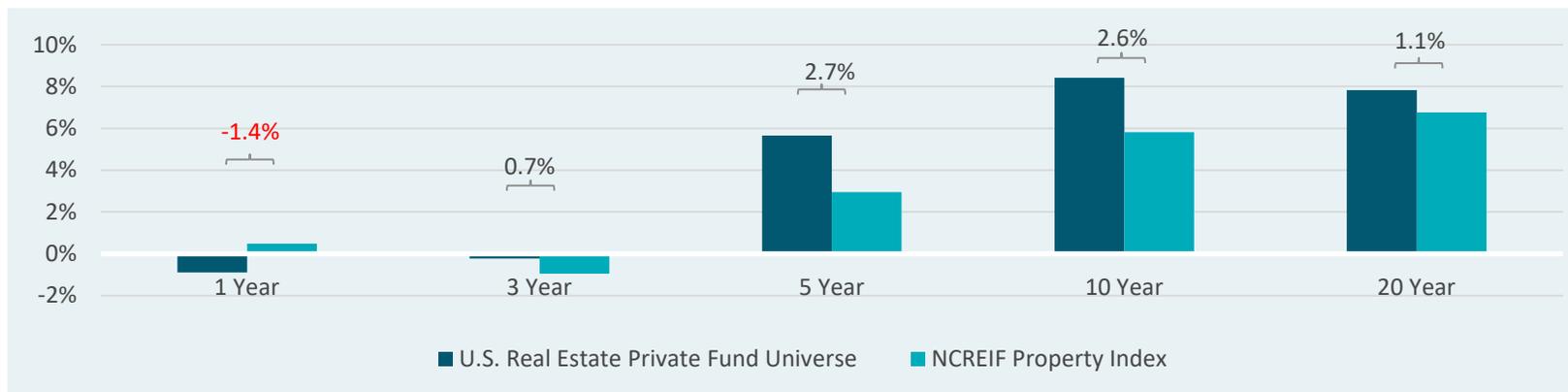
Infra. funds outperformed S&P Infra. over most periods.

# Private vs. liquid and core real estate performance

U.S. PRIVATE REAL ESTATE FUNDS VS. LIQUID UNIVERSE



U.S. Private R.E. funds vs. the Wilshire U.S. REIT Index was mixed.



U.S. Private R.E. Funds outperformed the NCREIF Property Index across most time periods.

# Detailed index returns

## DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Core Index</b>							
S&P 500	5.1	10.9	6.2	15.2	19.7	16.6	13.6
S&P 500 Equal Weighted	3.4	5.5	4.8	12.7	12.8	14.4	10.7
DJ Industrial Average	4.5	5.5	4.5	14.7	15.0	13.5	12.1
Russell Top 200	5.4	11.8	6.5	15.8	21.3	17.3	14.6
Russell 1000	5.1	11.1	6.1	15.7	19.6	16.3	13.4
Russell 2000	5.4	8.5	(1.8)	7.7	10.0	10.0	7.1
Russell 3000	5.1	11.0	5.8	15.3	19.1	16.0	13.0
Russell Mid Cap	3.7	8.5	4.8	15.2	14.3	13.1	9.9
<b>Style Index</b>							
Russell 1000 Growth	6.4	17.8	6.1	17.2	25.8	18.1	17.0
Russell 1000 Value	3.4	3.8	6.0	13.7	12.8	13.9	9.2
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	7.5	12.5	6.7

## INTERNATIONAL EQUITY

<b>Broad Index</b>							
MSCI ACWI	4.5	11.5	10.0	16.2	17.3	13.7	10.0
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	11.2	6.5
MSCI EM	6.0	12.0	15.3	15.3	9.7	6.8	4.8
MSCI EAFE Small Cap	4.3	16.6	20.9	22.5	13.3	9.3	6.5
<b>Style Index</b>							
MSCI EAFE Growth	2.7	13.5	16.0	11.4	13.6	7.9	6.7
MSCI EAFE Value	1.7	10.1	22.8	24.2	18.4	14.3	6.1
<b>Regional Index</b>							
MSCI UK	1.4	8.7	19.3	20.0	15.2	14.0	5.4
MSCI Japan	1.7	11.4	11.7	13.9	15.0	8.8	6.1
MSCI Euro	2.5	12.7	26.1	22.2	21.3	13.4	7.3
MSCI EM Asia	6.3	12.4	13.9	14.9	9.4	6.5	5.7
MSCI EM Latin American	6.1	15.2	29.9	13.4	11.6	11.1	3.7

## FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Index</b>							
Bloomberg US TIPS	1.0	0.5	4.7	5.8	2.3	1.6	2.7
Bloomberg US Treasury Bills	0.3	1.1	2.1	4.8	4.6	2.8	2.0
Bloomberg US Agg Bond	1.5	1.2	4.0	6.1	2.5	(0.7)	1.8
Bloomberg US Universal	1.6	1.4	4.1	6.5	3.3	(0.1)	2.1
<b>Duration</b>							
Bloomberg US Treasury 1-3 Yr	0.6	1.2	2.8	5.7	3.4	1.3	1.6
Bloomberg US Treasury Long	2.5	(1.5)	3.1	1.6	(3.7)	(8.2)	0.1
Bloomberg US Treasury	1.3	0.8	3.8	5.3	1.5	(1.6)	1.2
<b>Issuer</b>							
Bloomberg US MBS	1.8	1.1	4.2	6.5	2.3	(0.6)	1.3
Bloomberg US Corp. High Yield	1.8	3.5	4.6	10.3	9.9	6.0	5.4
Bloomberg US Agency Interm	0.8	1.4	3.4	6.0	3.4	0.8	1.6
Bloomberg US Credit	1.8	1.8	4.2	6.8	4.2	0.1	2.8

## OTHER

<b>Index</b>							
Bloomberg Commodity	2.4	(3.1)	5.5	5.8	0.1	12.7	2.0
Wilshire US REIT	(0.6)	(1.2)	(0.2)	9.1	5.7	8.7	6.3
S&P UBS Leveraged Loan	1.4	1.0	1.9	6.7	8.4	7.5	5.0
S&P Global Infrastructure	2.0	10.4	15.5	27.7	12.5	13.1	7.7
Alerian MLP	2.6	(4.9)	7.1	13.9	26.2	28.1	5.2
<b>Regional Index</b>							
JPM EMBI Global Div	2.4	3.3	5.6	10.0	8.9	1.8	3.5
JPM GBI-EM Global Div	2.8	7.6	12.3	13.8	8.5	1.9	2.1
<b>Hedge Funds</b>							
HFRI Composite	2.4	4.4	3.9	8.0	7.5	8.4	5.3
HFRI FOF Composite	1.8	3.4	3.0	7.3	6.5	6.2	3.8
<b>Currency (Spot)</b>							
Euro	3.4	8.7	13.4	9.5	3.9	0.9	0.5
Pound Sterling	1.6	6.2	9.4	8.4	4.1	2.1	(1.4)
Yen	(0.1)	3.5	8.8	11.4	(2.0)	(5.7)	(1.6)

Source: Morningstar, HFRI, as of 6/30/25

# Definitions

**Bloomberg US Weekly Consumer Comfort Index** - tracks the public's economic attitudes each week, providing a high-frequency read on consumer sentiment. The index, based on cell and landline telephone interviews with a random, representative national sample of U.S. adults, tracks Americans' ratings of the national economy, their personal finances and the buying climate on a weekly basis, with views of the economy's direction measured separately each month. ([www.lanqerresearch.com](http://www.lanqerresearch.com))

**University of Michigan Consumer Sentiment Index** - A survey of consumer attitudes concerning both the present situation as well as expectations regarding economic conditions conducted by the University of Michigan. For the preliminary release approximately three hundred consumers are surveyed while five hundred are interviewed for the final figure. The level of consumer sentiment is related to the strength of consumer spending. ([www.Bloomberg.com](http://www.Bloomberg.com))

**NFIB Small Business Outlook** - Small Business Economic Trends (SBET) is a monthly assessment of the U.S. small-business economy and its near-term prospects. Its data are collected through mail surveys to random samples of the National Federal of Independent Business (NFIB) membership. The survey contains three broad question types: recent performance, near-term forecasts, and demographics. The topics addressed include: outlook, sales, earnings, employment, employee compensation, investment, inventories, credit conditions, and single most important problem. (<http://www.nfib-sbet.org/about/>)

**NAHB Housing Market Index** – the housing market index is a weighted average of separate diffusion indices for three key single-family indices: market conditions for the sale of new homes at the present time, market conditions for the sale of new homes in the next six months, and the traffic of prospective buyers of new homes. The first two series are rated on a scale of Good, Fair, and Poor and the last is rated on a scale of High/Very High, Average, and Low/Very Low. A diffusion index is calculated for each series by applying the formula  $(\text{Good-Poor} + 100)/2$  to the present and future sales series and  $(\text{High/Very High-Low/Very Low} + 100)/2$  to the traffic series. Each resulting index is then seasonally adjusted and weighted to produce the HMI. Based on this calculation, the HMI can range between 0 and 100.

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# Imperial County Employees' Retirement System

Investment Performance Review  
Period Ending: June 30, 2025



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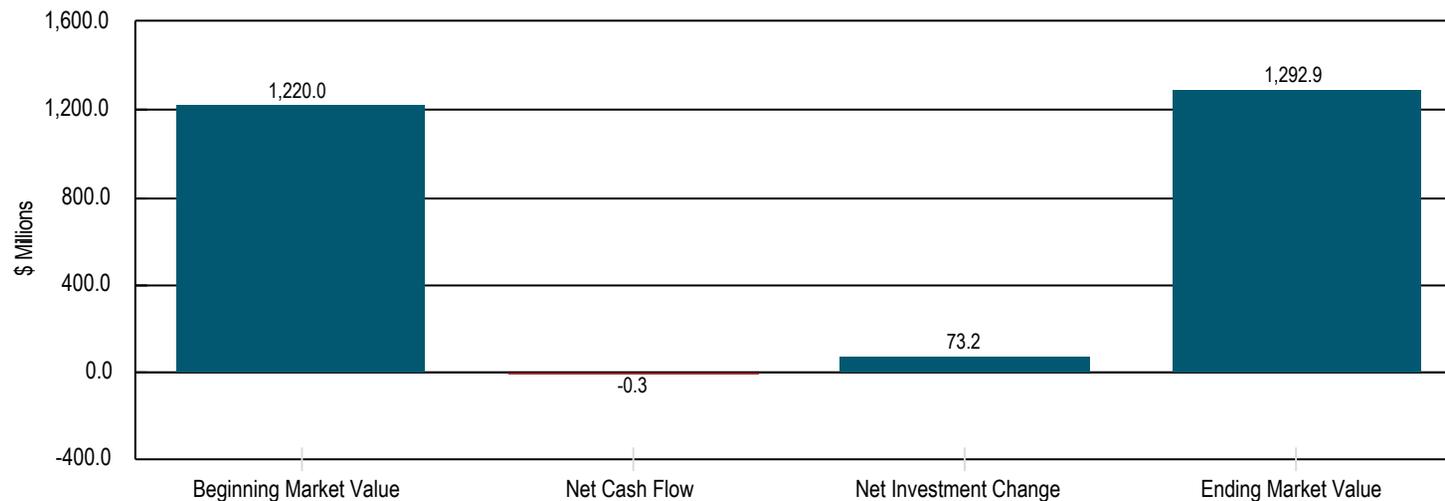
Total Fund  
Portfolio Reconciliation

Imperial County Employees' Retirement System  
Period Ending: June 30, 2025

Portfolio Reconciliation

	Last Three Months	YTD	Fiscal Year-To-Date	One Year
Beginning Market Value	\$1,220,034,091	\$1,226,133,147	\$1,185,442,650	\$1,185,442,650
Net Cash Flows	-\$269,886	-\$10,350,821	-\$15,474,977	-\$15,474,977
Net Investment Change	\$73,212,120	\$77,383,821	\$123,539,223	\$123,539,223
<b>Ending Market Value</b>	<b>\$1,292,934,211</b>	<b>\$1,292,934,211</b>	<b>\$1,292,934,211</b>	<b>\$1,292,934,211</b>

Change in Market Value  
Last Three Months



Contributions and withdrawals may include intra-account transfers between managers/funds. Fee transactions are excluded from Portfolio Reconciliation.

Total Fund  
Executive Summary (Net of Fees)

Imperial County Employees' Retirement System  
Period Ending: June 30, 2025

	Market Value	% of Portfolio	QTD	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Total Fund</b>	<b>1,292,934,211</b>	<b>100.0</b>	<b>6.0</b>	<b>6.3</b>	<b>10.4</b>	<b>10.4</b>	<b>9.3</b>	<b>9.1</b>	<b>7.4</b>
<i>Policy Index</i>			6.0	6.4	11.0	11.0	10.0	9.0	7.7
<i>InvMetrics Public DB Rank</i>			74	49	69	69	77	40	46
<b>Domestic Equity</b>	<b>444,745,986</b>	<b>34.4</b>	<b>11.0</b>	<b>5.7</b>	<b>15.3</b>	<b>15.3</b>	<b>19.1</b>	<b>16.0</b>	<b>12.9</b>
<i>Russell 3000 Index</i>			11.0	5.8	15.3	15.3	19.1	16.0	13.0
<b>International Equity</b>	<b>228,825,237</b>	<b>17.7</b>	<b>12.1</b>	<b>18.3</b>	<b>16.2</b>	<b>16.2</b>	<b>14.3</b>	<b>10.6</b>	<b>6.2</b>
<i>MSCI AC World ex USA Index</i>			12.3	18.3	18.4	18.4	14.6	10.7	6.6
<b>Core Fixed Income</b>	<b>276,834,678</b>	<b>21.4</b>	<b>1.4</b>	<b>4.2</b>	<b>6.5</b>	<b>6.5</b>	<b>3.3</b>	<b>N/A</b>	<b>N/A</b>
<i>Blmbg. U.S. Aggregate Index</i>			1.2	4.0	6.1	6.1	2.5	-0.7	1.8
<b>U.S. TIPS</b>	<b>45,297,457</b>	<b>3.5</b>	<b>0.5</b>	<b>4.7</b>	<b>5.8</b>	<b>5.8</b>	<b>2.4</b>	<b>N/A</b>	<b>N/A</b>
<i>Blmbg. U.S. TIPS Index</i>			0.5	4.7	5.8	5.8	2.3	1.6	2.7
<b>Real Estate</b>	<b>102,582,369</b>	<b>7.9</b>	<b>0.5</b>	<b>1.2</b>	<b>1.6</b>	<b>1.6</b>	<b>-7.4</b>	<b>1.3</b>	<b>3.9</b>
<i>NCREIF Property Index</i>			1.2	2.5	4.2	4.2	-2.8	3.7	5.2
<b>Private Equity</b>	<b>74,740,817</b>	<b>5.8</b>	<b>-1.0</b>	<b>-0.1</b>	<b>2.4</b>	<b>2.4</b>	<b>1.7</b>	<b>17.4</b>	<b>15.1</b>
<i>Private Equity Benchmark</i>			-1.0	-0.1	2.4	2.4	1.7	17.4	15.4
<b>Private Credit</b>	<b>71,303,172</b>	<b>5.5</b>	<b>0.2</b>	<b>2.0</b>	<b>9.1</b>	<b>9.1</b>	<b>9.0</b>	<b>11.0</b>	<b>N/A</b>
<i>Private Credit Benchmark</i>			0.2	2.0	9.1	9.1	9.0	11.6	N/A
<b>Opportunistic</b>	<b>35,473,621</b>	<b>2.7</b>	<b>1.5</b>	<b>3.0</b>	<b>2.9</b>	<b>2.9</b>	<b>4.8</b>	<b>10.3</b>	<b>7.5</b>
<i>Assumption Rate + 1%</i>			2.1	4.2	8.5	8.5	8.5	8.5	8.5
<b>Cash</b>	<b>13,130,873</b>	<b>1.0</b>	<b>1.2</b>	<b>2.2</b>	<b>4.8</b>	<b>4.8</b>	<b>2.3</b>	<b>1.4</b>	<b>0.7</b>
<i>90 Day U.S. Treasury Bill</i>			1.0	2.1	4.7	4.7	4.6	2.8	2.0

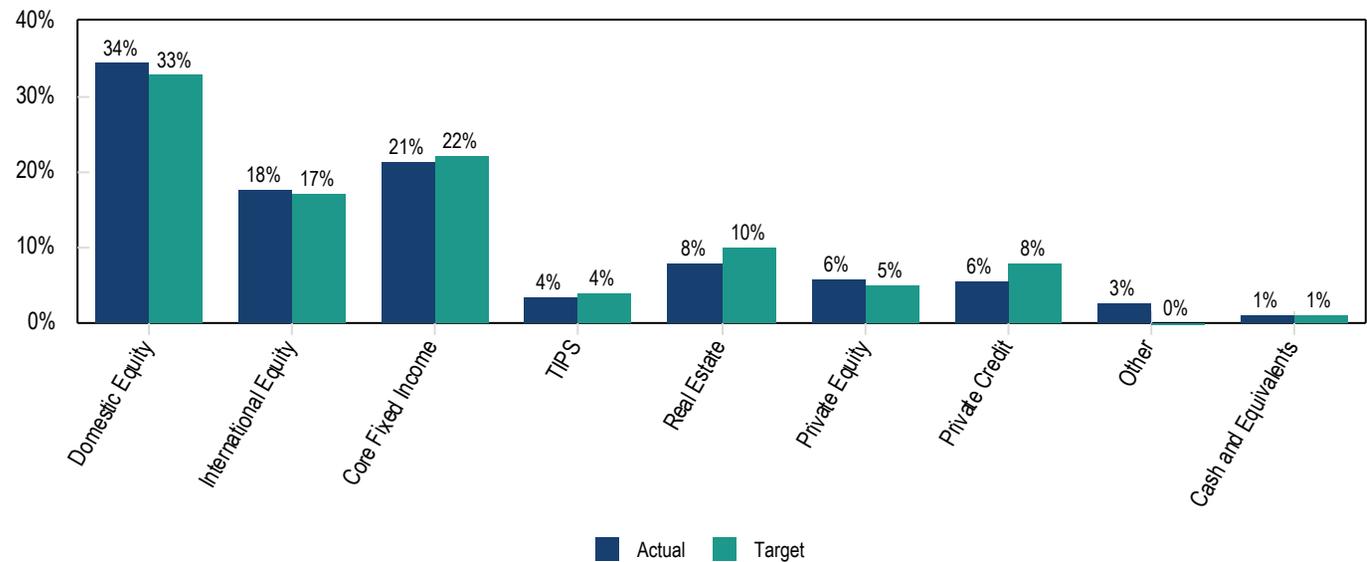
New Policy Index (as of 03/1/2025): 33% Russell 3000, 17% MSCI ACWI ex USA Gross, 22% Bloomberg Aggregate, 4% Bloomberg TIPS, 10% NCREIF Property, 5% Private Equity Benchmark, 8% Private Credit Benchmark, 1% 90 Day T-Bills. Prior quarter Private Equity returns, and index data are used. As of 10/1/20 the SAA Target for equity changed to 33% Russell 3000 + 20% ACWI ex-US. William Blair funded 07/02/2024. All Real Estate is as of 3/31/2025 +/- cash flows with the exception of Clarion Lion is as of 6/30. All Private Equity, Private Credit funds, and Opportunistic funds are as of 3/31 +/- cash flows with the exception of the Sixth Street Diversified Credit is as of 12/31 +/- cash flows. FYE 6/30.

Total Fund  
Asset Allocation vs. Policy

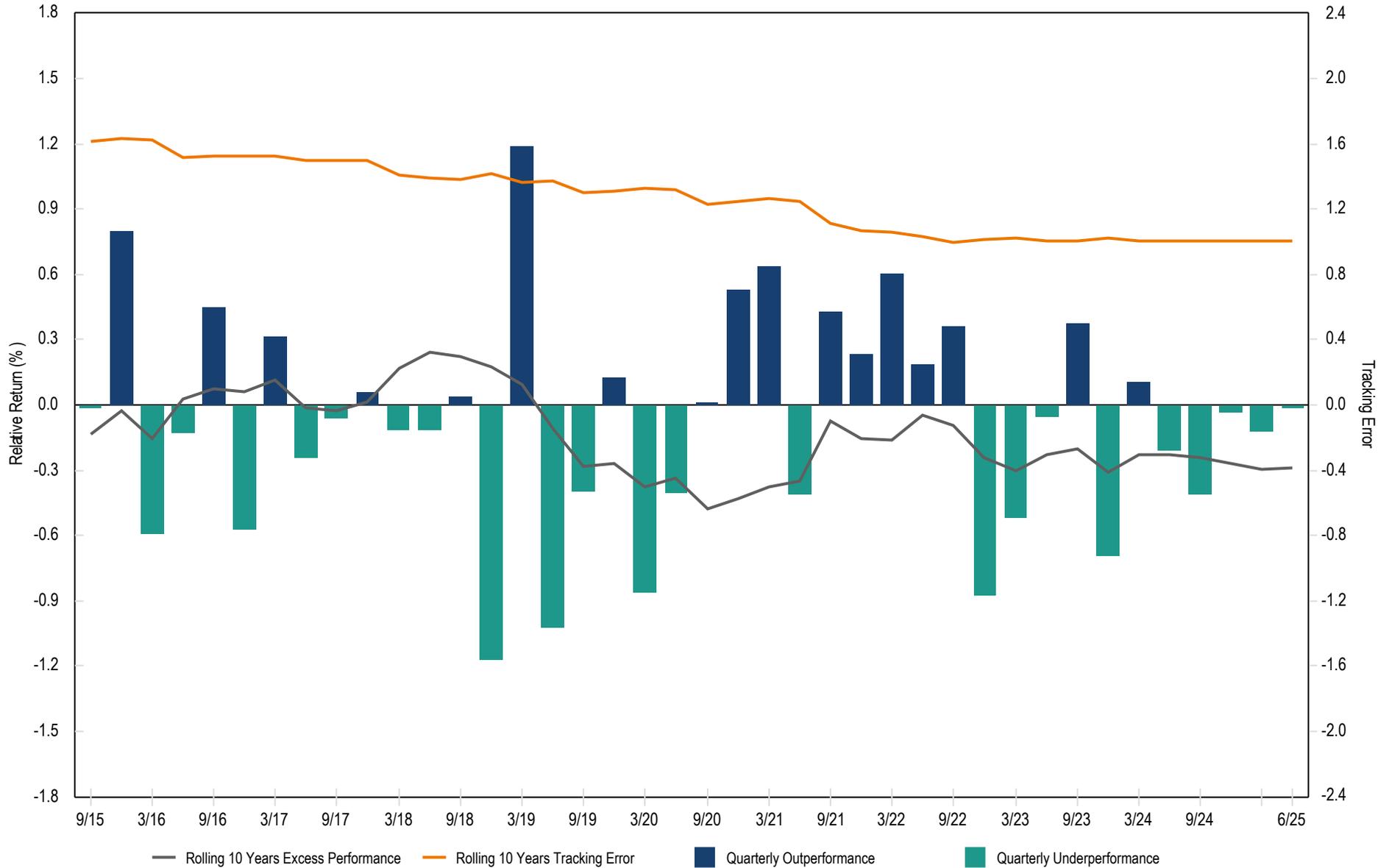
Imperial County Employees' Retirement System  
Period Ending: June 30, 2025



	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Excess Allocation (%)	Policy Range (%)	Within IPS Range?
Domestic Equity	444,745,986	34.4	33.0	1.4	23.0 - 43.0	Yes
International Equity	228,825,237	17.7	17.0	0.7	10.0 - 24.0	Yes
Core Fixed Income	276,834,678	21.4	22.0	-0.6	14.0 - 30.0	Yes
TIPS	45,297,457	3.5	4.0	-0.5	0.0 - 10.0	Yes
Real Estate	102,582,369	7.9	10.0	-2.1	5.0 - 15.0	Yes
Private Equity	74,740,817	5.8	5.0	0.8	0.0 - 10.0	Yes
Private Credit	71,303,172	5.5	8.0	-2.5	0.0 - 12.0	Yes
Other	35,473,621	2.7	0.0	2.7	0.0 - 10.0	Yes
Cash and Equivalents	13,130,873	1.0	1.0	0.0	0.0 - 5.0	Yes
<b>Total</b>	<b>1,292,934,211</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		



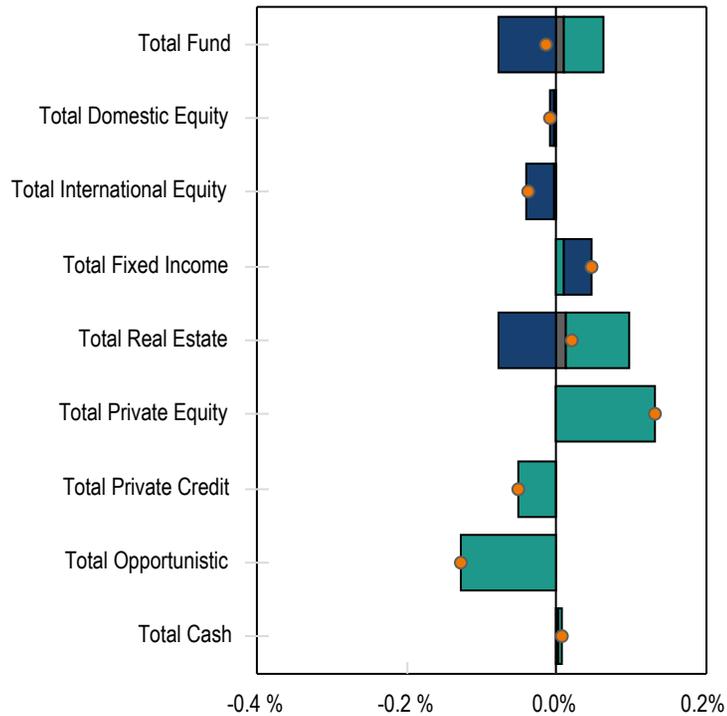
Rolling Annualized Excess Performance and Tracking Error



Total Fund  
 Attribution Analysis - Asset Class Level (Net of Fees)

Imperial County Employees' Retirement System  
 Period Ending: June 30, 2025

Attribution Effects  
 Last Three Months



■ Selection Effect   ■ Allocation Effect  
 ■ Interaction Effect   ● Total Effects

Performance Attribution

	Quarter	YTD
Wtd. Actual Return	6.0	6.3
Wtd. Index Return	6.0	6.4
<b>Excess Return</b>	<b>0.0</b>	<b>-0.1</b>
Selection Effect	-0.1	-0.1
Allocation Effect	0.1	-0.1
Interaction Effect	0.0	0.0

Attribution Summary  
 Last Three Months

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total Domestic Equity	11.0	11.0	0.0	0.0	0.0	0.0	0.0
Total International Equity	12.1	12.3	-0.2	0.0	0.0	0.0	0.0
Total Fixed Income	1.2	1.1	0.1	0.0	0.0	0.0	0.0
Total Real Estate	0.5	1.2	-0.7	-0.1	0.1	0.0	0.0
Total Private Equity	-1.0	-1.0	0.0	0.0	0.1	0.0	0.1
Total Private Credit	0.2	0.2	0.0	0.0	-0.1	0.0	-0.1
Total Opportunistic	1.5	2.1	-0.6	0.0	-0.1	0.0	-0.1
Total Cash	1.2	1.0	0.1	0.0	0.0	0.0	0.0
<b>Total Fund</b>	<b>6.0</b>	<b>6.0</b>	<b>0.0</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>

Weighted returns shown in attribution analysis may differ from actual returns.

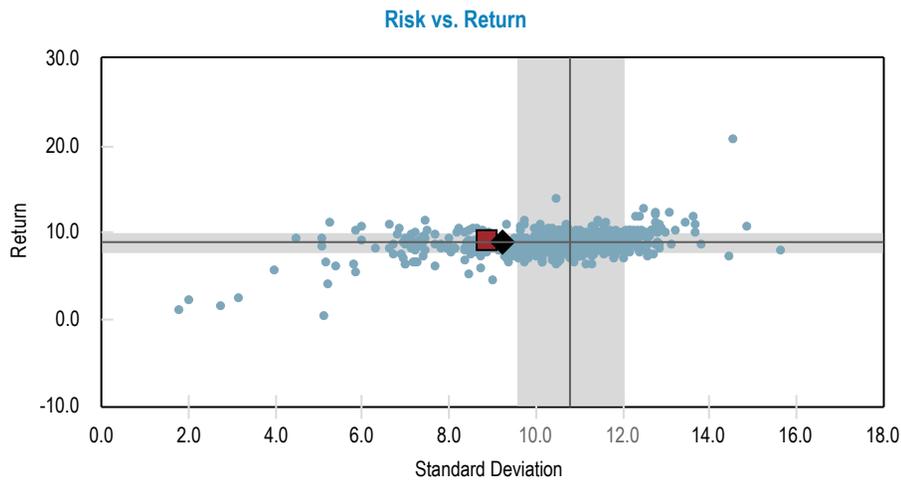
# Total Fund

## Risk Analysis - 5 Years (Net of Fees)

# Imperial County Employees' Retirement System

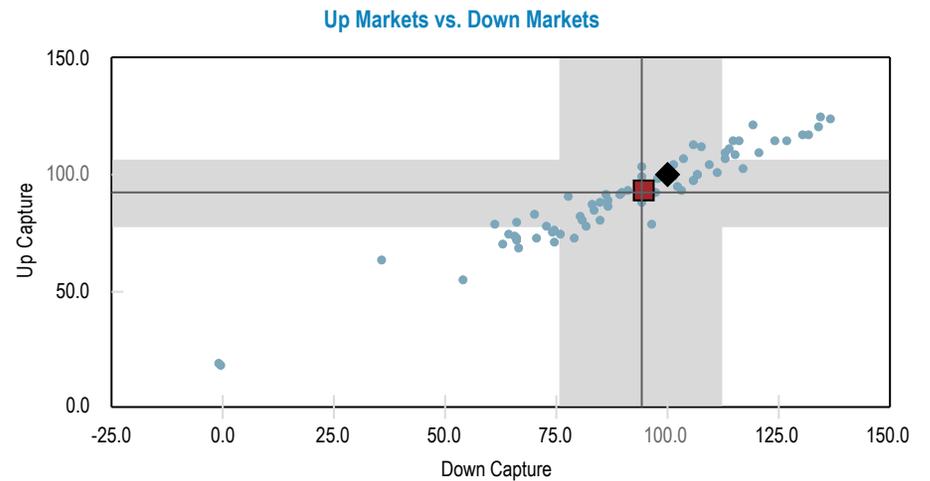
## Period Ending: June 30, 2025

	Annualized Return	Annualized Excess Return	Annualized Standard Deviation	Annualized Alpha	Beta	Tracking Error	R-Squared	Sharpe Ratio	Information Ratio	Up Capture	Down Capture
Total Fund	9.11	0.02	8.86	0.42	0.96	0.89	0.99	0.02	0.02	98.05	95.95
Policy Index	9.05	0.00	9.22	0.00	1.00	0.00	1.00	-	-	100.00	100.00



● InvMetrics Public DB ■ Total Fund

	Return	Standard Deviation
■ Total Fund	9.11	8.86
◆ Policy Index	9.05	9.22
— Median	8.87	10.80
Population	607	607



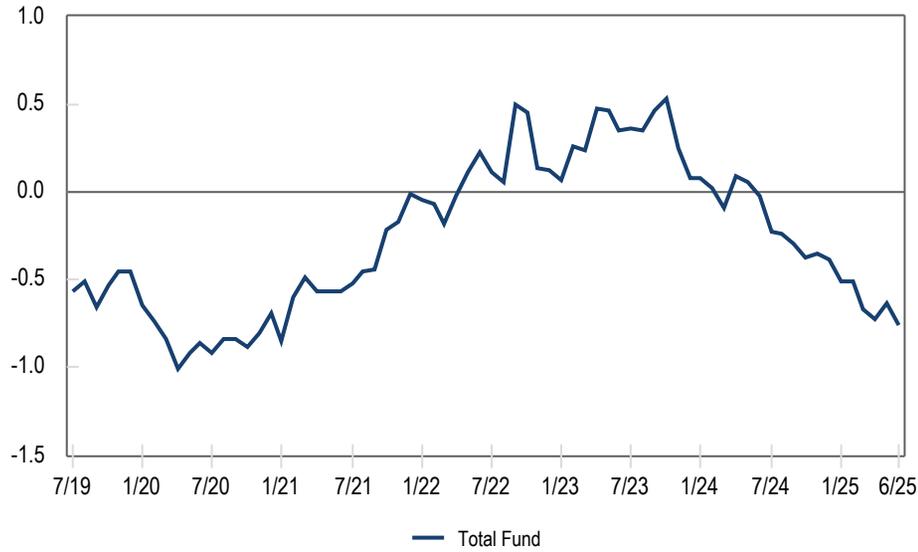
● InveMetrics Public DB ■ Total Fund

	Up Capture	Down Capture
■ Total Fund	93.76	94.65
◆ Policy Index	100.00	100.00
— Median	92.20	94.02
Population	71	71

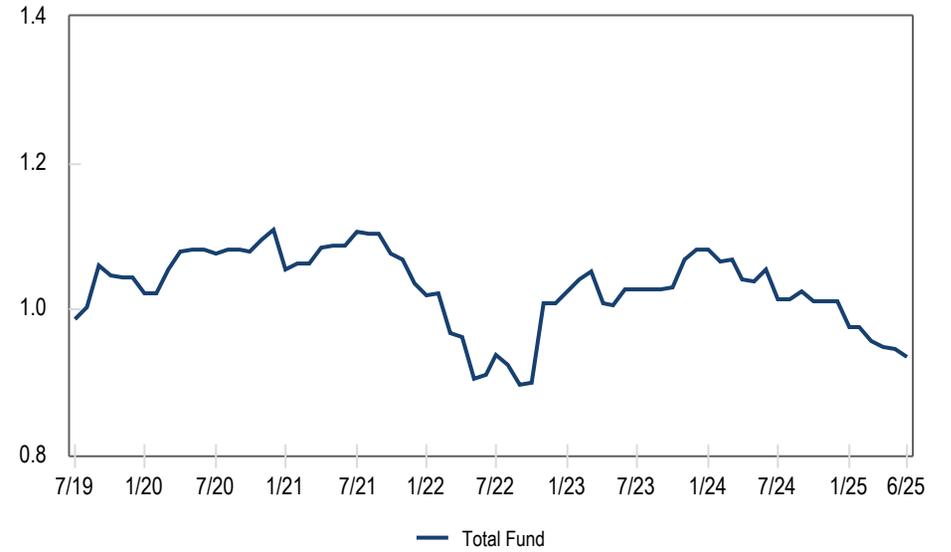
Total Fund  
Rolling Risk Statistics

Imperial County Employees' Retirement System  
Period Ending: June 30, 2025

Rolling Information Ratio



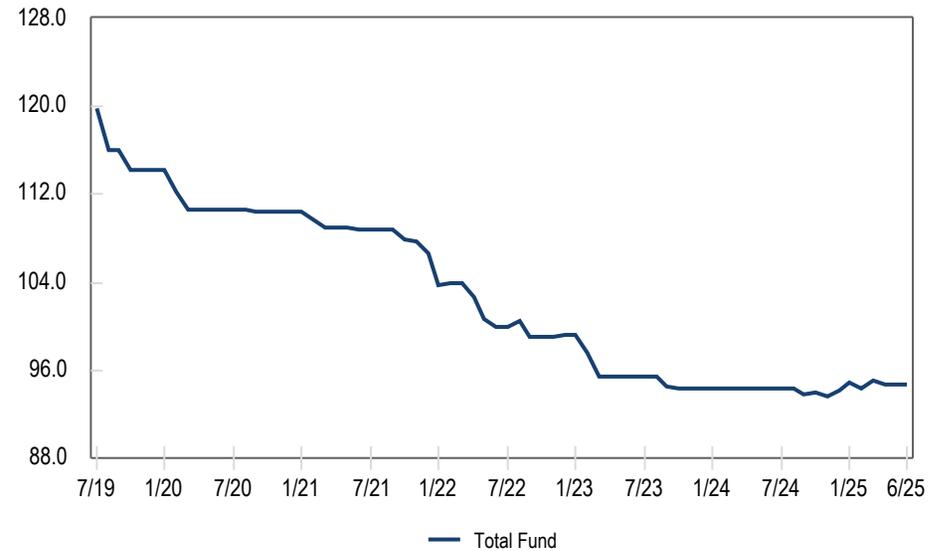
Rolling Tracking Error



Rolling Up Market Capture Ratio (%)



Rolling Down Market Capture Ratio (%)



Total Fund  
Manager Summary (Net of Fees)

Imperial County Employees' Retirement System  
Period Ending: June 30, 2025

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2024	2023	2022	2021	2020	Inception	Inception Date
<b>Total Fund</b>	<b>1,292,934,211</b>	<b>100.0</b>	<b>6.0</b>	<b>6.3</b>	<b>10.4</b>	<b>10.4</b>	<b>9.3</b>	<b>9.1</b>	<b>7.4</b>	<b>9.5</b>	<b>11.9</b>	<b>-11.6</b>	<b>15.8</b>	<b>12.3</b>	<b>8.7</b>	<b>Apr-89</b>
<i>Policy Index</i>			6.0	6.4	11.0	11.0	10.0	9.0	7.7	10.1	12.8	-11.9	14.8	13.3	-	
<i>InvMetrics Public DB Rank</i>			74	49	69	69	77	40	46	73	71	23	23	59	-	
<b>Domestic Equity</b>	<b>444,745,986</b>	<b>34.4</b>	<b>11.0</b>	<b>5.7</b>	<b>15.3</b>	<b>15.3</b>	<b>19.1</b>	<b>16.0</b>	<b>12.9</b>	<b>23.8</b>	<b>26.0</b>	<b>-19.2</b>	<b>25.7</b>	<b>21.0</b>	<b>-</b>	<b>Mar-89</b>
<i>Russell 3000 Index</i>			11.0	5.8	15.3	15.3	19.1	16.0	13.0	23.8	26.0	-19.2	25.7	20.9	10.9	
BlackRock Russell 3000	444,745,986	34.4	11.0	5.7	15.3	15.3	19.1	16.0	-	23.8	26.0	-19.2	25.7	21.0	13.6	Dec-15
<i>Russell 3000 Index</i>			11.0	5.8	15.3	15.3	19.1	16.0	-	23.8	26.0	-19.2	25.7	20.9	13.5	
<i>eV US All Cap Core Equity Rank</i>			39	39	31	31	21	28	-	21	25	57	50	41	-	
<b>International Equity</b>	<b>228,825,237</b>	<b>17.7</b>	<b>12.1</b>	<b>18.3</b>	<b>16.2</b>	<b>16.2</b>	<b>14.3</b>	<b>10.6</b>	<b>6.2</b>	<b>3.4</b>	<b>16.9</b>	<b>-15.4</b>	<b>10.1</b>	<b>8.1</b>	<b>7.1</b>	<b>Dec-94</b>
<i>MSCI AC World ex USA Index</i>			12.3	18.3	18.4	18.4	14.6	10.7	6.6	6.1	16.2	-15.6	8.3	11.1	6.1	
BlackRock International Equity	180,143,362	13.9	12.0	20.1	18.0	18.0	16.3	11.5	6.8	3.8	18.6	-14.1	11.6	8.1	7.5	Jul-03
<i>MSCI EAFE (Net)</i>			11.8	19.4	17.7	17.7	16.0	11.2	6.5	3.8	18.2	-14.5	11.3	7.8	7.5	
<i>eV All EAFE Equity Rank</i>			56	53	63	63	39	49	47	55	33	37	53	52	-	
William Blair Emerging Growth	21,126,594	1.6	14.4	8.8	-	-	-	-	-	-	-	-	-	-	6.9	Jul-24
<i>MSCI Emerging Markets Growth Index</i>			14.0	16.0	-	-	-	-	-	-	-	-	-	-	17.9	
<i>eV Emg Mkts Large Cap Growth Equity Rank</i>			10	85	-	-	-	-	-	-	-	-	-	-	-	
DFA Emerging Markets Value	27,555,281	2.1	11.0	14.6	11.9	11.9	12.1	12.5	6.1	6.2	16.5	-10.7	12.4	2.7	4.8	Jan-07
<i>MSCI Emerging Markets Value (Net)</i>			10.0	14.8	12.7	12.7	10.2	9.1	4.0	4.5	14.2	-15.8	4.0	5.5	4.0	
<i>eV Emg Mkts All Cap Value Equity Rank</i>			76	80	79	79	64	48	73	45	46	37	21	82	-	
<b>Core Fixed Income</b>	<b>276,834,678</b>	<b>21.4</b>	<b>1.4</b>	<b>4.2</b>	<b>6.5</b>	<b>6.5</b>	<b>3.3</b>	<b>-</b>	<b>-</b>	<b>2.5</b>	<b>6.7</b>	<b>-14.7</b>	<b>-</b>	<b>-</b>	<b>-0.3</b>	<b>Mar-21</b>
<i>Blmbg. U.S. Aggregate Index</i>			1.2	4.0	6.1	6.1	2.5	-	-	1.3	5.5	-13.0	-	-	-0.6	
Income Research & Management	138,045,074	10.7	1.2	4.0	6.1	6.1	-	-	-	1.7	-	-	-	-	5.8	Sep-23
<i>Blmbg. U.S. Aggregate Index</i>			1.2	4.0	6.1	6.1	-	-	-	1.3	-	-	-	-	5.1	
<i>eV US Core Fixed Inc Rank</i>			74	65	57	57	-	-	-	50	-	-	-	-	-	
MacKay Shields Core Plus Opportunities	138,789,604	10.7	1.5	4.5	7.0	7.0	3.8	0.4	2.3	3.3	6.7	-14.5	-0.5	9.9	2.1	Mar-15
<i>Blmbg. U.S. Aggregate Index</i>			1.2	4.0	6.1	6.1	2.5	-0.7	1.8	1.3	5.5	-13.0	-1.5	7.5	1.6	
<i>eV US Core Plus Fixed Inc Rank</i>			41	21	22	22	40	47	66	20	47	85	53	20	-	
<b>U.S. TIPS</b>	<b>45,297,457</b>	<b>3.5</b>	<b>0.5</b>	<b>4.7</b>	<b>5.8</b>	<b>5.8</b>	<b>2.4</b>	<b>-</b>	<b>-</b>	<b>2.0</b>	<b>3.9</b>	<b>-11.9</b>	<b>-</b>	<b>-</b>	<b>1.1</b>	<b>Mar-21</b>
<i>Blmbg. U.S. TIPS Index</i>			0.5	4.7	5.8	5.8	2.3	-	-	1.8	3.9	-11.8	-	-	1.1	
BlackRock US TIPS	45,297,457	3.5	0.5	4.7	5.8	5.8	2.4	1.6	2.7	2.0	3.9	-11.9	5.9	11.2	3.6	Apr-07
<i>Blmbg. U.S. TIPS Index</i>			0.5	4.7	5.8	5.8	2.3	1.6	2.7	1.8	3.9	-11.8	6.0	11.0	3.6	
<i>eV US TIPS / Inflation Fixed Inc Rank</i>			78	57	63	63	57	58	42	54	44	67	26	26	-	

Income Research & Management replaced Ducenta 9/30/2023. Harbourvest 2023 funded 12/28/2023. Harding Loevner liquidated 6/30/2024. William Blair Emerging Growth funded 7/02/2024. All Real Estate is as of 3/31/2025 +/- cash flows with the exception of Clarion Lion is as of 6/30. All Private Equity, Private Credit funds, and Opportunistic funds are as of 3/31 +/- cash flows with the exception of the Sixth Street Diversified Credit is as of 12/31 +/- cash flows. FYE 6/30.

Total Fund  
Manager Summary (Net of Fees)

Imperial County Employees' Retirement System  
Period Ending: June 30, 2025

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2024	2023	2022	2021	2020	Inception	Inception Date
<b>Real Estate</b>	<b>102,582,369</b>	<b>7.9</b>	<b>0.5</b>	<b>1.2</b>	<b>1.6</b>	<b>1.6</b>	<b>-7.4</b>	<b>1.3</b>	<b>3.9</b>	<b>-5.9</b>	<b>-14.3</b>	<b>8.5</b>	<b>18.4</b>	<b>2.1</b>	<b>4.0</b>	<b>Dec-06</b>
NCREIF Property Index			1.2	2.5	4.2	4.2	-2.8	3.7	5.2	0.4	-7.9	5.5	17.7	1.6	5.8	
NCREIF ODCE Net			0.8	1.7	2.7	2.7	-6.2	2.5	4.4	-2.3	-12.7	6.5	21.0	0.3	4.2	
ASB Real Estate	21,027,136	1.6	N/A	0.9	-0.2	-0.2	-13.0	-3.1	1.1	-15.2	-21.5	10.7	14.2	1.5	3.3	Jan-13
NCREIF Property Index			1.2	2.5	4.2	4.2	-2.8	3.7	5.2	0.4	-7.9	5.5	17.7	1.6	6.5	
NCREIF ODCE Net			0.8	1.7	2.7	2.7	-6.2	2.5	4.4	-2.3	-12.7	6.5	21.0	0.3	6.0	
Clarion Lion	28,289,154	2.2	1.7	2.6	4.9	4.9	-6.8	3.4	5.4	-2.3	-15.5	9.6	23.6	2.3	4.3	Jan-07
NCREIF Property Index			1.2	2.5	4.2	4.2	-2.8	3.7	5.2	0.4	-7.9	5.5	17.7	1.6	5.8	
NCREIF ODCE Net			0.8	1.7	2.7	2.7	-6.2	2.5	4.4	-2.3	-12.7	6.5	21.0	0.3	4.2	
ARA American Strategic Value Realty	51,216,129	4.0	N/A	0.6	0.7	0.7	-5.3	2.2	-	-3.7	-10.3	6.8	18.6	2.4	3.8	Jan-18
NCREIF Property Index +2%			1.7	3.5	6.3	6.3	-0.8	5.8	-	2.4	-6.1	7.6	20.0	3.6	6.3	
NCREIF ODCE Net			0.8	1.7	2.7	2.7	-6.2	2.5	-	-2.3	-12.7	6.5	21.0	0.3	3.1	
1221 State St. Corp	2,049,951	0.2	N/A	N/A	N/A	N/A	N/A	N/A	2.4	N/A	N/A	N/A	N/A	N/A	1.2	Jun-08
<b>Private Equity</b>	<b>74,740,817</b>	<b>5.8</b>	<b>-1.0</b>	<b>-0.1</b>	<b>2.4</b>	<b>2.4</b>	<b>1.7</b>	<b>17.4</b>	<b>15.1</b>	<b>6.0</b>	<b>3.9</b>	<b>-0.8</b>	<b>57.3</b>	<b>23.0</b>	<b>-</b>	<b>Mar-10</b>
Harbourvest Buyout IX	2,554,529	0.2	-9.6	-9.6	-11.6	-11.6	-5.1	10.4	13.0	-3.2	5.9	-6.0	49.6	21.3	-	Jun-11
Russell 3000 + 3%			11.8	7.3	18.8	18.8	22.7	19.4	16.3	27.5	29.7	-16.8	29.4	24.5	16.7	
Harbourvest Credit Ops IX	283,561	0.0	-18.2	-23.1	-24.0	-24.0	-12.1	3.4	5.7	-12.5	5.0	11.0	32.1	0.3	-	Jun-11
Russell 3000 + 3%			11.8	7.3	18.8	18.8	22.7	19.4	16.3	27.5	29.7	-16.8	29.4	24.5	16.7	
Harbourvest International PE VI	777,943	0.1	-11.2	-1.3	-11.7	-11.7	-3.3	4.9	7.5	-14.6	3.9	-16.7	41.2	17.2	-	Mar-10
Russell 3000 + 3%			11.8	7.3	18.8	18.8	22.7	19.4	16.3	27.5	29.7	-16.8	29.4	24.5	16.7	
Harbourvest Venture IX	3,294,192	0.3	-8.8	-1.0	-2.2	-2.2	-8.7	16.0	15.8	-0.6	-9.5	-15.9	91.1	52.4	-	Jun-11
Russell 3000 + 3%			11.8	7.3	18.8	18.8	22.7	19.4	16.3	27.5	29.7	-16.8	29.4	24.5	16.7	
Harbourvest 2017 Global Fund	22,507,453	1.7	0.0	0.7	3.3	3.3	1.6	18.5	-	8.6	4.6	-1.3	61.6	18.8	15.6	Oct-17
Russell 3000 + 3%			11.8	7.3	18.8	18.8	22.7	19.4	-	27.5	29.7	-16.8	29.4	24.5	16.9	
Harbourvest 2018 Global Fund	20,054,367	1.6	-0.9	-1.1	1.6	1.6	4.5	14.8	-	4.3	4.0	9.7	37.0	16.0	12.4	Jan-19
Russell 3000 + 3%			11.8	7.3	18.8	18.8	22.7	19.4	-	27.5	29.7	-16.8	29.4	24.5	19.7	
Harbourvest 2019 Global Fund	20,557,610	1.6	-0.1	0.7	4.7	4.7	3.0	25.2	-	8.7	6.1	5.4	49.6	34.6	17.5	Dec-19
Russell 3000 + 3%			11.8	7.3	18.8	18.8	22.7	19.4	-	27.5	29.7	-16.8	29.4	24.5	17.5	
Harbourvest 2023 Global Fund	4,711,162	0.4	3.4	7.3	18.7	18.7	-	-	-	29.2	-	-	-	-	24.1	Dec-23
Russell 3000 + 3%			11.8	7.3	18.8	18.8	-	-	-	27.5	-	-	-	-	23.5	
<b>Private Credit</b>	<b>71,303,172</b>	<b>5.5</b>	<b>0.2</b>	<b>2.0</b>	<b>9.1</b>	<b>9.1</b>	<b>9.0</b>	<b>11.0</b>	<b>-</b>	<b>11.5</b>	<b>11.1</b>	<b>8.1</b>	<b>16.1</b>	<b>4.8</b>	<b>9.0</b>	<b>Oct-17</b>
Portfolio Advisors Credit Strategies Fund	11,960,117	0.9	0.1	2.1	8.4	8.4	5.6	11.6	-	10.3	4.0	7.7	26.8	3.9	8.8	Oct-17
Bloomberg High Yield +2% (Lagged)			1.5	2.2	9.8	9.8	7.1	9.4	-	18.0	12.5	-12.4	13.5	5.3	6.6	
Crescent Direct Lending Levered Fund II	1,169,894	0.1	N/A	-7.3	-7.0	-7.0	4.6	7.3	-	5.8	9.3	10.9	11.5	6.0	7.3	Mar-18
Bloomberg High Yield +2% (Lagged)			1.5	2.2	9.8	9.8	7.1	9.4	-	18.0	12.5	-12.4	13.5	5.3	6.7	

Income Research & Management replaced Ducenta 9/30/2023. Harbourvest 2023 funded 12/28/2023. Harding Loevner liquidated 6/30/2024. William Blair Emerging Growth funded 7/02/2024. All Real Estate is as of 3/31/2025 +/- cash flows with the exception of Clarion Lion is as of 6/30. All Private Equity, Private Credit funds, and Opportunistic funds are as of 3/31 +/- cash flows with the exception of the Sixth Street Diversified Credit is as of 12/31 +/- cash flows. FYE 6/30.

Total Fund  
Manager Summary (Net of Fees)

Imperial County Employees' Retirement System  
Period Ending: June 30, 2025

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2024	2023	2022	2021	2020	Inception	Inception Date
Audax Direct Lending Fund A	5,465,445	0.4	0.9	3.8	10.1	10.1	11.0	14.9	-	12.3	10.4	15.5	23.1	10.1	15.5	Oct-18
<i>Bloomberg High Yield +2% (Lagged)</i>			1.5	2.2	9.8	9.8	7.1	9.4	-	18.0	12.5	-12.4	13.5	5.3	7.1	
Ares Capital Europe IV	4,265,536	0.3	1.2	4.0	8.2	8.2	8.1	8.3	-	7.6	7.8	7.0	11.8	8.2	9.1	Aug-18
<i>Bloomberg High Yield +2% (Lagged)</i>			1.5	2.2	9.8	9.8	7.1	9.4	-	18.0	12.5	-12.4	13.5	5.3	7.0	
Lone Star XI	3,595,760	0.3	N/A	0.9	14.9	14.9	14.5	50.6	-	18.8	16.2	13.7	538.0	-62.8	17.6	Jun-19
<i>Bloomberg High Yield +2% (Lagged)</i>			1.5	2.2	9.8	9.8	7.1	9.4	-	18.0	12.5	-12.4	13.5	5.3	7.0	
Sixth Street Diversified Credit	39,956,961	3.1	N/A	2.0	10.7	10.7	9.1	8.0	-	12.5	16.1	13.2	-1.4	-	7.7	May-20
<i>Bloomberg High Yield +2% (Lagged)</i>			1.5	2.2	9.8	9.8	7.1	9.4	-	18.0	12.5	-12.4	13.5	-	6.4	
Ascribe Opportunities Fund IV	4,889,459	0.4	N/A	1.5	0.5	0.5	8.6	-	-	9.4	11.0	5.6	-	-	10.4	Oct-21
<i>Bloomberg High Yield +2% (Lagged)</i>			1.5	2.2	9.8	9.8	7.1	-	-	18.0	12.5	-12.4	-	-	5.1	
<b>Opportunistic</b>	<b>35,473,621</b>	<b>2.7</b>	<b>1.5</b>	<b>3.0</b>	<b>2.9</b>	<b>2.9</b>	<b>4.8</b>	<b>10.3</b>	<b>7.5</b>	<b>4.0</b>	<b>13.0</b>	<b>10.4</b>	<b>18.6</b>	<b>0.9</b>	<b>10.4</b>	<b>Dec-07</b>
KKR Mezzanine Partners	224,350	0.0	-46.0	-60.8	-86.9	-86.9	-52.4	-35.9	-17.3	-65.2	22.5	-31.0	10.5	-15.2	-9.2	Jun-11
TSSP Adjacent Opportunities Partners	35,249,271	2.7	2.1	4.1	7.7	7.7	7.4	15.2	-	7.7	12.4	16.2	26.1	-	14.5	Apr-20
<b>Cash</b>	<b>13,130,873</b>	<b>1.0</b>	<b>1.2</b>	<b>2.2</b>	<b>4.8</b>	<b>4.8</b>	<b>2.3</b>	<b>1.4</b>	<b>0.7</b>	<b>4.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>Sep-07</b>
Invesco Treasury Portfolio	13,130,873	1.0	1.2	2.2	4.8	4.8	-	-	-	4.8	-	-	-	-	4.7	Jan-24
<i>FTSE 3 Month T-Bill</i>			1.1	2.2	4.9	4.9	-	-	-	5.4	-	-	-	-	5.1	

Income Research & Management replaced Ducenta 9/30/2023. Harbourvest 2023 funded 12/28/2023. Harding Loevner liquidated 6/30/2024. William Blair Emerging Growth funded 7/02/2024. All Real Estate is as of 3/31/2025 +/- cash flows with the exception of Clarion Lion is as of 6/30. All Private Equity, Private Credit funds, and Opportunistic funds are as of 3/31 +/- cash flows with the exception of the Sixth Street Diversified Credit is as of 12/31 +/- cash flows. FYE 6/30.

Investment Manager  
Risk Analysis by Manager - 3 Years (Net of Fees)

Imperial County Employees' Retirement System  
Period Ending: June 30, 2025

	Annualized Return	Annualized Excess Return	Annualized Standard Deviation	Annualized Alpha	Annualized Beta	Tracking Error	R-Squared	Sharpe Ratio	Information Ratio	Up Capture	Down Capture
BlackRock Russell 3000	19.08	14.40	16.02	0.00	1.00	0.02	1.00	0.90	-0.03	100.00	100.01
BlackRock International Equity	16.29	11.86	15.18	0.26	1.00	0.28	1.00	0.78	1.01	100.74	99.64
DFA Emerging Markets Value	12.11	8.10	14.77	2.24	0.95	2.86	0.97	0.55	0.57	98.79	87.21
MacKay Shields Core Plus Opportunities	3.81	-0.43	7.53	1.15	1.04	0.97	0.98	-0.06	1.29	106.57	94.57
BlackRock US TIPS	2.37	-1.89	6.76	0.03	1.00	0.23	1.00	-0.28	0.13	100.76	100.63
ASB Real Estate	-12.95	-17.85	8.81	-7.82	1.93	6.69	0.55	-2.00	-1.59	43.30	326.66
Clarion Lion	-6.83	-11.32	6.16	-2.28	1.67	3.33	0.84	-1.81	-1.24	113.69	200.95
ARA American Strategic Value Realty	-5.26	-9.77	4.02	-4.40	1.09	1.64	0.84	-2.36	-2.78	22.77	153.49
Portfolio Advisors Credit Strategies Fund	5.58	1.05	3.74	5.19	0.06	8.49	0.02	0.29	-0.20	29.56	-15.57
Crescent Direct Lending Levered Fund II	4.65	0.32	6.77	5.46	-0.08	11.06	0.01	0.05	-0.22	28.93	-7.07
Audax Direct Lending Fund A	11.01	6.13	4.49	10.41	0.09	8.63	0.03	1.34	0.39	46.93	-49.25
Ares Capital Europe IV	8.06	3.37	3.37	7.56	0.07	8.25	0.03	0.97	0.08	33.79	-38.18
Lone Star XI	14.49	9.42	7.58	15.93	-0.14	11.92	0.02	1.25	0.56	62.10	-63.36
Sixth Street Diversified Credit	9.10	4.46	6.15	7.66	0.21	8.72	0.08	0.73	0.20	46.68	-27.55
Ascribe Opportunities Fund IV	8.57	3.97	6.15	9.24	-0.06	10.59	0.01	0.65	0.12	28.23	-57.13

Risk analysis requires 3 years of data.

Investment Manager  
Risk Analysis by Manager - 5 Years (Net of Fees)

Imperial County Employees' Retirement System  
Period Ending: June 30, 2025

	Annualized Return	Annualized Excess Return	Annualized Standard Deviation	Annualized Alpha	Annualized Beta	Tracking Error	R-Squared	Sharpe Ratio	Information Ratio	Up Capture	Down Capture
BlackRock Russell 3000	15.96	13.53	16.57	-0.01	1.00	0.02	1.00	0.82	-0.17	100.00	100.02
BlackRock International Equity	11.50	9.46	15.96	0.28	1.00	0.33	1.00	0.59	0.95	101.19	100.13
DFA Emerging Markets Value	12.49	10.16	14.70	3.67	0.94	3.38	0.95	0.69	0.90	101.85	82.97
Mackay Shields Core Plus Opportunities	0.41	-2.09	6.75	1.20	1.05	1.16	0.97	-0.31	1.00	110.87	97.04
BlackRock US TIPS	1.62	-0.93	6.11	0.01	1.00	0.18	1.00	-0.15	0.07	100.45	100.39
ASB Real Estate	-3.06	-5.42	9.04	-7.41	1.32	5.66	0.65	-0.58	-1.14	90.29	326.66
Clarion Lion	3.36	0.93	8.53	-1.92	1.48	3.63	0.91	0.11	-0.03	138.98	200.95
ARA American Strategic Value Realty	2.23	-0.34	6.06	-3.68	1.06	1.58	0.94	-0.05	-2.14	73.85	153.49
Portfolio Advisors Credit Strategies Fund	11.59	8.49	6.58	11.52	0.03	9.85	0.00	1.25	0.19	57.79	-44.18
Crescent Direct Lending Levered Fund II	7.26	4.48	6.08	8.16	-0.07	10.10	0.01	0.73	-0.21	38.86	-23.88
Audax Direct Lending Fund A	14.95	11.54	7.29	13.76	0.14	9.70	0.02	1.55	0.51	68.71	-68.63
Ares Capital Europe IV	8.26	5.35	4.97	7.89	0.05	8.72	0.01	1.06	-0.14	39.19	-38.19
Lone Star XI	50.60	55.34	74.24	74.99	0.09	74.56	0.00	0.74	0.65	375.98	-26.00

Risk analysis requires 5 years of data.

Private Credit  
Non Marketable Securities Overview

Imperial County Employees' Retirement System  
Period Ending: June 30, 2025

Vintage	Manager & Fund Name	Estimated 06/30/2025 Market Value <sup>3</sup>	Total Commitment	Capital Called	% Called	Remaining Commitment	Capital Returned	Market Value for IRR	Distrib./ Paid-In (DPI) <sup>1</sup>	Tot. Value/ Paid-In (TVPI) <sup>2</sup>	Net IRR Since Inception <sup>4</sup>	IRR Date	
2013	Portfolio Advisors Credit Strategies Fund	\$11,960,117	\$11,250,000	\$11,250,000	100%	\$0	\$4,137,744	\$12,160,986	36.8%	143.1%	11.4%	3/31/25	
2017	Crescent Direct Lending Levered Fund II	\$1,169,894	\$7,000,000	\$7,078,112	101%	-\$78,112	\$6,337,537	\$1,206,853	89.5%	106.1%	7.1%	3/31/25	
2017	Audax Direct Lending Fund A	\$5,465,445	\$7,000,000	\$6,311,934	90%	\$688,066	\$3,516,122	\$5,422,739	55.7%	142.3%	14.3%	12/31/24	
2018	Ares Capital Europe IV	\$4,265,536	\$8,000,000	\$6,762,884	85%	\$1,237,116	\$4,550,341	\$5,605,334	67.3%	130.4%	9.5%	12/31/24	
2019	Lone Star Fund XI	\$3,595,760	\$5,750,000	\$5,080,264	88%	\$669,736	\$4,504,850	\$5,247,496	88.7%	159.5%	29.2%	12/31/24	
2019	Ascribe Opportunities IV	\$4,889,459	\$6,000,000	\$5,456,288	91%	\$543,712	\$1,812,063	\$4,815,587	33.2%	122.8%	10.3%	12/31/24	
2020	Sixth Street Diversified Credit	\$39,956,961	\$60,000,000	\$33,183,951	55%	\$26,816,049	\$7,433,047	\$37,991,210	22.4%	142.8%	12.0%	12/31/24	
<b>Total Illiquid Private Credit</b>		<b>\$71,303,172</b>	\$105,000,000	\$75,123,433	71.5%	\$29,876,567	\$32,291,705	\$72,450,205	43.0%	137.9%			
<b>% of Portfolio (Market Value)</b>		<b>5.51%</b>											
							<b>Management Fee</b>	<b>Accrued Carried Interest</b>	<b>Admin Fee</b>	<b>Interest Expense</b>	<b>Other Expense</b>	<b>Total Expense<sup>5</sup></b>	
							Portfolio Advisors CSF	\$25,756	\$0	\$0	\$0	\$25,756	
							Crescent Direct Lending II	\$6,200	\$11,089	\$0	\$1,886	\$19,175	
							Audax Direct Lending A	\$29,966	\$0	\$0	\$0	\$29,966	
							Ares Capital Europe IV	\$17,528	\$11,642	\$0	\$28,127	\$5,197	\$62,494
							Ascribe Opportunities IV	\$165,426	\$35,320	\$0	\$91,114	\$291,860	
							Lone Star Fund XI	\$0	\$0	\$0	\$0	\$0	
							Sixth Street Diversified Credit	\$150,424	\$162,150	\$0	\$0	\$55,998	\$368,572
								\$395,300	\$220,201	\$0	\$28,127	\$154,195	<b>\$797,823</b>

<sup>1</sup>(DPI) is equal to (capital returned / capital called)

<sup>2</sup>(TVPI) is equal to (market value + capital returned) / capital called

<sup>3</sup>Last known market value + capital calls - distributions (preliminary MV's as of 06/30/2025)

<sup>4</sup>Net IRR is calculated on the cash flows of all the limited partners of the fund and is net of all fees. Each IRR figure is provided by its respective manager.

<sup>5</sup>All fees and expenses are for 1Q 2025

Portfolio Advisors first capital call issued 10/5/2017. Crescent Direct Lending first called 3/13/2018. Ares IV first called 8/13/2018. Audax Direct Lending first called 10/26/2018. As of 12/31/2024, following a compliance review with their third-party consultant, ACA, Portfolio Advisors Credit Strategies Fund have adopted time-weighted returns (TWR) instead of IRR.

Private Equity  
Non Marketable Securities Overview

Imperial County Employees' Retirement System  
Period Ending: June 30, 2025

Vintage	Manager & Fund Name	Estimated 06/30/2025 Market Value <sup>3</sup>	Total Commitment	Capital Called	% Called	Remaining Commitment	Capital Returned	Market Value for IRR	Paid-In (DPI) <sup>1</sup>	Paid-In (TVPI) <sup>2</sup>	Since Inception <sup>4</sup>	IRR Date
2011	HarbourVest IX-Buyout	\$2,554,529	\$10,000,000	\$8,525,000	85%	\$1,475,000	\$15,765,126	\$2,800,498	184.9%	214.9%	17.0%	3/31/25
2011	HarbourVest IX-Credit	\$283,561	\$2,000,000	\$1,641,541	82%	\$358,459	\$2,518,623	\$332,347	153.4%	170.7%	11.3%	3/31/25
2008	HarbourVest Int'l VI <sup>5</sup>	\$777,943	\$3,712,930	\$2,630,078	71%	\$1,082,852	\$4,757,149	\$828,806	180.9%	210.5%	13.4%	3/31/25
2011	HarbourVest IX-Venture	\$3,294,192	\$4,000,000	\$3,800,000	95%	\$200,000	\$1,637,181	\$3,572,642	43.1%	129.8%	20.4%	3/31/25
2017	HarbourVest 2017 Global	\$22,507,453	\$30,000,000	\$26,662,919	89%	\$3,337,081	\$16,877,215	\$23,696,889	63.3%	147.7%	17.3%	3/31/25
2018	HarbourVest 2018 Global	\$20,054,367	\$20,000,000	\$11,238,043	56%	\$8,761,957	\$6,222,357	\$20,054,367	55.4%	233.8%	16.0%	3/31/25
2019	HarbourVest 2019 Global	\$20,557,610	\$20,000,000	\$13,975,273	70%	\$6,024,727	\$3,250,733	\$20,557,610	23.3%	170.4%	17.1%	3/31/25
2023	HarbourVest 2023 Global	\$4,711,162	\$10,000,000	\$4,053,540	41%	\$5,946,460	\$0	\$4,261,162	0.0%	116.2%	20.2%	3/31/25
2025	HarbourVest 2025 Global	N/A	\$10,000,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Total Illiquid Private Equity** \$74,740,817 \$99,712,930 \$72,526,394 73% \$27,186,536 \$51,028,384 \$76,104,321 70.4% 173.4%

**% of Portfolio (Market Value)** 5.78%

	Management Fee	Admin Fee	Interest Expense	Other Expense	Total Expense <sup>6</sup>
HarbourVest IX-Buyout	\$9,085	\$0	\$0	\$2,887	\$11,972
HarbourVest IX-Credit	\$908	\$0	\$0	\$957	\$1,865
HarbourVest Int'l VI	\$1,010	\$0	\$0	\$591	\$1,601
HarbourVest IX-Venture	\$3,641	\$0	\$0	\$3,645	\$7,286
HarbourVest 2017 Global	\$61,219	\$0	\$0	\$36,980	\$98,199
HarbourVest 2018 Global	\$43,766	\$0	\$0	\$17,317	\$61,083
HarbourVest 2019 Global	\$43,190	\$0	\$0	\$18,582	\$61,772
HarbourVest 2023 Global	\$20,548	\$0	\$0	\$32,352	\$52,900
HarbourVest 2025 Global	\$0	\$0	\$0	\$0	\$0
	\$183,367	\$0	\$0	\$113,311	\$296,678

<sup>1</sup>(DPI) is equal to (capital returned / capital called)

<sup>2</sup>(TVPI) is equal to (market value + capital returned) / capital called

<sup>3</sup>Last known market value + capital calls - distributions (preliminary MV's as of 06/30/2025)

<sup>4</sup>Net IRR is calculated on the cash flows of all the limited partners of the fund and is net of all fees. Each IRR figure is provided by its HarbourVest.

<sup>5</sup>HarbourVest International Private Equity Partners VI-Partnership Fund L.P. values are originally presented in euros and are calculated to dollars using XE™.

<sup>6</sup>fees and expenses are for 1Q 2025

HarbourVest 2017 Global Fund first capital call issued 9/21/2017. Portfolio Advisors first capital call issued 10/5/2017. HarbourVest 2018 Global Fund first capital call issued 12/13/2018. HarbourVest 2023 Global Fund first capital call issued 12/28/2023.

# Opportunistic Non Marketable Securities Overview

# Imperial County Employees' Retirement System Period Ending: June 30, 2025

Vintage	Manager & Fund Name	Estimated 06/30/25 Market Value <sup>3</sup>	Total Commitment	Capital Called	% Called	Remaining Commitment	Capital Returned	Market Value for IRR	Distrib./ Paid-In (DPI) <sup>1</sup>	Tot. Value/ Paid-In (TVPI) <sup>2</sup>	Net IRR Since Inception <sup>5</sup>	IRR Date	
2010	KKR Mezzanine <sup>6</sup>	\$224,350	\$10,000,000	\$10,000,000	100%	\$0	\$14,153,380	\$224,350	141.5%	143.8%	2.7%	3/31/25	
2020	TSSP Adjacent Opportunities Partners	\$35,249,271	\$40,000,000	\$29,970,903	75%	\$10,029,097	\$6,182,047	NA	20.6%	138.2%	NA	NA	
<b>Total Illiquid Opportunistic</b>		<b>\$35,473,621</b>	\$50,000,000	\$39,970,903	80%	\$10,029,097	\$20,335,427	\$237,967	0.6%	51.5%			
<b>% of Portfolio (Market Value)</b>		<b>2.74%</b>											
							<b>Management Fee</b>	<b>Accrued Carried Interest</b>	<b>Admin Fee</b>	<b>Interest Expense</b>	<b>Other Expense</b>	<b>Total Expense<sup>6</sup></b>	
							KKR Mezzanine	\$0	\$0	\$0	\$0	\$1,070	\$1,070
							TSSP Adjacent Opportunities Pz	\$0	\$0	\$0	\$0	\$0	\$0
								\$0	\$0	\$0	\$0	\$1,070	<b>\$1,070</b>

<sup>1</sup>(DPI) is equal to (capital returned / capital called)

<sup>2</sup>(TVPI) is equal to (market value + capital returned) / capital called

<sup>3</sup>Last known market value + capital calls - distributions (preliminary MV's as of 06/30/2025)

<sup>4</sup>Investment period ended, no further capital to be called.

<sup>5</sup>Net IRR is calculated on the cash flows of all the limited partners of the fund and is net of all fees. Each IRR figure is provided by its respective manager.

<sup>6</sup>All fees and expenses are for 1Q 2025

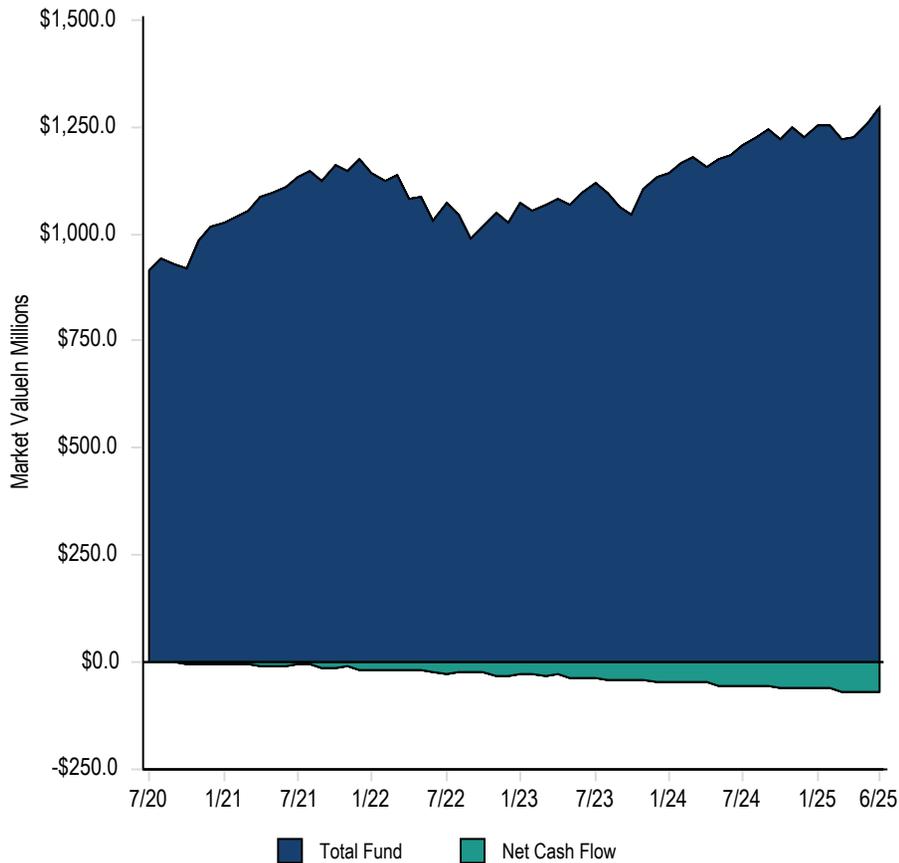
Total Fund  
Cash Flow by Manager (Last Three Months)

Imperial County Employees' Retirement System  
Period Ending: June 30, 2025

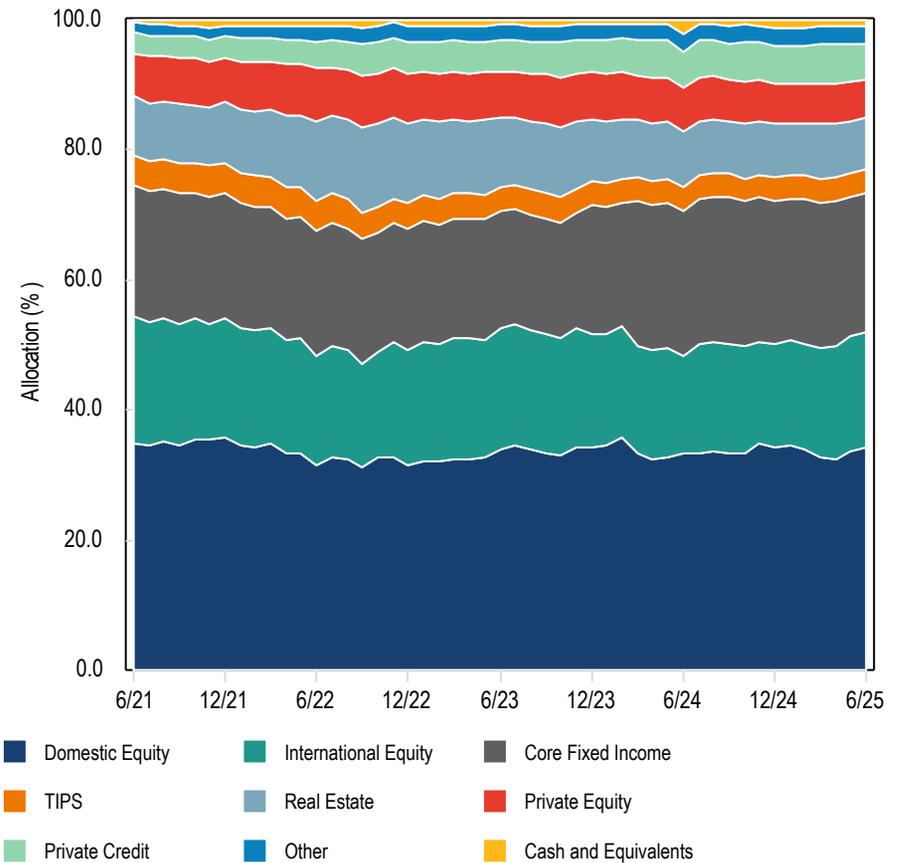
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flows	Capital Appreciation	Ending Market Value
BlackRock Russell 3000	\$400,737,283	\$0	\$0	\$0	\$44,008,703	\$444,745,986
BlackRock International Equity	\$160,867,633	\$0	\$0	\$0	\$19,275,729	\$180,143,362
William Blair Emerging Growth	\$18,441,437	\$0	\$0	\$0	\$2,727,270	\$21,126,594
DFA Emerging Markets Value	\$24,817,364	\$0	\$0	\$0	\$2,737,917	\$27,555,281
Income Research & Management	\$136,358,809	\$0	\$0	\$0	\$1,686,265	\$138,045,074
MacKay Shields Core Plus Opportunities	\$136,680,002	\$0	\$0	\$0	\$2,109,602	\$138,789,604
BlackRock US TIPS	\$45,078,772	\$0	\$0	\$0	\$218,684	\$45,297,457
ASB Real Estate	\$21,027,136	\$0	\$0	\$0	\$0	\$21,027,136
Clarion Lion	\$27,895,569	\$183,041	-\$256,664	-\$73,623	\$467,208	\$28,289,154
ARA American Strategic Value Realty	\$51,216,129	\$0	\$0	\$0	\$0	\$51,216,129
1221 State St. Corp	\$2,047,999	\$18,040	-\$16,209	\$1,831	\$120	\$2,049,951
Harbourvest Buyout IX	\$3,076,534	\$0	-\$245,969	-\$245,969	-\$276,036	\$2,554,529
Harbourvest Credit Ops IX	\$395,931	\$0	-\$48,786	-\$48,786	-\$63,584	\$283,561
Harbourvest International PE VI	\$926,881	\$0	-\$50,863	-\$50,863	-\$98,075	\$777,943
Harbourvest Venture IX	\$3,890,091	\$0	-\$278,450	-\$278,450	-\$317,449	\$3,294,192
Harbourvest 2017 Global Fund	\$23,692,148	\$0	-\$1,189,436	-\$1,189,436	\$4,741	\$22,507,453
Harbourvest 2018 Global Fund	\$20,226,970	\$0	\$0	\$0	-\$172,603	\$20,054,367
Harbourvest 2019 Global Fund	\$20,570,015	\$0	\$0	\$0	-\$12,405	\$20,557,610
Harbourvest 2023 Global Fund	\$4,121,719	\$450,000	\$0	\$450,000	\$139,443	\$4,711,162
Portfolio Advisors Credit Strategies Fund	\$12,160,986	\$0	-\$209,127	-\$209,127	\$8,258	\$11,960,117
Crescent Direct Lending Levered Fund II	\$1,206,853	\$0	-\$36,959	-\$36,959	\$0	\$1,169,894
Audax Direct Lending Fund A	\$5,422,739	\$398,844	-\$408,553	-\$9,709	\$52,415	\$5,465,445
Ares Capital Europe IV	\$5,283,587	\$0	-\$1,084,023	-\$1,084,023	\$65,972	\$4,265,536
Lone Star XI	\$3,990,514	\$26,030	-\$420,784	-\$394,754	\$0	\$3,595,760
Sixth Street Diversified Credit	\$39,956,961	\$0	\$0	\$0	\$0	\$39,956,961
Ascribe Opportunities Fund IV	\$4,889,459	\$0	\$0	\$0	\$0	\$4,889,459
KKR Mezzanine Partners	\$415,710	\$0	\$0	\$0	-\$191,360	\$224,350
TSSP Adjacent Opportunities Partners	\$34,507,048	\$25,230	\$0	\$25,230	\$716,993	\$35,249,271
Invesco Treasury Portfolio	\$10,131,812	\$3,774,855	-\$900,104	\$2,874,751	\$124,311	\$13,130,873
<b>Total Fund</b>	<b>\$1,220,034,091</b>	<b>\$4,876,040</b>	<b>-\$5,145,926</b>	<b>-\$269,886</b>	<b>\$73,212,120</b>	<b>\$1,292,934,211</b>

All Real Estate is as of 3/31/2025 +/- cash flows with the exception of Clarion Lion is as of 6/30. All Private Equity, Private Credit funds, and Opportunistic funds are as of 3/31 +/- cash flows with the exception of the Sixth Street Diversified Credit is as of 12/31 +/- cash flows.

Market Value History



Asset Allocation History



# Total Fund Investment Fund Fee Analysis

# Imperial County Employees' Retirement System Period Ending: June 30, 2025

Account	Fee Schedule	Market Value	% of Portfolio	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
ARA American Strategic Value Realty	1.25 % of First \$10 M 1.20 % of Next \$15 M 1.10 % of Next \$25 M 1.00 % Thereafter	51,216,129	3.96	592,161	1.16
Ares Capital Europe IV	1.38 % of Assets	4,265,536	0.33	58,864	1.38
ASB Real Estate	1.25 % of First \$5 M 1.00 % of Next \$10 M 0.75 % Thereafter	21,027,136	1.63	207,704	0.99
Ascribe Opportunities Fund IV	1.50 % of Assets	4,889,459	0.38	73,342	1.50
Audax Direct Lending Fund A	0.85 % of Assets	5,465,445	0.42	46,456	0.85
BlackRock International Equity	0.15 % of First \$50 M 0.10 % of Next \$50 M 0.00 % Thereafter	180,143,362	13.93	125,000	0.07
BlackRock Russell 3000	0.03 % of Assets	444,745,986	34.40	133,424	0.03
BlackRock US TIPS	0.07 % of Assets	45,297,457	3.50	31,708	0.07
Clarion Lion	1.25 % of First \$10 M 1.00 % of Next \$15 M 0.85 % Thereafter	28,289,154	2.19	302,958	1.07
Crescent Direct Lending Levered Fund II	Minimum Fee: \$25,280	1,169,894	0.09	25,280	2.16
DFA Emerging Markets Value	0.44 % of Assets	27,555,281	2.13	121,243	0.44
Income Research & Management	0.20 % of First \$100 M 0.17 % Thereafter	138,045,074	10.68	264,677	0.19
Harbourvest 2017 Global Fund	Minimum Fee: \$262,500	22,507,453	1.74	262,500	1.17
Harbourvest 2018 Global Fund	Minimum Fee: \$138,000	20,054,367	1.55	138,000	0.69
Harbourvest 2019 Global Fund	0.45 % of Assets	20,557,610	1.59	92,509	0.45
Harbourvest 2023 Global Fund	0.50 % of Assets	4,711,162	0.36	23,556	0.50
Harbourvest Buyout IX	Minimum Fee: \$100,000	2,554,529	0.20	100,000	3.91
Harbourvest Credit Ops IX	Minimum Fee: \$20,000	283,561	0.02	20,000	7.05
Harbourvest International PE VI	Minimum Fee: \$35,000	777,943	0.06	35,000	4.50
Harbourvest Venture IX	Minimum Fee: \$40,000	3,294,192	0.25	40,000	1.21
Invesco Treasury Portfolio		13,130,873	1.02	-	-
KKR Mezzanine Partners	Minimum Fee: \$150,000	224,350	0.02	150,000	66.86
Lone Star XI	0.71 % of Assets	3,595,760	0.28	25,494	0.71
MacKay Shields Core Plus Opportunities	0.30 % of Assets	138,789,604	10.73	416,369	0.30

\*HarbourVest and KKR fees are estimated gross management fees only and do not include incentive allocations or offsetting cash flows received by the fund.

\*HarbourVest International Private Equity VI fees are based on committed Euros, actual US Dollar amount will fluctuate based on exchange rates.

\*Verus advisory fee shown for disclosure purposes only and is not included in total investment management fee calculations.

\*Portfolio Advisors fee is 0.20% on committed capital and 1.00% on invested capital.

Total Fund  
Investment Fund Fee Analysis

Imperial County Employees' Retirement System  
Period Ending: June 30, 2025

Account	Fee Schedule	Market Value	% of Portfolio	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
Portfolio Advisors Credit Strategies Fund	Minimum Fee: \$180,000	11,960,117	0.93	180,000	1.51
Sixth Street Diversified Credit	1.35 % of Assets	39,956,961	3.09	539,419	1.35
TSSP Adjacent Opportunities Partners		35,249,271	2.73	-	-
William Blair Emerging Growth	0.90 % of First \$25 M 0.85 % of Next \$25 M 0.70 % of Next \$50 M 0.65 % of Next \$50 M 0.60 % of Next \$50 M 0.40 % of Next \$200 M 0.35 % Thereafter	21,126,594	1.63	190,139	0.90
<b>Investment Management Fee</b>		<b>1,292,934,211</b>	<b>100.00</b>	<b>4,195,803</b>	<b>0.32</b>

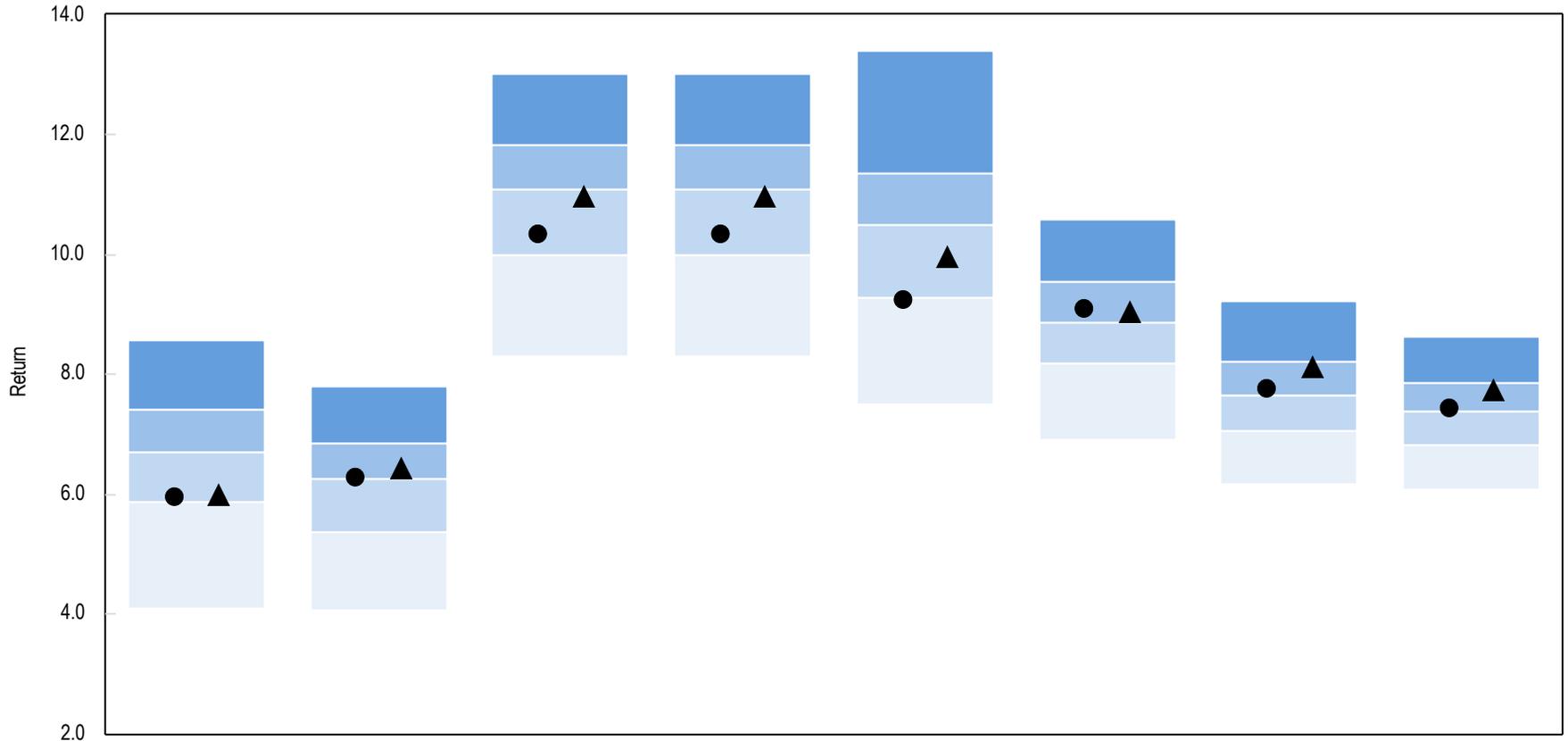
\*HarbourVest and KKR fees are estimated gross management fees only and do not include incentive allocations or offsetting cash flows received by the fund.

\*HarbourVest International Private Equity VI fees are based on committed Euros, actual US Dollar amount will fluctuate based on exchange rates.

\*Verus advisory fee shown for disclosure purposes only and is not included in total investment management fee calculations.

\*Portfolio Advisors fee is 0.20% on committed capital and 1.00% on invested capital.

Total Fund vs. InvMetrics Public DB Net

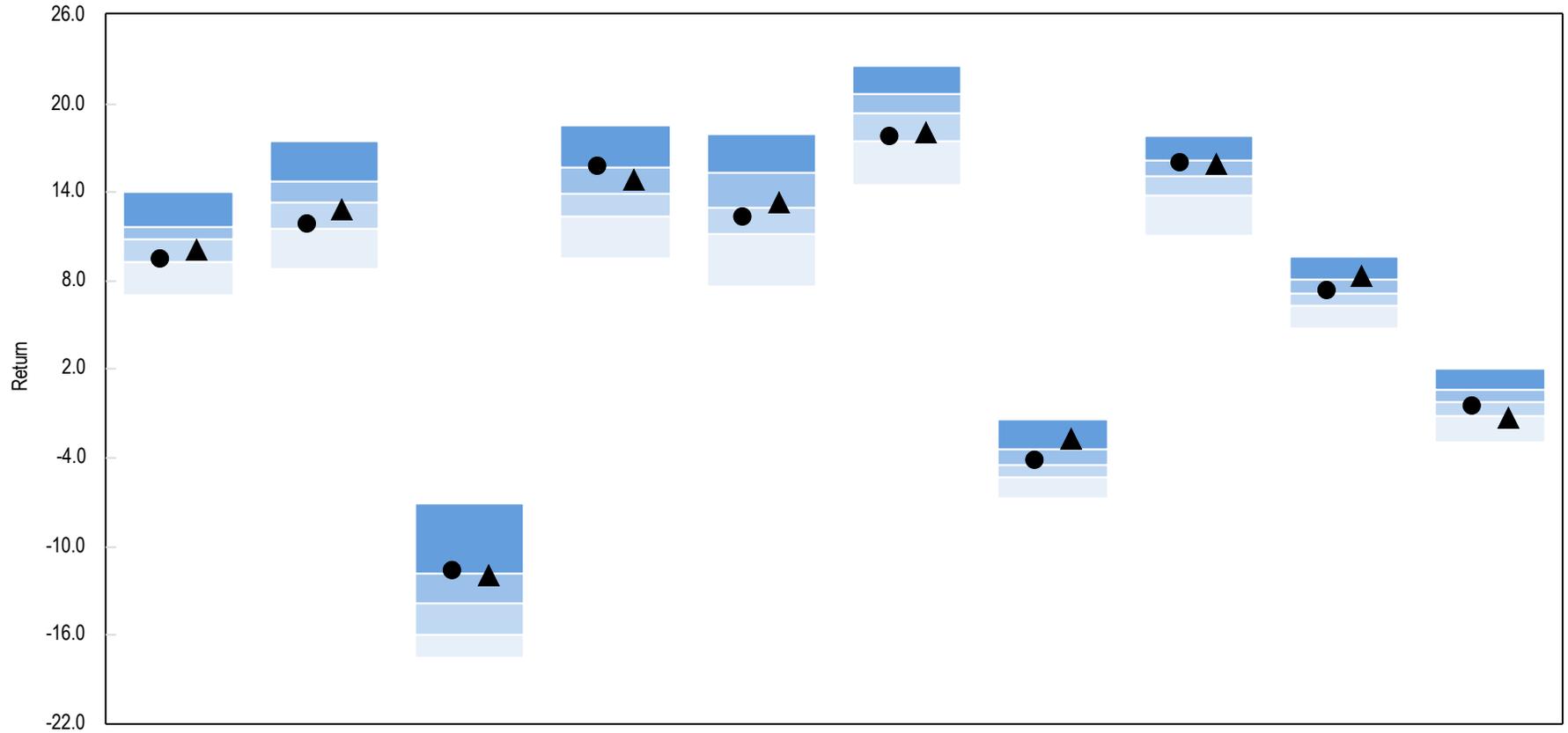


	Quarter	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Total Fund	5.98 (74)	6.31 (49)	10.37 (69)	10.37 (69)	9.26 (77)	9.11 (40)	7.77 (45)	7.45 (46)
▲ Policy Index	6.00 (73)	6.45 (41)	10.99 (54)	10.99 (54)	9.96 (62)	9.05 (43)	8.14 (29)	7.73 (32)
5th Percentile	8.59	7.82	13.02	13.02	13.40	10.59	9.22	8.63
1st Quartile	7.42	6.86	11.84	11.84	11.36	9.55	8.23	7.88
Median	6.71	6.26	11.09	11.09	10.49	8.87	7.65	7.38
3rd Quartile	5.89	5.39	10.01	10.01	9.29	8.19	7.05	6.82
95th Percentile	4.10	4.08	8.31	8.31	7.50	6.91	6.16	6.09
Population	660	659	655	655	626	607	580	525

Total Fund  
Peer Universe Comparison: Consecutive Periods (Net of Fees)

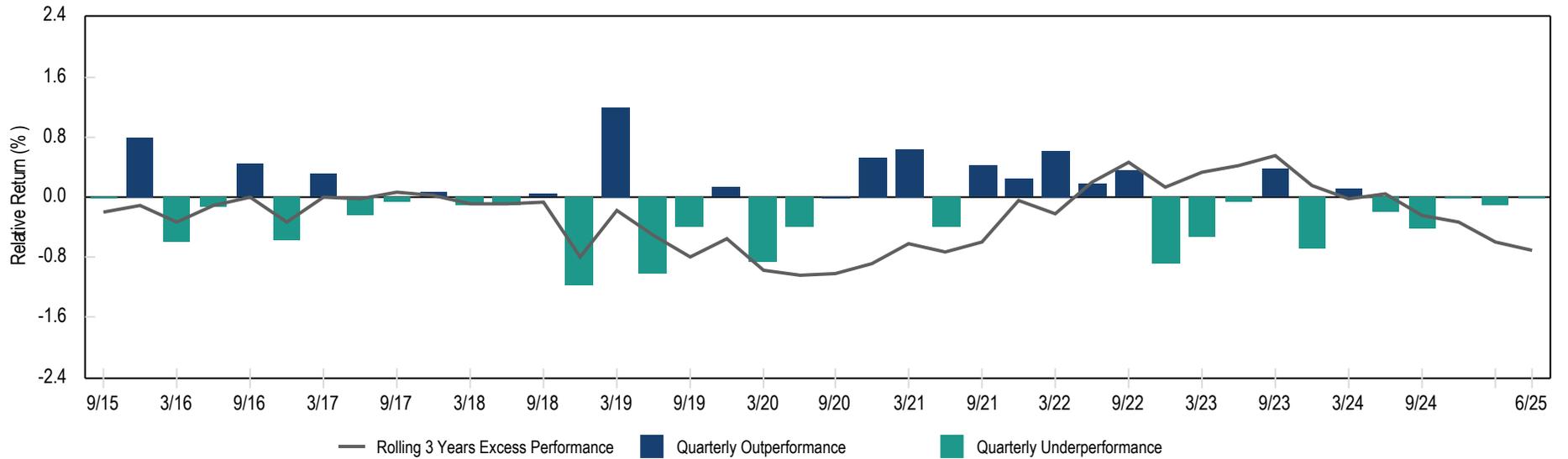
Imperial County Employees' Retirement System  
Period Ending: June 30, 2025

Total Fund vs. InvMetrics Public DB Net

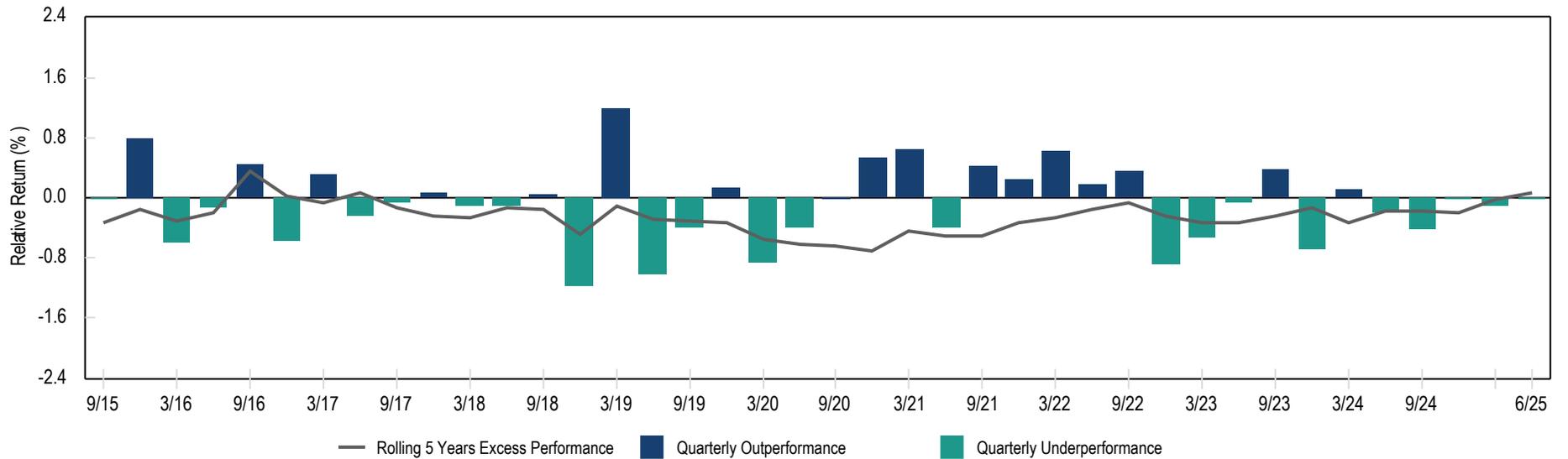


	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
● Total Fund	9.53 (73)	11.93 (71)	-11.60 (23)	15.84 (23)	12.33 (59)	17.85 (72)	-4.12 (41)	16.02 (28)	7.45 (44)	-0.41 (58)
▲ Policy Index	10.11 (62)	12.85 (58)	-11.93 (27)	14.83 (36)	13.29 (47)	18.03 (70)	-2.73 (14)	15.93 (30)	8.36 (21)	-1.22 (77)
5th Percentile	14.06	17.46	-7.06	18.55	17.91	22.57	-1.33	17.88	9.64	2.03
1st Quartile	11.71	14.73	-11.79	15.70	15.38	20.67	-3.36	16.12	8.12	0.63
Median	10.78	13.34	-13.87	13.90	13.01	19.41	-4.42	15.07	7.17	-0.19
3rd Quartile	9.31	11.58	-15.96	12.36	11.13	17.44	-5.31	13.81	6.29	-1.15
95th Percentile	7.06	8.77	-17.49	9.57	7.57	14.53	-6.67	11.02	4.77	-2.95
Population	1,098	1,140	1,148	1,185	1,226	1,133	1,083	1,068	1,055	994

Rolling 3 Year Annualized Excess Performance



Rolling 5 Year Annualized Excess Performance



# Total Domestic Equity Asset Class Overview (Net of Fees)

# Imperial County Employees' Retirement System Period Ending: June 30, 2025

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2024	2023	2022	2021	2020
<b>Total Domestic Equity</b>	<b>444,745,986</b>	<b>100.0</b>	<b>11.0</b>	<b>5.7</b>	<b>15.3</b>	<b>15.3</b>	<b>19.1</b>	<b>16.0</b>	<b>12.9</b>	<b>23.8</b>	<b>26.0</b>	<b>-19.2</b>	<b>25.7</b>	<b>21.0</b>
<i>Russell 3000 Index</i>			<i>11.0</i>	<i>5.8</i>	<i>15.3</i>	<i>15.3</i>	<i>19.1</i>	<i>16.0</i>	<i>13.0</i>	<i>23.8</i>	<i>26.0</i>	<i>-19.2</i>	<i>25.7</i>	<i>20.9</i>
BlackRock Russell 3000	444,745,986	100.0	11.0	5.7	15.3	15.3	19.1	16.0	-	23.8	26.0	-19.2	25.7	21.0
<i>Russell 3000 Index</i>			<i>11.0</i>	<i>5.8</i>	<i>15.3</i>	<i>15.3</i>	<i>19.1</i>	<i>16.0</i>	<i>-</i>	<i>23.8</i>	<i>26.0</i>	<i>-19.2</i>	<i>25.7</i>	<i>20.9</i>
<i>eV US All Cap Core Equity Rank</i>			<i>39</i>	<i>39</i>	<i>31</i>	<i>31</i>	<i>21</i>	<i>28</i>	<i>-</i>	<i>21</i>	<i>25</i>	<i>57</i>	<i>50</i>	<i>41</i>

U.S. Effective Style Map  
3 Years Ending: June 30, 2025



■ BlackRock Russell 3000

U.S. Effective Style Map  
5 Years Ending: June 30, 2025



■ BlackRock Russell 3000

# Total International Equity Asset Class Overview (Net of Fees)

# Imperial County Employees' Retirement System Period Ending: June 30, 2025

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2024	2023	2022	2021	2020
<b>Total International Equity</b>	<b>228,825,237</b>	<b>100.0</b>	<b>12.1</b>	<b>18.3</b>	<b>16.2</b>	<b>16.2</b>	<b>14.3</b>	<b>10.6</b>	<b>6.2</b>	<b>3.4</b>	<b>16.9</b>	<b>-15.4</b>	<b>10.1</b>	<b>8.1</b>
<i>MSCI AC World ex USA Index</i>			12.3	18.3	18.4	18.4	14.6	10.7	6.6	6.1	16.2	-15.6	8.3	11.1
BlackRock International Equity	180,143,362	78.7	12.0	20.1	18.0	18.0	16.3	11.5	6.8	3.8	18.6	-14.1	11.6	8.1
<i>MSCI EAFE (Net)</i>			11.8	19.4	17.7	17.7	16.0	11.2	6.5	3.8	18.2	-14.5	11.3	7.8
<i>eV All EAFE Equity Rank</i>			56	53	63	63	39	49	47	55	33	37	53	52
William Blair Emerging Growth	21,126,594	9.2	14.4	8.8	-	-	-	-	-	-	-	-	-	-
<i>MSCI Emerging Markets Growth Index</i>			14.0	16.0	-	-	-	-	-	-	-	-	-	-
<i>eV Emg Mkts Large Cap Growth Equity Rank</i>			10	85	-	-	-	-	-	-	-	-	-	-
DFA Emerging Markets Value	27,555,281	12.0	11.0	14.6	11.9	11.9	12.1	12.5	6.1	6.2	16.5	-10.7	12.4	2.7
<i>MSCI Emerging Markets Value (Net)</i>			10.0	14.8	12.7	12.7	10.2	9.1	4.0	4.5	14.2	-15.8	4.0	5.5
<i>eV Emg Mkts All Cap Value Equity Rank</i>			76	80	79	79	64	48	73	45	46	37	21	82

MSCI Effective Style Map  
3 Years Ending: June 30, 2025



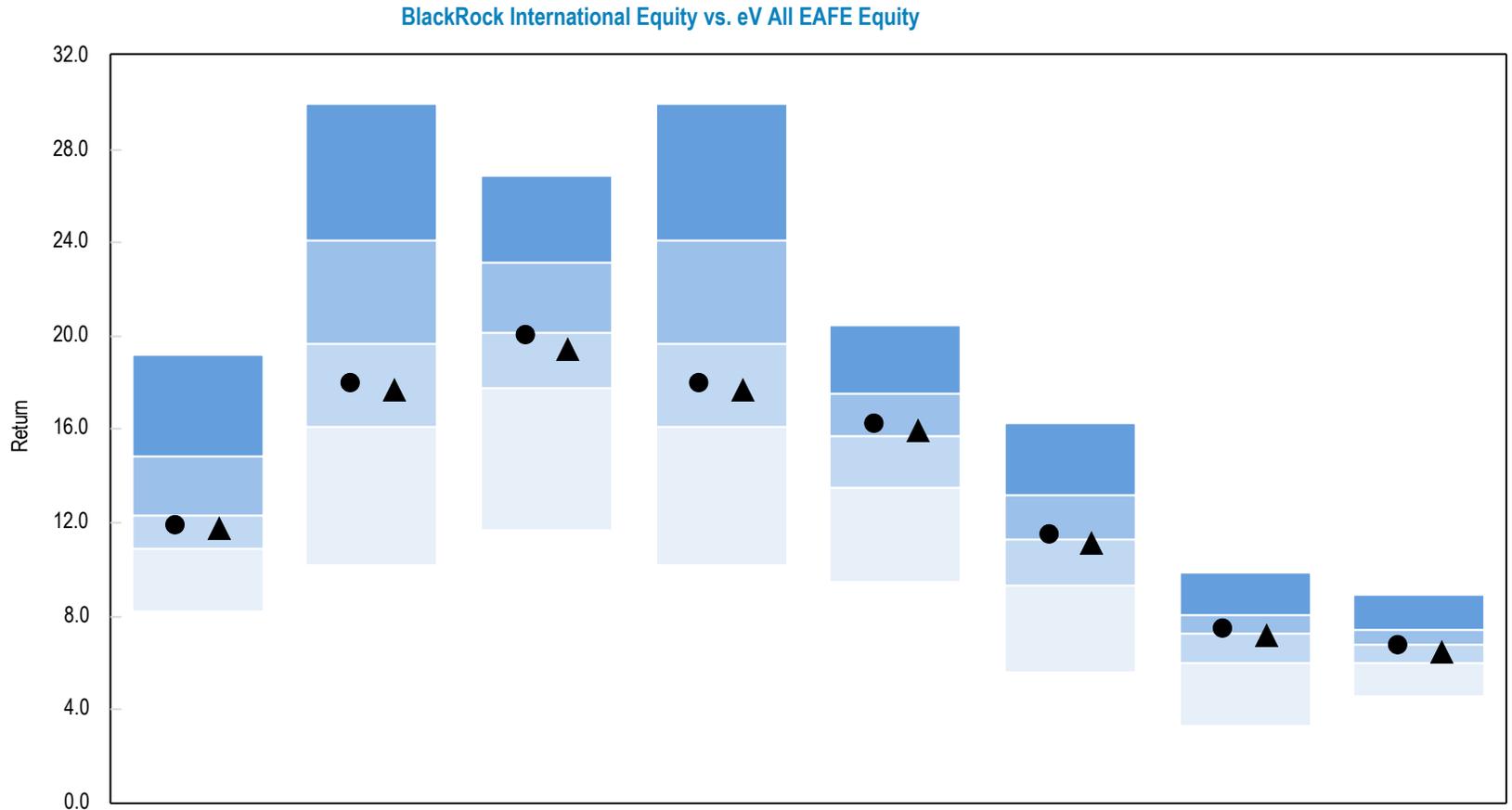
■ BlackRock International Equity   
 ● DFA Emerging Markets Value  
▲ Total International Equity

MSCI Effective Style Map  
5 Years Ending: June 30, 2025



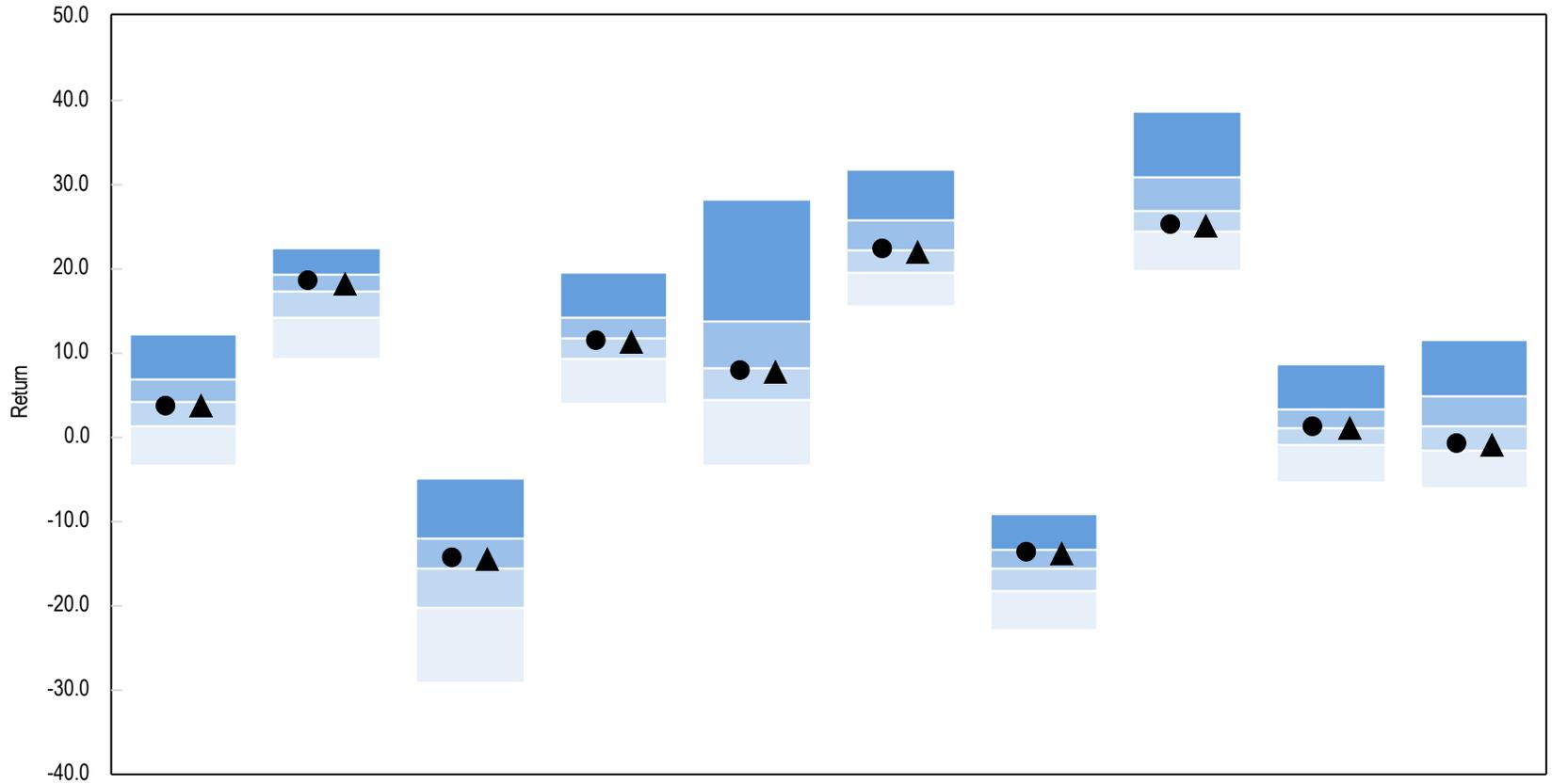
■ BlackRock International Equity   
 ● DFA Emerging Markets Value  
▲ Total International Equity

Harding Loevner liquidated 6/30/24. FYE 6/30.

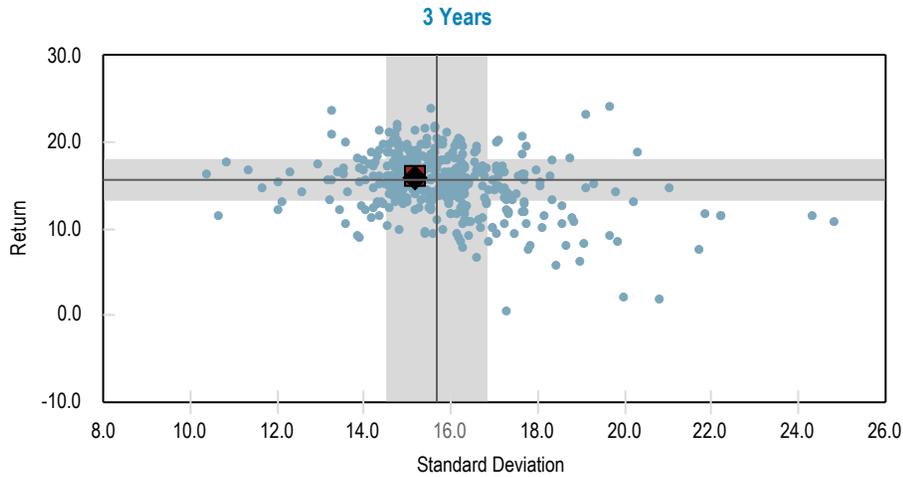


	Quarter	Fiscal YTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years
● BlackRock International Equity	11.96 (56)	18.04 (63)	20.08 (53)	18.04 (63)	16.29 (39)	11.50 (49)	7.52 (40)	6.83 (47)
▲ MSCI EAFE (Net)	11.78 (61)	17.73 (67)	19.45 (60)	17.73 (67)	15.97 (47)	11.16 (54)	7.21 (52)	6.51 (61)
5th Percentile	19.22	29.97	26.89	29.97	20.46	16.28	9.87	8.94
1st Quartile	14.85	24.08	23.12	24.08	17.53	13.17	8.04	7.39
Median	12.35	19.68	20.19	19.68	15.73	11.31	7.26	6.76
3rd Quartile	10.89	16.14	17.76	16.14	13.52	9.31	5.99	6.00
95th Percentile	8.23	10.16	11.71	10.16	9.51	5.60	3.32	4.56
Population	447	446	447	446	417	389	360	301

BlackRock International Equity vs. eV All EAFE Equity

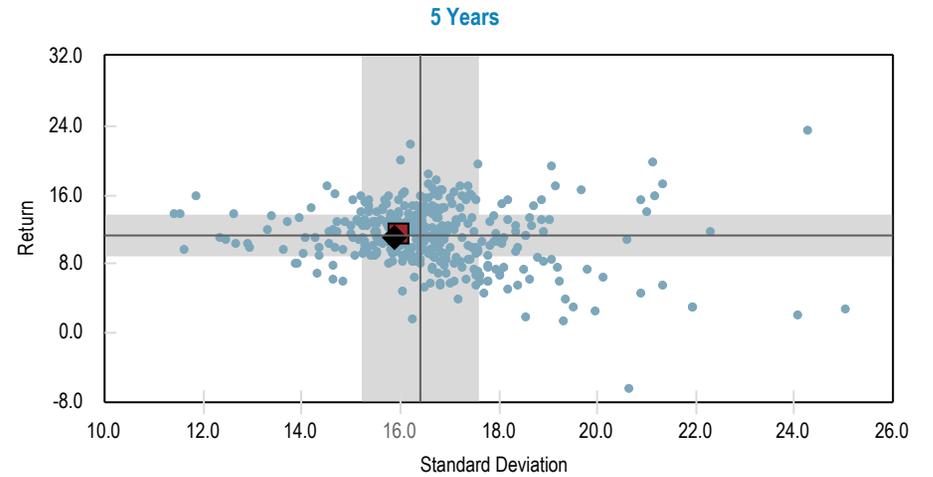


	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
● BlackRock International Equity	3.78 (55)	18.56 (33)	-14.12 (37)	11.62 (53)	8.07 (52)	22.40 (49)	-13.52 (29)	25.42 (63)	1.34 (47)	-0.63 (65)
▲ MSCI EAFE (Net)	3.82 (54)	18.24 (39)	-14.45 (42)	11.26 (59)	7.82 (55)	22.01 (54)	-13.79 (35)	25.03 (68)	1.00 (53)	-0.81 (68)
5th Percentile	12.14	22.55	-4.82	19.58	28.23	31.73	-9.12	38.69	8.63	11.61
1st Quartile	6.79	19.32	-11.98	14.23	13.83	25.88	-13.29	30.82	3.32	4.95
Median	4.14	17.40	-15.63	11.81	8.19	22.26	-15.63	26.99	1.11	1.30
3rd Quartile	1.37	14.27	-20.33	9.27	4.44	19.66	-18.24	24.39	-0.93	-1.55
95th Percentile	-3.24	9.26	-29.10	3.92	-3.26	15.57	-22.84	19.79	-5.44	-5.96
Population	460	472	478	478	482	485	488	477	462	447



eV All EAFE Equity

	Return	Standard Deviation
■ BlackRock International Equity	16.29	15.18
◆ MSCI EAFE (Net)	15.97	15.15
— Median	15.73	15.67
Population	417	417



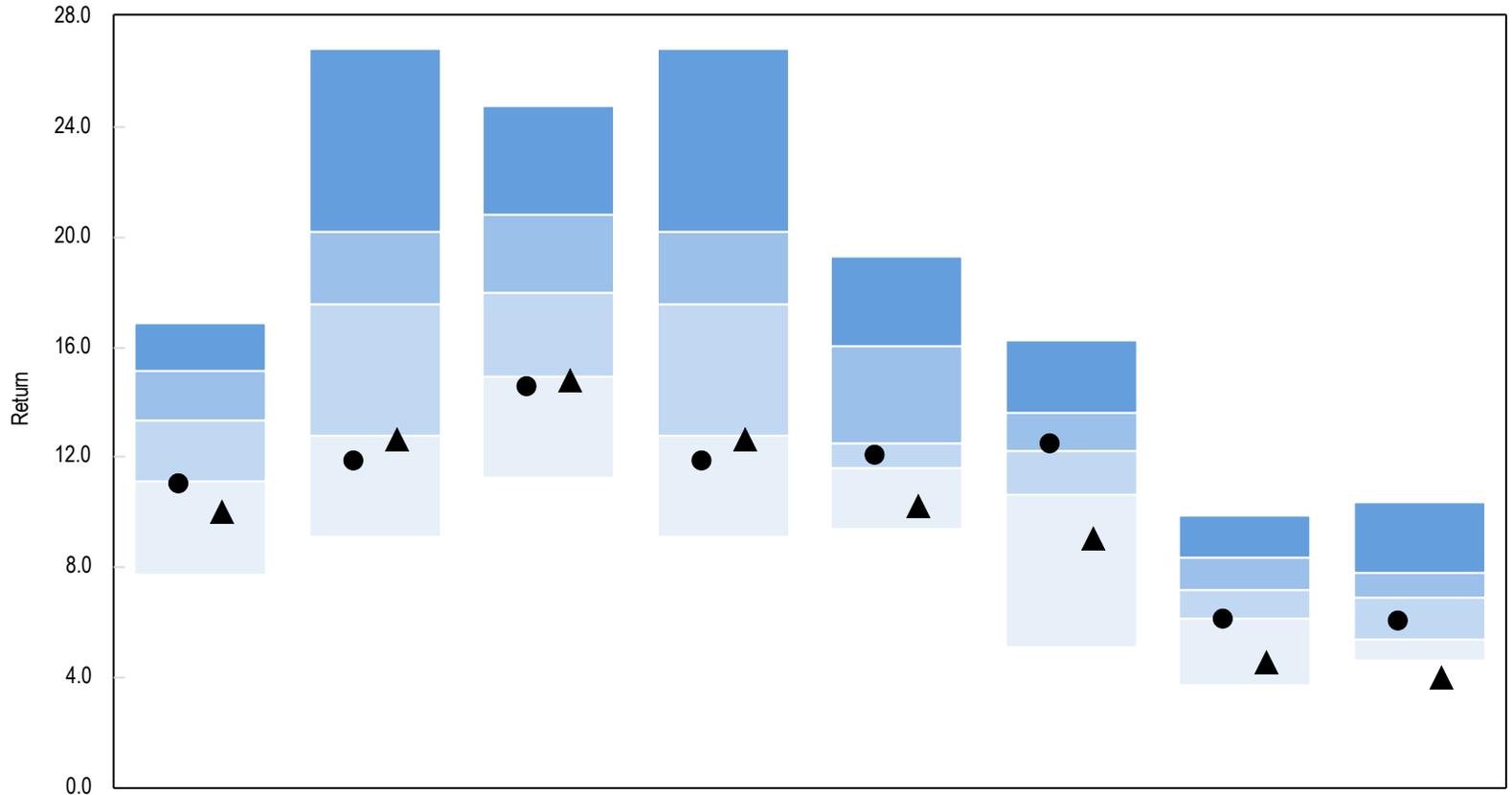
eV All EAFE Equity

	Return	Standard Deviation
■ BlackRock International Equity	11.50	15.96
◆ MSCI EAFE (Net)	11.16	15.90
— Median	11.31	16.40
Population	389	389

DFA Emerging Markets Value  
Cumulative Performance Comparison (Net of Fees)

Imperial County Employees' Retirement System  
Period Ending: June 30, 2025

DFA Emerging Markets Value vs. eV Emg Mkts All Cap Value Equity

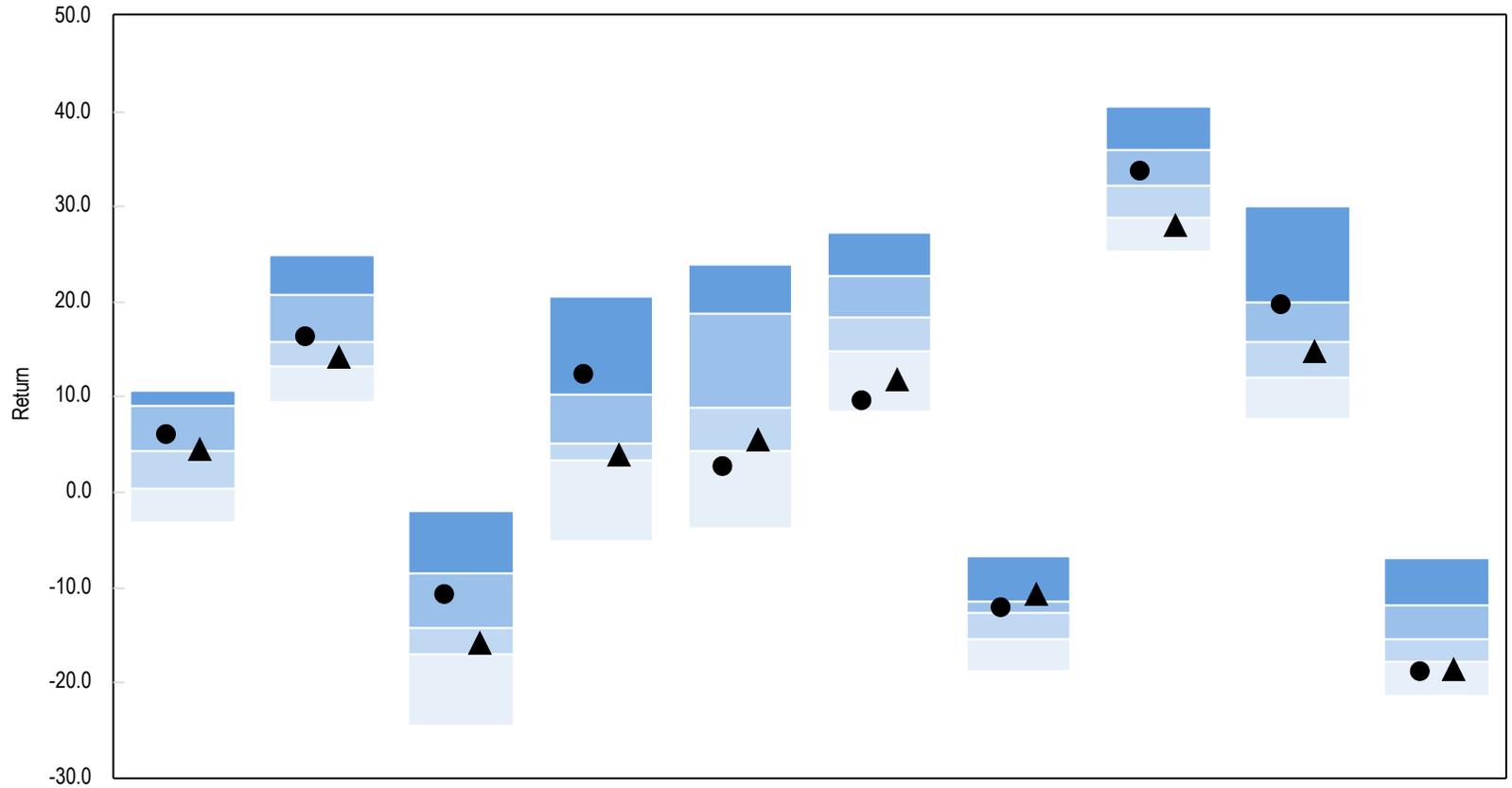


	Quarter	Fiscal YTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years
● DFA Emerging Markets Value	11.03 (76)	11.89 (79)	14.57 (80)	11.89 (79)	12.11 (64)	12.49 (48)	6.16 (75)	6.11 (73)
▲ MSCI Emerging Markets Value (Net)	10.02 (85)	12.66 (76)	14.77 (78)	12.66 (76)	10.22 (90)	9.07 (86)	4.56 (90)	4.01 (100)
5th Percentile	16.85	26.79	24.77	26.79	19.27	16.23	9.88	10.35
1st Quartile	15.11	20.20	20.84	20.20	16.01	13.60	8.36	7.80
Median	13.32	17.55	17.99	17.55	12.50	12.24	7.18	6.92
3rd Quartile	11.14	12.79	14.93	12.79	11.62	10.61	6.14	5.37
95th Percentile	7.74	9.12	11.26	9.12	9.40	5.11	3.71	4.60
Population	53	53	53	53	49	44	42	32

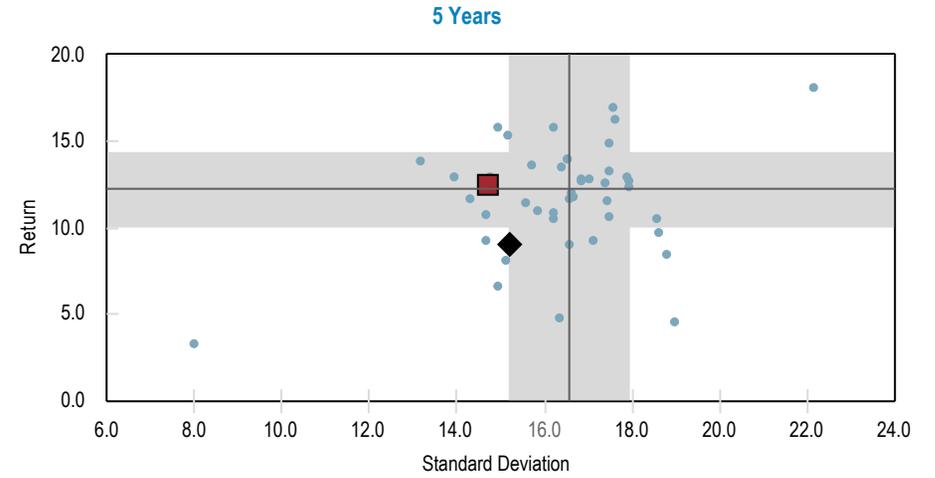
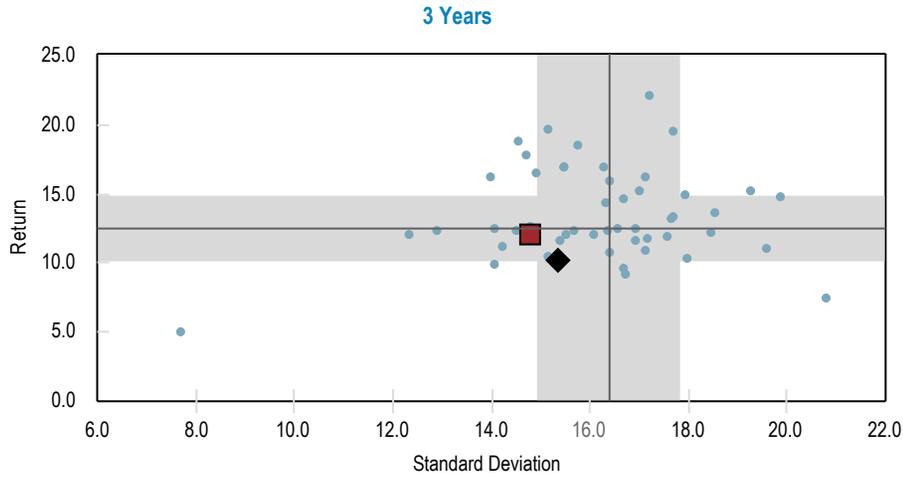
DFA Emerging Markets Value  
Consecutive Performance Comparison (Net of Fees)

Imperial County Employees' Retirement System  
Period Ending: June 30, 2025

DFA Emerging Markets Value vs. eV Emg Mkts All Cap Value Equity



	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
● DFA Emerging Markets Value	6.17 (45)	16.49 (46)	-10.74 (37)	12.41 (21)	2.73 (82)	9.64 (94)	-11.93 (38)	33.76 (40)	19.84 (27)	-18.77 (84)
▲ MSCI Emerging Markets Value (Net)	4.51 (50)	14.21 (70)	-15.83 (63)	4.00 (69)	5.48 (71)	11.96 (93)	-10.74 (21)	28.07 (83)	14.90 (56)	-18.57 (83)
5th Percentile	10.63	24.82	-1.87	20.49	23.96	27.37	-6.64	40.45	30.07	-6.89
1st Quartile	9.08	20.70	-8.54	10.30	18.76	22.69	-11.35	36.05	20.03	-11.88
Median	4.40	15.93	-14.26	5.24	8.93	18.43	-12.63	32.24	15.78	-15.34
3rd Quartile	0.38	13.25	-16.90	3.35	4.43	14.93	-15.36	28.80	12.13	-17.80
95th Percentile	-3.16	9.44	-24.45	-5.16	-3.79	8.58	-18.81	25.25	7.64	-21.30
Population	53	51	56	55	57	59	57	52	49	47



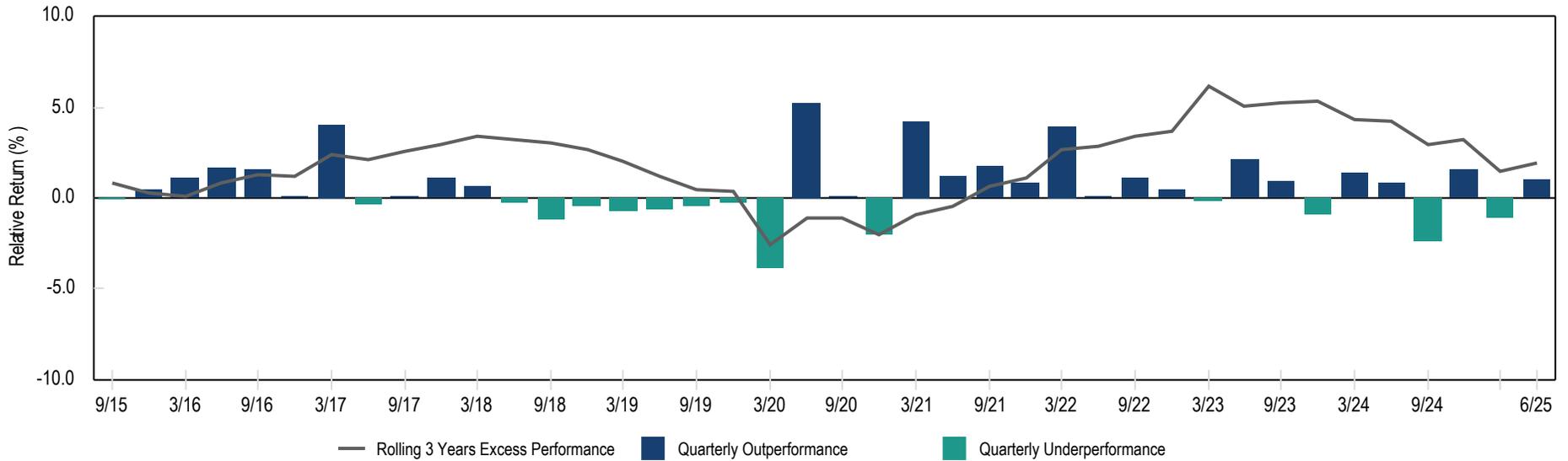
eV Emg Mkts All Cap Value Equity

	Return	Standard Deviation
■ DFA Emerging Markets Value	12.11	14.77
◆ MSCI Emerging Markets Value (Net)	10.22	15.34
— Median	12.50	16.39
Population	49	49

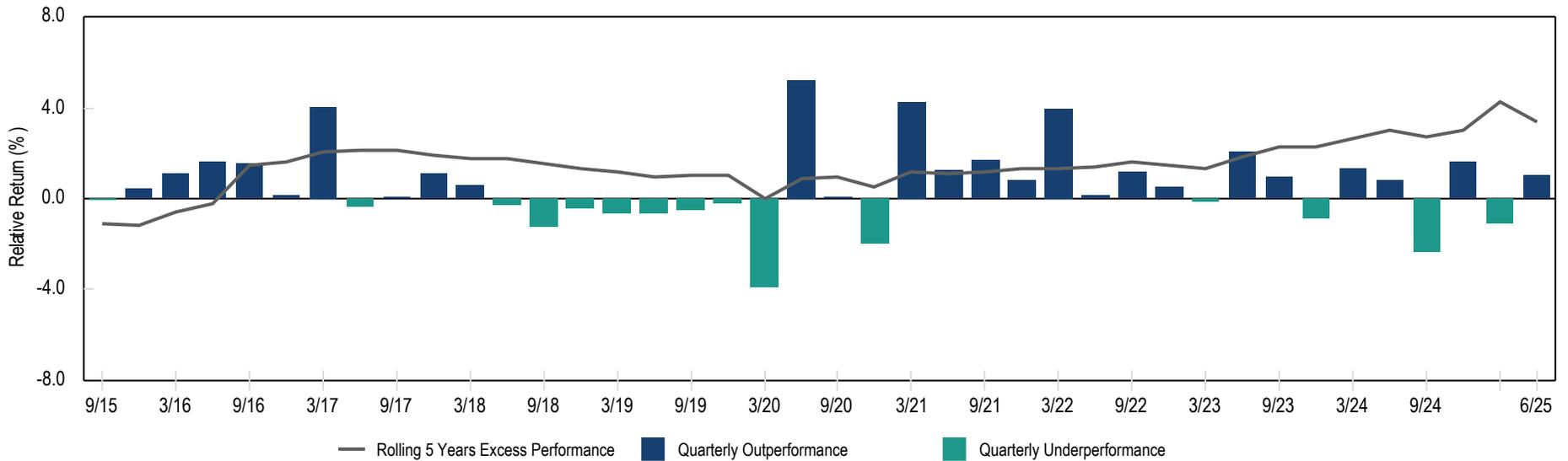
eV Emg Mkts All Cap Value Equity

	Return	Standard Deviation
■ DFA Emerging Markets Value	12.49	14.70
◆ MSCI Emerging Markets Value (Net)	9.07	15.20
— Median	12.24	16.57
Population	44	44

Rolling 3 Year Annualized Excess Performance



Rolling 5 Year Annualized Excess Performance



Total Fixed Income  
Asset Class Overview (Net of Fees)

Imperial County Employees' Retirement System  
Period Ending: June 30, 2025

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2024	2023	2022	2021	2020
<b>Total Fixed Income</b>	<b>322,132,134</b>	<b>100.0</b>	<b>1.2</b>	<b>4.3</b>	<b>6.4</b>	<b>6.4</b>	<b>3.2</b>	<b>0.3</b>	<b>2.4</b>	<b>2.4</b>	<b>6.2</b>	<b>-14.2</b>	<b>0.6</b>	<b>9.8</b>
<i>Blmbg. U.S. Aggregate Index</i>			1.2	4.0	6.1	6.1	2.5	-0.7	1.8	1.3	5.5	-13.0	-1.5	7.5
Income Research & Management	138,045,074	42.9	1.2	4.0	6.1	6.1	-	-	-	1.7	-	-	-	-
<i>Blmbg. U.S. Aggregate Index</i>			1.2	4.0	6.1	6.1	-	-	-	1.3	-	-	-	-
<i>eV US Core Plus Fixed Inc Rank</i>			90	77	86	86	-	-	-	81	-	-	-	-
MacKay Shields Core Plus Opportunities	138,789,604	43.1	1.5	4.5	7.0	7.0	3.8	0.4	2.3	3.3	6.7	-14.5	-0.5	9.9
<i>Blmbg. U.S. Aggregate Index</i>			1.2	4.0	6.1	6.1	2.5	-0.7	1.8	1.3	5.5	-13.0	-1.5	7.5
<i>eV US Core Plus Fixed Inc Rank</i>			41	21	22	22	40	47	66	20	47	85	53	20
BlackRock US TIPS	45,297,457	14.1	0.5	4.7	5.8	5.8	2.4	1.6	2.7	2.0	3.9	-11.9	5.9	11.2
<i>Blmbg. U.S. TIPS Index</i>			0.5	4.7	5.8	5.8	2.3	1.6	2.7	1.8	3.9	-11.8	6.0	11.0
<i>eV US TIPS / Inflation Fixed Inc Rank</i>			78	57	63	63	57	58	42	54	44	67	26	26

Fixed Income Style Map  
3 Years Ending June 30, 2025



■ Total Fixed Income      ● MacKay Shields Core Plus Opportunities  
▲ BlackRock US TIPS

Fixed Income Style Map  
5 Years Ending June 30, 2025



■ Total Fixed Income      ● MacKay Shields Core Plus Opportunities  
▲ BlackRock US TIPS

Income Research & Management replaced Ducenta 9/30/2023. FYE 6/30.

Total Fixed Income  
Asset Class Overview (Net of Fees)

Imperial County Employees' Retirement System  
Period Ending: June 30, 2025

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2024	2023	2022	2021	2020
<b>Total Fixed Income</b>	<b>322,132,134</b>	<b>100.0</b>	<b>1.2</b>	<b>4.3</b>	<b>6.4</b>	<b>6.4</b>	<b>3.2</b>	<b>0.3</b>	<b>2.4</b>	<b>2.4</b>	<b>6.2</b>	<b>-14.2</b>	<b>0.6</b>	<b>9.8</b>
<i>Blmbg. U.S. Aggregate Index</i>			1.2	4.0	6.1	6.1	2.5	-0.7	1.8	1.3	5.5	-13.0	-1.5	7.5
Income Research & Management	138,045,074	42.9	1.2	4.0	6.1	6.1	-	-	-	1.7	-	-	-	-
<i>Blmbg. U.S. Aggregate Index</i>			1.2	4.0	6.1	6.1	-	-	-	1.3	-	-	-	-
MacKay Shields Core Plus Opportunities	138,789,604	43.1	1.5	4.5	7.0	7.0	3.8	0.4	2.3	3.3	6.7	-14.5	-0.5	9.9
<i>Blmbg. U.S. Aggregate Index</i>			1.2	4.0	6.1	6.1	2.5	-0.7	1.8	1.3	5.5	-13.0	-1.5	7.5
BlackRock US TIPS	45,297,457	14.1	0.5	4.7	5.8	5.8	2.4	1.6	2.7	2.0	3.9	-11.9	5.9	11.2
<i>Blmbg. U.S. TIPS Index</i>			0.5	4.7	5.8	5.8	2.3	1.6	2.7	1.8	3.9	-11.8	6.0	11.0

Correlation Matrix  
Last 5 Years

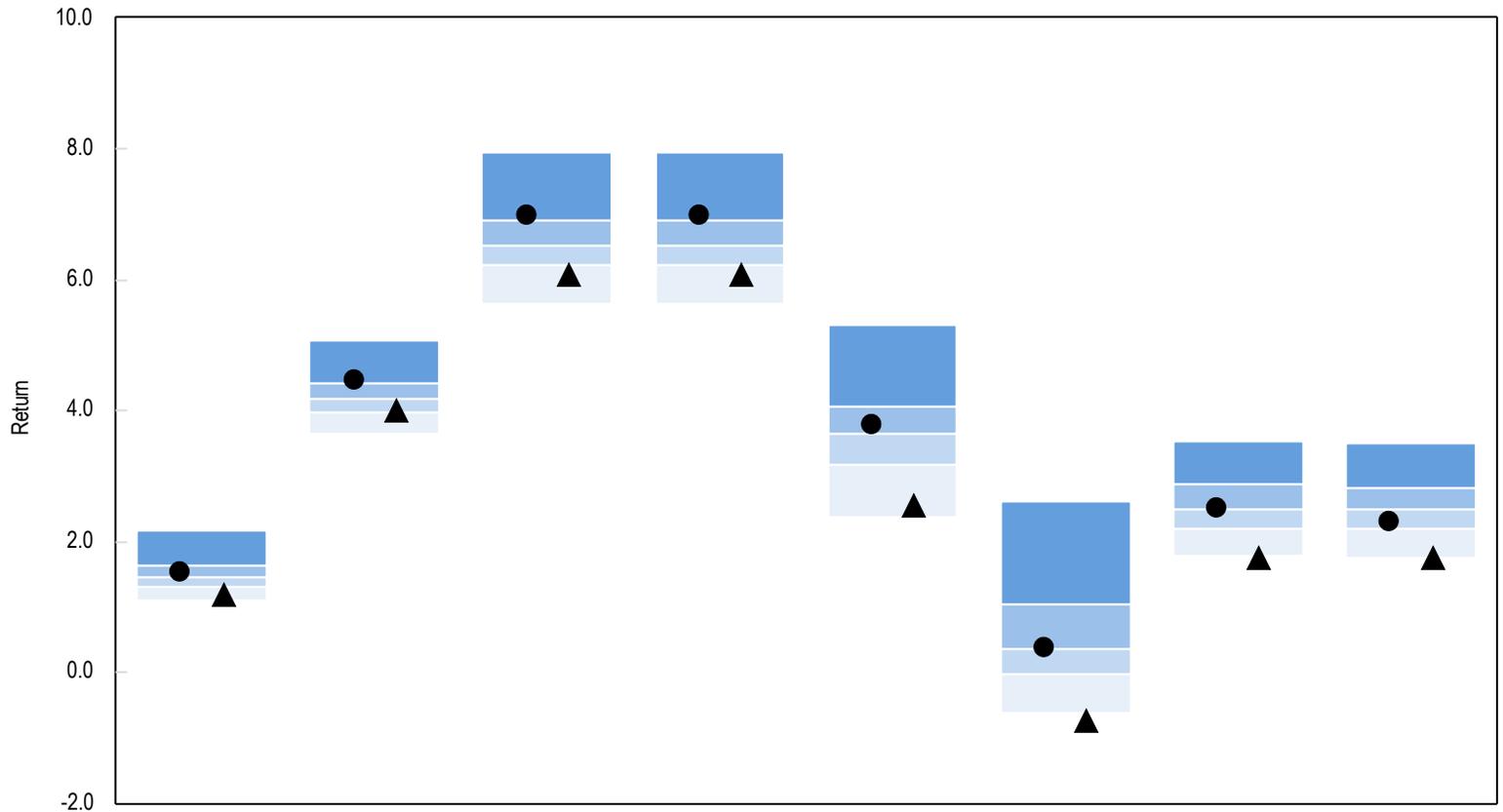
	Total Fixed Income	MacKay Shields Core Plus Opportunities	BlackRock US TIPS	Blmbg. U.S. Aggregate Index
Total Fixed Income	1.00			
MacKay Shields Core Plus Opportunities	1.00	1.00		
BlackRock US TIPS	0.91	0.87	1.00	
Blmbg. U.S. Aggregate Index	0.99	0.99	0.85	1.00

Income Research & Management replaced Ducenta 9/30/2023. Managers need 5 years of history to appear on the Correlation Matrix. FYE 6/30.

MacKay Shields Core Plus Opportunities  
 Cumulative Performance Comparison (Net of Fees)

Imperial County Employees' Retirement System  
 Period Ending: June 30, 2025

MacKay Shields Core Plus Opportunities vs. eV US Core Plus Fixed Inc

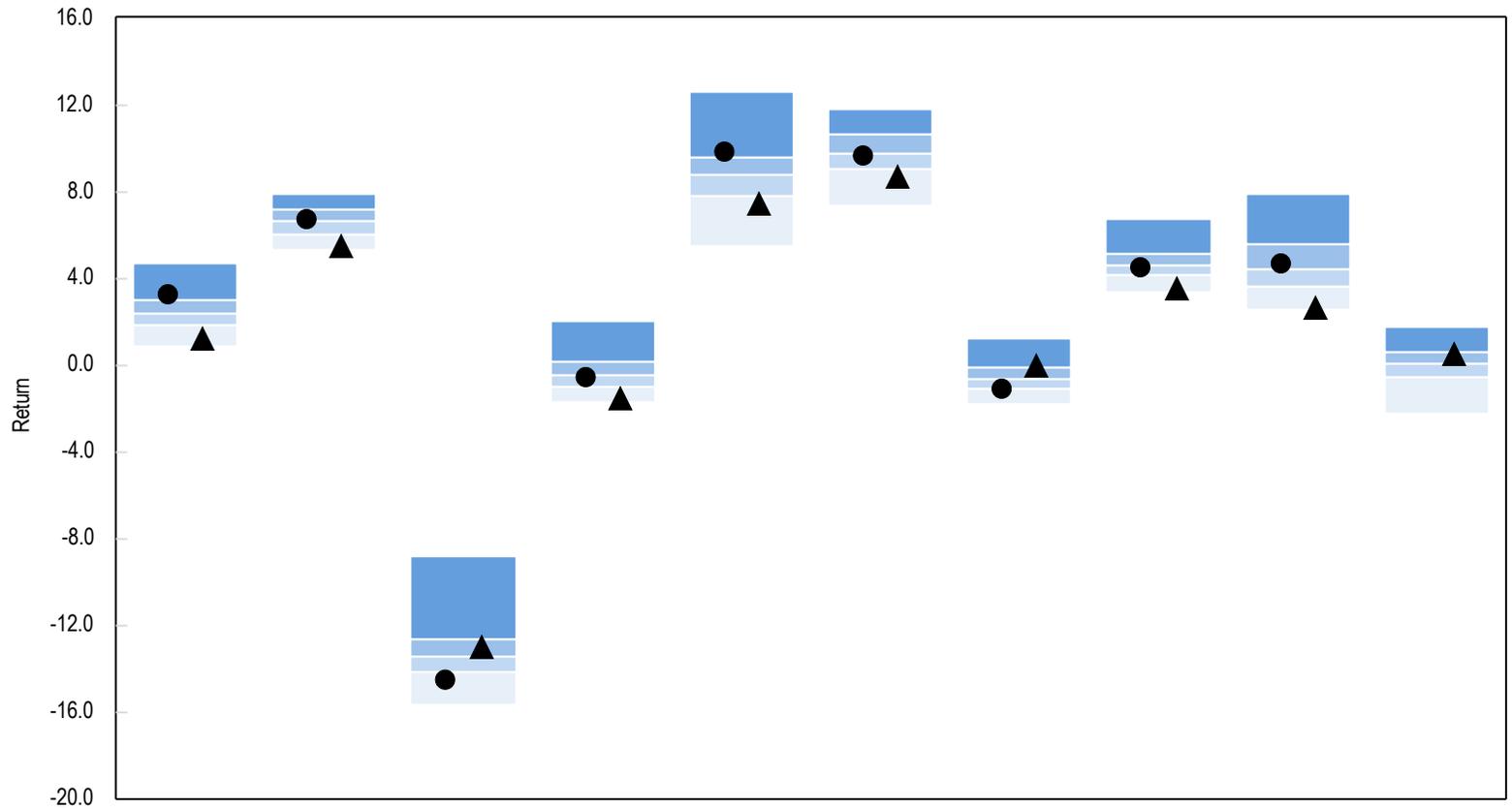


	Quarter	YTD	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years
● MacKay Shields Core Plus Opportunities	1.54 (41)	4.50 (21)	7.01 (22)	7.01 (22)	3.81 (40)	0.41 (47)	2.52 (50)	2.32 (66)
▲ Blmbg. U.S. Aggregate Index	1.21 (89)	4.02 (69)	6.08 (86)	6.08 (86)	2.55 (93)	-0.73 (97)	1.77 (97)	1.76 (96)
5th Percentile	2.17	5.09	7.95	7.95	5.33	2.63	3.53	3.52
1st Quartile	1.66	4.42	6.91	6.91	4.07	1.04	2.89	2.82
Median	1.48	4.20	6.55	6.55	3.66	0.36	2.51	2.51
3rd Quartile	1.31	3.97	6.23	6.23	3.19	-0.02	2.20	2.21
95th Percentile	1.11	3.67	5.64	5.64	2.39	-0.61	1.79	1.76
Population	143	143	143	143	141	135	125	114

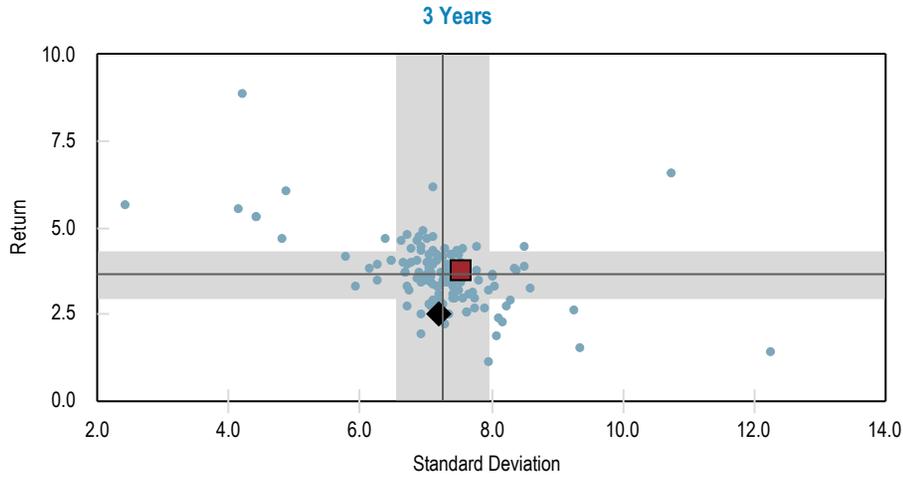
MacKay Shields Core Plus Opportunities  
 Consecutive Performance Comparison (Net of Fees)

Imperial County Employees' Retirement System  
 Period Ending: June 30, 2025

MacKay Shields Core Plus Opportunities vs. eV US Core Plus Fixed Inc

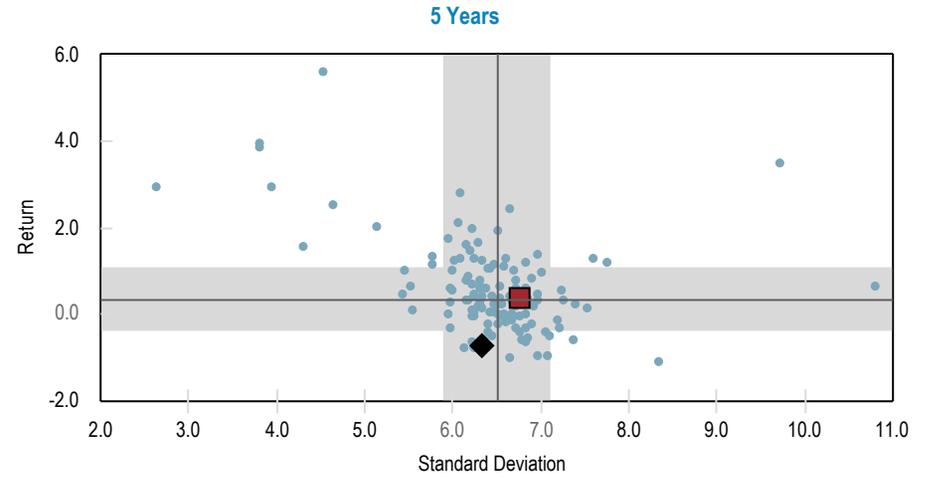


	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
● MacKay Shields Core Plus Opportunities	3.27 (20)	6.74 (47)	-14.51 (85)	-0.49 (53)	9.91 (20)	9.67 (56)	-1.03 (75)	4.53 (56)	4.69 (43)	-
▲ Blmbg. U.S. Aggregate Index	1.25 (89)	5.53 (92)	-13.01 (40)	-1.55 (91)	7.51 (82)	8.72 (82)	0.01 (24)	3.54 (92)	2.65 (94)	0.55 (28)
5th Percentile	4.69	7.87	-8.84	2.08	12.60	11.81	1.28	6.72	7.89	1.73
1st Quartile	3.02	7.22	-12.59	0.14	9.59	10.64	-0.07	5.17	5.57	0.59
Median	2.42	6.70	-13.39	-0.42	8.80	9.76	-0.60	4.64	4.48	0.09
3rd Quartile	1.87	6.08	-14.12	-0.97	7.86	9.05	-1.03	4.14	3.65	-0.52
95th Percentile	0.89	5.33	-15.65	-1.66	5.55	7.34	-1.77	3.36	2.60	-2.24
Population	148	155	157	158	155	155	154	154	151	150



eV US Core Plus Fixed Inc

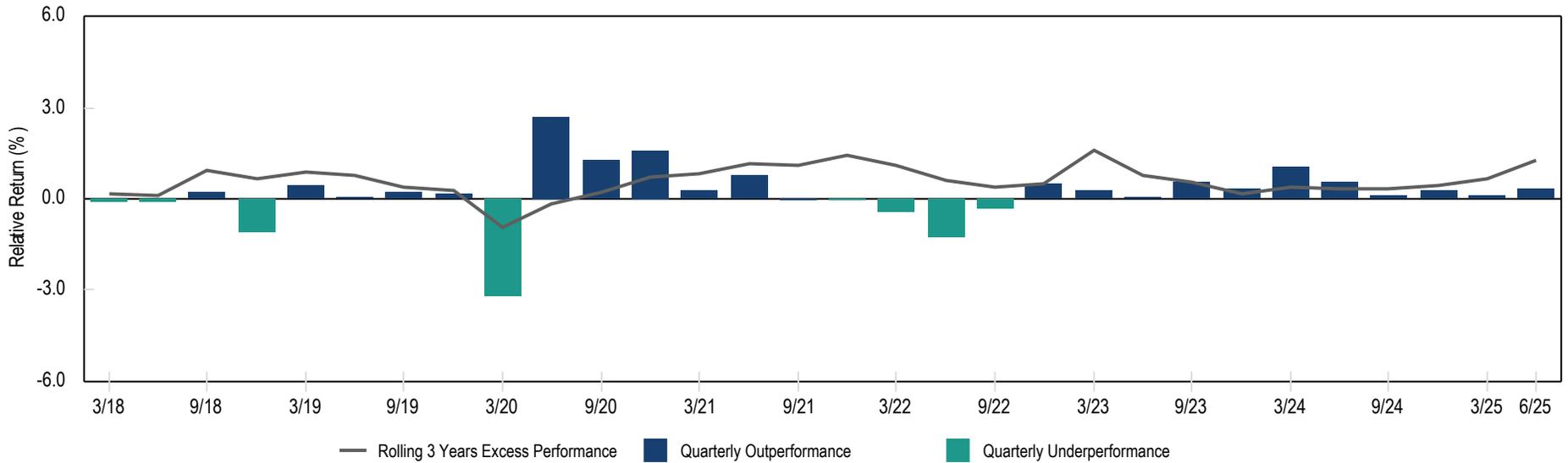
	Return	Standard Deviation
■ MacKay Shields Core Plus Opportunities	3.81	7.53
◆ Blmbg. U.S. Aggregate Index	2.55	7.20
— Median	3.66	7.26
Population	141	141



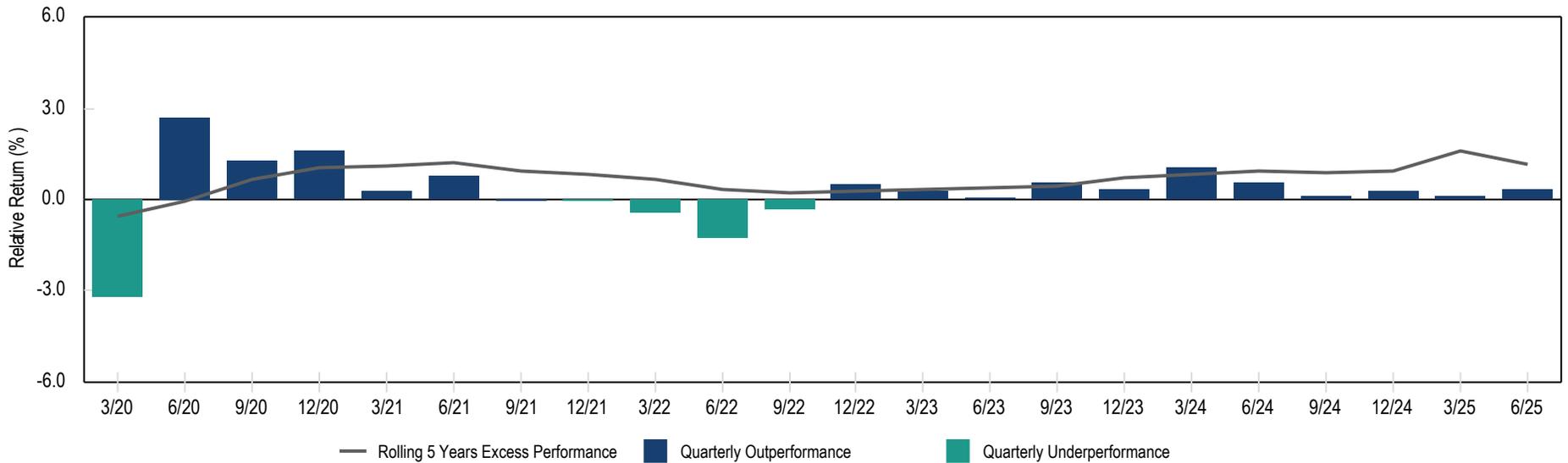
eV US Core Plus Fixed Inc

	Return	Standard Deviation
■ MacKay Shields Core Plus Opportunities	0.41	6.75
◆ Blmbg. U.S. Aggregate Index	-0.73	6.32
— Median	0.36	6.51
Population	135	135

Rolling 3 Year Annualized Excess Performance



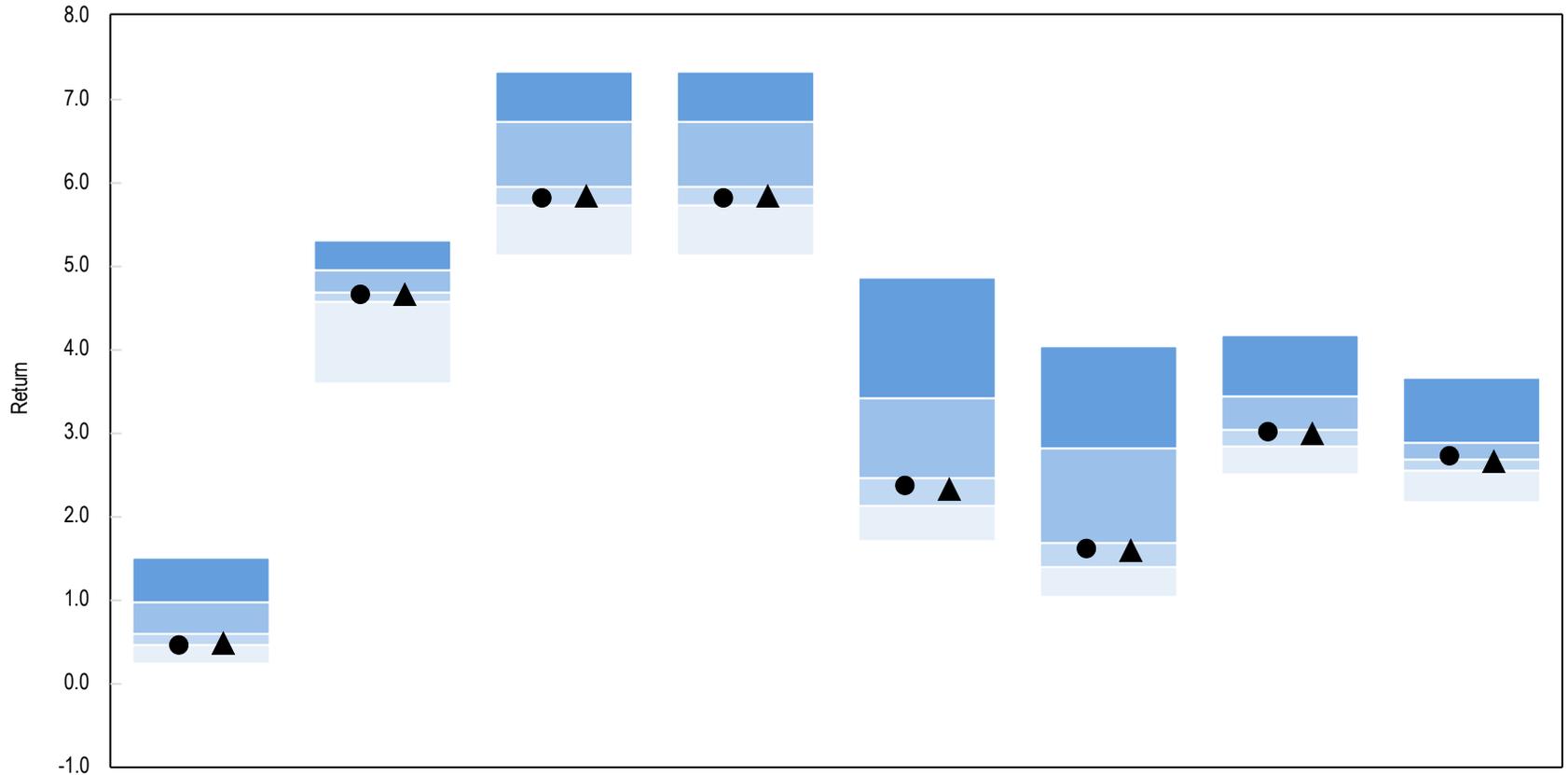
Rolling 5 Year Annualized Excess Performance



BlackRock US TIPS  
 Cumulative Performance Comparison (Net of Fees)

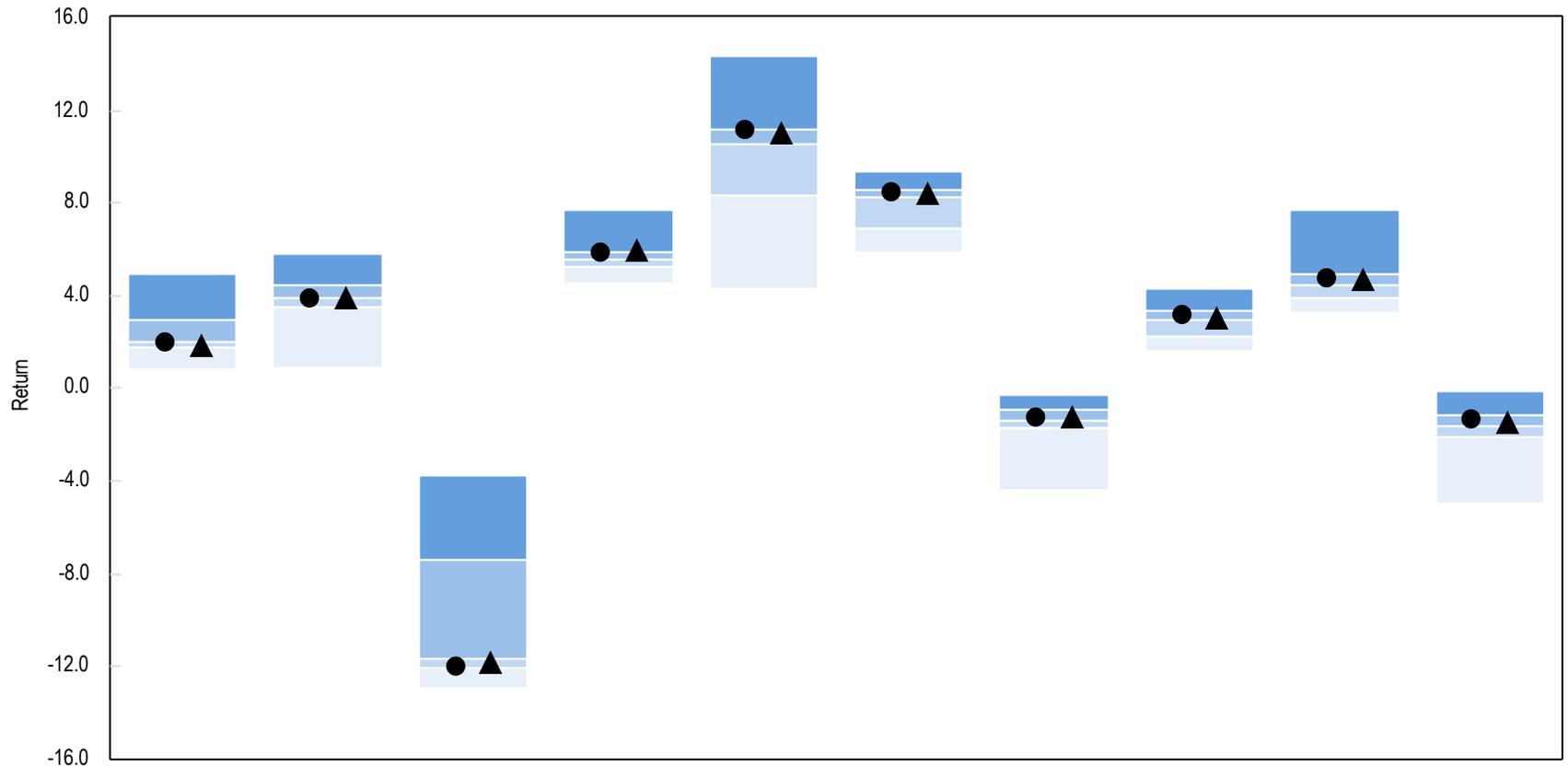
Imperial County Employees' Retirement System  
 Period Ending: June 30, 2025

BlackRock US TIPS vs. eV US TIPS / Inflation Fixed Inc

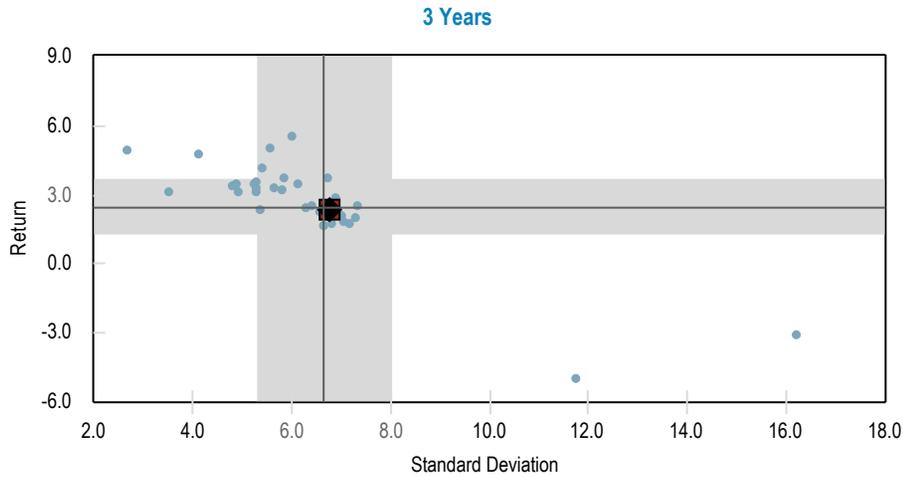


	Quarter	YTD	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years
● BlackRock US TIPS	0.47 (78)	4.68 (57)	5.82 (63)	5.82 (63)	2.37 (57)	1.62 (58)	3.02 (51)	2.72 (42)
▲ Blmbg. U.S. TIPS Index	0.48 (72)	4.67 (59)	5.84 (62)	5.84 (62)	2.34 (61)	1.61 (59)	2.99 (53)	2.67 (53)
5th Percentile	1.52	5.31	7.34	7.34	4.88	4.05	4.18	3.67
1st Quartile	0.98	4.95	6.73	6.73	3.42	2.82	3.45	2.89
Median	0.60	4.70	5.96	5.96	2.47	1.68	3.04	2.68
3rd Quartile	0.47	4.58	5.73	5.73	2.14	1.41	2.84	2.55
95th Percentile	0.25	3.61	5.14	5.14	1.70	1.04	2.52	2.18
Population	45	45	45	45	45	45	42	40

BlackRock US TIPS vs. eV US TIPS / Inflation Fixed Inc

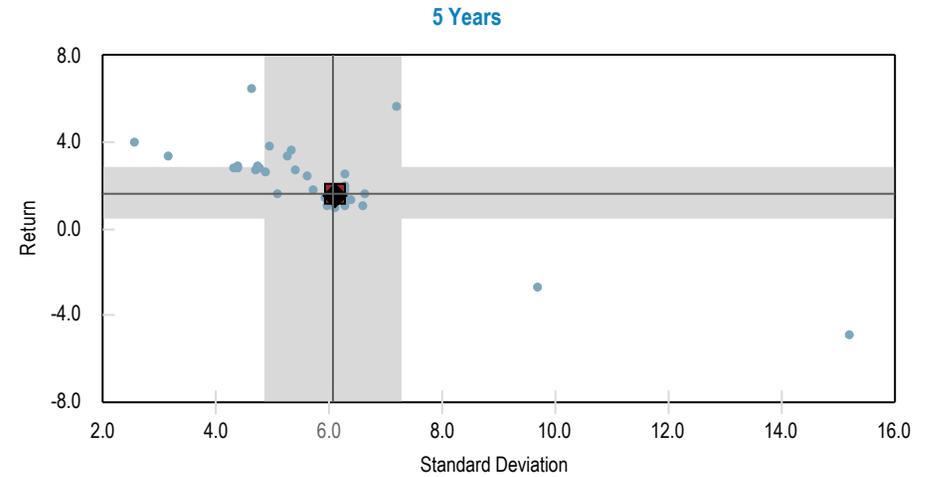


	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
● BlackRock US TIPS	1.99 (54)	3.94 (44)	-11.94 (67)	5.86 (26)	11.15 (26)	8.46 (32)	-1.19 (39)	3.17 (37)	4.77 (32)	-1.31 (34)
▲ Blmbg. U.S. TIPS Index	1.84 (65)	3.90 (50)	-11.85 (62)	5.96 (20)	10.99 (32)	8.43 (33)	-1.26 (43)	3.01 (48)	4.68 (37)	-1.44 (36)
5th Percentile	4.97	5.81	-3.74	7.69	14.32	9.35	-0.26	4.31	7.70	-0.12
1st Quartile	2.95	4.44	-7.42	5.86	11.20	8.55	-0.91	3.40	4.92	-1.14
Median	2.01	3.90	-11.65	5.59	10.56	8.30	-1.35	2.97	4.43	-1.62
3rd Quartile	1.75	3.48	-12.05	5.25	8.34	6.90	-1.68	2.28	3.95	-2.13
95th Percentile	0.80	0.92	-12.93	4.58	4.30	5.90	-4.39	1.65	3.26	-4.96
Population	49	51	52	52	51	53	56	58	61	62



eV US TIPS / Inflation Fixed Inc

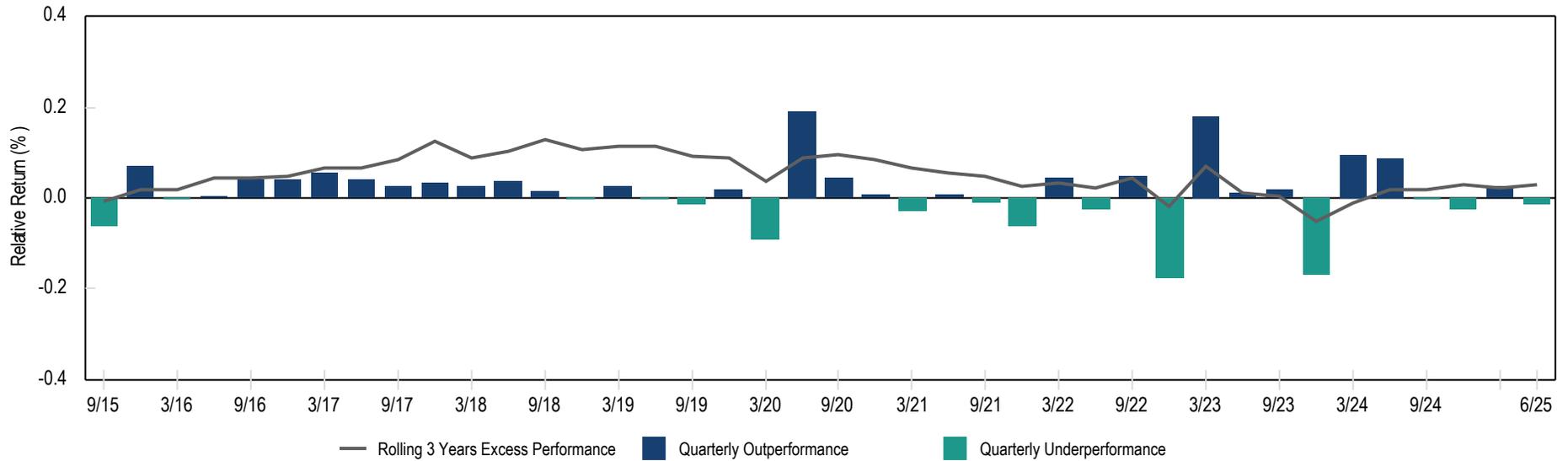
	Return	Standard Deviation
■ BlackRock US TIPS	2.37	6.76
◆ Blmbg. U.S. TIPS Index	2.34	6.76
— Median	2.47	6.67
Population	45	45



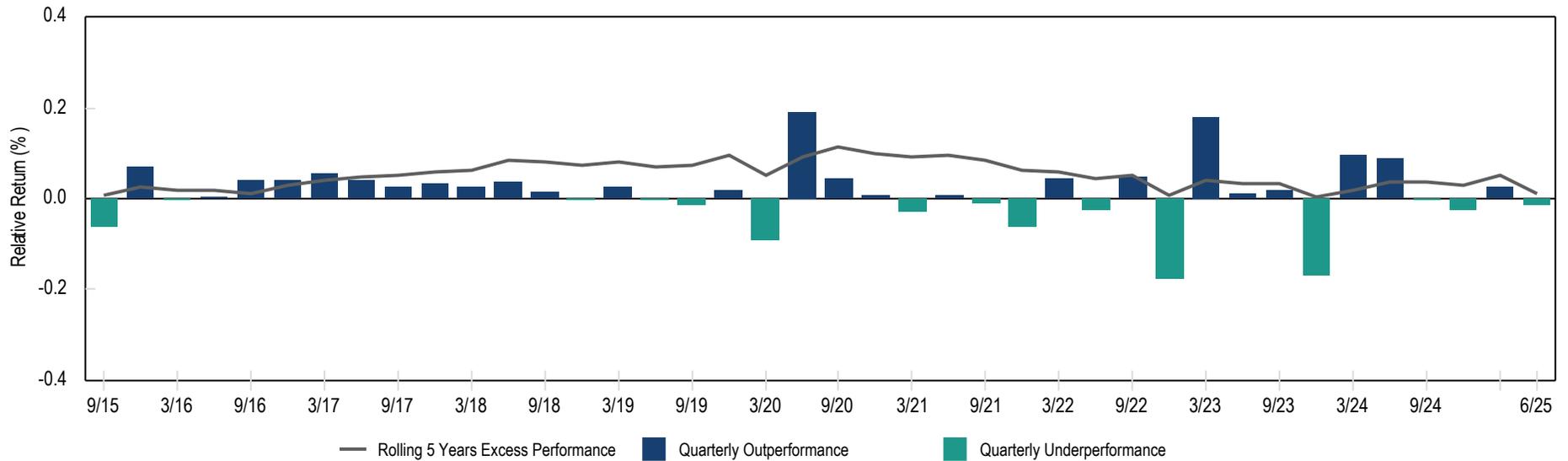
eV US TIPS / Inflation Fixed Inc

	Return	Standard Deviation
■ BlackRock US TIPS	1.62	6.11
◆ Blmbg. U.S. TIPS Index	1.61	6.11
— Median	1.68	6.07
Population	45	45

Rolling 3 Year Annualized Excess Performance



Rolling 5 Year Annualized Excess Performance



Total Real Estate  
Asset Class Overview (Net of Fees)

Imperial County Employees' Retirement System  
Period Ending: June 30, 2025

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2024	2023	2022	2021	2020
<b>Total Real Estate</b>	<b>102,582,369</b>	<b>100.0</b>	<b>0.5</b>	<b>1.2</b>	<b>1.6</b>	<b>1.6</b>	<b>-7.4</b>	<b>1.3</b>	<b>3.9</b>	<b>-5.9</b>	<b>-14.3</b>	<b>8.5</b>	<b>18.4</b>	<b>2.1</b>
NCREIF Property Index			1.2	2.5	4.2	4.2	-2.8	3.7	5.2	0.4	-7.9	5.5	17.7	1.6
NCREIF ODCE			1.0	2.1	3.5	3.5	-5.4	3.4	5.0	-1.4	-12.0	7.5	22.2	1.2
ASB Real Estate	21,027,136	20.5	0.0	0.9	-0.2	-0.2	-13.0	-3.1	1.1	-15.2	-21.5	10.7	14.2	1.5
NCREIF Property Index			1.2	2.5	4.2	4.2	-2.8	3.7	5.2	0.4	-7.9	5.5	17.7	1.6
NCREIF ODCE			1.0	2.1	3.5	3.5	-5.4	3.4	5.0	-1.4	-12.0	7.5	22.2	1.2
Clarion Lion	28,289,154	27.6	1.7	2.6	4.9	4.9	-6.8	3.4	5.4	-2.3	-15.5	9.6	23.6	2.3
NCREIF Property Index			1.2	2.5	4.2	4.2	-2.8	3.7	5.2	0.4	-7.9	5.5	17.7	1.6
NCREIF ODCE			1.0	2.1	3.5	3.5	-5.4	3.4	5.0	-1.4	-12.0	7.5	22.2	1.2
ARA American Strategic Value Realty	51,216,129	49.9	0.0	0.6	0.7	0.7	-5.3	2.2	-	-3.7	-10.3	6.8	18.6	2.4
NCREIF Property Index +2%			1.7	3.5	6.3	6.3	-0.8	5.8	-	2.4	-6.1	7.6	20.0	3.6
NCREIF ODCE +2%			1.5	3.1	5.6	5.6	-3.5	5.5	-	0.5	-10.3	9.6	24.6	3.2
1221 State St. Corp	2,049,951	2.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4	0.0	0.0	0.0	0.0	0.0

All Real Estate is as of 3/31/2025 +/- cash flows with the exception of Clarion Lion is as of 6/30. FYE 6/30.

Data Sources & Methodology

**Performance Return Calculations**

Performance is calculated using Modified Dietz and for time periods with large cash flow (generally greater than 10% of portfolio value), Time Weighted Rates of Return (TWRR) methodologies. Monthly returns are geometrically linked and annualized for periods longer than one year.

**Data Source**

Verus is an independent third party consulting firm and calculates returns from best source book of record data. Returns calculated by Verus may deviate from those shown by the manager in part, but not limited to, differences in prices and market values reported by the custodian and manager, as well as significant cash flows into or out of an account. It is the responsibility of the manager and custodian to provide insight into the pricing methodologies and any difference in valuation.

**Illiquid Alternatives**

Due to the inability to receive final valuation prior to report production, closed end funds (including but are not limited to Real Estate, Hedge Funds, Private Equity, and Private Credit) performance is typically reported at a one-quarter lag. Valuation is reported at a one-quarter lag, adjusted for current quarter flow (cash flows are captured real time). Closed end fund performance is calculated using a time-weighted return methodology consistent with all portfolio and total fund performance calculations. For Private Markets, performance reports also include Verus-calculated multiples based on flows and valuations (e.g. DPI and TVPI) and manager-provided IRRs.

**Manager Line Up**

Manager	Inception Date	Data Source	Manager	Inception Date	Data Source
BlackRock Russell 3000	12/10/2015	J.P. Morgan	Cash	-	J.P. Morgan
BlackRock International Equity	7/3/2003	J.P. Morgan	HarbourVest IX-Buyout	2011 <sup>1</sup>	HarbourVest
DFA Emerging Markets Value	1/11/2007	J.P. Morgan	HarbourVest IX-Credit	2011 <sup>1</sup>	HarbourVest
MacKay Shields Core Plus Ops	3/2/2015	CITCO	HarbourVest International VI	2008 <sup>1</sup>	HarbourVest
BlackRock US TIPS	4/11/2007	J.P. Morgan	Harbourvest IX-Venture	2011 <sup>1</sup>	HarbourVest
ASB Real Estate	12/31/2012	ASB Real Estate	Harbourvest 2017 Global	2017 <sup>1</sup>	HarbourVest
Clarion Lion	12/31/2006	Clarion Lion	Harbourvest 2018 Global	2018 <sup>1</sup>	HarbourVest
Portfolio Advisors	10/31/2017	Portfolio Advisors	Harbourvest 2019 Global	2019 <sup>1</sup>	HarbourVest
TSSP Adjacent Opportunities Partners	4/16/2020	Sixth Street	Harbourvest 2023 Global	2023 <sup>1</sup>	HarbourVest
Sixth Street Diversified Credit	5/29/2020	Sixth Street	KKR Mezzanine	2010 <sup>1</sup>	KKR
1221 State Street Corp	9/30/2008	ICERS/Union Bank	ARA American Strategic Value Realty	01/04/2018	ARA
Income Research & Management	9/1/2023	IR&M	William Blair Emerging Growth	7/02/2024	William Blair
Crescent Direct Lending Levered Fund II	2017 <sup>1</sup>	Crescent	Lone Star Fund XI	2019 <sup>1</sup>	Lone Star
Audax Direct Lending Fund A	2017 <sup>1</sup>	Audax	Ascribe Opportunities IV	2019 <sup>1</sup>	Ascribe
Ares Capital Europe IV	2018 <sup>1</sup>	Ares			

<sup>1</sup>Represents fund vintage year.

**Policy & Custom Index Composition**

Policy Index (03/1/2025-Present)	33% Russell 3000, 17% MSCI ACWI ex USA Gross, 22% Bloomberg Aggregate, 4% Bloomberg TIPS, 10% NCREIF Property, 5% Private Equity Benchmark, 8% Private Credit Benchmark, 1% 90 Day T-Bills.
Policy Index (12/1/2023-2/28/2025)	33% Russell 3000, 17% MSCI ACWI ex USA Gross, 27% Bloomberg Aggregate, 10% NCREIF Property, 5% Private Equity Benchmark, 8% Private Credit Benchmark.
Policy Index (8/1/2020- 11/30/2023)	33% Russell 3000, 20% MSCI ACWI ex USA Gross, 29% Bloomberg Aggregate, 10% NCREIF Property, 5% Private Equity Benchmark, 3% Private Credit Benchmark.
Policy Index (1/1/2020-7/31/2020)	29% Russell 3000, 24% MSCI ACWI ex USA Gross, 27% Bloomberg Aggregate, 10% NCREIF Property, 1% Russell 3000, 2% Bloomberg Aggregate, 4% Private Equity Benchmark, 3% Private Credit Benchmark.
Policy Index (10/1/2018-12/31/2019)	29% Russell 3000, 24% MSCI ACWI ex USA Gross, 27% Bloomberg Aggregate, 10% NCREIF Property, 5% Russell 3000 +3% (Lagged), 5% Bloomberg High Yield +2% (Lagged).
Policy Index (10/1/2016-9/30/2018)	29% Russell 3000, 24% MSCI ACWI ex USA Gross, 27% Bloomberg Aggregate, 5% NCREIF Property, 5% NCREIF Property +2%, 5% Russell 3000 +3% (Lagged), 5% Bloomberg High Yield +2% (Lagged).

Private Equity Benchmark and Private Credit Benchmarks are equal to the actual private equity and private credit returns, respectively.

# Glossary

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**Allocation Effect:** An attribution effect that describes the amount attributable to the managers' asset allocation decisions, relative to the benchmark.

**Alpha:** The excess return of a portfolio after adjusting for market risk. This excess return is attributable to the selection skill of the portfolio manager. Alpha is calculated as:  $\text{Portfolio Return} - [\text{Risk free Rate} + \text{Portfolio Beta} \times (\text{Market Return} - \text{Risk free Rate})]$ .

**Benchmark R squared:** Measures how well the Benchmark return series fits the manager's return series. The higher the Benchmark R squared, the more appropriate the benchmark is for the manager.

**Beta:** A measure of systematic, or market risk; the part of risk in a portfolio or security that is attributable to general market movements. Beta is calculated by dividing the covariance of a security by the variance of the market.

**Book to Market:** The ratio of book value per share to market price per share. Growth managers typically have low book to market ratios while value managers typically have high book to market ratios.

**Capture Ratio:** A statistical measure of an investment manager's overall performance in up or down markets. The capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen (up market) or fallen (down market). The capture ratio is calculated by dividing the manager's returns by the returns of the index during the up/down market, and multiplying that factor by 100.

**Correlation:** A measure of the relative movement of returns of one security or asset class relative to another over time. A correlation of 1 means the returns of two securities move in lock step, a correlation of -1 means the returns of two securities move in the exact opposite direction over time. Correlation is used as a measure to help maximize the benefits of diversification when constructing an investment portfolio.

**Excess Return:** A measure of the difference in appreciation or depreciation in the price of an investment compared to its benchmark, over a given time period. This is usually expressed as a percentage and may be annualized over a number of years or represent a single period.

**Information Ratio:** A measure of a manager's ability to earn excess return without incurring additional risk. Information ratio is calculated as: excess return divided by tracking error.

**Interaction Effect:** An attribution effect that describes the portion of active management that is contributable to the cross interaction between the allocation and selection effect. This can also be explained as an effect that cannot be easily traced to a source.

**Portfolio Turnover:** The percentage of a portfolio that is sold and replaced (turned over) during a given time period. Low portfolio turnover is indicative of a buy and hold strategy while high portfolio turnover implies a more active form of management.

**Price to Earnings Ratio (P/E):** Also called the earnings multiplier, it is calculated by dividing the price of a company's stock into earnings per share. Growth managers typically hold stocks with high price to earnings ratios whereas value managers hold stocks with low price to earnings ratios.

**R Squared:** Also called the coefficient of determination, it measures the amount of variation in one variable explained by variations in another, i.e., the goodness of fit to a benchmark. In the case of investments, the term is used to explain the amount of variation in a security or portfolio explained by movements in the market or the portfolio's benchmark.

**Selection Effect:** An attribution effect that describes the amount attributable to the managers' stock selection decisions, relative to the benchmark.

**Sharpe Ratio:** A measure of portfolio efficiency. The Sharpe Ratio indicates excess portfolio return for each unit of risk associated with achieving the excess return. The higher the Sharpe Ratio, the more efficient the portfolio. Sharpe ratio is calculated as:  $\text{Portfolio Excess Return} / \text{Portfolio Standard Deviation}$ .

**Sortino Ratio:** Measures the risk adjusted return of an investment, portfolio, or strategy. It is a modification of the Sharpe Ratio, but penalizes only those returns falling below a specified benchmark. The Sortino Ratio uses downside deviation in the denominator rather than standard deviation, like the Sharpe Ratio.

**Standard Deviation:** A measure of volatility, or risk, inherent in a security or portfolio. The standard deviation of a series is a measure of the extent to which observations in the series differ from the arithmetic mean of the series. For example, if a security has an average annual rate of return of 10% and a standard deviation of 5%, then two thirds of the time, one would expect to receive an annual rate of return between 5% and 15%.

**Style Analysis:** A return based analysis designed to identify combinations of passive investments to closely replicate the performance of funds

**Style Map:** A specialized form or scatter plot chart typically used to show where a Manager lies in relation to a set of style indices on a two dimensional plane. This is simply a way of viewing the asset loadings in a different context. The coordinates are calculated by rescaling the asset loadings to range from -1 to 1 on each axis and are dependent on the Style Indices comprising the Map.

## Disclosure

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# Memorandum

**To:** Board of Trustees, Imperial County Employees' Retirement System  
**From:** Brian J. Kwan, Managing Director and Senior Consultant  
**Date:** September 17, 2025  
**RE:** HarbourVest International Private Equity Partners VI Extension Request

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## Summary and Recommendation

In August 2025, HarbourVest Partners notified ICERS that the HarbourVest International Private Equity Partners VI-Partnership Fund L.P. ("the Fund") is seeking approval for a one-year extension of the Fund's term, through September 30, 2026, with no management fee during the extension period.

The Fund still holds 43 active partnerships and approximately 250 underlying portfolio companies. While the Fund has distributed €2.8 billion to date (1.9x funded capital) and achieved a Net LP IRR of 13.4% as of March 31, 2025, a slower initial portfolio development has resulted in more value remaining than originally anticipated at this stage. Recent actions include selling 15% of the remaining value on the secondary market in 2024 and exploring further divestments, with the goal of optimizing liquidity and value for investors.

HarbourVest believes that the additional year will allow for continued active management and orderly liquidation of the remaining investments to maximize value. The extension requires written consent from Limited Partners holding at least three-fifths of the total sharing percentages.

HarbourVest's request for an extension is consistent with broader trends among mature private equity funds. And with the extension incurring no management fees, interests between Harbourvest and ICERS are aligned.

Verus recommends the Board approve the extension as proposed.

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# Memorandum

**To:** Board of Trustees, Imperial County Employees' Retirement System  
**From:** Brian J. Kwan, Managing Director and Senior Consultant  
**Date:** September 17, 2025  
**RE:** Income Research & Management Core Bond – Investment Guideline Amendment

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## Summary and Recommendation

On May 16, 2025, Moody's downgraded the US government's debt rating from AAA to AA1. While this downgrade did not immediately trigger a guideline consideration for the ICERS portfolio managed by Income Research & Management ("IR+M"), it may limit the manager's ability to add attractive lower quality holdings in the future.

To restore investment flexibility and respond to the new market environment, IR+M is proposing to amend the portfolio's investment guidelines by lowering the minimum overall portfolio weighted average quality limit by one notch, from "Aa3/AA-" to "A1/A+". All other provisions of the investment management agreement remain unchanged.

This amendment would allow IR+M to continue to identify and add attractive opportunities to the portfolio, even in the context of the recent downgrade, while maintaining prudent risk controls. The new average quality limit of "A1/A+" is 5 ratings above the investment grade threshold.

Verus recommends the Board approve the proposed amendment to the investment guidelines.

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# Memorandum

**To:** Board of Trustees, Imperial County Employees' Retirement System  
**From:** Brian J. Kwan, Managing Director and Senior Consultant  
**Date:** September 17, 2025  
**RE:** William Blair Global Equity Team Update

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## Executive Summary

*William Blair & Company (“William Blair”) implemented significant organizational changes aimed at enhancing sector specialization and research depth across the platform. Despite the broader restructuring, the portfolio management team for Emerging Markets Growth (“EM”)—Todd McClone, Casey Preyss, and Vivian Lin Thurston—remains stable and appears unaffected. Our confidence in the strategy remains, as the team continues to uphold its quality growth philosophy and benefits from expanded research support. We recommend maintaining the allocation to the EM strategy.*

## Overview of Organizational Changes

William Blair has undergone a series of strategic personnel changes across its global equity team in 2025. Many of these changes were initiated following recommendations from the firm’s research working group and are aimed at enhancing performance outcomes through increased sector specialization, external hiring of experienced analysts, and internal promotions.

Key transitions related to the EM strategy include the:

- Retirement of Ken McAtamney, Head of Global Equity, effective early 2026.
- Promotion of Hugo Scott-Gall, co-PM on Global and EM Leaders, to Head of Global Equity
- Promotion of Paul Birchenough, co-PM on EM Leaders, to Global Director of Research.
- Departure of four senior analysts.
- Addition of several analysts including:
  - Kyle Raver (IT – large cap software and services)
  - Pierre Horvilleur (Emerging Market Industrials)
  - Frank Wedekind (Global Financials)
  - Siuchoon Koay and Andrey Glukhov (Global IT)

These changes are an effort to refresh the team’s capabilities and inject new perspectives into the investment process.

## Impact on the Emerging Markets Growth Team

The EM portfolio management team—Todd McClone, Casey Preyss, and Vivian Lin Thurston—remains stable and appears insulated from the broader organizational changes. These individuals continue to lead the strategy and have not been affected by the recent departures or role transitions.

Also, Vivian Lin Thurston played a key role in the research working group that recommended many of the recent enhancements, including the onboarding of analysts with deep emerging market expertise such as Pierre Horvilleur.

Lastly, the changes in the analysts group appear to improve the overall research support the portfolio management team utilizes.

### **Verus Opinion**

Our conviction in the EM strategy remains. The portfolio management team responsible for this strategy have demonstrated consistent adherence to the firm’s quality growth philosophy, and the recent changes are viewed as additive. While broader organizational changes are underway, they do not materially impact the execution or philosophy of the EM strategy. The strategy continues to maintain a high conviction rating within our evaluation framework.

We recommend continuing investment in the strategy and will monitor developments closely.

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