

Investments & Pensions Oversight Committee

Representative Cynthia Borrego, Chair
Senator Roberto “Bobby” J. Gonzales, Vice Chair

Educational Retirement Board Investment Update

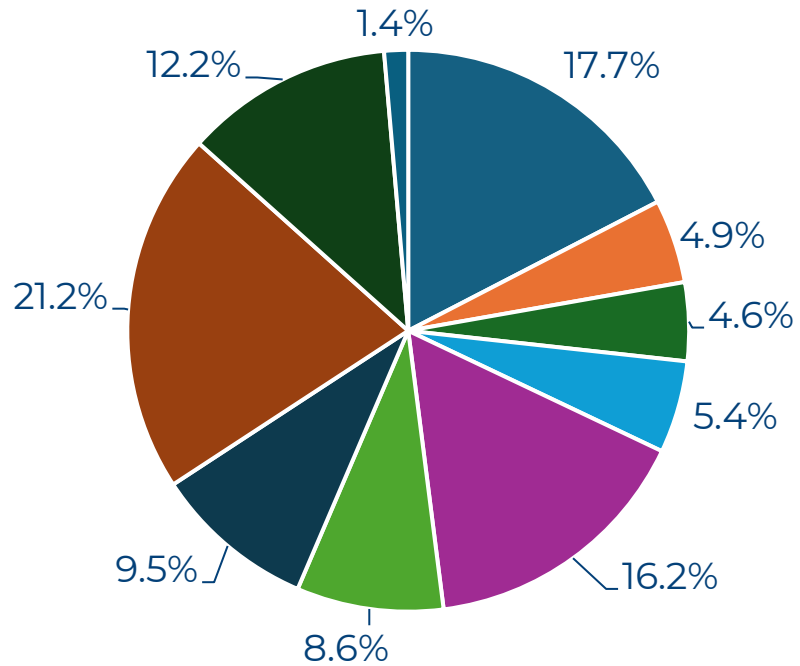
October 9, 2025

Bob Jacksha, Chief Investment Officer



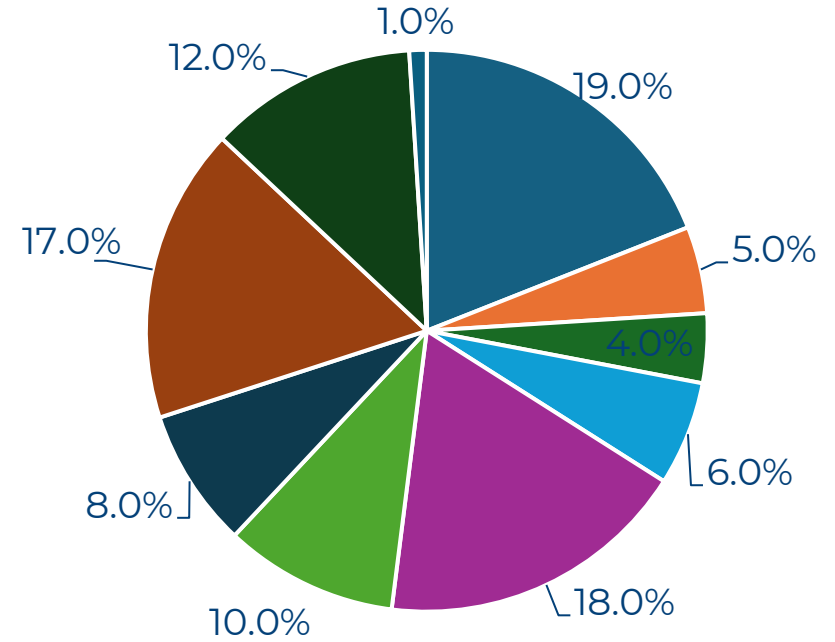
Asset Allocation June 30, 2025

Actual Allocation



- US Equity
- Emerging Market Equity
- Opportunistic Credit
- Real Estate
- Real Assets
- Non-US Developed Equity
- Core Bonds
- Diversifying Assets
- Private Equity
- Cash

Target



- US Equity
- Emerging Market Equity
- Opportunistic Credit
- Real Estate
- Real Assets
- Non-US Developed Equity
- Core Bonds
- Diversifying Assets
- Private Equity
- Cash

Evaluating Investment Results

- Long-term results.
- Risk and return are equally important criteria.
- Returns are stated as yearly averages.
- Risk is measured by Standard Deviation and the Sharpe Ratio.

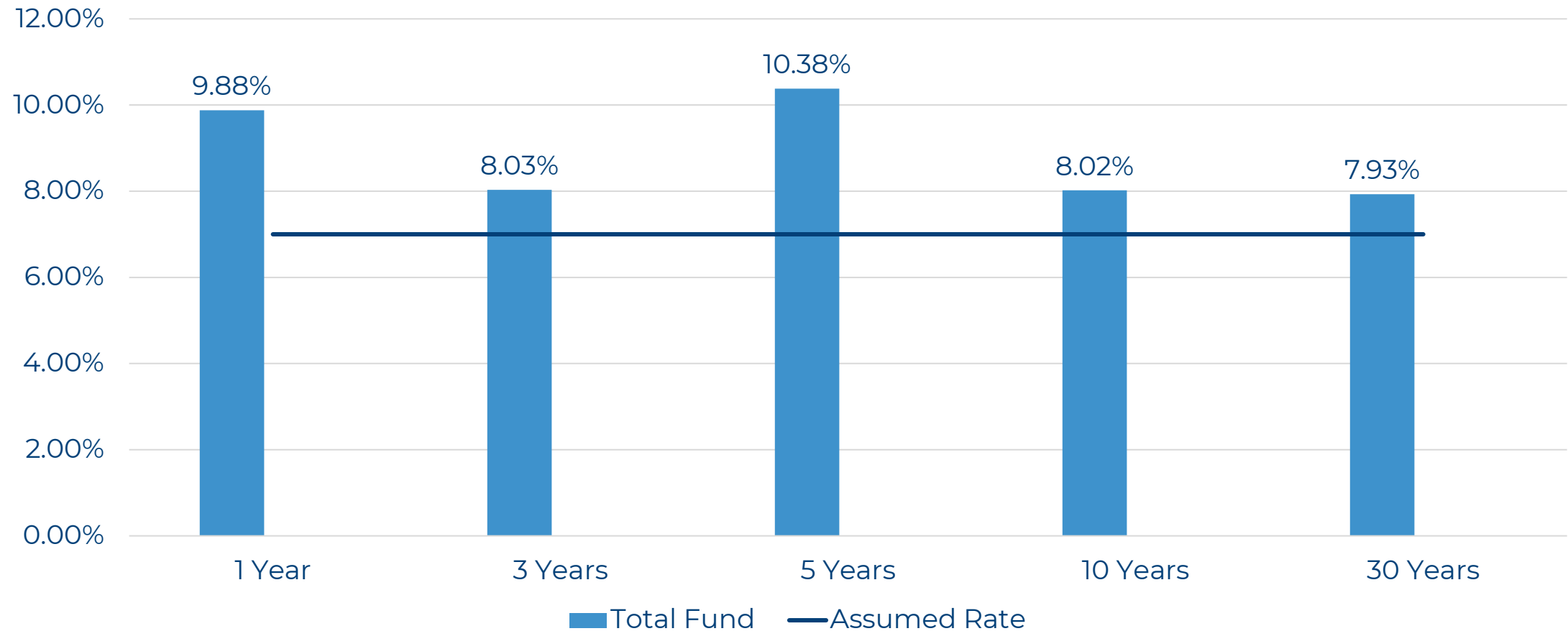
Evaluating Investment Results - Continued

We compare our latest to the following criteria as benchmarks to evaluate that result:

1. The long-term annualized actuarial target of a 7% return.
2. Peer universe comparison to the InvMetrics DB >\$1 billion universe database; a group of US Public Pension Defined Benefit funds with \$1 billion or more in assets.
3. Our policy index.
4. Risk is evaluated by comparing the Standard Deviation, a measure of volatility and the Sharpe Ratio to the peer universe.

Actual Return vs. 7% Target on June 30, 2025

ERB Annualized Net of Fee Returns



June 30, 2025 Investment Returns

<u>Returns*</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>30 Years</u>
Portfolio	9.88%	8.03%	10.38%	8.02%	7.93%
Policy Index	8.97%	8.34%	9.14%	7.66%	7.17%
Annual Value added	0.91%	-0.31%	1.24%	0.36%	0.76%
Universe Ranking**	59	80	12	13	44

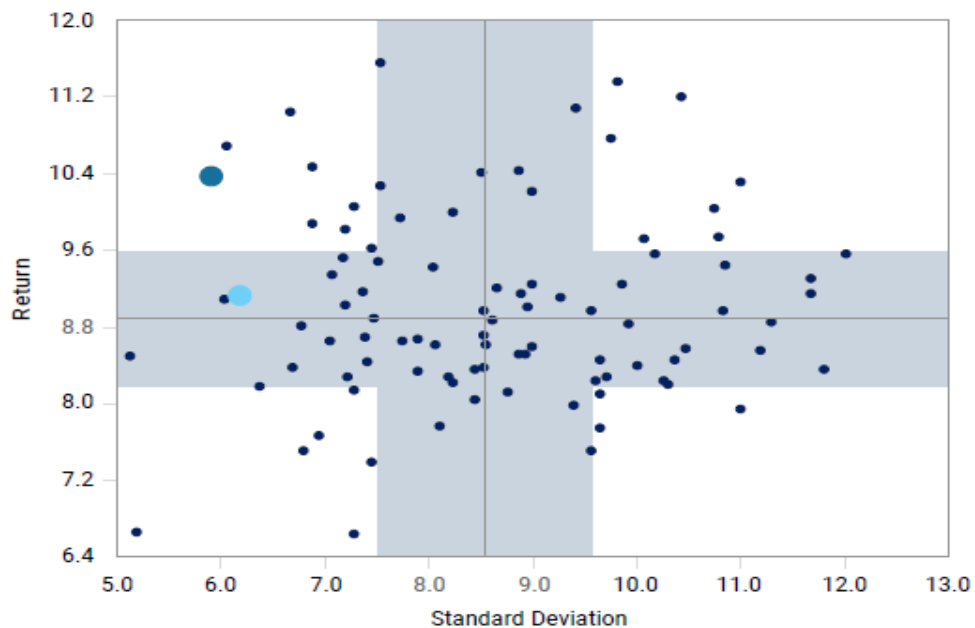
*All returns in this presentation are annualized and net of external manager fees.

**Universe ranking is a comparison to other public pension funds on a percentile basis, 1 (best) – 100 (worst)

Risk and Return

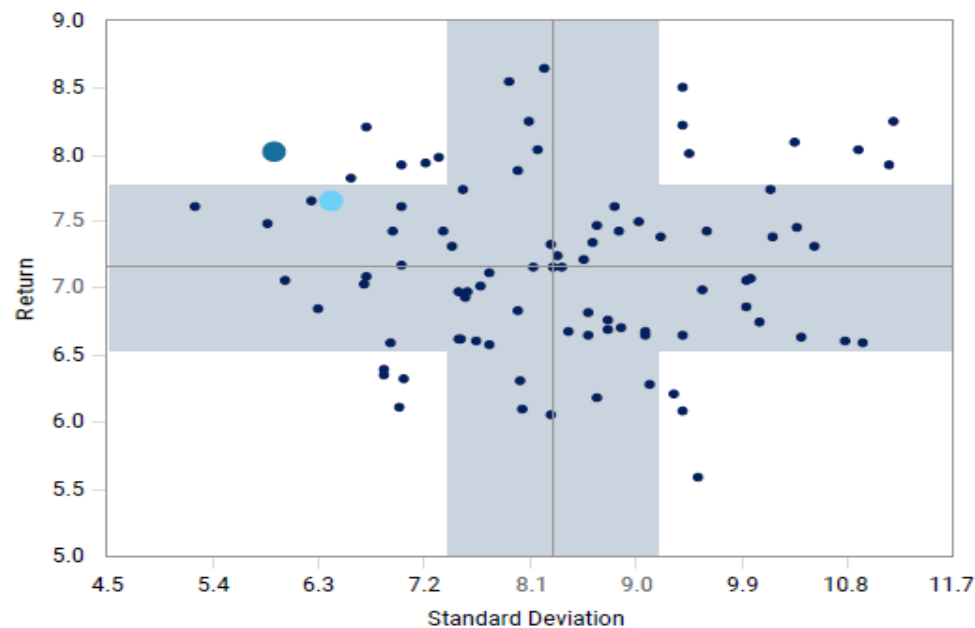
TOTAL FUND COMPOSITE RISK/RETURN

5 Years Ending June 30, 2025



- InvMetrics Public DB > \$1 Billion
- Total Fund
- Policy Index

10 Years Ending June 30, 2025



- InvMetrics Public DB > \$1 Billion
- Total Fund
- Policy Index

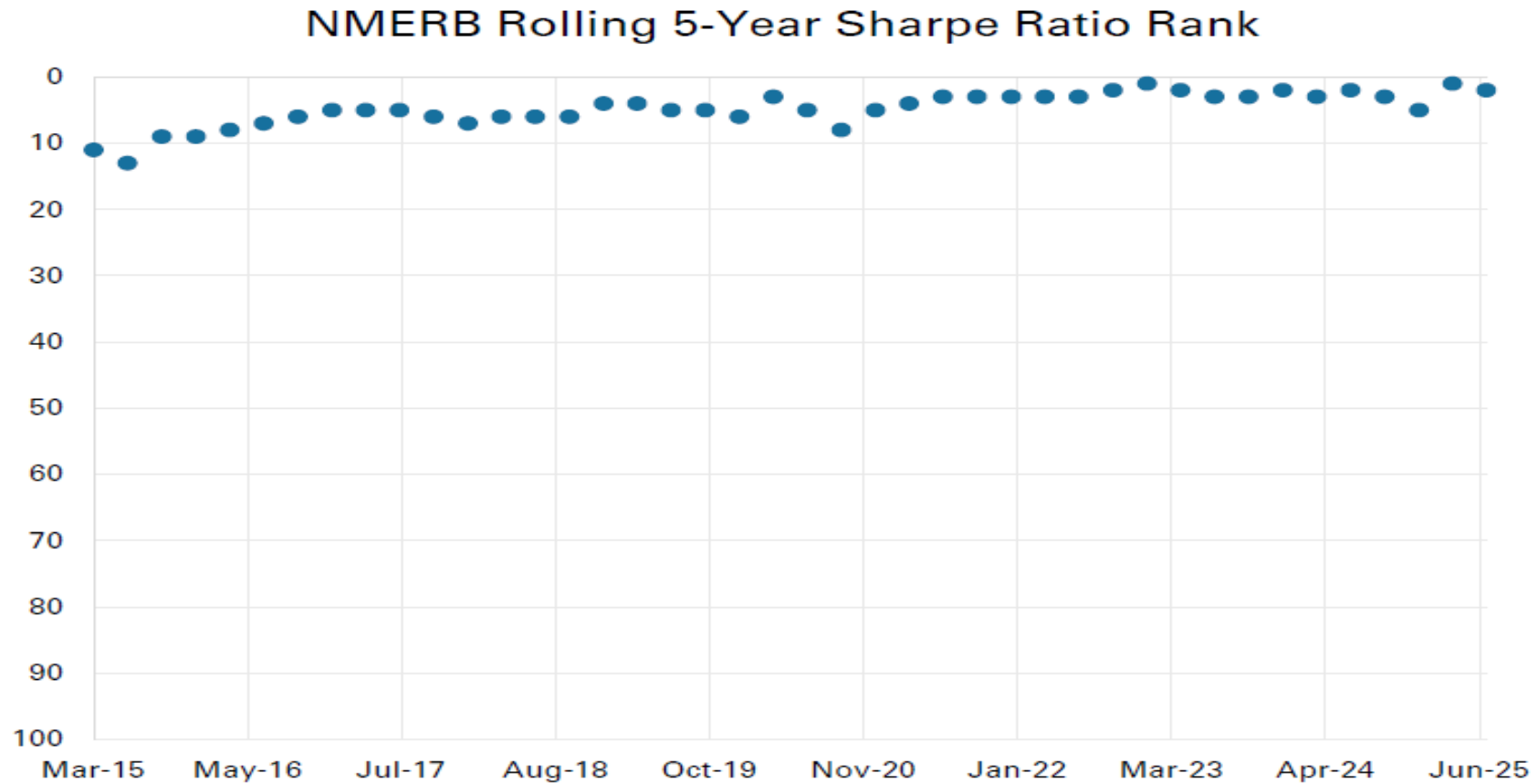
5 Years Ending June 30, 2025

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Fund	10.4 (12)	5.9 (3)	1.2 (2)	2.2 (5)
Policy Index	9.1 (42)	6.2 (5)	1.0 (10)	1.7 (12)
InvMetrics Public DB > \$1 Billion Median	8.9	8.5	0.7	1.2

10 Years Ending June 30, 2025

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Fund	8.0 (13)	5.9 (3)	1.0 (3)	1.6 (3)
Policy Index	7.7 (24)	6.4 (7)	0.9 (7)	1.4 (7)
InvMetrics Public DB > \$1 Billion Median	7.2	8.3	0.6	0.9

Sharpe Ratio – Return per unit of Risk

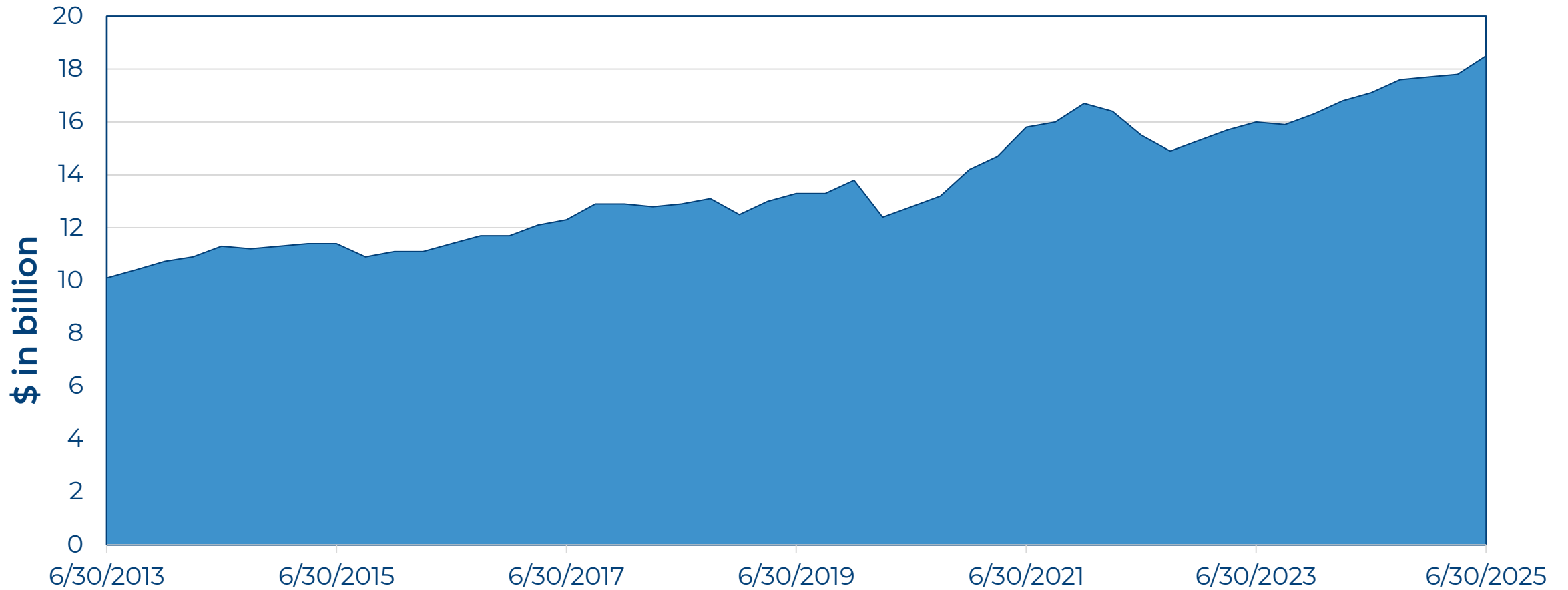


Consistently in the top 10% in return per unit of risk.

So What is it Worth?

According to the latest calculation performed by NEPC, our independent third-party General Investment and Performance Consultant, the excess return of 94 basis points (0.94%) per year over the last ten years as of March 31, 2025, was worth an extra \$1.6 billion as compared to the return generated by the median public pension fund in the InvMetrics data base. While producing that return, we maintained one of the lowest risk levels.

Historical Asset Growth



A new milestone: \$18.5 billion