

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 22, 2025

MEMO TO: Members of the Retirement Board

THROUGH: Lisa Sorani, Manager of Employee Services *Lisa Sorani*

FROM: Valerie Weekly, HR Administrator, Retirement *Weekly*

SUBJECT: Retirement Board Regular Meeting – 5/22/2025

A regular meeting of the Retirement Board will convene at 9:00 a.m. on Thursday, May 22, 2025. This meeting will be conducted in person with all Retirement Board members physically present in the Administration Training Resource Center, 375 Eleventh Street, Oakland, California, which shall serve as the physical location for members of the public who wish to attend the meeting in person. Please note, however, that members of the public will also be provided the opportunity to participate via video and teleconference. Public participation will also be available by live audio stream at <https://www.ebmud.com/about-us/board-directors/board-meetings/retirement-board-meetings/>; however, listeners will not be able to provide public comment via live audio stream. To participate in the meeting or provide public comment, please see the Appendix of the Agenda for instructions on joining the Zoom meeting online or by phone.

Some Staff and Presenters may be attending via Zoom which will be broadcast at the meeting.

Enclosed are the agenda items for the May 22, 2025 meeting, and the Minutes for the March 20, 2025 regular meeting. The package also includes the following: **(1) CONSENT items:** Approval of Minutes of the Retirement Board – Regular Meeting of March 20, 2025, Ratifying and Approving Investment Transactions by Retirement Fund Managers for February 2025 and March 2025, Ratifying and Approving the Short-Term Investment Transactions for February 2025 and March 2025, Approving Treasurer’s Statement of Receipts and Disbursements for February 2025 and March 2025; **(2) ACTION items:** Declare Results of the Election of an Employee Member of the Retirement Board, Declare Interest Rate to Apply to Balance of Member Contributions and Interest for Period Ending December 31, 2024; **(3) INFORMATION items:** Performance Report and Economic Review, Portfolio Implementation Update, Private Placement Update, Discuss Segal Response to Cheiron Recommendations, Update on HIB Outsourcing, April 2025 LRS Pension Gold Implementation Update; **(4) REPORTS FROM THE RETIREMENT BOARD:**

LS:vw

Enclosure

AGENDA
EBMUD EMPLOYEES' RETIREMENT SYSTEM
May 22, 2025

A regular meeting of the Retirement Board will convene at 9:00 a.m. on Thursday, May 22, 2025. This meeting will be conducted with Retirement Board Members physically present in the Administration **Training Resource Center**, 375 Eleventh Street, Oakland, California. This location shall serve as the physical location for members of the public who wish to attend the meeting in person. Please note, however, that members of the public will also be provided the opportunity to participate via video and teleconference. Public participation will also be available by live audio stream <https://www.ebmud.com/about-us/board-directors/board-meetings/retirement-board-meetings/>; however, listeners will not be able to provide public comment via live audio stream. To participate in the meeting or provide public comment, please see the Appendix of the Agenda for instructions on joining the Zoom meeting online or by phone. Some Presenters may be attending via Zoom.

Retirement Board Members: Clifford Chan, Marguerite Young, April Chan, Jae Park, Max Fefer and Elizabeth Grassetti

Staff to the Retirement Board: Sophia Skoda, Lourdes Matthew, Robert Hannay, Lisa Sorani, Steven Goodman-Leibof, Valerie Weekly and Mae Shepherd

Consultants & Presenters: Meketa: Colin Bebee, Sarah Bernstein, and Eric Larsen; Segal: Andy Yeung and Emily Klair

****Public Participation****

Please see Appendix at end of Agenda for Public Participation Details

ROLL CALL:

PUBLIC COMMENT: The Retirement Board is limited by State Law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

CLOSED SESSION AGENDA

1. Personnel matters pursuant to Government Code Section 54957: Application for Disability Retirement of Jennifer Ingram.

REGULAR BUSINESS MEETING

CONSENT CALENDAR:

1. Approval of Minutes of the Retirement Board – Regular Meeting of March 20, 2025 – S. Skoda
2. Ratifying and Approving Investment Transactions by Retirement Fund Managers for February 2025 and March 2025 – S. Skoda
3. Ratifying and Approving Short-Term Investment Transactions for February 2025 and March 2025 – S. Skoda

4. Approving Treasurer's Statement of Receipts and Disbursements for February 2025 and March 2025 – S. Skoda

ACTION:

5. Declare Results of the Election of an Employee Member of the Retirement Board – L. Sorani
6. Declare Interest Rate to Apply to Balance of Member Contributions and Interest for Period Ending December 31, 2024 – L. Sorani

INFORMATION:

7. Performance Report and Economic Review – S. Skoda
8. Portfolio Implementation Update – S. Skoda
9. Private Placement Update – S. Skoda
10. Discuss Segal Response to Cheiron Recommendations – S. Skoda
11. Update on HIB Outsourcing – L. Sorani
12. May 2025 LRS Pension Gold Implementation Update – L. Sorani

REPORTS FROM THE RETIREMENT BOARD:

ITEMS TO BE CALENDARED:

MEETING ADJOURNMENT:

The next regular meeting of the Retirement Board will be held on July 10, 2025.

Retirement Board Meetings

- July 10, 2025
- September 18, 2025
- November 20, 2025

APPENDIX

Retirement Board Meeting
Thursday, May 22, 2025
9:00 a.m.

This meeting will be conducted with Retirement Board Members physically present in the Administration Training Resource Center, 375 Eleventh Street, Oakland, California. Members of the public are welcome to attend in person or virtually as described below.
Please note that Retirement Board meetings are recorded and live-streamed.

To **view the livestream of the Retirement Board Meeting**, without making public comment, please visit: <https://www.ebmud.com/about-us/board-directors/board-meetings/retirement-board-meetings/>

If you wish to join the meeting, or to make public comment, please visit this page beforehand to familiarize yourself with Zoom. <http://support.zoom.us/hc/en-us/articles/201362193-Joining-a-Meeting>

Zoom Webinar Information

You are invited to a Zoom webinar.

When: May 22, 2025 09:00 AM Pacific Time (US and Canada)

Topic: May 22, 2025 EBMUD Retirement Board Meeting

Please click the link below to join the webinar:

<https://ebmud.zoom.us/j/84562023819>

Or One tap mobile :

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Webinar ID: 845 6202 3819

International numbers available: <https://ebmud.zoom.us/j/84562023819>

Providing Public Comment

The EBMUD Retirement Board is limited by State Law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

If you wish to provide public comment, please:

- Use the raise hand feature in Zoom to indicate you wish to make a public comment
<https://support.zoom.us/hc/en-us/articles/20055661-Raising-your-hand-in-a-webinar>
 - If you participate by phone, press *9 to raise your hand
- When prompted by the Asst. Secretary, please state your name, affiliation if applicable, and topic
- The Assistant Secretary will call each speaker in the order received
- Comments on non-agenda items will be heard at the beginning of the meeting
- Comments on agenda items will be heard when the item is up for consideration
- Each Speaker is allotted 3 minutes to speak; The Retirement Board President has the discretion to amend this time based on the number of speakers
- The Assistant Secretary will keep track of time and inform each speaker when time is up

MINUTES
EBMUD EMPLOYEES' RETIREMENT SYSTEM
March 20, 2025

A regular meeting of the Retirement Board will convene at 9:01 a.m. on Thursday, March 20, 2025. This meeting will be conducted with Retirement Board Members physically present in the Administration **Training Resource Center**, 375 Eleventh Street, Oakland, California. This location shall serve as the physical location for members of the public who wish to attend the meeting in person. Please note, however, that members of the public will also be provided the opportunity to participate via video and teleconference. Public participation will also be available by live audio stream <https://www.ebmud.com/about-us/board-directors/board-meetings/retirement-board-meetings/>; however, listeners will not be able to provide public comment via live audio stream. To participate in the meeting or provide public comment, please see the Appendix of the Agenda for instructions on joining the Zoom meeting online or by phone. Some Presenters may be attending via Zoom.

****Public Participation****

Please see Appendix at end of Agenda for Public Participation Details

ROLL CALL:

Present: Jae Park, Clifford Chan, Marguerite Young, Max Fefer, April Chan, and Elizabeth Grasseti

PUBLIC COMMENT: The Retirement Board is limited by State Law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

Diane Eggering made a public comment about vested membership and not probationary. Unknown named employees or probationary employees should not run for Retirement Board elections. There were no online comments.

REGULAR BUSINESS MEETING

CONSENT CALENDAR:

Max Fefer inquired whether his comments were incorporated into the minutes, and staff confirmed they were included. A motion to approve the Consent Calendar was made by Director Margaret Young and seconded by Clifford Chan. The motion passed 5-0 by the following vote AYES (A. Chan, M. Young, C. Chan, M. Fefer, and J. Park), NOES (none), ABSTAIN (none), ABSENT (none)

ACTION:

1. Adopt Cost of Living Adjustment Effective July 1, 2025 – C. Charan

The Board reviewed the adoption of cost-of-living adjustments (COLA). The All Urban Consumers for the San Francisco-Oakland-Hayward Area (CPI-U) is used to determine the most recent COLA, which is capped at 3% unless certain funding thresholds are met. As a result, the maximum increase for the year is 2.8%, effective July 1, 2024. A 0.2% Cola Bank increase will apply to eligible retirees with Cola Bank balances, with adjustments made accordingly. Elizabeth Grasseti commented on the review of historical COLA data. The Board discussed reviewing historical COLA data, particularly over the past 10 years.

A motion to adopt the COLA was made by Director April Chan and seconded by Max Fefer. The motion passed unanimously with no opposition or abstentions. The motion passed 5-0 by the following vote AYES (A. Chan, M. Young, C. Chan, M. Fefer, and J. Park), NOES (none), ABSTAIN (none), ABSENT (none)

2. Adopt Actuarial Audit Report from Cheiron – S. Skoda

The Actuarial Audit was presented by Graham Schmidt and Anne Harper from Cheiron. Cheiron conducted a full replication audit of Segal's 2024 actuarial valuation report, including a high-level review of the prior years' experience study. The audit process was smooth, and Cheiron's results closely aligned with Segal's, well within the 5% industry standard. The audit concluded that overall liabilities and costs are reasonable, with methods and assumptions in accordance with actuarial standards. The pension plan has a present value of benefits of \$3.7B which is within 1% of Segal's estimate. The actuarial liability and future normal cost are within 1–3%. The unfunded accrued liability variance is \$11M which is (2%). The health insurance benefit (HIB) plan has a total liability of \$150M which is within 1%. Employer contribution rates differed by only a few basis points. Demographic and economic assumptions aligned with California public pension norms. There was a minor recommendation of adding retirement rate disclosures in future studies. A 6.75% return assumption remains reasonable. Other recommendations were to consider separating pension and HIB assets due to cash flow differences and to include employer contribution/funded status projections in future reports. Stress testing was conducted for investment/CPI risks. Scenario modeling addressed potential impacts on COLA if 85% funded threshold is exceeded.

Max Fefer inquired about CPI projections. The CPI projections are based on a normal distribution with a 1.5% standard deviation. April Chan asked about HIB variance. There is a 2% HIB difference deemed immaterial and require no further review.

A motion was made and approved to accept the actuarial audit report by Marguerite Young and was seconded by Clifford Chan. The motion passed 5-0 by the following vote AYES (A. Chan, M. Young, C. Chan, M. Fefer, and J. Park), NOES (none), ABSTAIN (none), ABSENT (none)

3. RFP Manager Presentations and Decisions – S. Skoda

Eric Larsen and Colin Bebee of Meketa presented the asset manager selection process for new Bank Loan and High Yield Bond mandates, following the recent asset-liability study. The Board was briefed in preparation for upcoming manager interviews.

Bank Loans increased from 2.5% to 5%. High Yield Bonds increased from 2.5% to 7.5%. Bank loans have a floating rate with a longer settlement. High yield bonds have a fixed rate with a quicker settlement. RFPs issued in November 2024, with responses due December 2024. For the Bank Loans, 29 firms submitted 30 strategies, narrowed to 10–11 for review, and chose 3 firms (Bank Loans) and 2 firms (High Yield Bonds) as finalists. They were evaluated based on firm and team stability, investment process and performance alignment, fee structure and economic sustainability, and ESG and DEI considerations. All finalists met core standards. The Board was advised to consider fit and comfort when interviewing.

Max Fefer asked about exclusion rationale for 18 firms. Firms were excluded due to concerns about firm stability, team changes, strategy misalignment, or other red flags. April Chan asked about references and prior relationships. The finalists were evaluated based on strong existing relationships and extensive due diligence by a 20-member evaluation team.

Manager interviews were conducted with follow-up discussions to occur in a debrief session.

Beach Point Capital Management – Investment Strategy Overview

Beach Point Capital Management presented its investment strategy focused on below-investment-grade credit, including performing loans, distressed debt, and special situations. The firm, which manages approximately \$20 billion in assets, serves exclusively institutional clients and emphasized its disciplined approach to credit analysis, legal expertise, and risk management. Their portfolio spans the full credit spectrum, with a strong focus on transparency, client engagement, and aligning investments with credit cycle trends. While primarily U.S.-based, the firm retains flexibility to invest internationally and is currently focused on sectors such as telecommunications, media, and consumer industries. The average loan duration within the portfolio is 4.4 years.

The firm highlighted its in-house legal capabilities, particularly in corporate and bankruptcy law, as a key component of its investment process. Thorough due diligence and a strong risk framework are central to avoiding permanent capital loss, and the firm steers clear of sectors with poor governance or unstable business models.

Beach Point has integrated ESG factors into its investment process, with governance serving as the primary lens for evaluating credit risk. However, the firm noted a growing emphasis on environmental and social considerations, especially in response to evolving regulatory landscapes. A recent hire from Goldman Sachs now leads their ESG efforts, and DEI is being recognized as an emerging area within ESG evaluation.

During the Board's Q&A, Clifford Chan asked about the consistency of the firm's flexible capital mandate, to which Beach Point responded that while exposures may shift with market conditions, discipline remains constant in their selection process. Marguerite Young inquired about ESG tipping points and DEI integration. The firm cited regulatory concerns in the processed food industry as an example of shifting ESG considerations and acknowledged DEI as an increasing focus. Max Fefer requested more details on the environmental and social components of ESG, and the firm confirmed these are becoming more prominent alongside traditional governance assessments. Sophia Skoda asked about sector exposure, international allocations, and loan characteristics; Beach Point discussed its current sector focus, dynamic allocation approach, and confirmed a weighted average loan duration of 4.4 years.

Beach Point concluded by reaffirming its commitment to a disciplined, risk-conscious investment philosophy, underpinned by legal expertise and evolving ESG integration in response to regulatory and market trends.

Aristotle Pacific Capital – Investment Strategy Overview

Michael Spindler, Managing Director and Partner at Aristotle Pacific Capital (formerly Pacific Asset Management), presented an overview of the firm and its investment strategies. The firm specializes in U.S. corporate debt, including bank loans, high-yield bonds, investment-grade credit, and structured products. Since its founding in 2007, the firm has grown from \$2.2 billion in assets under management to over \$31 billion. In April 2023, Pacific Asset Management became Aristotle Pacific Capital following its acquisition by Aristotle Capital. The transition retained all 52 employees and granted partners a 40% ownership stake. The firm's investment philosophy emphasizes investing in understandable businesses, risk mitigation, and detailed capital structure analysis. Their fee structure is 40 basis points for mandates under \$100 million and 37 basis points for mandates over \$100 million. The firm currently manages over 100 public pension plans, including those for LA Water & Power and Kern County.

Aristotle Pacific Capital's bank loan strategy is centered on larger issuers with strong fundamentals and access to capital, often companies resilient during economic downturns. An example highlighted was

Carnival Cruise Lines, which successfully raised \$3.5 billion during the pandemic. The firm is highly selective, investing in only about 7% of the bank loan universe, maintaining a portfolio of 100–125 positions out of a possible 1,500. Risk mitigation includes avoiding distressed debt and industries in long-term decline, such as coal or legacy print media. ESG considerations are embedded in the investment process, with a focus on identifying material risks and avoiding sectors facing significant secular headwinds. The firm ensures no single issuer exceeds 2–2.5% of the portfolio, maintaining broad diversification and limiting exposure.

Historically, the firm has outperformed during periods of market volatility, including in 2008, 2015, and 2020. The current return outlook is approximately 8%, supported by strong market fundamentals. A key component of the strategy is liquidity, with a focus on holding assets that can be traded within one to two days.

During the Board's Q&A, Clifford Chan inquired about the impact of the firm's transition to Aristotle Pacific Capital. Spindler explained that the change was largely administrative, with no disruption to staff or operations, and included enhanced long-term partnership incentives. Max Fefer asked about the "catch-all" category in the portfolio, to which the firm responded that it includes various sectors but excludes tobacco. Marguerite Young asked about diversification and issuer concentration limits. The firm noted that high-conviction positions are typically capped at 1.5–2%, with an overall issuer limit of 5%, though the portfolio rarely exceeds 2.5%. In a follow-up, she asked about ESG implementation, and the firm explained that investments are evaluated based on ESG materiality, corporate quality, and sector specific risks, citing chemical sector firms with strong policies and executive incentives tied to sustainability. When asked whether the firm invests in specific agencies such as the Cortana Water Agency, the response was that such investments are unlikely in the near term but could be considered depending on future financial developments.

Aristotle Pacific Capital reaffirmed its commitment to transparent, risk-conscious investing, with a focus on stable, high-quality businesses and the integration of ESG factors into investment decisions.

Federated Hermes – Investment Strategy Overview

Federated Hermes, managing approximately \$600 billion in assets, presented an overview of its investment philosophy, emphasizing absolute capital protection over percentage-based risk metrics. The firm's strategy is built on three core pillars: the strength of its experienced investment team, a rigorous bottom-up credit analysis process, and the construction of portfolios designed to withstand market volatility while minimizing downside risk. The team focuses on larger issuers with strong credit quality and consistent free cash flow, deliberately avoiding highly cyclical or commodity-based industries such as oil, airlines, homebuilders, and financial institutions. Rather than reaching for yield, Federated prioritizes companies with strong fundamentals and sustainable business models.

The firm recalled the lessons of the 2007–2008 financial crisis, during which credit spreads widened sharply, highlighting the importance of conservative risk management. With current credit spreads near historical lows, Federated has adopted a more defensive position. They noted that the bank loan market has become riskier post-2008, driven by the rise of private equity-backed issuers. In response, their portfolios are actively managed with continuous monitoring, detailed credit analysis, and direct company engagement.

Sustainability and ESG integration remain key to Federated Hermes' approach. The firm shared recent examples of corporate engagements, including working with a restaurant chain on climate-related agricultural risks and advising a specialty chemical company on eliminating harmful substances and improving water usage. Despite broader market skepticism around ESG, the firm maintains that ESG considerations are a core component of its investment strategy.

The current portfolio is concentrated in sectors such as technology, insurance (excluding underwriting risk), business services, and healthcare. Investments are chosen based on criteria like high revenue growth, recurring income, low capital requirements, and high enterprise value. The firm avoids distressed loans and focuses on companies with stable free cash flow to reduce capital loss risk.

Federated Hermes highlighted that structural changes in the bank loan market have increased risk, necessitating a conservative stance. Despite these challenges, the firm has historically delivered competitive returns while prioritizing capital preservation. A new, lower fee structure has been introduced, replacing the previous multi-sector approach.

During the Board's Q&A, Clifford Chan inquired about Federated's 2015 acquisition and whether it affected operations. The firm responded that the transition aligned teams well, with strong ongoing collaboration. A Board member also asked about a portfolio manager's recent departure, and the firm clarified that the change was strategic and had no impact on the investment philosophy or process.

Federated Hermes reaffirmed its commitment to disciplined risk management, fundamental analysis, and sustainable investing, maintaining a cautious approach amid the current tight credit spread environment.

The Retirement Board took a 15-minute break and reconvened at 11:20 a.m.

Discussion and Debrief: The Retirement Board decided to hire two of the three management groups interviewed, allocating \$65 million to each. Director April Chan expressed that Aristotle Pacific Capital stood out, particularly for emphasizing performance. Director Marguerite Young noted that while Aristotle is still developing its approach to ESG and DEI, she questioned why larger firms are not active in the bank loan space. Board members appreciated the discussion on physical risk, highlighting the importance of understanding potential downsides and contingency options. The Retirement Board chose Beach Point Capital Management and Aristotle Pacific Capital.

A motion was made and approved to choose Beach Point Capital Management and Aristotle Pacific Capital by Max Fefer and was seconded by Clifford Chan. The motion passed 5-0 by the following vote: AYES (A. Chan, M. Young, C. Chan, M. Fefer, and J. Park), NOES (none), ABSTAIN (none), ABSENT (none)

HIGH YIELD PRESENTATIONS

Nomura – High-Yield Investment Strategy Overview

Nomura presented its high-yield investment strategy, which focuses on small and mid-sized businesses rather than concentration in large entities, allowing for steady outperformance and meaningful portfolio diversification. Their investment philosophy, described as the "strong horse" approach, prioritizes companies with solid free cash flow, pricing power, and strong cost controls. The strategy blends bottom-up analysis (70%) with top-down macroeconomic insights (30%) to manage risk and enhance portfolio resilience.

Nomura's team-driven approach fosters collaboration and long-term continuity. The investment team includes 12 analysts with deep sector expertise, supported by experienced leadership from the CEO and CIO, who oversee risk and ensure portfolio consistency. A dedicated risk monitoring committee further reinforces this discipline, helping prevent excessive risk accumulation. ESG has been a formal part of the investment process since 2013, largely due to the firm's substantial European client base.

The strategy is designed to generate alpha especially during down markets, making it a strong complement to existing portfolio managers. Portfolios typically consist of the firm's 100 best ideas, with smaller additional positions included to cushion against volatility. Nomura maintains a conservative stance in energy, reducing exposure when oil prices fall, and avoids distressed assets and high-risk sectors. The focus is on industries with lower leverage and reliable cash flows.

Key sector insights included energy and infrastructure. Since 2016, Nomura has approached energy investments more cautiously, selecting companies with low leverage and strong environmental records. Methane emissions and broader environmental impacts are key considerations. In infrastructure and pipelines, high-yield financing is directed toward companies supporting the clean energy transition. ESG factors are thoroughly evaluated across all investments, with emphasis on sustainability and governance. During the Board discussion, Max Fefer asked whether the energy sector has become more stable over the past decade. Nomura confirmed that deficit spending has declined, and companies now follow more conservative financial practices. On commodity prices, the firm noted that while natural gas has strengthened, weakening oil prices have prompted them to reduce exposure. In response to a question about "Support Services," Nomura clarified this includes firms involved in equipment rental, maintenance, and operational support for industrial and infrastructure sectors.

Clifford Chan asked how Nomura's approach differs from other managers. The firm highlighted the advantage of combining top-down and bottom-up strategies to deliver consistent risk-adjusted returns. Marguerite Young asked about methane management in gas and distribution investments, to which the firm responded that they avoid companies with poor safety and flaring practices, reinforcing their ESG-aligned approach. Sophia Skoda inquired about return measurement in their high-yield bond strategy. Nomura replied that 85% of their holdings are in U.S. dollar-denominated bonds, and performance is assessed using "duration to worst" to understand risk-adjusted yield potential. Nomura's disciplined investment process, strong team structure, and emphasis on ESG integration, especially in the energy and infrastructure sectors—support a consistent, long-term performance record. The strategy's ability to generate alpha in difficult markets makes it a valuable complement to broader portfolios.

Brigade Capital – High Yield Strategy Presentation Summary

Brigade Capital, an independent and employee-owned investment firm founded in 2006, presented its high yield strategy to the Board. Led by Co-CIO Doug Pardon, the firm emphasized its disciplined investment process, research-driven approach, and strong alignment of interests, with 29 equity partners and senior investment professionals holding ownership stakes. Headquartered in New York with a London office, the firm employs 130 people, including two portfolio managers with 54 years of combined experience, and sector-specialized analysts covering only one to two industries to ensure deep expertise.

Brigade's high yield strategy focuses on a diversified portfolio of 100 to 200 issuers, investing in both high-yield bonds and leveraged loans with flexibility to shift between them depending on market conditions. The firm employs a bottom-up fundamental investment process centered on downside protection, prioritizing companies with at least 1.5x asset coverage and strong free cash flow, especially important during periods of limited refinancing availability. Key investment criteria include market leadership, business diversification, and strong management teams.

The firm integrates Environmental, Social, and Governance (ESG) considerations into its investment decisions through a proprietary ESG rating system, tailored to account for limitations in third-party ESG data. ESG weightings are industry-specific—environmental factors are more emphasized in some sectors, while governance takes precedence in others. Brigade maintains a formal ESG committee and is a member of the Principles for Responsible Investment (PRI).

A case study of Global Medical Response (GMR), a major U.S. provider of emergency transport services, illustrated the firm's approach. GMR demonstrated strong free cash flow, over 2x asset coverage, and essential service delivery. The firm recognized its efforts to reduce emissions and enhance ESG compliance through electric vehicles and community engagement. Although privately owned by KKR, GMR was viewed positively due to its independent directors and market-critical role. Despite industry headwinds, its high-yield bonds (13%) were deemed attractively priced.

Brigade adapts to shifting market environments through a flexible portfolio construction approach. When spreads tighten, the firm becomes more conservative; in periods of dislocation, such as post-COVID, it takes on more risk, believing higher yields create a cushion against potential losses. This strategy was likened to a basketball game—playing defensively when opportunities are scarce, and aggressively when risk is well-compensated.

The firm currently has an overweight position in healthcare and energy. Healthcare investments are concentrated on non-cyclical services like hospitals and ambulance companies, seen as resilient to economic downturns and supported by demographic trends. Energy exposure, at 20%, is focused on midstream companies with lower sensitivity to commodity price fluctuations, avoiding more cyclical producers and refiners.

Brigade's investment governance structure relies on informal but structured processes. Investment decisions are not subject to formal votes but are driven by robust internal debate among portfolio managers and sector analysts. If an investment meets key criteria, managers have the autonomy to act. During the Board Q&A, Max Fefer asked about the firm's sector allocations. The response emphasized a focus on non-cyclical sectors and midstream energy to manage economic and commodity risk. Clifford Chan inquired about the investment process and committee operations. Brigade explained its collaborative decision-making model, grounded in sector expertise and internal debate, ensuring disciplined execution without relying on formal voting.

Overall, Brigade Capital underscored its commitment to downside protection, consistent performance across market cycles, and thoughtful ESG integration, supported by a specialized team and research-intensive process.

Discussion and Debrief: The discussion compared two high-yield investment firms, noting that while their strategies differ, they are ultimately complementary. Both operate in high-risk debt markets like high yield and bank loans, which have evolved significantly since 2020, making their flexibility in decision-making especially valuable. One firm is more conservative, focusing on downside protection, while the other is more aggressive, offering higher potential returns with more risk. Performance between the two is strong overall, though one has slightly outperformed the other. Their low correlation in returns suggests a diversification benefit if both are included in a portfolio.

Differences in energy sector exposure were noted—7.2% for one firm and 10% for the other—with distinct approaches to energy transition and sustainability. Marguerite Young raised questions about these strategies, and Sarah Bernstein clarified that the larger firm's broader client base and strategic partnerships influence its approach. Both firms actively consider ESG factors but do not rely solely on third-party ESG scores like MSCI, opting instead for a more nuanced analysis based on sector context. Each firm's structure and client scope also influence its operations. While both have significant assets under management and institutional reach, their strategies are suited to different investment needs. Jae Park asked about Brigade's fees and ESG scoring, noting Brigade's slightly lower fees. Both Max Fefer and Director Marguerite Young expressed a preference for Brigade, suggesting momentum in its favor.

A motion was made and approved to choose Brigade Capital Management by Marguerite Young and was seconded by Max Fefer. The motion passed 5-0 by the following vote AYES (A. Chan, M. Young, C. Chan, M. Fefer, and J. Park), NOES (none), ABSTAIN (none), ABSENT (none)

INFORMATION:

4. Performance Report and Economic Review – S. Skoda

As of Q4, the portfolio ended with a market value of just over \$2.6 billion, down \$24 million from the previous quarter, reflecting a return of -1.1%, slightly underperforming the policy return of -0.7%. Performance was largely driven by strong U.S. equity markets, supported by pro-growth policy expectations, while non-U.S. markets lagged due to geopolitical and economic concerns. Active managers struggled with market concentration, impacting relative performance.

In early 2023, the portfolio saw a 2.7% gain in January, flat performance in February, and a slight decline of just over 2% in March (month-to-date). The market outlook remains mixed, but diversification has started to show value, particularly as non-U.S. developed and emerging markets have outperformed U.S. equities by 14% and 10%, respectively. While uncertainty persists, diversification remains a key strength in navigating market risks.

5. Discuss Proposed Changes to Election Board Rules – C. Charan

Valerie Weekly presented that the Retirement Board is considering changes to its election process, including a proposal to adopt four-year board member terms to improve continuity and reduce transition issues. Further discussion is planned for the upcoming meeting. Max Fefer also raised the possibility of exploring ranked-choice voting.

6. Update on HIB Outsourcing - C. Charan

Starting April 2025, HIB payments will no longer be included in pension checks. The April 30, 2025 check will exclude HIB, which will instead be direct deposited separately in May by Flexible Benefits Administrator. The transition has been communicated, and retirees with direct deposits should see no disruption. Three retiree meetings are open to all, with in-person, Zoom, and livestream options available. A letter was sent to retirees, and some have reached out with questions. Retirees on district health plans will continue to have claims sent to FBA automatically, while those outside the district must now submit claims directly to FBA using available digital or mail options. Claims can be tracked online. Continued outreach will guide retirees on submitting claims and remind them of the May audit and August deadline for 2025 submissions to avoid retroactive adjustments.

7. Retirement Board Education Update - C. Charan

Staff are sharing upcoming training and conference opportunities for board members to earn required hours.

8. February 2025 LRS Pension Gold Implementation Update - C. Charan

The HRIS analyst position is expected to be filled by May or June 2025. The RFP process for consultants to help with the HRIS core replacement system is complete, and vendor selection is underway, with a consultant to be onboarded in the coming months. Updates will be presented to the Board. The Pension Gold project is moving forward, with deliverable 3 approved and working on deliverable 4. In response to a Board question about communication and FAQs, Valerie noted that it will be available through Member Direct.

REPORTS FROM THE RETIREMENT BOARD:

There were no reports. Max Fefer suggested holding a candidate forum for the upcoming Retirement Board election to improve public engagement and communication, with the shift to four-year terms. There is interest in enhancing communication around health insurance claims and the election process.

ITEMS TO BE CALENDARED:

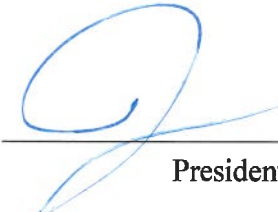
None

MEETING ADJOURNMENT: Meeting adjourned at 1:39 p.m.

The next regular meeting of the Retirement Board will be held on May 22, 2025.


Retirement Board Meetings

- May 22, 2025
- July 10, 2025
- September 18, 2025
- November 20, 2025



President

ATTEST:




Asst. Secretary

5/22/2025

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 22, 2025

MEMO TO: Members of the Retirement Board

FROM: Sophia D. Skoda, Director of Finance 

SUBJECT: Investment Transactions by Retirement Fund Managers for February 2025 and March 2025

The attached Investment Transactions by Retirement Fund Managers report for the months of February 2025 and March 2025 is hereby submitted for Retirement Board approval.

SDS:RLH:SGL

Attachment: Investment Transactions by Retirement Fund Managers

R.B. RESOLUTION NO. 7026

RATIFYING AND APPROVING INVESTMENT TRANSACTIONS BY FUND MANAGERS
FOR FEBRUARY 2025 AND MARCH 2025

Introduced by: Clifford Chan ; Seconded by: April Chan

WHEREAS, Retirement Board Rule No. B-5 provides for investment transactions without prior specific approval by the Retirement Board; and


WHEREAS, investment transactions have been consummated during February 2025 and March 2025, in accordance with the provisions of said rule and in securities designated as acceptable by Retirement Board Resolution No. 4975, as amended;

NOW, THEREFORE, BE IT RESOLVED that the investment transactions appearing on the following Exhibit A are hereby ratified and approved.



President

ATTEST:



Asst. Secretary

5/22/2025

INVESTMENT TRANSACTIONS BY RETIREMENT FUND MANAGERS

February 2025			
	PURCHASES	SALES	PORTFOLIO VALUE
<u>FIXED INCOME</u>			
C.S. McKee	\$60,511,457	\$56,509,559	\$227,031,098
Federated Bank Loans	\$381,541	\$0	\$60,337,061
Garcia Hamilton Associates	\$4,759,780	\$2,344,394	\$221,117,922
Mackay Shields - HY	\$2,123,983	\$680,714	\$64,844,084
TOTAL	\$67,776,761	\$59,534,667	\$573,330,166
<u>DOMESTIC EQUITY</u>			
Russell 3000 Index Fund	\$0	\$0	\$1,025,750,190
Total Domestic Equity	\$0	\$0	\$1,025,750,190
<u>COVERED CALLS</u>			
Parametric (BXM)	\$3,852,368	\$3,669,456	\$186,046,001
Parametric (Delta-Shift)	\$537,128	\$312,337	\$196,924,562
Van Hulzen	\$0	\$0	\$0
Total Covered Calls	\$4,389,496	\$3,981,793	\$382,970,562
<u>INTERNATIONAL EQUITY</u>			
ACWI Index fund	\$0	\$0	\$643,489,670
Global Transition	\$0	\$0	\$782,272
Total International Equity	\$0	\$0	\$644,271,943
<u>REAL ESTATE EQUITY</u>			
RREEF America II	\$0	\$0	\$52,989,740
CenterSquare	\$0	\$0	\$0
Total Real Estate	\$0	\$0	\$52,989,740
TOTAL ALL FUND MANAGERS	\$72,166,258	\$63,516,460	\$2,679,312,601
March 2025			
	PURCHASES	SALES	PORTFOLIO VALUE
<u>FIXED INCOME</u>			
C.S. McKee	\$25,145,385	\$24,615,766	\$226,987,279
Federated Bank Loans	\$296,245	\$0	\$60,097,098
Garcia Hamilton Associates	\$3,951,784	\$2,730,177	\$221,045,940
Mackay Shields - HY	\$2,292,363	\$1,220,649	\$64,320,922
TOTAL	\$31,685,777	\$28,566,592	\$572,451,240
<u>DOMESTIC EQUITY</u>			
Russell 3000 Index Fund	\$0	\$15,781	\$965,960,038
Total Domestic Equity	\$0	\$15,781	\$965,960,038
<u>COVERED CALLS</u>			
Parametric (BXM)	\$4,666,903	\$4,124,728	\$178,320,537
Parametric (Delta-Shift)	\$1,118,426	\$676,605	\$186,256,128
Van Hulzen	\$0	\$0	\$0
Total Covered Calls	\$5,785,330	\$4,801,333	\$364,576,665
<u>INTERNATIONAL EQUITY</u>			
ACWI Index fund	\$0	\$0	\$643,029,802
Global Transition	\$0	\$0	\$768,784
Total International Equity	\$0	\$0	\$643,798,586
<u>REAL ESTATE EQUITY</u>			
RREEF America II	\$0	\$0	\$52,991,731
CenterSquare	\$0	\$0	\$0
Total Real Estate	\$0	\$0	\$52,991,731
TOTAL ALL FUND MANAGERS	\$37,471,106	\$33,383,706	\$2,599,778,260

Prepared By: Sherry Sarcos
 Sherry Sarcos, Accounting Technician

Date: 04/17/2025

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 22, 2025

MEMO TO: Members of the Retirement Board

FROM: Sophia D. Skoda, Director of Finance *SDS*

SUBJECT: Short Term Investment Transactions for February 2025 and March 2025

The attached Short Term Investment Transactions reports for the months of February 2025 and March 2025 are hereby submitted for Retirement Board approval.

SDS:RLH:SGL

Attachments: Short Term Investment Transactions February 2025
Short Term Investment Transactions March 2025

R.B. RESOLUTION NO. 7027

RATIFYING AND APPROVING SHORT TERM INVESTMENT TRANSACTIONS BY THE
TREASURER FOR FEBRUARY 2025 AND MARCH 2025

Introduced by: Clifford Chan ; Seconded by: April Chan

WHEREAS, Retirement Board Rule No. B-7 provides for the temporary investment of retirement system funds by the Treasurer or Assistant Treasurer in securities authorized by Sections 1350 through 1366 of the Financial Code or holding funds in inactive time deposits in accordance with Section 12364 of the Municipal Utility District Act; and

WHEREAS, investment transactions during February 2025 and March 2025, have been made in accordance with the provisions of the said rule;

NOW, THEREFORE, BE IT RESOLVED that the investment transactions consummated by the Treasurer and included on the attached reports for February 2025 and March 2025 are hereby ratified and approved.



President

ATTEST:



Asst. Secretary

5/22/2025

**EBMUD EMPLOYEES' RETIREMENT SYSTEM
SHORT TERM INVESTMENT TRANSACTIONS
CONSUMMATED BY THE TREASURER
MONTH OF FEBRUARY 2025**

<u>COST/ FACE VALUE</u>	<u>DESCRIPTION</u>	<u>DATE OF PURCHASE</u>	<u>DATE OF SALE/MATURITY</u>	<u>YIELD (%)</u>
\$ 5,621,000.00	Local Agency Investment Fund	14-Feb-25		4.333
\$ (14,550,000.00)	Local Agency Investment Fund		27-Feb-25	4.333
\$ 5,645,000.00	Local Agency Investment Fund	28-Feb-25		4.333
<u>\$ (3,284,000.00)</u>	Net Activity for Month			
\$ 9,700,107.96	Beginning Balance			
<u>(3,284,000.00)</u>	Net Activity for Month			
<u>\$ 6,416,107.96</u>	Ending Balance			

SUBMITTED BY David Glasser
 David Glasser
 Controller

DATE 04/23/2025

Robert L. Hannay
 Robert L. Hannay
 Treasury Mgr.

Kevin Ma
 Kevin Ma
 Acct. Sys. Supv.
 prepared by Ssarcos

**EBMUD EMPLOYEES' RETIREMENT SYSTEM
SHORT TERM INVESTMENT TRANSACTIONS
CONSUMMATED BY THE TREASURER
MONTH OF MARCH 2025**

<u>COST/ FACE VALUE</u>	<u>DESCRIPTION</u>	<u>DATE OF PURCHASE</u>	<u>DATE OF SALE/MATURITY</u>	<u>YIELD (%)</u>
\$ 5,636,000.00	Local Agency Investment Fund	14-Mar-25		4.313
\$ (8,928,000.00)	Local Agency Investment Fund		28-Mar-25	4.313
<u>\$ (3,292,000.00)</u>	Net Activity for Month			
\$ 6,416,107.96	Beginning Balance			
<u>(3,292,000.00)</u>	Net Activity for Month			
<u>\$ 3,124,107.96</u>	Ending Balance			

SUBMITTED BY David Glasser
 David Glasser
 Controller

DATE 04/23/2025

Robert L. Hannay
 Robert L. Hannay
 Treasury Mgr.

Kevin Ma
 Kevin Ma
 Acct. Sys. Supv.
 prepared by Ssarcos

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 22, 2025

MEMO TO: Members of the Retirement Board

FROM: Sophia D. Skoda, Director of Finance *SDS*

SUBJECT: Treasurer's Statement of Receipts and Disbursements for February 2025 and March 2025

SUMMARY

The attached Treasurer's Statement of Receipts and Disbursements reports for the months of February 2025 and March 2025 are hereby submitted for Retirement Board approval.

SDS:RLH:SGL

Attachments: Statement of Receipts and Disbursements February 2025
Statement of Receipts and Disbursements March 2025

**STATEMENT OF RECEIPTS AND DISBURSEMENTS
EMPLOYEES' RETIREMENT FUND
MONTH OF FEBRUARY 2025**

CASH BALANCE at January 31, 2025		\$	7,991,842.07
<u>Receipts</u>			
Employees' Contributions	\$		1,947,671.98
District Contributions			9,437,267.46
LAIF Redemptions			14,550,000.00
Northern Trust Redemptions			0.00
Refunds and Commission Recapture			<u>20,605.50</u>
TOTAL Receipts			25,955,544.94
<u>Disbursements</u>			
Checks/Wires Issued:			
Service Retirement Allowances	\$		12,746,159.54
Disability Retirement Allowances			164,030.10
Health Insurance Benefit			1,675,528.10
Payments to Retiree's Resigned/Deceased			22,534.27
LAIF Deposits			11,266,000.00
Administrative Cost			<u>682,780.47</u>
TOTAL Disbursements			<u>(26,557,032.48)</u>
CASH BALANCE at February 28, 2025		\$	<u>7,390,354.53</u>
LAIF			<u>6,416,107.96</u>
LAIF and CASH BALANCE at February 28, 2025		\$	<u>13,806,462.49</u>
<u>Domestic Equity</u>			
Russell 3000 Index Fund	\$		<u>1,025,750,189.67</u>
Subtotal Domestic Equity			1,025,750,189.67
<u>Covered Calls</u>			
Parametric (BXM)	\$		186,046,000.78
Parametric (Delta-Shift)			196,924,561.89
Van Hulzen			<u>(0.22)</u>
Subtotal Covered Calls			382,970,562.45
<u>International Equity</u>			
ACWI Index fund	\$		643,489,670.24
Global Transition			<u>782,272.35</u>
Subtotal International Equity			644,271,942.59
<u>Real Estate</u>			
RREEF America REIT II	\$		52,989,740.36
Center Square			<u>0.00</u>
Subtotal Real Estate			52,989,740.36
<u>Fixed Income</u>			
CS Mckee	\$		227,031,098.22
Federated Bank Loans			60,337,061.21
Garcia Hamilton Associates			221,117,922.49
Mackay Shields-High Yield			<u>64,844,084.12</u>
Subtotal Fixed Income			573,330,166.04
Total for Domestic and International Equities			<u>2,679,312,601.11</u>
MARKET VALUE of ASSETS at February 28, 2025		\$	<u>2,693,119,063.60</u>

Respectfully submitted,

David Glasser

David Glasser
Controller

Robert L. Hannay

Robert L. Hannay
Treasury Mgr.

Kevin Ma

Kevin Ma
Acct. Sys. Supv.

**STATEMENT OF RECEIPTS AND DISBURSEMENTS
EMPLOYEES' RETIREMENT FUND
MONTH OF MARCH 2025**

CASH BALANCE at February 28, 2025		\$	7,390,354.53
<u>Receipts</u>			
Employees' Contributions	\$		1,945,954.42
District Contributions			9,419,884.09
LAIF Redemptions			8,928,000.00
Northern Trust Redemptions			0.00
Refunds and Commission Recapture			<u>49,267.89</u>
TOTAL Receipts			20,343,106.40
<u>Disbursements</u>			
Checks/Wires Issued:			
Service Retirement Allowances	\$		12,761,542.71
Disability Retirement Allowances			164,030.10
Health Insurance Benefit			1,146,200.37
Payments to Retiree's Resigned/Deceased			68,234.18
LAIF Deposits			5,636,000.00
Administrative Cost			<u>533,193.45</u>
TOTAL Disbursements			<u>(20,309,200.81)</u>
CASH BALANCE at March 31, 2025		\$	<u>7,424,260.12</u>
LAIF			<u>3,124,107.96</u>
LAIF and CASH BALANCE at March 31, 2025		\$	<u>10,548,368.08</u>
<u>Domestic Equity</u>			
Russell 3000 Index Fund	\$		965,960,037.75
Subtotal Domestic Equity			965,960,037.75
<u>Covered Calls</u>			
Parametric (BXM)	\$		178,320,536.98
Parametric (Delta-Shift)			186,256,128.09
Van Hulzen			<u>0.00</u>
Subtotal Covered Calls			364,576,665.07
<u>International Equity</u>			
ACWI Index fund	\$		643,029,802.34
Global Transition			<u>768,783.96</u>
Subtotal International Equity			643,798,586.30
<u>Real Estate</u>			
RREEF America REIT II	\$		52,991,731.13
Center Square			<u>0.00</u>
Subtotal Real Estate			52,991,731.13
<u>Fixed Income</u>			
CS Mckee	\$		226,987,279.05
Federated Bank Loans			60,097,098.44
Garcia Hamilton Associates			221,045,939.90
Mackay Shields-High Yield			<u>64,320,922.18</u>
Subtotal Fixed Income			572,451,239.57
Total for Domestic and International Equities			<u>2,599,778,259.82</u>
MARKET VALUE of ASSETS at March 31, 2025		\$	<u>2,610,326,627.90</u>

Respectfully submitted,

David Glasser

David Glasser
Controller

Robert L. Hannay

Robert L. Hannay
Treasury Mgr.

Kevin Ma

Kevin Ma
Acct. Sys. Supv.

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 22, 2025

MEMO TO: Members of the Retirement Board

FROM: Lisa Sorani, Manager of Employee Services Human Resources *Lisa Sorani*

SUBJECT: Declaring the Results of an Election of an Employee Member of the Retirement Board

INTRODUCTION

The election of an employee member to the District Retirement Board has been completed for the seat currently held by Jae Park.

DISCUSSION

On February 25, 2025, the election process was announced to all employees by e-mail, Splashpad, and by bulletin which were posted at worksites. At each stage of the election, multiple emails were sent to all EBMUD email addresses, bulletins were posted throughout EBMUD locations, an announcement was posted in Splashes, and SplashPad was updated to reflect the status of the election and deadlines for each phase.

As of March 9, 2025, the date the Candidacy period closed, three (3) Retirement System participants had submitted an application indicating interest in running. As of the deadline for nominations, Jae Park and Victor Prado had both received the required 50 nominations required to be included on the ballot.

A total of 351 votes were cast in the 2025 election of an employee member to the Retirement Board. Staff determined that 335 of the votes case were valid.

The results of the voting were as follows:

Jae Park	256 votes
Victor Prado	79 votes

Cindy Charan, Secretary to the Retirement Board, has reviewed documents and procedures for this election and has certified the results.

For an employee to be elected as the employee member of the Retirement Board, they must earn the most votes and be eligible to serve on the Retirement Board. This year, the employee

Retirement Board Member Election
Retirement Board Meeting
May 22, 2025

member who received the most votes, Jae Park, satisfies the criteria to be elected to the employee Retirement Board member seat.

Therefore, I hereby certify that Jae Park has been elected to the Retirement Board for a two-year term beginning June 24, 2025.

LS:VW:ms

EAST BAY MUNICIPAL UTILITY DISTRICT

R.B. RESOLUTION NO. 7028

**DECLARING THE RESULTS OF AN ELECTION OF AN EMPLOYEE MEMBER OF THE
RETIREMENT BOARD**

Introduced by: Marguerite Young ; Seconded by: Max Fefer

WHEREAS, Section 4(a) of the Retirement Ordinance provides for election by and from membership of the Retirement System to fill a vacancy on the Retirement Board created by the expiration of the term of an elected Retirement Board member, and the Secretary of the Retirement Board has certified that **Jae Park** has been elected by the membership of the Retirement System as a member of the Retirement Board pursuant to an election conducted for said purpose;

NOW, THEREFORE, BE IT RESOLVED that **Jae Park** is hereby declared a member of the Retirement Board and that said member shall serve a period of two years commencing June 23, 2025.



President

ATTEST:




Asst. Secretary

05/22/2025

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 14, 2025

MEMO TO: Lisa Sorani, Manager of Employee Services and Acting Secretary to the Retirement Board

FROM: Valerie Weekly, Human Resources Administrator 

SUBJECT: Election of Employee Member of the Retirement Board

As the Acting Secretary to the Retirement Board, please confirm the election results from the Retirement Board Elections.

The election of an employee member to the District Retirement Board has been completed. Section 4(a) of the Retirement Ordinance provides for the election of an employee member who will serve a two-year term.

On February 25, 2025, Retirement Services announced the election to all employees and included nomination and election instructions via email, Splashpad and bulletin postings at worksites. March 17, 2025 was included as the deadline for expressing interest in the position by submitting a candidate application form with a biography. Retirement Services received two candidate application forms by this deadline, from Jae Park and Victor Prado.

March 19, 2025, the nomination period began to collect nominations. April 4, 2025, a reminder of the nomination period was sent via email. At the end of the nomination period, April 11, 2025, Jae Park and Victor Prado each received more than the required 50 nominations.

April 15, 2025, the voting instructions and SurveyMonkey link were sent to all employees via email and posted on SplashPad. On May 1, 2025 a reminder of the voting period deadline was sent via email. The voting period ended on May 9, 2025.

May 9, 2025, The voting period ended. A total of 351 votes were all cast via SurveyMonkey in the 2025 election of an employee member to the Retirement Board. Staff determined that 335 of the votes were valid.

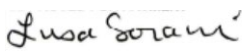
The results of the voting were as follows:

- Jae Park 256 votes
- Victor Prado 79 votes

After your review, please sign this memo below to certify the election. Staff will proceed with announcing the results of the election.

As Acting Secretary to the Retirement Board, I certify the above staff report and election results for the employee Retirement Board seat expiring June 23, 2025.

Date: May 14, 2025

Signature: 

LS:VW:ms

Attachment

Information regarding the 2025 Retirement Board Election of an Employee Member will also be published in Splashpad, click the link below to be redirected to the Splashpad Retirement Board Elections page:

[2025 Retirement Board Election - Employee Member](#)

RETIREMENT BOARD ELECTION OF AN EMPLOYEE MEMBER

The two-year term of Jae Park, an employee-member of the Retirement Board, will expire on June 23, 2025. An election will be held to fill this seat. Jae Park intends to run for re-election.

The following procedures will be followed for the election of an employee-member to the Retirement Board for a term beginning June 24, 2025.

CANDIDATE INTEREST

Interested candidates can call x0721 to request the Candidate application form or access the form via Splashpad [Candidate Biography 2025 Application](#). All interested candidates must submit the Candidate application form along with their Candidate Biography via email to RetirementBoardElections@ebmud.com between [Tuesday, February 25, 2025 through Monday, March 17, 2025](#).

NOMINATIONS

All Candidate Bios will be sent out to employees via the email address RetirementBoardElections@ebmud.com on [Wednesday, March 19, 2025](#) and will be posted at all District work locations. Each candidate is required to collect 50 nominations from Retirement System members to be added to the election Ballot. We will be accepting nominations made via District email. Members may send nominations on behalf of more than one candidate.

Nominations must be sent to RetirementBoardElections@ebmud.com with a cc: to the candidate's personal email address by end of day [Friday, April 11, 2025](#). Information on nominated candidates will be emailed to all employees and posted on Splashpad by [Tuesday, April 15, 2025](#).

BALLOTS AND VOTING INSTRUCTION

If more than one candidate receives 50 nominations, they will be listed on the ballot and voting will begin on [Tuesday, April 15, 2025 via Survey Monkey](#). The voter will need to include their First Name, Last Name, and District Employee ID number. In order to be counted, ballots must be finalized by the end of day [Friday, May 9, 2025](#).

ABSENTEE BALLOTING

Employee members may contact Retirement Services at (510) 287-0747 to request that the voting link be sent to their personal address if they are unable to access the link via District email or Splashpad. The deadline to request an absentee ballot is [Wednesday, April 30, 2025](#).

[Election results will be published on Wednesday, May 14, 2025 via email and on Splashpad.](#)

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 22, 2025

MEMO TO: Members of the Retirement Board

THROUGH: Lisa Sorani, Manager of Employee Services *Lisa Sorani*

FROM: Valerie Weekly, HR Administrator, Retirement *Weekly*

SUBJECT: Declare the Interest Rate to Apply on June 30, 2025 to Balance of Member Contributions and Interest for the Period Ending December 31, 2024

ACTION: Vote on Resolution Attached

RECOMMENDATION

Approve Resolution attached.

BACKGROUND

The Retirement Ordinance, Section 4(d), directs the Retirement Board to semi-annually declare the rate of interest to be credited to accumulated Member contributions.

In accordance with Retirement Board Rule B-9, the annual rate of interest credited to Member contributions on June 30, 2025 will be the lesser of the actuarially assumed rate of return or the five (5) year average rate of return on Retirement System investments for the period ending December 31, 2024. As of December 31, 2024, the actuarially assumed rate of return is 6.75% and the five-year average rate of return was 7.2%.

Therefore, the attached Resolution declares the annual interest rate of 6.75%. The rate credited to Member accounts will be prorated to a semi-annual rate of 3.375%. The interest will be credited effective June 30, 2025 to the balance of employee contributions and interest as of December 31, 2024.

LS:VW:ms

R.B. RESOLUTION NO. 7029

DECLARING THE INTEREST RATE

Introduced by: Max Fefer

; Seconded by: April Chan

WHEREAS, section 4(d) of Ordinance, as amended, provides that the Retirement Board shall semi-annually declare the rate of interest for the preceding six (6) months to be credited on accumulated contributions of members, which rate shall be based upon criteria to be established by the Retirement Board; and

WHEREAS, the crediting rate will be the lesser of the actuarial assumed rate of six and seventy-five hundredths percent (6.75%) as of December 31, 2024, or the actual five (5) year earnings rate of the fund, determined to be seven and two-tenths percent (7.2%) for the period ending December 31, 2024;

NOW THEREFORE, BE IT RESOLVED that the Retirement Board does hereby declare a six and seventy-five hundredths percent (6.75%) annual interest rate. The rate credited to member accounts effective June 30, 2025 will be three and three hundred seventy-five thousandths percent (3.375%) for the balance of employee contributions and interest as of December 31, 2024, in accordance with Rules B-8 and B-9 of the Retirement Board.



President

ATTEST:



Asst. Secretary

05/22/2025

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 22, 2025

MEMO TO: Members of the Retirement Board

FROM: Sophia D. Skoda, Director of Finance *SDS*

SUBJECT: Meketa Performance and Economic Review

SUMMARY

Under section III, part D of the Retirement System's Statement of Investment Policy and Procedures (the Investment Policy), the Retirement System's investment consultant is required to present quarterly performance reports to the Retirement Board. The attached report from the Retirement System's investment consultant, Meketa, provides information on portfolio performance through the first quarter of 2025.

DISCUSSION

The Retirement System's portfolio had a market value of \$2.6 billion as of March 31, 2025 – down \$29.6 million from the end of the fourth quarter of 2024. The portfolio return was -0.4 percent for the first quarter. Over a one-year period, the portfolio return was 6.5 percent, just below the total plan benchmark return of 6.9 percent. The portfolio return remains above the plan benchmark by 0.3 percent over a 10-year period.

SDS:SGL

Attachment: Performance Report

East Bay Municipal Utility District Employees' Retirement System

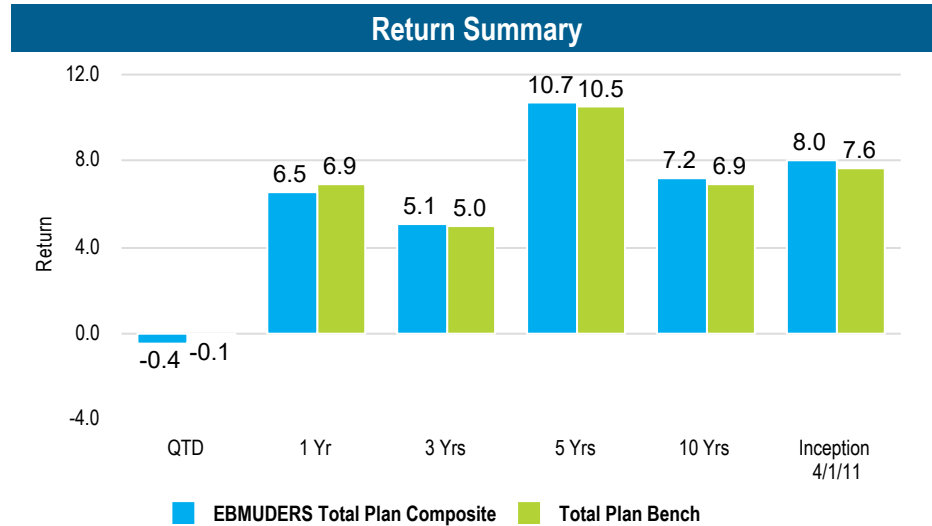
May 22, 2025

Q1 2025 Performance Report

1. Introduction
2. Economic and Market Update as of March 31, 2025
3. First Quarter Performance Review
4. Manager Watch Screens
5. Manager Compliance Certification Responses
6. Appendix

Introduction

EBMUDERS Total Plan Composite | As of March 31, 2025



	QTD	1 Yr
EBMUDERS Total Plan Composite		
Beginning Market Value	\$2,632,474,028	\$2,467,112,853
Net Cash Flow	-\$19,168,000	-\$27,566,068
Net Investment Change	-\$10,407,874	\$163,351,370
Ending Market Value	\$2,602,898,155	\$2,602,898,155

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	20 Yrs (%)
EBMUDERS Total Plan Composite - Net	-0.4	6.5	5.1	10.7	7.2	--
EBMUDERS Total Plan Composite - Gross	-0.4	6.7	5.2	10.8	7.4	7.6
<i>Total Plan Bench</i>	-0.1	6.9	5.0	10.5	6.9	7.2
InvMetrics Public DB > \$1B Median	0.6	5.8	4.3	10.0	6.8	7.1

Historical net returns for the Total Portfolio Aggregate are currently available from 2Q 2011.

EBMUDERS | As of March 31, 2025

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
EBMUDERS Total Plan Composite	2,602,898,155	100.0	-0.4	6.5	5.1	10.7	7.2	8.0	Apr-11
<i>Total Plan Bench</i>			<i>-0.1</i>	<i>6.9</i>	<i>5.0</i>	<i>10.5</i>	<i>6.9</i>	<i>7.6</i>	
US Equity Composite	966,728,822	37.1	-4.7	7.2	8.2	18.1	11.9	12.5	Apr-11
<i>Russell 3000 Hybrid</i>			<i>-4.7</i>	<i>7.2</i>	<i>8.2</i>	<i>18.2</i>	<i>11.8</i>	<i>12.4</i>	
Non-US Equity Composite	643,029,802	24.7	5.6	6.7	5.1	11.4	4.6	6.3	Jul-95
<i>MSCI ACWI xUS (blend)</i>			<i>5.4</i>	<i>6.6</i>	<i>5.0</i>	<i>11.5</i>	<i>5.5</i>	<i>5.5</i>	
Covered Calls Composite	364,576,665	14.0	-3.3	7.5	6.3	12.8	8.2	9.0	Feb-14
<i>Cboe S&P 500 Buy Write Index</i>			<i>-3.1</i>	<i>9.8</i>	<i>4.6</i>	<i>11.7</i>	<i>6.4</i>	<i>6.6</i>	
Real Estate Composite	52,987,518	2.0	0.4	9.4	-0.5	8.0	6.3	5.7	Jan-07
<i>Real Estate Composite Benchmark</i>			<i>0.9</i>	<i>9.1</i>	<i>1.1</i>	<i>8.4</i>	<i>6.3</i>	<i>6.8</i>	
Fixed Income Composite	572,451,240	22.0	2.6	4.9	1.9	1.6	2.1	2.7	Apr-11
<i>Fixed Income Composite Bench</i>			<i>2.4</i>	<i>5.3</i>	<i>2.0</i>	<i>1.4</i>	<i>2.2</i>	<i>2.7</i>	
Cash Composite	3,124,108	0.1	1.3	5.0	3.9	2.7	2.0	1.4	Aug-10
<i>FTSE 3 Month T-Bill</i>			<i>1.1</i>	<i>5.2</i>	<i>4.4</i>	<i>2.7</i>	<i>1.9</i>	<i>1.3</i>	

Economic and Market Update

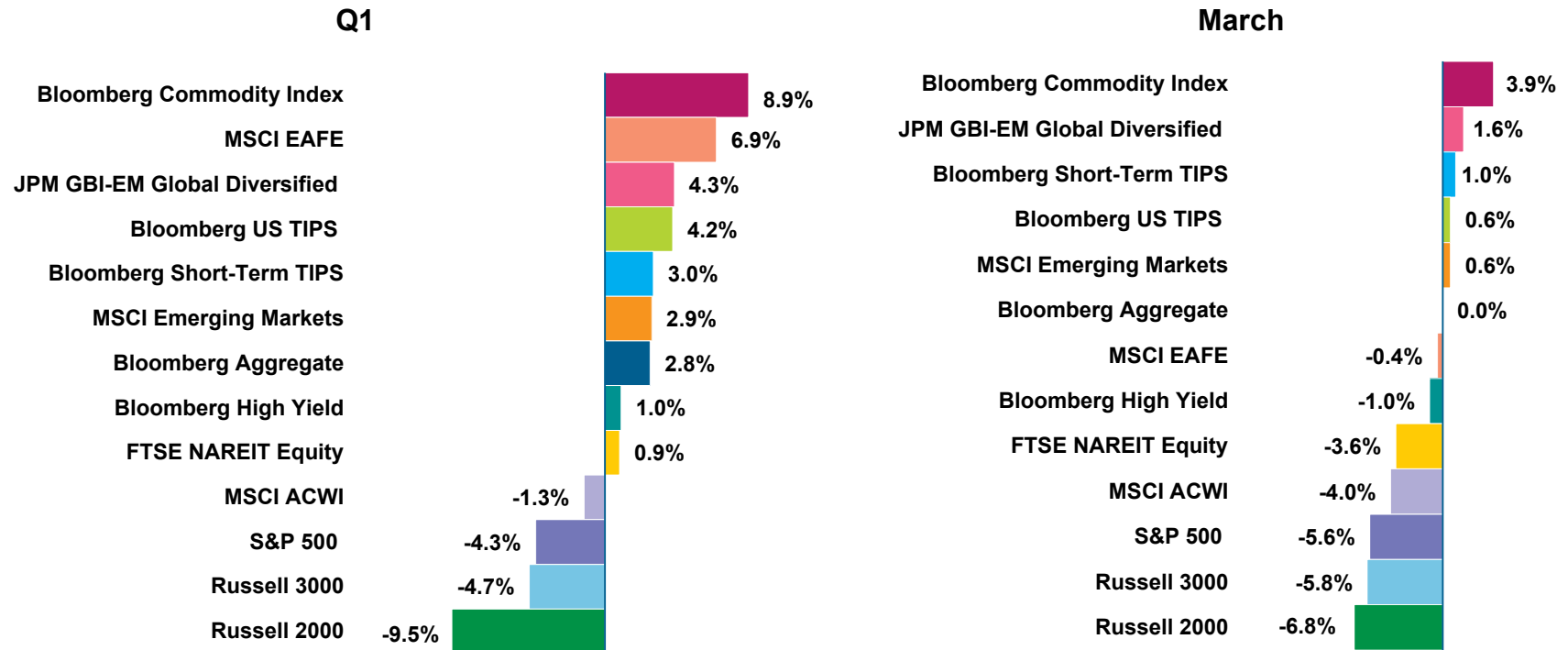
Data as of March 31, 2025

Commentary

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

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

Index Returns¹



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

¹ Source: Bloomberg. Data is as of March 31, 2025.

Domestic Equity Returns¹

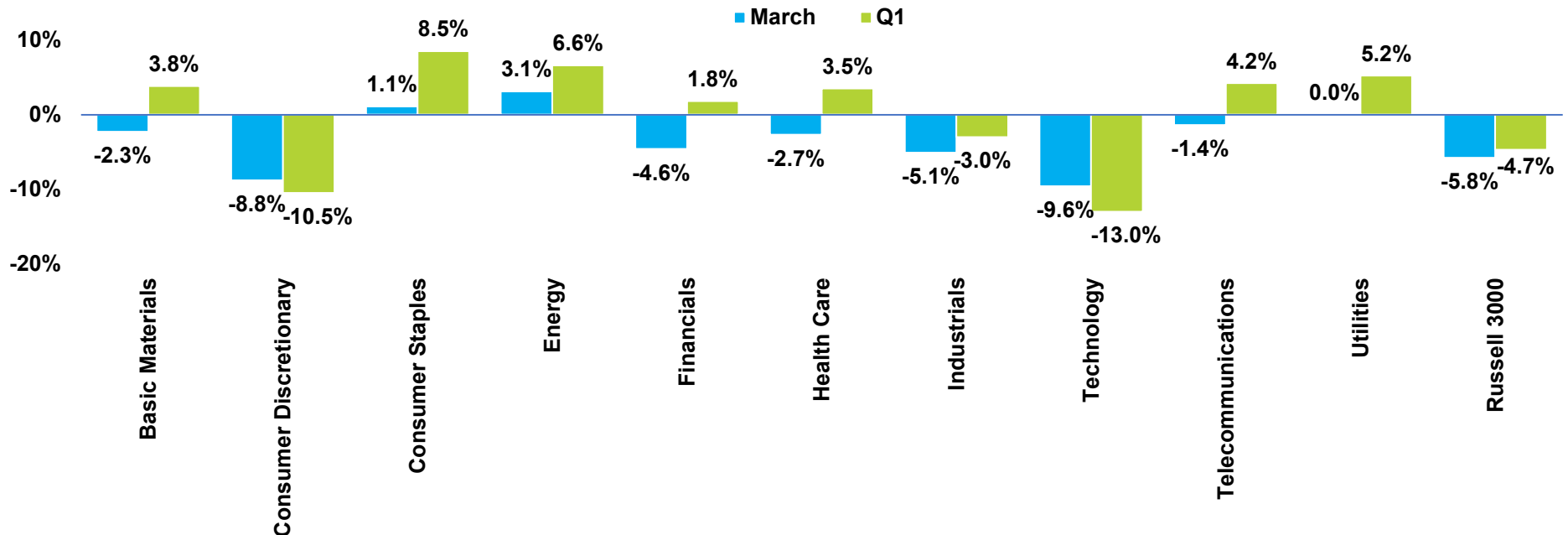
Domestic Equity	March (%)	Q1 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-5.6	-4.3	8.3	9.1	18.6	12.5
Russell 3000	-5.8	-4.7	7.2	8.2	18.2	11.8
Russell 1000	-5.8	-4.5	7.8	8.6	18.4	12.2
Russell 1000 Growth	-8.4	-10.0	7.8	10.1	20.1	15.1
Russell 1000 Value	-2.8	2.1	7.2	6.6	16.1	8.8
Russell MidCap	-4.6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

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

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

¹ Source: Bloomberg. Data is as of March 31, 2025.

Russell 3000 Sector Returns¹



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

¹ Source: Bloomberg. Data is as of March 31, 2025.

Foreign Equity Returns¹

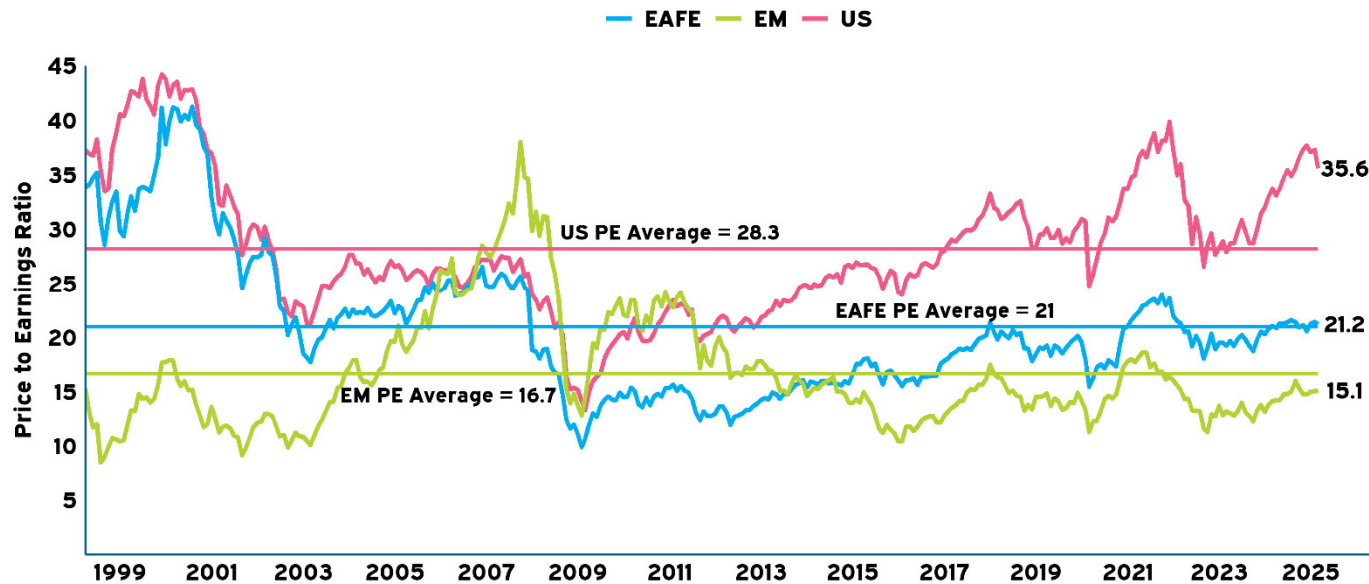
Foreign Equity	March (%)	Q1 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	-0.2	5.2	6.1	4.5	10.9	5.0
MSCI EAFE	-0.4	6.9	4.9	6.0	11.8	5.4
MSCI EAFE (Local Currency)	-2.8	2.9	4.1	8.7	13.2	6.3
MSCI EAFE Small Cap	0.5	3.7	3.1	0.9	9.9	5.3
MSCI Emerging Markets	0.6	2.9	8.1	1.4	7.9	3.7
MSCI Emerging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

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

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

¹ Source: Bloomberg. Data is as of March 31, 2025.

Equity Cyclically Adjusted P/E Ratios¹



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

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

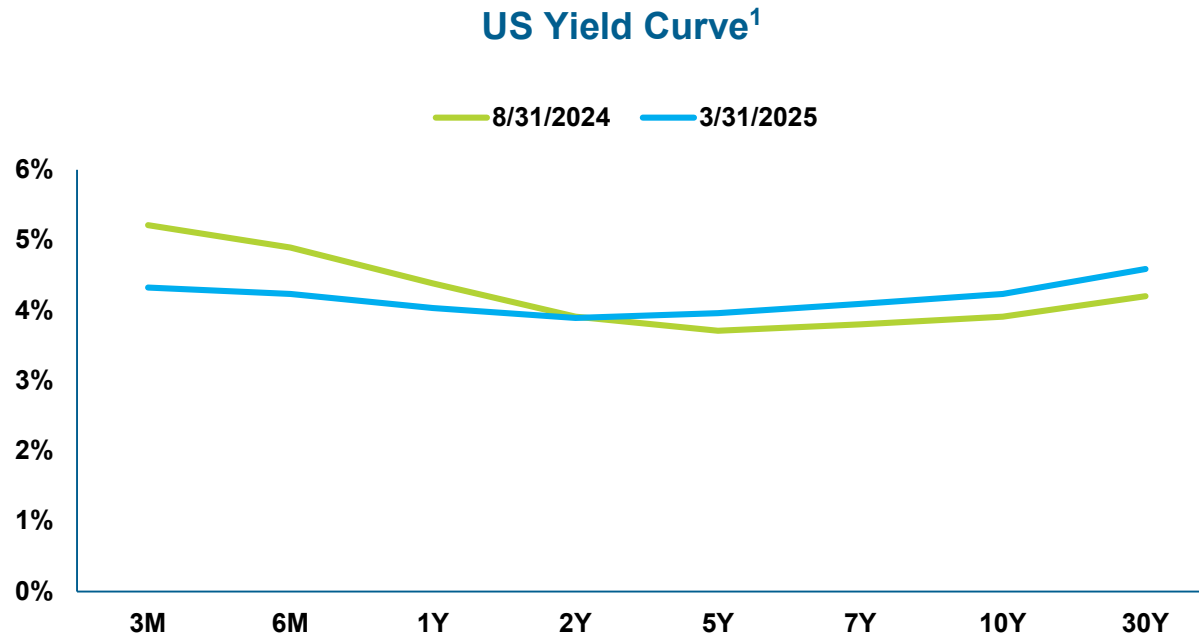
Fixed Income Returns¹

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

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

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

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

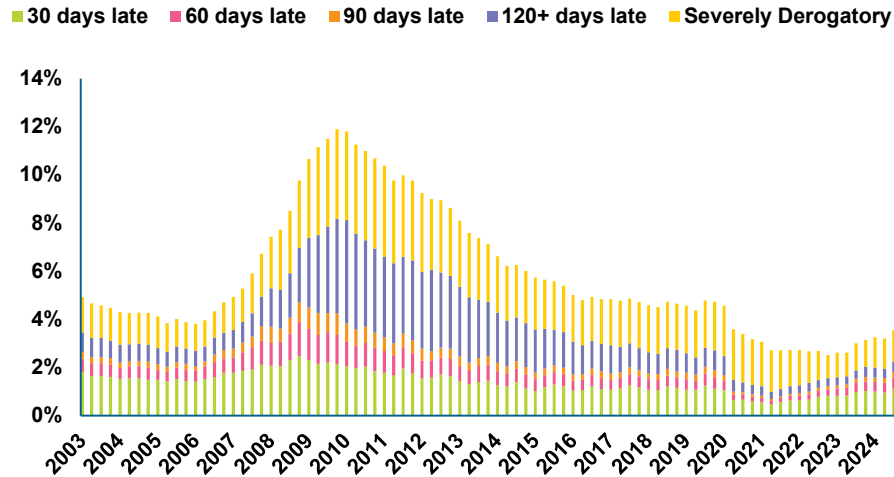


- US Treasury yields declined significantly over the quarter, as investors expressed concerns about the potential policies of the new US administration, economic data related to consumers weakened, and overall growth expectations fell.
- The more policy sensitive 2-year Treasury yield fell from 4.24%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

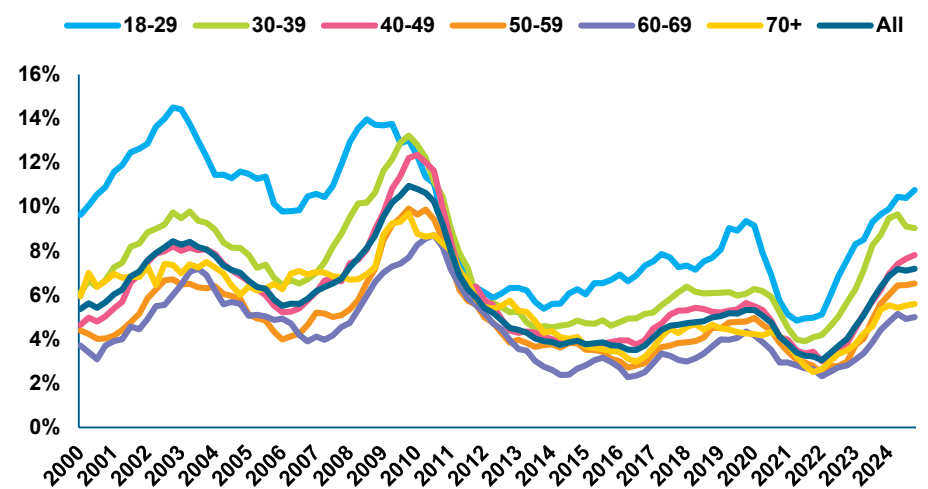
¹ Source: Bloomberg. Data is as of March 31, 2025. The August 2024 Treasury yields are shown as a reference before the first interest rate cut.

Stress is Building on US Consumers

Total Balance by Delinquency Status¹



Transition into Serious Delinquency for Credit Cards by Age²

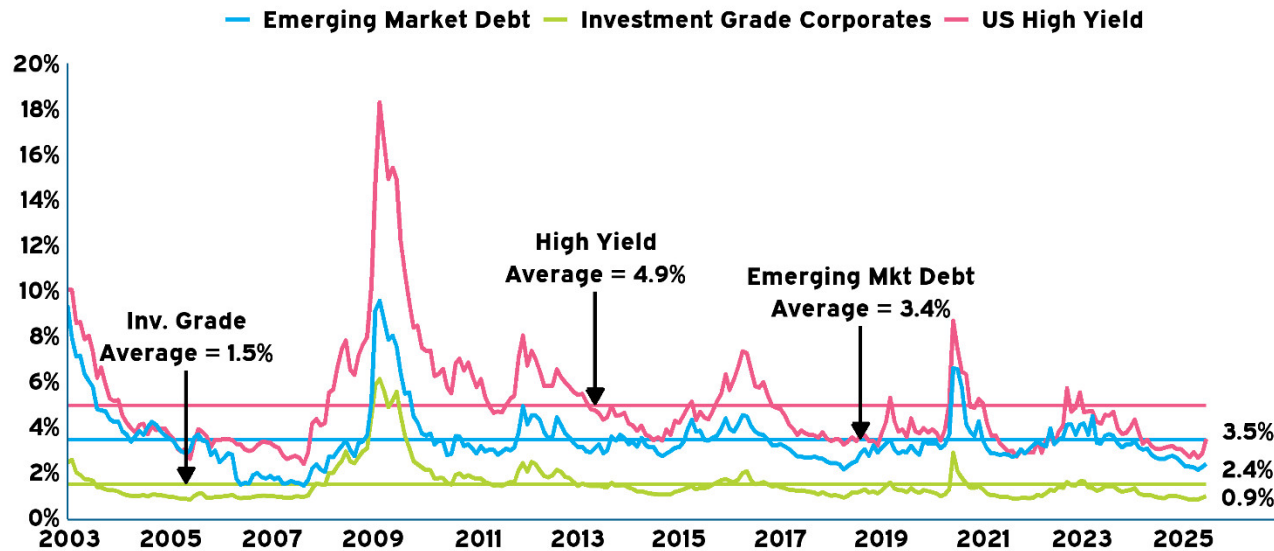


- Some signs of stress on the US consumer have started to emerge given persistently higher prices and interest rates.
- After falling to historic lows during the pandemic, loan delinquencies recently started rising.
- While some segments of the credit market have started to show signs of stress, total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

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

² Source: FRED. Data is as of February 28, 2025.

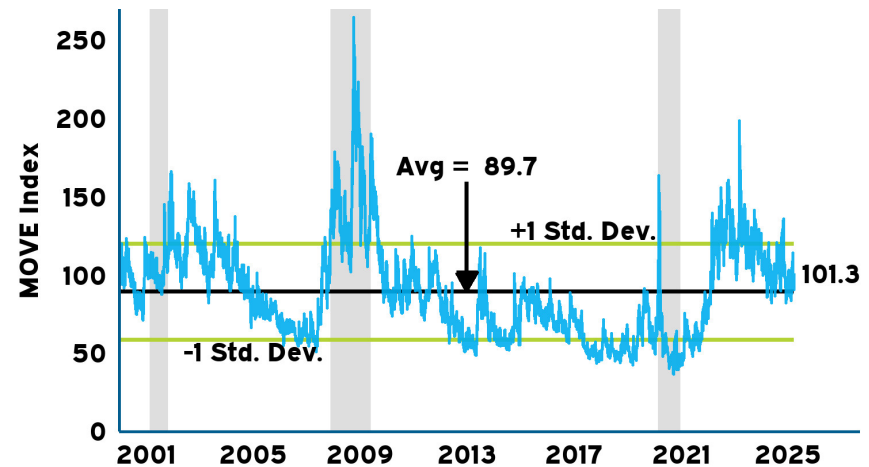
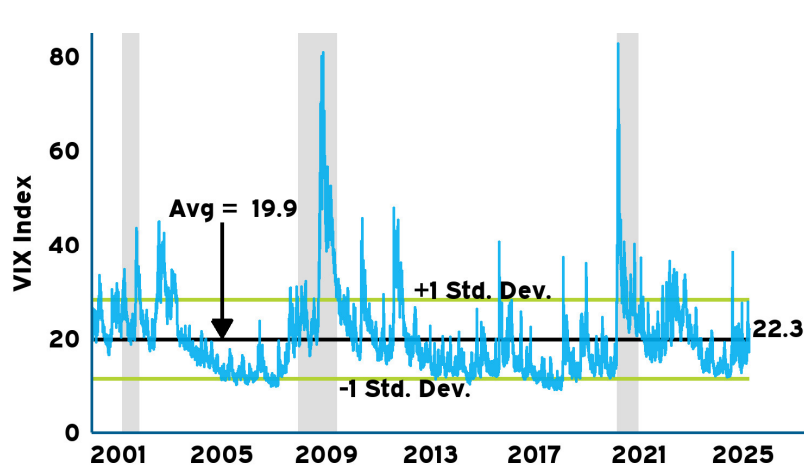
Credit Spreads vs. US Treasury Bonds¹



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

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

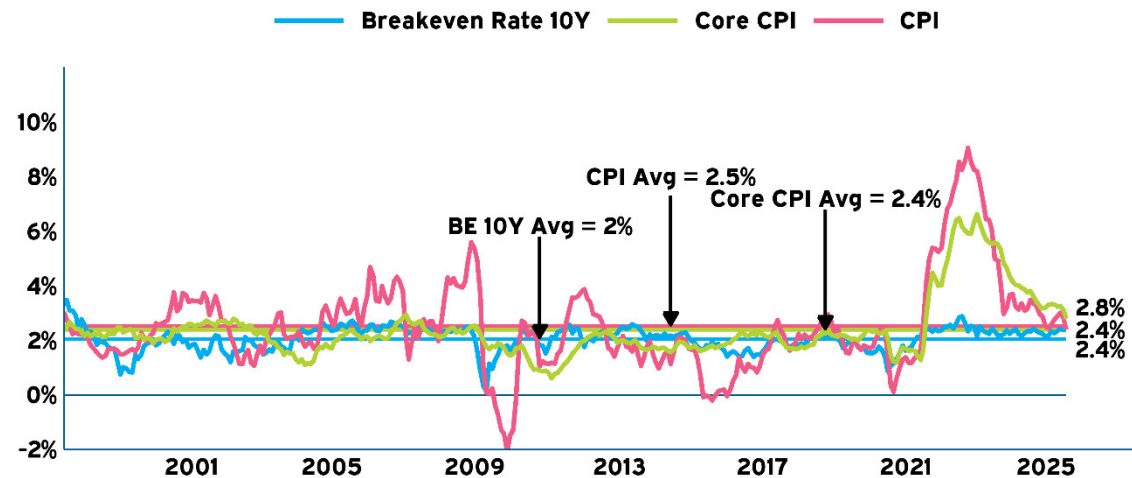
Equity and Fixed Income Volatility¹



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

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

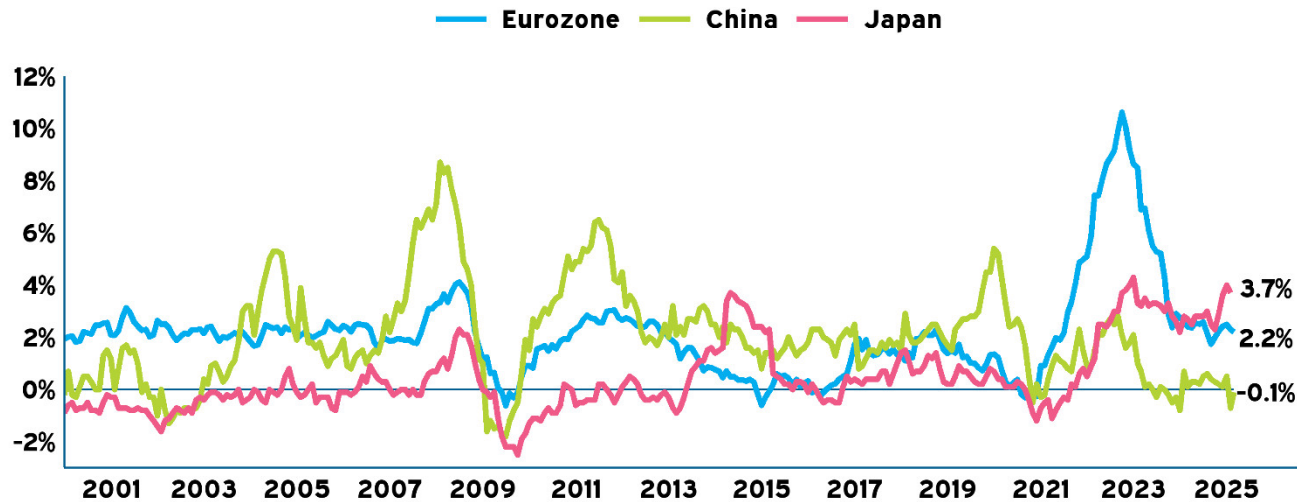
US Ten-Year Breakeven Inflation and CPI¹



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

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

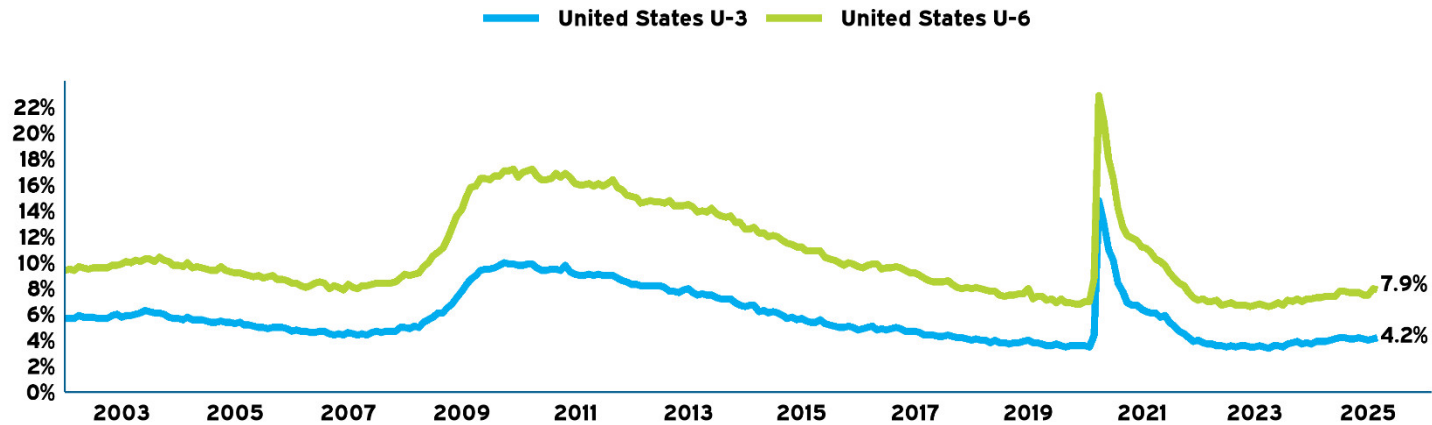
Global Inflation (CPI Trailing Twelve Months)¹



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

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

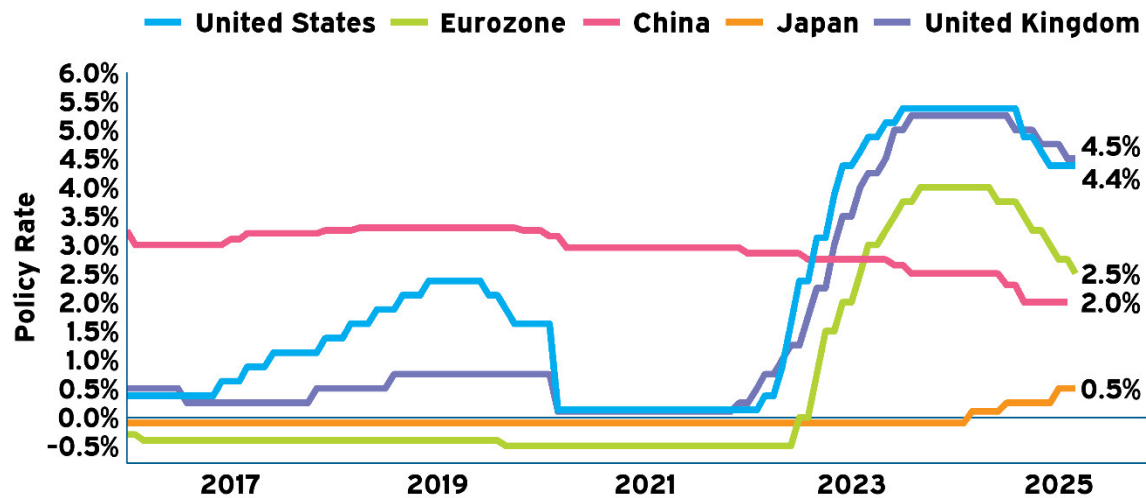
US Unemployment¹



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

¹ Source: FRED and BLS. Data is as of March 31, 2025.

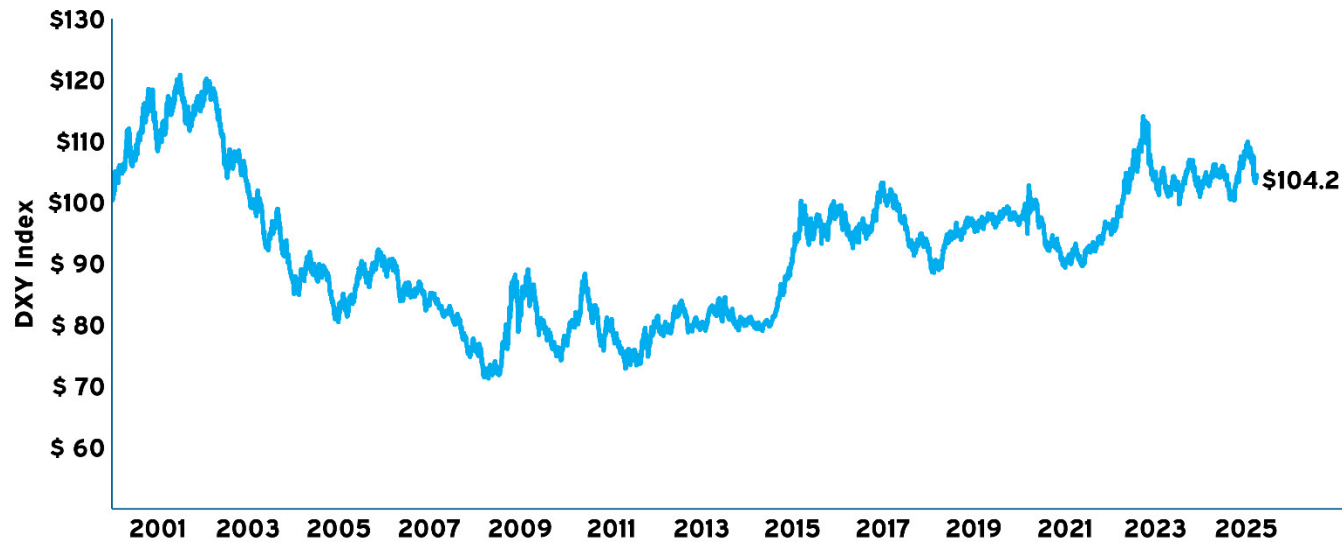
Policy Rates¹



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

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

US Dollar vs. Broad Currencies¹



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

¹ Source: Bloomberg. Data as of March 31, 2025.

Summary

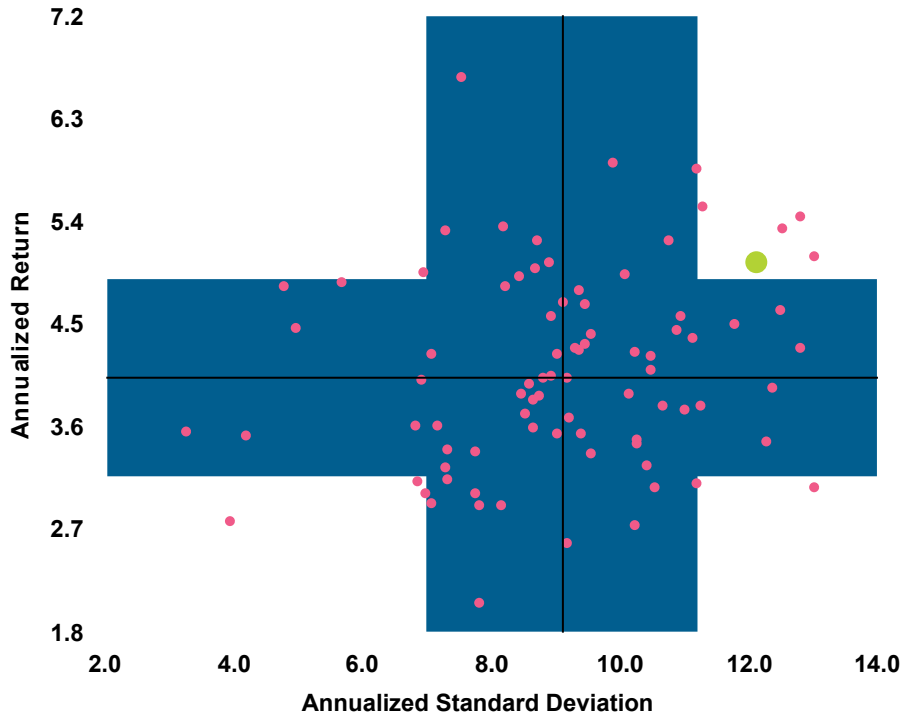
Key Trends:

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

First Quarter Performance Review

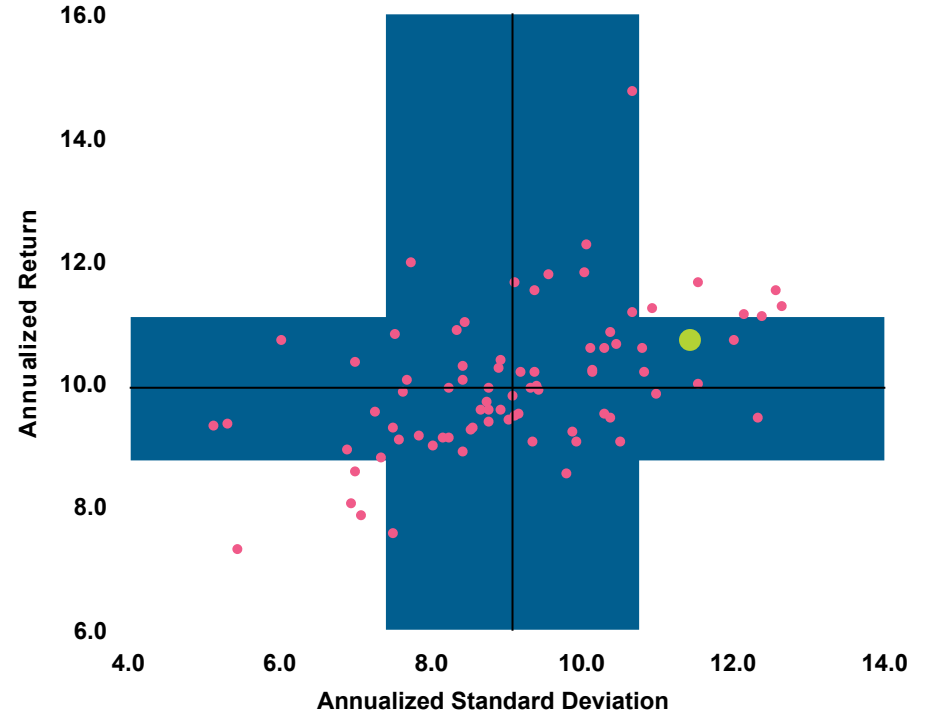
EBMUDERS | As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation
3 Years Ending March 31, 2025



- InvMetrics All Public DB Plans > \$1B
- EBMUDERS Total Plan Composite

Annualized Return vs. Annualized Standard Deviation
5 Years Ending March 31, 2025



- InvMetrics All Public DB Plans > \$1B
- EBMUDERS Total Plan Composite

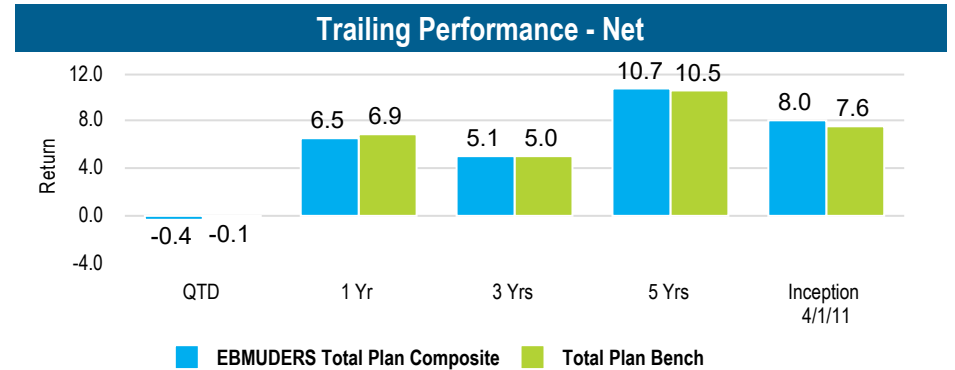
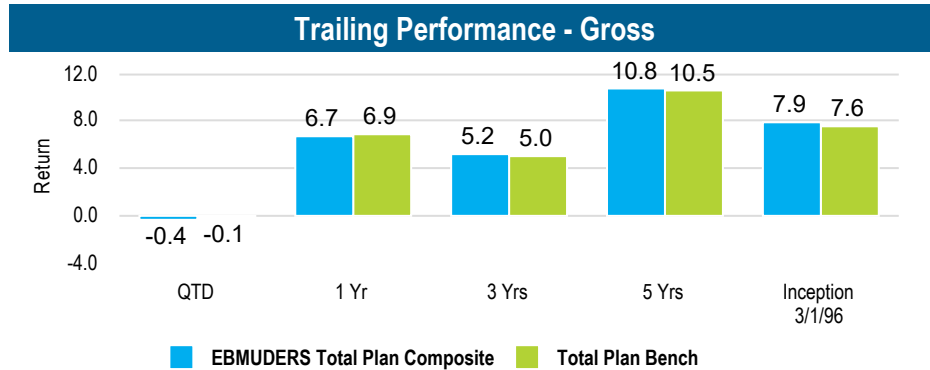
3 Years Ending March 31, 2025

	Return	Standard Deviation	Sharpe Ratio
EBMUDERS Total Plan Composite	5.1	12.1	0.1
Total Plan Bench	5.0	11.2	0.1

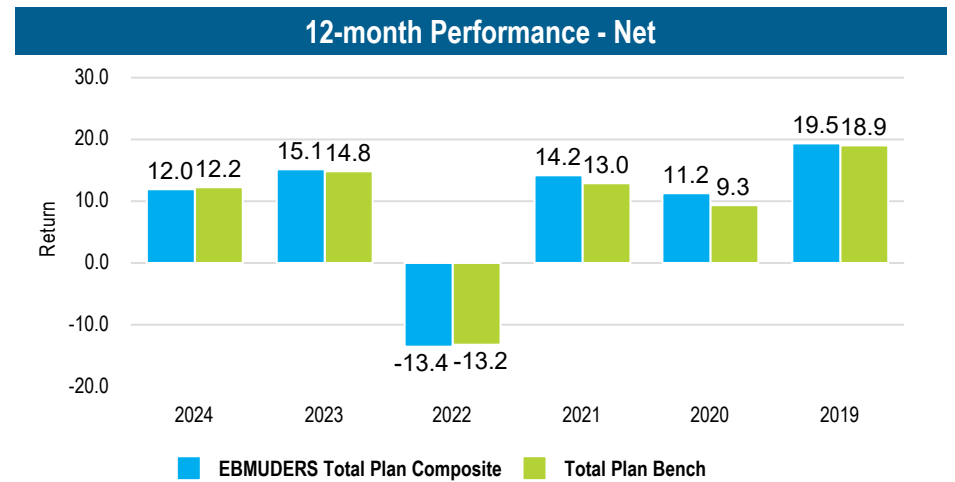
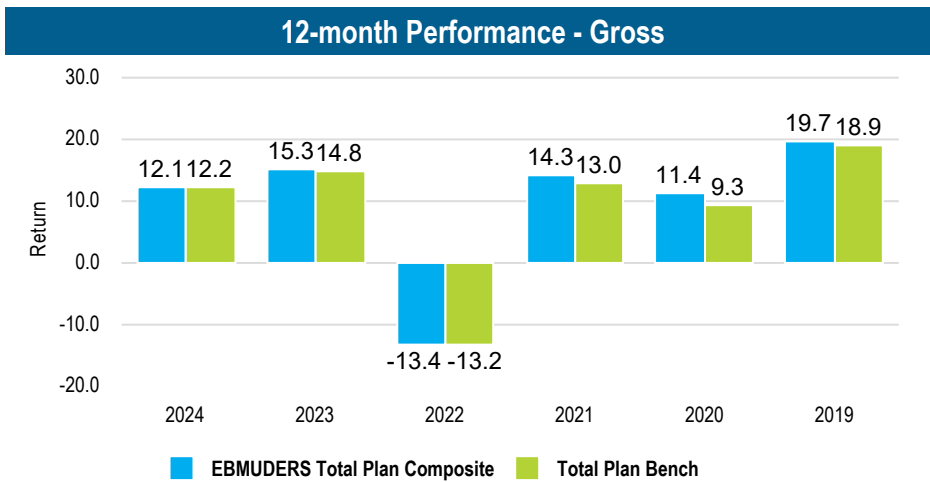
5 Years Ending March 31, 2025

	Return	Standard Deviation	Sharpe Ratio
EBMUDERS Total Plan Composite	10.7	11.4	0.7
Total Plan Bench	10.5	10.8	0.8

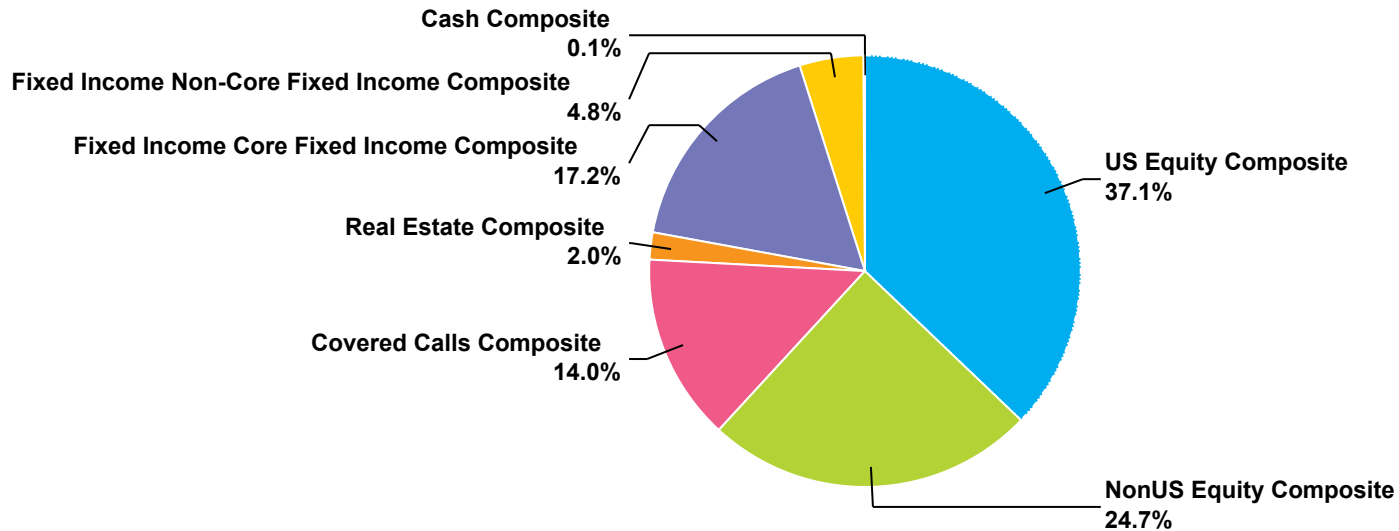
EBMUDERS Total Plan Composite | As of March 31, 2025



	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)
EBMUDERS Total Plan Composite	-0.4	6.5	5.1	10.7	7.2	12.0	15.1	-13.4	14.2	11.2	19.5
EBMUDERS Total Plan Composite	-0.4	6.7	5.2	10.8	7.4	12.1	15.3	-13.4	14.3	11.4	19.7
<i>Total Plan Bench</i>	<i>-0.1</i>	<i>6.9</i>	<i>5.0</i>	<i>10.5</i>	<i>6.9</i>	<i>12.2</i>	<i>14.8</i>	<i>-13.2</i>	<i>13.0</i>	<i>9.3</i>	<i>18.9</i>
InvMetrics Public DB > \$1B Median	0.6	5.8	4.3	10.0	6.8	9.2	11.4	-10.3	16.0	11.8	17.3



Allocation vs. Targets and Policy				
	Current Balance (\$)	Current Allocation (%)	Policy (%)	Policy Range (%)
Domestic Equity	\$966,728,822	37.1	33.5	28.5 - 38.5
International Equity	\$643,029,802	24.7	25.0	20.0 - 30.0
Covered Calls	\$364,576,665	14.0	14.0	11.0 - 17.0
Real Estate	\$52,987,518	2.0	2.5	0.5 - 4.5
Core Fixed Income	\$448,033,219	17.2	20.0	17.0 - 23.0
Non-Core Fixed Income	\$124,418,021	4.8	5.0	3.0 - 7.0
Cash	\$3,124,108	0.1	0.0	0.0 - 5.0
Total	\$2,602,898,155	100.0	100.0	



Policy Targets reflect stage 1 Interim Policy Targets per the Evolving Policy Plan.
Actual allocations may deviate from Policy Targets and ranges during the asset allocation transition.

Manager Performance - Net of Fees | As of March 31, 2025

	Market Value (\$)	QTR (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
EBMUDERS Total Plan Composite	2,602,898,155	-0.4	6.5	5.1	10.7
<i>Total Plan Bench</i>		<i>-0.1</i>	<i>6.9</i>	<i>5.0</i>	<i>10.5</i>
US Equity Composite	966,728,822	-4.7	7.2	8.2	18.1
<i>Russell 3000 Hybrid</i>		<i>-4.7</i>	<i>7.2</i>	<i>8.2</i>	<i>18.2</i>
Northern Trust Russell 3000	965,960,038	-4.7	7.2	8.2	18.2
<i>Russell 3000 Index</i>		<i>-4.7</i>	<i>7.2</i>	<i>8.2</i>	<i>18.2</i>
Non US Equity Composite	643,029,802	5.6	6.7	5.1	11.4
<i>MSCI ACWI xUS (blend)</i>		<i>5.4</i>	<i>6.6</i>	<i>5.0</i>	<i>11.5</i>
Northern Trust ACWI ex US	643,029,802	5.6	6.7	5.1	11.0
<i>MSCI AC World ex USA index</i>		<i>5.4</i>	<i>6.6</i>	<i>5.0</i>	<i>11.5</i>

Manager Performance - Net of Fees | As of March 31, 2025

	Market Value (\$)	QTR (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Covered Calls Composite	364,576,665	-3.3	7.5	6.3	12.8
<i>Cboe S&P 500 Buy Write Index</i>		<i>-3.1</i>	<i>9.8</i>	<i>4.6</i>	<i>11.7</i>
Parametric BXM	178,320,537	-2.7	7.3	6.1	12.5
<i>Cboe S&P 500 Buy Write Index</i>		<i>-3.1</i>	<i>9.8</i>	<i>4.6</i>	<i>11.7</i>
Parametric Delta Shift	186,256,128	-3.8	8.0	7.0	16.6
<i>Cboe S&P 500 Buy Write Index</i>		<i>-3.1</i>	<i>9.8</i>	<i>4.6</i>	<i>11.7</i>

Manager Performance - Net of Fees | As of March 31, 2025

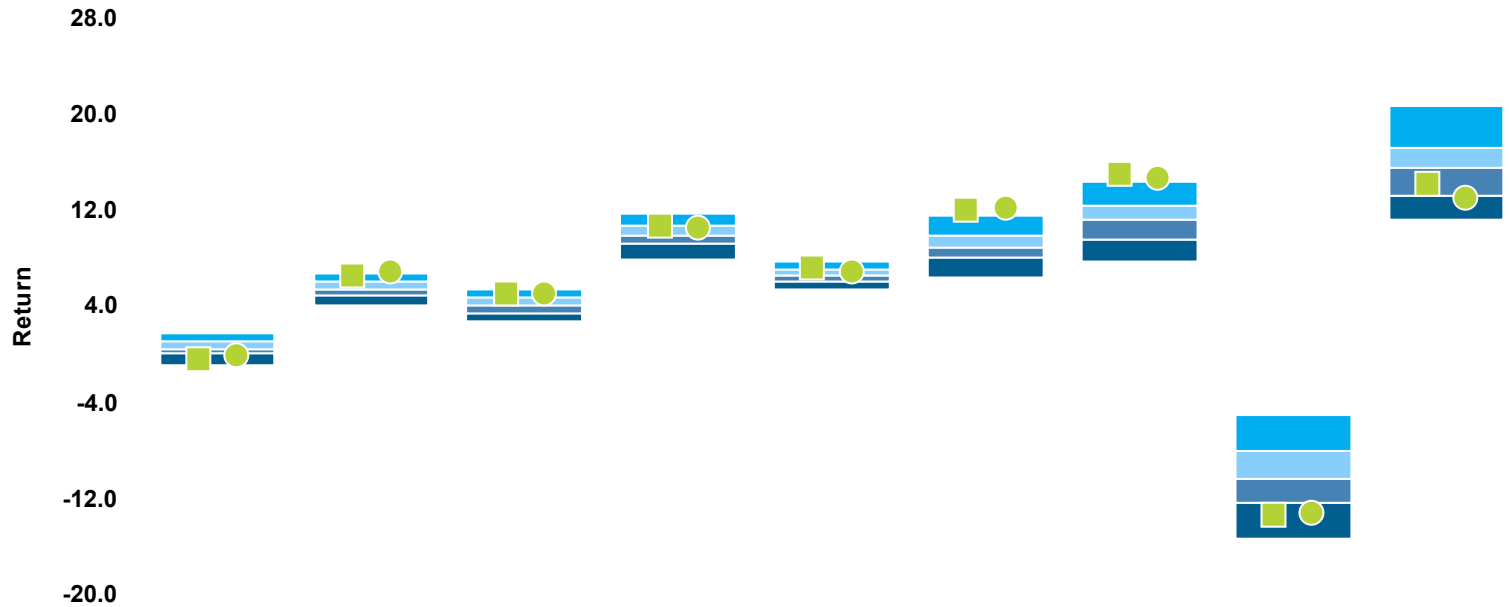
	Market Value (\$)	QTR (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Core Fixed Income Composite	448,033,219	3.1	4.8	1.1	0.5
<i>Fixed Income Core Composite Bench</i>		<i>2.8</i>	<i>4.9</i>	<i>1.0</i>	<i>0.0</i>
CS McKee	226,987,279	2.7	4.8	0.9	0.1
<i>Blmbg. U.S. Aggregate Index</i>		<i>2.8</i>	<i>4.9</i>	<i>0.5</i>	<i>-0.4</i>
Garcia Hamilton	221,045,940	3.5	4.8	1.2	0.8
<i>Blmbg. U.S. Aggregate Index</i>		<i>2.8</i>	<i>4.9</i>	<i>0.5</i>	<i>-0.4</i>
Non-Core Fixed Income Composite	124,418,021	0.8	5.5	4.8	6.1
<i>Fixed Income Non-Core Composite Bench</i>		<i>0.8</i>	<i>7.1</i>	<i>5.9</i>	<i>6.8</i>
MacKay Shields (HY)	64,320,922	1.1	5.9	5.8	7.3
<i>ICE BofA ML US Corp Cash Pay BB-B 1-5Yr</i>		<i>1.0</i>	<i>7.6</i>	<i>5.8</i>	<i>7.2</i>
Federated Investment Counseling (Bank Loans)	60,097,098	0.6	5.5	3.7	4.9
<i>60% CredSuisLevLoan/40% BBStGovCorp</i>		<i>0.8</i>	<i>6.3</i>	<i>5.9</i>	<i>6.3</i>

Manager Performance - Net of Fees | As of March 31, 2025

	Market Value (\$)	QTR (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Real Estate Composite	52,987,518	0.4	9.4	-0.5	8.0
<i>Real Estate Composite Benchmark</i>		<i>0.9</i>	<i>9.1</i>	<i>1.1</i>	<i>8.4</i>
RREEF America II Lag	52,987,518	0.4	-1.5	-3.8	2.1
<i>NCREIF NPI Lag</i>		<i>0.9</i>	<i>0.4</i>	<i>-0.8</i>	<i>3.1</i>

RREEF results are lagged 1 quarter.

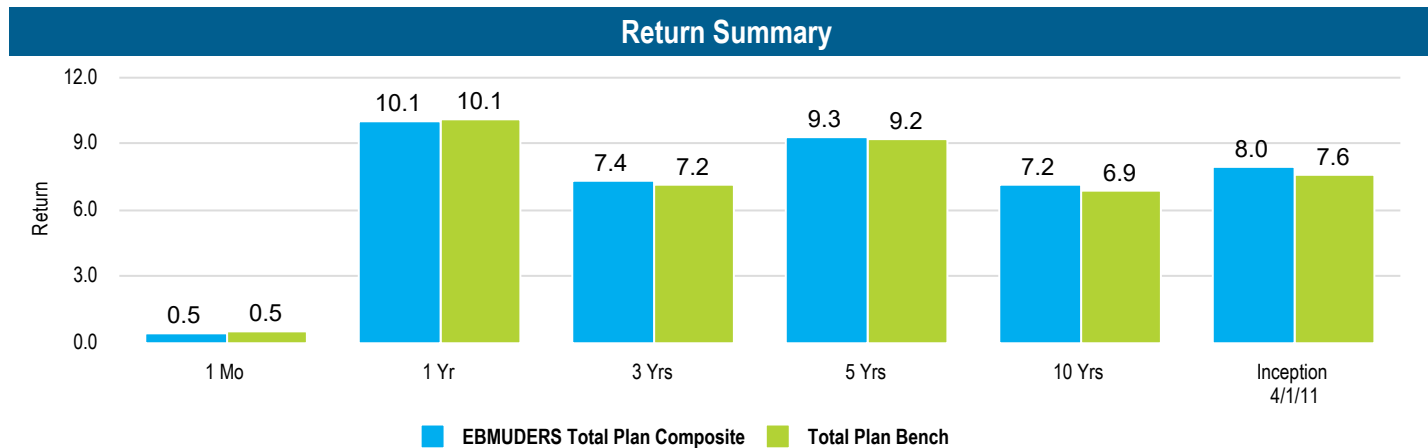
InvMetrics Public Plans > \$1B Return Comparison March 31, 2025



	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)
■ EBMUDERS Total Plan Composite	-0.4 (86)	6.5 (9)	5.1 (13)	10.7 (25)	7.2 (21)	12.0 (3)	15.1 (4)	-13.4 (86)	14.2 (64)
● Total Plan Bench	-0.1 (82)	6.9 (3)	5.0 (14)	10.5 (31)	6.9 (30)	12.2 (2)	14.8 (4)	-13.2 (83)	13.0 (78)
5th Percentile	1.8	6.7	5.4	11.8	7.8	11.6	14.4	-5.0	20.7
1st Quartile	1.0	6.1	4.7	10.7	7.1	10.0	12.5	-8.0	17.2
Median	0.5	5.5	4.0	9.9	6.6	8.9	11.3	-10.3	15.6
3rd Quartile	0.1	4.9	3.4	9.3	6.1	8.0	9.6	-12.3	13.2
95th Percentile	-0.8	4.0	2.8	7.9	5.4	6.5	7.7	-15.3	11.2
Population	88	88	86	81	77	183	201	191	223

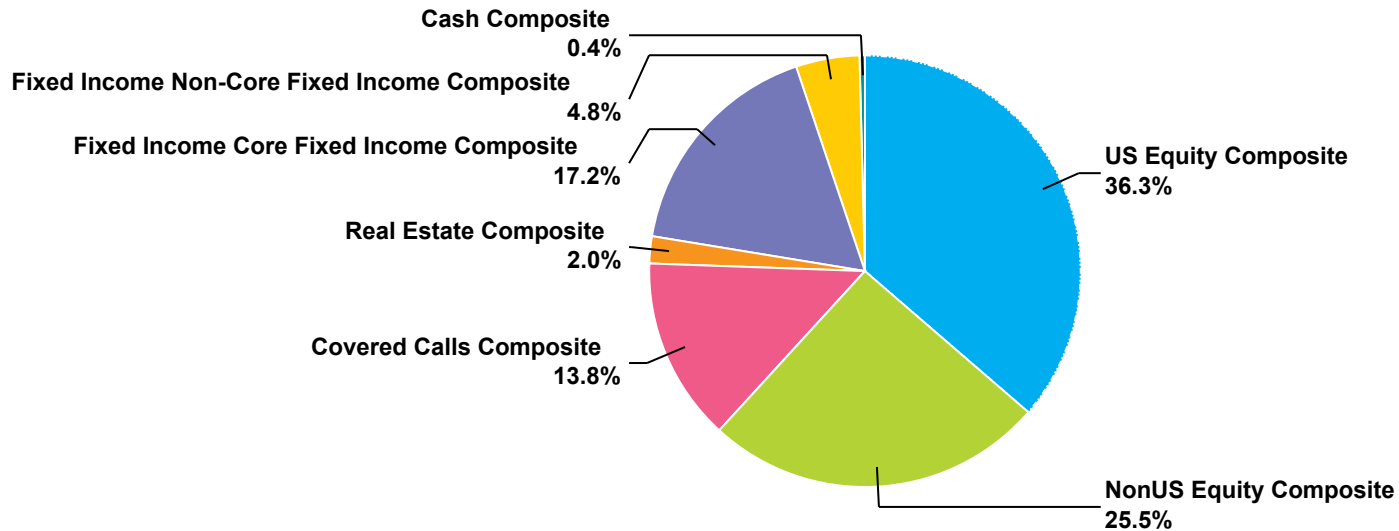
Parenteses contain percentile rankings.
Calculation based on monthly periodicity.

Summary of Cash Flows		
	1 Mo	1 Yr
EBMUDERS Total Plan Composite		
Beginning Market Value	\$2,602,898,155	\$2,396,611,666
Net Cash Flow	-\$2,524,000	-\$26,867,965
Net Investment Change	\$12,636,825	\$243,267,279
Ending Market Value	\$2,613,010,980	\$2,613,010,980



Benchmark definitions are listed at the end of this report.

Allocation vs. Targets and Policy				
	Current Balance (\$)	Current Allocation (%)	Policy (%)	Policy Range (%)
Domestic Equity	\$949,401,747	36.3	33.5	28.5 - 38.5
International Equity	\$665,326,959	25.5	25.0	20.0 - 30.0
Covered Calls	\$359,784,348	13.8	14.0	11.0 - 17.0
Real Estate	\$52,987,518	2.0	2.5	0.5 - 4.5
Core Fixed Income	\$450,399,729	17.2	20.0	17.0 - 23.0
Non-Core Fixed Income	\$124,354,440	4.8	5.0	3.0 - 7.0
Cash	\$10,756,239	0.4	0.0	0.0 - 5.0
Total	\$2,613,010,980	100.0	100.0	



Policy Targets reflect stage 1 Interim Policy Targets per the Evolving Policy Plan.
Actual allocations may deviate from Policy Targets and ranges during the asset allocation transition.

EBMUDERS | As of April 30, 2025

	Market Value (\$)	% of Portfolio	1 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	20 Yrs (%)	Inception (%)	Inception Date
EBMUDERS Total Plan Composite	2,613,010,980	100.0	0.5	10.2	7.5	9.4	7.4	7.6	9.4	Aug-84
<i>Total Plan Benchmark</i>			<i>0.5</i>	<i>10.1</i>	<i>7.2</i>	<i>9.2</i>	<i>6.9</i>	<i>7.2</i>	<i>9.5</i>	
US Equity Composite	949,401,747	36.3	-0.8	11.3	11.4	15.1	11.8	10.2	11.5	Aug-84
<i>Russell 3000 Hybrid</i>			<i>-0.7</i>	<i>11.4</i>	<i>11.4</i>	<i>15.1</i>	<i>11.7</i>	<i>10.2</i>	<i>--</i>	
Non-US Equity Composite	665,326,959	25.5	3.5	12.5	8.7	10.7	4.8	6.1	6.7	Jul-95
<i>MSCI ACWI xUS (blend)</i>			<i>3.7</i>	<i>12.5</i>	<i>8.6</i>	<i>10.6</i>	<i>5.3</i>	<i>5.9</i>	<i>5.6</i>	
Covered Calls Composite	359,784,348	13.8	-1.3	8.4	8.3	11.0	8.2	--	9.0	Feb-14
<i>Cboe S&P 500 Buy Write Index</i>			<i>-1.6</i>	<i>9.5</i>	<i>5.7</i>	<i>10.3</i>	<i>6.1</i>	<i>5.6</i>	<i>6.4</i>	
Real Estate Composite	52,987,518	2.0	0.0	14.4	0.8	7.9	7.2	--	6.2	Jan-07
<i>Real Estate Composite Benchmark</i>			<i>0.0</i>	<i>13.1</i>	<i>1.8</i>	<i>7.6</i>	<i>6.6</i>	<i>7.8</i>	<i>6.8</i>	
Fixed Income Composite	574,754,169	22.0	0.4	8.0	3.1	1.3	2.4	3.6	6.6	Aug-84
<i>Fixed Income Composite Benchmark</i>			<i>0.3</i>	<i>7.7</i>	<i>2.9</i>	<i>1.0</i>	<i>2.2</i>	<i>3.5</i>	<i>6.3</i>	
Cash Composite	10,756,239	0.4	0.9	4.8	4.2	2.7	2.1	2.0	2.9	Apr-96
<i>FTSE 3 Month T-Bill</i>			<i>0.4</i>	<i>5.1</i>	<i>4.5</i>	<i>2.7</i>	<i>1.9</i>	<i>1.7</i>	<i>2.3</i>	

Benchmark definitions are listed at the end of this report.

Manager Performance - Gross of Fees | As of April 30, 2025

	Market Value (\$)	1 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
EBMUDERS Total Plan Composite	2,613,010,980	0.5	10.2	7.5	9.4
<i>Total Plan Bench</i>		<i>0.5</i>	<i>10.1</i>	<i>7.2</i>	<i>9.2</i>
US Equity Composite	949,401,747	-0.8	11.3	11.4	15.1
<i>Russell 3000 Hybrid</i>		<i>-0.7</i>	<i>11.4</i>	<i>11.4</i>	<i>15.1</i>
Northern Trust Russell 3000	948,595,836	-0.8	11.3	11.4	15.1
<i>Russell 3000 Index</i>		<i>-0.7</i>	<i>11.4</i>	<i>11.4</i>	<i>15.1</i>
Non US Equity Composite	665,326,959	3.5	12.5	8.7	10.7
<i>MSCI ACWI xUS (blend)</i>		<i>3.7</i>	<i>12.5</i>	<i>8.6</i>	<i>10.6</i>
Northern Trust ACWI ex US	665,326,959	3.5	12.5	8.7	10.3
<i>MSCI AC World ex USA index</i>		<i>3.7</i>	<i>12.5</i>	<i>8.6</i>	<i>10.6</i>
Covered Calls Composite	359,784,348	-1.3	8.4	8.3	11.0
<i>Cboe S&P 500 Buy Write Index</i>		<i>-1.6</i>	<i>9.5</i>	<i>5.7</i>	<i>10.3</i>
Parametric BXM	175,008,117	-1.9	7.3	7.7	11.1
<i>Cboe S&P 500 Buy Write Index</i>		<i>-1.6</i>	<i>9.5</i>	<i>5.7</i>	<i>10.3</i>
Parametric Delta Shift	184,776,231	-0.8	9.9	9.8	14.1
<i>Cboe S&P 500 Buy Write Index</i>		<i>-1.6</i>	<i>9.5</i>	<i>5.7</i>	<i>10.3</i>

Manager Performance - Gross of Fees | As of April 30, 2025

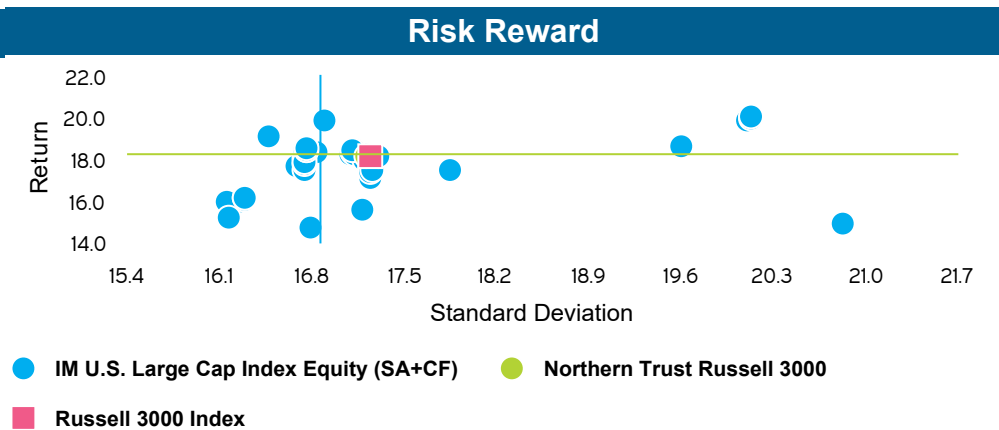
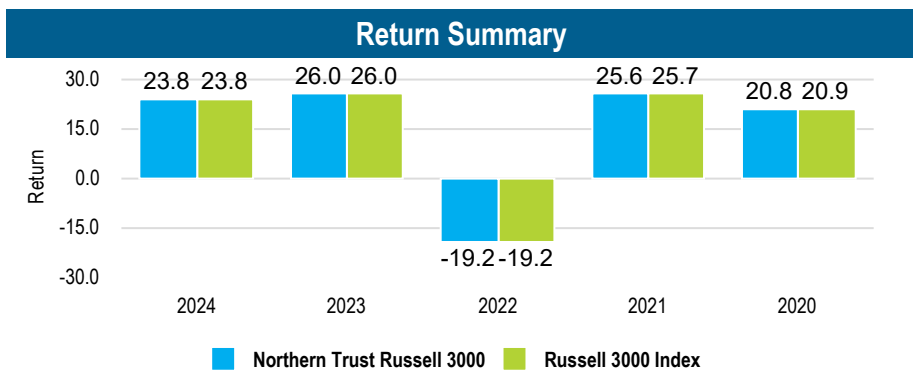
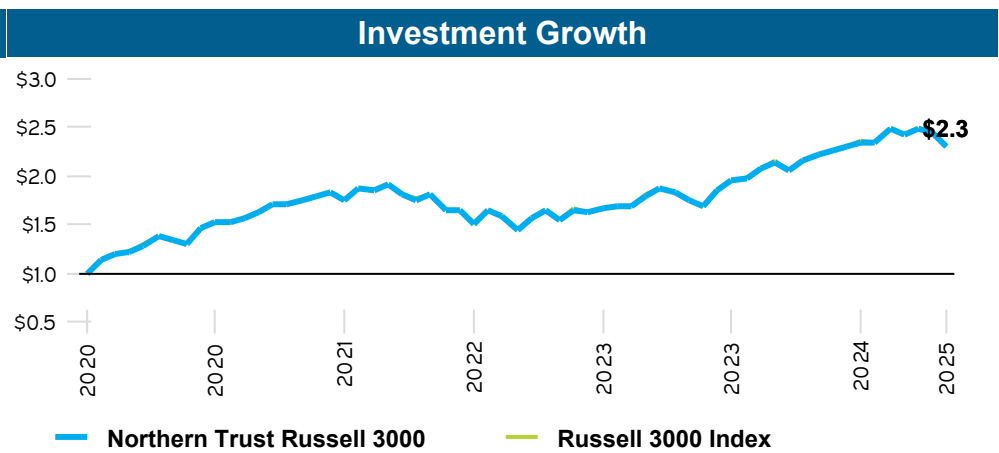
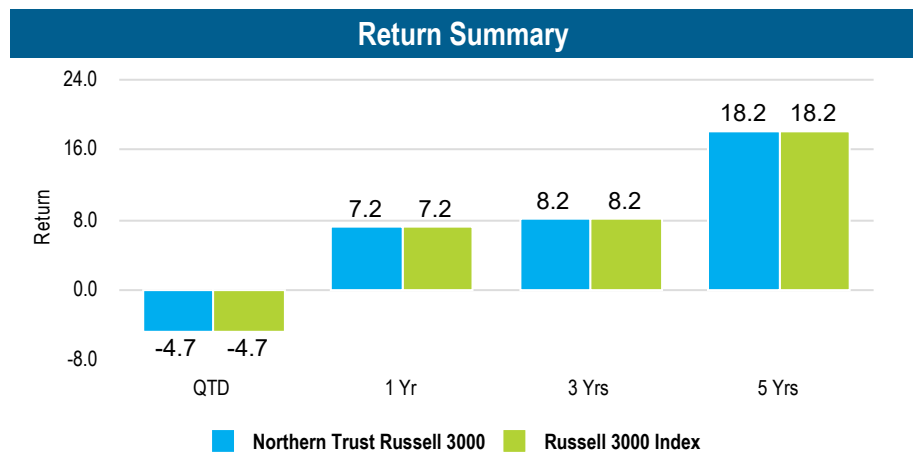
	Market Value (\$)	1 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Core Fixed Income Composite	450,399,729	0.5	8.7	2.4	0.2
<i>Fixed Income Core Composite Bench</i>		<i>0.4</i>	<i>8.0</i>	<i>2.1</i>	<i>-0.2</i>
CS McKee	227,887,693	0.4	8.2	2.6	-0.2
<i>Blmbg. U.S. Aggregate Index</i>		<i>0.4</i>	<i>8.0</i>	<i>2.0</i>	<i>-0.7</i>
Garcia Hamilton	222,512,036	0.7	9.2	2.3	0.6
<i>Garcia Hamilton Blended Benchmark</i>		<i>0.4</i>	<i>8.0</i>	<i>2.2</i>	<i>0.2</i>
Non-Core Fixed Income Composite	124,354,440	0.0	5.4	5.5	5.8
<i>Fixed Income Non-Core Composite Bench</i>		<i>0.0</i>	<i>6.5</i>	<i>6.2</i>	<i>6.2</i>
MacKay Shields (HY)	64,232,142	-0.1	6.1	6.5	6.8
<i>Mackay Shields Blended Benchmark</i>		<i>0.0</i>	<i>7.1</i>	<i>6.5</i>	<i>6.5</i>
Federated Investment Counseling (Bank Loans)	60,122,298	0.1	5.0	4.6	4.8
<i>Federated Investment Counseling Blended Benchmark</i>		<i>-0.1</i>	<i>5.9</i>	<i>6.0</i>	<i>5.8</i>
Real Estate Composite	52,987,518	0.0	14.4	0.8	7.9
<i>Real Estate Composite Benchmark</i>		<i>0.0</i>	<i>13.1</i>	<i>1.8</i>	<i>7.6</i>
RREEF America II Lag	52,987,518	0.0	-0.5	-2.9	2.9
<i>NCREIF NPI Lag</i>		<i>0.0</i>	<i>0.4</i>	<i>-0.8</i>	<i>3.1</i>

Manager Performance - Gross of Fees | As of April 30, 2025

	Market Value (\$)	1 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Cash Composite	10,756,239	0.9	4.8	4.2	2.7
Cash LAIF	10,756,239	0.9	4.8	4.2	2.7
<i>FTSE 3 Month T-Bill</i>		<i>0.4</i>	<i>5.1</i>	<i>4.5</i>	<i>2.7</i>

Statistics Summary 5 Years Ending March 31, 2025

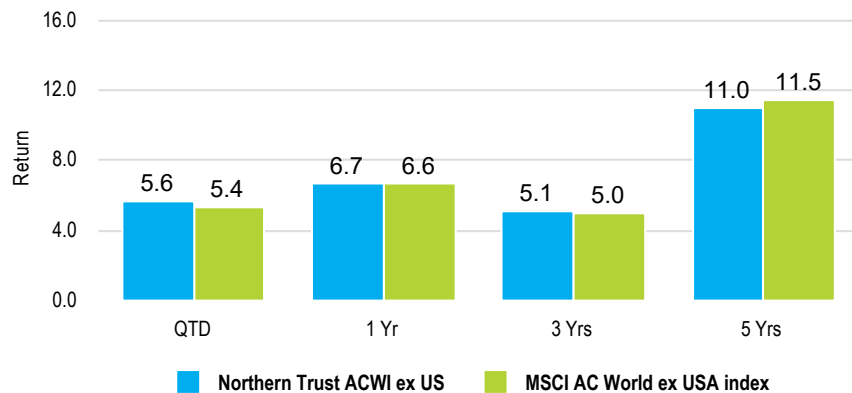
	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
Northern Trust Russell 3000	0.0	1.0	-0.6	0.9	0.1	1.0	99.8	99.9
Russell 3000 Index	0.0	1.0	-	0.9	0.0	1.0	100.0	100.0



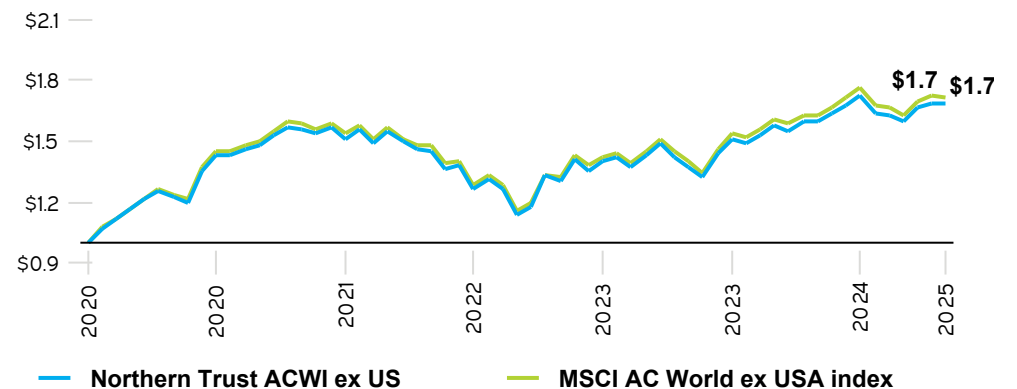
Statistics Summary 5 Years Ending March 31, 2025

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
Northern Trust ACWI ex US	-0.6	1.0	-0.2	0.6	1.7	1.0	101.6	104.9
MSCI AC World ex USA index	0.0	1.0	-	0.6	0.0	1.0	100.0	100.0

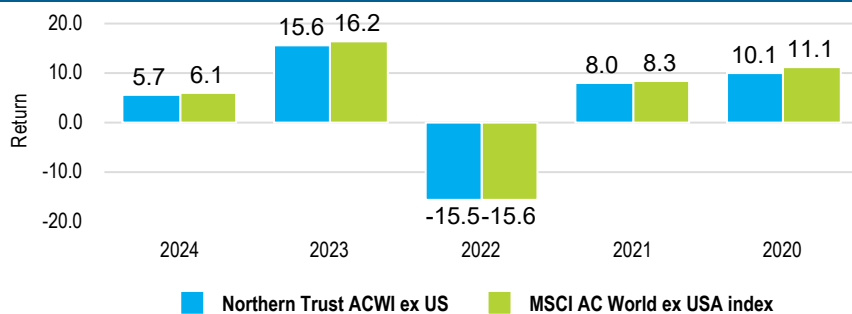
Return Summary



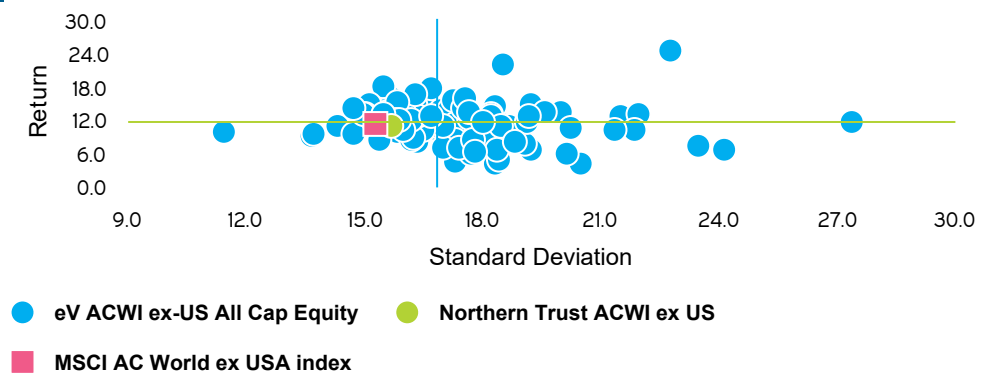
Investment Growth



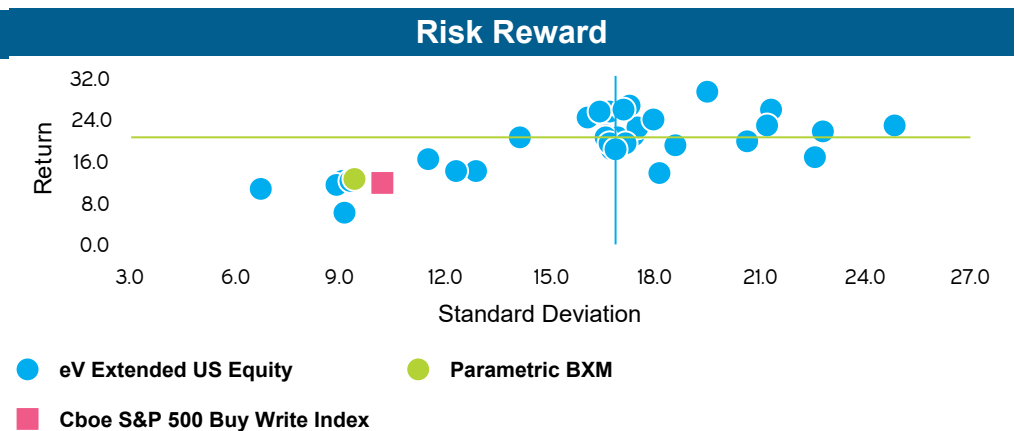
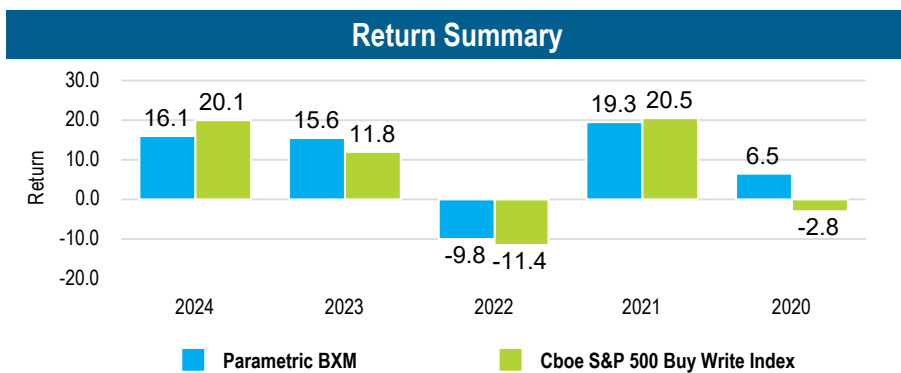
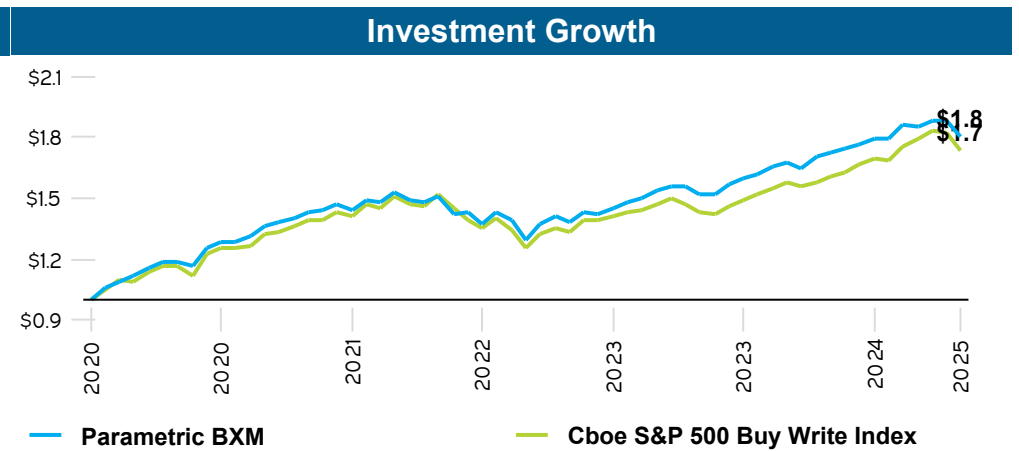
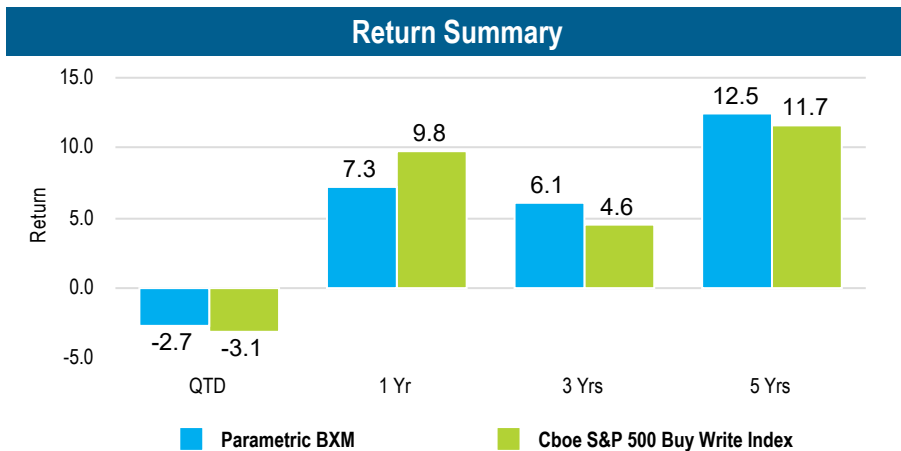
Return Summary



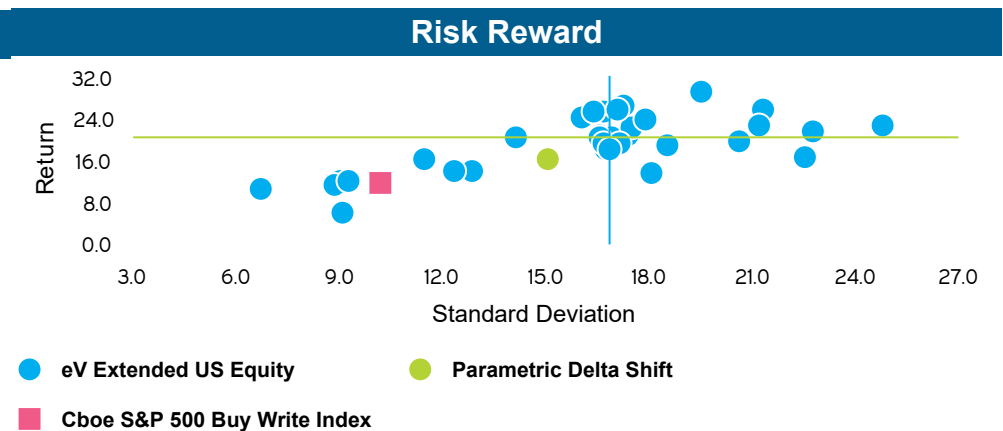
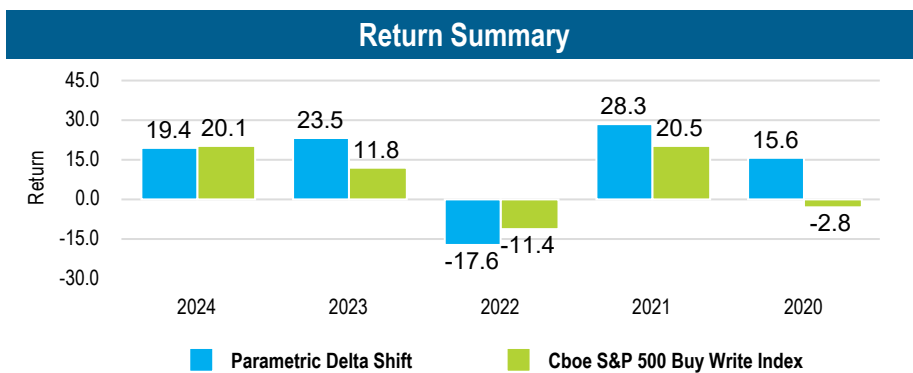
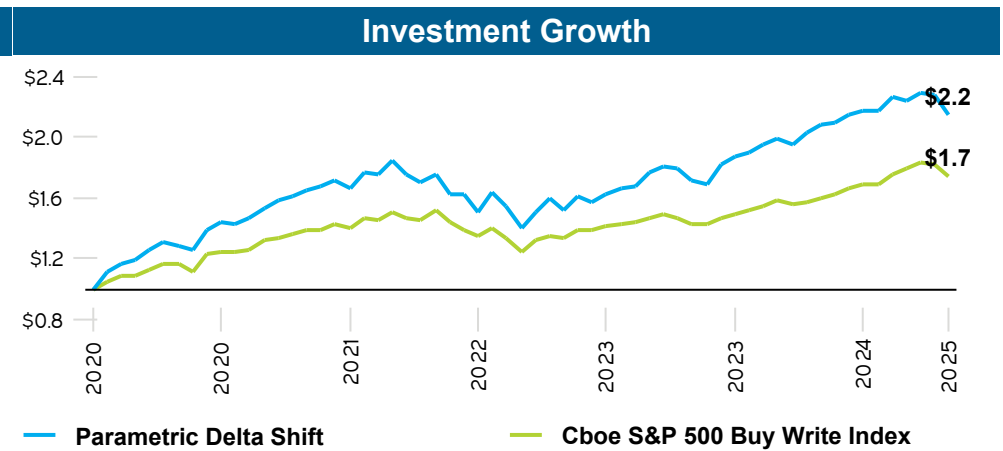
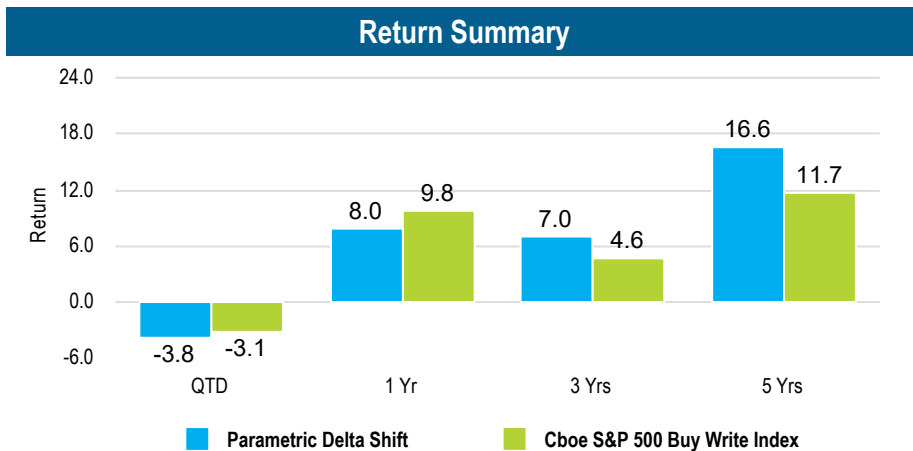
Risk Reward



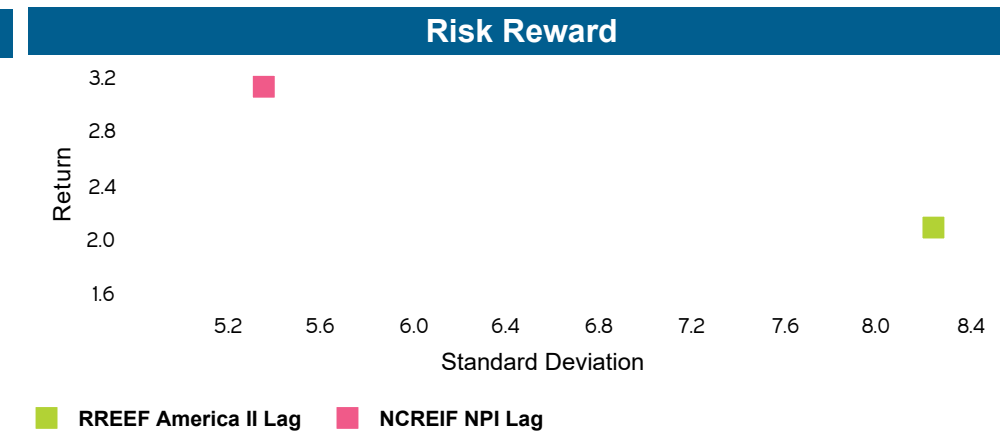
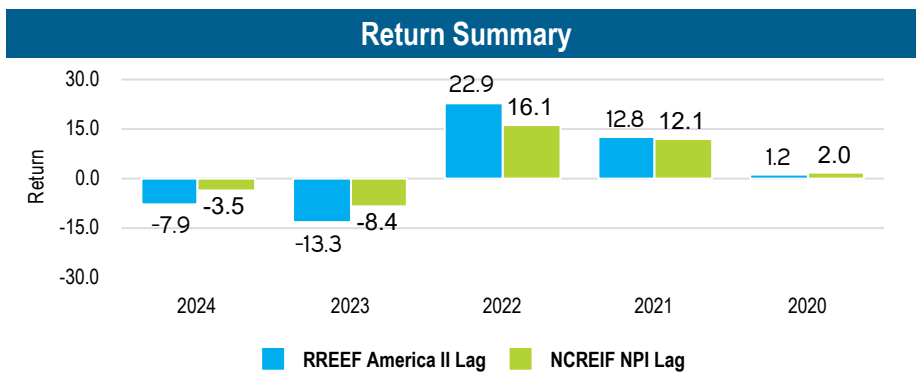
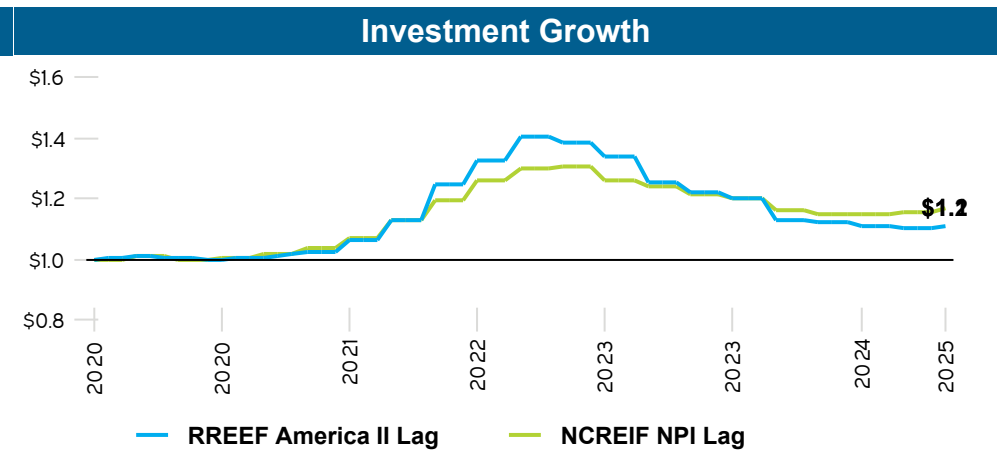
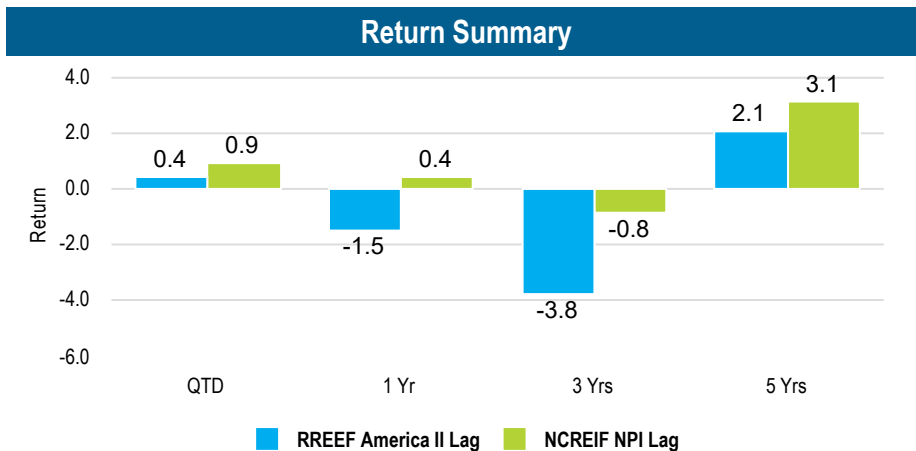
Statistics Summary 5 Years Ending March 31, 2025									
	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture	
Parametric BXM	2.4	0.9	0.2	1.0	3.9	0.9	94.5	80.3	
Cboe S&P 500 Buy Write Index	0.0	1.0	-	0.9	0.0	1.0	100.0	100.0	



Statistics Summary 5 Years Ending March 31, 2025									
	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture	
Parametric Delta Shift	1.2	1.3	0.7	0.9	7.6	0.8	142.9	143.5	
Cboe S&P 500 Buy Write Index	0.0	1.0	-	0.9	0.0	1.0	100.0	100.0	



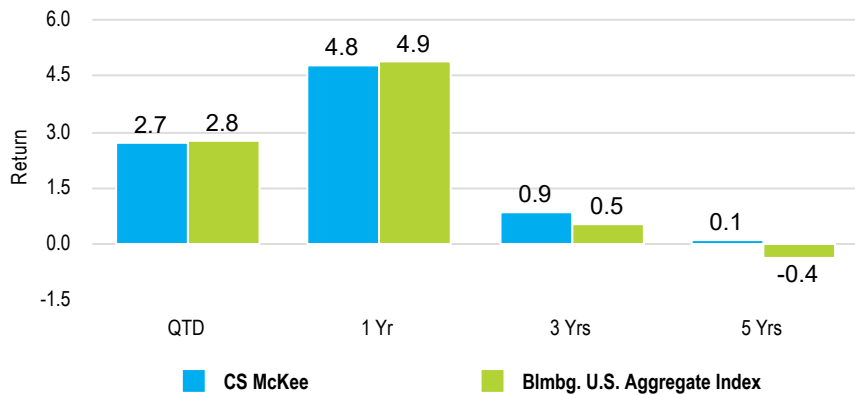
Statistics Summary 5 Years Ending March 31, 2025									
	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture	
RREEF America II Lag	-2.0	1.4	-0.2	0.0	3.8	0.8	112.0	155.9	
NCREIF NPI Lag	0.0	1.0	-	0.1	0.0	1.0	100.0	100.0	



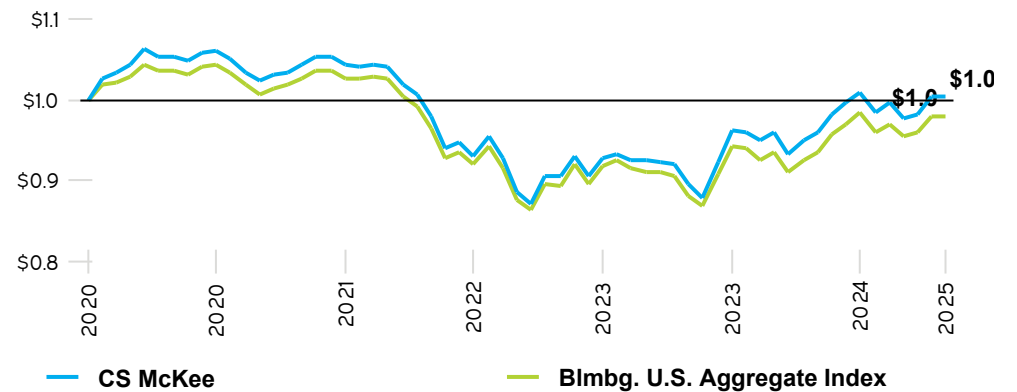
Statistics Summary 5 Years Ending March 31, 2025

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
CS McKee	0.5	1.0	0.7	-0.3	0.7	1.0	107.0	100.9
Blmbg. U.S. Aggregate Index	0.0	1.0	-	-0.4	0.0	1.0	100.0	100.0

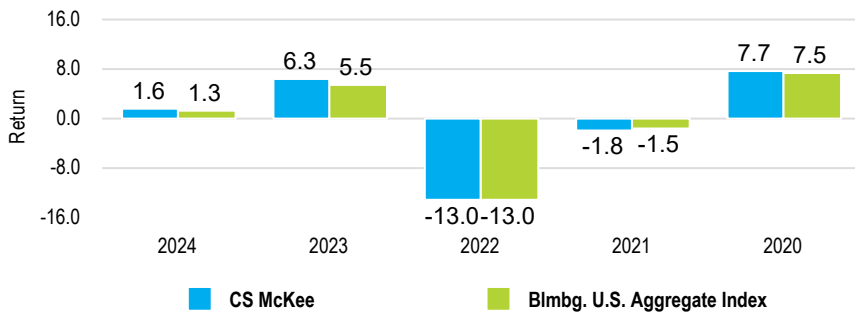
Return Summary



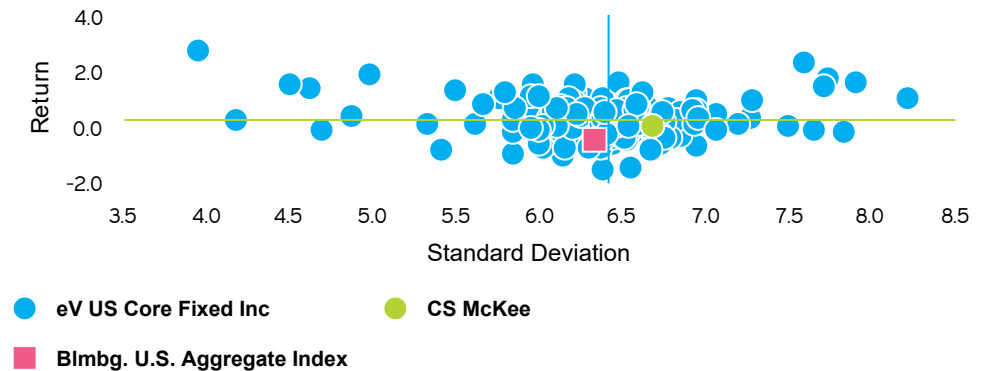
Investment Growth



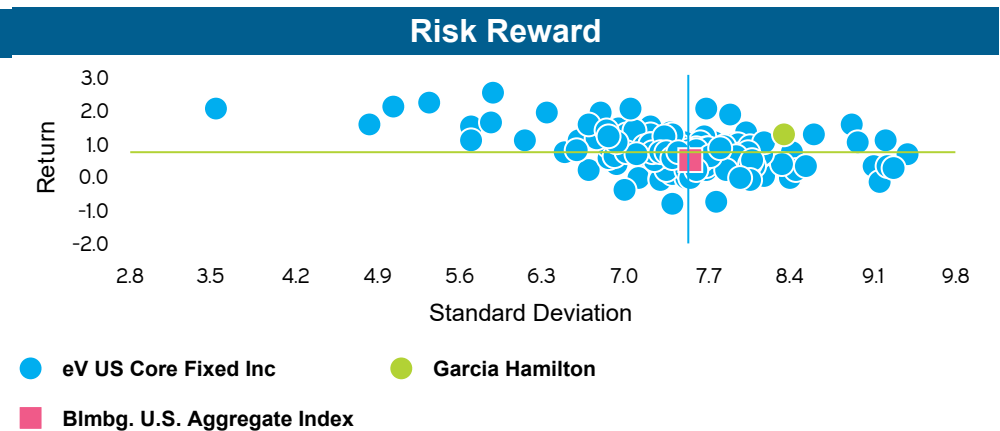
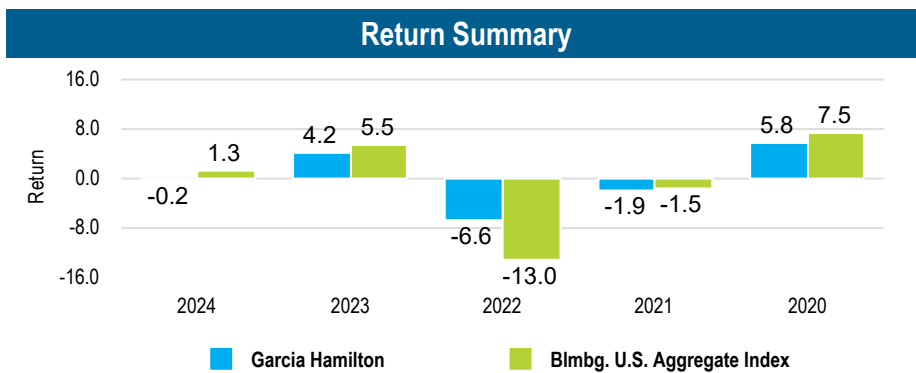
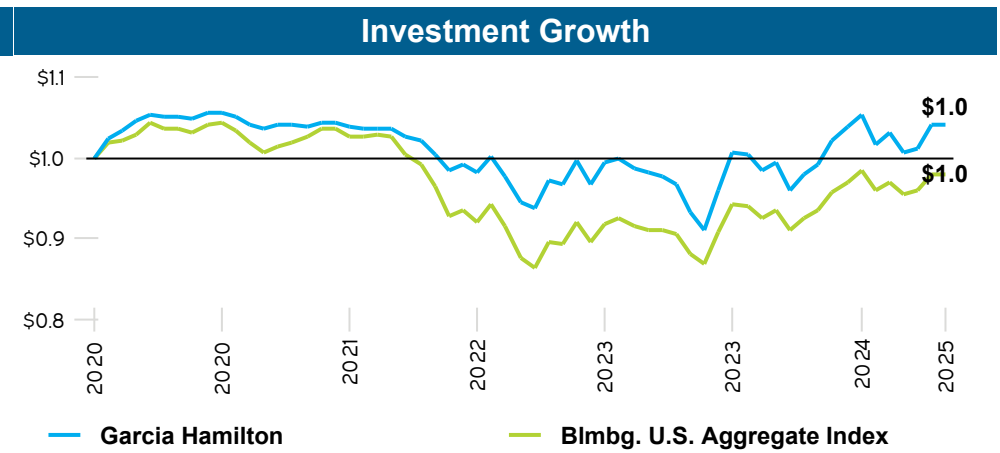
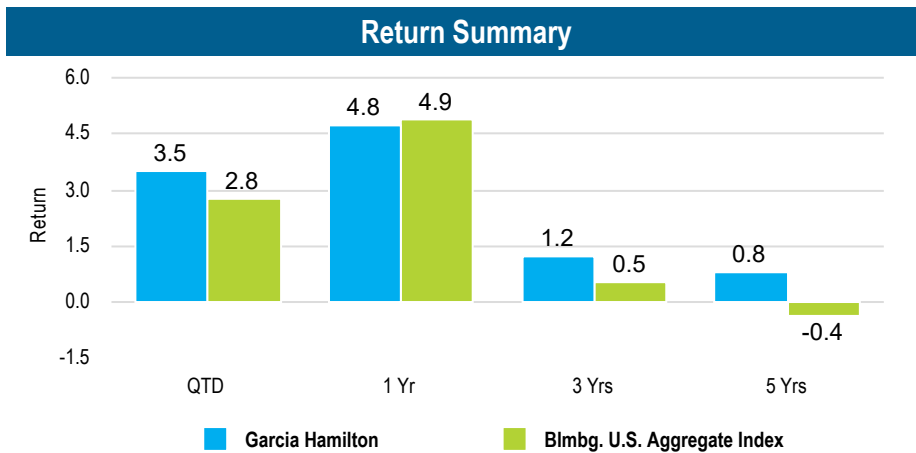
Return Summary



Risk Reward



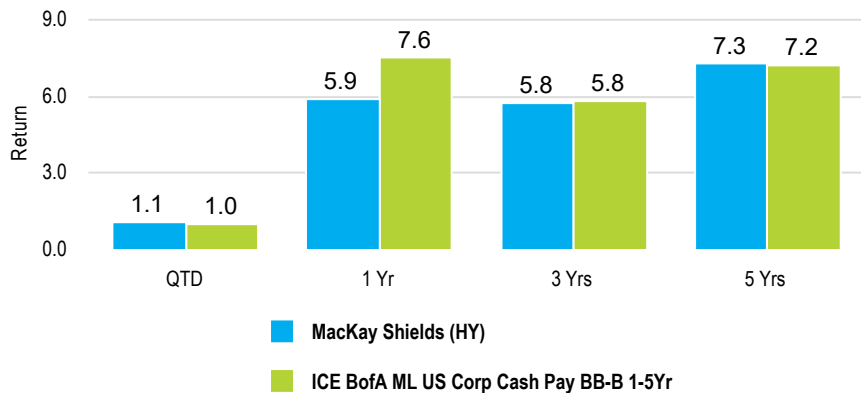
Statistics Summary 5 Years Ending March 31, 2025									
	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture	
Garcia Hamilton	1.2	1.0	0.6	-0.2	2.0	0.9	107.0	92.7	
Blmbg. U.S. Aggregate Index	0.0	1.0	-	-0.4	0.0	1.0	100.0	100.0	



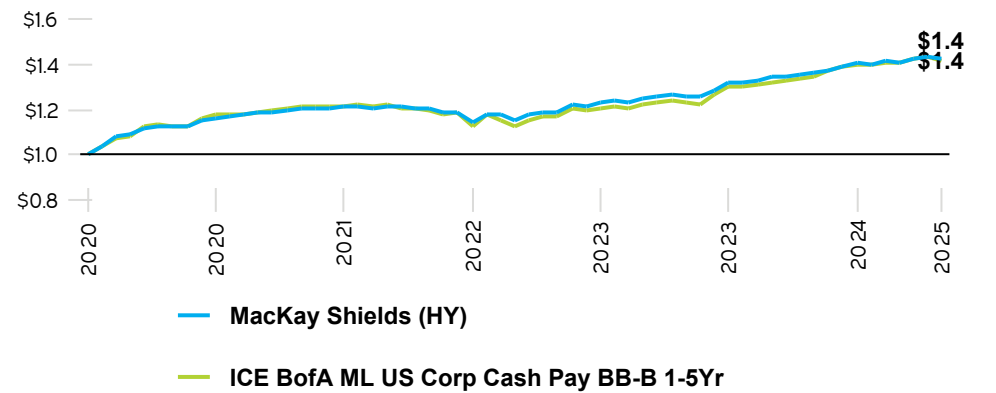
Statistics Summary 5 Years Ending March 31, 2025

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
MacKay Shields (HY)	1.9	0.7	0.0	1.1	1.9	0.9	83.4	55.2
ICE BofA ML US Corp Cash Pay BB-B 1-5Yr	0.0	1.0	-	0.8	0.0	1.0	100.0	100.0

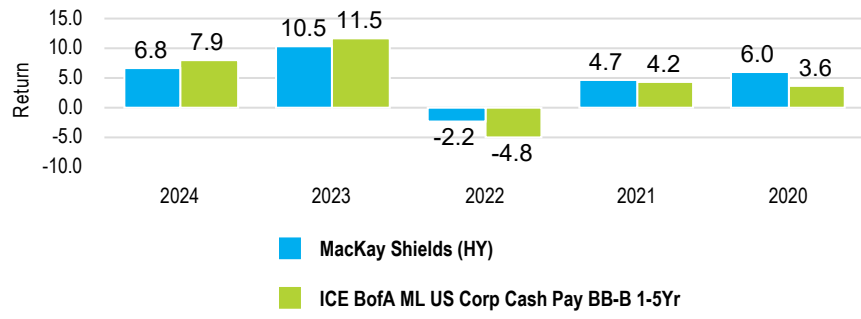
Return Summary



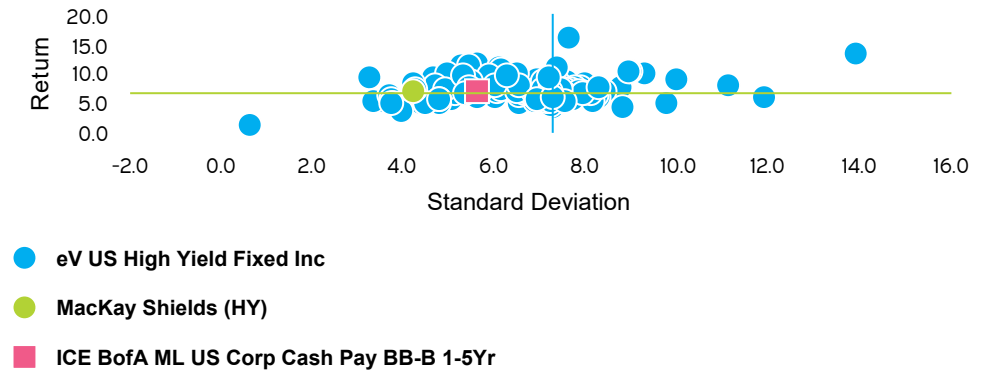
Investment Growth



Return Summary



Risk Reward

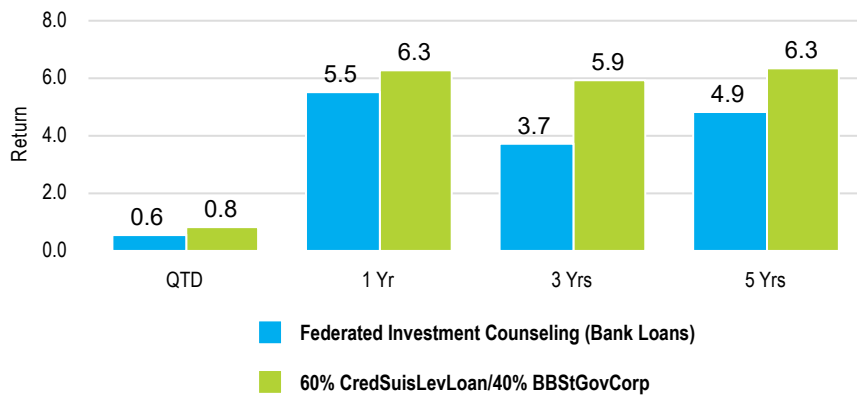


Federated Investment Counseling (Bank Loans) | As of March 31, 2025

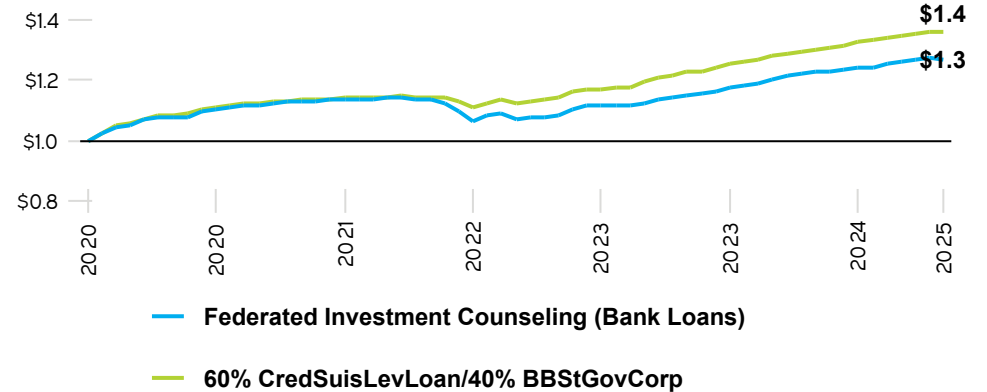
Statistics Summary 5 Years Ending March 31, 2025

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
Federated Investment Counseling (Bank Loans)	-2.8	1.2	-1.0	0.7	1.4	0.8	92.2	192.1
60% CredSuisLevLoan/40% BBStGovCorp	0.0	1.0	-	1.6	0.0	1.0	100.0	100.0

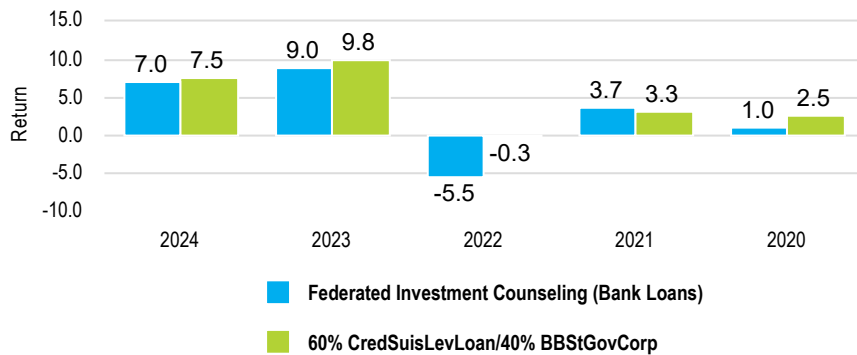
Return Summary



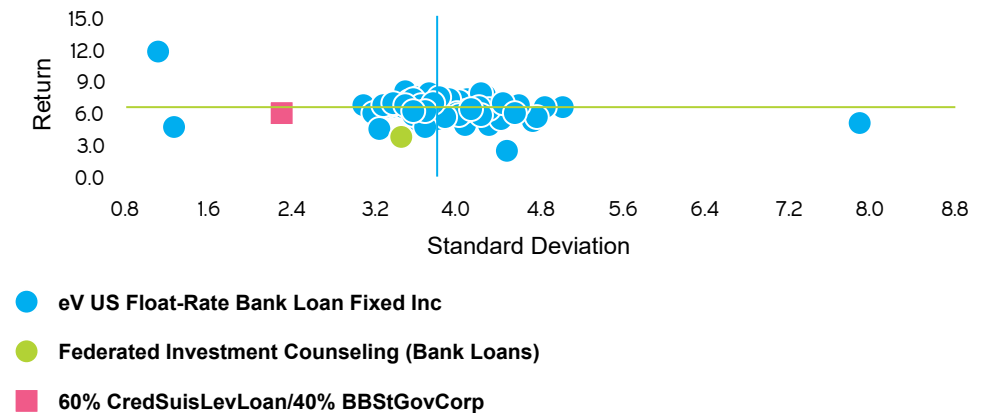
Investment Growth



Return Summary



Risk Reward



Benchmark History		
From Date	To Date	Benchmark
EBMUDERS Total Plan Composite		
10/01/2024	Present	33.5% Russell 3000 Index, 20.0% Blmbg. U.S. Aggregate Index, 25.0% MSCI AC World ex USA index, 2.5% Morningstar LSTA U.S. Performing Loans, 14.0% Cboe S&P 500 Buy Write Index, 2.5% S&P UBS Leveraged Loans, 2.5% Blmbg. U.S. Corp: High Yield Index
02/01/2023	10/01/2024	2.5% Real Estate Composite, 25.0% Russell 3000 Index, 20.0% Blmbg. U.S. Aggregate Index, 25.0% MSCI AC World ex USA index, 2.5% Morningstar LSTA U.S. Performing Loans, 20.0% Cboe S&P 500 Buy Write Index, 2.5% 60% CredSuisLevLoan/40% BBStGovCorp, 2.5% ICE BofA ML US Corp Cash Pay BB-B 1-5Yr
12/01/2019	02/01/2023	2.5% Real Estate Composite, 25.0% Russell 3000 Index, 10.0% Blmbg. Intermed. U.S. Government/Credit, 10.0% Blmbg. U.S. Aggregate Index, 25.0% MSCI AC World ex USA index, 2.5% Morningstar LSTA U.S. Performing Loans, 20.0% Cboe S&P 500 Buy Write Index, 2.5% 60% CredSuisLevLoan/40% BBStGovCorp, 2.5% ICE BofA ML US Corp Cash Pay BB-B 1-5Yr
03/01/2019	12/01/2019	2.5% Real Estate Composite, 25.0% Russell 3000 Index, 5.0% Bloomberg U.S. Gov/Credit 1-3 Year Index, 15.0% Blmbg. U.S. Aggregate Index, 25.0% MSCI AC World ex USA index, 2.5% Morningstar LSTA U.S. Performing Loans, 20.0% Cboe S&P 500 Buy Write Index, 2.5% 60% CredSuisLevLoan/40% BBStGovCorp, 2.5% 50% BBG EM Hard Cur Agg: Sovereign/50% BBG EM USD Aggregate Corporate TR
07/01/2018	03/01/2019	2.5% Real Estate Composite, 25.0% Russell 3000 Index, 5.0% Bloomberg U.S. Gov/Credit 1-3 Year Index, 15.0% Blmbg. U.S. Aggregate Index, 25.0% MSCI AC World ex USA index, 2.5% Morningstar LSTA U.S. Performing Loans, 2.5% Blmbg. U.S. High Yield 1-5 Yr Cash Pay 2%, 20.0% Cboe S&P 500 Buy Write Index, 2.5% NCREIF NPI Lag
04/01/2014	07/01/2018	2.5% Real Estate Composite, 40.0% Russell 3000 Index, 5.0% Bloomberg U.S. Gov/Credit 1-3 Year Index, 10.0% Blmbg. U.S. Aggregate Index, 15.0% MSCI AC World ex USA index, 2.5% Morningstar LSTA U.S. Performing Loans, 2.5% Blmbg. U.S. High Yield 1-5 Yr Cash Pay 2%, 20.0% Cboe S&P 500 Buy Write Index, 2.5% NCREIF NPI Lag
03/01/2014	04/01/2014	2.5% Real Estate Composite, 40.0% Russell 3000 Index, 15.0% Blmbg. U.S. Aggregate Index, 15.0% MSCI AC World ex USA index, 2.5% Morningstar LSTA U.S. Performing Loans, 2.5% Blmbg. U.S. High Yield 1-5 Yr Cash Pay 2%, 20.0% Cboe S&P 500 Buy Write Index, 2.5% NCREIF NPI Lag
11/01/2011	03/01/2014	2.5% Real Estate Composite, 50.0% Russell 3000 Index, 20.0% MSCI AC World ex USA index, 25.0% Blmbg. U.S. Universal Index, 2.5% NCREIF NPI Lag
01/01/2008	11/01/2011	50.0% Russell 3000 Index, 20.0% MSCI AC World ex USA index, 25.0% Blmbg. U.S. Universal Index, 5.0% NCREIF NPI Lag
01/01/2007	01/01/2008	50.0% Russell 3000 Index, 25.0% Blmbg. U.S. Aggregate Index, 20.0% MSCI AC World ex USA index, 5.0% NCREIF NPI Lag
10/01/2005	01/01/2007	50.0% Russell 3000 Index, 25.0% Blmbg. U.S. Aggregate Index, 20.0% MSCI EAFE (Net), 5.0% NCREIF NPI Lag
04/01/2005	10/01/2005	10.0% Russell 2000 Index, 30.0% S&P 500 Index, 10.0% S&P MidCap 400 Index, 25.0% Blmbg. U.S. Aggregate Index, 20.0% MSCI EAFE (Net), 5.0% NCREIF NPI Lag
09/01/1998	04/01/2005	10.0% Russell 2000 Index, 33.0% S&P 500 Index, 10.0% S&P MidCap 400 Index, 30.0% Blmbg. U.S. Aggregate Index, 17.0% MSCI EAFE (Net)

From Date	To Date	Benchmark
07/01/1978	09/01/1998	30.0% S&P 500 Index, 30.0% Blmbg. U.S. Aggregate Index, 5.0% FTSE 3 Month T-Bill, 15.0% MSCI EAFE (Net), 5.0% NCREIF NPI Lag, 15.0% Wilshire 5000 Total Market Index
Fixed Income Composite		
10/01/2024	Present	80.0% Blmbg. U.S. Aggregate Index, 10.0% S&P UBS Leveraged Loans, 10.0% Blmbg. U.S. Corp: High Yield Index
02/01/2023	10/01/2024	80.0% Blmbg. U.S. Aggregate Index, 10.0% 60% CredSuisLevLoan/40% BBStGovCorp, 10.0% ICE BofA ML US Corp Cash Pay BB-B 1-5Yr
12/01/2019	02/01/2023	40.0% Blmbg. Intermed. U.S. Government/Credit, 40.0% Blmbg. U.S. Aggregate Index, 10.0% 60% CredSuisLevLoan/40% BBStGovCorp, 10.0% ICE BofA ML US Corp Cash Pay BB-B 1-5Yr
03/01/2019	12/01/2019	20.0% Bloomberg U.S. Gov/Credit 1-3 Year Index, 60.0% Blmbg. U.S. Aggregate Index, 10.0% 60% CredSuisLevLoan/40% BBStGovCorp, 10.0% ICE BofA ML US Corp Cash Pay BB-B 1-5Yr
07/01/2018	03/01/2019	20.0% Bloomberg U.S. Gov/Credit 1-3 Year Index, 60.0% Blmbg. U.S. Aggregate Index, 10.0% Morningstar LSTA U.S. Performing Loans, 10.0% Blmbg. U.S. High Yield 1-5 Yr Cash Pay 2%
04/01/2014	07/01/2018	25.0% Bloomberg U.S. Gov/Credit 1-3 Year Index, 50.0% Blmbg. U.S. Aggregate Index, 12.5% Morningstar LSTA U.S. Performing Loans, 12.5% Blmbg. U.S. High Yield 1-5 Yr Cash Pay 2%
03/01/2014	04/01/2014	75.0% Blmbg. U.S. Aggregate Index, 12.5% Morningstar LSTA U.S. Performing Loans, 12.5% Blmbg. U.S. High Yield 1-5 Yr Cash Pay 2%
01/01/2008	03/01/2014	100.0% Blmbg. U.S. Universal Index
01/01/1976	01/01/2008	100.0% Blmbg. U.S. Aggregate Index
Fixed Income Core Fixed Income Composite		
02/01/2023	Present	100.0% Blmbg. U.S. Aggregate Index
12/01/2019	02/01/2023	50.0% Blmbg. Intermed. U.S. Government/Credit, 50.0% Blmbg. U.S. Aggregate Index
Fixed Income Non-Core Fixed Income Composite		
10/01/2024	Present	50.0% S&P UBS Leveraged Loans, 50.0% Blmbg. U.S. Corp: High Yield Index
12/01/2019	10/01/2024	50.0% 60% CredSuisLevLoan/40% BBStGovCorp, 50.0% ICE BofA ML US Corp Cash Pay BB-B 1-5Yr
03/01/2019	12/01/2019	50.0% Bloomberg U.S. Gov/Credit 1-3 Year Index, 25.0% 60% CredSuisLevLoan/40% BBStGovCorp, 25.0% ICE BofA ML US Corp Cash Pay BB-B 1-5Yr
03/01/2014	03/01/2019	50.0% Bloomberg U.S. Gov/Credit 1-3 Year Index, 25.0% Morningstar LSTA U.S. Performing Loans, 25.0% Blmbg. U.S. High Yield 1-5 Yr Cash Pay 2%

Manager Watch Screens

Northern Trust Russell 3000| As of March 31, 2025

Manager Performance			
	QTD	1 Yr	3 Yrs
Northern Trust Russell 3000	-4.7	7.2	8.2
Russell 3000 Index	-4.7	7.2	8.2

Short-Term Criteria (rolling 12-month periods)

Tracking Error > 0.30% for 6 consecutive months

Current Status: **Acceptable**

Medium-Term Criteria (rolling 36-month periods)

Tracking Error > 0.25% for 6 consecutive months

Current Status: **Acceptable**

Long-Term Criteria (60+ months)

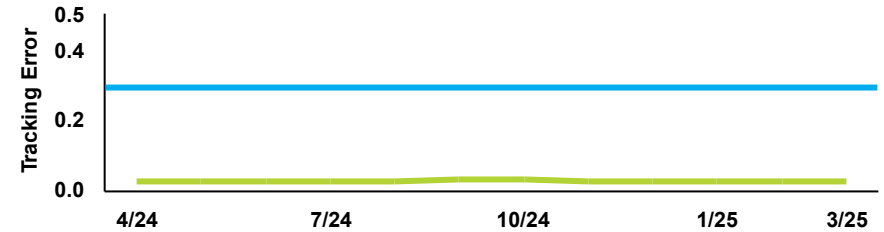
Fund annualized return < benchmark annualized return -0.40% for 6 consecutive months

Current Status: **Acceptable**

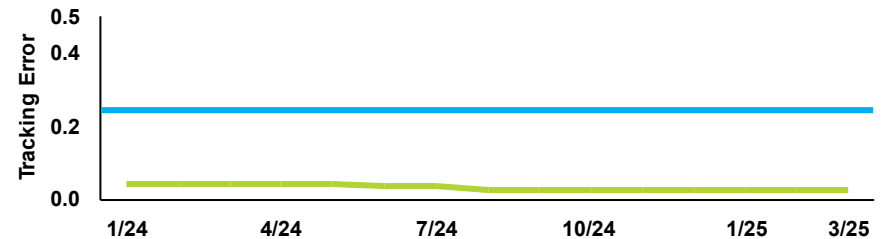
Overall Status:

Acceptable

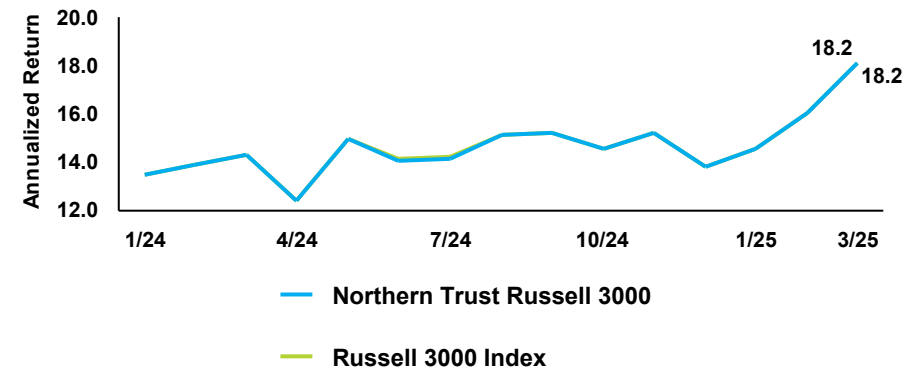
Short-Term Performance Evaluation



Medium-Term Performance Evaluation



Medium-Term Performance Evaluation



Northern Trust ACWI ex US| As of March 31, 2025

Manager Performance				
	QTD	1 Yr	3 Yrs	5 Yrs
Northern Trust ACWI ex US	5.6	6.7	5.1	11.0
MSCI AC World ex USA index	5.4	6.6	5.0	11.5

Short-Term Criteria (rolling 12-month periods)

Tracking Error > 1.75% for 6 consecutive months

Current Status: **Acceptable**

Medium-Term Criteria (rolling 36-month periods)

Tracking Error > 1.5% for 6 consecutive months

Current Status: **Acceptable**

Long-Term Criteria (60+ months)

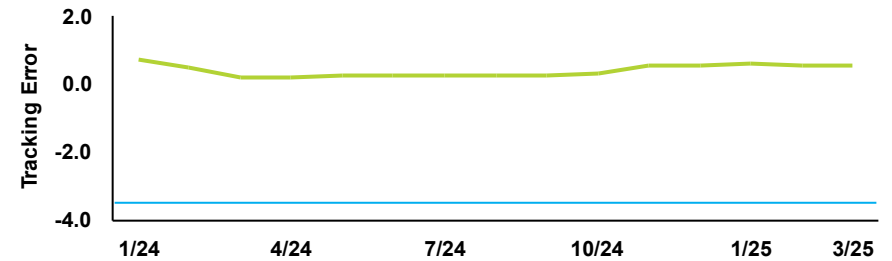
Fund annualized return < benchmark annualized return -0.50% for 6 consecutive months

Current Status: **Acceptable**

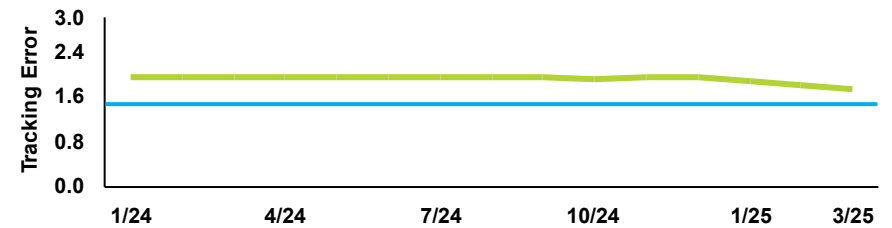
Overall Status:

Acceptable

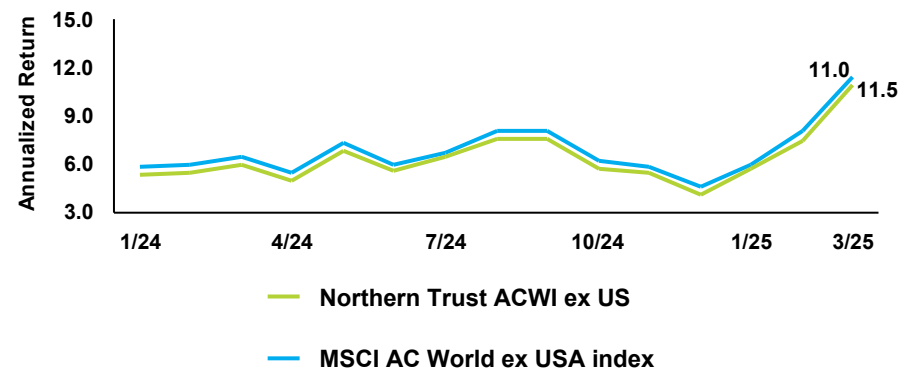
Short-Term Performance Evaluation



Medium-Term Performance Evaluation



Long-Term Performance Evaluation



Manager Performance				
	QTD	1 Yr	3 Yrs	5 Yrs
Parametric BXM	-2.7	7.3	6.1	12.5
Cboe S&P 500 Buy Write Index	-3.1	9.8	4.6	11.7

Short-Term Criteria (rolling 12-month periods)

Fund return < benchmark return -3.5% for 6 consecutive months

Current Status: **Acceptable**

Medium-Term Criteria (rolling 36-month periods)

Fund annualized return < benchmark annualized return -1.75% for 6 consecutive months

Current Status: **Acceptable**

Long-Term Criteria (60+ months)

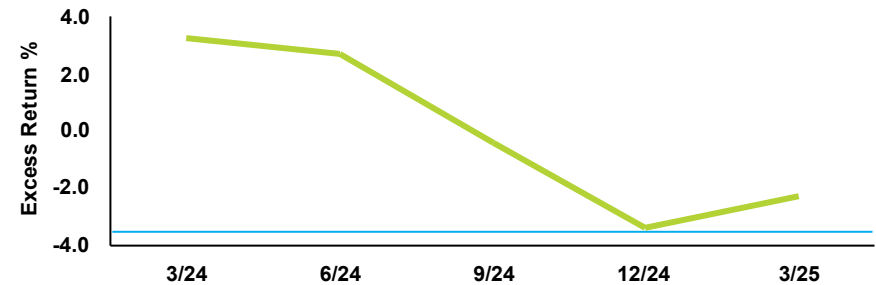
VRR < 0.97 for 6 consecutive months

Current Status: **Acceptable**

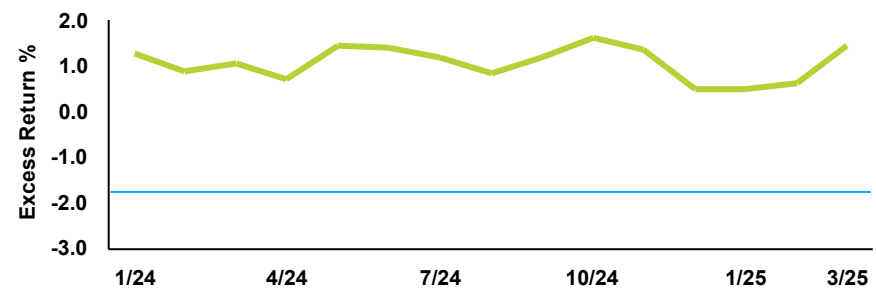
Overall Status:

Acceptable

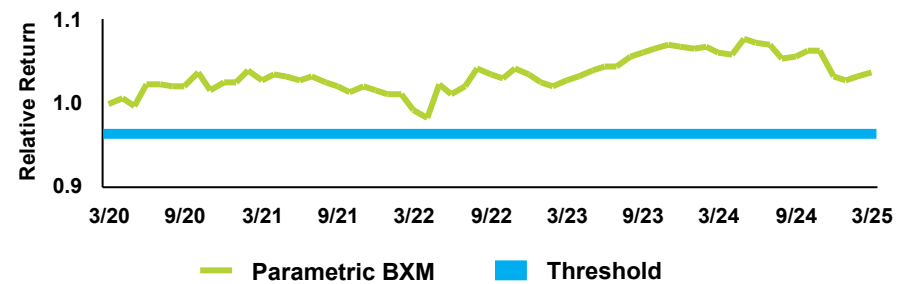
Short-Term Performance Evaluation



Medium-Term Performance Evaluation



Long-Term Performance



Manager Performance				
	QTD	1 Yr	3 Yrs	5 Yrs (%)
Parametric Delta Shift	-3.8	8.0	7.0	16.6
Cboe S&P 500 Buy Write Index	-3.1	9.8	4.6	11.7

Short-Term Criteria (rolling 12-month periods)

Fund return < benchmark return -3.5% for 6 consecutive months

Current Status: **Acceptable**

Medium-Term Criteria (rolling 36-month periods)

Fund annualized return < benchmark annualized return -1.75% for 6 consecutive months

Current Status: **Acceptable**

Long-Term Criteria (60+ months)

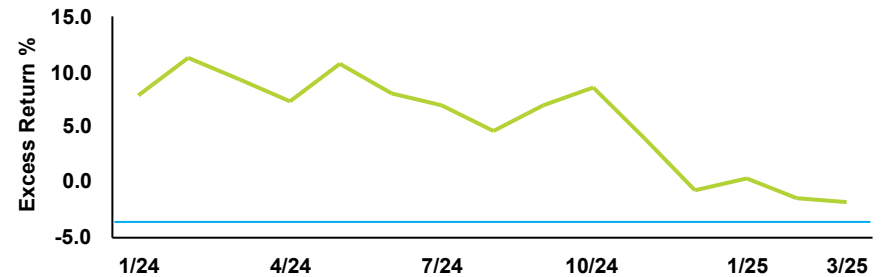
VRR < 0.97 for 6 consecutive months

Current Status: **Acceptable**

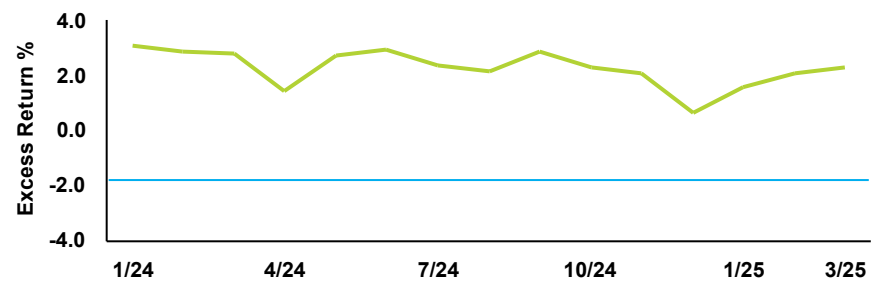
Overall Status:

Acceptable

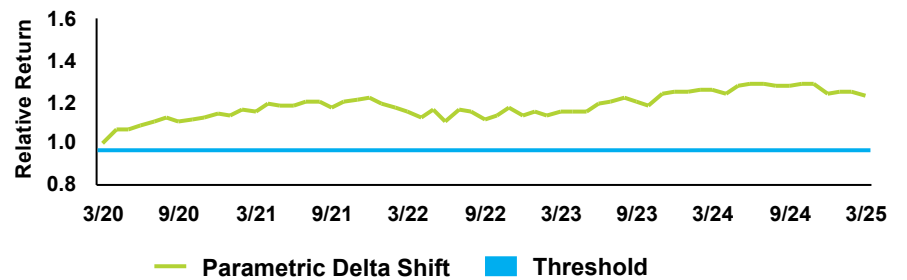
Short-Term Performance Evaluation



Medium-Term Performance Evaluation



Long-Term Performance Evaluation



Manager Performance				
	QTD	1 Yr	3 Yrs	5 Yrs
CS McKee	2.7	4.8	0.9	0.1
Bimbg. U.S. Aggregate Index	2.8	4.9	0.5	-0.4

Short-Term Criteria (rolling 12-month periods)

Fund return < benchmark return -1.5% for 6 consecutive months

Current Status: **Acceptable**

Medium-Term Criteria (rolling 36-month periods)

Fund annualized return < benchmark annualized return -1.0% for 6 consecutive months

Current Status: **Acceptable**

Long-Term Criteria (60+ months)

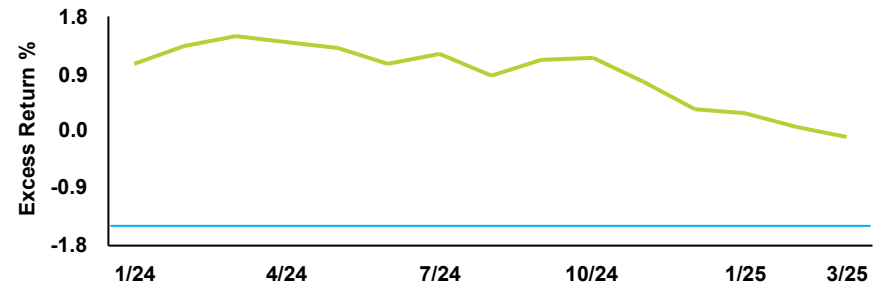
VRR < 0.98 for 6 consecutive months

Current Status: **Acceptable**

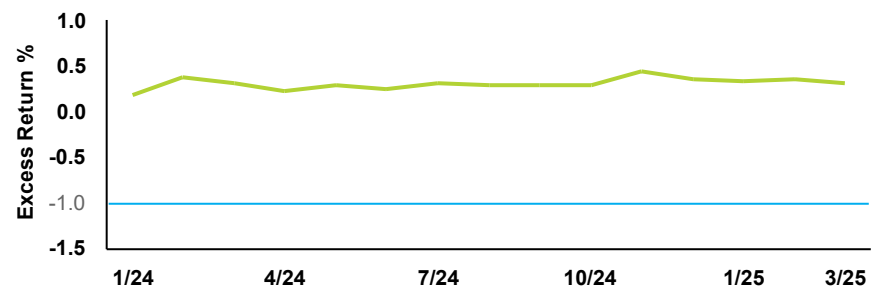
Overall Status:

Acceptable

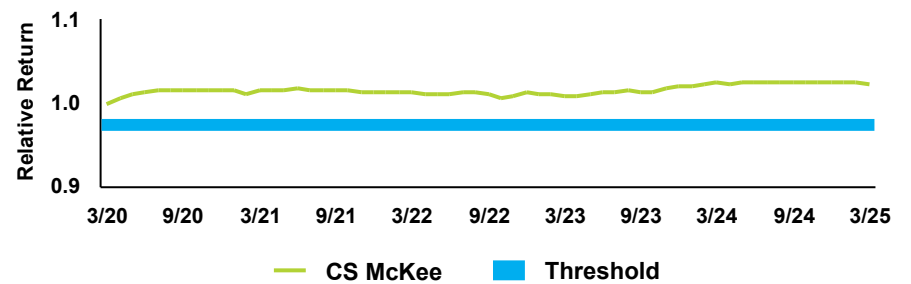
Short-Term Performance Evaluation



Medium-Term Performance Evaluation



Long-Term Performance



Manager Performance			
	QTD	1 Yr	3 Yrs
Garcia Hamilton	3.5	4.8	1.2
Bimbg. U.S. Aggregate Index	2.8	4.9	0.5

Short-Term Criteria (rolling 12-month periods)

Fund return < benchmark return -1.5% for 6 consecutive months

Current Status: **Acceptable**

Medium-Term Criteria (rolling 36-month periods)

Fund annualized return < benchmark annualized return -1.0% for 6 consecutive months

Current Status: **Acceptable**

Long-Term Criteria (60+ months)

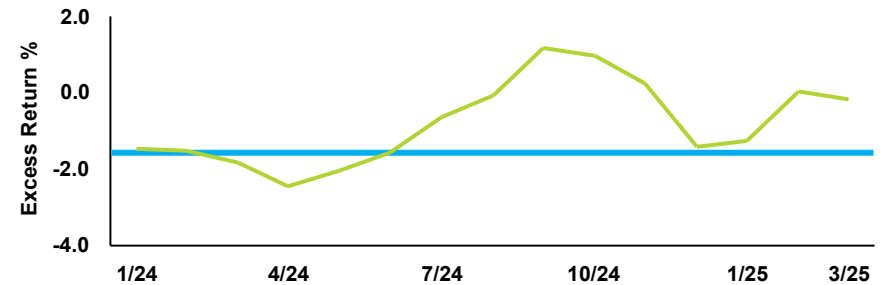
VRR < 0.98 for 6 consecutive months

Current Status: **Acceptable**

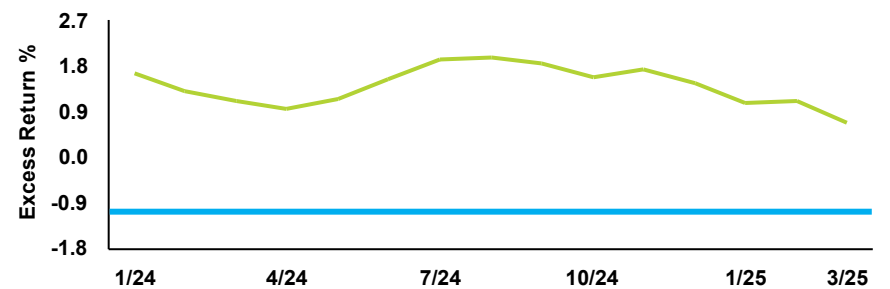
Overall Status:

Acceptable

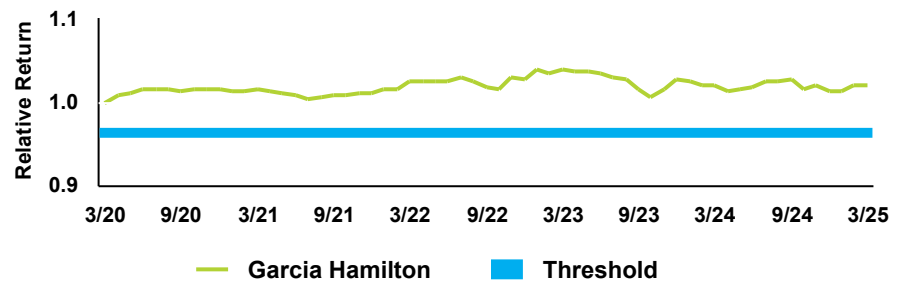
Short-Term Performance Evaluation



Medium-Term Performance Evaluation



Long-Term Performance



Manager Performance			
	QTD	1 Yr	3 Yrs
Mackay Shields (HY)	1.1	5.9	5.8
ICE BofA ML US Corp Cash Pay BB-B 1-5Yr	1.0	7.6	5.8

Overall Status:

Acceptable

Short-Term Criteria (rolling 12-month periods)

Fund return < benchmark return -4.5% for 6 consecutive months

Current Status: **Acceptable**

Medium-Term Criteria (rolling 36-month periods)

Fund annualized return < benchmark annualized return -2.0% for 6 consecutive months

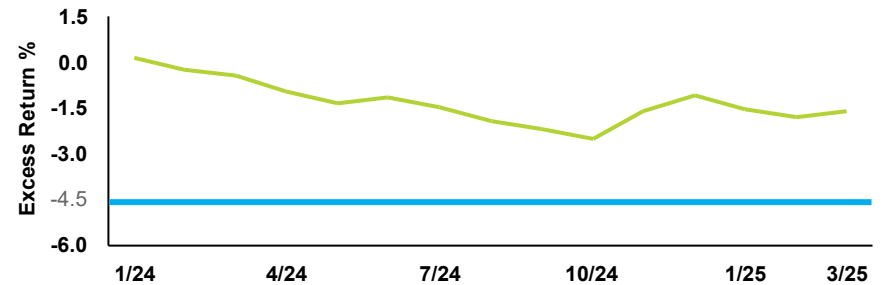
Current Status: **Acceptable**

Long-Term Criteria (60+ months)

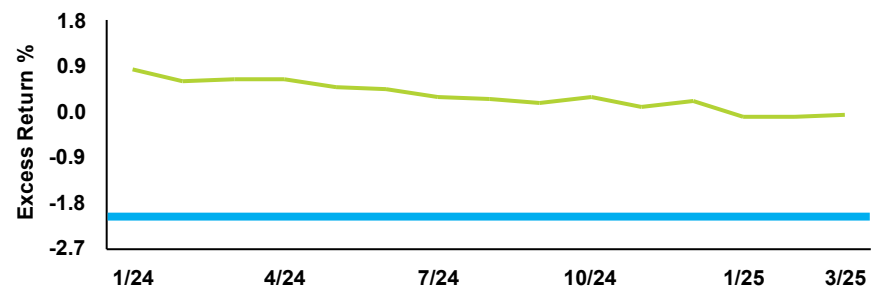
VRR < 0.97 for 6 consecutive months

Current Status: Not Applicable

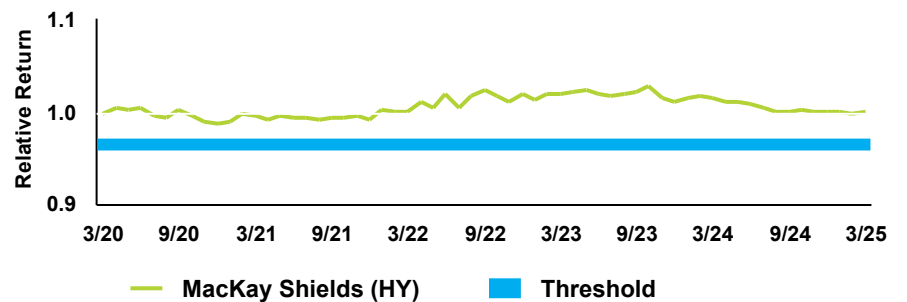
Short-Term Performance Evaluation



Medium-Term Performance Evaluation



Long-Term Performance



Manager Performance			
	QTD	1 Yr	3 Yrs
Federated Investment Counseling (Bank Loans)	0.6	5.5	3.7
60% CredSuisLevLoan/40% BBStGovCorp	0.8	6.3	5.9

Short-Term Criteria (rolling 12-month periods)

Fund return < benchmark return -4.5% for 6 consecutive months

Current Status: **Acceptable**

Medium-Term Criteria (rolling 36-month periods)

Fund annualized return < benchmark annualized return -2.0% for 6 consecutive months

Current Status: **Acceptable**

Long-Term Criteria (60+ months)

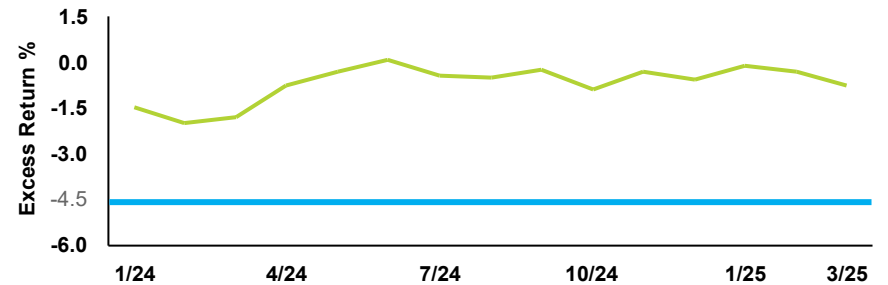
VRR < 0.97 for 6 consecutive months

Current Status: **Acceptable**

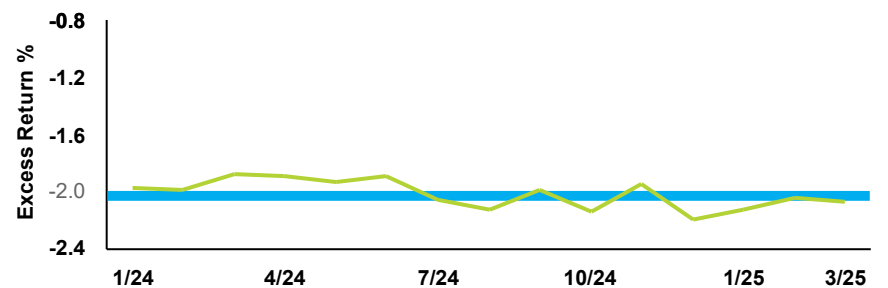
Overall Status:

Acceptable

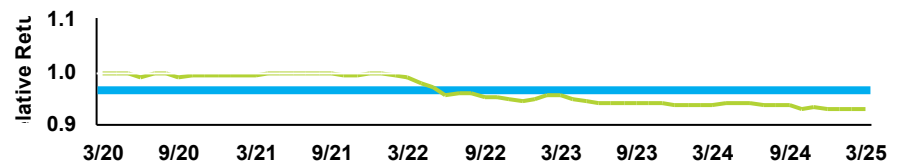
Short-Term Performance Evaluation



Medium-Term Performance Evaluation



Long-Term Performance



— Federated Investment Counseling (Bank Loans)

■ Threshold

Performance Monitoring Summary

Portfolio	Violation Type (Window) ¹	Date of Initial Violation	Correction Action(s)	Current Status			
				Current Status	Est. Beg. Date of Current Status	Months Since Est. Beg. Date	Performance Since Est. Beg. Date ²³
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--

→ No managers are currently on watch.

¹ Defined as: Short-Term (12 months), Medium-Term (36 months), Long-Term (60 months).

² Annualized for periods greater than 12 months.

³ Performance figures not yet available.

Quantitative Compliance Monitoring per Watch Criteria

Active Management Criteria

- Active investment managers are expected to outperform their respective passive benchmarks related to both their asset class and investment style.
- Relative excess performance that falls below the red acceptable threshold stated in the Watch Criteria for six consecutive months may be a trigger for Watch status.

Passive Management Criteria

- Passive investment managers are expected to track the performance of their respective passive benchmarks related to both their asset class and their investment style.
- Tracking error is a measure of how closely a portfolio follows the index to which it is benchmarked.
- For short- and medium-term performance monitoring, a portfolio with tracking error that is above the red acceptable threshold stated in the Watch Criteria for six consecutive months may be a trigger for Watch status.
- For long-term performance monitoring, relative excess performance that falls below the red acceptable threshold stated in the Watch Criteria for six consecutive months may be a trigger for Watch status.

Quantitative Monitoring Results - Overall Status Summary

	Prior Qtr Status	Current Qtr Status
Northern Trust – R3000	Acceptable	Acceptable
Northern Trust – ACWixUS	Acceptable	Acceptable
Parametric – BXM	Acceptable	Acceptable
Parametric – Delta Shift	Acceptable	Acceptable
Van Hulzen	Acceptable	Acceptable
CS McKee	Acceptable	Acceptable
Garcia Hamilton	Acceptable	Acceptable
Mackay Shields – Short Term HY	Acceptable	Acceptable
Federated – Bank Loans	Acceptable	Acceptable
CenterSquare	Acceptable	Acceptable

Investment Performance Criteria by Asset Class

Asset Class	Short-term (rolling 12-month periods)	Medium-term (rolling 36-month periods)	Long-term (60+ months)
Domestic Equity - Passive	Tracking error > 0.30%	Tracking error > 0.25% for 6 consecutive months	Fund annualized return < benchmark annualized return -0.40% for 6 consecutive months
Non-US Equity - Passive	Tracking error > 1.75%	Tracking error > 1.5% for 6 consecutive months	Fund annualized return < benchmark annualized return - 0.50% for 6 consecutive months
Covered Calls - Active	Fund return < benchmark return - 3.5%	Fund annualized return < benchmark annualized return -1.75% for 6 consecutive months	VRR < 0.97 for 6 consecutive months
Covered Calls - Replication	Fund return < benchmark return - 3.5%	Fund annualized return < benchmark annualized return -1.75% for 6 consecutive months	Fund annualized return < benchmark annualized return - 0.40% for 6 consecutive months
Fixed Income - Core – Active	Fund return < benchmark return - 1.5%	Fund annualized return < benchmark annualized return -1.0% for 6 consecutive months	VRR < 0.98 for 6 consecutive months
Fixed Income - Core – Passive	Tracking error > 0.25%	Tracking error > 0.20% for 6 consecutive months	Fund annualized return < benchmark annualized return - 0.30% for 6 consecutive months
Fixed Income - Non-Core	Fund return < benchmark return - 4.5%	Fund annualized return < benchmark annualized return - 2.0% for 6 consecutive months	VRR < 0.97 for 6 consecutive months

All criteria are on an annualized basis.

VRR – Value Relative Ratio – is calculated as: manager cumulative return / benchmark cumulative return.

Manager Compliance Certification Responses

Manager Compliance Certification Responses**Qualitative Compliance Monitoring per EBMUDERS Investment Policy**

Each of EBMUDERS managers is required to respond to a questionnaire on a quarterly basis to certify their compliance with EBMUDERS Investment Policy Statement and provide an update on specific qualitative indicators to be evaluated.

These indicators include:

- Compliance with the guidelines of 'Eligible Investments' for the manager's specific mandate
- Any litigation or governmental regulatory proceedings involving the firm/manager
- Changes to the manager's investment outlook, investment strategy, and/or portfolio structure
- Personnel changes to the investment team responsible for the EBMUDERS mandate
- Significant personnel changes at the management level of the firm
- Material client terminations
- Compliance with EBMUDERS current Investment Policy Statement

The manager's responses are rated based on the potential effects these factors could pose to the performance and management of the EBMUDERS portfolio.

Reasons for heightened concern triggering Watch status include, but are not limited to:

- Instability of key members of the portfolio management team and organization
- Changes in investment strategy and style
- Failure to comply with investment guidelines

A summary of manager responses as of the latest quarter-end is provided below.

Manager Compliance Certification Responses

Manager Compliance Certification Responses

Manager	Asset Class	Question 1 Compliance with 'Eligible Investments' for mandate	Question 2 Good standing as Registered Investment Advisor	Question 3 Litigation?	Question 4 Changes in manager's investment outlook, strategy, structure	Question 5 Investment team personnel changes	Question 6 Management level personnel changes	Question 7 Material business changes	Question 8 Compliance with IPS
Northern Trust R3000	Domestic Equity – All Cap	Yes	Yes	No	No	No	Yes*	No	Yes
Northern Trust ACWI ex US	International Equity	Yes	Yes	No	No	No	Yes*	No	Yes
Parametric	Covered Calls	Yes	Yes	No	No	No	Yes*	No	Yes
CS McKee	Fixed Income – Core	Yes	Yes	No	No	No	No	No	Yes
Garcia Hamilton	Fixed Income – Core	Yes	Yes	No	No	No	No	No	Yes
Mackay Shields	Fixed Income – Short-term HY	Yes	Yes	No	No	No	No	No	Yes
Federated	Fixed Income – Bank Loans	Yes	Yes	No	No	No	No	No	Yes
RREEF	Real Estate	Yes	Yes	No	No	No	No	No	Yes

■ no concern
 ■ low concern
 ■ high concern (Watch status)

* see detailed manager response below

Northern Trust – R3000 and ACWI ex US**Question 6: Have there been any significant personnel changes at the management level of the Firm during the quarter?**

- **Senior Management Changes:** As a result of the constantly changing landscape of asset management, we believe the occasional organizational changes are a natural progression and necessary in order to adapt to new market and regulatory environments. The most recent changes to senior personnel are the following:
- January 2025: Darrell Hassler assumed the role of Head of Strategic Content.
 - March 2025: Eric Williams, Head of Capital Structure and Senior Portfolio Manager for our high yield strategies left the firm. With his departure, we recently hired five individuals to strengthen our credit investing, trading and fundamental credit research capabilities.

Parametric**Question 6: Have there been any significant personnel changes at the management level of the Firm during the quarter?**

- Paul Bouchey, Managing Director and Global Head of Research, transitioned into a different role within Research. Effective January 1, 2025, his new title is Managing Director, Applied Research. Ben Davis, Managing Director, Research, stepped into the Global Head of Research role on January 1, 2025.
- Tom Seto, Head of Parametric Investment Management, retired effective February 2025. As part of this transition, effective January 1, 2025, Gordon Wotherspoon became Head of Equity SMA and Jennifer Mihara became Head of Equity Fund Management. Mr. Wotherspoon and Ms. Mihara both report into Brian Herscovici, COO of Investments for Parametric.
- After 14 years at Parametric, James Barrett, Managing Director and Head of Client Development, retired from Parametric, effective February 2025. James led the Parametric distribution and marketing teams.

Required California AB 2833 Disclosure – RREEF AMERICA II

Effective January 1, 2017 RREEF America REIT II, Inc. (“alternative investment vehicle”) is required to provide to the East Bay Municipal Utility District (“public investment fund” or “District”) specific information at least annually pursuant to Section 7514.7 of the California Government Code (“Section 7514.7”).

1. The fees and expenses that the public investment fund pays directly to the alternative investment vehicle, the fund manager, or related parties.
 - EBMUD: includes intermediate and partnership fees – January 2024 – December 2024 = \$509,593.04
2. The public investment fund’s pro rata share of fees and expenses not included in paragraph (1) that are paid from the alternative investment vehicle to the fund manager or related parties.

\$0.00
3. The public investment fund’s pro rata share of carried interest distributed to the fund manager or related parties.

N/A
4. The public investment fund’s pro rata share of aggregate fees and expenses paid by all of the portfolio companies held within the alternative investment vehicle to the fund manager or related parties.
 - EBMUD: includes intermediate and partnership fees – January 2024 – December 2024 = \$509,593.04
5. Any additional information described in subdivision (b) of Section 6254.26.

N/A
6. The gross and net rate of return of each alternative investment vehicle since inception.

Gross = 5.7% Net = 4.8% (as of December 31, 2024)¹
7. Any other information required to be collected pursuant to Section 7514.7.

N/A

¹Please note that since inception returns provided represent the client’s time frame in the Fund, and not the returns of the Fund as a whole.

Appendix

Glossary of Terms

Alpha: The premium an investment earns above a set standard. This is usually measured in terms of a common index (i.e., how the stock performs independent of the market). An Alpha is usually generated by regressing a security's excess return on the S&P 500 excess return.

Annualized Performance: The annual rate of return that when compounded t times generates the same t-period holding return as actually occurred from period 1 to period t.

Batting Average: Percentage of periods a portfolio outperforms a given index.

Beta: The measure of an asset's risk in relation to the Market (for example, the S&P 500) or to an alternative benchmark or factors. Roughly speaking, a security with a Beta of 1.5 will have moved, on average, 1.5 times the market return.

Bottom-up: A management style that de-emphasizes the significance of economic and market cycles, focusing instead on the analysis of individual stocks.

Dividend Discount Model: A method to value the common stock of a company that is based on the present value of the expected future dividends.

Growth Stocks: Common stock of a company that has an opportunity to invest money and earn more than the opportunity cost of capital.

Information Ratio: The ratio of annualized expected residual return to residual risk. A central measurement for active management, value added is proportional to the square of the information ratio.

R-Squared: Square of the correlation coefficient. The proportion of the variability in one series that can be explained by the variability of one or more other series a regression model. A measure of the quality of fit. 100% R-square means perfect predictability.

Standard Deviation: The square root of the variance. A measure of dispersion of a set of data from its mean.

Sharpe Ratio: A measure of a portfolio's excess return relative to the total variability of the portfolio.

Style Analysis: A returns-based analysis using a multi-factor attribution model. The model calculates a product's average exposure to particular investment styles over time (i.e., the product's normal style benchmark).

Top-down: Investment style that begins with an assessment of the overall economic environment and makes a general asset allocation decision regarding various sectors of the financial markets and various industries.

Tracking Error: The standard deviation of the difference between the performance of a portfolio and an appropriate benchmark.

Turnover: For mutual funds, a measure of trading activity during the previous year, expressed as a percentage of the average total assets of the fund. A turnover rate of 25% means that the value of trades represented one-fourth of the assets of the fund.

Value Stocks: Stocks with low price/book ratios or price/earnings ratios. Historically, value stocks have enjoyed higher average returns than growth stocks (stocks with high price/book or P/E ratios) in a variety of countries.

Definition of Benchmarks

BC Aggregate: an index comprised of approximately 6,000 publicly traded investment-grade bonds including U.S. Government, mortgage-backed, corporate, and yankee bonds with an approximate average maturity of 10 years.

BC High Yield: covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds (PIKs, as of October 1, 2009) are also included. Must be rated high-yield (Ba1/BB+ or lower) by at least two of the following ratings agencies: Moody's, S&P, Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. All issues must have at least one year to final maturity regardless of call features and have at least \$150 million par amount outstanding.

BC Multiverse Non-US Hedged: provides a broad-based measure of the international fixed-income bond market. The index represents the union of the BC Global Aggregate Index and the BC Global High Yield Index. In this sense, the term "Multiverse" refers to the concept of multiple universes in a single macro index.

BC US Credit: includes publicly issued U.S. corporate and foreign debentures and secured notes that which are rated investment grade or higher by Moody's Investor Services, Standard and Poor's Corporation, or Fitch Investor's Service, with all issues having at least one year to maturity and an outstanding par value of at least \$250 million. Issues must be publicly issued, dollar-denominated and non-convertible.

BC US Government: includes treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year) and agencies (i.e., publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government).

BC Universal: includes market coverage by the Aggregate Bond Index fixed rate debt issues, which are rated investment grade or higher by Moody's Investor Services, Standard and Poor's Corporation, or Fitch Investor's Service, with all issues having at least one year to maturity and an outstanding par value of at least \$100 million) and includes exposures to high yield CMBS securities. All returns are market value weighted inclusive of accrued interest.

Citigroup 3-Month Treasury Bills (T-bills): tracks the performance of U.S. Treasury bills with 3-month maturity.

MSCI ACWI x US ND: comprises both developed and emerging markets less the United States. As of August 2008, the index consisted of 23 countries classified as developed markets and 25 classified as emerging markets. This series approximates the minimum possible dividend reinvestment. The dividend is reinvested after deduction of withholding tax, applying the rate to non-resident individuals who do not benefit from double taxation treaties. MSCI Barra uses withholding tax rates applicable to Luxembourg holding companies, as Luxembourg applies the highest rates.

MSCI EAFE Free (Europe, Australasia, Far East) ND: is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. This series approximates the minimum possible dividend reinvestment. The dividend is reinvested after deduction of withholding tax, applying the rate to non-resident individuals who do not benefit from double taxation treaties. MSCI Barra uses withholding tax rates applicable to Luxembourg holding companies, as Luxembourg applies the highest rates.

MSCI EM (Emerging Markets) GD: is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. This series approximates the maximum possible dividend reinvestment. The amount reinvested is the entire dividend distributed to individuals resident in the country of the company, but does not include tax credits.

MSCI Europe is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. As of June 2007, this index consisted of the following 16 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

MSCI Pacific is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. As of June 2007, this index consisted of the following 5 Developed Market countries: Australia, Hong Kong, Japan, New Zealand, and Singapore.

NAREIT Index: consists of all tax-qualified REITs listed on the New York Stock Exchange, American Stock Exchange, and the NASDAQ National Market System. The data is market weighted.

NCREIF Property Index: the NPI contains investment-grade, non-agricultural, income-producing properties which may be financed in excess of 5% gross market value; were acquired on behalf of tax exempt institutions; and are held in a fiduciary environment. Returns are gross of fees; including income, realized gains/losses, and appreciation/depreciation; and are market value weighted. Index is lagged one quarter.

Russell 1000: measures the performance of the 1,000 largest securities in the Russell 3000 Index. Russell 1000 is highly correlated with the S&P 500 Index and capitalization-weighted.

Russell 1000 Growth: measures the performance of those Russell 1000 securities with a greater-than-average growth orientation. Securities in this index tend to exhibit higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values than the Value universe.

Russell 1000 Value: measures the performance of those Russell 1000 securities with a less-than-average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the Growth universe.

Russell 2000: measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

Russell 2000 Growth: measures the performance of those Russell 2000 securities with a greater-than-average growth orientation. Securities in this index tend to exhibit higher price-to-book and price-to-earnings ratios.

Russell 2000 Value: measures the performance of those Russell 2000 securities with a less-than-average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-to-earnings ratios.

Russell 3000: represents the largest 3,000 US companies based on total market capitalization, representing approximately 98% of the investable US equity market.

Value Relative Ratio (VRR): Performance metric used to evaluate long-term manager performance relative to a benchmark and to highlight compounded over/under performance data over a certain time frame. VRR is calculated by the growth of a dollar invested with the manager divided by the growth of a dollar invested in the benchmark for the same time period.

Risk Metric Description – Rationale for Selection and Calculation Methodology**US Equity Markets**

Metric: P/E ratio = Price / "Normalized" earnings for the S&P 500 Index

To represent the price of US equity markets, we have chosen the S&P 500 index. This index has the longest published history of price, is well known, and also has reliable, long-term, published quarterly earnings. The price= P of the P/E ratio is the current price of the market index (the average daily price of the most recent full month for the S&P 500 index). Equity markets are very volatile. Prices fluctuate significantly during normal times and extremely during periods of market stress or euphoria. Therefore, developing a measure of earnings power (E) which is stable is vitally important, if the measure is to provide insight. While equity prices can and do double, or get cut in half, real earnings power does not change nearly as much. Therefore, we have selected a well known measure of real, stable earnings power developed by Yale Professor Robert Shiller known as the Shiller E-10. The calculation of E-10 is simply the average real annual earnings over the past 10 years. Over 10 years, the earnings shenanigans and boom and bust levels of earnings tend to even out (and often times get restated). Therefore, this earnings statistic gives a reasonably stable, slow-to-change estimate of average real earnings power for the index. Professor Shiller's data and calculation of the E-10 are available on his website at <http://www.econ.yale.edu/~shiller/data.htm>. We have used his data as the base for our calculations. Details of the theoretical justification behind the measure can be found in his book *Irrational Exuberance* [Princeton University Press 2000, Broadway Books 2001, 2nd ed., 2005].

Developed Equity Markets Excluding the US

Metric: P/E ratio = Price / "Normalized" earnings for the MSCI EAFE Index

To represent the price of non-US developed equity markets, we have chosen the MSCI EAFE index. This index has the longest published history of price for non-US developed equities. The price= P of the P/E ratio is the current price of the market index (the average daily price of the most recent full month for the MSCI EAFE index). The price level of this index is available starting in December 1969. Again, for the reasons described above, we elected to use the Shiller E-10 as our measure of earnings (E). Since 12/1972, a monthly price earnings ratio is available from MSCI. Using this quoted ratio, we have backed out the implied trailing-twelve month earnings of the EAFE index for each month from 12/1972 to the present. These annualized earnings are then inflation adjusted using CPI-U to represent real earnings in US dollar terms for each time period. The Shiller E-10 for the EAFE index (10 year average real earnings) is calculated in the same manner as detailed above.

However, we do not believe that the pricing and earnings history of the EAFE markets are long enough to be a reliable representation of pricing history for developed market equities outside of the US. Therefore, in constructing the Long-Term Average Historical P/E for developed ex-US equities for comparison purposes, we have elected to use the US equity market as a developed market proxy, from 1881 to 1982. This lowers the Long-Term Average Historical P/E considerably. We believe this methodology provides a more realistic historical comparison for a market with a relatively short history.

Emerging Market Equity Markets

Metric: Ratio of Emerging Market P/E Ratio to Developed Market P/E Ratio

To represent the Emerging Markets P/E Ratio, we have chosen the MSCI Emerging Market Free Index, which has P/E data back to January 1995 on Bloomberg. To represent the Developed Markets PE Ratio, we have chosen the MSCI World Index, which also has data back to January 1995 on Bloomberg. Although there are issues with published, single time period P/E ratios, in which the denominator effect can cause large movements, we feel that the information contained in such movements will alert investors to market activity that they will want to interpret.

US Private Equity Markets

Metrics: S&P LCD Average EBITDA Multiples Paid in LBOs and US Quarterly Deal Volume

The Average Purchase Price to EBITDA multiples paid in LBOs is published quarterly by S&P in their LCD study. This is the total price paid (both equity and debt) over the trailing-twelve month EBITDA (earnings before interest, taxes, depreciation and amortization) as calculated by S&P LCD. This is the relevant, high-level pricing metric that private equity managers use in assessing deals. Data is published monthly.

US quarterly deal volume for private equity is the total deal volume in \$ billions (both equity and debt) reported in the quarter by Thomson Reuters Buyouts. This metric gives a measure of the level of activity in the market. Data is published quarterly.

US Private Real Estate Markets

Metrics: US Cap Rates, Cap Rate Spreads, and Transactions as a % of Market Value

Real estate cap rates are a measure of the price paid in the market to acquire properties versus their annualized income generation before financing costs (NOI=net operating income). The data, published by NCREIF, describes completed and leased properties (core) on an unleveraged basis. We chose to use current value cap rates. These are capitalization rates from properties that were revalued during the quarter. This data relies on estimates of value and therefore tends to be lagging (estimated prices are slower to rise and slower to fall than transaction prices). The data is published quarterly.

Spreads between the cap rate (described above) and the 10-year nominal Treasury yield, indicate a measure of the cost of properties versus a current measure of the cost of financing.

Transactions as a % of Market Value Trailing-Four Quarters is a measure of property turnover activity in the NCREIF Universe. This quarterly metric is a measure of activity in the market.

Credit Markets Fixed Income

Metric: Spreads

The absolute level of spreads over treasuries and spread trends (widening / narrowing) are good indicators of credit risk in the fixed income markets. Spreads incorporate estimates of future default, but can also be driven by technical dislocations in the fixed income markets. Abnormally narrow spreads (relative to historical levels) indicate higher levels of valuation risk, wide spreads indicate lower levels of valuation risk and / or elevated default fears. Investment grade bond spreads are represented by the Barclays Capital US Corporate Investment Grade Index Intermediate Component. The high yield corporate bond spreads are represented by the Barclays Capital US Corporate High Yield Index.

Measure of Equity Market Fear / Uncertainty

Metric: VIX – Measure of implied option volatility for US equity markets

The VIX is a key measure of near-term volatility conveyed by implied volatility of S&P 500 index option prices. VIX increases with uncertainty and fear. Stocks and the VIX are negatively correlated. Volatility tends to spike when equity markets fall.

Measure of Monetary Policy

Metric: Yield Curve Slope

We calculate the yield curve slope as the 10 year treasury yield minus the 1 year treasury yield. When the yield curve slope is zero or negative, this is a signal to pay attention. A negative yield curve slope signals lower rates in the future, caused by a contraction in economic activity. Recessions are typically preceded by an inverted (negatively sloped) yield curve. A very steep yield curve (2 or greater) indicates a large difference between shorter-term interest rates (the 1 year rate) and longer-term rates (the 10 year rate). This can signal expansion in economic activity in the future, or merely higher future interest rates.

Measures of US Inflation Expectations

Metrics: Breakeven Inflation and Inflation Adjusted Commodity Prices

Inflation is a very important indicator impacting all assets and financial instruments. Breakeven inflation is calculated as the 10 year nominal treasury yield minus the 10 year real yield on US TIPS (treasury inflation protected securities). Abnormally low long-term inflation expectations are indicative of deflationary fears. A rapid rise in breakeven inflation indicates an acceleration in inflationary expectations as market participants sell nominal treasuries and buy TIPS. If breakeven inflation continues to rise quarter over quarter, this is a signal of inflationary worries rising, which may cause Fed action and / or dollar decline.

Commodity price movement (above the rate of inflation) is an indication of anticipated inflation caused by real global economic activity putting pressure on resource prices. We calculate this metric by adjusted in the Dow Jones UBS Commodity Index (formerly Dow Jones AIG Commodity Index) by US CPI-U. While rising commodity prices will not necessarily translate to higher US inflation, higher US inflation will likely show up in higher commodity prices, particularly if world economic activity is robust.

These two measures of anticipated inflation can, and often are, conflicting.

Measures of US Treasury Bond Interest Rate Risk

Metrics: 10-Year Treasury Forward-Looking Real Yield and 10-Year Treasury Duration

The expected annualized real yield of the 10 year US Treasury Bond is a measure of valuation risk for US Treasuries. A low real yield means investors will accept a low rate of expected return for the certainty of receiving their nominal cash flows. Meketa estimates the expected annualized real yield by subtracting an estimate of expected 10 year inflation (produced by the Survey of Professional Forecasters as collected by the Federal Reserve Bank of Philadelphia), from the 10 year Treasury constant maturity interest rate.

Duration for the 10-Year Treasury Bond is calculated based on the current yield and a price of 100. This is a measure of expected percentage movements in the price of the bond based on small movements in percentage yield. We make no attempt to account for convexity.

Definition of “Extreme” Metric Readings

A metric reading is defined as “extreme” if the metric reading is in the top or bottom decile of its historical readings. These “extreme” reading should cause the reader to pay attention. These metrics have reverted toward their mean values in the past.

RISK METRICS DESCRIPTION – Meketa Market Sentiment Indicator

What is the Meketa Market Sentiment Indicator (MMSI)?

The MMSI is a measure meant to gauge the market's sentiment regarding economic growth risk. Growth risk cuts across most financial assets, and is the largest risk exposure that most portfolios bear. The MMSI takes into account the momentum¹ (trend over time, positive or negative) of the economic growth risk exposure of publicly traded stocks and bonds, as a signal of the future direction of growth risk returns; either positive (risk seeking market sentiment), or negative (risk averse market sentiment).

How do I read the Meketa Market Sentiment Indicator (MMSI) graph?

Simply put, the MMSI is a color coded indicator that signals the market's sentiment regarding economic growth risk. It is read left to right chronologically. A green indicator on the MMSI indicates that the market's sentiment towards growth risk is positive. A gray indicator indicates that the market's sentiment towards growth risk is neutral or inconclusive. A red indicator indicates that the market's sentiment towards growth risk is negative. The black line on the graph is the level of the MMSI. The degree of the signal above or below the neutral reading is an indication the signal's current strength.

How is the Meketa Market Sentiment Indicator (MMSI) Constructed?

The MMSI is constructed from two sub-elements representing investor sentiment in stocks and bonds:

1. Stock return momentum: Return momentum for the S&P 500 Equity Index (trailing 12-months)
2. Bond yield spread momentum: Momentum of bond yield spreads (excess of the measured bond yield over the identical duration U.S. Treasury bond yield) for corporate bonds (trailing 12-months) for both investment grade bonds (75% weight) and high yield bonds (25% weight). The scale of this measure is adjusted to match that of the stock return momentum measure.

The black line reading on the graph is calculated as the average of the stock return momentum measure and the bonds spread momentum measure. The color reading on the graph is determined as follows:

1. If both stock return momentum and bond spread momentum are positive = GREEN (positive)
2. If one of the momentum indicators is positive, and the other negative = GRAY (inconclusive)
3. If both stock return momentum and bond spread momentum are negative = RED (negative)

What does the Meketa Market Sentiment Indicator (MMSI) mean? Why might it be useful?

There is strong evidence that time series momentum is significant and persistent.² In particular, across an extensive array of asset classes, the sign of the trailing 12-month return (positive or negative) is indicative of future returns (positive or negative) over the next 12 month period. The MMSI is

¹ Momentum is defined as the persistence of relative performance. There is a significant amount of academic evidence indicating that positive momentum (e.g., strong performing stocks over the recent past continue to post strong performance into the near future) exists over near-to-intermediate holding periods. See, for example, "Understanding Momentum," *Financial Analysts Journal*, Scowcroft, Sefton, March, 2005.

² "Time Series Momentum" Moskowitz, Ooi, Pedersen, August 2010 <http://pages.stern.nyu.edu/~lpederse/papers/TimeSeriesMomentum.pdf>

constructed to measure this momentum in stocks and corporate bond spreads. A reading of green or red is agreement of both the equity and bond measures, indicating that it is likely that this trend (positive or negative) will continue over the next 12 months. When the measures disagree, the indicator turns gray. A gray reading does not necessarily mean a new trend is occurring, as the indicator may move back to green, or into the red from there. The level of the reading (black line) and the number of months at the red or green reading, gives the user additional information on which to form an opinion, and potentially take action.

THIS REPORT (THE "REPORT") HAS BEEN PREPARED FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE "RECIPIENT").

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

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 22, 2025

MEMO TO: Members of the Retirement Board

FROM: Sophia D. Skoda, Director of Finance 

SUBJECT: Portfolio Transition Update

SUMMARY

The Retirement System's investment consultant, Meketa, will provide an update on the progress made on the portfolio transition plan.

DISCUSSION

The attached memo from Meketa provides a detailed update on the transition plan approved by the Retirement Board at the July 19, 2024 meeting following the completion of the Asset Allocation Study in May 2024. This update will cover a quick review of Stages 0 and 1 and an update on the current stage, Stage 2. Stage 0 consisted of the selection of a transition manager and the transition to new indices for the Retirement System's bank loan and high yield strategies. Stage 1 consisted of reducing the Covered Calls allocation and eliminating the System's Real Estate Investment Trust (REIT) allocation, as well as completing the Request for Proposals (RFP) for High Yield and Bank Loans. Stage 1 was completed when the Retirement Board selected one new High Yield manager and two new Bank Loans managers at its March 20, 2025 meeting. This update will cover the progress made in Stage 2 which consists of further reducing the Covered Calls allocation and funding the new High Yield and Bank Loans managers. In addition to the work on the High Yield and Bank Loans allocations, Meketa will begin the groundwork for the Private Debt manager search.

The portfolio transition has been sequenced into five stages. Further details are available in the Appendix to the attached memo.

SDS:SGL

Attachment: Memo – EBMUDERS Evolving Policy Plan – Transition Update as of May 2025

MEMORANDUM

TO: East Bay Municipal Utility District Employees' Retirement System ("EBMUDERS")
FROM: Meketa Investment Group, Inc ("Meketa")
DATE: May 22, 2025
RE: EBMUDERS Evolving Policy Plan – Transition Update as of May 2025

Summary

At the July 18, 2024, Retirement Board Meeting, the Board voted to approve the Evolving Policy Plan as presented by Staff and the Meketa team. The Evolving Policy Plan pertains to the planned transition of the Total Portfolio to the approved long-term strategic allocation policy targets that were an outcome of the 2024 Asset-Liability Study.

The Meketa team is pleased to announce that the transition is moving forward according to the Evolving Policy Plan's timeline. Tasks within Stage 0 and Stage 1 are complete, and the Total Portfolio is on schedule to implement Stage 2 on July 1, 2025.

Brief Details – Stage 0

Stage 0 represented the initial transition phase. During this stage, there were not any allocation (i.e., dollars/assets) changes, however, two important administrative tasks were completed by Staff and Meketa:

1. Contracted with Northern Trust Transition Management in order to transition assets throughout the Evolving Policy Plan.
2. Repositioned the EBMUDERS's non-core fixed income managers' benchmarks to more standardized indices.

Brief Details – Stage 1

Stage 1 was characterized by two activities:

1. **New policy targets in effect as of October 1, 2024.** These new targets decreased the allocations to Covered Calls by (6%) and REITs by (2.5%), with a commensurate 8.5% increase to US Equity.
2. **Manager searches for High Yield and Bank Loans managers.**

Details and Update – Stage 2

Stage 2 is predicated on the actual funding of the newly selected High Yield and Bank Loans managers. Furthermore, these asset classes will see incremental additional funding as the Total Portfolio continues to transition towards the new long-term policy targets. The bullet points below provide a brief review of the manager selection process and the impending transition that will take place at the end of June 2025 in order to implement Stage 2.

1. During the manager search process, the Retirement Board hired three new managers: Brigade (High Yield), Beach Point (Bank Loans), and Aristotle (Bank Loans). As part of this process, the Bank Loans mandate with Federated was eliminated. MacKay Shields was reaffirmed as a High Yield manager.
2. Meketa and Staff have re-engaged with Northern Trust Transition Management to plan and execute the transition of the portfolio to Stage 2 at the end of June 2025.
3. Federated is in the process of repositioning the existing portfolio to prepare for the transition. Northern Trust Transition Management will manage the final sale of the portfolio's assets that will fund part of the new mandates.
4. As part of the transition, an additional 2.5% (~\$65m) will be allocated to both High Yield and Bank Loans, for an additional 5% of the portfolio to these credit mandates.
5. In addition to the termination of Federated (~\$60m), 6.5% of the portfolio (~\$170m) will be reallocated from Covered Calls. This will be implemented by the termination of the Parametric BXM mandate.
6. Approximately 1.5% (~\$40m) will be allocated to US Equity.
7. During Stage 2, Meketa will begin working with the EBMUDERS on the impending Private Debt RFP and corresponding education.

In summary, 6.5% will be taken from Covered Calls with 5.0% allocated to High Yield and Bank Loans (2.5% each) and 1.5% will be allocated to US Equity. Upon completion of the transition, Meketa and Staff will provide a transition review to the Retirement Board at a subsequent meeting.

Conclusion

The Evolving Policy Plan is moving forward as scheduled. Both Stage 0 and Stage 1 have been completed, and Stage 2 is scheduled to be implemented on time. Meketa and Staff are working with Northern Trust Transition Management and the respective managers to transition the portfolio at the end of June 2025, with Stage 2 taking effect on 7/1/25. The Meketa team continues to work with Staff to maintain momentum on the transition and will continue to provide relevant updates to the Board.

APPENDIX

The primary contents of the original Evolving Policy Plan memorandum (as presented in July 2024) are provided below. The following tables has been modified with **red** font to highlight stages that are no longer in effect.

Evolving Policy Plan

Policy Allocations			
	Stage 0	Stage 1	Stage 2
	Starting Policy	Current Policy 10/1/2024	7/1/2025
US Equity	25.0%	33.5%	35.0%
Non-US Equity	25.0%	25.0%	25.0%
Covered Calls	20.0%	14.0%	7.5%
REITS	2.5%	0.0%	0.0%
Core Private Real Estate	2.5%	2.5%	2.5%
Investment Grade Bonds	20.0%	20.0%	20.0%
High Yield Bonds	2.5%	2.5%	5.0%
Bank Loans	2.5%	2.5%	5.0%
Private Debt	0.0%	0.0%	0.0%
TOTAL	100.0%	100.0%	100.0%
Expected Long-term Return	8.0%	8.1%	8.1%
Expected Volatility	13.1%	13.2%	13.2%

Change from Prior Period			
	Stage 0	Stage 1	Stage 2
	Starting Policy	Current Policy 10/1/2024	7/1/2025
US Equity	---	8.5%	1.5%
Non-US Equity	---	---	---
Covered Calls	---	-6.0%	-6.5%
REITS	---	-2.5%	---
Core Private Real Estate	---	---	---
Investment Grade Bonds	---	---	---
High Yield Bonds	---	---	2.5%
Bank Loans	---	---	2.5%
Private Debt	---	---	---

Evolving Policy Plan (continued)

Policy Allocations			
	Stage 3	Stage 4	Stage 5
	<i>Approximately 1/1/2026</i>	<i>Approximately 4/1/2026</i>	<i>Approximately 7/1/2026</i>
US Equity	35.0%	35.0%	35.0%
Non-US Equity	25.0%	25.0%	25.0%
Covered Calls	5.0%	2.5%	0.0%
REITS	0.0%	0.0%	0.0%
Core Private Real Estate	2.5%	2.5%	2.5%
Investment Grade Bonds	20.0%	20.0%	20.0%
High Yield Bonds	7.5%	7.5%	7.5%
Bank Loans	5.0%	5.0%	5.0%
Private Debt	0.0%	2.5%	5.0%
TOTAL	100.0%	100.0%	100.0%
Expected Long-term Return	8.1%	8.1%	8.2%
Expected Volatility	13.2%	13.0%	12.9%

Change from Prior Period			
	Stage 3	Stage 4	Stage 5
	<i>Approximately 1/1/2026</i>	<i>Approximately 4/1/2026</i>	<i>Approximately 7/1/2026</i>
US Equity	---	---	---
Non-US Equity	---	---	---
Covered Calls	-2.5%	-2.5%	-2.5%
REITS	---	---	---
Core Private Real Estate	---	---	---
Investment Grade Bonds	---	---	---
High Yield Bonds	2.5%	---	---
Bank Loans	---	---	---
Private Debt	---	2.5%	2.5%

Description of Remaining Stages

Stage 2 (7/1/2025)

- Stage 2 will see an additional drawdown of the Covered Calls asset class which will fund an additional allocation to US Equity as well as the new High Yield and Bank Loans managers.
- Moreover, Stage 2 will also see the launch of a Private Debt RFP. If desired, additional education on this asset class will be provided.

Stage 3 (approximately 1/1/2026)

- Stage 3 will see an additional allocation to High Yield (funded by an additional redemption from Covered Calls) as well as the selection of Private Debt manager(s).
- It is expected that EBMUDERS will utilize 1-2 evergreen funds for the Private Debt allocation. Evergreen funds are open-ended and similar to those used in Core Private Real Estate.

Stage 4 (approximately 4/1/2026)

- While the Private Debt manager(s) are expected to be selected in Stage 3, it is unlikely that they will be funded during that stage. Stage 4 (and Stage 5) represent reasonable estimates for when capital will actually be called by the Private Debt managers. Given the lack of control that EBMUDERS (and any other private fund investors) have with respect to the timing of contributions to private markets mandates, the timing of this stage may vary. Moreover, if the Private Debt managers are capable of taking the entire allocation by EBMUDERS in one funding, Stage 5 will not be needed.
- Funding will come from an additional redemption from Covered Calls.


Stage 5 (approximately 7/1/2026)

- Stage 5 represents a tentative stage that may not be needed. As indicated in Stage 4, funding will come from Covered Calls and will be transitioned to Private Debt.
- **At the completion of this Stage, EBMUDERS will have reached the new long-term strategic allocation policy targets.**

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 22, 2025

MEMO TO: Members of the Retirement Board

FROM: Sophia D. Skoda, Director of Finance 

SUBJECT: Private Placements Update

SUMMARY

As part of the 2018 Asset Reallocation, the Retirement System moved several actively managed domestic equity accounts to passive management. During that transition, the Northern Trust Transition Management team identified five private placement securities in existing accounts that could not be sold at that time. At its November 15, 2018 meeting, the Retirement Board elected to hold these securities until each had a public liquidity event, such as an Initial Public Offering (IPO). To date, the Retirement System sold its shares in Uber, Airbnb, and WeWork after each had an IPO. The two remaining private shares held by the Retirement System are DiDi and Magic Leap. The shares cannot be sold at this time.

DISCUSSION

DiDi Chuxing Technology Co (DiDi)

DiDi completed an IPO on June 30, 2021. As a foreign company, DiDi listed American Depositary Receipts (ADRs) on the New York Stock Exchange (NYSE). ADRs allow foreign companies to list on US based stock exchanges. Post IPO, staff began to work with Northern Trust to convert the Retirement System's shares to ADRs, though the process has been long and complicated, involving establishing proof of ownership and a reconciliation of the number of shares. Further complicating matters, DiDi de-listed from the NYSE on June 12, 2022. Staff continues to work with Northern Trust to convert the shares to prepare for the possibility of the company re-listing on a public exchange. The Retirement System's investment in DiDi was estimated at \$73,804 at the time of the 2018 reallocation.

Magic Leap

The Retirement System owns shares of Magic Leap that are currently not eligible to be sold. Magic Leap Inc. has not announced any plans for an IPO and has recently received a significant cash infusion from the Saudi Sovereign Wealth Fund, the majority owner. Magic Leap has also announced a strategic partnership with Google to provide the hardware for Google's augmented reality program. It is unclear what this partnership means for Magic Leap as further details are not available. Northern Trust is exploring the possibility of registering the shares with the Depository Trust Company (DTC), which could aid in the eventual sale of the shares once an IPO takes place. Northern Trust is keeping staff apprised of the process and the status of the Magic Leap shares. The

Private Placements Update

May 22, 2025

Page 2

Retirement System's investment in Magic Leap was estimated at \$174,020 at the time of the 2018 reallocation.


Staff will continue to work with Northern Trust to monitor the status of these companies and look for opportunities to sell the shares in a public and transparent market.

SDS:SGL

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 22, 2025

MEMO TO: Members of the Retirement Board

FROM: Sophia D. Skoda, Director of Finance 

SUBJECT: Actuarial Audit Report

SUMMARY

Accept Actuarial Audit Response Letter from Segal Inc.

DISCUSSION

According to Board Rule B-13, the Retirement System will conduct an audit of its consulting actuaries every six years. At the March 20, 2025 meeting, the Retirement Board received and accepted the audit report presented by Cheiron Inc. who was hired as the System's auditing actuary. The audit covered Segal's 2024 Valuation Report for the pension and HIB as well as the experience study presented to and accepted by the Retirement Board at the November 21, 2024 meeting.

The results of the audit showed that Segal continues to provide sound actuarial recommendations using reasonable assumptions and methodologies that are consistent with industry standards. The calculations and methodologies in Cheiron's audit produced results that largely matched those of Segal with only minimal differences between the two companies' approaches. The audit identified some areas where additional disclosure of future risks would better assist in financial planning. Attached is Segal's response to the findings and suggestions delivered by Cheiron.

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Attachments: Letter – Response to Cheiron Audit Findings

Via Email

May 7, 2025

Sophia Skoda
Director of Finance
East Bay Municipal Utility District
375 Eleventh Street
Oakland, CA 94607-4240**Re: East Bay Municipal Utility District Employees' Retirement System (EBMUDERS)
Audit of June 30, 2024 Actuarial Valuations and Quadrennial Experience Study**

Dear Sophia:

Cheiron was contracted by the EBMUDERS Retirement Board to review the liabilities determined in the June 30, 2024 Actuarial Valuations for the Pension and Health Insurance Benefit (HIB) Plans and the associated contribution rates calculated for the 2025–2026 fiscal year. They were also contracted to review the economic and demographic assumptions recommended in our July 1, 2020 through June 30, 2024 Actuarial Experience Study for use in the June 30, 2024 valuations.

Statement of key findings and recommendations

According to Cheiron, “the liabilities and costs computed in the valuations as of June 30, 2024 are materially accurate and were computed in accordance with generally accepted actuarial principles.”

A comparison of the District’s contribution rates, expressed as a percent of payroll, as determined by Segal and Cheiron is provided in the following table. Because Segal and Cheiron use different actuarial software, we concur with them that it is not unusual for there to be some differences in the allocation of cost between past (actuarial accrued liability) and future (normal cost) amounts and the resultant contribution rates.

Employer’s Contribution Rate	Segal’s Valuation Results	Cheiron’s Valuation Results
Pension Plan	40.20%	40.00%
Health Insurance Benefit Plan	4.31%	4.27%
Both Plans Combined	44.51%	44.27%

In addition, Cheiron found the economic and demographic assumptions “to be reasonable and in accordance with generally accepted actuarial principles.” As noted in their report, these are the main findings of the actuarial audit.

Experience study

Cheiron identified the following suggestions for future experience studies:

Cheiron recommends that Segal use more than the most recent four years of data for analyzing the retirement and disability assumptions.

Segal will take this comment into consideration when preparing our reports for future experience studies. While data from prior experience studies may not explicitly be referenced in our reports, Segal reviews prior experience study data when setting assumptions and does utilize them where appropriate.

Cheiron recommends that Segal continue to monitor the female retiree mortality experience to determine if an adjustment to their mortality rates is warranted.

Segal will continue to monitor female retiree mortality experience in future experience studies, however, given the low number of female retiree deaths over the past 16 years, the credibility of that data does not currently warrant an adjustment to the underlying base table.

Cheiron recommends that Segal disclose the number of exposures, actual and expected decrements, and the actual-to-expected ratios for each of the demographic assumptions.

Segal will take this comment into consideration when preparing our reports for future experience studies. In determining the technical content of our reports, we strive to maintain a balance so that the level of detail included would allow most stakeholders to understand the bases we use to formulate our recommended assumptions. Even though the more detailed information suggested by Cheiron is not currently in our reports, that information is routinely disclosed upon request. Nonetheless, this recommendation has been passed on to Segal's report committee for further review and discussion as well.

Valuation report

Cheiron had the following comments related to the contents of the reports:

Cheiron suggests that Segal include projections of the employer contribution rate and funded status in the actuarial valuation report.

Cheiron suggests that Segal provide more information on the impact of the potential additional COLAs if the Plans are 85% funded (on a Projected Benefit Obligation (PBO) and market value basis) and inflation is greater than 3.00%.

Segal has found that a full discussion of the funding valuation based on detailed plan experience, assessment of current assets and liabilities, funding progress, member and employer contribution rates, and other details generally merits its own stand-alone discussion. Therefore, even though we support and value plan projections as both informative and helpful

for plan risk management, we believe it is more effective to provide such projections in a separate work product that can maximize the opportunity for Board education and discussion.

Segal recommends preparing a separate detailed risk report, which would include a projection of employer contribution rates and funded status, as well as a historical review of EBMUDERS experience upon the completion of the June 30, 2025 actuarial valuation. Included in that analysis is the projection of when certain contingent COLA benefits might be paid as EBMUDERS' Pension Obligation Benefit funded ratio reaches 85%. Based on our discussions with your office, Segal would work with Staff on delivering that report to the Board immediately after the completion of the June 30, 2025 valuations.

Cheiron suggests that Segal independently calculate the AVA for each plan (Pension and HIB) separately.

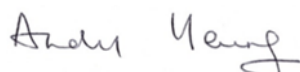
The main reason information for the Pension and HIB Plans is combined in the calculation of the actuarial value of assets (AVA) is that we understand all funds at EBMUDERS are invested together. This can be observed by the relative percentages of the investments for each asset class being quite similar between the two Plans as of June 30, 2024. Furthermore, the difference in the market value rates of return between the two Plans for the last few years has been less than about 0.5%.

We concur that there could be other methods for determining the AVA for the two Plans, but ultimately there is only one employer at EBMUDERS that pays the UAAL rates for both Plans, so if there's a slight adjustment in the AVA between Plans, it should not have a material effect on the employer's contribution for the two Plans in total.

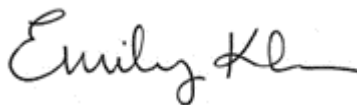
In closing, we would like to thank Cheiron for their work on this audit.

We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Sincerely,



Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary



Emily Klare, ASA, MAAA, EA
Senior Actuary



Mehdi Riazi, FSA, MAAA, FCA, EA
Vice President and Actuary

EK/elf

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 22, 2025

MEMO TO: Members of the Retirement Board

FROM: Lisa Sorani, Manager of Employee Services *Lisa Sorani*

SUBJECT: Update on Transition to Flexible Benefit Administrators (FBA) for HIB Administration

SUMMARY

The first payment to Retirees from Flexible Benefit Administrators (FBA) was processed on May 1, 2025.

DISCUSSION

In November 2023, the Retirement Board authorized staff to sign a contract with Flexible Benefit Administrators for administration of the retiree HIB. A contract was signed, but implementation work was deferred until after the Retirement Board HIB Study and the 2025 Open Enrollment Health Fair.

Across March and April staff sent a letter about meetings and hosted 3 retiree meetings with retirees joining in person, by zoom, and with ability to listen to the call via livestream at www.EBMUD.com. Retirees participated using all three options with most joining via Zoom. FBA joined the meetings and gave a brief presentation on using their online portal and their phone app. There were many questions from the retirees at each meeting and all questions were answered. We planned the meetings for up to 2 full hours, but each meeting ran a little over one hour.

On Wednesday, April 30th, retirement staff began receiving a high volume of calls as retirees noticed their Pension check was lower than usual. Some retirees had forgotten, others didn't read the letter, some said they didn't recall receiving the letter. Staff answered all calls, and many retirees emailed back the next day to let us know the HIB payment had been deposited to their account.

While over 90 percent of the payments processed correctly and within 1-3 business days, there was an error caught with a small group. This error was caught and corrected on Monday, May 5th, and the HIB payments for those retirees were processed on Thursday May 8th.

Our goal has been to get back to all retirees within 24 hours and answer everyone's questions. Most were grateful for the speed at which the deposits arrived from FBA.

The errors caught have all been corrected and files updated. The next payment processing date is June 1, 2025, and staff are confident that the June payments will process without error.

The next steps are to continue to update the processes for setting up and introducing new retirees to FBA and start the 2025 claims audit. An introductory letter to FBA which includes all of their contact information and detailed pictorial instructions for how to set up an account on the FBA web portal was mailed on Wednesday May 7, 2025.

April 28	Slides from the retiree meetings were sent to all retirees with Email
April 28	Retirement checks processed without HIB payment
May 1	FBA processed payments for all May 2025 claims
May 7	Retiree Letter sending that confirms all contact details for FBA and has screen shot instructions for how to log in to the FBA portal
Early June 2025	FBA will kick off the 2025 HIB Audit, requesting that retirees submit all non-District 2025 claims by the end of August 2025.
Ongoing	Update processes, build working relationships with the day-to-day staff at FBA. Continue to support and help retirees through the transition.

NEXT STEPS

Staff will work with FBA to kick off the 2025 HIB audit.

LS:VW:ms

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 22, 2025

MEMO TO: Members of the Retirement Board

THROUGH: Lisa Sorani, Manager of Employee Services *Lisa Sorani*

FROM: Valerie Weekly, HR Administrator, Retirement *Weekly*

SUBJECT: PensionGold (LRS) Implementation Project Update

SUMMARY

This memo provides ongoing status updates for the PensionGold (LRS) implementation project.

DISCUSSION

PROJECT SPONSOR UPDATE

Human Resources is making strides in the following areas to build capacity and ensure that the project has staffing support:

- The HRIS Analyst II position is projected to be filled in May/June 2025. Interviews were held on May 19, 2025.
- Replacement of HRIS Core Project: An RFP for the consultancy services has been conducted and responses rated. Interviews of the successful candidates are taking place this week.
- Payroll Replacement Project: Members of the Pension Project team, Retirement Services and Employee Services staff continue to participate in project meetings.

PRODUCT OWNER UPDATE

The Project Team worked with the pension vendor to finalize system designs for Software Deliverable Four (SWD4) – Pension Benefit Administration. Training and testing for this deliverable began in early May. SWD4 correspondences are already being reviewed.

KEY TASKS

- Project team and Retirement Services Training on SWD4
- Continued work on Workflows and Communications
- Pension project team will continue to advise on the Payroll Replacement Project
- Continued work on conversion of data
- Continued PIR testing with more to be released
- Conduct testing for Change Requests

ACTIVE RISKS AND BUILDING STAFFING CAPACITY

- Interviews for the HRIS Analyst II position were held on Monday May 19, 2025. We hope to have the position filled within the next two months.
- The new payroll system will impact the pension project. The PensionGold vendor will need to do one of the following, and there may be other scenarios as well:
 - Integrate with PeopleSoft and then again with the replacement payroll system once that becomes available, or,
 - Integrate directly with the new payroll system if that is available before PensionGold goes live.

These scenarios can impact the PensionGold go-live timeline and incur further cost due to a vendor change order to accommodate integrating with the additional or changed payroll system.

LS:vw