

IN PERSON & VIRTUAL BOARD MEETING

*The Committee meeting will be held prior to the Board of Investments meeting.



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit the above link and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Committee meeting.

Attention: If you have any questions, you may email PublicComment@lacera.com. If you would like to make a public comment during the committee meeting, review the [Public Comment instructions](#).

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

AGENDA

A REGULAR MEETING OF THE CREDIT AND RISK MITIGATION COMMITTEE AND THE BOARD OF INVESTMENTS*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CALIFORNIA 91101

8:00 A.M., WEDNESDAY, JUNE 11, 2025

This meeting will be conducted by the Corporate Governance Committee and Board of Investments both in person and by teleconference under California Government Code Section 54953(f).

Any person may view the meeting in person at LACERA's offices or online at <https://LACERA.com/leadership/board-meetings>

The Committee may take action on any item on the agenda, and agenda items may be taken out of order.

COMMITTEE TRUSTEES:

Nicole Mi, Chair
David Ryu, Vice Chair
Alma Martinez
Debbie Martin
Patrick Jones, Alternate

- I. CALL TO ORDER
- II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)
 - A. Just Cause
 - B. Action on Emergency Circumstance Requests
 - C. Statement of Persons Present at AB 2449 Teleconference Locations

III. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Credit and Risk Mitigation Committee Meeting of August 14, 2024.

IV. PUBLIC COMMENT

(Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit <https://LACERA.com/leadership/board-meetings> and complete the request [form](#).

If you select oral comment, we will contact you via email with information and instructions as to how to access the meeting as a speaker. You will have up to 3 minutes to address the Committee. Oral comment requests will be accepted up to the close of the Public Comment item on the agenda.

If you select written comment, please input your written public comment within the form as soon as possible and up to the close of the meeting. Written comment will be made part of the official record of the meeting. If you would like to remain anonymous at the meeting without stating your name, please leave the name field blank in the request form. If you have any questions, you may email PublicComment@lacera.com.)

V. REPORT

A. **Hedge Fund Education**

Vache Mahseredjian, Principal Investment Officer

Quoc Nguyen, Investment Officer

Stephen Kennedy, Albourne, Portfolio Senior Analyst, Partner

Travis Williamson, Albourne, Head of Hedge Fund Research, Partner
(Presentation) (Memo dated May 30, 2025)

VI. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agenda item at a future meeting.)

VII. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.)

VIII. GOOD OF THE ORDER

(For information purposes only)

IX. ADJOURNMENT

****The Board of Investments has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Investments (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Investments. Members of the Board of Investments who are not members of the Committee may attend and participate in a meeting of a Committee but may not vote, make a motion, or second on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.***

Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Investments that are distributed to members of the Board of Investments less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Board of Investments Members at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 9:00 a.m. to 5:00 p.m. Monday through Friday.

Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email PublicComment@lacera.com, but no later than 48 hours prior to the time the meeting is to commence.

MINUTES OF THE REGULAR MEETING OF THE CREDIT AND RISK
MITIGATION COMMITTEE AND THE BOARD OF INVESTMENTS
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 810, PASADENA, CALIFORNIA 91101

8:00 A.M., WEDNESDAY, August 14, 2024

This meeting was conducted by the Credit and Risk Mitigation Committee and Board of Investments both in person and by teleconference under California Government Code Section 54953 (f).

COMMITTEE TRUSTEES:

PRESENT: David Ryu, Chair
Mike Gatto, Vice Chair
Trevor G. Fay (joined the meeting at 8:04 a.m.)
Patrick Jones, Alternate

ABSENT: Jason Green

OTHER BOARD OF INVESTMENT TRUSTEES:

Nicole Mi

STAFF, ADVISORS, PARTICIPANTS:

Jonathan Grabel, Chief Investment Officer

Jude Perez, Deputy Chief Investment Officer

Santos Kreimann, Chief Executive Officer

STAFF, ADVISORS, PARTICIPANTS (Continued):

Steven Rice, Chief Legal Counsel

Vache Mahseredjian, Principal Investment Officer

Chad Timko, Senior Investment Officer

Krista Powell, Investment Officer

Quoc Nguyen, Investment Officer

Jason Choi, Senior Investment Analyst

Josiah Bezet, Senior Investment Analyst

Albourne

Stephen Kennedy, Portfolio Senior Analyst, Partner

I. CALL TO ORDER

The meeting was called to order by Board of Investments Chair Gatto at 8:00 a.m. in the Board Room of Gateway Plaza.

II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)

A. Just Cause

B. Action on Emergency Circumstance Requests

C. Statement of Persons Present at AB 2449 Teleconference Locations

There were no requests for Just Cause or Emergency Circumstance.

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Credit and Risk Mitigation Committee Meeting of April 10, 2024.

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. REPORT

A. **Credit Performance Review**

Vache Mahseredjian, Principal Investment Officer

Chad Timko, Senior Investment Officer

Krista Powell, Investment Officer

Quoc Nguyen, Investment Officer

Jason Choi, Senior Investment Analyst

Josiah Bezet, Senior Investment Analyst

(Presentation) (Memo dated July 26, 2024)

Messrs. Mahseredjian and Choi and Ms. Powell provided a presentation and answered questions from the Committee and Board Trustees. This item was received and filed.

VI. ITEMS FOR STAFF REVIEW

There were no items for staff review.

VII. ITEMS FOR FUTURE AGENDAS

There were no items to report.

VIII. GOOD OF THE ORDER

(For information purposes only)



There was nothing to report.



IX. ADJOURNMENT



There being no further business to come before the Committee, the meeting was adjourned at approximately 8:51 a.m.

May 30, 2025

TO: Trustees - Credit and Risk Mitigation Committee

FROM: Vache Mahseredjian, CFA, CAIA, FRM, ASA  Chad Timko, CFA, CAIA 
Principal Investment Officer Senior Investment Officer

Quoc Nguyen, CFA  Krista Powell 
Investment Officer Investment Officer

Cindy Rivera  Jason Choi, CFA 
Investment Officer Senior Investment Analyst

FOR: June 11, 2025 Credit and Risk Mitigation Committee Meeting

SUBJECT: **Hedge Fund Education**

At the June 11, 2025 Board of Investments Credit and Risk Mitigation Committee Meeting, LACERA's hedge fund advisor, Albourne Partners ("Albourne"), will make an educational presentation titled "Hedge Fund Overview" (**Attachment 1**). Albourne will cover several topics, including the hedge funds universe, hedge fund strategies, asset class characteristics and benefits, various types of portfolio implementations, and LACERA's hedge funds portfolio.

Following Albourne's comments, staff will provide an overview of LACERA's hedge funds implementation and portfolio outcomes relative to Board-approved roles and objectives for the program (**Attachment 2**).

Attachments

Noted and Reviewed:



Jonathan Grabel
Chief Investment Officer



Hedge Fund Overview



Analyst Biographies



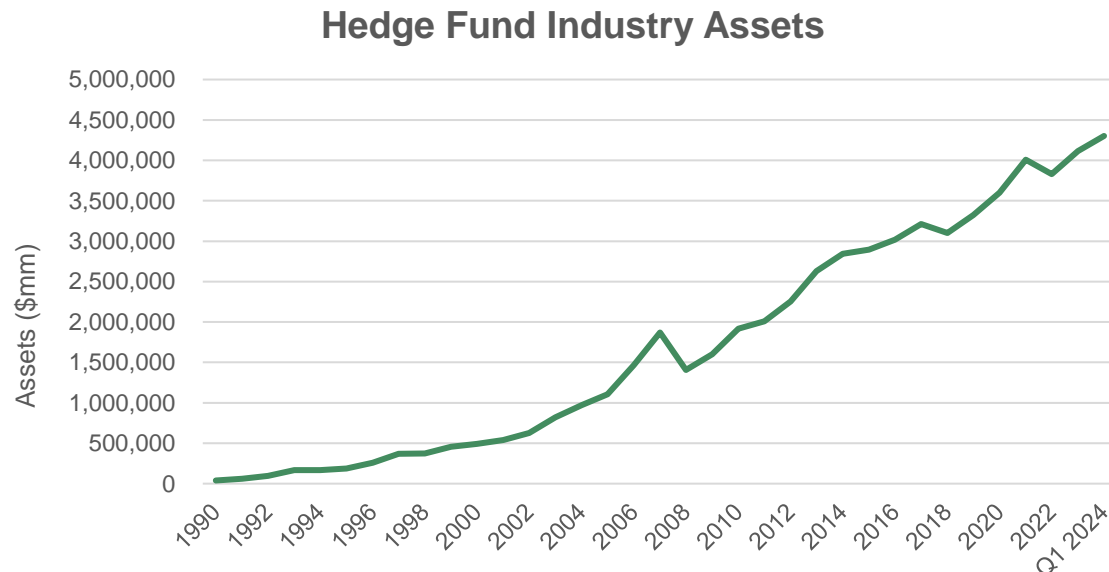
	Albourne Credentials	Experience and Education
 <p>Steve Kennedy</p>	<ul style="list-style-type: none"> • Portfolio – Senior Analyst • Partner • Shareholder • Joined in 2006 • Based in San Francisco 	<ul style="list-style-type: none"> • 2000-2006 MyCFO Inc., CA (USA), Director of Research • 1997-2000 Bank of America Securities (USA), Vice-President of Multi-Manager Investment Management Consulting Program, Senior Manager/Research Analyst, Business Analyst • 2001 MS, Investment Management, Boston University Graduate School of Management, Boston (USA) • 1993 BA, Environmental Policy and Analysis, Boston University, Boston (USA) • CFA
 <p>Travis Williamson</p>	<ul style="list-style-type: none"> • Head of Hedge Fund Research • Partner • Shareholder • Joined in 2013 • Based in Connecticut 	<ul style="list-style-type: none"> • 2011-2013 Federal Reserve Bank of New York, NY (USA), Senior Markets & Policy Associate • 2010-2011 Morgan Stanley Smith Barney, CT (USA), Research and Trading, Middle Markets • 2009-2010 Royal Bank of Canada, NY (USA), Senior Trader, Proprietary Trading Group • 2004-2009 DCF Capital, LLC, CT (USA), Senior Trader, Long/Short Hedge Fund • 2002-2004 Goldenberg Hehmeyer, NY (USA), Trader, Fixed Income Futures and Derivatives • 2001-2002 Heartland Securities Corporation, NY (USA), Trader, Equity and Derivatives Trading • 2008 MBA, University of Connecticut School of Business, Stamford, CT • 2001 BA, Economics, Lafayette College, Easton, PA • CAIA

Introduction



Hedge funds offering unique investment opportunities and challenges. Unlike traditional investments, hedge funds are not an asset class but are vehicles that can be opportunistic and use diverse strategies to maximize returns and manage risk.

The hedge fund industry has grown to ~\$4.5trn over the last 30yrs, bolstered by adoption in institutional portfolios. It is estimated that there are as many as 10,000 hedge funds.



Source: HFR

It is important for investors to understand the benefits and risks associated with hedge funds, and to evaluate their different strategies to ensure they align with their investment goals and risk tolerance.

The Utility of Hedge Funds



- Adding hedge funds to an investment portfolio provides diversification not typically available in traditional investment offerings
- Large variety of hedge fund investment styles – many uncorrelated with each other – provide investors with a wide choice of hedge fund strategies to meet their investment objectives
- Hedge funds can potentially protect investors from common market risks by allowing them to invest in curated risk exposures and risk management skills, not just broad market exposures
- Hedge funds provide a long-term investment solution, eliminating the need to correctly time entry and exit from markets
- Curated capital allocations can provide exposure to attractive niche opportunities

Hedge Fund Strategies



The range of investment strategies that different hedge funds deploy is vast.

Albourne classifies hedge funds into four broad super-strategy buckets. Funds within each bucket tend to exhibit similar risk/return characteristics, and trade similar strategy types and exposures:

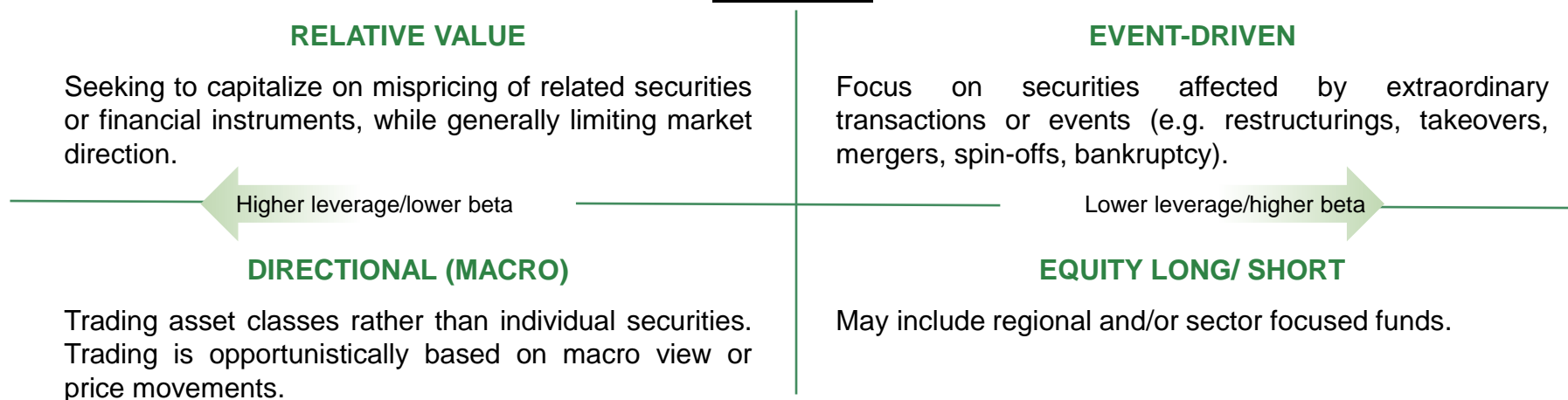


- **Relative Value** strategies tend to have a more market neutral approach, focusing on “alpha”. Examples include Fundamental Equity Market Neutral, and Fixed Income Arbitrage.
- **Directional (Macro)** strategies look to take directional bets at a macro economic level, i.e. sovereign interest rates, currency, and equity markets. Strategy can be divided into discretionary and systematic (e.g. CTA).
- **Event Driven** strategies are those that have a catalyst event associated with them, e.g. M&A, debt restructuring, activism.
- **Equity L/S** strategies focus on fundamental stock selection on both the long and short side. Funds can be regionally and sector focused.

Hedge Funds: Investment Tools, not an Asset Class



Diversified hedge fund portfolios can have exposures to different return streams



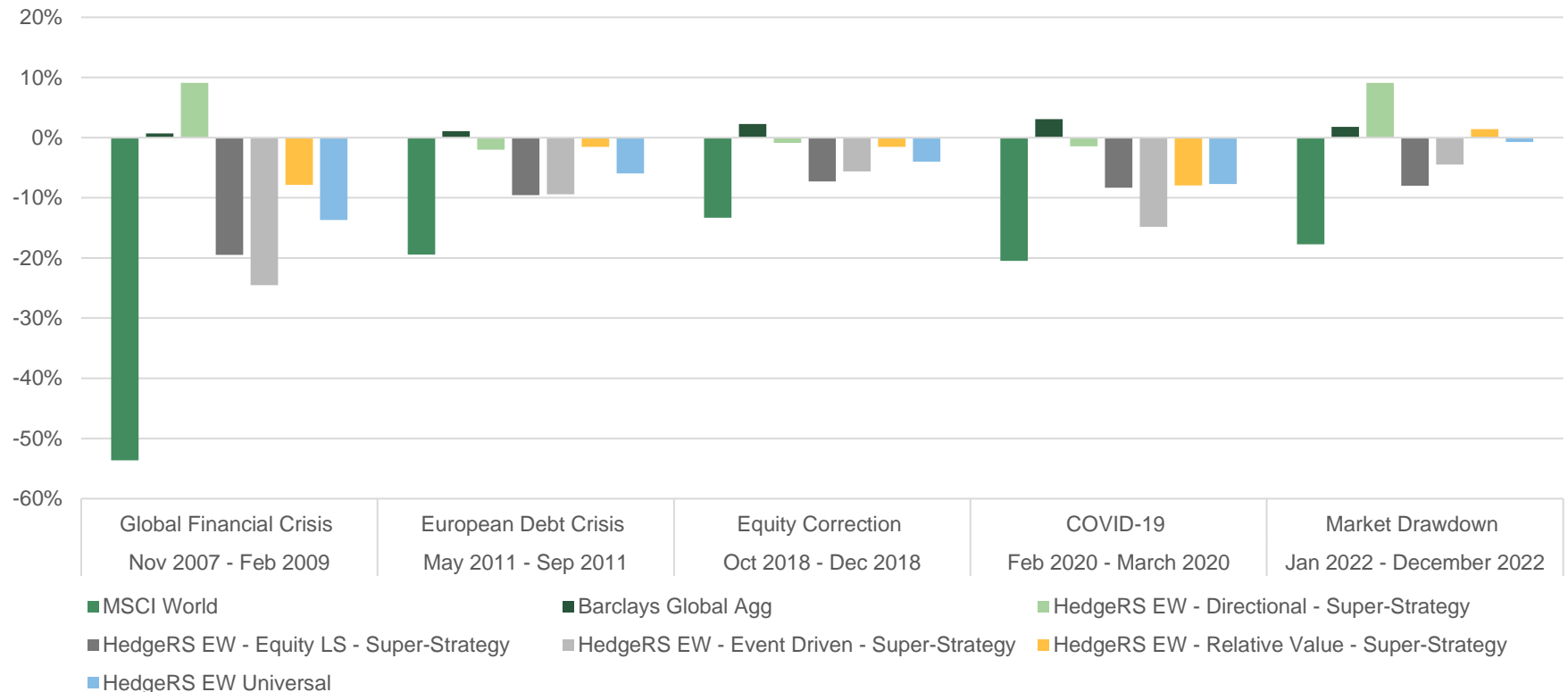
	Relative Value	Macro/Directional	Equity Long Short	Event Driven
Return Expectation	Bond Like	Equity Like	Equity Like	Equity Like
Correlation	Uncorrelated	Uncorrelated	Correlated	Correlated
Variability	Low	High	Moderate	Moderate
Leverage	High to Moderate	High to Moderate	Low to Moderate	Low to Moderate
Tail Risk	Varied	Moderate	Low	Low
Liquidity Risk	Moderate	Low	Low	Moderate

Hedge Fund Universe Returns – Event periods



Hedge funds have demonstrated the ability to provide return diversification. Most importantly they have done this in times when equity markets have struggled.

Returns during Event Periods



Source: Albourne, MSCI

Calculated using monthly returns from January 2002 to December 2024.

Past performance is not indicative of future results. An investor is not guaranteed to make a profit or avoid incurring a loss.

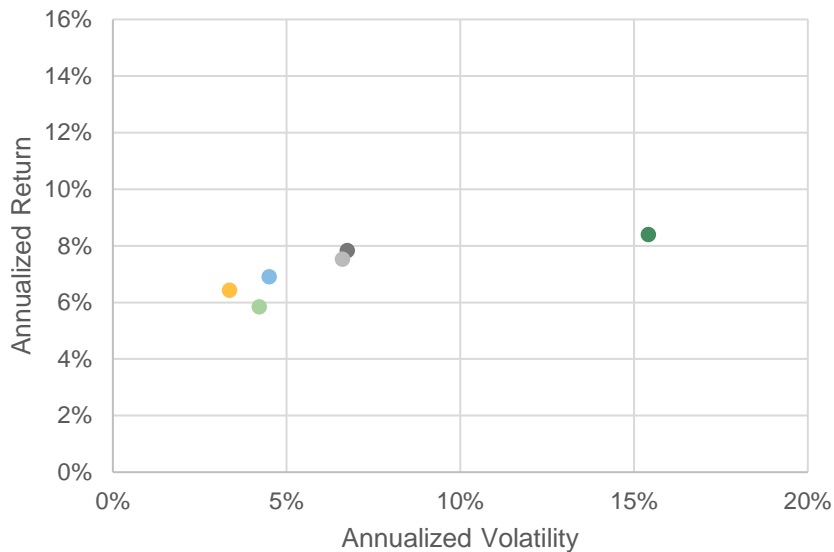
Hedge Fund Universe Performance



Hedge funds have produced an advantageous return profile, with exposures to different asset classes.

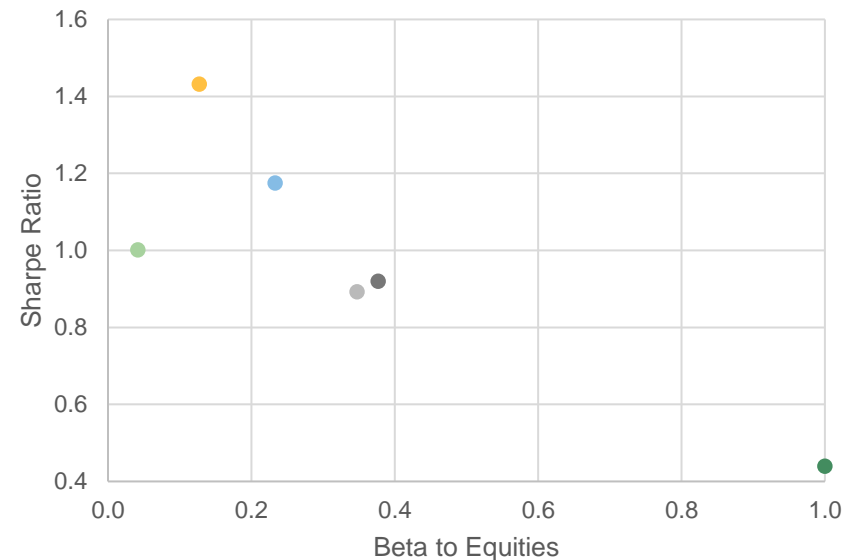
- Hedge funds generate more attractive risk-adjusted returns compared to the equity market.
- Since 2002, hedge funds, as measured by the HedgeRS EW Indices, have returned similar returns with the MSCI World Index with less than one-third of the risk.

Risk vs Return



● MSCI World ● Directional ● Equity L/S
● Event Driven ● Relative Value ● HF Universal

Beta vs Sharpe Ratio



● MSCI World ● Directional ● Equity L/S
● Event Driven ● Relative Value ● HF Universal

Source: Albourne, MSCI

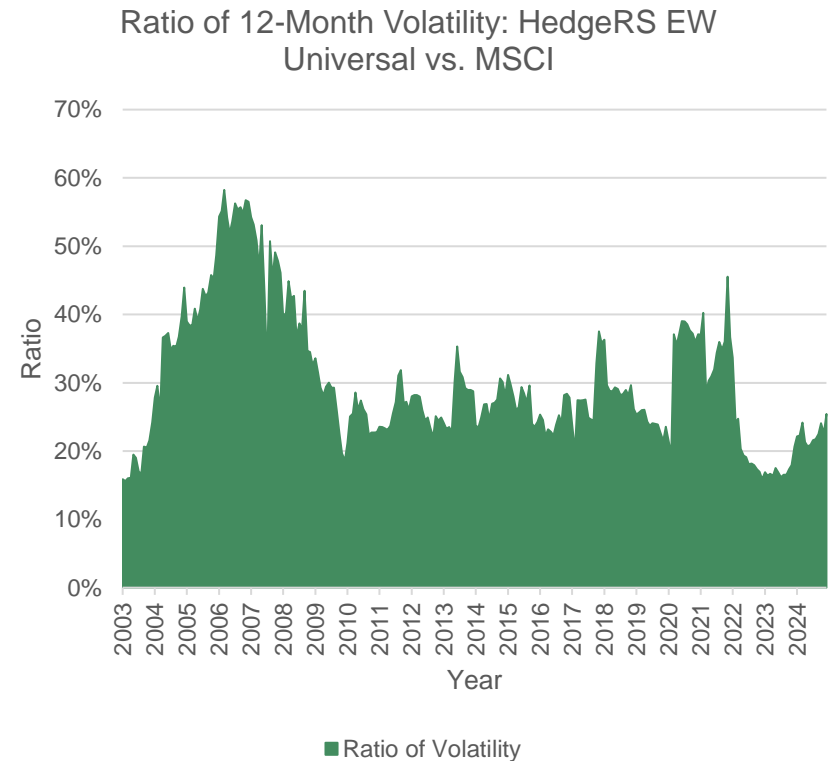
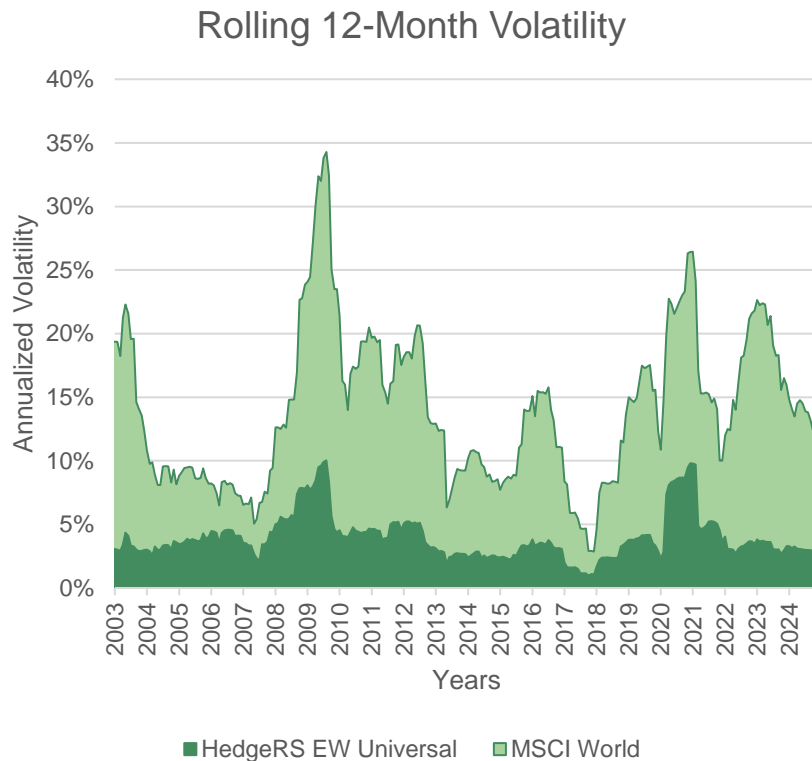
Calculated using monthly returns from January 2002 to December 2024.

Past performance is not indicative of future results. An investor is not guaranteed to make a profit or avoid incurring a loss.

Hedge Fund Universe Volatility



Hedge funds have demonstrated the ability to manage risk to lower levels than equity markets. Since 2002, the HedgeRS EW Universal Index has historically had volatility levels of less than one-third of that of the MSCI World index.



Source: Albourne, MSCI

Calculated using monthly returns from January 2002 to December 2024.

Past performance is not indicative of future results. An investor is not guaranteed to make a profit or avoid incurring a loss.

Evaluating Hedge Funds - Due Diligence



Hedge Funds can employ complex strategies, trade a broad range of instruments and interact with a diverse set of assets and counterparties

- Conducting due diligence on hedge funds requires a thorough evaluation of both **investment and operational considerations**
 - This analysis requires specialist investment experience
 - Investment due diligence requires an in-depth knowledge of the individual trading strategies
 - Operational due diligence requires a background in fund administration, audit or accounting
- **Transparency** is critical to the due diligence process
 - Access to the hedge fund's investment professionals, investment & risk processes, internal controls and portfolio investments & exposures

Risk: Measure, Monitor & Manage

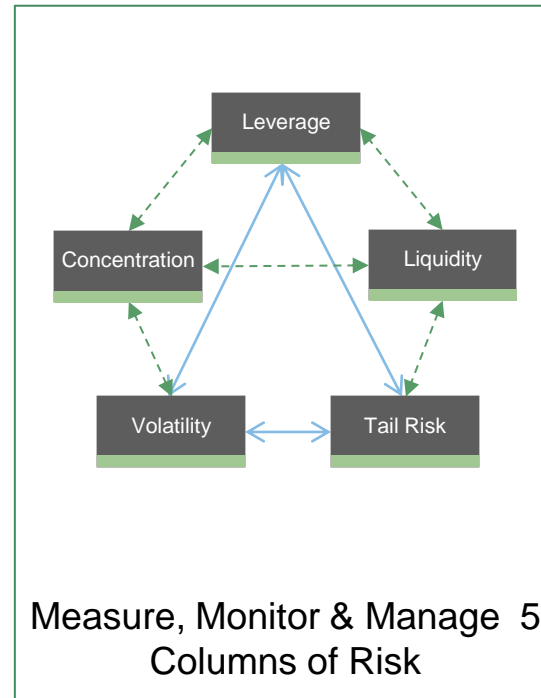
- Risk is **measured** via manager provided data, including Open Protocol data
 - Open Protocol enables standardized risk reporting & monitoring
- Risk **monitored** on an absolute and relative basis to strategy peers
- Risk can be **managed** with portfolio & fund level analytics across all asset classes

Risk Analytics

- Large data sets
- Tools to properly analyse data
- Expertise to contextualize data

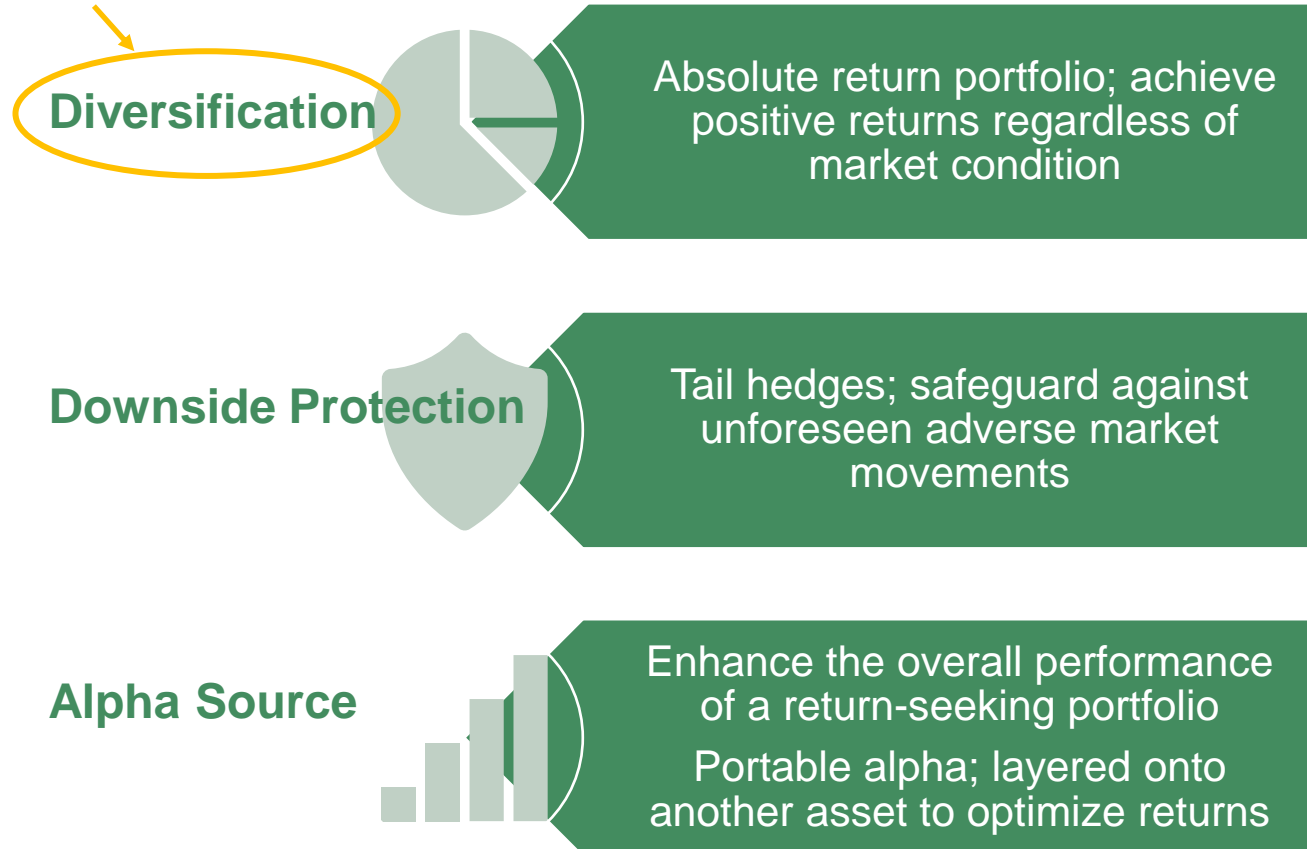
Monitoring

- Hedge fund exposure/risk data is typically delivered monthly, active monitoring is key to understanding a portfolio



Various Roles that Hedge Funds Play

LACERA focus



Example Diversified Hedge Fund Mandates



Mandates	Risk Mitigating	Balanced	Return Seeking
Tactical Benchmark	HFRI FoF: Conservative Index	HFRI FoF: Diversified Index	HFRI FoF: Aggressive Index
Risk	2%-4%	3%-6%	4%-8%
Beta	< 10%	< 20%	< 40%

- Risk Mitigating portfolios have less beta and focus on defensive characteristics
- Return Seeking mandates embrace more beta and net long equity and credit exposures
- Balanced tend to be in between

LACERA Hedge Fund Portfolio



Objectives – Risk Mitigation

- Reduce total fund risk
- Enhance total Fund diversification
- Downside Protection
- Low Sensitivity to major markets

Implementation

- Focus on strategies that are more defensive and have low sensitivity to major market risk factors
- Structure review (2020) led to significant portfolio changes to emphasize above objective
- Performance since mid 2020 has been more consistent and defensive

Spring of 2020 began implementing a portfolio more focused on risk mitigation and diversification versus other assets

2022 had positive performance above +7% against both equities and bonds selling off

Portfolio has been positive each calendar year

LACERA Direct Hedge Fund Portfolio Performance



LACERA's Direct Hedge Fund portfolio has outpaced the custom index and the HFRX Global Hedge Fund index

Asset class exposures have been dynamic but also less directional than prior to structure reviews focus on risk mitigation

Portfolio Performance	March 2025	Year to Date	1 Year	3 Years	5 Years	Since Apr 2019
LACERA Direct Hedge Fund Portfolio	0.10%	1.11%	7.56%	6.54%	8.68%	6.52%
LACERA Custom Benchmark	0.48%	1.60%	7.38%	6.63%	5.06%	5.01%
LACERA Custom Benchmark Outperf.	-0.38%	-0.48%	0.18%	-0.09%	3.61%	1.51%
HFRX Global Hedge Fund	-0.75%	0.53%	3.23%	1.87%	4.39%	3.41%
HFRX Global Hedge Fund Outperf.	0.85%	0.59%	4.33%	4.67%	4.29%	3.12%

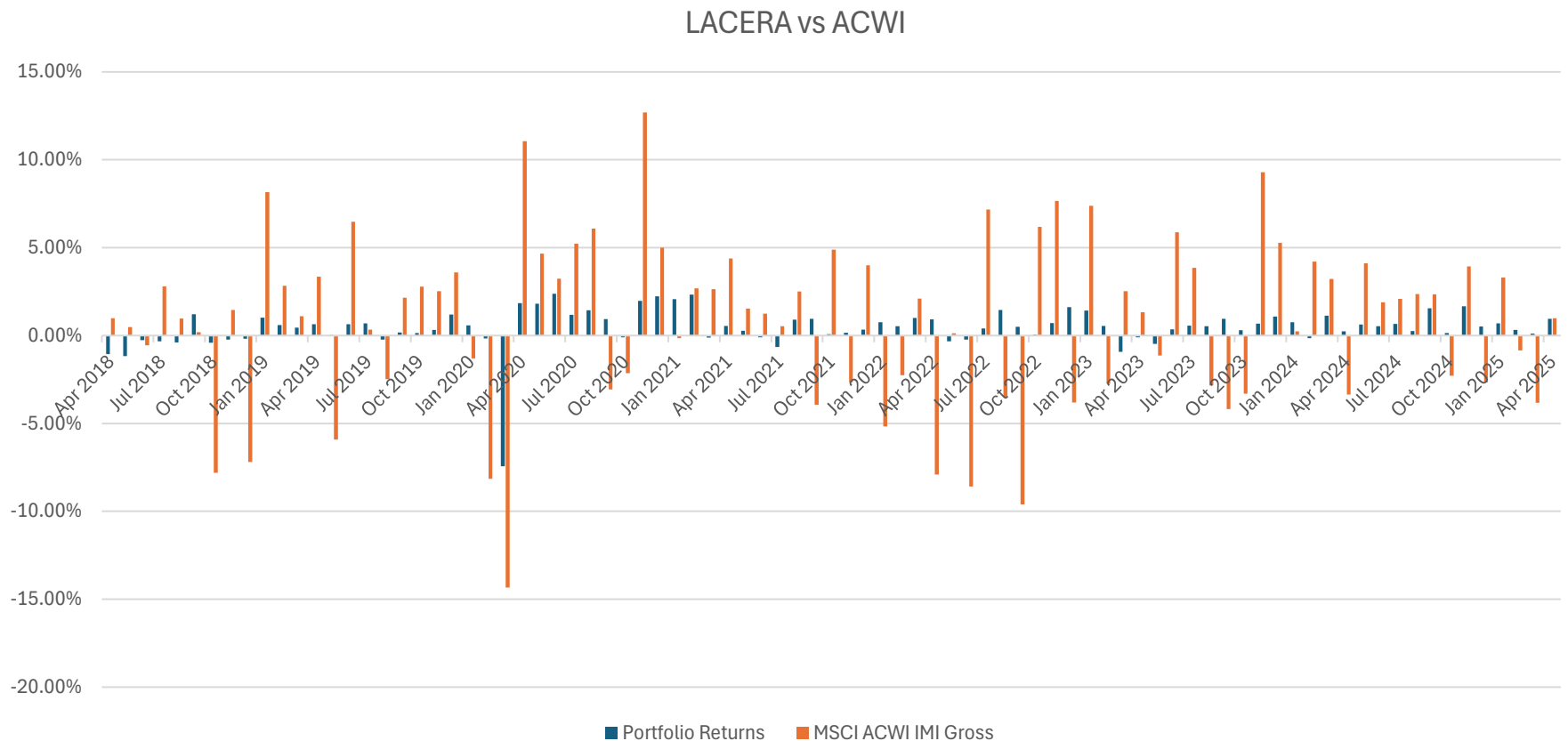
The Diversified Hedge Funds Benchmark is equal to 90-Day U.S. T-Bills plus 500 basis points (1-month lag) annually for periods prior to 4/1/2019 and 90-Day U.S. TBills plus 250 basis points (1-month lag) annually beginning 4/1/2019 and for periods prior to 6/30/2024. Beginning 7/1/2024 the Diversified Hedge Funds Benchmark is 90-Day U.S. T-Bills plus 200 basis points (1-month lag) annually.

LACERA Direct Hedge Fund Portfolio returns do not include the returns of LACERA's hedge fund emerging manager program or legacy hedge fund of funds program.

LACERA Direct Hedge Fund Portfolio Performance



LACERA's purposeful implementation has produced steady returns, even during equity market sell offs



Portfolio returns do not include emerging manager program.

Appendix



Relative Value Strategies

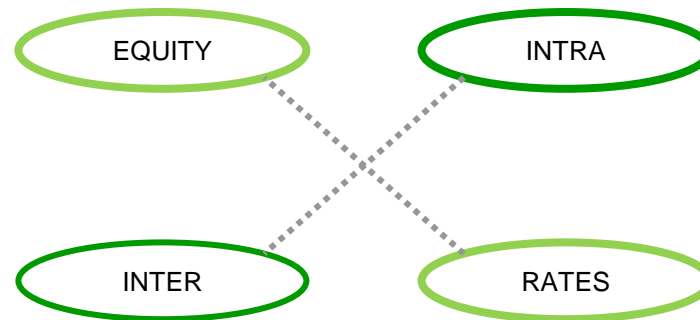


- Seek returns by capitalizing on the mispricing of related securities or financial instruments, while minimizing market exposures.
- Representative strategies include convertible bond arbitrage, fixed income arbitrage, and equity market neutral strategies.

Characteristics

Fundamental Equity MN

- Identify relative mispricing
- E.g. Buy Exxon & Sell BP
- Sector exposure hedged to isolate spread (dollar and sector neutral pair)



Convertible Bond Arbitrage

- Buy “cheap” convertible (valuing the option)
- Sell equity & buy CDS to hedge unwanted risks
- Rebalance hedge to capture trading profits

Event Driven Strategies

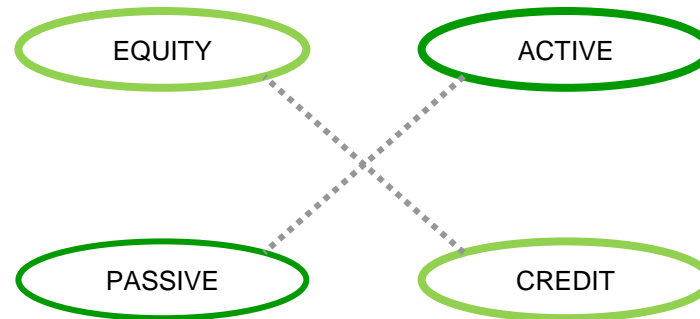


- Focus on identifying and analyzing securities that can benefit from the occurrence of an extraordinary transaction or event (e.g. restructurings, takeovers, mergers, spin-offs, bankruptcy, etc.).
- Representative strategies include merger arbitrage and distressed investing.

Characteristics

Risk Arbitrage

- Buy target company
- Sell acquiring company (in stock-for-stock deal)
- Spread collapses when deal closes
- Typically very uncorrelated to market direction



Distressed / Restructuring

- Buy discounted debt (when company files Chapter 11)
- Creditor Committee participation
- Receive equity through restructuring
- Typically a longer-term and less liquid strategy

Equity Long / Short Strategies

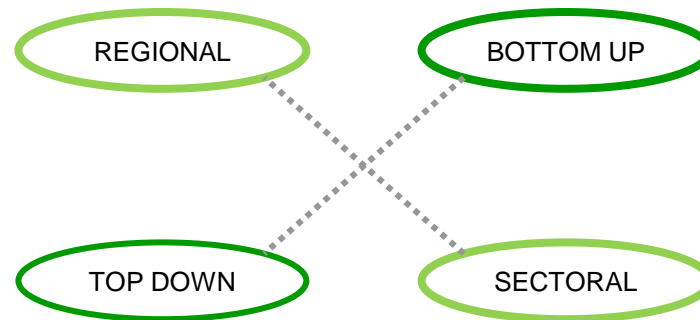


- Maintain some level of market exposure (either net long or net short); however, the level of market exposure may vary over time.
- Representative strategies include regional- and sector-focused funds.

Characteristics

Global Long / Short

- Substantial exposure across regions on a consistent basis
- Ideas actively sourced outside the home region, with fundamental networks established
- May have a macro overlay to guide regional allocation



US Long / Short

- Buy undervalued & sell overvalued / broken Co.'s
- Security selection based on Co. fundamentals, not relative value or events
- Portfolio concentration and holding periods can vary substantially
- Research may involve direct meetings with company management

Directional (Macro) Strategies

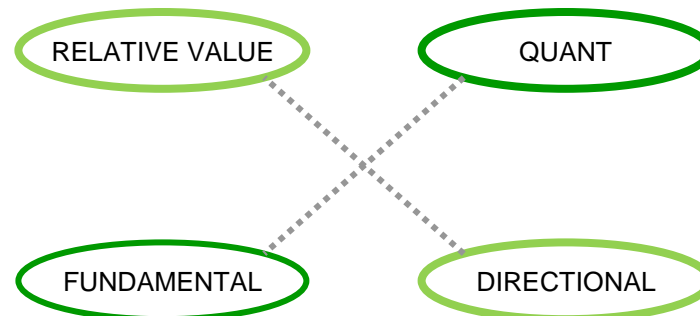


- Directional (Macro, Opportunistic, and/or Tactical) classification is a catch-all, but generally refers to strategies that are more directional in nature; although, they can shift opportunistically between having a directional bias and a non-directional bias.
- Typically investing at the asset class level (e.g. fixed income, currencies, equities, and commodities) rather than individual company securities.
- This strategy of investing typically shows little to no correlation to traditional asset classes.
- Representative strategies include discretionary global macro, global asset allocation (“GAA”), and CTA.

Characteristics

Global Macro

- Fundamental analysis of major asset classes, taking a directional position based on top-down view of economics, rates, inflation, and government policy
- Establish positions with asymmetric payoff, often using derivatives



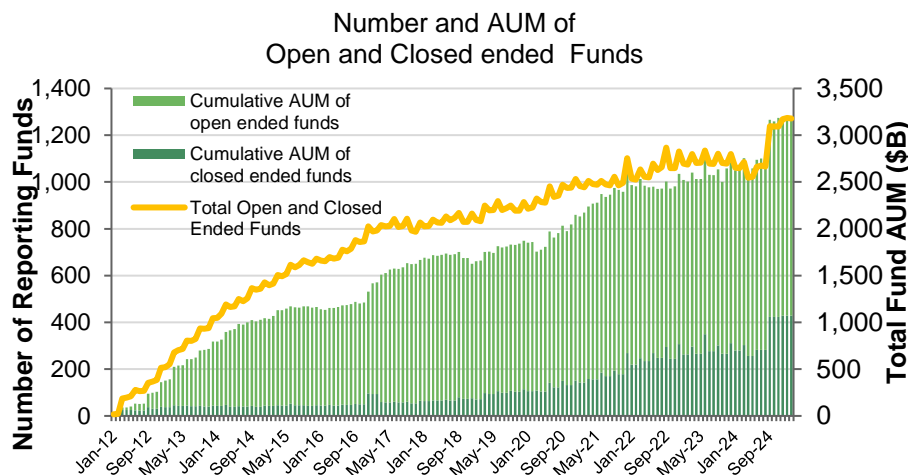
CTA

- Identify market trends using price data
- Models determine entry and exit points
- Human involvement in creating models only; trading is automated

Open Protocol: Open and Closed ended funds



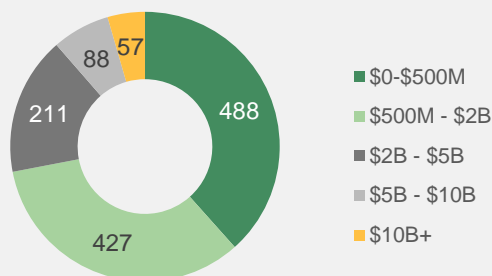
Launched in August 2011, the total number of Open Protocol funds reporting to Albourne continues to grow:



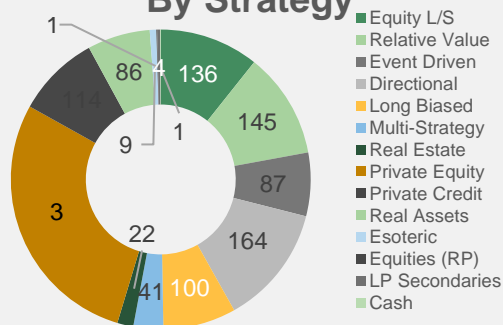
- Aggregated number of Open Protocol reporting funds across the whole liquidity spectrum, including open ended and closed ended funds: 1271
- Total AUM of all OP reporting funds: **\$3.18trn**

Diversity of Funds Producing Open Protocol Reports:

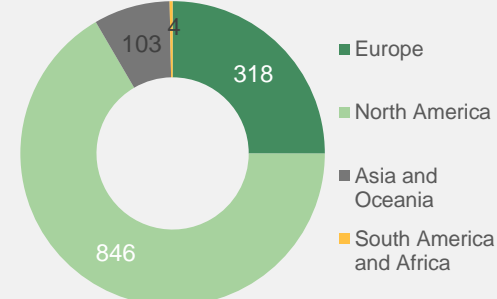
By Size



By Strategy



By Location



Source: Albourne. Data as of 1 April 2025
*Reporting to Albourne

Disclaimer



The information in this report ("Information") does not contain all material information about the Fund that is the subject of this report, its investment manager, any of their affiliates or any other related entity to which this report relates, including important disclosures and risk factors associated with an investment in the Fund. As used herein, the term "Fund" refers to (i) the specific fund or funds, as applicable, that is/are the subject of this report, (ii) the specific investment manager or managers, that is/are the subject of this report, or (iii) collectively, the specific fund or funds, as applicable, that is/are the subject of this report, its/their investment manager, any of its or their affiliates or any other related entity to which this report relates, as the context requires. Please also note that the Information has not been reviewed, approved, or prepared by the Fund and the Fund makes no representation or warranty with regards to the Information presented herein.

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In the United States, interests with respect to the Fund and/or the securities mentioned herein are made through private offerings pursuant to one or more exemptions provided under Section 4(a)(2) of the United States Securities Act of 1933, as amended. Neither such interests nor such Fund mentioned herein has been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, none of the foregoing authorities has confirmed the accuracy or determined the adequacy of the information in this report. Additionally, you should be aware that any offer to sell, or solicitation to buy, interests in the Fund may be unlawful in certain states or jurisdictions. Offers to sell or solicitations to invest in the Fund are made only by means of a confidential offering memorandum and in accordance with applicable securities laws.

Before making an investment, you should obtain and carefully review the relevant offering documents before investing in the Fund mentioned herein, as such documents may contain important information needed to evaluate the investment and may provide important disclosures regarding risks, fees and expenses.

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*Footnote and/or Source

Hedge Fund Education

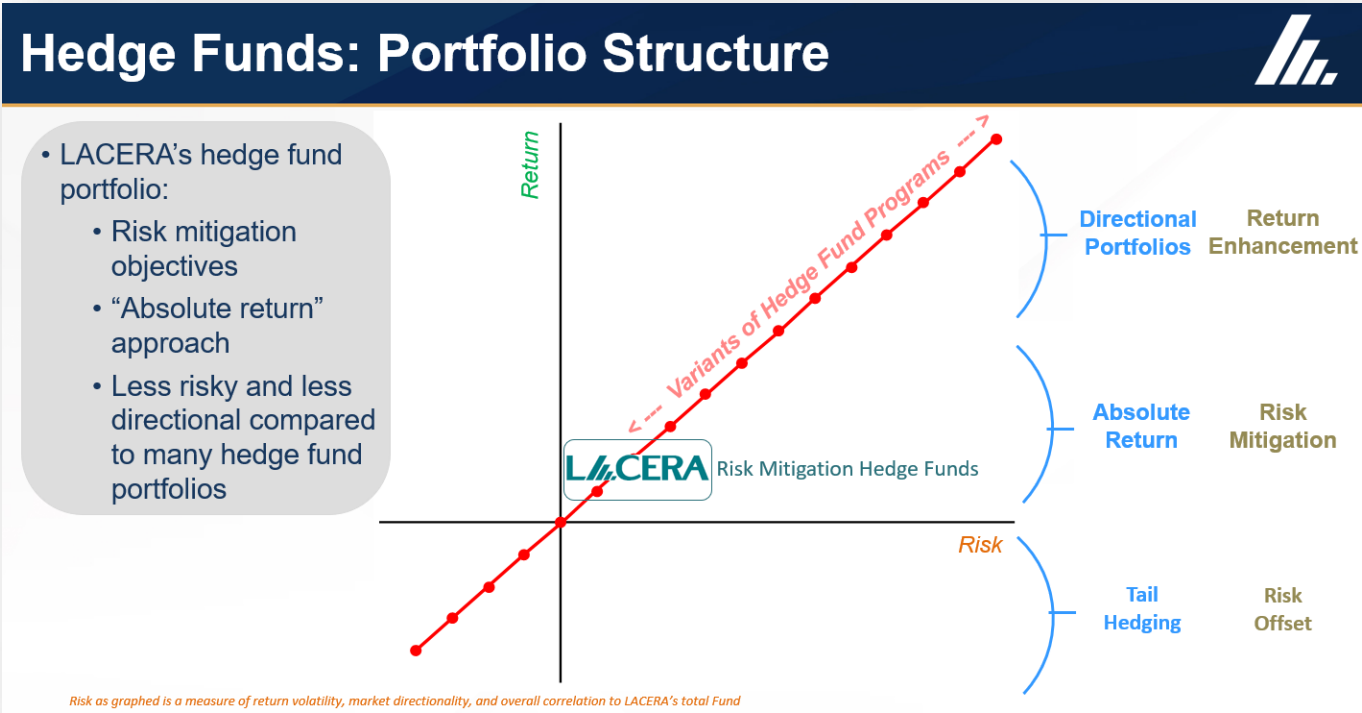
Credit and Risk Reduction and Mitigation Committee

June 11, 2025

Hedge Funds: Portfolio Implementation and Expectations



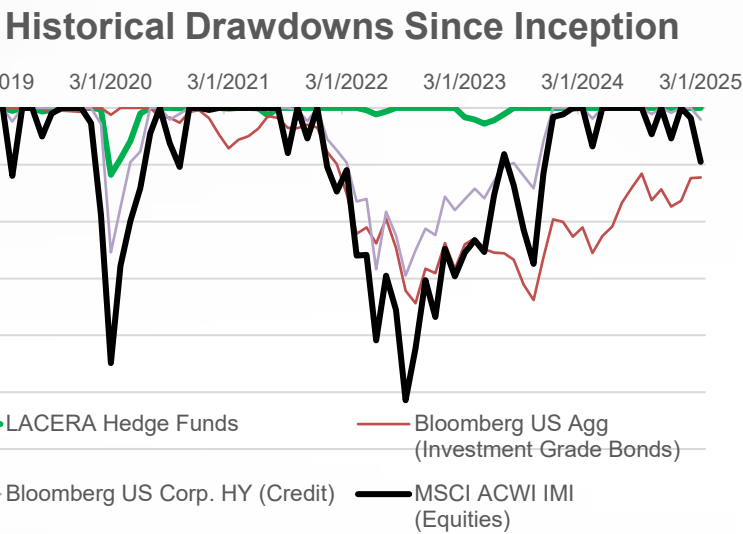
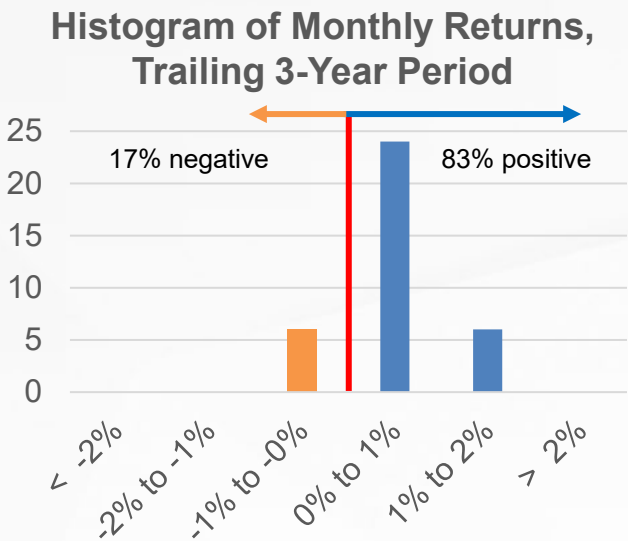
Diversified hedge funds comprise a variety of hedged investments, such as relative value, arbitrage, and long/short strategies within a diversified portfolio. **They would be expected to produce returns at or above high-grade bond portfolios, with equal or lower volatility, and be largely uncorrelated with other portfolio assets.**



Hedge Funds Portfolio Objectives* and Outcomes



(*from Board-approved Risk Reduction & Mitigation Structure Review)



Market Index	3 Year Beta ¹	3 Year Correlation ¹
MSCI ACWI IMI (Equities)	0.01	0.10
Bloomberg US Agg (Investment Grade Bonds)	0.02	0.07
Bloomberg US Corp. HY (Credit)	0.03	0.14

Annualized Returns (%)	1 Year	3 Year	5 Year	Since April 2019
Hedge Funds ¹	7.8	6.4	6.9	6.7
Hedge Funds Policy Benchmark ¹	7.5	6.8	5.1	5.0
Bloomberg US Agg (Investment Grade Bonds)	4.9	0.5	-0.4	1.4

Annualized Volatility (%)	1 Year	3 Year	5 Year	Since April 2019
Hedge Funds ¹	1.7	1.9	3.8	3.6
Bloomberg US Agg (Investment Grade Bonds)	6.0	7.8	6.4	6.1

¹Returns and return metrics use Diversified Hedge Fund composite returns data from State Street as of 3/31/25 which incorporates a 1-month lag

All risk and return metrics on this page are as of 3/31/25